TELLURIDE™
MOUNTAIN VILLAGE
OWNERS ASSOCIATION

TELLURIDE MOUNTAIN VILLAGE
Inventory & Balance Analysis

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Prepared for:
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Telluride, Colorado

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I. INTRODUCTION

.1 Location and Regional Context

The Town of Mountain Village sits at 9,500 feet in elevation on an upper plateau on the north-west side of the Telluride Ski Area, in the San Juan Mountain Range of Colorado. Development of the area started in 1987 and the Town of Mountain Village was incorporated in 1995. The center of town is a European-inspired, pedestrian-oriented village that connects shopping and restaurants with the ski hill and lifts. The town has been designed to maximize ski-in/ski-out real estate by weaving ski lifts and trails into the residential and village development and emphasizes alternatives to the car for transportation. Figure 1 graphically illustrates the Area Location and Figure 2 shows the Regional Context for Mountain Village.

The Town of Mountain Village and the Town of Telluride provide two portals to the Telluride Ski Area. While the two towns are geographically separated, a free gondola system allows for easy and accessible movement from Telluride in the valley floor to Mountain Village at a mid-mountain plateau. The gondola provides a clean and green alternative for moving visitors, residents and employees and has eliminated what would have otherwise been many cars, buses and parking lots in both areas. A large intercept parking garage is situated at the western terminal in Mountain Village, allowing people who arrive by vehicle to park and ride into the village on the gondola. This feature has minimized requirements for parking in the village, reduced the number of cars driving through town and, as a whole, emphasized the pedestrian experience of Mountain Village. Figure 3 illustrates the Mountain Village Aerial Photo and Figure 4 illustrates the Existing Land Use.

Mountain Village offers full service, four-season resort amenities such as an 18-hole championship golf course, conference center, spa, cafés, fine dining, shopping, and a wide variety of summer and winter activities. Summer activities in Mountain Village include golfing, rock climbing, mountain biking, nature center, tennis, hiking, Frisbee golf, pond fishing, a nature center, sunset concerts and a variety of festivals and special events. Winter activities in Mountain Village center on downhill, backcountry and cross-country skiing, snowboarding, tubing, skating, snow biking and snowshoeing. There are also winter hiking trails, an outdoor fire pit and many après ski activities.

Mountain Village Base Area

.2 Historical Perspective

The area around Mountain Village was originally used as a summer camp for centuries by the Ute Indians. Explorers and fortune seekers during the 1700s came to the San Juan Mountains with visions of striking silver and gold. By the mid-1870s, the Sheridan Mine was the first in a string of local claims, and a tent camp was established in the valley below, on the site of the Town of Telluride. Originally called Columbia, the rowdy mining camp became a town in 1878 and changed its name to Telluride. The area experienced a "boom and bust" during this time, and many locals staked claims around the mining camps.

When the railroad reached Telluride in 1890, the area flourished and became a thriving community with a population of more than 3,000. With the subsequent crash of the price of silver, combined with the onset of World War I, the population dwindled from thousands to hundreds. In 1953, the Idarado Mining Company consolidated all of the area mines and connected them with a network of tunnels. Still, decline continued and the last mine closed in 1978.

Telluride remained an isolated and poor town until the Telluride Ski Resort was opened by Joe Zoline in 1972. Due to its difficult-to-reach location, the ski area was initially only known to avid skiers in the West who found its challenging terrain and spectacular scenery worth the difficulty in getting there. Two important decisions that contributed to the growth of tourism in the Telluride area were; to use public funds to promote tourism in the region and to build an airport. Since the ski area would be more difficult to reach than the Front Range ski areas (even with the new airport), the ski corporation's early marketing strategy targeted wealthy communities in Southern California. Within a few years, Telluride became a popular ski destination for those who could afford the additional cost of flying there and those who had private jets.

In 1984, the Ski Resort Corporation started development of a new planned community on the other side of the mountain from Telluride. Called Mountain Village, the planned community included a pedestrian village with lodging for skiers, commercial facilities, employee housing, a golf course and second homes for Telluride's wealthier ski patrons. The Town of Mountain Village was incorporated in March 1995 as a Colorado Home Rule municipality. A free, two-stage gondola transportation system connects the Town of Mountain Village with the Town of Telluride.

The Telluride Ski and Golf Company, the developer of the "Telluride Ski Area" and the visionary of the luxury residential community that is now the Town of Mountain Village retain a vital interest in the area. Telski's corporate offices are located in the Village Center.

The Peaks Resort & Golden Door Spa, a luxury 177-room hotel with a 42,000-square-foot spa, opened in May 1992. The Peaks also houses the Telluride Golf Club, a private/public 18-hole, par-71, championship golf course. The Telluride Conference Center, also located in the Village Center offers 11,000 square feet of public meeting space with banquet capacity for 520 guests.

.3 Goals and Objectives

The Mountain Village Balance Analysis constitutes Phase 1 of a potential three-phase project to create a Master Plan for the Town of Mountain Village. The goal of the Balance Analysis is to prepare a detailed inventory of the town's recreation, accommodation, parking and commercial space from which to analyze the relative "balance" of these elements against the future build-out of the Town of Mountain Village. This report also identifies the most suitable areas for potential future development. Following Phase 1, Phase 2 of the planning process will involve creating development alternatives that provide solutions to problems of imbalance that have been identified in Phase 1.

The objectives of this balance analysis report include:

- Gaining an understanding of the existing relationships between the amount of available accommodation and commercial facilities in Mountain Village and the annual spending of visitors and residents.

- Emphasizing principles of pedestrian-oriented design and mixed-use development.

- Identifying existing and future spending capacity to achieve commercial sustainability in the Village Core.

- Economic and town/community sustainability.

- Environmental stewardship.

- Short-term and long-term transportation connectivity and accessibility.

- Creating a sound, analytic basis for future planning that both preserves the natural beauty of Mountain Village and maximizes potential economic vitality, by applying smart growth principles.

II. RESIDENTIAL & COMMERCIAL ACCOMMODATION

.1 Introduction

The inventory of all existing and planned accommodation units in Mountain Village has been carried out using the lot list and development report provided by the Town of Mountain Village. The accommodation in Mountain Village has been categorized into four types for the purpose of this report: single-family units, employee units (includes employee apartments, condos and dorms), condo units, and tourist accommodation units (includes hotel, hotel efficiency, lodge and efficiency lodge units). The existing number of units, the number of units under construction and the total number of units allowed under the Planned Unit Development (PUD) has been determined for each of the four accommodation categories. For each of the four defined accommodation types, the existing unit, density and pillow counts have been compared to the total number of planned units, density and pillows to determine how much of the residential and commercial accommodation in Mountain Village has been built out. An inventory of the number of pillows available for rent by the public, as well as an analysis of the existing and future accommodation mix, are also included in this section.

.2 Accommodation Inventory

Figure 6, the Accommodation Zoning Plan, illustrates the developed and undeveloped lots in Mountain Village according to the four accommodation types represented by different colors. Developed lots are represented by a darker tone, and undeveloped lots are shown with a lighter tone. Existing lifts, ski trails, main access roads and the Town boundary are also shown on this plan. In addition, "comfortable winter walking distance" radii from the base of the Chondola, the gondola terminal at the Town Hall Plaza and the center of the Village Core have been delineated. "Comfortable Winter Walking Distance" is defined as the distance a person can comfortably walk in winter snow conditions in 10 minutes. The limit of "Comfortable Winter Walking Distance" reveals how much overnight accommodation is within walking distance from the main services, commercial centers and recreation staging points. "Comfortable Winter Walking Distance" helps to set the parameters for transportation planning and truly pedestrian-oriented design.

Table II.1 summarizes the total number of existing units, units under construction and planned units in Mountain Village. Lots that have active building permits are identified with a grey hatch on Figure 9. There are a total of 1,725 units in Mountain Village and a further 355 units are under construction. This accounts for 69 percent of the total 3,033 units planned for Mountain Village under the current PUD.

Employee units and Tourist Accommodation units are the most built out at 77 percent and 76 percent, while Single Family and Condo units are both 62 percent built out. The units that are currently under construction in the Capella Hotel, Lumiere Hotel and other condo and single-family projects in Town account for 12 percent of the total units in Mountain Village. Condo units and Tourist Accommodation units account for the largest percentage of the units under construction.

TABLE II.1
TELLURIDE MOUNTAIN VILLAGE
UNIT BUILD-OUT SUMMARY

	Existing No. Units	Under Construction	Total PUD Units	Existing % Built	% under construction	% Built Out of PUD
Employee	483	18	653	74%	3%	77%
SFU	354	49	653	54%	8%	62%
Condo	439	155	957	46%	16%	62%
Tourist Accomm.	449	133	770	58%	17%	76%
TOTAL	**1,725**	**355**	**3,033**	**57%**	**12%**	**69%**

PUD Density

The current PUD allows for the development of a total of 8,171 "density units" in Mountain Village. PUD density is assigned to each unit type based on an estimate of the average number of people that could permanently occupy the unit. Thus, single-family units are assigned a density of 4, whereas an efficiency lodge unit that would likely only be used for transient visitors and not occupied on a permanent basis has a density of 0.5. While development in Mountain Village is limited by the approved 8,171 "densities," this type of unit is not useful for planning purposes because it doesn't take into account that many units will be used as second homes or rental accommodations and that the population of the Town will vary greatly throughout the year.

Alternatively, mountain resort planners use "pillows" as a unit to understand in further detail what the accommodation mix and peak period populations will look like at build out. Table II.2 shows the relationship between PUD density and an average number of pillows per unit. The number of pillows per unit represents a theoretical sleeping capacity of a unit. The product of the number of units times the average pillow count per unit represents the theoretical potential sleeping capacity of TMV. However, neither 100 percent unit occupancy nor 100 percent pillow occupancy of the occupied units is in practice ever achieved. When reasonable occupancy assumptions are applied to the inventory of future pillows in Mountain Village, estimates of the number of people staying in the Town at different times of years can be made.

TABLE II.2
TELLURIDE MOUNTAIN VILLAGE
PUD DENSITY VS. PILLOWS PER UNIT

	PUD Density (Population)	Average Pillows per Unit
Employee		
Employee Condo	3	3
Employee Apartment	3	3
Employee Dorm	1	1
SFU	4	8
Condo	3	6
Tourist Accommodation		
Lodge	0.75	5
EFF Lodge	0.5	3
Hotel	1.5	3
Hotel EFF	2	4

Table II.3 shows a summary of the existing built and planned PUD density in Mountain Village. Currently, 93 percent of the total allowed density in Mountain Village is assigned to specific lots. As development has happened in Mountain Village in the past, some of the assigned density for some lots has not been built and has accumulated in a "density bank." This density is unassigned to a particular lot but is still theoretically permitted to be built at some time. However, the original owner of the unit retains ownership of unused density even when it is transferred to the density bank. Currently, 535 units of density in the density bank make up the remaining 6.2 percent of density allowed in the PUD. Of the 7,636 units of density that are assigned to the lots in Mountain Village, 53 percent is built. Density is slightly less built out (53 percent) compared to Units (54 percent) because the Lodge and Efficiency Lodge units have densities that are less than 1.

TABLE II.3
TELLURIDE MOUNTAIN VILLAGE
PUD DENSITY BUILD-OUT SUMMARY

	Existing TMV Density	Total PUD Densiy	% Build Out of PUD	% of Total
Employee	1,037	1,420	73%	
SFU	1,373	2,583	53%	
Condo	1,321	2,880	46%	
Tourist Accomm.	320	753	43%	
TOTAL	**4,051**	**7,636**	**53%**	**93%**
Density Bank - Market Units		520.75		6%
Density Bank - Employee Units		15		0.2%
TOTAL PUD DENSITY		**8,171**		

Pillow Count & Accommodation Mix

Based on the assumptions of the number of pillows per units outlined in Table II.2, there are currently 8,217 pillows in Mountain Village and 1,815 pillows under construction. At build out, we estimate that there will be a total of 15,199 pillows in Mountain Village.

The inventory of pillows provides a basis from which to analyze the accommodation mix in a resort community. Currently, 34 percent of the total pillows in Mountain Village are in Single Family Units, 32 percent are in Condo Units, 21 percent are in Tourist Accommodation and 13 percent are in Employee Housing. As Mountain Village moves towards build out, this mix will shift slightly, with the proportion of Condo pillows increasing to 38 percent of the total, Tourist Accommodation pillows decreasing to 19 percent of the total pillows, and Employee pillows reduced to only 9 percent of the total pillows. Single-Family pillows will stay about the same. Since single-family units and condo units have the highest average number of pillows per unit and these two accommodation categories are less built out than Tourist Accommodation Units and Employee Units, they will account for a larger portion of the total number of pillows in the future. However, single-family units have the lowest occupancy rates and rarely fill 100 percent of their total capacity. The most significant conclusion that can be drawn from the pillow inventory and accommodation mix analysis is that the proportion of employee housing pillows will decrease over time to below recommended levels for mountain resort communities (10 percent to 20 percent of total pillows). A needs assessment study for employee housing in Mountain Village should be undertaken to further understand the current needs for transportation and housing of employees, as well as future requirements at build out.

TABLE II.4
TELLURIDE MOUNTAIN VILLAGE
PILLOW INVENTORY & ACCOMMODATION MIX

	Existing No. Pillows	% Total Existing	Under Construction	No. Pillows Remaining to be Built	Total PUD Pillows	% Total Build Out
Employee	1,037	13%	54	329	1,420	9%
SFU	2,832	34%	392	2,000	5,224	34%
Condo	2,634	32%	930	2,178	5,742	38%
Tourist Accomm.	1,714	21%	439	692	2,845	19%
TOTAL	**8,217**	**100%**	**1,815**	**5,199**	**15,231**	**100%**

Plate III.1 illustrates the existing (left) and future (right) breakdown of pillows in Mountain Village.

TELLURIDE MOUNTAIN VILLAGE
PERCENT OF TOTAL PILLOWS

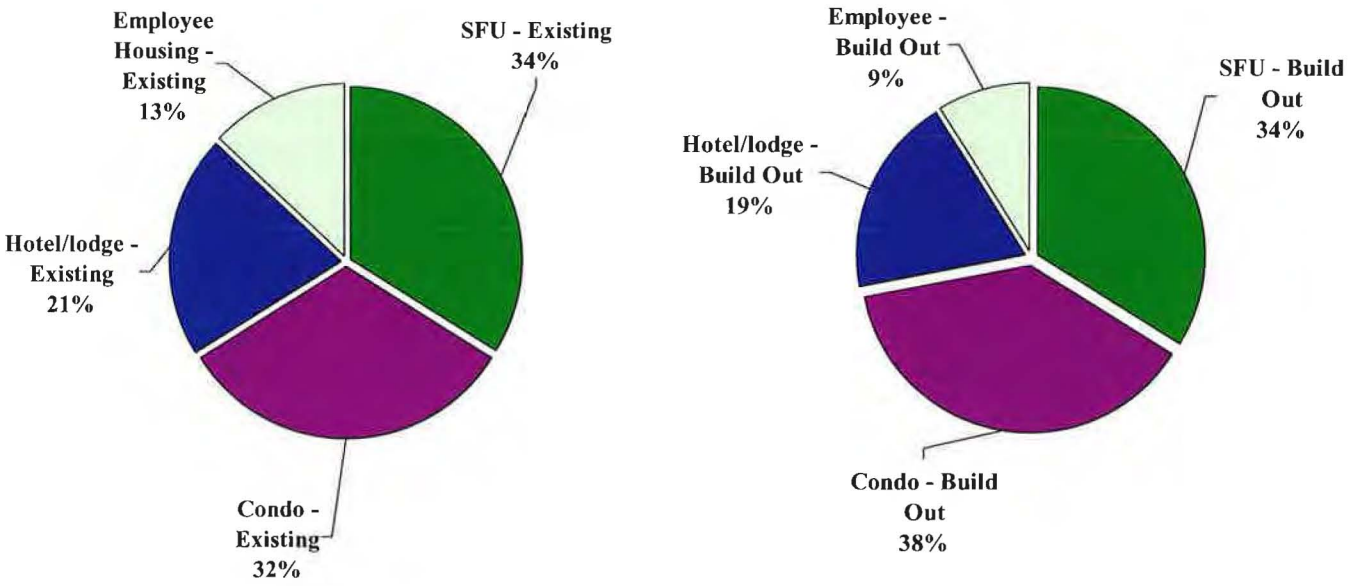


PLATE III.1

.3 Rental Bed Inventory

An understanding of the number of pillows that are available to the public for overnight accommodation helps to assess the economic viability of a mountain resort community's business, recreation facilities, transportation and infrastructure. Visit Telluride conducted a survey of all property management companies in Telluride and Mountain Village in Fall 2007. Ecosign used this data to analyze the ratio between "hot/public" and "cold/private" pillows in Mountain Village. A summary of total existing pillows, "hot/public" pillows and percent of "hot/public" pillows for Single-Family, Condo and Tourist Accommodation Units is summarized in Table II.5.

Employee Housing Units are not included in this analysis because they will most likely be 100 percent occupied by employees and will not contribute to the tourist bed base. Eighty-nine percent of the Tourist Accommodation units in Mountain Village are "hot" units and available for nightly rental.

TABLE II.5
TELLURIDE MOUNTAIN VILLAGE
RENTAL BED INVENTORY

	Existing		
	Total No. Pillows	**No. Rental Pillows**	**% Rental (Hot)**
SFU	2,832	520	18%
Condo	2,634	858	33%
Tourist Accomm.	1,714	1,523	89%
TOTAL	**7,180**	**2,901**	**40%**

The following three Plates (Plates III.2, III.3 and III.4) illustrate a summary of the developed, undeveloped and under-construction units in Mountain Village. The developed units are further broken down into those that are "hot" versus "cold." This analysis has been carried out for the four different accommodation types.

TELLURIDE MOUNTAIN VILLAGE
DEVELOPED VS. UNDEVELOPED SINGLE FAMILY UNIT SUMMARY

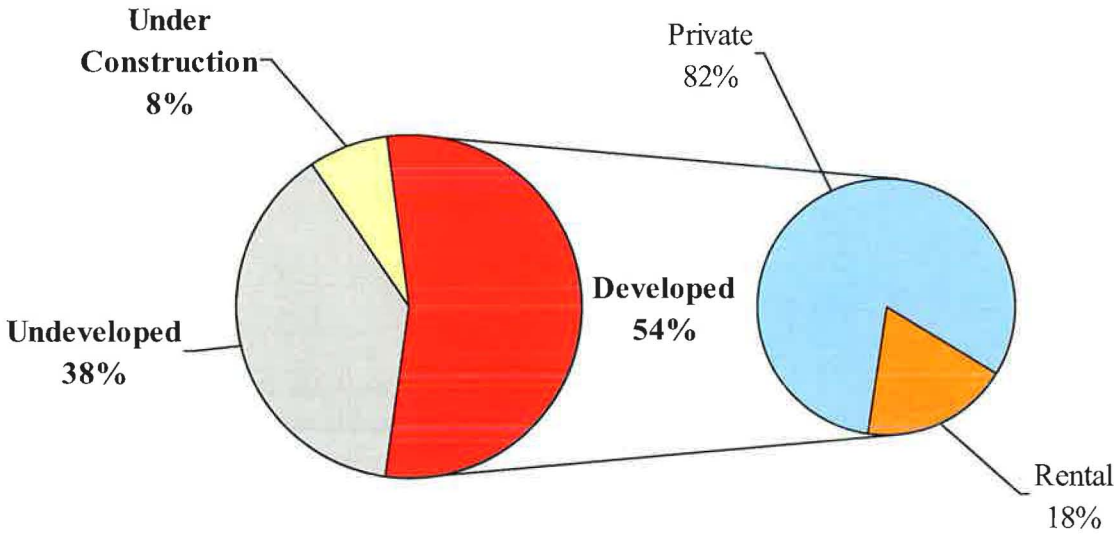


PLATE III.2

TELLURIDE MOUNTAIN VILLAGE
DEVELOPED VS. UNDEVELOPED CONDO UNIT SUMMARY

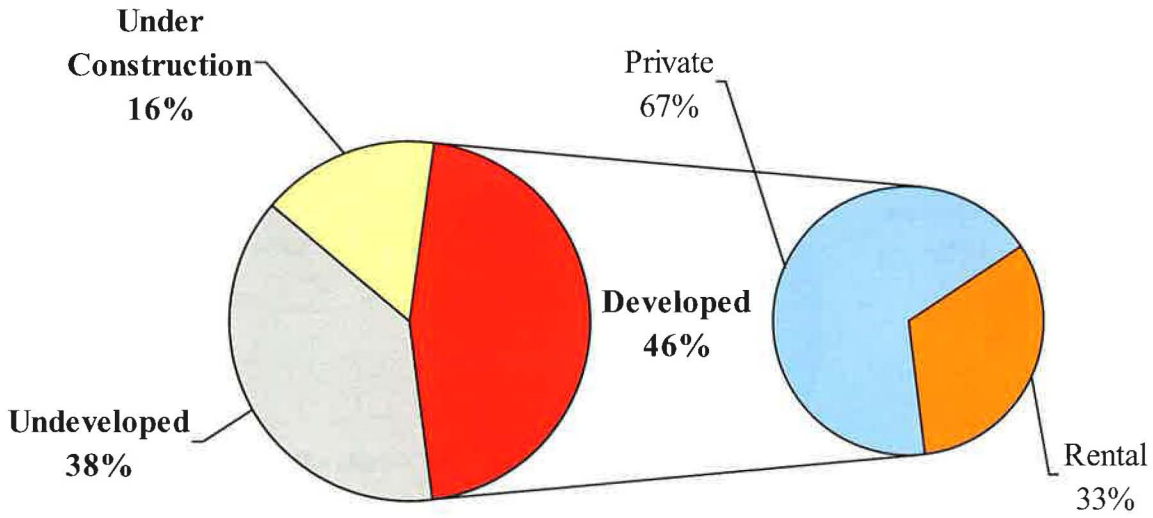


PLATE III.3

TELLURIDE MOUNTAIN VILLAGE
DEVELOPED VS. UNDEVELOPED TOURIST ACCOMMODATION UNIT SUMMARY

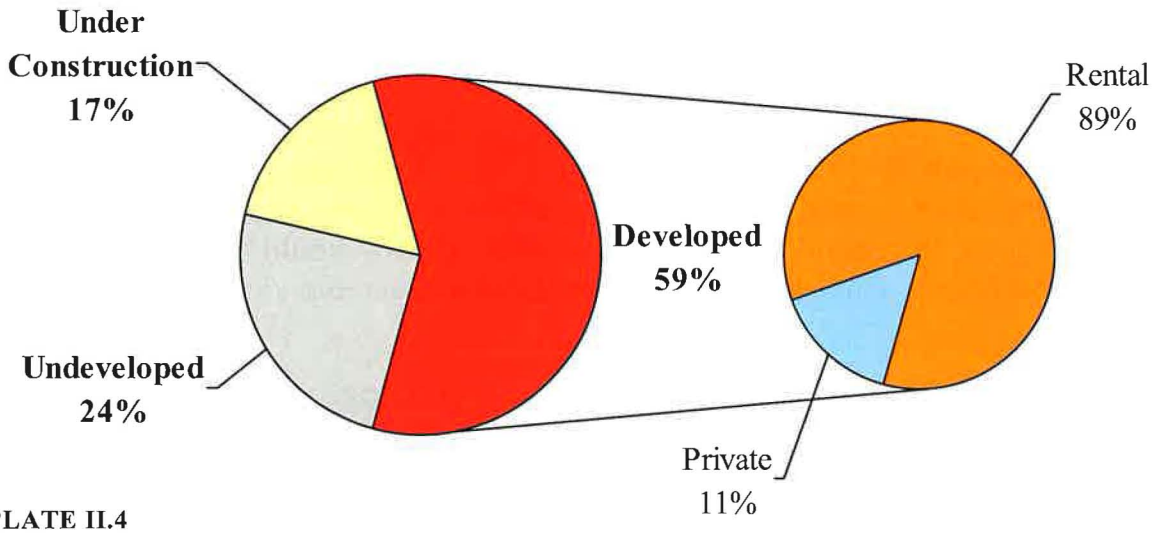


PLATE II.4

Plate III.5 illustrates the ratio between "hot/public" and "cold/private" pillows in Mountain Village. Approximately forty percent of the total pillows in Mountain Village are available for short-term/nightly rental to the public. Both full-time resident and second-home properties are included in the percentage of "cold/private" pillows.

TELLURIDE MOUNTAIN VILLAGE
HOT VS. COLD PILLOWS

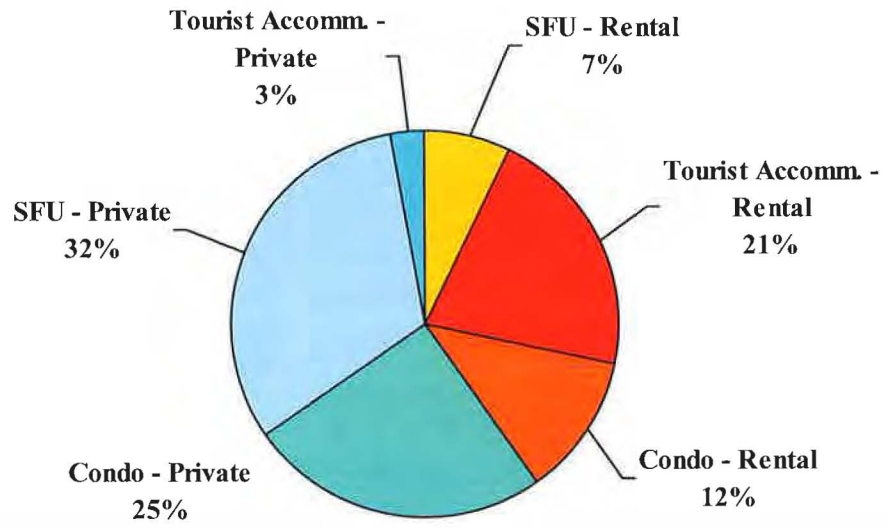


PLATE II.5

There are currently approximately 2,900 tourist rental pillows in Mountain Village which represents 40 percent of the pillows, excluding employee pillows. If the proportion of each unit type that is actively rented out remains constant to build-out, the ratio of rental pillows to total pillows will drop to 39 percent as shown in Table II.6. However, many of the SFU rentals are large and not well located in the resort for destination visitors. We also suspect that the occupancy of the SFU rentals is relatively low, so that if we pull SFU rentals out of the mix, only 33 percent of total pillows are true destination visitor rentals. While the ratio of rental pillows to private pillows varies in mountain resorts, in general, at least 50% of total pillows should be available for nightly rental to help to contribute to the vibrancy and economic vitality of the resort.

TABLE II.6
TELLURIDE MOUNTAIN VILLAGE
RENTAL BED INVENTORY & BUILDOUT ANALYSIS

	Existing			BUILD OUT		
	Total No. Pillows	No. Rental Pillows	% Rental (Hot)	Total Pillows at Build Out	Theoretical % Rental (same as existing)	Theoretical No. Hot Pillows
SFU	2,832	520	18%	5,224	18%	959
Condo	2,634	858	33%	5,742	33%	1,870
Tourist Accomm.	1,714	1,523	89%	2,845	89%	2,528
TOTAL	**7,180**	**2,901**	**40%**	**13,811**	**39%**	**5,358**

Occupancy

Visit Telluride reported that annual occupancy of the public accommodation in both Telluride and Mountain Village was 38 percent in 2007. For the four peak season winter months, monthly occupancy ranges from a low of 39 percent to a high of 60 percent. During the shoulder season, occupancy rates can drop as low as 15 percent. The occupancy rates achieved in the Telluride area is low, but is still on par with other major Colorado ski resorts that experience very low shoulder season visitation such as Winter Park, Snowmass and Keystone. The highest annual occupancy rates in North American ski resorts occur in Whistler, Vail and Aspen. These resorts average between 50 and 60 percent annual occupancy and around 70 percent monthly occupancy in the peak season winter months. Over time these resorts have developed substantial programs and events to draw visitors to the resort during the shoulder seasons and have established destination marketing organizations aimed at the long stay visitor.

It is difficult to estimate the occupancy rates for the units that are not actively rented through a rental management system. Those units used as permanent residences will have high occupancy rates while those used as second homes are usually only occupied on holidays and weekends. Experience from other North American mountain resort communities suggests that as the second home market shifts from weekend "cabins" to "trophy homes" the actual use of the properties (nights there are heads in beds) actually declines.

Employee Housing

There are an estimated 416 rental employee units and 67 deed-restricted ownership employee units in Mountain Village. Deed restricted ownership employee housing units include all developed units in Lots OSP 22R2, 649R, 640BR, 639 and 640DR. Employee units are currently 74 percent built out with an additional three percent under construction (Plate III.6). Despite existing shortages of employee housing in the Telluride Mountain Village region, employee units in Mountain Village are more built out than market units, indicating that the existing employee housing deficit will increase over time.

TELLURIDE MOUNTAIN VILLAGE
DEVELOPED VS. UNDEVELOPED EMPLOYEE UNITS

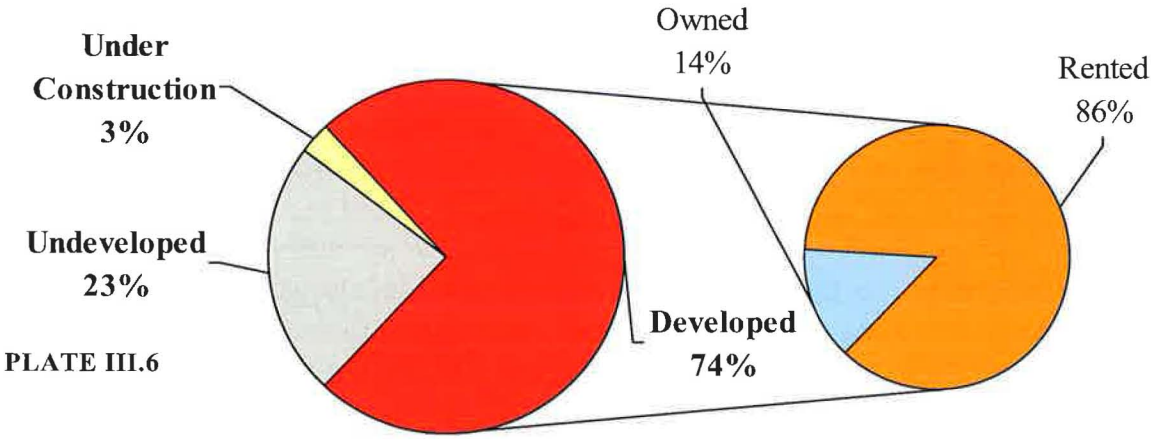


PLATE III.6

The Town of Mountain Village, Town of Telluride, San Miguel County and the San Miguel Regional Housing Authority have recently collaborated in an effort to address the future demands for employee housing in the region. The Telluride Region Housing Demand Analysis Report was published in June 2008 and describes projected demands for employee housing in the region over a fourteen year horizon based on regional economic, demographic and market trends. This report also makes recommendations on the mix of housing that should be supplied in region.

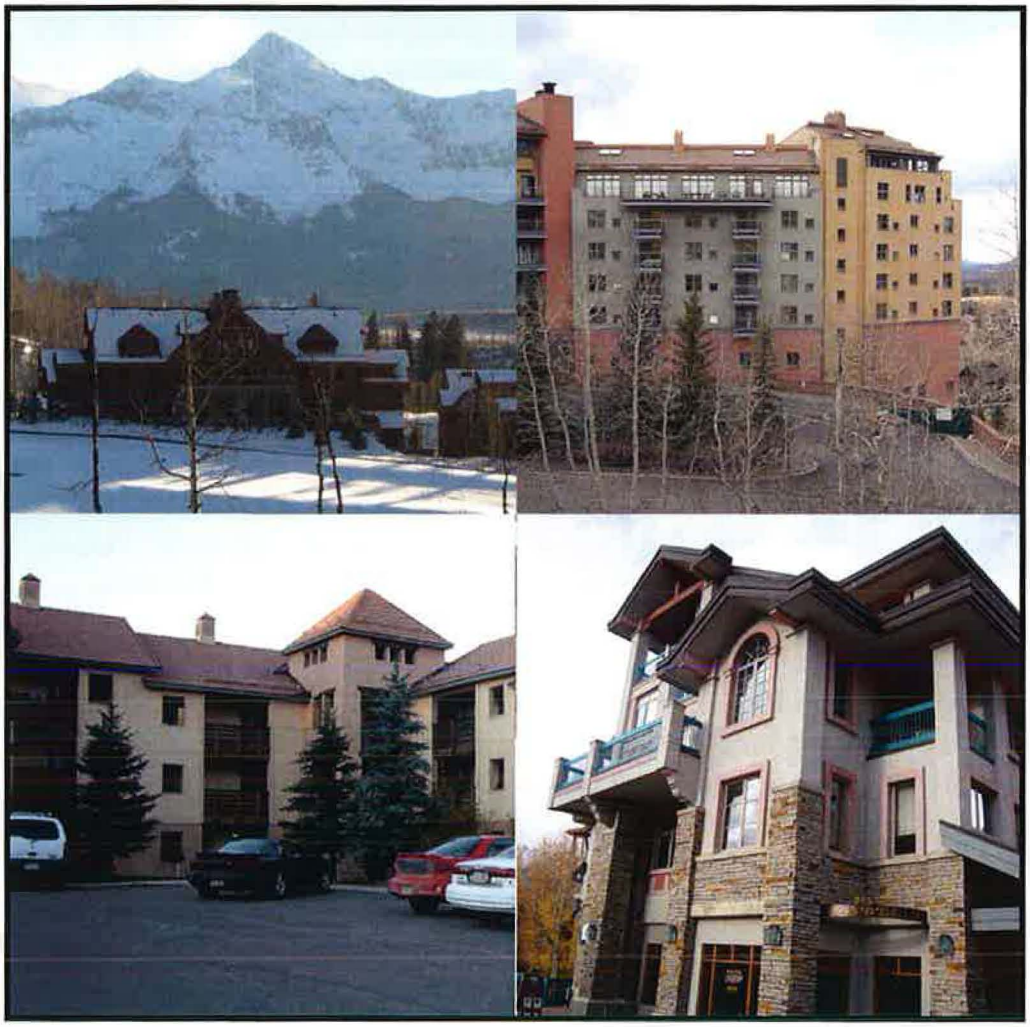
Key Findings of the Telluride Region Housing Demand Analysis (2008)

- Ownership units and larger two to three bedroom should be prioritized in future employee housing projects. Appreciation caps on ownership units should be mandatory.
- A total of 870 units of employee housing needs to be built by 2020 to make up for the existing deficit and to meet the projected demands.
- In addition to existing undeveloped employee housing projects, 30 – 35 units need to be built per year over the next 14 years to meet the projected needs of the region.
- Very little vacant land with appropriate price and proximity for development of employee housing exists in the Telluride region. Market prices for housing in outlying communities have also surpassed levels that are considered to be affordable for average wager earners in San Miguel County.

The Telluride Region Housing Demand Analysis Report (2008) portrays an escalating crisis in the supply of employee housing in the Telluride region if their recommendations are not implemented in the near future. Assuming density of two to three bedroom townhouse developments ranges from ten to twenty units per acre, 2.5 acres of land per year needs to be re-zoned as employee housing to build the recommended additional 30 – 35 units per year. By 2020, an accumulated 30 acres would need to be dedicated to employee housing in the region.

Since vacant land is largely unaffordable and unavailable, options for where to build employee housing are limited. While affordable housing issues should continue to be evaluated and planned at a regional level, the Town of Mountain Village should explore the potential of existing undeveloped land within its boundaries for the development of additional employee housing. Employee housing is a permitted use for land designated as open space in Mountain Village however, the political will of the community will ultimately determine whether or not trade-offs should be made between preserving open space and building affordable housing for employees.

Planning for adequate employee housing is a key challenge in all mountain resort communities. Elevated land values and limited developable terrain make developing low cost housing uneconomical and undesirable for developers looking to make a profit on high priced land. However, integrating affordable housing for employees in resort communities helps to maintain year-round economic stability as well as decrease demands on parking and transportation. The ultimate cost of failing to supply employee housing in a resort community is a trade-off between declining levels of service due to difficulties in attracting and retaining employees or conversely a rise in the cost of doing business due to higher wages that need to be offered to employees to offset higher costs of living and commuting. The local and regional community will ultimately determine what compromises should be made in decision making about employee housing.



Housing types in Mountain Village (from left to right clockwise) – single-family, tourist accommodation, employee housing and condos

III. PARKING & TRANSPORTATION

.1 Introduction

This section of the report provides an overview of the existing public parking, parking for overnight guests and public transportation in Mountain Village. Data was compiled with information from the Town of Mountain Village, Visit Telluride, TMVOA, onsite observations and research.

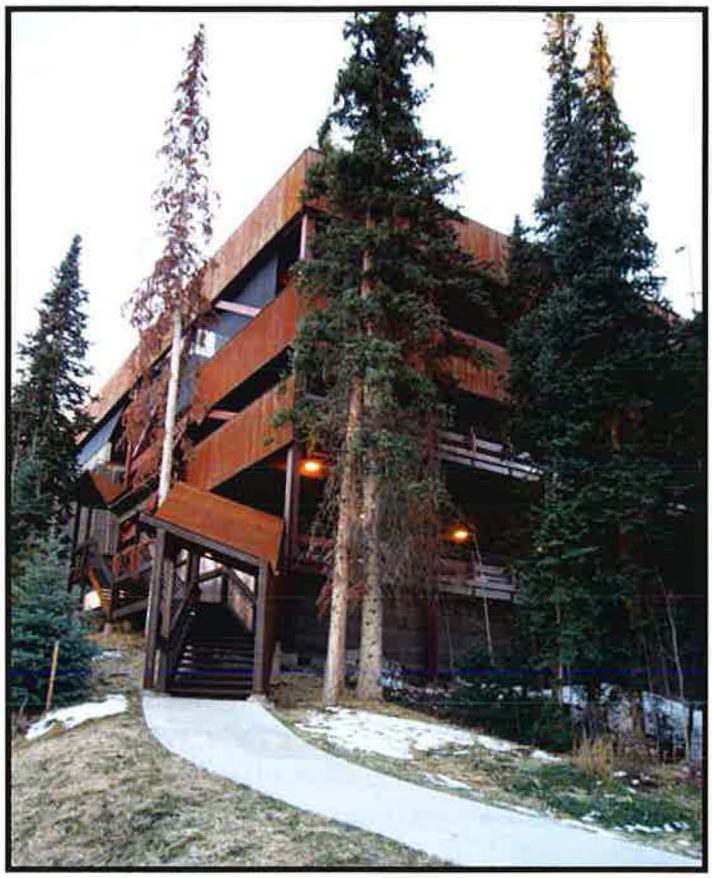
.2 Public Parking & Parking for Overnight Guests

Public Parking

The existing public parking lots are illustrated on Figure 6. The "Free Gondola Parking Structure," located next to Town Hall and the terminal of the free gondola line to the Village, provides the largest pool of public parking stalls, with a capacity of 458 cars. Visitors may park in this structure for a maximum of two weeks. As a result, many guests who sleep in the village park their vehicle in the structure for the duration of their stay to avoid the cost of parking below their building. The structure is also highly utilized by employees and construction workers who work in the village core and other parts of Mountain Village. The convenient connection to the Village on the free gondola makes this parking lot the preferred parking location for day skiers as well. The combination of these three user groups; overnight guests, employees and day visitors fill the parking lot to capacity on peak winter season weekends and during summer festivals and results in additional cars parking along Mountain Village Boulevard. An inventory of the stalls in the Free Gondola Structure is summarized in Table III.1.

TABLE III.1
TELLURIDE MOUNTAIN VILLAGE
FREE GONDOLA PARKING STRUCTURE STALL INVENTORY

Level	No. Covered Stalls	No. Outdoor Stalls	Total / Level
1	72		**72**
2	48		**48**
3	56	18	**74**
4	8	36	**44**
5	70		**70**
6	5	64	**69**
7		81	**81**
Total	**259**	**199**	**458**



Free Gondola Parking Structure

Winter Parking in the Gondola Structure

As an added task to the overall inventory and balance analysis, TMVOA asked Ecosign TMVOA to look at overflow parking issues in the Gondola structure with the goal of developing short-term parking solutions for the 2007-2008 season to mitigate parking along Mountain Village Boulevard. Ecosign received counts from the Town of Mountain Village of the number of cars parked in the structure and along the Boulevard at 8 a.m., noon and midnight throughout 2007. This data was analyzed, revealing the patterns and magnitude of the parking requirements for the different user groups in the structure. It was assumed the number of cars counted at midnight were cars of people sleeping in Mountain Village that were not parking at their accommodation. Similarly for cars arriving between midnight and 8:00 a.m. we assumed they were most likely employees, and cars arriving between 8:00 a.m. and noon were most likely day users of the resort and residents of Mountain Village.

Drilling down even further, Ecosign directed TMVOA to conduct a survey of cars arriving in the structure over the Christmas holiday period to determine the user type, average number of occupants, place of origin and purpose of trip for the users of the structure. Three main conclusions came out of this survey.

1. Many employees arrive in the structure after 8 a.m. On average, approximately 20 additional employee cars arrived after 8 a.m.
2. The average number of occupants in a car carrying day skiers is 2.7 people per car, while the average number of occupants in a car carrying employees is 1.1 people per car.
3. On average, over the holidays in Mountain Village, 16 percent of the total "day visitors" who use the parking structure are local residents of Mountain Village.

Table III.2 shows the highest counts for each of the three user groups counted for the months of January, February and March 2007. Of the cars arriving between 8 a.m. and noon, 20 cars have been assumed to be employee cars not day visitors, based on the results of the survey. The highest counts of cars parked along Mountain Village Boulevard for each of the three months is also shown. Although this table only shows the highest counts, it is on these days that there is an overflow parking problem that creates an impact on residents and guests. Overnight guests use a significant portion of the parking structure. Their average highest count over January, February and March was 172 cars, or 37 percent of the total structure. The average highest count for employee vehicles is 154 cars, or 34 percent of the structure. Day visitors (including local residents) arriving after 8 a.m. will use up the remaining stalls in the structure and, once it reaches maximum capacity, will park along Mountain Village Boulevard. On peak tourist days in Mountain Village, almost 80 percent of the structure would need to be free in order to accommodate the highest counts of day visitors and local residents.

TABLE III. 2
PARKING ANALYSIS SUMMARY

2007 Highest Count										
	Overnight Guests		Employees		Day Visitor			Cars on M.V.B.	
	Number	% Total*	Number	% Total*	Out of Town 84%	Resident 16%	% Total*	Number	% Total*
January	160	35%	145	32%	272	52	71%	192	42%
February	159	35%	163	36%	316	60	82%	149	33%
March	196	43%	155	34%	313	60	81%	136	30%
Average	**172**	**37%**	**154**	**34%**	**300**	**57**	**78%**	**159**	**35%**

*Of 458 stalls in the gondola structure

The most significant conclusion from the short term parking analysis is that overnight guests use up a significant portion of the parking structure. Coincidentally, this user group takes up about the same number of stalls in the parking structure as there are cars that end up parked on Mountain Village Boulevard on peak days. Therefore, if overnight parking were eliminated, it is conceivable that most parking on Mountain Village Boulevard would also be eliminated in the short term. We discovered several reasons why so many cars are parked in the structure overnight:

1. Hotels and lodges in Mountain Village charge between $20 and $30 per night to park under their buildings. Guests are given the option to park for free in the Gondola structure and return to the accommodation building via the people-mover gondola or a hotel shuttle.
2. Some of the condo units in the Village Core do not have a parking stall tied to the unit, or the condo owner has exclusive use of the parking stall even when someone is renting their unit. Underground parking in the Village Core has not been pooled and as a result is under utilized, while the parking in the Gondola structure is over utilized.
3. Owners of units in the Village Core have been allowed to sell their parking stalls so they are no longer available for public use.

Based on these findings, Ecosign recommended the following measures to reduce overnight parking in the Gondola structure:

1. Charge a fee for overnight parking to discourage hotel guests from opting to park in the Gondola structure instead of at the hotel.
2. Encourage all property management companies and hotels to communicate to guests that there will be a fee for parking and that a car is not necessary for their visit to Mountain Village.
3. Study the underground stalls in the village in further detail to determine how many are privately owned and if the existing stalls could be better managed to increase utilization.

In order to fully understand the parking issues in Mountain Village, Ecosign inventoried both the parking for the Hotels and Lodges in Town, as well as the stalls in the underground structures below the Village Core buildings. Table III.3 shows the number of existing stalls compared to total units, as well as the cost for parking overnight at the three major hotels and lodges in Mountain Village.

TABLE III.3
TELLURIDE MOUNTAIN VILLAGE
HOTEL / LODGE PARKING INVENTORY

Lodge / Hotel Outside the Village	Total No Units	Existing UG Stalls (Accomm.)	Average No. Stalls per Unit	Cost for Overnight Parking
Mountain Lodge	140	35	0.3	$ 22
Bear Creek Lodge	87	63	0.7	Free
Peaks Hotel	198	100	0.5	$ 27
Subtotal	**425**	**198**	**0.5**	

The Peaks Hotel and Mountain Lodge charge $22 and $27 dollars per night to park at the building. The Mountain Lodge has very limited parking capacity and only provides on average one stall per three units. However, unlike condos, hotels also provide pickup services to guests which results in fewer guests arriving by car. Regardless, there is a shortage of parking stalls at these three hotel/lodges; therefore, during peak periods, even with a fee for overnight parking in the Gondola structure, some guests will likely end up parking in the structure because of a lack of available stalls at their hotel/lodge.

Table III.4 shows the number of units, number of underground parking stalls and the average number of stalls per unit for the condos in the Village Core. The Plaza Building, Columbia Building and Chamonix were constructed without underground parking. However, additional parking was provided in the Heritage Crossing and Franz Klammer undergrounds, for an average of 1.1 stalls per unit for the combined total units of the five central village buildings. Throughout the village, more than one stall per unit exists, with the exception of the Plaza building, Chamonix, Village Creek, Columbia Place and Kayenta condos that do not have parking.

TABLE III.4
TELLURIDE MOUNTAIN VILLAGE
VILLAGE CORE UNDERGROUND PARKING INVENTORY

Village Core Buildings	Total No Units	Existing UG Stalls (Accomm.)	Average No. Stalls per Unit
Condo with Commercial Central Village			
The Plaza	7	-	-
Columbia Place	8	-	-
Le Chamonix	8	-	-
Heritage Crossing	10	40	4.0
Franz Klammer	69	76	1.1
Subtotal Central Village	***102***	***116***	***1.1***
Centrum	7	11	1.6
Palmyra	18	17	0.9
Westermere	9	11	1.2
Shirana	5	8	1.6
Granita	10	13	1.3
Inn at Lost Creek	32	31	1.0
Blue Mesa Lodge	28	53	1.9
Blue Mesa Condos	7	14	2.0
Subtotal Condo with Commercial	**218**	**274**	**1.3**
Condos - no Commercial			
Telemark	10	12	1.2
Dakoda	12	12	1.0
Kayenta	14	-	-
Village Creek	9	-	-
Subtotal - Condo no Commercial	**45**	**24**	0.5
TOTAL VILLAGE BUILDINGS	**263**	**298**	**1.1**

This study reveals that adequate stalls exist in the village underground for an average of one stall per unit. If all stalls were pooled and the private owners of parking stalls agreed to allow their stall to be managed, there could be minimal overflow into the parking structure. However, many of the units in the Village Core are large and can accommodate more than one family/couple and may require more than one parking stall if all occupants drive to the resort. In the summer season, visitors to Mountain Village are more likely to drive and to bring more than one vehicle. At this time, the day visitor market is less significant than in the winter and so far, despite Village Core guests bringing more cars, the parking structure does not overflow except for during major festivals.

The task of pooling parking is complicated, but we believe it is worthwhile. The guest experience is compromised if they arrive and cannot park below the building, especially in the winter. As a high-end destination resort, Mountain Village should strive to offer the best experience possible for all guests. By doing so, fewer cars will be parked on the street, which is a benefit to the community. Ecosign's recommendations for managing overnight guest parking are as follows:

1. Efforts should be made to pool the underground parking below the Village Core condos so that there is at least one stall per unit.
2. Guests arriving by air should be strongly encouraged not to use the airport shuttle rather than renting a car for their stay in Mountain Village.
3. Even with management strategies in place, some overflow parking will probably still be required for overnight guests in Mountain Village. This could be provided in the free Gondola structure or as part of the 202 public stalls to be built in the future Capella building.
4. Guests staying in Mountain Village should not be given the option to park for free in the Gondola structure if stalls are available under their building.
5. Overnight parking in the gondola structure should be limited to part or all of the bottom level of the structure (72 stalls).

Summer Overflow Parking

The problem of parking on the Mountain Village Boulevard arises in a different form in the summer months. According to the 2007 counts, the parking structure only overflows during the Bluegrass Festival in mid June. At this time there can be up to 1,000 cars parking in Mountain Village, 350 to 450 of which park along Mountain Village Boulevard. Local residents in Mountain Village have expressed concerns about the safety of this practice and have questioned the Town's responsibility in allowing so many cars to be parked in Mountain Village when visitors spend almost all of their time and money in the Town of Telluride.

Ecosign has several recommendations in regard to this issue.

1. There is an opportunity for the creation of an overflow surface parking lot on Lot SS185 near the entrance to Mountain Village on the south side of M.V.B. This site could be surfaced with green pavers and hidden by berms to create minimal visual impact for most of the year. On festival weekends, cars could park here and visitors be shuttled to Town Hall Plaza, eliminating dangerous pedestrian-vehicular conflict as well as cars on the street.

2. New locations for the Village Core Gondola terminal location should be investigated for the purpose of encouraging summer festival guests to spend more time in the Village Core so that Mountain Village receives some benefit from providing parking.

Short-Term Commercial Parking in the Village Core

There are 15 short term stalls in front of the Blue Mesa Condos at the south side of the village, six stalls near the Shirana building on the north end of the village and a total of 50 pay parking stalls in the Pond Lot and North Village Center Lot. Lots 51-50-38 were free surface parking before the construction of the Capella Hotel began. Mountain Village has been designed so that the Gondola Structure provides free parking for the commerce and recreation activities that happen in the village core and, as a result, there is limited short-term parking in the Village Core itself. While this concept adheres to principles of pedestrian-oriented design, short-term parking allows for convenient access to shops and restaurants in the Village Core. The Town of Mountain Village has required the developer of the Capella Hotel to build 202 additional stalls that will be owned by the Town and available for use by the public. Development on lots 109-110-73-76 and 69R2 - 71R - 67 also may be required to replace the existing short-term stalls so that there is no net loss of short-term parking in the village.

Ecosign's recommendations in regard to short-term parking in the Village Core include:

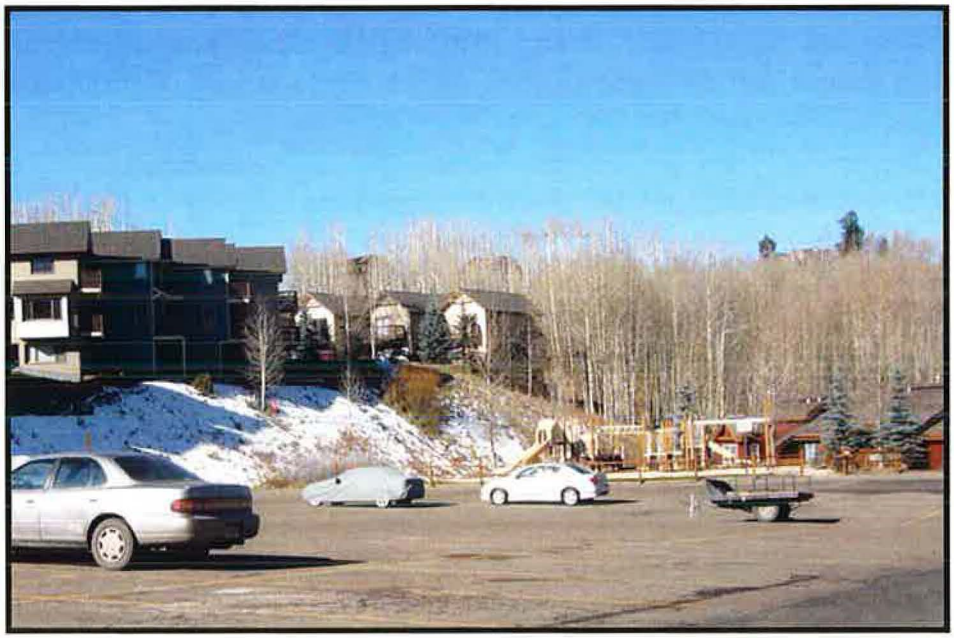
1. Some of the parking in the Capella building should be dedicated to short-term parking for the Village Core businesses. If short-term parking is to remain available and not be used by employees and day skiers, the parking stalls need to be managed with a fee for parking or a two- to three-hour limit.

2. Some of Capella's 202 stalls may be included in the parking pool for overnight guests in the Village Core.

Parking in the Meadows Neighborhood

The Meadows surface parking lot near the base of the Chondola and Lift 10 provides a second reservoir of free parking. This lot has a capacity of 124 cars and is frequently used to park school group buses and oversized vehicles. This lot also serves as overflow parking for the employee housing in the area. Since many users of the lot are overnight users whose vehicles are not parked in the lot during the day, snow clearing takes place on half the lot at mid-day on Tuesdays, and the other half at mid-day on Thursdays. This snow clearing schedule makes the Meadows lot less convenient for day skiers and employees who want to park their car for the day. Also, there is no signage directing the public to this lot from Mountain Village Boulevard, and as a result the lot is underutilized. Furthermore, the Meadows lot is on the edge of Comfortable Winter Walking Distance to the base of the Chondola and Lift 10 and is uncovered, making the free Gondola parking a more appealing alternative for day visitors, local residents wishing to access the Village Core and employees.

Ecosign was informed that geological surveys have been conducted of land below the Meadows lot in an effort to explore the potential of building a deck and doubling the potential parking on this site. While we believe that utilization of this site should be increased, planning for increased skier parking, employee parking, bus parking and drop-off, and employee housing should be analyzed to include the Meadows parking lot and a potential redevelopment of Big Billie's and lots 644 and 651A. Since the existing Meadows lot is just outside of Comfortable Winter Walking Distance, creating more parking closer to the lifts would improve the usability for employees and skiers.



The Meadows Parking Lot

Table III.5 summarizes an inventory of the existing public parking stalls in Mountain Village.

TABLE III.5
TELLURIDE MOUNTAIN VILLAGE
MOUNTAIN VILLAGE EXISTING PUBLIC PARKING

Existing Day & Overnight Public Parking Lots	**No. Stalls**	**Cost**
Free Gondola Parking Structure	458	free
Meadows Parking Lot	124	free
North Village Center Lot	25	$2 / hr
Pond Lot	25	$2 / hr
Subtotal Day & Overnight Lots	**632**	
Existing Short Term Public Parking Lots	**No. Stalls**	**Time Limit**
Town Hall Plaza	60	2hrs
Blue Mesa	15	1hr
Shirana	6	1/2 hr
Subtotal Short Term	**81**	
Total Mountain Village	**713**	

Gondola Structure at Build Out

Ecosign has been asked to look at the potential demand for parking in Mountain Village at build out. We have identified nine potential users of the Gondola structure:

- Overflow parking for overnight guests
- Employees (resort, office, retail, service, construction workers)
- Day Skiers (winter)
- Festival Goers (summer)
- Local Residents / Second Home Owners (short term – shopping & dining)
- Local Residents / Second Home Owners (all day – skiing & hiking)
- Local Residents / Second Home Owners using potential recreation center on lots 1007 – 1008

Challenges and undetermined variables affect the parking requirements for each of these groups. These variables are outlined in Table III.6.

TABLE III.6
FUTURE PARKING USERS AND VARIABLES

User Group	Variable that would limit / *increase* requirements
Overnight Guests	Pooling parking in Village Core Underground Limiting hotel / lodge guest parking except when all stalls are full *Increased peak period occupancy will increase demand*
Employees	Building an intercept lot near the entrance to Town and providing a shuttle Building more employee parking in the Meadows neighborhood Encouraging employees to carpool by charging for single occupancy vehicles Providing more employee housing within walking distance to transport lifts *Increased visitors, retail and hotels will increase the need for employees in Mountain Village. Limited increase in employee housing in the area means that an increasing number of employees will need to drive or will require public transportation*
Summer Festival Users	Building intercept lot near entrance to Town
Winter Day Users	Increasing day skier parking at the lift 7 sub area Increasing day skier parking at Meadows Neighbourhood *Telluride Ski Resort has potential to double the capacity of the mountain. If day skiers maintain the same proportion of total skiers, requirements for skier parking may double*
Locals / Second Home Owners - short term	Providing short term stalls in the Capella Building
Locals / Second Home Owners - day use	A potential "club house" or recreation center on lots 1007 - 1008 would increase the demand for parking in the gondola structure from local residents *Increased occupancy of second homes during peak periods will increase demand for dial-a-ride service, resulting in more day use of the gondola structure from residents that are not ski-in / ski-out*

Considering the many variables outlined above, it is impossible at this time to determine the precise requirements for parking in Mountain Village at build out. However, Ecosign has identified three areas where existing parking is underutilized, resulting in overutilization of the Gondola structure. These areas include underground parking below the Village Core condos, parking at hotels/lodges that charge for overnight parking and give guests the option to park for free in the structure, and the Meadows lot, which is far from the staging lifts, has mid-day ploughing and has no signage directing people to it.

Instituting management programs that would maximize occupancy of existing parking spaces as well as increasing vehicle occupancy should be priority over simply building more parking stalls. However, considering Mountain Village is only 60 percent built, more parking will certainly eventually be required. The Gondola structure has potential to double its capacity by adding two more levels vertically and double the footprint on one level. This location is central to the Town Hall Plaza, potential development of lots 1007 – 1008, ski trails and the transport gondola to the Village Core, which makes it a logical site for a parking reservoir. Ecosign has identified two alternative sites for increased parking: in the Meadows neighborhood and on Lot SS811 at the entrance to Town. Over time, as management strategies are implemented and the Town grows, continued data collection will be instrumental in guiding future decisions on parking and transportation in Mountain Village.

.3 Public Transportation

Public transportation within Mountain Village is free and is provided by the Gondola, Chondola and Dial-A-Ride. The Gondola and Chondola operate from 7 a.m. to midnight seven days a week during the summer and winter seasons. These lifts shut down in the spring for six weeks and in the fall for four weeks for maintenance. During these times, shuttle buses replace the service and run routes between Telluride, Mountain Village and the Meadows neighborhood.

Dial-A-Ride is a free public transportation system that was integrated as an alternative to a bus/shuttle system for moving people and as a benefit to ownership in Mountain Village. Many of the roads in Mountain Village are dead-ends, which makes providing a scheduled bus loop inefficient. Also, with a fluctuating population of second-home owners and visitors, the demand for moving people varies considerably. Dial-A-Ride provides a solution to this issue by offering door-to-door service for individuals going to or leaving the Village and Town Hall Plaza. While this service is a free alternative to driving a car, it is not an effective way of moving large numbers of people. The Dial-A-Ride fleet consists of three Yukon SUVs and two Toyota hybrids for a total of five vehicles. A return trip from the Village to a single-family unit could take anywhere from 15 minutes to half an hour. Even with all five vehicles making three trips per hour with an average of four people per trip, only 60 people can be moved per hour. While this service is suited for the variable transportation demands of the single-family developments in Mountain Village, it does not provide a significant alternative for moving people during surge periods, such as the beginning or the end of the ski day during peak occupancy.

Cyclical patterns are visible only for San Miguel County, as this is the only county with a seasonal tourism draw. Spikes are visible during the winter months of December through March, and again during July and August. Spring and Fall are generally shoulder periods in the area with little or no tourism activity. Because of this, retail spending falls. The average of comparable counties, as opposed to San Miguel is found in Plate IV.2.

REGIONAL COUNTY MONTHLY RETAIL SPENDING (AVERAGE OF COMPARABLE COUNTIES) – 2006

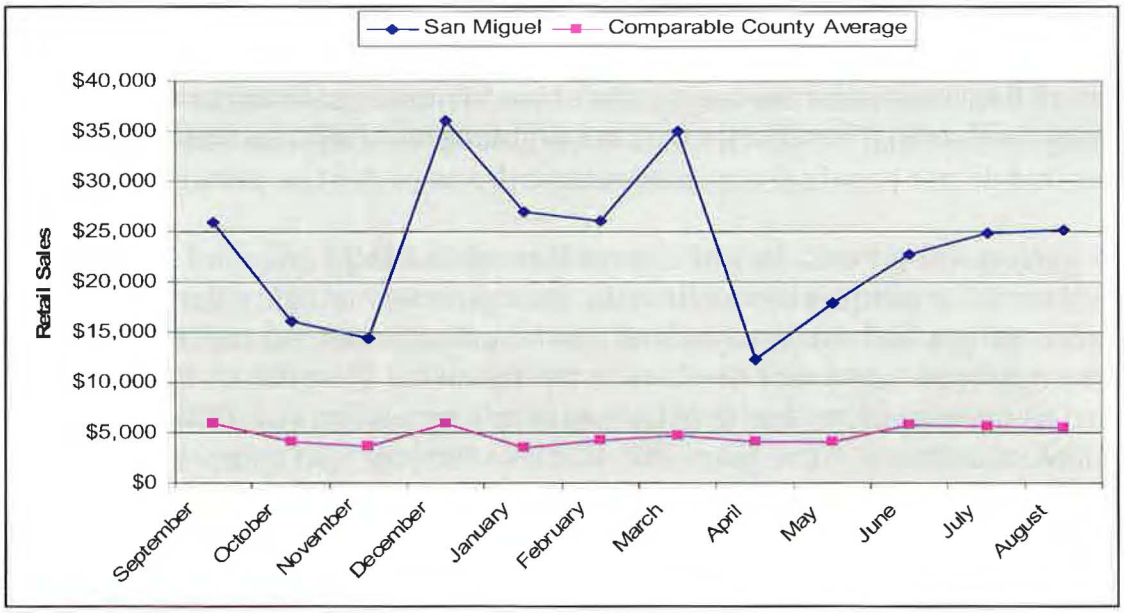


PLATE IV.2

ERA normalized visitor retail spending for the Telluride area by taking the spending activity below this curve and above the average. As San Miguel County would otherwise have comparable local retail spending habits, ERA assumed that spending above this average is primarily tourists. This annual tourism spending amount has been normalized in Plate IV.3.

SAN MIGUEL COUNTY VISITOR RETAIL SPENDING – 2006

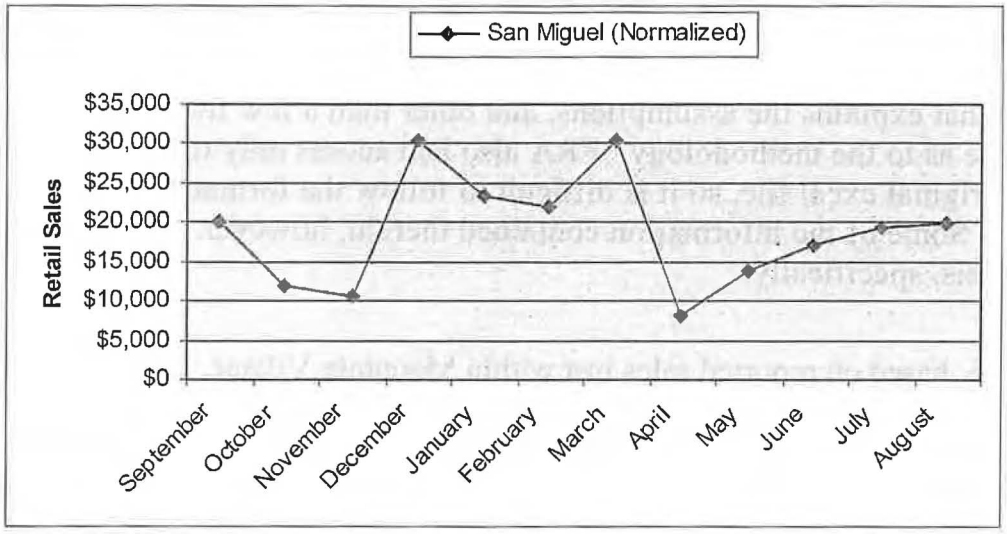


PLATE IV.3

While this information clearly makes the case for the impact of visitors on the economy of the county, it cannot be used to calculate visitor spending on normal retail categories of goods since it also includes transient accommodations receipts, and includes the variable rates charged by area hotels and property management companies by season.

Second, ERA examined the MTRIP data covering seasonal occupancy rates for Telluride against other established Colorado resorts. For almost every month, Telluride has a lower occupancy experience than the majority of other areas, and never achieves the combined average occupancy at any time during the year. The average occupancy of public pillows for the year is only 38 percent. Again, while there will be differences year to year based on snow pack, economic cycles, etc., the 2006 data is reasonably representative of the market experience.

There appears to be a surplus capacity existing in the market in terms of available beds. Overall visitation could grow by a significant amount, even during peak demand, with only the existing bed inventory. Whether that will happen is dependent on a variety of exogenous variables, including future development of the ski mountain, expansion of airlift, better integrated marketing among existing hotels/property management companies, etc. In ERA's experience, however, it will be difficult to significantly change the historic occupancy pattern because of the small scale of the properties and lack of branded operators who have more marketing venues available to them and the ability to serve a broader constituency such as the group market.

Third, ERA examined in detail the EPS economic model commissioned by the Town of Mountain Village to guide future development proposals. This model was designed to be used by Town staff in the plan review process. Unfortunately, there is no narrative that explains the assumptions, and other than a few footnotes on sources, little guidance as to the methodology. ERA also had access only to a printed copy, and not the original excel file, so it is difficult to follow the format and the calculations. Some of the information contained therein, however, was useful to the current analysis, specifically:

- In 2006, based on reported sales just within Mountain Village, apparel and sporting goods outlets generated approximately $339 per square foot in sales, food and beverage $235, and 'other' $191, for an overall average of $267 per square foot in sales.

- No source exists, but property owners were reported to generate $40 per day in food and beverage sales, and another $50 for 'other'. The local capture of this spending was only 45 percent, so the net combined daily spending in the village was approximately $41.

- There was no reference to resident or day visitor spending per capita, but overnight guest spending was estimated at $75 for food and beverage and another $55 for 'other'. Leakage was significant, at between 45 and 55 percent, so the local capture of spending was approximately $64 per day.

- At the same time, there was reference to the distribution of spending between day skiers, residents, condominium/hotel guests, and single family residents as a percentage of total spending within Mountain Village. Supporting the reliance on the visitor demonstrated in Plates IV.1 to IV.3, residents contributed approximately 18.5 percent of total spending, and day skiers only 7.3 percent.

- In the two recent years examined, between 45 and 60 percent of skier days originated from fly in markets. Another 24-29 percent were 'drive to' destination skiers, meaning only between 10 and 30 percent of skier days are generated by local residents and day skiers.

- While not specifically noted in the MTRIP analysis, the EPS work indicated over half of the overnight visitation was captured by Telluride rather than Mountain Village

These data points, along with the Ecosign capacity analysis was valuable in estimating the amount of supportable square footage, both currently, and at build-out, supportable within Mountain Village.

Supportable Square Footage Calculations

Table IV.8 applies several factors discussed above against actual reported sales within Mountain Village to approximate current conditions. First, Mountain Village spending for 2006 was distributed by season. Second, the distribution of spending by source was calculated. Against these numbers were applied the estimated number of visitors by season based on current pillow counts and weighted monthly occupancy. The resulting calculation shows the vastly different consumption habits by sources depending on the time of year. Resident spending is relatively consistent month to month, but visitor spending varies widely. It should also be remembered that the percentage split in total spending used in the EPS document were based on annual estimated totals, thus seasonal variations are of less importance, and may be overstated.

What is important in Table IV.8, is the reconciliation of total reported sales on an annual basis of approximately $21.7 million. This represents the aggregate resident and visitor spending of approximately 45 percent of gross sales that is retained on the mountain. Plate IV.5 shows the distribution of reported sales by season in 2006, and illustrates the dependence on the winter season. Plate IV.6 by contrast, shows the distribution of visitors by season based on reported occupancy experience by unit type. Interestingly, second home owners appear to show a higher propensity to occupy their units in the summer months than in the winter, which skews overall visitation to those months. Given the different expenditure patterns of the second home owner versus the resort visitor, the disparity in spending by season is even more acute.

PLATE IV.4

PLATE IV.5

Table IV.8 also calculates supportable square footage of commercial space based on reported sales per square foot for 2006. Using the reported $267 average for that year, the net supportable space would be approximately 81,300 square feet, versus the Ecosign inventory of approximately 221,181 (see Table IV.7). Contained in the higher number, however, is over 134,680 square feet of office, real estate, financial services, and institutional space and skier service space which should not be included in the calculation. Thus, the real retail space is approximately 86,501, including nearly 16,000 of vacant space (2007).

However, this much space is only supportable if one accepts $267 per square foot of sales as acceptable in resort locations. By comparison, Vail reports sales of between $600-$800 per square foot for apparel stores and in excess of $1,500 per foot for jewelry. Beaver Creek averages between $500 and $800 per square foot in sales. Whistler sales are reported to average between $700 to $1,000 per square foot. Thus, Mountain Village lags considerably behind the competitive set, and if measured against the competition the truly supportable square footage given current development and visitation would be closer to half what exists in order to support commensurate lease rates. It should be noted that the average per capita spending by visitors in these competitive locations is also significantly higher than the levels generated by the Telluride visitor, even including the leakage into the Town of Telluride. This lower spending level could be do to a variety of factors, including lack of high end hotels, absence of branded boutique retail merchants, as well as the consumer profile.

TABLE IV.8
VILLAGE CORE
SUPPORTABLE COMMERCIAL SPACE CALCULATIONS - EXISTING

	Winter	Summer	Shoulder	Total Annual
Total Monthly Retail Sales ($000)	$ 15,126.4	$ 4,123.5	$ 2,462.4	$ 21,712.3
Total Visitors & Second Home Owners to TMV	215,394	172,177	91,323	478,893
Avg Visitors and Second Home Owners per Day	1,795	1,462	609	
Local Resident Market				
Population (TMV)	1,203	1,203	1,203	1,203
Total Spending ($000)	$ 2,798.4	$ 762.8	$ 455.5	$ 4,016.8
Day Visitor Market				
Total Seassonal Day Visitors @ 12% of Total Winter / 5% of Total Summer	23,078	8,199	4,349	35,625
Total Day Visitor Spending ($000)	$ 1,096.7	$ 299.0	$ 178.5	$ 1,574.1
Condo/Hotel Market				
Number of TMV HOT Pillows	2,901	2,901	2,901	2,901
Projected Seasonal Occupancy Rate (Includes Pillow Occupancy Rate)	40%	31%	17%	
Projected Visitor Nights to TMV	141,300	102,221	75,328	318,849
Total Spending ($000)	$ 9,454	$ 2,577	$ 1,539	$ 13,570
Second Home Owners - SFU and Condo				
Number of TMV Second Home Owner Pillows	3,356	3,356	3,356	3,356
Projected Seasonal Occupancy Rate (Includes Pillow Occupancy Rate)	13%	14%	2%	
Projected Second Home Owner Nights to TMV	51,016	61,756	11,646	124,419
Total Spending ($000)	$ 1,777.4	$ 484.5	$ 289.3	$ 2,551.2
Total Projected Spending (000s)	**$ 15,126**	**$ 4,123**	**$ 2,462**	**$ 21,712**
Avg Sales / SF- 2006				$267.00
Supportable Retail Space @ Current Sales / SF				81,319
Total Current Retail Space (does not include office)				86,501
Current Difference				-5,182

Source: Economics Research Associates.

Projected Supportable Square Footage

Table IV.9 uses the same methodology to estimate future supportable space at build-out. Using projected pillow count matched to the existing PUD guidelines,, captured retail sales within Mountain Village could grow to in excess of $40 million, excluding any consideration of increasing per capita expenditures, increased capture of total sales, or inflation. Under these assumptions, approximately 151,000 square feet of space would be supportable at the historic (but underachieving) $267 sales performance figure. According to the Ecosign analysis, there may be a total of over 279,000 square feet of commercial space at build-out, but only 114,440 square feet of retail space. If held to a much higher expected sales level (but still lower than competitive destinations) of $500 per square foot performance, only 80,900 square

feet of retail space would be supportable, and there would be no net gain of space required from the current configuration.

Looked at differently, taking into consideration the conversion of potential existing office use space to retail purposes, and lease up of the existing vacant space, and if no additional retail space were added throughout the build-out cycle of the existing PUD, sales per square foot would increase leading to a gradual improvement in sales performance and supportable rents more in keeping with those observed in other mountain communities.

TABLE IV.9
MOUTAIN VILLAGE
CALCULATIONS OF SUPPORTABLE RETAIL SPACE – AT BUILD-OUT

	Winter	Summer	Shoulder	Total Annual
Total Seasonal Retail Sales ($000)	$ 28,144.2	$ 7,681.8	$ 4,575.0	$ 40,401.1
Total Visitors & Second Home Owners to TMV	414,893	337,387	172,316	924,596
Avg Visitors and Second Home Owners per Day	3,457	2,847	1,149	
Local Resident Market				
Population (TMV)	2,045	2,045	2,045	2,045
Total Spending ($000)	$ 4,757.0	$ 1,296.8	$ 774.5	$ 6,828.3
Day Visitor Market				
Total Seasonal Day Visitors @ 12% of Total Winter / 5% of Total Summer	44,453	16,066.04	8,205.51	68,724
Total Day Visitor Spending ($000)	$ 2,113.1	$ 585.7	$ 337.4	$ 3,036.2
Condo/Hotel Market				
Estimated Number of TMV HOT Pillows	5,358	5,358	5,358	5,358
Projected Seasonal Occupancy Rate (Includes Pillow Occupancy Rate)	40%	31%	17%	
Projected Visitor Nights to TMV	260,951	188,782	139,115	588,848
Total Spending ($000)	$ 17,460	$ 4,760	$ 2,842	$ 25,061
Second Home Owners - SFU and Condo				
Number of TMV Second Home Owner Pillows	7,203	7,203	7,203	7,203
Projected Seasonal Occupancy Rate (Includes Pillow Occupancy Rate)	13%	14%	2%	
Projected Second Home Owner Nights to TMV	109,489	132,539	24,995	267,023
Spending per Person per Day				
Total Spending ($000)	$ 3,814.5	$ 1,039.8	$ 621.0	$ 5,475.3
Total Projected Spending (000s)	**$ 28,144.2**	**$ 7,681.8**	**$ 4,575.0**	**$ 40,401.1**
Avg Sales / SF- Using 2006 Averages				$267.00
Supportable Retail Space @ Future Sales / SF				151,315
Avg Sales / SF - Using a Higher Targeted Sales Level				$500.00
Supportable Retail Space @ Future Sales / SF				80,802
Estimated Retail Space @ Build-out / SF (does not include office)				114,440

Source: Economics Research Associates.

Sensitivity Testing Relating to Support of Retail per the Existing PUD

As part of the analysis, the question was raised by the TMVOA as to the level of development required to support the potential 114,400 square feet of retail shown in Table IV-9 at what might be considered acceptable retail sales levels. The answer to this question obviously depends on a great many variables, and assumptions regarding the overall occupancy experience of the various types of 'hot bed' units, the participation rate in voluntary or mandatory rental programs, and number of guests per unit, per night. In order to illustrate the magnitude of change these various inputs can have on the answer, ERA prepared two scenarios. The first shows the potential spending generated using only the existing build-out figures shown earlier in this report, and assumes no changes in occupancy, rental participation, or any similar metric. Plate IV.7 illustrates the gradual increase in spending potential assuming equal increases in unit counts across a ten year cycle to reach build-out. Day visitor contribution was kept at 10 percent of combined other visitor totals. Under this scenario, aggregate spending approaches the level Shown in Table IV.9 at approximately $35-39 million (the difference being calculated on occupied pillows versus the average occupants per unit as expressed in the EPS document).

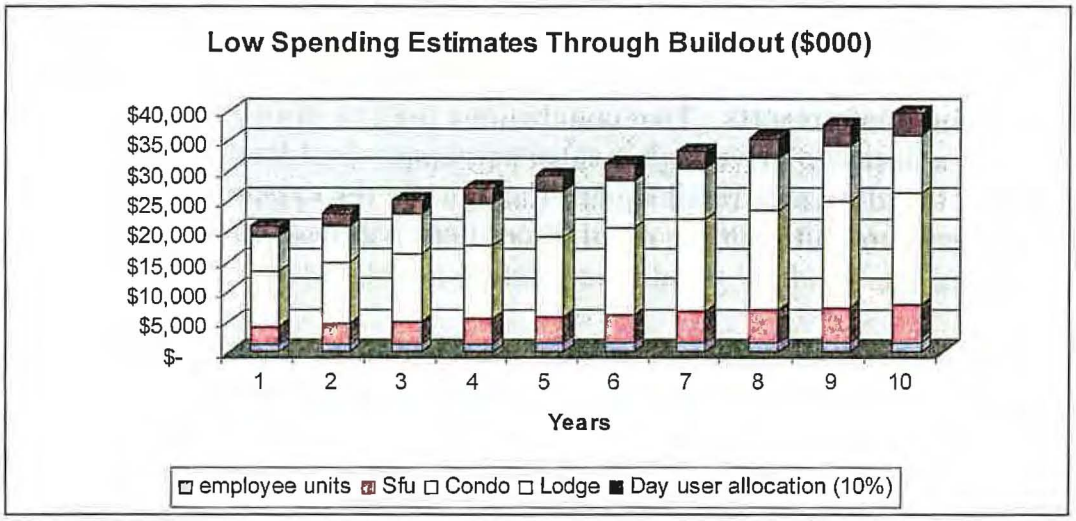


PLATE IV.6

Scenario two alters one of the assumptions slightly. Specifically, the occupancy experience of each housing option was increased: single family units were increased to 25 percent, condominiums to 47 percent, and contemporary lodging increased to 54 percent, levels which more closely approximates the average for other Rocky Mountain resorts, as reported by MTRIP. As noted earlier, this increased occupancy would only be possible through increased participation rate in rental programs, a real increase in rented nights, or both. As shown in Plate IV.8, this single modification in the assumptions could increase the estimated sales generation to in excess of $49 million.

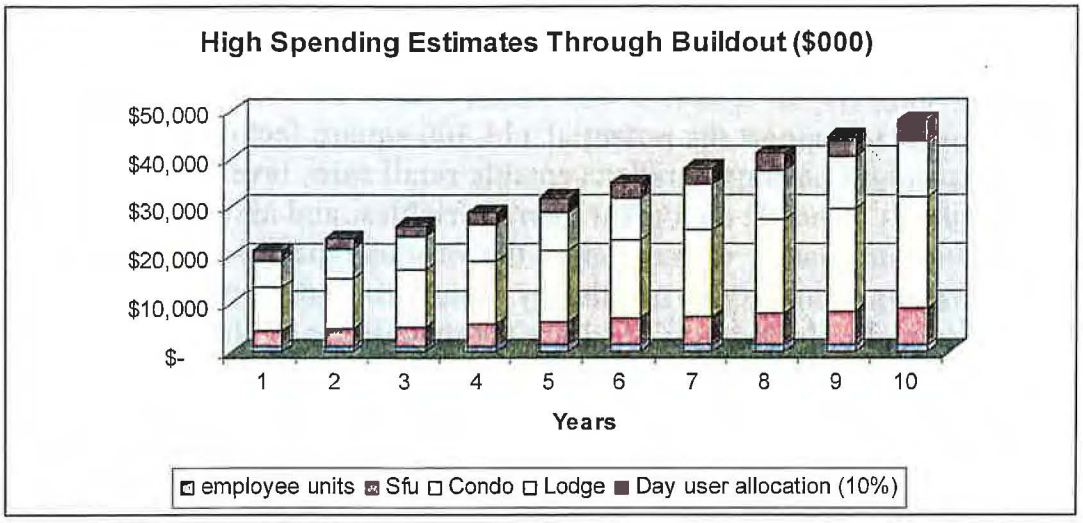


PLATE IV.7

ERA performed sensitivity testing on a number of alternative combinations of unit counts, sales by type of users, occupancies, etc. The conclusion was that the amount of supportable square footage of space is directly proportionate to the expectation of performance. Under the build-out scenario, spending would be adequate to have the 114,100 square feet of space performing at approximately $430 per square foot, a significant improvement over current levels, but still well below the competitive mountain resorts. Two conclusions may be drawn from this analysis. First, If there is a desire to drive higher sales per square foot levels, then there is no need to build out the allowable retail square footage per the existing PUD. Second, if there is strong desire to build out the retail, then there will need to be a concerted effort to maximize the 'hot bed' yield in any future development.

We have utilized ERA's forecasts of total retail spending of $40 million with current occupancy conditions and then calculated the supportable retail space for four different levels of revenue per square foot (Table IV.10). The planned retail space (114,000 sq. ft) can only support $350 per square foot annual sales figure such that there would likely be an oversupply of retail space if higher levels of revenue per square foot are desired.

If Mountain Village occupancy of rental beds is able to increase to the average of Rocky Mountain resorts, then total sales would reach $49 million and that level of spending would support the build out at a significantly higher rate of $430 per square foot. Still, this level of spending is well below the competitive set and as such Mountain Village either must decrease the amount of planned commercial space or alternatively focus on developing additional rental beds.

TABLE IV.10
TELLURIDE MOUTAIN VILLAGE
ANALYSIS OF SUPPORTABLE RETAIL SPACE

Projected build-out retail spending (m) - NO CHANGE	Sales per square foot	Supportable retail space (sq. ft.)	Projected build-out retail spending (m) - IMPROVED OCCUPANCY	Sales per square foot	Supportable retail space (sq. ft.)
$ 40	$ 350	114,286	$ 49	$ 350	140,000
$ 40	$ 500	80,000	$ 49	$ 500	98,000
$ 40	$ 750	53,333	$ 49	$ 750	65,333
$ 40	$ 1,000	40,000	$ 49	$ 1,000	49,000
Total estimated planned retail space at build-out					**114,000**

In conclusion, Ecosign and ERA recommend that as Mountain Village moves forward, public policy should strongly guide future developments to provide more rental "hot" beds. We also recommend that the density bank be utilized exclusively for infill development of hot beds. If this policy is enacted by the Town of Mountain Village, then up to 3,400 additional rental pillows could become available to support a vibrant and economically sustainable village core at Mountain Village.

Assumptions

Certain assumptions have been made in reaching these conclusions. Any derivation from these assumptions could have a dramatic impact on supportable space estimates.

- First, this analysis assumes no change in the capture rate of spending allocated to Mountain Village. If the capture rate could be improved, sales performance for the existing retail would dramatically improve, supporting higher lease rates, and ultimately some additional space required. However, Telluride is fighting a battle familiar to many destinations. Crested Butte, Snowmass, Deer Valley and others experience the same 'leakage' to adjacent historic towns that are viewed by visitors as being intrinsically more authentic and fun. Thus, in ERA's experience this capture rate will be difficult to reverse unless substantive changes are made in the quality of the retailing experience.

- Second, the base case analysis makes no assumption regarding radically altering the historic occupancy experience in the community. As illustrated in Plate IV.7, if utilization of the existing bed base can be significantly increased, the logical result would be increased visitor volumes with similar spending patterns. Given the distance from available drive-to markets. However, and without significant investment in increased air access, any change will be difficult to achieve.

- Third, no assumption has been made regarding the ability to dramatically shift consumptive habits via a coordinated retail tenanting strategy. There may clearly be the ability to recruit selected tenants into the market that would improve the retailing and entertainment experience, and thus extract more spending from the consumer. As everywhere, the Telluride Mountain Village visitor still deals with discretionary income and spending relative to their vacation experience, and if the experience improves, more spending can be expected. Also, for the resident market, as real estate values continue to escalate and the income profile of the property owner becomes wealthier, more money could circulate through the economy as well, but it is difficult to base a retailing strategy on this gradual evolution.

Conclusions

- Based on the above analysis, it is difficult to argue that any increment in retail space is currently supportable or required on a pure economic basis. The existing retail under-performs within the context of other established mountain resort developments, and there is sufficient capacity to absorb any reasonable anticipated increase in either visitor or resident traffic within the context of near term growth of the mountain operation.

- Under the build-out scenario, there will also be more than adequate space available at what would still be considered marginal sales performance. Under the presumption that higher sales levels are desired to improve the economic performance of TMV retailers, then the space allocations could be reduced dramatically, for the existing square footage ideally should accommodate sales well in excess of current achieved levels.

- At the same time, if some increment in retail/commercial is required from a design standpoint in order to make Mountain Village a better visitor experience, it should not be discounted totally. It should only be recognized that any increment in space may experience similar challenges to those that other merchants have in years past, and may require some subsidy or beneficial lease structure to enable them to operate successfully in the near to intermediate time frame.

V. WINTER & SUMMER RECREATION

.1 Introduction

Mountain Village boasts some of the most rugged scenery in Colorado, and its location above the Town of Telluride allows for views and easy access to mountain recreation. Recreational activities are offered year round, with skiing as the main focus during the winter season and golf as the focus during the summer season.

.2 Open Space Inventory

All passive and active open space in Mountain Village is mapped and shown on Figure 8, while Figure 9 illustrates the existing developed recreation facilities. There are two kinds of open space defined in the original PUD for Mountain Village. "Passive Open Space" includes land unsuitable for development or high-intensity use due to environmental sensitivities. These lands are within floodplains, wetlands, riparian areas or wildlife habitats. Only low-impact activities such as hiking and biking trails are permitted in areas zoned as passive open space.

Areas zoned "Active Open Space" have a much broader range of permitted uses. Recreational activities such as golf, skiing, equestrian activity, tennis courts and ice skating are allowed, as well as roads and other public, non-commercial or residential structures such as ski area maintenance buildings and recreation centers. The development of employee housing is also permitted on active open space. The original PUD defined a set ratio between open space and built space in Mountain Village and required that the active open space be preserved in its current general location although lot line adjustments and swaps have occurred over the years.

.3 Existing Developed Recreation

Figure 9 illustrates the existing winter and summer recreation facilities in Mountain Village. A wide variety of activities are offered throughout the season for a broad range of fitness levels. The Village Core is the center for many of the activities in Mountain Village such as skiing, golf, hiking and biking trail networks, tennis, rock climbing, ice skating, ice climbing and fireside chats.

Trail Network

The trail system in Mountain Village is used year round. The paved golf cart path is converted to cross-country ski trails in the winter, as is the walking trail along Mountain Village Boulevard. The St. Sophia Nature Center at the gondola mid-station is a hub for summer hiking and mountain biking and offers interpretive hikes, environmental programs and children's activities. Summer trails on the north side of Mountain Village connect to the valley floor, Telluride and to Lawson Hill. Parking for winter and summer use of the trail systems is provided at the Meadows lot and the free gondola parking structure. Seasonal parking for the Nordic trails on the golf course is located at the entrance to Mountain Village at Highway 145.

Golf

Telluride Golf Course is an 18-hole Championship course that opened in 1992. The course is par 71 and 6,739 yards from the Championship tees. A full driving range is available. Due to its high elevation, the golf season usually commences June 1 and runs to October 1.

Telluride Ski Resort

The Telluride Ski Resort has 17 lifts including three sections of eight-passenger gondolas, six high speed quads, one Chondola (mixed chairs and gondolas), two triples, two doubles, two surface lifts and two magic carpets. The lifts can transport a total of 21,186 persons per hour. The area has 92 named trails and 1,078 acres of skiable terrain, with 3,530 feet of vertical drop. The elevation of the ski area ranges from 8,725 feet in the Telluride base, to 12,255 feet at the top of Lift 14.

Several hike-to areas, including Bald Mountain, Black Iron Bowl and Palmyra Peak provide spectacular advanced skiing and boarding terrain. The main beginner slope lies below the Village Core and is serviced by the Chondola. Several good beginner runs weave through the ski-in/ski-out real estate accessed by Lift 10. There are four on-mountain restaurants: Allred's at the St. Sophia Station, Giuseppe's at the top of Lift 9, Gorrono Ranch halfway up Lift 4 and the High Camp Warming Hut at the top of Lift 12. Telluride Ski Resort offers two terrain parks, including an intermediate park below Lift 4 and a beginner park beside Lift 11. At the top of Lift 10, the TopAten Snowshoe and Nordic areas provide 10 kilometers of trails through alpine forests and meadows that connect all the way to the historic mining town of Alta on the south side of Black Iron Bowl. Guided snowshoe tours with a local naturalist are available.

Recreation Center

The town of Mountain Village presently does not have a recreation center with indoor pool, fitness and gym facilities. The community has expressed the desire for such a facility but a satisfactory design could not be developed and the idea, which was proposed as the part of a new condominium development on Lot 161 CR, was ultimately dropped. While the desire for a recreation center in Mountain Village still exists, there is currently no other proposed site or planning underway. Ecosign will consider the location of a recreation center in the land capability section of this report.

Conclusions

An increase in the quality and variety of seasonal recreation activities offered in Mountain Village will draw more people to town. While winter facilities operate at a very high level, there is a need for increased summer recreation space such as sports fields and an improved trail network. There are limited paved and unpaved trails that connect to the Village Core and surrounding neighborhoods and open space. Ecosign recommends a Trails Master Plan be included in future planning efforts for Mountain Village.

VI. DEVELOPMENT CAPABILITY

.1 Introduction

The inventory of existing facilities, analysis of physiographic conditions and projection of future build out are combined in the land development capability analysis. The objective of the land capability analysis is to identify parcels in Mountain Village that may be suitable for the additional development required to create a balanced mountain resort community at build out.

.2 Development Capability

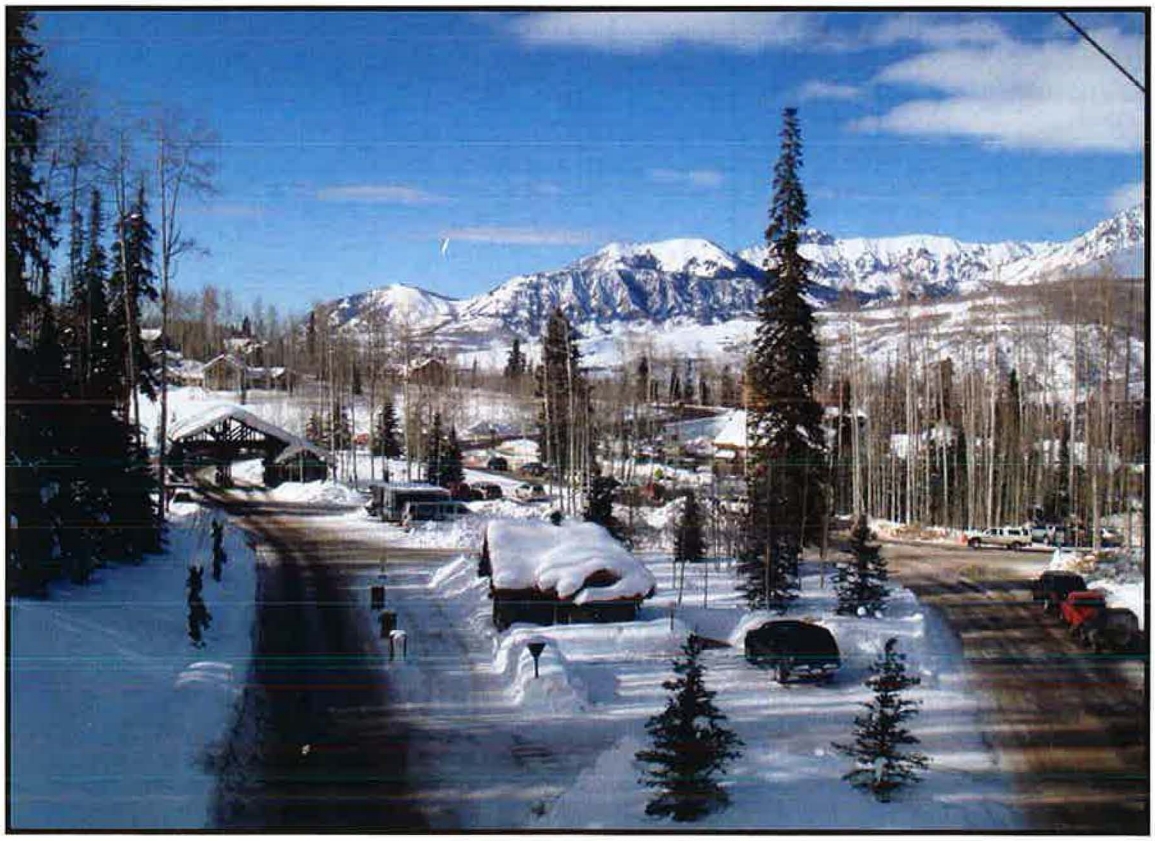
The Development Capability Plan (Figure 10) illustrates a compilation of all physiographic opportunities and constraints of the land within the boundaries of the Town of Mountain Village. The slope gradient analysis is overlaid on this plan to illustrate the suitability of the terrain for different types of development. The development suitability for each of the colors that represent a range of slope gradients is listed below.

Gradient	Color	Development Suitability
0 - 8 percent	White	Essentially "level" – suitable for roads, parking and high-density, village-style developments
8 - 15 percent	Green	Medium-density developments, roads with some terrain modification
15 - 25 percent	Yellow	Smaller multi-family townhouse or single-family developments with substantial grading to provide access
25 - 40 percent	Blue	Marginal for low-density, single-family development with substantial grading required to provide access
40 percent +	Red	Too steep for development

Note: Deviating from these guidelines typically results in increased disruption to the natural landscape as well as increased construction costs for access and slope stabilization.

In addition to slope gradients and topography, other constraints identified in the Development Capability Plan are existing development, proximity to access roads, ski lifts and trails, golf course, setbacks from existing water courses, wetlands, areas of wetland restoration, privately owned land and comfortable winter walking distance limits.

Using the above criteria as a screen, eight areas of potential development and redevelopment are identified on the Development Capability Plan. These areas include the Town entrance and Mountain Village Boulevard, Town Hall Plaza and Lots 1007 – 1008, the Meadows neighborhood, the Driving Range parcel, the Village Core, the Upper Village, the maintenance building area and Hood Park. These areas have been identified based on suitability of slopes for development, reasonable access to existing roads and services and minimal impact by other physiographic constraints. As most of the land within the boundaries of Mountain Village has been parcelized and sold as private land, in many cases the areas identified on the land capability plan are zoned as open space. In instances where we feel there is significant development opportunity on a privately owned lot, this land has been included as a potential development parcel. The opportunities and constraints of the eight development areas in Mountain Village are summarized in Table VI.1 and illustrated on Figure 10.



Parcel D – Lots 1007 & 1008

TABLE VI.1
TELLURIDE MOUNTAIN VILLAGE
DEVELOPMENT CAPABILITY OPPORTUNITIES AND CONSTRAINTS

Area / Acres		Development Zone	Opportunities	Constraints
A	7.0	Town Entrance	Entrance feature, way finding and information center, employee and overflow parking with shuttle connect to village, outdoor recreation parking, trailhead, warming hut.	Existing wetlands, private property, remoteness from Town Center
B	3.83	Town Hall Plaza	Improved circulation in and out of parking structure, increased public parking, recreation center, employee housing, tourist accommodation, improved vehicular circulation, improved pedestrian circulation between civic buildings and public open space, development lots 1007-1008.	Existing wetlands, vehicular circulation, steep topography.
C	8.0	Meadows Neighborhood	Increased skier parking, improved bus parking, improved drop off at the lift terminals, employee housing, tourist accommodation, commercial space and services for residents, pedestrian links to the Village Core and trail network	Steep topography, existing watercourses, expense of construction of employee housing.
D	7.1	Driving Range	Develop tourist accommodation, employee housing, recreation center, connection to Meadows and Village Core	Site access, existing wetlands, rezoning, loss of active open space
E	5.8	Village Core	Improved pedestrian circulation, shopping experiences, plaza design, lift alignment, development of tourist accommodation, employee housing and connections to trail network.	Existing Development, private property, rezoning, skier circulation
F	6.7	Upper Village	Tourist accommodation, employee housing, outdoor amphitheater, connections to trail network and connection to village with a pulse gondola	expensive access road, topography, skier circulation, rezoning
G	2.2	South Maintenance Building	Employee Housing, trailhead	Environmental sensitivity, existing trails and watershed, relocating maintenance building
H	8.36	Hood Park	Outdoor recreation, sports fields, employee housing, Nordic facilities, trailhead.	Surrounding private property, distance from Town Center, altitude, rezoning, existing ski trails

Summary – Land Capability

The current planning for the Town of Mountain Village has been successful in creating a pedestrian-oriented mountain community where alternatives to using the car are emphasized. The large majority of tourist accommodation units are within comfortable winter walking distance from the village core or are ski-in/ski-out. Employee housing has been consolidated in an appropriate place that is close to the lifts, requiring less transit and parking to bring people to work in Mountain Village. However, the Meadows Neighborhood is not as conveniently connected to the Town Hall Plaza shopping area, as a ride up the Chondola and then a connection to the Gondola is required. Therefore, many employees will drive to the Town Hall Plaza to access the services there. While the gondola and Chondola systems have created three comfortable winter walking distance zones, only the village zone has been developed intensely. Most of the Meadows neighborhood is outside of comfortable winter walking distance and the Meadows parking lot is on the edge of comfortable winter walking distance for skiers. There is very little density within comfortable walking distance of the gondola terminal at the Town Hall Plaza; however, many skiers are generated from this area because of the parking reservoir at the free gondola structure.

Ecosign has identified 8 areas within the boundary of the Town of Mountain Village that have potential for the development of additional facilities and services. In previous sections of this report, existing and future deficits and demands for parking, public transportation, accommodation, commercial space, recreation facilities and employee housing have been identified. The next step in the master planning process for Mountain Village is to identify the community's visions for Town, and to merge this vision with the opportunities described in this report.

.3 Summary of Conclusions/Recommendations

Real Estate & Tourist Accommodation

- The pillow mix in Mountain Village is currently 12 percent employee, 40 percent single-family, 30 percent condo and 19 percent tourist accommodation. Under the current PUD, this mix will shift at build out to 9 percent employee, 39 percent single-family, 35 percent condo and 17 percent tourist accommodation.

TABLE VI.2
TELLURIDE MOUNTAIN VILLAGE
PILLOW INVENTORY & ACCOMMODATION MIX

	Existing No. Pillows	% Total Existing	Under Construction	Total PUD Pillows	% Total Build Out
Employee	1,037	12%	54	1,420	9%
SFU	3,540	40%	490	6,530	39%
Condo	2,634	30%	930	5,742	35%
Tourist Accomm.	1,714	19%	439	2,845	17%
TOTAL	**8,925**		**1,913**	**16,537**	

- There are currently 2,901 tourist rental pillows in Mountain Village. This represents 40 percent of the total single-family, condo and tourist accommodation pillows. If these ratios are maintained, there will be a total of about 5,358 pillows at build out, which will drop the ratio to 39 percent public pillows. However, many of the SFU rentals are large and not well located in the resort for destination visitors. We also suspect that the occupancy of the SFU rentals is relatively low, so that if we pull SFU rentals out of the mix, only 27 percent of total pillows are true destination visitor rentals. While the ratio of rental pillows varies in mountain resorts, in general, 50% of pillows should be available for nightly rental to help to contribute to the vibrancy and economic vitality of the resort.

TABLE VI.3
TELLURIDE MOUNTAIN VILLAGE
RENTAL BED INVENTORY

	Existing			BUILD OUT		
	Total No. Pillows	No. Rental Pillows	% Rental (Hot)	Total Pillows at Build Out	Theoretical % Rental (same as existing)	Theoretical No. Hot Pillows
SFU	2,832	520	18%	5,224	18%	959
Condo	2,634	858	33%	5,742	33%	1,870
Tourist Accomm.	1,714	1,523	89%	2,845	89%	2,528
TOTAL	**7,180**	**2,901**	**40%**	**13,811**	**39%**	**5,358**

- The majority of the existing and future planned high-density tourist accommodation is within walking distance of the Village Core or the people mover lifts. The Bear Creek Lodge and future Rosewood hotel are the only tourist accommodation developments that are outside of walking distance of the main commercial areas or people-mover gondolas.

Employee Housing

- Continue to concentrate and densify employee housing in the Meadows Neighborhood.
- Consider density bonuses for future developments that would provide additional employee housing.
- Employee housing is more built out than the market housing in Mountain Village. Ecosign has projected that the percentage of employee pillows compared to total pillows will decrease to 9% from the existing 12% at build out. Therefore, the existing shortage of employee housing will increase over time.
- Furthermore, a recent report for the Telluride region estimates that the existing land zoned for employee housing in the region can only accommodate 1/3 of the projected demand for employee units over the next 12 years. According to this report (Telluride Region Housing Demand Analysis, 2008) approximately 30-35 units of employee housing needs to be built per year in addition to projects on existing designated employee housing parcels. This translates to approximately 30 acres of land in the region that would need to be re-zoned for employee housing by 2020 (10 - 14 units per acre over 12 years).
- Telluride Mountain Village's remote location and mountainous terrain makes both moving people from outlying towns and developing local employee housing a challenge. There is very little existing vacant land in the region that is a suitable price and proximity for developing employee housing.
- Land designated as active open space within the town boundary of Mountain Village should be considered for potential up-zoning to employee housing designation in an effort to meet the future demands for employee housing described in the Telluride Regional Housing Demand Analysis report.
- Providing affordable employee housing is a key challenge for all mountain resort communities. The consequences for failing to supply adequate employee housing include increased transportation costs, increased parking demand, lower levels of service in resort business and difficulties attracting and retaining employees.
- New hotel developments will create further demands for employee housing.

TELLURIDE MOUNTAIN VILLAGE OWNERS ASSOCIATION

0 miles 50

07/2008

ecosign Mountain Resort Planners Ltd.

AREA LOCATION

Parking

- Discourage overnight parking in the free gondola structure by charging a fee to park overnight.
- Determine the number of units in the village that do not have parking stalls associated with them by surveying the property management companies. Provide these stalls as part of the additional underground parking below the Capella and Lot 109/110 buildings.
- Prohibit owners from selling their parking stalls separately from their units. In new developments, allow underground parking stalls to be pooled and have the use of these stalls associated with occupancy of the unit.
- Reserve remaining additional underground stalls in Capella and Lot 109/110 for short-term parking for the village.
- As Mountain Village becomes more built out, an intercept parking lot for employees may be required at Lawson Hill gas station or potentially on Lot SS-811 near the entrance to Town.
- More parking for employees, skiers and buses should be provided in the Meadows neighborhood. Increased use of this portal should be emphasized.
- Underground parking in the Village Core should be pooled and available so that overnight guests do not need to park in the parking structure. There should be a fee for parking overnight in the structure to limit users to residents, employees and day visitors. Some of the additional stalls under the Capella building should be used to help mitigate the problem of private ownership of parking stalls under the existing village buildings.
- The gondola parking structure may have to be built to its full capacity in the event parking management programs and additional parking spaces coming online are not sufficient. Circulation should be redirected so that the structure loads from the bottom and unloads from the top.

Commercial Space

- In comparison with other successful mountain resort communities, Mountain Village has too much commercial space on a per square foot per bed or per unit basis.
- The Village Core currently contains approximately 165,000 square feet of commercial space, 14,000 of which is vacant. The commercial space in the See Forever, proposed Juno Hotel, Capella Hotel and Silverline Condo projects will add a further 50,000 square feet of commercial space to the Village Core. If no other significant commercial space is added to what is planned, commercial space would be at approximately 80 percent built out. With accommodation at only 60 percent built out, the existing imbalance of commercial space will likely improve over time, particularly if the majority of the new units are constructed and operated

as "hot beds." Vibrancy of the commercial space is also dependent on improving occupancy rates on an annual basis.

TABLE VI.4
TELLURIDE MOUNTAIN VILLAGE
COMMERCIAL SPACE BUILD OUT SUMMARY

	Existing						Build Out		
	Village	% Built	Outside Village	% Built	Total Mountain Village	% Built	Village	Outside Village	Total
Retail	52,608	53%	18,029	100%	70,637	60%	99,087	18,029	117,116
Office	59,820	99%	14,950	100%	74,770	99%	60,605	14,950	75,555
Service	38,695	87%	9,375	100%	48,070	89%	44,495	9,375	53,870
SUBTOTAL RETAIL, OFFICE & SERVICE	**151,123**	**74%**	**42,354**	**66%**	**193,477**	**72%**	**204,187**	**64,354**	**268,541**
Vacant	14,284		1,580		15,864				
Total	**165,407**	**81%**	**43,934**	**68%**	**209,341**	**78%**	**204,187**	**64,354**	**268,541**

- The mix and amount of commercial space needs detailed study as to "casting" and the development of a retail recruitment program.
- Based on the above analysis, it is difficult to argue that any increment in retail space is currently supportable or required on a pure economic basis. The existing retail under-performs within the context of other established mountain resort developments, and there is sufficient capacity to absorb any reasonable anticipated increase in either visitor or resident traffic within the context of near term growth of the mountain operation.
- Under the build-out scenario, there will also be more than adequate space available at what would still be considered marginal sales performance. Under the presumption that higher sales levels are desired to improve the economic performance of TMV retailers, then the space allocations could be reduced dramatically, for the existing square footage ideally should accommodate sales well in excess of current achieved levels.
- At the same time, if some increment in retail/commercial is required from a design standpoint in order to make Mountain Village a better visitor experience, it should not be discounted totally. It should only be recognized that any increment in space may experience similar challenges to those that other merchants have in years past, and may require some subsidy or beneficial lease structure to enable them to operate successfully in the near to intermediate time frame.
- If there is a desire to drive higher sales per square foot levels, then there is no need to build out the allowable retail square footage per the existing PUD. If there is strong desire to build out the retail, then there will need to be a concerted effort to maximize the "hot bed" yield in any future development.

- Public policy should strongly guide future developments to provide more rental "hot" beds. We also recommend that the density bank be utilized exclusively for infill development of hot beds. If this policy is enacted by the Town of Mountain Village, then up to 3,400 additional rental pillows could become available to support a vibrant and economically sustainable village core at Mountain Village.

Existing Recreation Facilities

- An increase in the quality and variety of seasonal recreation activities offered in Mountain Village will provide more reasons for visitors to come to Mountain Village and may increase their length of stay.
- While winter facilities are of a high quality, there is a need for increased summer recreation space such as sports fields and an improved trail network. There are limited paved and unpaved trails that connect to the Village Core and surrounding neighborhoods and open space. Ecosign recommends a Trails Master Plan be included in future planning efforts for Mountain Village.

Future Development

- Densification should happen on parcels within comfortable winter walking distance of staging lifts or ski-in/ski-out parcels.
- Densification within comfortable winter walking distance from the Chondola and the Town Hall Plaza should be encouraged.
- Any up-zoning or new zoning should be conditional upon a high percentage of "warm beds" being developed with underground parking on each site to carry the full occupancy of each building.
- There are 520 units of unused density in the density bank. The total allowable density in Mountain Village is 8,171 density units. Ecosign recommends that the majority of unused density be directed towards infill of appropriate core areas as transient occupancy units.

Resort Sustainability

- Mountain Village has been designed, built and operated to a very high standard when compared to other North American resorts.
- Mountain Village only has one "flag" hotel – the Fairmont Franz Klammer Lodge, which is rather small. A national brand operator is needed for The Peaks property.
- The Telluride Conference Center should be professionally evaluated to determine whether it can be upgraded to expand conference/convention uses.
- Mountain Village is in the "teenage" stage of resort maturation. With only 60 percent of accommodation built and without facilities and programs to attract

visitors on a year-round basis, annual occupancy is relatively low. This is a normal phase that most mountain resorts go through before becoming viable four-season resorts. Increasing summer recreation opportunities, festivals and events, attracting groups for shoulder season conferences and building supporting facilities in combination with an increased public bed base may well move Mountain Village towards the final stages of resort maturation. The demographics and desires of the Mountain Village homeowner is a significant concern in this regard.

TABLE VI.5
TELLURIDE MOUNTAIN VILLAGE
UNIT BUILD OUT SUMMARY

	Existing No. Units	Under Construction	Total PUD Units	Existing % Built	% Under Construction	No Units Remaining to be Built	% Built Out of PUD
Employee	483	18	653	74%	3%	152	77%
SFU	354	49	653	54%	8%	250	62%
Condo	439	155	957	46%	16%	363	62%
Tourist Accomm.	449	133	770	58%	17%	188	76%
TOTAL	**1,725**	**355**	**3,033**	**57%**	**12%**	**953**	**69%**

- Increased summer and winter visitation in Mountain Village will contribute to increased spending in the Village Core. Densification and infilling of tourist accommodation should happen only on parcels that are within walking distance from the Village Core or connected to the village by a people-mover gondola. Unused density in the density bank should be transferred onto suitable parcels around the Village Core and used for tourist accommodation to contribute to the economy of Mountain Village to the greatest extent possible.

TABLE IV.4
MOUNTAIN VILLAGE COMMERCIAL SPACE INVENTORY
BUILDINGS OUTSIDE THE VILLAGE CORE AT BUILD-OUT

	HOTEL & LODGE OUTSIDE VILLAGE CORE				MEADOWS		TOWN HALL		ON MOUNTAIN			SUB-TOTAL OUTSIDE VILLAGE	TOTAL MOUNTAIN VILLAGE SQUARE FEET BUILD OUT	% TOTAL MOUNTAIN VILLAGE BUILD OUT	SQ. FT PER PILLOW
	The Peaks Hotel	Bear Creek Lodge	Lodge at MV	Rose Wood Hotel	Prosepct Plaza	Big Billie's	Town Hall Plaza	Fire House	Alred's	Goronno's	Main tenance Build ing				15,231
Retail															
Apparel/Sprting Goods	408				1,395							1,803	46,917	17%	3.1
Food & Beverage						3,739			8,641	3,846		16,226	57,422	21%	3.8
Misc. (Retail)												-			
Interiors												-	7,081	3%	0.5
Art Gallery												-	3,020	1%	0.2
Subtotal Retail	*408*	-	-	22,000	1,395	*3,739*	-	-	*8,641*	*3,846*	-	***18,029***	***114,440***	**41%**	**7.5**
Skier Services / Telski															
Telski												-	26,425	9%	1.7
Guest Service												-	31,189	11%	2.0
Subtotal Skier Services												-	***57,614***	**21%**	**3.8**
Office															
Real Estate			5,448									5,448	11,146	4%	0.7
Medical	70											70	470	0.2%	0.0
Professional	2,000											2,000	12,113	4%	0.8
Hotel												-	2,086	1%	0.1
Other	70				7,362							7,432	30,139	11%	2.0
Subtotal Office	*2,140*	-	5,448	-	7,362	-	-	-	-	-	-	***14,950***	**55,954**	**20%**	**3.7**
Service															
School/Education												-	1,059	0.4%	0.1
Bank												-	5,904	2%	0.4
Hotel		9,375										9,375	13,736	5%	0.9
Media												-	482	0%	0.0
Subtotal Service		9,375	10,896	-	14,724						-	***39,275***	***51,081***	**18%**	**3.4**
SUBTOTAL RETAIL, OFFICE & SERVICE	***2,548***	***9,375***	***16,344***	***22,000***	***23,481***	***3,739***	-	-	***8,641***	***3,846***	-	***72,254***	***279,089***	***100%***	**18.3**
Other															
Spa	105,452			12,000								117,452	117,452	27%	7.7
Conference												-	22,609	5%	1.5
Subtotal Other		-	-	12,000	-						-	***117,452***	**140,061**	**32%**	**9.2**
Private Club															
Golf Club House	5,953											5,953	5,953	1%	0.4
Convergence Clubs												-	8,756	2%	0.6
Subtotal Private		-	-	-	-						-	***5,953***	**14,709**	**3%**	**1.0**
TOTAL SPACE	**2,548**	**9,375**	**16,344**	**34,000**	**23,481**	**3,739**	-	-	**8,641**	**3,846**	-	**195,659**	**433,859**	**100%**	**28.5**
Institutional							3,822	14,845			13,200	**31,867**	**31,867**		
Industrial					34424							**34,424**	**34,424**		

TABLE IV.3
MOUNTAIN VILLAGE COMMERCIAL SPACE INVENTORY
VILLAGE CORE BUILDINGS AT BUILD-OUT

	VILLAGE BUILDINGS														SUB-TOTAL VILLAGE CORE EXISTING	FUTURE VILLAGE BUILDINGS					SUB-TOTAL FUTURE VILLAGE BUILDING	TOTAL VILLAGE CORE BUILDOUT	% TOTAL VILLAGE CORE BUILDOUT
	Station Mountain Village	The Plaza	Columbia Place	Heritage Crossing	Granita	Inn Lost Creek	Centrum	Franz Klammer	Le Chamonix	Palmyra	Shirana	Westermere	Blue Mesa Lodge	Blue Mesa Condos		See Forever*	Juno Hotel Lot 109/110 73/76	Capella Hotel Lot 50/51	Silverline Condos Lot 161CR	Telski Lots 69R2, 71R, 67			
Retail																							
Apparel/Sprting Goods	3,429			4,812	2,364	3,443	480	6,682	5,214						26,424		690	8,000	10,000		18,690	45,114	22%
Food & Beverage		3,782	3,674	1,846		1,814	2,693	177		2,063			4,978	1,731	22,758	4,066	5,040	5,000	4,332		18,438	41,196	20%
Misc. (Retail)																							
Interiors							2,559	2,315		2,207					7,081						-	7,081	3%
Art Gallery								3,020							3,020						-	3,020	1%
Subtotal Retail	*3,429*	*3,782*	*3,674*	*6,658*	*2,364*	*5,257*	*5,732*	*12,194*	*5,214*	*4,270*	-	-	*4,978*	*1,731*	***59,283***	*4,066*	*5,730*	*13,000*	*14,332*	-	***37,128***	***96,411***	***47%***
Skier Services / Telski																							
Telski		22,831	3,594												26,425						-	26,425	13%
Guest Service	26,150							505						1,134	27,789			3,400			3,400	31,189	15%
Subtotal Skier Services	*26,150*	*22,831*	*3,594*	-	-	-	-	*505*	-	-	-	-	-	*1,134*	***54,214***	-	-	*3,400*	-	-	***3,400***	***57,614***	***28%***
Office																						-	
Real Estate								5,698							5,698						-	5,698	3%
Medical								400							400						-	400	0%
Professional					3,701		1,842			4,570					10,113						-	10,113	5%
Hotel						2,086									2,086						-	2,086	1%
Other				641			6,067		1,983	2,421	1,946	1,216	901	7,532	22,707						-	22,707	11%
Subtotal Office	-	-	-	*641*	*3,701*	*2,086*	*7,909*	*6,098*	*1,983*	*6,991*	*1,946*	*1,216*	*901*	*7,532*	***41,004***	-	-	-	-	-	-	**41,004**	**20%**
Service																					-	-	
School/Education					200							859			1,059						-	1,059	0.5%
Bank						648				2,464		2,792			5,904						-	5,904	3%
Hotel						3,461									3,461			900			900	4,361	2%
Media		482													482						-	482	0.2%
Subtotal Service	-	*482*	-	-	*200*	*4,109*	-	-	-	*2,464*	-	*3,651*	-	-	***10,906***	-	-	*900*	-	-	***900***	**11,806**	**6%**
SUBTOTAL RETAIL, OFFICE & SERVICE	***29,579***	***27,095***	***7,268***	***7,299***	***6,265***	***11,452***	***13,641***	***18,797***	***7,197***	***13,725***	***1,946***	***4,867***	***5,879***	***10,397***	***165,407***	***4,066***	***5,730***	***17,300***	***14,332***	-	***41,428***	**206,835**	**100%**
Other																							
Spa															-						-	-	0%
Conference								22,609							22,609						-	22,609	9%
Subtotal Other	-	-	-	-	-	-	-	*22,609*	-	-	-	-	-	-	***22,609***	-	-	-	-	-	-	**22,609**	**9%**
Private Club																							
Golf Club House															-						-	-	0%
Convergence Clubs				3,756											3,756				5,000		5,000	8,756	4%
Subtotal Private	-	-	-	*3,756*	-	-	-	-	-	-	-	-	-	-	***3,756***	-	-	-	*5,000*	-	***5,000***	**8,756**	**4%**
TOTAL SPACE	**29,579**	**27,095**	**7,268**	**11,055**	**6,265**	**11,452**	**13,641**	**41,406**	**7,197**	**13,725**	**1,946**	**4,867**	**5,879**	**10,397**	**191,772**	**4,066**	**5,730**	**17,300**	**19,332**	-	**46,428**	**238,200**	**100%**
Institutional															-							-	
Industrial															-							-	

TABLE IV.2
MOUNTAIN VILLAGE COMMERCIAL SPACE INVENTORY
EXISTING BUILDINGS OUTSIDE THE VILLAGE CORE & TOTAL MOUNTAIN VILLAGE

	HOTEL & LODGE OUTSIDE			MEADOWS		TOWN HALL		ON MOUNTAIN				SUB-TOTAL OUTSIDE VILLAGE	TOTAL MOUNTAIN VILLAGE SQUARE FEET	% TOTAL MOUNTAIN VILLAGE	SQU. FT. PER PILLOW	SQU. FT. PER HOT PILLOW
	The Peaks Hotel	Bear Creek Lodge	Lodge at MV	Prosepct Plaza	Big Billie's	Town Hall Plaza	Fire House	Alred's	Goronno's	The Ridge	Main tenance Build ing				8,217	3,938
Retail																
Apparel/Sprting Goods	408			1,395								1,803	27,747	13%	3.4	7.0
Food & Beverage					3,739			8,641	3,846			16,226	34,228	15%	4.2	8.7
Misc. (Retail)																
Interiors												-	5,642	3%	0.7	1.4
Art Gallery												-	3,020	1%	0.4	0.8
Subtotal Retail	*408*	-	-	1,395	*3,739*	-	-	*8,641*	*3,846*	-	-	***18,029***	***70,637***	**32%**	**8.6**	**17.9**
Skier Services / Telski																
Telski Offices												-	26,425	12%	3.2	6.7
Guest Service												-	27,789	13%	3.4	7.1
Subtotal Skier Services	-	-	-	-	-	-	-	-	-	-	-	-	***54,214***	**25%**	**6.6**	**13.8**
Office																
Real Estate			5,448									5,448	11,146	5%	1.4	2.8
Medical	70											70	470	0%	0.1	0.1
Professional	2,000											2,000	12,113	5%	1.5	3.1
Hotel												-	2,086	1%	0.3	0.5
Other	70			7,362								7,432	23,261	11%	2.8	5.9
Subtotal Office	*2,140*	-	5,448	7,362	-	-	-	-	-	-	-	***14,950***	***49,076***	**22%**	**6.0**	**12.5**
Service																
School/Education												-	1,059	0.5%	0.1	0.3
Bank												-	5,904	3%	0.7	1.5
Hotel		9,375								11,109		20,484	23,945	11%	2.9	6.1
Media												-	482	0.2%	0.1	0.1
Subtotal Service	-	9,375	-	-	-	-	-	-	-	11,109	-	***20,484***	***31,390***	**14%**	**3.8**	**8.0**
SUBTOTAL RETAIL, OFFICE & SERVICE	***2,548***	***9,375***	***5,448***	***8,757***	***3,739***	-	-	***8,641***	***3,846***	***11,109***	-	***53,463***	***205,317***	***93%***	**25.0**	**52.1**
Vacant				**1,580**								**1,580**	**15,864**	**7%**	**1.9**	**4.0**
SUBTOTAL COMM. SPACE	**2,548**	**9,375**	**5,448**	**10,337**	**3,739**	-	-	**8,641**	**3,846**	**11,109**	-	**55,043**	**221,181**	**100%**	**26.9**	**56.2**
Other																
Spa	105,452											105,452	105,452	29%	12.8	26.8
Conference												-	22,609	6%	2.8	5.7
Subtotal Other	105,452	-	-	-							-	***105,452***	***128,061***	**36%**	**15.6**	**32.5**
Private Club																
Golf Club House	5,953											5,953	5,953	2%	0.7	1.5
Convergence Clubs												-	3,756	1%	0.5	1.0
Subtotal Private	*5,953*	-	-	-	-	-	-	-	-	-	-	***5,953***	***9,709***	**3%**	**1.2**	**2.5**
TOTAL SPACE	**113,953**	**9,375**	**5,448**	**10,337**	**3,739**	-	-	**8,641**	**3,846**	**11,109**	-	**166,448**	**358,951**	**100%**	**43.7**	**91.2**
Institutional						3,822	14,845				13,200	***31,867***	***31,867***			
Industrial				34,424								***34,424***	***34,424***			

TABLE IV.1
TELLURIDE MOUNTAIN VILLAGE
VILLAGE CORE COMMERCIAL SPACE INVENTORY

Recently Vacated

	VILLAGE CORE													SUB-TOTAL VILLAGE CORE	% TOTAL VILLAGE CORE
	Station Mountain Village*	The Plaza	Heritage Crossing	Columbia Place	Granita	Inn Lost Creek	Centrum	Franz Klammer	Le Chamonix	Palmyra	Shirana	Westermere	Blue Mesa Lodge	Blue Mesa Condos		
Retail																
Apparel/Sprting Goods	3,429		4,812		2,364	3,443		6,682	5,214						25,944	16%
Food & Beverage		3,782	1,846	3,674		1,814		177					4,978	1,731	18,002	11%
Misc. (Retail)																
Interiors							1,120	2,315		2,207					5,642	3%
Art Gallery								3,020							3,020	2%
Subtotal Retail	*3,429*	*3,782*	*6,658*	*3,674*	*2,364*	*5,257*	*1,120*	*12,194*	*5,214*	*2,207*	-	-	*4,978*	*1,731*	***52,608***	**32%**
Skier Services / Telski																
Telski Offices		22,831		3,594											26,425	16%
Guest Service	26,150							505						1,134	27,789	17%
Subtotal Skier Services	*26,150*	*22,831*	-	*3,594*	-	-	-	*505*	-	-	-	-	-	*1,134*	***54,214***	**33%**
Office																
Real Estate								5,698							5,698	3%
Medical								400							400	0%
Professional					3,701		1,842			4,570					10,113	6%
Hotel						2,086									2,086	1%
Other									1,983	2,421	2,677	1,216		7,532	15,829	10%
Subtotal Office	-	-	-	-	*3,701*	*2,086*	*1,842*	*6,098*	*1,983*	*6,991*	*2,677*	*1,216*	-	*7,532*	***34,126***	**21%**
Service																
School/Education					200							859			1,059	1%
Bank						648				2,464		2,792			5,904	4%
Hotel						3,461									3,461	2%
Media		482													482	0%
Subtotal Service	-	*482*	-	-	*200*	*4,109*	-	-	-	*2,464*	-	*3,651*	-	-	***10,906***	**7%**
SUBTOTAL RETAIL, OFFICE & SERVICE	***29,579***	***27,095***	***6,658***	***7,268***	***6,265***	***11,452***	***2,962***	***18,797***	***7,197***	***11,662***	***2,677***	***4,867***	***4,978***	***10,397***	***151,854***	***91%***
Vacant			641				10,679			2,063			901		**14,284**	**9%**
SUBTOTAL COMM. SPACE	**29,579**	**27,095**	**7,299**	**7,268**	**6,265**	**11,452**	**13,641**	**18,797**	**7,197**	**13,725**	**2,677**	**4,867**	**5,879**	**10,397**	**166,138**	**100%**
Other																
Spa															-	0%
Conference								22,609							22,609	12%
Subtotal Other	-	-	-	-	-	-	-	*22,609*	-	-	-	-	-	-	***22,609***	**12%**
Private Club																
Golf Club House															-	0%
Convergence Clubs			3,756												3,756	2%
Subtotal Private	-	-	*3,756*	-	-	-	-	-	-	-	-	-	-	-	***3,756***	**2%**
TOTAL SPACE	**29,579**	**27,095**	**11,055**	**7,268**	**6,265**	**11,452**	**13,641**	**41,406**	**7,197**	**13,725**	**2,677**	**4,867**	**5,879**	**10,397**	**192,503**	**100%**
Institutional															-	
Industrial															-	

TELLURIDE™
MOUNTAIN VILLAGE
OWNERS ASSOCIATION

MOUNTAIN VILLAGE

TELLURIDE

Prospect Bowl

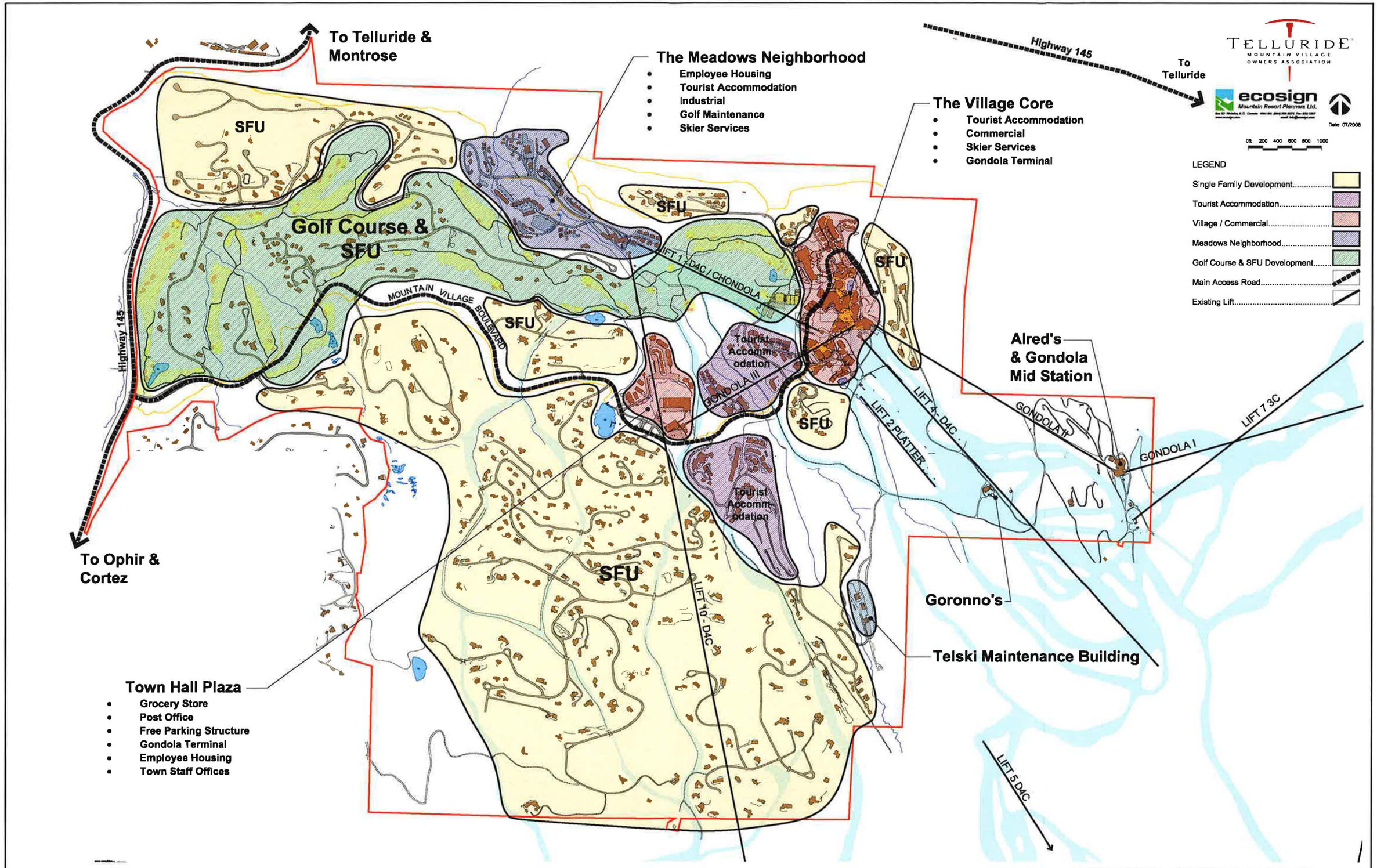
Palmyra Peak

0miles 0.75 07/2008

ecosign
Mountain Resort Planners Ltd.

REGIONAL CONTEXT 2

MOUNTAIN VILLAGE - AERIAL PHOTO 3


To Telluride & Montrose
The Meadows Neighborhood
Employee Housing
Tourist Accommodation
Industrial
Golf Maintenance
Skier Services
Highway 145
To Telluride
The Village Core
Tourist Accommodation
Commercial
Skier Services
Gondola Terminal
TELLURIDE MOUNTAIN VILLAGE OWNERS ASSOCIATION
ecosign Mountain Resort Planners Ltd.
Date: 07/2006
0ft 200 400 600 800 1000
LEGEND
Single Family Development
Tourist Accommodation
Village / Commercial
Meadows Neighborhood
Golf Course & SFU Development
Main Access Road
Existing Lift
SFU
Golf Course & SFU
MOUNTAIN VILLAGE BOULEVARD
LIFT 1 - D4C / CHONDOLA
Tourist Accommodation
GONDOLA III
LIFT 4 - D4C
LIFT 2 PLATTER
Alred's & Gondola Mid Station
GONDOLA II
GONDOLA I
LIFT 7 3C
LIFT 10 - D4C
LIFT 5 D4C
Goronno's
Telski Maintenance Building
To Ophir & Cortez
Town Hall Plaza
Grocery Store
Post Office
Free Parking Structure
Gondola Terminal
Employee Housing
Town Staff Offices

TELLURIDE
MOUNTAIN VILLAGE
OWNERS ASSOCIATION

ecosign
Mountain Resort Planners Ltd.

Date: 07/2008

0ft 200 400 600 800 1000

Highway 145

BOSTON COMMONS

MOUNTAIN VILLAGE BOULEVARD

Ski In / Ski Out

LIFT 1 - D4C / CHONDOLA

GONDOLA III

LIFT 2 PLATTER

LIFT 4 - D4C

GONDOLA II

GONDOLA I

LIFT 3C

LIFT 10 - D4C

LIFT 5 D4C

LEGEND

- Developed Tourist Accommodation Lot
- Undeveloped Tourist Accommodation Lot
- Developed Condo Lot
- Undeveoped Condo Lot
- Developed SFU Lot
- Undeveloped SFU Lot
- Developed Employee Housing Lot
- Undeveloped Emplyee Housing Lot
- Active Building Permit (October 2007)
- Skier Walking Distance

ACCOMMODATION ZONING 5a

TELLURIDE
MOUNTAIN VILLAGE
OWNERS ASSOCIATION

ecosign
Mountain Resort Planners Ltd.

Contours: 10ft Date: 07/2008

0ft 100 200 300 400 500

The Meadows Neighborhood

Prospect Plaza

Rosewood Hotel
- Approved but not under construction

See Forever
- Construction Completed 2008

The Village Core

Proposed Juno Hotel
- In Design Review

Capella Hotel
- Under Construction

Telski Parcels
- No proposed development

Silverline Condos
- Approved but not under construction

Big Billie's

Town Hall Plaza

Mountain Lodge

Bear Creek Lodge

Lumiere Hotel
- Under Construction

Goronno's Restaurant

LIFT 1 - D4C / CHONDOLA

LIFT 10 - D4C

LIFT 2 PLATTER

LIFT 4 - D4C

GONDOLA II

GONDOLA III

MOUNTAIN VILLAGE BOULEVARD

LEGEND

- Developed Tourist Accommodation Lot
- Undeveloped Tourist Accommodation Lot
- Developed Condo Lot
- Undeveloped Condo Lot
- Developed SFU Lot
- Undeveloped SFU Lot
- Developed Employee Housing Lot
- Undeveloped Employee Housing Lot
- Under Construction (October 2007)
- Active Open Space
- Passive Open Space
- Open Space not in the PUD
- Mountain Village Boulevard
- Existing Lift
- Ski Trail Outline
- Commercial Only Lot
- Industrial Lot
- Skier Circulation

MOUNTAIN VILLAGE CORE - ACCOMMODATION ZONING & FUTURE DEVELOPMENTS 5b

TELLURIDE
MOUNTAIN VILLAGE
OWNERS ASSOCIATION

ecosign
Mountain Resort Planners Ltd.

Contours: 10 Feet

Date: 07/2008

0ft 200 400 600 800 1000

The Meadows Parking Lot
124 Stalls
- Paved surface parking lot
- Half the lot is ploughed Tuesdays and Thursdays between noon and 4pm
- School buses park here Thurs., Fri., Sat. Sun.
- Sometimes used for RV Parking in the summer
- Used for overflow parking for residents in Meadows neighborhood (Employees)
- Day Skier parking for people who know where it is (no signage directing people here)

Golf Course Parking
- Summer Only

Seasonal Parking for Nordic Skiing

North Village Center Parking & Pond Lot
25 Stalls each
- Unpaved surface parking
- $2/hr
- Used by construction workers and for short term village parking
- No parking after 5pm

Free Gondola Parking Structure
458 Stalls
- 4 level parking structure
- 2 additional levels can be added plus a horizontal expansion to reach a maximum capacity of 900 stalls.
- There is a 2 week limit for overnight parking and no overnight parking allowed on the upper levels to facilitate snow clearing.
- The structure is used by day skiers, employees, construction workers, guests in the village that don't have a stall tied to their unit or have more cars than stalls.

Blue Mesa Short Term Lot
15 Stalls
- Paved surface lot
- Drop-off & free short term parking (1 hour)

Town Hall Plaza Parking
60 Stalls
- Paved surface lot
- Two hour free parking
- Used for the grocery store, town hall, post office and short term village parking (gondola connection)

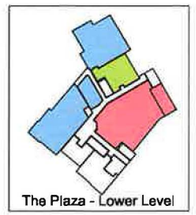
LEGEND
- Public Parking Lot
- Main Access Road
- Secondary Access Road
- Public Pedestrian Trail (Summer and Winter)
- Ski Trail
- Existing Lift
- Comfotable Walking Distance

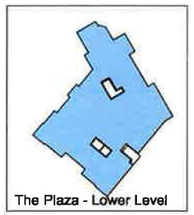
Highway 145
Adams Ranch Rd.
Double Eagle Dr.
Russel Dr.
MOUNTAIN VILLAGE BOULEVARD
Victoria Dr.
Larkspur Ln.
Beech Tree Dr.
LIFT 1 / D4C / CHONDOLA
Kahler Rd.
GONDOLA III
Falcon Ridge Rd.
LIFT 4 - D4C
LIFT 2 PLATTER
GONDOLA II
GONDC
LIFT 10 - D4C
San Joaquin Rd.

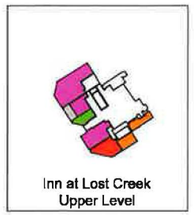
EXISTING PUBLIC PARKING & CIRCULATION 6

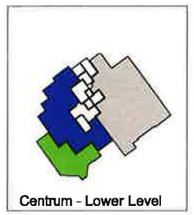
LEGEND

- Offices
- Real Estate
- Food & Beverage
- Interiors (retail)
- Art Gallery
- Spa
- School (Rock and Roll Academy)
- Bank
- Photography
- Apparel & Sporting Goods
- Skier Service
- Telski Offices
- Media & Tech
- Conference
- Private Club
- Vacant









TELLURIDE
MOUNTAIN VILLAGE
OWNERS ASSOCIATION

ecosign
Mountain Resort Planners Ltd.

Date: 07/2006

0ft 50 100 150 200

Centrum
Westermere
Palmyra
Shirana
Station Mountain Village
Chamonix
Heritage
Crossing
Inn at Lost Creek
See Forever
The Plaza
Columbia Place
Blue Mesa Lodge
The Peaks
Franz Klammer
Blue Mesa Condos
Granita


Highway 145
Highway 145
MOUNTAIN VILLAGE BOULEVARD
LIFT 1 - D4C / CHONDOLA
GONDOLA III
LIFT 4 - D4C
LIFT 2 PLATTER
GONDOLA II
GONDOLA I
LIFT 7 3C
LIFT 10 - D4C
LIFT 5 D4C
ACCESS TRACT A-376
TELLURIDE
MOUNTAIN VILLAGE
OWNERS ASSOCIATION
ecosign
Mountain Resort Planners Ltd.
Contours: 10 Feet
Date: 07/2006
0ft 200 400 600 800 1000
LEGEND
Active Open Space
Passive Open Space
Open Space Not in PUD
Land Owned By TMV

TELLURIDE
MOUNTAIN VILLAGE
OWNERS ASSOCIATION

ecosign
Mountain Resort Planners Ltd.

Date: 07/2008

0ft 200 400 600 800 1000

Highway 145

MOUNTAIN VILLAGE BOULEVARD

GONDOLA I

GONDOLA II

LIFT 7 3C

LIFT 10 - D4CT

5 D4C

Winter Recreation

1. Alpine Skiing & Snowboarding
2. Nordic Skiing
3. Snowshoeing
4. Ice Climbing
5. Ice Skating

Summer Recreation

6. 18 Hole Golf Course & Driving Range
7. Hiking & Biking Trails
8. Elk Pond - Fishing, Nature Interpretation
9. Adventure Rock - Bouldering
10. St. Sophia Nature Center - Children's Activitys, Environmental Programs, Nature Interpretation
11. Fire Pit - Fireside Chats
12. Tennis & Paddle Board

Trail Legend

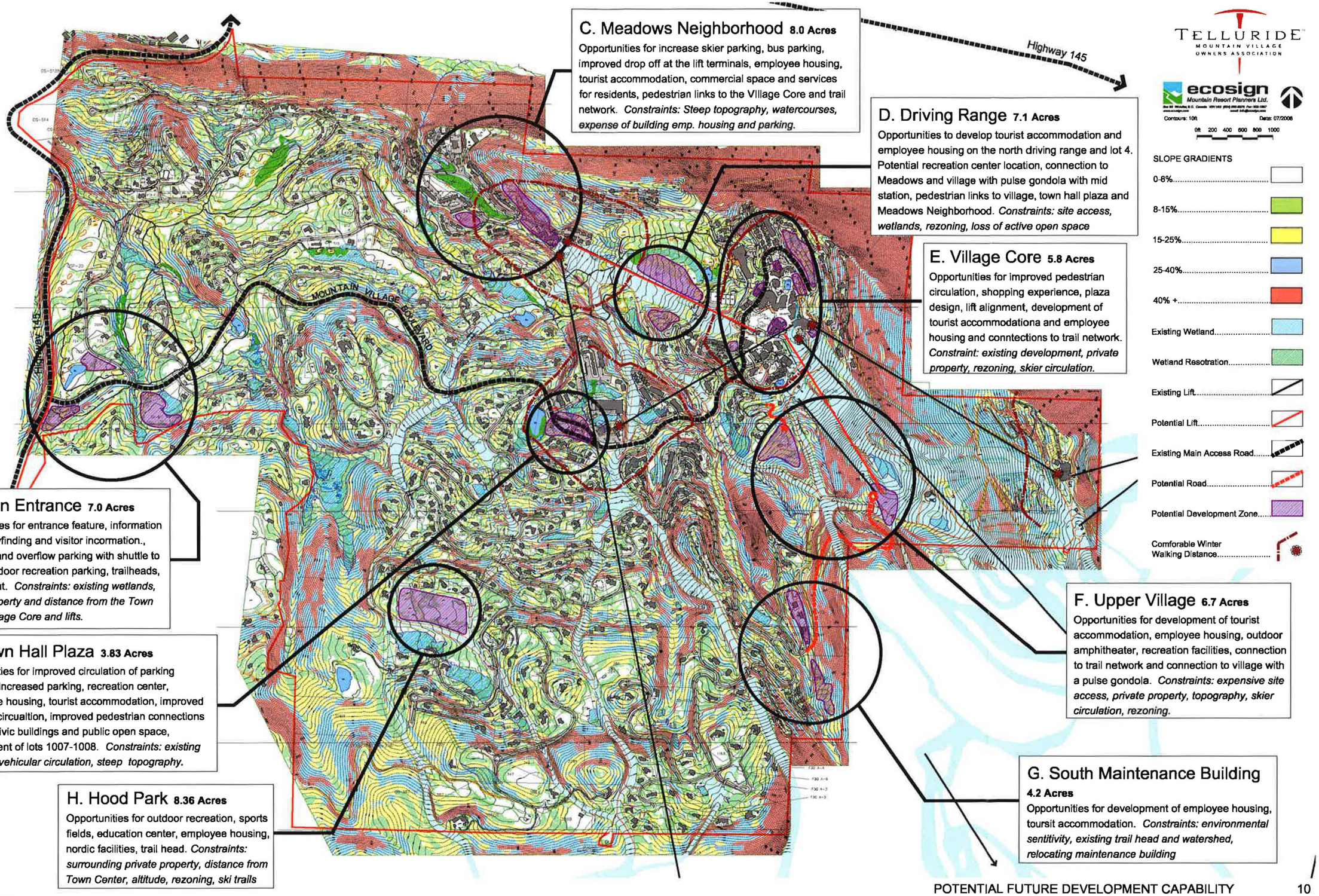
Multi Purpose Trail A
Summer - Hiking & Mountain Biking
Winter - Snowshoeing

Multi Purpose Trail B
Summer - Hiking & Mountain Biking
Winter - Nordic Skiing

Multi Purpose Trail C
Summer - Golf Cart Path (Paved)
Winter - Cross Country Skiing

Nordic Skiing Only

Hiking and Biking Only



C. Meadows Neighborhood 8.0 Acres

Opportunities for increase skier parking, bus parking, improved drop off at the lift terminals, employee housing, tourist accommodation, commercial space and services for residents, pedestrian links to the Village Core and trail network. *Constraints: Steep topography, watercourses, expense of building emp. housing and parking.*

D. Driving Range 7.1 Acres

Opportunities to develop tourist accommodation and employee housing on the north driving range and lot 4. Potential recreation center location, connection to Meadows and village with pulse gondola with mid station, pedestrian links to village, town hall plaza and Meadows Neighborhood. *Constraints: site access, wetlands, rezoning, loss of active open space*

E. Village Core 5.8 Acres

Opportunities for improved pedestrian circulation, shopping experience, plaza design, lift alignment, development of tourist accommodationa and employee housing and conntections to trail network. *Constraint: existing development, private property, rezoning, skier circulation.*

A. Town Entrance 7.0 Acres

Opportunities for entrance feature, information center, wayfinding and visitor incormation., employee and overflow parking with shuttle to village, outdoor recreation parking, trailheads, warming hut. *Constraints: existing wetlands, private property and distance from the Town Center, Village Core and lifts.*

B. Town Hall Plaza 3.83 Acres

Opportunities for improved circulation of parking structure, increased parking, recreation center, emoployee housing, tourist accommodation, improved vehicular circualtion, improved pedestrian connections between civic buildings and public open space, development of lots 1007-1008. *Constraints: existing wetlands, vehicular circulation, steep topography.*

H. Hood Park 8.36 Acres

Opportunities for outdoor recreation, sports fields, education center, employee housing, nordic facilities, trail head. *Constraints: surrounding private property, distance from Town Center, altitude, rezoning, ski trails*

F. Upper Village 6.7 Acres

Opportunities for development of tourist accommodation, employee housing, outdoor amphitheater, recreation facilities, connection to trail network and connection to village with a pulse gondola. *Constraints: expensive site access, private property, topography, skier circulation, rezoning.*

G. South Maintenance Building

4.2 Acres

Opportunities for development of employee housing, toursit accommodation. *Constraints: environmental sentitivity, existing trail head and watershed, relocating maintenance building*

TELLURIDE MOUNTAIN VILLAGE OWNERS ASSOCIATION

ecosign Mountain Resort Planners Ltd.

Contours: 10ft Date: 07/2008

0ft 200 400 600 800 1000

SLOPE GRADIENTS

- 0-8%
- 8-15%
- 15-25%
- 25-40%
- 40% +
- Existing Wetland
- Wetland Resotration
- Existing Lift
- Potential Lift
- Existing Main Access Road
- Potential Road
- Potential Development Zone
- Comforable Winter Walking Distance