

VOTE YES Lodging Tax brings Marketing Dollars to Ridgway

Ballot Issue: Ridgway Question 2A

Message from Gale Ingram, Director of the Ridgway Area Chamber of Commerce.

I would like to share information about an upcoming Ballot Question that will be on the November 3 ballot. (October 16 mail in ballot) Ridgway Question 2A asks for the approval of the voters in the Town of Ridgway to change the Lodging Occupancy Tax – sometimes referred to as the LOT tax.

This tax is paid for by any visitor staying at lodging accommodations including vacation rental properties. This tax is not paid by residents of Ridgway.

The Ballot Question proposes a change from the current \$2.00 per night, per room tax to a 3.5% lodging rate tax. This percentage rate tax is a model practice used by the majority of towns, cities and counties nation wide. It is a more equitable tax. 3.5% is in line with lodging tax collected in other communities in SW Colorado.

The Ballot Question proposes that the tax revenue will be spent in the following way. 70% will be used to market and promote Ridgway to visitors thus boosting the economic prosperity for our businesses. The 30% will be used by the Town of Ridgway to make improvements to Town facilities that benefit the visitors as well as residents. Currently the tax revenue is split 50 / 50.

In response to the Chamber's lodging and business owners and with the agreement of the Town Council the Chamber has put forth this proposal in order to support the economic development of the Town of Ridgway. Tourism is essential to Ridgway's economic health. It is vital to local businesses, provides jobs, and generates sales tax revenue. Sales tax revenue benefits the Town and funds town operations.

**We ask you to VOTE yes on this Ballot issue. It won't cost you a penny.
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\$67,000

“Shall the town of Ridgway taxes be increased \$67,000 annually . . .

“TABOR The Taxpayer's Bill of Rights requires very specific language for a tax bill. The first sentence must state a maximum amount that could be collected for the first year's tax. Just remember this tax is paid for by visitors staying in lodging accommodations and NOT by the residents.

Lodging Tax began in 2000 in Town of Ridgway.

The Estimated total LOT revenue for 2015 is \$27,000

The highest year to date was 2003 when \$27,838 was collected.

The lowest year since 2003 was 2010 with \$16,202 tax revenue.

2014 tax revenue was \$26,792.

We are estimating that the total lodging tax revenue in 2016 (if ballot issue passes) will be \$ 40,000 - \$45,000.

Occupancy rate is less than 40% for the Ridgway Lodge and Suites (52 units) and Chipeta Solar Springs Resort (25 units). We anticipate increasing this occupancy rate with aggressive marketing as a result of the passage of this ballot issue.

LOT Tax comparisons

Ouray	\$3.00 per room per night
Mtn Village	4%
Telluride	2% (taxes lodging and dining)
Durango	2%
Pagosa Springs	4.9%
Crested Butte	4%
Grand Junction	3%

Comparisons study show that although communities include many different ways to fund marketing most lodging taxes are spent at between 85% and 100% for marketing. Recognizing that when marketing works, sales tax revenue increases and provides the municipality with the funds it needs for town improvements.

The Chamber is estimating an increased Marketing budget from \$13,500 in 2015 to \$30,000 in 2016.

WISH LIST for additional tax revenue for marketing:

website improvements (ease of mobile access, etc.)	\$2000
non-profit page, adventure sports page	
colorado.com presence (advertising & optimize website)	\$1200
advertising – Ouray Summer guide, San Juan Skyway,	
Watch and Plaindealer, Encompass	\$3000
4 additional content pages to Visitors Guide	\$1500
Facebook maintenance	\$ 600
Creation of tourism videos (web site, you tube, etc.)	\$1000
part time marketing staff min 25 hrs per month	\$6000
Tourism Conference attendance. CCCE conf.	\$1000
subtotal	\$16,300