



## Memorandum

**To: Mayor and Town Council**  
**From: Town Manager's Office**  
**Date: September 15, 2020**  
**Subject: Vail Economic Recovery Efforts in Response to the Public Health Crisis**

### I. PURPOSE

The purpose of the memo and presentation is to provide updates to a number of the Vail Economic Recovery Efforts in response to the Public Health Crisis by sharing information on key areas of planning, as follows:

- Eagle County Public Health Orders Update
- Special Events and Music Entertainment Update
- Commercial Rental Relief Program Update
- Future Economic Recovery Efforts Proposals Update  
Includes: winter operations for restaurants, gift card program, TOV face coverings
- Proposed Funding for Economic Recovery Programs

### II. BACKGROUND

Town staff has presented bi-monthly updates to town council about ongoing planning efforts in key areas in response to the updated public health orders from Eagle County. This memo addresses several economic recovery tactics that were supported by the Vail Economic Advisory Council, the Town Manager and Economic Development Offices. These programs have been initiated to stimulate Vail's business economy as well as support the community during these challenging times. The programming and tactics below are recommended in the context of the Town's Manager's Emergency Order and current Eagle County Public Health Orders.

### III. ECONOMIC RECOVERY TACTICS UPDATE

#### **Eagle County Public Health Orders Update**

Eagle County Public Health officials continue to monitor the number of positive cases of COVID-19. A recent update notes that COVID transmission in Eagle County remains in the GREEN range indicating "comfortable and to remain vigilant while resuming activities". Eagle County public health officials continue to work with state public health officials in creating parallel messaging about the orders and status of the public health crisis. Their collaborative efforts will help to streamline performance indicators and associated metrics. At this time, the current Eagle County public health orders in place are expected to remain the same. Discussions continue to address goals for balancing public health concerns with economic vitality during the winter season. Please find attached a letter to the Colorado Mayors from Governor Polis encouraging local governments to continue supporting its restaurants through the winter months by supporting such efforts as fire pits, heaters, and tents. Polis' letter closes with information about grant programs offered to restaurants and communities at the State level. Some of these ideas

are addressed later in the memo. The Town continues to review and adjust both operational and economic recovery programming and tactics to comply with these orders. For more information and updates about the COVID-19 health crisis, access Eagle County's website, [www.ecemergency.org](http://www.ecemergency.org).

### **Special Events and Music Activation Updates**

At the September 2<sup>nd</sup> CSE meeting, funding was approved for two new events with monies that were made available from events that were canceled due to the COVID-19 pandemic. A proposal for October concerts in the villages from High Altitude Entertainment was approved for \$26,000. This will include one show per weekend for the first four weeks of October, plus a Halloween Jam, with concerts occurring in both Vail Village and in Lionshead on the final weekend. The October activation is in addition to the 14 shows that were funded through September by the Town Council. \$5,000 was also awarded to TedXVail to support their programming and marketing efforts for their COVID amended schedule. The summer event season is winding down over the next few weeks. The remaining events on the schedule include the Vail Recreation District's Davos Dash on September 15 and 16, the Vail Wine Classic at the Lower Bench of Ford Park on September 18 and 19, the North American Van Show in Lionshead on September 26 and 27, the Vail Farmers Market continuing through October fourth, and Shakedown Presents concerts in the village and at the Lower Bench through October.

### **Commercial Rent Relief Program Update**

The program, which launched with an online application on September 1, is designed to provide rent relief to commercial businesses in Vail through a shared model between tenant, landlord and the town, and was developed by a subcommittee of the Vail Economic Advisory Council. The formula for relief reflects reduction in monthly revenue versus same month last year and is available for the period August 1 – November 30, 2020. \$1M had been committed by town council to the program that provides a maximum of \$15,000 relief per business, which is matched by the landlord. Since September 1 the town has received 17 eligibility applications from businesses (20 more pending), and 10 applications for August rent relief (12 more pending). Average August relief requested is \$1,800 per business. Because some businesses are working to finalize landlord support, the town has extended the August deadline for online applications until September 18.

### **Other Economic Recovery Program Efforts**

Staff has worked with members of the Vail Economic Advisory Council to explore ideas and develop initiatives to address economic recovery to continue support the business community in light of the continued public health crisis. Ongoing discussions with several departments and business owners are occurring regarding each effort. Below are some updates about programming and next steps.

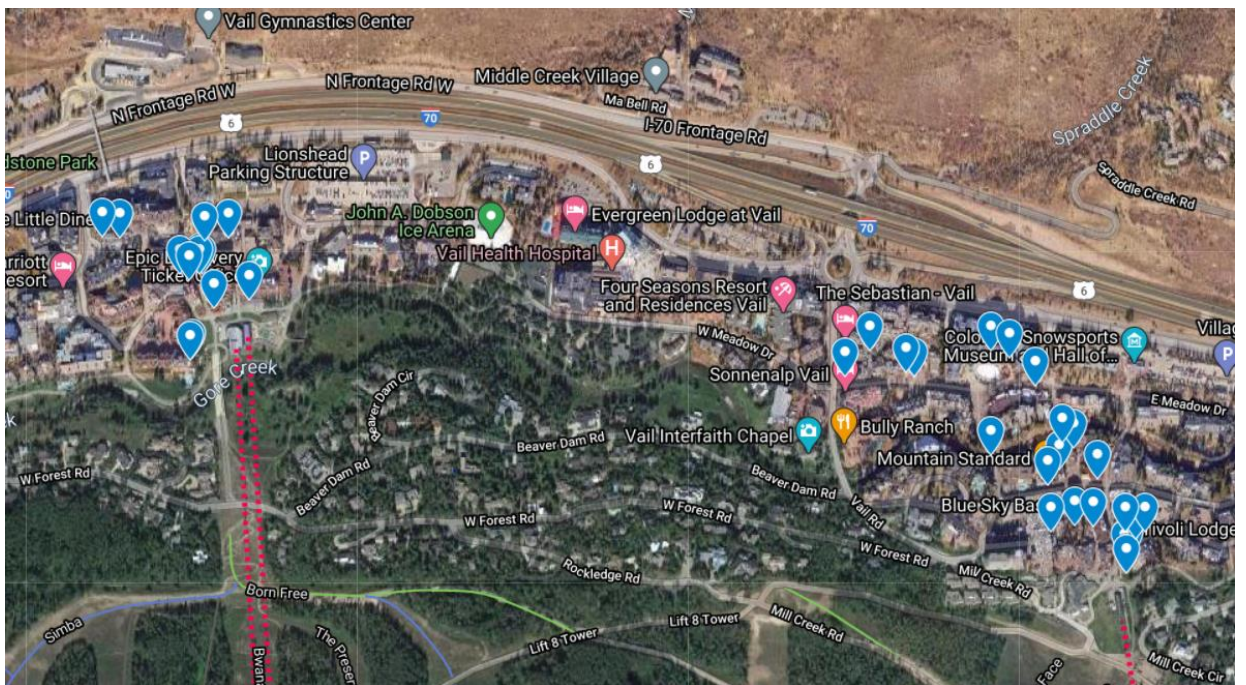
- **Winter Operations Enhancements**

- ❖ **Explore the idea of tenting existing expanded premises for restaurants to provide additional indoor dining with social distancing for the winter months, with a focus on dinner service.**

A number of town departments have met with several restaurant owners to discuss the idea of securing expanded restaurant premises throughout the winter months with the installation of tents. Social distancing requirements and the 50% limit on operational

capacity for restaurants continue to place major burdens on the viability of Vail restaurants, especially moving into the winter season. In addition, there will likely be limitations on Vail mountain for gathering, which will necessitate more dining options in the villages. A couple of walking tours with town staff and vendors for tents and propane products was completed to explore the idea of “tenting” restaurants in both Lionshead and Vail Village. At this time, there are over thirty restaurants who have shown interest in the program as a way of increasing their seating capacity by tenting their outdoor premises. Town staff are currently reviewing a tent proposal from a vendor who is interested in supplying restaurant owners with various sizes of tents based on the sizes of outdoor premises. The vendor has drafted specs for each interested party identifying appropriate tent sizes and associated cost estimates that will help both the town and restaurateurs determine if this program is logistically feasible and financially viable. Town staff continue to evaluate the logistics of the programming including adequate heating and electrical sources, appropriate access and egress for fire and safety reasons, security concerns about tents that are not monitored overnight, snow removal and maintenance concerns, as well as permit needs for oversized tents.

In addition, the town has estimated the cost-benefit of utilizing the tent program with the potential to generate at least \$300K in additional sales tax collections, thus helping further offset the program costs. In light of potential use of CARES federal funding and state grants (see Polis letter); staff would propose the town pay for all tent rental costs. However, the proposal would include a cost-sharing approach that requires restaurant owners to cover operational costs associated with the tents. The restaurant owners would incur the costs of heating the tents and monitoring tents during the night and the town would incur other operational costs associated with tent setup assistance, snow removal and maintenance. Please find a map below that highlights current possible restaurant locations utilizing tents; both villages are shown.



❖ **Create “warming area locations” with vertical patio heaters and/or portable fire pits for guests to utilize as places to warm, dine on carry out and/or wait for dining in the villages.**

The town will spend the next couple of weeks performing additional research and vetting the idea of the above referenced “warming area locations”. This village enhancement would be beneficial throughout the day for guests to use as a place to warm, eat, drink, or wait for restaurant seating to become available. It would be a complementary effort to the above proposal of tenting expanded premises and serve guests and the entire business community. A number of locations are being evaluated and would provide appropriate space for social distancing requirements to be met.

Please note there continues to be consideration given to the logistics of the program listed below:

- ✓ Town of Vail would help facilitate the implementation of the program by advising about fire and building codes and approval of final tent request submittals.
  - ✓ There is likely only a select number of restaurants that would benefit from such use of expanded premises and restaurant owners would need to determine the value of the tents to their business, in many cases, the use of a tent will only provide for a marginal increase in restaurant occupancy.
  - ✓ Suggested economic recovery effort would be temporary in nature and align with active public health orders.
  - ✓ There is a need to evaluate the ability to maintain the tents during heavy snowfalls and how that aligns with public works snow removal in villages and vehicle and transit circulation.
  - ✓ The vendors are seeing a high demand for tents and tent heaters across the state during the health crisis and there will be a limited “type” of tent product available.
  - ✓ Maintaining the necessary supply of propane or heat source throughout the village will be logistically challenging.
  - ✓ Some discussions ensued about creating locations in the villages for guests to use for dining outside during the day and/or use for gathering while waiting for restaurant reservations during the evening.
  - ✓ Loading and delivery impacts, currently loading and delivery in certain zones occurs and is accommodated with tables being moved into spaces after loading times expire. Tents at these locations will not be able to move in and out daily.
  - ✓ Other special event impacts: the installation of tents, may impact the footprint of special events.
- **Town of Vail Gift Card Program to Boost the Shoulder Season**
- ✓ Members of the Vail Economic Advisory Council recommended the town consider a gift card program that would supply a credit to individuals to support Vail businesses during the shoulder season. Businesses would need to sign up online to participate in the gift card program where \$25 gift cards would be distributed to two key groups: those in need (community) and guests of Vail lodging properties and businesses (guests). The program met with success in the City of Aspen where average return on each \$25 card was more than \$50, with an average sale of \$80. The proposed program would include production of 4,300 gift cards at \$25 each. 2,000 would go to the community program, and 2,000 would be distributed to lodges and businesses for guest use. The remaining 300 gift cards would be paid for from existing town budget and would be distributed to Town of Vail employees in recognition of their efforts in response to the COVID 19 pandemic. The estimated funding for the program is \$110,000 and may also qualify as a reimbursable by the CARES funds.

▪ **Town of Vail Communications Effort to Provide and Encourage Use of Face Coverings**

Per Town Council, the Vail Economic Advisory Council and local business leaders’ recommendation, the town explored a comprehensive program to provide Vail-branded face

coverings on either a complimentary or cost basis. The effort would be supported with a robust and approachable communications program to encourage the use of face coverings. Staff recommends purchase of Vail-branded masks to be provided on a complimentary basis for distribution through the Welcome Centers during the winter season and for town staff. A combination of masks and buffs, both with filter pockets, would be purchased. Current estimates indicate that 10,000 face coverings would be purchased for \$20,000.

### **Proposed Funding for Economic Recovery Programs**

Town staff has included the following program cost estimates for second reading of the ordinance adopting the supplemental budget. This item will be considered during the evening meeting.

- ✓ \$800K for winter operations enhancements, tent program implementation and town warming areas (may be partially reimbursed by CARES federal funding and potential state grant opportunities through the Department of Local Affairs and Office of Economic Development and International Trade)
- ✓ \$45K for additional seasonal maintenance employees for tent program implementation (snow removal, security, maintenance of warming area locations)
- ✓ \$110,000 for gift card program (may be reimbursed by CARES federal funding)
- ✓ \$20K for TOV purchase of face coverings for distribution at Welcome Centers, through local businesses and to TOV staff

Total funding for this above programming and for second reading of the budget supplemental ordinance is \$975,000. Since April 2020, the Town of Vail has committed \$2.7 M to date in economic recovery relief effort:

Community Relief Fund at \$500K  
Commercial Retail Relief Fund at \$1M  
Winter Operations Enhancements at \$845K  
Gift Card Program & Face Coverings at \$130,000  
Music Activations at \$196K

### **Attachments:**

- Letter to Colorado Mayors from Governor Jared Polis