

Colorado Association of Ski Towns

October 29, 2010

Avon

Meeting Minutes

The following were in attendance:

William Buck	Mt. Crested Butte	Steve Skadron	Aspen
Joe Fitzpatrick	Mt. Crested Butte	Stan Zemler	Vail
Kevin Batchelder	Silverthorne	Dick Cleveland	Vail
Steve Jeffers	Stifel Nicolaus	Stuart Fraser	Telluride
Jim White	Minturn	Jonathan Greenspan	Mtn. Village
Bob Lenz	Jackson, WY	Greg Sparks	Mtn. Village
Larry Brooks	Avon	Gary Wilkinson	Frisco
Patty McKenny	Avon	Bill Pelham	Frisco
Jennifer Strehler	Avon	Leah Williams	Crested Butte
Michael Kovacs	Park City, UT	Susan Parker	Crested Butte
Bill Pinkham	Estes Park	Kenny Reisman	Steamboat Springs
Tim Gagen	Breckenridge	Jon Roberts	Steamboat Springs
John Warner	Breckenridge	Ralf Garrison	MTRiP
Russ Forrest	Snowmass Village	Kent Myers	Airplanners, LLC
Matt Sugar	Senator Udall's Office		

The meeting was called to order by President William Buck at 8:15 am.

Approval of Minutes

There was a motion and a second to approve the August 2010 meeting minutes, which was passed unanimously.

Avon Update

Public Works Director, Jennifer Strehler, presented an overview on Avon's partnership with the Eagle River Water and Sanitation District on their wastewater heat recovery system. This project represents a joint application by the Town and the District to design and construct a heat recovery system which will extract waste heat from the wastewater treatment plant (WWTP) and deliver it to sidewalk areas within the urban renewal zone to melt snow and ice in order to improve pedestrian safety. The project will achieve a reduction in the wastewater effluent temperature which is discharged to the Eagle River during fish-sensitive periods. The Town and the District also expect to save tax and rate payers money as a result of this project as compared to other alternatives or the status quo because it results in a more sustainable long-term operation.

Ralf Garrison, MTRiP

Ralf Garrison of MTRip gave a Mountain Travel Market Update. 2010 saw a flat market - anyone who wins means someone else is losing. As of September 30, lodging occupancy up 5%. This was helped by a long Indian summer. Each of the four seasons has started slow, but has ended strong. Overall, lodging rates went up an average of 1%. Mid-week bookings are getting a little stronger and we've been seeing

the return of the destination guest. Dropping rates and special events have been used to lure guests and create demand. Consumer still expect bargains - we have trained them to expect this. Also, an overabundance of special events has caused too much competition between resort communities.

In order for recovery to happen in the mountain travel market, consumer need to feel comfortable before demand is created. In advertising, the rules are changing. The “boomers” and “millennials” are creating a double-humped camel. Motivators (bright shiny objects) are used to recruit consumers, while Satisfiers (coupons and deals) are used to retain them.

Matt Sugar - Senator Mark Udall's office

The ski bill is still out there. Degette's Colorado Wilderness Act - unlikely to see happening this year. The disease and insect bill still moving forward. November 15 - Beetle Summit taking place in Keystone. Study being done on the Four Mile Fire (9% on private land)

Kent Myers - Airplanners, LLC

Kent Myers, President and Managing Partner of Airplanners LLC, presented an overview of the airline industry. The traditional method of the hub and spoke system is seeing more of the point-to-point destination system as demonstrated by Southwest Airlines. The airline industry is consolidating, like the US domestic market, and will continue on a worldwide basis. At the end of 2010, there will be four legacy carrier remaining, which will soon be down to three. Legacy carriers have decreased available seats in the US domestic market, which has caused an increase in fares. All legacy carriers provide access to international markets. Mergers are affecting us slowly, although we don't feel it. The “New United” Airlines - United Continental Holdings - is new company for both United and Continental. They are the largest member of the Star Alliance.

Regional airlines - low cost carriers - are a group to be reckoned with. In 1990, they had 10% share of the market, compared to 30% in 2009. They are increasing their fleets, upgrading their aircraft, and gaining access to major airports. However, legacy carriers are the backbone of the resort airport service.

CAST Roundtable Discussion and Updates

Avon - has seen a 1% uptick, but still budgeting flat. Was losing 11% in sales tax, but now stable. Has new lodging inventory from the Westin.

Vail - up 1% from over a year ago. Four Seasons coming online this month. Ritz Carlton coming online next month, but seeing a 20% reduction in unit costs. Solaris has not reduced their unit price. Still seeing 2006 revenues, but cautiously optimistic.

Minturn - sales tax up 3% from last year. Working on water line repairs, and 6 or 7 upstart developments. 10% under budget for this year.

Silverthorne - year to date up 1.1%. 2011 budget flat. Revenues at 2006 levels. Lowes was approved in September - January 2012 opening?

Estes Park - up 3% at the end of August. Wary of wildfires - has been a dry, scary summer. Completed \$2.5 million investment in grandstands at the fairgrounds - will be able to host additional events. Lodging has been good. Budgeting flat for 2011.

Mountain Village - decent summer - Phish concert was good for the whole community. No incidents from that event. Lodging has been up, and bookings up for winter. Plugging through Master Plan.

Telluride - up 3% for this year. RET slightly under \$3 million, so making a comeback. Budgeting conservatively and flat for 2011. Installed "real ice" - first community to use it. Inexpensive and lowers energy cost of hockey rink - cleaner and more efficient. Implemented a ban on plastic bags - second city in US to do so.

Stifel Nicolaus - busy season for investment bankers due to 60, 61 and 101. Markets have been good for borrowing money. A lot of pressure on COP's. Yields have gone up. Rates will continue to stay low. Guardedly optimistic.

Frisco - numbers are about the same as everyone else's. 2009 and 2010 numbers about the same. Budget flat. Slight uptick in August. Working on two major projects - 12.5 acres for attainable housing and new recreation area on the peninsula (nordic skiing and tubing hill).

Aspen - parallel to other communities. Numbers showing strength. Employee salaries were looked at in the budget. Hydroplant causing contention.

Breckenridge - ballot issue coming up with 1% increase in accommodation tax. 12 affordable housing units coming out of the ground - first of 40. RET starting to return at \$3.5 million. Working on MOU with ski resort regarding Peak 6 expansion. Up 2% year to date. Lodging is up and so are rates.

Steamboat Springs - recovery delayed by major repavement through downtown - clearly impacted retail. Seen uptick in July and August. Aggressive in expenditure reductions. Reserves are up. Increased water and wastewater fees substantially.

Park City - Park City had positioned itself ahead of Texas as one of the states coming out of recession. Up 5% - had a good summer. Working on 60-70 acre "re-do."

Snowmass Village - June was bad, but July saw a rebound in sales tax and building. Budget flat for 2011. Foreclosure process started on developers who stopped building. Mammoth "find" resulted from water district work.

Jackson - last year budgeted down 12%. As of August, were down over last year.

Crested Butte - Best year in a while - up 10%. Budgeting flat for 2011. Repaving project ongoing. Need grants for perimeter trail around town. Arts Festival happened along with Hell's Angels - only one incident.

Mt. Crested Butte - Snodgrass expansion - decision was handed down by Tildwell (non traditional skiing may be acceptable). Sales tax 18% over budget in September. Up overall at 5%, but ytd down 9.6%. Will budget down 3% for 2011 to build reserves. Lodging is looking good. Repaving project on hold due to snowfall.

The meeting was adjourned at 12:00 pm.