

Minutes of the Ice Park Advisory Team Meeting October 4, 2023

The regular fall meeting of the Ice Park Advisory Team was held in the Ouray Community Center on October 4, 2023, attended by Tres Barbatelli, Kitty Calhoun (by Zoom), Nate Dissler, Corey Gera, Tamara Gulde, John Hulburd, Grant Kleeves (Zoom), new OIPI Board member Jackie Lauderdale, Bill Leo, Micah Lewkowicz (Zoom), Peter O'Neil, and Frank Robertson.

Agenda:

- Update from Peter and Silas on the Management Agreement
- Report from the Ice Park Sustainability Working Group
- Plans for the coming Season
- Discussion along the way

Peter updated us on the ongoing City projects to bring electricity into the powder house and repair its roof ahead of the coming season - thanks!

We finally got approval from Fish and Wildlife and the Army Corps of Engineers, clearing the way for the \$200,000 to be released by the Colorado Outdoor Recreation Office for Our Water Our Future. The final fundraising push, including a grant application to the Telluride Foundation, should reach our \$1.4M goal for the capital campaign.

A local contractor is set to dig the wet well at the point of diversion in Canyon Creek this December. We will have to wait until next year to entrench the remaining supply line and re-do the valve vault. The City and OIPI have renewed our existing agreement to use the excess municipal system supply for the coming year, and we expect the new system to be ready for the 2024-25 season.

While the original water system concept (a pipe from Weehawken Creek) is no longer in play, the MOU between the City and OIPI for the initiative calls for OIPI to convey ownership of permanent new infrastructure once it is completed; a new water agreement will be put in place to finalize that arrangement as well as other details for operation and maintenance, and the OIPI Operations Manual will be updated once new ice farming procedures are established.

The new Management Agreement between the City and OIPI was approved at the October 4 City Council meeting. It has an initial 1-year term, with an additional 4 years to follow automatically if the City concludes its easement/acquisition agreement with Eric Jacobson for the Rosevelt Placer claim. The City has indicated that if that agreement takes more than a year, an extension would be put in place to continue the Management Agreement. In any case, an additional 5-year term will automatically follow the initial 1 + 4 years if the City is still operating the Park; if the City and County extend their current Inter-governmental Agreement expiring in 2029 (or the City acquires the County's land in the Park); and if OIPI is not in breach of the Management Agreement.

South Park is permanently a part of the Ouray Ice Park.

We have a long-term management agreement.

We thank Eric, Peter, and Silas for getting all the moving parts to mesh.

John summarized the report (sent before the meeting, below) from the Ice Park Sustainability Working Group (WG). Dolgio sent questions and comments, which we discussed and answered to the extent possible. Essentially, the City informed us that the initial charter of the WG was moot, given provision in an agreement with the County that the Park cannot charge recreational climbers. The items from Dolgio would be pursued if doing so became possible and we wanted to take the option to the next level of consideration. We discussed the drive to expand membership and the measures to incentivize it as the key effort continuing from this group's work.

Last season we had 837 members, who contributed about \$73K to operational budget; next season's goal is 1070, which would provide about \$100K. We will again let guides who are members bring in their clients who are not, in recognition that CGOs have brought in a lot of new members through their business. Daily early entry will again be a key incentive; OIPI will let everyone know ASAP how entry prior to Opening Day will be handled, but higher-level membership incentive and perks for local members are being considered. As always, conditions and making sure the Park is the best it can be at open will be key to the Ops Manager's call on pre-season access.

OIPI is also aiming to rev up the Local Business Partner program, with discussions of value delivery, consideration of package deals and discounts, and focus on professionalizing this key element of our finances with better communications and follow-up. We are continuing to improve our web site and harmonizing with the City on messaging in concert with its Destination Blueprint program. Several events are coming up on marketing efforts in the City, including a Chamber Business After-hours at Sweet Ouray, networking at the Ouray Brewery 5-7 pm on October 25, prior to a Community Workshop starting at 8:30 am on October 26 in the Community Center. A Resident Sentiment survey and a business survey will be out to help us all understand better.

Permits will be out soon with the same Assigned Allocation as last season, modified per requests for additional Service Days and adjusted for changes in association of guides and guide services.

OIPI is working on ways to gather daily guided-party data to complement the Ranger counts and improve understanding of actual Commercial Use. Guide service owners' views in the meeting included the need to minimize the overhead of any real-time reporting and support for providing such in a streamlined process. We will include further input from CGOs in our consideration.

Season prep is under way, with Field Staff coming on board including 3 returning and 1 new Ice Farmer, and 1 returning and 3 new Rangers. Corey has an ambitious launch in the works. All In starts January 5 and Ice Fest, which may include the Comp as a UIAA event, starts January 18. We all are super-psyched to get on the ice soon.

Report on the findings of the IPAT Working Group on the Implications of charging recreational climbers to access the Ouray Ice Park from John Hulburd, Working Group Facilitator

Historically, for 30 years, the Ouray Ice Park has been free to the public. Commercial Guide Operators (CGO's) and Institutional entities (IGE's) have had to pay a per-client fee to operate in the Ice Park, in recent years. The main revenue for operating the Ice Park has been derived from that, the Ice Festival, donations, grants, memberships, and sponsorships.

The Working Group (WG) was created to look into the implications of charging the general public (recreational climbers) to access the Ice Park. The WG is composed of John Hulburd (facilitator), Grant Kleeves (ice climber), Kitty Calhoun (high mountain guide), Pat Ormond (senior guide for a local CGO), Tamara Gulde (City of Ouray Councilperson), and Tres Barbatelli (Ice Park employee).

Frank Robertson (Ice Park board member), Peter O'Neil (Ice Park Executive Director), and John Wood (City of Ouray Councilperson) have attended meetings as sponsors of the effort, and to share their insights.

We started by asking what it would take to create a pay-to-climb system, and what consequences would arise from that. What would it take to do it?

But first, the fun part: how much money (gross) could we make by charging \$20/day? With roughly 22,000 *user days*, that's \$440,000, if everybody paid. So what would it cost the Ice Park to collect that? To control access to the Park (with at least 6 different points of access), it was determined that building fences, gates and kiosks would be necessary, as well as staffing each entry point. Staff costs were estimated to cost around \$145,000 annually. Existing staff do not have the capabilities to fill these roles. Membership receipts (roughly \$90,000 now) could go away. New infrastructure could cost at least \$50,000. Signage would need to be installed, as well as a concerted effort to communicate the new rules to the public. It was determined that these expenses (especially staffing) would severely diminish net revenues from the implementation of charging recreational climbers. We might end up making a whole lot less in net profit.

It was quickly determined that the City of Ouray cannot charge for access to the Park, due to a clause in the InterGovernmental Agreement (IGA) with the County of Ouray that prohibits this until 2029, so the point became moot. With that, we shifted our conversations to "**What problems are we trying to solve?**" The first problem is long-term financial sustainability. The second is overcrowding, mainly on several popular weekends during the ice season. Here are specific issues:

1. *User Days* includes recreational climbers, as well as guided and institutional clients. We are asking CGOs and IGEs to recommend their clients become members. Our economic impact study found that around **8300 actual climbers** in total use the park
2. Insurance: What would be the impact to the Ice Park and the City of Ouray if we charged? While hard to get exact numbers on this question, it appears that if we were to charge everyone, our liability and thus insurance costs could increase substantially. Charging the public for access increases liability.
3. Local Business impact: Would charging all climbers to access the park affect the revenues to the local business community? This was even harder to determine, but logic tells us that making climbers spend more to access their sport could reduce the amount they would feel free to spend on local businesses. We are committed to supporting local businesses.

4. Sponsorship: Would charging all climbers affect our relationships with our Corporate Sponsors? Our Marketing Director told us it would very likely reduce their level of sponsorship, which could cost us as much as \$60,000.
5. Memberships and Donations: Would charging all climbers shift the impetus to become Ice Park members? It was determined that we would probably lose most members since charging would take away any incentive to donate or become members.
6. We discussed the tangible and intangible elements to the question of charging. The previously mentioned points are mostly tangibles. The intangibles included: How would this change affect access to the Park for already marginalized people? How would charging alter the historic benefits to, and general good will, of park users? How would climbers "game the system" by trying to still climb for free? How would charging affect local CGO operations? How would the employees of the Ice Park be affected by charging all climbers? How many recreational climbers would go elsewhere to climb if charged? There are plenty of natural ice routes in the area. Would this lead to crowding there?
7. Financial Sustainability: How will we fund the Ice Park in years to come? The ice doesn't appear naturally. It is built by directing overflow water from the City's municipal water system to long pipes on the canyon rim that have sprinkler heads at regular intervals. This system is highly complex and prone to freezing, so it takes the highly skilled efforts of Ice Farmers to make the ice conditions that bring 22,000 user-days to Ouray every winter. This, plus other administrative staff, ends up costing us an estimated \$20 per climber per day. It costs over \$400,000 per season to build and manage the Ice Park every season, and costs are going up. So how to pay for it?
8. Presently and historically, the Ice Park has relied on a "**hybrid funding model**". The Ice Festival brings in the most revenue, but there are other sources of revenue that complete the picture. The question became: how do we enhance these other revenue sources? CGOs and IGEs already pay more. It was quickly apparent that we could greatly increase our **membership** effort, since we have typically had a small percentage of members, even among those who make a living working in the Ice Park. Once we looked at the numbers, we realized that we have a much better opportunity to fund the ice park from membership at a much lower cost than charging all climbers. And a lot less work. This also could reinforce the loyalty and good will among the climbing and business community as a result.
9. Membership fees starts at \$75 per person *per season*. If only *half* of the climbers buy a basic membership, that's \$75 times 4150 (1/2 of 8300), which equals \$311,250. $3000 \times \$75 = \$225,000$. $2000 \times \$75 = \$150,000$. Then there are the members who are happy to pay \$200, or \$500, with incentives. So there is **real power in** expanding our **membership** efforts. Outright donations are also substantial, based on providing a climbing venue that is free to the public.
10. The overcrowding issue has been greatly helped by expanding terrain (more routes), and CGO and IGE bookings of clients during the week, which was incentivized through the allocation process. It was agreed that simply making ice climbing more expensive would not address this issue. What is needed is a much more effective communication strategy, by the Ice Park, with the climbing community. We need to communicate the use trends and costs on our website. For instance, the last month of the climbing season (when it is warmer!) has very few people coming to climb. Here's an opportunity to spread out the season.

In conclusion, this Working Group process has been an excellent venue for brainstorming ideas on how to support the Ice Park moving forward. Since charging recreational climbers is not allowed by government agreement, we have been able to expand our discussions on how to solve the real problems, instead of concentrating on just making more money, at any cost. We have had a really good group of people at the table, thinking of ways to protect the historic benefits and nature of the Ice Park, while researching ways to keep it going for the future. I hope the above explanation helps you understand what we've been up to and where we need to go.