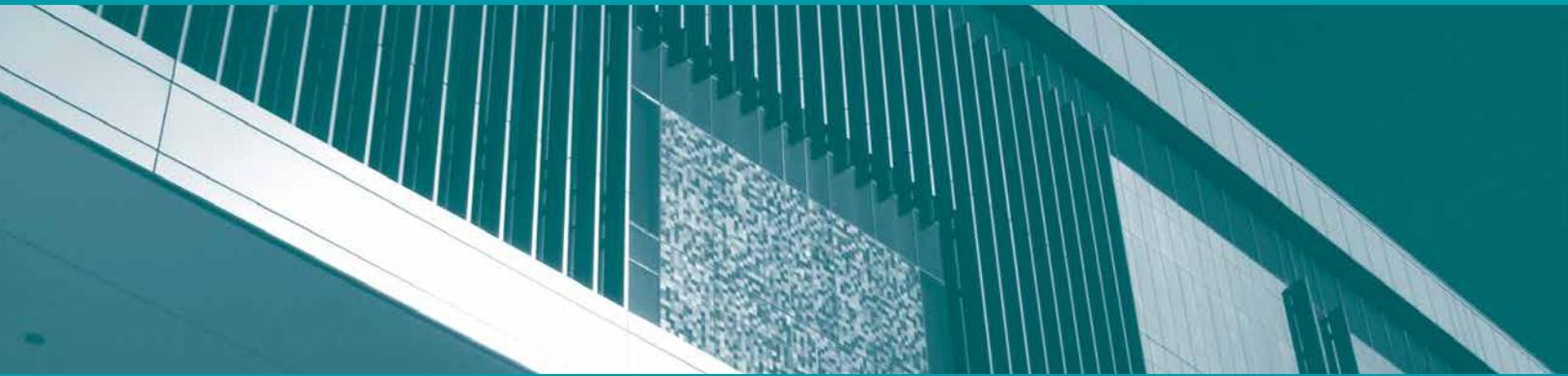


Chapter 6

Promoting Tourism



Chapter

6



The world famous Arizona-Sonora Desert Museum is one of the region's tourism crown jewels.

According to the Arizona Office of Tourism, Arizona's warm weather and natural beauty make tourism one of the State's top export industries. In 2015, 42.1 million people visited Arizona and collectively spent \$21 billion in the State, which supports jobs and generates tax revenue. Pima County generated \$2.8 billion in direct spending in 2015, while generating \$197.3 million in direct tax revenue collection. Over 24,000 jobs are generated by tourism in our region, and more than four million people enjoy visiting our area annually.

Out-of-state travelers accounted for over 72 percent of the visitor impacts in Arizona. International travel, including day travel from Mexico, comprises approximately 17 percent of visitor impacts. Most visitors to Pima County come from New York, Los Angeles, San Francisco, Chicago, Seattle and Phoenix and other Arizona cities. Mexico, Great Britain and Canada are Pima County's top international visitor markets. The addition of direct air flights in

Fall 2016 from New York City and Sonora Mexico will increase visitation from these areas.

In the wake of the recession, tourism in Pima County currently lags behind tourist growth in the Midwest and eastern United States. Our hotel occupancy has shown only moderate growth, and our average daily rate for hotels in Pima County is below most regions with similar populations. Tourism marketing budgets are recovering but are not near pre-recession levels. Visit Tucson's operating budget, derived primarily from lodging bed tax collected by local municipalities and Pima County, has declined from an all-time high of \$10.5 million in 2007 to \$6.6 million in 2015. The decline of tourists since 2008 and the reduction of funding for Visit Tucson from the City of Tucson had a significant impact on our region's tourism industry; however, there was a significant upswing in tourism in Fiscal Year (FY) 2015/16.

Overall, 42.1million people visited Arizona in 2015 who collectively spent \$21 billion in the



The addition of direct air flights in Fall 2016 from New York City and Sonora, Mexico will increase visitation from these areas.

state, an increase of 25 percent since 2013. Regional Tucson and southern Arizona tourism-related jobs increased to 24,000, and direct tax revenue collection increased to \$197.3 million. The total number of overnight visitors grew to 6.5 million. Pima County's FY 2015/16 bed-tax collections totaled over \$6.6 million. Based on Smith Travel Research predictions, we estimate Pima County's bed tax collections will grow approximately 4 percent in FY 2016/17. Bed tax

night within the Tucson city limits. The County contributes 50 percent of the County bed tax for tourism promotion and will continue its support for this important industry.

The City of Tucson did pass an additional collection of \$2 per room night, which took effect July 1, 2016 for hotels within the Tucson city limits. The City estimates that each \$1 equals an additional \$1.3 million toward the City's

Overall, 42.1million people visited Arizona in 2015 who collectively spent \$21 billion in the state, an increase of 25 percent since 2013.

collections increased 10 percent for Pima County and 6 percent for the City of Tucson.

The City, which previously invested 45 percent of its bed tax in tourism promotion prior to the recession, had reduced its funding at one point to a low of 25 percent. Currently, the City's contribution is approximately 33 percent but does not include the millions of dollars generated by an additional collection of \$2 per room

General Fund. Visit Tucson has negotiated with the City to have a small portion of these new funds come back into tourism promotion but only if the total hotel surcharge, along with the bed tax, reaches an agreed upon amount. As a result of this increase and more visitors projected to stay in hotel rooms in FY 2016/17, Visit Tucson's budget for FY 2016/17 is scheduled to increase to \$8,838,650, a 16 percent increase from prior year.

Resurgence in tourism spending is vital to Pima County's continued growth and investment back into the community. Specific strategies for strengthening tourism in Pima County are discussed below.

A. Diversification of Sports Attractions

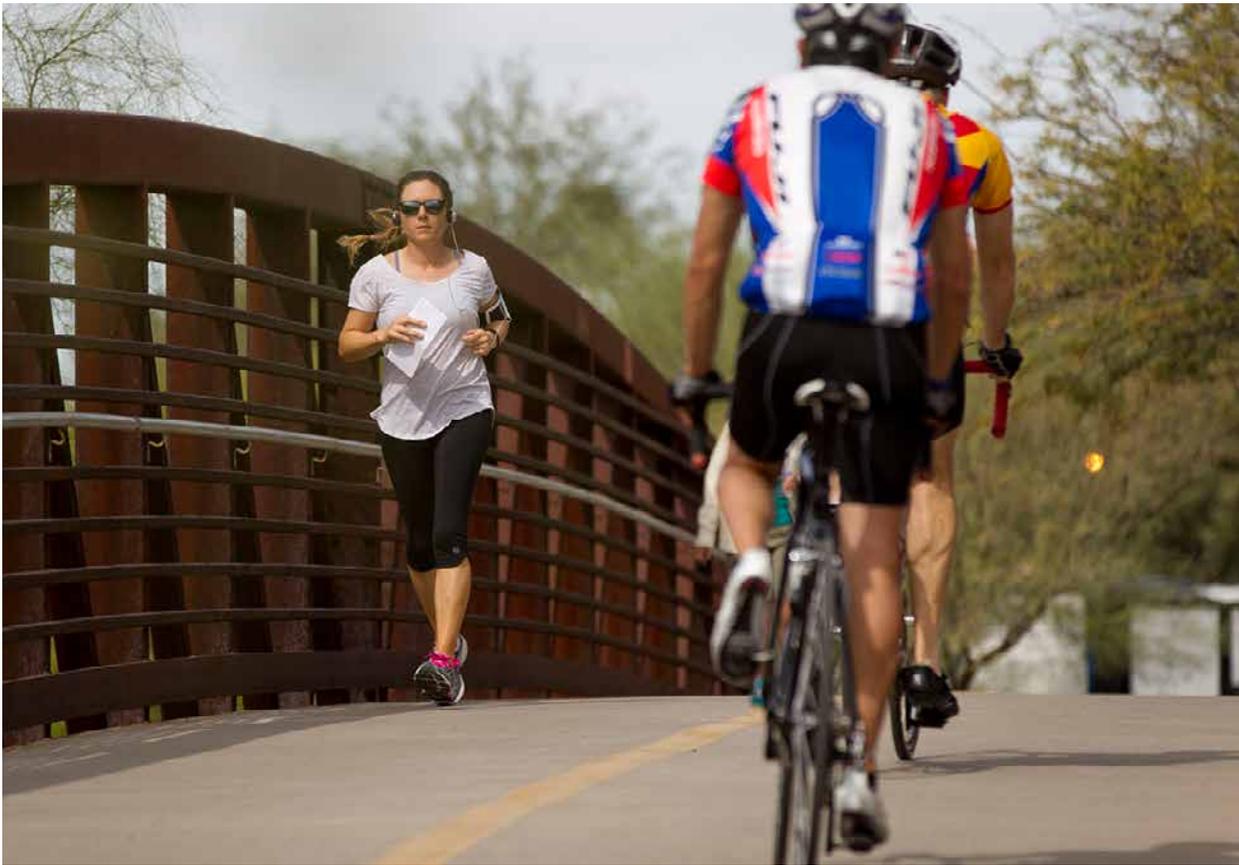
Pima County invested more than \$3 million in FY 2012/13 to transform the northern half of Kino Sports Complex from baseball fields into a 2,360-seat pocket stadium and four multipurpose fields that can be used for soccer, lacrosse and other grass sports. FC Tucson is established as the anchor tenant at the Kino North Sports Complex. FC Tucson has also taken the lead in bringing Major League Soccer (MLS) spring training to the Kino North Sports Complex annually from late January through early March. Pima County invested an additional \$190,000 in contingency funds in FY 2013/14 to bring in MLS spring training and a professional soccer team from Mexico to compete in the February 2014 Desert Diamond

Cup. Pima County made similar investments to bring back MLS spring training in 2015 and 2016. Visit Tucson has helped the County leverage its investment by entering into \$50,000 sponsorship agreements annually with FC Tucson in FYs 2013/14 and 2014/15. The majority of these investments are passed through to MLS to secure advertising used to attract fans of incoming MLS teams to Tucson.

The Pima County Sports and Tourism Authority (PCSTA), in partnership with Pima County, conducted a communitywide sports facility assessment that outlines the current assets, as well as the potential needs, of recreational and tournament site opportunities. This study will be used as a guide in developing a major sporting complex on land purchased by Pima County immediately south of the existing Kino Sports Complex on the south side of Interstate 10 (I-10). Pima County will consider recommendations made by the PCSTA's consultants, Sports Facilities Advisory (SFA), in a feasibility study of a Kino Sports Complex expansion.



U.S. amateur and professional soccer has seen tremendous growth in the past decade and Pima County is at the forefront of communities capitalizing on that growth.



The highly popular Loop multiuse path has become a significant quality of life draw for people and businesses considering relocating to the metro area.

The County will work with Visit Tucson Sports to maximize soccer, lacrosse and other sports that can be staged at the Kino Sports Complex with an eye toward booking a mix of local, regional and national events that fit with the recommendations of the Kino Sports Complex feasibility study conducted by SFA.

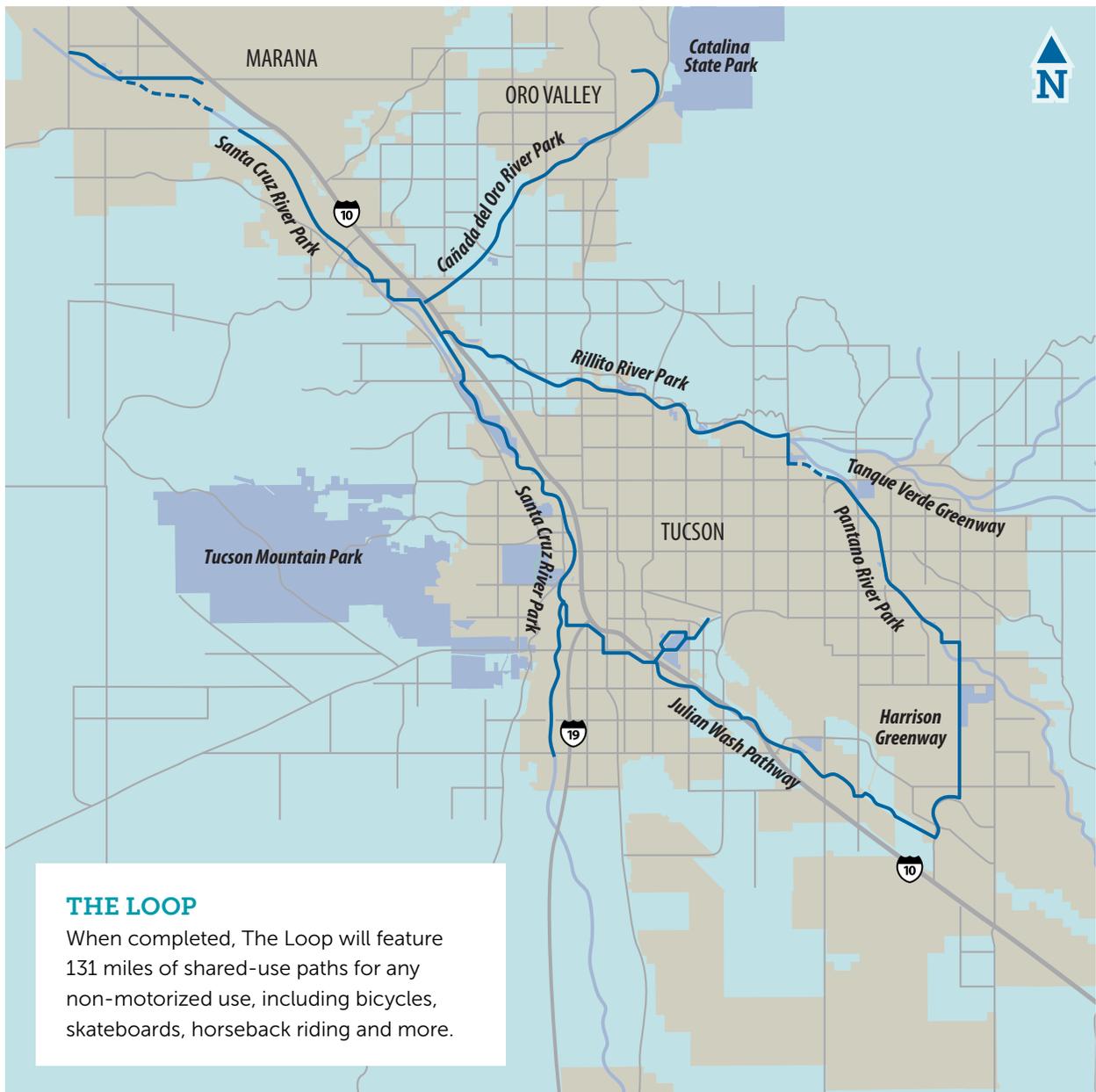
The Kino Sports Complex is the largest free-way-accessible sports venue in southern Arizona. Additional sports attractions are also now being planned for the Kino Complex. For the property newly acquired south of I-10, major indoor sporting facilities are planned similar to the development by the County and Southern Arizona Community Sports of the Sporting Chance facility at La Cholla Boulevard and the Rillito River. Sporting Chance now has 20,000 visits per month for amateur and youth sporting activities related to basketball, volleyball and other indoor court sport activities. The additional planned sports facilities on the newly ac-

quired properties are predominately field sports and would include a high percentage of artificial turf allowing increased use of the facilities.

Finally, the vacant properties owned by the County adjacent to Kino Boulevard south of I-10 will be reserved and utilized for restaurant, hotel and entertainment venues compatible with the developing of Kino Sports Complex as a major regional sports attraction. This property was purchased by the County in 2014 for \$8.75 million. The approximate 167-acre property is owned outright by the County.

B. Making Cycling a Tourism Destination Event

Pima County's sunny weather, ample bike paths, mountain biking opportunities and established cycling culture make the region one of the world's top cycling destinations. Area cycling recognitions include Tucson being



listed as one of the top 10 best cycling towns by 10Best and USA Today. Fox News Travel lists Pima County’s The Loop trail as America’s third-best city bike path. USA Today named Tucson as one of the nation’s top 10 mountain biking areas, and Outside magazine listed Tucson as the best road biking city.

The County has already completed more than 113 miles of The Loop trail around metro Tucson. When completed, The Loop will feature 131 miles of shared-use paths for any non-motorized use, including bicycles, skateboards,

horseback riding and more. Visit Tucson now markets southern Arizona as a premier winter training destination for cyclists. At mid-year 2016, the County completed more segments of The Loop, adding 13 miles of new path in The Loop system. The final gap of The Loop will be closed in late 2016 or early 2017 when the segment from the Tanque Verde Road Bridge over the Pantano Wash is connected to the Rillito River at Craycroft Road. This final segment will complete the longest car and vehicle-free public walking, jogging, hiking and biking pathway system in the United States. It now is

the most popular public park in Pima County and has nearly 800,000 users annually.

Cycling is big business for our region. In 2013, the Arizona Department of Transportation (ADOT) released an Economic Impact Study on Bicycling in Arizona. The report showed that in almost every area, except triathlons, Pima County exceeded Maricopa County by nearly two to one the number of events related to cycling. The same is true for tourism-related spending by cyclists. The ADOT study shows annual retail sales of bicycle-related goods in Arizona, to local and out-of-state customers, is \$114 million. And the impact is not just on tourism. Pima County released the Economic, Environmental, Community and Health Impact report in 2014 that showed for every \$1 invested in infrastructure that benefits walking and cycling, the region reaps over \$9.76 in return. This type of infrastructure has been touted by business leaders as creating the

viewing of the professional race, as well as professional-rider led events for youth. Pima County has also sponsored Cyclovia Tucson since its inception. The event targets specific areas throughout the metropolitan area and closes a busy street for several miles during the day, allowing cyclists, walkers, vendors and others to promote healthy activities. Over 50,000 people attended Cyclovia Tucson events in 2015.

C. Creating New and Expanding Existing Tourism through Public Investment

In 2011, The University of Arizona (UA), along with Pima County and several nature-based attractions, began a strategic initiative to showcase the assets of Pima County in a different, non-commercial way. Utilizing the community program generated by the Tucson Advertising Federation, more than \$300,000

Overall, 42.1million people visited Arizona in 2015 who collectively spent \$21 billion in the state, an increase of 25 percent since 2013.

quality of life they need to attract and retain the knowledge workers of today.

Pima County continues to sponsor several prominent cycling events annually. El Tour de Tucson is an internationally known event attracting thousands of ranked and unranked cyclists from around the region and around the world. The 2000 economic impact study conducted by The UA Eller Business School on El Tour showed an approximately \$40 million impact on the local economy when El Tour had only 4,500 riders. The 2015 ride had almost 9,000 riders. Despite recent declines in participants due to weather and a change in key sponsorship, El Tour continues to be the top draw of the region's cycling events.

Additionally, the Old Pueblo Grand Prix, a professional cycling event staged in downtown Tucson, continues to attract hundreds of professional and semiprofessional riders. The event is in its fourth year and offers spectator

of media value began to introduce the concept of geotourism and how can it benefit Pima County. Geotourism adds to sustainability principles by building upon a destination's character and its "sense of place" to emphasize the distinctiveness of its locale and benefits to visitors and residents. Pima County is located in one of the world's most diverse eco-regions.

The concept of developing a cultural and heritage-based Regional Visitors Center in downtown Tucson, in an area originally inhabited by the first human arrivals in Tucson some 2,500 years ago, is a major element necessary for creating a "sense of arrival" for Tucson visitors. Development of the regional visitors' center concept began in 2013. The partnership has since grown to include the National Park Service, Visit Tucson, Western National Parks Association and The University of Arizona Mineral Museum. The proposed facility will create a consolidated gateway for all of our region's



The Southwestern Fair Commission is spending approximately \$1.3 million on improvements to facilities at the Pima County Fairgrounds.

unique resources and promote a story of Tucson and the region that showcases its uniqueness and diversity. It will also be rooted in the Santa Cruz Valley's biodiversity and highlight the historical importance of water to our region and emphasize the need to conserve this valuable resource. As currently conceived, the proposed center will feature area attractions in a self-sustaining facility that will offer comprehensive information, education and programming about our region.

The Regional Visitors Center is now proposed as an adaptive reuse of the Historic Pima County Courthouse constructed in 1929. The Historic County Courthouse is in the heart of the Governmental Center for the County, City and State and will serve to educate and inform visitors, tourists and residents of the historic and cultural heritage of Pima County.

Major renovations of the Historic Courthouse are now underway and will be completed in late 2017, allowing the Historic Courthouse to serve an important and vital role as a Regional Visitors Center.

D. Maintaining, Improving and Expanding County Leased Property Infrastructure

Strategies to increase tourism within a destination typically include investing additional transient occupancy tax revenue into the region's Destination Marketing Organization (DMO), growing existing and new special events and developing new tourism-related capital projects. Pima County is investing half of its bed-tax revenue in its DMO, Visit Tucson, but also in jumpstarting tourism-related capital projects throughout the region.

KINO SPORTS COMPLEX EXPANSION

Land acquired by the County in 2014 could become part of the Kino Sports Complex, making it one of the nation's largest multi-field soccer complexes and a major sports tourism draw.



Tourism-related capital projects totaling \$98.6 million have been identified for tourism growth, including the following attractions:

1. Southwest Regional Sports Tournament Complex (Kino Sports Complex).

Expansion of the Kino Sports Complex immediately adjacent to the existing Kino Complex footprint to include soccer and other rectangle field sports and an indoor facility to accommodate volleyball and other indoor sports. In 2014, Pima County purchased a 167-acre

parcel across I-10 and adjacent to the existing Kino Sports Complex. Over the past decade, sports field demand has far exceeded supply. All existing long fields in the region are booked beyond capacity, and no one site is sufficiently large to accommodate soccer and other long-field tournaments. The proposed improvements at the site include 12 artificial and natural turf soccer fields and a variety of park elements and, ultimately, an indoor court facility similar to the recently completed Sporting Chance facility at Curtis Park. Thousands of players and their families travel to



The tourism-related economy generates \$2.8 billion in economic activity and supports more than 24,000 jobs in the region.

Phoenix's Reach 11 each year to play in regional tournaments. The Southwestern Regional Sports Tournament Complex would not only allow Pima County to keep our players here for tournaments, it will allow the region to compete, both regionally and nationally, to bring large-scale events to our community.

The County recently completed a Master Plan for the expansion of the Kino Sport Complex by adding sports-related facilities on the 167-acre property located south of Interstate 10. The site will include an indoor sports complex, similar in function to the Sporting Chance Center located at the Rillito River and La Cholla Boulevard. The indoor sports facility will include basketball and volleyball courts, serving multiple sport court functions. Also, 19 multipurpose fields will be constructed with one championship field, a waterpark and tournament support facilities. The property will also reserve space for hotel and restaurant development.

The development cost is anticipated to be \$55 million; \$14 million for the indoor facility and

\$40 million for outdoor fields and supporting facilities. The County recently completed an Economic Feasibility Study associated with developing such a facility. The County worked with SFA, Sports Facility Advisory Group, to prepare a pro forma and economic impact analysis for a tournament sports facility at this site. The analysis prepared by SFA provides the mix of elements that provides the greatest return on investment. Their recommendations include 19 long fields, 1 championship field with a 2,000-seat stadium, and an 18-court indoor facility and allows for additional complementary assets such as hotels, restaurants, a zip-line and a possible water park. Pima County is currently preparing a request for proposals to determine interest in a public/private partnership to develop the site.

2. Old Tucson Studios.

Repurposing the entire mission of Old Tucson with additional focus on the heritage and culture of Tucson from the 1850s to Arizona Statehood. This will transform Old Tucson into a multicultural living history museum, bring-



The reinvigoration of Colossal Cave Mountain Park is drawing more visitors to the eastern metropolitan area, as well as giving residents there an exceptional natural recreation area.

ing authentic experiences and exhibits that showcase the lives and times of the culturally diverse peoples that pioneered southern Arizona. This will include appropriately themed buildings and outdoor design elements for seasonal interpretative and hands-on educational programs and exhibits that will provide an entirely immersive and authentic experience. The concept has been brought forth by the ultimate successor to Old Tucson, the Arizona Sonoran Western Heritage Foundation. The Foundation's multicultural, multi-period operating model is the most appropriate contemporary transition for this historical Pima County attraction.

Attendance throughout 2016 continued to grow as marketing outreach and product improvements continue. The Western Heritage Foundation continues to expand its outreach and program development; the lack of capital dollars has delayed any major construction to improve Old Tucson's heritage infrastructure. New program development will continue, and some program improvements to the existing product will be enhanced. A special project to

generate attendance by young adults has been undertaken with assistance from television network ESPN and producers of unique racing activities similar to the very popular X-Games event series. The "Shootout at Old Tucson Off-Road Grand Prix" will be produced for the next three years to be held in the north side of town that at one time featured movie sets, stables and a steam operating locomotive. The first event will take place in April 2017 and will require an extension of their existing overflow parking lot and the temporary build of a dirt road track. The weekend long event will feature new live entertainment and the attraction will be fully operating during the racing events. Several new sponsors will be featured and television and promotional coverage is expected to be significant.

3. Colossal Cave Mountain Park.

This is a one-of-a-kind nature cave surrounded by natural resources that can never be duplicated and is the key component for public natural recreation in the eastern metropolitan area of Pima County.

The operation of the first year under new operator, Ortega National Parks, has been very successful. Attendance and revenues have increased dramatically, with attendance increasing 323 percent, or almost 80,000 visitors, and overall revenue exceeding over 200 percent, over FY 2014/15. Attendance and revenue growth is attributed to several factors, including the complete remodeling of the gift shop, the opening of a new restaurant, campsite renovations and improved cave tours.

Additionally, the historic ranch house has received HVAC and furniture upgrades. More improvements to the ranch house area, trail systems, and campground areas are scheduled for 2017. Additional complex improvements are being explored, including a zip-line attraction and other outdoor adventure activities.

4. Arizona-Sonora Desert Museum.

Adding a new themed exhibit to this world-class and most popular local and tourist attraction that expands the attraction's footprint

is necessary. Covering a 1.5-acre area, "Coast to Canyons: Journey of the Jaguar" habitat-immersion complex exhibit will include dozens of species of plant and animal life showcasing the southern portion of the mainland Sonoran Desert. Ranked as a "Top 10" United States museum by TripAdvisor Traveler's Choice Awards, ongoing investment and expansion of this important attraction will ensure that the Arizona-Sonora Desert Museum (ASDM) continues to be a top destination for residents and visitors.

The lack of capital funding has delayed the "Coast to Canyon" exhibit for the near future; however, ASDM has moved forward on two significant additions funded by private donations. The first is the opening of a new "touch" exhibit of a 10,000-gallon shallow tank featuring 15 cownose stingrays that can actually be lightly touched, as well as fed, by the public. These "touch tanks" are very popular in aquariums and sea life attractions. The second capital expansion involves the completion of the educational complex with an additional



Pima County invests half of its bed-tax revenue into our partner Destination Marketing Organization, Visit Tucson, helping raise the profiles and increase visitation to the Arizona-Sonora Desert Museum and other key attractions.

7,000 square feet of building area and common space for the Art Institute. Additional space is needed for the tremendous growth of the Art Institute operated by ASDM. The final addition (Phase III) will complement the existing auditorium with classrooms and offices. Total costs of both projects are projected to be approximately \$4 million. These two new additions should increase the visitor and educational experiences resulting in higher attendance, which has had small increases over the past two years.

5. Pima Air and Space Museum.

Constructing a new 120,000-square foot hangar where aircraft and artifacts related to the post-1945 Jet Age and Cold War period will be inside and protected from the sun and warm temperatures of Tucson will bring new visitors. Existing airplanes will be restored and will have a new home. Significant aircraft, one of which is only one of four left in existence, will be displayed, as well as 16 to 20 other historic

aircraft in the Museum's collection. Themed education exhibit encompassing additional artifacts, photographs and materials from the late 1940s to present day will be accommodated in this building. This will enhance the Museum's status as a global aviation heritage preservation institution and preserve and interpret historic artifacts for current and future residents and visitors to southern Arizona.

Hangar 6, the 120,000 square foot hangar, has been delayed in 2016. However, Hangar 5 was recently completed, as was a new pedestrian bridge over the wash connecting Hangar 4 with Hangar 5 and the future Hangar 6 area. Hangar 5, costing over \$2.5 million and funded privately, is a 27,000 square foot building housing restored World War II and Pacific Theatre aircraft.

The Museum's attendance has increased from 145,000 to approximately 190,000 guests. 97,000 square feet of exhibit space; 5,000 square feet of food service, kitchen and dining



Attendance at Pima Air and Space Museum has increased from 145,000 to 190,000 annual visitors, in part because of a \$2.5 million, 27,000 square-foot expansion that features World War II era aircraft.



The Historic County Courthouse is being rehabilitated to house a Regional Visitors Center.

room space; and a 3,000 square foot gift shop have been added. Fifty-five aircraft have also been added to the Museum's collection.

6. Pima County Fairgrounds Capital Investments.

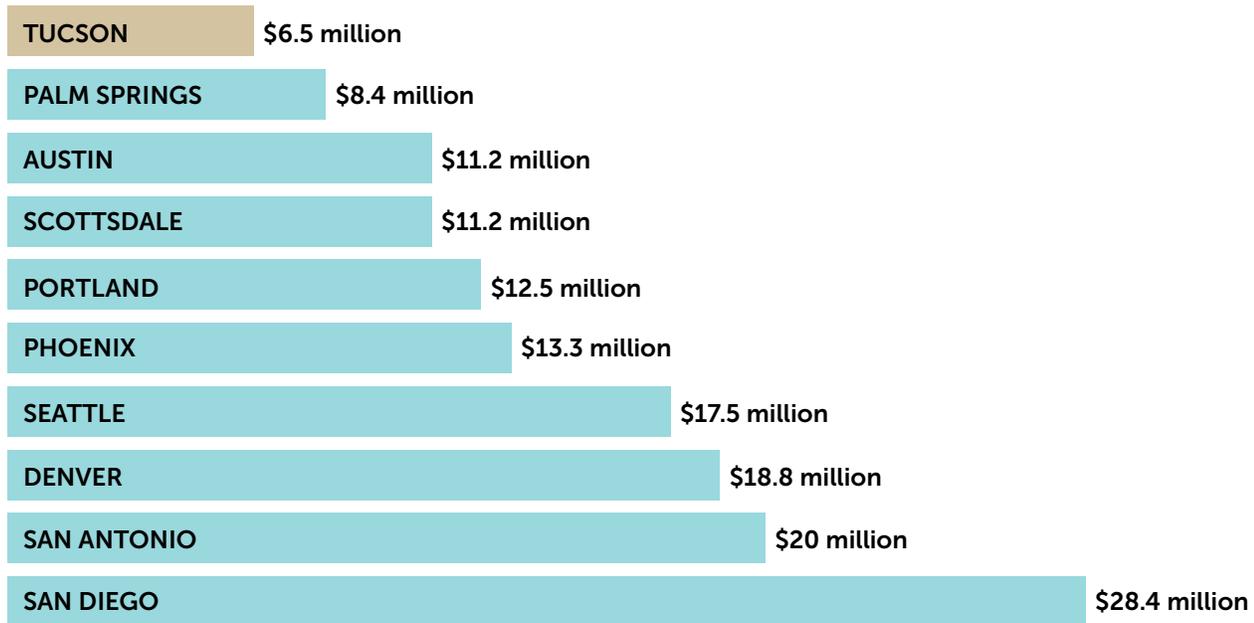
In 2016, the Pima County Fairgrounds began the largest single amount of capital improvements during the past two decades. The Southwestern Fair Commission, which operates the fair and other activities on the Fairgrounds on behalf of Pima County, is spending approximately \$1.3 million on improvements to maintenance the shop area, Thurber Hall, South Horse Barns, 100 new RV sites, and asphalt and road repairs. All of these improvements will be completed prior to the 2017 fair held in the spring and will assist in increasing visitor and usage capacity.

7. Historic Pima County Courthouse as Regional Visitors Center.

Converting Pima County's Historic Courthouse into a new Regional Visitors Center, operated by a new partnership of Pima County, the Western National Parks Association, and Visit Tucson, will feature the historic building converted into a resource complex where visitors from all over the world will learn in an interactive environment, the things to see and do in southern Arizona. The Western National Parks Association is the nonprofit education partner of the National Park Service, supporting 71 national park partners across the West; developing products, services and programs that enrich the visitor experience. The University of Arizona Mineral Museum is also expected to locate within this Regional Visitors Center.

TUCSON SPENDS THE LEAST ON DESTINATION MARKETING

Visit Tucson completed a survey of 15 similar-sized regional tourism competitors and found 14 of the 15 regions spend more on destination marketing than Tucson.



E. Assisting Other Community Attractions in Southern Arizona by Increasing Our Investment in Visit Tucson

Our region has a diverse collection of attractions operated primarily by nonprofit organizations or that are part of the local, state or national park systems. Many of these are under-marketed and therefore underutilized. As visitation decreases, so does the ability to market the facility. Marketing outreach was at an all-time low during the recession, with most, if not all, attraction marketing budgets in Arizona being severely reduced. There are opportunities to reverse this trend. Visit Tucson continues to promote the attractions of southern Arizona as a destination driver and will continue to support, through cooperative marketing and outreach programs, the mission of Pima County leased properties and all of the unique attractions throughout southern Arizona.

Pima County will also engage the Southern Arizona Attractions Alliance and develop cooperative marketing programs with the Arizona

Office of Tourism and the other government and private tourism offices within southern Arizona, such as the Tucson Metro Chamber, the Ajo Chamber of Commerce, Green Valley/Sahuarita Chamber and others.

In January 2015, Visit Tucson completed a survey of our regional tourism competitors; 15 regional markets of similar size, including Portland, Oregon; Austin, Texas; and San Diego, California. These markets were all surveyed regarding their funding for tourism attraction marketing. In 2014, our market had the lowest occupancy rate, ranked 15th while San Francisco, California ranked first. For room rates, we ranked 14th, while, again, San Francisco ranked first. For room revenue, we ranked 12th, with Las Vegas, Nevada ranked first. For the amount of funds spent on destination marketing, we ranked 13th, while Las Vegas ranked first.

The graph below provides an order of magnitude comparison between Visit Tucson's budget and the destination marketing funding of other Western US cities. Clearly, our tourism marketing is inadequately funded.

F. Expanding Air Service at Tucson International Airport

Increasing direct airline connections to Tucson International Airport (TIA) from other major metropolitan cities, both national and international, is required for strengthening Pima County's economy. Direct flights increase tourism, facilitate existing business operations and increase business attraction. Currently, TIA has limited direct flights to the U.S. East Coast, Canada, Mexico or any of the other regions identified in this plan as being necessary components of job creation, export trade and business expansion.

TIA continuously seeks to improve air routes and identify opportunities for direct airline connections but recent developments in the airline industry, such as airline consolidation and increased aircraft operation cost, have led to greater competition among airports for direct flights. An increasing trend in the industry is the use of revenue guarantees to serve as an incentive for municipal airports to secure additional flights. These guarantees are essentially sums of money a regional organization commits to an airline for new routes and flights that would serve to offset revenue lost if the route or flight is not successful. The money is usually secured by lines of credit and is not paid to the airline if the route is successful in terms of passenger usage and profitability. Regional organizations, such as chambers of

In 2015, the Tucson Metro Chamber formed an Air Service Task Force that is attempting to secure direct flights from Tucson to New York City/Newark with an approximately \$3 million revenue guarantee. This effort, which is funded primarily by private sector businesses and individuals in Pima County, brings immediate economic benefits to our region. According to the US Department of Transportation, Tucson was the largest market without a direct flight to New York City/Newark airports. This effort has been successful as American Airlines began nonstop daily service from Tucson to New York on October 7, 2016. Also in October 2016, direct flights from Tucson to Hermosillo and Mazatlán were added. Efforts to add additional direct flights to locations in Mexico, Canada and possibly Washington DC are underway. These efforts by the Tucson Metro Chamber and Pima County business community, and any community efforts to increase direct flights at TIA, will be encouraged and assisted by Pima County.

G. Pima County as a Medical Tourism Destination

People from across the United States and abroad are already visiting Tucson health and medical centers for the unique services and care they offer. Medical tourism is a growing tourism initiative, and Visit Tucson and Pima County are developing a community plan to attract visitors to Pima County who are specifically seeking medical services. Cities such

Tucson was the largest market without a direct flight to New York City/Newark airports. American Airlines began nonstop daily service from Tucson to New York on October 7, 2016

commerce, cities, and states, fund the guarantees due to Federal Aviation Administration regulations that prohibit airports from funding the guarantees. A recent example occurred in Albuquerque where a community and state coalition secured \$5 million to guarantee a direct connection to New York City. The flight has been successful with 86 percent of seats purchased, and the city has derived numerous economic benefits from the new connection.

as Houston, Tampa, Jacksonville and many others have had focused marketing initiatives with their medical partners for decades.

Medical tourism is the concept of people who live in one region traveling to another region to receive medical, dental and surgical care equal to or greater than the care they would receive in their own region. Most people participating in medical tourism do so for



By marketing to a variety of professional, amateur and college sports, Kino Veterans Memorial Stadium generates as much annual revenue as it did when it hosted Major League Baseball Spring Training teams.

reasons of affordability, better access to care or a higher level of quality care. Pima County will collaborate with regional medical centers, wellness facilities, the Pima County Health Department, physicians and Visit Tucson to develop and market visitor incentive packages for those seeking medical care within our community. The County's planning will place particular emphasis on Mexican patient visitors. Specific initiatives will include developing comprehensive data related to medical and wellness institutions in the region, creating a database of doctors and their specialties through the Pima County Medical Society and developing a marketing plan in partnership with health and medical institutions. The program will include transportation and housing logistics and is expected to launch by late 2016 or early 2017.

Of particular importance will be an outreach program to introduce domestic and international medical tourism patients to the unique medical services in our various clinics and hospitals, including Tucson Medical Center, Carondelet, Oro Valley Hospital/Northwest Medical Center, Green Valley Hospital and Banner-University Medical Center (Banner-UAMC).

Pima County continues to lead the medical tourism project, along with Visit Tucson and with a recent partnership with the City of Tucson and its Tucson Healthcare Partnership Committee, which include multiple CEOs from hospitals and clinics in the region. Project branding phase has been completed, and the project will be officially known as the Tucson Health Association. Multiple meetings and site visits with the hospitals and clinics have occurred, and Visit Tucson will recruit full-time staff to oversee and provide concierge-like services to Mexican tourists seeking medical services in Pima County. Pima County and Visit Tucson attended the 2016 World Medical Tourism Congress in Washington, DC to learn best practices and begin developing international networks.

H. Creating International Tourism Opportunities in Key Marketplaces

Mexico.

Mexico is by far the largest source of international visitors to Arizona with 3.7 million overnight trips in 2015, according to the Arizona Office of Tourism. Our proximity and historical and cultural ties with Mexico allow Pima

County to benefit significantly from Mexican leisure travel. Statistics from the UA indicate Mexican visitors contribute nearly \$1 billion to Tucson's economy each year. Vamos a Tucson, the Mexico marketing department of Visit Tucson, operates visitor centers in the Sonoran cities of Hermosillo and Ciudad Obregon.

The Hermosillo center was recently renovated to include a Pima County meeting space that can be used by Pima County officials to meet with Mexican government officials and companies seeking to operate in our region. Kino Sports Complex is the site for what has become the annual Vamos a Tucson Mexican Baseball Fiesta each October. This event brings in four or more teams from the Mexican Pacific League to play a preseason tournament, which attracts spectators from southern Arizona and northern Mexico. Additionally, little league teams from Mexico travel to Tucson during that timeframe for their own tournament tied to the event.

Hermosillo, and the development of quarterly Spanish-language visitor guides distributed throughout Sonora.

Pima County supports efforts by the Tucson Airport Authority (TAA) and local business organizations to pursue additional nonstop flights from one or more Mexican cities to TIA. Pima County will also partner with the Arizona Commerce Authority and City of Tucson to generate new business for our region via exposure at the State's new trade center in Mexico City. In the area of sports tourism, Pima County will work with FC Tucson and Visit Tucson to stage exhibition matches at Kino Sports Complex involving professional soccer teams from Mexico and expand the scope of the Vamos a Tucson Mexican Baseball Fiesta.

As of October 2016, Aeromar Airlines began flights from Tucson (TIA) to Hermosillo, Los Mochis, Mazatlán and Guadalajara, with

Mexico is by far the largest source of international visitors to Arizona with 3.7 million overnight trips in 2015. Mexican visitors contribute nearly \$1 billion to Tucson's economy each year

Pima Community College is working with Vamos a Tucson to market its programs and new ESL offerings to the Sonoran and northwest region of Mexico. Research shows that international students also promote tourism and further international connections. For example, former students who hold a positive view of their study experiences in other countries will prefer these regions for investment, tourism and development work.

Shopping is the primary reason visitors from Sonora and Sinaloa travel to Pima County. Vamos a Tucson organizes motor coach trips between Tucson and Sonoran cities during prime shopping periods. Vamos a Tucson also engages in significant year-round promotional activities in Sonora, including print and digital advertising, promotions in Sam's Club, Starbucks and in the Ford Motor Company plant in Hermosillo. Other promotions include weekly Tucson television updates on Meganoticias in

flights available four times each week – Thursday, Friday, Sunday and Monday. The number and frequency of flights is expected to increase in the near future. Aeromar Airlines, based in Mexico City, was founded in 1987 as an executive airline and is flying the 48-seat ATR 42 turboprop on the Tucson flights. Having Aeromar flights will help attract more tourists that come for shopping and medical services from Sonora and Sinaloa. In addition, it will provide travel convenience to business people from the Maquila and produce industry among other major industries in the region. These flights were the result of months of work as a regional team, which included Pima County, the Tucson Airport Authority, Visit Tucson, City of Tucson, business leaders, among others.

Canada.

Tourism Economics, a global travel advisory firm that tracks tourism in Arizona, ranks



South Korea is one of the key foreign markets, along with Mexico and Canada, Pima County has looked to for additional tourism opportunities. Working with Visit Tucson, Pima County has sought additional opportunities to add Korean Baseball Organization teams to the annual sports schedule at Kino Sports Complex.

Canada second in overnight visitation to Arizona with 928,051 visits in 2015. Visit Tucson continues to work directly with Canadian tour operators and travel agents to ensure metro Tucson vacation packages are developed and sold to Canadian travelers. Visit Tucson's tourism department typically conducts two or more sales missions annually to Canadian markets and hosts Canadian professional travel planners on group familiarization tours and individual site visits. Pima County will work with the Canada Arizona Business Council (CABC) and Visit Tucson in late 2016 or early 2017 to facilitate a Pima County familiarization tour for top Canadian decision-makers related to business expansion and relocation, along with land/company acquisitions and other mechanisms that would spur Canadian direct investment in our region. This would include partnering with the TAA and local business organizations to pursue nonstop flights from one or more Canadian cities to TIA. Visit Tucson should engage in an annual Canadian media mission – possibly in partnership with the Arizona Office of Tour-

ism and other statewide destination marketing organizations – while increasing outreach to targeted Canadian travel media to visit our region on individual or group tours and increase the amount of Tucson advertising in Toronto and other top Canadian feeder markets.

The Republic of Korea (South Korea).

Tourism Economics ranks South Korea as number seven in overnight visitation to Arizona, with 61,128 visits in 2015. Pima County has begun to make inroads in South Korea with efforts tied to tourism and other facets of economic development. The Tucson-Korea Ambassadors, a nonprofit cultural exchange program, brought 35 South Korean students to Pima County in 2015, and PCC continues its international student recruitment in the Republic. Tucson was promoted at various festivals and events via Visit Tucson missions, which also included lecturing to university students about Tucson and how we attract visitors to our region. There is an opportunity to bring

Korean Baseball Organization teams to train at Kino Sports Complex, should a combination of Pima County, Visit Tucson and local hotels/resorts be able to develop and offer a package that includes transportation between hotels and practice facilities, excursions to attractions and golf courses on their days off and finding high-quality opponents (such as other Korean teams or teams from Mexico's Pacific Coast League) to play. Pima County will work with Visit Tucson to expand tourism from this important Asian market.

I. Creating an Amateur Athletics Destination Center

As discussed in Section A above, a Pima County sports facility assessment authorized by the PCSTA was completed in 2013 by the firms Populous and The Planning Center. This assessment provided a comprehensive analysis of sports facilities throughout the region. The assessment inventoried amateur tournaments and other activities, as well as evaluated the economic benefits of a number of community sports models from Albuquerque, New Mexico; Austin, Texas; Boulder, Colorado; Colorado Springs, Colorado; Phoenix, Arizona; Portland, Oregon; Omaha, Nebraska; and Indianapolis, Indiana.

significant expansion opportunities for the region in destination tourism.

It would be appropriate to consider coordinating both facilities and marketing information to determine the applicability of developing, through coordinated use of available infrastructure, the addition of new facilities throughout our region as an amateur athletics destination. Such would require close coordination with The University of Arizona, local jurisdictions and the private sector. Developing Tucson as an amateur athletics capital could be a very significant addition to our tourism economy.

J. Potential Legislation Supporting Sports and Tourism

Visit Tucson has created a ranking of performance metrics that measure key tourism indicators against Tucson's major competitor visitor destination locations. The survey began shortly after the most recent audit of Visit Tucson's marketing objectives and outcomes. Key indicators measured include area hotel occupancies, average daily rates of lodging locations, marketing and operational budgets, and revenue per available room, which is a ratio

The City of Tucson, Pima County and the UA have a number of large-scale athletic facilities that are complemented by our favorable climate

It is clear the development of a comprehensive sports facility system integrated and managed with the purpose of advancing our region as an amateur athletics destination is economically attractive. The City of Tucson, Pima County and the UA have a number of large-scale athletic facilities that are complemented by our favorable climate. Athletic training and tournaments can constitute a significant economic benefit as a component of destination tourism. Today, there is no real coordination of the many venues for sporting and athletic endeavors. Further, these facilities require maintenance and expansion to be competitive in the national market for college, university and club championship tournaments, which can drive

commonly used to measure financial performance in the hospitality industry and others.

Tucson has ranked poorly since the study began three years ago. Consequently, efforts to improve these metrics were recommended by the Southern Arizona Lodging and Resorts Association (SALARA) to increase tourism through product development and marketing through the repurposing of House Bill 2572. This bill amended Section 1 of Title 5 of the Arizona Revised Statutes by adding a new Chapter (Chapter 9). This amendment, sponsored by the PCSTA, was signed into law by former Governor Jan Brewer in 2009 and allows a referendum so voters can decide whether to pay slightly higher

taxes to benefit sports facilities and create additional jobs. The referendum mission, if passed, would ensure stability by keeping and growing training teams in Pima County and growing youth and amateur sports through the development and renovation of sports facilities.

SALARA, working with the PCSTA, asked the TAA and Pima County to support the legislation to repurpose the PCSTA and the bill's outdated original purpose by:

- Promoting sponsorship of market-wide sporting events,
- Promoting the tourist destination of southern Arizona,

- Supporting nonstop air routes to TIA, and
- Supporting operation of Kino Sports , specifically to support the growth of youth and amateur sports.

This bill was not considered by the Arizona Legislature in the 2016 session and should be introduced in the next session, since the concepts contained in the proposed legislation would be a major contributor to revitalizing southern Arizona's tourism industry and create new infrastructure and jobs. Any number of other revenue uses could be proposed in revised or new legislation, including funding for creating a regional center for amateur athletics.

ACTION ITEMS

6.1 Collaborate with Visit Tucson Sports to maximize soccer, lacrosse and other sports that can be staged at Kino Sports Complex or other Pima County sports facilities and increase the local, regional and national events that fit with the recommendations of a Kino Sports Complex feasibility study by SFA and the sports assessment study conducted by Populous/The Planning Center.

6.2 Seek to expand existing cycling events and consider bringing in new events that include both cycling and running in order to increase the region's profile as an ideal cycling destination.

6.3 Create a consolidated gateway for all of our region's unique resources. Promote a story of Tucson and the region that showcases its uniqueness and diversity and fosters a sense of pride and a sense of place in residents and visitors alike.

6.4 Add to Kino Sports Complex's offerings on land adjoining the existing venues by master planning and constructing facilities that attract regional and national events, while also serving local users.

6.5 Complete "The Loop" trail and its local town connector trails and market it as part of the region's substantial cycling infrastructure.

6.6 Continue to support, through cooperative marketing and outreach programs, the mission of Pima County leased properties and all of the unique attractions throughout southern Arizona.

6.7 Work with regional medical centers, wellness facilities,

Pima County Health Department, physicians, Banner-UAMC and Visit Tucson, to develop and market visitor incentive packages for those seeking medical care within our community.

6.8 Continue to bring the Korean Baseball Organization and teams from Mexico's Pacific Coast League to play and train at Kino Sports Complex.

6.9 Work with CABC and Visit Tucson to stage a Pima County familiarization tour for top Canadian decision-makers related to business expansion and relocation, along with land/company acquisitions and other mechanisms that would spur Canadian direct investment in our region.

6.10 Partner with the TAA and local business organizations to pursue additional nonstop flights from one or more US East Coast, Canadian and Mexican cities to TIA, since there are currently very limited East Coast and Mexico nonstop flights and no nonstop flights to Tucson from Canada.

6.11 Work with Vamos a Tucson to identify business and tourism opportunities in Sonora and Sinaloa and meet with appropriate officials at the Hermosillo center and in Tucson.

6.12 Work to improve and expand existing Pima County tourist attractions, including the Kino Sports Complex, Old Tucson Studios, Arizona-Sonora Desert Museum, Colossal Cave Mountain Park, Pima Air and Space Museum and the Regional Visitors Center at Historic County Courthouse.

6.13 Reintroduce and support passage of reform legislation related to the PCSTA to fund tourism-related initiatives designed to increase tourism economic development.