

5 REASONS TO OPPOSE COLORADO SPRINGS ISSUE 2C (ROAD TAX)

1) Citizens have already voted for and pay an extra 1-cent sales tax which includes a road maintenance allocation to the City of approximately \$25 million annually to the Pikes Peak Rural Transportation Authority (PPRTA). The maintenance portion of PPRTA NEVER EXPIRES.

For years running, the City has had "plans" and "designated" that PPRTA maintenance budget, but has failed repeatedly to spend it to the tune of millions per year. Here is what the legally submitted financial reports say about the magnitude of underspending as compared to the amounts allocated.

-----COLLECTED----	SPENT-----	DIFFERENCE
2011---\$22,083,775-----	\$19,101,510-----	-\$2,982,265
2012---\$19,668,615-----	\$15,901,788-----	-\$3,766,827
2013---\$22,097,006-----	\$15,850,628-----	-\$6,246,378
2014---\$24,573,254-----	\$22,110,886-----	-\$2,462,368

2) The City has failed to execute its own roads budget. Going back four years, here is a summary of the differences between what was approved in the Budget by the Mayor and City Council compared to what the legally certified consolidated annual financial reports say was actually spent:

-----BUDGETED-----	SPENT-----	DIFFERENCE
2011---\$16,738,363-----	\$15,302,419-----	-\$1,435,944
2012---\$19,611,513-----	\$17,941,031-----	-\$1,670,482
2013---\$19,214,396-----	\$18,130,007-----	-\$1,084,389
2014---\$21,370,770-----	\$19,543,118-----	-\$1,827,652

--By law, any dollars that were not spent and were not legally obligated by the execution of a formal contract by the end of the year, become part of the unrestricted reserve of the City which can be re-appropriated for any purpose. While there have been a lot of verbal assertions that these shortfalls in spending were obligated and spent, no evidence has been provided in the form of executed contracts that these dollars actually got spent. The only official and documented records are the financial reports showing the residual funds.

--Any question as to the fate of either PPRTA road dollars or City General Fund road dollars could be resolved with a formal audit by the Office of the City Auditor, but to date, no such audit has been conducted or even asked for by City Council who directs the Office of the City Auditor.

3) The City continues to divert dollars collected as City sales and property taxes away from the general fund to the Urban Renewal Authority to subsidize development for developers in 9 Urban Renewal Areas.

--Just this year after the new Council was seated, they approved yet another Urban Renewal Area that will siphon, with financing costs, \$50 million in City property taxes to subsidize development for 30 years in the Gold Hill Mesa URA. Council was also promised a future measure to include sales tax as well.

--The City Council has been briefed and is poised to approve another Urban Renewal Area for South Nevada with a projected amount of diverted City sales and property taxes of up to \$35 million to assist developers in that part of town—dollars that could otherwise be used to pay for roads.

4) Based on comments from Mayor Suthers and the Actions of City Council and the documented intentions of the Urban Renewal Authority Board, the City will pay at least \$129 million in funds collected as City sales and property taxes to provide infrastructure for City for Champions.

--The City's contract with the State for City for Champions mandates that these infrastructure improvements must be made and paid for by the City if the State is to continue to provide funding for either the Olympic Museum or the downtown stadium. The fact that both the Mayor and members of Council continue to state that the museum is going to get built regardless of the fate of the stadium, implies directly that they concur with the expenditure for that \$129 million in C4C infrastructure.

--City Council and the Urban Renewal Authority have already stated their intention to pay for these improvements and to do so without a vote of the people. The Urban Renewal Authority offered a letter of commitment to the State to provide at least \$100 million in diverted City tax revenue for the projects. The resolution passed by City Council intended to quell citizen concern over taxpayer funding of a stadium specifically exempts from a vote, infrastructure for City for Champions.

--The same City Council resolution also specifically exempts from a vote of the citizens the diversion of City sales and Property tax to the Urban Renewal Authority.

--City Council has refused to give any assurance whatsoever that they WILL NOT DIVERT CITY DOLLARS IN THE FORM OF TAX INCREMENT FINANCING FOR CITY FOR CHAMPIONS. To the contrary, they have indicated their intention to provide that funding without a vote, by specifically declaring no vote would be provided for such expenditure.

5) Other than the current City budget process, which has extremely limited detail and no public follow-up of how funds are actually spent, there is no oversight whatsoever for the \$250 million in new tax revenue.

--The City's Public Works Department and City Contracting Office, presumably due to limitations in personnel and volume of work has been unable to get the existing roads budget out the door and working on the roads yet citizens are being told they will somehow be able to process a huge influx of additional revenue and get it out the door without a single additional employee. It's not realistic that it could be accomplished in a responsible way.

--Unlike streets maintenance dollars spent with the well-thought-out PPRTA tax, the new 31% City sales tax increase will have no public, detailed oversight. Every PPRTA contract for work is approved by a public meeting of a Citizen Advisory Committee as well as a public meeting of the PPRTA Board of Directors that consists of accountable elected officials. Citizens may not have any reason to question the integrity of the process for City contracting with the new tax, but if appearances say anything, the fact that many of the same contractors who will be the recipients of the new tax dollars were also handsome donors to Mayor Suthers campaign and have been handsome donors to the "vote yes" effort for the new tax. \$250 million is a lot of money for which to say "trust us...we got this."