

# EDTC Meeting

*Discussion of 1% Option Repeal*

Home of the **LONGEST**  
season in the east.



*Killington*

**PiCO**  
MOUNTAIN

KILLINGTON PEAK  
Elevation: 4,241'

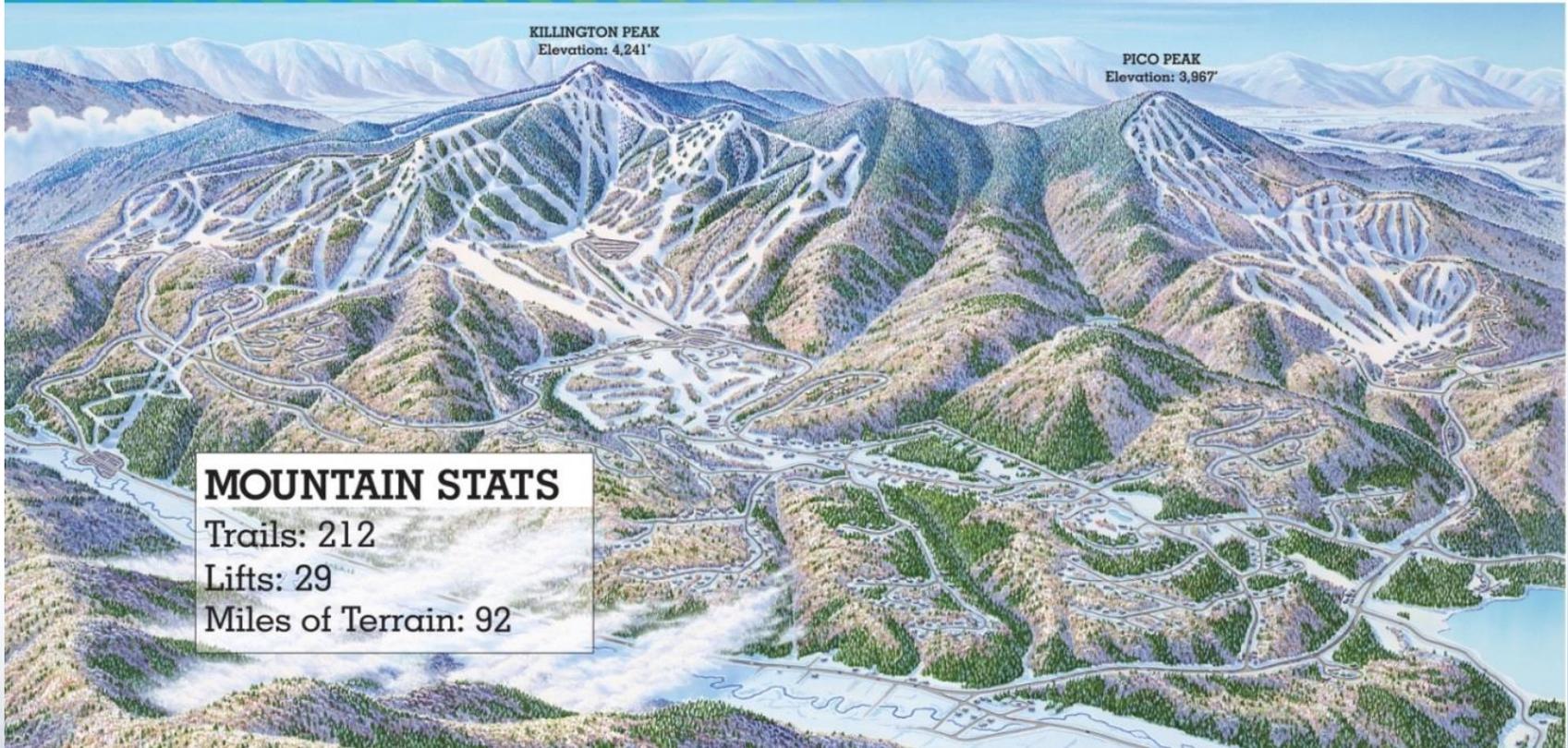
PICO PEAK  
Elevation: 3,967'

## **MOUNTAIN STATS**

Trails: 212

Lifts: 29

Miles of Terrain: 92



# Why reform the Option Tax (Sales and Use)?

- The resort is requesting this reform to help move summer asset development more quickly.
- Currently winter capital needs are dramatic
  - This past summer - Snow gun investment valued at over \$2 million
- These funds will allow us seed money to partner with investors to execute our summer asset plan much faster than without.
- Allows the community to create a more viable entity (KPAA)
  - To move in a new direction, with a diverse executive board
  - That has the best interest of summer growth and development
- Moves our future tourism financing and growth to a private sector non-profit.
  - Currently 1% funds are constantly competing with other town obligations
  - Eliminates changing annual appropriations to EDTC



# Property Taxes

Since Inception Killington Resort Has Paid	
\$1.3M	Rooms & Meals
\$2.6M	Sales & Use
<b>\$3.9M</b>	<b>TOTAL</b>
\$1.2M	30% to the State
\$2.7M	Town of Killington

- \$1.2M sent to the state
  - Money could have been invested in the community
- Town loses \$450K of tax revenue
  - \$250K related to Events & Admin
  - \$200K results in .025 tax increase
- If reform is achieved:
  - **Tax payers** will see little to no net tax increase in their property taxes
    - Increase in property taxes will be offset by reduction in 1% paid.
  - **Business Owners** will see \$500-\$1,000 per year savings from repeal of 1%
  - **Killington Resort real estate taxes will increase \$14K.**

Killington Resident	
\$200,000 home value (median value)	20 cents <b>savings</b> per year
\$250,000 home value (average home value)	<b>\$12.30</b> increase per year
\$350,000 home value	<b>\$24.80</b> increase per year



# Report on status/progress of summer expansion:

## Successes:

### ➤ Mountain Biking Expansion:

- Successfully moved to Snowshed; on weekends and holidays.
- Engaged Gravity Logic Consultants to develop a 5-year strategic growth plan, they will begin work next week on Phase 1.
- ESC Race events brought over 500 racers to town; significant growth in the EORA conference.
- MB business +64% YOY, while overall summer revenue +35%, numbers are still small, but....

### ➤ Gondola Rides/Peak Lodge:

- Gondola rides should exceed highest level of ticket sales since 2008
- First summer was a huge success; The resort hosted 15+ events at the Peak Lodge.

### ➤ Snowshed Pond:

- Began offering fishing, paddle boards, and kayaks in mid-July, will continue to grow with additional activities.

### ➤ Summer Action Sports Camps:

- In partnership with KMS we began to offer these camps in mid July, offering 3 week long camp sessions, already working on next years camp plans to grow to more scale.

## Challenges:

### ➤ UTV/ATV:

- Permits were finally received in early September, because of delayed permitting 3<sup>rd</sup> party operator has decided to wait to begin this initiative until spring 2015.

### ➤ Soaring Eagle Zip Line:

- SE has been contracted, working out sighting issues will be installed this fall or early spring latest depending on permitting requirements.



# Regional specific challenges/opportunities

(seasonal diversity & revenue diversity)

- Summer Business:

Meals & Rooms Revenue				
	Winter (Nov – March)	% share	Summer (June – Oct)	% share
<u>VT</u>	<u>\$613,514,577</u>		<u>\$692,834,278</u>	
Stowe	\$46,907,723	7.65%	\$47,195,569	6.82%
Killington	\$35,873,437	5.85%	\$8,350,243	1.21%

- Substantial opportunity in summer
- VT receives more summer visitors than winter



# Killington Pico Area Association

Presented by



# KPAA Establishment

To help grow the year round tourism economy, the Killington Chamber of Commerce, Killington Resort and Town will align/coordinate tourism development efforts to create an independent organization, the KPAA, to manage and grow the marketing and events the Town has started.

The KPAA will be governed by a membership based Board of Directors (min. of 15) which will be overseen by an Executive Board (5) comprised of:

- Two Resort Executives (standing position for the Resort President)
- Two Members of the Business Community
- One Member Appointed by Selectboard

# Mission and Goals

## Mission

Represent the regional business community by acting as a liaison to (1) Killington Resort, (2) local government, (3) the community and (4) tourists, AND developing programs to grow the tourism based economy.

## Goals

### **1. Grow the Tourism Based Economy**

Promote and enhance a vibrant, diverse, and sustainable economy for the Killington Region through marketing, special events, and programming

### **2. Support Members**

Provide targeted marketing, programs and services responsive to businesses needs

# Strategic Initiatives & Key Actions

## Strategic Initiatives

- Assure financial stability
- Improve and expand member benefits
- Enhance the marketing of our community
- Serve as an advocate for the business community to local government and residents

Element	Key Actions
Operations	<ul style="list-style-type: none"><li>• Maintain financial stability</li><li>• Professional staffing</li><li>• Create and execute key operational structures and systems</li></ul>
Marketing & Communications	<ul style="list-style-type: none"><li>• Build the Killington brand as a four season destination and target likely visitors</li><li>• Market the KPAA to its members, the community, and public officials</li><li>• Market our members to our members and the community by promoting local and regional businesses, events and activities</li></ul>
Financial Stability	<ul style="list-style-type: none"><li>• Achieve an annual membership retention rate of 85 – 89%</li><li>• Maintain an annual net increase in membership dollars of 5 – 7%</li><li>• Build non-dues revenue products and services that will benefit members</li><li>• Control cost/budget implementation</li></ul>
Member Benefits & Services	<ul style="list-style-type: none"><li>• Develop and implement an effective one-on-one membership contact for member and community feedback</li><li>• Provide members unique and profitable opportunities to market themselves and their companies to the greater Killington business community</li><li>• Offer substantive programs responsive to members needs on various business topics</li></ul>

# The Killington Chamber Currently Provides

## Mission

The Killington Chamber has been representing businesses and organizations in the Killington Region for over 35 years. Membership in the chamber provides numerous avenues to increase your business through marketing and community involvement. **The Killington Chamber of Commerce is your PARTNER**

- **Marketing and Visitor Information**
  - Promotes local and regional businesses, events and activities primarily via the Killington Welcome Center, KillingtonChamber.com, and member eNewsletters
- **Special Events**
  - Produces the Vermont Holiday Festival and the Killington Wine Festival
    - The KCC is currently not an event driven organization
- **Networking**
  - Hosts monthly Chamber mixers at member businesses
- **Merchant Pass Program**
  - Members of the Killington Chamber are eligible to participate in the Merchant Pass Program offered through Killington Resort

# The KPAA Will Provide

Represent the regional business community, acting as a liaison between businesses and Killington Resort, local government, the community and tourists, developing programs to grow the tourism based economy.

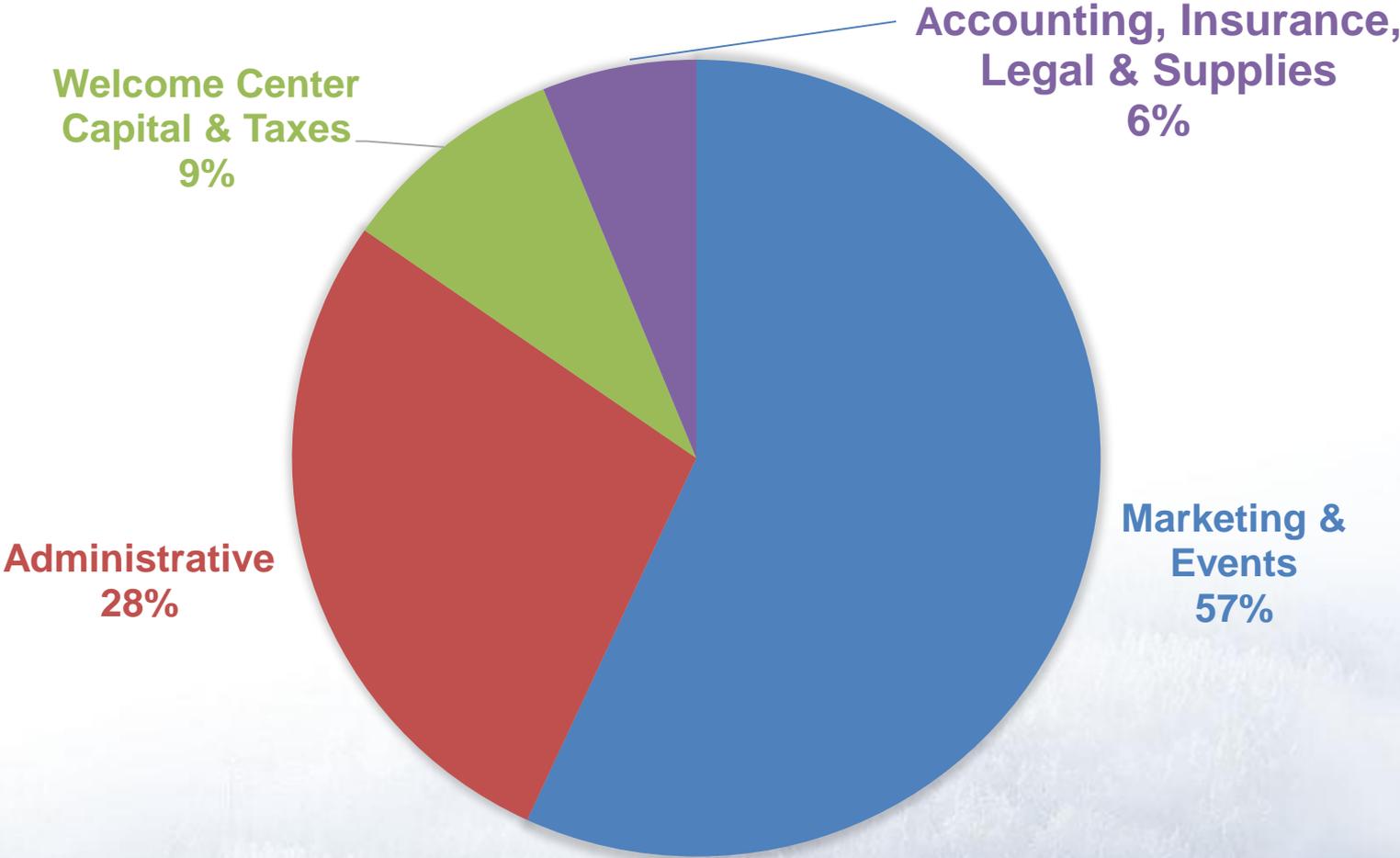
- **Marketing and Visitor Information**
  - Promotes local and regional businesses, events and activities
  - Provides visitor information and special promotions around signature offerings (i.e. adventure, family, mountain biking, golf, fall foliage and weddings)
- **Special Events**
  - Grow existing events
  - Establish and recruit new events
- **Networking and Small Business Development**
  - Provide opportunities for regional businesses to network and access continuing education/business assistance programs
- **Advocacy to Local Government**
  - Foster positive action on issues of common concern to the business communities represented by KPAA members
- **Merchant Pass Program**
  - Members of the KPAA are eligible to participate in the Merchant Pass Program offered through Killington Resort

# Organizational Funding

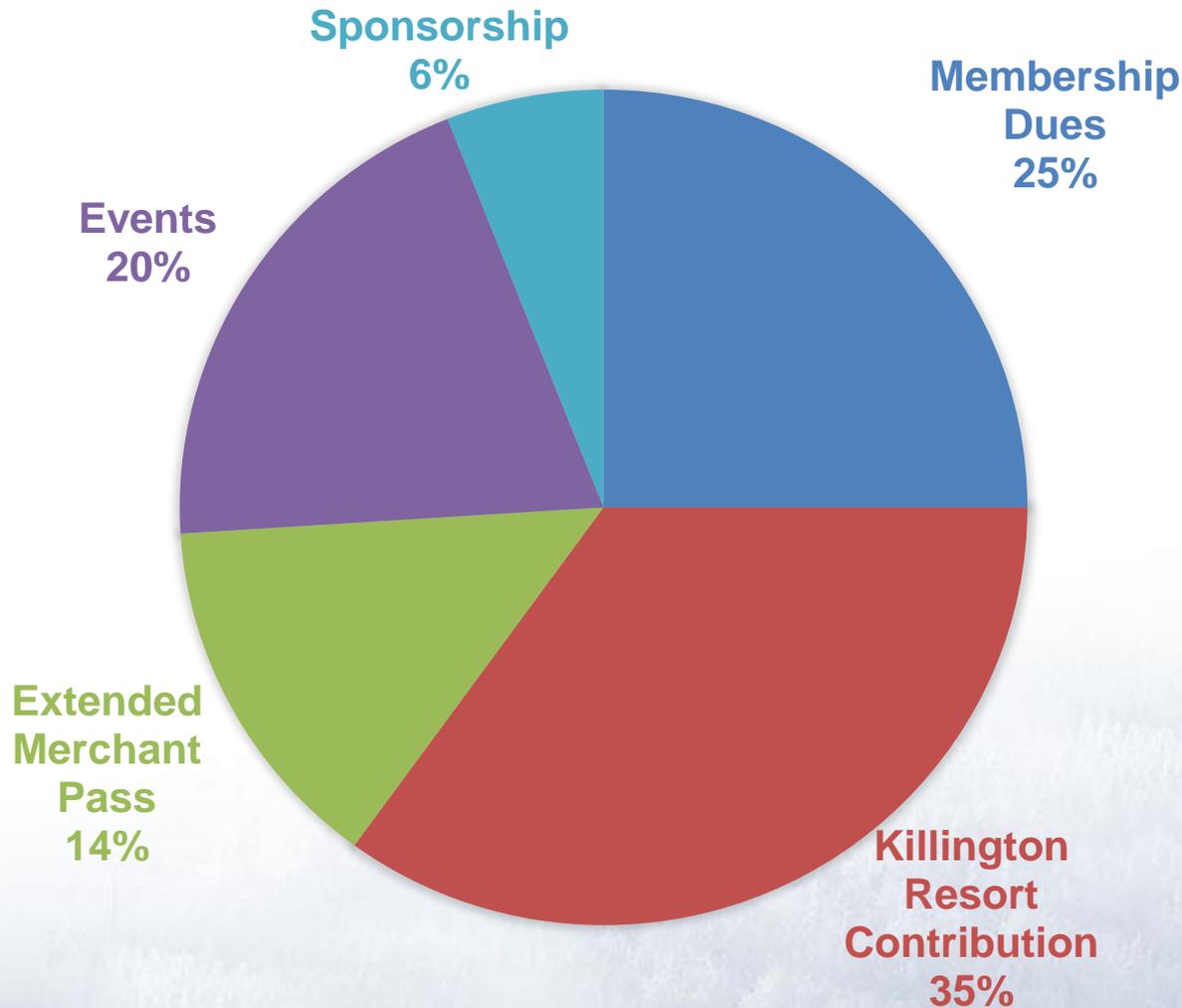
The KPAA will grow and sustain revenue via:

- **Membership**
  - Leverage and retain existing members through an enhanced membership benefit program
  - Expand membership with Regional Merchant Pass Program
- **Resort Contribution**
  - Killington Resort has committed to making a significant annual membership contribution to the KPAA
- **Non-dues revenue**
  - Sponsorship
  - Concessions
  - Advertising
  - Rental revenue from Welcome Center building (new organizations goal will be to purchase the building within 3-4 years)

# Organizational Funding: Expenses



# Organizational Funding: Projected Income



# 5-year KPAA Revenue Allocations

	2015	2016	2017	2018	2019	2020
<b>Revenue</b>	<b>\$450K</b>	<b>\$477K</b>	<b>\$498K</b>	<b>\$571K</b>	<b>\$530K</b>	<b>\$585K</b>
Membership	25%	25%	28%	31%	36%	39%
Killington Resort Contribution	35%	26%	18%	12%	5%	3%
Extended Merchant Pass	14%	14%	15%	15%	15%	14%
Event Revenue	20%	22%	22%	24%	24%	23%
Concession Revenue		5%	6%	7%	7%	6%
Sponsor/Other	6%	8%	11%	11%	13%	15%

# **Town of Killington: Sales and Use Option Tax Repeal**

- Summer Strategy = Achieving the goals of both the resort & Killington Community
- Summer asset plan adds several additional winter activities
- Creates more full-time staffing opportunities for businesses
- Creates a stronger community
- More potential residence move into town
- More children enrolled into our schools (biggest tax impact)
- Improved real estate values

**We are asking that the EDTC to vote YES to include the “Sales and Use” Option Tax Reform on the Town Meeting Day ballot in March 2015, so that we can begin to expedite the work that has already been done to improve our summer economy in the Killington Community.**