

POTENTIAL BALLOT QUESTION – INDEBTEDNESS CAP

Kathleen Osher,
Deputy City Manager

JUNE 10, 2025



RECAP OF BONDS 101

General Obligation Bonds

- Primarily secured by property taxes
- Voter approval required
- Increases taxes
- Current statutory debt cap of ~3.7% of assessed value (approximately \$46M)

Sales Tax Revenue Bonds

- Dedicated source of repayment
- Voter approval required
- May or may not increase taxes
- Does not use statutory debt capacity
- Subject to revenue volatility
- May carry complex financial covenants

Certificates of Participation

- Lease-purchase agreement subject to annual appropriation
- Flexible source of repayment
- Voter approval not required
- Does not increase taxes
- Does not use statutory debt capacity
- COPs may also be issued leveraging the value of the capital asset to be acquired or constructed (e.g. facilities) or the value of eligible real estate assets (roughly \$66M in 2024)

CAPITAL NEEDS AND EXISTING DEBT CAPACITY

Identified projects for debt (estimates):

• Service Center	\$30M
• Main Street Revitalization	\$27M
• Quad Road @ S.F. and Min. Ave	\$4M
• <u>Town Hall Art Center</u>	<u>\$3M</u>
Total	\$64M

Future Needs examples (20-year horizon):

All major City facilities	\$50M+
Project Downtown additional phases	\$100M+
Neighborhood corridor improvements	\$50M+
Park and Trail projects	\$50M+

Existing Capacity:

Cert. of Participation (COPs)	\$66M
<u>General Obligation Bonds</u>	<u>\$49M</u>
Total	\$115M

CURRENT LITTLETON CITY CHARTER

The City Charter in Section 89. General Obligation Bonds, dictates that “the total outstanding general obligation indebtedness of the City, other than for water and/or sewer bonds, shall not at any time exceed three and seven-tenths percent of the assessed valuation of the taxable property within the City as shown by the last preceding assessment for tax purposes.”

DEBT CAP COMPARISON

City	Indebtedness Limit	Actual vs. Assessed Value
Arvada	3.0%	Actual
Centennial	3.0%*	Actual
Englewood	3.0%	Actual
Greenwood Village	2.0%	Actual
Lakewood	3.0%	Actual
Littleton	3.7%	Assessed
Northglenn	5.0%*	Actual
Parker	None	n/a
Westminster	3.0%*	Actual
Wheat Ridge	3.0%	Actual

*General obligation indebtedness of the City shall be incurred and limited as provided in Article XI of the Constitution of the State of Colorado

DIFFERENCE: ASSESSED VS. ACTUAL VALUE

2025 Total Assessed Property Value

3.7% (existing G.O. debt, per charter) ~\$46M

2025 Actual Property Value

3.0% (if charter consistent with state law) ~\$290M

POTENTIAL BALLOT QUESTION

“Shall there be an amendment to the Littleton City Charter Section 89 to limit the general obligation indebtedness cap from three and seven-tenths percent (3.7%) of assessed value to three percent (3.0%) of actual value of the taxable property, as set forth in state law.”



CONSIDERATIONS: BALLOT QUESTION TIMING

Placement on November 2025 ballot:

- November 2025 ballot represents opportunity for proactive positioning to address future needs
- Limited public understanding of need and rationale

Placement on Future Year ballot:

- City has enough debt capacity for currently identified project priorities; next issue likely not needed for 3-5 years
- Charter Review Committee Report due in early 2026; could provide important citizen-driven basis for change
- Increase public understanding of need and rationale
 - Facility assessment report in August 2025
 - Informal community discussions suggest need is not clearly understood
 - Public education initiative: Summer 2025 – 2026

QUESTIONS

- Staff Recommendation: CRC Review
- Questions

