



TOURISM IMPROVEMENT DISTRICT



2024 Annual Plan

U.S. TRAVEL FORECAST FOR 2023 & BEYOND

The U.S. Travel Association (USTA) shows an optimistic outlook for 2023 and beyond in their U.S. Travel Forecast, Summer 2023 edition, the latest figures available. As they have in past versions of this report, USTA offers their forecast in both nominal and inflation-adjusted manner to give the industry a truer picture of recovery.

Here are their primary takeaways for 2023 and beyond:

Overall market:

- A return to more “normalized” growth of around 2 percent for domestic leisure travel, which will remain resilient despite some headwinds.
- Rapid 2023 growth in domestic business travel, with a slight slowdown toward the end of the year and into 2024 due a still-expected mild recession. A full recovery in terms of volume has been pushed to 2025 and inflation-adjusted spending recovery remains beyond the range of the forecast.
- A boost in international visitation. While still far behind, international inbound travel is expected to experience the strongest growth of any segment throughout the range of the forecast, nearing full recovery in 2024 and exceeding it in 2025.

Travel volume:

- Domestic leisure trips recovered in 2022, and are expected to return to more “normalized” rates of growth in 2023 and beyond.
- Business travel trips are projected to recover in 2025.
- International visitations are projected to recover in 2024 or 2025.

Travel spending:

- Domestic leisure travel spending recovered in 2021 (though it regressed somewhat in 2022); It is expected to grow more modestly in 2023 and beyond.
- Business travel spending when adjusted for inflation, is not projected to recover within the range of the forecast, so not before 2027 or even 2028.
- International visitations is projected to recover only in 2026.

Economic downturn:

- A mild recession is expected in the second half of 2023:
 - Although the economy dodged a recession and continued to grow during the first part of the year, thanks to strong consumer spending and a solid jobs market, the risks of a downturn later this year remain significant.

- Elevated inflation and interest rates are expected to constrain consumer spending, business hiring and investment in the second half of the year.
- Nevertheless, GDP growth for the year is projected to remain positive at 1.3%, followed by just 0.4% growth in 2024.

Source: U.S. Travel Association Travel Forecast, Summer 2023

THE STATE OF DENVER'S TRAVEL INDUSTRY

Denver's travel industry is back. It has been several years since such an unequivocal statement could be made about it.

Prior to 2023, growth had been strong but inconsistent, and a myriad of headwinds limited potential, everything from lingering concerns about COVID to dramatic increases in travel prices. While there are still several meaningful issues to face, a combination of record-breaking 2022 travel results from our partners at Longwoods International; favorable industry studies from domestic and global research partners; and strong internal sales and marketing indicators all combine to allow this organization to feel a brisk wind at its back for the first time in more than three years.

The 2023 version of this report stated that, "There is no new normal." VISIT DENVER came to that conclusion based on the available information at the time, noting a period of tremendous opportunities that were paired with new and rapidly evolving challenges related not only to the pandemic, but also to volatility in the global economy, political upheavals, social justice, changing travel habits and more.

Today, there has been tremendous stabilization across nearly all key sectors that impact the global travel business. Travel demand, particularly from domestic leisure audiences, continues to grow despite continued concerns about travel prices and the looming threat of a recession. Demand in the group market continues to outpace earlier projections, with VISIT DENVER achieving lead volumes that exceed the organization's 2019 high water mark. The international market has also surged back, particularly from North American and European destinations as all international flights have been restored with more on the way.

In response to these opportunities, VISIT DENVER continues to develop and execute comprehensive sales and marketing strategies that takes advantage of this renewed demand, while also ensuring the organization leans in, and does not put its guard down or rest on its past successes.

There are innumerable reasons for doing so: Travel remains a highly competitive global business, with domestic visitors experiencing increased demand for international trips, and domestic destinations also putting out savvy marketing messages. The recovery in the meetings market brings with it new demand dynamics that has upended decades of booking patterns. While international demand is rising, few countries have yet reached their 2019 travel levels. And the global airline industry continues to wrestle with service and staffing issues that can leave travelers frustrated.

Here in the city, the travel product itself continues to evolve. Persistent crime and safety issues continue to impact the downtown area in particular, though significant progress has been made. Certain sectors of the industry, such as restaurants, continue to struggle with high food and labor prices and workforce issues, causing many closures. Hotels, which have enjoyed high rates during the peak of the inflationary period, have not yet had their occupancy return to 2019 levels, primarily due to softness in the transient business market.

Despite these headwinds, and with a new City administration in place, VISIT DENVER's outlook for 2024 is stronger than it has been in years. The organization retains a commitment to work through all challenges, known and unknown, with the same diligence and professionalism that has marked its stewardship of Denver's travel industry for 114 years.

Colorado Convention Center Expansion

The expansion of the Colorado Convention Center (CCC) remains on track. Voters approved the project in 2015, and in July 2020 the City of Denver selected Hensel Phelps and TVS Design as the design/build team for the project. City Council approved the contract in fall 2020. Construction started in June 2021, and a "Raise the Roof" kick-off ceremony and press conference took place in September 2021. The expansion will be completed by December 2023.

VISIT DENVER has worked closely with ASM Global, Denver Office of Transportation and Infrastructure (DOTI) and the contracted team to minimize the impact on existing business, while also continuing to book new business during construction. Both VISIT DENVER and ASM Global are focused on driving new business to the expansion space beginning April 2024.

Here are the key features of the expansion:

- Multi-function Bluebird Ballroom Space
 - The signature feature of the expansion is an 80,000-square-foot, column-free multi-function space that includes 19 subdivisions of varying sizes.
- Pre-function Concourse
 - The new 35,000 square feet wrap-around, pre-function concourse, which features dramatic views of the Rocky Mountains, is conveniently accessible via the center's existing street-level lobbies.
- Rooftop Terrace
 - The 20,000 square-foot rooftop terrace features spectacular views of the Rocky Mountains to the north and west and stunning views of Denver's skyline to the east.

CREATION AND OPERATION OF THE DENVER TOURISM IMPROVEMENT DISTRICT (TID)

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 percent 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 percent support (50-2).

Collection of the 1 percent 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 percent 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 percent 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.

In 2022, the Tourism Improvement District board agreed to set aside \$4.5 million that is available on demand to the City for improvements at the Colorado Convention Center. In addition, \$2.1 million will be funded from the TID Capital Improvement fund. These funds will help offset \$7.8 million needed to fund six (6) Add Alternatives if not covered by the expansion contingency fund. The Add Alternatives

included the completion of the 20,000 sq. ft. terrace and connect the second-floor parking deck with the third-floor deck. This will allow for more efficient movement of meeting equipment and services as well as generate future parking revenue for the City.

2023 PLAN RECAP

With the TID collection in 2023, the TID was able to generate marketing and programming which included the following activities:

- Client concessions and incentives for meetings in future years
- Regional leisure marketing campaign
- Mile High Holidays seasonal marketing campaign highlighting the Mile High Tree (2023 holiday season)
- Online travel agency co-operative (co-op) campaign

Client Concessions/Incentives

Cities continue to offer convention center discounts, as well as financial incentives, in order to book large citywide business. Overall, we have booked 35 groups with a \$539 million economic impact, and \$43 million in tax dollars. In 2022, VISIT DENVER has booked nine groups through TID incentives, worth \$139.7 million in future economic impact which would result in nearly \$11.2 million 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, opened in 2018. As of August 2023, VISIT DENVER has lost \$173.4 million of 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 costs in Denver.

COVID has also exacerbated the level of competition. Many corporations and associations had to cancel 2020 and 2021 meetings and some even had to cancel Q1 2022 meetings. That being said, many of those groups are now looking for and requiring steep discounts and incentives to help make up for all the revenue lost.

Regional Leisure Marketing Campaign

VISIT DENVER defines the regional customer as those consumers living in Colorado (excluding Denver Metro) and the adjacent states of Wyoming, Nebraska, Kansas, New Mexico, Arizona, Utah and Oklahoma, as well as Montana. These markets have been identified based on historical visitation patterns that line up well with the goals of the TID relative to leisure customers, namely that visitors from these markets tend to plan in the short-term, come over weekends and, while not spending as much as visitors from longer-haul markets, they make up for it with their frequency of visitation.

In 2023, TID funds were used for the regional consumer events-based campaign that will run from February – October and promote events that occur the following month. Each month, 6-9 visitor-centric events are selected and promoted through a variety of media including digital display banners, electronic newsletter advertising, radio/streaming audio (e.g. Pandora) and paid social media advertising. The events are selected based on their likelihood of attracting visitors and fall into three main categories: music concerts, cultural events & exhibitions, and festivals.

Through July, the campaign, dubbed, “All Ways Welcome”, has generated more than 72 million advertising impressions and more than 340,000 visits to the landing page set up for the campaign. Furthermore, through our tracking partners at Adara, we estimate that people exposed to the campaign have generated more than 81,000 room nights and more than \$14 million in hotel sales.

In September, the VISIT DENVER marketing and agencies will evaluate the effectiveness of all aspects of this campaign and make recommendations for 2024. At this time, it is anticipated that this campaign will continue in largely the same fashion next year, hopefully with larger budgets.

Mile High Holiday Campaign

This campaign will run in November and December and will highlight Denver’s many holiday activities such as lighting displays, holiday shopping, performing arts and many other activities, including the Mile High Tree, designed to entice regional customers to come to the city for a holiday getaway.

This campaign has a planned \$1 million budget that will include a wide variety of media including TV/video ads, digital banners, electronic newsletters, radio advertising, billboards and others.

Online Travel Agency Cooperative (Co-op) Campaign

VISIT DENVER continues to fund a TID-funded advertising campaign on Expedia and its family of brands (including Travelocity, Orbitz and others). We have done so since the depths of the pandemic in July 2020, taking over a program that the hotels used to have to pay to participate in.

Year-to-date in 2023, the program has produced:

- 58,725 room nights
- \$12.7 million in hotel sales
- 5.5 million advertising impressions

VISIT DENVER will undertake a full evaluation of this plan later this year and make recommendations for the 2024 version.

2024 OPERATING PLAN

In 2024, VISIT DENVER is projecting revenue comparable to 2019. Marketing, sales and promotion efforts will depend upon a robust blend of factors, including the continued decline of pandemic-related issues; a reduction in the steep increase in travel prices, including gasoline and airfare, that is currently blunting local spending; the continued recovery of the meetings market, the restoration of the international travel market, and other intangible factors. However, as 2023 comes to a close, we are optimistic that 2024 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 2024, 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. 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 2024.

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

With the TID collection in 2024, the TID anticipates marketing and programming which included the following activities:

- Expansion & capital enhancements collection
- Client concessions and incentives for meetings in future years
- Meeting planner activities
- Regional leisure marketing campaign
- Mile High Holidays seasonal marketing campaign highlighting the Mile High Tree (2024 holiday season)

Client Concessions/Incentives

Anticipate continuing to offer convention center discounts, as well as financial incentives, in order to book large citywide business. TID funds will be used to aggressively compete with centers and mega hotels, as well as offset some meeting planning costs in Denver.

Regional Leisure Marketing Campaign

Currently the plan is to use TID funds for the regional consumer events-based campaign that will run from February – October and promote events that occur the following month. Unless there are specific marketing needs, the 2024 plan will model the successful 2023 plan. Each month, 6-9 visitor-centric events are selected and promoted through a variety of media including digital display banners, electronic newsletter advertising, radio/streaming audio (e.g. Pandora) and paid social media advertising. The events are selected based on their likelihood of attracting visitors and fall into three main categories: music concerts, cultural events & exhibitions, and festivals.

VISIT DENVER defines the regional customer as those consumers living in Colorado (excluding Denver Metro) and the adjacent states of Wyoming, Nebraska, Kansas, New Mexico, Arizona, Utah, and Oklahoma, as well as Montana. These markets have been identified based on historical visitation patterns that line up well with the goals of the TID relative to leisure customers, namely that visitors from these markets tend to plan in the short-term, come over weekends and, while not spending as much as visitors from longer-haul markets, they make up for it with their frequency of visitation.

In September, the VISIT DENVER marketing and agencies will evaluate the effectiveness of all aspects of this campaign and make recommendations for 2024. At this time, it is anticipated that this campaign will continue in largely the same fashion next year, hopefully with larger budgets.

Mile High Holiday Campaign

In 2024, a campaign similar to 2023 will run in November and December and will highlight Denver's many holiday activities such as lighting displays, holiday shopping, performing arts and many other activities, including the Mile High Tree, designed to entice regional customers to come to the city for a holiday getaway. In 2024, the current successful location with Christkindlmarket will have to move from Civic Center Park due to construction. A new location is currently being reviewed.

This campaign has a planned \$1 million budget that will include a wide variety of media including TV/video ads, digital banners, electronic newsletters, radio advertising, billboards and others.

Online Travel Agency Cooperative (Co-op) Campaign

VISIT DENVER will consider funding a TID advertising campaign on Expedia and its family of brands (including Travelocity, Orbitz and others). We have done so since the depths of the pandemic in July 2020, taking over a program that the hotels used to have to pay to participate in.

Event Solicitation

Event tourism can have a significant impact on the economy. A successful event can help boost the area via media exposure and, in turn, attract future visitors, provide local jobs, and help make a case for local infrastructure improvements. It helps generate revenue for businesses such as hotels, restaurants, transportation services, and local vendors. Additionally, events can create job opportunities for residents. An event has a wide spectrum of possibilities: music festivals, sporting events, cultural (Dragon Boat, etc.) arts events, and much more. Events can be an excellent opportunity for cultural exchange and social intervention drawing overnight visitation.

VISIT DENVER will undertake a full evaluation of this plan later this year and make recommendations for the 2024 version.

2024 TID BUDGET

TOURISM IMPROVEMENT DISTRICT (TID)	2022 Actual	2023 Budget	2023 Jul YTD	2023 Estimated Actual	2024 Initial Estimated
REVENUE					
Lodger's Tax (1.0%)	\$ 10,598,623	\$ 10,200,000	\$ 6,667,500	\$ 11,000,000	\$ 11,400,000
Total Revenue	\$ 10,598,623	\$ 10,200,000	\$ 6,667,500	\$ 11,000,000	\$ 11,400,000
EXPENDITURES					
City Collection Fee (1.0%)	\$ 105,986	\$ 102,000	\$ 66,675	\$ 110,000	\$ 114,000
Certificates of Participation (COPs)	\$ 3,450,144	\$ 3,450,000	\$ 3,450,144	\$ 3,450,144	\$ 3,448,000
CCC Fund (10%)	\$ 959,724	\$ 948,000	\$ 666,750	\$ 1,100,000	\$ 1,140,000
Subtotal City Expenses	\$ 4,515,854	\$ 4,500,000	\$ 4,183,569	\$ 4,660,144	\$ 4,702,000
Subtotal NET	\$ 6,082,769	\$ 5,700,000	\$ 2,483,931	\$ 6,339,856	\$ 6,698,000
TID Expenses (Marketing & Promotions)					
Consumer Leisure Marketing	\$ 2,378,554	\$ 4,400,000	\$ 1,835,389	\$ 4,400,000	\$ 4,600,000
Convention Marketing and Concessions	\$ 159,078	\$ 1,300,000	\$ 501,677	\$ 1,939,856	\$ 2,098,000
Subtotal TID Expenses	\$ 2,537,632	\$ 5,700,000	\$ 2,337,066	\$ 6,339,856	\$ 6,698,000
Total Expenditures	\$ 7,053,486	\$ 10,200,000	\$ 6,520,635	\$ 11,000,000	\$ 11,400,000
NET INCOME (LOSS)*	\$ 3,545,137	\$ -	\$ 146,865	\$ -	\$ -
CCC Fund (10%) - Balance**	\$ 1,320,339	\$ 2,268,339	\$ 1,987,089	\$ 2,420,339	\$ 3,560,339

* Reserve Fund - \$5.0 million (\$1.7 million operating reserve to cover potential lossess & \$3.3 million to cover future year commitments)

**CCC Fund - There are no plans to spend any of these funds in 2023 or 2024.

Official Board Actions:

Board Meeting Minutes from:

- April 12, 2023
- August 29, 2023

Board Member Meeting Attendance Record

Name	Role	4/12/2023	8/29/2023
Leonard, Greg	President	N	Y
Paty, Allen	President-Elect	Y	Y
Parsons, Amanda	Secretary	N	Y

Isenberg, Walter	Assistant Secretary	Y	N
Cheney, Chris	Assistant Secretary	Y	Y
Tracy, Blair	Assistant Secretary	Y	Y
Lojas, Laura	Assistant Secretary	N	N

NOTICE OF SPECIAL MEETING

DENVER TOURISM IMPROVEMENT DISTRICT

NOTICE IS HEREBY GIVEN that the Board of Directors of the DENVER TOURISM IMPROVEMENT DISTRICT, City and County of Denver, Colorado, will hold a special meeting at 11:30 a.m. on April 12, 2023, at the offices of Visit Denver, 1555 California Street, Suite 300, Denver, Colorado, for the purpose of addressing those matters set out in the agenda below as the same may be amended at the meeting, and conducting such other business as may properly come before the Board. The meeting is open to the public.

BY ORDER OF THE BOARD OF DIRECTORS:

DENVER TOURISM IMPROVEMENT DISTRICT

By: /s/ Thomas N. George

Legal Counsel

AGENDA

1. Call to Order
2. Confirm posting location for meeting notices: Hyatt Regency at Colorado Convention Center
3. Approval of the November minutes
4. Review 2022 Financials and 2023 Budget
5. Convention Center Expansion Update
6. 2023 Programs
 - a. Approve incentives
 - b. Conventions update
 - c. Leisure update
7. Other

MINUTES

BOARD OF DIRECTORS

DENVER TOURISM IMPROVEMENT DISTRICT

DATE: April 12, 2023

TIME: 11:30 a.m. – 12:30 p.m.

PLACE: VISIT DENVER, 1555 California Street, Suite 300, Denver, CO 80202

BOARD ATTENDEES	Chris Cheney Stonebridge	Tracy Blair Sheraton Denver Downtown	Walter Isenberg Sage Hospitality
	Allen Paty Doubletree by Hilton	Richard Scharf VISIT DENVER	
OTHER ATTENDEES	Rachel Benedick VISIT DENVER	Justin Bresler VISIT DENVER	Allison Kohn VISIT DENVER
	Flavia Light VISIT DENVER	Jeff Ruffe VISIT DENVER	Tom George Spencer Fane, LLP
	Jason Lusk VISIT DENVER		
ABSENT	Greg Leonard Hyatt Regency	Laura Lojas Westin DIA	Amanda Parsons Thompson Denver

The meeting was called to order at 11:45 a.m. A motion was made to approve the minutes from the November 17th, 2022, meeting. The motion was seconded, and the minutes were unanimously approved. The TID board also confirmed the Hyatt Regency at Colorado Convention Center as the 2023 posting location for meeting notices.

Jeff Ruffe gave an overview of the TID financials and the 2023 budget. There is a revenue of \$10.2 million, with money allocated to the CCC Fund (\$0.9 million), COP Payment (\$3.5 million), City Fee (\$0.1% million) and TID Marketing (\$5.7 million). TID Marketing allocations include funding for the Regional Leisure campaign, Mile High Holidays, MEET Denver, Expansion Marketing efforts, and other events.

Rachel Benedick reported that the sales team is experiencing record setting lead volume in the first quarter of 2023. Site visits also continue to increase, and citywide conventions are recovering attendance to 2019 levels. The team is also working on opportunities for short term citywide business due to Dallas closing their convention center for a couple of years due to their renovation/expansion.

Rachel provided an overview of the status of the Colorado Convention Center (CCC) expansion project which is on track and set to open late 2023. There is a industry appreciation and progress event being planned for Mayor Hancock, before he leaves office, on June 21st. Rachel highlighted the continued need for TID incentives to help book more business. The convention center market remains extremely competitive, which makes it necessary to come to the table with aggressive bids. Typically, the incentive dollars are tied to group performance, ensuring a good ROI overall. In May, Denver will host HelmsBriscoe's Annual Business Conference, with more than 500 associates in attendance, representing thousands of organizations. Rachel also discussed the return of MEET (Meet, Experience, Enjoy & Tell) in September 2023. This event took place twice a year pre-pandemic and 2023 will be the first time it will return. The event will focus on in-house meeting planners and the team is targeting 60-75 planners to attend. Every TID hotel will have the opportunity to network with the clients while they are in Denver. Rachel then presented previously approved incentives for formal approval. A motion to approve the

incentives as proposed was made, seconded, and unanimously approved.

Justin Bresler provided a leisure marketing update. Overall, domestic leisure will continue to dominate in the U.S. this year. Covid-19 continues to recede as a travel concern, but financial concerns like inflation and the cost of gas persist. Despite financial concerns, there is excitement to travel and travel demand remains high, with many travelers planning a trip within the next six months. The 2023 Regional Campaign runs February through October via digital media and hits Colorado and adjacent states. The campaign promotes music, cultural attractions and festivals meant to inspire short-term travel. Since March, there have been 25.9 million total impressions and 151,000 website conversions, with many more months of the campaign left. Using data from Adara for booking performance, the campaign has resulted in 17,869 bookings or 33,362 room nights, \$5.3 million in revenue, and 2.2 nightly average LOS.

Flavia Light provided a tourism update. While sporting events and festivals are main draws for tourism, there is a focus on need periods and establishing annual events. VISIT DENVER is working with the Downtown Denver Partnership on regular programming for Thursday nights. There is also a focus on researching national efforts to draw tourists and creating an “iconic draw” or art piece. Summer demand generators include Nuggets and Avalanche playoffs, Rockies baseball, the Cinco De Mayo festival, Fan Expo, Cherry Creek Arts Festival, concerts at Empower Field, among many others.

Allison Kohn provided a communications and public policy update. TID hotels receive newsletters from the TID board, typically three per year. VISIT DENVER is researching monthly reports and communication that all might find helpful as a benefit of being a TID hotel, such as the STR report. More regular communication with the hotels should be a value-add and help keep the hotels informed.

The Denver elections were on April 4, 2023, and mayoral candidates Kelly Brough and Mike Johnston are headed to a runoff on June 6. City Council Districts 8, 9 and 10 will also have runoff races. It is important that VISIT DENVER begins strategizing and building relationships with the newly elected members of city council, especially those who represent the downtown area and convention corridor.

There being no further business to come before the Board, the Board adjourned at 12:30 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.

Amanda Parsons

Secretary

NOTICE AS TO PROPOSED BUDGET

NOTICE IS HEREBY GIVEN that the proposed budget for the ensuing year of 2024 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 12 p.m. on Tuesday, August 29, 2023.

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 2024 Budget, file or register any objections thereto.

BY ORDER OF THE BOARD OF DIRECTORS:

DENVER TOURISM IMPROVEMENT DISTRICT

By: /s/ Thomas N. George

Legal Counsel

AGENDA

BOARD OF DIRECTORS

DENVER TOURISM IMPROVEMENT DISTRICT

DATE: August 29, 2023

TIME: 12:30 p.m. – 2 p.m.

LOCATION: VISIT DENVER, 1555 California Street, #300, CO, 80202

1. Call to Order
2. Approval of April minutes
3. Review 2023 and 2024 Financials
4. 2023 Programs:
 - a. Approve incentives
 - b. Conventions and CCC expansion update
 - c. Leisure update
5. 2024 Annual Plan and budget approval
 - a. Public hearing and resolution to approve
6. 2024 TID Board leadership election
7. Other business
8. Next meeting: TBD – November
9. Adjournment

MINUTES

BOARD OF DIRECTORS

DENVER TOURISM IMPROVEMENT DISTRICT

DATE: August 29, 2023
TIME: 12:30 p.m. – 2:00 p.m.
PLACE: VISIT DENVER, 1555 California Street, Suite 300, Denver, CO 80202

BOARD ATTENDEES

Chris Cheney
Stonebridge

Tracy Blair
Sheraton Denver Downtown

Greg Leonard
Hyatt Regency

Allen Paty
Doubletree by Hilton

Richard Scharf
VISIT DENVER

Amanda Parsons
Thompson Denver

OTHER ATTENDEES

Sean McNamara
VISIT DENVER

Jason Lusk
VISIT DENVER

Allison Kohn
VISIT DENVER

Flavia Light
VISIT DENVER

Jeff Ruffe
VISIT DENVER

Tom George
Spencer Fane, LLP

ABSENT

Walter Isenberg
Sage Hospitality

Laura Lojas
Westin DIA

The meeting was called to order at 12:30 p.m. A motion was made to approve the minutes from the April 12, 2023, meeting. The motion was seconded, and the minutes were unanimously approved.

Jeff Ruffe provided an overview of the TID financials and 2024 budget. In 2024, expected revenue is \$11.4 million, with money allocated to the CCC Fund (\$1.14 million), COP Payment (\$3.45 million), and City Fee (\$114,000). Revenue available for marketing in 2024 is approximately \$6.7 million. This revenue is used for initiatives like the Mile High Tree and accompanying holiday campaign, the MEET Denver program, and convention marketing and concessions.

Jason Lusk provided a recap of the TID incentives that had been approved by the group since the last meeting in April. A motion to approve the incentives as proposed was made, seconded, and unanimously approved.

Jason provided an outlook of tourism trends. Notable trends include increased short-term demand but limited short-term availability. Citywide groups are recovering in attendance post-pandemic, and citywide planners are increasingly looking at far-future dates into the 2030s. Political climates and other concerns across various destinations are affecting their ability to draw customers presenting new opportunities for Denver. Also, Denver

has captured group business that cities like Austin and Dallas have lost due to their own convention center projects. The MEET (Meet, Experience, Enjoy, Tell) Denver program, a combination city and hotel showcase tour and comprehensive educational event, will return in September. Nearly 50 planners have registered for the program. This is an opportunity to appeal to organizers for more than just larger, citywide groups.

Jason also provided an update on the Colorado Convention Center Expansion. The project remains on track for completion by the end of 2023, with the center ready for public events in early 2024. The number of client hard hat tours is increasing, and an expansion marketing campaign is underway.

Lastly, Jason updated the board about safety initiatives around the center, which include a VISIT DENVER-sponsored radio program for hotels in downtown, additional ambassadors from the Downtown Denver Partnership's security team, and off-duty police officers on patrol during conventions.

Flavia Light provided a leisure and marketing update. Demand for Denver remains high! According to MMGY, Colorado and Denver rank highly in the list of most desirable locations. A strong job market and consumer spending have balanced out a mild recession in Q3 and Q4. Although economic concerns remain, nearly 90% of Americans have a trip planned in the next year. The 2023 regional campaign promotes 6-9 music, cultural, and festival events each month. Year-to-date (July 2023) total impressions for the regional campaign is 77 million. The 2023 Mile High Holidays campaign will run November through December via digital and traditional media.

VISIT DENVER was awarded a grant from the Colorado Tourism Office for 2023 and 2024. The grant funding will go toward expanding PR and Travel Trade efforts. International Reps have generated an incremental \$2 million in earned media for Denver in only 3 months. VISIT DENVER completed 15 International Marketing Campaigns driving over 60 million impressions year-to-date in July.

The group reviewed the draft 2024 Annual Plan and Budget that is due to the City of Denver on September 30. During the November meeting, the group will have a chance to review a comprehensive marketing plan and funding allocation. Tom George noted that the Board needed to hold a public hearing prior to adopting the 2024 budget, and that notice of today's meeting and public hearing was published as required by law. President Leonard opened a public hearing on the proposed 2024 budget. No public was present, and the hearing was closed. Following discussion, a motion to approve the 2024 Annual Plan and Budget was unanimously approved. The board continued to discuss the prospect of an art installation, or a "must see" draw for tourists downtown.

The 2024 officers and new board members were presented to the board for their vote. Tracy Blair was nominated to serve as TID President, Amanda Parsons as President-Elect and Chris Cheney as Secretary. There was a motion to approve the 2024 Board Leadership, and the motion was seconded and unanimously approved. Terms for board leadership are September 1, 2023 – August 31, 2024.

There being no further business to come before the Board, the Board adjourned at 2 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.

Amanda Parsons

Secretary

2023-2024 Board Members

Name	Term Start Date	Term End Date	Representi ng	Board Officer	Title	Company
Leonard, Greg	9/1/2023	8/31/2026	Mayor	President	General Manager	Hyatt Regency at the Colorado Convention Center
Isenberg, Walter	9/1/2023	8/31/2026	VISIT DENVER	Assistant Secretary	President and CEO	Sage Hospitality
Parsons, Amanda	9/1/2023	8/31/2026	CHLA	Secretary	General Manager	The Thompson Denver
Paty, Allen	9/1/2022	8/31/2025	CHLA		Area General Manager	Pyramid Global Hospitality

Blair, Tracy	9/1/2021	8/31/2024	CHLA		Director of Sales and Marketing	Sheraton Denver Downtown Hotel
Cheney, Chris	9/1/2022	8/31/2025	VISIT DENVER		VP, Hotel and Performance	Stonebridge Companies
Lojas, Laura	9/1/2021	8/31/2024	Mayor		General Manager	The Westin DEN
Scharf, Richard	8/31/2017	N/A	N/A	Ex Officio	President and CEO	VISIT DENVER

Note: Walter Isenberg, Greg Leonard and Amanda Parsons were all re-appointed for another term on the TID board. Walter and Greg will serve an additional 3-year term, and Amanda will serve her first 3-year term.

Contact information:

Name	Company	Phone	Email	Address
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Parsons, Amanda	The Thompson Denver	303-572-1321	amanda.parsons@thompsonhotels.com	1616 Market St.,

				Denver, CO 80202
Paty, Allen	Pyramid Hospitality	303-329- 5200	apaty@pyramidglobal.com	3203 Quebec Street, Denver, CO 80207
Blair, Tracy	Sheraton Denver Downtown Hotel	303-626- 2573	tracy.blair@sheraton.com	1550 Court Place, Denver, CO 80202
Cheney, Chris	Stonebridge Companies	303-785- 3128	ccheney@sbcos.com	4949 Niagara St., Suite 300, Denver, CO 80237
Lojas, Laura	The Westin DEN	303-317- 1831	laura.lojas@marriott.com	8300 Peña Boulevard, Denver, CO 80249
Scharf, Richard	VISIT DENVER	303-571- 9415	rscharf@visitdenver.com	1555 California Street, Suite 300, Denver, CO 80202