

Mountain Village Economic Model

Summary Reports

Scenario 1: Subarea Plan Buildout (45-55% Occ'y)

Scenario 2: Market Adjustment (45-55% Occ'y)

Disclaimer:

This model is intended to provide snapshots of the economy at specific moments in time. Baseline assumptions for current and future conditions are subject to change. The results of this model should be used as tool for understanding key drivers in the local economy and not as precise predictive tool.

Report A
Definitions: Time Horizons and Scenarios
Mountain Village Economic Model

Time Horizons

Current Conditions	Current conditions in the Town
Current + Approved	Current conditions + all projects approved and under construction or approved and not under construction. Approx. 3 to 5 years in the future, depending on project development schedules and market conditions.
Remaining Buildout	Remaining undeveloped capacity under existing zoning - no zoning modifications.
Buildout by Right	Full buildout under existing zoning. Current conditions + approved + remaining buildout.

Scenarios **Alternative buildout with the proposed land use change.**

Report B
 Development Scenarios
 Mountain Village Economic Model

Scenario	RESIDENTIAL / LODGING UNITS									NON-RESIDENTIAL SQ. FT.		
	SF/ Duplex	Condo	Hotel	Hotel Eff.	Lodge	Eff. Lodge	Emp. Unit	Emp. Dorm	Total	Retail	Office	Service
Scenario 1: Subarea Plan Buildout (45-55% Occ'y)												
Proposed	9	151	0	0	725	638	412	112	2,047	54,890	0	41,008
Existing Zoning	<u>-10</u>	<u>-159</u>	<u>-23</u>	<u>-2</u>	<u>-8</u>	<u>-2</u>	<u>-68</u>	<u>-0</u>	<u>-272</u>	<u>-0</u>	<u>-0</u>	<u>-0</u>
Difference	-1	-8	-23	-2	717	636	344	112	1,775	54,890	0	41,008
Scenario 2: Market Adjustment (45-55% Occ'y)												
Proposed	8	86	0	0	520	394	240	74	1,322	37,193	0	21,304
Existing Zoning	<u>-10</u>	<u>-159</u>	<u>-23</u>	<u>-2</u>	<u>-8</u>	<u>-2</u>	<u>-68</u>	<u>-0</u>	<u>-272</u>	<u>-0</u>	<u>-0</u>	<u>-0</u>
Difference	-2	-73	-23	-2	512	392	172	74	1,050	37,193	0	21,304

Report C
Existing and Future Land Use with Scenarios
Mountain Village Economic Model

	Residential and Lodging Units									Commercial		
	SF/ Duplex	Condo	Hotel	Hotel Eff.	Lodge	Eff. Lodge	Emp. Unit	Emp. Dorm	Total	Retail and F&B	Office	Services
Current Conditions	383	680	177	8	171	260	389	149	2,217	60,339	43,109	49,522
Remaining Buildout	248	343	79	21	47	73	85	19	915	15,000	0	0
Buildout by Right	631	1,023	256	29	218	333	474	168	3,132	75,339	0	0
Scenario 1: Subarea Plan Buildout (45-55% Occ'y)												
Site												
Parcel Use as Proposed	9	151	0	0	725	638	412	112	2,047	54,890	0	41,008
Parcel Use under Current Zoning	-10	-159	-23	-2	-8	-2	-68	-0	-272	-0	-0	-0
Difference	-1	-8	-23	-2	717	636	344	112	1,775	54,890	0	41,008
Remaining Capacity												
Remaining Capacity under Current Zoning	248	343	79	21	47	73	85	19	915	15,000	0	0
Remaining Capacity with Change	247	335	56	19	764	709	429	131	2,690	69,890	0	41,008
Alternative Buildout	630	1,015	233	27	935	969	818	280	4,907	130,229	43,109	90,530
Scenario 2: Market Adjustment (45-55% Occ'y)												
Site												
Parcel Use as Proposed	8	86	0	0	520	394	240	74	1,322	37,193	0	21,304
Parcel Use under Current Zoning	-10	-159	-23	-2	-8	-2	-68	-0	-272	-0	-0	-0
Difference	-2	-73	-23	-2	512	392	172	74	1,050	37,193	0	21,304
Remaining Capacity												
Remaining Capacity under Current Zoning	248	343	79	21	47	73	85	19	915	15,000	0	0
Remaining Capacity with Change	246	270	56	19	559	465	257	93	1,965	52,193	0	21,304
Alternative Buildout	629	950	233	27	730	725	646	242	4,182	112,532	43,109	70,826

Source: Town on Mountain Village-Planning Department; Economic & Planning Systems

Report D
Summary of Assumptions and Factors
Mountain Village Economic Model

Assumption or Factor	Current Conditions	Buildout by Right	Scenario 1	Scenario 2
Retail Spending				
<u>Overnight Visitors</u>				
Retail \$/Day/Person	\$75	\$75	\$75	\$75
Food & Beverage \$/Day/Person	\$65	\$65	\$65	\$65
Retail Capture Rate	37%	37%	50%	50%
Food & Beverage Capture Rate	17%	17%	50%	50%
Persons per Unit				
<u>Second Home Owners</u>				
Retail \$/Day/Person	\$30	\$30	\$30	\$30
Food & Beverage \$/Day/Person	\$50	\$50	\$50	\$50
Retail Capture Rate	35%	35%	35%	35%
Food & Beverage Capture Rate	25%	25%	25%	25%
<u>Residents</u>				
Per capita Income	\$46,541	\$46,541	\$46,541	\$46,541
Retail Capture Rate	4%	4%	4%	4%
Food & Beverage Capture Rate	9%	9%	9%	9%
Occupancy & Visitation				
<u>Occupancy</u>				
Condo-Hotel/Lodge	38%	38%	45%	45%
Hotel	45%	45%	55%	55%
Fractional	55%	55%	60%	60%
Second Home	25%	25%	25%	25%
Average Daily Rate, All Lodging, Annual	\$207	\$207	\$207	\$207

Source: Economic & Planning Systems

Report E
Town Revenues
Mountain Village Economic Model

Description	Current Conditions (A)	Current + Approved (A+B=C)	Remaining Buildout (D)	Buildout by Right (C+D)=E	Scenario 1 (F)	Scenario 1 vs By Right (F-E)	Scenario 2 (G)	Scenario 2 vs By Right (G-E)
Total Development (Units)	2,217	2,217	915	3,132	4,907	1,775	4,182	1,050
Total Retail and F&B (Sq. Ft.)	60,339	60,339	N/A	N/A	130,229	N/A	112,532	N/A
Total Other Commercial (Sq. Ft.)	92,631	92,631	N/A	N/A	133,639	N/A	113,935	N/A
Taxable Retail and Food & Beverage Sales								
Full-Time Resident Units	\$1,084,000	\$1,084,000	\$328,000	\$1,412,000	\$2,114,000	\$702,000	\$1,773,000	\$361,000
Second Home Units	4,055,000	4,055,000	2,107,000	6,162,000	6,415,000	253,000	6,138,000	-24,000
Overnight Visitor Units: Condo-Hotel/Lodge	6,261,000	6,261,000	2,614,000	8,875,000	26,464,000	17,589,000	23,596,000	14,721,000
Overnight Visitor Units: Fractional	3,411,000	3,411,000	1,483,000	4,894,000	10,122,000	5,228,000	9,452,000	4,558,000
Overnight Visitor Units: Traditional Hotel	3,350,000	3,350,000	1,366,000	4,716,000	38,927,000	34,211,000	28,801,000	24,085,000
Day Visitors	159,000	159,000	0	159,000	159,000	0	159,000	0
Taxable Retail Sales from Retail & Restaurants	\$18,320,000	\$18,320,000	\$7,898,000	\$26,218,000	\$84,201,000	\$57,983,000	\$69,919,000	\$43,701,000
Retail	\$11,672,000	\$11,672,000	\$5,006,000	\$16,678,000	\$44,313,000	\$27,635,000	\$36,729,000	\$20,051,000
Restaurants	6,648,000	6,648,000	2,892,000	9,540,000	39,888,000	30,348,000	33,190,000	23,650,000
Total	\$18,320,000	\$18,320,000	\$7,898,000	\$26,218,000	\$84,201,000	\$57,983,000	\$69,919,000	\$43,701,000
Taxable Lodging Sales								
Taxable Lodging Sales	\$18,464,000	\$18,464,000	\$7,619,000	\$26,083,000	\$81,872,000	\$55,789,000	\$64,479,000	\$38,396,000
4.5% Sales Tax	\$831,000	\$831,000	\$343,000	\$1,174,000	\$3,684,000	\$2,510,000	\$2,902,000	\$1,728,000
4.0% Lodging Tax (Tourism Fund)	\$739,000	\$739,000	\$304,000	\$1,043,000	\$3,275,000	\$2,232,000	\$2,579,000	\$1,536,000
4.5% General Fund Sales Tax								
Retail and Restaurant Space	\$824,000	\$824,000	\$356,000	\$1,180,000	\$3,789,000	\$2,609,000	\$3,146,000	\$1,966,000
Lodging Sales	831,000	831,000	343,000	1,174,000	3,684,000	2,510,000	2,902,000	1,728,000
Utilities & Other	339,000	339,000	N/A	339,000	339,000	0	339,000	0
Total	\$1,994,000	\$1,994,000	\$699,000	\$2,693,000	\$7,812,000	\$5,119,000	\$6,387,000	\$3,694,000
Tourism Fund								
Economic Development (1/2 of 4.0% Lodging Tax)	\$369,500	\$369,500	\$152,000	\$521,500	\$1,637,500	\$1,116,000	\$1,289,500	\$768,000
Airline Guarantees (1/2 of 4.0% Lodging Tax)	\$369,500	\$369,500	152,000	\$521,500	\$1,637,500	1,116,000	\$1,289,500	768,000
Airline Guarantees (2.0% Restaurant Tax)	\$133,000	133,000	58,000	191,000	798,000	607,000	664,000	473,000
Total	\$872,000	\$872,000	\$362,000	\$1,234,000	\$4,073,000	\$2,839,000	\$3,243,000	\$2,009,000

Source: Economic & Planning Systems

Report F
Retail Performance - Village Core
Mountain Village Economic Model

Description	Current	Current +	Remaining	Buildout by	Scenario 1 vs		Scenario 2 vs	
	Conditions	Approved			Buildout	Right	Scenario 1	By Right
	(A)	(A+B=C)	(D)	(C+D)=E	(F)	(F-E)	(G)	(G-E)
Taxable Retail Sales								
Retail	\$11,672,000	\$11,672,000	\$5,006,000	\$16,678,000	\$44,313,000	\$27,635,000	\$36,729,000	\$20,051,000
Restaurants	\$6,648,000	\$6,648,000	\$2,892,000	\$9,540,000	\$39,888,000	\$30,348,000	\$33,190,000	\$23,650,000
Total	\$18,320,000	\$18,320,000	\$7,898,000	\$26,218,000	\$84,201,000	\$57,983,000	\$69,919,000	\$43,701,000
Retail Space (Village Core)	27,714	27,714	7,500	35,214	35,214	0	35,214	0
Taxable Sales per Square Foot	\$421	\$421	---	\$474	\$1,258		\$1,043	
Restaurant Space (Village Core)	32,625	32,625	7,500	40,125	95,015	54,890	77,318	37,193
Taxable Sales per Square Foot	\$204	\$204		\$238	\$420		\$429	
Total Retail & Restaurant Space	60,339	60,339	15,000	75,339	130,229	54,890	112,532	37,193
Taxable Sales per Square Foot	\$304	\$304		\$348	\$647		\$621	

Source: Economic & Planning Systems

Report G
RETA Revenue
Mountain Village Economic Model

Description	Current	Current +	Remaining	Total Buildout (C+D)=E	Scenario 1 vs		Scenario 2 vs	
	Conditions [1] (A)	Approved [2] (A+B=C)	Buildout (D)		Scenario 1 (F)	By Right (F-E)	Scenario 2 (G)	By Right (G-E)
On-going	\$7,095,000	\$5,608,000	\$2,755,000	\$8,363,000	\$9,372,000	\$1,009,000	\$8,773,000	\$410,000
Initial Sale (One Time)	N/A	---	\$42,804,012	---	\$58,452,516	\$15,648,504	\$49,141,524	\$6,337,512

[1] Past three year average.

[2] Decline in RETA revenues reflects drop in market values and sales volume due to decline in real estate market.

Source: Economic & Planning Systems

Report H
 Visitation and Skier Visits
 Mountain Village Economic Model

Description	Current	Current +	Remaining	Buildout by	Scenario 1 vs		Scenario 2 vs	
	Conditions	Approved			Buildout	Right	Scenario 1	Scenario 2
	(A)	(A+B=C)	(D)	(C+D)=E	(F)	(F-E)	(G)	(G-E)
Development (Units)								
Full Time Residents	731	731	222	953	1,426	473	1,197	243
Second Homes	770	770	400	1,171	1,219	48	1,166	-4
Condo-Hotel/Lodge	336	336	140	476	661	186	590	114
Hotel	263	263	107	370	1,436	1,065	1,075	704
Fractional	98	98	43	141	147	6	137	-4
Total	2,199	2,199	912	3,111	4,889	1,778	4,164	1,053
Visitor Days								
Second Homes	176,288	176,288	91,583	267,872	278,904	11,032	266,845	-1,027
Overnight Visitor Units: Condo-Hotel/Lodge	161,368	161,368	67,354	228,722	378,053	149,331	337,094	108,372
Overnight Visitor Units: Fractional	87,911	87,911	38,238	126,149	144,623	18,474	135,026	8,876
Overnight Visitor Units: Traditional Hotel	86,261	86,261	35,146	121,407	556,150	434,744	411,435	290,028
Total	511,829	511,829	232,321	744,149	1,357,730	613,580	1,150,399	406,249
Skier Visits (3 yr. Avg.)	422,590	422,590	74,357	496,947	691,764	194,817	621,853	124,906

Source: Economic & Planning Systems

Report I
Enplanements Demand vs. Capacity
Mountain Village Economic Model

Description	Current Conditions			Remaining Buildout		Scenario 1		Scenario 2	
	Regional Demand ¹	MTV Demand ²	Unused Capacity (A)	New Enplanements (D)	Remaining Capacity (Over Capacity) (D-C=E)	New Enplanements (F)	Remaining Capacity (Over Capacity) (C-F)	New Enplanements (G)	Remaining Capacity (Over Capacity) (C-G)
January	13,184	4,455	3,286	1,935	1,351	8,605	(5,318)	6,275	(2,989)
February	13,294	5,089	1,147	2,259	(1,113)	8,909	(7,762)	6,551	(5,404)
March	16,070	6,464	1,579	2,921	(1,342)	10,345	(8,766)	7,671	(6,092)
April	5,285	0	649	0	649	0	649	0	649
May	4,325	0	1,900	0	1,900	0	1,900	0	1,900
June	6,397	3,401	4,178	1,587	2,592	4,572	(393)	3,455	723
July	8,524	3,673	3,055	1,705	1,349	5,142	(2,088)	3,870	(816)
August	8,637	3,604	2,942	1,677	1,265	4,973	(2,032)	3,750	(809)
September	6,741	2,440	2,853	1,084	1,768	4,071	(1,218)	3,001	(148)
October	4,747	0	1,081	0	1,081	0	1,081	0	1,081
November	3,922	0	47	0	47	0	47	0	47
December	<u>8,947</u>	<u>5,968</u>	<u>1,331</u>	<u>2,788</u>	<u>(1,457)</u>	<u>7,739</u>	<u>(6,408)</u>	<u>5,868</u>	<u>(4,537)</u>
Total	100,073	35,094	24,047	15,956	8,091	54,356	(30,308)	40,442	(16,395)

¹ This data represents enplanements at the Telluride and Montrose Airport.

² Mountain Village demand is included in the regional demand figure.

Source: Economic & Planning Systems

**Report J
Employment & Employee Housing
Mountain Village Economic Model**

Description	Current Conditions	Remaining Buildout	Buildout by Right	Scenario 1 vs By Right		Scenario 2 vs By Right	
				Scenario 1	Scenario 1 vs By Right	Scenario 2	Scenario 2 vs By Right
New Commercial Development							
Hotel / Lodging Rooms [1]	N/A	220	220	1,548	1,328	1,099	879
New Retail and F&B (Sq. Ft.)	N/A	15,000	15,000	69,890	54,890	52,193	37,193
New Other Commercial (Sq. Ft.)	N/A	0	0	41,008	41,008	21,304	21,304
Total Sq. Ft.		15,000	15,000	110,898	95,898	73,497	58,497
New Jobs							
Hotel, Hotel Eff., Lodge, Eff. Lodge [1]	N/A	220	220	1,548	1,328	1,099	879
Retail & Commercial	N/A	74	74	582	509	394	321
Total	N/A	294	294	2,130	1,837	1,493	1,200
New Housing Demand							
Employee Households [2]	N/A	153	153	1,109	957	778	625
Mtn. Village Residents (40% Policy Goal)	N/A	61	61	444	383	311	250
Commuters	N/A	92	92	666	574	467	375

Source: Economic & Planning Systems

[1] Lodging has a particularly large variation of employees per room. The specifics of future projects should dictate whether this general factor is appropriate given the size of facility, level of services, and amenities provided. Estimates apply to future units within the condo-hotel/lodge, fractional, and traditional hotel categories.

[2] 1.2 jobs per employee and 1.6 jobs per household