

# VAIL HOMEOWNERS ASSOCIATION, INC.

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## Annual 2008 Report

### President's Message:

Most of us are hoping that 2009 will bring better news on the national and international front as well as for our own personal financial well-being.

However, as 2008 comes to a close, we are all concerned about the stability of the financial structure of the United States and the World. Real estate worldwide is being revalued and this impacts all of us. Discretionary travel and purchases are being adversely impacted. Vail is not immune. Reservations for the holidays are down more than 30% and homes sales are very quiet. Always important, but this year especially, good snow conditions will be very critical.

In anticipation of this unprecedented economic climate, your Association has been working with the Town of Vail, Vail Resorts and the business community to prepare for the anticipated impact of fewer visitors and reduced spending. The Association has been the catalyst in arranging meetings and advocating for renewed and increased investments in marketing and promotion. And there has been success. One example, for the first time Vail Resorts and the Town have formed a joint committee to promote winter visitors. In the past, the Town's promotional efforts were limited to the summer visitors.

In this very challenging economic climate, we anticipate building upon the strong economic and leadership qualities of our board and membership to effectively help guide Vail and its leadership through these times. We look forward to the challenge and know that we will be successful with the participation of our members.

Alan Kosloff, President

### **2008 ACTIVITIES:**

The Homeowners Association has been active in shaping decisions regarding the following actions under consideration by the Town of Vail, Vail Resorts, Inc. and others.

**Economy:** The Association assisted in the authoring of a research white paper report analyzing the potential impact of the national recession on budget projections for the Town of Vail. The white paper was used to encourage the Town of Vail to reduce its projected revenues from 5%-6% and set aside an estimated \$6 million in expenditures. The report will be used by the Association and others to assess the performance of the local economy, should additional advocacy for changes in Town of Vail budget allocations be warranted. The purpose of this particular white paper is to insure that the quality of basic services is not compromised.

The Association expanded its long-standing white paper service by publishing an electronically (email and Internet) distributed monthly journal in which key economic indicators and community issues are reported. Content has been expanded to include white papers, reports and commentary from the Vail community at large.

**Development:** The pace of development has slowed, caused by the national economic downturn. Major projects that were under construction prior to the credit tightening remain so. Several projects with Town of Vail approval chose not to begin building and remain in the inventory, waiting to begin construction when market conditions improve. If the downturn is prolonged, Town of Vail approvals could lapse. The following projects are in various stages of consideration:

**Lionshead Parking Structure Redevelopment:** Vail Resorts has requested that the public/private developers seeking to construct the project provide a detailed engineering plan to substantiate that the complicated structure can function and be built as represented. The proposal is a new town center containing hotels, residences, transit terminal, retail outlets, extensive parking and a conference center. The issue has been raised, given adverse economic conditions, about the wisdom of proceeding with a public/private project that is in

competition with the goal of completing redevelopment of other private buildings and areas in need of redevelopment throughout Lionshead.

**Ever Vail Town Center:** The new town center project proposed for West Lionshead was withdrawn and resubmitted for Town of Vail review. The project is proposed to contain hotels, residences, retail, extensive parking, transit terminal, gondola, mountain maintenance facility, and employee housing. Master planning is evolving based upon community and Town of Vail input. The project could become a major new source of parking having between 1,600 and 2,000 potential spaces. Included in the project is the straightening of the South Frontage Road. The design of the proposed Simba Run I-70 underpass and relocation of sewage treatment plant remain to be determined. Tax revenues generated from the project could be used to augment the construction of the Simba Run I-70 underpass. The proposed underpass improves mass transit service and permits the flow of traffic throughout the entire community when I-70 and its interchanges are closed or congested. The project has been in queue for Colorado Department of Transportation approval for several years. If design and engineering work were completed in the near term, the Town would be in an improved position to receive Federal economic stimulus infrastructure investment, should such a program be approved. To date, insufficient funds have been allocated by the Town Council for the detailed engineering design of the project. There is a need to determine civil engineering specifications so that appropriate environmental assessment, remediation and aesthetic design can be applied to the project.

**Evergreen Hotel and Condominium Redevelopment:** The large redevelopment project has been submitted to the Town of Vail and is now in the review process, estimated start date 2010. Issue was taken with building a bike path along Middle Creek, which is a narrow strip of green belt between Evergreen and Vail International buildings. The path would destroy riparian habitat and the character of the area. Other better options are available to provide bike access between the South Frontage Road and Meadow Drive.

**Affordable Housing:** The Town of Vail is designing affordable housing projects that distinguish between housing types for permanent residents and seasonal workers. Projects on the drawing boards include:

**Chamonix East Site:** The Town Council chose, with neighborhood support, a design for the affordable housing project that contains medium density town houses and least-cost parking north of the West Vail I-70 interchange. The surrounding residential neighborhood objected to a higher density and enclosed parking structure developer being sought. Cost projections are being conducted prior to the developer search. Protests from others in the community are being raised that the location of the site, adjacent to North Frontage Road, obliges a higher density and should include employee commuter parking in an enclosed parking structure.

**Timber Ridge Redevelopment:** The Town Manager's advisory committee has completed a financial analysis and concept plan. The Town is in the process of issuing a Request for Qualification seeking developers to make proposals to build seasonal worker rental housing on 50% of the site. VRI unsuccessfully sought direct negotiations with TOV to be the developer. They want to include credit for the Arrabelle affordable housing requirement, if they build it as part of the Timber Ridge redevelopment. Eagle County rejected a proposal from TOV to put \$20 million into the project. Some are attempting to reduce parking requirements to cut cost. Others see the need to build commuter parking along with affordable housing on site. In addition, there are those who shortsightedly want to avoid building the Simba Run I-70 underpass that would improve mass transit to the site as well as improve traffic circulation for the entire community.

**Arrabelle Affordable Housing/Lionshead North Day Parking Lot:** Complex planning issues involving the mixed use project include 120 units of affordable housing, a transportation center and skier drop off function previously master planned for the site. Financial considerations caused the Town of Vail to withdraw their participation to build a mass transit bus and shuttle van transportation center. Limited skier drop off function remains. The project may not proceed if incorporated into the Timber Ridge redevelopment. Some believe that to use the site, which is strategically located for traffic and parking infrastructure, for affordable housing is inappropriate and shortsighted.

**Open Space Preservation:** The Homeowners Association continues its effort to monitor proposals that may

detract from the community inventory of green belt open spaces and other unique environmental features.

**Vail Village Parking Structure:** Objections were raised with the Town of Vail regarding Vail Village 1st Filing covenant protections that could be violated by a proposal to commercially develop the parking structure's greenbelt berm areas. Other objections were raised about allowing the development of a small portion of the site to control whatever future redevelopment may be proposed for the remainder of the site.

**Middle Creek Stream Tract:** Objections were raised with a proposal to construct a bike path in an area that would damage the riparian habitat and natural character of Middle Creek between the Evergreen Lodge and Vail International buildings.

### **Master Planning:**

**Vail Village Master Plan Update:** Changes were made to certain outdated sections of the master plan and others included that reflected contemporary needs. The Association sought additional protections that were included in the plan providing opportunities to safeguard additional open space areas, historic and unique features, including art.

**Parking, Mass Transit, Streets, Utilities, L&D, Streetscape, and Traffic Congestion:** The Association monitored several projects that it has advocated or has under review and evaluation.

**Vail Grand Boulevard:** The first section of the Boulevard project was completed from the Mail Vail Roundabout north of the Vail Plaza Hotel and Vail Village Inn complex. Detailed planning for the Boulevard continued in conjunction with several projects under consideration along the South Frontage Road in Lionshead.

**West Meadow Drive Streetscape:** The second phase construction of \$2 million in streetscape and utility improvements has been completed, with the third phase to be finished in 2009.

**Ford Park Parking Structures:** Research of issues associated with the construction of several optional parking structures and related traffic improvements was conducted, concluding that the use of available, under construction and proposed private parking facilities should be maximized; and other less intrusive locations for public parking should be pursued before proceeding with considering public parking structures on Ford Park.

**East Vail Village P-2 Parking Structure:** The Association participated in open neighborhood discussions regarding a proposal to develop a private parking structure on the P-2 site, similar in design to Founder's Garage.

**Mass Transit System and Terminals:** The Association advocated expansion of the regional bus mass transit and park & ride system to reduce parking demand throughout Vail. It also advocated, until budgetary realities resulting from the national credit crisis intervened, for a bus terminal in conjunction with any permanent development proposed for the North Day Lot in Lionshead. It has requested a study of bus terminal expansion on the Vail Village Parking Structure to offset the loss of a bus terminal on the North Day Lot in Lionshead.

**Skier Drop Offs:** The Association spoke in favor of the creation of a high volume capacity skier drop off in Lionshead on the North Day Parking Lot and Ever Vail. The Association encouraged neighborhood involvement in determining the outcome of the TOV effort to locate a designed Skier Drop Off on Hanson Ranch Road at the Founder's Garage. Town officials are now re-evaluating their proposal.

**L&D Terminals, Access and Operations:** The Association monitored TOV negotiations with truckers and the business community for the development of an operational and management plan for recently completed dispersed truck loading and delivery terminals.

**Tract K Snow Cat Road:** Design changes are underway for the snow cat access road that will remove snow cats from West Forest Road. The road will give direct access to VRI's maintenance facility and eventually to a new underground maintenance facility to be located in the proposed Ever Vail project. Construction of the snow cat roadway is under consideration for 2009.

**Beaver Dam Road Utility Upgrade:** The Association initiated negotiations which expedited the construction schedule for a major water and sewer utility upgrade on Beaver Dam Road. The efforts of the Association

resulted in the project being completed a year ahead of schedule.

**Eagle County Air Service:** Improvements to international and domestic air service to Eagle County Airport were advocated as a method to create incentives for economic development and access for non-resident property owners. One potential source of funding could include the reallocation of the TOV Conference Center Fund for the purpose of improving air service and facilities.

**Traffic Management and Communication System:** The Association advocated improvement to TOV and CDOT traffic management systems to expand radio, Internet, cable television, fiber optic and wireless CCTV to improve response and communication with the public about traffic congestion, blockages and emergencies.

**I-70 Road Closure Procedure:** A procedure to decrease closures of I-70 between Glenwood Springs and Denver were advocated by the Association, and have been subsequently planned and implemented.

**Emergency Evacuation, Fire Suppression Planning and Forest Restoration:** The continued building of a defensive firebreak surrounding the community was advocated, including those areas, which do not have a well-articulated defense plan. Also advocated was an upgraded emergency preparedness program that would give more in-depth and coordinated intergovernmental response to catastrophic emergencies, particularly as it relates to public communication systems. The Association also supported the implementation of the Town of Vail dead tree removal ordinance to further reduce the wildfire threat from inattentive property owners.

**Community Amenities:** The Association advocated for more diversity of facilities and programs that could be incorporated into new developments that would serve a greater spectrum of user groups derived from the globally expanding consumer market. Similarly, it advocated that, for any new facilities planned for Ford Park, amenities planned should increase the heads-in-beds and cash-in-till of the business community as well as creating leading edge recreational or cultural experiences, which are not readily available elsewhere in the Vail Valley, for the community's full and part-time residents.

**Collaboration, Communications and Membership:** The Association has sought to encourage the Town of Vail, Vail Resorts and other community interest groups to become more inclusive in the deliberation on community issues and concerns. Vail Resorts has responded both in its public and private interchanges with the Association and others throughout the community. Special emphasis has been placed on their effort to give opportunities to participate in the planning and discussion of the Ever Vail project, outside of the official Town of Vail review procedures. The Town of Vail has further limited the public's participation in work sessions and other select committees such as the Economic Development Council, some affordable housing task forces and I-70 planning matters. There are limited participation opportunities for the community to have an ongoing dialogue about methods to adjust to rapid paced and lasting economic change. Some are concerned that the community is inadequately equipped to respond to the severity of changing economic conditions. Most Town of Vail sponsored activities are official town activities set aside for Council appointed members. In contrast the Town of Vail's parking and loading & delivery task forces did an exemplary job in affording ample opportunities for public participation in arriving at winter parking and loading & delivery strategies.

All concerned parties, the Town, VRI, the Association, and others, are operating under an increased level of stress. Now, more than ever, we should seek mutually supportive ways to foster the creativity of the community and encourage their participation in resolving the many serious challenges ahead. The Association has initiated a more graphically enriched monthly Internet newsletter and web site as first steps toward improving and expanding its dialogue with its members and the community-at-large. Improvements have also been made to promote increased Association membership, as its members are central to its effectiveness. All of these initiatives are expanding the Association's ability to develop constructive ideas, to encourage community confidence and to reach practical solutions. The result is a broadening base of influence and effectiveness for the Association.

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