



Vail Town Hall, Town Council Election – Who’s in, who’s out?

# **VAIL HOMEOWNERS ASSOCIATION**

## **2021 Vail Election Issue:**

(Version 091921)

### **Vote NO on Sales Tax Increase**

### **September 27, 2021**

This is the fifth in a series of reports that the VHA will issue leading up to the November Town Council election. Remember that the field of candidates is now set, 10 in all. Two are incumbents: Travis Coggin and [Brian Stockmar](#). The others are Barry Davis, [Kirk Hansen](#), [Kathryn Middleton](#), [Kim Newbury Rediker](#), Niko Sayag, Pete Seibert Jr., [Jonathan Staufer](#) and Jermaine Wates. Resumes and invited letters of Purpose and Intent are linked to the candidate’s name above. Candidate written submissions should be due prior to the beginning of mail voting.

**Mail Balloting – Voting makes a big difference in the outcome:** The election will begin on October 8 when ballots go in the mail to all registered voters. [See Sample Ballot](#). If you live in Vail and are not already a registered voter, you can register on-line at: [www.GoVoteColorado.gov](http://www.GoVoteColorado.gov). [In person registration and polling - Eagle County Voter Service and polling centers](#)

**The VHA recommends a NO vote on proposed sales tax increase.** The Town of Vail has proposed a .05% increase in the sales tax (groceries exempted) to fund “housing initiatives, housing developments and housing programs and related activities.” For a number of reasons, the VHA urges a No vote on this tax increase.

First, there are no defined purposes or restrictions in the ballot measure for how the tax will be spent other than it must be used for housing and “related activities.” That latter catch-all is a huge loophole that could be used to justify a lot of presently unknown and unannounced uses. When the matter was before the Council, it was said that the money would be used for the redevelopment of Timber Ridge, the Indeed program and some unidentified “CDOT properties” and Minturn references, but none of that is binding, making the tax increase a gigantic “trust me” proposition. Even if the new Council adheres to what has been represented, there is nothing to prevent future Councils from trying to drive different agendas through the loophole over the next 30 years.

Second, the tax increase was launched on the basis of polling that allegedly showed support for the tax. Too often those polling studies become self-fulfilling prophecies. The polling on this tax did not ask any of the hard questions such as whether there was support if the resulting buildings were more of the same (Solar Vail and/or the Residences at Main Vail) or if it was to be placed on open space sites, making it questionable at best whether voters are ready for another “trust me” tax increase.

Third, as originally conceived, the tax was supposed to fund the Vail Housing 2027 Strategic Plan. That plan was to acquire 1,000 housing units by 2027, six years from now. However, when it adopted the ballot issue without any notice to the public and virtually no consideration—the entire discussion took less than two minutes—the Council decided to extend the tax for 30 years, thereby, extending the housing plan for an additional 24 years and making it a “generational” tax.

On a conservative basis, the Town estimates that over the 30-year life of the tax at least \$250 million will be raised. Yes, that is a quarter of a billion dollars. As noted, there was very little discussion, and 30 years was picked because that is the possible length of bonding, even though there are no present plans for any bonding. This type of spur-of-the-moment, unthinking policy is the antithesis of what Vail needs for an enduring future.

Fourth, there is already going to be a property tax increase because of the escalation in the real estate market over the recent past. County-wide residential property assessments are up 7.2%; in Vail there have been reassessments of up to 50%. Due to some complicated reasons involving the Gallagher Amendment, the Town does not intend to change its millage rate, so property taxes will go up, in some cases rather steeply. In addition, the Town is currently experiencing historic sales tax, RETT tax and Construction Use tax collections exceeding budget and all pre-pandemic levels, with total 2021 revenue up 25% from pre-pandemic levels. End year, the Town is anticipating over-budget collections, 62% of which goes into General Fund Reserves, all of which raises a question of the degree to which a tax increase is needed to fund housing.

Fifth, there is a matter of trust. Is it in the communities’ best interest to turn over \$250 million or more to the Vail Local Housing Authority (VLHA) which so far has exercised no restraint in its efforts to build housing wherever it can, including on open space (both the Donovan Park Middle Bench and the West Middle Creek open space have been on its agenda) and on the golf course? As yet, the VLHA has not demonstrated that it can balance aesthetics and the environment with building more housing. Nor does Vail need more architecturally deficit big-box apartment buildings dotting the landscape.

Sixth, this proposed tax increase should be balanced against other needs that will require tax increases. Already on the November ballot will be a property tax increase for Eagle County Mountain Recreation to fund \$60 million in recreation improvements. And there is talk of increases in 2022 to the lodging tax to support more marketing of Vail and promote more special events (deferred by the Council until next year because of concern that the community would not support more tourists), plus, a tax increase for regional transportation and still another tax increase for childcare. There is a limit to how many tax increases are feasible, and a 30-year tax increase now could jeopardize other needed improvements.

Finally, had the purpose for this tax increase been precisely set out and had it been limited to just the remaining six years of the 2017 Housing Plan, it might have gained VHA's endorsement. The VHA has, after all, supported other tax increases where there was a clear need and defined purpose, and it supports the provision of more workforce housing. But tying up a significant part of the Town's taxing ability for 30 years is imprudent, especially when it does not contain precise guardrails for its expenditure. For those reasons, the VHA recommends a No vote on the sales tax increase.

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## Survey

We want to hear what you, our readers, have to say about the issues you believe are important in the upcoming election. Please take a moment to answer the following questions. Your responses are confidential and will be used to analyze reader sentiment concerning the below questions. [\(Link to survey\)](#)

### Questions:

**Yes/No: Should the sales tax for housing be based upon a specific bricks and mortar plan rather than a generalized plan that includes undefined related activities?**

**Yes/No: Should housing be located upon lands zoned or covenants protected open space lands?**

**Yes/No: Should there be an Eagle County tax proposed for both child and elder care?**

**Yes/No: Should there be an open-ended tax, extending for 30 years, to provide subsidized residential housing only for active and retired recreational workers within Vail?**

**Yes/No: Should increases in the value of tax assessment and fees be a factor in considering whether a tax increase is necessary or needed?**

**Yes/No: Should increases in local taxes and fees be used as factors to force out those of low or fixed incomes or those who are not living in government-subsidized housing?**

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If these are issues that concerns you, we invite you to join as a member of VHA or become a Paid Subscriber to our reports. Readers are requested to [submit and circulate an informed and well-tempered commentary suitable for public distribution](#).

Our most valuable tool in influencing decision makers is through the proactive engagement of our informed readers. Your support will ensure that our reports can continue to bring important matters to the community's attention and, by doing so, make a difference for the good and the future of our community. It is you, our members and Report readers, who sustain our efforts with financial and vocal support.

Subscribers desiring to become a Paid Subscriber may do so. To apply for VHA Membership, register as a Report Subscriber or Paid Subscriber can make a payment by check or digital transfer by forwarding your contact information to [vailhomeownersassoc@gmail.com](mailto:vailhomeownersassoc@gmail.com).

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