



Utah County Tourism and Tax Advisory Board Meeting
Monday, February 6, 2022 @ 11:30am
UCCU Center at Utah Valley University

Board Members Present:

John Garfield, Marriott
Kurt Christensen, Hyatt House PG/Provo
Chad Linebaugh, Sundance
Graydon Pearson, Hyatt Place Provo
Danny Wheeler, Utah Valley Convention Center
John Lenahan, Enterprise
Jared Kearns, UVU
Chad Santiago, Communal

County Representatives Present:

Laurel Price, Utah County Commission Liaison
Brandon Gordon, Utah County Commissioner
Nicole Neer, Utah County Commission Office
Amelia Powers Gardner, Utah County Commissioner
Tom Sakievich, Utah County Commissioner
Lisa Shepherd, Utah County Commission Office
Adam Beck, Utah County Attorney

Others Present:

Kathy Lewis, Orem City
Lee Adamson, Explore Utah Valley

Welcome and working lunch

11:40 a.m. Danny Wheeler welcomed everyone to the meeting. Made a motion to approve minutes and then turned the time over to Kurt Christensen for a funding review.

11:40 a.m. Approval of Minutes

Danny entertained a motion to approve the minutes from the December 5, 2022 meeting. Chad Linebaugh made a motion to approve the minutes for 12/5/2022, John Lenahan seconded. Vote was unanimous. Yes votes- Garfield, Christensen, Pearson, Wheeler, Linebaugh, Lenahan, Kearns, Santiago

11:45 a.m. Funding Review Update- Kurt Christensen

Kurt shared revenue numbers of \$20,903,000 between TRCC and TRT through November 2022. Kurt stated that discretionary funds for 2023 is \$8.4 million. Kurt told the committee to keep that number in mind as they look at projects for the year.

11:50 a.m. Danny Wheeler turned the time over to Adam Beck from the attorney's office to review the requirements of those that apply for TRCC/TRT funds and the role of the TTAB committee.

Adam Beck provided a presentation of the purpose of the TTAB Board, the legal requirements and the process of the projects after they receive the recommendation of the TTAB Board.

12:00 p.m. Danny Wheeler discussed the goal of the TTAB is to keep a year of reserves of TRT/TRCC funds as rainy day funds but commission had agreed that the TRT funds Would be spent first given that TRT is the most restrictive funds. The rainy day fund resides in the TRCC column and is about \$15-16 million.

Kurt Christensen asked what the catalyst for that decision was? Commissioner Sakievich said that was just an agreement made by the committee, but is not a policy. It was pointed out that because Utah County did have a hefty reserve prior to the COVID shutdowns, Utah County was able to weather that situation very well.

Danny Wheeler gave some reminders to the board: Reminded the board that they all have access to the google drive where all the minutes/agendas and other useful documents are located. There is also a form to help with board sponsorship for members. Danny also reminded that the only use for the TRT funds is marketing.

12:10 p.m. **Provo City Airport Expansion**
Project Funding Request: \$10,000,000

Project Reviewer: John Garfield

Project Presenter: Issac Paxman, Michelle Kaufusi, Brian Torgersen, Jimmy McKnight

Mayor Michelle Kaufusi shared with the TRCC board that the Provo airport has already been outgrown and there is a need to expand the airport already. The city is in talks with some great airlines that would be great to have at the airport but right now, there is not room for them. The Mayor also mentioned that there is a real desire by airlines to implement an international component. This would also be helpful to the private jet industry that could land in Provo and not have to fly to SLC to clear customs first.

The Mayor stated that when they did the first construction project on the airport, they did put in ten gates worth of infrastructure in the ground with an eye for expansion. This will help with the second phase immensely. The infrastructure is a big expense for expansion.

Issac Paxman, Deputy Mayor stated that the economic impact of the airport as it is now is \$130.8 million dollar annual economic impact with \$2.2 million in tax revenue and 1020 local jobs. Breeze Airline has flight crews based in Provo with pilots, mechanics, flight attendants all based in Utah County.

Brian Torgersen mentioned that there are four Breeze jets based here and soon to be five Allegiant planes based here. Both airlines want more gate availability. The airport has tried to work to see how we can expand but the truth is that the airport is out of space on the apron. The expansion would give the ability to bring in other airlines.

Brian Torgersen said that 20% of the Provo airport passengers are coming from SLC. There are also passengers coming from Ogden and Logan too. Provo airport is a more convenient airport. Brian Torgersen acknowledges that the airport needs to bring in a network carrier. United, American, Southwest could be options. United or American are usually flown by Skywest. Brian has talked with all these airlines and they have expressed interest.

Brian Torgersen stated that the airport is putting together a business travel taskforce to bring community members together to come up with ideas to draw in network carriers. Brian stated that the international component would go a long way to drive more business to the airport.

Brian stated that Allegiant Airlines is merging with a Mexican airline and they would love to fly daily flights to Mexico if Provo could get a customs set up in Provo. Breeze also has big plans for growth as well that will benefit the Provo airport.

John Garfield asked the question about extra runways. This upcoming expansion would not include runway expansion but they do have runway growth in their master plan and will continue working with the FAA on runway expansion funding.

Issac Paxman stated the projected budget numbers for the project. \$62 million. Provo would put up \$11 million capital expenditures. Issac stated that Provo City is still subsidizing the airport as of now. Issac asked the TTAB to recommend \$10 million to the county commission. Provo is also the state legislature for \$14 million and the remainder \$27 million would be federal.

Mayor Kaufusi stated that the federal delegation is very supportive of the project. Congressman Owens recently visited the airport. Issac stated that earmarks are back in Congress and the delegation was supportive of applying for one. Issac mentioned that the more money that the local components put forward, the more likely to get federal funding.

Kurt Christensen asked what is the process and timeline of getting the \$20 million from the FAA. Brian Torgersen mentioned that the airport got a grant of \$8 million originally but the FAA ended up funding \$23 million of the original airport buildout. The bi-partisan infrastructure law has funding specific to terminal builds and with local money, Brian feels that the FAA will partner again because of the last experience.

There was a question asked about what Provo City plans if there is a funding shortfall in the project. Brian Torgersen stated that there is one more pot of money from MAG that could be a possibility. Brian also stated that they could look at loans but don't plan on needing that option.

Danny Wheeler stated that the daily flights will be critical for the business community. Danny also asked Provo City that Provo City Recreation is planning to come before the board in April to ask for funding. Danny stated that the concern is there are more requests than TRCC dollars and what would Provo City prioritize? Mayor Kaufusi stated that the regional sports park will also have an economic impact by way of the airport, hotels and restaurants too.

Commissioner Powers Gardner asked when would Provo need the money. Typically these funds are approved on a reimbursement and the full \$10 million is not available right now. Brian Torgersen stated that they are willing to do whatever is easiest. The last contract stated that the funds were reimbursed after the project was complete.

Chad Linebaugh stated that the new ownership of Sundance is going to invest \$100 million dollars into Sundance and the airport expansion will be very beneficial to companies like Sundance. The airport will drive tourism to the county which will benefit all tourism.

Brian Torgersen stated that the 2023 projection for passengers is 700,000. Since July of 2022, they have serviced 300,000 passengers.

12:50 p.m.

Danny Wheeler stated that because of a miscommunication, the Provo Airport project did not get on the agenda and therefore was not publicly noticed. Adam Beck advised that we hold another meeting later this week to have an internal discussion and vote on the project.

A meeting was scheduled for Thursday, February 9 at 2:00 p.m. with a Teams link for a remote conversation and then a vote.

Meeting adjourned at 1:00 p.m.