



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: LESLIE EDWARDS, FINANCE DIRECTOR, AND VANESSA AGEE, COMMUNICATIONS DIRECTOR
RE: DESTINATION MANAGEMENT DISCUSSION
DATE: OCTOBER 25, 2022

Summary and Background:

The topic of destination management and peak day management was brought up by the Thriving Economy breakout group at Town Council's strategic planning retreat on June 20, 2022. As a result of that meeting, staff is providing additional information to facilitate Council discussion around identifying challenges, what other strategies might be employed to mitigate these challenges, and whether to proceed with destination management and peak day management planning.

Data supports the statement that the local tourism industry is foundational to Summit County's and Frisco's economy, and feedback from the community makes it clear that it is imperative that future growth is managed responsibly so residents can enjoy the quality of life that brought them to the Frisco area. Across Colorado, destination stewardship efforts have been accelerated due to the influx of visitors to mountain towns during the pandemic. Although data shows that the significant growth in visitation to Frisco seen in 2021 and even before has now begun to decrease, largely because travelers now have more choices to travel both domestically and internationally and explore for more diverse travel experiences, satisfying the long awaited 'vax-cation.'

Advertising and PR

The Town of Frisco general advertising and promotions budget has been \$250,000 since 2017 in order to honor the community's feedback around keeping visitation numbers level or even reducing it during some time periods like summer. This budget was briefly reduced by 10% in the 2021 budget in anticipation of a slowdown due to COVID and was eventually brought back up to 2017-2020 budgeted levels. This was done in anticipation of needing to use more of this budget for governmental communication, in acknowledgment of traveler behavior changing due to more available travel choices, and in response to the growing realization that we may be seeing a recession in the near future.

Also, the State of Colorado provided a real life cautionary case study around deciding not to market anymore, when in 1993, Colorado reduced its tourism marketing budget from \$12 million to zero. As a result, Colorado's domestic market share plunged 30% within two years, representing a loss of over \$1.4 billion in tourism revenue annually. Over time, the revenue loss increased to well over \$2 billion yearly and has only recovered to previous levels decades later.

With that in mind, the marketing budget is crucial for maintaining relevance as a destination in order to support the community's economic health. Yet, marketing costs have risen, while the budget has not, so the Town is in fact marketing less. Also, PR efforts are strategically focused on destination/overnight visitors who support the economy at a more significant level and are better positioned to take advantage of public transportation and the Town's walkability/bike ability.

Analysis:

By the Numbers

Visitation numbers showed a significant jump in 2021, leveling off and dropping in some months since then. The data tells a story that the surge of visitors the Town experienced during the COVID-19 pandemic is settling, while revenue continues to rise. The reasons for this divergence can be attributed to increase in ADR, inflation, and targeted destination marketing. A full report is attached and provides detail by month, but here is a quick synopsis of visitation (originating 40+ miles from Frisco) based on cell phone data and of sales tax data from January-July of each year since 2017, as that is the currently available YTD data for 2022:

2017 January-July
Visitation- 2,610,994
Sales/Lodging Tax- \$5,159,672

2020 January-July
Visitation- 2,194,586
Sales/Lodging Tax- \$5,597,814

2018 January-July
Visitation- 3,080,661
Sales/Lodging Tax- \$5,566,349

2021 January-July
Visitation- 3,032,791
Sales/Lodging Tax- \$6,856,021

2019 January-July
Visitation- 2,969,373
Sales/Lodging Tax- \$5,843,201

2022 January-July
Visitation- 2,690,135
Sales/Lodging Tax- \$7,770,306

What are the Challenges?

The level of visitation over the past two years highlighted challenges that have been expressed by residents previously. Three themes seemed to have emerged over the past several years.

- 1- **Trailhead crowding-** The overcrowding and parking around trailheads, specifically North Ten Mile and Zach's Stop, has been even more pronounced in the past two and a half years, as outdoor recreation replaced concerts, festivals, and sporting events as a safe pastime. Even Quandary Peak south of Breckenridge saw a parking management and shuttle program implemented due to the building challenge of trailhead overcrowding.

The Town's website and Visitor Information Center staff direct guests away from crowded trailheads and encourage walking to trailheads, and the Town uses its Care for Colorado Membership to distribute resources about adventuring responsibly. Yet, staff believes that technology and trailhead signage about behaviors, alternate trails/trailheads, and parking are likely the most effective ways to mitigate crowding and poor stewardship. Information Center staff is currently reaching out to other entities to work on signage and to determine how to get information about alternate trailheads, like Miner's Creek trailhead, into Apple and Google map databases.

- 2- **Parking-** This summer's work at the Frisco Bay Marina and on Main Street with Interstate Parking was precipitated by resident and business frustration around parking. During the October 11 parking presentation to Council, there were successes around paid parking at the Marina and enforcement of three hour parking on Main Street. Recommended adjustments to Marina employee and passholder parking will be improvements for 2023. Also, ongoing work on formalized right-of-way parking on Galena and Granite Streets offer the possibility for more relief in neighborhoods. Ensuring appropriate capacity levels of parking can ease traffic circulating seeking a spot, reducing traffic congestion that occurs in Town at times.
- 3- **Event fatigue-** The February 2021 Town Council event discussion grappled with the mix and flavor of Frisco events, and subsequently, localization and impact reduction strategies were employed for two Town events, which are also on the agenda for discussion during the October 25, 2022 Town Council work session. Also, during Council's January 11, 2022 discussion regarding street closures, Council decided to reduce the number of full Main Street closures and focus on more localized events by not closing Main Street for two days for the Howard Alan Art Show. Currently, Main Street sees six days of full closures due to the Easter Egg Hunt, BBQ Challenge, 4th of July, and Trick-or-Treat Street and 18 one or two block closures primarily in front of the Historic Park due to 12 Concerts in the Park, Town Clean Up day, Canine 4k, Fall Fest, Run the Rockies, and Wassail Day lighting.

Frisco last administered a community survey in 2020, and in the near future it may be advisable to do another community survey to continue to monitor resident experience around visitation and community and to identify challenges. The Town's Charter requires updates every 5 years, at a minimum. In order to evaluate what needs to happen to support better harmony between resident quality of life and visitor experience, the Town needs to hear from residents about what they identify as areas for improvement.

What is Destination Management?

Destination Management is the coordinated management of all aspects of a destination that contribute to a visitor's experience, taking into consideration the perspectives and expectations of local residents, visitors, industry businesses, the environment, and local government. Destination management should create sustainable growth to the benefit of the local community and support environmental, economic, social, and cultural values. In focusing on these sustainable aspects of a managing a destination, it is sometimes referred to as destination stewardship.

Destination management can play a vital role in helping organizations in the travel and tourism industry achieve their goals. It can unlock many benefits, such as delighting the travelers so they return to the destination, increasing revenue, and building a sustainable plan for the future. Destination management can also include local businesses and leverage local knowledge to help create immersive experiences and attract even more travelers to visit the destination.

Every destination management plan is unique. Some may focus on local resources and accommodation, while others may focus on tourist attractions, events, and activities. Elements of a successful destination management plan may include: development of infrastructure, smart visitor dispersal, custom tailored destination marketing, and education on responsible travel. It should be noted that the Town of Frisco already incorporates many of these aspects of a plan into the Town's operations, marketing, events, and communications.

What is Peak Day Management?

A peak day management strategy identifies the most relevant challenges that an area faces on peak days (think July 4th or during Breckenridge's snow sculpture event), and outlines what actions can be taken on those days to most effectively alleviate the effects on the community. A peak day management plan may include action items around: variable messaging signs and police staff to direct traffic; shuttles to reduce congestion; more trash containers with higher collection frequency; trailhead management to address parking, port-o-lets, trash, signage (including education on trail use); and utilization of visitor information centers, including dispersing visitors based upon daily usage.

How Other Communities Have Planned

Breckenridge – In 2018-2019, the Breckenridge Tourism Office (BTO) facilitated the development of a community [destination management plan](#) on behalf of the Town of Breckenridge. The consulting firm, InterVistas, was hired to lead the process which included soliciting input from over 600 stakeholders from the greater Summit County area through interviews, focus groups and a large visioning session. The results of the plans expectations research (1100+ respondents) also informed this plan. This plan defines the community's collective vision for the next ten years or more and has been used as the basis for the Town's strategic plan. Additionally, the plan has led to the development of the "[B Like Breckenridge](#)" movement to embrace the spirit of Breckenridge, which embraces principles around being thoughtful about how residents and visitors alike interact with nature, wildlife, and one another; and preserving and protecting their communities, natural environment, and world.

Vail - The Town of Vail's process to create a Destination Stewardship Plan began in 2021 and is entering its final stages after completing an information-gathering phase involving more than 1,100 stakeholders that will be used as the plan's foundation. The goal of Steward Vail is to create a 10-year vision and management plan that will: manage the growth of Vail's tourism economy, protect Vail's way of life and the natural environment, and maintain a world-class experience for Vail's visitors and residents.

Vail has been asking the following questions during their public outreach process:

- What challenges is tourism creating in our community?
- What opportunities do you see to enhance the resident and visitor experience?
- How can Vail create more positive benefits from tourism?

Vail is reviewing their draft plan currently through public engagement and anticipates spending \$200,000 on a completed plan. Following the public workshops in October, the draft plan will be presented to the Planning and Environmental Commission in November with consideration of the plan's adoption by the Town Council in December.

The Steward Vail plan will build upon the following key findings:

- Resident Housing Crisis – It will be critically important to address a housing crisis that threatens to strangle the health of its tourism economy.
- Regional Collaboration – The commonality of interests points to the potential for regional collaboration to address concerns that are at the top of the list for everyone in Eagle County.
- Parking Pressures – A key question for Vail to address is whether it wishes to use parking access as a means of managing its capacity for visitors.
- Community Connections – A persistent theme was a longing for a Vail where people feel more connected - both to the community and with each other.

- Next Generation Development – Making things easier for fledging entrepreneurs could help build the town's next generation of leaders, introduce more diversity into food and retail offerings, send more tourist dollars to local pockets, and give locals more places to enjoy.
- Marketing Refinements – Promote Vail as a charming, upscale destination that also is welcoming, inclusive and focused on sustainability. Attract visitors who will support and respect the destination, while encouraging more equitable access to all that Vail offers.
- Consumer Awareness – Gain awareness and recognition about Vail's considerable accomplishments to build a stronger reputation among visitors who make traveling sustainability a priority.
- Guest Service Focus – Providing a high level of customer service is paramount to Vail's future success.
- Natural Environment Threats – Climate change, overuse of trails, threats to water quality and stress on wildlife habitat all threaten the Vail experience.

Sedona - Concerns about being "loved to death" prompted Sedonans to undertake the development of Arizona's first Sustainable Tourism Plan. An 18-month community conversation culminated in unanimous City Council approval of the Plan in 2019. The plan includes the following mission statement: "To lead the Sedona tourism industry in embracing sustainability practices that enable the long-term health of Sedona – its environment, an excellent quality of life, long-term economic strength, and a positive visitor experience." Based upon this mission statement, a plan was drafted that identifies specific action items around these 4 pillars.

Roaring Fork Valley – In 2019, the Chamber (aka Visit Glenwood Springs) partnered with the City of Glenwood Springs and the US Forest Service to launch a successful reservation and shuttle service to mitigate heavy visitation to and environmental impacts of large crowds on Hanging Lake. This model of federal-public-private collaboration has been adapted for Maroon Bells, Quandary Peak, and other outdoor recreation areas in Colorado and beyond.

In 2021, the Roaring Fork Valley Destination Alliance was formed, made up of destination marketing and management organizations including Aspen, Snowmass, Basalt, Carbondale and Glenwood Springs; this new alliance was established during the pandemic to foster valley wide responsible visitation messaging and to create better communications around disaster mitigation. Visit Glenwood Springs also incorporates the Care for Colorado (Leave No Trace) messaging in their blogs, social content, and on [VisitGlenwood.com](https://www.visitglenwood.com). Along with other Colorado destinations like Frisco and tourism-based industries, Glenwood has become a Care for Colorado Stewardship Member. This designation shows the community's commitment to responsible and respectful recreation and visitation. Going forward, Visit Glenwood Springs and the City of Glenwood Springs' Tourism Management Board is committed to pursuing a formal destination stewardship plan.

Before the regional effort was launched, the Aspen Chamber Resort Association engaged in a destination management plan aimed at "protecting the quality of life for Aspen residents while preserving the very reason people enjoy coming to Aspen." They stated that their community is a mature destination and that their residents understand their roots as a tourist destination, but that they were looking to find harmony between the two, so that Aspen could be a sustainable destination into the future.

Teton County - Similar to other communities that are travel and tourism destinations, Teton County, Wyoming has embarked on the development of a vision for the future of tourism and the strategies and actions to achieve that vision. The Jackson Hole Travel & Tourism Board has been heading up the endeavor. Importantly, the development process included intensive

stakeholder and community engagement so that the sustainable destination management plan is a plan driven by a balance of community's priorities and not any one stakeholder group or special interest. The process is currently in step four out of five steps: 1-inventory of existing conditions, 2-on-site assessment, 3-participatory visioning & planning, **4-plan development and validation**, and 5-plan launch. The plan, phased over a period of over 2 years, is anticipated to be complete in the spring 2023.

Financial Impact:

Neighboring communities have spent between \$100,000 to \$200,000 to develop a destination management plan. Funding may be available through the Colorado Tourism Office.

Alignment with Strategic Plan:

Destination and peak day management was brought forward as a topic for discussion during the June 2022 strategic plan breakout group's thriving economy discussion. Yet, destination and peak day management, along with destination stewardship, certainly impact every aspect of the Town's operations and impact core services, environment, recreation, and community, in addition to the economy.

Environmental Sustainability:

The stewardship aspect of destination and peak day management includes "viable natural environment" as one of the pillars and would be integral to any management plan that may be developed.

Staff Recommendation:

Staff has the following questions for Council:

- What are Frisco's current challenges around tourism/destination management?
- Are there further desired strategies and actions around trail overcrowding, parking, events, other priorities identified by Town Council?
- Would a destination management and/or peak day planning process be desirable? If not, are there new strategies staff can take on or should current strategies be prioritized with more resources?
- When would Town Council like to see a new community survey administered? Should more questions around tourism impact, parking, and trailheads be included?
- What aspects does Town Council wish to prioritize as related to the upcoming Strategic Planning process or add into the Community Plan?

Reviews and Approvals: This report has been reviewed and approved by:

Tom Fisher, Town Manager
Diane McBride, Assistant Town Manager