

DESTINATION  
**MASTER PLAN**

**PAGOSA**

**SPRINGS**

COLORADO

2019



PAGOSA SPRINGS AREA  
TOURISM BOARD

## ACKNOWLEDGEMENTS

### **Pagosa Springs Area Tourism Board**

Shane Lucero, Chair

Julian Caler, Vice Chair

Nick Tallent, Secretary

Lauri Heraty, Treasurer

Steve Wadley

Madeline Bergon

Michael Whiting

Jon Johnson

Jennifer Green, Director

### **Town of Pagosa Springs Town Council**

Don Volger, Mayor

Matt DeGuise

Nicole DeMarco

Mat deGraaf

Tracy Bunning

David Schanzenbaker, Mayor Pro-tem

Madeline Bergon

### **Archuleta County Board of County Commissioners**

Steve Wadley, District

Ronnie Maez, District 2

Alvin Schaaf, District 3



Prepared with the assistance of  
Place Dynamics LLC ■ [www.placedynamics.com](http://www.placedynamics.com)

# CONTENTS

A Destination Master Plan for Pagosa Springs.....	1
Key Findings in the Research .....	1
Summary of the Development Plan .....	2
A Quick View of leisure Travel.....	3
Colorado Travel Research.....	4
The Pagosa Springs Visitor.....	5
Mobile Data Analysis.....	5
Survey Research .....	7
Asset Assessment.....	15
Location as an Asset and a Challenge.....	15
Visitor Assets and Activities.....	15
Asset Development Needs.....	20
Supportive Infrastructure.....	20
Competitive Places.....	23
Durango, Colorado.....	23
Glenwood Springs, Colorado .....	23
Salida, Colorado .....	24
Moab, Utah.....	25
Silver City, New Mexico .....	25
Marquette, Michigan.....	26

Sisters, Oregon .....	27
Lodging Market .....	29
Available Lodging .....	29
Market Trend .....	31
STR Global Market Trends .....	31
Lodging Tax Receipts.....	32
Market Demand for Additional Hotel Rooms.....	33
Recommended Hotel Development.....	34
Next Steps.....	35
Meeting/Banquet Market.....	36
Market Characteristics.....	36
Competing Space.....	36
Infrastructure.....	37
Potential Demand .....	38
Recommended Facility.....	39
Next Steps.....	39
Recommendations / Implementation.....	41
Short-Term Initiatives .....	41
Medium-Term Initiatives .....	42
Long-Term Initiatives .....	43

# A DESTINATION MASTER PLAN FOR PAGOSA SPRINGS

Compared to its peers in Colorado and across the nation, Pagosa Springs has a very sophisticated tourism promotion infrastructure. That is matched with diverse and high-quality assets that will draw overnight visitors both regionally and nationally. What is lacking is the public and private infrastructure to service those visitors and grow their number.

The purpose of this study is to examine the travel market, local assets, visitor patterns, and support infrastructure in the Pagosa Springs area, and to recommend a plan of development that will better position the Town to capture visitors and their spending. This will lead to a stronger economy, year-round employment, a better quality of life for residents, and increased revenues to businesses and the local government. It specifically looks at the demand and feasibility for a large meeting and banquet space that may help the Town and its businesses tap a travel segment that it does not currently reach.

This report is presented in two sections. The first of these documents research that was conducted to understand how Pagosa Springs is positioned today. This begins at a broad level, examining travel patterns and trends at the national and state level, before delving into local conditions. The analysis presents an objective assessment of visitor assets in the region, along with the capacity of the Town and its businesses to serve the market, including meetings and events. This information is summarized in a SWOT analysis that forms the basis for the second section, which is the plan of development.

## Key Findings in the Research

The Pagosa Springs area offers a diversity of visitor activities that encompasses nearly all of those significant interests identified by the Colorado Tourism Office. These generally compare well to their competition. The Town of Pagosa Springs does an exceptional job of promoting its visitor assets, with a marketing program based in solid market research, and a multi-channel promotional strategy backed by high-quality print and online content. Few comparable communities, in Colorado or elsewhere, can match its sophistication and effectiveness.



The greatest impediment to growing the local tourism economy is in developing the infrastructure needed to support visitor stays and enhance their experience of place. Developing these resources will require the independent and coordinated action of both the public and private sectors. Critical needs center on lodging, infrastructure to support events, and enhancements to visitor attractions. Catalytic projects, like the introduction of a conference/banquet facility or adventure-themed activity (zip line, whitewater park, etc.) could attract significant new travel to the community.

River path and streetscape investments can help to package the downtown and eastern commercial areas to encourage greater patronage of visitor-serving businesses. At the same time, there is a need for many of those businesses to consider how their current practices, such as days and hours of operation, are limiting their sales and frustrating visitors who encounter limited options for shopping, dining, and entertainment.

## Summary of the Development Plan

Recommendations for tourism development are presented as short-, medium-, and long-term initiatives, based on considerations such as cost, complexity, and the time needed for planning and implementation. Actions that can be taken in a 2019 to 2020 time frame include:

- Improving road signage directing visitors to attractions in the area.
- Placing informative and directional signage on hiking and biking trails.
- Developing a framework for art installations and historical interpretation in Pagosa Springs.
- Preparing a parking study for the downtown area.
- Preparing a river access study to identify and develop public access to the San Juan River.

- Adding content to mobile phone applications used for tourism and recreational activities.

Medium-term initiatives include:

- Preparing a downtown revitalization plan.
- Developing event infrastructure.
- Encouraging new hotel development.
- Continuing construction of the river path to access businesses to the east of downtown.
- Developing policies and incentives to encourage events.
- Incorporating waterfalls and wildlife into tourism marketing.

Long-term initiatives include:

- Develop a downtown meeting and banquet facility.
- Build a stronger arts economy.
- Encourage development of an adventure-themed attraction such as a whitewater course, zip-line, outdoor training center, or similar asset.
- Expand upon meeting and event marketing (if a banquet/meeting space is constructed).

## A QUICK VIEW OF LEISURE TRAVEL

Planning for tourism development should be conducted with an eye to national and regional trends. This will help to position the Town and its assets to meet the desires of its target market, now and in the future.

The US Travel Association estimates the size of the US-based travel industry at \$1.036 trillion in 2017, or about \$2.8 billion per day. Of that, \$317.2 billion is in the business segment, with \$131.8 billion allocated to meeting, event, and incentive travel. Leisure travel – the segment that Pagosa Springs is already positioned to capture – totals \$718.4 billion, with the top activities being visiting relatives, shopping, visiting friends, fine dining, and sightseeing. All told, Americans took more than 1.8 billion leisure trips and 462 million business trips. About 60 percent of those business trips also included some leisure time.

There is a growing perception of travel as an experience, and place as more than a backdrop for activities they could do elsewhere. Travelers are seeking places that are diverse, engaging, unique, and authentic. Increasingly, they demand a personalized experience and technology that both guides and allows them to customize their experience.

While Generation X is currently the largest travel segment, the Millennial Generation will make up half of travelers by 2025. The youngest cohorts are most likely to travel solo, while spending increases with age, until dropping off for those over 65. Road trips make up 42 percent of travel for Baby Boomers, 36 percent for Millennials, and 39 percent overall.

There is general agreement on the top priorities of travelers, with the top-ranked goal of “recharging in nature”. This is followed by a “one-off experience you can’t get elsewhere”. Significant growth areas include wellness vacations, food tours, heritage and cultural tours, water-based activities, adventure travel, solo travel (especially among younger travelers and women), traveling with a pet (mostly dogs), and multigenerational travel.

Online reviews are one of the more important decision factors to emerge in recent years. Google Maps, TripAdvisor, and other sites are growing in importance as the sources travelers are using to determine where they will visit, and once there, what businesses to patronize. It is estimated that up to 85 percent of travelers are reading online reviews; about

### TRAVELER PROFILES

Traveling solo .....	25%
Traveling with family (summer) .....	40%
Traveling with family (winter).....	20%
Traveling with a pet .....	20%

the same percentage as those reading informative content. In comparison, only 60 percent read ads. Loyalty programs are an important consideration for over half (53 percent) of travelers, while 91 percent report looking for deals in their searches.

According to Sojern Global Travel Insights, almost half (48 percent) of travelers are comfortable using only mobile phones for travel research, and 70 percent are using mobile to search while on their trip. Expedia reports that a little over half (52 percent) of the people using its site are making a choice between two locations, and 68 percent have an idea of what they want to do but need inspiration.

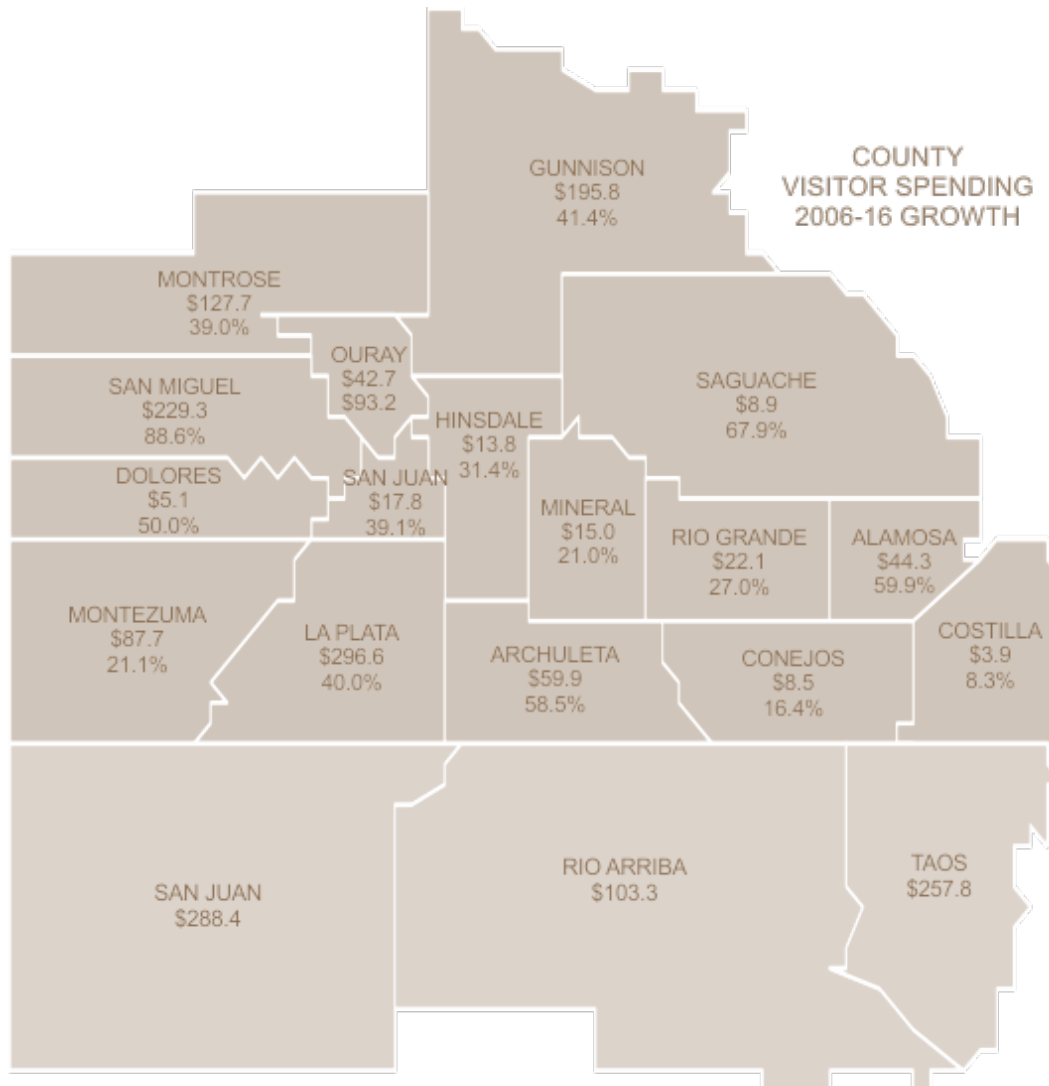
While online information is important, some traditional approaches must still be considered. DCI reports that first-hand experience is the most important factor in making an impression of a community (76 percent of people surveyed), followed by word of mouth (68 percent), internet research (62 percent), social media (44 percent), media coverage (27 percent), and rankings (25 percent). In other

words, the experience of people passing through the community, or the reports of their family and friends, are the most significant consideration in travel decisions.

## Colorado Travel Research

According to estimates prepared for the Colorado Tourism Office by Dean Runyan Associates, direct travel spending in Colorado totaled \$19.7 billion in 2016. Sixty percent of this spending occurred in the Denver and Colorado Springs areas, while the mountain resorts made up another 24 percent of the total. All other parts of the state, including Pagosa Springs, shared the remaining 17 percent. Statewide, visitors who stayed overnight at commercial lodging establishments accounted for 66 percent of all visitor spending.

Visitor spending in Archuleta County has grown continuously for over a decade, doubling from \$29.6 million in 2002 to \$59.9 million in 2016. All nearby counties in Colorado have also experienced growth in travel expenditures, though only a few have grown at a more rapid pace.



Figures for New Mexico counties are calculated differently and do not enable a direct comparison



## THE PAGOSA SPRINGS VISITOR

It is important to understand who is visiting the Pagosa Springs area and their perceptions of the place. Two techniques were employed to gain this knowledge. Firstly, location data from a sample of mobile phones was used to track the origins and travel patterns of visitors to the area. Secondly, an online survey was distributed to email addresses provided by the Town. The patterns they revealed are largely consistent with prior research.

### Mobile Data Analysis

Location tracking data was obtained from UberVista Media. The company provides a sample of data points from mobile phones collected within a defined area, in this case, the downtown area of Pagosa Springs. Data include the day and time, along with the usual nighttime location (home) of the phone's owner, and the location of the phone two hours

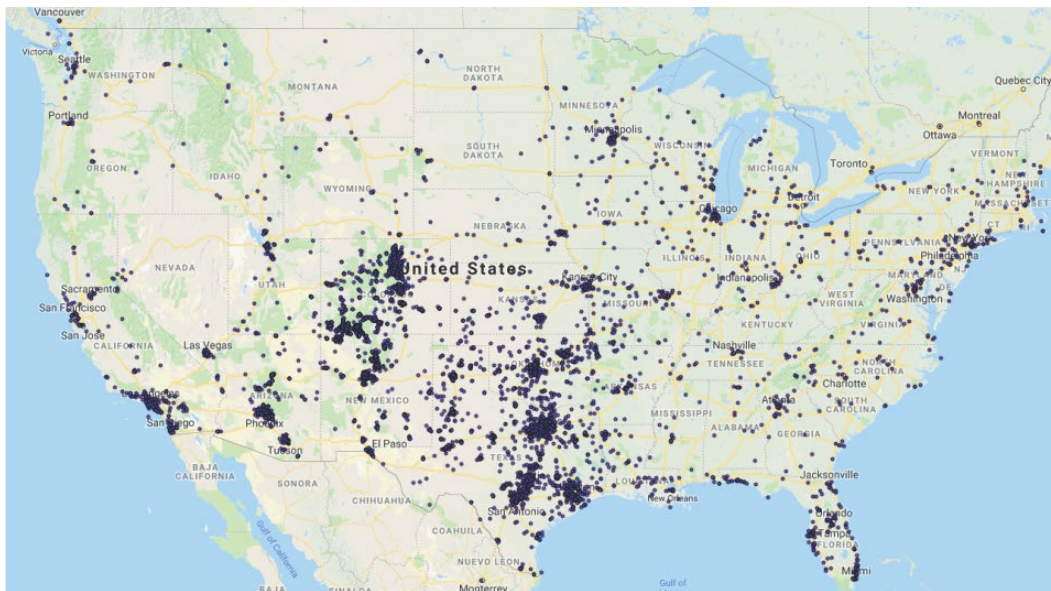
prior to arriving in the study area. There are limitations to the data in that it does not enable people living in the area to be separated out from visitors. It also does not enable the user to determine how long a person remained in the study area, which might indicate if they were simply passing through, as opposed to staying in the area. Even so, it will offer a useful view of the geography of Pagosa Springs' potential market.

#### All Visitors to Pagosa Springs

Pagosa Springs is drawing visitors from most of the country. Not unexpectedly, the Town sees a concentration of visitors from Texas and Oklahoma, as does most of Colorado. The Front Range cities, Albuquerque, and Santa Fe are also prominent origins. Other concentrations are associated with major metropolitan regions including Phoenix-Tucson, Salt Lake City, Los Angeles, San Francisco, Kansas City, St. Louis, Chicago, and Minneapolis. There is also a strong connection to coastal Florida.

#### Overnight Visitors to Pagosa Springs

Those patterns change when looking at just those visitors whose location data was captured on two separate days – an indicator that the visitor may have made an overnight stay. The Front Range, Texas, and Oklahoma remain strong origins. Aside from Phoenix-Tucson, Los Angeles, San Francisco, and Kansas City,



*All visitors to Pagosa Springs during the year.*

most other metropolitan areas drop off in importance. There is still some association with Florida, though not as strong.

This suggests that many travelers captured in the mobile phone data, having origins outside of Pagosa Springs' core markets in the southwest, are not staying in the community. These travelers may be headed to better-known destinations in the region (such as Mesa Verde) along a route that has them passing through the Town. Those travel patterns still present an opportunity to capture visitor spending, and to potentially attract them back for a return visit with a stay in Pagosa Springs. As these visitors are traveling by car, the Town's opportunity really does center on the impression of the community, and its presentation of assets, as seen from the highway.

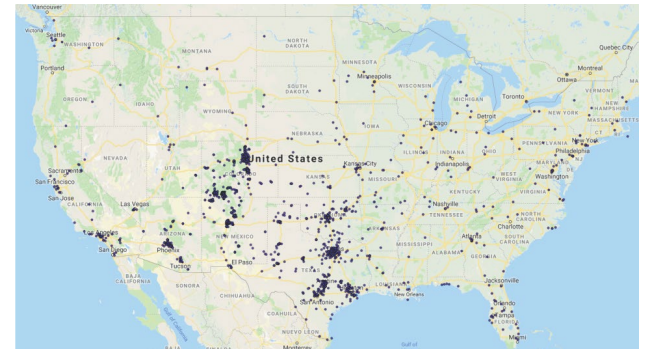
### Weekday and Weekend Visitors to Pagosa Springs

Weekdays see the most geographically-diverse set of visitors, closely aligning with the overall pattern of visitation. Weekends, however, display concentrations in places closer to Pagosa Springs. With an overwhelming percentage of visitors coming by car, it is safe to speculate that weekend days are used for driving by people coming from longer distances, while those living nearer are able to travel to the area in less than a day.

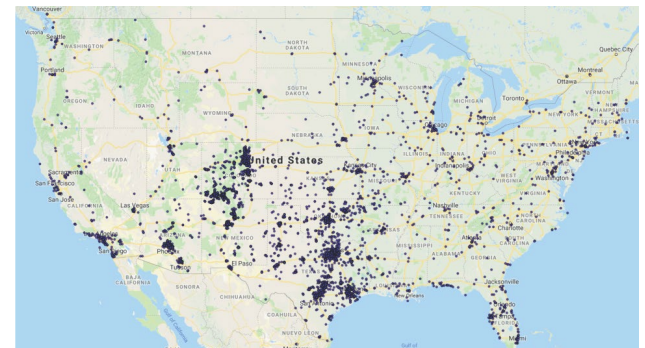
These patterns may result in two different sets of needs. Weekend visitors from places like Albuquerque, Denver, or Phoenix may be heading up on Friday evening or Saturday morning, then heading home Sunday afternoon. Visitors from a longer distance will arrive on Sunday. Both groups will find that most of the unique and local shops and eateries are closed, at a time when they might be most inclined to linger to enjoy a meal or purchase a final souvenir before leaving.

### Seasonality of Visitors to Pagosa Springs

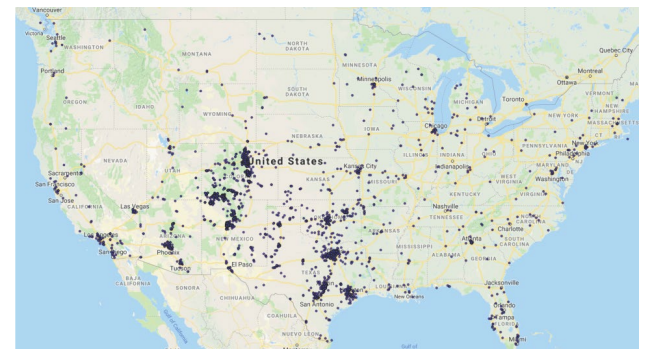
According to the cell phone data, which records whether the person passed through the study area, and not the length of their stay, Summer (June through August) is the peak season for travel to Pagosa Springs, and when the region is also drawing visitors from the greatest area. Autumn (September through November) is the weakest season, especially with regard to a decline in travel from the Town's core markets in Texas and Oklahoma. Winter (December through February) and spring (March through May) are nearly identical,

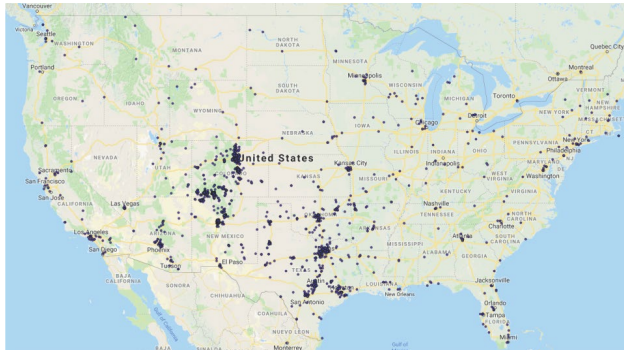


*TOP: Origins of visitors on at least two separate days.*

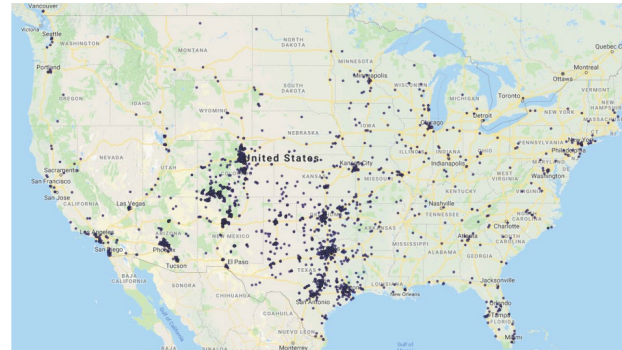


*MIDDLE: Origins of weekday visitors.  
BOTTOM: Origins of weekend visitors.*

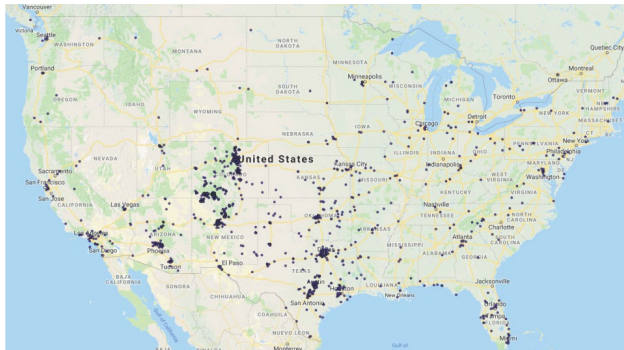




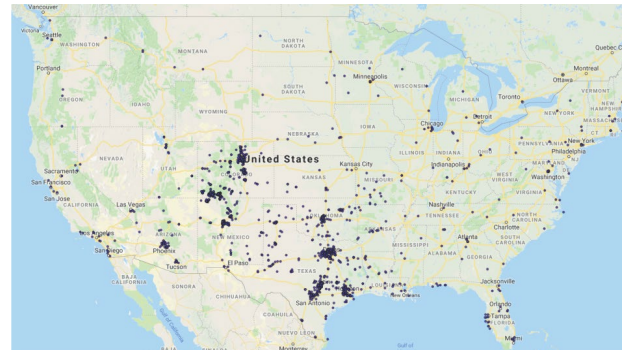
*Spring Visitation (March through May)*



*Summer Visitation (June through August)*



*Autumn Visitation (September through November)*



*Winter Visitation (December through February)*

although travel from the Front Range appears to be stronger in spring, and Texas and Oklahoma are stronger in winter.

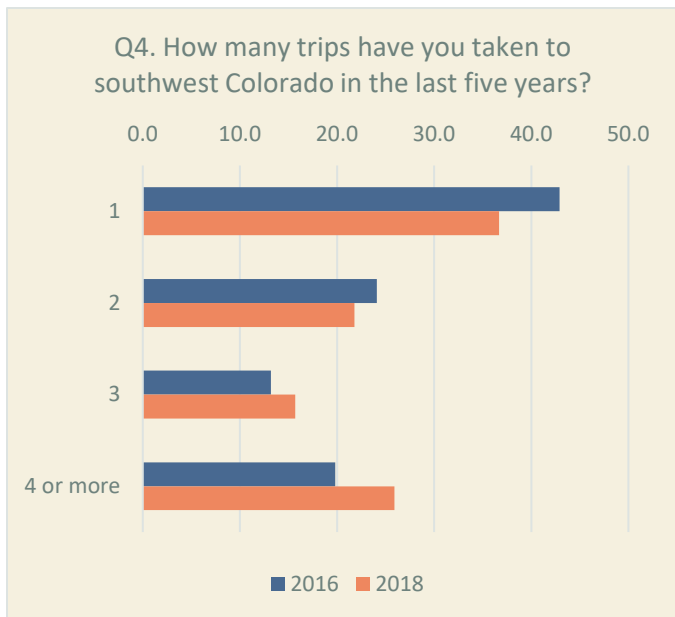
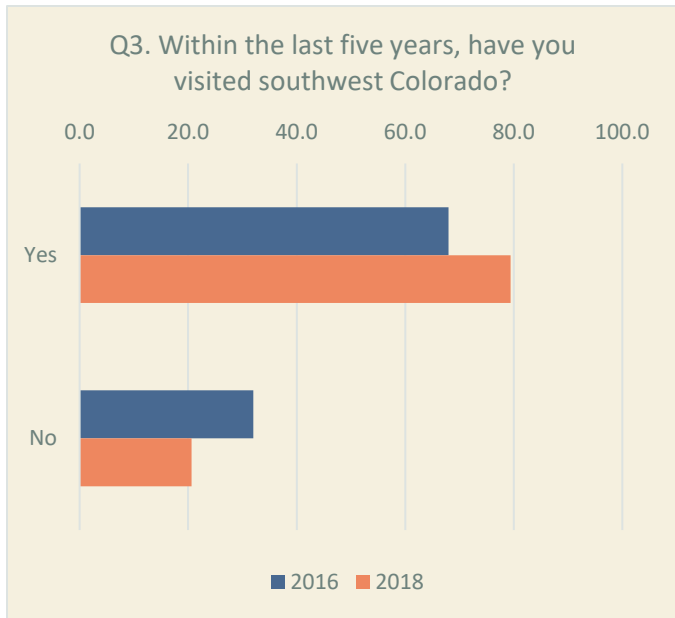
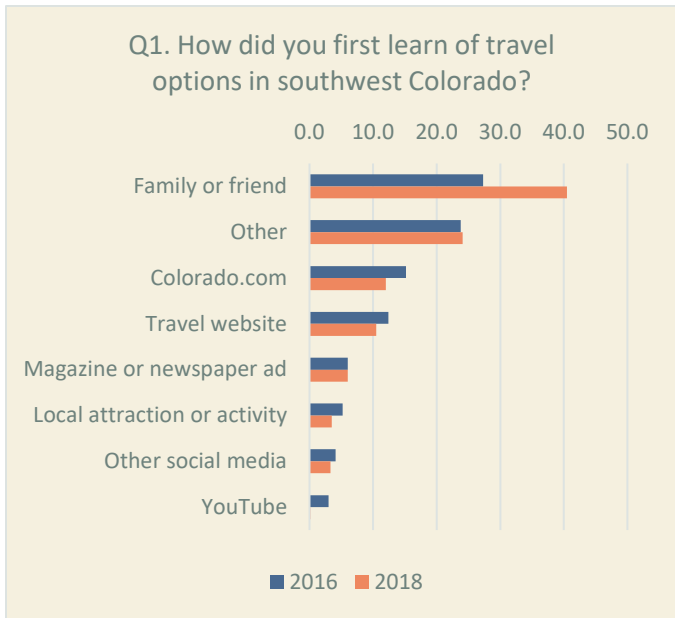
These patterns are not unusual. A summer peak in visitation is common for reasons of weather, accessibility, and timing (especially for families with children). The spring peak is also a reflection of timing with regard to spring breaks from school, and the presence of the Wolf Creek Ski Area. The origins of winter travelers are more limited to core markets where there is a greater familiarity with the Pagosa Springs area. Accessibility is undoubtedly a factor, with less travel even from the Front Range. Travel from Albuquerque

and Santa Fe is easier, and the volume of traffic from these cities remains relatively constant through the year. These observations are important in that lodging tax data reveal a different pattern, with strong Autumn traffic. This suggests that people are passing through in seasons such as Spring, without staying, and there is a potential to convert them into overnight visitors.

## Survey Research

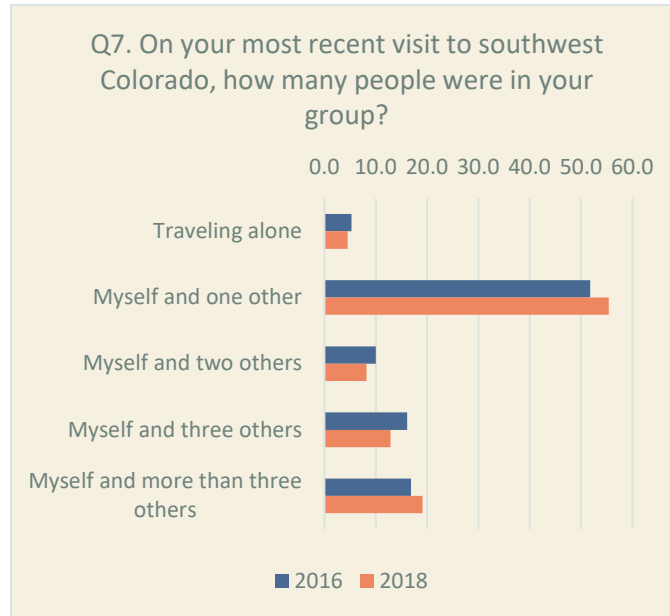
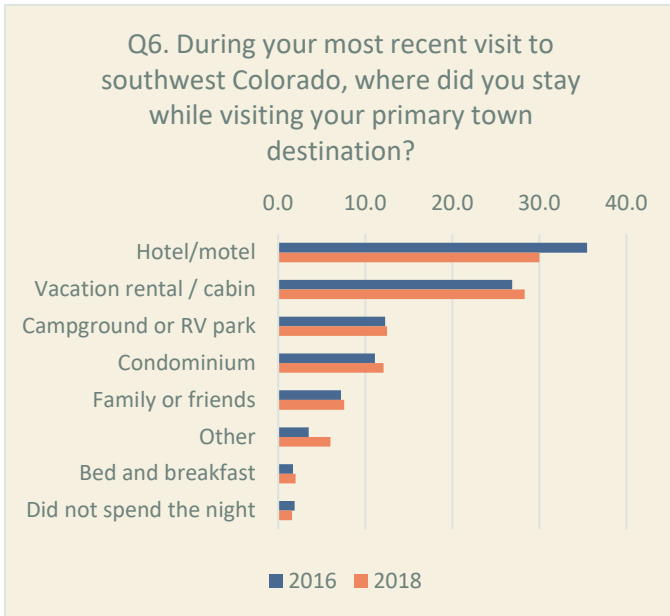
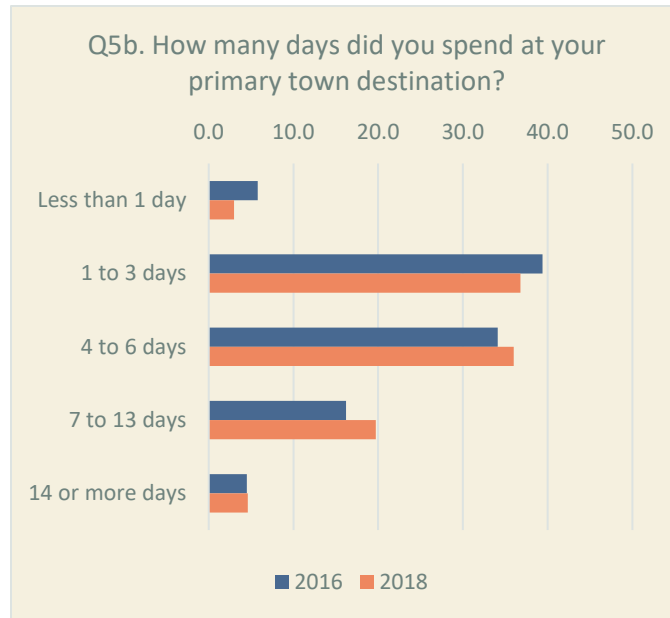
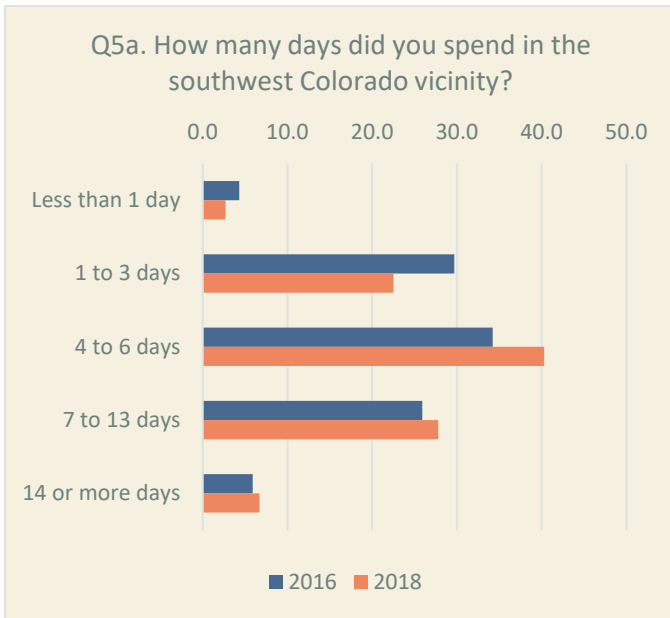
An online survey was prepared and distributed in November of 2018. There were 791 responses. The survey questions were designed to closely match those in the 2016 survey conducted by Hinsdale College, thereby enabling a comparison to detect change over time. The survey might easily be replicated at two-year intervals to continue tracking these issues.

A couple questions dealt with sources for information about travel destinations. The first question, *1) how did you first learn of travel options in southwest Colorado?* found an increasing percentage of people turning to family and friends for information, while online sources were less important. The second



question, *2) how did you first request travel information about southwest Colorado?*, also showed online inquiries and emailed newsletters decreasing in importance.

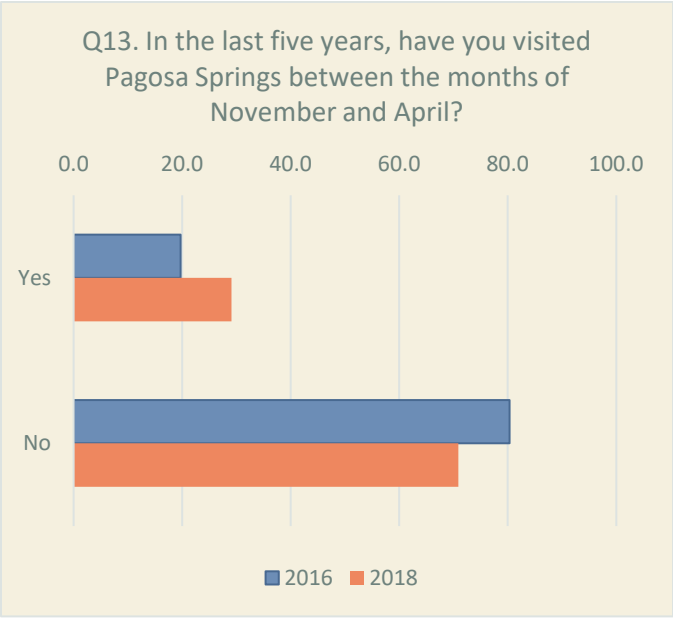
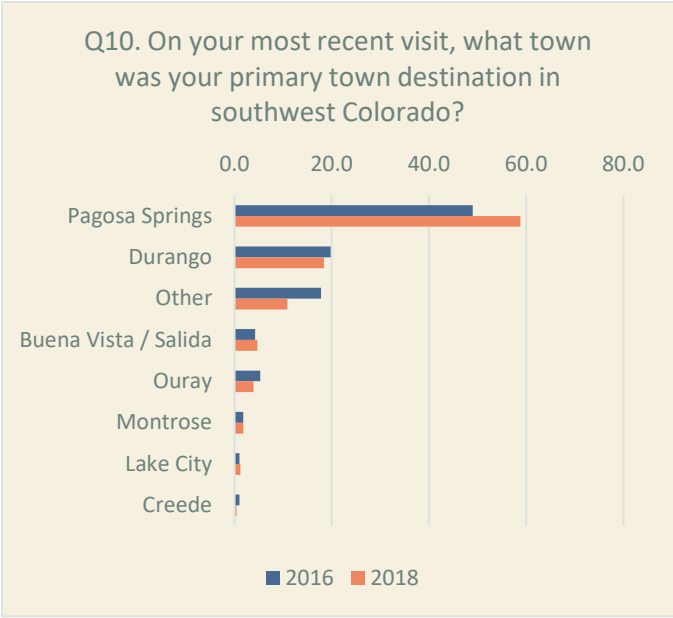
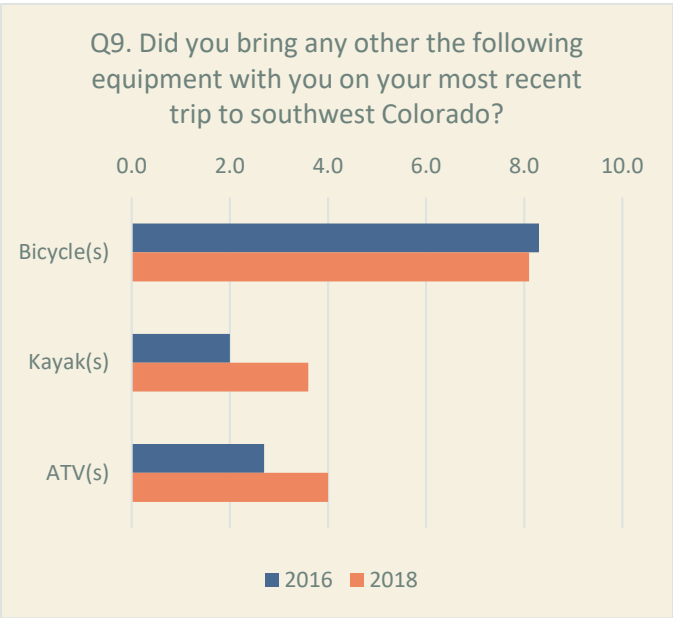
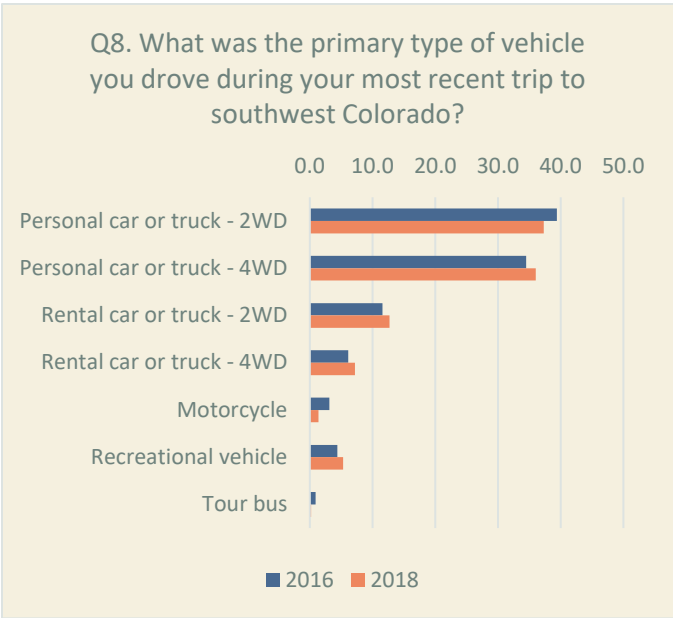
Visitation appears to be increasing in frequency and length, based on questions about recent visits. When asked, *3) within the last five years, have you visited southwest Colorado?*, a total of 79.4 percent indicated that they had. This is an increase from 68.0 percent in 2016. At the same time, answers to *4) how many trips have you taken to southwest Colorado in the last five years?*, show an increasing percentage taking multiple trips to the area. Meanwhile, the duration of trips seems to be increasing. Question five had two parts, asking *5a) how many days did you spend in the southwest Colorado vicinity?* and *5b) how many days did you spend at your primary town destination?* People are spending more time on their trips to southwest Colorado, with the



greatest increase in trips from four to six days in length. They are also spending more of that time in their primary destination, with the greatest increase between one and two weeks.

Hotel stays are in decline. When asked *6) during your most recent visit to southwest Colorado, where did you stay while visiting your primary town destination?*, a growing number of visitors chose staying with family or friends, vacation rental or cabin, condominium, or "other". This is likely to include the large number of rental properties made available through online sites such as AirBnB. These increases have come at the expense of room nights booked in hotels.

Couples make up more of the visitors to the area, "myself and one other" increasing its share of responses to question seven, *7) on your most recent visit to southwest Colorado, how many people were in your group?* The size of this cohort suggests the potential to capitalize on more



romantic weekends or “get-aways for adults”, especially in the off-peak months. It is also interesting in the context of increasing solo travel, where the number of people traveling alone to southwest Colorado seems to be falling. Additional data in 2020 can confirm if this is a trend, or only an aberration.

There have only been minor changes in the form of transportation used during visits. When asked *8) what was the primary type of vehicle you drove during your most recent trip to southwest Colorado?*, a slightly larger number indicated rental cars and RVs, with fewer motorcycles.

More people are bringing ATVs and kayaks on their trips. The question asked *9) did you bring any other the following equipment with you on your most recent trip to southwest Colorado?* It is not clear that visitors participated in these activities in the Pagosa Springs area, and other parts of southwest Colorado have more

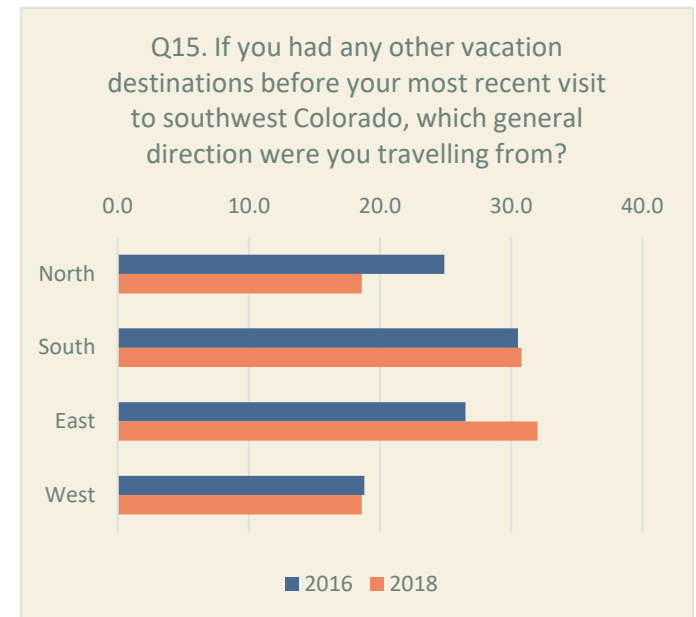
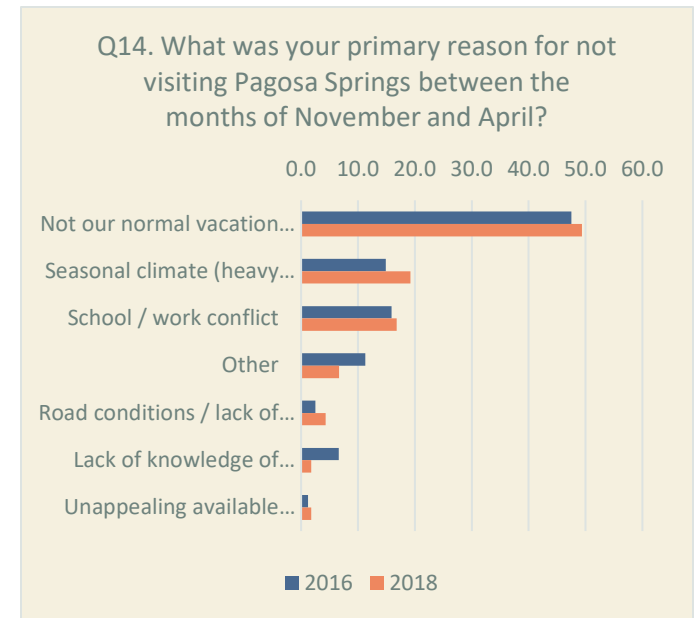
competitive assets for these activities. The number of visitors bringing bikes changed very little.

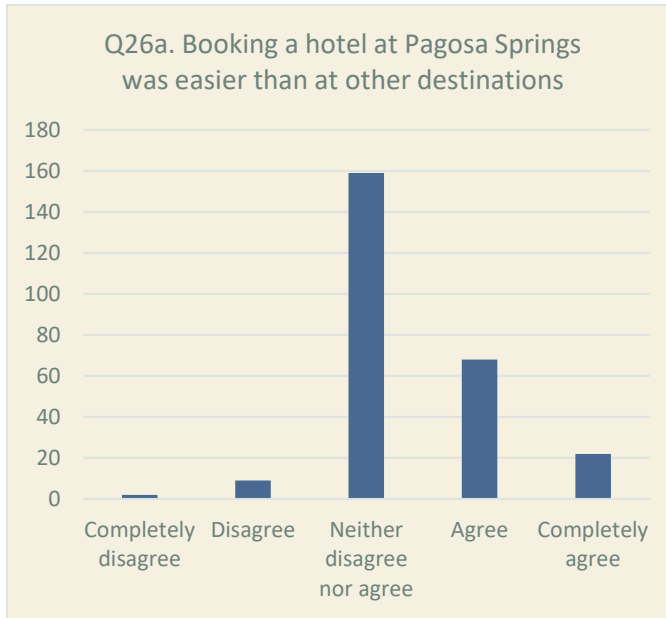
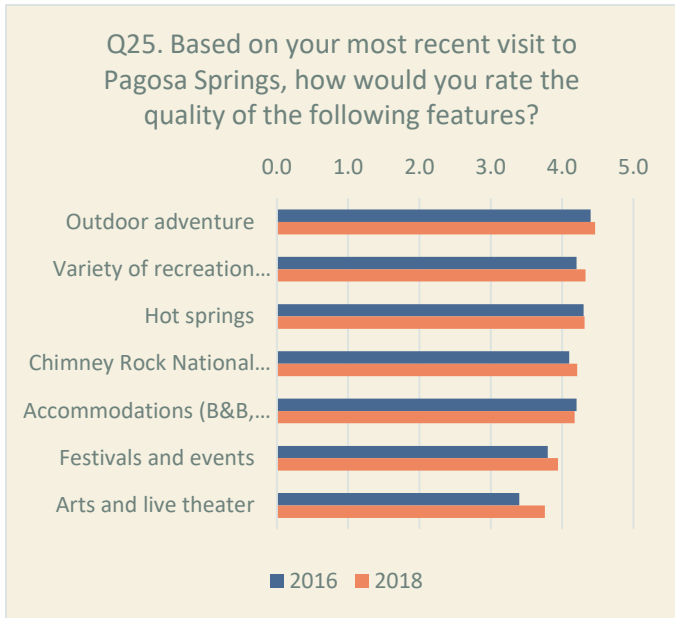
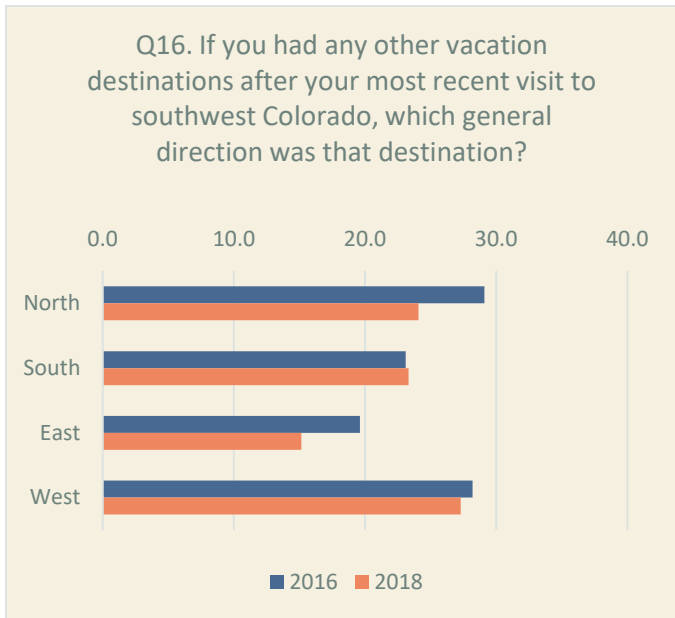
The largest number of people taking the survey had Pagosa Springs as their primary destination, which is not unexpected, since the distribution list was drawn from people who had provided their email address to the Town. The question *10) on your most recent visit, what town was your primary town destination in southwest Colorado?* generally saw fewer other towns mentioned than in the 2016 survey. Buena Vists and Salida were the exception.

Survey participants were asked to *11) please identify your travel experience with the following communities in southwest Colorado.* Durango was consistently the best known and the place where visitors were most likely to stop or to stay overnight. It was followed by Ouray and Buena Vista and Salida. Creede and Lake City were the least well-known towns, and along with Montrose, had the smallest percentages of people who had stopped or spent the night. In the case of Montrose, this may be in part due to distance, as it may be competing for a different visitor than Pagosa Springs. Meanwhile, survey respondents knew Pagosa Springs very well, and more than three-fourths indicated that they stayed overnight, when asked to *12) please identify your travel experience with Pagosa Springs in southwest Colorado.*

There was a significant increase in the number of people who had visited Pagosa Springs in the off season, between 2016 and 2018. This may be influenced by the mild winter of 2017-18, and additional data from future surveys will confirm if this is a trend or a one-time occurrence. When asked *13) in the last five years, have you visited Pagosa Springs between the months of November and April?*, 21.9 percent of respondents indicated they had, up from 19.7 percent in 2016.

Contrary the notion that a mild winter may have been a factor in increased visitation, significantly more people indicated that seasonal climate (heavy snowfall) or road conditions and lack of access were concerns, when asked *14) what was your primary reason for not visiting Pagosa Springs between the months of November and April?* In both years, the most common response was that it was not a usual vacation time.





There does not appear to be much change in the location of visitor destinations prior to visiting southwest Colorado. The largest numbers were coming from the east and south. Question 15 asked *15) If you had any other vacation destinations before your most recent visit to southwest Colorado, which general direction were you travelling from?* Identical percentages chose west and south in both years of the survey. The difference in numbers for east and north may be explained as possible confusion, since either route would have visitors taking Highway 160 into Pagosa Springs.

A similar circumstance presents itself when survey participants were asked *16) if you had any other vacation destinations after your most recent visit to southwest Colorado, which general direction was that destination?* The percentages for south and west were unchanged, while there were differences for east and north. The largest number of visitors did not have any destination following Pagosa



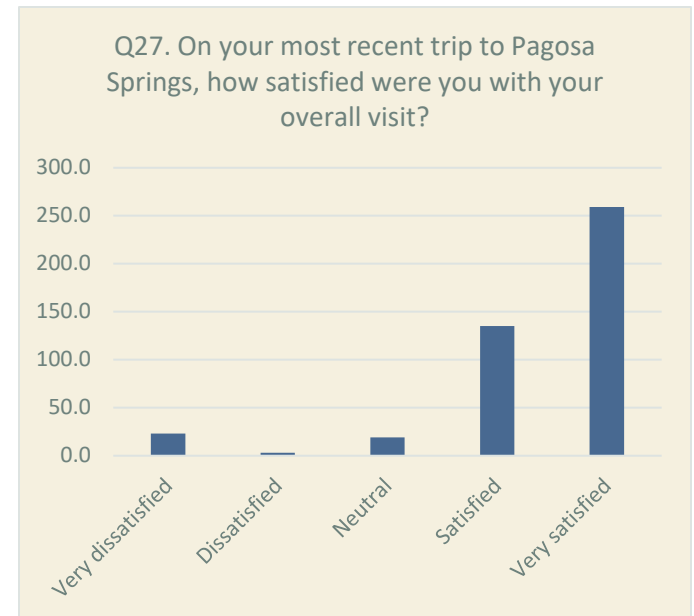
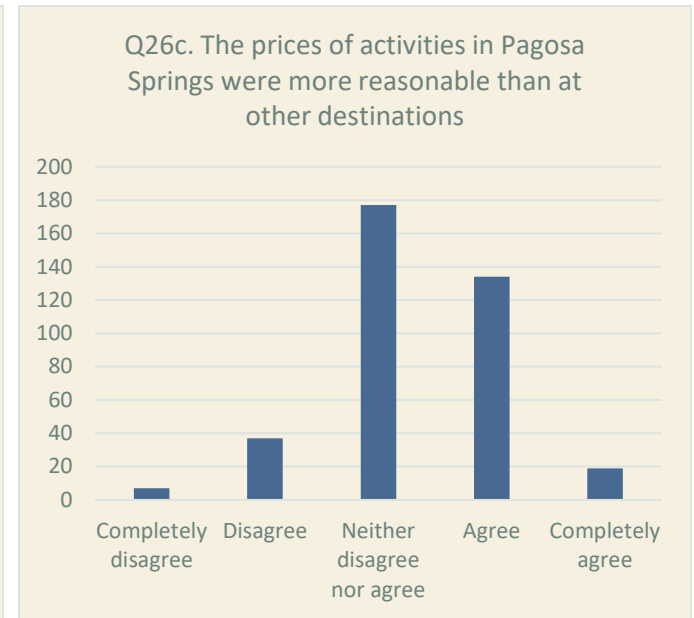
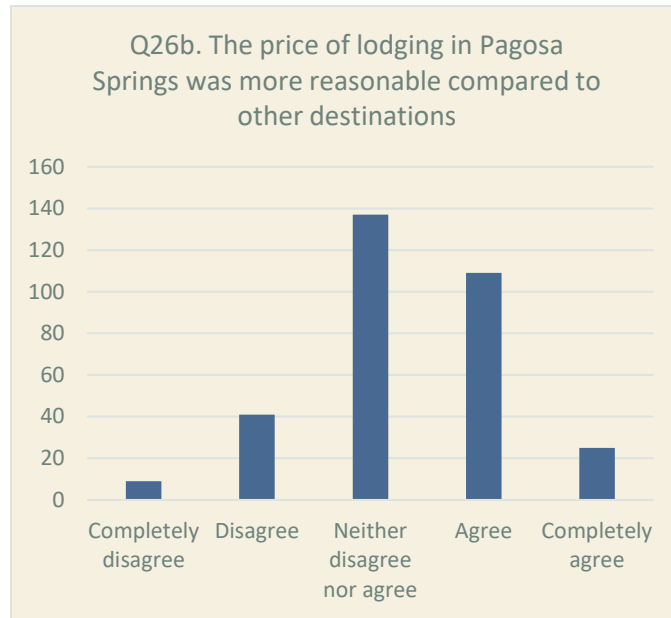
Springs, while numbers for west, north, and south were relatively close.

Rest and relaxation remains the top reason for visits to Pagosa Springs, followed by outdoor adventure and the hot springs. *Question 24 asked 24) what was the main reason for your most recent visit to Pagosa Springs?* Outdoor adventure, "other", festivals and events, and stopping for food or gas saw slight decreases in responses.

Question 25 asked survey participants *25) based on your most recent visit to Pagosa Springs, how would you rate the quality of the following features?* Several received improved marks, including outdoor adventure, the variety of recreational activities, Chimney Rock National Monument, festivals and events, and especially arts and live theater. Accommodations and the hot springs were unchanged. All averaged a "good" or "very good" rating.

Three issues were raised in question 26, which asked people to *26) indicate your level of agreement with the following statements regarding your most recent visit to Pagosa Springs.* Most responded that booking a hotel was no more easy or difficult than elsewhere. A greater number felt that the price of lodging was more reasonable than at other destinations. Similarly, most felt that the price of activities in Pagosa Springs was more reasonable than elsewhere.

A final question asked *27) on your most recent trip to Pagosa Springs, how satisfied were you with your overall visit?* The largest number indicated they were very satisfied,



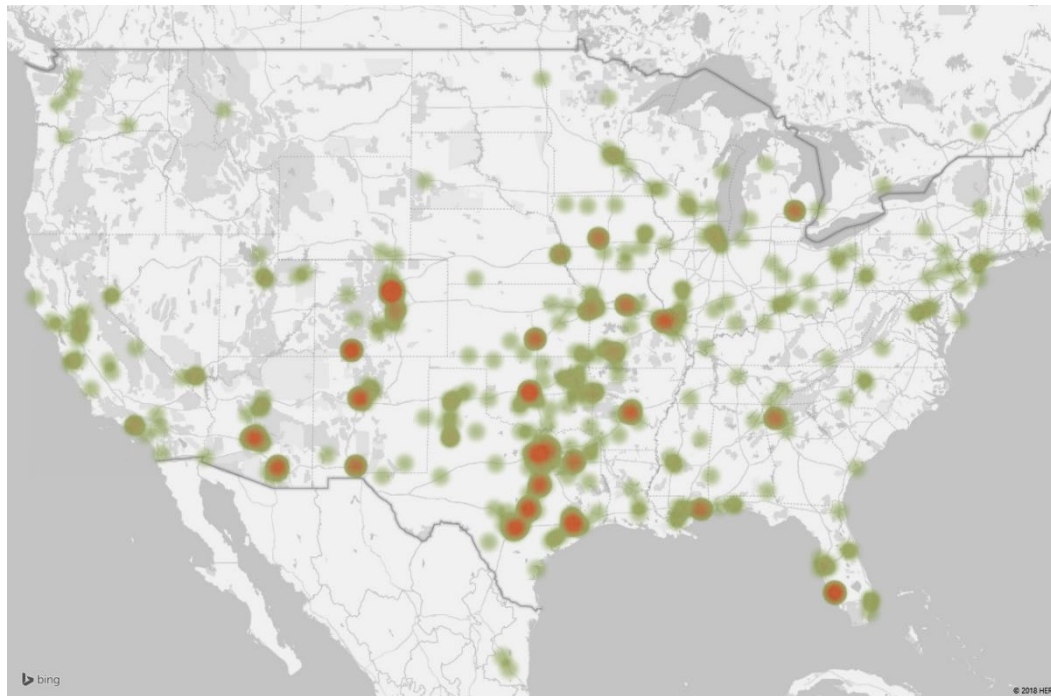
followed by satisfied. These totaled about 89.8 percent of all responses while about 5.9 percent were dissatisfied or very dissatisfied.

### Survey Respondent Demographics

Compared to the 2016 survey, respondents in 2018 tended to be older, with a significantly higher percentage of responses from people over 60 years old, and fewer under 40 years. There was a similar split between male and female respondents. There was a similar distribution by household income, while more respondents were employed, and fewer retired.

Geographically, the survey responses reflect the overall distribution of locations from which Pagosa Springs is drawing visitors, with a heavy concentration from Houston north to Kansas City, in the Front Range cities, from Arizona, and from the Florida coast.

### GEOGRAPHIC DISTRIBUTION OF SURVEY RESPONSES



## ASSET ASSESSMENT

Pagosa Springs has a remarkable depth in terms of its attractions, missing only a few of the dozens of activities the State of Colorado has inventories on its tourism website. The Town's assets tend to be well regarded, comparing favorably with similar attractions in the state in all but a few categories. Many of the missing activities could be described as "front country" activities that usually require a larger population base to sustain themselves.

### Location as an Asset and a Challenge

Pagosa Springs is located in southwestern Colorado at the junction of US Highways 160 and 84. The Continental Divide lies to the east, and US Highway 160 crosses it at Wolf Creek Pass, not far from the Wolf Creek Ski Area. It is about here that the Continental Divide takes a turn to the west, with no improved roads crossing it. As a result, the route through Pagosa Springs is the only way to access a wide swath of the San Juan National Forest, Weminuche Wilderness Area, and South San Juan Wilderness Area. Many sites in the Rio Grande National Forest can also be easily accessed from Pagosa Springs, which is also the community nearest to Chimney Rock National Monument.

While the mountains enable Pagosa Springs to serve as the sole base for this large region, they also present a seasonal challenge. In the best of conditions it is nearly a five hour drive from Denver, and a little over four hours from Colorado Springs. In winter conditions, many potential visitors from these cities will prefer sites that are closer to home. Albuquerque is less than four hours to the south, with fewer concerns about mountain driving.

### Visitor Assets and Activities

Assets and activities may be measured on five dimensions, relative to their primary competitors:

- 1) Draw – the ability of an asset to bring in visitors, in terms of their number and the distance they may travel.



- 2) Differentiation – the uniqueness of an asset, or ability of others to offer a comparable experience.
- 3) Duration – the typical length of time a person may spend at the attraction or activity.
- 4) Development – the condition of the asset and its ability to host visitors, or need for improvements to meet their expectations.

- 5) Duplication – the potential that a visitor will return to experience the attraction or activity again.

These issues were considered as the consultant team visited the sites, gathered information, examined online reviews, or spoke with visitors. The following assessment breaks out assets and activities into four groups, ranging from those in which the Pagosa Springs area can be highly competitive, to those that are found elsewhere in Colorado, but are missing from the local environment. The choice to use the Colorado Department of Tourism’s list of popular attractions and activities will contrast Pagosa Springs to other parts of the state and help to define its relative positioning.

#### Highly Competitive Assets and Activities

The following are assets or activities for which Pagosa Springs is highly competitive, for their quality, for having earned a very good reputation, for having numerous assets, or other reasons.

- Ballooning – This is an activity growing in popularity, with a significant center nearby in New Mexico.
- Hiking, backpacking, snowshoeing, or cross-country skiing – The Pagosa Springs area is the gateway to a large, scenic natural area without the crowds of other Colorado mountain destinations.



- Horseback riding – Many area trails, outfitters, and stables support this activity.
- Hot springs – Three facilities offer different experiences, and the Springs Resort offers some of the best developed pools in Colorado.
- Camping – The region has a diverse set of public and private campgrounds, from luxury to rustic. Private campgrounds in Pagosa Springs are situated on the river. Others, including National Forest Service sites, are in forests and on area lakes.
- Waterfalls – This resource may not be as well-tapped as it might be. The falls can be an asset used to differentiate the Pagosa Springs area from other Colorado destinations.
- Wildlife viewing – The wildlife park is a unique asset adding to the experience of seeing animals in the wild.

#### Competitive Assets and Activities

These activities or assets are high quality and in demand, but may be limited in some manner, or may be eclipsed by stronger assets elsewhere in the region.

- Archeological sites – Chimney Rock is often overlooked as tourists head to Mesa Verde and other, better-known sites, but has excellent programming and resources that could interest these visitors.
- Boating, canoeing, kayaking, rafting, paddleboarding – Although these activities can be supported in the area, other regional resources are considered superior. For example, Moab’s mountain biking trails are considered among the best in the world, and more water flows through the Arkansas or other rivers, resulting in a longer season. While lakes are uncommon in Colorado, several lakes or reservoirs in the Pagosa Springs area could be drawing points for some visitors.
- Events – Pagosa Springs hosts several events through all seasons, but there is a “volunteer fatigue” that can make some events difficult to sustain. Additional events will help to draw in new visitors. The growth opportunity lies in providing a venue for private event promoters to use.



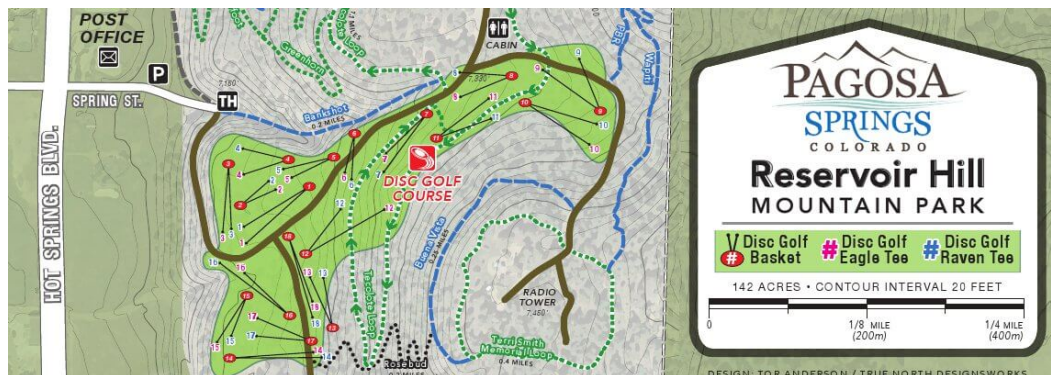
- Fly-fishing – The San Juan River is stocked and there are outfitters supporting fly-fishing. Much of this needs to occur on private land, as public access is limited.
- Golf and disc golf – The area’s disc golf courses are gaining attention and have the potential to host tournaments. They might be further promoted locally through the visitor center.
- Hunting and fishing – While these activities can occur in the area, limited access to the river and the scarcity of commercial permits for Forest Service access are limiting factors.
- Mountain biking – All of Colorado is eclipsed by the trails around Moab, and there are other parts of the state, such as around Durango, with more mountain-biking assets. Cooler summer temperatures are a differentiating factor that could help to market Pagosa Springs.
- Performing arts – Outside of the major metropolitan areas, few performing arts venues in Colorado have sufficient strength to generate traffic on their own, but they do enhance the experience for those staying locally. Music events have the strongest draw in Pagosa Springs, and additional event infrastructure will strengthen them as well as encourage new events.
- Skiing or snowboarding – The Wolf Creek Ski Area draws regionally and has potential for development. The lack of nearby lodging may discourage some from visiting, but also works to the advantage of lodging establishment in the Town.

- Sledding or tubing – These activities draw less interest than skiing, but can be more family-oriented and can also occur in the Town, where there is a greater likelihood for visitor spending. There might be the opportunity to create a sledding-themed event.
- Sleigh rides – This activity ties in nicely with the hot springs, as part of a winter package of activities. Several outfitters have the potential to offer the service, depending on conditions.
- Snowmobiling – The area receives significant annual snowfall, and many forest roads can be used for this activity.

#### Available Assets and Activities

While Pagosa Springs does have these assets or activities, they are not developed to a significant extent or may be in some ways limited. Some will be a prospect for growth.

- Art galleries – While there are artists in the region, there are few galleries in Pagosa Springs. This is an activity that benefits from having several businesses in a concentrated area. The Town may consider investigating the interest in, and feasibility of establishing a co-operative gallery in the community.
- ATV riding – Interest in ATV riding has been steady and many communities are attempting to develop trail/road systems to accommodate the use. More extensive and



better-developed trail systems can be found in other parts of Colorado and nearby states. One option may be for Pagosa Springs to offer an alternate focus on “silent sports” – hiking, mountain biking, cross-country skiing, etc. – and minimally develop assets for motorized activities in the surrounding recreational lands.

- Culinary activities, beer, wine, or spirits – Food and drink are growing in importance as a travel experience, and even as the primary purpose for travel. Overall, Pagosa Springs’ eating and drinking establishments lag in delivering unique experiences or food-themed travel. This is a growth opportunity, particularly with regard to locally-sourced or themed foods, and the possibility of food-related events.
- Casinos – Distance from the Sky Ute Casino limits its impact on travel to Pagosa Springs, but it is another activity in which visitors can partake.
- Four-wheeling and Jeep tours – Although possible in the area, these activities are much more developed in other parts of the state.
- Historic districts – Pagosa Springs has a history that is not well preserved or interpreted, which could include Native American history in addition to the more recent period of settlement.
- Motorcycle touring – Many communities are promoting motorcycle touring. The scenic highways, mostly south and east of Pagosa Springs could be an appealing setting. That might include a route between Santa Fe or Taos, and destinations to the north of Pagosa Springs.
- Rock or ice climbing – Although there are few significant sites where rock climbing is occurring, there is a new climbing wall and interest in promoting sites such as the outcroppings along the Piedra River.

#### Unavailable Assets and Activities

These attractions or activities are not readily available within the Pagosa Springs area. Many are not supported due to physical or market limitations, while others may be an opportunity for future development.

- Amusement parks or adventure activities – Several of Pagosa Springs’ competitive destinations now offer some form of adventure entertainment, such as zip lines, rope courses, or amusement parks. This is one asset that the area is missing, but would have the potential to develop. A whitewater course, zip lines, outdoor skills center, or similar activities might be considered as a private, or public-private venture.
- Dogsledding – There is growing interest in this winter activity which was once offered, but is no longer available.
- Dude ranches – The area around Pagosa Springs does not contain any dude ranches, though there would be potential for the use.
- Factory or mine tours – Pagosa Springs does not have the assets to support these activities.



- Hang- or paragliding – No operators are currently in the county. The airport is a site where the service might be provided.
- Trains – Scenic railroads are very popular in Colorado and New Mexico, and some are accessible as a day trip from Pagosa Springs, however, the lack of rail lines eliminates the possibility of developing one in the Town.

## Asset Development Needs

There are improvements that can be made to several assets that will help to make the Pagosa Springs area more competitive, or at least to result in a higher-quality visitor experience. These may include the following.

- Improve road signage directing visitors to trailheads and attractions outside of Pagosa Springs. These can be some distance away from the Town and involve multiple turns on forest roads. It is easy for people unfamiliar with the area to get lost or believe they have missed their destination.
- Signage along hiking and biking trails can be improved. While some directional signage is often provided, it is becoming a more common practice to install signage that includes a map and color-coded trails to simplify route-finding.
- There are a large number of waterfalls in the Pagosa Springs area, but these are not heavily promoted. It is a themed travel experience that can be built upon, through marketing including directional signage. A map, descriptions, and pictures of the area's falls could be installed at the Treasure Falls parking lot to capture visitors to this easily-visited attraction.
- Native American history and culture is missing from any in-town experience. This would be a cross-promotional opportunity with Chimney Rock National Monument and the cultural and historic events it hosts. In addition to developing static displays, Pagosa Springs can work with the regional tribes to bring events to the community.

- Art is a common theme in tourism-dependent communities in Colorado and New Mexico. While there are artists in the area, there is only a small visible presence in Pagosa Springs. Potential initiatives might include hosting more arts-related events, encouraging gallery (or cooperative) formation, or initiating a live-work project such as through ArtSpace International.
- Events will bring visitors to the community. This is an opportunity discussed elsewhere in this report, however, the Town should work with event promoters to bring activities to the area, especially during non-peak times.
- The Rocky Mountain Wildlife Park is an unique asset. Wildlife viewing opportunities may be considered as an opportunity to develop attractions not common elsewhere in Colorado, although there is a growing interest in birding on the plains and in parts of northwestern Colorado. Along with mapping wildlife viewing spots, one option may be to develop an app or online portal to crowd-source recent sightings of popular animals (ex., bear, elk, mountain lions, etc.).

## Supportive Infrastructure

Supportive infrastructure is a term used here to describe the services and amenities that make it possible for people to enjoy the assets and activities



for which they come to Pagosa Springs. These include hotels, shops, restaurants, the visitor center, and infrastructure to support events.

- Visitor center – The visitor center is an important asset. It is heavily used and is ideally situated to also serve users of the downtown and the river. While the building is itself well-designed for its use, the site does not provide much nearby parking. This might dissuade some people from stopping. More prominent signage is needed on Highway 160.
- Hotels – Aside from the newer portion of The Springs Resort and Spa, the hotels in Pagosa Springs are decades old. While some have been updated, are well maintained, and well managed, the property may still have a dated appearance and is limited by the original building design. Aside from Quality Inn and Econolodge, none are branded hotels. This, alone, will keep many people from staying overnight. The need for additional hotel rooms is documented in a later chapter of this report.
- Restaurants – Pagosa Springs has a diverse selection of restaurants including local and chain businesses, and ranging from coffee and snack shops to fast food and full service restaurants. Issues around eating and drinking in the community are focused on location and hours of operation. Although most local eateries are centered on downtown and chain restaurants are at the west end of town, the fact that they are scattered along a lengthy corridor may give the impression that there are fewer choices than really exist. A second concern is that many of the local businesses are closed at times that visitors may be searching for food, particularly on Sundays.
- Shopping – As with restaurants, many of the businesses that visitors might patronize are not clustered, but spread out along the highway corridor. The downtown contains a small concentration of visitor-serving retailers, but again, limited hours may not meet their needs. Sunday and evening hours are very limited at many of these businesses.

- Parking and circulation – Traffic can become congested in the core downtown during the peak season. This is not necessarily a problem. Passengers in those stopped cars have a greater opportunity to notice the Town’s attractions and businesses in the district. If they like what they see, they may be tempted to stop rather than drive through. It is at these times, though, that parking becomes a challenge, especially when there are large numbers of people accessing the river.

Parking is available north and south of the river. The area south of the highway offers the best chance to add parking, which could access downtown and the river along the river path. Time limits on more central parking can encourage river users to park in lots further from the center. Improved signage can direct people to available parking. Digital signage and sensor technology can be used to provide real-time updates of where stalls are available.

- River path – The river path has been constructed through the central part of the Town and there are plans for its eventual extension to either end. The route to the east should be prioritized, as it will provide safe pedestrian and bicycle access to a large number of small, visitor-oriented businesses

(motels, restaurants, and retail shops) close to the river.

Portions of the path are lighted and encourage visitors to use it in the evening hours. That lighting should be extended within built-up portions of the community, near the downtown. The path is also an ideal location to set up vendors or other uses during events. Having electrical connections available along the path, in the downtown, will further support this use.

- Event infrastructure – Pagosa Springs Town Park and the adjacent river walk, and Reservoir Hill Park are the principal locations where events are hosted. Neither of these has a developed space where performances can occur. Typically, the need would be for a stage, electrical and sound connections, lighting, and enclosed space for storage and preparation for the event (for example, changing rooms for performances). Most of these spaces also have a roof over the stage. Seating can be formal, or a simple lawn where people can bring their own blanket or chairs. Different needs can be met downtown (a smaller and more formal space) and at Reservoir Hill (with more basic infrastructure for larger events).

## COMPETITIVE PLACES

Pagosa Springs competes with other places in the region. Understanding these locations will help in positioning to community to play to its strengths, and by examining what has worked in those locations, the Town may realize investments it can make that will help it to compete.

### Durango, Colorado

Durango positions itself as “a dozen vacations in one destination”. Themes that it uses to group these activities include outdoor sportsman, education/meeting/sports, outdoor recreation, old west heritage, national parks and monuments, leisure, the Durango-Silverton Railroad, the Purgatory Resort, diverse ecosystems, special events, arts and culture, and agritourism. Durango wants to be seen as the base from which to participate in activities across the region. That role is reinforced by the large number of newer chain hotels that have been developed, along with chain restaurants and stores, including big box retail.

All of the recent development does tend to draw visitors, especially when seeking quality lodging with a brand they know. Durango does offer more visitor-support services with a better quality (lodging, dining, shopping) than other communities in the region. At the same time, the scale of development has created a homogenous environment much like anywhere else. Aside from the downtown district, the city has little distinguishing character. Pagosa Springs retains an authenticity that can be leveraged in this regard.

Although some of its amenities, like the river path, may be more developed than comparable resources in Pagosa Springs, the two communities have a relatively similar number and quality of visitor assets like trails or other attractions. Both have outfitter and guide services. It may simply be the case that those in Durango are better-known. Durango may be better positioned for activities like ATV riding and four-wheeling, and is the base for the Durango-Silverton Railroad. On the other hand, Pagosa Springs has the hot springs, an authentic small town setting, and a cooler summer in which to participate in other activities.

### Glenwood Springs, Colorado

Glenwood Springs is the best-known of Colorado’s hot springs. Like in Pagosa Springs, there are multiple facilities, though most people will recognize the large, historic pool at the mouth of the canyon.

The city markets itself with the tag line “Find your fun in Glenwood Springs”. Attractions it boasts of include the hot springs or caves, adventure park, hiking, skiing and snow sports, rafting/kayaking and other river sports, cycling or mountain biking, cultural and historical attractions, guided tours, fishing, aerial adventures, golf, and climbing. The Colorado River canyon is a significant destination with a paved path running its entire length. In town, the city more



recently constructed a whitewater park in the river, with a standing wave.

Like in Pagosa Springs, the hot springs are in the downtown area, and are highly accessible and visible from the highway. The City has experienced traffic and parking issues in the area, but supports diverse downtown businesses. There is a growing chain presence to west. The city serves as a gateway to other destinations including Aspen and the Maroon Bells.

In part because of its interstate location, Glenwood Springs has more support services and better quality lodging, dining, and shopping. The level of tourism services like guides and activities is comparable, but perhaps more visible. As is the case in many of the comparable cities (Durango, Salida, Moab), there is an adventure park in the community. Compared to Pagosa Springs, it has better-known hot springs and a very visible pool, also located in the in downtown, and the vapor caves. There are better non-vehicular connections to attractions (Glenwood Canyon path), but a similar issue of “two towns”, with a downtown bisected by the interstate highway, and a growing commercial area to the west. Some visitors cite a concern that Glenwood Springs has become commercial, with chains and big boxes, development and traffic.

## Salida, Colorado

Pagosa Springs is often described by local residents as being “where Salida was a decade ago” with regard to tourism development. Salida has seen a significant change in its downtown area, through both public and private investment, and has also seen an increase in highway business serving visitors. In the downtown, the City has invested in a whitewater feature, short path, and performance space. The private sector has taken advantage of an attractive, historic building stock to open many good restaurants and shops that market to visitors.

There is no consistent tourism message, with several themes being used, such as “Heart of the Rockies”, “Gem of the Rockies”, “Stay and Play” and “Little Town with Lots to Offer”. Marketing is often centered on year round activities, not at resort prices. Those activities include whitewater sports on the Arkansas River, an aerial adventure park, recreational



pursuits in the mountains, and the Mt. Princeton Hot Springs. These hot springs have improved considerably with recent new investment. Several tourism pieces reinforce Salida as a retirement community, and there is also an effort to brand a dog-friendly Salida.

Relative to Pagosa Springs, Salida is closer to the Front Range cities with fewer challenging stretches of highway. The Arkansas River has a higher rate of flow, sustaining more activities and much further into the summer months. On the other hand, aside from the whitewater feature, there is not any significant draw to the downtown aside from its businesses – which include many art galleries and specialty shops. Lodging and chains are at the edge of town. Overall, Salida has less well-developed collateral materials to promote tourism in the area.

## Moab, Utah

Moab is included in this review as it is one of the leading destinations in the Four Corners region, with an international draw that far exceeds most other communities. The city has built on the presence of two national parks. While Arches and Canyonlands continue to be the primary attractions, there has been a great deal of emphasis on developing visitor resources outside of the parks. Mountain biking has been the most significant activity, and the trails that have been developed on nearby federal lands are recognized as among the best, anywhere. Beyond that, there has been a concerted effort to identify and package attractions, often with little physical development, such as rock art sites, prehistoric sites, arches and other natural features, etc.

The area is marketed as “Two National Parks – One Destination”. Most advertising and the guides published by the tourism association position Moab as the center for activities. Major attractions are very close, and are now connected by paths along the river canyon and to Arches National Park. Simple guides have been prepared to provide information on many outdoor activities, such as mountain biking, hiking outside of the parks, motorcycles touring, dinosaur sites, nightlife, etc.

The downtown remains the core activity site, even while the commercial area has spread well beyond. The primary visitor center is at the main intersection (as it is in Pagosa Springs) and the adjacent blocks are walkable and filled with shops and restaurants that offer a nightlife, in addition to the usual shopping and dining. Hotel, restaurant, and retail chains are mostly located outside of this area. Moab is the only community within a large undeveloped area in which a great deal of recreation is available. In this, it is again similar to Pagosa Springs.

Moab has done a very good job of providing information about lesser-known attractions that give people more options of things to do, and of serving as an information source for trips into the back country. The path it has developed from the downtown to Arches National Park and the Colorado River Canyon has become very popular and speaks to the value of Pagosa Springs continuing to develop its river walk. The city’s downtown should also be studied as a model for developing a more vibrant downtown with an active nightlife.



## Silver City, New Mexico

Silver City is in many ways similar to Pagosa Springs, in that there are similar activities available in the adjacent national forests, and Gila Cliff Dwellings National Monument is a similar distance as Chimney rock is from Pagosa Springs. The city has leveraged its history to create a brand, and fostered a very strong arts community. It has branded itself as a gateway community to the Continental Divide Trail, which also passes near Pagosa Springs.

The city markets itself with the slogan “Silver City is New Mexico true”, which ties to visitor interest in authentic experiences. The emphasis of its marketing is on Old West heritage and distinctive arts and entertainment. It is also positioned as the gateway to the wilderness and Gila Cliff Dwellings,. Heritage

themes address Geronimo and Billy the Kid, the closed copper mine and historic downtown. Art is centered on the downtown

Silver City is unique in that it is the one comparable place to emphasize its climate, referring to its gentle seasons. Its elevation results in summers that are less intensely hot, while its southern location results in winters that are less harsh than other mountain towns in the west. Another New Mexico community, Ruidoso, also uses its climate as a draw. Pagosa Springs has noted that it has summers cooler than Durango and nearby towns, and may be able to take better advantage of this fact.

Silver City has an active downtown with multiple shops and restaurants more than 30 galleries, an art walk, murals, and arts events for multiple formats like clay, fiber, southwest prints, and the written word. Art has made the city a destination, and not just a base camp for activities in the hinterland.

The city has a situation similar to Pagosa Springs in that there are limited lodging facilities. These include two chains, an historic hotel, and economy hotel, and an independent. It does, however, have more shops and restaurants in its downtown.

## Marquette, Michigan

Pagosa Springs does not compete with Marquette, but characteristics of the community make it similar, and there are lessons to be learned from some of the approaches the community has taken to distinguish itself as a visitor destination. Marquette is located on the shore of Lake Superior about five hours from the nearest large metropolitan area. Like Pagosa Springs, it is the primary service center for a large recreational region, although it does have more nearby competition.

The city differentiates itself from nearby competitors as the place for silent sports (hiking, biking, skiing, etc.), leaving ATV riding and snowmobiles to other locations. It has miles of developed paths and trails within the community and connecting to recreational areas in the adjacent forests. It sustains strong summer, fall, and winter seasons, with main attractions including extensive forests, the lake shore, waterfalls, skiing, historic and cultural resources, and a revitalized downtown with excellent dining and unique shops.



Marquette's sustained approach to the downtown is worth considering as a model. The City organized its downtown development authority more than 20 years ago, at a time when the district was struggling and had little to appeal to visitors. Through a combination



of redevelopment and restoration, business development, and programming, the Downtown Development Authority has encouraged private investment and business formation that transformed the district into a destination in itself. It is worth noting that the district's businesses have done an exceptional job of extending sales through the internet. As an example, a downtown confectioner makes a third of its sales online, and the independent department store is the largest-volume online seller of Carhartt products. Internet sales boost sales overall, but also help to reduce the seasonal variability of sales as visitor traffic ebbs and flows.

Marquette's decision to focus on silent sports has allowed it to excel across a group of similar activities. It was a conscious decision to appeal to a segment of the market rather than to offer "something for everyone". That approach often leaves an unsatisfying experience, such as when people who are snowshoeing or cross-country skiing are put off by the noise and smells of sharing a trail with snowmobiles.

The City has also capitalized on its tourism market as a source for economic development. There is a notable flow of new households into the area as often well-educated independent workers are choosing to move to the community, bringing their business with them. Within its region, Marquette has a much higher percentage of startups and total businesses in high value profession, technical, and creative services. It also dominates the region in artisanal food business startups. Other targets of economic development are tied to tourism, including recreational equipment manufacturing.

## Sisters, Oregon

Sisters is another community that does not compete with Pagosa Springs, but has similarities and may be a good model from which to glean ideas. Sisters is located near Bend and is a gateway to national forest in the Southern Cascades of central Oregon. There is a small and comparatively new downtown, and highway commercial and resort development along the highway. Most activities are outside of town and include the national forest, lakes and rivers, waterfalls, and the Pacific Crest Trail. Although there are four-season activities, summer dominates.

The tourism organization encourages people to "Spend the day in Sisters", which is a nod to the fact that the city is lacking in chain hotels. If people will not be staying overnight, the hope is to at least get them to more than simply drive through. The City does have a more diverse mix of quality retail and dining in the downtown, along with chain businesses on the highway. Competition with the nearby city of Bend may factor in its lack of lodging.

Art figures more prominently in local shops, and there are multiple events developed around art themes. The city also has annual events for pet owners that are able to attract visitors from outside of the area.







## LODGING MARKET

Pagosa Springs is currently in a market where its aging hotels are unable to capture market share. This is partially an issue of not having the rooms to meet demand during peak times, and not meeting the brand or perceived quality demanded by many potential visitors, including tour operators. A significant number of potential hotel room stays are therefore being lost to alternative lodging in the area, or to the several more recently constructed chain properties in Durango. There is market demand to support new hotel development in the community, focused on the midscale or upper-midscale tier, and ideally located in walkable distance to the downtown.

### Available Lodging

There are a total of 579 hotel rooms in 13 properties area around Pagosa Springs. These include only two branded hotels, a Quality Inn and an Econo Lodge. That Econo Lodge is the newest of the Town's hotels, and opened in 2002. Most of the larger properties opened in the 1980's or 90's, and the smaller ones date back further. This is a factor in often-repeated comments in reviews or in visitor surveys, that many of the Town's hotels are dated, both in their exterior appearance and in rooms that may need renovation. The following hotels are found in the Town.

- Alpine Inn – Located in the western commercial district, this independent hotel opened in 1987 as a Super 8. It has 28 rooms including six suites, almost all with double beds. Online reviews are generally good, noting that it is an older property but well maintained, and an affordable option.
- Econo Lodge – This is Pagosa Springs' newest hotel, opened in 2002, and offers an indoor pool and 46 rooms accessed from interior hallways. It is located on the west side of the Town. The hotel receives mostly good reviews, although many note that basic rooms. Many consider it an affordable option, but still usually expect better quality for the price.
- First Inn of Pagosa Springs – This property opened in 1993 with 34 rooms on the banks of the San Juan River, east of downtown. Queen and some king rooms are available. Reviews are average, with comments that the rooms are dated.
- Healing Waters Resort and Spa – The Healing Waters Resort and Spa is one of two hotels with its own hot spring pool, though smaller and less developed than The Springs. There are 21 hotel rooms and three cabins, all with queen beds. It opened in 1965. It is well reviewed, with the most common complaint being that the rooms are dated.
- High Country Lodge – Opened in 1978, the property has 22 lodge rooms and ten cabins, for a total of 32 rooms. Except for two cabins with kings, all of the rooms and cabins have queen beds. The large grounds have hot tubs, playground and picnicking facilities, and a tubing hill. It is located on the east side of the Town. The lodge is one of the Town's best-rated hotels, with several comments about it being clean and cozy, although some thought it was dated.
- Hillside Inn – The Hillside Inn opened in 1997 and has a total of 60 rooms, including a combination of double queen beds and

single kings. Some renovation occurred in 2018. The hotel's reviews are average to better, with comments that the rooms were very basic, or lacked ambiance, and needed updating.

- Motel SOCO – the original hotel opened in the 1940's as the Sky View Motel, but has been remodeled as of 2016. Room options include mostly queen beds with a king suite, with a total of 15 rooms. It is well reviewed although several guests comment on the lack of televisions (an intentional choice).
- Mountain Landing Suites and RV Park – There is a small (13 room) hotel along with the RV park. The hotel offers king and queen rooms. Reviews are generally good.
- Pagosa Inn and Suites – This is the Town's largest property, with 97 rooms including single kings, double queens, and some triple queen rooms or family suites. It was opened in 1996. It is generally well reviewed and noted to be an affordable option in town.
- Pinewood Inn – This is a small hotel with 25 rooms, opened in 1987. It has received some of the poorest reviews of lodging properties in the Town, with comments about poor maintenance, basic and dated rooms, and noise. Its central location was mentioned as a positive attribute. In 2018 it was purchased and the new owner closed it for remodeling. It is expected to reopen in March of 2019.
- Quality Inn – One of two chain hotels in the Town, the Quality Inn has 79 in two buildings, with the main structure including a bar/restaurant. Single king and double queen beds are offered. It was opened in 1984 and is in a central location across from The Springs. The hotel receives average reviews, with many comments on the dated appearance and maintenance issues, but a good staff.
- San Juan Motel Opened in 1965, the property features 32 hotel rooms and 15 rooms in cabins, for a total of 47 rooms. Most have queen beds. It is located east of downtown. It has received average reviews, with comments about noise, cleanliness, and a dated appearance. Some rooms have been recently upgraded.
- The Springs Resort and Spa – The Town's most iconic hotel has 79 rooms in the original building and a newer addition. They include rooms with two doubles, king

rooms, deluxe king and queen rooms, and deluxe suites. Rooms in the original hotel were updated in 2017, and some of the deluxe rooms were remodeled in 2015. A lodging stay includes access to the hot springs. Reviews are good, with some concerns expressed about cost and some dated rooms.

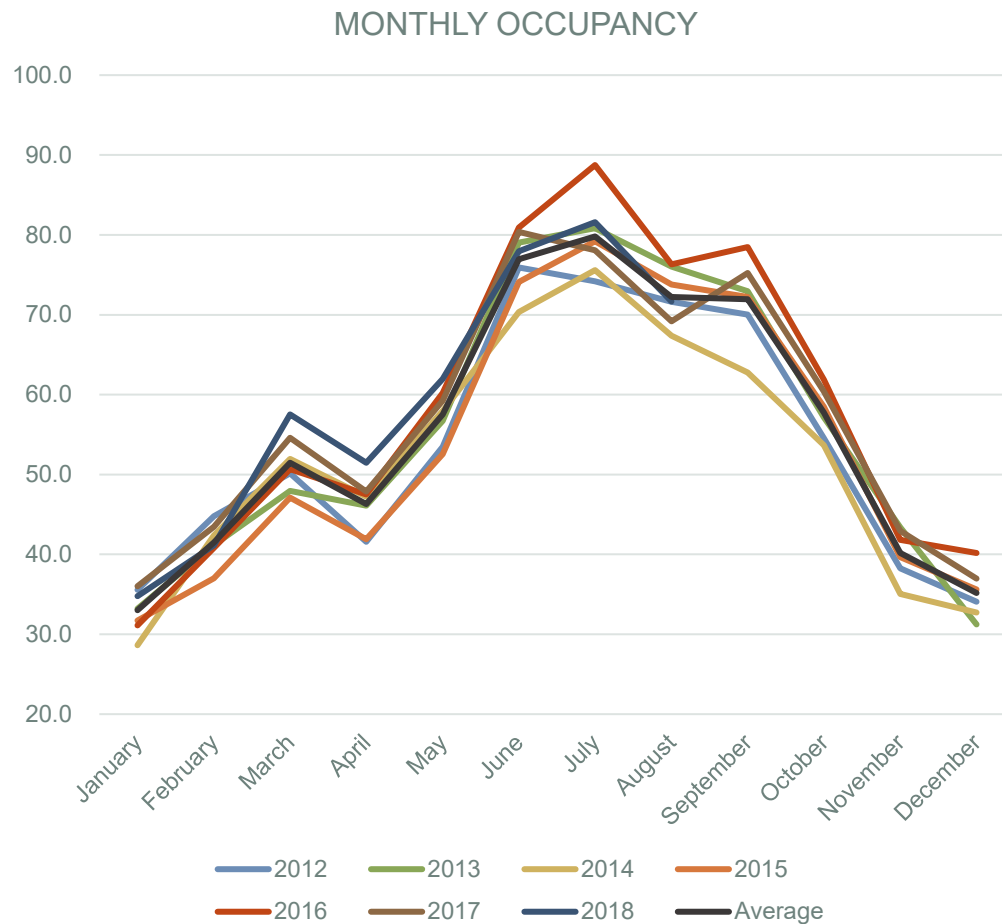
In addition to these hotels, there is a former Best Western in the western commercial district. This hotel opened in 1972, but has been closed for a few years and is currently being remodeled. (Forty rooms have since reopened, but as of February 2019 were still not listed on most booking sites.)

Aside from traditional hotels, there is a Wyndham Resort with 106 rooms in one- and two-bedroom apartments and suites. It is centered on a golf courses and a lake, with tennis, and Olympic-sized pool, and other amenities. This is primarily a time-share property.

Airbnb lists 305 rental properties in Pagosa Springs, while about 580 are listed on VRBO. There is some duplication in these numbers and overlap between the two listings. Still, it is reasonable to estimate between 400 and 500 owner rentals in the market. These range from individual rooms and efficiency apartments to luxury properties.

## Market Trend

STR Global is the leading provider of market data concerning the lodging industry. This information is self-reported by hotels and aggregated by STR Global, which allows users to select a set of comparable properties, for which data is reported. In the case of Pagosa Springs, this is made challenging by the fact that most local hotels are not reporting their data, so that it is necessary to select hotels outside of the area to build a comparable set.



In this analysis, the additional hotels selected were mostly located in Alamosa, which will have a somewhat different pattern of visitation, particularly in the winter months. This will tend to skew occupancy, average daily rate, and revenue per available room figures lower than they actually are.

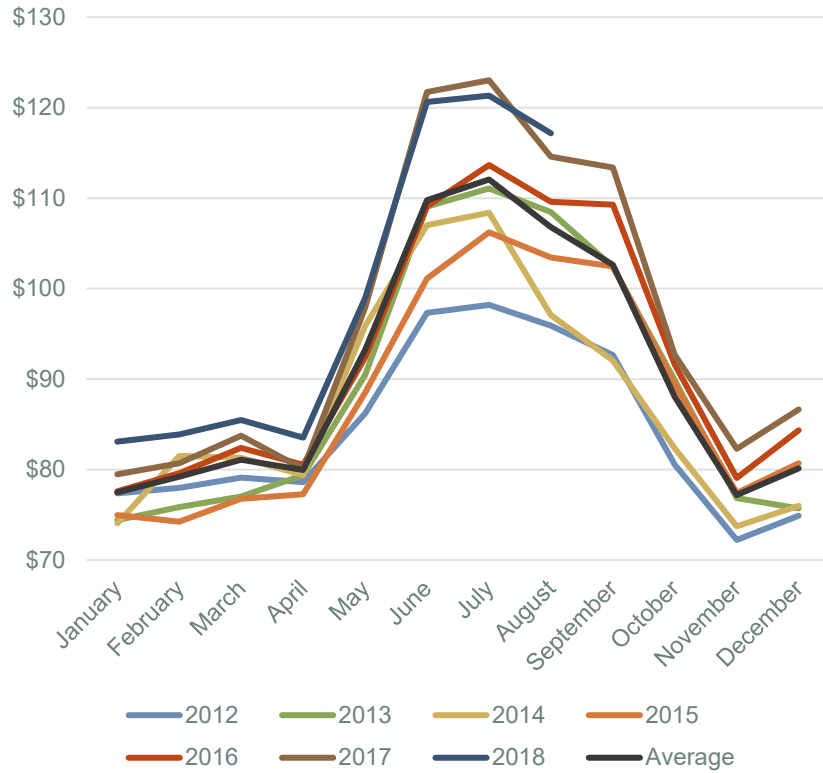
### STR Global Market Trends

Occupancy data for the past several years shows a seasonal pattern of visits with a summer peak and lower visitation from November through February. Summer occupancy reaches about 80 percent, with a winter low at less than half of that, at about 35 percent. The average annual occupancy is 55.2 percent. Occupancy has trended upward, rising from 53.7 percent in 2012 to 5.1 percent in 2017. Only partial data is available for 2018, but year-to-date figures through August are higher than other years, at the same point.

The average daily rate follows a pattern similar to occupancy. The highest rates are achieved during the summer months, averaging \$112.06, while the lowest rates are in the winter season. November has the lowest rate at \$77.20. These have also been trending higher, starting at an annual average of \$86.72 in 2012, and rising to \$100.55 through 2017.

Because revenue per available room is a function of both occupancy and room rates, it shows more variability across the seasons. January is the poorest monthly figure, averaging \$25.59 per available room, while July is the best with a \$89.43 average. The

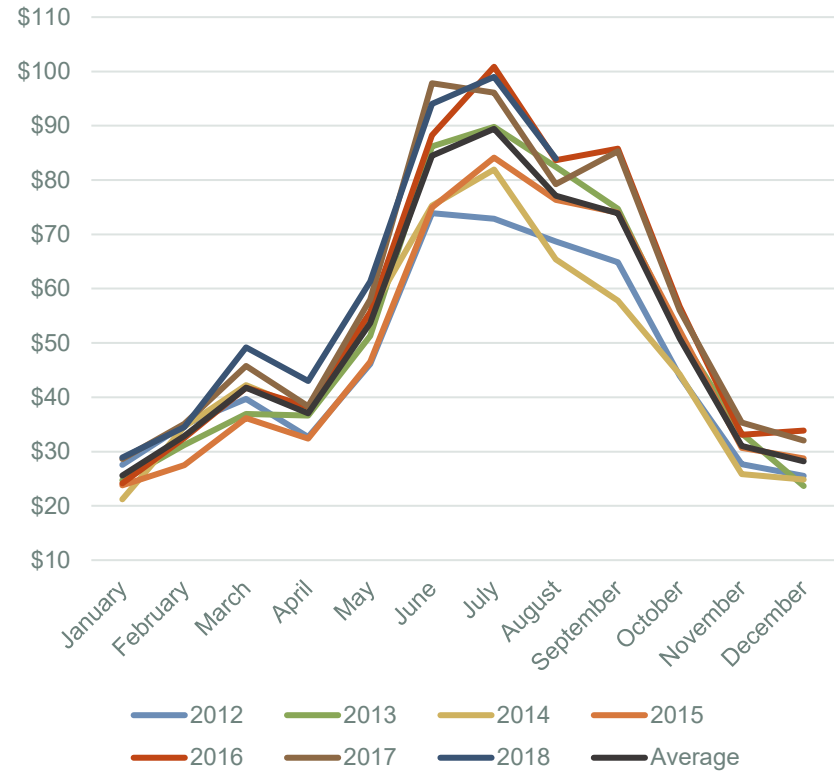
AVERAGE DAILY RATE



annual average from 2012 through 2017 is \$51.57, increasing by about \$2 per year from \$46.60 in 2012.

Occupancy also varies by day of week, with Friday night having the highest levels of occupancy (67.6 percent), followed by Saturday (64.0 percent). This varies a little by season, with Saturday being the peak night from May through September. Sunday consistently has the lowest level of occupancy, and the percentage increases through the week. Average

REVENUE PER AVAILABLE ROOM



daily rates also vary by day, with Friday and Saturday being the highest, and the remainder all very similar. The pattern is typical of a leisure market.

### Lodging Tax Receipts

Because the selected set of hotels included in the STR Global report is not an accurate reflection of the

seasonal occupancy found in Pagosa Springs, an alternate set of estimates was developed using lodging tax receipts. These estimates were prepared by first using monthly tax receipts to estimate total lodging sales, then dividing this by the corresponding average daily rate to determine the number of room nights. This was divided by the room nights available to determine occupancy. Lodging is taxed at a rate of 4.9 percent. An estimated 349 hotel rooms and 100 rental units are located within the Town. The average daily rate in Pagosa Springs is also thought to be higher, so figures from the STR Global report were adjusted to add an additional ten percent.

This analysis results in an estimate of occupancy higher than for the set of hotels used in the STR report. It also shows a different monthly pattern, with a high occupancy rate during the winter months, associated with the Wolf Creek Ski Area. Estimates for March are likely high as a result of the Alamosa hotels in the market data. The March peak corresponds to the Crane festival and birding timeline in Alamosa.

### Market Demand for Additional Hotel Rooms

There is strong demand for lodging in Pagosa Springs, extending through much of the year. That demand has shown growth over the past several years, ranging from no change

to about 4.5 percent. Peak times are already seeing near-saturation, where only the least desirable properties may be available to potential guests. Further complicating the issue, a significant share of the room inventory is made up of short-term rentals (Airbnb, VRBO, etc.) that may not be an option considered by some potential guests.

As the Pagosa Springs area’s two chain hotels and one better-quality independent hotel fill, visitors will be less likely to stay at the lesser independent hotels and rental properties. Many potential guests will stay at the several relatively new chain hotels in Durango, or other locations. These missed opportunities are the source of induced demand – the increase in demand seen when new product is added to the market. Adding hotel rooms in the Pagosa Springs market will not simply shift room nights from other properties. It will result in an increase in overall demand.

	ESTIMATED OCCUPANCY												
	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Annual
2012	49.8	49.2	72.5	29.6	37.5	57.3	71.4	69.4	63.2	45.5	44.2	71.8	54.3
2013	58.2	49.6	69.9	30.5	39.7	55.8	67.4	64.1	57.3	52.3	49.0	77.3	53.8
2014	63.7	56.5	81.0	41.7	46.2	67.7	79.5	87.6	72.2	60.4	53.1	72.1	63.5
2015	58.4	62.5	86.9	44.0	52.7	70.9	88.7	78.7	75.4	65.9	55.9	78.0	66.5
2016	62.2	67.7	83.1	47.1	52.9	78.7	95.9	80.7	78.6	67.8	58.2	82.2	69.5
2017	68.6	68.5	93.3	51.7	55.1	71.2	87.9	74.7	72.0	68.8	60.3	81.0	68.9
2018	68.9	73.9	98.0	54.1	62.8	73.2	85.6	68.3					

PROJECTED OCCUPANCY AT TWO PERCENT ANNUAL MARKET GROWTH													
	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Annual
2018	70.7	70.6	96.1	53.3	56.8	73.3	90.5	77.0	74.1	70.9	62.1	83.5	70.9
2019	72.8	72.7	98.9	54.9	58.5	75.5	93.2	79.3	76.4	73.0	64.0	86.0	73.1
2020	75.0	74.9	101.9	56.5	60.3	77.8	96.0	81.7	78.7	75.2	65.9	88.6	75.2
2021	77.2	77.1	105.0	58.2	62.1	80.1	98.9	84.1	81.0	77.4	67.9	91.2	77.5
2022	79.5	79.4	108.1	60.0	63.9	82.5	101.9	86.6	83.4	79.8	69.9	93.9	79.8

Assuming an annual two percent increase in demand, the local market will reach 75 percent annual occupancy by 2021. By that time, occupancy levels will be very high during several months of the year.

Three scenarios were considered to understand the impact additional hotel rooms would have on occupancy in the Pagosa Springs market. All of these assume an additional one percent annual increase in demand (for a conservative three percent total annual increase) to account for induced demand due to the addition of new chain hotel rooms. Rooms are assumed to be made available on January 1, 2020. Under the baseline projection, the market is expected to have a 73.1 percent annual occupancy rate.

- Scenario A – This scenario envisions the construction of a new 60-room hotel, resulting in 21,900 annual room nights added to the supply. The annual occupancy rate would decrease to 66.4 percent, increasing to 70.4 percent in 2022, at which point monthly occupancy rates would exceed 75 percent in four months: March, July, August, and December.
- Scenario B – In this scenario, a total of 90 rooms are added to supply in one or two new properties, increasing the total nights available by 32,850. These new rooms would cause annual occupancy to drop to 62.7 percent. By 2022, the rate would increase to 66.5 percent. Occupancy would exceed 75 percent in March, July, and December.

- Scenario C – A total of 120 rooms are added in this scenario, in one or two new properties. Annual occupancy declines to 59.4 percent. By 2022 it will reach 63.0 percent. March and July are the only months in which occupancy will exceed 75 percent.

The 75 percent occupancy figure is significant for a reason. Research by STR Global has found that most hotels reach their maximum profitability between 70 and 75 percent occupancy, with a benchmark of 71.4 percent at midscale properties. The occupancy rate at hotels in Pagosa Springs – not including the many short-term rental units – most likely exceeds the market average.

### Recommended Hotel Development

Pagosa Springs can easily support one or two new hotels with up to 120 rooms, and possibly more. The ability to support more rooms contemplates two conditions. The first is the timeline for development,

where multiple properties opening in different years will have a lesser impact on occupancy in any given year. The second consideration is in how the market may respond. A new, better quality product will shift demand from older properties and short term rentals, and some of these rooms may come off the market. This is especially true of less desirable offerings, so that the overall quality of lodging in the Town will improve. At the same time, vacation rentals could become available for purchase by Town residents.

New hotels should be in the midscale to upper midscale tier, which includes brands such as Fairfield, Hampton, Holiday Inn Express, and La Quinta. The Town will realize the greatest impact if these new rooms are located in the downtown area, where guests will have the ability to walk to shopping, dining, and attractions. The vacant county jail and adjacent undeveloped lots present one opportunity site where a new hotel might be developed, incorporating parking under the building and in surface lots, with a three story building at the street level. Vacant land further south, between Hot Springs Boulevard and the San Juan River, could also be attractive. The Town should also consider the potential to incentivize redevelopment of existing hotels, such as the Healing Waters Resort and Spa or Quality Inn, which have ideal locations, but obsolete buildings.

In 2018, wood frame construction costs for new hotels have ranged from \$275 to \$300 per square foot for the ground floor, and \$200 per square foot for upper floors. In the case of the county jail site, lower level parking would have an estimated cost of \$20,000 to \$25,000 per space.

## Next Steps

The former county jail and adjacent vacant lots would make a very attractive site for hotel development in the downtown area, which might include ground level retail or dining and meeting/banquet space. Public-initiated development of this property would entail:

1. Property assembly – The Town and/or County should secure control of the lots that will make up the development site, which may be through acquisition or through an option to purchase.

2. Concept development – This site-specific planning effort should develop a consensus vision for the uses and general design concept for the site. The intent is to demonstrate site suitability as well as to communicate the characteristics desires and likely to be approved by the Town. The Town should also consider the type and extent of incentives to be offered to induce redevelopment on the site.
3. Developer solicitation – The Town should recruit potential developers through a request for proposals or request for qualifications process, seeking to identify the project that will best meet local desires for the site.
4. Development agreement – The Town and selected developer should enter into a development agreement specifying the project to be built, incentives and other financial considerations, and terms of performance, including claw-back provisions if the developer fails to meet development and operational requirements.

## MEETING/BANQUET MARKET

Southwestern Colorado lacks desirable facilities at which to conduct large meetings or banquets. Although somewhat a remote location, the region has a great number of activities that can be packaged with meetings or conferences, and is a highly scenic setting for events. While there is an opportunity to develop a quality meeting facility, any such project would need to occur along with the development of new hotel rooms, either as part of a single project or in the immediate vicinity. Transportation and catering services are also limitations that may need to be addressed to develop a successful venue.

A meeting/banquet space might be contemplated as a public facility, private facility, or public-private partnership. The addition of this type of facility will require changes to how the community is marketed, with a new push to meeting and event planners, and business and association events. This should begin prior to opening, as many events are booked a year or more in advance. The Town is already marketed as a destination wedding and family event location, and a larger facility has the ability to increase this type of visitation.

### Market Characteristics

The market can be divided into two kinds of activities. Banquets are primarily social activities, of short duration and including dining, hosted by individuals or organizations. Weddings, family reunions, and organizational dinners are examples. Meetings, incentives, conventions, and exhibitions (MICE) is a term used to describe the second type of event. These are usually business or organizational activities, which may run from short training classes to multi-day conferences and trade shows.

The primary banquet market area for Pagosa Springs may be defined by the Continental Divide to the north. It can extend to South Fork to the east, Bayfield to the west, and to Chama and Navajo City to the south. This area has a population estimated at 26,004 persons, and is expected to grow at an annual 1.2 percent rate, to 27,583 persons in 2023. The median household income is \$53,040, compared to \$58,100 for all US households. This primary resident market is not particularly large, but the lack of large event facilities in

southwestern Colorado will enable Pagosa Springs to pull some bookings from a greater distance, and its scenic qualities enable it to compete as a destination event center.

The local meeting market is relatively small, with only a small number of businesses or organizations that may have infrequent demand for space. Colorado, in contrast, has a considerable in-state market for meetings. It is also rated among the top destinations for national or international events. As an example, Denver is ranked 12<sup>th</sup> in the United States in the Cvent Destination Guide, and its convention and visitor's bureau reported 989 conferences and meetings held in the city in 2017. Colorado's mountain resorts are a popular alternative location for business and organizational meetings.

### Competing Space

Locally, existing venues in Pagosa Springs are able to accommodate only small meetings and events. Aside from The Springs, none of the facilities might really be competitive for destination activities such as business meetings. Meeting and banquet venues in Durango, represent the nearest significant competition for larger events. Even these do not consistently meet expectations for a modern space, particularly with regard to ceiling height and décor at the Doubletree Hotel in Durango, which is the closest space capable



MEETING AND BANQUET SPACES IN A COMPETITIVE AREA OF SOUTHWESTERN COLORADO

NAME/LOCATION	MEETING ROOMS	FLOOR AREA (FT <sup>2</sup> )	BANQUET CAPACITY	HOTEL ROOMS	COMMENTS
The Springs Resort and Spa, Pagosa Springs	2	700	30	79	Resort setting
High Country Lodge, Pagosa Springs	1	512	30	32	Lodge and cabins with meeting room
Quality Inn, Pagosa Springs	1	1,250	80	84	Event space is the restaurant
Pagosa Springs Community Center	5	--	120	0	Gym with catering kitchen
Purgatory Village Condominium Hotel, Durango	3	7,500	100	151	North of Durango
Colorado Trails Ranch, Durango	4	2,000	120	27	Basic banquet facility
Doubletree Hotel, Durango	4	5,428	250	159	Low ceiling and some dated facilities
Strater Hotel, Durango	4	3,768	150	93	Historic downtown hotel
Ferringway Condos, Durango	1	2,000	75	34	Basic banquet facility
Rochester Hotel, Durango	10	2,000	30	16	Small, unconnected meeting rooms
Holiday Inn and Suites, Durango	4	1,525	72	116	Modern hotel with meeting rooms
Silverpick Lodge, Durango	1	1,250	50	54	Ski resort
Cascade Village, Durango	2	800	50	125	Ski resort
Homewood Suites, Durango	1	627	40	78	Modern hotel with meeting room
Comfort Inn and Suites, Durango	1	500	20	123	Modern hotel with meeting room
Fort Lewis College, Durango	14	--	200	0	Student Union Ballroom
Durango Community Recreation Center	4	--	57	0	Basic facility with kitchen

of hosting meetings or events with over 200 guests. Fort Lewis College has more attractive meeting spaces, but has limited room availability and will not appeal to some event hosts because it is a college campus.

Because of the lack of larger facilities and the characteristics of those available, southwestern Colorado is not capturing any significant number of organizational or social events. As an example, in 2017 the average wedding had 136 guests (The Knot) and in 2016 the average meeting had 132 attendees (Events Industry Council). The average meeting attendance is on the increase, while weddings are trending smaller.

### Infrastructure

Accessibility and accommodations are the primary challenges that must be addressed for Pagosa Springs to have a viable meeting and banquet facility. Aside from major cities, it can be difficult to reach any of Colorado’s mountain venues. By air, most require a connecting flight or a drive of an hour or more. Durango is the commercial airport nearest to Pagosa

Springs, and a flight to Durango still requires a one hour drive. Private aircraft can land at the airport in Pagosa Springs, but this is an option for only a few, mostly business meetings. Offering free shuttle service from Durango or packaging bus charters from Colorado Springs and Denver may help to mitigate this concern.

Meetings and destination banquets held in Pagosa Springs will nearly always require overnight accommodations due to travel times. The market expects quality accommodations at a midscale or higher tier. The Springs Resort and Spa is currently the only hotel in the area to meet these expectations. Other lodging in the Town may not be considered acceptable by many potential hosts due to not being a branded property, to not meeting tier requirements, or to the age/appearance of the property. Additionally, most event coordinators will expect the lodging to be attached or adjacent to the venue.

Food service is another critical consideration. Meeting/banquet spaces follow one of two approaches, each with their merits. Either they have an attached kitchen (and often a restaurant) and require any food to be provided through the facility, or they offer a kitchen and allow events to be catered. The first approach is typical of privately-owned or managed event space. For meeting organizers, there is a benefit in that much of the logistics are managed in-house and there is less work involved in planning. Food costs may be higher, but there is the potential for discounted space when food is ordered.

The potential for catering is attractive for small meetings and family or social events. This option is more typical of publicly-owned facilities, where a commercial kitchen or more limited catering kitchen is provided, and hosts may either prepare their own food or hire a caterer. The option is less attractive to corporate and conference planners due to the need for additional coordination.

Pagosa Springs has another type of infrastructure that is very well developed. Many organizational and corporate events have an interest in activities in which attendees can participate during their event. The number of outfitters and guide services in the area, and diversity of activities, presents many options to meet this need. Some thought may be given to the potential for team-building and leadership-development activities, which are becoming increasingly popular.

## Potential Demand

Most of the demand for space will be for one of three types of events:

- Conferences – These are the most intensive and space-consuming events, requiring both meeting rooms for break-out activities, and a separate space that can be set up for meal service. For a conference with 150 attendees, the requirements would be an 1,800 square foot banquet space and 3,600 square feet of meeting space (for three or four concurrent sessions, along with areas for exhibits, registration, and congregating).
- Meetings – Meetings are usually smaller than conferences and do not require a banquet space, although meals may still be served as part of the function. The primary market for meetings is made up of businesses and organizations in the region, and will include activities such as training sessions, sales or other corporate meetings, workshops, presentations, and similar functions. Pagosa Springs also has the potential to be a destination location for such activities, and particularly for corporate retreat-type events.
- Banquets – These are events centered around a meal, usually hosted by individuals, organizations, or larger businesses in the area. They would include local and destination weddings or other family events,

holiday parties, and similar activities. While a large space is required for dining, there is little demand for additional space.

A number of comparable spaces in the region were interviewed to estimate the demand that might be generated at a meeting/banquet space in Pagosa Springs. Based on their utilization, the majority of bookings will include weekend weddings and similar events, along with small business and organizational meetings. This latter group is showing a sensitivity to the cost of booking the space. Expected annual demand at a new space in Pagosa Springs is as follows:

ESTIMATED DEMAND FOR A FACILITY IN PAGOSA SPRINGS

TYPE	ANNUAL DEMAND	AVERAGE GUESTS	TOTAL GUESTS
Conferences	6	150	900
Meetings	48	50	2,400
Banquets	78	75	5,850
TOTALS	132	69	9,150

These estimates assume that the new facility has an attractive design that is competitive with locations such as the Doubletree Hotel in Durango, that it is developed with the new hotel rooms needed to support it, pricing is competitive, and that there is an aggressive marketing campaign to organizations, and addressing the destination wedding/social event and business meeting markets.

## Recommended Facility

The recommended facility can be modeled on the Doubletree Hotel, which is the largest space currently in the region. It has a total of 5,500 square feet, with the largest space being a 3,000 square foot ballroom. Additional floor area will be needed to provide a kitchen, common areas, restrooms, offices, and storage, so that about 7,000 square feet will be required. Less area may be needed if the meeting/banquet space is developed with a hotel

and/or restaurant, as there will be some duplication. Meeting and banquet spaces should be designed with movable partition walls to enable multiple configurations, with the potential to host more than one concurrent event. This may be particularly important on weekends in the peak season. An attractively-landscaped outdoor patio should be provided as an added amenity to help market the space. The patio might also be used to host separate events and performances.

Development costs are highly variable depending on design and whether the facility is developed as part of a larger project. The basic structure can be a metal-framed, single story building with an attractive glass and stone exterior, and finished interior. This can cost between \$300 and \$450 per square foot, resulting in a total cost between \$2.1 and \$3.4 million.

If developed as a public project, financial assistance may be available under state and federal programs such as the US Economic Development Administration’s Public Works Grant Program, which could fund up to half of the project cost. This scenario presents the best opportunity for a successful project, and does not preclude a joint venture with a private hotel operator.

## Next Steps

Developing a meeting and banquet facility is a complex project that requires other earlier or concurrent capacity development, and it is considered

a long-term project. The following steps can be taken toward eventually developing a meeting and banquet facility.

1. Site selection – A key requirement of the facility is that it be developed as part of a hotel or with hotel rooms adjacent to it. Ideally, the facility will be located within walking distance of the core downtown area. There are a limited number of suitable sites. The Town may proactively consider land it already owns, or may acquire to allow the facility to be developed. The former county jail is one property that might be considered, along with adjacent vacant lots.
2. Feasibility study – Update this analysis to prepare a full market and financial feasibility study that will meet the requirements to apply for US Economic Development Administration funding. This analysis is likely to become dated by the time any initiative to develop a facility is begun. A more complete analysis will include a formal building program with conceptual designs and cost estimates.
3. Grant funding – This is a project that should be enumerated in the regional Comprehensive Economic Development Strategy (CEDS) as a first step to seek funding from the US Economic Development Administration. State funds may also be sought, particularly for feasibility analysis and preliminary design.

## RECOMMENDATIONS / IMPLEMENTATION

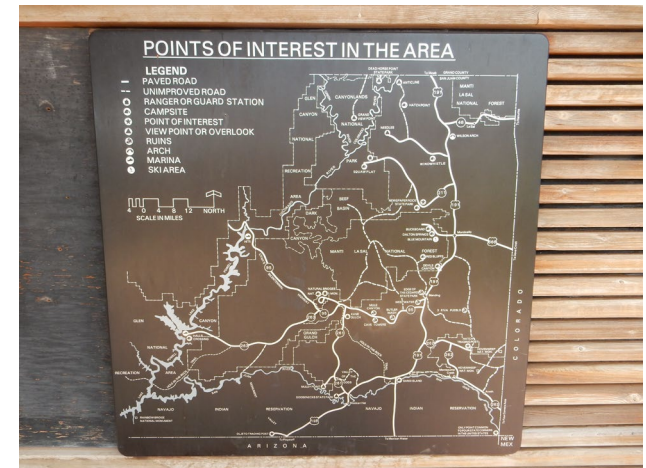
Several of the recommendations in this report are already in the process of being implemented by the Town, through the Pagosa Springs Area Tourism Board and other organizations. The Pagosa Springs Area Tourism Board reviewed these recommendations and provided guidance to establish short-term (one to two years), medium-term (three to five years) and long-term (six or more years) initiatives for tourism development. These are primarily focused on developing physical infrastructure to support tourism activities.

### Short-Term Initiatives

The initiatives listed here are expected to be initiated within a one to two year time frame (2019 to 2020). These are considered the “low-hanging fruit” that can be somewhat easily implemented, along with foundational initiatives that develop infrastructure needed to support medium and long-term goals.

#### Physical Assets and Infrastructure

- Improve road signage (distance and direction) directing visitors to trailheads and attractions mostly outside of Pagosa Springs. People unfamiliar with the area often have difficulty finding locations that are a considerable distance from paved roads. Better signage will enable these sites to be more easily located. The Pagosa Springs Area Tourism Board has allocated funding to two partner organizations to begin this activity in 2018, and anticipates additional work to be completed in 2019.
- Add informative and directional signage along hiking and bicycling trails, beginning with Reservoir Hill and Turkey Springs. This initiative will continue into following years as new trails are added to the program. This will improve the visitor experience.
- Develop a framework for art installations and historical interpretation in the downtown and along the River Walk. This should map priority locations and themes. The wind harp can serve as inspiration for art that is interactive with the environment (light, sound, motion, etc.), which will distinguish Pagosa Springs from



*Example of informational signage from southeastern Utah.*

Whittle the Wood is an annual festival held in Craig, Colorado. Each year, artists transform logs into sculpture that is then permanently placed in city parks and the downtown business district. In that way, it builds the City’s collection and becomes part of a walking/driving tour that helps to market the community. The event will celebrate its 20<sup>th</sup> anniversary in 2019.

**BEST PRACTICE: PUBLIC ART**

other places. The Town may consider establishing a goal to add one new piece each year.

- Prepare a parking study addressing the downtown area. This should assess supply and demand, offering solutions that can include a combination of new parking development along with parking management practices. The study should consider how land use (ex., the location of hotels downtown versus outside of the district) can affect the need for public parking.
- Prepare a river access study for the San Juan River, across the length of Archuleta County, with the goal of prioritizing sites at which to establish public access. The river has limited accessibility from public land, impacting its use for private or commercial fishing, rafting, canoeing, kayaking, or other recreation.

### Marketing and Events

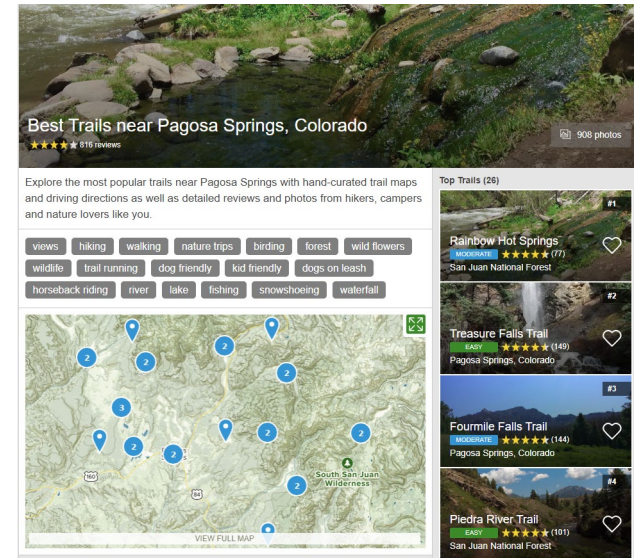
- Add content to popular mobile applications for recreational activities in the Pagosa Springs area. More than tourism websites or map-based search engines (ex., Google Maps), people engaged in recreational activities are seeking information about destinations through applications that rely on users to supply content. Examples include AllTrails for hiking, Roadtrippers for scenic driving and sight-seeing, and Singletracks for mountain biking.

## Medium-Term Initiatives

These initiatives will take longer to implement, as they may be more complex or require resources that must be lined up prior to implementation.

### Physical Assets and Infrastructure

- Develop a downtown revitalization strategy. The strategy should equally address business development needs and physical development needs, some of which (like parking and public art) will be addressed through earlier initiatives.



*The AllTrails app*

- Prepare and implement a plan for event infrastructure in Pagosa Springs. This should include plans for vending and performance spaces in Pagosa Springs Town Park, along the River Walk, in the downtown, and at Reservoir Hill. The plan should address locations in which electrical outlets, lighting, and restroom facilities will be provided. It should include formal performance spaces for different types of events, in the downtown area and on Reservoir Hill. Implementation may extend beyond the medium-term horizon.

- Encourage new hotel development. This is a critical need to capture lost market potential, and to support new markets for motor coach tours and future meeting and banquet space. The market can support 120 new rooms while maintaining a good overall occupancy rate.
- Continue constructing the River Walk with extensions to the east and connections to the trail system at Reservoir Hill. An easterly focus will encourage pedestrian traffic between the downtown and locally-owned, tourism-dependent businesses on the east side of the Town. An extended path will help to improve public access to the river. It may also help to mitigate parking issues in the downtown. Access to Reservoir Hill will improve awareness of this asset.

#### Marketing and Events

- Develop policies and incentives to induce the private sector to program events in Pagosa Springs. Together with improvements to the infrastructure, a simple process and clear standards will help to program space, creating new events and entertainment to attract more visitors.
- Incorporate the area’s waterfalls and wildlife as marketing themes. These are two under-developed resources that are being pursued by few of the competing areas in Colorado. Pagosa Springs can make its claim to be a choice destination in the state for these activities.

### Long-Term Initiatives

These initiatives require significant investment as well as time to implement. As the ideas are more fully developed, they will need to be assessed to determine if there is sufficient return on investment to pursue them. Additionally, they will need the support of private sector partners to come to fruition.

#### Physical Assets and Infrastructure

- Develop a meeting and banquet facility in downtown Pagosa Springs. There is market demand for such a facility, but the infrastructure (especially hotel rooms) is

#### BEST PRACTICE: NEW EVENTS

Moab, Utah has spent years constructing a path system following Mill Creek and extending north of the City, where it leads to Arches National Park and also continues some distance through the Colorado River Canyon. These paths facilitate walking or bicycling as an alternative to driving, providing access to businesses and attractions while also mitigating the need for parking.

#### BEST PRACTICE: NEW EVENTS

When Wisconsin’s state parks decided to offer a candlelight hike/ski event, they had no idea how popular the event would be. It is now replicated at several parks across the state, each attracting hundreds of visitors.

#### BEST PRACTICE: WILDLIFE

Wildlife viewing is a popular activity. Fermilab is a federal research laboratory with a large campus in Batavia, Illinois. As a popular site for birdwatching, the lab encourages this activity with a log on its website that reports the species recently spotted on the campus. At Yellowstone National Park, new mobile applications like *Where’s a Bear* provide wildlife watching information and crowdsource recent wildlife sightings to alert visitors to where they may find particular species.

not in place to serve this use. Site selection, updated feasibility analysis and design, and grant-writing will be the next steps to bring this project to fruition.

- Develop a stronger arts economy in the region. Although there are a large number of artists in the region, they have only a minimal presence in Pagosa Springs. This initiative can focus on increasing the number of places where art is sold, to build the Town's reputation as an arts community. It can include assessing the interest in, and feasibility of establishing an artist's co-operative gallery, or live-work space for artists. (As an example, the City of Trinidad, Colorado has recently initiated a live-work project with ArtSpace International.)
- Consider the potential for an adventure park in or near Pagosa Springs. There is a strong visitor interest in activities such as zip lines or ropes courses, and many of Pagosa Springs' Colorado competitors have such an attraction nearby. This may be an opportunity to partner with a private sector business to lease ground at a public site, to help develop an attraction.

#### Marketing and Events

- In the event that there is a meeting and banquet facility in Pagosa Springs, there will be a corresponding need to adjust the Town's marketing strategy, placing a greater emphasis on destination weddings and other events, and reinforcing outreach to organizations, meeting planners, and businesses.