



A heavy weight hangs over the direction of Vail's future development

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# VAIL HOMEOWNERS ASSOCIATION

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**Vail Economy – More Skiers, Less Income:** Skier numbers are increasing as gauged by revenues from the Town of Vail, reporting lift ticket tax up 10.2% for November thru December, over the previous ski season. However, January 2009 was down 7.6%. An indicator of good ski conditions, parking on the Frontage Road has exceeded the Town's desire to limit on-street parking to 15 days during the ski season. Sunday of President's Weekend saw no overflow parking on the Frontage Road, while long lines, at times, formed at some ski lifts. Looking forward, airline mid-ski season bookings into Eagle County Airport are ahead of the same period last year. Managers of an online community market promotion are still reporting brisk traffic on their website.

The Town of Vail's sales tax receipts are reported to be down 6.4% for December 2008 ([Vail Business Review 02/04/09](#)) and estimates for January 2009 down 12.29%. Vail's sales tax declined less than other comparable Colorado winter resorts. Aspen was down nearly 20%, Winter Park -14% and most others down around 10%, including Snowmass. ([See CAST Comparative Chart](#)) The [Vail Lodging Occupancy Forecast](#), prepared by the [Vail Valley Partnership](#), reports January was down 14.3% and February is projected to be off -12.6% from the prior year.

A closer look at Vail's sales tax shows a more serious prospect, with the Town's end-of-year sales tax balance increase of 3.7%, barely keeping



pace with the rate of inflation. Despite incentive from holiday season promotions, Vail Village saw a 28.2% decline in revenues from retail stores. Lodging was up 4.9%, with restaurant/bars down 10%. Lionshead showed positive growth in all categories due in part to the lack of historical data, as several new businesses have been opened over the past year.

**Town Budget Cuts:** A sharp decline in development and building permit activity, combined with a decline in 4<sup>th</sup> quarter sales tax revenues has prompted the Town of Vail to reduce its 2009 budget by \$1 million. Already, \$5-6 million had been cut during the budget approval process in November. In this round, staff positions were cut and a hold put on 2% of the Town staff's 6% merit pay increase. If additional reductions are required, recommendations may include putting off more capital improvement projects and cutting service levels.

**Town Consultants Looking Forward:** The Town Council, at the urging of several business interest groups, is investing modest sums in consultant reports that may prove useful in guiding economic development decisions. ([See Vail Citizens for Action, former Town Councilman Kent Logan's, ECOTV presentation to Vail Town Council 2/17/09 1:12](#)) One study will investigate the economic value of the Vail Valley Medical Center (VVMC) to the community. The VVMC has been conducting studies of its own to determine the merits of relocating aspects of its operation down valley closer to the center of resident populations. The Council's second consultant report will explore investments in facilities that would qualify for the reallocation of the nearly \$10 million Conference Center Fund by Vail voters. There are those who advocate that there are common interests to be served by allocating the Conference Center Fund to the VVMC for the development of a health education conference center on or near its Vail campus.

**Real Estate and Development – Working:** Vail, in December, saw one of the highest average sales price months on record with closing occurring on several high value condominium properties in Vail Village. Eagle County real estate sales for 2008 were off with a 25% decline in year-end total sales from the prior year. There is limited expectation from market observers that the decline from prior year highs will reverse in the near term.

Vail's six major construction projects remain underway. Indication of the severity of the construction slow down in Eagle County can be seen by the conspicuous presence of "not hiring" signs posted at the entrances of some of Vail's larger construction projects. The [Colorado Labor Market Service](#) (CLMS) is reporting for December 2008, an Eagle County unemployment rate of 4.27% of the county's 32,589 labor force as compared with the state at 6.1% and a climbing national rate at 7.2%. While Eagle County's unemployment rate for most of the past decade has closely mirrored both state and national trends, it has consistently remained lower. ([See Comparative Graphs](#))

**Work Force Stressed – Population Shifts Ahead:** Should the pace of development and real estate sales continue to weaken, there is growing speculation there could be a substantive decline in opportunities for employment. With shrinking job prospects, a reduction in employee population should be anticipated. Seasonal layoffs are being reported in some resort related businesses.

A review of (CLMS) statistics indicates that nearly 64% of the county's workforce in one capacity or another is employed in the resort economy. The county is verging on a population of 52,000 with nearly half being younger than 45 years as described in a recent [report by the Economic Council of Eagle County](#). This segment of the population is typically stressed by the high cost of living that pervades the region. Those high growth communities having a recent upsurge in permanent employee population, such as Eagle and Gypsum, may well experience a trend in their employee population being replaced by higher income part-time residents and retirees. This tendency continues to occur in resort communities furthering the probability of an aging population countywide. Some say more subsidized affordable housing is needed only if the factors that caused



the most recent resort development boom are repeated. Federal reforms of the national financial regulatory system may affect the aggressiveness of future resort development.

**Affordable Housing Focus Needs Adjusting:** The Town of Vail and Eagle County both have a younger age group as the primary beneficiaries of their subsidized affordable housing program. The national and global recession came on with such speed that neither has revised their official estimates of housing demand within the context of a substantive shift in the employment profile of Eagle County and the surrounding region. Pre-recession research for purchasable affordable housing, recently presented to the Vail Town Council, remained out of reach for the main stream of local employees. Both entities are furthering their negotiations to built affordable housing with the hope that the recession will bring down construction costs and mortgage qualification will become more advantageous. There is a mutually expressed assumption that the demand for affordable housing will return, either in the short or long term.

Vail and Eagle County's shift towards mandated private sector subsidized affordable housing during the boom years, turned a blind eye to the need for senior affordable housing. It is reported that the Town of Eagle is reluctant to approve a first of its kind for the area, proposed senior housing project that includes care facilities. By economic necessity, seniors may well become the backbone of the Eagle County workforce in the coming years.

**Public and Private Interest at Odds:** If the recession is prolonged, some development interests may contemplate taking up initiatives to roll back affordable housing and other development impact fees, if these mandates are viewed as a deterrent to re-stimulating development. Vail and Eagle County's primary industry is development; advancing "survival anxiety" is palpable among professionals and workers. There are efforts underway by some private development interests, who are attempting to rush through the Town of Vail's approval process so called "make work" development projects on Town owned public lands to the personal benefit of a select few. One such project is the proposal to develop the open space berms on the south side of the Vail Village Parking Structure into commercial retail, offices and high cost "affordable housing." Some people believe, with the large inventory of unsold real estate in the private sector, "make work" projects have questionable and unsubstantiated value to the community-at-large; some of these private/public projects have the potential to do more harm than good. Other economic development interests say public projects that compete with private projects will only prolong the local recession. Meanwhile, reported foreclosures in Eagle County are marginally on the increase, while some say national economic recovery programs could be muddled for years to come.

**Vail Resorts – North Day Lot Arrabelle Affordable Housing Approved by Town:** The project includes affordable housing units and a skier drop off area. ([See Plan Details](#)) The approval provides for an access easement from the site directly onto the South Frontage Road, should there be a need to improve traffic circulation. It is hoped that the skier drop off will be able to provide relief to traffic congestion in other areas of the community, like the Golden Peak Ski base. The project is scheduled to begin in 2010. The outcome of the Town's ongoing negotiations over the redevelopment of the Timber Ridge Affordable Housing Complex may affect whether the North Day Lot is built at all, or if it is included in the Timber Ridge redevelopment.





**Security Cameras and Traffic Congestion:** The Town of Vail was unable to implement the Greeter program to assist with traffic congestion. On the technology front, the Town of Vail's first wireless closed circuit television camera (CCTV) is standing guard over a public art ice sculpture in Lower Gore Creek Plaza. The Homeowners Association advocates the use of wireless CCTV technology in areas where traffic congestion occurs. There are cost effective systems that could be installed on public or private property if the Town would take the steps to improve traffic enforcement. A live feed could be sent to the Town's new television security center, as well as directly onto the Internet. Drivers with Internet accessible cell phones and neighborhood

residents with computers could make decision on how to avoid Vail's traffic congestion. Traffic code enforcement could be dispatched to trouble areas more efficiently. The Town's public art CCTV installation cost around \$5,000. It has all the bells and whistles including remote controlled tilt, pan and zoom. There are other wireless CCTV (webcam) systems with less expensive cameras that can be installed for far less. Should the Town not make progress in resolving objectionable traffic congestion, private property owners have the option to install their own inexpensive CCTV cameras and link together their own Internet based network to document lapses in enforcement.

### **Transportation Issues:**

**ECO Buses at Capacity:** Regional mass transit bus service (ECO Transit) provided through Eagle County was discussed in a meeting between the Vail Town Council and the Eagle County Commissioners. Vail's higher winter parking rates are driving up demand; adjustments are being made so that shopper parking is more affordable and well regulated. ECO officials say they are not keeping pace with demand. Economic conditions have increased ridership and impacted their service and budget limits. Down valley communities are asking for their own feeder bus service; Vail officials are reluctant to subsidize these communities. Some officials would like to see a .05 cent sales tax increase to expand service within Eagle County and to link with other regional bus systems in neighboring Summit and Garfield counties. Vail's mayor suggested it might be cheaper for the Town, rather than build more parking, to provide its own park and ride bus service to the communities along I-70. Duplication and inefficiencies have fueled long standing controversies between ECO and the two community feeder systems operated by the Town of Vail and the Town of Avon.

**Eagle County Airport:** Expansion of airport service is secondary to the Commissioners' desire to build a new \$80 million I-70 interchange near the airport, so that vehicular traffic bypasses both Eagle and Gypsum. The project is not qualified for Federal stimulus funds and should not hold back expansion of airport capacity. The Homeowners Association urged the officials to set aside the I-70 bypass Interchange in favor of the overriding economic importance, in the short term, of increasing domestic air passenger traffic and upgrading terminal facilities to handle international commercial flight. Runway rebuilding mandated by Federal authorities will close the airport to commercial traffic this coming summer. When reopened, the runway will have been extended by 1000 feet, increasing the take off seating capacity of commercial airliners during summer months when warm temperatures adversely affect wing lift.

## Interstate 70 Mass Transit Planning:

### Commentary – Allen Best: Devilish details of land use & mass transit along I-70

*Mr. Best is a Colorado based journalist, with strong ties to Vail and Eagle County, reporting on growth and environmental affairs. His articles have appeared in the New York Times and a variety of national publications. He is publisher of the [Mountain Town News](#), an online magazine reporting on development issues in North American ski resorts.*



**Traffic on an August afternoon near the Twin Tunnels, located just east of Idaho Springs and a major bottleneck on both winter and summer weekends.** © Photography – Allen Best

SILVERTHORNE, Colo. – Champagne was poured all around on a recent Thursday afternoon in the Silverthorne Public Library meeting room by consultants hired to study station selection and land-use planning in conjunction with some sort of future mass transit along the Interstate 70 corridor.

Not to dismiss the value of a little bubbly to wet your whistle in mid-week, but the symbolism of the champagne seems premature. Flo Raitano, director of the I-70 Coalition, said as much in her introduction of the consultants. “This not the end of the story,” she said. “This is just the beginning of the chapter.”

This beginning of the chapter cost \$500,000, with four-fifths provided in a grant by the Colorado Department of Transportation and \$100,000 chipped in by local governments along the way. Those governments extend from Jefferson County, on metropolitan Denver’s side, to the Roaring Fork Valley, with a terminus of either Glenwood Springs or Carbondale, depending upon alignment. Included along the way, or laterally, is the greatest concentration of major ski resorts in North America.

The precise alignment, however, remains highly uncertain, as does the technology. As such, there’s a huge amount of looseness to this study, judging from the public presentation last week. Despite the champagne, the study will not be released until mid-March, after it has been further vetted.

The conversation about land-use started a decade ago, as some in the mountain communities along I-70 began to realize that any kind of mass transit that successfully unkinked the weekend traffic could also be used to commute to jobs in Denver. This simple but profound implication about all transportation systems is something that mountain communities are still sorting out. That appears to be the main value of the dialogue fostered by the team of consultants, Craig Gaskill of Jacobs Carter Burgess and Beth Ordonex of Ordonex & Vogelsang.

“There is some decision-making that needs to be made as we move forward, and we’re laying the ground-work for that,” explained Mr. Gaskill. “We’re trying to get a community consensus.”

The study—officially called the I-70 Mountain Coalition Land Use Planning Study for Rail Transit Stations and Alignment—is neither a feasibility study nor an environmental study, he said. “We’re a planning study,” he added.

This study is being done in collaboration with another ongoing study being conducted by the Rocky Mountain Rail Authority. That study, due for completion in August, is evaluating potential rail-based mass transit options for both the Interstate 25 and 70 corridors in Colorado.

To further complicate this narrative, the Colorado Department of Transportation is completing yet another, parallel study that includes evaluation of somewhat broader transit options—called automated guideway system—as part of the massive, and now nearly 10-year programmatic environmental impact statement. That study has been extended, reports Michael Penny, Frisco town manager and chairman of the I-70 Coalition, in order to allow more collaboration with corridor communities before hand. It is now set to be completed late this year or early in 2010.

“Now we know where these stations might be, and what the implications will be for local communities,” said Mr. Gaskill.

#### **Potential stations:**

West of Denver at the intersection of Highway 6 and again at El Rancho; then again in Idaho Springs and somewhere in the Georgetown/Empire Junction area; seasonally at Loveland ski area.

In Summit County, at either Frisco or Silverthorne, and then again at Copper Mountain. Or, if the alignment is different, then Keystone and Breckenridge.

In the Eagle Valley, at either Vail or Avon, and if ridership justifies them, conceivably both, and at Eagle County Regional Airport.

This is not set in concrete. Particularly in Summit County, there was also recognition that stopping everywhere isn’t possible, and high-speed transit must be integrated with local feeder routes.

As for the land-use component of the study, Ms. Ordonez said that the local working groups that were convened were very clear about what they expected to see around the stations: transit-friendly development, yes, but of a scale that was very different—and less dense—than found in cities. “That came through loud and clear,” she said.

Also—this is important—what the corridor groups expect is a mass transit that relies primarily upon the influx of visitors.

When the study is completed in mid-March, it is to be posted at the website of the I-70 Coalition, at [www.i70solutions.org/](http://www.i70solutions.org/). Already, that site has had several of its PowerPoint presentations used when meeting with community groups. Other documents can be found at the Rocky Mountain Rail Authority website, [www.rockymountainrail.org](http://www.rockymountainrail.org).

The study, if still officially incomplete, does raise obvious questions. Most fundamental is, what kind of development would mass transit beget? Is it really possible to create an efficient way to commute between Denver and the mountain valleys without also causing a great amount of development built around those stations and, more generally, in those valleys? And just as importantly, can mass transit work if there isn’t enough density along the way to pay the bills? That was the point, I believe, of Tom Norton, the former director of the Colorado Department of Transportation, when he spoke at one I-70 forum in Silverthorne about five years ago.

Mountain towns before the automobile era were dense, even cramped places, typically of 25-foot lots, but altogether pedestrian friendly. They were connected by trains, much as is envisioned by mass transit along I-70, with the exception that the new vision foresees high speeds. The old trains were anything but fast.

With the possibility of a new type of mass transit, a central question for mountain communities is will something affordable and efficient for visitors make bedroom communities out of them? Or, will such transit be possible without the daily ridership of commuters? There are devil’s bargains either way. [Contact Allen Best.](#)



Morning Mist on Golden Peak

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Production Credits - Web PDF Version: Copy and Layout Editing - Elizabeth Bailey

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