AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

AgendaTitle:

Action Requested: Discussion

Parties to the Agreement:

Term Begins: **Term Ends:** **Grant Contract #:**

Summary:
Attached are the materials that were supplied by Pamela Loughman.

Fiscal Impact: None.

Submitted by: Katherine Haase **Submitter's Email Address:** khaase@gunnisoncounty.org

Finance Review: ○ Required ◉ Not Required

Comments:

Reviewed by: Discharge Date:

County Attorney Review: ○ Required ◉ Not Required

Comments:

Reviewed by: Discharge Date: Certificate of Insurance Required

Yes ○ No ○

County Manager Review:

Comments:

Reviewed by: GUNCOUNTY1\mbirnie Discharge Date: 9/5/2014

○ Consent Agenda ○ Regular Agenda ◉ Worksession Time Allotted: 45

Agenda Date: 9/9/2014 Follow Up Agenda Date:

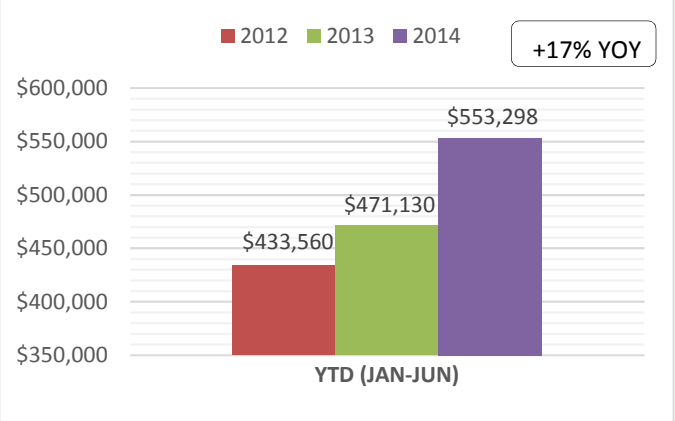
Revised April 2013

TOURISM REPORT CARD

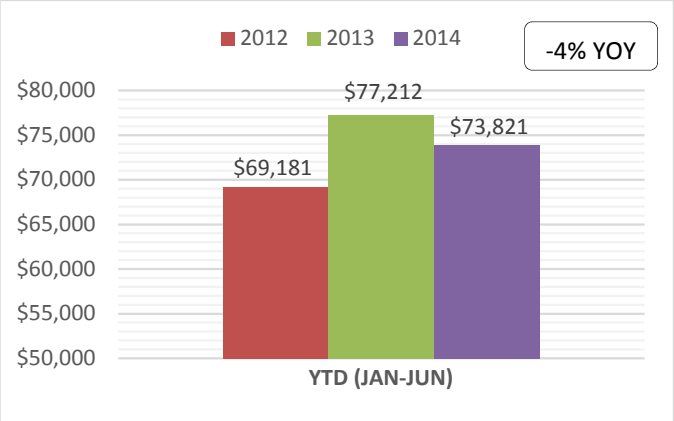
Sept. 4, 2014

Note: The most current data, as reported by the state and municipalities, were used to produce this report.

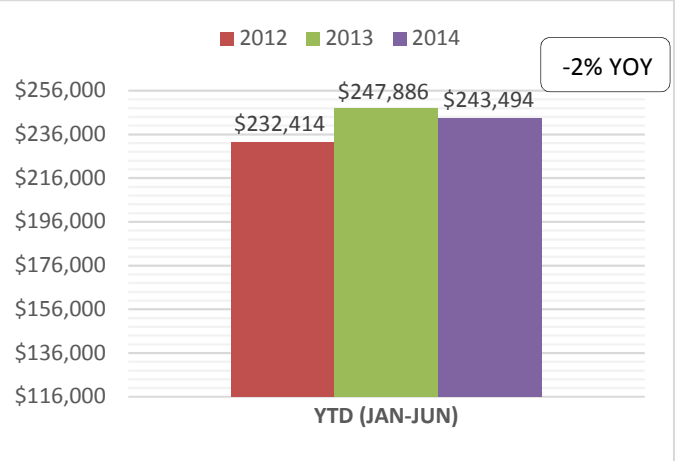
LMD REPORT



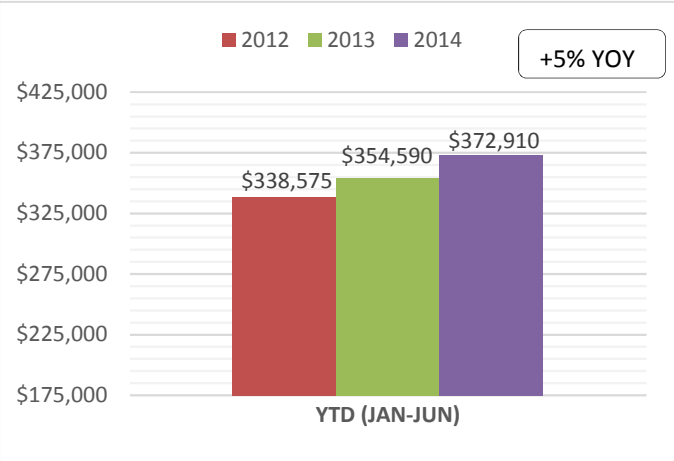
CITY OF GUNNISON LODGING TAX



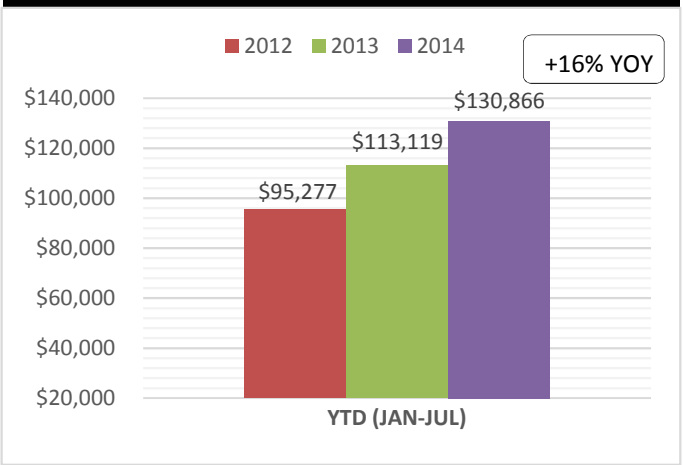
CITY OF GUNNISON RETAIL SALES TAX



CITY OF GUNNISON RESTAURANT SALES TAX



CRESTED BUTTE LODGING TAX



CRESTED BUTTE RETAIL SALES TAX

Gunnison Crested Butte
COLORADO ~ PURE & SIMPLE™

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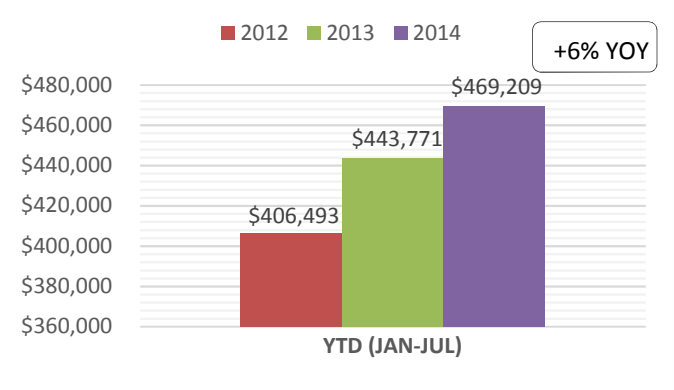
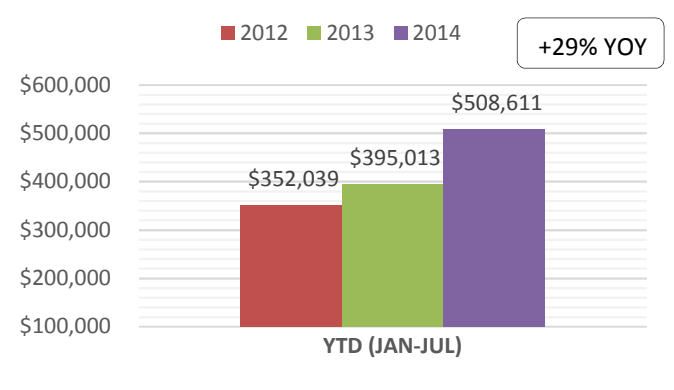
CRESTED BUTTE RESTAURANT SALES TAX



MT. CRESTED BUTTE LODGING TAX



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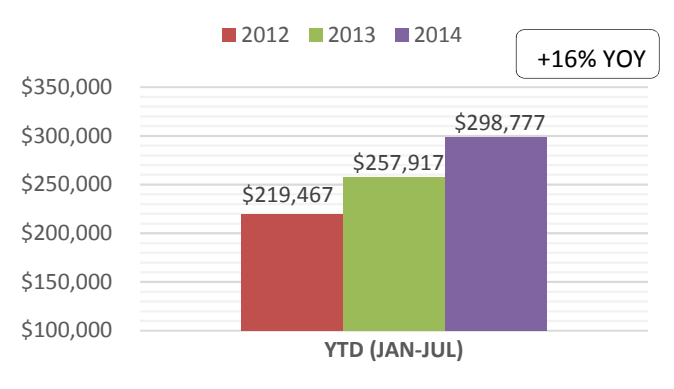

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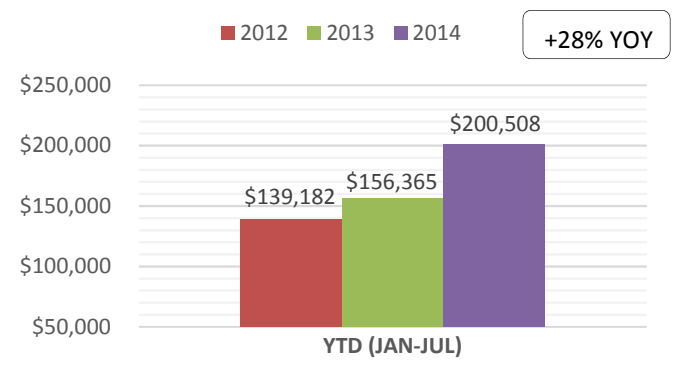
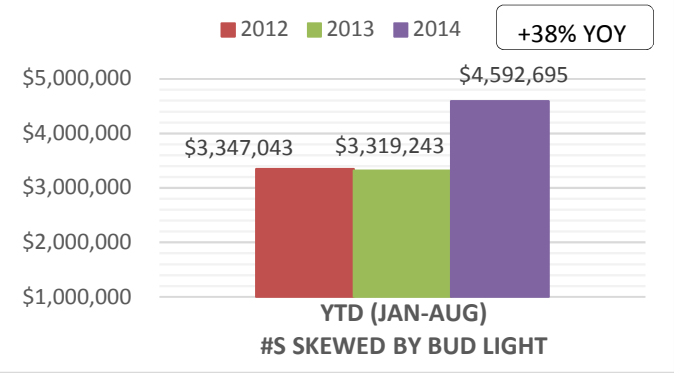
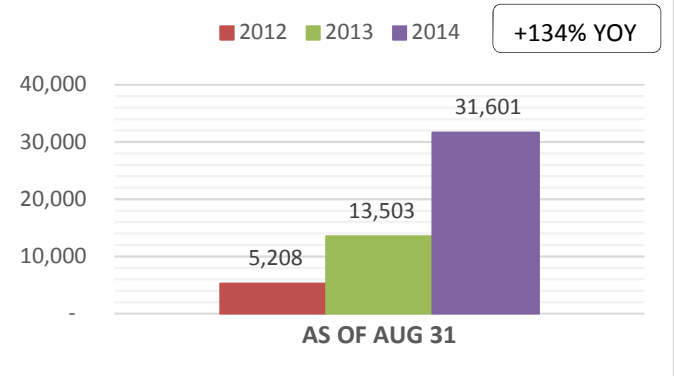


PUBLIC RELATIONS - EARNED MEDIA VALUE*



FACEBOOK FANS



* Earned media value calculates how much an ad of the same size/length would cost to appear in the same advertising space as the news story. Value will fluxuate year-to-year based on when stories are picked up by the media. Of note, this figure does NOT include online or international press. Tallied by Vocus media tracking service, in partnership with CBMR (shared service).

TOURISM REPORT CARD

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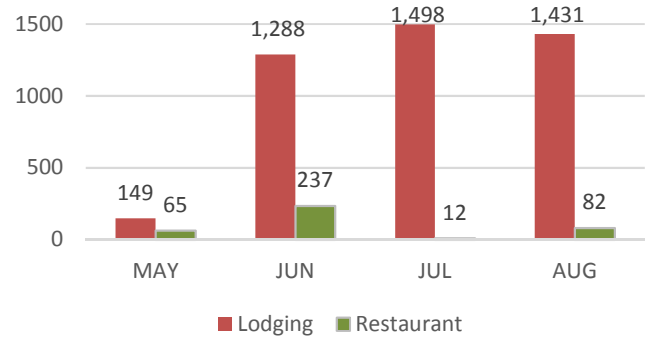
BOOKDIRECT REFERRALS BY MONTH - 2014

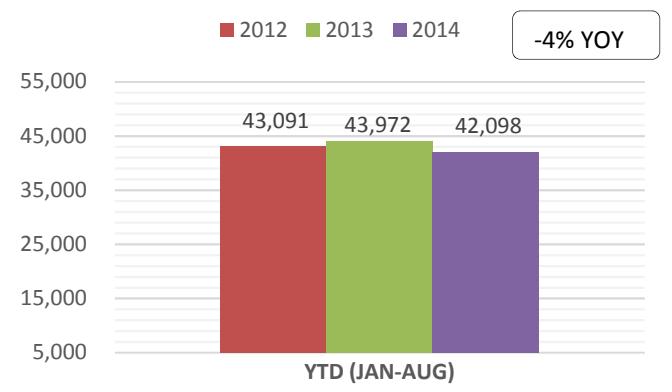


DEAN RUNYAN ECONOMIC IMPACT-GUNNISON COUNTY TOURISM

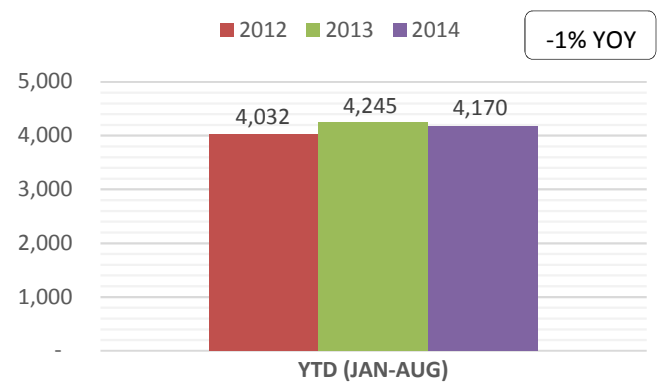
	2011	2012	2013	YOY
Travel Spending ($M)	142.4	150.6	156.5	3.9%
Earnings ($M)	37.4	40.2	42.4	5.5%
Employment (Jobs)	1820	1870	2000	7.0%
Local Taxes ($M)	5.1	5.5	5.7	3.6%
State Taxes ($M)	3.2	3.4	3.5	2.9%

Note: Colorado Tourism Office contracts Dean Runyan services.

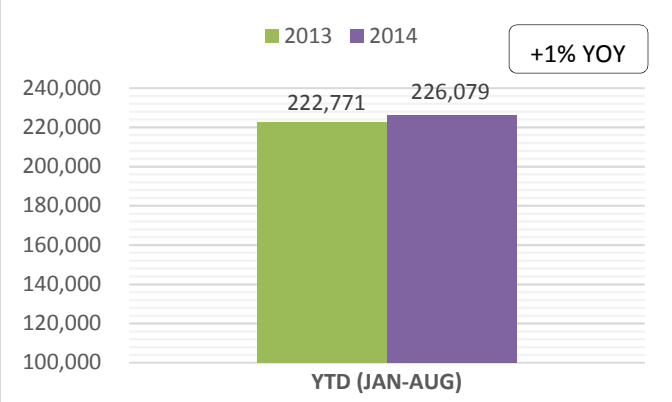
VACATION PLANNER REQUESTS



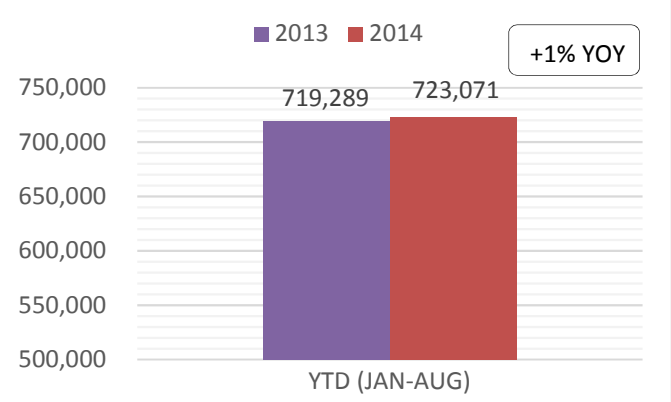
CALL VOLUME REPORT



WEBSITE TRAFFIC - VISITS



WEBSITE TRAFFIC - PAGEVIEWS



LEGEND:

YOY = Year Over Year performance comparison
YTD = Year-to-date, months included as indicated
LMD = Local Marketing District

TO: Board of County Commissioners/Local Marketing District
Phil Chamberland, Commissioner
Paula Swenson, Commissioner
Jonathan Houck, Commissioner
CC: Matthew Birnie, County Manager
Russ Forrest, Asst. County Manager
FR: Gunnison-Crested Butte Tourism Association
RE: Use of Local Marketing District tax
DA: September 5, 2014

The Gunnison-Crested Butte Tourism Association (GCTBA) wishes to express its deep concern that the Board of County Commissioners (BOCC) appears to be considering adopting a fractionalized marketing approach for the use of the Local Marketing District (LMD) tax. Based on recent comments provided by Commissioner Swenson and Marv Weidner/Managing for Results, GCTBA perceives there to be consideration of a significant shift from funding a unified marketing approach to a more fractionalized use of LMD funds.

We contend that diverting LMD tax dollars is not in keeping with the original intent of the formation of the LMD and the Gunnison-Crested Butte Tourism Association as agreed upon in October 2002 by County Commissioners and Mayors of Gunnison, Crested Butte and Mt. Crested Butte. The GCBTA was formed specifically to receive the LMD funds for marketing purposes. The Memorandum of Understanding (MOU), signed by each governmental agency on October 22, 2002 clearly states that the GCTBA was formed due to the initiation of the LMD to conduct the marketing and promotion of Gunnison County as a year-round vacation destination, and further states that the GCTBA is to be the recipient of the LMD tax dollars. This fact was also restated in the 2009 Resolution when the LMD tax was reauthorized by Gunnison County voters.

Accredited destination marketing organizations throughout the country—including GCTBA—receive marketing moneys to conduct unified marketing efforts on behalf of their destination. These organizations are accountable for maintaining and increasing visitor market share that enhance economic vitality.

In February 2014, the tourism association was approached by the Gunnison Chamber and Commissioner Swenson to attend a GCBTA/Chamber Financial Subcommittee Meeting. The focus of the meeting was to discuss costs associated with chamber operation of the Visitor Information Centers (VIC), funding received by the chambers from the County and local municipalities to operate the VIC and future funding needs; roles and identify action items. Following two such meetings, GCTBA expressed interest to engage a neutral facilitator to maximize the effectiveness of these discussions, define the desired outcome, set goals and keep the conversation track with the end result in mind. Instead, the County proceed to engaged a contractor, Managing for Results, at a cost of $18,500 (to date) to facilitate future discussions. However, the original intent is no longer being pursued, there is no discussion between the chambers and GCTBA, and the tourism association is now subject to contract review with what we believe is an intent to fund the chambers and fractionalize marketing efforts. This is contrary to what the voters have approved and should be of great concern to the residents of Gunnison County.

We further concerned that conclusions reached by Managing for Results, and presented to the BOCC, will be unreasonably focused on recommendations made by Commission Swenson and influenced by the chambers of Commerce. The concept of hiring Managing for Results to facilitate a discussion where all parties have an equal voice is acceptable. However we are unequal partners in the dialogue.

How did we get here? More than decade ago, tough economic times and a competitive marketplace led to tourism decline in our valley. The hospitality business community went to great lengths to form the tourism association and get the LMD passed; the community purposefully tied the two organizations together to ensure funds would be used to marketing the Valley to visitors. The formation of both entities was part of a county-wide vote as a package deal. The LMD tax costs local businesses nothing. The 4% tax is paid by visitors and collected by lodging properties.

Let's start with a quick look at the one tax that should be nothing but good news and a blessing for Gunnison County's tourism industry. Local Marketing District Tax is a tax paid by tourists; by definition these are people who are here for a 30 days or less, who don't vote, and don't have a voice in how the money they pay is spent. Gunnison County voters have a say in how the funds are spent and there voice was heard loud and clear when they approved the 2002 ballot to form the tourism association and voted again in 2009 to reauthorize. Lodging properties collect and remit the LMD tax which makes its way into the local marketing district coffers and funds the Gunnison-Crested Butte Tourism Association's efforts to market the Valley under one unified brand to bring more visitors in the future. The chambers continued to operate the visitor information centers, promote their member businesses, and receive a level of funding from the County and municipalities.

As evidenced in local sales tax increases over the past 12 years, it's apparent the marketing and consistent branding of our county by the GCBTA produces measurable results for Gunnison County and its residents. Using a small budget as compared to other Colorado competing destinations, marketing efforts focus on showcasing visitor experiences, attractions, special events, and by providing unique and compelling reasons to visit.

The Gunnison-Crested Butte Tourism Association recently reported an all-time record for local marketing district collection in the first six months of 2014. More than $553,000 in LMD tax was collected during the first 6-months of 2014, representing a 17% increase over the prior year. This is the highest LMD tax collection reported for the first six-month period in Gunnison County history. And the results speak volumes for the upward trend in visitation which is heavily influenced by GCTBA marketing efforts.

While the state of Colorado reported records in terms of both visitor volume and visitor expenditures last year, it is important to note that Gunnison County's share of total direct travel spending by visitors was up $6.7 million over the previous year, underscoring the importance of a stable and robust tourism economy to our community. Visitor spending benefitted the local economy by spurring modest job creation in 2013 as well, showing an upward employment trend nearing 2008 employment levels.

It is our opinion that fractionalizing the marketing efforts will reduce Gunnison County's ability to reach potential visitors to achieve best results for economic develop through tourism. We strongly urge your careful consideration. We remain available for further discussion.

###

April 2, 2014

Commissioner Paula Swenson
Gunnison County Board of County Commissioners
200 E. Virginia, Suite 104
Gunnison, CO 81230

Dear Paula,

Following the January Gunnison Country Board of Directors meeting, chamber board member Jacob Callicutt was asked to coordinate a meeting between the chambers of commerce and the tourism association to discuss Visitor Information Center operations, growth strategy and (past & present) funding. We appreciate your willingness to provide an historic overview at the first meeting.

At that time, GCBTA expressed an interest in engaging a third party facilitator to help guide discussion at future meetings. We believe that hiring an impartial facilitator who has no affiliation with any of the chambers, GCBTA, local or county governments will offer a neutral perspective, help to ease tensions, ensure that participants feel heard and are part of the process and, perhaps most importantly, that the agreed goals of the meetings are achieved.

A professional facilitator will help to maximize the effectiveness of these discussions, define the desired outcome, set goals and keep us all on track. GCBTA made a preliminary inquiry to the Community Foundation of the Gunnison Valley about available facilitators and they have made several recommendations. If agreeable with all parties to this discussion, GCBTA will proceed to gather information about available consulting services and related costs.

Thank you again for sharing historic information about the chambers/GCTBA and for kick-starting this important conversation. We are committed to working with the chamber Visitor Information Centers to open the lines that better communication to serve our hospitality business community and the traveling public.

Yours very truly,

Jim McDonald, President
GUNNISON-CRESTED BUTTE TOURISM ASSOCIATION BOARD OF DIRECTORS

Jacob Callicutt, Vice President

Jen Bickford, Secretary