

APPENDIX F: CASE STUDY

from *Supporting Families, Children, and the Caregiving Workforce:
A Local Financing Toolkit for Colorado*

Local Early Childhood Initiative Case Study: Estes Valley Lodging Tax

Community: Estes Valley—residents of the Estes Park Local Marketing District, which includes the towns of Estes Park, Glen Haven, and Drake

Size/Type of Community:

- Total population: approximately 6,000
 - Estes Park: 5,860 (source: [Data Commons](#))
 - Glen Haven: 215 (source: [Zip-Codes.com](#))
- Children age 5 and under: approximately 500
- Mountain/resort

Year Tax Established/Reauthorized and Vote: 2022 Larimer County Question 6E passed with 60.7% YES (3,658 yes // 2,360 no // 6,018 total votes)

Tax Type: Lodging Tax Increase

- The existing lodging tax was set at 2%; voters approved a 3.5% increase to make the new tax rate 5.5%.

Approximate Revenue Generated Annually:

- The 3.5% lodging tax extension or increase was projected to generate about \$6.3 million/year. Note: Planning documents estimated the revenue at about \$5 million/year, but the official ballot language included a revenue estimate of \$6.3 million.
- Of the extension fund, housing is receiving 88% and child care receives approximately 12% or about \$600,000 per year; the revenue allocation between housing and child care can be revisited annually.

How Early Childhood Portion of Revenue is Allocated or Spent:

In September 2022, the Town of Estes Park released a document titled "A Proposed Framework: Expenditures of Local Marketing District Funds for Workforce Housing and Childcare." This report laid out a vision of how the revenue from the proposed lodging tax extension would be spent in both housing and child care. This was released prior to passage of the lodging tax increase and has served as a foundational document for the implementation of the funding. The funding priorities identified in that framework included:

- Facilities/capital
- Workforce challenges
- Tuition assistance/scholarships



In practice, funding has been allocated to these three priorities, as well as out-of-school time (after-school and summer programming) for preschool, kindergarten, and early elementary school-aged kids. Future revenue allocation will be based on a community needs assessments report, which the Town of Estes Park intends to conduct every three to five years.

Governance: The full lodging tax is collected by the Local Marketing District (doing business as Visit Estes Park) and then funding from the extension portion of the lodging tax is transferred to and administered by the Town of Estes Park, specifically for expenditure on housing and child care. The Town Board retains full authority for revenue allocation between housing and child care.

The Visit Estes Park Annual Operating Plan now includes a section in which the extension funding allocation is outlined annually. That Annual Operating Plan is reviewed and approved by the Visit Estes Park Board, the Town of Estes Park, and Larimer County Commissioners on an annual basis.

Sunset Provision: None

Evaluation: The details of the evaluation are being determined. The first community needs assessment will serve as a baseline for evaluation. Goals and metrics will be determined once that baseline is established.

Origin Story and Champions:

- **Citizen Task Force:** A 16-member Lodging Tax Exploration Task Force was convened by the Local Marketing District, Visit Estes Park, to consider if to increase the lodging tax and, if so, by how much and for what purpose. The task force consisted of local nonprofits, business leaders, and tourism/lodging industry representatives. In the summer of 2022, the Task Force published their recommendations to pursue a 3.5% increase with revenue being used for housing and child care to be administered by the Town of Estes Park.
- **Supported by Multiple Jurisdictions:** On August 1, 2022, a joint meeting was held between Larimer County Board of County Commissioners, Estes Park Town Council and the Visit Estes Park Board. All three bodies agreed to and endorsed the recommendations of the citizen task force to advance a proposal to the November 2022 ballot.
- **Campaign Led by Business Community:** The Chamber of Commerce and Visit Estes Park Board led the campaign effort to support the Lodging Tax Extension. The campaign tagline “The Tax You Don’t Pay” focused heavily on the economic imperative to invest in housing and child care as workforce development and support strategies essential to the local tourism economy.

Other Notes/Insights and Lessons Learned:

- **Persistence Pays Off:** State legislation to expand lodging taxes and to authorize local communities to dedicate lodging tax revenue for purposes other than economic development or tourism was passed in 2022. While this measure advanced to the local ballot within a number of months of that state law change, years of community conversation about the need for local investment in housing and child care preceded the ballot measure. A Housing Needs Assessment report was published in 2016, followed by a Child Care Needs Assessment report in 2018. A Workforce Housing and Child Care Ad Hoc Task Force worked on these issues and published yet another report in 2020. That work was critically important in helping the community understand investing in housing and child care to support the local workforce that supports the community's tourism industry and laid the foundation for this proposal.
- **Don't Waste a Crisis:** The COVID-19 crisis had devastating impacts on the local economy, which is largely tourism-based, and highlighted the critical need to support the local workforce. This created an urgency to act on issues that had long been discussed and explored.
- **Local Perspective Critically Important:** Priorities for child care funding were developed based on input from local providers and parents. The implementation of the fund has been highly responsive to community need and feedback. The flexibility that is available through a local funding source is one of the key advantages and every effort should be made to ensure these dollars are responsive to community needs and structured in a way that maximizes benefit to the local system.

Sources:

- [Visit Estes Park website](#)
- Larimer County [November 2022 Notice of Election Publication](#)
- ["Vote "yes" on the Lodging Tax Extension"](#) Estes Park Trail Gazette, Oct. 28, 2022
- ["More Colorado communities ask voters to approve lodging taxes for child care,"](#) Chalkbeat, Oct. 31, 2023

Local efforts and potential grants should be discussed with the Senior Program Officer | Initiatives, Jason Callegari, jcallegari@buellfoundation.org. More information is available at <https://tinyurl.com/4bj4m2du> or scan the QR code for the online PDF of the toolkit.

