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January 2021



# POLICY PERSPECTIVES

#### Hello VISIT DENVER Partners.

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 <a href="mailto:catiyeh@visitdenver.com">catiyeh@visitdenver.com</a> or (303) 571-9466.

# **LOCAL NEWS**



- VISIT DENVER continues to closely monitor and stay engaged on local, state and federal pandemic guidance and policies impacting our industry. The <u>Clean & Safe</u> <u>Resource Guide</u> is kept up to date with useful information for our partners, visitors, planners, and residents.
- Effective Monday, January 4, <u>Denver moved from Level Red to Level Orange</u> on the state's COVID-19 dial per an order from Governor Polis. Level Orange allows Denver restaurants, indoor and outdoor events, gyms and others to operate at higher capacities.
- Denver has submitted its application to the state for the <u>5 Star State Certification</u>
   <u>Program.</u> Pending state approval, local businesses will apply to participate in the program and be permitted to operate at one level less restrictive than Denver's current COVID-19 dial level. More details to come.
- Denver is now accepting applications for the Small Business Emergency Relief Fund (SBERF). Small businesses impacted by the pandemic may apply for relief grants ranging from \$3,500 to \$7,000. Applications will be accepted until Tuesday, January 26 at 5 p.m. SBERF information and applications are available here.
- The City and County of Denver will be making \$4M available for residents, workers and small businesses including \$1M for hotel and restaurant workers who have been laid off or furloughed. Click here for guidance and resources for residents and businesses in Denver.
- Effective January 1, Denver's minimum wage increased from \$12.85 to \$14.77 per hour.
   The tip credit for tipped employees remains at \$3.02 per state law.

- In November 2020, Denver voters overwhelmingly supported ballot measures <u>2A</u> and <u>2B</u>. Each measure increases the local sales tax by 0.25%, with 2A funds to support climate mitigation and sustainability efforts and 2B funds to support homeless services, shelter and housing. Both measures were supported by VISIT DENVER's Board of Directors. These sales tax increases went into effect January 1, 2021, raising Denver's total sales tax from 8.31% to 8.81%. This increase does not impact lodger's tax in the City and County of Denver. <u>See a full list of Denver's current tax rates here.</u>
- Looking ahead to the November 2021 election, two citizen-led initiatives have been filed
  with the City one for an <u>electricity and natural gas tax</u> for commercial, industrial and
  residential customers and one that would require all businesses (including multi-family
  housing, restaurants, hotels and more) to provide <u>compost and recycling pickup.</u>
- VISIT DENVER was recognized as one of 39 American companies to receive the <u>Presidential Award for Export Achievements</u> from the U.S. Department of Commerce!
- The first phase of Denver International Airport's <u>gate expansion project</u> is complete.
   However, the <u>Great Hall</u> project scope is being scaled back due to budget constraints.
- Two temporary <u>Safe Outdoor Spaces</u> (SOS) began operating in Denver in December for people experiencing homelessness.
- Denver City Council approved increased <u>regulation and enforcement of short-term</u> <u>rentals</u> (STRs) by holding platforms such as Airbnb and VRBO accountable for posting only licensed properties.
- The <u>Livestock Exchange Building</u> at the National Western Center (NWC) has been sold
  and will be renovated to house food- and ag-related organizations. All three buildings of
  <u>CSU's Spur Campus</u> at the NWC are under construction and will be open in 2022.
- The City issued a \$170M fourth round of financing to support and accelerate projects in the <u>Elevate Denver Bond Program</u> approved by Denver voters in 2017.
- RTD and Lyft are partnering so that RTD tickets may be purchased through the Lyft app.

# STATE NEWS



- During its <u>special session</u>, the Colorado Legislature passed 10 bills totaling more than \$300M in pandemic aid including support for small businesses, arts programs, and sales tax reduction for restaurants and bars.
- The <u>Colorado General Assembly</u> will convene on January 13 to conduct initial business but then recess until approximately mid-February.
- The state's Legislative Council Staff have compiled tracking documents of the numerous <u>executive orders</u> and <u>public health orders</u> issued in response to the COVID-19 pandemic.
- <u>"Flexcations"</u> are becoming popular in Colorado and across the country as people seek
  pandemic vacation rentals where they can work, learn and play. Breckenridge and
  Steamboat Springs are <u>Airbnb hotspots</u> as travelers seek leisure escapes and alternate
  locations to work remotely.
- The University of Colorado Boulder issued the 56th annual <u>Business Economic Outlook</u> for 2021 which includes a detailed section on the leisure and hospitality sector as well

as construction, manufacturing, agriculture and other vital sectors of the state's economy.

## FEDERAL NEWS



- Congress passed a \$900B pandemic relief package including support for DMOs, lodging and food service businesses, performing arts centers, museums, airports and more.
- Destinations International has formed a partnership with the <u>U.S. Conference of Mayors</u> to further strengthen the relationship between elected officials and our industry across the country.
- The U.S. Travel Association (USTA) has developed a recommendations document for the first 100 days of the Biden/Harris administration focused on economic relief and recovery for our industry and the country.

### INTERNATIONAL NEWS



• The <u>Tokyo Olympics</u>, postponed in 2020 due to the COVID-19 pandemic, are hopeful about being able to host the event in 2021.

## PARTNER PERSPECTIVES



Should you have questions or need further information on anything that <u>CHLA</u> is working on, please don't hesitate to contact Amie Mayhew, President & CEO, at <u>amayhew@chla.com</u>.



Visit CRA's Coronavirus Info & Resources page for local, state and federal information.

Since the beginning of the COVID-19 pandemic, the Colorado Restaurant Association has been working hard to advocate for restaurants at every level of government. Restaurants have been some of the hardest hit businesses during the pandemic. In our November 2020 survey (prior to the second round of dining room closures), restaurants revealed some grim numbers:

- 91% of restaurants said their revenue was down in the summer of 2020 compared with the summer of 2019.
  - The average loss for those who were down is about 40%, and 7% of restaurants said their losses were greater than 80%.
- 78% of restaurants said their staff is smaller than it was this time last year.
  - 15% report their staffs were more than 50% smaller.
  - Based on staffing levels, we estimated the industry had shed about 27% of its
    jobs compared with the same time last year that's about 63,450. And we
    estimate that many more have been lost since this fall as indoor dining was
    shut down after the survey.
- 73% of restaurants said they would have to consider closing their doors permanently within 6 months at 25% occupancy.
  - 43% said they would have to consider closing their doors within 3 months.
- 79% of restaurants said they would have to consider closing their doors permanently within 6 months if there was another shut down.
  - 24% said they would have to consider closing their doors within a month.

These were some of the most dramatic numbers we have seen in our survey results since the beginning of the pandemic and this survey was taken before the second round of closures took place. Restaurant have told us that they need to be at 75% of indoor capacity to survive medium term. So we will need to see a lot of changes in the coming months if Denver is to look remotely like it did before the pandemic.

We have worked with Governor Polis' office, state departments, and the legislature in order to ease some of the burdens that have been put on restaurants during this pandemic. We have had some success in getting changes made to Public Health Orders, Liquor Enforcement Bulletins, and helped to pass legislation at the state and local level to provide relief for restaurants, but much more is still needed. We will work with the Colorado Legislature in the coming legislative session to push legislation that will reduce regulatory burdens for restaurants, provide or extend new paths of revenue for restaurants (like extending alcohol for takeout and delivery), and to support bills that will help sustain restaurants through the recovery and beyond.

Should you have questions or need further information on anything that <u>CRA</u> is working on, please contact Sonia Riggs, President & CEO, or Nick Hoover, Manager of Government Affairs at <a href="mailto:nhoover@corestaurant.org">nhoover@corestaurant.org</a>.

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