

**MINUTES OF THE
SPECIAL MEETING OF THE BOARD OF DIRECTORS OF
BEAVER CREEK RESORT COMPANY OF COLORADO
March 23, 2017**

A Special Meeting of the Board of Directors of the Beaver Creek Resort Company of Colorado, a Colorado non-profit corporation (the “Company”) was held on Thursday, March 23, 2017, in the Juniper Room of the Beaver Creek Lodge, Beaver Creek Subdivision, Eagle County, Colorado.

Ms. Howard called the meeting to order at 8:00 a.m. and Ms. Jones verified Notice of Meeting Sent and a quorum established for the purposes of the meeting. The following members of the Board of Directors were present in person or by conference telephone:

Beth Howard	Kristin Williams
Tim Maher	Ross Bowker via conference phone
Bob Boselli	Jim Donohue
Phil Metz	Jeff Luker
Brian Nolan via conference phone	

Representing the Company were Jen Brown, Managing Director, Tom Allen, Treasurer, and Elizabeth Jones, Secretary. Also present were Kathy Calton and Sarah Stutman from BCRC; Steve Nusbaum from Design Review Administration; Lou Kreig, Larry Graveel, Bonnie Vogt and Dave Eickholt from BCPOA; Tim Baker and Jerry Hensel from Village Operations.

1. Public Comment. Mr. Eickholt offered congratulations and gratitude for the Design Review Regulations revision process. The project was successfully collaborative and will enable a revitalization of the community. BCPOA feels they were listened to throughout the process and is encouraged by the ability to review and refine in the future. They believe the new Design Review Regulations will actively incentivize restoration projects in Beaver Creek.

2. Minutes of the Beaver Creek Resort Company Annual Board Meeting January 26, 2017. Mr. Nolan requested a change to the minutes indicating Rob Prescott was not representing on behalf of the Merchant’s Association; Mr. Maher requested that note (9) be changed to note a request for reconciliation of the parking note be made to the budget. Upon motion made by Mr. Luker and seconded by Mr. Maher, the minutes of the Board Meeting held January 26, 2017 were unanimously approved as amended. The approved minutes are attached as Exhibit A.

3. Financial Report February 28, 2017. Mr. Allen reviewed the Financial Report ending February 28, 2017, attached as Exhibit B, as follows:

Year-to-Date Revenues: Through February revenues had a positive variance to budget of \$420,671. Civic, Lodging Civic and Mountain/Recreation Assessments had a combined negative variance of \$117,057. The negative variance in these assessments is being offset with RETA having a positive variance of \$468,980. Sales slowed in February with the monthly RETA being \$119,474 compared to the budget of \$264,702. Since the beginning of March \$12,904,900 of real estate sales have gone under contract amounting to \$306,491 of RETA. In addition the Park Hyatt has gone under contract \$145.5 million, but it could be several months before the actual closing goes through. Special event revenues have a positive variance of \$43,335 due to increased revenues and sponsorships.

Year-to-Date Expenses: Expenses had a positive variance of \$514,199. Activities and Events had a positive variance of \$375,195 with the majority of the variance due to the cancellation of the World

Cup races. There were also small savings in the snowshoe series and Beaver Creek Loves Kids. Professional services had a positive variance of \$72,751. This is due to the timing of invoices for the design guidelines project. Marketing had a positive variance of \$274,737. The variance is due to the timing of production and media buys and is not a permanent variance. BCMD transportation funding had a negative variance of \$58,311 due to the true up actual payments versus estimated payments at calendar year-end. Parking lot operations had a negative variance of \$150,473 due to increases in bus maintenance and vehicle leases.

Year-End Revenues: Year-end revenues are forecast to have a negative variance of \$75,391. This variance is due to the combination of the World Cup races being cancelled and poor snow conditions during November and early December. March is trending above the prior year but below budget. The current forecast is showing a negative variance of \$328,706 for Civic, Lodging Civic and Mountain/Recreation Assessments. The year-end forecast for RETA was increased \$220,670 to account for the increased sales in October through January. The forecast is below the current positive variance of \$468,980. If the increase in real estate sales continues the year-end forecast will be increased. At this time no additional RETA for the Park Hyatt sale is being forecast.

Year-to-Date Expenses: We are currently forecasting a negative variance of \$88,147 in expenses. The majority of the variance is due to:

- \$281,305 savings from the world cup races,
- \$51,141 negative variance due to the true up of BCMD transportation funding,
- \$105,804 negative variance in transportation vehicle leases, and
- \$231,747 in additional parking lot bus maintenance.

Capital Expenditures: \$179,425 has been spent on capital projects through February. Expenditures on capital include \$83,322 for variable message signs, \$9,545 for special event tables, \$4,911 on new tent tops, \$13,154 on the second phase of the village lighting project and \$39,016 on the office remodel.

Cash Balance: The ending cash balance for February was \$3,845,126 compared to a budgeted cash balance of \$2,811,835. Year-end forecasted cash balance is \$2,530,291.

4. Design Review Residential Regulations Ratification. Ms. Brown presented the final draft of the Design Review Residential Regulations which were previously approved by the Design Review Board. This project has included more than a year of input, feedback and work by Shepherd Resources, BCRC staff, Design Review staff, BCPOA Committee members, and input from property owners. Upon motion made by Mr. Donohue and seconded by Mr. Maher, the Design Review Residential Regulations were unanimously ratified by the Board and will be effective as of March 23, 2017.

5. Short-Term Rental Compliance Service Proposal. Ms. Brown and Ms. Jones presented the proposed services from Host Compliance, a company that electronically records advertised short term rentals in order to track and provide a process for collection of Civic and Lodging Assessments. The service includes not only short-term rental monitoring, but also strategic enforcement action plans developed for individual communities. Their preview analysis revealed 1,557 short-term rental listings and 1,189 unique properties operating in the Beaver Creek Resort Company's jurisdiction. Host Compliance offers a tiered level of services based on properties. Staff recommended the service to include trend monitoring plus address identification, compliance monitoring, and rental activity monitoring for a fee of \$75,904 per year. Board asked if the company could honor a nine month guarantee instead of the offered six month guarantee. Mr. Luker motioned to approve this service at the proposed \$75,904 level starting in June if the company will honor a nine month guarantee; Mr. Boselli seconded and the motion passed

unanimously. Board positioned this service as a pilot project and would like to review progress including fines and tracking in the future.

6. June Cycling Event Update. Ms. Brown updated the Board on the new summer program focused on high-end road biking; Beaver Creek Brevet, A Boutique Road Cycling Retreat June 16-18. The goal of the event is to drive visitation. The event is intended to become a yearly tradition and a weekend that is marked in the calendar with coveted availability.

7. Merchant Outdoor Display Dates 2017. Ms. Brown presented the proposed Merchant Outdoor Display Dates for 2017. Board discussed the intent of outdoor displays. Upon motion by Mr. Nolan and seconded by Mr. Boselli, the following outdoor display dates were approved with one Board member opposed:

April 15,16	Mountain Closing
May 27, 28, 29	Memorial Day Weekend
June 16, 17, 18	Brevet Cycling Event
June 30, July 1, 2, 3, 4	Independence Day Weekend
July 15, 16	Xterra
August 5, 6	Arts Festival Weekend
August 11, 12, 13	Wine & Spirits Festival
September 2, 3	Oktoberfest Weekend
September 15, 16, 17	Hike to the Mic Weekend
December 1, 2, 3	Birds of Prey Weekend

Shoulder seasons: During the period of April 17, 2017 and ending May 26, 2017 and September 23, 2017 until Mountain Opening day 2017.

8. Five Year Financial Plan. Mr. Allen presented the Five Year Financial Plan which is prepared as a tool for long range planning. Conservative assumptions are used based on leading economic indicators; higher employment numbers and increased wages should continue to fuel consumer spending and confidence which could push the inflation rate closer to the Federal Reserve target of 2%. At least one million or more is budgeted each year for capital improvements in Beaver Creek Village.

9. Beaver Creek Visioning Project Update. Ms. Brown reviewed the Vision project and the action taken since meeting with the RCLCO consultant. Next steps will include complete case studies of other peer resorts, review market research, visit Beaver Creek during March 19-20 to experience in peak season and reacquaint with offerings, drafting a vision hypothesis and stakeholder interviews, and facilitate a final working session with the Board. The final report is anticipated in late June.

10. Office Remodel Update. Ms. Brown updated the Board on the office remodel progress; to date, staff cleared out the storage room and extra office furniture, obtained a building permit, scheduled all vendors, selected finishes, and have made progress on the two new offices and new foyer area. The contractors are honoring the request to repurpose as much of the existing cabinetry as possible. Demolition of the events team area will take approximately one week and then the kitchen remodel will begin. The project is expected to be complete by the end of May.

11. Paid Parking Update. Mr. Baker presented the paid parking budget update. As reflected in the Parking Agreement, the initial forecast budget for the project was \$1,300,000 which included a contingency of approximately 7.9%. The actual expenditures have come in at \$1,311,839. There were two areas that relied upon the project contingency: (1) Parking Lot Entrance Construction: \$128,000 greater than initial estimates, and (2) Camera Systems: \$62,000 greater as this was necessary but not accounted for in the initial scope. A variety of line items came in less than budget. Overall, the installation of the

project went as planned. Board discussed the impact of paid parking on the public and employees. After a full season a full report will be presented.

12. New Business. Mr. Luker asked if cell service in the Village is an issue for guests and suggested the quality should be reviewed.

Mr. Luker asked if staff could do something about landscaping and a new statue for the planter area at One Beaver Creek. Ms. Brown stated staff had already discussed moving forward with this project.

Mr. Luker noted that the Toscanini Umbrella Bar is open for business and staff should note the activity level it generates.

With no further business to come before the board and upon motion by Mr. Nolan duly made, seconded by Mr. Boselli and unanimously approved, the meeting adjourned at 9:36 am.

Respectfully submitted,

Elizabeth Jones
Secretary

LIST OF EXHIBITS
SPECIAL MEETING OF THE BOARD OF DIRECTORS
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- A. Minutes of the BCRC Board of Directors Meeting January 26, 2017
- B. BCRC Financial Report ending February 28, 2017