

## **EMPIRE PASS MASTER OWNERS ASSOCIATION**

### **Annual Meeting**

**March 8, 2019, 4:00 pm**

### **The Montage**

Empire Pass Board Members present: Douglas Ogilvy, REDUS Park City and Jeff Butterworth, President Storied Deer Valley.

Empire Pass Board Members Not Present: David Ash, Lisa Reynolds, Jay Wasserman and Jack Mueller.

Empire Pass MOA Staff present: Trish Waterman, EPMOA Manager, Jessica Layton, EPMOA Accounting Manager and Steve Sovinsky, EPMOA Maintenance Manager.

Douglas Ogilvy, started the meeting at 4:10 pm and thanked everyone for attending.

#### **DEER VALLEY UPDATE – Presented by Steve Graff, Deer Valley Director of Operations**

The snow fall this year has been incredible. To date snow fall totals are 318 inches. Deer Valley is always fully committed to their snow making. This year \$2M was spent on snow making in December to prepare for the holiday season. With the abundant amount of natural snow, it turned out this wasn't really necessary. However, ensuring a great guest experience is very important to Deer Valley. Skier numbers are up about 13% over last year. This is the first year of the Ikon pass. The Ikon pass skiers are making up about 15% of business. Deer Valley is committed to holding to sell out numbers and closed the ticket window 6 times this year. Deer Valley is working on their 5 year capital improvements plan, which includes about \$7.6M for improvements. Deer Valley will add RFID technology providing electronic ticket scanning and better customer information.

#### *Questions and Answers:*

*Q: Is there a Mayflower update? A: Deer Valley is still working through opportunities on the Mayflower side and do not have an estimated start date. Expanding the parking in that area will be considered with the future opportunities.*

*Q: Is Deer Valley considering allowing snowboarders? A: No.*

*Q: Is the gondola in Park City still being considered? A: No, the project required government money and they could not make it work.*

Steve thanked everyone and Deer Valley appreciates the relationship with the Empire Pass community.

#### **REAL ESTATE UPDATE – Matt Magnotta – Berkshire Hathaway Utah**

Matt is currently working with Talisker as one of their agents selling property between Empire Pass and Tuhaye. Overall, the average square foot prices in Empire Pass are going up. The available Talisker properties are the 3 Larkspur townhomes, 8 Moonshadow custom home sites, and the 14 units at the Tower Residences. There are also 20 units at the Residences at Empire Pass, half of which are sold, and 2 other undeveloped parcels. Empire Pass is about 75% built out. On the re-sale market, agents have noted that units that have been updated have had more success selling. Condo building HOA's may consider updating their common areas and owners that are considering selling may have more success if they update their units with fresh paint, furniture and lighting. The excitement and confidence of Storied Development purchasing the remaining assets for the Talisker Club and Empire Pass will only continue to increase demand to purchase in Empire Pass.

**EMPIRE EXPRESS PRESENTATION – Travis Gleason – Co-Founder of Downtowner, Operation Managers, Julian Lena and Dave Davis**

Downtowner is a Florida based company that has started similar Empire Express apps in Squaw Valley and Beaver Creek. Downtowner took over the Empire Express about a year and half ago. The biggest implemented change to the service was the technology operations with the Rider App. The first winter had some challenges with everyone familiarizing themselves with the rider app. Currently the transition to app usage is 95% and rider approval has remained steady at 4.93 stars out of 5. This year Downtowner has updated the app to group more than 2 parties into a vehicle to increase efficiency. Also this year the entire vehicle fleet is AWD or 4WD. The Park City Police Department no longer allows drop off or pick up on Main Street. Travis encouraged everyone to utilize the Swede Alley Quick Picks on the app when booking on Main Street. Travis asked owners to please avoid requesting multiple rides for the same group through the app hoping to get a better pickup time. This puts more rides in the system and eliminates vehicles that can be used for other rides. The wait time goal is 20 minutes. This Holiday season and Sundance, wait times were 20 minutes or less, 90% of the time. During those busy weeks, ridership was up 19% from last year and rider volumes continue to increase. Last year there were 5 days with more than 1,000 passengers in one day. This year there have been 9 days where 1,000 passengers were transported in one day.

*Q: How do you get the word out to people who are not owners about using Empire Express? A: Empire Pass Property Managers are notified about how to use the service. Brochures are made each year and distributed to all condo buildings and also put in all of the vehicles.*

*Q: It was noted that other developments outside of Empire Pass are trying to use the app. A: The app access code will be changed after this season. The app and the drivers are very seasoned when it comes to unauthorized usage. An easy trigger to notice unauthorized use is when rides do not originate or end in Empire Pass.*

*Owners commented that the vehicles look great. The Nissan has received great reviews from riders, which is in addition to the Sprinters. The fleet is refreshed every 2 years. They will look into a comment about the seat belts not working in one particular vehicle.*

Travis thanked the owners for their support. Their goal is to provide low wait times, continue to improve their technology and provide the best service possible.

## **2019 OPERATING BUDGET SUMMARY-** Presented by Douglas Ogilvy

2018 was a solid financial year. When the budget was set we were not sure how quickly the One Empire Pass units would sell. The Board budgeted the reinvestment fees conservatively. Turns out they all closed in 2018 and provided a healthy bump to the reinvestment fees. Reinvestment fees totaled over \$1M, which surpassed the budgeted amount of \$700k. There was a saving as well with the Empire Express budget. We did not have a contract in place when we were setting the 2018 budget so that number was estimated high. Downtowner is delivering a superior product at around the same cost as the last provider. They are under a 4 year contract that is half way completed. 2018 Preliminary year end financials show a net income of \$831k, compared to a budgeted net income of \$250k. The Board approved moving \$800k into the equipment reserve fund. A new Unimog was ordered that will be delivered this summer. A few years ago, the EPMOA started a reserve for equipment to ensure adequate equipment is available for the maintenance team.

Annual assessments for FY19 were lowered 10%. Due to uncertainty with the Empire Express contract, we did not cut dues in 2018. However, the EPMOA has cut dues for 4 of the last 5 years, which will most likely happen again next year.

When Wells Fargo foreclosed on the Mine Bench they arranged a 99 year lease for the EPMOA maintenance building. The maintenance building is in desperate need of repairs and the EPMOA will be looking into necessary repairs.

## **MANAGEMENT REPORT –** Presented by Trish Waterman

The snow plow drivers have done an amazing job this year! They have been working around the clock to keep the roads clear and safe.

On January 1, 2019 the EPMOA brought security in house. 3 previous Pride Security employees were hired, which made for a seamless transition. A new truck was purchased for their patrol. Unfortunately the truck was involved in an accident and is in the shop. Having them full time has been a great improvement for keeping an eye on the community. One issue Community Patrol would like help with is bringing trash cans in and out off the street the same day as pickup. Cans that are left out for days at a time creates difficulty for the snow plow crews.

Come spring time the maintenance team will be busy with dead fall tree removal around Empire Pass.

## **NEW OWNER UPDATE – PRESENTED BY MARK ENDERLE**

Mark said Storied has been here for a year now. There have been some challenges at the Club. However, they recently hired John Neill as the Club General Manager. Mark thanked Jeff Butterworth for acting as General Manager for the past 3 months. They will soon be hiring a new Director of Golf. The sales team has been doing well. As discussed earlier, there are reservations for 11 of the 14 units at the Residences at the Tower and the 3 Larkspur units are reserved as well.

Good news is that the Tower Club will not be closed this summer during renovations. Next summer it will be closed while they finish the building. The pool is going to be demolished and will not be open.

Coal and Lumber was recently purchased and will be turned into a downtown club for members. The vision for Talisker is 4 Clubs with 1 membership. This includes The Tower, The Outpost, Coal and Lumber and Tuhaye. The goal is to provide the best service possible.

Q: When The Residences at the Tower are completed and rented out will those guests get to use the Tower?

A: Yes, the 14 units will be available for rent and there will be a mandatory daily use fee. However, the price given the price range of the units, it is not anticipated that many of them will be rented out. Any guests using the Tower Club are expected to act appropriately and if they do not they will be asked to leave. Renters of these units only have access to the Tower and no other Club amenity facilities.

There was a comment that the gym was crowded with quite a few young adults that were not behaving appropriately. Mark discussed when situations like that occur to immediately find John Neill or the onsite manager and bring it to their attention.

Mark encouraged owners to let him, Jeff or John Neill know of any issues with the Club so they have the opportunity to resolve the issue quickly.

## **ADJOURN**

The meeting was adjourned at 5:20 pm.