



Minutes
March 15, 2018
Denver, Colorado

Attending:

Tom Acre	Dillon	Bob McLaurin	Jackson
Dean Brookie	Durango	Jeanne McQueeney	Eagle County
Jen Brown	Beaver Creek Resort Co.	Kathi Meyer	Steamboat Springs
Todd Brown	Telluride	Sean Murphy	Telluride
Kevin Burns	Dillon	Jim Myers	Winter Park
Greg Clifton	Vail	Jim Peterson	Grand Lake
Jeff Durbin	Fraser	Randy Ready	Frisco
Virginia Egger	Avon	Jim Schmidt	Crested Butte
Jennie Fancher	Avon	Steve Skadron	Aspen
Scott Ford	Steamboat Springs	Karn Stiegelmeier	Summit County
Russell Forrest	Gunnison	Philip Vandernail	Fraser
Dan Gibbs	Summit County	Scott Vargo	Summit County
Anthony Graves	Denver	Jim White	Grand Lake
Shannon Haynes	Breckenridge	Jacque Whitsitt	Basalt
Ross Herzog	Telluride	Gary Wilkinson	Frisco
Rick Holman	Breckenridge	Margaret Bowes	CAST
Kathy Lewis	Grand Lake		
Dara MacDonald	Crested Butte		
Ryan Mahoney	Basalt		
Eric Mamula	Breckenridge		
Mark Matthews	Keystone Neighbor. Co.		

I. Call to Order and Introductions, Dean Brookie, CAST President

II. Approval of January 2018 Meeting Minutes

There was a motion to approve the January 2018 minutes and the motion passed unanimously.

III. Legislative Update, Kevin Bommer, Deputy Director, CML

Transportation: SB-1 had two round of debate and is expected to pass the Senate but won't pass the House. It is a bonding bill for state highways with no new revenue and doesn't include any dollars for local roads. There is House bill proposed that would direct \$50M from the General Fund to the Transportation Commission for local government transit grants but it likely couldn't pass the Senate. It doesn't look like there will be anything done on transportation out of the legislature this session.

Broadband: There are two bills that CML supports. HB-1099 would make the provider that exercises their right of first refusal provide the same level of service at the same cost. SB-002 takes the high cost service fund and moves it over to the broadband deployment board to offer grants. These bills are good news on the broadband front. CML, CCI, COGs are keeping up the pressure on broadband deployment.

Severance Tax: These revenues are going up, but revenue to the Department of Natural Resources is down. The state will have to transfer many of these dollars to the Department of Natural Resources. This is an ongoing issue that is creating disparity around the state. Every municipality is effected the same. Counties see more disparity. This will be tricky going forward .

Marijuana: Two bills have been introduced. HB1258 would allow marijuana consumption on premises. CML is neutral but this is something that will happen eventually. There would be 100% local opt in for municipalities that have retail marijuana. Every retail and medical center, assuming they opt in, may have one off premise consumption establishment. Municipalities and counties can manage this through zoning. SB186 would allow retail marijuana stores to sell products with CBD but this is likely to die.

Beer and Liquor: On January 2019, the definition changes so that anyone with fermented malt beverage liquor licenses can start selling full strength beer rather than just 3.2% beer. This is due to a definition change. Grocery stores and convenient stores are happy, but liquor stores are not. A bill might be introduced that would impose distance restrictions, and allow a local moratorium on license issuing for 2019. CML might propose their own bill if nothing happens on this issue this session.

The PERA bill has a long way to go. There are also a number of bills aimed at more resources and assistance to help keep people out of the opioid cycle. There is an affordable housing bill proposed to extend affordable housing tax credits. Kevin expressed that the answers to that issue are local and not at the state house.

Initiatives:

Four ballot titles on a transportation funding initiative have been filed by a coalition led by the Denver Metro Chamber & the Colorado Contractors Association. CML supported HB17-1242 and this ballot initiative is similar to that bill. John Caldera will also run a bonding ballot question. There is also a potential one from Colorado Concern to put a fee on the Specific Ownership Tax (SOT) on vehicle registrations. The SOT is a local government tax collected when you register your car that is remitted

back to the county and is an important local general revenue fund source. CML sees this as messing with the local government revenue stream.

Initiative 53 would direct ticket fines or penalties assessed by local governments not into their coffers but instead donated to a person's charity of choice.

Discussion:

Does this state lack leadership on the subject of transportation? Gov. Ritter was very bullish about seeking solutions but who is that leader today? Kevin offered the opinion that it comes down to the extreme philosophical differences and it might just take a united statehouse to get something done.

CML is supporting SB18-003 which would restore funding to the Colorado Energy Office. The bill states that office would have to support all forms of energy. Last year a similar bill failed. Xcel has a bill sponsored by Rep. KC Becker that would allow for voluntary MOUs between municipalities and Xcel on clean energy targets. Xcel has an MOU with Breck and that would be used as a template.

IV. The State of the State's Transportation System, Michael Lewis, Executive Director, CDOT

CDOT exists to support the economic vitality of the State, and the quality of life of citizens is also central. Key economic drivers are energy/agriculture and tourism each of which has a different demand. Colorado is #1 in ski destinations. The #4 reason to visit Colorado is to drive around. 80% of the projected growth will be on the Front Range but we can't just invest in the Front Range or we lose access to the quality of life areas. We need equitable distribution of transportation dollars. The issue is not just how do we move all those people, but it is also about the movement of goods and services to support those people. The volatility of transportation funding in the last decade has made it a challenge to plan. There is more demand on the infrastructure and the system is also deteriorating due to the age of that infrastructure. A \$1B annual shortfall between revenue and needs has been identified and a \$25B gap exists today. Utah has increased both sales tax and gas tax twice in the last few years and they are much less dependent on federal funds than Colorado. Utah decided 15 years ago that they wanted to invest in transportation and they made it happen. CDOT is working to reduce the number of traffic fatalities.

Discussion:

Why are we not talking more about transit and when will be the time to look for a more sustainable transportation model? Mr. Lewis feels that it will happen when the people demand it. That recognition is increasing and therefore the demand for transit is increasing as well. Express lanes help manage congestion and increase travel time reliability. Bus Rapid Transit could work on I-70, in Mr. Lewis' opinion and he believes the cost for high speed rail on I-70 is prohibitive.

Why isn't raising the gas tax an option? Polling on this is consistently in the single digits and elected officials don't want to touch it. CDOT recently did a focus group and not one person could answer how transportation is funded in this state. Educating the public about how transportation is currently funded is critical to getting buy-in for a tax increase. There are state legislators that think we can fund

transportation with existing general fund revenue, and others that say that is not at all the case. So even the legislature doesn't agree on the facts.

Bustang, the state owned bus system, is successful especially on the West Line, with better than 50% fare box revenue. Bustang Outrider is new and will bring more rural connections into the Bustang system.

The President's Infrastructure Plan puts the onus on states to generate money and it allows bureaucrats to decide what gets funded. If we don't figure out as a state how to fund transportation, local governments will do it locally and then we will never get anything statewide done.

On the four ballot initiative measures, the local share back provisions need to be clarified, explaining that those local funds must be dedicated to transportation.

V. Big Changes, Unknown Impacts: Economic Update
Brian Lewandowski, Associate Director, Leeds School of Business

National: The federal tax change and change in spending is expected to contribute to a \$1-1.5T deficit over the next 10 years. This is usually something you see when you are trying to fuel an economy and get out of a recession. We are starting to see more spending spurred by the Government. Employment might see some faster growth in the short term as employers lower the bar on requirements of the jobs due to a scarcity of workers. They don't expect profound growth in the job market.

State: Employment recovery is positive in most states and Colorado is in the 2-3% range. Colorado has been in the top 10 for the last 10 years. Colorado added a million resident since 2005, mostly along the Front Range. In almost any economic metric you can look at, Colorado has outperformed the nation, although most consistently in the metro area. Real Gross Domestic Product dipped in 2016 but will be in line with national growth moving forward. The unemployment rate was 2.5% in ski country which is lower than the state and national rate. Summit County was the lowest among the ski areas. Foreign Born Labor by Industry (legal or illegal) shows construction has the greatest % and total number of workers. Construction is still below the peak of employment in that industry. If we slow immigration, construction and leisure/hospitality will likely see a more limited labor pool. We saw a tight labor market form in 2012, but wages stayed flat. 2017 showed some wage growth. Colorado has higher inflation than the nation and we were faster in core inflation, shelter costs, and medical care. Inflation outstripped wage growth. Residential building permits are high but pales in comparison to the early 2000s. Interest rates are increasing which impacts housing affordability.

Ski Counties: Mr. Lewandowski broke out some data by "Ski Counties". Population in these counties increased from 2017 to 2018 but at a slower pace than the state. Employment growth, both urban and rural, were higher than the national average. Ski counties are close to

recovering jobs from the recession. Every county is below the state average for wages, and rental costs are above the state. Per capita personal income is higher but not all of this income is coming from wages, but might be wealth brought to the community. While Colorado is getting older, resort counties are getting younger which will work to their economic benefit. Millennials are disruptive and purchase differently so this is something to look at when considering economic development. It will be important to learn how their purchase habits will impact retail and housing locally.

On how climate change will impact ski areas, Save our Winters is looking at these impacts. Ski areas are adapting by offering summer amenities. Insurance companies are looking at this in their models.

VI. Colorado Land Board, Bill Ryan, Executive Director

Our Founding Fathers set up the concept of land for schools. Most but not all states received trust land. Some sold them off, but the states that were endowed with land still use that to support schools. These states are the second largest landowners as a group. The Colorado State Land Board exists in the state constitution, so is not a creature of the legislature and they are not a political entity. The Colorado Land Board's \$4B Trust generates money for the public schools through the BEST Program. Two thirds of this is land and 23% is a Permanent Fund (just over \$1B.) This Fund was invested in bonds but then they created an investment committee so they can grow that portion of that endowment more rapidly. Even if they are not large landowners in CAST communities, the dollars still flow into CAST communities. They don't own much in the western slope because the Indians owned that land. Think of them as a giant leasing company. Although they are state lands, they are not open for public access. They are held in trust for a public purpose; however, they do contract with others who can manage access to this land such as the State Parks. They are subject to local land use regulations. Municipalities are leasees of some land board land.

VII. New Business

- **Aspen Mobility Lab:** Mayor Skadron pitched this adventurous idea to test multiple transit options because his community is drowning in vehicles. The Lab is intended to create a dialog and to generate qualitative and quantitative data that will drive mobility options. They have broken the program into addressing the in-town traffic issue and also the commuters that come into town. Seven percent of cars coming into town are SOVs. They will look at solutions such as bike share, smart technology, a downtowner shuttle, and encouraging use of intercept lots outside of town. It is coming to fruition with the bulk of the program targeted for 2019. Aspen is looking for sponsorships and in kind support from the private sector.

- CAST Multi-Modal Transportation Best Practices Study, : Holly Buck, Shea Suski and Cady Dawson, Felsburg, Holt & Ullevig (FHU):** Holly Buck, FHU principal, introduced Shea Suski, Project Manager and Cady Dawson, Transportation Planner. FHU has worked with many CAST members and the firm has a good handle on the transportation challenges resort communities face. The Aspen Mobility Lab is going to give their research a good jump start. A first task will be to survey CAST communities to learn of interesting and unique programs that might be researched further. FHU will do their own outreach to look for additional multi-modal programs. Twenty programs that are potentially replicable will be highlighted in a final report. Members in attendance were asked to share known programs of interest as well as transportation challenges their communities face.

Vail is electrifying their bus fleet. They are working with Eagle County and other Vail Valley municipal transit providers to better-coordinate schedules and service.

Breckenridge is focused on how they can reduce SOVs. They eliminated free parking which helped and they would like to learn more about if parking management is an effective TDM strategy.

Telluride recognizes that every seasonal worker brings a car to town and, although they might then use transit or walk, that vehicle occupies a parking spot all season long.

Aspen is looking at protected bike lanes and engaging the business community led to its success. Employee parking was identified as an issue, and paid parking is a tool that eliminated the problem.

Avon is interested in micro buses. They would like this study to look at European transportation models. Good data collection is also important.

Durango coordinates transit and housing planning. They struggle with funding transit, especially with a recent reduction in federal funding.

Frisco is interested in technologies that can help manage parking, as a pre-cursor to paid parking. They are looking for examples of moving employee parking out of the town core.

Grand Lake: They are not a part of the new Winter Park/Fraser transit system and are too small to have their own service. How can a very small town get connected to a regional system?

Fraser has a rail line through town and could use help working with freight companies on opportunities that rail might present.

International Innovators: Oslo, Whistler, Zermatt, Amsterdam.

Affordable Housing: Parking spaces are often tied to affordable housing development, but that only encourages more cars.
- Olympic Bid Exploration, Anthony Graves, City of Denver:** An Exploratory Committee is looking at if Denver can and should host the Winter Games in 2026 or 2030, and do it entirely with private money. They are considering what a legacy could be as a result of hosting. The IOC puts up approximately half of the needed money and it is granted four

years out. The IOC Agenda 2020 focuses on sustainability, cost efficiency, use of existing or temporary infrastructure, leaving a legacy, and fronting funding. They are also looking at increasing diversity. Denver and our mountain communities have already hosted huge events such that the Winter Games numbers are already manageable. The events will be distributed geographically so numbers are manageable. The committee will put together a portfolio of options for the USOC to consider. Colorado would only need to build 3 of the 16 competition venues. We would need to build an athletes' villages – one in Denver and one in the mountains. We already have enough hotel rooms in Denver, Eagle/Summit County.

- **Breckenridge Online Travel Company Court Case (OTC):** Breckenridge lost their case in District Court even though Denver won a similar case last year. The issue is that the hotels only pay taxes on the discounted rate they receive from OTCs, not the full rate paid by customers. If taxes were paid on the higher rate, there would be a lot of back taxes owed. Breckenridge was trying to collect those substantial back taxes in the suit. The town will petition to take the case to the Colorado Supreme Court. The court decision came down to language of the local code.
- **Honorary Member Nominations:**
Gary Martinez might have been at the very first CAST meeting and Bob McLaurin worked with CAST for at least 20 years. Rick Holman finds great value in their knowledge and experience and he would like to facilitate their involvement. Rick Holman made a motion to nominate Gary Martinez, former Summit County manager as an Honorary Member. Gary Wilkinson seconded. All were in favor and the motion carried. Rick Holman made a motion to nominate Bob McLaurin, Jackson Manager and past Vail Manager as an Honorary Member. Greg Clifton seconded. All were in favor and the motion carried.

VII. Closing Remarks: Mayor Michael B. Hancock

Mayor Hancock discussed the population growth and that Denver doesn't have the supply of affordable housing to meet the demand. Increasing property values are a good thing unless you are renting on a fixed income. Since last year, they have created an Affordable Housing Fund, but meeting demand needs to be a regional solution and density needs to be considered. The new Denver Live Program partners with private sector employees to supplement the housing costs for their employees. The Mayor wants nurses, teachers, and police officers to be able to live in the city. Growth has also squeezed transportation systems and Denver wants to increase options such as transit and bike lanes and they are surging investment in that area. They are moving to have a Denver Department of Transportation. It will be its own department rather than under Public Works. Regarding the Olympic Bid Exploratory process Mayor Hancock said there are no preconceived notions.

The Mayor was asked what he thinks of the four transportation funding ballot proposals. He answered that Denver stands with the Metro Mayors in support of the 1% increase to the state sales tax. The need is there and the Metro Mayors believes we should “go big or go home”. The Mayor would like to see a Gubernatorial candidate that will address Colorado’s fiscal policy and some of the amendments in our state constitution, and also someone who will address funding for transportation and education.

The City of Denver is leaning on water providers to look at improving efficiencies and conservation. Education around water use can help. Xeriscaping for residential and commercial landscaping should be encouraged. DIA is changing, offering entertainment that makes the airport experience more enjoyable. Airports are now being viewed as destinations. Passenger numbers and direct international flights are on the rise. The City of Denver is ready to invest in cultural facilities since the \$30M bond passed.

The meeting adjourned at 4:30 p.m.