

Colorado Association of Ski Towns

January 28, 2011
Snowmass Village

Meeting Minutes

The following were in attendance:

William Buck	Mt. Crested Butte	Dwayne Romero	Aspen
Joe Fitzpatrick	Mt. Crested Butte	Stan Zemler	Vail
Tim Gagen	Breckenridge	Dick Cleveland	Vail
John Warner	Breckenridge	Matt Sugar	Senator Udall's Office
Jim White	Minturn	Jonathan Greenspan	Mtn. Village
Greg Clifton	Telluride	Steve Jeffers	Stifel Nicolaus
Stuart Fraser	Telluride	Vicki Mattox	Stifel Nicolaus
Peggy Smith	Fraser	Tim Westerberg	Dillon
Bob McLaurin	Jackson, WY	Michael Penny	Frisco
Bill Boineau	Snowmass Village	Kim Cancelosi	Frisco
Fred Kucker	Snowmass Village	Gary Wilkinson	Frisco
Markey Butler	Snowmass Village	Bill Pelham	Frisco
Russ Forrest	Snowmass Village	Kevin Batchelder	Silverthorne
D. Hunt Walker	Snowmass Village	Dan Escalante	Crested Butte
Michael Kovacs	Park City, UT	Drew Nelson	Winter Park
Craig Sanchez	Park City, UT	Jim Myers	Winter Park
Bill Pinkham	Estes Park	Kenny Reisman	Steamboat Springs
Steve Alldredge	Basalt	Walter Magill	Steamboat Springs
Bill Kane	Basalt	Jacque Whitsitt	Basalt

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 October 2010 meeting minutes, which was passed unanimously.

Panel Discussion - "What's Next for Resort Development?"

David Corbin (Aspen Skiing Company, Harry H. Frampton III (Slifer Smith & Frampton Real Estate) and James M. DeFrancia (Lowe Enterprises Inc.) were on hand for a panel discussion.

Frampton - We are addicted to development, yet most communities have built enough, doesn't see anything significant happening within next 5-8 years. How do we stay on top of our game?

1. Need new, young invigorated leadership
2. How do we involve second homeowners
3. A new role for government - governments need to look for partnerships and take on more of a role as developers.

Paradigm shift -- we have to make renovations and development easier in our communities. Hotels have seen a 5-fold increase in hotel beds, they have met demand (especially in towns like Vail), so how do you operated in an environment with nothing new happening in the next 5-8 years?

Corbin - Not as pessimistic as Frampton - he is involved in projects that now require some urgency. Ski resorts have seen a flight towards quality, which bodes well long term and for new, premium products within the next 3-5 years. Seems as though we've hit bottom, but Gen X buyers now entering the market. Desire for quality is high, but skier visits and demand is flat. Boomer are exiting the sport. App. 50-60 million skier visits nationwide. We need to increase demand or we are in danger of losing 1/3 of our guests who are into the sport. How do we evolve while retaining our charm? Energy and transportation are two key issues.

DeFrancia - Boomers still continue to drive this market. Declining but have not gone away. Most are wealthy and at a point where they buy a second home. As consumer confidence goes up, the demand for second home will still be there. New projects need to be phase-able. Developers need to avoid huge costs up front. Flexible use from public sector side -- density, use, etc. Towns are in this as much as the developers. Best markets will improve first -- those who have constraints on supply (Jackson and Aspen good examples). Once the market perceives it's at the bottom, there will be a "mini boom" as a rush of people trying to buy before the market goes up. Nobody is a "speculator" anymore - we learned our lesson. "Users" are motivated by quality.

David Keyser, Colorado State Demography Office

David Keyser presented an overview on Colorado tourism economies. His presentation can be found at <http://dola.colorado.gov/demog/presentations/CAST2011.pdf>.

Kathay Rennels and Geniphyr Ponce-Pore, CSU Office of Community & Economic Development

Kathay Rennels and Geniphyr Ponce-Pore produced customized economic "dashboards" for each of the CAST counties present - Eagle, Grand, Gunnison, Pitkin, Routt, San Miguel, Summit. A copy of their presentation can be found at http://www.coskitowns.com/cms_files/Presentations_Archives/CAST_Data_Presentation_GP_Jan_2011B.pdf.

CAST Roundtable Discussion and Updates

Steamboat Springs - Jon Roberts still in rehab. Wendy DuBord is interim City Manager. Sales tax up 2% in December. Council working on economic development. Will host start and finish of Quiznos. Base are developing Promenade project.

Udall's Office - Bipartisanship down the road. Working on bridging partisan dividers. Plan on reintroducing the Ski Bill. Pounding away on the pine beetle issue.

Stifel Nicolaus - Seen a spike in long-term rates. Colorado holding well. Investors seem high on Colorado credits. Refunding non-existent. Bank qualified vs. non-qualified financing.

Breckenridge - Hosting snow sculpture weekend. Working on list of top 5 goals for 2011. Try to ban plastic bags. Working on medical marijuana. Explore amusement tax. Bought CMC building - trying to figure out what to do with it. Got CO's on 12 affordable housing units. Sales tax up 2% for the year. Accommodation tax is up about the same. RET came in much better than expected at \$3.5 million. No new projects. Got accommodation tax passed.

Silverthorne - Sales tax flat. November/December up a little. Pay freeze in effect. Downtown Colorado Inc. coming in March. Working on two initiatives for economic development. Received half a million from GOCO for trail system.

Vail - Fourth best season for snow. New guest services building, but no other new holes in the ground. \$10 million in funds to build new conference center is getting interest. Vail Resorts 12-acre redevelopment to include new gondola, 3 commercial buildings coming down and being replaced. Sales tax for December up a record 15% from last year. Up 6% year to date. RET has seen second biggest year, but an anomaly. South Americans coming in huge numbers.

Frisco - Flat year in 2010, but turning around. PRA has new tubing hill and new terrain park. Working on 12.5 acre attainable, mixed use project. 5-year project, but ahead of schedule. Also, downtown redevelopment project. New X-mas lights were a huge success.

Minturn - Water line project done last year, that town did on its own. Finished renovation of TH a year ago. Voters did not ban MM. Grow operations controversial. Sales tax down 6% for 2010, but had budgeted down 12%. Four new business in town.

Telluride - Up 4.6% from what was budgeted. Five MM dispensaries. RET similar to other communities - had a banner year - seed some infrastructure projects. Wastewater treatment plant has new solar array. Beta testing a new loyalty card. Eco Action - steps you can take will show you how you can lower your carbon footprint.

Winter Park - Good reserve fund and attainable housing fund. Bought 9 acres. Doubled size of skate park. Lots of music festivals held in the town park. 200 ft. barrier around town for beetle kill. Working on quiet zones. Ski area base still trying to lease space. Sales tax up 1.5 to 2% - better than budgeted. RET higher than expected.

Estes Park - Rehabbing Elk Horn Lodge (historical site going into disrepair) - \$40 million project including skiing, tubing, terrain park. Lightning rod for other investment. Building a transportation hub at fairgrounds. Formed local marketing district. Took marketing away from town and gave it to a group of individuals. Sales tax up about 1%.

Aspen - Seen an uptick in numbers. Numbers coming in over budget. X Games currently going on. Aspen Valley hospital will expand. School district asking for mill levy increase.

Snowmass Village - Unfinished buildings have new finishes other than plastic. Sales tax up. December was optimistic. RET is recovering. Remodels occurring. February will see conclusion to foreclosure.

Basalt - New town manager, Bill Kane. Hope to become members of CAST. Plastic bag contest winners. Hope to break even in sales tax.

Jackson, WY - Sales tax up 3% for the year. Figuring out how to keep lifts running and open at Snow King Resort.

Crested Butte - Sales tax up 3% from 2009. RET down 21% from 2009. General fund concerns. Staff working on issues with molybdenum mine. Will be part of Quiznos and Ride the Rockies. Have allowed MM, but how to handle grow operations.

Dillon - Sales tax is coming back. December looked good. \$2.2 million - Phase 1 of Dillon Marina project.

Park City, UT - Sundance Film Festival going on. Montage Resort open and full. Will host World Cup next week. Sales tax up 7.5% year to date.

Fraser - Sales tax down 18% from last year. Allowed MM. Dealing with proposed closing of Fraser Elementary. Still working on results from Downtown Colorado Inc. project.

Mountain Village - World Cup was good. Sales tax up 3-4%. Peaks Hotel sold in 2009. RET is up. November was way up. Gondola ridership up by about 200,000 riders. Master Plan handed off to town council to see if they'll accept it. Pursuing zero wasted programs.

Mt. Crested Butte - Performing arts facility going well. Allowed MM. December sales tax will make budget - 8% down from 2009. Airline ridership is up. Quiznos will be good for town. Gunnison County - will vote on mill levy to build library in Mt. CB.

The meeting was adjourned at 12:30 pm.