



## **Staff Report**

**February 16, 2022**

### **TITLE:**

2022/2023 Downhill / Cross Country Season Passes – Spring Sale Prices

### **RECOMMENDATION:**

Board of Directors to receive report and provide comments to staff regarding the Spring Sale of 2022-2023 winter season passes for the Downhill and Cross Country Ski Resorts as indicated on **Attachment A** (bolded columns).

### **BACKGROUND:**

Season pass pricing, as an industry and regional standard, has tiered levels based on when the pass is purchased. These tiers generally can be described as spring tier, fall tier and winter tier based on when that particular price is available – spring tier is mid-March through summer, fall tier is early September through November and winter tier is December 1 through the end of the season pass sales period. Management desires to launch spring tier 2022/2023 winter season pass rates on March 17, 2022, to be on sale March 17 through August 31. The spring tier season pass sale enables customers to lock in the lowest price being offered as well as ski for the remainder of the current season. Purchasers in spring are generally some of our most loyal customers. Launching a spring pass sale in the midst of a good season capitalizes on customer demand momentum.

### **ANALYSIS:**

Both Downhill Ski and Cross Country Ski areas had record winter 21/22 season pass sales, in both volume and sales dollars. The strong pass sales are attributed to:

- Momentum from a good winter 20/21 despite ongoing COVID impacts; and,
- The increase in the day ticket pricing which creates an improved value proposition in purchasing a season pass.

All Member price recommendations are less than Public. For the 2022/2023 spring tier rates, staff recommends a 2-5% increase over the 2021/2022 fall tier rate for members, and a 3-10% increase over the 2021/2022 fall tier rate for the public. Spring-to-spring rate increases for the core pass product is ~2-21%.

Staff has researched our competitive set offerings, with details available in **Attachment B** for reference. Online sales have made collecting this data more challenging, so notes are included to provide accurate date information relative to the data. Staff has proposed changes to pass rates to address rising cost pressures, while keeping pass rates competitive as passholders are our most loyal customers and are pre-committing for the season.



**OUTREACH:**

Spring tier pass prices have been vetted internally at all levels of management with input used to develop the recommendation.

**FISCAL IMPACT:**

Cost pressures related to inflation, the tight labor pool, and skyrocketing rental prices are having a tangible effect on the association’s expenses. Covering these additional costs through revenues will be the challenge as we proceed through 2022 and plan for 2023. Season pass rates for the next winter season provide an opportunity to address the revenue side of the equation for these specific products. Staff estimates the net impact of the spring tier season pass price changes (and subsequent ripple to fall and winter tier prices) to incrementally generate at a minimum of \$84,000 in revenues for 2022/2023 season, assuming a 3-year average for pass sales volume. Staff forecasts approximately \$560,000 in spring pass sales or approximately 50% of total season pass sales. While spring pass purchasers of 22/23 season pass would be able to utilize the pass for the remaining days of 21/22 season, all revenue from the sales would be 100% deferred to the 22/23 season for revenue recognition, consistent with prior years.

**ALTERNATIVES:**

Spring pass pricing can be moved higher or lower if the board desires, however, with the lead time requirement to get these products set up online and tested, staff would need direction from the Board of Directors today to hit our target sales date of March 17.

Prepared by: *Miguel Sloane*, Director of Operations 2/16/2022

Reviewed by: *Todd Martyn-Jones*, Director of Finance 2/16/2022

Reviewed by: *Lindsay Hogan*, Director of Marketing 2/16/2022

Board Meeting Date: 2/25/2022

General Manager Approval to Place on the Agenda: \_\_\_\_\_