

**Manitou Springs Chamber of Commerce, Visitors Bureau  
& Office of Economic Development**

**Board of Directors  
Meeting Minutes**

**April 23, 2015**

**Present:** Justin Armour, Karen Cullen, Rachelle Cully, Tim Haas, Ken Jaray, Christina Larson, Farley McDonough, Marcy Morrison, Annie Schmitt, Nicole Nicoletta

**Absent:** Gwenn David, Julie Vance

**Guests:** Ryan Cole, Doug Price

**Staff:** Leslie Lewis

A regular meeting of the Manitou Springs Chamber of Commerce, Visitors Bureau & Office of Economic Development Board of Directors Meeting was held on Thursday, April 23, 2015 at the Craftwood Colorado. Brian Scully and David Monson, owners, were introduced. Following a tour of the property, the meeting was called to order at 9:00 a.m. by President Karen Cullen.

**A. Tourism Economics Study Presentation & Discussion**

Doug Price, CEO for the Colorado Springs Convention & Visitors Bureau, and Ryan Cole, Executive Director of Pikes Peak Country Attractions Association, were introduced. Doug explained he had reached out to Tourism Economics, a company that provides economic studies for countries, states, and destination cities, under the auspices that the promotional budget for the Pikes Peak region is substantially lower than most destinations in the competitive set. The CSCVB felt there was room to grow the LART (Lodging and Automobile Rental Tax) collections and not lose what is a perceived competitive edge. He further stated increasing the promotional budget would have a dramatic increase on the economy, jobs, and tax collections revenue for the community. Doug went on to point out that development is already taking place and the destination needs to have a good ROI and increased marketing of the region will increase use of the airport, filling the available seats, and putting Colorado Springs in a better position to talk with airlines about expanding service to the airport. The current LART (2% on hotel rooms and 1% on Automobile rentals) brings in approximately \$4.4 million. Two-thirds of that money goes to the Colorado Springs Convention & Visitors Bureau and the other third goes to the City of Colorado Springs to promote events. The LART went into effect in Colorado Springs in 1980 and was 2% on lodging and 1% on automobiles at that time.

The CSCVB promotes Fremont, Teller and El Paso counties. Most of the lodging is in Colorado Springs. When the CSCVB began the study, they reached out and got 26 organizations/municipalities to support or endorse the study. Manitou Springs sponsored part of the study. Doug pointed out that we need to market the area as a region, no one has enough money to market on their own. The low LART has been a discount for visitors and has held back the CSCVB from being able to promote at the effective levels that are needed. The study shows the increase would create between 1,400 and 2,700 new jobs in the hospitality/tourism industry.

Tourism Economics studied 19 other destinations for comparison. With the CSCVB's annual budget of approximately \$3.4 million, Colorado Springs falls in the middle. Funding per hotel room, Colorado Springs is at the bottom of the list. Karen Cullen asked about occupancy rates which were not included in the report. Doug said annually the occupancy rate for Colorado Springs is about 63% with the peak in June, July, and August.

The key measurements were overall budget, number of hotel rooms, and the number of jobs in the tourism industry. Tourism Economics presented 3 different scenarios. Doug went through the 3 options. None would put Colorado Springs at the top but would make it more competitive. The first scenario recommended increasing the lodging tax from 2% to 4% and the automobile rental tax from 1% to 4%, expand the tax to include attractions, specifically dedicate the 2/3% to the CSCVB and make that a multi-year agreement. In addition to these changes, the second scenario recommended establishing a local marketing district which would add these taxes to businesses in all of El Paso (not just Colorado Springs), Teller and Fremont counties. The CVB's funding, other than membership dues, comes from the LART in Colorado Springs. Ken Jaray asked what the tax rate (including lodging) in Manitou Springs is and was told 11.03% (falling above Estes Park and below Des Moines on the screen shown).

Doug ran through several developments recently opened, being built, or in the planning stages. His staff came up with \$641,000,000 either spent or in the development phases. There are other advertising areas that the CVB can't currently cover that could be expanded with additional advertising funds available. They would like to do more off season/shoulder season marketing. Doug talked about the importance of increasing visitation to the entire region through increasing international marketing, trade show presence, and visitors guide distribution.

The CVB currently receives approximately \$23,000 from Manitou Springs businesses, \$23,000 from Teller County businesses, and \$30,000 from Fremont County businesses for dues and advertising fees. They would like to be able to promote the river communities and mountain communities more.

Doug reported there is a recommendation that \$600,000 be earmarked for marketing the airport. This would need to be shared between outbound marketing as well as inbound. The CVB is doing some advertising (electronic) in cities that have direct flights into the Colorado Springs airport. They are spending about \$100,000 from March to June in seven markets. There was discussion of the airport and the changes needed and being made by that will make the airport more viable for travelers and airlines.

Ryan Cole, Executive Director of Pikes Peak Country Attractions Association, reported that PPCA helped sponsor the study and wanted to make sure the information that came forth wasn't just glorifying the CVB but would gauge if we were doing the best job we can. They are looking for ways to grow the attractions revenues. The next phase of the project is to look at how to set up a local marketing district and how to bring everyone together to grow the LART. The PPCA members determined they want to be involved in the process of growing the region. Many attractions are putting money in to help with the next phase. There could be a question on

the 2016 ballot about increasing the LART. The LART committee processes the requests for funding to support special events. One of the measurements they use is how many room nights does the event fill.

Tim Haas stated there are a lot of logistics that need to be figured out but that The Broadmoor in addition to attractions such as the Royal Gorge Bridge which are in support of the increases. Tim went on to say he believes it is important for Manitou to be part of the support. Karen Cullen said she thought the logistics are a little fearful from an organizational standpoint because while the CSCVB does a good job of marketing the area, this organization relies on the Manitou Springs lodging tax and markets the small businesses in this area. She thought more money from the LART would be appropriate but thought it should also go to other organizations that support the region as well.

There is a company, Civitas, based out of California that has set up over 70 marketing districts throughout the United States. The CVB will most likely contract with them to come in and help set up the district.

Doug made it clear he wasn't looking for money, from the Chamber, to help fund the Civitas contract. Both the Attractions and the Lodging Association are offering financial assistance with that, but would like a Letter of Endorsement that the Board of Directors is on board with figuring out how to maximize the tourism economy. Karen asked if the CTO has been approached for assistance and was told Al White is aware but has been busy with the CTO budget for 2016. Doug will be in touch with the CTO again. Doug and Ryan were thanked for their time and presentation.

Tim talked about the complexity of the issue with the different municipalities involved and some having lodging and excise taxes in place while others do not. He further stated that he believes those not getting involved will be left behind in the end.

After additional discussion, Marcy Morrison made a motion for a Letter of Support to the CSCVB be drafted and sent to the Board for changes. Tim seconded the motion and it was approved.

**B. Action Item: Approval of March Meeting Minutes**

Ken made a motion to approve the March Meeting Minutes as presented. Farley McDonough seconded the motion and it was approved.

**C. Action Item: Approval of March Financials**

Tim reported that he believes we are in the position that we should be at this point in the year. He pointed out that the budget as approved is operating at a loss of approximately \$20,000.00 for the year. Karen pointed out that the budget deficit was approved to have contract labor available for additional assistance this year. Ken asked if we had saved \$6,000 on the Visitors Guide, it that brought the deficit down to \$14,000.00 and was told it would if everything else stayed as budgeted. Farley made a motion to approve the Financials as presented. Rachelle Cully seconded the motion and it was approved.

**D. Action Item: Approval of New & Renewing Members**

We received a new member application from the Pikes Peak Makerspace. There will be a ribbon cutting for them on Saturday, 10 a.m., which the Board was invited to attend. The Makerspace and what they offer was discussed. Nicole Nicoletta reported she had heard they would be providing protective eye wear for the ribbon cutting.

The Buffalo Lodge and Mel Haven Lodge are both discontinuing their memberships with the Chamber.

Tim made a motion to approve the new and non-renewing members. Justin Armour seconded the motion and it was approved.

**E. Action Item: Approval of Conflict of Interest Statement**

Staff recommended the Approval of the Conflict of Interest Statement be postponed as copies were not brought for Board Members. Ken asked for the context that the Conflict of Interest Statement was being approved. Staff reported that it was a statement that Board and Committee members used to sign. It is a reminder that any time an issue is before the Board that a member would have a financial interest in, they should not vote on that issue. The statement will be sent to Board members for review prior to the next meeting.

**F. Marketing & Web Site Update**

Karen reported that the remarketing ads have started. If you are on the Manitou Springs site then go to other sites, you will receive reminder ads for Manitou Springs come up.

Marcy had brought in an article on winter destinations moving into the summer market. There was also an article on Minnesota advertizing for Colorado visitors.

The Marketing Task Force is working on a marketing calendar to better plan as well as let everyone what is happening on a regular basis.

We have started a campaign in Denver on CPR that will run into mid June and then pick up again in August through the end of the year.

Karen reported that since March 1, the web site has had 130,000 page views so we are getting good traffic. She believes the traffic will increase not only because we are getting into season but the remarketing ads should drive additional traffic. Ken asked about comparison numbers. Staff will research through Google Analytics and get that information to the Board.

The fees for Coffin Race entries have been increased to \$75.00.

**G. City Update**

Nicole reported Council had passed a 12 month Moratorium on Vacation Rentals on second reading. It was undetermined as to who would be responsible for collecting the data being requested. There was discussion of forming a task force made up of residents and staff or just having staff involved. Anyone interested can contact the Planning Department. Ken asked if the moratorium could be lifted sooner. Nicole responded it could if the data collection and reasons

for it come together sooner. The Board discussed the moratorium, the conditional use process, and the impact of vacation rentals on neighborhoods.

The URA will be having a work session with Council next week.

There is nothing in the Charter regarding vacant buildings. Nicole is getting that issue on a work session as well. It will be under the international property code.

Downtown was discussed. Leslie received an email from a previous visitor that was shared with the City Administrator and Police Chief. The visitor loves Manitou Springs but won't return. Their last visit they felt the downtown was "filthy" and the number of panhandlers that he felt harassed his family too much. Leslie requested additional information about what they meant when they said downtown was "filthy" which they replied was building with chipping paint and sidewalks being dirty. The BID Board did a walk-thru downtown. They will be having the sidewalks power washed and are waiting on the price from Master-Blaster. One of the buildings really in need of paint is Rockey's. Nicole asked what was going on with Hawk's position. Currently there is one person working on cleaning downtown. Last week with the snow, the City used their tractor to help with snow removal.

The Board discussed the need to keep the downtown area clean (much cleaner than it has been) and the trash cans need to be emptied when they are full, even on the weekend. Tim said as disgruntled as he was when the walk was done, he was glad that there was not major infrastructure issues, it just needs "TLC" and cleaning. Leslie will contact the City (both Brad Walters and Greg Springman) regarding the trash cans.

Farley and Marcy brought up the Façade Improvement program that the URA had offered in that area and wondered if a similar program might be viable in downtown. It is a simple two page application. It was used as a matching grant program in the URA. Leslie has not received the application information.

## **H. Special Events**

The Southern Colorado Health Fair was last Saturday. There was a much lower turnout than expected. Ken mentioned that after he had his blood work done, someone told him that everyone can get free blood work done once a year as part of the Affordable Healthcare Act. He thought people who were aware of this probably did not attend. Leslie will set up a meeting with Patti Clavier and the organizers (Kimberly and Dianne) from Denver to determine where this event goes. Nicole brought up the number of people who took advantage of the other free screenings that were available and expressed that she hopes we continue to provide this event.

The fee for the Coffin Race entries was increased to \$75. So far we have received 3 entries.

The Wine Festival is June 6. Everything seems to be set for that.

## **I. Executive Director**

In the February meeting, CDOT talked about the West end access ramp and planned repairs on

that bridge. They will not be working on that project until fall now. They also talked about the finalizing the protocol for the Highway 24 closures. That protocol is not out for release yet.

Chief Ribeiro has a Public Safety meeting scheduled in City Hall. They will be talking about emergency preparedness including flood mitigation and preparedness. The meeting is from 7:00 pm – 9:00 pm.

Ken reported that he had noticed traffic backing up just west of Ruxton and asked if there is a sign at the Park Avenue intersection to let people know they can access Highway 24 by going west. No one was sure but didn't believe there was one. It will be checked and suggested to the City.

Rockey's Celebration of Love will be Saturday and Sunday, May 30 and 31. Staff got involved because Paul York and Chuck Englund were concerned. Rockey doesn't want publicity, other than word of mouth, so there is concern about the organization of the event. Tim has been nice enough to allow the books to be stored, and signed, in his warehouse. The cost of the book, signed and numbered, is \$350.

A member of PARAB made a statement to Leslie that the Wine Festival could use Memorial Park this year but it would be the last year and told Julia Wright that it would be okay if Commonwheel Arts Festival left Manitou Springs. Leslie and Julia have asked City Council for a work session on events and use of City parks. The work session is set for May 12.

Leslie is involved in a lot of meetings on economic development with Karen Berchtold and Mickie Valente. There will be a stakeholders meeting in May to talk about economic resiliency and a workshop for businesses in the fall for business continuity planning.

Ken asked if there was a short term effort to assist with the building vacancies. Two of the Ford's vacancies are rented. There is a new sign in the Jenkins building. Staff will contact those building owners for the details on the available buildings. Ken thought it would be helpful for the Board to get periodic updates on buildings available, square footage and rental rates on those buildings. The art community has offered to put art in the windows, create displays, so those buildings don't look so vacant. Shemi Shlomo purchased the European Café building and will be remodeling the building then leasing the space. There is a new banner in front of the Stagecoach Inn but the sale has not yet closed.

Having no other business before the board, the meeting adjourned at 10:52 a.m.