

<p><b><u>Council Members Present</u></b>  J.J. Jaeger, Region I  Frances Conklin, Region II  John May, Region III  Diane Newman, Region IV  Bill Code, Region V (Skype)<sup>i</sup>  Dick Anderson, Region VII</p>	<p><b><u>Staff Members Present</u></b>  Jeff Sayer, Commerce Director  Karen Ballard, Tourism Administrator  ReNea Nelson, Tourism  Peg Owens, Film Office  Laurie Zuckerman, Tourism</p>
<p><b><u>Council Members Absent</u></b>  Paul Norton, Member at-Large  Courtney Ferguson, Region VI</p>	<p><b><u>Guests Present</u></b>  Bill Drake, Drake Cooper  Josh Mercaldo, Drake Cooper  Lisa Horowitz, Wood River Economic Dev.  Greg Randolph, Sun Valley Marketing Alliance  Arlene Schieven, Sun Valley Marketing Alliance  Carol Waller, Fly Sun Valley Alliance  Catrine McGregeor, Defining Moment  Leigh von der Esch, Utah Travel Council  David Butterfield, Sun Valley Story  Dana Plasse, Sun Valley Film Festival  Jake Peters, Sun Valley Marketing Alliance</p>
<p><b><u>Guests Present</u></b>  Debbie Dane, Southern Idaho Tourism  Shaun Barrigar, Twin Falls City Council  Doug Brown, Wood River Econ Partn  Bob Croshy, SV Board of Realtors  Jeff Naylor, Teton Valley Chamber  Sigi Bogl  Zach Crist, SV Marketing Alliance</p>	

### **Wednesday 14 March 2012**

**Welcome and Introductions,** Frances Conklin, ITC Chair, Audio File “ITC Mar 2012 (1) Wed Introduction”

Meeting called to order by Chair Frances Conklin. (0:00:00)

Members and guests introduced themselves and gave a fact about their region.

**Approval of Minutes** - It was moved (May) and seconded (Jaeger) that the minutes of the 12 October 2011 meeting be approved with the handouts from the meeting attached. Motion passed. (19::30)

**Department of Commerce Update** - Jeff Sayer, Commerce Director, Audio File “ITC Mar 2012 (2) Commerce Update.

Sayer recounted Commerce news. JFAC approved Governor’s proposed budget which included IGEM and additional \$700,000 in investment to Commerce grant programs. Commerce received additional 46% increase in Commerce budget. The state legislature approved CEC (change in employee compensate) of 2% for all state employees. (00:00)

The bill to revise ITC eligibility requirements has passed the House State of Affairs Committee and moves to the House. This bill changed the wording to read that ITC members cannot serve more than two *consecutive* terms which will allow a member to return to council after sitting out one term. New terms will now start in January which will help new officers transition into their responsibilities more smoothly. (03:00)

IGEM, Idaho Global Entrepreneurial Mission, wraps state government around tech transfer process in our five research institutions around the state, the three research universities, INL, and CAIS (Center for Advanced Interview Studies). CAIS receives \$2,000,000. The Board of Education will award \$2,000,000 to the universities for applied research on a competitive basis. \$1,000,000 goes to Commerce to as a grant fund to co-invest with industries. This is a true fund to make investments. (04:30)

Governor proposed a bill to reduce personal and corporate tax rate to 7.4%. It passed the House and is working through the senate. (07:00) If that passes, Idaho will be one of five states that has a balanced budget on accrual basis. This is an excellent selling point to bring businesses to Idaho. (08:00)

The Parks Passport Program passed. (10:00) Aircraft sales tax exemption bill (MRO—maintenance repair organizations) passed; this has the potential to bring in more business to Idaho. (10:30)

**Budget and Collections Update** - Karen Ballard, Tourism Administrator, Audio File “ITC Mar 2012 (3) Budget, ICORT, Gateway, and Online Reservations”  
Presentation handouts are available at <http://commerce.idaho.gov/business/idaho-travel-council.aspx>. Comments on the presentation are listed below.

Idaho Tourism is 5% over last year’s collections. If they were to flatten, ITC could pull from social media expenses. (0:00:00)

Administration expenses will be spent. Membership costs have been high and will need to be increased next year. (0:03:30)

Ballard covered the “State Program Budget”. Scenic Byway Feasibility may not be spent because the National Scenic Byway program may be closed. Promotional Assistance has not been spent yet. (0:04:30)

Peg Owens explained the I-48 film contest will take place June 1. Owens met with the Department of Education to discuss film curriculum and online curriculum. Owens suggested that Education incorporate I-48 contest with their arts and humanities program. At Owens initiation, Commerce, Department of Education and the Arts Commission will cooperate with I-48. A Commerce team, including Jerry Miller, Mike Rotchford and others will make a film as part of the contest to bring companies to Idaho. (0:06:30)

The State has one payment left to Gateway Centers for this fiscal year. Commerce will have to go to RFP then create MOU. Commerce may have to fund through Department of Transportation. (0:12:00)

Fulfillment continues to diminish as people are utilizing on-line services. Margot Woods has taken over All West phone service, providing this service in-house. She had one potential business express interest moving to Idaho and has been a wonderful, productive addition to the team. (0:13:00)

Ballard continued briefly highlighting budget item spending. (0:15:00)

Yellowstone Business Partnership may get grant through RDA which would mean funds for maps could count as match. There could be opportunity to cultivate businesses that are geotourism-friendly. Furthermore, there are several synergies. This would happen by June 1 within current calendar year. (0:18:30)

May asked status on trade shows and fam trips since many of those funds have been spent. Ballard explained that state did attend two bike shows in Portland and Seattle that had not been planned but were excellent means to market the state. Commerce also sent a representative from Economic Development who was very busy and may have made a connection to move one business to Idaho. (0:23:30)

May asked for status of spending on Canadian market. Ballard would like to pull funds from Public Relation category for Facebook Canada market. Most of the \$50,000 goes to co-ops. (0:27:30)

May asked about mail market. Ballard and Owens have discussed different options to get maps into Canadian market through Certified Folder Company. (0:29:00) May asked about Lodging Tax Recovery graph from January meeting; off line, Cathy Bourner found document and answered May's questions. (0:33:00)

Ballard asked the Council if they want to go to RFP for online reservation service. Ballard explained benefits and deficits of using an online reservation service. (0:40:00)

Conklin asked Ballard to review history of state's interest in JackRabbit and its worth. Ballard described many services including ability to book online, scrape packages, and other services which Tourism cannot do. She noted that using an online reservation service could reduce costs to some hoteliers and would help to sell packages. Six grantees are planning to purchase JackRabbit. (0:42:00)

Andersen did not think JackRabbit would save money for Sun Valley. Ballard sees the service as "bait". (0:48:00)

May is concerned that there won't be enough usage to justify the cost. If the Council does approve this service, he would like usage guidelines. He is also concerned that the Internet market changes so quickly that the council cannot be assured that this service will not be outdated shortly. He recommends not working with online service at this time. (0:50:00)

Jaeger did not recommend that the Council make this investment. (0:54:30)

Ballard noted the grantees who are interested including Teton Valley Chamber, Southern Idaho Tourism, Hells Canyon, Boise CVB, Coeur d'Alene Chamber, Greater Pocatello Chamber, and YTT. They are in discussion with Greater Sandpoint Chamber and Visit Sun Valley. If the Council purchased this service, she would like to wean grantees off the service in three or so years. She does not see this technology becoming outdated. (0:56:00)

Conklin looked at sites that use Jack Rabbit and did not find any examples of bed and breakfasts that use their service. She is concerned that Jack Rabbit will not serve smaller Idaho businesses. (0:57:00)

Ballard is comfortable putting the proposal to rest and letting grantees find their own services. (1:00:00) Nelson added that Hells Canyon recently shifted position and will not purchase. Andersen explained the complexities of scraping packages and is uncomfortable with JackRabbit's claims. (1:02:00)

Mercaldo stated that any formats or companies that do online booking can work with VisitIdaho website. (1:03:00)

Code believes that there are other ways to spend money. (1:05:45)

**Motion** - May moved and Jaeger seconded that the council not move forward with JackRabbit expenditure at this point, that the Council remove the offer for support out of the grant program, and that grantees that have shown interest be notified that ITC will not move forward with Jackrabbit this year. Motion passed. (1:06:00)

**Motion** - It was moved (May) and seconded (Norton) to approve the budget and collection report. Motion passed. (0:07:00)

Jeff Naylor explained that Jackrabbit both validates smaller businesses and gives them ability to book online. (1:07:45)

**Tourism Grant Program Updates**, ReNea Nelson Commerce Staff, Audio File "ITC Mar 2012 (4) Grant Program Nelson"

Presentation handouts are available at <http://commerce.idaho.gov/business/idaho-travel-council.aspx>. Comments on the presentation are listed below.

Nelson gave a brief summary of 2010 grants. Eight are still open. Post Falls is providing match documentation and will be reverting unused funds. Coeur d'Alene is in audit. Grangeville is checking on paper work and moving to close. Boise CVB audit is due April 30. Snake River Territory CVB is pending final request for funds (RFF) documentation; audit will take two weeks. Lost Rivers Tourism is doing final RFF; their website is ready to go. Sun Valley Marketing Alliance is in audit. Stanley Chamber is under ITC directive. (00:00)

Nelson updated the Council on the Stanley-Sawtooth Chamber of Commerce. The grantee was informed that if IRS nonprofit status reinstatement is not received prior to June, a 2012 grant app will not be considered. On Feb 22 Andersen and Nelson participated in a conference call with IRS/Stanley CC grant manager, board member and accountant in attempt to find resolution to the chamber's revoked nonprofit status. It was highly unlikely the status would be reinstated on retroactive basis. (02:00)

The grant manager faxed the necessary executed documents to the IRS February 28 and received a call from Diane Eckard (IRS) stating the reinstatement effective starting August 29, 2011, has been sent for approval and reinstatement notice should be sent within three to four days. (03:14)

Nelson requested the ITC consider the following motions:

- The hold on reimbursements for the Stanley Chamber of Commerce be lifted for the 2010 grant cycle. Eligible projects that occurred from 8/4/10 - 6/19/11 may be

reimbursed. No reimbursements will be made for projects that occurred 6/19/11 - 12/31/11.

- The portion of the stipulation on the 2011 grant that specifies “for the past three years” will be removed and 2011 grant projects will be eligible for reimbursement commencing with reinstatement date of 8/29/11, with verification of nonprofit reinstatement by the IRS. (03:30)

Nelson recommends moving ahead to get 2010 grant closed (around \$27,000), total for two years of about \$57,000. Andersen would like to get the funds to Stanley Chamber without breaking any state rules. He confirmed that current grant manager has worked very hard to rectify situation. (06:00)

Nelson explained that this kind of situation will not happen again as council is now requiring grantees present Form 990. Nelson would like to reimburse up to when non-profit status was revoked. Staff did discuss situation with State Attorney General. (07:30)

Nelson answered May that ITC was notified on June 19, 2011, and she recommends that RFFs after for June 19, 2011 not be reimbursed because ITC knew they were not eligible at that time. (10:00)

**Motion:** May motioned and Norton seconded to allow reimbursement of marketing funds to Stanley Chamber through June 19, 2011, the date ITC was notified of loss of Stanley Chamber’s nonprofit status. All voted in favor. (13:00)

**Motion:** May motioned and Andersen seconded to remove stipulation added to the 2011/12 grant that required the IRS documentation going back three years be removed from the 2011/12 grant. All voted in favor. (14:00)

**Motion:** May motioned and Andersen seconded that ITC approve release of funds for 2011/12 funds going back to August 29, 2011, once ITC receives IRS proof of nonprofit status going back to August 29, 2011. All voted in favor. (15:30)

Nelson stated that wording on the website will be revised to reflect necessity of providing Form 990 documentation to verify current IRS status. Current grantees will be notified immediately. (17:00)

Nelson described the Grant Summit as being very successful. It provided an opportunity for Director Sayer to meet grantees. Nelson executed an aggressive, shortened agenda with more networking opportunities for grantees. There were 54 attendees with grantees from every region in attendance. The new round table format was very popular. All co-ops are available on the grant website. (19:30)

The Northwest Chamber Leaders Conference was titled Creating Success in Times of Economic Change. Next year it will be in Alberta; grantees will not be eligible to attend. (20:30)

Voting process for Council Choice Awards is open on the Idaho Travel Council website. Nelson reviewed direction and the deadline. (21:45)

Nelson reminded the Council that entry forms for the 2012 Governor's Lifetime Achievement Award in Recreation and Tourism were available in the back of the room. This award will be presented at ICORT in Coeur d'Alene. The entry deadline is April 2. (25:00)

**Drake Cooper Agency Updates**, Bill Drake and Josh Mercaldo, Audio file "ITC Mar 2012 (5) Drake Cooper"

Summary of presentation is available at <http://commerce.idaho.gov/business/idaho-travel-council.aspx>. Comments on the presentation are listed below.

Bill Drake explained that Agency is busy preparing for prime season. He continued by describing success of the Commerce Tourism-Drake Cooper retreat. (00:00)

Drake said that Jib-Jab campaign will begin April 1 and described market test results (02:45). Mercaldo covered "Program Updates" (05:00), "My ID Updates" (08:00), "Winter Updates" (11:30), and "Travel Guide Update" (13: 00).

Drake stated Travel Guide will be condensed with advertising focusing on digital assets and some print advertising. Ballard noted that the price is lower. Owens pointed out that travel directory section will be in back. (17:00)

Mercaldo showed Council high points of website and campaign. ((20:00) Ballard asked if pictures could be downloaded from cell phone for Jib-Jab. Mercaldo said that at this time they cannot. (28:00) Mercaldo and Drake continued to point out campaign highlights.

Drake explained what the council could expect from EMSI research at the next ITC meeting. (33:30) Mercaldo discussed how RUF Strategic solutions might help Drake Cooper market to visitors to website. (34:30)

Andersen asked how success is measured. Drake stated through page views, downloads, and other metrics. Ballard would like to do a conversion study with this data next year. Discussion ensued on need for this kind of study. (40:00)

May asked about cost of adding tags. Mercaldo said that it is about half, mostly in licensing and technology. (42:00)

Arlene Schieven was curious about emphasis on the potato in advertising. Drake stated that Idaho and potatoes are ubiquitous. The Potato Commission has a budget five times Travel Division. Drake Cooper is attempting to "flank" the potato. Drake noted that in Washington, where Idaho Tourism is marketing, the state is also getting known for scenery; so, ITC's marketing efforts are having effect. Naylor added that state is also getting known for culinary. Drake agreed that Idaho has the highest variety of food crops. (44:00)

#### **Merchandising with Tourism Logos**

Summary of presentation is available at <http://commerce.idaho.gov/business/idaho-travel-council.aspx>. Comments on the presentation are listed below.

Mercaldo spoke about merchandising tourism brand, Adventures in Living. (50:30)

Ballard suggested co-branding with the Life is Good Company. (56:00)

Ballard answered Conklin's question that the goals are awareness and to cover costs. She would also like lodging, other sectors, and Parks and Recreation to be able to sell our merchandise. (56:30)

**Hotel Projects**, Lisa Horowitz, Wood River Valley Economic Development Director, Audio file "ITC Mar 2012 (6) Hotel Projects" Presentation and handouts are available at <http://commerce.idaho.gov/business/idaho-travel-council.aspx>. Comments on the presentation are listed below.

Lisa Horowitz introduced herself and the work of the Wood River Valley Economic Development. Referring to the 2010 Annual Report she highlighted their partnerships with the Sun Valley Company, Ketchum Community Development Corporation, State Department of Building Safety, and the Sun Valley Marketing Alliance. (00:00)

Horowitz highlighted information on the "Ketchum Hospitality Projects" page including Hotel Ketchum, Bald Mountain Lodge, Warm Springs Ranch Resort and River Run. She described details about the four resorts and their developers. 01:00)

Horowitz elaborated on her "Recent Ketchum Initiatives" handout including Ketchum Town Square (04:45), Ketchum Whitewater Park (05:40), Visitor Center/Starbucks (07:15), Higher Education (11:00), Ketchum Transit Plaza (12:30), and Telling our Story (13:45).

After showing a video on their recent event hosting National Brotherhood of Skiers (15:00), discussion ensued on parking, next year's report, and bringing new customers to these facilities (22:00). During discussions, Ballard suggested Horowitz contact Josh Mercaldo to include Ketchum Whitewater Park with state's whitewater marketing (05:40) and attend the American Lodging Investment Summit (22:45).

**Sun Valley Marketing Alliance**, Greg Randolph, General Manager, and Arlene Schieven, President and Chief Marketing Advisor, Audio file "ITC Mar 2012 (7) Sun Valley Marketing Alliance" Presentation and handouts are available at <http://commerce.idaho.gov/business/idaho-travel-council.aspx>. Comments on the presentation are listed below.

Arlene Schieven introduced her team members, Jake Peters, Zach Chris, and Greg Randolph. The organization, SVMA or Visit Sun Valley, was created 18 months ago to market the cities of Sun Valley and Ketchum. (00:00)

Presentation included: VSV purpose, mission, and vision (02:30), functional areas (03:30), target markets (04:30), current priorities (05:30), mountain biking niche campaign (07:00), winter 2012/2013 (09:00), research (10:00), and continued member outreach and communication (11:30).

Greg Randolph discussed Ride Sun Valley Bicycle Festival and its sponsors like Scott Bicycles. It is a national race folding into a week of activities. The weekend begins with three different events at the end of June and beginning of July. There are different rides and races for all

ages. Randolph thanked ITC for subsidizing the all weather maps which were a success for show casing trails and educating riders to diversity and number of available trails. (14:30)

Randolph described exhibits, demonstrations, music, and other events that occur during the festival. There are half a million Facebook fans. (20:00)

Randolph answered Ballard's question that he is in charge of public relations and marketing. Ballard explained that Idaho Tourism is working to create an Idaho Bike Month and Randolph can work with Laurie McConnell and Mitch McConnell to push this Festival as part of Idaho Bike Month. (23:00)

Randolph described marketing for an annual one-day marathon bike race and how it differs from other types of biking. (25:00)

Ballard stated that Tourism brought Taiwanese travel writers and Taiwanese bicycle manufacturers for this event. Randolph added that they also had professional bike writers publish articles about their attendance at the festival. (28:45)

Jake Peters, member of the Sun Valley Marketing Alliance board, requested that Ballard help them get Governor to attend. Peters commended Randolph on his work with social media and the visitor center. (31:00)

Peters gave history of Sun Valley focusing on the founders of Sun Valley coming from Austria. In the center of every Austrian resort are a Catholic church and a guide office. Visitors go to guide offices (visitor centers) to procure guides and learn where to purchase supplies. (33:30)

Currently, although there are over 100 guides in the Sun Valley area, only three guides have storefront property to market to visitors. He suggested the idea of a mountain bike guide. Peters would like to turn the upstairs of the visitor into a retail space for outfitters. Many of the town's guides and retailers have agreed to form a public-private partnership to work on this endeavor. He would like Commerce and ITC to help with the funding. (39:00)

May asked for proposed budget. Peters said it is about \$150,000 to \$200,000 for the next two years. He would like something like \$75,000 from ITC, and they would match the funds. May explained that the Outfitter and Guide Association has been challenging, and, if the outfitters and guides are behind this location, it is beneficial. (48:00)

Peters understands that, if the council gives funds to their organization, the funds would be taken away from someone else in the region or IOGA in the region. May also explained that funds come in one year, not two year grants. Peters, May, Conklin and others discussed some of the challenges. (52:00)

Ballard's office can help with marketing. Ballard suggested that Peters talk with IOGA and gave overview of other marketing ideas. (55:00)

May and Andersen commented that this is a wonderful idea. (58:00)

**Air Service Initiatives and Minimum Revenue Guarantees**, Carol Waller, Fly Sun Valley Alliance, Audio File "ITC Mar 2012 (8) Air Service Initiatives"

Presentation handouts are available at <http://commerce.idaho.gov/business/idaho-travel-council.aspx>. Comments on the presentation are listed below.

Waller began her update with an overview of Fly Sun Valley's mission and members (00:00), recent survey results (02:00), economic impact (4:00), comparison with competition and mrg's or minimum revenue guarantees (06:00), improving current airport (08:30), leakage to Boise airport (10:00), and future funding (11:00).

Waller elaborated on Conklin's question that MRGs have been paid for this year. (11:30)

May wondered what the ROI is for ITC grant moneys. Waller thinks it is about \$50/seat to get \$2,000 dollars back. It is not clear how many of these visitors would find another way to get to Sun Valley. (13:45)

May notes that the age of the visitor to Sun Valley is older, and he foresees that the issue will have to eventually go to local voters. Waller notes that the community supports air flights. She would like to see more regional jets. Horowitz adds that they do need to educate the community. (16:00)

Drake asked how this affects rates to passengers. Waller said that it does not. They were able to request low rates. (20:30)

**Second Home Tax Collection Issue**, Karen Ballard, Audio File "ITC Mar 2012 (9) Second Home Tax Collection"

Presentation handouts are available at <http://commerce.idaho.gov/business/idaho-travel-council.aspx>. Comments on the presentation are listed below.

Ballard referenced Longwood study. Tourism industry generated about \$2.9 billion in economic activity for Idaho not including international visitation. Lodging generated 502 million dollars. If one deducts non-taxable sales and taxes that are collected, about \$30 million dollars should have been collected. In 2008 about \$7 million dollars were collected. There is a big gap if Longwood figures are correct. Longwood has large enough sample size to be correct, and Ballard gave examples to back this. (00:00)

There are a lot of private rentals that have not collected 2% lodging tax. Hawaii has similar problem, and this is becoming a national issue. It is causing problems in Coeur d'Alene, Sandpoint, Island Park and McCall. It is not as much of a problem in Sun Valley because many use property managers who collect proper taxes. (03:00)

Ballard believes most home owners do not know they owe a tax. Furthermore, it is difficult for knowledgeable home owners to find out how to pay the tax. Property management associations, lodging associations, and restaurant associations would need to bring this issue to the Legislature and/or Tax Commission. (05:00)

David Langhorst, Tax Commission Commissioner, would like to sign an MOU in April. Ballard will be presenting to the Tax Commission. (07:00)

Conklin believes it is Department of Commerce's role to suggest Tax Commission make site user-friendly. Ballard explained that Director Sayer would not like to have Commerce take lead at this time. (08:25)

Andersen believes uncollected property vacation rental taxes are a problem in Sun Valley. Others in the room added areas in the state that also have this problem. Ballard notes that it is difficult to educate home owners let alone help them find out how to pay the tax. (10:00)

*Home and Away* is aware of the problem. Ballard has not been able to find contact for VRBO. Ballard believes that this could be part of paying income tax. (11:30)

May reminded all present that this was part a small part of the MOU. He believes the focus needs to be on sales tax not lodging tax. Ballard added it is over \$100,000,000 which would be easy to audit through VRBO. May supports Ballard in working to get these taxes and council working with lodging and restaurant associations. (13:00)

Owens stated that there are many individual vacation rentals listed in the state lodging data base. She believes that Commerce can show vacation rental owners the marketing benefits and at the same time educate them about collecting 2% bed tax. Discussion ensued. (16:00)

Ballard explained that the Tax Commission doesn't have enough auditors to worry about small fees. (22:30)

**Other Business and Chairperson Updates**, Frances Conklin, Audio File "ITC Mar 2012 (10) Other Business and Chairperson Updates"  
Presentation handouts are available at <http://commerce.idaho.gov/business/idaho-travel-council.aspx>. Comments on the presentation are listed below.

Conklin asked Ballard for update on Cascade-McCall situation. Ballard said that Rhonda is pleased with the news, and they are moving forward. There has not been any marketing activity yet. (00:00)

Conklin is happy that bill 613 is moving forward. (02:30)

Conklin understands that August meeting will be in Stanley - Red Fish Lake and October meeting will be in Teton Valley. Discussion ensued about difficulties finding lodging in August at Red Fish Lodge or Stanley, especially at state rate. Nelson reminded the council that the meeting venue must offer good internet connectivity. Ballard will contact Red Fish Lake about dates for the first weeks of August. (03:00)

Conklin requested Council pick target dates. She cannot travel August 6 or on Mondays or Tuesdays. If Red Fish Lake does not work, Jeff Naylor will check Teton Valley schedule for August 1 and 2, August 8 and 9, and weekdays in October. (05:45)

The following dates are undesirable: first weekend of October due to Idaho Teacher In-Service, October 4 for Conklin, October 10 -14 for Norton, October 1 for Bill Code. Ballard noted that October 2 and 3 will work. Code can travel the evening of October 1. Owens suggested Rocky Mountain Ranch. (08:15)

Owens answered Conklin's questions about the next day's film events. (15:00)

**Motion.** It was moved (May) and seconded (Andersen) that ITC meeting adjourn. Motion passed. (19:00)

Discussion on August meeting continued off record after the meeting. As Red Fish Lake is not available in August, Conklin, Ballard, and May agreed they should meet at Red Fish Lake in October. (22:00)

**Introduction for Thursday 15 Mar,** Frances Conklin, Audio File "ITC Mar 2012 (11) Film Department Updates" (00:00)

Meeting called to order by Chair Frances Conklin. Members and guests introduced themselves and gave a fact about their region. (00:00)

**Film Department Updates,** Peg Owens, Idaho Film Office, Audio File "ITC Mar 2012 (11) Film Department Updates" (011:45)

Presentation handouts are available at <http://commerce.idaho.gov/business/idaho-travel-council.aspx>. Comments on the presentation are listed below.

Owens reviewed film work force development efforts. Owens held the Film Office's first annual film conference last June. The conference will alternate between Boise and Coeur d'Alene. Topics include legal issues, production management, demonstrations, distribution, production issues, and others. The next conference will be in Coeur d'Alene at Silverwood theme Park with similar topics. Owens will lead a familiarization tour after the conference. (011:45)

The Film Office also led a documentary workshop with Fredrick Marx. (14:30)

Film office is sponsoring I48 and the Sun Valley Film Festival. Once people attend a film festival in Idaho, they tend to want to return to Idaho. Thus, film has a symbiotic relationship with tourism. This year's best I48 films will be shared at the Idaho Teacher's Conference. (15:00)

Film Office ran a two day Production Assistant Training with Kenny Chapman. Students were able to get credit from BSU. Fifty attended. Graduates are now getting job offers through Chapman. Owens will be running this workshop again in northern Idaho. (17:00)

The Film Office in conjunction with Idaho Media Professionals and possibly BSU will bring Phillip Bloom to Idaho to give training on DSR cameras. (19:00)

The film website is being updated. The five year old technology behind the site will be updated. (19:00)

The *Locations Trade Show* and *Produced By Conference* will be in June this year at the Los Angeles Convention Center. (19:45)

McGregeor and Owens visited production of *The Ranch*, a thriller filmed in Montpelier.

Norton will be reminding Idaho companies that we do have media makers in Idaho. (21:00)

McGregor and Owens visited set of *The Ranch* near Montpelier. (21:20)

A French production company filmed the movie *Stone Age* in the Sawtooth Mountains. Diane Norton worked with that project. (22:45)

Idaho continues to be overlooked because the state does not offer film incentives. (22:15)

Jaeger asked about a project in Haden Lake. Owens said they want incentives. Owens invited them to speak at Cineposium in May. It is a \$10,000,000 project, and the setting is Hayden Lake. However, because Idaho lacks incentives, Idaho will probably lose the project. The film makers really do want to make the movie here, but they need incentives. (22:45)

Answering Andersen's questions, Owens explained other states' incentives. Some offer up to 42% tax breaks. Idaho will rebate on Idaho worker salaries after the project is complete. The program sunsets in 2014. Louisiana and New Mexico offer a 20-30% transferable tax credit that is uncapped. Idaho is capped at \$500,000. Discussion on Washington State ensued. Owens said that the film office is focusing on in-state films like *Three of a Kind*. (27:00)

At Conklin's request, Owen's updated council on the *Jens Pulver* movie which is now on Hooloo. He is working on his next movie, *Blood's Worth*. (34:00)

May asked Owens to keep the Council updated on film legislation throughout the US and how the Idaho Travel Council can support film incentives in Idaho. (35:30)

**Defining Moment**, Cathrine McGregor-Unger, Audio file "ITC Mar 2012 (12) Defining Moment"

McGreageor started as a producer and film caster in Los Angeles. She moved to Utah, and worked as a casting director at Robert Redford's request. She moved to North Carolina to produce. Then she moved to Idaho. (00:00)

She is working on a television show, *Defining Moment*, which is shot throughout Idaho with Idaho people for international market (125 markets throughout world). She showed a six minute film clip. (01:00)

She wants to chronicle stories of great film people. She also has a master in education and works in a performing arts school. Children interview famous people about their defining moments. This is the point of the movie. The people want to leave a legacy. (03:00)

McGregor would like to work with Tourism. The stars she interviewed for the first season were personal friends. She answered Ballard's question that the stars have to come to Idaho. She will not go to Los Angeles to film them. She finds that they relax in Idaho. (13:00)

Conklin asked about distributors. McGregor said that one publisher wants to take the project to NAPPY. She is expecting a sale to an A&E type channel. Unlike books or films that need to be published immediately, this project is timeless. (21:00)

**Sun Dance Film Festival History**, Leigh von der Esch, Audio file "ITC Mar 2012 (13) Sun Dance Film Festival"

Vonder Esch gave credit to McGregor's and Owen's work. She talked about her first show in Utah, *High School Musical*. Films are big bill boards for states and travel to states. They leave money in the state and function like calling cards to promote the state. VonderEsch was appointed to Tourism because of her experience marketing film. (00:00)

Vonder Esch was asked to help with US Film Video Festival in 1979. In 1985 it became Sun Dance, and Vonder Esch was appointed film commissioner. In early days Utah gave 90% sweat equity and 10% money. Vonder Esch paralleled Sun Dance location in Park City with Sun Valley Film Festival in Sun Valley. (03:00)

Vonder Esch outlined benefits to community including \$92,000,000 to the state in ten days. They now have 2,700 volunteers from all over the world with 40,000 tickets sold. Even when economy was bad, Sun Valley Film Festival brought \$63,000,000 to the state of Utah. (05:00)

Vonder Esch answered May's question that Idaho needs to be realistic about how to get into the game. They started at \$1,000,000. Vonder Esch explained Utah's current tax credits and how that benefits Utah's economy and positive publicity. (08:30)

Vonder Esch listed sponsors as well as metamorphous between state relationship and festival. She gave examples of sponsorship levels and years. She gave examples of how Sun Dance pushes the state's brand to travelers and recruits outside businesses during the festival to talk about economic development in Utah. She told success stories. (10:00)

Utah just came out of its legislative session with nine million for advertising. They incented eight films this year. They have a grant program with post-performance and tax incentives. This is to keep film workers employed in Utah. (20:00)

Ballard asked how Utah handles films that show unpleasant issues about Utah. Vonder Esch has a motion film advisory committee that reviews the films to determine the employment issues versus censorship. They have discussions on being content conscious with tax payer dollars and being accountable with a film's ROI. (23:00)

Owens brought up the wholesome films being produced by Brigham Young University. Vonder Esch elaborated on the University's film and art work. (30:00)

**Sun Valley Story**, David Butterfield, Audio file "ITC Mar 2012 (14) Sun Valley Story"

Butterfield produced documentary on history of Sun Valley for their 75<sup>th</sup> Anniversary. Although not meant to be a marketing tool, it can function as such. It has been shown on several Public Television stations. (00:00)

Butterfield suggested ways to create similar films for other areas in Idaho. First, find out who the stars are in the area to get them on tape. (02:00) Butterfield showed clips from the film and highlighted history of Sun Valley. Some cuts are available on You-Tube: <http://www.youtube.com/watch?v=Nt3TmzApqpw>. The running time is 90 to 96 minutes including advertisements. (05:00)

It broadcasts on PBS will continue around Idaho. They also hope to purchase paid time on local NW stations which is about \$5,000 for 90 minute show. (26:00)

**Sun Valley Film Festival Updates**, Dana Plasse, Audio “ITC Mar 2012 (15) Sun Valley Film Festival Updates”

The Sun Valley Film Festival event starts at 9:30 pm Thursday. Plasse described films and events for Thursday. They needed to sell 2000, but have sold 1200 already. The community and many others were very generous with sponsorships. (00:00)

This was Teddy Bennon’s idea. They now know what upgrades will be needed for next year. Plasse thanked Idaho Film Department for their involvement. Promotion has and is going extremely well. The community has rallied around the event. Plasse listed major professionals who will attend. (02:00)

The film organization donated many tickets this year to get people to the event. They have many companies who want to sponsor next year. She described a few of the films. (07:00)

Owens listed Idaho films that will be showing during the festival. Plasse described other films. Von der Esch praised Plasse’s work. (09:30)

Ballard asked Plasse what SunValleyFilmFestival.org would need from the grant program in the future through the Sun Valley Marketing Festival. Plasse chronicled the Festival’s relationship with Sun Valley Marketing Alliance and Department of Commerce as well as the Film Festival’s development. She will be asking for grant money this year. (13:00)

Plasse briefly touched on the Festival’s effect on employment. Nelson suggested the festival leaders connect with Central Idaho Rockies. Plasse answered Ballard’s question that there are not any screenings in Hailey. Plasse continued with ideas to involve Hailey and Bellevue. (22:00)

Conklin would like to connect Region 7 grantees with Plasse and film. Plasse elaborated on the difficulties traveling to Idaho. Film makers needed help to get to Idaho. Alaska Airlines was very helpful. (27:00)

**ICORT Update**, Bill Drake and Karen Ballard, Audio “ITC Mar 2012 (17) ICORT Update”

Norton talked about ICORT coinciding with National Tourism week. Registration numbers are higher than same time last year. It will be much easier because the North Idaho Travel Summit has stepped forward to take lead, so Tourism staff will also be able to attend parts of the Conference. The Governor may do a public service announcement for radio and TV for the event. The agenda is solid. (00:00)

Ballard explained that Tuesday is the tribute breakfast to tourism, Upbeat Breakfast. The Lt. Governor may attend part of the conference. Tourism is teaming with IBBA, Idaho Lodging and Restaurant Association, Idaho Parks and Recreation, Idaho Scenic By Ways, and others. Ballard’s goal is to have this conference dovetail with all state organizations that have interest in tourism so that they can share speakers and synergies. (04:00)

Drake introduced the 30<sup>th</sup> Anniversary Dinner and 25<sup>th</sup> Anniversary of ICORT. Drake Cooper is hosting a dinner at the Hagadone Pavilion and Gardens for current and former Idaho Travel Council members as well as former tourism administrators and Idaho Commerce directors. They will have some members speak as well as time for the audience to speak. Drake will be the master of ceremonies. It starts at 6:30 pm for the reception, 7:30 pm for the dinner, and 8:30 pm for the program. They would like to wrap it up around 9:30 pm. Mercaldo shared that the Lumpkin family will attend. (07:00)

**Future Meetings and Closing Topics**, Frances Conklin, ITC Chair, Audio file "ITC Mar 2012 (18) Future Meetings and Closing Topics"

Ballard determined that it would be better to go to Teton Valley in August and stay in homes. (00:00)

Ballard said that Parks and Recreation was approved to sell a Parks-Perk Program for entrance into the Parks which could help make up the balance of funds lost through budgetary cuts. Ballard would like to help market this program. (01:00)

May announced that he would like to see Jim Manion, AAA, become new ITC representative for Region 3. He has officially applied. May handed out copies of Manion's biography. (05:30)

Conklin said the Steve Smith's daughter in-law and Ruth May are showing interest in Region 2. (08:00)

Ballard announced the bill to extend terms did pass the House and will go to Senate State of Affairs. Ballard will update ITC members on the final vote. (09:00)

**Motion**. It was moved (May) and (Newman) seconded that ITC meeting adjourn. Motion passed. (10:00)

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<sup>i</sup> Bill Code is included in all motions. He voted via Skype connection.