



## TOURISM IMPROVEMENT DISTRICT



## Annual Plan 2019

| INCOME STATEMENT                          | 2017<br>Actual         | 2018<br>Budget         | 2018<br>Actual YTD<br>(September) | 2018<br>Estimated         | 2019<br>Budget         |
|---|------------------------|------------------------|-----------------------------------|---------------------------|------------------------|
| <b>REVENUE</b>                            |                        |                        |                                   |                           |                        |
| Lodger's Tax (1.0%)                       | \$ -                   | \$ 8,700,000           | \$ 7,116,029                      | \$ 9,300,000              | \$ 9,500,000           |
| <b>Total Revenue</b>                      | <b>\$ -</b>            | <b>\$ 8,700,000</b>    | <b>\$ 7,116,029</b>               | <b>\$ 9,300,000</b>       | <b>\$ 9,500,000</b>    |
| <b>EXPENDITURES</b>                       |                        |                        |                                   |                           |                        |
| City Collection Fee (1.0%)                | \$ -                   | \$ 87,000              | \$ 71,160                         | \$ 93,000                 | \$ 95,000              |
| Certificates of Participation (COPs)      | \$ -                   | \$ 3,800,000           | \$ 3,500,000                      | \$ 3,800,000              | \$ 3,644,711           |
| TID Expenses (Marketing & Promotions)     |                        |                        |                                   |                           |                        |
| <i>Consumer Leisure Marketing</i>         | \$ -                   | \$ 2,400,000           | \$ 54,039                         | \$ 875,000                | \$ 3,000,000           |
| <i>Convention Marketing</i>               | \$ -                   | \$ 1,413,000           | \$ 272,076                        | \$ 1,282,000              | \$ 2,200,000           |
| <i>Reserve for Future Events</i>          | \$ -                   | \$ 1,000,000           | \$ -                              | \$ -                      | \$ -                   |
| Subtotal TID Expenses                     | \$ -                   | \$ 4,813,000           | \$ 326,115                        | \$ 2,157,000              | \$ 5,200,000           |
| <b>Total Expenditures</b>                 | <b>\$ -</b>            | <b>\$ 8,700,000</b>    | <b>\$ 3,897,275</b>               | <b>\$ 6,050,000</b>       | <b>\$ 8,939,711</b>    |
| <b>NET INCOME</b>                         | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ 3,218,754</b>               | <b>\$ 3,250,000</b>       | <b>\$ 560,289</b>      |
| <b>TID BALANCE SHEET</b>                  | <b>2017<br/>Actual</b> | <b>2018<br/>Budget</b> | <b>2018<br/>Actual YTD</b>        | <b>2018<br/>Estimated</b> | <b>2019<br/>Budget</b> |
| <b>ASSETS</b>                             |                        |                        |                                   |                           |                        |
| Cash                                      | \$ -                   | \$ -                   | \$ 393,754                        | \$ 400,000                | \$ 455,000             |
| Lodger's Tax Receivable                   | \$ -                   | \$ -                   | \$ 1,800,000                      | \$ 1,250,000              | \$ 1,500,000           |
| Prepaid Expenses                          | \$ -                   | \$ -                   | \$ 25,000                         | \$ 200,000                | \$ 500,000             |
| Cash Designated for Reserve               | \$ -                   | \$ -                   | \$ 700,000                        | \$ 700,000                | \$ 700,000             |
| Cash Designated for Future Events         | \$ -                   | \$ -                   | \$ 300,000                        | \$ 700,000                | \$ 500,000             |
| <b>Total Assets</b>                       | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ 3,218,754</b>               | <b>\$ 3,250,000</b>       | <b>\$ 3,655,000</b>    |
| <b>LIABILITIES &amp; NET ASSETS</b>       |                        |                        |                                   |                           |                        |
| Accounts Payable                          | \$ -                   | \$ -                   | \$ -                              | \$ -                      | \$ -                   |
| Deferred Revenue                          | \$ -                   | \$ -                   | \$ -                              | \$ -                      | \$ -                   |
| Accrued Expenses                          | \$ -                   | \$ -                   | \$ -                              | \$ -                      | \$ -                   |
| Total Liabilities                         | \$ -                   | \$ -                   | \$ -                              | \$ -                      | \$ -                   |
| Net Assets                                |                        |                        |                                   |                           |                        |
| Fund Balance                              | \$ -                   | \$ -                   | \$ 2,918,754                      | \$ 2,550,000              | \$ 3,155,000           |
| Designated for Future Events              | \$ -                   | \$ -                   | \$ 300,000                        | \$ 700,000                | \$ 500,000             |
| Total Net Assets                          | \$ -                   | \$ -                   | \$ 3,218,754                      | \$ 3,250,000              | \$ 3,655,000           |
| <b>Total Liabilities &amp; Net Assets</b> | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ 3,218,754</b>               | <b>\$ 3,250,000</b>       | <b>\$ 3,655,000</b>    |
| <b>TID CASH FLOW</b>                      | <b>2017<br/>Actual</b> | <b>2018<br/>Budget</b> | <b>2018<br/>Actual YTD</b>        | <b>2018<br/>Estimated</b> | <b>2019<br/>Budget</b> |
| <b>Beginning Cash Balance</b>             | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>                       | <b>\$ -</b>               | <b>\$ 1,800,000</b>    |
| <b>Current Year - Cash Flow</b>           |                        |                        |                                   |                           |                        |
| Lodger's Tax Revenue - Current Year       | \$ -                   | \$ 8,700,000           | \$ 7,116,029                      | \$ 9,300,000              | \$ 9,500,000           |
| Less: Admin Fee & CCC Expansion           | \$ -                   | \$ (3,887,000)         | \$ (3,571,160)                    | \$ (3,893,000)            | \$ (3,739,711)         |
| Marketing & Promotions Revenue            | \$ -                   | \$ 4,813,000           | \$ 3,544,869                      | \$ 5,407,000              | \$ 5,760,289           |
| Less: Change in A/R - Marketing           | \$ -                   | \$ -                   | \$ (1,800,000)                    | \$ (1,250,000)            | \$ (250,000)           |
| Cash Available - Marketing & Promotions   | \$ -                   | \$ 4,813,000           | \$ 1,744,869                      | \$ 4,157,000              | \$ 5,510,289           |
| Less: Expenses - TID                      | \$ -                   | \$ (4,813,000)         | \$ (326,115)                      | \$ (2,157,000)            | \$ (5,200,000)         |
| Less: Change in Prepaid Expenses          | \$ -                   | \$ -                   | \$ (25,000)                       | \$ (200,000)              | \$ (300,000)           |
| Plus: Change in Liabilities               | \$ -                   | \$ -                   | \$ -                              | \$ -                      | \$ -                   |
| <b>Net Change - Cash</b>                  | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ 1,393,754</b>               | <b>\$ 1,800,000</b>       | <b>\$ 10,289</b>       |
| <b>Ending Cash Balance</b>                | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ 1,393,754</b>               | <b>\$ 1,800,000</b>       | <b>\$ 1,810,289</b>    |

## Annual Operating Plan 2019

### Background

Denver competes on a national scale for convention visitors as well as leisure travelers. Denver has seen incredible leisure growth over the last decade due to more marketing and the result of new tourism infrastructure and programming making Denver a destination, rather than just a gateway to the Rocky Mountains. Since 2005, Denver has grown its overnight leisure visitation by 62% while the national average growth has been 22%.

On the convention side, convention centers both domestically and internationally continue to expand and enhance their facilities, making the meeting industry increasingly competitive. Competition remains fierce from both Tier One and Tier Two convention cities. Across the United States, several cities are expanding or enhancing their convention centers. According to TradeShowExecutive.com (March 2018), 25 expansions are in some phase of construction and 35 proposed venues are in various stages of planning.

Therefore, the Colorado Convention Center (CCC) is critical to ensuring Denver remains competitive for lucrative convention business as cities across the country expand, renovate or build new convention facilities. The CCC is a 27 year-old facility whose last major upgrade was 14 years ago. In fact, some areas of the facility have not been upgraded since it was built nearly three decades ago. In 2014, VISIT DENVER and the City partnered on a feasibility study conducted by Strategic Advisory Group (SAG) to assess the venue needs for the city. The SAG study recommended the ideal expansion vision will include 80,000 sq. ft. of flexible meeting space; the addition of 100,000+ sq. ft. of new pre-function and service space that will also include a 50,000 sq. ft. outdoor terrace; technological improvements; and new and improved networking spaces. This expansion, based on the SAG recommendations, will generate \$80 million+ in new business annually.

In November 2015, Denver voters approved \$104 million to expand the CCC as part of Initiative 2C that also provided funds for the redevelopment of the National Western Center. The funding figure was based on very preliminary designs, and subsequent studies revealed that the true cost of a total build out to reach the original vision for the facility would be \$233 million. Recognizing the importance to the city's economy, the City of Denver pledged an additional \$85 million, leaving a gap of \$50 million.

In addition to convention business, leisure tourism is also highly competitive as travelers have unlimited destination choices regionally, nationally and internationally. At the same time, the supply of new hotel rooms in Denver continues to grow at a rapid pace and demand must keep pace with this rising supply by generating new business. It is imperative that Denver's

marketing efforts and product offerings remain relevant and unique to continue to drive visitor demand.

In 2017, VISIT DENVER The Convention and Visitors Bureau, with the Colorado Hotel & Lodging Association (CHLA) and the City and County of Denver, worked together to ensure Denver's tourism industry remains competitive through the creation of a Tourism Improvement District (TID). A Tourism Improvement District is similar to other forms of improvement districts where businesses agree to assess a tax/fee in order to pay for specific projects. The Denver TID is the first of its kind in the state of Colorado, though there are approximately 100 TIDs in California, including in many of Denver's top competitor cities such as San Diego, San Francisco and Anaheim. Other states with TIDs include Texas, Washington, Oregon, South Dakota and Montana.

The TID was created for several reasons:

1. To close the funding gap for the expansion of the Colorado Convention Center (CCC)
2. Fund future improvements at the CCC
3. Support additional marketing efforts

The TID adds a 1% tax to the guest folio of hotels with 50 or more rooms in the City and County of Denver. There is no cost to the hotel properties. Denver City Council passed the creation ordinance (17-0883) for the TID in August 2017 and in November 2017 voting TID-eligible hotels supported creation of the TID with 96% support (50-2). At the time of the creation of the TID there were 108 hotels in the City and County of Denver with 50 or more rooms.

#### Review of 2018 initial operating plan and progress to date

Collection of the 1% TID tax began on January 1, 2018. As of September 1, 2018, three new hotels of 50 or more rooms have opened within the TID, bringing the total number of TID hotels to 111. As outlined in the Initial Plan for the TID, the marketing and promotion services of the TID are carried out by VISIT DENVER operating under contract with the City to utilize TID tax revenue for tourism and convention marketing and promotions in combination with other City tax revenues that are also paid to VISIT DENVER for these purposes under an existing contract.

As TID revenues flow to the City, funds are distributed in a priority order. First, a city collection fee of 1% is paid to the City annually. Second, the TID will pledge up to \$3.8 million annually to the City to support an approximately \$129 million Certificate of Participation (COP) that will be used for the expansion of the CCC, thereby closing the funding gap. Third, beginning in the fourth year of the TID, 10% of TID funds will be held in a reserve fund for capital improvement proceeds to cover future capital expansions and maintenance to ensure that the facility

remains competitive for years to come. Lastly, the remainder of TID revenues will be used for marketing and promotions by VISIT DENVER.

Because 2018 was the first year of TID collection and due to the revenue allocation priority to first meet the \$3.8 million obligation to the City, the TID collected minimal marketing revenue in the first half of 2018. As a result, the Board recommended taking a conservative approach in terms of expenses and program deployment utilizing new marketing and promotion revenue in year 1 [See Budget, Pages 1-2]. The below programs are being launched in the third and fourth quarters of 2018 and then will be expanded to full year programming in 2019:

- **Weekend marketing:** VISIT DENVER has implemented a new year-round weekend marketing campaign called “Reclaim the Weekend”, which launched in August 2018 and is designed to encourage short-term travel from regional visitors. The campaign uses TID funds to encourage short-term visits by regional visitors in Colorado and adjacent states and serves as a complement to VISIT DENVER’s existing regional campaigns. Regional visitors have shown a propensity to visit Denver year-round, as it is the largest city in a 600-mile radius. This campaign encourages them to come more frequently, stay longer and visit at different, and especially off-peak, times of the year. Offerings will include all activities taking place in the TID submarkets that might attract visitation to Denver from the region.

Denver’s perennial events calendar is booming with cultural exhibitions, performing arts, food and beverage events, sports, live music events and more, creating clear and compelling reasons to visit the city on any given weekend. Using multiple media, including weekly videos, the campaign promotes Denver’s wide variety of exciting events (often unique to the region) to inspire short-term travel, a maximum of six weeks from the time visitors decide to come and their actual travel, a short planning cycle that is supported by research. These efforts will promote overnight stays in TID hotels, and VISIT DENVER’s tourism team will be regularly reaching out to them to get good rates and incentives.

The campaign and accompanying website, [DenverWeekends.com](http://DenverWeekends.com), uses a complex mix of timing to promote events on a rolling basis and events will drop off once they occur. The campaign also uses certain media to promote the next calendar month for people who need a little more time to plan and to give them a heads up on what’s coming.

In addition to media placement by a third-party advertising firm, VISIT DENVER’s marketing team supports the campaign via an extensive social campaign, constant updates to the website with new events and monthly press releases from the PR team. A third party has been engaged to support the campaign with paid search marketing.

Additionally, VISIT DENVER has conducted research to learn more about the motivations of regional visitors, and will be conducting creative testing later in the fall.

- **Events and festivals:** Another use of TID marketing funds will be the support of events and festivals. VISIT DENVER will be developing a new event and festival strategy to allow the Bureau and the TID to prioritize, support and pursue events and festivals that increase tourism, especially during need periods across all TID submarkets. Using a structured, data-driven approach, VISIT DENVER will evaluate events based on their timing, potential for growth, alignment with the Denver brand and appeal to visitors. This will ensure that the funds will be used to focus on events happening during times of the year when hotels have capacity.
- **Buyer education trip:** In September, the TID supported a “Better Denver” Buyer Education Trip (BET) for 35 meeting planners who book hundreds of single-hotel meetings. These are business meetings that take place in hotel meeting space rather than the CCC. Corporate and association meeting planners with groups of 950 or less were invited and have been identified as groups that met in Denver three years ago or longer without another future definite confirmed, have recently selected another destination over Denver, and those that meet in lower occupancy need-months of November-March. There was an opportunity for all hotels in the TID to participate and showcase their property and the specific area in which the hotel resides.
- **Discounts and incentives:** Lastly, cities continue to offer convention center discounts, as well as financial incentives, in order to book large citywide business. In the first six months of 2018, VISIT DENVER has booked six groups through TID incentives, representing \$35M in future economic impact which would result in nearly \$3M in tax dollars for our City. Additionally, due to the number of options now available to meeting decision makers, rotation cycles of host cities have lengthened. Typically a large citywide convention could rotate every four to six years and now the industry is seeing rotation cycles as long as 10+ years, due to the number of options. Therefore, Denver must compete on a less frequent basis for the opportunity to host these lucrative conventions. At the same time, the growing competition from “mega-hotels” (facilities so large that the entire meeting can be held in one hotel, eliminating the need for a convention center) is increasingly impacting all major convention cities. Groups of this size are currently utilizing the Colorado Convention Center and Denver hotels, and this business will now be at risk. In Denver’s case, the 1,500-room Gaylord Rockies project located 23 miles from downtown Denver, partially financed by the city of Aurora and State of Colorado, will open in late 2018 or early 2019. As of August, VISIT DENVER has lost more than \$57 million of future convention business to the mega hotel. TID funds

will be used to aggressively compete with centers and mega hotels, as well as offset some meeting planning cost in Denver.

### 2019 Programs and Goals

As outlined in the above section, the new programs developed for deployment in the third and fourth quarters of 2018 are anticipated to be expanded into full-year programming in 2019. In addition, marketing and promotion efforts will focus on the major strategy areas below with the continued goal of increasing demand by convention and meeting visitors as well as leisure visitors to Denver, especially in our down or off peak seasons, including major holidays and weekends:

1. Aggressive convention sales and marketing efforts
2. Sports and major events
3. Tourism events & festivals
4. Leisure consumer tourism, including domestic and international
5. Industry events that would expose customer base and media to Denver
6. Future events and legacy projects

An additional marketing and program service being explored is support for workforce development and training programs. Like many other industries, the hospitality sector is experiencing difficulty recruiting and retaining a skilled workforce. Without a robust and skilled workforce, the hospitality sector will be unable to provide services to attract visitors and meetings to the City.

VISIT DENVER and the TID board will closely track progress on these initiatives to measure their effectiveness. VISIT DENVER will use a multitude of tactics to determine the success of all TID-related projects. These best practices will align with the particular project and will include – but will not be limited to – sales tracking and ROI studies, advertising research, interactive metrics, customer feedback surveys, consumer research and more.

## **NOTICE AS TO PROPOSED BUDGET**

NOTICE IS HEREBY GIVEN that the proposed budget for the ensuing year of 2019 has been submitted to the Denver Tourism Improvement District (the "District"), City and County of Denver, State of Colorado. Such proposed budget will be considered at a meeting and public hearing of the Board of Directors of the District to be held at the Board Room at the offices of Visit Denver, 1555 California Street, Suite 300, Denver, Colorado, at 11:00 a.m. on Tuesday, August 28, 2018.

A copy of the proposed budget is available for public inspection at the offices of the District, 1555 California Street, Suite 300, Denver, Colorado. Any interested elector within the District may, at any time prior to final adoption of the 2019 Budget, file or register any objections thereto.

Dated: August 23, 2018

DENVER TOURISM IMPROVEMENT DISTRICT

By: /s/ Navin Dimond, Interim President



## Official Board Actions

Board meeting minutes from:

- September 7, 2017
- November 30, 2017
- March 16, 2018
- June 20, 2018
- August 28, 2018

## **RECORD OF PROCEEDINGS**

### **MINUTES OF THE ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS OF DENVER TOURISM IMPROVEMENT DISTRICT**

**HELD:** Thursday, September 7, 2017, at 4:00 p.m. at the offices of Visit Denver, 1555 California Street, Suite 300, Denver, Colorado

#### **ATTENDANCE:**

The organizational meeting of the Board of Directors of Denver Tourism Improvement District was called and held as shown above and in accordance with the applicable statutes of the State of Colorado, with the following directors present and acting:

Thomas M. Curley  
Navin Dimond  
Paul Eckert  
Gregory F. Leonard  
William J. Ninivaggi  
Allen Paty

Absent was Director Isenberg, absence excused.

Also present were Richard W. Scharf of Visit Denver as an ex-officio board member; Abby L. Kirkbride of Brownstein Hyatt Farber Schreck, LLP; Carrie Atiyeh, Jeff Ruff, Rachel Benedick of Visit Denver; Amie Mayhew of CHLA; Rick Kron of Spencer Fane LLP.

#### **CALL TO ORDER:**

Mr. Kron called the meeting to order and explained the purpose of the meeting. The Board noted that a quorum was present. Introductions were made regarding board members and guests.

#### **QUALIFICATION OF BOARD MEMBERS:**

Mr. Kron reported as to the elector qualifications of the members of the Board as appointed by the City Council of the City and County of Denver. At this time, the directors were administered the Oath of Office and the directors took their seats on the Board.

#### **DISCLOSURE OF POTENTIAL CONFLICT OF INTEREST:**

Mr. Kron discussed the state law requirements for disclosure of potential conflicts of interest with the directors, noting that completed disclosure statements must be filed for each of the

## **RECORD OF PROCEEDINGS**

Denver Tourism Improvement District

September 7, 2017

Page 2

Directors with the Secretary of State and Secretary of the District at least 72 hours prior to a meeting in which a potential conflict may arise. In addition, each director is to verbally reveal any potential conflicts of interest to the Board at the start of the meeting in which the conflict may arise. Mr. Kron generally discussed contracting limitations between Directors and the District.

### **DISCUSSION OF OPEN MEETING REQUIREMENTS/POSTING REQUIREMENTS AND E-MAIL ISSUES:**

Mr. Kron discussed the open meeting requirements and the posting requirements for the District, noting that any non-social meeting of three or more of the directors constituted an official meeting, and that notice of a meeting for the District is to be (1) provided to each Board member, and (2) posted at least one public place within the District at least 24 hours in advance of the meeting. If possible, the posting should include specific agenda information. Mr. Kron noted that notice of this organizational meeting had been so posted as required by statute. Mr. Kron reported that "meetings" include e-mail and telephone meetings of three or more Board members that necessitate compliance with the Open Meetings Act.

### **DUTIES OF THE BOARD, PRESIDENT, SECRETARY, TREASURER/ELECTION OF OFFICERS:**

Mr. Kron reviewed the duties of the Board, President, Secretary, and Treasurer. Following discussion and the receipt of nominations, upon motion duly, seconded and unanimously carried, the Board appointed the following as officers of the District:

|                                 |                 |
|---------------------------------|-----------------|
| President:                      | Bill Ninivaggi  |
| Vice-President/President-Elect: | Navin Dimond    |
| Secretary/Treasurer:            | Walter Isenberg |
| Assistant Secretaries:          | Paul Eckert     |
|                                 | Thomas Curley   |
|                                 | Gregory Leonard |
|                                 | Allen Paty      |

### **RATIFICATION OF PAST ACTIONS:**

Following discussion and upon motion duly made, seconded and unanimously carried, the Board ratified the past actions of the Board and its consultants in the organization of the District and calling the organizational meeting.

### **ADMINISTRATIVE MATTERS RESOLUTION:**

Mr. Kron presented the Annual Administrative Matters Resolution for 2017-2018 and reported that the parameters set forth various administrative matters required to be handled throughout the year by the District consultants. Following discussion, upon motion duly made, seconded

## **RECORD OF PROCEEDINGS**

Denver Tourism Improvement District

September 7, 2017

Page 3

and unanimously carried, the Board approved the 2017-2018 Annual Administrative Matters Resolution as presented.

### **WORKERS' COMPENSATION:**

Mr. Kron discussed the need and options regarding worker's compensation insurance coverage for members of the Board of Directors. Mr. Kron presented a Resolution Providing for Director's Exclusion from Worker's Compensation Coverage and an application to the Department of Labor and Employment for the Exclusion of Uncompensated Public Officials. Following discussion and upon motion duly made, seconded and unanimously carried, the Board approved the resolution and application and directed Spencer Fane LLP to file the application with the State regarding exclusion from the coverage.

### **GOVERNMENTAL IMMUNITY AND INDEMNIFICATION RESOLUTION:**

Mr. Kron generally discussed the Colorado Governmental Immunity Act and the need and options for indemnification of employees and members of the Board of Directors by the District. Upon motion duly made, seconded and unanimously carried, the Board approved the Resolution Providing for the Defense and Indemnification of District Personnel.

### **QUORUM RESOLUTION:**

Mr. Kron presented the resolution relating to the quorum at meetings of the Board of Directors. Upon motion duly made, seconded and unanimously carried, the Board adopted the resolution as presented.

### **2017 and 2018 BUDGETS:**

The Board deferred the scheduling of the public hearings on the adoption of the 2017 and 2018 budgets.

### **COLORADO OPEN RECORDS ACT (CORA) RESOLUTION:**

Mr. Kron presented the resolution adopting the Colorado Special District Records Retention Schedule and Policies for the handling of record requested under the Colorado Open Records Act. Upon motion duly made, seconded and unanimously carried, the Board adopted the resolution as presented.

### **NOVEMBER 7, 2017 SPECIAL ELECTION:**

Mr. Kron explained the purpose and scope of the District holding an election on November 7, 2017, noting that the election determines the financing of the District as contemplated by the Denver Ordinance. Mr. Kron also stated the need for the Board to approve the Designation of

**RECORD OF PROCEEDINGS**

Denver Tourism Improvement District

September 7, 2017

Page 4

Elector form and presented for the Board's review, approval and adoption, the Resolution Calling the November 7, 2017 Election and the Designation of Elector form. Upon motion duly made, seconded and unanimously carried, the Board adopted the Resolution and approved the Designation of Elector form as presented.

**ENGAGEMENT OF DISTRICT MANAGEMENT:**

Ms. Kirkbride presented an engagement letter for Visit Denver to manage the District. Upon motion duly made, seconded and unanimously carried, the Board accepted and approved the engagement letter.

**OTHER BUSINESS:**

Director Scharf described the District's public requirements, timing of activities, plans for marketing, and accounting for use of the funds. The Board discussed aspects of collecting the lodging tax starting January 1.

**ADJOURNMENT:**

Following discussion and upon motion duly made, seconded and unanimously approved the Board adjourned the meeting of the Board of Directors of Denver Tourism Improvement District.

The foregoing minutes constitutes a true and correct copy of the minutes of the above-referenced meeting and was approved by the Board of Directors of Denver Tourism Improvement District.

---

Secretary



**Minutes**  
BOARD OF DIRECTORS  
DENVER TOURISM IMPROVEMENT DISTRICT

DATE: November 30, 2017  
TIME: 11:30 a.m. – 1:00 p.m.  
PLACE: VISIT DENVER, 1555 California Street, Suite 300, Denver, CO 80202

**ATTENDEES**

**Paul Eckert**  
Le Meridien & AC Hotels  
Denver Downtown

**Bill Ninivaggi**  
Hilton Denver City  
Center

**Rick Kron**  
Spencer Fane

**Carrie Atiyeh**  
VISIT DENVER

**Allen Paty**  
Double Tree Denver & Double  
Tree Denver – Stapleton  
North

**Tom Curley**  
The Westin Denver  
International Airport

**Amie Mayhew**  
Colorado Hotel & Lodging  
Association

**Rachel Benedick**  
VISIT DENVER

**Walter Isenberg**  
Sage Hospitality  
Resources, LLC

**Abby Kirkbride**  
Brownstein Hyatt Farber  
Schreck, LLP

**Richard Scharf**  
VISIT DENVER

**Jeff Ruffe**  
VISIT DENVER

**JOINED BY PHONE**

**Navin Dimond**  
Stonebridge Companies

**Greg Leonard**  
Hyatt Regency Denver at the  
Colorado Convention Center

Chair, Bill Ninivaggi called the meeting to order at 11:40 am. Gave a welcome to everyone and complimented Amie and Richard and VISIT DENVER team for a job well done.

Everyone went around the room and introductions.

Bill then called for an approval of the Minutes which was unanimously approved.

Jeff Ruffe explained the objective of the TID penalty waiver letter to Treasury. It was unanimously approved.

There was discussion around when the COP would be finalized and why would the city be collecting in January if the COP wasn't issued until September of 2018. Also a board member wanted to know when would the City

know the real cost of the COP annual amount which will be used to bridge the \$50M gap over 30 years? Once that is determined, the TID would know the exact dollar payment to the City. Jeff mentioned that it was for convenience to start on a January 1<sup>st</sup> schedule and that we would not receive our money until the \$3.8M was dispersed first. The COP exact amount would be determined then as well. In addition, the City is expecting up to \$3.8M for 30 years so if started late, it would probably have to be caught up before the COP expires anyway.

Abby Kirkbride then reviewed the Intergovernmental Agreement (IGA) with City. Two major points were discussed. The first item that was of particular interest to the Board was the process for proposing and approving capital improvements/maintenance to the CCC. Although the Board understands that this will be fleshed out in greater detail in future agreements between the parties, it has requested that a language revision be included in the IGA to provide some additional parameters regarding the City's consent in this process as underlined below. Subject to this change, the Board approved the IGA.

The language was on page 4, Section 1.3, Paragraph C, the last sentence should read: "The Executive Manager of Arts and Venues, or successor position, must consent in writing to a particular capital improvements and capital maintenance to be funded with Capital Improvement Proceeds, which consent may not be unreasonably withheld."

There was a motion to approve with the new language and it was unanimously approved.

Richard also mentioned that the approval by City Council got bumped from the most recent committee agenda and he believed that with this is a relatively minor revision, things can still proceed as currently contemplated.

Richard then outlined the current legal representation for the TID and suggested that the board accept a proposal to retain Spencer Fane and Brownstein Farber for board meetings. An hourly proposal from Spencer Fane was submitted. Abby then clarified a discussion she had with Rick and suggested that the TID board retain Spencer Fane for all TID and board related issues and activities and that she continue to be retained by VISIT DENVER in her current capacity of interfacing the TID with VISIT DENVER. Rick gave an overview of his firm's credentials and a motion was put forth and unanimously approved for the TID board to retain Spencer Fane.

Richard then led a discussion on future board meetings, stakeholder outreach and overview some ideas on driving new demand. The board decided that in the first year, they would like to meet quarterly.

Richard wanted feedback on how to communicate, reach out to and to engage the TID members. Of the 109 members, 69 are VISIT DENVER members and already receive the following communications and benefits:

- VISIT DENVER benefits and privileges based on membership level
- Hotel members receive the following:
  - Leads and updates
  - Monthly Report 100 page packet
  - Bi-weekly video update for conventions & tourism
  - Bi-monthly Downtown DOSM meeting
  - Quarterly Metro DOSM meeting
  - Monthly Sports Commission advisory meeting
  - Monthly backlog and developer's PACE report
  - 1<sup>st</sup> Quarter- EMM, Midsize, Citywide Summits for all markets (East, West, Midwest)
    - All lead receiving hotels invited
  - Twice a year GM/DOSM update meetings

It was concluded that VISIT DENVER continue to use the same vehicles but incorporate a TID message to the 69 members. For the 69 members and other 40 non-members the board suggested considering the following:

- Incorporate into a MDLC luncheon update
- Conduct a Road Show by submarkets
- Periodic needs assessment survey
- Communications email/newsletter plan
- Include TID on Annual Meeting programs and invite TID members
- TID annual plan and/or marketing report

The balance of the meeting was around how VISIT DENVER leverage the \$4 M to \$5 M TID funds with the \$27M VISIT DENVER funds in order to get the greatest impact and ROI? Yet split out the funds in order to report back on the ROI for each TID dollar spent. It was acknowledged that VISIT DENVER has all of the infrastructure in place to show great efficiencies, and has the ongoing job of working with public dollars and being transparent. The board wants to try and prevent anyone, who voted or didn't vote from feeling disappointed with the results. Richard and VISIT DENVER staff acknowledged that was the goal and will be working on a way to accomplish that. Richard gave potential ideas of how the TID money could generate new tourism and convention demand, but since the election there has been very little time to build a marketing plan and detailed budget. Also due to the delayed receipt of lodger's tax and that COP funds are to be paid to city first, very little TID marketing money will be collected until June and July. During the marketing discussion, the initial 2018 budget was reviewed as well. Jeff reviewed the annual budgets as well as the projected TID funding distribution over the next few years. It is anticipated that cash on hand in 2018 will be



collected in the last 6 months and amount to approximately \$3.8M. Without a marketing plan to review it was suggested that the initial budget be approved pending a marketing plan with detailed budget that is presented in the first quarter of 2018.

A motion was passed and unanimously approved.

Bill asked if there was any other business and hearing none, meeting was adjourned at 2:17 p.m.

Presented By:

Walter Isenberg

Secretary/Treasurer



# TOURISM IMPROVEMENT DISTRICT



**Minutes**  
**BOARD OF DIRECTORS**  
**DENVER TOURISM IMPROVEMENT DISTRICT**

DATE: March 16, 2018  
 TIME: 8:00 – 10:00 a.m.  
 PLACE: VISIT DENVER, 1555 California Street, Suite 300, Denver, CO 80202

**BOARD  
 ATTENDEES**

**Navin Dimond**  
 Stonebridge Companies

**Allen Paty**  
 Double Tree Denver & Double  
 Tree Denver – Stapleton  
 North

**Walter Isenberg**  
 Sage Hospitality  
 Resources, LLC

**Bill Ninivaggi**  
 Hilton Denver City  
 Center

**Tom Curley**  
 The Westin Denver  
 International Airport

**Greg Leonard**  
 Hyatt Regency Denver at  
 the Colorado Convention  
 Center

**John Everett**  
 Westin Denver  
 Downtown

**Richard Scharf**  
 VISIT DENVER

**OTHER  
 ATTENDEES**

**Rick Kron**  
 Spencer Fane

**Amie Mayhew**  
 Colorado Hotel & Lodging  
 Association

**Jayne Buck**  
 VISIT DENVER

**Carrie Atiyeh**  
 VISIT DENVER

**Rachel Benedick**  
 VISIT DENVER

**Jeff Ruffe**  
 VISIT DENVER

**Abby Kirkbride**  
 Brownstein Hyatt Farber  
 Schreck, LLP

**Justin Bresler**  
 VISIT DENVER

**Tom George**  
 Spencer Fane

The meeting was called to order at 8:08 a.m.

Introductions were made and John Everett from the Westin Denver Downtown was welcomed to the Board. John is filling the vacancy of Paul Eckert who has relocated outside of Denver.

A motion was made to approve the minutes from the November 30, 2017 meeting, the motion was seconded and the minutes were approved.

Richard Scharf then presented a proposed 2018 TID Marketing Plan to the Board. The list of TID hotels in the City and County of Denver is 109, of which 69 are VISIT DENVER partners. VISIT DENVER currently conducts significant, regular outreach to these partners. TID outreach and communications will be added for all TID hotels including upcoming road shows in April. Richard reviewed TID survey feedback from 2017 and STR data regarding occupancy and rates by days of week, months and year-over-year.

In reviewing the TID budget, collections began on January 1, 2018. Revenues will begin to flow to VISIT DENVER in March which is consistent with lodger's tax payments. It is anticipated that after payment of \$3.8 million for the COP obligation and \$79,000 for the city administration fee, approximately \$4 million will be available in calendar year 2018 for marketing though significant resources will not begin to be collected until Summer 2018.

Richard presented various potential programs and strategies where TID revenues may be directed to drive new demand including convention sales, major events, tourism marketing, and industry events. In reviewing various scenarios, the Board discussed adopting a parameters policy that will be used to guide funding decisions. The TID will focus resources on driving new business, focusing on low occupancy days/months, group as well as leisure business, branding Denver for future growth opportunities, and that annual business is a priority. The TID will not take away from existing practices or programs of VISIT DENVER, the City, or the Alliance but will provide an additional competitive advantage.

For the first 18 months of the TID, VISIT DENVER will poll the Board on major funding decisions with responses being required in 24 hours. A lack of response by a board member after the 24 hour period will be deemed approval and proxy votes will be accepted. Decisions will be reviewed at a future board meetings and the Board will vote to ratify those decisions. A policy outlining the parameters of funding decisions will be developed and presented to the Board at the next meeting for approval and ratification.

Rick Kron reminded the Board members of Open Meeting law requirements and that meetings include e-mail and telephone meetings of three or more Board members that necessitate compliance with the Open Meetings Act.

The Board will meet in the second quarter to discuss TID marketing strategy in more detail including developing a reserve of TID revenues to be used for future years and programs.

In other business, the Hyatt Regency at the Colorado Convention Center will continue to be the posting location for TID public notices. A motion was made to approve and the motion was seconded, and upon vote, the location was approved by the Board.

The meeting was adjourned at 10:12 a.m.

Presented By:

Walter Isenberg

Secretary/Treasurer



**Minutes**  
BOARD OF DIRECTORS  
DENVER TOURISM IMPROVEMENT DISTRICT

DATE: June 20, 2018  
 TIME: 11:00 a.m. – 1:00 p.m.  
 PLACE: VISIT DENVER, 1555 California Street, Suite 300, Denver, CO 80202

**BOARD  
ATTENDEES**

**Navin Dimond**  
Stonebridge Companies

**Allen Paty**  
Double Tree Denver & Double  
Tree Denver – Stapleton  
North

**Greg Leonard**  
Hyatt Regency Denver at  
the Colorado Convention  
Center

**Bill Ninivaggi**  
Hilton Denver City  
Center

**John Everett**  
Westin Denver Downtown

**OTHER  
ATTENDEES**

**Rick Kron**  
Spencer Fane

**Amie Mayhew**  
Colorado Hotel & Lodging  
Association

**Jayne Buck**  
VISIT DENVER

**Tom George**  
Spencer Fane

**Rachel Benedick**  
VISIT DENVER

**Jeff Ruffe**  
VISIT DENVER

**Abby Kirkbride**  
Brownstein Hyatt Farber  
Schreck, LLP

**Justin Bresler**  
VISIT DENVER

**Laura Lojas**  
Westin Denver  
International Airport

**Amanda Watkins**  
VISIT DENVER

The meeting was called to order at 11:11 a.m. and a quorum was declared.

A motion was made to approve the minutes from the March 16, 2018 meeting, the motion was seconded and the minutes were unanimously approved.

Rachel Benedick updated the board on the TID Roadshow held in downtown Denver in April. The roadshow helped to educate the TID hotels on the process and where funding will be distributed. Approximately 30 TID partners attended. No action was needed or taken.

Rick Kron presented a suggested resolution to establish procedures and parameters for responding to and approving funding requests that are received by the District. After discussion, the Board unanimously agreed to table the Resolution for possible consideration in the first quarter of 2019. VISIT DENVER staff will continue to utilize the current process of individual communication with each Director regarding proposals, with the expectation to receive responses within 24 hours.

Jeff Ruffe presented a summary of the District's program and incentive funding to date. Following discussion, upon motion duly made, seconded and, upon vote, the Board unanimously ratified and approved the current program and incentive funding commitments as presented.

VISIT DENVER staff presented the District's 2018 Marketing Plan and Budget review. Jeff Ruffe outlined the current financial report, and Rachel Benedick presented an overview of future conventions and meetings as well as sharing the plans for an upcoming Buyer Education Trip in September primarily for single-hotel meeting planners. She requested the District fund hotel rooms for this event at participating hotels. Following discussion, upon motion duly made, seconded and, upon vote, unanimously approved, the Board agreed to fund the hotel rooms as requested at a rate not to exceed \$199 per night.

Jayne Buck presented the current event/festival strategy research initiative for which \$40,000 has been allocated. VISIT DENVER staff also presented the TID Weekend Regional Marketing Initiative for which \$1,250,000 in funding has been allocated, noting that proposed reallocations are within the parameters of the Board's previously approved budget. The Board agreed no action was needed.

There was no new business. There being no further business to come before the Board, upon motion duly made, seconded and unanimously approved, the Board adjourned the meeting at 12:29 p.m.

Presented By:

Walter Isenberg

Secretary/Treasurer



# TOURISM IMPROVEMENT DISTRICT



## Minutes BOARD OF DIRECTORS DENVER TOURISM IMPROVEMENT DISTRICT

DATE: August 28, 2018  
TIME: 11:00 a.m. – 1:00 p.m.  
PLACE: VISIT DENVER, 1555 California Street, Suite 300, Denver, CO 80202

### BOARD ATTENDEES

**Navin Dimond**  
Stonebridge Companies

**Laura Lojas**  
Westin Denver  
International Airport

### OTHER ATTENDEES

**Rick Kron**  
Spencer Fane

**Carrie Atiyeh**  
VISIT DENVER

**Jayne Buck**  
VISIT DENVER

**Allen Paty**  
Double Tree Denver & Double  
Tree Denver – Stapleton  
North

**John Everett**  
Westin Denver Downtown

**Amie Mayhew**  
Colorado Hotel & Lodging  
Association

**Rachel Benedick**  
VISIT DENVER

**Justin Bresler**  
VISIT DENVER

**Greg Leonard**  
Hyatt Regency Denver at  
the Colorado Convention  
Center

**Richard Scharf**  
VISIT DENVER

**Abby Kirkbride**  
Brownstein Hyatt Farber  
Schreck, LLP

**Jeff Ruffe**  
VISIT DENVER

The meeting was called to order at 11:09 a.m. and a quorum was declared. The group made introductions.

A motion was made to approve the minutes from the June 20, 2018 meeting, the motion was seconded and the minutes were unanimously approved.

The slate of 2019 board officers was presented to the Board for their approval. Navin Dimond will become president, Walter Isenberg will become president-elect and Greg Leonard will become secretary/treasurer. All

other Board members will serve as assistant secretary/treasurer. A motion was made to approve the Board slate, the motion was seconded and the slate was unanimously approved.

Jeff Ruffe reviewed the 2018/2019 budget. The board discussed the reserve and importance of being flexible to respond to short-term opportunities as well as to be prepared for long-term events. It was mentioned that there could be short-term investment options for the reserve to earn interest. Since 2018 was the first year of collection and programming for the TID, only partial funds were available and 2019 will be the first full year of funding and expenditures. Additionally, Laura Perry with the Department of Finance will be scheduling a call with Richard and Jeff to review the COP issued for the Colorado Convention Center expansion project. It was discussed and confirmed that the TID funding amount is up to \$3.8M and not to exceed.

VISIT DENVER staff provided an update on TID marketing and program efforts. Rachel Benedick reviewed the upcoming Buyer Education Trip (BET), Better Denver, which will be held in mid-September. To date, 37 clients are confirmed to attend and many represent 20-30 meetings so there is broad reach. A new video is being developed that highlights the destination appeal in each of the TID submarkets. Rachel then reviewed the incentive program and new requests. The Board was asked to approve incentives for the Modern Language Association, American Academy of Pediatrics and Motocross. A motion was made to approve the incentives, the motion was seconded and the incentives were unanimously approved.

Jayne Buck reviewed the event and festival strategy. A contractor has been hired to review need periods and existing events, interview event producers, and develop an analysis grid to evaluate the tourism potential of existing events. In addition, new event ideas will be explored. The research will inform a strategy and recommend metrics to use in determining future event development and/or support.

Justin Bresler shared the new Reclaim the Weekend marketing campaign that launched in August. The audience for the campaign is regional travelers with the goal of encouraging them to come more frequently and stay longer. The campaign focuses on short-term events (arts & culture, beer, music, sports). The Board discussed that weekends should also include Sunday night stays since this night tends to be the lowest occupancy. VISIT DENVER will be conducting research about what motivates visitors to extend their stay and will share this information with TID hotels. Additional research in early 2019 will assess the effectiveness of the marketing campaign and its ability to spur incremental travel. Based on metrics, the marketing campaign is expected to be a full-year campaign in 2019 and additional details will be presented to the Board for discussion at a future Board meeting.

On behalf of the board, Rick Kron then opened the public hearing on the 2019 TID Annual Plan and Budget. There was no public comment and the public hearing was closed. Carrie Atiyeh highlighted several specific items in the annual plan for the Board. The plan will be finalized and sent to the Department of Finance by



September 30 and City Council will approve in conjunction with BID annual plans in late-November. A motion was made to approve the 2019 Annual Plan and Budget, the motion was seconded and the incentives were unanimously approved

Rachel Benedick provided an update on the CCC expansion project, sharing new renderings of the design and animations. Five firms responded to the contractor RFQ and three have been selected to move forward to the RFP process. The goal is to have the contractor selected in the fourth quarter, approved by City Council in mid-December, and have a construction timeline in the first half of 2019 to begin selling the new space.

Richard Scharf highlighted the importance of weekend leisure visitors and the role of sporting events. He then reviewed a proposed incentive program for single hotel business. The Board discussed the proposed criteria to incentivize weekend stays and groups meeting over need periods including holidays. Incentives will be offered to the meeting client, not to the hotels directly. Incentive requests will be sent to Board members similar to convention incentives and Board members are expected to respond within 24 hours. A motion was made to approve the single hotel incentive program structure, the motion was seconded and the program was unanimously approved.

Amie Mayhew of the Colorado Hotel and Lodging Association (CHLA) presented CHLA University with the aim to develop a pipeline of workforce talent and retain employees with ongoing training. A research contractor has been brought on to assess existing programs that can be coordinated. The Board agreed that workforce is a serious issue and would like to support this type of program with TID revenues. Rick Kron and Abby Kirkbride will advise the Board about the ability of the TID to provide financial support.

There was no new business. There being no further business to come before the Board, upon motion duly made, seconded and unanimously approved, the Board adjourned the meeting at 12:41 p.m.

Presented By:

Walter Isenberg

Secretary/Treasurer

| Name                                    | Status | Appointing Organization | Term Start Date | Term End Date | Title                           | Company   | Address   | Email  | Phone        | Fax          |
|---|--------|-------------------------|-----------------|---------------|---------------------------------|---|---|--|--------------|--------------|
| Tracy Blair                             | Active | MDLC                    | 8/27/2018       | 8/31/2021     | Director of Sales and Marketing | Sheraton Hotel Denver                           | 1550 Court Pl, Denver, CO 80202                     | <a href="mailto:tracy.blair@sheraton.com">tracy.blair@sheraton.com</a>           | 303-893-3333 | 303-626-2543 |
| Navin Dimond                            | Active | VISIT DENVER            | 8/31/2017       | 8/31/2019     | President & CEO                 | Stonebridge Companies                           | 9100 E Panorama Drive, #300, Englewood, CO 80112    | <a href="mailto:ndimond@sbcos.com">ndimond@sbcos.com</a>                         | 303-785-3100 | 303-785-3199 |
| John Everett                            | Active | MDLC                    | 2/26/2018       | 8/31/2020     | General Manager                 | Westin Denver Downtown                          | 1672 Lawrence Street, Denver, CO 80202              | <a href="mailto:John.Everett@westin.com">John.Everett@westin.com</a>             | 303-572-9100 | 303-572-7288 |
| Walter Isenberg                         | Active | VISIT DENVER            | 8/31/2017       | 8/31/2020     | President & CEO                 | Sage Hospitality                                | 1575 Welton St., Suite 300, Denver, CO 80202        | <a href="mailto:wisenberg@sagehospitality.com">wisenberg@sagehospitality.com</a> | 303-595-7200 | NA           |
| Greg Leonard                            | Active | Mayor                   | 8/31/2017       | 8/31/2020     | General Manager                 | Hyatt Regency at the Colorado Convention Center | 650 15th Street, Denver, CO 80202                   | <a href="mailto:greg.leonard@hyatt.com">greg.leonard@hyatt.com</a>               | 303-486-4500 | 303-486-4450 |
| Laura Lojas*                            | Active | Mayor                   | 7/9/2018        | 8/31/2018     | General Manager                 | The Westin Denver International Airport Hotel   | 8300 Pena Blvd, Denver, CO 80249                    | <a href="mailto:laura.lojas@marrriott.com">laura.lojas@marrriott.com</a>         | 303-317-1800 | 303-317-1810 |
| Allen Paty                              | Active | MDLC                    | 8/31/2017       | 8/31/2019     | General Manager                 | DoubleTree by Hilton Denver                     | 3203 Quebec Street, Denver, CO, 80202               | <a href="mailto:allen.paty@hilton.com">allen.paty@hilton.com</a>                 | 303-329-5200 | 303-329-5233 |
| Richard Scharf                          | Active | NA                      |                 | ex officio    | President & CEO                 | VISIT DENVER                                    | 1555 California Street, Suite 300, Denver, CO 80202 | <a href="mailto:rscharf@visitdenver.com">rscharf@visitdenver.com</a>             | 303-892-1505 | 303-892-1636 |
| *Reappointed to new 3-year term 8/27/18 |        |                         |                 |               |                                 |   |   |  |              |              |
| Metro Denver Lodging Council = MDLC     |        |                         |                 |               |                                 |   |   |  |              |              |

### Board Meeting Attendance Record

|                              | 9/7/17 | 11/30/17 | 3/16/18 | 6/20/18 | 8/28/18 |
|------------------------------|--------|----------|---------|---------|---------|
| Tracy Blair <sup>i</sup>     | NA     | NA       | NA      | NA      | N       |
| Tom Curley <sup>ii</sup>     | Y      | Y        | Y       | NA      | NA      |
| Navin Dimond                 | Y      | Y        | Y       | Y       | Y       |
| Paul Eckert <sup>iii</sup>   | Y      | Y        | NA      | NA      | NA      |
| John Everett <sup>iv</sup>   | NA     | NA       | Y       | Y       | Y       |
| Walter Isenberg              | N      | Y        | Y       | N       | N       |
| Greg Leonard                 | Y      | Y        | Y       | Y       | Y       |
| Laura Lojas <sup>v</sup>     | NA     | NA       | NA      | NA      | Y       |
| Bill Ninivaggi <sup>vi</sup> | Y      | Y        | Y       | Y       | NA      |
| Allen Paty                   | Y      | Y        | Y       | Y       | Y       |
| Richard Scharf (ex officio)  | Y      | Y        | Y       | N       | Y       |

---

<sup>i</sup> Joined Board August 27, 2018

<sup>ii</sup> Left Board April 17, 2018

<sup>iii</sup> Left Board January 5, 2018

<sup>iv</sup> Joined Board February 26, 2018

<sup>v</sup> Joined Board July 21, 2018

<sup>vi</sup> Left Board July 9, 2018