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Welcome to the quarterly *Policy Perspectives* newsletter highlighting local, state and federal issues impacting the tourism and hospitality industry. If you have any questions or would like more information, please contact Carrie Atiyeh, Director of Government & Community Affairs, at catiyeh@visitdenver.com or (303) 571-9466.

JUNE 2015



POLICY PERSPECTIVES

LOCAL NEWS



- On June 2nd, the City of Denver took the first step towards placing an initiative on the November 2015 ballot asking Denver voters to extend two existing taxes that will be used for [expansion of the Colorado Convention Center](#) (CCC) and redevelopment of the National Western Center. Expansion and improvements at the CCC include: new meeting and ballroom space featuring panoramic city and mountain views with outdoor gathering space, additional business networking and specialty space to take advantage of the city's natural beauty throughout the center, and improvements in technology throughout the center that will expand bandwidth and Wi-Fi access.
- The Colorado Legislature approved \$250 million worth of lease-purchase agreement authority for [Colorado State University's development at the National Western Center](#), including an equine sports medicine clinic, a food systems learning center, and a water resources center.
- June 2015 marks the [25th anniversary of the Colorado Convention Center](#)! As one of the top 10 convention destinations in the nation, the center is the economic engine of downtown, contributing \$500M in annual direct economic impact and welcoming nearly 1 million visitors in 2014.
- On [May 5th, Denver residents re-elected](#) Mayor Michael B. Hancock, Clerk & Recorder Debra Johnson, Council At-Large members Robin Kniech and Debbie Ortega, Councilman Paul Lopez (District 3), Councilwoman Mary Beth Susman (District 5), Council President Chris Herndon (District 8) and Councilman Albus Brooks (District 9). Newly elected council members include Raphael Espinoza (District 1), Kendra Black (District 4) and Paul Kashmann (District 6) and Tim O'Brien as Denver Auditor. Voters in the [June 2nd runoff](#) elected Kevin Flynn (District 2), Jolon Clark (District 7), Wayne New (District 10) and Stacie Gilmore (District 11). All elected officials will be sworn in on July 20th.
- The Sharing Economy Task Force has moved [discussions related to home sharing](#) to the Neighborhood and Planning committee. A [draft zoning and licensing framework](#) proposes to require a primary resident to obtain a business license and the home must have a smoke and CO detector for visitor safety.

STATE NEWS



- VISIT DENVER joined with a broad range of stakeholders including Colorado State Patrol, CDOT, Colorado Hotel and Lodging Association, Denver Metro Chamber of Commerce, Colorado Ski Country, Vail Resorts, and others to support HB 1173. The goal of the bill was to alleviate backups and accidents that cause negative economic impact along the I-70 mountain corridor by helping [to reduce travel times, road congestions and highway closures](#). The bill was amended to become a study of the issue with recommendations due to the Legislature in early 2016. See more details below from CHLA.
- Governor Hickenlooper announced a new [Colorado Outdoor Recreation Industry Office](#), headed by Luis Guillermo Benitez, to be housed within the Office of Economic Development and International Trade (OEDIT). The office will serve as a central point of contact, advocacy, resources and support at the state level for the diverse constituents, businesses, communities and groups that rely on the continued health of the Outdoor Recreation Industry.
- The [Discover Colorado Rally](#) was held on May 6th at the state capitol to celebrate National Travel and Tourism Week. Tourism stakeholders from around Colorado participated in the rally to draw attention to the economic benefits of tourism.
- The Colorado Legislature approved the [Colorado Tourism Office \(CTO\) budget](#) of \$19M for fiscal year 2015-2016, which is an increase of \$2M from the current fiscal year.

FEDERAL NEWS



- June 9th marks [Exhibitions Day](#). The International Association of Exhibitions and Events (IAEE) along with 15 supporting organizations and 115 industry professionals are "storming Capitol Hill." The JOLT (Jobs Originated Through Launching Travel) Act, Open Skies, Trade Promotion Authority and government employee attendance at trade shows and events will be discussed during congressional visits throughout the day. According to recent stats by CEIR, in 2014, the exhibitions industry contributed \$71.3 billion to the U.S. GDP through direct and indirect spending; saw 68.9 million attendees at U.S. b2b exhibitions; and hosted 2.1 million exhibiting organizations at U.S. b2b exhibitions.
- Nationally, the hotel industry experienced [record ADR and RevPar in 2014](#) and STR, Inc. projects a 5.2 percent increase in ADR and 6.4 percent increase in RevPar in 2015. Denver was #2 of the top 25 markets for double digit Occupancy and RevPar increase in 2014 compared to 2013. In addition, the 12-month moving average for occupancy reached an [all-time record in March 2015](#) at 64.9 percent.
- The National Travel and Tourism Office (NTTO) reported that [international travelers spent over \\$222 billion in the US in 2014](#), an increase of nearly 4 percent from 2013. Americans spent an estimated \$147 billion to travel overseas, resulting in a \$75.7 billion trade surplus.
- According to the Global Business Travel Association (GBTA) Q1 2015 forecast, U.S. [business travel spending is expected to increase](#) 3.1 percent in 2015 and 5.2 percent in 2016 as the economy continues to improve. **Special Note:** Denver will host the GBTA Annual Convention July 16-20, 2016. The convention will have attendance of over 6,000 and includes business travel executives, media, destination marketing representatives and service suppliers.

- An annual [economic impact report detailed that the National Park System](#) last year supported 277,000 private-sector jobs and generated \$15.7 billion for local communities and \$29.7 billion for our national economy, including rising numbers of international tourists. Record-breaking visitation is likely with the approaching parks centennial in 2016.

PARTNER PERSPECTIVES

CHLA

COLORADO HOTEL AND
LODGING ASSOCIATION

2015 Legislative Session

- The 2015 legislative session was a successful one for CHLA as we defended against [several bills that would have had detrimental and costly impacts on the industry](#) and were successful in passing two bills related to our proactive agenda.
- CHLA had two items on our proactive legislative agenda, including streamlining the [HOA Community Association Manager licensure process](#) and [winter weather driving on I-70](#). While both bills passed, the bill related to I-70 wasn't the bill that we as introduced, but instead a study of the issue. We do believe that the study bill will result in the Transportation Legislative Review Committee referring the "snow tire" bill to the General Assembly next year and we're confident that we'll be successful in passing it in 2016.
- One last item of note. [SB15-284](#), which would have required voter approval to obtain tax increment financing when agricultural land is being developed, "[died on the calendar](#)" after it was laid over on 2nd reading by the bill sponsor. Had this bill passed, the Gaylord project in Aurora would have had to go to a vote of the citizens prior to construction. CHLA will continue to monitor the Gaylord project and will provide additional updates as they become available.

AH&LA Update: Changes to Overtime Regulations

- The long rumored and expected changes to overtime regulations appear close to being promulgated. According to a [blog post](#) from Labor Secretary Tom Perez, the new overtime regulations were sent over to the Office of Management Budget (OMB) for review on Tuesday, May 5th. According to various media reports, the Administration intends to increase the salary threshold for employees eligible for overtime from \$455 per week (approximately \$24,000 annually) to \$984 a week, or approximately \$50,000 year. Additionally, rumors persist that the Department of Labor will significantly change the primary duties test for determining which employees are exempt from overtime based upon job function and responsibilities. We anticipate the regulations to be released within a month. AH&LA and the Partnership to Protect Workplace Opportunity of which AH&LA is a founding member have been in touch with OMB to ensure our concerns are heard, and AH&LA will be submitting comments for the record once the new regulations are official released.

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.



Although the 2015 legislative session is over, the Colorado Restaurant Association still has much work to do in the way of advocacy. Our government affairs staff and Legislative Committee will begin to discuss plans

for the 2016 legislative session in the coming weeks.

Throughout the summer and early fall, the Colorado Restaurant Association will be at the table as part of a stakeholder process to discuss the regulation of powdered alcohol in Colorado. We have significant concerns relating to the potential liability for restaurants that need to be addressed. Additionally, we will participate in a stakeholder process relating to retail food establishment health inspections. This group is being established as a result of legislation that was introduced this year as a way to bring all stakeholders together to address issues of concern relating to the health inspection program prior to any changes being implemented.

2015 Legislative Session Wrap Up

The Colorado Legislative Session ended May 6 as the House and Senate adjourned for 2015. This year, we monitored 86 pieces of legislation out of more than 700 introduced bills and were very successful in influencing legislation important to the industry.

We saw a number of labor-activist supported bills this session relating to minimum wage, minimum salary requirements for exempt employees, a state-run family and medical leave insurance program, and more. CRA and our allies successfully fought to defeat these anti-business attacks, but we fully expect the same advocates to come back with similar legislation and ballot initiatives next year. The debate surrounding substantial changes to labor law must consider how those changes would negatively impact Colorado's workers, business owners and the economy.

Following, are some of the bills that CRA focused our efforts on this session:

- **MINIMUM WAGE** – (Oppose) Senate Concurrent Resolution 003 by Sen. Merrifield (D-Colorado Springs) and House Concurrent Resolution 1001 by Rep. Moreno (D-Commerce City) would have put a question on the 2016 ballot asking the Colorado voters if the Colorado minimum wage should be increased one dollar a year making the minimum wage \$12.50 an hour by 2020 and then tying it to the CPI. HCR 1001 failed to pass through the House of Representatives and SCR 003 was postponed indefinitely in the Senate State Affairs Committee.
- **LOCAL MINIMUM WAGE** – (Oppose) House Bill 1300 by Rep. Moreno (D-Commerce City) and Rep. Melton (D-Aurora) would have eliminated the 1999 law that prevented local governments from enacting their own minimum wage laws. If passed this bill would allow any local government to set their own minimum wage higher than the state minimum wage. This bill was postponed indefinitely by the Senate State Affairs Committee.
- **MANUFACTURER'S SALES ROOMS** - (Support) House Bill 1217 by Rep. Singer (D-Longmont) gives local licensing authorities some input on the approval of a manufacturer's sales room license. Previously, manufacturers were only licensed through the state Liquor Enforcement Division and local licensing authorities had no control over the approval of a license. This legislation forces the state licensing authority to consider input from the locals. This bill was signed into law by the Governor.
- **DISTILLERY PUB LICENSE** – (Support) House Bill 1204 by Rep. Pabon (D-Denver) adds another on-premises consumption liquor license in Colorado, similar to the Brew Pub license. Under this license a restaurant is able to ferment and distill its own spirits on the licensed premises and serve alcohol purchased from a licensed wholesaler. This new license has a food sales requirement of 15% (same as Brew Pubs) and must comply with the same licensing procedures as other on-premises liquor licenses. This bill was signed into law by the Governor.
- **POWDERED ALCOHOL** – (Oppose) House Bill 1031 by Rep. Windholz (R-Commerce City) as introduced would have banned the sale, possession, consumption, purchase, transfer, etc. of powdered alcohol in Colorado. However, this bill was amended in the Senate to require the state of Colorado to regulate powdered alcohol if approved by the federal government. The federal government approved the sale of powdered alcohol after the bill was amended in the Senate. The Colorado Restaurant Association asked the governor to veto this legislation. This bill was signed into law by the Governor.

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.

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

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