

Vail investigating new ways to fund housing and events

Permanent sources for housing, special events could need \$10 million per year

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Vail is looking into ways to create dedicated funding sources for housing and special events.

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By the numbers

- \$6.5 million: Estimated annual funding need to fund housing initiatives.
- \$3.5million: Estimated annual funding to take special event, arts and culture programs out of the town's general fund.
- \$3.5 million: Estimated revenue that would be collected by doubling the town's lodging tax.
- 1.4%: Current town of Vail lodging tax.
- Source: Town of Vail.

VAIL — Town officials are getting serious about asking voters for more revenue.

The Vail Town Council on Tuesday heard a presentation from town finance director Kathleen Halloran about new or increased revenue sources to provide stable sources of income for both housing initiatives and special events, arts and cultural programs. Council members at a January retreat said they're interested in providing dedicated funding to those areas.

Those two items add up to an estimated \$10 million per year. Of that, the town needs an estimated \$6.5 million per year to fully fund the Vail InDeed program. That program is an integral part of the [Vail 2027 housing plan](#), which set a target of adding 1,000 new deed restrictions to the town.

The town is currently funding the InDeed program through the town's capital project fund at a rate of \$2.5 million per year.

The report states that "Without a permanent source of funding for investments in housing, the town will be faced with deferring large capital projects such as the Public Works Shop redevelopment, infrastructure, repairs, bus purchases, fire truck replacements and frontage road improvements."

Pressure on the general fund

On the special events and cultural front, current spending relies on \$3.2 million of general fund money in addition to other sources.

“The use of General Funds encumbers spending on traditional municipal services, police, fire, public works and administration,” the report states.

The question then becomes where to find an additional \$10 million per year.

Halloran for the January retreat prepared a report comparing tax rates between Vail and other Colorado resort areas. [Vail's tax bite is among the lowest](#) of other mountain resorts.

Halloran's report indicates that doubling the town's lodging tax from 1.4% to 2.8% would generate an additional \$3.5 million per year. An increase in the town's sales tax of .5% would generate another \$3.6 million per year.

Another suggestion proposed imposing an excise tax on short-term rentals. Other communities have imposed similar levies.

That package would still leave Vail as one of the lowest-taxing Colorado Mountain resorts, the report states.

But any attempt to raise taxes will require voter approval, thanks to the state's Taxpayers Bill of Rights. That amendment was passed in 1992 by Colorado voters.

Council members listened with interest to the presentation.

Councilwoman Kim Langmaid noted that Vail currently doesn't tax short-term rentals aside from the town's existing sales and lodging taxes.

Langmaid said people around the region are “surprised” when she tells them that Vail doesn't currently have an excise tax on short-term rentals.

“That could potentially be a great source for housing,” Langmaid said.

Support to 'do something'

Councilman Brian Stockmar noted that the report states town capital projects could be deferred if the town continues to funnel money from that fund into housing.

Deferring those projects could mean “our quality of life will decline,” Stockmar said.

Stockmar added that he's in support of “doing something.” But what that something might be has yet to be determined.

Mayor Dave Chapin noted that Eagle County is discussing its own tax question for the November ballot.

Vail Town Manager Scott Robson said officials from Eagle County and its towns will meet Feb. 24 to talk about what they may want to ask from voters in the November general election.

Robson added that town staff would like to have direction on a plan from the council by mid- to late March. Ballot language would have to be certified by late August for the November ballot.

Councilman Travis Coggin counseled his colleagues not to put too much on the ballot, encouraging one question instead of several.

Otherwise, he said, “people may just say ‘no’ to everything.”

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