# AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

**AgendaTitle:**
Proposal Reviews and Funding Decisions; Gunnison Country Chamber of Commerce and the Crested Butte/Mt. Crested Butte Chamber of Commerce

**Action Requested:** Motion

**Parties to the Agreement:** Gunnison Chamber and CB/Mt CB Chamber

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

**Summary:**
Review and award as appropriate proposals received from Gunnison and CB/Mt CB Chambers

**Fiscal Impact:** $50,000

**Submitted by:** Russell Forrest **Submitter's Email Address:** rforrest@gunnisoncounty.org

**Finance Review:** (●) Required ( ) Not Required

Comments:

Per discussion during 2015 budget preparation, available resources sufficient to cover anticipated $25,000 each for these agreements with the two Chambers.

Reviewed by: GUNCOUNTY1\lNienhueser Discharge Date: 1/29/2015

**County Attorney Review:** (●) Required ( ) Not Required

Comments:

Reviewed by: GUNCOUNTY1\atrezise Discharge Date: 1/30/2015 Certificate of Insurance Required

Yes ( ) No (●)

**County Manager Review:**

Comments:

Reviewed by: GUNCOUNTY1\mbirnie Discharge Date: 1/30/2015

( ) Consent Agenda (●) Regular Agenda ( ) Worksession Time Allotted: 30

Agenda Date: 2/3/2015 Follow Up Agenda Date:

*Revised April 2013*

| | |
|---|---|
| To: | Local Marketing District |
| From: | Russell Forrest |
| Date: | February 3, 2015 |
| Subject: | Request for Proposals |

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## 1. PURPOSE:

The Local Marketing District is requested to review proposals received by the Gunnison Country Chamber of Commerce and the Crested Butte/Mt Crested Butte Chamber of Commerce. These proposals were received as the result of the Local Marketing District issuing a Request for Proposals (RFP). The Local Marketing District has discussed allocating up to $25,000 per Chamber organization to achieve the objectives of this RFP. The Board of County Commissioners are requested to:

- Review the proposals;
- Award (via a motion) an appropriate grant for each proposal based on the objectives of the RFP; and
- Make a motion to budget the total allocated cost of the grants in the Local Marketing District Fund.

## 2. SUMMARY OF RFP

The RFP was issued on December 12, 2014. The purpose of the RFP was to solicit specific ideas which may support the recommendations in the Managing for Results paper or other ideas that would improve guest information facilities, digital and social media effectiveness, and/or enhance our guests experience so that they will return to Gunnison County in the future. Specific objectives of the RFP include:

- Improve the physical infrastructure of the Chamber facilities to improve the guest experience.
- Improve and enhance digital and social media capabilities in providing timely and accurate information for guests.
- Provide an effective and coordinated (with other Chambers, Tourist Association, event promoters) means of communicating special events, amenities, lodging, and dining to guests for the valley as a whole.
- Implementation of Managing for Results recommendations that are applicable to the Chambers.
- Provide training for business to improve the quality of guest services.

- Implement other programs or strategies to improve the return rate of guests visiting the Valley.

Attachment A includes the RFP which was revised to allow additional time for the Chambers to prepare their proposals.

### 3. OBSERVATIONS REGARDING THE RFP RESPONSES

The Gunnison Country Chamber of Commerce provided a request for $36,000. Their request is summarized as follows (See Attachment B)

| | |
|---|---|
| • Laptop Computer: | $1,200 |
| • 1 FTE | $28,000 |
| • Postage | $800 |
| • Phone system/Internet | $3600 |
| • Printing and copies | $1700 |
| • Update Visitor Center Boards | $700 |
| Total | $36,000 |

The CB/Mt CB Chamber proposal is for $35,415. Their request is broken into three different categories and is summarized as follows (See Attachment C):

| | |
|---|---|
| • Technology (Web/tablets, laptop) | $14,024 |
| • Events/Visitor Information | $5,551 |
| • Visitor Center Costs | $15,840 |
| Total | $35,414 |

Both Chambers will be invited to the February 3rd meeting to review their proposals and respond to questions from the Board of County Commissioners.

**Attachments:**

| | |
|---|---|
| Attachment 1: | RFP |
| Attachment 2: | Proposal from Gunnison Country Chamber of Commerce |
| Attachment 3: | Proposal from the Crested Butte/Mt Crested Butte Chamber of Commerce |
| Attachment 4: | MFR Report |

# Attachment 1: RFP

**Request for Proposals**

**Chamber of Commerce – Customer Fulfillment Projects**

**December 12, 2014**

**(Revised)**

## 1. INTRODUCTION

The Gunnison County Local Marketing District requests that the Gunnison and Crested Butte Chambers of Commerce review and respond to this request for proposals (RFP). The purpose of this RFP is to solicit proposals from the Gunnison and Crested Butte Chambers of Commerce to improve and enhance the guest experience in Gunnison County. Both Chambers operate critical tourist information facilities in Gunnison, Crested Butte, and Mount Crested Butte. These facilities provide year round information to our guests. Gunnison County has historically financially supported aspects of the Chambers. Over the last 6 months, Managing for Results prepared a series of recommendations related to marketing and fulfillment programs for our guests. It was recognized (see attached report) that marketing efforts include guest fulfillment and ensuring tourists expectations are met and exceeded when they visit Gunnison County. It was also recognized that maintaining the physical infrastructure of the tourist information facilities significantly impacts the available resources for the Chambers to implement fulfillment programs or implement informational/ educational programs for local businesses. The Gunnison County Local Marketing District is offering a grant of up to $25,000 for each Chamber of Commerce for specific proposals which will achieve one or more of the objectives mentioned below.

## 2. PURPOSE AND OBJECTIVES

The purpose of this RFP is to solicit specific ideas which may support the recommendations in the Managing for Results paper or other ideas that would improve guest information facilities, digital and social media effectiveness, and/or enhance our guests experience so that they will return to Gunnison County in the future. Specific objectives which would be desirable to achieve include:

- Improve the physical infrastructure of the Chamber facilities to improve the guest experience.
- Improve and enhance digital and social media capabilities in providing timely and accurate information for guests.
- Provide an effective and coordinated (with other Chambers, Tourist Association, event promoters) means of communicating special events, amenities, lodging, and dining to guests for the valley as a whole.
- Implementation of Managing for Results recommendations that are applicable to the Chambers.
- Provide training for business to improve the quality of guest services.
- Implement other programs or strategies to improve the return rate of guests visiting the Valley.

## 3. PROPOSAL SUBMITTAL

A. Proposals shall include a specific written proposal that achieves one or more of the objectives of the RFP.

B. Proposals shall include a specific requested grant amount and a project budget for implementation. In addition, a specific timeline shall be provided for the implementation of the project(s).

C. Provide a description of who will implement the proposed project(s) and their qualifications for implementation of the project.

D. The proposal should include specific results that will be achieved and a metric for measuring achievement of those results. If awarded, these results will be included in a performance contract with the Chamber.

E. Proposals should include a specific description of how other funds or resources are leveraged with the proposed project(s).

F. Provide a PDF digital copy of the proposal (which could include multiple projects) to:

Russell Forrest
Director, Gunnison County Community Development
rforrest@gunnisoncounty.org

## 4. SCHEDULE

| | |
|---|---|
| a. RFP Issued | December 12, 2014 |
| b. Proposal submittal deadline | January 19, 2015 |
| c. LMD/BOCC review of Proposals | February 3, 2015 |

## 5. GENERAL CONDITIONS

A. Limitations and Award: This scope of work does not commit Gunnison County to award or contract, nor to pay any costs incurred in the preparation and submission of qualifications in anticipation of a contract. Gunnison County reserves the right to accept or reject all or any submittals received as a result of this request, to negotiate with all qualified sources, or to cancel all or part of the scope of work.

B. Equal Employment Opportunity: The selected consultant will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.

G. Reporting: When a Chamber receives an award of a grant, they will be required to report their results to the LMD as specified in the above mentioned contract. They will also be required to provide financial documentation on expenditures of dispersed grant funds.

# Attachment 2: Proposal from Gunnison Country Chamber of Commerce

# RFP

## Gunnison Country Chamber of Commerce
## Customer Fulfillment Projects

# Gunnison Country Chamber of Commerce

**Celebrating 90 years of service to Gunnison County**

**Mission Statement:** The Gunnison Country Chamber of Commerce is dedicated to creating an environment in which businesses can succeed and providing visitor services which positively impact Gunnison's tourism economy.

# Gunnison Visitor Center - 500 E. Tomichi

**The Gunnison Visitor Center was remodeled and expanded in May of 1993.**

**This facility is owned and operated by the Gunnison Country Chamber of Commerce.**

# Gunnison Visitor Center
# 2014 Visitor Contacts

- On June 1, 2014 we began a more detailed tracking system for all phone calls answered by the Gunnison Visitor Center, for both Chamber and TA phone lines. From June 1st to December 31st 2014 we logged 5,474 visitor calls. (This count does not include Chamber of Commerce or other misc. type calls.) Calls average 3 minutes in length which equals 274 hours of phone calls over the 6 month period.
- In 2014 the Visitor Center provided information and answered questions for 62,820 Visitors.
- Also in 2014; 115,286 referrals were made to local businesses , this includes in the Visitor Center, over the phone and through email inquiries.
- 350 information requests were sent over to the Tourism Association for fulfillment.
- 179 requests for information were fulfilled directly by the Gunnison Chamber of Commerce.
- The Visitors entering our Visitor Center are seeking personal help. The vast majority carry their phones or tablets and can look up any website they need. When they make the effort to stop in our Center they want to talk to a knowledgeable person. It also provides us with the opportunity to sell "pass through" visitors on staying another day or returning at a later date to spend more time in the Gunnison Valley. Our staff is trained to emphasize this personal touch, we spend the time needed so that the visitor feels more than helped and adequately served when they leave our doors.

# Budget for Gunnison Visitor Center for 2014 and 2015

## 2014 Budget

**Income**

| | |
|---|---|
| City of Gunnison | 13,500 |
| County of Gunnison | 12,000 |
| TA marketing partnerships | 6,000 |
| TA reimbursement 2 phone lines | 3,000 |
| Total Income | **34,500** |

**Expenses**

| | |
|---|---|
| Equipment (copy, phone, internet, etc) | 6,450 |
| VC Insurance (property, workman's comp) | 3,300 |
| Brochures | 1,200 |
| Postage | 1,000 |
| VC Utilities | 1,600 |
| VC Supplies /restrooms | 1,000 |
| VC payroll and taxes | 44,000 |
| | **58,400** |

| | |
|---|---|
| **Amount contributed by Chamber from membership dues to balance budget** | **23,900** |

## 2015 Budget

**Income**

| | |
|---|---|
| City of Gunnison | 13,500 |
| County of Gunnison | 25,000 |
| Total Income | **38,500** |

**Expenses**

| | |
|---|---|
| Equipment (copy, phone, internet, etc) | 5,500 |
| VC Insurance (property, workman's comp) | 3,500 |
| Brochures | 1,200 |
| Postage | 1,000 |
| Computer | 1,200 |
| VC Utilities | 1,800 |
| VC Supplies /restrooms | 1,000 |
| VC payroll and taxes | 44,000 |
| | **59,200** |

| | |
|---|---|
| **Amount contributed by Chamber From membership dues to Balance budget** | **20,700** |

## Visitor Center Work Plan for 2015

- ✓ Continue to greet visitors to the Gunnison Area with well trained, knowledgeable and friendly staff. 60,000 to 75,000 annually
- ✓ Continue to answer phones for both the Gunnison Visitor Center and the Gunnison Crested Butte Tourism Association. Estimated 7,000 calls with visitor questions alone.
- ✓ Continue to provide timely fulfillment for requests for information, until the point in time the TA can resume fulfillment with a County fulfillment piece.
- ✓ Continue to gather visitor demographics to share with the TA and other marketing entities in the Valley
- ✓ Continue to refer Visitors and residents to local businesses. We will refer our Chamber members first, but will always refer any other business in the valley as well to meet our visitors needs.
- ✓ Continue to provide up to date calendars of events for the Valley along with updated listings of businesses by category. i.e. lodging, restaurants, retail, adventure guides
- ✓ Continue to work with Federal Lands Agencies to provide timely information to our Visitors on everything from campgrounds to roads/trails and wildlife.

## New for 2015

- ➢As of January 1 we have put into place a new classified accounting system that will show separate use of all funding for the Visitor Center, including LMD, City and any other Visitor Center specific funding.
- ➢Researching a more standardized manner of collecting information from those visitors that enter the visitor center and that call for information, without compromising our level of service.
- ➢More predominately promote the Chamber/Visitor Center conference and large group coordination and support. Publicizing the number of groups that we bring to the Valley. 2015 groups include: Ride the Rockies, The Hogs, The Stadion (see thestadion.com for info), two additional motorcycle rallies and a series of bus tours from Arkansas.
- ➢Work with the WSCU and CBMR to provide them a larger presence in our Visitor Center.

# Request for Funding for 2015

The Gunnison Chamber of Commerce's request for funding this year will be to help us continue to provide the level of service to our visitors in the Visitor Center, over the phone and on-line without having to supplement the center's funding with our membership income. To be able to properly staff the Visitor Center, so that our Executive Director can focus her time on business support, business development and group/ conference development.

Since the lost of fulfillment funding from the Tourism Association the Chamber has had to spend a majority of it's time stripping necessities from the budget and focusing on fundraisers to provide money to operate the Visitor Center. This has caused us to put aside many of the programs that benefit our membership. Our goal for 2015 is to acquire ample funding for the Visitor Center so that it is properly staffed and so that our membership dollars can focus on our membership benefits.

Additional areas for Visitor Center funding will be investigated this year including a permanent form of City supported funding (much like the CB Chamber's BOLT tax income). As well as a larger partnership with WSCU and CBMR.

## Budget for Request

### Amount requested: $36,000

### Item Description

Laptop Computer – $1,200 → A start in updating equipment and programs to be able to better service visitors.

1 FTE Visitor Center - $28,000 → This is for one FTE to work the Visitor Center year around to provide visitor walk-in service and answering of phones. We have 2 to 3 people working in the visitor center during peak summer season. In addition to those staff members that are providing information outside of the Visitor Center for events, Ride the Rockies, Pro-Cycling Challenge, etc. The Visitor Center is open year around. Adding a permanent staff person would free up Chamber staff to provide the Service training to businesses and provide the much needed face to face support in other areas.

Postage – $800 → Postage is for fulfillment of information requests by Visitors. This is done when the TA does not have a current publication produced to mail out, or the Visitor wants something other the TA's Vacation Planner.

Phone system/internet - $3600 → On and off for the past few years the TA has reimbursed us for the expense of the 2 phone lines used exclusively for their 1-800 numbers. When a call is received on our phone system not only does it use on TA line it can use 1 to 2 additional chamber lines to complete the call, depending on where the call is forwarded to. Because of this we pay for 6 phone lines.

Printing and copies - $1700 → Visitor information from Bus Schedules to Calendars of Events to various maps, plus any item that we need to copy that will help the Visitor.

Update Visitor Center Boards - $700 → Work with governmental agencies to update and create new maps and replace faded display boards in Visitor Center

# Future Needs and Wish List

Since the decline in funding over the last 15 years our focus has been on fundraising to keep the doors of the Visitor Center open. Many necessary items have been placed on the back burner, we realize that we are playing catch up on the items necessary to maintain our Visitor Center. Our future needs include:

•New computer equipment, our most current computer (and it's programming) was purchased in 2008. Laptops in place of desk tops with sufficient programs , so that they could be used in the Visitor Center to show people everything from road conditions in the winter to helpful information in the summer $3,800

•New carpet for the Visitor Center – with over 65,000 people through our doors a year our carpet takes a beating. We have not replaced it since the new addition in 1993. Cost estimate for removal and new commercial carpet is $7,000.

•Interior paint for Visitor Center and restrooms - $1,500

•Exterior paint for building - $5,200

•Improved signage on the Visitor Center, including a scrolling digital sign that would allow us to include events for the community - $5,500

•Easy up tent top to use for temporary information stations for the distribution of information during events. $150 each plus lettering on canopy top.

•Website Upgrade – it has been our hope for years that the TA would provide a more user friendly website that is easy for our visitors to navigate so that the Gunnison Chamber could update its website to be Chamber/business and event focused, with an integrated system that would work for a number of years on different platforms. $25,000-$40,000

•Once necessities are met our focus would become additional technology in the Visitor Center to properly show the beauty of our valley. We would work closely with federal agencies to provide scenic displays on wall mount screens, event information and more.

## Update Visitor Center Boards – 3 Examples

# In conclusion

The Board of Directors believe that Hospitality training for all businesses throughout the valley is necessary to ensure the guest has a good experience. We all know that one bad experience, from a restaurant or lodging property, lift operator or shop owner can damage an otherwise wonderful vacation and render thousands of dollars of advertising worthless.

Hospitality Training is a function of the Chamber of Commerce (as opposed to Visitor Center staff). The Gunnison Chamber's Education Council has listed a Hospitality Training program as one of it's main charges for 2015 and has been investigating the best means to make it effective. We have been in discussion with the Crested Butte Chamber and will be looking for additional partners and funding to make this training a consistent valley wide effort that would work for any industry and be available and valid for a number of years.

For the Gunnison Chamber, being able to add a full-time staff member for the Visitor Center would enable our Executive Director to get out of the building to perform the Chamber side of her position. Including providing hospitality education to businesses when needed, meeting on-site with businesses, providing them business support and counseling.

This is an opportunity for our organization to run both sides of the organization efficiently once again.

Thank you for your consideration and taking the time to understand our current needs and the challenges we face. We will continue to do the best we can to ensure that our visitors find the information they need to enjoy their time in our Valley.

# CB/Mt. CB Chamber of Commerce Proposed Customer Fulfillment Projects - BUDGET

| PROJECT | PROJECT COST/BID | PROJECT BUDGET | TIMELINE | IMPLEMENTATION |
|---|---|---|---|---|
| Technology: | | | | |
| • Website/Tablets/Programming | $10,000.00 | $10,000.00 | Feb.-Mar.2015 | Laurel Runcie/Trevor Main* |
| • Installation/Wiring/Security | | $2,000.00 | Mar./Apr. 2015 | |
| • Laptop | $1,299.99 | $1,425.00 | ASAP | Cole Stanford – The Computer Guy |
| • Adobe Creative Cloud | $49.99/mo. | $599.88 | ASAP | |
| TOTAL TECHNOLOGY | | $14,024.88 | | |
| Events/Visitor Information: | | | | ASAP |
| • Ez-Ups (2) | $649.00/ea | $1,298.00 | | Buyshade.com* |
| • Custom Graphics (2) | $1,230.00/ea | $2,460.00 | | |
| • Windblades/Custom (4) | $338.00/ea | $1,352.00 | | |
| • Hard Case (2) | $299.00/ea | $598.00 | | |
| • Weight Bags (2) | $59.00/ea | $118.00 | | |
| • Non-Profit Discount | | ($275.00) | | |
| TOTAL Events/VI | | $5551.00 | | |
| Visitor Centers: | | | | |
| • @ 4 months addt'l Staff | @$11.00/hr | $7,040.00 | | June – September/Christmas Holiday |
| • Cleaning Service/Bathrooms | @25/hr | | | Daily/Weekly service – ASAP |
| • 20-30 hours per month | Avg. 25 hrs/mo | $7,500.00/yr | | |
| • Roof/Snow mitigation | | $1,000.00 | | When needed Dec. – Apr. |
| • Shirts | $12.50/ea | $300.00 (24) | | Mountain Tops |
| TOTAL Visitor Centers | | $15,840.00 | | |

**TOTAL** Proposed CB/Mt. CB Chamber Projects - **$35,415.88**

*See the following page for additional resources, combined projects, and explanations*

# Additional Funding, Combined Projects, Details

**Technology:**

- The Chamber has received Grant Funding from Mt. Crested Butte for a Tablet in the Mt. CB Visitor (Transit) Center. We wish to partner the combined programming it would require to sync all these forms of technology, and keep all systems on the same program for efficiency and ease of use. The funds requested here will not go to installation, wiring, or to the Mt. CB Tablet. The funds will help with the programming on the front end.
- We have received two bids for the Technology component of this proposal and feel the costs are very similar from both. The bids came from local partners and firms that have been a part of this Valley for some time, and are familiar with the needs we have.

**Events/Visitor Information:**

- We have received four bids for the Event/Visitor Information needs we are proposing. Two from inside this Valley, and two beyond. Ez-Ups/Tents run the gamut in terms of pricing and provisions. Our concern here is durability, protection from UV, visibility, and function. The costs proposed here are middle of the road in terms of bids.

**Visitor Centers:**

- The CB/Mt. CB Chamber has been required to delve into a loan account since 2008 in order to maintain operations. In 2011 our loan request hit $50,000. Currently we are needing to borrow $35,000 to meet operational costs. Our goal is to remedy this situation by keeping to a conservative budget, dispensing of unnecessary spending, and proper planning. We are working with the Town of CB to come to a new agreement on the Town Visitor Center operations, where we as tenant, are responsible for the upkeep of the building and the bathroom attached (one of the first things our visitors experience – and it's not pretty). Currently we are still indebted to the Town for building painting ($6,322.99), spend $2000.00 on average for cleaning supplies and needs in the bathrooms attached to the Visitor Center, and have had to cut back on cleaning costs for the bathroom and the Visitor Center as the funding is not there. The bathrooms are a major matter of contention, and need a full face lift. We are in discussions with the Town of CB over these matters, however, the guest/visitor experience is unpleasant. We wish to remedy these issues with this proposal, and are looking to the future to re-design the service agreement with the Town to make sure the Visitor Experience is not impacted negatively. The funding requested here will be put to making sure the Visitor Experience is not neglected.
- We also wish for revisions to the Town Visitor Center that we feel will also increase the guest experience. These are not included in this proposal, but include:
    - Remodeling Foyer/Entry to a full 'lock-off', to provide an Information Tablet there for after hours Information access
    - Remodel would include removing the entrance doors from a dripping/icy eave, to the front (gable), with accommodating sliding doors
    - Re--designed exterior entry, with signs and maps in conjunction with a Valley-wide Sign Initiative, landscaping, and better Visitor Information signage to add a welcoming, attractive, and accommodating guest experience.

Thank you for the opportunity to provide this proposal. If you have any questions, or care to discuss further, I am available at your convenience. I would appreciate the chance to meet in person for further discussion. We look forward to working Valley-wide to create the best guest experiences possible.

We are happy to be a part of the new energy and direction the County is taking, and look forward to partnering with you to create a positive experience for our guests.

David Ochs
**Crested Butte/Mt. Crested Butte Chamber of Commerce**
Visitor Centers in CB, Mt. CB, and Gothic
director@cbchamber.com
www.cbchamber.com
970.349.6438

THE CHAMBER
Crested Butte/Mt. Crested Butte

# Attachment 3: Proposal from the Crested Butte/Mt Crested Butte Chamber of Commerce

THE CHAMBER
Crested Butte/Mt. Crested Butte

# 2015 Proposal – Customer Fulfillment Projects

# CB/Mt. CB Chamber of Commerce Intent

The Crested Butte/ Mt. crested Butte Chamber of Commerce (the Chamber) is grateful for the opportunity to respond to the Request for Proposal, generously extended by the Local Marketing District of Gunnison County.

Over the past several years the Chamber has struggled to sustain itself on membership dues and BOLT funding alone. To date the Chamber continues to play "catch up" with expenses linked to insufficient technology and the staffing of three separate visitors centers. With the revitalization of our current Events Program we hope to establish greater fiscal stability.

Simplifying the visitor experience for our guests before, during, and after their trip will set Crested Butte and our valley apart from our competitors. This improved experience starts with immediate and seamless access to information through a wide variety of technological platforms. First and foremost, having an up to date website that encompasses all things Crested Butte is of utmost importance. This will greatly increase our ability to offer excellent customer service by marketing the diverse experiences available to visitors of the Gunnison Valley. The ability to share this message on an organized, all-encompassing media platform will have a direct benefit on the business community and our membership.

These improvements in our ability to captivate audiences outside of the Gunnison Valley will also increase the draw to events hosted by the Chamber that showcase our backyard. By increasing participation in events like Crafted, CB Bike Week, and Chili and Beer, we hope to make Gunnison Valley the place to be for unique experiences and amazing recreational opportunities. By increasing the visibility of these events through more effective and current marketing techniques, we hope to see more travel to the valley and a greater number of returning visitors year round.

We look forward to working within the community to achieve a unified marketing message to improve the visitor experience and ultimately increase business within the Gunnison Valley. We currently find ourselves in a pivotal position on a national stage; let us capitalize on the chance to take this attention in a positive direction for our community.

# Technology

Listed below are the specific items that we wish to implement at the Crested Butte/Mt. Crested Butte Chamber of Commerce to more effectively market our community to both locals and visitors. This will enable us to create and promote our events, and will allow us to provide information at mobile Visitor locations.

1) New Website

- **Fully responsive, custom designed Website with Search Optimized Content developed for target audiences and applicable event applications**

  Purpose- Simplify and optimize access to all information related to visiting Crested Butte on a singular platform, therefore unifying and branding countywide amenities and consolidating all Chamber events under a singular domain/host.

- **Website integration with Chamber Master and backend systems**

  Purpose- To increase the visibility and accessibility of data on Chamber Master for both Chamber Members and the public, thereby connecting and benefiting participating businesses and potential clientele. This will allow us to seamlessly update the website and tablets, in addition to acquiring information from built in tracking and analytic programs.

- **Social media integration**

  Purpose- To link marketing efforts for all events across various social media platforms, providing continuity and accessibility for viewers.

2) Tablets

- **(1) Website integrated Tablet (27" - 40")**

  Purpose- To provide guests with a 'hands on' touchscreen to access information during after hours or in times of high visitor traffic.

- **(2) Mobile Tablets for visitor centers and events (10")**

  Purpose- To provide Visitor Center information to guests at on site locations. Ie. Event Locations and Mobile Visitor Centers, allowing for on site event registration, restaurant reservations, or lodging options.

3) Laptop

- **MacBook Pro Laptop w/Adobe Creative Cloud**

  Purpose- Accessibility to the most updated technology and programming in order to maintain website operations and create marketing materials in house ie. Graphics, posters, videos, etc.

By implementing the items listed above, the Crested Butte/ Mt. Crested Butte Chamber of Commerce hopes to provide uniform and consistent access to information for both residents and visitors of our community.

# Events/Visitor Information

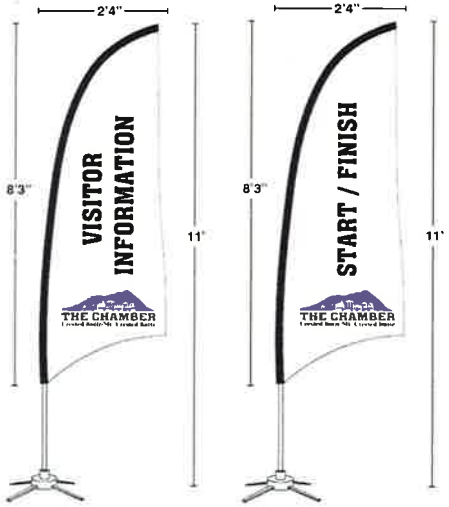
The Chamber has implemented a new Events Position as a means to help promote the Gunnison Valley and to put on professional level Events and Activities. The Chamber sees great value in showcasing our natural surroundings and the amazing venues they provide. Events not only bring business and visibility to our area, but also help keep the Chamber more fiscally stable. With improvements made to the guest experience at Crafted, CB Bike Week, Fourth of July, Chili/Beer, Skimo, Fat Bike, and other events, the Chamber foresees adding great value to the community, and therefore our membership. The Chamber provides satellite Visitor Centers for large events (ie. USA Pro Challenge, Ride the Rockies, etc.) but we lack sufficient means to create a recognizable Visitor location.

**1) <u>EZ-Ups</u>**

- **(2) Medium/Heavy Duty Ez-Ups with Chamber Logo and VISITOR INFORMATION panels**
  <u>Purpose</u> – Added Chamber and Information visibility at satellite Visitor Center locations (ie: USA Pro Challenge, 4th of July, Ride the Rockies, etc), as well as Event Venue locations.

**2) <u>Windblades</u>**

- **(2) Visitor Information Wind Blades**
  <u>Purpose-</u> To provide added visibility and branding at mobile Visitor Centers or Events
- **(2) Start/Finish Wind Blades**
  <u>Purpose-</u> To help bolster events with proper event amenities.




**3) <u>Hard Carrying Case for Ez-Ups</u>**

- **(2) Cases** <u>Purpose</u>- Ez-Ups are well used, expensive, and often borrowed and treated as cargo. Hard Cases will ensure the Ez-Ups are well cared for and will extend their longevity.

**4) <u>Weight Bags</u>**

- **(2) Sets of 4** <u>Purpose</u>- To properly secure and hold down Ez-Ups in any location (concrete, grass, gravel, etc.)

To have professional events we need appropriate event materials to create a lasting experience and further brand the Gunnison Valley, the Chamber, and our incredible event venues. Professional event production will be achieved with current technology (laptop, programming) and the ability to create event marketing materials in house. The Chamber currently contracts out a lot of this work, at a great expense.

# Visitor Centers

The Chamber currently staffs three Visitor Centers in an effort to provide information to a broad spectrum of visitors. In 2014, our Visitor Centers saw over 56,000 visitors. On the Fourth of July alone, we saw at least 12,000 people on Elk Avenue. During some of the peak times, we are unable to adequately staff the Visitor Centers, nor can we operate at hours that adequately serve our guests/visitors.

The Chamber is the first stop on many visitors' agendas. A clean, presentable, and inviting environment is a great means to make a lasting first impression. The Chamber currently operates with sporadic cleaning due to necessary cutbacks in our budget. The Chamber is also responsible for the upkeep of the public bathrooms connected to the Chamber building. This has been the source of very negative user experiences and can be a nuisance to keep up with given our budget.

Snow and winter access is also a negative user experience. The existing staff does a great job of clearing snow, and protecting drip lines and entrances, but the icy and snowy situations are not conducive to a welcoming outreach.

The Chamber would like to employ additional staff for the busier times of the year, stay open for a greater number of hours, and to hire a consistent cleaning service to provide an inviting building. The Chamber also needs help with snow removal to ensure an accessible and visitor friendly entrance.

In an effort to further brand the Chamber and increase visibility, we would like to offer the staff a unique and professional dress shirt with the Chamber logo. Specifically for those 'satellite' Information Centers, the shirts will help guests/visitors recognize the Chamber and the Information Specialists. We can also offer those shirts for sale in the Visitor Centers, to help fund the expense in the future.

# Attachment 4: MFR Report

# Local Marketing District

# Report and Recommendations

October 14, 2014

Provided by
Managing Results, LLC
Crested Butte South, CO

Managing Results

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# Local Marketing District Report & Recommendations

The following report, including recommendations, is submitted by Managing Results, LLC, a consulting and software company located in Gunnison County, Colorado, at the request of the Gunnison River Valley Local Marketing District (LMD).

This report includes the charge given by the Local Marketing District, background information, description of the process used to develop the recommendations, organizational models as options and specific recommendations for a governance structure designed to achieve the best tourism results for the Valley.

## Charge from the Local Marketing District (LMD)

Managing Results, LLC's (MR) methodology is called Managing for Results. MR has worked with over 70 government jurisdictions and over 1700 individual departments, offices or commissions; and annually MR's customers budget over $37B tying resources to measurable results. Customers range in size and location from Maricopa Co., AZ to the State of New York, from the District of Columbia to the City of Arvada, CO, the City of Austin to the City of Long Beach, from the State of Vermont's Public Housing Review to the Office of Hawaiian Affairs, from the City of Oklahoma City to the City of Seattle, from the US Marines to the US Forest Service.

The charge to Managing Results, LLC (MR) from the LMD is to develop a set of recommendations for a governance structure for the use of LMD funds to market the Valley and achieve the best results. Managing Results, LLC was asked to use a consultative process focused on organizations and individuals involved in marketing the Valley. Specifically the scope of work was as follows:

**A.** Clarifying roles and responsibilities between the Gunnison River Valley Local Marketing District and the Gunnison/Crested Butte Tourism Authority.

**B.** Clarifying roles and responsibilities between the Gunnison/Crested Butte Tourism Authority and the two Chambers of Commerce located in the City of Gunnison and Crested Butte/Mt Crested Butte.

**C.** Developing strategies/recommendations for improving cooperation and collaboration between the Local Marketing District, Tourist Authority and the two Chambers.

**D.** Identifying specific results and recommendations to improve accountability for utilization/appropriation of Local Marketing District funds. This may include the creation of a unified business plan between the Tourist Authority and the partner chambers.

E. Structuring the use of LMD funds to achieve the best tourism results for the Gunnison Valley.

F. Developing ideas and strategies for how to achieve the best tourism results for the Gunnison Valley.

Much is at stake. Tourism makes up approximately 50% of the Valley's economy, Over 1900 jobs in the Valley are dependent on tourism. Tourists annually spend over $150M in the Valley. So what can we do to improve?

It is not that we are failing. We have a relatively small amount of resources - $1.2M+ - and we must maximize the impact of those limited resources. We are competing with some tourism areas that have larger marketing budgets and are better organized with more integrated efforts than ours in the Valley. The LMD's limited resources must be leveraged with other major marketing entities in the Valley and the special events created and supported by the communities. The input MR received through the interviews and facilitated sessions illustrate that there is much we can do to go from 'ok to great' in our tourism economy.

The 2011Radcliffe Report, commissioned by the Tourism Association (TA) Board, found – "The most fundamental challenge that will prospectively limit the County from maximizing the full potential of its visitor industry is fragmentation among industry and governmental leaders." MR's recommendations are very much focused on overcoming this challenge.

There is a small contingency among those we consulted who were involved in the establishment of the current arrangement and who are understandably committed to that arrangement.

However, there is a broad consensus among those we interviewed who believe strongly that there are aspects of the current model that restrain the Valley from realizing our full potential. There is significant interest among those interviewed to change the current arrangement to improve marketing results. Certainly there is unanimity among all of those we interviewed that the collaboration among the players in the tourism economy in the Valley is significantly lacking, as the Radcliffe Report pointed out.

It is most important to observe that marketing is not measured by increases and decreases in lodging and sales tax and visitors from one year to the next or even over time. The true measure of marketing performance is whether we are doing better than the tourism economy in Colorado when it is improving, as it is at the writing of this report, and when the economy is slumping - is the Valley doing better than our competitors in fighting a downward trend? The TA's marketing efforts are not currently being measured in this way. Presently the Valley is riding the economy, staying close but slightly behind the average of our competitors.

So how are we doing? As reported by the Tourism Associated, we are doing better than in years past. However, a report from the Colorado Association of Ski Towns (CAST) dated August 13, 2014 shows that among 27 ski locations in Colorado, the 3-year average increase in sales tax revenues from 2011-2014 is 19.58%. Over the same period the Gunnison-Crested Butte Valley sales tax revenues increased 15.4%.

The most recent statistics show that the number of visitors and dollars spent in the Valley by visitors is higher than last year (2013) -- as is the entire tourism economy in Colorado. The same CAST report shows the average 1-year increase of sales tax revenues from 2013 to 2014 across the same 27 locations was 6.68% -- the Valley experienced a 6.4% increase.

So the question is - what governance structure will produce the best marketing decisions that produce the best tourism results for the Valley?

## Background

The following information is derived from a Memorandum written April 21, 2014 by Gunnison County Attorney, David Baumgarten, outlining the organization, relationship and governance of the Gunnison River Valley Local Marketing District (LMD) and the Gunnison/Crested Butte Tourism Association (TA). The Memorandum is attached.

Historically, the Gunnison County Lodging Tax Panel and a 1.9% Lodging Tax were approved by voters in the general election on November 6, 1990. On November 5, 2002 Gunnison County voters approved the ballot measure to levy a 4% Lodging Tax and establish the Local Marketing District. The Local Marketing District was renewed and the Lodging Tax extended by the Gunnison voters on the ballot on November 3, 2009.

The Gunnison County Board of Commissioners constitutes an ex officio board of directors of the Local Marketing District (LMD) pursuant to C.R.S 29-25-108(1)(a). And pursuant to C.R.S. 29-25-111(1)(f), the LMD has the statutory authority of management, control, and supervision of all the business and affairs of the District and of the operation of District services.

The Tourism Association is a non-profit corporation of the State of Colorado and an independent, non-government entity separate from the LMD. The TA was not created by ballot measure or by any action approved by Gunnison County electors. The relationship between the LMD and the TA is a contractual relationship and as such the TA is an "independent contractor" to the LMD.

MR notes that the two Chambers of Commerce in the Valley are independent organizations and are not currently under contract with the LMD or the TA. Both Chambers receive some funding from the County.

## Process

The process MR engaged to reach the recommendations requested by the LMD included one-on-one interviews, facilitated group meetings, and consultations with marketing professionals inside and outside the Valley.

The timeline of the process started in April with interviews, the first facilitated meeting on June 26, additional and some repeat interviews in July and August, and a second facilitated meeting on August 22. Additional interviews were conducted following the August 22 meeting.

The first set of interviews in May and June were structured around two key questions:

1. From your perspective, what are the most critical issues and trends related to tourism on the horizon—both for the county as a whole and for the Tourism Association—over the next 5 years?

2. 3-5 years from now, what results would you most like to be able to say have been accomplished?

Following the first set of interviews, MR convened the first facilitated work session which included the two Chamber and TA executive directors, members of their respective boards and the LMD Chair. Participants developed a list of the most important issues facing the tourism economy in the Valley, a draft set of Strategic Results for tourism and an initial set of Services that would be required to achieve those Strategic Results (attached). During this initial session, the stated intention was to develop these products without regard to the current structure or whether it would change.

The second round of one-on-one interviews in July and August focused on asking for ideas on the best strategies and structure for achieving the best results for the Valley's tourism economy. Many of those individuals interviewed in the first round were also interviewed in the second round with additional community members added in the second round.

In the second facilitated work session on August 22, the draft Strategic Results were reviewed and others were added. Three different models that emerged in the interviews for achieving the best tourism result were discussed – coordination, integration and consolidation models. The models are discussed below.

Following is the draft set of results developed by the participants in the June 26 meeting for the LMD to consider. These results will be further reviewed and refined by the LMD and integrated into Strategic Business Plans for the use of LMD funds.

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- Integrated Seamless Access
  - By 2017, tourism customers will experience an integrated, seamless online valley-wide point of *access available through* multiple technologies that facilitates rich exploration of tourist 'experiences' and provides easy, immediate, and barrier-free travel arrangements, bookings, updates, and related concierge-type services.
- Unified Message
  - By 2015, tourism customers will experience an integrated, valley-wide unified message through all media that communicates our distinguishing characteristics and *is* consistent with our "Brand".
- Experience-Focused Messaging
  - By 20XX, tourism messaging about the Valley will be driven by identified customer expectations and desired experiences
- Return Visitors
  - By ___, XX% visitors will be returning visitors (rate of return)
  - By ___, XX% surveyed return visitors describe positive experiences as part of their decision-making to return to Gunnison/Crested Butte
- Tourism Income
  - By 2019, $175 million in travel spending will be realized annually in Gunnison County, representing a XX% increase over 20XX

In the August 22 meeting, the participants suggested that results measuring how the Valley's tourism economy performance compares to other locations should be added.

The best measure of marketing impact is that we would out perform our competitor locations both when the economy is improving and when the economy is slowing:

- Competition
  - By 20XX, the Valley will exceed the state-wide Colorado average of tourist locations (or a select sub-group of competitor locations) for visitors and spending by 3% or more when the tourism economy is improving or slowing

Attached are the list of the people who were interviewed and the Agenda's for the two facilitated meetings.

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## Organizing for Success – Models for Achieving Results

Three different models emerged during the interviews and MR presented those for discussion at the second work session. They are:

- Coordination Model
- Consolidation Model
- Integration Model

### Coordination Model

The Coordination Model is best described as a variety of players and stakeholders in the marketing effort, and some who are not involved, who are brought together on a representative style board and expected to make decisions and work together effectively. The Tourism Association (TA) Board is an example of the Coordination Model. The TA by-laws stipulate that marketing efforts will focus on promoting Chamber Members. Some Chamber Members see value in this and want the current arrangement to remain unchanged. A significant portion of businesses in the Valley are not Chamber Members and are not included in marketing funded by LMD Lodging Tax funds.

Representatives of different sectors of the economy and various organizations, plus an advisory group, currently make up the Tourism Association Board. As previously mentioned, the TA is a non-governmental, not-for-profit, independent contractor to the LMD. For the past 12 years, since 2002, the LMD has provided a sole source contract for all Lodging Tax funds to the TA Board. In turn, the TA Board has hired staff to carry out the majority of marketing functions, along with various sole source contracts to vendors of marketing services.

The Coordination Model is often focused on representatives of different types of businesses or organizations and, in order to work well, depends on the willingness of individuals representing those businesses and organizations to collaborate together. Participants are expected but not required to work well together.

The focus for participants is often on keeping the resources and core strategies of their organizations safe and intact. That is very different from a results orientation where participants bring their respective resources to bear on a set of commonly held results. Results oriented, accountable, performance-based contracts are not a part of this model.

The Coordination Model works well when the mission is generally for the mutual benefit of members. Examples include professional organizations, religious organizations and clubs. When specific expertise is needed to make decisions, such as marketing decisions, the Coordination Model creates representative boards that then depend on staff to develop strategies and deliver services. Often it is staff that

make leadership and broad direction decisions since the board members either lack specific expertise or become accustomed to deferring to staff.

In the current arrangement, coordination and collaboration between the TA and the Chamber-managed Visitors' Centers has not been functional for some years and collaborative planning and execution is rare. This is largely because there is not in play a systemic view of marketing in the Valley or of the local economy. Roles, responsibilities and accountability are unclear and diffused. Critical information related to the tourism economy is often not shared among the players. A systemic approach where marketing players and stakeholders are working together to achieve a common set of results and where relationships are built on mutual accountability for performance is simply not present.

When marketing resources are not systematically coordinated, the entire Valley underperforms our potential to achieve marketing results and grow our economy. One interviewee likened the current marketing efforts to a scull crew without a crew master, all rowing at different rhythms, out of sync with each other and lagging behind other crews who are rowing in sync and speeding ahead.

**Consolidation Model**

The Consolidation Model is one where autonomous organizations consent to becoming a part of a single new, larger organization. This model would see the two Chambers of Commerce and the TA, or other contractor organization, become one organization. In all of MR's consultations during this process, there is no real interest or suggestion from participants that this could or should happen in the Valley. This model is not considered realistic in the Valley. However, after a few years of successful integration of efforts and success, new options may emerge.

**Integration Model - Recommended**

The Integration Model brings autonomous organizations together into a shared mission through performance-based contracts or agreements. This model is built on a systems approach to marketing and is designed to create that system through performance-based contracts and agreements. In this report, 'contracts' include the exchange of money for services and 'agreements' are signed contracts but do not include the exchange of funding.

When asked "where does marketing begin and where does it end", the consensus of interviewees is that it begins when a potential visitor hears about the Valley and learns about the experiences they can have in the Valley through word of mouth or through out-of –Valley marketing efforts. Interviewees said further that marketing does not end when visitors arrive, step off the plane or park their vehicle. In-Valley marketing occurs through the Visitor's Centers where visitors get information about where to get those experiences, eat, shop and stay the night. This is normally the

purview, though not exclusively, of Chambers and marketing efforts of individual businesses.

Further, in-Valley marketing continues in the service experiences that visitors have with local businesses, and the experiences they have with people they meet along the way while they are here. Several interviewees clarified that marketing does not start and stop with winter or summer campaigns but should be a continuous process year-round.

The key to success is that out-of-Valley and in-Valley marketing efforts must be fully coordinated in an integrated marketing system. In the current arrangement, out-of-Valley and in-Valley marketing efforts are not coordinated and certainly not integrated. The out-of-Valley is very much an experiential call to action – to come to the Valley for those experiences--and in-Valley marketing connects visitors to those experiences. The expectations created through out-of-Valley marketing need to be fulfilled or exceeded by in-Valley experiences.

A marketing system for the Valley would include out-of-Valley marketing before visitors arrive and in-Valley marketing when visitors are here among us. The consensus among interviewees is that an integrated and coordinated system for marketing the Valley does not currently exist but must be created if we are to effectively compete in the future.

The key to building an Integration Model is governance. The governance structure must be intentionally designed to create a system of marketing efforts, resources and results. If not specifically designed to create an integrated system of efforts, the governance structure will create something altogether different. The governance body is responsible for establishing overall strategic direction and developing expected strategic results, and ensures that marketing services, whether delivered by staff or by contractors, are true to that direction. The tie that binds the system together is performance-based contracts in exchange for funding. Governance body decision-makers must have expertise in marketing and be capable of making performance-based decisions to create a system of successful marketing.

Performance-based contract(s) are awarded for delivery of specific services and the achievement of specific results as specified by the governance body. These contract(s) require collaboration among partners, including the sharing of information. Importantly, the Integration Model does not fund organizations per se with the hope that they will deliver the right services. Rather, the Integration Model funds specific marketing services tied to measurable results. This is the difference between 'hoping for results' and 'managing for results'. Further, a performance-based budget is developed that ties a level of service delivery to a level of performance results to a level of funding.

In the case of some marketing partners, performance agreements are developed without funding because the mission to market the Valley is shared without an

exchange of funding. Examples of performance-based contracts would be between a Marketing Board of Directors (MBoD), explained below, and the contractors receiving funds and providing services. Examples of performance agreements may be with WSCU, CBMR and GVH, though none of those organizations should be barred from receiving LMD funds and holding contracts. However, their marketing missions are very clear (students, visitors and patients respectively) and there is naturally a high degree of alignment between their desired results and the LMD/MBoD desired results, with or without funding.

A note about information sharing -- good decisions require timely, accurate and complete information. The Integration Model and related performance-based relationships literally run on good information. In the Governance Recommendations below are ways to ensure that information is shared among decision-making marketing partners.

In the Integration Model, the governance structure requires that the LMD, as the funding organization, and the MBoD, as the board with critical expertise, work together to establish high-level strategic results. For example, it is anticipated that while the LMD would set broad direction, the MBoD would have the expertise to develop metrics and determine high level strategies. Once those strategic results are approved by the LMD, the MBoD would award and execute performance-based contracts for specific services. Performance based contracts would include levels of services to be delivered and expected results and would include performance measures, including targets, tied to the funding. It should be obvious in the Strategic Business Plan and performance-based budgets submitted to the MBoD that there is a level of funding tied to a level of performance.

Emphasis in performance-based contracts is both on outputs (number of services) and results (impact on the customer). It is never enough to contract for effort or activities; it is essential to the success of the Integration Model to also contract for expected results or accomplishments. In other words, the MBoD will be very interested in the return on investment (ROI) for services purchased, and would expect to see ROI described in the proposals they receive. For instance, the LMD and MBoD want to achieve integration, or at least consistency and connectivity, of the various websites marketing the Valley. The MBoD might contract with a firm for those specific results, evaluate those results and the performance of the vendor, and then report that performance to the LMD in their quarterly meeting.

In the Integration Model, all contracts and agreements are integrated together to achieve results and all parts of the system work together. An example of a systemic and integrated approach -- an event mostly focused on one end of the Valley would be marketed through all out-of-Valley marketing efforts and all in-Valley marketing through contracted Visitors' Centers and performance partners. The customer would see this event highlighted in vacation planners on-line and in hard copy, on websites and all print media, on a consolidated events calendar, and in all social media. Potential visitors would hear about the event when calling in and visitors

would hear about the event through the Visitor's Centers when they stop in. Related 'apps' developed for the Valley would provide all pertinent information for how and where to participate in the event, as well as all other events in the Valley. The entire Valley marketing system would focus on the event, not just the event organizers and the Chamber where the event is happening.

The Valley is one economy and the marketing efforts must behave like a system focused on the entire Valley. Anything less sub-optimizes the use of all marketing funds for the businesses and 1900 individuals whose jobs depend on the 50% of our economy tied to tourism.

## Governance Recommendations

MR's recommendations are solely focused on and driven by the question of "what governance structure will deliver the best results for visitors to the Valley and for our local economy?" The LMD asked MR to look less at detailed activities and more at governance as the greatest opportunity to make improvements. Governance, as referenced here, is the organizational structure used for making decisions regarding the use of LMD funds to market and achieve tourism results for the Valley. Having the right governance structure in place is the key to creating an integrated system for marketing the Valley.

The recommendations are written as what 'would' happen if these recommendations are followed.

## Recommendations - Local Marketing District (LMD)

The Board of County Commissioners would continue as an ex officio board of directors for the Local Marketing District. The LMD would continue, as the 1990, 2002 and 2009 ballot measures require, to have the authority to provide management, control and supervision of the use of the Lodging Tax revenues. The Board of County Commissioners is elected to provide leadership, fiduciary responsibility and policy oversight to Gunnison County Government.

By Colorado Revised Statute the BoCC, acting as the LMD, has discretionary authority of approving what marketing programs would be funded using the Lodging Tax Revenues. However, the BoCC/LMD members are not elected because of their tourism marketing experience or expertise and further they have expressed their desire to not be involved in tactical marketing decisions. The LMD, in their 'management, control, and supervision' oversight role, would delegate specific marketing decisions to a Board of committed members of the community who are experts in marketing with emphasis on experience in marketing tourism economies. The LMD would, therefore, expect the Board, with its expertise, to regularly assess the Valley's position relative to its competitors in the tourism market, and to then develop draft strategic and operational results that are capable of advancing the

Valley's market position relative to its competitors. MR has interviewed several individuals with this senior level marketing experience who are also committed members of the community.

## Recommendations - Marketing Board of Directors (MBoD)

Under this proposed governance structure, the LMD would not make specific marketing strategy decisions. The LMD would appoint a seven-member board of marketing experts known as the Marketing Board of Directors (MBoD). On behalf of the LMD, the MBoD would make decisions on how to use all of the Lodging Tax revenues to market the Valley. The MBoD would ensure that there is a unified, integrated and systematic approach to marketing the Valley and achieving tourism results.

The MBoD structure would ensure that a team of individuals with appropriate marketing expertise are making contract decisions, setting direction, establishing broad priorities, and making tactical and staffing decisions. Marketing expertise and decision-making abilities are the core characteristics of the MBoD members that will keep the focus on results and on building an integrated marketing system that will produce those results.

Anytime an organization believes that it is entitled to public funds, in this case, LMD Lodging Tax funds, after a time that leads to strong, even extraordinary, efforts to maintain and protect the organization itself and its sole source funding status. From a customer perspective, from a performance perspective, an entitlement mentality takes an organization off of its core purpose.

To ensure that an entitlement mentality does not develop within the MBoD, the MBoD would be required to submit an annual Strategic Business Plan and operate under a performance agreement with the LMD. The MBoD would be responsible and accountable to the LMD for results achieved, as mutually agreed upon with the LMD at the beginning of the performance period and as delineated in the Strategic Business Plan. Measurable performance regarding tourism results achieved by the MBoD would be evaluated annually by the LMD. It is important to note that evaluation of results in an ongoing discussion that occurs throughout the year; gaps that emerge are mutually discussed by the LMD and MBoD, and new strategies responding to business environment changes or other dynamics are also mutually agreed upon.

Key to its success, the recommendation is that the MBoD be structured and operated such that another self-perpetuating bureaucracy is not created. The MBoD is a decision making body. The MBoD would be an appointed by the LMD and would be responsible for overall strategic decision-making as well as ensuring those decisions are executed through operational performance contracts for services and staffing.

The MBoD would not be a County organization. The MBoD would have independent, non-profit legal status with contracting and hiring authority. The LMD may ask the County Attorney to develop recommendations for the legal status of the MBoD and develop the necessary documents. The MBoD would create additional efficiencies in the use of LMD funds because it is not focused on building and developing an organization, but rather, can remain focused on making marketing decisions and seeing that those decisions are executed.

The members of the MBoD, with the exception* noted below, should have real-world marketing experience and expertise, as well as senior business decision-making experience. These skill sets would ensure that the MBoD is both qualified and capable to make marketing decisions for the Valley.

Success depends on getting the right people in the room to make the right decisions for the right reasons.

Membership

The MBoD would be a creation of the LMD and the membership of the MBoD would be as follows:

- 2 Residents of the Valley who 1) have current or past extensive, senior marketing experience, 2) view the economy of the Valley as one interdependent and interconnected economic system, 3) have experience as a senior decision maker, and 4) are committed community members

- 2 Residents of the Valley who 1) have current or past business experience providing services to visitors in the Valley, 2) view the economy of the Valley as one interdependent and interconnected economic system, 3) have marketing knowledge, and 4) are committed community members

- 1 Resident of the Valley* who has extensive senior leadership, decision making and management experience in a field other than marketing

- Marketing Director of Crested Butte Mountain Resort

- Marketing Director of Western State Colorado University

One Economy

It cannot be emphasized enough that the Valley is one economy with remarkably unique venues and opportunities operating within that economy. What happens anywhere in the Valley has impacts elsewhere in the Valley in terms of jobs, business, branding impact and tourism revenues.

This is a significant issue as well as an opportunity for broad education across the Valley. MR observed that individuals whose understanding of the economy of the

Valley as one interdependent and interconnected economic system also view marketing the Valley is a system of interdependent and interconnected efforts. Salaries and profits derived from tourism are spent with local businesses on coffee, food, gas, services, construction supplies, etc., - the list goes on as tourism dollars cycle within the local economy. Focusing on ours vs. yours, north vs. south, insiders vs. outsiders, my organization vs. your organization perpetuates the economic struggles faces by the Valley's residents, especially those whom we expect to deliver unforgettable experiences and customer service to our tourism visitors.

We must see prosperity as a goal for everyone.

Integrated Marketing System

All contracting and strategic decisions the MBoD makes are expected to create, build and strengthen the integrated, systemic approach discussed above in Organizing for Success (page 7). The tie that makes the integrated marketing system work is performance-based contracts for services and operational results, and agreements with key, non-LMD funded, partners. The MBoD would make funding decisions that reinforce the integrated, systemic approach that turns marketing the Valley into one system instead of many organizations acting independently.

Strategic Business Plan

The MBoD would submit an annual Strategic Business Plan which would include, at a minimum, an assessment of the tourism market (Colorado and regionally), how the Valley is performing relative to the market, the strategies and services the MBoD intends to deploy in the coming year to achieve marketing results for the Valley, and how those results, strategies and services will be measured and evaluated. The LMD would approve the MBoD Strategic Business Plan and the proposed annual performance budget.

Performance metrics, both results and outputs, will include targets and will be tied to a level of funding. In this manner, specific funding levels are tied to specific expected results, so that funds are spent strategically. The MBoD is encouraged to include its marketing partners and community stakeholders in developing the assessment portion of the Strategic Business Plan. The MBoD will measure how the Valley is doing relative to competitor locations and the Colorado tourism economy as a whole.

The Strategic Business Plan should be realistic in measuring the impact/influence marketing has on the tourism economy; experts MR consulted estimate this to be a 5%-10% difference. It is well documented that it is possible to measure the impact marketing strategies have on the tourism economy in the Valley. The MBoD will measure the 'return on investment' (ROI) for its marketing campaigns. The Strategic Business Plan should lead with those types of measurement; simply reporting outputs and increases and decreases due to fluctuations in the economy are not sufficient or accurate measures of marketing success.

The Strategic Business Plan would also illuminate how the MBoD is building an integrated system to market the Valley. The Plan would clarify how partners are collaborating together to achieve results, where those collaborations need work, and proposed strategies to achieve more effective integration. The Strategic Business Plan would include coordination/integration with the overall economic strategy of the County, with special events, customer fulfillment. The Plan should illuminate how LMD funds will be leveraged to their maximum benefit and the ROI for proposed marketing strategies is recommended.

Decouple Chamber Membership

Throughout the interviews, the requirement that LMD funds be used to market only Chamber members is viewed as significantly limiting efforts to market the Valley as a whole. Ironically, this requirement has focused the TA on promoting Chamber membership.

The LMD/Lodging Tax funds are paid by visitors, are public funds and as such should be used to market the entire Valley. Chamber membership should be disconnected from LMD funding and membership on the MBoD. Rather than specific businesses being marketed because they are Chamber members, the LMD funds should be used to market Experiences available in the Valley, such as River or Winter/Snow Experiences.

Given the historical tie of LMD-funded marketing efforts to Chamber membership, it is understandable that many members believe the LMD funds should be used to market their specific business or their sector of the economy rather than the entire Valley as a whole. This logically leads to the fragmentation of marketing efforts.

Market the Valley's 'Experiences'

Focusing on the tourism customer, LMD funds would be used to market the year round 'EXPERIENCES' available in the Valley – experiences interesting to our tourism customers. This was a key aspect of the advice given to MR through the consultative process. There is very strong consensus to disconnect the use of Chamber membership from the use of LMD funds, and to market 'Experiences' the customer can have in the Valley.

Marketing the unique 'Experiences' available in the Valley, rather than Chamber members per se, reinforces a systemic focus rather than a business-specific focus. When we market the Winter/Snow Experiences available in the Valley it will naturally bring along those businesses involved in delivering the services and opportunities associated with that experience. The same would be true of the Mountain Biking experience, the River -Fishing/Rafting experience, the Hunting experience, the Ranching experience, the Wildflower experience, the Hiking experience, the Mountain Town Shopping experience, the Remote Location experience, etc., etc. The unique Experiences available in the Valley can easily be marketed within the umbrella of our unique Brand as well.

The Valley's Brand

In the first year, 2015, the MBoD would engage in a process to provide a clear, concise articulation of the Gunnison-Crested Butte Valley Brand. The Brand seems obvious from most individuals we interviewed; however, those marketing the Valley are not consistently articulating the Brand. There is not consensus on how best to articulate the Valley's Brand. Past branding studies, customer and community consultations, at the discretion of the MBoD, may be included in the process. Any additional branding studies should focus on what our customers believe they are buying.

The TA is currently considering funding a branding study and we recommend putting a hold on that study.

Following articulation of the Brand, the MBoD would work with the Chambers of Commerce, municipalities and marketing partners to help businesses and community organizations align their individual brands to the Brand for the Valley, In this manner, a clear and consistent 'Brand' message for the Valley can be used in all marketing efforts funded by the LMD and MBoD. Chambers will then be in an excellent position to help their members align customer service practices to the Valley's Brand. Non-LMD funded companies and organizations marketing the Valley will be invited to use the Brand in their marketing and customer service efforts as well.

Marketing and Economic/Prosperity Development Integration

Because the Valley is one economy, the LMD and MBoD are encouraged to integrate tourism marketing and other economic/prosperity development efforts. The two efforts should be parallel rails on the same set of tracks, coordinated and aligned to mutual goals. The MBoD and LMD are encouraged to build business development into marketing strategies and to build bridges with economic/prosperity development efforts.

For example, when individuals, families and business owners come to the Valley as tourists and then return to make the Valley their first or second home and relocate their business here, these two efforts – tourism and economic/prosperity development – are leveraged to enhance both. A question to ask and answer is – do our tourism marketing strategies encourage visitors to take up residence and to move their businesses here?

Examples of this dynamic abound – Kinko's was started by a tourist who came to Santa Barbara to surf. Some competitor destinations, like Steamboat, are specifically using their tourism marketing strategies to encourage 'location neutral businesses' to relocate there. We can do the same or better given the quality of life available in the Valley.

Accountability
The MBoD would be accountable and responsible to the LMD for the performance achieved using LMD funds. The MBoD would submit an annual Strategic Business Plan and proposed performance budget, which the LMD would review and approve. Further, on a quarterly basis, the MBoD would present quarterly performance reports, and would convene joint discussions and consultations as needed.

Performance-Based Contracts
MBoD's contracts for services would be performance-based and should be competitively bid no less frequently than every 3 years and more often whenever deemed appropriate. Sole source contracts should be the rare exception. This will ensure that the MBoD is tapping into the best service providers in the market and the most up-to-date methods for achieving marketing results. Service providers will be expected to achieve results. Without competitive bidding, the conversation becomes one about sustaining the organizations receiving the funds rather than achieving results for the local economy.

Authority
The MBoD would have contracting and hiring authority. The MBoD would account for all funds expended and the MBoD shall have no other purpose than to promote and market the Valley.

Performance Reports
The MBoD would provide quarterly results oriented performance reports delivered in a presentation to the LMD. The performance reports would include, at a minimum, progress on results year to date compared to annual targets approved in the annual Strategic Business Plan, strategies and contracts the MBoD is employing to achieve the results, and proposed course corrections when results are not being achieved.

The LMD may also ask the MBoD to provide an Annual Report to the community on the results achieved, with particular emphasis on how tourism results impact jobs and prosperity. This should be timed to begin when the MBoD has the resources to produce the report.

Information Sharing
The MBoD would develop a holistic, strategic approach to information gathering, management and sharing. The MBoD should convene and lead regularly scheduled, probably quarterly, marketing updates where the MBoD, Visitor's Centers and other performance partners would share their latest information about what is happening in the tourism economy in the Valley, the State and the Region. This is designed to inform everyone's decision making and to reinforce that we are operating in one economy, within an integrated market system, all under one Brand. The MBoD should, at its discretion, engage companies and associations with high-value market information to share information in support of marketing decision-making in the Valley. Opening up this opportunity, the Crested Butte Mountain Resort has offered

to share its information. For these and other shared-information efforts to be successful and sustained, high-impact organizations will need to see their input as valued and important to the Valley-wide marketing decision-making.

Secure Database

The MBoD would develop a process and a secure database, if appropriate, where research conducted and information gathered by services it funds, the Visitor's Centers and all private organizations willing to do so, may share that information for data-driven marketing decision making. The aforementioned quarterly meetings are another way of sharing this information.

Coordinated Websites, Apps

The MBoD would develop and execute a plan to coordinate the various web sites marketing the Valley in a way that creates a seamless experience for the tourist looking at the Valley. This may be one integrated web site, a combined portal or a consistent look and feel among the sites where the user can easily get to the experiences and services they want. At a minimum, the various websites must make it easy to find services found on each other's sites. To remain competitive, we must make it easy for our customer to find us and access the services they are interested in when they get here. The MBoD would determine the best way to accomplish the integration of web-based marketing efforts already underway in the Valley.

To be competitive, the Valley needs a tourist-focused 'app'. Crested Butte, Vail and Telluride have apps designed for visitors. Although we do not directly compete with Singapore, it is worth noting that their visitors receive a smart phone for the duration of their visit with the 'Singapore app's' preloaded.

The MBoD can explore coordination with other vendors like TripAdvisor to help potential visitors find us and come to the Valley. Coordination with other on-line vendors leverages LMD funds and reaches visitors 'shopping' via the web, particularly those who are 'mobile' shoppers.

Unified Events Calendar

A missing piece of important data is how many or what portion of visitors, or what characteristics of visitors, our events bring to the Valley. This is a measurement that should be made by the MBoD and used for future marketing strategies. Currently, some large and some smaller events in the Valley are not actively marketed with LMD funds. Interviewees suggested that events have a significant impact on the Valley's tourist economy.

All organizations in the Valley should be polled and their events included on a single, unified Annual Events Calendar. Efforts should be made over the next two years to sequence events to maximize participation by visitors and residents. Reno, NV, has done this with great success.

The MBoD would consider holding two meetings each year to coordinate winter and summer calendar events throughout the Valley and ensure the unified events calendar is complete. This should happen well in advance of the season so the information is available when potential visitors are shopping.

Unified Call-in Number for the Valley

The MBoD would develop and execute a plan to create a call-in number for tourist information for the Valley where they can get integrated information on the Valley. Currently, the caller has to choose between two parts of the Valley, reinforcing the notion of up-Valley vs down-Valley rather than the entire Valley with many unique Experience offerings. Some folks in the Valley think in terms of up-Valley and down-Valley but our visitors, who are our customers, do not.

Fulfillment

In the past, the Visitor's Centers received funding for fulfillment for sending out vacation planners. The charge for fulfillment included some off-set funding for other services provided through the Visitors' Centers such as greetings, information, referrals and in-person vacation plans. For cost savings reasons, the decision was made a few years ago that fulfillment would be handled through a third party vendor who uses bulk mail to send out vacation planners. The Visitor's Centers have never received LMD funding for the in-Valley services to provided to visitors through the Visitor's Centers.

If vacation planners are easily accessed and consistently downloadable from websites, fulfillment becomes a minor and secondary part of marketing. Competing destinations have long since given the majority of their marketing efforts over to electronic and mobile media, including vacation planners.

The MBoD should assess how quickly phone-in requesters receive Vacation Planners, and the percentage of requesters who download Planners or who 'view' Planners and proceed to book overnight stays, events and Experiences. Where possible, the MBoD should compare this data to our competitors.

MR recommends that the MBoD look at both the cost and the results being achieved by the current fulfillment arrangement. Results should be evaluated in terms of how long the potential customer waits to receive the vacation planner, which would have everything to do with whether the potential customer comes here or goes elsewhere. Disconnecting cost from desired results can be ultimately more costly.

Stipend

Expertise and the level of responsibilities expected for the MBoD suggests that members should receive a minor stipend for serving on the Board as well as reimbursement of expenses. By 'minor', we suggest something on the order of magnitude of $3,000 per year or $250 per meeting.

Board Training
The LMD should support Board Member training for the MBoD. The training should focus on board decision making processes, data-driven decision making, performance measurement, communications, managing for results, performance-based contracting and budgeting, partnering for results and other topics the LMD and MBoD believe would be essential skills for success. These same topics must also be within the capability of any and all staff the MBoD may hire.

Staffing
The MBoD may decide to hire a director and/or staff, including considering current TA staff, or they may chose to subcontract for assistance in implementing their marketing strategies, or a combination. If staff are hired, then it is essential that the hires bring the systems perspective, results orientation, collaboration and partnership building skills, and up-to-date marketing skills that the MBoD requires to achieve their stated results. Knowledge of how to market and support events and group sales should be part of their capacity.

Transition
In the transition from the current arrangement to the MBoD, it will be important to manage continuity of marketing efforts currently underway. Some options the LMD may consider include the following: 1) the Tourism Association could respond and propose to provide these services for a period of time, 2) existing staff could be asked to continue to provide marketing services underway, or 3) retain a marketing consultant to oversee marketing operations, possibly using existing staff, for six months until the MBoD is established and ready to make decisions.

## Recommendations – Visitors Centers

Marketing System – Visitor's Centers
There is strong consensus that in-Valley marketing that occurs through the Visitors' Centers is a critical component to marketing the Valley.

The current arrangement is that the Visitors Centers do not receive LMD funding. Funding decision are made by the TA Board under the sole source agreement with the LMD. In years past, the Visitor's Centers were provided funding from the TA for 'fulfillment' or sending out vacation planners. That funding ended some five years ago. Funding for the other in-Valley marketing services provided by Visitor's Centers has been funded by the Chambers and has not been supported by LMD Lodging Tax funds. In-Valley and out-of-Valley marketing services are not coordinated or integrated.

Funding for In-Valley Marketing Services

Contemplating how a marketing system for the Valley might be structured, MR considered the importance of Visitor's Centers as in-Valley marketing. All interviewees indicated that the Visitor's Centers play an important role in in-Valley marketing.

The largely non-functioning relationship between the TA and Chambers has, over the past several years, exemplified the leadership fragmentation pointed out in the Radcliffe Report and has led to significant disconnects in marketing the Valley. This is not as much an issue of personality as it is an issue of structure -- the current Coordination Model has not achieved the coordination or collaboration of marketing efforts, let alone created a system. Out-of-Valley and in-Valley marketing efforts are not tied together and do not act in any way as a system for marketing the Valley.

Going forward, to build a systemic approach to marketing the Valley, MR recommends that the LMD and MBoD specifically invite the Visitor's Centers to submit Strategic Business Plans to the MBoD for Visitor Center services. The MBoD may do this through an RFP for those services. This approach requires the Visitor's Centers to compete for funding and undoes the history of leaving the Visitor's Centers out of the marketing system. If the Visitor's Centers are successful in competing for the funds, this provides a transition for integrating Visitor's Centers into the Valley marketing system.

Strategic Business Plan

The Strategic Business Plan should outline the services they propose to provide and the Plan will detail how their performance will be evaluated. The Strategic Business Plan will include, at a minimum, the performance measures for both outputs and results to measure their customer service performance, describe how they will gather and share information with other members of the Valley's marketing system, strategies and requirements for collaboration with the MBoD and other organizations participating in the Valley's marketing system, how the Visitor's Centers will integrate with the MBoD website, strategies for marketing the Experiences identified by the MBoD, how the Visitor's Centers will integrate with the Unified Events Calendar, a plan for modernizing the Visitors' Centers (including the use of technology), accounting procedures for the distinct and separate use of LMD funds for the approved service, and a match to the LMD funds (see below).

The types of services provided through the Visitors' Centers that could be included in the Strategic Business Plan include greetings; information responses; referrals; in-person-developed vacation plans and schedules; event calendars; free bus schedules; amenity descriptions, locations and photos; telephone inquiry responses; materials requests fulfillments; specific Experience descriptions, locations and photos; etc., etc.

Funding and Match

Funding levels for the Visitor's Centers should be based on the Strategic Business Plan each Visitor's Centers submits to the MBoD. MR recommends that if the Visitor's Centers are successful in receiving funding, they should be required to provide a match equal to 30% of the funds received from the MBoD. This should allow the Visitor's Centers to operate at a higher level of performance, modernize the customer experience with up-to-date technology and signage, and incentivize the Visitor's Centers and their municipal partners to continue to invest in the Visitor's Centers. Volunteers from the community should be emphasized in the workforce at the Visitors' Centers. Funding for services delivered through the Visitors Centers could free up other Chamber resources for business support services.

Chamber Members

Interviewees expressed understanding that the LMD Lodging Tax funds are public monies, collected from visitors to the Valley, to be used by the LMD to market the Valley -- the entire Valley -- not Chamber members only. Thus, the Visitor's Centers, should they choose to propose and contract with the MBoD to deliver LMD-funded marketing services, may initially face some challenges integrating services to be Valley-wide rather than member-specific services only. However, MR would suggest that ultimately all members would benefit from prosperity throughout the Valley.

## Additional Items

Legal Documents

The BoCC/LMD should request that the County Attorney determine what legal documents may be necessary to implement their decisions and develop those forthwith.

Attachments in Order

#1 Gunnison County Attorney Memorandum dated April 21, 2014
#2 Product from the First Facilitated Meeting – Issues, Draft Strategic Results, Services
#3 List of Interviewees
#4 Agenda's of Facilitated Meetings