



WESTMINSTER
COLORADO

AGENDA

SPECIAL CITY COUNCIL MEETING

MONDAY, AUGUST 16, 1999 at 7:00 P.M.

- 1. Pledge of Allegiance**
- 2. Roll Call**
- 3. Purpose of Special Council Meeting**
 - A. Resolution No. 58 re Referendum A (TRANS) and Regional Transportation District (RTD) Ballot Issue**
- 4. Adjournment**

August 11, 1999

To All Members of City Council:

A special meeting of the City Council has been set for Monday, August 16, 1999 at 7:00 P.M. at City Hall for the following purpose:

**Resolution No. 58 re Referendum A (TRANS) and
Regional Transportation District (RTD) Ballot Issue**

Sincerely,

Michele Kelley, CMC
City Clerk

August 11, 1999

Michele Kelley, City Clerk
City of Westminster
4800 West 92nd Avenue
Westminster, CO 80031

Dear Michele:

Please call a special meeting of the City Council for Monday, August 16, 1999 at 7:00P.M. to be held at City Hall for the following purpose:

**Resolution No. 58 re Referendum A (TRANS) and Regional
Transportation District (RTD) Ballot Issue**

Sincerely,

Fred Allen, Councillor

Sam Dixon, Councillor

CITY OF WESTMINSTER, COLORADO
MINUTES OF THE SPECIAL CITY COUNCIL MEETING
HELD ON MONDAY, AUGUST 16, 1999 AT 7:05 P.M.

PLEDGE OF ALLEGIANCE:

Mayor Pro Tem Merkel led Council, Staff and the audience in the Pledge of Allegiance.

ROLL CALL:

Present at roll call were Mayor Pro Tem Merkel and Councillors Allen, Atchison, Dixon, Hicks and Smith. Also present were William Christopher, City Manager; Martin McCullough, City Attorney; and Michael Allen, Deputy City Clerk. Absent was Mayor Heil.

PURPOSE OF SPECIAL MEETING:

Mayor Pro Tem Merkel stated the purpose of the special meeting was to consider a resolution regarding Referendum A (TRANS) and Regional Transportation District (RTD) Ballot issues.

RESOLUTION NO. 58 REFERENDUM A (TRANS) AND RTD BALLOT ISSUE:

A motion was made by Dixon and seconded by Smith to Table Resolution No. 58 until the August 23 meeting when all of Council will be present. The motion failed with aye votes by Atchison, Dixon and Merkel, and dissenting votes by Allen, Hicks and Smith.

A motion was made by Allen and seconded by Hicks to adopt Resolution No. 58 to formally reflect City Council's support of Referendum A and the RTD ballot issue that will be presented to the voters at the November 2, 1999 election.

A motion to amend the main motion was made by Smith and seconded by Atchison to add a paragraph 3 to the Resolution to read as follows: "The City Council's endorsement of these ballot issues reflects City Council's general recognition of the need to address the regions increasing transportation problems, however, this endorsement presumes that all local and regional planning agencies will follow the City's lead in implementing more effective growth management measures as well as develop more cooperative financial planning to address the transportation needs of all geographic areas in need on a comprehensive basis."

State District 62 Representative Glenn Scott, 11413 Benton Court, RTD Board of Directors Bob Briggs, District J, Don Ciancio, 11455 Quivas Way and Transit Alliance representative Lauren Martens, 3373 West 29th Avenue, were present to address Council.

The amendment failed with aye votes by Allen, Merkel and Smith; nay votes by Atchison, Dixon and Hicks.

A motion was made by Dixon and seconded by Smith to reconsider the amendment. The motion carried with aye votes by Allen, Dixon, Merkel and Smith; nay votes by Atchison and Hicks.

The amendment carried with aye votes by Allen, Dixon, Merkel and Smith; nay votes by Atchison and Hicks. Upon roll call vote, the main motion as amended carried with aye votes by Allen, Dixon, Merkel and Smith; nay votes by Atchison and Hicks.

ADJOURNMENT:

The meeting was adjourned at 7:58 P.M.

ATTEST:

Mayor

City Clerk



WESTMINSTER COLORADO

Agenda Memorandum

Date: August 16, 1999

Subject: Resolution No. 58 re Referendum A (TRANS) and Regional Transportation District (RTD) Ballot Issue

Prepared by: David R. Downing, City Engineer and Bill Christopher, City Manager

Introduction

City Council is requested to determine its formal position on the TRANS financing by the Colorado Department of Transportation and RTD's light rail bond issue proposition.

Summary

- Two ballot issues will be presented to voters in the November 2nd election regarding financing for transportation projects. Both issues ask for voter approval to allow the governing body to borrow against future tax receipts in order to accelerate transportation construction projects, and both issues have been largely spurred by the desire to improve the Southeast Corridor of the Denver-metro area along I-25.
- Referendum A (House Bill 99-1325) is commonly known as the Transportation Revenue Anticipation Notes, or TRANS Bill. If passed, this bill would allow the State of Colorado to immediately increase funding for highway construction projects by bonding against future federal gas tax receipts. Referendum A would not introduce any new taxes upon the voters.
- The RTD ballot question also asks for voter approval to allow the District to issue bonds for the exclusive purpose of financing the Southeast Corridor light rail project. Again, no new taxes would be introduced by the passage of this issue.
- Despite the great majority of the funding that would be raised would be directed to the Southeast Corridor, supporters of the two measures argue that it is "smart business" for all citizens to approve these ballot questions. Since it appears that the State is determined to proceed with the construction of transportation improvements in the Southeast Corridor with or without voter approval of the TRANS Bill (and RTD would likely follow suit), it would be wise to grant the requested authority to bond at current low interest rates and, thus, both accelerate the construction schedule and save money in the long term.
- City Staff agrees with the philosophy voiced by the supporters of the debt financing propositions. If the State and RTD are granted the authority to bond the Southeast Corridor, this action could free other, future funds for use within the north Denver-metro area sooner. It is recommended that the City Council formally endorse both Referendum A and the RTD ballot issue.

NOTE: This agenda memorandum is submitted to address both the Study Session and Special City Council meeting items on the TRANS and RTD funding.

Recommendation

Adopt Resolution No. 58 to formally reflect City Council's support of Referendum A and the RTD ballot issue that will be presented to the voters at the November 2 election

Background Information

Under Referendum A, the Colorado Department of Transportation (CDOT) could borrow up to \$1.7 billion by selling Transportation Revenue Anticipation Notes and repay the loan from a combination of federal and State transportation funds. The State expects to pay an interest rate between 4.0% and 5.5% on the loan, but Colorado's highway construction interest rate has averaged 8.9% during the last three years. Over a ten-year period, interest payments of 5.0% plus the one-time issuance costs would add \$66 to a debt of \$100 while inflation at 8.9% would add \$135 to a \$100 purchase. Therefore, a 5.0% interest payment plus issuance costs is less costly than an 8.9% rate of highway construction inflation. For this reason, supporters of Referendum A argue that borrowing now saves money in the long term.

It should be noted that, while the highway construction interest rate has averaged 8.9% during the last three years, it has averaged only 3.1% over the last 15 years and an even lower 1.7% between 1985 and 1997. In short, only recently have highway construction interest rates skyrocketed. If these interest rates were to return to the levels of the late 1980s, the concept of borrowing at an interest rate of approximately 5.0% would be invalid.

While much of the funding generated by the TRANS bond sale would be directed toward the widening of I-25 from Broadway to Lincoln Avenue (i.e., the Southeast Corridor), the Colorado Transportation Commission has identified 23 other high-priority highway projects that would also receive funding via this Referendum A. None of the 23 are located within the City of Westminster, but a few of the more noteworthy for Westminster citizens include improvements to the I-25/US 36/I-270 interchange; I-25 widening and reconstruction from State Highway 7 north through Weld County; and other congestion improvements on I-25 from Denver to Fort Collins. Furthermore, the Commission has indicated that it will increase the amount of money that it spends to improve other roads throughout the State by \$25 million per year. The locations of these additional projects are unknown at this time.

Other arguments for the passage of Referendum A relate to the overall benefits to the citizens of the State that would be afforded by the acceleration of the construction of the 24 key projects plus the projects that would be funded by the additional \$25 million per year. The projects would be completed within 25 years rather than the currently estimated 40 years under existing funding sources. Colorado residents would more quickly realize reduced congestion, improved surface conditions and safer highways. Additional arguments against the Referendum center upon the theory that more lanes of highways is not the solution to traffic congestion or that other State revenue surpluses could be used for this purpose.

It is important to note that State officials (Governor Owens and CDOT Director Tom Norton) have stated that the southeast corridor improvements and the 23 "7th Pot" projects will be the State's priorities, either using TRANS funding or the conventional "pay as you go" financing; which will take many years longer to complete.

The proposed RTD ballot issue focuses solely upon one major project – the installation of light rail within the Southeast Corridor and along the portion of I-225 from Parker Road to I-25. No other projects within the District would receive funding via this bond issue. The amount of the RTD's debt would be increased by \$457 million with a maximum repayment cost of \$779 million. Like Referendum A, the RTD issue would create no new taxes.

City Staff recommends that Council endorse both of these proposed ballot issues. Naturally, it is difficult to not be envious of other jurisdictions of the Denver-metro area and the State of Colorado that would receive rather immediate relief under these ballot issues, but it must be recognized that the appropriation of State, federal and/or special district funds on a strict pro-rata basis would so dilute the annual funding level that the mega-projects such as the widening of I-25 or the installation of light rail would never be accomplished.

Respectfully submitted,

William M. Christopher
City Manager

Attachments

RESOLUTION

RESOLUTION NO. **58**

INTRODUCED BY COUNCILLORS

SERIES OF 1999

WHEREAS, increasing traffic congestion on streets and highways throughout the State of Colorado represents an inconvenience, irritation and threat to the health and safety of residents throughout the State and impact timely delivery of goods by Colorado businesses; and

WHEREAS, major transportation improvements, including roadway widening and the installation of mass transit systems, are urgently needed on many of the key highway corridors within the State to ease mounting traffic congestion; and

WHEREAS, many of the transportation facilities that are in the greatest need of improvement are regional in nature, and the costs to provide the necessary improvements are well beyond the means of any one local jurisdiction; and

WHEREAS, significant federal, state and/or special district funding will be required to finance the construction of many highway widening and mass transit projects; and

WHEREAS, a spirit of cooperation must exist among the citizens, businesses, and all local jurisdictions of the State of Colorado to allow federal, state and/or special district funding to be directed toward the installation of transportation improvements along those key highway corridors that are in the highest need of immediate improvement; and

WHEREAS, a proposed amendment to Colorado law known as Referendum A, which would allow the State of Colorado to sell Transportation Revenue Anticipation Notes (TRANS) for the purpose of raising up to \$1.7 billion to build selected transportation projects, including the widening of I-25 between Broadway and Lincoln Avenue within the Southeast Corridor, will be presented to the voters of the State at the November 2nd election; and

WHEREAS, a proposed ballot issue that would allow the Regional Transportation District (RTD) to increase its debt by \$457 million for the sole purpose of installing a light rail system within the Southeast Corridor will also be presented to the voters at the November 2nd election; and

WHEREAS, the passage of these two ballot issues would allow for the more timely completion of these badly needed transportation improvements than would otherwise be realized, thus potentially freeing future federal, state and/or special district funds for use on transportation projects in areas including within the City of Westminster; and

WHEREAS, the two proposed ballot issues would represent no new taxes to the residents of the State of Colorado; and

WHEREAS, it is the desire of the City Council of the City of Westminster to actively support measures that would reduce traffic congestion and improve transportation systems throughout the State of Colorado.

NOW, THEREFORE, be it resolved by the City Council of the City of Westminster, that:

1. The City Council endorses both Referendum A and the proposed RTD ballot issue relating to the issuance of bonds for the purpose of financing improvements to selected highway facilities throughout the State of Colorado and the installation of a light rail system within the Southeast Corridor.
2. All citizens of the City of Westminster and the State of Colorado are urged to vote for these two ballot issues at the November 2nd election.
3. The City Council's endorsement of these ballot issues reflects City Council's general recognition of the need to address the regions increasing transportation problems, however, this endorsement presumes that all local and regional planning agencies will follow the City's lead in implementing more effective growth management measures as well as develop more cooperative financial planning to address the transportation needs of all geographic areas in need on a comprehensive basis.

Passed and adopted this 16th day of August, 1999 as amended.

ATTEST:

Mayor Pro Tem

City Clerk