Welcome to VISIT DENVER's 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.

SEPTEMBER 2015



POLICY PERSPECTIVES

LOCAL NEWS



- "A Smart Deal for Denver", the campaign to extend existing lodger's and car rental taxes to support
 expansion of the Colorado Convention Center (CCC) and redevelopment of the National Western
 Center, was officially launched on August 5th. Denver residents are encouraged to vote "Yes" on
 Referred Question 2C on the November 3rd ballot. You can follow the campaign through <u>Facebook</u>,
 <u>Twitter</u> and the <u>campaign website</u>.
- The 106th Annual VISIT DENVER Partnership Meeting will take place on Thursday, October 8th in the Bellco Theatre at the Colorado Convention Center (CCC). Mayor Michael B. Hancock will provide the keynote address with his support for 2C. The event is FREE for all to attend, so, <u>please register here!</u>
- Several efforts are underway to activate and study the 16th Street Mall including <u>The Mall</u> <u>Experience Study and the Downtown Security Action Plan</u>. Numerous stakeholders are taking part in each of these studies that will inform the future of this key connector and top tourist destination in the heart of downtown.
- VISIT DENVER recently launched a revamped and updated <u>Tourism Pays</u> website to inform citizens, elected officials, and community stakeholders about the benefits of tourism to the local, state and federal economies.
- City Council's Neighborhoods & Planning Committee met on September 2nd to continue discussions regarding <u>short-term home sharing</u> through platforms such as Airbnb and VRBO. Three primary requirements are being considered: 1) short-term rentals would be allowed where residential uses are currently allowed, 2) a business license would be issued through the Department of Excise & License, and 3) only primary residents would be allowed to rent their property. Collection of lodger's tax is also being examined.
- The proposed ballot initiative to allow for <u>marijuana consumption in private businesses</u> was pulled from the November ballot. The initiative proponents agreed to policy discussions with stakeholders including the Colorado Restaurant Association, Colorado Hotel and Lodging Association, City of Denver, and others.
- Denver's newly elected and re-elected officials, including Mayor, Auditor, Clerk and Recorder, and City Council members were sworn into office on July 20th. Chris Herndon (District 8) was re-elected

to another term as Council President and committee assignments have been determined.

STATE NEWS



- Recreation on Colorado federal land administered by the Department of Interior accounted for <u>\$1.4</u> billion in economic output and supported nearly 14,000 jobs in 2014.
- The Colorado Department of Transportation (CDOT) has issued the first piece of its Request for Proposals (RFP) for the <u>I-70 East reconstruction and expansion project</u>. Four teams will compete to work on the estimated \$1.17 billion project.
- The Colorado Transportation Legislation Review Committee is studying <u>I-70 transportation winter</u> <u>driving</u> as a result of legislation passed during the 2015 session. It is estimated that I-70 shut-downs along the mountain corridor cost \$1 million per hour of economic impact.
- <u>Al White</u> has resigned from his position with the Colorado Office of Economic Development and International Trade, effective September 30th. A search for a new director of the Colorado Tourism Office (CTO) is underway.

FEDERAL NEWS



- The General Services Administration has announced the upcoming 2015/2016 per diem travel rates taking effect on October 1, 2015. Denver's per diem is increasing from \$163 to \$172.
- The Office of Travel and Tourism Industries (OTTI) <u>released international visitation forecasts through 2020</u>, updating their forecasts by country. Visitors from China are projected to increase the most, while visitors from Venezuela are projected to decline.
- The U.S. Travel Association (USTA) has brought forward a comprehensive policy platform to <u>lower aviation taxes</u>, <u>promote airline competition and fix air travel infrastructure</u>.
- The Department of Justice (DOJ) has issued <u>subpoenas to several major airlines</u>. An investigation is underway into possible coordination among the airlines to keep ticket prices elevated.
- Analysis from U.S. Department of Labor data shows an <u>all-time high of 8.1 million American jobs</u> that
 are now directly linked to the travel industry. Travel jobs have outpaced growth in other sectors by 33
 percent, proving just how significant travel is to the national economy.
- According to recent analysis, some taxis and rental cars are falling out of favor with <u>business</u> travelers, who are increasingly turning to the sharing economy.

PARTNER PERSPECTIVES



Metro Denver Lodging Council

Marijuana Ballot Initiative: The MDLC Board is thrilled that the proponents of the public consumption initiative have agreed to pull it from the 2015 ballot and we look forward to working with all of the stakeholders, including the Mayor's office and City Council to find alternatives that will better serve citizens and visitors to Denver.

16th Street Mall: The MDLC continues to have serious concerns about the state of the 16th Street Mall. We are pleased the Mayor's office is convening sub-committees to "look at the increase of activity that does not support the vibrant, active area downtown that is desired by business owners, community leaders and visitors to Denver" and we look forward to participating in this effort.

AH&LA

DOJ Approval of Expedia & Orbitz Deal: The American Hotel & Lodging Association (AH&LA) issued the following statement on the Department of Justice's approval of the proposed acquisition of Orbitz by Expedia.

"We are disappointed with today's announcement by the Department of Justice (DOJ) to approve the proposed acquisition of Orbitz by Expedia. Simply put, this decision will hurt consumers and small business owners, and remove choice from the marketplace.

"By approving this deal, only two players control the online marketplace: Priceline and the behemoth Expedia, now owning Orbitz, Travelocity, Hotels.com, Hotwire, Cheap Tickets, and Trivago. Together, these two players control over 95 percent of the online travel agency (OTA) bookings in the United States. We continue to believe that increased consolidation is bad for consumers and bad for business."

For more information on the DOJ's decision, please click links to news stories below:

Washington Post

New York Times

Wall Street Journal

Department of Labor's (DOL) proposed changes to our nation's overtime rules: On July 2, the Department of Labor's Wage and Hour Division filed its proposed overtime regulations with the Federal Register; the regulations were scheduled to be officially published Monday, July 6.

The DOL's proposal aims to reset the minimum salary level at the 40th percentile of weekly earnings for full-time, salaried employees, based on 2013 numbers.

That means that by tying it to the 40th percentile, the DOL proposal draws a line between exempt and non-exempt employee status – and effectively raises the salary threshold for employees who are eligible for overtime from the current level of \$23,660 to \$50,440 in 2016. So any exempt salaried employee who earns \$50,440 and works overtime is entitled to be paid for that time worked.

Click here for AH&LA's formal comments to the DOL here.

<u>Click here</u> for an analysis of the proposed regulations.

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.



Stakeholder Groups

This summer has been extremely busy with government affairs issues. The Colorado Restaurant Association has been actively participating in stakeholder processes with the Colorado Department of Public Health and Environment as well as the Department of Revenue, Liquor Enforcement Division (LED).

The working group hosted by the Colorado Department of Public Health and Environment (CDPHE) was created as a result of House Bill 15-1226 concerning Retail Food Establishment License Fees. The group is addressing issues related to the retail food inspection program including: training, communication of health inspections to the public, guidance documents, inspection frequency and uniformity of the inspection program. CDPHE, Colorado Counties

Inc., and the Colorado Association of Local Public Health Officials (CALPHO) are asking for a significant increases to the retail food establishment licensing fees, along with streamlined fee categories. Industry members (restaurants, grocers and convenience stores) are looking for uniformity in inspections, an agreement of how to appropriately communicate inspection results to the public, and a broader analysis of the program including a risk-based methodology for inspections. We anticipate legislation to be introduced in 2016 as a result of these meetings.

We are also participating in stakeholder groups with the Department of Revenue, Liquor Enforcement Division. The main working group was established to address new liquor laws as well as a continuation of topics that were discussed in 2014.

Four subgroups have been formed:

- 1. Powdered Alcohol we are particularly concerned about this issue. LED hopes to have rules in place by December, which would make Colorado the first place in the world to regulate this substance.
- 2. Trade Practices
- 3. Local input on state licenses/manufacturers
- 4. Self-dispensing machines and growlers

Marijuana in Denver

CRA took a position early-on to oppose the use of marijuana in restaurants and bars, as proposed by marijuana advocates. Our primary concerns were and continue to be liability issues for restaurants and difficulties this may cause with insurance. The Mile High Chapter of CRA also voted to oppose the original ballot issue. We, along with other stakeholders met with the proponents several times to discuss our concerns along with the possibility of the initiative being pulled. We are glad that the initiative was withdrawn from the November ballot and look forward to participating in discussions on a possible alternative that addresses concerns for both sides.

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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