

**Citizens Capital Improvement Plan Committee (CCIPC)**  
**May 14, 2015**  
**Draft Meeting Summary**

**Attendance**

Melissa Beck	Lindsay Gomez	Leanna Principe
Larry Coates	Ken Haack	Julie Rasmussen
Michelle DeLaria	Harriet Hall	Ron Slinger
Ascenzo di Giacomo	Cindi Kreutzer	Janet Steinkamp
Dan Cupit	John Malito	Don Wood
Nancy Ford	Kelly Mueldener	
Michelle Glasmann	T.O. Owens	

**Staff:** Bryan Archer, Lorie Gillis, Bill Ray

**Facilitation:** Heather Bergman, David Burchfield

**Bundled Funding Packages**

The meeting began with \$60,688,000 of the total available \$72,000,000 funding allocated. The facilitator solicited bundled funding package proposals from participants. Several such bundled packages were proposed. The first proposal did not account for all of the remaining funds until various participants contributed suggestions for further funding.

**Proposal 1:**

- Simms 64<sup>th</sup> to 72<sup>nd</sup> - \$4,000,000
- Pioneer park - \$355,000
- Welton Reservoir - \$660,000
- Arvada Center - \$1,000,000 lump sum to be used as staff suggest
- Bike/Pedestrian Master Plan - \$3,000,000
- *Total: \$9,015,000*

Other participants added:

- Central Storage - \$2,000,000
- Sidewalks (previously underfunded) - \$1,000,000
- *Collaborative Proposal 1 Total: \$12,015,000*

**Proposal 2:**

- Simms 64<sup>th</sup> to 72<sup>nd</sup> - \$4,000,000
- Pioneer Park - \$355,000
- Welton Reservoir - \$660,000
- Arvada Center - \$1,500,000
- Bike/Pedestrian Master Plan - \$3,000,000
- Central Storage - \$2,000,000
- Sidewalks - \$500,000
- *Proposal 2 Total: \$12,015,000*

One participant offered a counterproposal to spend all remaining funds on an underpass on Indiana from 64<sup>th</sup> Avenue to 80<sup>th</sup> Avenue. Staff responded that:

- As a state highway (CO 72), any project on Indiana would likely be hamstrung by requisite environmental impact assessments.

- Increasing ease of access and use on Indiana may worsen regional commuting traffic along that corridor. The participant who made this proposal suggested that such improvements would also be useful to Arvada citizens in Leyden, Five Parks, and Candelas.

Proposal 3:

- Simms 64<sup>th</sup> to 72<sup>nd</sup> (bike and pedestrian portions) - \$5,500,000
- Pioneer Park - \$355,000
- Welton Reservoir - \$660,000
- Arvada Center - \$1,500,000
- Automatic Traffic Counting Equipment - \$750,000
- Central storage - \$2,000,000
- Sidewalks - \$500,000
- *Proposal 3 Total: \$11,265,000*

A member of the CCIPC who is also a member of the Transportation Committee that:

- Although the Simms project was not the highest priority for the Transportation Committee, it was the highest safety concern for the Committee.
- This project was expected to have the most cost-efficient positive effect on traffic easing.
- Only bike lanes and sidewalks are included in the project.
- Prioritization of the 72<sup>nd</sup> to 80<sup>th</sup> Avenue corridor might be desirable due to a higher density of schools.

One participant responded that it would be preferable to keep the project slated for the whole corridor to avoid traffic bottlenecks. Another participant asked about ownership issues in that corridor (most of it is county land), and staff clarified that there is sufficient right of way available for the project. A participant suggested that due to the hilly nature of the corridor, it would be less desirable for use by cyclists, so sidewalks should be prioritized.

Proposal 4:

- Arvada Center - \$1,500,000
- Central Records - \$2,500,000
- 72<sup>nd</sup> Avenue Projects - \$8,000,000
- *Proposal 4 Total: \$12,000,000*

One participant began a discussion about the importance of roads, suggesting that the primary responsibility of government is the development and maintenance of critical infrastructure. This participant expressed a belief that Arvada roads were in especially great need of attention. Staff suggested that though in many ways this is true, the City has other duties to its citizenry, including the faithful maintenance of the Arvada Center per the desires of its own citizens as expressed in the Center's establishment in 1974. Another example given was the desire expressed by the citizenry in 1964 that every citizen live within a 10 minute walk of a park – a goal that was recently achieved. Another participant responded that the City should also attend the interests associated with making it a desirable place to live among the many other metro options, and that roads might only be one part of that strategy. Another participant suggested that the Committee's responsibility was to "bring everything up together" with a balance of funded projects.

After a break, the Committee agreed on a bundled funded package without regard to order of prioritization:

### Proposal 5:

- Simms 64<sup>th</sup> to 86<sup>th</sup> (bike and pedestrian portions) - \$5,500,000
- Parks (general) - \$2,500,000
- Automatic Traffic Counters - \$750,000
- Arvada Center - \$1,500,000
- Central Storage - \$2,500,000
- *Proposal 5 Total: \$12,750,000*

As Proposal 5 exceeded the remaining funds, one participant suggested that this issue might be negated by the speculative nature of the actual total funds available, since the actual amount available for these projects will be determined over time by market performance, bonding, etc. The group agreed to keep the projects funded in the proposed amounts and then to indicate a prioritization of projects in their final report to City Council so that if funding is not sufficient to cover all of the projects, the highest priority projects are funded first.

### Alternative Funding Strategies

#### Strategy Options

The task group on alternative funding strategies presented its recommendations to the Committee. Some participants expressed a belief that the City needed to find more sources of revenue for further capital improvements to maintain (and improve upon) the high quality of life in Arvada. One participant suggested that the City's budgetary limitations were in spending and not in producing revenue. Ultimately, the Committee agreed that there is indeed a need for increased revenue as soon as possible. Seven possible strategies were discussed:

- **A special tax based on property ownership and/or development of new properties**
  - *Tax Option 1: A transportation impact fee (TIF) levied on developments of new properties, which could be levied to developers at a low rate (e.g. .25%)*
  - *Tax Option 2: A "pothole" tax levied on all property owners (residential and business)*
  - Discussion
    - A member of the group wondered whether Option1 would discourage development in Arvada.
    - Option 2 was suggested as a flat or adjusted tax to every property owner, however small, to contribute to annual roads maintenance needs.
    - Option 2 might also be based on linear footage along the road, as is done in Fort Collins. Another option might be to structure the tax based on estimated trips per household.
    - It was suggested that Option 2 might be modeled according to the stormwater fee, which currently generates ~\$4,000,000/year (~\$100/household). Similar to that fee, this tax could show up on property owners' utility bills.
    - One participant suggested that these be studied to understand viability for voter approval. Another participant suggested that if the participants in the room (a diverse group) would agree to the tax themselves, that it was likely viable. (Most participants agreed that they would tax themselves.)
    - One participant suggested a tax specifically on commuters, both individual and freight. Staff clarified that this would essentially operate as a tax on non-residents - very difficult if not impossible or illegal to implement.
    - Several participants agreed that in order to garner stronger voter approval, Option 2 should be called a "pothole" tax instead of a "roads" tax.
    - Staff noted that the last two tax increases, which were for policing needs, were approved. The last special roads tax was rejected by voters, though some

participants suggested that the political climate has changed favorably since then.

- **Increasing sales tax on certain goods and apply the revenue toward a special roads maintenance and improvement fund**
  - This was suggested as a means of generating revenue not only from residents, but also from non-residents (as the property-based taxes would not be able to do).
  - Staff clarified that:
    - The tax could be structured to affect only certain goods, but that that would require clear rationale to justify its focused effect on only certain business sectors.
    - The current sales tax is 3.46%, which generates ~\$50,000,000/year. At 3.46%, the current tax rate is highly competitive. Based on rates in neighboring cities, Arvada would not likely be at a competitive disadvantage unless it exceeded 9%. The first 6/10 of the first cent, code section 98-101, is required to be used for debt service or capital improvement.
- **Bonding**
  - Bonding is borrowing and the payback ties up money over time.
  - As a form of incurred debt, some participants suggested that this only be recommended if it were paired with a more direct form of revenue production.
- **“Squeezing” the Operations and Maintenance budget to be more efficient**
- **Crafting development plans to encourage densification**
  - This would be a low-cost mechanism to increase revenue over time by concentrating development (and therefore road needs and road impacts) into certain designated corridors.
  - Some participants expressed concerns about this proposal in that it might be:
    - Applied inequitably (too much focus on transportation hubs)
    - Beyond the scope of the Committee, especially in its complexity
  - Staff clarified that this kind of plan modification would be a “big community conversation” with complex political considerations, so it would be neither free nor necessarily easy to do.
- **Taxing internet sales**
  - As internet sales have grown and detracted from local sales tax, this might be a useful means of recapturing some of that revenue.
  - Staff clarified that this would be very difficult to do effectively.
  - Some participants suggested that although difficult, it would still be good for the City to add its voice to the national conversation around this issue.

At the conclusion of this discussion, the Committee agreed to suggest in general terms to Council that:

- The need for improving our roads is real and substantial.
- Council needs to act on this in the very near future.
- There are several funding options available (sales tax, pot hole tax, impact fees).
- Council should choose one or more of these (or something else if it accomplishes the goal) and either enact the fee or propose the ballot language for the tax/bond issue.

The Committee also discussed the possibilities of suggesting an annual revenue goal and sunseting these revenue strategies in light of staff input that such features might make this more appealing to Council and taxpayers. Discussion of an annual goal amount led to suggestions across a wide range based on:

- Amount of contribution from each household
- Costs of road maintenance (~\$4,000,000/year)

- Staff capacity to manage projects (currently ~\$10,000,000-\$12,000,000/year)
- Relative comparison to current stormwater fee revenues (~\$4,000,000/year)

Based on such diverse considerations, the Committee agreed that it had neither the information nor the expertise necessary to best set an annual goal, preferring instead to suggest that Council set an annual goal itself. Discussion of sunsetting the revenue projects followed a similar course: several options were offered, but the Committee agreed to recommend sunsetting and let Council also determine the appropriate duration of a new revenue tool.

### **CCIPC Process Recommendations**

Don Wood presented his recommendations for future CCIPC processes. He suggested a standard application form for funding consideration for City departments. He proposed that this would better inform future committees like this one and thereby truncate and streamline discussions. This document would specifically require justification for:

- Project need (with consideration of alternatives, including “doing nothing”)
- Feasibility (budgetary, logistical, etc.)
- Design needs (to be funded preliminarily such that total project costs can be better estimated)
- Expected costs to the Operations and Maintenance budget
- Possible revenue generation from the project
- Alignment with goals identified in the Master Plan

Other participants suggested that the document should include language to clarify what counts as a capital improvement project (CIP) to eliminate inappropriate applications. Another member expressed concern that the document might be too intensive to fill out. Staff replied that as this process is largely already required within City operations, it would not be difficult to include in the CCIPC process.

Don made other suggestions, which the Committee discussed.

- Projects under consideration should not be removed by staff during the process, even if funding for such projects might have been found elsewhere. This might detract from the integrity of the CCIPC’s democratic nature. Instead, if such funding is found, it should be added to the available funds and allocated as the Committee wishes. Another participant suggested that as some types of funding might not be returnable to the general CCIPC fund, that funding might be lost altogether if this requirement were instituted.
- All CIPs should be phased according to form (i.e., begin with feasibility and design).
- Council should reconsider its stipulation that “road improvements are the responsibility of the developer” as it is not being applied consistently. Staff disagreed with the concept and the example given, suggesting that the process is following its intended form.
- A few participants stated that although these suggestions were generally sound, their wording might be softened for presentation to Council. The facilitator agreed to attend to this in the draft report that the Committee will review at its next meeting.

### **Process Conclusion and Draft Report to Council**

In discussion of the draft report, the Committee agreed to allow the facilitator to independently draft a summary document for presentation to Council to be edited by the Committee in the next and final meeting. The facilitator made it clear that fine-tuning wording would not be helpful in that discussion. Rather, Committee members should focus on things in the draft report that they feel are critical to change for the inclusion of their names on the document. One participant wished to include a paragraph thanking staff for their generous contribution to the process, to which many other participants agreed. Another participant suggested that it had been difficult to navigate the confidential nature of the process. The facilitator clarified that the process was public, but only that

Committee members could not go the public to curry favor or recruit support for their own personal positions or favorite projects. Another participant suggested that facilities tours in future CCIPC processes be done with lots of notice and multiple date/time options for those members who might not be able to attend on a given date. The facilitator agreed to include these items in the draft report for the group to review at the May 28<sup>th</sup> meeting.