The Vail Town Council recently approved floating a $189 million in bonds without a vote of the electorate. The bonds are to finance the West Middle Creek residential housing development, pictured above: site under construction, of which only a portion of the dwelling units are allocated for work force housing. Interest on the bonds will be approximately $10 million per year over the 30-to-40 year life of the bond. There are those concerned that West Middle Creek Bonds could become a risk to the TOV's future debt needs.

Letters to Vail

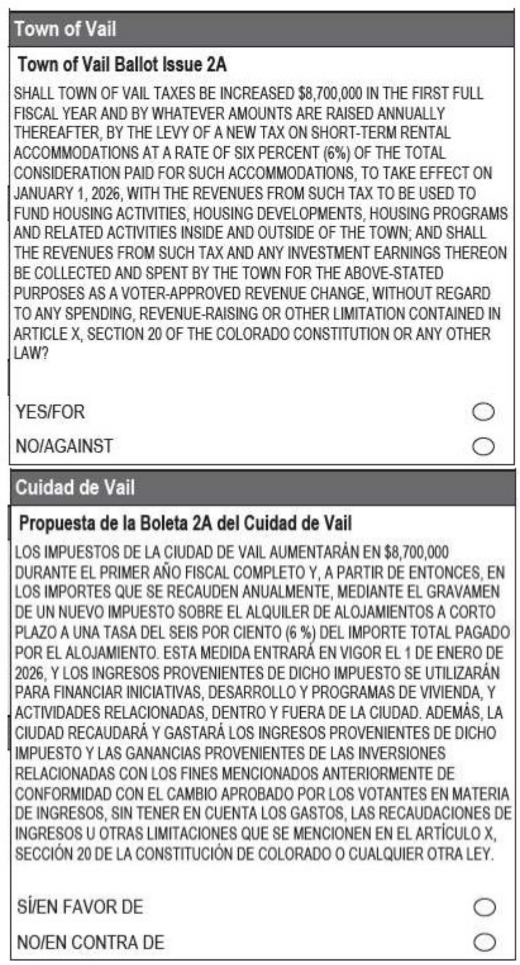
V a i l H o m e o w n e r s A s s o c i a t i o n

Who should be paying the price for the expansion of tourism related development?

November 24, 2025

The outcome of the 2026 Town of Vail election creates opportunities to rebalance the forward looking perspective of the Town Council's agenda. Among the pressing issues are the multi-faceted residential housing policies, which includes those addressing work force and short-term housing.

Electioneering was hard fought among residential and commercial interests. The debate about the Town of Vail Ballot Issue 2A was heated with a rare showing of public relations opposition involving national and international operatives. The language as it appeared on the ballot distributed to voters, demonstrates that voters are not in the frame of mind to accept open-ended spending whether in or outside the Town's boundaries.



Town of Vail

Town of Vail Ballot Issue 2A

SHALL TOWN OF VAIL TAXES BE INCREASED $8,700,000 IN THE FIRST FULL FISCAL YEAR AND BY WHATEVER AMOUNTS ARE RAISED ANNUALLY THEREAFTER, BY THE LEVY OF A NEW TAX ON SHORT-TERM RENTAL ACCOMMODATIONS AT A RATE OF SIX PERCENT (6%) OF THE TOTAL CONSIDERATION PAID FOR SUCH ACCOMMODATIONS, TO TAKE EFFECT ON JANUARY 1, 2026, WITH THE REVENUES FROM SUCH TAX TO BE USED TO FUND HOUSING ACTIVITIES, HOUSING DEVELOPMENTS, HOUSING PROGRAMS AND RELATED ACTIVITIES INSIDE AND OUTSIDE OF THE TOWN; AND SHALL THE REVENUES FROM SUCH TAX AND ANY INVESTMENT EARNINGS THEREON BE COLLECTED AND SPENT BY THE TOWN FOR THE ABOVE-STATED PURPOSES AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING OR OTHER LIMITATION CONTAINED IN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

YES/FOR ○

NO/AGAINST ○

Cuidad de Vail

Propuesta de la Boleta 2A del Cuidad de Vail

LOS IMPUESTOS DE LA CIUDAD DE VAIL AUMENTARÁN EN $8,700,000 DURANTE EL PRIMER AÑO FISCAL COMPLETO Y, A PARTIR DE ENTONCES, EN LOS IMPORTES QUE SE RECAUDEN ANUALMENTE, MEDIANTE EL GRAVAMEN DE UN NUEVO IMPUESTO SOBRE EL ALQUILER DE ALOJAMIENTOS A CORTO PLAZO A UNA TASA DEL SEIS POR CIENTO (6 %) DEL IMPORTE TOTAL PAGADO POR EL ALOJAMIENTO. ESTA MEDIDA ENTRARÁ EN VIGOR EL 1 DE ENERO DE 2026, Y LOS INGRESOS PROVENIENTES DE DICHO IMPUESTO SE UTILIZARÁN PARA FINANCIAR INICIATIVAS, DESARROLLO Y PROGRAMAS DE VIVIENDA, Y ACTIVIDADES RELACIONADAS, DENTRO Y FUERA DE LA CIUDAD. ADEMÁS, LA CIUDAD RECAUDARÁ Y GASTARÁ LOS INGRESOS PROVENIENTES DE DICHO IMPUESTO Y LAS GANANCIAS PROVENIENTES DE LAS INVERSIONES RELACIONADAS CON LOS FINES MENCIONADOS ANTERIORMENTE DE CONFORMIDAD CON EL CAMBIO APROBADO POR LOS VOTANTES EN MATERIA DE INGRESOS, SIN TENER EN CUENTA LOS GASTOS, LAS RECAUDACIONES DE INGRESOS U OTRAS LIMITACIONES QUE SE MENCIONEN EN EL ARTÍCULO X, SECCIÓN 20 DE LA CONSTITUCIÓN DE COLORADO O CUALQUIER OTRA LEY.

SÍ/EN FAVOR DE ○

NO/EN CONTRA DE ○

Prior to the beginning of the TOV electioneering, the Vail Homeowners Association published a series of articles dealing with community issues as suggestions for consideration by those applying for public office. The VHA articles also are suggestions for leaders to consider in the post-election positioning of the Town Council's agenda and initiatives.

The 2A ballot issue, would have impose a 6% tax on short-term housing. Some are of the belief that the rejection of the Short Term Housing Tax could be seen as an indicator that work force housing has peaked as the predominant issue for local voters. There was a negative reaction to the appearance that the TOV was seeking an open checkbook for housing and related activities in or outside the Town.

Rejection of A2 may signal that aspects of the residential housing issue need more complete clarification. The most affected by the negative vote could be developer interests responsible, in recent years, for the TOV's approach to the development of work force housing. The proposition's narrow defeat, if proponents hold sway with the Council, indicates a potential response from A2 advocates to return a similar measure in upcoming elections. However, failure to correct the defects of A2 could result in a similar but more decisive outcome.

There are those who are of the opinion that the credibility of the TOV may have been harmed by presenting an ill-defined ballot proposition to the voters. In their view, the outcome necessitates an effort to reconfigure the TOV's housing policies, which could mean altering insider developer alliances and relationships, which have dominated the perspective of Vail's housing policy for decades.

There is a greater public awareness that the TOV has attained its work force housing goal and quota to acquire 1000 additional units set out in its housing strategic plans for 2027. Voters questioned, if worker housing is such a problem, why is the TOV negotiating with developers about large speculative residential and commercial developments, requiring even more work force housing to be provided by the local government, instead of by the developers themselves?

There are several impactful development projects under review. Cumulatively, these could well cause a repeat of the 1990-2000s cycle of commercial and residential development, which created a critical shortage of workers and caused a political demand for government to provide the means to acquire and expand the inventory of work force housing.

Some observers hold the opinion that the A2 ballot was poorly conceived. In their view, the measure lacked fairness and specificity. Unfortunately, it may have undermined confidence in the wisdom underlying related TOV decisions. Critics point to the approval of $189 million in bonds the TOV recently floated, without a vote of the electorate. The bonds are to finance the West Middle Creek residential housing development, of which only a portion of the residences are allocated for work force housing. The TOV, because of the bond issue may now have less flexibility in responding to urgent financial needs, should they occur.

Voter sentiment is shifting. Avoiding voter approval for the West Middle Creek bonds triggered the shift. Worker housing is now looked upon by many as the responsibility of developers rather than the government.

A well-qualified local financial analyst, during the A2 election, circulated an opinion that the West Middle Creek bonds could become a risk to the TOV's future debt needs. Noting, **interest on the bonds will be approximately $10 million per year over the 30-to-40 year life of the bond**. The question raised is what other TOV priorities will go untended because of the scale of the bond interest payments. A default or other financial necessity would require property owners to retire the bond debt through additional increases in taxes.

The onset of the short term rental taxation effort, initially was intended to regulate vacation home rentals in neighborhoods that are predominately residential. Broadening the applicability of the tax to all forms of short-term rentals ran afoul of existing owners, some who have for many years rented their condominiums and homes short-term without government interference. A2 was seen by some as a money grab by developers or as a means of limiting competition to the advantage of established hotels and lodges, rather than offering serious solutions to balancing the type of occupancy to enhance the economic and social productivity of Vail's inventory of housing.

The vigorous blowback caught A2 advocates ill-prepared to respond with specifics about how and upon whom the tax was to be imposed. The lack of specificity raised the ire of residential condominium and home owners throughout all Vail residential and commercial neighborhoods. An outcry from A2 tax opponents prompted non-local entities to put resources into defeating the tax, a rarity in Vail's political lore.

The spread of vacation home rentals brings both a cure and curse to the management of Vail's inventory of residential housing. The voters were not accepting of an all-inclusive proposition that did not specify what portion of the tax generated revenues was to be allocated to activities associated with what types of housing or where.

There are many forms of short-term residential occupancy. Public debate to date has been about taking corrective measures to contain disruptive behaviors by temporary occupants of short-term vacation rentals in neighborhoods that are primarily residential. Consideration has not been given to incentivizing a broader range of non-visitor related short term rentals.

The effectiveness and influence of VHA is the responsiveness to its narratives assessing the potential outcome of initiatives that the Council may take up during its two year term. VHA's role is to bring important issues and suggested constructive solutions to the attention of Vail property owners and the community's leadership. VHA is involved with the independent non-partisan mediation of public opinion to effect outcomes of issues that influence the livability of

Vail residential and commercial neighborhoods. The Vail Homeowners Association is a (501c4) non-profit community improvement political advocacy organization funded by membership dues and donor contributions.

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