

William J. Hybl Center 2021 Effectiveness Report

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



A unique partnership between



University of Colorado
Colorado Springs



centura.

Prepared for:

The Colorado Springs Urban
Renewal Authority

Prepared by:

Summit Economics LLC

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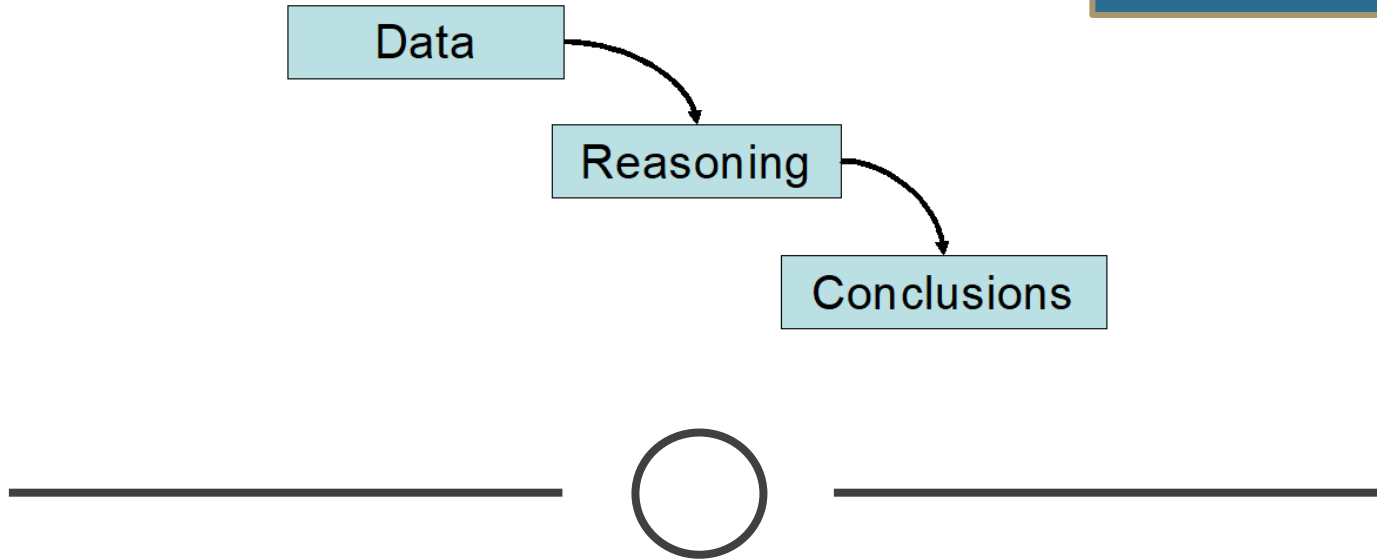
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Operating at the intersection of commerce and community, we provide applied research and rigorous analysis to facilitate objective and nonpartisan support for sound decision making and collaborative efforts.



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	91
Tourism	29
Construction of Venue	
Catalytic 2021	126
Catalytic Past Years not counted in 2020	327
Total	573
Out-of-State Tourists *	705
Fiscal Impacts to Local Governments	
Sales Tax Venue & Tourism Related	\$ 310,553
Other Taxes Venue Related	\$ 331,335
Catalytic All Taxes	\$ 1,616,445
Total Taxes	\$ 2,258,333
Net New ROI to State from:	
State TIF Investment Thru 2021	\$ 1,859,507
2021 Taxes Tourism Related	1.3%
2021 Non-Tourism Venue Related Taxes	10.9%
2021 Catalytic Activity Taxes	11.5%
Total 2021 Taxes	23.7%
Prior Year Catalytic Taxes	13.5%
Total Taxes	37.2%
Prior Year Taxes from 2020 Report	45.9%
Cumulative ROI Thru 2021	83.1%
* Includes out-of-state students attributed to program	
Summit Economics	

Market Successes

2021 was the first full year of operations was under more normalized conditions (post pandemic with widespread shutdowns). Operations demonstrated the substantial market potential of the Hybl Center with an international draw in sports medicine, performance, and academics.

Enrollment in UCCS' sports medicine and performance programs increased 8.2% over 2018-18 fall enrollment, while general nursing decreased by 4.9% and overall university unduplicated student headcount decreased by 6.4%. Clients of the Hybl Center increased by 79% for sports medicine and orthopedics and 381% including the performance center. The Hybl Center sponsored 4 major events and hosted several athletic teams and groups from as far as the United Kingdom.

Apparently, the announcement of the C4C Hybl Center funding in 2013 spurred CU Health to take pre-emptive action in 2017. When the Grandview Hospital on N. Nevada Avenue, across from UCCS and within a mile of the Hybl Center site, came on the market, CU Health purchased the asset and converted it into a 57-bed orthopedic and sports medicine hospital. In 2021 an adjacent medical office building was completed to support thr hospital.



The total gross area for the Hybl Center is 104,000 s.f.

According to HOK, the engineering firm for the Hybl Center: *Spaces in the Hybl Sports Medicine and Performance Center include altitude and environmental chambers; a nutrition lab and kitchen; a biomechanics lab; specialized training equipment for athletes with physical disabilities as well as firefighters and police officers; a sports medicine clinic; and a sports performance clinic. Flexible space supports telehealth rooms. Overhead doors on the second floor connect a tactical simulation gym to a 4,000-sq.-ft. outdoor training area on the roof of the first floor.*

The William J Hybl Sports Medicine and Performance Center (Hybl Center), sponsored by the University of Colorado Colorado Springs (UCCS) in the C4C Application, has partnered with Centura Health, to manage all medical aspects of the center. UCCS is actively marketing the Hybl Center as an academic program attracting students and faculty nationally and internationally who will study at the Hybl Center in classrooms and research space for both undergraduate and graduate students studying exercise science, human anatomy, physiology, athletic training and nutrition. The Hybl Center's academic programs are part of the Beth-El School of Nursing.

Report Overview



Objective and Purpose

To document key effectiveness indicators in a qualitative and quantitative fashion. The indicators were submitted by 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 25-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 local area and project knowledge. The report has been reviewed by the Colorado College

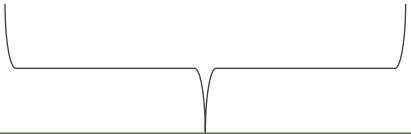
Direct Jobs Created



8 New Full-Time Jobs, 8 internships, and 3 part-time student jobs in 2021



91 Total Jobs at Hybl Center
80 Fulltime
3 Part-time
8 Interns



Total Fixed Payroll & Benefits
\$2.94million UCCS
\$4.49 Centura (estimated)

Direct Tourism Jobs created by patients, performance trainees, and students
29

Catalytic Construction Impacts

- **Medical Office 2020-21**
- **Construction jobs created 37**

Catalytic Operating Impacts

- **2021 Grandview Hospital and medical office operations 126 jobs**
- **2018-2020 Grandview Hospital operations 327 jobs**

Starting in 2018, 50% of the Grandview Hospital operations are attributed to the plans to develop the Hybl Center. The attribution rate drops 5% per year over 10 years to equal 0% in 2028. In 2021 the attribution is 35% for all catalytic impacts.

Other Jobs Created

In 2017 UC Health acquired the Colorado assets of Adeptus including what is now the 57-bed orthopedic Grandview Hospital within 1 mile of the Hybl Center on N. Nevada Avenue. This acquisition and location are considered to be in response to the 2013 C4C award to develop the Hybl Center at UCCS through a partnership with Centura. In early 2021 a \$26 million office building to accompany the hospital was completed. Centura Health is currently constructing underway with a 70 to 80 bed orthopedic hospital off of Interquest Parkway in northern Colorado Springs which will be affiliated with the Hybl Center.

Medical Tourism Market

Overall, the global medical tourism market is forecasted to grow by over 11% annually in the coming years.

The fastest growing market is in the

Asian Pacific, but the largest market is in North America.

Globally medical tourism is driven by cost and quality. Services delivered in countries like India that meet Western standards of quality at a much more affordable price for elective procedures is critical.

Within the U.S. the industry is driven more by regional health networks and specialty healthcare centers with a national and international reputation. The quality of the Pikes Peak Region for extended recovery stays and/or high-altitude performance training and evaluation, combined with an academic/research environment holds promise over the long-term.

Sports Medicine & Performance Market

According to Allied Market Research, the sports medicine market is expected to grow by 5.1% CAGR from 2021 to 2030. The market is closely aligned with orthopedics due to the most common sports medicine being related to body repair and reconstruction. The growth areas are expected to come from body support, recovery, monitoring and evaluation in the coming decade. Market demand is being driven by innovation in the field including medical instruments, adoption of more extreme sports activities, and rise of sports related injuries as fitness and sports become more prevalent.

Market Impact

Market impacts can be found in academia related to nursing and health sciences, sports medicine, orthopedics, and performance training. It appears these markets had substantial pent-up demand for sports medicine as well as strong forecasted demand in sports medicine and orthopedics.

The C4C announcement of the Hybl Center in 2013 appears to have stimulated sector development on the supply side which reduces the market share achievable by the Hybl Center.

In 2017, CU Health entered the Colorado Springs orthopedic and sports medicine market by acquiring the Colorado assets of Adeptus including what is now the 57-bed orthopedic Grandview Hospital within 1 mile of the Hybl Center on N. Nevada Avenue. The acquisition and entrance into the market by CU Health occurred subsequent to the C4C announced Hybl Center in 2013.

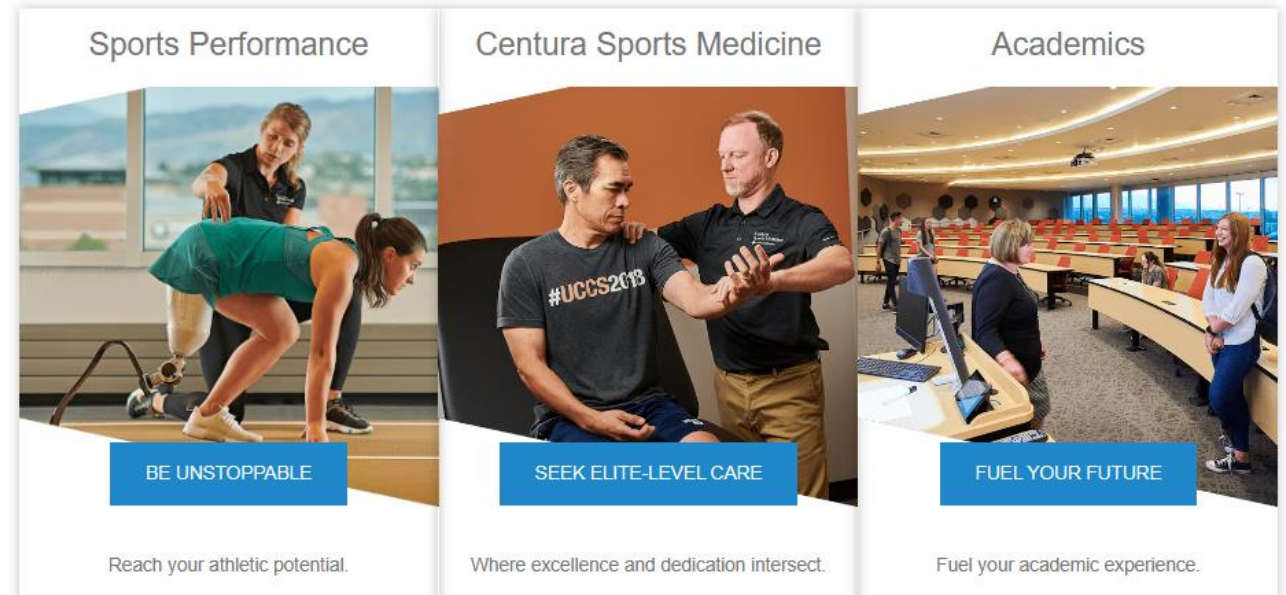
The success of the Hybl Center and the presence of CU Health at Grandview apparently supported Centura Health building a new 70 to 80 bed orthopedic hospital off Interquest Parkway in northern Colorado Springs. Construction is underway.

Both the UCCS/Centura and CU and CU Health initiatives build upon The Steadman Clinic and Steadman Philippon Research Institute's international success. Based in Vail, Steadman is expanding with clinics around the state. Steadman is clearly one of the original international innovators in sports medicine and performance and the related orthopedics. The addition of UCCS/Centura and CU Health in this market segment could be on the verge of putting Colorado on the map with a strong sports medicine, performance, research, and education cluster.

Regional & In-State Competition

Academics related to the Hybl Center are part of UCCS' Beth-El College of Nursing and Health Sciences. Beth-El is ranked at the top of the ten Colorado based nursing schools by *U.S. News & World Report*.

As mentioned in the 2020 report, The CU Sports Medicine and Performance Center was formed with staff from Boulder Center for Sports Medicine/Boulder Community Health and CU School of Medicine in August of 2015. This appears to be a close competitor to the Hybl Center in terms of program design in conjunction with academic and healthcare programs; however, given the market is more regional in nature, there is probably little direct competition except maybe in academic recruitment and possibly high-altitude fitness and sports performance.



Attraction of Out-of-State Tourists

The number of visitors is not large with only 705 out-of-state patients, students, and related individuals contributing economically in the region. When applied to expenditure levels and length of stay, Centura and its medicine and performance services are responsible for \$310,000 in local tourism expenditures in addition to money spent for the medical and performance services. UCCS Students in the Sports Medicine and Performance curriculum spend \$1,075,000 off campus in addition to tuition and on campus living and expenditures.

Out-of-State Visitors due to Hybl Center

	Centura Patients & Athletes	UCCS Students
Out-of-State Patients	113	
Total Patients + Other*	198	
Out-of-State Performance Assessments	381	
Total Performance Assess + Other*	419	
Out-of-State Students		73
Total Students + Other*		88
* Other includes friends, family, coaches, and trainers		
Summit Economics, UCCS, Centura		

Fiscal Impacts to Local Governments

From employment affiliated with the Hybl Center, students and employment associated with the sports medicine and performance program in Beth-El College of Nursing, non-local, including in-state, patients and athletes engaged in performance assessment from tourist spending and tourist employment attributable to the tourists.

From construction jobs and materials associated with the newly constructed medical office building adjacent to Grandview orthopedic hospital as well as 2021 estimated employment at the hospital and medical office building. Only 35% of construction attributed to Hybl Center.

Other Local Taxes are based upon the difference in the IMPLAN total local taxes and sales taxes calculated by Summit Economics. Other taxes primarily include property taxes from households and businesses impacted by the Hybl Center. Prior three years Catalytic Impacts are from operations and estimated employment at Grandview Hospital since 2018 with 42.5% on average being attributed to the Hybl Center over 3 year period.

Total Local Taxes in El Paso County		
Sales Tax		
Non-Medical/Performance Tourists Expenditures	\$	99,764
Student Off-Campus Expenditures	\$	48,158
Hybl Center Employment HH Expenditures	\$	153,763
Tourism Employment HH Expenditures	\$	8,868
Sub-Total	\$	310,553
From Catalytic Development		
2020 -21 Orthopedic Office Construction Jobs	\$	49,173
2020-21 Orthopedic Office Materials	\$	95,639
2021 Grandview & Office Employment	\$	221,496
Sub-Total	\$	366,308
Total Sales Tax		\$ 676,861
Other Local Taxes [1]		\$ 331,335
Total 2021		\$ 1,008,196
Prior Three Years Catalytic Impacts [2]		\$ 1,250,137
Total Local Taxes thru 2021		\$ 2,258,333
[1] Total local taxes from IMPLAN less cacluated sales taxes. [2] Taxes per IMPLAN on 2018-2020 estimated Grandview Hospital operations, including sales taxes from employee expenditures		
Summit Economics, IMPLAN		

Based on IMPLAN modeling, Total Local Taxes related to the Hybl Center since 2018 total \$2.258 million, of which \$1.25 million was generated from 2018 through 2020 and associated with employment at CU Health’s Grandview Hospital. The taxes include all direct, indirect, and induced impacts. Sales tax calculations by Summit Economics are compared to IMPLAN modeling results which include all local taxes. Sales taxes received by all El Paso County entities in 2021 are estimated to total \$676,861. Just over half of the sales tax collections are from catalytic projects and operations in 2021 were associated with the Grandview Hospital and construction of the adjacent medical office building completed in 2021. Without any catalytic impacts, it’s estimated the Centura and UCCS operations, including employees, students, patients and visiting athletes generated \$463,000 in local taxes in El Paso County.

Returns on Investment to State of Colorado

The Hybl Center has returned tax revenues close to the TIF incentives provided to the project by the State of Colorado. The high level of return is related primarily to the construction of the center which was included in the 2020 report, as well as catalytic development and competition that has occurred in the immediate vicinity of the Hybl Center. Having two major facilities, both with academic and commercial research components, in close proximity to one another, increases the overall specialized market potential while the two facilities compete for market share. Returns are adjusted to net new to remove an assumed level of activity that might have occurred without the Hybl Center.

Overall, we estimate the 2021 ROI to be 23.7% of cumulative investment. In addition, capture of returns from the Grandview Hospital from 2018-20 adds another 13.5% to the 2021 ROI. When combined with the 2020 ROI of 45.9%, the total ROI from the Hybl Center to date is estimated to be 83.1% on a net new basis.

Estimated Return on RTA Investment Through 2021				
	Estimated Return	% ROI	% Net New	Adjusted Net Net Return
Regional Tourism Act Investment	\$ 1,859,507			
Sales Tax 2021				
Non-Medical/Performance Tourists Expenditures	\$ 7,669	0.4%	100%	0.4%
Student Off-Campus Expenditures	\$ 9,502	0.5%	50%	0.3%
Hybl Center Employment HH Expenditures	\$ 83,348	4.5%	100%	4.5%
Tourism Employment HH Expenditures	\$ 968	0.1%	100%	0.1%
Sub-Total	\$ 101,487	5.5%		5.2%
From Catalytic Development *				
2020 -21 Orthopedic Office Construction Jobs	\$ 26,655	1.4%	100%	1.4%
2020-21 Orthopedic Office Materials	\$ 51,842	2.8%	100%	2.8%
2021 Grandview & Office Employment	\$ 120,063	6.5%	33%	2.1%
Sub-Total	\$ 198,559	10.7%		6.4%
Total from Sales Tax	\$ 300,047	16.1%		11.6%
Income Taxes 2021				
Tourism Worker Earnings	\$ 6,907	0.4%	100.0%	0.4%
Hybl Center Employment Earnings	\$ 119,753	6.4%	100.0%	6.4%
Student Expenditure Jobs Created	\$ 7,722	0.4%	50.0%	0.2%
Catalytic Construction Worker Earnings	\$ 38,297	2.1%	100.0%	2.1%
Catalytic Grandview & Office Earnings 2021	\$ 172,504	9.3%	33.0%	3.1%
Total Income Taxes	\$ 345,183	18.6%		12.1%
Prior Year Catalytic not included in 2020 Report	\$ 762,349	41.0%	33.0%	13.5%
Total Tax Receipts	\$ 1,407,578	75.7%	49.2%	37.2%
Prior Years Returns	\$ 852,730	45.9%	100.0%	45.9%
Cumulative Return on Investment	\$ 2,260,308	121.6%	68.3%	83.1%
* Catalytic developments and operations are considered attributable to the Hybl Center's past plans and current operations. The attribution is modeled to have started at 50% and decline to 0% after 10 years. The presence of Grandview reduces market share for the Hybl Center. In 2021 the attribution rate is 35%. Net New of Grandview assumes most market demand would have been met through pre-existing statewide healthcare systems.				
Summit Economics				