

**Accommodations Tax Committee Meeting
April 3, 2013, Noon
Crawford Meeting Room
124 10th Street**

1. Call to order.

The meeting was called to order at 12:05pm.

Committee members present: Larry Mashaw, Cari Hermacinski, Tom Ptach, Scott Marr, Mike Lomas and Kenny Reisman.

City Staff present: Julie Franklin, City Clerk.

2. Additional questions for remaining proposals.

Noon: Howelsen Hill Sports Complex

Howelsen Hill Sports Complex Partners present: Laura Sankey, David Scully, Rick DeVos, Dan Smilkstein, Sarah Katherman, Leslie Gamel, Ward Van Scoyk, Julie Green and Ren Martyn.

Sankey spoke to investing in diversity with trails, the rodeo arena, ice sheet expansion, the gravity center and the Nordic center.

Smilkstein noted the need to plan and create it. Once it is built then it is our in perpetuity and provides 12 months of recreation. One of their goals is to make Steamboat Springs a Nordic destination. He stated that cross country skiing is a growth industry as opposed to mountain biking, which peaked in 2001. Cross Country/Nordic skiing also enhances alpine skiing.

Scully spoke to the gravity center and the proposed new facility east of the ice rink that would accommodate a trampoline, foam pit, skate structures, and rock climbing wall and a second sheet of ice. He believes this is an economic driver and satisfier. He spoke to the draw of having an indoor skate park.

There are many different constituencies to tap into for funding and if they are not able to raise the money the project would be reduced. (A chart was provided to show where the reductions would be.) A spreadsheet was provided that shows how over 10 years there would be 300,000 out of town participant days.

Howelsen Hill is a gift that is a public benefit with low lift ticket prices. They see forming a Howelsen Hill oversight board to approach the assets as a business. People will be charged and fees will be enforced. All elements will run in the black.

Scully spoke to new revenue generating activities like a season skate pass and the gravity facility could provide a revenue stream to support the other assets at Howelsen.

Hermacinski asked if the gravity center has such revenue possibilities why hasn't someone moved forward with a business. Scully stated that it is a viable business model and it was being pursued but the opportunity went away so the project went to Parks and Recreation to be pursued with ice rink expansion.

It was noted that the ice rink is too busy so there is not enough skate time during peak hours. They predict being able to accommodate 40% more skaters with more ice.

Discussion commenced on the proposed program director and other staff for the facility. Discussion also commenced on the land for the Nordic center and that the final location is pending.

Hermacinski voiced concern with charging a fee for a Nordic pass and the fact that people believe that access should be free because it is paid for by the tax payers. Smilkstein stated that there is a lot of support for paying for groomed trails.

Ptach asked if they do not raise all the money, how that would impact the projected revenues for the project. Sankey stated that the \$450,000 from the gravity center will make a real impact.

Hermacinski would like more information on further subsidies for Howelsen Hill. Sankey stated that the pro forma shows that the profit covers the cost of operations and maintenance. Hermacinski asked if will be profitable, then why is it not being done by the private sector. Sankey stated that it could. The gravity center with additional ice could be profitable; separate they would not.

Hermacinski noted her doubt because the current uses at Howelsen Hill do not make money. Sankey stated that the Nordic portion does, the rodeo would have more events and the rodeo is already in the budget and will not be an increase in operations.

Lomas asked if the rodeo could still go after more events without this money. Van Scoyk stated that we would need 2 arenas for bigger events. However the cutters left due to a conflict with moving animals and this conflict has since been resolved. Additionally, the cutters did not come back due to lack of funding from the Chamber. Mashaw clarified that the cutters leaving was not because of a facility limitation. Van Scoyk stated that it is the roping events that require a second arena.

Reisman asked about the Nordic events that we currently host and why there needs to be expansion. DeVos stated that they need Emerald Mountain to get

the full trail links to host bigger events.

Mashaw asked about return on investment. Sankey spoke to the Nordic competition component that leverages a lot of the “bounce back” synergies. There are compelling components of the whole project, but can also be split.

12:30: Steamboat Springs Trails Alliance

Grant Fenton, Eric Meyer and Aryeh Copa were present. Doug Davis was not able to attend.

Fenton spoke to the different bike opportunities here in Steamboat Springs and the opportunity for Steamboat Springs to become the ultimate cycling destination. Part of the effort will be to fill in the gaps with what currently exists here. A lot of the opportunity has to do with the topography of the area; we are not canyon locked. He stated that they do have a lot of flexibility with the different projects and spoke to the ability to have an immediate impact. To have IMBA get involved here would be huge; if we can get an IMBA designation then that can be leveraged. He also noted that Kent Foster from the Forest Service and Gina Robinson from BLM are present for any questions.

Meyer spoke to the five year plan and that the unauthorized trails need to be dealt with. He spoke to grant opportunities and the ability to leverage money. He noted that the Morning Gloria trail is ready to go and is in the 2008 Parks and Recreation Master Plan. He spoke to diversity and the current need for more kid-friendly trails. He stated that people want a little of everything in one area.

Copa spoke to the trails at the ski area and that without them we don't have a chance to be an international destination.

Reisman spoke to tourist versus local use and the effort to get people out of their cars. If urban trails are not a priority then there is no connectivity. Meyer stated that there is a lot already underway like the underpass by Safeway and this summer there the trails by Casey's Pond. They will need to shift their priority based on leveraging dollars.

Hermacinski asked why Steamboat Springs would be different than other bike destinations, like Fruita or Moab. Copa stated that many bike destinations are too hot to ride in the summer; the Walton Rim trail is a higher elevation and would be cooler. Walton Rim is also a “rim” trail that provides views and we have a unique topography.

With respect to access to Federal lands, Copa stated that there is already precedent set with the ski area and trails all over the company. When a trail is designated, it does not go away, unless it gets designated as wilderness; then bikes are not allowed but the trail does not disappear.

Meyer stated that they have not included other trail users in their information like

bird watchers, trail runners, hikers and wildlife watchers.

Marr asked about the information presented earlier that stated that mountain bike numbers are decreasing and cross country skiing is increasing? Copa stated that that is not what they are seeing. On the gravity side businesses can't get enough bikes and bike manufacturers can't make them fast enough. The Ski area has stated that their numbers far exceeded their expectations.

Marr asked how they will market the Walton Rim trail and who will do it. Fenton stated that the Chamber will do the marketing. Copa added that word of mouth is very important and that we are likely to attract people from other mountain communities.

Discussion commenced on IMBA designation and that if Steamboat were to reach "gold" status IMBA will market for you.

Hermacinski asked if any of the trails will be usable during the shoulder season. Copa stated that it depends on the season; but there are many places on Buffalo Pass that are more south facing and that we could have 6 months of marketable riding.

Reisman asked about the annual cost of maintenance. Meyer stated that trails on City property would total \$128,000 and the core trail would stay in the City budget. Reisman asked about the timeframe for seeing return on investment. Meyer stated that after this year they will start counting trail users to get a baseline. After one year of monitoring they believe we will see an enormous increase. At 5-10 years it will be "through the roof".

Hermacinski asked if there was only money for the three projects (unauthorized trail, Walton Rim and Morning Glory) would we still be able to get designation from IMBA? Meyer stated yes, we may be able to get silver designation rightnow.

1:00: Yampa River Park

Mark Scully, Jerod Duty, Scott Ford, Jason Lacy, Ryan Spaustat, Kim Haggarty, Tracy Barnett and Chris Paoli were present.

Lacy noted that they think a BID is the perfect mechanism for improvements. There is currently a BID but it does not have any funding and would require a vote. Many property owners are willing to fund maintenance on a permanent, ongoing basis even without a BID. They currently have signatures from many Yampa Street property owners that are willing to form their own BID. He spoke to

the benefits to landowners that would be equal to a special assessment that owners are willing to pay.

Spaustat spoke to maintenance costs and allocation of costs. He stated that the fire building is the only potential exposure to the City because the parks are not included.

He spoke to this being a 365 day a year attraction and that this is a “ride” that everyone can enjoy. It will bring more people here, extend stays and cause people to come back.

He spoke to undergrounding power lines and that it is not currently included because the ULI said that private property blocks people from getting to the river and that parks and sidewalks are a priority. It is \$2 million to underground the promenade that links 5th-10th Street. They have money to put in conduit and stormwater under the promenade.

The bridge at 7th Street is a long term goal but they need to acquire property as well as get permits from the railroad and FEMA. It is a 5 year vision. It is, however, a great candidate for third party funding.

Restrooms are included. There is \$350,000 in the budget for a public restroom.

Scully noted that the Committee should look at this as an investment. They have a very well written plan, a firm budget and can deliver. They have substantial private funding and have the team to execute the project.

Hermacinski asked about TDR revenue. Gibbs stated that the “sending area” is clear and the “receiving area” is critical. They need to do more study on the receiving area. Hermacinski asked for an estimate on value. Scully stated 50% of the land costs.

Mashaw asked if the land purchase could come on the lower end. Scully stated if that happened they would move forward with the bridge. They also want to negotiate with landowners using the appraisal process.

Reisman asked for data on providing additional tourism. Scully stated that the numbers are so broad and he didn’t want to provide misleading numbers. Reisman stated that this will need to go to Council and the vagueness is problematic.

Ford stated that this is a satisfier and has the ability for repeat visitors on a compound basis. After 10 years it would provide \$2.5 million in spending, more jobs and local spend. It would be \$2,500 compounded annually and 8,300 additional lodging nights.

Reisman spoke to the “market area” for parks and the fact that there is not much lodging downtown. Other than events, why will this park be different? Scully

spoke to family trips and what members of the family want to do. People will come spend time and then come back.

Mashaw spoke to motivators and asked what new events this project will bring. Duty spoke to the proposed 7th Street Music Festival and having a Shakespeare festival on the stage area. Additionally, they hope to get some overflow from the Texas music festival. Barnett noted that the All Arts Festival could expand and there is the opportunity to have a “harvest festival” with local restaurants. If we have a venue to use they will create events to use it.

Marr stated that the vast majority of lodging dollars is generated on the mountain and this project is requesting money for improvements downtown. Can there be matching dollars from downtown merchants in addition to the lodging funds? Scully stated that a URA would provide more money than a BID and the landowners are committed to almost \$200,000 a year.

3. Committee Discussion.

Mashaw asked which of the remaining projects is most likely the motivator.

Lomas thinks it is the rodeo and events like the cutters. However, we do not need a new facility to get the cutters back and it is unknown if they want to come back.

Ptach stated that with the Yampa River Park the demand on the tax funds may not be necessary because of the special assessments.

Mashaw noted that the Sports Complex will take the entire \$550,000 and suggested funding the trails and Yampa River Park together. Hermacinski agreed and noted that there are synergies with them. Reisman stated that trails could also be matched with parts of the sports complex. He thinks that the park is a satisfier and that trails are a mixture of motivators and satisfiers. The sports complex with the cutters could be a motivator.

Marr would like to the data to show the Nordic potential. Hermacinski thinks that Council should look at the gravity center and second sheet of ice as something that a private entity should do. Parks and Recreation should be pursuing that and not using accommodations tax for it.

Ptach stated that all the projects have elements of a satisfier but in the long run the Yampa River Park can be a motivator.

Lomas stated that we already have a great music venue downtown at Howelsen Hill and that we would get more tourists from being the next Moab or Fruita and having trail connections. Mashaw stated that it is easier to market to people who have a passion for a sport, which is hard to do with core trail connections as opposed to the mountain bike trails. He also believes that Yampa River Park would have a pretty broad appeal but would be hard to market.

Hermacinski supports trails or the park but not the sports complex because there are too many loose ends. They don't know the location of the Nordic center and it may require land acquisition. They have an aggressive fund raising goal and there is potential conflict between free access and charging a fee. The rodeo can get the cutters back without a new facility and she is concerned with the subsidy.

Reisman stated that we do solve some CIP issues by putting money into Howelsen Hill but he is concerned with getting another building for the City, the deferred maintenance and being encumbered by another asset. He is compelled by the rodeo grounds and trails because they do co-exist and create a strong product.

Marr would like to see investment by the downtown merchants because we are taking tourism money that is mostly generated at the mountain and making a huge investment downtown. Hermacinski stated that they could continue with the BID and special assessments to make it 1 to 1. The trails should not be "ironman" trails, connections and signage are important so that it is not for locals only. The appeal for her with the trails is that they do not need to bond and Yampa River Park is immediate.

If there is a BID and special assessments at 1 to 1 it reduces the project from \$400,000 to \$300,000 so there could be more money for trails. If there were any extra money it could be used to improve the rodeo arena.

It was noted that the Committee will meet with Council on May 21 and June 4, 2013 and the next committee meeting will be April 17, 2013 at noon.

4. Adjournment.

The meeting adjourned at 3:00pm.

MINUTES PREPARED, REVIEWED AND RESPECTFULLY SUBMITTED BY:

Julie Franklin

Julie Franklin, CMC
City Clerk

APPROVED THIS 17th DAY OF April, 2013.