

Steve Hogan  
Mayor

Phone: 303-739-7015

Fax: 303-739-7594

Email: shogan@auroragov.org.



April 29, 2015

Good morning, I am Aurora Mayor Steve Hogan, and a former State Representative. SB284 should not make it out of committee. As an inexperienced, 26 year old legislator, I knew a bad bill when I saw it. 40 years later, I can still tell you this is a bad bill, and even worse, horrible public policy.

It is anti-special district, anti-school district, anti-county, anti-city, anti-urban renewal, anti-state economic development office, anti-local control, anti-competition, anti-business, and despite what the drafting indicates, there is no emergency in the state this bill addresses that requires "immediate preservation of the public peace, health and safety". And when is the last time you had a bill identifying who has standing to sue? Do the words, introduced to create future delays, ring a bell?

Any project currently in the works will experience interference with terms of a contract, retroactivity of requirements for approval, and in plain English, a changing of the rules for development after the fact. I hope you as guardians of the public trust are really willing to put the state in harm's way as it relates to possible impairment of at least \$800M in contracts. And once that word gets out to the rest of the country – that word being the Colorado legislature changes the business rules of the game whenever it feels like it – future economic development opportunities in Colorado will strangle and die.

If this bill passes, and a future project that somehow survives this onerous process, it will see something pretty unique – the terms of a negotiated business deal waiting for an election result. For those of you who are Republicans, you know time is money. What do you think it will cost a company to wait for an election day, and how much more do you think projects will cost taxpayers as a result of adding in waiting time cost to the terms of a deal? For those of you who are Democrats, how many jobs will citizens of Colorado not be able to hold because a project waited for an election, or dies in an election?

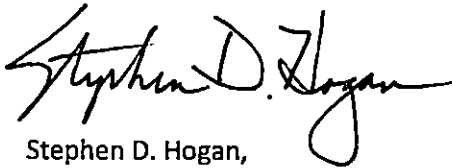
So far I haven't mentioned the G word. Now I will – Gaylord. Plain and simple, this bill is an attempt by existing business interests in Colorado to stifle a competitor, and is perhaps the worst example of special interest legislation I can imagine. Why would you, as an elected body, support clear anti-competition?

A little more than 2-1/2 years ago, the citizens of City of Aurora suffered through a tragedy of almost unspeakable dimensions. Not more than 20 miles from this site, we are all now reliving that tragedy on a daily basis. While the impacts of this bill do not begin to negatively affect us the way the actions of 7/20 did, passage of this bill will be another blow. And just because this project isn't in Denver?

We are a strong, proud, dynamic, diverse city of over 350,000 people. The Gaylord Rockies project was approved by the city council and urban renewal authority (after numerous public meetings) almost 5 years ago. I ran for Mayor on a pro Gaylord platform. It is unanimously backed by the current Council.

Is the State Senate of Colorado, about 5 years after approval, really going to insert itself into the affairs of our community under the guise of closing a loophole? Is the State Senate of Colorado really going to directly and with clearly obvious intent, participate in overruling the decision of a locally elected body almost 5 years later? Is the State Senate of Colorado going to go on record, with less than a week left in the 2015 legislative session, to "clarify" some meaningless point, leaving local control, economic development policy, and private negotiation of the terms of business deals dying in this state? I hope you are smarter than that. As I began; this is a bad bill.

Sincerely,

A handwritten signature in black ink that reads "Stephen D. Hogan". The signature is written in a cursive style with a large, sweeping flourish at the end.

Stephen D. Hogan,  
Mayor

# Gaylord Rockies Project Facts

The city of Aurora has for many years worked to invest in a conference center that could be a magnet for out-of-state tourist and business conferences. In 2010, the Aurora Economic Development Council and the city of Aurora started working with Gaylord to realize this vision.

The Gaylord Rockies will create thousands of construction jobs and permanent jobs. Independent economists project Gaylord will attract more than 450,000 new visitors to our area and contribute more than \$273 million new dollars to Colorado's economy each year. The project is structured to ensure the developers are accountable and deliver on their promises before receiving any tax incentives.

## Overview

- The Gaylord Rockies will be an "all-under-one-roof" 1,500-room hotel with more than 406,000 square feet of conference and meeting space. The development site is 85 acres and the total building area is 1.9 million square feet.
- The hotel and conference center is built to the same quality and size specifications as other Gaylord properties to ensure Colorado can draw from the more than 300 groups that rotate Gaylord properties on an annual basis.
- RIDA Development Corporation is adding new amenities to the project geared toward attracting families of conference attendees and extending stays beyond official conference dates.

## Economic impact

The Gaylord Rockies is projected to:

- Produce a net new economic benefit of \$273.3 million annually to the state. Over 30 years, this equates to more than \$8.2 billion in economic impact.
- Bring 451,580 net new visitors to the area every year.
- Produce 10,100 construction jobs.
- Produce 2,546 permanent jobs, including 1,550 direct jobs.

## New Business to Colorado

- The state of Colorado's independent third party analyst found that 87.5 percent of Gaylord's group business will be "net new" to the state and concluded that "competition with the metro area's existing hotels and convention facilities will be minimal."

## Incentives

- The city of Aurora, Adams County and the State of Colorado approved financial incentives for Gaylord because it will bring in more than \$8.2 billion in economic benefits to Colorado over the

next 30 years and because the project wouldn't be built without them.

- The incentives are performance-based. They go up or down based on the project's performance.
- The incentives are a percentage of future taxes solely generated by the project. No money is paid – up front or otherwise – and the incentives decrease or increase depending on the project's success in bringing new revenue into the state.
- The state sales tax incentive is expected to range from \$2.7 to \$3.5 million annually, depending on how much net new state sales taxes are generated. (The Colorado Economic Development Commission approved a rebate of 65.8 percent of sales tax revenue generated by the project.)
- The city of Aurora and Adams County tax incentives are expected to range from \$8.4 to \$9.9 million annually, depending on how much new local taxes are created by the project.



## Construction

- Construction is to commence in 2015 with a target opening in 2018.
- As with any project of this size, early construction cost projections are estimates. The original estimate of approximately \$800 million remains a realistic estimate.
- Developers are working to identify cost efficiencies that could bring the cost lower, but that is no guarantee. The size, scope, quality and other factors of the project will remain unchanged no matter the final construction cost.



## **OPPOSE SENATE BILL 284 – Keep Colorado Open for Business**

Construction has begun on the Gaylord Rockies Hotel and Conference Center, but Senate Bill 284 has been introduced to retroactively derail the project. Because of the economic benefits it brings to Colorado we are asking you to oppose this irresponsible legislation. The State of Colorado's integrity, reliability, and reputation are at stake.

---

**SB 284 is special legislation designed specifically to kill the Gaylord Rockies Hotel and Conference Center.** The late bill purports to address a so-called "loophole" in the use of urban renewal and tax increment financing on agricultural land for economic development projects but it is drafted solely to insulate a small group of hoteliers from perceived competition.

The Colorado General Assembly already addressed this agricultural land issue when House Bill 10-1107 became law in 2010. This law provides specific criteria by which agricultural land may be included in an urban renewal area. **Aurora relied upon the word of the Colorado legislature in meeting all of the requirements of HB10-1107 and adopted its urban renewal plan by partnering with the other taxing jurisdictions.** In fact, the criteria were not "loopholes" but specifically designed to foster intergovernmental cooperation. In order to comply with the statute, Aurora requested and received permission from all of the impacted taxing jurisdictions.

**A few hoteliers - determined to squeeze out all competition - have for the past three years been trying to undermine the Gaylord Rockies Hotel and Conference Center and are now launching this last-ditch effort to kill the project.**

Despite the dishonest rhetoric spread by our opponents, **the City of Aurora played by the rules and the project was approved through a fair and transparent process.** This retroactive legislation attempts to change the rules in the middle of the game and leaves a massive construction project with substantial financial investments in a perpetual state of legal limbo.

---

### **Gaylord Rockies Hotel and Conference Center Will Create Jobs and Grow Colorado's Economy**

#### **Gaylord Rockies Facts:**

- 1.9 million square feet facility consisting of 1,500 hotel rooms and more than 400,000 square feet of conference space.
- More than 300 business groups rotate exclusively among the Gaylord properties on an annual basis that would not otherwise come to Colorado. Nearly 90 percent of Gaylord's group business will be net new to the state.

#### **Gaylord Rockies Economic Impact Will:**

- Produce a net new annual economic impact of more than \$273 million to the state.
  - Bring more than 450,000 net new visitors to the state each year.
  - Create more than 10,000 construction jobs.
  - Create more than 2,500 permanent jobs.
-

## **SB 284 sends a Message That Colorado is *Closed for Business***

The \$824 million Gaylord project has gained national media attention in recent years and businesses throughout the country are watching our state closely to see if Colorado offers a business-friendly environment. **If Colorado reverses the commitments it has made on the Gaylord project it will create a chilling effect on our state's business climate that could take decades to repair.** The State of Colorado's stability, reliability and integrity are at stake.

**Please don't let a few self-interested hoteliers undermine Colorado's economic future. I urge you to send a message to our state and nation that Colorado is open for business.**

---

### **COALITION OF GAYLORD ROCKIES SUPPORTERS STANDING UP FOR COLORADO JOBS**

A & C Properties	HKS, Inc.
Accelerate Colorado	Intermountain Electric, Inc.
Adams County	J3 Engineering Consultants
Adams County Economic Development	Jefferson County Economic Development Corporation
Adolfson & Peterson Construction	Kit Carson County
Arapahoe County	Kutak Rock LLP
Arapahoe County Democrats	City of Lakewood
The Arc of Aurora	Lend Lease Horizon LLC
Associated General Contractors of Colorado	Lincoln County
City of Aurora	Majestic Realty
Aurora Chamber of Commerce	Marriott International, Inc.
Aurora Economic Development Council	Merrick & Company
Bbros, Inc.	Metro North Chamber of Commerce
Beam, Longest and Neff LLC	Mile High Racing and Entertainment
Town of Bennett	Mortenson Construction
City of Black Hawk	NAIOP Colorado
City of Brighton	City of Northglenn
Castle Rock Economic Development Council	Northwest Douglas County Economic Development Corporation
Colorado Municipal League	Otten Johnson Robinson Neff & Ragonetti PC
Town of Columbine Valley	Town of Parker
Commerce Construction Company	Mayor Rick Pilgrim, Town of Bow Mar
Craig/Moffat Economic Development Partnership	Radisson Hotel Denver Aurora Southeast
Creation Station	Retired Veterans Association of Colorado
Crowley County	Rocky Mountain Law Group, LLC
Dave Williams & Associates	S. A. Miro, Inc.
Doubletree by Hilton	SpringHill Suites Marriott Denver Airport
Economic Development Council of Colorado Policy Committee	Starwood CPG, Operations, L.L.C.
Fairfield and Woods, P.C.	Staybridge Suites DIA
Fairfield Inn & Suites Marriott Denver Airport	Stillwater Resources
Falck Rocky Mountain Inc.	Suss Buick GMC
Fastlane Productions, Inc	Triple Crown Sports
Fitzmartin Consulting Company	Vince Chowdhury Insurance Agency
The Fellows Companies	Visit Aurora
Hale Westfall, LLP	Weld County
Hawthorn Suites Denver Tech Center	The Wharton Group
Hilton Garden Inn Denver Airport	Woolley's Classic Suites Denver Airport

---

**GET THE REAL FACTS – KEEP COLORADO OPEN FOR BUSINESS**

[www.auroraedc.com/Gaylord-Rockies.aspx](http://www.auroraedc.com/Gaylord-Rockies.aspx)