

Weidner Field 2021 Effectiveness Report

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

Prepared for:

The Colorado Springs Urban
Renewal Authority

Prepared by:

Summit Economics LLC

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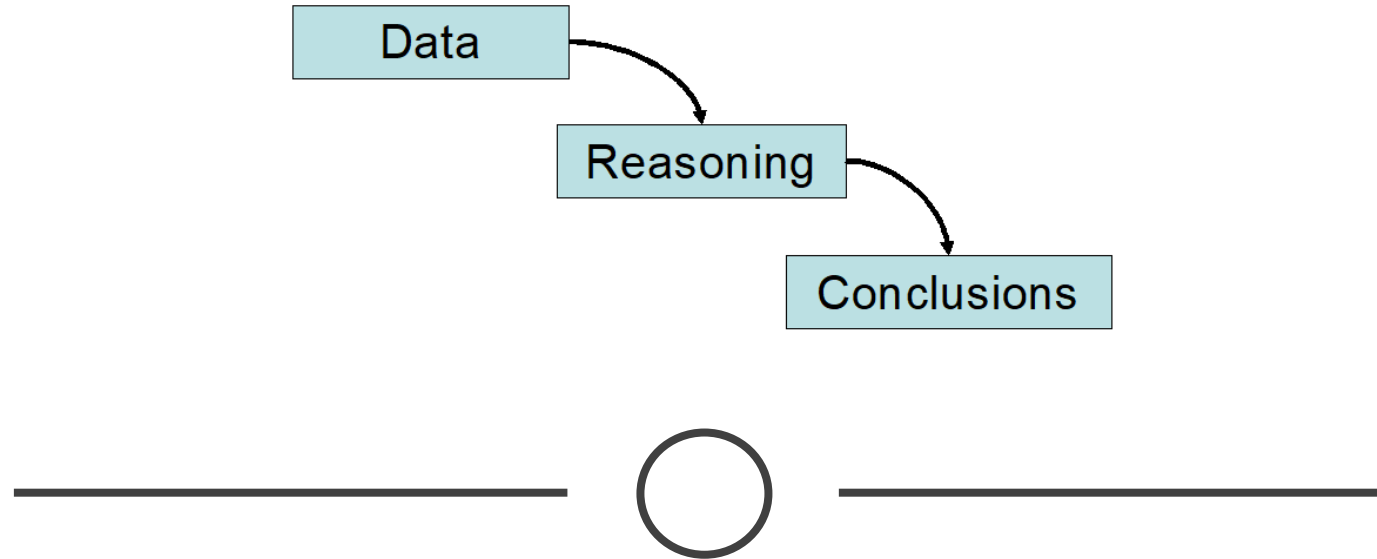
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Operating at the intersection of commerce and community, we provide applied research and rigorous analysis to facilitate objective and nonpartisan support for sound decision making.



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	55
Tourism	223
Construction of Venue	273
Catalytic 2021	-
Catalytic Past Years not counted in 2020	579
Total	1,130
Out-of-State Tourists	
	25,412
Fiscal Impacts to Local Governments	
Sales Tax Venue & Tourism Related	\$ 1,833,335
Other Taxes Venue Related	\$ 1,215,035
Catalytic All Taxes	\$ 780,626
Total Taxes	\$ 3,828,997
Net New ROI to State from:	
State TIF Investment Thru 2021	\$ 2,078,833
2021 Taxes Tourism Related	10.7%
2021 Non-Tourism Venue Related Taxes	36.7%
2021 Catalytic Activity Taxes	0.0%
Total 2021 Taxes	47.4%
Prior Year Catalytic Taxes*	32.3%
Total Taxes	79.7%
Prior Year Taxes from 2020 Report	0.0%
Cumulative ROI Thru 2021	79.7%
* From Switchbacks investments and operations 2015-20	
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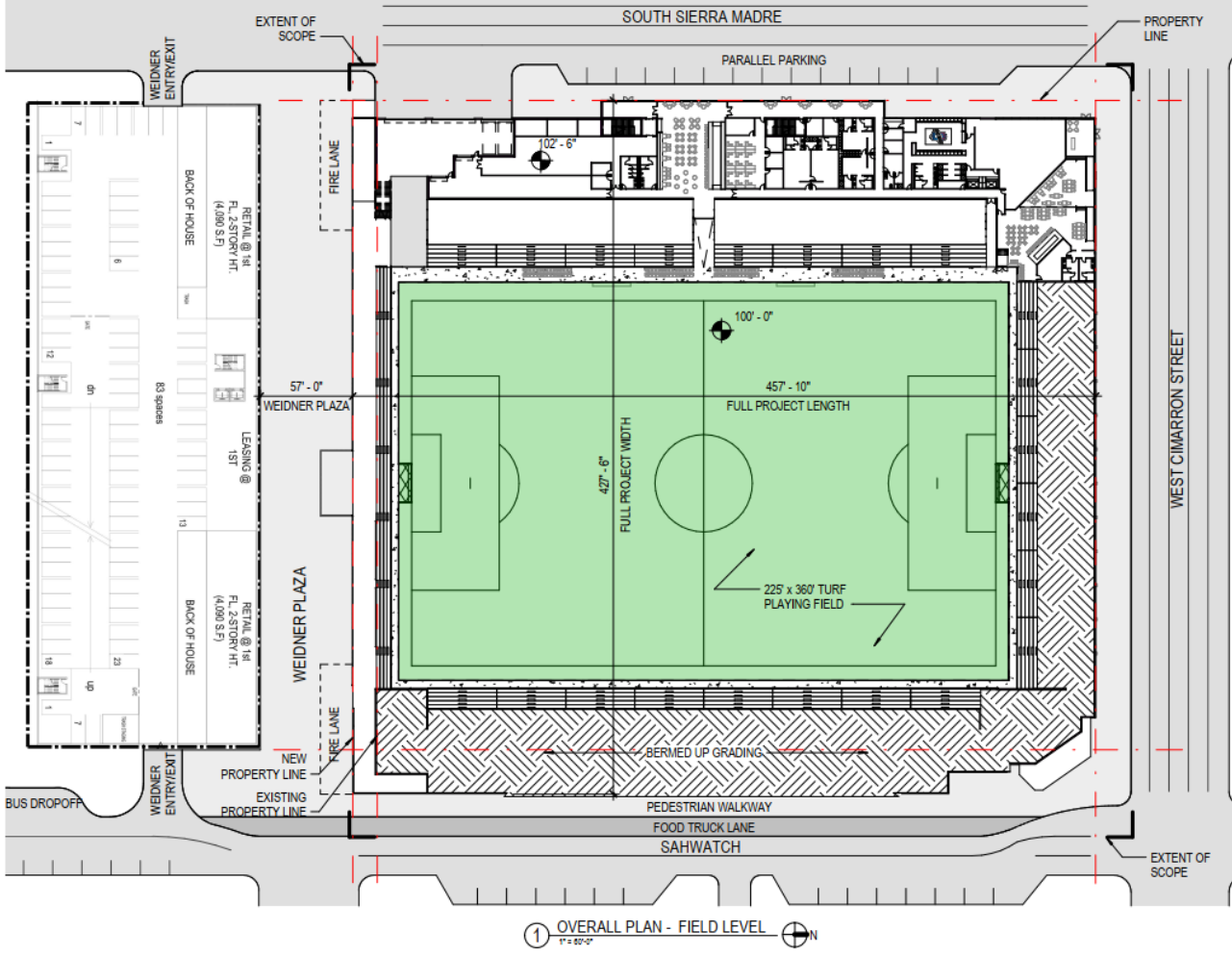
Marketing Successes

Despite 2021 being a start-up year, Weidner Field, with the assistance of the Colorado Springs Sports Authority, the Switchbacks FC, and the Colorado Springs Sports Corp, demonstrated significant marketing successes beyond hosting the Switchbacks home games. Twenty-six percent of the available days hosted an event. Events that were at least partially national in market scope and therefore had the potential to attract some net new out-of-state visitors represented 31% of the total event days including days for set-up and breakdown. If the Switchbacks home games are included, the national event days increases to 54%. Only 4% of the days were Statewide in scope while 42% were local.

The marketing team developed a target marketing list consistent with the Business Plan, entertained site visits, generated outbound sales calls to create a top 100 list of prospects, created and distributed both hard and electronic promotional materials, and joined several industry organizations for future marketing implementation.

Due to much greater prospects for future market success with the development of apartments and commercial space around Weidner Field, as well as the earlier decommissioning of the Martin Drake powerplant, investment was substantially increased in the stadium and surrounding space including a major piece of iconic sculpture. We anticipate large catalytic impacts and returns on the State's RTA investment in the coming decade.

The \$45 million, 10,000 seat outdoor soccer stadium is expandable to 20,000 seats for concerts. The stadium encompasses 147,000 square feet and has 6,006 square feet of event space which is being increased by 64% in 2023.



Weidner Field had its ribbon cutting on April 23, 2021, and hosted its first Switchbacks USL professional soccer match the next day. The Switchbacks are in the second tier (USL Championship) of the American soccer pyramid – one step below the Colorado Rapids. Weidner Field hosted the first NCAA championships of any kind in Colorado Springs in 15 years with the Division II men’s and women’s soccer championships in December. In addition, Colorado Springs was one of 11 cities to host the Premier Lacrosse League which held a 3 day competition with their teams at Weidner Field.

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 each category as defined by CDLE and the wages and health benefits for jobs in each category;
- (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.

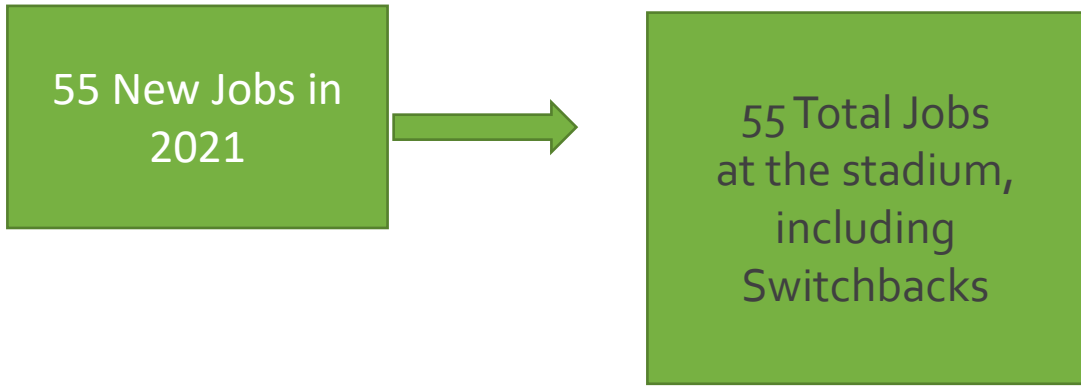


Methodology

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 Weidner Field and the Switchbacks

Direct Jobs Created



Direct Tourism Jobs (full and part-time) created by Tourists who participated in events or visited Weidner Field
223

Additional event labor is hired to staff all aspects of events (concessions, security, set-up/tear-down). Large events can approach 200 staff.

Construction Impacts

- Construction cost more than doubled compared to business plan.
- Total direct was 273 jobs, \$17.3 million in labor income

Catalytic Impacts

- No major developments were completed in 2021, but several are under construction.
- Switchbacks FC located in Colorado Springs due to the approval of the initial C4C Application in 2013 creating an estimated 579 jobs over the six years (96.5 per year) of operations prior to relocating to Weidner Field.

Other Jobs Created

Construction of the stadium was completed in 2021 and created construction jobs in 2020 and 2021. The entire scale of the projects associated with the stadium increased as a result of the project. This justified a more substantial stadium.

Sizable catalytic impacts commenced in 2021 and will be reported at completion in 2022 and beyond. These include Weidner Apartment Homes immediately adjacent to Weidner Field, Park Union west of the Olympic Museum, and O'Neil Tower a couple of blocks northeast of Weidner Field. One can conclude the earlier decommissioning of the Martin Drake powerplant is also partially due to Weidner Field and surrounding development.

Regional Tourism Market

Market Impact

The opening of Weider Field has impacted the large outdoor venue market both locally and regionally by offering a new large outdoor venue for concerts and sporting events. It was also a popular venue right after opening for graduation ceremonies. The smaller indoor group venue market has also been impacted locally for group gatherings.

With the organization of the Colorado Springs Sports Authority (CSSA) we expect a greater shift in focus towards Olympic and Paralympic events in the coming years. In fact, the for-profit model of Weider Field combined with Switchbacks FC, appear to have normalized operations within the first year as there was clearly pre-opening marketing.

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

The location of Weidner Field adjacent to the Martin Drake Power Plant and in close proximity to the Olympic and Paralympic Museum appears to have already influenced the local decision to shut the coal and gas fired power plant a decade earlier than originally planned and has created a Downtown amenity worthy of substantial adjacent new development in the coming few years. It is energizing the waterfront Legacy Loop trail which may lead to even further recreational development between Downtown and I-25.

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%.

According to the Colorado Springs Convention and Visitors Bureau Colorado Springs and Pikes Peak region we 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 the trend decrease by 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 growth rate of 1.2% nationally.

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 national market segments based upon revenue sources include gate receipts (27%), media rights (28%), team sponsorships (24%) and merchandising (22%). In comparison, Weidner Field is closer to 55% gate, 35% sponsorships, and 10% merchandising. 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. Of the established field sports, soccer is the second fastest growing behind lacrosse.

Weidner Field competes with the following stadium venues in Colorado:

Competitive Sports Venues	Type of Competition
World Arena	Concerts
Vibes Stadium	Concerts, Motorcross, Other Outdoor Stadium style entertainment
Pikes Peak Center	Concerts
Denver University Soccer & Lacrosse	Premier League Lacrosse, Ultimate Disc League
Dicks Sporting Goods Park	CHSAA
Infinity Park	Rugby, PPL, UDL

A key competitive advantage of Weidner Field is its broadcast capabilities. In 2021 31 different events (19 Switchback matches) were broadcast including local graduations.

Regional & In-State Competition

Food, beverage and merchandise sales are a significant contributor to quality of experience at Weidner Field. The stadium contracts with Levy to service events. Weidner Field with Levy, offers the venue to large catered gatherings thereby competing with other catered venues in Colorado Springs.



Attraction of Out-of-State Tourists

Weidner Field operated at 26% of capacity based upon scheduling and the 8 months of operations. A breakout of events based on target market reveals:

Local events 42%

National 30% (7% w/o Switchbacks)

State 4%

Mixed 9%

Setup/Breakdown of events 15%

Based upon an assessment of each event and geofencing data, the stadium attracted 25,412 out-of-state (OOS) visitors resulting in an estimated 58,231 OOS visitor days.

Out-of-state tourists spent an estimated \$10.5 million in the Pikes Peak Region.



Fiscal Impacts to Local Governments

Sales taxes received by all El Paso County entities are estimated to total \$1.83 million in 2021 dollars. This includes the Lodging and Rental Car Tax (LART). Fifty percent of the sales tax collections are on construction materials on the \$45 million in construction. 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 Weidner Field, in the tourism sector, or in the construction industry. Catalytic projects includes the prior six years of operations by Switchbacks FC in northeast Colorado Springs on Barnes Road specifically due to the 2013 C4C award by OEDIT which included the Colorado Springs Sports and Event Center.

Colorado Springs tax rates used. Includes LART and El Paso County sales tax.

Total local taxes from the IMPLAN model includes property taxes paid by households

Based on catalytic move of Switchbacks to Colorado Springs

Total Local Taxes in El Paso County		
Sales Tax		
From Tourists Expenditures	\$	754,916
From Weidner Field Employment	\$	83,041
From Tourism Employment	\$	108,611
From Construction		
Employment	\$	221,695
Materials	\$	665,072
Total Sales Tax	\$	1,833,335
Other Local Taxes	\$	1,215,035
Prior Six Years Catalytic Impacts	\$	780,626
Total Local Taxes thru 2021	\$	3,828,997
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Returns on Investment (ROI) to State of Colorado

Taking the State's RTA investment through 2021 in the 2013 designated Colorado Springs Event Center (Table 5-4 of the 12/9/13 C4C response to the EDC) and allocating that investment per year to Weidner Field (67.3% of total investment) and Robson arena on the Colorado College campus (33.3%), we estimate the total State investment in Weidner Field through 2021 to be \$2,078,833.

Estimated personal income and sales tax receipts by the State related to Weidner Field and Switchbacks prior to moving to Weidner Field total \$1,750,925. Based upon receipts divided by investment to date, we calculate an overall 84.2% ROI, of which 79.7% is from net new activities and events. Excluding Switchbacks operations from 2015-21 as a result of the C4C award to Colorado Springs, the ROI drops to 46.0%. Net new is based upon estimates of out-of-state tourism for each event held at Weidner Field and verified by geolocation data collected by the Downtown Partnership via Placer AI.

Estimated Return on RTA Investment Through 2021				
	Estimated Return	% ROI	Net New ROI [1]	Net New w/o Switchbacks
Regional Tourism Act Investment	\$ 2,078,833			
Sales Tax				
Venue Related				
Tourism Spending	\$ 172,351	8.3%	5.8%	5.1%
Stadium Jobs Household Spending	\$ 45,013	2.2%	2.2%	2.2%
Tourism Jobs Household Spending	\$ 58,873	2.8%	2.0%	1.7%
Construction Jobs Household Spending	\$ 120,171	5.8%	5.8%	5.8%
Construction Materials	\$ 360,506	17.3%	17.3%	17.3%
Catalytic				
Total Sales Tax	\$ 756,915	36.4%	33.1%	32.1%
Total from 2015-2020 Switchbacks Operations	\$ 672,088	32.3%	32.3%	0.0%
Income Taxes				
Tourism Worker Earnings	\$ 84,588	4.1%	2.9%	2.5%
Stadium Worker Earnings	\$ 64,674	3.1%	3.1%	3.1%
Construction Worker Earnings	\$ 172,660	8.3%	8.3%	8.3%
Total Income Taxes	\$ 321,922	15.5%	14.3%	13.9%
Total Tax Receipts	\$ 1,750,925	84.2%	79.7%	46.0%
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