

Vail Plaza Lodge Hotel Tower, to some is an ungainly symbol of Vail's recent expansion.

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VAIL HOMEOWNERS ASSOCIATION

January 2010

VHA Board Elects New President: The Vail Homeowners Association Board of Directors recently elected Dr. Gail Ellis as its President. Dr. Ellis succeeds Alan Kosloff, who has served eight years as President. The Vail Homeowners Association, founded in 1991, is the largest public advocacy residential property owner interest group in Vail, representing both non-resident and local owners.

Dr. Ellis assists students with verified psychological disabilities in the Psychological Service Department of Pasadena City College. She sits on the Board of the Kidspace Children's Museum in Pasadena, California. In Vail, she is President of the Mill Creek Court Condominium Association.

Dr. Ellis and her family, of five children and six grandchildren, have a long legacy with Vail and the Association; she is the daughter of its founding President, Bob Galvin. Her husband, James Ellis, is the Dean of the Marshall School of Business at the University of Southern California.

In accepting the Presidency, at the Association's 2009 Annual Membership Meeting she thanked outgoing President Alan Kosloff for his work saying:

"If you have been reading the VHA newsletters you know how many issues have been tackled by this organization. It is not easy to take a variety of entities, Vail Resorts, the Town of Vail, homeowners that don't live here full time, and those that do, retail establishments, hotels and a variety of other businesses, trying to get them to mesh into something that becomes a town in which we can all exist and one that we love."

In her introductory message she said that the theme of her administration will be <u>collaboration</u>. "We have, in Vail, entities that have their own individual interests, but at the same time everyone's overarching interest is that Vail be the best, most wonderful resort community that it could possibly be.

We, as non-residents, come here because we "love this place!" It is in everyone's best interest, the Town of Vail, Vail Resorts, homeowners, hotels, retail shops and everyone else involved with Vail, that we are all successful.

Moving forward, it is important that all entities work collaboratively to create a long-range vision for Vail so that our children and grandchildren can come to Vail and love it as much as we do. We are going to work, through the voice of the Vail Homeowners Association, to enhance and preserve the culture we all know and love."

Dr. Ellis urges <u>all</u> residential property owners to join the Vail Homeowners Association. She is encouraging both VHA members and the Vail community to share their ideas and suggestions as to how the Association can accomplish its collaborative mission. To this end, everyone's voice and everyone's ideas are important.



THE YEAR IN REVIEW - VHA Annual 2009 Report:

Economy - Public Finance: The financial status of the Town of Vail and other important factors were monitored. A series of key indicators, based upon Town financial reports and other sources, were developed by the Association and updated monthly. (TOV Revenue Trends) (TOV Sales Tax Trends) The resulting data was reviewed by the Association's economic advisors and published in its monthly newsletter. The Association in conjunction with other community groups used the data to advocate that the Town of Vail make budget and expenditure allocations in line with recession caused economic conditions. The principle recommendation was to urge the Town to avoid depleting its reserve fund and to make budget adjustments that would not reduce services. The data is also being used by Association

advisors to recommend adjustments of other public policy matters that would affect the community's economic recovery. The primary concern is to prevent quality of life and other similar standards from being diminished in a manner that would lead to devaluation of the Vail experience and community assets.

Property Taxes Lowered: The Vail Town Council, at the urging of the Association, symbolically adjusted the Town's total mill levy for the 2009 tax year by eliminating the abatement levy of .143 mills for a total mill levy of 4.690. The Association advocated that other taxing jurisdictions should also follow the Town's example. It noted that public sentiment was antagonized by the failure of local government to rebate major windfall gains in revenues resulting from unrealized increases in property values. It observed that voters have long memories when they sense unjustified taxation and ill-advised spending. Local governments may find themselves in need of asking unsympathetic voters to approve tax increases to carry them through recession caused financial difficulties. The steep decline in sales tax revenues is responsible for Eagle County making a major cut in staffing levels in its 2010 budget.

Economic Development: There are several different groups in the community that are responsible for various elements of business development. Many of the groups are partially funded or managed by the Town of Vail. The Association monitored the productivity and agendas of these groups. Some economic recovery efforts appear to be capital intensive, non-immediate and directed at developing highly specialized niche markets. A continued decline in economic factors resulted in the Association detecting that organizational reform and expansive short-term initiatives may become necessary. Suggestions offered for consideration by the community leadership are:



- Consolidation of summer and winter marketing in a cohesive effort with an emphasis on increasing revenues during the winter season.
- A restructuring and redistribution of responsibilities of entities involved in the allocation of resources for the expansion of destination guest markets and associated amenity improvements.
- The adoption of best practices business standards for the evaluation and analysis of economic development expenditures and proposals.
- Increased support for the expansion of existing events and programs that have a demonstrated appeal to destination guests.
- The formation of new private sector business alliances to promote an expansive economic recovery agenda.
- The development of new Internet and social media formats that create an on-line virtual Vail, which attracts destination guests through personalized shared experiences reinforced by social networking.
- The creation of outwardly projected initiatives to draw in destination guests from expanded domestic and international markets.



Town Council Election: The Association was effective in working in conjunction with other community interests to shape the agenda for the Town Council election. Critical election issues were raised in an Association published whitepaper followed by the preparation of a Council candidate "in their own words" question and answer document distributed on the Internet and by email. The top five finishers took the time to give in-depth responses to the Association's question and answer initiative. Efforts are underway to encourage the incoming Council to take up those issues raised by the Association in its whitepaper.

Public Participation and Government Transparency: The Association is engaged with the incoming Council in its promised initiatives to bring greater transparency and public participation to the conduct of its affairs. Among other suggestions the Association has recommended that <u>improvements</u> be made to the Town's public notice procedure for the Design Review Board. It has urged that the Design Review Board increase its sensitivity to better enforcement of neighborhood compatibility criteria.

Development Issues: Monitoring by the Association of the review process for the <u>Ever Vail</u> and <u>Timber Ridge</u> projects is occurring. Each of these major developments has significant impact upon community master planning, image and supporting public improvements. Previously approved developments are asking for renewal of their expiring Town approvals. These requests have public policy fairness and consistency concerns for the Association. Some members of the incoming Town Council have expressed interest in restricting zoning regulations adopted in the 1990's as incentive for new development. Similar consideration is being given to adopting historic preservation guidelines for Vail Village. The Association advised that new impact fees and energy/green sustainability requirements be adopted in accord with indicators tied to economic recovery goals.

Master Planning, Transportation and Open Space Issues: The Association evaluated and advocated a position urging that the expansion of parking in Ford Park be restricted to Park uses. Successful efforts, including revision to the Vail Village Master Plan, were made to protect landscaped open space berms on the Vail Village parking structure site from being developed into commercial and residential uses. (Ford Park Presentation) The creation of a public/private comprehensive parking and mass transportation terminal improvement strategy were advocated. Increased enforcement, accountability, and implementation of restrictive on-street truck loading and delivery regulations are being recommended by the Association as new loading and delivery terminals throughout Vail Village are being completed.





Stephens Park Fire, Aug 2009

Photo -Town of Vail

Environmental Preservation: The Association continues working on environmental preservation efforts to reduce I-70 road noise, the removal of road sand from the Gore Creek drainage, the reduction of threat from <u>wildfire</u>, and the restoration of forested lands. The Association has been consulted on an extensive <u>reforestation</u> effort being considered for Vail Mountain. The Vail Mountain program may open the way for expanded forest health and restoration efforts in the Vail area.

Membership, Communications and Financial: Special advisories and monthly newsletters were distributed to Association members and constituents. The Association maintained its membership level during 2009 and will complete the year with a balanced budget.

A detailed review of the Association activities can be read in the <u>Executive Director's 2009 Mission and Goals</u> Compliance Report.



Vail's last crane standing – Solarius project.

Timber Ridge Affordable Housing Redevelopment - rush to development, financial and human issues pushed aside: Questions are being raised by some about the review process for the <u>proposed redevelopment</u> of the Town's largest affordable housing rental project. The Town, via a land lease with a third party developer is proposing to develop half of the 10.8 acre site into a single building, housing nearly 600 people in a 5 story high, 800 foot long structure. Units are designed to accommodate families as well as singles. The new development, along with the remaining existing development will put nearly 900 people on the combined sites. The building's size, aesthetics and lack of adequate landscaping among other items are at issue.

There are those that support the project based on their belief that it will remove a portion of the Town's \$21 million dollar debt. Some allege that the Town almost lost control of the property a year ago, when financial markets crashed. Other qualified sources at the Town of Vail dispute this assertion. They say that the existing project was not in danger of default and that it is paying its debts and then some.

Developers and the Town have yet to come to a financial restructuring agreement with the finance company that currently holds the mortgage for the entire site. Some have raised concerns about how the newer development will affect the financial viability of the portion of the site that remains to be redeveloped. There are those who believe rents will have to be less expensive in the older buildings.

Previous attempts to redevelop the entire 10.8 acre property have consistently run up against an \$11 million deficit between construction/operational costs and the return from rent revenues. There has been no indication that this differential has been resolved for the portion of the site not being redeveloped, thus, as some view it, lessening its value.

Still others speculate that the newly developed portion could get into financial difficultly because of a highly competitive rental market. According to this perspective, the Town could lose, in bankruptcy proceedings, both the land and control over the deed restrictions, which is its strongest leverage in keeping the project available for employees at reasonable rents.



Tracks of Timber Ridge residents starting their run across four lanes of I-70 traffic.

The Town social and moral responsibilities to make its employee housing projects livable and safe, as well as With no private development affordable: expected in the foreseeable future, more and more affordable housing units are being shoehorned onto Town owned development sites. These projects, some say, are becoming more insensitive and intrusive because the Town can make up its own rules.

Critics say those who support development are not looking after the well being of those who live in these massive projects. There is no day care, children's playground, park, or convenience commercial service provided in the Timber Ridge redevelopment, only an athletic club and the like.

service, has a chronic history of its residents running across four lanes of Interstate 70 to their jobs or the nearest ski lift. With no adequate physical barrier preventing pedestrian access, fatalities have occurred, one as recently as last month. Where the Town has provided a pedestrian bridge over the

Timber Ridge, even with commuter bus

Interstate (Sandstone School to Lionshead) or where there is a nearby underpass the problem does not exist.

One solution to the Interstate runners from Timber Ridge is the construction of the nearby \$20 million Simba Run I-70 underpass. There are those who say the Town is foot dragging on its social and moral responsibility to solve the problem. There would be money to build the underpass if, between the Vail Resort's Ever Vail and the Town's Timber Ridge projects, each would jointly include their developments in a Tax Increment Financing (TIF) district. All property taxes collected on the value of new construction in a TIF district can be used to build supporting infrastructure, like the Simba Run underpass.

The Town has yet to have an appraisal done to determine the value of the land it is leasing to their redeveloper. Such an appraisal will be necessary to establish the valuation of the new privately owned Timber Ridge housing development. Once known, the Town would have an estimate of the amount of property tax TIF revenues it can pledge towards public safety improvements like the construction of the Simba Run Underpass.

Under its zoning powers the Town has the right to impose financial commitment on itself and its developer, for the cost of building off site infrastructure projects like the Simba Run Underpass. In what some construe as a double standard, the Town has used these powers to cause other private developers to finance community improvements. Some say the Ever Vail project may never happen as there are those who would like the Vail Resorts project scuttled by the Town. If successful, then the entire cost of the underpass project should, in the opinion of some, fall entirely on the Town of Vail.

POINTS OF VIEW

Vail Needs More North/South Pedestrian Connections: Bart Cuomo – Mr. Cuomo is a local Vail businessman with extensive real estate and development experience. He is known for backing up his outspoken views with accumulated wisdom and practicality.

It seems like the skiing community has a tendency to react to high-profile issues and sometimes ignore the obvious that does not directly affect promotion or tourists. For example, when a Hollywood starlet, a congressman or a Kennedy gets killed from head injuries sustained while skiing, the cries for helmets escalates. While this is a good thing, do we care less when an ordinary



person is tragically killed? In mid-December, a West Vail man was killed crossing I-70. It is estimated that 20-30 people per day cross the busy highway between 7 and 8 am alone and many more in the afternoon when the lifts close and even more at night. The problem is that for many locals and employees, the distance "as the crow flies" between where they live and where they need to get to is relatively short, but the circuitous route around I-70 make it much further. So why aren't we talking more about adding pedestrian tunnels under the highway?

The Town of Vail makes demands and sets guidelines for developers to address issues like parking, employee housing, public improvements and green initiatives, but does the Town set reasonable mandates for itself to better serve the community? In recent years, the Town has become obsessed with mandating fire alarm systems and fire sprinkler systems, yet this huge safety issue gets very little attention. We cannot recall the last time, if ever, anyone was killed in a fire, but there has been a history of incidents involving pedestrians crossing I-70. It is illegal to cross I-70 and to do so carries a fine of \$22, but that is not the solution. While this is a problem that is clearly in need of attention, the Town and the community-at-large is being neither "proactive" nor "reactive" as this issue rarely even gets much lip service.

First and foremost, this is a safety issue that has resulted from poor community planning. Walking across I-70 has been going on forever in Vail and will continue to occur until there is a solution or more people are injured. It is obvious that a connection from *Timber Ridge* (the Town's largest employee housing development which is slated for redevelopment) and another from the Sandstone area to *EverVail* development are desperately needed. While these projects may provide a catalyst to move on pedestrian crossing, best we can tell is that there is no mention in the *EverVail* plan and not much more than footnotes in the *Timber Ridge* plan. However, we should not have to wait for either of these to happen to address this issue as this is a community problem that our Town should address right away! We simply should not have our residents walking across an Interstate.

Secondary from the safety issue is the need for Vail to connect our Town. Other ski towns mock Vail (mostly out of jealously because we have the best ski hill) and say it is not a "town", but rather a big highway interchange with a ski village. Without connecting the north and south, that is not an unfair assessment. We need to unify Vail and eliminate the notion of "the other side of the tracks, although Vail is likely the only town in America where those who live on the "other side" still pay more than a \$1 million for a home. The Town of Vail and the community need to put this issue in the forefront and develop a solution now! Vail Realty Newsletter

Finding Vail's Target Market: Otto Wiest – Mr. Wiest is a life long skier and founding member of the Vail Ski School. He is a Vail residential property owner, world traveler, photographer and resident of Lindenberg, Bavaria in Germany.

Yesterday I got your VHA Newsletter through the Internet and it is very interesting. I was quite impressed (and happy) when reading what the New York Times said about Vail. It proves that the growing of Vail was not all bad. It seems to me that we older ones are not always right with the idea that Vail should stay like it used to be in the old days.



However, I do very much agree that Vail should now finally start to use all the new development instead of building more empty condos to sell. Might be it keeps the Town of Vail employees busy, but this shouldn't be the goal for the future.

At the present time I am quite happy that my 2 Vail homes rent so well. However, none of my Vail renters has ever been younger than 30 years old. I am still waiting to know how long it will take Vail to find out what age group are their most important customers. If you treat older customers right, they will come again and again. I think it is a dream to think that older people are only happy when they can spend their money to send the young ones to the Ski Mountain.

Did anybody ever try to find out what age group of customers have the most money to spend and could stay the longest time in Vail? And what is Vail planning to do for them? Build another halfpipe or a new jumping hill? In Europe where they have a longer tradition of tourism, it is basic for any activity to look at what target group they want to reach. In Vail, I still hear the opinion that they want to reach everybody. So what music do you play for both young and old, and how loud? I guess the list of questions would be pretty long to find out what is missing and what doesn't fit well. Vail Mountain seems to be more or less like a big soccer field where people play football, baseball, track running and might be biking at the same time in the same spot. Did anybody ever try to recognize that the times and skiing have changed compared to 40 years ago? New speed - new snow - new equipment - new behaviors.

You are completely right when you mention that Vail has some wrong advisors. But does it really have any that see the big picture? The only thing I know about Vail is that they don't have enough destination guests and they also have a lot of customers who come only one time. How many people stay longer than one week? Or to close the circle - if Vail is called by the New York Times an institution for winter sport - wouldn't it be the responsibility of Vail to keep those aging Baby Boomers on skis instead of letting them give up this sport in big numbers? Who else should have the ideas and the need to do that? Is it really so difficult to find out what these people need, what they want, and how to make them happy?

When we stay in Mexico, I definitely feel quite safe. Neither my wife nor I get run down by somebody when we are on the beach. Shouldn't that also be a goal for our Vail Ski resort to guarantee such basic things? Or will we still in 10 years hear that stupid answer, that the risk of getting run down is simply part of the game? Can you at least do something for the understanding that safety for the guests is the most important part of the business? Vail Daily: Aftermath of Ski Collisions



Is Vail listening for the sounds of change?

Town of Vail ice sculpture project.

For More Local News:

Eagle County Times; Mountain Town News; Public Access TV 5; Real Vail; Vail Daily; Vail Mountaineer

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Photography: James Franklin Lamont

Web PDF Version:

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Constant Contact Email Version: Layout & Design Jill Gordon, Gordon Group LLC - gordongrp@comcast.net

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