

WEDA Supports Continued Economic Diversification and Growth Throughout Wyoming

We support Governor Gordon's recommendation for continued investment in Wyoming through the Wyoming Business Council as they support local Economic Development efforts in all 23 counties across the state.

- ✓ The Wyoming Business Council provides essential tools that allow all communities to remain competitive.
- ✓ Local Economic Development Organizations utilize these tools to retain and expand existing businesses, as well as to attract new businesses to their communities.
- ✓ The Wyoming Business Council works with partners across the state to facilitate economic development and diversification for the state; in order to do so they must remain nimble and flexible.

The Wyoming Business Council is operating at 2005-2006 funding levels. Further cuts will significantly reduce their ability to provide local assistance and growth opportunities.

We support legislation that allows Wyoming communities to take ownership of Economic Development and provides tools for the local level.

Community Development Districts

A Community Development District is a mechanism for funding public use infrastructure through assessment of the property owners in a particular area who will ultimately use the infrastructure.

- ✓ Such a District provides a valuable additional tool and revenue stream for municipalities to utilize locally on infrastructure projects designed for public use like sidewalks, curbs, water, sewer, recreation facilities etc., that are not customarily available.
- ✓ Community Development District legislation is enabling legislation allowing communities to have the conversation at the local level – the bill does not force anyone to create a District.

Tourism Improvement Districts

A tourism improvement district, or TID, is a mechanism for funding local tourism promotion activities. An assessment is placed only on tourism related businesses (overnight stays, restaurants, attractions) within a designated geographic area.

- ✓ The funds raised through the assessment are used for specific tourism marketing purposes designed to increase visitation and grow the local visitor economy.
- ✓ At least 51% of industry related businesses in the identified district must first agree to the TID before petitioning local government for formation.
- ✓ The proposed legislation is enabling and - the bill does not force any county or municipality to create a TID.
- ✓ Local communities in Colorado, Montana, and South Dakota have been using TIDs for over a decade with great success.
- ✓ Districts would operate pursuant to a written district plan created by the participating businesses.
- ✓ The maximum district term is five (5) years for initial formation and ten (10) years on renewal.

We support a statewide lodging tax as a dedicated, alternative-funding source for the Wyoming Office of Tourism. This will get the Office of Tourism off of the general fund, will revert \$26 million per biennium back to the general fund and will ensure economic growth by making Wyoming's marketing program more competitive.

- ✓ The visitor economy is the second largest industry in Wyoming. In 2018 visitors spent \$3.5 billion in Wyoming while generating \$196 million in local and state sales tax revenues.
- ✓ Tourism and hospitality is the largest private sector employer of non-farm jobs in Wyoming, employing more than 32,000 full and part time jobs.
- ✓ Wyoming's marketing program is currently funded 28th in the nation (\$13 million per year) and is significantly lower than most of our competitive, surrounding states.
- ✓ A 3% statewide lodging tax that is dedicated to funding Wyoming's statewide marketing program will generate approximately \$19 million per year placing Wyoming on significantly more competitive footing with Montana, Colorado, Utah and even South Dakota.

Destination promotion can raise a state or community's profile opening the door to enhanced opportunities for traditional business relocation, expansion, and new start-ups to occur. Destination promotion also can contribute substantially to highlighting the quality of life issues critical to a businesses' relocation decision.

We support Governor Gordon's recommendation to provide \$105 million in direct funding to Wyoming's Cities, Towns and Counties.

- ✓ Wyoming's strength and character start at the local level. We must continue to make Wyoming communities livable, safe, and productive in order to expand existing as well as attract and grow new, innovative businesses.
- ✓ \$105M in direct distributions for the upcoming biennium is the amount that was appropriated in the last biennium and keeps the cities, towns, and counties whole on operational funding.
- ✓ Infrastructure is a basic need of a community and future funding remains critical.

We support addressing challenges within the Business Ready Communities Program in an open, public rules process and oppose the Management Audit Committee proposed bill seeking to codify revenue recapture, interest rates and percentages of loans to grants in statute.

The Wyoming Business Council (WBC) Board of Directors (Board) and WBC staff are currently conducting an evaluation of the Business Ready Communities program in conjunction with the WBC's recently adopted strategic plan. Utilized by both large and small communities for projects of vastly varying complexity, changes to the program must be carefully considered to avoid unintended consequences. The Board-driven review will be very comprehensive.

- ✓ The Board is focused on the assistance rural communities may need. It is unclear how the Management Audit Committee proposed legislative changes could impact rural and small communities.
- ✓ Revenue recapture exceeding the amount of BRC grant funding may not be palatable to local governments in that it seemingly will render them indebted to the state program in perpetuity.
- ✓ The BRC loan portfolio is growing. The ratio of grants to loans is now 83/17. It was previously 94/6.
- ✓ An open, public rules process allows for thorough feedback from communities across Wyoming, both large and small, to weigh in and make changes that achieve the goal of the BRC program while allowing the program to move at the speed of business vs. the speed of government.