

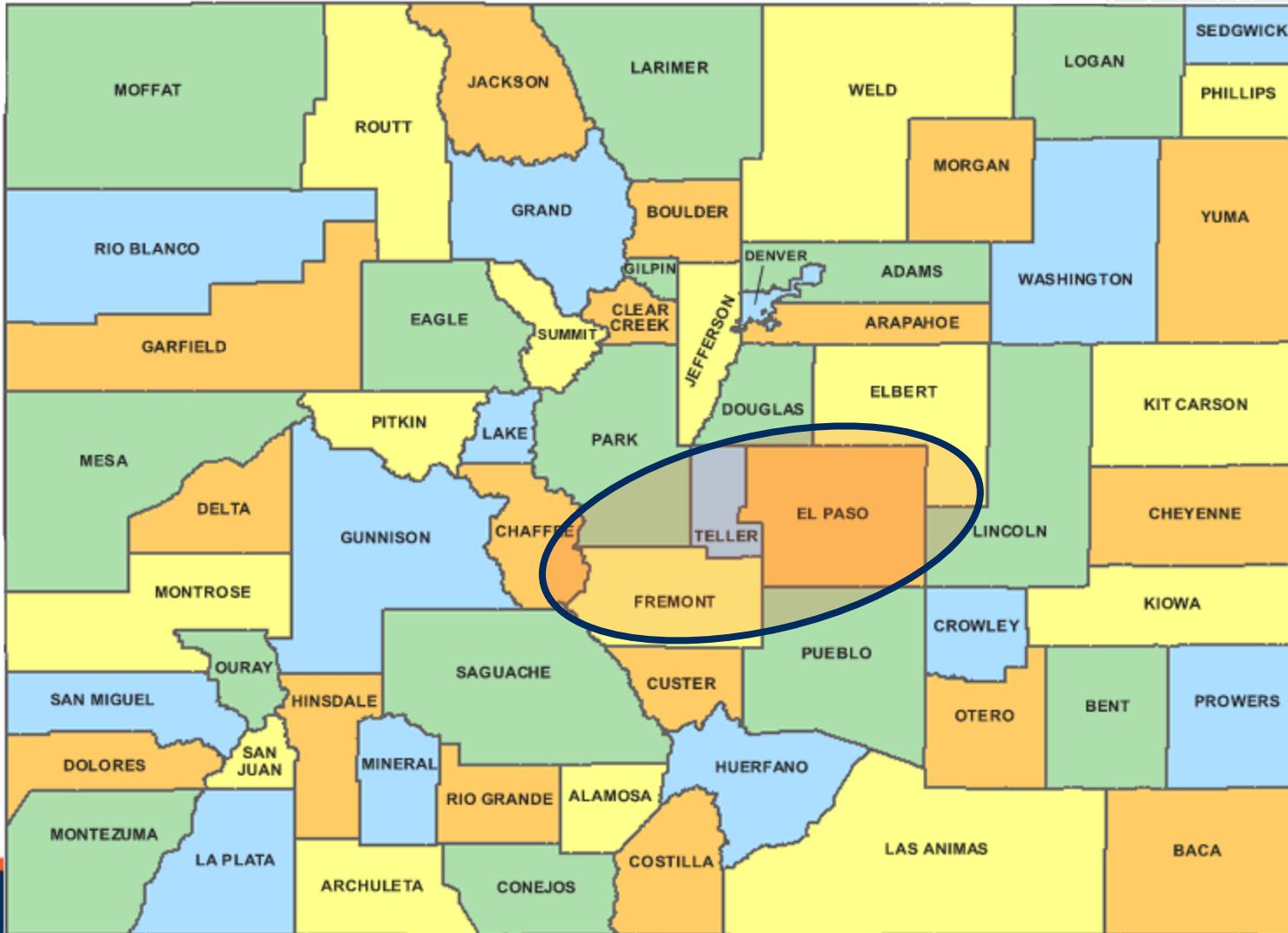


Parks and Recreation Advisory Board

May 12, 2016



Pikes Peak Region (El Paso, Teller & Fremont)



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COLORADO
SPRINGS

\$1.35 Billion

\$43 Per Second



17,000 Jobs



How the Funding Works



Lodging &
Automobile Rental Tax
(City of Colorado Springs only)



2%

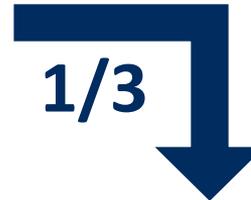
\$4,461,172



1%



Application Process



1/3

Contract between City
& CVB

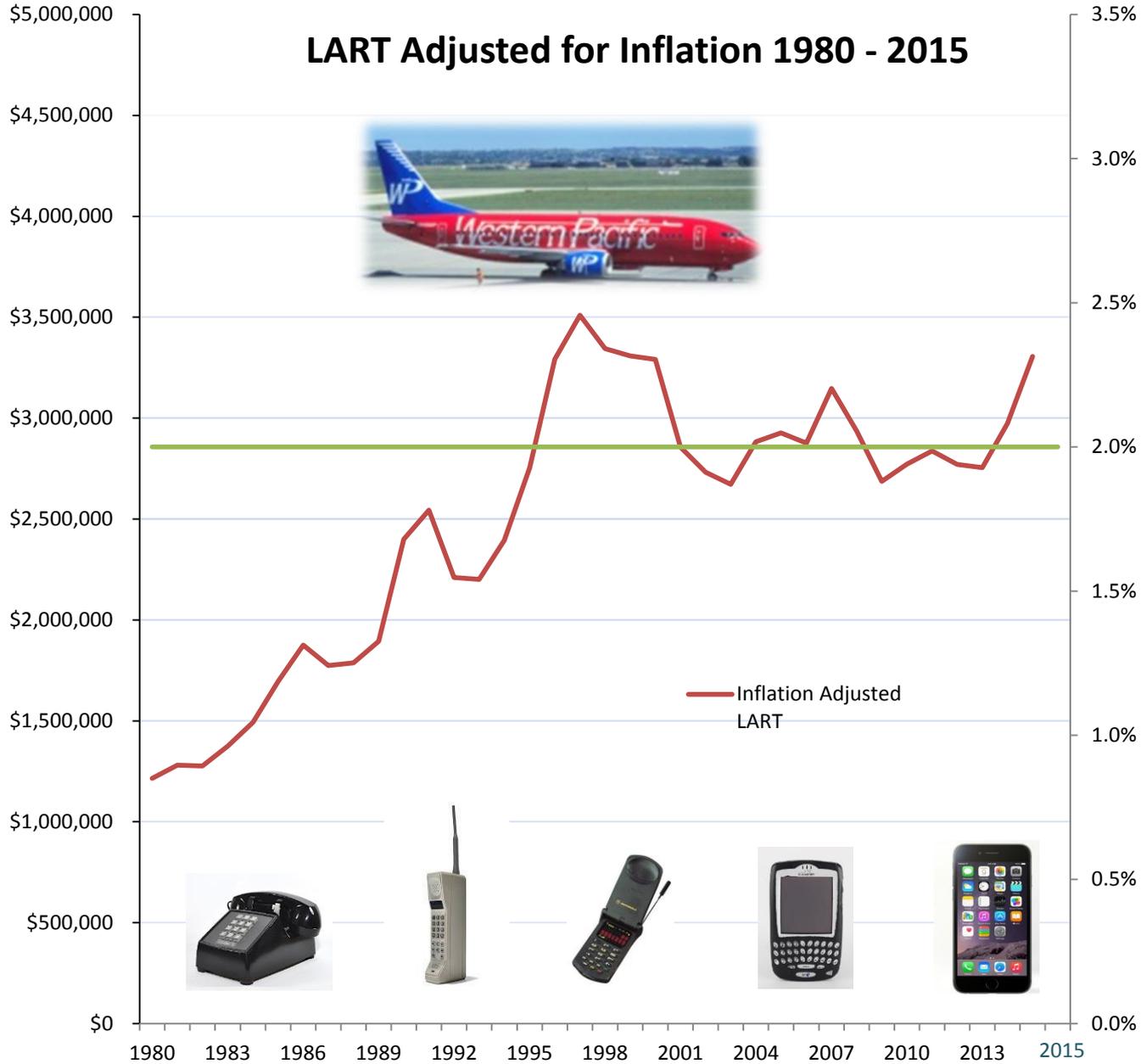


2/3



ADO
INGS

LART Adjusted for Inflation 1980 - 2015

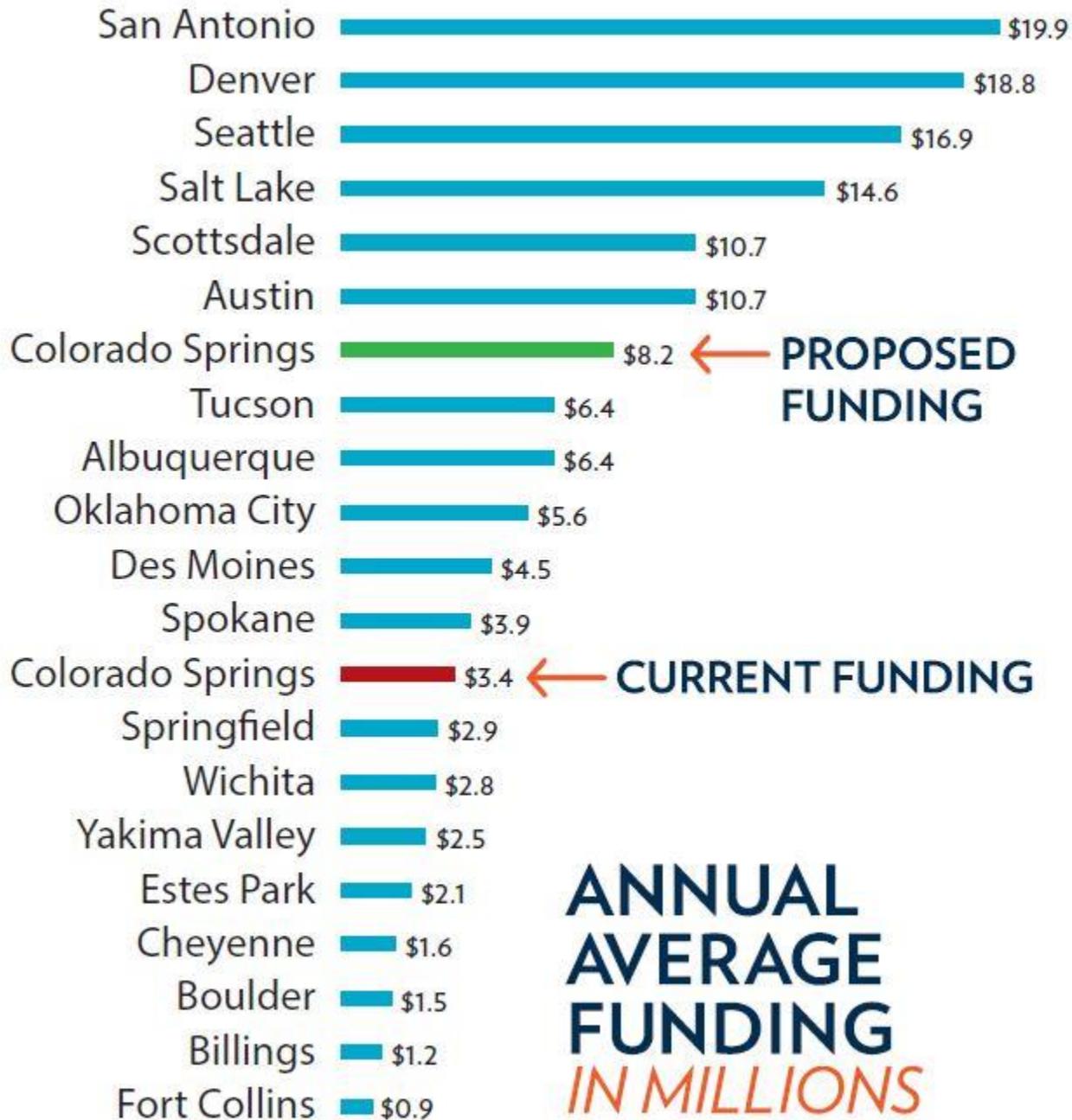


Hypotheses

- **The promotional budget is low**
- **There is room to grow LART collections**
- **Will increase: revenue, tax collections and jobs**
- **New assets need marketing support**
- **Will benefit airport service**

Funding Scenarios

	Current Colorado Springs CVB budget	Optimal DMO Funding for Pikes Peak Region
Annual funding for destination marketing (i.e. total CVB budget)	\$3.4 million	Scenario A: \$5.8 million Scenario B: \$7.0 million Scenario C: \$8.2 million



Funding Mechanisms

Alternative 1: Expand LART

Increase existing Colorado Springs LART, and expand to include attractions

- Increase LART tax rate (e.g. 4.0%)
- Expand tax to attractions
- Specifically dedicate 2/3 share to DMO
- Multi-year DMO contract

Alternative 2: Create LMD

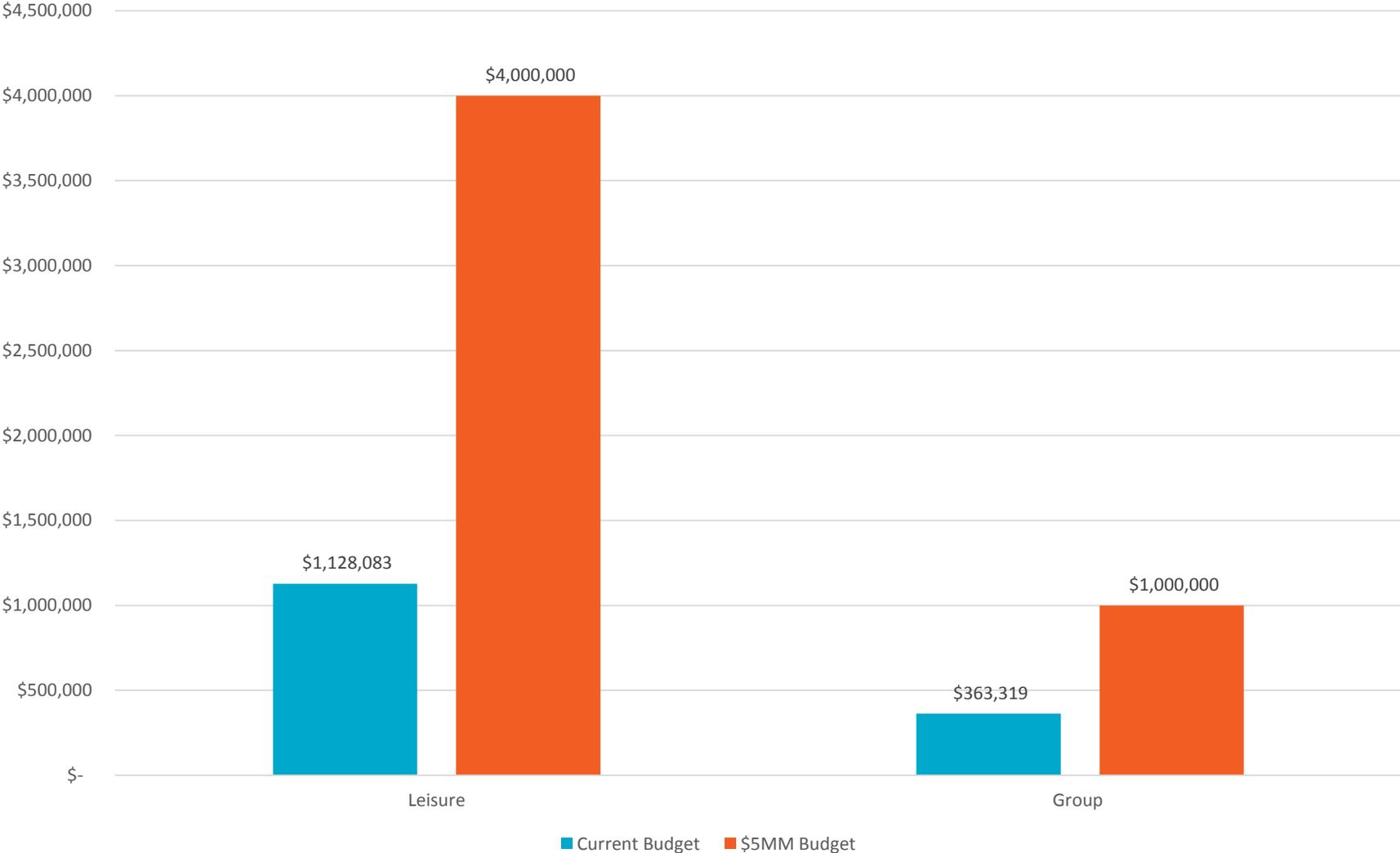
Establish a local marketing district (“LMD”) and implement local taxes on rental cars and attractions

In addition to Alternative 1:

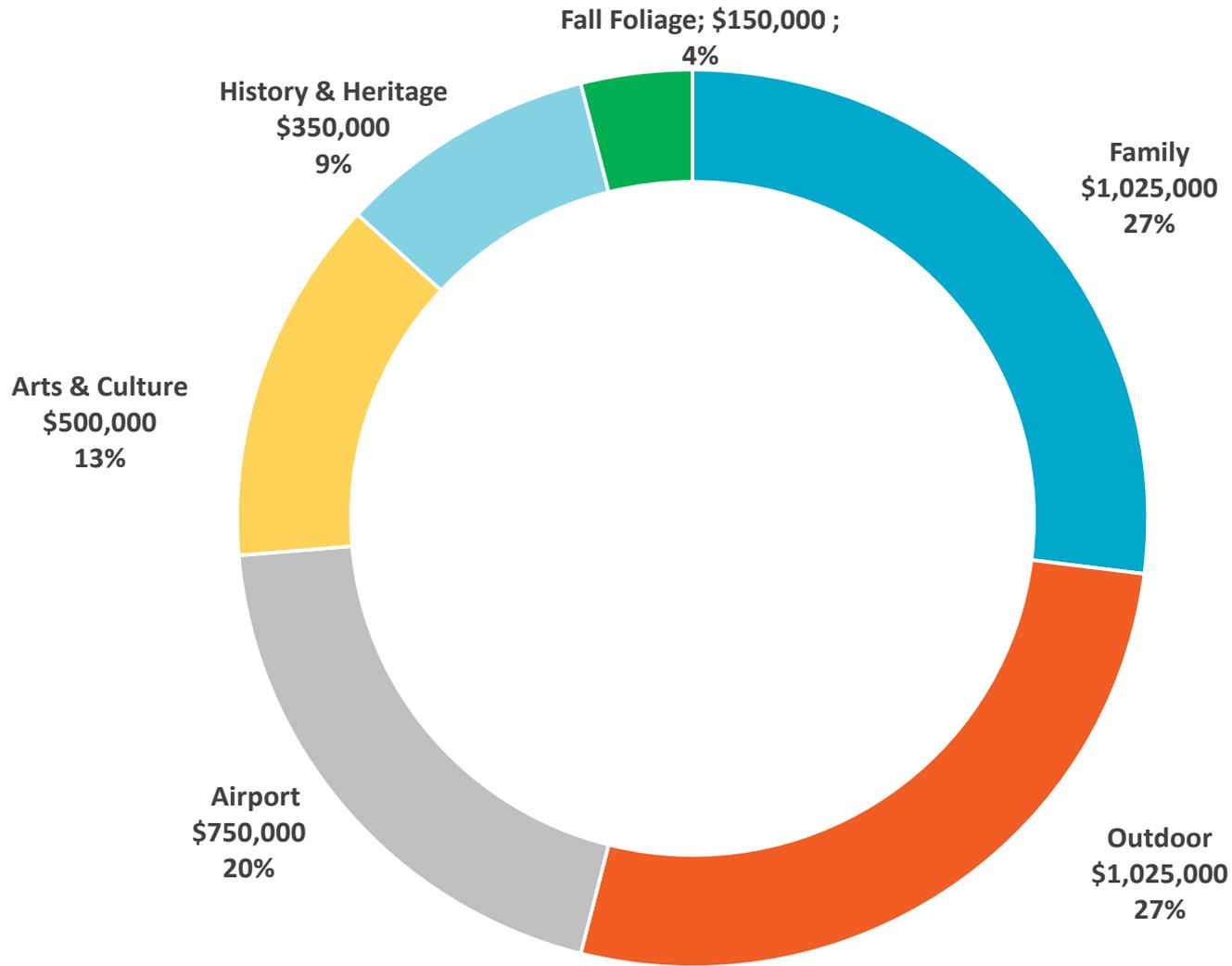
- Create LMD including selected areas of the Pikes Peak Region

CVB Media Placements

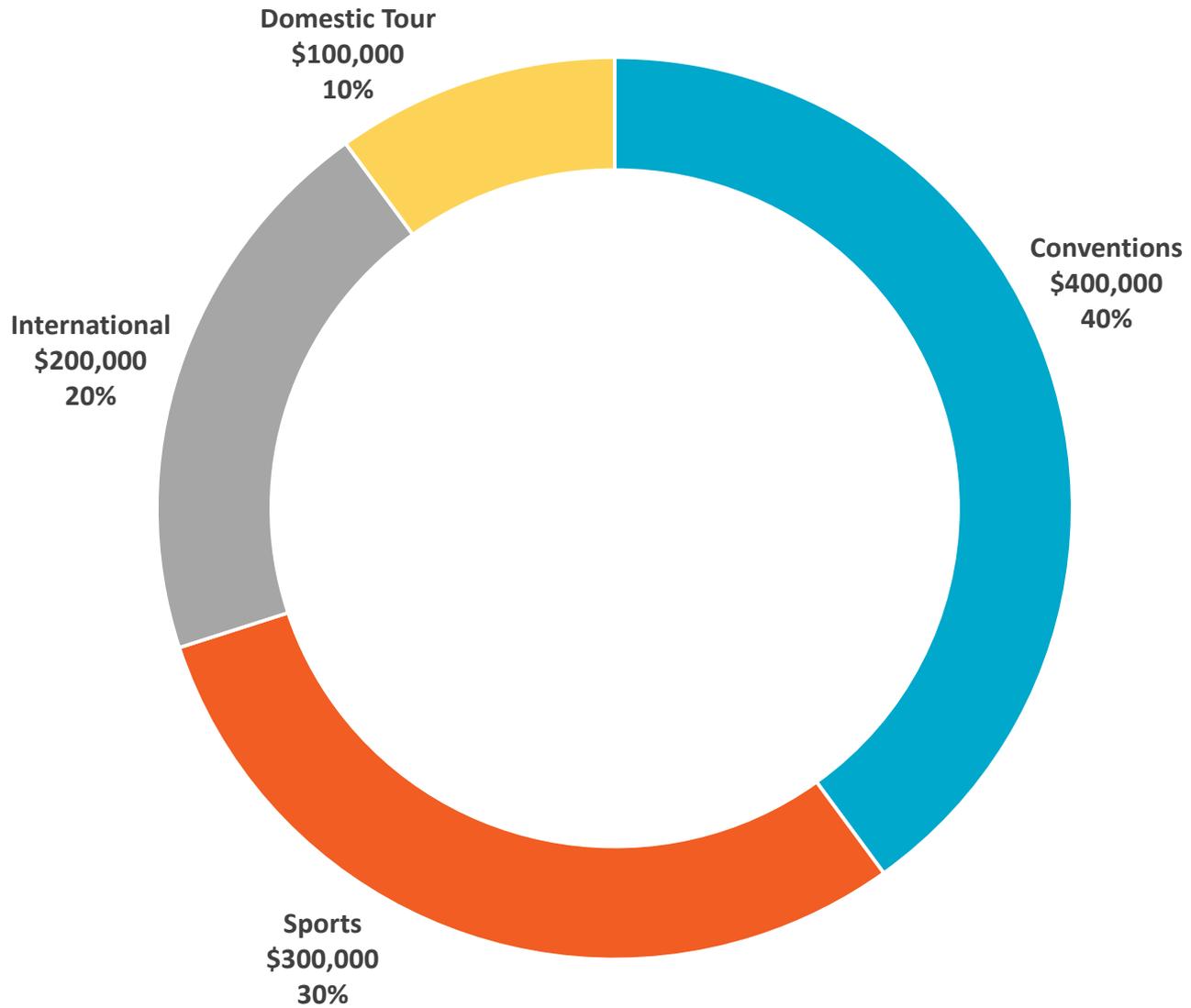
Current Budget vs. Projected \$5MM Budget



CVB Leisure Markets - \$4MM Budget

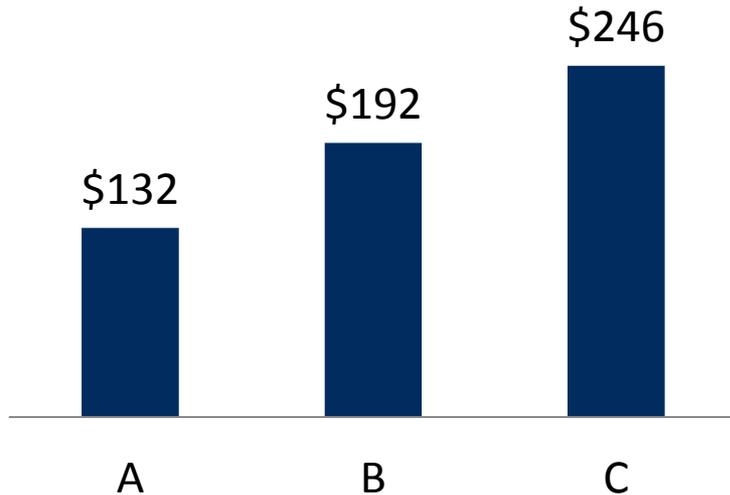


CVB Group Markets - \$1MM Budget

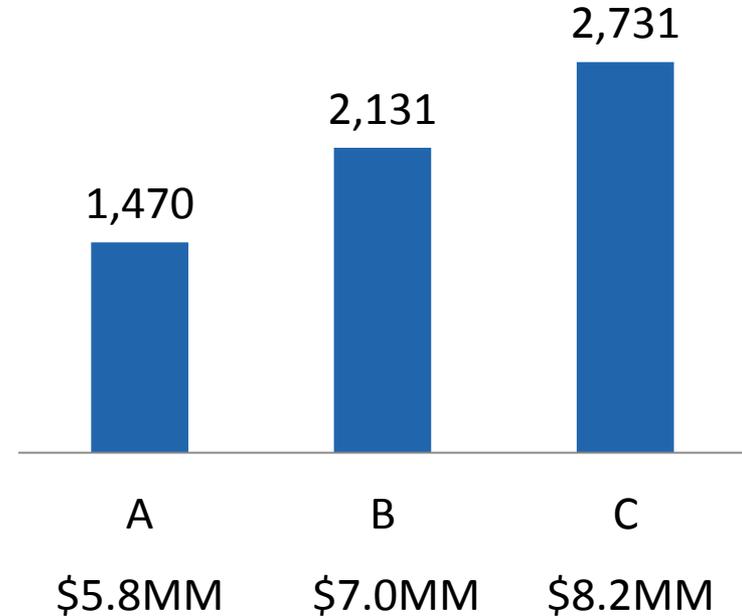


Outcomes

Increase in Pikes Peak region
visitor spending (in millions)



Increase in Pikes Peak region
tourism-sector jobs



Funding: \$5.8MM

\$7.0MM

\$8.2MM

\$5.8MM

\$7.0MM

\$8.2MM



- + General fund revenues
- + Purchases at other local businesses
- Tax burden for local households