Vail businesses already see brighter economic times

Publisher's note: ***This is the second of four days of stories about issues pertaining to Vail.***

By Susan Wood

VAIL – Things are looking up for businesses from markets and restaurants to ski resorts and sporting goods shops in this snowsports tourism area, following a rough recession-based year for the United States.

Overall, November sales tax revenue in the town of Vail nudged upward to $660,141, an increase of 1.2 percent compared to the same month in 2009. Plus, this figure is estimated to go up another $33,000 because of late collections, improving collections to 6.3 percent from the previous year, according to a recent memo by Vail sales tax administrator Sally Lorton.

Vail businesses are in recovery mode from the recession. Photos/Kathryn Reed

More than $14.6 million was collected for the town in sales tax revenue in 2010. In 2009, the figure was $14.3 million.

Food and beverage sales tax receipts came in with 8.8 percent more sold this past November, the town of Vail reported Jan. 7.

“It’s been a great last few months,” Stacey Gibson of Tavern on the Square said, while admitting that more Americans are saving money than they used to spend. “Everybody needs to get away and go on vacation. People save in different ways.”

Further, she acknowledged Vail the town appeals to an upscale visitor. The bar/restaurant located inside the Vail Resorts owned Arrabelle hotel is also fairly new to the Lionshead village. There’s a fine dining option called Centre V to offset the bar’s casual atmosphere – which is a short walk from the slopes for skiers and boarders.

While the lodging tax was down by 4.2 percent in November 2010, retail made up for the loss with a 4.8 percent increase in sales compared to a year ago. The villages of Vail, Lionshead and West Vail came on strong with double-digit increases in sales tax collections – anchoring Vail areas outside the villages that show a 19.2 percent dip in receipts.

“Business is bouncing back in Lionshead. We survived,” Bart & Yeti’s bartender Kevin Foley said, serving a crowd on a January weekday night. Foley was referring to the tough economy as well as his 36-year-old employer being located in the shadow of redevelopment that tore up the street for years.

“It was a war zone around here,” Foley said.

Although most everything is new around this locals’ retreat, the multi-level Arrabelle puts the outdoor area of Bart & Yetti’s in the shade.

Buoyed by La Nina conditions bringing an early winter to the West and a perceived pent-up holiday demand for fun among recession-weary consumers, sporting goods led the way in sales in November. Shops collected 36.2 percent more money than in

2009. The Vail Economic Advisory Council received the optimistic city reports on Jan. 11.

Vail Resorts, which owns Heavenly Mountain Resort on Lake Tahoe's South Shore and Northstar-at-Tahoe in Truckee, has a high stake in these reports with more than half the town carrying the name of Vail or its lodging division RockResorts. Vail Resorts also runs the ski areas of Vail, Beaver Creek, Breckenridge and Keystone.

As of a few weeks ago, the ski resort corporation reported lift ticket revenue amounting to 7.4 percent more than the previous year.

Vail's good economic news hasn't necessarily surprised marketing officials from the Beaver Creek ski area to the RockResorts lodging division.

"People are still traveling. They may have dinner in their condos, but they're still doing what they want to do," Beaver Creek spokeswoman Jen Brown told *Lake Tahoe News* while steps from the slopes. Beaver Creek, which appropriately operates under the advertising tag line "not exactly roughing it," has offered specials to get on the slopes as well as discounts once skiers and riders are there. The same goes for Vail, and customers are taking advantage of it.

Events are king with both resorts. These include "Holidaze" activities at Vail and Beaver Creek's plans to host the World Cup Championships in 2015.

"Clients were skipping their ski vacations (prior to this year). We're seeing the repeat guests dedicated to these resorts, and now we're seeing the economy coming back. We're quite fortunate," said Marcella Bettis, RockResorts regional director of marketing.

Transient occupancy rates were down this past December by 0.3 percent to 57.1 percent compared to the previous year, but

lodging establishments could be cautiously optimistic by making adjustments. The average daily rate went from $407 in December to $389 this month. The drop contributed to an increase of bookings to bring occupancy up to 57.4 percent.

Then, of course, not every place is Vail – where the highest real estate sale in 2010 was a 5,631-square-foot Solaris property penthouse that went for $14.8 million, according to the Vail Board of Realtors. The lowest sale was a 695-square-foot condominium at $249,900.

The upward swing in most tax reports for everyday purchases seems to mirror national trends in terms of spending over the holidays among bargain-hunting consumers.

“We’ve seen an increase (in business) this year at Christmas,” Pepi Sports buyer Shaun Filiault said of December’s receipts for his Vail Village store. Filiault added he’s noticed that when the hotels run deals, the people show up to rent skis and boards and buy accessories. But they may be more discriminating based on the state of the economy.

“I feel people buy what they need. We’re seeing more value-conscious consumers,” he said.

Either way, store results appear in-line with the national snowsports market reaching $1 billion in sales last year, an increase of 14 percent from 2009, according to a recent SnowSports Industries America report. The U.S.-based trade association also reported alpine equipment sales up 23 percent this season in comparison to last year’s.

At Kid Sport store in the Vail Village, workers have noticed a better ski season business than last year’s.

“Last year was the hardest year,” Dana Smith said, noting more locals are spending money on gear and clothes for their children. Anna Cutts mentioned the website sales are up.

The nearby market has seen a brisk business as well. Property manager Bob McNichols of Daedalus Real Estate attributes part of the success of his marketplace with the development of units to bring people into the area.

“Business is growing each year. Grocery sales are way up. I think more people are eating in, but they’re coming,” he said. “For us, these are the good old days.”

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