TID Creation

- First TID in Colorado, collaboration of VISIT DENVER, Colorado Hotel & Lodging Association, and City and County of Denver
- TID created by Ordinance 17-0883 in August 2017
- Imposes a 1% tax on the purchase of lodging at all hotels with 50 or more rooms in the City and County of Denver
 - In November 2017, eligible electors supported creation of the TID with 96% support

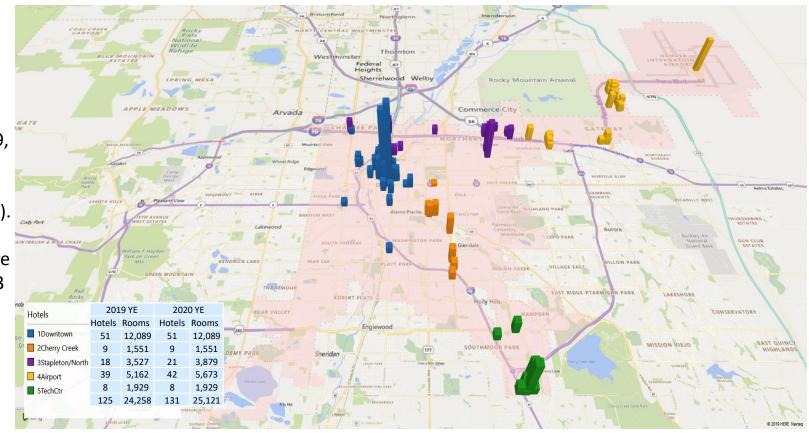


TID Hotel Members

108 hotels when TID was created.

By end of 2019, there will be 125 TID hotels (24,258 rooms).

In 2020, 6 more TID hotels (863 rooms) will be opened.





TID Purpose

- Colorado Convention Center (CCC) expansion
 - TID pledges up to \$3.45M annually for support of City's \$129M Certificate of Participation
- Marketing and promotions
 - VISIT DENVER to use remaining revenues to help bring convention and leisure visitors to Denver
- CCC future capital improvements
 - In TID's 4th year, 10% of district revenues to be used for future improvements



TID Governance

Board Member Appointed By:

Walter Isenberg (President) VISIT DENVER

President & CEO, Sage Hospitality

Greg Leonard (President-Elect) Mayor

General Manager, Hyatt Regency at the Colorado Convention Center

Allen Paty (Secretary/Treasurer) CHLA

General Manager, DoubleTree by Hilton Denver

Tracy Blair CHLA

Director of Sales and Marketing, Sheraton Hotel Denver

Navin Dimond VISIT DENVER

President & CEO, Stonebridge Companies

John Everett CHLA

General Manager, Westin Denver Downtown

Laura Lojas Mayor

General Manager, The Westin Denver International Airport Hotel

Richard Scharf

President & CEO, VISIT DENVER (ex officio)



Economic Uncertainties Could Spell Trouble for U.S. Hotel Industry

by Alicia Hoisington | Aug 27, 2019 9:14am





Travel Services, Corporate Travel Isaac Carey, Skift Aug 22, 2019 10:00 am



Group Bookings Slowdown **Skift** Showing Up Already in Hotel **Earnings**

- A recent Cvent report forecasts a decline in group bookings for late 2020, but for many hotel companies, this decline is already being felt.
- Hilton, Hyatt and IHG experienced a slowdown in group bookings in the first half of 2019, Skift found in its analysis of hotel earnings.



Denverite

Denver's economy is still growing, but not as fast as it once was, in part because people are spending less money.

City sales tax, which makes up half of Denver's general fund revenue, <u>isn't performing as</u> <u>well as officials expected</u>.

Construction, manufacturing, medical marijuana sales and car sales are down as well, according to the Hancock administration. Property taxes, fees for things like building permits, and fines for things like parking tickets are still flowing in, but not as fast as they once were.

Tourists are still visiting and people are still eating and drinking out, which has contributed to what momentum Denver still has, Chief Financial Officer Brendan Hanlon told Denverite.



City Revenue Sources – Many Driven By Visitors

#	Description	Tax Category	2018 Amount	
1	Property tax	Primary Gov't Tax	\$473.0 Million	
2	Charges for services	Other Revenue	\$279.0 Million	
3	Intergovernmental revenues	Other Revenue	\$278.2 Million	
4	All other outlets	Sales Tax	\$146.3 Million	
5	Eating and drinking establishments (1)	Sales Tax	\$122.1 Million	
6	Lodger's tax	Primary Gov't Tax	\$120.1 Million	
7	Building materials and farm tools	Sales Tax	\$91.1 Million	
8	Licenses and permits	Other Revenue	\$68.0 Million	
9	Auto dealers and supplies	Sales Tax	\$63.9 Million	
10	Other revenue	Other Revenue	\$63.1 Million	
11	Other retail stores	Sales Tax	\$54.6 Million	
12	Occupational privilege tax	Primary Gov't Tax	\$53.1 Million	
13	Fines and forfeitures	Other Revenue	\$45.0 Million	
14	Home furnishings, electronics & appliances	Sales Tax	\$44.7 Million	
15	Information producers and distributors	Sales Tax	\$38.0 Million	
21	Marijuana stores (retail \$30.0M; \$7.6M)	Sales Tax	\$37.6 Million	
16	Investment and interest income	Other Revenue	\$37.5 Million	
17	Manufacturing	Sales Tax	\$35.4 Million	
18	Public utilities	Sales Tax	\$32.7 Million	
19	Food stores	Sales Tax	\$31.1 Million	
20	Motor vehicle ownership fee tax	Primary Gov't Tax	\$30.7 Million	
22	Contributions	Other Revenue	\$30.0 Million	
	Apparel stores	Sales Tax	\$28.4 Million	
24	General merchandise	Sales Tax	\$23.5 Million	
25	Facilities development admission tax	Primary Gov't Tax	\$16.8 Million	
26	Service stations	Sales Tax	\$12.8 Million	
27	Telephone tax	Primary Gov't Tax	\$9.0 Million	
28	Special assessments	Other Revenue	\$1.3 Million	
29	Specific ownership tax	Primary Gov't Tax	\$0.1 Million	
OT	AL REVENUE		\$2.27 Billion	

^{*}Source: 2018 City and County of Denver Comprehensive Annual Financial Report (CAFR) pp.206, 207

(1) National Restaurant Association's tourism brief, which suggests as much as 30% of fine dining sales, 19% of quick service (fast food) and 15% of fast casual.

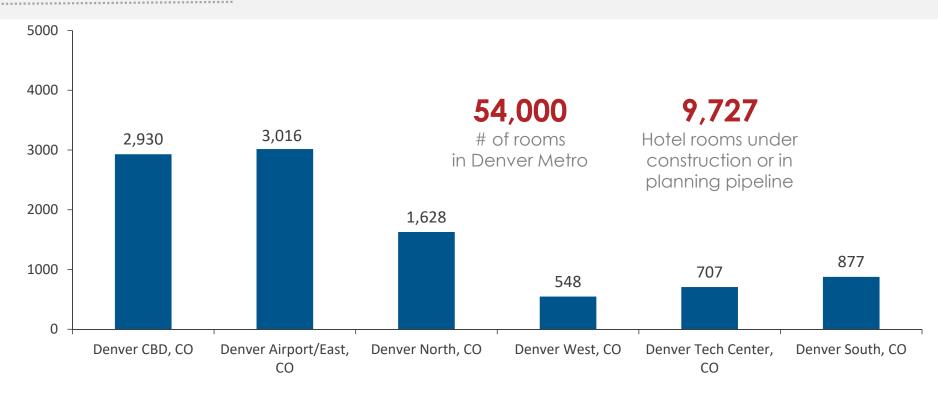


One-Word Goal

DEMAND



Denver Airport & CBD Submarkets Seeing Most of The Market's Development





Increased Competition



	2018	YTD 2019*		
1	Chicago	Orlando		
2	San Diego	Las Vegas		
3	Aurora/Gaylord Rockies	San Diego		
4	Las Vegas	Aurora/Gaylord Rockies		
5	Dallas	Phoenix		
6	Orlando	Chicago		
7	Nashville	Portland		
8	Phoenix	Dallas		
9	Atlanta	Atlanta		
10	Austin	San Antonio		



DENVER OUTSIDE THE CONTRACTED BLOCK HISTORY

ORDA – Overnight Room Demand Analyzer is a software calculator

Process:

- Obtained an anonymous "all-in" registration list with attendee count and zip codes, states and countries.
- Determined occupancy per room (total number of hotel guests/total number of hotel rooms)
- Eliminated zip codes of attendees within a 75-mile driving radius of Denver to determine total overnight attendees
- Determine Total Overnight Attendees/Persons Per Room - Average Room Occupancy
- Enter all information into ORDA calculator

Year	Number of groups surveyed	Percentage of rooms outside the contracted block			
2016	9	40%			
2017	6	30%			
2018	6	32%			
2019 YTD	4	45%			



Booking Outside Block





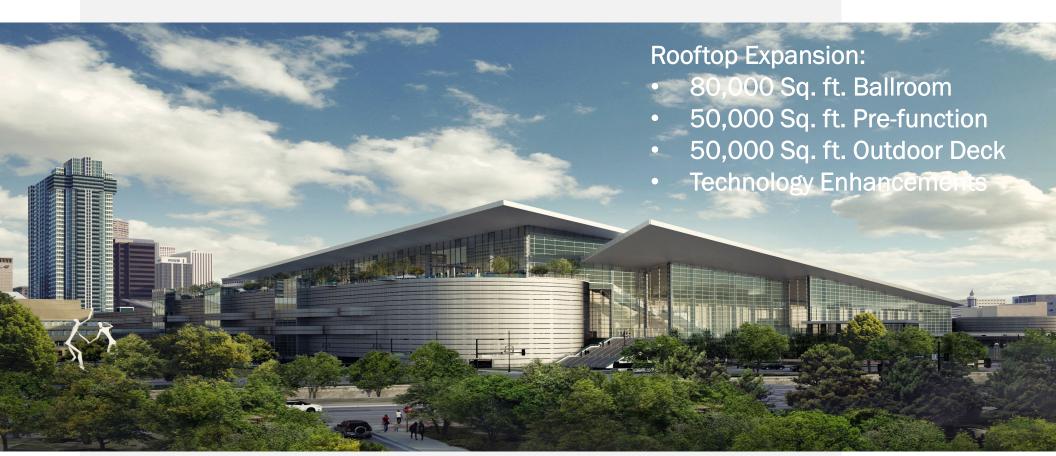
Outdoor Retailer ORDA with a 2.0 occupancy:

- 3,891 attendees stayed within a 75-mile radius
- Room nights picked up 19,465
- Estimated room-night demand 30,872 (>75 miles)
- 36.9% booked outside the room block

VISIT DENVER 3-year average – 35-40% outside block

*Occupancy Per Room = 2





Construction

2021 to 2023



Denver's Success – 3 Markets

- Business Travel
- Group
- Leisure



Team Effort

FAST FACTS

Budget

\$40,000,000

Staff

66 Full-time staff, offices in DC and Chicago

2018 Visitors

31,000,000

Destination Manager

- Roadmap
- Convention Center expansion
- International flights
- Mobility, safety, security, workforce issues



Source: Visit Denver, Longwoods International

Accolades

Annually: More than \$80 M In PR



Denver was named one of Lonely Planet's "World's Top Cities for Travelers" in 2020

-November 2019



Rough Guides, the popular British travel guide publisher, listed Denver among the 20 best places to travel and the #1 recommended city to enjoy in the world for 2020 (the only U.S. city on the list)

-November 2019



Convention Efforts

Staff

- 31 Convention Sales & Service staff
- Offices in DC and Chicago

Database

 Access to more than 50,000 meeting planners

Sales and marketing approach

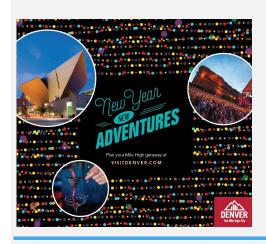
- Fully integrated
- Well-branded

Economic Impact

- Annually generate more than \$765 million*
- Nexus with economic development



Integrated Marketing Campaigns



Winter

Spring/ Summer

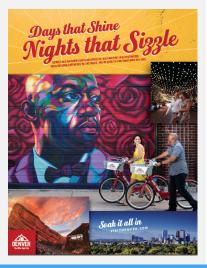


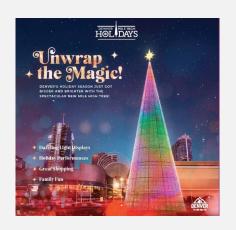
Annually: More than 800M Advertising Impressions



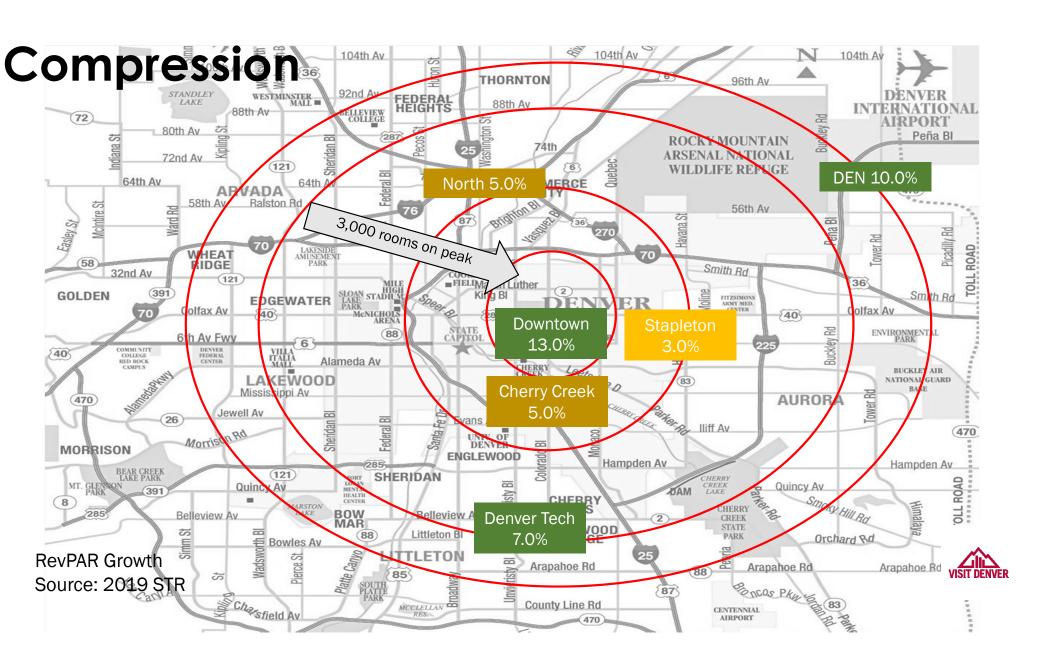
Fall

Mile High Holidays









TID Strategy

Assumptions:

- Center expansion payments covered
- Overhead, staff and contractors majority absorbed by VISIT DENVER
- Funds accounted for as Lodger's Tax dollars, as well reporting TID revenue/expenses

Strategies:

- Focus on need periods and weekends for group and leisure
- Generate incremental business
- Increase short-term and single-hotel meeting business
- Leverage events



MEET DENVER

AN IMMERSIVE EXPERIENCE IN THE MILE HIGH CITY

MEET EXPERIENCE ENJOY TELL

2019 Edition

Target Audience:

- Groups representing meetings with <950 rooms on peak
- Groups that have not met in Denver for 3+ years and with no future definites
- Groups that meet in need periods (December-March)

Final Participation:

161 Non-City-Wide Clients

- 60% 3rd party / 40% end-user
- 60% association / 30% corporate / 10% SMERF
- Average of 33 Downtown Hotels & 10 Metro Hotels participating



MEET DENVER

AN IMMERSIVE EXPERIENCE IN THE MILE HIGH CITY

MEET EXPERIENCE ENJOY TELL



May & October MEET Denver

- Definite business~ \$3.2M in economic impact
- Tentative business~ \$46M in economic impact



June Chicago Takeover

Client Events:

- Luncheons/breakfasts at convenient locations in/near meeting planner offices, White Sox vs. Cubs game, industry events
- 140 clients

Taste of Randolph Festival Sponsorship:

■ Activations with mural artist, Colorado distilleries, oxygen bar, pedicabs, etc. — 10,000 total engagements









June Chicago Takeover

Media Activities:

Deskside appointments and reception at festival

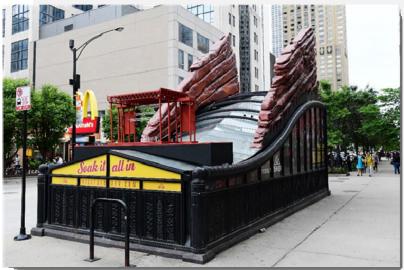
Media Takeover:

- Billboard placements in downtown core
- Transit advertising near meeting planner offices
- 31 million impressions

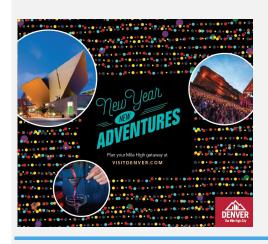








Integrated Marketing Campaigns



Winter

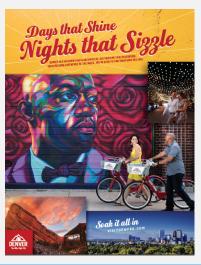
Spring/ Summer

Regional Year-Round



Fall

Mile High Holidays













2019 Cooperative Partner Campaigns



Denver Art Museum

• Claude Monet: The Truth of Nature (October 21-February 2, 2020)

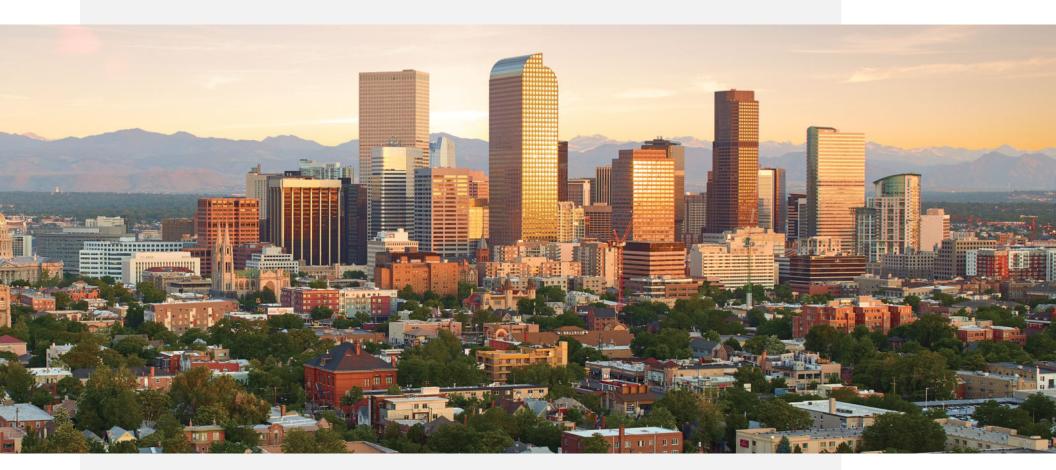
Denver Museum of Nature & Science

• The Science Behind Pixar (October 11-March 29, 2020)









Reclaim the Weekend Campaign



Weekend Campaign Tactics & Markets

	STATEWIDE*	ABQ	СНҮ	KANSAS CITY	PHOENIX	SALT LAKE CITY	WICHITA
Print	×	X	x	x	х	х	X
Radio	×	X	x	X	X	x	X
Cinema		X	x	х	x	х	X
Digital	×	X	х	х	х	х	X
Video	×	X	x	х	x	х	X
eBlasts	х	x	x	x	x	x	X



Campaign Highlights

Results:

182 million+ ad impressions YTD

Website sessions: 650,181

Website pageviews: 770,169

Messaging:

- Mix of city appeal with short-term events and exhibitions
- Additional focus on promotion of summer holiday weekends, Thanksgiving, etc.

Tactics:

- Print, Digital, Cinema, Eblasts
- PR and Social Media
- Customized Website: DenverWeekends.com





EXPERIENCE THE MAGIC!

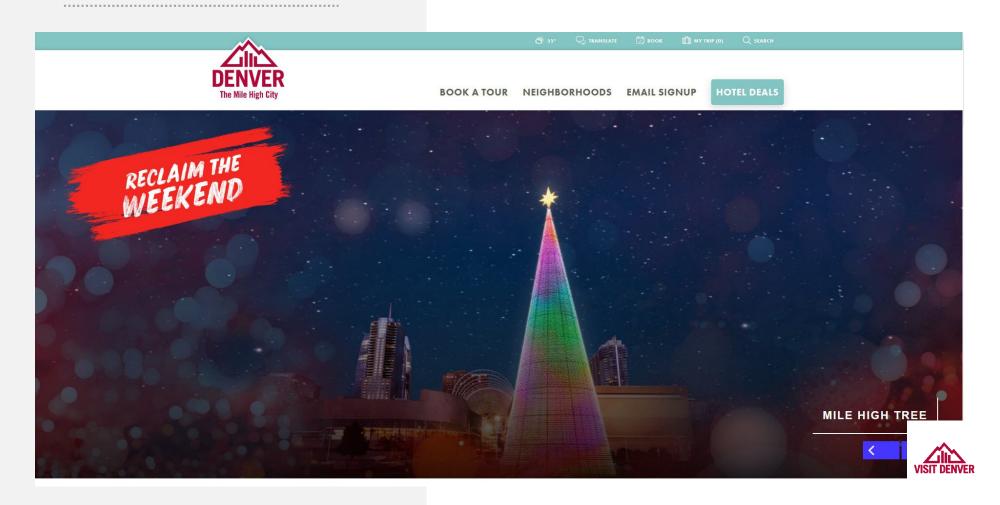
Enjoy light displays around the city, starting with the Grand Illumination and Light the Lights downtown on Nov. 29. And don't miss Blossoms of Light at Denver Botanic Gardens and Zoo Lights at Denver Zoo.

CHECK IT OUT





DenverWeekends.com



DenverWeekends.com





9NEWS PARADE OF LIGHTS

Dec. 6-7 | Sparkling lights and festival floats take over downtown Denver. >>



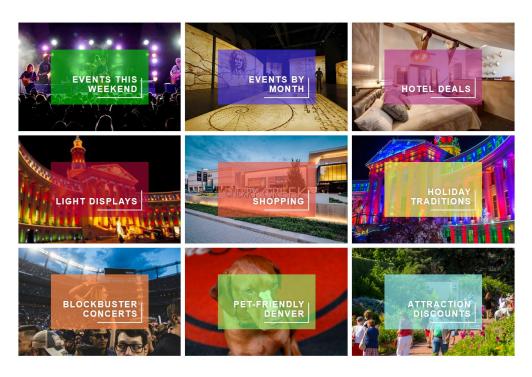
COLORADO SYMPHONY'S A...

Dec. 13-15 | The sounds of the season live on stage at Boettcher Concert Hall. >>



COLORADO BALLET'S THE ...

Nov. 30-Dec. 29 | Hear the music at this holiday classic. >>





2019 Event Research Recap

- Surveyed attendees at 14 events (RRC research company)
- Collaborated with event producers
- Projected results based on estimated or ticketed attendance:
 - Percentage of out-of-town visitors
 - Percentage of visitors staying in commercial lodging



Ice Climbing
World Finals





Denver Day of Rock

2019 Event Research

Event	Attendees	Denver Metro	Other Colorado	Outside Colorado	Overnight Visitors	Paid Lodging
Ice Climbing	22,000	17,160	660	3,960	4,400	2,640
World Finals		78%	3%	18%	20%	12%
US Women's	17,000	13,090	2,210	1,700	2,380	1,020
Soccer v. AUS		77%	13%	10%	14%	6%
AMA	47,000	26,320	13,160	7,520	13,160	8,930
Supercross		56%	28%	16%	28%	19%
Denver Day	30,000	22,500	1,800	5,700	8,700	6,600
of Rock		75%	6%	19%	29%	22%
Denver Pop	100,000	65,000	21,000	14,000	30,000	22,000
Culture Con		65%	21%	14%	30%	22%



2019 Event Research

Event	Attendees	Denver Metro	Other Colorado	Outside Colorado	Overnight Visitors	Paid Lodging
BBQ Fest	25,000	20,000 80%	2,000 8%	3,000 12%	4,000 16%	2,000 8%
PrideFest	300,000	216,000 72%	51,000 17%	33,000 11%	51,000 17%	36,000 12%
Concacaf	50,000	34,500	9,500	6,500	7,000	4,000
Gold Cup		69%	19%	13%	14%	8%
Cherry Creek	125,000	97,500	6,250	21,250	22,500	16,250
Arts Festival		78%	5%	17%	18%	13%
Slow Food	30,000	15,000	600	14,400	14,100	9,900
Nations		50%	2%	48%	47%	33%



2019 Event Research

Event	Attendees	Denver Metro	Other Colorado	Outside Colorado	Overnight Visitors	Paid Lodging
Colorado	30,000	24,300	1,500	4,200	4,500	2,400
Classic		81%	5%	14%	15%	8%
A Taste of	450,000	306,000	45,000	99,000	108,000	81,000
Colorado		68%	10%	22%	24%	18%
CRUSH	130,000	113,100	5,200	11,700	14,300	9,100
WALLS		87%	4%	9%	11%	7%
GABF	TBD	57%	10%	34%	45%	33%



Research Base: Total Respondents

Sports-Related Leisure Events

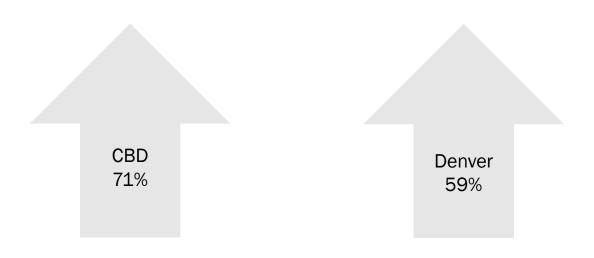


- "Sport tourism" is one of the fastest growing market segments in the tourism industry
- Can be hard to track
 - Using ticket data
 - Using sophisticated tracking technology (Arrivalist) & RRC intercept studies
- Events typically impact the weekend
- Research Example: AMA Supercross
 - April 14, 2019
 - 47,000 Attendees
 - 11,854 attendees out of state
 - 9,537 total room night usage



Source: RRC, Arrivalist, Empower Field at Mile High

Denver Weekend Occupancy

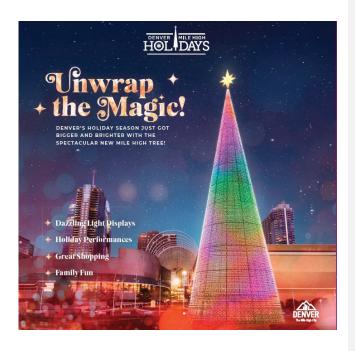


YOY Friday and/or Saturday night occupancy

Source: STR and VISIT DENVER



Mile High Holidays



Goal: Drive tourism during this need period

Objectives:

- Create one "wow" immersive holiday lights experience – The Mile High Tree
- Leverage PR opportunities
- Engage with the City, DDP and other partners
- Market this new free attraction along with existing holiday events, performances, shopping & light displays
 - E.G. Denver Center for the Performing Arts, Zoo Lights, Blossoms of Light, Parade of Lights, City and County Building, Larimer Square, Union Station, D&F Tower, Cherry Creek & other neighborhoods, etc.



Mile High Tree

Overview:

- Designed and installed by Spanish company Ilmex
- High-impact visibility
- Pixel technology with programmed lights and music shows every 30 minutes
- Immersive experience inside the tree
- FREE to the public
- Location:
 - Sculpture Park at DPAC



Interior View of Tree

Hours:

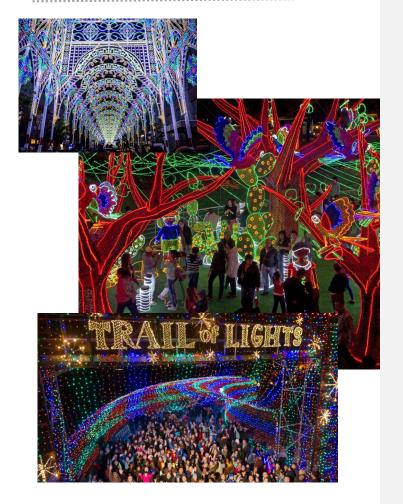
- Nov. 30, 2019–Jan. 1, 2020: 5:00pm–10:30pm
- Jan. 2–31, 2020: 5:30pm–9:30pm

Size:

- 110 feet tall
- 39 feet in diameter



Future Vision



Make Denver a Must-Visit Holiday Destination

- Leverage the Mile High Tree as a free attraction
 - Incorporate unique activations, activities and special evenings
 - Create new music/lights shows
- Engage community partners and building owners to further enhance holiday light displays downtown and throughout metro Denver
- Look for creative ways to market all the reasons to visit
 Denver during this need period



Workforce Development





TID is supporting new CHLA University to:

- Encourage people to enter the hospitality industry
- Retain and promote employees through additional training

Courses:

- Certified Front Desk Representative
- Certified Maintenance Employee
- Supervisory Skills Builder
- Guest Service Gold Partnership with Denver Rescue Mission

Partnership with CU Denver City Center:

- Inventory of existing workforce programs for tourism and hospitality industry
- Focus groups to discuss gaps and opportunities



2020 Strategy & Tactics

Strategies:

- Focus on need periods and weekends for group and leisure
- Increase short-term and single-hotel meeting business
- Work with hotels on conversion
- Increase visibility with clients

Tactics:

- Create & support events with room nights
- Continue year-round regional marketing for weekends and need periods with strong ROI
- Put more resources towards lead generation
- Implement site inspection program to increase conversion
- Encourage more FAMS and site visits
- Host more in-market client events
- Schedule industry events 2020-2023 to showcase Denver





