



## **AGENDA**

### **Lodgers and Automobile Rental Tax (LART) Citizens' Advisory Committee**

Thursday, June 14, 2018, **1:00 – 4:30 PM**

City Hall, **Pikes Peak Conference Room, 2nd floor**  
107 N. Nevada Avenue, Colorado Springs, 80903

1. Call to order
2. Public comments (for items not on the agenda)
3. Approval of the meeting minutes from May 17, 2018\*
4. Applicant Presentations **(1:10 – 4:15 p.m.) \***
5. Recommendation for City of Colorado Springs Sports Authority\*
6. Member announcements
7. Adjournment

\*Indicates a document is included in the packet for review.



**Lodgers and Automobile Rental Tax (LART)  
Citizens' Advisory Committee  
Meeting Minutes  
107 N. Nevada Avenue  
Academy Conference Room  
May 17, 2018  
3:00 p.m.**

**Committee members present:** Fred Veitch / Jack Damioli / Laurel Prud'homme / Daniel Kammerer / PK Knickerbocker / Paul York / Council member Tom Strand / Council President Pro Tem Jill Gaebler

**City staff members present:** Jeff Greene / Rebecca Greenberg / Carly Kobasiar / Carly Hoff / Jacquelyn Puett

**Guests present:** Doug Price / Doug Martin / Andy Vick / Rachel Beck / Doug Habgood

- 1) **Call to order** – Chair Fred Veitch called the meeting to order at 3:00 p.m.
- 2) **Public comment** – Jeff Greene, City of Colorado Springs Chief of Staff, briefly reviewed an upcoming LART funding request to establish the Colorado Springs Sports Authority. More information would be provided prior to the next LART CAC meeting.
- 3) **Approval of the meeting minutes from March 8, 2018** – Jack Damioli made a motion, seconded by Daniel Kammerer, to approve the March 8, 2018 meeting minutes as presented. The motion carried unanimously.
- 4) **LART fund balance update** – See attached fund balance sheet.
- 5) **LART polling discussion** – Rachel Beck, representing the Chamber and EDC, was present to discuss options for the best timeframe to conduct a public opinion poll regarding a potential LART increase.
- 6) **Discussion/recommendation for revisions to LART committee membership** – The committee members discussed in detail proposed changes to the LART CAC membership structure along with language for the rules and procedures. Rebecca Greenberg, representing the City's legal department, agreed to draft the proposed language options and provide to the committee and Council liaisons for review.

7) **Discussion/recommendation for supplemental request for the 2018 U.S. Senior Open**

Doug Habgood, Bruno Event Team, presented his request for additional funding to cover an increase in the cost of City services for the upcoming event. As outlined in his letter to the committee, \$70,910 was the additional amount needed to cover the funding shortfall and the increase in service cost was due to CSPD hourly rate increases, explosive ordinance disposal teams, tactical enforcement units, and the addition of an incident commander through the week of the event.

Fred Veitch made a motion, seconded by Daniel Kammerer, for a positive funding recommendation to City Council in the amount of \$70,910 for the event, with Jack Damioli recusing himself from the vote. The motion carried unanimously.

8) **Receive 2019 LART applications / presentation requests and schedule for June meeting** – The committee was presented with all of the 2019 LART applications received to date. Applicant presentations would take place on June 14 at City Hall.

9) **Member Announcements** – There were none.

10) **Adjournment** – Chair Jack Damioli adjourned the meeting at approximately 4:10 p.m.

(Attachment to 5/17/18 minutes)

## **LART - Funds available for appropriation**

<b>Ending fund balance - 12-31-17</b>	<b>\$575,826</b>
2018 Revenue - Budget	6,649,458
2018 Expenditure - Budget*	6,530,850
Contingency fund	250,000
TABOR Reserve	66,219
<b>Estimated funds available during 2018</b>	<b>\$378,215</b>

as of 04/24/2018

\*Includes Supplemental Appropriation to the LART Fund of \$50,000 approved by City Council on 4/24/18

## **LART CAC Presentations – June 14, 2018**

<u>1:10</u>	<u>Springs Spree (applicant requested to present)</u>
<u>1:20</u>	<u>Sidewalk Cleaning – Downtown</u>
<u>1:30</u>	<u>Barr Trail Improvements – Rocky Mountain Field Institute</u>
<u>1:40</u>	<u>Third Stop Ball Drop (applicant requested to present)</u>
<u>1:50</u>	<u>Young Champion Ambassador</u>
<u>2:00</u>	<u>Sky Sox 2019 Season Promotion</u>
<u>2:10</u>	<u>Cyber Symposium</u>
<u>2:20</u>	<u>Spring/Fall Concert Series (applicant requested to present)</u>
<u>2:30</u>	<u>CS Holiday Production</u>
<u>2:40</u>	<u>BREAK</u>
<u>2:50</u>	<u>Tough Mudder</u>
<u>3:00</u>	<u>World of Wearable Art</u>
<u>3:10</u>	<u>North Cheyenne Canyon / Garden of the Gods</u>
<u>3:25</u>	<u>UCCS Play the Game</u>
<u>3:35</u>	<u>UCCS Ent Arts Festival</u>
<u>3:45</u>	<u>COS Airport Marketing</u>
<u>3:55</u>	<u>Colorado Classic</u>
<u>4:05</u>	<u>Pikes Peak Outdoor Recreation Alliance</u>
<u>4:15</u>	<u>BREAK</u>
<b><u>4:20</u></b>	<b><u>Colorado Springs Sports Authority – Recommendation for 2018 Funding</u></b>



June 4, 2018

Ms. Jacquelyn Puett  
City Council Administrator  
Colorado Springs City Hall  
107 N. Nevada Ave., Suite 300  
Colorado Springs, CO 80901-1575

Dear Ms. Puett:

Please find the attached LART Application, which is submitted in association with the formation of the Colorado Springs Sports Authority.

On December 16, 2013, the City of Colorado Springs' "City for Champions" application, in accordance with the Regional Tourism Act, was approved by the Colorado Economic Development Commission. The approval resulted in an award of \$120.5 million in states sales tax increment over a thirty-year period.

City for Champions includes four unique and extraordinary tourism project elements, which are the United States Olympic Museum and Hall of Fame (USOM), the William J. Hybl Sports Medicine and Performance Center (SMPC), the United States Air Force Academy Gateway Visitor Center (AFAVC), and the Colorado Sports and Event Center (CSEC). Development of the USOM, SMPC, and AFAVC has commenced.

The CSEC project element will consist of an indoor and outdoor facility, and will be designed and built in accordance with Resolution No. 3 of the Colorado Economic Development Commission. The CSEC will be a world class multi-use sporting venue, designed to host national Olympic and amateur sporting events. The CSEC was allocated 23% of the total award, or approximately \$27.7 million over 30 years. Resolution No. 3 requires the formation of a Colorado Springs Stadium Authority (the Authority or the Sports Authority).

Local private stakeholders have made significant progress in finalizing concepts for the indoor and outdoor components of the CSEC. The City is conducting final due diligence on the concepts and anticipates that an announcement will be made on or before July 1, 2018. It is now necessary to form the Authority in order to advance the CSEC beyond the concept stage.

The LART funding request is for \$100,000 to cover the costs associated with the formation of the Authority. These costs will include necessary legal, consulting, general and administrative expenses. It is anticipated that the cost to establish the Authority will be a reimbursable "eligible expense" in accordance with Resolution No. 3, subject to (1) satisfying all of the conditions in

Resolution No.3, (2) final approval by the Colorado Springs Urban Renewal Authority as the Financing Entity, (3) final approval by the Colorado Office of Economic Development and International Trade, and (4) final approval by the Colorado State Economic Development Commission. Upon final approval as an Eligible Expense, the LART fund will be reimbursed for the amount awarded in accordance with this request.

The City for Champions Application submitted to the State included an in-depth fiscal and economic impact analysis. Central to the intent of State's Regional Tourism Act is the concept that new economic activity would be generated by "net new out of state visitors". The analysis detailed the various fiscal and economic impacts generated by the projected 510,000 annual net new out of state visitors to C4C venues. City staff prepared an analysis, which extrapolated the projected impacts of the CSEC in isolation based upon the CSEC's projected 118,481 annual net new out of state visitors. The attached Table provides relevant data pertaining to the fiscal and economic impacts of having the CSEC in our community.

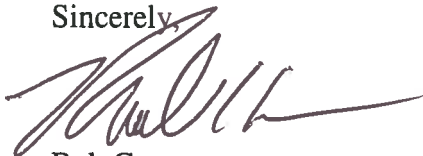
The following are some of the highlights from the analysis:

- \$73 Million in Additional Local Tax Revenue over 30 Years; \$2.5 Million per year on Average
- \$50 Million in Additional City Tax Revenue over 30 Years; \$1.7 Million on per year on Average
- **\$7.6 Million in Additional LART Revenue over 30 Years; \$250,000 per year on Average**
- \$1.5 Billion in additional Gross Metropolitan Product over 30 Years; \$50 Million per year on Average
- 650 Permanent Jobs
- 511 Construction Jobs
- 1,177 Total Jobs

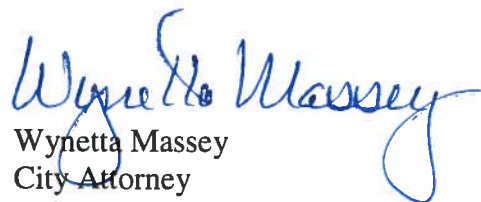
The analysis indicates that the CSEC produces very significant impacts on tourism and economic development, which is consistent with the intent of LART funding.

We would like to thank the LART Committee and City Council for their thoughtful consideration of this request. Any questions pertaining to this Application should be directed to Bob Cope or Wynetta Massey.

Sincerely,



Bob Cope  
Economic Development Officer



Wynetta Massey  
City Attorney



**2018 LART FUNDING APPLICATION**

APPLICATION # 3M-18

The City of Colorado Springs' Lodgers and Automobile Rental Tax (LART) fund is administered by City Council, with the guidance of the LART Citizen's Advisory Committee. The purpose of LART funding is to provide funds for marketing and other qualified expenses to support special events that attract visitors to the City and to the Pikes Peak Region, provide economic and cultural benefit, enhance the quality of life in the City, engage the community and encourage tourist activity.

Support from the LART fund is contingent on the approval of the City's annual budget and completion of all required contracts, agreements and follow-up reporting on the part of applicants. Questions regarding the application process or the program in general may be directed to City Council offices at 719-385-5453 or [jpuett@springsgov.com](mailto:jpuett@springsgov.com).

**APPLICANT INFORMATION**

Name:  Colorado Springs Sports Authority	Program/Event Name:  Category: __ Tourism __ Community __ Capital/Other
Contact Person: Bob Cope	Mailing Address: P.O. Box 1575, Mail Code 640 Colorado Springs, CO 80901-1575
Title: Economic Development Officer	Email: <a href="mailto:bcope@springsgov.com">bcope@springsgov.com</a>
Telephone Number: 719-385-5561	Web address:
___ Non-Profit ___ For Profit	Federal Tax ID:
LART amount requested: \$ <u>100,000</u> (cash)	

**PROJECT INFORMATION**

**Attendance**

**Prior year attendance** (please select one of the following)

Estimated attendance (no ticket, gate entry, or participant fee that tracks attendance): cover letter

Actual attendance (based on tickets, entry fee, or other tracking): cover letter

\_\_\_ prior attendance unknown/this is a first time event

If available, please also indicate number of:

Vendors: N/A Support staff/volunteers: N/A Media in attendance: N/A

**Current year estimated attendance**

Paid entrants/participation fee: N/A Free admission/participation estimate: N/A





**Lodging**

**Prior year actual hotel room nights** (please select one of the following)

Actual room nights (based on reservation code, hotel reporting, or other tracking): \_\_\_ N/A \_\_\_\_\_

\_\_\_ Unknown/first time event

**Current year estimated hotel room nights**

Estimate based on participants and/or spectators for event: \_\_\_\_\_ N/A \_\_\_\_\_

\_\_\_ no room nights expected/local event/one-day event

**Funding**

1) Have you previously received LART funding? Yes **No**

If **yes**, please list year(s), amount(s), and how funding was used. (attach additional sheet if necessary)

Year	Amount	Use

2) Will you (do you) receive funds from other sources? **Yes** No

If **YES**, please provide the funding source and amount. Continue on additional page as needed:

Source	Cash (amount)	In-Kind (value)
Revenue from Sports Authority Operations		



### First time applicants should provide the following as attachments:

- 1) Verification of your non-profit status; preferably a copy of IRS documentation (if applicable).
- 2) A detailed budget for the entire organization.
- 3) A brief history of your organization including date founded and purpose or mission statement (1 page maximum).

### Applicants for Capital Improvement or Special Circumstance consideration:

Please complete this application to the best of your ability. If sections on attendance and hotel calculations do not apply, please leave blank. In addition, please provide a summary (one page maximum) of your special request, including how your request will: attract visitors to the City and to the Pikes Peak Region, provide economic and cultural benefit, enhance the quality of life in the City, and/or engage the community and encourage tourist activity.

### All applicants must provide:

Failure to provide the following, or failure to provide explanation as to why the requested information is not available, may disqualify applicant from receiving LART funding.

- 1) A brief proposal summary explaining the primary benefits of your program/ event as it relates to LART funding. For events, please provide event schedule, dates, duration, frequency and venues, if available (1 page maximum).
- 2) A plan for attracting out of town visitors. (1 page maximum).
- 3) A proposed budget for the program/event, including other funding sources (1 page maximum).
- 4) An overall, annual budget for the organization (if unavailable, please explain).
- 5) A proposed marketing plan, to include planned advertising, media exposure, and other promotion for the program/event.
- 6) Method for calculating the number of attendees (surveys, ticket sales, gate entry, participation fees, etc.)
- 7) Method for estimating hotel room nights and car rentals. (If not applicable, please specify.)
- 8) List of Board of Directors.

### Program/Event information

Please list the aspects of your program/event for which you are requesting funds. Rank them in the order of their importance, with one being the highest. *Examples: promotion/advertising, event day logistics (barricades, security, park fees, CSPD, CSFD), supplies, etc .*



Priority	Description	Funds requested
(1)		
(2)		
(3)		
(4)		
(5)		

Please list ways in which you will partner with the City of Colorado Springs, CVB, Colorado Springs Airport, hotels or other entities for co-op opportunities, cross promotion, etc. *Example: Links on website, cross-promotion on Facebook, special discount codes, booth at event, etc.*

Entity	Co-op/partnership opportunity

**Submission information**

Please read the *2018 LART Funding Guidelines*, complete the entire application and include the required attachments.

Submit **one electronic copy** to City Council Assistant: [jpuett@springsgov.com](mailto:jpuett@springsgov.com)

**Applications must be received by Thursday, May 4, 2017, at 5:00 p.m.**

**Certification**

I have read the *2018 LART Funding Guidelines* and have included the required attachments.

I, the undersigned, certify that the information contained in this application and in all attachments is true and correct to the best of my knowledge.

Bob Cope, Economic Development Officer  
Organization contact and title (please print)

Wynetta Massey, City Attorney

*[Handwritten Signature]*  
Signature

*[Handwritten Signature]* 06-04-2018  
Date

## Attachment 1

- 1)** A brief proposal summary explaining the primary benefits of your program/ event as it relates to LART funding. For events, please provide event schedule, dates, duration, frequency and venues, if available (1 page maximum).

See Cover Letter

- 2)** A plan for attracting out of town visitors. (1 page maximum).

See Cover Letter. A detailed Business Plan for the CSEC will be developed in accordance with Resolution No. 3.

- 3)** A proposed budget for the program/event, including other funding sources (1 page maximum).

See Cover Letter. A detailed Business Plan for the CSEC will be developed in accordance with Resolution No. 3.

- 4)** An overall, annual budget for the organization (if unavailable, please explain).

The Colorado Springs Sports Authority will generate revenue sufficient to cover its cost of operation through future agreements with the sports and event venues under its jurisdiction.

- 5)** A proposed marketing plan, to include planned advertising, media exposure, and other promotion for the program/event.

See Cover Letter. A detailed Business Plan for the CSEC will be developed in accordance with Resolution No. 3.

- 6)** Method for calculating the number of attendees (surveys, ticket sales, gate entry, participation fees, etc.)

Resolution No. 3 requires that the Colorado Springs Urban Renewal Authority report annually on the actual overall effectiveness of the CSEC including attendance.

- 7)** Method for estimating hotel room nights and car rentals. (If not applicable, please specify.)

Resolution No. 3 requires that the Colorado Springs Urban Renewal Authority report annually on the actual overall effectiveness of the CSEC including impacts of net new out of state visitors.

- 8)** List of Board of Directors.

TBD.

## TOTAL LOCAL TAX REVENUE - 30 Year Analysis

	C4C		CSEC	
	513,551 NET NEW VISITORS		118,481 NET NEW VISITORS	
% NET NEW VISITORS		100%		23.07%
TOTAL LOCAL TAX REVENUE		\$318,000,000		\$73,362,600
AVERAGE LOCAL TAX REVENUE		\$10,600,000		\$2,445,420
TOTAL CITY TAX REVENUE		\$217,000,000		\$50,061,900
AVERAGE CITY TAX REVENUE		\$7,200,000		\$1,661,040
TOTAL COUNTY TAX REVENUE		\$101,000,000		\$23,300,700
AVERAGE COUNTY TAX REVENUE		\$3,400,000		\$784,380

## LART - 30 Year Analysis

	C4C		CSEC	
	513,551 NET NEW VISITORS		118,481 NET NEW VISITORS	
% NET NEW VISITORS		100%		23.07%
TOTAL TAX REVENUE @ 2%		\$83,000,000		\$19,148,100
LODGING SPENDING 28% (2% LART)		\$23,200,000		\$5,352,240
TRANSPORTATION SPENDING 23% (1% AUTO RENTAL)		\$9,600,000		\$2,214,720
TOTAL LART		\$32,800,000		\$7,566,960
ANNUAL LART REVENUE		\$1,200,000		\$252,232

## Economic Impacts - 30 Year Analysis

	C4C		CSEC	
	513,551 NET NEW VISITORS		118,481 NET NEW VISITORS	
% NET NEW VISITORS		100%		23%
Total Gross Metropolitan Product		\$6.5 Billion		\$1.5 Billion
Average Gross Metropolitan Product		\$217 Million		\$50 Million
Permanent Jobs		2,816		650
Construction Jobs		2,215		511
Total Jobs		5,100		1,177