

VAIL VILLAGE HOMEOWNERS ASSOCIATION, INC.

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2007 Annual Report

To: President, Board of Directors and Membership
From: Jim Lamont, Executive Director
Date: December 27, 2007
RE: 2007 Annual Report

Executive Summary: Beginning in 2008, the Association expands its membership area to the entire Vail community, changing its name to the Vail Homeowners Association. As it enters its 16th year, the Association has a proven record of an informed and fair-minded approach to progressive change for the community. Quality-of-life and environmental issues bring some of the most worrisome challenges ahead for residential property owners. The advocacy of short and long-term solutions that are both community-wide and specific to member neighborhoods motivate the Association's expansion. The representation of non-resident homeowners' interests broadens the Association's support to encourage good governance and responsible development. It is immersed in current public issues, both behind-the scenes and on the front lines. The Association, in conjunction with its ongoing neighborhood projects, is working on forest regeneration, wildfire threats, I-70 congestion, noise and water pollution. It seeks to bring an informed and mediating perspective to the public debate. The Association has participated in all aspects of the Vail Renaissance, working for responsible development to balance the old with the new and revitalize destination guest facilities. It continues to successfully advocate for the beautification of public ways and parks, improve pedestrian and traffic safety, parking, affordable housing, off-street truck loading and delivery. The Association sees challenges ahead, which with vision, persistence and the support of our members, will find solutions that benefit Vail today and for generations to come.

President's Message: We meet this year at a time of great change in our community. Changes that bring a sense of crisis. A time of stalemate and frustration. A time when some are losing confidence in our leaders. Significant development, lack of affordable housing, increased fire danger, pine beetle damage to our trees, highway noise and congestion, threats to clean water and more...all of these issues will seriously impact the quality of life in Vail and the reasons we choose to be here.

Your association is increasingly concerned about quality of life in Vail and is planning to take a leadership role to help mitigate the impact of these issues. We are implementing changes to make the association more effective. We have added new directors, two who are long term residents of Vail, we are expanding our membership area to include all of Vail, we are upgrading our web site and communication channels, we are reaching out to all members of the community to seek consensus on these important issues and work together for results and finally we are changing our name to better reflect our community wide efforts...Vail Homeowners Association.

There are hopeful signs. We sense that much of the community realizes that development has impacted the environment and that we need to stand back to assess the impact. The new town council seems to be reaching out for a consensus with the community and addressing the issues of housing and the I-70 expansion. There are very positive changes including the new streetscape, more first class lodging and improvements on the mountain.

We welcome your comments and suggestions. Please help to improve the community and make Vail a better place to be.

Alan Kosloff, President

Introduction: Out of a frenzy of politics and construction, Vail is steadily emerging on a scale that is proving to be both alluring and frustrating. The hovering building cranes, the daily parades of construction trucks and day laborers is not expected to subside for another two years, if then.

Many are watching foreign investors and tourists to see if a devaluing U.S. dollar will bring them to Vail in sufficient numbers. Some speculate that foreign investment will become the sustaining force for the local real estate economy, should there be a fall off in American buyers. There has not been evidence that local residential property values will follow the current national trend. Foreclosure rates in Eagle County, for the most part, remain at normal levels.

There are many developers, with projects on the drawing boards divining whether to start construction or wait for more confident times. A post-development era may well be on the horizon. Fiscal accountability and other community priorities are coming into importance as political issues. The challenge is immediately ahead for businesses and their representative organizations to broaden the scope and geography in marketing the community's new economic assets to the intended clientele, the high end destination guest.

Shiny new buildings cannot fully replace the passing of the familiar. It remains to be seen if the pro-development swing of the political pendulum may have reached its zenith. The community remains divided and stressed over change.

A newly elected Town Council has not yet signaled a substantial change of greater accountability, inclusive collaboration and transparency in the conduct of the public's business. There is concern over the escalating amount of time that Town Councils in recent years spend closeted with their advisors in lengthy executive sessions on redevelopment and other potentially controversial issues. In times of uncertainty, public confidence is built upon transparency and participation, not secrecy and exclusivity.

A recent community survey appears to mirror the Association's concern with inappropriate growth, the deterioration of the natural environment and quality-of-life. On a regional level, transportation and related environmental challenges are increasingly becoming important issues throughout the Colorado Interstate 70 mountain corridor.

The challenges ahead will require more than redevelopment to sustain a viable future. There is a realization that nature itself may be propelling a pace of change that could stress many aspects of the community's valued environment and lifestyle. There is a sense that the economic success resulting from redevelopment must be turned into the tools needed to protect our quality-of-life.

On balance, most see the glass as a bit more half full than empty. In general, the redevelopment activity in the community is well done and will prove to be beneficial to Vail for many decades. The public benefits of loading and delivery, the Founders parking garage, streetscape, public art, and ice rinks lead the list.

General building upgrades are steps forward, the Arrabelle as the prime example versus the old gondola building, the same with the Plaza Hotel. Makeovers and upgrades to existing buildings like the Lift House and Lionshead Lodge are great improvement to Vail. It would be hard to argue that the Sonnenalp addition and One Willow Bridge are not attractive. There will be many benefits to the community from the increases in taxes these lodging properties will bring.

In the end, collectively the community will feel better about the Four Seasons building versus the old Chateau at Vail and its many iterations, including the gas station. The pessimistic hangover from the Crossroads/Solaris conflict is passing, healing is occurring as all sides are claiming vindication. Yes, there is stress with construction, but ultimately the end game is beneficial to the entire community.

VVHA Expansion to Vail Homeowners Association: The Association has spent the year adapting and preparing itself for the future. It is looking ahead to shape a more inclusive, collaborative and sustainable community. Efforts are underway to assist in moving the Vail community towards an adaptive quality-of-life vision for the future. It has published several visioning documents that respond to its core mission to protect and enhance the quality-of-life for residential property owners.

Principle to the Association's vision is the protection of Vail's environment and quality-of-life. The central theme of its vision is the reshaping of the community's primary sources of degradation caused by the affects of global warming, Interstate 70 and unsustainable growth.

The Homeowners Association, guided by this vision, is reaffirming and expanding its longstanding mission to protect and enhance Vail's natural environment and residential quality-of-life. To accomplish its mission, the Association will need to extend its efforts to issues that affect the entire Vail community, including as necessary, the surrounding region.

The Association, to effectively engage in community-wide issues, is opening membership to homeowners from the entire community. The expanded membership area would be from Vail Pass to Dowd Junction. The expansion would overlay ongoing oversight and advocacy activities of the Association, several of which have community-wide implications and others are specific to the membership in particular neighborhoods. Membership expansion will include extending participation through the establishment of committees and subcommittees, which will concentrate on specific subjects such as membership development, Interstate 70 and electoral issues.

Effectiveness will also depend upon participating in an inclusive collaborative that brings greater awareness and diversity to the community's electoral and governing processes. The perception of the Association's activities is sometimes misconstrued. To counter these misperceptions it necessitates broader media communications and appropriate legal support.

The Association is most successful when it advocates constructive and practical solutions to complex challenges. It has resisted direct confrontation, instead applying its values of good neighborliness, constructive advocacy and inclusive communications to attain its objectives. It relies on applying leverage through informative factual communications and participation in governmental processes to accomplish its mission. The solutions to some of the most intractable issues will require innovative approaches and necessitate collaboration with regional and national interests.

Sustainable Community, Taxation and Growth Policies: The Association successfully advocated that a larger percentage of increased cost for public services and infrastructure be defrayed by coupling growth to more stringent regulatory and special tax opportunities. Redevelopment in Vail Village and Lionshead partially funded millions in public infrastructure upgrades from new water lines and streetscape beautification to truck loading and delivery terminals.

The Town has imposed regulations and special impact fees to partially fund affordable housing and road improvements. Regulations have been adopted that improve fire suppression and protect streams from construction site runoff. It is expected that building code energy conservation measures will be given consideration in 2008. The electorate approved a tax on the purchase of building materials in November. A forty percent increase in property tax assessments based on the rise in property values over the past two years gave local governments a windfall increase in revenue.

The incoming Council rejected a proposal by the Art In Public Places board to improve a mandatory impact fee to require art on private property as part of development approvals. Currently, public art is a negotiated impact fee imposed on Special Development Districts.

The “easy” redevelopment projects slated for Vail Village or Lionshead have received approval by the Town in one form or another. It remains to be seen if there is a strong appetite to take on the redevelopment of complicated multiple ownership properties. It may spill over into areas of the community. Single family and duplex residential redevelopment is projected to remain strong in the East and West Vail neighborhoods. However, there are expressions of dissatisfaction with the increasing size of new homes built on steep slopes resulting from a liberalization of zoning regulations in recent years.

The concern continues, on the part of some, that the Town’s growth policies have set in motion a significant increase in density in all neighborhoods throughout the Town. The result will be a quickening of the redevelopment of all areas, resulting in hastening the further exodus of local residents.

A significant segment of local residents are moving rapidly towards their retirement years. It is forecast that many will sell and move on. Some officials believe the Town’s affordable housing program needs to start providing for the housing needs of all ages and stages of local residents, including elder care facilities.

The incoming Town Council rejected a proposal (4-3) to use the Real Estate Transfer Tax (RETT) to build affordable housing. RETT has historically been used for open space acquisition, recreational and environmental improvements.

Affordable Housing: The ongoing crisis over the availability of affordable housing is not subsiding. Construction workers are vying with the rest of the workforce for a shrinking inventory of housing. Jobs created by 2010, once the current phase of the Vail Renaissance redevelopment is completed, will require housing for hundreds of new employees. Business owners who have not invested in housing for their employees are demanding that the municipal government provide it. Valuable time has been wasted in attempting to placate the competing housing interests of those advocating subsidized housing either for seasonal workers or new full time residents. Commercial interests need low-cost housing to meet labor needs while social equity advocates want housing types that will attract working-class families. The few sites where affordable housing can be built are being planned to be some of the most densely built complexes in the community. Pressure should be expected to intensify to accommodate affordable housing in existing neighborhoods as well as to locate it outside of the Town.

Affordable Housing Impact Fees: The Vail Town Council approved housing impact fees as part of its affordable housing program. The ‘inclusionary’ and ‘commercial linkage’ fees apply to new development in mixed-use commercial/residential zone districts. After considerable public objection, the Council held off on adopting a residential linkage fee until sometime in the future, which will apply in residential zone districts. The Planning Commission is seeking a definitive plan and development standards, which is also advocated by the Association, so that required affordable housing is built in conjunction with a project. Opposition from development interests to roll back the impact fees failed to materialize in the November Town Council election.

Affordable Housing/Employee Commuter Parking: There is a fundamental shift in the concept that Vail’s affordable housing can be solved within the community. There is no longer enough space even with redevelopment. Enter the growing problem of employee commuter parking and the need for workers to use the bus system from outlying park n’ ride stations. There are those who want to reduce the parking requirement for affordable housing projects to help reduce costs. The Association notes to community leaders, there are few places to put affordable housing and still fewer to put parking structures. The cost of building a parking space is less expensive than building an affordable housing unit. In the not too distant future, it is conceivable that for the commuting employee, having a parking space will be as big if not a bigger benefit than living in Vail. What some say are unused parking spaces today, will be a thing of the past.

Lionshead Parking Structure Redevelopment: Political maneuvering over the building of a convention center to accommodate the “economy class” clientele during the “shoulder season” has occupied center stage for the better part of twenty years. Proponents are single-mindedly tenacious and have become permanently embedded in the institutional fabric of the Town of Vail. The proponents have brought forward repeated requests for the taxpayer to pay for all or part of the Convention Center only to be rejected time and again by the voters.

In the latest incarnation the convention center is to be part of a redevelopment of the Lionshead Parking Structure into a new mixed use Town Center comprised of hotels, condominiums, commercial retail and a public transportation center. In March, the Town received appraisals that indicated, excluding revenues from associated taxes, a \$6.9 million difference between \$75 million in land value, when compared to the \$81.9 million of public improvements proposed for the project, which has a projected value of \$600 million. Some view, the public benefits, including potential tax revenues, to be disproportionate and lacking when compared to the value received by the private developer.

In the 1970’s, the Town of Vail gave Vail Resorts, Inc.(VRI) \$10 in exchange for the right to build and operate the Lionshead public parking structure on the site and nothing more. If the Town did otherwise, the site would revert to its original owners, Vail Resorts. Vail Resorts has veto right over the use of the land as being proposed by the Town of Vail.

The Town entered into an agreement with a 3rd party developer, Open Hospitality Partner/Hillwood Capital (OHP/HC), a Texas based developer, to pursue the project further, including the release by Vail Resorts, Inc of legal restrictions the company holds on the site. The ensuing negotiation was complicated by a Town imposed contractual obligation on VRI’s Lionshead Arrabelle project to build affordable housing. There are those that believe the Town hoped these negotiations would be an inducement for VRI to give their approval for the redevelopment of the Lionshead Parking Structure Site and the Timber Ridge affordable housing project.

Arrabelle and Redevelopment of Timber Ridge Affordable Housing: The Town received competitive offers from both VRI and OHP/HC to more than double the size of the Timber Ridge seasonal housing project through redevelopment. VRI currently holds a lease on the Town’s Timber Ridge project that is claimed to temporarily satisfy the Arrabelle housing requirement for three more years. Some said this was not good enough.

The outgoing Town Council threatened withholding occupancy permits for portions of the Arrabelle complex until VRI built over a hundred new beds of affordable housing. Observers noted the potential for \$250 million in damages against the Town, if VRI prevailed in litigation.

Vail Resorts Arrabelle Housing Agreement: In recent weeks, the incoming Town Council (elected in November 2007) entered into a new agreement with VRI, which required Arrabelle affordable housing be built on the North Day Skier Parking Lot in Lionshead (the large parking lot adjacent to the south landing of the I-70 pedestrian bridge). The company has requested that it be given the option to build on another sites, because of concerns about of potential litigation from property owners adjoining the North Day Skier parking lot.

As one possible option, VRI has suggested the joint venture development of a smaller privately owned site, which has recently received rezoning approval by the Town for affordable housing. The rezoning allows for the zoning requirements, such as building height to be negotiated, similar to a Special Development District.

The Lionshead Master Plan recommends the affordable housing displaced by the Arrabelle project should be replaced in Lionshead, so there is not a net loss of employees living in the neighborhood. The Homeowners Association has pointed out that the Lionshead Master Plan recommends a mass transit terminal be

incorporated into any new development on the North Day Skier Lot. Also, it noted that the design quality issues raised during Middle Creek Affordable Housing project should also apply to the redevelopment of any other potential site.

Lionshead Conference Center: During the negotiation over Arrabelle and Timber Ridge, there was further analysis of the Lionshead Parking Structure development proposal. Reportedly the \$12.7 million convention center (excluding parking and other related infrastructure cost) would be bare bones, requiring additional millions in public funds to bring it up to a qualitative level. The concept of a publicly funded convention center has been rejected by the voters' innumerable times. Perhaps, some suggest, it is best that the Lionshead Parking Structure and convention center project be set-aside, for the time being.

The all too critical question remains unanswered. Is the redevelopment of the Lionshead Parking Structure an essential ingredient to help restore the high-end destination guest market that the Vail Renaissance is intended to attract? There may well be enough new development, that for the asking price, the need for the conference center no longer exists.

Success or failure will be apparent within the next two years as several large projects already underway aimed at high-end destination guests and part-time residents come on line. Some believe it is worth the wait to see how well the economy responds, before again picking up the redevelopment of the Lionshead Parking Structure site.

There is the perspective from some in the community, once VRI completes their development of Ever Vail in West Lionshead, that they should turn their attention to redeveloping the Lionshead parking structure site. In the meantime, the Town of Vail may wish to consider the wisdom of the town government trying to become a major player in the local development game.

Town of Vail in the Development Business: There are unforeseen pitfalls in the Town government engaging 3rd party partners to finance "joint venture" projects. This is especially evident if 3rd party money is used to take on special interest developments without first getting approval from the voters. What is the downside to the Town, particularly, since it has the political intimidation factor of near absolute condemnation power over land ownership and the approval of development? If litigation ensues, the price of over-reaching could well end up in the property taxpayers lap. The Association notes that most of the foregoing took place behind closed doors, out of sight of timely public scrutiny and comment.

Pine Beetle Infestation: The Association met in early August with local officials from the U.S. Forest Service (USFS), Eagle County and the Town of Vail, responsible for alleviating the threat from the Pine Beetle infestation.

The Association encouraged and worked with the Town of Vail to cause the preparation of emergency evacuation plans for the community and surrounding region. It is the Association's perspective that responsible authorities must build public confidence that they are prepared to act decisively to effectively protect life and property. The evacuation plan relies on the Internet to convey instructions, which is seen as a potential shortcoming in the plan. Printed evacuation instructions should be placed in all residences, as many are not connected to the Internet.

The Town's evacuation plan is in conjunction with other measures being put into effect to reduce the threat from a large wildfire or similar catastrophic event. The TOV is having mixed success with encouraging building exteriors and roofs to be fireproofed. The Town Council has approved a wildfire prevention ordinance requiring the mandatory removal of dead trees.

Even though Vail is one of the most advanced communities in reducing the threat of wildfire, there remain many years of removal and forest restoration ahead. Public officials have not addressed, to any substantive level, how forestlands will be restored. Government officials have had limited success in obtaining Federal or State funds sufficient to give incentives for private interests to develop beetle kill products and markets.

The period of prime economic value is three years from the death of the tree. By this standard, much of the infested forest is steadily losing its economic value further complicating a qualitative response.

The Association notes that other tree diseases are killing other species of Evergreen and Aspen trees. Some of these diseases can be contained through chemical spraying at appropriate times during the year. The Association urges property owners to consult with qualified local arborist for advice about protecting the trees on their property.

The Association has made several recommendations to the authorities:

- Adopt and enforce mandatory requirements to remove dead trees.
- Determine the cost of an intensified tree removal program.
- Establish a procedure whereby tax-exempt funds can be received from private parties to fund specified aspects of removal and restoration programs.
- Prepare specialized plans for those areas, particularly in East Vail, which are subject to avalanche and other natural hazards as these conditions limit the practicality of the wholesale removal of dead trees.
- Improve the Town's readiness to use advanced fire fighting techniques, such as spraying fire retardant foam on threatened structures in the event of a wildfire.
- Increase consumption of dead trees by using them as fuel, including a biomass steam and electric generation plant to provide "green" power for the community's extensive snow melt system or other energy needs.
- forest restoration strategies that are the next link in a progression of remedies to the Pine Beetle and other known infestations.

Interstate 70:

Summer Traffic Jams: Interstate 70 delivered a summer of traffic jams due to the construction of crash barriers at Dowd Junction west of Vail. The summer of 2008 will see continued construction of the Dowd Junction barrier along with the lay-down of quiet pavement through the entirety of Vail. Colorado Department of Transportation (CDOT) met recently in Vail, at the invitation of the Vail Chamber and Business Association, to work out a less hazardous and disruptive schedule for the coming construction season. Importantly, they have committed to do as much of the work as possible at night and during low traffic periods.

CDOT officials are promising better communication with the community. The Association suggested they participate in the Town of Vail weekly construction coordination meetings. These meetings have been very successful in getting the word out to every media and group that has a stake in getting the community through this period of hyper-construction.

I-70 Noise Barriers: Agreements have been reached among the necessary government agencies to complete the next phase of the noise barrier designed to protect the Bald Mountain Road neighborhood in East Vail. The barrier is being constructed from road sand collected from I-70 on Vail Pass. Further east, a condominium association has requested the Town of Vail help them gain approval and funding to build a noise barrier for their neighborhood. The Federal and State authorities have rejected appeals from Vail to fund the construction of I-70 noise barriers. The Town of Vail annually allocates monies to build noise barriers, but has not funded a particular project for 2008. The 2007 allocation has been rolled forward into the 2008 budget with an additional annual contribution.

I-70 Road Sand Clean Up: The Association participated in a meeting of the Eagle River Watershed Council because of its concern over stream pollution. The Council is a local interest group concerned with the clean-up of the I-70 road sand polluting Black Gore Creek, a tributary of Gore Creek and a source of drinking water for Vail.

The group has been working with CDOT, the USFS and other agencies for over a decade to reduce sources of pollution as well as the clean up of Black Gore Creek, before the sand begins polluting Gore Creek. There has been progress. The migration of road sand into Black Gore has been reduced through CDOT's use of entrapment basins and road sweeping. They report that last winter more road sand was removed, as measured in the thousands of tons, than was laid down last winter.

The Association notes that very little, if any, of the thousands of tons of road sand have been physically removed from the Black Gore streambed. Officials responded that there is a holdup over an Environmental Protection Agency (EPA) concern about disturbing wetlands, which were created, according to members of the Council, by road sand. Once this Catch 22 is removed, the Council expects that road sand removal can proceed.

A study by Vail members of the Council reported that several beaver dams were so filled with sands that they had been abandoned. They also reported that the number of beavers in the drainage was on the increase. However, wildlife officials said that this was mostly the result of a statewide ban on beaver trapping, than on any improvement to the Black Gore ecosystem. It was reported that there were other indicators that the health of the stream had stabilized.

Interstate 70/West Vail Pass Lane Expansion Study: The Association suggested to CDOT that its primary objective should be to make improvements that expand the "reliability" of sustaining traffic flows as well as enhancing safety conditions during inclement weather. Lane expansion increases the Interstate's capacity, but not necessarily its reliability. Equally important, CDOT should fulfill its responsibility to eliminate environmental problems that the current Interstate has created, which includes pollution from traffic noise, road sand stream siltation and avalanche or landslides resulting from adjacent mountainsides being destabilized by pine beetle killed forests.

Vail Grand Boulevard Plan Evolving: The Town of Vail unveiled a plan for improvements to the Frontage Roads, staged to be timed with adjacent developments. It provides for \$65 million in lane widening, traffic circles, turn-a-rounds and beautification improvements between the West and East Vail Interstate interchanges. Tax Increment Financing (TIF) revenues derived from Lionshead and other designated redevelopments along the Frontage Road will fund these improvements. The plan is a result of the Association's advocacy of a grand boulevard that interconnects the North and the South Frontage Road with the new \$15 million Simba Run I-70 underpass linking the town centers of Vail and West Vail via a central transportation corridor.

Negotiations are ongoing between CDOT and the Town of Vail about the allocation of the State controlled rights-of-way for the Town's Frontage Roads and I-70. CDOT wants the Town to take over the maintenance and associated costs of the Frontage Roads. The amount of land allocated for the Frontage Road rights-of-way is critical to road improvements as proposed in the Town's improvement plan. They are discussing, by necessity, the amount of land also needed to add four travel lanes on I-70, two for mass transit (or equivalent) and one each for east and west bound traffic. No details have been made available, so that the public and taxpayers can evaluate the merit and costs associated with local control of the Frontage Road system and the expansion of the Interstate. Future improvement to the Frontage Road system and I-70 is critical to the community's capacity for growth, its environment and quality-of-life.

I-70 Lane Expansion Questionnaire: The following is a summary of the result of a VVHA questionnaire about the expansion of I-70 circulated to Town of Vail Town Council candidates and incumbent Councilpersons. All responded.

- There is a positive attitude to not support the expansion of I-70 through Vail.
- To explore other methods with the Vail community to reduce or eliminate the impact of I-70 on the community both in the short and long-term future.

- There appears to be a willingness to actively engage as elected officials in work to accomplish these ends both for Vail and the larger regional interests served by the I-70 intermountain corridor.

Slow boiling frogs is not a solution to I-70 Expansion: The Association has expressed to CDOT and Town of Vail officials that they need to allow the community to be thoroughly informed and voice their concerns to their elected officials about the short and long-range (50 year) plan currently being negotiated for the expansion of I-70 and the Frontage Road system.

CDOT officials consistently say that Vail is not included in the I-70 lane expansion plan. The CDOT "no plan for Vail" position appears to be based on political rather than factual reasons. Why doesn't CDOT have a plan to expand lanes through Vail in the next twenty to fifty years? They do for most other communities along the inter-mountain route.

Where are CDOT's long-range vehicular traffic studies? According to informed sources, these studies are incomplete. Rather than do the necessary studies to justify a "no planned" solution for Vail, CDOT is saying that traffic demand will be met by train service. Increasing the frequency and number of trains is proposed as the solution to reduce traffic demand on I-70. Allegedly, CDOT studies do not account for increased congestion due to growth in transcontinental truck traffic. The cost of expanding lane capacity through the inter-mountain corridor is projected at \$4 billion, the addition of a train line paralleling I-70, increases total improvement costs to \$14 billion.

Some ask whether the Vail community should be funding some other credible entity to conduct traffic projections. As this past summer all too vividly demonstrates, even with existing traffic volumes, hours of gridlock take only a moment to create. No authorities have acknowledged or estimated the consequences, economic and otherwise, to the Vail community, from I-70 construction blockages over the 20 years estimated to complete the expansion project. Interstate traffic jams this past summer could just be a foretaste of what is to come.

It should be expected, due to budget short falls, qualitative solutions from CDOT would become increasingly undependable. It is doubtful that Colorado officials will turn to the State taxpayers to increase taxes to fund transportation projects; health care and education are higher priorities. Fiscal accountability for transportation in all likelihood will become an increasing burden upon local government.

Vail officials should not ignore their constituents right to be timely and publicly consulted on these matters. The community has the right and responsibility to shape its own destiny with respect to I-70. Is Vail going to be locked into a long-range plan for the I-70 mountain corridor, which is imposed from the outside? CDOT wants approval of an expansion plan by a hand picked regional collaborative in May or June of 2008.

As one CDOT official posed recently, "Does Vail really want to see or hear trains whooshing by in the I-70 median, perhaps on elevated tracks 34 feet in the air?" These are the concepts most likely to be in the CDOT plan. Perhaps, like the Interstate, it should be out-of-sight. The Vail community should have the right to debate the matter before it and other improvements are locked into place by politics or budget.

- How much is it going to cost for the Town of Vail to take over the Frontage Roads?
- When and where is the money coming from?
- What are the short and long-term visions for I-70?
- What if the community or interests within the community are willing to finance the price of implementing a future for the community that eliminates I-70?

Vail citizens certainly weren't shy at a recent local CDOT meeting to discuss how to avoid last summer's tragic traffic jams. People are not only upset about the delays, noise and blight, but the mayhem of senseless accidents they see occurring.

Proposed I-70 Vail Mountain Tunnel: The Association is working in collaboration with an internationally recognized engineering company and local interests to further refine the concept of a privately financed I-70 bypass tunnel under Vail Mountain. The company specializes in tunnel design and construction. There are indications that Town of Vail elected officials may desire to join in the Association’s “inclusive” collaboration to further the consideration of the proposal.

Ever Vail Progressing: Ever Vail, Vail Resorts’ redevelopment in West Lionshead is progressing through the Town of Vail’s approval process. Zoning approval is completed with outstanding planning details to be resolved as the \$1 billion project proceeds towards development. The Association participated in a master planning exercise along with Town of Vail planners to refine the master plan for the 9-acre site. VRI is in negotiation with CDOT to realign the South Frontage Road. The project’s start date has yet to be announced.

The project includes a one million square foot, mixed-use commercial/residential resort town center. It has proposed to use “green” building technology and be built around a new mountain gondola. The Association has worked with Town and company officials for the past decade on West Lionshead master planning issues including a less impacted public road route (West Forest Road) for snow cats. This year Glen Lyon Subdivision property owners gave approval to a new mountainside snow cat route using Tract K located southeast of Glen Lyon office Building. Association priorities for West Lionshead include advocacy of elements of the Grand Boulevard Plan, affordable housing, skier drop off (to relieve congestion at Golden Peak), qualitative linkage to main Lionshead and Cascade Village, mass transit station and public parking in conjunction with traffic circles, roadway beautification and the new Interstate 70 Simba Run underpass.

Development Summary: The following summarizes development statistics of projects that are in varying stages of the Town of Vail development oversight processes.

1218 Proposed Dwelling Units

540 Existing Residential Dwelling Units

678 Net New Dwelling Units

922 Proposed Accommodation Units

452 Existing Accommodation Units (Hotel rooms)

470 Net New Accommodation Units

346 Proposed Fractional Fee Units

54 Existing Fractional Fee Dwelling Units (Multiple ownership)

292 Net New Fractional Fee Units

124 Proposed Employee Housing Units

92 Existing Employee Housing Units

32 Net New Employee Housing Units

701,731 Proposed Commercial sq. ft.

260,152 Existing Commercial sq. ft.

441,579 Net New Commercial sq. ft.

Vail Village Loading and Delivery System/Outdoor Amplified Sound Issues: The Association participated in the oversight of a TOV committee largely composed of business interests to update on-street truck delivery rules. The update was in anticipation of new off-street dispersed truck delivery terminals that are nearing completion. Morning on-street deliveries (beginning at 4:00 am) will continue. Truckers will be issued on-street parking permits, which can be revoked for failure to abide by operating standards, e.g. noise disturbance. Offending truckers will be required to use off-street loading and delivery terminals.

Amplified Sound: The Vail Police Department reported very few complaints about outdoor amplified sound over the summer months resulting from the Town Council one-hour (11:00 pm, Friday and Saturday) extension of operating hours. The Association advocates that lodging guests and residents in Vail Village and Lionshead have the right to expect the Town of Vail to enforce 8 continuous hours of undisturbed quiet in the late evening and early morning hours.

Covenant Protected Open Space and Stream Tract Land: During the recent Town Council campaign, candidates were asked if they favored building a bike path from the Interfaith Chapel to Lionshead. The questioner failed to point out that the path would be in violation of the protective covenants, the terms of which both the Town of Vail and Vail Resorts, Inc. have taken pains in recent years to respect in response to the Association and other residential property owners' efforts.

Vail Recreation District Finance and Service Plan: The Association has urged District and Town of Vail officials to use moderation in the formulation of a new financial and service master plan. Discussion between the two entities about financing options to fund a \$15 million backlog in renovation of existing facilities and funding of new extensive multimillion-dollar community recreation facilities is underway. Elected officials are looking at a bond election to be scheduled perhaps for May 2008 or later. Colorado voters, who own property in the Recreation District, are eligible to vote.

In late Fall, just prior to the November Town Council election the District and the outgoing Council signed a Memorandum of Agreement the details of which have implications that are far-reaching and not generally understood by the public and taxpayers. The Memorandum of Agreement provides for the renewal of VRD land leases by the Town, which are due in a few years. The Town and VRD have, in executive session, been preparing a master plan, without benefit of timely public oversight or comment. They briefly exposed their plan for Ford Park and the Golf Course Club House site, just prior to entering into the Memorandum of Agreement.

Master Planning in Executive Session Inappropriate: The TOV/VRD plan provides one option that is a concern, which has not been made public. Two new soccer fields are to replace the Ford Park baseball fields. The soccer fields mask a new one-level parking structure under much of the upper bench of the park. This approach has been brought to the public on prior occasions and met with stiff resistance as it urbanizes the park's open space. The Association notes that there are far more sensitive and appropriate methods to provide new public amenities in Ford Park.

The VRD/TOV plans do not appear to provide for the expansion of other concessions in Ford Park including the Ford Amphitheater and the Betty Ford Alpine Garden. Some believe there should be equal opportunity for other existing and potential concessions to present proposals for other beneficial public uses in the Park.

It appears that neither the Town nor VRD have adequately consulted with other concessionaires to determine their expansion plans, if any. One concessionaire has been given assurances that they will be consulted, but the TOV/VRD memorandum of agreement has language that appears to be contrary to this representation. Indications are that a formal lease agreement will be signed between the TOV and VRD in the near term.

Representatives of the VRD have approached the Association to support and advocate for their efforts. It will be difficult to do so, if neither the Town nor VRD is meeting the Association's standards for "inclusive collaboration".

Increasingly, the Town has taken the position that nearly everything that has the potential for controversy is deemed a negotiation and pulled into executive session. Both the Town and the VRD risk the loss of public trust if they cannot allow full disclosure, timely public consideration, debate and comments on their master planning efforts and conduct of the public's business.

VVHA – 2007 Annual Report:

Board of Directors: Three new Directors joined the Board, Doug Tansill and two long-time Vail residents, Rob Ford and John Gorsuch. Founding Directors, Ellie Caulkins and Gretta Parks, join Bob Galvin as Emeritus Directors.

Membership: Many new members joined during 2007, which continues the steady climb in membership since the Association's founding.

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

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