

MESA COUNTY CLERK AND RECORDER
PO BOX 20000
GRAND JUNCTION, CO 81502-5009



PRSR STD
U.S. POSTAGE PAID
Grand Junction, CO
PERMIT #134

This Election will be conducted by mail ballot. Ballot issuance and replacement is also available at the Mesa County Elections office at 200 S. Spruce Street, Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m. from March 8, 2017 through April 3, 2017, and from 7:00 a.m. to 7:00 p.m. on April 4, 2017.

TO: ALL REGISTERED VOTERS

NOTICE OF ELECTION TO INCREASE TAXES/TO INCREASE DEBT AND ON A REFERRED MEASURE

**CITY OF GRAND JUNCTION
Mesa County, Colorado**

Election Date: Tuesday, April 4, 2017
Election Hours: 7:00 a.m. to 7:00 p.m.

Local Election Office Address and Telephone Number:

Stephanie Tuin, City Clerk
City of Grand Junction
250 North 5th Street
Grand Junction, Colorado 81501
Telephone: (970) 244-1509

Summary of Written Comments AGAINST Referred Measure 2A:

Once again, the Grand Junction City Council is proposing a boondoggle. They are asking the voters to pay for an event center. The proposed facility has been promoted as a way to lure out-of-towners. Even though we taxpayers will receive little benefit, we will be on the hook for \$65 million plus \$69 million of interest if this risky "build it and they will come" gamble does not pay off.

The tax increase and related debt proposed will effectively eliminate the possibility of constructing a community/recreation center. Our schools are in dire need and the 911 system may need additional funding. A recent newspaper editorial suggested we should build "all of the above". This might work if taxpayers had unlimited funds to fork over—but most of us don't. If our sales tax is increased for an events center, other more pressing needs are less likely to be approved.

The 5,000-seat event center and expanding convention center provides almost no on-site parking. People will be expected to find parking on city streets or in the parking garage that is blocks away. Do you think a private developer would get away this?

We have consistently lost money on the Avalon and Two Rivers convention center. Why would it be any different this time? The out-of-town managers will simply walk away if the minor-league hockey team fails to draw. If hockey is so popular with locals, why has our youth hockey team been abandoned?

The ballot language is very long, is difficult to understand, and provides no protection for taxpayers of the future. Issues to consider are:

- Over the next 30 years the sales tax generated by this tax increase is likely to generate far more the amount needed for debt service. The ballot issue allows this excess to be used to pay for operating losses in addition to construction costs. Promoters have said that they expect this project to be profitable. Why would they then need to commit our tax revenue to cover losses?
- The ballot issue does not state what would happen with the tax money if the event center is profitable. While this is not likely, the ballot issue should state that our taxes will go down if operating subsidies are not required or if the debt is retired early.
- The ballot issue does not require that the City issue debt at the lowest possible interest rate. In the past, the City has paid a higher than market interest rate. This wording would allow more than the advertised \$65 million to be raised by paying an inflated interest rate.
- The ballot issue excludes the revenue generated by the tax increase from TABOR. This constitutional provision requires that taxpayers be allowed to decide if increased tax revenue should be spent or returned to those who paid it. Taxpayers should insist that any tax rate increase be subject to voter approval before future increased collections are spent.

Please vote NO on 2A.

CITY OF GRAND JUNCTION REFERRED MEASURE 2B

AUTHORIZING THE CITY TO RETAIN AND SPEND THE FUNDS IN THE RIVERSIDE PARKWAY DEBT RETIREMENT FUND (ALREADY RECEIVED AND TO BE RECEIVED UNTIL 2022) FOR ROAD CONSTRUCTION, ROAD REPAIR, AND ROAD IMPROVEMENTS INCLUDING BUT NOT LIMITED TO THE RIVERSIDE PARKWAY

WITHOUT ANY INCREASE IN TAXES OR DEBT SHALL THE CITY OF GRAND JUNCTION, COLORADO BE AUTHORIZED TO RETAIN AND SPEND ALL REVENUES, INCLUDING BUT NOT LIMITED TO THE REVENUES DEPOSITED IN THE RIVERSIDE PARKWAY DEBT RETIREMENT FUND AUTHORIZED BY THE VOTERS AS AN APPROVED REVENUE CHANGE IN 2007, NOTWITHSTANDING THE REVENUE LIMITS UNDER ARTICLE X, SECTION 20 (ALSO KNOWN AS THE TABOR AMENDMENT) OF THE COLORADO CONSTITUTION TO PAY ANY PORTION OR ALL OF THE COSTS OF CONSTRUCTION, REPAIR AND/OR REPLACEMENT OF ANY STREET, SIDEWALK OR HIGHWAY TRANSPORTATION IMPROVEMENTS, INCLUDING BUT NOT LIMITED TO REPAIR, RESURFACING AND NECESSARY RECONSTRUCTION OF THE RIVERSIDE PARKWAY AND/OR THE DESIGN, PURCHASE OF RIGHTS OF WAY AND/OR EASEMENTS FOR TRANSPORTATION IMPROVEMENTS IN THE CITY FOR EXISTING STREET(S), SIDEWALK(S) OR HIGHWAY(S) INFRASTRUCTURE UNTIL DECEMBER 31, 2022 AFTER WHICH TIME THE REVENUE LIMITS OF TABOR SHALL AGAIN APPLY TO THE CITY?

Summary of Written Comments FOR Referred Measure 2B:

No comments were filed by the constitutional deadline.

Ballot Titles and Text:

CITY OF GRAND JUNCTION REFERRED MEASURE 2A

AUTHORIZING THE CITY TO RAISE SALES AND USE TAXES BY ONE-QUARTER PERCENT AND TO INCUR ADDITIONAL DEBT FOR THE ECONOMIC DEVELOPMENT PROJECT OF CONSTRUCTION AND OPERATION OF AN EVENT CENTER AND MAKING IMPROVEMENTS TO TWO RIVERS CONVENTION CENTER

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 EVENT 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?

Total City Fiscal Year Spending

<u>Fiscal Year</u>	
2017 (estimated)	\$59,015,302
2016 (estimated)	\$61,200,662
2015 (actual)	\$60,552,346
2014 (actual)	\$57,610,677
2013 (actual)	\$56,700,493

Overall percentage change from 2013 - 2017	4.1%
Overall dollar change from 2013 - 2017	\$2,314,809

Estimate of Maximum Dollar Amount of Increase of Fiscal Year Spending with the Proposed Tax Increase

The City's estimate of the maximum dollar amount of the proposed tax increase for the first full fiscal year (2018) of the proposed tax increase: \$4,600,000

The City's estimate of fiscal year spending in 2018 without the proposed tax increase: \$59,856,385

Information on Proposed Debt

Principal Amount of Proposed Bonds:	Not to exceed \$ 65,000,000
Maximum Annual Repayment Cost:	Not to exceed \$ 5,300,000
Total Repayment Cost:	Not to exceed \$134,000,000

Information on Current City Debt¹

Principal Amount Outstanding Debt:	\$25,600,000
Maximum Annual Repayment Cost:	\$ 3,858,625
Remaining Total Repayment Cost:	\$30,836,750

Summary of Written Comments FOR Referred Measure 2A:

I am a supporter of expanding Two Rivers and adding an Event Center complex. I believe this enhancement to our community will add millions of dollars in new taxable sales (mostly paid by visitors) hundreds of new jobs, and the building of 2 new downtown hotels to help accommodate the amount of new visitors to our city. These projects will greatly increase the revenue to the city and county to help pay for increased school funding, the building of a community recreation center, and increased opportunities for all residents. All of these important goals of our community won't happen without a Yes vote on 2A. Please say Yes for Grand Junction.

¹ Excluded from debt are enterprise and annual appropriation obligations

Summary of Written Comments AGAINST Referred Measure 2B:

At first glance, voting "yes" on Measure 2B appears to be a no-brainer. However, voters should give thought to why they are being asked to divert TABOR money to such a fundamental government service as road maintenance. Placing this item on the ballot creates the impression that a no vote will result in deteriorating road conditions and that things are so dire at City hall that this is the least important thing that City government does.

Over the last few years, our City has spent millions of dollars on projects that are nice to have but are not essential government services. The Avalon theatre, the amphitheater, subsidies for Colorado Mesa University and transfers to economic development organization are examples of commitments of our tax money that have occurred without any comparison of these expenditures to basic services like road maintenance and public safety.

Recently, the City Council has been discussing the possibility of putting us in debt to the tune of \$70 million to finance an internet access project. The proposal calls for this debt to be incurred without first obtaining approval from the voters. Depending on the terms of the financing arrangement, this commitment will result in annual debt service payments of at least \$3 million per year. There has been little discussion of where this money will come from and no discussion of why this expenditure deserves a higher priority than road maintenance or other basic services we expect from the City. The fact that this massive debt is even being considered without an election at a time when this road maintenance issue is on the ballot is intellectually dishonest.

Proponents of 2B argue that the amount of additional interest incurred by extending the payoff of existing debt will be minimal when compared to the benefit that would be derived from spending the money we have set aside. This argument might have some merit if voters could believe that the City will not continue to use our money to fund pet projects.

Many taxpayers are struggling to make ends meet and have been forced to make difficult choices about how their money is spent. We must insist that our City government understand that we expect the same level of discipline when they spend the money we give them.

In an earlier ballot issue, voters directed the City to retain excess TABOR funds for early debt retirement. Why not hold the City Council to this commitment? This is the third time they have attempted to divert the funds. Being debt-free is not a bad idea!

A "NO" vote should not be interpreted to mean that you want roads to fall apart. Your "NO" vote will mean that you expect a change in how decisions are made. Tell them to take care of roads with the money we already give them and to ask us before spending millions on "feel good" projects. Not everything can be a top priority.