

Board of Directors Meeting

Date: June 25, 2024

MOLLIE Aspen

Present: Cristal Logan, Jeff Bay, Cari Kuhlman, John Rigney, Donnie Lee, Dan Bartholomew, Debbie Braun, Patti Clapper, Nina Eisenstat, Alan Fletcher, Michael Goldberg, Heather Kemp, Lisa LeMay, Henning Rahm, Dwayne Romero, Heather Steenge-Hart, Julia Theisen, Maria Ticsay, Bill Tomcich, Torre, and Brenda Wild.

Absent: David Baugh, Matt Cook, Justin Nyberg, Dave Ressler, Steve Skadron, Justin Todd, and Pete Yang.

Staff: Alycin Bektesh, John Clay Davies, Julie Hardman, Nichole Hellinger, Jessica Hite, Savannah Grant, Casey Graves, Sarah Reynolds Lasser, Eliza Voss, and Liz Watson.

Guests: Erin Francis-Cummings, Emmy Garrigus, Carly McGowan, and Pete Rice.

Call to order: Cristal Logan called the meeting to order at 8:33 AM

Approval of the May 28th Minutes: Approved

Disclosure of Conflict of Interest: None

Future Partners Web Research: Erin Francis-Cummings, CEO of Future Partners, presents an overview of travel trends and the impact of Aspen's destination website. Americans' excitement for travel remains high, with 87.6% expressing enthusiasm, although financial concerns are a major deterrent. More Americans believe now is a good time to spend on travel, with 62% planning to prioritize leisure travel spending in the next three months. Over a third of American travelers use Destination Marketing Organization (DMO) resources, primarily official DMO websites, which are trusted for specific travel information and benefit from strong search engine marketing. Users of DMO websites are more optimistic about future travel and have higher travel budgets, averaging \$5,797 for leisure travel annually. They tend to take more trips, engage in more activities, and spend more on lodging and other expenses. A study on Aspen's website conversion and ROI estimated 16,820 incremental trips and a \$19 million economic impact from the website in 2023, with each new website user contributing approximately \$59.98 in incremental trip spending. Aspen's website performs above average in generating trips and economic impact. Over four in five website users live outside the area, with 60% using the site for trip planning. Mobile users are notably more influenced by the website. Users typically plan 3.5-day trips, with peak visits in summer and shoulder seasons. Follow-up surveys show that 69% of website users visited Aspen, spending an average of 3.9 days and \$647 per day. Most stayed in commercial lodging, and the website influenced additional activities and attractions. The website is praised for its organization, comprehensiveness, and ability to uncover hidden gems. The users are highly educated and affluent, with 42% holding graduate degrees and 41% earning above \$150,000 annually.

Castle Creek Bridge Economic Impact Study: Pete Rice and Carly McGowan, from the City of Aspen, present an update on the Castle Creek Bridge Economic Impact Study. They begin by outlining the project's background, emphasizing the bridge's aging infrastructure and the need for a solution tailored to Aspen. The council is considering various options, with a three-lane bridge being a primary focus. This option, which expands towards the south, would allow two lanes of traffic during most of the construction, thereby minimizing disruptions. They explain that while the bridge is not in immediate danger, its structural integrity is declining. The council is tasked with understanding the right of way on Main Street to address questions about the feasibility of the three-lane option. Potential solutions to alleviate construction impact include a temporary bridge. The study aims to assess the economic impact of the construction, which could last three to four years. A significant portion of the time, two lanes would remain open. The study will evaluate congestion and its toll on the local economy, involving local businesses to gather their input and concerns. An upcoming survey, facilitated by city staff, will collect data from the community to inform the study. They also mention that the project involves federal and state agencies due to environmental and funding considerations. Funding for the initial phase will come from the city, with ongoing discussions about future financial contributions. The presentation highlights the importance of community involvement in decision-making to avoid last-minute surprises and ensure informed council decisions. They stress that the construction's impact will be thoroughly analyzed, considering aspects such as employee transportation and the need for additional bus services. They reassure that safety measures will be in place during construction, including strategically positioned ambulances and fire trucks to ensure quick response times. The presentation concludes with an invitation for further engagement and a commitment to keep the community informed as the project progresses.

Chair's Comments: Cristal Logan begins by congratulating ACRA on a successful FOOD & WINE Festival, expressing gratitude to the Chamber staff for their excellent work. She also congratulates Debbie Braun on her 25 years with the organization. Logan mentions a productive meeting with leaders from the University of Colorado, who visited to connect with the business community, CMC, the City of Aspen, and SkiCo. She highlights the efforts of a small task force exploring innovative options for finding space for ACRA, working with the city to secure a future home that benefits both the organization and the community. She adds that she and others met with arts and culture representatives, who are gearing up for a busy summer. The Aspen Ideas Festival, in its 20th year, is going well, with Justin Todd, GM of the Aspen Meadows Resort, hosting on their campus. NBC Universal, the media partner, has provided national coverage from Aspen.

President's Comments: Debbie Braun informs that she and Maria Ticsay will meet with Jim True and Sara Ott on Friday to reopen negotiations on the master agreement with the city. She highlights that the biggest current issue is the airport, noting the growing concern within the community. Braun emphasizes the importance of staying informed and stresses the Chamber's strategy of providing accurate information in a measured manner rather than participating in public debates. She acknowledges that strategies for the airport are being developed and promises to keep everyone updated. Bill Tomcich and Dan Bartholomew will likely have more to share on this critical infrastructure topic, which is essential for both the resort and the broader community. Braun also touches on the importance of educating the community about the airport situation, particularly in light of misinformation and strong opinions. She notes that the Public Affairs Committee is focusing on the Castle Creek Bridge and the airport, taking guidance from collaborative efforts with Bill, Dan, SkiCo, and others. She concludes by thanking Julie Hardman and the team for the successful FOOD & WINE Festival and expresses her gratitude to everyone involved.

Finance Committee Update: Cari Kuhlman gives an update on the financials for the first quarter. The Chamber was \$21,000 behind budget on income but \$22,000 under budget on expenses, resulting in a net difference of only \$1,000. Current income is now on or above budget. The balance sheet shows over \$1 million in cash and total assets of \$1.8 million, with liabilities at \$145,000, primarily for deferred vacations. Destination Marketing also shows strong financials, being only \$500 off budget after the first quarter. They were \$134,000 under budget on income due to a timing issue with tax revenue and \$135,000 under budget on expenses. The balance sheet for Destination Marketing indicates almost \$2.8 million in cash and \$63,000 in liabilities.

Marketing Advisory Committee Update: Jeff Bay provides an update, noting his partial attendance at the last MAC committee meeting, where Eliza Voss gave an excellent presentation. Justin Todd has taken over as chairman of the MAC committee, bringing a fresh and intelligent perspective, though he is absent due to his commitments with the Aspen Ideas Festival. Lou Eppelsheimer from the Gant also joined the committee. Eliza presented various marketing updates, including international and group sales efforts, the new accessibility widget called UserWay, and the Petal It Forward initiative, which was well-received and brought flowers around town. Sarah Reynolds Lasser informed the group about a group travel opportunity to New Zealand, generating interest among members. Corey Lowe from Backbone Media requested that press releases be sent to him for any new town activities. The same presentation from Future Partners, seen earlier by the board, was also shared with the MAC committee, followed by internal discussions. K2 suggested collaborating to boost occupancy during the week leading up to Christmas, developing a package based on school break schedules. Bill Tomcich confirmed that United Airlines would likely extend their schedules to support this effort, similar to their successful extension the first weekend in April.

Directors Comments:

Michael Goldberg Michael Goldberg reports on his outreach to restaurant owners regarding the armory proposal, summarizing their opinions as falling between misinformation and a lack of information. He shares various anonymous quotes from restaurant owners, highlighting concerns about the proposal. Many believe that affordable housing is a higher priority than more eateries and question the use of public tax dollars to fund private businesses. There is skepticism about the viability of a food court without clear supporting data. Several owners feel excluded from the city's discussions and fear the food court will harm existing restaurants paying high rents. Some have struggled for years without support and are concerned about the fairness of the proposal. The example of the Public House is frequently cited as a negative precedent. Goldberg proposes that the city engage with the restaurant community to clarify the proposal and address their concerns, suggesting that a group discussion could foster better understanding and collaboration. He also notes that while the winter season was good for many restaurants, there is apprehension about the summer, particularly June. Additionally, some owners expressed a desire for ACRA to advertise Aspen during the off-season to help maintain business and reduce the burden of paying employees during slow periods.

Alan Fletcher shares updates from the Aspen Music Festival and School, highlighting the recent opening convocation that brought together students, faculty, summer staff, and the board. Torre delivered an inspiring speech, and the first concert of the season is scheduled for tomorrow. Celebrating the festival's 75th anniversary, the board has increased the budget by 25%, with a significant portion allocated to marketing efforts. Fletcher outlines several exciting initiatives, including partnerships with Colorado Public Radio, Aspen Public Radio, and live streams into the Denver Art Museum. Additionally, they have engaged Medici TV, the world's largest classical music broadcaster, to dedicate a week to Aspen with a special channel. This initiative has only been done once before with the Verbier Festival in Switzerland. New press consultants have secured coverage from prominent publications such as the New York Times, Wall Street Journal, Town and Country, New Criterion, and Musical America. Fletcher expresses enthusiasm for these developments and encourages everyone to attend the events.

Donnie Lee shares that it's been a busy spring and emphasizes the board's role as a reliable source of good information amidst widespread hysteria and fear, particularly regarding issues like the Castle Creek Bridge and the airport. He stresses the importance of maintaining the community's core values while being forward-looking in solving community concerns. Lee hopes the board can provide a steady compass in discussions and help keep information accurate and on track. He anticipates a good but slightly softer summer season in terms of demand, noting that Aspen remains an expensive destination with better value options available elsewhere, such as Europe. This, along with other factors, contributes to a softer demand even at the last minute. Lee recommends reviewing the Northwest Council of Governments economic analysis, which highlights that the population in 15 mountain counties has decreased by 4% since the 2020 census. This decline underscores the challenges of cost of living and housing costs that the community faces. He urges everyone to be mindful of these issues and to review the report for further insights.

Henning Rahm acknowledges that it has been a softer start to the season compared to previous years. He mentions that private events are looking promising with 45 weddings booked, although this doesn't match the record year following COVID-19 when weddings were scheduled even on weekdays due to high demand. Rahm agrees with comments made by Michael Goldberg and Donnie Lee about the softer demand and highlights that occupancy rates are stable, though July remains a concern. This year, they have taken a different approach to pricing, aiming to create a base level of occupancy at more reasonable price points, with plans to increase rates as demand picks up. Despite the softer start, August and September are looking more promising. Rahm hopes that high temperatures in other states will drive more visitors to the mountains and emphasizes the focus on superior hospitality. He also highlights a new partnership with Dior, which is taking over their entire spa and enhancing the pool courtyard, aiming to offer a luxurious experience that fits well with Aspen's image. He invites everyone to visit and enjoy the new spa treatments.

Torre emphasizes the importance of considering the impact of economic growth on real growth, quality of life, and opportunities within the community. He stresses the need for sustainability in various aspects, ensuring that Aspen remains inviting and accessible, not just for the wealthy. Torre hopes that future conversations and efforts focus on long-term sustainability rather than short-term gains. He acknowledges that Aspen is becoming increasingly expensive, which has both positive and negative implications. Torre highlights key projects the city is working on, such as the armory and the entrance to Aspen, and mentions his intention to focus on these larger issues during his remaining 10 months as mayor. He expresses a desire not to overwhelm city staff with smaller tasks, preferring to concentrate on significant initiatives.

Julia Theisen reports that June has been relatively soft, with a 7% decline in the last report. However, July and August are looking promising, with many events underway. The Rodeo kicked off last week at a new venue, and there will be a community day at the rodeo for Snowmass residents. Additionally, Thursday night concerts are now starting earlier with local bands as a pre-show. Snowmass is also introducing a Jazz on Sunday series and an Americana series, along with various après-ski activities to boost engagement in the village. Despite some rainy weather, Theisen is optimistic as the season progresses and mentions she is settling into her new role.

Lisa LeMay reports that retail trends typically follow those of the hotels, and this June has been softer compared to previous years. She notes a dip in activity after Memorial Day, a change from the continuous growth seen since 2020. However, she observes a resurgence in crowds recently, especially with the return of music students and the Aspen Ideas Festival attendees. LeMay is optimistic about increased activity in July, August, and September and looks forward to hearing updates on airline bookings from Bill.

Nina Eisenstat praises the FOOD & WINE Festival, highlighting Debbie's excellent emceeing at the luncheon and the successful Petal It Forward campaign. She notes the high spirits of attendees and the smooth transition into the Aspen Ideas Festival and Jazz Aspen Snowmass events. Despite some rain, the Saturday market was very crowded and well-attended. She also mentions the well-received production of Steel Magnolias by Theatre Aspen and the upcoming Aspen Music Festival, emphasizing the continuous stream of events. Eisenstat remarks that the services sector, particularly businesses related to real estate such as property management, landscaping, home repairs, and electrical work, are performing well. Finally, she reminds everyone that it is election day and seeks recommendations for some of the lesser-publicized seats, asking Patti for input.

Cari Kuhlman discusses the possibility of the Federal Reserve reducing interest rates in September. She reflects on the potential positive impact this could have on the economy, hoping it will encourage more people to travel and visit Aspen.

Jeff Bay welcomes everyone to MOLLIE and expresses gratitude for the opportunity to host the board meeting. He acknowledges the need for improvements in AV services and sound deadening and invites anyone interested to tour the property, including the third-floor deck and dining offerings. Bay highlights that, despite perceptions of a flat summer, occupancy percentages are actually up. June is projected to end 3-4% higher in occupancy compared to last year, translating to more people in Aspen due to additional rooms available with MOLLIE's inclusion. He notes that July is tracking 3% ahead year-over-year, August 6%, and September 8%, with October showing a 30% increase, although it's from a smaller base. November shows a significant drop, likely due to last year's tough season start and consumers' cautious approach to winter travel plans. He mentions that Snowmass is experiencing a decline in September and October, possibly due to group activity. Bay also informs about the upcoming competition from White Elephant Resorts, which is expected to open within a year. He suggests the potential revival of a Lodging Association to facilitate information sharing, especially with new properties like MOLLIE and White Elephant coming online.

John Rigney provides updates on various activities and developments. He notes the successful opening of the bike park on Friday, highlighting the great condition of the trails and the enthusiasm seen with numerous bikes on cars. Rigney expects a promising season for the bike park. He mentions significant progress on the installation of the Coney Express lift in Snowmass Village, which will start at the end of the mall and extend to the top of Coney Glade. The lift will feature a midway station for accessing Burlingame or Lynn Britt Cabin and will cater to park enthusiasts who want to lap the top section. Additionally, Rigney talks about the guest service kiosk downtown, at gondola plaza, which aims to provide support during ongoing construction.

Maria Ticsay summarizes the issues discussed in the Public Affairs Committee. The current focus is on the Castle Creek Bridge and the airport, specifically the impacts these political issues have on business tourism and vitality. The committee aims to capture and communicate the business impacts rather than just addressing the general issues. Maria emphasizes the need to understand how businesses are affected and to mitigate these impacts. For the bridge, the committee is concentrating on gathering business perspectives on the alternatives being considered by the city council. They acknowledge the city's historical ineffectiveness in leading business outreach and stress the importance of involving business voices in these discussions. The July 11 meeting will focus on these concerns, and Maria invites input from constituents on business impacts and mitigation strategies. Regarding the airport, the committee is anticipating a ballot measure and is concerned about the information that will be presented to the public. They seek to understand how to best participate in the forthcoming election measure and protect business vitality. Maria encourages ongoing communication and input from committee members and constituents to ensure their efforts are aligned with business needs. She concludes by reiterating the committee's role in addressing business and tourism problems proactively, without experimenting, and invites further questions and participation from the community.

Dan Bartholomew provides an update on the status and potential future of the airport. The current focus is finalizing the airport layout plan submission to the FAA, which is essential for any construction or reconstruction at the airport. Currently, the runway cannot be fully repaired or reconstructed because it is not on an approved FAA layout plan. He explains that the airport operates with a modification of standards waiver, allowing aircraft with wingspans up to 95 feet, whereas the standard is 79 feet. If this waiver is revoked, the airport would only accommodate aircraft with wingspans of 79 feet or less, such as the aging CRJ 700. This could lead to increased delays and cancellations, as well as significant operational and financial challenges. Revoking the waiver could trigger lawsuits from airlines and private jet operators, affect grant assurances, and halt FAA funding for maintenance or reconstruction. This scenario would force the airport to divert funds from other projects, such as terminal design and environmental programs, to maintain the airfield. Bartholomew emphasizes that this situation is unprecedented, with Aspen and several other airports facing similar challenges. The FAA is moving away from temporary modification standards, posing significant risks to the airport's operations and future. Bartholomew concludes by highlighting the uncertainty and potential difficulties ahead, noting that

while the outcome is not guaranteed, the current trajectory presents significant challenges for maintaining and improving the airport infrastructure.

Patti Clapper discusses three ballot questions introduced to the County Clerk's office, which have been certified and require about 750 signatures each. These questions aim to amend the county's Home Rule Charter, a move Clapper feels is not appropriate for addressing current issues. One proposed question seeks to strip county commissioners of authority over airport decisions, a point she opposes, emphasizing the extensive community involvement in airport planning over the past 18 months. Clapper highlights the difficulty of this process, noting that the Board of Commissioners has faced accusations of dishonesty. The FAA has mandated that the airport serves the community comprehensively, adding pressure to the situation. She hopes the airport layout plan will be approved by the FAA before the ballot questions are potentially presented in November. Additionally, Clapper mentions her upcoming participation in the National Association of Counties conference in Tampa, where she will propose two resolutions related to the airport. The first seeks to allow airport-generated revenues to be used off-site for sustainability projects, and the second, more challenging resolution, aims to introduce a climate mitigation fee or carbon tax. She expresses pride in the community's environmental and safety efforts, emphasizing the importance of continuing with the approved plans to honor the community's work. Clapper concludes by noting that further efforts regarding the ballot question will be handled by the Board of County Commissioners and staff on their own time, as county funds can no longer be used for this purpose.

Bill Tomcich expresses concern about the upcoming ballot measure and the organized opposition from the group "Citizens Against Bigger Planes" (CAB). He finds the name misleading since no one is advocating for bigger planes. Tomcich suggests that the airport supporters need a cohesive message to rally around, especially as airlines are becoming aware of the local discussions. He proposes that the business community could unite under a slogan such as "Businesses for Sustainable Air Service" or "Businesses for 70 Seaters," emphasizing support for sustainable regional jets (RJs) with 70 seats, which aligns with the airlines' goals. He believes a strong, unified message from the business community could counteract the misconceptions propagated by CAB. Tomcich also notes the need for clear communication about the minimal differences in noise levels between various aircraft models, such as the CRJ 700 and Embraer E175, to further discredit the opposition's arguments. He emphasizes the urgency of organizing and acting quickly to present a unified stance in favor of sustainable air service.

Brenda Wild highlights the abundance of information that Bill Tomcich and Dan Bartholomew possess, noting that the public may not be fully informed. She supports Bill's idea of forming a unified voice for the business community to counter the opposition from "Citizens Against Bigger Planes." Brenda stresses the importance of presenting clear and concise facts, particularly about the potential loss of the airport if FAA requirements are not met. She volunteers to help disseminate this information and suggests creating a bullet-point summary to communicate the critical points effectively. Brenda also shares her recent activities, including meetings with legislators in Washington, D.C., as part of the Colorado Association of Realtors. They discussed various issues, including insurance rates and legislation affecting veterans' ability to purchase homes. She mentions progress in these areas, such as the temporary reversal of legislation that prevented veterans from paying a buyer's broker. She provides a real estate market update, noting high median house prices in Aspen, increased inventory in Basalt and Carbondale, and longer days on market across the region. She observes a cooling inventory and a decline in rental markets, particularly short-term rentals. Brenda mentions an upcoming public meeting hosted by the Aspen Board of Realtors to discuss a short-term rental report and shares insights from similar studies conducted on the Eastern Seaboard, emphasizing their financial impact on communities.

Dwayne Romero begins by commending Patti for her nearly 24 years of dedicated elected service and leadership and extends similar praise to Torre for his consistent leadership. Romero discusses current market trends, highlighting a soft revenue period for the nine restaurants he oversees as landlord. He appreciates the marketing efforts in Snowmass Village, noting the positive impact of the town government's involvement and the absence of bureaucratic interference. Reflecting on his six months on the ACRA board, Romero appreciates the collaborative work on facilities and locations with the task force. He mentions ongoing negotiations with the city, emphasizing a strong negotiating position thanks to Maria's understanding of the lease agreements. He also serves on the Public Affairs Committee, acknowledging the effective work being done and the leadership shown. Touching on the airport discussion, Romero suggests that messaging should align with the community comp plan's value statements, particularly emphasizing safety. He concludes by stressing the need for clear, digestible communication for the public, aligning key messages with community values to resonate effectively with voters.

Adjournment: Cristal Logan adjourned the meeting at 10:56 AM