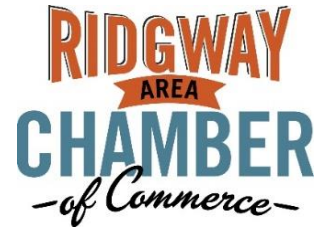


To: Town of Ridgway
From: Ridgway Area Chamber of Commerce
Subject: 2017 Year End Lodging Tax Report
Date: Friday, December 8th, 2017



Dear Ridgway Town Council,

In 2017, the Chamber has focused on laying the foundation for a Chamber that can bring bottom-line value to the local business community by investing in core assets like RidgwayColorado.com, the Visitor Center and staffing. We continue to invest in paid advertisements, both in print and online, to better market Ridgway and direct more visitors to businesses and our website. Financial management and accounting structures have also been internal priorities.

RidgwayColorado.com is now the #1 Google search result for "Ridgway Colorado." We look forward to leveraging this to the benefit of our business community by being the #1 resource for travel and business information for the Ridgway area.

This year the Visitor Center received several improvements, including new themed displays, window and wall wraps, a large screen TV, open layout, a seating area and more. Through these upgrades we highlight the diverse activities, history and assets of the community and ultimately direct visitors to our local businesses and nonprofits.

The 2017 Visitor's Guide was done in collaboration with Ouray as a flipbook. This joint venture has dramatically expanded our reach from 15,000 copies of the Ridgway guide in 2016 to over 100,000 copies distributed in 2017. We will continue with this concept in 2018.

Our staffing strategy is focused on leveraging as much local expertise as possible. We are proud that as of this fall all RACC staff and professional partners are Ridgway-based.

2017 was focused on laying a foundation upon which RACC can begin to bring increased value to local businesses in 2018 and beyond. Our board feels we have been successful in achieving that goal. Your partnership has been and will continue to be critical to continuing this progress.

Included in this report is the Chamber's Lodging Tax P&L statement (through November 30th). We will look forward to any questions on this year-end report and continuing to partner to advance the interest of local businesses and the community as a whole.

Sincerely,

A handwritten signature in blue ink that reads "Colin Lacy".

Colin Lacy

President, Ridgway Area Chamber of Commerce

Ridgway Area Chamber of Commerce
150 Racecourse Road
PO BOX 544 Ridgway, CO 81432
970-626-5181
RidgwayColorado.com

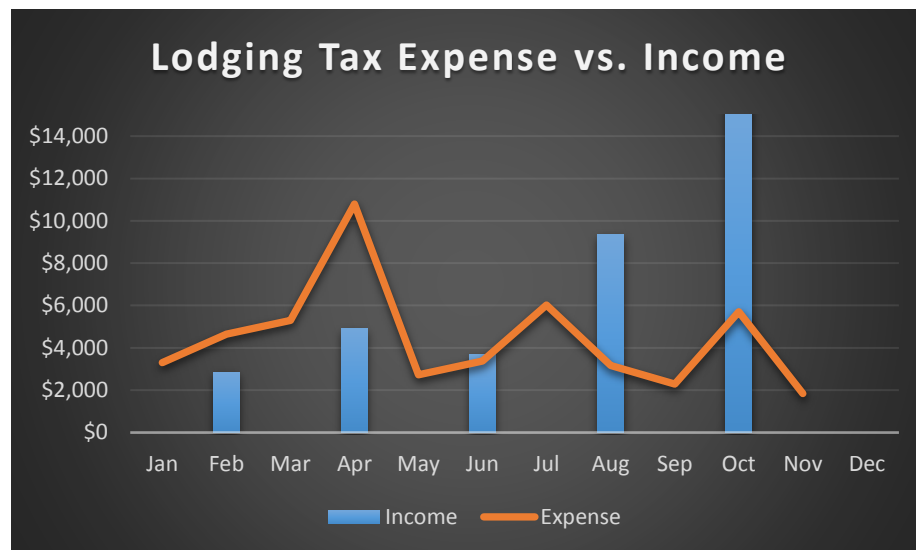
Ridgway Area Chamber of Commerce
Profit & Loss for Lodging Tax Class
 January through December 2017

	Jan - Dec 17
Ordinary Income/Expense	
Income	
Lodging Tax Income	36,355.24
Total Income	36,355.24
Gross Profit	36,355.24
Expense	
Advertising and Promotion	
Online and Print Media	9,701.69
Radio / Special Events	500.00
Ride the Rockies	5,000.00
Travel / Shows	150.00
Visitor Guide / Fullfillment	50.83
Website Upgrades and Operations	9,539.10
Total Advertising and Promotion	24,941.62
Office Supplies	31.30
Payroll Expenses	
Hourly Wages	10,506.83
Payroll Taxes	568.64
Total Payroll Expenses	11,075.47
Postage	41.50
Visitor Center Operations	
Electric	278.54
Licenses & Permits	10.00
Natural Gas	276.21
Repairs and Maintenance	825.46
Telephone Expense	2,177.72
Trash	88.99
Volunteer Expense	245.00
Water Cooler	52.49
Total Visitor Center Operations	3,954.41
Visitor Center Upgrades	10,344.89
Total Expense	50,389.19
Net Ordinary Income	-14,033.95
Net Income	<u>-14,033.95</u>

Financials

In 2017, RACC aligned its Quickbooks reporting structures with the Town-approved marketing plan. The reporting included in this report is a direct pull from QuickBooks of all Lodging Tax revenue and expense.

This year RACC budgeted against a total projection of \$63,000, which was the \$21,000 in unexpended Lodging Tax receipts from 2016 combined with projected 2017 Lodging Tax receipts of \$42,000. As of Nov 30th, RACC has spent \$50,389 in Lodging Tax receipts, and we are therefore at an approximate surplus of \$12,500. Note that we have not yet received the final bi-monthly Lodging Tax check nor closed on December expenses. We had an original targeted surplus of \$7,000, however based on analysis of the typical timing of RACC expenditures and actual Lodging Tax revenue, the RACC board felt important to target closer to a \$15,000 reserve. This is due to the reality that Lodging Tax receipts are significantly lower for the first six months of the year and cash flow is necessary to implement projects during that period. This is especially important as the January-June time period is inversely the period in which a majority of project implementation occurs with the goal of completion before the busy summer season. Please see below for a graphic that illustrates this relationship.



Comparison of RACC's year-end net position provides perspective on the progress that has been made in the last year. In 2016, RACC received \$47,000 in Lodging Tax receipts and expended \$26,000. To date in 2017, RACC has received approximately \$36,000 in Lodging Tax receipts but expended approximately \$50,000. While we have expended almost double, we are projecting that we will finish the year with an organizational net position around \$30,000, which is approximately where the organization closed at the end of last year. This comparable net position, even with the doubling of Lodging Tax expenditures, is due to a combination of factors including, strong revenue from non-Lodging Tax sources, including membership contributions, new grants, Visitor Center merchandise sales, as well as strong financial management.

Online and Print Media

The Chamber secured a ½ page ad in this year's San Juan Skyways publication. We also secured a ½ page co-op ad for local businesses. The agreement also included a featured article focused on Ridgway area activities.

We have also partnered with GoColorado.com for online advertising as well as visitor "leads." GoColorado.com is providing contacts for individuals specifically searching for information on "Ridgway Colorado." Over the course of the year this has generated over 1,300 new leads of people specifically interested in visiting Ridgway, with whom the Chamber is actively contacting to provide information.

Visitor's Guide Content Refresh

The most important component of our print media marketing is the Visitor's Guide. The 2017 Visitor's Guide was done in collaboration with Ouray as a flipbook, with Ouray on one side and Ridgway on the other. This joint venture dramatically expanded our reach from 15,000 copies of the Ridgway guide in 2016 to over 100,000 copies distributed in 2017. We are happy to share that we are continuing with this concept in 2018.

We are now investing in a full refresh of the Visitor's Guide content and narrative. Tanya Ishikawa has served as the editor for the 2018 guide and together with the board and staff has developed new narrative and guide features. The refresh has included small touches as well, including bringing a youth voice to our marketing with an introductory letter from Ridgway High School student, and 2018 Ridgway Chamber Youth Ambassador, Elizabeth Mueller. (Note: While RACC did not use Lodging Tax dollars, this year we also sponsored a student volunteer fair at Ridgway Schools in an effort to support our nonprofit members and create stronger connection between local youth and business/nonprofits.)

We are excited for the new guides to begin distribution in early 2018.

Social Media

We continue to grow a strong Facebook presence through both the Chamber page as well as the One Ridgway page. Our Facebook page now includes over 1,280 followers and 1,300+ likes. We also have an additional 270 followers on our One Ridgway page, which is dedicated to encouraging residents to shop locally. These combined social media assets reflect the strongest single Facebook presence for Ridgway. We look forward to identifying even more opportunities to leverage these assets in 2018, as well as expanding our social tools to other platforms including Instagram.

E-Blasts

We have adjusted the format and graphically redesigned our E-Blast. This has allowed us to better amplify our local business events and sales, while providing clearer information. We now have a weekly E-Blast dedicated specifically to Events and Specials only. This goes to over 1,500 contacts and advertises business and Town events and specials. We now also have a

separate member-only E-Blast dedicated to local business news and information. The frequency is based on content and either weekly or bi-weekly. Breaking these two audiences out has improved the quality of E-Blast content and created more focused themes.

Five Marketing Themes

RACC has developed five marketing themes around which it is organizing its various marketing vehicles. Our goal is to invest evenly across the five themes, which are meant to capture the various assets, activities and attractions that would bring a visitor to Ridgway:

- Arts & Entertainment
- Health & Wellness
- Outdoor Adventure
- Food & Restaurants
- History & Heritage

RidgwayColorado.com and the “Things to Do” section is organized around these themes as is the Visitor Center layout. We believe it is important to maintain consistent messaging and framing of our marketing and will be continuing to build upon this five-theme framework in 2018. We would also like to request the Town of Ridgway consider aligning visitor-oriented messaging within this same framework. This is something that was discussed at the last Town/Chamber staff meeting in November. The more consistent the community is across its messaging the more effective it will be. We will be working with our design partner, *Sprout Design Studio*, on capturing these themes in a single compelling graphic.

Lastly, it is worth noting that overall we prioritized foundational assets like the website and Visitors Center over print advertising, as our board felt it was critical to have strong organizational infrastructure prior to more significant advertising pushes.

Ridgway Visitor Center

With over 6,000 visitors each year, the Visitor Center is a critical resource for presenting our community and highlighting local businesses and nonprofits. The center was in significant need of upgrades and several investments were made in 2017, including:

- New point-of-sales system for merchandise sales using Square software via an Ipad
- Thorough cleaning and fresh painting of the center
- New merchandise shelving and brochure racks
- Large screen TV (with photo slideshow loop)
- New merchandise including Ridgway branded apparel
- New, themed display areas that mirror the five marketing themes: History & Heritage, Outdoor Adventure, Arts & Entertainment, Health & Wellness and Food & Restaurants. Through the displays we are trying to highlight the diverse activities, history and assets of the community, and ultimately direct visitors to local businesses, nonprofits and museums of interest.
- Large wall wrap image that prominently directs visitors to RidgwayColorado.com
- Exterior window wraps that are visually appealing even when the center is closed

- New door decal with RACC's approved branding and direction to RidgwayColorado.com
- A more open layout that allows visitors to explore the new displays and merchandise
- New comfortable seating area
- Basic technology investments, including new router and printer

Some *before* and *after* images can be found at the end of this report.

We will continue to add new features, including map displays and display area narratives, within the limited space as best we can, while also maintaining the new open layout. We still have a ways to go but important progress is being made, with the primary goal of creating an enjoyable experience for visitors and directing more travelers to businesses and nonprofits.

Visitor numbers to the Visitor Center were up approximately 10% in 2017 compared to 2016 -- 6,046 to 5,531. The actual number is likely larger as our volunteer staff are not always able to confirm all visitors when the building is busy (we will be considering ways to better capture visitor numbers in 2018).

Visitor Center sales were up significantly, especially relative to the smaller increase in total visitors. We believe this is due to both new and improved merchandise as well as better layout. Sales were up almost 40% to \$3,977 in 2017 from \$2,859 in 2016.

A very special thank you to Judy King, our Visitor Center Coordinator, and all of the wonderful volunteers who make the Visitor Center possible and serve as ambassadors for Ridgway.

Ride the Rockies

Ride the Rockies successfully went through Ridgway in June, and we are glad for our community to have received the visibility and look forward to the event leading to return visitors. While the Chamber did not recoup its \$5,000 sponsorship, the goal of the event was to bring visibility to the community, and as discussed during the initial conversations, the economic impact will mostly be return visitors who were impressed by their stay in our beautiful town.

Radio

The Chamber invested in radio advertising for the January 2017 Skijoring competition. We look forward to identifying even more ways to support the event again in 2018. In addition to being a wonderful highlight of both "Outdoor Adventure" and "History & Heritage," the event brings about important economic activity during a slower time of year.

San Miguel Power Association Grant and the Ridgway Online Presence Project (2018)

RACC diversified its revenue streams this year through the generous \$4,000 support of the San Miguel Power Association and its economic development grant program.

RACC applied for support for “The Ridgway Online Presence Project”, which will be a three-phased approach to boosting our local businesses online marketing presence and resources. In 2018, RACC will implement a series of workshops, consultation sessions and small grants that are designed to boost the Ridgway business community’s collective online presence.

Project Summary

The vast majority of potential customers, both residents and visitors, find information about a business online. Yet, a significant percentage of our local businesses lack the various tools necessary to effectively showcase their business. This includes not only a strong website but a social media presence, including an effective Facebook page, as well as location finders and review tools such as Google Maps and Google Reviews.

The top three identified needs by local businesses from RACC’s most recent survey were:

- “Marketing support for my specific business”
- “Marketing of the broader Ridgway area”
- “Support with my business's online presence and social media”

This project is designed to address all three of these primary business needs in the Ridgway community. An improved online presence helps a business better market themselves, and it helps RACC and others better market the business as well. A collective increase in the online presence of our businesses enables RACC and others to better market the Ridgway area in general, and it increases the likelihood that regional visitors will patron our businesses.

The implementation phase will focus on a series of trainings and consultation sessions that will provide local businesses with the tools to advance their online presence. Importantly, unlike many workshops, RACC will aim to have computers available for participants and at the end of each session participants will have completed an actual element of developing a stronger online presence. For example, they will create the first draft of a Facebook page, or a Google plus account, necessary for Google maps and Reviews.

Sessions will be tailored to meet both the needs of those looking to create a website for the first time, or those looking to improve their existing page. As the schedule is finalized, topics may be integrated into single sessions, however themes will include:

- Website Creation and the Key Elements of a Successful Website
- Creating an Effective Facebook Business Page
- Leveraging the RidgwayColorado.com Website
- Securing Customers with Google Maps and Reviews and Other Online Review Sites

RACC will also look for ways to hold one-on-one consultation sessions with select local businesses to provide more in-depth recommendations and support. We look forward to partnering with the Town and others in the implementation of this project in 2018, and again thank the San Miguel Power Association for its leadership in supporting this project.

Ridgway Chamber Open and Micro-Grants

The Ridgway Chamber Open was held on Saturday, September 9th at the beautiful Divide Ranch and Golf Club. Two team champions were crowned: Team Fedor (Jeff Burwell, Bill Whitt, Mark Fedor and Bob Bond) for best gross score and the Ridgway Ramblers for best net score (Kurt Jacobsen, Kenny Mihelich, Doug Canright and Jack Sibold). Winning team players are pictured with their champion "green hats" and they have had their names engraved on a John Billing's trophy that is now displayed in the Ridgway Visitor Center. The event was an important success that engaged several local restaurants and professionals and was managed by now Chamber Manager, Peri Gore.

RACC has held an annual golf tournament for the past six years, however the Ridgway Chamber Open is a new name and it has a new mission – "Going for the Green in support of local business!" Beginning this year, one hundred percent of net proceeds of the event, including sponsorships and donations, are being returned directly to local business.

In 2017, the Chamber is providing small matching grants to businesses for outside upgrade projects, such as new signage, fresh paint, and outdoor lighting. These external improvements positively impact the entire business community. Using net proceeds of \$2,000, RACC is providing individual grants between \$100-\$1,000 to Ridgway-based businesses and applications are being accepted on a rolling basis through December 15th at RidgwayColorado.com. Learn more at RidgwayColorado.com/golf.



Tournament champions, from left to right: Bill Whitt, Doug Canright, Jeff Burwell, Kurt Jacobsen, Kenny Mihelich, Mark Fedor, and RACC president, Colin Lacy.

The Town was recognized as a Presenting Sponsor of this year's tournament in an effort to further market Ridgway. It is important to note that the net proceeds of the event were determined based on event sponsorships and player dues, without use of Lodging Tax receipts.

We hope the new model is another demonstration of our continued focus on identifying opportunities to bring value to local business.

Staffing

RACC managed two staff transitions in 2017 that caused the Board to need to spend a significant amount of time this year on project management and implementation. Our Board is thrilled to now have Peri Gore joining the Chamber as our new Manager starting in November. Peri comes to us with over 25 years of leadership experience in the Travel Management and Hospitality industries. See below for bio:

Peri Gore is a well-respected and active member of the Travel Management and Hospitality Industry. Having served her clients for more than twenty-five years in many aspects of Travel Management, Peri's experience is extensive and comprehensive including hotel site selection, contracting and management, air travel, event planning, onsite event management and account reconciliation. Paying attention to detail and finding what will turn an ordinary event into an extraordinary experience in order to exceed the client's expectations are special talents that motivate her in the Hospitality Industry. Peri relies on past experiences to bring a high level of expertise to her role as Travel Director and Onsite Event Manager.



Peri attended Texas A&M University and graduated from the University of Texas in Dallas with a Bachelor of Science degree in Business Management, including a special emphasis on International Business. She is an avid fly fisherman, enjoys hiking, camping and skiing and her love for travel has taken her to more than 50 countries around the world. Peri's philanthropic interests include being involved with Trout Unlimited and Project Healing Waters Fly Fishing. She is also a member of Professional Convention Management Association.

Our broader staffing strategy is focused on using as much local expertise as possible and the RACC has developed a wonderful group of staff and consultants to help advance our mission. Ultimately the staffing goal is to transition the Chamber to an organization that is staff-led and board-advised. Our exceptional group of local consulting partners and staff now includes:

- *Chamber Manager – Peri Gore*
- *Visitors Center and Volunteer Coordinator – Judy King*
- *Accounting Firm – Middleton Accounting*
- *Website and Technology Partner -- Peak Media (Josh Gowans)*
- *Media and Design Partner – Sprout Design Studio (Nicole Green)*
- *Communications and Social Media Consultant – Ashley King-Grambley*
- *Online Content and Storytelling Consultant – Tanya Ishikawa*
- *Membership Consultant – Pamela Cannalte*

This fall we transitioned our accounting and financial management to a local firm Middleton Accounting. They have provided exceptional service and support. With that transition, we are now also proud to say that 100% of our staff and professional partners are Ridgway-based.

Board of Directors

The RACC board has overseen the implementation of the 2017 marketing plan, organizational strategy and finances. As noted above, the board is unanimous in its goal of bringing the organization to a place where it is staff-led and board-advised in 2018 and beyond. The board of directors are:

- Colin Lacy, President (US2020)
- Jason Bojar, Vice President (Balance Natural Medicine)
- Barb Latham, Treasurer (Citizens State Bank)
- Tim Patterson, Secretary (RIGS)
- Erin Stadelman (Ouray County Fairgrounds)

The board also extends a thank you for all of the contributions of board members Judi Snelling and Kathy Wortman who transitioned off the board in 2017.

RACC is looking to fill two board seats with local leaders who would be excited to support local business and the organization through an advisory role on the board of directors. We encourage the Council to let us know of any candidates you believe could be a good fit.

Town of Ridgway Relationship and Collaborations

We continue to be excited by the ongoing collaborations between the Town and Chamber on several projects and the maturation of the relationship. We know both the Chamber and Town have worked hard to demonstrate a commitment to a positive and productive partnership. Collaboration activities in 2017 included, the RPI Project, Space to Create, Ride the Rockies, Creative District marketing, and Town announcements and information via the E-Blast. Chamber staff have also begun work with Town staff on the development of itineraries.

While this year there were also instances of policy disagreement on the proposed Short Term Rental ordinance, we hope to continue to build a relationship where we can both collaborate and also respectfully disagree and discuss important policy for the community.

We are also excited for the Chamber's lead representative, Peri Gore, to begin quarterly meetings in 2018 with Diedra Silbert, along with any other Town and/or Chamber staff as appropriate. We believe these quarterly meetings can help facilitate not only communication and information sharing but improved project collaboration.

Logos and Branding

It is important to note that RACC has transitioned all key platforms and materials to the logo design agreed to as an outcome of the Town branding process. The updated branding and RACC's own unique logo is now reflected across all assets, including the website, Visitor Center, merchandise and all new materials.

Colorado Creative Corridor

As a result of the joint efforts of the Town and RACC, Ridgway will now join four other Colorado communities in the establishment of the “Colorado Creative Corridor.” The project will be supported by the Colorado Tourism Office with a \$25,000 matching grant to advance the development and marketing of the new initiative in 2018. RACC provided \$5,000 in match funding for this effort (from 2018 budget), as did each participating community. The partners are: Tourism Council of Carbondale; Carbondale Creative District; Salida Creative District; Chaffee County Visitors Bureau; Crested Butte Creative District; Gunnison-Crested Butte Tourism Association; Delta County Tourism Council; North Fork Creative Coalition; Ridgway Creative District; and the Ridgway Chamber.

The “Creative Corridor” will be a route that leads visitors some 331 miles between five creative district destinations: Carbondale, Salida, North Fork Valley, Crested Butte, and Ridgway. The route will take travelers through several different regions, geographical features and communities providing unique experiences that tell the rich story of Colorado mountain culture. The project is designed to build off the success of the Historic Hot Springs Loop.

We are excited for this significant collaboration in 2018 with project management from RACC manager Peri Gore and Creative District Committee member Betsy Baier.

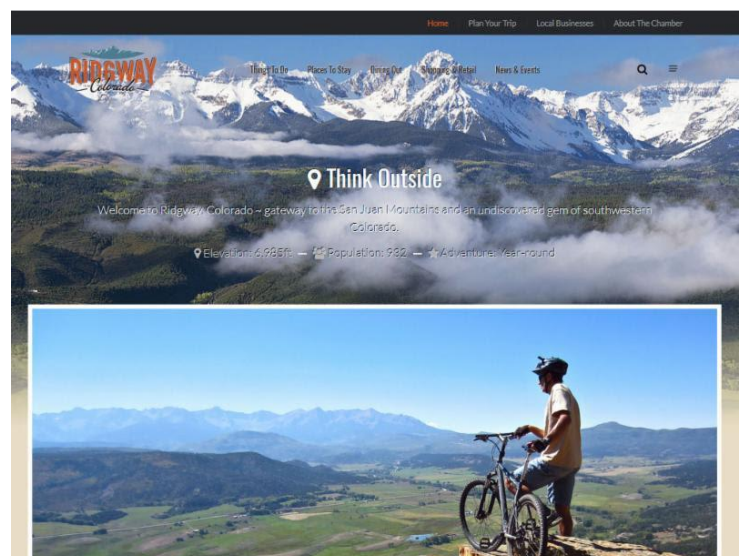
Itineraries

Itineraries are an additional project that has recently begun. We will ultimately develop itineraries across a wide range of activities, themes and times. We have started developing 1-day to 3-day itineraries for each of the “Things To Do” categories. Peak Media will be helping to create interactive, streamlined pages for the itineraries on RidgwayColorado.com. We look forward to the itinerary development becoming an important way to collaborate with local partners and create strong, action-oriented content for both visitors and locals, which ultimately lead to more customers for local businesses and nonprofits. These will become important assets of not only the website but the Visitors Center as well.

Website Upgrades and Operations

We continue to receive positive reviews of our redesigned, upgraded website -- RidgwayColorado.com. We look forward to the site providing enhanced year-round economic impact for the community and our local business and nonprofit members.

The Chamber board worked with local website developer Joshua Gowans (Peak Media) to create the new site with attention-grabbing images and graphics,



plus exceptional search engine optimization to dramatically increase website visitors and visit time. Local writer and public relations professional Tanya Ishikawa has been an integral part of the website team with content and messaging.

While the new website maintains the branding developed in recent years, site navigation and content are now much more interactive and comprehensive. Some new features include:

- Creation of popular "Things To Do" section
- Cross-referenced business listings on articles, resulting in more exposure for our members
- More frequent tagging of member businesses and nonprofits in related articles
- Regardless of membership level, all members have their own unique listing page, allowing for more text, links, image control, and page traffic (members may also simply update their page directly through the site)
- For your convenience, membership sign-up and content submission can now be done, securely directly through the website

As with any new website, we are continuing to make improvements and edits. We will continue to prioritize website enhancement in 2018, including improved analytics tools, new content creation and SEO.

An ongoing component of improving the site is improving and building content. RACC's *Online Content and Storytelling Consultant*, Tanya Ishikawa, continues to develop articles and content for the "Things To Do" pages, including things like farmers market, food trucks, skate park, local beer, fitness. Tanya's engagement as an ongoing partner is a critical part of our strategy to further build out the RidgwayColorado.com website (see more on Itineraries below).

RidgwayColorado.com is now the #1 Google search result for a "Ridgway Colorado" search and we look forward to leveraging this optimization. Together with our technology partner Peak Media, we will remain constantly focused on continuing to improve, update, add to, and optimize the website. We know this strengthened online presence will produce positive outcomes for local businesses and the community in 2017 and beyond, and we are thankful for your partnership in realizing these outcomes.

We thank the Town Council and all of the Town staff for their support and partnership.



Visitor Center BEFORE



AFTER

