

Town of Estes Park, Larimer County, Colorado, June 5, 2008

Minutes of a Special Joint meeting of the Board of Trustees of the Town of Estes Park and the County Commissioners, Larimer County, Colorado. Meeting held in the Town Hall in said Town of Estes Park on the 5th day of June, 2008. Meeting called to order by Commissioner Gibson.

Present: William C. Pinkham, Mayor
Chuck Levine, Mayor ProTem
Trustees Eric Blackhurst
Dorla Eisenlauer
John Ericson
Richard Homeier
Jerry Miller
Commissioners Glen Gibson
Randy Eubanks
Kathay Rennels

Also Present: Attorney Greg White
Jacquie Halburnt, Town Administrator
Lowell Richardson, Deputy Town Administrator
Frank Lancaster, County Manager
Jackie Williamson, Town Clerk
Cynthia Clay, County Deputy Clerk
Gael Cookman, County Deputy Clerk

Absent: Trustee Chuck Levine

Commissioner Gibson called the meeting to order at 3:05 p.m.

Mayor Pinkham provided a brief history of the project that began in the fall of 2007 with the Governor signing Senate Bill 07-111 allowing statutory municipalities to form Local Marketing Districts. The petition process required the signatures of commercial property owners totaling 50% of the total commercial assessed value of the proposed district.

LOCAL MARKETING DISTRICT PETITION CERTIFICATION.

Town Clerk Williamson reviewed the certification of the petitions which totaled \$45.5 million of the \$84 million assessed commercial value for all commercial property within the proposed district. Attorney White reviewed the process for the approval and formation of the Local Marketing District (LMD) by the electorate and the proposed 2% lodging tax. The Town and the County would have to enter into an Intergovernmental Agreement (IGA) to define the formation of the LMD, its role and the lodging tax percentage. The boundaries of the district are those of the Estes Valley Parks & Recreational District boundaries minus the area within Boulder County.

It was moved and seconded (Trustee Miller/Trustee Blackhurst) the petition for the formation of the Estes Valley Local Marketing District meets the requirements of Section 29-25-105(2) C.R.S., and it passed unanimously.

Commissioner Eubanks moved that the Board of County Commissioners find the petition for the formation of the Estes Valley Local Marketing District meets the requirements of Section 29-25-105(2) C.R.S., and it passed unanimously.

FORMATION AND OPERATION OF THE LOCAL MARKETING DISTRICT.

Town Administrator Halburnt reviewed the legislation allowing the formation of a LMD by a statutory municipality. She stated lodging taxes are not uncommon in home rule municipalities with approximately 30-40 in existence within Colorado ranging from .9% to 6%. The taxes are beneficial to communities have an influx of tourist using the facilities and services of the municipality. The formation of the district would be accomplished through an IGA between the Town and the County. The IGA and 2% lodging tax would be voted on by the electorate residing within the district boundaries. The tax would only be collected on nightly rentals of accommodation units and would not be collected on goods or groceries. The tax is estimated to generate \$1 million to be collected by the Department of Revenue and transferred directly to the LMD. The tax collected could only be used to organize, promote, market and manage public events; activities in support of business recruitment, management and development; and coordinating tourism promotion activities. If approved, collection of the tax would begin in January 2009; therefore, the Town would fund marketing efforts for 2009.

CVB Director Pickering stated a marketing district is needed in Estes valley to provide a dedicated funding source to promote and market tourism under any conditions; to eliminate in-town versus out-town concerns by business owners; to place marketing decisions in the hands of the community and businesses of Estes; and a balanced approach to funding the infrastructure and marketing. The LMD Board would be appointed by the Town Trustees and the County Commissioners. If approved in November, the tax collected and the revenues earned by the CVB (\$250,000) would go directly to the LMD. The new Board would be seated late 2008 or early 2009, and would develop an operating plan for 2010. The plan would be presented to the Town and the County for approval prior to September 30, 2009. The \$800,000 earmarked from the General Fund for marketing would be used in the future for capital improvement projects. It is anticipated the LMD would direct the CVB staff regarding marketing, advertising and promotional programs; however, the Town would continue to fund special events, the conference center, Performance Park, and portions of the CVB.

PUBLIC COMMENT

David Habecker/Appenzell Inn questioned whether or not the YMCA, a tax exempt entity, would be included in the district. He also questioned the role of the CVB in the future with the approval of the LMD. He would encourage the development of a formal complaint process to ensure businesses have the ability to register grievances if the district does not perform or negatively impacts a business.

Jim Tawney/Ponderosa Lodge foresees the district failing unless the electorate can be assured that 100% of the money raised from the lodging tax would be used solely by the LMD for marketing. The LMD's role should be defined narrowly and funding should be used solely for marketing. He also requested Town funds currently budgeted for marketing continue to be budgeted for with the approval of the LMD. He stated if money is used for personnel cost the lodging establishment would not support the LMD.

Warren Clinton/Castle Mountain Lodge agreed with earlier comments and suggested the \$800,000 budgeted for marketing should continue to grow over the years. If the money supplanted by the lodging tax is used for infrastructure, it should be used for tourism or tourism related facilities. The dollars raised should be used solely for marketing.

Robin Eldridge/Paradise RV Park spoke in favor of the LMD. He suggested the district should be diagramed to help explain it to the general public. He questioned if all accommodation business, in-town/out-town would be included as a member of the CVB if the new district is passed. He also questioned what would happen with a downturn in the economy to make up the difference in revenue, i.e. would the Town set aside funds to make up the difference.

Director Pickering stated CVB membership would be determined by the new LMD Board. He would recommend to the new LMD Board that the current fee structure remain in place.

Dave Ranglos/Glacier Lodge spoke in favor of the LMD. He stated concern with potential overlap in service levels between the CVB and the LMD. He questioned the need to form a separate Board for the oversight of the funds when the CVB already has a staff of professionals.

BOARD AND COMMISSIONER COMMENTS

Trustee/Commissioner comments are summarized: the operating plan should be open to the public for discussion in order to be as transparent as possible; concerns were raised as to how the CVB would transition to the LMD; would the lodging tax funds be used to pay for personnel; the Town would continue to fund the operations of the CVB budgeted at \$2.8 million for 2008 and only \$800,000 would be supplanted by the new lodging tax; an IGA may need to be developed between the Town and the LMD for marketing of Town facilities, i.e. Stanley Fairgrounds; the General Fund dollars saved would be used for tangible benefits for the tourist and residents to remain a premier mountain resort; this is a mechanism to raise marketing dollars and find more money for capital improvements; what feedback has the Town received on the formation of the LMD; the community is supportive but concerned with the management of the district; conceptually there are a lot of questions that need to be answered with regard to the mechanics of the district; the accountability of the district needs to be clear and transparent; the public and the business community should have the opportunity to apply as a member of the new Board; the district is vital for the future of the town; the district would provides a mechanism to collect marketing funds and provide a set amount to be used each year; need to provide more information to the public on the issue.

There being no further business, Commissioner Gibson adjourned the meeting at 4:40 p.m.

Jackie Williamson, Town Clerk