



# **VAIL HOMEOWNERS ASSOCIATION**

## **DRB Says “No” to Another Unsightly Building**

### **A Tax Hike Proposal is Looming**

**July 14, 2021**

Large crowds, over the past few weeks, make it appear that Vail has bounced back from the effects of the pandemic. But Vail is recovering to a new “normal” that has profound consequences for the future. The pandemic resulted in a migration to the mountains that fueled a runaway explosion in housing costs. There was already a trend in that direction, but the pandemic resulted in an influx of remote workers and high-level employees and executives that had the means to quickly scoop up the available housing inventory. Because these new arrivals could outcompete locals, an already difficult housing market became even more dire for local workers, especially for those who are seeking to start their lives in the Vail Valley. In addition, many second home owners extended the time they spent here, accelerating the need for services and infrastructure. And ever sensitive to opportunity, investors have tried to capitalize on this situation by also scooping up inventory. And it is not just a matter of sale prices; rentals are seeing dramatic increases. All of this has resulted in profound changes in the housing market.

The suddenness of the pandemic and the resulting immediate shut down of the mountain and many local businesses also had the effect of hollowing out the local workforce. In the interim, many of those workers have moved on, and new workers seem reluctant or unwilling to commit to high-cost communities. Living wage issues predated the pandemic, but once again, the pandemic made that a more acute problem. And without affordable housing, the situation is even worse. Front-line workers are and will continue to be a major problem for at least the foreseeable future.

Overcrowding, already predominant before the pandemic, appears to have reappeared, perhaps more so: a product of incentives to restore commercial vibrancy and the emotional release after months of anxiety filled sequestration. That puts even more pressure on services and infrastructure.

In addition, Vail still faces issues of rebalancing economic activities in the context of climate change, social stability and supporting infrastructure and transparency in the conduct of Town business. And the seeming reluctance of the Town Council to tackle ethics and conflicts of interest will continue to cast a shadow over impartiality and the trust worthiness of government decisions. That may immediately be called into question by what happens in the now brewing issues over the proposed Residences at Main Vail.

## **DRB Says “No” to Another Unsightly Building**



**Proposed Residences at Main Vail: “What does this building say about Vail?”**

**DRB Says “No.”** Kudos to the TOV Design Review Board for standing up to mediocre design and insisting that the new proposed housing project at the entrance to town (on the former Children’s Garden Center of Learning site) be in keeping with the Vail brand. At its July 7<sup>th</sup> meeting, the Board voted (3 to 1) to reject the proposed design. The Board’s decision was based on the lack of architectural character and the failure of the design to blend into the surrounding landscaping.

The VHA has been protesting the design from the outset. Although Town officials kept assuring that the design would be improved, there has been little done to change the building since its inception. In part this is a result of an upside-down design process where the Town insisted that there had to be at least 144 beds in the structure.

Ordinarily, design would proceed from first evaluating what might be accomplished in keeping with the site limits and in compatibility with the location and visibility of the project. Instead, the Residences at Main Vail proceeded from what would be necessary to accommodate 144 beds, i.e., a large rectangle building with very little improvement in the overall design, resulting in what would still be a large unsightly rectangular building perched at the entrance to Town.

The DRB decision can be appealed to or “called up” by the Town Council. That is what happened with the Solar Vail project. There the DRB rejected the design of the building, but the Town Council overruled the DRB which resulted in a spectacularly ugly building overlooking I-70. If there is now an appeal or call up of the DRB decision on the Residences at Main Vail, it would result in the highly usual spectacle of the Town (it is the owner of the project) appealing to itself to overturn the experts that it appointed to ensure that all buildings in the Town were up to the Vail standard. Hopefully, that will not happen and the Town will go back to the drawing board and come up with an appropriate design for the site and location, even if that means a number of beds that is less than 144.

We may hear that there is no time to do that because the building must be ready by September 2022. Not so. That is an artificial deadline that was created by the Town, and proper design should not be sacrificed to meet such a deadline. More important, the Town has always contemplated that events may push back the completion of the building until the fall of 2023. In fact, that very eventuality was built into the contract that the Town executed with Triumph Development. Paragraph 4 (e) provides that if the project cannot be started by September, then it must be commenced in 2022 with a completion date of August 2023.

If there is an appeal, it will result in another moment of truth for the Town. Will the Town rush to create another eyesore at the entrance to the Town—that will be there for decades to come—or will it insist that this building be one that all can be proud of? Stay tuned.

## **A Tax Hike Proposal is Looming**

**Town Survey.** In the next couple of weeks, Vail voters will be surveyed on their willingness to pay more taxes to pay for housing, marketing initiatives and events. This is a prelude to tax hikes appearing on the November ballot. Two different tax hikes are contemplated: one for housing and the other for marketing and events.

The preferred housing tax hike appears to be a 0.5% increase in the Town’s sales tax (currently at 8.4%). The Town estimates that the hike would raise about \$3.5 million a year. Other potential tax hikes under consideration for housing are a 1 mill property tax increase (which could raise \$1.3 million a year) and a 5% tax on short-term rentals (which could raise \$1.5 million).

The preferred tax hike for marketing and events is an increase in the town’s lodging tax. If that tax was doubled, it could raise about \$3 million a year.

At this stage, there has been little information about how, if approved, this new money will be used other than for the three broad categories named. There have been no details, for example, on whether it would be the Council or the housing, marketing and special events boards who would control the money. There has also been no specifics or criteria about how the money will be spent. And there has been no indication on whether these would be permanent or temporary hikes that would sunset after a given number of years.

The Town needs to do a much better job of explaining these proposed tax hikes than just “we need the money.” Why, when the town is already overcrowded and there are insufficient workers, is it necessary to do more marketing and have more events to bring in more people? What is the “carrying capacity” of Vail? And how will it be managed? And what happened to the private-public partnership concept of developing more housing? Will this extra money result in more efforts to convert open space to housing? These, and many more questions, need concrete answers. The days of “trust-me-to-spend-the-money” tax hikes are over.

The VHA has not taken any position on these potential tax hikes because of the lack of details. As more information becomes available, it will be reported. In the meantime, the VHA urges that you watch for the survey and make sure to express your views.

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If these are issues that concerns you, we invite you to join as a member of VHA or become a subscriber to our reports. Our most valuable tool in influencing decision makers is through the proactive engagement of our informed readers. Your support will ensure that the VHA 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 subscribers, who sustain our efforts with financial and vocal support.

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