

RESOLUTION NO. 2021-091

**A RESOLUTION OF THE CASTLE ROCK TOWN COUNCIL
SUPPORTING A 'YES' VOTE ON BALLOT QUESTIONS 2A, 2B, 2C
AND 2D AT THE NOVEMBER 2, 2021 ELECTION**

WHEREAS, in accordance with Article X, Section 20 of the Colorado Constitution (“TABOR”), governmental entities are required to seek voter approval for any new tax they seek to impose as well as to retain and spend revenues in excess of TABOR limitations; and

WHEREAS, the Town Council referred issue 2A to be placed on the ballot for the November 2, 2021, coordinated election, seeking voter approval to impose a new housing construction tax for police and fire services; and

WHEREAS, the Town operates nationally recognized Police and Fire departments that provide high-quality law enforcement, fire protection, and emergency medical services to the community; and

WHEREAS, 75 additional police and fire personnel are needed over the next five years to keep up with increased demands for services that have resulted from growth in the Town’s population; and

WHEREAS, given the Town’s existing revenues are projected to be insufficient to meet these future staffing needs, the Town engaged the community regarding funding options, and residents supported having growth help pay for the needed positions via a new housing construction tax – paid by builders when they pull a permit for a new house or apartment – rather than by increasing the Town’s property tax mill levy on all property owners; and

WHEREAS, the Town Council also referred to be placed on the ballot issue 2B, seeking voter approval to impose a new lodging tax for Parks and Recreation purposes; and

WHEREAS, the Town operates a national award-winning Parks and Recreation Department that provides high-quality services to residents and visitors in Castle Rock; and

WHEREAS, new Parks and Recreation locations that come online require maintenance, and aging parks need refurbishment; and

WHEREAS, Castle Rock residents likely pay lodging taxes when visiting other communities, so it makes sense to ask those visiting the Town to pay their fair share for enjoying access to our Parks and Recreation amenities; and

WHEREAS, a lodging tax should not put Castle Rock hotels at a competitive disadvantage, since most of the Town’s neighboring communities already have such a tax; and

WHEREAS, the Town Council additionally referred to be placed on the ballot issue 2C, seeking voter approval to impose a 0.1% increase to the Town’s sales and use tax to use solely for the purpose of acquiring, developing and maintaining open space and trails; and

WHEREAS, respondents to the Town’s 2021 community survey said they desire additional open space more than any other Parks and Recreation feature; and

WHEREAS, the Town does not have a dedicated source for funding open space purchases, which are growing increasingly expensive, and making a community investment in this area would make a lasting impact on the Town’s livability; and

WHEREAS, with the proposed increase, the total sales tax rate in Town would be 8%, which is the same as in Parker and would add 1 cent to each \$10 taxable purchase; and

WHEREAS, roughly 60% of the sales tax paid in Town comes from people living outside of Castle Rock; and

WHEREAS, the Town Council also referred to be placed on the ballot issue 2D, seeking voter approval to retain and spend all Town revenues, including grants and contributions from other governments for interchanges and other transportation projects, for the next 10 fiscal years, beginning with the 2021 fiscal year; and

WHEREAS, importantly, issue 2D will not create new taxes or raise current ones, and the revenues retained will be used solely to pay for police, fire, emergency medical services, roads and other transportation purposes, including but not limited to the Crystal Valley/I-25 interchange; and

WHEREAS, constructing the I-25/Crystal Valley Parkway interchange is a top transportation priority for the Town, which the Town would not be able to achieve without the requested “TABOR timeout”; and

WHEREAS, the timeout is further needed because revenues thus far in 2021 are strong compared to 2020, so sales tax collections could put the Town over its TABOR revenue cap for this year – the bulk of sales tax proceeds go to fund fire and police services, so if the Town can’t keep these funds, these services would suffer; and

WHEREAS, the Town is the only municipality within Douglas County – and only one of four of Colorado’s 25 most populous communities – still impacted annually by TABOR’s revenue restrictions, and our firefighters and police officers deserve to know their jobs aren’t dependent on annual TABOR election results; and

WHEREAS, even with a yes vote, important aspects of TABOR will remain in place for the Town, including requiring voter approval for all tax increases and to issue long-term debt; and

WHEREAS, if approved by Castle Rock voters, revenue generated from the new housing construction tax, lodging tax, and sales tax increase – and any revenue retained as a result of the TABOR timeout – would go into dedicated funds to ensure they would only be used for the purposes authorized by voters; and

WHEREAS, the Castle Rock Town Council may pass a resolution taking a position on any ballot issue.

NOW, THEREFORE BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF CASTLE ROCK AS FOLLOWS:

Section 1. Statement of Support for Question 2A. The Town Council formally declares its support for question 2A: New housing construction tax for police and fire and urges registered electors in Castle Rock to vote “yes” to this question to help fund the Town’s vital police and fire services to keep Castle Rock safe.

Section 2. Statement of Support for Question 2B. The Town Council formally declares its support for question 2B: Parks and Recreation sales tax on lodging and urges registered electors in Castle Rock to vote “yes” to this question to help fund the Town’s Parks and Recreation services and keep Castle Rock special.

Section 3. Statement of Support for Question 2C. The Town Council formally declares its support for question 2C: Open space sales and use tax and urges registered electors in Castle Rock to vote “yes” to this question to help fund additional open space in Town to keep Castle Rock scenic.

Section 4. Statement of Support for Question 2D. The Town Council formally declares its support for question 2D: Use of all excess revenues solely for police, fire and roads and urges registered electors in Castle Rock to vote “yes” to this question so the Town can build the I-25/Crystal Valley Parkway interchange and offer financial security for our public safety employees.

Section 5. Publication. The Town Manager is hereby directed to make whatever arrangements are necessary to report the passage of or distribute this Resolution through established, customary means by which information about other proceedings of the Town Council is regularly provided to the public, other than paid advertising.

PASSED, APPROVED AND ADOPTED this 5th day of October 2021, by the Town Council of the Town of Castle Rock, Colorado, on first and final reading by a vote of ____ for and ____ against.

ATTEST:

TOWN OF CASTLE ROCK

Lisa Anderson, Town Clerk

Jason Gray, Mayor

Approved as to form:

Approved as to content:

Michael J. Hyman, Town Attorney

David L. Corliss, Town Manager