



TO: Boulder City Council Candidates
FROM: The Boulder Hotel & Motel Association
DATE: September 22, 2015

Members and guests of the Boulder Hotel & Motel Association (BHMA) look forward to meeting those of you who have accepted our invitation to lunch at **St Julien Hotel & Spa on Thursday, October 8 at noon. PLEASE NOTE THIS CHANGE OF VENUE.**

I am sending this information in the hopes that you will find the material useful and informative in understanding the value of the hospitality industry in the financial success of the city of Boulder. We look forward to discussing these issues with you at lunch and would also very much appreciate your sending your responses via email so that we can post them on our website for the benefit of our members. For those of you unable to join us on the 8th, we will appreciate your responses as well.

Our plan, in order to take best advantage of getting to know each other in a short time, is to have you introduce yourselves to the entire group in a short (2 minute) talk, join a table for lunch and respond to questions that may be raised by our moderator.

As an entity, the Visitor Industry is among the largest single contributor to the city budget in terms of economic impact. The Visitor Industry encompasses lodging, restaurants, arts, and part of retail, attractions, sporting events and festivals. Of our business and recreational visitors the greater portion are here to do business in the city in the organic foods industry, outdoors activities, federal lab meetings, and university events. Additional world-renowned events like the USA ProCycling Event and IronMan competition reinforces Boulder's reputation as a true professional sports city.

In 2014, Boulder's hotels contribute nearly \$6 million dollars to the city's *un-dedicated sales tax collections* – a major portion of the total amount. Visitor spending, often referred to as a "silent tax contributor", brings additional dollars to our community without incurring any expenses for infrastructure such as city services. Tourism tax dollars flowing to the undedicated funds category directly support libraries, police, fire departments, parks, arts, trash collection, open space, human services and many other residential amenities.

The Boulder Convention & Visitors Bureau (BCVB) was created in 1985 by an agreement initiated by the hotel and restaurant community to create a restaurant tax and increased the lodging tax from 5% to 5.5% with this additional revenue establishing a funding stream for the BCVB.

Proposed by the CVB, supported by the BHMA, and authorized by a vote of the people in November of 2010, Accommodation Tax increased from 5.5% to 7.5% on January 1, 2011. This tax added to the other taxes collected; bring the total tax to hotel visitors up to 12.485%. This is

the second highest tax in Colorado. This initiative brought new unrestricted funds to the City's General Fund helping to address the projected shortfall in the City's past budgets. This additional spending on visitor promotion has helped Boulder pull out of the recession more quickly and with less damage. We can see this from our monthly reporting figures on comparative sets including those hotels located on the U.S. 36 corridor. Although these hotels are enjoying only slightly higher year-round occupancy, the demand in the Boulder market has brought an increase in the average room rate. This translates to additional un-dedicated tax revenue for the city.

At the direction of city management, the Boulder CVB and its many partners, including the BHMA, created the Tourism Sustainability Plan endorsing a variety of elements to benefit the city of Boulder. The intention of the Sustainable Tourism Plan is to enhance the BCVB's current programs and to invest in sales and marketing programs focused on the off-season months (November – April). This time of year is when there is the potential to increase the use of Boulder hotels capacity and their contribution to the general fund.

There are other components in the Tourism Plan to assist the city in prioritizing projects that require improvements and additions to the city's infrastructure to both benefit residents and attract additional visitors.

For example, in addition to enhancing the quality of life for residents, an important component of tourism is enhancing athletic facilities in the city, which can attract softball tournaments, and soccer matches among others. The Valmont Bike Park is an excellent example that both benefits locals and attracts visitors. Neighboring communities have successfully invested in upgrading and adding to their facilities while Boulder's failure to maintain its fields at competitive levels has reduced our ability to attract those visitors.

Federal labs (National Institute of Standards & Technology -NIST, National Geophysical Data Center – NGDC, and National Oceanic and Atmospheric Administration - NOAA), are an important financial component, estimated at more than \$57 million annually by a Boulder Economic Council study, for many reasons including employment, investment, attracting meetings and visitors. The study did not take into account the impact of the National Center for Atmospheric Research (NCAR) because it does not receive funding directly from the US Government. The impact by NCAR may double the estimated revenues to Boulder

Finally, the members of the Boulder Hotel & Motel Association are your good neighbors and constituents. More than 60% of employees live in the city of Boulder. Our hotels through "in-kind" contributions, volunteer hours and complimentary rooms donate an estimated \$1 million. All members participate in water conservation through a "green laundry program" in which linens are laundered only at checkout unless specifically requested during their stay by guests. Many of our hotels have initiated "zero-waste" programs and many others are adopting components of that program. This year the BHMA took over the planting and care of the landscaping at the much neglected RTD Station at Canyon and Walnut. This is an important gateway to Boulder for many visitors and had been neglected for many years.

BHMA members also work closely with the Boulder Shelter providing needed supplies like soaps, shampoos, towels, blankets and linens.

Below are questions we would like to ask you as they relate to our issues. We will be very interested in learning your point of view and/or position on these points.

2015 Boulder City Council Candidate Questionnaire

1. How would you support and insure the continued funding of the CVB 's success.
2. With the increase in accommodation tax the City is benefiting from the additional revenues. How do you propose to use these funds to maintain this flow of income?
3. Would you support the use of CVB funds to purchase, on the city's behalf, a permanent location for the CVB and a visitors' center on north bound 28th Street?
4. What would you do to enhance cooperation and facilitation between the city and the BCVB to facilitate and attract events during the off-season?
5. How do you propose to address the deterioration of the existing City facilities, recreational, athletic, social and meeting space needs - so that they are sufficient to both encourage visitors and ensure the quality of life for our residents?

Thank you and we look forward to seeing you on **October 8th**!

Sincerely,

Neale Ward
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Boulder Hotel Motel Association
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