

General Improvement Districts (GIDs) Business Improvement Districts (BIDs) & Tourism Improvement District (TID)

2019 Plans & Budget Approval

Department of Finance
Capital Planning and Programming Division



City Council Requested Action

Action:

Approve Annual Work Plans and Budgets for each of the 3 GIDs, 12 BIDs, and 1 TID.

Recommendation:

Approve annual plans and budgets for each GID, BID, and TID.

Schedule:

Oct. 31st

- Committee Presentation

Nov. 5th & 13th

- Announce Public Hearing for each GID Work Plan and Budget at City Council meeting.

Nov. 7th

- Mayor Council

Nov. 13th (Tues.)

- 1st Reading for BID and TID Ordinances

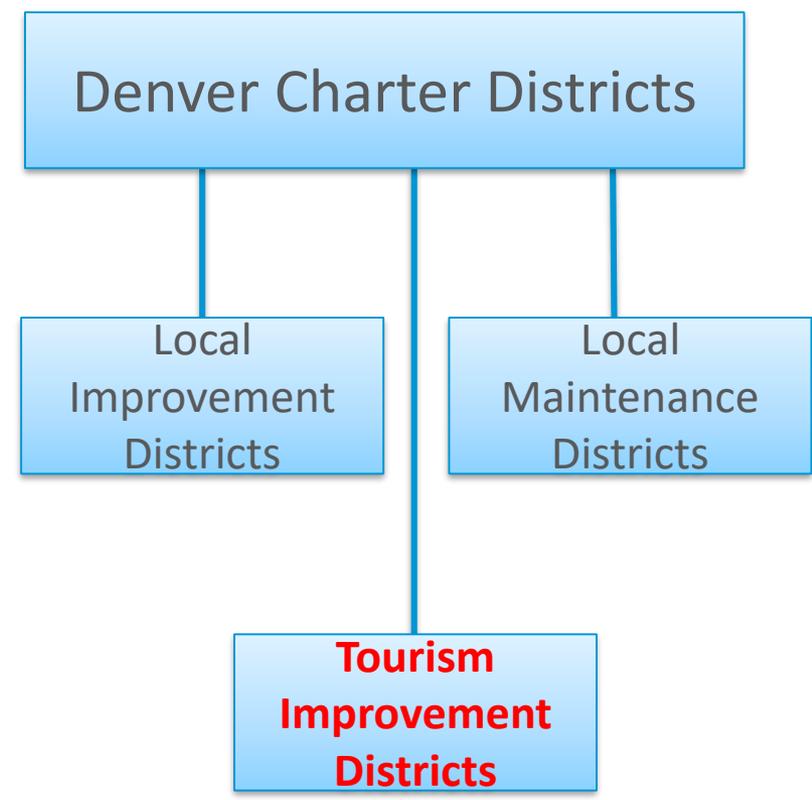
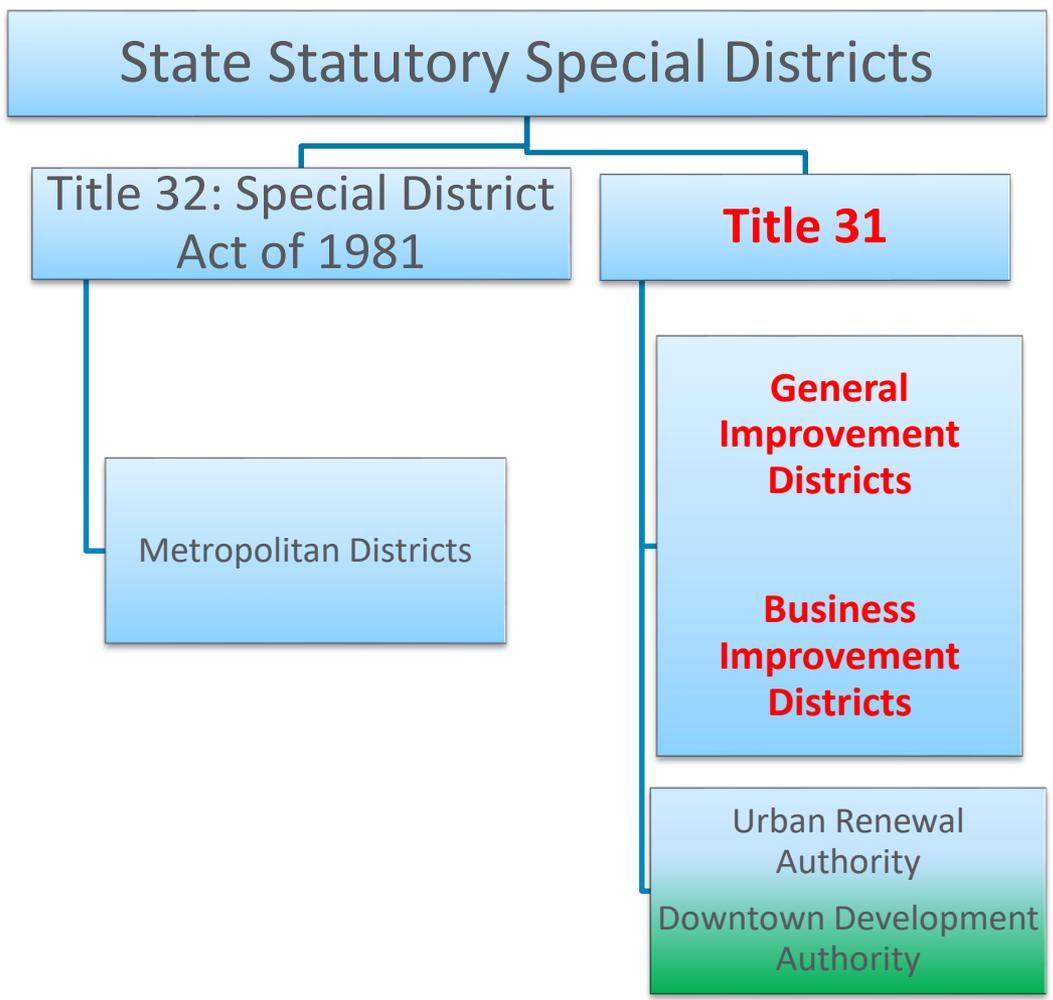
Nov. 19th

- 2nd Reading for BID and TID Ordinances

- City Council acting as GID Board holds 3 Public Hearings for GID Work Plan and Budget.



Types of Districts

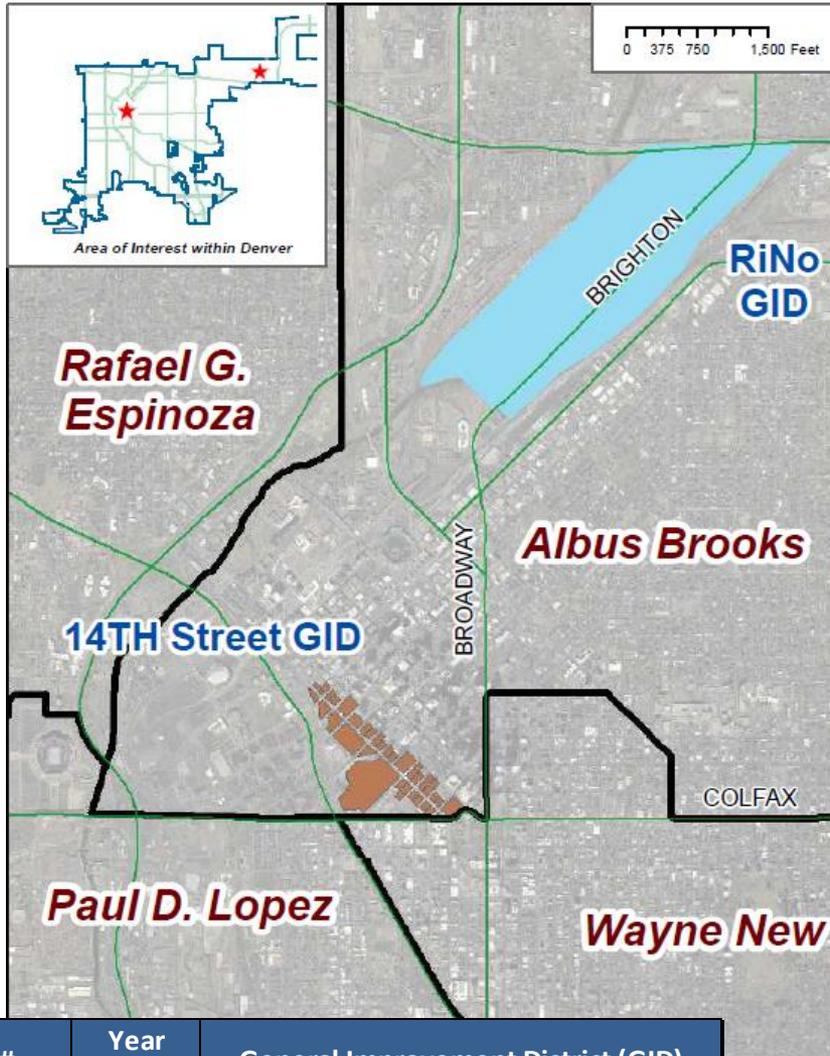




District Structures

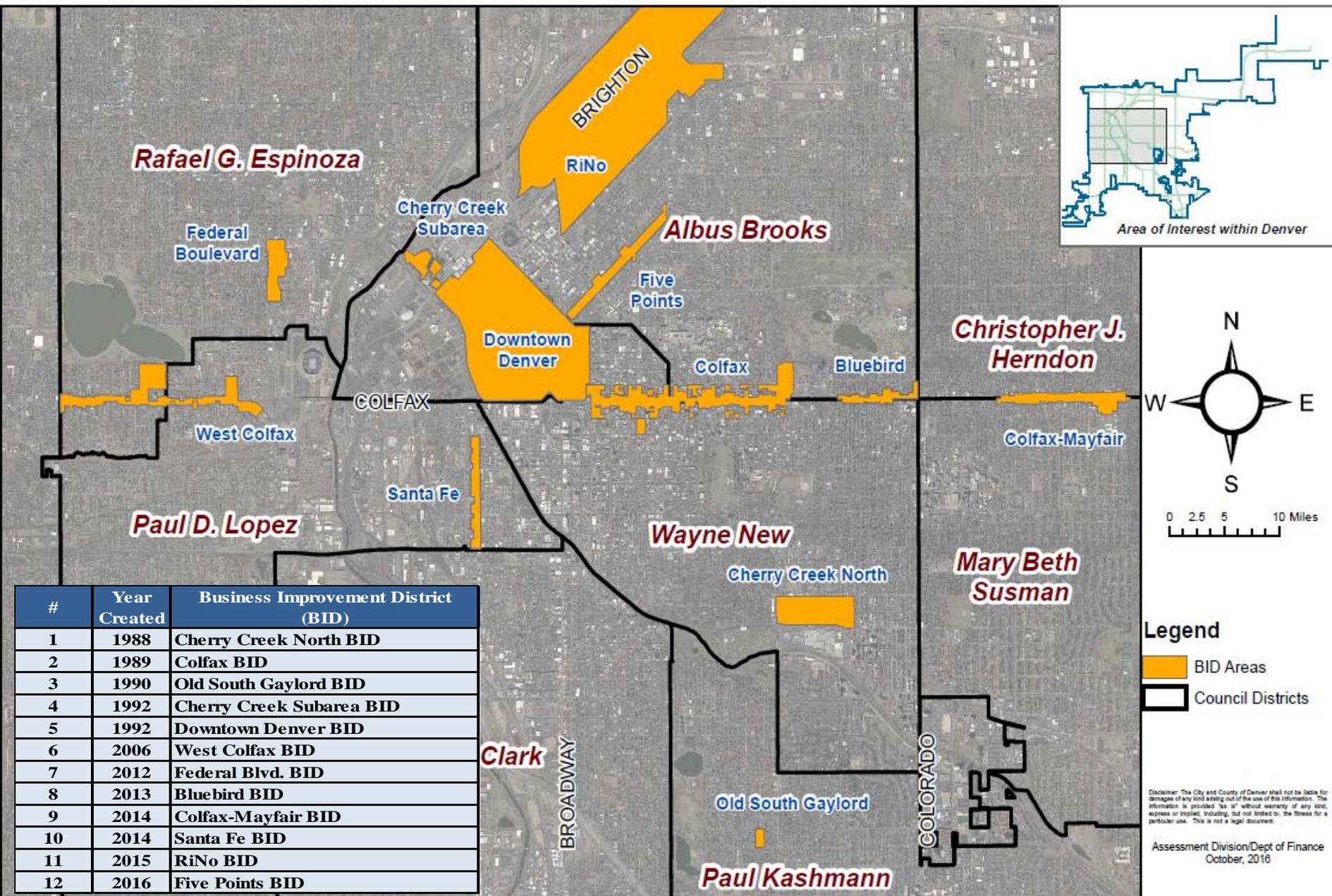
	Statutory Districts			City Charter District
	Metro Districts (Title 32)	GID (Title 31)	BID (Title 31)	TID
Primary Purpose	Public Infrastructure & Maintenance	Public Infrastructure & Maintenance	Economic Development & Marketing	Tourism Improvements & Services
District Eligible Properties	Commercial & Residential	Commercial & Residential	Commercial Only	50+ Room Lodging Establishments
Governance	Board of Directors	City Council as Board of Directors	Board of Directors	Board of Directors
Revenue Generation	Raised through increased property owner burden. (Taxes, Rates, Fees Tolls, Charges)			
How Created	Service Plan Approval	Creation Ordinance Approval	Creation Ordinance Approval	Creation Ordinance Approval
	Created by local vote of the eligible electorate.			
Debt Authority	Financing available if approved by voters.			
Annual Budget Approval	Board of Directors	City Council as Board of Directors	Board of Directors & City Council	Board of Directors & City Council

GIDs in the City



#	Year Created	General Improvement District (GID)
1	1994	Gateway Village GID
2	2009	Denver 14th St. GID
3	2015	RiNo GID

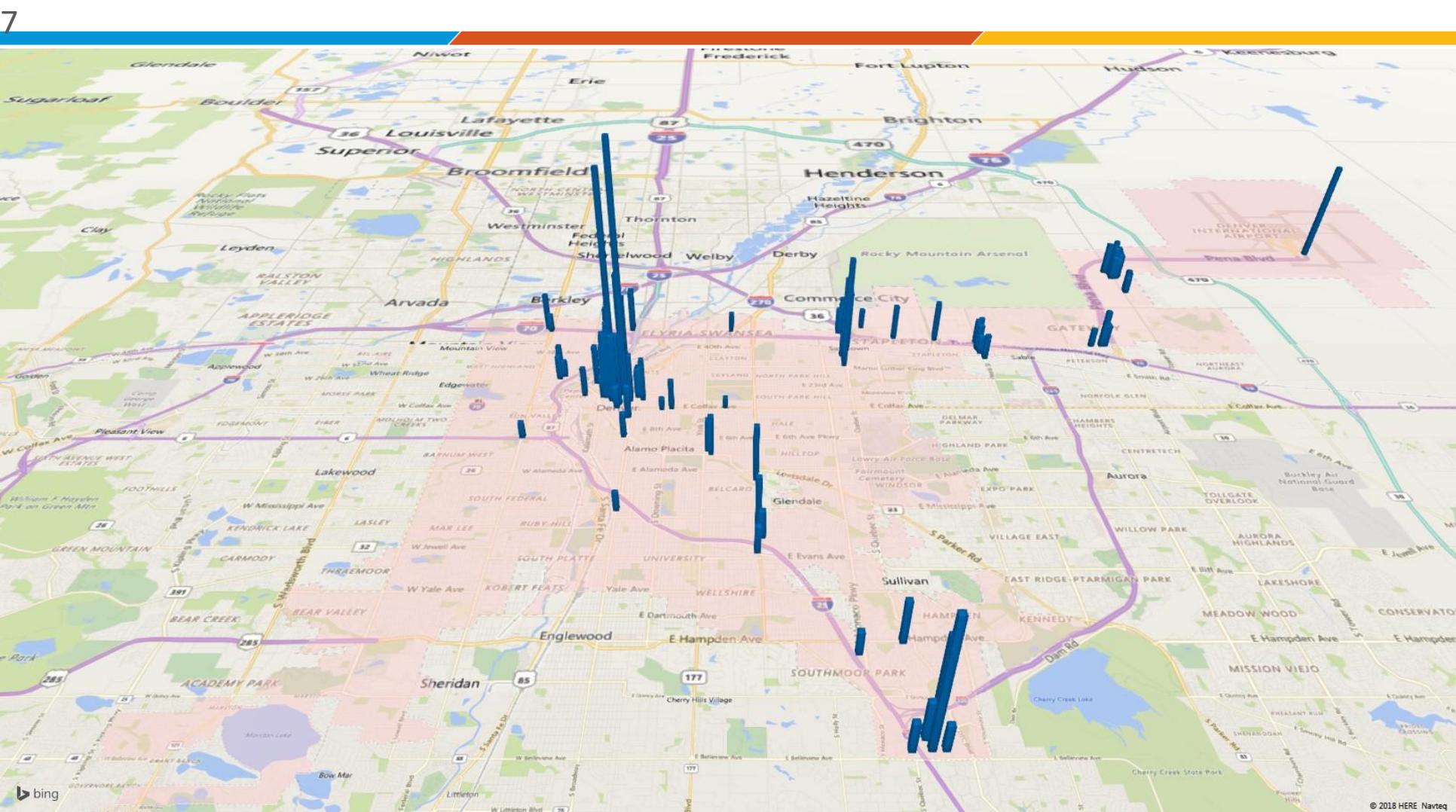
BUSINESS IMPROVEMENT DISTRICTS WITHIN DENVER



#	Year Created	Business Improvement District (BID)
1	1988	Cherry Creek North BID
2	1989	Colfax BID
3	1990	Old South Gaylord BID
4	1992	Cherry Creek Subarea BID
5	1992	Downtown Denver BID
6	2006	West Colfax BID
7	2012	Federal Blvd. BID
8	2013	Bluebird BID
9	2014	Colfax-Mayfair BID
10	2014	Santa Fe BID
11	2015	RiNo BID
12	2016	Five Points BID

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Assessment Division/Dept of Finance
October, 2016



108 Hotels at TID Creation

As of Sept. 2018, TID now has 111 hotels in the District



City Annual Review Process

City Requests Financial and Informational Items:

- Budget and Work/Operating Plans
- Estimated year end financial results
- Status of existing and new debt
- Results of audits conducted during year
- Informational items of Board of Directors and board actions during year

City Review:

- Analyze budgets, audits, and planned debt



2018 GID Highlights

- **Audits:** All GIDs received positive unqualified audit opinions.
- **Debt:** All GID debt payments current
 - 14th St. GID debt balance was \$4M at Y.E. '17
 - RiNo Denver GID debt balance was \$2.165M at Y.E. '17
- **2018 Expected Expenses vs. Budget:**
 - Gateway GID lower expenses than budget requiring a budget amendment.
 - 14th St. GID expected expenses insignificantly different from budget.
 - RiNo Denver GID expenses lower than budget requiring a budget amendment.



2019 GID Budgets

#	GID Name	2019 Projected Mills/Charges (Change from 2018)	2019 Budgeted Revenue (Change from 2018)	2019 Budgeted Expense (Change from 2018)	Forecasted '18 Debt Balance
1	Gateway Village GID General Fund	20.000 (0.0%)	\$619,914 (2.9%)	\$1,491,803 (54.7%)	\$0
2	14th St. GID Capital Charge Maintenance Charge Total	\$311,808 (0.4%) \$204,279 (4.0%) \$516,087 (1.8%)	\$575,953 (1.8%)	\$575,954 (1.8%)	\$3,840,000
3	RiNo GID General Fund Assessment Charge	4.000 (0.0%) \$16.67 (-25.7%)	\$849,070 (10.2%)	\$1,001,811 (27.1%)	\$2,080,845



2018 BID Highlights

- **Audits:** Cherry Creek North and Downtown Denver received positive unqualified audit opinions, others not required to perform an audit.
- **Debt:** Cherry Creek North BID only district with debt, current on payments
 - Colfax Ave. BID authorized \$2.5M in '17, have yet to issue.
- **2018 Expected Expenses vs. Budget:**
 - Cherry Creek Subarea, Colfax, and Five Points are expecting significant budget savings in '18 and will need budget amendments.
 - West Colfax needs budget amendment due to extra revenue and expenses related to a grant during '18.



2019 BID Budgets

#	BID Name	2019 Projected Mills/Charges (Change From 2018)	2019 Budgeted Revenue (Change From 2018)	2019 Budgeted Expense (Change From 2018)
1	Bluebird BID	10.000 (0.0%)	\$127,952 (-1.2%)	\$127,952 (-1.2%)
2	Cherry Creek North BID General Fund Debt Service Mill Total	10.842 (-4.4%) 4.300 (0.0%) 15.142 (-3.2%)	\$5,325,767 (2.8%)	\$5,535,736 (5.6%)
3	Cherry Creek Subarea BID	0.170 (-0.2%)	\$15,010 (-7.4%)	\$22,115 (-24.4%)
4	Colfax Ave BID	10.021 (9.3%)	\$679,246 (1.8%)	\$959,358 (13.3%)
5	Downtown Denver BID	Formula Based on building size, land size, and geographic location, assessment rate increased ~5.6% due to TABOR allowed increases.	\$8,433,871 (-3.6%)	\$8,809,296 (-4.8%)
6	Colfax-Mayfair BID Assessment Per Lot Assessment Per Sq. Ft.-Above Grade Assessment Per Sq. Ft.-Below Grade	\$0.075 (0.0%) \$0.075 (0.0%) \$0.038 (0.0%)	\$117,976 (-0.2%)	\$117,976 (-0.2%)
7	Federal Blvd BID	10.000 (0.0%)	\$70,099 (2.3%)	\$70,099 (2.3%)
8	Old S. Gaylord BID	4.899 (2.9%)	\$53,975 (0.0%)	\$53,975 (0.0%)
9	Santa Fe BID Street Frontage Assessment Building Size Assessment	\$7.81 (0.0%) \$0.099 (0.0%)	\$107,398 (-6.8%)	\$102,560 (-17.8%)
10	West Colfax BID	\$0.1288 (19.9%)	\$267,023 (-8.4%)	\$267,023 (-8.4%)
11	Five Points BID	10.000 (0.0%)	\$173,206 (2.7%)	\$233,933 (29.8%)
12	RiNo BID	4.000 (0.0%)	\$1,215,515 (19.4%)	\$1,202,200 (14.0%)

14th St. GID

2019 Budget and Work Plan





District Formation: Denver 14th Street General Improvement District (GID) Creation

Pursuant to a petition to Denver City Council by property owners of Denver 14th Street General Improvement District, the District was created. Ordinance No. 464, Series of 2009 Outlines the scope of the GID:

- Finance
- Construct and install
- Maintain streetscape improvements

Section 10. District Improvements, Standard Zone Improvements, Premium Zone Improvements, District Services.

(a) District Improvements. A general description of the public benefits and improvements to be furnished by or for the District includes, but is not limited to: finance, acquire, construct, install, operate or maintain street improvements, including but not limited to curbs (except for those in the right of way), gutters, culverts, and other drainage facilities, underground conduits, sidewalks, trails, parking, paving, lighting, grading, landscaping, bicycle paths and pedestrian ways, bicycle parking and facilities, retaining walls, fencing, entry monumentation, streetscaping, street furniture, benches, trash receptacles, newspaper corrals, bridges, median islands, irrigation, signalization, signing and striping, area identification, driver information and directional assistance signs, together with all necessary, incidental, and appurtenant facilities, equipment, land and easements and extensions of and improvements to such facilities, in the 14th Street right-of-way and connections, subject to the Charter, ordinances and rules and regulations regarding the use of dedicated right of way, thereto and the provision of services related thereto for the District. Such connections may include





GID Purpose

- **The Denver 14th Street General Improvement District was formed in order to:**
 - Create a place that feels comfortable and safe
 - Create a destination that encourages retail
 - Improve aesthetics, creating a place people want to visit and will remember
 - Build upon the public and private investments

Intergovernmental Agreements (IGA):

- 2011 – District and City entered into an IGA relating to project funds, operations, maintenance, and administrative matters, including maintenance of the constructed/installed improvements.
- 2015 – District and City entered in an IGA relating to landscape installation, care and maintenance of perennial beds and large pots located at the Webb Building.
- 2017 – District and City entered in an IGA related to landscape installation, care and maintenance of perennial beds and large pots located at the Denver Performing Arts Complex (DPAC).



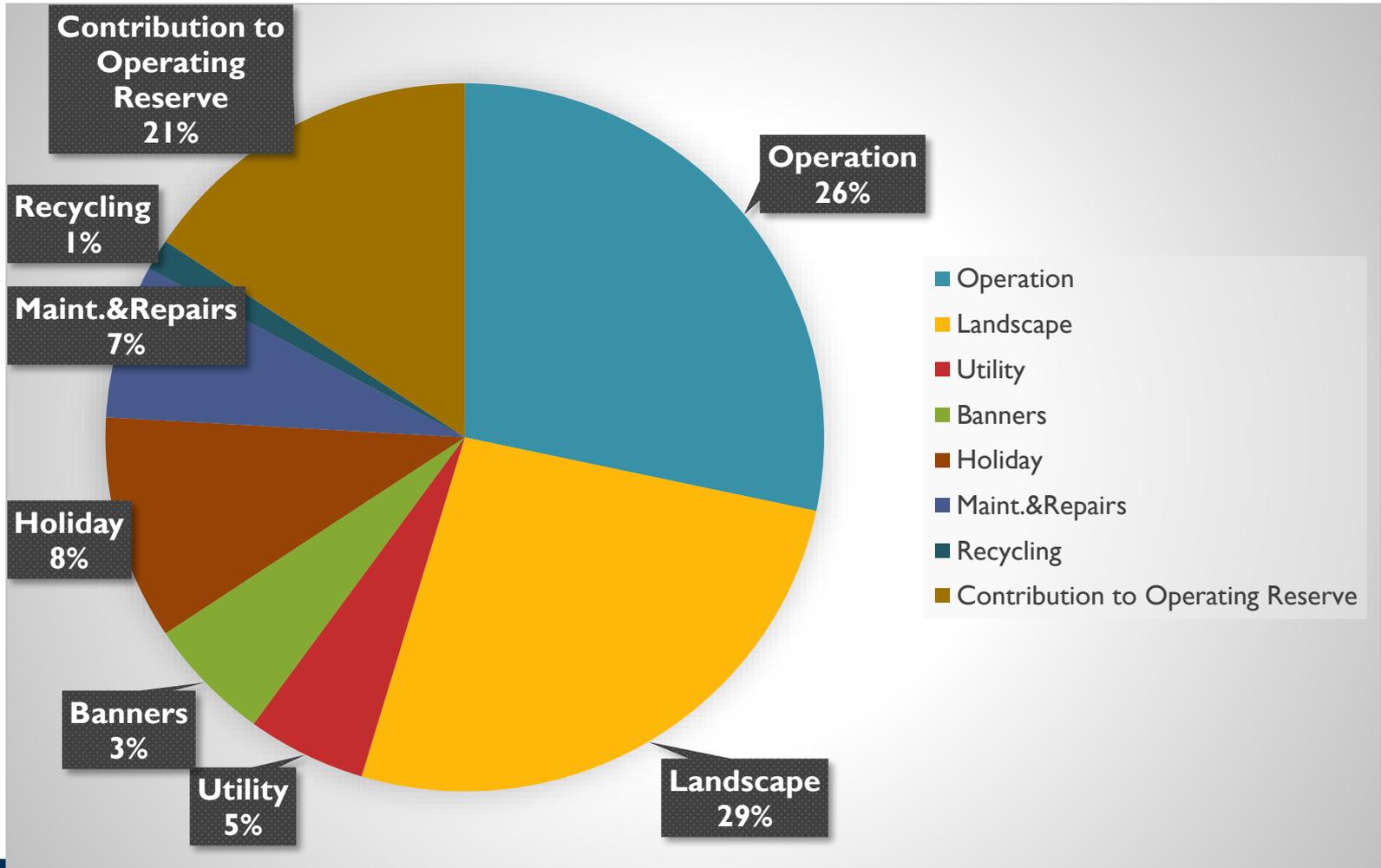
2018 GID Budget Performance

GID Name	2018 Projected Year End Revenue (change from budget)	2018 Projected Year End Expense (change from budget)
14th St. GID	\$559,423 (-1.1%)	\$559,423 (-1.1%)

- Maintained streetscape elements along the corridor
- Contracted with service providers for maintenance and landscape services
- Filed and collected capital and maintenance charges for 2018
- Maintained insurance and reserve fund
- Coordinated with City on maintenance related to amenities adjacent to City Property – specifically the Webb Building and Denver Performing Arts Complex
- Communication to 14th Street Property Owners regarding the District and charges.



2018 GID Budget Highlights





2019 Programs and Goals:

- Maintain all streetscape elements along the 14th Street Corridor.
- Contract with appropriate service providers for maintenance and landscape services.
- Bill and collect capital and maintenance charges for 2019.
- Establish charge schedule for property owners for 2020 and establish a budget and operating plan for 2020.
- Maintain insurance.
- Work with the City on maintenance items related to amenities adjacent to City property.
- Communicate to 14th Street Property Owners, when appropriate.

Cherry Creek North BID 2019 Budget and Operating Plan

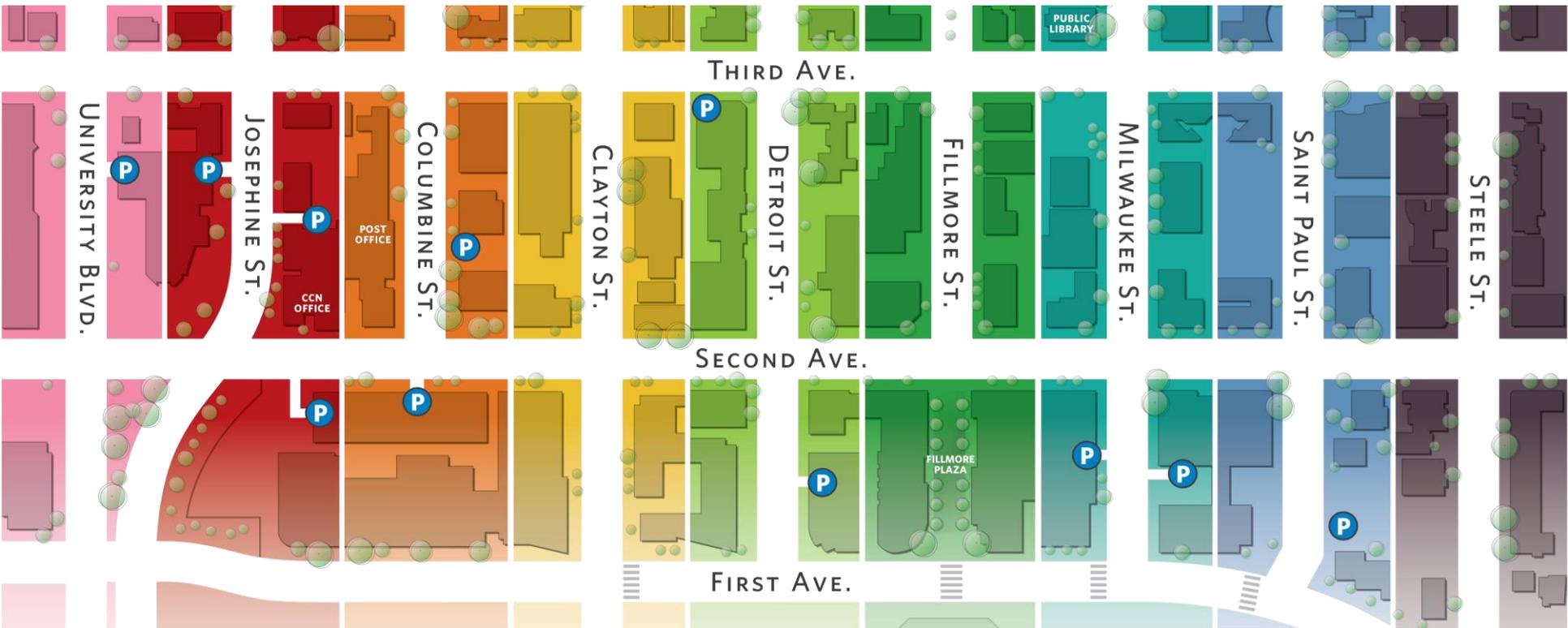




BID Creation

- Established in 1989
- First business improvement district in the state of Colorado
- 16 Blocks
- 80 acres

BID Boundaries



BID Purpose

- Actively plan, manage, and promote Cherry Creek North as a premier destination for shopping, dining, living, working and visiting

BID Governance

- 11 Board Members, 3 Year Terms



2018 BID Budget Performance

BID Name	2018 Projected Year End Revenue (change from budget)	2018 Projected Year End Expense (change from budget)
Cherry Creek North BID	\$5,217,766 (0.7%)	\$5,129,521 (-2.1%)

- Worked to generate awareness and drive traffic to the 16-block area.
- Promoted Cherry Creek North as a premier destination for shopping, dining, visiting and staying through a comprehensive marketing, communication and special events program.
- Collaborated with Visit Denver as a sponsor of 2018 IPW conference.
- Collected and analyzed economic data to create reports to help businesses and community leaders make informed decisions.



2018 BID Budget Highlights

- Partnered with key local organization to ensure that Cherry Creek North and its constituents were represented in decisions that could impact the economic vitality of the area.
- Installed network of pedestrian sensors that will operate 24/7/365, and help track consumer and visitor behavior. Data will assist businesses decide and assess store and employee hours, help recruit more businesses to the district, demonstrate the impact of BID signature events and help with maintenance operations.
- Worked year-round to keep Cherry Creek North clean, accessible and green.
- Ensured that Cherry Creek North remains a destination that people love coming to by providing services like litter and trash removal, snow removal, irrigation, lighting, infrastructure maintenance and tree & flower care.



2019 Programs and Goals:

- **Marketing/Communications/Events**
 - Build customer awareness of and engagement with Cherry Creek North
- **Economic Vitality**
 - Support the success of businesses within the District
- **Physical Environment**
 - Protect and preserve the BID's investment in its streetscape
- **Parking & Mobility**
 - Improve parking conditions and perceptions and expand mobility options

Tourism Improvement District (TID) 2019 Annual Plan





TID Creation

- TID created by Ordinance 17-0883 in August 2017.
- Imposes a 1% tax on the purchase of lodging at all hotels with 50 or more rooms in the City and County of Denver
 - In November 2017 election, TID voters supported tax measure with 96% support
- TID tax revenues used to pay for tourism improvements and services



TID Purpose

- Colorado Convention Center (CCC) expansion and improvement
 - TID pledges \$3.45M annually for support of City's \$129M Certificate of Participation
- CCC future capital improvements
 - In TID's 4th year, 10% of district revenues to be used for future improvements and maintenance
- Marketing and Promotions
 - VISIT DENVER to use remaining revenues to help bring convention and leisure visitors to Denver



TID Governance

- IGA between TID and City approved December 2017
- Board of Directors, 2018-2019:
 - Tracy Blair, Director of Sales and Marketing, Sheraton Hotel Denver
 - Laura Lojas, General Manager, The Westin Denver International Airport Hotel
 - Navin Dimond, President & CEO, Stonebridge Companies
 - John Everett, General Manager, Westin Denver Downtown
 - Walter Isenberg, President & CEO, Sage Hospitality
 - Greg Leonard, General Manager, Hyatt Regency at the Colorado Convention Center
 - Allen Paty, General Manager, DoubleTree by Hilton Denver
 - Richard Scharf, President & CEO, VISIT DENVER (ex officio)



2018 TID Budget Performance

Tourism Improvement District 2018 Budget Change Summary

GID Name	2018 Projected Year End Revenue (change from budget)	2018 Projected Year End Expense (change from budget)
Denver Tourism Improvement District	\$9,300,000 (6.9%)	\$5,700,000 (-34.5%)

- Collection of the 1% TID tax began on January 1, 2018
- Funds are distributed in priority order:
 1. City collection fee of 1%
 2. \$3.45M annually for support of City's \$129M COP
 3. Remainder used for marketing and promotions by VISIT DENVER
- Initial 2018 budget estimated to be \$8.7M, projected revenue of \$9.3M based on strong lodger's tax collection



2018 TID Budget Highlights

- Goal: Increase demand by convention, meeting and leisure visitors, especially in down- or off-peak seasons, including major holidays and weekends
- New programs launched in 2nd half of 2018:
 - Weekend marketing campaign, “Reclaim the Weekend”
 - Meeting Planner Buyer Education Trip for single hotel meetings
 - Event and festival support research
 - Convention and event incentive program



Convention Plan Highlights

- Convention program launched in 2nd half of 2018:
 - Buyer Education Trip to drive single hotel meetings: 33 planners attended, representing \$35M in future potential economic impact
 - Convention & event incentives: 10 groups booked (2018-2031) worth nearly \$110M and more than 139,000 attendees



“Reclaim the Weekend” Marketing Campaign Overview

GOAL: Create a new, annual, “always on” campaign to drive regional visitors to Denver on weekends throughout the year by promoting events and things to do



- **Marketing Channels/Tactics:**

- Paid Media
- Social
- Search
- Public relations
- Email
- Dedicated web page





“Reclaim the Weekend”

Marketing Campaign Overview

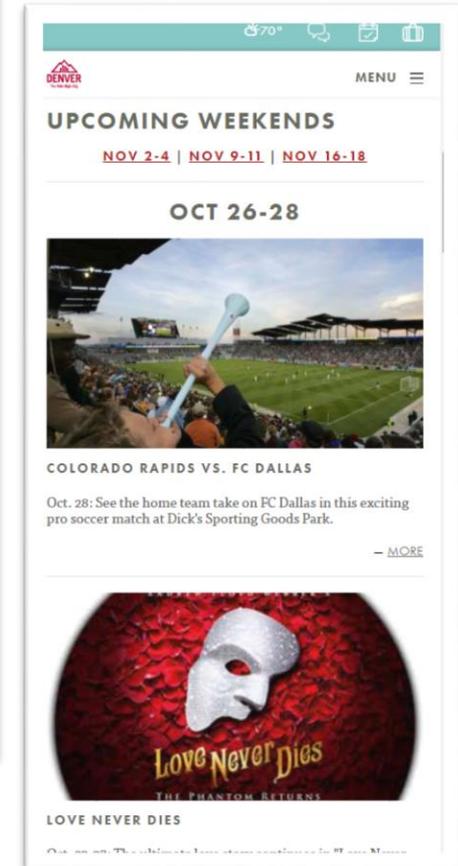
Total ad impressions: nearly 30M

- Print: 461,358
- Digital: 14,960,858
- Radio: 14,347,766

DenverWeekends.com Website
 Performance (8/6-10/19)

- Total page views: 181,940
 - Paid advertising: 80,236
 - Paid social: 79,684
 - Avg. time on site: ~2 minutes
 - Avg. page views/day: ~2,450

Research & ROI early 2019





2019 Budget Proposal

Tourism Improvement District 2018 to 2019 Budget Change Summary

GID Name	2019 Projected Tax (Change from 2018)	2019 Budgeted Revenue (Change from 2018)	2019 Budgeted Expense (Change from 2018)
Denver Tourism Improvement District	1% (0.0%)	\$9,500,000 (9.2%)	\$8,745,000 (0.5%)

- Lodger's tax collection projected to increase 2% compared to projected 2018
- 2019 will be first fully funded program year for TID
- New programs launched in 2018 will be fully funded for 2019



2019 Programs and Goals:

- Strategy areas:
 - Aggressive convention sales and marketing efforts
 - Sports and major events
 - Tourism events & festivals
 - Leisure consumer tourism, including domestic and international
 - Industry events for customer/media exposure
 - Workforce development
- Will track progress across all initiatives to determine effectiveness