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TOWN OF VAIL

Vail Economic Development Strategic Plan

Completed by Town of Vail Staff | Adopted by Vail Town Council on December 16, 2008

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I. Purpose

The purpose of the Economic Development Strategic Plan is to ensure long-term economic health by enhancing Vail's existing winter season and stimulating a viable summer economy. By gaining a better understanding of the existing blend of commercial mixes, activities, and growth opportunities available, the Town of Vail can decide on a course of action that can be used to generate and ensure a vibrant economic future for the entire community.

This document is meant to be revisited and revised as action steps are completed and new economic development issues arise in the community. The Economic Development Office and Vail Economic Advisory Council, when looking for guidance and direction for existing or new endeavors and program goals will refer to this strategic plan.

II. Existing Conditions

The following summarizes the current economic and financial situation in the Town of Vail as it relates to revenue, expenses and relationships.

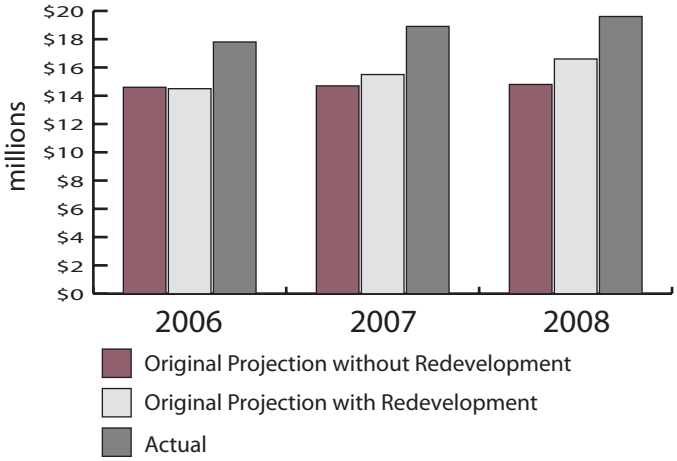
Revenues

The Town's four percent general sales tax is the largest single revenue source, contributing to approximately 39 percent of the town's revenue.

Vail's economy is seasonal, with approximately 70 percent of its sales tax generated during the winter (November through April) and 30 percent generated through the summer (May through October).

The Town's second largest revenue source, Real Estate Transfer Tax (RETT), has grown from $2.1 million in 1996 to $9.0 million in 2008 as a result of Vail's Billion Dollar Renewal. The Town expects this revenue source to decline somewhat once major new construction projects are complete and sold out.

Record levels of construction permit fees and plan review fees have been generated over the last two years, with nearly $2 billion in private sector redevelopment and approximately $15 million in public improvements. For the last two years of the major redevelopments, reductions in sales tax revenue in certain construction areas have been more than offset by increases in sales tax in other areas.



Outpacing Resorts

Recent sales tax statistics compiled by the City of Steamboat Springs indicate Vail has outpaced the resorts of Winter Park, Aspen, Breckenridge, Steamboat Springs, Glenwood Springs and Snowmass in sales tax growth.

Other Revenue Sources

Other revenue sources include property tax, parking revenue, pass-through taxes from other governmental entities, lift tax, franchise fees, charges for services, rental income, fines and investment income.

Expenditures & Relationships

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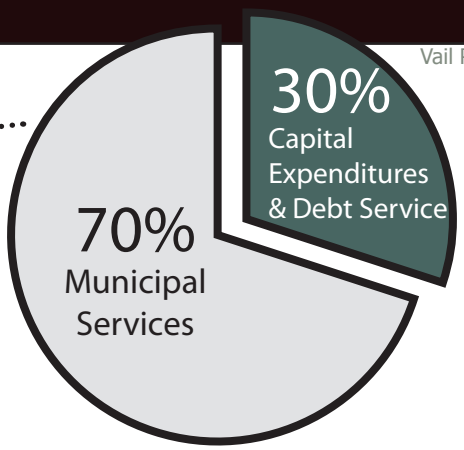

Municipal Services

The Town's largest expenditure is municipal services at 70 percent of total budget. The Town is supported by approximately 300 employees, of whom 224 are full-time regular employees and the remaining are part-time, seasonal and fixed-term or externally funded positions.

Capital Improvements

Capital improvements are the second largest expenditure of the Town and are important in maintaining the town's vision to be "the premier mountain resort community." Capital improvements are currently funded by sales tax, construction use tax, housing fee-in-lieu for affordable housing projects, government grants, real estate transfer tax (RETT) and various other sources.

Affordable Housing

Regionally, Vail continues to struggle with providing affordable housing for residents living and working in the Town. This follows an increased amount of development between Eagle-Vail and Gypsum, and Vail residents moving down-valley where new residential opportunities, shopping, dining and entertainment activities continue to grow. Economically, this affects Vail as new jobs come on line and fewer employees are available to fill these jobs.

Relationships

The Town values its relationships with the business community and supports local and externally-owned businesses that serve Vail's residents and visitors. The Town works closely with its economic partners including Vail Resorts, Inc.; the Vail Valley Medical Center; Vail Valley Foundation; Vail Valley Partnership; Vail Chamber & Business Association; Eagle County School District and Eagle County to name a few.

"the premier mountain resort community"

Policies

The following are current policies and programs used by the Vail Town Council, Town Manager and Town Staff to further the economic health of the Town of Vail:

- To address seasonality of sales tax revenue, the Vail Local Marketing District (VLMD) was established in November 1999, to fund summer marketing programs via a 1.4 percent lodging tax, which provides approximately $2.0 million for programs to drive group business and increase overnight visitors during May through October primarily.
- The Town contributes over $2.0 million to economic vitality programs year-round including funding for special events and operation of Vail's Visitor Information Centers.
- In 2005, a tax increment financing district (TIF) was created within the Vail Reinvestment Authority to provide financing for public improvements in Lionshead.
- In November 2008, residents passed a 4% construction use tax to diversify the Town's tax base and provide a new source of revenue for capital projects. The construction use tax is complementary to the 4% sales tax that applies to purchases of tangible personal property other than construction materials.
- Creation of an Economic Development Office in 2007 to focus on building a year-round economy; provide direction for upgrading and maintaining Vail's capital assets; review and make recommendations regarding workforce housing and all economic related issues.
- Continued support of retail including streetscape upgrades, master planning, sign code modifications and more.
- Annual analysis of the 15-year capital plan.
- Completion of Vail Parks and Recreation Master Plan to address capital needs of Vail's recreation facilities.
- To address the workforce housing issue, the Town created a goal of housing 30 percent of employees within the Town of Vail. The Town Council passed commercial linkage and inclusionary zoning regulations to require mitigation of employee housing for new developments and redevelopment in order to meet this goal. The Town is also working on the redevelopment of Timber Ridge to generate new employee housing opportunities.
- In 2006, the Vail Town Manager formed the Vail Economic Advisory Council (VEAC), a citizen's advisory group that reviews current and on-going research related to Vail's economic vitality, while acting as a sounding board on economic issues as requested by the Town Manager.

The following report summarizes the analysis and input from multiple stakeholders in the community for maintenance of sustainable economic health for Vail. This document reviews the process being followed; the work plan including goals with corresponding objectives, action steps, responsible parties, resources needed and timeline for accomplishment; and concludes with economic indicators to continue measuring economic progress to accomplish the goals of the Vail community.

The plan is based on the following six goals, adopted by the Vail Town Council that shall guide economic development activity and programs in the Town of Vail:

1. Build a strong relationship between the Town of Vail and the Vail business community.
2. Increase the Town of Vail's economic activity as measured by sales tax revenue to exceed annual inflation, as measured by the Consumer Price Index.
3. Focus on building a year-round economy; reduce economic seasonality by growing the summer economy (May – October) at a rate greater than the winter economy (November – April).
4. Provide support for a quality workforce delivering world-class service to positively impact Vail's economy.
5. Provide support for sustaining, upgrading and maintaining Vail's capital assets as it relates to sustainable economic health.
6. Support the stimulation of diversity of services and businesses locating in the Town of Vail.

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III. Background

In 2007, an Economic Development Office was established in the Town of Vail municipality to lead marketing activities and research, with the goal of attracting overnight visitors and patrons during the non-ski season, to stimulate a year-round economy in Vail. The Economic Development Office has partnered with the following three groups to accomplish the general goals of the Department:

Vail Local Marketing District (VLMD)

The Vail Local Marketing District was established in 1999 for the purpose of marketing and promoting Vail, to attract destination overnight visitors from May – October. The VLMD works to create economic vitality by increasing both the visitor base and lodging sales tax revenues. Vail Local Marketing District Advisory Council (VLMDAC) members are appointed by the Town Council to make recommendations for allocations of the dedicated funds from the 1.4% annual lodging tax. The group holds public meetings the 3rd Thursday of each month. The major functions of the VLMDAC are as follows:

- Facilitate the development, implementation and measurement of all efforts to increase heads in beds
- Annual strategic and operating plan and budget
- Statutory and budgetary compliance
- Facilitate approval process of the marketing campaign
- Vendor evaluations/ RFP process

Commission on Special Events (CSE)

The Commission on Special Events was established in 2002 for the purpose of supporting street entertainment and special events for economic vitality, year-round fun, sense of community and increased quality of experience for guests and residents. Members are appointed by the Town Council and the Commission holds public meetings the 1st Wednesday of each month. The major functions of the CSE are as follows:

- Attract events to enhance Vail's world class reputation and economic vitality
- Develop critical success measurements for events
- Allocate funds budgeted by the Town of Vail for special events
- Coordination between CSE and VLMD
- Populate robust calendar of events

Vail Economic Advisory Council (VEAC)

The Vail Economic Advisory Council was established in 2006 for the purpose of advising the Town Council, Town Manager and the community on economic issues that will sustain, enhance and diversify the town's economy. Members are appointed by the Town Manager and the Council holds public meetings the 2nd Tuesday of each month. The major functions of the VEAC are as follows:

- Adopt and implement an annual work plan
- Develop initiatives to increase economic vitality
- Provide an economic lens to Town of Vail issues
- Act as a sounding board for the Town Manager

IV. Strategic Plan Process

The vision and goals of this Economic Development Strategic Plan were gathered from the Vail 20/20 Comprehensive Plan document and adopted by Town Council on November 6, 2007. The economic development vision and goals from Vail 20/20 were adopted by the Vail community through a comprehensive citizen participation process, further described in the Vail 20/20 Executive Summary.

To facilitate the implementation of the vision and goals of Vail 20/20, the Town Council requested an Economic Development Strategic Plan. The creation of the plan has been spearheaded by the Economic Development Office and the Vail Economic Advisory Council, with the assistance of the major contributors listed on page two of this document. The process to complete the Economic Development Strategic Plan involved the following:

- **Jul 15 2008** — Vision, mission and goals approved by Vail Town Council.
- **Aug 15 2008** — SWOT (Strengths, Weaknesses, Opportunities, Threats) Analysis conducted by the Vail Economic Advisory Council.
- **Aug 28 2008** — An inventory of Vail economic, financial, marketing, and closely related studies, reports and plans.
- **Aug 28 2008** — Research and gathering of similar community economic development studies, plans and tools. (Special thank you to the communities of Breckenridge, Park City and Steamboat Springs).
- **Sep 9 2008** — A thorough analysis of the inventory to determine the long-term implications of such data.
- **Nov 11 2008** — Economic Development Strategic Plan (EDSP) adopted by Vail Economic Advisory Council.
- **Nov 18 2008** — EDSP presented to Commission on Special Events.
- **Nov 20 2008** — EDSP presented to Vail Local Marketing District Advisory Council.
- **Nov 24 2008** — EDSP presented to Planning and Environmental Commission.
- **Dec 4 2008** — EDSP presented to Town of Vail Directors Staff.
- **Dec 11 2008** — A creative interpolation of the vision and goals adopted by the community and Council, combined with the inventory, research and analysis, to create a realistic and achievable Economic Development Strategic Plan for the Town of Vail.
- **Dec 16 2008** — EDSP adopted by Vail Town Council.

V. Vision

The following economic development vision for Vail was taken from the Vail 20/20 document, adopted November 6, 2007. Vail 20/20 was created through a community visioning process that is explained in detail in the Vail 20/20 Executive Summary. The following vision describes how the community envisions Vail's economy:

"Vail's economy is supported through a year-round viable business environment that meets the market demands of both residents and visitors. The major redevelopment of much of the town has expanded and enhanced Vail's pedestrian and commercial areas, which provides a strengthened tax base. A diversity of retail, lodging, dining, special events and service businesses and both indoor and outdoor recreation opportunities funds a growing employment and revenue base. The town's strong infrastructure, environmental stewardship and its cooperation with economic and community partners benefits Vail's economy. Through prudent cost-management and balancing of diversified revenue sources, the municipality has sustainable funding for its capital and operational needs."

Mission

"To sustain a vibrant, multi-seasonal economy for those who live, work and play in the Vail community."

Goals

1. Build a strong relationship between the Town of Vail and the Vail business community.

2. Increase the Town of Vail's economic activity as measured by sales tax revenue to exceed annual inflation, as measured by the Consumer Price Index.

3. Focus on building a year-round economy; reduce economic seasonality by growing the summer economy (May – October) at a rate greater than the winter economy (November – April).

4. Provide support for a quality workforce delivering world-class service to positively impact Vail's economy.

5. Provide support for sustaining, upgrading and maintaining Vail's capital assets as it relates to sustainable economic health.

6. Support the stimulation of diversity of services and businesses locating in the Town of Vail.

Approved by the Vail Town Council on July 15, 2008

VI. Goals, Objectives, and Action Steps

The goals for Vail's economic development are summarized in six major goal statements. The goal statements are designed to establish a framework for future economic development efforts in Vail. The objectives and action steps further describe the goal statements and provide a context within which to evaluate and establish future economic development efforts. The goals, objectives and action steps were drawn from discussions and meetings of the Town Council and VEAC and issues identified in the Strengths, Weaknesses, Opportunities, Threats (SWOT) Analysis.

1 Build a strong relationship between the Town of Vail and the Vail business community.

This goal is meant to stress the importance of partnerships between the Town of Vail municipality, the businesses within the Town of Vail including Vail Resorts and the business associations.

1.1 Objective: Continue the efforts of the Vail Economic Advisory Council (VEAC)

Mission

The VEAC is a citizens' advisory group providing advice to the Vail Town Council and Town Manager on issues involving the economic vitality of the Town of Vail. In this role, the VEAC will review current and on-going research related to Vail's economic vitality, while acting as a sounding board and applying an "economic lens" to issues as requested by the Town Manger or Town Council. The VEAC may also convene forums to gather and/or disseminate information on the Town's economy and economic impact of activities or proposals before the Town Council.

Areas of Focus

Year-round Economy, Capital Needs, Workforce Housing, Transportation and Parking

1.1.1 Action Step: The VEAC will continue to meet once a month and will continue to build on the following goals and strategies, described in more detail in the VEAC 2008 Work Plan, which can be found in the Economic Development Office, Town of Vail:

Goal 1: Work with Vail Town Council and Town Manager on initiatives to develop a year-round economy.
Strategy: Advise Vail Town Council and Town Manager regarding the Town's marketing and special events contributions.
Strategy: Advise Vail Town Council and Town Manager on the Town's initiatives to support economic vitality in Vail.

Goal 2: Advise Vail Town Council and Town Manager regarding direction for upgrading and maintaining Vail's Capital Assets.
Strategy: The VEAC will address priorities of the business community in relation to maintaining and upgrading Vail's capital assets.

Goal 3: Work with Vail Town Council and Vail Town Manager to review and make recommendations regarding workforce housing in Vail.
Strategy: Advise Vail Town Council and Vail Town Manager regarding future impacts of workforce housing as it relates to business in Vail.

Goal 4: Work with Vail Town Council and Vail Town Manager to review and make recommendations regarding transportation and parking in Vail.
Strategy: Advise Vail Town Council and Vail Town Manager regarding future impacts of transportation and parking as it relates to business in Vail.

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2 Increase the Town of Vail's economic activity as measured by sales tax revenue to exceed annual inflation, as measured by the Consumer Price Index.

2.1 **Objective:** Benchmark and monitor local economic performance in order to track and respond to changing economic conditions.

2.1.1 **Action Step:** Economic Development Office and Finance Department shall continue to provide reports to VEAC and Town Council such as:

- Vail Business Review
- Same Store Sales Reports
- Vail Lodging Occupancy Forecast
- Competitive Resort Reports
- Consumer Confidence Reports
- Travel Trends Reports
- Economic Forecast Reports

2.2 **Objective:** Continue to facilitate "Vail's Renewal. Celebrate" to maintain a sustainable economy during redevelopment.

2.2.1 **Action Step:** Economic Development Office, with the assistance of the Construction Mitigation Committee, shall identify and prioritize messaging and marketing opportunities such as Open for Business signs, radio testimonials, print advertising, Vail Street Sale events and others.

3 Focus on building a year-round economy; reduce economic seasonality by growing the summer economy (May – October) at a rate greater than the winter economy (November – April).

3.1 **Objective:** Continue and improve upon the Vail Local Marketing District efforts.

3.1.1 **Action Step:** Develop an annual work plan for the Vail Local Marketing District.

3.1.2 **Action Step:** Develop an inventory of capital assets including but not limited to facilities of the Town of Vail, Vail Recreation District and Vail Resorts for the purpose of marketing these facilities to attract destination guests.

3.2 **Objective:** Continue and improve upon the Commission on Special Events efforts.

3.2.1 **Action Step:** Develop an annual work plan for the Commission on Special Events to continue the mission to support street entertainment and special events for economic vitality, year-round fun, sense of community and increased quality of experience for guests and residents.

3.2.2 **Action Step:** Commission on Special Events will sustain existing events and expand or change events to respond to market changes.

3.2.3 **Action Step:** The CSE and the Economic Development Office will recruit successful, sponsored events that attract guests in the off-seasons.

3.3 **Objective:** Schedule peer resort visits to other seasonal communities to learn best practices and trends for economic sustainability.

3.3.1 **Action Step:** The Economic Development Office will continue to fund peer resort visits for Town Council and Town of Vail staff to experience best practices and trends in competitive resort towns. The Town of Vail has visited the communities of Park City and Steamboat Springs.

3.4 **Objective:** Develop recommendation for use of Conference Center funds.

3.4.1 **Action Step:** The VEAC and the Economic Development Office shall conduct focus groups with stakeholders and present results to the Town Council.

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4 Provide support for a quality workforce delivering world-class service to positively impact Vail's economy.

The goal to support a quality workforce is three-fold, focusing on employee housing, customer service and transportation. A large factor of customer service in Vail businesses is the quality of life for service-business employees. The following objectives and action steps are meant to increase the quality of life for employees who service Vail businesses by addressing the high price of housing in the Vail Valley and employees who commute, to and from service jobs in Vail.

4.1 **Objective:** Work with the business community, Eagle County and other municipalities to address future workforce housing needs.

4.1.1 **Action Step:** The Economic Development Office and VEAC shall provide input into updates of the Vail Employee Housing Strategic Plan.

4.2 **Objective:** Work with the business community to support programs to enhance delivery of world-class service.

4.2.1 **Action Step:** The Economic Development Office and Communications Office will spread the word to support existing customer service incentive programs such as Platinum Service Program, Premier Impressions, Elevate Excellence and Disney Service Programs.

4.2.2 **Action Step:** The Economic Development Office and Communications Office will monitor competitive resorts' programs that may be developed for Vail to encourage world-class customer service in Vail hotels, restaurants, retail and service businesses, Town departments, and recreation services with VEAC and Town Council approval and potential funding.

4.3 **Objective:** Work with the business community and Eagle County to address parking and transportation issues for workers and guests.

4.3.1 **Action Step:** The Town of Vail Public Works/Transportation Office will work in conjunction with Economic Development Office and VEAC to encourage business owners to implement programs that support employees who ride the bus or car-pool to work.

4.3.2 **Action Step:** The Public Works/Transportation Office will work in conjunction with the Economic Development Office and VEAC to research existing bus or car-pool programs in Eagle County and share information with the Vail business community.

4.3.3 **Action Step:** The Economic Development Office will work with the Vail Valley Partnership to develop and implement a transportation survey to employers to uncover the transportation needs of employees and businesses.

Photo by Brent Bingham

5 Provide support for sustaining, upgrading and maintaining Vail's capital assets as it relates to sustainable economic health.

5.1 **Objective:** Play a role in providing input to master plans, 15-year capital plan and proposed development and redevelopment plans.

5.1.1 **Action Step:** The VEAC will review Town of Vail master, strategic, 15-year capital, and redevelopment plans and provide feedback that considers the economic vitality of the plans.

5.1.2 **Action Step:** The VEAC will send a representative to public hearings of the Planning and Environmental Commission and the Town Council to express the issues and opinions of the Vail business community on development and redevelopment proposals.

5.1.3 **Action Step:** Identify and monitor the economic drivers in Vail and support those drivers.

6 Support the stimulation of diversity of services and businesses locating in the Town of Vail.

6.1 Objective: Develop a strategy to support retention and development of existing businesses.

6.1.1 Action Step: The Economic Development Office will work with local business organizations to identify and prioritize needs to retain and develop established businesses.

6.1.2 Action Step: The Economic Development Office will develop a program of retention visits to include representatives from Town Council, VEAC and Town Manager's office.

6.2 Objective: Support a market analysis.

6.2.1 Action Step: The Economic Development Office and the VEAC will work to assess existing product and identify competitor's strengths and weaknesses to better understand Vail's needs and propose a course of action to fill those gaps.

6.3 Objective: Seek opportunities to broaden and diversify Vail's economic base.

6.3.1 Action Step: The Economic Development Office and VEAC will create an inventory of businesses to assist in the development of a business recruitment strategy.

6.3.2 Action Step: The Economic Development Office will work with the Communications Office to develop a business recruitment packet.

Vail Photo by Jack Affleck

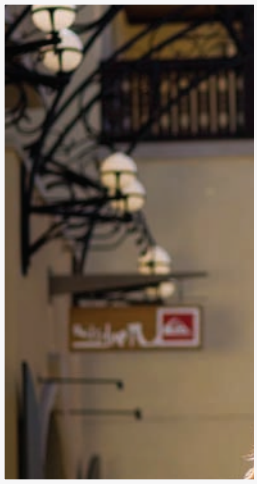
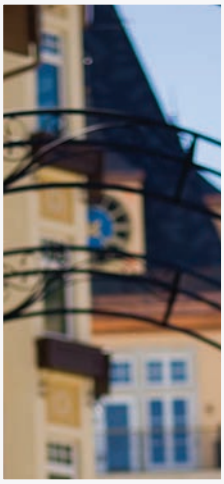
IV. Work Plan

The following work plan is meant to provide a road map of the previously stated goals, objectives and action steps aligned with the responsible parties, resources needed and a general timeline for the work.

Goal 1

Build a strong relationship between the Town of Vail and the Vail business community

Objective	Action Step	Responsible Party	Resources Needed	Timeline
Continue the efforts of the Vail Economic Advisory Council (VEAC)	The VEAC will continue to meet once a month and will continue to build on VEAC 2008 Work Plan	VEAC	Budget contained in Economic Development Office	Monthly meetings
Strengthen partnerships with Vail businesses	Faciliate open communication between the Town of Vail, Vail Resorts, and businesses in the sectors of retail, lodging, food and beverage, development, real estate, medicine, etc. by holding regular meetings, roundtables and forums	VEAC & Economic Development Office	Funding for speakers and meeting locations - $1,000 per event	Biannually – summer and winter seasons
Create a consistent dialogue with business organizations	Attend appropriate meetings of the following business organizations: • Vail Chamber and Business Association • Lionshead Merchant Association • Vail Valley Partnership • Meadow Drive Partnership • Eagle County Economic Council	Economic Development Office	Economic Development Office staff	Meetings as scheduled

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Vail Photo by Jack Affleck

Goal 2

Increase the Town of Vail's economic activity as measured by sales tax revenue to exceed annual inflation, as measured by the Consumer Price Index

Objective	Action Step	Responsible Party	Resources Needed	Timeline
Benchmark and monitor local economic performance in order to track and respond to changing economic conditions	Continue to provide reports to VEAC and Town Council such as: • Vail Business Review • Same Store Sales Reports • Vail Lodging Occupancy Forecast • Competitive Resort Reports • Consumer Confidence Reports • Travel Trends Reports • Economic Forecast Reports	Economic Development Office and Finance Department	Staff time from both departments. Budget contained in Economic Development Office	Monthly to VEAC. Biannually to Town Council
Continue to facilitate "Vail's Renewal. Celebrate" to maintain a sustainable economy during redevelopment	Identify and prioritize messaging and marketing opportunities such as Open for Business signs, radio testimonials, print advertising and Vail Street Sale events and others	Economic Development Office & Construction Mitigation Committee	Staff and committee time. Budget contained in Economic Development Office	Messaging during non-ski months. Meetings biannually

Goal 3

Focus on building a year-round economy; reduce economic seasonality by growing the summer economy (May – October) at a rate greater than the winter economy (November – April)

Objective	Action Step	Responsible Party	Resources Needed	Timeline
Continue and improve upon the Vail Local Marketing District efforts	Develop an annual work plan for the Vail Local Marketing District to continue the mission of marketing and promoting Vail to attract destination overnight visitors from May – October	VLMDAC and Economic Development Office	Staff and VLMDAC time. VLMD Budget.	Monthly meetings. Quarterly reports to Town Council
	Develop an inventory of capital assets including but not limited to facilities of the Town of Vail, Vail Recreation District and Vail Resorts for the purpose of marketing these facilities to attract destination guests	VLMDAC	Vendor time. VLMD budget line item	Completed November 2008. Updates as necessary
Continue and improve upon the Commission on Special Events efforts	Develop an annual work plan for the Commission on Special Events to continue the mission to support street entertainment and special events for economic vitality, year-round fun, sense of community and increased quality of experience for guests and residents	CSE, Special Events Coordinator and Economic Development Office	Staff and CSE time. CSE and Council Contribution budgets	Monthly meetings. Annual report to Town Council
	Sustain existing events and expand or change events to respond to market changes	CSE	Staff and CSE time. Request supplemental funds if necessary.	Event funding in November. Respond to market changes as necessary
	Recruit successful, sponsored events that attract guests in the 'off-seasons'	CSE and the Economic Development Office	Staff and CSE time. Request supplemental funds if necessary.	Annual effort to coincide with funding allocations. Ongoing identification of events
Schedule peer resort visits to other seasonal communities to learn best practices and trends for economic sustainability	Continue to fund peer resort visits for Town Council and Town of Vail staff to experience best practices and trends in competitive resort towns. The Town of Vail has visited the communities of Park City and Steamboat Springs	Economic Development Office	Staff time. Funds allocated in Economic Development budget	Annually
Develop recommendation for use of Conference Center funds	Conduct focus groups with stakeholders and present results to Town Council	VEAC and Communications and Economic Development Offices	Staff time	2009

Vail Photo by Jack Affleck

Goal 4

Provide support for a quality workforce delivering world-class service to positively impact Vail's economy

Objective	Action Step	Responsible Party	Resources Needed	Timeline
Work with the business community, Eagle County and other municipalities to address future workforce housing needs	Provide input into updates of the Vail Employee Housing Strategic Plan	VEAC and Economic Development Office	VEAC and staff time	As required
Work with the business community to support programs to enhance delivery of world-class service	'Spread the word' to support existing customer service incentive programs such as Platinum Service Program, Premier Impressions, Elevate Excellence and Disney Service Programs	Economic Development and Communications Offices	Staff time. Budget in Communications Office	Annually prior to ski season
	Monitor competitive resorts programs that may be developed for Vail to encourage world-class customer service in Vail hotels, restaurants, retail and service businesses, Town departments, and recreation services with VEAC and Town Council approval and potential funding	Economic Development and Communications Offices	Staff time. Request supplemental funding if opportunity is identified	Annual effort to coincide with budget process. Ongoing identification of programs.
Work with the business community and Eagle County to address parking and transportation issues for workers and guests	Encourage business owners to implement programs that support employees who ride the bus or car-pool to work	VEAC, Public Works/ Transportation and Economic Development Offices	VEAC and staff time. Possible subsidies for TOV and businesses	Annual effort to coincide with budget process
	Research existing bus or car-pool programs in Eagle County and share information with the Vail business community	VEAC, Public Works/ Transportation and Economic Development Offices	Staff time.	Annual effort to coincide with ski season
	Work with the Vail Valley Partnership to develop and implement a transportation survey to employers to uncover the transportation needs of employees and businesses	Economic Development Office	Staff and VVP time	Complete November 2008. Update as necessary

Goal 5 Provide input for sustaining, upgrading and maintaining Vail's capital assets as it relates to sustainable economic health

Objective	Action Step	Responsible Party	Resources Needed	Timeline
Play a role in providing input to master plans, 15-year capital plan and proposed development and redevelopment plans	Review Town master, strategic, 15-year capital, and redevelopment plans and provide feedback that considers the economic vitality of the plans	VEAC	VEAC time	As required
	Send a representative to public hearings of the Planning and Environmental Commission and the Town Council to express the issues and opinions of the Vail business community on development and redevelopment proposals	VEAC	VEAC time	As required
	Identify and monitor economic drivers in Vail and support those drivers	VEAC and Economic Development Office	VEAC and staff time. Possibly supplemental funds for economic impact studies	1st quarter 2009 and ongoing

Goal 6 Support the stimulation of diversity of services and businesses locating in the Town of Vail

Objective	Action Step	Responsible Party	Resources Needed	Timeline
Develop a strategy to support retention and development of existing businesses	Work with local business organizations to identify and prioritize needs to retain and develop established businesses	Economic Development Office	Staff time.	1st quarter 2009 with quarterly updates
	Develop a program of retention visits to include representatives from Town Council, VEAC and Town Manager's office	Economic Development Office	Town Council, VEAC and staff time.	2 per month
Support a market analysis	Work to assess existing product and identify competitor's strengths and weaknesses to better understand Vail's needs and propose a course of action to fill those gaps	VEAC and Economic Development Office	VEAC and staff time. Possible funding to hire consultant.	2009
Seek opportunities to broaden and diversify Vail's economic base	Create an inventory of businesses to assist in the development of a business recruitment strategy	VEAC and Economic Development Office	VEAC and staff time. Possible funding to hire consultant.	2010
	Develop a business recruitment packet	Economic Development and Communications Offices	Staff time. Funding to design and print packet	2009

SWOT Summary

Strengths

Environment
- Mountain / valley scenery
- Pristine wilderness adjacent to Vail
- Wildlife
- Gore Creek and waterway tributaries
- Low humidity
- 300 days of sun a year

Vail Brand
- Worldwide name recognition and reputation
- Destination for vacation tourism and part of nationwide trend to attract wealthy, talented youth and retirees as residents

Accessibility and Mass Transportation
- Accessibility to Eagle County Regional Airport
- Accessibility of I-70
- Proximity to Denver
- Vail has the largest free bus transportation in the nation
- Vail's bus system links to Eagle County Regional Transportation Authority's (ECO) bus system with service down valley

Major Events
- Street Beat
- Spring Back to Vail
- Taste of Vail
- Vail Film Festival
- Vail America Days
- Vail International Dance Festival
- Bravo! Vail Valley Music Festival
- Teva Mountain Games
- Vail Jazz Festival
- Hot Summer Nights
- Vail Farmers Market and Art Show
- Vail Arts Festival
- Kick It 3v3 Soccer
- Gourmet on Gore
- Oktoberfest
- Snow Daze
- Holidays in Vail

Character of Vail
- Quaint mountain village creates a destination
- Architecture displays human traditions in mountain environments
- Similar architecture elsewhere in the world, which many outside visitors can identify with

Amenities
- Vail Mountain recreational offerings
- Winter: Skiing, snowboarding, cross-country skiing, snow-shoeing
- Summer: Hiking, mountain biking, rafting, kayaking, camping, fishing
- Established businesses with returning patrons
- Vail hotels (bed base) and variety of cost options
- World class restaurants
- Vail Valley Medical Center
- Steadman Hawkins Clinic and Foundation
- Vail Mountain School
- Charming streetscape and stores in Village and Lionshead
- Intimate parks and village spaces in Village and Lionshead
- Nordic Center
- Vail Public Golf Course
- White Water Park (Gore Creek/ International Bridge)
- Dobson Ice Arena
- Ford Amphitheatre
- Bike paths connecting East Vail to Down Junction
- Cycling access to Vail Pass and eastward
- Proximity to Beaver Creek

Community
- High profile non-profit organizations with fundraising
- Active, committed, full-time residents sustaining businesses and community life year-round
- Institutional wisdom in long-time residents
- Talented, large group of part-time homeowners
- Surrounding community growth (population and services)
- Private development and redevelopment
- Private donations and contributions

Weaknesses

Partnerships/ Unity
- Relationship between Vail Resorts and the Town of Vail
- Lack of community on a broader scale – weak unity to make decisions (i.e. Merchants, Hotels, Town of Vail, Vail Resorts, Non-profits, Organizations)
- Absence of unified economic strategy
- Lack of alignment in event planning
- Several different organizations with similar, redundant efforts
- No unified long-term vision
- Lack of central location for community event information
- Voice of second homeowners sometimes in conflict with full time residents

Seasonal economy
- Lack of consistent year-round business activity
- Businesses rely on winter tourism
- Business hours are unpredictable in the spring, summer, fall
- Short-term construction
- Events are not unique to Vail (Lack roots, heritage and historical relevance)
- Year-round community weakening as more residents move down valley

Housing
- Gap between employees working in Vail and where they live
- High price of housing drives away service employees, which results in decreased business hours, lack of quality, full-time, year-round employees and ultimately poor customer service
- High percentage of second-homeowner housing results in unpredictable population in Vail for shopping and community events

Transportation / Spatial Barriers
- I-70 noise and congestion
- 1-70 as spatial barrier between neighborhoods
- Distance between West Vail, Vail Village and East Vail
- Inconsistent road and trail conditions
- Inconsistent pedestrian and bike connections
- Lack of way-finding

Shopper Experience in Vail
- Lack of parking
- Lack of retail diversity
- Not highest level of customer service in businesses, restaurants and hotels to match guest expectations
- Construction
- Loss of retail space
- Inadequate retail space
- Difficult and confusing way-finding and event information signage

Inefficient Facilities
- Underperforming retail stores
- Golf Course buildings
- Older lodging accommodations
- Dobson Arena
- Town of Vail municipal buildings
- Fire stations
- Lack of recreation facilities
- Lack of conference/meeting space
- Lack of teen facilities/ activities
- Town of Vail budget - Unbalanced funding for necessary infrastructure improvements (i.e. roads, sidewalks, etc.)
- Public education opportunities

Opportunities

Marketing and Customer Service
- Increased marketing to attract more international guests
- Exceed customer service expectations
- Focus on multi-generational audiences
- Continue building on Vail's renewal
- Build spring and fall business offerings
- Create a cultural center
- Capture down valley business
- Maintaining events that bring large crowds to Vail
- Grow existing events
- Grow group sales category
- Reward excellent customer service

Partnerships
- Encourage unity and cooperation in the business community
- Form unified communication and marketing strategy
- Determine Vail's economic direction
- Channel smaller groups

Transportation
- Increased air service at Eagle County Regional Airport
- Alternative solutions to I-70 traffic being explored
- Transportation serving down-valley guests and residents

Employee Housing
- Newly adopted zoning regulations that require employee housing, for new construction and re-development
- Enforcement of existing Employee Housing Units in Vail
- Support and build-on the Vail Local Housing Authority efforts

Opportunities (cont.)

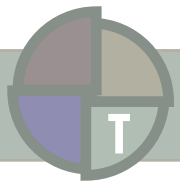
Survey and Inventory

- Stay relevant to customers, guests and the economy
- Encourage businesses to survey guests and welcome change
- Continue to ask the question "Is what we are doing relevant?"
- Seek ways to create unique experiences
- Inventory businesses and benchmark progress (good and bad)
- Ask and share what works and what doesn't
- Benchmark other successes including Beaver Creek

Expand on Vail's Resources and Strengths

- Maintain and protect environment
- Embrace environmental initiatives
- Make Vail the number one destination for the next 40 years
    - Utilize the current redevelopment to fortify this position
- Committed vacationers
- Affluent guests and part-time residents
- Embrace the non-profits in Eagle County
- Build on Vail's history and emotional connections
- Independent efforts
- Retail and restaurants
- Lodging
- New skier services
- Program around Vail's strengths
- Embrace the next generation and begin to look forward

Threats



*'We' means Town of Vail Municipality, Vail Resorts Corporation, Businesses within Vail's municipal boundaries and Organizations committed to the success of Vail.

Controlled:
Things we* can influence and/or change

- Maintaining a viable workforce to provide the level of service required to meet expectations
- Parking challenges
- Challenges with transportation frequency/ service/ routes and linkage with Eagle County Regional Transportation Authority (ECO)
- Decreasing commercial space for professional services and businesses
- A growing chasm between the TOV and VR
- The inability to bring unity for the greater good amongst the Town, VR, the various chambers and associations.
- Over development
- Threat of wildfire

Uncontrolled:
Things we* cannot influence and/or change

- Lack of snowfall/weather dependency/global warming
- Declining economic indicators (real estate market)
- Weak US dollar
- Rising fuel costs
- Rising travel costs
- Airline instability
- Potential terrorist acts involving the travel industry
- Declining enrollment in schools
- Restrictions on international labor
- An unknown/unstable economy (local, US, global)
- Challenged airlines reducing flights into Eagle
- Talent Pool
- Developers financial stability (development currently under construction where the developer runs out of funding)

Partially Controlled:
Things we* can somewhat influence, but other partners are needed

- Rising Average Daily Room Rates (ADRs)
- Influx of new bed base inventory
- Rising competitive pressure, from other resorts and attractions
- Competition from other ski resorts
- Competition from all other resort destinations (i.e. Disney)
- Declining real estate market and RETT funds
- Continued migration down valley
- Continued decline in retail sales tax collections
- Merchant turnover and closings
- Lack of affordable housing
- Pine beetle infestation and impact on quality of environment
- Water shortage
- I-70
    - Noise
    - Pass closings
    - Congestion
    - Lack of mass transit alternative
- Reduced number of youth moving to Vail
- Available work force
- Prolonged construction
- Reluctance of educated youth to do manual labor

B. Economic Indicators

The purpose of the Vail economic indicators is to state and monitor the important measures of Vail's economy. The indicators were gathered from existing economic reports and studies and were further edited and revised by the major contributors listed on page two of this plan. The result of the following list was the creation of a table to monitor and track the following indicators from 2004 into the future.

The economic indicator table provides a benchmark of existing economic conditions and a template to measure progress and track changes in Vail's economic activity into the future. The Economic Development Office is the keeper of the economic indicator table and will update and change the table to reflect the most up-to-date and relevant data available. The economic indicator table was adopted, in draft form, as part of this plan, however, because it is a living document that will undergo monthly changes, it is not included in the final copy of this plan. It is anticipated that the Economic Development Office will report the results of the economic indicator table twice annually to the Council in relationship to the economic goals, objectives and action steps stated in this plan.

The following economic indicators are organized in six categories, to reflect Vail's most important economic forces which include: Tourism, Real Estate, Town Revenue, Business Growth, Environment and Macroeconomic.

Vail Photo by Jack Affleck

Vail Photo by Jack Affleck

Tourism

- Lodging Report: Occupancy (Mountain Travel Research Program - MTRiP)
- Lodging Report: Average Nightly Room Rate (MTRiP)
- Event Attendance (Commission on Special Events – CSE)
- Golf Course & Dobson Arena Attendance (Vail Recreations District - VRD)
- Parking Counts (TOV Public Works/Transportation Office)
- Airport Stats (Denver International and Eagle County Airports)
- Information Center Visits (TOV Communications Office)
- Tunnel Traffic (Colorado Department of Transportation - CDOT)
- Holiday Timing (Easter, 4th of July, Christmas)
- Web usage on www.vail.com (Vail Resorts)
- Fuel prices (TOV Public Works/Transportation Office)
- Vail Mountain open and close dates (Vail Resorts)
- Fuel Prices (Energy Information Administration)

Real Estate

- Total Real Estate Sales (Eagle County Assessors Office - ECAO)
- Average Sales Price (ECAO)
- Price per sq.ft. (ECAO)
- Gross Sales Amount (ECAO)
- List to sale price ratio (Land Title Guarantee Company)
- Residential properties sold (ECAO)
- Commercial properties sold (ECAO)
- Dwelling units constructed (TOV Community Development)
- Hotel units constructed (TOV Community Development)
- Fractional Fee units constructed (TOV Community Development)
- Net new commercial square footage constructed (TOV Community Development)

Business Growth

- Banking Deposits in Eagle County (FDIC)
- Same Store Sales reports (MTRiP)
- Visitors (Vail Resorts)
- Population Estimates (State of Colorado)
- Unemployment Rate (Colorado Department of Labor - CDOL)
- Employment (CDOL)

Environment

Partner with Environmental Sustainability team to monitor environmental impacts that relate to sustainable economic health for the Town of Vail, such as:

- Snow Pack – local, state, national
- Wildfire Mitigation – Number of trees removed
- Wildlife
- Air pollution
- Creek water levels

Macroeconomic

- Consumer Confidence Index (US Conference Board)
- U.S. dollar vs. Euro (US Federal Reserves)

Town Revenue

- Sales Tax by Sector by neighborhood (TOV Finance Department)
- Total Sales Tax vs. Inflation (TOV Finance Department)
- Real Estate Transfer Tax (TOV Finance Department)
- Town Reserves (TOV Finance Department)
- Property Tax (TOV Finance Department)
- Construction Use Tax (TOV Finance Department)

VIII. Glossary of Terms & Acronyms

CSE – Commission on Special Events

CFA – Citizens For Action

DRB – Design Review Board

ECONOMIC DEVELOPMENT – (As defined by the American Planning Association) Economic development is the process of improving a community's well-being through job creation, business growth, and income growth (factors that are the typical and reasonable focus of economic development policy), as well as through improvements to the wider social and natural environment that strengthen the economy.

Economic – Profitable; cost effective. Considered or studied with regard to human needs.

Economic Indicator – A measurement that has a link to the economic activity of Vail.

Economics – Science of the production and distribution of wealth.

Economy – The wealth and resources of a community.

ECEC – Economic Council of Eagle County

MTRIP – Mountain Travel Research Program

PEC – Planning and Environmental Commission

ROI – Return on investment

VEAC – Vail Economic Advisory Council

VLMD – Vail Local Marketing District

VLMDAC – Vail Local Marketing District Advisory Council

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