

2016 STATE OF THE TOWN

Vail Economic Advisory Council | April 11, 2017



TOWN OF VAIL

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

2016 YEAR END RESULTS | Sales Tax Performance

Sales Tax is 39% of municipal revenue and provides a good representation of Vail's economy

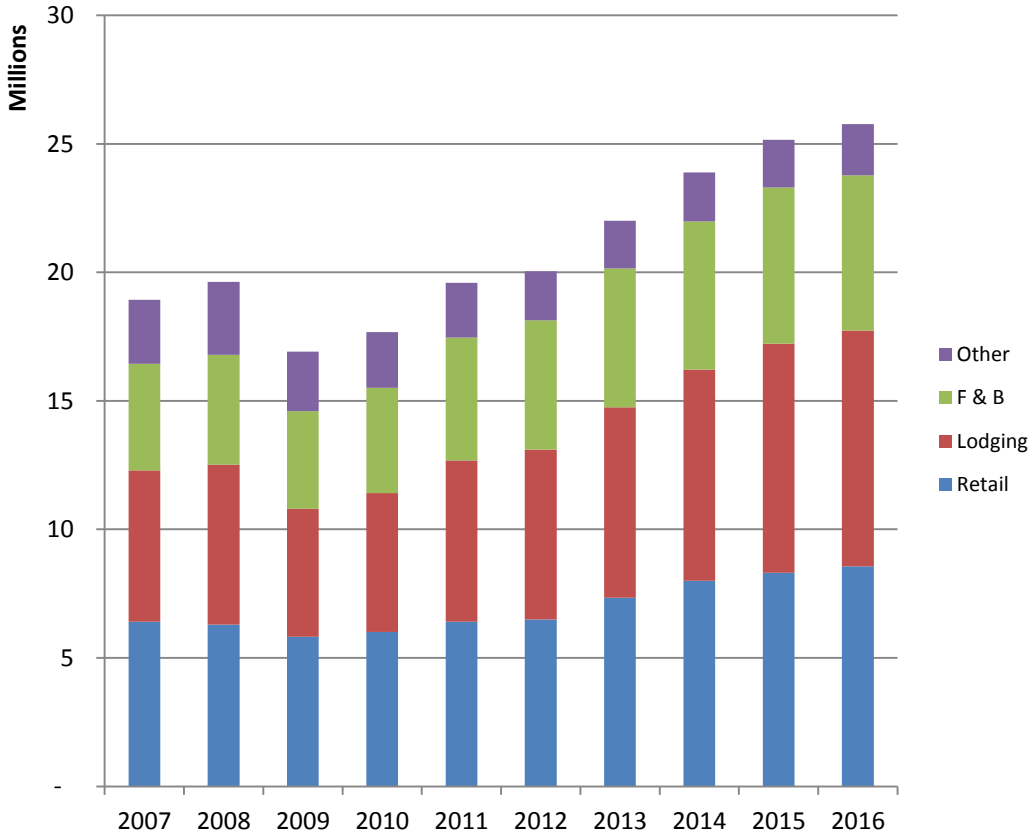
2016 collections were \$25.7M, up 2.5% from prior year

By category, sales tax in 2016

- Lodging up 3%
- Retail up 3%
- Food & Bev down 1%

Impact from business closures

10-Year Sales Tax Collection by Category



2016 YEAR END RESULTS | Lodging

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

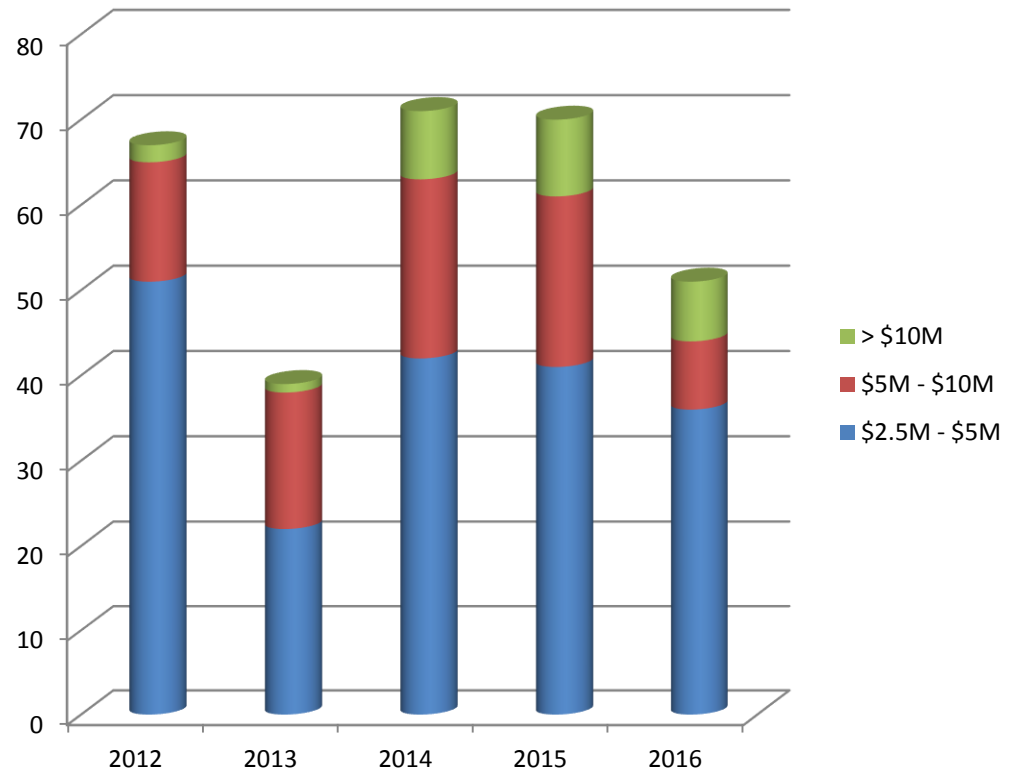
Chart data is provided by DestiMetrics based on a sample representing 61% of Vail's estimated 4,000 short-term rental units and competitive resorts data as included in DestiMetrics database

	Lodging Occupancy	Average Daily Rate
December 2016	61.8%	\$679
December 2015	58.5%	\$610
Vail's Increase	5.7%	11.3%
Competitive Resorts Increase	0.6%	12.5%

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