

## RESOLUTION NO. 03-17

### **A RESOLUTION SETTING THE TITLE FOR AND SUBMITTING TO THE ELECTORATE ON APRIL 4, 2017 A MEASURE TO INCREASE THE SALES AND USE TAX FROM 2.75% TO 3.00% AND TO RETAIN AND SPEND REVENUES AS A VOTER APPROVED REVENUE CHANGE AS DEFINED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION AND TO INCUR BONDED INDEBTEDNESS TO BUILD AN EVENT CENTER AND IMPROVE THE TWO RIVERS CONVENTION CENTER**

#### **RECITALS**

The City Council of the City of Grand Junction at its January 4, 2017 meeting considered placing a question on the April ballot asking the City electors to approve a ¼% sales and use tax rate increase for the construction and operation of an event center, for making improvements to the Two Rivers Convention Center and authorizing the City Council to borrow money to finance the project.

The proposed project will be a new 5000+ seat event center together with improvements to Two Rivers Convention Center. Because economic development is a top priority, the City Council supports the project and believes that is critical to keeping Grand Junction as a provider of regional services to the Western Slope and Eastern Utah. Grand Junction has long been a hub for shopping but with the burgeoning of Internet sales and more communities getting a broader mix of retail stores, Grand Junction needs a means to provide other services to keep it growing and vibrant. Recreation, entertainment and convention/visitors services are growing industries that can be served by this project. Incidental benefits from the project include more restaurant, motel/hotel business and the economic benefit to other businesses in the community from increased visitation. Additionally, the community will benefit by having a venue that can host large indoor sporting events, graduations, meetings and other community activities.

For these and other reasons the City Council has determined that the ¼% sales and use tax rate increase is a reasonable means of advancing the community's interests. If the ballot question increasing the sales tax rate ¼% is approved and the City is authorized to borrow money to construct the project the event center and Two Rivers Convention Center improvements would proceed without delay; borrowing to complete the project maximizes the currently favorable financial conditions and avoids increased costs due to inflation and other cost increases as well as setting a course for the future of the City.

It has been shown in recent studies that a significant portion of the City's general government revenue is derived from sales tax paid by visitors, out of area shoppers/non-City residents. Because the City is principally funded by sales tax, the tax burden on City residents is reduced and accordingly sales tax funding provides a means of sharing the cost of services among all users of the facility.

**NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION THAT:**

The ballot question will provide for the financial resources necessary for the construction and operation of the 5000+ seat event center and/or for making improvements to the Two Rivers Convention Center and with the passage of the question the City Council will begin the project as soon as possible with the funds generated therefrom/dedicated thereto being used to pay the debt for the project.

The following question shall be submitted to the registered electors at the regular municipal election on April 4, 2017.

SHALL CITY OF GRAND JUNCTION TAXES BE INCREASED \$2,300,000 IN 2017, BEGINNING July 1 AND \$4,600,000 In 2018 (THE FIRST FULL FISCAL YEAR) AND ANNUALLY THEREAFTER UNTIL DECEMBER 31, 2047, BY SUCH ADDITIONAL AMOUNT AS IS GENERATED BY INCREASING THE CITY'S SALES AND USE TAX RATE FROM 2.75% TO 3.00% FOR THE PURPOSE OF FINANCING THE COSTS OF CONSTRUCTING AND OPERATING AN EVENT CENTER AND MAKING IMPROVEMENTS TO THE TWO RIVERS CONVENTION CENTER AND SHALL CITY OF GRAND JUNCTION DEBT BE INCREASED \$65,000,000, WITH A REPAYMENT COST OF \$134,000,000 AT A NET EFFECTIVE INTEREST RATE NOT TO EXCEED 5%, TO PROVIDE FINANCING FOR CONSTRUCTION OF THE EVENTS CENTER AND FOR MAKING IMPROVEMENTS TO THE TWO RIVERS CONVENTION CENTER AND PAYING COSTS THEREOF, INCLUDING DEBT AND OTHER OPERATING EXPENSES AND RESERVES, WITH THE DEBT BEING PAYABLE FROM THE TAX INCREASE AND OTHER SALES AND USE TAX REVENUES OF THE CITY, PROVIDED THAT THE SPECIFIC TERMS OF THE DEBT, INCLUDING A PROVISION FOR EARLY REPAYMENT WITH OR WITHOUT A PREMIUM, AND THE PRICE AT WHICH IT WILL BE SOLD BEING DETERMINED BY THE CITY AS NECESSARY AND PRUDENT WITH THE CITY BEING AUTHORIZED TO IMPOSE, COLLECT, RETAIN AND SPEND SUCH REVENUES AND ANY INVESTMENT EARNINGS AND INTEREST ON SUCH REVENUES, AS A VOTER

APPROVED REVENUE CHANGE UNDER ARTICLE X, SECTION 20, OF THE COLORADO CONSTITUTION?


\_\_\_\_\_ Yes  
\_\_\_\_\_ No

The ballot title is set based upon the requirements of the Colorado Constitution and the City Charter and, pursuant to Section 31-11-102, C.R.S., is an alternative to the provisions of Section 31-11-111, C.R.S. regarding both a title and a submission clause. Pursuant to Section 31-10-1308, C.R.S., any election contest arising out of a ballot issue or ballot question election concerning the order of the ballot or the form or content of the ballot title shall be commenced by petition filed with the proper court within five days after the title of the ballot issue or ballot question is set.

If the voters authorize the debt as described in the question set forth above, the City intends to issue such debt in the approximate aggregate principal amount of \$65,00,000 to pay the costs of the project described in the debt question, including the reimbursement of certain costs incurred by the City prior to the execution and delivery of such debt, upon terms acceptable to the City, as authorized in an resolution to be hereafter adopted and to take all further action which is necessary or desirable in connection therewith. The officers, employees, and agents of the City shall take all action necessary or reasonably required to carry out, give effect to, and consummate the transactions contemplated hereby and shall take all action necessary or desirable to finance the project and to otherwise carry out the transactions contemplated by this resolution. The City shall not use reimbursed moneys for purposes prohibited by Treasury Regulation §1.150-2(h). This resolution is intended to be a declaration of "official intent" to reimburse expenditures within the meaning of Treasury Regulation §1.150-2.

Adopted this 4<sup>th</sup> day of January, 2017.

  
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Phyllis Norris  
President of the Council

ATTEST:  
  
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Stephanie Tuin  
City Clerk

