

ORDINANCE NO. 097, 2021
OF THE COUNCIL OF THE CITY OF FORT COLLINS
ESTABLISHING THE FORT COLLINS TOURISM IMPROVEMENT DISTRICT

WHEREAS, the City Clerk has received a petition for the establishment (the "Petition") of the Fort Collins Tourism Improvement District (the "District") within the boundaries of the City of Fort Collins (the "City"); and

WHEREAS, based upon the Petition and other information and evidence presented to the City Council at a noticed public hearing on the Petition, the City Council finds and determines that the Petition has been presented to the City Clerk in conformity with Article V of Chapter 22 of the City Code, which Article authorizes the establishment of tourism improvement districts (the "TID Ordinance"); and

WHEREAS, all words and terms capitalized in this Ordinance shall have the meanings set forth in the TID Ordinance except as otherwise provided in this Ordinance; and

WHEREAS, the City Council further finds and determines that the signatures on the Petition are genuine and the signatures of the parties thereon are those of an Authorized Manager authorized to sign for an entity operating a Lodging Business, and such signatures represent 78.6 percent (78.6%) of the total Rooms to be included in the District, thus exceeding the fifty percent (50%) minimum Room-requirement for the establishment of a tourism improvement district under the TID Ordinance; and

WHEREAS, as required by Section 22-158 of the TID Ordinance, the Petition sets forth, among other things:

- (a) A description of the District's proposed boundaries;
- (b) A listing of all the initial Lodging Businesses to be included within the District, their respective street addresses, and their respective tax account and lodging license numbers maintained with the City;
- (c) A description of the kinds of Lodging Businesses initially included in the District and the kinds of future Lodging Businesses to be included in the District as provided in Section 22-160 of the TID Ordinance;
- (d) A general description of the types of Tourism Services and Tourism Improvements to be provided by the District;
- (e) A description of the fee the District will levy on the Lodging Businesses in the District, the proposed method by which it will be collected and disbursed, and the intended uses of the fee revenue;
- (f) The proposed composition of the District's Board, including the number of Directors to be appointed;

(g) A copy of the Initial Plan containing the information specified in Section 22-158 of the TID Ordinance;

(h) The names of three persons who represent the petitioners on matters relating to the Petition and Initial Plan; and

WHEREAS, as required by Section 22-161 of the TID Ordinance, the City Manager has determined that the Petition complies with all applicable requirements of the TID Ordinance and has forwarded the Petition to the City Council for its consideration at a public hearing; and

WHEREAS, as also required by Section 22-161, the City Clerk has given notice of the public hearing by publishing a notice of it at least 30-days before the hearing, specifically the hearing on Second Reading, in the *Fort Collins Coloradoan*, mailing the notice by first class mail to all the Lodging Businesses proposed to be included in the District, and posting the notice on the City's website; and

WHEREAS, City Council has determined that the types of Tourism Services and Tourism Improvements proposed to be provided by the District satisfy the public purposes identified in Section 22-150 of the TID Ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. **Adoption of Recitals.** That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. **Findings.** That following a duly noticed and conducted public hearing, as described below, and upon consideration of the evidence presented at the hearing and a recommendation from City staff that this Ordinance be enacted to establish the District, the Council further finds and determines:

(a) That the proposed District was initiated by the Petition filed with the City Clerk on July 14, 2021, and the Petition satisfies the form and content requirements of Sections 22-156, 22-157 and 22-158 of the TID Ordinance, the allegations in it are true, and it was circulated and signed in conformity with all applicable requirements of the TID Ordinance;

(b) That as required by Section 22-161 of the TID Ordinance, the place, date and time for a hearing on the Petition was scheduled for Wednesday, August 4, 2021, at 6:00 p.m., in the City Council Chambers, City Hall West, 300 LaPorte Avenue, Fort Collins, Colorado and, at least thirty (30) days before the hearing, the notice of the hearing was duly published on June 30, 2021 in the *Fort Collins Coloradoan* as evidenced by the "Affidavit of Publication" attached as Exhibit "A" and incorporated herein by reference, duly mailed on June 30, 2021 by the City Clerk to all the Lodging Businesses proposed to be included in the District, and duly posted on the City's website on June 30, 2021;

(c) That appended to the Petition is the District's proposed Initial Plan, a copy of which is attached as Exhibit "B" and incorporated herein by reference, (the "District's Initial Plan") which includes all the information required by Section 22-158 of the TID Ordinance including the District's proposed budget for the sixteen-month period from September 1, 2021, through December 31, 2022 (the "Budget"); and

(d) That the District's Initial Plan and the establishment of the District are in the best interest of the City.

Section 3. Establishment of District. The District is hereby declared a Tourism Improvement District duly established and organized under the TID Ordinance as a body corporate and politic, a "district" within the meaning of Article X, Section 20(2)(b) of the Colorado Constitution, and a unit of local government distinct and separate from the City itself. The District's name shall be the "Fort Collins Tourism Improvement District."

Section 4. District Boundaries. The boundaries of the proposed District shall be coterminous with the City's boundaries as now existing and as hereafter modified through the City's annexation and de-annexation of real property.

Section 5. Included and Excluded Lodging Businesses. The Lodging Businesses to be included in the District shall be any "lodging provider," as this term is defined in Article IV, Chapter 25 of the City Code (the "Lodging Tax Ordinance"), that is now or hereafter located within the District's boundaries and that is required under the Lodging Tax Ordinance to obtain from the City a Lodging License and to pay the City's Lodging Tax, but shall only include those lodging providers that engage in the business of furnishing a room or other accommodation in a hotel, motel, inn, bed and breakfast residence, apartment hotel, lodging house, motor hotel or similar lodging establishment and that has three (3) or more Rooms at its location to be so furnished for a period of less than thirty (30) consecutive days under any lease, rental, concession, permit, right of access, license or other agreement. However, a Lodging Business to be included in the District shall not include a "short term non-primary rental" or a "short term primary rental" as these terms are defined in City Code Section 15-641. Future Lodging Businesses that qualify to be included in the District under this Section 5 shall be automatically included in the District upon the City's issuance of a Lodging License to such Lodging Businesses. Conversely, any Lodging Business included within the District which, by change of circumstances, no longer qualifies as a Lodging Business to be included in the District under this Section 5, shall be automatically excluded from the District.

Section 6. Powers of District. That except as otherwise provided or limited in this Ordinance, the District shall have all the powers granted to Tourism Improvement Districts in the TID Ordinance as needed to implement and operate under the District's Initial Plan. Any amendments to the District's Initial Plan must first be approved by City Council by ordinance. The District shall have only those powers authorized in this Ordinance.

Section 7. Appointment of Directors. The District's Board shall have five (5) Directors who are Electors of the District having these additional qualifications: (i) three (3) Directors must be affiliated with a large full-service Lodging Business in the District; (ii) one (1)

Director must be affiliated with a small limited-service Lodging Business in the District; and (iii) one (1) Director must be affiliated with a boutique or specialty Lodging Business in the District. The following Electors are appointed as the District's initial Directors to serve its Board for the staggered terms stated below:

- (a) Daniel Benton, affiliated with the Fort Collins Hilton, a large full-service Lodging Business, for a one (1) year term;
- (b) Danielle Lowry, affiliated with the Hampton Inn, a small limited-service Lodging Business, for a two (2) year term;
- (c) Dragan Andrejic, affiliated with The Elizabeth, a large full-service Lodging Business, for a two (2) year term;
- (d) George Prine, affiliated with The Armstrong, a boutique/specialty Lodging Business, for a three (3) year term; and
- (e) Sandra Fredrickson, affiliated with the Fort Collins Marriott, a large full-service Lodging Business, for a one (1) year term.

The terms of the initial Directors on the District's Board shall be deemed to have commenced on September 1, 2021, the effective date of the establishment of the District. Upon the expiration of the initial terms, successor Directors shall be appointed by the 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 departed Director.

Section 8. Oath. Before serving on the District's Board, each appointed Director of the Board shall appear before an officer authorized to administer oaths and take an oath that they will faithfully perform the duties of their office as required by law and will support the Constitution of the United States, the Constitution of the State of Colorado, and laws made pursuant thereto. The signed oath shall be kept in the records of the District's secretary.

Section 9. Board Operations. The District's Board shall be organized and operated as provided in and in accordance with Section 22-164 and all other applicable provisions of the TID Ordinance.

Section 10. Initial Plan and Budget. The Initial Plan and the District's Budget are hereby approved. This approval of the District's Budget for the sixteen (16) month period from September 1, 2021, through December 31, 2022, is hereby deemed to satisfy for the District's 2022 fiscal year the requirements in Section 22-166 of the TID Ordinance that the District annually file with the City Clerk and the City Council annually approve the District's budget for the ensuing fiscal year.

Section 11. Assessment and Collection of District Fee. Beginning September 1, 2021, and continuing through December 31, 2021, the District may assess and collect a fee from the Lodging Businesses within the District at the rate of three percent (3%) of a Lodging Business's

“lodging price” as this term is defined in Lodging Tax Ordinance (the “Fee”). However, the Fee shall not be assessed and collected on those transactions that are exempt from the City’s Lodging Tax as provided in Lodging Tax Ordinance. The revenue from the Fee shall only be used by the District to fund those Tourism Services and Tourism Improvements authorized in the Initial Plan. The District may use its own legal authority to collect the Fee or it may enter into an intergovernmental agreement with the City under which the City would collect the Fee in a manner similar to how the City collects its Lodging Tax under the Lodging Tax Ordinance. Under such agreement, the City would be responsible for collecting the Fee (including any delinquencies, penalties and interest) from each assessed Lodging Business within the District and the City would remit such Fee revenues collected to the District no later than the end of the month following the month the Fee revenues were collected by the City. The other specific details of such collection, enforcement and disbursement process will be as outlined in the intergovernmental agreement between the City and the District.

Section 12. Penalties and Interest. The District may charge penalties and interest for any deficiency in a Lodging Business’s payment of the Fee in the same manner and at the same rates as provided in Sections 25-265 and 25-266 of the Lodging Tax Ordinance. Therefore, if the deficiency is due to the negligence of the Lodging Business, but without the intent to defraud, there shall be added as a penalty ten (10) percent of the total amount of the deficiency. Interest in such case shall be collected at the rate of one (1) percent per month on the amount of such deficiency from the time the return was due from the Lodging Business required to file the return until paid, which additional amount and interest shall become due and payable within twenty-one (21) days after written notice of determination, assessment and demand for payment is issued. However, if any part of the deficiency in the payment of the Fee is due to the intent by the Lodging Business to evade the Fee, then there shall be added as a penalty fifty (50) percent of the total amount of the deficiency, and in such case the whole amount of the Fee unpaid, including this addition and an additional one (1) percent per month of interest on such amount shall be added from the date the return was due until paid. This additional amount and interest shall become due and payable within twenty-one (21) days after written notice of determination, assessment and demand for payment is issued.

Section 13. Financial and Contractual Obligations. The District may enter into binding multiple-fiscal year debt and other financial obligations only if the District’s Electors first approve such debt or obligations in an election that complies with all applicable state law requirements, including Article X, Section 20 of the Colorado Constitution. However, the District may enter into contracts that provide for expenditures beyond the end of the District’s fiscal year in which they are made if the enforcement of the financial obligations in such contracts are made subject to annual appropriation by the District’s Board.

Section 14. District’s Term and Dissolution. The District shall have a term of ten (10) years and four (4) months beginning on September 1, 2021, and ending on December 31, 2031. The District shall dissolve on December 31, 2031, if not renewed by City Council. The District may also be dissolved before December 31, 2031, as provide in Section 22-168 of the TID Ordinance.

Section 15. Compliance with City Code. Except as expressly provide in this Ordinance, the District shall be subject to and must comply with all applicable provisions of the City Code including, without limitation, the TID Ordinance. In the event of any conflicting

provisions in the City Code or this Ordinance and provisions in the Initial Plan or the District's future Annual Plans approved by the City Council, the City Code and this Ordinance shall control.

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

Section 17. **Recordation.** This Ordinance shall be recorded in the records of the Larimer County Clerk and Recorder.

Introduced, considered favorably on first reading, and ordered published this 20th day of July, A.D. 2021, and to be presented for final passage on the 4th day of August, A.D. 2021.



Mayor


ATTEST:



Interim City Clerk



Passed and adopted on final reading on this 4th day of August, A.D. 2021.



Mayor

ATTEST:



Interim City Clerk



FORT COLLINS COLORADOAN

Invoice Text

NOTICE OF PUBLIC HEARING ON PETITION FOR THE PROPO

STATE OF COLORADO)
) ss: AFFIDAVIT OF PUBLICATION
COUNTY OF LARIMER)

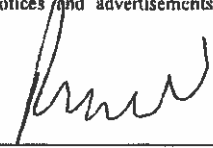
CITY OF FC-CLERK-LEGALS
300 LAPORTE AVE

FORT COLLINS CO 80521

I, being duly sworn, deposes and says that said is the legal clerk of the Fort Collins Coloradoan, that the same is a daily newspaper of general circulation and printed and published in the City of Fort Collins, in said county and state, that the notice or advertisement, of which the annexed is a true copy, has been published in said daily newspaper and that the notice was published in the regular and entire issue of every number of said newspaper during the period and time of publication of said notice, and in the newspaper proper and not in a supplement thereof, that the publication of said notice was contained in the issue of said newspaper on

06/30/21

that said Fort Collins Coloradoan has been published continuously and uninterruptedly during the period of at least six months next prior to the first publication of said notice or advertisement above referred to, that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879, or any amendments thereof, and that said newspaper is a daily newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.



Legal Clerk

Subscribed and sworn to before me, within the County of Brown, State of Wisconsin this
14th of July 2021.



Notary Public

979.21

Notary Expires

VICKY FELTY
Notary Public
State of Wisconsin

Legal No. 0004803322

Ad# 0004803322
P O : TID Notice
This is not an invoice
of Affidavits: 1

Affidavit Prepared
Wednesday, July 14, 2021 2:15 pm

NOTICE OF PUBLIC HEARING ON PETITION FOR THE PROPOSED ESTABLISHMENT OF THE FORT COLLINS TOURISM IMPROVEMENT DISTRICT PURSUANT TO CHAPTER 22, ARTICLE V OF THE CITY OF FORT COLLINS MUNICIPAL CODE

NOTICE IS HEREBY GIVEN that the City Council of the City of Fort Collins will conduct public hearing at the hour of 6:00 pm on August 4, 2021, in the Council Chambers at City Hall West, 300 LaPorte Avenue, Fort Collins, CO 80521, to consider a petition for the establishment of the Fort Collins Tourism Improvement District (the "District") under Chapter 22, Article V of the City of Fort Collins Municipal Code, at which time and place any interested party may appear and be heard concerning the sufficiency of the petition and establishment of the District.

The proposed ordinance to establish the District will be considered by City Council on first reading of City Council's July 20, 2021, meeting, at which time and place any interested party may appear and be heard concerning the ordinance and, if the ordinance is adopted by City Council at first reading, the second and final reading of it will be considered by City Council after the public hearing on August 4, 2021.

The boundaries of the District are proposed to be conforming with the current boundaries of the City of Fort Collins as shown on the map found at this link on the City's website: <https://www.fcgov.com/publicnotices>. The initial twenty-three (23) lodging businesses to be included within the District's boundaries and to be subject to the fee the District will impose on them are the following:

Fort Collins Inn	1809 N College Ave	Fort Collins, CO	80524
Armstrong Hotel	259 S College Avenue	Fort Collins, CO	80524
Best Western University Inn	914 S College Avenue	Fort Collins, CO	80524
Budget Host Inn	1513 N College Avenue	Fort Collins, CO	80524
Cambria Suites	2921 E Harmony Rd	Fort Collins, CO	80528
Candlewood Suites	314 Pavilion Lane	Fort Collins, CO	80525
Comfort Suites	1415 Oakridge Dr	Fort Collins, CO	80525
Courtyard by Marriott	1200 Oakridge Dr	Fort Collins, CO	80525
Edwards House	402 W Mountain Ave	Fort Collins, CO	80521
El Palomino Motel	1220 N College Ave	Fort Collins, CO	80524
Fairfield Inn	3520 Timberwood Dr	Fort Collins, CO	80528
Fernweh Inn & Hostel	616 W Mulberry St	Fort Collins, CO	80521
Fort Collins Marriott	350 E Horsetooth Rd	Fort Collins, CO	80525
Hampton Inn	1420 Oakridge Dr	Fort Collins, CO	80525
Hilton Fort Collins	425 W Prospect	Fort Collins, CO	80526
Hilton Garden Inn Fort Collins	2821 E Harmony Rd	Fort Collins, CO	80525
Holiday Inn Express Hotel & Suites	1426 Oakridge Dr	Fort Collins, CO	80525
Home2 Suites	4715 S Timberline Rd	Fort Collins, CO	80528
Homewood Suites by Hilton	1521 Oakridge Dr	Fort Collins, CO	80525
Marriott Lodges	1405 N College Ave	Fort Collins, CO	80524
Quality Inn and Suites University	4001 S Mason St	Fort Collins, CO	80525
Residence Inn by Marriott	1127 Oakridge Dr	Fort Collins, CO	80525
The Elizabeth Hotel	111 Chestnut St	Fort Collins, CO	80524

The tourism services and improvements proposed to be provided by the District if established may include, without limitation:

- A sales, marketing and communications program to promote the lodging businesses within the District as tourist, meeting and event destinations. This program will have a central theme of promoting the City of Fort Collins as a place for overnight visits with the goal of increasing overnight visitation and room night sales at the lodging businesses within the District; and
- Destination development projects will be designed to improve the visitor experience in an effort to increase overnight visitation at the lodging businesses within the District. Projects may include, without limitation: wayfinding signage system; city-wide special-event transportation program; research studies to determine the feasibility of building proposed meeting spaces; art and cultural projects; gateway enhancements; enhancements to environmental experiences; improvements to existing parks and sports facilities; infrastructure improvements that enhance Fort Collins' competitive position to attract desirable special events year around; and similar projects with the central theme of promoting Fort Collins as a place for overnight visits with the goal of increasing overnight visitation and room night sales at the lodging businesses within the District.

Upon request, the City of Fort Collins will provide language access services for individuals who have limited English proficiency, or auxiliary aids and services for individuals with disabilities, to access City services, programs and activities. Contact 970.221.6515 (VTDD: Dial 711 for Relay Colorado) for assistance. Please provide 48 hours advance notice when possible. A petición, la Ciudad de Fort Collins proporcionará servicios de acceso a idiomas para personas que no dominan el idioma inglés, o ayudas y servicios auxiliares para personas con discapacidad, para que puedan acceder a los servicios, programas y actividades de la Ciudad. Para asistencia, llame al 970.221.6515 (VTDD: Marque 711 para Relay Colorado). Por favor proporcione 48 horas de aviso previo cuando sea posible.

By: Tammi Pusheck
Interim City Clerk, City of Fort Collins, Colorado

0004803322
Coloradoan
June 30, 2021

Fort Collins Tourism Improvement District Initial Plan

I. DISTRICT'S NAME

The proposed name of this tourism improvement district shall be the "Fort Collins Tourism Improvement District" (District).

II. LEGAL AUTHORITY

The District is to be organized and established as a tourism improvement district (TID) as authorized in Article V of Chapter 22 of the Code of the City of Fort Collins (TID Ordinance) to fund and provide certain tourism services and improvements for the benefit of the lodging businesses included within the District.

III. PURPOSE OF THE DISTRICT

The District is being proposed by Visit Fort Collins (VFC) and certain Fort Collins lodging businesses and its purpose is to operate as a TID charging fees to the lodging businesses included within the District in order to fund and provide specific tourism services and improvements for the benefit of the feepayers' lodging businesses. These services and improvements will be primarily used to increase room night sales for those lodging businesses.

IV. HISTORY AND PURPOSE OF TIDs

TIDs are an evolution of the traditional business improvement district. The first TID was formed in West Hollywood, California in 1989. Since then, over 170 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.

TIDs nation-wide collectively raise over \$400 million annually for local destination marketing. With competitors raising their budgets, and increasing rivalry for visitor dollars, it is important that Fort Collins lodging businesses invest in stable, lodging-specific marketing 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 Fort Collins lodging business owners within the TIDs will pay a fee and those funds will be used to provide services and improvements that increase room night sales.

There are many benefits to forming a TID that charges a fee to the lodging businesses within it:

- Fee revenues must be spent on services and improvements that provide a specific benefit only to the feepayers;
- Fee revenues cannot be diverted to general government programs;
- They are customized to fit the needs of feepayers in each destination;
- They allow for a wide range of services;
- They are designed, created and governed by those who will pay the fee; and
- They provide a stable, long-term funding source for tourism promotion.

V. THE DISTRICT'S BOUNDARIES

The District's boundaries shall be coterminous with the boundaries of the City of Fort Collins (City), the current boundaries of which are shown on the map attached as EXHIBIT A. "Lodging business" shall mean any "lodging provider," as this term is defined in City Code Section 25-241, that is now or hereafter located within the District's boundaries and that is required to obtain from the City a lodging license and to pay the City's lodging tax as provided in Article IV, Chapter 25 of the City Code (Lodging Tax Ordinance), but shall only include those lodging providers that engage in the business of furnishing a room or other accommodation in a hotel, motel,

inn, bed and breakfast residence, apartment hotel, lodging house, motor hotel or similar lodging establishment and that has three (3) or more rooms at its location to be so furnished for a period of less than thirty (30) consecutive days under any lease, rental, concession, permit, right of access, license or other agreement. However, a "lodging business" shall not include a "short term non-primary rental" or a "short term primary rental" as these terms are defined in City Code Section 15-641.

The District's boundaries shall remain conterminous with the City's boundaries. Therefore, future lodging businesses annexed into the City after the establishment of the District shall automatically be included within the District's boundaries when the City's Financial Officer issues a lodging license to that lodging business. The District will initially consist of twenty-three (23) lodging businesses.

VI. DISTRICT'S INITIAL TERM

The District will have an initial term of ten (10) years and four (4) months beginning on September 1, 2021 and ending on December 31, 2031. This will allow for the lodging businesses within the District to evaluate the District's effectiveness at the end of the initial term. If the District is deemed successful, the District's Board can then request the City Council to renew the District by ordinance to continue in existence after the initial term expires. If the District is not considered to be successful and the District is not renewed by the City Council, the District will be deemed dissolved at the end of the initial term.

VII. PUBLIC PARTICIPATION

VFC and the lodging businesses proposing the District have been conducting public 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 District and subject to the fee to provide them with consistent updates on the process to establishment of the District. To ensure accessibility for such lodging businesses, a Dropbox will be provided to easily submit their signed petitions, view this Initial Plan, and obtain other informational resources regarding the District.

VIII. DISTRICT'S PROMOTIONAL PLAN

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

- ***Sales, Marketing, & Communications:*** A sales, marketing, & communications program will promote assessed lodging businesses as tourist, meeting, and event destinations. The sales, marketing, & communications program will have a central theme of promoting the destination as a desirable place for overnight visits. The program will have the goal of increasing overnight visitation and room night sales at assessed lodging businesses, and may include the following activities, but are not limited to:
 - Internet marketing efforts to increase awareness and optimize internet presence to drive overnight visitation and room sales to assessed lodging businesses;
 - Print ads in magazines and newspapers, television ads, and radio ads targeted at potential visitors to drive overnight visitation and room sales to assessed lodging businesses;
 - Building the Fort Collins branding to attract overnight visitation to the District;
 - Potential attendance of trade shows to promote assessed lodging businesses;
 - Bids and fees associated with special events, including but not limited to sporting and music events and museum exhibits, to attract overnight visitors;
 - A city-wide special-event transportation program, connecting assessed lodging businesses with downtown and other attractions, to increase demand for room night sales;
 - Sales blitzes for assessed lodging businesses;
 - Familiarization tours of assessed lodging businesses;
 - Preparation and production of collateral promotional materials such as brochures, flyers and maps

- featuring assessed lodging businesses;
 - Attendance of professional industry conferences and affiliation events to promote assessed lodging businesses;
 - Lead generation activities designed to attract tourists and group events to assessed lodging businesses;
 - Increased efforts focused on stimulating visitation to the District during the off-peak tourist season;
 - Director of Sales and General Manager meetings to plan and coordinate tourism promotion efforts for assessed lodging businesses;
 - Pursue hiring of additional sales staff to explore prospective marketing and sales development opportunities;
 - Education of hospitality staff on service and safety (related to alcohol and food) designed to create a visitor experience that will bring repeat visits to assessed lodging businesses; and
 - Education of lodging business management and the FCTID Board on marketing strategies best suited to meet assessed lodging businesses' needs.
- **Destination Development:** Destination development projects will be designed to improve the visitor experience in an effort to increase overnight visitation at assessed lodging businesses. As the total number of rooms sold and room prices increases over time, the amount of available funds for projects will increase. Working collaboratively with the City, the District Board will develop specific funding criteria. The City and VFC staff shall have equal input to make recommendations for final project approval. Policies and procedures acceptable to both the District Board and VFC will be developed. Projects may include, but are not limited to:
 - Comprehensive and integrated wayfinding signage system including signage to parking decks and lots;
 - A city-wide special-event transportation program, connecting assessed lodging businesses with downtown and other attractions, to increase demand for room night sales;
 - Conducting research studies to determine the feasibility of building proposed meeting spaces;
 - Art and cultural projects, to attract overnight visitors;
 - Gateway enhancements, to attract overnight visitors;
 - Enhancements to environmental experiences, which attract overnight visitors, that expose visitors to the value of the vital ecosystems;
 - Improvements to existing parks and sports facilities utilized by overnight visitors;
 - Safe and fun entertainment complex for young teens and adults utilized by overnight visitors;
 - Live music venue which attracts overnight visitors;
 - Bids and fees associated with special events, including but not limited to sporting and music events and museum exhibits, to attract overnight visitors;
 - Infrastructure improvements that enhance Fort Collins' competitive position to attract desirable special events year around and attract overnight visitors; and
 - Improvements to the City's downtown parking deck that make the overnight visitor experience more desirable.
- **Administration and Operations:** The administration and 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.
- **Collection Fee:** Under any intergovernmental agreement with the City of Fort Collins for it to collect the District's fees, the City shall be paid a fee equal to at least two percent (2%) of the amount of the fee collected to cover its costs of collection and administration.
- **Contingency / Reserve / Renewal:** The budget includes a contingency line item to account for lower than anticipated fees. 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 District 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 District Board. Contingency/reserve funds may be spent on District programs or administrative and renewal costs in such proportions as determined by the District Board. The reserve fund may be used for the costs of renewing the District.

In the first year of the District's operations, it is proposed that the District would invest resources to undertake the following five key programs and goals:

1. Support sales development opportunities, which may include hiring a salesperson, prospecting tools or specific marketing activities/programs designed to bring business to Fort Collins;
2. Determine bid incentive funding levels and direction for enhanced sales activities; and
3. Explore additional advertising, promotional or public relations options and if appropriate, the course of action for investing.

Bringing in revenue and contributions in addition to the District's fees will increase impact and help the organization to best leverage investments into Fort Collins. To that end, the District will work with VFC to maintain current funding from the City of Fort Collins, as well as grants, donations, sponsorships, memberships, fee-for-service projects, crowdsourcing and partnerships on top of the District's fees, for destination sales, marketing, communication, and destination development programs. The District Board, with City Council approval as required in City Code Section 22-166, will determine the annual operating budget each year of the District's operations, based upon the priorities set out in this Initial Plan.

IX. DISTRICT'S FINANCIAL PLAN

FEE ASSESSMENT

The District will assess a fee that will be three percent (3%) of a lodging business's "lodging price" as this term is defined in City Code Section 25-241. However, the fee will not be collected on those transactions that are exempt from the City's lodging tax as provided in City Code Section 25-243. Fee revenue will only be used to fund destination sales, marketing, communication, and destination development programs, and related administration.

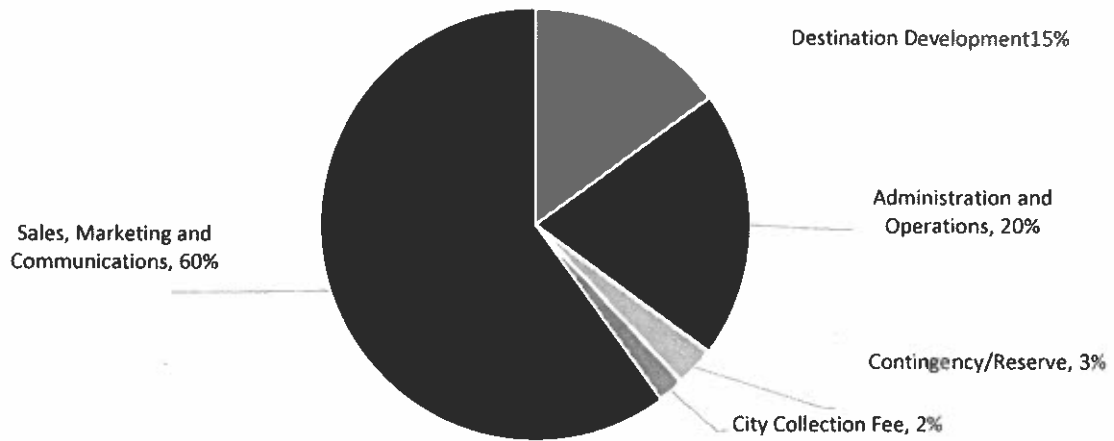
The District proposes to collect the fee by entering into an intergovernmental agreement with the City under which the City would collect the fee in a manner similar to how the City collects its lodging tax under its Lodging Tax Ordinance. Under such agreement, the City would be responsible for collecting the fee (including any delinquencies, penalties and interest) from each assessed lodging business within the District and the City would remit such fees to the District no later than the end of the month following the month the fees were collected by the City.

FINANCIAL AND CONTRACTUAL OBLIGATIONS

As allowed by law, the District may enter into multiple-fiscal year debt and other financial obligations only if the District is authorized to do so by its initial plan, budget and its voters in a future election. The election must comply with all applicable state requirements, including Article X, Section 20 of the Colorado Constitution (the TABOR Amendment), and would limit the amount of multiple-fiscal year debt and other financial obligations that may be issued by the District to no more than the amount that is approved by the District's voters. There are no anticipated multiple-fiscal year debt or other financial obligations anticipated to be incurred by the District. However, the District intends to exercise the power authorized in City Code Section 22-155 to enter into multiple-fiscal year debt or other financial obligations that are subject to annual appropriation by the District Board.

ESTIMATED COSTS & INITIAL 16-MONTH BUDGET

September 2021 - December 2022 Budget



The following chart depicts the anticipated budget for the first sixteen months of the District’s operations.

Budget Category	Sub-Category	Line Detail	September 2021 – December 2021	January 2022 – December 2022
41000 · FCTID Revenue			\$320,000.00	\$800,000.00
		Other Income	\$-	\$-
			\$320,000.00	\$800,000.00
61000 · Employee Expense				
	61010 · Salaries/Wages			
		61012 · Wages	\$19,912.00	\$85,218.00
		62023 · Employee Parking	\$48.00	\$360.00
	Total 61010 · Salaries/Wages		\$19,960.00	\$85,578.00
	61020 · Payroll Related			
		61022 · Payroll Taxes	\$1,840.00	\$6,960.00
		61024 · Unemployment Taxes	\$180.00	\$682.00
		61026 · Workers Compensation	\$800.00	\$2,000.00
		61028 · Employee Insurance	\$4,800.00	\$18,000.00
		61031 · Employee Benefits	\$1,200.00	\$6,000.00
	Total 61020 · Payroll Related		\$8,820.00	\$33,642.00
Total 61000 · Employee			\$28,780.00	\$119,220.00
62000 · Administrative and General				
	Administrative			

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		62002 · Accounting	\$2,000.00	\$6,000.00
		62006 · Bank Charges	\$320.00	\$1,200.00
		62008 · Legal	\$10,000.00	\$18,000.00
		62025 · Supplies	\$320.00	\$1,200.00
	Total Administrative		\$12,640.00	\$26,400.00
	Office Rent	Office Rent	\$1,140.00	\$5,880.00
	62070 · Telephone			
		62078 · Telephone - Cellular	\$1,920.00	\$2,400.00
	Total 62070 · Telephone		\$1,920.00	\$2,400.00
	62080 · Equipment/Computer			
		62081 · Office Equipment Lease/Rental	\$-	\$-
		62084 · Office Furniture	\$2,000.00	\$-
		62085 · Computer Software Purchase	\$480.00	\$600.00
		62086 · Computer Equipment	\$3,200.00	\$4,000.00
		62087 · Maintenance	\$1,200.00	\$1,500.00
	Total 62080 ·		\$6,880.00	\$6,100.00
	62099 · Miscellaneous		\$-	\$-
Total 62000 · Administrative and General			\$64,000.00	\$160,000.00
Sales Expense				
	78015 · Trade Shows		\$4,840.00	\$16,550.00
	73007 · Lead Generation		\$15,920.00	\$27,900.00
	73000 · Sales Activities		\$3,456.00	\$4,000.00
	73000 · Bid Activities		\$11,200.00	\$60,000.00
	73000 · Local Champions Program		\$48,000.00	\$60,000.00
	73000 · Research		\$12,000.00	\$60,000.00
	78015 · Travel		\$4,000.00	\$9,550.00
Total Sales Expense			\$99,416.00	\$238,000.00
Marketing				
	62004 · Advertising			
		80000 · Digital	\$18,400.00	\$78,000.00
		62005 · Promotions	\$2,744.00	\$-
		62004 · Advertising	\$32,000.00	\$44,000.00
	Total 62004 · Advertising		\$53,144.00	\$122,000.00
	62003 · Web/Internet Expenses			
		80030 · Website Service	\$9,920.00	\$28,584.00
	Total 62003 · Web/Internet		\$9,920.00	\$28,584.00
	62028 · Graphics			
		80040 · Graphic Arts	\$9,600.00	\$27,500.00

EXHIBIT B

	Total 62028 - Graphics		\$9,600.00	\$27,500.00
	Public Relations			
		80070 - Agency Fees	\$3,600.00	\$5,500.00
		80080 - FAM Trips	\$4,800.00	\$7,500.00
		80090 - Media Events	\$4,800.00	\$14,500.00
	Total Public Relations		\$13,200.00	\$27,500.00
	International Marketing			
		81000 - Trade Shows	\$0.00	\$3,000.00
		81110 - Promotions	\$0.00	\$-
	Total International Marketing		\$0.00	\$3,000.00
Total Marketing			\$79,144.00	\$208,584.00
Visitor Services				
	DVIC Visitor Service Expense			
		62022 - Rent	\$2,400.00	\$12,000.00
		83020 - DVIC Supplies	\$240.00	\$1,016.00
		83010 - DVIC Volunteer	\$600.00	\$3,000.00
		83017 - DVIC Staffing	\$3,120.00	\$15,600.00
		83015 - DVIC Janitorial	\$360.00	\$1,800.00
	Total DVIC Expense		\$6,720.00	\$33,416.00
Total Visitor Services			\$6,720.00	\$33,416.00
Total Sales, Marketing and Communications			\$192,000.00	\$480,000.00
Destination Development				
		82015 - Initiatives	\$46,740.00	\$116,400.00
		82060 - Supplies	\$0.00	\$-
		82050 - CTA Program Fees	\$1,260.00	\$3,600.00
		82020 - Promotional Items	\$0.00	\$-
Total Destination Development			\$48,000.00	\$120,000.00
Reserves				
		62009 - Reserves	\$9,600.00	\$24,000.00
Total Reserves			\$9,600.00	\$24,000.00
City Collection Fee				
		7100 - City Collection Fee	\$6,400.00	\$16,000.00
Total City Collection Fee			\$6,400.00	\$16,000.00
Total Expense			\$320,000.00	\$800,000.00
Net Ordinary Income			(\$320,000.00)	\$(800,000.00)
Net Income			(\$320,000.00)	\$(800,000.00)

X. PENALTIES AND INTEREST

The penalties and interest charged for any deficiency in the payment of the District fee shall be the same as provided in Sections 25-265 and 25-266 of the Lodging Tax Ordinance. Therefore, if the deficiency is due to negligence, but without the intent to defraud, there shall be added as a penalty ten (10) percent of the total amount of the deficiency. Interest in such case shall be collected at the rate of one (1) percent per month on the amount of such deficiency from the time the return was due from the person required to file the return until paid, which additional amount and interest shall become due and payable within twenty-one (21) days after written notice of determination, fee and demand for payment is issued. However, if any part of the deficiency in the payment of the lodging tax is due to the intent by the taxpayer to evade the tax, then there shall be added as a penalty fifty (50) percent of the total amount of the deficiency, and in such case the whole amount of the tax unpaid, including this addition and an additional one (1) percent per month of interest on such amount shall be added from the date the return was due until paid. This additional amount and interest shall become due and payable within twenty-one (21) days after written notice of determination, assessment and demand for payment is issued.

XI. TIME AND MANNER FOR COLLECTING FEES

The District's fee will be implemented beginning September 1, 2021 and will continue for ten (10) years and four (4) months through December 31, 2031. If the City Council authorizes the City to do so under an intergovernmental agreement with the District, the City will be responsible for collecting the fee (including any delinquencies, penalties and interest) from each lodging business. In such event, lodging businesses shall remit the fee each month to the City in substantially the same manner and at the same time as the lodging business is required to remit the lodging tax to the City.

XII. DISTRICT GOVERNANCE

The TID Ordinance requires the District to have a governing board consisting of an odd number of directors of no fewer than five (5) directors and no more than nine (9) directors. All directors on the board must be qualified electors of the District. The board is proposed to have five (5) directors who are electors of the District having the following additional qualifications: (i) three (3) directors must be affiliated with a large, full-service lodging business; (ii) one (1) director must be affiliated with a small, limited-service lodging businesses; (iii) one (1) director must be affiliated with a boutique or specialty lodging business; and (iv) the remaining directors may be affiliated with any type of lodging business. The following persons are recommended to be appointed as the District's initial directors on its board to serve the staggered terms indicated below as required by City Code Section 22-164:

Board Member	Affiliation	Rationale for Inclusion on Board	Initial Term: 1, 2, and 3 years
Daniel Benton	Fort Collins Hilton	Full-service	1 year
Danielle Lowry	Hampton Inn	Limited-service	2 years
Dragan Andrejic	The Elizabeth	Full-service	2 years
George Prine	The Armstrong	Boutique/Specialty	3 years
Sandra Fredrickson	Fort Collins Marriott	Full-service	1 year

The terms of the initial directors on the board shall be deemed to have commenced on September 1, 2021, the effective date of the establishment of the District. Upon the expiration of the initial terms, successor directors shall be appointed by the 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 departed director.

XIII. DISTRICT MANAGEMENT STRUCTURE

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

XIV. CITY SERVICES

The District's tourism services and improvements will be designed to supplement and complement existing City services and will be in addition to City services that are currently provided in Fort Collins. The District services and improvements are not intended to replace any existing City services or improvements.

XV. ANNUAL REVIEW

The TID Ordinance requires the District to file an annual operating plan and budget with the City on or before September 30 of each year.

XVI. SURPLUS AND OTHER FUNDING

For the initial year of the operation of the District beginning September 1, 2021, there shall be no surplus to be carried over from a previous year.

For the initial year of the operation of the District beginning September 1, 2021, there shall be no deficit revenues to be carried over from a previous year.

For the initial year of the operation of the District beginning September 1, 2021, the amount of contributions to be made from sources other than the District is approximately \$350,000.

XVII. DISSOLUTION

The District shall dissolve on December 31, 2031, if not renewed by City Council. The District may also be dissolved before December 31, 2031, as provide in City Code Section 22-168.

XVIII. CONCLUSION

With the submission of this Initial Plan, VFC and participating lodging businesses hereby request the City Council of the City of Fort Collins to establish the District pursuant to the TID Ordinance.

EXHIBIT A
Boundary Map

