

**ASPEN CHAMBER RESORT ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
September 27th, 2016**

Call to order: Warren Klug called the meeting to order at 8:37 a.m.

Attendance: Present: Cristal Logan, Charlie Bantis, David Perry, Warren Klug, Rose Abello, Nina Eisenstat, Heather Steenge-Hart, John Maloy, Beth Mobilian, Maria Morrow, Michael Owsley, Andrew Ernemann, Steve Skadron, Kenny Smith, Bill Tomcich, Jeff Bay and Tim Perry. Absent: Donnie Lee, Corey Enloe, Riley Tippet, Terry Collins, Simon Chen, Jeanette Darnauer, Lisa LeMay and Laura Smith. Staff present: Nicole Heronemus, Erik Klanderud, Julia Theisen, Jennifer Carney and Susan Bantis. Guests: Scott Writer, Greg Poschmann, Kathy Klug and John Kinney.

Approval of prior meeting minutes: The board unanimously approved the August minutes.

County Commissioner Candidates:

Scott Writer: The reason I'm running is because I have a real passion to try to create opportunity for locals to be able to prosper in the affordable housing market. When we invest in our passions and what we love, we invest in our businesses. I think that our non-profits are undervalued as an economic generator as they create a lot of first visits to Aspen. We have the highest return rate of any resort in the world and I think the non-profits are a main reason for it. My experience in business is what I feel sets me apart from Greg. I am endorsing referendum 1A. I am fluent in public/private partnerships. I also invest in the environment and renewable energy.

Charlie: The current county commissioner seemed opposed to discussing a county wide sales tax for the schools. What are your thoughts on that?

Scott: I'm a huge advocate for schools and education. I think teachers are the most underpaid profession on the planet. I would absolutely be supportive of that.

Greg: I think we should be able to do this and there are a number of ways it could happen. For example, our open space funds will raise 200 million in the next few years from which an endowment could be created for the education foundation.

Greg Poschman: I grew up here as part of a ski family. I am deeply invested in this community as a skier and as a cultural center. I believe the people of Aspen are hardworking people because you really have to make sacrifices to make it here. It's important for me to continue to preserve open space in Pitkin County. Our county is growing a little slower and we are taking bigger strides to preserve our open land. We have about 40 teachers in our schools today that came out of ACES. I was on the healthy rivers and streams board since its inception. It's important to keep an eye on our water and the downstream water. I would like support for a hydronic study of the value of the water flowing through our local rivers. This study will give us a sense of value of our water.

Warren: What are your thoughts on the airport?

Greg: The biggest concerns I've heard is about the noise, safety and security. However, the FAA and the market will be making those decisions. The nice thing about these new airplanes are that they can carry more people and they will be quieter. As far as the terminal, I trust the experts on that and would love to see that as a gateway to Aspen.

Western Slope College Fair – Kathy Klug:

On the first Sunday of October every year we showcase our school to 250 colleges that come to Aspen for the Western Slope College Fair. This is our 12th year. We also invite all 82 high schools of the Western Slope to this college fair. We created this so our kids would have a wider view of the world and the options that are all over the country. We host 14 activities for the college representatives. We take them golfing, horseback riding, rafting etc. It's also a great opportunity to advertise for Aspen in a way.

John Kinney: We have an Environmental Assessment workshop coming up this Thursday from 4:30 – 6:30 p.m. and from 9 – 10:30 a.m. there will be a community input meeting at the Library Community Meeting room. I believe this will start the dialogue with the community on the EA. We have two designs that we will be presenting for the terminal. We will also be discussing the aircraft types that will be coming in which is ultimately delegated by the FAA. If we don't go through this process you will not have scheduled service as we have today. This is truly about the preservation of scheduled service in Aspen.

Chair's comments: What an amazing fall we're having.

President's Comments: Just returned from Phoenix where I was a speaker on marijuana tourism. A lot of friends in the western U.S. have a lot of questions on the recreational marijuana tourism. We have a micro site dedicated to education on marijuana on our Chamber website. The futurist, Glenn, spoke to our group there about solar highways, in which the technology is amazing. We're finishing up our last quarter of our one year program of work. The schedule of strategic planning this fall will affect our Board meeting schedule as well. At our October meeting we will be bringing in some speakers. We will be extending the October meeting until 11:30 a.m. We will also have a half day meeting in November. We will not have director's comments in October but you can send in your written comments for a report to be included with the agenda packet.

Executive Committee: We met on September 9th – discussed the Board election, strategic planning process, office space updates and the 2017 budget. We have 6 seats that are up for election this year. Please see attached memo for the seats that are available. We decided to look at a 3 year strategic plan for 2017-2020. The next 5 years for ACRA, we want to really look at what the future holds for the valley and focus on what our core strengths are. Our goal with the Board retreat is to have a robust and lively discussion for our strategic plan. For now, ACRA will be staying in their current location at least until the spring of 2017. We will be increasing the member dues slightly for 2017. The Finance Committee will meet again in October to discuss the DM budget. We will still be working on the Chamber budget which will be approved in November.

Member Services Committee: We talked about the 55 new businesses that joined during the early ski pass deadline week, which makes for 88 total YTD new members. We talked about the BOTY and Non Profit of the Year awards. We laid out a timeline for the process of nominations. On November 1st applications will be sent out to businesses to be returned in early December. We're asking businesses that apply or that are nominated to submit a letter of recommendation as well. We have a networking event tonight at bb's from 5-7 p.m. today.

Old Business: none.

New Business: About mid-September, a group of retailers approached City Council with some issues that are arising in the retail space. Most of this is under luxury goods, which has been suffering according to our consumption report. Some of the issues being reported are in regards to the Saturday Market, trunk shows and art events. Debbie reached out to select members of the Board and it was decided this is something that needs to be addressed separately and we will bring the recommendation back to the Board and then to City Council. We are hoping ACRA can be helpful in bringing forward some ideas and recommendations. Paula has agreed to co-chair a small task force that will meet a couple of times and come back with recommendations.

Kenny: In my tenure on this Board, the ground swell of comments on this issue is the strongest thing I've seen so far. The points are very valid and the challenge to retail businesses is real. I would like to thank Debbie and Erik for forming a committee to discuss these issues.

Steve: Thank you for taking the time on this issue.

Director's Comments

Andrew Ernemann: The residential market seems to be doing well this fall compared to the start of the year. The retail market has low vacancy rates. Sky Hotel is scheduled to start construction on April 1st. The Boomerang lodge was unable to sell any condos so it has been put on the market.

Beth Mobilian: Happy Fall!

Bill Tomcich: Since June 15th we've had 27, 90% occupancy nights. We've seen significant growth in the off seasons which seem to be shrinking. A new aircraft, Boom Supersonic Aircraft, which is a Colorado based company, had an intriguing presentation. Unfortunately we will not have that aircraft in Aspen, but since we have the best connecting

flights to where these aircraft will be, it sets us apart from other mountain resorts. SAS is preparing to move by October 31st.

Charlie Bantis: First Western Trust has moved to our new space in the Jerome Professional Building. We have a nice meeting room if you are ever in need of a meeting space. In part to the retail discussion, Amazon and online shopping could have something to do with the downslide.

Corey Enloe: absent.

Cristal Logan: Julia and I will be meeting with the arts and culture nonprofits tomorrow.

David Perry: Aspen Skiing Company has bought Base Village back. The new Limelight in Snowmass is scheduled to start construction next spring. We are moving along with the integration of SAS with a new call center in Basalt. We're opening two new retail stores on Durant Street and a small boutique inside the Little Nell for logo merchandise. XGames announced new events for this year: Women's ski and snowboard big air and Snow bike racing. Performing artists during the XGames will include Bassnectar, The Chainsmokers, G-Eazy and Anderson .Paak.

Erik Klanderud: It was a great week for the early ski pass deadline. In the past we just had two staff at the gondola office processing vouchers, this year we had three and we were really efficient. We signed up 55 new businesses that week and received great feedback from members. I attended CCLC meetings the past three weeks and there seems to be distress in the Saturday Market. There is a possibility of granting outdoor permits to some restaurant and retailers for the winter. We have around 700 members right now. We had 81 deactivated members this year and 80 new members.

Heather Steenge-Hart: Thank you to Warren and Debbie for having such engaging meetings. September was a record month for occupancy and rates for us. We will be closing from Oct 24th-Nov 15th.

Jeanette Darnauer: absent.

Jeff Bay: We've experienced an incredibly busy September and are anticipating just as busy of a month in October. Our owners have a lot of empathy with the retailer's issues that they are facing. I would like to have a discussion with fellow lodging properties about concerns as lodging operators. We are being asked to give 20% for events such as the World Cup in which the other businesses will gain revenue from that but we will lose. I would like to start a discussion on that issue to keep a level playing field.

Jennifer Carney: Special Events is gearing up for 12 Days of Aspen and Wintersköl. We are hosting the Wintersköl slogan contest. We are hoping entries take inspiration from Aspen's skiing heritage.

John Maloy: We have two ballot measures this November for the City of Aspen and the Town of Snowmass Village. It will be .3% tax increase for the schools to make up the shortfall from the State of Colorado.

Julia Theisen: I attended the Colorado Governor's conference on tourism where capacity was a discussed as a big issue, not just an Aspen problem. We have confirmed the DM roadshow this fall. I will present the 2017 budget to the Board in October and then present to City Council on Nov 7th.

Kenny Smith: N/A

Laura Smith: absent.

Lisa LeMay: absent.

Maria Morrow: Talked to a restaurateur who had two record weekends this season. Would we consider pushing back the free parking on the weekends since there are still a lot of visitors in town for the fall colors? Can we have a letter to RFTA come from ACRA in regards to the off season schedule?

Action Item: Have the lodging members setup a meeting to speak with City Council about their concerns.

Michael Owsley: N/A

Nina Eisenstat: Went to the Santa Fe Wine & Chile Fiesta and it was so different from ours. It made me appreciate the level of organization and participation we have for our FOOD & WINE Classic.

Riley Tippet: absent.

Rose Abello: The Home Away folks enabled us to send an email to all of those registered owners of grey market lodges about the requirement of business licenses and payment of taxes. Our festivals and car auction were very successful and it seemed to be the busiest season we've ever had in September.

Simon Chen: absent.

Steve Skadron: Work session on the moratorium tonight. First issue of discussion will be the off street parking in which we are working towards a formal policy. The second issue to discuss will be the use mix in town and how our spaces are being used. We are starting the discussion on the City water rights. We are hoping to build water storage up Castle and Maroon creeks. This issue is gaining attention from D.C. – we have to tell the government that we can and we will act in a way that utilizes these rights. City Council believes that our primary goal is to ensure Aspen's water needs are met for generations to come.

Susan Bantis: We've cut down from 9 to 11 flights a day at the airport. The direct service to DFW and Chicago has been great.

Terry Collins: absent.

Tim Perry: The construction industry is taking a quick breather. We hear it will continue through the winter however.

Warren Klug: N/A

Adjournment: Meeting was adjourned at 10:47 a.m.