



645 Holbrook Street
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**NOTICE OF ELECTION TO INCREASE TAXES AND DEBT
ON A REFERRED MEASURE**

TOWN OF ERIE, COLORADO

Election Date: Tuesday, April 3, 2018
Election Hours: 7:00 a.m. to 7:00 p.m.

Local Election Office Address and Telephone Number:

Jessica Koenig, Deputy Town Clerk
Town of Erie
P.O. Box 750
645 Holbrook Street
Erie, Colorado 80516
303-926-2730

Ballot Title and Text:

TOWN OF ERIE BALLOT ISSUE 3A: BALLOT QUESTION OF THE TOWN OF ERIE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION DEBT AND AN INCREASE IN TAXES, IF NECESSARY, FOR THE EXPANSION OF TOWN HALL TO IMPROVE CUSTOMER SERVICE, INCREASE ACCESSIBILITY AND ENERGY EFFICIENCY, AND ACCOMMODATE FUTURE SERVICE NEEDS.

SHALL THE TOWN OF ERIE DEBT BE INCREASED BY NOT MORE THAN \$13,750,000, WITH A REPAYMENT COST OF NOT MORE THAN \$25,216,250, AND SHALL TOWN TAXES BE INCREASED NOT MORE THAN \$2,195,000 ANNUALLY TO REPAY SUCH DEBT FOR TOWN CAPITAL CONSTRUCTION PURPOSES, INCLUDING, BUT NOT LIMITED TO THE FOLLOWING:

- THE CONSTRUCTION AND EQUIPPING OF A TOWN HALL EXPANSION AND RENOVATION PROJECT, INCLUDING AN EXPANDED BOARD ROOM FOR GREATER AUDIENCE PARTICIPATION, COMMUNITY MEETING SPACE, HEALTH AND SAFETY UPGRADES AND ENERGY EFFICIENCY UPGRADES;

SUCH DEBT TO BE PAYABLE FROM REVENUE RECEIVED BY THE TOWN FROM PUBLIC FACILITY IMPACT FEES (FEES RECEIVED BY THE TOWN FROM THE ISSUANCE OF BUILDING PERMITS) AND CERTAIN INVESTMENT INCOME THEREON, AND TO THE EXTENT SUCH REVENUES ARE INSUFFICIENT, FROM A MILL LEVY THAT MAY BE INCREASED IN ANY YEAR WITHOUT LIMITATION AS TO RATE BUT ONLY IN AN AMOUNT SUFFICIENT TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON SUCH DEBT OR ANY REFUNDING DEBT (OR TO CREATE A RESERVE FOR SUCH PAYMENT);

SUCH DEBT TO BE EVIDENCED BY THE ISSUANCE OF GENERAL OBLIGATION BONDS OR OTHER MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS, TO BE SOLD IN ONE SERIES OR

MORE, FOR A PRICE ABOVE OR BELOW THE PRINCIPAL AMOUNT OF SUCH SERIES, ON TERMS AND CONDITIONS AND WITH SUCH MATURITIES AS PERMITTED BY LAW, INCLUDING PROVISIONS FOR REDEMPTION OF THE BONDS PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF THE PREMIUM OF NOT TO EXCEED THREE PERCENT;

AND SHALL SUCH TAX REVENUES AND THE EARNINGS FROM THE INVESTMENT OF SUCH BOND PROCEEDS AND TAX REVENUES 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?

Total Town Fiscal Year Spending¹

<u>Fiscal Year</u>		
2018 (budgeted)	\$34,531,000	
2017 (estimated unaudited)	\$35,912,000	
2016 (actual)	\$26,650,000	
2015 (actual)	\$23,593,000	
2014 (actual)	\$20,037,000	
Overall percentage change from 2014 to 2018	72%	
Overall dollar change from 2014 to 2018		\$14,494,000

Proposed Tax Increase

Town Estimate of the Maximum Dollar Amount of the Proposed Tax Increase For Fiscal Year 2019 (the First Full Fiscal Year of the Proposed Tax Increase)¹:

BALLOT ISSUE NO. 3A: \$2,195,000

Town Estimate of 2019 Fiscal Year Spending Without Proposed Tax Increase²: \$41,000,000

Information on Town’s Proposed Debt

BALLOT ISSUE NO. 3A:

Principal Amount of Proposed Bonds:	Not to exceed \$13,750,000
Maximum Annual Town Repayment Cost:	Not to exceed \$2,195,000
Total Town Repayment Cost:	Not to exceed \$25,216,250

Information on Town’s Current Debt*

Principal Amount Outstanding Debt:	\$16,240,000
Maximum Annual Repayment Cost:	\$1,867,000
Remaining Total Repayment Cost:	\$20,909,000

*Information on the Town’s current debt excludes enterprise and annual appropriation obligations

Summary of Written Comments FOR Ballot Issue No. 3A:

At this election, the Town of Erie is asking voters to approve an expansion project at Town Hall. Years ago the Town reaffirmed its commitment to preserving historic Erie Town Hall by keeping its main offices in the heart of Historic Downtown Erie. As our community grows, the Town is in near desperate need of expanding Town Hall to be able to continue to provide quality services and to prepare to provide for the next generations of service and operations.

This expansion will serve Erie for generations in an accessible, energy efficient way. It will improve customer service and make doing business at Town Hall far easier for residents and visitors. It will include a much larger Board meeting room, meeting spaces and accessibility upgrades that will be available to the community. Not only will the expansion improve customer service and make business easier for residents and visitors, it will do all of this while honoring Town Hall’s historic elements and permanently cementing Old Town Erie as the seat of local government.

If we were to not expand Town Hall, we not only fail to meet the needs of our community, but we would end up paying more money in the long run through higher interest rates and increased construction costs. This building has been in the planning stages for over four years and will meet the needs of our community today and into the future.

The Town’s efforts to plan for, design, and ultimately expand Town Hall are financially responsible and have been thought out with taxpayers in mind. Public Facility Impact Fee (fees received by the Town from the issuance of building permits) funds have paid for everything thus far – meaning Erie taxpayers have not had to bear any of the design or soft costs. Impact Fees are paying for the design and future Impact Fees will pay the debt service.

Ballot question 3A is only asking for funding for the actual construction. In exchange for your support, the Town promises to deliver a good value on your investment. The Town’s financing plan is based on using Public Facility Impact Fee funds to make required debt service payments. In 2017, when the Town established the updated impact fee schedule, the only contemplated use of Public Facility Impact Fee revenues was this Town Hall expansion. This is the exact intended use of these revenues.

We are confident in saying that the bonds secured will be primarily funded by Public Facility Impact Fees and not through property taxes. This will help keep residents’ cost low, while ensuring that development and growth will pay its own way. Based on anticipated development, the Town expects it may never need to actually levy a property tax to fund debt service – it might not cost you a thing!

Thank you for your help in **Building Our Future**. Vote YES on 3A this election!

Summary of Written Comments AGAINST Ballot Issue No. 3A:

No comments were filed by the constitutional deadline.

¹ The Town does not anticipate that it will impose the property tax unless impact fees are insufficient to pay debt service on the bonds. If it is necessary for the property tax to be levied, the maximum amount of the increase will not exceed \$2,195,000.

² Since the Town does not anticipate actually imposing the property tax unless impact fees are insufficient to pay debt service on the bonds, the Town does not know when the first fiscal year of the tax increase might be. This good faith estimate is for fiscal year spending in 2019. It is difficult for the Town to make an estimate of fiscal year spending for any future year in which the property tax may be first levied. The Town’s average annual fiscal year spending over the last 10 years has increased by approximately 7%, ranging from a single year high increase of 35% to a single year low decrease of 26%. This variability is a result of the differing levels of development in the Town from year to year.