Strategic Analysis:

Economic Impact of the EPMC/Anschutz Wellness Center At the Stanley Hotel Upon the Estes Park Area

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By

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INTRODUCTION

This document analyzes the strategic economic impact of the EPMC/Anschutz Wellness Center at the Stanley Hotel project upon the greater Estes Park community. The information and data utilized has been furnished by the Estes Park Medical Center; the Grand Heritage Hotel Group; the Town of Estes Park; the Anschutz Health and Wellness Center; the Regional Economics Institute; and other sources as noted.

The proposed project calls for $15 million in construction, to include 50 guest rooms and Wellness Center facilities. The facilities will be located on 6.88 commercially zoned acres in the Stanley Historic District (Lot 4) currently owned by the Town of Estes Park. The complex will be developed through a partnership among the Estes Park Medical Center; the Anschutz Health and Wellness Center at the University of Colorado Anschutz Medical Campus in Aurora; and the Stanley Hotel, the flagship property of the Grand Heritage Hotel Group.

Under the terms of a citizen-initiated ordinance adopted in 2008, the sale of Lot 4 is subject to voter approval at the municipal election scheduled for April 1, 2014. The purchase price of the land is $1 million to be paid at closing, with an additional $650,000 note to be paid within two years. If EPMC undertakes construction of the Wellness Center within two years, $325,000 of the note will be forgiven. Following the sale of Lot 4, Grand Heritage will enter into a 99-year land lease with EPMC.

Collectively, EPMC/Anschutz Wellness Center and the Stanley Hotel forecast that after completing this development project, they will hire 70 new employees over the next five years, with an average expected annual wage of $52,637, well above the average wage for Larimer County.

With assistance from NCEDC, we commissioned the Regional Economics Institute at CSU to conduct an independent analysis of the fiscal impact of the project upon the Town of Estes Park. The CSU study concludes that the project would result in net revenue to the Town of $3.96 million within the first five years.

Estes Park EDC Mission and Strategy

The mission of the Estes Park EDC is to plan for and promote the economic development of the Estes Valley in ways that are compatible with those qualities that make Estes Park a unique mountain community. The Estes Park EDC’s two areas of emphasis are business attraction, and business retention and expansion. In both instances, the emphasis
is on primary jobs: businesses that sell products or services to customers outside the local community. Attracting year-round businesses that are appropriate to the Estes Park community’s values and geography is also a key part of diversifying the local economy.

**Background**

The Anschutz Health and Wellness Center is a unique Colorado institution that desires to expand its national profile. Anschutz Health and Wellness is an existing organization formed by the University of Colorado and the Anschutz Foundation as part of the Anschutz Medical Campus in Aurora. According to their website, “The mission of the Center is to transform the lives of individuals and communities through science-based wellness strategies.” Fitness, wellness, nutrition, and sports performance are all areas of focus for their programs and research.

Grand Heritage Hotel Group (“Grand Heritage”) is the owner or operator of over a dozen destination hotels across the globe, including the Stanley Hotel. John Cullen is the President/CEO of Grand Heritage, and also the owner of the Stanley Hotel. Estes Park is currently the headquarters for key Grand Heritage personnel.

The Estes Park Medical Center (“EPMC”) is a tax-supported 25-bed critical access hospital with a 24-hour emergency department, 24-hour Advanced Life Support Ambulance Service, medical/surgical services, obstetrics, and home health and hospice services. EPMC physicians are board-certified in many different areas and specialties. EPMC is a designated Level IV Trauma Center. Its Medical Group offers family medicine, obstetrics and gynecology, general surgery, internal medicine, orthopedics, ophthalmology, podiatry, and pediatrics. The EPMC Specialty Clinic offers services in allergy/asthma, cardiology, dermatology, oncology, infusion therapy, orthopedics (neck & spine), otolaryngology, neurology, pulmonology, rheumatology, and urology. EPMC has served the Estes Valley since 1975. EPMC is governed by a five member Board of Directors.

Last year the State of Colorado announced it would launch a $50 million campaign to brand the state nationally as a destination for health and wellness. Governor John Hickenlooper, an early and enthusiastic advocate for such an initiative, made it clear that he considered such a branding effort critically important to the state’s future economic success. The Stanley Hotel in Estes Park became one of eight major partners recognized by Making Colorado for its support of this statewide effort.

http://www.grandheritage.com/about.htm.
See, e.g., “Global Spa & Wellness Summit Day 2: Colorado Governor, John Hickenlooper, Addresses GWS” (June 5th, 2012)(“He also talked about the potential of branding Colorado as a health/wellness destination (noting they were trying to hire a marketing director), to both attract businesses and more tourists.”) http://blog.globalspaandwellnesssummit.org/2012/06/colorado-governor-john-hickenlooper-addresses-gsws/
http://www.makingcolorado.gov/#page/partners
As a result of discussions between Grand Heritage and the Colorado Office of Economic Development and International Trade (Colorado OEDIT), John Cullen of Grand Heritage was introduced to the leaders of the Anschutz Health and Wellness Center. From their meetings emerged a vision of a broader partnership, with Grand Heritage opening facilities in Estes Park, Colorado Springs and Telluride as part of the new statewide branding effort. Grand Heritage would handle both marketing and accommodations, while Anschutz would provide the innovative health and wellness programming for which it is now widely known.

Prior to the floods that began on September 11, 2013, John Cullen anticipated an 18 to 36-month time horizon before an Anschutz Wellness/Stanley Hotel project could move forward. The floods created a short opportunity to finance the entire $15 million project through access to a state credit enhancement program. Under this initial proposal, EPMC would have provided all HIPAA-related medical services by contract. The proposed arrangement effectively died in mid-November when the Estes Park Board of Trustees voted to reject a contract to sell Lot 4 to Grand Heritage.

As a result of the importance of the project to the future of EPMC, its newly appointed President and CEO Brian Herwig expanded EPMC’s commitment to the project. The Estes Park Medical Center Foundation will raise about $5 million from foundations and other private sources to complete construction of the Wellness Center portion of the project. Grand Heritage/the Stanley Hotel will grant EPMC a 99-year land lease on Lot 4. Under the revised plan, about one-third of the acreage will be set aside as open space, and one-third will house the EPMC/Anschutz Wellness Center. The remaining third will contain about 50 units of accommodations for Wellness Center guests. Maintenance and upkeep of all facilities will become the responsibility of Grand Heritage, essentially providing an operating subsidy from the Stanley Hotel to EPMC’s medical-related services provided at the Wellness Center.

On January 3, 2014 the Park Hospital District Board of Directors voted unanimously to have EPMC CEO Brian Herwig enter into negotiations for a long-term lease with Grand Heritage. Four days later, on January 7, 2014, the Town Board of Trustees voted unanimously (6-0) to approve the sales contract on Lot 4.

**STRATEGIC FACTORS TO CONSIDER**

Because this project includes the contingent forgiveness of $325,000 from the 2-year note included in the purchase of Lot 4, it is appropriate to examine the strategic significance of this project and the projected fiscal impacts to the Town of Estes Park and the community as a whole. To examine the strategic value of this project to the community, Estes Park EDC first made use of a list of factors originally developed by professionals for the City of Greeley in considering which businesses applicants should receive municipal
financial incentives. These were formally adopted by the EDC Board at its December 12, 2013 meeting as general criteria for weighing whether a given project should be a community priority for economic development.

The following ten factors are explained below in the body of the analysis: 1) Target Industry; 2) Job Impact; 3) Types of Jobs Created or Retained; 4) Location of the Project; 5) Type of Business Project; 6) Type of Industry; 7) Management Expertise; 8) General Community Enhancement; 9) New Market/Tax Generation; and 10) Existing Business Relationship.

**ANALYSIS**

1: Targeted Industries

The State of Colorado is making a major commitment to health and wellness as an important driver of our statewide economy. As set forth in a December 2013 report by Colorado OEDIT, “Colorado has a unique opportunity to leverage the strength of this [health and wellness] sector going forward, becoming the premier national destination for prevention and wellness, high quality health care services and outdoor recreation.”

As set forth in the OEDIT report, “[T]he overarching goal is for Colorado to be the national leader in health and wellness. To reach this objective, the industry stakeholders agreed on an action plan that:

- **Positions health and wellness as an export business by developing products and services that can be marketed and sold in markets across the nation and internationally.**

- **Leverages the business opportunities created by a significant increase in the number of people with health insurance and a growing demand for wellness services.**

- **Establishes collaborative workforce strategies and educational programs that reflect the current and future needs of health and wellness employers.**

- **Invests in creating high-paying, high-demand jobs, such as those in health care information technology.**

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5 Based upon these factors, Estes Park EDC published a similar preliminary analysis of this project last October. In revising this analysis, Estes Park EDC acknowledges the volunteer help of Estes Park resident Dr. James Swaney, Professor of Economics Emeritus, Wright State University.

• Builds infrastructure and support for existing companies and start-ups in the wellness sector."7

According to a Global Wellness Institute report, the global market for wellness tourism is substantial. "Every government, every tourism board and every travel-related business should sit up and take notice.... Wellness tourism is already a US$439-billion market—or more than ONE in SEVEN of all tourist dollars—and is set to grow to US$678.5 billion in three short years (by 2017)."8 That translates to 55 percent market growth in just three years. Global primary-purpose wellness tourists spend substantially more ($2,066 per trip) than secondary-purpose wellness tourists ($688 per trip), demonstrating how the EPMC/Anschutz project is targeting a new market segment.9 The Global Wellness report identifies eight categories of Wellness tourism (including outdoor recreation) through which local businesses can expand by targeting new customers of their own.

Neither the Town nor the Estes Park EDC has formally defined its targeted industries as a whole. In January, a survey went to all EDC Board members seeking their input concerning those initiatives most likely to result in positive benefits to the community. At its January 2014 meeting, the Board of the Estes Park EDC identified support for this project as one of its top 2014 operational priorities due to its likely benefits to the community.

Appropriate industries for Estes Park to consider prime targets should reflect and reinforce the community’s values and strengths. We should also consider how our targeting of industry clusters fits into the region and state. Our targeting should play to regional industry clusters, while recognizing that certain industries such as advanced manufacturing are inappropriate because of local and industry-specific requirements and economic constraints.

Conclusion: High Priority. Health and wellness is consistent with Estes Park’s community values and brand, and represents an attractive target industry for generating significant community-wide revenue and jobs. The existence of this statewide initiative makes targeting health and wellness more attractive for Estes Park.

2: Job Creation and Retention

EMPC physicians and staff will establish an on-going working relationship with their counterparts in Aurora. The project is currently projected to create 58 FTE jobs within three years, and 70 FTE jobs within the first five years after the sale of Lot 4.10 In addition, the construction phase of this $15 million project should create a substantial number of construction jobs, starting in 2014.

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7 Id. at page 33.
9 Id. at page 8.
10 See Regional Economics Institute at CSU, "Projected Town of Estes Park Fiscal Impacts of the Proposed Estes Park Medical Center/Anschutz Wellness Project," Table 4 (February 11, 2014, hereinafter “CSU Study”). In preparing its fiscal analysis, REI obtained confidential, proprietary data from Grand Heritage and EPMC, including five-year job creation projections, capital investment estimates and operating cost estimates.
Conclusion: High Priority. The ability to create a large number of year-round FTE jobs should be a major consideration in favor of the project. An alternative project with similar employment potential is not on the horizon. It would require substantial community resources and time to develop a comparable prospect.

3: Type of Jobs Created or Retained

For Estes Park, tourism is the major industry that creates primary jobs. The types of jobs created by this new facility will depend in large part on tourism, but differ substantially from our existing tourism base. Many of these will be high-paying jobs—jobs that will bring income into the community.

These jobs will also offer substantial support to EPMC during a time of great economic uncertainty for community hospitals. EPMC’s Chief-of-Staff, Dr. Frank Dumont publicly indicated that EPMC staff have engaged in discussions with their counterparts at Anschutz and are enthusiastic about the opportunities that will be available for existing staff as well as for additional professional staff employed in support of the Wellness Center.

Conclusion: High Priority. The EPMC/Anschutz Wellness Center project is expected to create 70 new jobs by the end of the first five years, with an average wage of $52,637 per year, 28 percent higher than Larimer County’s average annual wage. Creating higher-paying jobs benefits the community as a whole.

4: Location of the Project

This factor focuses upon whether the development site is a major focus of development efforts.

Prior to the flood, Town government undertook a review of its underutilized land holdings. At that time, the Town recognized that it had a substantial need for additional funds to address road maintenance and repair. These needs have crystallized in a 1% ten-year, sales tax increase initiative that will go before the voters on April 1, 2014. In the wake of the flood, the Town of Estes Park has an even greater need to enhance its cash flow. The Town faces high costs for restoring infrastructure as well as unpredictable declines in the sales tax revenue needed to meet ongoing expenses. The need will remain for over $1 million of added local matching funds for federal (FEMA) and state funding of infrastructure repairs—regardless of the proposed sales tax increase.

As a result of two competing ballot initiatives, understanding the “highest and best use” of the property is essential to understanding whether development of Lot 4 should be a priority. The November 2013 appraisal of Lot 4 conducted on behalf of the Town of Estes Park made the following determination (Page 47):

“The location of the subject suggest that the most likely future use of the

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See CSU Study at p. 1, which summarizes the job forecasts of the project participants.
subject would be one that benefited from the location near the Stanley Hotel, and benefits the town financially via increased tax revenues. This use would likely be with a retail or restaurant use as demand for office uses in the area is minimal, and other uses such as accommodation and residential are not allowed. As a result the highest and best use of the subject site would be development with an owner user project that does benefit and perhaps complement the Stanley Hotel and the adjacent retail center and the town.”

One of the proposals with respect to the future of Lot 4 would require the placement of a conversation easement on the property—precluding development of any kind in perpetuity. In our community, the Estes Valley Land Trust is the leading organization for the protection and preservation of open space and is accredited by the Land Trust Accreditation Commission. As such, it possesses expertise concerning what properties in the Estes Valley may be suitable for future conservation easements.

On January 28, 2014, the Estes Park Town Board reviewed an inventory of Town property. Minutes of that meeting list six Town-owned properties for potential disposal, including Lot 4. At that Study Session, the Town Board reviewed a map prepared by the Estes Valley Land Trust on January 22, 2014 entitled “Estes Valley Land Trust Open Space Priorities.” The map revealed that Lot 4 was not rated among those properties with the highest conservation values scores “based on an EVLT Strategic Conservation Priorities evaluation.” The map further noted that even properties that meet the highest conservation values score “are not necessarily eligible for a conservation easement, depending on the current land use.” (Emphasis in original).

On Thursday, February 6, the EVLT’s Executive Director Mary Banken wrote the Town of Estes Park, stating:

“The Board of the Estes Valley Land Trust has not taken a position on either of the upcoming ballot measures related to Stanley Historic District Lot 4, and I do not expect that we will take a position.

Furthermore, we have not initiated an evaluation process regarding a potential conservation easement on Lot 4, which is a necessary pre-cursor to any decision we would make regarding the property. We will not initiate that process unless and until the owners of the property indicate that they are ready to negotiate easement terms.”

On Friday, February 7, 2014, the Estes Park EDC wrote to EVLT and requested that “the Estes Valley Land Trust play an educative role with respect to Lot 4. Specifically . . . to tell the community whether or not the EVLT is prepared to place a conservation easement on

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Lot 4 and bear the expense of doing so, and whether or not, with such an easement in place, the EVLT is prepared to monitor the property and bear the costs of maintenance and improvement.” EVLT subsequently put out a statement summarizing its selection criteria and reiterating that it will not take a position on whether a conservation easement is appropriate before a request for negotiations from the Town as property owner.

Issue 2 could be detrimental to future conservation efforts by the Land Trust, as it decreases Town resources and undermines the valley-wide Comprehensive Plan. Declaring Lot 4 to be a conservation easement without reference to established criteria is bad public policy—and puts at risk properties that have been identified as having far higher conservation value.

In the absence of this project, it seems highly unlikely that commercial Stanley Lot 4 will become the focus of any substantial development opportunities—at least for the foreseeable future. The fact that this project utilizes undeveloped Town land that is being held for no existing governmental purpose is a positive. Indeed, given the Town’s current fiscal needs, it should be a major consideration favoring the development.

Conclusion: High Priority. Based upon the public information presented above, Estes Park EDC agrees with the Town that Lot 4 should remain a priority for development due to its location between the Town’s largest commercial and accommodations developments.

5: Type of Business Project (Start-up vs. Business Expansion)

In examining the risks of supporting a potential project, the community should consider the nature of the business venture. Start-up businesses carry greater risks than expansions to an existing business.

EPMC is supported with public funds as a local taxing district and has served the community since 1975. Given the changing nature of American medicine, it needs to identify new and sustainable revenue sources.

The Stanley Hotel is generally considered the largest private employer within Town limits. The hotel’s owner, John Cullen, is now the longest-standing owner of hotel in its history. The Stanley Hotel contributes substantially to the community’s tourism revenue and should be seen as a key piece of our local economy. Although this is a new venture for the Stanley Hotel, from a risk perspective it should be viewed as an expansion of a successful local business.

Anschutz Health and Wellness is just under two years old, but it is part of the larger Anschutz Medical Campus. It receives substantial funding from a variety of corporate foundations, including the Anschutz Foundation.

Conclusion: Medium Priority. For priority purposes, this project is an expansion of two existing local businesses and an out-of-town business that will create a net increase
in jobs or tax revenue. It is not a new start-up business (without a track record), or transfer of ownership in an existing business (low priority) or a mere relocation of an existing business from another area (medium priority). Nonetheless, it is a business expansion that involves new business elements. This remains a favorable factor.

6: Type of Industry

This factor refers to whether the business itself is in a basic industry that brings in revenue from outside the community and creates primary jobs, or a “non-basic” industry that serves the local market. For Estes Park, tourism represents over one-half of the local economy and should be viewed as a basic industry for a resort community.

**Conclusion: High Priority.** Since the EPMC/Anschutz Wellness Center will largely target clients from outside of Estes Park, this factor argues in favor of the project. The industry is expected to grow the local economy by bringing new customers from outside the local region.

7: Management Expertise

The Anschutz Health and Wellness Center in Aurora is a substantial organization with demonstrated management expertise. Similarly, both EPMC and Grand Heritage are headed by able management teams. Grand Heritage has a demonstrated track record of marketing unique properties to a national and international clientele. The EPMC/Anschutz Wellness Center at the Stanley Hotel project will be part of a broader partnership between Grand Heritage and the Anschutz Health and Wellness Center.

John W. Cullen, President of Grand Heritage, founded the company in 1989. His company emphasizes successful turnarounds for historic and one-of-a-kind properties and resorts.

The Anschutz Wellness Center is part of the University of Colorado's Anschutz Medical Campus in Aurora, governed by a Chancellor (Don Elliman) who in turn reports University of Colorado President Bruce Benson. Don Elliman has extensive executive experience, including 32 years of management with Time-Warner, two years as Chief Operating Officer for the State of Colorado, and previous service as the Director of the Colorado Officer of Economic Development and International Trade (OEDIT).

James O. Hill, Ph.D. is the Executive Director of the Anschutz Health and Wellness Center. Dr. Hill is a nationally recognized expert in health and wellness. Hill holds a Bachelor of Science degree from the University of Tennessee and Master of Science and Ph.D. degrees from the University of New Hampshire in physiological psychology. Previously, Hill served as chair of the first World Health Organization Consultation on Obesity and president of the North American Association for the Study of Obesity, and was a member of the expert panel on obesity at the National Institutes of Health that developed the first U.S. guidelines for the treatment and prevention of obesity.
Hill has published more than 350 scientific articles and book chapters in the area of obesity. He is also the author of the *Step Diet Book*, published in 2004. Hill is the recipient of the 2007 TOPS award from The Obesity Society and the Centrum Center and McCollum awards from the American Society for Nutrition. Hill is co-founder of the National Weight Control Registry, a catalogue of individuals who have been successful in maintenance of a reduced body weight. He is also co-founder of America on the Move, which aims to inspire Americans to make small changes in how much they eat and move to prevent weight gain.\textsuperscript{13}

**Conclusion: High Priority.** There is management expertise behind the entire effort, suggesting that the project in Estes Park deserves a high priority for support and assistance. Grand Heritage has a proven track record of successfully marketing and managing unique hotel properties. By partnering with the Anschutz Health and Wellness Center, this project brings national scientific expertise and new national exposure for Estes Park as a wellness destination.

**8: General Community Enhancement or Benefits**

This factor considers whether the business fills a market gap, provides training for workers, or provides a nucleus for additional development.

**Community Health Benefits.** The EPMC/Anschutz Wellness Center will fill a local community gap as well as address national wellness challenges. As explained by Anschutz' Executive Director, James Hill:

> “Healthy living should always be the default choice. Today it isn’t. We’re going to change that in a way that brings the best ideas, values, information, science and medicine together under one roof. As America’s premier integrated health and wellness center, the Anschutz Health and Wellness Center will make a healthy choice the preferred choice, add quality to people’s lives and help reverse the unsustainable rise in health care costs.”\textsuperscript{14}

American health care has traditionally focused on the cure of disease. The EPMC/ Anschutz Wellness Center is part of a new focus on preventive care.

The integration of cutting-edge health and wellness programs provides a unique opportunity to Estes Park. Dr. Frank Dumont, Chief-of-Staff at EPMC, previously wrote about the advantages of a Community Recreation Center to be created in partnership with the Estes Valley Recreation and Park District. Dr. Dumont recognized the value of healthy activities to community well-being, stating “I believe this type of focus has the potential to help with the health and wellness of my patients to a greater degree than many of the medicines I prescribe to combat the illnesses...”\textsuperscript{15} When local medical professionals become

\textsuperscript{13} \url{http://www.anschutzwellness.com/about-us/team}
\textsuperscript{14} \url{http://www.anschutzwellness.com/about-us}
\textsuperscript{15} \url{http://www.eptrail.com/estes-park-news/ci_23686241/community-wellness-recreation-center-community-campus-estes-park}
part of Dr. Hill’s vision for Anschutz Health and Wellness Center, local residents will benefit from such innovation.

A major component of the proposal is that the EMPC will provide all medical services connected to the local Recreation Center. The Anschutz Health and Wellness Center in Aurora anticipates providing training to local EPMC personnel in cutting-edge health and wellness science and programming. Such training will increase opportunities for local medical personnel to develop a much fuller range of professional expertise.

EPMC has spent considerable time considering methods of expanding its services to a broader clientele. As Estes Park becomes known as a wellness destination, EPMC can become a community hospital that is known as a destination for wellness-focused health care services, a rebranding almost impossible to obtain under any other scenario.

**Benefit to Retirees.** Many retirees have chosen Estes Park as their home in part due to the availability of a fully staffed medical center that includes access to medical specialists. A program that expands EPMC’s financial opportunities—especially a cash-based medical service that is outside of traditional government and insurance reimbursement models—will help ensure that EPMC remains a viable and thriving institution. This is imperative given the rapidly changing nature of American medicine and its delivery system.

**Expanded Stanley Hotel Campus.** The EPMC/Anschutz Wellness Center project is phase one of a campus-wide redevelopment of the Stanley Hotel. As such, it represents a significant expansion of the Stanley Hotel brand. Grand Heritage management believes its six-year plan for redevelopment will result in substantial revenue gains, resulting in higher sales tax revenue to the Town of Estes Park and higher property taxes to our local taxing districts.

The concept of the EPMC/Anschutz Wellness Center project is a key component of expanding the Stanley Hotel brand. Other elements of the proposed master plan for the Stanley Hotel include a Stanley Steam car museum and the Estes Institute, a non-profit think tank with an emphasis on environmental research. Such activities, and the new jobs that accompany them, will in part be made possible by the revenue stream generated by this project.

**Conclusion: High Priority.** EPMC CEO Brian Herwig describes this opportunity as the best financial opportunity he has seen in 25 years of health care management experience. Ensuring the financial health of our local hospital is crucial to the community’s economic vitality and personal health.

**9: New Market/Tax Generation**

This factor considers whether the business fills a new market in terms of the type of goods or services, or would increase overall market share for the combined industry, thus generating new tax revenues for the town rather than splitting existing market share.
The Stanley Hotel is a unique property and brand, which attracts not just hotel guests, but guests who choose to stay at other local properties and visit the Stanley for tours or its restaurant. As a destination hotel, it is a unique driver for local businesses.

In January, Estes Park EDC commissioned a study by the Regional Economics Institute at CSU to examine the net fiscal impacts of this project upon the Town of Estes Park. The CSU study estimates that the Town of Estes Park will gain revenue of over $4.7 million in the first five years, and incur government service costs of nearly $780,000. Town officials should therefore expect about $3.96 million in net revenue in the first five years alone. In addition, the operators of the EPMC/Anschutz facilities are forecast to incur $18.6 million in major operating expenses, and inject $9.3 million of those expenses into the local economy over the first five years. The CSU Study did not consider the potential revenues to other taxing districts, including Larimer County, the Estes Park R-3 School District, the Estes Valley Library District, Park Hospital District, Estes Valley Fire District, and Estes Valley Recreation and Parks District. The CSU Study also did not consider any effects of potential spin-off employment impacts.

**Conclusion: High Priority.** The EPMC/Anschutz Wellness Center project presents an opportunity for substantial additional tax revenue—without raising taxes.

**10: Relationship to Existing Businesses**

This factor examines whether the project is likely to negatively impact existing businesses, or is expected to create a diverse offering. Businesses that merely compete with existing businesses for the same customers cannot be expected to grow the economy.

**Local Businesses in General.** As a unique offering, the EPMC/Anschutz Wellness Center project will create new business opportunities for local businesses. Guests of the Wellness Center may be expected to engage in other area activities. In addition, by expanding our destination brand, the project will create group sales opportunities at the new Multi Purpose Events Center (MPEC) at the Stanley Fair Grounds and other local conference spaces.

Support for the project is strong within the business community. Both Estes Valley Partners for Commerce (EVPC) and the Estes Area Lodging Association (EALA) have endorsed this project. Such businesses foresee new opportunities arising from Estes Park being branded as a wellness destination.

The CSU study commissioned by Estes Park EDC estimates that the operators of the EPMC/Anschutz facilities will incur $18.6 million in major operating expenses, and inject $9.3 million of those expenses into the local economy over the first five years. Such additional spending will benefit local businesses as well as the sales tax base.

**Community Recreation Center.** A year ago the Estes Valley Recreation and Parks District (EVRPD) began preparation of a master plan for a Community Recreation Center, a
partnership involving the EVRPD, the Senior Center of the Town of Estes Park, the Estes Park Medical Center, the Estes Park R-3 School District, and the Estes Valley Library District. In late August, the EVRPD hired PROS Consulting, LLC of Indianapolis, Indiana to conduct a feasibility study. That feasibility study was temporarily suspended because of the flood. EVRPD only recently (February 2014) solicited input from residents on the kind of services they would like the Center to include.

Under the terms of Ballot Question 1A, 25 percent of the proceeds from the 1% sales tax initiative will be dedicated over its 10-year life to the funding of such a center. EVRPD intends to use such funds to first leverage private capital funding for the community center.

A potential Community Center will deliver group educational programming and limited medical screening when compared to the EPMC/Anschutz Wellness Center. Such services will be more affordable and be accessible to a local audience. The most recent estimate by EPMC states that the EPMC/Anschutz project will enable EPMC to donate approximately $150,000 in in-kind wellness related services to the Community Center each year.

In the absence of the EPMC/Anschutz Wellness Center project, EPMC will not have access to the advanced programming and training that will arise from the Anschutz partnership. It is therefore projected that the two projects are synergistic and not in opposition.

Conclusion: High Priority. Any additional visitors who come to Estes Park because of the EPMC/Anschutz Wellness Center will likely spend money in other local businesses—spending that would otherwise occur at another destination.

CONCLUSION

Based upon application of the above criteria, as well as the independent fiscal impact study commissioned by Estes Park EDC, we conclude that the EPMC/Anschutz Wellness Center project at the Stanley Hotel project represents a unique opportunity for our community and should be a high priority. It promises to create both near-term construction jobs and long-term year-round quality jobs, including work that will directly benefit EPMC and its staff.

Estes Park is unlikely to see such a large commitment of private financial capital to a new project in our community for the foreseeable future. It would require a substantial commitment of community resources (and an unknown amount of time) to attract a similar opportunity. An established economic development consultant recently told Estes Park EDC that to recruit a comparable project to our community would take about five years of effort.

The potential synergy of this project in terms of attracting new high-paying permanent jobs to Estes Park cannot be over-estimated. Post-flood Estes Park demands a
high visibility signature project to prove to itself and to others that it is forward-looking in terms of economic development. No business venture is ever risk-free, but there is the certainly that if the community refuses to support this high-caliber project, that refusal will discourage others who might consider making private investments in Estes Park.

It is for these reasons that the Estes Park EDC has made support of the EMPC/Anschutz Wellness Center at the Stanley Hotel a top operating priority for 2014 and has prepared this strategic analysis to educate the public concerning the importance of this project to our community.

Estes Park EDC  
March 12, 2014