

# **AGENDA**

## **INFORMATION UPDATE**

**May 12, 2020**

**5:00 PM,**



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## **INFORMATION ONLY**

Information Only Memo - Finance Department



**INFORMATION ONLY MEMORANDUM**

**To: Council Members**  
**From: Pete Strecker, Finance Director**  
**RE: ACRA Request for Funds**

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*As context to the attached memorandum from the Aspen Chamber Resort Association (ACRA) around a possible loan of \$500,000 to spur economic activity as the public health orders are revised to allow more commence in the future:*

***Accessing \$300,000 Reserve:***

*The Chamber's request of \$500,000 would be partially achieved by accessing the \$300,000 held in reserve within the City's 130 Tourism Promotion Fund. This Fund is fully supported by three quarters of the 2.0% lodging tax and, under current forecasts, will see new revenues fall short of last year's collections by 40%.*

*Under the last signed and 5<sup>th</sup> agreement to the destination marketing contract with ACRA (Resolution 180, Series 2017), there is a provision to access the \$300,000 reserve if "... actual tax revenues for the 12 months prior have paced at a decrease of at least 5 percent from the prior 12 months...". While this metric has not fully achieved at this date, based on the above projections, it is reasonable to assume that this will occur and the Council could agree to provide this supplemental appropriation to the Spring packet.*

***Additional \$200,000 Request:***

*Noted in the Chamber request, an additional \$200,000 is sought above the dedicated Tourism Promotion reserve. These additional funds would be required to be appropriated from the General Fund, utilizing discretionary resources within this fund, and would be appropriately allocated as part of the \$6M relief and recovery package.*

***Repayment Terms:***

*Regarding repayment for the combined \$500,000 request, the Council would need to establish repayment terms if it would like to proceed and would do this through a separate action from the Spring Supplemental.*

*For context, there was a previous \$480,000 loan made to the Chamber during the last recession (2009 - 2010). Terms around this previous loan included a no-interest, 5-year payback obligation (final repayment due by 2014). A similar payback schedule to this previous structure, one that mirrors to the City's 3-year targeted reserve repayment per City Financial Policies, or some other option can be considered.*



**MEMORANDUM**

**To:** City Council  
**From:** Debbie Braun, President  
Eliza Voss, Director of Marketing  
**Date:** May 5, 2020  
**Re:** 2020 COVID Tourism Recovery

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Dear City Council,

Please find attached the ACRA's Tourism Recovery Marketing Plan. This plan has been presented to the Destination Marketing Advisory Committee on April 14<sup>th</sup>, the Arts & Cultural Non-Profits on April 16<sup>th</sup> and the Board of Directors on April 28<sup>th</sup>. ACRA is activating \$500,000 of our reserves towards budget shortfalls as a result of COVID-19, and we are requesting the City of Aspen partner with us on recovery efforts as economic stimulus to our community and match our reserves by granting us a \$500,000 loan.

Per our contract, we have \$300,000 in reserves held by the City of Aspen, which can be activated when the tax revenues for the 12 months prior have paced at a decrease of at least 5% from the prior 12 months. While it has only been 2 months since the onset of COVID-19 in our community, the economic ramifications are substantial and warrant action now, which is why we are asking to activate the reserves as well as an additional \$200,000 so we can begin this phased recovery plan immediately.

ACRA and the City have a history of working together to overcome economic downturns; and we hope this partnership can continue to overcome this unprecedented event.

Please let us know if there are any questions.

Thank you for your continued partnership.



# Tourism Recovery Task Force

*Presented by Aspen Chamber Resort Association Marketing Advisory Committee*

**Jeff Bay - Chair**  
Managing Director  
Haymax Hotels

**Allison Campbell**  
Aspen Lodging Association Chair  
Manager  
Aspen Mountain Lodge

**Rose Abello**  
Tourism Director  
Snowmass Tourism

**Virginia McNellis**  
Marketing Director  
Snowmass Tourism

**Nancy Lesley**  
Director of Special Events  
& Marketing  
City of Aspen

**Tracy Trulove**  
Director of Communications  
City of Aspen

**Katie Viola**  
Kissane Viola Design

**Christian Knapp**  
VP Marketing  
Aspen Skiing Company

**Bill Tomcich**  
Tomcich Travel Consulting

**Jeanette Darnauer**  
Darnauer Group, LLC

**Laura Smith**  
Vice President for Marketing &  
Communications  
Aspen Music Festival & School

**Connie Power**  
Director of Sales  
Limelight Hotels

**Nina Eisenstat**  
Owner  
Aspen Marketing and  
Communications

**Andrea Beard**  
Senior Vice President  
Jazz Aspen Snowmass

**Rob Ittner**  
Taste Aspen

**Lisa LeMay**  
General Manager  
Aspen T-Shirt Company

**Maureen Poschman**  
President  
Promo Communications

**Melissa Wisenbaker**  
Promo Communications

**Alex de L'Abre**  
Marketing Director  
Frias Properties

**Jessica Boone**  
Assistant Director of Group Sales  
Blazing Adventures

**Debbie Braun**  
President & CEO  
Aspen Chamber Resort Association

**Jennifer Carney**  
VP Event Marketing  
Aspen Chamber Resort Association

**Sarah Reynolds-Lasser**  
Senior Director of  
Business Development  
Aspen Chamber Resort Association

**Eliza Voss**  
Director of Marketing  
Aspen Chamber Resort Association

**Jessica Hite**  
Senior Marketing Manager  
Aspen Chamber Resort Association

**Bridget Crosby**  
Marketing Manager  
Aspen Chamber Resort Association

**Liz Cluley**  
Senior Sales Manager  
Aspen Chamber Resort Association

**Jack Orsi**  
Sales Coordinator  
Aspen Chamber Resort Association

# Sustain Interest, Engage Community & Recover

Aspen Chamber Resort Association believes our role as Destination Managers is as important as ever following the effects of COVID-19 on our local economy. As marketers promoting Aspen, we are embracing our role in the recovery of Aspen's economy through the reactivation of visitors and creating community vibrancy. Restorative Destination Marketing incorporates the themes of destination management; sustainability, education, communication, dispersion, collaboration, and research, all of which we were focused on prior to the crisis, alongside recovery efforts into our community.

ACRA's strategic plan pillars provide a roadmap for phased recovery. As we wait for the green light, we are preparing to execute measures that will aggressively assist our community to recover from this unprecedented event. We are mindful of the interconnectivity of the entire community and believe this phased recovery plan honors key sectors in tourism recovery and is designed so that each stage of the plan (short-term, mid-term and long-term) builds upon the success of the previous step, eventually bringing us back to an environment for Aspen to thrive. As we adapt to these dynamic changes in our ecosystem, we look forward to engaging our community, providing support to our stakeholders and once again welcoming our visitors back to enjoy our destination.



## SHORT-TERM

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### COMMUNITY VIBRANCY

Re-engage the local community, to begin to create a sense of new normalcy.

#### *Summersköl*

- Marketing campaign to drive business into town, promoting shop/eat/play in Aspen: 7908 Ways to Spend Local.
- Local promos for dining out, retail revolution, arts & culture pop ups, kids & family activations, a locals' "lodging-out" night, etc.
- Potential collaborations with arts & culture organizations and/or other nonprofits to celebrate when appropriate.

## MID-TERM

# EDUCATION & COMMUNICATION

Demonstrating to our visitors why Aspen is a leader in safety following recovery from COVID-19 as well as aggregating resources for our partners to utilize in their communications to guests indicating we are open for business. ACRA will maintain our role as the best first point of contact for all visitors and community partners.

- Expansion of our “How To” campaign to include “What travel to Aspen looks like post COVID.”
  - Videos of what dining out, shopping, lodging, recreating looks like in the “new normal.”
  - What safety measures are in place at the Airport and other.
- Communication of Community Social Distancing practices to guests.
- Continued partnerships with Pledge for the Wild and Aspen Pledge, protecting our wild places is as important as ever.
- ACRA to provide marketing assets for stakeholders to use in their own marketing executions in order to amplify the promotion of Aspen.
- ACRA to provide Resource Kit to all stakeholders which includes information on:
  - Businesses that are open and any alterations in operating procedures.
  - Links to “This week in Aspen” content which displays all events virtual or in person.
  - Social Distancing and Safety information.
  - All “How to” COVID information.



## LONG-TERM

# VISITOR EXPERIENCE

Provide a welcoming experience to our visitors by acknowledging they are an essential part of the Aspen eco-system.

- Providing an added value Aspen Defy Ordinary Gift Card for guests checking into our local lodging properties for use at local restaurants, shops, and activities.
- Connect local guide companies to hotel guests to that our visitors can experience the outdoors in a responsible and sustainable way.
- ACRA has partnered with local company Corbeaux to provide sustainable face coverings to our guests.
- ACRA will provide locally produced Woody Creek Distillers hand sanitizers for our partners throughout town.





## LONG-TERM

### DESTINATION PROMOTION: Restorative Marketing, PR & Group Sales Initiatives

We want to welcome our visitors back “home”, whether they are second homeowners, frequent guests, or first timers.

Aspen is well positioned to leverage the healing power of nature, as well as the consumer’s heightened consciousness about what really matters. Aspen’s community is unique and connects the visitor with their intensified values and inspires feelings of familiarity and joy.

#### WHO:

1. Welcome back second homeowners
2. Regional drive markets
3. Resilient travelers in our direct fly markets
4. Groups

#### WHAT:

1. Welcome back to our community
2. Restorative power of nature
3. Physically distancing possibilities in our wide-open spaces
4. Planning the unplanned summer
5. Added value offerings
6. Aspen as a location to restore the mind, body & spirit

#### WHEN:

TBD – Will follow Public Health Guidelines, and Colorado Tourism Office’s lead.

#### HOW:

1. Paid targeted advertising
2. Website Content, SEO efforts
3. ACRA chat bot update – specific to post COVID Safety concerns
4. Search engine marketing efforts
5. Social media activation – paid & organic
6. Local influencer collaborations
7. Public relations pitching & hosting efforts
8. Media “Recovery Kit”
9. Group sales tradeshow, sales missions & familiarization trips



**INFORMATION ONLY MEMORANDUM**

**To: Council Members**  
**From: Pete Strecker, Finance Director**  
**RE: Questions from May 4 Work Session**

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**(Mesirow) Q: Should we consider waiting on the dry bed at the Water Plant?**

*The City's water treatment plant (WTP) continuously removes suspended solids from Maroon and Castle Creek surface water supplies to create potable water. Those suspended solids become residuals while stored in the WTP's process basins or the backwash waste pond. Staff is requesting funding to dry, test, and haul approximately 320 cubic yards of residuals located in the drying bed. Requested funds will also be used to maintain the drying bed and associated access road to facilitate removal of material from additional WTP process basins.*

*Staff recommends continuing to move forward with residuals removal and maintenance in 2020 based on the following:*

- *Timely removal of residuals (sediment) from process basins, backwash pond, and drying bed are necessary to increase residual storage capacity for future water production.*
- *A prolonged delay in maintenance activities will impact efficiency of the water treatment plant and ultimately potable water quality.*
- *This project is the second phase of the existing WTP process basin removal contract Resolution #129 of 2019. If the requested work is not performed staff will be unable to remove residuals from the treatment plant's basins as there will not be capacity to transfer residuals to the drying bed.*
- *Continuing to maintain and remove WTP residuals is a critical operational practice that allows staff to quantify annual residuals production and formulate maintenance practices that maintain our high quality of potable water production.*

**(Mesirow) Q: Could staff provide detail around the Grant Application Review proposal?**

*Please find the section of the contract (attached) around this issue, which itemizes the cost of the grant applications review process. In summary, the \$18,000 requested will cover the majority, but not all, of the not-to-exceed contract (the remainder is proposed to be absorbed with existing budget authority), and is to support an outside contractor to provide a recommendation to modernize the current grant application acceptance, review and award process to help facilitate a better method to assess and award the \$1.4M in annual HHS, non-profit and art grants.*



**(Mesirow / Hauenstein) Q: Are revenue expectations too optimistic?**

*Staff commits to return to Council periodically to provide updates to revenue expectations and whether additional budgetary adjustments are necessary. Staff is proposing a revisiting of the economic environment on July 7 – this allows for new sales and lodging tax data through May (filings due June 20) and allows for time to see how public health orders unfold for business.*

**(Mullins) Q: Could staff provide cut options for the Council budget given reduced travel, etc.?**

*Staff will review the Council 2020 budget to assess what an 8% reduction (\$12K) will look like. Note that items like membership dues, Grassroots coverage of Council meetings, food tax refunds for Seniors, membership dues and Council pay are fixed and were excluded from consideration.*

*As a FYI, the Novak Consultant support for this year's Council retreat did utilize a significant portion of the Council discretionary budget – as such, the remaining authority should likely be preserved for unforeseen needs through the remainder of 2020.*

**(Richards) Q: Is there an opportunity to get Car-to-Go up and running to support those without access to a personal vehicle?**

*The Transportation team is reviewing options to try to bring vehicles back online as soon as possible but has been cautious not to precede the directives from the upcoming public health regulations due out on Saturday. The difficulty continues to be an assurance of safety – how quickly can a vehicle be cleaned following a single use and then be ready for a new patron? The hopeful outcome is for a phased re-opening for the program in mid-May.*

## Exhibit B: Fee and Expense Schedule

The budget for the proposed scope of work is not-to-exceed \$21,800, including travel and lodging in Aspen for two in-person trips. Cost by phases and tasks are estimated as follows:

<b>Phase 1: Project Design Meeting</b>		<b>\$1,000.00</b>
	Initial Design Meeting (by phone with three Point b(e) staff for up to two hours)	
	Initial Evaluation Strategy Meeting (by phone with two Point b(e) staff for up to two hours)	
<b>Phase 2: Grants Program Evaluation - Part 1 - Kickoff and Workshops</b>		<b>\$9,000.00</b>
	Document Review	
	Kick-off meeting with Steering Committee (in-person)	
	Coaching	
	Six workshop sessions, each 2 hours long (6 hrs. day one; 6 hrs. day two)	
	Post-workshop analysis	
<b>Phase 2: Grants Program Evaluation - Part 2 - Interviews and Survey</b>		<b>\$4,000.00</b>
	UP to ten key informant interviews	
	Survey	
	Analysis of interviews and survey findings	
<b>Phase 3: Grants Program Plan Development</b>		<b>\$2,800.00</b>
	Draft report	
	Final report	
<b>Phase 4: Present Final Report</b>		<b>\$1,200.00</b>
	Final presentation in Aspen (up to three Point b(e) staff in-person in Aspen)	
<b>Ongoing: Steering Committee calls</b>		<b>\$1,000.00</b>
	Check-in calls (up to three, 1-hour steering committee calls with Two Point b(e) staff members, plus meeting preparation)	
<b>Travel and lodging in Aspen for two consultants</b>		<b>\$2,800.00</b>
	* Includes lodging for two trips to Aspen (Trip 1: Up to three nights for workshops and Steering Committee kick-off; and Trip 2: One night for presentation to community) *Also includes mileage from Denver per IRS reimbursement rate. * Also includes meal reimbursement for staff consultants.	
<b>TOTAL</b>		<b>\$21,800.00</b>

This is a not-to-exceed budget. The charge-out rate is \$100 per hour. Travel and lodging will be reimbursed based on actual costs, up to the maximum amount of \$2,800.00

Any additional work beyond this scope and budget must be agreed to in writing by the Professional and the City prior to the Professional performing the work, and will require an amendment to this contract.