

**ASPEN CHAMBER RESORT ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
June 26th, 2018**

Call to order: Donnie Lee called the meeting to order at 8:36 a.m.

Attendance: Present: Donnie Lee, Charlie Bantis, Dave Ressler, Rose Abello, Jeff Bay, Simon Chen, Patti Clapper, Jeanette Darnauer, Nina Eisenstat, Andrew Ernemann, Heather Steenge-Hart, Rob Ittner, Heather Kemp, John Maloy, Maria Morrow, Tim Perry, Steve Skadron, Laura Smith and Bill Tomcich. Absent: Cristal Logan, Riley Tippet, John Rigney, Warren Klug, Linda Crockett and Lisa LeMay. Staff present: Julia Theisen, Erik Klanderud, Eliza Voss, Sarah Reynolds Lasser, Susan Bantis and Jennifer Carney

Approval of prior meeting minutes: Unanimously Approved.

Presentations:

Aspen City Council - Bert Myrin: Thanks to everyone for another successful FOOD & WINE Classic. Last night at the City Council meeting we asked for money from the ACRA marketing budget to fund the replacement of the sod at Wagner Park after FOOD & WINE. City Council agreed to a work session and we're inviting ACRA to join us at the session.

Jazz Aspen Snowmass – James Horowitz: JAS has been in the papers lately, and I'm here to clarify what has been reported. The proposal on the table we've been discussing with the City of Aspen and the Wheeler staff. We've asked for a \$5 million dollar investment, not a charitable contribution, from the City. This started when it was announced that we were under contract for the building across the street from the Wheeler to be made into a small multi-purpose building to be the home of JAS and the JAS Café that usually rotates around town. We are ready to have a permanent home for all of the music programs we do around the Valley. The Wheeler has plans for the Wheeler Annex, a community venue, and the funds for that have reached \$32 million from taxes over the last 30 years. We thought why not combine the two projects and work together? If the City and voters choose to invest, the City will be co-owners with a 30% stake and right of first refusal. We would be allotting 70 nights per year for 10 years for not-for-profit usage such as rehearsals, amateur musicians, and small shows that the Wheeler can't accommodate. The City and community has a guarantee of this many events. There is currently no place in town to reliably gather people in the 120-150 capacity outside of the hotel spaces, and that is the vision for this venue. Of the \$5 million investment, \$4 million is a capital contribution based on a \$15 million estimated cost to purchase and build out the property. JAS will be matching the money 5-to-1. This would be a windfall for the City of Aspen compared to the cost of building the Wheeler Annex. The remainder of the \$32 million would continue earning interest if they chose to use the funds in the future. We are excited about the idea of a functioning partnership between the community and Jazz Aspen Snowmass. Without the investment, the building won't be as much of a community center. We are also in discussion with a major university to have a music school right here in the core during summer.

Aspen Music Festival and School– Alan Fletcher:

I recently went to the Savannah Music Festival in March, and the entire city mobilizes and it was almost like it was the only thing going on. We don't feel like it has the same effect here in Aspen, but it should. We have students and teachers coming from all over the world, this year almost 700 students, 120 guest artists and more than 200 staff members. These people are here from more than 40 countries. We sell more than 100k tickets, not including the guests who join us on the lawn. 45% of our students are receiving free tuition, room and board, and in many cases, travel. 76% are receiving financial aid of some sort. This is made possible thanks to our core donor group of around 1,000 people. Last year we spent \$400k on hotel rooms for artists. We would love to have an economic impact study done, as more than half of our audience are coming from outside the Valley. 14% of them are here for the whole summer. The New York Times featured us as the "big daddy of music festivals". Tying in with Jim from JAS, we also have music school programs for more than 600 local students. 50% of them are on full scholarships. We even supply instruments, which we didn't do at the beginning. More than 300 students are studying classical guitar and we have strings in every public and private school in the Valley. 200 students in the choral program. At this springs concert, we were unable to fit everyone

and their families. We've seen a few articles in the paper questioning why we occupy the Wheeler and Marolt housing units in the summer. The Wheeler was a shell of a building and Walter Paepcke paid for a renovation with a contract ensuring usage for the music festival. Marolt housing was a partnership and the Music Festival was a primary investor in exchange for a long term contract. We do pay rent to the City of Aspen. We will have banners up to celebrate all of the arts for two weeks this summer (music, theater, dance and ideas). Aspen has such a global presence and everyone knows about the Aspen Music Festival, we had 15k people listening to a live concert stream in Hanoi. With such a global presence, the people that are coming to the Festival are impacting the local economy. They are shopping, dining, and staying in hotels. Of those that are here for the whole season, 48% are attending more than 20 concerts. The dates of this year's Music Festival are June 28th- August 19th. This year we have a Disney event on July 30th that's been two years in the making. It's the world premiere of the Aspen Disney project featuring orchestra pieces from the cinema masterpieces of recent years. In all, the Aspen Music Festival and School is so important for Aspen and the world. NPR concerts broadcast worldwide with high quality recordings from Aspen, which gives NPR material to broadcast and gives the Music Festival exposure. The number one predictor for someone to purchase tickets is that they studied music as a child and we are hoping the next generation will transition into donors to continue the program.

Chair's comments: Our presentations today speak to what makes Aspen so unique. From JAS, the Music Festival, and the Institute, there is so much going on, and sometimes we get information through distorted lenses. In regards to the sod at Wagner Park, we welcome the opportunity to sit down and have conversation. The Executive Committee will meet to discuss the grass replacement. Tourism allows us to do so much with our community. Please let us know when the work sessions are. Thank you to Julia for all of your contributions.

President's Comments: The arts and culture community wants to meet because it needs to be a marketing tool. The City needs new sod, the Forest Service needs money to educate the public. Managing multiple priorities across user groups is difficult but very necessary. We welcome the work sessions, but the contract is very clear. We are slightly uncomfortable with the City trying to change the contract. For the future of the Roaring Fork Valley, we are doing a SWOT analysis of the community assets. The timing of all of this is good to discuss the strengths and weaknesses. Let's all try to be thoughtful when providing feedback. Unfortunately Cristal cannot be here today with Ideas Fest in full swing. I had a chance to go to Spotlight Health and there were global leaders all over the campus. Julia is leaving after 9.5 years to go join the Central Oregon Visitors Association as CEO. It's time to disrupt what's going on in marketing and get a fresh look. We are in no hurry to make any moves to replace Julia. There will be no fireworks this 4th of July due to fire concerns, but instead we will have a drone show inspired by the Olympics.

Charlie Bantis: The Roaring Fork Valley has one major industry; tourism. It's a great pillar, but single pillars can fall. What else might be raised as a pillar in the Roaring Fork Valley? That is the point of the community SWOT analysis.

MAC update: We've reanalyzed our creative and branding strategy the last two months. We had 4 agencies present with the possibility to take over the creative and branding - Barnhart, BVK, Graenadier, and BCF. BCF has been the partner for years and created the Defy Ordinary campaign. We reconnected with BCF with growth and freshness. They were selected to continue in their role and they have a strong commitment to Aspen. Julia has always made the process very transparent and we are confident in Eliza and Sarah to continue to manage the marketing strategy.

New Business: none.

Director's Comments

Donnie Lee: We will welcome a conversation about the sod replacement at Wagner Park, but are not ready to make any comments or decisions at this time.

Bill Tomcich: Gave a lodging update. Occupancy has never been higher than it was in April and May this year. Hotel occupancy is looking very strong through the end of the Aspen Music Festival. The 4th of July is happening on a Wednesday which has slightly impacted the numbers. There has been an increase in airline seats available and the airlines are continuing to increase year round service. Looking forward to this summer.

Steve Skadron: Congratulations to Julia on the opportunity in Oregon. It's a beautiful state. In reference to the JAS issue, Jim came to the City and there was the idea of a public discussion. There will be no action without a vote. Regarding Bert Myrin's comment, the City is not coming at ACRA about the sod in Wagner Park. This was one City Council member. We are trying to find community resort balance. There is so much activity this summer. Gave an update on Aspen City Hall.

Heather Steenge-Hart: We're in for another gorgeous summer in Aspen. To add to Alan's comments, my son attends afternoon guitar lessons with the Music Festival and I owe a big thank you for allowing him to participate. The Aspen Music Festival is very important. Greg Durrer has been named manager of our sister hotel, The W, opening spring 2019.

Rose Abello: Gave an update on Snowmass' summer events. Friday's on the Mall concerts will be happening this year with music students. There will be 4th of July celebrations in Snowmass. This week is pass holder week, which means pass holders from winter will have a chance to experience the all new Lost Forest at reduced costs. Everyone needs to check it out, there is a zip line, ropes course, and the alpine coaster. The grand opening is next week. There is so much to do in Snowmass for all day activity.

Jeff Bay: The 4th of July weekend will be busy and gives the hotels a nice rate gain. We get a lot of pushback this time of year from guests due to pricing, so it's important we have plenty of offerings to make it a good value. To tie in with the City Council session on parking, please allow lodging properties to comment before making any decisions. Our guests don't always have transportation options. The whole town is short staffed and it is becoming an issue.

Dave Ressler: Our community is so fortunate with all the talk of healthcare. The Spotlight Health Conference was a great success and a lot was learned over the weekend. Check out the Aspen Valley Hospital's website for great information such as recipes and events like Walk with a Doc.

Jeanette Darnauer: Thank you to Julia for all of your work with ACRA. I flew to Boston last week and both flights in and out of Aspen were either full or oversold. Thank you to Aspen Valley Hospital and the great care they offer. I recently had to have emergency surgery and they took great care which is a major change from before. Doctors are moving here instead of coming temporarily. FOOD & WINE was fun and I noticed the tastings were more open which made it more comfortable. Theater Aspen is opening tonight with Ragtime, get your tickets now as it's a phenomenal show.

Nina Eisenstat: FOOD & WINE and the luncheon were both fabulous. Sad to hear that Julia is leaving, but congratulations on the opportunity. We saw four presentations at the MAC meeting. Any one of the four firms presenting could have done a great job, but BCF was the right choice for Aspen. Working the Ideas Festival and it's been great so far. There are 80 events that are open to the public through Saturday, so everyone should check it out.

Laura Smith: Congratulations to Julia on the opportunity in Oregon. Tying in with the parking issues everywhere, why does the Downtowner not come to the Music Tent? It would be a great amenity for guests and would relieve some pressure on parking. The Music Festival is opening Thursday June 28th.

Maria Morrow: I've spoken with Mitch Osur regarding the parking and traffic issues. We need to keep the pressure on these issues. Perhaps Mitch can reach out to the taxi companies to see how much they are serving the Aspen Meadows area. Very lucky to have worked with Julia and good luck to her in new venture. Excited about the economic program the state is doing and how it dovetails into the Public Affairs regional commitment. The Senior Center is in desperate need of people to deliver meals to the elderly. They only have one driver. If you can help, call Mary at the Senior Center (970) 920-5432. We would like to have someone from the City at the next Public Affairs meeting for input.

Tim Perry: We've gotten a lot of great information today. We are going full bore into summer and we've been contracted to go hang banners in Snowmass. The construction going on there is incredible and will change the face of Snowmass. We are encouraging everyone to vote today as there are a lot of important issues including healthcare on the ballot.

Rob Ittner: A few comments to add on today's presentations. There is such a global aspect of Aspen. The Music Festival is such an internationally appreciated event. The FOOD & WINE Classic in Aspen also has a global reputation. All of the marketing data shows people around the world talk about our activities, events, shopping and dining. We need to also market Aspen as a dining destination. Even with the additional capacity of patios and outdoor seating, we are having to turn people away around the 4th of July due to the short staffing everyone is experiencing right now. 7908 restaurant is opening in two weeks and they'll be taking 30-40 employees from around town. FOOD & WINE was a great success, but restaurants were down a bit due to the early schedule and the rain. FOOD & WINE continues to be an event with more and more catering orders. The Cottage Aspen is now open and so far a great success. We've already done 7-8 events. It's primarily an event venue and a gallery in the day. Huge fan of what JAS does and the economic impact they have on town. They're looking to add a venue, but there are already quite a few venues in town. We are hosting Theater Aspen tonight at a substantial discount. Gave an update on sales tax reports and the miscellaneous category. Construction and Amazon seem to be doing well, but what is a true indicator that our town is doing well?

John Maloy: When our schools close for the summer break, we are still operating. The public school facilities are in use by city and community camps. We have the Music Festival in all Valley schools, and are very happy to be partnered with them. More than 40% of our graduating class had 4.0 or higher GPA's, which we are very proud of.

Adjournment: Meeting was adjourned at 10:58 a.m.