STATE OF COLORADO

OFFICE OF THE GOVERNOR

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May 4, 2012

To the Honorable Senate Sixty-Eighth General Assembly Second Regular Session State Capitol Denver, CO 80203

Ladies and Gentlemen:

We are returning to the Colorado Senate SB12-124 "Concerning the Elimination of the limit of the Number of Regional Tourism Projects that the Colorado Economic Development Commission may Approve."

I vetoed this bill as 8:20 am today, and this letter sets forth my reasons for doing so.

We share the General Assembly's desire to encourage tourism in Colorado, but Senate Bill 12-124 does not accomplish this goal effectively or efficiently.

Under the current Regional Tourism Act (RTA), the Colorado Economic Development Commission (EDC) can approve up to two projects annually for the next three years with a cap of \$50 million in financing. SB 12-124 expanded the EDC's authority to grant up to six projects in any year. This expansion alters the stated purpose of the RTA statute approved by the General Assembly in 2009.

The General Assembly stated then that the purpose of the RTA is to provide State support for projects that will "attract significant investment and revenue from outside the state of Colorado." C.R.S. § 24-46-302(a) & (d). The statute contemplates only viable projects that are so "unique" and "extraordinary" that they will drive economic development and tourism. Indeed, any RTA project should bring new tourists from out of state that would

not otherwise visit Colorado, or the state's existing venues. The RTA does not contemplate, however, projects that are likely to serve only the interests of a particular community. For the reasons below, maintaining the current limit of two per year will protect the original intent of the statute.

First, the RTA statute requires the state to make a 30-year commitment. By limiting the award to two projects per year, the State will be in a better position to carefully select the recipients and closely monitor the awards. This will help ensure the state sales tax increment revenue is used appropriately, and that the EDC is awarding projects that will in fact drive tourism and economic development. Second, we want to ensure that the RTA process remains competitive, resulting in the most "unique" and "extraordinary" projects being approved. Finally, increasing the award to up to six projects in this legislative session, simply because there are six applications currently pending before the EDC, adds undue pressure to the process.

Importantly, the EDC can still award six projects over the course of the next three years. Allowing only two projects per year, however, will provide more accountability.

We appreciate and share the General Assembly's intent to stimulate tourism in the state. Tourism is essential to Colorado and we are committed to supporting this vital economic driver. We will continue to work with the General Assembly to develop policies to bolster tourism in Colorado. In the case of SB12-124, we believe increasing the cap decreases the competitiveness of the RTA program, ultimately outweighing any benefit to awarding more projects at this time.

Accordingly, I have vetoed this bill.

Sincerely,

John W. Hickenlooper

Governor