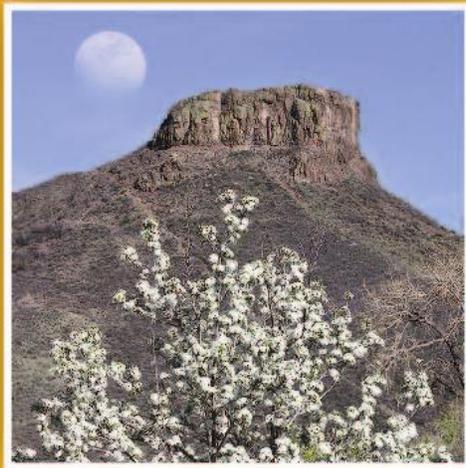


City of Golden

Blue Ribbon Panel on
Golden's Economic Future



Report **2012**

CONTENTS

Executive Summary	i
1 Introduction	1
2 Purpose of the Panel	2
3 Background	3
4 Broad Trends Affecting City Finances	7
5 Panel Methods	11
6 Underlying Principles	13
7 Key Trends Likely to Impact Revenues Over the Next Twenty Years	14
8 Key Trends Likely to Impact Expenses Over the Next Twenty Years	16
9 Options for Minimizing Gap	18
10 Summary and Conclusions	23
11 References Cited	24
12 Appendix A – Table of Key Trends Likely to Impact Revenues Over the Next Twenty Years.....	25
13 Appendix B – Table of Key Trends Likely to Impact Expenses Over the Next Twenty Years	29
14 Appendix C - Table of Options for Minimizing Gap.....	36

EXECUTIVE SUMMARY

The City of Golden Blue Ribbon Panel on Golden's Economic Future, a group of eleven people who live and/or work in the City, met for the first time on March 21, 2012. The members were selected with an eye to gathering a variety of points of view: seven were appointed in 2012 by the Mayor, and the other four selected by City Council from individuals expressing an interest in joining this ad hoc committee. According to the sponsoring resolution, meetings could be as few as six, but by the July completion of the enclosed report fourteen sessions had been held. The committee enjoyed considerable research support from the City staff.

The group's purpose, as outlined in the Council's December 2011 resolution, was to create several lists of ideas to address the likely gap between the City's future revenues and expenses, and also to look at that gap in light of the June 2011 vision statement for the community, "Vision 2030: Voices/Values/Visions". The committee adhered to the resolution's requirement that a wide range of options and opinions be heard, and that the resulting ideas not be listed in order of priority, be specifically recommended, or necessarily be consistent with each other. The Blue Ribbon Panel is not endorsing any specific idea included within this report. Inclusion of an idea does not imply support.

Under the expert direction of the Chair, former Mayor Marv Kay, the committee had lively and sometimes difficult discussions, often with strong opinions being voiced. An attempt was made to identify general and local trends that will affect City revenues, whether those trends would provide an increase or decrease, and likewise outline factors that will influence future City expenses. No idea was too large or small, and each was taken at face value. Then the committee came up with ideas that could close the gap these factors could create, especially in comparison with the priorities of *Golden Vision 2030* statements. The writing, formatting, and technical aspects of compiling the report are the work of several committee members, with help from the City staff.

What follows is a compilation of the ideas generated in these sessions. There are tabular lists of trends and thoughts on minimizing the gap, with tables in Appendix A-C supporting them. It is hoped that this report will facilitate future community and Council discussions.

1 INTRODUCTION

This report identifies a wide range of options for minimizing the gap between the costs of providing services and amenities in Golden and the revenues required to meet those costs. The goal is that these options allow for further discussion and evaluation by City Council and the community.

The Blue Ribbon Panel was created through Resolution 2166 in December of 2011 to catalyze a community conversation about the growing gap between the costs of realizing the Golden community's vision and the projected revenues available for doing so.

We were asked to provide three types of options: "a range of alternatives for scaling back and/or spending less on services and amenities, a range of revenue-generating alternatives, and a range of other approaches (e.g., special districts, public-private partnerships)."

We were also explicitly instructed not to evaluate these ideas: "The Blue Ribbon Panel is not asked to, nor should it, evaluate, prioritize, or recommend among the options it identifies. The Blue Ribbon Panel's role is to identify a wide range of options for further discussion and evaluation by City Council and the community."

Our role, in other words, was simply to generate a wide-ranging brainstormed list of ideas. We did not evaluate the ideas generated, and the inclusion of an idea in this report in no way implies support by the panel or its members for that idea.

City Council asked for a wide-ranging, creative, brainstormed list of ideas, and the Blue Ribbon Panel strived to provide this.

Our expectation is that this report represents a first step, and only a first step, in the consideration of any significant steps to scale back the community's vision, increase revenues, or undertake other creative strategies to minimize the gap between vision and projected revenues. We fully expect that City Council will fully and carefully evaluate any ideas it chooses to consider, and that it will do so with significant public involvement.

2 PURPOSE OF THE PANEL

Golden residents and businesses enjoy a high quality of life, supported by high quality services and amenities. The City of Golden has been able to invest over time in these services and amenities; however many trends are occurring which make funding the services and amenities more difficult.

The purpose of the Blue Ribbon Panel is to:

1. Evaluate the potential gap between the level of revenues the City of Golden currently expects over the next two decades and the costs of maintaining and/or enhancing the current level of high quality services and amenities; and
2. Offer the community a range of options for minimizing that gap.

3 BACKGROUND

3.1 CURRENT CITY FINANCES

The body of the committee work was to evaluate how to balance the goals of the community's vision with a realistic financial evaluation of how those goals may be achieved. It is important therefore to review and understand the principles of how the City presently receives and expends its resources. The City follows sound budgetary and financial policies coupled with constant review and analysis. The annual budget is prepared by the City's Finance Department at the direction of the City Manager. The Citizens Budget Advisory Committee then reviews, discusses, and makes recommendation on the proposed budget. The budget is then presented to the City Council and the public for review and input, and is potentially amended and ultimately approved by the City Council.

3.1.1 REVENUES

The City revenues are divided into categories which consist of several different revenue sources.

The Revenue Categories are as follows:

1. Taxes (including Sales and Use Tax and Property Tax)
2. Charges for Services (including utilities)
3. Intergovernmental
4. Miscellaneous (including fines and interest earnings)

3.1.2 EXPENDITURES

The City expenditures are divided into categories consisting of different expenses for services delivered.

The Expenditure Categories are as follows:

1. General Government
2. Utilities
3. Public Safety
4. Public Works
5. Parks and Recreation
6. Debt Service
7. Planning and Economic Development

3.2 ACCOUNTING STANDARDS

The City of Golden adheres to sound governmental accounting standards by separating all fiscal resources into separate funds or "Separate Checkbooks".

Following are the various funds, the fund revenue source and the fund functions:

1. General Fund-Is funded by Sales and Use Tax and Property Tax. Used to support Public Safety, Public Works, Parks and Recreation, General Administration.

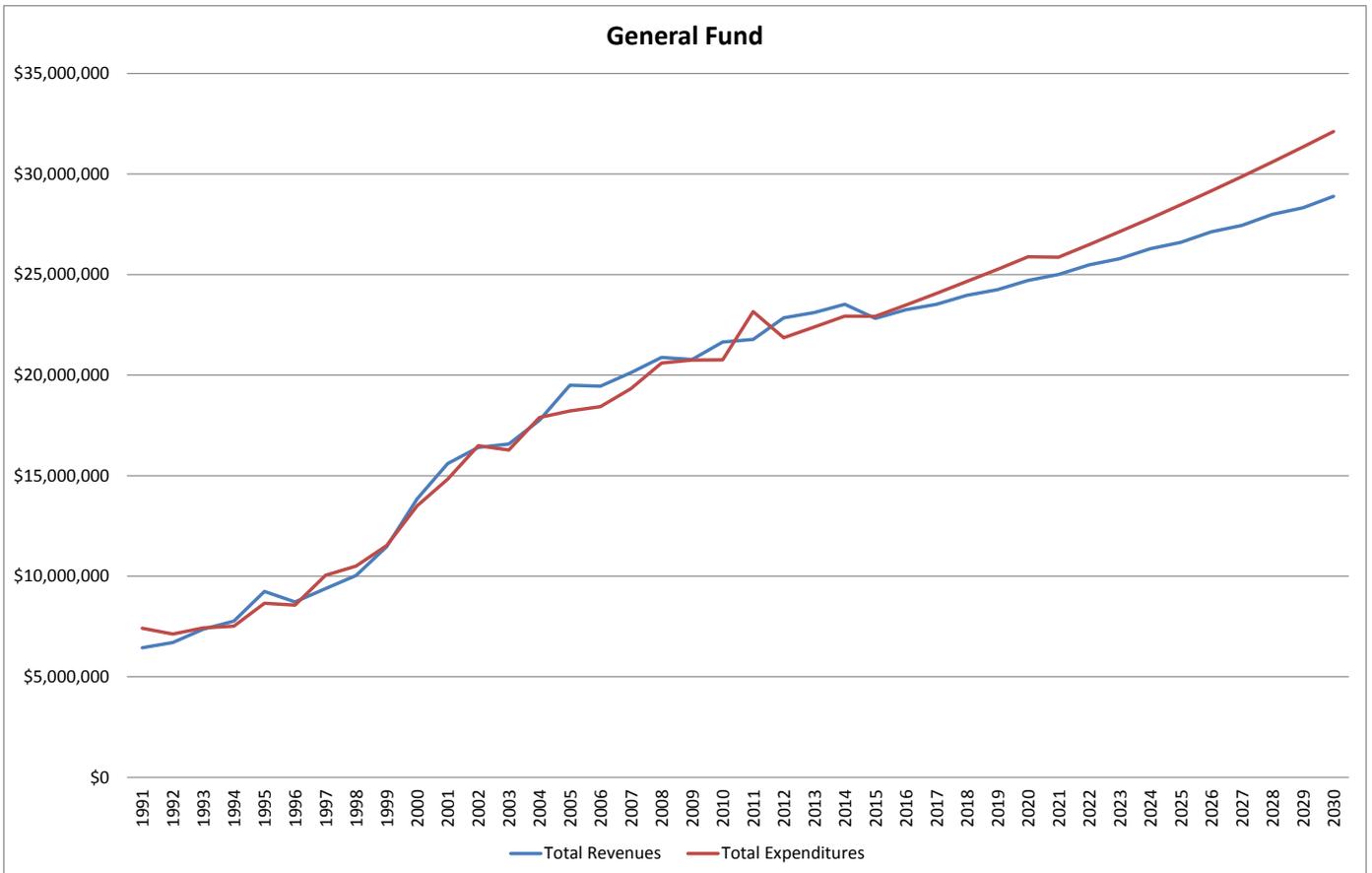
2. Special Revenue Funds-Includes the
 - Conservation Trust Fund which is funded by the lottery and is used to develop parks, open space and trails.
 - Golden Downtown Improvement District which is supported by a dedicated property tax and is used to support parking in downtown.
3. Capital Projects Fund
 - Sales & Use Tax Fund-Supported by a dedicated sale and use tax (1%) and is used for infrastructure, facilities, parks & recreation, and capital equipment.
 - Capital Programs Fund-Supported by a State Highway Users Tax and General Fund Transfer and is used for Street Improvements.
 - Open Space Fund-Supported by County open space tax and used for open space improvements and trail development.
4. Enterprise Funds-Income is derived from fees for usage and expenses support the enterprise.
 - Water Fund
 - Wastewater Fund
 - Drainage Fund
 - Community Center Fund
 - Splash Aquatic Park Fund
 - Fossil Trace Golf Course
 - Cemetery Operations Fund
 - Rooney Road Sports Complex
 - Museums
5. Internal Service Funds include:
 - Fleet Management
 - Information Technology
 - Property/Casualty Insurance
 - Medical Benefits (Health Insurance)
 - Workers Compensation and Unemployment Insurance
6. Fiduciary Fund-Volunteer Firefighters 457.
7. Permanent Fund-Cemetery Perpetual Care.

The City of Golden's present financial condition is very strong. The City's financial accounting and management systems are continually being recognized highly by review and auditing agencies.

3.3 ANTICIPATED GAP

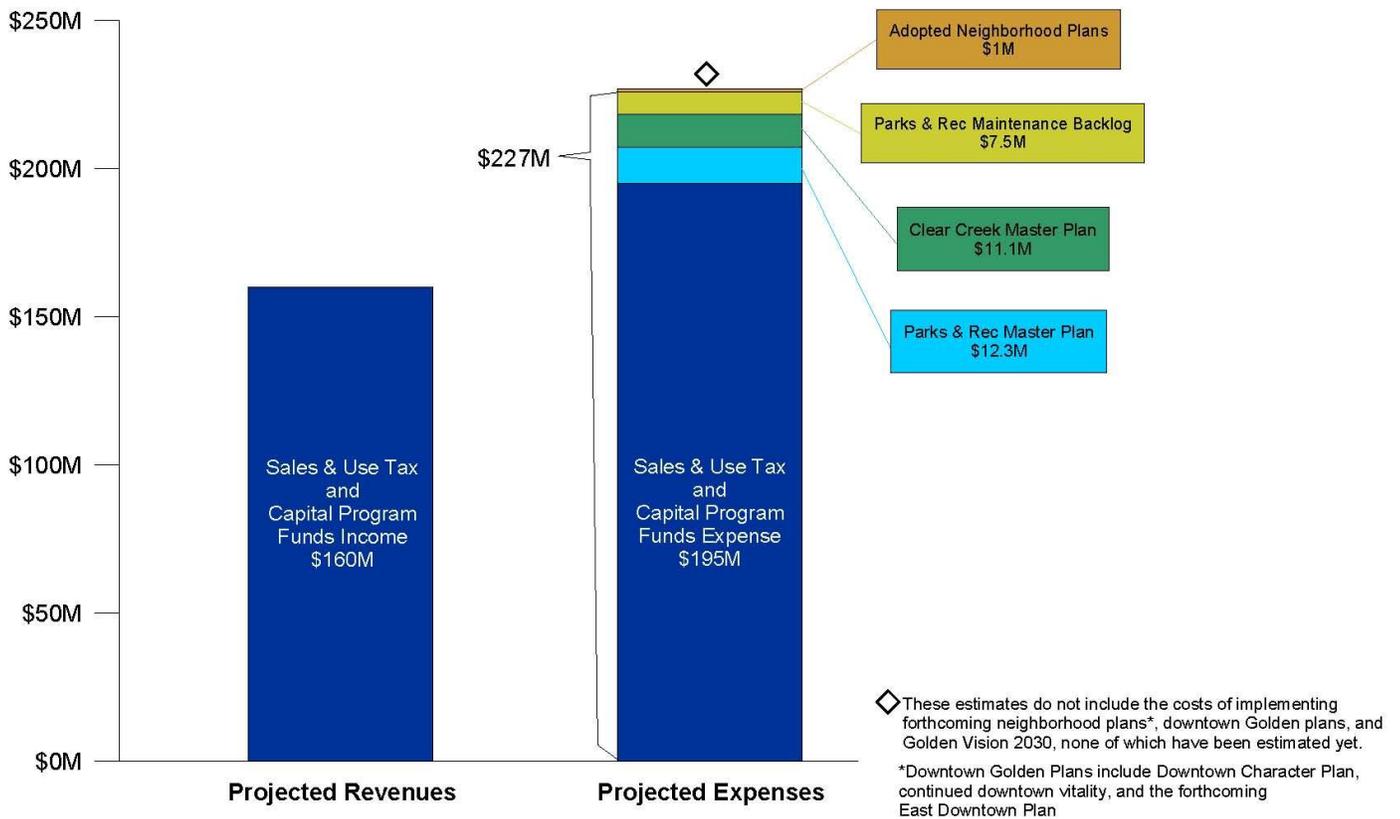
The Golden community has defined a community vision through *Golden Vision 2030*, the new Comprehensive Plan, the Parks and Recreation Master Plan, the Clear Creek Master Plan, the Downtown Character Plan, and adopted neighborhood plans. The City has the responsibility to determine how to provide that community the citizens described.

The anticipated gap between the costs of fulfilling the community’s vision, as described through these plans, and the projected revenues available for doing so has two key elements. The first is the divergence between the 2030 projected expense and income streams in the general fund. The graph below somewhat illustrates that projected revenues generally do not meet the necessary delivery of services described by *Golden Vision 2030* and the other community plans. It is important to realize that the data used reflects a very conservative revenue stream and a liberal estimate for expenses. Historically, expenses for human resources and utilities tend to generally exceed inflation compared to the revenue generated, making it difficult to determine exactly at what time period a large divergence may occur. Nonetheless the graph illustrates a significant gap between projected costs and projected revenues.



The gap related to capital expenses is even larger, as shown below. Although the City has not yet calculated the full cost of completing all of the capital projects envisioned in *Golden Vision 2030* and all of the aforementioned plans, some preliminary estimates give a sense of scale. For example, the current estimate for completing the Parks and Recreation Master Plan is \$12.3 million. A recent estimate of the cost to catch up on the costs of maintaining the existing parks and recreation system is \$7.5 million. The current estimate for fully implementing the Clear Creek Master Plan is \$11.1 million. Implementing the projects described in the adopted neighborhood plans and other plans will add even more to the total. None of these dollars are yet accounted for in the ten-year Capital Improvement Plan or in any other revenue projection; these are costs above and beyond the revenues currently anticipated by the City.

City of Golden Blue Ribbon Panel on Golden's Economic Future Implementing the Community Vision: Projected Capital Revenues and Projected Capital Costs August 2012



Projections are through 2030 and are provided by City staff and from the current Capital Improvement Plan, and include the maintenance of existing City infrastructure, and the implementation of the P&R master plan, the Clear Creek corridor master plan, and various neighborhood and community plans.



4 BROAD TRENDS AFFECTING CITY FINANCES

A wide variety of social and economic trends are expected to influence Golden's economic health in the next decade. Many of these trends will have a direct effect on Golden and have also been identified as factors in other municipalities. Below is a summary of some of these trends as noted by other cities or in the media.

4.1 RETAIL AND BUSINESS

Smaller Retail Spaces: Retail companies are often finding bigger returns in smaller spaces. (J. Smith 2012)

Entrepreneurship: Attracting, retaining and growing small businesses will continue to be a key for promoting job growth. (Professional Urban Management Association (PUMA) 2011:3)

Support for Financing: Innovative public/private financing tools including local community lending and equity funds. (PUMA 2011:3)

Office Space: Smaller and more flexible office spaces. (PUMA 2011:7)

Decreased Retail Sales: Retail sales across the country have been falling at annual rates of greater than 10 percent. Some of this decline is a result of a reduction in automobile sales. Much of it, however, is because of a drastic change in the spending and saving patterns of American consumers. (K. Smith 2009:3)

Slow Economic Recovery: The historical trends are a helpful reminder of the days when trends were on an upward climb. In the more recent years we have seen the drastic decline in revenue and the corresponding decrease in expenditures. The message of most forecasters is that the return to growth will require more patience as the economic recovery is not repeating the past where recessionary periods were followed by very robust growth. (City of Dublin, California 2011:18)

4.2 TAXES

Goods vs. Services: Long-term shift to buying tax-exempt services rather than taxable goods. (Cauchon 2012)

Taxing Services: Expanding sales tax to cover most services has not worked. (Cauchon 2012)

Reduced Retail Taxes: Cars, televisions, books and other taxable items account for just one-third of spending today, down from half in 1970. (Cauchon 2012)

Internet Taxes: Opposition to expanding sales tax to all Internet purchases remains strong. (Cauchon 2012)

Internet Taxes: More consumers are purchasing goods online. Internet purchases are only subject to Denver sales and use tax if the business has a physical presence in Denver. Denver loses between two to four million dollars per year in internet sales tax. (Denver 2012:14)

Reduced Tax Revenues: The top challenges facing municipalities, regardless of size, were unfunded street/road maintenance and improvements, slow growth or decline in tax revenues. (Colorado Municipal League (CML) 2012a)

Reduced Tax Revenues: The personal savings rate is likely to continue to rise. This implies that retail sales will lag [behind] the income growth rate on the way out of recession. (K. Smith 2009)

Reduced Tax Revenues: Going forward, one may estimate this will result in a permanently lower growth path. All of this means that this crisis may not affect simply short-term tax revenues but the entire long-term revenue outlook. State and local governments may be required to either make permanent cuts in spending or increase taxes to avoid structural deficits. (K. Smith 2009:3)

Reduced Tax Revenues: An examination of local economic and demographic characteristics indicates a possible declining tax base and correspondingly, the community's ability to pay for public services. (Salina 2011:1)

Slowing Revenue Growth: changes to the economy, spending habits, and demographics that are causing tax revenues to grow at slower rates, especially in the last ten years. (Denver 2012:4)

Shrinking Tax Base: The shift in consumer spending toward services (as opposed to the purchasing of goods) has resulted in a shrinking tax base because the City has not expanded its tax code to include additional services. (Denver 2012:14)

4.3 TRANSPORTATION

Transportation Options: Living-streets that support a variety of transportation modes including bicycles and pedestrians. (PUMA 2011:3, 5)

Transportation Options: Less reliability on the automobile and more use of public transportation and other modes of transportation. (PUMA 2011:6)

4.4 HOUSING

Mixed-Use Housing: Mixed-use rental housing in downtowns with diminished owner-occupied market. (PUMA 2011:3)

Redevelopment: Many city infill and redevelopment projects, by contrast, are going forward and even commanding market premiums for their urban locations. Housing values have declined much more, on a percentage basis, in sprawling subdivisions as compared to walkable, centrally located neighborhoods, many of which have even held steady or increased in value. (Benfield 2012)

Mixed Neighborhoods: In the NAR data (National Association of Realtors 2011), 58 percent of respondents indicated a preference for "a neighborhood with a mix of houses and stores and other businesses within an easy walk." (Benfield 2012)

Rentals: "The country is on the cusp of fundamental changes in our housing dynamics. Preferences are driving more people away from the typical suburban house and toward the type of lifestyle that rental housing offers". (Quote by Doug Bibby, National Multi-housing Council in Benfield 2012)

4.5 DEMOGRAPHICS

Diversity: America will become increasingly culturally and ethnically diverse. (PUMA 2011:2, 4)

Emergence of Young Professional Women: Young women will increasingly dominate the next professional working and creative classes. Downtowns must look for ways to appeal to young women in all facets of the downtown

experience, including physical improvements, environmental stability (clean and safe), mixed-use living options, retail and entertainment offerings. (PUMA 2011:1, 4)

Young Adults: Increasingly, young adults are choosing to move into cities. (PUMA 2011:4)

Aging Population: Spending decreases after age 44. Denver projects a 10 percent increase in the population of residents who are 44 years old and older, who will represent 60 percent of Denver's population in 2035. (Denver 2012:14)

Changing Demographics: An examination of local economic and demographic characteristics indicates a possible need to shift public service priorities because of demographic changes in the community. (Salina 2011)

4.6 TECHNOLOGY

Technologically Connected: Bottom up innovation from entrepreneurs because of the broader distribution of information technologies. (PUMA 2011:2)

Marketing with New Technologies: Use new mobile technologies for marketing and promotions: ubiquitous computing and creative applications. (PUMA 2011:3)

4.7 SUSTAINABILITY

Sustainable Development: Maximize the use of existing infrastructure and promote sustainable development. (PUMA 2011:2, 7)

Sustainability and Branding: Sustainability as a part of the downtown brand stressing a compact place for business, education, health, culture and housing. (PUMA 2011:3)

Energy: Smaller municipalities were more likely to have made special efforts to improve energy efficiency in government owned or operated buildings. (CML 2012a)

4.8 LIFE STYLE

Healthy Food: New retail prototypes and urban farming in downtown locations on rooftops and vacant land. (PUMA 2011:3)

Entertainment Options: Increased attractions, cultural experiences, and sports. (PUMA 2011:3)

Reduced Consumption: Less conspicuous consumption and more practical and deliberate spending. (PUMA 2011:5)

4.9 REGIONAL ISSUES

Regional Cooperation: Increased regional investment and cooperation for infrastructure, mobility and education. (PUMA 2011:3)

An examination of local economic and demographic characteristics indicates a possible need to shift public policies because of a loss in competitive advantage of the City's businesses to surrounding communities or because of a surge in inflation or other changes in regional or national economic conditions. (Salina 2011)

4.10 CITY STAFF

Pensions: State and local governments are taking steps to strengthen their pension reserves and have a long-term time horizon. (NGA 2012)

Outsourcing: Privatizing government functions has worked in some cities to save costs but has sometimes had unanticipated consequences. (Nichols 2010)

4.11 CITY SERVICES AND INFRASTRUCTURE

Deferred Spending: Deferring capital projects and maintenance were the most common actions taken by municipalities of all sizes in 2011. (CML 2012a)

Reduced Services: Colorado's cities and towns continue to trim services and reduce staffing levels for a fourth year (2008-2011) of decreased municipal spending. (CML 2012b)

Fees: If a fee or fine is not adjusted regularly to keep up with the cost of service delivery, the City must impose large sudden increases rather than smaller more frequent increases to promote a smooth trend over time. (Denver 2012:15)

Competing Costs: Pressures in expenditures: compensation costs, health care costs, utility and fuel costs combined with the need to maintain City services and City assets. (Denver 2012:4)

5 PANEL METHODS

5.1 RESOLUTION

On December 1st, 2011, the City Council of the City of Golden passed Resolution 2166, establishing a Blue Ribbon Panel on Golden's Economic Forum.

5.2 CREATION OF PANEL

The panel consists of 11 members. Seven of the members were appointed directly by the mayor with City Council's consent to ensure that a diverse range of community perspectives are represented on the panel. Four of the members were at-large community members appointed by the Mayor with City Council's consent through an application and interview process.

The 11 members are:

- Marv Kay, Chair
- Jacob Smith, Vice Chair
- Meg Van Ness, Vice Chair
- Jean Garrabrant
- Lisa Knipp
- Pat Madison
- Bill McKee
- Reilly Sanborn
- John Simpson
- Cynthia Merrill Tamny
- Henry Tiberi

Jeff Hansen, Finance Director with the City of Golden, has acted as representative for the staff of City of Golden.

5.3 MEETINGS AND SCHEDULE

As of July 11th, 2012, a total of 14 meetings have been held. All meetings have been open to the public as well as current City Council members.

City Staff presented various topics in order to for the Blue Ribbon Panel to understand the issues within the City of Golden.

Presentations were given by:

- Jeff Hansen, Finance Director City of Golden
- Steve Glueck, Planning and Development Director, City of Golden
- Rod Tarullo, Parks, Rec, and Golf Director, City of Golden

5.4 GENERAL CONTENT OF MEETINGS

Handouts were provided to the Panel for general and background information. The handouts include:

- Welcome Letter by Marv Kay
- Golden Community Profile, Denver Regional Council of Governments
- City of Golden Parks and Recreation, Recommended Parks and Recreation Prioritized Capital Improvements
- City of Golden, Financial Overview of Incentives Agreements.
- City of Golden Charter, Chapter XLV, Subsidies and Incentives for Development
- City of Golden Citizens Budget Advisory Committee, 2012 Budget Summary.
- City of Golden Financial Long View
- City of Golden 2011 Year End Sales Tax Report
- City of Golden Recommendations Regarding the 2012 Operating Budget
- City of Golden Capital Programs Fund 10 year Capital Improvement Plan 2011-2020
- City of Golden, Golden Vision 2030
- Colorado Municipal League, 2012 State of Our Cities and Towns

Copies of the handouts are available by contacting City of Golden Finance Director Jeff Hansen, 303-384-8020, or jhansen@cityofgolden.net.

6 UNDERLYING PRINCIPLES

The work of the Blue Ribbon Panel was guided by five underlying principles:

1. The vision and expectations of the Golden community are expressed through *Golden Vision 2030* and the City's adopted community plans, including the new Comprehensive Plan, Parks and Recreation Master Plan, Clear Creek Master Plan, Downtown Character Plan, and neighborhood plans.
2. The Golden community has been the beneficiary of a well-managed municipal government for many years, and the City remains financially strong. However, the cost of providing the high level of services and amenities expected and envisioned by Golden's residents, as described in the documents listed above, will exceed projected City revenues. The Golden community will either need to scale back its expectations, increase revenues, and/or find other creative ways to close the gap between the costs and projected revenues.
3. It is important that we find a healthy balance between serving the needs and desires of our current residents with the needs and desires of future residents. Similarly, promoting a strong local economy while simultaneously protecting our quality of life are also high priorities. We need to be careful not to sacrifice the qualities that make Golden special.
4. While we recognize that the community will change over time, it is a fundamental community priority that we guide that change to reflect our own community's vision rather than have those changes happen to us.
5. The Blue Ribbon Panel's role was to provide a wide-ranging list of ideas for "scaling back and/or spending less on services and amenities, a range of revenue-generating alternatives, and a range of other approaches" that might serve to minimize the gap between the costs of realizing the community's vision and the projected revenues available for doing so.

7 KEY TRENDS LIKELY TO IMPACT REVENUES OVER THE NEXT TWENTY YEARS

7.1 TRENDS LIKELY TO OCCUR AND HAVING A SIGNIFICANT IMPACT ON REVENUES

1. Changing Purchasing Patterns - As the population ages, there is a greater potential for a shift from purchasing goods to purchasing services. In general, the purchase of services are not subject to sales tax.
2. Internet Sales - The percentage of goods purchased on-line is increasing compared to shopping at local retailers. Since most on-line retailers do not have nexus in the City, they are not required to collect and remit Golden sales tax.
3. Incentives - The City is restricted in its ability to offer meaningful and significant incentives to businesses in a timely manner. This potentially impacts the ability of the City to attract new businesses (especially retailers) to fill vacant and undeveloped properties and generate tax revenue for the City.
4. Property Development & Redevelopment - Residentially, the City is very close to build out. This will result in less building related revenues. Scrape offs and other residential redevelopment will help sustain most building related revenues for the City (much less for utility system development fees). Many vacant lots still exist for commercial/industrial development. The inability to offer incentives (see 7.1.3. above) may result in delays of new development. Redevelopments typically increase the property value which increases the property tax revenue to the City.
5. Mixed-use Development - In downtown areas, the trend is for mixed-use development (i.e. Gateway Station). This type of development/redevelopment will increase density that should result in increased sales tax, and increase property values and property tax revenue to the City.
6. Tourism - While difficult to quantify, it is clear that tourism is a big part of the vitality and revenue generation of the downtown - especially in the summer. The Coors tours, community marketing efforts (2 Hour Vacation, etc.), community/special events (see 7.2.1. below), and amenities (Fossil Trace G.C., The Splash, museums, Clear Creek, etc.) greatly enhance the tourism within the City.
7. County, State, and Federal Funding - Due to current distribution formulas and reallocation of funds to other purposes, the City can anticipate reductions in funding from other governments. Cigarette tax, road & bridge, highway users tax, open space tax, GOCO grants, gaming grants, and the volunteer firefighter pension contribution are all candidates for further reduction or elimination of revenue to the City.
8. Regional Transportation - With light rail arriving in 2013, anticipated to be accompanied by a local commuter bus service, prospects exist for increased tourism to Golden, as well as potential development/redevelopment near the rail station at the Jeffco complex.

7.2 TRENDS NOT LIKELY TO OCCUR AND/OR HAVING A LESS SIGNIFICANT IMPACT ON REVENUES

1. Community/Special Events - The requests for special events within Golden are increasing. Special events can be a positive to some businesses and citizens, and a negative to others. The direct revenue impact of most special events is negligible. It would be difficult to quantify the indirect impact (tourism, return visits, etc.)
2. Cultural Facilities (non-City owned) – Golden Vision 2030 identified history and the arts as a community value. The continued growth, development, and focus on places like the Rocky Mountain Quilt Museum, Foothills Art Center, Miner’s Alley Playhouse, Mountaineering Center, etc. will help promote tourism (see above).

3. Loss of Major Retailers - the City's five major retailers (listed alphabetically: Home Depot, King Soopers, Kohl's, Safeway, and Xcel Energy) make up approximately 32% of the City's annual sales tax revenue. The loss of any of these retailers (through relocation, bankruptcy, etc.) would be a significant impact to the City's revenue. While such a loss is always possible, it is not considered likely to occur in the near future.
 4. Recreation & Wellness - With the nationwide push for health and the reduction of obesity, as well as several *Golden Vision 2030* values related to wellness and an active community, the potential exists for increased utilization of the City's park and recreation facilities.
 5. Walkability/Bikeability/Accessibility - As the City continues to improve sidewalks, trails, and bike paths, property values and corresponding property tax revenue should increase.
 6. Sustainability/Energy Conservation - There is an on-going trend to "go green". Sales and use tax revenues could increase with the purchase of energy conserving systems, equipment, vehicles, etc. Sales tax could also decrease over time from reduced energy consumption.
 7. Annexations - Although not in the City's *Golden Vision 2030* plan and not likely to happen in the foreseeable future, the potential to annex areas like Pleasant View, Camp George, etc. could have significant impacts on revenues.
 8. Natural Disasters - With the current trend of more extreme weather patterns, damage/loss of commercial/industrial properties would impact sales and use tax revenues. Increased water revenue during drought conditions is also possible.
 9. Schools - The quality of local schools has a direct impact on property values and subsequently, the property tax revenue to the City. Continued budget cuts and diminishing State support to the Jeffco School District may impact future property tax revenues.
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8 KEY TRENDS LIKELY TO IMPACT EXPENSES OVER THE NEXT TWENTY YEARS

8.1 TRENDS LIKELY TO OCCUR AND HAVING A SIGNIFICANT IMPACT ON EXPENSES

1. Natural Disasters - With the current trend of more extreme weather patterns, potential damage to City property is more likely. The potential for increased demand on City services is greater (i.e. more snow removal, more water and utility usage in drought conditions, higher insurance premiums, increases police and fire response, etc.)
2. Water Supply - As demand for water continues regionally, the City will continue to incur legal costs to defend our water rights.
3. Water Quality Laws/Regulations - It is reasonable to expect continuing higher standards for water quality and treatment that will result in increased costs related to water, wastewater, and storm drainage.
4. Transportation Infrastructure - Decreased funding from the County, State and Federal governments means more cost to the City for maintaining the City's streets.
5. *Golden Vision 2030* - Implementation of *Golden Vision 2030* will result in costs to the City to maintain, enhance, and add City services and amenities.
6. Parks & Recreation Infrastructure Maintenance - P&R has identified the need for approximately \$1.5 million per year to maintain/update existing infrastructure. Currently, the City's budget allocates approximately \$300,000 per year towards this.
7. Parks & Recreation and Clear Creek Corridor Master Plans - The City will incur significant expense in implementing these master plans.
8. Fire Department Staffing - At some point in the future, the current volunteer firefighter program may not provide sufficient staffing to the department and the City may need to add paid firefighters.
9. Police Department Staffing - In the community's desire to maintain safe neighborhoods, schools, streets, trails, events, etc., the City may need to increase staffing in the Police Department. More dedicated officers (i.e. school resource officers in the elementary schools, trail and creek corridor patrols, etc.) may be needed.
10. Open Space - There is a strong community desire for more open space and improvements to existing parcels. Cost to acquire and improve open space will continue to increase over time.
11. Undergrounding Utility Lines - There is an increasing desire to bury the various utility lines, especially in areas where the utility poles conflict with the walkability initiative. The City's portion of the cost could be significant.
12. Neighborhoods - With the growing desire for safe, clean, and quiet neighborhoods, along with the potential for expanding the neighborhood grants program, the cost to the City will increase. The most significant cost related to this would most likely be noise mitigation.
13. City Staffing Levels & Salaries/Benefits - Salaries for City employees have remained fairly stable the last few years - keeping pace with inflation, but lacking performance based increases. As the economy improves and other entities increase their pay scales, the City will need to increase salaries to retain their employees. Certain benefits, such as health insurance will most likely continue to increase. And, in order to implement many of the communities wants and needs (*Golden Vision 2030*, P&R Master Plans, Public Safety service levels, etc.) More staff will be needed.
14. Walkability/Bikeability/Accessibility - The desire for more and better sidewalks, trails, bike lanes, and compliance with ADA accessibility requirements will continue to increase.
15. Beltway - Costs related to this issue could remain high, whether on defensive efforts or on construction to implement road improvements along the highway corridor.

8.2 TRENDS NOT LIKELY TO OCCUR AND/OR HAVING A LESS SIGNIFICANT IMPACT ON EXPENSES

1. Regional Transportation - In conjunction with the light rail-west line, the City has committed to \$130,000 over a three year period towards the operation of a commuter bus system in Golden. While the current agreement is that the City's obligation ends after the initial commitment, there is the possibility that the City will make additional contributions in the future.
2. Energy - Continued increasing costs of energy (gasoline, electricity, natural gas, etc.) will impact the City's various operating budgets.
3. Schools - As a result of diminishing revenues and budget cuts to the schools (see Revenues 7.2.9. above), the City may incur expenses in providing direct support to school programs. If after school programs continue to be cut at the schools, the City may also incur additional service costs in public safety as more children would be left unattended and in the community in the afternoons, increasing the chance of delinquent behaviors.
4. City Facilities - As the City facilities age, repair and maintenance costs will increase. Construction inflation for materials and labor is also a concern.
5. Housing - to accomplish the community's desire for more diverse and affordable housing, the City may need to provide more incentives.
6. Museums (City owned) and Other Cultural Facilities - As SCFD and other grant funding declines, the pressure on the City for additional support may increase.
7. Annexations - Although not likely to happen, any major annexation would create significant cost to the City in increased personnel to support increased service needs.
8. Public Spaces - There has been mention of a desire for more public spaces, especially downtown, including the suggestion to close Washington Avenue to vehicle traffic. If implemented, there could be significant cost to the City for development and maintenance of these public spaces.
9. Colorado School of Mines - Increases in the number of students and facilities may increase the need/demand for certain City services.

9 OPTIONS FOR MINIMIZING GAP

9.1 BUSINESS INCENTIVES AND SUBSIDIES

Attracting new businesses that fill voids in the types of goods and services available within the City prevents leakage (residents going outside the City on a regular basis to purchase certain types of merchandise) and may attract more shoppers from outside the community. Allowing for more options and flexibility in providing incentives and/or subsidies to businesses and developers may help to spur economic growth and increase revenues through additional property and sales/use taxes. Each of the alternatives below would need to go to the voters.

1. Repeal the Charter amendment (Section 11.5.1 of the City Charter) related to incentives.
2. Revise the Charter amendment to increase the amount of incentives allowed without additional voter approval.
3. Propose an incentive program within the guidelines of the Charter amendment that establishes parameters in which incentives may be given without additional voter approval.

9.2 REDEVELOPMENT AND INFILL

The City is changing from a growth community (new development) to one with more redevelopment and limited infill. By either working within the incentive guidelines (Section 11.5.1 of the City Charter) or revising the guidelines to provide more options and flexibility relating to residential redevelopment, the City may be able to attract the desired low-income and diverse housing stock and increase property tax revenue.

9.3 ZONING

Evaluate the potential for more flexibility in the zoning of various areas within the City to make it easier for development/redevelopment to occur without the prohibitive tensions and objections during the process that may cause the developer to go to neighboring communities.

9.4 UTILIZATION OF BUSINESS DISTRICTS

Having a clear vision and specifically designed plan for each of the retail areas within the City, and for the City as a whole, could help promote the diversity of retail establishments, promote additional tourism, and increase property and sales/use taxes. These retail areas could be within URA's or SID's to promote redevelopment and revitalization, as well as creating additional jobs.

9.5 ECONOMIC DEVELOPMENT/EMPLOYMENT

In addition to attracting retail businesses, economic development efforts could also focus on attracting primary jobs (industrial, manufacturing, etc.) that will help support the overall economy in the City.

9.6 GROWTH LIMITS

The growth limitation in the City Charter could be evaluated and potentially updated to allow for more flexibility in banking housing allocations. This would make it easier for potential redevelopment opportunities, generating additional building related and property tax revenues.

9.7 SALES/USE TAX

As the largest single revenue source for the City, changes related to sales/use tax would have the biggest impact on the potential gap. The following are potential options available:

1. Increase the tax rate above the current 3%. The increase could be a general increase where the additional revenue goes to the General Fund. The increase could be dedicated for capital needs or to address specific operations. Or, the increase could be a combination of both general and dedicated. (Any type of tax increase would require voter approval.)
2. Eliminate exemptions for certain types of purchases currently addressed in the code.
3. Begin taxing certain services (may require voter approval).
4. Eliminate the current sales tax rebate for seniors, low-income, and disabled individuals.
5. Enforce upon individual citizens the provision of the code that requires the payment of use tax on purchases subject to tax when sales tax was not paid. This applies primarily to catalog and internet purchases where the vendor does not charge sales tax. The City currently enforces this on the businesses in town, but not on individual citizens.

9.8 PROPERTY TAX

Property tax is another large source of revenue that could be increased (with voter approval) for either general or dedicated purposes.

9.9 LODGING TAX

Many communities in the metro area and most resort communities have implemented a lodging tax. The creation of a lodging tax (requires voter approval) would generate additional revenue for either general or dedicated purposes.

9.10 OCCUPATIONAL TAX

Denver has an occupational tax, charged to the employers and employees that work in Denver. The creation of an occupational tax in Golden (requires voter approval) may be charged to employers and/or employees, and would generate additional revenue for either general or dedicated purposes.

9.11 PARKS & REC INFRASTRUCTURE MAINTENANCE AND MASTER PLANS

Implementation of these plans is cost prohibitive without raising revenue or cutting costs in other areas. Other potential options related to these plans are as follows:

1. Scale back the scope of the plans and/or the implementation of them.
2. Implement a tax increase (sales or property tax) dedicated to this area (requires voter approval).

9.12 EVALUATION OF CITY SERVICES/FEES

1. Snow Plowing - The City currently begins snow plow operations generally when 3" of snow fall has occurred and snow continues to fall. For this issue, potential options to address the gap are as follows:
 - Delay the start of plowing until more snow has fallen.
 - Discontinue or delay the plowing of residential streets.
 - Institute a snow and ice removal fee. The City of Milwaukee (among others) has such a fee based on linear feet of street frontage, charged annually on utility bills (average charge to residential properties is less than \$30/year).
2. Community Center - The City's General Fund subsidizes operations at the Community Center by more than \$300,000 annually. Potential options to reduce the amount of the subsidy are as follows:
 - Increase the various fees and charges at the Community Center to make the operation more self-supporting.
 - Reduce programs and amenities offered to reduce the cost of operations.
 - Contract with a private company to operate the Center.
 - Sell the property/facility to become a private health club.
3. Splash Aquatic Park - Splash is operated with the intention of covering its operating costs. In some years, the City's General Fund subsidizes the operations by \$20-30,000. Other City Funds cover the costs at Splash for capital repair and replacement. Potential options to reduce the amount of the subsidy are as follows:
 - Increase the various fees and charges at the Splash to make the operation, including capital needs, more self-supporting.
 - Reduce programs and amenities offered to reduce the cost of operations.
 - Contract with a private company to operate the Center.
 - Sell the property/facility to become a private aquatic park.

4. Museums - The City's General Fund subsidizes operations at the museums by more than \$300,000 annually. Potential options to reduce the amount of the subsidy are as follows:
 - Reduce programs, amenities, hours of operation, etc. to cut costs of operation.
 - Conduct a major fundraising campaign in the community to increase revenue to support the operations.
 - Implement a designated cultural arts fee (charged to each property through the utility bills) to support the museums operations.
 - Implement a dedicated tax (sales or property tax) to support the museums operations (requires voter approval).
5. Cemetery - The demand for service at the Cemetery is sporadic and unpredictable. In some years the Cemetery covers all its costs. In other years, a subsidy is needed. Increasing fees to reduce the need for subsidies should be considered.
6. Other fees – examples of other fees that could potentially be implemented to increase revenue include:
 - Parks & Open Space Maintenance Fee - the City of Longmont currently charges a similar fee to its residents through utility bills.
 - Dog Park Usage Fee - charged to users of the off leash dog parks.
 - Parking Fee - the City could charge for parking in the parking garages, surface lots, and along streets in the downtown area.
 - Clear Creek Access Fee - charged to kayakers, tubers, etc. to access Clear Creek.
 - Bicycle License Fee - Begin licensing bicycles and charge a license fee.
7. Cuts in Services/Service Levels - Review all City programs and services. Some services and service levels provided may need to be reduced in order to cut costs.

9.13 CITY STAFFING/COMPENSATION

Staffing level cuts, salary freezes/reductions, and benefit cuts are all options to reduce City expenses.

9.14 COMMUNITY/SPECIAL EVENTS

The City incurs costs in supporting the special events held in Golden. Options to help cover those costs include:

1. Charge event organizers for the cost of the City services received.
2. Charge admission fees for events on City property.
3. Solicit corporate sponsors to cover City costs.

9.15 SPECIAL DISTRICTS

Certain services provided by the City are provided by special districts in other communities (i.e. parks & rec districts, fire districts, water & sanitation districts). The consolidation of services into special districts may reduce costs to the City.

9.16 PUBLIC-PRIVATE PARTNERSHIPS

Seeking funding partners for certain projects can reduce costs to the City and continue to provide high levels of service and amenities to the community.

9.17 NEIGHBORHOOD/SPECIAL IMPROVEMENT DISTRICTS

The City can help facilitate the formation of SID's to fund various and needed improvements in neighborhoods that are willing to pay for those improvements sooner than the City would be able to afford or prioritize the improvements.

9.18 ANNEXATION

The annexation of areas that would allow for additional commercial development (retail, industrial, manufacturing) could be considered as a way to generate additional revenue for the City.

9.19 ADVERTISING/CORPORATE SPONSORSHIPS/NAMING RIGHTS

Allowing or soliciting paid private advertising at City facilities, in the Informer, on the City's website, etc., seeking corporate sponsorships for City events/activities, and possibly naming rights at City facilities are all ways to increase revenue to the City.

10 SUMMARY AND CONCLUSIONS

The Blue Ribbon Panel, with considerable support from City staff, reviewed the community's financial structure and the community's vision, estimates of the costs to achieve that vision, and projections for the revenue that might be available to meet those costs.

The Panel also spent a great deal of time brainstorming ideas that might help reduce the gap between the costs of the community's vision and the projected revenue available to achieve that vision. Those ideas are also presented in this report, and they include ideas for reducing costs, increasing revenue, and other creative approaches to closing the gap. These ideas range from modest to dramatic, and from easy to very complex. Some of these ideas may seem unreasonable at first but make a lot more sense after they are examined carefully, while others may seem reasonable on first impression but turn out not to make sense when considered in more detail. City Council needs to carefully and thoroughly evaluate any idea it wants to consider.

The Blue Ribbon Panel took seriously City Council's direction to generate a wide range of ideas, which we did, and City Council direction not to evaluate or prioritize among those ideas, which we did not do.

The Blue Ribbon Panel offers two recommendations to the City Council for moving forward with this process:

- 1) Establish a process for evaluating in greater detail any of the ideas presented here that may be of interest. Every idea presented has potential benefits and potential impacts, and any that may be worth exploring will require thorough, thoughtful scrutiny. Before making any significant decisions, Council should proceed only with a very careful evaluation.
- 2) Ensure that this process provides for significant public input. The community should have a significant opportunity to participate in any decisions City Council may make based on this report.

The gap between the cost of realizing the community's vision and the projected revenues available for doing so is a serious, difficult, and uncomfortable subject. We appreciate Council's willingness to begin this conversation.

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12 APPENDIX A – TABLE OF KEY TRENDS LIKELY TO IMPACT REVENUES OVER THE NEXT TWENTY YEARS

Key Trends Likely to Impact Revenues Over the Next Twenty Years			
Theme	Trend	Effect	Comments
Purchasing patterns	Potential shift in purchasing from goods to services	Lower tax base and revenue	Goods are generally taxed; services are generally not taxed.
Internet commerce	Increase in internet purchases as opposed to brick and mortar purchases	Decrease in local sales tax revenues	Does Colorado have a voluntary sales tax? Yes - our code allows that you are responsible to pay tax on out-of-state purchases (catalogue and internet). It is already enforced with Golden businesses when they buy items.
Business incentives	The Golden Charter currently restricts incentive possibilities	Inability to attract some new businesses. Retain existing businesses.	City of Golden Charter: Chapter XI.V
Residential and commercial property development and redevelopment	More redevelopment than new development in Golden	The City does not have an opportunity to support this type of development – may cause stagnation. Possible loss of building related revenues.	City incentives are generally limited to \$25,000 Other incentives are currently through GURA (mostly commercial – limited residential)

Key Trends Likely to Impact Revenues Over the Next Twenty Years

Theme	Trend	Effect	Comments
Mixed-use Development	Loft apt. in downtown areas; i.e. - Gateway Station – commercial downstairs, residential upper levels.	Increased revenue, more density, future tax revenue.	Could be quality of life issue; density/population in smaller area.
Community / special events	More and more of them	Some increased revenue but also increased cost.	<i>Golden Vision 2030</i> encourages more “community” events
Tourism (incl use of non-City owned cultural facilities)	Local tourism is growing with staycations	More people spend money in Golden Could affect our quality of life	Cultural facilities support many aspects of <i>Golden Vision 2030</i>
State and Federal funding	Anticipated reduction in County, State, and Federal funds	Less access to revenue	GoCo funds may be allocated elsewhere
Major retailers	A significant portion of our sale tax revenues come from a few big retailers	We are vulnerable (sales tax and jobs) if they go out of business or move away	May result from business going bankrupt or a natural disaster
Regional Transportation	Increased and improved access	Will help promote tourism Increase property values Possible revenue generator	Supports many aspects of <i>Golden Vision 2030</i> Local transportation sometimes needs heavy subsidies

Key Trends Likely to Impact Revenues Over the Next Twenty Years

Theme	Trend	Effect	Comments
Recreational & Wellness Facilities	Nationwide push for health, wellness, reduction of obesity.	Increased utilization of services/facilities.	Renewals of memberships and fees trending up in Golden. <i>Golden Vision 2030</i> plan parallels nationwide trends
Walkability / Accessibility	Demand is increasing	Increased Property Value = Higher Property Taxes	<i>Golden Vision 2030</i> compatible
Sustainability/Conservation	Conserve energy.	Increase or Decrease Sales/Use Tax Revenue	If people conserve, then less sales tax revenue coming into government. Use tax would increase (short term) with purchase of conservation systems. Golden's own Power Company?
Annexation	No known trend	Increased property/sales tax	

Key Trends Likely to Impact Revenues Over the Next Twenty Years

Theme	Trend	Effect	Comments
Natural Disaster	Potential for more extreme weather patterns	Negative impact on sales / use tax. Negative impact on property tax if property lost Drought leads to more water revenue.	
Schools	Diminishing State Support	Quality of schools may decrease.	Lower property values.

13 APPENDIX B – TABLE OF KEY TRENDS LIKELY TO IMPACT EXPENSES OVER THE NEXT TWENTY YEARS

Key Trends Likely to Impact Expenses Over the Next Twenty Years			
Theme	Trend	Effect	Comments
Natural Disasters	Potential for more extreme weather patterns.	Repairs to City property, loss of tax revenue Increased service costs; i.e. police, fire, insurance.	Wildfire threat exists
Water Supply	Increased demand regionally.	Ongoing legal expense to defend water rights.	
Change in water quality laws/regulations.	Higher standards for treatment.	Increased cost for water, waste water and storm drainage.	
Regional Transportation	Increasing demand for and availability of mass transit.	Increased expenses for community bus. City support for circulator bus.	
Transportation Infrastructure	Decreased State and Federal resources.	Increased City spending on roads.	
Energy	Increase in rates and costs	Higher expense/costs to City for equipment and facilities.	Electricity, gas, natural gas

Key Trends Likely to Impact Expenses Over the Next Twenty Years

Theme	Trend	Effect	Comments
Schools	Diminishing support from the State.	Risk of higher rates of delinquency; therefore increased service costs (police). Potential City support of school programs.	Currently support School Resource Officers, After Prom.
Golden Vision 2030	Maintain, enhance and add City services and amenities.	\$\$	
Parks and Recreation Master Plan	Maintain, enhance and add City services and amenities.	\$12.3M	Increase walkability and accessibility
Parks and Recreation Infrastructure Maintenance	Maintain/improve City infrastructure.	\$7.5M	Trails: repair, replace, new
Clear Creek Corridor Master Plan	Maintain, enhance and add City services and amenities.	\$11.1M	

Key Trends Likely to Impact Expenses Over the Next Twenty Years

Theme	Trend	Effect	Comments
Fire Department	Shift to paid fire department from volunteer force.	Possible need for paid employees as opposed to volunteers.	Firefighters vs. engineers. Does not have enough qualified engineers to drive trucks. Staffing, compensation.
Police Department	Desire to maintain safe neighborhoods, schools, communities, streets, events.	Desire for more dedicated officers; i.e. School Resource Officers. Increased dedicated service; trails, elementary schools.	Equipment, staffing, compensation
City Facilities	Inflation costs of repair and maintenance: increasing costs of construction materials and labor	Increased City costs to maintain what we have	Not any new facility construction in the 10-year plan First item in "Community Capital Investment Priorities" in <i>Golden Vision 2030</i> Anticipate and budget for repairs

Key Trends Likely to Impact Expenses Over the Next Twenty Years

Theme	Trend	Effect	Comments
Housing	Desire for affordable housing.	Possible additional expense to City in fee waivers and incentive	<p>There is a strong desire in <i>Golden Vision 2030</i> for affordable housing</p> <p>How does the City interact with CSM on this? Housing? Parking?</p>
Open space	Desire for more and improved open space	Need more funds and a funding mechanism	
Museums and Cultural Facilities	<p>Desire for more and improved</p> <p>There is less funding available</p>	Increased City subsidies	<p>Strong in <i>Golden Vision 2030</i></p> <p>One of the top four reasons people visit here and live here</p> <p>Includes City-owned facilities and non-profits</p> <p>People who use cultural facilities often spend money in town</p>

Key Trends Likely to Impact Expenses Over the Next Twenty Years

Theme	Trend	Effect	Comments
<p>Utilities: Electric, Cable, Telephone</p>	<p>Desire to bury power lines</p> <p>Operating costs are increasing</p>	<p>Need more funding (City matching funding and more)</p>	<p>Utility poles blocking sidewalks (Coors along Ford)</p> <p>We receive some matching funds from Xcel (credits).</p> <p><i>Golden Vision 2030</i> talks about walkability and beautifying neighborhoods</p> <p>Golden's own Power Company?</p> <p>Buried power lines are more sustainable from weather damage</p> <p>Relates to neighborhood beautification</p>

Key Trends Likely to Impact Expenses Over the Next Twenty Years

Theme	Trend	Effect	Comments
Annexations	Annex when it is a physical or fiscal benefit for the City	Stretch our resources or provide revenue - depends	<p>Pleasant View</p> <p>County governments are less able to provide services</p> <p>People generally want to be annexed into the City when they want something from the City</p> <p>Residential property does not bring in revenue – business and commercial do</p>
Public Spaces	Desire to have more	<p>Development and maintenance costs</p> <p>If we closed a main street it would complicate traffic flow</p>	Create public plazas, street mall, etc.
Neighborhoods	Desire for safe, clean, and quiet neighborhoods	City costs related to mitigation, improvements, grants	Neighborhood Special Improvement Districts (SIDs) for desired improvements

Key Trends Likely to Impact Expenses Over the Next Twenty Years

Theme	Trend	Effect	Comments
Colorado School of Mines	Growth through increased number of students and facilities	Not enough housing Increased demand for services	Both a revenue and expense issue About 5,000 students now More graduate students who don't typically live on campus
City Staff Costs	Inflation: medical and salaries More staff needed	Possible more staff needed	Evaluate salaries, compensations and benefits Evaluate staffing levels Evaluate City services
Walkability / Accessibility	Increased desire for more walkability. Increased ADA needs.	Achieve goals for <i>Golden Vision 2030</i>	
Beltway	Money spent in past and in future		Could provide more commercial

14 APPENDIX C - TABLE OF OPTIONS FOR MINIMIZING GAP

Options for Minimizing Gap between Costs and Revenues				
Theme	Action	Effect	Comments	Relationship to Gap
Government incentives and subsidies to businesses	-Revise or repeal the Charter amendment, or propose a program within the guidelines of the current City Charter.	-Present opportunities for current and new businesses to prosper in the community.	-Present a ballot issue defining new programs for City business development incentives and subsidies. -Define a new program as part of the City Charter Amendment 11.5.	-Create an increase in sales, use, and property tax revenues. -Reduce tax dollars available for other purposes.
Redevelopment and infill	-As the amount of available land shrinks, emphasize redevelopment projects. -Evaluate all subsidies and incentives to encourage infill and redevelopment	-Present opportunities for current and new businesses in the community.	-Think in terms of re-development, rather than development. -Change the emphasis in City Charter Amendment 11.5.1 to focus on redevelopment	-Create an increase in sales, use, and property tax revenues. -Reduce tax dollars available for other purposes
Zoning	-Evaluate current zoning regulations and designations to ensure they meet today's needs.	-Create smarter redevelopment with less community objection.	-Increasing the amount of commercial zoning might increase property tax revenues. -Create a climate of less tension and fewer barriers to redevelopment.	-Create an increase in sales, use, and property tax revenues. -Increase revenues from building permits and water taps.

Options for Minimizing Gap between Costs and Revenues

Theme	Action	Effect	Comments	Relationship to Gap
Downtown business district	<ul style="list-style-type: none"> -Create a coordinated vision and business plan for the downtown district -Improve communication among entities within each commercial and business district. 	<ul style="list-style-type: none"> -Continue the emphasis on a vital downtown. -Continue the emphasis on walkability and tourism. 	<ul style="list-style-type: none"> -To attract tourists, create a 'brand' for downtown. -Look for possible gaps in the goods and services currently available to downtown residents. -Coordinate the downtown vision with all interested parties. 	<ul style="list-style-type: none"> -Create an increase in sales, use, and property tax revenues.
New business districts	<ul style="list-style-type: none"> -Consider all relevant areas within Golden, create a clear vision and specifically define plans for all commercial and business districts. -Create new Urban Renewal Authority districts, Special Improvement Districts (SID's) and other districts. 	<ul style="list-style-type: none"> -Encourage redevelopment of businesses. -Add to the number and variety of Golden's businesses. -Increase the number of jobs in Golden. 	<ul style="list-style-type: none"> -Use the list City Council has created to identify districts. -SID's must agree to tax themselves. -The City contributes the tax increment to URA's. 	<ul style="list-style-type: none"> -Create an increase in sales, use, and property tax revenues. -Reduce tax dollars available for other purposes
Growth limits	<ul style="list-style-type: none"> -Evaluate and possibly update the growth-limit Charter amendment. -Allow for more flexible banking of year-to-year housing allocations and permits. 	<ul style="list-style-type: none"> -Ease impediments to redevelopment. 	<ul style="list-style-type: none"> -Charter must be amended by voters. -Allowing more growth under the cap may increase Golden business activity. 	<ul style="list-style-type: none"> -Create an increase in sales, use, and property tax revenues. -Increase revenues from building permits and water taps.

Options for Minimizing Gap between Costs and Revenues

Theme	Action	Effect	Comments	Relationship to Gap
Sales tax	<ul style="list-style-type: none"> -Consider a sales tax rate increase for specific items and/or across the board. -Tax internet purchases. -Consider eliminating certain exemptions and rebates. -Tax items not currently taxed, i.e., services. 	<ul style="list-style-type: none"> -Create increased revenue to City. 	<ul style="list-style-type: none"> -A tax increase could encourage folks to shop elsewhere. -Consideration of a sales tax increase needs to include fact finding on who currently shops in Golden. 	<ul style="list-style-type: none"> -Create an increase in sales tax revenues.
Lodging tax	<ul style="list-style-type: none"> -Create a lodging tax. 	<ul style="list-style-type: none"> -Create more City sales tax revenues. -Possibly decrease Golden hotel occupancy rates. 	<ul style="list-style-type: none"> -Business travelers may be price sensitive. -Sales tax is currently applicable to stays less than 30 days. 	<ul style="list-style-type: none"> -Create an increase in sales tax revenues.
Mill levy	<ul style="list-style-type: none"> -Raise Golden's property tax mill levy. 	<ul style="list-style-type: none"> -Slightly higher property tax bills. 	<ul style="list-style-type: none"> -Could be a general increase or dedicated increase. 	<ul style="list-style-type: none"> -Create an increase in property tax revenues.
Utility fees	<ul style="list-style-type: none"> -Increase City utility fees, such as water, wastewater, drainage, and trash collection. 	<ul style="list-style-type: none"> -Increase revenues 	<ul style="list-style-type: none"> -Fee review currently takes place once a year. 	<ul style="list-style-type: none"> -Create an increase in revenues from City utilities.
Occupational tax	<ul style="list-style-type: none"> -Charge employers and /or employees to work in Golden. 	<ul style="list-style-type: none"> Increase revenue 	<ul style="list-style-type: none"> -Could prompt employers to move elsewhere. 	<ul style="list-style-type: none"> -Create an increase in City revenues.

Options for Minimizing Gap between Costs and Revenues

Theme	Action	Effect	Comments	Relationship to Gap
City service fees	<ul style="list-style-type: none"> -Increase existing City service and use fees, i.e., rec center fees, lessons, etc. -Create new City service fees, i.e., park fee, roads, recreation, use of Clear Creek, etc. 	<ul style="list-style-type: none"> -Fee increases and new fees. 	<ul style="list-style-type: none"> -Parks fees could be dedicated to maintenance of parks. -Fees could be charged to everyone or on a per use basis. -Possible examples: skate park and dog park fees, street frontage charge for plowing and sweeping. -Council should compare the amount of projected income with the cost of implementation. 	<ul style="list-style-type: none"> -Create an increase in City revenues.
City staffing	<ul style="list-style-type: none"> -Evaluate the City staff's total compensation. -Evaluate City staffing levels. -Evaluate benefits paid by employer and employee. 	<ul style="list-style-type: none"> -Decrease personnel costs. -Reduce service levels. 	<ul style="list-style-type: none"> -Compare costs and staffing levels with jurisdictions of like size. 	<ul style="list-style-type: none"> -Possibly reduce staffing costs and the amount of inflation they bring to the budget.
Parking	<ul style="list-style-type: none"> -Establish parking fees for some streets and the parking garages. 	<ul style="list-style-type: none"> -Increase revenues -Discourage folks from parking in downtown Golden. 	<ul style="list-style-type: none"> -Could provide a source of income to maintain the garages. --Council should compare the amount of projected income with the cost of implementation. 	<ul style="list-style-type: none"> -Create a new source of income to the City. -Incur some new staffing costs.

Options for Minimizing Gap between Costs and Revenues

Theme	Action	Effect	Comments	Relationship to Gap
Bicycles	-Establish a bicycle tax. -Create a bicycle license.	-Increase revenue.	--Council should compare the amount of projected income with the cost of implementation.	-Create a new source of income to the City. -Incur some new staffing costs.
Transportation	-Implement increased or new fees related to transportation.	-Decrease ridership.	-Encourage use of public transportation. -Promote 'circulator bus' to coordinate with new light rail.	-Create some new costs to the City.
Community / special events	-Increase charges to organizers and/or attendees of events. -Obtain corporate sponsors for the four City-supported events.	-Increase City revenue. -Reduce the interest in holding events in Golden?	-Undertake a general cost/benefit analysis of events--the crowds they attract, their effect on sales tax revenues, and the cost to public safety while they're going on.	-Create an increased source of income to the City.
City programs and services	-Conduct a complete review of all programs funded by the City. -Evaluate to determine need and optimal delivery mechanism.	-Possible reduction in City staffing and programs.	-Consider all programs, especially discrete, non-essential ones. -Leave no program out of study: no "sacred cows". -Consider privatization for some ancillary programs.	-Could produce a reduction in City program and staffing costs.

Options for Minimizing Gap between Costs and Revenues

Theme	Action	Effect	Comments	Relationship to Gap
Special Districts	Consider consolidation of services with other governmental entities for basic services-fire, water, sanitation, etc.	<ul style="list-style-type: none"> -Create cost saving for services. -Create possible reduction in service levels. 	<ul style="list-style-type: none"> -City loses the pride and value of having its own public safety, water and/or sanitation services. -City loses partial control of services. -City increases coordination with surrounding jurisdictions. 	-Reduce cost of some basic services.
Public-private partnerships	-Seek funding partners, including businesses, for certain projects (e.g. the community garden, mountain bike park, art, archery, shooting range, trails, parking)	-Give people what they want that the City can't afford.	<ul style="list-style-type: none"> -Would require City staff negotiation and supervision. -Could lead to some new programs. 	-Reduce cost of some City programs. Add some new ones at low cost.
Neighborhood Districts	-Consider the formation of special districts—taxing entities—to address infrastructure and recreational concerns.	-Council passes resolutions making it easier for neighborhoods to create special districts.	-Could exacerbate the economic gaps between neighborhoods.	-Lower cost to the City of infrastructure and recreational improvements.

Options for Minimizing Gap between Costs and Revenues

Theme	Action	Effect	Comments	Relationship to Gap
Annexation	-Annex areas outside Golden's current boundaries.	-Increase revenue to the City. -Increase the need for government services. -The number of people allowed under the 1% growth limit would increase.	-Do cost/benefit analysis of revenues v. expenses, commercial v. residential property tax gain.	-Could provide increased property tax revenues.
Employment	-Continue to grow primary jobs, jobs which produce goods and services in excess of what can be consumed by the local market.	-Create increased sales tax, property tax, use tax.	-Examples of current primary job providers are CoorsTek, SourceGas. -EdComm is currently working on primary job creation.	-Create an increase in sales, use, and property tax revenues
Advertising	-Solicit advertising for the City website, <u>The Informer</u> , public properties, etc.	-Raise revenue.	-Create a negative image of Golden.	-Create income to the City.