



**Pueblo Convention Center
Pueblo, Colorado**

Economic and Fiscal Impact Analysis of Existing Facility

SUBMITTED TO

Pueblo Urban Renewal Authority

SUBMITTED BY

C.H. Johnson Consulting, Incorporated

DRAFT June 30, 2016



**JOHNSON
CONSULTING**

Experts in Convention, Hospitality,
Sport and Real Estate Consulting.

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SECTION I
TRANSMITTAL LETTER



June 30, 2016

Mr. Gary Trujillo
Chairperson
Pueblo Urban Renewal Authority
115 East Riverwalk, Suite 410
Pueblo, Colorado 81003

RE: Historical Review of the Economic Impact Analysis for Pueblo Convention Center

Dear Mr. Trujillo:

C.H. Johnson Consulting, Inc. is pleased to submit this report to the Pueblo Urban Renewal Authority regarding economic and fiscal impact analysis of the existing Pueblo Convention Center. Pursuant to our engagement, this report provides an assessment of the economic and fiscal impact of the Convention Center in its current operation, today.

Johnson Consulting has no responsibility to update this report for events and circumstances occurring after the date of this report. The findings presented herein reflect analyses of primary and secondary sources of information. Johnson Consulting used sources deemed to be reliable, but cannot guarantee their accuracy. Moreover, some of the estimates and analyses presented in this study are based on trends and assumptions, which can result in differences between projected results and actual results. Because events and circumstances frequently do not occur as expected, those differences may be material.

We have enjoyed serving you on this engagement and look forward to providing you with continued service.

Sincerely yours,
C.H. Johnson Consulting, Inc.

DRAFT

Charles H. Johnson IV, President

SECTION II

INTRODUCTION AND EXECUTIVE SUMMARY



INTRODUCTION AND EXECUTIVE SUMMARY

Johnson Consulting was retained by the Pueblo Urban Renewal Authority to prepare an economic and fiscal impact analysis of the existing Pueblo Convention Center. Our report will support the Authority and the City of Pueblo in making strategic decisions about expanding the facility in the near future.

OBJECTIVE OF STUDY

Our analysis focuses on the existing Pueblo Convention Center. The main objective of this analysis is to illustrate the current impact of the existing facility to Pueblo.

PERFORMED TASKS

As experienced in many cities, establishing a special destination district is benefitting the host city's community and economy on multiple fronts. To demonstrate the economic impacts caused by the current operation of the Pueblo Convention Center, the following tasks are performed and documented in this report:

- Review of demographic and economic characteristics of the Pueblo market,
- Review of historical event demand, attendance, utilization, as well as operating revenue and expenses of the Pueblo Convention Center, and
- Economic and fiscal impact analysis of the existing Pueblo Convention Center.

EXECUTIVE SUMMARY

Over the years, the existing Pueblo Convention Center has offered a convention and event venue attracting visitors from all over the country, resulting in economic and fiscal benefits to the City, County and State of Colorado. By most accounts, economic benefits materialize and are measurable as direct, indirect, and induced spending, increased earnings, and employment (as summarized in Table 2-1 and described in greater details in the report); and fiscal benefits, as relevant tax revenues.



Table 2-1

Economic and Fiscal Impact Definitions	
Direct Spending	... is an expression of the spending that occurs as a direct result of the events and activities that occur at the facility. For example, a convention attendee’s expenditures on hotel rooms, shopping, and meals are direct spending.
Indirect Spending	... consists of re-spending of the initial or direct expenditures, or, the supply of goods and services resulting from the initial direct spending in the facility. For example, a convention attendee’s direct expenditure on a restaurant meal causes the restaurant to purchase food and other items from suppliers. The portion of these restaurant purchases that are within the local, regional, or state economies is counted as indirect spending.
Induced Spending	... represents changes in local consumption due to the personal spending by employees whose incomes are affected by direct and indirect spending. For example, a waiter at the restaurant may have more personal income as a result of the convention attendee’s visit. The amount of the increased income the waiter spends in the local economy is called an induced spending.
Total Spending	... is the sum of direct, indirect, and induced spending. This is a more complete view of the impact of an event as dollars flow through the local economy.
Increased Earnings	... measures increased employee and worker compensation related to the project being analyzed. This figure represents increased payroll expenditures, including benefits paid to workers locally. It also expresses how the employees of local businesses share in the increased outputs.
Employment	... measures the number of jobs supported in the study area related to the spending generated as a result of the events and activities occurring in the facility. Employment impact is stated as a number of full-time equivalent jobs.

Table 2-2 summarizes key economic and fiscal impacts of the existing facility, based upon our research and analyses described in this report



Table 2-2

Pueblo Convention Center Summary of Economic and Fiscal Impact				
	2012	2013	2014	3-Year Total
# of Events	447	422	452	1,321
Attendance				
Exhibit Hall Event Attendees	12,981	12,122	11,745	36,848
Non-Exhibit Hall Event Attendees	38,563	33,735	37,051	109,349
Other Visitors*	3,150	2,534	2,991	8,675
Total Visitors	54,694	48,391	51,787	154,872
# of Room Nights**	12,298	11,102	10,950	34,351
Economic Impact				
Direct Spending	\$7,629,000	\$6,830,000	\$7,385,000	\$21,844,000
Indirect and Induced Spending	5,829,000	5,218,000	5,642,000	16,689,000
Total Spending	\$13,458,000	\$12,048,000	\$13,027,000	\$38,533,000
Increased Earnings	\$2,499,000	\$2,237,000	\$2,419,000	\$7,155,000
Employment (FTE jobs)	119	106	115	N/A
Fiscal Impact				
Sales Tax	\$565,000	\$505,000	\$546,000	\$1,616,000
Lodging Tax***	328,059	293,695	317,555	939,309
Total Fiscal Impact	\$893,059	\$798,695	\$863,555	\$2,555,309
<i>*Including exhibiting company personnel, event performers, production staff, etc.</i>				
<i>**Reflecting room nights occupied by event attendees and other visitors.</i>				
<i>***Applies to the City of Pueblo only</i>				
<i>Source: Pueblo Urban Renewal Authority, Johnson Consulting</i>				

As shown in the table, the annual impact is significant. In 2014, the facility is estimated to have generated \$13.4 million in total spending, \$2.4 million in increased earnings, and \$546,000 in sales tax revenues, and supported 115 full-time equivalent jobs. The 3-Year totals for the project include \$38.5 million in total spending, \$7.1 million in increased earnings, and \$1.6 million in sales tax revenues.

SECTION III
ECONOMIC AND DEMOGRAPHIC ANALYSIS



ECONOMIC AND DEMOGRAPHIC ANALYSIS

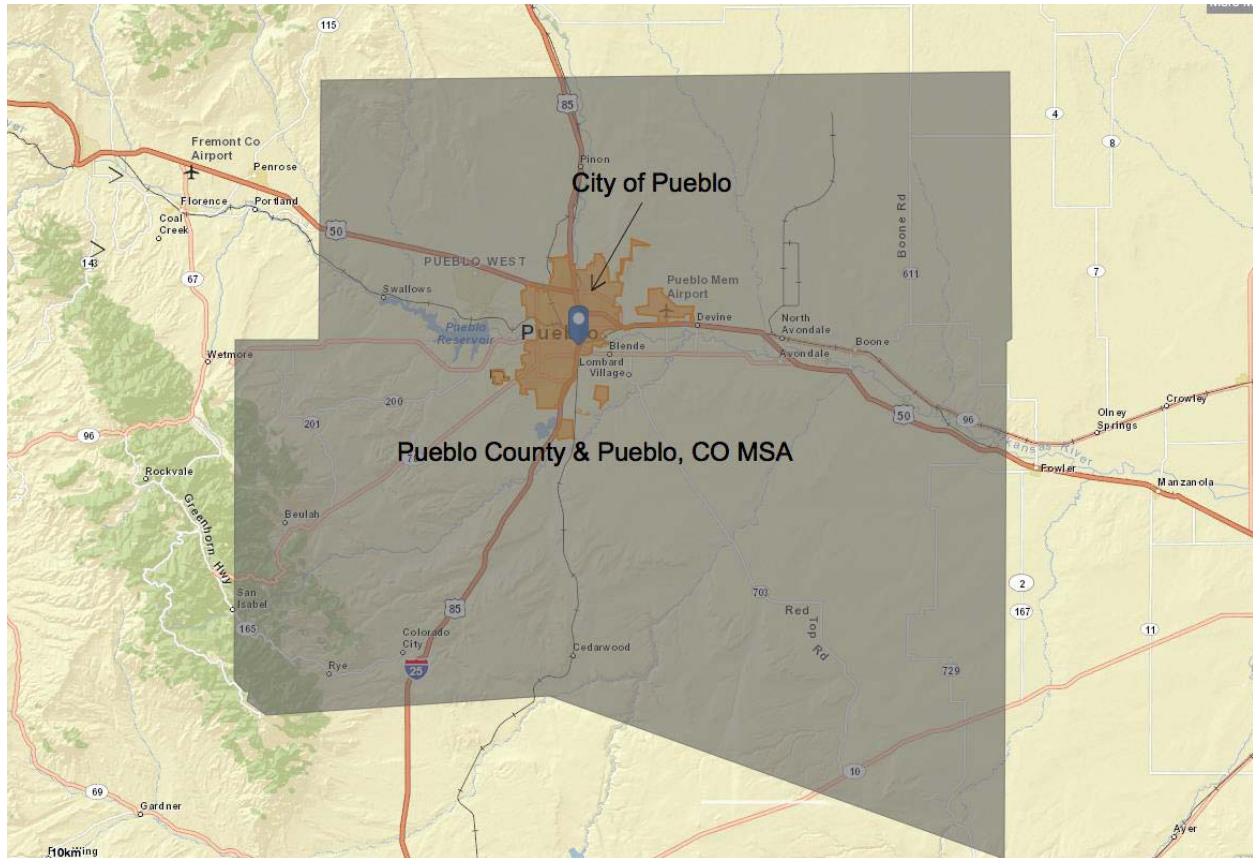
In order to analyze the economic impact of PURA-owned Pueblo Convention Center, Johnson Consulting undertook a comprehensive review of market conditions in the City of Pueblo, relative to the broader metropolitan area, as well as state and national averages. The key objectives of this analysis were to identify structural factors, opportunities and weaknesses that may affect the market's ongoing competitive situation, and to gauge the overall market conditions that the Pueblo Convention Center is operating in.

While characteristics such as population, employment and income are not strict predictors of the performance of public assembly facilities, they often provide insight into the capacity of a market to provide ongoing support for facilities and activities. In addition, the size and role of a marketplace, its civic leadership, proximity to other metropolitan areas, transportation concentrations, the location of competing and complementary attractions, directly influence the performance of a convention center within that particular market.

MARKET OVERVIEW

Located in Southeastern Colorado, the City of Pueblo is a municipality at the confluence of the Arkansas River and Fountain Creek. The City is a part of both Pueblo County and Pueblo, CO Metropolitan Statistical Area. The City is strategically located 115 miles (105-minute drive time) of Denver, Colorado and 335 miles to the north of Albuquerque, NM. Figure 3-1 gives a pictorial view of the location of the City of Pueblo in relation to Pueblo County and Pueblo, CO MSA.

Figure 3-1



CURRENT POPULATION

In 2010, Pueblo had an estimated resident population of 107,000 persons, representing 67.0 percent of the total population of Pueblo County. Between 2000 and 2010, the population of Pueblo increased slightly at an average annual rate of 0.3 percent. This is in contrast to Pueblo County, where the population increased at an average annual rate of 0.9 percent. This rate of growth was slightly higher than that recorded throughout the United States (0.8 percent per annum), but lower than the State growth (1.3 percent).

Table 3-1

Population - City of Pueblo/Pueblo County(2000-2020)				
	City of Pueblo	Pueblo County	Colorado	U.S
2000	102,215	141,472	4,301,261	281,421,906
2010	106,595	159,063	5,029,196	308,745,538
2015	107,456	160,685	5,229,260	318,536,439
CAGR* (2000-2015)	0.3%	0.9%	1.3%	0.8%
2020 (Projected)	108,753	162,938	5,650,799	330,622,575
CAGR* (2015-2020)	0.2%	0.3%	1.6%	0.7%

* Compounded Annual Growth Rate
Source: Esri ArcGIS BAO, Johnson Consulting

Population projections prepared by the U.S. Census Bureau indicate that the population of Pueblo will reach 109,000 persons in 2020, representing an average annual rate of growth of 0.2 percent. This rate of growth is consistent with that forecast for Pueblo County (0.3 percent per annum), but lower than the State (1.6 percent) and national averages (0.7 percent).

MEDIAN AGE

In 2010 the median age of residents of Pueblo was 37.4 years, which was lower than figures recorded for Pueblo County (38.6 years), but higher than the State average. Between 2000 and 2015, Pueblo has the lowest increase in population's median age (0.2 percent annually) in comparison to Pueblo County (0.3 percent annually), the State (0.4 percent annually) and national growth (0.4 percent annually).

Table 3-2

Median Age - City of Pueblo/Pueblo County (2010-2020)				
	City of Pueblo	Pueblo County	Colorado	U.S.
2010	37.4	38.6	36.1	37.1
2015	37.8	39.2	36.9	37.9
Growth (2010-2015)	1.1%	1.6%	2.2%	2.2%
2020 (Projected)	38.0	39.5	37.4	38.6
Growth (2015-2020)	0.5%	0.8%	1.4%	1.8%

Source: Esri ArcGIS BAO, Johnson Consulting

Going forward to 2020, Pueblo is projected to have only a slight increase in the population’s median age (0.1 percent annually), followed by Pueblo County (0.2 percent annually), Colorado (0.3 percent annually) and the U.S (0.4 percent annually).

The age characteristics of a total population are an important consideration when analyzing long-term demand for expanded new public assembly as these characteristics could impact demand for certain types of public events, and would likely influence the types of events that promoters and event planners would bring to the area.

EDUCATIONAL ATTAINMENT

The educational attainment level of the population of Pueblo falls below County, State, and national averages, with 14.9 percent of the resident population having not completed high school, compared to 12.5 percent within Pueblo County, 9.3 percent of residents of Colorado, and 13.2 percent nationally. The largest population of residents of Pueblo are college graduates, with no degree (25.3 percent), which is generally consistent with the educational attainment characteristics of Pueblo County, but higher than the U.S (21.0 percent). Table 3-3 provides details of educational attainment in the City of Pueblo in relation to the defined study geographies.

Table 3-3

Educational Attainment - City of Pueblo/Pueblo County (2015)				
	City of Pueblo	Pueblo County	Colorado	U.S.
Less than High School	14.9%	12.5%	9.3%	13.2%
High School Graduate	22.7%	22.6%	17.5%	23.6%
GED/ Alternative Credential	6.0%	5.6%	3.9%	4.1%
Some College, No Degree	25.3%	26.0%	22.7%	21.0%
Associates Degree	10.5%	11.0%	8.3%	8.2%
Bachelor's Degree	13.1%	14.1%	23.9%	18.6%
Graduate/ Professional Degree	7.5%	8.2%	14.3%	11.4%

Source: Esri ArcGIS BAO, Johnson Consulting

EMPLOYMENT

In 2014 (which is the most current data available) the predominant industries of employment in Pueblo County were Services (45.4 percent of employed residents aged 15 years and older), education and health services (13.6 percent), trade, transportation and utilities (12.0 percent), followed by professional and business services (7.9 percent) and leisure and hospitality (7.5 percent). Between 2013 and 2014 decreases in employment were recorded across natural resources and mining (-6.0 percent) and leisure and hospitality (-2.3 percent).

Table 3-4

Non-Farm Employment by Industry - Pueblo County (2013-2014)			
	2013	2014	Growth Rate 2013-2014
Natural Resources and Mining	183	172	(6.0%)
<i>% of Total</i>	0.2%	0.2%	
Construction	2,857	2,986	4.5%
<i>% of Total</i>	3.5%	3.6%	
Manufacturing	4,314	4,626	7.2%
<i>% of Total</i>	5.2%	5.5%	
Service Providing	37,606	38,153	1.5%
<i>% of Total</i>	45.5%	45.4%	
Trade, Transportation, and Utilities	9,840	10,082	2.5%
<i>% of Total</i>	11.9%	12.0%	
Information	664	667	0.5%
<i>% of Total</i>	0.8%	0.8%	
Financial Activities	1,743	1,744	0.1%
<i>% of Total</i>	2.1%	2.1%	
Professional and Business Services	6,291	6,617	5.2%
<i>% of Total</i>	7.6%	7.9%	
Education and Health Services	11,305	11,399	0.8%
<i>% of Total</i>	13.7%	13.6%	
Leisure and Hospitality	6,456	6,305	(2.3%)
<i>% of Total</i>	7.8%	7.5%	
Other Services	1,304	1,336	2.5%
<i>% of Total</i>	1.6%	1.6%	
TOTAL	82,563	84,087	1.8%

Source: U.S. Bureau of Labor Statistics, Johnson Consulting

UNEMPLOYMENT

The following table shows the annual unemployment rates for the City of Pueblo, Pueblo County, the State of Colorado and the U.S.

Table 3-5

Unemployment Rate - City of Pueblo/Pueblo County (2010-2014)								
	City of Pueblo		Pueblo County		Colorado		U.S.	
	Rate	Change	Rate	Change	Rate	Change	Rate	Change
2010	11.7%	-	10.4%	-	8.7%	-	9.6%	-
2011	11.5%	(0.2)	10.4%	0.0	8.3%	(0.4)	8.9%	(0.7)
2012	11.4%	(0.1)	10.5%	0.1	7.8%	(0.5)	8.1%	(0.8)
2013	10.5%	(0.9)	9.8%	(0.7)	6.8%	(1.0)	7.4%	(0.7)
2014	8.3%	(2.2)	7.3%	(2.5)	5.0%	(1.8)	6.2%	(1.2)

Source: Bureau of Labor Statistics, Johnson Consulting

Between 2000 and 2011 the unemployment rate in Pueblo has been higher than the unemployment rate in Pueblo County, Colorado, and the national average. However, the City's unemployment rate has been heavily impacted by the recession of the 1980s and the fall of CF&I (Colorado Fuel & Iron). In 2011, the City's unemployment rate was 11.5 percent, which was substantially higher than the unemployment rate recorded across Colorado (8.3 percent) and the U.S (8.9 percent). Going forward, the City is showing an improvement in its unemployment rate, which is largely attributable to improving economic conditions across the country.

HOUSEHOLD INCOME

In 2015 the median household income in Pueblo was \$33,930 per annum, which was substantially lower than figures recorded across Pueblo County, the State of Colorado (\$59,306), and the U.S. (\$53,217).

Table 3-6

Median Household Income - City of Pueblo/Pueblo County (2015-2020)				
	City of Pueblo	Pueblo County	Colorado	U.S
2015	\$33,930	\$40,337	\$59,306	\$53,217
2020 (Projected)	\$38,886	\$47,125	\$69,705	\$60,683
CAGR* (2015-2020)	2.8%	3.2%	3.3%	2.7%

* Compounded Annual Growth Rate
Source: Esri ArcGIS BAO, Johnson Consulting

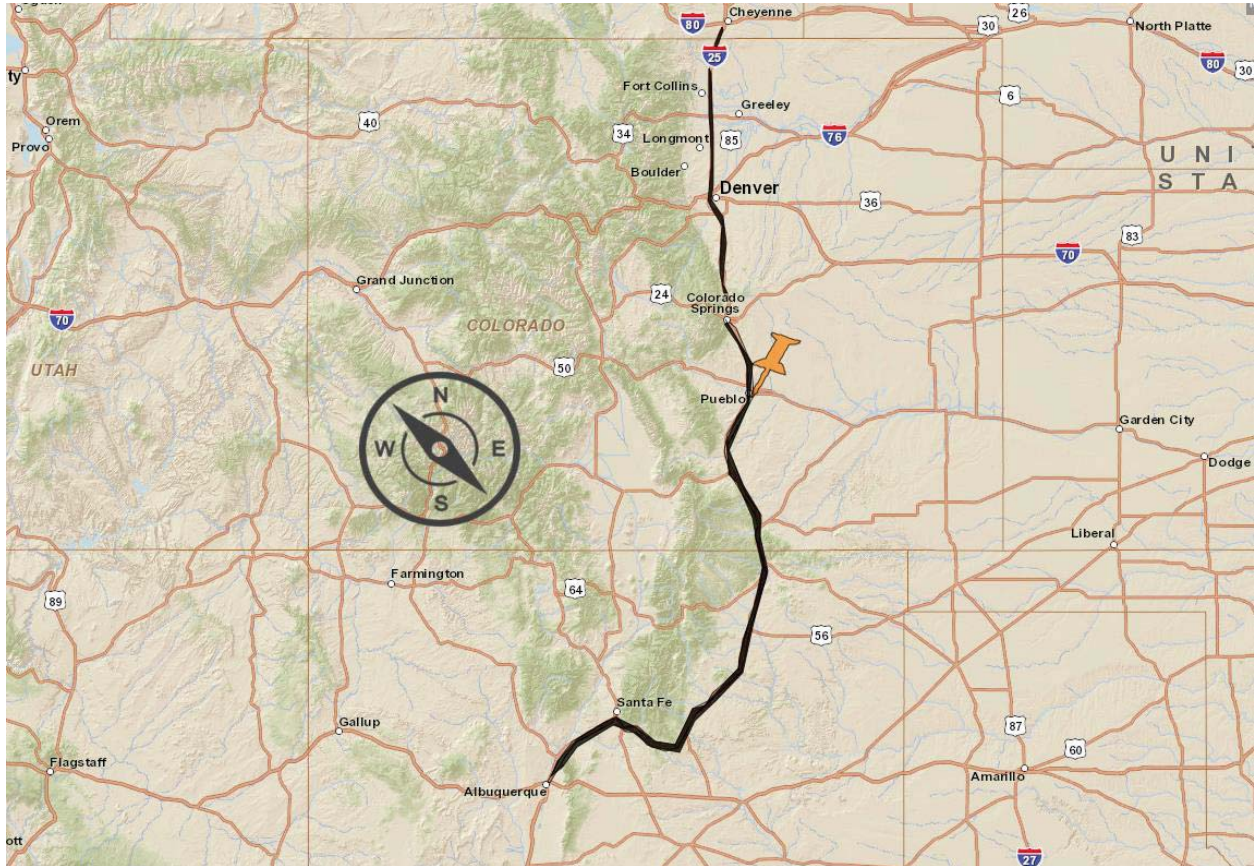
Looking forward to 2020, the median household income in Pueblo increased at an average annual rate of 2.8 percent, which was slightly higher than the rates of growth recorded across the nation, but lower than the County and the State (3.3 percent per annum).

ACCESSIBILITY

Located centrally in the US makes Pueblo easily accessible via numerous modes of transportation, and as such can draw visitors from a wide catchment area:

- **Airports:**
 - **Pueblo Memorial Airport (PMA):** Located six miles east of Pueblo, Colorado, Pueblo Memorial Airport is a public airport and is used for general aviation.
 - **Colorado Springs Airport (CSA):** Is a city-owned public civil-military airport, CSA is located 44 miles from Pueblo and is the second busiest airport in the State.
 - **Denver International Airport (DIA):** Situated 130 miles from Pueblo, DIA has an area of 34,000 acres, with more than 53 million passengers traveling through the airport each year. DIA is also serviced by 17 airlines, offering both domestic and international air, which makes it the fifth busiest airport in the U.S and the 15th busiest airport in the world.
- **Road:** Pueblo is well served by interstate highway 25. I-25 links the City with other major businesses and industrial centers, including Colorado Springs and Denver to the North and Albuquerque to the Southwest. Additionally, Highway 50 is Pueblo's primary east/west highway, which links the city with the southeastern and western parts of the state. Figure 3-2 provides a map highlighting the location of Pueblo relative to other major cities and primary road networks.

Figure 3-2



LARGEST EMPLOYERS

Table 3-7

Largest Employers - Pueblo County/ Pueblo MSA (2015)		
Employer	Industry	# Employees
Parkview Medical Center	Healthcare	1,960
Pueblo City Schools	Education	1,800
Evraz Inc.	Steel Product	1,218
St. Mary Corwin Hospital	Healthcare	1,200
Wal Mart	Retail	1,200
School District #70	Education	1,101
Pueblo County	Government	1,100
Colorado Mental Health Department	Mental Health	1,000
City of Pueblo	Government	620
Express Scripts	Pharmacy	600
Loaf N Jug	Distribution & Retail (Office and Stores)	540
Colorado State University - Pueblo	Education	523
RMS	Call Center	520
Convergys	Telemarketing	490
Vestas	Wind Turbine Manufacturing	480
Target Distribution Center	Retail	450
TRANE Company	Air	450
AT&T	Call Center	379
Pueblo Community College	Education	344
Mission Foods	Food Products	320
INNOTRAC	Telemarketing	270
Safeway Stores	Grocery Stores	262
Transportation Technology	Rail Systems	250

Source: Pueblo Economic Development Corp, Johnson Consulting

UNIVERSITY AND COLLEGE PRESENCE

- Colorado State University - Pueblo (CSUP):** Located 5 miles of Pueblo Convention Center, CSUP has an undergraduate enrollment of 5,192 students. The 279-acre campus offers both undergraduate and graduate programs.
- Pueblo Community College (PCC):** The 33 acres campus served a total of 7,581 students, which represents full-time student enrollment of 3,829. PCC is placed first among community colleges in Colorado, which specializes in STEM (Science, Technology, Engineering and Math) programs.

ENTERTAINMENT OFFERINGS

- **Colorado State Fair:** Pueblo is home to the annual Colorado State Fair, where nearly two weeks of carnival, concerts and livestock shows are held in late August to September. In 2015 attendance increased by 1,936 to 500,207, as compared to the 2014 attendance level.
- **Memorial Hall:** Is a 1,600 seat performing arts venue located in the historic district of downtown Pueblo. It has events and performances throughout the year and is managed by Spectra.
- **The Historic Arkansas Riverwalk of Pueblo (HARP):** The HARP has become the lifeblood of the City and it offers a tremendous amount of activities to visitors, including kayaking, riverboats and weekend parades and festival. This is a natural amenity for the Pueblo Convention Center.
- **Sangre De Cristo Arts and Conference Center:** Providing varied educational opportunities, visual and performing arts, the venue provides a 500-seat theater, studios and a conference facility. The facility served over 135,000 visitors in 2014, where 30.0 percent of them were from out of town and 16,000 were students who participated in tours of the Helen T. White Galleries, Buell Children’s Museum, Community Outreach and attended a performance. The facility is located within 5-minute walking distance of Pueblo Convention Center.
 - **Buell Children’s Museum:** Located at the Sangre De Cristo Arts and Conference Center, The Buell Children’s Museum offers innovative, hands-on exhibits focusing on arts, science and history for both kids and adults.

HOTEL INVENTORY

The following table summarizes the total number of hotels in Pueblo County (located within 5-mile from Pueblo Convention Center). In terms of number of rooms, the Courtyard Pueblo Downtown is the largest, with 166 available rooms. Clarion Inn is the second with 115 rooms but has the largest amount of meeting space (5,509 square foot), with 115 guest rooms.

Table 3-8

Inventory of Proximate Lodging Facilities - City of Pueblo/Pueblo County (2015)				
Hotel	Location	Distance (miles) from PCC	Guest Rooms	Meeting Space (SF)
Clarion Inn	Pueblo City	3.3	115	5,509
Santa Fe Inn & Suites Pueblo	Pueblo City	0.6	80	2,000
Holiday Inn Express & Suites Pueblo North	Pueblo City	4.4	89	1,750
Courtyard Pueblo Downtown	Pueblo City	0.1	166	1,600
Hampton Inn & Suites Pueblo North	Pueblo City	4.3	100	1,296
Hampton Inn & Suites Pueblo-Southgate	Pueblo City	4.7	81	1,126
Springhill Suites Pueblo Downtown	Pueblo City	0.2	105	1,030
Wingate by Wyndham Pueblo	Pueblo City	4.4	84	1,000
La Quinta Inn & Suites by Wyndham Pueblo	Pueblo City	4.4	101	1,000
Quality Inn & Suites	Pueblo City	4.0	62	400
Econo Lodge	Pueblo City	4.1	53	300
Ramada Inn Pueblo	Pueblo City	4.1	111	275
Best Western Plus Eagleridge Inn & Suites	Pueblo City	4.2	59	250
Motel 6	Pueblo City	3.4	108	-
Baymont Inn & Suites	Pueblo City	3.0	68	-
Microtel Inn & Suites By Wyndham	Pueblo City	4.5	63	-
Comfort Inn	Pueblo City	4.1	60	-
Rodeway Inn Pueblo West	Pueblo City	3.6	65	-
Super 8 Pueblo	Pueblo City	3.7	42	-
Days Inn Pueblo	Pueblo City	3.6	58	-
Total		3.4	1,670	17,536

Source: Relevant Facilities, STR, Johnson Consulting

The table below highlights the hotels that are within walking distance of the Pueblo Convention Center.

Table 3-9

Hotels Within 1-Mile of The PCC				
Hotel	Location	Distance (miles) from PCC	Guest Rooms	Meeting Space (SF)
Santa Fe Inn & Suites Pueblo	Pueblo City	0.6	80	2,000
Courtyard Pueblo Downtown	Pueblo City	0.1	166	1,600
Springhill Suites Pueblo Downtown	Pueblo City	0.2	105	1,030
TOTAL		0.3	351	4,630

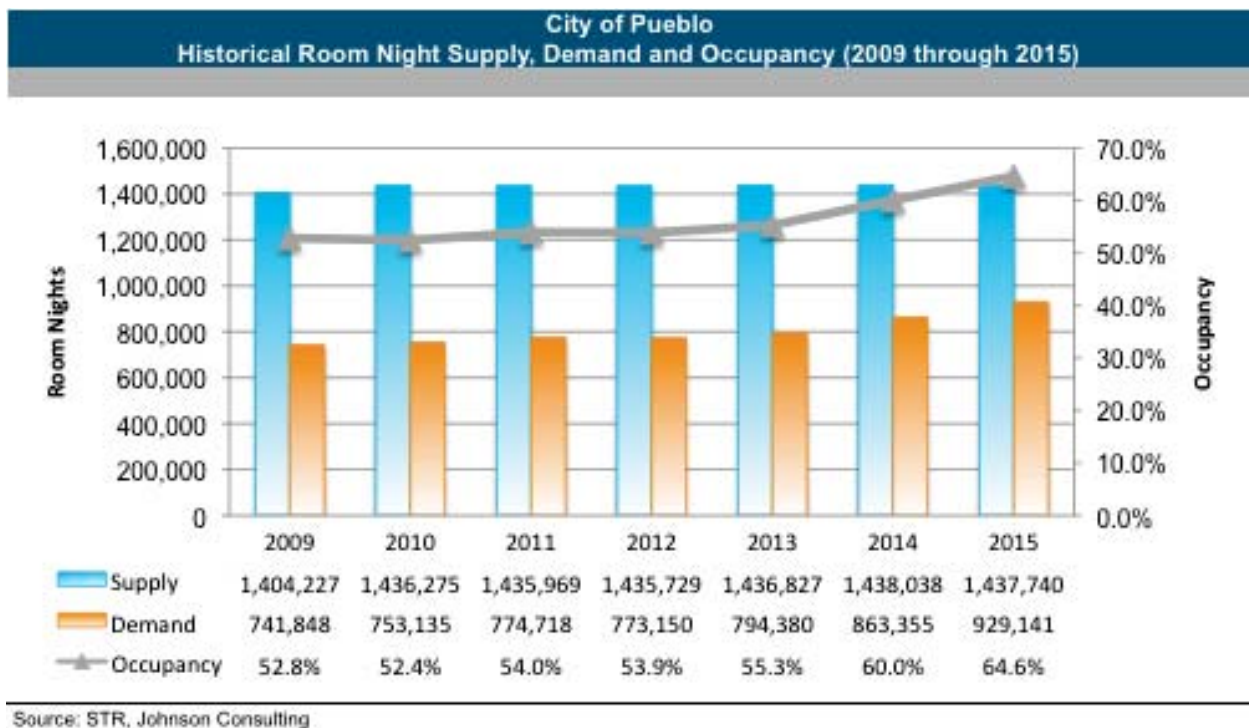
Source: Relevant Facilities, STR, Johnson Consulting

As Tables 3-8 and 3-9 indicate the majority of hotels are located at an average distance of 3.4 miles from the PCC and are concentrated around I-25.

HOTEL MARKET TRENDS

Pueblo market-wide lodging statistics were obtained from Smith Travel Research, and summarized in the following charts. The following figure shows room night supply, demand, and occupancy within the City of Pueblo from 2009 through 2015.

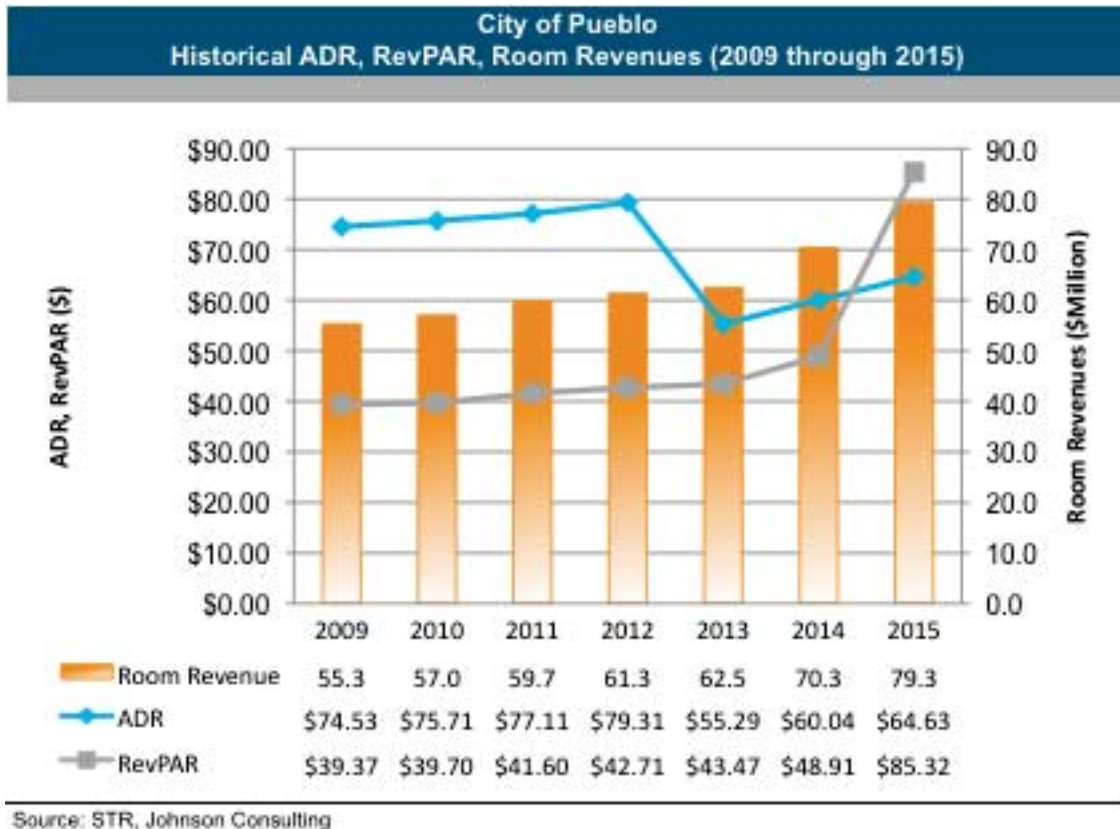
Figure 3-3



As shown in Figure 3-3 above, while Pueblo annual room night supply remained relatively stagnant at around 1.4 million room nights, Pueblo room night demand grew from over 741,000 in 2009 to over 929,000 in 2015, or by 3.8 percent annually. As a result, market-wide occupancy increased from 52.8 percent in 2009 to 64.6 percent in 2015, a substantial improvement.

Figure 3-4 shows historical average daily rate (ADR), revenue per available room (RevPAR), and room revenues in the City of Pueblo from 2009 through 2015.

Figure 3-4



As shown in the chart, Pueblo market enjoyed healthy rate growth during the 7-year period. Market-wide ADR increased from \$74.53 in 2009 to \$85.32 in 2015, representing 2.3 percent annual growth. Market-wide RevPAR increased from \$39.37 in 2009 to \$55.14 in 2015, or by 5.8 percent annually. Room revenues grew from \$55.3 million in 2009 to \$79.3 million, representing a strong 6.2 percent annual growth.

RECENT AND PLANNED DEVELOPMENTS

PUEBLO SPRINGS RANCH

Proposed in 2007, but stalled as the economy slumped, Pueblo Springs Ranch is currently in the stages of annexation into the City of Pueblo. It is a 9,168-acre mixed-use development project, which are going to include ranch sites, single and multifamily residential, senior living, open space amenities and neighborhood parks. Schools and municipal facilities are included in the master plan as well.

PROPOSED RIVERWALK DISTRICT IMPROVEMENTS

The expansion plan below is currently being reevaluated as the role of the PBR organization is further defined and the resulting implications on the program are realized.

Developed by The Pueblo Urban Renewal Authority, in conjunction with the HARP (The Historic Arkansas Riverwalk of Pueblo), the City Center Partnership, the Greater Pueblo Chamber of Commerce, the Pueblo Convention Center and the Pueblo Economic Development Corporation, The Riverwalk district has the vision to attract more visitors to downtown Pueblo. The project's plan is summarized as follows:

- Phase I:
 - Retail and Business Development,
 - Pueblo Convention Center Expansion: from 54,000 to 95,000 square feet (expansion program and orientation is being reconsidered),
 - Memorial Hall Theater Renovation,
 - HARP (The Historic Arkansas Riverwalk of Pueblo) Channel Extension, and
 - Parking Structure, and
 - Professional Bull Riders (PBR) University

- Phase II:
 - Hotel Development: 150-room hotel,
 - Retail and Business Development,
 - Regional Aquatic Center and Indoor Water Park,
 - New Boathouse/Gateway Center.



IMPLICATIONS

Pueblo has been showing a steady improvement towards economic stability since the last recession, which can be seen through its falling unemployment rate, growing retail businesses and strengthening hotel and lodging industry. The City possesses many of the key characteristics and requirements necessary to support various events, conventions, meetings and conferences. This includes an adequate hotel supply, excellent interstate access and the reasonably close proximity to the Colorado Springs airport. Pueblo is primarily a drive to event destination and is the first major city along the I-25 corridor between Albuquerque and Colorado Springs. Access to an adequate room block for larger events at hotels close to the Pueblo Convention Center is a key challenge that will need attention with a larger facility, especially as occupancy rates approach 70 percent.

SECTION IV

REVIEW OF FACILITY CURRENT OPERATIONS

REVIEW OF PCC CURRENT OPERATIONS

This section provides an up-to-date review of the Convention Center’s operations in recent years.

OVERVIEW OF EXISTING CONVENTION CENTER

The Pueblo Convention Center is owned by The Pueblo Urban Renewal Authority (PURA) and managed by Spectra, which is responsible for employing staff, marketing, daily operations, routine maintenance and repair of the facility, and food and beverage service. The facility is located in the heart of historic downtown Pueblo, bordering the Historic Arkansas Riverwalk Project (HARP), the Historic Union Avenue District, and is also within walking distance of Pueblo’s Whitewater Kayak Park, all of which provides an attractive convention destination.

The facility offers a total of 21,200 square feet of function space, which includes a 16,200 square foot ballroom/ multi-purpose hall and 5,000 square feet of meeting space. When Hero's Pavilion and the Main Corridor are included, this adds another 8,300 square feet of space for a total facility square footage of 29,500 square feet. Figure 4-1 shows the facility’s floor plans.

Figure 4-1

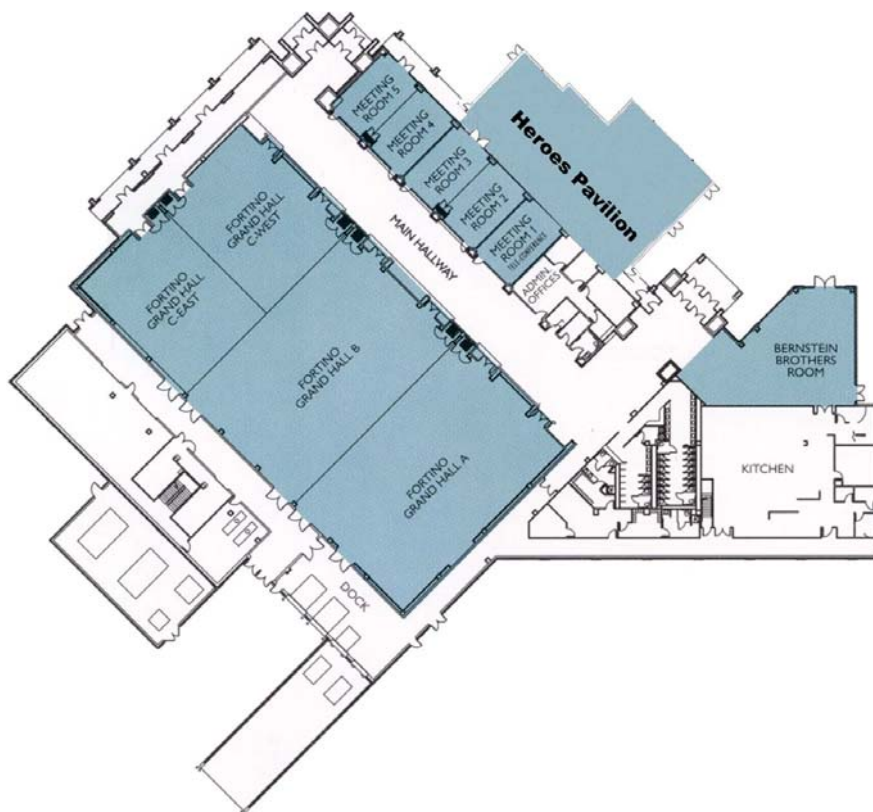


Table 4-1 summarizes the size of the function space at the existing Pueblo Convention Center.

Table 4-1

Pueblo Convention Center Summary of Function Space		
	Size (SF)	
	Individual (Smallest)	Combined (Largest)
Ballroom: Fortino Grand Hall		
Hall A	5,400	-
Hall B	5,400	-
Hall C-East	2,700	-
Hall C-West	2,700	-
Halls A-C Combined	-	16,200
Subtotal Ballroom	16,200	16,200
Meeting Rooms		
Meeting Room 1	580	580
Meeting Room 2	580	-
Meeting Room 3	580	-
Meeting Room 2/3	-	1,160
Meeting Room 4	580	-
Meeting Room 5	580	-
Meeting Room 4/5	-	1,160
Bernstein Brothers Room	2,100	2,100
Subtotal Meeting Rooms	5,000	5,000
Other Function Space		
Hero's Pavilion	3,300	3,300
Main Corridor	5,000	5,000
Subtotal Other Function Spac	8,300	8,300
Total Function Space	29,500	29,500

Source: Pueblo Convention Center

The ballroom/ multi-purpose hall is divisible into four sections. There are six meeting rooms, including four that can be combined for larger use and the main corridor and Hero's Pavilion are also used for exhibits.

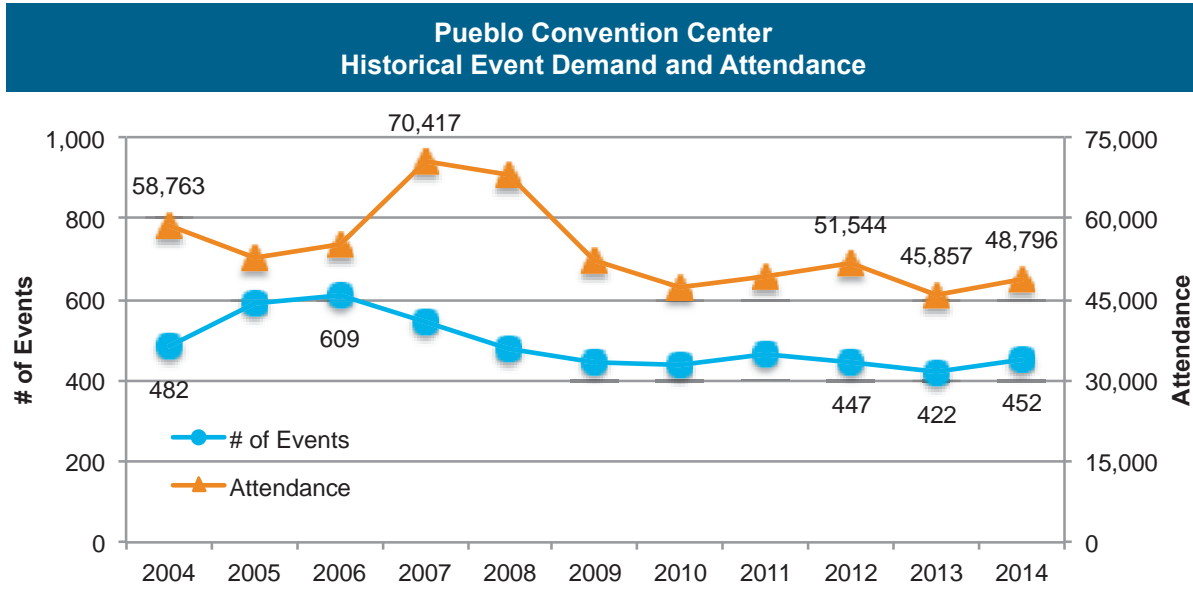
HISTORICAL EVENT DEMAND AND ATTENDANCE

The Pueblo Convention Center plays a vital role in encouraging the growth of tourism locally. In the most recent operating year, 2014, the facility had 451 events, generating total attendance of 48,796.

Figure 4-2 shows historical event demand and attendance at the PCC from 2004 through 2014.



Figure 4-2



Source: Pueblo Convention Center, Johnson Consulting

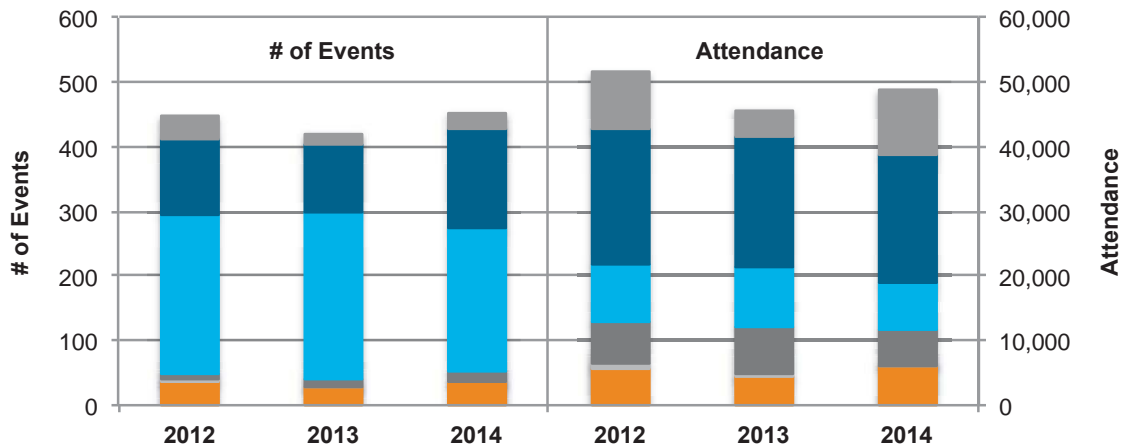
As shown in the chart, event demand and attendance at the PCC fluctuated but in general showed a slightly declining trend over the 11-year period. The PCC had 482 events in 2004, reached its highest demand with 609 events in 2006, and subsequently trended down, generally, to 452 events in 2014, or 30 events less than in 2004. Attendance-wise, the PCC generated over 58,000 attendees in 2004, reached its highest attendance with over 70,000 visitors in 2007, and subsequently trended down as well, generating less than 49,000 attendees in 2014, or close to 10,000 attendees less than in 2004. Within the last three years shown, event demand and attendance had minor fluctuations.

Table 4-2 shows event demand and attendance from 2012 through 2014, broken down into six types of events: conventions, trade shows, consumer shows, meetings, banquets, and special events.



Table 4-2

**Pueblo Convention Center
Historical Event Demand and Attendance (2012 thru 2014)**



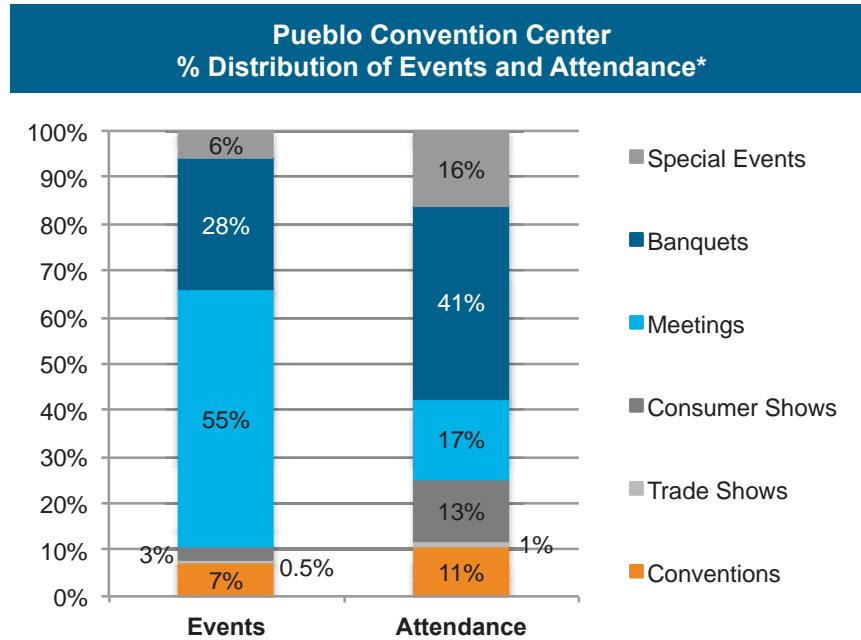
	# of Events			Attendance			Average Attendance*
	2012	2013	2014	2012	2013	2014	
Conventions	36	28	35	5,551	4,397	6,070	162
Trade Shows	3	2	1	920	610	30	260
Consumer Shows	11	11	15	6,510	7,115	5,645	521
Meetings	246	258	224	8,789	9,466	7,293	35
Banquets	118	104	152	21,059	19,849	19,587	162
Special Events	33	19	25	8,715	4,420	10,171	303
Total	447	422	452	51,544	45,857	48,796	111

*Based on three-year statistics.
Source: Spectra, Johnson Consulting

From 2012 to 2014, the distribution of event demand and attendance among types of events remained largely the same. Meetings continued to dominate event demand, representing over half the number of events but generating a small portion of attendance. The proportion of convention, trade show, and consumer show demand also remained similar.

Figure 4-3 shows the percentage of event demand and attendance over the three-year period from 2012 through 2014.

Figure 4-3

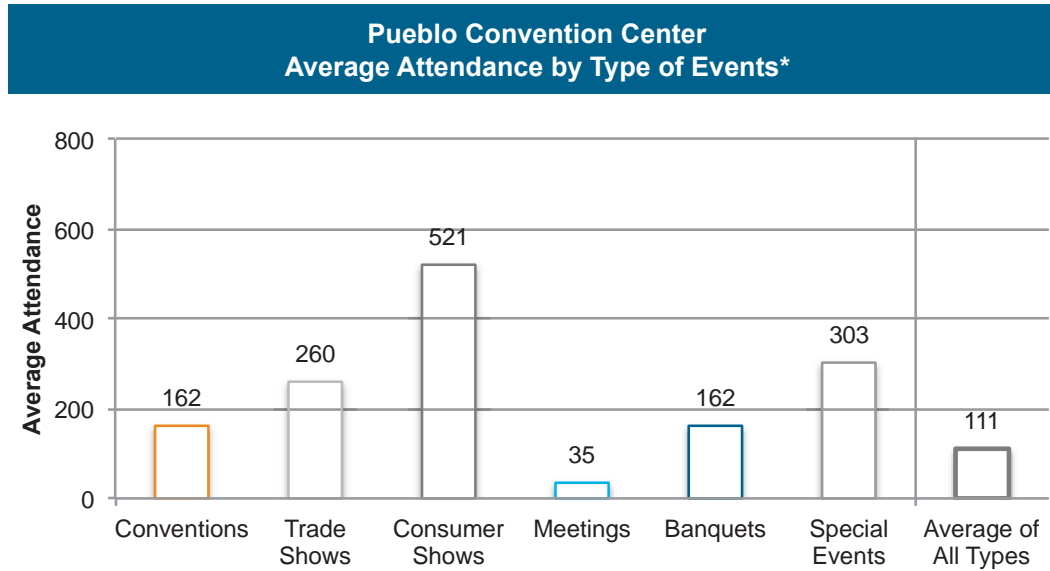


**Based on three-year statistics, from 2012 through 2014.
 Source: Pueblo Urban Renewal Authority, Spectra*

As shown in the figure, from 2012 through 2014, meetings made up 55 percent of events but generated 17 percent of attendance. Exhibit events, e.g., conventions, trade shows, and consumer shows, combined made up less than 11 percent of events while generating 25 percent of attendance.

Figure 4-4 shows the average attendance by type of events, based on the three-year statistics (2012 through 2012).

Figure 4-4



**Based on three-year statistics.
Source: Spectra, Johnson Consulting*

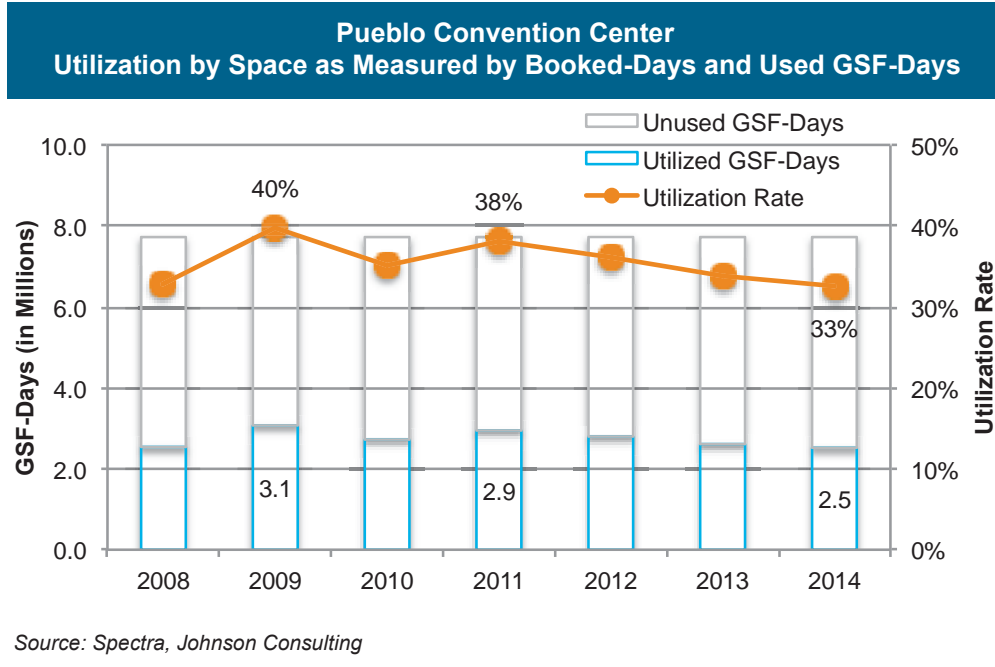
The above figure represents an average of data collected from 2012-2014. Consumer shows was the largest category of events, followed by special events and trades shows. Conventions and banquets were about the same size, on average, but conventions tend to last multiple days, while banquets are typically single-day events. Meetings averaged 35 persons.

HISTORICAL UTILIZATION

The Pueblo Convention Center keeps track of facility utilization, measured as booked days of each of the rooms. There are ten individual rooms, some of which can be combined to form a larger space. Taking into account the size of each of the rooms, in a full year (365 days) there are 7.7 million gross square foot days available at the PCC. However, based on the utilization record, in the past several years, the PCC was utilized up to 3.1 million gross square foot days only, reflecting 40 percent utilization or less. Figure 4-5 shows historical utilization of the facility.



Figure 4-5



As shown in the chart, from 2008 through 2014, utilization of the facility was the highest in 2009, at 40 percent, and subsequently trended down to 33 percent in 2014.

FINANCIAL PERFORMANCE

Table 4-3 summarizes PCC 2013 Statement of Revenue and Expenses as documented in Pueblo Urban Renewal Authority’s 2013 Annual Report.

Table 4-3

Pueblo Convention Center 2013 Financial Highlights	
	Amount
Operating Revenues	\$1,678,707
Contractual Expenses	1,933,866
Operating Income (Loss)	(\$255,159)
Other CC Expenses	
General Administration	\$155,087
Depreciation	345,899
Total Other Expenses	\$500,986
Income (Loss) After Depreciation and Administration	(\$756,145)
Non-Operating Revenues (Expenses)	
Sales Tax Increment	\$431,783
Interest Revenue	948
Interest Expense	(273,977)
Capital Contribution	24,270
Transfer-In	1,099,428
Transfer-Out	(123,174)
Total Non-Operating Revenues (Expenses)	\$1,159,278
Increase (Decrease) in Net Assets	\$403,133
Net Assets, Beginning	\$4,725,130
Net Assets, Ending	\$5,128,263

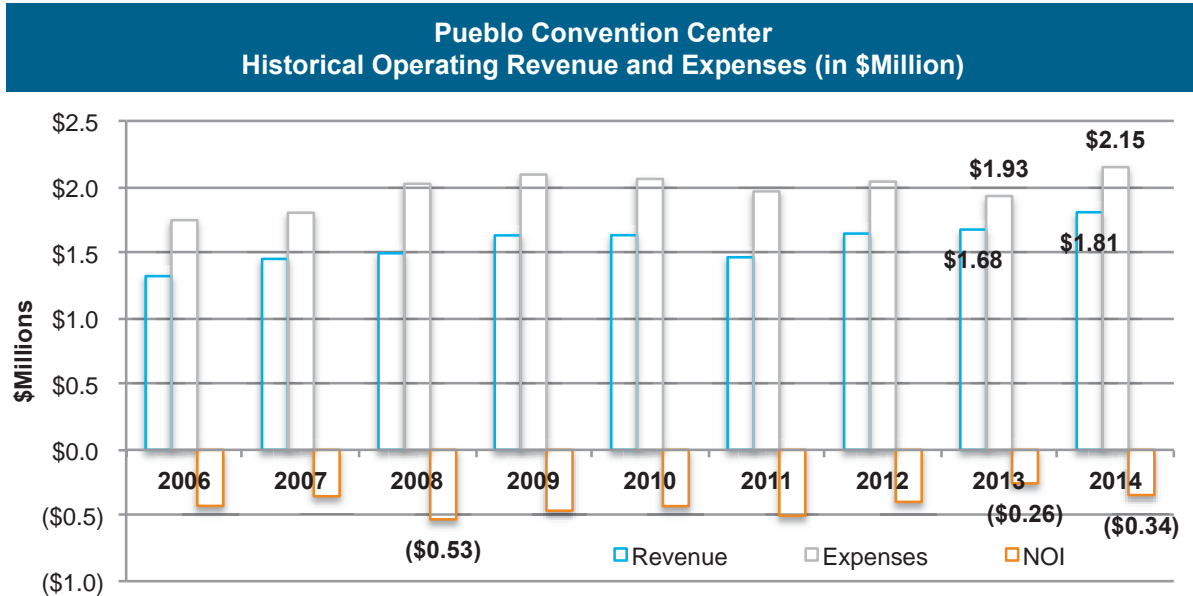
Source: Pueblo Urban Renewal Authority

In 2013, the PCC generated \$1.7 million of operating revenue and spent \$1.9 million in operating expenses, resulting in approximately \$255,000 of operating loss. Upon taking into account general administration and depreciation, the loss increased to \$756,000; and upon receiving non-operating support, the facility experienced an increase in net assets of \$400,000.

Figure 4-6 shows historical operating revenue, expenses, and loss from 2006 through 2014.



Figure 4-6



Source: Spectra, Johnson Consulting

In 2014, the PCC generated \$1.8 million of operating revenues and spent \$2.15 million in operating expenses, resulting in a \$340,000 operating loss.

SECTION V
ECONOMIC AND FISCAL IMPACT ANALYSIS

ECONOMIC AND FISCAL IMPACT ANALYSIS

This report section analyzes total economic and fiscal benefit that is being generated the by Pueblo Convention Center in Pueblo, Colorado. There are a variety of economic, social, economic development, image and social benefits that happen as the result of the presence and operation of the facility. This analysis quantifies the effect of the spending of visitors to this facility, as well as the business operation of the facilities, based on historical event demand and attendance.

While these are mathematical calculations, which are based on industry standards and experience seen in numerous other convention settings, perhaps the most important thing to visualize is what has happened to Pueblo as a community as a result of the PCC. Over the years, the existing Pueblo Convention Center has offered an affordable entertainment activity in the local area. If kept competitive, the Convention Center will attract more people from outside the region to Pueblo, increase the identity of the market by promoting to those visitors, and develop an ever expanding portfolio of repeat events. Such a venue will continue to play host to tens of thousands of residents and visitors in the region annually.

DEFINITIONS

Economic impact is defined as incremental new spending in an economy that is the direct result of certain activities, facilities, or events. For the purpose of this analysis, impact totals are discussed in terms of the City of Pueblo economy. The levels of impacts are described as follows:

- **Direct Spending** – is an expression of the spending that occurs as a direct result of the events and activities that occur at the facility. For example, a convention attendee’s expenditures on hotel rooms, shopping, and meals are direct spending.
- **Indirect Spending** – consists of re-spending of the initial or direct expenditures, or, the supply of goods and services resulting from the initial direct spending in the facility. For example, a convention attendee’s direct expenditure on a restaurant meal causes the restaurant to purchase food and other items from suppliers. The portion of these restaurant purchases that are within the local, regional, or state economies is counted as indirect spending.
- **Induced Spending** – represents changes in local consumption due to the personal spending by employees whose incomes are affected by direct and indirect spending. For example, a waiter at the restaurant may have more personal income as a result of the convention attendee’s visit. The amount of the increased income the waiter spends in the local economy is called an induced spending.
- **Increased Earnings** – measures increased employee and worker compensation related to the project being analyzed. This figure represents increased payroll expenditures, including benefits paid to workers locally. It also expresses how the employees of local businesses share in the increased outputs.

- **Employment** – measures the number of jobs supported in the study area related to the spending generated as a result of the PCC. Employment impact is stated as a number of full-time equivalent jobs.

ECONOMIC IMPACT OF THE PUEBLO CONVENTION CENTER

The economic and fiscal impact analysis is based on historical demand and attendance from 2012 through 2014, as summarized in Table 5-1 below.

Table 5-1

Pueblo Convention Center Historical Event Demand and Attendance			
# of Events	2012	2013	2014
Exhibit Events			
Conventions	36	28	35
Trade Shows	3	2	1
Consumer Shows	11	11	15
Subtotal Exhibit Events	50	41	51
Non-Exhibit Events			
Meetings	246	258	224
Banquets	118	104	152
Special Events	33	19	25
Subtotal Non-Exhibit Events	397	381	401
Total	447	422	452
Attendance	2012	2013	2014
Exhibit Events			
Conventions	5,551	4,397	6,070
Trade Shows	920	610	30
Consumer Shows	6,510	7,115	5,645
Subtotal Exhibit Events	12,981	12,122	11,745
Non-Exhibit Events			
Meetings	8,789	9,466	7,293
Banquets	21,059	19,849	19,587
Special Events	8,715	4,420	10,171
Subtotal Non-Exhibit Events	38,563	33,735	37,051
Total	51,544	45,857	48,796

Source: Pueblo Urban Renewal Authority

In a typical year from 2012 through 2014, the facility accommodated between 422 and 452 events, generating between 45,800 and 52,500 attendees.



VISITATION VOLUME

Visitation to the Pueblo Convention Center by event attendees and other visitors serves as the basis of the impact estimates. Attendance figures shown in Table 5-1 reflect those who came to attend and/or see an event, i.e., convention attendees, or special event spectators. They do not include exhibit booth personnel, event performers (singers, dancers, musicians), team officials, production staff, et cetera. For example, according to TradeShow 200 statistics, the average number of exhibitors is 34.8 percent (rounded up to 35 percent) of attendance in trade shows/ conventions, and 4.5 percent (rounded up to 5 percent) in consumer shows. For non-exhibit events, additional visitors are conservatively assumed at 1 percent for meetings and banquets, and 3 percent for special events. Combined, these additional visitors are defined as Other Visitors in Table 5-2.

Table 5-2

Pueblo Convention Center Historical Attendance and Estimated Additional Visitors*				
Event Attendees		2012	2013	2014
Exhibit Events				
Conventions		5,551	4,397	6,070
Trade Shows		920	610	30
Consumer Shows		6,510	7,115	5,645
Subtotal Exhibit Events		12,981	12,122	11,745
Non-Exhibit Events				
Meetings		8,789	9,466	7,293
Banquets		21,059	19,849	19,587
Special Events		8,715	4,420	10,171
Subtotal Non-Exhibit Events		38,563	33,735	37,051
Total		51,544	45,857	48,796
Other Visitors*	% Additional	2012	2013	2014
Exhibit Events				
Conventions	35%	1,943	1,539	2,125
Trade Shows	35%	322	214	11
Consumer Shows	5%	326	356	282
Subtotal Exhibit Events		2,590	2,108	2,417
Non-Exhibit Events				
Meetings	1%	88	95	73
Banquets	1%	211	198	196
Special Events	3%	261	133	305
Subtotal Non-Exhibit Events		560	426	574
Total		3,150	2,534	2,991
Total Visitors		2012	2013	2014
Exhibit Events				
Conventions		7,494	5,936	8,195
Trade Shows		1,242	824	41
Consumer Shows		6,836	7,471	5,927
Subtotal Exhibit Events		15,571	14,230	14,162
Non-Exhibit Events				
Meetings		8,877	9,561	7,366
Banquets		21,270	20,047	19,783
Special Events		8,976	4,553	10,476
Subtotal Non-Exhibit Events		39,123	34,161	37,625
Total		54,694	48,391	51,787

*Including exhibiting company personnel, event performers, production staff, etc., all of whom are assumed to be visiting from out-of-town and requiring lodging.

Source: Pueblo Urban Renewal Authority, Johnson Consulting

As shown in the table, between 2012 and 2014 the facility is estimated to have generated between 48,300 and 54,700 visitors, annually.



The number of days that an attendee spends in the market (person-days) and the resulting room nights serve as the basis of the economic impact estimate. Developed and derived from available historical information (including PURA records that PCC attendees generated 6,460 and 5,542 room nights in 2013 and 2014, respectively), Table 5-3 shows additional assumptions utilized to estimate the number of person-days and room nights resulting from event attendance to the Pueblo Convention Center, as summarized in the subsequent Table 5-4.

Table 5-3

Pueblo Convention Center Impact Assumptions				
	Event Length (# of Days)	Spouse Ratio	% Local	% Requiring Lodging
Exhibit Events				
Conventions	2.2	20%	50%	80%
Trade Shows	2.2	20%	50%	50%
Consumer Shows	2.2	0%	80%	40%
Non-Exhibit Events				
Meetings	1.0	0%	80%	10%
Banquets	1.0	0%	80%	10%
Special Events	1.0	0%	80%	10%

Source: Johnson Consulting

Table 5-4

Pueblo Convention Center Estimates of Person-Days and Room Nights from Event Attendees			
Person-Days	2012	2013	2014
Exhibit Events			
Conventions	14,460	11,454	15,812
Trade Shows	2,396	1,589	78
Consumer Shows	14,131	15,445	12,254
Subtotal	30,988	28,487	28,144
Non-Exhibit Events			
Meetings	8,789	9,466	7,293
Banquets	21,059	19,849	19,587
Special Events	8,715	4,420	10,171
Subtotal	38,563	33,735	37,051
Total	69,551	62,222	65,195
Room Nights	2012	2013	2014
Exhibit Events			
Conventions	4,285	4,342	3,883
Trade Shows	460	305	15
Consumer Shows	1,042	1,138	903
Subtotal	5,786	5,785	4,801
Non-Exhibit Events			
Meetings	176	189	146
Banquets	421	397	392
Special Events	174	88	203
Subtotal	771	675	741
Total	6,558	6,460*	5,542*

**Corresponds to statistics provided by PURA.
Source: Pueblo Urban Renewal Authority, Johnson Consulting*

Table 5-5 shows the total person-days and room nights from PCC event attendees and other visitors, combined.

Table 5-5

Pueblo Convention Center Estimates of Person-Days and Room Nights from Total Visitors			
Person-Days	2012	2013	2014
Exhibit Events			
Conventions	18,677	14,794	20,423
Trade Shows	3,095	2,052	101
Consumer Shows	14,838	16,217	12,866
Subtotal	36,611	33,064	33,391
Non-Exhibit Events			
Meetings	8,877	9,561	7,366
Banquets	21,270	20,047	19,783
Special Events	8,976	4,553	10,476
Subtotal	39,123	34,161	37,625
Total	75,734	67,224	71,016
Room Nights	2012	2013	2014
Exhibit Events			
Conventions	8,170	7,420	8,132
Trade Shows	1,104	732	36
Consumer Shows	1,693	1,850	1,468
Subtotal	10,967	10,002	9,635
Non-Exhibit Events			
Meetings	264	284	219
Banquets	632	595	588
Special Events	436	221	509
Subtotal	1,331	1,100	1,315
Total	12,298	11,102	10,950

Source: Pueblo Urban Renewal Authority, Johnson Consulting

As shown in the table, event activities at the PCC are estimated to have generated over 71,000 person-days and 10,950 room nights in 2014.

AVERAGE DAILY SPENDING

These attendees will spend money in the City, which averages \$169 per day, as shown in Table 5-6. The estimates for meals and incidental expenses are based on per person, per diem rates for Pueblo per the U.S. General Services Administration, which can be viewed as an average amount of spending across various hotels, restaurants, retail and other establishments.

The estimate for spending on tickets corresponds to the input from Pueblo Convention Center on sample events (shown in Table 5-7), which results in a weighted average of \$28.94 (rounded up to \$30) per ticketed attendee. Ticketed attendees include those to conventions and trade shows (paying a registration fee) and to consumer shows and special events (paying for tickets).



Table 5-6

Pueblo Convention Center Average Daily Spending	
	Amount per Person per Day
Lodging	\$89.00 (1)
Meals	46.00 (1)
Tickets	29.00 (2)
Other	5.00 (1)
Total	\$169.00

Notes:

1) Based on per diem amount for Pueblo,
as published by U.S. General Services Administration

2) Based on weighted average of ticket paid
per attendee in Pueblo Convention Center

Table 5-7

Pueblo Convention Center Flash Reports of Sample Events							
	Big Bear Brewfest	Noon Year's Eve	New Year's Eve - Countdown on ..	Valentine's Day Dinner/ Dance	Big Rod's Fat Tuesday	Floats and Aerialists	Total
Total Paid Attendance	1,420	783	588	121	237	50	3,199
Total Actual Gross Ticket Sales	\$65,971	\$3,025	\$12,400	\$5,487	\$3,117	\$2,590	\$92,590
Average Ticket Sales/ Attendee	\$46.46	\$3.86	\$21.09	\$45.35	\$13.15	\$51.80	\$28.94*

*Reflecting the weighted average of ticket sales.

Source: Pueblo Convention Center, Johnson Consulting

DIRECT SPENDING

Based on the assumptions shown in Table 5-6 and applied to visitation volume shown in Table 5-5, total direct spending by all visitors plus facility operations is estimated in

Table 5-8.

Table 5-8

Pueblo Convention Center Estimated Direct Spending				
	Average Daily Spending	Direct Spending		
		2012	2013	2014
From Attendees and Visitors				
Lodging	\$89.00 / room night	\$1,094,545	\$988,091	\$974,588
Meals	46.00 / visitor	3,483,742	3,092,325	3,266,721
Tickets	29.00 / ticketed attendee	629,184	479,718	635,564
Other	5.00 / visitor	378,668	336,122	355,078
Total	\$169.00	\$5,586,138	\$4,896,257	\$5,231,951
Facility Operation*		\$2,043,135	\$1,933,866	\$2,153,055
TOTAL		\$7,629,273	\$6,830,123	\$7,385,006

**Corresponds to PCC operating expenses.
Source: Johnson Consulting*

As shown in the table, all visitors to the PCC are estimated to have spent \$5.6 million in 2012, \$4.9 million in 2013, and \$5.2 million in 2014. Combined with the facility operation, direct spending is estimated to have amounted to \$7.6 million in 2012 and \$7.4 million in 2014.

MULTIPLIER RATES AND TOTAL ECONOMIC IMPACT

Table 5-9 summarizes the multiplier rates utilized to estimate indirect and induced spending, increased earnings, and employment.

Table 5-9

Pueblo Convention Center Economic Impact Multipliers		
	Multiplier	Base
Indirect Spending	0.351	of direct spending
Induced Spending	0.413	of direct spending
Increased Earnings	0.328	of direct spending
Increased Employment (FTE)	15.54	per \$1 million of direct spending

Source: Implan, Johnson Consulting

The table shows that every \$1 million spent in Pueblo is estimated to cause ripple effects and result in \$351,000 in indirect spending, \$413,000 in induced spending, and \$328,000 in increased earnings, and support 15.54 full-time equivalent jobs. Based on the calculations and assumptions described thus far, Table 5-10 summarizes the total estimated economic impacts of the current Pueblo Convention Center.

Table 5-10

Pueblo Convention Center Estimated Current Economic Impact*			
	2012	2013	2014
Direct Spending	\$7,629,273	\$6,830,123	\$7,385,006
Indirect Spending	2,674,075	2,393,971	2,588,459
Induced Spending	3,154,551	2,824,119	3,053,552
Total Spending	\$13,457,899	\$12,048,213	\$13,027,017
Increased Earnings	\$2,499,024	\$2,237,257	\$2,419,013
Increased Employment (FTE)	119	106	115

**Except for employment, which is presented in number of full-time equivalent (FTE) jobs.
Source: Johnson Consulting*

As shown in the table above, Pueblo Convention Center is estimated to have generated \$13.5 million in total spending, \$2.5 million in increased earnings, and support 119 full-time equivalent jobs in 2012. In 2014, the facility is estimated to have generated \$13 million in total spending, \$2.4 million in increased earnings, and support 115 full-time equivalent jobs.

FISCAL IMPACTS OF PUEBLO CONVENTION CENTER

Fiscal impacts are tax revenues that result from the spending and income related to the activities at the current Pueblo Convention Center. This analysis estimates fiscal impacts for the governmental units that levy taxes in the jurisdiction.

The fiscal impacts are the public sector's return on investment. Fiscal impacts provide a partial offset to the capital and operating expenditures required to support the development and operations of the facility. Although the incremental tax revenues cannot be expected to pay for a publicly-funded project in full, fiscal impacts are important because they improve the ability of the public sector to pay for the project. The overall economic impacts, including the fiscal impacts, provide a rationale for public participation in a project.

Based on the spending estimates, Johnson Consulting projected the fiscal impacts from major categories of tax revenues that are directly affected by a visitor's activity: sales tax, hotel/ motel occupancy tax, food and beverage tax, and admission tax. **Table 5-11** shows tax rates that are applicable to visitor spending in Pueblo.



Table 5-11

Pueblo Convention Center Applicable Tax Rates	
	Rate
Sales Tax	
State	2.9%
County	1.0%
City	3.5%
Total	7.4%
Lodging Tax*	4.3%
F&B and Admission	na**
<i>*Applies to the City of Pueblo only</i>	
<i>**No special additional tax other than the sales tax</i>	
<i>Source: Colorado Dept. of Revenue, Pueblo Urban Renewal Authority</i>	

As confirmed by Pueblo Urban Renewal Authority, lodging tax in the City of Pueblo is 4.3 percent. There is no special additional tax on food and beverages and admission tickets, other than the 7.4-percent sales tax.

The fiscal impacts represent only a fraction of the overall spending impact to the economy, as they are only the public sector’s increase in tax revenue resulting from the overall increased spending in the economy as a result of the PCC.

Table 5-12 shows the estimated annual fiscal impact of the Pueblo Convention Center.

Table 5-12

Pueblo Convention Center Estimated Current Fiscal Impact			
	2012	2013	2014
Sales Tax			
State	\$221,249	\$198,074	\$214,165
County	76,293	68,301	73,850
City	267,025	239,054	258,475
Total Sales Tax	\$564,566	\$505,429	\$546,490
Lodging Tax*	328,059	293,695	317,555
F&B and Admission Tax**	na	na	na
<i>*Applies to the City of Pueblo only</i>			
<i>**No special additional tax other than the sales tax</i>			
<i>Source: Colorado Dept. of Revenue, Pueblo Urban Renewal Authority, Johnson Consulting</i>			

As shown in the table, activities at the Pueblo Convention Center are estimated to have generated \$565,000 in tax revenues in 2012 and \$546,000 in 2014.

CONCLUSION

Based on the information presented in Sections 4 and 5 of this report, it is clear that the presence of the PCC is positive in terms of economic and fiscal impacts, as compared to the annual operating support required by the operation of the facility. The level of support for the PCC required from 2012-2014, including depreciation and administration, totaled \$2.0 million. Over this same period over \$2.5 million was collected in fiscal impacts directly attributable to the PCC. This level of support for the PCC should be considered as an investment because the return on investment is substantial. The table below outlines the annual impacts from 2012 to 2014 and provides a three-year total.

Table 5-13

Pueblo Convention Center Summary of Economic and Fiscal Impact				
	2012	2013	2014	3-Year Total
# of Events	447	422	452	1,321
Attendance				
Exhibit Hall Event Attendees	12,981	12,122	11,745	36,848
Non-Exhibit Hall Event Attendees	38,563	33,735	37,051	109,349
Other Visitors*	3,150	2,534	2,991	8,675
Total Visitors	54,694	48,391	51,787	154,872
# of Room Nights**	12,298	11,102	10,950	34,351
Economic Impact				
Direct Spending	\$7,629,000	\$6,830,000	\$7,385,000	\$21,844,000
Indirect and Induced Spending	5,829,000	5,218,000	5,642,000	16,689,000
Total Spending	\$13,458,000	\$12,048,000	\$13,027,000	\$38,533,000
Increased Earnings	\$2,499,000	\$2,237,000	\$2,419,000	\$7,155,000
Employment (FTE jobs)	119	106	115	N/A
Fiscal Impact				
Sales Tax	\$565,000	\$505,000	\$546,000	\$1,616,000
Lodging Tax***	328,059	293,695	317,555	939,309
Total Fiscal Impact	\$893,059	\$798,695	\$863,555	\$2,555,309

*Including exhibiting company personnel, event performers, production staff, etc.

**Reflecting room nights occupied by event attendees and other visitors.

***Applies to the City of Pueblo only

Source: Pueblo Urban Renewal Authority, Johnson Consulting

As shown in the table, the annual impact is significant. In 2014, the facility is estimated to have generated \$13.4 million in total spending, \$2.4 million in increased earnings, and \$546,000 in sales tax revenues, and supported 115 full-time equivalent jobs. The 3-Year totals for the project include \$38.5 million in total spending, \$7.1 million in increased earnings, and \$1.6 million in sales tax revenues.