



## FACT SHEET

### Proposed Town of Basalt Bonds for the Basalt River Park Improvement Project Ballot Questions 2F and 2G

**What:** The Town of Basalt is proposing two measures for the Pan and Fork, or the Basalt River Park, site:

**1. Question 2F:** Finance the acquisition of 2.317 acres of land currently owned by Roaring Fork Community Development Corporation (CDC). One acre would be available for development; the remaining 1.317 acres would be designated for the park and supporting uses. Total size of bond: Up to \$3.1 million with a total re-payment cost of up to \$3.8 million.

**2. Question 2G:** Finance park improvement costs. Total size of bond: Up to \$4.12 million with a total re-payment cost of \$5.05 million. Question 2G will be implemented only in the event Question 2F is approved by the voters.

#### Cost to Voters:

**If Questions 2F and 2G pass, will taxes increase?** Yes. Technically, 2F and 2G are tax increases under TABOR because they extend an existing tax. But if the ballot issues pass, taxes will remain the same as they currently are through 2026. Passage of these questions would extend the existing mill levy, approved in 2013 for river and park improvements, to finance the acquisition of the CDC property and the River Park Improvement Project. The 2013 Bonds are scheduled to mature at the end of 2023, and the existing debt tax levy is scheduled to expire at the same time. That said, the Town believes it will have enough surplus property tax and POST (Parks, Open Space and Trails) revenues saved by the end of 2020 to allow it to pay off all the remaining 2013 bond principal at that time – avoiding the last three years of interest expense on those bonds. If 2F and 2G do not pass, taxes will return to pre-2013 levels in 2020.

#### How much would Basalt property owners pay for this mill levy?

Residential – Using the 2015 tax base, residents would pay \$146 per year if they own a \$500,000 home.

Commercial – Using the 2015 tax base, commercial property owners would pay \$533 per year for a commercial property assessed at \$500,000.

**Why is this proposal split into two questions?** Town Council split it into two questions to give the registered electors of the Town the opportunity to vote directly on the acquisition of the CDC parcel without having to consider the additional cost associated with park improvements.

**Planned park improvements if citizens approve question 2G:** The plan is to add a band shell, public restrooms, a children's play area, ADA-accessible pathways, a great lawn and plantings. Changes would also be made to Two Rivers Road adjacent to the park to make the area more pedestrian-friendly. Bus shelters would be relocated and improved.

**Planned park improvements if question 2G is not approved:** The Town does not know what improvements, if any, would be made in the next couple of years. The Town most likely would evaluate all currently proposed Town park improvements (including the Basalt River Park) and determine the priorities for scheduling and funding. The Town could seek grant funding for any of the Town parks.

#### What is the current size of Town-owned land at the Pan and Fork site, and what will be the acreage of the park if the land acquisition is approved?

The Town currently owns 2.97 acres on the Pan and Fork site, purchased in 2011. Of that land, 2.36 acres is along the downtown Basalt side of the river and is not under water. If the land acquisition is approved, 1.317 acres would be added for park and supporting uses, bringing the total land dedicated to park and supporting uses to 3.68 acres.

#### Is the Town obligated to spend the full amounts authorized in the ballot questions?

No. The purchase contract, the actual bond issuance(s), and the spending of bond proceeds will all be considered by Town Council. Actual bonding and spending amounts can be less than the maximum authorized amounts. The dollar amounts are slightly higher than anticipated to account for factors beyond the Town's control such as a hike in interest rates, which would increase the cost of borrowing, or an increase in construction costs. In addition, with respect to question 2G, the actual park improvement plans have not been finalized, so the total cost may be higher or lower than currently anticipated.

### **How does the Town expect to repay the debt?**

Under state and federal law, the Town's ballot questions must assume that 100% of the bond debt service will be repaid with property taxes. In actuality, the Town expects to use Parks, Open Space and Trails (POST) revenues (dedicated from sales tax) in addition to property taxes to pay bond debt service.

Under the current fiscal plan, if the Town maintains its debt fund tax levy and collects POST revenues at current levels for the next 10 years (2017-2026), it will have sufficient resources to complete the repayment of the debt associated with the 2013/2014 bonds along with the new debt associated with 2F and 2G. The Town's projection assumes the 3% maximum interest rate stated in the Ballot Questions, and that the Town will reserve at least 20% of annual POST revenues for purposes other than paying existing and potential new debt service.

### **Why hasn't the Town been reimbursed by CDC for making improvements on the CDC property?**

The initial plan for developing and reimbursing Town expenses on the CDC property did not unfold how either party envisioned. At one time, the CDC envisioned a campus on the property that included 150,000 square feet of development and four-story buildings.

During this time, the idea of a large public park and a smaller commercial footprint came to be favored as a result of community input and planning sessions. This most likely would result in less revenues available for CDC to be able to reimburse the Town. The Town and CDC do not have an active agreement which requires reimbursement by CDC.

Despite this, the Town felt it was important to move forward to relocate the mobile home park residents and make floodplain improvements for health and safety reasons.

**The following is an abbreviated summary of For and Against comments on Ballot Questions 2F and 2G. See the "Frequently Asked Questions" on the Town website for detailed comments.**

#### **FOR Questions 2F and 2G**

The improvements proposed by POST provide community amenities and build on the hundreds of comments submitted through the Our Town Planning process. The park will secure Basalt's reputation as the river town on the Western Slope. It will also provide opportunities for adjacent vibrant development that can be a magnet for citizens and visitors.

Interest rates are low. An extension of the current tax rate for a few years for a multipurpose legacy park will increase the value of the one-acre reserved for commercial or public purpose building. The Town could sell the one-acre parcel.

The ballot questions represent a compromise between those who desire all park and those who desire all development on the CDC property. By owning the property, the Town can more easily pursue its vision for both a park and a vital commercial development.

The purchase of the parcel now avoids uncertainty and stagnation of this property, and allows the town to move forward.

#### **AGAINST Questions 2F and 2G**

The Town has many needs -- child care, affordable housing and infrastructure. Taxpayers will be saddled with too many taxes to allow other, needed projects.

Extending the 2013 bonds over a longer period of time is a tax increase, which is not needed. The best way for the Town to realize a park and development is to zone the property and let a developer build on it. This is more fiscally prudent because it doesn't incur debt.

We are a small town and the size of the proposed park is too large and too costly. The Town should be focusing on smaller projects that place less of a burden on the Town's debt load.

One big park won't by itself build vitality. To create special places that make a town memorable and unique requires a balance and variety of public spaces such as small pocket plazas and courtyards as well as river parks.