



Legislation Text

File #: 19-400, **Version:** 1

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 5, 2019, the question of extending for a five-year period the temporary sales and use tax for road repairs and improvements at a reduced rate of 0.57% as a voter approved revenue change exempt from spending and revenue limitations; providing for the form of the ballot title; providing for certain matters with respect to the election; and providing the effective date of this resolution.

Presenter:

John Suthers, Mayor of Colorado Springs
Travis Easton, Director of Public Works Department

Summary:

This Resolution refers a ballot question to the qualified registered electors of the City at the November 5, 2019 coordinated election which also constitutes a special municipal election. The ballot question asks the voters whether the temporary City sales and use tax levy (rate) for road repairs and improvements shall be extended for a five year period, at a rate reduced from 0.62% to 0.57%, to be used solely for road repairs and improvements. The additional road segments intended for repair or improvement are attached to the Resolution as Exhibit "A". The continuation of the tax would raise an estimated annual average of \$57 million during the period of the extension. The amount of revenue raised in the extended period 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 the extension of the temporary sales tax for road repairs and improvements has been discussed by Mayor Suthers and City Council at a meeting on May 29, 2019.

Background:

Under City Charter § 7-90(d)(1) and Colo. Const. Art. X, § 20(4)(a), an extension of an expiring tax 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 5, 2019 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 5, 2019 coordinated election.

During the period before January 1, 2016, the City's roads and streets had severely deteriorated and

sufficient resources were not available to meet the need for repairs. The temporary sales and use tax increase of 0.62% approved by the voters for 5 years (2016 through 2020) was intended to raise an estimated \$250 million for repair and improvement of City roads and streets. Thus far, the repairs and improvements have been directed primarily to collector and arterial streets, and those roads will continue to be fixed until the tax expires. An extension of the temporary sales and use tax at the reduced rate of 0.57% will enable the City to now repair and improve residential streets as well. The measure will allow the use of these funds on City park and golf course access roads and cemetery roads. The funds will continue to 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 extension of the 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.

This plan for repairing the City's roads and streets continues as 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 880 additional lane miles. It is anticipated that the expenditure of these funds in this manner will have a significant beneficial economic impact in the community and will maintain construction related jobs during the extended period.

UPDATE: Section 5 of the Resolution has been updated to include maintenance of effort requirements as discussed at the City Council work session on July 22, 2019.

Financial Implications:

If approved by the voters, the temporary tax will raise an estimated \$285 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 repair of many roads and street segments, which will continue to deteriorate further to the point that more expensive repairs will be needed at some time in the future.

Board/Commission Recommendation:

N/A

Stakeholder Process:

The Mayor and City Council have discussed this proposed measure publicly at the May 29, 2019 joint retreat, and at public meetings since. At its July 11, 2019 meeting, the Parks, Recreation and Cultural Services Advisory Board considered the resolution and voted to recommend that City Council adopt the resolution.

Alternatives:

It would be difficult, without taking general funds away from critical services (such as Police and Fire) to find sufficient funds within existing resources to continue to undertake substantial repair of the backlog of deteriorated streets and roads. The possibility of a property tax increase was previously evaluated, but voter and community surveys indicated the preferred method of funding was an extension of the temporary 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 5, 2019, the question of extending for a five-year period the temporary sales and use tax for road repairs and improvements at a reduced rate of 0.57% as a voter approved revenue change exempt from spending and revenue limitations; providing for the form of the ballot title; providing for certain matters with respect to the election; and providing the effective date of this resolution.

N/A