



# ACRA DEFY ORDINARY

ASPEN CHAMBER RESORT ASSOCIATION

DESTINATION MANAGEMENT | MEMBER SERVICES | SPECIAL EVENTS | VISITOR SERVICES

## **Board of Directors Meeting**

**Date: October 31, 2023**

**Aspen Meadows Resort**

**Present:** Cristal Logan, Jeff Bay, Cari Kuhlman, John Rigney, Donnie Lee, Rose Abello, Dan Bartholomew, David Baugh, Debbie Braun, Patti Clapper, Matt Cook, Andrew Ernemann, Alan Fletcher, Michael Goldberg, Heather Kemp, Lisa LeMay, Justin Nyberg, Henning Rahm, Dave Ressler, Steve Skadron, Heather Steenge-Hart, Maria Ticsay, Justin Todd, Bill Tomcich, Torre, Kathleen Wanatowicz, and Pete Yang.

**Absent:** Nina Eisenstat

**Staff:** Jennifer Albright Carney, Alycin Bektesh, Bridget Crosby, John Clay Davies, Savannah Grant, Casey Graves, Julie Hardman, Jessica Hite, Eliza Voss, and Liz Watson.

**Guests:** Jeb Ball, Carol Breen, Emmy Garrigus, and Kenny Smith

**Call to order:** Cristal Logan called the meeting to order at 8:31 AM

**Approval of the September 26th Minutes:** Approved

**Disclosure of Conflict of Interest:** None

**CCLC Upcoming Objectives:** Jeb Ball, Chairperson of the Commercial Core and Lodging Commission (CCLC) for the City of Aspen, provided an update on the commission's activities and initiatives. Established in 1981, the CCLC acts as a bridge between the city's businesses and government, with its key achievement being the Aspen Saturday Morning Market. Ball expressed the need to diversify the commission's membership, seeking more representation from current restaurant owners and retailers. He discussed the commission's focus on enhancing existing events, exploring new ones like a Christmas market, and the desire to increase support for local businesses through a "block captain" approach for more effective communication. Ball also touched on internal discussions about budget acquisition without a solid spending plan, which he opposes. Additionally, the CCLC aims to contribute to city events such as the July 4th Parade and has aspirations for involvement in the repurposing of the Armory. Concluding his presentation, Ball reiterated the commission's commitment to improving its relevance and impact within the community.

Chair's Comments:

**Retail Sector Update:** Heather Kemp and Lisa LeMay provided an update on Aspen's retail sector to the ACRA Board. Heather shared insights on the challenges local retailers face, including high rents pushing businesses out of the core, with rates reaching \$270 to \$300 per square foot. She highlighted parking issues for those driving in from nearby areas, especially during winter. Despite these challenges, Aspen continues to thrive as a luxury retail destination, with notable expansions such as Tiffany & Company and Louis Vuitton. Heather emphasized the importance of luxury retail to the community and its contributions through sales tax revenues. Lisa built on Heather's points, commending Kenny from Meridian Jewelers for his involvement in community initiatives, such as the two-for-one gift card program during COVID. She conveyed the retail sector's concerns gathered from her WhatsApp group, with the top issue being the future of Aspen's airport and its critical role in the town's economy. Parking concerns were also discussed, with one member describing the town's parking strategy as "sneaky." Lisa also raised the issue of rising hotel rates amid lower occupancy, explaining that like all businesses, hotels must adjust prices due to increasing operational costs. The conversation shifted towards the potential collective action by the retail sector to support the modernization of the airport. Lisa agreed to help draft and gather signatures for a letter to the BOCC, advocating for the airport's modernization, with a focus on reducing environmental impacts and improving aircraft technology, rather than uncontrolled growth. It was agreed that tailored messages would be drafted for the restaurant, lodging, and retail sectors to express each constituency's perspective and support for the initiative.

Kenny Smith of Meridian Jewelers also gave an update to the ACRA Board, during which, he expressed appreciation for ACRA's proactive engagement with local businesses, reflecting a positive shift from previous lack of collaboration. He recounted his and other local businesses' experiences with policy changes affecting the town's core, specifically citing the "Living Lab" experiment that proposed eliminating parking spaces. Smith emphasized the importance of access to the core by various means, including by car, highlighting the detrimental impact of reduced parking on the town's commerce, especially during peak seasons. He detailed efforts to collect real data on parking and commerce impact, such as surveys that showed overwhelming customer frustration with parking availability. Smith argued against proposals that further reduce parking, underscoring the loss of 25,000 parking opportunities due to



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the Living Lab experiment and the seasonality of local business traffic. He urged for policies that consider the needs of all stakeholders and sustain the town's commercial viability year-round. Smith concluded by expressing his firm stance against any further reduction of parking spaces in the core.

**Chair's Comments:** Cristal Logan briefly addresses the ACRA Board, extending gratitude to Jeb for his presence and acknowledging the valuable contributions from Kenny, Lisa, and Heather. She conveys her condolences to Patti and the entire Clapper family, on the loss of Tommy Clapper. Logan then updates on the arts and culture sector, noting that planning is underway for a vibrant array of events in the coming seasons, and encourages everyone to spread the word. She follows up on a previous discussion regarding the Roaring Fork Transportation Authority (RFTA) services, acknowledging member support for advocating expanded late-night services and continuity through the off-season. She recognizes Pete's efforts in discussions with RFTA and acknowledges the challenges they face, such as staffing and housing, committing to ongoing dialogue to address service concerns.

**President's Comments:** Debbie Braun expresses gratitude for the strong attendance at the ACRA Board meeting, with a record 24 out of 25 members present. She highlights the importance of leadership for the organization's effectiveness and mentions an absence due to a last-minute issue. She informs the board that staff are working on the 2024 budget, which is substantial at \$5.6 million, and notes that it will be presented for approval in November. Braun announces the upcoming Tourism Outlook Forum, which will coincide with the next board meeting, and asks members to plan for a slightly longer meeting to accommodate this. She emphasizes the organization's current focus on guest service appreciation, detailing various activities like distributing cookies to front-line employees and promoting guest service through different platforms, including a local newspaper and television shows. She shares excitement about ACRA's sponsorship of the World Cup and notes the ongoing election for ACRA board seats, acknowledging the contributions of Kathleen Wanatowicz and Andrew Ernemann, who are not seeking re-election. Braun invites recommendations for enthusiastic individuals to fill the service and real estate open board seats.

**Marketing Advisory Committee Update:** Jeff Bay provides an update from the Marketing Advisory Committee (MAC), touching on the status of lodging for the upcoming season from an outsider's perspective, as his property is not contributing data currently. The MAC meeting welcomed new members and integrated the ACRA special events team into Destination Marketing, enhancing collaboration on marketing and event efforts. Eliza presented a PowerPoint that highlighted challenges for the winter, with December bookings in Aspen down by 7% and a substantial deficit in January occupancy due to reduced international travel, especially from the economically challenged Australian market. February and March are also pacing down. The Average Daily Rate (ADR) remains strong, possibly influenced by the removal of lower-priced properties from the market. However, Aspen is softening compared to its competition, where it usually excels. The committee discussed supporting SkiCo's efforts and creating promotional strategies, including special room rate incentives to boost early winter occupancy. They also considered different geographic markets to target and creative strategies to address the occupancy challenges. Additionally, the MAC reviewed data from the Resident Sentiment Survey and the Visitor Profile and Economic Impact Survey, with plans to present insights at the November meeting. Discussions about winter school and special events led to various strategies being presented, including public relations and international efforts. The committee is also focusing on spring and fall marketing initiatives, considering reevaluating prime months due to observed deficits. The meeting ended with a Roundtable discussion on occupancy and marketing strategies for the winter and upcoming seasons, aiming to support community exposure and ensure strong occupancy rates. The committee remains committed to partnering with SkiCo and ACRA to set up a successful summer season.

### **Directors' Remarks:**

**Donnie Lee** greets everyone and mentions that The Gant is currently closed to complete the final projects. He agrees with the assessment that December bookings are softer than desired, acknowledging that there has been a stall in the pace of bookings and that there is still work to be done to improve the situation. While The Gant is doing okay from January through March compared to last year's pace, he acknowledges the general market trend towards softer occupancy. He notes that revenue is starting to taper off, but costs, including labor and general expenses like groceries and dining out, continue to rise. This imbalance is putting pressure on all businesses, including lodging, which faces daily challenges in managing costs. Additionally, he mentions that some properties are dealing with significant insurance issues, a factor not yet discussed, affecting particularly older condominium properties. Lee does not foresee these cost pressures easing soon, indicating ongoing challenges for the business and lodging sectors.

**Torre** begins by apologizing for not being able to attend the meeting in person due to a hectic day at City Hall, opting to join from home. He then asks Jeff for clarification on the reported 7% decrease, which Jeff confirms is based on a comparison to the same day



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last year as of September 30 and does not include new inventory that will enter the market. Torre emphasizes his stance against the elimination of parking spots downtown, advocating instead for increasing parking to support business success and a sustainable experience for Aspen. He mentions his commitment to looking long term and appreciates Donnie Lee for speaking to the importance of this perspective. He expresses excitement for the upcoming winter and acknowledges the harmonious efforts of various community organizations, specifically thanking ACRA and members for their hard work and involvement. Torre is working with Jeb to improve communication and strengthen the role of CCLC in downtown decision-making. Torre reviews the city's financial health, recognizing the challenge of maintaining high standards and the need for creative ways to enhance business and revenue. He commends the community members for their collective efforts and endorses Aspen as a premier living and visiting destination, encouraging the continued promotion of its unique and extraordinary experiences. Lastly, he expresses personal gratitude to Patti for her presence despite difficult times and conveys his undying appreciation for her family. He then invites anyone with comments or questions to email him to arrange a conversation.

**Patti Clapper** shares a heartfelt message about the value of celebrating life before it's too late, reflecting on a celebration they had for Tommy before he passed away. She recounts the event filled with stories and camaraderie, noting Tommy's active participation despite his frailty and how he humorously corrected any inaccuracies in the stories being told about him. She expresses that his passing has left a significant void in the community and her family. Patti thanks everyone for their support and mentions a small family memorial planned for Sunday, followed by a gathering at Hickory House to enjoy Tommy's favorite foods. She extends gratitude for the community's support and specifically acknowledges Heather for sending a bouquet of flowers. She reminds everyone about the upcoming election, urging them to vote and calls for volunteers to serve as election judges for the forthcoming primary and general elections, highlighting the rewarding experience of participating in the electoral process. Patti previews the release of the 2023 regional workforce housing report from Northwest COG and the Colorado Association of Ski Towns, promising to distribute it and noting its valuable insights. On county matters, Patti speaks about the active steps being taken in response to recommendations from a growth advisory committee, including interim housing size caps, while they work through other related issues like the transfer of development rights program, aiming to manage growth effectively. She then turns to local developments, revealing that snowmaking on Aspen Mountain has begun due to the cold temperatures, in anticipation of a great ski season and upcoming World Cup events in March, and suggests that the early snowfall could positively impact reservation numbers. Patti ends by expressing gratitude for the group's support during tough times, indicating her intention to continue representing the Board of Commissioners for another three years, showing her dedication and enthusiasm for the role and the community.

**Bill Tomcich** follows Patti's remarks by expressing his sympathy and admiration for her. He updates on the airline industry, specifically mentioning United's introduction of discounted fares from mid-January to mid-February, and his efforts to potentially reduce fares even further in coordination with upcoming sales promotions. He reports that American Airlines has reduced its flights to an offseason schedule, while United maintains a robust schedule. September marked the fourth consecutive month of record passenger numbers at Aspen Airport, with a remarkable 100% completion rate, the first since May 2021. However, October has seen some disruptions due to snow, leading to cancellations, though flights are back on track at the time of speaking. Tomcich is attending the Skift Aviation Forum in Texas, featuring major industry figures like the CEOs of American Airlines and the Chief Commercial Officer from United. He details the fall flight schedules leading into the winter, noting adjustments around Thanksgiving and the gradual ramp-up to full winter schedules by various airlines through December. Tomcich explains that a shift in the calendar affects December occupancy rates but projects higher occupancy in January due to extended school breaks. Lastly, he touches on the Aspen Airport closure, thanking Dan for adjusting the closure times to minimize disruptions. The airport will now close later on the 6th of May and reopen earlier on the 23rd, allowing certain flights to operate and ensuring that aircraft and crews are in position for the full schedule when operations fully resume for Memorial Day weekend. He concludes his update open to any questions.

**Alan Fletcher** briefly remarks that the upcoming summer marks the 75th anniversary season of the Aspen Music Festival & School, hinting at significant and exciting plans ahead.

**Jeff Bay** starts by wishing everyone a Happy Halloween, mentioning the excitement generated by recent heavy snowfall. He notes that after the news reported up to 30 inches of snow in Snowmass, there was a noticeable increase in phone reservations and website traffic, which positively impacted area occupancy. He then moves on to discuss the outcome of a recent marketing committee meeting, highlighting a presentation about PR efforts. Jeff informs that as part of a regular review of vendors for ACRA, the PR contract was put up for bid through an RFP. Maureen Poschman, of PROMO Communications, decided not to submit a proposal for continued PR services. Jeff encourages the board to provide input on how ACRA's PR strategies might be expanded or



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modified during this transition period. Regarding hotel development, Jeff mentions that things are progressing well, with a planned mid-December opening, contingent on receiving a temporary certificate of occupancy by late November. He is eager to share more details about the property in the future. Lastly, Jeff addresses issues related to transportation, specifically referencing a board meeting about scheduling that he felt should have been communicated more broadly to encourage participation, especially given prior discussions in the group. He expresses disappointment in missing an opportunity to influence decisions about parking and public transportation, particularly considering reduced services by RFTA and suggests that continued dialogue is necessary to possibly readjust schedules and improve service.

**Henning Rahm** discusses his project's preparation for the upcoming busy season, including the completion of a partial renovation of a lower-level spa and a conference room. They are excited to reopen on November 20th with a traditional Thanksgiving dinner. The pacing of bookings is looking similar to what others have reported and appears promising, though he acknowledges that the current situation is subject to change. Rahm reflects on the past summer, considering what could have been done differently and whether certain outcomes could have been anticipated. He dismisses price dropping as an ineffective strategy from the previous summer. Instead, he focuses on the importance of snowfall in filling booking gaps and admits that being a leader in pricing strategy comes with its challenges. Looking ahead to next summer, Rahm suggests a cautious approach rather than aggressively seeking higher occupancy rates. He advocates for creating a sustainable base for occupancy that can leverage community involvement. Drawing parallels to the airline industry and revenue management, he emphasizes the need for strategic adjustments in pricing. Rahm shares that his past summer's strategy was based on the strong performance from 2021 to 2022, which led to targeting higher rates. He finds it interesting to compare the record number of flights into Aspen with occupancy levels, acknowledging the complexities of the industry. Finally, he underlines the importance of managing costs, given the high benchmarks set in previous successful years.

**Rose Abello** acknowledges that while the demand for lodging remains high, the industry is now working harder to secure bookings. Marketing efforts for the winter are in full swing, including a collaborative blitz with SkiCo and ACRA aimed at boosting immediate business for the community. Abello notes that the current lodging bookings for March are down, which she sees as positive since it allowed the movement of the Disabled American Veterans event, which last year occupied six days in March, to just one day. This change opens up more availability for Semana Santa, which is seen as a potential opportunity for increased bookings. She is optimistic about April's outlook and believes the adjustments will make March rooms more desirable. The celebration of the recent snowfall is tempered by a desire for it to clear as the department continues to hire for two positions. Abello mentions that they are close to finalizing hires for three roles: guest service representatives, an event producer, and, notably, her own position, as the deadline for applications is today.

**Justin Todd** begins with a humorous thanks to John Rigney for the snow, joking that it's part of his job description. He apologizes for the cold in their building, attributing it to the challenges of managing sophisticated software systems in newly renovated buildings, noting a hiccup with their heating that morning. Todd goes on to discuss the repositioning of The Meadows resort, aiming to increase occupancy during the winter season to match other local properties. This strategy involves investing a significant amount of money to upgrade the facilities, with the expectation that both occupancy and average daily rates (ADR) will rise as a result. He also touches on the importance of paying employees enough to live in the valley, referencing an article about the need to make more than \$25 an hour to survive in the U.S. currently. Despite some challenges anticipated for December, Todd is hopeful to end the year well and mentions that the outlook for January, February, and March seems positive. He notes efforts to tap into new markets starting mid-month to bolster business. Additionally, Todd shares that they are undergoing another renovation at their arrival center, which includes the front desk, lounge, and restaurant. This renovation is scheduled to be completed by December 15, with the introduction of a new restaurant concept that will offer more moderately priced options compared to the high-end pricing typically seen in the area. He ends with an invitation to welcome everyone to experience the new offerings once the renovation is complete.

**Maria Ticsay** expresses her appreciation for the presentation given that day and enjoys the in-depth information from the various groups involved. She looks forward to engaging in meaningful conversations and is pleased about collaboration with CCLC to address customer needs, which she believes should be the fundamental focus. She believes all other actions should revolve around meeting these customer needs.

**Dave Ressler** starts by offering his condolences and expresses his appreciation for the earlier comments. His main announcement is regarding the open enrollment for Connect for Health Colorado, the individual exchange, which goes live at midnight. He notes that





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the enrollment is open until December 15 for a January 1 effective date, highlighting its importance for employers who can't afford health insurance for their employees. He points out the availability of ICHRA, a federal program where employers can cover insurance premiums for their employees. Ressler also mentions that individuals not eligible for Medicaid may qualify for subsidies on the exchange products. He emphasizes the importance of enrolling during this period to avoid issues with pre-existing conditions. Ressler recommends that those with questions contact Taylor McBride, a certified navigator from the Valley Health Alliance, who can assist with selecting the best insurance plan. Lastly, Ressler addresses the presence of COVID-19, stating that we are living with it and that vaccines, including boosters, are available. He encourages talking to a physician if there are any questions regarding vaccination.

**Matt Cook** echoes Dave Ressler's sentiment that COVID-19 is still a present concern. He mentions that he is quite sick but has managed to attend the meeting virtually, and due to his illness, he keeps his remarks brief and concludes his participation.

**John Rigney** briefly acknowledges Patti's update as covering his points. He expresses satisfaction with the recent snowfall, which is timely and beneficial, particularly as it coincides with a Broncos victory, adding a positive note to the messaging. He notes the upcoming pass deadline on December 1 and shares excitement about the upcoming season. However, he indicates it is too soon to discuss an early opening.

**Justin Nyberg** appreciates the presentation on parking issues, finding it valuable for gaining perspective from business leaders, which will be useful feedback for the Public Affairs Committee. He agrees with Jeff's emphasis on the importance of outreach by the city and county to stakeholders on upcoming issues. Nyberg recounts a positive experience with city engagement regarding lighting code and how being on a stakeholder list kept him well-informed. He encourages ACRA to engage more deeply in legislative processes, advocating for inclusion on stakeholder lists for issues affecting members like parking, transportation, and lodging, and to communicate updates to members clearly and succinctly. He praises Mallesons for doing well in this communication aspect but suggests there's room for more substantive updates. Lastly, Nyberg expresses enthusiasm for the destination management plan as a guiding vision for the group and is keen to see progress towards its goals and hear a tourism outlook update in the future.

**Steve Skadron** starts by expressing his sympathy for Patti due to Tommy's passing, likening it to losing one of the Maroon Bells. He shares that he just returned from Green Bay, where he watched the Minnesota Vikings win against the Packers. Reflecting on his journey, he highlights the impressive Eagle Airport and suggests investing in their own airport. Steve finds the input from Jeb and the CCLC very insightful and appreciates their constructive role in the community. He recalls a time when CCLC, led by Bill Dunsmore, operated without a budget and sought funding for a project which shows its evolution over time. Discussing his work at (CMC), he's excited about the kitchen and recreational cooking school project that is on schedule and on budget. This project is intended to support local restaurants and serve as a communal space in town, which he finds lacking. Steve also reveals that CMC's involvement with Food & Wine has been fruitful, securing a significant donation from GE Monogram for kitchen equipment, demonstrating the successful expansion of community support for the event. Serving on the Western Region Mountain Housing Coalition, Steve notes that public entities and CMC have contributed financially to address regional housing issues. Regarding transportation, he appreciates Kenny's comments on the frustration of downtown businesses due to limited parking. While acknowledging the necessity of cars for downtown vibrancy, he challenges the community's commitment to long-term planning. He believes the city tries to align policies with the community's aspirations, which sometimes requires sacrifice. Steve regrets a missed opportunity for long-term transportation planning rejected years ago by council members. He emphasizes that the community's transportation issues remain unchanged, suggesting a lack of progress despite previous discussions and plans. He ends on an apologetic note for his candor and leaves further discussion on the topic open for the Public Affairs Committee.

**Dan Bartholomew** expresses gratitude for the support from the business community for airport modernization, highlighting that this support is helping to correct misinformation within the community. He mentions a productive meeting done in collaboration with Grassroots and members of the airport advisory board, which is expected to be released soon after some editing. Dan notes the distribution of a newsletter that keeps people informed about the airport, including updates and operational insights. He shares an example of an incident where a localizer antenna on Buttermilk Mountain failed, causing disruptions. Although the antenna is generally used in bad weather and was not needed on that clear day, its failure illustrated the dependency on outdated equipment and underscored the need for modernization. He also discusses the airport's efforts to develop new departure and approach procedures that don't rely on older navigational aids, which would be an additional benefit of modernizing the airport. Furthermore, Dan talks about a lease extension with Atlantic Aviation for 12 months, which will allow them to proceed with the Airport Layout



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Plan and decide whether to continue with a third-party operator or have the county take over. The financial aspect of the lease extension is also mentioned, with a significant increase in monthly income from the Fixed Base Operator (FBO), which is being used for airfield improvements, thus not impacting their own budgets. Lastly, Dan welcomes Casey Graves aboard for as ACRA's Director of Guest Services.

**Pete Yang** comments on the current state of the banking sector, reflecting the offseason quietness in their community banking operations, which mirror the community and its businesses. He mentions that there has been a notable issue with insurance for some older, wooden condominiums lacking sprinkler systems, leading to a dramatic increase in insurance costs for one customer, which in turn necessitated a loan due to the affordability. Additionally, he discusses the bank's engagement in providing financing for locals in relation to the new Burlingame phase three units that have been coming online.

**Kathleen Wanatowicz** expresses concerns about the representation of the construction, development, real estate, architecture, and design sector on the ACRA board, especially with Andrew leaving the board and Sam not being present. She emphasizes the importance of this sector in the community, noting that it employs many people and is integral to the functioning of lodges and kitchens in Aspen. Wanatowicz suggests that recruitment efforts might be needed to better represent these fields on the board. She also refers to her input at the armory open house, emphasizing the urgency of not delaying the armory project. She believes that the project, which requires a significant multimillion-dollar investment, has a competent team and the momentum necessary to proceed. The armory is seen as a key opportunity for ACRA and the restaurant community to enhance their presence in the core of Aspen. Wanatowicz underscores this point by noting that the armory project also appeared on the CCLC list, reinforcing its importance.

**Adjournment:** Cristal Logan adjourned the meeting at 10:30 AM