



## Memorandum

**To:** Mayor and Town Council

**From:** Town Manager's Office

**Date:** June 2, 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 Recovery Efforts in response to the Public Health Crisis by sharing updates in key areas of planning, as follows:

- Expansion of Premises: Restaurant, Retail
- Relief Funds (Community, Rental)
- Special Events update
- Welcome Home
- Business Toolkit and PPE
- Donovan Pavilion Proposal
- VLMD Summer Marketing
- Crisis Recession Planning

### II. BACKGROUND

Town staff has presented monthly updates to town council about ongoing planning efforts in key areas in response to the updated public health orders from Eagle County. Recently there were updates about defining next phases in the Municipal Operations Recovery Plan. 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 help reboot Vail's business economy. The final portion of the presentation will include the finance department's presentation of the current recession stage planning in response to the public health crisis, considering the crisis stage of planning. The programming and tactics below are recommended in the context of the Town's Manager's Emergency Order and Eagle County's Public Health Orders and the Phase II Plan for Sustaining Social Distance, see Eagle County "Transition Trail Map" attached; the map provides benchmarks for sustainable social distancing protocols and allowable gathering sizes.

### III. ECONOMIC RECOVERY TACTICS UPDATES

#### **Expansion of Premises: Restaurant, Retail**

In effort to process expansion of premises requests in a timely manner with input across departments, a task force was formed to review the applications and note the various

regulations that might apply, State Liquor Code and Town Code. Numerous walk-about by this group have been done to determine appropriate business expansions.

### **Restaurants temporary expansion of premise**

Restaurants can apply for a modification of premise of their liquor licensed outdoor seating area in order to allow for an expansion of their existing licensed area. Twelve businesses have submitted applications to the Town Clerk's Office requesting a modification of their licensed premises. There are a number of other inquiries with regard to expanding premises that have occurred, so it is likely this number would reach well over twenty interested applicants in the next month and likely more over the summer months.

*Restaurants Modification of license premises: This current option under state law will allow a restaurant owner additional space outside to help with social distancing requirements. The new footprint must be adjacent to their premise and may extend into the public right of way. The Town will enter into revocable license agreements with licensed establishments if public right of way is needed. This licensing does require approval from the State Liquor Enforcement Division and the Town Clerk's Office will help in expediting these applications as quickly as possible.*

### **Retail temporary expansion of premise**

Similar to restaurants, retail stores can apply for a modification of premise of their footprint in order to allow for an expansion to create more outdoor space for retail sales. Two retail stores have reached out regarding modifying their areas for expansion into the town's right of way. It is anticipated that once some business do others will follow.

*Retail Space modifications: The new option will grant a retailer additional space to help with social distancing requirements. The new footprint must be adjacent to their premise and may extend into the public right of way. The Town will enter into revocable license agreements with retail owners if public right of way is needed. The Town will process these applications.*

### **Allowing consumption of alcoholic beverages in designated public places**

The restaurants and bar community seeks ways to provide food and beverage to a greater number of customers than can be accommodated within their interior and exterior licensed premise due to the public health guidelines. An Emergency Ordinance was passed by Town Council on 5/19 allowing for consumption of alcoholic beverages in designated public places, particularly Vail Village and Lionshead during this emergency created by the public health crisis. This effort will help the restaurant community accommodate more patrons than would be allowed in their establishments and would allow restaurants to do substantially more carry-out business in the villages.

With input from police, fire, legal and land use staff of the town in addition to the business community, the Town Manager has now designated select areas within the villages allowing public consumption of alcohol which will take effect Saturday, 5/30. Those areas will likely be modified over time as the Town evaluates operational and enforcement issues and receives feedback from patrons and businesses owners. Maps to be provided to Council as soon as final boundaries are set.

### **Relief Funds (Community, Rental)**

#### **Community Relief Fund Program**

On March 31, Town Council approved the allocation of \$500,000 in grant funding to provide relief in the general areas of food, shelter and health impacts associated with the COVID-19

public health crisis. The Town of Vail has awarded \$283,000 to 10 qualifying nonprofit organizations in its first allotment of Vail Community Relief Funds. These organizations have provided an update on the distribution of those funds to locals in need:

- **Food:** Eagle Valley Community Foundation has served 79 Vail households between April 27 and May 20. Overall, they have provided 960 boxes of dry goods along with a 8-10lb bag of produce to households. The United Way has been delivering 50 meals to Vail residents each week, mainly serving households at Middle Creek Apartments.
- **Rent relief:** Catholic Charities has assisted 7 households in Vail along with more families that work in Vail; Salvation Army has assisted 18 households with several applications pending; Swift Eagle Charitable Foundation has assisted 2 Vail households and 4 that work in Vail.
- **Health (Medical & Behavioral):** Bright Future Foundation has helped 6 additional households in Vail; overall they have seen a 17% increase in requests for emergency shelter, a 20% increase in calls to their crisis hotline and a 30% increase in requests for rental assistance. The Suicide Prevention Coalition has actively provided tools under the “SpeakUp ReachOut” campaign for mental health crisis support in the form of coping strategy cards, social media outreach and website information. The Hope Center was able to increase capacity of their team of counselors in serving the crisis hotline, in-person visits and after-hours calls to Vail Health. The Vail Valley Charitable Fund is currently evaluating medical bill support for a number of households, and to date has supported a 6-year Vail resident with \$5,000 in funding after suffering serious medical issues.

A number of applications are under review by the town’s Community Relief Fund committee for a second round of funding. Final decisions have not yet been made for these awards but will be announced in the near future. The \$500,000 fund was established by the Vail Town Council to provide local financial relief associated with COVID-19 impacts in the areas of food, shelter and health for those who live or work within Vail. Details are available on the town’s website [www.vailgov.com](http://www.vailgov.com).

### **Commercial Rental Relief Funds Program**

The business community has requested the Town consider creating a rental relief program for commercial business owners. The program would be funded and facilitated by the Town. While the Payroll Protection Program has provided short term temporary relief, many businesses are struggling to ensure their continued viability throughout 2020 and beyond. The City of Aspen has created a robust and effective rental relief program that provides grants over a three-month period with rental costs being equally shared by the landlord, the tenant, and the City. The Economic Recovery Team is forming a subcommittee to draft the requirements for the rental relief program, with the intent to provide a draft to the town council on June 16. Key components of the proposed model are outlined below:

Rent relief (grants) for small businesses that provide one-third the monthly rent for up to three months, with a yet to be determined maximum grant per business. An alternative cost share arrangement is also being considered, whereby landlords would agree to a reduction in rent on a floating basis based on the percentage of revenue received in 2020 versus the same month in 2019, and the town would support the reduction on the same basis over a determined time period.

Requirements of eligible business applicants may include:

- Business is currently closed or has had business seriously curtailed and cannot operate remotely due to the public health order.
- Business employs 35 or fewer full time equivalent employees.

- Business must have a physical location in the Town of Vail and hold a Vail business license.
- Business must have a rent payment due for the time period of June 1, 2020-December 1, 2020 due to a landlord to whom the business has no ownership interest.
- Business must be current on all payments to the Town of Vail.
- Business was open for business in Vail on March 1, 2020; and must have been in business for the 2019-20 winter season.
- Business must typically be open a minimum of 32 weeks a year.
- Further service businesses that are primarily office based, such as accounting, law firms, property management, real estate professionals, etc. do not qualify.
- Documentation required includes
  - Proof of application for Paycheck Protection Program or CARES and received funding
  - Current lease
  - Colorado Secretary of State confirmation of certificate of good standing
  - Most recent federal and Colorado business tax return
  - Written confirmation from landlord confirming an aggregate rent reduction for a minimum of three months equivalent to a minimum of one-third of the monthly rent, and waiving any future claims of a lease violation.
  - The program would omit certain businesses including those with multiple outlets in more than one state selling under the same name. The relief is intended for small business owners rather than national chains.

While the formulas, level of total relief and process to apply have not yet been finalized, the subcommittee's intent is to provide a draft of the rental relief program to the town council on June 16.

### **Special Events Update**

Staff is working directly with event producers to reschedule, reformat, and/or reimagine their events within current or anticipated public health orders, to occur later this summer and into fall where possible. The CSE held a special meeting on Wednesday, May 20 to review event producer plans and recommend funding in response to proposed new models operating within public health order guidelines. Messaging and communication about personal responsibility and public health orders will become a requirement and key component of and integrated into all events. While the CSE scorecard continues to be the primary tool in evaluating events, staff recommends evaluating event funding requests using the following weighted criteria:

1. Event creates overnight stays
2. Event provides opportunity to capture sales tax revenue
3. Event brings residents and visitors into the villages
4. Event enhances guest experience

### **America Days**

Vail intends to host its traditional 4<sup>th</sup> of July America Days celebration including a reverse parade, with community floats stationed and interspersed from Golden Peak to Lionshead for residents and guests to view at their leisure, and a fireworks show after dark, barring fire restrictions. The safety and enjoyment of residents and guests is our primary goal, and

public health orders provide the basis for our planning. The floats will be designed as art installations rather than moving displays and residents and guests will be invited to move throughout Town at their own pace and in their own family groups while practicing safe social distancing. The day will conclude with a fireworks display that is being optimized to be viewable from multiple locations throughout Vail, and the event producer, Vail Resorts and town departments are collaborating to provide a safe environment to enjoy the show.

### **Farmers Market**

The Vail Farmers Market will begin in a virtual format on June 14 with pick up and delivery opportunities available on June 21. The first market in the traditional sense will occur on July 5. Staff departments are working closely with the event producer to ensure the format and protocols are of the highest standards and reflect public health requirements. Vendors will be fewer in total and tents will be placed six feet apart to meet social distancing requirements, handwashing and hand sanitizer areas will be added, one way corridors will be established and social distancing protocol will be provided for vendors and visitors alike.

### **Welcome Home**

Thirty-eight percent of Eagle County housing units are vacant vacation homes, and this presents an unique opportunity for economic recovery. Jeremy Reitmann, Gypsum town manager, conceived an idea to boost the local economy by inviting second-home owners to return and stay in Eagle County. Second homeowners are loyal part time residents who are financially and emotionally invested in the community. Welcoming these property owners to “Come Here, Live Here, Stay Here” will boost local spending and help the community weather this storm. The Welcome Home Campaign Toolkit is a collection of graphics and messages that invite our second-home owners to move to Eagle County. Community connectors, which include non-profits, real estate, home services, property managers, metro and special districts, personal service providers and more, are encouraged to reach out to second homeowners with these assets to encourage them to return to Eagle County soon, and to stay. Town staff is working with stakeholder lists to push the toolkit out to connectors and second homeowners.

### **Business Toolkit & Personal Protective Equipment (PPE)**

The Vail Valley Partnership has worked with the Vail Valley Foundation task force groups to compile a business toolkit which is designed to help businesses apply the Eagle County Public Health Orders and properly communicate with employees and customers. The kit provides tools and resources to help businesses understand the three phases of the Transition Trail Map (Green Circle, Blue Square, Black Diamond), provide answers to frequently asked questions, share success stories and best practices, and review an overview of the county-wide path to economic recovery. The town economic recovery staff is working on an enhancement to this toolkit with tools including Vail Strong videos designed to help constituents feel comfortable within the public health orders, signage graphics to provide a unified approach to requirements, and other tools to support Vail businesses including expansion of premises information and PPE provision.

The Town is procuring a bulk quantity of PPE items in order to pass along to businesses so they can meet public health requirements. Businesses would need to demonstrate their own purchase of PPE as the Town supplies are intended to supplement those supplies and lighten the burden created by the public health orders.

### **Donovan Pavilion**

Donovan Pavilion Management, Inc. has submitted a proposal to the Town Manager's office for consideration of adding square footage to the premise / facility using a temporary tent outside the west entrance. This additional space would allow them to manage the rental of the facility in a more favorable manner considering the public health orders. The additional space would allow for better compliance with social distancing requirements and social gathering numbers. The overall objective is to provide additional seating for meals and guest space for Donovan Pavilion groups during the Eagle County Health Order due to the Covid-19 pandemic. The marketing focus is for the user groups such as current wedding clients with guests up to 180 people (23% less than capacity), community use with seating up to 180, potential new clients who have been displaced from other sites due to Covid-19 restrictions. The management company is continuing to research related costs, social distancing protocols, compliance with Community Development regulations and design guidelines, and marketing ideas.

### **VLMD Summer Marketing**

Built on the new post COVID-19 'Find What You've Been Missing' creative campaign, the VLMDAC is focusing on the front range and a drive market encompassing a 500 mile radius. The intent is to capitalize on the leadership position achieved by Eagle County and Vail Health and welcome guests and second homeowners back to Vail in a safe and responsible way. Following launch of media, the partners will monitor consumer behavior to determine which markets are driving bookings, deliver up timely, relevant and compelling Vail messaging, and monitor user behavior on DiscoverVail.com in order to continuously adjust to respond to the unique COVID situation within each market. The VLMDAC intends to continue strong marketing efforts through the fall.

As presented today by the VLMDAC, the supplemental proposes budget adjustments needed for the "Crisis" phase of the recession plan in response to the economic impacts of COVID-19 public health crisis. In this phase lodging tax revenues of \$3.75 million are reduced nearly 50% (\$1.85M) to \$1.9M for 2020. To make up for the short fall in revenue, the VLMDAC is proposing to reduce expenditures by \$1,115,000 or 30% from amended budget and use \$704,160 of reserves. This will result in an ending fund balance of \$645,948 or 18% of a normal year of lodging tax revenues and below Council's 25% directive.

### **Recession Plan Budget Update**

The Finance Department will present updates on budget impacts that are in accordance with the town's recession plan, see separate memo.

### **Attachments:**

- ✓ Eagle County Transition Trail Map
- ✓ Memo from Finance Department