



**ASPEN BOARD OF REALTORS®**

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**ABOR Observer – December 2014**

***Compliments of the Aspen Board of REALTORS®***

**A rundown of government and business activity over the last month, focusing on issues and items that are of particular interest to the Real Estate community**

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**Aspen**

**Aspen businesses report September sales of \$41.66 million**

Aspen retailers and other businesses set a record in September with \$41.66 million in sales, an 8.3 percent increase compared with \$38.46 million in the same month last year, according to the city's monthly consumption report.

Accommodations, the economic category representing hotel and lodge bookings, garnered a little more than \$10 million during the month, a 20 percent increase over the \$8.3 million the city reported in September 2013. A recent report by Denver-based DestiMetrics LLC, a firm that tracks resort activity, shows that the paid occupancy rate for hotels and lodges during September was 50.1 percent, a 4.1 percent increase. At the same time, the average daily rate for rooms was 6.5 percent higher.

Restaurants and bars fared well in September, posting nearly \$7.6 million in sales, an 8 percent increase over the same month a year ago. Construction activity was up, as well, accounting for \$4.6 million in revenue, a 10 percent rise.

The newly created liquor and marijuana category generated \$905,210. The liquor category in September 2013, five months before the first recreational marijuana shop opened in Aspen, represented \$617,304 in sales.

The city's 2.1 percent sales tax generated \$858,579, a 7.1 percent increase over September 2013's \$801,769.

The overall figure of \$41.66 million reflects a 75 percent increase compared with the same month in 2003, when September sales totaled \$23.75 million, according to the city.

#### **Aspen Mountain will open with 155 acres, top-to-bottom skiing**

A 148-day ski season kicks off at Aspen Mountain thanks to a decision to open the slopes five days earlier than scheduled.

Aspen Skiing Co. pushed up the opening due to good snow conditions. Easter falls early this ski season, on April 5, but Aspen Mountain is scheduled to remain open until April 19. It will be the last of Skico's four ski areas to close.

Snowmass opens Nov. 27 and closes April 12 for a 137-day season.

Aspen Highlands opens Dec. 13 and closes April 12 for a 120-day season.

Buttermilk opens Dec. 13 and closes April 5 for a 113-day campaign.

#### **Final candidates for old museum space**

The Aspen City Counsel announced that there are now five finalists seeking to occupy the old art museum space: a Community Center, a Brewery, Aspen Science Center, Red Brick's Powerhouse Performance and Event Center and GrassRoots TV's Aspen Media Powerhouse rounding out the list.

The council reached an agreement with the Pitkin County Library, which will occupy the riverside space from April through Sept. 15, while it renovates its facility. The library is expected cover the cost of utilities. The Aspen Art Museum is expected to fully vacate the riverside space by Jan. 1.

#### **Aspen Skiing Co. stays full speed ahead on climate change issues**

Aspen Skiing Co. will maintain efforts to influence state and national policy on climate change in 2015 as well as reduce its own carbon footprint.

Skico has become a leader in the ski industry on addressing climate change. The company's 2014 Sustainability Report — a self-produced report card on its efforts to address climate change — features Skico's activism to slow global warming and numerous events it held to build awareness of climate change.

Skico put its money where its mouth was when it collaborated with partners to build a plant in 2013 that captures methane at the Elk Creek coal mine near Somerset and converts it to electricity. It produces about 2 million kilowatt-hours per month. The plant eliminates three times the carbon dioxide equivalent that would have been created from a utility company generating that power.

## **Snowmass**

### **September sales cap big summer in Snowmass**

Sales rose 36.9 percent over the same month last year, according to a report by the town Finance Department. That puts the summer season from June through September 17.9 percent ahead of summer 2013.

The Finance Department's report breaks sales tax collections down by industry. In September, industries that reported increases were lodging, 47.6 percent; restaurants, 17.3 percent; food, drug and liquor stores, 54.3 percent; general retail, 62.7 percent; miscellaneous, 21.7 percent; and utilities, 13.4 percent.

The only industry to report a decrease was sports equipment and clothing, 7.3 percent.

As usual, lodging was the biggest breadwinner for sales taxes, although general retail beat out other industries this time for second place, responsible for a fifth of the revenue for the month. Restaurants and utilities followed.

The lodging tax, a 2.4 percent tax charged to guests who stay in accommodations less than 30 days, reported an increase of 48.8 percent.

The real estate transfer tax drew 100.5 percent more in collections in September than during the same month last year.

### **Skico contemplates alpine coaster in Snowmass summer plan**

Aspen Skiing Co. wants to add an alpine coaster, zip lines and challenge courses with nets and ropes at Snowmass Ski Area to add to an extensive mountain-biking network and broaden its appeal, company executives announced.

"We want to be the No. 1 destination resort," Skico President and CEO Mike Kaplan told the Snowmass Village Town Council in an annual meeting to discuss the outlook for winter and longer-range development plans.

Other highlights announced include:

A new tubing area will open in Elk Camp Meadows this winter, boasting a 100-foot vertical drop. A 500-foot magic carpet will haul riders back to the top of the course.

Skico also widened the exit off the Burnt Mountain gladed terrain onto Long Shot.

In addition, Skico has recommitted to developing a Limelight Hotel at Base Village. Many believe that the Limelight, patterned after Skico's successful hotel in Aspen, is "the right thing" for Base Village.

Skico wants to add 6 miles of trails to its mountain-biking and hiking network at Elk Camp in 2016. The Forest Service is reviewing four trails. Another eight are in the planning stage.

### **Weather boosts hotel bookings**

October and November may be offseason months in the Aspen and Snowmass Village areas, but mild fall weather and a recent winter storm have made big differences in paid-occupancy rates, especially in Snowmass.

Snowmass saw a 44 percent increase in occupancy numbers in October compared with the same time last year. Snowmass also shows a 36 percent increase from May through October compared with 2013.

Both the Viceroy Snowmass and the St. Regis in Aspen reported spikes in reservations since the snow began falling locally, which echoes the trends in the DestiMetrics report.

## **Basalt**

### **Developer outlines concept for hotel, residences in downtown Basalt**

A developer looking at prime ground in Basalt outlined a conceptual plan Thursday that features a boutique hotel with about 60 rooms.

James DeFrancia, president of Lowe Enterprises, said no specific plan has been prepared yet for 2.6 acres of the former Pan and Fork Mobile Home Park near downtown Basalt, so the proposal could change.

In addition to the small hotel, Lowe Enterprises is considering 12 hotel residences that would be two- or three-bedroom condominiums that would be targeted to second-home owners. The residences would be affiliated with the hotel and likely placed in the rental pool when the owners aren't there, he said.

A third component of the plan is 46 to 54 housing units designed for permanent residents. They would be a combination of one, two and three bedrooms

## **Carbondale**

### **Town of Carbondale named a Gold Level Bicycle Friendly Community**

The League of American Bicyclists recognized the Town of Carbondale with a Gold Level Bicycle Friendly Community award, joining 325 other visionary communities from across the United States. With the announcement of 55 new and renewing Bicycle Friendly Community awards, the Town of Carbondale joins a leading group of communities, in all 50 states, that are transforming their community to be more bicycle friendly.

The Bicycle Friendly Community program is revolutionizing the way communities evaluate their quality of life, sustainability and transportation networks, while allowing them to benchmark their progress toward improving their bicycle-friendliness.

## **Pitkin County**

### **Funding OK'd for airport environmental study**

Staying true to the timeline the airport released in August, an environmental assessment of the Aspen-Pitkin County Airport's east terminal area will begin by the start of 2015.

The Pitkin County commissioners approved the use of roughly \$300,000 in airport enterprise funds to complete the \$4.7 million budget that will be used to produce an environmental assessment on the east side of the airport.

For the upcoming Aspen ski season, a total of 3,167 commercial flights are scheduled in and out of Sardy Field from Dec. 1 through April 30. The number could fluctuate, however, based on how carriers American, Delta and United adjust their schedules.

Direct flights will be offered between Atlanta, Denver, Chicago, Houston, Los Angeles, Minneapolis and San Francisco.

### **Airport underpass gets engineering award**

The pedestrian underpass between the Airport and Aspen Business Center has been recognized by the American Council of Engineering Companies of Colorado. During its annual Excellence Awards event, the council gave the underpass project a merit award.

The pedestrian underpass stood out because of its unique combination of innovative engineering with attention to aesthetic detail.

During a normal work day, about 250 people use the pedestrian tunnel and safely pass under an average of 22,000 vehicles traveling Highway 82.

### **County backs national push to cut power plant emissions**

The board of Pitkin County commissioners put their support behind the Environmental Protection Agency's Clean Power Plan, which seeks to lower U.S. power plant emissions by 30 percent below 2005 levels in the next 15 years.

The national initiative focuses on reducing carbon dioxide emissions from power plants, adding more renewable power sources and pushing for greater energy efficient practices.

A letter stating Pitkin County's support for the plan will now be sent to EPA Administrator Gina McCarthy. "Our support is based on our desire to protect and maintain the viability of our local and regional economy and environment, and safeguarding human health," the letter stated. "Our tourism-dependent economy relies on stable climate conditions.

## **Regional**

### **Conservation board approves draft water plan**

The Colorado Water Conservation Board approved a draft Colorado water plan and, after minor revisions, will send it to Gov. John Hickenlooper.

"I think the plan strikes a pretty good balance between the various interests," said board member Patricia Wells, who is the general counsel for Denver Water. "You've walked a very fine line. There are clearly disagreements around the state as to what we should be doing or what other people should be doing."

"It is important that nobody oversells this as a done deal and a clear-cut pathway to a new transmountain diversion," said Jim Pokrandt, the chairman of the roundtable and the communications director at the Colorado River District. "It is a way to talk about it."

The draft chapters of the Colorado Water Plan are online at [www.coloradowaterplan.org](http://www.coloradowaterplan.org).

### **RFTA, Eagle County eye \$5 million investment into solar farm**

Two local governments are exploring a combined investment of \$5 million to become owners in the next solar farm constructed by the Clean Energy Collective.

The Eagle County government is looking into a \$3.2 million investment, according to Kris Friel, director of communications.

The Roaring Fork Transportation Authority is considering a \$1.97 million investment, according to CEO Dan Blankenship. If the deal is sealed, the bus agency will purchase 2,259 photovoltaic panels at a solar farm the innovative-energy company plans to construct along Catherine Road in Missouri Heights.

RFTA's possible purchase would cover an estimated 94 percent of the electricity it purchases from Holy Cross Energy for use at its facilities. RFTA also buys power from Xcel Energy and the city utilities of Aspen and Glenwood Springs. About 55 percent of its power comes from Holy Cross Energy. The bus agency explored installing panels on the roofs of some of its facilities but determined that investing in a solar farm would be better.

**NAR Federal Issues Update – Submitted by Sarah Thorsteinson, GAD**  
**Big RESPA Changes Coming in 2015**

The Consumer Financial Protection Bureau's (CFPB) will make big changes in 2015 to the Real Estate Settlement Procedures Act (RESPA) and the Truth in Lending Act (TILA) under the Dodd-Frank Wall Street Reform and Consumer Protection Act. The new rule combines the Good Faith Estimate with the Truth in Lending (TIL) disclosure now called the "loan estimate" and the HUD-1 settlement statement with the final TIL, now called the "closing disclosure."

The most substantive change is that the closing disclosure must be in the hands of the consumer three days before closing.

There are also new enforcement efforts under RESPA's anti-kickback provisions. CFPB is aggressively enforcing RESPA and people should be reminded that they cannot receive anything of value for the referral of settlement services in residential transactions involving a mortgage. Marketing agreements will be under extra scrutiny as well.

**FHA Changes Fannie and Freddie REO Policies**

On November 25<sup>th</sup>, 2014, FHFA Director Mel Watt announced that he will direct Fannie Mae and Freddie Mac to alter REO policies that would allow all qualified buyers to purchase current Fannie Mae or Freddie Mac REO inventory at market value. The change will allow previous homeowners who have been through foreclosure to purchase their home back at current market value, if available.

In addition, the change will also allow third-party purchasers to purchase the property on the previous homeowners' behalf. Current financing rules still require a borrower who has been through foreclosure to wait 3 years before becoming eligible for a GSE conventional loan.

**Fannie Mae Streamlines Condo Project Approval Process**

Fannie Mae has published an update to its lender selling guide to improve and streamline its condo project approval process. The National Association of REALTORS(R) had called for improvements to the condo approval process in order to increase property eligibility and project review timelines. The comprehensive changes have already been made to allow for immediate implementation, but will be updated in Fannie Mae's Condo Project Manager in March. Some of the changes that will be immediately impactful:

- Consolidation of Condo Project Manager and Full Review Processes which will streamline the approval process.
- Pre-sale requirement for new projects has been decreased from 70% to 50%.
- Increase in the number of days for which 15% of unit owners may be past due on common expense assessments has been increased from 30 days to 60 days.
- Increase in the allowable commercial space allocation from 20% to 25%  
Waiver on the 10% investor ownership limit on projects between 5 and 20 units by allowing a single entity to own up to 2 units.