BALANCED BUDGET

- Total revenue of $67.5 M down 0.7% from prior year, or $470,000
- General Fund came in $1.3M higher than budget in revenues, and generated savings of $2.4M, or 6.5% of budget
- Capital expenditures are in line with long term plan including $47.7M budgeted in 2017 to complete projects in future years

HEALTHY RESERVES
Reserve funds have grown to $82.7M but will be reduced to $45.3M by the end of 2017

NO TOWN-ISSUED DEBT
$9.3M Vail Reinvestment Authority bonds outstanding are fully funded from incremental property taxes resulting from Lionshead redevelopment
Sales Tax is 39% of municipal revenue and provides a good representation of Vail’s economy.

2016 collections were $25.7M, up 2.5% from prior year.

By category, sales tax in 2016:
- Lodging up 3%
- Retail up 3%
- Food & Bev down 1%

Impact from business closures.
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.

<table>
<thead>
<tr>
<th></th>
<th>Lodging Occupancy</th>
<th>Average Daily Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 2016</td>
<td>61.8%</td>
<td>$679</td>
</tr>
<tr>
<td>December 2015</td>
<td>58.5%</td>
<td>$610</td>
</tr>
<tr>
<td>Vail’s Increase</td>
<td>5.7%</td>
<td>11.3%</td>
</tr>
<tr>
<td>Competitive Resorts Increase</td>
<td>0.6%</td>
<td>12.5%</td>
</tr>
</tbody>
</table>
Real Estate

- 2016 RETT revenue of $6.8M decreased 1.8% from prior year
- High end transactions had 19 fewer sales and 8% drop in collections

- Real estate sales in Vail over $2.5 million made up 61% of total sales in 2016, 65% in 2015

High End Real Estate Transactions
2016 YEAR END RESULTS | Marketing & Special Events

- Vail Local Marketing District Advisory Committee (VLMDAC) focuses on marketing Vail with $3.2 M generated from 1.4% lodging tax

- Commission on Special Events (CSE) supported 33 events with $830K of General Fund dollars in 2016 plus another $150K to support 8 life-long learning events

- Town Council allocated $859K from General Fund for “iconic” special events
Development Activity Update

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

2015: $126.6 million

2016: $112.0 million

Some of the most visible projects:

- Strata / The Lion
- Vail Cascade / Hotel Talisa
- Vail Valley Medical Center
- Holiday Inn / DoubleTree
FISCAL STRENGTH

• Annual revenue $67.5M
• 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