



What lies around the next curve for Vail?

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VAIL HOMEOWNERS ASSOCIATION

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Qualifications for Election to the Vail Town Council in the “New Normal” Economy: The Vail community’s economy is moving from the good life of development and real estate sales to the far more competitive profit margins of tourism. Those who are elected to Town government leadership must show that they can give voice and vision to new economic realities. They must demonstrate that they recognize that local government no longer has the financial ability to play the same central role in the affairs of the community that it did under the “old” economy. The burden of leadership is falling on all segments of the community to join in collaboration to get through the tough challenges ahead. It is time to walk across the social divide and work for the common purpose of building our new tourism economy upon the phoenix that is rising from a multitude of construction sites. The days of improving Vail’s infrastructure through the benefit of new construction incentivized by zoning increases or the promise of using public lands, need to be set-aside for the time being.

Each candidate, whether incumbent or newbie, must show that they can break with their past affections for “wants” and get down to the business of meeting the absolute “needs” of the new normal. They have to be ready to make the painful decisions to change or reduce Town personnel, whether appointed or hired and to form new collaborative alliances. They must be ready to keep the Town within its financial means and willing to let the private sector take on more of the responsibility. They should be able to see the need to restrain the expansion of government authority and intervention or competition with local businesses.

Those who say they are qualified or have the “will” to serve must show that they can lead the way from the old to the new economy. The founding values and principles of Vail emphasized a shared leadership between the community and the Town Council. During the past years of economic excess, the government bureaucracy has strayed from those principles,

taking on a more central role. The status quo must give way to a generation of leaders who will build upon and respect the wisdom of the original vision.

It truly is a time of change, but care should be given to avoid the pitfalls of change for change sake. The community needs elected officials who know the larger world, not just those who know how to tread the well-worn path of local politics. Those elected must be able to exert influence to reinforce the collaborative leadership between the community and Town Council. The voters must take a good hard look at past performances and weigh them against the leadership qualities needed to navigate an optimistic but uncharted future.

VHA Online Candidates Election Forum 2009

The Homeowners Association has extended the opportunity to every Town Council candidate to give written responses, "in their own words", to questions raised about issues in this edition of the VHA Newsletter. These issues are of concern to the Vail Homeowners Association as well as the wider Vail community. The purpose of the [Online Candidates Forum](#) is to provide a direct link between the candidates and the Vail electorate. Updates will be added to the forum until Election Day, November 3rd.



The Town of Vail - a Bureaucracy or Democracy?

Term Limits and Popular Election of the Mayor: In anticipation of the upcoming November election, the Vail Town Council considered - but rejected, asking voters to change the Home Rule Charter. The debate was whether or not to eliminate the obligatory 2-year term for the councilperson elected with the lowest number of votes. It was proposed that all council terms become 4 years and to extend term limits from 8 to 12 years. The intent was to bring the Vail charter into compliance with the Colorado State Constitution.

There are those who objected to uniform 4-year terms because it opened the possibility of a "coalition" of special interests to dominate public policy. Others see public policy "lurching" from side to side, depending on which special interests hold sway. Some want to retain the ability to elect a new majority every two years, which the proposed charter amendment would have removed.

Vail's elected officials have, to a degree, been influenced by staff and appointed officials who have often been on the job longer than the elected officials. Based on their "seniority," these long-termers have been known to attempt to superimpose their views upon elected officials. This happens, as some see it, because there is no publically elected leadership position, like a Mayor, who runs on a specific platform.

Currently, the Town Council elects the Mayor every two years from among its members. Some argue that the highest vote recipient should automatically become Mayor; others counter that popularity is no substitute for depth of leadership and vision. There is a belief by some that the Home Rule Charter should be changed to allow the Mayor to be elected by the community.

A difficulty is that candidates are sometimes solicited based upon their commitment to carry out the specific agenda of special interests and their adherence to maintaining the status quo. Vail Town Council elections are non-partisan, replacing partisan bickering with a debate over substantive issues rather than party ideology.

Public Participation on the Wane: The role of community constituents and the public has been steadily eroded and restricted. There are fewer and fewer opportunities for interested parties to publically interject their concerns in the Town's policy making and project review processes. Council work sessions have become the exclusive purview of appointed public officials and staff or their consultants. By the time an issue reaches a level for public comment, hard and fast positions have already been taken by Town officials. Excluding public participation in the early stages of Council discussion can lead, and has led, to serious oversights and errors.

Shrinking Voter Base – Amendment of the Town Home Rule Charter or Annexations May Be Necessary: There is skepticism, on the part of some, that there are enough willing and qualified local residents to run this complex resort community. The high cost of residential real estate reduces the number of voters able to live in the community. Increasingly, working local residents must live in government-subsidized housing. Some say this is causing these residents to become beholden to Town officials. Some of these officials see gain in maintaining a large government dependent class, others do not.

Those who reside in seasonal subsidized housing are the segment of the population that tends to be the most transient. The Town Charter requires only 30 days of residency to become a voter regardless of property ownership. Some fear that voters with fleeting residency could change the outcome of a local election on far-reaching and important issues.

The situation is made all the more problematic since more than 70 percent of residential property owners are non-resident and therefore unable to vote in local elections. The individual voices of non-resident property owners are often drowned out in the political discourse by the locals. The majority view of Town officials is therefore skewed decidedly towards a minority of the community's residents and property owners. Many local permanent residents (i.e. voters) are nearing retirement and are spending less time in the community with the likelihood that once their properties are put up for sale, they will be purchased by part-time resident buyers further decreasing the voting participation of residential property owners.

There are those who believe that to have a government that more equitably represents the full spectrum of interests in Vail's resort community, non-resident property owners should have increased opportunity for participation in the affairs of local government. They say that partial or full voting rights should be extended to non-resident property owners through an amendment to the Town Charter, which is allowed in the State of Colorado. The Vail Recreation District (VRD) allows voting by non-resident property owners who reside in Colorado.

Or, there are those who desire to annex new territory, beyond the Gore Creek Valley (East Vail to Dowd Junction), so that an expanded base of local voting residents can be absorbed into the Vail community. The number of new voters may outnumber current Vail voters and many may have no direct interest or experience with Vail issues. Vail voters, except through initiative and referendum election, have no voting right to block an annexation. If a majority of property owners in an area requesting to be annexed, sign an annexation petition, the Vail Town Council may approve the annexation.

Where is the Town's Money Going to Come From?: Some believe that the most important defining issue the new Town Council will have to address is the declining Town income. There have been Town studies done over the years, which say that a mature resort cannot survive on sales tax receipts alone. The Town was able to keep a positive income over the past 10 years because of the development and real estate bubble, which has now ended.

The Town's income is going to drop - and drop dramatically. How will the new Council deal with this situation? Will they keep the business subsidies like free parking and employee housing at the expense of services? Do they have the courage to cut these subsidies?



AUGUST 2009
VAIL BUSINESS REVIEW

Critics believe they will not. Cut backs in staffing and other Town expenses should happen, but they doubt there will be the political will to make them. If so, then the Town's finances will continue to deteriorate. Services will have to be cut or taxes or fees increased, which will be politically unpopular.

This, these critics say, is a bad cycle to fall into. It would provide a worse experience for Vail's visitors, while at the same time looking to them for more spending to help the community through to the new normal. In their view, it will not work.

This, some believe, will be the defining issue for the next 10 years. The Council candidates need to become aware of the facts. Critics say, some may not see it coming at all. [Town of Vail Revenue Highlights](#)

Tourism is the Only Game in Town...For Now: Some say it is now time for Vail to move from the unrealistic distractions of endlessly talking about building monumental developments or expanding its territory, to drawing in many more destination visitors by burnishing the assets the community already has. Most of the "strategy consultants" who have come through town have said stop talking about building buildings and start talking about filling them.

Redirecting Vail town politics, glacial as some view them, is like turning a battleship. Missed opportunities and good ideas sometimes fall by the wayside because of bad timing or outdated inertia. The near \$10 million in the conference



The source of Vail's blue sky dreams. What will Vail be in 20 years and beyond?

center fund is the object of desire for those wanting to spend from the public purse. Some see an inordinate amount of behind-the-scene maneuvering by established interests to "liberate" the fund for their particular projects. Recreational, health/wellness, parking and cultural interests have in their respective aspirations, spent the sum several times over. None, however, have come forward with detailed business plans that show a return on investment that reverses the Town's downward economic trend. Rather than take sides, some believe the Town's role in the new economy should be to provide the funding and resources to analyze the economic and community productivity of all of the various proposals, before making any commitments to pledge funds.

The Future of Ford Park - Parking Lot or Park: There is a proposal to build parking structures on Ford Park to provide parking for general community use, similar to the usage at the Vail Village and Lionshead parking structures and transit centers. There are those who object to such parking structures saying that the voters purchased Ford Park as a park, not as a parking lot. They say that any parking built on Ford Park, structured or otherwise, should be no more than that needed for year-round, existing and future, cultural, recreational, and education amenities located solely on the park. As in Donovan Park, when the amenities and facilities in the park are in limited use, then the parking could be used for other community needs. However, the intent would be to build only enough parking to meet the required standards for uses in the Park and to give priority to parking for events, facilities and activities held solely at Park facilities. In addition, there may be legal restraints that prevent the building of any parking structures on the site.

Parking and Mass Transportation Policy: The endless and some say mind-numbing debate about parking is also falling victim to economic conditions. The Town's financial state may necessitate that it transfer the demand to build more and more parking to the private sector. Until the private sector is able to pick up the slack, pragmatic solutions are the only alternatives. Rather than spending millions on building new public parking, parking on the Frontage Roads is the only significant fall back strategy. However, considerable public investment needs to be made in upgrading its safety and appearance. Improvements such as street lighting, bus stops, roadway medians, landscaping, variable message signage and cross walks are needed. It may be necessary to convince the Colorado Department of Transportation that they should

allow continued free or permit parking on the Frontage Roads. Importantly, the Town may have to transfer more resources to the operation of collaborative mass transit bus systems to move residents and visitors throughout the I-70 corridor.

Affordable Housing: The new economy is having its effect upon government subsidized housing. Throughout Eagle County it is reported that sales are brisk for owner occupied subsidized and lower priced free market housing. The Town is pulling back for the time being in building subsidized (deed restricted) owner occupied housing. Demand for seasonal housing has lessened as the construction boom comes to a close. The Town Council has entered into negotiation with a developer to redevelop a portion of the Town owned Timber Ridge seasonal housing complex. The intent of the redevelopment is to replace half of the aging complex by doubling the density as a financial incentive to the developer. There are those who say the Town must release itself from the debt and operational cost of the existing project sooner rather than later. Critics respond, at what cost and why should the project proceed when there is perceived fall off in demand? They note that Vail Resorts is continuing with the construction of 120 affordable seasonal housing employee beds in Lionshead. Further, the Town now requires all new construction to either build or finance their affordable housing requirements. There are concerns by some whether the architectural design of the Timber Ridge project will fit in the community. The developer currently in negotiations with the Town has not built in Vail or the surrounding area previously. Since the Town will retain ownership of the land and also controls the review process, critics say requirements for good design may lose out to the project's profits requirement. Others are concerned with the safety of residents getting to their jobs from the complex, because there are those who now dart across I-70 on foot. The proposed Simba Run underpass is designed to eliminate this safety issue. However, it is not scheduled for construction any time in the foreseeable future, if ever.

Environment and Public Safety: The recent wildfire in West Vail was an example of the precariousness that exists by Vail's proximity to the ravages of the pine beetle infestation. The Town Council recently approved setting aside \$5.4 million dollars for the construction of a new fire station in West Vail. Some property owners are more concerned about the immediate fire danger. They would like to see the Town become more aggressive in causing the removal of dead trees from private property and the surrounding forestlands. Others question whether the Town is fully prepared to evacuate the community on short notice should a catastrophic wildfire occur.

The environmental effects of Interstate 70 noise and water pollution remain as festering challenges. Quiet pavement has been installed along most of the length of I-70 in Vail; however, the reduction of 2 decibels in noise levels is estimated to be short lived because of wear. Some are saying that the Town has to become more proactive in providing more physical barriers to reduce noise pollution.



Noise barrier berms are being constructed in East Vail through a joint effort by the Town and the Colorado Department of Transportation (CDOT). The berms are being constructed with road sand dredged from a tributary of the Gore Creek drainage in an environmental cleanup effort. Thousands of tons of road sand from CDOT's maintenance of I-70 have migrated into the nearby stream. Newly applied road sand is now being intercepted before it reaches the stream. However, years of accumulated sand remains and is migrating downstream, threatening Vail's world-class fishing and water quality. Concerns are being raised that due to the potential for budget cuts the Town and CDOT may be unable to continue the dredging and berm building projects. If not, some are concerned that more expensive solutions will have to be funded to protect Gore Creek.

The Town has caused millions of dollars to be invested in dispersed loading and delivery terminals throughout Vail Village. All loading and delivery terminals under construction are scheduled to be completed by July of 2010. The Town is installing closed-circuit television to better monitor and enforce loading and delivery regulation as well. It is expected that once completed, the Town will take further steps to limit the noise and other polluting effects from truck deliveries by encouraging increased utilization of the dispersed loading and delivery terminals.

Development Impact Fees, Exactions and More Regulation Changes Proposed: A private planning consultant, who represents private development interests, evaluated the financial impacts on the construction of new development in the Town of Vail. The Town Council is currently reviewing several changes to development/building codes and impact fees. The private consultant's conclusions are that there will be significant impacts for certain types of developments. This is one in a series of issues being raised by development interests in the Town Council election. Many in the industry say that excessive fees and sustainability requirements will add prohibitive costs to building projects that will hinder economic recovery of the development industry.

Others object to excessive “exactions” being imposed by the Council, such as the requirement to remove “deed restrictions” from the Lionshead parking structure in exchange for approval of the Ever Vail project. The deed restriction limits the site to parking and transportation uses. There are those on the Council who would like the Town to redevelop the site into a major urban center to include hotels, condominiums and retail commercial uses. Some on the Council claim that the Town Council now has the right to make such demands. Other knowledgeable sources say that the Town has not prepared the proper legal justification, (a nexus study), to substantiate their claim.

There are those who believe that neither the Vail Village nor the Lionshead Parking Structure should be redeveloped with commercial and residential uses, that they should retain their primary functions as public parking and mass transit terminals. In addition, others believe that the landscaped open spaces and other cultural attributes associated with each should be further protected.

Some are concerned with the potential to further weaken development standards and review processes in Vail. They are concerned that a "streamlining" of the Vail development control codes will allow for more and larger buildings, as well as reduce the notification and right of comment for affected property owners. Still others say that with a large inventory of approved projects still remaining to be built, it is unrealistic to think that weakening development standards will have any affect on encouraging development for at least the next 5-10 years.



POINTS OF VIEW:

Proposed Town of Vail Impact Fees – David Viele:

I think we should be mindful of the negative impact any additional fees will have on the building industry at this time. I could see how the Town’s plan would make sense if there were a waiting list for building permits. In a time where some of our neighboring governments are waiving impact and building permit fees to induce construction activity, this measure seems all the more unreasonable.

The Town of Vail clearly is in a need of a more reliable and consistent revenue stream to address our aging infrastructure needs. The majority of the projects (far in excess of the percentage demonstrated in the consultant’s analysis) in the plan are related to an aging transportation and travel experience not commensurate with the experience Vail wishes to provide guests. Absent the ability to issue revenue bonds, a substantial increase in our mil levy through a General Obligation Bond seems the only logical course of action. The potential for future development is negligible at the current time, a function of existing regulation, available space and market conditions. Further, substantial revenue from development, or redevelopment as the case might be, will prove to be unreliable for the foreseeable future.

If the Town’s desired transportation plan is truly necessary, it should be a shared expense, burdened across the whole community as a majority of the needs are related to aging and inadequate infrastructure. We are encountering similar issues at the Eagle River Water and Sanitation District (ERWSD) with regard to aging infrastructure. Our budgeting process has focused on increasing consistent and reliable revenue streams as we expect the revenue generated from tap fees (and other impact fees) to be a fraction of what they have been over the previous five years. Further, any new product and associated infrastructure brought to the market will have a useful life of at least 20 years; much of the current infrastructure has exceeded its useful life, as is the case with many of the Town of Vail facilities and transportation systems. Thankfully, ERWSD has the ability to issue revenue bonds as our balance sheet is strong. I am quite certain we would not be able to issue General Obligation Bonds at the current time, and suspect the Town faces similar concerns.

Respectfully, David Viele

Lodging Tax Proposal - Bart Cuomo:

In response to the recession and downturn in business and thus sales tax revenue, an ad hoc committee, Vail Citizens for Action (VCFA), is suggesting that the Town of Vail propose a 3.1% increase to the existing 1.4% lodging tax. If approved, the Vail lodging tax would be increased to 4.5%. This proposed tax increase would have to be approved by Vail Voters. [VCFA White Paper](#)

The VCFA has presented an outline of the situation in support of this tax. However, we cannot support this tax in any way shape or form for the following reasons:

1. The VCFA report points to rising unemployment, significant declines in sales tax collections, real estate transfer tax revenues and construction permit revenues as bona-fide reasons to support this tax. A major factor in the decline of sales tax collections is the decline in lodging tax revenues. While the lodging community is responding to the economic downturn by employing the basic laws of supply and demand by cutting rates, offering discounts and incentives to the guests that are our life-blood; what the VCFA on the other hand is proposing is to INCREASE the cost to those whom the lodging community is attempting to court. It is naïve to believe that this added cost could be passed on unnoticed to our guests. In the end, guests look at the total cost of lodging including all taxes and fees. In difficult times like now, guests are scrutinizing every aspect of their ski vacations and tend to have a fixed amount that they are willing to spend. In effect, an increase in the lodging tax is a tax on the lodging community and it is unlikely that the lodging community will be able to pass on the cost to guests. An increase in the lodging tax will make Vail less competitive, while taking a chunk out of the pockets of Vail businesses.
2. To our knowledge the Town is making no attempt to enforce sales tax collections against private homeowners who rent their property over the Internet on sites like VRBO and Craig's List. A visit to those sites illustrates that the number of private rentals on those sites is large and growing. An increase in the sales tax for legitimate business operations while ignoring enforcement against these individual property owners puts business at an increased competitive disadvantage. Where is the logic in these difficult times of punishing those who comply with the law and benefiting those who do not? Again, this tax increase would cause another blow to the legitimate Vail businesses that are already suffering as result of the recession and natural forces of supply and demand.
3. It is a mistake to increase taxes and then place those funds in the hands of those who have not demonstrated the ability to effectively deploy marketing funds. Many in the Vail lodging community wonder where the Vail Marketing Funds have gone and would like to see information on the expenditures of those funds and quantifiable data as to the benefit of those expenditures. Before any lodging tax should even be considered, the community needs to see detailed information on the historical deployment of funds collected by the Vail Marketing District. One partner in the District, the Vail Valley Partnership, certainly has to be called into question. The Vail Valley Partnership, as its name implies, is not Vail-based, but Valley-wide based. Vail tax dollars must be 100% allocated for the benefit of Vail businesses. The Vail Valley Partnership is not representative of Vail and to be frank, has proven not to be effective in any area of expertise including as a reservations center or marketing entity. We simply cannot continue to put money in the hands of unqualified and unproven entities.



What are the solutions? The Town must simply tighten their belts and sharpen their pencils just like every other business in Vail. With respect to marketing, the following ought to be considered as options:

- A. Revisit deployment of the existing Vail Marketing District funds ensuring that every dollar spent is for the benefit of Vail as opposed to the Vail Valley.
- B. Consider contracting PROFESSIONAL marketing expertise in the use of Vail Marketing District funds instead of continuing to keep it in-house... which is not working. The marketing and advertising world is very hungry and a competitive bid process could generate surprisingly significant interest and surprising results.
- C. Give more funding to Vail Resorts for marketing Vail. Vail Resorts has more marketing expertise than any other entity operating in Vail. Private enterprise can make more effective use of funds as opposed to local non-profit entities which tend to have too many contradictory or incestuous relationships.
- D. Give funds back to Vail businesses that generate the revenue in the form of marketing vouchers. Let the businesses who generate the tax revenue utilize those funds to market their product. The more they generate in tax revenue, the more they get back for marketing.
- E. If an increase in tax is going to be considered, keep the increase reasonable; 4.5% from 1.4% is outrageous, more than tripling the existing lodging tax. By most standards, a 50% tax increase is significant as opposed to the proposed 221% increase in the lodging tax and 32% overall increase in sales tax. Higher taxes for consumers is not going to make Vail more competitive!



Aspens Almost Gone - Winter's On Its Way

For More Local News: [Eagle County Times](#); [Mountain Town News](#); [Real Vail](#); [Vail Daily](#); [Vail Mountaineer](#)

SPECIAL EVENTS CALENDAR

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