



National Western Center Colorado Convention Center

Proposed Tourism Ballot Measure Briefing
2015

NWC-CCC Aligned Planning & Funding Efforts Key Milestones

- ✓ Mayor launches NDCC (January 2013)
- ✓ NWC MOU Partnership Launched (June 2013)
- ✓ SAG Market-Based Feasibility Study conducted for NWSS & CCC (2013-14)
- ✓ NWC Envisioning Session @ Estes Park (2014)
- ✓ NWC Master Plan draft released (December 2014)
- ✓ NDCC Finance & Governance Work Group Recommendations (January 2015)
- ✓ RTA Application submitted to State (February 2015)
- ✓ Convention Center Urban Framework Plan Completed (February 2015)
- ✓ NWC Plan unanimously adopted by City Council (March 2015)
- ✓ Convention Center Master Plan (March 2015); *in process*
- ✓ HB15-1344 signed by Governor to fund CSU facilities on NWC campus (May 2015)
- ✓ NWC Initial campus zoning changes (May 2015); *in process*
- ✓ NWC Land, building and environmental due diligence (2015); *in process*



NATIONAL WESTERN CENTER

Site Master Plan

1. Water Resources Center & S. Platte River Frontage
2. Stockyards/Event Pavilion
3. CSU Equine Sports Medicine Clinic
4. Equestrian Center/Events Center
5. Livestock Center/Livestock Stadium Arena
6. NWC Transit Station
7. Shared Use/TOD Parking Structure
8. Livestock Exchange Building/Flex Space
9. Trade Show/Exhibition Hall
10. New Arena
11. CSU Center
12. Colorado Commons
13. Stadium Arena Market
14. Denver Coliseum Redevelopment
15. Forney Transportation Museum
16. Denver and Rock Island Rail Corridor
17. BNSF/RTD Rail Corridor
18. Globeville Landing Park
19. Northside Park/Heron Pond/Heller Open Space



NWC Tourism & Jobs Impact Overview



Presently, the NWSS event generates \$115 million in economic impact (60% out of state).

The transformation of this antiquated, but historic site into a dynamic 270 acre year-round campus includes:

- Doubling attendance, driving **1 million new visitors** annually;
- **Nearly doubles** the economic impact to over \$200 million annually;
- The plan adds more than a **100 new events** annually;
- In total, the Campus is expected to generate **\$5.9 billion in net new spending** over 30 years.
- Potential to generate 6,000 direct and 10,000 indirect **agri-business and science jobs** on or near the NWC campus
- Creates **partnership opportunities** with Visit Denver to leverage facilities.

NWC Site Due Diligence

- With the adoption of the National Western Center master plan on March 9, 2015, the City is conducting the following site due diligence activities to move the plan's vision to reality:
 - City, RTD and BNSF partnership on Marian Underpass (*in process*)
 - Rezoning of City and NWSS owned parcels (*in process*)
 - Environmental assessments - land and buildings (*in process*)
 - Parcel (land) legal descriptions and clean up of entitlement issues dating back to the late 1800's (*in process*)
 - Short line rail consolidation design to active the river
 - Initial "opportunistic" land purchases and business relocations in various stages of discussion

NWC Phase I and II Components Preparing the site for success

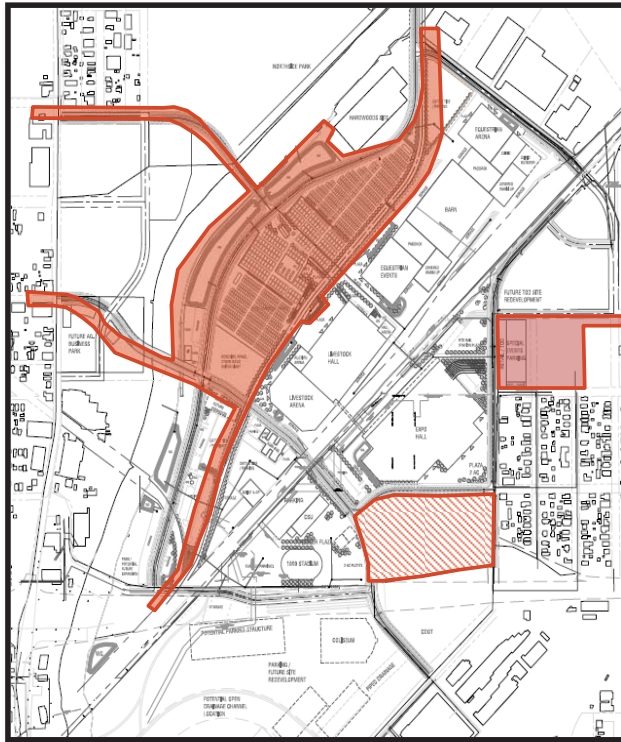
Upon passage of the ballot measure, the following NWC improvements would be implemented (phases I and II) under the RTA Plan of Finance:



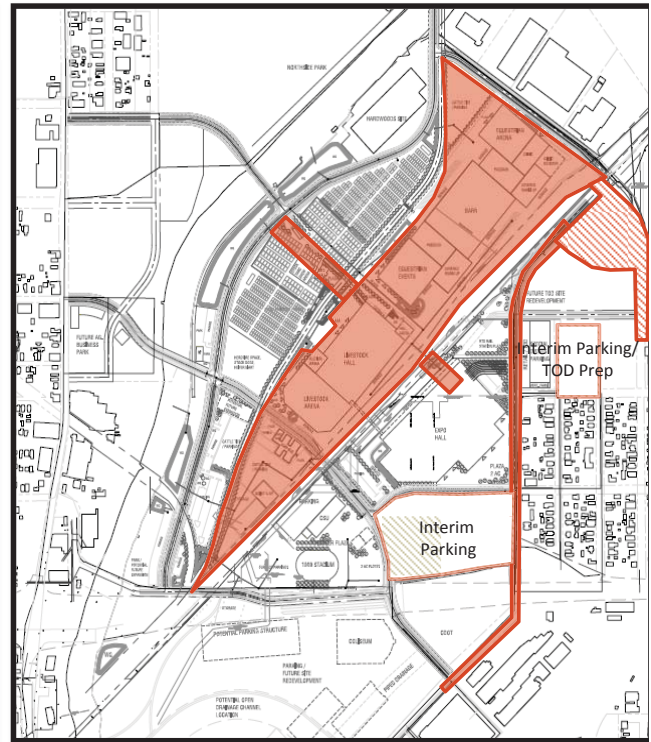
- Land (site) remediation and infrastructure
- New stockyards and events pavilion
- New Livestock center
- New Equestrian Center and CSU Equine Sports Medicine Facility
- South Platte River Activation
- NWC segment of Brighton Blvd (44th to Race Court) & Event Parking Structure
- Globeville, Elyria and Swansea Neighborhood connectivity (streets, bridges) for improved site access into new campus

NWC Project Phases 1 & 2

Preparing the Campus for success (2015-20)



Phase 1



Phase 2

State of Colorado as an NWC Partner

HB15-1344

- In April 2015, the state legislature, through the leadership of Representatives Crisanta Duran and Jon Becker, along with Senate sponsors, Jerry Sonnenberg and Pat Steadman led a bi-partisan coalition to pass House Bill 1344 that will help fund and accelerate the development of the CSU facilities on the National Western Center campus.
 - HB 1344 establishes the State of Colorado as a partner in the NWC project, adding to existing NWC “capital stack” to fund full campus build out.
 - Creates the potential to fund up to \$250 million in lease-purchase financing (*similar to bill that funded CU medical facilities at the Anschutz Medical Campus*) for CSU facilities.
 - Requires City of Denver to pass lodger’s tax extension or similar amount to trigger access to state funds.
 - Funding plays key role in advancing Colorado as the “*silicon valley of agriculture*”, which already represents a \$42 billion dollar industry for the state and the new NWC campus as a critical component of advancing this vision.

NWC Governance (interim)

- Mayor has established an **Executive Oversight Committee** (“EOC”) to facilitate and guide early master plan work plan items being lead through the NDCC Projects Office.
- EOC members to include City, CSU, WSSA and GES neighborhood representatives.
- EOC to be chaired by Kelly Leid, Executive Director NDCC
- Initially, two subcommittees will support work of the EOC –
 - **Event Programming Advisory Committee** (EPAS) and
 - Co-chairs: George Sparks (DMNS) and Ed Nichols (History Colorado)
 - Representatives from AVD, Visit Denver, Mayor’s Office of Special Events, and GES Community, etc.
 - **Capital Alignment Advisory Committee** (CFAS)
 - Chair (TBD)
 - Representatives from City’s Dept. of Finance, CSU, WSSA, NDCC, GES Community, etc.

Proposed (long-term) NWC Governance Highlights

- Based upon the SAG study (2014) and NDCC FinGov governance subcommittee work (2015), the City is looking to create an authority-type model to manage the design, construction and operation of the campus
- An authority board would be appointed by the Mayor to advance the campus vision
- City to own all land and buildings funded by the City
- WSSA and CSU would serve as anchor tenants on campus
- New agreements to be created by and between campus tenants and authority
- Authority would comply with open records and open meeting requirements
- Authority would follow all city procurement and social ordinances

SAG Study Convention Center Learnings

- Shifting industry trends & extensive research (customers, industry experts and stakeholders) drives recommendations
- Continued investment by [competitive](#) destinations
- Denver experience received [high marks](#) and “doing it right”
- Review of lost business revealed [opportunity](#)
- Limited land opportunities for [hotel development](#) close enough to Center
- Cost of doing nothing a real factor for Denver

SAG’s Colorado Convention Center Facility Improvement Recommendations

- **Ballroom/Meeting Space** – New 35,000 to 50,000 SF ballroom and 25,000 to 35,000 SF of meeting space
- **Enhance Networking Capability-** create improved opportunities
- **Specialty Space** – positioned to take advantage of [Denver outdoor experience](#)
- **Technology**– Bandwidth, Streaming Content, Crowdsourcing, Location services



SAG's Analysis

Colorado Convention Center

- Denver can accommodate **90+** percent of the largest conventions
 - Industry trends show minimal growth in large events
- Focus on growth of smaller/mid sized events (**70% of total groups**)
 - Ability to grow this market- host concurrent meetings
 - Space and hotel room block are key factors
- Calendar Review
 - 50 – Four day booking windows with 100,000 square feet
 - Only 15 with sufficient meeting space - lost business review
 - With additional ballroom and meeting space - **60,000 incremental annual room nights**
- Lost Business Review
 - 157 events lost in 2012 – 236 in 2013
 - 50 would have fit with additional recommended space (had hotel availability)

Convention Center Expansion

Economic Impact

- Assumptions:
 - **25 new events**
 - Half of events that could be accommodated with additional space and during available dates
 - 800 room nights on peak night resulting in a total of 36,000 attendees and 60,000 annual room nights
 - Average spend per attendee - \$1,313
- Impact:
 - **\$47.2 million annual direct spending**
 - \$2.1 billion over 30 years
 - \$3.4 million annual local sales and hotel taxes
 - \$148.6 million over 30 years
- Cost of Doing Nothing: A 10% downward shift equates to a \$40 million reduction in economic stimulus
- Potential Increased Conversion: A 10% increase in conversion of larger business would result in an additional \$2 million in new taxes annually.

Average Spending per Attendee	
Lodging	\$679.84
Transportation	75.13
Food & Beverage	251.35
Retail	46.04
Recreation	35.29
Space Rental	44.01
Business Services	182.16
Total Direct	\$1,313.83
Source: DMA Event Calculator.	

Convention Center Competition is Fierce

Convention center study is a go
March 18, 2015 U-T San Diego



Anaheim Convention Center will see its seventh expansion

March 12, 2014 – Orange County Register

LMN-led team will design \$1B Seattle convention center expansion

Nov 18, 2014 - Puget Sound Business Journal



Report: Austin may expand convention center by several city blocks

Oct 30, 2014 Austin Business Journal

Dallas tourism officials press for upgrades to convention center

29 October 2014 Dallas News



Powered by The Dallas Morning News

Las Vegas fights to stay ahead of convention competition

Sep 7, 2014



Atlantic City halls to get \$100 million upgrades

© 2014 pressofAtlanticCity.com.

NWC Estimated Project Costs and Funding

Estimate of Probable Costs: \$856 million (RTA Plan of Finance - Phases 1 & 2):

- **Estimated “capital stack” sources:**
 - **\$673 million from the City of Denver**
 - \$117 million from the State of Colorado Regional Tourism Act funds (if approved)
 - \$16 million from CSU for animal hospital
 - \$50 million cash contribution from the WSSA

Breakdown of \$673 million over ten years from Denver

- \$476 million excise tax revenue bonds
- Additional bond capacity may become available depending on pledged revenue growth and interest rates.

Balance: land/asset sales, on-site revenues, capital and wastewater funds, federal grants.

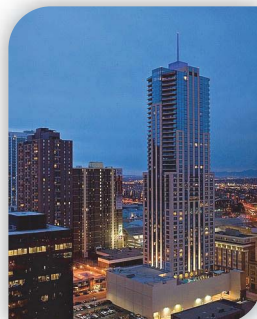
Visitor Taxes

Hotel Checkout Tax

Convention Center Expansion Tax	1.75%	}	4.75%
Convention Center Bonds	3.00%		
General Fund (Capital Improvement)	3.25%		
VISIT DENVER	2.75%		
Regional Transportation District (RTD)	1.00%		
Cultural Facilities District	0.10%		
Colorado State Tax	2.90%		
Total	14.75%		

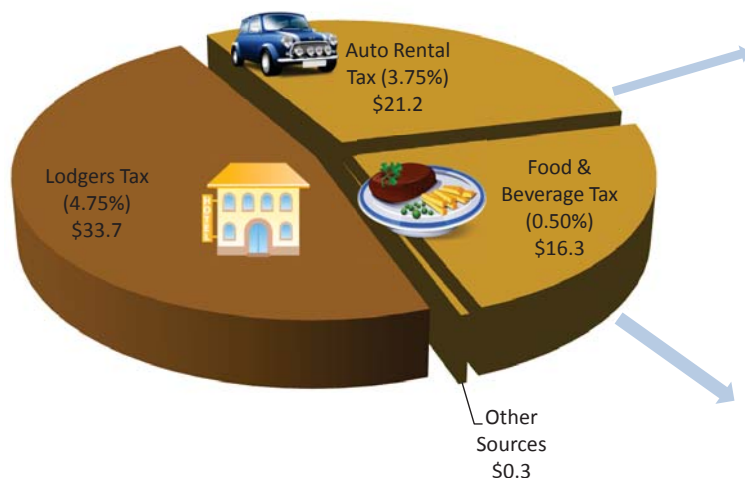
Car Rental Tax

Convention Center Expansion Tax	1.75%	}	3.75%
Convention Center Bonds	2.00%		
General Fund, Denver	3.50%		
Regional Transportation District (RTD)	1.00%		
Cultural Facilities Tax	0.10%		
Colorado State Tax	2.90%		
Total	11.25%		



2014 Convention Center Taxes

Tax Collected
\$71.5 Million



Original Construction

Annual Debt Service: \$8.6M
Annual Excess Revenue to General Fund: \$30.4 M
Final Maturity: 2014



Expansion

Annual Debt Service: \$19.9M (\$27.2M starting in 2015)
Annual Excess Revenue to General Fund: (\$2.2 M)
Final Maturity and Tax Expiration: 2023

Excise Tax Bonding Opportunity

Assumptions

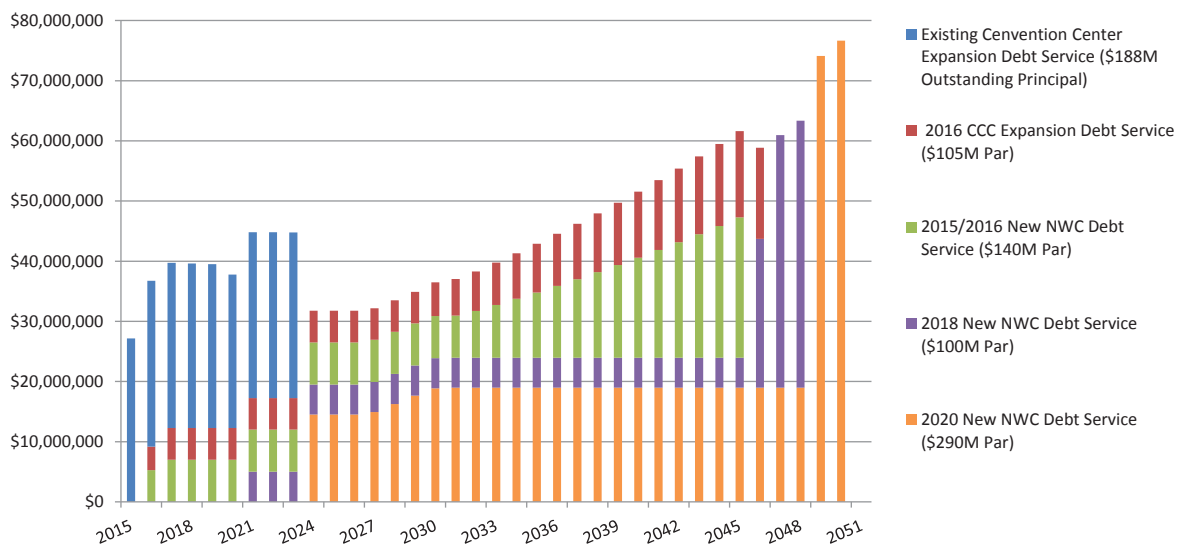
- Maintain the City's current tax rates/keeps existing pledge of excise taxes (which includes extension of 1.75% lodgers and short-term car rental tax).
- Provides for annual maintenance funding for NWC and CC of \$2M/year through 2023 and \$10M/year thereafter.
- Preserves City G.O. Capacity
- Authorizes debt capacity to leverage RTA funds in addition to excise tax

	Convention Center	National Western Center				Grand Total
	2016	2015	2018	2020	Total	
Project Fund	103,950	138,600	90,250	247,225	476,075	580,028
Total Par	105,000	140,000	100,000	290,000	530,000	635,000
Authorized Par						778,000

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Excise Tax Debt Includes: Existing and Projected New Debt Service



Assumptions:

- \$635M Par amount of New Debt for NWC and CCC is supported by 3% annual growth in excise tax revenues
- Bonds issued at 5% interest rates
- Annual maintenance funding for NWC and CCC are also covered by excise tax revenues

Lodgers Tax Comparison

Findings – National Jurisdictions

Denver lodgers' tax rate is in the mid range when compared to the following 12 national jurisdictions.

2013 Lodgers' Tax Rates – National Jurisdictions					
City	State	City	County	Other	Total
San Diego	0.00%	10.50%	0.00%	2.00%	12.50%
Salt Lake City	4.70%	2.00%	5.00%	0.90%	12.60%
Phoenix	6.50%	5.00%	1.77%	0.00%	13.27%
Portland	1.00%	5.00%	5.50%	2.00%	13.50%
Minneapolis	6.88%	3.50%	0.15%	3.25%	13.65%
Washington D.C.	0.00%	14.50%	0.00%	0.00%	14.50%
Denver	2.90%	10.75%	0.00%	1.10%	14.75%
Austin	6.00%	7.00%	0.00%	2.00%	15.00%
Dallas	6.00%	7.00%	0.00%	2.00%	15.00%
San Francisco	0.00%	14.00%	0.00%	1.50%	15.50%
Seattle	6.50%	9.10%	0.00%	0.00%	15.60%
Atlanta	4.00%	9.00%	3.00%	0.00%	16.00%
Chicago	6.17%	5.58%	0.00%	4.64%	16.39%
Average:	14.48%				
Median	14.75%				

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Proposed Ballot Language

- SHALL CITY AND COUNTY OF DENVER DEBT BE INCREASED BY NO MORE THAN \$778,000,000 WITH A MAXIMUM REPAYMENT COST OF NO MORE THAN \$1,999,000,000, **WITHOUT IMPOSING ANY NEW TAX OR INCREASING ANY TAX RATE**; WITH SUCH DEBT TO BE ISSUED FOR THE PURPOSE OF FINANCING THE FOLLOWING TOURISM RELATED PROJECTS:
- **THE NATIONAL WESTERN CENTER CAMPUS INCLUDING:**
 - CONSTRUCTING AND IMPROVING THE APPROXIMATELY 270 ACRE NATIONAL WESTERN CENTER IN ORDER TO CONTINUE IT AS THE HOME FOR THE NATIONAL WESTERN STOCK SHOW.
 - PROVIDING LOCATIONS FOR A NEW COLORADO STATE UNIVERSITY AGRICULTURE-RELATED ACADEMIC BUILDINGS ON THE NATIONAL WESTERN CENTER CAMPUS.
 - CLEANING UP AND REVITALIZING NEARLY A MILE OF THE SOUTH PLATTE RIVER.
 - PROVIDING GREATER ACCESS TO APPROXIMATELY 80 ACRES OF PARK AND OPEN SPACE LAND AND 12 NEW ACRES OF NATIONAL WESTERN CENTER RIVERFRONT AREA.
 - RESTORING AND PRESERVING HISTORICAL SITES AND PROVIDING FOR NEW USES ON THE NATIONAL WESTERN CENTER CAMPUS.
 - CREATING ADDITIONAL MULTI-MODAL STREET CONNECTIONS BETWEEN GLOBEVILLE, ELYRIA AND SWANSEA NEIGHBORHOODS.
 - CREATING FLEXIBLE ART AND CULTURAL SPACES INCLUDING ART GALLERIES, MUSIC, ART AND DANCE STUDIOS, AND A YEAR-ROUND FRESH FOOD MARKET.
- **ENHANCEMENTS TO AND EXPANSION OF THE COLORADO CONVENTION CENTER INCLUDING:**
 - A NEW BALLROOM, PATIO AND MEETING SPACES.
 - TECHNOLOGICAL IMPROVEMENTS THROUGHOUT FACILITY FOR VIDEO AND PORTABLE DEVICE CAPACITY FLEXIBILITY.
 - ADDITIONAL NETWORKING THROUGHOUT THE BUILDING.

Proposed Ballot Language (cont.)

- AS MORE FULLY DESCRIBED IN ORDINANCE NO. ___ ADOPTED BY THE CITY COUNCIL ON JUNE ___ 2015; SHALL THE DEBT BE EVIDENCED BY BONDS, NOTES, LOAN AGREEMENTS OR OTHER FINANCIAL OBLIGATIONS THAT MAY BE REDEEMABLE PRIOR TO MATURITY WITH OR WITHOUT A PREMIUM, BE REPAYED FROM REVENUES DERIVED FROM THE CITY'S LODGER'S TAX, AUTO RENTAL TAX, AND OTHER LEGALLY AVAILABLE REVENUES (EXCLUDING PROPERTY TAXES) AS THE CITY COUNCIL MAY DETERMINE; SHALL THE CITY BE AUTHORIZED TO REFUND THE DEBT AUTHORIZED IN THIS QUESTION, PROVIDED THAT SUCH REFUNDING DEBT, WHEN COMBINED WITH OTHER OUTSTANDING DEBT AUTHORIZED IN THIS QUESTION, DOES NOT EXCEED THE MAXIMUM PRINCIPAL LIMITS OR REPAYMENT COSTS AUTHORIZED BY THIS QUESTION; WITHOUT IMPOSING ANY NEW TAX OR INCREASING ANY TAX RATE, SHALL THE EXPIRATION OF THE LODGER'S TAX AND THE AUTO RENTAL TAX AT A RATE EQUAL TO 1.75% APPROVED BY THE VOTERS IN 1999 BE EXTENDED INDEFINITELY; AND, SHALL THE REVENUES FROM THE EXTENDED LODGER'S TAX AND THE AUTO RENTAL TAX AT A RATE EQUAL TO 1.75% BE USED TO PAY SUCH DEBT AND THE COSTS OF OPERATING, MAINTAINING AND IMPROVING THE NATIONAL WESTERN CENTER CAMPUS AND THE COLORADO CONVENTION CENTER AND OTHER TOURISM RELATED PROJECTS?

Ballot Timeline (existing council)

Date	Action
May 25, 2015	File ordinance request
June 2, 2015	Finance & Services Committee
June 14, 2015	Mayor-Council
June 16, 2015	File bill
June 22, 2015	City Council – 1 st reading
June 29, 2015	City Council – 2 nd reading