



Beijing dances in Vail - Message in the medium

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VAIL HOMEOWNERS ASSOCIATION

A u g u s t 2 0 1 0

Vail Economy: The diplomatic art of trade negotiations is often preceded by exchanges of cultural and athletic delegations. By this standard, some interests in Vail are already engaged in high stakes negotiations on a worldwide scale to attract global consumers. There are those who want to "grow" Vail's economy by entering emerging international markets. The Homeowners Association is working with concurring local leaders to encourage this private sector effort.

Media attention given to Vail's international events is a key driver in attracting high end destination guests, whether from domestic or foreign markets. Vail's summer cultural program, which musically embraces a range from classical to [jazz](#), is one of those efforts moving into the attention of aficionados in many capitals of the world. Soon they may come to witness it firsthand.

The program directors for both the Bravo Music and Vail International Dance festivals, [Anne-Marie McDermott](#) and [Damian Woetzel](#), are both performers on the global stage. The New York Times gave a favorable [review](#) of world renowned dancers performing on the stage of Vail's Ford Amphitheater. The growing multi-national audiences that attend these performances foretell the success Vail can have in attracting international guests and stellar performers to its cultural events.



**Damian Woetzel - Director,
Vail International Dance Festival**



Bramwell Tovey - Conductor, New York Philharmonic Orchestra, performs at Vail's Bravo Music Festival.

Bravo Continues to Grow: The Bravo Music Festival reports that they will end the 2010 Festival season with a small budget surplus and increased revenue over 2009. Increased ticket sales especially from the Yo-Yo Ma concert and improved Gala results fueled this positive outcome. The festival managed its expenses well and in-kind community contributions were very generous.

The 2011 budget is forecast to be more modest, due to the lack of scheduled guest performers with the notoriety of Yo-Yo Ma. Festival contributions and grant revenue will be a major factor in balancing the budget. Bravo will be bringing back all three orchestras and a full chamber music program. They are planning to increase their educational outreach programs to the local communities, thanks to the generosity of their patrons.

Beijing Dance/LDTX - Vail International Dance Festival:

The [Beijing Dance/LDTX](#), formed in 2005, is China's first contemporary dance company founded independently of the government. Their performance in Vail included the world premiere of "Solitude in Numbers" by Tibetan choreographer, Sang Jijia. The dance portrays the intimate relationship among young adults shaped by the frenetic pace of urban China. Turmoil fades their youth, ending with a forlorn figure coughing hoarsely from the effects of environmental pollution - a universal message for Vail, which has its own environmental and social challenges, albeit on a far different scale. It remains to be seen if their appearance is the first of other Chinese cultural or athletic emissaries to reach out to the Vail community.



**Beijing Dance/LDTX [performs](#) in Vail.
LDTX translates as Thunder Rumbles Under Heaven.**

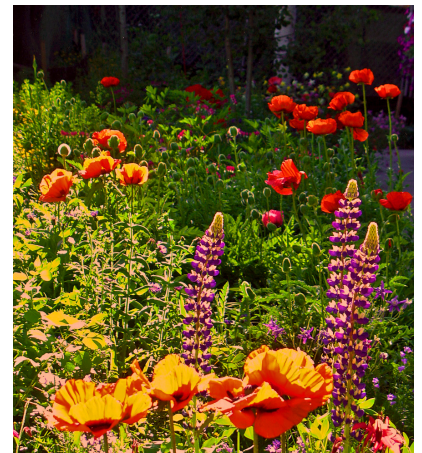


A Summer of Demolition: Pictured above is one of the several homes on the Vail Golf Course, which are undergoing demolition this summer. The demolished structures are to be replaced by larger residences. Most are custom designed single-family and duplex homes for clients that have "financial certainty". Town of Vail redevelopment policies that motivate the demolition are quickly erasing any evidence of the early decades of the community.

There are few, if any, homes underway being built by speculators. This is, according to some in the housing industry, because of tightened finance qualifications resulting from the need to reform national [affordable housing policies](#).

There are those saying that it is time for the community to revisit its growth policies with respect to 2004 zoning amendments that set off an irrationally exuberant building boom. There is a persistence of the mindset that, despite broader economic realities, the boom era can be resurrected. A review of current revenue from the [Town's building permit and fees](#) gives a strong clue as to their motivation. Historic zoning has been suggested as one tool to protect the scale and character of Vail neighborhoods, while allowing a degree of new development. There are those who are increasingly dissatisfied with the continued excessive urbanization of the community.

Some point to examples like the removal of sections of trees that once screened the expanse of parked cars on the Lionshead Parking structure. This "truck stop" appearance makes Lionshead a less desirable destination. The building that is to replace the trees does not accomplish the same effect, nor was an adequate attempt made to do so. They add this to the insensitivity of a glaring white metal roof for Dobson Arena and the enforcement of inflexible parking requirements that pave over open spaces and beautiful gardens.



Pave paradise?

The Broader View: Nationally, it is estimated by some analysts that the effective unemployment rate is reaching 20%, which includes those who are no longer eligible for unemployment benefits. These conditions, according to some

forecasters, are equal to the early stages of the "Great Depression". Others are saying that "official" unemployment numbers will continue to rise. The Federal government, according to some critics, has limited ability to [stimulate economic growth](#) and cajole the private sector into [job creation](#).

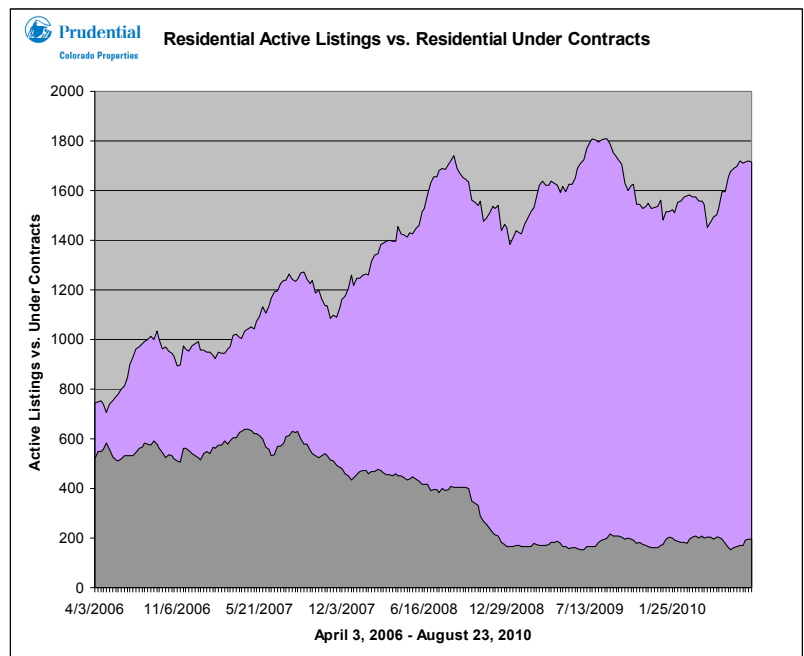
Cash heavy companies and financiers, rather than expand production, which adds employees, are relying on more "temp" workers, investing in labor saving devices, paying off debt and rewarding dividend investors. While capital and credit markets for Vail small businesses remain for the most part frozen, worries over stagnation and further devaluation in the [national housing markets](#) continue to keep buyers on the sidelines.

Some analysts are saying the way to [national economic recovery](#) is to increase consumer demand. But, if consumers are worried about job security they cut back on spending. The possibility for a downward spiral of devaluation is then created, which results in even less production, employment and consumption.

The implication of economic uncertainty for Vail and other similar resort economies is closely tied to the deleveraging attitude of its boomer aged American property owners. There are market forecasters reporting a trend in some winter resorts where single-family owners are downsizing to smaller condominium properties. Boomers are moving to protect their retirement assets. Many no longer see the need to maintain residences to accommodate their entire family on holiday. If they need additional space they will rent. Likewise new consumers, it is being said, are looking for smaller units. This presents a challenge for Vail, which has an extensive unsold inventory of luxury properties.

Real Estate: There has been shrinkage in the number of local real estate agents. An industry observer reckons there are 700 agents operating in the Vail Valley area, which has been the norm for several years. The high (811) was in June of 2007. Sources report that many of the experienced agents are "holding their own", while others are less assured. Many are hanging on, hoping for a turnaround within the next 12 months. Sales, while on the rise, double over this time last year, are having marginal effect in reducing the inventory of available properties throughout Eagle County. ([LA Report](#))

Foreclosures Continue to Rise: The [foreclosure activity](#) in Eagle County has reached thus far this year a high of \$232.5m in transactions as compared with the pre-recession amount of \$5.4m in 2007. Foreclosures rates are not abating in the hardest hit Eagle/Gypsum area.



Town of Vail - Summer Sales Tax Improving: The published numbers for July report a [sales tax](#) increase of 8.1% over last year. As of end of June, across all funds and revenue accounts the Town is up 13.8% for the same period a year ago. ([TOV Revenue Trends](#)) The "Out of Town" category in the Town's June report showed a 21.6% bump upward from June 2009. Much of the increase is the result of one-time sales of large shipments of furniture for development projects in the final stages of completion. According to a Town of Vail report, some luxury hotel properties are reporting that both daily rate (3%-5%) and occupancy are beginning to move upward, this trend is seen as a potentially positive sign for the [Vail lodging industry](#).

Marketing Logistics Improving: The Association's effort to encourage the Town and Vail Resorts to merge their summer and winter marketing campaigns is having a [beneficial effect](#) on summer business. The credit in large measure goes to Vail Resorts for putting its Vail based marketing expertise to work on the project. Progress was made in clarifying the marketing message and moving away from print to Internet based promotions and social media. Vail leads most major resorts according to [taxable sales](#) indicators thru April this year. An analysis by the Town reports that thru April, the [economic recovery](#) is fragile and has not caused a significant change in demand for tourism or real estate. Aspen is reported to have had a persistent 15%-20% in store vacancies, while Vail's to date is but a small fraction.

Employment in a Modest Seasonal Rebound: The [Eagle County unemployment](#) report for July is 7.88% down from an 11.15% high in May. The local work force will soon experience a quantum shift in the demand for employees who have experience in the tourism industry.

There will no longer be a strong demand for the construction trades. Competition is fierce for the work that is available. Many in the development business took up residency within the last fifteen years. Their children have grown up in the Valley. Current economic conditions have put their futures at risk. The transient labor force cannot easily find work elsewhere; many may remain locked in place until conditions improve. The continuing availability of public funds to create local jobs is in doubt.

Private sector economic development becomes the most potent tool to stimulate jobs. Vail and Eagle County remain highly valued destinations. There is ample inventory of residential property to attract domestic and international investors.

The vibrancy of the Vail lifestyle is dependent upon attracting and engaging a well educated youthful work force. In the opinion of some observers, forward momentum in job creations is stymied because of the fractiousness of the local business community. There is a disjointed vision of the area's future.

Ever Vail Project a Prime Example: According to some, the development of a new Town Center in West Lionshead has fewer opponents as the "recession" drags on. It may be more of a two way street than has been the recent popular perception. There are those who speculate that Vail Resorts wants to add the \$1 billion project to its bottom-line. They see the need for the company to capitalize the value of the project; it cannot afford to write it off. There is an additional advantage because they don't have to pay for the cost of the land, they already own it. Ever Vail could have a positive impact on the company's stock price because of the latent fair market value of the project.

Vail Resorts will, if the Town fails to approve the project, have to take their capital investment dollars elsewhere. One of the consequences is the loss of a 1,200 vehicle, developer built, parking structure that the Town of Vail can ill afford to build itself... this, in the face of demand for more low cost or [free public parking](#). The bad will and potential for litigation generated by a denial, may suit the objectives of those who believe that many of the qualitative aspects of the Vail lifestyle have been harmed by the magnitude of Vail's urban development that has occurred in recent years.

It is being reported that a Town of Vail research study is indicating that there is insufficient market justification for the amount of commercial space proposed for the project. Company officials indicate that they may adjust their proposal downward, replacing the lost commercial space with additional residential units. Many in the community are concerned that both Town and company officials avoid a stalled multi-billion dollar project, like that occurring in the base village at [Snowmass at Aspen](#).

Public Spending Policies and the Lionshead Transit and Welcome Center:

The Town of Vail is considering building a \$6.1 - \$7 million Transit and Welcome Center. [Design options](#) for the building include interior functions beyond those typically found in such centers. A large "community room" is being considered, along with youth recreational facilities. The cost of the building is to be financed through a bond issue repaid from a special redevelopment TIF fund. The



authorization for the bonds does not require voter approval. The bonds are to be [issued prior to voting](#) on a proposed statewide amendment, which if approved, would restrict the spending of TIF funds without voter approval and reduce the amount that could be spent.

The Homeowners Association has noted to the Town Council, that because of the recession driven sensitivity of voters to non-essential public spending, it should exercise more strenuous financial planning standards in the approval of new projects. It was suggested that before non-essential spaces were added to the Transit and Welcome Center that a detailed business and operation plan should be completed. Rather than base a \$7 million decision on hypothetical commitments from community groups who say they will use the facilities, a business plan with confirmable revenues from fees that cover, in part or fully, the proposed facility's management and operating costs should first be completed. If additional public financial subsidies are required, then they should be weighed against the specific public benefits achieved. The Town Council has requested that the [business plan issues](#) be considered by the Town Staff.

Eagle County Airport in Realignment Mode: Commercial flights to the Eagle County Airport are underwritten by an alliance of local businesses. The business plan for the Eagle County Airport is in flux because some of these businesses are changing their funding approach to better weather the recession. New and dropped flights will [decrease bookable](#)

[seats](#) by roughly 4%, which is on par with most other resort airports in Colorado. The decrease in service is not considered egregious.

The change is causing the Airport Authority, controlled by the County Commissioners, to begin reassessing their operation approach by developing a long-term strategic plan. The Airport, according to informed sources, has ample financial resources generated by airport operations and has the flexibility to improve support services or reduce fees. Several approaches are under consideration. A report is due out shortly that will evaluate the costs and benefits of opening an international terminal in an existing private terminal building.

Much of the future planning is dependent upon the shakeout and consolidation underway in the foreign and domestic commercial airline industry that services the United States. A [troubled major airline in Mexico](#) could affect travel to Vail from its largest market of international visitors. Charter flights, considered a higher risk by some in the industry, may take the place of some regularly scheduled flights. Officials are also looking to expand regularly scheduled service by attracting low cost carriers.

Vail Recreation Paths See Increased Use and Conflict: The success of Vail's summer marketing program is having unintended consequences for the community's extensive network of recreational paths. There is a marked increase in bicycle riders, most notably families with small children. The conflict between fast riding advanced bikers and pedestrians is an increasing problem as well.

An [email skirmish](#) between some residential owners in the Intermountain Subdivision in West Vail and the Town Council about recreation path safety is working its way through Town Hall. The Town has narrowed a wider path along the busy South Frontage by adding another path on the opposite side of the road, so that bikers will not have to ride against traffic. The configuration suits bikers, says the Mayor, but neighbors say that it endangers pedestrians forced onto a narrow path. The solution, widening the recreation path will be expensive, thus the resistance from members of the Town Council.



The Homeowners Association has suggested to Town officials that the recreation path, bike/pedestrian conflict needs to be addressed and funding considered. It has requested that a comprehensive improvement and regulatory plan be prepared. Some have suggested that recreation paths need to be rated, similar to ski runs, so that users know in advance what to expect in terms of difficulty and hazards.

Town of Vail in Negotiations to Renew Cable Franchise: Comcast holds the Vail cable franchise, which has expired and is now under renegotiation with the Town of Vail. The franchise is non-exclusive, which in theory would allow for yet another cable operator to service Vail. The Vail market is not big enough to attract the attention of another bidder. This leaves little leverage for the Town and local subscribers to cause the cable company to make improvements.

The antiquated condition of the cable system in Vail limits the ability to provide the state-of-the-art service typically available in major metropolitan areas. Thus far in the renegotiation, Comcast has not agreed to entertain upgrading the system's outdated distribution technology.

Complaints are being received by the Town from subscribers about the quality of service. It is reported that the cable company has not acquiesced to the possibility that there is customer dissatisfaction with their service. Nor have they made any proposal to improve or expand service. [Comcast Customer Service](#)

There is little the Town can do, with the exception of requiring a system wide compliance audit of equipment and installation requirements set by the Town in a prior agreement from the mid-1990's. The Town Council may conduct public hearings on the matter beginning in September.

The only other source for television, other than satellite, is to download video clips from the Internet. Satellites have capacity issues and weather related reception problems.

The franchising process is even more important today because the cable operator now delivers not only television but telephone and internet services as well. Vail critically needs state-of-the-art communication links to the outside world. It is essential not only for emergency communications, but also to attract high end guests and property owners, many of whom are dependent upon such services to operate their businesses while in Vail.

POINTS OF VIEW – FROM OUR INBOX:

Town of Vail Franchise Negotiation with Cable Communications Company Critical to Vail's Economic Development:

The Town of Vail is about to start contract negotiations with Comcast, the local cable communications provider. It is very important at this juncture to make sure that the services they offer meet the demands of our residents, guests and businesses.

Somehow we have come to accept as inevitable the services and pricing offered to the Vail community by Comcast as well as many other providers. More often than not, we pay more for less than these same companies provide to their customers on the Front Range and other communities. It is high time to demand more. Increasingly, Vail (and the surrounding communities) is experiencing a more broadly based and sophisticated resident and guest who are accustomed to having a wide range of services and technologies at their finger tips. Many of these people are sorely disappointed by the lack of such services when they visit here or take up residence. "World Class" hardly describes our choices.

There are many reasons given as to why such services are not available but when it's all said and done it comes down to two things; these companies don't want to spend the money to provide them and we as a community have not demanded them. Logic would tell us that these services and options cannot be delivered overnight but contract negotiations should start with the premise that they are essential to the quality of life we are proposing for the future of this community.

It is suggested that in the future, the town enter into an agreement with all of these companies that outlines a time table for delivery of a wide variety of programming, internet and phone options - the same options that our residents have a right to expect and that our guests experience in other resorts as well as in their home communities. It is also suggested that any new contracts either have very specific exit strategies for non-performance or shorter contracts that allow the flexibility so other options can be pursued if products don't come on line that meet the expectations of our residents and guests.

It is unconscionable that we portray our community as an international destination and yet offer only the most basic of technology to the world traveler and our residents and businesses. The term World Class should apply across the board to all of the services in Vail.

2015 Lacking Leadership from the Community: Congratulation on the Vail Homeowners Association Newsletter being quoted in a recent snow industry online publication. Unfortunately, the leadership, imagination and initiative embodied in the VHA Newsletter stands in stark contrast to the Town of Vail response to the 2015 Alpine Ski Championships and the recently announced Quest Colorado Pro-biking event next year.

There seems to be consensus that tourism is going to be the economic engine of Vail Valley for the foreseeable future. Having Vail recognized as a world-class destination is an important lynch pin for our economic future. There will probably be no better opportunity to showcase Vail and positively affect its economy than the World Alpine Ski Championships. Others in the Vail Valley seem to get that. Avon town leaders are already thinking about what they can



This cable junction box remains in the condition shown above, in late August, after the cable company repaired the pedestal last winter. The repair was necessary because of the inappropriate placement of the service box next to a pre-existing roof drain. The junction box malfunctioned when it became encased in a solid block of ice from the roof drain during a thaw. The malfunction cut service to the Vail Valley Medical Center for some hours. As the types of communication services available over the cable system expand, occurrences such as these could have life safety implications.

do to take advantage of the events. And, it was also reported that the Vail Valley Foundation is likewise well into the planning process and, in just 4 months, it will host the Ski Federation to clarify plans for the events. Obviously the clock is ticking.

Against this background, it was reported that the Town of Vail's Town Manager inferred that Vail has no "wow factor" plans for the 2015 Championships. The Manager believes, because of all the recent redevelopment, Vail is already prepared and should wait until the Vail Valley Foundation finalizes plans before addressing what, if anything, Vail might do. Is the community's leadership letting opportunities slip out of grasp? Here is perhaps the best opportunity to promote Vail and the TOV is sitting on the sidelines, apparently not trying to engage in shaping the event itself and the bump in related tourism that could last for years afterward.

Shouldn't the Town of Vail and the community be revving up, asking for a seat at the table and trying to be creative to maximize this opportunity? You would think so, but it doesn't seem to be happening. Once the plans have been finalized, all Vail will be able to do is go along...what a waste that would be.

It seems that the same attitude prevails for the biking event. The biking organizers are asking for bids from communities on each "stage" of the race. It doesn't appear that the TOV has done anything yet. Given the popularity of biking here and Vail's history in the sport, one would think Vail would be in prime position to secure a stage. With a stage in this race event, it wouldn't take much more effort to promote Vail as "bike town USA". Again, with the event just a year away the clock is ticking but there seems an indifference to this facet of tourism.

It is amazing that Vail is not more visible in the cycling world. Yes, a lot of people come here to bike but Vail doesn't appear to have really capitalized on this sport. Vail should be a major summer biking destination. Already it has significant rides with thousands of amateur participants. There are many miles of mountain bike trails throughout the surrounding White River National forest including Vail and Beaver Creek mountains. Vail should be prominently featured in any list of top biking destinations in, for example, Biking Magazine, but is it?

What could be a golden opportunity to promote and expand an important facet of summer tourism sits there for the grasping but nothing is happening. Here is a chance to engage the valley's biking community to create a plan of action to put Vail at the forefront of this event...but once again, no leadership. All of this goes to a larger issue. Think of how the community could be pulled together around a multi-faceted "Vail 2015" plan, of which the Championships and cycling events would be parts but not the sum total. With vision and planning a host of initiatives could be developed and launched, all aimed ultimately at establishing Vail as a year-round world class destination, a place that people would put on the top of their vacation bucket lists. Unfortunately, all of this takes leadership, imagination and initiative. That seems to be in very short supply in the Town's officialdom.

Appreciates 2015 Provocative Thinking: Thanks for your provocative thinking, which is so on point. It's too bad there is not someone in the community that has the responsibility to help facilitate and coordinate the initiatives from the town, Vail Valley Foundation (VVF) and Vail Resorts. This person should have the responsibility of monitoring and targeting these programs and events that are (or will be,) of interest to these entities. The continued problem for Vail is the divided responsibility and unwillingness of the Town of Vail to step forward. It's also an issue that everyone looks to the VVF for such leadership. From my perspective, someone in the community should assume more of this role. This is a continuing and complex issue with seemingly no one taking charge.





Sculptor Steve Tobin's "Steelroots" takes a walk in Ford Park.

SPECIAL EVENTS CALENDAR

Membership Information
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