

Town of Castle Rock, Colorado
2021 Resident Online Community
Potential Revenue Sources Topline Report
6/7/2021

Castle Rock Online Community Overview

The Town of Castle Rock's 2021 Online Resident Community was formed to complete a deeper dive into topics of interest based on the results of the 2021 resident survey. Participants were recruited through the 2021 resident survey, and a total of 100 Castle Rock community members participated.

Notes on Reporting

The results are presented in two columns; the left column contains a summary of the themes that emerged from community members' responses, based on the researcher's analysis, and the right column contains quotes that illustrate each theme.

Items noted are opinions only; themes and quotations in the report are not meant to convey facts. Rather, they are meant to convey opinions and beliefs as expressed by the residents.

Text displayed *in all italics represents direct quotes* from community members. These quotes were selected as representative examples of common themes seen while discussing the specific subject. Bolded parts of quotes are meant to draw the reader to the portion that directly addresses the theme being illustrated within a longer quote. None of the quotes have been edited.

Executive Summary

Community members were asked about four potential revenue sources, including a property tax, a lodging tax, a tobacco tax, and a development excise tax. The tobacco tax clearly ranked as most preferred, followed by the development excise tax and lodging tax, which both had about the same level of preference. The property tax was ranked last and was the least preferred option for over half of community members.

Property Tax

In response to hearing about the percentage of property taxes that go to the Town, many community members agreed that the amount that goes to the Town seems low. Those who felt it was low often were willing to pay an increased amount of property tax in order to fund additional Police and Fire positions. Some community members agreed that the percentage of taxes going to the Town is small, but don't want taxes to be raised. Instead, they propose that the existing amount of total property tax paid should be reallocated to give the Town more.

About a quarter of community members believed that the proposed increase of \$12/month is reasonable, especially if it is going to public safety. However, about half of community members felt that the \$12/month is too high. There were concerns that this tax increase would price people out of homeownership. There were also questions about how the tax dollars will be used and why such a large increase is necessary.

Lodging Tax

The negatives of a lodging tax are related to it not being a good source of revenue for the Town. Community members feel that there is not enough demand for hotel rooms in Castle Rock to make this tax a significant source of revenue. Additionally, the lingering effects of COVID and any future events that impact travel would cause the revenue from this tax to decrease. Community members were also worried that the tax would encourage people to stay elsewhere (where hotels are less expensive), resulting in little tax revenue and less business in Castle Rock. Community members want to make sure that short-term rentals such as Airbnbs would be charged the tax as well, so that hotels would not be put at an unfair disadvantage.

In terms of positives, community members think that it is normal to pay this kind of tax to stay in a hotel and it would not change people's behavior or cause fewer people to stay in hotels in Castle Rock. Community members also like that the tax would not impact Castle Rock residents.

Tobacco Tax

The most mentioned negative of a tobacco tax is that it will cause people to go elsewhere to buy cigarettes, resulting in little revenue to the Town. Community members also think that cigarettes are already highly taxed, so the Town should consider taxing other substances instead.

Community members are generally very positive about a tobacco tax. The most mentioned positive of a tobacco tax is that it will incentivize people to stop smoking.

Development Excise Tax

The primary negative of a development excise tax that was mentioned by community members is that this tax will make home prices higher because the cost will be passed on to buyers. Community

members were also concerned about the unreliable and inconsistent nature of the revenue from this tax.

However, community members like that this tax puts the responsibility on the developer to pay for the services that are needed due to the growth in population caused by development. Another positive for some is that this tax could potentially help manage or slow growth and development in the Town.

Other Insights

When asked how their ranking of the revenue sources would change if the additional revenue was used for roads or acquisition of open space rather than additional public safety personnel, almost all community members said that their ranking would not change. Many community members are supportive of using additional tax revenue for public safety needs but think that roads and dedicated open spaces are important causes as well.

When asked what services the Town should stop providing in order to make available additional funds for public safety needs (rather than using a tax to raise additional funds), most community members said that they don't know enough about Town spending to make an informed recommendation. Many don't agree with the premise that the Town needs to cut spending, either because they think the Town should be more efficient with current funds or they don't think that the Town actually needs to spend more on public safety.

Potential Revenue Sources Activity Overview

The purpose of this activity was to determine community members' reactions to various sources of income for the Town, including a property tax, lodging tax, tobacco tax, and development excise tax (see introductory text below). Community members were asked to discuss the positives and negatives of each tax and rank them in terms of preference. This activity was posted on March 24, 2021.

Intro & Potential Revenue Source 1: Property Tax

[Forum](#) » [Revenue Sources](#) » [Intro & Potential Revenue Source 1: Property...](#)

Presently, Castle Rock relies on sales tax to fund a significant portion of the Town's operations. However, sales tax is a volatile revenue source and can be affected by numerous factors including recessions, business closures, inflation, and more. Town staff manages finances conservatively in accordance with stated priorities. As such, future revenue is projected conservatively when developing the annual budget and five-year balanced financial plan. The Town is anticipating sales tax will grow at 3% each year for the 2021 – 2025 planning period.

Town expenditure projections indicate that sales tax revenue alone cannot provide the money needed to pay for additional services that will be needed as the Town continues to grow. Of particular focus are public safety services such as police, fire, and emergency medical services.

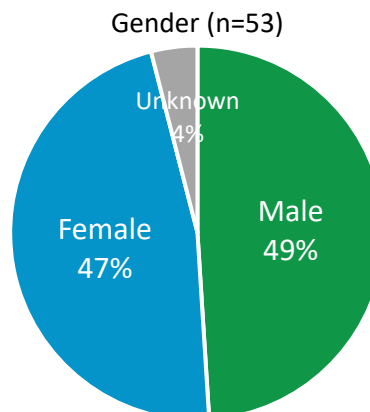
The Town is continually looking for ways to maximize how tax dollars are spent. Even so, new or additional revenue sources will be needed in the near future. For this activity, we are going to present some ideas for potential revenue sources and would like to get your thoughts on them.

For the sake of this activity, please focus on the revenue sources presented. There is an opportunity in the activity to provide your thoughts about reducing spending, etc.

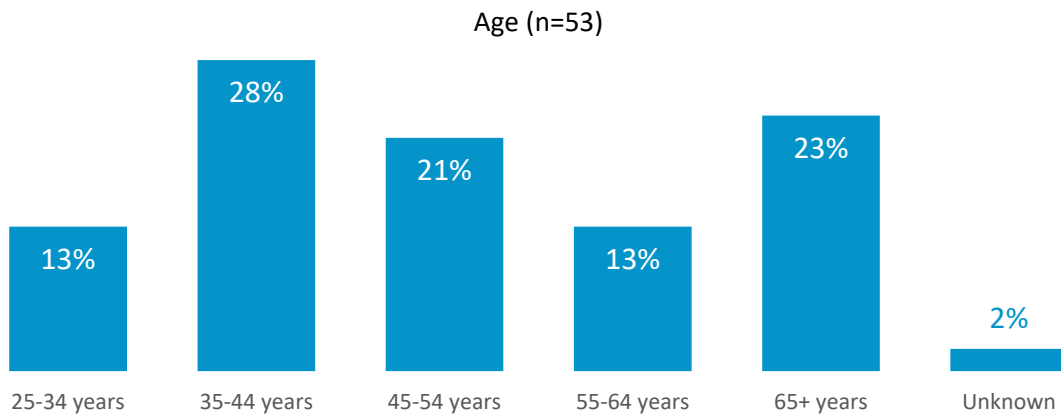
Demographics of Participants

A total of 65 community members participated in this activity. About four-fifths of participants (82% or 53 community members) came from the Scientific Survey, meaning that they received an invitation to participate in the 2021 resident survey. About one-fifth (18% or 12 people) came in through the Open Survey, meaning that they received information about the 2021 resident survey from public outreach and chose to participate. Demographics are available for those who came in through the Scientific Survey, including gender, age, number of years lived in Castle Rock, and election district.

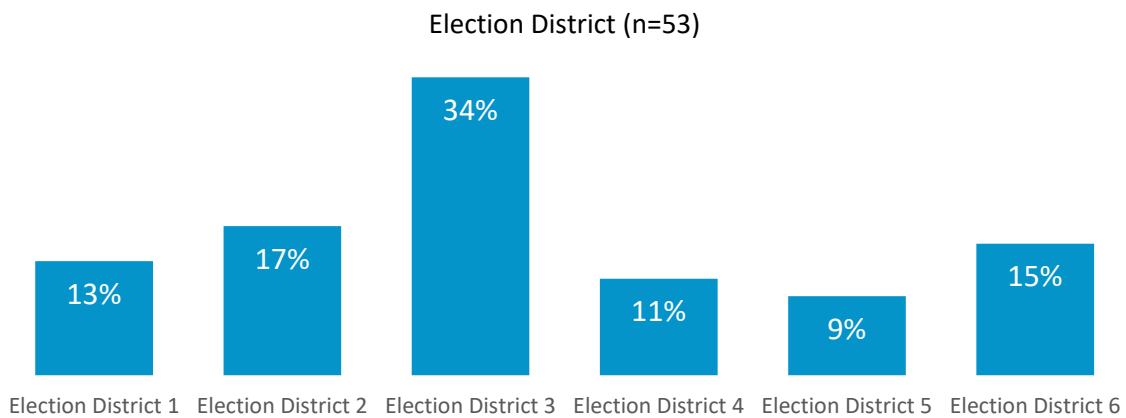
About the same percentage of men and women participated in this activity.



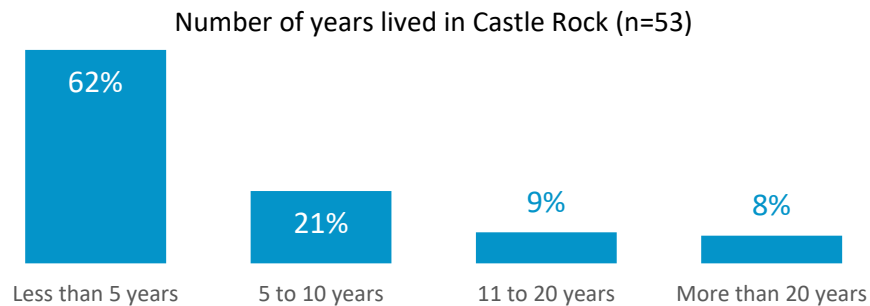
Participants tended to be older. About half of participants were between the ages of 35 and 44 or over the age of 65.



More participants came from Election District 3 compared to the other districts.



Over half of participants have lived in Castle Rock for less than five years.



3.1 Intro & Potential Revenue Source 1: Property Tax

Community members were asked to reflect on the small percentage of property tax that currently goes to the Town and react to a proposed increase in property tax (see screenshot below).

Potential Revenue Source 1: Property

Property tax is a large revenue source for counties, school districts, and many cities and towns. While the average homeowner in Castle Rock pays anywhere from \$2,000 to \$5,000 per year in property taxes depending on if the home is in a metropolitan district, **only \$37 of that total is paid to the Town**. The vast majority goes to the county, the school district, and neighborhood-level metropolitan districts.

Want proof? Visit the [Douglas County Assessor's Website](#), and enter your address. Once the information for your property loads, click "Tax Authorities" on the right side to see a breakdown of your total mill levy, and you will see just how little goes to the Town.

Other cities and towns along the Front Range have higher property tax rates than Castle Rock. If the Town were to match the property tax rate for law enforcement in unincorporated Douglas County, then the typical property tax bill would increase by \$12/month, providing an additional \$5.2 million annually for the Town, which could fund, over time, up to 40 additional Police and Fire positions.

First question on property taxes: What are your thoughts regarding the small percentage of taxes that go to the Town?

Knowing that any increase imposed by the Town would go directly to the Town, what level of property tax increase would you be willing to accept?

Reflection on percentage of property taxes that go to the Town

"It's unfortunate that such a small portion of property tax goes to the city. I'm not sure how that formula was determined, but it doesn't seem fair to the city. I would be willing to pay more in property tax to fund city needs as long as there were limitations on the growth of the tax as well as was it is used to fund." (Male, 65+, 6 years in CR, Election District 5)

Many community members agreed that the amount of property tax that goes to the Town seems low. Those who thought it was low often were willing to pay an increased amount of property tax in order to fund additional Police and Fire positions.

"Personally I would like to see the Town of Castle Rock be given more of a percentage/more funds. My property tax example: \$3,586 for 2020 taxes, of that only \$27.38 goes to the Town. That is pathetic. This is only .7635% of the total property tax premium. Think we could agree the Town deserves a larger percentage. I would consider a total of 1.5% to the Town." (Female, 65+, 6 years in CR, Election District 5)

"I do believe that the property taxes paid to the town are very low. Property taxes don't fluctuate like sales taxes do. I would be willing to accept a doubling or tripling of the property taxes to the town. It really isn't that big of a percentage increase to our overall property taxes." (Male, 35-44, 6 years in CR, Election District 6)

Some community members agreed that the percentage of taxes going to the Town is small, but don't want taxes to be raised. Instead, they propose that the existing amount of property tax should be reallocated to give the Town more.

"Why not just have a discussion about a readjustment of the taxes we already pay so more goes to the city, and allow the other services to work on getting more resources? I get some of those services I'm concerned with, but others, I'm not. I'm never looking to pay more taxes, but will always do my part per the law. I know changing what already is probably is never an option (once done, it's done) but I'm not really in favor or paying more to anyone, especially in the middle of tax season now." (Male, 55-64, 9 years in CR, Election District 3)

"Do not raise property taxes. Cost of affordable housing is high enough. Can the town receive more of a percentage of the current tax?" (Female, 45-54, 1 year in CR, Election District 6)

"I would recommend working with other taxing bodies to spread the overall tax payments with the city. Adding to the total tax base is not the answer. The other bodies will be increasing as they have in the past. Keep in mind the property sales prices continue to rise dramatically and increasing property taxes on top of mortgage payments reduces the ability of diverse demographics to be a part of Castle Rock." (Male, 55-64, 1 year in CR, Election District 2)

Acceptable level of property tax increase

About a quarter of community members believe that the proposed increase of \$12/month is reasonable, especially if it is going to public safety.

"If the increase would go directly to the town for emergency services then I'd have no problem paying the planned additional \$12/ month. That seems more than reasonable." (Male, 25-34, 1 year in CR, Election District 4)

*"I have no issue with the town increasing the property tax to fund additional police & fire personnel. Castle Rock property taxes are extremely low in comparison to other municipalities across the Front Range. What "level" of increase am I willing to accept? **I think the amount proposed, \$12/month seems reasonable. I don't want to see an increase every year though.** The other point to make is: The reason we need additional fire/police staff is because of the unrestrained growth the town council and planning commission continue to approve. How about we talk about restraining development?" (Open survey)*

"The small amount that goes to the town did surprise me. For something like a small \$12 increase a month in order to fund additional police/fire I would absolutely be willing to contribute the extra \$144/year." (Female, 35-44, 1 year in CR, Election District 4)

However, about half of community members believed that the \$12/month is too high. There were concerns that this tax increase would price people out of homeownership. There were also questions about how the tax dollars will be used and why such a large increase is necessary.

"Having lower taxes is one of the factors that is appealing. We don't want to become like Denver. A small increase would be reasonable but not the 400% a \$12 per month increase would result in!" (Open survey)

"With housing prices already so high, raising the property tax at all would be a huge concern to me. Home ownership is out of the question for so many as prices keep rising. Raising taxes on that only increases that burden. Please do not raise property taxes any more than they are currently." (Male, 35-44, 3 years in CR, Election District 1)

"I could easily support a small increase, especially given that rates are pleasantly lower than my friends in Denver - that place is crazy expensive. BUT that is also a key reason we came and why we want to stay here. A large tax hike is self-defeating. Moving it up such that it's \$12/mo is approx \$150/year. That's not small change. Do we need - really need - that much of a jump? Do we have comparative statistics or "common case load" data that shows we need 40 additional Police and Fire positions? What would it mean if we had half that? We added 20 new positions and the tax went up \$6/mo, or approx \$75? Under \$100 is manageable. Or, with \$5.2m, why allocate all of it toward Police and Fire? What about the other needs already mentioned in other forums, like, re-capturing or preserving open land to slow down the new housing...which is eating up the land...and forcing us to hire more Police and Fire?" (Male, 35-44, 2 years in CR, Election District 3)

3.2 Potential Revenue Source 2: Lodging Tax

Community members were asked to give their thoughts on the positives and negatives of a lodging tax (see screenshot below).

Potential Revenue Source 2: Lodging Tax

Forum » Revenue Sources » Potential Revenue Source 2: Lodging Tax

The resident survey has asked about a lodging tax, and it has received moderate support among survey respondents. The lodging tax would be placed on hotels within the Town, and **guests** staying at hotels would be taxed 4-6%. This is anticipated to raise \$600,000 annually, which could fund up to four additional Police and Fire positions.

What are your thoughts on a lodging tax? What are the positives **and** the negatives?

Negatives

The negatives of this tax are related to it not being a good source of revenue for the Town. Community members think that there is not enough demand for hotel rooms in Castle Rock to make this tax a significant source of revenue. Additionally, the lingering effects of COVID and any future events that impact travel would cause the revenue from this tax to decrease.

"The issue is who is using the hotels in Castle Rock? People moving or working in the area? Castle Rock does not appear to have any draws (i.e. a festival or activities that draw lots of people to fill the few hotels in the area) Are they really a good source of revenue? With the pandemic and the loss of revenue by hotels in the area, will they just decide this is not a great place to do business. Have you asked the hoteliers what they feel the impact would be? Would a smaller impact fee be more reasonable?" (45-54, 1 year in CR, Election District 1)

"What taxes are placed on lodging now? We don't have a huge tourist or business draw for filling our hotels. I'm not sure increasing the tax on hotels is our best bet. 4% is not much, but I'm curious about what the hotels think the impact will be?" (Female, 45-54, 1 year in CR, Election District 2)

"There would have been more positive outcome before the 2020 Pandemic which severely curtailed all travel by most people. But since the lockdown and subsequent opening is so slow. I sort of doubt there will be enough of that type of tax to make it worth it. I think the town should hear from the hotel managers/owners on the daily occupancy of their hotels. Revisiting this lodging tax later after things return to normal maybe wise. The breakdown I see is before 2020 the tax may've been passed and be helpful. After the Pandemic of 2020 I don't think it's wise yet. Give it a year and maybe revisit the idea would be better." (20 years in CR, Election District 4)

Community members are also worried that the tax would encourage people to stay elsewhere (where hotels are less expensive), resulting in little tax revenue and less business in Castle Rock.

*"Never really considered this before. Some positives are that it would generate revenue for the town without burdening residents (except for residence who manage or own the hotels here), and would discourage the town from becoming a tourist location, which doesn't fit with what this town is about. The negatives are that it may also apply to things like AirBnB which I think home owners should have a right to do, and **the possibility that people will choose to stay in a hotel in a nearby town instead if the rates are too high here, lowering how much revenue is actually generated, and placing an undue burden on hotel managers/owners.**" (Female, 25-34, 3 years in CR, Election District 3)*

*"As someone who travels a lot, I hate lodging taxes along with those on rental cars and other services that are supposedly paid mostly by those visiting the city. It's a ridiculous argument because if you travel at all you end up paying similar taxes in most places you visit. **While the argument that others are doing it so we might as well might make sense to some, I'd rather see not lodging tax to encourage more people to come to Castle Rock and spend their money at the Outlet Mall and other businesses.**" (Male, 65+, 6 years in CR, Election District 5)*

*"From my perspective a lodging tax is a slippery slope. While 4-6% sounds reasonable, it will always be tempting to increase it in the future. In fact, I predict it would be inevitable. It's one of those taxes that "someone else" is paying. Let's say the tax is instituted and we can fund four additional police and fire positions. As our town continues to grow we will always need more police and fire personnel. The low-hanging fruit to fund them will be the lodging tax. No new tax is seldom or ever rescinded, only increased. **At some point the lodging tax will have a negative impact on lodging, and push more people toward alternatives.**" (Male, 65+, 2 years in CR, Election District 3)*

Community members want to make sure that short term rentals such as AirBnbs would be charged the tax as well, so that hotels would not be put at an unfair disadvantage.

*"I support a moderate Lodging Tax. I owned and operated a B&B in Colorado Springs for 9 years and lived with the highest tax rate for our industry in the state. I do not believe that such a tax would negatively influence folks to come and stay. CR is not, exactly, a tourist destination so folks who visit do so for a reason (family, Outlet Shopping, business, etc.). There is no local lodging competition so you can't stay a mile or two down the road and avoid the tax. **The challenge will be to tap into the VRBO and AirB&B market as well. Perhaps the HOAs can play a part here helping to level the playing field for legitimate (i.e. tax paying) operations.**" (Male, 65+, 6 years in CR, Election District 1)*

"I would support a lodging tax on hotels and also on short term vacation rentals, although managing the collection from short term rentals I imagine would be more work." (Female, 55-64, 1 year in CR, Election District 3)

*"I think a lodging tax is a fantastic way to mitigate the need for property and sales taxes. In addition to being charged on non-residents (so it's not "us" paying the tax), it would likely have a minimal impact on economic activity (I suspect most folks just accept that there will be taxes and fees added onto the listed hotel price, and they're not likely to shop around to stay somewhere else that has a smaller lodging tax). I might not be in favor of paying "hidden" taxes myself, but it's a logical thing to do if nearby municipalities also have such taxes. **One negative would be how to enforce this. It presumably wouldn't be an issue with a hotel: I'm more concerned that people using Airbnb or similar short-term rental sites would try to fly under the radar and evade taxes that they ought to be paying. I suppose the question specifically says "hotels" would be the ones impacted: if Airbnb's are not similarly taxed, it could put hotels at a competitive disadvantage.** One other potential negative is that if we had, say, a global pandemic (I know, I'm sure that could never happen) then taxes would decrease. I wouldn't consider this a reason to avoid a lodging tax, particularly since it's one that most folks won't notice -- rather, we'd want to set some money aside in good times so that we are prepared for lean times." (Male, 25-34, 2 years in CR, Election District 3)*

Positives

Generally, community members feel that it is normal to pay this kind of tax to stay in a hotel and it would not change people's behavior or cause fewer people to stay in hotels in Castle Rock.

"Lodging taxes are seen in many places within the US. I feel that this is a reasonable tax and should be focused around the 4-4.5% mark. This would be an impact that is not directly felt by the residents, but would not be a surprise to those visiting." (Male, 35-44, 2 years in CR, Election District 2)

"Other states have a much higher lodging tax than 6% and travelers are willing to pay it. With the increase of lodging being due to long term guests working on construction sites in the town and hotel lodging being seasonal otherwise I believe this is a good way to increase revenue for our town." (Open survey)

"I think a lodging tax would be good. Most people don't consider the taxes when they choose a hotel: it's just a cost of staying there. This is a good source of revenue to get from people who benefit from the town's services but don't really pay for them. The negative is people may choose to stay somewhere with lower taxes, but I think that would be rare. When is the last time you considered the tax rate on a hotel when deciding where to stay?" (Male, 35-44, 6 years in CR, Election District 6)

Community members also like that the tax would not impact Castle Rock residents.

"Most cities have a local tax on lodging., In surprised that Castle Rock doesn't. It's a great way to raise funds without taxing local residents." (Female, 65+, less than a year in CR, Election District 5)

"Lodging taxes bring in needed revenue without impacting current residents and thus has merit. Such taxes are a normal practice in many locations and shouldn't be unwelcome for those who travel regularly." (Open survey)

"Yes - Lodging tax is good. Tourists should have to help support the services they use when they are in our Town. We're all in this together, so visitors should have to help too. It is not a deterrent - people will still come to visit Castle Rock and stay at the local hotels. Many other cities and counties have a lodging tax, so everyone is becoming used to paying it." (Open survey)

3.3 Potential Revenue Source 3: Tobacco Tax

Community members were asked to provide their thoughts on the positives and negatives of a tobacco tax (see screenshot below).

Potential Revenue Source 3: Tobacco Tax

[Forum](#) » [Revenue Sources](#) » [Potential Revenue Source 3: Tobacco Tax](#)

Many states, cities, and towns across the country have a tax on tobacco products. The Town could adopt such a tax to help cover revenue needs. The tax typically is 15 to 20 cents per cigarette, or 40% on any other tobacco product, purchased within the town. Estimates are that a tobacco tax could raise in excess of \$1.5 million annually in Town, which could fund at least 10 additional Police and Fire positions.

What are your thoughts on a tobacco tax? What are the positives **and** the negatives?

Negatives

The most mentioned negative of a tobacco tax is that it will cause people to go elsewhere to buy cigarettes, resulting in little revenue to the Town.

"Hard to see a downside to this tax other than sending folks to Castle Pines or Parker to buy their butts (and everything else they buy at the same time). After all, I quit smoking 40 years ago, at least in part because of the rising cost." (Male, 65+, 6 years in CR, Election District 1)

*"I don't have an issue with taxing tobacco products, but I am not an end user of said products. The positives would be a possible way to fund these positions, which are needed. **The negative would be that people go elsewhere for tobacco products, thereby underfunding the employee additions to the Town.**" (Male, 35-44, 2 years in CR, Election District 2)*

*"Positives would hopefully be decreasing the use of tobacco products in our area and gaining some revenue from those who still use tobacco. But again, I don't know how competitive we are with other towns nearby on this tax. **Negative would be that we would lose the sales tax revenue altogether on the sales of those items if people were to buy these products elsewhere because of the tax.**" (Open Survey)*

Community members also think that cigarettes are already highly taxed, so the Town should consider taxing other substances instead.

"With tobacco products already seeing an increase at the beginning of 2021, why is this an area that is always looked to for tax revenue? It is always the tobacco users that are burdened with tax revenue. Maybe marijuana being accessible would be a better avenue. As it stands it does not stop the use in the county, it just raises money for other counties." (Open survey)

"I never smoked, so it really doesn't affect me, but you are targeting the same people who are always targeted. Why not enact an extra city tax on liquor sales? This would take in a larger group so hopefully increase revenue even more. Taxes are never popular but, the second group is much larger." (Female, 65+, less than one year in CR, Election District 5)

"The state of Colorado has already passed that tax on all Tobacco products. I've already seen the prices of those products rise every three weeks. I don't smoke so I don't worry about those prices. However I don't think its wise to rise that type of tax on those products. People will pay for them, but that also means other things will not be bought. If the prices stabilize then look at adding a town tax, but this should also be explained to the residents and where the money would go." (20 years in CR, Election District 4)

Positives

Community members are generally very positive about a tobacco tax. The most mentioned positive of a tobacco tax is that it will incentivize people to stop smoking.

"I am fully aligned with this proposal. The positives are the additional revenue, and more people incentivized to stop the habit. I can see zero negatives to this concept." (Open Survey)

"I would strongly support this tax. It seems like a win-win. The city would gain necessary funds, while making it less attractive financially to use tobacco. This could lead to better health." (Male, 35-44, 3 years in CR, Election District 1)

"It seems to be a relatively stable source of income for the town and the higher cost could potentially deter people from using the product." (Female, 55-64, 25 years in CR, Election District 4)

3.4 Potential Revenue Source 4: Development Excise Tax

Community members were asked to provide their thoughts on the positives and negatives of a development excise tax (see screenshot below).

Potential Revenue Source 4: Development Excise Tax

Forum » Revenue Sources » Potential Revenue Source 4: Development Excis..

A development excise tax can be assessed in addition to development impact fees in place for new construction. The excise tax would **not** affect current homeowners. The tax would provide a new revenue stream, which would not be a steady revenue source due to the variability of development. So, while it could be used for adding Police and Fire positions, the Town should approach that cautiously, as the revenue to support those positions would not be available during periods of slower development. Estimates are that an excise tax of \$2,400 per new home could raise **roughly \$1.7 million annually**.

What are your thoughts on a development excise tax? What are the positives **and** the negatives?

Negatives

The primary negative mentioned by community members is that this tax will make home prices higher because the cost will be passed on to buyers.

"The negatives are that home prices, which have been escalating unreasonably already, would be that much higher. The positive is that desired additional funding wouldn't come from current homeowners." (Open Survey)

*"I like a development tax so that growth is being paid for by the developers. **However, the developer will simply add it into the cost of the home making housing a continuing issue for many as it becomes increasingly unaffordable.** Some form of tax on developers, though, makes more sense than continuing to increase property taxes." (Male, 65+, 6 years in CR, Election District 5)*

"Home prices are already ridiculously high. I'm not sure piling on extra taxes and fees is a great idea." (Female, 45-54, 1 year in CR, Election District 2)

Community members are concerned about the unreliable and inconsistent nature of the revenue from this tax.

"I believe it could be a good source of revenue as long as we have other sources also. Since it is unreliable, we need to have a predictable source also. You can't plan a budget if you don't know what money is going to be coming in. Positive: any amount coming in is good. Negative: it puts more burden on the builders, thus making costs go up. Also, you never know for sure how much money will be coming in each year." (Open Survey)

"This seems great while construction is strong however I see the issues when it slows. Especially if the town ties salaries and benefits to it for emergency services. This seems it would need to be managed completely different and not be tied to long term expenses." (Male, 25-34, 1 year in CR, Election District 4)

"I'm undecided on this tax as it is a good revenue stream that only impacts new builds, but the consistency of it is a drawback. If the funds from this tax is only used for one time projects that are needed based on growth, like road expansion, new fire station, etc., then the positives could be greater than the negatives."
(Male, 35-44, 6 years in CR, Election District 6)

Positives

Community members like that this tax puts the responsibility on the developer to pay for the services that are needed due to the growth in population caused by development.

"Intrigued by this option. It would slow development, and put the burden on companies that are causing the increase in need for police and fire in the first place. The property taxes of those that move into those new homes should be enough to pay for the ongoing cost of a greater police force etc., and this would cover the first time cost of expanding and building more facilities." (Female, 25-34, 3 years in CR, Election District 3)

"I fully support a development excise tax as a way to ensure developers are smartly building homes and paying for the long term additional costs. Now I would like to see a proposal from the town on how these funds would be used and the justification for the \$2,400." (Female, 35-44, 12 years in CR, Election District 1)

"This is an avenue that should be examined, and should have been all along. The growth precipitates the need thus should pay for it. Even if the developers would put an adder on it (which they shouldn't) and not treat it as a pass through, the housing in CR would be less than Denver proper so would still be attractive." (Male, 45-54, 15 years in CR, Election District 5)

Another positive for some community members is that it could potentially help manage or slow growth and development in the Town.

"Agree this is an area that makes sense - as makes the developer justify the economics of the market and decide whether to pay the tax or not do the project because the numbers of housing project do not meet market conditions, which is a win for growth and thus the extra resources to support the growth not needed - a self defining tax for the city." (Male, 65+, 32 years in CR, Election District 1)

"One of the big issues for a lot of people is growth, which tells me that there is a "cost" to growth beyond just the amounts that could be directly attributed to development. This additional tax could help manage growth: it would also be a relative drop in the bucket compared to the price of a new home. I also like the thought of it being a "per home" cost (rather than a percentage of the initial sales price), as that could provide a disincentive to higher density (e.g., if a builder fits 2 homes into a space that would otherwise have 3 homes, the buyers of those homes would only have \$4,800 of these taxes to pass on to buyers rather than the \$7,200 that they would have to pass on if they squeezed in a third home). The potential negative is that growth could be stifled: however, we don't seem to be at risk of that, and I doubt that a \$2,400 fee would move the needle in that regard." (Male, 25-34, 2 years in CR, Election District 3)

"It's easy to already live here and say we should implement an excise tax. At this point I'm in favor of it because it would raise funds during development and also potentially slow down the development that is growing too fast." (Male, 25-34, 6 years in CR, Election District 6)

3.5 Rank the Revenue Sources

Community members were asked to rank each revenue source from least preferred to most preferred (see screenshot below).

Rank the Revenue Sources

0% completed | page 1 of 1

Now that you have had the opportunity to review some potential revenue sources for the Town, we'd like you to rank your preferences from most preferred revenue source to least preferred revenue source.


Please refer to the potential revenue sources here:

[Property Tax](#)

[Lodging Tax](#)

[Tobacco Tax](#)

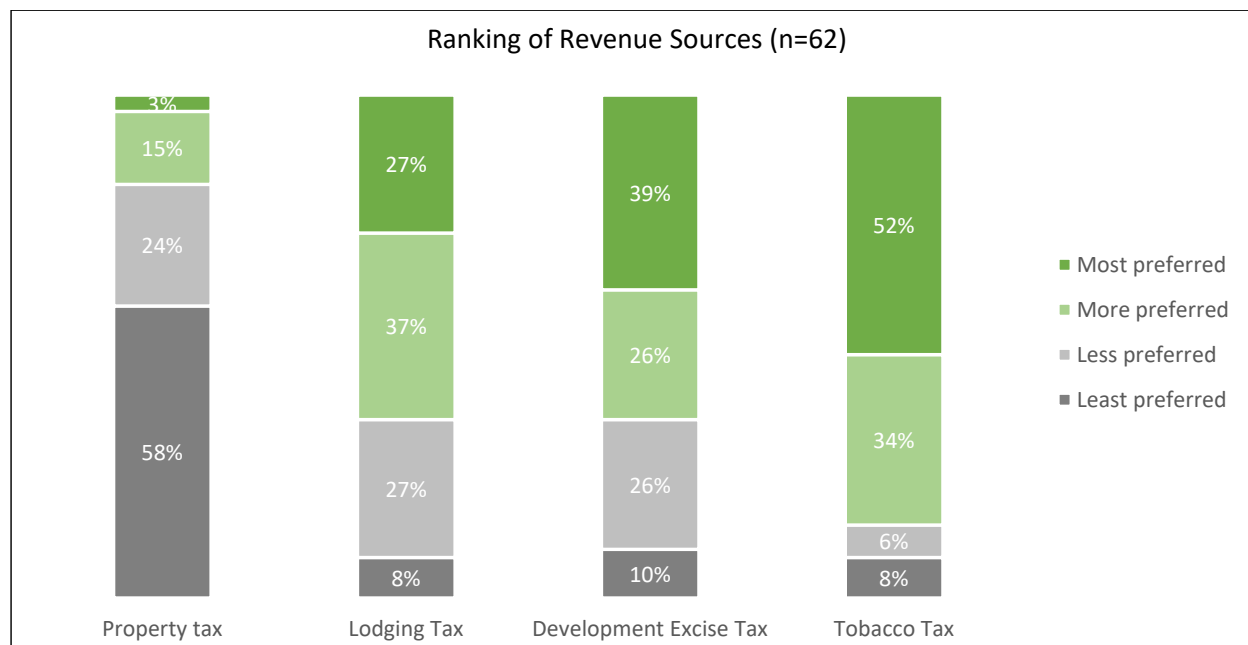
[Development Excise Tax](#)

 All groups

Rank the Revenue Sources

	Least Preferred	Less Preferred	More Preferred	Most Preferred
Property Tax	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lodging Tax	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tobacco Tax	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Development Excise Tax	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

The least preferred revenue source is a property tax and the most preferred is a tobacco tax. There is about the same amount of support for a lodging or development excise tax, with more strongly preferring a development excise tax.



3.6 Opinion on Revenue Sources

Community members were asked whether their opinions or preferences on these revenue sources would change if the additional revenues were used for road-related needs or acquisition of dedicated open space within Town (see screenshot below).

Opinion on Revenue Sources

Forum » Revenue Sources » Opinion on Revenue Sources

Now that you ranked the revenue sources, would your opinions or preferences on these revenue sources change if the additional revenues were to be used toward roads-related needs rather than additional public safety personnel?

How about if they were instead used toward acquisition of dedicated open space within Town?

Almost all community members said that their ranking would not change if the additional revenue were used for roads or acquisition of open space.

"I think I'm good with my ranking. In fact, I thought the example of police and fire personnel was just that, an example for ease of comparison between the choices. Regardless of the revenue source, it is incumbent on the town council to spend the additional revenue in a responsible manner. If police are the top priority, so be it, but if not ..." (Male, 65+, 6 years in CR, Election District 1)

"I feel the same. Best to first burden developers that are increasing the burden on our roads/need to protect open spaces, and then sustain with the increase in property taxes collected from having more houses in Castle Rock." (Female, 25-34, 3 years in CR, Election District 3)

"The priority of taxes would remain in the same order--as I see all of these areas as very important ways to use taxpayer funds." (Male, 35-44, 3 years in CR, Election District 1)

"My opinions would remain the same. We need to stop overtaxing and find ways to lower spending." (Open survey)

Many community members are supportive of using additional tax revenue for public safety needs, but feel that roads and dedicated open spaces are important causes as well.

"I'm a huge proponent of growing public safety personnel as long as it's in tandem with population growth. Roads related projects are equally important and need to be planned effectively with Town's population and development. I don't think that additional public safety personnel and increased roads related projects are an "either/ or" proposition but rather the two should be done simultaneously. And anytime the Town wants to throw in a park/dedicated open space-I'd thoroughly support that!" (Open Survey)

"While there is a need for additional public safety personnel, any new taxes or fees need to be spent addressing all issues, especially traffic and transportation." (Male, 65+, 6 years in CR, Election District 5)

"Yes, public safety is at the top of the list. However, we do need roads to be maintained. People don't realize how important road service is until something goes wrong and then they complain about it. So, yes it is an important service and deserves adequate funding also. I love that the Town supports our open space. I hope that we will always be able to purchase and maintain open space, however it should not take away from public safety and other essential needs of the community. That being said, I really hope we don't lose any of the open space we already have and can keep acquiring more." (Open Survey)

A few had specific ideas on how different tax sources could be best matched with what they will be used for.

*"I don't have visibility into any current staffing issues for public safety personnel, and the roads near me are in pretty good shape, so those are a bit of a wash (though if staffing or roads issues do exist, I can understand that those may also be priorities). **Acquiring more dedicated open space seems like a fantastic idea, though - in particular, this could pair nicely with a development excise tax, so that any additional development would be offset by additional open spaces (above and beyond the open spaces that should be required in a development anyway) -- more regional-type open spaces and hiking trails would be great.**" (Male, 25-34, 2 years in CR, Election District 3)*

"We need the roads fixed, but the town can and should charge developers." (Male, 65+, 2 years in CR, Election District 6)

"My opinions wouldn't change if the extra revenue was used for roads and not public safety. The one exception would be that the revenue sources longevity should be tied to an appropriate use, like lodging tax, should be consistent and long lasting, tied to road maintenance as compared to excise tax, may fluctuate based on demand, should be tied to more one time projects. No change based on use for open space acquisition." (Male, 35-44, 3 years in CR, Election District 1)

3.7 Saving Money

Community members were asked to think about if an additional taxes were not added in order to pay for additional public safety costs, what services the Town should cut in order to have funds for public safety needs (see screenshot below).

Saving Money

[Forum](#) » [Revenue Sources](#) » [Saving Money](#)

Now is your opportunity to provide alternatives. In the survey, many of you mentioned that the Town should cut spending in various areas to conserve finances for additional demands in public safety.

What services should the Town stop providing in order to make available additional funds for public safety needs?

Most community members said that they don't know enough about Town spending to make an informed recommendation.

"I honestly don't know enough about what the town spends money on to comment." (Female, 25-34, 3 years in CR, Election District 3)

"Without a full review of the town's spending, it's not possible for me to comment on where we can save money." (Male, 65+, 6 years in CR, Election District 5)

"I am having a difficult time answering this question without additional information. What agreement(s) are in place that need that revenue on previous contracts? What is the current budget and what had been reduced to weather this global pandemic that we could look at longer term?" (Male, 35-44, 2 years in CR, Election District 2)

Many don't agree with the premise that the Town needs to cut spending, either because they think the Town should be more efficient with current funds or they don't think that the Town actually needs to spend more on public safety.

"I would need to familiarize myself more with the various costs and services. However, I think looking at each department while looking for ways to cut excess wasteful spending is important. I am sure there is lots of waste occurring that could be cut without getting rid of certain services all together." (Male, 35-44, 3 years in CR, Election District 3)

"What services should the Town stop providing in order to make available additional funds for public safety needs? I don't agree with this supposed need. So nothing." (Male, 35-44, 1 year in CR, Election District 2)

"Absolutely 100% disagree. With the amount of growth currently being seen in Castle Rock, this is THE WRONG TIME to cut corners. We should, while doing so responsibly, be investing every penny in infrastructure. I grew up in Texas where there was explosive growth...the city I lived in was the number 1 fastest growing city in the nation...I watched as officials tried to

be overly responsible (great intentions, absolutely) and didn't get back on the curve until it was too late. Spend now and you won't have to bandaid later.” (Open Survey)

“The biggest waste I see is in the road department in the winter. Spraying deicer the afternoon before, and in case of, a "possible" storm comes leaving a messy/slick road surface: sending a street sweeper into neighborhoods when there is still snow covering parts of the streets, and plowing dry roads are just some of the examples.” (Male, 45-54, 15 years in CR, Election District 5)

“Having previously lived in the rust belt, we are constantly surprised at extensive road repair on roads that are just fine.” (Female, 45-54, 7 years in CR, Election District 2)

The very few suggestions for what to spend less on seem to center around roads.

“This is the tricky one, for sure. It's easy to be an armchair quarterback and say "the Town should spend less", but it's not as easy to cut specific items (especially when something that I may not value may be highly valued by others). I recognize that COVID-19 introduced a lot of one-off situations, but some of the aid being offered by the Town seemed a bit excessive (e.g., I think there were permanent credits being offered, and making those repayable rather than a handout could have saved money). I'm not sure that I have anything to call out as a service that should be cut: rather, I think that each department should continually strive for increased efficiency and avoid waste (I know, that's not a specific thing to cut, but should be a continual goal). I think some of the public's frustration towards "government" in general comes from seeing things that seem wasteful. As an example (not a local one), a municipality that repaves a road one year, only to tear it up a year later to do maintenance on water lines under the road is wasteful: instead, the projects should be coordinated so that the water lines can be dealt with as part of the initial road work project.” (Male, 25-34, 2 years in CR, Election District 3)