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ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature – First Regular Session

HOUSE AD HOC INTERNATIONAL TRADE AND COMMERCE COMMITTEE

Report of Ad Hoc Meeting
Thursday, November 5, 2015
House Hearing Room 1 -- 1:00 p.m.

Convened 1:00 p.m.
Recessed
Reconvened
Adjourned 2:15 p.m.

Members Present
Ms. Charlene Fernandez
Mr. Anthony Rivero
Mr. Bob Robson, Chairman
Mr. David Livingston, Ex-officio
Mr. Eric Meyer, Ex-officio
Ms. Rebecca Rios, Ex-officio

Members Absent
Mr. David Gowan, Ex-officio
Mr. Steve Montenegro, Ex-officio
Mr. Bruce Wheeler, Ex-officio

Guest
Ms. Rosanna Gabaldon

Agenda
Original Agenda – Attachment 1

Request to Speak

Presentations

Name	**Organization**	**Attachments** (Handouts)
Henry Fertig	Joint Legislative Budget Committee	2
Debbie Johnson	Director, Arizona Office of Tourism	3, 4, 5, 6, 7, 8
Marcus Dell'Artino	AZ Lodging and Tourism Association	
Sue Black	Executive Director, Arizona State Parks	9

Committee Action

Bill	**Action**	**Vote**	**Attachments** (Summaries, Amendments, Attendance)

Iris McMahon, Chairman Assistant
November 6, 2015

(Original attachments on file in the Office of the Chief Clerk; video archives available at http://www.azleg.gov)

Interim agendas can be obtained via the Internet at http://www.azleg.state.az.us/InterimCommittees.asp

ARIZONA HOUSE OF REPRESENTATIVES

INTERIM MEETING NOTICE
OPEN TO THE PUBLIC

HOUSE AD HOC INTERNATIONAL TRADE AND COMMERCE COMMITTEE

Date: **Thursday, November 5, 2015**

Time: **1:00 P.M.**

Place: **HHR 1**

AGENDA

1. Call to Order
2. Welcome and Opening Remarks
3. Charge of Committee
4. Presentations - Tourism and Economic Development
   - Joint Legislative Budget Committee
   - Debbie Johnson, Director, Arizona Office of Tourism
   - Arizona Lodging and Tourism Association
   - Sue Black, Executive Director, Arizona State Parks
5. Public Testimony
6. Closing Remarks
7. Adjourn

Members:

Representative Bob Robson, Chair
Representative Charlene Fernandez
Representative Anthony Rivero
Representative David Livingston, Ex-officio
Representative Steve Montenegro, Ex-officio
Representative David Gowan, Ex-officio
Representative Rebecca Rios, Ex-officio
Representative Eric Meyer, Ex-officio
Representative Bruce Wheeler, Ex-officio

10/23/15
JY

People with disabilities may request reasonable accommodations such as interpreters, alternative formats, or assistance with physical accessibility. If you require accommodations, please contact the Chief Clerk's Office at (602) 926-3032, TDD (602) 926-3241.

Attachment 1

Economic Development in Arizona

Arizona Office of Tourism

November 5, 2015

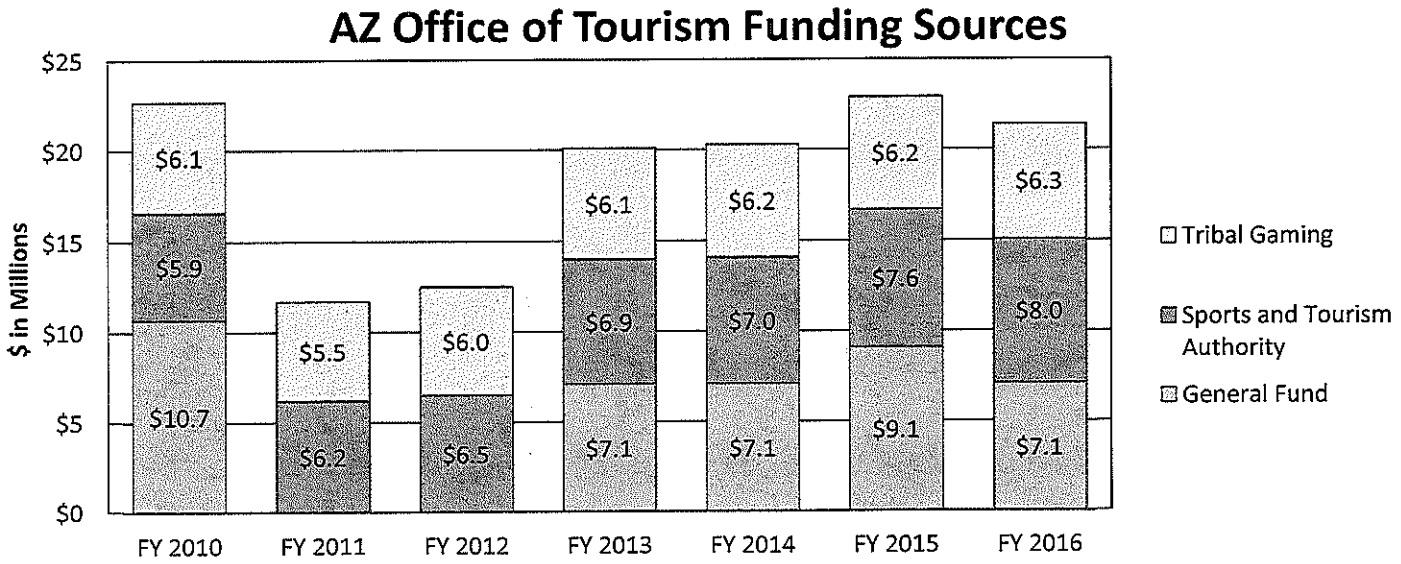
JLBC

Attachment 2

Arizona Office of Tourism

- Funding Sources

- Tribal Gaming Contributions
  - Office of Tourism receives 8% of state's share of gaming proceeds (Prop. 202)
- Sports and Tourism Authority
  - Partial allocation of 1% bed tax and 3.25% of car rental tax (Prop. 302)
  - Exclusively for Maricopa County promotional efforts
- General Fund



JLBC

Arizona Office of Tourism

- Funding Uses

- Research
  - AOT compiles and analyzes data on visitation patterns to Arizona.

- Development
  - The 'Target Cities Campaign' selects cities based on the largest population of travelers with a high propensity to visit to Arizona.
  - Visitor Profiles are used to create marketing campaigns aimed at specific populations of visitors. These profiles are often used by Arizona communities to help market local destinations.

- Promotion
  - Annual marketing campaigns are used to brand and promote Arizona as a travel destination.

Arizona Office of Tourism

- Travel Impacts

- AOT promotes travel to Arizona locally, domestically and internationally.

FY 2014 Arizona Travel Impacts by Origin of Visitor

Origin	Spending ($ Billions)	Employment Thousands
Arizona	$3.9	31.5
Other U.S.	$11.2	102.9
International	$3.1	21.9
All Visitors	**$18.2**	**156.3**
Other Travel	$2.7	15.3
Total Travel	**$20.9**	**171.5**

JLBC

Arizona Office of Tourism

- Promoting Local Destinations

- AOT works with other entities to promote travel to communities and regions outside of Metro Phoenix and Tucson.

- In FY 2016 AOT had 31 Local Cooperative partnerships
  - 24 rural communities, 2 tribes, 4 regional partnerships, 1 statewide tourism association
  - AOT helps to negotiate media buys for partners
  - Analyzes metrics on promotion placement and effectiveness

FY 2016 Marketing Cooperative Budget

AOT Partner Match	$655,500
AOT Promotional Anchor Ads	$344,500
Total AOT Budget	**$1,000,000**
Total Partner Contributions	$655,500
Total Co-op Expenditure	**$1,655,500**

JLBC

Arizona Office of Tourism

- Domestic vs. International Travel

- Domestic (Non-Local) Travel
  - Greater year-to-year fluctuation for both volume and origin of travelers to Arizona
  - Accounts for over 50% of travel spending in Arizona each year
  - Promotional campaigns aimed at capturing new markets of potential visitors
- International Travel
  - Visitation levels are more consistent but more barriers to marketing and advertising
  - International travel spending accounts for less than Arizona residential travel spending
  - Promotional campaigns aimed at retaining and strengthening established markets

Arizona Office of Tourism

- Targeting the International Market

- AOT uses partners from the country of origin to develop campaigns
- International research focuses on the volume of the traveling population, the travelers by city and region, and the saturation of the tourism market
- AOT works with Tourism Economics to develop an international visitor tracking model for Arizona that tracks year-over-year trends
- The model produces data for 11 international markets

Arizona Office of Tourism

- International Visitors to Arizona

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Mexico	3,310,184	3,158,622	3,373,909	3,635,939	3,854,431
Canada	650,000	703,800	728,000	850,200	896,467
Germany	116,580	120,655	120,229	119,971	127,705
United Kingdom	131,107	122,893	117,000	114,186	116,542
France	97,108	110,079	106,865	105,846	113,385
Rep. of Korea	41,701	40,349	44,111	52,725	54,015
China	20,972	25,107	31,000	36,705	52,105
Japan	40,931	44,957	47,015	49,080	51,602
Australia	40,812	44,012	45,803	43,711	47,535
Switzerland	35,507	38,528	36,674	34,380	36,554
Brazil	20,349	23,162	27,001	27,978	30,992
Other Overseas	276,324	294,919	871,347	880,777	952,313
Total International	**4,781,575**	**4,726,422**	**4,973,256**	**5,366,916**	**5,703,210**

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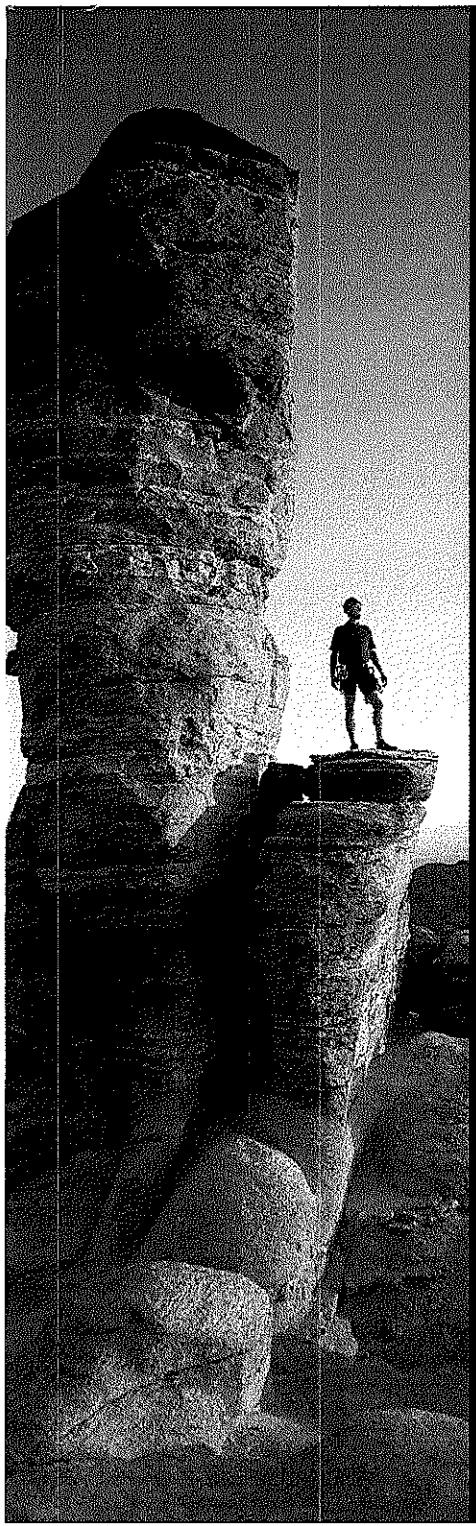


House Ad Hoc International Trade and Commerce Committee

Nov. 5, 2015

ARIZONA
GRAND CANYON STATE

Attachment 3

Overview

Mission

- The only statewide tourism entity promoting Arizona as a world-class, travel destination.

- To strengthen and expand Arizona's economy through travel and tourism promotion.

Arizona Travel Industry Performance

2014

40.7 million

Overnight Visitors

Up 4.1% YOY

$20.9 billion

Direct Spending

Up 5.4% YOY

Source: Dean Runyan Associates, Tourism Economics

ARIZONA
GRAND CANYON STATE

$20.9 billion of direct spending in Arizona generated...

$5.9 billion
employment earnings

Up 6.3% YOY

171,500
industry jobs

Up 3.8% YOY

$2.8 billion
federal, state and local tax revenue

Up 2.8% YOY

Source: Dean Runyan Associates, 2014

ARIZONA
GRAND CANYON STATE

Program of Work

- Research
- Advertising Campaigns
- Trade and Media Relations
- Communications and Public Relations
- Community Relations
- Tribal Tourism

Collaborating with State Agencies

ARIZONA HIGHWAYS

Arizona® State Parks

ARIZONA COMMERCE AUTHORITY

Transportation and Trade Corridor Alliance

Arizona Department of Transportation • Arizona-Mexico Commission
Arizona Commerce Authority • Arizona Office of Tourism

ADOT

ACERT

Arizona Council for Enhancing Recreation & Tourism

ARIZONA-MEXICO COMMISSION

Collaborating with Tourism Industry

- Arizona Lodging and Tourism Association
- Arizona Restaurant Association
- CVBs
- Airports

VISITPHOENIX.com

chandler ARIZONA

Tucson Real. Natural. Arizona.

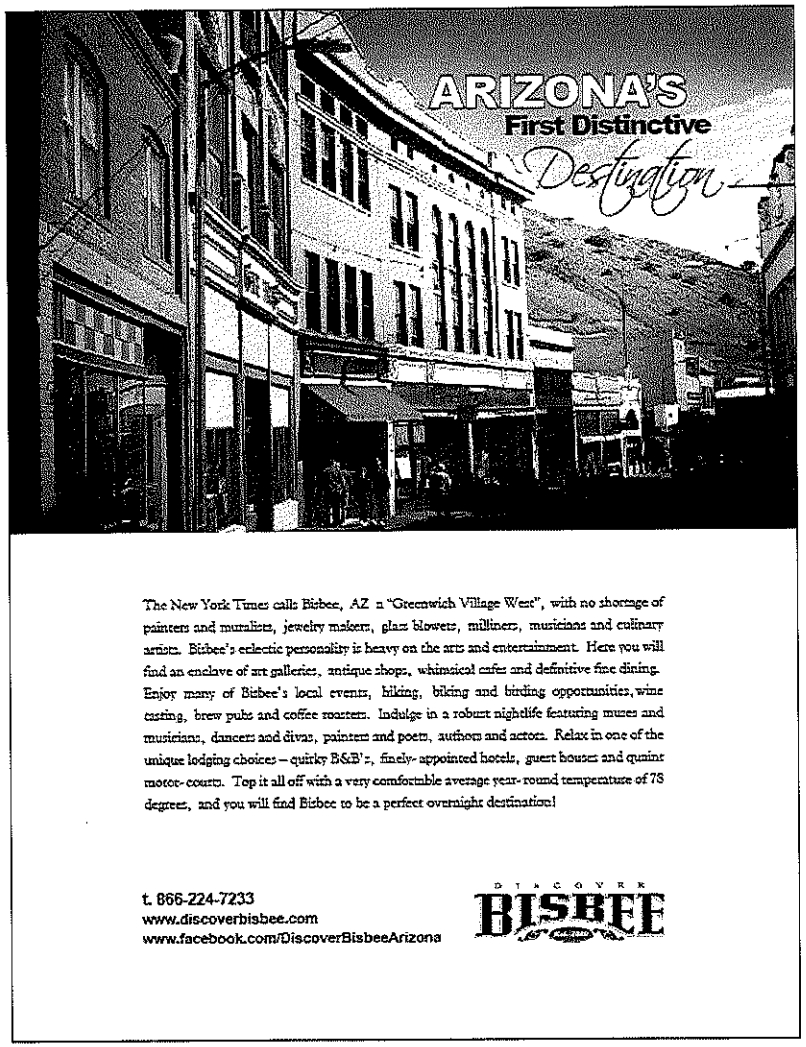
Yuma ARIZONA
YUMA VISITORS BUREAU

Scottsdale
Convention & Visitors Bureau

The Marketing Cooperative

Program

- Promote travel to communities and regions outside of Metro Phoenix and Tucson
- Leverage community partnerships to enhance reach and exposure
- Broaden communities' marketing efforts



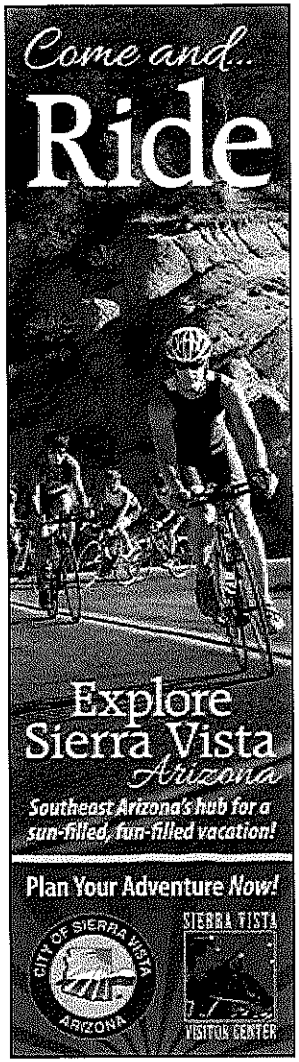
The Marketing Cooperative

FY16 Budget

Partners' Contributions:	655,000
AOT Match and Anchor Ads:	1,000,000
Total Campaign Spend:	**$1,655,000**

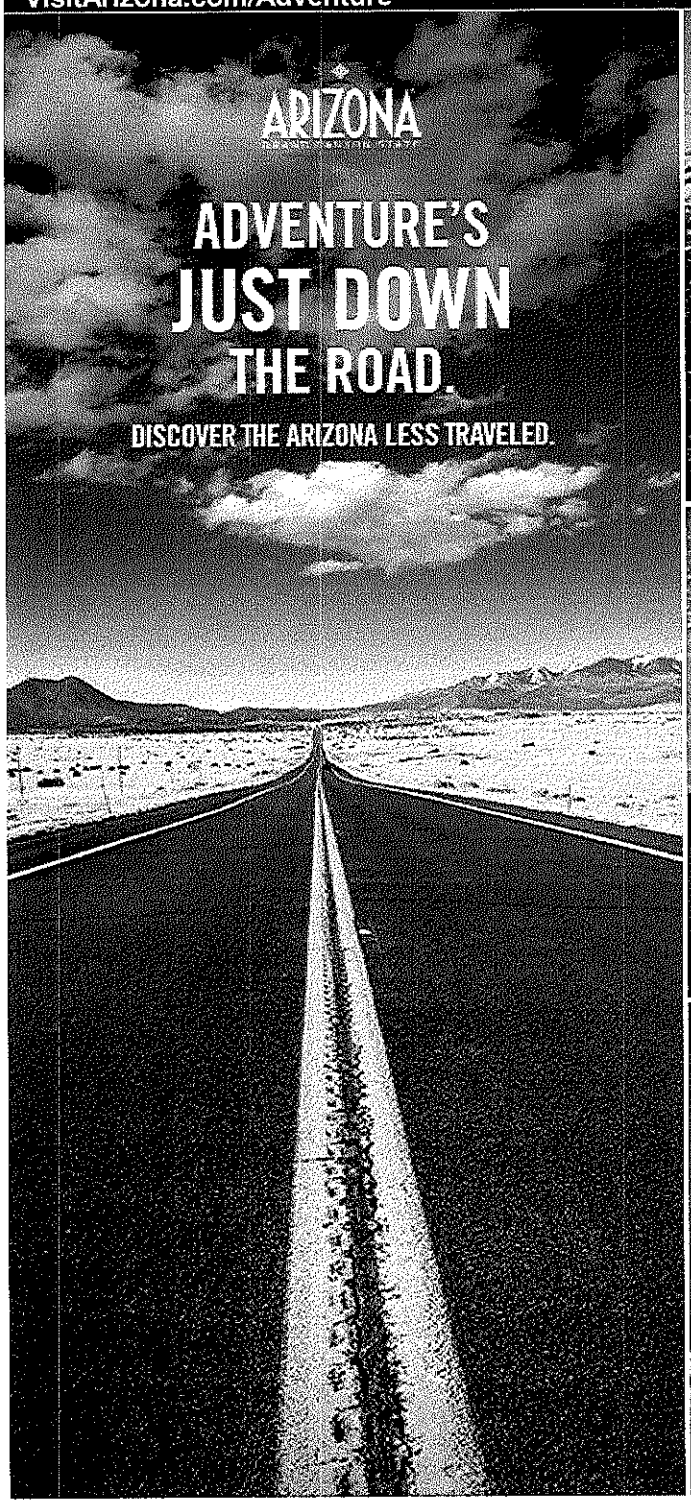
Partners

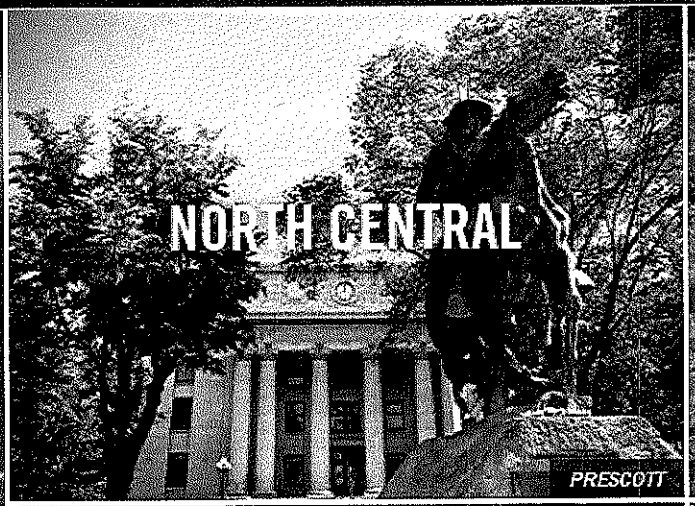
31 partners (25 rural communities, 3 tribes and 3 regional partnerships)

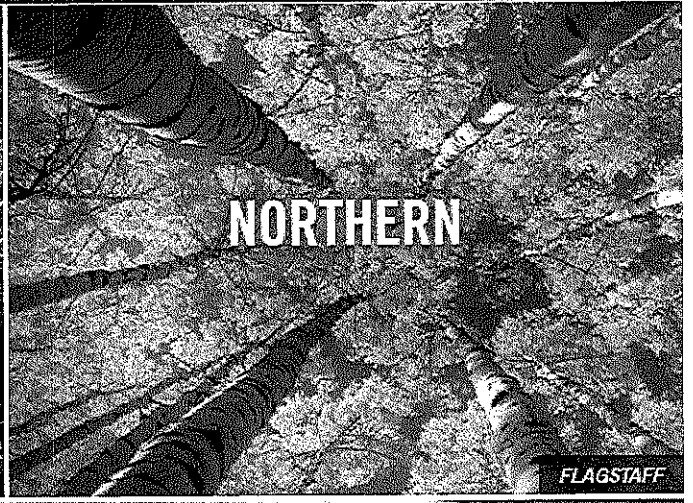


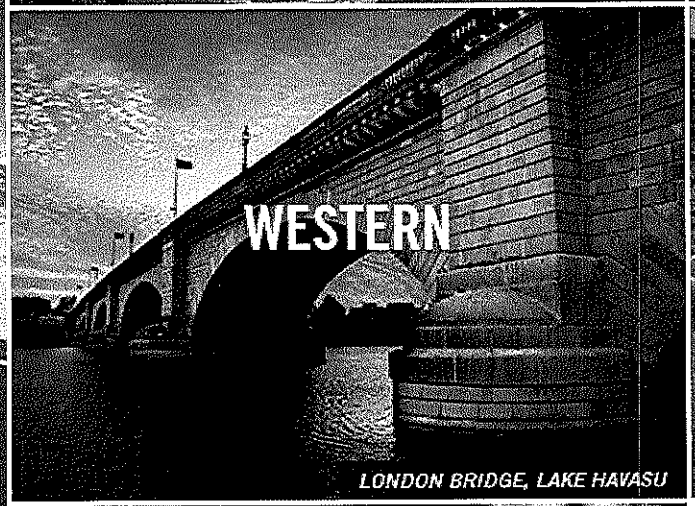
ARIZONA
GRAND CANYON STATE

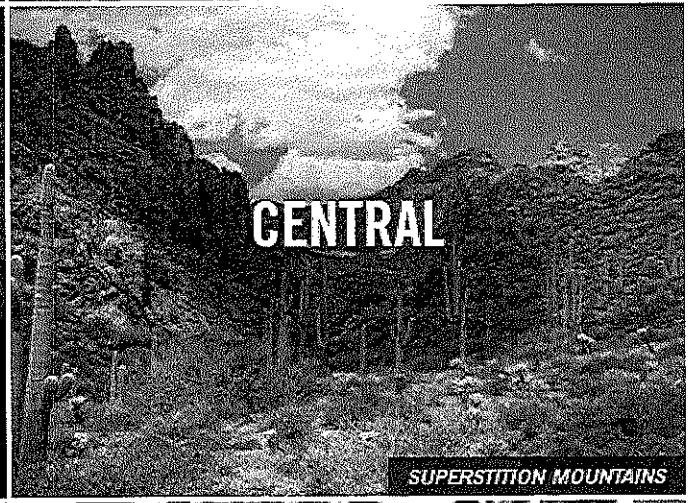
VisitArizona.com/Adventure



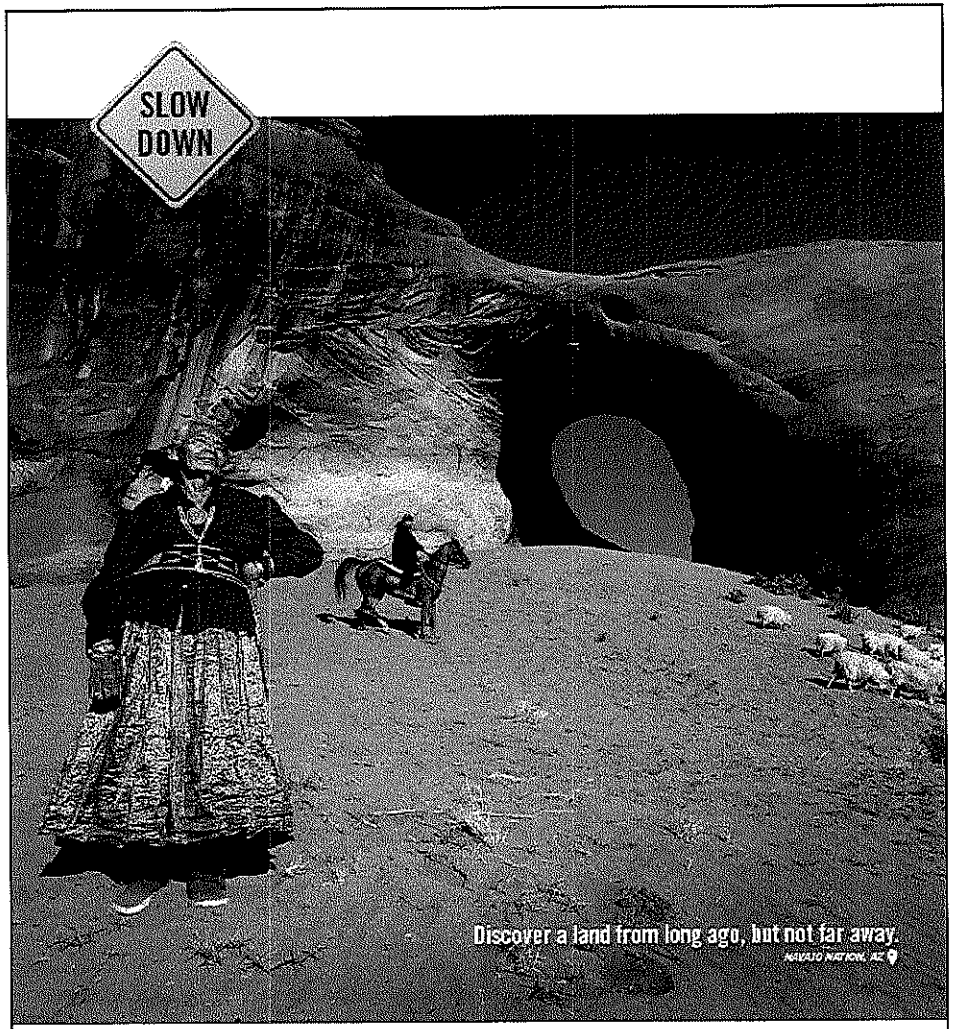






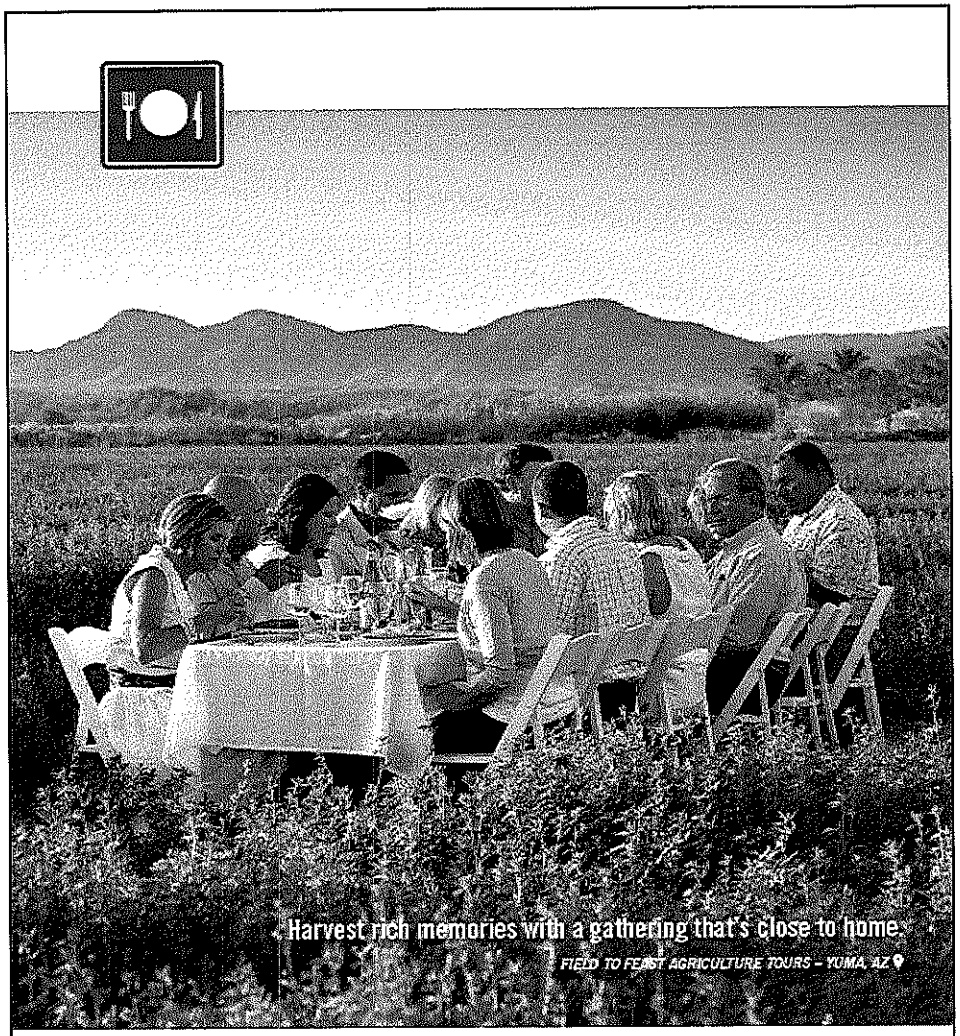


Co-op Campaign Print Ads



Hit the open road. Discover the Arizona *less traveled.*
VisitArizona.com/adventure or call 1.866.XXX.XXXX.

ARIZONA
GRAND CANYON STATE

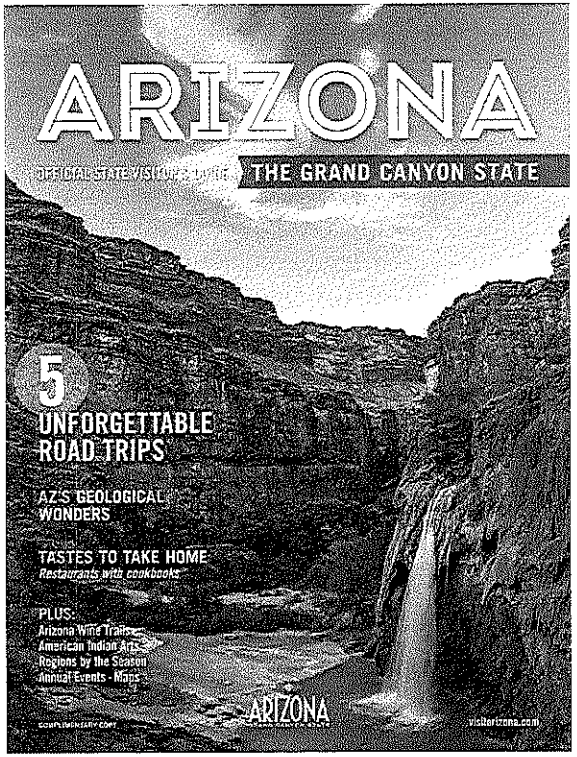


Hit the open road. Discover the Arizona *less traveled.*
VisitArizona.com/adventure or call 1.866.XXX.XXXX.

ARIZONA
GRAND CANYON STATE

Collaborating with the Tourism Industry

- Visitor Information Centers
- Chambers of Commerce



DiscoverAmerica.com

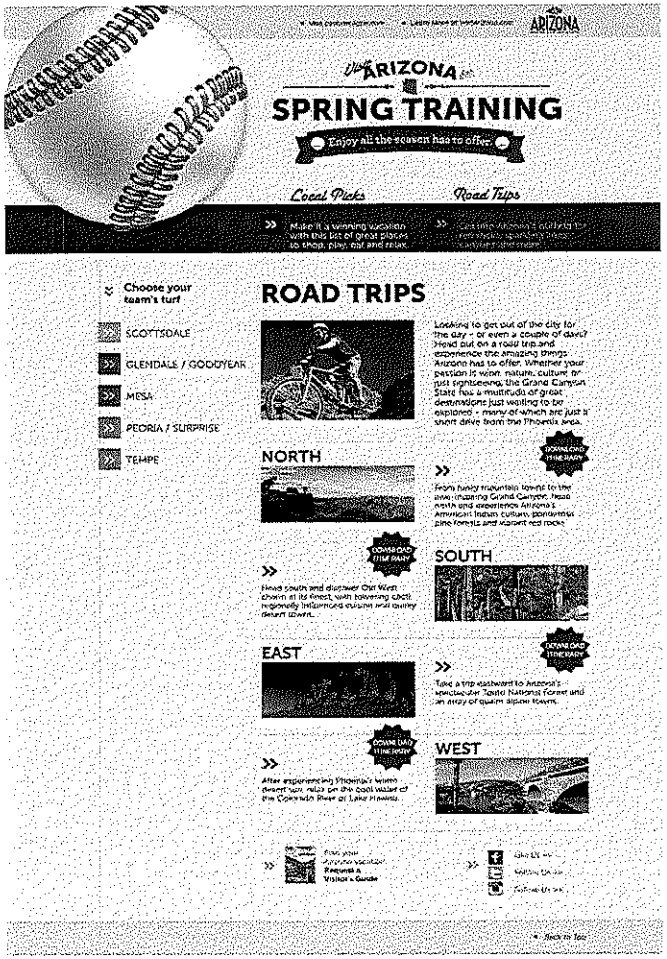
ARIZONA
GRAND CANYON STATE

Collaborating with the Tourism Industry

ARIZONA SUPER BOWL HOST COMMITTEE 20 XLIX 15

Cactus League

Fiesta Bowl



ARIZONA GRAND CANYON STATE

Resources

- VisitArizona.com – consumer site
- Tourism.az.gov – business site
- Arizona Travel App
- *AOT in Action* eNewsletter

ARIZONA®

GRAND CANYON STATE

Recreation & Historic Sites on Federal, State and Tribal Land

WILDERNESS 50 years 1964-201

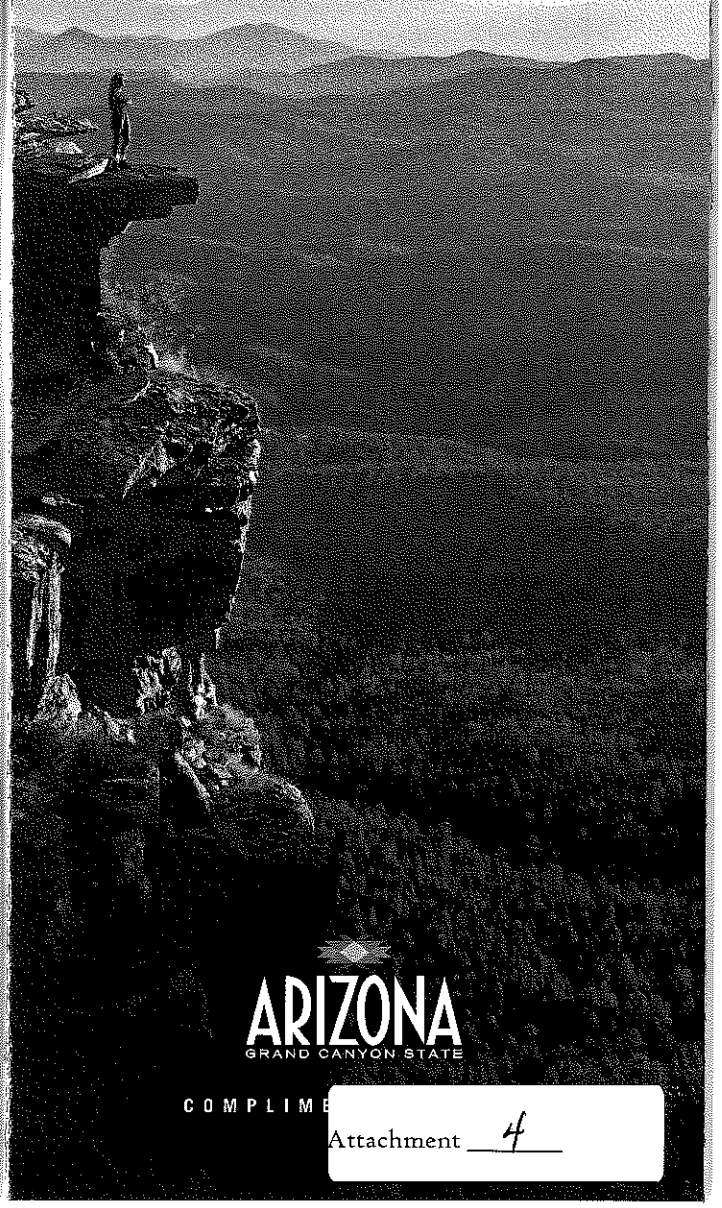
YOURS TO ENJOY TO PROTEC

Attachment 5

ARIZONA

THE GRAND CANYON STATE

OFFICIAL STATE VISITOR'S MAP

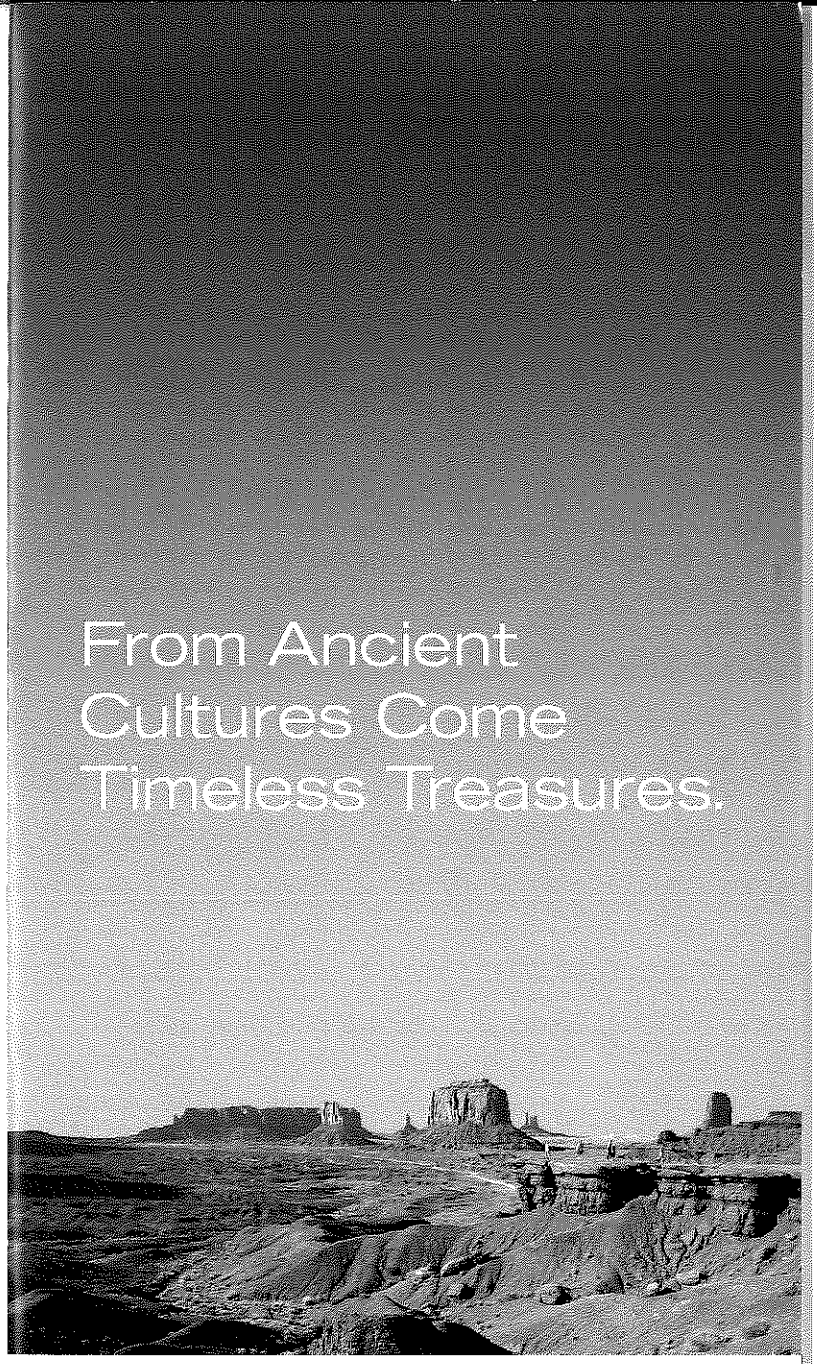


ARIZONA

GRAND CANYON STATE

COMPLIME

Attachment 4



Experience Indian
Country Adventures
in Arizona.

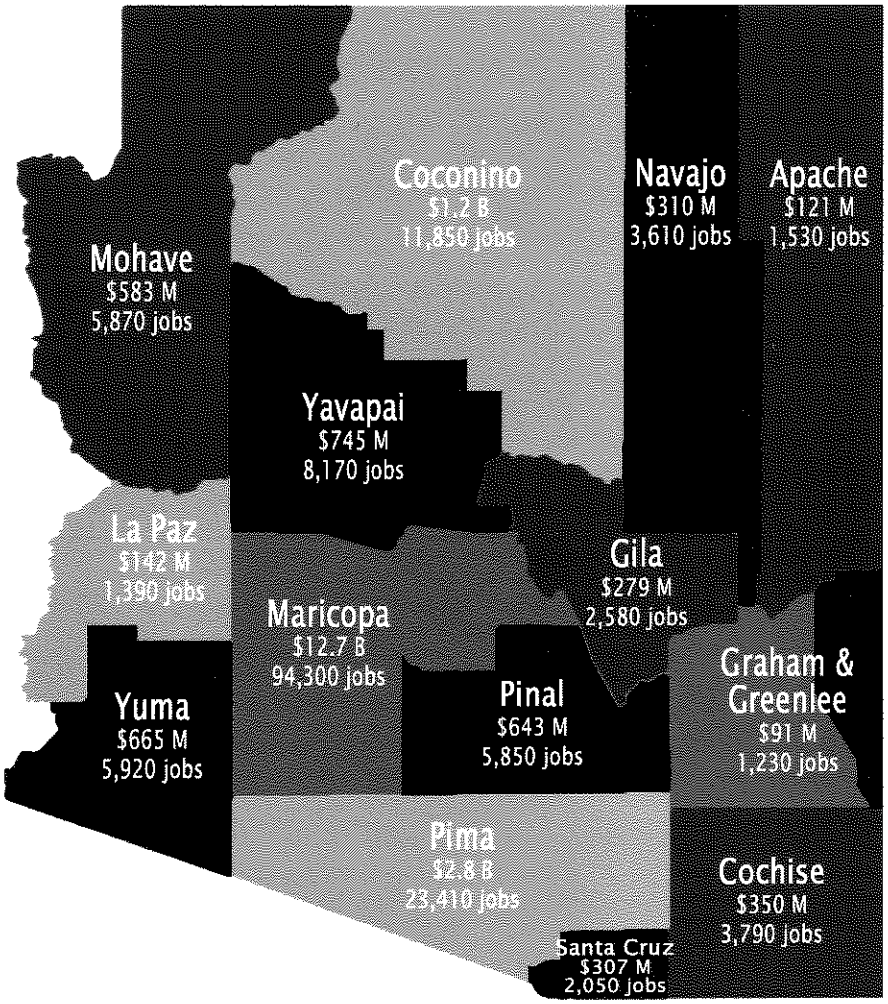
ARIZONA®
OFFICE OF TOURISM

Attachment 6

ARIZONA
OFFICE OF TOURISM

2015 Edition

Travel and Tourism Work for Arizona



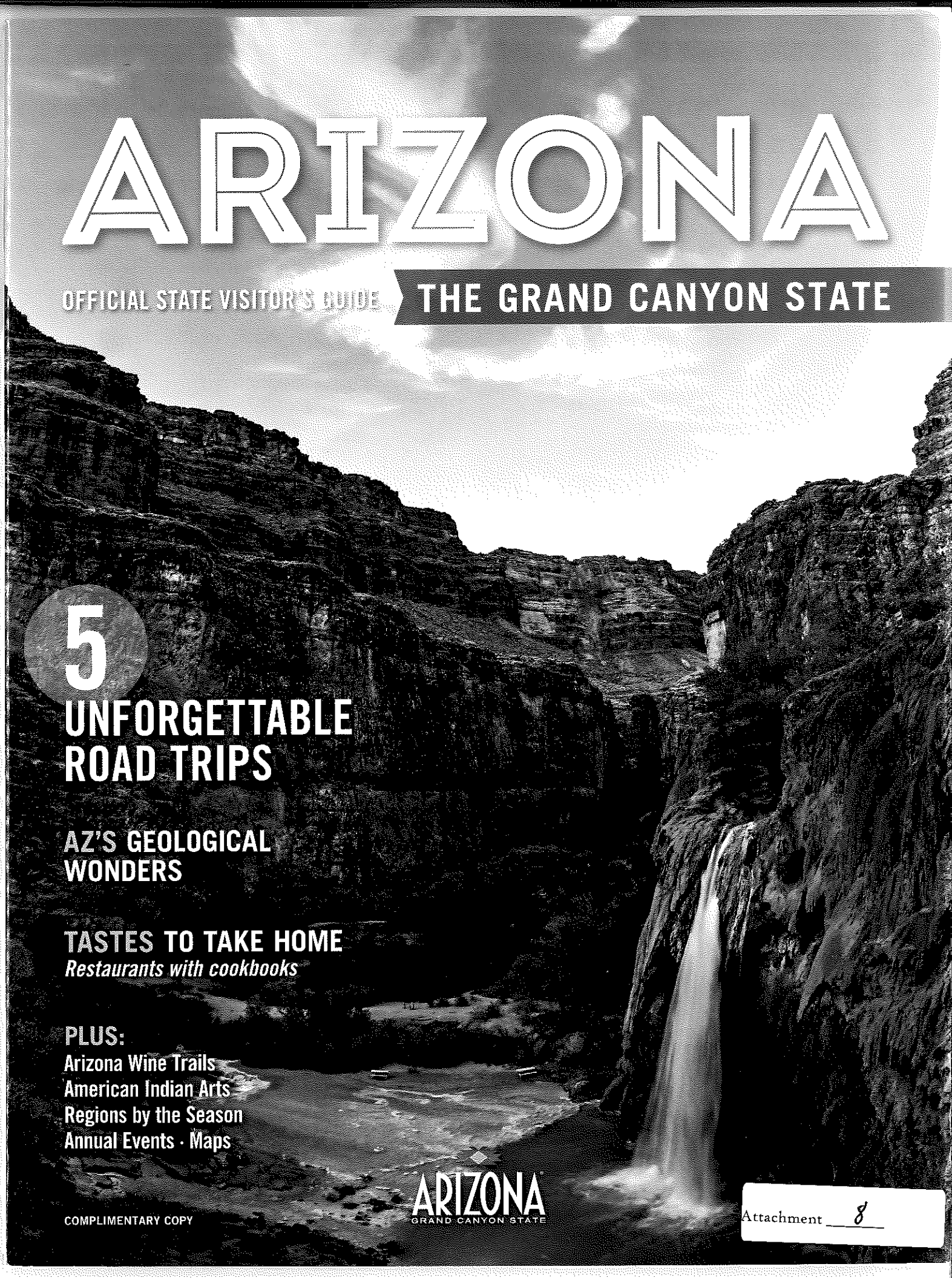
The travel and tourism industry positively impacts all 15 counties generating **$20.9 Billion** in total direct travel spending.

Attachment 1

ARIZONA

OFFICIAL STATE VISITOR'S GUIDE

THE GRAND CANYON STATE



5 UNFORGETTABLE ROAD TRIPS

AZ'S GEOLOGICAL WONDERS

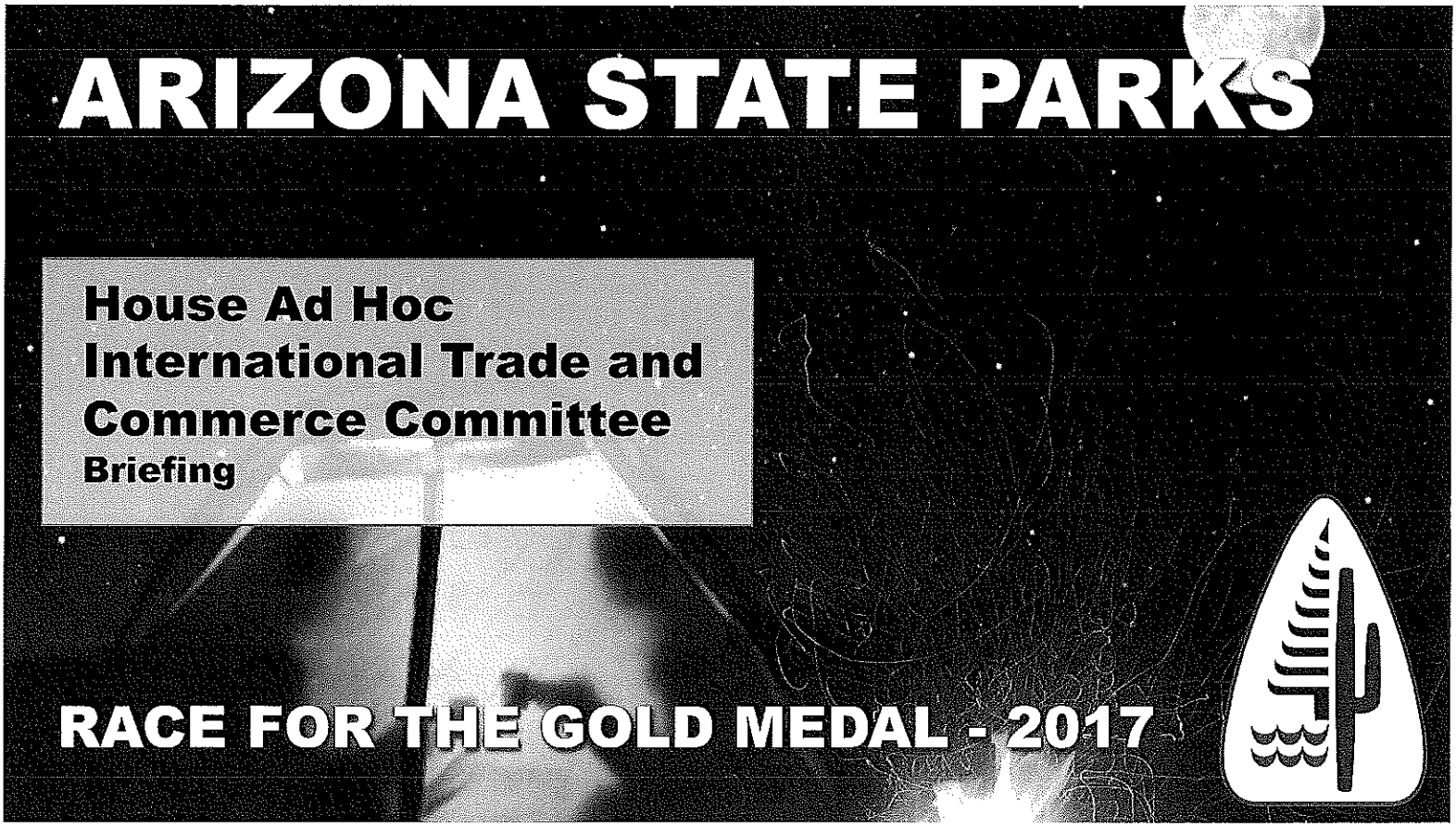
TASTES TO TAKE HOME
Restaurants with cookbooks

PLUS:
Arizona Wine Trails
American Indian Arts
Regions by the Season
Annual Events · Maps

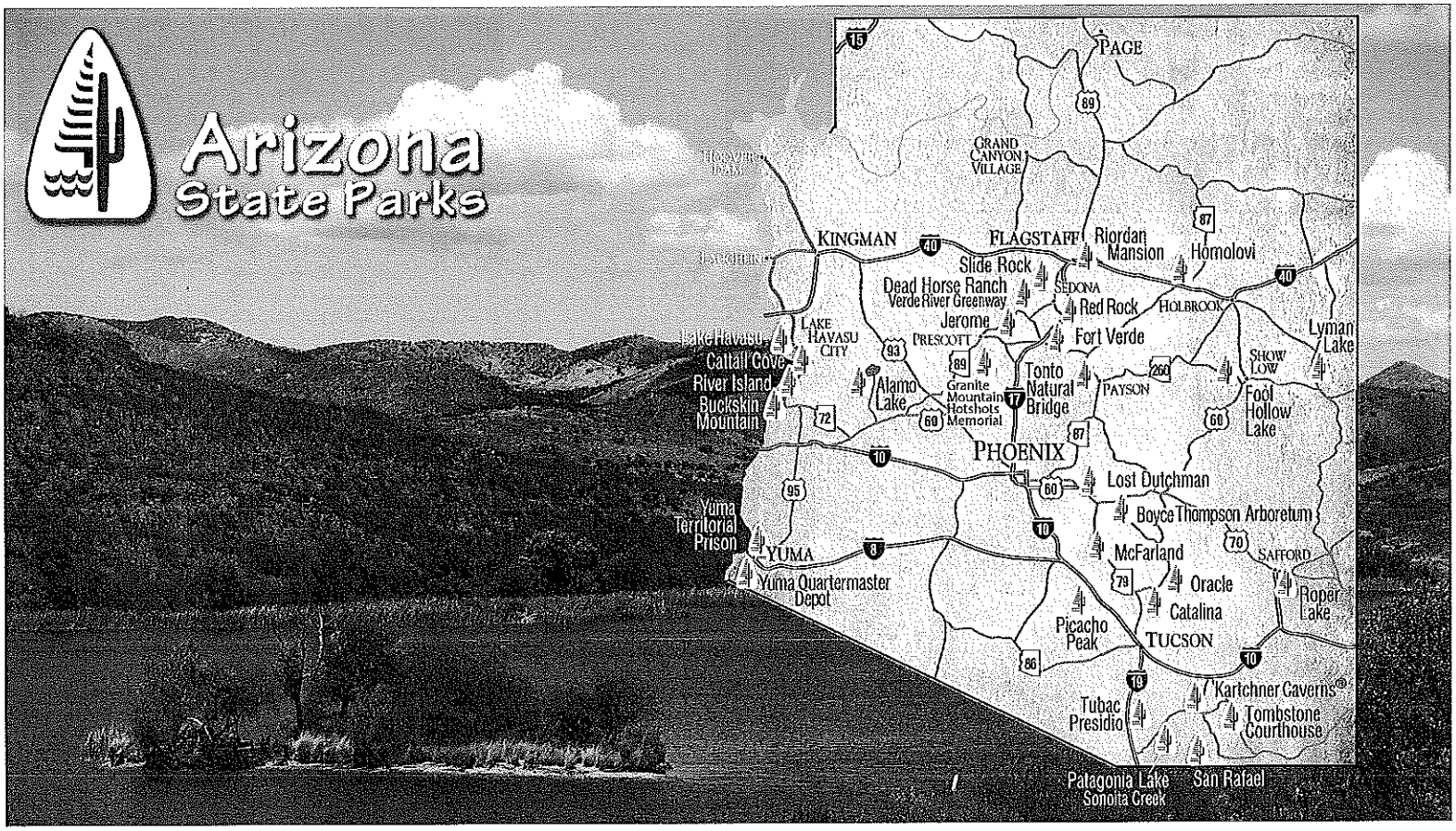
COMPLIMENTARY COPY

ARIZONA
GRAND CANYON STATE

Attachment 8



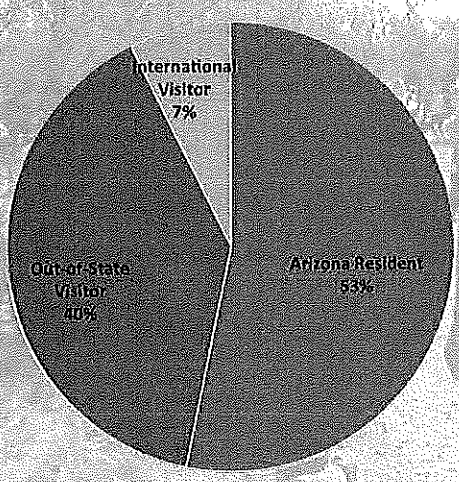
Attachment 9


Arizona
State Parks
PAGE
GRAND CANYON VILLAGE
KINGMAN
FLAGSTAFF
Riordan Mansion
Homolovi
Slide Rock
SEDONA
Dead Horse Ranch
Verde River Greenway
Red Rock
HOLBROOK
Jerome
PRESCOTT
Fort Verde
Lyman Lake
LAKE HAVASU CITY
Lake Havasu
Cattail Cove
River Island
Buckskin Mountain
Alamo Lake
Granite Mountain Hotshots Memorial
Tonto Natural Bridge
PAYSON
SHOW LOW
Fool Hollow Lake
PHOENIX
Lost Dutchman
Boyce Thompson Arboretum
Yuma Territorial Prison
YUMA
Yuma Quartermaster Depot
McFarland
SAFFORD
Oracle
Catalina
Roper Lake
Picacho Peak
TUCSON
Kartchner Caverns®
Tubac Presidio
Tombstone Courthouse
Patagonia Lake
Sonoita Creek
San Rafael

OUR
PRODUCT
(14) RECREATION PARKS
(1) STATE RECREATION AREA
(9) HISTORIC & CULTURAL PARKS
(3) ENVIRONMENTAL EDUCATION PARKS
(1) MEMORIAL PARK
(3) STATE NATURAL AREAS

SUPPORTING
2,300,000
ANNUAL VISITORS

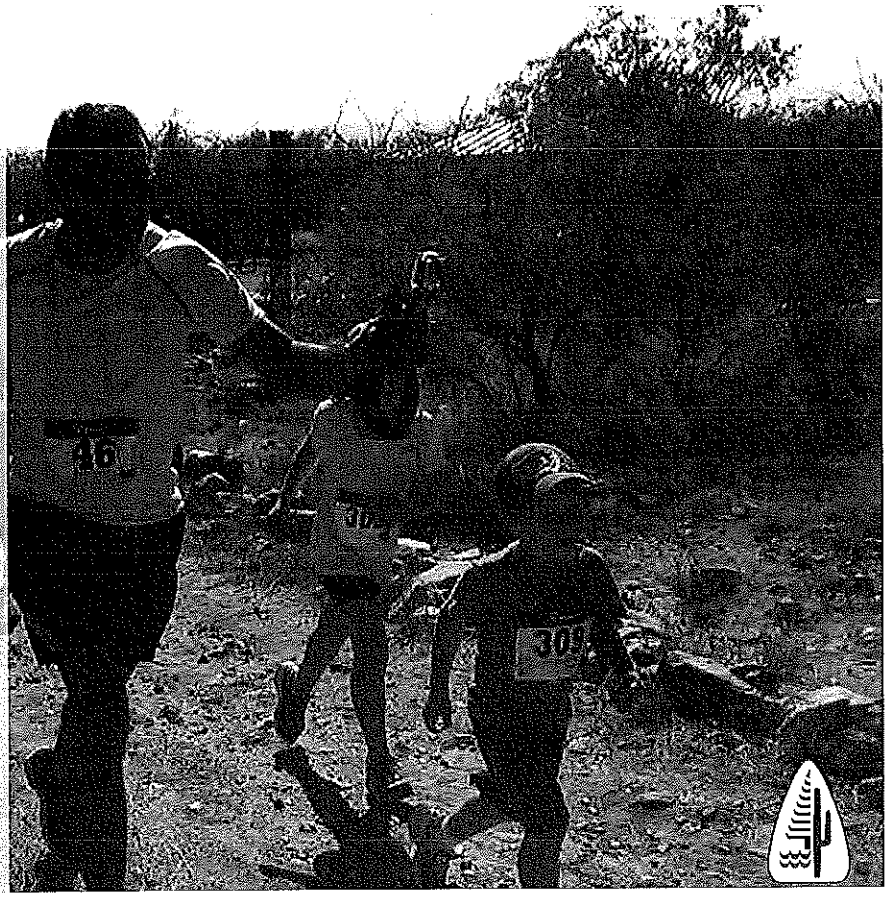
VISITATION

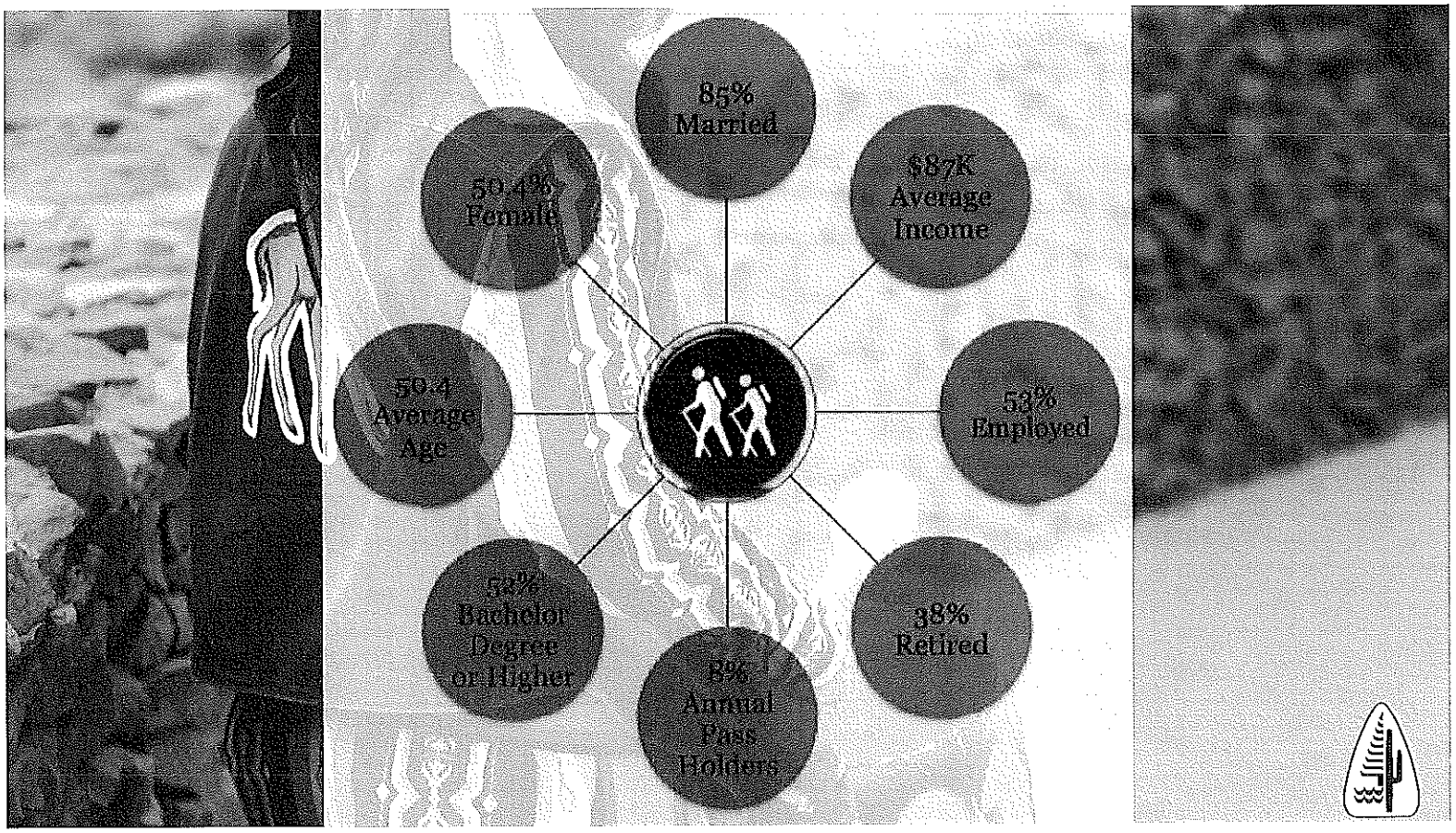


53% - OUT-OF-STATE

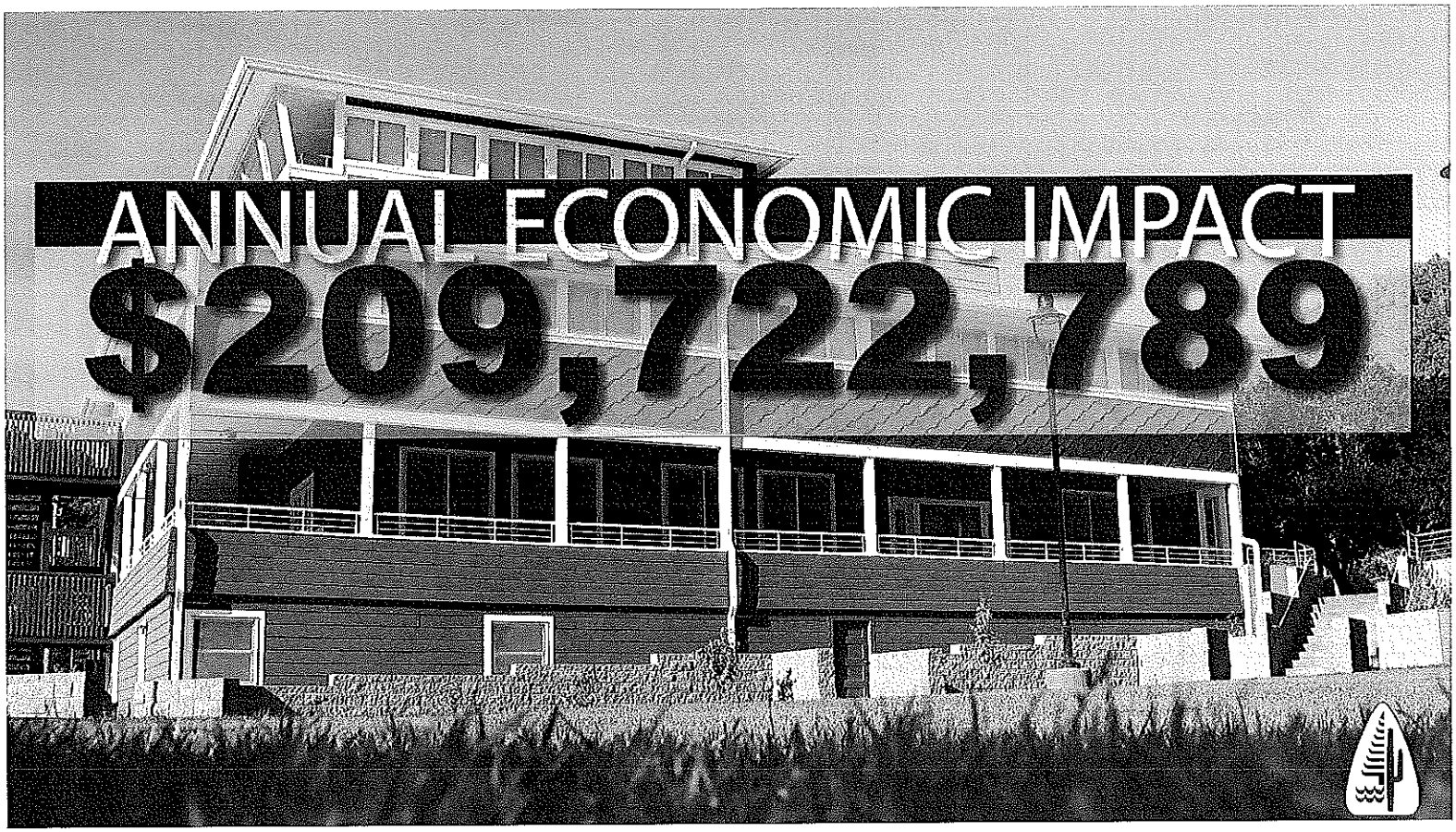
7% - INTERNATIONAL

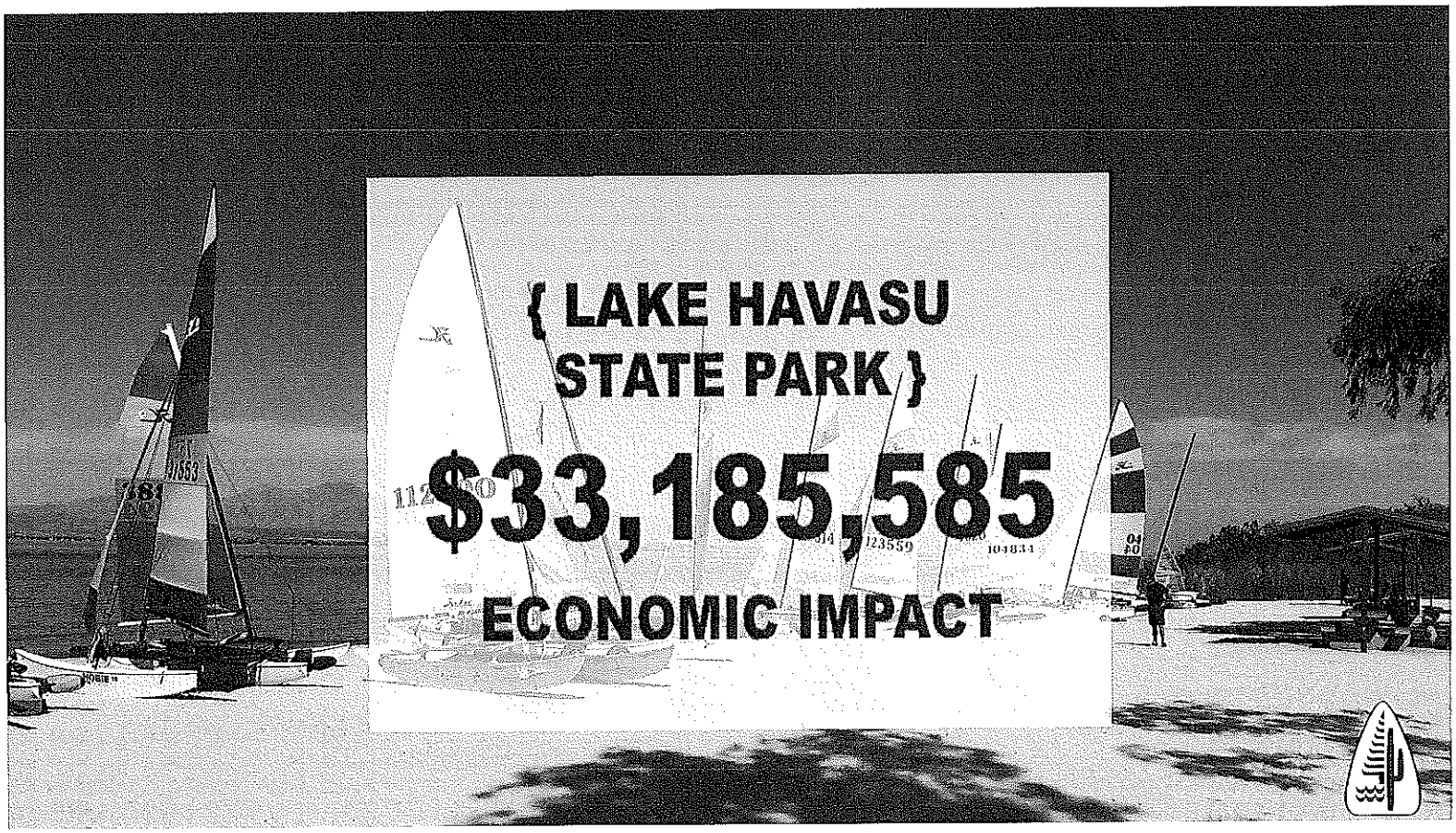
40% - ARIZONA

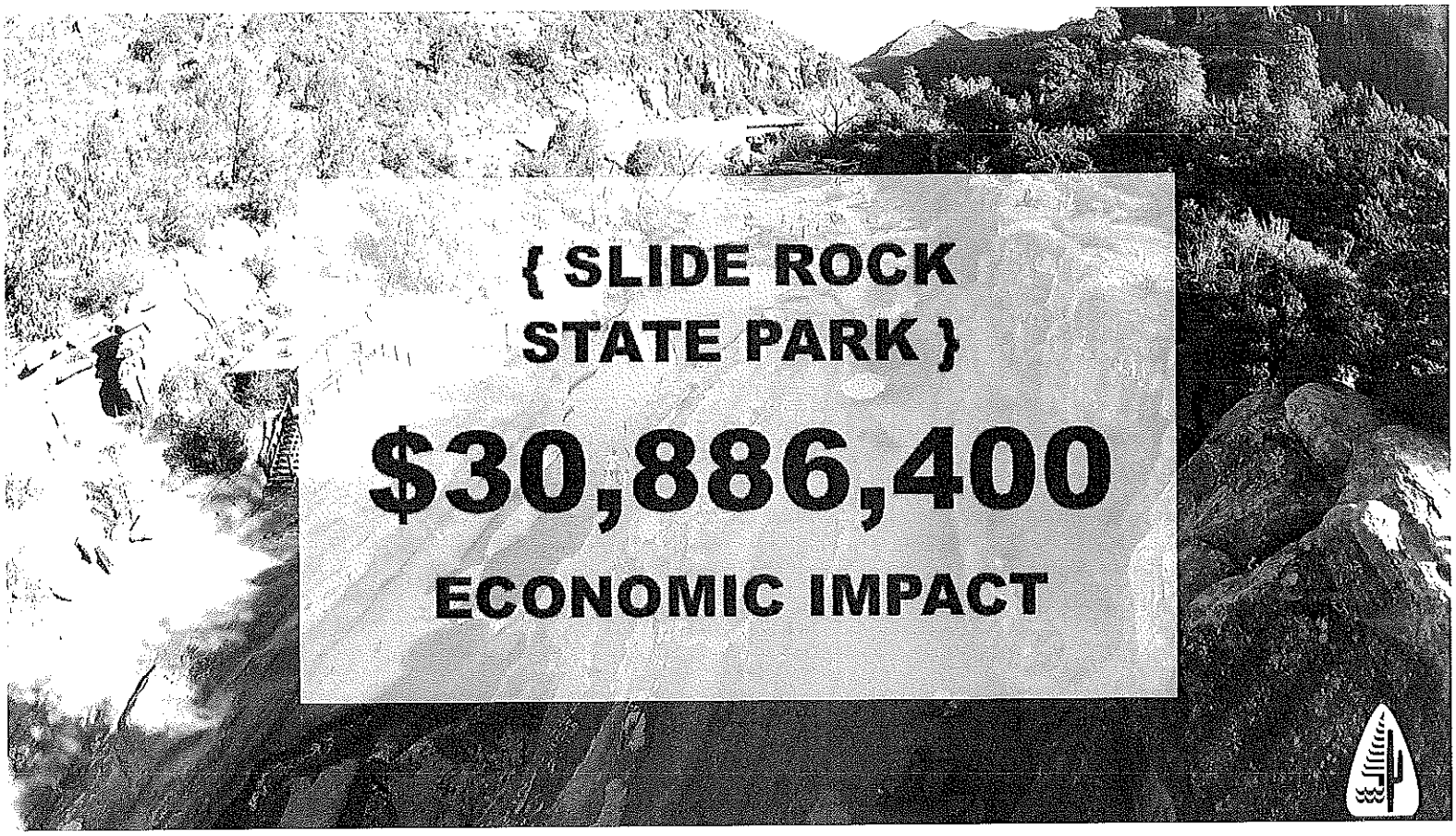



85%
Married
$87K
Average
Income
53%
Employed
38%
Retired
8%
Annual
Pass
Holders
53%
Bachelor
Degree
or Higher
50.4
Average
Age
50.4%
Female

24%
VISITORS ARE
{ CHILDREN }

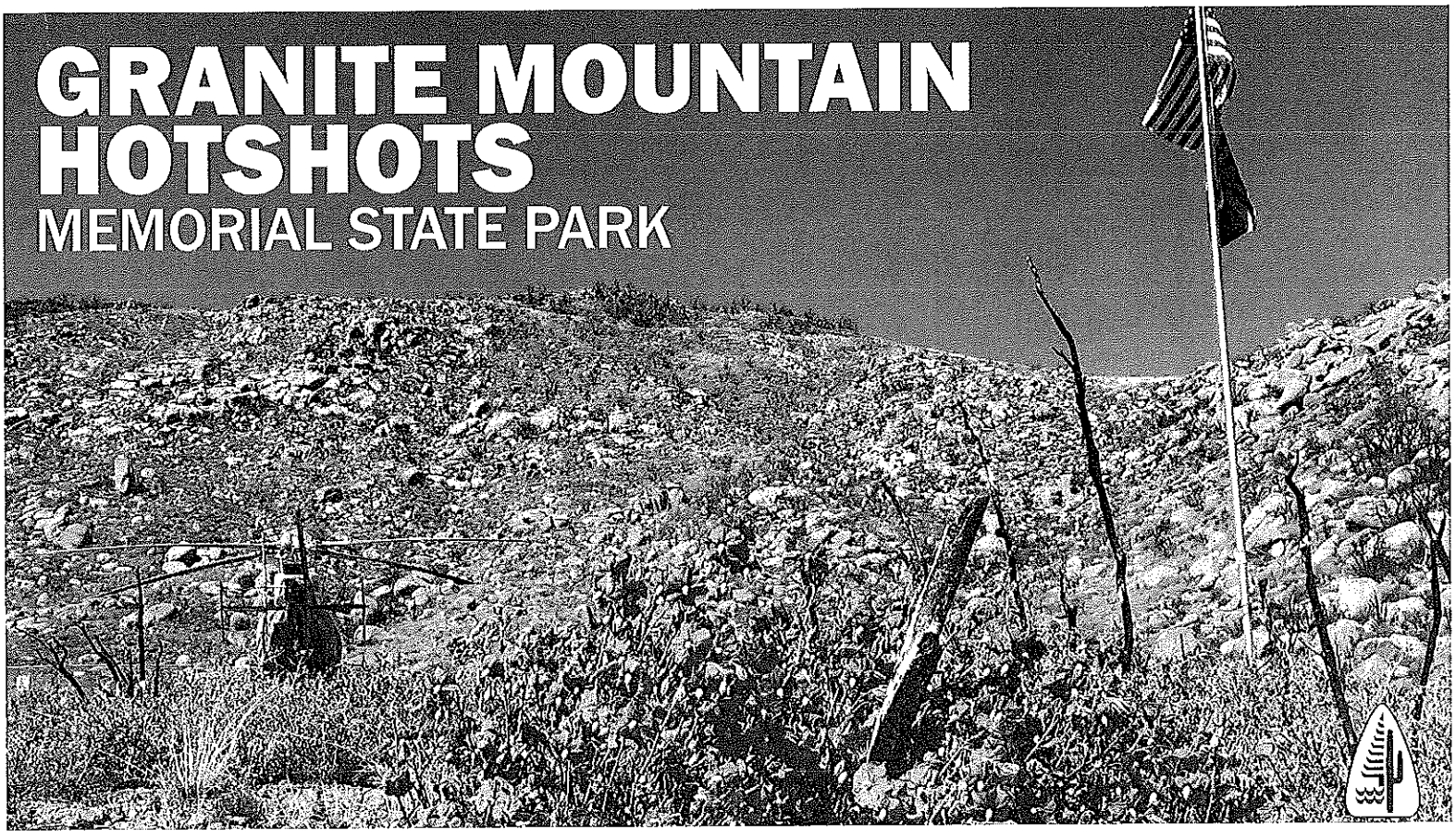

ANNUAL ECONOMIC IMPACT
$209,722,789


{ LAKE HAVASU
STATE PARK }
$33,185,585
ECONOMIC IMPACT

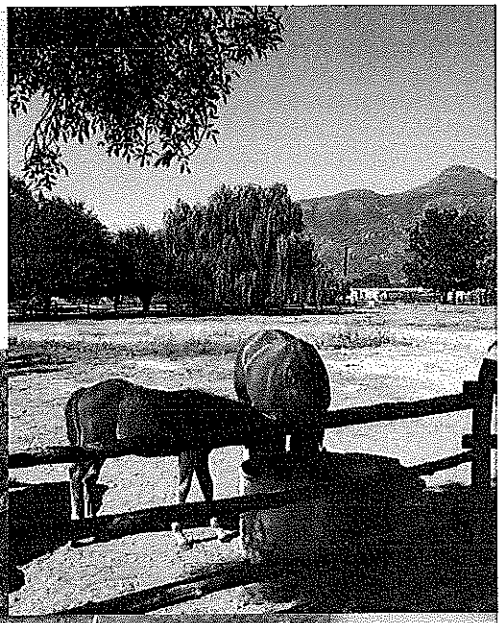

{ SLIDE ROCK
STATE PARK }
$30,886,400
ECONOMIC IMPACT

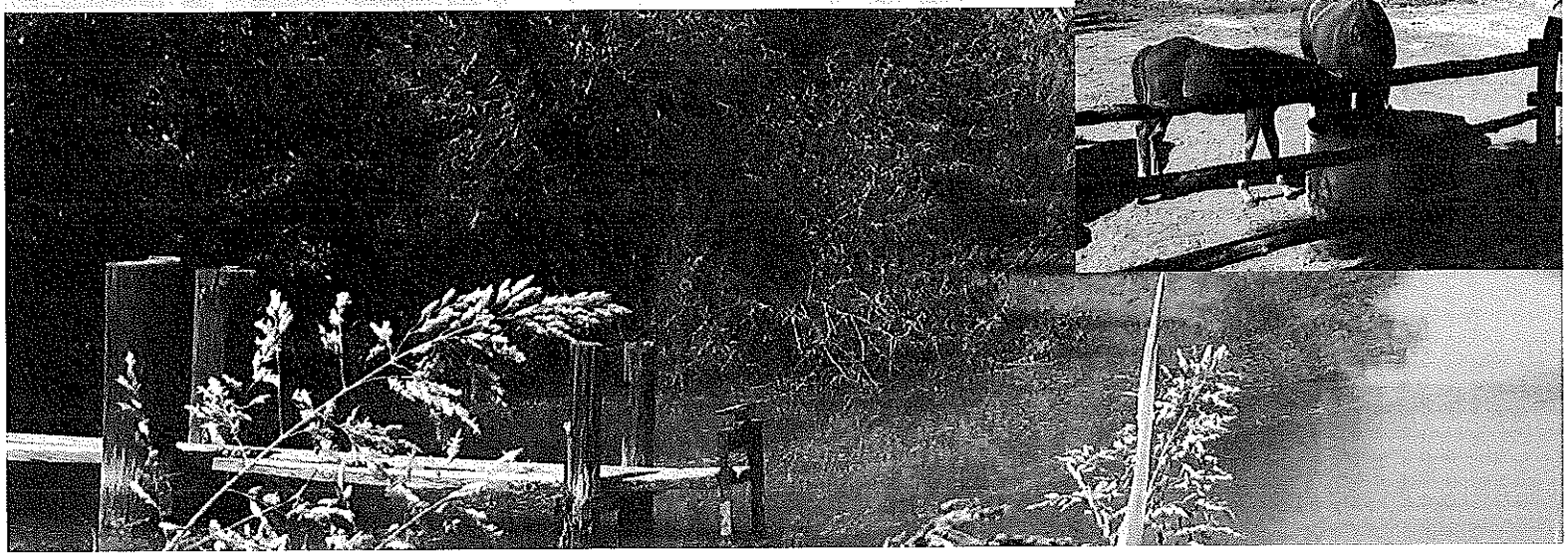
{ CATALINA
STATE PARK }
$19,221,26
ECONOMIC IMPACT

NEW
INITIATIVES

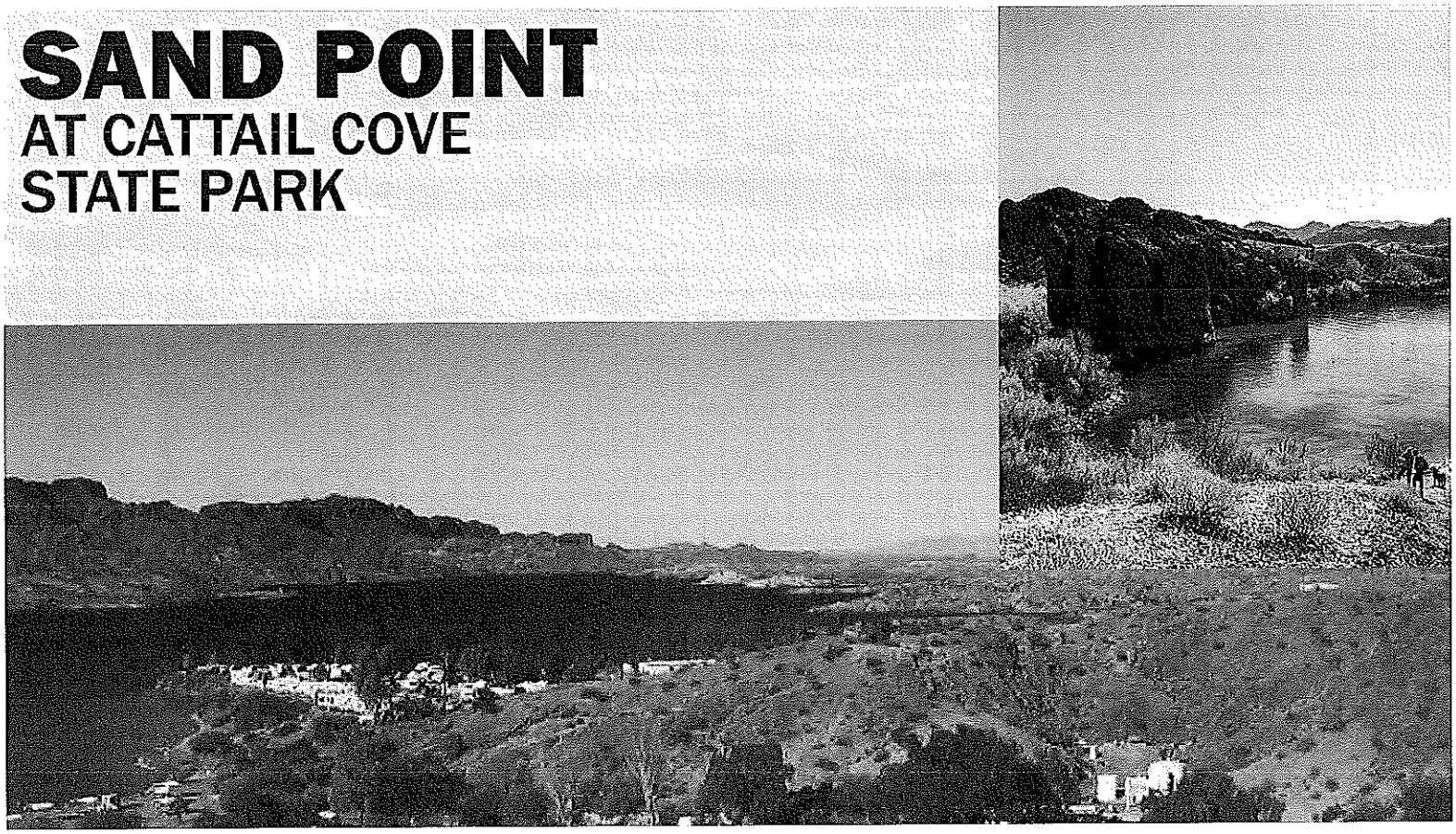

GRANITE MOUNTAIN
HOTSHOTS
MEMORIAL STATE PARK

ROCKIN' RIVER RANCH
STATE PARK



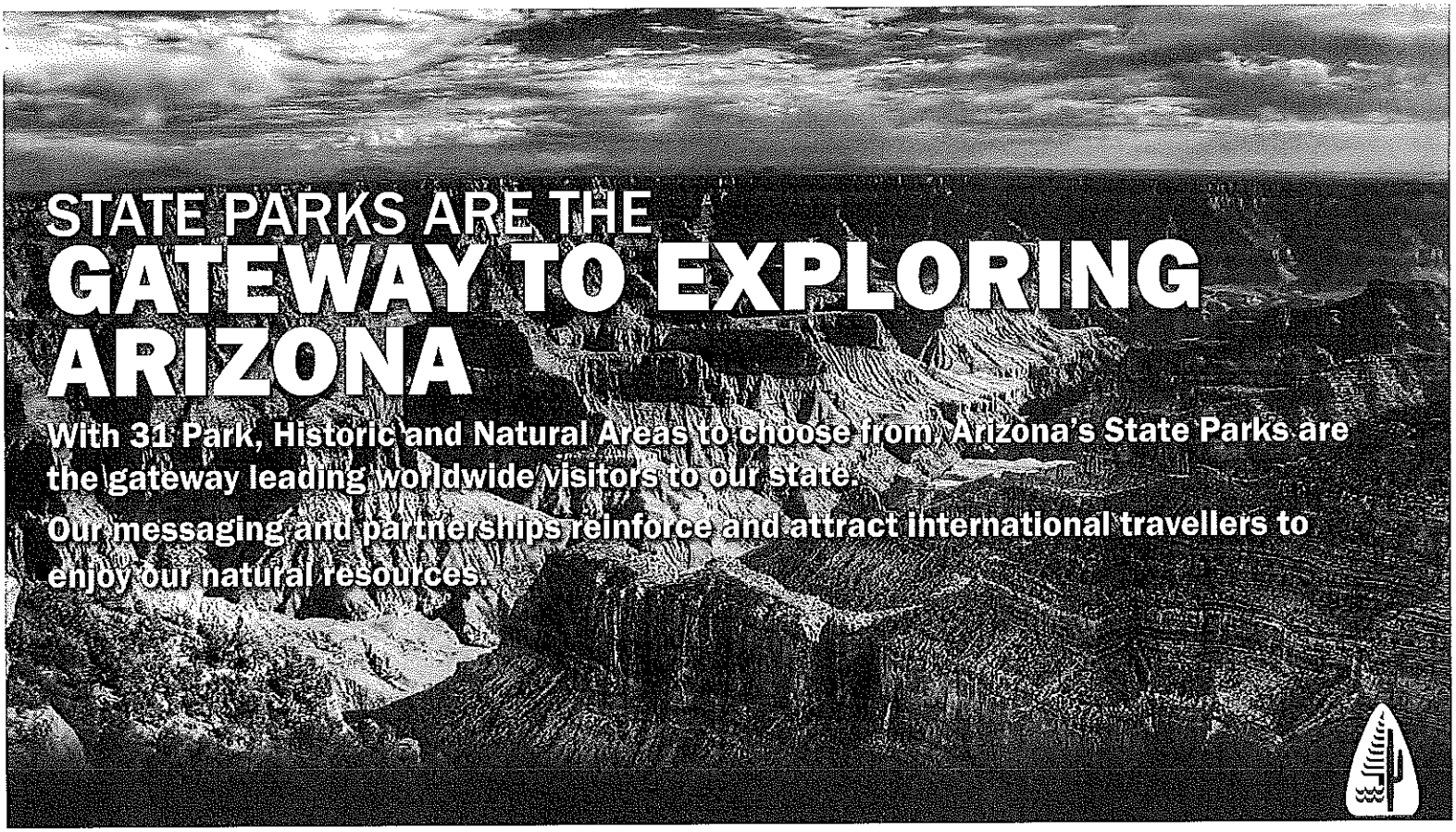


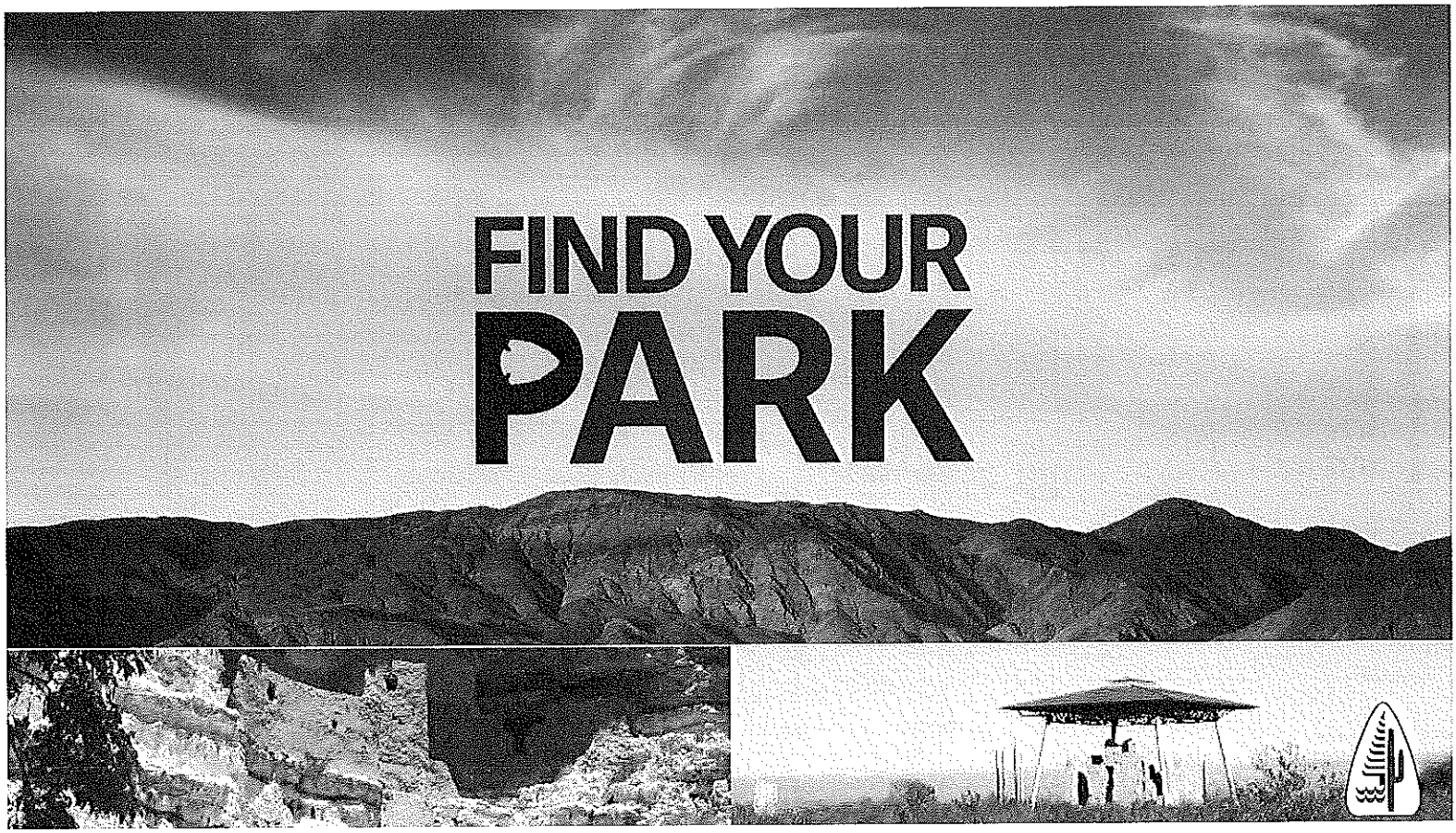
SAND POINT
AT CATTAIL COVE STATE PARK



for EXCELLENCE in
PARKS and RECREATION
The Gold Medal Award
2017

The Gold Medal Award
honors communities throughout the United States that demonstrate excellence in:
Long-range Planning
Resource Management
Agency Recognition
Each agency is judged on its ability to address the needs of those it serves through the collective energies of citizens, staff, and elected officials.

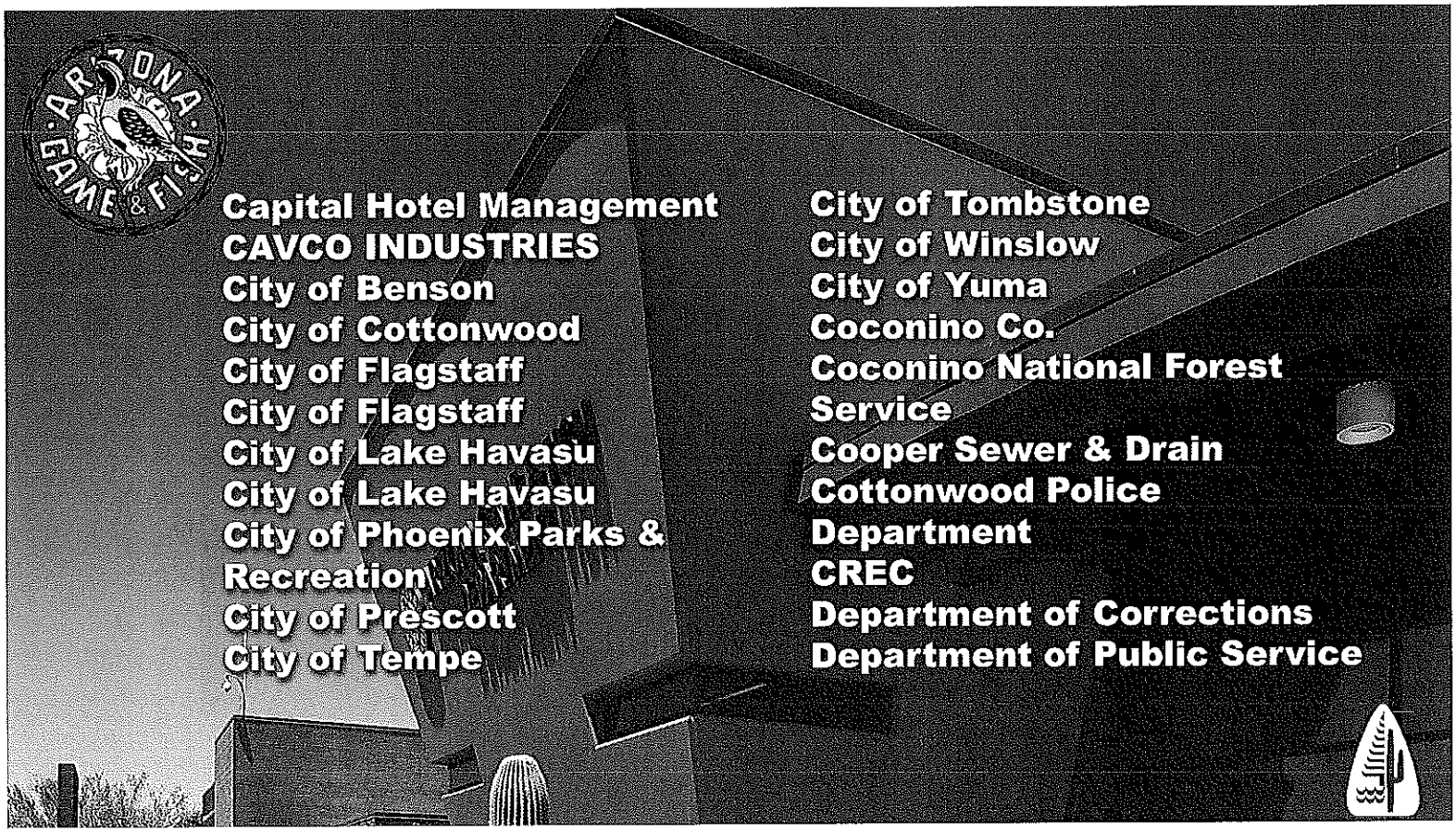

STATE PARKS ARE THE
GATEWAY TO EXPLORING
ARIZONA
With 31 Park, Historic and Natural Areas to choose from, Arizona's State Parks are the gateway leading worldwide visitors to our state.
Our messaging and partnerships reinforce and attract international travellers to enjoy our natural resources.


FIND YOUR
PARK

ARIZONA
OFFICE OF TOURISM

ACE Uniforms of Phx
Adobe Tech
ADOT
Advanced Mech & Plumbing
Airbeam
American Park Network
Aramark
Arizona Historic Society
Arizona Public Service
Arizona State Muesum
ASU/UOFA
AZ Conservation Legacy
AZ Decorative Rock
AZ Game & Fish Department
AZ State Forestry Division
AZ State land
AZ State Land Department
AZ State Museum
Benefactors of Red Rock
Blind Dog Production
Border Construction
BTA
Buckskin Sanitary District
Bureau of Land Management

PARTNERSHIPS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Capital Hotel Management
CAVCO INDUSTRIES
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City of Cottonwood
City of Flagstaff
City of Flagstaff
City of Lake Havasu
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City of Prescott
City of Tempe
City of Tombstone
City of Winslow
City of Yuma
Coconino Co.
Coconino National Forest Service
Cooper Sewer & Drain
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CREC
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Dept of Water Resources
Diocese of Tucson
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EcoPlan Associates, Inc.
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Old Pueblo
Phx-Mesa Gateway
Pilot West - Wayne Jessop
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Pinacle West
PorterCorp
RBA Arch - Randy Barnes
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Management, Inc.
Regional Pavement Maint. of AZ
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Salt River Extraction
San Barnardino County
Sheriff
Sandpoint Inc.
Sani-Star, LLC
Santa Cruz Co.
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Sedona Fire District
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Shephard Wesnitzer Inc
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Sutter Equipment
SW Sports & Recreation
Windsor Beach
Symbolarts LLC - Kurt Spencer
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Town of Buckeye
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Town of Florence
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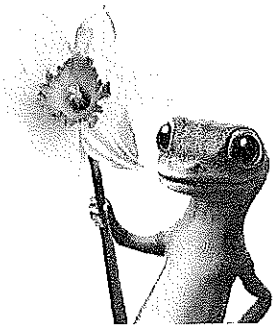
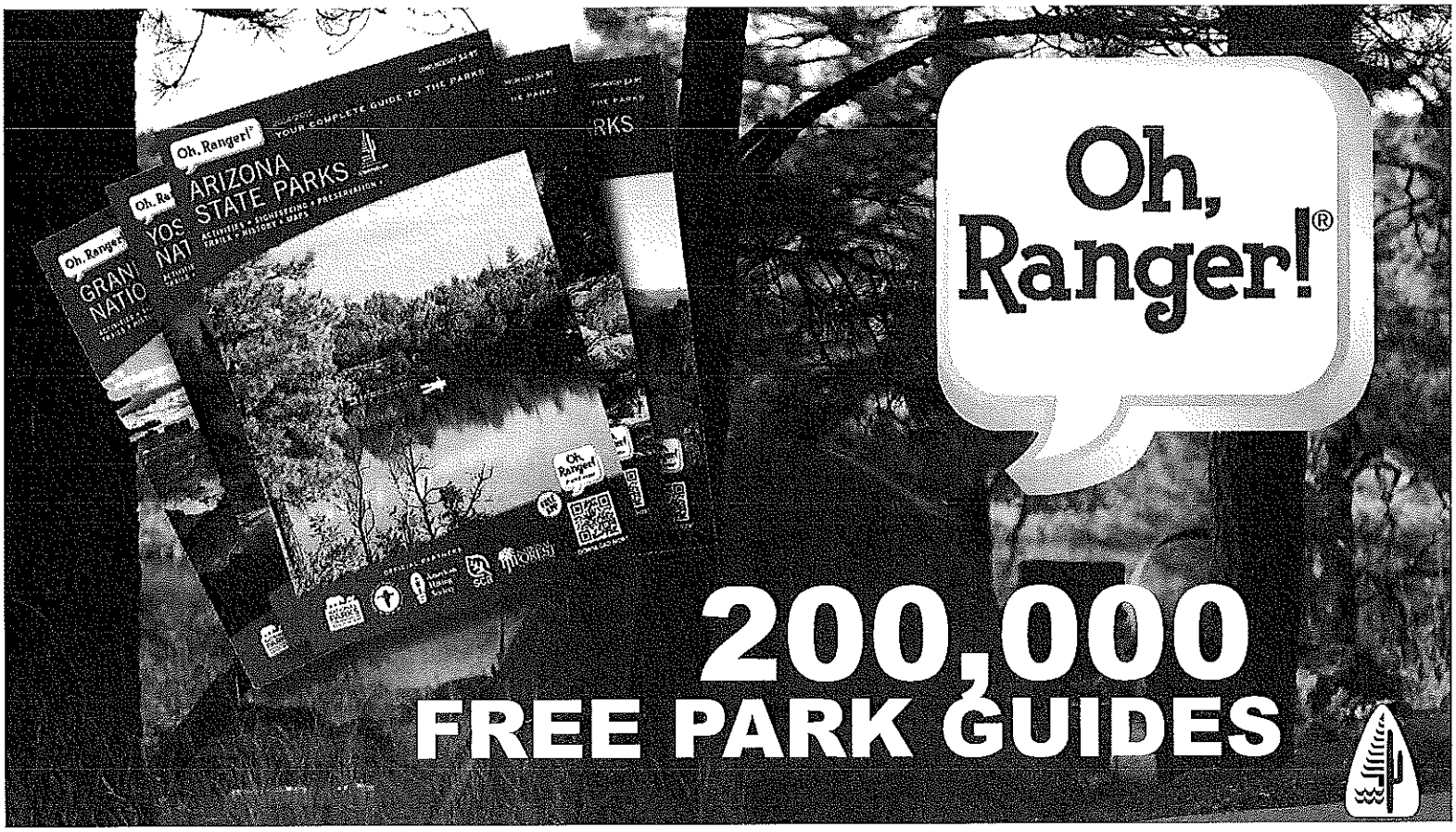


240,000
FREE TRAVEL GUIDES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