



TOWN OF
ESTES PARK
COLORADO



**Lodging Tax Extension Task Force
Meeting #2
Wednesday, May 25, 2022,
12:00 p.m. Via Zoom**

Advisory Members Attending

Jody Shadduck-McNally, Cindy Younglund, Scott Webermeier, Deborah Gibson, Sean Jurgens, Jason Damweber, Adam Shake

Voting Members Attending

Michael Andrzejek, David Batey, Austen Bierl, Dan Centurione, Teresa Commerford, John Cullen, Pep Dekker, Richard James, Dzidra Junior, Laurie Dale Marshall, Trevor Scott McGuire, Michael Romero, Greg Rosener, Suzanne Smikahl, Seth Smith

Visit Estes Park Staff Attending

Kara Franker, Michael Zumbaugh, Rebecca Domenico-Gelsinger, Josh Harms, Rachel Ward Oppermann

Meeting is called to order at 12:00 p.m.

PUBLIC COMMENT

None.

MEETING QUESTION

What should the funds be designated for (i.e. workforce housing, childcare, both)?

- If both, a specific percentage to each?
- If both, would the breakdown be decided by the voters or by the organization responsible for oversight and prioritization/allocation of the funds?

DISCUSSION

John Cullen and representatives from Stifel present their funding solution. Stifel is doing a \$64 million capital stack with John Cullen on The Stanley Film Center. Stifel is a full-service broker/dealer that specializes in public finance. Stifel reviews types of financing structures that have been used statewide. They describe sources of capital versus uses of capital. Stifel led the broadband financing for the Town of Estes Park and worked with the Estes Park Parks & Recreation District. They are currently working with the Town of Breckenridge. Aspen, Vail, Summit County and Telluride have worked or are working on solutions for workforce housing.

Stifel presents potential revenue streams. Prospective financing amounts assuming a base revenue collection of \$3 million dollars growing at 4% annually with different interest rate scenarios at 20- and 30-year financing terms are shown. This would be similar to their work with the Town on the broadband project including getting a revenue stream approved by voters

and issuing bonds. Stifel states \$3 million is sufficient to bond this project. The group asks questions of Stifel. Stifel presents the total cost for each scenario.

Bill Brown summarizes that Stifel is presenting debt financing scenarios to provide equity towards projects to reduce the cost of housing and debt financing associated with actual construction where the lodging tax is providing equity participation. John Cullen states the lodging tax contributes a 30% subsidy and the Stifel tables show how a half-billion dollars is reached. A \$350,000 unit leveraged at 70% at 4% interest comes out to a \$10,000 per year mortgage or \$800 per month. Stifel states the aggregate expected costs of the bonding as a percentage of the gross bond amount is between one and two percent, which is inclusive of everything included in the project. Some costs are fixed.

Stifel states childcare is far more labor intensive than capital. From a policy perspective, proceeds can be used toward childcare physical assets. Subsidization for labor force availability may decrease the size of bonding capacity.

Data provided to the task force is reviewed and discussed including consolidated sales and lodging tax rates in Colorado, the top 150 urban centers total lodging tax rates, 2016 housing needs assessment recommendations, possible use of housing fees and a study on the effect of an increase of lodging tax on demand for lodging.

The group discusses the meeting's question. The majority state that lodging tax funds should be designated for both workforce housing and childcare, that the two issues are intertwined. Families cannot thrive in Estes Park without both. A minority opinion states that funds should be used for workforce housing only, citing a lack of data demonstrating need. Greg Rosener argues without childcare the measure is unlikely to pass.

ACTION ITEM

Greg Rosener moves to approve the minutes from the May 18, 2022 meeting. David Batey seconds. Minutes are approved.

ACTION ITEM

Dan Centurione moves to designate the lodging tax funds for both workforce housing and childcare without identifying how the funds should be split. The breakdown will be decided by the organization responsible for allocation of the funds. Michael Romero seconds. Motion passes 15 – 0.

ADJOURN: 1:59 p.m.

Rachel Ward Oppermann

Rachel Ward Oppermann,
Recording Secretary

DATE: 6/1/2022

Signature: *Rachel Ward Oppermann*

Email: rachel@visitestepark.com