



Vail Teva Games – Kayak competition benefits from new high tech underwater bladder dam.

© Photographer: Joan Norris

VAIL HOMEOWNERS ASSOCIATION

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Vail Economy: Town of Vail projections for the summer months estimate a 20% decline in sales tax revenues. April saw an upward spike in sales tax revenues coming mainly from the Latin American market during Easter Week, but the Town's sales tax revenues were still down 12.6% for the ski season. [\(See TOV Business Review\)](#) Year to date, Vail's sales tax revenues are down 18.24% mirroring other Colorado mountain resorts. Vail Resorts, Inc. (VRI) reported a 29.4% drop in its third quarter net income of fiscal 2009 ending April 30, 2009. [\(See VRI 3Q Report\)](#) The Town reports April lift tax was up 61.8% for the same month in 2008 but for the ski season down 3.3%.

The Town has begun preparing its 2010 budget and estimates for 2011 and 2012. The Council authorized using a \$3.2 million revenue surplus from 2008 to cover budget shortfalls. Concerns have been raised that planned capital expenditures could reduce the Town's nearly \$40 million in cash reserves to \$6 million within a few years.

Eagle County unemployment continued its unprecedented rise thru May doubling (4.5% to 9.6%) over the same month a year ago. All major construction projects in Vail remain in progress, with small projects keeping contractors active through the summer. In recent weeks, the Four Seasons project in Vail Village has changed its project manager and replaced the prime contractor. The developer remains confident that the scheduled December opening date will be met. Dollar volume of real estate sales for April was nearly 42% less for the same month in 2008 and down 50% in total transactions. Vail Village remains the leading area in Eagle County for property sales.

Vail Resorts will continue its Epic Pass incentives into the 2009-2010 ski season. The customer base reversed over the past ski season in the ratio between the destination guest (40%) to the day skier (60%). Some see this shift, along with increased urbanization and other factors, as harbingers of Vail's waning preeminence. Others anxiously await the economic surge anticipated to follow the completion of new retail shopping, dining and visitor accommodations due to come online over the next 18 months. Residential owners' quality-of-life and property values are dependent upon vibrant and well maintained resort commercial centers.

The 2008 beginning-of-the-year opening of the Arrabelle commercial/residential project appears to have helped lessen the decline of sales tax revenues for the Lionshead area. There are those who worry that once VRI's proposed Ever Vail project is completed in west Lionshead, Vail Village could well be eclipsed as the prime commercial center of the community. Some believe the company's patronage, because of the magnitude of their Lionshead business interests, is migrating away from Vail Village.

Many local retail merchants have never needed to promote themselves on a national or international level. To bring customers to their front doors, they have relied on Vail Resorts and, more so in recent years, on the Town of Vail, through their respective winter and summer marketing programs. Vail's businesses have had difficulty at times formulating cohesive action. Factionalism poses a particular challenge.

The Town of Vail, some observe, is spawning increased fractionalization through its control over a major share of the community's business promotion funds and by franchising public property for development that will directly compete with the private sector. Some retailers complain that the Town's special events programs tend to benefit restaurants, bars and lodges more than their shops. Others say care should be taken to avoid image-dampening events, promotions and amenities, while continuing to nurture well performing venues, like Vail's established cultural and recreational programs.

There are Vail Village business people who are beginning to take note that the community's traditional business support system may require that Village businesses become more self-reliant and less dependent upon TOV/VRI largess. Redevelopment has opened the potential to restructure neighborhood business alliances that could bring a fresh approach to how commerce might be expanded beyond their front door to the broader world. According to one influential Meadow Drive businessman having made a major new investment on the street, Vail Village businesses soon need to begin "packaging and promoting" the neighborhood's upgraded image and destination accommodations to the larger world.

Business owners along the East Meadow Drive have shown how self-determination and mutual cooperation can accomplish political success. Their influence now stretches from Dobson Arena on the west to Ford Park on the east. Once fully engaged and operational, new and established businesses along Meadow Drive stand a good chance of drawing greater numbers of highly valued destination guests into Vail Village. If effective, they could help counter what many perceive as a drift toward flooding and devaluing the community's resources through misdirected mass marketing.



Vail Valley Medical Center: Vail's health services are essential to the community's physical and economic well-being. The Vail Valley Medical Center (VVMC) is operated by a private not-for-profit foundation and is another major player that is a part of the Vail Village renaissance along Meadow Drive. Its growth has progressed in fits and starts from the earliest days of Vail. The Center, once sustained by the philanthropy of Vail's property owners, has become a hydra-armed health care provider relied upon by all in the Vail Valley. Satellite medical facilities and clinics have followed the local population and lowered costs down valley to Edwards. Health care professionals, assessing the future of the VVMC, have suggested

there are financial and logistical long-term advantages to restructuring the Vail campus. No decisions are expected before the end of the summer and perhaps longer, given the practical realities of financing whatever plans are decided upon.

One scenario under consideration is to relocate traditional community hospital and long-term care functions down valley to a new “green field” campus. Emergency Room services would be retained in Vail with the campus being transitioned to a high-end specialized care facility. The complexity of redeveloping the already crowded and landlocked Vail Campus, in conformance to the Town of Vail’s pricey development requirements, while continuing full operation, adds a high premium to construction costs. Competitive bidding by those wanting to entice the medical center down valley may already be at play.

The magnitude of the changes being considered has raised the “political buzz saw” ire of some Vail business interests. The medical center benefits many Vail Village proprietors from expenditures by staffers and patient’s families. The Town of Vail has under review a consultant study authorized to assess the economic value of the medical center to the community. The Town has not as yet made public the results of their study, which according to newspaper accounts, won’t happen until they complete their “negotiations” with the VVMC. The negotiations, should they become active, may include Town offered concessions, inducements or other proposals to deter a move out-of-town. In the interest of good governance and transparency, some believe Town officials would better serve the community if they informed the public of the specifics of their study of the medical center’s economic importance before, rather than after they enter into franchising negotiations and agreements.

Suggestions have been made over the years that a portion of the municipal building site, which is near the VVMC campus, could be used to build a medical office building. The potential financial onus from the Town’s recently approved affordable housing requirements has been a sticking point for medical center officials.

Perhaps more than the economic benefit, Vail residents and property owners appreciate the “convenience” and accessibility of the medical center. Whether they are willing to help foot the bill for that convenience remains an open question. Should the VVMC ever cease their Vail operation, the site reverts back to its original owner, Vail Resorts.

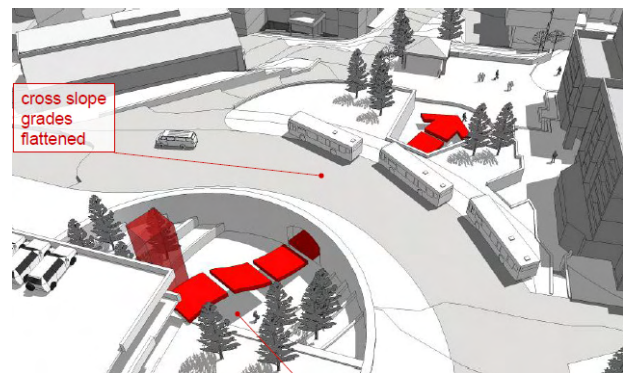
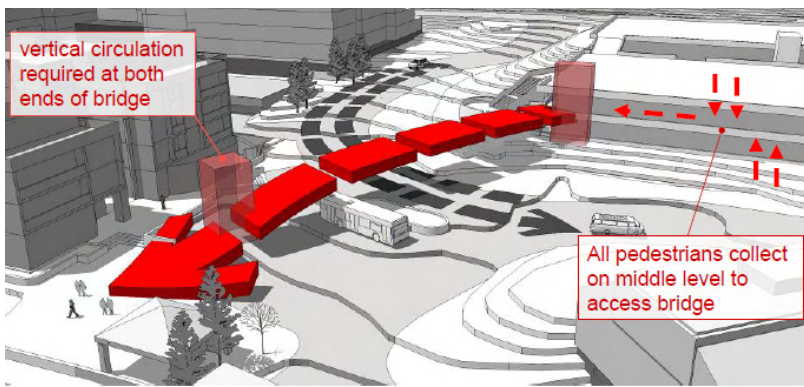
Lionshead Transportation Terminal Planning: The Town of Vail, after rejecting a proposed \$20 million transportation terminal on the North Day Parking Lot, has retained consultants to recommend a design for a new terminal in its current location at the west end of East Lionshead Loop. The consultants have prepared a report illustrating several options that could be considered. ([See Consultant’s Report for Options and Analysis](#))



One of the concepts, stages buses along East Lionshead Loop, removing the landscaped buffer which screens adjacent residential properties from the industrial starkness of the south side of the Lionshead Parking Structure. Traffic volume would be increased if the east end of the Loop were converted to a through street by constructing a new ramp connecting to the South Frontage Road near the Vail International complex. Adjacent residential property owners have raised several concerns with Town officials. They have requested the Town to respect several protections for the neighborhood that are included in the Lionshead Master Plan.

([See Letter to Vail Town Council from Lodge at Lionshead](#))





Concepts proposed to reduce the conflict between pedestrians and vehicles in the plaza at the south west end of the parking structure where bus and skier drop off functions now occur, are either a pedestrian bridge or an underpass tunnel. Also proposed is to convert the southwest corner of the parking structure into an enclosed bus terminal. Another concept is to relocate some bus service and skier drop off traffic onto the parking structure adjacent to the South Frontage Road. A new South Frontage Road roundabout, either on the east or west end of the Lionshead parking structure is being considered as well.

Vail Homeowners Association has suggested that the Town's consultants review a world-class transit center solution recently built as part of a major parking structure in St. Moritz, Switzerland. ([See Video Clip of St. Moritz Parkhaus Serletta](#))



An existing Federal grant is available to practically fund the Lionshead project. No construction budget has been set as yet. Some worry that with no fixed budget limitation, the project could become unrealistic. Complicating matters is how the proposed terminal will affect plans by a Texas based developer who is in negotiations with the Town to redevelop the entire Lionshead parking structure site.



Ford Park Master Planning:

The Town of Vail has begun a planning process to determine the location for major parking structures on Ford Park. The process will have long-term implications for Ford Park, as well as Vail Village and the community-at-large.

Parking and Politics:

The push to build more parking, always a political issue in Vail, comes as a result of the supposed community need for more winter and special event parking. The current planning process for Ford Park specifically leaves out the study of parking needs for existing or future uses at the park. Some view any plan formulated without considering these items as trading highly valued public parkland for non-park functions. ([See VHA Memo Ford Park Master Plan/TOV](#))

Setting Aside Park Promises: Currently, park amenities are only used during the non-winter months. The park was purchased through a public election that promised year round public amenities would eventually be built in the park. These uses were mapped out in the Town's 1974 Vail Plan. ([See 1974 Vail Plan](#)) Parking was not considered an amenity, but an adjunct use to support park amenities. The purpose of locating amenities at Ford Park was to benefit the economic and social well being of Vail Village and the community at large.

More Parking on Park and Frontage Roads: Some public officials say the proposed increase in parking at Ford Park is to reduce or eliminate parking on the Frontage Road. However, the Town continues to plan for the eventuality of providing parking for 700-900 vehicles along the length of the Frontage Roads. The Colorado Department of Transportation continues to say in press reports, that until the Town takes over ownership of the Frontage Roads from them, they do not condone parking on the Frontage Roads and will prohibit such if necessary.

Should Community Parking Needs be Pushed on to Park Lands?: Town generated parking studies indicate the need for 500 parking spaces to meet winter and special event parking demand. Funding is problematic, as the Town's budget would be stressed to build a structure out-of-pocket. Funding concepts, according to reports, are being floated that are directed at gaining VRI funding. One concept may be a proposal that would allow transferring to Ford Park required on-site parking for VRI's proposed Ever Vail development in west Lionshead. There are factions in the community that would not look approvingly on using publically owned park lands, particularly at Ford Park, to provide parking for Vail Resorts.

Cheap Solution Could Blight Park: A year ago some members of the Town Council voiced their support for parking structures to be built over the park's baseball fields and on the parking lot at the west end of the soccer field. There have been discussions that the baseball fields would be replaced on top of an above-ground parking structure that would be built over the current baseball fields and covered with artificial turf. An above ground parking structure is cheaper to maintain because it does not require mechanical ventilation. But, some believe this cheaper solution will become a visual blight, when compared to the expanse of natural lawn that currently exists.

Vail Valley Drive Traffic Congestion: The proposed location for another parking structure is on the parking lot at the soccer field on Vail Valley Drive, south of Gore Creek. This location has issues that have been voiced by affected residential property owners whenever traffic volume increase is proposed along Vail Valley Drive. Opposition from affected neighborhoods occurs because of traffic congestion currently generated at the Golden Peak Ski Base during peak ski season and large special events held at Ford Park during the summer months.

Property Owners Raise Open Space Protective Covenant Issues: The Northwoods Condominium Association in a letter to neighborhood property owners has raised concerns with the potential for traffic congestion on Vail Valley Drive. ([See Northwoods Letter of Concern](#)) They have also raised concern over Vail Village 7th Filing recreational open space covenant restrictions that would potentially limit the reasons for, and conditions by which, a parking structure could be built at the Ford Park Soccer Field. Restrictions on further development are imposed through another covenant agreement between the Town of Vail and the Northwoods Condominium Association. ([See VV 7th Filing and Other Applicable Covenant Documents](#))

Urbanization of Park Not Desirable: Ford Park was originally known as the Anholtz property, named for a local family that had a ranch on the land. With the exception of the Soccer Field tract, Ford Park was purchased by the Town of Vail, with voter approval, in the early 1970's. Prior to the Town purchasing the property, it was planned to be developed as another town center. Public sentiment at the time wanted to limit the further urbanization of Vail Village. This sentiment has continued through the successive decades and has guided the utilization of the park.

Parking Should Support Park Amenities as Priority: There are those who advocate that any parking, structured or otherwise, should be provided in support of public amenities provided in the park. It is the ambition of some to build or expand recreational and cultural amenities that are both an economic and community generator. The park is ideally suited as a site for such amenities as it is centrally located and easily accessible by pedestrians.

Some critics are concerned that parking structures devoted primarily to add to the community's parking inventory will push aside using the Park for expanded or future community amenities. Some are suggesting that to free up land for year round amenities, the tennis court complex should be relocated to the Vail Golf Course Club House site.

Vail Golf Course Upgrades: The Vail Recreation District, a prime tenant at Ford Park, is nearing completion of several upgrades to the Vail Golf Course. A new high tech irrigation system is the largest of the improvements. The old system was supplied from the Town's potable water supply. Its more efficient replacement will be fed directly from well water. Other improvements include recontouring some of the links and tee locations. A new ramp for the access impaired has been constructed at the Club House utilizing a very simple earth formed ramp resulting in major cost savings from those proposed by other solutions. ([See VRD Website for Blog on Progress of Golf Course Improvement](#))



Eagle Vail Master Planning:

Eagle County has begun an update of a master plan for the Highway 6 commercial strip in unincorporated Eagle Vail. Concerns have been raised that the plan should include an evaluation of opportunities and impacts should CDOT build its proposed I-70 Bypass Tunnel at Dowd Junction. The approximate location of the tunnel would be from near West Vail to the eastern edge of Eagle Vail, where a new interchange would most likely be necessary. The purpose of the tunnel is to avoid the potential problems caused by a major landslide area, shown left center of the accompanying aerial photo. Dowd Junction and the adjacent public lands are of critical importance to the four neighboring communities. The adjoining Union Pacific railroad spur may become an important site for a high speed rail mass transit passenger station and/or attendant major parking facilities.

POINTS OF VIEW:

Property Tax Appeals Are Made in Record Numbers – Bart Cuomo: *Mr. Cuomo is a local Vail businessman known for backing up his outspoken views with accumulated wisdom and practicality.*

It looks like it will be a busy summer for the Eagle County Assessor's Office as the number of Property Valuation appeals has approached 6,000. Obviously, the economy has played a big role in the number of appeals, but so has the system. Property Valuations are based on an appraisal as of June 30, 2008 using data for the 18-month period prior to that date for determining property taxes to be paid in 2010 and 2011. However, no one really had an idea of how property values in Eagle County would be impacted until after that date. As such, the valuations calculated by the Assessor's Office are much higher than today's recession-tainted real values.

This might not be such a big problem if the intent of Colorado's Tabor Amendment was followed by our state and local governments and the Colorado Supreme Court. This Colorado constitutional amendment, known as the Taxpayer Bill of Rights, limits the increase in revenues that government can collect. However, politicians statewide used sneaky loopholes that the Colorado Supreme Court astonishingly supported to override the constitution without a statewide vote. The biggest property tax impact is at state level where the mill levy associated with the School Tax, the largest portion of the tax bill, was fixed thus making any property valuation increase result in a proportionate increase in the school tax. To add insult to injury, the added school tax collections from resort communities does little good to those communities as the funds are sent to Denver for statewide allocation. So we pay a lot more, but get just a little more. Wait until the next valuations where Front Range property values have dropped like a rock. We will then pay a little less in tax as our valuations will have dropped some, but get a lot less funding. ([Vail Realty Newsletter](#))



Evening Spring Storm Over Lionshead – Minturn, Colorado

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Post Office Box 238
Telephone: (970) 827-5680
E-mail: vha@vail.net

Vail, Colorado 81658
FAX: (970) 827-5856
Web Site: www.vailhomeowners.com