

ORDINANCE 8683

AN ORDINANCE ESTABLISHING THE BOULDER LODGING
BUSINESS ASSESSMENT AREA PURSUANT TO CHAPTER 8-11,
"LODGING BUSINESS ASSESSMENT AREAS," B.R.C. 1981; AND
SETTING FORTH RELATED DETAILS

THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO, FINDS AND
RECITES THE FOLLOWING:

A. The city received a petition ("Petition") for the establishment of the Boulder
Lodging Business Assessment Area ("Boulder LBAA") within the boundaries of the City of
Boulder on November 21, 2024.

B. Submitted with the Petition was the Boulder LBAA's Initial Plan ("Plan"), which
describes the proposed assessment to be levied on lodging businesses to pay for sales, marketing,
and destination improvements, and other tourism improvements and tourism activities set forth in
the Plan.

C. The public hearing to consider the establishment of the Boulder LBAA has been
properly noticed in accordance with the provisions of the Title 8, Chapter 11 of the Boulder
Revised Code ("LBAA Enabling Ordinance").

D. Based upon the Petition and other information and evidence presented to the City
Council at the duly noticed public hearing on the Petition, Council finds and determines the
Petition has been presented to the city in conformity with the LBAA Enabling Ordinance, which
authorizes the establishment of lodging business assessment areas within the city, as follows:

I. The Petition has been circulated and signed in conformity with the
applicable requirements of the LBAA Enabling Ordinance;

- 1 II. The creation of the Boulder LBAA will not unreasonably duplicate or
2 interfere with any municipal improvement already constructed or planned
3 to be constructed within the limits of the Boulder LBAA or service provided
4 to the Boulder LBAA;
- 5 III. The Plan and proposed assessments are reasonable and appropriate when
6 compared to the type of improvements or services proposed;
- 7 IV. The proposed improvements and services provided by the Boulder LBAA
8 will confer a general benefit on the Boulder LBAA and result in benefits to
9 the Boulder LBAA distinct in kind or extent from any benefits provided by
10 the city; and
- 11 V. The Plan and the establishment of the Boulder LBAA are in the best interest
12 of the city.

13
14 E. Council further finds and determines that the signatures on the Petition are genuine,
15 the signatures of the parties thereon are those of an authorized manager pursuant to the LBAA
16 Enabling Ordinance, and such signatures represent lodging businesses having at least fifty percent
17 (50%) of the total rooms to be included in the LBAA.

18 F. First reading of this Ordinance to establish the Boulder LBAA was heard on
19 January 9, 2025, at the Council Chambers located at 1777 Broadway, Boulder, CO 80302.

20 G. On February 6, 2025 at 6:00 PM at the Council Chambers located at 1777
21 Broadway, Boulder, CO 80302, the Council held a hearing on the Petition of the Boulder LBAA,
22 and the Council determined that the Petition and Initial Plan (“Plan”) satisfy the provisions of the
23 LBAA Enabling Ordinance, that the Petition signatures are valid, and that the sufficiency of the
24 Petition is final, conclusive, and in the Council’s sole discretion.
25

1 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BOULDER,
2 COLORADO:

3 Section 1. City Council hereby makes and adopts the determinations and findings set forth
4 in the recitals above.

5 Section 2. Creation of the Boulder Lodging Business Assessment Area. The city hereby
6 establishes the Boulder LBAA. The Boulder LBAA is hereby declared a lodging business
7 assessment area duly established and organized under the LBAA Enabling Ordinance as a body
8 corporate and politic, a “district” within the meaning of Article X, Section 20(2)(b) of the Colorado
9 Constitution, a “local government” within the meaning of Local Government Budget Law of
10 Colorado at Part 1, Article 1, Title 29 of the Colorado Revised Statutes, and a unit of local
11 government distinct and separate from the city itself. In accordance with Section 8-11-3, B.R.C.
12 1981, as a legal entity established entirely through the exercise of the city’s home rule authority,
13 the Boulder LBAA is not considered a political subdivision of the state.
14

15 Section 3. Name and Term. The name of this lodging business assessment area shall be the
16 “Boulder Lodging Business Assessment Area.” The initial term of the Boulder LBAA shall be for
17 ten (10) years, beginning on the effective date of this Ordinance and ending ten (10) years from
18 such effective date.

19 Section 4. Purpose of the Boulder LBAA. The purpose of the Boulder LBAA is to impose
20 an assessment upon the lodging businesses included within the boundaries of the Boulder LBAA
21 in order to provide tourism services and tourism improvements, which aim to: (a) promote
22 economic health; (b) promote the health, safety, prosperity, security, and general welfare of the
23 city’s residents and visitors; and (c) specially benefit the lodging businesses within the boundaries
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1 of the Boulder LBAA. These tourism-related services and improvements will be used to increase
2 demand for room night sales for lodging businesses paying the assessment.

3 Section 5. Initial Plan. The Plan is attached to this Ordinance as Exhibit 1 and contains all
4 provisions and contents required by Section 8-11-9, B.R.C. 1981. The Plan is hereby adopted and
5 approved except as may be amended by this Ordinance.

6 Section 6. Powers. Except as otherwise provided or limited in this Ordinance, the Boulder
7 LBAA shall have all the powers granted to lodging business assessment areas as set forth in the
8 LBAA Enabling Ordinance and as needed to implement and operate under the Plan. Pursuant to
9 Section 8-11-6, B.R.C. 1981, the Boulder LBAA shall not have the power to incur bonded debt or
10 similar indebtedness in any other form without City Council's prior written consent. There are no
11 anticipated multiple-fiscal year debt or other financial obligations anticipated to be incurred by the
12 Boulder LBAA. However, as set forth in Section 8-11-6, B.R.C. 1981, the Boulder LBAA may
13 enter into contractual multiple-fiscal year debt or other financial obligations within the meaning
14 of Article X, Section 20 of the Colorado Constitution, subject to the approval of the electors of the
15 Boulder LBAA or provided that the Boulder LBAA's payment of such debt or other financial
16 obligations are subject to annual appropriation by its board of directors. The multiple-fiscal year
17 debt and other financial obligations of the Boulder LBAA shall not be considered obligations of
18 the city, and the Boulder LBAA's fiscal year spending and revenue shall not be considered that of
19 the city. Nothing in this Ordinance shall affect or impair the control and jurisdiction which the city
20 has over all property within its boundaries. All powers granted by this Ordinance shall be subject
21 to such control and jurisdiction.
22

23 Section 7. Boundaries. The boundaries of the Boulder LBAA shall be coterminous with
24 the boundaries of the city, as shown on the map attached to the Plan. In accordance with Section
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1 8-11-11, B.R.C. 1981, because the Boulder LBAA's boundaries are coterminous with the city's
2 boundaries, future lodging businesses annexed into the city after the establishment of the Boulder
3 LBAA shall automatically be included within the Boulder LBAA upon annexation.

4 Section 8. Included Businesses. The Boulder LBAA shall initially consist of, and shall
5 continue to consist of, all lodging businesses in the city. "Lodging business," for purposes of this
6 Ordinance and the Boulder LBAA, shall mean a person providing accommodations for lodging
7 purposes and public accommodations, but shall only include accommodations in a hotel, motel,
8 inn, or bed and breakfast. "Lodging purposes" has the same meaning as set forth in Chapter 3-3,
9 "Public Accommodations Tax," B.R.C. 1981. Future lodging businesses as described in this
10 section that are created within the boundaries of the Boulder LBAA after the Boulder LBAA has
11 been established shall be automatically included in the Boulder LBAA after such lodging
12 businesses have obtained all necessary permits or licenses to begin operating in the city. Lodging
13 businesses within the boundaries of the Boulder LBAA that cease to exist after the Boulder LBAA
14 is established shall be automatically excluded from the Boulder LBAA.

16 Section 9. Electors. Because only lodging businesses, as defined in Section 8 of this
17 Ordinance, are included in the Boulder LBAA, an "elector," for the Boulder LBAA shall be a
18 natural person who is a resident of the State of Colorado, is eighteen (18) years of age or older, is
19 registered to vote in general elections in the State of Colorado, and who: (a) is obligated to collect
20 the public accommodation tax pursuant to Chapter 3-3, B.R.C. 1981, by virtue of ownership and
21 operation of a lodging service or public accommodation in the Boulder LBAA, or (b) is the natural
22 person designated to vote for an entity that is not a natural person and is obligated to collect the
23 public accommodation tax by virtue of ownership of a lodging service or public accommodation
24 in the Boulder LBAA. Businesses or persons that are obligated to collect the short-term rental tax
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1 pursuant to Chapter 3-15, B.R.C. 1981, shall not be considered electors of the Boulder LBAA
2 unless and until such businesses or persons are included within the Boulder LBAA pursuant to an
3 amendment to this Ordinance. The Boulder LBAA board of directors may establish procedures,
4 requirements, and forms that do not conflict with this Ordinance or the LBAA Enabling Ordinance
5 for lodging businesses to designate persons to vote on behalf of the lodging business.

6 Section 10. Governance and Board of Directors. The Boulder LBAA shall be governed by
7 a five-member board of directors, each of whom is an elector of the Boulder LBAA. The following
8 electors of the Boulder LBAA are hereby appointed as the initial board of directors and shall serve
9 the terms as indicated below:

- 10 (a) Joe Skeiskal, affiliated with the Limelight Boulder, is appointed for a three-year
11 term;
- 12 (b) Aaron Coburn, affiliated with the St. Julien Hotel & Spa, is appointed for a three-
13 year term;
- 14 (c) Matthew Barton, affiliated with the Hampton Inn & Suites, is appointed for a two-
15 year term;
- 16 (d) David LaTessa, affiliated with Boulder Marriott Hotel, is appointed for a two-year
17 term; and
- 18 (e) Mia Opalka, affiliated with Hotel Boulderado, is appointed for a one-year term.

19
20 Upon expiration of the terms of the above-listed members of the board of directors, or a director's
21 seat otherwise becoming vacant, and in accordance with Section 8-11-15, B.R.C. 1981, successor
22 directors shall be nominated and recommended by the board of directors for appointment to the
23 mayor, who shall appoint such successor directors. Successor directors recommended by the board
24 and appointed by the mayor must be confirmed by resolution of City Council for terms of three
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1 (3) years unless an appointee is filling a vacant director seat, in which case the appointee shall
2 finish the term of the vacated seat. In addition, City Council hereby assigns the city manager or
3 the city manager's designee as a non-voting, *ex officio* director of the Boulder LBAA.

4 Section 11. Assessment. As set forth in the Plan, the Boulder LBAA's annual assessment
5 rate shall be two percent (2%) of gross revenue from lodging business stays of thirty (30)
6 consecutive days or fewer for all lodging businesses within the boundaries of the Boulder LBAA.
7 The revenues derived from the assessment will be used in accordance with the Boulder LBAA's
8 promotional plan. The Boulder LBAA may begin collecting the assessment on the effective date
9 of this Ordinance. Assessments shall not be collected on:

- 10 (a) Lodging business stays of more than thirty (30) consecutive days;
- 11 (b) United States Government, State of Colorado, its departments and institutions and
12 the political subdivisions thereof, including the city, when acting in their
13 governmental capacities and performing governmental functions and activities, and
14 when the government's obligation is paid for directly to the lodging business by a
15 purchase card or a draft or warrant drawn on the government account; and
- 16 (c) Religious, charitable and quasi-governmental organizations but only in the conduct
17 of their regular religious, charitable and quasi-governmental capacities, only if each
18 such organization has obtained an exempt organization designation under Section
19 3-17-4, "Requirements for Tax Exempt Organizations," B.R.C. 1981, and furnishes
20 the exempt tax license to the person who rents or leases lodging business to the
21 organization, and only if the organization's obligations have been paid for directly
22 by it to the assessed lodging business without reimbursement therefor.
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1 Section 12. Collection. The Boulder LBAA may negotiate and contract with the city for
2 collection of the assessment, including any penalties and interest thereon permitted by this
3 Ordinance, or the Boulder LBAA may self-collect the assessment or contract with another entity
4 for such collection.

5 Section 13. Penalties and Interest for Failure to Pay Assessment. Section X, “Overdue
6 Charges and Interest,” of the Plan is replaced in its entirety with this Section 13. The Boulder
7 LBAA assessment shall be subject to the following penalties and interest:

- 8 (a) If any lodging business fails, neglects, or refuses to pay the assessment imposed by
9 the Boulder LBAA, or fails to remit the correct amount of assessment or underpays
10 the assessment because of negligence or fraud, the Boulder LBAA may make an
11 estimate of the assessment due, based on available information, and shall add
12 thereto penalties, interest, and any additions to the assessment as set forth in this
13 Section 13. The Boulder LBAA shall serve upon the delinquent lodging business
14 personally, by first-class mail directed to the last address of the lodging business on
15 file with the Boulder LBAA, or at the electronic mail address provided by the
16 lodging business, written notice of the LBAA assessment amount, penalties, and
17 interest due and payable within thirty (30) calendar days after the date of the notice.
18 The lodging business may request a hearing on the assessment before the Boulder
19 LBAA.
20 LBAA.
- 21 (b) If a lodging business neglects or fails to pay the assessment due to the Boulder
22 LBAA on the date prescribed therefor, determined including any extension of time
23 for payment, such lodging business is liable to pay the penalty and interest provided
24 for in subsection (i) of this Section 13 on such deficiency.
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- 1 (c) If a lodging business fails to pay the assessment due to the Boulder LBAA on the
2 date prescribed therefor, determined with regard to any extension of time for
3 payment, due to fraud with the intent to evade paying the assessment, such lodging
4 business is liable to pay a penalty of one hundred percent (100%) of the deficiency
5 plus interest collected at a rate of three percent (3%) per month on the amount of
6 the deficiency from the date the payment was due until paid. The Boulder LBAA
7 shall assess the penalties by serving upon the lodging business a written notice, as
8 provided in subsection (a) of this Section 13.
- 9 (d) If the amount of assessment is understated on the assessment invoice or return
10 because of a mathematical error on the face of the invoice or return, the Boulder
11 LBAA shall notify the lodging business by issuing a written notice for the amount
12 of assessment liability exceeding that shown in the invoice or return. The lodging
13 business has no right of appeal from this notice and invoice or return but shall pay
14 the assessment due within ten (10) days from the date of the notice.
- 15 (e) If any assessment amount is not paid on or before the twentieth day following the
16 end of the prescribed reporting period, interest on such amount at the rate imposed
17 under subsection (i) of this Section 13 shall be paid for the period from such date
18 until paid. The last date prescribed for payment shall be determined without regard
19 to any extension of time for payment and shall be determined without regard to any
20 notice and demand for payment issued, by reason of jeopardy, prior to the last date
21 otherwise prescribed for such payment.
- 22 (f) For good cause shown, the Boulder LBAA may waive any penalty assessed or
23 interest imposed under this Section 13.
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- 1 (g) Interest prescribed under this Section 13 shall be paid upon notice and demand,
2 shall be assessed, collected, and paid in the same manner as the assessment to which
3 it applies, and may be assessed and collected at any time during the period within
4 which the assessment to which the interest relates may be assessed and collected.
- 5 (h) If any portion of an assessment is satisfied by credit of an overpayment, no interest
6 shall be imposed on the portion of the assessment so satisfied for any period during
7 which, if the credit had been allowed, interest would have been allowed to the
8 lodging business upon the overpayment.
- 9 (i) When interest is required or permitted to be charged under any provisions of
10 subsections (b) through (e) of this Section 13, there shall be a one-time penalty of
11 ten percent (10%) and interest of one percent (1%) per month on any assessment
12 deficiency from the date when payment was due until paid.
- 13 (j) The penalties provided in this Section 13 are not exclusive.

14 Section 14. Dissolution. The term for the Boulder LBAA is not perpetual, and the Boulder
15 LBAA shall be dissolved at the end of its ten-year term upon the adoption of an ordinance by city
16 council following notice and a hearing as set forth in Section 8-11-22, B.R.C. 1981. No request
17 for dissolution shall be required for the dissolution of the Boulder LBAA if the Boulder LBAA is
18 being dissolved due to the expiration of its term. A request for dissolution may be submitted as
19 provided in Section 8-11-22, B.R.C. 1981, if there is a request to dissolve the Boulder LBAA prior
20 to the expiration of its term. At the hearing on dissolution, the Boulder LBAA shall present its plan
21 for dissolution, and city council shall determine whether such plan is consistent with the LBAA
22 Enabling Ordinance and this Ordinance and whether it is in the best interests of the city to approve
23 such plan. The plan for dissolution shall, at a minimum, provide:
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- (a) A description of the lodging businesses within the Boulder LBAA;
- (b) A description of the tourism improvements and tourism services being furnished by the Boulder LBAA;
- (c) A statement regarding whether the Boulder LBAA's tourism improvements and tourism services will continue to be provided after dissolution and, if so, the plan for their continued provision;
- (d) A description of the Boulder LBAA's plan for the disposition of its real and personal property, if any; and
- (e) A statement regarding whether and how all the Boulder LBAA's contracts and legal obligations have been fulfilled.

If the city council cannot make the required findings prescribed by this Section 14, it shall request the Boulder LBAA to revise and resubmit the dissolution plan to address any deficiencies, and council shall continue the dissolution hearing to a time and date certain, at which time city council will make findings regarding the revised dissolution plan. If city council makes the required findings and approves the Boulder LBAA's dissolution plan, the Boulder LBAA shall be dissolved as set forth in the dissolution plan approved by city council. The ordinance approving the dissolution plan shall, at a minimum, contain the findings required by this Section 14, a declaration by city council that the Boulder LBAA is dissolved as set forth in the approved dissolution plan, and any other provisions city council deems necessary to protect the interests of the public health, welfare, and safety.

Section 15. Compliance with the Boulder Revised Code. Except as may be expressly provided in this Ordinance, the Boulder LBAA shall be subject to and comply with all applicable provisions of the Boulder Revised Code, as may be amended, including without limitation the

1 LBAA Enabling Ordinance. In the event of any conflicting provisions of the Boulder Revised
2 Code or this Ordinance and the Plan or any Boulder LBAA Annual Plan, the Boulder Revised
3 Code and this Ordinance shall control.

4 Section 16. Title Headings. The title headings on each section hereof are for convenience
5 of reference only and shall not be deemed to expand or limit the scope of any section.

6 Section 17. Severability. If any section, subsection, sentence, clause or phrase or word of
7 this Ordinance is for any reason held to be unconstitutional, unlawful or otherwise invalid by a
8 court of competent jurisdiction, such decision shall not affect the validity of the remaining portions
9 of this Ordinance. City Council declares that it would have passed and adopted this Ordinance and
10 each and all provisions irrespective of the fact that any one or more of said provisions may be
11 declared invalid or unconstitutional without regard to any such decision or preemptive legislation.
12


13 Section 18. This Ordinance is necessary to protect the public health, safety, and welfare of
14 the residents of the city, and covers matters of local concern.

15 Section 19. The City Council deems it appropriate that this Ordinance be published by title
16 only and orders that copies of this Ordinance be made available in the office of the city clerk for
17 public inspection and acquisition.
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1 INTRODUCED, READ ON FIRST READING, AND ORDERED PUBLISHED BY
2 TITLE ONLY this 9th day of January 2025.

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4
5 
6 Aaron Brockett,
Mayor

7 Attest:

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9 
10 Elesha Johnson, City Clerk

11 READ ON SECOND READING, PASSED AND ADOPTED this 6th day of February
12 2025.

13
14 
15 Aaron Brockett,
16 Mayor

17 Attest:

18
19 
20 Elesha Johnson, City Clerk

2025-2034



BOULDER LODGING BUSINESS ASSESSMENT AREA INITIAL PLAN

Prepared pursuant to the Chapter 11 of Title 8 of the Code of the City of Boulder

November 5, 2024

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I. AREA'S NAME

The proposed name of this lodging business assessment area shall be the “Boulder Lodging Business Assessment Area” (Boulder LBAA).

II. LEGAL AUTHORITY

The Boulder LBAA is to be organized and established as a lodging business assessment area (LBAA) as authorized in Chapter 11 of Title 8 of the Code of the City of Boulder (LBAA Ordinance) to fund improved, enhanced, additional, or otherwise unavailable tourism-related facilities and services that are over-and-above the facilities and services regularly provided by the City of Boulder (City).

III. PURPOSE OF THE BOULDER LBAA

The purpose of the Boulder LBAA, proposed by Visit Boulder (VB) and Boulder lodging businesses, is to impose an assessment upon the lodging businesses included within the Boulder LBAA, pursuant to the LBAA Ordinance, in order to provide tourism services and tourism improvements, which aim to: (i) promote economic health; (ii) promote the health, safety, prosperity, security and general welfare of the City's residents and visitors; and (iii) specially benefit the lodging businesses within the boundaries of the Boulder LBAA. These tourism-related services and improvements will be used to increase demand for room night sales for lodging businesses paying the assessment.

IV. HISTORY AND PURPOSE OF LBAA's

LBAA's, generally referred as Tourism Improvement Districts (TIDs), are an evolution of the traditional business improvement district. The first TID was formed in West Hollywood, California in 1989. Since then, over 200 United States destinations have followed suit. This includes many states that have adopted the California model. For example, Montana, South Dakota, Washington, Texas and Louisiana have adopted TID laws, as well as municipalities in Colorado, including Denver and Fort Collins.

TIDs nation-wide collectively raise over \$500 million annually for local destination marketing. With competitors raising their budgets, and increasing rivalry for visitor dollars, it is important that Boulder lodging businesses invest in stable, lodging-specific sales & marketing and destination improvement programs.

TIDs utilize the efficiencies of private sector operation in the market-based promotion of tourism, and allow lodging business owners to organize their efforts to increase room night sales. Participating Boulder lodging business owners within the TIDs will pay an assessment and those funds will be used to provide tourism services and tourism improvements that increase room night sales.

There are many benefits to forming a TID that levies an assessment to the lodging businesses within it:

- Assessment revenues must be spent on tourism services and tourism improvements;
- They are customized to fit the needs of assessed businesses in each destination;
- They allow for a wide range of services;
- They are designed, created and governed by those who will pay the assessment; and
- They provide a stable, long-term funding source for tourism services and tourism improvements.

V. BOUNDARIES

The boundaries of the Boulder LBAA shall be coterminous with the boundaries of the City of Boulder, the current boundaries of which are shown on the map attached as **EXHIBIT A**. The Boulder LBAA's boundaries shall remain coterminous with the City's boundaries for the duration of the term. Therefore,

future lodging businesses annexed into the City after the establishment of the Boulder LBAA shall automatically be included within the Boulder LBAA's boundaries.

"Lodging business" shall mean a person providing accommodations for lodging purposes and public accommodations, but shall only include accommodations in a hotel, motel, inn or bed and breakfast.

"Lodging purposes" has the same meaning as set forth in Chapter 3-3, "Public Accommodations Tax," B.R.C. 1981, of the City Code.

VI. INITIAL TERM

The Boulder LBAA will have an initial term of ten (10) years beginning on January 1, 2025, or as soon as possible thereafter and ending ten (10) years from its start date.

VII. PUBLIC PARTICIPATION

VB and the lodging businesses proposing the Boulder LBAA have been conducting outreach to the other affected lodging businesses, including one-on-one meetings and group meetings with all lodging businesses proposed to be included in the Boulder LBAA and subject to the assessment, to provide them with consistent updates on the process to establish the Boulder LBAA. To ensure accessibility for such lodging businesses, a Dropbox link will be provided to easily submit their signed petitions, view this Initial Plan, and obtain other informational resources regarding the Boulder LBAA.

VIII. PROMOTIONAL PLAN

The specific tourism services and tourism improvements that the Boulder LBAA will fund have been developed and prioritized by the lodging businesses proposing the establishment of the Boulder LBAA. A summary for each of the Boulder LBAA proposed programs is included below:

Sales, Marketing, and Destination Improvements

The goal of the proposed Boulder LBAA is to increase funds to support both a healthy pipeline of large groups – and the services they will require in destination – and continue to bring qualified business to established lodging businesses in the meeting, groups and leisure markets. The proposed strategy to apply Boulder LBAA assessment funding is multi-pronged, focused on sales & marketing programs to drive overnight business to assessed businesses. Sales & marketing programs may include, but are not limited to:

- Lead generation to increase RFPs to Boulder assessed lodging businesses;
- Tap into new markets through sales, marketing and advertising programs;
- Convert prospective bookings into confirmed businesses; and
- Promote Boulder's winter/shoulder season.

Because the investment in the quality of a destination impacts its ability to attract visitors, workforce, residents and businesses, there's a remarkable opportunity for the Boulder LBAA to create meaningful destination improvements that will support, elevate and sustain a growing hospitality industry. Destination improvement programs may include, but are not limited to:

- Develop a transportation program to connect hotels with the conference center and points of interest, as well as accommodate transportation solutions for city-wide events;
- Investment in infrastructure projects and amenities that enhance Boulder's appeal to visitors, further driving tourism growth;
- Signage and wayfinding for an improved visitor experience around assessed businesses and points

- of interest;
- Create unique experiences for city-wide conferences and events to attract large groups and create meaningful ways for visitors to engage with Boulder; and
- Provide more access to resources for assessed businesses to establish and promote sustainability initiatives.

Administration & Operations

The administration & operations portion of the budget shall be utilized for administrative staffing costs, office costs, advocacy, and other general administrative costs such as insurance, legal, and accounting fees.

Contingency/Reserve

The budget includes a contingency line item to account for uncollected assessments, if any. If there are contingency funds collected, they may be held in a reserve fund or utilized for other program, administration or renewal costs at the discretion of the Boulder LBAA Board (“Board”). Policies relating to contributions to the reserve fund, the target amount of the reserve fund, and expenditure of monies from the reserve fund shall be set by the Board. Contingency/reserve funds may be spent on Boulder LBAA programs or administrative and renewal costs in such proportions as determined by the Board.

The Board, with City Council approval as required in LBAA Ordinance Section 8-11-17, will determine the annual operating budget each year of the Boulder LBAA’s operations, based upon the priorities set out in this Initial Plan.

ESTIMATED COST

The estimated cost of the Boulder LBAA promotional efforts outlined in this Section is anticipated to be approximately \$2,400,000. A similar promotional efforts budget is expected to apply to subsequent years, but this budget is expected to fluctuate as room sales do, and as businesses open and close.

IX. FINANCIAL PLAN

Assessment

The annual assessment rate is proposed to be two percent (2%) of gross short-term room rental revenue for all lodging businesses, as defined in Section V of this Initial Plan, within the boundaries of the Boulder LBAA. Consistent with Chapter 3-3, 'Public Accommodations Tax,' B.R.C. 1981, of the City Code and based on the benefit received, assessments will not be collected on:

1. Lodging business stays of more than thirty (30) consecutive days;
2. United States Government, State of Colorado, its departments and institutions and the political subdivision thereof including the City, when acting in their governmental capacities and performing governmental functions and activities, and when the government’s obligation is paid for directly to the licensee by a purchase card or a draft or warrant drawn on the government account; and
3. Religious, charitable and quasi-governmental organizations but only in the conduct of their regular religious, charitable and quasi-governmental capacities, only if each such organization has obtained an exempt organization license under Section 3-2-12, "Exempt Institution License," B.R.C. 1981, and furnishes the exempt tax license to the person who rents or leases lodging business to the organization, and only if the organization's obligations have been paid for directly

by it to the assessed lodging business without reimbursement therefor.

Gross short-term room rental revenue means revenue derived from the sale, facilitating, or furnishing of rooms or accommodations by any person or retailer to any person, who for consideration, uses, possesses, or has the right to use or possess any room in a lodging business, for a continuous period of less than thirty days under any concession, permit, right of access, license to use or other agreement, or otherwise.

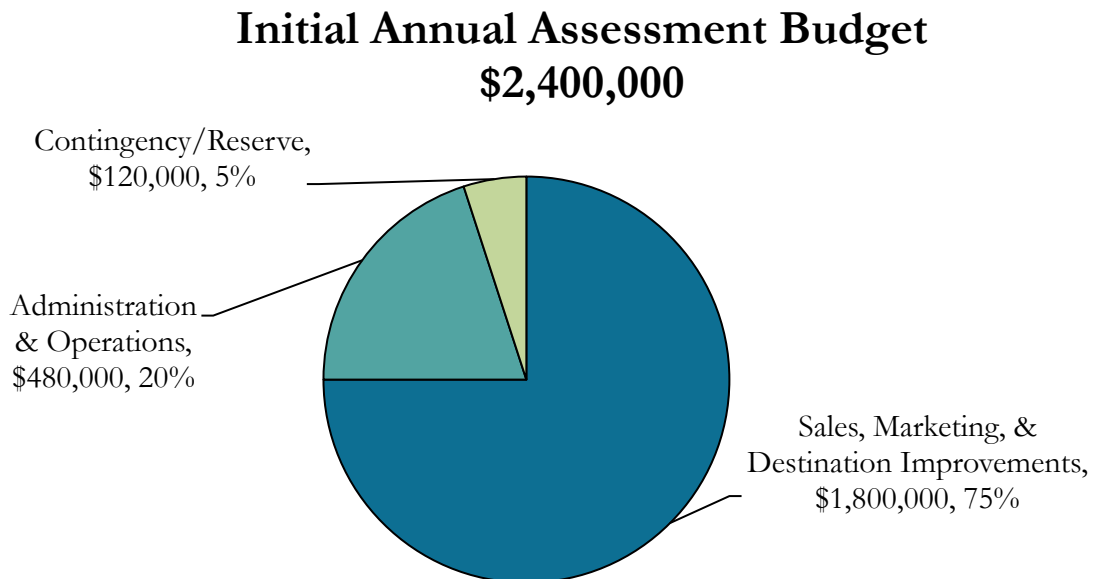
The revenues derived from the assessment will be used in accordance with the promotional plan.

Financial and Contractual Obligations

As authorized by the LBAA Ordinance, the Boulder LBAA shall not have the power to incur bonded debt or similar indebtedness in any other form without the City Council's prior written consent. However, the Boulder LBAA may have the power to enter into contractual multiple-fiscal year debt or other financial obligations within the meaning of Article X, Section 20 of the Colorado Constitution, subject to the approval of the electors of the Boulder LBAA or provided that the Boulder LBAA's payment of such debt or other financial obligations are subject to annual appropriation by the Board. The multiple-fiscal year debt and other financial obligations of the Boulder LBAA shall not be considered obligations of the City nor shall a Boulder LBAA's fiscal year spending and revenue be considered that of the City. There are no anticipated multiple-fiscal year debt or other financial obligations anticipated to be incurred by the Boulder LBAA. However, the Boulder LBAA intends to exercise the power authorized in LBAA Ordinance Section 8-11-6 to enter into multiple-fiscal year debt or other financial obligations that are subject to annual appropriation by the Board.

Estimated Costs

A budget displaying the reasonably estimated costs of Boulder LBAA tourism improvements and tourism services has been developed. The chart below illustrates the estimated initial annual assessment budget for the initial fiscal year. These activities and allocations will also apply in subsequent years.



Although actual revenues will fluctuate due to market conditions, the proportional allocations of the budget shall remain the same. Budget categories may require adjustments up or down to continue the intended level of services. The Board will have the authority to re-allocate up to twenty percent (20%) of total service budget between categories. The same activities are proposed for subsequent years. In the event of a legal challenge against the Boulder LBAA, any and all assessment funds may be used for the costs of defending the Boulder LBAA.

Each budget category includes all costs related to providing that service. For example, the sales & marketing budget may include staff time dedicated to overseeing and implementing the sales & marketing program, as well as and other related costs and services. The costs of an individual staff member may be allocated to multiple budget categories.

X. OVERDUE CHARGES AND INTEREST

The Boulder LBAA assessments are subject to the same penalties and interest as those imposed under Chapter 3-3, 'Public Accommodations Tax,' B.R.C. 1981, of the City Code.

XI. TIME AND MANNER FOR COLLECTING ASSESSMENTS

The Boulder LBAA's assessment will be implemented beginning January 1, 2025 and will continue for ten (10) years from its start date. If the City Council authorizes the City to do so under an intergovernmental agreement with the Boulder LBAA, the City will be responsible for collecting the assessments (including any delinquencies, penalties and interest) from each lodging business. In such event, lodging businesses shall remit the assessment each month to the City in substantially the same manner and at the same time as the lodging business is required to remit the Public Accommodations Tax to the City.

XII. GOVERNANCE

The LBAA Ordinance requires the Boulder LBAA to have a governing board consisting of three (3) to seven (7) directors. All board members must be electors. An elector is defined as a natural person who is a resident of the State of Colorado, is eighteen (18) years of age or older and registered to vote in general elections in the State of Colorado and who pays the Public Accommodations Tax within the Boulder LBAA or a natural person designated to vote on behalf of an entity that is not a natural person and pays the Public Accommodation Tax within the Boulder LBAA. Such designation must be in writing, under oath, on a form approved by the Board and filed with the secretary of the Boulder LBAA. Only one (1) such natural person may be designated by the lodging business owner. Upon the expiration of the initial terms, successor directors will be recruited by the Board, which will provide a recommendation for appointment to the mayor. The Board shall nominate appointees by a vote and provide a recommendation for appointment to the mayor.

The mayor will appoint the successor directors, and the successor directors shall be confirmed by city council by resolution for terms of three (3) years unless the appointee is being appointed to finish the term of a director who has left the Board for any reason before the expiration of their term and, in such case, the appointee shall only be appointed to finish the term of the vacated seat. The following persons are proposed to be appointed as the initial directors of the Board:

Board Director	Affiliation
Joe Skeiskal	Area Managing Director, Hiltons on Canyon
Aaron Coburn	General Manager, St Julien Hotel & Spa
Matthew Barton	General Manager, Hampton Inn & Suites by Hilton
David LaTessa	General Manager, Boulder Marriott Hotel
Mia Opalka	Director of Sales and Marketing, Hotel Boulderado

XIII. MANAGEMENT STRUCTURE

The Boulder LBAA intends to enter into an agreement with VB to deliver the programs and services contemplated under this Initial Plan and to manage the Boulder LBAA. VB is a 501(c)(6) organization that supports the development of Boulder.

XIV. CITY SERVICES

The Boulder LBAA is intended to provide supplemental funding and services and not to supplant existing funding or services. After establishing the Boulder LBAA, the City shall not decrease the level of publicly funded tourism promotion services existing prior to the creation of the Boulder LBAA.

XV. ANNUAL PLAN AND OPERATING BUDGET

Pursuant to 8-11-17 of the LBAA Ordinance, the Board is required to file an annual plan and operating budget for the ensuing year. This annual plan and operating budget must be submitted to the City Manager by January 5 of each year. The annual plan and operating budget shall be subject to City Council approval each year and shall meet the requirements of local government budgets set forth in section 29-1-103, Colorado Revised Statutes and all relevant requirements of the LBAA Ordinance.

XVI. CONCLUSION

With the submission of this Initial Plan, VB and participating lodging businesses hereby request the City Council of the City of Boulder to establish the Boulder LBAA pursuant to the LBAA Ordinance.

Boundary Map

