



Legislation Text

File #: Resolution 49-2021, **Version:** 1

Agenda Date: 10/12/2021

Subject:

Resolution 49-2021: Confirming city council's support of a Yes vote on Ballot Issue 3A seeking voter approval of a ¾ cent sales and use tax increase to fund the costs of capital improvement projects in the city

Prepared by: Reid Betzing, City Attorney

PURPOSE:

Does council wish to execute a resolution in support of Littleton Ballot Issue 3A?

PRESENTATIONS:

Staff Presenter(s):	Reid Betzing, City Attorney
Additional Presenter(s):	N/A

SUMMARY:

The Colorado Fair Campaign Practices Act (FCPA) allows the City Council to pass a resolution voicing their position on any ballot measure referred to the voters. City Council referred ballot measure 3A to the voters on August 26, 2021.

The Council has had many conversations over the past several years regarding the city's revenue struggle with the Capital Projects Fund (CPF). The CPF's revenue has historically been limited to building use tax and state gas tax as the two major revenue sources for an extensive list of capital needs throughout the community. In years of the past, the city's General Fund has been able to periodically transfer funds to supplement the CPF, but with increasing costs for operations those one-time opportunities are no longer possible.

The dedicated revenue sources of the CPF have proven to be erratic and unreliable to fund the city's vast infrastructure needs, including roads, bridges, major corridor improvements (e.g. Broadway, Santa Fe, Mineral, etc), building maintenance and replacements, plus the periodic replacement of the city's fleet for the Police Department, Public Works and the rest of the operating departments of the city. This past year with the economic downturn due to COVID, the funding problem has become more acute. Without a new, dedicated revenue source the CPF is projected to be depleted by the year 2025.

PRIOR ACTIONS OR DISCUSSIONS:

On August 26, 2021, at a special meeting, city council voted seven (7) to zero (0) to submit to the registered electors of the City of Littleton a ballot question regarding a ¾ cent sales and use tax increase to fund the cost of capital improvement projects.

ANALYSIS:

Staff Analysis

The Community Research and Engagement Project increased the level of voter understanding of the city's Capital Projects Fund revenue crisis. More understanding of the problem led to more support for a solution. Through all means of voter engagement (two polls, Telephone Town Hall, feedback to the Funding Fix website, qualitative research with key stakeholders, Open Littleton, etc.), there appears to be support for a sales tax question to be placed on the November 2 ballot. While a marijuana tax rate increase, or a new lodging tax were considered, only the sales tax options were determined to be the most viable to solve the city's CPF revenue problem.

Council Goal, Objective, and/or Guiding Principle

Goal 2: Financial Sustainability

Goal 8: Good Governance

Fiscal Impacts

If Ballot Issue 3A is approved by the voters the projected increase in revenue to the Capital Projects Fund will be approximately \$9.8M per year.

Alternatives

Not support Ballot Issue 3A.

PROPOSED MOTION:

I move to approve Resolution 49-2021 Confirming city council's support of a Yes vote on Ballot Issue 3A seeking voter approval of a ¾ cent sales and use tax increase to fund the costs of capital improvement projects in the city.