



PART-TIME RESIDENTS ADVISORY BOARD

NEWSLETTER

Vol 1, No. 2 Summer 2009

Notes from the PTRAB Chair ...

The Part Time Residents Advisory Board is appointed by the Snowmass Village Town Council to serve as a liaison between the Town Council and the Town's part-time, non-voting, property owning residents. This newsletter is one of the ways we try to communicate with PTRs (part-time residents) of the village.

The PTRAB welcomed new member Victor Rauch to the Board this summer. A long-time PTR of Snowmass Village, Victor is an owner and President of the Homeowners Board in the Timbers Club. An avid cyclist and hiker, Victor brings important insight from the fractional ownership community to the PTRAB. Appointed to the Board by the Town Council in July, Victor will serve on PTRAB through 2011.

Highlights of our summer meetings are spotlighted in this issue of our newsletter. As you will see, the focus of our meetings was on the economy – local, regional, national, and global – and its effects on Snowmass Village. We hosted two very well attended panels on the first day of our meetings – one on real estate and one on mill levies and taxes. Both panels were broadcast on Grassroots TV (Comcast Cable Channel 11) and are available for viewing anytime via the PTRAB webpage found on www.tosv.com under the Boards and Commissions tab.

The second day of our summer meeting included a preliminary report from the Chair of the Financial Advisory Board, one of the village's volunteer boards. The FAB is charged with providing oversight, hindsight, and analysis of the financing of major town projects for the Town Council. Also on the second day's agenda were reports from the Town Manager and Director of Marketing.

As always, we invite your interest in Snowmass Village and in our representation of YOUR interests to the Town Council. If you are a member of a HOA, please forward a copy of our newsletter to your fellow HOA members and urge them to sign up on the email list for PTRs via our webpage. The names and contact information for the seven members of the PTRAB are on our webpage. Any of us will be happy to hear from you and to make your concerns known to the full Board. ***Greer Fox, PTRAB Chair***

Reports from the July 2009 PTRAB Meetings

1. "How is Snowmass doing?" Mayor Billy Boineau speaks...

The global economic crisis has impacted Snowmass Village. Real estate values as well as local sales tax and real estate transfer tax collections have plummeted, and construction activity in Base Village has come to a near stand still with two partially built concrete structures gathering dust in the summer wind. The Viceroy Hotel is currently scheduled to open this December, but that opening may be delayed by the current dispute between Base Village developer Related WestPac and the town over outstanding development invoices and the lack of work on the interim Arrival Center, which stands at the entrance to Base Village encircled in plastic wrap like yesterday's half-eaten sandwich.

On the first day of the Part-Time Residents Advisory Board's semi-annual summer meetings (July 7), Mayor Bill Boineau reported to the board on the current state of our Town and the resort.

Much of the mayor's commentary focused on the work stoppage in Base Village and the need to get that development moving forward once again. He reiterated that Snowmass's future economy is tied to increased visitor business, but at the moment, few visitors are in evidence.

Why might this be? asked Mayor Boineau.

Members of the PTRAB weighed in: people may not be coming because of the recession; the fall-off of group visitors may be the lagged effect of the restrictions of a few years ago on group sales and future conference bookings of the conference facility and the Silvertree Hotel [see the Spring 2009 issue of the PTRAB Newsletter for a discussion of this problem]; Snowmass Village still hasn't developed a real "summer niche"; and, with so many other options for vacation destinations, visitors to this region of the US need more reasons to come to and stay in Snowmass Village.

The mayor expressed his desire to tap the "wealth of experience" that Snowmass Village's part-time residents represent. Could the town -- perhaps especially the town's marketing board -- make better use the experiences of part-time residents to improve Snowmass Village's outreach to the tourist market?

The PTRAB members responded with a resounding "yes." Acknowledging that PTRAB is a unique and vitally important vehicle for amplifying the voice of PTRs in town affairs, Board members pointed out that appointment of PTRs to other town commissions and boards has lagged, perhaps because of a misperception of the difficulty of fully involving PTRs in board or commission meetings. However, as PTRAB itself has found, conferencing by telephone or internet is quite satisfactory in allowing distant board members to be engaged participants in the board's business. The mayor was urged by PTRAB to follow through on his interest in broader PTR participation in the life of the

village by encouraging other town boards and commissions to consider the appointment of PTRs as members.

2. The State of Real Estate in Snowmass Village

In the first of the afternoon panels, two long-time Snowmass Village real estate brokers and a new owner of a Base Village condominium offered their opinions about where the real estate market currently is in Snowmass Village, and where they see it going in the near term.

Steve Stay and B.J. Adams are two of Snowmass Village's most respected and most experienced real estate professionals.

"The market is challenging," reported B.J. Adams. "But we are not lacking in interest. People want to see where we are going." Currently, sales are down 60% from a year ago. But, according to Adams, sales have increased over the last few months. Her concern is that sales will lag behind other resorts when the economy comes back if there isn't more clarity about what is going to happen in Base Village. "This needs resolution before December 09, or else," she remarked grimly.

Steve Stay observed that costs per square foot had declined 20% for condos, but much less so for homes. In his view, sales in Base Village inflated the number of transactions in the recent past. Now, the number of contracts being written has significantly declined. In his opinion, clients are "testing the market," but won't act until they have more information about the direction of the economy. Steve's full commentary is posted on the PTRAB web page found on www.tosv.com under the Boards and Commissions tab.

Base Village condominium owner Bruce Smith participated in the panel discussion to highlight the disparity of the substantially higher property taxes and homeowner association fees residents of Base Village have to pay compared to similar taxes and fees Snowmass homeowners outside of Base Village pay. He questioned whether or not the Base Village taxes and fees should be more equitable across the town, arguing that all property owners in Snowmass will utilize and enjoy the planned \$43 million in new amenities in Base Village once they are built out completely.

This panel generated several questions from those in attendance. Of particular surprise to many was the high level of taxation shouldered by the unwitting new owners of Base Village properties in the BV Metro Districts, approximately double the level for property owners in other areas of Snowmass Village.

3. Who Sets Your Property Tax Rates and Why?

At a time when many Snowmass Village homeowners have seen the value of their real estate decline, along with the stock market and their 401(k) retirement accounts, one item seemingly has not gone down, property taxes.

PTRAB member Mel Blumenthal provided an overview of Colorado tax policies and taxing districts that impinge upon owners of real estate in Snowmass Village. Property owners in Snowmass Village pay an assortment of taxes to 10 different local taxing districts (owners of real estate in Base Village pay taxes to 12 districts), each of which levies a certain “mill” or tax rate based on the assessed value of real property. Current taxes are based on the value of real estate for the period from 2006 – 2008, which was of course the height of the real estate market. This year, 2009, many homes and condominiums are worth far less than their assessed value during the height of the local market; nonetheless, everyone’s tax bill will be set by the now-outdated very high assessed valuation.

Homeowners have two options for relief: challenging their assessed valuation -- which over 4000 homeowners in Pitkin County have done, and pleading with officials of each of the taxing districts to hold their mill levies constant or even lower them to avoid “windfall” profits at taxpayer expense -- even though most agree that each of the districts offers important, valuable and necessary services. Mill levy decisions will be made in December by each of the taxing districts.

Representatives of a number of the local taxing districts were invited to the PTRAB meeting to describe their budgeting processes and the setting of their mill levies and to hear the concerns of their constituents.

Panelists included Fire Chief Steven Sowels, Deputy Chief/Fire Marshall John Mele, and Firefighter Billy Boineau from the Snowmass Village/Wildcat Fire and Safety District, John Wilkinson from the General Improvement District for Base Village, Director of Finance Kate Fuentes from the Aspen School District, Anne Freedman from Colorado Mountain College District, Russ Forrest from the Town of Snowmass Village, Scott Stenman from the Metropolitan District for Base Village, Tim McFlynn from the Pitkin County Open Space and Trails Board, and PitCo Treasurer Tom Oken representing Pitkin County.

Many of the full and part-time residents present questioned specific taxing districts on the amounts they collect and what those funds are used for. All of the districts pointed out increased operating expenses for their programs. The Fire District representatives made an especially dramatic presentation, suggesting that to fight a fully engaged fire in the Viceroy Hotel, a minimum of 70 firefighters would be needed; currently there are funds for only four firefighters.

While acknowledging the need, nonetheless residents implored the taxing districts to use restraint this year in setting their budgets, tighten their belts as homeowners across the country have had to do, and voluntarily reduce their mill levies and the resultant property taxes.

Full-time Snowmass Village resident Fred Kucker expressed the sentiments of many in the audience when he told the taxing district representatives that, in his opinion, the

windfall they will enjoy this year due to the recent record-high real estate property valuations should be cut back and mill levies lowered.

4. Stewardship of Tax Monies in TOSV

Wednesday's PTRAB meeting began with a preview of a report from the Financial Advisory Board, presented by FAB Chair Rick Griffin. A retrospective, the report reviewed several town projects undertaken in recent years by the TOSV.

Some background: At the height of the recent construction boom in Snowmass Village, multiple town projects came under review and criticism because final costs were significantly higher than budgeted.

Over the past few months the Town of Snowmass Village's Financial Advisory Board (FAB) reviewed and analyzed several of the town's major capital improvement projects, focusing on the processes that went into planning, budgeting, review and approval.

The capital improvement projects which FAB reviewed included construction of the new Town Hall, the Rodeo Place employee housing project, and the overall development and construction of amenities at Town Park, the Recreation Center and the Entryway.

The full report prepared by the FAB is scheduled to be presented to the Town Council on August 3rd and can be viewed on the Town's website at www.tosv.com under the Town Council August 3rd agenda. A full account of Griffin's presentation to the PTRAB can be found in the July 15th edition of the *Snowmass Sun* at www.snowmasssun.com.

In his presentation to the PTRAB, Rick Griffin offered brief highlights of that report. Griffin emphasized throughout his presentation that the purpose of the FAB review was not to find fault or point fingers, because in his view, the resulting projects have been very well received, but to uncover elements in the processes of financing and building town projects that have led to such high cost overruns in each of the several projects.

The Town Hall construction project grew from \$3.65 million in 2004 to \$9 million in 2006 (including over \$1 million in soft costs) as the scope of the project changed, additional town departments were added to the building, additional planning occurred (increasing costs), and higher costs from updated construction bids.

The Town moved forward more rapidly than was necessary because they were told by Related/WestPac, the new owners of Snowmass Center, that the Center was soon to be demolished to make way for an entirely redeveloped Center which, as it turns out, still has not occurred and is not contemplated to occur in the near future.

The Entryway projects included the construction of the Recreation Center, the pool and gym, the Transit Center, parking lot, basketball courts, skateboard park and trails.

Costs increased on the construction of the Recreation Center as the scope and function of that building changed. According to the FAB: The delay in the construction of the pool

increased the final cost 50%. Unreliable estimates without proper architectural drawings increased costs.

Among the recommendations of the FAB to the Town Council: The town needs a better process for planning and managing town construction projects. Reliable cost estimates need to be done by experienced estimators. Projects should be built only after all underlying rights have been secured. Bids should be requested only after the design is complete. Operating costs need to be accurately projected.

5. The State of the Village – a Summer Update

Visitors aren't coming in significant numbers. Real estate isn't selling. Related WestPac isn't building. What is the tenor of the town's psychology? How is the town responding?

Town Manager Russ Forrest appeared before the PTRAB on July 8 to offer his assessment on the current state of affairs and to provide an update of his report during PTRAB's February 2009 conference call [see the Spring Newsletter for the report].

Russ reviewed the town's actions since last October. In response to the current economic crisis, town departments developed three budget contingencies based upon anticipated reductions of 10%, 15% and 20%, each of which has been implemented as needed in previous months. Currently, the Town is developing plans for a 30% reduction.

The town's real estate transfer tax (RETT) is down 85% from a year ago, reflecting the enormous impact of the standstill in the real estate market.

Among cost control measures already implemented by the town staff are the following: a reduction in medical insurance costs, a hiring freeze, and a salary freeze.

Russ Forrest moved on from the economy to other news. The town's long review process of the Comprehensive Plan is now 95% complete. After over two years of study, review and public input, the town is near the point where recommendations and proposed changes to the Land Use Code will be discussed by Town Council.

As did Mayor Boineau, Town Manager Forrest emphasized the importance of part-time residents to Snowmass Village. According to Forrest, nearly 50% of the village economy is attributable to part-time residents.

6. “Luxury Is Tough to Sell in a Recession”

With a quick quip, PTRAB member Victor Rauch summed up the challenge facing Susan Hamley and her Marketing Department staff. In the midst of the worst economic recession since the Great Depression, what is our marketing board doing to get travelers to come to Snowmass Village?

The managing directors of Snowmass Tourism, Susan Hamley and Kristi Kavanaugh-Bradley, reported on their current efforts to market the town. Their plans were in the very early stages and were received without enthusiasm by the PTRAB members.

In order to differentiate Snowmass from other destination resorts, the Town needs to distinctively brand itself, and that is the task that Susan and Kristi asked PTRAB members and PTRs in attendance to give some thought to. What is distinctive about Snowmass? What does “Snowmass Village” bring to mind?

Those present responded emphatically and without difficulty: “everything is here; nothing is contrived,” “purity of air, water, and view planes,” “security, family, peace, tranquility,” “the mountains – access to the outdoors,” “vitality, activity, renewal.”

Among the many off-the cuff suggestions made to the Marketing staff were to design an overarching summer theme that would continue throughout the summer and from year to year; market the summer to winter visitors and the winter to summer visitors; consider hosting chorale workshops, festivals and competitions; recruit academic groups that can make use of the smaller conference facilities that Snowmass offers; partner with Colorado Mountain College to offer short-term (one- to two-week) courses that carry CEU credits both within and outside the state; partner with Colorado Mountain College to offer short-term enrichment coursework for middle-aged and retirement-aged adults; partner more obviously with Anderson Ranch to build upon their excellent reputation among artisans and share it more broadly as a “Snowmass Village” product or amenity; host an annual conference of Albert Schweitzer fellows with accompanying workshops for adolescent-aged visitors; host a wildflower festival here (independently or in conjunction with Crested Butte); make Snowmass Village a wedding destination.

The Marketing Department’s struggles to come up with a distinctive “brand” for Snowmass Village has import not only for the many part-time residents who rent their homes to visitors and thus who depend upon visitor numbers and flow but also to the locals, PTRs, and visitors who want confirmation that the Village is indeed a vital place to spend time and money.

Future Plans for PTRAB

HOA Governance: Although the mission of the PTRAB is to facilitate PTR communication with the Town Council, the reality for many part-time residents is that their own Home Owner Associations have a more immediate impact on the value of their property and the quality of their experiences in Snowmass Village than does the Town.

Our attention has been called to the highly variable quality of governance of HOAs by HOA Boards throughout the village. Some Boards govern with probity, dignity, and with the support of their members; others appear to run roughshod over the wishes and finances of their members, using their positions for their own interests while members remain in the dark about the actions of their Board. Whether the PTRAB has a role to

play in fostering governance best practices by HOA Boards is an issue PTRAB plans to take up. Among the suggested roles for PTRAB are to facilitate training for HOA Boards, outlining a role for TOSV staff and Town Council in oversight of HOAs, or simply highlighting HOA governance best practices via panel discussions at our on-site meetings in January or July each year.

Survey of PTRs: In the summer of 2007 as part of its preparation for the update of the Comprehensive Plan, the TOSV sponsored a survey of Snowmass Village residents, including part-time residents. Among other findings, the survey documented the congruence of attitudes between full-time and part-time residents about growth and development of the village as a community and as a resort. (Results of the survey are available on the PTRAB webpage: www.tosv.com under the Boards and Commissions tab.)

Whether the PTRAB can or should continue to monitor PTR sentiments via on-line surveys is one of the questions that PTRAB will discuss over the coming year.

Upcoming Meetings: PTRAB will continue to meet via conference call during the fall. Already scheduled for the August 10th conference call is a session with Jeff David, General Manager of the Snowmass Viceroy Hotel & Residences.

Other fall conference call dates are September 9th, October 14th, November 9th, and December 14th. In addition to planning for the winter meetings to be held in Snowmass Village on January 6th, 2010, the focus of the PTRAB meetings will be on continual monitoring of the state of the village and implications for second homeowners and part-time residents. If you're in town on January 6th, plan to join us during our meeting in the Town Council Chambers in Town Hall.

PTRAB Members 2009

John Barrett (Woodbridge), George Bletsas (single family home), Mel Blumenthal (Enclave), Mery Claire Butler (single family home), Colleen Doyle (Crestwood), Greer Fox (Snowmass Mountain), Victor Rauch (Timbers Club). Contact information is available on the PTRAB webpage: www.tosv.com under the Boards and Commissions tab.)

How to Sign Up for PTRAB Email

To join the PTRAB communication list,
please email us at: partimeresidents@tosv.com