

CITY OF LONE TREE

RESOLUTION 21-41

A RESOLUTION OF THE LONE TREE CITY COUNCIL SUPPORTING A YES VOTE ON QUESTION 2E SEEKING VOTER APPROVAL FOR A 1% SALES AND USE TAX INCREASE FOR 10 YEARS FOR THE PURPOSE OF MAINTAINING VITAL CITY SERVICES

WHEREAS, in accordance with the Taxpayer's Bill of Rights, Article X, Section 20 of the Colorado Constitution ("TABOR"), governmental entities are required to seek advance voter approval for any new tax or tax increase it seeks to impose; and

WHEREAS, the City Council referred ballot issue 2E to be placed on the ballot for the November 2, 2021 coordinated election, seeking voter approval to impose a temporary sales and use tax rate increase of 1% for a period of ten years for the funding of vital City services including repairing, maintaining, and improving City streets and aging infrastructure, maintaining service and response times for public safety, and maintaining and improving parks, trails, and open space;; and

WHEREAS, in accordance with the Colorado Fair Campaign Practices Act (C.R.S. § 1-45-117) and pursuant to Section 2-1-150 of the Lone Tree Municipal Code, the Lone Tree City Council may pass a resolution taking a position on any ballot issue; and

WHEREAS, the City's primary source of revenue is sales tax as the City does not collect a property tax, nor does it collect taxes on the sale of food for home consumption or on automotive vehicles; and

WHEREAS, based on the current sales tax trends including an increase in online shopping and financial projections that estimate a financial deficit of over 100 million dollars between projected revenues and expenses over the next 15 years; and

WHEREAS, 80% of the City's budget goes directly to public safety, public works and capital investments; and

WHEREAS, changes to the retail sector, including increases in online shopping, have dramatically impacted the City's ability to provide core city services, including capital investments and public safety; and

WHEREAS, the City's sales tax rate of 1.5% for operations has not been increased in the 26 years since the City was founded; and

WHEREAS, a 1% sales tax increase would have a minimal impact on Lone Tree households as approximately 95% of the City's sales tax revenue is generated from shoppers who live outside of Lone Tree and the estimated impact to Lone Tree households is estimated at an average of \$7 per month; and

WHEREAS, the revenues generated from the sales tax increase would be subject to oversight by a citizen audit committee and standard independent annual financial audit; and

WHEREAS, the City of Lone Tree strives to provide high-caliber City services, despite increasing costs and flattening sales tax revenues; and

WHEREAS, the City Council and City Staff have engaged with residents beginning in 2019 and then extensively in 2021 to hear about the community's priorities regarding the City's new financial realities, now known as the Mapping our Future engagement effort; and

WHEREAS, during the 2021 Mapping our Future public engagement effort the community overwhelmingly supported raising revenues through a tax increase over cutting City services; and

WHEREAS, the City's sales tax rate is one of the lowest municipal sales tax rate on the Front Range; and

WHEREAS, even with a 1% temporary increase in the City's sales tax, Lone Tree's sales tax would still be competitive and among the lowest in the region; and

WHEREAS, residents and business leaders from throughout the community have spoken about the importance of maintaining Lone Tree as a premier community, which results in high property values; and

WHEREAS, Lone Tree's competitive advantage is not only due to its low sales tax rate but also from the quality of its infrastructure and city services; and

WHEREAS, more than four in five Lone Tree residents believe the City is heading in the right direction and the Council believes a 1% sales and use tax increase will help ensure the City is able to continue moving in this direction; and

WHEREAS, a survey of residents shows that ensuring access to parks and open space, maintaining a safe community, and investing in infrastructure are top community priorities; and

WHEREAS, the City provides exceptional services to the community that should be maintained, including paid trash and recycling services to single-family households, frequent snow plowing of residential streets, and low response times to public safety calls; and

WHEREAS, the City currently ensures that "growth pays for growth" by requiring developers to build infrastructure and, through an agreement with Rampart Range Metro District, dedicating 8 mills of property tax from RidgeGate East back to the City to provide services to new neighborhoods; and

WHEREAS, if approved by Lone Tree voters, the temporary 1% sales tax would sunset after 10 years so that the Lone Tree community may re-evaluate its need in the future; and

WHEREAS, an increase in sales tax revenue would ensure financial stability of the City so that the City can continue to provide exceptional services and community investments; and

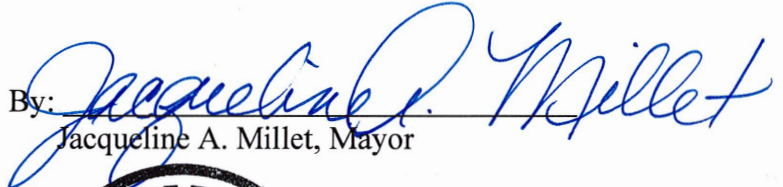
WHEREAS, if approved by voters in the November 2, 2021 coordinated election, the Lone Tree sales and use tax will be temporarily increased by a total of 1 percent,

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LONE TREE, COLORADO THAT THE CITY COUNCIL OF THE CITY OF LONE TREE HEREBY SUPPORTS A "YES" VOTE ON BALLOT ISSUE 2E AND URGES THE REGISTERED ELECTORS OF LONE TREE TO VOTE IN FAVOR OF THE PROPOSED TEMPORARY 1% SALES AND USE TAX INCREASE TO PAY FOR VITAL CITY SERVICES INCLUDING PUBLIC SAFETY, CAPITAL IMPROVEMENTS AND PARKS, TRAILS AND OPEN SPACE.

APPROVED AND ADOPTED THIS 7th DAY OF SEPTEMBER 2021.

CITY OF LONE TREE:

By:


Jacqueline A. Millet, Mayor



ATTEST :


Jay Robb, City Clerk