

ASSEMBLY ECONOMIC DEVELOPMENT & TOURISM  
COMMITTEE MINUTES  
Tuesday, February 15, 1977 - 3:15 p.m.

MEMBERS PRESENT: Chairman Bennett;  
Mrs. Brookman;  
Mr. Polish;  
Mr. Vergiels;  
Mr. Hickey;  
Mr. Rhoads (substituting for Mr. Howard)

MEMBERS ABSENT: Mr. Demers

GUESTS PRESENT: Kyle Everett, 3M Corporation  
Bill Wright, 3M Corporation  
Gregg Ganschaw, 3M Corporation  
John Bucham, Humboldt County Chamber of Commerce  
Darryl Monohan, Department of Econ. Development

Chairman Bennett called the meeting to order and introduced Darryl Monohan, Director of the Department of Economic Development. After Mr. Monohan's remarks which are attached as Exhibit "A", he introduced Mr. Gregg Ganschaw from the 3M Corporation who explained the state travel survey his corporation performed for Nevada. The survey was taken in August of 1976 and covered the towns of Ely, Hawthorne, Carson City, Jackpot and Winnemucca. At these points, tourists travelling by automobile were approached by college or high school students wearing State badges as identification. 468 travel parties were personally interviewed. Some of the facts ascertained by the survey were that the average traveler is 44 years of age, has had some college education, 50% were self-employed with an average income of over \$18,000.00 per year, an average of 5 persons per party with 2.5 children under 18, 80% were travelling for pleasure, 95% enjoyed their visit and had no complaints, 5% complained of unpleasant employees, over-booked hotels or motels and gambling losses.

He stated that 50% of the travelers interviewed were passing through Nevada on their way to other areas and nearly 1/3 did not know they were coming to Nevada in advance; 40% knew nothing of the area; 86% did not have advance reservations; 1/3 relied on friends or relatives advice as to what or what not to do in Nevada and 3/4 of those interviewed were from neighboring states. The three top areas they planned to visit were Reno, Lake Tahoe, and Las Vegas, in that order. The mean average of dollars spent in Nevada were \$90 per day for 5 days.

Mrs. Brookman asked if travelers were questioned in rest areas. Mr. Ganschaw stated that they were not because generally people in rest areas fall into a category and the purpose of the survey was to get a cross-section of travelers.

Mr. Ganschaw pointed out that 50% of the travelers stopped at a certain location because of advertising or the time of day or prior suggestions from other people. Mr. Hickey asked if the

percentages on page 17 of the survey regarding the number of times a location had been visited also applied to the Reno, Lake Tahoe and Las Vegas area. Mr. Ganschaw said that he would check the question out. "Passing Through" was the highest motivation for travellers questioned; gambling was second and to visit friends and/or relatives was third.

As to Nevada being desirable as a vacation site to visit with children, of the 23% answering that it wasn't, 75% said that it was because of a lack of things for children to do.

On page 30 of the survey, 63.6% of the travelers stated that they used maps and directories as sources of travel information for their trip, 54.6% highway signs. As to Reno, Lake Tahoe and Las Vegas being the most popular places visited or to be visited, the interviewers were frequently asked if they knew of other places to be visited between the location where the travellers were interviewed and their destination.

Mr. Granschaw felt that question 23 on page 33 of the survey was the most significant question asked. It indicated that 27% of those interviewed had deviated from their plan of the day to take side trips to a scenic area or attraction. He said this is very unusual but explained it because of the greater distances between places in Nevada as compared to the East.

The survey further indicated on page 35 that 2/3 of the parties travelling had one or more children with them. This would not apply to people travelling only to Las Vegas. On page 38, 71.4% of the people interviewed had no suggestions as to improvements that would increase their enjoyment of the location where they were interviewed. Over 25% of those suggesting improvements were improvements relating to activities for children.

On page 39, question 32, the survey showed a surprising 1/3 of those interviewed being residents of the Southern California area. Mrs. Brookman asked Mr. Granschaw why so few people visited Nevada from areas like North or South Carolina. Mr. Ganschaw stated that he would be surveying that area in April and June and felt that people residing in these areas travelled towards New Orleans and skied in New Hampshire. He said the Rockies create a "corridor".

In response to Mr. Hickey's question regarding advertising reaching people in the Southern California area, Mr. Monohan stated that their advertising campaign went into effect in the winter of 1975-76 and it was only as a result of the survey that they realized so many visitors came from Southern California. As a result they are now spending more advertising dollars in this area. Mr. Hickey also asked what advertising had been done to attract families with children. Mr. Monohan said that he hasn't had a chance to discuss this with the local communities but that since they now know certain trends and needs of travelers, they will try to apply them. Mr. Granschaw suggested consultants be hired for this purpose. He felt

the cost of hiring a consultant firm would be about \$20,000 to \$30,000. Mr. Monohan stated that he felt Nevada was receiving a much higher return from the dollar invested per visitor than neighboring states which have much higher budgets, but hoped that Nevada would be able to entice visitors to stay longer. He felt that this could be done, in part, through a program he plans to start which he called "Ask Me" where waitresses, gas station attendants and other service employees who come in contact with visitors will wear a button with the words "Ask Me" on it and be able to apprise visitors of events and attractions in the rural areas. A monthly award would be offered as an enticement to employees cooperating with this campaign.

Mr. Monohan explained that Nevada Highway maps are sent to local chambers of commerce though they are out of them at the present time. He said unless one is specifically requested, the maps are too expensive to mail. He showed the Committee a copy of "The Other Nevada" which is distributed at service stations. He also showed a copy of the Travelaid Magazine which is circulated throughout the West with a full-page ad on the back of the magazine for Nevada. Discussion was held regarding the cost of maps. Mr. Granschaw stated that less than 25% of all service stations are still giving them away. In most cases they must be purchased at vending machines for 25¢ or 50¢.

Mr. Granschaw discussed the merits of local advertising on radio and in local papers since Nevada is a pass-through state for so many travellers who are in contact with local employees. In reply to Mr. Hickey's question as to more advertising of Nevada's historical sites, Mr. Monohan stated that it just required more money. Mr. Monohan also showed the committee a copy of "Covered Wagon Country Nevada" which includes historical sites and ghost-towns and is extremely popular in the summer.

Mrs. Brookman stated that her motel in Las Vegas offers much information to guests with children. She feels this keeps tourists in town longer and also brings customers to her motel who have been referred to it by previous guests.

Mr. Hickey asked Mr. Monohan if other states are geared to handle children's activities. Mr. Monohan said that the "Five Corners" states, not including Nevada, must rely only on scenic attractions such as the Grand Canyon, which are mostly summer attractions where more tourists travel in campers or camp outdoors. In Nevada, where hotel and motel accommodations and food are reasonably priced, Nevada is receiving a greater return on its investment. Because distances between attractions are greater in Nevada, Mr. Hickey said, "When you come to Nevada you have to pioneer".

Mr. John Bucham of the Humboldt County Chamber of Commerce told about the package plans offered in Ely, Elko and Winnemucca. The State contributed \$200,000 toward this effort to increase business in these areas in the winter. He showed the Committee charts indicating the sharp decline in business in the wintertime and the improvements in the graphs since the package plans have been offered. He has attended conventions where many other states

have shown great interest in the package concept to sell in their own states. He pointed out the necessity of being completely truthful with travellers when they ask about nearby attractions since distances are so great. He said that anything having to do with Indian culture is a very big attraction. He also said that the State has been most helpful but that the package concept is very difficult to sell to the communities though its acceptance is growing. He said that Winnemucca has spent \$20,000 for convention service and a \$400,000 bond issue appears promising to build a convention center. However, conventions must be promoted along with the fun package. He said the educational process of prospective tourists is very important; that weather as Nevada has had this winter is poor for the tourist business because people are happy to stay at home.

Mr. Monohan stated that he took the basic 3-day package used by hotels in Las Vegas and applied them to Winnemucca. No financial help was given by the local businesses. He also felt that the State should help promote tourism and not just place the burden on the hotels and other businesses.

Mr. Granschaw stated that based on a national survey, the far west will be the only region in the United States where tourist business will definitely increase in 1977 over 1976.

Mr. Polish asked Mr. Monohan if he had submitted anything in his budget before the Legislature this session to promote tourism in Nevada. Mr. Monohan stated that he had not, since he agreed in the last session that the \$200,000 appropriation would be a "one shot" expenditure. He hoped that a request for an appropriation would come out of the Committee. He said that the rural counties are asking about it now and felt that the same amount appropriated at the last session would be sufficient. Many expenses incurred from the last appropriation would not be incurred again.

Mr. Hickey asked Mr. Bucham about the attitudes of other rural area chambers of commerce. Mr. Bucham stated that other communities are not interested in participating in the program even though Ely is being helped by it. He said there is no expertise in the small communities which would enable them to realize that any money they spend will come back to them.

Chairman Bennett announced that rural county chambers of commerce would appear before the Committee on March 1.

Mr. Hickey suggested to Mr. Monohan that he have something drawn up in the Bill Drafter's Office in case the Committee decides to sponsor legislation. The meeting was adjourned at 5:00 p.m.

Respectfully submitted,

PHYLLIS BERKSON, Secretary

Assembly

## REPORT TO TOURISM SUB-COMMITTEE

*by Darryl Monahan*

Ladies and Gentlemen, I would like to thank you for allowing me to appear before you today and discuss Nevada's role in tourist promotion.

Regretably, the State of Nevada, when compared with its neighboring western states, is not in the tourist promotion business. To give you an idea on what other states spend at the state level tourist development; Arizona - \$1.5 million; Colorado - \$571,000; New Mexico - \$671,000; and Utah has \$1.3 million. Each of these budgets reflect tourism only and are not combined with their economic development counterpart, industrial promotion, as in the State of Nevada with a total budget of \$448,000. Of this, \$123,000 is earmarked for advertising and promotion, this is divided on approximately a 60-40 basis between industry and tourism.

I know that the arguments against the State not getting into the advertising business are many. We all know that the major hotel/casinos have annual budgets ranging in the millions. This, combined with the advertising budget of \$2 million plus by the Las Vegas Convention and Visitors Authority and a lesser amount by the Reno Chamber of Commerce and the Reno/Sparks Convention Authority, does an excellent job in promoting our major tourist cities.

I am not here to discuss trying to supplement the promotion of Las Vegas/Reno/Tahoe, which would be quite ridiculous with approximately \$70,000 in advertising dollars. I am here today to inform you as to what the state has done with the funds made available.

The last Legislature appropriated an additional \$200,000 to advertise and promote rural Nevada. This gave us, for the first time, the opportunity to advertise/educate and create new destinations for the State of Nevada. We were able, through extensive media advertising, to promote at least one event in all of our communities. We were also able to create package tour programs for three of our rural communities, thus creating an off-season attraction. Even at this, we were not satisfied with what we had done in order to promote tourists to rural Nevada.

We requested and received from 3M Corporation, a state travel survey. The results of which I have asked Mr. Greg Ganschaw to pass on to you here today. Following his presentation, John Buchan, from the Winnemucca Chamber of Commerce will discuss the benefits of the rural Nevada advertising campaign.

Realizing we are on a limited schedule, I would like to give the remainder of our time to these two gentlemen since they have traveled some distance to be here.

I would also like to make the offer to appear again before this committee to discuss what avenues the 59th Legislature might take to put Nevada into the tourist business.

Thank you.