

**What does it
take to keep
Castle Rock great?**



Internationally accredited agency

Mission: Lifeline EMS cardiac care standards; cardiac arrest save rate continues to exceed the national average by 10%

Chief Croom recieved national leadership award in 2021

Selected as a Community Hero by Red Cross of Colorado for community engagement efforts during the COVID-19 pandemic



CRFD



CRPD

State-accredited agency

2021 awards:

- MoneyGeek: Safest Small City in Colorado
- SafeWise: 10 Safest Cities in Colorado

2020 award:

- Sixth-safest city in Colorado

Chief Cauley received best-selling leadership author Simon Sinek's Ignitor of the Year award in December 2019

Maintaining a margin of excellence

Two-time winner of national Gold Medal Award for excellence in the field of park and recreation management

Accredited by the Commission for Accreditation of Park and Recreation Agencies

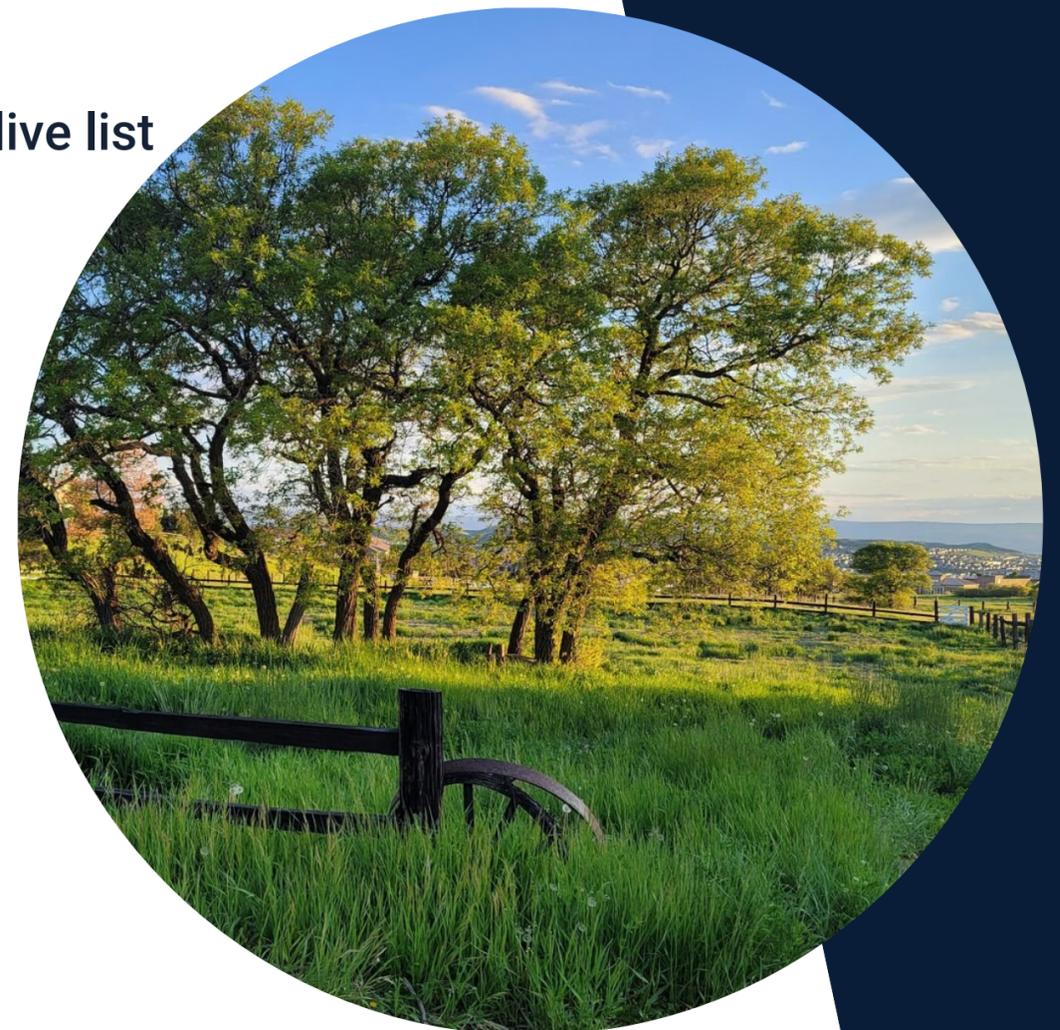
2021 awards:

- HomeSnacks: sixth best place to live in Colorado
- Zumper: best place to live in Colorado

2019 awards:

- No. 40 on Money magazine's best places to live list
- U.S. News ranked Douglas County the country's healthiest county
- ChamberofCommerce.org: No. 7 best place to live in Colorado

Offering an unparalleled quality of life



Growth since 2012

Population: 46%
Fire operations staff: 30%
Fire stations: 25%

Additional resources are needed for CRFD to reach its vision of being the best.



**Town value:
We practice responsible
care for our resources**

Officers/1,000 residents

1.05: Castle Rock
1.31: Parker
3.47: Lone Tree

To reach the same ratio as Parker, CRPD would need to add 19 staff members.

Additional financial resources are needed for CRPD to maintain its margin of excellence.





To address longer-term funding needs – particularly in the Fire and Police departments – the Town explored alternative revenues:

- property tax
- sales tax
- reallocating existing taxes
- tobacco tax
- marijuana tax
- consumers use tax
- occupational privilege tax
- admissions tax
- other options



Exploring our
revenue alternatives





Revenue assumptions

Assume 8% sales tax increase in 2021, 4.5% in 2022 and 3% in 2023-2026

2022 revenue includes one-time revenues – a \$2 million grant and \$1.3 million in developer contributions – for construction of the Colorado Front Range Trail

Funding all requests with base revenues

	2022	2023	2024	2025	2026
Revenue	\$64,278,243	\$62,642,023	\$64,586,111	\$66,566,208	\$67,361,070
Expenditures	\$61,344,704	\$64,792,194	\$68,310,446	\$76,758,082	\$80,348,466
Net change in fund balance	\$2,933,539	-\$2,150,171	-\$3,724,335	-\$9,891,874	-\$12,987,396

Funding all requests with \$7/square foot new home construction tax added to revenues

	2022	2023	2024	2025	2026
Revenue	\$78,166,243	\$76,093,783	\$76,700,031	\$78,929,728	\$79,974,190
Expenditures	\$60,666,780	\$63,842,666	\$67,368,705	\$75,447,980	\$79,312,107
Net change in fund balance	\$17,499,463	\$12,251,117	\$9,331,325	\$3,481,748	\$662,083

Funding scenarios

Voters have not approved an increase to Town tax rates since 1994. Sales tax revenue is not sufficient to meet operational needs as the community grows.

To ensure those building new homes in Castle Rock are paying their fair share – and to keep Castle Rock great – Town Council is considering asking voters this fall to approve new revenue streams or increase existing ones. Here's what's being explored:

- **new home construction tax of \$7/square foot** – amounting to \$15,400 on the average new home in Castle Rock – to add 75 Fire and Police positions between 2022 and 2026
- **.1% sales tax increase** – adding \$.01 to every \$10 taxable purchase – to fund acquisition and maintenance of open space and trails
- **6% lodging tax** – amounting to \$7.25 on a \$125/night room stay – to support parks and recreation services
- **a 10-year "timeout" from revenue restrictions of the State's TABOR law** – this does not increase taxes but, rather, allows the Town to maximize existing resources

**Potential 2021
ballot measures**

These potential ballot measures focus on those building new homes in and visiting Castle Rock paying more to maintain the great quality of life that exists within the community.



What is TABOR?

Enacted in 1992, TABOR limits the amount of revenue Colorado governments can collect and spend, and requires voter approval for tax increases and to issue debt and other multiyear financial obligations.

When revenues exceed TABOR limits, the Town can 1) refund the money in some manner, or 2) ask voters to keep and spend the money on local services.

TABOR history

Year(s)	"Surplus"	Outcome
1999	\$455,099	refunded
2000	\$7,467,311	refunded
2001	\$1,264,037	refunded
2002-2003	no surplus	-
2004	\$5.4 million	retained
2005-2014	no surplus	-
2015	\$714,580	retained
2016-2020	no surplus	-

What's a "TABOR timeout?"



Future interchange



cost: \$75M

Funding from Douglas County or developers west of I-25 for the future interchange at Crystal Valley Parkway would put the Town over its TABOR revenue cap in upcoming years, potentially impacting the Town's ability to efficiently execute this important project.



Other items



\$5-7M total

County tax-sharing for Town parks in 2021 (\$4 million), along with strong sales tax growth after the pandemic, has the Town anticipating a TABOR revenue issue of \$5-7 million in 2021.

These items, combined with the upcoming interchange project, have led Town staff to recommend placing a 10-year TABOR timeout on this November's ballot, to address these issues.

Why is a TABOR timeout needed now?



Initial ask

property tax

•37% yes, 12% strong yes, 55% no

new home tax (\$6)

•55% yes, 23% strong yes, 38% no

sales tax

•53% yes, 22% strong yes, 42% no

lodging tax

•57% yes, 23% strong yes, 36% no



Upon clarification

property tax

•43% yes, 14% strong yes, 53% no

new home tax (\$6)

•60% yes, 30% strong yes, 37% no

sales tax

•60% yes, 27% strong yes, 38% no

lodging tax

•66% yes, 31% strong yes, 32% no

TABOR timeout

•60% yes, 23% strong yes, 26% no



The polling firm the Town used looks for these factors in assessing a ballot question's **likelihood of success:**

- “Yes” vote 58-60%, with “strong yes” approaching 40%
- “No” vote under 30%



June 2021 likely voter poll results by revenue



July 6: further Council discussion/direction
July 20: first reading of ballot language ordinance
Aug. 17: second reading of ballot language ordinance

Nov. 2: Election Day – say "yes" to more resources



CRgov.com/OurFuture

**Next steps/how you can
help keep Castle Rock great**

