

**CITY OF GRAND JUNCTION, COLORADO**

**RESOLUTION NO. 05-19**

**A RESOLUTION SETTING THE TITLE FOR AND SUBMITTING TO THE ELECTORATE ON APRIL 2, 2019 A MEASURE TO INCREASE THE SALES AND USE TAX BY .39% FROM 2.75% 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 AND OPERATE A COMMUNITY CENTER AND DEVELOP A PORTION OF THE PROPERTY KNOWN AS MATCHETT PARK AND IMPROVE THE ORCHARD MESA POOL AND GYMNASIUM**

**RECITALS:**

The Grand Junction City Council at its January 16, 2019 meeting considered placing a question on the April ballot asking the City electors to approve a .39% sales and use tax rate increase for the construction and operation of a community center, development of a portion of the property known as Matchett Park (Park) and for making improvements and continued operation of Orchard Mesa pool and authorizing the City Council to borrow money to finance the project. Together the community center, improvements to Orchard Mesa pool and community space and development of a portion of the Park are referred to as the Project.

The proposed Project will be a new 98,000 square foot community center together with construction of approximately 75 acres of the Park and renovation of the Orchard Mesa pool and community space. Because of the community support for the Project and the importance of recreational facilities to the quality of life in the community, the City Council supports the Project and believes that it is vital to the citizens of Grand Junction and the greater community. Presently Grand Junction, unlike neighboring communities, has no community center but with approval of the tax increase in support of the Project the community will be benefitted greatly. Recreation facilities and amenities are important attributes for community health and well-being; features which are currently lacking in the community. With passage of the ballot measure the community will benefit by having a venue that can host meetings and other community activities as well as provide new and improved indoor aquatics, additional sports courts and provide opportunity for other indoor and outdoor leisure time activities.

For these and other reasons the City Council has determined that the .39% 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 .39% is approved and the City is authorized to borrow money to construct the community center, a portion of the Park and improvements to Orchard Mesa pool and community space the design and construction will 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 the Project among all potential users of the anticipated facilities.

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 community center and for making improvements to the Orchard Mesa pool and community space and for development of a portion of the Matchett Park property 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 debt and operational expenses incurred for the Project.

The following question shall be submitted to the registered electors at the regular municipal election on April 2, 2019.

SHALL CITY OF GRAND JUNCTION TAXES BE INCREASED \$8,250,000 ANNUALLY (FIRST FULL FISCAL YEAR DOLLAR INCREASE) AND BY WHATEVER ADDITIONAL AMOUNTS ARE RAISED ANNUALLY THEREAFTER BY A THIRTY-NINE HUNDREDTHS OF ONE PERCENT (0.39%) INCREASE IN THE CITY SALES AND USE TAX RATE, COMMENCING JANUARY 1, 2020, AND IN CONNECTION THEREWITH SHALL CITY OF GRAND JUNCTION DEBT BE INCREASED \$79,000,000 MILLION, WITH A MAXIMUM REPAYMENT COST OF \$150,000,000 MILLION, PAYABLE FROM THE REVENUE GENERATED FROM SUCH SALES AND USE TAX RATE INCREASE AND ANY OTHER LEGALLY AVAILABLE REVENUE OF THE CITY, WITH THE PROCEEDS OF SUCH DEBT AND SUCH SALES AND USE TAX RATE INCREASE BEING USED AND SPENT FOR THE CONSTRUCTION AND/OR DEVELOPMENT OF A NEW COMMUNITY CENTER, A PORTION OF MATCHETT PARK, AND IMPROVEMENTS TO THE ORCHARD MESA POOL, GYMNASIUM, LOCKER ROOMS AND RELATED COMMUNITY SPACE AND THE OPERATION OF ALL OF THE FOREGOING; AND SHALL SUCH DEBT BE EVIDENCED BY REVENUE BONDS TO BE SOLD IN ONE OR MORE SERIES FOR A PRICE ABOVE OR BELOW THE PRINCIPAL AMOUNT OF SUCH SERIES AND ON TERMS AND CONDITIONS AND WITH SUCH MATURITIES AS ARE PERMITTED BY LAW, INCLUDING PROVISIONS FOR REDEMPTION OR EARLY PAYMENT OF SUCH REVENUE BONDS WITH OR WITHOUT A PREMIUM; AND SHALL THE CITY BE AUTHORIZED TO ISSUE DEBT TO REFUND THE DEBT AUTHORIZED BY THIS QUESTION AT A HIGHER OR LOWER INTEREST RATE, PROVIDED THAT AFTER THE ISSUANCE OF SUCH REFUNDING

DEBT THE TOTAL OUTSTANDING PRINCIPAL AMOUNT OF ALL DEBT ISSUED PURSUANT TO THIS QUESTION DOES NOT EXCEED THE MAXIMUM PRINCIPAL AMOUNT SET FORTH ABOVE, AND PROVIDED FURTHER THAT ALL DEBT ISSUED BY THE CITY PURSUANT TO THIS QUESTION IS ISSUED ON TERMS THAT DO NOT EXCEED THE MAXIMUM REPAYMENT COST AUTHORIZED IN THIS QUESTION; AND SHALL SUCH SALES AND USE TAX RATE INCREASE REMAIN IN EFFECT FOLLOWING THE REPAYMENT OF THE FOREGOING DEBT AT THE SALES AND USE TAX RATE NECESSARY, NOT TO EXCEED THIRTY-NINE HUNDREDTHS OF ONE PERCENT (0.39%), TO OPERATE THE FOREGOING IMPROVEMENTS; AND SHALL THE REVENUE FROM SUCH SALES AND USE TAX RATE INCREASE AND THE PROCEEDS OF SUCH DEBT, TOGETHER WITH THE INVESTMENT EARNINGS DERIVED FROM THE SAME, BE COLLECTED, RETAINED AND SPENT AS A VOTER APPROVED REVENUE CHANGE AND AN EXCEPTION TO THE LIMITS WHICH WOULD OTHERWISE APPLY UNDER ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

\_\_\_\_\_ 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 \$79,000,000 to pay the costs of the project described in the ballot 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 16th day of January, 2019.



Barbara Traylor Smith  
President of the Council



ATTEST:



Wanda Winkelmann  
City Clerk