

Colorado Association of Ski Towns
March 9, 2017
City & County of Denver Offices, Denver, CO

Meeting Minutes

The following were in attendance:

Steve Barwick	Aspen	Jim White	Grand Lake
Steve Skadron	Aspen	D Dan Jansen	Mountain Village
Virginia Egger	Avon	Joe Fitzpatrick	Mt. Crested Butte
Jennie Fancher	Avon	Greg Schulte	Pagosa Springs
Sarah Smith-Hymes	Avon	Clint Kinney	Snowmass Village
Jen Brown	Beaver Creek Resort Co.	Walter Magill	Steamboat Springs
Liz Jones	Beaver Creek Resort Co.	Thomas Davidson	Summit County
Eric Mamula	Breckenridge	Dan Gibbs	Summit County
Rick Holman	Breckenridge	Karn Stiegelmeier	Summit County
Glenn Michel	Crested Butte	Scott Vargo	Summit County
Dara MacDonald	Crested Butte	Tom Acre	South Fork
Anthony Graves	Denver	Greg Clifton	Telluride
Kevin Burns	Dillon	Sean Murphy	Telluride
Tom Breslin	Dillon	DeLanie Young	Telluride
Dean Brookie	Durango	Dave Chapin	Vail
Philip Vandernail	Fraser	Jim Myers	Winter Park
Jeff Durbin	Fraser	Drew Nelson	Winter Park
Randy Ready	Frisco		
Gary Wilkinson	Frisco		
James Peterson	Grand Lake		
Kathy Lewis	Grand Lake		

The meeting was called to order by CAST President Dean Brookie at 11:30 a.m.

I. Opening Remarks: Mayor Michael B. Hancock

The City and County of Denver is experiencing unprecedented growth and infrastructure hasn't kept up. Approximately 3400 people per month are moving into the region and Denver is seeing 1000 new residents per month. Denver plans to make more bold commitments to transportation infrastructure with improved roads and more pedestrian friendly improvements. Denver is seeing housings issues similar to many resort areas with very high demand and exponential price increases.

Transportation infrastructure improvements are sorely needed. The City of Denver supports HB1242 and IMPACT64 initiatives. They are sensitive to an increased sales tax, but this state will fall further behind if we don't do something.

Homelessness is still a challenge and Denver is seeing higher chronically homeless numbers. More is known about that population than in the past. We know the City needs more mental health and substance abuse services. Denver Works is putting them to work. They hired social worker clinicians who ride with police and intervene on the behavioral health side of things. In the past 80-90% of contacts would have ended up with arrests, but they have seen that number drop to 28%.

They are working to maintain open space and parks. They do this through holding tight to zoning requirements so they do not let growth take over those open spaces.

Mayor Hancock opposed the legalization of marijuana, but now that the voters have spoken, it is his job to implement. The City has realized \$33 M in tax revenue from marijuana. The federal government needs to realize that legalized recreational marijuana is a growing trend so they need to work with states so it is implemented in a reasonable way.

II. Lunch Served – sponsored by Colotrust

III. Introductions, Dean Brookie, CAST President

IV. Approval of January 2017 Minutes

There was a motion and a second to approve the January 2017 meeting minutes, which was passed unanimously.

V. Economic Update: More of the Same?

Brian Lewandowski, Associate Director, Leeds School of Business

Colorado outperformed the nation after the recession and rural Colorado outperformed rural America. Colorado is back to full employment since the recession. Education levels are closely tied to unemployment and participation in the work force.

How can economies be more resilient from recessions? That is difficult to answer because the crisis varies in type: financial, oil and gas, savings and loan, savings and loan, tech, etc. This last recession took 2.5 years to recover from which is longer than previous recoveries. Colorado has employment growth and population growth. Hospitality and leisure is the industry with the biggest employment growth. The construction industry is still below on employment post-recession. Tourism and public land visits are up. DIA traffic is up and has been breaking records ever since 2004. Half of Colorado's regional airports show growth.

The Leeds Business School worked with the Governor's Office and the state Demography Office to do a "deep dive" into non metro counties. Eagle and Summit have the fastest employment growth from 1999-2015. Gunnison, Summit and Eagle Counties were not recession proof like they had been previously. Debt and loss of wealth could be what made resort counties more impacted by the last economic downturn. Rural and urban have similar concentration of industry output, but rural resort is very different in Leisure and Hospitality. This highlights why CAST members have so much in common. Assets were another thing the study looked at. If a community is closer to an interstate, major highway, airport, or a college, that helps. Education matters. Communities with more service industries show faster growth over the last 25 years. There is a positive correlation between tourism GDP and employment growth. There is a danger of going too far in this direction since diversification is important.

Summary of Risks: Rising health care and housing costs are putting a squeeze on potential visitors' discretionary spending. Are we approaching a stock market bubble? We need to consider if the service industry is sustainable. Immigration reform will be a factor.

The last 11 economic cycles show that we might be due for a recession in the next four years, but the metrics have turned and there is not as much risk for recession in the near term as there was a year ago.

VI. Colorado Ski Country Update - Melanie Mills, Executive Director, Colorado Ski Country USA
The industry has a challenge with keeping participation numbers up due to Baby Boomers exiting, more variable participation from the millennial population, and decreased participation from under \$50K income households. Colorado has a large millennial population and we need to get those folks skiing and doing it more consistently. We have a diverse visitor base that includes a sizable destination base in addition to a small but healthy number of international visitors coming to Colorado to ski. The average night stays in paid accommodations has come down by a full day in the last 5-6 years and that correlates to the upward trend of average daily rates in resorts/resort towns. We need to think about this average daily rate if we want to attract Millennials.

The resort product needs to evolve to appeal to Millennials. They want more contemporary spaces, festivals and more interesting food and beverage services. The rising importance of summer should not be underestimated. Ms. Mills presented on national numbers, so they include VR.

Does the extremely high daily ticket price deter skiers? Ms. Mill explained that very few walk up to buy a day ticket and that customers are given many offers and multiple opportunities to buy multi day tickets. It was also noted that skiers have to be savvy consumers to get season pass in advance, as they are only sold up until a certain date. Even with affordable season passes and other deals, the sport is no longer affordable. Is there a ski industry strategy about attacking affordability issue? COSUSA is talking to resorts about the affordability issue, but the resorts have seen record visitation and revenues the last three years so is hard to tell them that they need to charge less. Free skiing for kids is a growing trend to make the sport more affordable for families. The peak season is bigger than it has ever been so filling in at the lower peak periods is where there is room for improvement. The numbers show that Millennials are getting more into backcountry skiing, but are also more risk adverse. This demographic also wants better public transportation for easier access to resorts and they want to get around ski towns without a car.

What are resorts doing around climate change? COSCUSA has a sustainability page on their website to demonstrate what each resort is doing. They are urging congress not to withdraw the methane rule. Colorado has done its work around burning methane, and they don't want that recalled.

VII. Legislative Update - Kevin Bommer, Deputy Director, CML

- HB1242-Transportation Funding: CML is evaluating it and has not taken a position yet. This bill would ask voters to increase the state sales tax, include \$3.5B in bonding, dedicate a portion of the revenue to transit/bike/pedestrian, and also allocates a healthy share to local governments. CML understands its members' sensitivity to a sales tax increase. The bill needs a majority in both houses to get on ballot.
- Marijuana: Two bills move towards onsite consumption. It is already happening around the state and approved by local governments. A piece of the bill defines open and public consumption. Passed Senate and on way to House. SB192 would introduce home delivery and would very possibly be will vetoed by the Governor. Plant count limits in residential areas is being addressed as well.

- Bear and Liquor: Groceries and convenience stores with malt beverage permits can soon start selling full strength bear and malt beverages.
- HB1123 has passed the House and would allow local governments to extend hours of service for bars. The distance rule in last year's legislation is problematic for economic development for municipalities of fewer than 10,000. CML supports this bill and is still working on this issue.
- Housing: SB156 covers the major issues CML has focused on, but doesn't have everything in it. Look at CML's Statehouse Report on their website. Municipalities are doing local ordinances on their own but it would be helpful to have a state law that covers all the issues.
- Sales Tax: There is always a lot of scrutiny around sales tax complexity and uniform definitions. CML is neutral on the house bill that will create an interim committee to look at home rule community collections of sales tax.
- State Budget and Local Impacts: Gallagher impacts and a change in the upcoming residential assessment rate are being considered. Impacts will vary based on assessed valuation, but we know schools will be impacted. Fixing Gallagher was attempted but failed huge at the ballot, and it is unlikely to be undertaken again.
- All roads lead to Tabor. Tabor reform is an ongoing discussion.

VIII. *Colorado Communities for Climate Action - Tom Easley, Director of Programs, Rocky Mountain Climate Organization & Rebecca Meyers, Frontline Public Affairs*

The organization arose from a conversation among local governments who are leaders on climate action and recognized the need for more action at state level to make a meaningful impact. Each of the 14 members has 1-2 steering committee members who work on developing a policy agenda. Last summer CC4CA developed a 15 item policy agenda. Local governments pay dues based on population. They hired Frontline Public Affairs for policy work at the state level. They have a Policy Committee and CAST member Greg Clifton, Telluride is the vice-chair.

Energy policy is polarized in this state. Senate Republicans started a new committee that is meant to serve as a platform for nonpartisan energy policies. The topics they are discussing are controlled and self-selecting. There has been opportunity for CC4CA to engage this session.

CC4CA is looking to expand membership and is willing to visit city councils to talk about the organization. They are exploring an associate membership category and would like to see how they could partner with CAST members. There are only a handful of organizations working at the state capital on energy and climate issues so coalitions and partnerships are critical.

IX. *Compact of Colorado Communities - Steve Skadron, Mayor of Aspen*

This new effort is based on the COP21 Paris climate talks Compact of Mayors. It will establish a network of local government leaders willing to take climate action and will position Colorado as a leader with a replicable and sharable model. A Climate Communities Summit will kick off this Compact May 18-19 in Aspen. Attendees will network and sign on to the Compact of Colorado Communities. Steve Skadron encourages all CAST member mayors plus a staff person to attend.

X. *Ketchum Meeting: Lessons Learned*

- Their snowplowing operations were interesting.

- The wastewater treatment plant was state of the art. The tour of this plant was informative, well - orchestrated and provided good info.
- They are struggling with the short term rental issue like so many other ski towns. It is important to get in front of the issue.
- Sun Valley joined the Mountain Collective which is not what one would expect of them and shows an awareness of lift ticket prices. There is great potential for resorts that participate in such collective passes. Seventy percent of people that have come to Telluride this season for the Mountain Collective Pass had never been to Telluride before.
- Their transit and sizing of vehicle is impressive. The resort participates in the regional transit authority.
- This was a great meeting!

XI. New Business

None.

The meeting was adjourned at 4:01.