

MINUTES OF THE
BOARD OF DIRECTORS MEETING OF
BEAVER CREEK RESORT COMPANY OF COLORADO
July 21, 2022

The 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, July 21, 2022.

Ms. Guerriero called the meeting to order at 9:00 a.m. Ms. Jones verified the Notice of Meeting sent and a quorum established for the purposes of the meeting. The following members of the Board of Directors were present:

Nadia Guerriero	Jim Donohue via Zoom
Jeff Luker	Peter Dann
Phil Metz via Zoom	Tim Maher
Brian Nolan	Bob Boselli
John Dawsey	

Representing the Company were Karen Braden-Butz, Treasurer; and Elizabeth Jones, Secretary (via Zoom).

In attendance:

Clint Huber and Krista DeHerrera from Beaver Creek Resort Company
Lee Hoover and Jerry Hensel from Beaver Creek Village Operations
Koby Kenny from Beaver Creek Public Safety
Paul Gorbald from Beaver Creek Transportation
Dave Eickholt from Beaver Creek Metro District
Owen Hutchison from Vilar Performing Arts Center

Attending via Zoom:

Sarah Innerarity, Inno Martino, Alex Bradshaw and Drew Stoll from Beaver Creek Resort Company
Sam Hearn from Beaver Creek Design Review Administration
Bill Simmons from Beaver Creek Metro District

2. Public Comment. Ms. Guerriero introduced the new BCRC Executive Director, Jim Clancy. Mr. Clancy comes to BCRC with many years of experience in Beaver Creek and most recently an HOA company in Florida. Mr. Clancy stated he is very excited to be back in Beaver Creek during a dynamic time with so many great Vision projects coming up.

Ms. Guerriero noted appreciation for Ms. Jones in the absence of an Executive Director over the last seven months. Mr. Luker added appreciation for Ms. Jones’ work supporting and leading the team while short staffed.

Mr. Luker wished to express the Board’s appreciation to Jerry Hensel, his Flower Crew and their outstanding flowers in the village. The flowers are an incredible differentiator for the Village.

3. Minutes of the Beaver Creek Resort Company Board Meeting May 26, 2022. Upon motion made by Mr. Luker and seconded by Mr. Dann, the Board unanimously approved the minutes of the Board Meeting held May 26, 2022 as presented. The minutes are attached as Exhibit A.

4. Financial Report as of June 30, 2022. Ms. Braden-Butz reviewed the financial statements from June 30, 2022, which are attached as Exhibit B:

Year-to-Date (October through June) Revenues: Through June 30th year-to-date (“YTD”) revenues had a positive variance of \$6,171,330.

- Civic and Lodging Civic Assessments are ahead of budget \$2,359,994.
- Mountain/Recreation Assessments had a positive variance of \$2,383,133.
- RETA had a positive variance of \$2,311,024.

The YTD increased Civic and Lodging Civic assessment revenues are the result of a 19.7% increase in occupancy in the village compared 2021. As well, Average Daily Rate is 23.6% higher compared to 2021.

Mountain/Recreation reflects the \$2.1M received from Vail Resorts for the missed 2021 season pass revenue with the remaining of \$283,133 YTD positive variance to budget.

Real Estate sales continue to have a positive trend. The median sales price compared to 2021 is up 12.1% and the average sales price is up 35.4% per the Colorado Association of Realtors.

To date 5 parking spaces, 99 intervals, 79 condos and 14 homes and one residential lot have sold on a budget of 2 parking spaces, 83 intervals, 62 condos and 12 homes and zero lots. Averaging a sale price in Beaver Creek is \$2,275,790 for condos and \$5,127,268 for single family homes.

Year-To-Date Expenses: Expenses had a positive year-to-date variance of \$1,283,835.

- Administration positive variance is directly related to open positions.
- Activities & Events positive variance of \$412,605 is related to the canceling the Winter Culinary Weekend Grand Tasting event saving \$133,047, canceling Family Challenge \$131,500 and Speakeasy \$127,600.
- Vilar Center Contributions negative variance of \$115,551 is the result of the increase in RETA revenue.
- Professional Services reflects a positive variance, however this is timing as it relates to anticipated legal expenses.
- Marketing had a positive variance of \$462,805 YTD to budget and has been reflected in the forecast for rest of year which remains flat.
- Transportation operations had a positive variance of \$254,869 through June, however this is due to timing as reflected in BCMD’s forecasted profit and loss statement ending May 2022.
- Property Maintenance had a positive variance of \$69,728. \$9,000 savings for Skiway Maintenance, \$27,576 overage in expenses to run the snowmelt system this winter mainly due to natural gas increases, \$20,800 timing in purchasing of escalator steps \$61,000 timing in general maintenance handrail project and surface lot repairs.
- Public Safety had a negative variance of \$36,756 to budget in management fees.

Year-End Forecast Revenues: Revenues are forecast to have a positive variance of \$5,558,841, an increase of \$1,061,199 to previous forecast. \$762,451 of this is related to RETA and \$232,739 in Assessments.

Year-To-Date Forecast Expenses: Total expenses are anticipated to have a positive variance of \$426,666, a change of \$242,675 from the previous year-end forecast. Forecasted is a \$15,000 increase to Property Maintenance for joint projects with BCMD’s skier drop-off efficiency and traffic abatement projects and

wildland fire mitigation forecasted in Public Safety at \$212,500, and \$69,485 for a forecast increase in Transportation.

Capital Expenditures: \$776,697 has been spent on capital through June. Expenditures include \$187,148 for the escalators 1 & 2 rebuild, \$351,142 on village lighting project, \$42,647 on Beaver Creek Sports deck, \$139,034 on plaza furnishings delivered in June, \$10,809 on Wifi upgrades, and \$30,500 on the Beaver Creek App phase III development, and \$13,688 on 5 computer replacements.

Cash Balance: The ending cash balance for April was \$28,803,877, compared to a budgeted cash balance of \$17,489,088. Year-end cash balance is forecasted at \$20,954,092.

Mr. Luker asked about some pending home sales and the RETA forecast; Board discussed homes that were closing in the near future. Mr. Maher asked about Design Review lowered fees and expenses; Ms. Braden-Butz stated project approval requests have fallen.

5. FY23 Budget Assumptions. Ms. Braden-Butz reviewed the FY23 Budget Assumptions that the Finance Committee have aligned upon for the FY23 Budget construction. The pandemic's impact has created ripple effects that are still causing economic disruption from tangled supply chains and lackluster labor markets along with unprecedented inflation at 8.6% reported May 2022. The pent up demand for travel reflected in the April 2022 DestiMetrics Report resulted with Winter 2021/2022 a 25.9% occupancy increase over 2020/2021 and average daily rate increase of 32.5% which drove increased civic and lodging assessments. However, July, August, September and October 2022 occupancy booking pace is trending down which leads to the concern that the economy might have caught up to the leisure traveler.

Board discussed Parking Revenue assumptions and the need for modernization at the parking lots; the lots should be fully automated and not reliant on staff attendance. Mr. Clancy and Mr. Lee to investigate and present a plan for modernization of the parking lots in the future.

6. Traffic Improvement Projects Contribution. Ms. Jones presented a request of a Joint Committee of BCRC and BCMD Board members who discussed and recommend projects to be completed in 2022 that relate to skier drop-off efficiency and traffic abatement. All projects will be initiated and managed by BCMD. BCMD requested BCRC support of 50% of these projects, which include:

Curb change at Centennial bus turnaround area	\$10,000
Surveying	\$3,000
Engineering and design	\$10,000
Electrical for gates	\$3,000
Reestablish electrical at new entrance	\$2,000
Repair snowmelt	\$2,000
Concrete base for gates	BCMD
Install separation barrier	BCMD
Total All Projects Completed by October 1, 2022	\$30,000
Proposed BCRC Cost	\$15,000

The Finance Committee reviewed and recommended approval and participation of \$15,000 for the BCMD projects to be completed by October 1, 2022. Mr. Simmons commented the survey work is complete and the Design Review

Upon motion made by Mr. Luker and seconded by Mr. Maher, the Board unanimously approved BCRC participation in the traffic abatement projects as proposed by BCMD.

7. Elk Track Roundabout Contribution. Ms. Jones presented a request from homeowners David Kirwan and Ken Keith of the Elk Track Court neighborhood to help fund a landscape remodel project of the roundabout area in Elk Track. The request for a one-time payment of \$20,000 was discussed by the Board and they decided to table the request today and support it in the future pending the following information:

- 1) Design review approval for this work
- 2) Vail Resorts permission to make improvements on this land
- 3) Metro District's approval for this work
- 4) An ongoing maintenance plan for the future, including where to place the snow when plowing.

BCRC Board also encouraged as much xeriscaping as possible to save on water resources.

Ms. Jones will reach out to the owners to ask for these items to bring back to the Board for future consideration.

8. Building Lighting Supplemental Request. Mr. Huber presented a request to commit additional FY22 capital expense for lighting modernization proposals requested by core Village buildings. These are costs for the Lighting Master Plan that effectively pull-forward funds otherwise expected in FY23. The average cost per building is estimated to be \$20k - \$25k depending on the building, which is on the low end of the range provided by Visual Terrain in their initial cost matrix. Based on effective staff and vendor outreach, interest and momentum in lighting projects is exceeding initial expectations. BCRC's portion of the specific design costs including: initial building design, renderings, basis-of-design book, preliminary construction diagrams and estimated total building costs.

Board discussed options for additional contributions. Upon motion made by Mr. Luker and seconded by Mr. Donohue, the Board unanimously **approved \$22,500 per building, up to \$157,500 for the seven remaining core Village buildings** (*Village Hall design work is complete*), for Staff to commit if or when these building associations express reasonable commitment to explore lighting modernization; approval and funds for building Designs are **available throughout FY23**.

9. Strategic Initiatives Update. Mr. Huber presented an overview of Strategic Initiative projects to date:
Highlights:

- **Effective vision plan communication** and outreach is accomplishing BCRC goals to engage stakeholders and motivate partnership and participation.
- **Lighting projects** remain on track including BCRC funded projects, building modernization, and DRB guideline updates.
- **Creekside Patio** footprint approval from the Board sets the stage for a signature new gathering place and enhanced Village first impressions.
- **Strong vendor partnerships and collaborative efforts** with Visual Terrain, Beaudry Interactive and Zehren & Associates are resulting in cohesive creative concepts.
- **Scavenger Hunt** concept is developing well and certain to be an exciting Village differentiator.

Risks:

- **Resources required** to properly manage projects like the Creekside Patio construction and Lighting projects are **nearly full-time commitments**. Concept development for other initiatives such as Maintenance Process, Creekside Park, Kids/Teen Space and other projects is being impacted with potential to fall behind schedule.

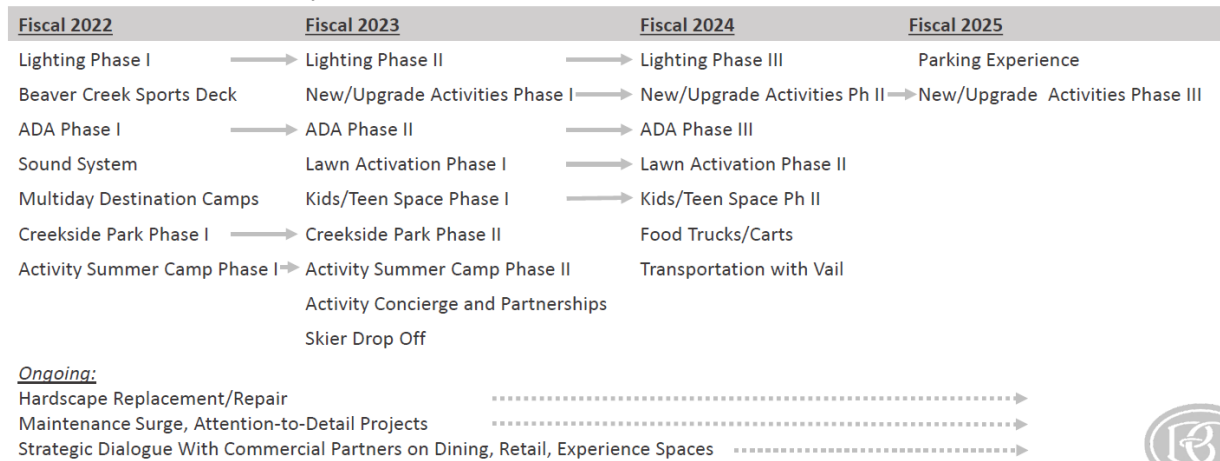
- Engagement from building associations and merchants on lighting projects is much higher than expected. Our **commitment to fund initial design work for buildings may require pulling forward capital** initially expected to occur next year.
- **Creekside Patio building permit remains in process.** Our ability to remain on schedule is dependent upon the County’s approval process taking less than 10 weeks which is considered likely but worth noting as a variable outside BCRC control.

Beaver Creek Inspire Vision Plan Rollout

Conscientious outreach to Village stakeholders has driven strong awareness, engagement and interest in vision plan projects. Staff has presented *Beaver Creek Inspire* to over a dozen audiences, feedback has been positive overall with some contrarian perspectives. More stakeholders than expected are proactively asking how they can participate and many more are waiting to see how initial execution of our key projects might catalyze them into action.

Vision plan outreach will continue until all building associations and key stakeholder groups have heard the presentation and the message is considered saturated across the community.

Based on the complexity of the vision plan projects, it is expected that heavy communication efforts will be ongoing and continuous over the next four years in order to build alignment and stimulate partnership and investment from other organizations. The projects and timeline below reflect the intended vision plan schedule for the next four years:



Resource Analysis

Transitioning from vision planning to execution, project resource requirements are becoming clearer. The Director of Strategic Initiatives continues to own the vision plan and lead efforts to execute the initiatives; however, additional resources are now necessary to effectively manage the projects to the level of detail necessary for success.

Staff will share a detailed resource analysis with the Executive Director to identify and recommend to the Board options to effectively manage the concept development, communication, construction, and administrative aspects of the vision plan. These options may include increased utilization of existing resources and/or engaging new project management resources.

Initiative Detail

Lighting and Sound System

Staff and Visual Terrain are progressing with the approved Phase I sub-projects which remain on track for November completion. There is stronger-than-anticipated interest from the building associations and commercial merchants wanting to participate in lighting upgrades which may require BCRC to pull forward funds from next year to support initial building design costs.

Village Hall is leveraging BCRC-funded design efforts and will be the first building to adopt lighting modernization recommendations. Learnings from the Village Hall process will inform our approach to future buildings, notably that building association boards will individually choose whether to pay for commercial storefront lighting improvements.

The Market Square building association has expressed openness to the proposed Clock Tower concept, Staff and Visual Terrain are presenting additional detail to their board on July 20 with an objective to align on permission to proceed. A Market Square board member representing the residents suggested we initially test the concept with a more limited number of evenings allowed rather than every night. The outcome of the July 20 meeting will be reported to the BCRC Board.

The media requirements for the Market Square Clock Tower concepts and challenges getting internet to the existing location of our sound system is modifying our original Village sound system project upgrade, but remains on track for completion by November.

Beaver Creek Sports Deck (Creekside Patio)

Following the Board's approval in June of the patio footprint, contractors have been engaged to finalize work necessary to file for our building permit and water district easement encroachment. Planned demolition and infrastructure installation this fall is dependent upon a relatively timely permitting process, which is expected but outside BCRC control. Park Plaza is supportive and pleased with the concept so far, and VR commercial leasing continues to be closely involved with the project as a key stakeholder for the space.

Scavenger Hunt (Low-Tech)

Scavenger Hunt concept development has made great progress and appears to be shaping into a much more engaging and exciting activity than initially expected, and on target to create a differentiated sense of belonging for our family demographic.

To make this successful, there are small scenic elements that will be placed in certain places throughout the Village, integrated into the design of the Village while at the same time clear for participants of the Scavenger Hunt to see. Renderings of these visuals will be provided to the Board for alignment.

Creekside Park, Kids/Teen Space, Maintenance Process, Accessibility/ADA, Lawn Activation

These projects all remain in a very early state of concept development. Work on these projects had to be de-prioritized to keep Lighting and Creekside Patio projects on track, both of which require a deep level of technical detail and coordination to succeed. Once additional project management resources are assigned, concept development work can be expedited and these projects can remain on the intended timeline.

Camps

BCRC Administrative Staff has done a commendable job relaunching the resort's day camp offering after a multiyear hiatus due to COVID and completely rebuilding the staff and camp programming. This summer remains a rebuilding year, but focus will be on highlighting and marketing the strong differentiation of our day camp program for next year.

With strong partnership from the new Events Director, the Multiday Destination Camps concept has seen strong development work, effectively becoming a targeted event recruitment initiative with clear criteria and a defined pool of potential event candidates. Next steps are to solicit feedback and engagement from lodging and commercial partners before bringing back to the Events Committee for approval to begin outreach to potential event organizers.

Mr. Luker wished to see the curtain at the loading dock project brought forward with urgency; Mr. Huber replied that he has been actively trying to find an engineer to assess the needs at the Ford Hall parking garage.

Mr. Donohue commented that Design Review rules and enforcement must be planned prior to the vision projects constructed. Design Review and Visual Terrain met three weeks previously and have reviewed proposed changes to the Village guidelines.

Mr. Luker believes PR should be marketing the investments being made in Beaver Creek to include Village Hall, Slopeside, Meadows, East West projects, Park Hyatt's deck, etc. Mr. Huber agrees and reminds the Board *Beaver Creek Inspire* is on the BeaverCreekResortCompany.com website now. Sarah Innerarity and Rachael Levitsky were recommended to push the messaging out to the community.

10. Design Review Update. Mr. Hearn stated owners at Elk Track Court reached out for approval of the roundabout area. He stated there is a new law in Colorado effective August 10th that will restrict the quantity and dollar amount of violation fines allowed. He requested BCRC Counsel draft a new policy regarding this new law for DRB's clarification.

11. Public Safety Reports. Mr. Kenny highlighted some items from the reports; bear and moose activity has increased in the last month. Public Safety wants to educate guests so that wildlife is not threatened. Mr. Luker commented that propane tanks were not safely stored outside of Citrea; they should be removed. Mr. Kenny stated Fire Mitigation projects were moving along on schedule and improvements can be seen in many areas of the resort. Mr. Nolan suggested Ms. Innerarity send a message to the community explaining that the cleared areas are for fire mitigation, not new ski run construction.

12. Regional Transportation Authority Update. Mr. Nolan discussed the intent of the Formation Committee to go to ballot in November. The RTA question will require a lot of education of constituents. There may be a tax question along with the formation question on the ballot. Mr. Eickholt from BCMD has attended all formation meetings and will be sharing information for the community prior to the election.

13. New Business. Mr. Nolan reported a successful Restaurant Group meeting just took place with Restaurant owners regarding their participation in village events in the future. Mr. Nolan also asked that the Board consider BCRC's donation policy and if the organization is granting money to 3rd party non-profits.

Mr. Luker wished to inform the Board that the Rules and Regs Committee will be meeting to discuss the following items:

- Village lighting and changes needed to the Village Regulations
- Christmas lights enforcement
- E-bikes on the village road and bike path
- Retail store hours; how to engage and get stores open
- Dogs on the ice rink during xterra
- Short term rentals in neighborhoods

- Event vendor regs including signage, assessment collection, responsibilities to observe BCRC Regs
- Merchant outdoor display racks
- Restaurant hours
- Gallery assessments
- Fire mitigation guidelines
- Enforcement

Ms. Guerriero updated the Board on the status of the Pickle Ball court construction; rain has delayed progress but the construction is still moving ahead and completion is planned for July 26th. Wind screen and fencing is currently being installed and the courts will have fencing in between each court.

Mr. Hoover stated the Village Hall construction project is progressing on schedule.

14. Adjourn. With no further business to come before the board and upon motion made by Mr. Donohue, seconded by Mr. Dawsey and unanimously approved, the meeting adjourned at 10:58am.

Respectfully submitted,

Elizabeth Jones

LIST OF EXHIBITS
BOARD OF DIRECTORS MEETING
BEAVER CREEK RESORT COMPANY OF COLORADO
June 21, 2022

- A. Minutes of the BCRC Board of Directors Meeting May 26, 2022
- B. Financial Report June 30, 2022