

**Jonathan Schechter – “Corpus Callosum” Column  
Jackson Hole News&Guide – November 28, 2012**

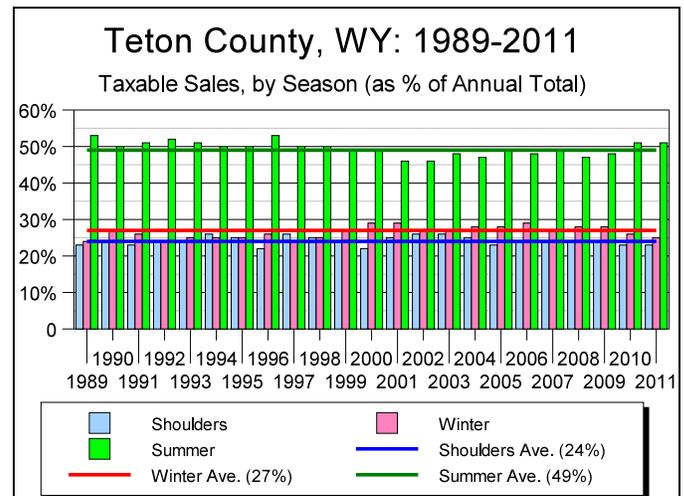
Today’s column is the second in a series about events which occurred during the week of Monday, November 5. Last time I wrote about a report issued that week which showed that, for the first time in Teton County’s history, restaurants and bars now generate more taxable sales than hotels and other forms of lodging. Today, my focus is on the lodging tax board’s desire to boost the fall shoulder season by developing and staging an annual October event .

On November 8, the lodging tax board voted to allocate \$50,000 to hire a coordinator to develop an annual event, and another \$50,000 to stage the inaugural event in October, 2013. If that goes well, board members envision supporting at least two subsequent events, likely for more money.

At this point, one of the great unknowns is exactly what the event will be. Its focus will be on conservation, but what that means isn’t clear. In that sense, the October initiative is somewhat analogous to the SPET initiative on the November 6 ballot which targeted buying the Forest Service headquarters property on North Cache. Just as critics blasted that proposal because the town had no clear plans about what to do with the property, so too can the October event be criticized because money has been allocated before a clear plan for the event has been developed. However, just as I thought buying the Forest Service property was the right long-term move for the community, so too do I think the lodging tax board’s proposal holds great potential for Jackson Hole. The rest of this column will explore that potential.

Given that facts and reality were among the big winners of the November 6 election, let’s start by considering a few facts which frame the idea of developing an October event. One has to do with the tourism economy’s seasonality; the other with the reasons for focusing on October.

Regarding taxable sales, to state the obvious, Jackson Hole is unique among all major U.S. ski towns because winter does not drive our tourism economy. As Graph 1 shows, over the past two decades we’ve generated an average of 49 percent of our taxable sales in the four summer months of June-September (the range has been 48-53 percent); 27 percent in the four winter months of December-March (24-29 percent); and 24 percent in the four shoulder months of October, November, April, and May (22-26 percent).



Graph 1

What’s astonishing about these numbers is that, in terms of taxable sales generation, there’s not a whole lot of difference between winter and the shoulder seasons. This is true despite the fact that local businesses spend millions of dollars annually to lure in hundreds of thousands of skiers. Yet over the past 22 years, average winter taxable sales have exceeded average shoulder season sales by only eleven percent. Even over the past decade, with all the improvements to the Jackson Hole Mountain Resort, far better winter air service, and more muscular marketing efforts, the typical winter has generated only around fourteen percent more taxable sales than the combined shoulder seasons.

Switching to the lodging tax, expenditures to date have focused on luring more skiers to Jackson Hole. To whatever degree they succeed, though, there likely are limits on how much the winter tourism economy can grow. Why? For starters, as Graph 2 shows, the U.S. ski industry is stagnant. Even ignoring how last winter’s drought ravaged ski areas, over the last 20 years U.S. skier days have grown at a compounded annual rate of only 0.6 percent; in the Rockies, it’s been only 1.1 percent. And while the Jackson Hole Mountain Resort has

enjoyed much higher growth rates than the nation or region (Graph 3), two clouds loom on the horizon for all Rocky Mountain ski areas: first, U.S. and Rocky Mountain skier days have been stagnant since 2006; second, in a stagnant market, the only way to grow is to steal skiers from other resorts. Since all of the region's resorts recognize this, their arms race will produce no clear winners.

Which leads us to the lodging tax board's focus on an October event. As Graph 4 shows, the reason for focusing on October is pretty clear: June, July, and August are already maxed out with summer tourists; September and May are already maxed out with staged events; and the winter months are, well, the winter months (see above). Throw in that no one wants to visit here in November or April, and that leaves October as the only month that hits the sweet spot of decent weather and no extant events.

So what will the proposed October event focus on? The feasibility study conducted by Strategy, a local firm specializing in – wait for it – strategy development and execution, suggests that Jackson Hole build on its history as “the crucible of conservation” and create an event celebrating conservation in all its forms, including culture, science, and activism.

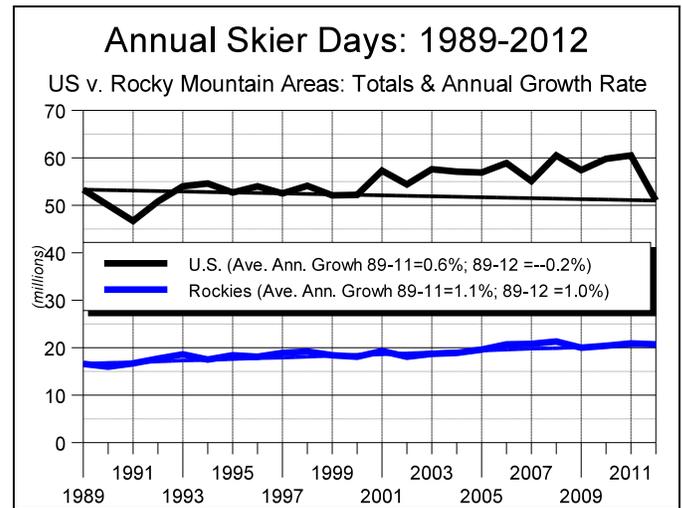
If executed well, this is a fabulous idea. As with the development of any new endeavor, though, the devil is obviously going to be in the details. But before the details even come into play, a fundamental question needs to be answered: Who or what is the target audience? The way it's answered will determine not only the event's ultimate success, but whether it will prove a worthwhile investment for the community.

Here's what I mean.

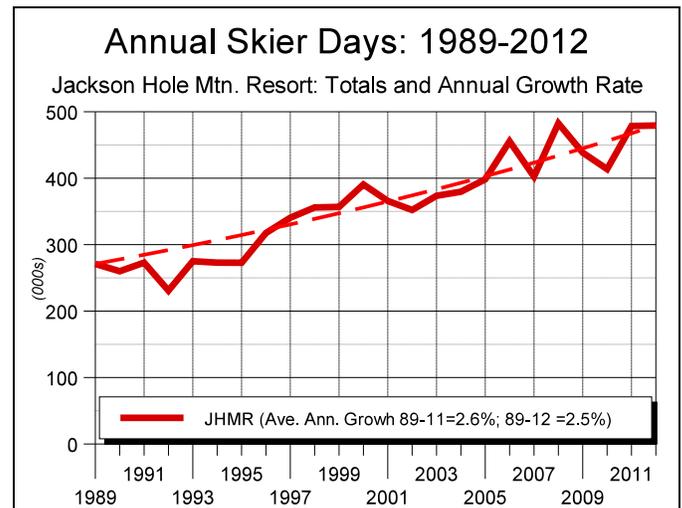
I've written ad nauseam that Jackson Hole's long-term health – not just our economic health, but our overall success as a community – depends on remaining truly distinctive. Only three things distinguish us from other communities – our landscape, wildlife, and culture/character – and the beauty of the “conservation event” idea is that it can complement not just our unique landscape and abundant wildlife, but also the core of our culture that was formed by our conservation heritage: first by the creation of Yellowstone National Park, and then by what was arguably the greatest public-private collaboration in the nation's history, the expansion of Grand Teton National Park to its current boundaries. Then add efforts ranging from the Muries' role in forging the Wilderness Act to the success of the Jackson Hole Land Trust, and arguably no other place in the world comes close to matching our conservation legacy.

That's the promise. What actually occurs at an “October conservation event,” though, might fall anywhere along a spectrum. To simplify things, let's call one end of the spectrum “Old Conservation Days” and the other the “Davos of Conservation.”

“Old Conservation Days” would be an attempt to essentially replicate Old West Days in October,



Graph 2



Graph 3

focusing on attracting tourists from regional markets by staging events similar in spirit to those which occur during Memorial Day weekend.

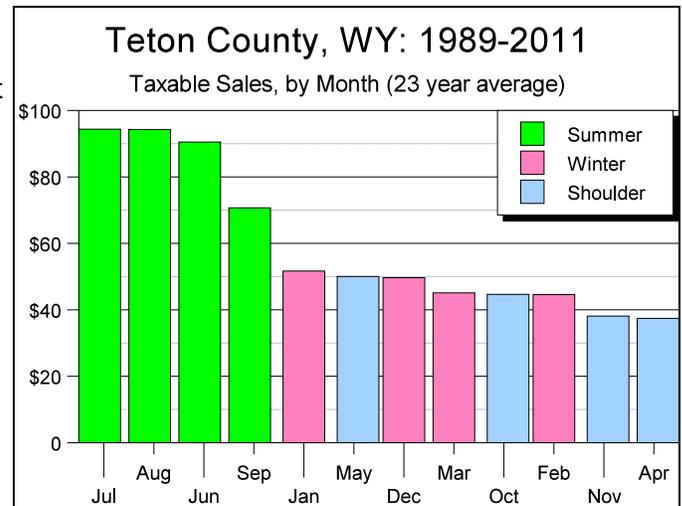
At the other end of the spectrum, the “Davos of Conservation” approach would be built on two pillars: Jackson Hole’s extraordinary conservation legacy, and the changing nature of conservation.

As the world’s population grows, the 20<sup>th</sup> century approach to conservation – i.e. locking up land – is reaching a dead end. Further, as technology makes it increasingly easy to replicate built environments anywhere in the world, conservation is going to take on a new, broader, and much more complicated meaning, encompassing subjects ranging from anthropology to biology; geography to art. No one has really thought through “21<sup>st</sup> century conservation,” but figuring it out and getting it right is arguably the most important challenge facing the planet during this century. If done properly, an annual “future of conservation” conference will be able to attract leading thought, business, and activism leaders from around the world to Jackson Hole every October. If that happens, we’ll have achieved a superfecta of successes by:

- bringing hundreds, if not thousands, of new visitors to Jackson Hole in October;
- more closely aligning our tourism economy with our conservation values and cultural heritage;
- building our overall tourism economy by increasing Jackson Hole’s global recognition in a way no marketing campaign could ever hope to do; and
- harnessing our values, character, and resources to make a significant difference in the world.

If we adopt this approach, I’m all in. If, however, we choose more of an “Old Conservation Days” approach, I think we’re wasting our time. Graph 4 hints at why: While Old West Days (and the ElkFest the week before) clearly help May’s taxable sales, right now May – with two “traditional” structured events – only outperforms October – with no structured events – by an average of 12 percent each year.

If we’re going to go to all the effort to create and stage an event, do we simply want to aspire to re-create May in the fall? Why fiddle around with something so relatively trivial? Instead, why not swing for the fences, and stage an annual event that holds the potential to make conservation – truly meaningful, 21<sup>st</sup> century conservation – synonymous with Jackson Hole? If we build such a reputation, the tourists will come – not just in October, but throughout the year – and commerce will take care of itself.



Graph 4

Put another way, the question is “When it comes to the October conservation event, how are we going to use lodging tax dollars: spend them or invest them?” More precisely, if the lodging tax is not renewed in 2014, what will we have to show for it?

One alternative is to spend \$400,000 or so over the next three years and build up a nice little regional event. We know how to do that, and the risk is probably low. But as with any risk-reward equation, so too is the likely reward.

Alternatively, we can invest that \$400,000 in an effort to build something substantive, important, and lasting. Could the effort blow up? Sure. But given that there’s nothing else in the world like a “21<sup>st</sup> century conservation” event, and given such an event’s potential to attract influential individuals, leaders, and institutions from around the globe, the payoff could be huge. If “Jackson Hole” can become as synonymous with conservation as “Davos” is with bringing together the world’s movers and shakers, we will reap an extraordinary return on our investment of lodging tax dollars.

That's the opportunity at hand. Here's hoping we seize it.