

**CITY OF KINGMAN
 TOURISM DEVELOPMENT COMMISSION
 City Council Chambers
 310 N. 4th Street - Kingman, Arizona**

7:30 a.m.

Regular Meeting Minutes

Thursday April 7, 2016

Commissioners Present:	Staff:	Visitors Signing In:
Krystal Burge, Chair	Gary Jeppson, Staff Liaison	See Attached
Thomas Spear, Vice-Chair	Tina Moline, Finance Director	
Jan Davis, Commissioner	Burley Hambrick, Project Manager	
Theresa Evans, Commissioner	John Dougherty, City Manager	
Angela Patterson, Commissioner	Rob Owen, Public Works Director	
	Sandi Fellows, Recording Secretary	
Council Liaison Present:		
Jen Miles, Council Liaison		

REGULAR MEETING MINUTES

CALL TO ORDER AND ROLL CALL: Chair Burge called the meeting to order at 7:30 A.M. and the Recording Secretary called the roll. Commissioner Pettit was excused. Commissioner Schroeder was unexcused. All other Commissioners were present.

1. **APPROVAL OF MINUTES:** Regular Meeting Minutes of March 17, 2016.
 Vice-Chair Spear made a MOTION to APPROVE the Regular Meeting Minutes of March 17, 2016 as written. The motion was SECONDED by Commissioner Evans and CARRIED UNANIMOUSLY (5-0).
2. **CONSIDERATION OF PUBLIC COMMENTS:**
 There were no comments.
3. **OLD BUSINESS**
 - A. **ROOM TAX REPORT:** Financial Services Director Tina Moline addressed the Commission stating that the room tax report accounts for room tax revenues reported to the City for July through March of fiscal year 2015-2016, which is actually May to January revenues. The report indicates \$338,374 received in room tax revenue to date, which is an increase over last years \$302,767. Ms. Moline stated that if this trend continues, the total could reach over \$450,000, which would be an increase of five percent over last year. She noted that room tax revenues have increased for the past two years, due to the construction of new facilities and increased tourism. The report also includes the delinquency adjusted room tax which represents a decline of .6% or about \$1,000 difference for the first nine months of the fiscal year.
 - B. **DRAFT OF REQUEST FOR PROPOSAL REGARDING VENDORS AT THE POWERHOUSE:**
 Project Manager Burley Hambrick addressed the Commission stating that at the March 17, 2016 meeting he had requested direction from the Tourism Development Commission whether or not to proceed with a concession agreement for Wild West Coffee to sell refreshments inside the Powerhouse. The Commission suggested that staff present a simple lease agreement and a draft

of an open-ended Request for Proposal (RFP) for a food and beverage concessions lease at the Kingman Visitor Center. The Commission also recommended that any work required to modify the existing facility be completed as a Tenant Improvement and the responsibility of the vendor. Staff is recommending approval of the RFP and pursuing the lease agreement, and presented a draft of the agreement.

Mr. Hambrick stated that the RFP would be posted on the City of Kingman website, and in the local paper.

Commissioner Patterson noted that a kitchen would be required to have non-porous flooring, so the existing wood flooring would need to be modified. She acknowledged the lease of \$168.74 per month seemed low even if the tenant were required to install a separate meter for water and power.

Mr. Hambrick stated that the flooring would fall under the tenant improvement and the water and power would be included, as there was not a separate meter. Vice-Chair Spear stated that the separate electric meter would be cost effective, but the water meter may be difficult to install.

Commissioner Burge noted that eight-percent (8%) rent on a business's sales was a normal figure relative to cost of doing business. She stated that rent must be tracked back to revenue at that location.

Commissioners requested that staff compare similar vendors and locations in comparable communities, and re-evaluate the cost of the proposed lease. Commissioners also suggested the lease be evaluated annually. Also suggested was use of the Cities Coyote Program, as they would pay for a portion if not all of the cost of the wages for youth graduating from the program that could work at the kiosk.

Mr. Hambrick stated that he would modify the Request for Proposal and bring it back to the Commission for consideration.

C. CLARIFICATION OF FUNDING RECOMMENDATION CONCERNING JAMES HINCKLEY TRAVEL EXPENSES: Staff Liaison Gary Jeppson addressed the Commission and stated that staff is requesting clarification as to where funding for Mr. Hinckley was to come from.

President and CEO of Kingman Visitor Center Josh Noble addressed the Commission and stated that the request was to use a portion of the \$25,000 cooperative funding mechanism to help fund Mr. Hinckley going to the International Route 66 Festival in Germany in July. He noted that this would be for the airfare and the other expenses for a total of \$4899.98.

4. NEW BUSINESS

A. FUNDING REQUEST FROM IGNITE BRAND MARKETING FOR KINGMAN CIRCLE: Chair Burge recused herself from the discussion stating that her company is involved with IGNITE.

President of IGNITE Brand Marketing Liza Noland addressed the Commission stating that IGNITE represents multiple businesses in Kingman they call Kingman Circle. She said that they currently have 20 local businesses contributing \$185.00 each month, and 7 local businesses contributing \$200 each month for an annual marketing budget of \$59,700. She acknowledged that she hopes

the City would continue to participate with an equal contribution that matches the investment of the local business community.

Ms. Noland stated that Kingman is too small to substantiate the smaller businesses and provide the necessary work force and relocation facilities for larger employers. She acknowledged that Kingman needs to encourage families to relocate here and people to frequent businesses in the area, and the message needs to be heard on a larger scale than just within the City.

The goal of Kingman Circle is to provide a comprehensive package of messaging about Kingman, presenting a big picture of what Kingman has to offer. One of the ideas would be billboards on Interstate-40 with a message that Kingman is a great place to eat, drink and play, and a website address. Going to the website would list multiple attractions Kingman has to offer. Ms. Nolan stated they wanted to capitalize on internet marketing, as it was the most cost effective way to get a message out for people looking for information.

Ms. Nolan noted that Kingman Circle wanted to provide good news on their website, www.kingmancircle.com such as businesses' that were hiring or expanding, special offers, and positive business news or events. News would be updated and added several times a day. Currently they are experiencing about 5000 hits per month, with traffic from the United States and Canada, the UK and Australia.

Ms. Nolan stated that they plan to launch an "app" in April utilizing geotargeting to notify of businesses nearby and any special offers or events. They also have a Facebook Page, <http://www.facebook.com/kingmancircle> to distribute web content to the social media community, sharing upcoming events and community news.

Kingman Circle utilizes a digital advertising campaign targeting international markets looking for information pertaining to Route 66, and another for relocation to our area. They also have business cards, brochures listing services, food and drink, and local services available at local businesses and the Kingman Visitor Center.

Ms. Nolan went on to state that their material is professionally done, captures the history of Route 66 and the more modern attractions such as breweries and vineyards. She stated that the goal is to increase membership with local businesses twenty percent by next May, and all of the advertising can be tracked, to see if it is successful.

Ms. Nolan acknowledged that they are attracting only a portion of the potential audience with their current budget, which is \$59,700, and cannot ask the members for additional funding. She requested matching funds from the Tourism Development Commission to expand their billboard capabilities to motorists coming through town on US Route 93 from Las Vegas, increase digital advertising internationally as well as local and Facebook digital advertising. Ms. Nolan itemized the cost of the billboard at \$9,000, International advertising; \$20,000, local advertising; \$6,000 and printing costs at \$10,000. She added a management fee of \$4,500, for a total funding request of \$49,500.

Joshua Noble addressed the Commission acknowledging that the Kingman Visitor Center has a different avenue of digital marketing utilizing banner ads and helping people develop itineraries while Kingman Circle is pulling in new offers and interesting stories continually. He went on to state that the focus is different yet complementary to the KVC website. Vice-Chair Spear noted that

people would be driven to two separate websites, which could be confusing, and asked if resources would be better utilized with www.gokingman.com, instead of the new website. Mr. Noble stated that the messages could be collaborated between the websites so they could feed to one another. He stated that Kingman has a lot to offer, and the more promotion and advertising, the better.

Liza Nolan stated that Kingman could have events advertised on the Kingman Circle website, such as Best of the West and other International events if the City became a member.

Mr. Noble stated that the Kingman Visitor Center plans to resurface their three billboards with the next budget and Kingman Circle could advertise on one of them, removing \$9,000 from the funding request.

Vice-Chair Spear noted that the funding request was for an expansion of the Kingman Circle marketing budget.

Finance Director Tina Moline stated that there was \$200,000 in the contingency fund which could be available July 1, 2016.

Commissioner Patterson stated that the Tourism Development Commission could not fund the \$4,500 management fee, and since Kingman Visitor Center (KVC) was willing to let Kingman Circle advertise on their billboard, that would remove another \$9,000 from the funding request. Josh Noble noted that the cost to resurface the three billboards would be between \$4,500 and \$5,000.

Ms. Nolan stated that they had envisioned a billboard on US 93 out of Las Vegas, giving travelers enough time to check the Kingman Circle website advertised on the billboard, encouraging them to stop in Kingman.

Commissioner Davis made a MOTION to recommend funding Kingman Circle/IGNITE Brand Marketing, less the management fee of \$4,500, for a total of \$45,000. The MOTION was SECONDED by Commissioner Evans. The MOTION CARRIED with a vote of (4-0) with Chair Burge abstaining due to a conflict of interest.

Commissioners requested that Kingman Circle report quarterly to the Tourism Development Commission as to how the funding received has benefitted the community.

Staff Liaison Gary Jeppson noted that final approval for the funding request would be heard by the City Council in May.

- B. CONSIDERATION OF A RECOMMENDATION TO THE TDC CONCERNING THE RETENTION OF BUXTON FOR RECRUITMENT AND TOURISM SERVICES:** City Manager John Dougherty addressed the Commission stating that the Buxton group could help market the City of Kingman by supplying custom marketing materials and strategies targeting the unique site requirements of our area, for both retail and tourism. Buxton has proposed a three-year contract, and is giving the City the option of opting out of the contract if we feel as if we are not receiving the value expected. He went on to state that the contract is \$60,000 for the first year, \$50,000 for the second year and \$50,000 for the third year. Mr. Dougherty stated that he is requesting \$10,000 from the Tourism Development Commission for the first year only, to help fund the project with Buxton. He noted that there are other companies who provide the same services as Buxton, and the City plans to send out Request for Proposals (RFP's) to them, in order to obtain the lowest cost. Mr. Dougherty went

on to state that funding required may be less than the \$10,000 anticipated, but it would not be more than that, and could come out of the next fiscal year budget in July.

Vice-Chair Spear made a MOTION to recommend funding of \$10,000 from TDC's fiscal year 2016-2017 budget for the retention of services from Buxton. The MOTION was SECONDED by Commissioner Patterson and CARRIED UNANIMOUSLY (5-0).

- C. STAFF REQUEST TO CONSIDER MODIFICATION OR CANCELLATION OF POWERHOUSE GRANT REHABILITATION PROJECT:** Project Manager Burley Hambrick addressed the Commission stating that on March 18th bids were opened for the Powerhouse Grant Rehabilitation Project, and all of the bids received were high. The lowest qualified bidder was \$143,683 higher than the current construction budget. Mr. Hambrick stated that to proceed with the project and the grant, the additional funds would need to be paid. With the new over bid amount, the overage of the Arizona Department of Transportation construction estimate, and original grant to match City funding, the cost to proceed with the grant project would be \$311,554, as of this day. The City would also be responsible for any additional costs if proceeding with the grant.

To not proceed with the grant, all funds that have been reimbursed would need to be paid back to the Arizona Department of Transportation, which total \$60,357 at this point. Mr. Hambrick stated that the City has already paid the difference between the original grant construction budget, the ADOT cost estimate and additional matching funds in the amount of \$112,810. This was \$68,262 from the Tourism Development Commission and \$44,548 in Powerhouse grant funds. The \$112,810 would be returned to the City less the \$60,357 owed for reimbursements for a difference of \$52,453. Mr. Hambrick noted that the City does have the architect's plans, and suggested using the credit the City would receive, and have the City proceed on all or some of the project either all at once, or in smaller phases. This would put the cost of the project at \$60,468.53, but there was a set of plans available and the project could move forward.

John Dougherty addressed the Commission stating that the matching funds ADOT planned to provide came to \$275,302, but part of the funds would be used to pay for an ADOT employee to oversee the project. The City Manager suggested that the City could do the project utilizing local contractors for about the same amount of money.

Mr. Hambrick stated that staff recommends not proceeding with the grant project and seeks the Commission's direction on whether to:

- Bid the project with City funds
- Bid a smaller project with City funds
- Not proceed with the project

Mr. Hambrick noted that if the Commission decides not to proceed with the project the total funds spent would be \$60,468.53.

Vice-Chair Spear made a MOTION to recommend cancelling the Powerhouse Rehabilitation Project using the Arizona Department of Transportation Grant, and have the City proceed on the same project in two or three phases using City funds. The MOTION was SECONDED by Commissioner Davis, and CARRIED UNANIMOUSLY (5-0).

D. ANNOUNCEMENTS BY COMMISSIONERS-

Vice-Chair Spear noted that the 29th Annual Fun Run was taking place at the end of April.

Commissioner Evans made a MOTION to adjourn. The motion was SECONDED by Commissioner Patterson and CARRIED UNANIMOUSLY (5-0). Chair Burge declared the meeting adjourned at 8:53:12 A.M.

E. ADJOURNMENT 8:53:12 AM

APPROVED:

Kristal Burge
TDC Chairperson

STATE OF ARIZONA)
COUNTY OF MOHAVE) ss:
CITY OF KINGMAN)

CERTIFICATE OF TDC MINUTES

I, Sandi Fellows, Recording Secretary of the City of Kingman, Arizona, hereby certify that the foregoing Minutes are a true and correct copy of the Regular Meeting Minutes of the Tourism Development Commission held on April 7, 2016.

Dated this 5th day of May 2016.