

State of the Town – 2015 Year End

VAIL ECONOMIC ADVISORY COUCL



April 12, 2016



Vail Ends 2015 in a Strong Position

KEY MEASURES OF FISCAL HEALTH

BALANCED BUDGET

- Total revenue of \$69.0M exceeded prior year by 6.5% or \$4.3M
- General Fund operations generated savings of \$2.5M or 7.1% of budget
- Capital expenditures are in line with long-term plan including \$30.0M budgeted in 2016 to complete projects in future years

HEALTHY RESERVES

Reserve funds have grown to \$79.3M but will be reduced to \$62.5M by the end of 2016

NO TOWN-ISSUED DEBT

\$9.8M Vail Reinvestment Authority bonds outstanding are fully funded from incremental property taxes resulting from Lionshead redevelopment

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KEY MEASURES OF VAIL'S ECONOMY

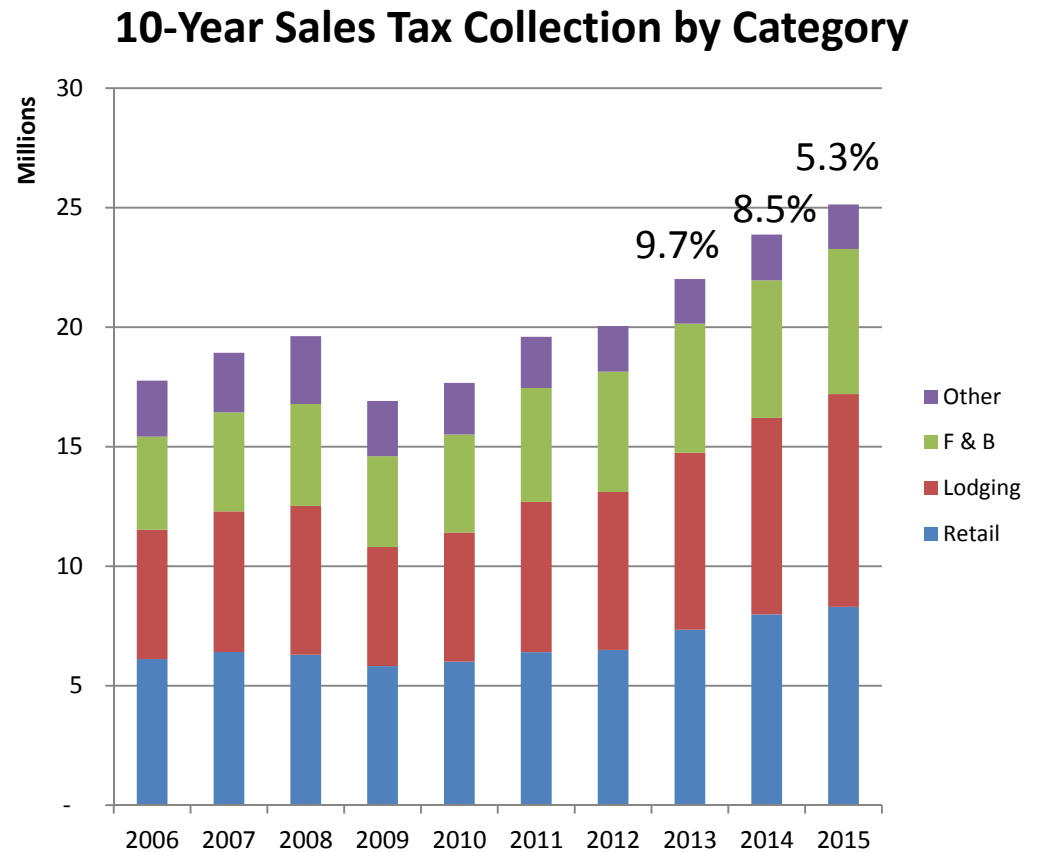
Sales tax is 40% of municipal revenue and provides a good representation of Vail's economy

2015 collections are a record \$25M

- up 5.3% from 2014

Growth in all categories for 2015

- Lodging up 8.5%
- Food & up 5.4%
- Retail up 3.8%



Vail Ends 2015 in a Strong Position

KEY MEASURES OF VAIL'S ECONOMY

Lodging occupancy is a measure of destination guests filling our short-term rental properties

Average daily rate (ADR) measures pricing power of our short-term rental properties

Chart data is provided by DestiMetrics based on a sample representing 61% of Vail's estimated 4,000 short-term rental units and competitive resorts data as included in DestiMetrics database

	Lodging Occupancy	Average Daily Rate
December 2015	58.4%	\$614
December 2014	57.1%	\$589
Vail's Increase	2.2%	4.2%
Competitive Resorts Increase	6.5%	3.3%

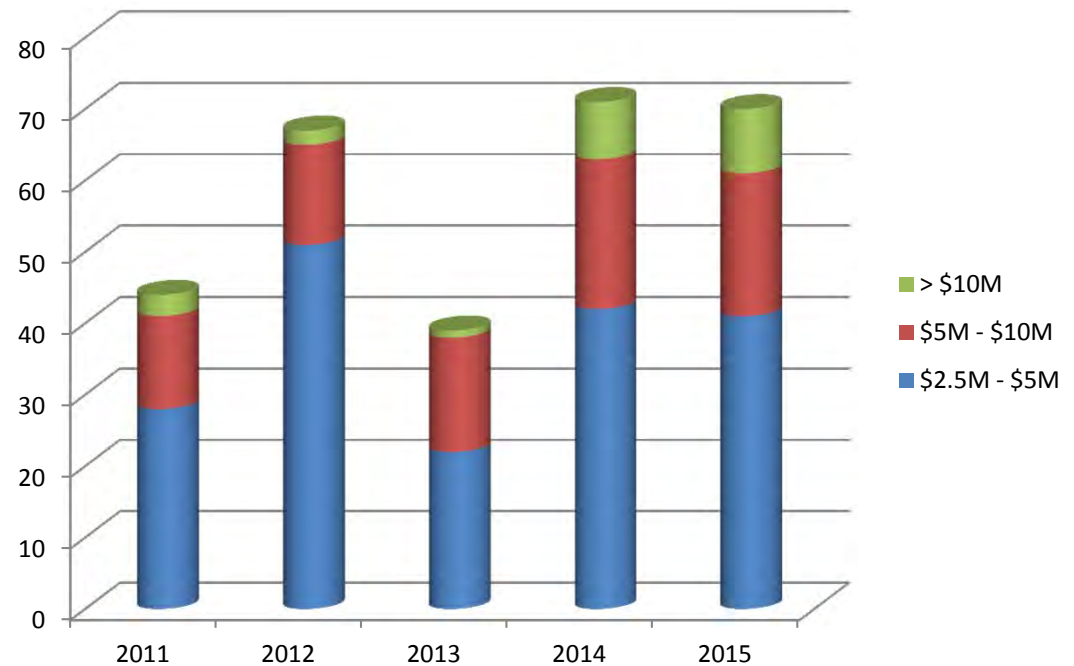
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KEY DRIVERS OF VAIL'S ECONOMY

Real Estate

- 2015 RETT revenue up only 1.7% from prior year
- Real estate sales in Vail over \$2.5 million made up 65% of total sales in 2015, 64% in 2014

High End Real Estate # Transactions



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KEY DRIVERS OF VAIL'S ECONOMY

Marketing and Special Events

- Vail Local Marketing District Advisory Committee (VLMDAC) focuses on marketing Vail with \$2.8M generated from 1.4% lodging tax
- Commission on Special Events (CSE) supported 28 events with \$850K of General Fund dollars in 2015 plus another \$92K to support 5 life-long learning events
- Town Council allocated \$1.3M from General Fund reserves for “iconic” special events

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KEY DRIVERS OF VAIL'S ECONOMY

Development Activity Continues

Building valuations of \$219.3 million were recorded by the town in 2014, the 4th highest in 10 years

2015 was still a strong year, with a valuation of \$126.6 million

Some of the most visible projects:

- Strata / The Lion
- Lion's Ridge Village Apartments
- Vail Valley Medical Center

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VAIL IS WELL-POSITIONED FOR FUTURE SUCCESS

FISCAL STRENGTH

- Annual revenue \$69M
- Conservative budgeting philosophy
- Healthy reserves
- No town-issued debt outstanding

ECONOMIC DRIVERS

- Strategic marketing / Guest experience
- Multitude of special events
- Continued redevelopment / renewal
- New town amenities