

State of the Town – 2014 Year End

VAIL ECONOMIC ADVISORY COUCL



April 14, 2015



Vail Ends 2014 in a Strong Position

KEY MEASURES OF FISCAL HEALTH

BALANCED BUDGET

- Total revenue of \$65M exceeded budget by 3.5% or \$2.2M
- General Fund operations generated savings of \$1.1M or 3.4% of budget
- Capital expenditures are in line with long-term plan including \$39.3M budgeted in 2015 available to complete projects in future years

HEALTHY RESERVES

Reserve funds are strong at \$45M compared with \$9M required to meet Council's target of 25% of General Fund revenue

NO TOWN-ISSUED DEBT

\$10.3M Vail Reinvestment Authority bonds outstanding are fully funded from incremental property taxes resulting from Lionshead redevelopment

Vail Ends 2014 in a Strong Position

KEY MEASURES OF VAIL'S ECONOMY

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

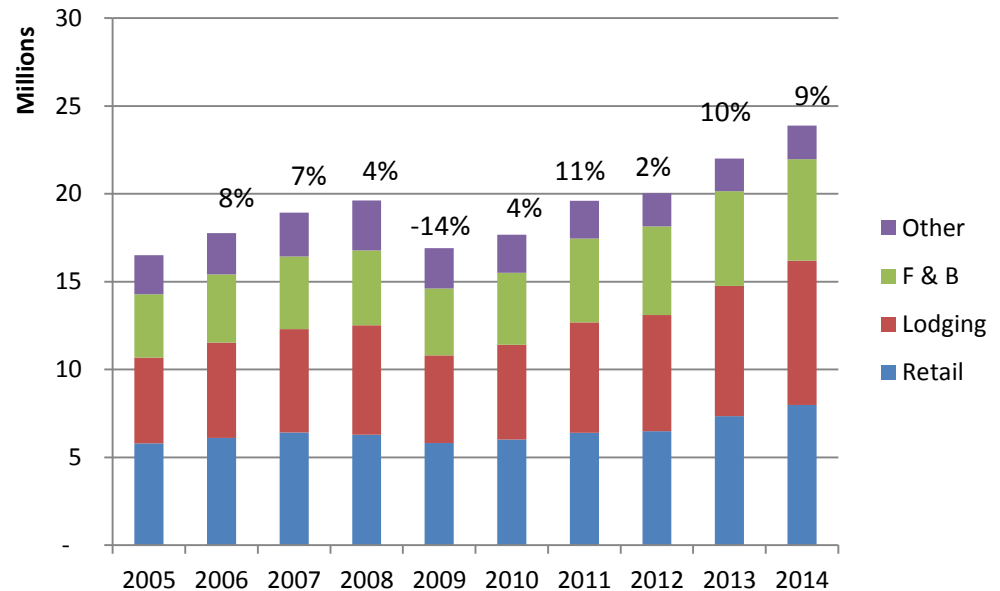
2014 collections are a record \$24M

- up 8.5% from prior record in 2013
- up 21.6% from pre-recession high (2008)

Recovery from the recession is evident in all categories

- Lodging fell the most in 2009, 20%, and experienced greatest growth since, 65% in 5 years
- Food & Beverage fell 11% in 2009 and grew 52% in 5 years
- Retail fell the least at 8% in 2009 and still grew a healthy 37% in 5 years

10-Year Sales Tax Collection by Category



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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 2014	56.9%	\$589
December 2013	56.0%	\$549
Vail's Increase	1.5%	7.4%
Competitive Resorts Increase	9.3%	4.7%

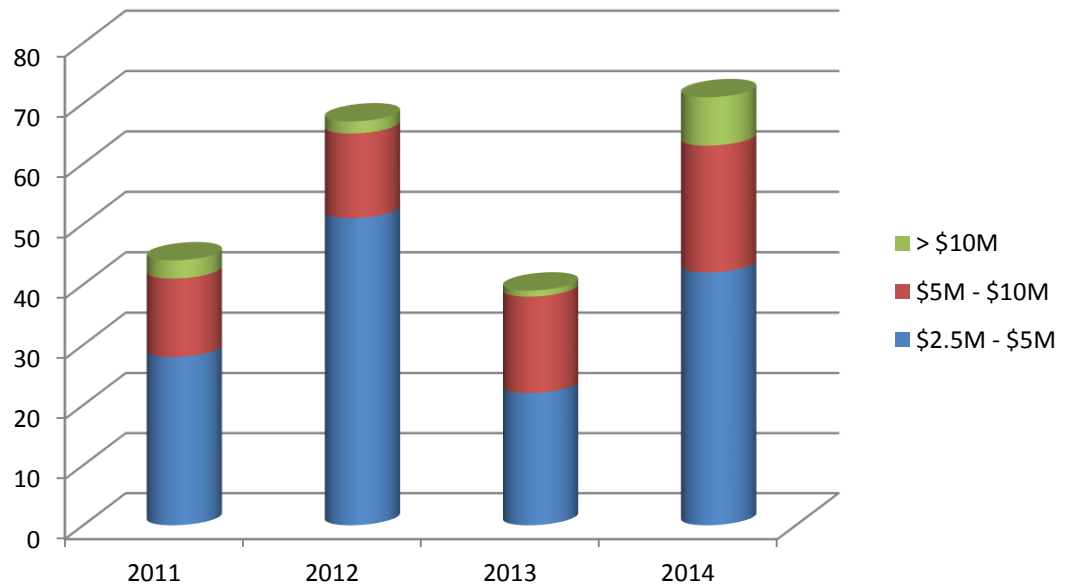
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KEY DRIVERS OF VAIL'S ECONOMY

High-End Real Estate

- 2014 set the record for the most high dollar individual sales over \$10 million since the peak in 2008
- Real estate sales in Vail over \$2.5 million made up 64% of total sales in 2014

High End Real Estate Transactions



TOWN OF VAIL

Vail Ends 2014 in a Strong Position

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 31 events with nearly \$900K of General Fund dollars in 2014 plus another \$90K to support 5 life-long learning events
- Town Council allocated \$1.6M from General Fund reserves for “iconic” special events
- Research from RRC Associates done in 2013 (will be updated in 2015) estimates an economic impact of over \$52M to Vail's businesses generated through more than 345K attendee days at 30 events

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KEY DRIVERS OF VAIL'S ECONOMY

Development Activity Rebounds

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

Some of the most visible projects:

- Strata / The Lion
- Lion's Ridge Village Apartments
- Betty Ford Alpine Garden Education Center
- Lodge at Vail
- Lionshead Parking Structure Entry
- Northwoods Condominiums
- Vail 21 Condominiums
- Vail Village Welcome Center
- Vail Valley Medical Center
- Gorsuch

Vail Ends 2014 in a Strong Position

VAIL IS WELL-POSITIONED FOR FUTURE SUCCESS

FISCAL STRENGTH

- Annual revenue over \$60M
- 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