

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 22

DATE: August 16, 2005

STAFF: Darin Atteberry
Diane Jones
Ann Turnquist

SUBJECT

Resolution 2005-092 Submitting to the Registered Electors of the City an Ordinance Extending the Existing Twenty-Five Hundredths Percent (0.25%) "Community Enhancement" Capital Projects Sales and Use Tax on All Taxable Items Except Food for a Period of Ten Years for the Purpose of Obtaining Revenue for Certain "Building on Basics" Capital Projects and Related Operation and Maintenance.

RECOMMENDATION

Staff recommends adoption of the Resolution.

FINANCIAL IMPACT

The extension of the one-quarter cent sales and use tax will result in \$5.6 million of revenue available per year for designated capital improvement projects. The tax is currently set to expire on December 31, 2005. The term of the tax extension is January 1, 2006 through December 31, 2015 (10 years) and the total yield will be \$56 million (2005 constant dollars.)

The financial impact on taxpayers will be a continuation of the current one-quarter cent sales and use tax on all taxable purchases except food. This will result in a continued tax of 25 cents on a \$100 taxable purchase.

EXECUTIVE SUMMARY

City Council has worked with citizens, staff, and boards and commissions over the past months to develop a list of projects for voters to consider funding through the extension of the current one-quarter cent capital sales tax. City Council has considered the list of possible projects at several recent work sessions and has developed a list of projects to place before the voters. This list includes 13 projects, totaling \$51.8 million in capital costs and \$4.4 million in associated operations and maintenance costs for the first 7 years of operational life of each project.

The Resolution places the question of whether to extend the sales and use tax before the voters on the November 1, 2005 ballot. Voters will be asked to approve the list of projects and several provisions within the Ordinance that will guide the construction of the projects.

BACKGROUND

In early 2005, staff presented City Council with a list of 34 high priority projects for consideration as part of the *Building on Basics* sales tax program. The projects total over \$189 million in funds needed, and cross many different service needs, including roads/multi-modal projects, transit, bike/pedestrian projects, libraries, cultural facilities, parks and recreation, police and natural areas.

The project list was based on adopted City master plans, including the Transportation Master Plan, Parks Master Plan, Cultural Facilities Plan, Library Master Plan, General Governmental Facilities Master Plan and Natural Areas Policy Plan. During 2004, the City conducted extensive outreach with citizens via Open Houses, Web Surveys, speaker's bureau, newsletters, newspaper articles and columns, City Council meetings, and the City website. City Council has also received recommendations from boards and commissions including the Transportation Board, Parks and Recreation Board, Cultural Resources Board, Library Board, Natural Resources Advisory Board, Senior Advisory Board and Air Quality Board.

During the past several months, City Council has met several times to review the proposed projects and develop a list of projects to present to voters at the November 1, 2005 election. On August 9, 2005, City Council directed staff to prepare an Ordinance and ballot language that will include 13 projects with a total cost of \$56.2 million. The final list includes the following projects:

- Intersection Improvements and Traffic Signals (including Harmony/College)
- Timberline Road - Drake Road to Prospect Road
- Harmony Road - Seneca Street to College Avenue
- Lincoln Center Renovation and Cultural Facilities Plan
- Park Upgrades and Enhancements
- Fort Collins Senior Center Improvements
- Fort Collins Museum/Discovery Science Center Joint Facility
- Fort Collins Bicycle Program Implementation
- Pedestrian Plan and Disability Access Improvements
- North College Avenue Improvements Phase 2 - Vine Drive to Conifer Street
- Transit Fleet Vehicle Replacement
- Library Technology
- Police Services CAD/RMS/JMS Replacement Project

The list represents a package of projects that should appeal to a variety of voters while addressing basic needs and critical deficiencies in several categories. The package is allocated 56% to Transportation needs, 43% to Cultural, Library and Recreational projects and 1% to Police Services capital needs.

Highlights of the Ordinance/Ballot Language

Staff has developed a Resolution to place an Ordinance before the voters which will renew the *Building Community Choices* sales and use tax currently set to expire December 31, 2005. The

Resolution refers the issue of renewal of the tax to the voters at the November 1, 2005 special City election. The Ordinance, which will be adopted if the measure is approved by the voters, includes several provisions which will be used in the implementation of the *Building on Basics* capital plan. Provisions include:

- A tax term of 10 years (January 1, 2006 through December 31, 2015)
- At least 7 years of Operations and Maintenance costs for projects
- A provision that any excess revenues remaining after all projects are completed and at least 7 years of operation and maintenance has been provided will be directed to any capital project or additional operation and maintenance of BOB projects, as directed by City Council.
- Detailed information about the implementation of the tax such as permission for Council to decide on the project schedule, specific costs and scope within general project description.
- A contingency that requires that City funds be expended on the Museum/Discovery Science Center Joint Facility project upon successful private fundraising for DSC portion of the project. The DSC will be required to raise, have pledges or "in-kind" contributions valued at \$3.6 million before Building on Basics funding will be available for the project.

The Resolution also includes the detailed ballot language that will appear on the November 1, 2005 special City election ballot. The ballot language presents a bulleted list of 13 projects for the voters to approve as a package. The full text of the Ordinance and Exhibit "A" (Project Descriptions) will be included in the TABOR notice sent to each voter household prior to the election.

ATTACHMENTS

1. Final Council Project List Spreadsheet

Building on Basics 2005

Final Council Project List

(.25 cent tax over 10 years = \$56 million)

August 11, 2005

	Unfunded Cost (In thousands)	Annual Additional O&M (In thousands)	Capital Costs	Total New O & M Costs, Annual	Total New O&M for 7 Years (in thousands)
Total of Projects Selected:			\$ 51,823	\$ 629	
Total Cost with 7 yrs. O&M:			\$ 56,226		
libraries	\$ 5,950	-	\$ 5,950	-	\$ -
Cultural Facilities	\$ 6,000	200	\$ 6,000	200	\$ 1,400
Fort Collins Museum/Discovery Science Center Joint Facility	\$ 5,000	24	\$ 5,000	24	\$ 168
Lincoln Center Renovation and Cultural Facilities Plan	\$ 1,525	45	\$ 1,525	45	\$ 315
Parks and Recreation	\$ 4,000	45	\$ 4,000	45	\$ 315
Park Upgrades and Enhancements	\$ 600	219	\$ 600	219	\$ 1,533
Fort Collins Senior Center Improvements	\$ 3,969	19	\$ 3,969	19	\$ 133
Police Services Project	\$ 4,000	6	\$ 4,000	6	\$ 42
Police Services CAD/RMS/JMS Replacement Project	\$ 4,856	16	\$ 4,856	16	\$ 112
Roads/Multi-Modal Transportation Projects	\$ 11,000	5	\$ 11,000	5	\$ 35
Harmony Road - Seneca to College Avenue	\$ 923	-	\$ 923	-	\$ -
North College Avenue Improvements Phase 2 - Vine Drive to Conifer Street	\$ 1,000	-	\$ 1,000	-	\$ -
Timberline Road - Drake Road to Prospect Road	\$ 3,000	50	\$ 3,000	50	\$ 350
Intersection Improvements and Traffic Signals (including Harmony/College)					
Transit					
Transit Fleet Vehicle Replacement					
Bike/Pedestrian Enhancements					
Fort Collins Bicycle Program Implementation					
Pedestrian Plan and Disability Access Improvements					
Total of Projects Selected:			\$ 51,823	\$ 629	\$ 4,403

RESOLUTION 2005-092
OF THE COUNCIL OF THE CITY OF FORT COLLINS
SUBMITTING TO THE REGISTERED ELECTORS OF THE CITY AN ORDINANCE
EXTENDING THE EXISTING TWENTY-FIVE HUNDREDTHS PERCENT (0.25%)
“COMMUNITY ENHANCEMENT” CAPITAL PROJECTS SALES AND USE TAX ON ALL
TAXABLE ITEMS EXCEPT FOOD FOR A PERIOD OF TEN YEARS FOR THE PURPOSE
OF OBTAINING REVENUE FOR CERTAIN “BUILDING ON BASICS” CAPITAL
PROJECTS AND RELATED OPERATION AND MAINTENANCE

WHEREAS, the City of Fort Collins has enacted a comprehensive sales and use tax, which enactment is codified in Chapter 25, Article III of the Code of the City of Fort Collins (the “Code”); and

WHEREAS, the amount of such tax presently imposed by the Code, as contained in Section 25-75(a) thereof, includes a twenty-five hundredths percent (0.25%) tax (the “Existing Tax”) for the construction of certain capital projects as identified in Ordinance 31, 1997, and approved by the City Council according to the provisions of said Ordinance; and

WHEREAS, the Existing Tax will expire at midnight on December 31, 2005; and

WHEREAS, the City Council believes it would be in the best interests of the citizens of the city to extend the Existing Tax for an additional ten-year period of time to generate additional revenues for purposes similar to those for which the Existing Tax was originally imposed; and

WHEREAS, under Article X, Section 20 of the Colorado Constitution, any such extension would require a vote of the people; and

WHEREAS, during a series of work sessions on the “Building on Basics” Capital Improvement Program, the City Council has reviewed a variety of proposed capital projects and the operation and maintenance needs of those projects, and has identified certain of the projects which it believes are necessary for the ongoing provision of basic City services; and

WHEREAS, the purpose of this Resolution is to exercise the Council's authority under Article X, Section 3 of the City Charter to submit to the vote of the people the question of extending the Existing Tax for a period of ten years for the purpose of funding the construction and operation and maintenance of the aforementioned “Building on Basics” capital projects.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That there is hereby referred to the registered voters of the City at the next special City election to be held on November 1, 2005, the question of whether the following ordinance should be adopted:

ORDINANCE NO. 092, 2005
OF THE COUNCIL OF THE CITY OF FORT COLLINS
EXTENDING THE EXISTING TWENTY-FIVE HUNDREDTHS PERCENT (0.25%)
"COMMUNITY ENHANCEMENT" CAPITAL PROJECTS SALES AND USE TAX FOR A
PERIOD OF TEN YEARS FOR THE PURPOSE OF OBTAINING REVENUE FOR CERTAIN
"BUILDING ON BASICS" CAPITAL PROJECTS AND RELATED OPERATION AND
MAINTENANCE

WHEREAS, the City of Fort Collins has heretofore enacted a comprehensive retail sales and use tax, which enactment is codified in Chapter 25, Article III of the code of the City of Fort Collins (the "Code"); and

WHEREAS, the amount of such tax presently imposed by the Code, as contained in Section 25-75(a) thereof, includes a twenty-five hundredths percent (0.25%) tax for the construction of certain capital projects as identified in Ordinance No. 031, 1997 (the "Existing Tax"), and approved by the City Council according to the provisions of said ordinance; and

WHEREAS, the Existing Tax is scheduled to expire at midnight on December 31, 2005; and

WHEREAS, on August 16, 2005, the City Council adopted Resolution 2005-092 identifying various projects that it believes should be funded by the extension of the Existing Tax, and submitting to the registered electors of the City the question of whether an ordinance extending the Existing Tax for a period of ten years should be enacted to obtain additional revenues for the construction and operation and maintenance of certain capital projects as part of the "Building on Basics" Capital Projects Program; and

WHEREAS, at a special City election on November 1, 2005, the voters of the City of Fort Collins approved the extension of the Existing Tax for the foregoing purposes and determined that, upon the expiration of the Existing Tax, it is necessary and desirable that a new twenty-five hundredths percent (0.25%) sales and use tax on all taxable items be imposed, subject to the exceptions contained in Section 25-73(a) and (d) of the City Code, commencing January 1, 2006, for the purpose of obtaining revenues for the construction and operation and maintenance of the aforementioned capital projects.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That Section 25-75(a) of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 25-75. Rate of tax.

(a) The amount of tax hereby levied is three (3) percent of the purchase price of tangible personal property or taxable services. Twenty-five one-hundredths (0.25) percent of such amount is a tax which shall expire at midnight on December 31, 2005, and the proceeds of which shall be used for the purpose of the acquisition, construction, enhancement and maintenance of trail systems, wildlife habitat and other natural areas to benefit the citizens of the city and for the construction of certain park projects as described in Ordinance No. 29, 1997. Another twenty-five one-hundredths (0.25) percent is a tax which shall expire at midnight on December 31, 2005, and the proceeds of which shall be used for the purpose of street maintenance and overlay and for the construction of certain transportation projects as identified in Ordinance No. 30, 1997. Another twenty-five one-hundredths (0.25) percent is a tax which shall expire at midnight on December 31, 2015 ~~2005~~, and the proceeds of which shall be placed in the capital projects fund of the city for the

construction and operation and maintenance of certain capital projects as identified in Ordinance No. 092, 2005~~31~~, 1997, and approved by the City Council according to the provisions of said ordinance.

Section 2. That the revenue generated by the twenty-five hundredths percent (0.25%) sales and use tax imposed pursuant to this ordinance (the "Tax") shall be used, to the extent that such revenues are sufficient, for the construction and operation and maintenance of the capital projects described on Exhibit "A", attached hereto and incorporated herein by this reference, subject to the following terms and conditions:

- (a) The design, scheduling and amount of tax revenue to be set aside for the construction and operation and maintenance of said projects shall be determined by the City Council; provided, however, that no decision regarding the design or cost of any such project shall substantially change the essential character, or eliminate any of the components, of said projects as described on Exhibit "A", except as expressly permitted under subsection 2(b) below. This provision shall not be construed as prohibiting the City Council from:
 - (i) enhancing the scope or design of any project, or increasing the cost thereof, unless such enhancement or increase in cost would substantially impair the City's ability to fully fund the construction of any of the projects described on Exhibit "A" or the operation and maintenance of such projects for a minimum period of seven (7) years from the date of completion of their construction, excepting only those projects, if any, which have been eliminated by the City Council pursuant to the provisions of subsection (b) below; or
 - (ii) using any other revenues lawfully available to the City to enhance the scope or design of any such project, or to fund, in whole or in part, the construction, operation and/or maintenance of such project.
- (b) With the exception of the Fort Collins Museum and Discovery Science Center Joint Facility Project (the "Museum Project"), the construction of all of the projects described on Exhibit "A" shall be undertaken and completed by the city unless the City Council determines by resolution, after receiving a recommendation from the City Manager and the City's Financial Officer, that it is no longer legally or financially feasible to undertake and complete any such project without substantially altering the essential character of the same as described on Exhibit "A". Notwithstanding the foregoing, the construction of the Museum Project shall be expressly contingent upon the City's receipt of documentation satisfactory in form to the City Manager, prior to the use of any revenues generated by the Tax for the design or construction of the Museum Project, evidencing the financial ability of the Discovery Science Center to fund, through cash pledges or in-kind contributions, no less than \$3.6 million of the cost of constructing the Museum Project. The determination whether to proceed with the Museum Project shall be made by the City Council after receiving a report and recommendation from the City Manager and the City's Financial Officer.

Section 3. That any revenues generated by the Tax and remaining unexpended and unencumbered after the completion of the construction of all of the projects described on Exhibit "A", excluding any such projects eliminated by the City Council under the provisions of Section 2(b) above, may, in the discretion of the City Council, be used to fund additional operation and maintenance of such projects or for the construction, operation and/or maintenance of any other capital project approved by the City Council.

Section 4. That the full amount of revenues derived from the Tax may be retained and expended by the City, notwithstanding any state revenue or expenditure limitations including, but not limited to, those contained in Article X, Section 20 of the Colorado Constitution.

Section 5. That the amendment of Section 25-75(a) of the City Code as set forth herein shall take effect at 12:01 a.m. on January 1, 2006.

Section 6. That except as provided herein, all other provisions of Chapter 25 of the City Code shall remain in full force and effect unless otherwise rescinded or modified by action of the Council.

Exhibit A

<p align="center">Project Descriptions Building on Basics 2005</p>	<p align="center">Estimated Capital Cost (2005 dollars)</p>	<p align="center">Estimated Annual Operations and Maintenance Cost (2005 dollars)</p>
<p>Intersection Improvements and Traffic Signals This project will improve the traffic flow, safety and capacity at existing arterial intersections throughout the community (including the intersection of College Avenue and Harmony Road). Intersection improvements may include traffic signals, turn lanes, and pedestrian and bicycle improvements.</p>	<p>\$11,000,000</p>	<p>\$5,000</p>
<p>Timberline Road – Drake Road to Prospect Road This project will expand Timberline Road to 4-lane arterial street standards including travel lanes, sidewalks, bike lanes, landscaped medians, and other necessary improvements. The project will include improvement of the Timberline/Prospect intersection and its approaches to add additional through and turn lanes.</p>	<p>\$4,856,000</p>	<p>\$16,000</p>
<p>Harmony Road – Seneca Street to College Avenue This project will widen 1.7 miles of West Harmony Road between Seneca and College Avenue to 4-lane arterial street standards including bike lanes, sidewalks and a reconstruction of the Harmony/Shields intersection.</p>	<p>\$3,969,000</p>	<p>\$19,000</p>
<p>Lincoln Center Renovation and Cultural Facilities Plan The Lincoln Center, which has been the center of Fort Collins’ cultural life for 27 years, is in need of improvement and renovation. This project will provide new lighting, carpeting, rest rooms, upgraded acoustics, modern conference facilities and an elevator to the balcony. It will also provide funds for a cultural facilities plan to guide the development of future cultural facilities, such as a new performing arts center or Downtown amphitheater.</p>	<p>\$5,000,000</p>	<p>\$24,000</p>
<p>Park Upgrades and Enhancements The City has four older community parks (City Park, built in 1911; Edora Park, built in 1971; Lee Martinez Park, built in 1976; Rolland Moore Park, built in 1984) and over 30 neighborhood parks. This project will add improvements, such as new playground equipment, picnic shelters, restrooms, landscaping and sidewalks needed to keep our parks useful, enjoyable and attractive. Roselawn Cemetery does not have a restroom or office suitable for use by customers. The manual irrigation system at the cemetery is expensive to operate and wastes water. This project will provide a restroom and office at Roselawn as well as an efficient, automatic irrigation system.</p>	<p>\$1,525,000</p>	<p>\$45,000</p>

Project Descriptions Building on Basics 2005	Estimated Capital Cost (2005 dollars)	Estimated Annual Operations and Maintenance Cost (2005 dollars)
Fort Collins Senior Center Improvements This project will provide exercise and fitness facilities at the Senior Center. A fitness annex will be built on 2.5 acres of land owned by the City next to the Senior Center. Parking for the new fitness facility and additional parking for the Senior Center will also be included.	\$4,000,000	\$45,000
Fort Collins Museum/Discovery Science Center Joint Facility This project will construct a new facility in the Downtown area of Fort Collins for the City's Museum and for the Discovery Science Center. Construction of the project will be contingent upon the Discovery Science Center raising \$3.6 million for the project. The Museum/Science Center partnership will create a facility and programming that is better than the individual institutions can independently offer.	\$6,000,000	\$200,000
Fort Collins Bicycle Program Implementation This project will construct elements of the adopted Fort Collins Bicycle Program Plan. The plan includes bike lanes and trails for safe and convenient bicycle travel.	\$1,000,000	\$0
Pedestrian Plan and Disability Access Improvements This project is the continuation of pedestrian improvements citywide to eliminate hazards and remove obstacles. Improvements will include constructing missing or incomplete sidewalks, pedestrian bridges, and sidewalk ramps that comply with the Americans with Disabilities Act (ADA).	\$3,000,000	\$50,000
North College Avenue Improvements Phase 2 – Vine Drive to Conifer Street This project will provide for the re-design of North College Avenue to bring the road to current arterial standards from Vine Drive to Conifer Street and for the acquisition of right-of-way needed for construction along North College Avenue. Construction will include curb, gutter and minor street patching; redefinition and consolidation of driveways; bike lanes and sidewalks, new streetscaping and other necessary improvements.	\$4,000,000	\$6,000
Transit Fleet Vehicle Replacement This project will replace transit vehicles at the end of their useful lives to assure reliable service. This will include mini-buses, full size coaches, and service vehicles. It is anticipated that these funds will be used in conjunction with Federal matching dollars.	\$923,000	\$0
Library Technology This project will provide computers, software, databases and technology maintenance for our libraries. Library technology provides access to books, media, and subscription databases, to the internet and to personal library accounts. Library technology reduces staffing costs and enables the City to provide high-quality library services to a growing population.	\$5,950,000	\$0

<p align="center">Project Descriptions Building on Basics 2005</p>	<p align="center">Estimated Capital Cost (2005 dollars)</p>	<p align="center">Estimated Annual Operations and Maintenance Cost (2005 dollars)</p>
<p>Police Computer Aided Dispatch, Records and Jail Management System Replacement Project A new Police Computer Aided Dispatch/Records and Jail Management System (CAD/RMS/JMS) is needed to replace the existing, aging system. This project will provide an updated, enhanced CAD/RMS/JMS system for police and firefighters to continue providing a high level of service to the community.</p>	<p align="right">\$600,000</p>	<p align="right">\$219,000</p>

Section 2. That the proposed Ordinance No. 092, 2005, is hereby submitted to the registered electors of the City of Fort Collins at the next special election to be held on November 1, 2005, in substantially the following form:

CITY OF FORT COLLINS 2 _____
A CITY-INITIATED QUESTION

SHALL CITY OF FORT COLLINS TAXES BE INCREASED BY AN ESTIMATED \$6,200,000 FOR THE FIRST FULL FISCAL YEAR (2006) AND BY SUCH AMOUNTS AS MAY BE GENERATED ANNUALLY THEREAFTER BY AN ORDINANCE EXTENDING THROUGH DECEMBER 31, 2015 AN EXISTING SALES AND USE TAX AT THE RATE OF 0.25% (25 CENTS ON A \$100 PURCHASE), WHICH EXISTING TAX WAS APPROVED BY THE VOTERS IN 1997 FOR THE "COMMUNITY ENHANCEMENT" CAPITAL PROJECTS PROGRAM AND WHICH IS PRESENTLY SCHEDULED TO EXPIRE DECEMBER 31, 2005; PROVIDED THAT THE REVENUE DERIVED FROM THE EXTENSION OF SUCH TAX SHALL BE USED TO PAY THE COSTS OF PLANNING, DESIGN, RIGHT-OF-WAY ACQUISITION, CONSTRUCTION AND OPERATION AND MAINTENANCE OF THE FOLLOWING CAPITAL PROJECTS AS PART OF THE "BUILDING ON BASICS" CAPITAL PROJECT PROGRAM, SUBJECT TO THE TERMS AND CONDITIONS OF PROPOSED ORDINANCE NO. 092, 2005:

- INTERSECTION IMPROVEMENTS AND TRAFFIC SIGNALS (INCLUDING HARMONY/COLLEGE)
- TIMBERLINE ROAD - DRAKE ROAD TO PROSPECT ROAD
- HARMONY ROAD - SENECA STREET TO COLLEGE AVENUE
- LINCOLN CENTER RENOVATION AND CULTURAL FACILITIES PLAN
- PARK UPGRADES AND ENHANCEMENTS
- FORT COLLINS SENIOR CENTER IMPROVEMENTS
- FORT COLLINS MUSEUM/DISCOVERY SCIENCE CENTER JOINT FACILITY
- FORT COLLINS BICYCLE PROGRAM IMPLEMENTATION
- PEDESTRIAN PLAN AND DISABILITY ACCESS IMPROVEMENTS
- NORTH COLLEGE AVENUE IMPROVEMENTS PHASE 2 - VINE DRIVE TO CONIFER STREET
- TRANSIT FLEET VEHICLE REPLACEMENT
- LIBRARY TECHNOLOGY
- POLICE SERVICES COMPUTER AIDED DISPATCH, RECORDS AND JAIL MANAGEMENT SYSTEM REPLACEMENT PROJECT

AND FURTHER PROVIDING THAT THE FULL REVENUES DERIVED FROM THE TAX MAY BE RETAINED AND EXPENDED BY THE CITY FOR SUCH PURPOSES, NOTWITHSTANDING ANY STATE REVENUE OR EXPENDITURE LIMITATION INCLUDING, BUT NOT LIMITED TO, ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION?

___ YES

___ NO

Passed and adopted at a regular meeting of the City Council held this 16th day of August,
A.D. 2005

Mayor

ATTEST:

City Clerk