

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

***With the upcoming election on November 8th, election issues are highlighted at the top of this newsletter, including perspectives from our partners at the Colorado Hotel and Lodging Association and Colorado Restaurant Association, followed by other tourism related news.***

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



OCTOBER 2016

## POLICY PERSPECTIVES

### ELECTION 2016

#### Local issues

- The nationally recognized [Scientific and Cultural Facilities District](#) (SCFD), which supports nearly 300 arts and cultural institutions in the Denver metro region, is up for re-authorization this November and will appear on the ballot as 4B. The VISIT DENVER Board of Directors has approved a contribution of \$25,000 to support this important program that is vital to Denver's tourism future.
  - [From our partners at the Colorado Restaurant Association:](#) The Mile High Chapter of the Colorado Restaurant Association voted to support the SCFD Ballot Issue 4B, as they feel it promotes cultural and tourism activities as well as eating out!
- A [marijuana consumption initiative](#), Initiative 300, will be decided on by Denver voters. The measure would allow any business - except marijuana licensed businesses - to designate a consumption area. A Registered Neighborhood Organization (RNO) or Business Improvement District (BID) is required to sponsor the business license application. VISIT DENVER is monitoring Initiative 300. Learn more about the support campaign, [Neighborhood-Supported Social Use](#), and opposition campaign, [Protect Denver's Atmosphere](#).
  - [From our partners at the Colorado Restaurant Association:](#) The Mile High Chapter of the Colorado Restaurant Association voted to oppose Denver Initiated Ordinance 300 (Cannabis Consumption Pilot Program Initiative). The dual consumption of marijuana and alcohol in a liquor-licensed establishment is a big concern of the CRA and the Mile High Chapter because of liability issues. Additionally, there are fears that the proliferation of marijuana smoking in bars and restaurants will have dramatic and unintended consequences on the liquor industry.
- [From our partners at the Colorado Restaurant Association:](#) Boulder Tax on Sugary Beverages - The Boulder City Council has approved a ballot measure that will have a direct impact on restaurants - a sugary beverage excise tax. This would create a new and dramatic tax on sugary beverages that would have to be paid by the distributor which means restaurants and bars will be paying significantly more for their soda products. The Boulder County Chapter has not yet taken a position but will likely do so soon.

**State issues** - Colorado voters will cast votes for nine initiatives and amendments this election and the [blue book](#) outlines these state-wide measures.

- Amendment 69 – This constitutional amendment seeks to create a state-wide health care system. VISIT DENVER's Board of Directors voted to oppose this measure because the program is projected to double the state's annual budget and increase the state's tax rate. The Board believes an effective health care solution should be focused on Coloradans without health care rather than a new state-wide system impacting all Coloradans. Learn more about the support campaign, [Colorado Care](#), and

opposition campaign, [Coloradans for Coloradans](#).

- [From our partners at the Colorado Hotel and Lodging Association](#): The CHLA is opposing amendment 69. Amendment 69 would levy unprecedented new taxes on every business and worker (as well as on pension and annuity income) to fund a \$25 billion entity – an amount that doubles the current state budget. These new taxes (10 percent shared by employers and employees) would give Colorado the highest state taxes in the nation. Because of the devastating impact this initiative would have on businesses in Colorado, the CHLA Board of Directors approved a \$10,000 contribution from our Legislative Readiness Fund to the campaign opposing Amendment 69.
- [From our partners at the Colorado Restaurant Association](#): The Colorado Restaurant Association is opposing this constitutional amendment.
- Amendment 70 – This constitutional amendment seeks to raise the Colorado minimum wage to \$12.00 an hour and the tipped minimum wage to \$8.98 an hour by 2020. Many thanks to the VISIT DENVER partners who participated in the survey on this important issue! As a result of the balanced feedback, the Board of Directors voted to remain neutral on this issue. Learn more about the support campaign, [Colorado Families for a Fair Wage](#), and opposition campaign, [Keep Colorado Working](#).
  - [From our partners at the Colorado Hotel and Lodging Association](#): The CHLA is opposing Amendment 70. CHLA supports policies that strengthen our employees' well-being and the ability for employers to create jobs and improve the career-path of those already in the workforce. The hotel industry is an advocate for its employees and providing them a career path towards upward mobility and opportunity.

Because the tip credit does not adjust with the wages, this initiative if passed would have a significant impact -both from a wage and a wage compression standpoint - on employers with tipped employees. Our industry supports good wages and benefits for our employees and more importantly a pathway to career advancement; however, we do not believe that Amendment 70 is a sound path forward for Colorado employers or employees. We further believe that putting this flawed initiative in the state constitution is bad for business in Colorado long-term and as such, the CHLA Board of Directors approved a \$10,000 contribution to the Keep Colorado Working campaign.

- [From our partners at the Colorado Restaurant Association](#): We continued to work diligently on this campaign throughout the summer as part of the Keep Colorado Working campaign team and coalition – to oppose the minimum wage increase. As you may recall, leaders from the Colorado Restaurant Association and the Colorado Association of Commerce and Industry met with the proponents in March and asked them to consider a compromise. The proponents refused. Restaurants are especially concerned with the tipped wage increase under this amendment – which increases the tipped wage by 70% over the next 3 years and two months.

We now have more than 200 allied organizations and independent businesses as coalition members to fight this including the Denver Metro Chamber, the Hispanic Chamber of Metro Denver, the Colorado Hotel & Lodging Association, the National Federation of Independent Businesses, and more.

We recently received two very favorable editorials from the [Denver Post](#) and the [Colorado Springs Gazette](#), in opposition of the minimum wage campaign. They both contain all of the campaign's important messages. One of them even uses our tag line "It Goes Too Far!"

Our TV ads are airing frequently now, but the proponents recently purchased more than \$1 Million in television ad space for the next few weeks. The proponents just recently received another \$800,000 from out of state unions for their campaign.

- Amendment 71 – This constitutional amendment seeks to raise the threshold for future amendments to the Colorado Constitution by requiring signatures from all of Colorado's state senate districts and 55% approval by voters. The Board of Directors voted to support this amendment because constitutional amendments may have negative impacts on Colorado's and Denver's brand and marketing abilities, leading to the potential loss of valuable leisure tourism, convention business and events. In addition, the Board approved a \$10,000 contribution to the support campaign, [Raise the Bar](#).
  - [From our partners at the Colorado Hotel and Lodging Association](#): The CHLA is supporting Amendment 71. Our state currently has one of the most easily-amended state Constitutions in the nation, practically begging for out-of-state special interest groups to use Colorado as their political playground. These groups don't have our state's best interests in mind — and they won't hesitate to push reckless political agendas that fail us every time.

Colorado's Constitution has been amended over 150 times, creating a conflicted and confusing framework that makes it difficult for our state to serve its people. The United States Constitution has endured a century longer, but has only been amended 27 times.

Because we believe that governing our state should be done through the legislative process and not the state's constitution, the CHLA Board of Directors approved a \$25,000 contribution from our Legislative Readiness Fund to this important campaign.

- From our partners at the Colorado Restaurant Association: The Colorado Restaurant Association is supporting this constitutional amendment.
- During his speech at the Democratic National Convention, Governor Hickenlooper mentioned how VISIT DENVER, the City and others collaborated to create a sense of place in Lower Downtown.

## National issues

- VISIT DENVER is partnering with the Denver Metro Chamber of Commerce and others to host a U.S. Senate forum between incumbent Senator Michael Bennet and challenger Darryl Glenn on October 17th.
- As part of the U.S. Travel Association's (USTA) Travel '16 initiative, VISIT DENVER and other Colorado tourism leaders are briefing candidates and campaigns about travel's benefits for our nation's health, prosperity and productivity, including recent meetings with the Clinton and Trump campaigns.
- The Democratic and Republican National Conventions in Philadelphia and Cleveland, respectively, generated a combined economic impact of \$360 million including an average daily spend per attendee of \$300 and 148,500 room nights.

Should you have questions or need further information on anything that CHLA is working on, please don't hesitate to contact Amie Mayhew, President & CEO, at 303-297-8335 or [amayhew@chla.com](mailto:amayhew@chla.com).

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.

## LOCAL NEWS



- All VISIT DENVER partners and community members are invited to attend VISIT DENVER's annual partnership meeting for free on Tuesday, November 15th at 7 a.m. in the Sewell Grand Ballroom. The Denver Tourism Roadmap will be unveiled, which will guide tourism growth for the next decade. We hope to see you there!
- Denver recorded its 10th consecutive year of leisure tourism growth since voters approved additional marketing dollars. In 2015, Denver welcomed 16.4 million overnight visitors who spent \$5 billion in the local economy. Learn more about the benefits of tourism by visiting Tourism Pays.
- VISIT DENVER continues to work closely with the City, Downtown Denver Partnership, and Denver Police Department regarding the downtown environment, including dedicating financial resources to the Security Action Plan. Recent developments include the hiring of a security manager, new private security personnel along the 16th Street Mall, gating alleys, and upgrading lighting.
- Regulation of short-term rentals went into effect July 1st following two years of study by the City Council. Hosts have until December 31st to comply by obtaining a business license and setting up a tax ID to collect and remit lodger's tax. VISIT DENVER continues to be closely involved to ensure compliance and enforcement of these new regulations by participating in the newly formed Short-Term Rental Advisory Committee.
- Denveright is a city planning initiative focused on four key areas impacting visitors and residents alike: land use and transportation, parks and recreation, pedestrians and trails, and transit.
- Mayor Hancock included the role of tourism in the local economy and plans for the expansion of the Colorado Convention Center in his annual State of the City address.

## STATE NEWS



- The Colorado Tourism Office (CTO) is embarking on a plan to guide the state's tourism efforts over the next 3-5 years. Learn more and share your thoughts at one of the upcoming [listening sessions](#) happening around the state during the month of October.
- Similar to Denver, Colorado set [new visitor records](#) in 2015, welcoming 77.7 million day and overnight visitors generating an economic impact of \$19.1 billion.
- Not only are [Colorado's 14ers](#) beautiful but they are also big tourism business for many small and rural communities across the state. A recent study found that 260,000 hikers scale the state's highest peaks resulting in an economic impact of \$70.5 million.

## FEDERAL NEWS



- Before adjourning until after the election, Congress agreed to a 10-week federal budget extension which includes [\\$1.1 billion to address the Zika virus](#), a major priority for the U.S. Travel Association, American Hotel & Lodging Association and numerous other travel partners.
- An increasing number of [business travelers are staying in short-term rentals](#) such as Airbnb, VRBO, and others. A recent study also found business travelers stay an average of five nights in short-term rentals, compared to three nights in hotels.
- Brexit, the United Kingdom's decision to withdraw from the European Union, is projected to result in a [10 percent drop in British travelers to the United States](#) over the next year. Currently, the U.K. is America's top overseas market, comprising 13 percent of our inbound overseas travel.
- Despite initial concerns about summer travel and [long lines at TSA security checkpoints](#), wait times are down across the country and at Denver International Airport due to increased efficiencies and staffing.
- Concluding a year of investigation, the U.S. State Department determined that no action should be taken regarding Gulf airlines' routes into the country and that the airlines were not in violation of [Open Skies agreements](#).
- The National Park Service celebrated its 100th anniversary this summer! A state specific economic analysis by *National Geographic* demonstrates the significant [economic benefits of our national park system](#) including the value of national park acreage and goods and services provided by visitors.

## PARTNER PERSPECTIVES



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.

### **Retail Food Health Inspections – Communication Program**

The CRA is participating in meetings with the Colorado Department of Public Health and Environment, local health departments, industry partners, and county commissioners to develop a uniform state-wide communication system for health inspection results (the system must be developed by January 1, 2017). These meetings are required by House Bill 16-1401 which passed into law earlier this year. By July 1, 2017, any health department (except Denver) that publishes health inspection information to the public will be required to use this system.

We have learned that Colorado Counties Inc. plans to run legislation to reverse the ban on letter grading for health inspection results and to remove sub-planting language that was part of the bill last year that increased retail food license fees. We, along with many of the coalition partners that originally negotiated HB16-1401 will fight any legislation that threatens the compromise that a broad group of stakeholders agreed to last year.

### **Liquor Enforcement – Stakeholder Group**

Throughout the summer, we have been meeting as part of the Liquor Enforcement Division Stakeholder group. Powdered Alcohol was discussed as a sub-group and rules will be in place by year-end. Our concerns about liability to restaurants have not been mitigated and we will begin looking at potential legislative remedies soon.

As part of the grocery store/liquor store compromise last Spring, some language was accidentally inserted into law that prohibits taverns selling full meals to allow employees age 18-20 handle alcohol under direct supervision – which was previously allowed. This will need to be remedied by a “clean up” bill in 2017. Both the bill drafter and sponsors admit that it was a mistake.

### **Restaurant Food Show – November 2-3**

We have shaken up our annual food show (formerly WestEx) and now it is called the “Colorado Restaurant Show”. We will showcase several food distributors, locally sourced manufacturers and growers, many different technology companies, etc. We have more than 100 restaurant suppliers from Colorado and around the US exhibiting.

Also, we are really excited that this will be more of a conference feel this year and will feature keynote presentations by industry leaders including:

- Erin Moran, chief culture officer of Danny Meyer’s [Union Square Hospitality Group](#)
- Internationally-known celebrity chefs [Jose Garces](#) (owner of more than one dozen restaurants) and [Hugh Acheson](#) (Top Chef Judge)
- Bret Thorn, restaurant trend expert and senior food editor of [Nation’s Restaurant News](#)

The event will also feature panels led by industry experts. Topics include labor issues like Employee Hiring and Retention, and Tip Pooling; Marketing/Media programs covering Crisis Management, Digital Marketing and Media Relations; and other topics such as Restaurant Design, Local Food Sourcing and more.

Go to [www.corestaurantshow.com](http://www.corestaurantshow.com) for more information and to register.



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1555 California Street, Suite 300 :: Denver, CO 80202 :: 303.892.1112

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