



**Minutes
October 26, 2018
Winter Park, Colorado**

ATTENDING:

Tom Acre, Dillon

Steve Barwick, Aspen

Todd Brow, Telluride

Dave Chapin, Vail

Greg Clifton, Vail

Bill Efting, Honorary Member

Jennie Fancher, Avon

Arthur Ferrari, Winter Park

Scott Ford, Steamboat Springs

Becca Gerber, Park City

Dan Gibbs, Summit County

Rick Holman, Breckenridge

Liz Jones, Beaver Creek Resort

Jimmy Lahrman, Winter Park

Elisabeth Lawrence, Breckenridge

Bob Lenz, Jackson

Dara MacDonald, Crested Butte

Bob McLaurin, Honorary Member

Sean Murphy, Telluride

Larry Pardee, Jackson

Lynn Ware Peek, Park City

Jim Peterson, Grand Lake

Keith Riesberg, Winter Park

Jim Schmidt, Crested Butte

Chris Seemann, Winter Park

Steve Skadron, Aspen

Carolyn Skowyra, Dillon

Heather Sloop, Steamboat Springs

Karn Stiegelmeir, Summit County

Nick Teverbaugh

Melissa Turley, Teton Village Association

Scott Vargo, Summit County

Jim White, Grand Lake

Gary Wilkinson, Frisco

I. Call to Order and Introductions, Greg Clifton, CAST President

II. Approval of August 2018 Meeting Minutes

There was a motion and a second to approve the August 25, 2018 meeting minutes, which passed unanimously.

III. New Business/Updates

The board of directors had a board retreat earlier in the day.

- CAST was part of a City of Denver case that directed Online Travel Companies (OTCs) to pay sales and lodging tax on the amount they sell a lodging room for, rather than paying tax on the wholesale rate. Denver won that case. Breckenridge had a similar case against OTC's but lost in the Colorado Court of Appeals. The Town of Breck is still pursuing action. The Colorado Hotel and Lodging Association (CHLA) is filing an Amicus Brief on behalf of the case and Breckenridge requested CAST sign on to the effort. The CAST board agreed that CAST should do an amicus brief as they did for the Denver case. CAST will share the legal cost of drafting that document with the CHLA.
- The board recommends CAST support Proposition 110. There was not unanimous support among the membership, but a majority agreed CAST should support Proposition 110.
- The board approved a 2019 Budget.

IV. Welcome to Winter Park, Mayor Jimmy Lahrman

Recently, the community and town council have endeavored to improve the downtown core. They bought land up and down the core through partnerships. Investments started to take place and started to grow post-recession. The resort management moved from Intrawest to Alterra and the Winter Park Express ski train came back which is an iconic part of the town. The ski train makes Winter Park the only U.S. ski area connected to an international airport by rail. A new grocery store and affordable housing project helps keep employees in town. Both were big investments and generated some credibility. The town also invested in arts and culture in the town park. There has been support both within and without the community. The rec center is great amenity as is the facility that hosted the CAST meeting. Partners such as Alterra are creating more amenities and investments. The town is excited about the development and improvements they have made in their downtown core as well as their efforts to keep locals living and spending money in town.

V. Crown Castle, Scott Harry, Government Relations Manager

Crown Castle is in infrastructure company that owns fiber. They are not building a lot of new fiber in mountain towns right now, but working heavily in Denver. They have Macro Cell Towers which is where most of their revenue comes from. They also install small cell nodes which are the direction they are really moving towards. Fiber, Small Cell and Macro Towers are all used to serve users. Small Cell is a cell site that is connected to fiber in the right of way and such infrastructure is being erected by most carriers these days in preparation for 5G. Macro towers don't handle 5G well. Macro Towers will still be important, but we need more small cells moving forward. Most providers are building these small cell nodes in densely populated areas. Crown Castle builds when a carrier identifies the need and carriers then lease the right to use the Crown Castle infrastructure. They will move to mountain and other rural areas when it is financially viable.

An existing fiber backbone makes communities more attractive to providers and incentivizes technology development. Creating smooth pathways to getting a permit helps as well. Too many restrictions make a community unattractive for investment. In rural areas in the future, Mr. Harry envisions upgrading and infilling macro sites rather than a large number of small cells.

They installed a system on Hwy 6 in Clear Creek Canyon in partnership with CDOT, USFS, and Jefferson County. Crown Castle built out the nodes and CDOT added cameras and sensors and now there are three carriers with service in that canyon. CDOT will use Crown Castle infrastructure in their SMART 70 Connected Vehicle project.

They worked with Vail to build a really great network in anticipation of Alpine World Ski Championship. There are now three carriers in Vail as a result. As result of Crown and the Town of Vail working together, it enabled the development of First Net which is a dedicated wireless network for use by first responders. Infrastructure installation disruption was minimal.

VI. Affordable Housing Panel

George Ruther, Director of Housing, Vail

John Crone, Housing Manager, Winter Park Housing Authority

Steve Barwick, Manager, Aspen

(Presentations posted on CAST website.)

George Ruther, Director of Housing, Vail

Mr. Ruther heads up the new Housing Department but Vail has been working on affordable housing for years. Housing was under Community Development but became large enough to create its own department. They formed a strategic plan to sustain the community and determined to view housing as infrastructure, just like roads. Goal: 1000 new deed restrictions properties by 2027. Means: Housing Program Funds and Capital Projects Funds help create the deed restrictions. Method: They were not getting the kind of housing into the program that they needed and determined their decision making process was not ideal. They wanted to do a better job of protecting the currently occupied homes to keep them occupied. This resulted in the Vail Indeed program (vailindeed.com) which allows the town to learn which properties are desired. Then Vail can pursue the purchase and resell with deed restrictions. The town comes to the closing table with money to buy deed restrictions. This money might be used by the buyer for a down payment or by a current home owner for a special assessment payment that they otherwise couldn't afford. The average cost per deed restrictions purchased by the town is \$62,000. Employers are now engaged in the discussion. 104 deed restricted properties have been acquired to date and are mostly condos and some duplexes. There is no income or occupancy limit but recipient must have 30 hours per week employment in Eagle County. The deed restriction goes with property so if sold, the new owner/occupant must meet the local employment requirement. The term of the deed restriction does require an annual affidavit and violators pay restitution. There are exceptions for retirees to retire in place. They set the value in the deed restriction by working with local realtors to determine the fair market value.

John Crone, Housing Manager, Winter Park Housing Authority

Winter Park is one of oldest active ski areas but one the youngest ski towns. John was hired three years ago when the housing program was brand new. The town was seeing growth and interest in commercial investment so they knew they wanted to be proactive on housing. Their housing scarcity has resulted in businesses not being fully staffed. The town wanted to build the workforce base, and also wanted to use a housing program to develop a "lights on" program that keeps locals close to downtown. Finally, they wanted the program to build a sense of community. Their first large project was 38 rental units. They have some new larger developments that will have a transfer tax in perpetuity that will lead to a healthy revenue stream in the long term. Winter Park has several potential affordable housing projects and has developed policies to keep those attainable. They allow accessory apartments in a single family residence if rented to a full time worker (6 months out of year) in the valley. This extends to both second and local homeowners. One key in all their efforts is flexibility of design to accommodate transitioning the building to a different housing type down the road. For example, dormitory-style rooms with a big living area is a design that could be redesigned to nice 2-3 bedroom condos in the future. They are building 40-45 single family homes just off Main Street that should generate 300 more permanent residents who frequent downtown businesses. They

want to have housing that takes locals from seasonal, to couple, to family needs and the flexibility to move in reverse for retirees. Livability in these units is key. John has talked to many of his counterparts to generate policies as he is developing their housing program from scratch. The town has been self-developing but is now doing more public private partnerships with local developers and builders. They have used a weighted lottery including number of years in the workforce. The town is making sure there is land for future child care as demand dictates.

Steve Barwick, Manager, City of Aspen

The highest and best use of private land is development of second homes which is why there is a need for affordable housing programs. Mr. Barwick talked about charging new development to fund affordable housing. Aspen has a new program that evolved from Aspen's mitigation requirements. Aspen started pursuing developers to include affordable housing units which worked fairly well. Recently a local entrepreneur started to buy, build and then sell the housing certificates to developers. The developer would just write a check to the entrepreneur, Peter Furnell. It worked because Peter was making a profit between building and then selling housing certificates to developers. This is an iteration that developed without much town involvement. So now Peter is being approached by businesses who want control of who lives in that unit.

It is important to define "employee" clearly and carefully in your deed restrictions as well as how an employee is selected. Developers are wising up to the system and are building the housing so it can be tied with their commercial lease programs and businesses who want a guarantee of housing for their employees. Aspen has 3000 units of affordable housing. Half of the residents in Aspen live in affordable housing.

VII. Winter Park Resort, Sky Foulkes, COO

Mr. Foulkes spent 30 years working in the ski industry in Vermont before working for Intrawest in Denver. He came to Winter Park Resort 18 months ago as the transition was happening from Intrawest to Alterra. Alterra acquired operations of Winter Park Resort which is owned by Denver. Alterra wants to respect and promote the individuality of each of their 13 resorts. Integrating processes and systems is a big effort, but the biggest change is that the focus is shifting back to the core business of skiing. The company created the new IKON pass with 13 resorts and brought it to market in six months. Working through existing local passes was a huge effort as there was so much discrepancy. The guest, employees and investors are viewed as a three legged stool. It has been a summer of construction at the resort with \$35M invested in a new gondola, a new base area plaza, snowmaking improvements, and other improvements.

Mr. Foulkes believes the resort and community should be working in partnership and that is happening here. They have worked together on a branding project and a housing program. The resort is making a cash contribution to support 4 -5 down payments that is matched by the employee. He congratulated everyone in the room that works to partner with their local ski area.

Opportunities ahead include engaging millennials that have very different interests and demands. They are more focused on the holistic experience and do more than just a single recreational activity. The recreation industry is way bigger than just the ski area so we need to think beyond skiing and offer

experiences that, for example, educate about our forests and public lands. It is a balancing act to embrace the new Millennial market without upsetting the Baby Boomer market. He thinks that good, fair competition such that we are seeing between Alterra and Vail Resorts is positive for the industry.

VIII. Proposition 110-Transportation Funding Initiative, Margaret Bowes, CAST

Margaret Bowes provided an overview of Proposition 110.

IX. Preparing for the Next Economic Shift

Kathleen Halloran, Finance Director, Vail

Todd Brown, Council, Telluride

(Presentations posted on CAST website.)

In late 2008, Vail began a three part strategic focus. 1) They invested in additional Front Range marketing rather than the destination market and that was successful. It was done in partnership with the resort and lodging sectors; 2) they maintained the most visible services while operating within the constraints of an approved budget, and 3) monitored the budget throughout 2009 and amended the budget when actual revenue didn't meet projections. They are now in the process of developing a written Recession Plan that will include varying levels of urgency. It will tackle low hanging fruit such as holding off on filling positions when a staff person leaves. It includes the strategic use of reserves and the Town Council has been very disciplined with maintaining the reserve. In Vail, winter is 70% of visitation but summer is growing faster. Their reserve was just increased from 25% to 30%.

Telluride is absolutely a destination location so some of the solutions utilized by Vail or other I-70 corridor ski towns don't translate to Telluride. Telluride created a Recession Plan in 2008 with five "stages" related to available revenues and reserves. Their revenues are heavily reliant on tourism, sales and use tax, and a real estate transfer tax. The real estate transfer tax is half of the town's revenues and of course an economic recession can have a huge impact on that revenue stream. Stages were based on impacts to revenue and reserves. In the Minor stage it is left up to the department heads to manage their own budgets and reduce as is possible with minimal impact. In the 4th Quarter of 2009 they got to the Major stage and the actions under this stage stayed in place for four years. Since 2013 it has been a slow and careful walk back. In 2015 the stage was reduced to Moderate, and Minor in 2016. Caution still abounds. They are seeing a significant slow-down in real estate sales this year so they are basing the 2019 budget on flat real estate tax revenue and Capital planning has been pushed out. In tougher times, the reduction of staff was absolutely the hardest part of this situation and so they are being very careful about how they staff. The economic hit impacted both winter and summer equally.

X. Innovators' Showcase

- Park City recently made Social Equity a critical priority and launched a Social Equity "listening tour" where they met with marginalized groups from across the city to see where there are gaps in city services and learn how to create a culture of inclusivity. They have met with Latino groups, parents of kids with disabilities, LGBTQ groups, seniors, the school district, religious organizations, etc. Once they established the need, they signed a contract with a local nonprofit to be the community convener and are looking to them to help come up with next steps. As there is often a huge

disparity between economic classes in resort towns and as mental health issues and suicide rates have climbed, Park City looks forward to finding ways to be a more inclusive community.

- Breckenridge has initiated a Broadband Fiber Infrastructure project. The Town Council approved \$8 million to begin the design and construction of fiber optic infrastructure through the town. The overall goal of this project is to enable the community to own its future by creating a reliable, high-speed fiber infrastructure that can serve all of the Town's connectivity and internet needs into the foreseeable future. Breckenridge will join other communities such as Centennial, Longmont, and Montrose in developing a municipal owned network. Breckenridge will be one of the first mountain resort community to construct a fiber optic network.

Meeting adjourned at 12:30 p.m.