PAGOSA SPRINGS
COMMUNITY SURVEY RESEARCH
Executive Summary

BACKGROUND

The Town of Pagosa Springs and Community Vision Council (CVC) commissioned a community survey research study to be conducted with visitors and locals this past summer. There were several goals of this project: 1) to study the profile and behavior of summer visitors to Pagosa Springs; 2) to focus on Downtown issues in terms of strengths and weaknesses as well as gauge the level of support for various capital improvements; and 3) to study community-wide economic issues such as spending patterns, 'leakage' of expenditures to neighboring communities and the Internet, and attitudes towards "big box" development.

The scope of this survey effort was very broad in order to provide key data to guide policies and decisions in the areas of planning, marketing/promotions, and economic development. There were three survey instruments used to gather opinions from visitors as well as full- and part-time residents.

1. An "intercept" survey which randomly surveyed both visitors and locals in various locations around town. Interviews were conducted on both weekends and weekdays as well as holidays and at special events. At the conclusion of the interview, respondents were asked to participate in a follow-up survey which would ask more in-depth questions either by mail or by email (discussed below). The sample size for these "intercept" surveys is 487 with a margin of error of +/- 4.4 percent[1].

2. Those locals who were willing to participate in a follow-up survey were sent either an email or mail version of a comprehensive survey soliciting opinions on Downtown, potential capital improvements, spending patterns, etc. The sample size for these "randomly" obtained mailback/email surveys is 51.

3. The third and final type of survey was the "self-selected" version in which respondents voluntarily took the survey either on-line or filling out a paper version. The survey instrument is identical to the mailback/email version described above, but was analyzed separately to study the differences between those who were randomly selected and those who were "self-selected." Note that in this instance, there was little difference in the response patterns of those who were "self-selected" with the exception of slightly higher incomes and education levels among those who were "self-selected," which is typical. However, with respect to the opinion-oriented questions on the survey, there was very little difference between survey methodologies. The sample size for these "self-

[1] For a total sample size of 487, the margin of error is +/- 4.4 percent calculated for questions at 50% response.

selected" mailback/email surveys is 321 with a margin of error of five percent (for both versions).

To test the quality of the random intercept survey and its "projectability" to the overall Pagosa Springs population, a comparison was made of income levels from the 2000 U.S. Census and the incomes reported by survey respondents (no adjustments were made for wage inflation to the Census income data).

Income levels are very comparable for full-time residents, as shown in the table below. It is important to also present the income levels of part-time residents as well. Nearly one out of four homes in Pagosa Springs are second homes (defined by the Census as vacant homes for "seasonal, recreational, or occasional use"). These second-homeowners are not represented in the Census data if they have listed their primary residence as another location. Clearly, this is an extremely affluent segment of the population that we anticipate to grow as baby-boomers mature into their retirement years and purchase second homes. This segment of the population not only boasts high income levels, but also has needs and desires that will have a growing impact on desirable retirement communities such as Pagosa Springs. We highlight this dynamic in order to alert officials to the size as well as profile of this market and to consider it when making any future policy or planning decisions.

TABLE 1
COMPARISON OF INCOMES
2000 CENSUS VS. INTERCEPT DATA

	2000 U.S. Census	Full-time Resident	Part-time Resident
		(RANDOM INTERCEPT)	
$0 – 14,999	16%	18%	–
$15,000 – 24,999	14%	16%	3%
$25,000 – 49,999	35%	29%	17%
$50,000 – 74,999	18%	23%	14%
$75,000 – 99,999	8%	5%	10%
$100,000 – 149,999	4%	7%	31%
$150,000+	4%	3%	24%
	100%	100%	100%

Highlights from the research are presented in the summary below, followed by graphs showing the data and relevant comparisons. The survey instruments with results filled in are appended at the end of the summary.

Resident Profile

- The demographic profile of the full-time resident of Pagosa Springs reflects that of an older, less affluent, and family-oriented respondent. Fifty-nine percent of respondents are over 45 and, conversely, just 20 percent are under the age of 34 (note that children under the age of 16 were not interviewed). The data also show a relatively low income level, with one out of three reporting household incomes of $25,000 or less. Families outnumber other marital status categories – 38 percent of respondents are married or single with children living at home. Following families are "empty nesters" at 27 percent; singles at 21 percent; and couples without children at 13 percent.

- A very important and growing market for Pagosa Springs is second homeowners. According the 2000 U.S. Census,23 percent of homes in Archuleta County are "for seasonal, recreational, or occasional use." (Note that the profile of the owners of these second homes are not reported in the Census-i.e., income levels, etc.). Second homeowners are an older and very affluent segment of Pagosa's population, reporting average household income levels of $116,913 (compared to an average household income of $47,860 among full-time residents). Not surprisingly, 61 percent of the part-time residents are "empty nesters," clearly dominating the profile of second homeowners.

- Nearly one-third of respondents have lived in Pagosa less than three years. These "newcomers" to Pagosa are somewhat older and more likely to be families and couples without children as compared to those who have lived in Pagosa for more than three years. Newcomers are also more strongly concentrated in the "25 to 44" year age range, although the largest "newcomer" age segments are "45 to 54 years" (34 percent) and "55 and older" (29 percent). Incomes are polarized among "newcomers," being disproportionately concentrated in the "under $50,000" income category (newcomers at 47 percent) and "over $100,000" (26 percent).

- Newcomers are more likely to have cited the following reasons for moving to Pagosa: the "pristine natural environment," "recreational opportunities," and "to get out of the rat race."

Visitor Market

- Visitors to Pagosa Springs are obviously an important market to understand in the effort to craft an effective marketing plan and tailor the planning efforts to meet the evolving needs of Pagosa's tourism industry. Visitors to Pagosa Springs are older (average age of 50 years); affluent (average income of $81,600); and empty nesters (41 percent) and families (33 percent). Note that Pagosa's visitor market is somewhat under-represented among singles (12 percent) as compared to visitors to other Colorado mountain communities.

- Colorado is the primary source of Pagosa's visitor base (30 percent), followed by Texas (15 percent), New Mexico (10 percent), Arizona (9 percent), and California (8 percent). The "drive-in" market (200 miles radius to Pagosa Springs) accounts for 27 percent of visitors with the top "drive-in counties" being La Plata (10 percent), Jefferson (4 percent), El Paso (3 percent), and Bernalillo, NM (3 percent). Other important regional markets for Pagosa are Harris County, Texas (the Houston metro area); the Tucson and Phoenix/Scottsdale areas; and Orange and Los Angeles Counties.

- Visitors spend, on average, $105 per person per day including lodging[2]. Couples without children tend to spend the most ($146/day), with singles spending the

[2] These are "per capita" expenditures, meaning that those that spend $0 in any category are factored into the average. The purpose for calculating "per capita" expenditures is that these averages can be applied to the overall visitor population to generate total visitor expenditures in the community.

least ($83). Other patterns include out-of-state visitors spending more than Coloradans; first-timers spending more than previous visitors; and those staying in hotel/motels spending more per day than campers or timeshare occupants.

- Significant opportunity exists to expand advertising awareness (specifically the Internet) as well as developing more seasonal cross-marketing messages. There is little cross-over visitation among summer visitors to winter vacations in Pagosa Springs. Over half of summer visitors have "little" to "no" intention of visiting Pagosa Springs next winter. Clearly, there are some summer visitors who, based on their profiles, may not be candidates for a winter vacation in Pagosa irrespective of promotions, increased awareness, etc. However, this possibility does not obviate the need to elevate awareness of winter vacations among summer vacationers or to explore opportunities to attract summer visitors whose profile might be more amenable to winter vacations (for example, determining the profile and behavioral patterns of active skiers/snowboarders and targeting them for summer vacations, and vice versa for winter vacations).

Downtown Issues and Capital Improvements

- Protecting Pagosa's character and identity is the single most important priority among residents—88 percent of respondents felt that future development "should respect Pagosa's established architectural scale, small town character and historic identity." While this response reflects an *approach* to planning as opposed to a specific improvement, it conveys a very clear message to our public officials that any development must be informed by this sensitivity to preserving Pagosa's existing unique features and character.

- In terms of specific capital improvements, priorities are protection of Pagosa's natural resources - the river corridor, hot springs, Reservoir Hill, open space, etc. Respondents feel that the highest priority should be to protect these natural resources before proceeding on to any other improvements. Following the preservation of these resources would fall amenities that enable the simple enjoyment of these natural resources -- parks, bike paths, parks/plazas, etc. Of least importance to respondents would be "man-made" features, such as displays, signage, parking, recreational amenities, housing, retail, storefronts, parking/traffic, etc.

Local Economic Issues

- In order to fully understand the impacts of large-scale development upon Pagosa's economy, it is critical to have an understanding of the community's baseline economic conditions. Laying the groundwork for enhancing the understanding of our local economic conditions, several questions on the survey probed respondents' shopping and expenditure patterns in the effort to better understand the "leakage" or outflow of dollars to surrounding areas as well as mail order and the Internet. Respondents were asked about their spending patterns, including the proportion of spending both within and outside Pagosa Springs as well as attitudes towards "big box" development. Findings from the data were very interesting, reflecting the complexity of issues surrounding the potential of large-scale retail development.

- A question was asked of respondents regarding the percentage of monthly expenditures spent *outside* of Pagosa in a number of different expenditure categories. Well over half of monthly expenditures are spent outside of Pagosa on clothing (72 percent), household furnishings (72 percent), automobiles (65 percent), appliances (56 percent), children's items/toys (52 percent), and gifts/books (51 percent). From one-third to one-half of expenditures are spent outside Pagosa on sports/recreational equipment (49 percent), office supplies (43 percent), and garden supplies (38 percent). And the least "leakage" was apparent in the areas of groceries/personal care (33 percent), prescriptions (30 percent), hardware/building supplies (30 percent), and entertainment/restaurants (29 percent). It should be noted that we did not analyze "inflow" or dollars spent locally from outside the market, which is naturally the converse to this "outflow" analysis. A comprehensive economic study would look at these spending dynamics and assess the volume of leakage as well as "inflow" to determine the best strategies for maximizing the inflow and minimizing leakage.

- While there was clearly some "leakage" outside the community, particularly in the areas of apparel and larger items such as furniture and automobiles, there was significant resistance to both the development of large-scale development ("big box" stores such as Wal-Mart, Home Depot, Target, etc.) and franchise/chain stores.

- Respondents were asked which of the following statements best describes their position with respect to "big box development." As shown in the attached figure, 59 percent of respondents overall "don't support big box development under any circumstances." Another 30 percent supported "big boxes" with some sort of controls, such as limiting the number of stores or imposing restrictions (e.g., size caps, design guidelines, etc.). Just six percent would support "big box stores with no restrictions" and five percent "need more information."

- Interestingly, this lack of support for big boxes was evident regardless of income levels. As shown in the attached figure, there was no significant difference in incomes, with those earning under $75,000 as likely to oppose "big boxes" as more affluent respondents. There was some difference when we compared responses by marital status, with opposition being stronger among singles and couples without children, while families in particular being more supportive of big boxes (with restrictions). We attribute some of this pattern to the increasing pressures from "time poverty" among families and, consequently, desire for the convenience of discount stores.

- Looking at this issue another way, respondents were asked "if commercial development were to occur in Pagosa, which of the following would you like to see?" Small, independently owned restaurants (60 percent), more grocery stores (59 percent), a conference/performing arts center (58 percent), educational facilities (58 percent), and independently-owned retail (56 percent) were the leading types of development residents would like to see in Pagosa Springs. Relatively little support was given to development of "more franchise restaurants," "big boxes," more lodging, and heavy industrial.

Summary

In summary, Pagosans clearly feel very strongly about preserving the small town character and ambience that drew many of them to the community in the first place. The strength of that sentiment cannot be overstated given the numerous times it was reiterated in different ways throughout the survey findings. Pagosans' "vision" for their community's future consists of preserving its pristine natural environment while at the same time respecting the small town character, and many are concerned these would be threatened by unmanaged growth and commercial development. Strategies that respect the uniqueness and beauty of the community while addressing the very real challenges of growth are necessary, requiring careful deliberation and thought on the part of public officials.

The specific direction that the majority of residents would like to see Pagosa take consists of encouraging independently-owned restaurants and retail stores over franchises and chains, and if these chains/franchises are to be allowed, that they be located in areas other than downtown. Residents would like to see the Town and County government consider encouraging retail development other than "big boxes," but the data also suggest the need for exploring strategies for retention of local dollars on goods for which a considerable number of Pagosans are shopping outside of Town. Balancing the desire for preservation of environment and community with healthy and sustainable economic growth is the challenge put forth to our public officials by respondents to the survey – with respondents recognizing fully the complex nature of these issues. As respondents commented: *"Our community is clinging to its sense of individuality now….."* and *"we have something precious here, and once it's gone, it's gone."* And finally, one person summed it up as: *"it all goes back to the vision for Pagosa….what do you want Pagosa to be known for."*