

Minutes of the Utility Line Undergrounding Study Committee
Of the City of Cherry Hills Village, Colorado
Held on Thursday, May 7, 2015 at 9:00 a.m.
At the Village Center

CALL TO ORDER

The meeting was called to order at 9:00 a.m.

ROLL CALL

Present at the meeting were the following Utility Line Undergrounding Study Committee Members: Russell Stewart, Gene Watkins and David Wyman.

Present at the meeting were the following City Council Advisors: Mayor Pro Tem Alex Brown and Councilor Earl Hoellen.

Present at the meeting were the following staff members: Jay Goldie, Public Works Director; and Emily Kropf, Special Projects Coordinator.

Absent were Committee Members Andy Love, John Love, Dan Lynch, Susan Maguire, Paul Stewart and Jim Tarpey.

AGENDA ITEMS

Open House Results

Mayor Pro Tem Brown stated that there was a small turnout at the undergrounding open house on May 6th. He said that this may be because the topic is not controversial, but he did not get that sense based on the results of the survey. The open house turned into more of a focus group. The feedback received generally falls into four categories: support of the tax; opposition to any tax; partial support of the tax due to the lack of a direct benefit; and support for a tax that is not part of the mill levy.

Mayor Pro Tem Brown continued that there is also another option that the Committee has not discussed. The City could adopt a building material use tax in lieu of the current service expansion fee that is paid for new construction.

Committee Member Russell Stewart asked how such a tax would be structured.

Mayor Pro Tem Brown replied that municipalities usually have around a 3% material use tax that is based on 60% of project valuation.

Committee Member Wyman stated that there seems to be support for the broadband aspect of the project.

Mayor Pro Tem Brown responded that it may not be enough to overcome opposition to a property tax. He added that changing the source of revenue may be enough.

Committee Member Russell Stewart asked what the material use tax is in Greenwood Village.

Public Works Director Goldie stated that it is 3% of 60% project valuation. He added that the revenue that the City collects could be placed into a fund that could be used for projects that residents have expressed interest in undergrounding or installing broadband.

Committee Member Russell Stewart replied that the City could use the fund for a 50% cash match program with residents.

Committee Member Watkins asked if the City would still issue a bond.

Mayor Pro Tem Brown responded that the program would be cash-funded.

Public Works Director Goldie stated that the projects would be more manageable.

Mayor Pro Tem Brown said that the material use tax should be included as an alternative in the Committee's final report.

Public Works Director Goldie added that the revenue could be directed towards undergrounding and open space acquisition.

Councilor Hoellen stated that the City should be utilizing other funding sources like a bond as interest rates are at an all-time low.

Mayor Pro Tem Brown said that the City cannot complete the project without a dedicated revenue stream, which is what the material use tax would provide. Voters will want to know what the money is being directed towards. He suggested that it be used for undergrounding, open space, broadband and other capital projects.

Committee Member Russell Stewart said that it sounds appealing.

Committee Member Wyman suggested analyzing the material use tax with last year's building permit revenue and comparing the figures. He asked what the revenue will be used for when undergrounding is completed.

Mayor Pro Tem Brown recommended directing revenue to undergrounding for 10 years and then having City Council revisit the issue. He also suggested directing one-third of the revenue to the General Fund for operating expenses and two-thirds to the Capital Fund for undergrounding and other projects.

Committee Member Russell Stewart agreed to present the Committee's final report at a study session with City Council on June 2nd.

ADJOURNMENT

The meeting was adjourned at 10:00 a.m.