

VAIL HOMEOWNERS ASSOCIATION

March 2012

Executive Summary:



Traffic Congestion Eclipses Parking Shortages as Vail's New Bane: The aftermath of the high priced public parking of Vail's renaissance construction boom has put more traffic on residential neighborhood streets around the Golden Peak Ski Base area. Cost conscious skiers want the convenience of lift side drop-off and pick-up. Hardest hit by the "drive to" trend is the Golden Peak residential neighborhood along a section of Vail Valley Drive from the South Frontage Road to the Ski and Snowboard Club Vail (SSCV) building... [Read on](#)

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What Has Been Done: It has been 15 years since a comprehensive reassessment has been given to the infrastructure need to manage Golden Peak traffic issues. The Homeowner Association has worked on this issue since the early 1990's...Traffic congestion issues were to be reviewed annually by a standing committee with necessary traffic management fixes made prior to the following winter season. The committee was to include the Town of Vail, Vail Resorts and representative neighborhood property owners. The existence of the committee has been episodic and as congestion issues arose, some of the fixes recommended have not always met the expectations of the neighborhood. In the meantime, successful ski mountain related programs have increased in activity. The Town

of Vail recently [reformed the committee](#) at the urging of the Association and other concerned parties... [More details...](#)

No Cheap Silver Bullets or Quick Fixes Available; What Can be Done: It is expected that the extensive transportation infrastructure planned for in the Ever Vail development will eventually relieve some of the traffic congestion pressure at Golden Peak. However, this remedy will not become available until there is a level of consumer demand for resort real estate that could finance the development. The Town of Vail could sooner or later be faced with expenditures for capital projects to bring relief to the area, like a major new vehicular bridge and connector street linking Vail Valley Drive with the South Frontage Road on the east side of Ford Park (see map). This project was estimated to cost \$10 million when it was last considered in the 1990's.... [Read on](#)



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TOV Revenue, Real Estate, Foreclosures, The Economy... [Details on these topics...](#)



Golden Peak Bound Congestion on Vail Valley Drive

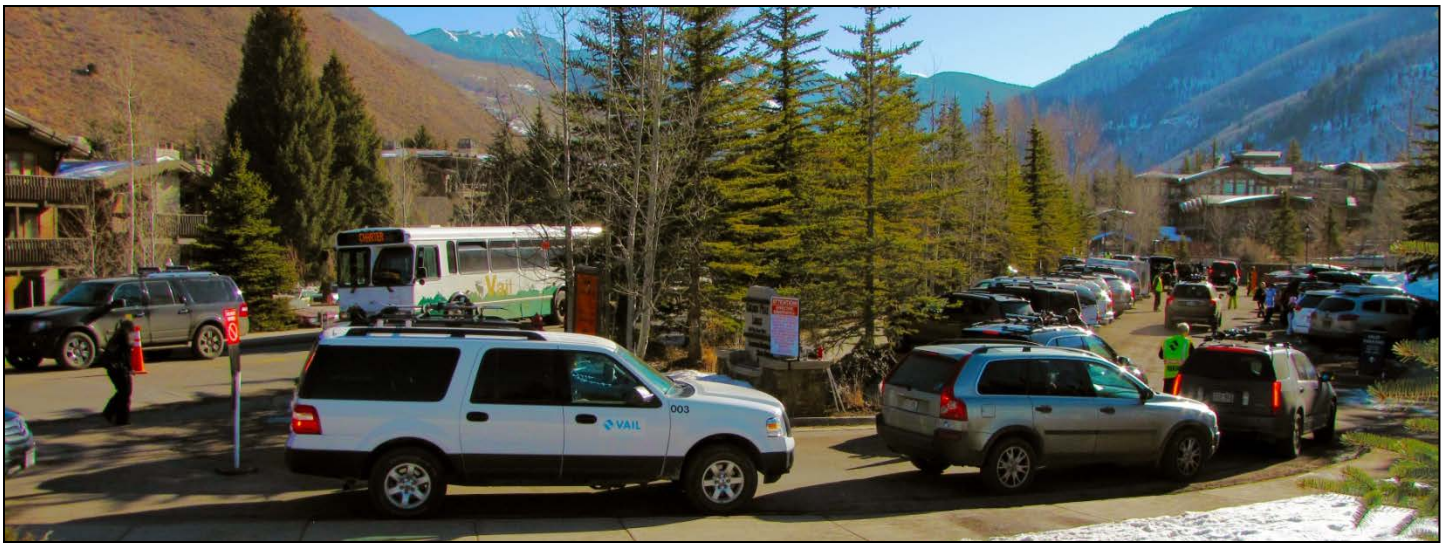
VAIL HOMEOWNERS ASSOCIATION

March 23, 2012

Traffic Congestion Eclipses Parking Shortages as Vail's New Bane: The aftermath of the high priced public parking of Vail's renaissance construction boom has put more traffic on residential neighborhood streets around the Golden Peak Ski Base area. Cost conscious skiers want the convenience of lift side drop-off and pick-up. Hardest hit by the "drive to" trend is the Golden Peak residential neighborhood along a section of Vail Valley Drive from the South Frontage Road to the Ski and Snowboard Club Vail (SSCV) building just east of the Golden Peak Children's Center. Vail Valley Drive, the two lane main traffic vehicular access artery, at times becomes overwhelmed at the beginning and end of the ski day, especially during peak season weekends and holidays.

This trend is at odds with Vail's town center plan as it was originally conceived and implemented in the 1960's and 70's. The plan was to minimize vehicular traffic emphasizing the concept of a European pedestrian walking village. The Town invested millions in public parking structures, built adjacent to the South Frontage Road, encouraging visitors to park and walk. Additional millions have been spent on beautification of its pedestrian friendly streets in the commercial/residential areas of Vail Village.

The Golden Peak ski base area, which was redeveloped in the 1990's, is the primary destination for vehicular traffic moving through the larger Golden Peak neighborhood on the eastern edge of the Vail Village commercial center. It has never received the same degree of public investment by the Town as Vail Village has. That, by necessity, may change; with the Town of Vail potentially having to invest millions to upgrade the neighborhood's transportation and traffic flow system, particularly if it intends to continue expanding the Golden Peak ski base as a drive-to-lift-side mountain portal.



Saturday Morning at Golden Peak Skier Drop-off Lot, Vail Valley Drive traffic comes to a standstill as a line of cars wait to enter lot.

The Price of Success: According to neighborhood residents and lodge owners, what was a weekend inconvenience a few years ago, has escalated into a near daily occurrence during the winter season. The marked increase in traffic has caused neighborhood residential owners to dig in their heels, questioning any proposal that increases traffic without proof that it will not further congest an already aggravating condition. Many neighborhood property owners are skeptical that any substantive changes that could increase traffic would be an improvement.

Many neighborhood owners believe current conditions are a threat to public safety from speeders, particularly for pedestrians, many of whom are children. Pedestrians haphazardly cross Vail Valley Drive, even on blind corners and particularly when there are long lines of stop and go vehicular traffic. Sidewalks are narrow; critical sections remain unheated and tricky to navigate when icy and snow packed. Witnesses recount recent collisions and hit & runs between vehicles. Tempers often flare, and on rare occasions threatened fisticuffs arise over those who stop in the middle of the road, blocking traffic, to load or disgorge their passengers. The two lane streets have limited right of way on which to install turn lanes. Cross traffic turning, during peak usage, immediately backs up traffic at intersections and driveway entrances. During particularly heavy stop and go traffic conditions the Town's public buses become entrapped in the gridlock, causing the bus system to back up.

The new Vail Village Gondola, with its 1,000 person per hour increase in capacity will reinforce Vail Village as the most desirable portal to access Vail Mountain. Blend in the potential for an increasing frequency of winter and summer large spectator events at Golden Peak and Vail Village, and the scope of the multi-seasonal congestion problems are magnified.

The neighborhood has endured traffic congestion for decades, to a point where at times, officials appear to turn a blind eye, sometimes dismissing grievances from conscientious citizens as chronic complainers. Conversations are taking place among some neighbors about pooling resources to hire private security guards and gate the entrances to their neighborhood side streets, as has been done elsewhere in the community, such as Check Point Charlie.

Some Town officials have little sympathy for neighborhood property owners, who, as they see it, benefit from the desirable location and its higher real estate values. That benefit is little comfort to those who at times can't get to their front door or have to cross the street in a dash to avoid frustrated and impatient drivers. Planners would like to believe that they can zone away the traffic problem with speculative master planning by generating new development fees to cover the cost of public infrastructure improvements. Even with zoned increases in density, there is little indication that older buildings will give way to the new anytime soon because of projected long-term economic conditions.

Side Effects from Vail Renaissance are Stacking Up: The aftereffects of Vail's redevelopment renaissance are adding to the neighborhood's agitation over the Town and Vail Resorts management of its long standing traffic woes. Nowadays, high paying guests expect concierge



VRI van picks up guests at Parker Plaza for block and half hop to Golden Peak.

transport service from a lodging property's front door to the ski lift. A fleet of hotel vans, shuttles buses, and SUV limos compete for a scarce number of curb side parking spaces.

The [growth in the number of hotel shuttles](#) has already outgrown the Town's planned hotel shuttle drop-off & pick-up at Lionshead. Upwards of sixteen shuttles have been counted dropping off in a five minute period near the new Lionshead Welcome Center recently. To handle this unexpected demand, engineers have proposed a street side hotel shuttle staging area that is nearly half the length of the Lionshead parking structure. These same shuttles have a circuit that includes Golden Peak and its adjacent neighborhoods like east Vail Village, where there are also a limited number of shuttle parking spaces. According to neighbors, the peak hour scrum of shuttles and private vehicles has become particularly difficult at Parker Plaza on Hanson Ranch Road.

Turning Blind Eyes is Not Working: Enforcement authorities equipped with truck mounted variable message electronic signs to direct traffic around trouble spots and a system of high tech Department of Defense grade closed circuit television cameras to monitor the streets have proven unable to temper the congestion or the behavior of traffic blockers. Manpower availability, budgets, competing priorities, and not wanting to put enforcement personal in the middle of traffic quarrels are perhaps the reasons why authorities keep a low profile in the congested areas. Vail Resorts at their two Golden Peak parking lots provide parking attendants. These attendants are limited in their power to direct traffic or unsnarl blockages when they occur on the public streets. Blockages often occur at intersections beyond their immediate jurisdiction and are the responsibility of the Town of Vail to enforce. A periodic show of police presence may have a positive effect by spreading the word that violations that block traffic are not acceptable.

What Has Been Done: It has been 15 years since a comprehensive reassessment has been given to the infrastructure need to manage Golden Peak traffic issues. The Homeowner Association has worked on this issue since the early 1990's beginning with the redevelopment of the Golden Peak base facilities. Traffic congestion issues were to be reviewed annually by a standing committee with necessary traffic management fixes made prior to the following winter season. The committee was to include the Town of Vail, Vail Resorts and representative neighborhood property owners. The existence of the committee has been episodic and as congestion issues arose, some of the fixes recommended have not always met the expectations of the neighborhood. In the meantime, successful ski mountain related programs have increased in activity. The Town of Vail recently [reformed the committee](#) at the urging of the Association and other concerned parties.

Town Council recently granted a rezoning to the Ski & Snowboard Club Vail site allowing for more intensive use. SSCV says it intends to build a facility to accommodate the needs of 600 racers, 100 coaches and residential condominiums to finance the entire project. Until provided with a development plan to the contrary, neighbors remain skeptical that the 11,000 sq. ft. site has enough area to accommodate sufficient parking and traffic circulation to support the intended uses. It is doubtful that Vail Resorts will allow the use of its nearby parking lots for SSCV purposes. In the meantime, according to the Town Council, efforts will be made to address the neighborhood's concerns over traffic congestion.

Vail Resorts in recent years has made extensive investment in improving on-mountain ski racing and snowboard competitive facilities at Golden Peak. A major temporary stadium will be constructed near the Golden Peak base lodge for race and ceremonial events held in conjunction with the 2015 World Alpine Championships.



Flip Up Variable Message Sign Used to Direct Traffic



Golden Peak Cone Zone

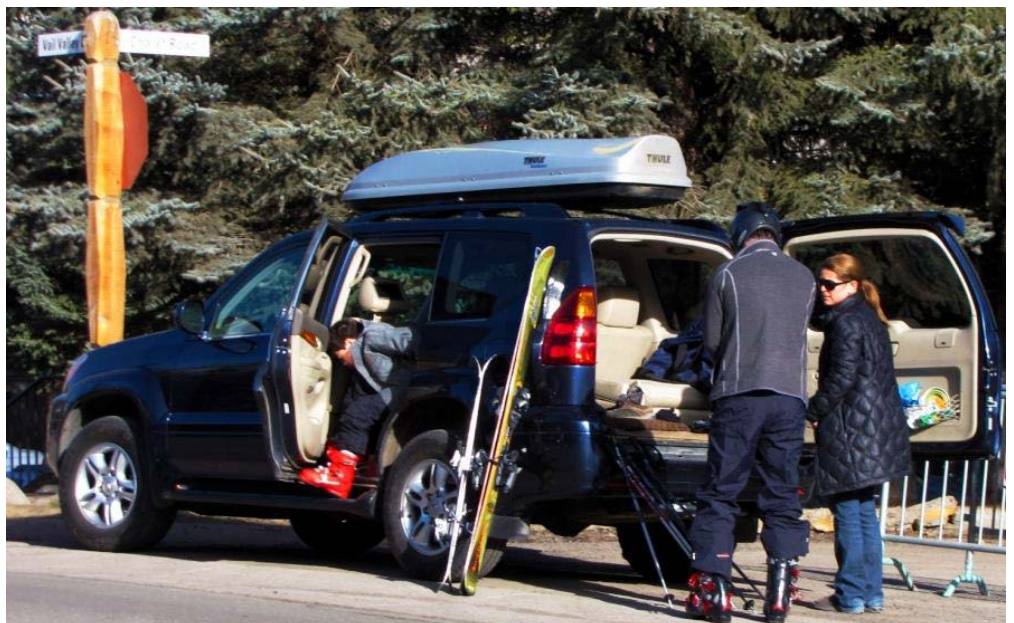


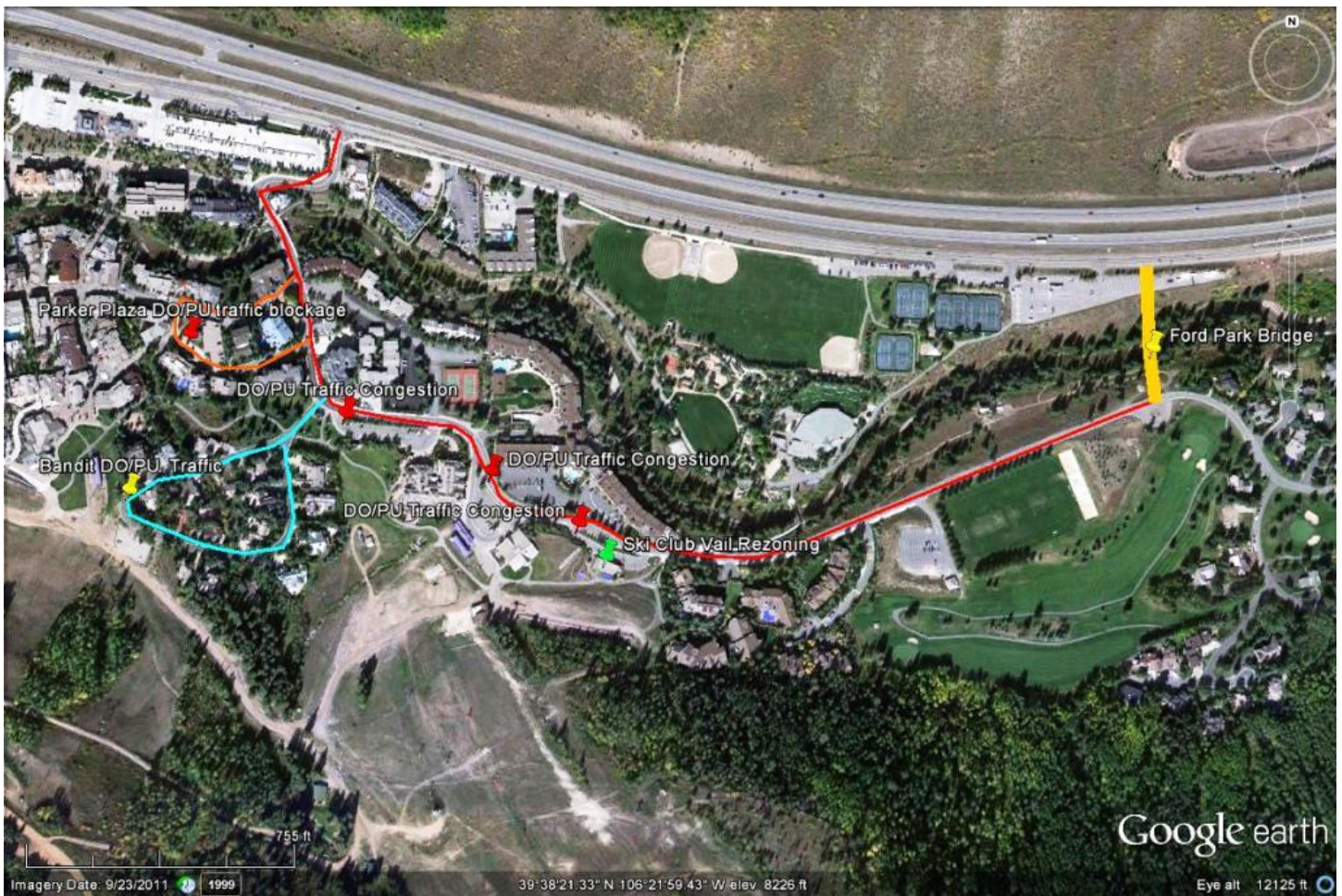
The Golden Peak ski base specializes in children and young adult skiing, snowboarding and racing instructions. Its traffic circulation layout was designed so that parents could easily drop off and pick up their children. The success of these programs is increasing as Vail's popularity as a family resort grows.

While some parents chauffeuring their children to the Golden Peak ski school and racing programs expect front door delivery and pick up, other skiers with equipment in hand and children in tow make the two and half block long trek from the Vail Village Parking Structure to the lifts. Sidewalks are narrow and critical sections are not snow melted; the number and location of crosswalks are not adequate for the volume of pedestrians making the journey more arduous than need be.

Then there are those who, rather than use designated drop-off areas in Vail Resorts' parking lots, pull to the side of the road, park illegally, and unhurriedly don their ski gear.

Others just stop where they please, blocking traffic because there is no traffic officer to move them along.





Location of Ford Park vehicular bridge creating an efficient traffic loop necessary to alleviate Golden Peak traffic congestion.

No Cheap Silver Bullets or Quick Fixes Available; What Can be Done: It is expected that the extensive transportation infrastructure that is planned for in the Ever Vail development proposed for west Lionshead will eventually relieve some of the traffic congestion pressure at Golden Peak. This remedy will not become available until there is a level of consumer demand for resort real estate that could finance the development. The magnitude needed is not expected any time soon such that it would make a difference in the short term.

Beyond major tweaking of the traffic management operational policies for Golden Peak, the Town of Vail could sooner or later be faced with expenditures for capital projects to bring relief to the area, like a major new vehicular bridge and connector street linking Vail Valley Drive with the South Frontage Road on the east side of Ford Park (see map above). This project was estimated to cost \$10 million when it was last considered in the 1990's.

Until the Town is able to further improve conditions, the neighborhood property owners should not be faulted for their skepticism about projects that do not provide a plan as to how they will not worsen traffic congestion. Such is the neighborhood's concern with the rezoning and redevelopment of the Ski and Snowboard Club Vail project.

Where to Find Funds to Solve the Problem: Heretofore, the Town, with the exception of a potential pending \$6 million call on a letter of credit to cover the devaluation of its overvalued purchase of the Timber Ridge affordable housing complex, hasn't needed to dip into its substantial financial reserves generated by Vail Renaissance projects to offset their emerging impacts.

The Town Council is now taking steps to draw from its reserves by funding a new municipal building. Some elected officials also have other "gleam-in-the-eye" projects like a community swimming pool. These are being given attention, whereas planning for other capital improvement projects that may be needed to offset the emerging impacts on the Town's infrastructure from Renaissance projects have yet to be given adequate consideration.

Soul Searching in Order: There is some soul searching to be done. The Town could spend down its reserves faster than sales taxes could replenish them. For the foreseeable future, there are those who believe Vail can no longer depend on new development and real estate sales to replenish its reserves as rapidly as in the past. There are more dollars to be spent

in moving the Vail Valley Medical Center traffic circulation from West Meadow Drive to the South Frontage Road as currently provided for in the Town Master plan. Concerns are that the Town will give the VVMC a pass on these long standing requirements including turning a blind eye to other utilitarian improvements through a master planning amendment that would attempt to change the neighborhood's designation from residential to commercial. Other changes would open the way for a helicopter landing pad to be placed near residences. Each of these changes has over the years been strongly opposed by the neighborhood; recent feedback on the proposed VVMC/TOV project show that attitudes have not changed.

Town's Parking Revenue Drops While Gate Transactions Remain the Same: Town of Vail [parking revenue was down 35% for January](#), a new twist in Vail's parking saga. The downturn is attributed to savvy consumers who have learned that the 2 hours of free parking is enough time to ride up the mountain and get in a good run down before having to exit and re-enter the Town's parking structure for another 2 free hours. Most likely, the Town will reduce the free time by a half hour to combat this loss in revenue. However, private parking lots, a new addition to Vail's parking options, some with cheaper rates than the Town's parking, are also having an effect on lessening demand. The Town may implement a program of demand based pricing, having less expensive rates on weekdays than on weekends and holidays. If this fails to turn the revenue ebb tide, expect the supply of hundreds of free and permit spaces along the Frontage Road, particularly in West Vail, to shrink accordingly.



Is West Vail Frontage Road free parking unsightly, unsafe and unprofitable for the Town of Vail?

Some are of the opinion that the flexibility and lower cost of the Epic Pass has created a much more relaxed attitude in contrast to getting in as many runs as possible. The economy, high parking fees and cell phones, have created a new form of commuter car pooling, with a designated driver disembarking their passenger as close to lift side as persistence will allow, with the driver left to join up later after searching out budget parking. These changes have decreased demand for Town owned parking spaces, relieving the Town of having to spend millions of dollars more on building parking structures, so those funds could be set aside to relieve traffic congestion in impacted residential neighborhoods.

ECONOMIC ISSUES

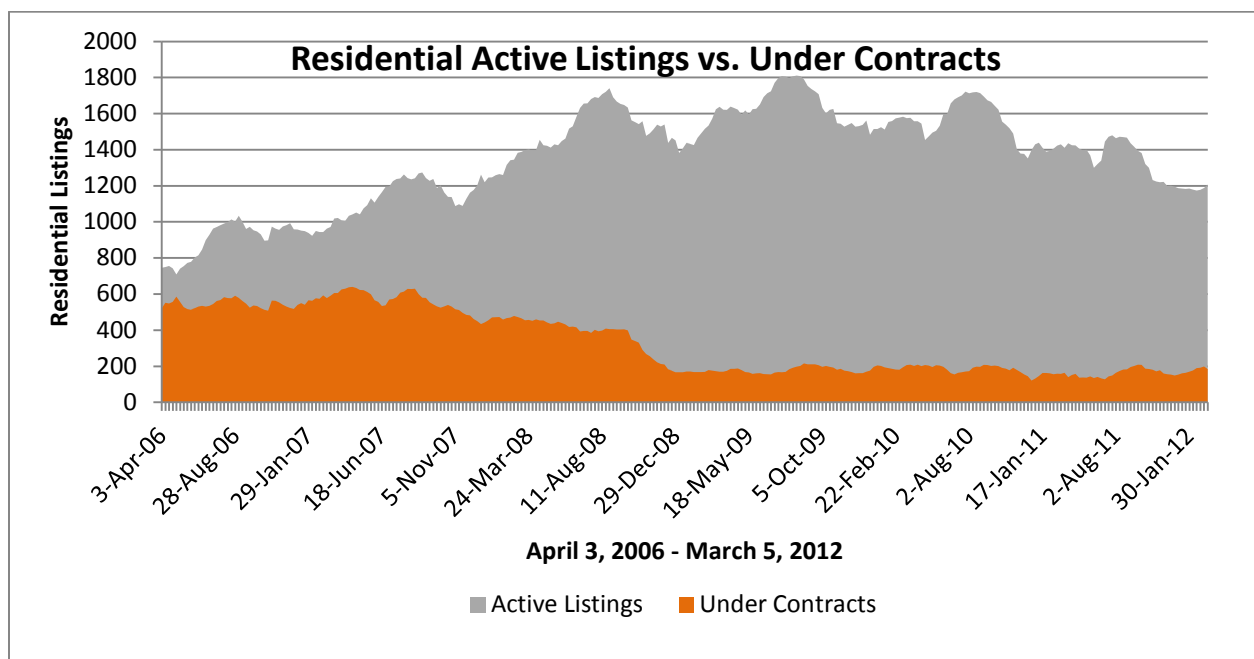
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Sales Tax Gains in January: The Town reported a 1.3% increase year over year in January [sales tax](#). This [season's snowfall accumulations](#), which are consistent with other low snow years, may have had a negative effect on lift tax revenue, with January down -6.7% from the prior year's record snow fall season. Lodging occupancy for February was down -1.2%, but room profitability (revPAR) was up due to an \$8 dollar increase in room rates over the same month in 2011. Occupancy for the remainder of March is projected on average to be up by 3.3% with room profitability up around

5% based on a \$7 dollar increase in room rates over the prior year. Reservations from the Latin American market are expected to be very positive during the Easter holiday season.

Thinking Ahead to Avoid Pitfalls: To fund its operations, the Town is now more dependent than ever on tourism generated sales tax revenue. As some see it, there is a false sense of security to be had from the recent upturn in sales tax receipts. The hypersensitivity of tourism to weather, rising fuel costs, unsettled national and international events leaves it more vulnerable to sudden economic downturns. The Town could find itself in a position where it is spending down its reserves faster than sales taxes can replenish them.

The difficulty of government to recognize long-term trends and adjust their short-term policies according is not solely a phenomenon that afflicts local government. A highly respected national [economic analyst](#) lays the responsibility of the current national conditions on elected officials in Federal and State governments ignoring warning signs necessitating course correction beginning early in the post World War II era. Had the course correction been done, much of what has subsequently transpired could have been avoided, most notably in the development and construction industry. Recovery will be long and difficult. With the exception of investment of foreign capital, [renting rather than buying may](#) well be the dominant trend for the future. Therein lies the difficulty for Vail's government; in the past, it has repeatedly changed its master plans to increase density to build bigger buildings in certain neighborhoods as an incentive to generate lucrative development fees. The wait for the next development boom may be more long-term than Town Hall can afford.



Eagle County Pre and Post Recession Real Estate Sale Trends compiled by Prudential Colorado Properties

Real Estate Sales Trends: Trends in recent months indicate that available [real estate inventories are shrinking](#) steadily and have been since 2009 as reported by Prudential Colorado Properties. Land Title's [analyst reports](#) that January was the biggest dollar volume month since January of 2008. The greatest number of the highest value sales were in Vail Village and Beaver Creek. The highest value was in Vail Village at \$1,384 per square foot.

Vail and Aspen were ranked by a leading national financial publication as two of the [top 20 second home markets](#). The US housing market showed signs of improvement because of [mortgage insurance](#) reform. The European debt crisis has put a damper on prices, which had been on the rise last year. The Denver Post reported that during 2011 [Colorado resort home sales slowed](#), after a strong beginning for the year. The American economy is showing [positive signs](#) of a recovery consistent with other recessions where assets declined in value, but recovery could be set back by global events.

The Town furthered its 2010 extension for an additional five years on its pre-recession approvals for four large projects, The Cascade Residences, Cornerstone Residences, Strata and Timberline Roost Lodge. Strata has taken steps to begin construction and is the most likely to have access to foreign investment capital.

[Eagle County foreclosures](#) for 2012 are running even with last two years. Bank sales are the most pronounced in the Eagle/Gypsum market and are causing [property values in western Eagle County](#) to continue to decline. Analysts are saying, until jobs come back there won't be buyers for many of the homes in the down valley market. Eagle County [unemployment rates](#) have been on the decline, but the number of jobs remains static. Locally, trends are following state and national trends with employment opportunities improving.



Spring Break Brings Happy Days at Golden Peak Ski School.

SPECIAL EVENTS CALENDAR

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