



UNCHARTED

ECONOMIC RECOVERY COUNCIL
April 24, 2019

DISCUSSION AGENDA

- Thank you and brief introductions
- Establish guiding principles
- Review of draft charter
- Fiscal perspective and recession historical context
- Brief updates from each organization and sector
- Path forward: content, process, communication

INTRODUCTIONS



ECONOMIC RECOVERY COUNCIL

- Dirk de Pagter, Real Estate/CFA
- Dan Jansen, TTB
- Bill Jensen, Telluride Ski & Golf
- Dan Caton, Town of Mountain Village
- Kim Montgomery, Town of Mountain Village
- Todd Brown, Town of Telluride
- Ross Herzog, Town of Telluride
- Anton Benitez, TMVOA
- Bonnie Watson, Telluride Foundation
- Larry Mallard, Lodging
- Richard Betts, Medical Center
- Ray Farnsworth, Restaurateurs
- Pete DeLuca, Construction
- John Duncan, Activities/Outfitters
- Wendy Basham, Retailers
- Kris Holstrom, San Miguel County
- Mike Bordogna, San Miguel County
- Kieffer Parrino, Norwood Mayor
- Matt Skinner, Colorado Flights Alliance
- Michael Martelon, Tourism Board

Balancing size to effectively capture industry segment perspectives.

DRAFT GUIDING PRINCIPLES

In a health crisis, we will follow the lead of our health officials
But we should also plan the recovery of our economy
TTB/CFA convened this group but defer to each organization
Sharing of information with collaboration and coordination
Provide input to our constituencies decision makers
Begin by spotting, but not necessarily resolving issues today
Focus on incremental issues unique to our region/economy

P
R
I
S
T
I
N
E

DRAFT ERC CHARTER

We want to help lead, coordinate and communicate local economic recovery efforts during and following from the COVID-19 PANDEMIC by providing input to all decision makers

- Operate in a phased, data and scenario driven-manner

P
R
I
S
T
I
N
E

FISCAL PERSPECTIVE



Scenarios for the economic impact of the COVID-19 crisis

GDP impact of COVID-19 spread, public health response, and economic policies

Virus spread and public health response

Effectiveness of the public health response in controlling the spread and human impact of COVID-19

Rapid and effective control of virus spread

Strong public health response succeeds in controlling spread in each country within 2-3 months

Effective response, but (regional) virus resurgence

Public health response initially succeeds but measures are not sufficient to prevent viral resurgence so social distancing continues (regionally) for several months

Broad failure of public health interventions

Public health response fails to control the spread of the virus for an extended period of time (e.g., until vaccines are available)

B1
Virus contained, but sector damage; lower long-term trend growth

A3
Virus contained, slow recovery
Virus Contained

A4
Virus contained; strong growth rebound

B2
Virus resurgence; slow long-term growth

A1
Virus resurgence; slow long-term growth
Muted World Recovery

A2
Virus resurgence; return to trend growth
Strong World Rebound

B3
Pandemic escalation; prolonged downturn without economic recovery

B4
Pandemic escalation; slow progression towards economic recovery

B5
Pandemic escalation; delayed but full economic recovery

Ineffective interventions

Self-reinforcing recession dynamics kick-in; widespread bankruptcies and credit defaults; potential banking crisis

Partially effective interventions

Policy responses partially offset economic damage; banking crisis is avoided; recovery levels muted

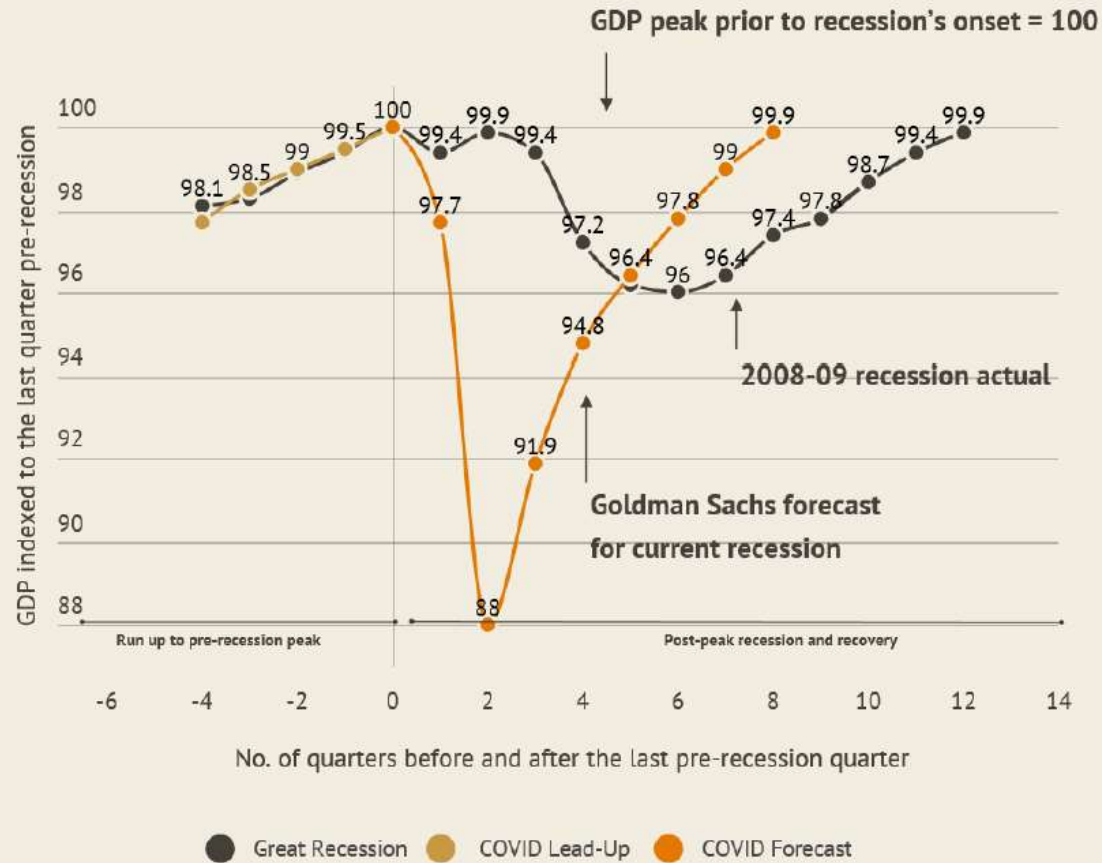
Highly effective interventions

Strong policy responses prevent structural damage; recovery to pre-crisis fundamentals and momentum

Knock-on effects and economic policy response

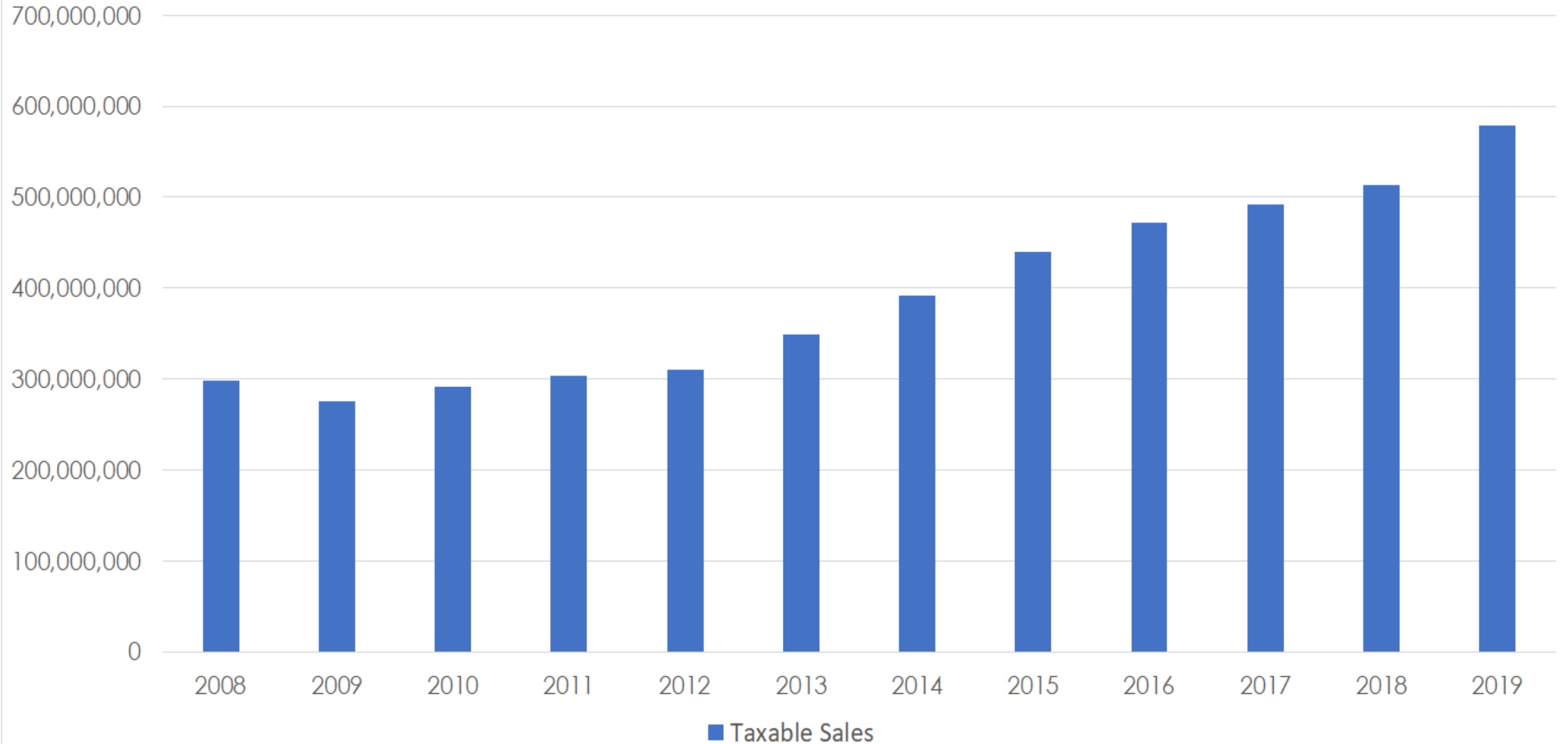
Speed and strength of recovery depends on whether policy moves can mitigate self-reinforcing recessionary dynamics (e.g., corporate defaults, credit crunch)

This Recession's Predicted Profile Differs From 08-09



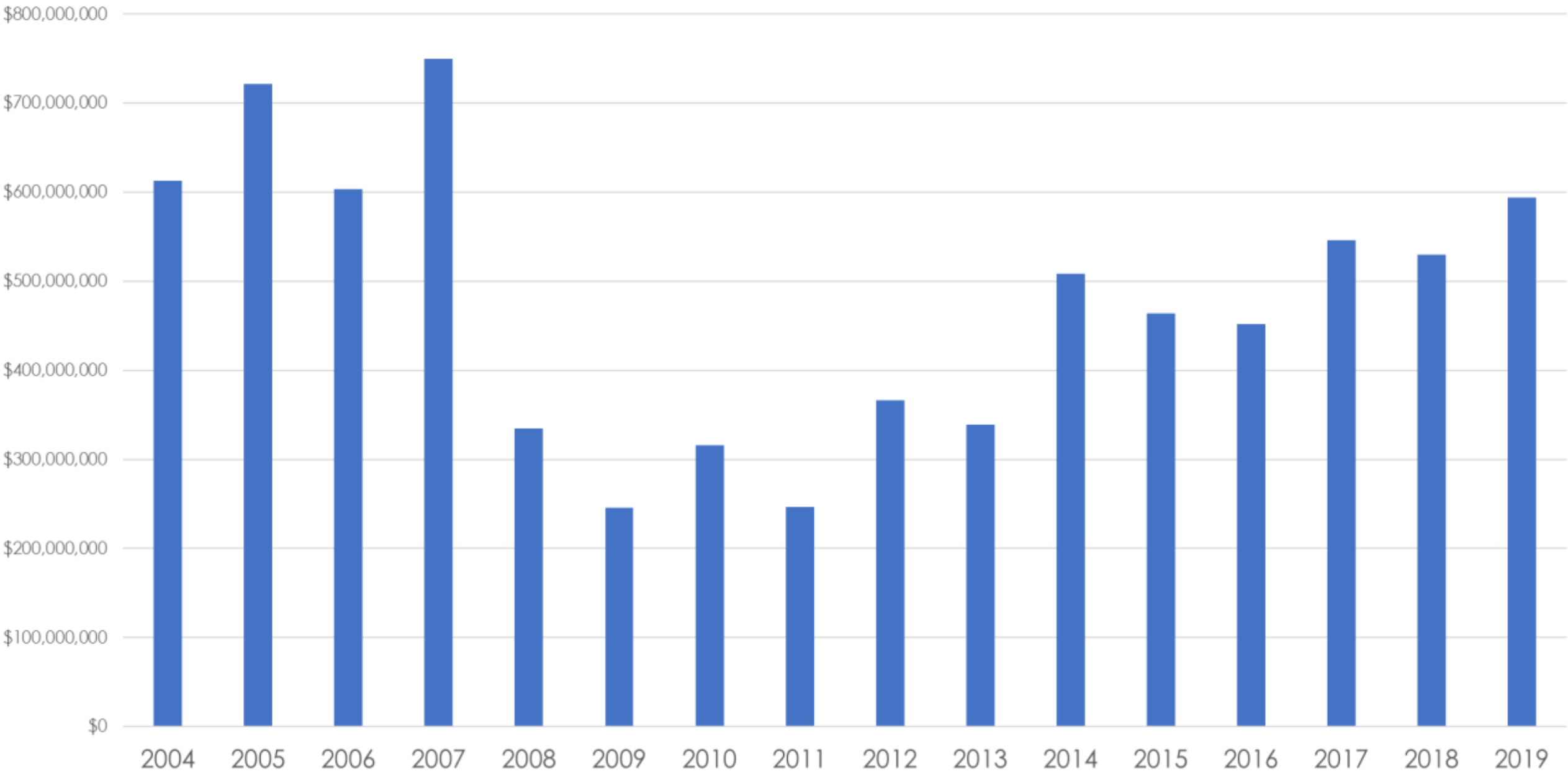
Data sources: Federal Reserve Economic Data (FRED) Real Gross Domestic Product, Billions of Chained 2012 Dollars, Quarterly, Seasonally Adjusted Annual Rate; The US Coronavirus Aid, Relief, and Economic Security Act & the Economic and Investment Implications, Goldman Sachs, Investment Strategy Group, March 31, 2020.
 Note: Pre-recession peak for 2008-09 recession is Q4 2007; that for current recession is Q4 2019.

SALES TAX



REAL ESTATE GROSS SALES VOLUME

San Miguel County



Our Position Pre-Pandemic:

COMPETITIVE SET SALES TAX COMPARISON

2018 vs. 2019

	2018	2019	INCREASE %	INCREASE \$	2018 % of Comp-Set Revenue	2019 % of Comp-Set Revenue	VARIANCE
<u>PARK CITY</u>	\$ 25,092,728	\$ 25,749,910	2.6%	657,182	20.2%	19.3%	-0.9%
<u>KETCHUM/SUN VALLEY</u>	\$ 3,184,798	\$ 3,461,670	8.7%	276,872	2.6%	2.6%	0.0%
<u>VAIL</u>	\$ 27,724,888	\$ 29,322,712	5.8%	1,597,824	22.3%	21.9%	-0.3%
<u>ASPEN DESTINATION</u>	\$ 24,940,779	\$ 27,131,745	8.8%	2,190,966	20.0%	20.3%	0.3%
<u>STEAMBOAT DESTINATION</u>	\$ 25,945,746	\$ 27,914,360	7.6%	1,968,614	20.9%	20.9%	0.0%
<u>CRESTED BUTTE DESTINATION</u>	\$ 6,930,918	\$ 7,046,020	1.7%	115,102	5.6%	5.3%	-0.3%
<u>TELLURIDE DESTINATION</u>	\$ 10,603,404	\$ 13,033,754	22.9%	2,430,350	8.5%	9.8%	1.2%

HISTORIC PERSPECTIVE

WINTER YOY SALES TAX COMPARISON

Telluride Sales Tax	2018-2019			2019-2020		
		+/-			+/-	
DECEMBER	812,970.00	61,035.00	8.1%	932,335.00	119,365.00	14.7%
JANUARY	747,806.00	144,938.00	24.0%	857,582.00	109,776.00	14.7%
FEBRUARY	781,613.00	154,458.00	24.6%	848,349.00	66,736.00	8.5%
MARCH	842,630.00	113,802.00	15.6%	337,052.00	-505,578.00	-60.0%
	\$3,185,019.00	474,233.00	17.5%	\$2,975,318.00	-209,701.00	-6.6%
Mountain Village Sales Tax						
DECEMBER	688,291.17	-69,640.81	-9.2%	731,779.97	43,488.80	6.3%
JANUARY	680,679.01	77,467.58	12.8%	742,305.68	61,626.67	9.1%
FEBRUARY	691,992.74	75,452.84	12.2%	747,426.29	55,433.55	8.0%
MARCH	894,425.19	171,833.70	23.8%	357,770.08	-536,655.11	-60.0%
	\$2,955,388.11	255,113.31	9.4%	\$2,579,282.02	-376,106.09	-12.7%
REGION GRAND TOTAL	\$6,140,407.11	729,346.31	13.5%	\$5,554,600.02	-585,807.09	-9.5%

HISTORIC PERSPECTIVE

SEGMENT - 2019	TOTAL	% of Total
TELLURIDE LODGING	1,707,969	25.6%
TELLURIDE RESTAURANT	2,010,116	30.2%
TELLURIDE RETAIL	2,942,438	44.2%
SUBTOTAL	6,660,523	100.0%
MOUNTAIN VILLAGE LODGING	2,317,959	51.9%
MOUNTAIN VILLAGE RESTAURANT	1,108,070	24.8%
MOUNTAIN VILLAGE RETAIL	1,042,776	23.3%
SUBTOTAL	4,468,805	100.0%
COMBINED LODGING	4,025,928	36.2%
COMBINED RESTAURANT	3,118,186	28.0%
COMBINED RETAIL	3,985,214	35.8%
TOTAL	11,129,328	100.0%



- Manufacturing
- Film Production
- Photo/Still Production
- Special Event
- Wholesale
- Service
- Construction
- Farmer's Market – Food
- Farmer's Market – Retail
- Non-Profit
- Utilities / Telecommunications
- Retail – Out of Town

81%

19%



Regional Tourism Impact - 2018

	Jobs	Output	Labor Income
<u>Total Impacts</u>	<u>(FTE)</u>	<u>(\$ Millions)</u>	<u>(\$ Millions)</u>
Attributable to Tourism	8,068	\$886	\$271
Attributable to Fly	3,980	\$473	\$135
Attributable to Drive	4,088	\$413	\$136



San Miguel County Tourism Impact - 2018

	Jobs	Output	Labor Income
<u>Total Impacts</u>	<u>(FTE)</u>	<u>(\$ Millions)</u>	<u>(\$ millions)</u>
Attributable to Tourism	3,827	\$492	\$151
Attributable to Fly	2,340	\$288	\$87
Attributable to Drive	1,487	\$204	\$64



San Miguel County	2018
DIRECT BASIC JOBS:	
Traditional Basic Industries - Total	369
<i>Agribusiness</i>	181
<i>Mining</i>	43
<i>Manufacturing</i>	39
<i>Government (State & Federal)</i>	106
Regional Center / National Services - Total	356
<i>Communications</i>	2
<i>Construction</i>	1
<i>Finance, Insurance and Real Estate</i>	24
<i>Trade and Transportation</i>	10
<i>Professional and Business Services</i>	12
<i>Education and Health Services</i>	305
Tourism - Total	3,903
<i>Resorts (resorts, attractions, lodging)</i>	2,587
<i>Service (dining, shopping, entertainment)</i>	346
<i>Transportation (airfare, car rental, gas, etc.)</i>	39
<i>Second Homes (construction, upkeep, sales)</i>	930
Households - Total	1,385
<i>Commuters</i>	(185)
<i>HHs with Public Assistance Income</i>	60
<i>Retirees</i>	1,099
<i>HHs with Dividend / Interest / Rental Income</i>	411
TOTAL DIRECT BASIC JOBS	6,010
OTHER CATEGORIES OF JOBS:	
Indirect Basic	1,043
Total Basic (Direct Basic + Indirect Basic)	7,053
Worker/Local Resident Services (Non Basic)	487
Total Local Resident Services (HHs + Non Basic)	1,871
TOTAL - ALL INDUSTRIES	7,541

Source: "Industry Base Analysis," Colorado State Demography Office.

San Miguel County GDP

*Tourism responsible for
79% of Direct Basic Jobs*

BRIEF ORGANIZATION UPDATES



SOME AREAS TO POTENTIALLY SHARE

What scenario does your organization/sector envision?

What critical assumptions are you making?

What key issues need to be resolved and when?

What data and information would be helpful?

Are there any critical interdependencies?

Given all of the uncertainty, please share your best current perspective as much as possible

ECONOMIC RECOVERY COUNCIL

- Bill Jensen, Telluride Ski & Golf
- Kris Holstrom, San Miguel County
- Mike Bordogna, San Miguel County
- Dan Caton, Town of Mountain Village
- Kim Montgomery, Town of Mountain Village
- Todd Brown, Town of Telluride
- Ross Herzog, Town of Telluride
- Anton Benitez, TMVOA
- Larry Mallard, Lodging
- Bonnie Watson, Telluride Foundation
- Richard Betts, Medical Center
- Ray Farnsworth, Restaurateurs
- Pete DeLuca, Construction
- John Duncan, Activities/Outfitters
- Wendy Basham, Retailers
- Kieffer Parrino, Norwood Mayor
- Matt Skinner, Colorado Flights Alliance
- Michael Martelon, Tourism Board
- Dirk dePagter, Real Estate
- Dan Jansen, TTB

PATH FORWARD

Value and focus of this type of discussion going forward?

Evolving our goals and or participation?

Data needs and potential surveys?

Potential reporting from this group and communications?

QUESTIONS

- Bill Jensen, Telluride Ski & Golf
- Kris Holstrom, San Miguel County
- Mike Bordogna, San Miguel County
- Dan Caton, Town of Mountain Village
- Kim Montgomery, Town of Mountain Village
 - Todd Brown, Town of Telluride
 - Ross Herzog, Town of Telluride
 - Dirk dePagter, Real Estate
 - Larry Mallard, Lodging
- Kieffer Parrino, Norwood Mayor

- Bonnie Watson, Telluride Foundation
 - Richard Betts, Medical Center
 - Ray Farnsworth, Restaurateurs
 - Pete DeLuca, Construction
- John Duncan, Activities/Outfitters
 - Wendy Basham, Retailers
 - Anton Benitez, TMVOA
- Matt Skinner, Colorado Flights Alliance
- Michael Martelon, Tourism Board
 - Dan Jansen, TTB