



**BRECKENRIDGE TOWN COUNCIL WORK SESSION**

Tuesday, June 25, 2013; 3:00 PM

Town Hall Auditorium

**ESTIMATED TIMES:** *The times indicated are intended only as a guide. They are at the discretion of the Mayor, depending on the length of the discussion, and are subject to change.*

<b>3:00-3:15pm</b>	<b>I</b>	<b><u>PLANNING COMMISSION DECISIONS</u></b>	<b>2</b>
<b>3:15-3:45pm</b>	<b>II</b>	<b><u>LEGISLATIVE REVIEW*</u></b>	
		Retirement Plan Language	<b>9</b>
		Elected Official, Planning Commission & BOSAC Benefits	<b>13</b>
		BOLT Ordinance Change - Administrative License	<b>16</b>
		Dodge Residence Landmarking	<b>27</b>
		Insurance Limits Ordinance	<b>32</b>
<b>3:45-4:15pm</b>	<b>III</b>	<b><u>MANAGERS REPORT</u></b>	
		Public Projects Update	<b>37</b>
		Housing/Childcare Update	
		Committee Reports	<b>38</b>
		Financials	<b>39</b>
	<b>IV</b>	<b><u>PLANNING MATTERS</u></b>	
<b>4:15-5:55pm</b>	<b>V</b>	<b><u>OTHER</u></b>	
		Events Evaluation Report	<b>50</b>
		F-Lot Study	<b>106</b>
<b>6:00-7:15pm</b>	<b>VI</b>	<b><u>JOINT MEETING WITH BRECKENRIDGE MARKETING ADVISORY COMMITTEE (BMAC)</u></b>	<b>133</b>

Note: Public hearings are not held during Town Council Work Sessions. The public is invited to attend the Work Session and listen to the Council's discussion. However, the Council is not required to take public comments during Work Sessions. At the discretion of the Council, public comment may be allowed if time permits and, if allowed, public comment may be limited. The Town Council may make a Final Decision on any item listed on the agenda, regardless of whether it is listed as an action item. The public will be excluded from any portion of the Work Session during which an Executive Session is held. Report of the Town Manager; Report of Mayor and Council members; Scheduled Meetings and Other Matters are topics listed on the 7:30 pm Town Council Agenda. If time permits at the afternoon work session, the Mayor and Council may discuss these items.

**MEMORANDUM**

**To:** Town Council

**From:** Peter Grosshuesch, Director of Community Development

**Date:** June 19, 2013

**Re:** Planning Commission Decisions of the June 18, 2013, Meeting.

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***DECISIONS FROM THE PLANNING COMMISSION AGENDA OF June 18, 2013:***

**CLASS C APPLICATIONS:**

1) Anderson Residence (JP) PC#2013038, 665 Reiling Road

Construction of a new, single family residence with 4 bedrooms, 4 baths, 3,723 sq. ft. of density and 3,932 sq. ft. of mass for a F.A.R. of 1:5.98. Approved.

2) Egbert Residence (JP) PC#2013046, 237 Champion Trail

Construction of a new single family residence with 3 bedrooms, 3 bathrooms, 2,488 sq. ft. of density and 3,540 sq. ft. of mass for a F.A.R. of 1:5.10. Approved.

**CLASS B APPLICATIONS:**

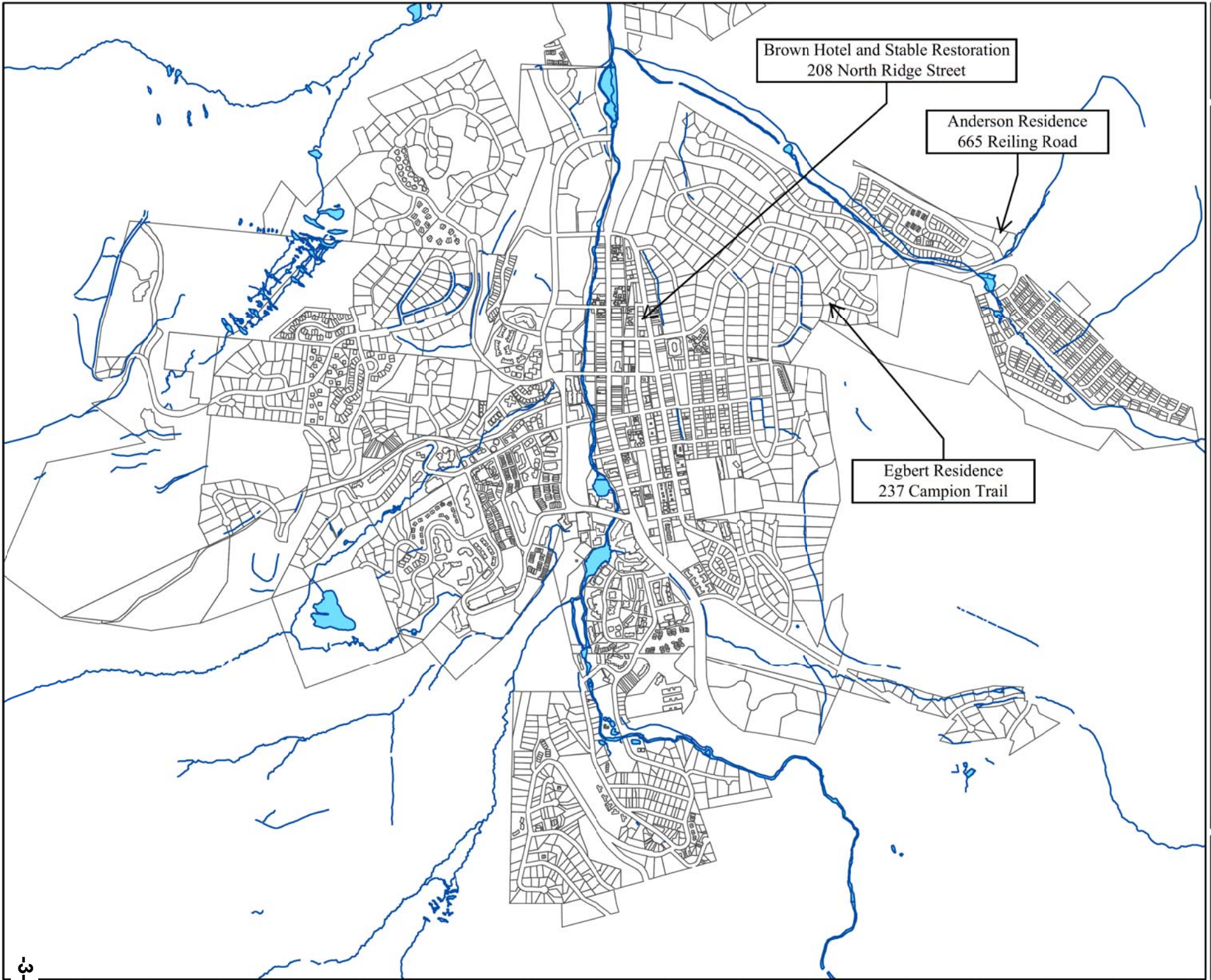
1) The Brown Hotel Stable and Restaurant (MM) PC#2013

Remove the non-historic concrete block addition to the historic hotel located on Lot 6 and future Lot 7A; restore the north wall of the hotel; restore, locally landmark the hotel and stable and add a full basement beneath the historic stable; create a connector between the hotel and stable; add handicapped access and parking from French Street to the property. Four parking spaces for the upstairs residential units are proposed on a future easement on the neighboring future Lot 7A (separate resubdivision permit). Approved.

The Planning Commission also recommended the Town Council adopt an ordinance to Landmark the historic stable based on proposed restoration efforts and the fulfillment of criteria for Architectural and Physical Integrity significance as stated in Section 9-11-4 of the Landmarking Ordinance.

**CLASS A APPLICATIONS:**

None.



NOT TO SCALE

printed 4/12/2011

# Breckenridge South

Town of Breckenridge and Summit County governments assume no responsibility for the accuracy of the data, and use of the product for any purpose is at user's sole risk.



## PLANNING COMMISSION MEETING

The meeting was called to order at 7:00 pm

### ROLL CALL

Kate Christopher            Trip Butler                    Jim Lamb  
Gretchen Dudney            Dan Schroder                Dave Pringle arrived at 7:25pm  
Jennifer McAtamney, Town Council Liaison, arrived at 7:07pm  
Mr. Mamula was absent.

### APPROVAL OF AGENDA

With no changes, the June 18, 2013 Planning Commission meeting agenda was approved unanimously (5-0).

### APPROVAL OF MINUTES

With no changes, the June 4, 2013 Planning Commission meeting minutes were approved unanimously (5-0).

### CONSENT CALENDAR:

1. Anderson Residence (JP) PC#2013038, 665 Reiling Road
2. Egbert Residence (JP) PC#2013046, 237 Campion Trail

Ms. Dudney asked if she could view the materials for the Anderson Residence on Reiling Road. Mr. Schroder said that the point analysis seemed appropriate. Ms. Christopher asked what the status of the HOA review was. (Ms. Puester: It is in process currently.) Ms. Christopher said that if the HOA is okay with it being slightly different than okay with it.

Mr. Schroder made a motion to approve the Consent Calendar as presented. Ms. Christopher seconded, and the motion was carried unanimously (5-0).

### TOWN COUNCIL REPORT:

Ms. McAtamney: The Council decided to move forward with a ballot initiative to support our scholarship program and to do it via a property tax. We did a poll and found a strong support for the initiative at about 75% and the County also did some polling and we felt that it was very positive. It's been a long hard decision. Many preferred a sales tax originally but from a pragmatic standpoint, it was better to go with a real estate tax so that it would not impact the lodging and retail community so hard. Essentially one mill levy will be going away and this will be a smaller mill levy (\$131 on a million dollar home). People will see their tax bill decrease but not by as much as if the childcare issue did not proceed. 60% of families here use some kind of scholarship so it is a very important program for our local families.

Also at the last meeting, we finished the annexation and zoning of the Wakefield property; did some cleanup of Council rules and our sales tax numbers continue to perform very strongly. We have been pleasantly surprised, beating 2007 dollar numbers in almost all categories; the notable exception is utilities and supplies. However, we are starting to see an increase in building supplies, as you guys know.

We will be seeing the report from the hotel consultants on the F Lot at our next meeting. Yesterday we had a ground breaking at the Arts District and we are very excited about that. We will be having a ground breaking on July 6<sup>th</sup> for the Harris Street Building. The Council is very excited. Next time when I come I will speak to you about the Riverwalk Center and what the future of the Riverwalk Center and the Arts District will be; we are still working through some of that process.

Mr. Schroder: I had a neighbor express concern over the lack of vendors at the 'World Market' and was

disappointed as to how insignificant that it seemed. Maybe we should push some vitality into that.

Ms. McAtamney: That is not a Town event; that is the Main Street Station although I understand the concern. I go to the Dillon Market almost every Friday. I think that the Farmer's Market is really an asset to that community.

Lastly, on July 2nd, we are going to be taking a tour of our new sanitation facility and public works building. We are really focused on water; if you have the opportunity, pick up the Blue Revolution book. It's a review of the water crisis in the US. You'll be hearing a lot more about that as time goes on. We all read it before the retreat, and it's something that we've agreed to really work on. The rodeo starts very soon (answering a question from Ms. Dudney). We are also really excited about the ProCycling Challenge; it's going to be very exciting.

We had asked the Staff to find a way to evaluate events regarding ROI, how does it fit our needs, etc., to take an honest look at them as to how they might be enhanced. We will be looking at the initial templates for that soon.

#### **FINAL HEARINGS:**

1. The Brown Hotel and Stable Restoration (MM) PC#2012005, 208 North Ridge Street

Mr. Mosher presented a proposal to remove the non-historic concrete block addition to the historic hotel located on Lot 6 and future Lot 7A; restore the north wall of the hotel; restore, locally landmark the hotel and stable and add a full basement beneath the historic Stable; create a connector between the hotel and stable; and add handicapped access and parking from French Street to the property. Four parking spaces for the upstairs residential units are proposed on a future easement on the neighboring future Lot 7A (separate resubdivision permit).

#### **Changes from the February 7, 2012 Preliminary Hearing**

- The Town Council processed a Development Agreement (attached) with the applicant on April 9, 2013. The agreement lists a:
  1. Commitment to remove north non-historic addition and restore the north elevation of the historic Hotel.
  2. Commitment to restore the historic Stable.
  3. Commitment to pursue an individual listing of the Hotel and Stable on the National Register of Historic Places.

The Agreement also:

4. Allows the square footage of the portion of the non-historic concrete block addition on Lot 6 to be counted as existing density.
  5. Allows up to 360 square feet of additional density for the proposed connector link.
  6. Allows the waiver of all parking requirements for the non-residential uses (bar/restaurant).
  7. Allows for the subdivision of Lot 7 into two separate lots that are less than 5,000 square feet.
  8. Allows the residential parking requirements to be located on the neighboring future Lot 7B with a platted easement.
  9. Waives the open space requirement associated with the re-subdivision of Lot 7.
  10. Provides a timing requirement for any improvements for both Lot 6 and Lot 7.
- Access to the proposed kitchen below the Stable is now shown at the north end of the site through the residential parking area on the future Lot 7A.
  - The windows on the south elevation of the connector link have been changed to abide with the Design Standards of the *Handbook of Design Standards for the Historic and Conservation Districts* and the *Design Standards for the Historic District Character Area #2, North End Residential*. (The Commission was mixed on the connector link windows previously.)

- The drawings reflect additional detail on the restoration of the Hotel and Stable.

At the last meeting, the Commission was comfortable with recommending that own Council process the Development Agreement. There was also support for positive twelve (+12) points for the restoration efforts.

The agent has the following response to the design criteria:

1. The secondary structure (stable) is wider than the primary structure (hotel).
2. The upper level bathrooms, used for the hotel rooms, are housed in a preexisting addition that does not meet the criteria for a connector. Adding a narrower connector beneath would still not meet the criteria of Policy 80A.
3. As with any historic property, the building and site conditions are unique. As noted above under Item History, the Brown Hotel offered the first bath tub in Breckenridge. We're certain that toilets were located in outhouses away from the hotel. Subsequently, with any proposed improvements, modern, code compliant restrooms are required. Rather than remove historic fabric inside the hotel, the applicant is proposing to locate the restrooms in the new link.
4. The west wall of the barn, facing the hotel, has articulated historic openings that the applicant wants to preserve and protect. Adding a narrower functional connector would impact these openings. The current design has them inside the building rather than outside.
5. The existing layout of the restaurant and bar function better with the kitchen having access to the dining area without carrying meals for dining patrons through the bar. All access to the restroom can occur through the bar.

This proposal includes the following restoration and preservation efforts:

1. Removing the non-historic concrete block addition and restoring the historic wall and openings
2. Stabilizing, restoring, and adding a new foundation to the Stable (secondary structure)
3. Restoration/preservation of the Hotel and Stable, bringing the site back to its appearance at a particular moment in time within the Town's period of significance by reproducing a pure style and respecting the historic context of the site, but falling short of a pristine restoration (i.e. - this has an addition).

Staff had one question for the Commission: Did the Commission support having the Applicant submit an application for a variance from Priority Policy 80A of the *Handbook of Design Standards for the Conservation Districts*?

Ms. Janet Sutterley, Architect: I wanted to clarify a couple of things; on the density. To elaborate on what Mr. Mosher explained with the approved Development Agreement the density increase was for the connector, above what is on the site already is all below grade. Visually, the above ground density is a 'wash'. Also as a reminder, there is nothing being done in the interior of the hotel, all of the improvements and restoration is all outside. The Stable is being restored and the interior rehabilitated for another use. We are showing restoration of the hotel window openings; most are in pretty good shape but some need repaired/replaced. We are working towards submitting to the National Register for landmarking. Their criteria is that 3 out of the 4 sides of the buildings remain unchanged in order to meet the historic criteria. We were meeting the setback criteria for the length connector (regarding the connector); there were 3 additional openings being protected on the Stable.

Ms. Dudney opened the hearing to public comment.

Mr. Lee Edwards, property owner a block away: I would like to see the existing building and property to the north of Lot 7 as a reference point. To follow up on what Ms. Sutterley was saying, there is no work to be done on the non-historic two story element on the hotel, remaining just as it is, right? (Ms. Sutterley: Yes that is correct; only the two windows will be changed to be historically compliant. Ms. Sutterley: Pointed out the

two windows.) The status of the footprint lots itself; is it not approved yet? (Ms. Dudney: The condition of this portion is part of the Development Agreement and not part of tonight's review.) Let me refine that. The residences? (Ms. Dudney: No, those are not part of our discussion tonight.) The stone chimney is going to remain? (Ms. Dudney: Yes.) What are the stables going to be used for? (Ms. Sutterley: They are envisioning a place for expansion of the bar and restaurant needs, small weddings, things like that.) I'm trying to verify that this Application does not deal with the residences. I didn't get a chance to read all of the comments; what will happen to the rest of the property? (Mr. Mosher: Any future applications would be after this. The applicant needs to subdivide the property to pay for the restoration so the subdivision will come in shortly after this approval.) (Ms. Dudney: But there is no condition that they build that now. It is all in the Development Agreement) So, the parking lot might stay for the next 10 years, just like it is.

Ms. Monique Merrill, 212 North Ridge Street: I loved hearing about the restoration being done to the ground; but I'm concerned about the parking lot. If it all goes away. Are we losing the lot now? (Mr. Mosher: At this point the Development Agreement has given them the right to develop two homes where people park now.) (Ms. Dudney: You can kind of see on the drawing the residential footprints are just theoretical.) This second step might happen first (sell the property, and then the restoration). (Mr. Mosher: The historic restoration is primary, and in order to fund it, the land needs to be sold. It is best if you could review the attached Development Agreement. I'll send you a copy of the Development Agreement if you like and explain it after the meetings.) Do you know the timeline for any construction? (Mr. Mosher: These are details that will come forward during Development Review.) (Ms. Dudney: The houses could be years down the road.)

Allen Peterson (married to Monique Merrill), 212 North Ridge Street: So, there is obviously a lot of parking that is there; most evenings the lot is completely full with overnight parking. That lot will no longer exist, and two additional residences added, where are they supposed they park? (Mr. Mosher: The residential parking will be on-site in garages. The four spaces for the hotel are on Lot 7A with an easement. Right now, Mr. Cavanaugh owns this property and there is no real parking lot, just open dirt; also, with the Development Agreement, the town is providing the parking needs for the commercial and bar needs in the service area. There are also plans to add parking on Ridge Street).

There was no further public comment and the worksession was closed.

*Commissioner Questions / Comments:*

Mr. Pringle: I appreciate your changing the wall of glass to the windows; I think the Town Council has worked very hard to come to an Agreement which allows this to go forward. I'm glad to see this, which preserves the hotel's state. Would we entertain a Variance? I certainly would; it's a solution that needs to happen and the circumstances weren't caused by the Applicant.

Mr. Schroder: The connector doesn't meet the policy criteria; I agree with Mr. Pringle, it makes me feel better that the fabric is there; it is a hardship borne by circumstances.

Mr. Lamb: I agree with everything that has been said; I agree with the connector link; it might not be exactly what the code says but we are doing the right thing.

Ms. Dudney: I agree both with the variance and the design.

Mr. Butler: I agree, although I liked the glass connector personally.

Ms. Christopher: I agree with the variance and I'm glad that we changed the glass on the connector to be historic in appearance.

Ms. Christopher made a motion to approve the point analysis for the Brown Hotel and Stable Restoration, PC#2012005, 208 North Ridge Street. Mr. Pringle seconded, and the motion was carried unanimously (6-0).



Ms. Christopher made a motion to approve the Brown Hotel and Stable Restoration, PC#2012005, 208 North Ridge Street, with the presented Findings and Conditions. Mr. Pringle seconded, and the motion was carried unanimously (6-0).

Ms. Christopher made a motion to recommend the Town Council adopt an ordinance to Landmark the historic stable based on proposed restoration efforts and the fulfillment of criteria for Architectural and Physical Integrity significance as stated in Section 9-11-4 of the Landmarking Ordinance. Mr. Pringle seconded, and the motion was carried unanimously (6-0).

**OTHER MATTERS:**

Ms. Puester asked to confirm there will be a quorum on July 2. A raise of hands showed there would be.

**ADJOURNMENT:**

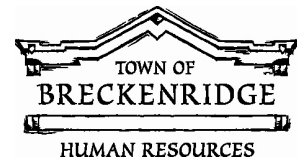
The meeting was adjourned at 7:55pm.

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Gretchen Dudney, Chair



# MEMORANDUM



**TO:** Town Council  
**FROM:** Sherilyn Gourley, HR Manager  
**DATE:** June 17, 2013  
**SUBJECT:** Amendments to Town Code – Retirement Plan

***There have been no changes in the proposed ordinance from the June 11, 2013 first reading. The information below was included in that council packet.***

Human Resources staff recently reviewed the Town Code language as it relates to the Employee Retirement Plan. This memorandum summarizes the amendments to the Code that are necessary to bring it up to date and to permit greater flexibility in the event future changes to the various plans are made.

## I. Background

The Town currently maintains three (3) retirement plans, administered through the International City Management Association (ICMA) Retirement Corporation (RC). *These plans include:*

- a. 401a – Employees (Employer contribution, amount depending on years of service)
- b. 457 – Employees (Deferred compensation – no employer contribution)
- c. 401a – Town Manager (Separate plan - Employer & town manager may contribute)

## II. Issues with the Current Town Code Language

*The following issues exist with respect to the current language:*

- Eligibility: The current code indicates that “regular full-time” employees are eligible. In fact, all “regular” employees are eligible, including  $\frac{3}{4}$  “regular” employees.
- 401a Employee Plan: The current code reflects an outdated 7% employer contribution to individual accounts. Changes to the employee 401a plan document were made several years ago that enable the employee to receive an additional 2% employer contribution after six (6) years in a benefit-eligible position, for a total 9% employer contribution. In addition, the employee must defer 1% to qualify for 9%.
- 401a Town Manager Plan: The current code language is not flexible and is specific to the current contract and current plan document only. Changes to the Town Manager 401 could feasibly occur in any new contract drafted for this individual or future individuals in this position.

## III. Staff Recommendation

HR staff recommends that the language in the code be amended so that future code revisions are not required with each retirement plan change. Benefit plan changes would be reflected in separate retirement plan documents with ICMA-RC that are approved by the Town’s management and approved by Council as part of the budget approval. *Staff recommends general content in Chapter 10 to address the following:*

- Plan Provisions: A general statement that eligibility; plan requirements; amount of employee and employer contributions; and other provisions as necessary may be outlined specifically in plan documents
- Council Authority: A general statement that indicates council will budget, appropriate, and authorize the payment of contributions required by the town
- Town Manager Authority: A general statement that indicates the Town manager or other Town officer has authority within their scope of duties to take action

**Question:** *Does Council concur with the language amending the code as it relates to Retirement benefits?*

Please let me know what additional questions you have regarding these requested changes to the Town Code.

1 **FOR WORKSESSION/SECOND READING – JUNE 25**

2  
3 **NO CHANGE FROM FIRST READING**

4  
5 Additions To The Current Breckenridge Town Code Are  
6 Indicated By **Bold + Double Underline**; Deletions By ~~Strikeout~~

7  
8 COUNCIL BILL NO. 23

9  
10 Series 2013

11  
12 AN ORDINANCE REPEALING AND READOPTING WITH CHANGES CHAPTER 10 OF  
13 TITLE 1 OF THE BRECKENRIDGE TOWN CODE CONCERNING TOWN EMPLOYEE  
14 RETIREMENT PLANS

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16 BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF BRECKENRIDGE,  
17 COLORADO:

18  
19 Section 1. Chapter 10 of Title 1 of the Breckenridge Town Code, entitled “Employee’s  
20 Retirement Plan”, is repealed and readopted with changes so as to read in its entirety as follows:

21  
22 **CHAPTER 10**

23  
24 **EMPLOYEE’S RETIREMENT PLANS**

25  
26 **SECTION:**

27  
28 **1-10-1: Employee Retirement Plans Authorized**

29 **1-10-2: Town Manager Retirement Plan**

30 **1-10-3: Required Plan Provisions**

31 **1-10-4: Employer Contributions**

32 **1-10-5: Ratification Of Prior Acts:**

33  
34 **1-10-1: EMPLOYEE RETIREMENT PLANS AUTHORIZED: The Town**  
35 **Manager is authorized to enter into one or more retirement plans for the**  
36 **Town’s regular employees.**

37  
38 **1-10-2: TOWN MANAGER RETIREMENT PLAN: In addition to other**  
39 **employee retirement plans entered into on behalf of the Town pursuant to**  
40 **Section 1-10-1, the Town may agree as part of an employment contract to**  
41 **enter into a separate retirement plan for the use and benefit of the Town**  
42 **Manager.**

43  
44 **1-10-3: REQUIRED PLAN PROVISIONS: Any employee retirement plan**  
45 **entered into on behalf of the Town pursuant to this Chapter shall describe,**

1 without limitation, those Town employees who are eligible to participate in  
2 the plan; the requirements for an employee to participate in the plan; the  
3 vesting of benefits under the plan; the amount of any contributions required  
4 by the employee and the Town; the factors to be considered in determining  
5 the amount of the Town's contribution to the plan; and other provisions  
6 determined to be necessary or desirable by the Town.

7  
8 1-10-4: EMPLOYER CONTRIBUTIONS: The Town Council shall annually  
9 budget, appropriate, and authorize the payment of any contribution required  
10 of the Town under an employee retirement plan entered into on behalf of the  
11 Town pursuant to this Chapter.

12  
13 1-10-5: RATIFICATION OF PRIOR ACTS: All actions taken by the Town  
14 Manager or any other Town officer or employee acting within the course and  
15 scope of their employment with respect to any retirement plan for Town  
16 employees or officers is ratified, confirmed, and approved.

17  
18 Section 2. Except as specifically amended hereby, the Breckenridge Town Code, and the  
19 various secondary codes adopted by reference therein, shall continue in full force and effect.

20  
21 Section 3. The Town Council hereby finds, determines and declares that it has the power  
22 to adopt this ordinance pursuant to the authority granted to home rule municipalities by Article  
23 XX of the Colorado Constitution and the powers contained in the Breckenridge Town Charter.

24  
25 Section 4. This ordinance shall be published and become effective as provided by  
26 Section 5.9 of the Breckenridge Town Charter.

27  
28 INTRODUCED, READ ON FIRST READING, APPROVED AND ORDERED  
29 PUBLISHED IN FULL this \_\_\_\_ day of \_\_\_\_\_, 2013. A Public Hearing shall be held at the  
30 regular meeting of the Town Council of the Town of Breckenridge, Colorado on the \_\_\_\_ day of  
31 \_\_\_\_\_, 2013, at 7:30 P.M., or as soon thereafter as possible in the Municipal Building of the  
32 Town.

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34 TOWN OF BRECKENRIDGE, a Colorado  
35 municipal corporation

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39 By \_\_\_\_\_  
40 John G. Warner, Mayor  
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1 ATTEST:

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Helen Cospolich  
Town Clerk

# MEMORANDUM



**TO:** Town Council  
**FROM:** Sherilyn Gourley, HR Manager  
**DATE:** June 17, 2013  
**SUBJECT:** *Amendments to Town Code*  
*Elected Official, Planning Commission and Open Space Commission Benefits*

***There have been no changes in the proposed ordinance from the June 11, 2013 first reading. The information below was included in that council packet.***

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The Breckenridge Town Council recently recommended changes to the benefit programs for future Elected Officials, Planning Commission (PC) and Breckenridge Open Space Advisory Commission (BOSAC). This memorandum summarizes the amendments to Town Code that are necessary to support these changes.

## **I. Elected Official Insurance – Cost of Coverage**

***Background:*** During the recent spring retreat, staff presented Council with survey data and information related to the cost of insurance coverage – or rates – for elected officials. Comparison entity insurance rates charged to elected officials were compared to the Town’s. Following that presentation, Council determined that the rates charged to Town elected officials should be consistent with the rates charged active/current/eligible Town employees. Direction was given to staff that the new insurance rates would only be available to members elected at the Town’s regular election April 2014 and in subsequent elections.

***Staff Recommendation:*** Section 1 in the attached ordinance describes the change requested by the Council.

***Question:*** *Does Council concur with the language amending the code as it relates to the costs (rates) that will be charged to future elected council members for insurance coverage?*

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## **II. PC and BOSAC Benefits**

***Background:*** During the budget retreat in the fall of 2012, the Council authorized a \$500 annual recreation benefit for PC and BOSAC appointees. However, such benefits for PC and BOSAC are not referenced in the Town Code, and should be addressed in some manner.

***Staff Recommendation:*** As recreation benefit programs can change from time to time, HR Staff recommends greater flexibility in the Code language for PC and BOSAC appointees. These amendments will enable the Town to alter recreation or similar benefits for these two commissions without further changes to Town Code. The actual benefits provided will be reflected in the Town’s policies, practices or plans as authorized by the amended code change. Section 2 in the attached ordinance applies to the Planning Commission and Section 3 applies to BOSAC.

***Question:*** *Does Council concur with the language amending the code as it relates to PC and BOSAC benefits?*

Please let me know what additional questions you have regarding these changes to the Town Code.

1 **FOR WORKSESSION/SECOND READING – JUNE 25**

2  
3 **NO CHANGE FROM FIRST READING**

4 Additions To The Current Breckenridge Town Code Are  
5 Indicated By **Bold + Double Underline**; Deletions By ~~Strikeout~~

6  
7  
8 COUNCIL BILL NO. 24

9  
10 Series 2013

11  
12 AN ORDINANCE CONCERNING BENEFITS PROVIDED TO MEMBERS OF THE TOWN  
13 COUNCIL, THE PLANNING COMMISSION, AND THE OPEN SPACE ADVISORY  
14 COMMISSION

15  
16 BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF BRECKENRIDGE,  
17 COLORADO:

18  
19 Section 1. Section 1-7-1(A) of the Breckenridge Town Code is amended by the addition  
20 of a new subsection (6), which shall read in its entirety as follows:

21  
22 **6. Insurance: For those members of the Town Council elected at the Town's**  
23 **regular election to be held April 1, 2014, and for all members of the Town**  
24 **Council and the Mayor elected or appointed to office thereafter, the cost of**  
25 **participating in the Town's health insurance plans shall be the same as the**  
26 **cost paid by the active/current/eligible Town employees who participate in**  
27 **such plans.**

28  
29 Section 2. The Breckenridge Town Code is amended by the addition of a new Section  
30 2-2-10, which shall read in its entirety as follows:

31  
32 **2-2-10: BENEFITS: In addition to the compensation described in Section**  
33 **2-2-9, planning commission members shall receive such benefits from the**  
34 **Town as may be provided by from time to time by Town policies, practices,**  
35 **or plans.**

36  
37 Section 3. The Breckenridge Town Code is amended by the addition of a new Section  
38 2-4-4-1, which shall read in its entirety as follows:

39  
40 **2-4-4-1: BENEFITS: In addition to the compensation described in Section**  
41 **2-4-4, commission members shall receive such benefits from the Town as may**  
42 **be provided by from time to time by Town policies, practices, or plans.**

43  
44 Section 4. Except as specifically amended hereby, the Breckenridge Town Code, and the  
45 various secondary codes adopted by reference therein, shall continue in full force and effect.

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Section 5. The Town Council hereby finds, determines and declares that it has the power to adopt this ordinance pursuant to the authority granted to home rule municipalities by Article XX of the Colorado Constitution and the powers contained in the Breckenridge Town Charter.

Section 6. This ordinance shall be published and become effective as provided by Section 5.9 of the Breckenridge Town Charter.

INTRODUCED, READ ON FIRST READING, APPROVED AND ORDERED PUBLISHED IN FULL this \_\_\_\_ day of \_\_\_\_\_, 2013. A Public Hearing shall be held at the regular meeting of the Town Council of the Town of Breckenridge, Colorado on the \_\_\_\_ day of \_\_\_\_\_, 2013, at 7:30 P.M., or as soon thereafter as possible in the Municipal Building of the Town.

TOWN OF BRECKENRIDGE, a Colorado  
municipal corporation

By \_\_\_\_\_  
John G. Warner, Mayor

ATTEST:

\_\_\_\_\_  
Helen Cospolich  
Town Clerk



**TO:** BRECKENRIDGE TOWN COUNCIL  
**FROM:** BRIAN WALDES, FINANCIAL SERVICES MANAGER  
**SUBJECT:** BOLT ADMINISTRATIVE LICENSE  
**DATE:** 6/14/13  
**CC:** TIM GAGEN, RICK HOLMAN

---

The attached modification to the Town of Breckenridge Business and Occupational License and Tax (BOLT) Ordinance proposes the creation of a new business license category; the Administrative License. This license category will enable the Financial Services Manager to grant a business license without an associated fee in certain circumstances. This item will be up for second reading tonight.

1 **FOR WORKSESSION/SECOND READING – JUNE 25**

2  
3 **NO CHANGE FROM FIRST READING**

4  
5 Additions To The Current Breckenridge Town Code Are  
6 Indicated By **Bold + Double Underline**; Deletions By ~~Strikeout~~

7  
8 COUNCIL BILL NO. 25

9  
10 Series 2013

11  
12 AN ORDINANCE AMENDING CHAPTER 1 OF TITLE 4 OF THE BRECKENRIDGE TOWN  
13 CODE, KNOWN AS THE “TOWN OF BRECKENRIDGE “BUSINESS AND  
14 OCCUPATIONAL LICENSES AND TAX ORDINANCE”, BY AUTHORIZING THE  
15 FINANCIAL SERVICES MANAGER TO ISSUE AN ADMINISTRATIVE BUSINESS AND  
16 OCCUPATIONAL LICENSE; ESTABLISHING THE REQUIREMENTS FOR AN  
17 ADMINISTRATIVE BUSINESS AND OCCUPATIONAL LICENSE; AND MAKING  
18 ADDITIONAL MISCELLANEOUS AMENDMENTS TO SUCH ORDINANCE

19  
20 BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF BRECKENRIDGE,  
21 COLORADO:

22  
23 Section 1. Section 4-1-2 of the Breckenridge Town Code is amended by the addition of the  
24 following definitions:

25  
**ADMINISTRATIVE LICENSE:**                      **A license issued by the Financial Services**  
**MANAGER pursuant to Section 4-1-8-2 of this**  
**Chapter.**  
  
**FINANCIAL SERVICES**                              **The Financial Services Manager of the**  
**MANAGER:**    **Town, or such person’s designee.**

26  
27 Section 2. The definition of “Licensee” in Section 4-1-2 of the Breckenridge Town Code is  
28 amended to read as follows:

LICENSE:    A license issued by the ~~town clerk~~ **financial**  
**services manager** pursuant to this chapter.

29  
30 Section 3. The definition of “Licensed Premises” in Section 4-1-2 of the Breckenridge  
31 Town Code is amended to read as follows:

LICENSED PREMISES:                              A premises for which a license has been issued



1 B. Before denying an application the ~~town clerk~~**financial services manager** shall  
2 cause a hearing to be held using the general procedures provided for the revocation  
3 of a license in section 4-1-10-1 of this chapter. In the event an application is denied,  
4 the ~~town clerk~~**financial services manager** shall deliver to the applicant a written  
5 order of denial stating the reason for denial, together with a refund of the license fee  
6 submitted with the application.  
7

8 Section 7. Section 4-1-8(A) of the Breckenridge Town Code is amended to read as  
9 follows:  
10

11 A. Public Streets And Rights Of Way: It shall be unlawful to conduct any business  
12 on the public streets or public rights of way in the town **without a permit issued**  
13 **pursuant to chapter 15 of this title, or as otherwise authorized by applicable**  
14 **law.**  
15

16 Section 8. Section 4-1-8-1 of the Breckenridge Town Code is amended to read as follows:  
17

18 4-1-8-1: SPECIAL CONDITIONS OF LICENSE; SINGLE-FAMILY  
19 ACCOMMODATION UNITS:  
20

21 A. Special Conditions: In addition to the other requirements of this chapter, the  
22 owner of a single-family accommodation unit licensed pursuant to this chapter  
23 shall, as a condition of such license, be subject to the following requirements:  
24

25 1. The motor vehicles of all occupants of the single-family accommodation unit  
26 shall be parked only on the site of the single-family accommodation unit, or in a  
27 town designated parking area located off of the site of the single-family  
28 accommodation unit. No motor vehicles shall be parked on the lawn or landscaped  
29 areas of a single-family accommodation unit, or in the public street or right of way  
30 adjacent to the single-family accommodation unit. No person shall be permitted to  
31 stay overnight in any motor vehicle which is parked at a single-family  
32 accommodation unit. Further, all motor vehicles parked at a single-family  
33 accommodation unit shall comply with the requirements and be subject to the  
34 limitations of section 9-3-11 of this code.  
35

36 2. No privately owned, nongovernmental vehicle with a passenger capacity of  
37 sixteen (16) persons or more shall be used to transport persons to or from a  
38 single-family accommodation unit, or parked upon the premises of a single-family  
39 accommodation unit.  
40

41 3. The storage and disposal of all trash and garbage from a single-family  
42 accommodation unit shall comply with the requirements of title 5, chapter 2 of this  
43 code.  
44

1 4. While occupying a single-family accommodation unit, no person shall: a) make,  
2 cause or control unreasonable noise upon the single-family accommodation unit  
3 which is audible upon a private premises that such occupant has no right to occupy  
4 in violation of subsection 6-3C-1A2 of this code, or b) violate title 5, chapter 8 of  
5 this code.

6  
7 5. No single-family accommodation unit shall be operated in such a manner as to  
8 constitute a nuisance pursuant to title 5, chapter 1 of this code.

9  
10 6. The licensee shall provide to the ~~town clerk~~ **financial services manager** the  
11 name, address and telephone number of any current management company, rental  
12 agency or other person employed or engaged by the licensee to manage, rent or  
13 supervise the single-family accommodation unit. It shall be the duty of the licensee  
14 to update such information throughout the term of the license so that the ~~town~~  
15 ~~clerk~~ **financial services manager** always has the correct and current information.

16  
17 7. At the time of the issuance of the license the licensee shall provide to the ~~town~~  
18 ~~clerk~~ **financial services manager** the name, address and telephone number of a  
19 local contact person who is authorized by the licensee to receive communications  
20 from the town concerning the single-family accommodation unit. The local contact  
21 person may be a management company, rental agent or other person employed or  
22 engaged by the licensee to manage, rent or supervise the single-family  
23 accommodation unit. The local contact person shall maintain a residence or  
24 permanent place of business within the town. The designated local contact person  
25 may be changed by the licensee from time to time throughout the term of the  
26 license. To effect such change, the licensee shall notify the ~~town clerk~~ **financial**  
27 **services manager** of the change in writing and shall, at the same time, provide the  
28 ~~town clerk~~ **financial services manager** with the name, address and telephone  
29 number of the licensee's replacement contact person. Any replacement contact  
30 person shall meet the requirements of this subsection A7.

31  
32 B. Owner Liable: Compliance with the special conditions set forth in subsection A  
33 of this section shall be the nondelegable responsibility of the owner of a  
34 single-family accommodation unit; and each owner of a single-family  
35 accommodation unit shall be strictly liable for complying with the conditions set  
36 forth in subsection A of this section.

37  
38 C. Licensee To Receive Special Conditions: At the time of the issuance of a license,  
39 the ~~town clerk~~ **financial services manager** shall provide the licensee with a copy of  
40 the special conditions set forth in subsection A of this section.

41  
42 D. Licensee To Post License And Special Conditions: The licensee shall post a  
43 copy of the license and the special conditions set forth in subsection A of this  
44 section in a conspicuous location in the single-family accommodation unit. The

1 license and the special conditions shall remain continuously posted in the  
2 single-family accommodation unit throughout the term of the license.

3  
4 E. Licensee To Provide Management Company With Special Conditions: The  
5 licensee shall provide any management company, rental agency or other person  
6 employed or engaged by the licensee to manage, rent or supervise the single-family  
7 accommodation unit with a copy of the special conditions set forth in subsection A  
8 of this section.

9  
10 F. Revocation Or Suspension Of License: The failure of the licensee of a  
11 single-family accommodation unit to comply with the special conditions set forth  
12 in subsection A of this section shall constitute grounds for the suspension or  
13 revocation of the license. Any action to suspend or revoke the license shall be  
14 conducted by the ~~town clerk~~ **financial services manager** in accordance with  
15 section 4-1-10-1 of this chapter.

16  
17 Before an action is commenced to suspend or revoke a license for a single-family  
18 accommodation unit, the ~~town clerk~~ **financial services manager** shall first provide  
19 the licensee with a written warning that an apparent violation of the special  
20 conditions of subsection A of this section has occurred, and the licensee shall be  
21 given a reasonable opportunity to cure such apparent violation. A copy of such  
22 warning notice shall also be sent to any management company, rental agency or  
23 other person employed or engaged by the licensee to manage, rent or supervise the  
24 licensed premises who has been properly identified by the licensee pursuant to  
25 subsection A6 of this section and to the local contact person identified by the  
26 licensee pursuant to subsection A7 of this section. Not more than one written  
27 warning shall be required to be sent during the term of each license.

28  
29 Section 9. Chapter 1 of Title 4 of the Breckenridge Town Code is amended by the addition  
30 of a new Section 4-1-8-2, to be entitled “Administrative License”, which shall read in its entirety  
31 as follows:

32  
33 **4-1-8-2: ADMINISTRATIVE LICENSE: The Financial Services Manager may**  
34 **issue an administrative business and occupational license to an applicant if doing so**  
35 **would be in the best interest of the Town because either: (1) the Town is the**  
36 **applicant’s only customer within the Town limits; or (2) the only location within**  
37 **the Town limits at which the applicant does business is a Town-owned facility.**  
38 **All provisions of this Chapter shall apply to an administrative business and**  
39 **occupational license issued pursuant to this Chapter unless the Financial Services**  
40 **Manager determines otherwise; provided, however, there shall be no license fee**  
41 **required in connection with such license. The Financial Services Manager may issue**  
42 **administrative regulations governing administrative business and occupational**  
43 **licenses issued pursuant to this Section.**

1  
2 Section 10. Section 4-1-10 of the Breckenridge Town Code is amended to read as follows:

3  
4 4-1-10: ADMINISTRATION AND ENFORCEMENT:

5  
6 A. Administration: The administration of the annual business licenses required by  
7 this chapter shall be vested in the ~~town clerk~~ financial services manager who is  
8 authorized to do the following:

9  
10 1. Collect license fees;

11  
12 2. Adopt all forms and prescribe the information to be given therein;

13  
14 3. Promulgate and enforce all reasonable rules and regulations necessary to the  
15 operations and enforcement of this chapter. Such administrative rules and  
16 regulations shall be adopted in accordance with the procedures established by  
17 Chapter 18 of Title 1 of this Code;

18  
19 4. Investigate and determine the eligibility of each applicant for an annual business  
20 license;

21 5. Investigate, determine and order the revocation or suspension of an annual  
22 business license for violation by the licensee of a provision of this chapter;

23  
24 6. Examine at any time those records of each licensee which the ~~town~~  
25 ~~clerk~~ financial services manager determines are necessary to verify license  
26 requirements provided the contents of such records shall remain confidential and  
27 not a part of the public records. (Ord. 38, Series 1986)

28 B. Enforcement: The town may seek an injunction pursuant to section 1-8-10 of  
29 this code, or other applicable law, to restrain a person from engaging in business on  
30 premises within the town who has not obtained an annual business license under  
31 this chapter or whose license is revoked or suspended, and this remedy shall be in  
32 addition to all other remedies prescribed in this chapter by law.

33  
34 C. Presumption Of Continued Use: With respect to a license issued under this  
35 chapter to the owner of an accommodation unit, the ~~town clerk~~ financial services  
36 manager shall be entitled to presume that such unit will continue to be rented as an  
37 accommodation unit in the next license year, thereby obligating such person to  
38 obtain a license for such unit under this chapter, until such time as the owner of  
39 such unit submits information to the ~~town clerk~~ financial services manager, under  
40 oath, which demonstrates that such unit will not be rented as an accommodation  
41 unit.

42  
43 D. Obligation To Provide Information: It shall be unlawful for any owner of real  
44 property within the town to fail or refuse to provide to the ~~town clerk~~ financial



1 services manager upon request information sufficient to permit the ~~town~~  
2 ~~clerk~~financial services manager to determine if such person is required to obtain a  
3 license pursuant to this chapter. Any person convicted of violating the provisions of  
4 this subsection shall be punished as provided in subsection 4-1-11B of this chapter.  
5

6 Section 11. Section 4-1-10-1 of the Breckenridge Town Code is amended to read as  
7 follows:  
8

9 4-1-10-1: SUSPENSION OR REVOCATION OF LICENSES; PAYMENT OF  
10 FINE IN LIEU OF SUSPENSION:  
11

12 A. A license issued pursuant to this chapter may be revoked by the ~~town~~  
13 ~~clerk~~financial services manager after hearing for the following reasons:  
14

- 15 1. Fraud, misrepresentation or a false statement of material fact contained in the  
16 license application;
- 17 2. Any violation of the provisions of this chapter; or
- 18 3. As to any person required to have a town sales tax license pursuant to title 3,  
19 chapter 1 of this code, proof that such license has been revoked by the finance  
20 director in accordance with section 3-1-23 of this code.  
21  
22

23  
24 In connection with the suspension of a license, the ~~town clerk~~financial services  
25 manager may impose reasonable conditions.  
26

27 B. Notice of a hearing to be held pursuant to this chapter shall be given by the ~~town~~  
28 ~~clerk~~financial services manager in writing to the licensee at the address shown on  
29 the license application, the management company, rental agency or other person  
30 employed or engaged by the licensee to manage, rent or supervise the licensed  
31 premises who has been properly identified by the licensee pursuant to subsection  
32 4-1-8-1A6 of this chapter, and to the local contact person identified by the licensee  
33 pursuant to subsection 4-1-8-1A7 of this chapter. Such notice shall set forth the  
34 grounds for the hearing, and the time and place of the hearing. Such notice shall be  
35 mailed to the licensee, the management company, rental agency or other person  
36 employed or engaged by the licensee to manage, rent or supervise the licensed  
37 premises who has been properly identified by the licensee pursuant to subsection  
38 4-1-8-1A6 of this chapter, and to the local contact person identified by the licensee  
39 pursuant to subsection 4-1-8-1A7 of this chapter, postage prepaid, at least twenty  
40 (20) days prior to the date set for the hearing. At the hearing the licensee may  
41 appear with or without counsel and present such evidence as may be relevant.  
42

43 C. In deciding whether a license should be suspended or revoked in accordance  
44 with this section, and in deciding what conditions to impose in the event of a

1 suspension, if any, the ~~town clerk~~**financial services manager** shall consider: 1) the  
2 nature and seriousness of the violation; 2) corrective action, if any, taken by the  
3 licensee; 3) prior violation(s), if any, at the licensed premises by the licensee and  
4 the effectiveness of prior corrective action, if any; 4) the likelihood of recurrence;  
5 5) all circumstances surrounding the violation; 6) whether the violation was willful;  
6 7) the length of time the license has been held by the licensee; 8) the number of  
7 violations by the licensee within the applicable twelve (12) month period; 9)  
8 previous sanctions, if any, imposed against the licensee; and 10) other factors  
9 making the situation with respect to the licensee or the licensed premises unique.

10  
11 D. If the ~~town clerk~~**financial services manager** determines after a hearing that  
12 cause exists for the imposition of a sanction against a licensee of a single-family  
13 accommodation unit pursuant to section 4-1-8-1 of this chapter, the ~~town~~  
14 ~~clerk~~**financial services manager** shall impose the following sanction against the  
15 licensee:  
16

First violation within 12 months:	Suspension of license for 30 days. Licensee may pay administrative fine of \$200.00 within 3 days of entry of suspension order in lieu of serving suspension.
Second violation within 12 months:	Suspension of license for 60 days. Licensee may pay administrative fine of \$500.00 within 3 days of entry of suspension order in lieu of serving suspension.
Third violation within 12 months:	Suspension of license for 90 days. Licensee may pay administrative fine of \$999.00 within 3 days of entry of suspension order in lieu of serving suspension.
Fourth and each subsequent violation within 12 months:	Suspension for such period of time as <del>town clerk</del> <b><u>financial services manager</u></b> may determine, not to exceed 1 year, or revocation of license. In determining what sanction to impose, the <del>town clerk</del> <b><u>financial</u></b>

services manager shall consider the factors set forth in subsection C of this section. For a fourth and each subsequent violation occurring within a 12 month period, no administrative fine may be accepted by the ~~town clerk~~ financial services manager in lieu of the licensee serving a suspension or revocation.

1 E. If a license is suspended by the ~~town clerk~~ financial services manager, upon the  
2 timely payment of the optional administrative fine as set forth above, the  
3 suspension order shall be deemed to have been satisfied. If a licensee shall elect not  
4 to pay the optional administrative fine as set forth above, the order of suspension  
5 shall become effective immediately, and no business shall be conducted by the  
6 licensee at the licensed premises during the period of suspension.  
7

8 F. If the ~~town clerk~~ financial services manager suspends or revokes a business and  
9 occupational tax license, the aggrieved licensee may appeal said suspension or  
10 revocation to the town council by filing a letter of appeal with the town manager  
11 within twenty (20) days after the date of mailing of the ~~town clerk~~ financial  
12 services manager's order of suspension or revocation. The clerk's suspension or  
13 revocation of the license shall be stayed until the appeal has been determined by the  
14 town council. The town council shall conduct a de novo hearing on the appeal at a  
15 regular or special town council meeting held within thirty (30) days of date of the  
16 filing of the letter of appeal, unless the licensee agrees to a longer time. Notice of  
17 the de novo hearing shall be given to the licensee by the ~~town clerk~~ financial  
18 services manager at least twenty (20) days before the hearing. The burden of proof  
19 in the appeal shall be on the town. At the appeal, the licensee may appear with or  
20 without counsel and present such evidence as may be relevant. The strict rules of  
21 evidence shall not apply to the de novo hearing. If the town council finds by a  
22 preponderance of the evidence that grounds for suspension or revocation of the  
23 license exist as specified in this chapter, the town council may order the license  
24 suspended or revoked; provided, however, that if the license is for a single-family  
25 accommodation unit, the town council shall adhere to the provisions of subsection  
26 D of this section. If the town council finds by a preponderance of the evidence that  
27 no grounds exist for the suspension or revocation of the license, the appeal shall be  
28 sustained, and the ~~town clerk~~ financial services manager's order of suspension or  
29 revocation shall be set aside. The town council's decision shall be final, subject to  
30 the right of the licensee to contest the matter in an appropriate court action  
31 commenced under rule 106(a)(4) of the Colorado rules of civil procedure. For  
32 purposes of determining the time limit for the commencement of an action under

1 rule 106(a)(4) of the Colorado rules of civil procedure, the town council’s decision  
2 shall be deemed to be final upon the council’s issuance of a written order of  
3 suspension or revocation of a license.  
4

5 G. A person whose license has been revoked under this section may not apply for a  
6 new license for the same premises a period of one year from the date the revocation  
7 took effect.  
8

9 H. No portion of a license fee previously paid by a licensee shall be refunded if  
10 such license is suspended or revoked.  
11

12 Section 12. Based upon the information provided to it in connection with the adoption of  
13 this ordinance by the Financial Services Manager of the Town, the Town Council finds,  
14 determines, and declares that the adoption of this ordinance will not result in a net tax revenue gain  
15 to the Town within the meaning of Article X, Section 20 of the Colorado Constitution, also known  
16 as the “TABOR Amendment.”  
17

18 Section 13. Except as specifically amended hereby, the Breckenridge Town Code, and the  
19 various secondary codes adopted by reference therein, shall continue in full force and effect.  
20

21 Section 14. The Town Council finds, determines, and declares that it has the power to  
22 adopt this ordinance pursuant to the authority granted to home rule municipalities by Article XX of  
23 the Colorado Constitution and the powers contained in the Breckenridge Town Charter.  
24

25 Section 15. This ordinance shall be published and become effective as provided by Section  
26 5.9 of the Breckenridge Town Charter.  
27

28 INTRODUCED, READ ON FIRST READING, APPROVED AND ORDERED  
29 PUBLISHED IN FULL this \_\_\_\_ day of \_\_\_\_\_, 2013. A Public Hearing shall be held at the  
30 regular meeting of the Town Council of the Town of Breckenridge, Colorado on the \_\_\_\_ day of  
31 \_\_\_\_\_, 2013, at 7:30 P.M., or as soon thereafter as possible in the Municipal Building of the Town.  
32

33 TOWN OF BRECKENRIDGE, a Colorado  
34 municipal corporation  
35

36 By \_\_\_\_\_  
37 John G. Warner, Mayor  
38

39 ATTEST:

40 \_\_\_\_\_  
41 Helen Cospolich  
42 Town Clerk  
43  
44

45 400-3-0\BOLT Ordinance Re Administrative License\_3 (06-13-13)(Second Reading)



---

## MEMORANDUM

**TO:** Town Council

**FROM:** Michael Mosher, Planner III

**DATE:** June 17, 2013 for meeting of June 25, 2013

**SUBJECT:** First Reading- Landmarking the Dodge Residence, 106 South Harris Street

---

Enclosed with this memo is a landmarking ordinance at first reading for Dodge Residence located at 106 South Harris Street. The property that is the subject of the ordinance is:

An Ordinance Designating Certain Real Property  
As A Landmark under Chapter 11 of Title 9 of the Breckenridge Town Code  
(Lot 4, Block 7, Yingling and Mickles Addition)

The Town Council approved the Dodge Residence; (PC#2012074) on January 8, 2013. Landmarking the structures was a condition of Development Permit approval which included the restoration the historic building. The Planning Commission approved this project on January 2, 2013 and recommended that the Town Council adopt this structure as a local landmark. This ordinance will fulfill the landmarking condition of approval for the Development Permit.

Staff notes, this property fulfilled seven of the three required criteria for locally landmarking. Staff will be available at the meeting for questions.

1 ***FOR WORKSESSION/FIRST READING – June 25, 2013***

2  
3 COUNCIL BILL NO. \_\_\_\_

4  
5 Series 2013

6  
7 AN ORDINANCE DESIGNATING CERTAIN REAL PROPERTY AS A LANDMARK  
8 UNDER CHAPTER 11 OF TITLE 9 OF THE BRECKENRIDGE TOWN CODE  
9 (Lot 4 Block 7, Yingling and Mickles Addition)

10  
11 BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF BRECKENRIDGE,  
12 COLORADO:

13  
14 Section 1. Findings. The Town Council of the Town of Breckenridge finds and  
15 determines as follows:

16  
17 A. Bruce Dodge and Allison Dodge own the hereinafter described real property.  
18 Such real property is located within the corporate limits of the Town of Breckenridge,  
19 County of Summit and State of Colorado.

20  
21 B. Bruce Dodge and Allison Dodge filed an application with the Town pursuant  
22 to Chapter 11 of Title 9 of the Breckenridge Town Code seeking to have the Town  
23 designate the hereinafter described real property as a landmark (“**Application**”).

24  
25 C. The Town followed all of procedural requirements of Chapter 11 of Title 9 of  
26 the Breckenridge Town Code in connection with the processing of the Application.

27  
28 D. The improvements located on hereinafter described real property are more  
29 than fifty (50) years old.

30  
31 E. The hereinafter described real property meets the “architectural” designation  
32 criteria for a landmark as set forth in Section 9-11-4(A)(1)(a) of the Breckenridge Town  
33 Code because the property:

- 34  
35 (i) exemplifies specific elements of architectural style or period;  
36 (ii) exemplifies style particularly associated with the Breckenridge area;  
37 (iii) retains original design features, materials and/or character;

38  
39 and

- 40  
41 (iv) The structure is on its original location or is in the same historic context  
42 after having been moved.

43  
44 F. The hereinafter described real property meets the “social” designation criteria  
45 for a landmark as set forth in Section 9-11-4(A)(1)(b) of the Breckenridge Town Code  
46 because the property is associated with a notable person or the work of a notable person.

1  
2 G. The hereinafter described real property meets the “physical integrity” criteria  
3 for a landmark as set forth in Section 9-11-4(A)(3) of the Breckenridge Town Code  
4 because:

- 5  
6 (i) the property shows character, interest or value as part of the development,  
7 heritage or cultural characteristics of the community, region, state or  
8 nation and;  
9 (ii) the property retains original design features, materials or character

10  
11 H. In accordance with the requirements of Section 9-11-3(B)(3) of the  
12 Breckenridge Town Code, on May 15, 2012 the Application was reviewed by the  
13 Breckenridge Planning Commission. On such date the Planning Commission  
14 recommended to the Town Council that the Application be granted.

15  
16 I. The Application meets the applicable requirements of Chapter 11 of Title 9 of  
17 the Breckenridge Town Code, and should be granted without conditions.

18  
19 J. Section 9-11-3(B)(4) of the Breckenridge Town Code requires that final  
20 approval of an application for landmark designation under Chapter 11 of Title 9 of the  
21 Breckenridge Town Code be made by ordinance duly adopted by the Town Council.

22  
23 Section 2. Designation of Property as Landmark. The following described real  
24 property:

25  
26 Lots 25 and 26, Block 9, Abbetts Addition to the Town of Breckenridge;  
27 commonly known and described as 306 South Ridge Street, Breckenridge,  
28 Colorado 80424

29  
30 is designated as a landmark pursuant to Chapter 11 of Title 9 of the Breckenridge Town  
31 Code.

32  
33 Section 3. Police Power Finding. The Town Council finds, determines and declares that  
34 this ordinance is necessary and proper to provide for the safety, preserve the health, promote the  
35 prosperity, and improve the order, comfort and convenience of the Town of Breckenridge and  
36 the inhabitants thereof.

37  
38 Section 4. Town Authority. The Town Council finds, determines and declares that it has  
39 the power to adopt this ordinance pursuant to the authority granted to home rule municipalities  
40 by Article XX of the Colorado Constitution and the powers contained in the Breckenridge Town  
41 Charter.

42  
43 Section 5. Effective Date. This ordinance shall be published and become effective as  
44 provided by Section 5.9 of the Breckenridge Town Charter.

45



1 INTRODUCTION, READ ON FIRST READING, APPROVED AND ORDERED  
2 PUBLISHED IN FULL this \_\_\_\_ day of \_\_\_\_\_, 2013. A Public Hearing shall be held at the  
3 regular meeting of the Town Council of the Town of Breckenridge, Colorado on the \_\_\_\_ day of  
4 \_\_\_\_\_, 2013, at 7:30 P.M., or as soon thereafter as possible in the Municipal Building of the  
5 Town.

6  
7 TOWN OF BRECKENRIDGE, a Colorado  
8 municipal corporation  
9

10  
11  
12 By \_\_\_\_\_  
13 John G. Warner, Mayor  
14

15 ATTEST:

16  
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18  
19 \_\_\_\_\_  
20 Helen Cospolich  
21 Town Clerk  
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500-106-1\Giller Residence Landmarking Ordinance (04-25-13)

## MEMO

TO: Town Council

FROM: Town Attorney

RE: Insurance Limits Ordinance

DATE: June 18, 2013 (for June 25<sup>th</sup> meeting)

---

The Colorado Governmental Immunity Act (“Act”) limits a municipality’s legal liability for certain kinds of claims.<sup>1</sup> For many years, those limits were \$150,000 for injuries or damages to one person in a single accident, and a total of \$600,000 for injuries or damages to two or more persons in a single accident.

The Colorado legislature recently adopted, and the Governor signed into law, SB13-023. This new law significantly raises the cap on municipal liability for claims that are governed by the Act. The new law goes into effect on July 1, 2013, and applies to injuries occurring on or after such date.

The new limits of municipal liability under the Act are \$350,000 for injuries or damages to one person in a single accident and \$990,000 for injuries or damages to two or more persons in a single accident. However, in addition, the new law provides for an automatic adjustment (upward) to these new liability caps every four years based upon the percentage change in the Denver-Boulder-Greely Consumer Price Index.

The Town Code contains two provisions where a person’s obligation to provide general liability insurance for the benefit of the Town is expressly tied to the limits of liability in the Act (i.e., requires coverage only equal to the liability limits of the Act), instead of requiring a specific dollar amount of insurance coverage. Because the limits of liability under the Act will now be subject to periodic adjustment, it is my suggestion that these two Code sections be changed to require liability insurance in a fixed amount, like other Town Code sections do.<sup>2</sup>

The two Code sections in question deal with the insurance requirement for: (i) a special commercial event development permit holders under Policy 45(Absolute) of the Development Code; and (ii) persons who are granted a license to use Town property (typically, a license to place an encroachment of some kind in a Town right-of-way) under Section 11-6-8 of the Code.

In addition, I noticed that the Town Code provisions dealing with pedal busses specify a liability insurance requirement that is now less than the revised limits of liability for

---

<sup>1</sup> You may recall the Act applies to “tort” claims, such as when a Town employee is claimed to have negligently operated a Town vehicle, or when the Town is alleged to have failed to properly remove ice and snow from a public street. It does not apply to federal claims, such as civil rights violations or employment discrimination claim.

<sup>2</sup> For example, the new ordinance requiring general liability insurance for certain businesses who operate on Town streets requires \$1,000,000 of coverage.

municipalities under the Act. I think the insurance requirement for a pedal bus operator should be increased to generally reflect the revised liability limits established by the new law.<sup>3</sup>

Enclosed with this memo is an ordinance that does the following:

1. Amends the Code sections dealing with the liability insurance requirements for special commercial events and Town license holders to presumptively require liability insurance with specified, fixed limits of liability of \$1,000,000, instead of liability coverage that is tied to the limits of liability for municipalities under the Act. Note that the limits of liability can be increased by the Town Manager based upon any unique liability concerns related to the special commercial event or the Town license agreement.

2. Amends the Code section dealing with the liability insurance requirement for pedal bus operators to increase the required insurance coverage to \$1,000,000 per occurrence.

I have chosen the insurance limits of \$1,000,000 for several reasons. That amount of insurance coverage is fairly common and is readily available in the insurance markets; it (currently) provides adequate insurance protection to the Town; and it is the amount of insurance coverage the Town Code requires in several other instances. The Town does require higher insurance limits for particularly high-risk events, such as a firework display.

When the current Governmental Immunity Act limits of liability are adjusted in four years it almost certainly will be necessary to consider raising the insurance coverage requirements throughout the Town Code (not just for special events, license agreements, and pedal busses), since it is probable that the first periodic adjustment to the Governmental Immunity Act limits will push the cap on Town liability above the \$1,000,000 threshold. Until that time, however, I think it makes sense to bring the liability insurance requirement for special events, license agreements, and pedal busses into sync with the Town Code's normal general liability insurance requirement.

I will be happy to discuss this ordinance with you on Tuesday.

---

<sup>3</sup> The only permitted pedal bus operator in Town already has liability insurance coverage of \$1,000,000 per occurrence, so the proposed change of limits in the Code will not have any effect on it.

1 ***FOR WORKSESSION/FIRST READING – JUNE 25***

2  
3 Additions To The Current Breckenridge Town Code Are  
4 Indicated By **Bold + Double Underline**; Deletions By ~~Strikeout~~

5  
6 COUNCIL BILL NO. 27

7  
8 Series 2013

9  
10 AN ORDINANCE AMENDING VARIOUS SECTIONS OF THE BRECKENRIDGE TOWN  
11 CODE CONCERNING REQUIRED INSURANCE LIMITS

12  
13 WHEREAS, Senate Bill 13-023 was recently passed by the Colorado legislature and  
14 signed into law by the Governor; and

15  
16 WHEREAS, Senate Bill 13-023 became effective July 1, 2013; and

17  
18 WHEREAS, Senate Bill 13-023 raises the limits of liability for Colorado municipalities  
19 under the Colorado Governmental Immunity Act to \$350,000 for any injury to one person in any  
20 single occurrence, and \$990,000 for any injury to two or more persons in any single occurrence;  
21 and

22  
23 WHEREAS, Senate Bill 13-023 further provides for an automatic adjustment to such  
24 limits of liability every four years; and

25  
26 WHEREAS, several provisions of the Breckenridge Town Code either require insurance  
27 coverage with limits of liability that are specifically tied to the limits of liability for Colorado  
28 municipalities established by the Colorado Governmental Immunity Act, or specifically require  
29 insurance coverage with limits of liability less than the increased limits of liability set forth in  
30 Senate Bill 13-023; and

31  
32 WHEREAS, the Town Council finds and determines that the specific insurance  
33 requirements in the Breckenridge Town Code that are less than the revised limits of liability for  
34 Colorado municipalities established by Senate Bill 13-023 should be raised as provided in this  
35 ordinance; and

36  
37 WHEREAS, the Town Council further finds and determines that the insurance  
38 requirements in the Breckenridge Town Code that are specifically tied to the Colorado  
39 Governmental Immunity Act should be revised as set forth in this ordinance.

40  
41 NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF  
42 BRECKENRIDGE, COLORADO:

43  
44 Section 1. Section 1418(6) of Section 7-1-2 of the Breckenridge Town Code is amended  
45 to read as follows:

1  
2 (6) At all times when a pedal bus is operated on the streets within the Town the  
3 owner of a pedal bus shall maintain in effect a policy of comprehensive  
4 commercial general liability insurance with limits of liability not less than ~~One~~  
5 ~~Hundred Thousand Dollars (\$100,000) per person per claim, Three Hundred~~  
6 ~~Thousand Dollars (\$300,000) aggregate for each accident~~ **One Million Dollars**  
7 **(\$1,000,000) per occurrence**, and Fifty Thousand Dollars (\$50,000) for property  
8 damage. The Town shall be named as an additional insured under such insurance  
9 policy. An ACORD Form 27, or other certificate of insurance acceptable to Town  
10 Clerk, shall be completed by the owner's insurance agent and provided to the  
11 Town Clerk as evidence that policies prior to commencement of the operations of  
12 the pedal bus on the Town streets, and on each renewal or replacement of the  
13 policy during the time the pedal bus is being operated on the Town streets. No  
14 pedal bus may be operated on a Town street unless the required insurance is in  
15 effect and proof thereof has been provided to the Town Clerk as required by this  
16 subsection.

17  
18 Section 2. Subsection D of Section 9-1-19-45A of the Breckenridge Town Code is  
19 amended to read as follows:

20  
21 D. If a special commercial event is to be held on property owned by the Town, the  
22 nonprofit sponsor shall obtain permission to use the property from the Town  
23 manager and shall, at its cost, obtain and maintain in effect throughout the special  
24 commercial event **commercial** general liability insurance with limits of liability  
25 not less than ~~the limits of liability for governmental entities established by the~~  
26 ~~Colorado governmental immunity act, article 10 of title 24, Colorado Revised~~  
27 ~~Statutes, as amended from time to time~~ **One Million Dollars (\$1,000,000), or**  
28 **such higher limits of liability as the Town Manager may require based upon**  
29 **the nature of the special commercial event and other relevant factors.** The  
30 Town shall be named as an additional insured under such insurance policy.

31  
32 Section 3. Item D in Section 11-6-8 of the Breckenridge Town Code is amended to read  
33 as follows:

34 D. The licensee shall provide **commercial** general liability insurance insuring  
35 against losses, damages or claims arising from the licensee's use of the Town real  
36 property pursuant to a license agreement. Such insurance shall have limits of  
37 liability of not less than ~~the limits of liability established for municipalities under~~  
38 ~~the Colorado governmental immunity act, section 24-10-101 et seq., Colorado~~  
39 ~~Revised Statutes~~ **One Million Dollars (\$1,000,000), or such higher limits of**  
40 **liability as the Town Manager may require based upon the nature of the**  
41 **licensee's use of the Town real property and other relevant factors.** The Town  
42 shall be named as an additional insured under such insurance policy.

43  
44 Section 4. Except as specifically amended hereby, the Breckenridge Town Code, and the  
45 various secondary codes adopted by reference therein, shall continue in full force and effect.

1           Section 5. The Town Council finds, determines, and declares that this ordinance is  
2 necessary and proper to provide for the safety, preserve the health, promote the prosperity, and  
3 improve the order, comfort and convenience of the Town of Breckenridge and the inhabitants  
4 thereof.

5           Section 6. The Town Council finds, determines and declares that it has the power to  
6 adopt this ordinance pursuant to: (i) Section 31-15-103, C.R.S. (concerning municipal police  
7 powers); (ii) Section 31-15-401, C.R.S.(concerning municipal police powers); (iii) the authority  
8 granted to home rule municipalities by Article XX of the Colorado Constitution; and (iv) the  
9 powers contained in the Breckenridge Town Charter.

10           Section 7. This ordinance shall be published and become effective as provided by  
11 Section 5.9 of the Breckenridge Town Charter.

12           INTRODUCED, READ ON FIRST READING, APPROVED AND ORDERED  
13 PUBLISHED IN FULL this \_\_\_\_ day of \_\_\_\_\_, 2013. A Public Hearing shall be held at the  
14 regular meeting of the Town Council of the Town of Breckenridge, Colorado on the \_\_\_\_ day of  
15 \_\_\_\_\_, 2013, at 7:30 P.M., or as soon thereafter as possible in the Municipal Building of the  
16 Town.

17  
18   TOWN OF BRECKENRIDGE, a Colorado  
19   municipal corporation  
20  
21

22   By \_\_\_\_\_  
23   John G. Warner, Mayor  
24

25       ATTEST:

26  
27  
28       \_\_\_\_\_  
29       Helen Cospolich  
30       Town Clerk  
31



## Memorandum

**TO:** TOWN COUNCIL  
**FROM:** Dale Stein, Assistant Town Engineer  
**DATE:** June 19, 2013  
**RE:** Public Projects Update

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### 2013 Main Street Improvements

Work on Main Street continues this week and next with scheduled concrete pours at the Jefferson Avenue intersection. It is anticipated that the concrete installation will be completed late this week followed closely early in the week of June 24<sup>th</sup> with final asphalt placement, striping and final clean-up. It is expected that Main Street will be fully open to both pedestrian and vehicular traffic in both directions by June 28<sup>th</sup>. There will be some miscellaneous final landscape and stone paver details remaining to be completed after June 28<sup>th</sup>, but this work should not have an impact on pedestrians, bikes, vehicular travel or parking on Main Street.

### CDOT Fiber Optics Project (Park Avenue)

CDOT continues to work on their fiber-optics project in the right-of-way along Park Avenue and SH 9 at the north end of town. This fiber project is intended to connect CDOT communications between facilities in Frisco and Breckenridge. We are optimistic that CDOT will be completed with this work soon and not impact the July 4<sup>th</sup> holiday. Staff will update Council on CDOT's progress at the work session.

### Arts District

A number of proposals for the Abby Hall programming and building assessment project were received by the Town on June 14<sup>th</sup>. These proposals are currently being evaluated by Staff with the intention of having a consultant design team under contract in the next few weeks.

### Harris Street Community Building

The final set of plans and specifications were completed by the Harris Street Community Building design team this week. This final set of plans will be as used to obtain bids from potential subcontractors over the next few weeks. The plans and specifications were advertised for bids on June 17<sup>th</sup> with the goal of compiling a final project cost for the Harris Building rehabilitation in July. Staff intends to report back to Council on the contract cost for the project at the July 23<sup>rd</sup> work session.

**MEMO**

**TO:** Mayor & Town Council  
**FROM:** Tim Gagen, Town Manager  
**DATE:** June 20, 2013  
**SUBJECT:** Committee Reports for 06-25-2013 Council Packet

*The following committee reports were submitted by Town Employees and/or the Town Manager:*

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<b>Liquor Licensing</b>	<b>June 18, 2013</b>	<b>Taryn Power</b>
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- All items on the consent calendar were approved as submitted, including temporary modifications of premises for Whale’s Tail and Windy City Pizza. There was an approval of a transfer of ownership for Flatbread Pizza Company and a transfer of ownership from Jalapeno’s to Rio’s Mexican Café. In addition, a Hotel & Restaurant License was issued for Oscar’s Taco Bar and Breckenridge Tap House, a new restaurant at 105 N. Main Street.
- Detective Blank updated the Authority on citations that had been issued recently to a local establishment.

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<b>Committees</b>	<b>Representative</b>	<b>Report Status</b>
CAST	Mayor Warner	Verbal Report
CDOT	Tim Gagen	No Meeting/Report
CML	Tim Gagen	No Meeting/Report
I-70 Coalition	Tim Gagen	No Meeting/Report
Mayors, Managers & Commissions Meeting	Mayor Warner	Verbal Report
Summit Leadership Forum	Tim Gagen	No Meeting/Report
Liquor Licensing Authority*	Taryn Power	Included
Wildfire Council	Matt Thompson	No Meeting/Report
Public Art Commission*	Jenn Cram	No Meeting/Report
Summit Stage Advisory Board*	James Phelps	No Meeting/Report
Police Advisory Committee	Chief Haynes	No Meeting/Report
Housing/Childcare Committee	Laurie Best	Verbal Report
CMC Advisory Committee	Tim Gagen	No Meeting/Report

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***Note:** Reports provided by the Mayor and Council Members are listed in the council agenda.  
\* Minutes to some meetings are provided in the Manager’s Newsletter.*



## May 31, 2013 Financial Report



Town Sign-Summer!

Finance & Municipal Services Division

# Executive Summary

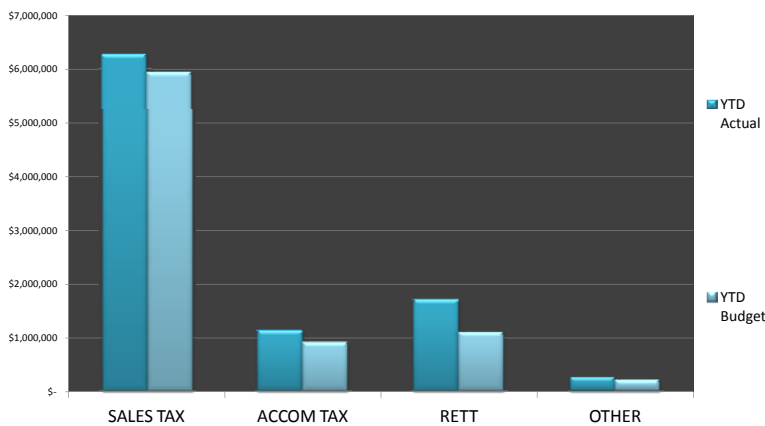
May 31, 2013

Our results thus far this year continue to be very strong. At the end of May, we were at 115% of budgeted revenue in the Excise fund (\$1.2M) over budget. RETT continues to be strong, and the one of the more encouraging aspects of this result is the increase in the churn rate vs. prior year (see Tax Basics). This indicates that RETT is coming from not just new projects/construction, but also from the sale of existing land and homes.

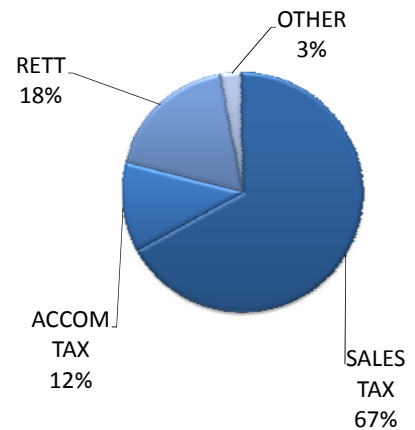
May's net taxable sales activity was down substantially from prior year (see Tax Basics). Two factors have contributed to this decrease. The first is a timing issue. We ran the report relatively early, and consequently have some missing returns. We will run an update closer to Council and have that information at the 6-25 work session. Second, Easter was in March in 2013 and April in 2012. When we compare March-April year over year, we are up 3.9%.

The General Fund revenues are at 102% of budget and expenses slightly above budget at 108%. The overage is primarily due to the purchase of Abby Hall and the Theobald lot. Other funds continue to perform according to budget with exceptions noted in the All Funds report narrative.

**Excise YTD Actual vs. Budget - by Source**



**YTD Actual Revenues - Excise**



	YTD Actual	YTD Budget	% of Budget	Annual Budget	Prior YTD Actual	Prior Annual Actual
SALES TAX	\$ 6,259,981	\$ 5,931,776	106%	\$ 13,887,999	\$ 5,543,553	\$ 13,369,549
ACCOMMODATIONS TAX	1,130,859	910,342	124%	1,757,401	1,004,566	1,774,359
REAL ESTATE TRANSFER	1,701,625	1,092,335	156%	3,000,501	949,329	3,691,087
OTHER*	260,569	209,212	125%	648,101	294,556	841,322
<b>TOTAL</b>	<b>\$ 9,353,034</b>	<b>\$ 8,143,665</b>	<b>115%</b>	<b>\$ 19,294,002</b>	<b>\$ 7,792,004</b>	<b>\$ 19,676,316</b>

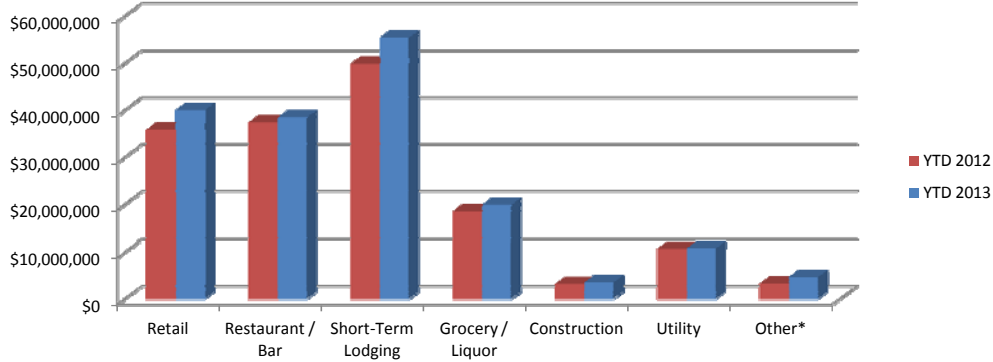
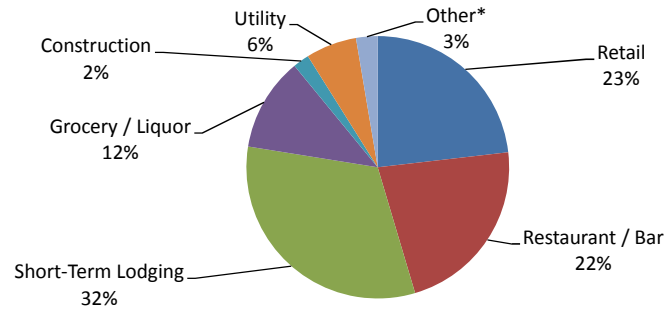
\* Other includes Franchise Fees (Telephone, Public Service and Cable), Cigarette Tax, and Investment Income

## The Tax Basics

### Net Taxable Sales by Industry-YTD

Description	YTD 2012	YTD 2013	\$ Change	% Change	% of Total
Retail	\$35,814,208	\$39,980,679	\$4,166,472	11.63%	23.16%
Restaurant / Bar	\$37,327,730	\$38,432,346	\$1,104,616	2.96%	22.27%
Short-Term Lodging	\$49,836,865	\$55,384,438	\$5,547,574	11.13%	32.09%
Grocery / Liquor	\$18,509,098	\$19,868,342	\$1,359,244	7.34%	11.51%
Construction	\$3,143,891	\$3,512,422	\$368,530	11.72%	2.04%
Utility	\$10,686,310	\$10,798,367	\$112,056	1.05%	6.26%
Other*	\$3,187,830	\$4,621,566	\$1,433,736	44.98%	2.68%
<b>Total</b>	<b>\$158,505,932</b>	<b>\$172,598,160</b>	<b>\$14,092,228</b>	<b>8.89%</b>	<b>100.00%</b>

\* Other includes activities in Automobiles and Undefined Sales.



#### New Items of Note:

- April net taxable sales are currently down from 2012 by 12.76%. We are also behind 2007 for monthly sales by 24.63%.
- Only Utilities and Undefined were up from the prior year.
- Construction and Lodging were down more than other categories. (Construction has a large unfiled return.)
- More restaurants were closed in the month of April than in prior years.
- Grocery is the only category ahead of 2007.

#### Continuing Items of Note:

- Utility is down from prior year, due to a permanent change in a company's remittance.
- Taxes collected from the customer by the vendor are remitted to the Town on the 20<sup>th</sup> of the following month.
- Quarterly taxes are reported in the last month of the period. For example, taxes collected in the first quarter of the year (January – March), are included on the report for the period of March.
- Net Taxable Sales are continually updated as late tax returns are submitted to the Town of Breckenridge. Therefore, you may notice slight changes in prior months, in addition to the reporting for the current month.

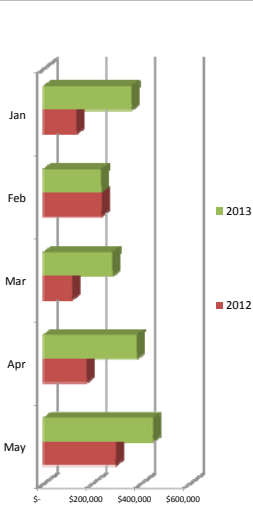
## Real Estate Transfer Tax

### New Items of Note:

- Revenue for the month of May surpassed prior year by 52.66%, and we surpassed the monthly budget by \$164,682.
- YTD Collections are up substantially - up 69.25% from prior year and ahead of budget by \$609,290 (through 5/31).
- We exceeded the prior year churn by an even greater amount - resulting in an increase of 132.83% in the churn year to date.
- Vacant Land continues to track quite well, up 188.26% from prior year.
- Single Family homes accounted for the majority of the sales (30.52%), with timeshares coming in second (26.06%).

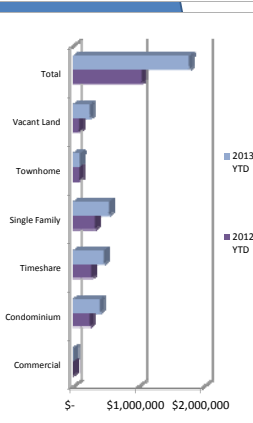
### Continuing Items of Note:

- 2013 Real Estate Transfer Tax budget is based upon the monthly distribution for 2007. The reasoning is that we should compare to a year with a "normal distribution."

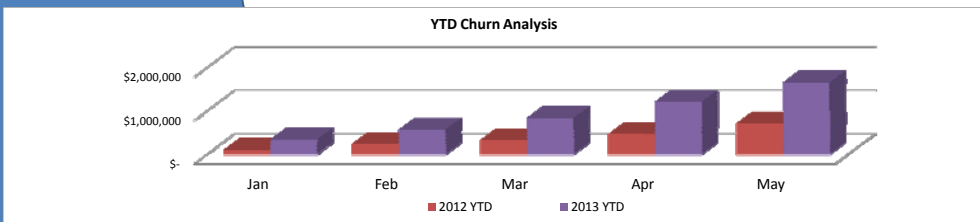


Total RETT							
	2010	2011	2012	2013	% change from PY	2013 Budget	+/- Budget
Jan	\$588,874	\$436,605	\$132,557	\$358,948	170.79%	\$186,609	\$172,339
Feb	\$149,303	\$350,866	\$234,630	\$234,357	-0.12%	\$181,342	\$53,015
Mar	\$175,161	\$250,986	\$114,921	\$281,202	144.69%	\$143,710	\$137,492
Apr	\$167,038	\$333,424	\$174,514	\$380,279	117.91%	\$298,517	\$81,761
May	\$484,618	\$337,577	\$292,708	\$446,840	52.66%	\$282,157	\$164,682
Jun	\$326,779	\$251,806	\$251,397	\$69,174	n/a	\$276,510	n/a
Jul	\$186,067	\$83,522	\$252,104	\$0	n/a	\$181,667	n/a
Aug	\$404,004	\$350,730	\$388,749	\$0	n/a	\$314,232	n/a
Sep	\$227,440	\$276,774	\$311,285	\$0	n/a	\$376,433	n/a
Oct	\$297,809	\$208,831	\$387,028	\$0	n/a	\$207,648	n/a
Nov	\$249,583	\$223,271	\$389,275	\$0	n/a	\$242,751	n/a
Dec	\$406,078	\$301,397	\$761,919	\$0	n/a	\$308,924	n/a
Total	\$3,662,755	\$3,405,788	\$3,691,087	\$1,770,799		\$3,000,501	\$609,290

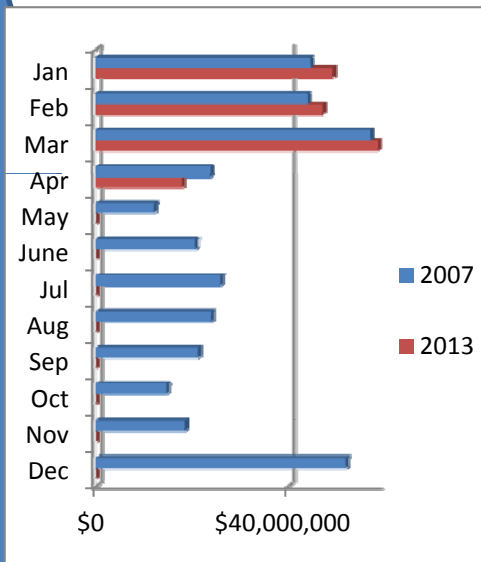
\*June #s are as of 06/07/2013



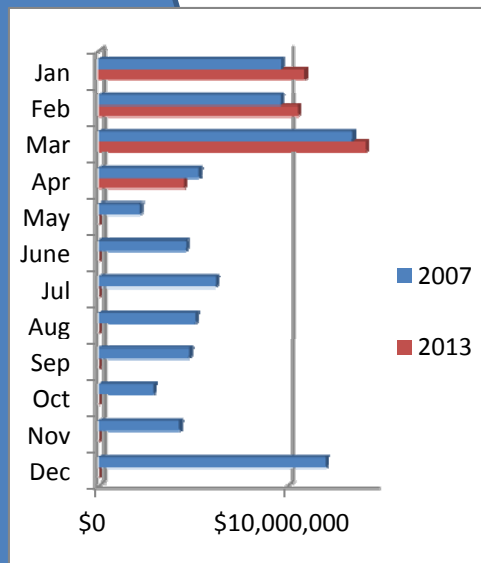
by Category					
Description	2012 YTD	2013 YTD	\$ Change from PY	% change	% of Total
Commercial	\$ -	\$ 6,850	6,850	n/a	0.39%
Condominium	252,681	405,040	152,358	60.30%	22.87%
Timeshare	280,713	461,497	180,784	64.40%	26.06%
Single Family	328,696	540,456	211,760	64.42%	30.52%
Townhome	96,213	103,488	7,275	7.56%	5.84%
Vacant Land	87,930	253,469	165,539	188.26%	14.31%
Total	\$ 1,046,234	\$ 1,770,799	724,565	69.25%	100.00%



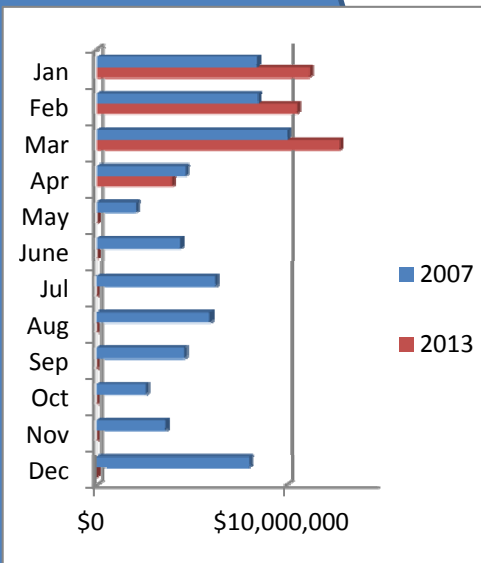
## Net Taxable Sales by Sector - Town of Breckenridge Tax Base



Total Net Taxable Sales					% change
	2010	2011	2012	2013	from PY
Jan	\$40,110,228	\$39,458,390	\$41,668,396	\$49,110,613	17.86%
Feb	\$39,472,293	\$39,800,228	\$43,254,486	\$47,000,400	8.66%
Mar	\$50,006,174	\$51,130,458	\$53,037,799	\$58,564,063	10.42%
Apr	\$19,917,465	\$19,743,401	\$20,545,250	\$17,923,083	-12.76%
May	\$11,425,462	\$9,611,782	\$11,551,736	\$0	n/a
Jun	\$16,219,027	\$17,062,992	\$20,121,659	\$0	n/a
Jul	\$23,624,523	\$27,602,363	\$30,296,389	\$0	n/a
Aug	\$20,834,028	\$24,678,734	\$26,374,318	\$0	n/a
Sep	\$17,062,327	\$20,248,599	\$23,498,433	\$0	n/a
Oct	\$11,637,368	\$13,185,469	\$14,050,663	\$0	n/a
Nov	\$14,957,071	\$17,669,724	\$17,496,637	\$0	n/a
Dec	\$46,198,390	\$51,587,451	\$50,141,426	\$0	n/a
<b>Total</b>	<b>\$311,464,356</b>	<b>\$331,779,590</b>	<b>\$352,037,192</b>	<b>\$172,598,160</b>	

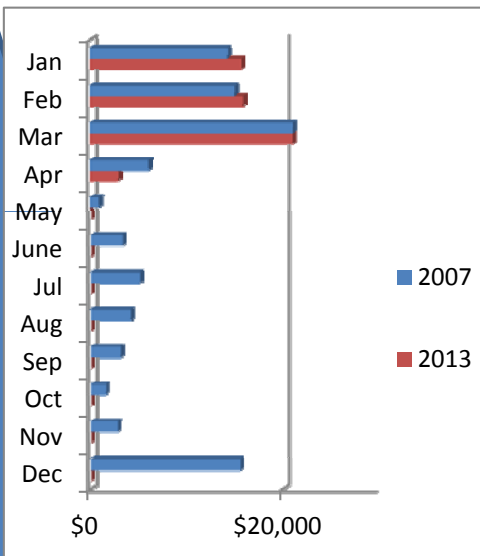


Retail					% change
	2010	2011	2012	2013	from PY
Jan	\$8,530,276	\$8,804,920	\$9,178,851	\$10,893,244	18.68%
Feb	\$8,378,341	\$8,972,613	\$9,459,511	\$10,513,816	11.15%
Mar	\$12,850,864	\$12,184,150	\$12,610,958	\$14,103,908	11.84%
Apr	\$4,031,843	\$4,299,060	\$4,564,888	\$4,469,712	-2.08%
May	\$3,251,038	\$1,876,216	\$2,444,796	\$0	n/a
Jun	\$3,895,330	\$3,973,630	\$4,842,769	\$0	n/a
Jul	\$5,582,057	\$6,407,381	\$7,266,795	\$0	n/a
Aug	\$4,301,609	\$5,207,972	\$6,113,573	\$0	n/a
Sep	\$3,847,858	\$4,344,035	\$5,483,056	\$0	n/a
Oct	\$2,452,634	\$2,946,071	\$3,274,787	\$0	n/a
Nov	\$3,763,526	\$4,370,374	\$4,709,433	\$0	n/a
Dec	\$10,823,585	\$12,275,994	\$12,711,964	\$0	n/a
<b>Total</b>	<b>\$71,708,960</b>	<b>\$75,662,415</b>	<b>\$82,661,380</b>	<b>\$39,980,679</b>	

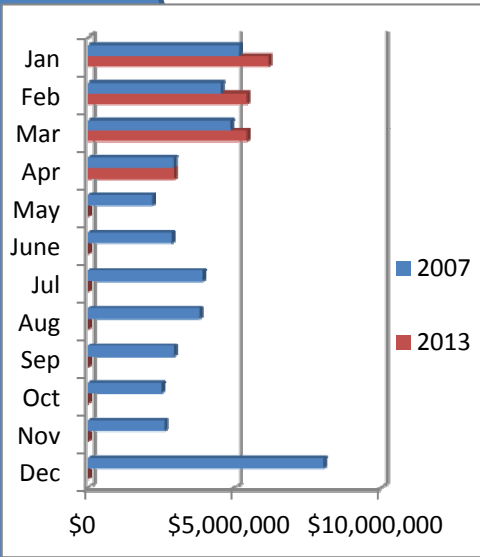


Restaurant / Bar					% change
	2010	2011	2012	2013	from PY
Jan	\$8,514,996	\$9,083,327	\$10,000,475	\$11,186,954	11.86%
Feb	\$8,342,961	\$8,660,328	\$10,578,852	\$10,506,234	-0.69%
Mar	\$9,185,595	\$10,169,762	\$12,086,391	\$12,788,645	5.81%
Apr	\$4,041,861	\$4,204,314	\$4,662,012	\$3,950,512	-15.26%
May	\$1,811,793	\$1,618,782	\$1,975,658	\$0	n/a
Jun	\$3,397,497	\$3,724,982	\$5,006,301	\$0	n/a
Jul	\$6,222,078	\$7,106,056	\$7,964,540	\$0	n/a
Aug	\$5,728,881	\$6,594,385	\$6,905,724	\$0	n/a
Sep	\$3,882,885	\$4,683,989	\$5,423,426	\$0	n/a
Oct	\$2,420,192	\$2,662,113	\$2,924,663	\$0	n/a
Nov	\$3,006,237	\$3,476,935	\$3,613,665	\$0	n/a
Dec	\$8,351,439	\$9,776,293	\$9,534,760	\$0	n/a
<b>Total</b>	<b>\$64,906,415</b>	<b>\$71,761,267</b>	<b>\$80,676,467</b>	<b>\$38,432,346</b>	

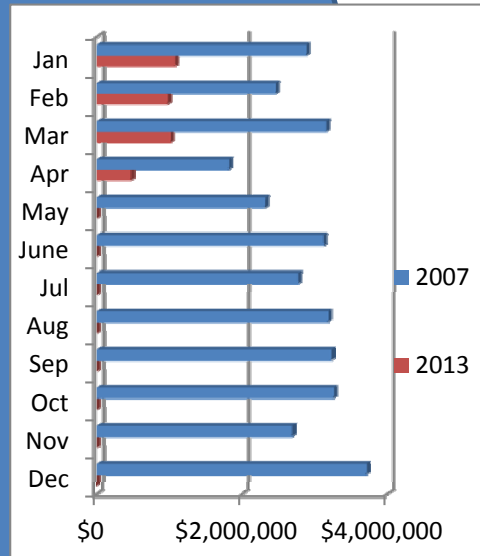




Short-Term Lodging					% change
	2010	2011	2012	2013	from PY
Jan	\$12,493,479	\$12,273,406	\$12,971,968	\$15,682,866	20.90%
Feb	\$12,368,672	\$12,861,701	\$14,079,347	\$15,844,195	12.54%
Mar	\$16,099,458	\$18,399,939	\$18,313,439	\$20,963,468	14.47%
Apr	\$4,079,901	\$4,053,070	\$4,472,112	\$2,893,910	-35.29%
May	\$773,209	\$832,715	\$1,087,494	\$0	n/a
Jun	\$2,010,085	\$2,532,271	\$3,483,556	\$0	n/a
Jul	\$4,188,735	\$5,513,083	\$6,615,081	\$0	n/a
Aug	\$3,229,826	\$4,612,218	\$5,169,056	\$0	n/a
Sep	\$2,162,726	\$3,118,560	\$3,497,547	\$0	n/a
Oct	\$1,270,196	\$1,351,146	\$1,493,411	\$0	n/a
Nov	\$2,298,412	\$2,981,024	\$2,760,434	\$0	n/a
Dec	\$14,187,765	\$16,009,018	\$15,231,128	\$0	n/a
Total	\$75,162,464	\$84,538,151	\$89,174,571	\$55,384,438	



Grocery / Liquor					% change
	2010	2011	2012	2013	from PY
Jan	\$4,472,454	\$4,853,813	\$4,857,276	\$6,142,115	26.45%
Feb	\$4,590,195	\$4,803,009	\$4,962,402	\$5,407,026	8.96%
Mar	\$4,877,466	\$5,179,766	\$5,219,990	\$5,386,799	3.20%
Apr	\$3,186,035	\$3,261,348	\$3,469,430	\$2,932,402	-15.48%
May	\$2,023,538	\$2,053,046	\$2,309,947	\$0	n/a
Jun	\$2,682,462	\$2,757,191	\$3,097,820	\$0	n/a
Jul	\$3,999,077	\$4,219,220	\$4,489,506	\$0	n/a
Aug	\$3,896,409	\$4,271,490	\$4,540,829	\$0	n/a
Sep	\$2,955,420	\$3,278,161	\$3,404,220	\$0	n/a
Oct	\$2,487,769	\$2,647,930	\$2,855,324	\$0	n/a
Nov	\$2,422,067	\$2,598,982	\$2,778,270	\$0	n/a
Dec	\$7,431,683	\$7,776,073	\$7,705,640	\$0	n/a
Total	\$45,024,575	\$47,700,028	\$49,690,652	\$19,868,342	



Construction					% change
	2010	2011	2012	2013	from PY
Jan	\$1,094,954	\$561,988	\$752,255	\$1,072,239	42.54%
Feb	\$1,111,091	\$619,675	\$703,811	\$964,673	37.06%
Mar	\$1,469,445	\$903,899	\$908,620	\$1,010,935	11.26%
Apr	\$1,005,902	\$721,817	\$779,206	\$464,575	-40.38%
May	\$1,138,209	\$752,424	\$1,761,256	\$0	n/a
Jun	\$1,569,090	\$1,552,324	\$1,562,363	\$0	n/a
Jul	\$1,351,864	\$1,500,224	\$1,366,520	\$0	n/a
Aug	\$1,444,489	\$1,450,106	\$1,670,785	\$0	n/a
Sep	\$1,468,840	\$1,697,142	\$2,343,106	\$0	n/a
Oct	\$1,594,643	\$1,486,042	\$1,521,388	\$0	n/a
Nov	\$1,495,098	\$1,339,040	\$1,482,393	\$0	n/a
Dec	\$1,211,382	\$1,435,591	\$1,290,457	\$0	n/a
Total	\$15,955,006	\$14,020,272	\$16,142,158	\$3,512,422	



# General Fund Revenues Summary

May 31, 2013

**General Fund Revenue:** 102% of YTD budget (total of \$9.972M vs. \$9.810M budget). Results are very consistent with prior year and budget. The variances explained below are all fairly minor.

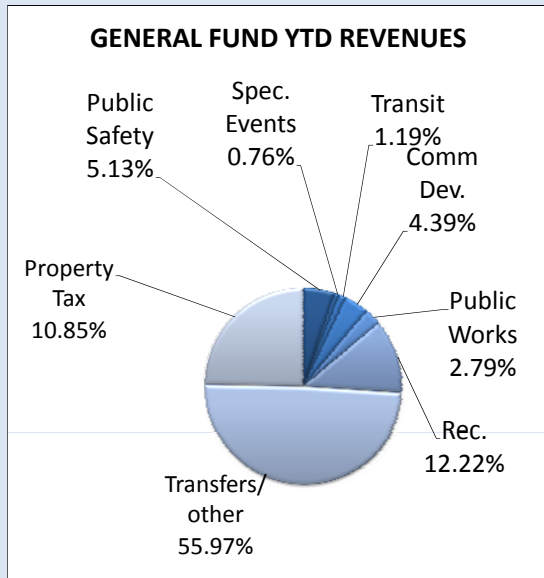
**Variance Explanations:**

Special Events under budget due to timing-NRO/BMF ticket sales.

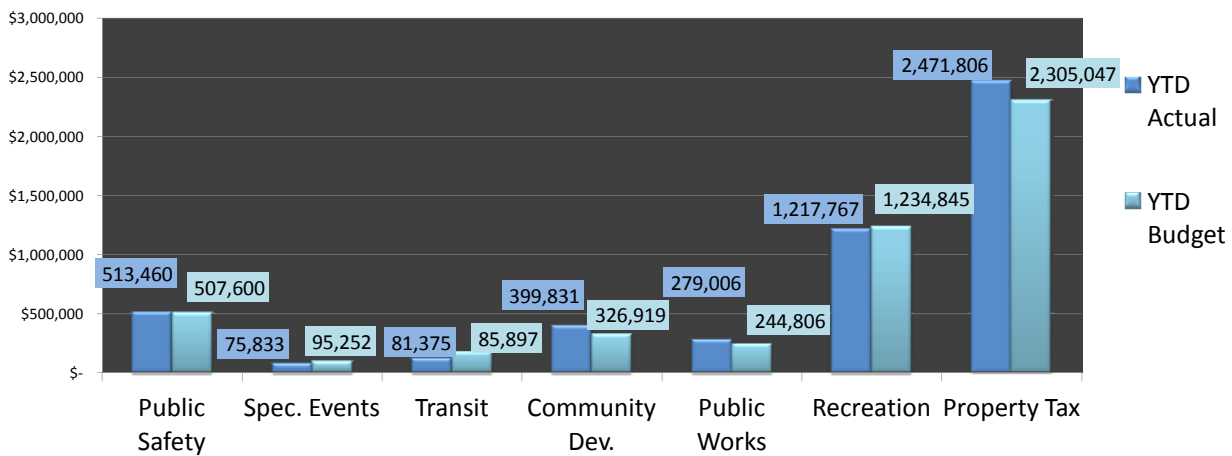
Comm. Dev. over budget due to permits, plan check and Planning Fees (Class A, B, C, etc.).

Public Works over budget due to Insurance Recoveries.

Property Tax receipts over budget due to timing.



## Gen. Fund YTD Revenue Act vs. Bud - by Program



General Fund Expenditures Summary

May 31, 2013

General Fund expenses are over budget for the month of May at 108% or \$10.6M vs. budgeted expenses of \$9.8M due to the Abby Hall purchase and Nordic Center loan draws. There are some favorable expense variations in Public safety, Admin, Special Events, Transit, and Recreation.

**Favorable Variance Explanations:**

Public Safety: staffing

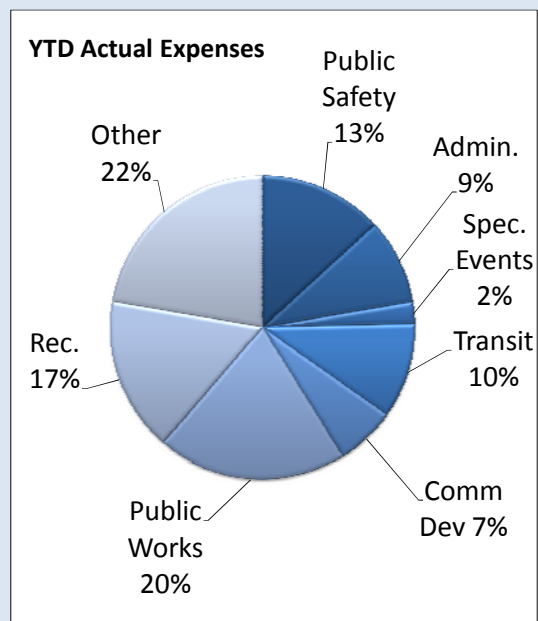
Administration under budget due to staff turnover.

Special Events under budget due to timing (BMF/NRO ticket sales).

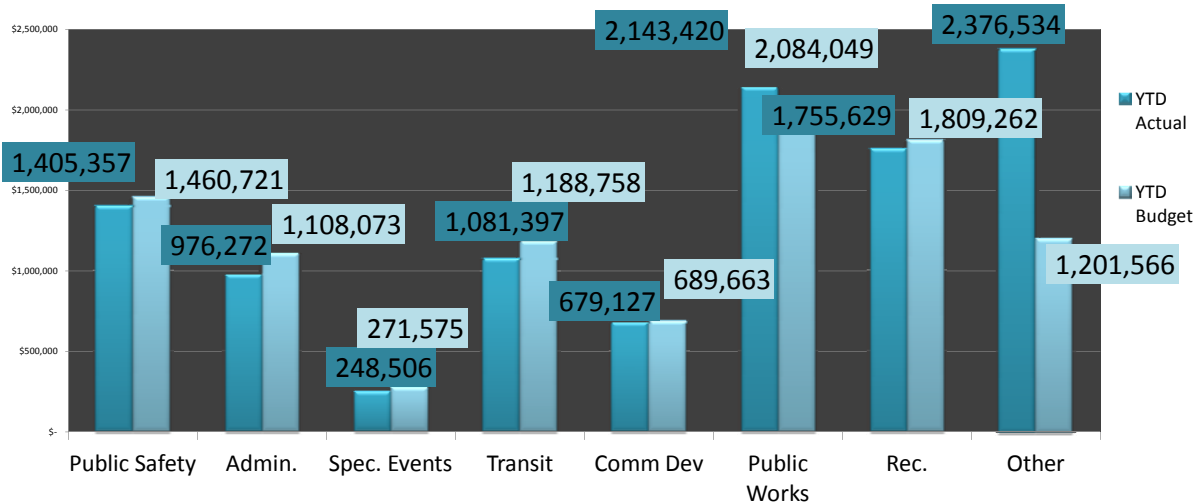
Transit: under budget due to wages

Public Works: timing of purchases. Should "catch up" to budget by year-end.

Recreation: under budget due to wages and janitorial services



**Gen. Fund YTD Expenditures Act. vs. Bud. - by Program**



# Combined Statement of Revenues and Expenditures

## All Funds May 31, 2013

REVENUE	YTD Actual	YTD Budget	% of YTD Bud.	Annual Bud.
<b>General Governmental</b>				
1 General and Excise Fund	\$ 14,446,937	\$ 13,076,751	110%	\$ 28,669,357
2 Special Revenue	2,525,516	2,322,289	109%	5,141,167
3 Internal Service	1,422,207	1,395,721	102%	3,362,045
<b>4 Subtotal General Governmental</b>	<b>\$ 18,394,660</b>	<b>\$ 16,794,761</b>	<b>110%</b>	<b>\$ 37,172,569</b>
5 Capital Projects	93,740	1,965,835	5%	5,133,004
<b>Enterprise Funds</b>				
6 Utility Fund	1,085,846	1,105,688	98%	3,129,541
7 Golf	164,267	109,790	150%	2,097,780
<b>8 Subtotal Enterprise Funds</b>	<b>\$ 1,250,113</b>	<b>\$ 1,215,478</b>	<b>103%</b>	<b>\$ 5,227,321</b>
<b>9 TOTAL REVENUE</b>	<b>19,738,513</b>	<b>19,976,074</b>	<b>99%</b>	<b>47,532,894</b>
10 Internal Transfers	8,974,040	8,939,337	100%	21,337,966
<b>11 TOTAL REVENUE incl. x-fers</b>	<b>\$ 28,712,553</b>	<b>\$ 28,915,411</b>	<b>99%</b>	<b>\$ 68,870,860</b>
<b>EXPENDITURES</b>				
	YTD Actual	YTD Budget	% of Bud.	Annual Bud.
<b>General Governmental</b>				
1 General and Excise Fund	\$ 11,358,093	\$ 10,456,347	109%	\$ 23,761,770
2 Special Revenue	9,332,713	10,696,666	87%	15,215,588
3 Internal Service	1,304,132	1,112,099	117%	2,612,717
<b>4 Subtotal General Governmental</b>	<b>\$ 21,994,938</b>	<b>\$ 22,265,112</b>	<b>99%</b>	<b>\$ 41,590,075</b>
5 Capital Projects	864,185	4,368,750	20%	10,485,000
<b>Enterprise Funds</b>				
6 Utility Fund	821,942	1,244,435	66%	3,387,385
7 Golf	777,577	708,939	110%	2,296,912
<b>8 Subtotal Enterprise Funds</b>	<b>\$ 1,599,519</b>	<b>\$ 1,953,374</b>	<b>82%</b>	<b>\$ 5,684,297</b>
<b>9 TOTAL EXPENDITURES</b>	<b>24,458,642</b>	<b>28,587,237</b>	<b>86%</b>	<b>57,759,373</b>
10 Internal Transfers	8,974,040	8,939,337	100%	21,337,966
<b>11 TOTAL EXPENDITURES incl. x-fers</b>	<b>\$ 33,432,682</b>	<b>\$ 37,526,574</b>	<b>89%</b>	<b>\$ 79,097,339</b>
<b>12 TOTAL REVENUE less EXPEND.</b>	<b>\$ (4,720,129)</b>	<b>\$ (8,611,163)</b>	<b>N/A</b>	<b>\$ (10,226,479)</b>

**General Governmental Funds** - General, Excise and Special Projects  
**Special Revenue Funds** - Marketing, Affordable Housing, Open Space, Conservation Trust, and Medical Marijuana  
**Internal Service Funds** - Garage, Information Technology (IT), and Facilities

## ALL FUNDS REPORT

May 31, 2013

As stated in the Executive Summary section of this month's report, tax revenues are performing ahead of budget. Most other revenue variances are due to timing.

Expense variations are primarily from timing and will typically 'catch up' to budget over the course of the year. The exception is in the General Fund where significant expense variations due to purchases of land and buildings will persist.

### **Special Revenue Funds:**

- Revenues at 109% of budget
- Expenditures at 87% of budget. Open Space and Affordable Housing have budgeted for acquisition which have not yet taken place.
- As noted in prior month, under fund accounting rules, the Corum loan amount is be considered an expense. The supplemental budget appropriation has been included in the financials so as not to skew the graphs (right).

### **Capital Fund:**

- Revenue: under budget due to County contribution budgeted for Harris Street building (timing).
- Expense: under budget due to timing of capital expenditures.

### **Utility:**

- Revenue: under budget due to PIF's.
- Expense: under budget due to timing of capital expenditures.

**Golf:** Expenditures over budget due to purchase of capital equipment-timing.

### **Fund Descriptions:**

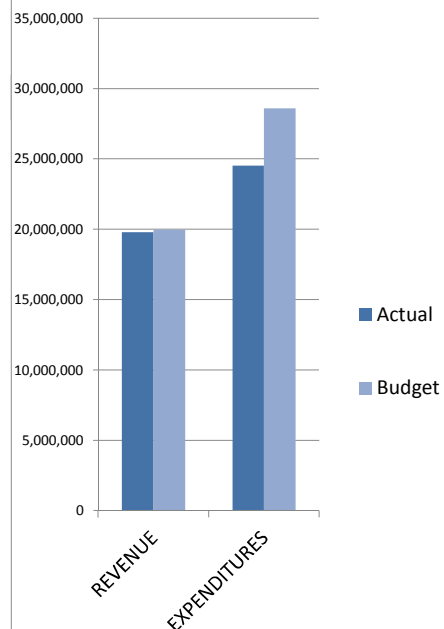
General Governmental -  
General, Excise and Special  
Projects

Special Revenue Funds -  
Marketing, Affordable Housing,  
Open Space, Conservation Trust,  
and Medical Marijuana

Enterprise Funds: Golf, Utility

Internal Service Funds - Garage,  
Information Technology (IT), and  
Facilities

YTD Actual Revenues and  
Expenditures vs. Budget



## 2013 Sales Tax Increase/Decrease from 2012

The purpose of this month's "Other Information" section is to report on the YTD sales tax increases/decreases in other Colorado municipalities. All but a few towns are reporting significant increases over 2012. Resort towns top the list for sales tax increases. The non-weighted average increase based on the data below is 5.9%.

### 2013 YTD Sales Tax % Change from 2012

Municipality	% Inc/(Dec)	Population
Avon	17.0%	6,500
Breckenridge	13.0%	4,700
Winter Park	12.0%	1,000
Telluride	11.1%	2,360
Fort Morgan	10.8%	11,600
Silverthorne	9.5%	4,000 *
Fountain	8.0%	26,500
Rifle	8.0%	9,000 **
Gunnison	6.8%	5,868
Parker	6.1%	49,000
Federal Heights	6.0%	11,500
Woodland Park	5.8%	7,200
Buena Vista	5.7%	2,631
Steamboat Springs	5.7%	12,000
Montrose	5.3%	19,000
Durango	5.2%	17,000
Littleton	4.8%	41,000
Superior	3.4%	12,500
Evans	2.5%	19,000
Foxfield	-2.1%	700
Sterling	-5.7%	14,276
Commerce City	-8.6%	47,000

\*Lowe's opened in late 2012

\*\*A new sales tax of .75% effective Jan. 1 Without it, sales tax would be down 11%



**Date:** June 19, 2013 (*for 6.25.13 meeting*)  
**To:** Mayor and Town Council Members  
**From:** Director of Communications & BMAC Members  
**cc:** Town Manager, Assistant Town Manager, BRC President  
**RE:** Events Evaluation Report & Recommendations

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At the onset of forming the Breckenridge Marketing Advisory Committee, one of the items on the 'Action Plan' was to take a look at events, and how they fit within the Marketing Plan, and possibly how to fund new events. Last July, the Council raised the question of how events are being evaluated and specifically, how to determine ROI. This led to Council asking BMAC to conduct an in-depth Event Evaluation.

Bruce Erley of Creative Strategies Group was chosen to conduct this Events Evaluation Report, and the Ad Hoc group of a Town Council member (Wendy), Town events staff and BRC events staff have guided the process. On June 3<sup>rd</sup>, Bruce presented the report to BMAC for their review, discussion and recommendations. The final report follows this memo, and Bruce will present a high-level overview at the Work Session.

First and foremost, BMAC fully endorses the report and is appreciative to Bruce for a thorough report.

Secondly, BMAC requests that we memorialize, via a consensus agreement that the Council believes that events are a vital tool in driving economic vitality as well as promoting the Breckenridge brand.

Next, BMAC recommends that the initial focus (or Phase 1) be as follows:

1. Formation of a committee with responsibility of the development of a strategic plan, and then implementation that would guide events, including evaluation of current events and their ROI, evaluation of new events, and eventually, recommendations for funding event beyond the current avenues.
2. Invest in a MuniRev system that would provide daily sales tax information to use as one of the ROI measurement tools.
3. Direct all event producers to conduct visitor intercept surveys.

It has been a very worthwhile exercise and educational process. BMAC appreciates Council's interest and attention in this matter, and looks forward to our discussion.

# Events Evaluation Report

*For The*

**Town of Breckenridge**



*Prepared By*

**Creative Strategies Group**



*Presented to*

*Breckenridge Marketing Advisory Committee  
June 3, 2013*

# Table of Contents

## Town of Breckenridge

### Events Evaluation Report

I. Introduction & Overview	3
A. Breckenridge and Events	3
B. Genesis for the Events Study	3
C. Key Deliverables	4
D. Process/Methodology	5
II. Municipal Best Practices	6
A. Review Process	6
Appendix A-1: Town of Breckenridge Municipal Assessment	A-1
Appendix A-2: Municipal Best Practices Review	A-2
B. Observations & Ideas Garnered	7
1. Municipal Attitude/Philosophy Regarding Special Events	7
2. Passive vs. Proactive View of Events	7
3. Best Practices of a Proactive Approach to Special Events	9
III. Breckenridge Property Audit & Analysis	10
A. Review Process	10
B. Review Matrix	10
Appendix B: Breckenridge Property Review	B
C. Observations & Recommendations	11
IV. Proposed Strategic Direction for Breckenridge Event Support	14
A. A Proactive Approach to Special Events	14
V. Tactical Recommendations	15
A. Funding Mechanisms	15
B. Event Classification	17
VI. Reviewing Event Opportunities	19
A. Event Support Application	19
B. Event Application Criteria	21
VII. ROI: Evaluation & Review	23
A. Sales Tax Data	23
B. Economic Impact Studies	23
C. Audience Intercept Surveys	24
D. Post Event Reports from Event Producer	27
E. BMAC – ROI Review	28
VIII. Next Steps	30
IX. Concluding Thoughts	30



## **I. Introduction & Overview**

### **A. Breckenridge and Events**

Breckenridge has long recognized the positive impact of festivals and special events on the community. Events are viewed as source of diverse and affordable programming for residents and visitors alike, a tourism draw, a positive economic driver, a contributor to the overall high quality of life, and an affirming contributor to Breckenridge’s brand as a “real town...with a vital main street, locally owned businesses, a genuine sense of community and a friendly, welcoming small town feel.”

From world class events like the Dew Tour and USA Pro Cycling Challenge, to major annual festivals ranging from the International Snow Sculpture Championships and Breckenridge Music Festival, to quirky events such as Ullr Fest and Kingdom Days Celebration to hometown happenings for the locals like the Town Party, there is something for every interest and taste.

Breckenridge manages and supports festivals and events in a variety of ways. All event organizers must apply for a special event permit and work with the Town staff through the SEPA committee to assure that the event will be well produced with possible problems mitigated in advance with various town departments and touch points.

The Town Council-appointed Breckenridge Marketing Advisory Committee, (BMAC) plays a significant role in reviewing and advising the council on best practices to maximize the effectiveness and efficiency of tourism marketing investments including those dollars that are channeled to special events.

Through the BOLT business tax, accommodations tax, sales taxes and general fund excise taxes, approximately \$750,000 in event funding is managed through the Breckenridge Resort Chamber (BRC), which serves as the community’s chief marketing agent and most prolific event producer. The town also set aside \$300,000 of the Marketing Fund for community branding opportunities such as the USA Pro Cycling Challenge and for special opportunities. In addition, the Town’s Events/Riverwalk Center’s budget provides for funding for events or enhancements such as Town Party and fireworks. The Special Projects Fund provides funding to nonprofits through the annual Grant program (approx. \$91,000) for their events. And lastly, the Town’s General Fund provided \$97,000 in 2013 for Dew Tour support.

### **B. Genesis for the Events Study**

At the July 10, 2012 Town Council Meeting, the question was put forward as to how events were being recapped and reviewed in terms of their Return on Investment. The staff’s written response provided a recap of past and current evaluation measures from the SEPA review process to BRC recap roundtable to online business surveys. All acknowledged that few evaluations could provide quantitative metrics regarding incremental economic impact on lodging nights, sales tax, etc.

## **I. Introduction & Overview (*continued*)**

### **B. Genesis for Events Study (*continued*)**

As BMAC discussed the ROI question, the conversation naturally progressed into how measurement metrics could be used not just for current events but additionally in the potential financial support of new events through the provision of seed money.

In November, 2012 with the recommendation of the BMAC and at the direction of the Breckenridge Town Council, a RFP was issued for third party consultation and assistance in developing “Best Practices for Breckenridge Events.”

Specifically it stated that “The Town desires the consultant to develop both an evaluation of select current events and options for a ‘Best Practices for Breckenridge Events’ process, including information on how other communities evaluate and fund new events, how to evaluate the investment (ROI) made by the Town and BRC with solid, quantifiable parameters.”

Creative Strategies Group, (CSG) an event marketing agency based in Broomfield, Colorado was selected to conduct the research and prepare a report for the town.

### **C. Key Deliverables**

In the initial discussion between CSG and the Town, four key deliverables were identified for this consultation:

1. Review and matrix of three similar communities’ “best practices” for events, including how they evaluate and fund events (existing and new/proposed).
  - ▶ Denver
  - ▶ Aspen
  - ▶ Vail
  - ▶ Telluride (added by CSG)
2. Evaluation of eight current Breckenridge events
  - ▶ Ullr Fest
  - ▶ International Snow Sculpture Championships
  - ▶ Mardi Gras
  - ▶ Kingdom Days Celebration
  - ▶ Mountain Arts Festival
  - ▶ Breckenridge PRCA ProRodeo
  - ▶ Breck Bike Week
  - ▶ Breckenridge Oktoberfest
3. Criteria (Matrix, process, etc.) for evaluation NEW events being proposed
4. Post event evaluations (matrix, process, etc.) for both current events and NEW events that hosted or supported

## **I. Introduction & Overview (continued)**

### **D. Process/Methodology**

For the past three months, CSG has conducted the raw research required for this study.

CSG contacted the municipalities to secure their participation in the research. They were all quite supportive of the process. Questionnaires were developed and administered by CSG with a follow-up phone or in-person interview with the respondents. Additionally, CSG was either directly provided or conducted online research of public records related to other municipal practices related to events and festivals.

The information collected from these municipalities was coalesced into a review matrix which is included in this report.

CSG also carefully reviewed similar information from the Town of Breckenridge and Breckenridge Resort Chamber to drill down deeply into current protocols, procedures, policies and practices related to the treatment of festivals and events. This review was a bit more in-depth as the current situation will be the basis upon which recommendations will be built.

A questionnaire was also distributed to the organizers of the six Breckenridge events identified for this study. They provided specific information to the best of their ability and information tracked related to a general review of their event, its purpose and key objectives, measurement metrics, audience impact and other information.

The “top line” information from this event review has been plotted onto a comparative matrix and included in this report.

CSG then provided our overall observations, recommendations for Breckenridge’s direction to take on event review, funding, support and evaluation, along with specific review and measurement criteria.

We look forward to discussing our findings with you.

## II. Municipal Best Practices

### A. Review Process

Breckenridge need not reinvent the wheel when it comes to their relationship with festivals and special events. There is a great deal that can be gleaned from looking at other municipalities and how they deal with events.

Breckenridge actually participated in a CAST Survey of Special Events with other Colorado communities in October 2004. The purpose of this audit was to report on how other cities *managed* festivals and events in such areas as permitting, fees and licenses, use of municipal venues, provision of services, etc.

CSG’s survey and subsequent conversations with those responsible for these types of relationships proved to be very insightful. Key factors we sought to determine included:

- ▶ Perceived role of events to the municipality
- ▶ Governance role by city in supporting events
- ▶ Staffing and infrastructure related to events
- ▶ Municipal special events “investment” policy (if any)
- ▶ City support of events (Financially, support services, marketing)
- ▶ Funding mechanisms for current and new events
- ▶ Measurements used to determine ROI

### B. Review Matrix

The information from these reviews has been plotted onto the matrixes providing a side by side comparison for these areas of exploration. They provide an excellent snapshot of each community’s approach to their treatment and support of special events and event producers. Attached, please find:

Appendix A-1: Town of Breckenridge Municipal Assessment Review

Appendix A-2: Municipal Best Practices Review for Denver, Aspen, Telluride and Vail

## I. Municipal Best Practices (*continued*)

### C. Observations and Ideas Garnered

#### 1. Municipal Attitude/Philosophy Regarding Special Events

**Commonalities:** All four communities we surveyed, (plus Breckenridge) have a positive, welcoming *attitude* regarding festivals and events. Events are regarded as a great source of entertainment and programming for residents and visitors alike; they add to a vibrant quality of life; and play a helpful role as an economic driver.

All five communities have in place formal protocols and procedure for *regulating* and managing special events to assure they are complying with municipal ordinances, mitigating issues related to city venues and services, and providing a quality control measure to assure the events is appropriate for the prevailing community standards.

There are *dedicated municipal staffs* in all five cities who serve as an initial point of contact, permitting facilitators, advisory resource, and municipal coordinators to the event producer. These staff members are generally in dedicated special events departments as well as aligned departments such as arts & culture and parks & recreation.

The one exception is the Town of Vail which views events from a far more proactive economic perspective and consequently bases their special events staff out of the Department of Economic Development. (More on this later.)

#### 2. Passive vs. Proactive Views of Events

As previously reported, all five municipalities have event policies and procedures in place for the *management* of events. But this is the dividing point where some clear differences appear in terms of the *nurturing and support* of special events as a municipal marketing and economic strategy.

**Some communities have made a more proactive determination that special events can serve as a marketing and communications tactic to build tourism with its associated economic benefits.**

This is demonstrated in the people, programs, and policies they have put into place from a municipal level. Additionally, they “put their money where their mouth is” in terms of the funding of efforts and activities that support a robust and vibrant event environment.

**II. Municipal Best Practices (continued)**

**C. Observations and Ideas Garnered (continued)**

**2. Passive vs. Proactive Views of Events (continued)**

On a scale of 1-10 with “1” representing a passive or laissez-faire policy to “10” reflecting a highly calculated and aggressive approach to supporting events, CSG has ranked the five communities as follows:

<i>City</i>	<i>Ranking</i>	<i>Comments</i>
Denver	2	Has dedicated staff to liaison with producers. Provides encouragement and support to event producers, but few financial incentives and no in-kind support of city services.
Telluride	3	No specific policy in place to recruit or support events. Town does provide some event funding through the Commission for Community Assistance Arts & Special Events, but it is limited to local nonprofits.
Aspen	4	Though considering a program, Aspen does not presently have a municipal initiative in place to recruit and fund special events. Keeps permitting fees low and provides some city services at no cost, Some event funding was provided for 18 months in 2008 but is no longer in place.
Breckenridge	6	Town is committed to events for programming, entertainment, quality of life and role they play in attracting visitors to the community. Significant municipal funding (\$750,000) is provided to existing events, primarily through the BRC, but special funding (\$300,000) has been set aside to support such special opportunities as the Pro Challenge, plus misc. funding for NPO events (\$91,000) and ToB events & enhancements (fireworks, Town Party, etc.), and Dew Tour. However, there is not presently a policy in place for the recruitment and seed funding of new events.
Vail	10	For the Town of Vail, special events are considered one of the three top economic drivers for the town. Vail, through their Department of Economic Development and council-established Commission on Special Events, has created a strategic plan which guides an aggressive effort to financially support existing events as well as identify, recruit and provide seed money for new events. Vail has three funding mechanisms that provide approximately \$4 million annually to events.

## II. Municipal Best Practices (*continued*)

### C. Observations and Ideas Garnered (*continued*)

#### 3. Best Practices of a Proactive Approach to Special Events

In reviewing best practices of those municipalities with a proactive and aggressive role in utilizing special events as an economic driver, CSG found these common elements:

- ✓ ***Town Council Engagement*** – There is an understanding and appreciation for the positive role of special events and festivals in the community as an economic driver and its impact on quality of life for residents and visitors alike. Events are regarded as a key marketing tactic which need to be nurtured, managed and measured.
- ✓ ***Funding Mechanisms*** – Of the five municipalities only Breckenridge and Vail had formal funding mechanisms in place for the financial support of events. Generally these are generated by lodging taxes, business taxes and licensing fees and general funds.
- ✓ ***Municipal Operational Support*** – With the exception of Denver which charges for all special events venues and support services, all other mountain municipalities position themselves as wanting to be a “partner” with event organizers through the no-or-low cost provision of city land, streets, venues, public works support and police and fire coverage.
- ✓ ***Active Events Committee*** – While many of the reviewed municipalities have formally-established committees for special events, it is those that are properly commissioned, staffed, funded and empowered that have the greatest impact.
- ✓ ***Strong Community Partners Active in Event Production*** – Whether the Vail Valley Foundation or the Breckenridge Resort Chamber, it appears that strategic partners that can manage and produce events, operate outside the rigidity of the municipal structure and policies, and accomplish specialized tasks in an expedient manner are an important partner in accomplishing the city’s objectives.
- ✓ ***Active Recruitment of New Events/Producers*** – Vail in particular has put out an “Open for Business” sign for event producers. They are actively and aggressively seeking and evaluating partners, whether for-profit or not, that can bring events to the community that achieve key goals for economic impact, shoulder season attractions, niche audiences, media exposure etc.
- ✓ ***Measurement Procedures and ROI Metrics*** – A key element in best practices for municipalities is to have in place clear metrics and procedures to measure the impact of specific events in meeting key objectives including lodging nights, sales tax, media exposure, audience demographics and experience, etc. Telluride utilizes MUNIRevs, a daily sales tax reporting system. Vail now conducts audience surveys and requires post-event performance reports from the event producer.

### **III. Breckenridge Property Audit & Analysis**

#### **A. Review Process**

As part of this study, CSG was asked to “audit” a selection of events and festivals that take place annually in Breckenridge. Those events represented a variety of circumstances from private to nonprofit ownership, new vs. established, time-of-year, purpose, etc. The events reviewed (in calendar chronological order) were:

- ▶ Ullr Fest
- ▶ International Snow Sculpture Championships
- ▶ Mardi Gras
- ▶ Kingdom Days Celebration
- ▶ Mountain Arts Festival
- ▶ Breckenridge PRCA ProRodeo
- ▶ Breck Bike Week
- ▶ Breckenridge Oktoberfest

Each event producer was sent a three-page questionnaire designed to drill down into their audience numbers and profile, financial support (e.g. town, sponsors, others), purpose/objectives and any measurements or metrics they employ.

#### **B. Review Matrix**

The information from these questionnaires has been plotted onto a matrix providing a side by side comparison for these areas of exploration. As each event producer provided varying levels of detail based upon information that was regularly tracked, some areas are incomplete. Attached, please find:

Appendix B: Breckenridge Property Review



### III. Breckenridge Property Audit & Analysis (*continued*)

#### C. Observations & Recommendations

**Event Size and Type:** The events CSG reviewed varied widely in terms of attendance. Larger events such as Oktoberfest attracted 48,000 attendees and the ISSC has an estimated audience of 38,500. Mid-sized events such as Kingdom Days and the Mountain Arts Festival fell in the 7,000 to 10,000 range. The nightly average attendance for the PRCA ProRodeo was 933 and Breck Bike Week reported approximately 1,200 participants.

Needless-to-say, the size and duration of an event has a significant impact on the community as well as city resources. As we proceed with recommendations later in this report, CSG will be proposing a classification of events by anticipated audience size.

**Seasonal Timing:** The dates of Breckenridge events we reviewed could best be grouped into four time frames:

- ▶ Prime: Winter (December – March)
- ▶ Prime: Summer (Mid-June – Early September)
- ▶ Shoulder: Fall (Mid-September – November)
- ▶ Shoulder: Spring (April – Mid June)

Given the stated emphasis to drive visits during shoulder periods, we were a bit surprised to find so few fell into those time frames. This may provide an opportunity to recruit other events during shoulder periods such as Vail does.

**Purpose/Objective:** Those events produced by the BRC through their marketing contract with the town universally were designed to create high-quality programming that reflects Breckenridge's unique attributes, provide an event that attracts visitors and drives lodging, adds to the community's quality of life as well as promotes the town's brand. Given these broader objectives, all BRC events are free to the public.

The privately owned events also want to provide experiences that enrich the community and appeal to visitors. However, CSG as an event producer knows that the strongest motivation of private event owners is profit generation. This is their *business* and how they make a living. Consequently most private events have an admission or participation fee.

In our opinion, none of these motivations are in conflict with the overall the town's objectives to "host" events that boost tourism, enrich the community and support the Breckenridge brand.

### III. Breckenridge Property Audit & Analysis (*continued*)

#### C. Observations & Recommendations (*continued*)

**Sponsors/Partners:** The importance of sponsors as a funding partner of events in Breckenridge cannot be understated. They provide not only financial investments and trade support, but often add to the marketing of the event as well as the overall experience of the attendee. BRC has done a good job of soliciting and contracting commercial sponsors for their major events. Beer is the most active category in play, followed by automotive.

Both the Town of Breckenridge and the Breckenridge Ski Resort have been essential partners of virtually all BRC events providing both cash and trade support. The Mountain Arts Festival does not have a sponsorship program and the Rodeo's sponsorship is still in the formative stages.

Sponsors can and should continue to play an increasing role in providing incremental financial support as well as budget-relieving trade support to events in Breckenridge.

**Marketing Impressions:** Marketing & advertising for events serves several purposes. The first objective is to generate awareness and compel attendance. The second is to promote sponsor brands. The Breckenridge's case, there is a third objective - to promote and reinforce Breckenridge's marketing brand as a real town and great place to visit and have fun. The good news is that when the message is compelling and the delivery mediums effective, all three can be accomplished.

Promotion for the events we reviewed was divided into two markets – Summit County and Denver. BRC events utilized a combination of cash advertising buys and promotional partnerships to create awareness and demand. For those events which were able to provide media equivalencies, approximately 55% of the media value was “invested” in Denver and 45% in Summit County.

Clearly the *Summit Daily News* and radio stations KSMT and Krystal 93 are important promotional partners to get the word out locally. In Denver, the most common media partners were KUSA and KCNC, Westword, KBCO and KCFR.

It was interesting that the privately-owned events reported limited or no advertising investments. Mountain Arts Festival, which did not report any advertising, is likely assuming that attendance will come from those already in Breckenridge for the three high-traffic weekends on which they fall. The Rodeo did an unspecified buy in Denver on KYGO (a C&W powerhouse) and the typical Summit County media outlets.

It may be possible to pool or bundle Breckenridge's events as a marketing co-operative to increase the reach and frequency of the media buys in the future.

### III. Breckenridge Property Audit & Analysis (continued)

#### C. Observations & Recommendations (continued)

**Measurement:** Universally, among the events we reviewed was the deficiency of performance measurements other than attendance. Further, accurately gauging attendance, especially at free events, is a perpetual problem for event producers.

BRC events did the best job of measuring what they could. In most cases these events tried to track movement in vacancy rates, incremental tax revenues and media equivalences (both paid and earned media). However, given the lack of effective quantitative measurement systems in place, these numbers are most likely best guesses at best.

Further, we were surprised to find so little audience demographic information was collected. Clearly, if Breckenridge wants to accurately measure the effectiveness and return on event investments, this data needs to be collected in a consistent and methodical manner. For accuracy and consistency, this most likely will need to be accomplished by a central authority such as BMAC.

**Community Support:** In Breckenridge, the financial figures do NOT include various lodging and restaurant donations to events, including but not limited to ISSC.

In addition, it is worth noting that holistically the difference between the other communities surveyed and Breckenridge is the lack of delineation between the mountain (i.e. Vail Resorts/Breckenridge Ski Resort) and the town/community. There has been a concerted effort by the Town, the BRC and BSR to collaborate so events 'bleed' across the 'borders'.

#### IV. Proposed Strategic Direction for Breckenridge Event Support

The Breckenridge Town Council, through the Breckenridge Marketing Advisory Committee desires to “evolve” their approach to reviewing, funding and measuring special events. While there is a great deal the town is doing right in the support of events, as the municipal review showed, there is more than can and should be done to assure public dollars are being invested wisely and effectively.

It is not CSG’s place to establish a new approach to dealing with events for the Town of Breckenridge, but we have been asked to provide our recommendations for strategies and tactics that might be considered. As it is the desire of BMAC to remove the subjectivity of how events may be evaluated for ongoing or seed funding, we will also provide in this section of the report, our ideas for review criteria and evaluation.

##### A. A Proactive Approach to Special Events

The Town and BMAC desire to take over the driver’s seat when it comes to managing the composition and impact of events and festivals in Breckenridge. **This begins with consensus agreement that events are a vital tool in driving economic vitality as well as promoting the Breckenridge brand.** Everyone must philosophically be on board in their belief and understanding of the role of the events in the community.

Over time, this consensus will likely be manifested in a number of ways:

- ▶ Elevation and empowerment of the Breckenridge Marketing Advisory Committee to take the lead role in guiding and being held accountable for event policy, selection, investments and effectiveness.
- ▶ Development of a strategic plan for Breckenridge’s Special Events including their purpose, fundamentals and critical success factors, process and procedures, funding criteria and mechanisms as well as key deliverables and accountabilities.
- ▶ Fresh look at funding events and the role and level to which the Town should play, including such considerations as being a “financial sponsor” of current events, creating new events that meet key objectives such as slower months, recruiting event producers and providing seed money for new events as well as providing the necessary resources to staff, measure and evaluate these programs.
- ▶ Develop town-directed measurement programs to gauge the success of events and the ROI from municipal investments. These will likely include incremental sales tax software, audience size estimate systems, visitor intercept surveys during events, economic impact studies and required post event recaps from event producers receiving Town or BRC support.

In terms of “best practices, Vail provides an excellent model for these types of actions and CSG encourages the review of the Town of Vail’s Commission on Special Events Strategic Plan. *(Provided as an Addendum to this report)*

## **V. Tactical Recommendations**

Flowing from the strategic considerations outlined on the following page, CSG has developed the following tactical considerations.

### **A. Funding Mechanisms**

There are a number of sources that can be utilized to fund events in Breckenridge. Many are presently employed. Others can be evolved and expanded.

#### **1. Municipal Funding**

Breckenridge is already funding \$2.5 million to the Breckenridge Resort Chamber to serve as their marketing agent for the town. In the current fiscal year, funding sources include \$1.23 million from accommodations taxes, \$693,000 from BOLT, \$440,000 allocated from Excise and \$234,000 from sales taxes. From this amount, BRC earmarks approximately \$750,000 for events.

While additional investments by the town increase overall event support to \$1.15 million, consider the investment by the Town Vail of \$1.8 million that go directly to the producing of local events plus \$2.5 million from the Vail Local Marketing District. While this is certainly a large amount, Vail has estimated that they receive back in incremental sales tax \$2.37 for every dollar invested in events. If it could be accurately demonstrated that Breckenridge received a similar type of ROI, it would make a very compelling case to increase funding for events.

There are three areas of investment where additional municipal funds might be directed:

- ▶ In support of existing events (as is already being done on some level through the BRC)
- ▶ Seed money to attract producers to bring new events to Breckenridge
- ▶ Support funds for research, staffing, in-kind support and consulting services

#### **2. Sponsorship**

The principal reason for a company to sponsor events in Breckenridge is to be able to reach and influence the audience attending the events to achieve their marketing and communications objectives. When provided with a robust package of tangible rights and benefits, creative promotional activations and an effective ROI, companies will invest dollars in Breckenridge events.

Corporate sponsorship is actively sought by BRC for their events. But there are certainly opportunities to grow sponsorship revenues beyond current level through the identification of products and services that want to reach the residential and visitor demographic profile found at Breck events.

## V. Tactical Recommendations (*continued*)

### A. Funding Mechanisms (*continued*)

#### 2. Sponsorship (*continued*)

The events in Breckenridge might want to consider creating a sponsorship cooperative to bundle together events to create a larger impact and to market them collectively to sponsors based along the Front Range.

#### 3. Gate Admissions & Concessions

Because of their principal focus on visitor development and use of public venues, many events reviewed are free to the public. Further, other than Oktoberfest, onsite concession numbers are not significant contributors to the bottom line.

Additional income could be generated by evaluating opportunities to gate some free events, (or perhaps special areas or exhibits at free events).

Further, concessions income could potentially be increased through a more aggressive food and beverage program or creating an “Official Supplier” program bundled between multiple events and perhaps even with the Town of Breckenridge through purchasing.

#### 4. Philanthropic Sources

Breckenridge’s event strategy could also consider the possible involvement of a nonprofit community foundation to play a similar role to that of the Vail Valley Foundation. The chief benefit of an independent 501(c)(3) would be its ability to raise *philanthropic* dollars from individuals, corporate donations, differed and planned giving and other charitable sources.

#### 5. Municipal In-Kind Support

Cash is not the only kind of support the Town can provide to current events or to incent producers to consider bringing their new events to Breckenridge. Often, a significant expense in producing an event are the expenses for municipal permitting, venue rental, public works and emergency services.

Currently, many of these services are already “absorbed” by the Town, but it might be an effective marketing tool to new producers to articulate and itemized the services being provided without charge or at a greatly discounted rate. These could include:

- |  |  |
|--|--|
| <input type="checkbox"/> Permit fees             | <input type="checkbox"/> Waste management      |
| <input type="checkbox"/> Special Event licenses  | <input type="checkbox"/> Street cleaning       |
| <input type="checkbox"/> Venue rental/Parks fees | <input type="checkbox"/> Police services       |
| <input type="checkbox"/> Street closures         | <input type="checkbox"/> Town staff assistance |
| <input type="checkbox"/> Meter bagging           | <input type="checkbox"/> BRC marketing support |

## V. Tactical Recommendations (*continued*)

### B. Event Classification

The Town and BMAC need to be mindful that no two events are the same. They are as diverse as the audiences they attract, the theme they celebrate and the role they play in the community. CSG recommends that in order to review and evaluate events, (whether current or new), Breckenridge needs to have a system in place to categorize events. We believe there are several factors to be considered in classifying events and festivals including their scope & impact, audience size, and timing/season in which they fall. To that end we propose the following classification structure.

#### ▶ **Scope & Impact:**

- Signature Events (e.g. ISSC)
  - Well-regarded and anticipated annual competitions and showcases
  - Higher attendance levels
  - Take place over several days or weeks
  - Strong draw for destination visitors
  - Significant media appeal
  - Requires significant town services and support
  - Robust sponsor participation
  
- Festivals & Events (e.g. Kingdom Days Celebration)
  - Solid general public interest in activity/theme
  - Mid-range attendance levels
  - Take place over weekend
  - Appeal to destination and day visitors
  - Strong community appeal
  - Requires significant town services and support
  - Some outside sponsorship
  
- Atmosphere Events (e.g. Mardi Gras Parade)
  - Provide entertainment, activities and street experiences
  - Lower to Midrange attendance levels
  - One or two days
  - Unanticipated addition to visitors experience (fun surprise)
  - Limited impact on town services
  - Limited outside sponsorship
  
- Community Events (e.g. Town Party)
  - Essentially provides parochial community experience (for the locals)
  - Low attendance levels
  - One day
  - Few outside visitors
  - No or just a few local sponsors

## V. Tactical Recommendations (*continued*)

### B. Event Classification (*continued*)

▶ **Audience Size:**

- Tier I: 15,000 attendees or greater
- Tier II: 5,000 – 15,000 attendees
- Tier III: 1,500 - 5,000 attendees
- Tier IV: Fewer than 1,500 attendees

▶ **Seasonal Timing:**

- ▶ Prime: Winter (December – March)
- ▶ Prime: Summer (Mid-June – Early September)
- ▶ Shoulder: Fall (Mid-September – November)
- ▶ Shoulder: Spring (April – Mid-June)

With these classifications applied to all Breckenridge events, we believe that BMAC will create a more level playing field to judge and evaluation events for support or funding.



## **VI. Reviewing Event Opportunities**

As Breckenridge begins to take a closer look at the current events it is presently funding through the BRC or independently such as the Pro Challenge, as well as expands its interest in recruiting and providing seed money to bring new events to Breckenridge, it needs to have established the criteria to make balanced decisions with subjectivity removed as much as possible.

Especially for new events seeking seed money or support from the Town or BRC, clear specifications must be outlined by BMAC and explicit information must be requested from the event producer. Below, please find our recommendations for the information and questions to be disseminated.

### **A. Event Support Application**

1. To qualify for funding or in-kind support review, events must support BMAC's strategic objectives, mission, brand positioning and meet the following requirements:
  - a. The event must take place predominantly in the Town of Breckenridge.
  - b. Producers must request a specific dollar amount with an explanation of how it will be utilized.
  - c. Producers must detail which in-kind municipal support or services they are requesting.
2. BMAC will measure event opportunities using the following criteria which responses should address:
  - a. Potential for positive economic impact to the lodging, restaurant and retail sectors with the highest value given to events that drive destination visitors.
  - b. Alignment and compatibility with Breckenridge's brand and the ability to leverage GoBreck.com positioning and marketing channels.
  - c. Is the event taking place at a time of year that is compatible with our events and activities or supports shoulder seasons?
  - d. Degree to which the event will create positive media impressions through paid advertising, media partnerships, public relations.
  - e. Experience the event will provide to Breckenridge guests, local residents and the business community.
  - f. Anticipated revenue streams in addition to town funding in such areas as gate admission, registration fees, sponsorship and concessions.
  - g. Experience and qualifications of the event producer. (References welcome)

With thanks to the Town of Vail, please find a sample event funding application on next page.

## VI. Reviewing Event Opportunities (*continued*)

### Town of Breckenridge Sample Event Funding Application

**Name of Event**

**Proposed Date(s)**

**Amount of Cash Funding Requested**

#### **Producer/Organizer**

- ▶ Name
- ▶ Position
- ▶ Address
- ▶ Contact Information
- ▶ Event/Producer Website
- ▶ Numbers Years in Business
- ▶ Organizations Tax Status

#### **Event Description**

- ▶ Brief description of events and its activities
- ▶ Is this a new or existing event? (If existing, please provide summary of history)
- ▶ Location of event in Breckenridge
  - Will any portion of event take place outside Breckenridge? (Please explain)
- ▶ Anticipated Participants (with anticipated demographic profile)
  - Number of attendees/spectators anticipated? (% Local, % In-state, % Out of state)
  - Number of participants (athletes, artists, exhibitors, etc.)
  - Number of volunteers needed
  - Number of event staff
- ▶ Marketing plan for promoting the event including advertising, media partners and public relations
- ▶ In addition to funding, what additional in-kind services are being asked for from the Town of Breckenridge? (Please explain)
- ▶ Brief description of the potential benefits to the Town of Breckenridge including impact on incremental room nights and increased spending
- ▶ What return on investment should the Town of Breckenridge anticipate?

#### **Budget**

- ▶ Please provide a complete and details event budget including estimated revenues and expenses. Please be sure to delineate:
  - Sponsorship income (potential partners)
  - Gate revenues (anticipated ticket prices or registration fees)
  - Merchandise and concession income
- ▶ What percentage of the total budget is BMAC being asked to fund?
- ▶ How will they be used?
- ▶ Should BMAC decided not to support this event, will it still occur?
- ▶ Would you anticipate this event continuing to be held in Breckenridge in subsequent years?
- ▶ Do you anticipate requiring similar levels of funding in future years? (Please explain)

## **VI. Reviewing Event Opportunities (*continued*)**

### **B. Event Evaluation Criteria**

CSG proposes the use of an “event scoring grid” that can be used by committee members in any evaluation. While many of the criteria will be somewhat subjective, the requirement of a “score” will help separate and delineate opportunities from one another and will encourage directed discussion between the reviewers.

On the next page, please find our proposed scoring sheet.

## Town of Breckenridge Special Event Scoring Sheet

Event Name: \_\_\_\_\_ Existing Event \_\_\_ New Event \_\_\_

Dates: \_\_\_\_\_ Season: \_\_\_\_\_

Organizer: \_\_\_\_\_ Type: \_\_\_ Nonprofit \_\_\_ Private/For Profit

Classification: \_\_\_ Signature \_\_\_ Festival/Event \_\_\_ Atmosphere \_\_\_ Community

Anticipated Attendance: \_\_\_\_\_

Cash or Support Requested: \_\_\_\_\_

<b>Criteria</b>	<b>Evaluator's Comments</b>	<b>Rate</b>
<b>Economic Impact</b> Will this event have potential to...		
▶ Draw visitors		0-20
▶ Increase room nights		0-10
▶ Benefit restaurants		0-10
▶ Stimulate retail sales		0-10
▶ Promote return visits		0-10
<b>Brand Compatibility</b> Will this event align and enhance the Breckenridge brand?		0-10
<b>Timing</b> How well does this event fit into current events calendar or create shoulder season draw?		0-5
<b>Marketing Impact</b> How great is the potential to attract media exposure through PR or marketing?		0-5
<b>Guest Experience</b> How will this event contribute to the overall visitor experience?		0-10
<b>Community Impact</b> Will this event be positively received/regarded by residents and the business community?		0-10
<b>Sponsorship Potential</b> What is this event's potential to attract sponsors thereby increasing impact of BMAC funds?		0-5
<b>Town Resources</b> How will this impact town resources, staffing, services?		0-5
<b>Producer Qualifications</b> Do they have the experience/ability to produce event compatible with Breckenridge's image/ standards?		0-10
<b>Total Score</b> (120 max basis points)		

## **VII: ROI: Evaluation and Review**

It became clear to CSG during the Municipal Best Practices review as well as the audit of Breckenridge properties that this is an area needing much improvement. Measurements and evaluations, when conducted have been incomplete and somewhat erratic.

In order for Breckenridge to be able to calculate an accurate Return of Investment for its investment in events, a number of metrics must first be put into place. These will include measurement conducted by the Town of Breckenridge, the Breckenridge Resort Chamber and the event producers themselves, (if they are to expect continued support from town sources.)

CSG believes that Breckenridge is going to have to invest in a disciplined suite of research tools to not only keep score, but to support ongoing requests for investments in event marketing. As the special events director in Vail reported, “it is an easy decision for the Town Council to fund events when they know they are receiving \$2.37 back in incremental tax revenue for every dollar invested.”

Based upon the Best Practices observed, we are recommending Breckenridge consider the following types of measurements and research be employed.

### **A. Sales Tax Data**

Presently, sales tax is collected and reported on a bi-weekly basis in Breckenridge. It is difficult to track the economic “lift” an event would specifically create when it becomes diluted with so many other factors that might be encountered over a two week period.

We would suggest that the Town investigate the MUNIREvs software ([www.munirevs.com](http://www.munirevs.com)) presently being utilized in Telluride to provide daily sales and lodging tax tracking. MUNIREvs helps municipalities achieve greater and timelier compliance on tax collection and provides a daily dashboard which could be used to track the impact of events on accommodations, restaurants and sales.

Until the Town can specifically track this type of sales tax data, all other efforts to measure economic impact will be insufficient or inaccurate.

### **B. Economic Impact Studies**

Third-party economic impact studies would also be a valuable measurement tool to consider. MTRiP, ([www.mtrip.org](http://www.mtrip.org)) to which Breckenridge subscribes, provides lodging performance benchmarking to mountain resorts throughout the western United States. Vail utilized the monthly, (bi-monthly in the winter) reports as a measurement tool for their post event reviews. MTRiP’s destination lodging performance measurement, market intelligence and comparative evaluations could be a useful metric in Breckenridge’s analysis of event effectiveness.

## **VII: ROI: Evaluation and Review (*continued*)**

### **B. Economic Impact Studies (*continued*)**

Another source in which CSG is familiar is the International Festival & Events Association's IFEA Economic Impact Studies. IFEA is the leading professional association supporting and enabling festival & event professionals worldwide.

IFEA ([www.ifea.com](http://www.ifea.com)) has created an industry credible program to provide Economic Impact Studies at a budget accessible investment. IFEA works directly with the event organizer to create onsite survey instruments, determine appropriate sample sizes, develop canvassing guidelines, schedules and oversee volunteer survey team training, supervise and monitor onsite data collection, compile and analyze the collected data and provide a written Economic Impact Summary Report within six weeks of the event's conclusion.

Recent reports reviewed by CSG included work for the Portland Rose Festival which provided such information of guest demographics, spending by visitor party, points of origin, sources of event awareness and estimated economic impact created by the event.

### **C. Audience Intercept Surveys**

Few of the events CSG audited for this study have recently collected quantitative data on their attendees. This information is important on so many levels including the opportunity to understand who is attending the event and why, their demographic profile, key marketing influencers, sponsor awareness, propensity to return, etc. This type data is an essential tool in attracting sponsors, shaping marketing decision and improving the event experience.

CSG believes that all Tier I, Tier II and Tier III event audiences should be canvassed by either the event organizer or BMAC. These surveys would provide valuable data in determining ROI to the community. Vail's Commission on Special Event's conducts ongoing intercept surveys which are used in their evaluation of event draw and effectiveness.

CSG believes that Breckenridge could utilize a research specialist to design the testing instrument/questionnaire and then employ college interns from Colorado Mountain College to administer. The raw data could be easily collected on tablets, then tabulated and evaluated using a software program from the specialist or perhaps a marketing or statistics class at CMC.

Note: A similar type of survey could be administered to area business operators to access their perspective on an event.

On the next page, please find our recommendations for audience intercept survey questions.

## VII: ROI: Evaluation and Review *(continued)*

### C. Audience Intercept Surveys *(continued)*

<b>(Event) Audience Survey</b>
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**Will you take a few minutes to tell us about yourself and your thoughts about our event? We'll use this information to make future improvements to the programs and events in Breckenridge. Thank you!**

#### *About Your Time In Breckenridge...*

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**Days In Town:**  Day Trip  One Night  Two Nights  Three Nights  4+ Nights  Resident

**How often do you visit Breckenridge annually?**  1x  2x  3-5x  6+

**How much would you estimate your party will spend on...**

Lodging           \$ \_\_\_\_\_  
Meals             \$ \_\_\_\_\_  
Shopping         \$ \_\_\_\_\_  
Activities        \$ \_\_\_\_\_

#### *About the (Event)...*

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**How big a factor was attending this event on your decision to come to Breckenridge today?**

Exclusive Reason  Important Reason  Somewhat a Factor  Not Reason, but Nice Surprise

**Have you attended (Insert Event) in previous years?**  No, first time  Yes

**How many times?**  2-4  5-9  10+

**From what source did you learn about this event?**

Newspaper Ad  Newspaper article  TV Ad  Radio Ad  Website  
 Social Media  Friend/Neighbor  Just discovered  Other \_\_\_\_\_

**Please list as many Sponsors as you can recall from this event:**

\_\_\_\_\_, \_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_

**Has your opinion of these companies changed as a result of their support of the event?**

Improved  Stayed The Same  Declined  Not Sure

**Please rate your overall experience.**  Poor  Average  Good  Excellent

**Do you plan to attend again next year?**

Definitely Yes  Possibly  Unlikely  Definitely Not

**VII: ROI: Evaluation and Review (continued)**

**C. Audience Intercept Surveys (continued)**

*About Yourself...*

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**Gender:**  Male  Female      **Marital Status:**  Single  Married/Partner

**Age:**  Under 18  18 -24  25 -34  35 - 44  45 - 59  60+

**Residence:**  Own  Rent      **Your Zip Code:** \_ \_ \_ \_ \_

**Number in your party:**

\_\_\_ Children under 13, \_\_\_ Children 13 - 18, \_\_\_ Adults

**Level of Education: (Please check most applicable)**

Some High School     High School Graduate     Some College  
 Undergraduate Degree  Some Post Graduate Work  Graduate Degree

**Estimated Combined Household Income:**

Under \$34K     \$34K - \$59K     \$60K - \$89K     \$90K - \$109K     More than \$110,000

***Thank You!***



## VII: ROI: Evaluation and Review (*continued*)

### D. Post Event Reports from Event Producer

Most sponsors require the event organizer to provide a recap in the form of a Post event Report within eight weeks after the conclusion of an event. For events that Breckenridge is funding or assisting with in-kind support services, this is a reasonable requirement. Post Event Reports should provide the following recap information:

- ▶ Executive Summary
  - Describe what happened
  - Dates
  - Attendance
  - Sponsors
  - Audience Demographic Profile
  - Promotional Highlights
  - Event Highlights
  - Hits & Misses – How you plan to improve the event next year
- ▶ Detailed event budget showing actual profit & loss, cash vs. trade sponsorship and an explanation of how BMAC funding was utilized
- ▶ Site Map and Event Schedules
- ▶ Marketing Plan/Event Advertising (Newspaper/Radio/TV)
  - Placement Schedules
  - Media Logs/Affidavits
  - Samples of Print Ads
  - Radio Copy
  - TV Copy
  - Outdoor/Transit Ad Schedule & Photos
  - Supplement Sample
  - CD/DVD of Radio/TV Spots
  - Online samples & stats
- ▶ Collateral Materials
  - Souvenir Program
  - Posters
  - Brochures
  - Site Map
  - Volunteer Registration
- ▶ Press Coverage/Public Relations
  - PR coverage summary
  - Copies of news releases/press kit
  - Clippings (Color copies if needed)
  - Post Event TV clips on DVD
  - Online and Social Media Coverage

## VII: ROI: Evaluation and Review (*continued*)

### D. Post Event Reports from Event Producer (*continued*)

- ▶ Community Relations
  - Beneficiaries
  - Community Outreach Activities
  - Donation Report
  - Post-event congratulatory letters
  
- ▶ Research
  - Audience survey results
  - Impact on lodging, meals, retail sales
  
- ▶ Photos of event
  - Overall Setting
  - Participants
  - Activities
  - Sponsor Signage
  - Other sponsor promotions (e.g. inflatables, displays, signage, etc.)
  - Crowds
  - Hospitality

### E. BMAC – ROI Review

Until many of the proposed measurements are in place, it will be very difficult to calculate the ROI an event generates for Breckenridge. None-the-less, there are three key areas we believe BMAC should consider scoring following an event. They include Quantitative Impact, Qualitative Impact, and Production Review.

#### 1. **Quantitative Impact** (Include all metrics that can be enumerated)

- ▶ Attendance (Event guests, registered participants, etc.)
- ▶ For existing events, how did attendance compare to prior year
- ▶ Increase in lodging nights
- ▶ Incremental impact on sales and accommodations taxes
- ▶ Economic impact calculation (spending by event visitor)
- ▶ Paid and earned media value/impressions generated
- ▶ Review of event producer's P&L statement and use of BMAC funds

## VII: ROI: Evaluation and Review (*continued*)

### E. BMAC – ROI Review (*continued*)

2. **Qualitative Impact** (Review of items that are more subjective)
  - Support and promotion of the Breckenridge brand
  - Compatibility of event guest profile with Breckenridge’s desired demo
  - Quality of visitor experience
  - Quality of resident experience
  - Visitor intent to return
  - Contribution to “sense of community” and quality of life
  - Sponsorship participation, financial support, contribution to event experience
  - Producer’s marketing efforts to promote Breckenridge, drive lodging to prospective event attendees
  - BRC evaluation of quality and compatibility of event’s marketing message and reach
  
3. **Production Review** (Recap of key operational elements detailing hits and misses)
  - Timely submission of post event report by event producers
  - Municipal evaluation of impact on department services
  - Municipal grading of producer compliance with town regulations and event permit requirements
  - Recommendations for following year

## VIII. Next Steps

Needless, to say, there is a great deal of information and new ideas to digest within this report. We believe it provides not only a solid strategic approach to managing and investing in events as a key marketing component for Breckenridge, but includes highly specific tactics and templates, that with minor adaptation, could be implemented on some level beginning this summer.

Next steps for the Town Council, BMAC and the Breckenridge Resort Chamber include:

- ✓ Decision and direction from the Council on the strategic approach to be adopted for festivals and events in Breckenridge including:
  - ▶ Agreement on the role and return on events
  - ▶ Funding mechanisms
  - ▶ Financial and operational support to event producers (existing and new)
  - ▶ Role and responsibility of BMAC in managing this direction
  - ▶ Role (if any) of other community partners such as foundations in supporting events
  - ▶ Decision on recruiting and seeding new events
  - ▶ Mechanism to implement measurement platforms to gauge ROI from events

Accompanying each of these decisions will be the need to review current and possibly new funding sources. Where from reallocating current funds, adding from special sources or increasing funding mechanisms, CSG believes that based upon the proactive approach taken by Vail, Breckenridge will see a positive return on investment.

The final planning element will be the establishment of a proactive timetable to begin implementing these programs. It should be aggressive, but realistic. It is reasonable to assume that an events program as comprehensive as proposed in this report would take three to five years to completely implement.

We would recommend that some of the first elements to put into place are the establishing measurement platforms, especially BMAC-coordinated audience intercept surveys, daily lodging and sales tax tracking and economic impact studies. The information that could be provided by the end of 2013 would be invaluable in making well-informed decisions for future areas of implementation.

## IX. Concluding Thoughts

Thank you! It has been our pleasure to work on this fascinating study for Breckenridge. Great credit goes to the Town Council and BMAC for wanting to explore these opportunities on a comprehensive level. Our special thanks to the Ad Hoc committee of Wendy Wolfe, Kim Dykstra-DiLallo, John McMahon, Vanessa Agee and Sandy Metzger, who played critical roles in championing the study and “wrangling” much of the raw data needed for the initial investigation. Additionally, CSG would like to thank the event staffs in Denver, Aspen, Telluride and especially Vail for their generous contribution of time and information in our municipal best practices review. They proved to be an invaluable resource.

## Town of Breckenridge Municipal Assessment Review – Appendix A-1

<b>Item</b>	<b>Town of Breckenridge</b>
Role of Events in City	<p>The Town's attitude is that events improve the community experience year-round for residents &amp; guests, offers diverse &amp; affordable programming and promotes Breck as a destination (cultural and otherwise) for the region (from <i>Breck Vision 2002</i>). Like the other towns surveyed, events provide a positive economic impact, (though not quantified by the town), a sense of community and create a fun and festival atmosphere.</p>
Governance Role by City in Supporting Events	<p>The Town is responsible for the Special Event Permit Application (SEPA) process (including Event Fact Sheets, etc.) for which all events must apply (\$25).</p> <p>Additionally, the council has established and appointed the Breckenridge Marketing Advisory Committee (BMAC), which is comprised of 7 termed appointees including representatives from the Town Council and other interested parties plus representatives from Town staff, BRC, and BSR. The role of the BMAC is to advise Town Council on best practices that will maximize the effectiveness and efficiency of all tourism marketing investments made with town marketing funds.</p>
Staffing/Infrastructure for Working With Events	<p>ToB's Event &amp; Communications staff includes: Director of Communications (also PIO), Events &amp; Riverwalk Manager, Events &amp; Communications Coordinator. Seasonal (summer) staff at the RWC assist with events as needed &amp; as available. ToB provides PW &amp; PD services for BRC/ToB events at either in-kind or charge back for overtime; PD is regularly hired over and above regular duties.</p> <p>The Town Special Events Permit Application (SEPA) group is comprised of various town department representatives who meet monthly to review special events applications. And provide findings and conditions designed to make the event the best it can be.</p> <p>BMAC is a Council-appointed committee to oversee marketing efforts; and COULD possibly utilized as part of an Events Evaluation Commission.</p>
City's Events Policy	<p>The Town of Breckenridge requires a special event permit for any outdoor special event with an expected attendance of 50 or more people. A Special Event Permit (\$25) is required whether the event is on private or public property within the Town of Breckenridge limits. Event producers must comply with the Town's Ordinance and complete the SEPA application, receive approval and secure a Special Events License (\$250)</p>

## Town of Breckenridge Municipal Assessment Review – Appendix A-1

<b>Item</b>	<b>Town of Breckenridge</b>
<p><i>City Support:</i></p> <ul style="list-style-type: none"> <li><i>Financial</i></li> </ul>	<p>\$2.5 million is provided to the BRC to provide marketing for the community. Of that amount, approximately \$ 750,000 is earmarked for events. Funding sources include Business Tax (BOLT) \$693,000, Accommodations (Bed) Tax \$1.23 million, Sales Tax \$234,000, and Excise Funds (\$440,000), Additional funds can be transferred from Excise by Council for special projects as needed.</p>
<p><i>City Support:</i></p> <ul style="list-style-type: none"> <li><i>Provision of Venues/Services</i></li> </ul>	<p>Public works (basic town services) and police services and/or facilities (parks, land, lots, etc.) are provided for most BRC and nonprofit events without charge within regular hours. Overtime may be billed beyond regular service time in unusual cases for major events.</p> <p>Independent, for-profit producers pay a permit fee, ToB facilities rental fee and are responsible for returning space in good condition.</p>
<p><i>City Support:</i></p> <ul style="list-style-type: none"> <li><i>Marketing</i></li> </ul>	<p>BRC plays lead role for marketing. They maintain GoBreck.com, arrange for advertising of BRC events, etc. Most local for-profit producers are responsible for their own marketing, though they can be included in GoBreck online events pages, etc.</p>
<p><i>City Support:</i></p> <ul style="list-style-type: none"> <li><i>Other</i></li> </ul>	<p>ToB &amp; BRC jointly produce ISSC &amp; Independence Day Celebration. ToB produces Town Party &amp; Town Clean-up, and works with other NPOs on various other events. In Town’s Events &amp; Communication budget, there are some funds for special events (e.g. fireworks, town party, etc)</p>
<p>Funding Mechanisms</p> <ul style="list-style-type: none"> <li>Current Events</li> </ul>	<p>Primarily through BRC as previously outlined.</p>
<p>Funding Mechanisms</p> <ul style="list-style-type: none"> <li>New Events</li> </ul>	<p>Town has allocated \$200,000 Marketing Fund to fund community branding opportunities (e.g. Pro Cycling Challenge). Additionally there is a \$100,000 “Opportunity Fund” which BMAC advises Council on use. (e.g. Consulting, research, special investments)</p> <p>BRC has set aside \$20,000 for a “new event fund,” but it has not yet been utilized.</p>

## Town of Breckenridge Municipal Assessment Review – Appendix A-1

<i>Item</i>	<i>Town of Breckenridge</i>
Funding Criteria	Not in place at this time
Funding Review Process	Formal process not in place at this time however BMAC will likely play key role in this area.
ROI: Do You Measure?	Town or BRC do not presently measure quantitative ROI, but the BRC does conduct a “Feedback Form” business survey.
ROI: Measurements & Metrics	Qualitative review of key events, but little quantification other than attendance.
ROI: Producer Reports	None required as Town has minimal role in funding privately owned events.
ROI: Surveys	None at this time.
Other Local Event Advocates/Partners	<p>Town serves as clearing house for all events through the permitting process.</p> <p>Summit Foundation helps nonprofits and produces some events as fundraisers. No significant role in producing events like to Vail Valley Foundation.</p>
Role in Working with City on Events	ToB & BRC jointly produce ISSC & Independence Day Celebration. ToB produces Town Party & Town Clean-up, and works with other NPOs on various other events. ToB’s REC department produces a few events – specific to recreation (i.e. trail running series, etc.).
Role in Working Independently on Events	The Town can and has worked with private event producers on a case-by-case basis. An example is the PRCA Rodeo in which the town provided the property to produce the event in exchange for a small percentage of net, if any.
Event Interaction, Involvement with Ski Resort Operators	Resort produces competitions (e.g. Dew Tour) and music events (Spring Fever) on the mountain during the winter ski season. Some that spill into town require participation by Town and BRC. In some cases Town will help augment costs (Dew lodging) and coordinate other activities in town during those events.
Other Items of Note	

Municipal Best Practices Review – Appendix A-2

<i>Item</i>	<i>Denver</i>	<i>Aspen</i>	<i>Telluride</i>	<i>Vail</i>
Role of Events in City	Events provide entertainment and programming; add to quality of life of citizens; enhance visitor experience; evolving into positive impact on economy.	The City of Aspen/Town of Snowmass Village “embraces events” for the energy, vitality and people they attract to the community. They are proactive in attracting the right events to the city and supporting those which are the “right fit.”	In the Town of Telluride, special events are well regarded for the cultural, social and economic benefits they provide the community.	For the Town of Vail, special events and festivals are considered one of three top economic drivers for the town. The Council really puts a priority on events backing them with dollars. Vail estimates that for every \$1 spent on events, they receive back \$2.37 in incremental tax revenue.
Governance Role by City in Supporting Events	City of Denver does not produce events, but does review and approve through permitting process. (35 new events have applied for 2013) No funding provided to event producers. Visit Denver provides some marketing support and funding in special cases.	The City is responsible for permitting any special events within the city limits. At present, city staff is drilling down into the questions, “what are the right events for Aspen?...which provide a good fit?”	The City engages with events though permitting for those occurring own town property, providing town resources such as staff support and property.  Funding of nonprofit organizations is completed though the Commission for Community Assistance Arts & Special Events (CCAASE).	Vail has in place a highly evolved program for the support of special events. The Town’s Commission on Special Events created a comprehensive strategic plan which serves as the blueprint for municipal staff focus, funding and administration.
Staffing/Infrastructure for Working With Events	City has a dedicated person (Kevin Scott) to work with event producers as liaison providing advice, expertise in maneuvering through city services and permitting. Also serves as a facilitator and as needed, advocate with other city departments. Key departments (Police, Public Works, Parks & Rec, Licensing, Treasury and Environmental Health have people who specialize in events.  The City has established the Denver Event Oversight Committee DEOC) comprised of City department specialists which meets twice a month to discuss event applications and permits, concerns and issues.	Aspen has a Special Events Department consisting of two fulltime staff - a Director (Nancy Lathrop) and Events Coordinator (Sandra Doeblner).  Staff facilitates the Special Event Committee (SEC) to work with event organizers though the permitting process in reviewing safety and impact , in terms of calendar, closures, police, staff resources, etc.  In 2008, for a period of 18 months during the Great Recession, the City Council created a committee to aggressively go after and provide seed funding to events that would help drive visitor traffic to Aspen.	The primary contact point for events in Telluride is through the Parks & Recreation Department. (Stephanie Jaquet is the Director) P&R’s primary roles are related to permitting and ensuring adequate impact mitigation from the community. Two Town boards are involved Parks & Recreation Commission and CCAASE, and occasionally the Two Council. Once events have been approved P&R coordinated the event contract and plan submittal process.  The Town’s Commission for Community Assistance Arts & Special Events (CCAASE) is comprised of 8 members appointed by the Town Council.	Due to its recognized role as a key economic driver (along with the ski resort and the medical center), the Town of Vail manages the selection, funding and support of events through the Department of Economic Development (Kelli McDonald – Dir), the Commission on Special Events (Sybill Navas – CSE Coordinator)  The 7-member, council-appointed Commission on Special Events (CSE) is accountable to deliver an annual Special Events Plan which ensures world class events that are fully aligned with Vail’s brand. The CSE should effectively and efficiently allocate available budget behind this objective. The Events Plan will deliver measurable results in terms of specific goals: economic impact, optimization of the seasonal calendar, positive community experience and integration as well as positive guest-centric results that lead to future loyalty.



Municipal Best Practices Review – Appendix A-2

Item	Denver	Aspen	Telluride	Vail
City's Events Policy	No Events Policy is presently in place. However, the City is in process of creating Events Policies and Procedures.	Other than the Permitting process, Aspen does not presently have in place policies regarding the proactive recruitment, funding and support of special events. They are considering such a program.	There is no official policy document for the support of festivals and special events in Telluride other than those through CCAASE.	Since 2002, Vail has had in place a sophisticated and ever evolving policy and procedures to the recruitment, selection, funding, support and evaluation of special events.
<i>City Support:</i> <ul style="list-style-type: none"> <li>• <i>Financial</i></li> </ul>	Municipal funding is not provided to current or new events. Some seed funding <i>may</i> be available through Visit Denver.	Other than the 18 month period beginning in 2008, the City of Aspen does not presently have in place a funding program for current or new events.	<p>All municipal funding of events is conducted through CCAASE and their city-funded Community Support Grants. The annual grant application is available <i>exclusively to nonprofit</i> organizations in one of two classifications:</p> <ul style="list-style-type: none"> <li>▶ Arts &amp; Special Events Organizations</li> <li>▶ Community Support Organizations</li> </ul> <p>Parks &amp; Recreation provides guidance for first-time CCAASE applicants.</p>	<p>Vail has three funding mechanisms in place providing \$4 million annually for the support of special events.</p> <ol style="list-style-type: none"> <li>1. Local Marketing District assesses a 1.4% lodging tax generating \$2.5 million /year of which a majority is used on events.</li> <li>2. Commission on Special Events receives \$1 million in annual funding, \$300,000 from business license fees and \$700,000 from the Town's General Fund.</li> <li>3. Town Council Contributions Budget provides \$1.8 million in grants to nonprofit events, community signature events, etc.</li> </ol>
<i>City Support:</i> <ul style="list-style-type: none"> <li>• <i>Provision of Venues/Services</i></li> </ul>	All services to be provided by the City to events are paid for by the organizer.	To encourage and support event organizers, the City maintains low permit fees as well as often provides in kind support to organizers through City Works in such areas as police, street closures, waste management, etc.	<p>All services to be provided by the Town to events are paid for by the organizer.</p> <p>Further, there is a per person fee imposed by the city for all gated events produced by for-profit promoters ranging from \$.50 to \$2.50 depending on event size and ticket price.</p>	Some in kind support can be provided through special events permits and support requests, including bus service, traffic control, street closures waste support to encourage composting, police, etc.

Municipal Best Practices Review – Appendix A-2

<b>Item</b>	<b>Denver</b>	<b>Aspen</b>	<b>Telluride</b>	<b>Vail</b>
<p><i>City Support:</i></p> <ul style="list-style-type: none"> <li>• <i>Marketing</i></li> </ul>	<p>Visit Denver, which is the City’s visitors &amp; Convention Bureau, is funded by a bed tax and services as Denver’s marketing arm. AS they are highly focused on efforts that fill hotels, only those events that are seen as attracting visitors are considered for marketing support.</p>	<p>The City does not have a program to assist in the marketing of special events. However, the Aspen Chamber Resort Association does maintain a special events calendar and assists organizers with general marketing support.</p>	<p>The Telluride Tourism Board maintains the online events calendar for the community broken down into Early Summer, Mid-Summer and Late Summer time frames with splash pages for each event. They also have bundled lodging options for festivals and events</p>	<p>While Vail leaves winter marketing and advertising to the ski resort, they regard their marketing role as year-round branding for Vail and May-Oct tourism advertising of which much is related to promoting events.</p> <p>Vail Local Marketing District Advisory Council. The mission of the VLMDAC is to market and promote Vail to attract overnight guests primarily during the May-October time frame, creating economic vitality by increasing both the visitor base and sales tax revenues.</p>
<p><i>City Support:</i></p> <ul style="list-style-type: none"> <li>• <i>Other</i></li> </ul>	<p>The City has established Event Advisory Committee (EAC) which meets monthly with representatives from the city’s major festivals and special events to discuss topics of mutual interest.</p>	<p>City representatives do participate in the Marketing Advisory Committee of the Aspen Chamber which provides multiple touch points with special events in Aspen &amp; Snowmass.</p>	<p>The Town created the Telluride Cultural Master Plan, which was last updated in 2012.</p>	<p>Town received 300 special events permit requests in 2012. 35 received funding through the mechanisms above. Goal is to reduce funding for existing events each year as they become more self-sustaining.</p>
<p>Funding Mechanisms</p> <ul style="list-style-type: none"> <li>• <i>Current Events</i></li> </ul>	<p>While there is no budget for supporting events, Denver’s mayor and council do have some latitude in providing limited funding to events they deem worthy. Typically, dollars can be pulled from Economic Development Funds or Arts &amp; Venues for this purpose. Examples include Five Points Jazz Festival and Open Doors Denver.</p>	<p>Aspen does not have a funding program to support current events or seed new events.</p>	<p>Any possible funding is conducted through CCAASE. Only nonprofits are considered.</p>	<p>Event producers submit a specific grant application to CSE to receive funding based upon specific criteria.</p> <p>Goal is to reduce funding for existing events each year as they become more self-sustaining.</p>
<p>Funding Mechanisms</p> <ul style="list-style-type: none"> <li>• <i>New Events</i></li> </ul>	<p>Only events that would meet the criteria listed above.</p>	<p>Aspen does not have a funding program to support current events or seed new events.</p>	<p>Any possible funding is conducted through CCAASE. Only nonprofits are considered. Parks &amp; Rec Department assists new events navigate process.</p>	<p>Town received 300 special events permit request in 2012. 40 received funding through the mechanisms above.</p>

Municipal Best Practices Review – Appendix A-2

<b>Item</b>	<b>Denver</b>	<b>Aspen</b>	<b>Telluride</b>	<b>Vail</b>
Funding Criteria	None specifically articulated in municipal policy.	Not applicable		CSE utilizes ten broad criteria to assess events for potential funding, including: <ul style="list-style-type: none"> <li>▶ Increase in room nights</li> <li>▶ Increase in Sales &amp; Lodging Tax Revenue</li> <li>▶ Drive Group Business</li> <li>▶ Vail Brand Fit</li> <li>▶ Timing</li> <li>▶ Demographic fit</li> <li>▶ Performance</li> <li>▶ Producer Qualifications</li> <li>▶ Marketing strength</li> </ul>
Funding Review Process	None in place due to lack of funding mechanisms.	Not applicable	Applicant completes 7-page application for grant including such information as: <ul style="list-style-type: none"> <li>▶ Organizer profile/information</li> <li>▶ Annual budget</li> <li>▶ Organizer’s financial report</li> <li>▶ Follow-up report</li> </ul>	Each event producer submits an application which are reviewed and rated by three commissioners. From a total of 600 possible basis points, events are scored. Typically those with 300 points or great receive some level of funding.
ROI: Do You Measure?	As the City does not generally invest in events, they do not track ROI metrics as a matter of course.	As the City does not generally invest in events, they do not track ROI metrics as a matter of course.	Events are overseen by P&R staff and a final report is provided to event organizers following the event with staff comments and recommendations.	Vail conducts an annual Economic Indicators Study which includes metrics in a variety of areas including event attendance and impact.
ROI: Measurements & Metrics	Attendance numbers (as reported) are the principal numbers recorded by the City.	Aspen is in the process of creating measurement guidelines at perimeters at this time.	CCAASE grants require a post event report including the following metrics: <ul style="list-style-type: none"> <li>▶ Tickets sold/people served</li> <li>▶ Scholarships awarded</li> <li>▶ Education program provided</li> <li>▶ Actual use of funds</li> <li>▶ Description of how event benefited community</li> <li>▶ Description of any problems with event, programming, or organization at CCAASE should know about</li> <li>▶ Other</li> </ul> <p>MuniRevs system tracks sales tax on a daily basis assisting city with measuring economic impact of events.</p>	Due to inconsistent and often unreliable attendance reporting by event producers, Town of Vail is planning on securing an independent research vendor to conduct event attendance research beginning in 2013. Budget of \$50,000 has been requested for this effort.

Municipal Best Practices Review – Appendix A-2

<i>Item</i>	<i>Denver</i>	<i>Aspen</i>	<i>Telluride</i>	<i>Vail</i>
ROI: Producer Reports	In the cases where the City is working closely with an event producer, and some funding from ED or A&V is provided, the City expects the producer to provide a qualitative review of goals fulfillment, P&L budget and attendance.	None required	Follow-up reports are required of all CCAASE grant recipients to be eligible for the following year.	All recipients of CSE funding or in kind support must complete a comprehensive post event report/ recap presentation to CSE which must include the following metrics: <ul style="list-style-type: none"> <li>▶ Hits &amp; Misses</li> <li>▶ Event budget P&amp;L</li> <li>▶ Audience report including attendance, demographics, residence, intent to return</li> <li>▶ Spending estimates including lodging, dining, shopping</li> <li>▶ Estimated ROI for Vail</li> <li>▶ Review of marketing/advertising</li> <li>▶ Impact on Vail’s “sense of community”</li> <li>▶ Potential growth for sponsorships and media exposure</li> <li>▶ Support of sustainable environment</li> <li>▶ Comparisons to prior year</li> </ul>
ROI: Surveys	No specific audience surveys are required or used by City.	For city events, the Special Events Department does conduct participant surveys, not spectator surveys. They tend to be more qualitative than quantitative, “How can we improve this event.”	No specific audience surveys are required or used by City.	Sample audience survey provided by Town to Event Producers.

**Municipal Best Practices Review – Appendix A-2**

<b>Item</b>	<b>Denver</b>	<b>Aspen</b>	<b>Telluride</b>	<b>Vail</b>
Other Local Event Advocates/Partners	<p>The two most significant partners in supporting events are Visit Denver and the SCFD. Both work autonomously from the City.</p> <p>Visit Denver and its sports division Denver Sports will collaborate with the City in supporting events that have been identified as ED drivers such as Pro Bike Challenge and Denver Big Air.</p> <p>Since 1989, Scientific and Cultural Facilities District (SCFD) has distributed funds from a 1/10 of 1% sales and use tax to cultural facilities throughout the seven-county Denver, Colorado metropolitan area. The funds support cultural facilities whose primary purpose is to enlighten and entertain the public through the production, presentation, exhibition, advancement and preservation of art, music, theatre, dance, zoology, botany, natural history and cultural history. The distribution budget for scientific and cultural organizations in the seven-county area is approximately \$40 million annually.</p>	<p>The key players in the event industry in Aspen include the Aspen Chamber, Resort operator, local foundations and local professional producers.</p> <p>The city of Aspen used to work through the Chamber on event coordination, but felt that it was more efficient to manage directly themselves due to the intricacies and various city department touch points.</p> <p>The Chamber produces several of their own events including Winter Skol.</p> <p>Other the 70 charities in the Valley, several independently produce major events including the Aspen Institute and Aspen Film Festival.</p> <p>Food &amp; Wine Magazine owns and produces the Aspen Food &amp; Wine Festival.</p>	<p>The Town generally does not interact with the Chamber, local foundations, resort operator or local producers on events other than regulatory roles in permitting, etc.</p> <p>During the past few years, the Telluride Tourism Board has become more actively involved in procuring new events for the community and aiding in the coordination process. Recent examples include the USA Pro Cycling Challenge, Ride the Rockies, etc. In these situations, the Town plays a more active role in the organization of the event activities and impact mitigation efforts.</p>	<p>In addition to the resort operator, Vail has a number of nonprofit and commercial event producers active in the valley’s event scene.</p> <p>The largest and most active is the Vail Valley Foundation which does receive funding from CSE. The VVF’s mission is to bring together the unmatched spirit of the people and breathtaking beauty of the Vail Valley to enrich and improve lives through athletics, arts and educational initiatives. VVF operates for the Town, the Gerald Ford Center Amphitheater which serves as a principal venue for their events.</p> <p>Highline Sports &amp; Entertainment produces a number of events in the valley for Vail Resorts.</p>
Role in Working with City on Events	See above	See above	See above	Funding assistance through CSE. Marketing assistance through VLMDAC
Role in Working Independently on Events	Visit Denver and SCFD work with independent event producers as engaged. They provide advice resources and funding as appropriate.	See above	See above	See above
Event Interaction, Involvement with Ski Resort Operators	Non applicable	While the City certainly works closely with Aspen Mountain Resort, the operator works independently on special events staged on the mountain such as the ESPN Games and other winter season events.	The Town does not presently interact or liaise with the ski resort operators related to their special events.	The Town has a close relationship with Vail Resorts in marketing and events, though Vail Resorts basically manages “anything on the mountain.”

Municipal Best Practices Review – Appendix A-2

<i>Item</i>	<i>Denver</i>	<i>Aspen</i>	<i>Telluride</i>	<i>Vail</i>
Other Items of Note	<p>In 2012, the City &amp; County of Denver was recognized as an IFEA World Festival &amp; Event City, receiving the top designation for North America for its population based upon the community’s overall support of successful festivals and events for the purposes of:</p> <ul style="list-style-type: none"> <li>▶ Adding to the quality of life for local residents</li> <li>▶ Driving tourism</li> <li>▶ Showcasing a positive community brand and image to the media, business community, and visitors</li> <li>▶ Creating economic impact that translates into jobs, tax revenues and enhanced infrastructure improvements</li> <li>▶ Providing enhanced exposure opportunities for the arts, not-for-profit causes and other community programs and venues</li> <li>▶ Promoting volunteerism and bonding the many elements of the community together</li> <li>▶ Encouraging community investment, participation, creativity and vision</li> </ul>	<p>In terms of their relationship with Aspen Mountain Resort, the City allows them take the lead on all winter events, and then assumes a great role in all other non-ski-season events.</p>	<p>The community has developed and put into place the Telluride Cultural Master Plan. Created to take advantage of state sanctioned Creative Districts in Colorado, this plan is far more comprehensive than just festivals and special events, though they have a role in its implementation.</p> <p>Telluride desires to create an environment that nurtures a vibrant, creative and artistic community including the development and marketing of a Telluride art brand, the provision of affordable living and work space for artists and building of arts venues.</p> <p>These initiatives are supported by the Town of Telluride, CCAASE, Telluride Tourism Board, Telluride Foundation and Telluride Arts council.</p>	<p>Of all cities reviewed, the Town of Vail by far has the most aggressive view of the positive impact on special events as an economic drive, brand builder and contributor to the community’s quality of life.</p> <p>Its deliberate approach to funding events in order to attract quality event producers and well as nurture and support local quality productions is remarkable.</p> <p>The integration of polices, protocols and procedures as developed and implemented by CSE serves as a “best practice” model to emulate.</p>
			<p>Telluride utilizes MuniRevs, a secure web-based software that collects sales taxes and processes business license renewals for Towns and Municipalities improving the timeliness of revenue collection. Their patent-pending software offers a completely customizable system including branding, a unique URL, and forms specific to a Town’s needs. Through an administrative panel, a Town can review payments by date, generate reports and track business revenues.</p>	



Breckenridge Property Review – Appendix B

Event Property	Producer	Event Classification	Seasonal Timing	Cash Sponsors & Trade Partners	Attendance	Guest Profile	Marketing Impact	Town Assistance	Economic Impact	ROI Ranking
<b>Ullr Fest</b> <ul style="list-style-type: none"> <li>• 7 days</li> <li>• Mid-January</li> <li>• Downtown Breckenridge</li> </ul>	GoBreck (BRC)	Tier I	Prime: Winter	<ul style="list-style-type: none"> <li>▶ Budweiser</li> <li>▶ Breckenridge Ski Resort</li> </ul>	17,000 (Free)	No Surveys taken in 2012  No demographic data	Media Partners: <ul style="list-style-type: none"> <li>▶ KBCO: \$6,000 buy</li> <li>▶ Westword \$1,100 buy</li> <li>▶ Krystal 93 \$promo</li> <li>▶ /KSMT/Lift 106 \$promo</li> <li>▶ Summit Daily News \$promo</li> </ul> Total Denver Value: <ul style="list-style-type: none"> <li>▶ \$10,000</li> </ul> Total Summit Value: <ul style="list-style-type: none"> <li>▶ \$9,000</li> </ul>	<ul style="list-style-type: none"> <li>• Use of Town facilities and streets</li> <li>• Street closures</li> <li>• Barricades</li> <li>• Parade staging</li> <li>• Police</li> <li>• Street cleaning</li> </ul>	Free Event  Measure Attendance  Measure Vacancy Rates  Media Equivalencies  No other measurements taken	TBD
<b>International Snow Sculpture Championships</b> <ul style="list-style-type: none"> <li>• 14 days</li> <li>• Late-January/ Early February</li> <li>• Riverwalk Center(Tiger Dredge) Lot /Lawn &amp; Blue River Plaza</li> </ul>	GoBreck/(BRC) and Town of Breckenridge	Tier I	Prime: Winter	<ul style="list-style-type: none"> <li>▶ Budweiser</li> <li>▶ Cadillac</li> <li>▶ Grand Lodge</li> <li>▶ Breckenridge Ski Area</li> <li>▶ Krystal</li> <li>▶ Mountain Light Company</li> <li>▶ Summit Express</li> <li>▶ Breck Crane</li> <li>▶ Stan Miller</li> <li>▶ Blue River Sports</li> <li>▶ Lone Star Sports</li> <li>▶ Fire on Demand</li> <li>▶ Ferrell Gas</li> </ul>	38,500 (Free Entrance)	Guest Survey was taken in 2012 <ul style="list-style-type: none"> <li>• 50% male/50% female</li> <li>• HHI \$70K+</li> <li>• Age: 25-54</li> <li>• 70% homeowners</li> <li>• 64% were returning guests</li> </ul>	Media Partners: <ul style="list-style-type: none"> <li>▶ KCNC – CBS4: \$8,500 buy</li> <li>▶ Westword \$2,500 buy</li> <li>▶ 5280 Magazine \$3,550 buy</li> <li>▶ KCFR (NPR) \$2,420</li> <li>▶ Other \$7,000</li> <li>▶ Krystal 93 \$8,000 promo</li> <li>▶ Summit Daily News \$7,000 promo</li> </ul> Total Denver Value: <ul style="list-style-type: none"> <li>▶ \$25,000</li> </ul> Total Summit Value: <ul style="list-style-type: none"> <li>▶ \$17,000</li> </ul>	<ul style="list-style-type: none"> <li>• Public Works labor</li> <li>• Use of Town facilities &amp; equipment</li> </ul>	Completely free event -minimal concessions & merch rev. generation  Measure Attendance  Measure Vacancy Rates  Media Equivalencies	TBD

Breckenridge Property Review – Appendix B

Event Property	Producer	Event Classification	Seasonal Timing	Cash Sponsors & Trade Partners	Attendance	Guest Profile	Marketing Impact	Town Assistance	Economic Impact	ROI Ranking
<b>Mardi Gras</b> <ul style="list-style-type: none"> <li>• 4 days</li> <li>• Mid-February</li> <li>• Main Street (Parade)</li> <li>• Beaver Run (Ball)</li> </ul>	GoBreck (BRC)	Tier II	Prime: Winter	<ul style="list-style-type: none"> <li>▶ Budweiser</li> <li>▶ Breckenridge Ski Resort</li> <li>▶ Beaver Run</li> </ul>	7,000 (Free Parade Viewers)  200 (Ball)	No Surveys taken in 2012  No demographic data	Media Partners: <ul style="list-style-type: none"> <li>▶ KBCO: \$5,000 buy</li> <li>▶ Westword \$1,295 buy</li> <li>▶ Krystal 93 \$6,600 buy</li> <li>▶ KSMT/Lift 106 \$5,000 promo</li> <li>▶ Summit Daily News \$5,000 promo</li> </ul> Total Denver Value: <ul style="list-style-type: none"> <li>▶ \$8,000</li> </ul> Total Summit Value: <ul style="list-style-type: none"> <li>▶ \$10,000</li> </ul>	<ul style="list-style-type: none"> <li>• Street closures</li> <li>• Parade staging</li> <li>• Police</li> <li>• Street cleaning</li> </ul>	Parade is completely free event Ball \$55 pp average (Loses money)  Measure Attendance  Measure Vacancy Rates  Media Equivalencies  No other measurements taken	TBD
<b>Kingdom Days Celebration</b> <ul style="list-style-type: none"> <li>• 2 days</li> <li>• Mid-June</li> <li>• Blue River Plaza Downtown Breckenridge</li> </ul>	GoBreck (BRC)	Tier II	Prime: Summer	<ul style="list-style-type: none"> <li>▶ Breckenridge Ski Resort</li> <li>▶ Budweiser (Trade)</li> </ul>	8,500 (Free)	No Surveys taken in 2012  No demographic data	Media Partners: <ul style="list-style-type: none"> <li>▶ KYSL \$promo</li> <li>▶ Summit Daily News \$promo</li> </ul> Total Denver Value: <ul style="list-style-type: none"> <li>▶ None</li> </ul> Total Summit Value: <ul style="list-style-type: none"> <li>▶ \$</li> </ul>	<ul style="list-style-type: none"> <li>• Use of Town facilities</li> <li>• Street closures</li> <li>• Bleachers</li> <li>• Police</li> <li>• Trash removal</li> <li>• Street cleaning</li> </ul>	Free Event  Measure Attendance  No other measurements taken	TBD



Breckenridge Property Review – Appendix B

Event Property	Producer	Event Classification	Seasonal Timing	Cash Sponsors & Trade Partners	Attendance	Guest Profile	Marketing Impact	Town Assistance	Economic Impact	ROI Ranking
<b>Mountain Arts Festival</b> <ul style="list-style-type: none"> <li>• 9 days over three weekends</li> <li>• July 4<sup>th</sup> weekend; last weekend in July; Labor Day weekend</li> <li>• Main Street Station &amp; Wellington lot</li> </ul>	Privately owned by Mountain Arts Festivals	Tier II	Prime: Summer	▶ None	Estimated: 8,000-10,000 (Free)	No Surveys taken	Media Partners: <ul style="list-style-type: none"> <li>▶ None</li> </ul> Total Denver Value: <ul style="list-style-type: none"> <li>▶ \$</li> </ul> Total Summit Value: <ul style="list-style-type: none"> <li>▶ \$</li> </ul>	<ul style="list-style-type: none"> <li>• No financial support provided by Town</li> <li>• Rental of Town facility (lot); in kind lot closure.</li> </ul>	No financial information provided  Estimate Attendance  Incremental Sales Taxes measured  No other measurements taken	TBD
<b>Breckenridge PRCA ProRodeo</b> <ul style="list-style-type: none"> <li>• 11 nights</li> <li>• Between early August and Labor Day</li> <li>• Free Skier parking lot (Block 11)</li> </ul>	Privately owned by Breckenridge Stables d.b.a. Breckenridge PRCA ProRodeo	Tier II	Prime: Summer	▶ Breckenridge Ski Resort ▶ FirstBank ▶ Ski Country Resorts & Sports ▶ Beaver Run	933/night (Gated \$20-\$25 pp)  10,263 total	No Surveys taken in 2012	Media Partners: <ul style="list-style-type: none"> <li>▶ KYGO-FM (Denver)</li> <li>▶ KSKE \$promo</li> <li>▶ Summit Daily News \$promo</li> </ul> Total Denver Value: <ul style="list-style-type: none"> <li>▶ \$</li> </ul> Total Summit Value: <ul style="list-style-type: none"> <li>▶ \$</li> </ul>	<ul style="list-style-type: none"> <li>• No financial support provided by Town</li> <li>• Rental of Town facility (lot)</li> <li>• Due to revenue share agreement based on net revenue (there as a loss on this event)- Town did not receive any rent on the lot in 2012.</li> </ul>	Gross Income: \$136,545 (Tickets, concessions, sponsorship)  Gross Expenses: \$365,047  Net Loss: \$204,195  Measure Attendance  No other measurements taken	TBD

Breckenridge Property Review – Appendix B

Event Property	Producer	Event Classification	Seasonal Timing	Cash Sponsors & Trade Partners	Attendance	Guest Profile	Marketing Impact	Town Assistance	Economic Impact	ROI Ranking
<b>Breck Bike Week</b> <ul style="list-style-type: none"> <li>• 4 days weekends</li> <li>• Mid-August</li> <li>• Blue River Plaza</li> </ul>	Produced by CBST Adventures for GoBreck (BRC)	Tier III	Prime: Summer	<ul style="list-style-type: none"> <li>▶ Town of Breckenridge</li> <li>▶ GoBreck</li> <li>▶ Various cycling products &amp; services</li> </ul>	Estimated attendance: 1,000-1,300 (Mostly Free – Some Registered Rides)	Some date from registered events  Other Estimates: <ul style="list-style-type: none"> <li>▶ 35% local</li> <li>▶ 35% Front Range</li> <li>▶ 30% Out-of-state</li> </ul>	No media buys or partnerships	<ul style="list-style-type: none"> <li>• \$23,000 operational support provided by Town/BRC</li> <li>• \$10,000 marketing capital provided by BRC</li> </ul>	No financial information provided  Estimate Attendance  Incremental Sales Taxes measured  No other measurements taken	TBD
<b>Breckenridge Oktoberfest</b> <ul style="list-style-type: none"> <li>• 3 days</li> <li>• Mid-September</li> <li>• Main Street</li> </ul>	GoBreck (BRC)	Tier I	Shoulder: Fall	<ul style="list-style-type: none"> <li>▶ Town of Breckenridge</li> <li>▶ Paulaner Bier</li> <li>▶ Breckenridge Brewery</li> <li>▶ Boulder Sausage</li> <li>▶ Breckenridge Ski Resort</li> <li>▶ Republic Dist.</li> </ul>	48,135 (Free Entrance)	No Surveys taken in 2012 <ul style="list-style-type: none"> <li>• 50% male/50% female</li> <li>• HHI \$60K+</li> <li>• Age: 25-54</li> <li>• 58% homeowners</li> </ul>	Media Partners: <ul style="list-style-type: none"> <li>▶ KUSA/9NEWS: \$9,000 buy \$4,150 bonus \$4,000 online (1.051M imp.)</li> <li>▶ KCFR (NPR) \$1,380 Plus bonus</li> <li>▶ Krystal 93 \$6,600 buy</li> <li>▶ KSMT/Lift 106 \$1,060 buy</li> <li>▶ Summit Daily News \$7,000 promo</li> </ul> Total Denver Value: <ul style="list-style-type: none"> <li>▶ \$18,500</li> </ul> Total Summit Value: <ul style="list-style-type: none"> <li>▶ \$15,000</li> </ul>	<ul style="list-style-type: none"> <li>• Street closures</li> <li>• Trash service</li> <li>• Electrical</li> <li>• Street cleaning</li> </ul>	Net Income: \$157,093 (Beer & Steins)  Measure Attendance  Media Equivalencies  No other measurements taken	TBD

**Town of Vail:  
Commission on Special Events**

***STRATEGIC PLAN***



***Adopted August 5, 2009***

***This plan may be accessed at [www.vailgov.com](http://www.vailgov.com)***

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**Our Values:**  
***Integrity-Collaboration-Accountability-Respect***

**Purpose:**

*The mission of the Vail Commission on Special Events (CSE) is to support and assess a diverse collection of special events, both large and small, which promote Vail's economic vitality, sense of community, and increase the quality year-round of the experience for guests and residents.*

The purpose of the Commission on Special Events Strategic Plan is to establish guidelines that will assist the CSE in developing and supporting a calendar of events that accomplish the following goals:

- Assist in balancing the year round economy
- Increase sales and lodging tax revenues in the Town of Vail
- Promote a strong sense of community
- Appeal to a diversity of interests
- Provide a better quality of life for guests and residents
- Entice visitors to return, and
- Increase the length of their visits



It is intended that this document be revisited and revised as the community evolves and action steps are completed.



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## Process:

A committee was appointed by the CSE to develop a final draft of the plan. The committee consisted of CSE members Kerry Donovan and Rayla Kundolf, Vail Economic Development Manager Kelli McDonald and CSE Coordinator Sybill Navas.

The document was reviewed by the following entities:

- Town of Vail Event Review Committee (ERC)
- Vail Economic Advisory Council (VEAC)
- Vail Local Marketing District Advisory Council (VLMDAC)
- Vail Town Council



*Adopted on August 5, 2009 by the Vail Commission on Special Events*

### **Commission on Special Events Members:**

*Dave Chapin, Chairman*

*Robert McKown, Vice-Chairman*

*Bobby Bank*

*Kerry Donovan*

*Meggen Kirkham*

*Rayla Kundolf*

*Heather Trub*

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## Background:



In 2002, the Vail Town Council approved legislation that created the Commission on Special Events (CSE) in its current form. This ordinance reorganized the existing CSE and set several broad objectives:

1. Stimulating the local economy
  - a. Increase lodging and sales tax collections
  - b. Increase number of visitors
  - c. Insure that visitors have a high rate of intent to return
2. Create a sense of community in Vail and increase the quality of experience for both guests and residents
3. To establish a single point of contact for events administration
4. To provide street entertainment and special events that reflect the high quality image of Vail and contribute to vitality, economic viability and fun throughout the year

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## Strategic Fundamentals:

The CSE will encourage and recruit independent event organizers to produce events in Vail by acting in a sponsorship role to provide seed funding for the development of new events and sponsorship dollars for on-going events, particularly those events that are contributing to the economic vitality of the community.

It continues to be the job of the CSE to weed out events not performing as expected while continuing to encourage the development of new events that are commensurate with the world class image of Vail.

Additionally, in keeping with the public trust and economic realities, every event investment will be held to a high level of accountability. A post-event recap will be expected from each event receiving public funding and will be publicly reviewed by the CSE.

Progress will be evaluated by addressing these basic questions:

- Did every event investment increase Vail's economic performance?
- Are event investments being fully leveraged to increase sales and marketing reach?
- Are we consistently achieving more impact with public resources?
- Do these events contribute to a strong sense of community and better quality of life?



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*Events that qualify for CSE funding are ultimately selected by what they can contribute to the community and how they fit into a calendar of events that will appeal to a diversity of interests and provide a balance of activity and economic vitality throughout the year.*

## **Categories of Special Events:**

Special Events are as diverse as the people that they attract. Different types of events contribute to the community in different ways, and the CSE must remain cognizant that all special events do not serve the same purpose in the community. While recognizing that some events “overlap” into more than one category, in order to facilitate the comparison of the contributions that varying events bring to the community the CSE has developed the following categories of Special Events:

➤ **Iconic Events:**

1. Take place over a period of several days, or even weeks
2. Attract destination visitors from outside the region, and provide strong stimulus for the lodging, restaurant and retail community
3. Nationally or internationally recognized competitions or cultural events that contribute to Vail’s image as a world-class destination
4. Leverage community contributions with major sponsorships
5. Require a large number of volunteers and significant community support

**Examples:** World Alpine Ski Championships, TEVA Mountain Games, BRAVO! Vail Valley Music Festival, Vail International Dance Festival, Jazz Festival

**Role of the CSE:** Review, evaluate economic impacts and potential, facilitate and recommend

➤ **Participatory Events:**

1. Attract destination guests and put “heads in beds” for the duration of the event
2. Provide benefit to the lodging and restaurant community
3. Turnkey: the Town’s role is that of a host site
4. Capitalize on infrastructure that might otherwise be under-utilized

**Examples:** TEVA Mountain Games, Kick-It 3vs3 Soccer, Vail Lacrosse Shootout, Vail Challenge Cup Soccer, Vail-Eagle Hockey Tournament



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**Role of the CSE:** Partner with the community, recruit, evaluate economic impacts and potential, provide sponsorship and/or site fees where necessary, facilitate, review

➤ **Ambient Events:**

1. Provide entertainment, activities and street vitality for guests who are already here, or who might come into town for an afternoon or an evening
2. Attract visitors from within the region or the Front Range
3. Help to keep people in town for longer than they might otherwise stay
4. Contribute to Vail's image as a place where there is always something fun to do

**Examples:** Vail Jazz Festival, Summer Street Entertainment, Gourmet on Gore, BBQ Bonanza, Oktoberfest, Vail Farmers' Market, Lionshead Friday Afternoon Club, Vail Arts Festival

**Role of the CSE:** Communicate and partner with the business community, develop concepts, encourage sponsorship development, provide funding where necessary, evaluate economic contributions, review

➤ **Community Events:**

1. Create a venue to celebrate major holidays and important community events, and to preserve the heritage and traditions of our community
2. Provide for a better quality of life for residents: i.e. make people happy
3. Bring "neighbors" (Summit County, down-valley) into town
4. Do not have a strong ability to attract major sponsors and/or do not provide opportunity for additional revenue sources to the event producer or measurable economic contributions to the Town of Vail

**Examples:** America Days, Holidays in Vail, Trick-or-Treat Trot, Lionshead Easter Egg Hunt

**Role of the CSE:** Facilitate, work with community organizations, contract for event production where necessary, evaluate and review

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## Givens:

The Commission on Special Events (CSE) strategy assumes several givens:

- Special events contribute to visitor satisfaction, sense of community and increased spending.
- Cooperation and communication with other community organizations that are essential to the success of the CSE's program.
- Events that receive support from the CSE must be of a quality commensurate with Vail's image as a world-class resort.
- The use of measurable criteria in event selection, funding and evaluation is critical to ensuring progress.
- A single point of contact is required to support special event producers.



The CSE is part of the Town of Vail's Economic Development Department and relies on the Town Council to provide:

- Policy Direction
- Consistent Special Events Funding
- Proactive Development of Appropriate Special Event Venues
- Town of Vail Staff support for Special Events as required

*Every significant event destination allocates resources to the administration, ongoing support and recruiting of special events. Research has proven that Special Events generate additional sales tax revenues in the Town of Vail. The CSE recommends that some percentage of these increased revenues should be used not only to help underwrite the costs of administration, but also for research, evaluation and further event development or recruitment.*

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## The CSE will:

- Provide a balanced, year round calendar of events appealing to residents and guests of diverse interests by:
  - Attracting and developing events that will enhance and contribute to Vail's world-class reputation
  - Attracting visitors by dedicating resources to recruit and develop new events
  - Attracting and supporting participant events for visitors and locals
  - Developing community events that will enhance the experience of Vail's guests and residents, as well as become effective marketing tools. Examples include Vail America Days, Holidays in Vail, Trick-or-Treat Trot, Lionshead Easter Egg Hunt, etc.
  - Encouraging producers of special events to provide free street entertainment, e.g. clowns from circus, musicians from BRAVO, and artists from the Vail Arts Festival
  - Actively soliciting entrepreneurial street entertainment
  
- Assess and evaluate events to insure that the community benefits are commensurate with the investment of public funds by:
  - Following objective event selection, funding and evaluation criteria
  
  - Developing critical success measurements: In coordination with the Vail Local Marketing District (VLMD) and appropriate research vendors, tools will be developed to regularly measure the following criteria:
    - Economic indicators
      - a. Increased sales tax collections
      - b. Increased lodging tax collections
      - c. Improved occupancy rates
      - d. Impact from direct event spending
      - e. Quantifiable marketing benefits
  
    - Contributions to sense of community:
      - a. Does the event improve the quality experience for guests and residents?
      - b. Does it pull down-valley residents into Vail?
      - c. Does it make people happy?
  
  - Communicating with the local business community, the Vail Chamber and Business Association (VCBA), the Vail Valley Partnership (VVP)

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and the Vail Recreation District (VRD) to insure that the events funded by the CSE have a positive impact on the local economy

- Ensuring that event investments are closely coordinated with the economic needs of the community as recommended by the Vail Economic Advisory Council (VEAC) and with the broader marketing objectives identified by the VLMD
- Maintaining biannual meetings with the VLMDAC and continue to work cooperatively to align the special events and marketing programs.
- “Green Events:” Encourage environmentally sustainable practices for all Town of Vail events
- Encourage producers of major events to develop sponsorships and to reduce over time their reliance on Town of Vail funding and the percentage of the event budget that is funded with public dollars
- Encourage a culture within the Town of Vail that welcomes special events and provides a “can do” attitude of cooperation between Town of Vail Departments, Event Promoters and local businesses
- Advocate for the development and improvement of venues and facilities for Special Events within the Town of Vail
- Improve coordination and communication between the Town of Vail’s Event Review Committee (ERC), the Vail Recreation District (VRD), Vail Mountain Marketing and the CSE
- Develop a refined program for the allocation of in-kind services to support Special Events
- Provide complete and accurate information with regard to the calendar of special events in response to the needs of prospective visitors, event promoters, Town of Vail staff, concierges, locals and guests
- Maintain a “single point of contact” for Special Events
- Demonstrate to the Town Council that special events are a revenue provider for the Town, not an expense, and that events can deliver substantial sales and lodging tax revenues while simultaneously making Vail a more exciting place to live and visit

**REVISED VERSION, PER CSE DIRECTION 4/7/2010**

***ATTACHMENT A: CRITERIA FOR ALLOCATION OF CSE FUNDS***

**SPECIAL EVENT RATING GRID**

EVENT NAME: \_\_\_\_\_

DATES: \_\_\_\_\_ \$\$\$ AMT. REQUESTED: \_\_\_\_\_

New Event \_\_\_\_\_ Existing Event \_\_\_\_\_, if yes, # of years \_\_\_\_\_

The event is: (check all that apply)

Iconic \_\_\_\_\_ Participatory \_\_\_\_\_ Ambient \_\_\_\_\_ Community \_\_\_\_\_

CRITERIA:	RATING (1-10)
<b>Does the event have the potential to:</b>	
Increase room nights (Score this item from 1- 20)	
Benefit local restaurants	
Stimulate Retail Sales	
Contribute to Vail’s sense of community	
Promote Visitor Intent to Return	
<b>Leveraging Value:</b> <i>How great is the potential to attract sponsorships and media exposure, thereby increasing the impact of the CSE funds?</i>	
<b>Demographic Fit:</b> <i>Does it match the profile of targeted visitors, in alignment with the VLMD’s program?</i>	
<b>Growth Potential:</b> <i>How big can it become? Will it be annual?</i>	
<b>Timing:</b> <i>How well does it contribute to a balanced annual calendar of events?</i>	
<b>“Green Events:”</b> <i>How well does the event comply with Vail’s commitment to environmental sustainability?</i>	
<b>Producer Qualifications:</b> <i>Do they have the ability to produce an event compatible with the image of Vail as a “world class” resort?</i>	
<b>TOTAL SCORE:</b>	

CSE Member Initials: \_\_\_\_\_ \$ Amount of funding suggested: \_\_\_\_\_

CSE/srn

Revised 4/7/2010



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MEMORANDUM

To: Town Council  
From: Peter Grosshuesch, Director of Community Development  
Subject: F-Lot Hotel Feasibility Study  
Date: June 18, 2013

Attached is the executive summary of the feasibility study for a possible hotel located on F-Lot. Representatives from Lowe Enterprises and HVS consulting who evaluated the site and the lodging market will be present to make a presentation of their findings and will be available to answer any related questions that you may have. Due to the large file size, [the F-Lot Feasibility Study Full Report](#) and [the F-Lot Hotel Design Drawings](#) have been posted on the Town's web site instead of being included in this Council packet.

Once again, you can see the above mentioned documents by using the following links:  
[F-Lot Hotel Feasibility Study Full Report](#)  
[F-Lot Hotel Design Drawings](#)



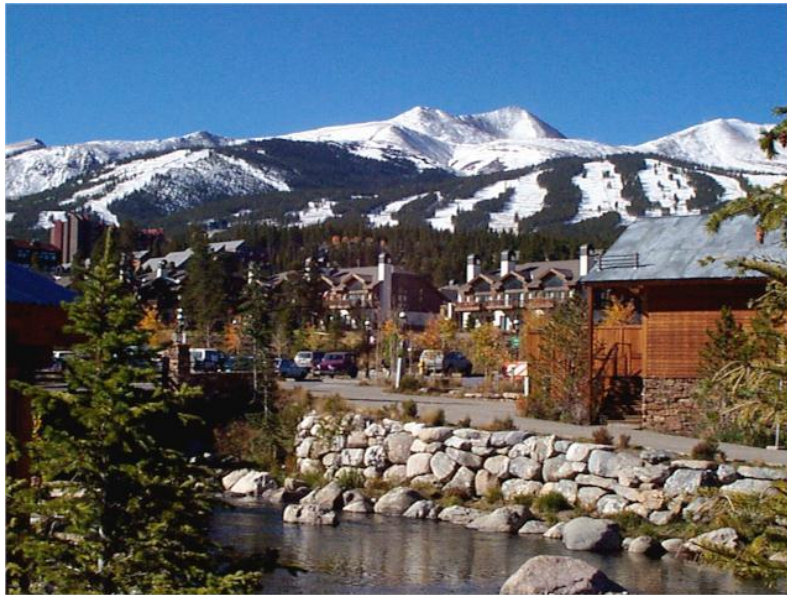
ARCHITECTURE  
URBAN DESIGN  
INTERIOR DESIGN

FEASIBILITY STUDY

---

# Proposed Hotel Breckenridge

SOUTH PARK AVENUE  
BRECKENRIDGE, COLORADO



**SUBMITTED TO:**

Town of Breckenridge  
Mr. Peter Grosshuesch  
150 Ski Hill Road  
Breckenridge, Colorado, 80424

+1 (970) 453-3162

**PREPARED BY:**

HVS Consulting and Valuation Services  
Division of TS Worldwide, LLC  
413 South Howes Street  
Fort Collins, CO 80521

+1 (720) 877-1376

Lowe Enterprises Real Estate Services, Inc.  
PO Box 5600  
Snowmass Village, CO 81615

May 19, 2013

Mr. Peter Grosshuesch  
 Town of Breckenridge  
 150 Ski Hill Road  
 Breckenridge, Colorado, 80424

---

**HVS DENVER**

413 South Howes Street  
 Fort Collins, CO 80521

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Specialists in Hotel Consulting and  
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Re: Proposed Hotel Breckenridge  
 Breckenridge, Colorado  
 HVS Reference: 2013020203

Dear Mr. Grosshuesch:

Pursuant to your request, we herewith submit an executive summary of the feasibility study pertaining to the above-captioned property. We have inspected the real estate and analyzed the hotel market conditions in the Breckenridge, Colorado area. We have also conducted interviews with the community key stakeholders and business leaders, have studied the site and its constraints, and the results of our fieldwork and analysis are presented in this report. We have also reviewed several development plan options for the proposed improvements for this site and have selected what we believe to be the best-suited plan and program for the analysis. Our report was prepared in collaboration with Oz Architecture and is in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP), as provided by the Appraisal Foundation. This executive summary is a summary of our findings and is not intended as a standalone report. All data and findings in the executive summary are found in the complete report.

We hereby certify that we have no undisclosed interest in the property, and our employment and compensation are not contingent upon our findings. This study is subject to the comments made throughout this report and to all assumptions and limiting conditions set forth herein.

Sincerely,  
 TS Worldwide, LLC

*DRAFT DOCUMENT*

Brett E. Russell, Senior Vice President  
 BRussell@hvs.com, +1 (720) 877-1376  
 State Appraiser License (CO) CG100013757

Lowe Enterprises Real Estate Services, Inc.





ARCHITECTURE  
URBAN DESIGN  
INTERIOR DESIGN

*DRAFT DOCUMENT*

Michael S. Tande, Senior Vice President  
mtande@loweentrprises.com, +1(310) 820-6661



ARCHITECTURE  
URBAN DESIGN  
INTERIOR DESIGN

## Table of Contents

SECTION	TITLE	PAGE
1.	Executive Summary	5

# 1. Executive Summary

## Subject of the Feasibility Study

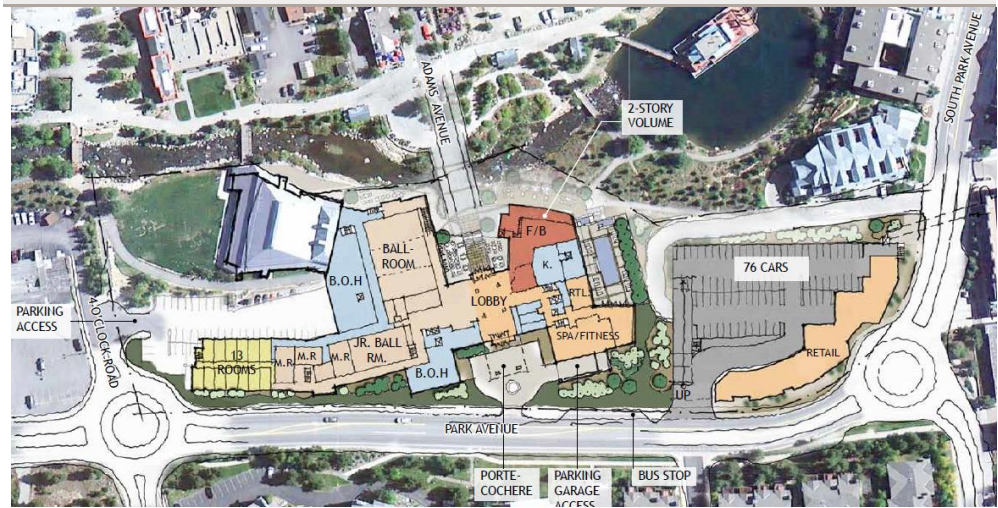
The report is in response to the Town of Breckenridge's ("Town") request of our team to conduct a hotel feasibility study of the subject site. The team is made up of Lowe Enterprises Real Estate Services, Inc. ("LERES"), HVS, and OZ Architecture. The team led by LERES was selected through a formal RFP and interview process. The scope of the assignment was to review the site and determine if a luxury hotel was appropriate for the site and if it would be feasible. As part of the scope, the Town identified four key elements to be evaluated 1) a need to address replacement of any parking that is lost from the development, 2) assessment of the impact of a new hotel on the existing lodging base in Breckenridge, 3) inclusion of the potential impact on the Riverwalk Center and 4) the magnitude, if any, of any Town participation or incentives required to assist with the development of the project. Our assessment of these factors are addressed herein.

An architectural site planning analysis was conducted for the subject site and was performed by OZ Architecture ("Designer"). After reviewing several different development plan options, which included hotel only with no conference space, our team concluded that the following program was the best-case scenario given the sites orientation and constraints.

The subject site's location is at F Lot (and Tiger Dredge lot) on South Park Avenue, Breckenridge, Colorado, 80424.

The subject of the feasibility study is a 315,810-square-foot (7.25-acre) parcel to be improved with a 200,505-square-foot, full service, conference and lodging facility; the hotel will be affiliated with an upper-upscale brand. The property is expected to open on January 1, 2018 and will feature 214 rooms and suites, a three-meal upscale restaurant, bar and lounge, a 22,135-square-foot meeting facility, a spa facility, an outdoor pool and whirlpools, an exercise room, a coffee shop, a business center, gift shop, retail/skier valet, and vending areas. The hotel will also feature all necessary back-of-the-house space including a 281-stall sub-terrain parking garage.

### RENDERING OF PROJECT



The proposed hotel is expected to provide the town with a high-quality conference facility that can better accommodate large groups who have not chosen Breckenridge in the past. To further expand on the capabilities of the conference facility, the conceptual project's plan includes the potential addition of a temporary 800 to 1,600-person capacity event tent on the roof deck of the day-skier and Riverwalk Center parking structure. The tent can be designed to be taken down to accommodate peak season parking needs.

In addition, the hotel's proposed location in Downtown Breckenridge is one of the few remaining development sites in the core of the town. It is well suited for a hotel that will greatly enhance and stimulate the activity and vibrancy of the town. The downtown core, including Main Street, offers a multitude of locally owned restaurants and retailers and is the quintessential ski mountain small town. The historic mining town has not lost its character, continues to be a unique destination, and is what helps to separates Breckenridge from other mountain towns and cities.

Local officials and industry professionals reported that groups of between 150 to 250 represent the greatest opportunity for the town of Breckenridge, while larger groups of 500 plus are currently not easily accommodated. As such, we believe the program for the proposed subject property is a 214-room, upper-upscale, full-service hotel with a 22,135 square foot meeting facility. Moreover, in order to attract large groups that have not chosen Breckenridge in the past, we recommend obtaining a nationally recognized four-star brand that will attract new visitors to

Breckenridge. A prominent brand will allow local marketing officials to better sell Breckenridge as a premier mountain resort destination.

This project has a unique set of issues that were considered in our recommendations for the proposed hotel. Parking in Downtown Breckenridge is already an issue during the peak season and this hotel would be built on the largest parking lot near downtown and close to the QuickSilver Super6 lift, which is located within the Village at Breckenridge. As such, a large parking structure is a component of the project, with as much parking as is currently available plus additional parking for the Riverwalk Center and downtown. The large parking structure limits the number of guestrooms and meeting space that can be built on the remaining portion of the 7.25-acre site.

Another constraint of the project is the buildable height of the new hotel and parking structure. The subject site is located one block west of Main Street and a large structure would obstruct views from downtown. In consideration of this, we have developed preliminary designs for the hotel that include two four-story structures that are linked by a central lobby and entryway and an underground parking structure. The separation of the two hotel guestroom structures would provide a view corridor between the two buildings along Adams Avenue.

Another consideration of the project is the opportunity for synergies between a new hotel and conference facility and the adjacent Riverwalk Center. The Riverwalk Center is a unique venue for music festivals, local concerts that includes the National Repertory Orchestra, and other events but also has its limitations. Upon review of the purposed reconfiguration of the center and our conversations with local officials and industry professionals, we understand that the back-of-house space is inefficient and that the venue is under-utilized. In addition, upon consultation with industry professionals and conference center manager's, we have determined that there are significant synergies of combining the conference facility with the Riverwalk Center's amphitheater. As such, in our preliminary design of the conference facility, we recommend that the conference center be built adjacent to the Riverwalk Center, eliminating its existing back-of-house, and utilizing the newly designed back-of-house and meeting areas of the proposed conference facility.

The new space can be designed to fully integrate the operational aspects of the Riverwalk Center and greatly enhance the overall functionality and guest experience. For instance, the restrooms can be conveniently located and adequately sized for the venue and the conference facility. The conference space adjacent to the amphitheater can be used as a pre-function or intermissions with the other smaller meeting rooms being utilized for warm-up, vocal practice, instrument rehearsals, multipurpose and backstage uses. Serving as dual-purpose

space the repositioned Riverwalk Center with its 770-seat amphitheater gives Breckenridge a superior competitive advantage. Hence, the conference facility can utilize the amphitheater for its groups who are looking for this type of venue for product launches, interactive forums, and larger group meetings and company presentations. We see the repositioning of the Riverwalk Center along with the new conference facility being a key opportunity to increase corporate group business and incremental revenue to the Town while continuing to have the special events the Riverwalk Center has enjoyed over the years. In addition, we recommend that the two facilities be managed together by a conference and theater specialist through the hotel or a third-party manager in order to take advantage of the synergies and revenue opportunities of both facilities.

#### **Pertinent Dates**

The effective date of the report is May 19, 2013. The subject site was inspected by Joseph Rael and Michael Tande on April 4, 2013. Brett Russell participated in the analysis, reviewed the findings, and inspected the property.

#### **Ownership, Franchise, and Management Assumptions**

The developer of the proposed subject property has yet to be determined. The subject site is owned by the Town of Breckenridge and has not been sold during the last five years. The subject site is currently being used as two parking lots for visitors to Downtown Breckenridge and the Riverwalk Center.

We recommend that the proposed subject property be operated by a third-party professional management company. Details pertaining to management terms were not yet determined at the time of this report; therefore, our forecast fees represent a blended average of what would be expected on a base-fee and incentive-fee basis. We have assumed a market-appropriate total management fee of 3.0% of total revenues in our study.

We recommend that the proposed subject property operate as an upper-upscale, full-service hotel affiliated with a nationally recognized four-star brand such as Westin, Hyatt Regency, JW Marriott, or Renaissance. Resort-oriented brands or independent hotel and conference specialists such as Destination Hotels & Resorts, Dolce Hotels & Resorts, and RockResorts should also be considered given their success in these markets. A specific franchise affiliation and/or brand has yet to be determined. Based on our review of the agreement's terms or expected terms, the upper-upscale franchise is reflected in our forecasts with a royalty fee of 7% of rooms revenue, and a marketing assessment of 2% of rooms revenue. The forecast franchise fee also includes 3% of food and beverage revenue. Reservations fees will also be due, and are included in the rooms expense line item of our forecast.

#### **Summary of Hotel Market Trends**

The major ski resorts located in Summit and Eagle Counties serve as the primary sources of demand in this Breckenridge, Keystone, and Vail Valley market. As such, demand in the market is primarily made up of FIT guests who are visiting the

area for outdoor recreational activities, including skiing, snowboarding, biking, camping, hiking, and climbing. As discretionary spending became increasingly restricted during the economic downturn, demand at local hotels decreased significantly in 2008 and through much of 2009. New supply entered the market in mid-year 2010 when the RockResorts' One Ski Hill Place opened near the base of Peak 8 in Breckenridge. Occupancy in the market began to recover in 2010 due to a strong 2009/10 ski season, but remained stagnant in 2011 before beginning to increase again in the summer of 2012. Average rate recovery lagged behind occupancy, with a rebound in 2011 and a minimal increase in 2012. The latest year-to-date data for 2013 show strong occupancy and average rate improvements, attributed to a stronger 2012/13 ski season when compared to 2011/12.

The following table provides a historical perspective on the supply and demand trends for a selected set of hotels, as provided by Smith Travel Research.

**FIGURE 1-1 HISTORICAL SUPPLY AND DEMAND TRENDS (STR)**

Year	Average Daily Available Room		Occupied Room		Average		RevPAR	Change		
	Room Count	Nights	Change	Nights	Change	Rate				
2002	2,126	775,815	3.2 %	400,656	1.9 %	51.6	177.27	2.5 %	91.55	1.2 %
2003	2,407	878,555	13.2	430,436	7.4	49.0	188.30	6.2	92.26	0.8
2004	2,407	878,555	0.0	469,508	9.1	53.4	193.16	2.6	103.23	11.9
2005	2,407	878,555	0.0	490,476	4.5	55.8	204.49	5.9	114.16	10.6
2006	2,342	854,662	(2.7)	519,782	6.0	60.8	207.21	1.3	126.02	10.4
2007	2,174	793,505	(7.2)	493,571	(5.0)	62.2	229.68	10.8	142.87	13.4
2008	2,146	783,433	(1.3)	430,436	(12.8)	54.9	249.08	8.4	136.85	(4.2)
2009	2,253	822,345	5.0	374,082	(13.1)	45.5	221.45	(11.1)	100.74	(26.4)
2010	2,225	812,230	(1.2)	404,071	8.0	49.7	215.94	(2.5)	107.43	6.6
2011	2,304	840,960	3.5	417,577	3.3	49.7	222.02	2.8	110.24	2.6
2012	2,304	840,960	0.0	450,852	8.0	53.6	222.93	0.4	119.52	8.4

Average Annual Compounded Change:  
2001-2012

1.0 %

1.3 %

2.3 %

2.6 %

**Year-to-Date Through February**

2012	2,304	135,936	—	96,202	—	70.8 %	\$299.79	—	\$212.16	—
2013	2,304	135,936	0.0 %	106,456	10.7 %	78.3	313.14	4.5 %	245.23	15.6 %

Hotels Included in Sample	Number of Rooms	Year Affiliated	Year Opened
Manor Vail Resort	128	Nov-08	Jun 1966
Keystone Lodge & Spa	152	Jun-74	Jun 1974
Village @ Breckenridge Hotel	60	Dec-10	Jun 1979
Marriott Vail Mountain Resort	344	Oct-94	Nov 1980
Vail Cascade Resort	292	Mar-96	Jun 1982
Doubletree Breckenridge	208	Nov-11	Jun 1985
Beaver Run Resort & Conference Center	550	Jun-86	Jun 1986
The Inn @ Keystone	103	Jan-08	Dec 1989
Park Hyatt Beaver Creek Resort & Spa	190	Dec-89	Dec 1989
Lodge @ Breckenridge	47	Jun-92	Jun 1992
Ritz-Carlton Bachelor Gulch	180	Nov-02	Nov 2002
RockResorts One Ski Hill Place	50	Jun-10	Jun 2010
<b>Total</b>	<b>2,304</b>		

Source: STR Global

The following tables reflect our estimates of operating data for hotels on an individual basis. These trends are presented in detail in the Supply and Demand Analysis chapter of this report.



**FIGURE 1-2 PRIMARY COMPETITORS – OPERATING PERFORMANCE**

Property	Est. Segmentation			Estimated 2010				Estimated 2011				Estimated 2012						
	Number of Rooms	FT	Meeting and Group	Weighted Annual Room Count	Occ.	Average Rate	RevPAR	Weighted Annual Room Count	Occ.	Average Rate	RevPAR	Weighted Annual Room Count	Occ.	Average Rate	RevPAR	RevPAR Change	Occupancy Penetration	Yield Penetration
Beaver Run Resort	550	55 %	45 %	550	44 %	\$164.00	\$72.16	550	42 %	\$163.00	\$68.46	550	42 %	\$166.00	\$69.72	1.8 %	87.6 %	70.1 %
Village Hotel	60	65	35	60	49	135.00	66.15	60	45	140.00	63.00	60	56	148.00	82.88	31.6	116.8	83.3
DoubleTree by Hilton Breckenridge	208	65	35	208	44	159.00	69.96	208	40	176.00	70.40	208	49	150.00	73.50	4.4	102.2	73.9
Keystone Lodge & Spa	152	60	40	152	49	170.00	83.30	152	42	180.00	75.60	152	55	190.00	104.50	38.2	114.7	105.1
<b>Sub-Totals/Averages</b>	<b>970</b>	<b>59 %</b>	<b>41 %</b>	<b>970</b>	<b>45.1 %</b>	<b>\$162.03</b>	<b>\$73.06</b>	<b>970</b>	<b>41.8 %</b>	<b>\$166.82</b>	<b>\$69.66</b>	<b>970</b>	<b>46.4 %</b>	<b>\$165.49</b>	<b>\$76.79</b>	<b>10.2 %</b>	<b>96.8 %</b>	<b>77.2 %</b>
Secondary Competitors	3,935	69 %	31 %	1,402	45.2 %	\$225.80	\$102.09	1,416	46.5 %	\$230.34	\$107.04	1,416	49.0 %	\$234.71	\$115.01	7.4 %	102.2 %	115.6 %
<b>Totals/Averages</b>	<b>4,905</b>	<b>65 %</b>	<b>35 %</b>	<b>2,372</b>	<b>45.2 %</b>	<b>\$199.76</b>	<b>\$90.22</b>	<b>2,386</b>	<b>44.6 %</b>	<b>\$206.14</b>	<b>\$91.84</b>	<b>2,386</b>	<b>47.9 %</b>	<b>\$207.48</b>	<b>\$99.48</b>	<b>8.3 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

**FIGURE 1-3 SECONDARY COMPETITORS – OPERATING PERFORMANCE**

Property	Est. Segmentation			Estimated 2010				Estimated 2011				Estimated 2012				
	Number of Rooms	FT	Meeting and Group	Total Competitive Level	Weighted Annual Room Count	Occ.	Average Rate	RevPAR	Weighted Annual Room Count	Occ.	Average Rate	RevPAR	Weighted Annual Room Count	Occ.	Average Rate	RevPAR
One Ski Hill Place Breckenridge	50	80 %	20 %	70 %	21	43 %	\$160.00	\$68.80	35	45 %	\$172.00	\$77.40	35	60 %	\$194.00	\$116.40
Lodge & Spa at Breckenridge	47	50	50	40	19	47	92.00	43.24	19	57	112.00	63.84	19	65	111.00	72.15
Ritz-Carlton Residences Vail	180	65	35	50	90	47	415.00	195.05	90	55	384.00	211.20	90	61	385.00	234.85
Park Hyatt Beaver Creek Resort	190	60	40	60	114	59	325.00	191.75	114	62	317.00	196.54	114	61	336.00	204.96
Marriott Vail Resort	344	55	45	70	241	61	213.00	129.93	241	61	219.00	133.59	241	63	229.00	144.27
Vail Cascade Hotel & Club	292	55	45	60	175	51	235.00	119.85	175	54	238.00	128.52	175	54	231.00	124.74
Manor Vail Lodge	128	65	35	40	51	45	225.00	101.25	51	46	257.00	118.22	51	50	253.00	126.50
Inn at Keystone	103	55	45	40	41	48	120.00	57.60	41	46	122.00	56.12	41	58	135.00	78.30
Aggregate Breckenridge Lodging Units	2,601	90	10	25	650	35	183.00	64.05	650	35	190.00	66.50	650	37	194.00	71.78
<b>Totals/Averages</b>	<b>3,935</b>	<b>69 %</b>	<b>31 %</b>	<b>36 %</b>	<b>1,402</b>	<b>45.2 %</b>	<b>\$225.80</b>	<b>\$102.09</b>	<b>1,416</b>	<b>46.5 %</b>	<b>\$230.34</b>	<b>\$107.04</b>	<b>1,416</b>	<b>49.0 %</b>	<b>\$234.71</b>	<b>\$115.01</b>



**Summary of Forecast  
Occupancy and  
Average Rate**

Based on our analysis presented in the Projection of Occupancy and Average Rate chapter, we have chosen to use a stabilized occupancy level of 59% and a base-year rate position of \$218.00 (2012 dollars) for the proposed subject property. The following table reflects a summary of our market-wide and proposed subject property occupancy and average rate projections.

**FIGURE 1-4 MARKET AND SUBJECT PROPERTY AVERAGE RATE FORECAST**

Year	Area-wide Market (Calendar Year)			Subject Property (Calendar Year)			
	Occupancy	Average Rate Growth	Average Rate	Occupancy	Average Rate Growth	Average Rate	Average Rate Penetration
Base Year	47.9 %	—	\$207.48	—	—	\$218.00	105.1 %
2013	49.7	4.0 %	215.78	—	4.0 %	226.72	105.1
2014	50.7	6.0	228.73	—	6.0	240.32	105.1
2015	51.1	6.0	242.45	—	6.0	254.74	105.1
2016	51.1	4.0	252.15	—	4.0	264.93	105.1
2017	51.2	3.0	259.71	—	3.0	272.88	105.1
2018	49.8	3.0	267.50	51.0 %	4.5	285.16	106.6
2019	50.0	3.0	275.53	56.0	4.5	297.99	108.2
2020	50.0	3.0	283.80	58.0	3.0	306.93	108.2
2021	49.9	3.0	292.31	59.0	3.0	316.14	108.2

The following table summarizes the proposed subject property's forecast, reflecting fiscal years and opening-year rate discounts as applicable.

**FIGURE 1-5 FORECAST OF AVERAGE RATE**

Year	Occupancy	Average Rate Before Discount	Discount	Average Rate After Discount
2018	51 %	\$285.16	2.0 %	\$279.46
2019	56	297.99	1.0	295.01
2020	58	306.93	0.0	306.93
2021	59	316.14	0.0	316.14

**Summary of Forecast  
Income and Expense  
Statement**

Our positioning of each revenue and expense level is supported by comparable operations or trends specific to this market. Our forecast of income and expense is presented in the following table.

**FIGURE 1-6 DETAILED FORECAST OF INCOME AND EXPENSE**

	2018 (Calendar Year)				2019				2020				Stabilized				2022			
Number of Rooms:	214				214				214				214				214			
Occupancy:	51%				56%				58%				59%				59%			
Average Rate:	\$279.46				\$295.01				\$306.93				\$316.14				\$325.62			
RevPAR:	\$142.52				\$165.21				\$178.02				\$186.52				\$192.12			
Days Open:	365				365				365				365				365			
Occupied Rooms:	39,836	%Gross	PAR	POR	43,742	%Gross	PAR	POR	45,304	%Gross	PAR	POR	46,085	%Gross	PAR	POR	46,085	%Gross	PAR	POR
<b>REVENUE</b>																				
Rooms	\$11,132	56.1 %	\$52,019	\$279.45	\$12,904	57.6 %	\$60,299	\$295.01	\$13,905	58.1 %	\$64,977	\$306.93	\$14,569	58.3 %	\$68,079	\$316.13	\$15,006	58.3 %	\$70,121	\$325.62
Food	5,385	27.1	25,163	135.17	5,939	26.5	27,751	135.77	6,279	26.3	29,339	138.59	6,550	26.2	30,609	142.13	6,747	26.2	31,527	146.40
Beverage	1,510	7.6	7,057	37.91	1,636	7.3	7,644	37.40	1,718	7.2	8,027	37.92	1,786	7.1	8,348	38.76	1,840	7.1	8,598	39.93
Other Operated Departments	941	4.7	4,397	23.62	995	4.4	4,649	22.75	1,035	4.3	4,838	22.85	1,072	4.3	5,009	23.26	1,104	4.3	5,159	23.96
Garage/Parking	254	1.3	1,187	6.38	274	1.2	1,278	6.25	287	1.2	1,339	6.33	298	1.2	1,391	6.46	307	1.2	1,433	6.65
Rentals & Other Income	627	3.2	2,931	15.75	663	3.0	3,099	15.16	690	2.9	3,225	15.24	715	2.9	3,339	15.51	736	2.9	3,439	15.97
<b>Total Revenues</b>	<b>19,849</b>	<b>100.0</b>	<b>92,754</b>	<b>498.27</b>	<b>22,410</b>	<b>100.0</b>	<b>104,721</b>	<b>512.33</b>	<b>23,914</b>	<b>100.0</b>	<b>111,746</b>	<b>527.85</b>	<b>24,990</b>	<b>100.0</b>	<b>116,775</b>	<b>542.26</b>	<b>25,740</b>	<b>100.0</b>	<b>120,278</b>	<b>558.52</b>
<b>DEPARTMENTAL EXPENSES *</b>																				
Rooms	3,279	29.5	15,320	82.30	3,498	27.1	16,346	79.97	3,653	26.3	17,069	80.63	3,788	26.0	17,701	82.20	3,902	26.0	18,232	84.66
Food & Beverage	5,255	76.2	24,557	131.92	5,566	73.5	26,009	127.25	5,796	72.5	27,084	127.94	6,002	72.0	28,049	130.25	6,183	72.0	28,890	134.15
Other Operated Departments	775	82.4	3,622	19.46	805	80.9	3,760	18.39	831	80.3	3,884	18.35	857	80.0	4,007	18.61	883	80.0	4,127	19.16
Garage/Parking	174	68.3	811	4.36	181	66.2	846	4.14	187	65.4	876	4.14	194	65.0	904	4.20	199	65.0	931	4.33
<b>Total</b>	<b>9,482</b>	<b>47.8</b>	<b>44,310</b>	<b>238.03</b>	<b>10,050</b>	<b>44.8</b>	<b>46,960</b>	<b>229.75</b>	<b>10,467</b>	<b>43.8</b>	<b>48,913</b>	<b>231.05</b>	<b>10,841</b>	<b>43.4</b>	<b>50,661</b>	<b>235.25</b>	<b>11,167</b>	<b>43.4</b>	<b>52,181</b>	<b>242.31</b>
<b>DEPARTMENTAL INCOME</b>	<b>10,367</b>	<b>52.2</b>	<b>48,444</b>	<b>260.24</b>	<b>12,361</b>	<b>55.2</b>	<b>57,760</b>	<b>282.59</b>	<b>13,446</b>	<b>56.2</b>	<b>62,833</b>	<b>296.80</b>	<b>14,148</b>	<b>56.6</b>	<b>66,114</b>	<b>307.01</b>	<b>14,573</b>	<b>56.6</b>	<b>68,097</b>	<b>316.22</b>
<b>UNDISTRIBUTED OPERATING EXPENSES</b>																				
Administrative & General	1,762	8.9	8,233	44.23	1,854	8.3	8,663	42.38	1,926	8.1	9,000	42.51	1,991	8.0	9,303	43.20	2,051	8.0	9,582	44.50
Marketing	1,223	6.2	5,717	30.71	1,287	5.7	6,016	29.43	1,337	5.6	6,250	29.52	1,383	5.5	6,461	30.00	1,424	5.5	6,654	30.90
Franchise Fee	1,209	6.1	5,648	30.34	1,389	6.2	6,489	31.75	1,491	6.2	6,969	32.92	1,561	6.2	7,296	33.88	1,608	6.2	7,515	34.90
Prop. Operations & Maint.	881	4.4	4,116	22.11	927	4.1	4,331	21.19	963	4.0	4,500	21.26	995	4.0	4,652	21.60	1,025	4.0	4,791	22.25
Utilities	783	3.9	3,659	19.66	824	3.7	3,850	18.84	856	3.6	4,000	18.89	885	3.5	4,135	19.20	911	3.5	4,259	19.78
<b>Total</b>	<b>5,858</b>	<b>29.5</b>	<b>27,374</b>	<b>147.05</b>	<b>6,281</b>	<b>28.0</b>	<b>29,349</b>	<b>143.58</b>	<b>6,574</b>	<b>27.5</b>	<b>30,719</b>	<b>145.11</b>	<b>6,815</b>	<b>27.2</b>	<b>31,846</b>	<b>147.88</b>	<b>7,020</b>	<b>27.2</b>	<b>32,802</b>	<b>152.32</b>
<b>HOUSE PROFIT</b>	<b>4,509</b>	<b>22.7</b>	<b>21,070</b>	<b>113.19</b>	<b>6,080</b>	<b>27.2</b>	<b>28,412</b>	<b>139.00</b>	<b>6,872</b>	<b>28.7</b>	<b>32,114</b>	<b>151.70</b>	<b>7,333</b>	<b>29.4</b>	<b>34,268</b>	<b>159.13</b>	<b>7,553</b>	<b>29.4</b>	<b>35,296</b>	<b>163.90</b>
Management Fee	595	3.0	2,783	14.95	672	3.0	3,142	15.37	717	3.0	3,352	15.84	750	3.0	3,503	16.27	772	3.0	3,608	16.76
<b>INCOME BEFORE FIXED CHARGES</b>	<b>3,913</b>	<b>19.7</b>	<b>18,287</b>	<b>98.24</b>	<b>5,408</b>	<b>24.2</b>	<b>25,270</b>	<b>123.63</b>	<b>6,155</b>	<b>25.7</b>	<b>28,762</b>	<b>135.86</b>	<b>6,584</b>	<b>26.4</b>	<b>30,765</b>	<b>142.86</b>	<b>6,781</b>	<b>26.4</b>	<b>31,687</b>	<b>147.14</b>
<b>FIXED EXPENSES</b>																				
Property Taxes	592	3.0	2,767	14.86	601	2.7	2,808	13.74	613	2.6	2,865	13.53	631	2.5	2,950	13.70	650	2.5	3,039	14.11
Insurance	164	0.8	769	4.13	169	0.8	792	3.87	175	0.7	815	3.85	180	0.7	840	3.90	185	0.7	865	4.02
Reserve for Replacement	397	2.0	1,855	9.97	672	3.0	3,142	15.37	957	4.0	4,470	21.11	1,000	4.0	4,671	21.69	1,030	4.0	4,811	22.34
<b>Total</b>	<b>1,154</b>	<b>5.8</b>	<b>5,391</b>	<b>28.96</b>	<b>1,443</b>	<b>6.5</b>	<b>6,742</b>	<b>32.98</b>	<b>1,744</b>	<b>7.3</b>	<b>8,150</b>	<b>38.50</b>	<b>1,811</b>	<b>7.2</b>	<b>8,461</b>	<b>39.29</b>	<b>1,865</b>	<b>7.2</b>	<b>8,715</b>	<b>40.47</b>
<b>NET INCOME</b>	<b>\$2,760</b>	<b>13.9 %</b>	<b>\$12,897</b>	<b>\$69.28</b>	<b>\$3,965</b>	<b>17.7 %</b>	<b>\$18,528</b>	<b>\$90.65</b>	<b>\$4,411</b>	<b>18.4 %</b>	<b>\$20,612</b>	<b>\$97.36</b>	<b>\$4,773</b>	<b>19.2 %</b>	<b>\$22,303</b>	<b>\$103.57</b>	<b>\$4,916</b>	<b>19.2 %</b>	<b>\$22,972</b>	<b>\$106.67</b>

\*Departmental expenses are expressed as a percentage of departmental revenues.

**FIGURE 1-7 TEN-YEAR FORECAST OF INCOME AND EXPENSE**

	2018		2019		2020		2021		2022		2023		2024		2025		2026		2027	
<b>Number of Rooms:</b>	214		214		214		214		214		214		214		214		214		214	
<b>Occupied Rooms:</b>	39,836		43,742		45,304		46,085		46,085		46,085		46,085		46,085		46,085		46,085	
<b>Occupancy:</b>	51%		56%		58%		59%		59%		59%		59%		59%		59%		59%	
<b>Average Rate:</b>	\$279.46	% of	\$295.01	% of	\$306.93	% of	\$316.14	% of	\$325.62	% of	\$335.39	% of	\$345.45	% of	\$355.82	% of	\$366.49	% of	\$377.49	% of
<b>RevPAR:</b>	\$142.52	Gross	\$165.21	Gross	\$178.02	Gross	\$186.52	Gross	\$192.12	Gross	\$197.88	Gross	\$203.82	Gross	\$209.93	Gross	\$216.23	Gross	\$222.72	Gross
<b>REVENUE</b>																				
Rooms	\$11,132	56.1 %	\$12,904	57.6 %	\$13,905	58.1 %	\$14,569	58.3 %	\$15,006	58.3 %	\$15,457	58.3 %	\$15,920	58.3 %	\$16,398	58.3 %	\$16,890	58.3 %	\$17,396	58.3 %
Food	5,385	27.1	5,939	26.5	6,279	26.3	6,550	26.2	6,747	26.2	6,949	26.2	7,158	26.2	7,372	26.2	7,594	26.2	7,821	26.2
Beverage	1,510	7.6	1,636	7.3	1,718	7.2	1,786	7.1	1,840	7.1	1,895	7.1	1,952	7.1	2,011	7.1	2,071	7.1	2,133	7.1
Other Operated Departments	941	4.7	995	4.4	1,035	4.3	1,072	4.3	1,104	4.3	1,137	4.3	1,171	4.3	1,206	4.3	1,243	4.3	1,280	4.3
Garage/Parking	254	1.3	274	1.2	287	1.2	298	1.2	307	1.2	316	1.2	325	1.2	335	1.2	345	1.2	356	1.2
Rentals & Other Income	627	3.2	663	3.0	690	2.9	715	2.9	736	2.9	758	2.9	781	2.9	804	2.9	828	2.9	853	2.9
<b>Total</b>	<b>19,849</b>	<b>100.0</b>	<b>22,410</b>	<b>100.0</b>	<b>23,914</b>	<b>100.0</b>	<b>24,990</b>	<b>100.0</b>	<b>25,740</b>	<b>100.0</b>	<b>26,513</b>	<b>100.0</b>	<b>27,307</b>	<b>100.0</b>	<b>28,127</b>	<b>100.0</b>	<b>28,971</b>	<b>100.0</b>	<b>29,839</b>	<b>100.0</b>
<b>DEPARTMENTAL EXPENSES*</b>																				
Rooms	3,279	29.5	3,498	27.1	3,653	26.3	3,788	26.0	3,902	26.0	4,019	26.0	4,139	26.0	4,263	26.0	4,391	26.0	4,523	26.0
Food & Beverage	5,255	76.2	5,566	73.5	5,796	72.5	6,002	72.0	6,183	72.0	6,368	72.0	6,559	72.0	6,756	72.0	6,958	72.0	7,167	72.0
Other Operated Departments	775	82.4	805	80.9	831	80.3	857	80.0	883	80.0	910	80.0	937	80.0	965	80.0	994	80.0	1,024	80.0
Garage/Parking	174	68.3	181	66.2	187	65.4	194	65.0	199	65.0	205	65.0	211	65.0	218	65.0	224	65.0	231	65.0
<b>Total</b>	<b>9,482</b>	<b>47.8</b>	<b>10,050</b>	<b>44.8</b>	<b>10,467</b>	<b>43.8</b>	<b>10,841</b>	<b>43.4</b>	<b>11,167</b>	<b>43.4</b>	<b>11,502</b>	<b>43.4</b>	<b>11,847</b>	<b>43.4</b>	<b>12,202</b>	<b>43.4</b>	<b>12,568</b>	<b>43.4</b>	<b>12,945</b>	<b>43.4</b>
<b>DEPARTMENTAL INCOME</b>	<b>10,367</b>	<b>52.2</b>	<b>12,361</b>	<b>55.2</b>	<b>13,446</b>	<b>56.2</b>	<b>14,148</b>	<b>56.6</b>	<b>14,573</b>	<b>56.6</b>	<b>15,011</b>	<b>56.6</b>	<b>15,460</b>	<b>56.6</b>	<b>15,925</b>	<b>56.6</b>	<b>16,402</b>	<b>56.6</b>	<b>16,894</b>	<b>56.6</b>
<b>UNDISTRIBUTED OPERATING EXPENSES</b>																				
Administrative & General	1,762	8.9	1,854	8.3	1,926	8.1	1,991	8.0	2,051	8.0	2,112	8.0	2,176	8.0	2,241	8.0	2,308	8.0	2,377	8.0
Marketing	1,223	6.2	1,287	5.7	1,337	5.6	1,383	5.5	1,424	5.5	1,467	5.5	1,511	5.5	1,556	5.5	1,603	5.5	1,651	5.5
Franchise Fee	1,209	6.1	1,389	6.2	1,491	6.2	1,561	6.2	1,608	6.2	1,656	6.2	1,706	6.2	1,757	6.2	1,810	6.2	1,864	6.2
Prop. Operations & Maint.	881	4.4	927	4.1	963	4.0	995	4.0	1,025	4.0	1,056	4.0	1,088	4.0	1,120	4.0	1,154	4.0	1,189	4.0
Utilities	783	3.9	824	3.7	856	3.6	885	3.5	911	3.5	939	3.5	967	3.5	996	3.5	1,026	3.5	1,057	3.5
<b>Total</b>	<b>5,858</b>	<b>29.5</b>	<b>6,281</b>	<b>28.0</b>	<b>6,574</b>	<b>27.5</b>	<b>6,815</b>	<b>27.2</b>	<b>7,020</b>	<b>27.2</b>	<b>7,230</b>	<b>27.2</b>	<b>7,447</b>	<b>27.2</b>	<b>7,671</b>	<b>27.2</b>	<b>7,901</b>	<b>27.2</b>	<b>8,138</b>	<b>27.2</b>
<b>HOUSE PROFIT</b>	<b>4,509</b>	<b>22.7</b>	<b>6,080</b>	<b>27.2</b>	<b>6,872</b>	<b>28.7</b>	<b>7,333</b>	<b>29.4</b>	<b>7,553</b>	<b>29.4</b>	<b>7,781</b>	<b>29.4</b>	<b>8,013</b>	<b>29.4</b>	<b>8,254</b>	<b>29.4</b>	<b>8,502</b>	<b>29.4</b>	<b>8,756</b>	<b>29.4</b>
Management Fee	595	3.0	672	3.0	717	3.0	750	3.0	772	3.0	795	3.0	819	3.0	844	3.0	869	3.0	895	3.0
<b>INCOME BEFORE FIXED CHARGES</b>	<b>3,913</b>	<b>19.7</b>	<b>5,408</b>	<b>24.2</b>	<b>6,155</b>	<b>25.7</b>	<b>6,584</b>	<b>26.4</b>	<b>6,781</b>	<b>26.4</b>	<b>6,985</b>	<b>26.4</b>	<b>7,194</b>	<b>26.4</b>	<b>7,410</b>	<b>26.4</b>	<b>7,633</b>	<b>26.4</b>	<b>7,861</b>	<b>26.4</b>
<b>FIXED EXPENSES</b>																				
Property Taxes	592	3.0	601	2.7	613	2.6	631	2.5	650	2.5	670	2.5	690	2.5	711	2.5	732	2.5	754	2.5
Insurance	164	0.8	169	0.8	175	0.7	180	0.7	185	0.7	191	0.7	196	0.7	202	0.7	208	0.7	215	0.7
Reserve for Replacement	397	2.0	672	3.0	957	4.0	1,000	4.0	1,030	4.0	1,061	4.0	1,092	4.0	1,125	4.0	1,159	4.0	1,194	4.0
<b>Total</b>	<b>1,154</b>	<b>5.8</b>	<b>1,443</b>	<b>6.5</b>	<b>1,744</b>	<b>7.3</b>	<b>1,811</b>	<b>7.2</b>	<b>1,865</b>	<b>7.2</b>	<b>1,921</b>	<b>7.2</b>	<b>1,979</b>	<b>7.2</b>	<b>2,038</b>	<b>7.2</b>	<b>2,099</b>	<b>7.2</b>	<b>2,162</b>	<b>7.2</b>
<b>NET INCOME</b>	<b>\$2,760</b>	<b>13.9 %</b>	<b>\$3,965</b>	<b>17.7 %</b>	<b>\$4,411</b>	<b>18.4 %</b>	<b>\$4,773</b>	<b>19.2 %</b>	<b>\$4,916</b>	<b>19.2 %</b>	<b>\$5,064</b>	<b>19.2 %</b>	<b>\$5,216</b>	<b>19.2 %</b>	<b>\$5,372</b>	<b>19.2 %</b>	<b>\$5,533</b>	<b>19.2 %</b>	<b>\$5,699</b>	<b>19.2 %</b>

\*Departmental expenses are expressed as a percentage of departmental revenues.

As illustrated, the hotel is expected to stabilize at a profitable level. Please refer to the Forecast of Income and Expense chapter of our report for a detailed explanation of the methodology used in deriving this forecast.

## Client Questions

In the original “Request for Proposal” issued by the Town of Breckenridge and again during the initial stages of the assignment, the Breckenridge Town Council provided a list of questions and issues they would like to be addressed in the feasibility report of F Lot. We have answered those questions, where applicable, throughout the report. This executive summary is providing our responses to the questions asked based on our findings and as detailed in our complete feasibility report (HVS Reference #2013020203).

### 1. Market conditions – Is there currently a market in Breckenridge for a new hotel?

The market area is highly seasonal, with occupancy levels typically exceeding 70% during the months of January, February, and March. Demand drops significantly in April, as ski resorts close and the mountain areas experience a time period known as “mud season.” Demand and occupancy pick up again in July and August, also peak months, before dropping in October and November. Average rate levels follow similar trends to those of occupancy, allowing for average rates over \$300 during the ski season. Despite strong occupancy levels during the months of July and August, average rates in the summer remain well below those achieved during the winter months. Despite this seasonality, a hotel project could potentially be feasible; however factors such as availability of suitable land, zoning restrictions, and other variables could significantly affect the feasibility of the project. Given this situation, we believe that the branded hotel conference model is the best use for the proposed site given its central location and positioning. This model will bring in new group and corporate business into the market.

### 2. Would it be financially feasible?

The Feasibility Analysis chapter of the report converts these cash flows into a net present value indication assuming set-forth debt and equity requirements. The conclusion indicates that an equity investor contributing \$25,593,000 (roughly 35% of a \$73,100,000 development cost/value findings) would expect to receive a 7.3% internal rate of return over a ten-year holding period.

Based on these parameters, the proposed subject property is not feasible. Based on the current projection of net income, utilizing standard financing and investing parameters for this type of asset, a gap of about \$28,000,000 exists. In order for the hotel to eliminate the gap that currently exists, the property would need to

perform with a stabilized RevPAR between \$250 to \$255 in 2021. This RevPAR would be the equivalent of a hotel operating at 61% occupancy with an average rate around \$320 in 2012 dollars. This could provide acceptable return parameters for development of the hotel and its parking garage. To provide acceptable returns for the hotel and both parking structures (an additional \$15 million in cost) a stabilized RevPAR would need to be in the \$265 to \$270 range. This higher stabilized RevPAR is the equivalent of a hotel operating at 61% occupancy with an average daily rate around \$340 in today's dollars.

The factors that attribute to the subject property not being feasible are:

- High construction costs – mountain resort premium
- Low operation margins due to the seasonality of the subject property
- Occupancy barriers due to the seasonality of the market
- Cost burden to provide underground parking for hotel

**3. What are the hotel and parking structure costs broken down?**

- Land lease: \$0
- Hotel: \$70,076,498 –
- Hotel Parking Structure: \$2,981,020
- Public Parking Structure: \$8,735,000

**4. What level of Town financial participation/incentives, if any, would be needed to cause this project to move forward?**

As noted, a \$28 million dollar gap exists to make the project a feasible project based on current investment parameters. Since the project, in its current format, would be unfeasible as a private development, several options are available to help make it more attractive for private development including:

- Potentially converting the upper floor units to condominiums

- Postpone development until the economy further recovers
- Provide developer subsidies
- Pursue a public/private option

We have spoken to representatives of various mountain communities on how they are attracting hotel development. While none of the towns have active projects they are reviewing options to enhance lodging development. If the Town of Breckenridge were to entertain a public private partnership or developer subsidies the following, which were derived from other towns examples, could be explored to improve the feasibility of the project:

- Lodging Tax rebates
- Real Property Tax rebates
- Parking structure bond where the revenue from a portion of the lodging tax pays back the bond's principle and interest. Once paid off the lodging tax reverts to the Town.
- Creation of a metro district and bond with a special tax assessment at the property level
- Tax Increment Financing (TIF)/ Infrastructure bonding vehicle
- Favorable ground lease rate and terms (already considered)
- Publicly financed and constructed parking facilities – Hotel and Day-skier Riverwalk Center parking structures

**5. Can a hotel (preferred 4-star or better) be sited on the F-Lot property?**

Yes, F Lot is able to accommodate a hotel that would be rated as 4-star or better. However, replacement of existing parking and the addition of hotel parking is an issue due to the lot size and thus surface parking would have to be replaced by structured parking. This change is needed in order to fit all required parking as stipulated by current zoning requirements.

Should the project move forward the following would need to be addressed:

- Cost effective construction
- Water table issues with the underground parking – excavation/dewatering
- Sewer line relocation
- Storm draining design and systems
- Transition standards
- Bus station relocation
- Site access from South Park Avenue
- Construction of the roundabouts

#### **6. Advise on the advantages of a branded VS non-branded hotel?**

When reviewing the performance of the existing hotels in the subject property market, branded hotels for the most part operate at a higher occupancy level than that of their non-branded competitors. The majority of the non-branded hotels in the market area achieved occupancy levels in the mid 40's to high 50's; while the branded hotels achieved occupancy levels in the low 60's. Average rate was not as impacted by brand versus non-brand but more impacted by other factors such as proximity to ski hill, age, condition, and level of service.

Although this is not unusual for ski destination markets, a significant disparity exists between the quality levels of the existing condominium hotel lodging base. Most of Breckenridge's lodging is made up of condominium units that are owned by third-parties and offered in a rental pool through a hotel operator or condominium management company. As these are primarily vacation homes (with some being investors) the owners usually do not maintain their units to a standard that is expected in the hospitality lodging industry. The subpar units directly affect the guest experience and the town's reputation. There is a vast difference of the accommodations that included dated millwork, cabinets, soft goods, furnishings, owner's personal items within the units and a broad range of deferred maintenance that has not been addressed as it would in a traditional hotel. FIT's and group attendees have certain expectations that are derived by their stays at other lodging facilities in other markets. If a guest's expectation is not met, they do not have a good experience and often will not refer others to the destination. Most local management companies are aware of this issue and are taking steps to



improve the quality of their managed units with some of them previewing the unit(s) on their websites to help to manage their guest's expectations. The upgrading of these units to an acceptable standard will take years to accomplish and will depend on the individual owner.

New branded hotel's entering the market will stimulate the lesser quality lodging base to improve their units. It will also greatly improve the Breckenridge guest experience and return visitation from those staying at the property(s).

**7. On projects that your team has generated cost proformas for your clients, how closely has the performance of those properties matched the predictions of the proformas?**

HVS is well respected in the industry and has been completing projections on hotels for over 30 years. Many factors can change from when projections are completed on a proposed hotel and its opening that can significantly influence the performance of the hotel and make previous projection invalid.

**8. What are the differences between 4 and 5 star hotels, and what is the opportunity for Breckenridge for either?**

The level of service and depth of amenities offered by a hotel is typically the difference between a 4-or 5-star hotel rating. Typically, a 5-Star hotel requires a higher service level and employee to guest ratio and must include a formal fine dining restaurant in addition to the hotel's three-meal restaurant.

Overall, 4-star and 5-star properties are significantly underrepresented in the Breckenridge market. This upper upscale and luxury segments represents about 35% of the total room inventory in Breckenridge. Comparable markets such as Vail have a percentage closer to 65% of its lodging inventory. This would suggest that the Breckenridge market is underserved in these upper segments

Our study has concluded that a 4-star hotel and conference center is appropriate for the Breckenridge market. .

**9. Will the study benchmark hotels from a variety of management philosophies and brands, not just one point of view?**

Our report assumes a competent management company. While management companies philosophies vary from company to company, we have assumed all would focus on making the hotel as successful as possible and in the best interest of the town. We recommend that the proposed subject property operate as an upper-upscale, full-service hotel affiliated with a nationally recognized four-star

brand such as Westin, Hyatt Regency, JW Marriott, or Renaissance. Resort-oriented brands or independent hotel and conference specialists such as Destination Hotels & Resorts, Dolce Hotels & Resorts, and RockResorts should also be considered given their success in these markets. A specific franchise affiliation and/or brand has yet to be determined.

**10. How could the ground lease be structured - example?**

Typical hotel ground leases are structured based on a percentage of gross revenue. Ground leases generally range from 2.5% to 6.0%. Leases can either be a percentage of total revenue or have a separate percentage for rooms, food and beverage, spa and other departmental revenue. For ground-up development, the ground lease payments can be negotiated to commence upon entitlement, upon groundbreaking or at hotel opening. Lease payments prior to the hotel opening are typically less, and there can also be a ramp-up of payments during the first several years of operation. Rents may be expressed as a base rent plus a percentage rent, or can be the greater of a base rent or the percentage rent. Any base rent would have periodic inflation adjustments. From the Town's perspective, a shorter ground lease of 50-65 years with renewal provisions is preferable, but a shorter term often complicates the developer's ability to finance the property, and there are potentially negative impacts of shorter term leases on hotel exit value and higher cap rates. From the Developer's perspective, a longer term of up to 99 years with renewal provisions is preferable.

**11. What other steps could be taken to move the development forward?**

The additional cost of the structured parking is a significant barrier to the development of the subject property. The cost of the two parking structures are almost \$12 million dollars. Revisiting the parking requirements would be a significant step in helping the feasibility of the development. However, additional steps would still be needed.

**12. What will the impacts be to the existing lodging market?**

In the base year (2012), the market's RevPAR (occupancy percentage multiplied by average rate) level is at \$99.48. With the addition of the subject property and other new supply, the market's RevPAR in the stabilized year (2012 dollars) is \$112.86. If the subject property was not built, the projected market's RevPAR would be \$114.29. Occupancy for the market would be an estimated 2% points

higher, but average rate would be lower if the subject property does not enter the market.

Overall, this mean that if the subject property hotel is not built the Breckenridge hotel market's overall occupancy would be two percentage points higher than what is being forecasted in our report. The market's average rate would be at a slightly lower rate if the high quality subject property did not get built. Therefore, based on our current modeling, the impact to the existing lodging market is a \$1.43 decline in RevPAR in 2021.

### **13. What would be the economic benefits to Breckenridge?**

In our analysis, the subject property captures an average of 25,600 rooms from the meeting and group segment. The majority of these rooms nights would be from groups that are currently not utilizing hotels in Breckenridge and thus would be spending additional money in the Town's restaurants and shops. An economic impact study could be completed to further detail the benefits.

### **14. Will a higher end hotel take business from existing hotels?**

On average, the proposed subject hotel will accommodate 44,000 room nights in a given year. Based on current market conditions and supply we have estimated 27,000 room nights are currently unaccommodated in the market. As detailed above, over 25,000 room nights are expected to be generated by the meeting and group segments. This represents over 50,000 room nights in the market. Of course, the addition of other new supply also impacts how much of the unaccommodated demand stays at the subject property, and a percentage of the meeting and group captured demand will be from groups who currently come to Breckenridge. Overall, the cannibalization of existing hotels will be minimal, as shown in the impact to the existing lodging market.

### **15. Would a high-end hotel be good for the local economy and marketplace?**

Yes, as noted previously, local officials and industry professionals reported that groups of between 150 to 250 represent the greatest opportunity for the town of Breckenridge, while larger groups of 500 plus are currently not easily accommodated. A high-end hotel with a room count in excess of 200 and in-house meeting space would be able to accommodate this type of group. Additionally, the

Breckenridge market is under represented in the 4- and 5-star hotel segment, thus allowing it to attract groups going to other comparable facilities in other ski resort markets.

**16. What would the ROI be to the Town?**

An exact ROI cannot at this time be calculated due to the feasibility of the project. However; based on current projections, the town would gain revenue from the bed tax at the hotel, real property tax, plus rental income from the public parking. Furthermore, if the Riverwalk Center facility and management was combined into the hotel as suggested, and the facility was utilized more often as detailed in our report, the town would benefit from to incremental revenue and no longer having to occur operating losses and subsidies associated with the center.

**17. Will a higher end hotel add incremental visitors to the mix?**

As discussed, we have estimated unaccommodated demand at over 27,000 room nights. Unaccommodated guests are guest who want to stay in Breckenridge, but due to lack of available room or available room of the wanted service level, choose to stay elsewhere. These guests would now be accommodated within Breckenridge. Additionally, the presence of a dedicated meeting and conference hotel, as proposed, would allow Breckenridge to attract groups and events that could not be currently hosted.

**18. What will the impacts be to the existing retail and restaurants?**

An economic impact study would detail this further.

**19. What if Breckenridge does not do a hotel project?**

In all likelihood, others will eventually build hotel rooms. Vail Resorts has plans for several hotels, and additional entitlements that could be used for hotel. If the market continues to recover as projected, more lodging options will be feasible. However, anything built without public assistance or by Vail Resorts, would likely be of a similar product level and service level to the hotels that currently exist in the market place, and thus further cannibalizing the existing hotels.

**20. What if Breckenridge does not do a hotel project, would the town core become less relevant compared to other areas of the Town?**

Vail Resorts ideally likes guests of Breckenridge to spend their time and money at facilities they own and operate. Thus any plans completed by Vail would be to first benefit their existing operations. While future improvements will still have a positive effect on the downtown area, this aspect would be secondary.

Our recommended facility, while not feasible by traditional standards, would be designed to enhance the downtown core and increase visitation throughout the year to the benefit of all in town.

**21. Explain the gathering of data and input from the lodging community of the report?**

We completed several visits to the market to meet with lodging operators and managers, where possible, of competitive properties. Furthermore, we interviewed, either in person or via phone various business and organization representatives. We were able to get confirmed occupancy and average rate numbers on all the competitive hotels, except for the Vail Resorts operated properties. We also received confirmed numbers for all hotels associated with national brands, such as Doubletree and Marriott. A 10-year market trends was also obtained from STR, and a MTRIP report was obtained.

**22. Research to be objective and critical enough to be able to determine if a high-end hotel might be a bad idea for our town.**

Our recommended facility is based on what we feel would provide the most benefit to the overall Town of Breckenridge while having the least impact on the current lodging owners and local businesses. The recommendation also takes into account the needs and wants of area businesses and associations that rely heavily on visitors to the market.

**23. How does the “seasonality” of our market affect the operation and potential for success of a 4- or 5-star product?**

As noted, the market is highly seasonable with occupancy exceeding 70% in the peak months but falling into the low 30’s during the “mud and off season”. This results in most hotels in the ski resort markets obtaining occupancy levels from the mid-40’s to the low 60’s. A hotel’s ability to attract guests during the non-peak month is essential to its success. Meeting and group demand is a proven way to help a hotel be successful in highly seasonal markets, thus our recommended facilities, in combination with the hotel, includes meeting and event space currently not available in the market.

**24. What amenities will be required to support the low seasons?**

Meeting and event space and room count to attract meeting and groups who typically utilized hotels located in popular resort markets. Based on our conversations with market participants, groups of between 150 to 250 represent the greatest opportunity for the town of Breckenridge, while larger groups of 500 plus are currently not easily accommodated.

In addition, the proposed hotel includes a pool, spa and fitness center and an upscale destination restaurant that takes advantage of its location along the river and views.

**25. Who does this well, and how do they do it?**

We recommend that the proposed subject property operate as an upper-upscale, full-service hotel affiliated with a nationally recognized four-star brand such as Westin, Hyatt Regency, JW Marriott, or Renaissance. Resort-oriented brands or independent hotel and conference specialists such as Destination Hotels & Resorts, Dolce Hotels & Resorts, and RockResorts should also be considered given their success in these markets.

We recommend looking to the operating companies listed above and seek out the ones that perform well in similar ski destination markets and that have a solid national sales and marketing abilities. These vary from company to company.

A specific franchise affiliation and/or brand has yet to be determined.

**26. How, if at all, could the hotel make use of the RWC and adjacent property and is it a good idea? Why?**

The Riverwalk Center is a unique venue for music festivals, local concerts that includes the National Repertory Orchestra, and other events but also has its limitations. Upon review of the purposed reconfiguration of the center and our conversations with local officials and industry professionals, we understand that the back-of-house space is inefficient and that the venue is under-utilized. In addition, upon consultation with industry professionals and conference center manager's, we have determined that there are significant synergies of combining the conference facility with the Riverwalk Center's amphitheater. As such, in our preliminary design of the conference facility, we recommend that the conference center be built adjacent to the Riverwalk Center, eliminating its existing back-of-house, and utilizing the newly designed back-of-house and meeting areas of the proposed conference facility.

Furthermore, as stated, if the Riverwalk Center facility and management was combined into the hotel as suggested, and the facility was utilized more often as detailed in our report, the town would benefit from to incremental revenue and no longer having to occur operating losses and subsidies associated with the center.

**27. What if any physical changes would need to be made to the RWC to accommodate the hotel's business plan?**

As stated, eliminating the existing back of house of the Riverwalk Center and replacing it with newly constructed and designed back of house and meeting rooms of the connected conference center.

**28. What is the range of options for making use of the RWC?**

Range of options in regards to the Riverwalk Center include:

- No upgrades to the Riverwalk Center and continue to operate as is and continue the subsidies.
- No upgrades to the Riverwalk Center but utilize a professional management company.

- Upgrade the Riverwalk Center's back-of-house area and continue to operate as is.
- Upgrade the Riverwalk Center's back-of-house area and utilize a professional management company.
- Keep the Riverwalk Center as is and separate from hotel but both facilities managed by a professional management company.
- Upgrade the Riverwalk Center's back-of-the house area, but remain physically separate from the new hotel and conference facility managed by a professional management company.
- Eliminate the Riverwalk Center's current back-of-house; construct a new-shared back-of-house with connected hotel and conference facilities managed by a professional management company.

Based on the current facilities, the existing functional obsolescence, and the cost to cure in the center, it is our opinion that the last two options would make most sense if a hotel is to be developed. The new space can be designed to fully integrate the operational aspects of the Riverwalk Center and greatly enhance the overall functionality and guest experience. For instance, the restrooms can be conveniently located and adequately sized for the venue and the conference facility. The conference space adjacent to the amphitheater can be used as a pre-function or intermissions with the other smaller meeting rooms being utilized for warm-up, vocal practice, instrument rehearsals, multipurpose and backstage uses. Serving as dual-purpose space the repositioned Riverwalk Center with its 770-seat amphitheater gives Breckenridge a superior competitive advantage. Hence, the conference facility can utilize the amphitheater for its groups who are looking for this type of venue for product launches, interactive forums, and larger group meetings and company presentations. We see the repositioning of the Riverwalk Center along with the new conference facility being a key opportunity to increase corporate group business and incremental revenue to the Town while continuing to have the special events the Riverwalk Center has enjoyed over the years. In addition, we recommend that the two facilities be managed together by a conference and theater specialist through the hotel or a third-party manager in order to take advantage of the synergies and revenue opportunities of both facilities.





Town Council & Breckenridge Marketing Advisory Committee (BMAC)  
Joint Meeting Agenda

June 25, 2013 6 p.m.  
Breckenridge Town Hall Auditorium (Council Chambers)

1. Introductions
2. BMAC Chairman Overview
3. Events Evaluation Report (discussion on recommendations)
4. Cen Rez Ad Hoc Committee Update – *full report to be reported to TC in July*
5. Goals achieved/here's where we are – creative, brand study, Barnhart
6. Future goals – go on the offense to communicate what we have achieved

***BMAC Mission Statement***

*The purpose of the Breckenridge Marketing Advisory Committee (BMAC) is to advise Town Council on best practices that will maximize the effectiveness and efficiency of all tourism marketing investments made with town marketing funds.*