Welcome to VISIT DENVER's quarterly *Policy Perspectives* newsletter highlighting local, state and federal issues impacting the tourism and hospitality industry.

If you have any questions or would like more information, please contact Carrie Atiyeh, Director of Government & Community Affairs, at catiyeh@visitdenver.com or (303) 571-9466.



POLICY PERSPECTIVES

LOCAL NEWS



- Denver Tourism Roadmap updates:
 - The City and RTD have unveiled the proposed recommendation for <u>realignment of the 16th Street Mall</u>, which will remove the center median between Tremont and Arapahoe Streets to allow more space for pedestrians, sidewalk cafes and other uses. Construction could begin at the end of 2019 or early 2020 and conclude in 2022 at an estimated cost of \$90-130 million. Completing the physical reconstruction of the 16th Street Mall is a primary initiative in the Roadmap to improve downtown visitor experiences.
 - Superfly, organizers of the multi-day music festival in Overland Park, have announced the
 festival name <u>Grandoozy</u> as well as festival headliners! VISIT DENVER supported City
 Council's approval of the festival contract in 2017 and is proud to be a sponsor of this event
 that will elevate Denver's brand and music scene and achieve another major Roadmap
 initiative to pursue signature events and festivals that draw overnight visitors.
 - The Denver and Colorado Olympic and Paralympic <u>Winter Games exploratory committee</u>, formed at the end of 2017, has been conducting significant community outreach in the metro area and across the state. In addition, the committee is assessing financial, legal and operations considerations before making a recommendation to Mayor Hancock and Governor Hickenlooper, anticipated in May. Potentially hosting a Winter Games ties to the Roadmap initiative to host global events that put Denver on the international state that generate tourism economic impact and international recognition.
 - Denver City Council recently approved contracts with Fentress Architects and Trammell Crow for architectural design work and program management, respectively, related to the Colorado Convention Center (CCC) expansion project. Expansion of the CCC is a primary initiative in the Roadmap to expand meetings and convention business and infrastructure. The Convention Sales team will be conducting focus groups with the architects in Washington, D.C., Chicago and New York to get direct input from meeting planners.
- In 2017, <u>short-term rentals generated \$3.5 million in lodger's tax</u>. And beginning April 1, the City has
 finalized an agreement with Airbnb to allow <u>Airbnb to collect and remit the city's lodger's tax on behalf
 of hosts</u>, simplifying collection and enforcement. However, hosting through all other short-term rental
 platforms will still require the host to collect and remit the city's lodger's tax.
- The first of three annual <u>Outdoor Retailer</u> shows was held at the Colorado Convention Center in January, the largest convention booking in Denver's history! Governor Hickenlooper was part of a press conference to open the show which welcomed approximately 28,000 attendees. The move from long-time host Salt Lake City was a result of retailers expressing significant concerns about policies related to the protection of public lands. Outdoor Retailer will be back in Denver for the summer show in July.

The 2018 <u>National Western Stock Show</u> welcomed 705,574 people over the course of the 16-day
event, the second highest attendance in history. As the National Western Complex is <u>redeveloped</u> into
the National Western Center, members of the <u>new authority board</u> have been announced, led by
Authority chairman and former Lt. Governor Joe Garcia.

STATE NEWS



- As the 2018 legislative session kicked off in January, <u>Speaker of the House Crisanta Duran</u> (D-Denver) and <u>Governor Hickenlooper</u> both welcomed Outdoor Retailer to Colorado in their opening day speeches. In addition, the Governor also touted Colorado's most recent tourism records.
- The Tourism Industry Association of Colorado (TIAC) successfully thwarted legislation (HB 18-1084) that would have potentially diverted county lodging tax revenues away from advertising and marketing for local tourism.
- A report by short-term rental platform Airbnb found that <u>Colorado hosts earned \$183 million from 1.2 million guests</u> in 2017. The top Airbnb markets in Colorado are (in order by number of guests):
 Denver, Breckenridge, Colorado Springs, Boulder, and Ft. Collins.

FEDERAL NEWS



- VISIT DENVER participated in the U.S. Travel Association's annual Destination Capitol Hill legislative
 fly-in. A key focus area was the recent decline in international visitor market share, resulting in
 reduced spending and travel related jobs. Through November 2017, international travelers to the U.S.
 spent 3.3 percent less than the previous year resulting in losses of \$4.6 billion. Another, related issue
 discussed with lawmakers was Open Skies and the recent agreement with Qatar Airways.
- The <u>Visit U.S. Coalition</u> was recently created by a broad group of travel and tourism related stakeholders including the American Lodging Association, National Restaurant Association, the U.S. Chamber of Commerce, and others with the goal to increase international travel spending. The <u>policy agenda</u> focuses on international travel as a national priority and streamlining the entry and visa processes.
- The U.S. Travel Association released its <u>2017 recap and 2018 priorities</u> which include a focus on improved infrastructure, airport modernization, and protection of tourism budgets at the local, state and federal levels.
- For the first time, the U.S. Bureau of Economic Analysis has quantified the economic impact of the
 outdoor recreation industry as a result of legislation sponsored by Colorado U.S. Senator Cory
 Gardner. In 2016, the <u>outdoor recreation industry generated \$374 billion</u> in economic output, which
 equates to 2 percent of gross domestic product (GDP).

The State Department has issued a proposal that would require nearly all visa applicants to <u>provide their</u> social media account information from the past five years.



FEDERAL TIP POOLING RULES HAVE CHANGED

Recently, the Federal government repealed the regulation that restricted sharing tips among front of house and back of house employees. Restaurants interested in instituting a legal Tip Pool have the following requirements:

- First, you must pay all employees at least the full Colorado minimum wage and not the tipped minimum wage
- · Second, you must not include managers, supervisors, or owners in the tip pool
- Third, you must post a printed sign informing the general public that the restaurant shares tips
 amongst the employees. You can find the specific rules on sign dimensions and language required by
 the state of Colorado at Corestaurant.org

COLORADO LEGISLATIVE SESSION

Auction Alcohol at Special Events - Senate Bill 67 by Sen Zenzinger (D-Westminster) and Sen Priola (R–Brighton) allows charities to utilize silent auctions containing sealed bottles of alcohol at on-premises liquor licensed locations. Currently, these types of events happen often in the State of Colorado, but were technically a violation of the Colorado Liquor Code. This bill codified in law a practice that was already occurring. This legislation was signed into law by the Governor and was immediately effective.

Transfer Alcohol on Surrendered License - Senate Bill 138 by Sen Gardner (R-Colorado Springs) and Sen Kerr (D–Lakewood) allows a restaurant or bar to sell their remaining alcohol stock to another liquor license with common ownership if their liquor license is surrendered or revoked. The licensee would have to offer the wholesalers the opportunity to purchase back any alcohol they may want and the selling location will have to pay for any alcohol that has not been paid for yet. Currently, when a business has to surrender their license, any alcohol not purchased back by the wholesaler becomes the personal property of the license holder and cannot be used at another location. This legislation was signed into law by the Governor and will take effect in August.

Marijuana Consumption House Bill 1258 by Rep Singer (D-Boulder) and Rep Melton (D-Aurora) would give any retail marijuana shop the ability to have a consumption permit. This consumption permit would be a separate business, within the same jurisdiction as their original license where customers would have the ability to purchase marijuana to be consumed on site. They would only be able to consume marijuana that is cultivated by the business that owns the consumption location. This location would not have the ability to serve alcohol or prepared food. The CRA is monitoring this legislation to prevent allowing dual consumption of marijuana and alcohol. This bill is making its way through the House with reasonable support.

Please contact Nick Hoover, Government Affairs Coordinator or Sonia Riggs, President & CEO, at 303-830-2972, should you have questions or need further information on anything that CRA is working on.



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