

VAIL HOMEOWNERS ASSOCIATION



Construction Begins on VVMC West Wing - In the Background, the Evergreen Hotel Awaits Redevelopment Approval

The Vail Community: Guiding the Local Economy.

August 20, 2015

Visioning Vail: The Role of Government: With a great mountain, beautiful environment and outstanding cultural opportunities, growth and change for Vail are inevitable. It is folly to try to bring change to a halt or try to reverse course, but the inevitability of change raises the question - what should be the role of government in dealing with that change?

Some advocate that free enterprise should be allowed to run its natural course believing that supply and demand will dictate the best outcome and government intervention could stifle that. Others urge government intervention to control economic growth since the forces of supply and demand would do little to, for example, protect Gore Creek. The Vail Homeowners Association believes that the most desirable course is a prudent balancing of the best of both positions while avoiding the pitfalls of both. Congestion, environmental issues, property rights disputes, hyperdrive promotions and construction are all real challenges propelled primarily by economics. The community can, however, within certain limits, guide its economic development through policy setting choices made by its leaders and government officials. That requires a government that is attentive, responsive and transparent. To help achieve the best outcomes, it is important to shine the light on events and their consequences so that an informed community can make the best decisions. That is one of VHA's most important roles. In that context, we "shine the light" on a few of the economic challenges facing our community.

Public Parking: Few issues have been as persistent or troubling as the availability of public parking. Vail's forefathers saw this as a major factor in the economic development of the community and took big risks, incurring large debt to build the Village and Lionshead parking structures. For a while, their foresight solved the problem, but in recent years Vail's successes have once again pushed the availability of public parking back into a potential deterrent to continued success. Several solutions have been bandied about ranging from unlimited spill-over frontage road parking to the development of down-valley parking on sites west of Dowd Junction. The most obvious choice, the current municipal site in the heart of the Village, is very costly. But this is an issue that cries out for effective leadership. The Town recently retired the debt on the present structures and should be in a position to tackle this problem. It is only a matter of time before the present policy of frontage road parking results in a significant injury. That would not bode well for Vail's economic prosperity.

Congestion: At the beginning of the recession, the Town of Vail set in motion an economic development strategy that used special events to attract day visitors and intensified its international marketing to draw in destination guests. The recession made it possible to bring the "chamber of commerce" function into the Town Hall, consolidating control over government-financed promotional spending. The much sought after goal of stimulating "lively street life" has materialized, perhaps overly so. Newly constructed high-end hotel rooms were promoted to the international destination market. The effort succeeded to the degree that hotels are now having periods of full occupancy in both summer and winter. But it may now be time to reassess if these policies are exacting too high a cost on the community's quality of life; whether there is too much emphasis on making profits rather than improving mutual wellbeing.

Some now question whether it is the function of government to take such an expansive control of the business community. Once a government economic development initiative is set in motion, it is difficult to change course as new realities evolve.

Tipping Point or Turned Corner? Perhaps Vail has reached a tipping point or turned a corner where opportunities to change its recession based economic policies are now opening. The VHA has advocated for a "quality over quantity" approach that will continue to promote Vail but damp down the congestive effects of doing so. Much remains to be done in this regard.



Spring melts a toxic brew of chemical and traction sand, thrown off I-70 by snowplows over the winter from I-70 bridges in East Vail, which flow directly into Gore Creek or could eventually leach into the groundwater.

Gore Creek Clean-up: The same measured approach should also be applied to the more complex challenge of cleaning up Gore Creek, the symbol of the community's economic and environmental sustainability. The health of Gore Creek and its tributaries is the canary in the coal mine for Vail's stewardship of the community's highly valued and commercially important natural setting.

The Town has now released its [draft clean-up plan](#); it comes with an estimated \$7 million price tag and an annual maintenance cost of just over a quarter of a million dollars. Importantly, there are no specific proposals for who is to pay for proposed containment and restoration projects. Certain aspects of the Town's proposed plan could set off intense debates over streamside property rights and, if litigation ensues, legal costs would quickly escalate, a factor that has not been included in the project budget.

Activists are advocating that new regulations be adopted for all watercourses in the Gore Creek drainage, even though only selected stretches of the stream have been determined to be impaired. Water experts have yet to complete the necessary inventory and testing of surface runoff and groundwater flows to more precisely determine the source and location of pollutants, which may require adjustments when the results are in. But it is important to get this critical work underway. Gore Creek was initially declared impaired in 2012. More time should not be wasted. To minimize cost and conflict, the plan should be implemented in a way that first solves the immediate problem areas. Then, if the problem is not stabilized, or worsens, it should be applied to the entirety of the Gore Creek drainage.

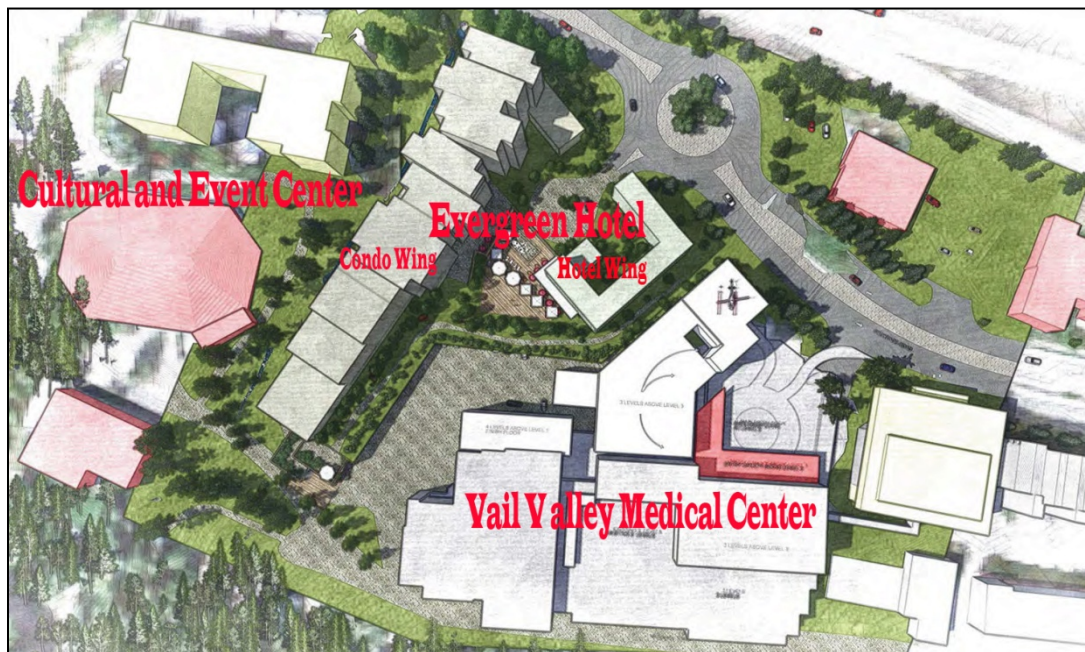
Housing: Predictions of worker housing shortages are again being heard. But Vail's ability to make the necessary investments is being outrun by the availability of land within the Town's boundaries and the escalating costs of construction. Vail has traditionally been cool to the notion of funding worker housing outside of the city limits; but is it time to recognize that there is no longer sufficient land to attain its goal of providing 30% of work force housing in town? Avon still has large tracts of vacant land that are programed for intensive development.

Recent discussions between Avon and Vail officials illustrate that the recession may have brought about a significant shift in public sentiment that now recognizes the growing interdependence of all communities located along Eagle County's I-70 corridor. The cost of developing in Avon would be much less than in Vail. Is it time to explore joint development ventures?

In addition to worker housing there is also a dearth of retirement housing. At the recent joint meeting between the Town Councils of Vail and Avon, an Avon councilwoman inquired what Vail's policy was on "aging in place." There is none. Where is the retirement housing to be for workers who have spent years working in the community? These are issues that should be on the table now.

Environmental Regulations

and Land Use: Vail sets its economic development policies through its master planning, zoning and regulatory codes. The sheer scale of the Vail Renaissance shows how effective the loosening of development regulations can be toward unleashing pent up economic forces. Prior to deregulation, property values had steadily climbed as tight limits were placed upon the supply of new construction - both residential and commercial. Most would agree that the changes have



Concept Plan for VVMC, Evergreen Hotel and Cultural/Event Center

brought greater vitality and attractive buildings, but at a price of overcrowding and putting stress on the community's enjoyment of its highly valued residential lifestyle.

New construction is occurring, but below the pre-recession pace. The Town continues to pursue high-density recreational-oriented residential projects; it has also moved to diversify the economy by expanding opportunities for medical tourism. Construction on the expansion of the Vail Valley Medical Center has begun.

A concept redevelopment plan has been submitted for the 1970's [Evergreen condo hotel complex](#). The Evergreen developer hopes to become an integral part of the medical center's operation by providing supporting residential and public parking opportunities.

Cultural and Event Center: Once again momentum is building for a Cultural and Event Center to house a variety of potential uses. Recently the [Town's Special Event Commission \(CSE\) recommended that](#) the Town Council move forward with planning for such a center. The project would consist of a makeover of the Dobson Arena to handle crowds of up to 3,500 for events and/or a new culture center on the Charter Bus/RV parking lot located at the east side of the Lionshead Parking Structure. The recommendation did not address the provision of parking, which will be a significant issue in any such development. Other alternative sites and repurposing of existing facilities throughout the community are also proposed. It remains to be seen where this will go. Finding funding will be a major factor in any such proposal.

These projects will likely further compound overcrowding, parking and public safety issues. In the rush to redevelop these and other sites, VHA urges that public safety not be minimalized but given equal consideration in the planning processes.



Vail's economic development policies include investing in eyepopping displays of summer flowers to attract tourists.

Green Economic Development Policies: In response to some critics' assertions that Vail's quality of life is suffering from the effects of overcrowding and urbanization, the Town has taken a more aggressive stance on the greening of economic development policies. Vail's Green economic policies have to date been conventional and largely symbolic. Plastic bags have been banned, recycling mandated and energy saving practices applied to government installations. The implementation of these policies has come in rapid succession and has [not been without controversy](#), added cost or inconvenience to property owners and residents when other less disruptive options were available. Recently, public safety was put at higher risk, particularly for Vail's access-impaired and aging populations when a ban on heated walkways was sought by carbon footprint activists. The widespread use of snow melted walkways has significantly reduced the costly settlements the Town paid out for slip and fall hazards, once common throughout Vail's pedestrian friendly Town Center. Snowmelt needs to be further expanded in high traffic pedestrian areas when public safety is a concern. Adopting standards requiring efficient heat sources as aging heating systems are replaced could well be the trade off to reduce the carbon footprint long term rather than requiring changes overnight as some activists advocate.

Transportation Policies – I-70 and Airport Service: Outside competition to Vail and Eagle County's recreational communities will be a major factor in shaping changes to recession-based local economic development policies. The success of Vail Resort's plans to transform Park City, Utah into an interconnected mega resort will be prescient.

The convenience and cost of both ground and air transportation will be a key factor. Vail and Eagle County cannot easily compete with ground transportation as the two hour drive on I-70 has become a major bottleneck. The Salt Lake airport is only a 40 minute easy drive to Park City by Interstate, which is far less troublesome than on I-70 from Denver to Vail.

Destination guest are turned off by the hassle factor of getting from Denver International Airport (DIA) to Vail on I-70. There are no quick fixes to the I-70 congestion. Traffic will likely worsen before it improves. Anecdotes drawn from a [recent consumer survey of the Eagle County regional airport](#) is a good indicator that Vail's high-end destination visitors have expectations of more direct connections to major national/international hubs. Fulfilling these expectations will have a significant impact on the future success of Vail as an international destination resort.

Unfortunately, Vail's air service is tied to economic subsidies for the airlines. So far that has been a "hat-in-hand" operation but now advocates are lobbying for tax subsidized funding to provide seed capital to expand the air service at the Eagle airport. Whether a tax is approved and whether it is in the form of a business or property tax are fundamental issues that voters will decide in a ballot question, perhaps in 2016. One thing that does seem clear, the present funding system is not sustainable. But, before a proposed tax increase can realistically be put before voters, there will need to be some effective leadership to guide the issue.

Wildfire Prevention: The Town of Vail Fire Department recently proposed a comprehensive program to spur its agenda to reduce the risks from a catastrophic wildfire. In making their recommendations, fire officials are understandably placing their own personal safety as their top priority. They recommend that procedures should be put in place that will cause some property owners to replace combustible landscaping, exterior building materials, i.e. shake shingles and the installation of mandatory fire suppression systems. These steps, while laudable for the long term, could become one more of the many additional costs put upon property owners in recent years. These costs have a disproportionately high impact upon local residents and aging residential property owners on fixed incomes.

Voters Need to Know Political Candidates' Agendas and Positions on the Issues: Those seeking leadership positions on the Vail Town Council should be forthcoming in laying out their environmental and economic development agenda and proposals during the upcoming Town Council electioneering proceedings. The voters should ask the hard questions about these as well as other issues rather than accept generalities as given by candidates in past Town Council elections.