

**Jonathan Schechter – “Corpus Callosum” Column**  
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*“Strength lies in organization, in careful long-range planning and implementation, in consistency of action over an indefinite period of years, in the scale of financing available only through joint effort, and in the political power available only through united action...”*

– Lewis Powell, future US Supreme Court Justice, in a 1971 memo to his client, the US Chamber of Commerce

I tend toward the long-term view. That’s why I like this quote from Justice Powell.

Taking that perspective, let’s look back 40 years.

In 1970, the world’s population was 3.7 billion. America’s was 203 million; Teton County’s 4,679.

In 1970, researchers relied on books, magazines, and newspapers. If you wanted to connect with someone, you sent a letter or made a phone call through the AT&T system. If you wanted to surf, you went to an ocean; to ski, to the mountains; to stroll in Central Park, to New York City.

In 2010, the world’s population was 6.8 billion, an increase of 84 percent. America’s population was 311 million, up 53 percent. Teton County’s was 21,294, 4.5-times greater than it had been 40 years earlier.

In 2010, researchers still had books, magazines, and newspapers, but those were being dwarfed by the internet. To connect with someone, you could choose among your telephone carriers, or use your cell phone, or the internet – whether through your computer or cell phone; whether through e-mail, instant messaging, or social networking. Quaintly, you could also send a letter.

If you wanted to surf, you could go to ocean coast or, alternatively, the middle of the Arizona desert. If you wanted to ski, you could go to the mountains or, alternatively, the Gulf of Arabia. If you wanted to wander through Central Park, you could go to New York City or, alternatively, head for the Caribbean aboard the world’s largest cruise ship, which has created a miniature facsimile.

Now let’s jump ahead 40 years.

By 2050, the world’s population will be 9.3 billion people, 2.5 times greater than it was 80 years earlier. The world’s population density will be roughly 1 person per 4 acres, a figure which includes all deserts and both the Arctic and Antarctica.

By 2050, America’s population will be 420 million, or 2.1 times what it was in 1970. America’s population density will be 1 person for every 5 acres.

By 2050, if Teton County’s growth goes absolutely crazy, we’ll have around 35,000 residents, a population density of 1 person for every 70 acres.

The point of all this is simple and basic.

40 years ago, Teton County was a cloister. Thanks to its geography and the limitations of technology, it was about as well-insulated from the world as any place in the lower 48.

Today is a different story. Every year, we become a little bit more connected with, and more similar

to, the rest of the world. And every year, the rest of the world becomes a little bit more similar to us. Given the pace of technological change, 40 years from now, not only will we be that much more connected with the rest of the world; there will be far, far less that distinguishes us from any other place.

That much is clear. What's far less clear is what we're going to do to prepare ourselves for that future.

One alternative is to do nothing, to simply go along as we've been going along and try to pretend that nothing much has really changed – whether in the last 40 years or even the last couple. Follow that path, and we'll end up being a lot more like the rest of the world. Which will make us a commodity. Which will put us at a real competitive disadvantage, for we are ill-equipped to succeed at a commodity game.

The other alternative is to figure out what will continue to make us truly distinctive, for that's a game we have a chance of winning. If we can figure that out, there is, of course, a second, bigger challenge: following Justice Powell's advice regarding "... careful long-range planning and implementation, consistency of action over an indefinite period of years." But if we can somehow develop that vision, and then plan and act accordingly over that indefinite period, we will be in the driver's seat in our future, increasingly-homogenous world.

Which leads me into part two of my discussion of how we might spend the proceeds of the lodging tax.

During the next four years, Teton County will raise at least \$10 million in lodging tax proceeds. In my last column, I expressed my hope that, before spending this money, we first ask ourselves what kind of economy we want to have over the next few decades, and what role tourism has within that larger economy. Once we're clear on that, we can use the \$10 million to move us closer to our long-term goals.

I'd like to see this discussion occur because I believe that the lodging tax proceeds can catalyze our transition to a 21<sup>st</sup> century tourism economy.

By a "21<sup>st</sup> century tourism economy," I mean one that not only capitalizes on what makes Jackson Hole truly distinctive, but one which re-enforces that which makes us truly distinctive. Unfortunately, a far more likely outcome of how we spend the lodging tax proceeds is that we'll use them to simply prop up our current 20<sup>th</sup> century tourism economy.

By this I mean that, during the 20<sup>th</sup> century, tourism was about quantity – success was a function of how many guests a resort attracted, and how much those guests spent. Unfortunately, over the past couple of decades, the number of resorts has grown faster than the population, meaning that tourism has not only become a brutally competitive business, but also a commodity. This is true even at the highest end, where the same technology that allows Jackson Hole to offer European spa therapies and fresh-caught Alaskan halibut allows every other mountain town – or cruise ship, or desert-based ski area, or what have you – to offer all that and more. As a result, running a resort has become a commodity: a high-cost, low-margin business, profitable only because of real estate sales. And now that real estate sales have dried up, every resort is left with exactly one strategic option: spend additional marketing dollars to lure a shrinking number of tourists away from some other location. This is mutually-assured destruction, yet it's the fight we've voluntarily chosen to engage in.

That reality set the context for last November's lodging tax election, in which a majority of voters opted to help the local tourism industry pay for additional marketing. As a result, by the end of this year the lodging tax board will have around \$2 million to use on some form(s) of promotion. But before blindly rushing into some sort of media buy or other "more of the same" marketing effort, I hope the board in particular, and community in general, first asks a very basic question: What's the best way to use that money?

My answer is to spend the lodging tax proceeds in a way which meets three criteria.

First, we need to spend the lodging tax proceeds in a way which doesn't simply put us in a "me too" competition with every other resort out there.

During the lodging tax campaign, advocates indicated that the bulk of the proceeds will be spent to promote winter and the shoulder seasons. That's fine, but for as extraordinary as the skiing is at Teton Village, at the end of the day there are far more good ski areas than there are good ways to market them. As a result, it's not at all clear what kind of economic boost we can expect from even the most exceptional marketing campaign. And if the campaign is less than exceptional...

Second, we need to spend the lodging tax proceeds in a way which encourages a larger effort, namely emphasizing Jackson Hole's truly distinctive and meaningful competitive advantages.

If we do this, we can lift ourselves out of the resort-as-commodity war currently raging, and charge a concomitant premium. If we can't, then we'll be left where we are today, duking it out with every other resort, cruise line, and community trying to distinguish itself in an increasingly homogenous tourism economy.

Third, we need to spend the lodging tax proceeds in a way which aligns our tourism industry's interests with those of the community as a whole.

Right now, the two are not closely aligned, which is a huge problem when considering another long-term criterion: whether voters re-authorize the lodging tax in 2014. The more closely aligned the interests of the tourism industry can be with those of the community as a whole, the better the chances of that re-authorization occurring, a reality lodging tax advocates ignore at their peril.

What kind of expenditure of lodging tax proceeds would meet all three criteria? I see two possibilities.

The first is one I've written about before: Develop and enact standards for certifying an entire community as sustainable. Right now, buildings, lodging properties, and other individual efforts can get certified; inevitably the concept will be extended to the community level. When it does, the first community to do so will get branded, in the same way Kyoto is associated with global warming and Davos with the world economic forum. That community should be Jackson Hole. Not only would seizing that opportunity earn us far more favorable publicity than we'll ever be able to generate through lodging tax ad buys, it will take us a long way toward aligning community values with those of our tourism industry.

The second idea is to use a portion of the lodging tax proceeds to underwrite a biennial "Mountain Town Community Olympics."

This concept is a mash-up of a bunch of ideas, including the X Games, the Fall Arts Festival, and Pole, Peddle, Paddle. It would be a celebration of not just the activities that occur in a mountain town, but the qualities essential to the character of those towns. Most critically, it would be a celebration of the qualities essential to Jackson Hole's character which, again, would go a long way toward aligning tourism with the values of the overall community.

As I envision it, the Community Olympics would involve competitions, demonstrations, and celebrations in events ranging from fishing, climbing, and biking to cooking, painting, and music.

Part of the \$10 million would go to luring world-class performers in each event, folks whose reputations would help put the Community Olympics on the map and in so doing help boost our tourism economy. This is the "X Games" component.

However – and this is the critical part – part of that \$10 million would go to staging parallel events geared toward everyday folk, whether they wanted to test themselves, take a master’s class, or simply join together with their friends in a fun community-wide event. This is the “PPP” component and it’s critical because, if done properly, the Community part of the Community Olympics would re-enforce Jackson Hole’s community character by celebrating the many facets of life here. And if that happened, not only would we go a long way toward sustaining our essential qualities, but future re-authorization of the lodging tax would be a slam dunk.

To me, an idea like this not only addresses all three of my criteria, but does so in a synergistic way. Further, it allows us to put a Jackson Hole stamp on things which occur in every mountain town, but which currently aren’t bundled together in any sort of effective or distinctive fashion. If we can develop a successful Community Olympics, then it could become our “export;” something uniquely branded with the Jackson Hole name. And given that there are mountain towns around the world, why not become to a comprehensive, all-inclusive Community Olympics what Banff or Park City or Telluride are to much narrower activities such as film and bluegrass?

All this takes money, of course, and that’s where the lodging tax comes in. While \$10 million over four years isn’t nothing, marketing folks tell me it won’t really buy all that much advertising. So, while spending the lodging tax proceeds on a conventional approach to promotion will likely make some difference in our tourism economy, it isn’t clear just how much difference it would make.

In contrast, if that \$10 million became seed money for two Community Olympics, it could be greatly leveraged with sponsorships from corporate partners, the state of Wyoming, media rights, and the like, providing far more bang for the buck. Heck, we could even farm out the Community Olympics every other year, spreading the Jackson Hole brand worldwide by having the event rotate to other mountain communities. Further, since the idea lends itself to both summer and winter activities, we could emulate the Olympics and alternate between a fall event (in conjunction with the One Fly and Fall Arts Festival) and one in the spring (in conjunction with PPP).

Pulling all this together would take an extraordinary amount of work and community involvement, but that’s just the point. Rather than the current situation where our tourism industry is viewed at a remove from most residents’ lives, to be successful the Community Olympics would require a high level of teamwork and coordination from all elements of the community. This would break down all sorts of divides, and in so doing align the interests of many parts of the community with the success of the Community Olympics. And if that happened, voting against future re-authorizations of the lodging tax would mean voting against one’s own self-interest. Ain’t gonna happen.

Over the course of the next nine months, my fervent hope is that we use the question of how to spend the lodging tax proceeds to discuss not only ideas like certifying eco-friendly communities and the Community Olympics, but to explore the broader framework of what Jackson Hole’s 21<sup>st</sup> century economy might look like. If we do, we have the opportunity to not only create a more vibrant economy for ourselves, but leave a much more vital community for future generations. If we miss the chance, it will go down as yet another squandered opportunity to take a bit of control over our own destiny.