

Colorado Association of Ski Towns

March 10, 2016

CML Offices, Denver, CO

Meeting Minutes

The following were in attendance:

Steve Barwick	Aspen	Joe Gierlach	Nederland
Steve Skadron	Aspen	Dee Hilton	Ouray
Virginia Egger	Avon	Jennie Green	Pagosa Springs
Jennie Fancher	Avon	Clint Kinney	Snowmass
Sarah Smith-Hymes,	Avon	Gary Suiter	Steamboat Springs
Jen Brown	Beaver Creek Resort Co.	Michael Lund	Stifel
Tim Gagen	Breckenridge	Leanne Toler	Stifel
Rick Holman	Breckenridge	Thomas Davidson,	Summit County
John Warner	Breckenridge	Dan Gibbs	Summit County
Todd Crossett	Crested Butte	Gary Martinez	Summit County
Kevin Burns	Dillon	Scott Vargo	Summit County
Dean Brookie	Durango	Greg Clifton	Telluride
Jeanne McQueeney	Eagle County	Sean Murphy	Telluride
Peggy Smith	Fraser	Jenny Patterson	Telluride
Bill Efting	Frisco	Dave Chapin	Vail
Gary Wilkinson	Frisco	Stan Zemler	Vail
Judy Burke	Grand Lake	Chuck Banks	Winter Park
Kathy Lewis	Grand Lake	Jim Meyers	Winter Park
Jim White	Grand Lake	Drew Nelson	Winter Park
Mark Matthews	Keystone Neighborhood Grp	Gary Sears	Honorary Member
Joe Fitzpatrick	Mt. Crested Butte		

The meeting was called to order by CAST President Stan Zemler at 11:45 a.m.

I. Introductions

II. Approval of Minutes

There was a motion and a second to approve the January 2016 meeting minutes, which was passed unanimously.

III. Introduction of New CAST Executive Director, Margaret Bowes

IV. Colorado Economic Update - Ben Mendenhall, COLOTRUST

Review of 2015: The economy slowed due to a slowing oil and gas industry. Home prices are up and Denver has become a very expensive city to live in. There is a strong tie between cannabis and sales tax revenue. Few regions of the state have not been impacted by the slowing oil and gas industry. The flood recovery in the northeast part of the state is complete. The northwest region is experiencing high growth, despite the declining oil and gas industry. They have less hunting revenue because fewer big game tags are being issued. Mesa and Delta Counties sales and property tax have been flat. The San Juan/Four Corners area is experiencing strong tourism, despite the Gold King impacts of last summer. That region has seen multiple mill levy increases. The San Luis Valley has a steady population, an increase in sales tax revenue, and increased tourism. Adams State College has strong enrollment, and that region is finally out of the drought.

The Central Mountain region has experienced growth, and higher than usual tourism. Park County is struggling more than other counties, but is still doing well. The Southeast region of Colorado is economically distressed, with a decreasing population. Planned wind farms will be a positive. Pueblo's economy is stagnant. The I-70 corridor is seeing strong tourism numbers, and increasing housing prices. Transportation issues remain a challenge. The Front Range has seen above average sale tax, a cannabis revolution, very high housing costs, and an increased population. There are signs that the existing infrastructure can't support the projected growth.

Looking Forward: The state's revenue is forecasted to grow 2.1% in 2016. There are projected job gains. The weakened oil and gas industry is a factor. How long Colorado can sustain this growth will depend on the health of the nation. Housing will continue to be a challenge. Millennials are the highest educated, lowest paid and with the highest debt of any generation in history.

V. Transportation Funding Initiative - Bill Ray, Colorado Contractors Association

There is little debate that a sustainable transportation mechanism is needed in the state of Colorado. Whether that mechanism is bonding or a tax increase of some sort, we need to invest in Colorado's infrastructure. SB228 is the only dedicated general fund transportation funding, and Tabor often results in SB228 not being fully funded. Polling was done in July 2015 and December 2015, and respondents supported increased state funding for transportation over education, Medicaid, and higher education. The polling was clear that people are concerned about bad roads and unsafe bridges over congestion. The need for more transportation funding is a safety issue. There was no support for a gas tax increase. Bonding didn't fare as well (41%) as a ¾% sales tax increase (57%). Polling showed support for local government overseeing how these funds are spent, that funding needs to benefit the entire state and not just the Denver Metro area, and that accountability is very important to voters. Transit for both rural and metro areas will be a part of the effort.

A ¾% increase in state sales tax would generate \$600 million. Ballot competition in 2016 is a concern. After the title board approves the ballot language, another round of polling will be done. If polling does not indicate success they will not pursue a 2016 ballot question.

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

Kevin highlighted CML's position on multiple bills.

- There are several players in transportation legislation this year. He thinks the sales tax folks can demonstrate more revenue generation than bonding. CML hasn't taken a position yet on bonding. There is a consideration that a statewide sales tax increase decreases the ability to utilize sales tax for local needs.
- He feels the Hospital Provider fee is likely DOA. Many potential players are waiting to see what gets on the 2016 ballot.
- SB136 doesn't do anything to improve broadband deployment and will not go forward; however, there is interest from House and Senate leadership to do something to improve broadband infrastructure deployment.
- HB1069 allows housing authorities to set different terms as designated by a municipality.
- HB1336 would direct the Division of Insurance to look at single geographic rate. Dan Gibbs is working on this.

- The draft bill to allow marijuana to be purchased and consumed in same place is problematic, but could be a model for a pure local option. The model would allow for retail stores to opt in for a separate sampling and tasting area, and also a club license. CML would likely oppose as proposed due to some technical issues.

VII. The Disney Way - DiAnn Butler, Grand County Economic Development

DiAnn read the Disney Way and wanted her team of 15 to do a dream retreat. They couldn't afford the fee, so they offered the author a great vacation weekend if he brought the training to them. The Disney Way came to Grand Lake last spring. This training is more about helping businesses build their brand and retain employees than it is about customer service. Grand County and Grand Lake are launching a public sector program available later this year.

Grand Lake and Grand County, will be featured in the upcoming book. This program is positioning Grand County to be a destination for customer service training. The program is drawing people from all over the world. Up to 100-200 attendees descend on the community for a week in the off season generating business for local lodging and dining establishments. This training is available to Colorado communities at a deeply discounted rate.

VIII. Whistler Lessons Learned

- Whistler was very hospitable and there are many commonalities to Colorado resort communities. They have strong leadership.
- Affordable Housing programs are impressive. This housing is dispersed, and don't look like typical affordable housing projects. They targeted 75% housing for work force and have exceeded that. Private sector builds affordable housing so limited government subsidies are needed.
- Pedestrian focused. Snow is exported.
- Transportation management is interesting. An intentional part of their marketing is telling guests they don't need a car. Good model. Visitors use transit, but not locals so they have weekend traffic congestion to approach resort.
- The struggles that area will likely see with climate change and more rain could play in Colorado's favor with our higher elevations resorts.
- Service industry workers seemed appreciated and liked being there. Happy employees, possibly because they have housing and feel they are a part of the community.
- Locals and tourists intermingle. Active nightlife scene.
- Bought 60,000 composting machine and focus on waste reduction since they don't have a landfill. Good planning.
- Good relationship between resort, chamber, municipality.
- Whistler doesn't have access to sales tax. They are funded through property tax, real estate tax, transportation tax and utility fees.
- Commitment to reducing their carbon foot. Visit Whister202.com to see their goals. They have a Carbon tax and a higher gas tax. They have a decreased income tax in exchange for gas tax increase as a means to change behavior.
- A hydro plant runs all electricity for the entire resort and sells some back.
- The luxury of planning a resort from square one was helpful. They allowed zoning changes when the recession hit, and now regret those relaxed zoning decisions.

- Collaboration between ski town and ski resort is impressive.
- They have issues with affordability home ownership, and who is responsible for fixing issues that resulted from those projects not being built to today's standards. Owners of these deeded units want government to make these repairs.
- Has a chamber and tourism office.

CAST members found the trip worthwhile and voiced support for periodic out of state meetings.

IX. The Sharing Economy - Rachel Allen, CML

The sharing economy is the sharing, borrowing, renting and trading of products. 52% of Americans have rented borrowed or leased the kind of items that people usually own in last 2 years. 83% said they would do so if sharing was easy. The short term rental of residential property is at the forefront of the sharing economy. Following the work CAST has done on this issue, the CML sales tax task force has focused on the potential loss of tax revenue. They started working with Air BNB. That company's website says it is the homeowner's responsibility for collecting taxes, unless Air BNB already collects it for them. They say they want to facilitate collection and remittance "in certain areas." CML is asking how communities get to be a "certain area". No CAST members are included on that list.

Tax collection is important, but each community first needs to identify and track STRs. Code enforcement and zoning is also important. STRs are good for the bed base if a community doesn't have enough beds, but it competes with existing beds/hotels. Providing a level playing field with hotels and lodges is important. State statute prohibits changing the property tax rate to commercial. Most HOAs don't have covenants around the issue. Deed restrictions on affordable housing are clear. The CAST VHR study highlights many of these issues, and outlines how some mountain towns are regulating STRs.

Tim Gagen shared that there is a case pending on Online Travel Companies (OTCs), City of Denver vs Expedia. The question is which price are OTCs remitting these taxes on, the rate the OTC purchased at, or the price they resold it at?

CML wants to partner with CAST and Rachel invited CAST to participate in the April 15, 10:30 a.m. and perhaps make it a co-task force.

X. Shailen Bhatt, Executive Director, CDOT

Director Bhatt said he strives to make CDOT the best DOT in the nation. They focus on Technology, People, and the System. He stressed that Colorado can't build its way out of congestion, and he believes technology and transit can help. Utah has invested in transportation infrastructure as a state-something Colorado has not done.

Smart phones can be a useful tool for transportation technology. There is a law on the books to prohibit cell phone use while driving, but enforcement is difficult. He would like to address the primary seat belt issue, possibly next year. Rubberized asphalt is an approved road building material but it is more expensive. Colorado is known nationally for utilizing public private partnerships (P3). The I-70 East Viaduct is a \$650 M project that will take 4-5 years to complete.

XI. Governor Hickenlooper

If Colorado sees the projected population growth, the Governor expects citizens to push back if we don't figure out some way to get resources for infrastructure. Even if he wins the Hospital Provider Fee battle, that revenue isn't going to be enough to fund everything. The HPF revenue would get divvied up with a large chunk to transportation but also education. He stated that HPF is a fee and was always a fee. It was mislabeled from the beginning. Colorado is doing better than almost every state in the country. He would like to see Colorado send more of its kids to college. Work force training and the use of community colleges can help develop a much needed educated workforce. We work to make government smaller, and this is a useful exercise, but we need more revenues to improve infrastructure. Colorado is a state where people and political parties actually work together.

The Governor is writing a memoir and it is "a love poem to Colorado." The *Colorado the Beautiful* campaign will include a map database. The focus is on 16 different existing bike trails that they hope to complete in a year utilizing local and state money. Some states are talking about privatize their public lands. This issue doesn't poll well, and it is a hard sell to keep public land revenue where it is generated. The K12 "industry" is well organized, and expanding their focus to preschool would be tough.

Governor Hickenlooper stated that he sees CAST as one of the more forward-thinking groups in the state.

XII. Colorado Compact of Mayors, Steve Skadron

Steve was invited to Paris along with Mayors from larger cities to attend the Climate Conference for Local Leaders. It was a climate rally for the world's mayors to get action done locally that can't get done nationally. Steve would like to create a similar effort for Colorado mayors. Is there interest from CAST members to come to a rally, listen to speakers, share climate action toolkits, and learn of simple steps you can take back to your community to implement? If the Colorado Compact of Mayors moves forward, urban municipalities would be invited as well. CAST members supported this effort. Once Steve gets buy in from his city council, he will outline more detail.

XIII. Other Business

Building a Better Colorado hosted statewide meetings to gauge opinion on three topics: election reform, changing ballot initiative requirements, and Tabor-related issues. Dan Gibbs reported that he is involved in the Initiative issue, which would make it more difficult to amend the state constitution. It would require signature gathering take place in all senate districts, getting signatures from 2% of voters in each senate district, and would increase the threshold from 50% to 55% of voter support. Petitioners don't come to mountain communities, and this would ensure statewide involvement. This issue polled high for all parties in the statewide meetings. Club 20, Action 22, Progressive 15, and Colorado Concern all support the effort. It is a bipartisan effort and will be a well-run campaign. This seems to fit with the mission of CAST. There was a motion and a second for CAST to support this effort, which was passed unanimously.

The meeting was adjourned at 4:01.