

Jonathan Schechter – “Corpus Callosum” Column
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Jackson Hole is at a crossroads.

For the past couple of decades, our economic driver has been the vast global wealth created by the finance sector, and the concomitant ways that wealth has been spent here – particularly on real estate and development. Looking ahead, only three things are clear:

- a portion of our community will continue to enjoy great investment-generated wealth;
- real estate sales won't return to their previous boom levels for quite a while, and it's likely construction and development never will; and
- as technology gets better and cheaper, it will become easier to work from anywhere. And because lifestyle is becoming an increasingly important factor in where people choose to live, those who can afford to live anywhere will continue to be attracted to Jackson Hole.

So that's where we are. The question is, where are we headed? As I see it, we have a choice regarding our uncertain future: We can consciously and collectively try to define and shape it for ourselves, or we can let it emerge as the result of many individuals' respective actions.

By year's end, we'll have a sense of which path we'll take. To begin to understand why, we need to go back 34 years.

In 1977 and then again in 1994, Teton County passed land use plans.

In each case, the motive was clear: Rather than let land development occur randomly – rather than let the community's overall land-use pattern emerge from a series of disconnected choices made by individual landowners doing what they felt best – the community opted to envision what it wanted, then create a framework to encourage that outcome.

In spirit, Jackson Hole's land use planning efforts in 1977 and 1994 were no different than those of John D. Rockefeller decades earlier. Rockefeller could see that, without some sort of long-term vision and related action, the northern part of the Jackson Hole valley would become a mishmash of random development, billboards, and the like. In contrast, his preference was for unimpeded scenic vistas. Acting on that vision, he began to surreptitiously purchase valley ranches. Two decades later, this land became the valley spine of Grand Teton National Park.

Without Rockefeller's vision and actions, Grand Teton National Park would look very different today, and Jackson Hole's economy would be much less robust. Similarly, while some might debate the success of Teton County's land use planning efforts, it's clear those efforts have produced what the majority of the community desired: a balance between environmental protection, scenic preservation, and respect for individual property rights.

In 2011, we'll once again pass a land use plan. Granted, the economic climate today is very different than it was 34 or 17 years ago, which will no doubt affect details of the plan's contents. Regardless of those details though, the critical fact is that, like its predecessors, the 2011 plan will determine the not just the specifics of our land use practices for the next couple of decades, but the general contours of those practices for generations.

Why are we doing this? Because we recognize that land use is one of two key determinants of Jackson Hole's character and quality of life. What's notable, however, is the dog that's not barking.

By this I mean that, while we've put decades of time, energy, and passion into thinking about how we use our land, we've never taken even one formal step toward creating a vision regarding the second key determinant of Jackson Hole's character and quality of life: our economy. Instead, we've been content to let the economy develop in an essentially random fashion.

In part this has been philosophical; i.e. only Communists and Socialists make economic plans, and we're not Commies or Socialists. Of course, every successful company in America makes economic plans, but convictions trump facts, and America's conviction is that we do not plan our economy.

The "we're not Commies" belief is abetted by the fact that, in contrast to land use, government is not compelled to do economic planning. As a result, few local governments have the tools to do so, and even fewer have any experience at it. Inertia can be a very powerful force indeed.

We also lack truth in labeling. Tax laws, zoning, and the like all shape the economy, but we dare not label them as economic planning because doing so would run up against that inviolate belief that America does not plan its economy.

Add them together, and the net result is that Jackson Hole doesn't have a vision for its economic future, much less any sense of how to achieve it.

Why mention this? Because times are tough, and it's pretty clear that a series of random individual economic choices will not get us out of our doldrums. More to the point, the lesson of land use planning is that, if we so choose, we can not only envision the economic future we desire, but take significant steps toward achieving it.

Which brings me to the lodging tax.

Starting in about a year, the community will have over \$2 million annually to spend on tourism promotion. While this seems like a lot, from a marketing perspective, it really isn't. But where the lodging tax can have a huge effect is in its potential to lead us to a "comp plan" type of discussion of what our economic future should be, and how we might get there.

This potential exists because, while we're required to spend \$2 million annually on "promotion," the term is not defined in law. As a result, we have a lot of leeway in how we might spend it.

That leeway noted, the most likely outcome is more of the same – we'll spend the lodging tax proceeds in a way which simply augments all the other money being spent to bring tourists to Jackson Hole.

If that occurs, however, we'll lose the real opportunity the lodging tax offers – fostering a discussion on what we want our economy look like, and what role tourism plays in that overall vision.

Pop quiz. How will we know if the lodging tax has been successful? Possible answers include metrics like the number of tourists, increases in sales tax, market share for the Jackson Hole Mountain Resort, and the like. But only one metric truly matters: whether voters re-authorize the lodging tax in 2014. If they do, the tax has been a success; if they don't, it's failed. It's that simple.

From that perspective, those charged with spending the lodging tax proceeds face a basic challenge: Can they spend the lodging tax proceeds in a way that the overall community sees as aligned with its interests? Not aligned with just the tourism industry and its narrower interests, but aligned with the overall community and its much broader interests? If they can, then re-authorization become a no-brainer. If they can't – if the lodging tax ends up being viewed as little more than a subsidy for the tourism industry – then history suggests the tax won't be re-authorized.

The question then becomes how to make sure voters see lodging tax expenditures as supporting the interests of the community as a whole. The answer is simple: Develop a clear vision of what we want our economy to be, and what role tourism plays in that vision. Once we do, it will be clear how the lodging tax expenditures should be directed, thus guaranteeing re-authorization.

Most intriguing of all is that, if it happens, the discussion about the community's economic future will be going on at the same time as our land use planning discussion. This means that, for the first time in Jackson Hole's history, we'd be having community-wide discussions about both land use and the economy. Not only are the two closely intertwined; they're also the two most critical aspects of our long-term community character. And if we can come to see those discussions as two halves of one large visioning effort, we have the potential of coming out of 2011 with a land use plan that works in synergy with our economic goals, and vice-versa. That's something we've never done before, which is part of the reason we've had so many controversies over land use issues.

Unfortunately, the most likely outcome is that we'll not have any sort of meaningful discussion about the appropriate role of tourism in either the community's economy or its future, but instead simply ask the lodging tax board to get more visitors to come here. If that's the case, rather than using the lodging tax to catalyze our efforts to shape a 21st century economy, we'll instead use it to enter into a marketing war with every other resort trying to lure visitors. That's not just a zero sum game, but a strategy which won't do much to get the lodging tax re-authorized in 2014. And if that happens, we'll have wasted two opportunities.

But that likely outcome isn't guaranteed. In my next column, I'll talk about a different approach, one that might better align tourism with the community's overall interests.