

Ed Robson Arena 2021 Effectiveness Report

for
The State of Colorado
Office of Economic Development & International Trade

Prepared for:

The Colorado Springs Urban
Renewal Authority

Prepared by:

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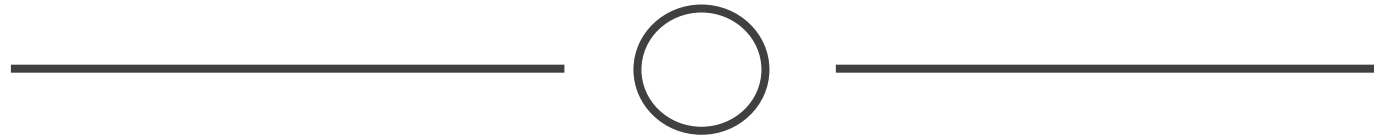
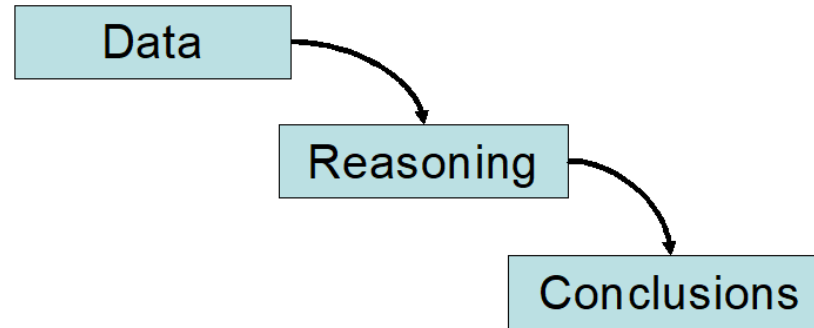


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Summit Economics, LLC provides research and consulting services in applied socio-economics, public policy, market research, economic and fiscal impact analysis, sustainable development and adaptation, real estate research, urban economics, and strategy planning. Our most frequent engagements support decision-making, quantify visioning and planning, develop performance metrics, or assist with risk management.

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Summary of Findings for 2021

Key Indicators	
Net New Direct Jobs Created from	
Venue Operations	24
Tourism*	-
Construction of Venue	473
Total	497
Out-of-State Tourists *	-
Fiscal Impacts to Local Governments	
Sales Tax Venue & Tourism Related	\$ 567,857
Other Taxes Venue Related	\$ 799,188
Catalytic All Taxes	\$ -
Total Taxes	\$ 1,367,045
Net New ROI to State from:	
State TIF Investment Thru 2021	\$ 1,037,858
2021 Taxes Tourism Related	0.0%
2021 Non-Tourism Venue Related Taxes	72.3%
2021 Catalytic Activity Taxes	0.0%
Total 2021 Taxes	72.3%
Prior Year Taxes from 2020 Report	0.0%
Cumulative ROI Thru 2021	72.3%
* Robson operated for 3 months in 2021 with only CC Hockey. Virtually all impacts from construction of the venue.	
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Marketing Successes

2021 was focused on completing construction and opening the Ed Robson Arena on time to commence the Colorado College 2021-22 hockey season. In 2022 the Colorado Springs Sports Authority (CSSA) was organized. The CSSA is responsible for assisting Colorado College in implementing consistent with the C4C 2018 revised application of the Colorado Springs Event Center (CSEC). The CSSA reports:

- ❖ They have resources to help support the enterprise mission (<\$500K)
- ❖ The board has representation from both CC and Weidner Field
- ❖ They provided support in 2022 to attract major events to Colorado Springs with three slated at Robson Arena in 2023.
- ❖ They are provided a calendar of available dates from each venue to host non-CC/Switchbacks events.



Arena building exterior footprint is approximately 65,396 sq. ft. Total arena is approximately 129,435 sq. ft. (all floors). Arena seating is 3,407. Construction cost \$78 million.



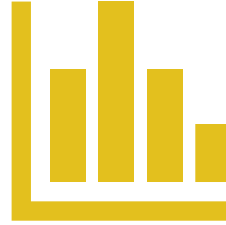
The Ed Robson Arena opened on September 19, 2021, and held its first spectator event, a CC vs Air Force Academy hockey game, on October 2, 2021. The major impact of the Arena in 2021 centered on the Arena's construction (2020-21). This report also addresses the first quarter year of operations. The C4C 2018 business plan indicates access to the Arena and additional Colorado College facilities to promote sports related out-of-state tourism.

Report Overview



Objective and Purpose

To document key effectiveness indicators in a qualitative and quantitative fashion. The indicators are submitted to the Colorado Office of Economic Development and International Trade (OEDIT) for monitoring the State's investment in the City for Champions through the Regional Tourism Act (RTA) over a 30-year period.



Key Effectiveness Indicators

- (1) the number of net new jobs directly created by the project in several categories.
- (2) the market impact;
- (3) regional and in-state competition;
- (4) attraction of out-of-state tourists;
- (5) the fiscal impact to local governments within and adjacent to the Regional Tourism Zone;
- (6) the return to the state on its investment.



Methodology

Data and information in this report was gathered from the Boards and operational managers through interviews and a long-form data request.

Additional interpretations and assessments were made by Summit Economics based on secondary research and local area and project knowledge. The report has been reviewed by the Colorado College

Direct Jobs Created



21 New Jobs in
2021



21 Total Jobs at
Arena
5 Fulltime
16 Part-time
4 Interns
11 FTEs

Total Fixed Payroll &
Benefits
\$147,680
Last quarter of 2021

No Direct Tourism Jobs were
created by Tourists who
participated in or visited the
Robson Non-CC Hockey Events

Construction Impacts

Construction costs were double the \$39 million shown in the business plan. **Direct jobs totaled 473 with \$29.9 million in labor income.**

Catalytic Impacts

None identified in 2021

Other Jobs Created

Construction of Robson Arena was completed in 2021 and created jobs in 2020 and 2021.

No catalytic impacts have been identified in 2021; however, the Robson Arena construction was expanded to include a parking garage and the Mike & Barbara Yalich Student Services Center which includes counseling and psychological services, a sexual assault response coordinator, student health center and wellness resources including a lounge for students to gather and recharge with proximity to support resources and staff. Redevelopment of the Honnen Ice Arena into a 3D Art Center was planned and will be noted in the future 2022 report as a catalytic impact.

It is expected private properties surrounding Robson Arena will be favorably impacted in terms of higher commercial and possibly residential usage in the years to come. This should translate into higher property values in subsequent years. Depending on the type and degree of impact, catalytic jobs may be created.

Regional Tourism Market

TripAdvisor ranked Colorado Springs #7 in the world in its 2021 Travelers' Choice Best of the Best Awards for emerging tourism destinations. The peak summer tourism season showed enplaned passengers up 40% over July 2019. Hotel occupancy was the third highest in the nation at 84.4%.

Sporting Events Market

Pre-pandemic forecasts of the North American sports market projected an annual average increase of 3.3% per annum through 2023 (Statista). The market segments based upon revenue sources include gate receipts (27%), media rights (28%), team sponsorships (24%) and merchandising (22%). The media rights segment has been the fastest growing since 2006. Since 2018, 18 states, including Colorado, have legalized full-service state-regulated sports betting. This will increase industry demand for media and streaming rights as well as tournament sponsorships. New sports such as e-sports and pickleball are rapidly emerging.

According to the Colorado Springs Convention and Visitors Bureau, the Colorado Springs and Pikes Peak region had over 23.7 million visitors in 2021. Of those, 10.4 million were overnight visitors and 13.3 million were day visitors. Travel to the Pikes Peak region increased in 2021 over 2019 by 5.3% (12.3% over the 2020 pandemic year). The bigger increase since 2019 came from day visits (9%) as opposed to overnight stays (1%).

The length of stay for out-of-state guests for 2021 averaged 4.2 nights where the U.S. Norm is at 3.9. That is a decrease of 10.6% compared to 2020 which follows trend across the county. This could be due to more options to travel, visitors having made a choice to visit more than one area on a trip, or less business travel due to virtual substitutes. Repeat visitation in the Pikes Peak Region increased in 2020 by 4% for visitors who had traveled to the region at least once in the prior 12 months.

Overnight guests spent an average of \$175 per day per person while visiting. That is a 6% increase versus 2020.

The regional supply of hotel rooms increased by 2.4% in 2021 with Downtown Colorado Springs experiencing a 9.2% increase. The regional growth is consistent with a 2% national growth rate which is almost twice the long-term national growth rate of 1.2%.

Market Impact

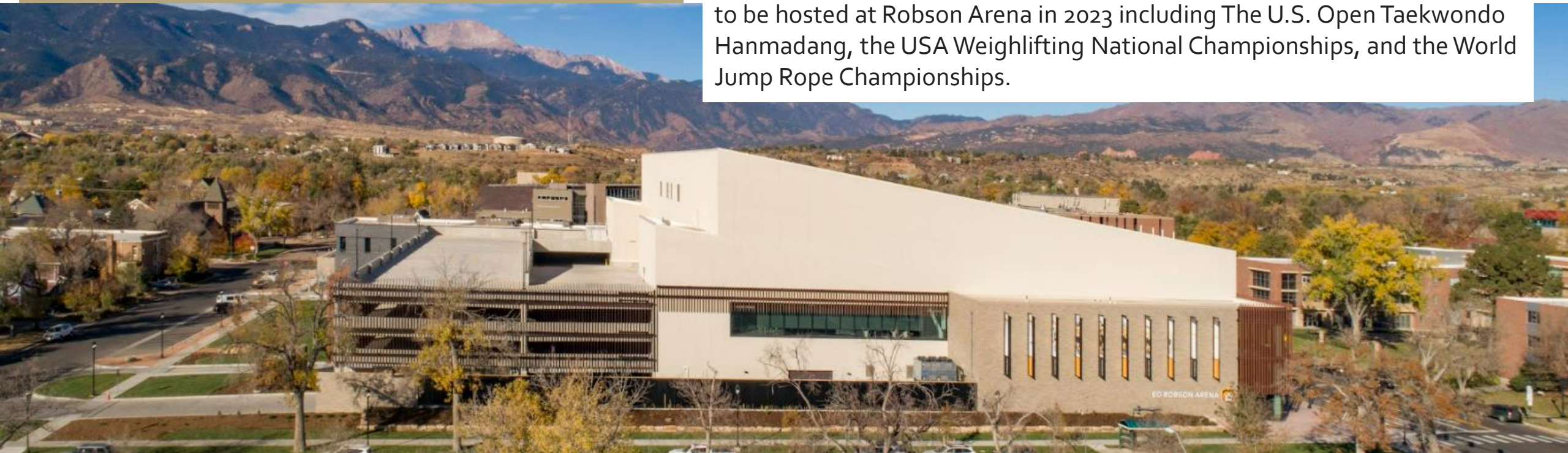
The opening of Robson Arena had no demonstrable market impact in 2021. With the organization of the Colorado Springs Sports Authority and normalized Colorado College related operations in 2022 at Robson Arena, we expect a shift in focus towards events other than for Colorado College in the coming years.

The shift will fit well into the Pikes Peak Region's development on a global stage as a sports performance destination (Visit Colorado Springs).

The Pikes Peak Region was the early Colorado entrant into the hockey market. In recent decades national recognition of Colorado hockey has shifted to the Denver metro area at the college and professional levels. Colorado College athletics is excited at the prospect of a new arena on campus for attracting top college talent at the NCAA Division 1 level. This will help reinforce the entire state's status as a high-performance hockey location nationally and internationally which will enhance and possibly grow Colorado tourism.

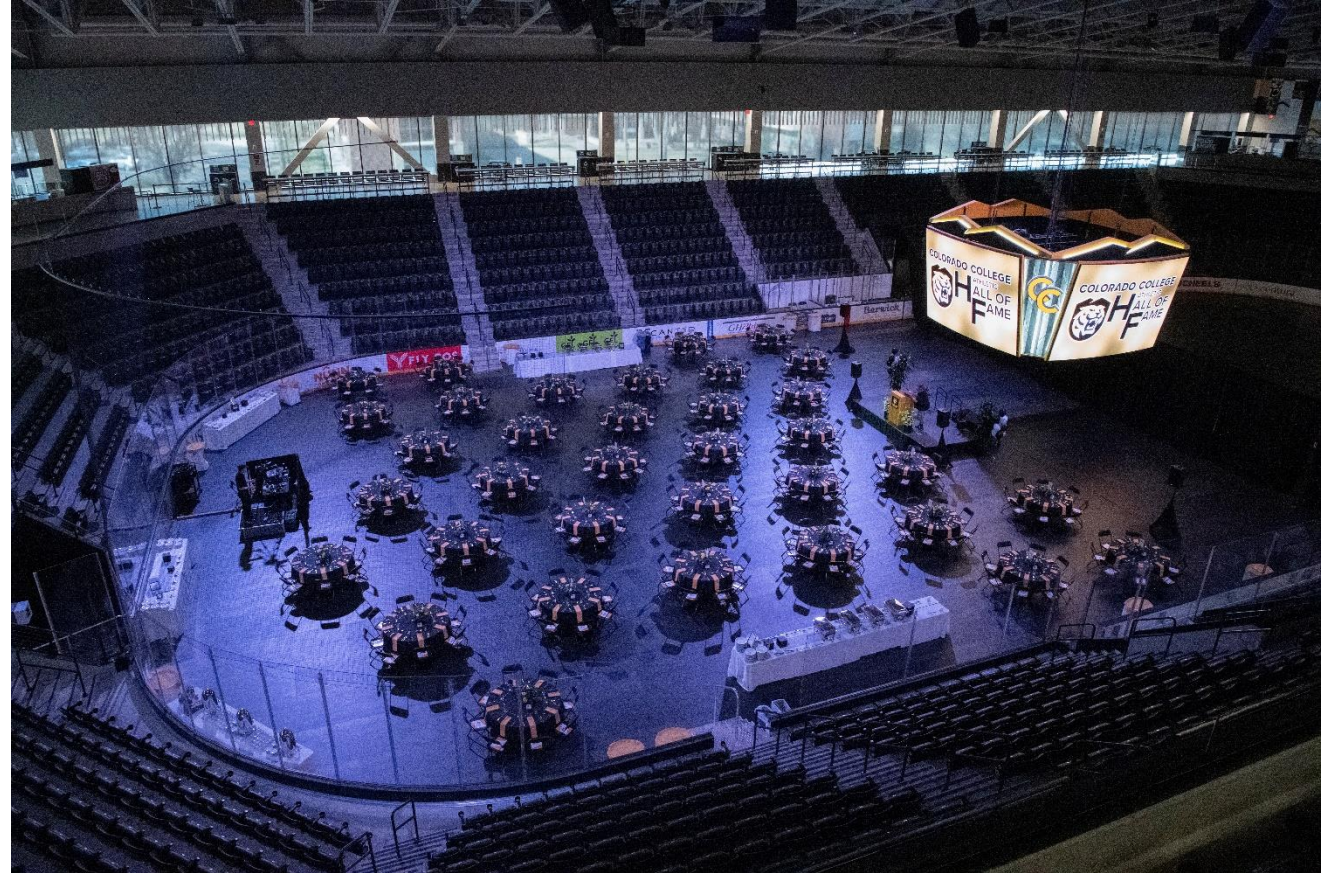
Regional & In-State Competition

The 3,407 seat Robson Arena competes with other mid-sized arenas along the Front Range including Magness Arena at Denver University (seats 7,200), Budweiser Event Center (5,289) in Ft. Collins, Balch Fieldhouse at Colorado University (11,064), the World Arena in Colorado Springs (8,000) with two additional practice rinks and the combined Clune Arena (6002) and Cadet Ice Arena (2,502) at the United State Air Force Academy. At this time, it's premature to assess facility to facility direct competition as each has unique elements. The Colorado Springs based venues should benefit greatly with the broader high performance amateur sports landscape which continues to develop in the region including at least 3 major events to be hosted at Robson Arena in 2023 including The U.S. Open Taekwondo Hanmadang, the USA Weighlifting National Championships, and the World Jump Rope Championships.



Attraction of Out-of-State Tourists

The first quarter of operations realized attendance related only to Colorado College hockey and student activities including intramural hockey. Ice time was also rented to local youth leagues. As a result, there was no increase in out-of-state tourists in 2021 from Robson Arena.



April 2022 CC Athletics Hall of Fame Induction Ceremony

Fiscal Impacts to Local Governments

Colorado Springs tax rates used. Includes LART and El Paso County sales tax. Local concessions are not included nor is tourism as CC Hockey predates C4C.. Only sales taxes included are from household expenditures

Total local taxes from the IMPLAN model includes property taxes

Total Local Taxes in El Paso County

Sales Tax		
From Tourists Expenditures	\$ -	
From Arena Employment	\$ 4,903	
From Tourism Employment	\$ -	
Construction of Arena		
Employment	\$ 562,954	
Materials [2]	\$ -	
From Concession Sales	\$ -	
Total Sales Tax		\$ 567,857
Other Local Taxes [1]		\$ 799,188
Total Local Taxes thru 2021		\$ 1,367,045
Summit Economics, IMPLAN		

Sales taxes received by all El Paso County entities are estimated to total \$567,857 in 2021 dollars. The largest portion of the sales tax collections are construction employment as materials are not taxable on a non-profit institution like Colorado College. Sales tax calculations are compared to IMPLAN modeling results which include all local taxes including property taxes paid by households on incomes they earn either at the arena or in the construction industry. Tourism from hockey events is not included as CC hockey pre-dates C4C.

Returns on Investment to State of Colorado

Taking the State's RTA investment through 2021 in the 2013 designated Colorado Springs Event Center and allocating the investment per year to Weidner Field (67.7% of total investment) and Robson arena on the Colorado College campus (33.3%), the total State investment in Robson Arena through 2021 is \$1,037,858 (see Table 5-4 of the 12/9/13 C4C response to the EDC).

Estimated personal income and sales tax receipts by the State related to Robson Arena totaled \$750,066 with 99% of the amount resulting from taxes paid by households earned labor income from construction of the arena. This equates to a 72.3% ROI to the State - all of which was Net New as the investment would not have been made without the State TIF.

Having been open for only one quarter in 2021 and having no tourist generating events outside of CC hockey, Robson generated no returns to the State from tourism. Being a tax-exempt non-profit organization resulted in no sales tax generated for the State from materials used in construction.

Estimated Return on RTA Investment Through 2021

	Estimated Return	% ROI
Regional Tourism Act Investment	\$ 1,037,858	
Sales Tax		
From Out of State Tourists Expenditures	\$ -	0.0%
From Arena Employment	\$ 2,658	0.3%
From Tourism Employment	\$ -	0.0%
From Construction		
Employment	\$ 305,153	29.4%
Materials	\$ -	0.0%
Total Sales Tax	\$ 307,810	29.7%
Income Taxes		
Construction Worker Earnings	\$ 438,438	42.2%
Arena Worker Earnings	\$ 3,818	0.4%
Tourism Worker Earnings	\$ -	0.0%
Total Income Taxes	\$ 442,256	42.6%
Total Tax Receipts	\$ 750,066	72.3%
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