

# Agenda #1 Public Comments

**From:** [REDACTED]  
**To:** [City Council](#)  
**Subject:** Online Form Submittal: City Council Contact Form  
**Date:** Thursday, June 9, 2022 8:34:49 AM

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## City Council Contact Form

### Step 1

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Note  
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### Contact Information

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First Name	Thomas
Last Name	Sharp
Email Address	[REDACTED]

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### Questions or Comments

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Please select the department(s) you want to contact:	City Council
Please leave your comments or questions below.	Dear City Council,  The Steamboat Springs Local Marketing District Board of Directors has prepared and approved the attached letter to the City Council regarding the potential consequences to the Local Marketing District from the possible imposition of a 7% to 10% additional accommodations tax on short-term nightly rentals throughout the City. I am sending the letter to you all on behalf of the directors of the LMD.  Tom Sharp Counsel Steamboat Springs Local Marketing District

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Please add attachments here. [LMD Letter to City Council\\_June 2022\\_Signed \(003\).pdf](#)

City Council  
City of Steamboat Springs  
Steamboat Springs, CO

Re: Potential consequences to Local Marketing District from possible imposition of accommodations tax on short term nightly rentals

Dear Council Members:

I am the chairman of the Steamboat Springs Local Marketing District, created almost 20 years ago to utilize a 2% accommodations tax on nightly rentals within the boundary of the District to increase marketing of the City and its wonderful assets. For almost all of its duration, the LMD has used the accommodations tax revenues to support, in partnership with Steamboat Ski and Resort Corporation, minimum revenue guarantees to air carriers flying directly into the Hayden airport (HDN). In recent years, for example, the LMD contributed \$1,406,464 in 2019-20, then \$2,938,419 in 2020-21, then \$1,752,031 in 2021-22. Currently, the LMD has approximately \$3,716,419 in its reserves account. This past fiscal year, the minimum revenue guarantees of the LMD and the Ski Corporation provided about \$2,627,915 to the air carriers flying into HDN. Those carriers brought 145,337 passengers to the Yampa Valley, the highest number we have ever seen.

The LMD Board of Directors continues to have a great working relationship with the City Council. We provide an annual report to you and to the citizenry of Steamboat Springs, and we seek your approval every September for our operating plan for the next year, which you have graciously always approved.

The Board, at its recent May meeting, concluded that we must inform you of the potential adverse consequences to the LMD financing in the future from the adoption and implementation of a 7% to 10% additional accommodations tax on short-term nightly rentals throughout the City. The additional taxes, as we understand it, would be imposed on the single family houses and condominium units within the whole City, including within the somewhat smaller boundary of the LMD. Those units are the vast majority of entities paying our 2% local accommodations taxes. The concern of the Board members is that the addition, say, of 10% accommodations taxes on those same units would increase the cumulative amount of lodging/sales taxes imposed on the accommodations bills of tourists in Steamboat to 21.5% of the underlying lodging prices when such tourists stay in condominiums instead of hotels. Comments from rental lodging companies in Steamboat and elsewhere lead us to understand that a 21.5% add-on to lodging bills for condominiums may be significantly higher than the total lodging/sales taxes imposed in other Colorado and Western US ski towns. Since Steamboat is always competing with the other ski resort towns in the West in seeking to draw tourists to the Mt. Werner ski area, our Board is concerned that the number of actual air passengers into HDN may decline when ski families from destinations such as Houston, Dallas, Chicago, New York, Seattle, San Francisco, Los Angeles, Minneapolis, Atlanta, and others conclude that equivalent lodging costs may be less in the other ski areas due to lower add-on taxes. A proportion of our skier visitors may decide to spend their ski vacation dollars at another resort.

The Ski Corporation every year is required to negotiate, for itself and for the LMD, the dollar “maximums” or “caps” to the revenue guarantees to most of the air carriers coming into HDN. In most years, the actual amount of subsidies paid by the LMD and Ski Corp to the air carriers collectively is less than the “caps” under the contracts, because the occupancy levels in the flights are higher than anticipated. But, occasionally, external economic conditions force the decline in occupancy levels of passengers and the net result is full payment of “caps” by the LMD and Ski Corp. Usually, the air carriers then require higher “caps” levels in subsequent years.

IF the number of passengers flying to HDN on revenue guaranteed flights with carriers should fall significantly in the coming 2022-23 season and following years, resulting in significantly higher subsidy payments by the LMD and Ski Corp, the net result may well be reduction of the LMD reserves down to a much lower level, thereby resulting in lower ability to fund “caps” with the result that there could be a reduction in the number of carriers and flights into HDN under the existing program. Potentially a lower number of winter visitors.

Let me emphasize that we are not taking any political position on the potential ballot question of STR taxation increases. The City Council created the LMD to increase tourism into the City especially during the ski season. Our program, with our very valuable partner Ski Corp, has been quite effective. We just caution that you consider the possible implications to the LMD direct flight program in moving forward with your deliberations on a potential additional short term rentals tax increase.

Thank you for your long-time support.

Very truly yours,

*Robert E. Milne*

Robert E. Milne (Jun 7, 2022, 05:47 PDT)

Robert Milne  
Chairman  
SS Local Marketing District

cc: Kara Stoller  
Tom Sharp, general counsel

**From:** [REDACTED]  
**To:** [City Council](#)  
**Subject:** Online Form Submittal: City Council Contact Form  
**Date:** Monday, June 20, 2022 4:16:30 PM

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## City Council Contact Form

### Step 1

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#### Contact Information

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First Name                      Nick

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Last Name                      Sharp

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Email Address                [REDACTED]

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#### Questions or Comments

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Please select the department(s) you want to contact:                      City Council

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Please leave your comments or questions below.

Hello Council -

Attached is a letter from the Colorado Restaurant Association, Steamboat Chapter.

The content is relative to your meeting this evening Monday June 20th.

Thanks for take a moment to read our comments.

Nick Sharp  
CRA Chapter President.

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Please add attachments here.

[Steamboat lodging and STR tax 6.20.22.pdf](#)



June 20, 2022

City of Steamboat Springs  
Attn: City Council  
137 10<sup>th</sup> Street  
Steamboat Springs, CO 80487

RE: Short Term Rental and Lodging Tax Proposal

Dear Steamboat Springs City Council Members,

Thank you for your service to the constituents of Steamboat Springs. On behalf of the Colorado Restaurant Association Steamboat Springs Chapter, we would like to express our sincere gratitude for your dedication to considering ways to address the affordable housing crisis facing our community. The restaurant industry has been greatly impacted by the lack of affordable housing options for our workforce. Without reliable and affordable housing for our workforce, our businesses cannot succeed. Please know that we offer our firm commitment to working with City Council to find solutions to the affordable housing crisis that will serve our community and the hospitality and tourism industry alike.

As Council proceeds with the discussion regarding the short-term rental and lodging tax proposals, we urge you to carefully consider each of the proposed solutions and the ongoing ramifications they could have on Steamboat's hospitality industry. Although we remain committed to collaborating on a community-wide solution to the local affordable housing shortage, it is our current belief that a seven-ten percent increase for short term rentals is excessive and would result in unintended consequences for Steamboat tourism. If Council were to proceed with an increase of this magnitude, the result could be up to a 21.4 percent add-on to lodging bills for Steamboat tourists, creating a much steeper price tag for local tourism compared to other Colorado ski towns and Western U.S. mountain destinations. This increase would be devastating to the Steamboat tourism community, and the loss of guests would result in a much steeper path to recovery for local businesses that are still trying to regain footing after COVID-19 losses.

It is our firm belief that City Council and the tourism and hospitality industry of Steamboat Springs can come to the table to collaboratively find a solution to the affordable housing issue, and we appreciate your willingness to consider our perspective. We stand committed to working with Council to vet the proposals at hand and work to create a mutually beneficial path toward affordable housing options.

Sincerely,

Nick Sharp, President  
Patrick Funk, Vice President  
Mark Stanford, Secretary  
Hannah Hopkins, Treasurer  
Alex Kaulbach, Board Member

**From:** [Julie Franklin](#)  
**To:** [City Council](#)  
**Subject:** FW: City Council Meeting Recap  
**Date:** Thursday, June 23, 2022 6:39:15 PM

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**From:** Heather Sloop <[REDACTED]>  
**Sent:** Thursday, June 23, 2022 5:41 PM  
**To:** Julie Franklin <[REDACTED]>  
**Cc:** Robin Crossan <[REDACTED]>  
**Subject:** Fwd: City Council Meeting Recap

Julie

Can you please forward to CC?

Heather Sloop, City Council Pro tem

*In the midst of winter, I found there was, within me, an invincible summer.  
Albert Camus*

Begin forwarded message:

**From:** Steamboat Springs Community Alliance  
<[REDACTED]>  
**Date:** June 23, 2022 at 4:59:32 PM MDT  
**To:**  
**Subject:** City Council Meeting Recap  
**Reply-To:** [REDACTED]

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**Sonja, Can we count on you to support Steamboat**

STRs and local businesses?  
We need your help!

**Plan to Attend & Submit Public Comment:**  
**Tuesday, July 5**  
Second Reading of Ordinance on Proposed STR Tax

[Donate Now](#)

[Become a Member](#)

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## RECAP:

### **City Council Moves Forward with Punitive 9% STR Tax Despite Objections**

On Monday, June 20, despite popular opposition and a widely supported alternative funding proposal, City Council voted 6-1 to approve the first reading of an ordinance that will ask voters to impose a 9% tax on short-term rentals. If approved, this would go on the November ballot.

The ordinance will impose a punitive tax on short-term rentals for a period of 20 years at a rate up to 9% and dedicate the proceeds towards increasing affordable housing. This would ultimately be done by providing incentives, contributions, and funding infrastructure associated with the additional housing and also for the purpose of addressing transportation needs; setting a hearing date; and providing an effective date.

The City Council failed to address a counter proposal by the Steamboat Springs Lodging Association for a **2% tax on all lodging and a 0.75% increase to sales tax, excluding grocery and utilities, which would generate in excess of \$10 million annually over 10 years**, meeting the funding goal of the Brown Ranch. City Council members voted 6-1 to pass the

proposal on to second reading, with Councilmember Michael Buccino voting no. Supporting public comment for the alternative proposal included; community members, local lodging companies, The Steamboat Chamber, YPN, The Board of Realtors as well as numerous local businesses.

Additions during the meeting discussion that we can expect to see in the next draft include:

- Up to 9% tax, adding both attainable and affordable housing
- Effective date of Jan 1, 2023
- Adding language to include transportation infrastructure

This increased tax lodging in Steamboat Springs (20.4% if approved) would be the highest tax in Colorado and double that of Vail (9.8%). If passed, this tax will have a severe impact on lodging companies, affecting the competitiveness of the entire destination of Steamboat, ultimately robbing the business community of important visitor spending. This tax would create a much greater economic loss on the Steamboat community than the \$12 million hoped to gain for housing.

We are raising funds to engage legal representation and preparing resources to protest this tax if the ordinance passes the second reading and is adopted onto the November Ballot. We will be evaluating the legality of the council proceedings, all aspects of the STR tax proposal, the STR overlay zone, and the possibility of legal action. Local management companies are contributing \$7,000 each at the executive level. We are asking homeowners to contribute a minimum of \$350.

#### HELPFUL LINKS:

- [Ordinance](#)
- [Summary Sheet of Ordinance](#)
- [STR Tax Revenue Estimate](#)
- [Email Council Members](#)

[View Recording](#)

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**Second and Final Reading: Tuesday, July 5**



# Plan to Attend & Submit Public Comment!

## WE NEED TO TAKE ACTION!

Here are **Three Easy Ways** YOU Can Make an Impact:

1. [Donate to SSCPA's Legal Fund](#): We are raising funds to engage legal representation and preparing resources to protest this tax if the ordinance passes the second reading and is adopted onto the November Ballot. We will be evaluating the legality of the council proceedings, all aspects of the STR tax proposal, the STR overlay zone, and will file suit against the City of Steamboat Springs. Local management companies are contributing \$7000 each at the executive level. We are asking homeowners to contribute \$350.
2. [Become a Member](#): There is power in numbers. If you are an individual STR owner or operator, you can have a voice in this battle by [becoming a member](#) or [making a donation](#) to SSCPA's legal fund.
3. **Submit Public Comment on 7/5**: We need to show up in full force on July 5. Join us in attending the meeting and submitting public comment.

[Donate Now](#)

[Become a Member](#)

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## City Council Contact Information:

- **District I: Council President Robin Crossan**

[REDACTED]  
970.819.9144

- **District III: Heather Sloop**

[REDACTED]  
970.846.4545

- **District I: Gail Garey**

[REDACTED]

970.846.9897

- **District II: Joella West**

[REDACTED]

- **District II: Michael Buccino**

[REDACTED]

970.875.1035

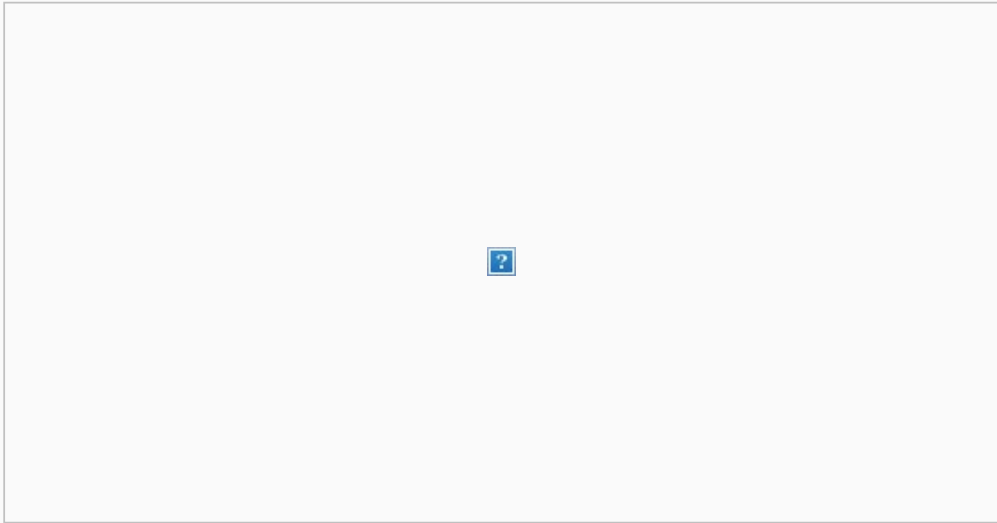
- **District III: Dakota McGinlay**

[REDACTED]

970.943.6597

- **At-large: Ed Briones**

[REDACTED]



## **Donate to the SSCPA Legal Fund Today!**

We need your help! As we navigate next steps following City Council's vote to approve the new STR ordinance we are working to raise money to support potential legal efforts.

[Donate Now](#)

## Help Grow the SSCPA

Do you know someone who supports the Steamboat Springs vacation rental community or could benefit from our updates?

Invite them to [join the Steamboat Springs Community Preservation Alliance today!](#)

-The SSCPA Board

*Dan, Robin, Doug, Suzie, and Ulrich*

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**Our mailing address is:**

Steamboat Springs Community Preservation Alliance  
1169 Hilltop Pkwy Unit 101A  
Steamboat Springs, CO 80487-3175

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