



## Legislation Text

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**File #:** 15-00431, **Version:** 1

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A resolution submitting to the registered qualified electors of the City of Colorado Springs, Colorado, at the coordinated election conducted by mail ballot to be held on Tuesday, November 3, 2015, the question of temporarily increasing sales and use taxes by 0.62% for road repairs and improvements for a period of five (5) years and constituting a voter approved revenue change exempt from spending and revenue limitations; providing for the form of the ballot title and text; providing for certain matters with respect to the election; and providing the effective date of this resolution.

**From:**

Mayor John Suthers

**Summary:**

This Resolution refers a ballot question to the qualified registered electors of the City at the November 3, 2015 coordinated election which also constitutes a special municipal election. The ballot question asks the voters whether the City sales and use tax levy (rate) shall be temporarily increased for a five year period by 0.62% to be used solely for road repairs and improvements. The road segments intended for repair or improvement are attached to the Resolution as Exhibit "A". The tax increase would raise an estimated \$50 million in the first year. The amount of new revenue raised by the increase would be a voter approved revenue and spending change exempt from otherwise applicable revenue/spending limitations under City Charter § 7-90 and Article X, § 20 of the Colorado Constitution. The Resolution also directs City staff to do all things required in connection with having the ballot measure presented to the voters.

**Previous Council Action:**

The concept of asking the voters to approve a sales tax increase for repairing City roads and streets has been discussed by Mayor Suthers and City Council beginning on June 12, 2015.

**Background:**

Under City Charter § 7-90 and Colo. Const. Art. X, § 20, all proposed tax increases must be presented to the voters, and such questions may only be presented at specified times, which includes the first Tuesday in November of odd-numbered years. The City Council may call a special election to be held as part of a coordinated election on November 3, 2015 to satisfy this requirement, which will be considered by City Council by separate resolution. As stated above, this Resolution would present the temporary sales and use tax increase for road repair question to the voters at the November 3, 2015 coordinated election.

The City's roads and streets have severely deteriorated and sufficient resources have not been available to meet the need for repairs. The temporary sales and use tax increase of 0.62% for 5 years will raise an estimated \$250 million for repair and improvement of City roads and streets. The funds will be used to resurface streets capable of being resurfaced, as well as reconstruction of those

roads and streets which have deteriorated to the point that greater effort than resurfacing is required for long term usability and public safety. The work will be contracted out to the private sector.

All revenue generated by the new temporary sales and use tax will be placed in a dedicated fund. The road repair and improvements will be budgeted and expended from this fund. The fund will not be used for any other purpose. The expenditure of these revenues for road repairs and improvements is intended to be in addition to, and not in lieu of, amounts currently being expended by the City for road maintenance and improvements.

This plan for repairing the City's roads and streets is a pay-as-we-go approach without incurring any debt or long term obligations. The expenditure of the funds will enable repair/improvements to approximately 1,000 lane miles. It is anticipated that the expenditure of these funds in this manner will have an ancillary beneficial economic impact in the community of \$41 million annually and will create 400 new jobs during the restoration period.

**Financial Implications:**

If approved by the voters, the temporary tax will raise an estimated \$250 million for road repairs; if Council does not refer the question or if it is referred but not approved by the voters, those funds will not be available for roads and streets, which will continue to deteriorate further to the point that more expensive repairs will be needed in the future.

**Board/Commission Recommendation:**

N/A

**Stakeholder Process:**

The Mayor and City Council have discussed this proposed measure publicly at the June 12, 2015 joint retreat, and at multiple public meetings since. These include Council Meetings, Council Member Town Hall meetings, a Parks Advisory Board meeting, and through social media and media interviews.

**Alternatives:**

It would be nearly impossible, without taking general funds away from critical services such as Police and Fire to find sufficient funds within existing resources to undertake substantial repair of the backlog of deteriorated streets and roads. The possibility of a property tax increase was evaluated, but voter and community surveys indicated the preferred method of funding was a five year sales and use tax increase.

**Proposed Motion:**

Move to approve a resolution submitting to the registered qualified electors of the City of Colorado Springs, Colorado, at the coordinated election conducted by mail ballot to be held on Tuesday, November 3, 2015, the question of temporarily increasing sales and use taxes by 0.62% for road repairs and improvements for a period of five (5) years and constituting a voter approved revenue change exempt from spending and revenue limitations; providing for the form of the ballot title and text; providing for certain matters with respect to the election; and providing the effective date of this resolution.

N/A