

# STEAMBOAT SPRINGS

## LOCAL MARKETING DISTRICT

Friday, February 25, 2022

10:00a.m.

Centennial Hall – Carver Conference Room and Zoom

1. **Call to Order** – Bob Milne  
Milne called the meeting to order at 10:05AM.
2. **Roll Call** – Alexis Herman  
Bob Milne, Rod Hanna, Steve Muntean, and Jane Blackstone were present. Ryan Van Ness was absent.
3. **Approval of Agenda** – Milne  
Milne approved the agenda as presented.
4. **Approval of Meeting Minutes** – Milne
  - a. January 28, 2022  
**MOTION:** Muntean moved to approve the January 28, 2022, meeting minutes. Blackstone seconded. All in favor. Motion passed.
5. **Public Comment** – Limit to three minutes on any item not on the agenda  
No public comment.
6. **Treasurer's Report** – Jane Blackstone and Kim Weber  
Blackstone shared that the meeting packet contains updated financials for year end. Blackstone signed off on an invoice for legal services, which was within budget. Weber shared that the Accommodations Tax for LMD for 2021 came in at ~\$2.5M, ~36% above where it was YoY. In comparison overall, Accommodations Tax city-wide came in ~42% above where it was YoY. Anticipating 2021 ending reserves for LMD being ~\$2.7M and projecting revenue for 2022 ending reserves being ~\$2.3M if we pay out full CAP for the Air Service Program for the 2021/22 year.
7. **Director's Update/Reports** – Milne, Rod Hanna, Steve Muntean, Ryan Van Ness, Blackstone  
Blackstone stated that the committee working on the 2021 LMD Annual Report is meeting to work on the draft. Will share with the Board ahead of the March LMD meeting. Blackstone informed the Board she will be leaving Steamboat and her seat on the LMD Board will be vacant. Will need to notify the City of the vacancy. Tom Sharp will check the statute provisions to determine what the proper notification and replacement time frame will need to be.
8. **General Counsel Report** – Tom Sharp  
Sharp has been monitoring what is happening with the state legislature on authorizing marketing districts to engage in activities related to housing. The latest iteration of the bill was voted out of the House and should now be with the State Senate. The ability to have the LMD start using funds for housing requires the same level of approval that occurred for an existing district when it was created. Therefore, the process may require City Council to a) want to do that and b) submit it to the voters within the LMD district to vote to expand the powers. If it were to go to a vote and pass, then the LMD Board would send in an operating plan to City Council including an allocation of funds for housing. Sharp will provide an update at the March LMD meeting.
9. **Administrative Report** – Herman  
The LMD Annual Report is underway. The committee plans to share the Report ahead of the March LMD meeting. The proposed distribution options for the Annual Report include:
  - Post on the City of Steamboat Springs webpage (Julie Franklin)
  - City of Steamboat Springs to circulate the Report to its email distribution list (Mike Lane)
  - Routt County to circulate the Report to its email distribution list (Amanda Shepherd)

- The Steamboat Pilot: (Jenni DeFouw)
  - o Circulate to email distribution list – ~9,800 recipients for \$500 or send to 7,000 locals for \$349
  - o Take out an Ad in the Pilot with QR code – circulation is ~6,000 – 6,500 hard copies/day with an additional 2,500 readers of the e-edition
    - 1/16<sup>th</sup> page print ad for 10 consecutive days \$199
    - 1/12<sup>th</sup> page print ad for 10 consecutive days \$299
    - 1/8<sup>th</sup> page print ad for 10 consecutive days \$499
  - o 2021 distribution costs: Printing of Reports and mail distribution totaled \$6,764
- Distributing digitally may allow us more ability to track the number of people opening the Report, such as click throughs and email open rates
- Muntean moved to approve up to \$2,000 for the digital distribution of the 2021 LMD Annual Report. Blackstone seconded. All in favor. Motion passed.

## 10. General Business

### a. Air Service Updates – Janet Fischer

#### Winter 2021/22:

- 201,000 arriving seats, 24% increase YoY, 86% increase over two years
  - o Passengers estimated for just winter 138,000, ~58% increase YoY, 72% increase over two years (prior highest was 111,000 in 2007/08)
- New bookings arriving Monday-Sunday continues to be stronger than the past five years
  - CAP is \$3.6M and it has been 10 years since the CAP was below \$4M
- Reserves: In a pattern of diminishing reserves
  - 2016 Reserves: \$7,391,260
  - 2021 Reserves: \$2,743,450
  - 2022 Reserves: \$2,333,730

#### Spring/Summer/Fall 2022

- United expanded to three flights per day for entirety of the year
- Southwest has Denver to Hayden loaded:
  - o Daily flights through April 24
  - o Five flights per week April 25 – June 4
  - o Two flights per day June 5 – Sept. 5; improving connectivity to certain markets in both directions
  - o Fall is not yet loaded into the system

#### Winter 2022/23

- Alaska Airlines – Seattle and San Diego pre-loaded for December
- American Airlines – Dallas and Chicago pre-loaded for December
- United Airlines – three flights/day from Denver pre-loaded for December
- Delta, JetBlue, Southwest, and six other United hubs do not have any flights pre-loaded

### i. Airport Research

- Survey at the airport has generated ~5,000 responses, hoping for 10,000 by end of the season
- Breakdown of those taking the survey:
  - o 2021/22: 90% - visitors, 6% - full-time residents, and 4% - part-time residents or second homeowners
- Takeaways: more locals are using Hayden, difference in capacity levels has doubled, higher household incomes, spend is significantly up, the importance of Hayden is up
- Data will help in air program decisions for the 2022/23 winter and will help with the Annual Report and the Operations Plan

- Data will enable cross reference of flights, airlines, demographics and spend levels
- Challenges: Fuel costs

**b. Air Marketing Results – Morgan Bast**

- LMD FY22 Campaign overview slides (PPT slides attached to March packet)
- Plan shifted from awareness via video mediums and is focused on specific buys supporting key airlines to drive awareness of flights and fill airline seats. Creative will drive to the Steamboat site.
- 75% allocated to prospecting and 25% allocated to retargeting and CRM targeting
- Summary: Support flights for various airlines through Paid Social, Programmatic Display, and Programmatic Video
- All marketing included retargeting, psychographic and lookalike audiences
- JetBlue was a direct buy targeting Boston through paid search and paid social channels
- Paid channels ran in three different flights, November (18-30), December (1-13), and January (3-20)
- LMD campaigns served over 32M impressions, driving 268k clicks at an efficient CPC of \$1.29 and a 0.84% CTR
- Campaigns were focused on awareness rather than conversions, all conversions generated were from view-through platform metrics
  - o All markets saw an increase YoY in click through visits, a 129% increase collectively
- All but one market saw an increase in last click revenue – up 66% YoY collectively
  - o Austin held flat, due to a 25% decrease in orders, average order value was up 33% YoY
- CRM Winter Air Sale emails sent in November and again in January – 16 versions sent for every market
- JetBlue conducted their own media management with disappointing results
  - o Primary and Secondary KPIs \$8.30 CPM, 8.6M impressions, click through rate of 0.18%
  - o Tertiary KPIs of 8 bookings with a \$8,973 revenue mark
    - -93% and -139% under benchmark respectively
- Airfare revenue through Steamboat.com and Steamboat Central Reservations:
  - o \*FY21 (Aug 2020 - Feb 2021): \$145k
  - o \*FY22 (Aug 2021 - Feb 2022): \$340k
  - o 134% increase in gross sales and a 97% increase in guests for air

**c. YVRA Update – Kevin Booth**

- Enplanement numbers:
  - o 2021 – closed out at 153,440 (broke record), up 42% YoY
  - o 2022 – projected at 180,000
- Total operations up 25%, airside revenue up 53% over 2019
- Paid parking revenue was up 81% over 2019
- Food service – broke for first time ever \$1M in gross sales, up 135% YoY
- 2022 Projects:
  - o Expand de-icing pad by almost 100%
  - o TSA is bringing in new carry-on luggage scanners
  - o Adding automation to oversized baggage scanners
  - o Building a car wash for rental car companies
  - o Building a new employee lot which will free up 200 paid parking spots
  - o Beginning a year-long terminal area plan, setting the stage for the next expansion

- Working on a general aviation development plan and the infrastructure to support ~35 acres on the east end of the runway
- Replacing Highway 40 sign
- Bipartisan Infrastructure Law (BIL), providing an additional \$1.4M in grant money every year over the next five years
- BIL also allocated \$5B in grants to airport terminals across the nation
  - Need to be competitive to get the grant, must complete current projects to maintain competitive standing

#### **11. Executive Session**

**MOTION:** Blackstone moved for the LMD Board of Directors to go into Executive Session at 11:29AM pursuant to CRS Sections 24-6-402(e) and (g) for the purpose of NEGOTIATIONS AND DEVELOPING STRATEGY FOR NEGOTIATIONS regarding existing and future contracts with Air Carriers, AND for the purpose of CONSIDERING DOCUMENTS TO BE SUPPLIED BY STEAMBOAT SKI AND RESORT CORPORATION TO THE BOARD WHICH ARE PROTECTED BY THE MANDATORY NONDISCLOSURE PROVISIONS OF THE COLORADO OPEN RECORDS ACT, being documents related to existing and future contracts with Air Carriers. Muntean seconded. All in favor. Motion passed.

**MOTION:** Muntean moved to exit Executive Session at 11:52AM. Blackstone seconded. All in favor. Motion passed.

#### **12. Adjournment – Milne**

Milne adjourned the meeting at 11:52AM.