



Town Hall - 551 Hot Springs Blvd.
Pagosa Springs, CO 81147

MINUTES

Pagosa Springs Area Tourism Board Meeting
July 2, 2025 @ 4:00 PM

A regular meeting of the Pagosa Springs Area Tourism Board was called to order on July 2, 2025, at 4:00 PM in the Town Hall - 551 Hot Springs Blvd. .

BOARD PRESENT: Board Member Johnson, Board Member Lucero, Board Member Dufour, Council Member Williams, Shane Prince, Sarah Mashue, Board Member Marchand, and Board Member Ranson

BOARD ABSENT:

1. REMOTE PARTICIPATION – Join Zoom Meeting By Computer - <https://zoom.us/j/83084299477>
Dial by Phone - 1-669-900-6833 US - Meeting ID: 830 8429 9477

I. CALL MEETING TO ORDER

II. PUBLIC COMMENT

1. Bill Hudson said he wanted to thank the Commissioners for holding a listening session to hear about a possible increase in the lodging tax within the county. As you all know, the town collects 4.9% lodging tax, and the county collects 2%. So what we've got is an unfair and uneven playing field between the lodgers in the county and the lodgers in the town. But the the county's been limited until now to a 2% tax. At that community meeting I suggested that we should be a fair community, and everyone who's running lodging should pay the same amount of lodging tax, which is 4.9%. They have to go to the voters to get approval for that, and they have to tell the voters what the amount is going to be and what they're going to use it for. Bill indicated he had been pushing the idea of using it for housing, but he thought the Commissioners are leaning towards roads. Bill indicated he hoped that the Commissioners move forward with it, and we get it on the ballot and let the let the community weigh in and make that decision.

County Commissioner Rep John Ranson stated they are arranging another meeting with the community to discuss the County Lodging Tax further. It will be at the Springs and he would like the Director to attend. He believes it will be on July 23rd.

2. Kelly Spence spoke as part of a newly formed Pagosa Lodgers Association. Our purpose is to advocate for the effective use of lodger's tax to fund visitor marketing and advertising outside of Archuleta County and Pagosa Springs. We feel that in order to increase tourism and position Pagosa Springs as a premier mountain destination we would like to have a more say in what's going on with the money that is being taken from the lodgers. Their goal is to directly support the mission of the Pagosa Springs Area Tourism Board to raise awareness of Pagosa Springs as a vacation destination and improve visitors experiences. We believe that by advocating for strategic data informed advertising and promoting initiatives that attract year-round visitation, we can help strengthen the tourism industry and generate shared prosperity for the residents of Pagosa Springs. We'd like to have more of a voice of what's being done

with our tax dollars and an understanding of where they're going right now. Our goals are pretty much as everybody else's, more heads in beds. We definitely want to have a better experience for our visitors that do come here. So we'd like to know how we can help, and in any way we can. We currently have 13 members that are part of our our association. We have our president, VP, and myself as secretary/ treasurer, and so we're going to keep moving forward. We are an LLC. And we have taken over an existing bank account, and we're just gonna keep pushing forward and showing up. All the hotels, motels, resorts, bed and breakfast, Wyndham was invited. I believe we've had about roughly 6 to 8 meetings so far. A couple of them have also included meetings with Jennie, town manager, county commissioners as well.

Board Chair Lucero requested a list of the members. Kelly stated that's something that we can provide for you.

III. CONSENT AGENDA

1. Approval of the May 7th Meeting Minutes

Board Member Johnson moved to approve the consent agenda, Sarah Mashue seconded.

Carried.

IV. REPORTS TO BOARD

1. Chair Report

Board Chair Lucero thanked the Board and members of the audience for being at the meeting during the busy summer months.

2. Director Report

Town lodging tax collections are due on the 20th of each month, following the month of collections. Reports from the Town are usually available at the beginning of each month. For Town collections, payments are still outstanding for March. April reflected a slight decrease of 1.52%, or \$655. May reflects an increase of 13.98%, or \$8,881. Town collections year to date reflect a 6.18% increase over 2024, or \$18,663. Q1 County collections reflect a 12.32% increase, or \$14,311. Combined Q1, reflects an increase of 8.03%, or \$24,788, with Town payments still outstanding for March.

Director also gave update on Ambassador training. The first session was 6/20 and they had 18 attendees. Director also updated Board on Construction Pedestrian sidewalk decal placement, aluminum signs that will be installed by the Town, large construction communication posters, and parking lot tour on the app.

Board Member DuFour asked what is happening with the infrastructure funding that was asked by Town Council not to be allocated? And what about the \$64,000 that was set aside for a shuttle? Director said infrastructure funds were allocated by Town Council, and it went towards the construction project. Director said she is in conversations with Andy with MET about an UBER style model and will be meeting about it soon with a vendor. Additionally, there have been businesses that have asked about funding opportunities. Board Member DuFour asked about outstanding tax payments and if Director has received the data yet. The Director explained that data is updated in the spreadsheet once information is received from the Town or County. Director indicated March and May still have outstanding payments. The Town changed their accounting style in 2024 and late payments are accounted for in the month

they are received, not the month they were due.

V. NEW BUSINESS

1. Open STR Seat

The Tourism Board has an open STR seat. Lance Thornton resigned in early June, as he and his wife moved back to Texas to be closer to family. Notification seeking applications were sent to local media to solicit interested parties to apply. The application process was open and advertised for more than 2 weeks, with the deadline to receive applications by 5pm on June 27th. One application was received from Stuart Scull, a previous applicant for the Tourism Board and owner of VIP Vacation Services. Stuart Scull introduced himself. He said VIP Vacation Services has close to a hundred properties that they manage. He also owns Homespun Hot Tubs providing great hot tub service in our town. Stuart felt he would provide a different perspective, not just because he is in short term rentals, but I he indicated he deals with our tourists regularly and quite a lot of them.

Shane Prince moved to recommend Stuart Scull to the open STR seat to Town Council and the Board of County Commissioners, Board Member Marchand seconded.

Carried.

2. Blue Room Research Update

Director introduced Steve Halasz with Blue Room Research. Director explained the Blue Room reports will now be included under Director report moving forward. They are also in the Google drive Data folder for 2025. Blue Room Research was hired six months ago to analyze data for Visit Pagosa Springs, focusing on creating adaptable reports that reflect the town's evolving needs. He emphasizes that the current data relies on free, publicly available information due to budget constraints and a lack of direct hotel reporting. Steve said US Market Review shows Stock market volatility has made consumers, especially travelers, hesitant, leading to a downturn in consumer sentiment since late 2024. However, a recent jump in May's consumer sentiment, driven by the stock market, offers some optimism. Historical downturns show a pattern of shorter booking windows, increased drive trips over fly trips, shorter trips over long trips, and domestic travel favored over international. This trend is currently observed across the industry, with booking windows dramatically shrinking. Airfare prices are decreasing, and gas prices have stabilized, though potential conflicts could impact this. Major forecasters (STR, Costar, Tourism Economics) have revised their predictions downwards for the fourth consecutive quarter, now expecting only 1% growth in RevPAR (revenue per available room) nationwide this year.

Pagosa Lodging Tax Collections have shown a consistent upward trend since 2015, despite a slight dip in 2022-2023. However, lodging tax data isn't accounted for by month of stay, creating a lag in reporting. Sales Tax collections have also steadily grown since 2016, with similar accounting lags. Complimentary data from Blue Room (harvested by AirDNA) shows strong STR performance for May, with occupancy down slightly (-0.4%), but ADR (average daily rate) up 7%, RevPAR up 6%, listing days up 10%, and total revenue up almost 18%. This indicates a robust year for STRs in Pagosa Springs, outperforming 2024 in most metrics. Social Media Key metrics like reach, profile visits, and followers are generally up year-over-year, particularly for Instagram, TikTok, and YouTube, indicating strong consumer engagement. In regards to Website Traffic, the integration of AI into Google is bypassing websites, leading to a significant decline in direct website traffic for Destination Marketing Organizations (DMOs). Despite a pullback in consumer sentiment, Americans' desire to travel remains high (94% have travel plans within

six months). However, they are adapting to economic pressures by opting for shorter, domestic, drive-based trips and reducing spending on retail, entertainment, and recreation – a trend referred to as the "Hard Times Handbook." Steve's aim is to provide the most comprehensive picture possible with available resources and welcomes suggestions for additional data points, while acknowledging budget limitations.

Board Member DuFour asked If we were able to find the funding for it what paid data does Steve feel would be the most valuable to add to these reports for us and what vendor would he suggest. Steve answered that Hotel Data would be most valuable showing occupancy, ADR and especially demand. If we had participation it would cost roughly \$20,000 per year. Board Member DuFour then asked what data could be purchased if occupancy and ADR isn't provided? Steve answered Visa Credit Card data. Visa has a 60% market share of all transactions so he feels they are the best. You can get reporting by segment, so you can look at restaurants, retails, lodging. You can get it on a monthly basis or quarterly basis. That would be that middle of the road indicator between your high level sales tax and lodging tax collections to more what's happening on the ground. And if we had those demand numbers from hotels and short term rentals we could see if the the lodging had a direct proportion to spending in town. Visa data costs roughly \$10-15,000 per year. Director stated Glenwood is paying \$10,000 per year and she has the contact.

Jesse Hensle from the Lodgers Association said as a lodger one of my concerns with these reports and providing the pace reports and occupancy is that it wouldn't give us the foresight to make a move fast enough. And so are there any other free proxies that are available that we could understand when people start to search and are interested in Pagosa Springs in general that are more forward looking that we could add to the report? Steve answered you could use something like Google search and queries and things like that but we need to run some sort of analysis to prove that queries on this date equal increased actual lodging in this date and without having some sort of anchor like hotel data to show where it shows up, it's very challenging. Lodging pacing data costs money too. Pagosa doesn't have an airport so you don't have a leading indicator of flight bookings, we don't have any other indicators that are tied to heads in beds and lodging performance. If you want Visit Pagosa Springs to be able to run marketing campaigns and increase visitation to fill those holes we need to know specific days, specific weekends, specific times to understand when your hotels are hurting to be able to make the decision that we can move the needle on. Jesse said I am pushing back on that because if lodgers understand their booking window, ours is 6 weeks, and if we start to see search trends year over year being dipped down in April, then I know in 6 weeks from now that I'm probably gonna have a dip in our occupancy levels. As lodgers we can provide the booking window so that we could have that understanding complementary and free. And then we could triangulate this information without having to pay more. The other piece of the equation is Visit Pagosa Springs only has so much budget. And so we need to have a conversation and understand from today to the end of the year we have this amount of money to combat and fill in holes and will it move the needle. Jesse said he is thinking about this more seasonally and if we can start to see some of these headwinds a little bit earlier. One of the the issues that with the pace reports as a lodger is a lot of our business is also people coming in for soaking for hot springs and it's a direct correlation. It's just who's in town, they come and soak with us. And so that's why there's a little bit other extra apprehension for those pacing reports, and we're looking for as lodgers other proxies that we can understand and start to see when things are not going the way we're anticipating them to go. Steve indicated if you were able to aggregate that cohort of all 13 hotels and give us some sort of weekly rough pacing report showing what week of the month you are lagging we could at least see where we need to put our resources. Part 2 of the issue would be deploying those resources and that's on Visit Pagosa Springs team to let all of us know how much lead time they need, how granular they can get what they think they can deploy as far as dollar amounts to really move the needle and

those kinds of things. Jesse said after reviewing the minutes the purpose of hiring Blue Room was to understand the effectiveness of tourism's efforts. I only see that we're growing, but I don't understand how we're growing versus others in the industry. Steve answered if there were publicly available comps for other cities, tax collection, sales tax and the sales tax was the same, categories aggregated the same way, accounted for the same way, in theory we could pull comps from whatever we could find. We can't do hotel data because we don't have it. We can't do short term rental, because the product is vastly different so the ADR's aren't going to match. We can't do it for website traffic. There are some comps of click rates, open rates, response rates, engagements, or you can see how other DMO's compared to it. But I I don't think it would be a very fruitful exercise or a good use of time because every town is different and looking at percentage change over the course of years isn't going to reveal all that much.

3. Fluegge Consulting Update - Paid Meta Advertising

Dave Fluegge specializes in social and new media, works with various state DMOs and destinations in Colorado, including Pagosa. His background in both organic and paid media allows him to create highly engaging advertisements that go beyond typical display ads. The primary goal for Pagosa is to showcase its diverse offerings, such as water activities, hot springs, rafting, tubing, and hiking, while highlighting what makes it distinct from other Colorado destinations. They also aim to promote relaxation, upcoming events, and festivals. A key aspect of their strategy is measuring audience reactions to content through various campaigns. This data helps them tailor future content to what people want to see. Fluegge commends the Visit Pagosa team for their quick adaptability in creating and modifying content based on his vision and observed performance. This agility is crucial for effective paid social campaigns and for "plugging holes" in their marketing efforts by addressing specific needs as they arise. The goal is to drive visitors to the Pagosa website, Utilize a retargeting pixel to re-engage past visitors, Increase general awareness of Pagosa and educate travelers, especially regarding fire concerns and responsible tourism (Leave No Trace principles). They create specific ads for visitors already in the area to promote better travel practices. They use behavioral targeting to identify potential travelers and retargeting to engage them throughout their trip planning process. We have had significant success with over 750,000 individuals reached, Over 5% of people who saw their ads engaged with them. Notably, over 8% of these engaged individuals are over 65 years old, over 27,000 clicks to the website. Cost Per Click is below \$0.20. There's plans to create a blog in the future develop more targeted content.

Board Member Mashue asked what is your marketing plan around filling the holes in downward trends? Dave answered there is not a plan right now because we don't know where the holes are yet. As soon as I get the data showing the holes we can look at our imagery and figure out if we need to create new content and get that out asap but we have to be able to know what the holes are first.

Board Member Prince asked our partners in in the lodging want to target key tourist demographics using data from previous years to focus on high impact media channels. So if we were able to give you trend lines is that enough to pivot a marketing campaign towards rather longer term rather than shorter term? Dave answered yes, the more data we have the better but with the pandemic and economic uncertainty we have these other things that are going to start throwing it off. He felt it can help as a guiding light to help test it out but he didn't know that it necessarily would lead the charge forward. The beauty of social is we can test this one ad to this market or to these groups of people, we start seeing how that's resonated, and if we see it resonate, then we can shift everything else towards that.

Board Member Mashue said we do see that within that 6- 8 week window we are experiencing a 25 to 27% decline in bookings over last year. How would we activate you to go ahead and promote Pagosa to

fill that hole that we currently know is within the 6 to 8 week window? Director answered the efforts with paid Meta are going to continue through August. We will start early winter advertising in late August shifting the tone based on current conditions. Right now we have a summer video, we have an event carousel running and events are being updated as they occur through Colorfest. So we are putting the the pieces in place to be able to help address that as we move forward in the summer. That was the plan given that we knew construction was going to be happening, and we knew how dry the winter was last year. Additionally, we have campaigns running on Youtube, Google adwords, and Hulu. We have not put money outside of paid PSA's during the summer months since the pandemic so this is a shift for this summer.

Board Member Prince asked Board Member Mashue to clarify if all of the lodgers in the association are down 25%. Board Member Mashue said looking forward over the last year to this year they are down 25%. Since they are not grounded as bookings it creates uncertainty. Are we going to be the destination to grab the last minute booking and historically we have not done summer advertising so it is good to get the report that we are shifting. Board Member Prince asked if occupancy is up over the year and Board Member Mashue answered collectively no. Board Member Prince said he is not seeing that trend. He is seeing a shorter booking windows but his numbers are up. County Commissioner Rep John Ranson stated we need to be careful when looking at sales tax because April looked good but it was due to two concrete projects. Board Member Prince said that is what would be valuable with credit card data. It would give more granular data. Director said the Town is working with Zak Tax to provide more granular detail on sales tax. Also, the line item for Lodging and For the tourism line item in the sales tax report from the State it includes restaurants and lodging. And for April sales tax, the lodging and food services line provided by the state up 5% over last year, which wouldn't include the concrete.

4. Discussion with Lodging Association

County Commissioner Rep Ranson said from what I see there's not the the greatest relationship between the lodgers and the tourism up until this point. I think, these 2 groups, especially now that a new group has been formed, may be the most important relationship that our community will see if we can work together. I don't know if providing data is bad for the lodgers privacy-wise or cost-wise but asked if they had a revenue stream would be helpful to work together and get data. Board Chair Lucero clarified the Tourism Board has offered to pay for the reporting for years. Board Member Mashue passed out a document from the lodgers association. Jesse Hensle said the data will get skewed and it does nothing for the other side of his business, hot springs soaking. They are overstaffed this summer because they don't have the bodies in the pools. So he doesn't think the STR report will help the community. We could send the data to Blue Room and not spend the money on STR. Google Trends would be an excellent proxy. The STR doesn't show if the market is growing and that is the mission of Pagosa Tourism. Board Member Prince asked for clarification on bookings being down and asked If you are down in your occupancy then why is lodging tax up? Board Member Mashue said when they are down in occupancy their rates go up and also the inventory in the town has changed. Jesse Hensle said using tax collections aren't always clear. Rate increases make up that gap. When I talk about business that also means soaking for us. Business is down 25%. We can't look at just hotel rooms and apply that to everybody. Board Member Marchand said he is up about 19% from last year. Stuart Scull said his business is up about 22%, and their booking window is pretty short. Jesse said Dave Fleugge presented that he can impact people within a 6 to 8 week window so there's a channel that we can now create this impact based off the information that we're providing for the future. Director said what would be helpful is an understanding of demand in general, like number of rooms sold so that we do know if we're up or down because inventory will fluctuate. Board Member Prince said STR report gives you a comparison against where you are within your market. I think we're going to need a little bit more data than we're down 22%, to provide to blue room if it's going to be useful. I think the STR report does have

some legitimacy in using future data. The group discussed best ways to communicate with the Lodgers association and staff. The association has one email address that was shared with the board today. Board Member Prince said the Tourism Board's goal is to bring visitors to the area as opposed to individual entities. We are not a private advertising. We can't just be catering to the lodgers because there are other businesses too. Board Member Mashue said it was never intended for private marketing. Board Member DuFour said the value of this association and the relationship with this board is very important, based on the funding of this board being based on lodging taxes. I think what we can do as a board to support this relationship as well as what we can do to support getting the information that will give us a better idea of how we can market this destination as a whole is important for us to discuss. County Commissioner Rep Ranson stated he would like to allot time on the agenda for the lodging association to participate in the Tourism Board meetings.

VI. OLD BUSINESS

VII. BOARD IDEAS AND COMMENTS

VIII. NEXT TOURISM BOARD MEETING AUGUST 6TH AT 4:00 PM

IX. ADJOURNMENT