

Analysis of the Potential Impacts of the Proposed Colorado Sports Event Center in Colorado Springs

**Prepared For
The City of Champions
By
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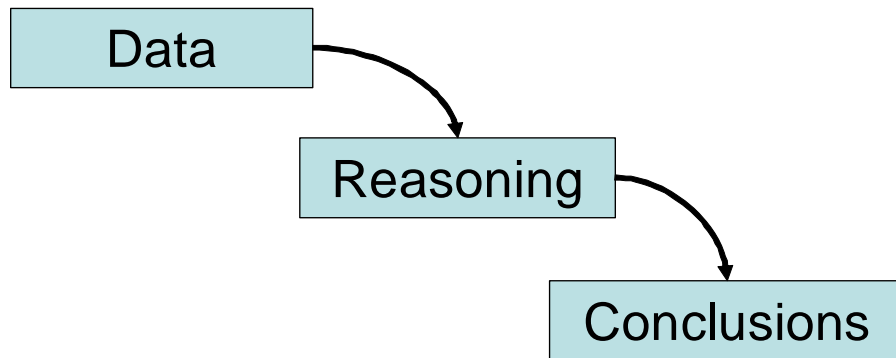
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Introduction

The following report examines the potential economic impacts of enhancing the original Regional Tourism Act (RTA) ballpark and multi-use facility proposal with addition of a sports event venue to the project. Recognizing that there exists a unique opportunity to build upon the Olympic presence in Colorado Springs, the ballpark and multi-use facility concept has been strengthened through the commitment to add a new world class sports event venue to the project and to program Olympic and non Olympic sporting events into the stadium facility.

Colorado Springs is already home to 23 National Governing Bodies (NGB's), the Olympic Training Center, and through the City's RTA proposal, a possible Olympic Museum. While the NGB's currently hold some of their events in Colorado Springs, a lack of current adequate facilities means most events are held in other locations throughout the US. At the same time, many NGB's, including those based in Colorado Springs, and those based elsewhere in the country, hold events in a variety of locations through the country in order to accommodate the promotion and support of their respective sport.

The addition of a new sports venue and expansion of stadium programming is intended to capture some of the leakage that occurs from NGB's located in Colorado Springs that would not occur otherwise if a venue were available; and to capture events put on by non local NGB's. Additionally, the presence of an enhanced sports venue, along with the presence of the United States Olympic Committee, United States Olympic Training Center, other NGB's, and a proposed United States Olympic Museum, creates an opportunity to attract new NGB's to Colorado Springs.

Additional support to that endeavor will be the expansion of sports medicine capabilities through the University of Colorado Colorado Springs' Sports Medicine and Performance Center, which is also part of the RTA application. The integration of sports medicine into the emerging Olympic and sports industry in the Pikes Peak region is enhanced by the existing strong decentralized sports medicine and performance presence with many world class physicians caring for Olympians.

In addition to bringing in more pre-Olympic competitions and NGB's, the new sports facility will be expected to attract additional national sports symposiums, training programs, and gatherings of athletes and officials.

Finally, this study also examines the potential to bring in sporting events from other, non Olympic national governing boards or associations, or Multi Sport Organizations (MSOs). The opportunity to attract national events as diverse as the National Seniors Games, national bodybuilding championships, world competitions in extreme sports and world class running and bicycling events is great. In addition to the assets mentioned above, Colorado Springs and the Pikes Peak region possesses many event venues including athletic fields, ice arenas, and of course the Pikes Peak National Forest. This asset base provides strong potential and with the correct brand development and marketing, the area can be a strong competitor.

Building upon one of Colorado's natural advantages in health and sports by leveraging the presence of a unique facility in the USOC presence, is both a logical move and imperative for Colorado Springs in particular, and the State in general.

Report Organization

This report is organized into the following sections:

- New out of state visitor forecasts
- Spending impacts of new visitors
- State sales tax implications of the new visitors
- Construction and operations impacts
- Economic impact summary
- A summary of all tax revenues to the State of Colorado

Net New Potential Out of State Visitor Forecasts

Tables 1 through 4 present data on the forecasted number of attendees from in state and from out of state. Because these are specific events, that attract specific athletes, support staff, family members and sports specific audiences, all new visitors are considered “net new” visitors. That is, but for the specific sporting event, symposium or training, they would not be in Colorado. No attendance figures have been assumed for tourists that would already be in Colorado, and would incidentally attend a sporting event. Nor have any visitor numbers been estimated for this portion of the proposal simply due to the presence of the USOC, USOC Museum, or NGBs.

The forecast of new out of state visitors is presented through the following five tables. The tables show four separate sources of new visitor days to Colorado Springs:

Table 1 – Table 1 presents forecasts of new out of state visitors that come as a result of the attraction of new Olympic and non Olympic NGB’s relocating to Colorado Springs. This figure includes both out of state athletes that come for Olympic events or games to be held in Colorado Springs; and from the coaches, trainers, family members and spectators who come for the games. This component also estimates the number of new employees that will be hired by the new NGB’s.

The forecasted relocations have been populated by a combination of indicated interest in relocating and a deep understanding of the position and needs of the NGB’s currently located elsewhere. This knowledge is based on interviews with The Sports Corp, a Colorado Springs based professional organization charged with supporting and promoting Olympic and other sports; with officials of the USOC, and on conversations with two NGB’s currently not located in the region. Attendance figures are similarly based on attendance at similar events elsewhere in the US, and on observed attendance at similar events now held in Colorado Springs. In addition to the NGBs associated with the Olympic movement, many other non Olympic sports also have governing bodies. All attendance figures are assumed to occur within the RTZ.

Table 1

POTENTIAL NEW NGB ATHLETIC AND ASSOCIATED EVENTS OCCURING DUE TO NEW DOWNTOWN SPORTS EVENT CENTER										
New National Governing Bodies		Estimated # of Employees	Number of Events in CS per Year	Total Athletes per Event	Number of Out of State Athletes per Event	Total Coaches, Trainers, Family and Spectators per Event	Number of New Out of State Coaches, Family and Spectators per Event	Average Length of Event in Days	New Out of State Athlete Days	New Out of State Coach, Family and Spectator Days
Yr 1	Annual	35	2	100	95	6,000	1,500	4.5	855	13,500
Yr 2	Annual	50	3	100	95	400	200	4.5	1,283	2,700
Yr 3	Annual	25	2	300	270	200	180	4.5	2,430	1,620
Yr 4	Annual	100	2	500	450	2,000	1,000	4.5	4,050	9,000
Total		210	9						8,618	26,820
New Multi Sport Organizations										
Yr 2	Annual	100	3	100	95	5,000	2,500	4.5	1,283	33,750
Yr 3	Annual	5	5	50	40	50	40	4.5	900	900
Yr 1	Annual	10	3	250	225	250	225	4.5	3,038	3,038
Yr 4	Annual	10	2	100	90	100	90	4.5	810	810
Yr 4	Annual	5	2	400	360	1,000	900	4.5	3,240	8,100
		130	15						9,270	46,598

Source: Summit Economics, The Sports Corp, Discussion with NGBs and USOC officials

The original analysis of the ballpark and multi-use facility to the State for RTZ tax increment finding included the assumption of a number of events to be held in the multi-use facility. To assure no double counting is taking place with this enhanced vision, the total number of sport events listed in the original application, times an assumed 10% out of state attendance, shows that at most only 3,500 of these visitors might be double counted. That is the equivalent of less than one average event modeled in Table 1.

Figure 1

Sporting events already programmed into the RTA application, planned for the multi-use venue			
3v3 Basketball tournament		3	2,000
Collegiate Baseball Game		2	5,000
Collegiate Lacrosse		2	2,000
End to Spartan Race		1	3,000
Extreme Sports Competition		1	5,000
High School Baseball Game		1	1,000
Home Run Derby		1	5,000
International Baseball Tournament		1	5,000
Karate Tournament		1	500
Kickball Tournament		1	3,000
Soccer Game		2	1,500
World's Strongest Man Competition		1	1,000
Wrestling Tournament		1	1,000
Total		18	35,000
Percent from Out of State			10%
Number from Out of State			3,500

Table 2 – Table 2 presents forecasts of the expansion of events by NGBs currently located in Colorado Springs as a result of having a new sport event venue. Representatives of existing NGBs, staff at the USOC and the Director of the Sports Corp were all asked for their forecast of the potential for new events to be held in Colorado Springs, given the construction of a new sports event center, and each indicated that the NGBs both hold events all over the US, and that they would likely hold more events in Colorado Springs if an appropriate venue were available. The willingness to hold more events in Colorado Springs is a factor of the decreased costs of not having to pay transportation costs for equipment and officials, a desire by participants and the NGB's to hold the events close to the NGB headquarters and the USOC, and the existence of a sport infrastructure necessary to make events successful. While each NGB holds differing numbers of national events each year, at a minimum one additional event per year per NGB can be expected. In reality, the actual number of new events held in Colorado Springs per NGB may be significantly more than one per year. The average number of athletes and others that come will vary significantly depending upon the sport. The figures used are conservative, as some events may attract significantly more athletes and others than the average shown.

Given that the anticipated new sport event venue will have approximately 3,000 seats, and the ballpark will be have approximately 10,000 seats, the capacity of the two available venues is large enough to handle the forecasted attendance figures.

Each new event listed in Table 2 is a new event rather than simply an expansion of existing events. As such, each visitor is a new visitor in the sense that they make a visit to the state that would not have occurred otherwise. The percentage that is out of state likewise will vary by events, however based on the current profile of athlete visitors, about 78% of the new athletes are estimated to come from out of state. The estimated percentage of additional persons that come from out of state is 62%. This estimate uses the experience and judgment of both NGB staff and the Director of the The Sports Corp, based on current and past events.

Table 2

POTENTIAL NEW ATHLETIC AND ASSOCIATED EVENTS OF EXISTING NGBS OCCURING DUE TO NEW DOWNTOWN SPORTS EVENT CENTER										
Existing NGB Athletic Events		Estimated # of New Employees	Number of Events in CS per Year	Total Athletes per Event	Number of Out of State Athletes per Event	Total Coaches, Trainers, Family and Spectators per Event	# of New Out of State Coaches, Trainers, Staff, Family and Spectators per Event	Average Length of Event in Days	New Out of State Athlete Days	New Out of State Coach, Family and Spectator Days
11 NGB's	Yr 1	1	11	500	250	1,500	1,125	4.5	12,375	55,688
12 NGB's	Yr 2	1	12	500	250	1,500	1,125	4.5	13,500	60,750
Total			23						25,875	116,438
<small>Source: Summit Economics, The Sports Corp, USOC staff and NGBs</small>										

Table 3 – The expansion of the number of NGBs and the addition of a new world class sport event venue creates an additional opportunity to attract sports related trade shows, workshops and training events. This table presents several symposiums, conferences, festivals and training events that are considered likely to come to Colorado Springs, and use some combination of the new sports facilities and existing conference facilities, as well as examples of other events that are considered likely to be drawn to the city. The heightened synergy created by this new venue, the Olympic Museum and the USOC will serve to increase the number of such events coming to Colorado Springs.

A US Soccer National symposium and USA Track and Field games are considered to be strong candidates to come on a regular basis, with other similar events in other years. Many examples abound of similar conferences for other sports, and the general consensus at a meeting of local NGBs, and representatives of the USOC, The Sports Corp, and others involved in the Olympic movement was that the combination of the new venues, the location of the United States Olympic Committee in Colorado Springs, and the presence of 23 NGBs already in Colorado Springs will result in the increased branding of Colorado Springs as the center of the Olympic movement in the United States, resulting in a high demand for such conferences and training events here. Table 3 presents a combination of forecasts for specific entities as well as several yet to be determined gatherings. In the opinion of many closely involved in the Olympic community, the opportunity for increasing the forecasted number of events is large, and as such, the forecasts are likely quite conservative.

Table 3

POTENTIAL NEW NATIONAL EVENTS AND TRAININGS OF NGBs AND OTHER SPORTS RELATED ENTITIES DUE TO NEW DOWNTOWN SPORTS EVENT CENTER										
		Number of Events in CS per Year	Number of Delegates per Event	Number of New Out of State Delegates per Event	Number of New Delegate Family Members per Event	Number of New Out of State Delegates Family Members per Event	Average Length of Event in Days	New Out of State Delegate Days	New Out of State Delegate Family Days	
Potential Symposiums and Group Meetings										
US Soccer National Symposium	Year 1	0.5	200	190	100	95	4.0	380	190	
USA Track and Field Gathering	Year 2	0.5	1,000	900	100	95	5.0	2,250	238	
Sport Equipment Demonstrations	Year 3	0.1	3,000	2,700	1,500	1,350	3.0	810	405	
Sports & Special Events Festival	Year 3	0.5	1,000	900	500	450	3.0	1,350	675	
Coaches Training Event	Year 4	2	1,000	900	500	450	3.0	5,400	2,700	
Total								10,190	4,208	

Source: Summit Economics, The Sports Corp, Discussion with NGBs and USOC officials.

In preparing this table, the wide range of sports and the extremely large number of annual events held throughout the US were considered. Appendix A lists some simple examples of the many types of sporting events conducted in the US, and suggests some types that may be a good fit for Colorado Springs and the proposed facility for either games or as a location for a governing body. Additionally, the Directory of Associations shows a total about 1,200 associations listed under the category of Sports. Each of these organizations has a headquarters city, and many might be candidates to either hold events or trainings in Colorado Springs, or to attract them to relocate to Colorado Springs, all based on the prestige and brand created by the presence of the USOC, the current 23 NGBs, and the proposed new facilities. Additionally, the synergy expected to occur as a result of a new sports medicine institute at UCCS, and an Olympic Museum, will further enhance the attractiveness of the region to new associations.

The range of potential gatherings is large. Just a few national events are listed here to illustrate the opportunities to add to the calendar of events: NASC Sport Event Symposium, National Sport Safety and Security Conference, National Sports Career and Networking Conference, Physical Education Teacher Education Conference, National Intramural-Recreational Sports Association, and the Center for Sports Psychology. These are examples of events that could choose to come to Colorado Springs due to the prestige gained by the expanded presence of Olympic facilities and NGBs, as well as the presence of a more state-of-the-art sports venue. While the conferences would likely be held at existing hotels and other conference venues, the presence of the new sport event venue and more NGBs would be the primary causative factor to their attraction to Colorado Springs.

Table 4 – Table 4 presents the opportunity for large specific events that have either already been held in Colorado Springs and could be persuaded to return, have indicated an interest in coming to Colorado Springs, or are representative of the types of national games that could be attracted to Colorado Springs. The State Games of America has come to Colorado Springs in the past, and the National Senior Games is a likely candidate to come in the future. The opportunity to attract them to Colorado Springs is greatly enhanced by the proposed new venue. Table 4 shows them as coming to Colorado Springs once every 10 years, although the frequency could be even higher.

Table 4 also presents several yet to be determined other large events, reflecting the significant opportunities provided by the new venue. At this point, it is not possible to identify specific candidates, as the presence of the venue is a necessary precondition for some of them to consider Colorado Springs. A total of 8 other events are modeled in this table, although the potential is limited only by the facility capacity and availability. Other events, such as X Games, are shown only to illustrate the range of possibilities that can be pursued once a venue is built.

Table 4

POTENTIAL NEW NON OLYMPIC ATHLETIC EVENTS DUE TO NEW DOWNTOWN SPORTS EVENT CENTER										
Other Major Sporting Events of National Organizations		Number of Events in CS per Year	Total Athletes per Event	Number of Out of State Athletes per Event	Total Coaches, Trainers, Family and Spectators per Event	Number of New Out of State Coaches, Family and Spectators per Event	Average Length of Event in Days	New Out of State Athlete Days	New Out of State Coach, Family and Spectator Days	
National Senior Games	Yr 3	0.1	11,000	9,900	14,000	12,600	13.0	12,870	16,380	
State Games of America	Yr 4	0.1	10,800	9,720	15,000	13,500	4.5	4,374	6,075	
X Games	Yr 3	1	1,000	900	500	450	4.5	4,050	2,025	
Mtn Dew or Similar Tour	Yr 4	1	1,000	900	500	450	4.5	4,050	2,025	
TBD- 1/month in summer	Yr 2	4	200	180	200	180	4.5	3,240	3,240	
(i.e. - Special olympics, lacrosse, field hockey, rugby)										
								28,584	29,745	
.1 games per year means once every 10 years										
Source: Summit Economics, The Sports Corp, Discussion with NGBs, and Internet Research of Comparable Venues										

In each of the preceding four tables, we are not including any visitors to the Olympic Museum who may also go to an event. Event attendance is based on visitors who come specifically for the event. There may be some museum visitors that also then attend a sporting event, but their expenditures and stay are not included in the totals given above.

Tables 5 and 6 – These tables sum up the number of out of state visitor days and the number of in state visitor days that would result from achieving the figures set forth in the first four tables. The tables present the sum of new out of state and in state athletes and athlete days, new other visitors (coaches, trainers, staff, family and spectators), and the sum of new symposium and training event attendees.

Table 5

SUMMARY OF NEW OUT OF STATE VISITORS AND VISITOR DAYS DUE TO NEW DOWNTOWN SPORTS EVENT CENTER	
New Annual Out of State Visitors by Year 4	
24,116	Total New Out of State Athletes
46,420	Total New Out of State Coach, Trainer, Staff, Family Member and Spectators
4,752	Total New Out of State Conference Delegate and Family Members
75,287	Total New Out of State Visitors
72,347	Total New Out of State Athlete Days
219,600	Total New Out of State Coach, Trainer, Staff, Family Member and Spectator Days
14,398	Total New Out of State Conference Delegate and Family Member Days
306,344	Total New Out of State Visitor Days

Table 6

SUMMARY OF NEW IN STATE VISITORS AND VISITOR DAYS DUE TO NEW DOWNTOWN SPORTS EVENT CENTER	
New Annual Out of State Visitors by Year 4	
6,673	Total New In State Athletes
28,580	Total New In State Coach, Trainer, Staff, Family Member and Spectators
480	Total New In State Conference Delegate and Family Members
35,733	Total New In State Visitors
30,789	Total New In State Athlete Days
75,000	Total New In State Coach, Trainer, Staff, Family Member and Spectator Days
5,232	Total New Conference Delegate and Family Member Days
111,020	Total New In State Visitor Days

Spending Impacts of New Out of State Visitors

The forecast of new out of state visitors is presented through the following two tables.

Table 7 shows the estimation of how the visitor numbers ramp up over a period of four years, the number of events in the facilities each year, and the average number of participants per event. Participants are defined as athletes, coaches, trainers, staffers, family members, spectators and others who come from outside the state as a result of the event. Table 6 also estimates per person daily expenditures and total expenditures. This daily expenditure is based on Longwoods, and represents an assumption of \$385 per person per stay in 2013 over 4.5 days. That figure is then inflated at 2% a year thereafter. The daily expenditures are multiplied by the number of visitor days to derive total expenditures, which is then distributed by spending types. By 2020, when peak attendance is achieved, total expenditures are expected to be just under \$28.9 million per year.

Interestingly, in a 2011 study done by the Sports Events magazine, polling 200 sporting event planners, each responsible for planning an average of 64 events, average spending per athlete was about \$700. This was actually down somewhat from the pre-recession levels of almost \$800 each. The number of days that the figure represents was not reported, however it is reasonable to assume the event lengths will not vary significantly from that assumed for this analysis. The \$700 is almost twice the figure used in this study, further supporting the relatively conservative nature of the findings.

Table 7

DOWNTOWN SPORTS EVENT CENTER: SUMMARY OF NEW ATHLETIC AND ASSOCIATED EVENTS				
	2017	2018	2019	2020
Average Number of New Events at New Facility per Year *	17	40	48	55
Average Number of Out of State Participants per Event	5,239	5,349	5,372	5,600
Total Number Out of State Athlete Visitor Days	16,268	35,573	55,823	72,347
Total Number Out of State Coach, Trainer, Family Member and Spectator Visitor Days	72,225	172,665	193,590	219,600
Total Number Out of State Event and Training Attendee Days	570	3,058	6,298	14,398
Total Out of State Participant Days	89,063	211,295	255,710	306,344
Out of State Visitor Expenditures				
Out of State Participant Days	89,063	211,295	255,710	306,344
Average Daily Expenditure	\$ 89.01	\$ 90.79	\$ 92.61	\$ 94.46
Total Out of State Visitor Expenditures	\$ 7,927,631	\$ 19,183,946	\$ 23,680,813	\$ 28,937,330
Distribution of Expenditures, Based on 2011 Longwoods Study				
Retail - 14.0%	\$ 1,109,868	\$ 2,685,752	\$ 3,315,314	\$ 4,051,226
Accommodations - 28%	\$ 2,219,737	\$ 5,371,505	\$ 6,630,628	\$ 8,102,452
Eating and Drinking - 20%	\$ 1,585,526	\$ 3,836,789	\$ 4,736,163	\$ 5,787,466
Recreation - 15%	\$ 1,189,145	\$ 2,877,592	\$ 3,552,122	\$ 4,340,599
Transportation - 23%	\$ 1,823,355	\$ 4,412,308	\$ 5,446,587	\$ 6,655,586
Total	\$ 7,927,631	\$ 19,183,946	\$ 23,680,813	\$ 28,937,330
* Excludes small athletic events identified as occurring in Multi-use facility in initial RTA application, which totaled 3,500 total out of state visitor days				
Source: Summit Economics				

Table 8 is a summary of all expenditures into lodging and non lodging expenditures. Lodging makes up about 28% of the total. This figure can be used to drive room occupancy and LART tax calculations.

Table 8

Total Retail and Lodging Expenditures by Year from New Out of State Athletic Participants and Spectators					
All Events & Conferences		2017	2018	2019	2020 +
All Expenditures, Less Lodging		\$ 5,707,895	\$ 13,812,441	\$ 17,050,186	\$ 20,834,877
Lodging Only		\$ 2,219,737	\$ 5,371,505	\$ 6,630,628	\$ 8,102,452
		\$ 7,927,631	\$ 19,183,946	\$ 23,680,813	\$ 28,937,330
Source: Summit Economics					

State Sales Tax Implications of the New Out of State Visitors

Table 9 calculates the sales tax revenues that can be anticipated through the various tax levies that will be applied. In addition to the expected State Sales Tax, the City of Colorado Springs, El Paso County, the Pikes Peak Regional Transportation Authority and the Lodging and Rental tax funds will all be affected. By year 4, the State of Colorado can expect approximately \$713,000 in sales tax revenue per year.

Recreation spending has been assumed to be non taxable for purposes of estimating net new sales tax revenue to the State. It is included however in the economic impact analysis in terms of jobs and earnings generated.

Local sales taxes are also increased as a result of the new sports event venue. The City of Colorado Springs can expect to receive about \$615,000 per year, while the County can expect \$302,000. PPRTA and LART will collect another \$400,000 between them per year.

Table 9

ECONOMIC IMPACT OF OPERATIONS OF A DOWNTOWN SPORTS EVENT CENTER EVENTS CALENDAR							
Event Related Expenditures							
Future Incremental Athletic Event Related Retail & Lodging Expenditures	Total 2015 Sales	Percent Taxable	City 2.5% Sales Tax Revenue	PPRTA 1.0% Tax Revenue	County 1.23% Sales Tax Revenue	State 2.9% Sales Tax Revenue	City 2% LART Tax Revenue
From Out of State Visitors							
Lodging	\$ 2,219,737	100%	\$ 55,493	\$ 22,197	\$ 27,303	\$ 64,372	\$ 44,395
Retail	\$ 1,109,868	100%	\$ 27,747	\$ 11,099	\$ 13,651	\$ 32,186	
Eating and Drinking	\$ 1,585,526	100%	\$ 39,638	\$ 15,855	\$ 19,502	\$ 45,980	
Recreation	\$ 1,189,145	0%	\$ -	\$ -	\$ -	\$ -	
Transportation	\$ 1,823,355	100%	\$ 45,584	\$ 18,234	\$ 22,427	\$ 52,877	
Totals	\$ 7,927,631		\$ 168,462	\$ 67,385	\$ 82,883	\$ 195,416	\$ 44,395
Future Incremental Athletic Event Related Retail & Lodging Expenditures							
Future Incremental Athletic Event Related Retail & Lodging Expenditures	Total 2016 Sales	Percent Taxable	City 2.5% Sales Tax Revenue	PPRTA 1.0% Tax Revenue	County 1.23% Sales Tax Revenue	State 2.9% Sales Tax Revenue	City 2% LART Tax Revenue
From Out of State Visitors							
Lodging	\$ 5,371,505	100%	\$ 134,288	\$ 53,715	\$ 66,070	\$ 155,774	\$ 107,430
Retail	\$ 2,685,752	100%	\$ 67,144	\$ 26,858	\$ 33,035	\$ 77,887	
Eating and Drinking	\$ 3,836,789	100%	\$ 95,920	\$ 38,368	\$ 47,193	\$ 111,267	
Recreation	\$ 2,877,592	0%	\$ -	\$ -	\$ -	\$ -	
Transportation	\$ 4,412,308	100%	\$ 110,308	\$ 44,123	\$ 54,271	\$ 127,957	
Totals	\$ 19,183,946		\$ 407,659	\$ 163,064	\$ 200,568	\$ 472,884	\$ 107,430
Future Incremental Athletic Event Related Retail & Lodging Expenditures							
Future Incremental Athletic Event Related Retail & Lodging Expenditures	Total 2017 Sales	Percent Taxable	City 2.5% Sales Tax Revenue	PPRTA 1.0% Tax Revenue	County 1.23% Sales Tax Revenue	State 2.9% Sales Tax Revenue	City 2% LART Tax Revenue
From Out of State Visitors							
Lodging	\$ 6,630,628	100%	\$ 165,766	\$ 66,306	\$ 81,557	\$ 192,288	\$ 132,613
Retail	\$ 3,315,314	100%	\$ 82,883	\$ 33,153	\$ 40,778	\$ 96,144	
Eating and Drinking	\$ 4,736,163	100%	\$ 118,404	\$ 47,362	\$ 58,255	\$ 137,349	
Recreation	\$ 3,552,122	0%	\$ -	\$ -	\$ -	\$ -	
Transportation	\$ 5,446,587	100%	\$ 136,165	\$ 54,466	\$ 66,993	\$ 157,951	
Totals	\$ 23,680,813		\$ 503,217	\$ 201,287	\$ 247,583	\$ 583,732	\$ 132,613
Future Incremental Athletic Event Related Retail & Lodging Expenditures							
Future Incremental Athletic Event Related Retail & Lodging Expenditures	Total 2018 Sales	Percent Taxable	City 2.5% Sales Tax Revenue	PPRTA 1.0% Tax Revenue	County 1.23% Sales Tax Revenue	State 2.9% Sales Tax Revenue	City 2% LART Tax Revenue
From Out of State Visitors							
Lodging	\$ 8,102,452	100%	\$ 202,561	\$ 81,025	\$ 99,660	\$ 234,971	\$ 162,049
Retail	\$ 4,051,226	100%	\$ 101,281	\$ 40,512	\$ 49,830	\$ 117,486	
Eating and Drinking	\$ 5,787,466	100%	\$ 144,687	\$ 57,875	\$ 71,186	\$ 167,837	
Recreation	\$ 4,340,599	0%	\$ -	\$ -	\$ -	\$ -	
Transportation	\$ 6,655,586	100%	\$ 166,390	\$ 66,556	\$ 81,864	\$ 193,012	
Totals	\$ 28,937,330		\$ 614,918	\$ 245,967	\$ 302,540	\$ 713,305	\$ 162,049

Source: Summit Economics

Construction and Operations Impacts

To assist local decision makers, and to inform others, the following two tables present more detailed information on the spending and employment impacts of both the construction and operations of the new venue. Because the impacts of the construction of the ballpark and multiuse events center were already estimated in the original RTA application, only the incremental expenditures are shown. Table 10 presents the anticipated construction and annual capital maintenance, repair and enhancement forecasts.

Table 10

ECONOMIC IMPACT OF CONSTRUCTION OF A DOWNTOWN SPORTS EVENT CENTER				
	Year 1	Year 2	Year 3	Year 4
Total Construction/Maintenance Costs	\$20,000,000	\$10,000,000	\$1,000,000	\$1,000,000
Construction Impacts				
Direct Employment	147	74	7	7
Indirect Employment	29	15	1	1
Induced Employment	45	23	2	2
Total Employment	221	111	11	11
Direct Employment	\$ 7,527,593	\$ 3,763,797	\$ 376,380	\$ 376,380
Indirect Employment	\$1,809,269	\$ 904,635	\$ 90,463	\$ 90,463
Induced Employment	\$1,792,275	\$ 896,138	\$ 89,614	\$ 89,614
Total Earnings	\$11,129,137	\$5,564,569	\$556,457	\$556,457
Sales Tax on Earnings Spending				
Total Earnings	\$11,129,137	\$5,564,569	\$556,457	\$556,457
% Locally Spent on Taxable Consumption	25.4%	25.4%	25.4%	25.4%
= Total Sales Taxable Consumption	\$2,826,801	\$1,413,400	\$141,340	\$141,340
City Sales Tax Receipts - 2.5%	\$70,670	\$35,335	\$3,534	\$3,534
PPRTA Sales Tax Receipts - 1%	\$28,268	\$14,134	\$1,413	\$1,413
County Sales Tax Receipts - 1.23%	\$34,770	\$17,385	\$1,738	\$1,738
State Sales Tax Receipts - 2.9%	\$81,977	\$40,989	\$4,099	\$4,099
Estimated State Income Tax Revenues - 2.7% of Income	\$300,487	\$150,243	\$15,024	\$15,024
Source: Summit Economics and Project Architect. Based on Implan Modeling				

As can be seen in Table 10, the total number of new direct jobs as a result of construction is expected to peak at 147 in the first full year of construction, and then fall as construction winds down. A total of 74 indirect and induced jobs can be anticipated as a result of the first year of construction. Construction starts in 2015, or 2 years before the first new visitors arrive however to simplify presentation tables and for ease of modeling purposes, we show the impacts concurrent with the start of operations.

Table 11 presents an estimate of the annual operations cost of both running the new events center, and of the operations of the new NGBs. The table combines the forecasted employment at the NGBs by the annual increment given in Table 1, with an estimate of 50 full time employees at the new event center. This table does not include any new employment at the University of Colorado Springs that may result from the use of their facilities that may be used in conjunction with new athletic events, although their facilities are considered as available as adjunct venues.

As can be seen in this table, the total number of new direct jobs as a result of operations is expected to be 342. Additionally, another 138 indirect and induced jobs can be anticipated as a result. This table does not include jobs that will be created from the expenditures of visitors.

While the Regional Tourism Act does not specify that State sales tax generated from operations are eligible for the Tax Rebate, it is important to note that the operations, which will be primarily supported by out of state visitors, athletes and contributions, represent an additional revenue stream to the State of almost \$264,000 per year. This revenue comes about not by the actual spending on goods and services by the NGB, which is likely to be non taxable, but the expenditures by its employees and vendors in the local economy,

creating additional taxable retail sales. The table uses a relatively conservative estimate that only 25.4% of wages will be spent locally. Additional revenues shown also include those to be received by the City, County, RTA and LART.

Table 11

ECONOMIC IMPACT OF STAFFING OPERATIONS OF NEW NGB'S AND A DOWNTOWN SPORTS EVENT CENTER				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Anticipated Number of Jobs at New NGBs	46	147	177	292
Anticipated Number of Jobs at New Facility	50	50	50	50
Anticipated Increase in Payroll	\$ 2,852,642	\$ 9,114,031	\$ 10,974,001	\$ 18,104,000
Anticipated Increase in Indirect and Induced Employment	22	69	84	138
Anticipated Indirect and Induced Earnings Impact	\$ 840,445	\$ 2,685,769	\$ 3,233,885	\$ 5,334,996
Total New Direct, Indirect and Induced Earnings	\$ 3,693,086	\$ 11,799,799	\$ 14,207,885	\$ 23,438,996
Anticipated New Local Expenditures of Earnings (25.4%)	\$ 938,044	\$ 2,997,149	\$ 3,608,803	\$ 5,953,505
City Sales Tax Rate	2.50%	2.50%	2.50%	2.50%
PPRTA Sales Tax Rate	1.23%	1.23%	1.23%	1.23%
County Sales Tax Rate	1.23%	1.23%	1.23%	1.23%
State Sales Tax Rate	2.90%	2.90%	2.90%	2.90%
City Sales Tax Revenue from New Earnings	\$ 23,451	\$ 74,929	\$ 90,220	\$ 148,838
PPRTA Tax Revenue from New Earnings	\$ 11,538	\$ 36,865	\$ 44,388	\$ 73,228
County Sales Tax Revenue from New Earnings	\$ 11,538	\$ 36,865	\$ 44,388	\$ 73,228
State Sales Tax Revenue from New Earnings	\$ 27,203	\$ 86,917	\$ 104,655	\$ 172,652
Estimated State Income Tax Revenues - 2.7% of Income	\$99,713	\$318,595	\$383,613	\$632,853
Source: Summit Economics, The Sports Corp, NGBs. Based on Implan Modeling				

Economic Impact Summary

The next several tables combine the findings presented so far into one comprehensive view of the impacts of the proposed enhancement to the ballpark/multiuse venue by the addition of a sports event venue. Table 12 shows the employment and earnings impacts of the new out of state visitor expenditures. It is expected that the 306,000 new out of state visitor days, and the \$28.9 million in annual expenditures will result in approximately 254 direct jobs and another 77 indirect and induced jobs, generating more than \$11.9 million in additional earnings by year 4. As those earnings are spent, the State can expect to see an additional \$88,000 per year in sales tax, and an additional \$322,000 in state income tax. These tax revenues, while not eligible for the RTA tax increment rebate, do represent another gain to the State of Colorado.

Table 12

ECONOMIC IMPACT OF NEW OUT OF STATE VISITOR EXPENDITURES DUE TO NEW EVENTS, GOVERNING BODIES AND CONFERENCES				
Employment and Earnings Impacts from Visitor Expenditures	Employment	Labor Income	Value Added	Output
Direct Effect	254	\$ 8,599,057	\$ 12,581,334	\$ 21,651,489
Indirect Effect	30	\$ 1,459,397	\$ 2,606,150	\$ 4,564,550
Induced Effect	47	\$ 1,877,185	\$ 3,658,140	\$ 5,894,460
Total	331	\$ 11,935,639	\$ 18,845,624	\$ 32,110,499
Sales Tax Revenue from Labor Income				
Percent Spent on Taxable Expenditures	25.4%			
Direct Effect	\$ 2,184,160			
Indirect Effect	\$ 370,687			
Induced Effect	\$ 476,805			
State Sales Tax Rate	2.9%			
State Sales Tax Collections				
Direct Effect	\$ 63,341			
Indirect Effect	\$ 10,750			
Induced Effect	\$ 13,827			
Total	\$ 87,918			
Estimated State Income Tax Revenues - 2.7% of Income	\$ 322,262			
Source: Summit Economics. Based on Implan Model				

Summary of all Tax Revenues to the State of Colorado from Out of State Visitors

Table 13 pulls together all of the sales tax and income tax results from new out of state visitor expenditures, wages and expenditures that come from NGB and event operations, construction of the new facility, and all of the associated indirect and induced effects. While only the top line of the table is eligible for the state sales tax revenue sharing, it is important to note that it represents less than a third of the total benefit to the State. If the State rebates the full \$713,000 per year, there is still an additional increment going to the State of more than \$1.2 million annually.

Table 13

SUMMARY OF STATE SALES TAX AND STATE INCOME TAX REVENUES FROM ADDITION OF NEW DOWNTOWN SPORTS EVENT CENTER				
	Year 1	Year 2	Year 3	Year 4
Direct Sales Tax From New Events Out of State Visitor Expenditures	\$ 195,416	\$ 472,884	\$ 583,732	\$ 713,305
Indirect and Induced Sales Tax From New Events Out of State Visitor Expenditures	\$ 24,086	\$ 58,285	\$ 71,947	\$ 87,918
Sales Tax From Construction Wages, Direct, Indirect and Induced	\$ 81,977	\$ 40,989	\$ 4,099	\$ 4,099
Sales Tax From NGB and Facility Operations Wages, Direct, Indirect and Induced	\$ 27,203	\$ 86,917	\$ 104,655	\$ 172,652
Total State Sales Tax Revenues	\$ 328,682	\$ 659,075	\$ 764,434	\$ 977,974
State Income Tax From Visitor Retail Wage Expenditures	\$ 88,287	\$ 213,643	\$ 263,723	\$ 322,262
State Income Tax From Construction Wage Expenditures	\$ 300,487	\$ 150,243	\$ 15,024	\$ 15,024
State Income Tax From Operations Wage Expenditures	\$ 99,713	\$ 318,595	\$ 383,613	\$ 632,853
Total State Income Tax Revenues	\$ 488,487	\$ 682,481	\$ 662,360	\$ 970,139
Total State Sales Tax and Income Tax Revenue Due to Project	\$ 817,169	\$ 1,341,556	\$ 1,426,794	\$ 1,948,113
Source: Summit Economics				

Table 14 presents the companion piece to Table 13 in terms of jobs and employment created. This table sums the direct, indirect and induced employment effects, and shows that almost 840 jobs will be created locally. Because the multiplier effects are larger at the State level, the statewide impact is likely to be many hundreds of jobs larger. The 842 jobs created will support over \$35.9 million in new incomes.

Table 14

SUMMARY OF EMPLOYMENT IMPACTS FROM ADDITION OF A NEW DOWNTOWN SPORTS EVENT CENTER				
	Year 1	Year 2	Year 3	Year 4
Direct, Indirect and Induced Employment Due to Visitor Expenditures	91	219	271	331
Direct Employment at NGBs and Facility	85	236	262	362
Indirect and Induced Employment Due to NGB Employment	22	69	84	138
Direct, Indirect and Induced Employment Due to Construction	221	111	11	11
Total Employment Impacts	418	635	628	842
Direct, Indirect and Induced Earnings Due to Visitor Expenditures	\$ 3,269,871	\$ 7,912,709	\$ 9,767,509	\$ 11,935,639
Direct Earnings at NGBs and Facility	\$ 2,852,642	\$ 9,114,031	\$ 10,974,001	\$ 18,104,000
Indirect and Induced Earnings Due to NGB Employment	\$ 840,445	\$ 2,685,769	\$ 3,233,885	\$ 5,334,996
Direct, Indirect and Induced Earnings Due to Construction	\$ 11,129,137	\$ 5,564,569	\$ 556,457	\$ 556,457
Total New Labor Income	\$ 18,092,095	\$ 25,277,076	\$ 24,531,851	\$ 35,931,092
Average Earnings per Job	\$ 43,239	\$ 39,781	\$ 39,090	\$ 42,671
Source: Summit Economics				

Appendix A

Sport Categories

Existing and Potential Sport Categories and Individual Sports for the Sports Event Center and Multi-Use Facility or for Attraction of New MSOs.

- Physical sports – Under physical sports, there is archery, air sports like hand gliding, parachuting, ballooning, bowling, mountain climbing, rope climbing, relay, marathon, hurdles, fast walking, jumping like long jump, high jump, discus throwing, javelin shot put, weightlifting etc.
- Cycle and motor sports – This is inclusive of dirt track cycling like BMX freestyle and BMX racing, and road bicycle racing.
- Combat sports – Under combat sports, there is sumo wrestling, judo, wrestling. Combat sports with weapons include fencing, kung fu, sword fighting. Striking sports includes boxing, kickboxing, taekwondo, karate.
- Dance – Dance forms are also considered sports. This includes ballroom, salsa, tango, flamenco, lyrical hip-hop, jazz and the likes.
- Ball games – This includes football, soccer, rugby, handball, water polo, hockey which also includes ice hockey, basketball, cricket, baseball, netball, volleyball etc.
- Gymnastics – Vaulting, bar gymnastics, group gymnastics, trampoline jumping are all different forms of gymnastics.
- Racquet sports – This includes table tennis, squash, tennis, badminton.

Other Sport Categories and Individual Sports

- Mind sports – Card games like rummy, bridge, board games like mahjong, Chinese checkers, snakes and ladders are all mind games.
- Water sports – Wakeboarding, surfing, snowboarding, kayaking, canoeing, boat racing, rafting, rowing, sailing, water skiing, windsurfing, water polo, swimming which includes freestyle, breaststroke, butterfly stroke.
- Cue sports – Carom, billiards, snooker and pool games all come under cue sports.
- Animal sports – This includes horse racing, fishing, horse polo, elephant polo. Under animal sports, there is cock fighting, bull fighting, dog racing etc.
- Other games – Other games include kho-kho, kabaddi, hide and seek, sac race, lemon and spoon race.
- Cycle and motor sports – This is inclusive of formula racing, kart racing, dirt track racing cycling like BMX freestyle, BMX racing, road bicycle racing, grand prix motorcycle racing, MotoGP racing etc.