



TOURISM IMPROVEMENT DISTRICT



Annual Plan 2022

2022 TID Budget

2022 BUDGET	2020 Actual	2021 Budget	2021 Actual YTD (July)	2021 Estimated	2022 Budget
REVENUE					
Lodger's Tax (1.0%)	\$ 3,432,934	\$ 5,200,000	\$ 2,343,011	\$ 5,833,979	\$ 8,200,000
Total Revenue	\$ 3,432,934	\$ 5,200,000	\$ 2,343,011	\$ 5,833,979	\$ 8,200,000
EXPENDITURES					
City Collection Fee (1.0%)	\$ 34,329	\$ 52,000	\$ 23,430	\$ 58,340	\$ 82,000
Certificates of Participation (COPs)	\$ 3,448,769	\$ 3,450,000	\$ 2,319,581	\$ 3,449,769	\$ 3,450,000
CCC Fund (10%)	\$ -	\$ 520,000	\$ -	\$ 583,398	\$ 820,000
Subtotal City Expenses	\$ 3,483,098	\$ 4,022,000	\$ 2,343,011	\$ 4,091,507	\$ 4,352,000
Subtotal NET	\$ (50,164)	\$ 1,178,000	\$ -	\$ 1,742,472	\$ 3,848,000
TID Expenses (Marketing & Promotions)					
<i>Consumer Leisure Marketing</i>	\$ 1,184,093	\$ 900,000	\$ 166,635	\$ 1,192,472	\$ 2,348,000
<i>Convention Marketing and Concessions</i>	\$ 78,940	\$ 278,000	\$ 428,311	\$ 550,000	\$ 1,500,000
Subtotal TID Expenses	\$ 1,263,033	\$ 1,178,000	\$ 594,946	\$ 1,742,472	\$ 3,848,000
Total Expenditures	\$ 4,746,131	\$ 5,200,000	\$ 2,937,957	\$ 5,833,979	\$ 8,200,000
NET INCOME (LOSS)	\$ (1,313,197)	\$ -	\$ (594,946)	\$ -	\$ -

*Reserve Fund: \$3.6 million (\$1.7 million operating reserve to cover losses & \$1.9 million to cover future year commitments)

Background

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).

Collection of the 1% TID tax began on January 1, 2018. 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 pays \$3.45 million annually to the City to support an approximately \$129 million Certificate of Participation (COP) for the expansion of the CCC, thereby closing the funding gap. Third, beginning in the fourth year of the TID, which is January 1, 2021, 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 CCC remains competitive for years to come. Lastly, the remainder of TID revenues are used for marketing and promotions by VISIT DENVER.

Material Departures from 2021 Operating Plan

The TID, along with the entire hospitality industry, city, state and nation, have been dramatically impacted by the COVID-19 pandemic. The TID suspended all marketing and programming activities at the onset of the pandemic in March 2020 and those programs have yet to be restarted in 2021. The TID projects that beginning in the 4th quarter of 2021 all financial obligations to the City will be met and that the TID will once again begin to collect revenue for marketing and programming. The use of any potentially available TID funds in 2021 will focus on recovering and driving overnight demand by leisure as well as meetings and convention visitors. However, the COVID-19 outlook remains uncertain and projections are difficult to make at this time for the remainder of 2021.

List of 2021 Activities Performed and Planned for 2022

If the TID is able to generate marketing and programming revenue in 2021, the following activities may be performed:

- Holiday season marketing campaign highlighting the Mile High Tree (2021 holiday season)
- Client concessions and incentives for meetings in future years

For planned 2022 TID activities, see below.

Metrics of 2021 Programs

VISIT DENVER has a robust tracking system utilizing numerous tactics to measure the performance and returns of its marketing efforts. However, since all TID supported programs remain paused, there are no metrics at this time to report for 2021.

Client Concessions/Incentives

In the competitive meetings and convention landscape, concessions are utilized to reduce client meeting costs. Year-to-date in 2021, the TID has approved 9 requests representing more than \$104M in future economic impact.

One group was scheduled to receive TID funds in 2021 that cancelled due to COVID and no funds had been paid at the time of cancellation. Two groups actualized in 2021 that received TID incentive funds and both were short-term opportunities booked in 2021.

2022 Operating Plan, Projects and Goals

As noted above, at this time it is very difficult to project the future course of the COVID-19 pandemic, the ongoing impacts to the tourism industry, and generation of future TID revenues in 2021 and longer-term through 2022. Marketing and promotion efforts in 2022 will depend upon a healthy and safe recovery at the local, state and national levels. However, as this transitional year of 2021 comes to a close, we are optimistic that 2022 will provide a strong recovery in all segments of our industry and allow the TID to more fully fund programs.

As funds become available in 2022, the TID remains committed to the below strategic areas and its mission of increasing overnight demand by convention and meeting visitors as well as leisure visitors to Denver, especially in our low- and off-peak seasons, including major holidays and weekends. Specific programs include funding a holiday season marketing campaign highlighting the Mile High Tree, client concessions to attract meetings and conventions in future years, and the overall recovery of the leisure and meetings markets. In 2022, 5 groups are scheduled to receive TID approved concessions. Workforce continues to be a challenge for our industry and the TID will explore opportunities to engage on this important issue.

The TID is projected to accrue Capital Improvement Proceeds to fund future improvements for the Colorado Convention Center but does not intend to expend any of those funds in 2022.

TID Strategic Areas:

1. Aggressive convention sales and marketing efforts
2. Support for sports and major tourism events
3. Leisure consumer tourism marketing
4. Industry events that expose convention and media clients to Denver
5. Future events and legacy projects
6. Workforce development and training

**NOTICE OF HEARING ON PROPOSED 2022 BUDGET
AND 2021 BUDGET AMENDMENT**

NOTICE IS HEREBY GIVEN that the proposed budget for the ensuing year of 2022 has been submitted to the Denver Tourism Improvement District ("District"), City and County 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 on August 12, 2021 at 1:00 p.m. via Zoom <https://zoom.us/98199739258>. Anyone wishing to join the meeting may log in via the Zoom meeting link provided above or dial in to the following conference call number: 1-669-900-9128; Meeting ID: 981 9973 9258; Passcode: 800516.

NOTICE IS FURTHER GIVEN that an amendment to the 2021 budget of the District may also be considered at the above-referenced meeting and public hearing of the Board of Directors of the District. A copy of the proposed 2022 budget and the amended 2021 budget, if required, are available for public inspection at the offices of Visit Denver, 1555 California Street, Suite 300, Denver, Colorado. Any interested elector within the District may, at any time prior to final adoption of the 2022 budget and the amended 2021 budget, if required, file or register any objections thereto.

DENVER TOURISM IMPROVEMENT DISTRICT
By: /s/ Walter Isenberg, Board President

Published In: The Daily Journal
Published On: August 5, 2021

Official Board Actions

Board meeting minutes from:

- March 25, 2021
- August 12, 2021



TOURISM IMPROVEMENT DISTRICT



MINUTES BOARD OF DIRECTORS DENVER TOURISM IMPROVEMENT DISTRICT

DATE: March 25, 2021
 TIME: 1:00-2:30 p.m.
 PLACE: Zoom online meeting

BOARD ATTENDEES

Tracy Blair
 Sheraton Denver
 Downtown Hotel

Greg Leonard
 Hyatt Regency

Eric Walters
 Hilton Denver City
 Center

Navin Dimond
 Stonebridge Companies

Allen Paty
 Doubletree by Hilton Denver

Walter Isenberg
 Sage Hospitality

Richard Scharf
 VISIT DENVER

OTHER ATTENDEES

Tom George
 Spencer Fane

Rachel Benedick
 VISIT DENVER

Amie Mayhew
 Colorado Hotel & Lodging
 Association

Justin Bresler
 VISIT DENVER

Carrie Atiyeh
 VISIT DENVER

Jeff Ruffe
 VISIT DENVER

The meeting was called to order at 1:01 p.m. and Eric Walters was welcomed as a new member to the Board.

A motion was made to approve the minutes from the August 18, 2020 meeting. The motion was seconded and the minutes were unanimously approved.

Jeff Ruffe reviewed the final 2020 financials and the current, estimated 2021 financials. The 2021 budget is on track and the TID is projected to generate marketing funding, after meeting City obligations, beginning in October. These funds will be received in December. As a reminder, this is the 4th year of the TID and the first year when an additional 10% of TID revenues will be set aside for future convention center improvements. Jeff is coordinating with the city how this fund will be collected and managed. The Board discussed the need to prioritize convention business to rebuild this segment of the industry as TID revenue become available.

Rachel Benedick presented five citywide incentives for approval (three in 2021, one each in 2025 and 2030). A motion to approve the incentives as proposed was made, seconded and unanimously approved. Rachel then reviewed the hotel incentive program and the results achieved to date. The Board appreciated the overview and agreed that no changes are needed. Rachel then provided an update on Denver's 5 Star Program. New applications continue to be received and this program continues to be important for Denver businesses since the city remains at Level Yellow and 5 Star businesses are able to operate with less restrictions under Level Blue. On the sales front, leads are increasing and the team had its biggest month last month since the pandemic began. New opportunities are coming to Denver from cities and states with ongoing capacity restrictions and as a result of the original host city not having available dates to reschedule these meetings later in the year. The Crossroads volleyball tournament will be back in Denver in May and 20,000 hotel rooms have been booked to date. Conversations continue with the state to allow for increased capacity according to the new XL venue guidelines. Outdoor Retailer will hold its summer show in August and attendance is anticipated to be approximately 10,000.

Rachel continued with an update on the Colorado Convention Center expansion, which is on track. City Council recently approved the bond issuance for the project and construction is expected to begin in June with a ground breaking event in August. The State of Colorado has announced a state stimulus plan which includes a \$10 million fund to incentivize meetings and events in 2021 and 2022. Legislation will soon be introduced and rules and guidelines will be developed to work out the specific details. Regarding the future of mandates and capacity restrictions, it is anticipated the state will shift authority to local public health agencies in the coming weeks and we will need to begin more closely working with Denver's Department of Public Health and Environment. The state will continue to regulate indoor events.

Justin Bresler reviewed the ROI of VISIT DENVER's 2020 leisure marketing programs and the stats to date on the new Coming Soon conventions marketing campaign. Denver Restaurant Week is moving to spring dates based on feedback from restaurants and the ability to offer expanded outdoor seating during warmer weather. The spring/summer campaign will launch in mid-April and be 100% digital. Target audiences include residents in Colorado (outside of

Denver), regional states, select target markets and a national overlay focused on families as well as millennial and boomer non-families. VISIT DENVER is also coordinating with city agencies including the Office of Special Events and Department of Arts & Venues for a metro-focused arts and culture campaign to encourage residents to be tourists in their own city from Memorial Day through Labor Day. Justin then reviewed consumer sentiment data which are showing increasingly positive trends.

In other business, the Board affirmed the posting location for meeting notices at the Hyatt Regency.

The TID will next meet on August 12, 2021 at 1:00 p.m.

There being no further business to come before the Board, the Board adjourned the meeting at 1:52 p.m.

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

Allen Paty
Secretary/Treasurer



TOURISM IMPROVEMENT DISTRICT



MINUTES BOARD OF DIRECTORS DENVER TOURISM IMPROVEMENT DISTRICT

DATE: August 12, 2021
TIME: 1:00-2:30 p.m.
PLACE: Zoom online meeting

BOARD ATTENDEES

Tracy Blair
Sheraton Denver
Downtown Hotel

Walter Isenberg
Sage Hospitality

Greg Leonard
Hyatt Regency

Allen Paty
Doubletree by Hilton
Denver

Richard Scharf
VISIT DENVER

Eric Walters
Hilton Denver City Center

OTHER ATTENDEES

Tom George
Spencer Fane

Amie Mayhew
Colorado Hotel & Lodging
Association

Carrie Atiyeh
VISIT DENVER

Rachel Benedick
VISIT DENVER

Justin Bresler
VISIT DENVER

Jeff Ruffe
VISIT DENVER

The meeting was called to order at 1:02 p.m. A motion was made to approve the minutes from the March 25, 2021 meeting. The motion was seconded and the minutes were unanimously approved.

Jeff Ruffe reviewed the 2021 financials to date and estimated through year-end. After meeting City obligations including the new 10% Colorado Convention Center fund, the Tourism

Improvement District (TID) is projected to generate limited marketing funding by the 4th quarter. Jeff also reviewed the proposed 2022 TID budget.

Rachel Benedick presented five incentives for approval consisting of three citywide groups (2021, 2027 and 2028) and two single hotel groups (2023 and 2024). A motion to approve the incentives as proposed was made, seconded and unanimously approved. Rachel then provided an overview of the current status of conventions and the Colorado Convention Center expansion project. It was noted that the years 2023 and 2024 are being impacted by postponements and relocations in 2020 and 2021. A Raise the Roof ceremony to officially launch the expansion project will be held in September and all TID Board members are encouraged to attend. A question was asked regarding the potential of any new local or state mandates that would impact groups or meetings. At this time based on discussions with local and state officials, new mandates are unlikely and the current focus is on encouraging vaccines.

Justin Bresler provided an overview of leisure tourism efforts being led by VISIT DENVER including the current summer campaign and the upcoming fall campaign and plans for the holiday campaign.

Mr. George noted for the Board that the notice of today's public hearing on the proposed 2022 budget was provided as required by statute. Walter Isenberg opened the public hearing for the 2022 annual plan and budget. No public comment was given and the public hearing was closed. Carrie Atiyeh walked Board members through the draft annual plan and proposed 2022 budget components. Rachel and Justin highlighted the strategic areas of focus for the TID including convention sales and marketing, leisure marketing, support for sports and tourism events, industry events, future events and legacy projects and workforce development. The TID remains committed to the mission of increasing overnight demand by leisure and meeting visitors. A motion to approve the 2022 annual plan and budget as presented was made, seconded and unanimously approved.

The Board was then presented with the slate of nominations for the 2021-2022 leadership positions: Greg Leonard for chair, Allen Paty for chair-elect, and Eric Walters for secretary. A motion was made, seconded and unanimously approved to accept the slate of candidates as presented. Walter, Greg and Allen were thanked for their dedication to the TID having served two terms during the pandemic.

In other business, a question was asked regarding the State of Colorado's Meetings and Events Incentive fund. To date, only a minimal number of applications have been received and there is concern regarding the low rate of conversion related to the high number of visits to the

program website. Hotel sales and meetings managers are sharing the information with their clients and VISIT DENVER staff have also been promoting the program.

The City and County of Denver has issued a new Public Health Order (PHO) requiring vaccines for all employees, contractors and those serving on city-appointed boards and commissions. Tom George is looking into whether the PHO applies to TID Board members and additional details will be shared.

The TID will next meet on November 18, 2021 at 12:00 noon.

There being no further business to come before the Board, the Board adjourned the meeting at 1:50 p.m.

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

Eric Walters
Secretary/Treasurer

Board List

Name	Term Start Date	Term End Date	Representing	Board officer	Title	Company	Address	Email	Phone
Dimond, Navin	8/19/2019	8/31/2022	VISIT DENVER	Assistant Secretary	President & CEO	Stonebridge Companies	9100 E Panorama Drive, #300, Englewood, CO 80112	ndimond@stbcos.com	303-785-3100
Isenberg, Walter	7/9/2020	8/31/2023	VISIT DENVER	Assistant Secretary	President & CEO	Sage Hospitality	1575 Welton St., Suite 300, Denver, CO 80202	wisenberg@sagehospitality.com	303-595-7251
Leonard, Greg	7/9/2020	8/31/2023	Mayor	President	General Manager	Hyatt Regency at the Colorado Convention Center	650 15th Street, Denver, CO 80202	greg.leonard@hyatt.com	303-486-4500
Blair, Tracy	8/27/2019	8/31/2021	CHLA	Assistant Secretary	Director of Sales & Marketing	Sheraton Hotel Denver	1550 Court Pl, Denver, CO 80202	tracy.blair@sheraton.com	303-626-2573
Lojas, Laura	8/27/2018	8/31/2021	Mayor	Assistant Secretary	General Manager	The Westin Denver International Airport Hotel	8300 Pena Blvd, Denver, CO 80249	laura.lojas@marriott.com	303-317-1831
Walters, Eric	1/7/2021	8/31/2023	CHLA	Secretary	General Manager	Hilton Denver City Center	1701 California Street, Denver CO 80202	Eric.Walters@hilton.com	(303) 291-3650
Paty, Allen	8/19/2019	8/31/2022	CHLA	President-elect	General Manager	DoubleTree by Hilton Denver	3203 Quebec Street, Denver, CO, 80202	allen.paty@hilton.com	303-329-5200
Scharf, Richard	8/31/2017	NA	NA	Ex Officio	President & CEO	VISIT DENVER	1555 California Street, Suite 300, Denver, CO 80202	rscharf@visitdenver.com	303-571-9415

Tracy Blair and Laura Lojas have submitted applications for re-appointment, pending Council approval

Board Meeting Attendance Record

	3/25/21	8/12/21
Tracy Blair	Y	Y
Navin Dimond	Y	N
Walter Isenberg	Y	Y
Greg Leonard	Y	Y
Laura Lojas	N	N
Allen Paty	Y	Y
Eric Walters	Y	Y
Richard Scharf (ex officio)	Y	Y