

Idaho Travel Council Meeting Minutes

March 9, 2107

Hagadone Event Center
900 South Floating Green Drive, Coeur d'Alene

Idaho Travel Council Members Present:

Doug Burnett, *Region I*
Lara Smith (Vice-Chair), *Region II*
Jim Manion (Chair), *Region III*
Shawn Barigar, *Region IV*
Matt Hunter, *Region V*
Courtney Ferguson, *Region VI*
Mike Fitzpatrick, *Region VII*
Rick Shaffer, *Multi-Region*

Commerce Staff Present:

Matt Borud, Marketing and Innovation Officer
Diane Norton, Tourism Manager
Jill Eden, Grants/Contracts Analyst
Ewa Szewczyk, Grants/Contracts Specialist
Laurie McConnell, Senior Tourism Specialist
Amy Rajkovich, Tourism Specialist
Laura Conilogue, Administrative Assistant I

Welcome and Introductions

Chairman Jim Manion called the meeting to order at 1:15 p.m.

Thank you to Doug for setting up the meeting in beautiful Coeur d'Alene.

Rick Shaffer motioned to approve January minutes.

Lara Smith seconded. All in favor. **Motion Approved.**

Idaho Travel Council, Idaho Tourism Staff, and audience introductions.

Commerce Update - Matt Borud

The first Idaho lodging tax collections from Airbnb arrived in January. From those collections, Matt estimates that Idaho Tourism will receive around \$300,000 in collections from Airbnb this year. However, when Airbnb sends the collections, it is not broken up between the Idaho regions like the Idaho bed tax; the collections arrive in one lump sum. Idaho Tourism has decided that the collections will be divided proportionally throughout the regions based on their bed tax collections from the year.

Matt Borud updated the Council on the \$3.5 million spending authority increase Idaho Tourism asked for from the Legislature in order for Tourism to be able to spend all the collections they receive from the 2% bed tax. Unfortunately, the Legislature only gave them \$2.5 million so Idaho Tourism will need to go back next year to ask for additional spending authority.

This fiscal year, FY17, Tourism will collect more taxes than they have the authority to spend because the increased spending authority does not go into effect until next fiscal year. When Tourism collects more than they have the authority to spend, it goes into a savings account and stays with Idaho Commerce until a time when there is enough spending authority to spend it. In FY18, Tourism will be able to spend their full collections.

Tourism Budget Update - Diane Norton

The administration budget will be spent in total by the end of the fiscal year. Idaho Tourism may offer to pay for the U.S Travel Association's Educational Seminar for Tourism Organizations (ESTO) registration for any Idaho Travel Council members that are interested in going this year. The administration budget also has funds available for Idaho Tourism to co-op research with grantees.

On the budget, Diane listed \$80,000 for audits of the grants because last year the Idaho Travel Council voted for Tourism to pay for random grant audits. However the random audits on grants will not start until 2018, so that \$80,000 will be used elsewhere this year.

All phone calls from the Idaho Tourism 800 line are now being answered in-house. The \$7,500 Tourism was paying the call center to answer the calls is now being spent on media advertising. There is still 40% left of the budget for domestic and international mailings. \$91,000 of the Canadian marketing budget is going to Brand USA.

North Idaho Tourism Research - Bill Robinson

Bill Robinson from Robinson Research presented the research findings that Region 1 commissioned with the help of Idaho Tourism. The state contributed \$12,500 for the research. The purpose of this study was to determine awareness, knowledge, and perceptions of Northern Idaho as a driving trip and tourist destination. The survey was conducted in November and December 2016. The information was gathered from 1,200 completed telephone interviews of active families in Washington, Idaho, Oregon, Montana, British Columbia, and Alberta.

A summary of what Robinson Research learned is that a typical household does an overnight trip every two months, drives 722 miles, spends \$171 a day, spends six hours on the road, and can be attracted by a big attraction, like Silverwood, and/or an event. It also found that 73% of households surveyed considers Northern Idaho to be a destination, and 63% of had visited Northern Idaho once a year because they are unable to do all the available adventures in one trip. Robinson Research found that when tourists think of Northern Idaho, they associate it with Coeur d'Alene.

The entire report can be found [here](#).

Tourism Tour Recap

The Council discussed the Tourism Tours and agreed there was more discussion between grantees than during previous tours. The Council also noticed that people representing attractions came, not just the usual grantees. The Council is glad to see more people coming to the meetings

Diane thanked the Council for looking at the applications from every grantee in every region. It takes a long time but it helps distribute the grant dollars fairly and makes the Idaho Travel Council more knowledgeable.

Josh Mercaldo from Drake Cooper attended every Tourism Tour and shared the following observations:

- Recently many grantees have used their funds for research.
- Many grantees participate in the co-op program, and more show interest every year.
- When Washington Tourism starts marketing their state with vigor, Idaho Tourism will have to work even harder to sell their state.
- Current Idaho Tourism staff is the best he has seen in 10 years since he started working with the team.

Region 1 - Doug Burnett

The Region 1 Tourism Tour was the most attended tour with 30 attendees. Some topics discussed at the meeting were:

- Bill Robinson from Robinson Research presented the research he did about Northern Idaho.
- Diane learned that the eclipse is a statewide event, it is not just important to the places in the path of totality.
- There is a high level of expertise from the Region 1 grantees. They are efficient and knowledgeable.

Region 2 - Lara Smith

The Region 2 Tourism Tour was well attended and there were many good discussions, including the following:

- The North Central Idaho Tourism Association is growing in the right direction. All the Region 2 grantees support NCITA.
- Region 2 is going to have a hard time growing if they can't do anything about their lack of internet. Many potential guests only book hotel rooms online, however many Region 2 lodging properties don't have internet connection so the properties cannot be booked online, nor can the properties have an online presence. Diane recommended that maybe Region 2 should advertise as an "off the grid" location.
- Region 2 became a certified American Viticultural Area (AVA) last year. The wines grown in that region should be heavily marketed.

Region 3 - Jim Manion

The Region 3 Tourism Tour was a lively session with great dialogue. Many multi-regional grantees attended. The main action items from the meeting were:

- Every grant has an administration fee of 10%, but it is capped at \$25,000, so any grant over \$250,000 only has to pay \$25,000. The Commerce fiscal department is going to do a cost/benefit analysis of the fee to determine if the administration fee is still necessary, if 10% is appropriate, and if the cap is at an appropriate amount.
- Many grantees from Region 3 requested that the state make a template of research questions for grantees to use when they want to initiate live visitor research at their hoteliers and attractions. Boise CVB volunteered to send out their template from the live visitor survey they completed last year.

Region 4 & 7- Shawn Barigar and Mike Fitzpatrick

In addition to the Tourism Tour, Diane Norton, Matt Borud, and Jill Eden drove to Heyburn a week before the Tour to meet with the Cassia County grantees who had questions about the application.

It was helpful to have the Region 4 and Region 7 meetings together because they can work together, share ideas, and Region 4 has fewer grantees. Region 4 and 7 have both recently had new grantees. The grantees discussed:

- Region 7 appreciated the new grant portal, and the timeline for the grant application
- The interactive grant map was a big hit, the grantees were excited about it.
- While the grantees were together they arranged all their events throughout the year, so they were not competing with one another. Matt and Diane explained that Idaho Tourism cannot support events that are solely focused on the entertainment of current residents of the cities; Idaho Tourism can only support events that are meant to draw visitors to the area.
- One goal of the regions is to engage the hoteliers and owners of the attractions to work with the grantees to help market the state.

- Talk of the eclipse was prominent. Stanley is going to bring in an astronomer, and have a dark night to see stars. Hailey is also planning events.

Region 5 - Matt Hunter

The Tourism Tour in Pocatello was a typical meeting for Region 5. Seven people, all grantees that are engaged and have been participating for years, attended. The following were the major points they talked about:

- The solar eclipse was discussed at length because part of Region 5 is in the path of totality and most hotels are full.
- One major problem in Region 5 is the Bear Lake Convention and Visitor's Bureau. They have reverted their 2015 grant and they are not responding to calls.
- Bird watching is very popular in American Falls, it is an Important Birding Area (IBA) because over 200 different species come to American Falls.
- Many Chinese bus tours stop in Region 5. The tours start at Salt Lake City, Utah, travel up to Idaho, stay the night in Pocatello or Idaho Falls, then drive to Yellowstone and eventually loop back to Utah.
- The Mountain View Event Center has been full every weekend since it has opened. Mid-week use is not as busy, but it is used as a practice space.

Region 6 - Courtney Ferguson

Courtney Ferguson acknowledged that there was not a lot of feedback in Region 6 because most of the grant managers are still new, so they were absorbing the new information. The following were the talking points:

- Region 6 is the third largest collections region in the state.
- Much of Region 6 is in the path of totality of the total solar eclipse, so many grantees have planned events around the eclipse.
- There is a lack of communication and understanding with the Chinese market, and because they are a growing sector of tourism in Region 6, industry workers will require additional training to better understand and assist the Chinese tourists.
- Region 6 requested the infographics to be sent out every 4 months because they are using the information to influence their marketing plans.

Multi-Regions - Rick Shaffer

Rick Shaffer summarized what he heard from the multi-regions during the Tourism Tours:

- Ski Idaho is considering doing a research project.
- The Bed and Breakfast Association is looking for a new Director.

Strategy Session

To kick off the strategy session Diane mentioned a couple emerging trends she has noticed in the industry, including that the Jackson Hole Convention and Visitors Bureau now has a rule that their hotel collection taxes can only be used in promoting the area from October to May.

Another emerging trend is that many national parks around the country are having a hard time keeping up with the increase in visitors from the big promotion that the government made last year. However, Idaho parks, both state and national, have the capacity for more visitors. The Council discussed that the reason could be that there is a gap in perceptions between national parks and state parks. National parks are on people's bucket list, but state parks are not.

Airbnb and Vacasa are now giving taxes to the state, so it makes more sense that they are represented by the state in the travel guide, like all lodging properties. However, next year's

travel guide will most likely not have this information in it, because Airbnb and Vacasa are not supplying the addresses to Idaho yet, and they may not ever give the information.

Even if the addresses are supplied, Courtney Ferguson thinks that Tourism should not list the Airbnb and Vacasa properties in the travel guide, perhaps instead only list the website at the bottom of the lodging properties. The Council questioned if visitors use the Travel Guide to find places to stay. It could be better to use those pages of the travel guide for inspiration. If all those properties are added, it will cost more to print the guide.

The Council discussed the listings on visitidaho.org. They think the cities and hotel properties should be listed by region, and when searching specific cities, hotels in surrounding areas should also be listed. The most important factor for the design of the "Places to Stay" section is how it affects the traveler. Josh Mercaldo noted that the "Places to Stay" section is much better than it has ever been, thanks to the Trip Advisor listings, however there has not been much of an increase in lodging bookings on the site yet.

The Council discussed if the Idaho bed tax should change from 2% to 3%. Matt Hunter asserted that states surrounding Idaho have more money from taxes to market their state, so if Idaho added this extra 1%, it would help Idaho catch up. Matt Borud explained that Megan Ronk, the Director of Idaho Commerce, thinks that this change needs to be industry driven. She knows that the Legislature will not support a "tax increase" unless the industry is behind it. Mike Fitzpatrick notes that he gets push back from groups who want to come visit but do not want to pay more. Shawn Barigar suggested that perhaps Idaho could give each community the option to increase their own taxes. There was a suggestion that Council could think of other kinds of tax revenues Idaho Tourism could collect.

The Council also discussed the best way to distribute grant money to the multi-regional grantees. The Council is worried that if the Council uses a pay-out formula every year, the multi-regional application quality will decrease. However, the Council wants [Multi-Regional](#) grantees to justify the grant money they are given by showing growth through the marketing they have done, just like other grantees. Matt Hunter suggested that the multi-regionals get to know the ITC member in each region because the ITC members don't know what projects the multi-regionals are working on, or what they actually need grant money for. The Council thinks that the multi-regionals should come to more meetings, have more of a presence, and show more interest in the Travel Council and the other grantees so they can find more opportunities for collaboration.

Future Meetings and Closing Topics

The next Idaho Travel Council meeting and the Grant Presentations is on May 9, 2017. The meeting will be held at the Teton Springs Lodge in Victor, Idaho. The Council will arrive on May 8th and the Grant Presentations will be all day on May 9th. The Council will travel back home on May 10th. There will be no tours, but going forward the Council wants to have more tours at each meeting so that the Council can learn more about every region.

The Council decided that the August Meeting will be on the 8th and 9th of August, in McCall. Everyone will arrive on the 7th.

Chairman Jim Manion adjourned the meeting at 5:50 p.m.