

Centerpoint

Volume IV Issue 1

A Newsletter for the Tourism Industry

Spring 1996

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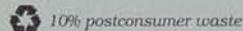
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MINNESOTA EXTENSION SERVICE

UNIVERSITY OF MINNESOTA



Minnesota Resort Owners, Students Learn from Innovative Landscape Architecture Program

Sometimes a trip to a lakefront resort is an education instead of a vacation. That's the whole idea of an new U of M effort, **Service to Small Minnesota Resorts**, where graduate students in landscape architecture are providing consultation and site-planning for Minnesota resort owners. The pilot project is a collaborative effort between Landscape Architecture and the Tourism Center to create professional training opportunities for students and provide a service to Tourism Center clients. The project is funded by the Minnesota Extension Service.

In February, 17 students from the College of Architecture and Landscape Architecture visited Hay Lake Lodge near Pequot Lakes and Loveland's Resort, Manhattan Beach. The students spent 24 hours at each resort interviewing owners about landscaping problems at their resorts. Site plans were then developed by students back on campus. The plans addressed the problems identified and suggested additional changes that could enhance each resort's design and layout.

At a March conference, students' site plans were presented to and discussed with resort owners John and Ginger Pierron, Hay Lake Lodge, and Erna Mae Loveland. Attendees also included several area resort owners; Scott Hansen, Crow Wing County planner; landscape

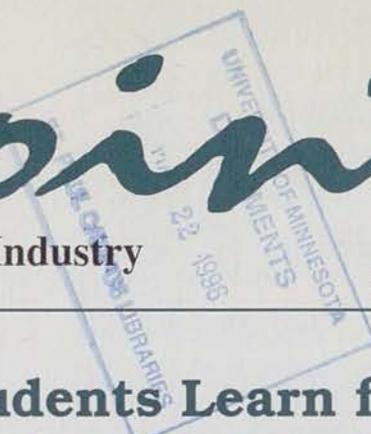
designers; and U of M faculty from Landscape Architecture and the Tourism Center. The session included discussion about enhancing recreational areas, attracting wildlife, creating walking paths, managing septic systems, creating inviting entries, improving lake views, vehicular circulation and dealing with fluctuating water levels. Concerns about erosion were brought up by several attendees.

"I've known I had a beach-front erosion problem for years and I've been trying to deal with it," states Erna Mae Loveland. "The students have given me some great ideas I can use with a professional landscaper," she says. The conference generated many helpful ideas for resort owners.

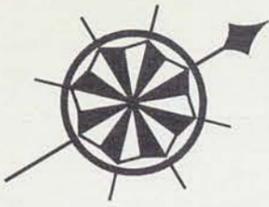
According to Dan Erkkila of the Tourism Center, "This project has been received with a lot of enthusiasm because it makes an important and productive connection between the University and Minnesota business property owners. It's a win-win program."

The project will continue throughout 1996 with plans for additional student site visits to other Minnesota resorts. If you are interested in participating in the project, contact Dan Erkkila, 218/327-4361.

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Centerpoint

A Newsletter for the Tourism Industry

Endowment Funds Further Industry Goals

The **1992 Carlson Tourism, Travel and Hospitality Endowed Chair** has been earning interest for Tourism Center project activities since 1993. While most University endowed chairs support a high-profile professorial position, the Carlson chair is a program chair. This means that interest earnings on the Endowment are earmarked for projects that are of direct benefit to Minnesota's tourism industry.

The initial endowment fundraising effort had a target of \$250,000 which, when matched with the Carlson challenge grant of \$250,000 and \$500,000 in University funds, would provide for a \$1,000,000 endowment. Because some of the pledges were not fulfilled, however, only \$735,000 was invested in the Endowment. Investment earnings available to the Tourism Center are based on 5.5% of capital invested. Any earnings in excess of 5.5% are reinvested in the Endowment adding to the principal. Using the 5.5% rate, a total of \$40,000 plus is made available for Tourism Center projects in any given year. Since this is a relatively small amount of money, a set of guidelines for selecting projects was designed.

These are:

- ✿ Endowment money used to support a project must be leveraged against funds from other sources or in-kind support.
- ✿ The project must benefit more than one segment of the tourism industry.
- ✿ The potential for long-term benefits must be high. Low priority will be given to projects that deal with a crisis situation or that would best be handled in the political arena.
- ✿ Projects that involve new methods, paradigms, or new technology will receive high priority.

Based on these criteria the following projects have been funded or have been promised support:

Geographic Information System (GIS) for the Boundary Waters Canoe Area (BWCA). Using federal, state and local data, a comprehensive GIS has been developed for the BWCA that allows people to plan trips based on their preferences. Factors such as potential to catch certain species of fish, length of portage desired, and others are included in the GIS. The

GIS has a WEB site that is being tested with BWCA-related businesses. The Endowment contribution is \$10,000 for the next three years.

Study of Rural Tourism-Dependent Businesses. A study will investigate family factors determining the success or failure of rural tourism businesses, particularly resorts and restaurants. A \$20,000 Endowment allocation will support this study. A related study will focus on the economic factors leading to success or failure. It is supported by \$7,500 from the Endowment.

Study of the Economic Impact of the Wolf Center in Ely. This study will determine the ability of the Wolf Center to serve as a primary attraction for the Ely area and help develop a process to measure the economic impact of similar rural attractions. The Endowment contribution is \$3,000.

Tourism Business Retention and Expansion (BR&E) program. The BR&E program helps local businesses stay viable instead of encouraging new businesses to come in. It requires county leaders and volunteers to work with local businesses. University personnel analyze the data and work with local leaders to identify strategies for assisting businesses. The Endowment provides \$2,500 toward program costs for up to two counties each year.

Tourism Economic Impact Video. This video for community residents examines the positive economic impact of tourist expenditures. It explains indirect impacts to help residents put negative tourism impacts into a broader perspective. This effort is supported by \$15,000 in Endowment funds.

Lecture Series and Speakers. Approximately \$4,000 has been spent by the Endowment to partially support a lecture series and speaker expenses at statewide conferences.

Without the Endowment none of these projects would be possible. Endowment earnings have been heavily leveraged to support projects deemed necessary by our tourism industry. Along with our other activities, the Endowment allows the Tourism Center to actively contribute to the public's understanding of tourism's role and the state's economic development.

For the Asking ...

Q: *Tourism is starting to grow in our community. We are worried that franchise hotels, fast food restaurants and discount stores will take over. How can we preserve its unique qualities and not become just another strip of franchise businesses?*

A: There are many reasons to avoid franchises. Franchises often look the same from one location to the next. The result is the monotonous sameness of Anywhere, USA that masks local identity. Franchises also use local resources while profits benefit distant headquarters cities. Local businesses often can't compete and are forced to close. Some say chain restaurants offer limited food choices and add nothing to the dining quality of the area. But franchises exist because many people want the services or products they offer. Tourists may be attracted to them because the quality is predictable and there is less risk of being dissatisfied.

Your community needs to ask these questions:

1. Would the proposed franchises match the needs of the existing clientele?
2. Would the proposed franchises attract new markets that you want?
3. Is there a way to give the franchise a local flavor?

Franchises are not bad, but if local communities want more than the standard cookie cutter design, they must adopt some strong measures that guide development. Town governments must be willing to spend time with prospective developers and operators as proposals and plans emerge. Communities need plans in place and must find out what residents want. Local residents must be willing to make difficult choices and adopt strong regulations that are consistent with their goals. Lack of direction from government and weak regulations leave communities vulnerable to unwanted developments.

Franchises can be modified to blend in with local community structure. Local residents must be active in guiding the future of their community.

The Tourism Center has excellent resources on rural tourism development. Center faculty can also assist communities in planning tourism development.

Glenn Kreag

For the Asking is a regular feature of Centerpoint. Readers should direct brief tourism questions to the Tourism Center, 116 Classroom Office Building, University of Minnesota, 1994 Buford Ave., St. Paul, MN 55108. Center faculty will answer questions in each issue.

Gustafson Joins Center

Kent Gustafson, Minnesota Extension Service Educator and Professor, has recently joined the Tourism Center. Kent has 22 years of Extension experience in the areas of community strategic planning, organizational development and public policy education. He also brings to the Center previous experience working in state government and the private sector.

Kent will be working in the areas of rural tourism development, tourism organization development and the Tourism Business Retention and Expansion Program. In addition, he will work with Extension educators in developing local tourism programs.

SHORT TAKES...

Diane Vertin joins Center staff... Vertin has been hired as a Graduate Research Assistant to work on the **Minnesota At Your Service** project. Diane hails from Ely and brings a background in hospitality to this position in addition to graduate work in business and vocational education.

Erkkila appointed to Graduate School... VP for Research and Dean Mark Brenner recently appointed staffer Dan Erkkila to the Graduate School faculty. Erkkila's primary responsibilities will be teaching and advising.

Proceedings available... The Tourism Trends Conference Proceedings is now available for only \$35. To order, call Jerrilyn Thompson, 612/624-3699.

Minnesota At Your Service Reaches 1300 in Industry

As we once again gear up for a busy summer tourist season in Minnesota, many businesses are taking the opportunity to train their staff with the **Minnesota At Your Service** program. Businesses large and small have found this entertaining and interactive program effective in helping employees and managers understand how to provide outstanding customer service. To date, over 1300 industry members have joined the Minnesota A+ Service Team by completing this program.

Northern Lights Tourism Alliance in northeastern Minnesota has trained 12 instructors to deliver the program in their region. They will market this program heavily as a service to businesses within the six subregions covered by the **Iron Range Resources Rehabilitation Board**.

The Ordway Theatre in St Paul recently used this program to train 225 staff members.

Valleyfair is using this program as part of their seasonal staff training.

The Minnesota Landscape Arboretum has trained several staff members with this program.

Ada, Minnesota in the northwestern part of the state has made a service commitment with nearly 150 private and public employees in town joining the Minnesota A+ Service Team.

Vista Fleet, a Duluth Superior excursion company, has used the program to train its staff.

Join the Minnesota A+ Service Team before summer! Call the Tourism Center at 612/624-4947 for details.



William Gartner, Director

Off the Top

COLLABORATION KEY TO RESEARCH AGENDA

The Tourism Center, in collaboration with the Minnesota Office of Tourism (MOT), is developing a comprehensive research agenda for the tourism and travel industry in Minnesota. Based on industry input, the research agenda will identify research issues and needs, establish industry-wide priorities and identify potential funding sources.

MOT director, Steve Markuson announced the initiative at the MOT annual conference in Brainerd this January. According to Markuson, the Minnesota tourism and travel industry has not collectively identified its information needs and issues. Once this is accomplished, he believes the industry could strategically place itself where it wants to be in the next five to 10 years.

Since March, Tourism Center and MOT staff have been assisting industry associations and their members identify needs critical to their sector's success and growth.

Representatives from each association will then bring these to the table for review and set broader industry-wide priorities. They will also choose a strategy for garnering the legislative attention and support necessary to fulfill the priorities identified in the completed agenda.

When information needs are identified, research can be directed to overcome industry barriers.

Dan Erkkila
Guest Columnist

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Tourism Center Mission...

to lead in providing education, research and outreach services that enhance the understanding of travel and tourism and its relationship to people, communities, industry and the environment

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