

Budget Advisory Committee

City of Englewood, Colorado
City Manager's Office
1000 Englewood Parkway
Englewood, CO 80110-2373
Website: www.engagewoodgov.org



AGENDA

Englewood Civic Center
Community Development Conference Room, Third Floor
Tuesday, August 20, 2013
4:30pm to 6:00pm

These meetings are recorded, please be mindful of side conversations.

1. Call to Order
2. Approval of Meeting Minutes – July 17, 2013
3. New Business
 - Obtain signatures of Budget Advisory Committee Members on Oath of Office
 - Comparative Information regarding surrounding jurisdictions citizen budget advisory committees
 - City Bonds Ratings
 - Mill Levy Information – How it is Determined and Calculated / Comparative Data
 - Retail Study Presentation of Sales Tax and Impact of Outside City Sales Tax
 - Politics and Public Sector Budgeting Presentation
 - BAC Members Discussion of Next Steps
4. Budget Advisory Members' Choice
5. Adjourn

Please note: If you have a disability and need auxiliary aids or services, please notify the City of Englewood (303-762-2409) at least 48 hours in advance of when services are needed. Thank you.

City of Englewood, Colorado

Council Request: Citizen Budget Advisory Committee Information

Below is a list of local jurisdictions that provide various advisory groups:

Arapahoe County - Citizen Budget Committee

The Citizen Budget Committee is responsible for reviewing the annual proposed Arapahoe County Budget. The Committee reviews proposals that have significant fiscal and operational impacts and performs other duties as assigned by the Board of County Commissioners. When directed by the Board, the Committee gathers information and makes recommendations regarding County financial decisions.

- website address: <http://www.co.arapahoe.co.us/Apps/Boards/BoardsAll.aspx>
- on-line application website address: <http://www.co.arapahoe.co.us/Apps/Boards/OnlineApp.aspx?board=15>
- Copy of Citizen Budget Committee Resolution to establish terms for members
- Copy of Citizen Budget Committee By Laws

City of Aurora – Citizen’s Advisory Budget Committee

Purpose: The Committee studies all phases of the City's budget and makes recommendations to City Council.

Qualifications: Must be a registered elector in the City.

Membership: Number of members: 22

Term: Same 4-year term as Mayor or City Council Member that appointed the Member.

- website address:
<https://www.auroragov.org/CityHall/BoardsandCommissions/CitizensAdvisoryBudgetCommittee/index.htm>
- Copy of Citizen’s Advisory Budget Committee code reference
- Copy of Citizen’s Advisory Budget Committee Mission Statement and Rules and Regulations

City of Boulder – Revenue Stabilization/Blue Ribbon Commission

The City of Boulder is heavily dependent upon sales and use tax to fund its many programs and services. Beginning in 2001, the City of Boulder experienced significant sales and use tax revenue decreases. This resulted in large budgetary cuts over the next four years. Additionally, one third of the sales tax rate is set to expire over an eight year period beginning to 2011.

At the 2006 City Council Retreat, an initiative was put forward to appoint a blue ribbon commission (BRC) to study the revenue policy issues confronting the city. This committee was to consist of technical experts in governmental tax policy as well as distinguished community members who understood the history of Boulder sales tax initiatives and could evaluate the political receptiveness of future tax initiatives.

Appointed by City Council this Commission has been asked to:

Establish a long-term, balanced and stable revenue stream for the city of Boulder that accomplishes public priorities while allowing flexibility to meet the varied and dynamic needs of the municipal corporation in the next twenty years.

- website address:
http://www.bouldercolorado.gov/index.php?option=com_content&task=view&id=5925&Itemid=2421

City of Centennial – Finance Committees (Budget Committee, Audit Committee and Investment Committee) have citizen participation

- website address: <http://www.centennialcolorado.com/>
 - Copy of Finance Committees (Budget, Audit and Investment) Bylaws
1. **Budget Committee** - During 2009, in accordance with Section 11.16(c) of the City of Centennial's Home Rule Charter, City Council passed Ordinance No. 2009-O-3, creating the Centennial Budget Committee. This committee consists of the Mayor, one councilmember, three citizen representatives, the City Manager and the Finance Director. The purpose of this committee is to promote citizen involvement in the budgeting decisions of the City by having the committee study all phases of the budget and by having the committee make recommendations and reports to City Council about those studies.
 - Copy of Budget Committee Ordinance
 2. **Audit Committee** - The Audit Committee is described in section 11.16 of the City's Charter (adopted June 2008): There shall be created an audit committee which shall be comprised of the Mayor, a Councilmember appointed by the City Council, the City Manager, the Finance Director, a staff member appointed by the Finance Director, the City Attorney and two City residents with relevant business experience appointed by the City Council. The audit committee shall:
 - a. periodically review recommendations of staff based on the City's process for requesting proposals and interview to select an auditor or auditing firm to perform the annual audit required by this Charter or other audit(s) that the City Council may request pursuant to the authority in this Charter;
 - b. receive and review the findings and reports of such auditor(s); and
 - c. present the annual or other audit report(s) to the City Council.
 - Copy of Audit Committee Ordinance
 3. **Investment Committee** - The Investment Committee is described in section 11.16 of the City's Charter (adopted June 2008): There shall be created an investment committee that shall be comprised of the Mayor, a Councilmember appointed by City Council, the City Manager, the Finance Director, a staff member appointed by the Finance Director and two City residents with relevant business experience appointed by the City Council. The investment committee shall:
 - a. recommend to the City Council for adoption an investment policy of the City to ensure that City funds will be invested in accordance with Part 6 of Article 75 of Title 24, C.R.S., as may be amended from time to time, and to set policy for management of City funds to attain stated investment goals;
 - b. routinely review the investment policy and make recommendations to City Council for revisions when deemed necessary;
 - c. receive reports from the City Finance Director on the performance of the City's investments as measured against the investment policy; and
 - d. periodically report to the City Council on the performance of the City's investments, which reports shall be publicized in accordance with an Ordinance adopted by the City Council.
 - Copy of Audit Committee Ordinance

City of Denver - Structural Financial Taskforce

The task force has been charged with achieving the following goals:

- ❖ Learn about the City's revenues, expenditures and tax burden.
- ❖ Challenge and validate Denver's thirty year expenditure and revenue forecasts identifying a structural budget gap.

City of Englewood, Colorado

Council Request: Citizen Budget Advisory Committee Information

- ❖ Generate and vet expenditure and revenue ideas that could solve the structural gap.
- ❖ Recommend to the City a package of options that will solve the structural gap.
 - website address: <http://www.denvergov.org/budget/StructuralFinancialTaskforce/tabid/440626/Default.aspx>

City of Golden – Citizens Budget Advisory Committee

The Citizens Budget Advisory Committee (CBAC) was created by the City Manager to advise City staff on the development, implementation, and evaluation of the annual City budget. Participation in CBAC is an opportunity not only to advise on the prioritization of how City tax dollars are spent, but also to advise our policymakers in their decision-making process.

Members review and discuss the quarterly financial reports and the current year's revenue and expenditure projections. Many discussions involve philosophical and strategic issues which impact the budget. It is the role of CBAC members to take information learned in the meetings back into the community and to bring questions/concerns back for discussion

- website address: <http://www.cityofgolden.net/government/boards-commissions/citizens-budget-advisory-committee/>
- Copy of Citizens Budget Advisory Committee By Laws
- Copy of CBAC 2011 Budget Summary Delivering Services to Our Citizens Report
- Copy of CBAC Calendar 2011 Calendar and Agenda

Memorandum

To: Budget Advisory Committee
From: Frank Gryglewicz, Director of Finance and Administrative Services
Date: August 9, 2013
Re: City of Englewood Bond Ratings

The following is in regards to a request for the City's bond ratings. You will note the City has a number of issues outstanding but only a few are paid from tax dollars:

The City of Englewood's rating for its **General Obligation Bonds, Series 2010** is "AA – Stable" from Standard and Poor's and "Aa3" from Moody's Investor Service. Debt service is paid from the proceeds of a levy on properties in the City.

The City's **General Obligation Water Bonds, Series 2004** is Rated A2 by Moody's and A by Standard and Poor's. Debt service is paid from revenues generated by the sale of water even though the issue is considered a "general obligation" of the City.

The City's **General Obligation Water Bonds, Series 2009** is Rated A2 by Moody's and AA- by Standard and Poor's. Debt service is paid from revenues generated by the sale of water even though the issue is considered a "general obligation" of the City.

The City's **General Obligation Water Refunding and Improvement Bonds, Series 2012** is Rated Aa3 by Moody's and AA- by Standard and Poor's. Debt service is paid from revenues generated by the sale of water even though the issue is considered a "general obligation" of the City.

The **Golf Course Revenue Refunding Bonds, Series 2003** are **not rated**. The debt service for these bonds is generated by Broken Tee Golf Course revenues. These bonds will be refunded in September 2013.

The **Storm Water Enterprise Revenue Bonds, Series 2001** are **not rated**. The debt service for these bonds is generated by Storm Water fee revenue.

The **Storm Water Enterprise Revenue Bonds, Series 2012** are **not rated**. The debt service for these bonds is generated by Storm Water fee revenue.

The City issued **Qualified Energy Conservation Bonds** in 2010. Interest on these bonds is offset by credits received from the Federal Government under Section 1112 of the American Recovery and Reinvestment Act of 2009 and are **not rated**. Payment of debt service is generated by the General Fund.

The City obtained financing for various water and sewer system improvements through the **Colorado Water Resources and Power Development Authority**. The City does not receive a rating for these obligations.

The Englewood Environmental Foundation (EEF) issued **certificates of participation (COPs)** to finance and acquisition and renovation of the future Civic Center as well as other public improvements. The COPs were refunded in 2005. The COPs are **not rated** and are paid from General Fund sources.

Memorandum

To: Mayor Penn and City Council
 Thru: Gary Sears, City Manager
 From: Frank Gryglewicz, Director of Finance and Administrative Services
 Date: April 16, 2013
 Re: Mill Levy Information for April 22, 2013 Study Session

Maintaining and improving the City's infrastructure and services is always a challenge. The idea of dedicating a mill levy for infrastructure and/or police/fire services has been discussed by Council and staff in the past.

Currently, Public Improvement Fund has limited funds available to maintain existing infrastructure; additional projects are delayed due to lack of funding. The City Charter (Article X, Part I, Section 96) allows the City to assess two mills for the Public Improvement Fund. When this was written City Council could adopt this mill levy increase by ordinance, but since the Taxpayers Bill of Rights (TABOR) was approved by voters in 1992, all tax increases must be submitted to and approved by the voters. I would propose this be placed on a future ballot. The ballot language could be written so this assessment is open-ended or have the tax sunset in ten years or some other term determined by City Council.

The cost of providing police and fire services continues to increase every year. Revenue growth as often not kept pace with police/fire expenditures growth.

Each mill would generate \$498,000 based on 2012 assessed property values and could increase each year to help pay for road construction and repairs, public infrastructure projects, and public safety.

A homeowner with a \$200,000 dollar home in Englewood would pay (based on 2012 mill levies and assessment ratios) the following to the City of Englewood:

General Mill Levy

Market Value	\$200,000
Assessment Ratio:	7.96
Assessed Value	\$15,920
General Fund Mill Levy	5.880
Taxes Paid for General Fund	\$93.61 [A]

Debt Service Mill Levy

Market Value	\$200,000
Assessment Ratio:	7.96
Assessed Value	\$15,920
Debt Service Mill Levy	1.741
Taxes Paid for Debt Service	\$27.72 [B]

Total Property Taxes Paid

Market Value	\$200,000	
Assessment Ratio:	7.96	
Assessed Value	\$15,920	
General Fund Mill Levy	7.621	
Total Taxes Paid to Englewood	\$121.33	[C] = [A] + [B]

Public Improvement Fund Mill Levy

Market Value	\$200,000	
Assessment Ratio:	7.96	
Assessed Value	\$15,920	
General Fund Mill Levy	2.000	
Taxes Paid to PIF	\$31.84	[1]

Public Safety Mill Levy

Market Value	\$200,000	
Assessment Ratio:	7.96	
Assessed Value	\$15,920	
General Fund Mill Levy	3.000	
Taxes Paid to PIF	\$47.76	[2]

Total Property Taxes Paid (With PIF Mill Levy)

Market Value	\$200,000	
Assessment Ratio:	7.96	
Assessed Value	\$15,920	
General Fund Mill Levy	9.621	
Total Taxes Paid to Englewood	\$153.17	[D] = [C] + [1]

Total Property Taxes Paid (With Public Safety Mill Levy)

Market Value	\$200,000	
Assessment Ratio:	7.96	
Assessed Value	\$15,920	
General Fund Mill Levy	10.621	
Total Taxes Paid to Englewood	\$169.09	[E] = [C] + [2]

Total Property Taxes Paid (With PIF and Public Safety Mill Levy)

Market Value	\$200,000	
Assessment Ratio:	7.96	
Assessed Value	\$15,920	
General Fund Mill Levy	12.621	
Total Taxes Paid to Englewood	\$200.93	[F] = [C] + [1] + [2]

The taxes received from this levy would go a long way in providing a reliable funding source for essential infrastructure projects and public safety.

Mill Levy Information for April 22, 2013 Study Session
April 16, 2013

For informational purposes, the chart below is the total 2012 Mill Levy collected in 2013 for the jurisdictions listed as reported by the Colorado Department of Local Affairs Division of Local Government.

Jurisdiction	Total 2012 Mill Levy Collected in 2013
City of Englewood	7.794
City of Greenwood Village	2.932
City of Centennial	5.129
City of Littleton	6.662
City of Sheridan	8.253
City of Cherry Hills Village	13.304

Please e-mail me at [j](#)
information.

or call me at 303/762-2401 if you have questions or need additional

Memorandum

To: Mayor Randy Penn and City Council
Through Gary Sears, City Manager
From: Frank Gryglewicz, Director of Finance and Administrative Services
Date: April 29, 2013
Re: Council Information Request: Property Tax Comparisons

The following is a follow up to the "Mill Levy" discussion Council had at the Study Session Monday, April 22, 2013. It is difficult to compare mill levy rates for "comparable" municipalities as many have separate mill levies for taxing districts that provide specific services. The geographic boundaries of the various taxing districts often overlap the municipal boundaries to varying degrees. It is possible that two properties across the street from each other may pay different property taxes even though the assessed value of their properties is the same.

Attached you will find two schedules:

- A schedule providing the detail of mill levy rates for each comparable City
- A schedule that provides the mill levy rates common among all and for those services for which the City of Englewood provides as compared to taxing district for similar services

Common mill levies for the comparable cities are from Arapahoe County and Urban Drainage. Individual cities impose their own mill levy and are impacted by levies for other overlapping taxing districts that provide specific services. For comparison purposes, the schedule provided illustrates common mill levy rates for services among the cities and those comparable taxing districts that provide services similar to those provided by the City of Englewood without a designated mill levy such as: Library, Fire and Parks and Recreation services.

If you need further information or clarification, please call me at 303-762-2401.

Attachments

City of Englewood, Colorado
 Finance and Administrative Services Department

Council Request from April 22, 2013 Study Session - Mill Levy Comparison
 2012 Mill Levy Rates Collected in 2013

Taxing Jurisdiction	Tax District Code	Mill Levy	Englewood	Cherry Hills Village	Greenwood Village	Littleton	Sheridan
Arapahoe County	2998	16.150	16.150	16.150	16.150	16.150	16.150
Arapahoe County	2999	1.000	1.000	1.000	1.000	1.000	1.000
Urban Drainage & Flood Control District	4712	0.599	0.599	0.599	0.599	0.599	0.599
Urban Drainage & Flood Control Dist (So Platte)	4713	0.058	0.058	0.058	0.058	0.058	0.058
City of Englewood	3006	7.794	7.794				
City of Cherry Hills Village	3003	13.304		13.304			
City of Greenwood Village	3008	2.932			2.932		
City of Littleton	3009	6.662				6.662	
City of Sheridan	3010	8.253					8.253
Englewood No 1	0101	46.719	46.719			46.719	
Sheridan No 2	0201	41.998	41.998			41.998	41.998
Cherry Creek No 5	0501	58.037	58.037	58.037	58.037		
Littleton No 6	0601	56.935	56.935		56.935	56.935	
Arapahoe Library District	4026	4.903		4.903	4.903		4.903
Aspen Grove Business Improvement District	4044	60.000				60.000	
Aspen Grove Business Improvement District-Bonds	4046	60.000				60.000	
South Metropolitan Fire Rescue District	4100	9.519		9.519	9.519		
Castlewood Water & Sanitation District A	4115	0.916			0.916		
Castlewood Water & Sanitation District B	4116	0.593			0.593		
Castlewood Water & Sanitation District E	4119	0.275			0.275		
Centennial Downs Metropolitan District	4122	28.000				28.000	
Charlou Park Water District	4126	0.000		0.000			
Cherry Creek Basin Authority	4131	0.500			0.500		
Cherry Creek Valley Water & Sanitation District	4141	0.000			0.000		
Cherry Creek Village Water District	4150	2.800			2.800		
Cherry Creek Vista Park & Recreation District A	4153	6.911			6.911		
Cherry Creek Vista Park & Recreation District B	4154	10.059			10.059		
Cherry Hills Fire Bonds Only	4161	0.350		0.350	0.350		
Cherry Hills North Metropolitan District	4172	4.281		4.281			
City of Cherry Hills Village Sanitation District	4191	0.000		0.000	0.000		
Cherryvale Sanitation District	4219	1.770		1.770			
Columbine Water & Sanitation District	4240	2.575				2.575	
Country Homes Metropolitan District Parcel A	4252	14.650		14.650			
Country Homes Metropolitan District Parcel B	4253	5.322		5.322			
Devonshire Heights Water & Sanitation District	4270	0.000		0.000			
East Cherry Hills Water District	4292	0.000		0.000			
#N/A	4307	0.000	0.000				
Fiddler's Business Improvement District	4308	75.000			75.000		
Galleria Metropolitan District	4330	42.000			42.000		
Greenwood Athletic Club Metropolitan District	4335	0.000			0.000		
Greenwood Metropolitan District Bonds	4336	7.810			7.810		
Goldsmith Metropolitan District Block K Subarea	4338	90.000			90.000		
Goldsmith Metropolitan District Bonds	4339	0.000			0.000		
Goldsmith Gulch Sanitation District	4340	1.574			1.574		
Goldsmith Metropolitan District	4341	14.750			14.750		
Greenwood North Metropolitan District	4343	7.050			7.050		
Greenwood South Metropolitan District	4344	2.000			2.000		
Greenwood Metropolitan District	4345	15.110			15.110		
Greenwood Plaza Water District	4346	5.500			5.500		
Greenwood Village Sewer General Improvement District	4348	2.306			2.306		
Havana Water & Sanitation District	4349	4.227			4.227		
Highline Business Improvement District	4357	39.900				39.900	

Council Request from April 22, 2013 Study Session - Mill Levy Comparison
 2012 Mill Levy Rates Collected in 2013

Taxing Jurisdiction	Tax District Code	Mill Levy	Englewood	Cherry Hills Village	Greenwood Village	Littleton	Sheridan
Hillcrest Water & Sanitation District	4360	0.000		0.000			
Hills at Cherry Creek Metropolitan District	4365	12.860			12.860		
Interstate South Metropolitan District	4383	0.100			0.100		
Landmark Metropolitan District	4384	12.000			12.000		
Kent Place Metropolitan District No.1	4386	0.000	0.000				
Kent Place Metropolitan District No.2	4387	47.000	47.000				
Littleton Fire Protection District	4390	7.678			7.678	7.678	
Littleton Village Metropolitan District	4415	0.000				0.000	
Mansfield Heights Water & Sanitation District	4470	0.000		0.000			
Marin Metropolitan District	4472	61.000			61.000		
Orchard Hills Metropolitan Recreation & Park District	4500	1.342			1.342		
Orchard Valley Metropolitan District	4502	4.087			4.087		
Platte Canyon Water & Sanitation District	4520	7.147				7.147	
Polo Reserve Metropolitan District	4525	30.595				30.595	
Regional Transportation District	4528	0.000	0.000	0.000	0.000	0.000	0.000
Sheridan Sanitation District No.1	4550	0.930					0.930
Sheridan Sanitation District No. 2	4560	0.555					0.555
#N/A	4565	0.000					0.000
South Arapahoe Sanitation District	4590	0.000			0.000	0.000	
South Broadway Englewood Business Improvement District	4595	0.000	0.000				
Southeast Englewood Water District	4610	0.000	0.000		0.000	0.000	
Southeast Public Improvement Metropolitan District	4615	2.083			2.083		
Southeast Public Improvement Metropolitan District Bonds	4616	0.000			0.000		
South Englewood Sanitation District No.1	4620	0.000	0.000	0.000	0.000	0.000	0.000
Southgate Sanitation District	4630	0.551			0.551		
Southpark Metropolitan District Bonds Only	4639	4.000				4.000	
Southgate Water District	4640	0.000		0.000	0.000		
Southpark Metropolitan District	4641	6.000				6.000	
South Suburban Park & Recreation District Bonds (Grnwd Vlg)	4647	1.422			1.422		
South Suburban Park & Recreation Bonds (Cherry Hills)	4648	1.422		1.422			
South Suburban Park & Recreation District	4650	6.960	6.960		6.960	6.960	6.960
Southwest Metropolitan Water & Sanitation District	4670	0.000				0.000	
Sundance Hills Metropolitan District	4698	11.057			11.057		
Valley Sanitation District	4720	2.493	2.493			2.493	2.493
West Arapahoe Conservation District	4744	0.000		0.000	0.000	0.000	
#N/A	5560	0.000					0.000
#N/A	5620	0.000					0.000

City of Englewood, Colorado
 Finance and Administrative Services Department

Council Request from April 22, 2013 Study Session - Mill Levy Comparison

Taxing Entities [2]	Englewood [1] [3]	Cherry Hills Village	Greenwood Village [1]	Littleton [1]	Sheridan
City	7.794	13.304	2.932	6.662	8.253
School District	50.922	58.037	57.486	48.551	41.998
Arapahoe County	17.150	17.150	17.150	17.150	17.150
Urban Drainage	0.657	0.657	0.657	0.657	0.657
Arapahoe Library District	0.000	4.903	4.903	0.000	4.903
Cherry Hills Fire Bonds Only	0.000	0.350	0.350	0.000	0.000
Littleton Fire Protection District	0.000	0.000	7.678	7.678	0.000
South Metropolitan Fire Rescue District	0.000	9.519	9.519	0.000	0.000
South Suburban Park & Recreation Bonds (Cherry Hills)	0.000	1.422	0.000	0.000	0.000
South Suburban Park & Recreation District	0.000	0.000	6.960	6.960	6.960
South Suburban Park & Recreation District Bonds (Grnwd Vlg)	0.000	0.000	1.422	0.000	0.000
Totals	76.523	105.342	109.057	87.658	79.921

[1] Average School District Mill Levy due to overlapping school districts within the municipal boundaries

[2] This is not an all-inclusive list of Taxing Entities but ones used for comparative purposes

[3] Only Cornerstone Park and Progress Park are within the South Suburban Park & Recreation District

Please Note: Taxing districts overlap the City of Englewood's municipal boundaries. The rates for the various districts apply to property owners whose property is located within that taxing district's geographic boundaries.

Declaration schedules and any attachments thereto are confidential. Only the property owner and certain government officials have access to the declaration schedules. Any person who uses the declaration schedules in the performance of official duties is subject to the confidentiality provisions and may be held accountable for divulging any information contained on the declaration schedule or any attachments thereto.

Declaration schedules are mailed to known owners of personal property as soon after January 1 as possible. If you own taxable personal property and have not received a declaration schedule by early February, contact the county assessor's office.

Completed declaration schedules must be received by the county assessor on or before **April 15**.

The filing deadline may be extended if, not later than April 15, the assessor receives a written request for an extension accompanied by the appropriate fee. The fee for a 10-day extension is \$20. The fee for a 20-day extension is \$40.

The late filing penalty is \$50 or 15 percent of the taxes due, whichever is less. If the owner of taxable personal property fails to file a schedule, the assessor may determine a valuation based upon the best information available (BIA) and may add an additional penalty of up to 25 percent of the assessed value of the undeclared property.

PERSONAL PROPERTY EXEMPTIONS

\$7,000 Exemption

For tax years 2013 and 2014, personal property under common ownership with a combined total actual value of \$7,000 or less per county is exempt.

Personal Property Rentals

Personal property typically rented for 30-days or less is considered to be inventory and is exempt under the Colorado Constitution. Personal property situated in a residential unit that is rented for 30-days or less does not qualify for this same exemption.

Information Prepared by:

Division of Property Taxation Department of Local Affairs State of Colorado (01/13)

Inventories Held for Consumption or for Sale

Inventories of merchandise, materials and supplies that are held for consumption by any business or are held primarily for sale are exempt. For personal property to be considered "consumable," it must have an economic life of one year or less, or if the economic life exceeds one year, it must have an acquisition cost of \$350 or less. The \$350 threshold applies to the original installed cost of the property as completely assembled, not the unassembled, individual component parts. The cost must include installation costs, sales/use taxes and freight expenses.

Self-Propelled Equipment, Motor Vehicles, and Other Mobile Equipment

Motor vehicles, wheeled trailers, semi-trailers, trailer coaches, and mobile and self-propelled construction equipment are not taxed as personal property. A graduated specific ownership tax is levied on equipment and vehicles in this category.

Property Dedicated to Religious Worship and Charitable Purposes

Personal property used for religious worship and charitable purposes may be exempt. Owners of property that may qualify for exemption under this category must file an application for exemption with Property Tax Administrator.

Private Property

The following categories of personal property are exempt from property taxation:

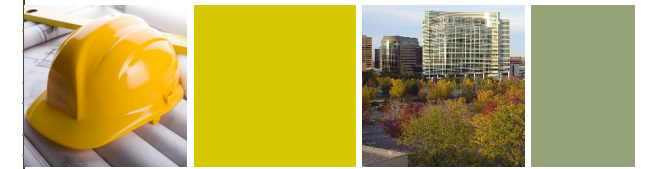
- Household furnishings not used to produce income
- Personal effects not used to produce income
- Livestock, livestock products
- Agricultural equipment and products
- Intangible personal property (trademarks, patents, copyrights, stocks, bonds and computer software).

Public Property

Personal property owned by the United States, State of Colorado, counties, cities, towns, and other political subdivisions of the state is exempt.

This brochure was created to provide a general explanation of the property taxation process for commercial and industrial properties located in Colorado. For additional information, please visit our website at www.dola.colorado.gov/dpt.

Property Valuation and Taxation for Business and Industry in Colorado



ARAPAHOE COUNTY
COLORADO'S FIRST

Corbin Sakdol, Assessor
5334 South Prince Street
Littleton, Colorado 80120-1136
Phone: 303-795-4600
Fax: 303-797-1295
www.co.arapahoe.co.us

This brochure was created to provide general information on the Colorado property tax system. For more information on any one of these topics, please visit our website at www.dola.colorado.gov/dpt.

Office of the Assessor
Corbin Sakdol, Assessor

5334 South Prince Street
Littleton, Colorado 80120-1136

Phone: 303-795-4600 | Fax: 303-797-1295

www.arapahoegov.com



ARAPAHOE COUNTY
COLORADO'S FIRST

INTRODUCTION

Real and personal property is taxable in Colorado unless specifically exempted by law.

Real property includes land, buildings, and fixtures that are physically incorporated into a building or affixed to land (HVAC, lighting, plumbing, etc.). Real property also includes possessory interests, which are private property interests or the right to the occupancy and use of an otherwise tax-exempt property.

Personal property includes machinery, equipment, furniture and other articles related to the business of a commercial or industrial operation. A more detailed discussion of personal property is found on the reverse side of this brochure.

ACTUAL VALUE

Real Property

The county assessor determines the actual value of commercial and industrial real property by considering the three approaches to value: the market approach, the cost approach, and the income approach.

With the market approach, the actual value of the subject property is based on an analysis of arm's length sales of similar properties.

Using the cost approach, the actual value of the subject property is based on an estimate of the cost to replace the property with a substitute that is equivalent in function and utility. Accumulated depreciation is subtracted from the replacement cost new to arrive at the conclusion of value.

With the income approach, the annual net income of the subject property is capitalized to account for a typical investor's financial return on the investment.

Personal Property

As with real property, the county assessor determines the actual value of commercial and industrial personal property by considering the three approaches to value: However, statute also requires that if a taxpayer has timely and properly filed a personal property declaration schedule, including costs of acquisition, installation, sales/use tax, and freight to the point of use, the cost approach shall

establish the maximum value and the market or income approaches can only be used to establish value if they produce a lower value than the cost approach as required by § 39-1-103(13), C.R.S. Using the cost approach, the actual value of the subject property is based on an estimate of the cost to reproduce or replace the property. Accumulated depreciation is subtracted from the reproduction/replacement cost new to arrive at the conclusion of value.

ASSESSED VALUE

The assessment rate for commercial and industrial real and personal property is 29%. Multiplying the actual value of the property by the appropriate assessment rate results in the property's assessed value.

<i>Actual Value</i>		\$275,000
<i>Assessment Rate</i>	x	<u>.29</u>
<i>Assessed Value</i>		\$ 79,750

TAX RATE

Each year county commissioners, city councils, school boards, and special district boards (the governing boards of these political subdivisions) determine the revenue needed and allowed under the law to provide services the following year.

Each political subdivision calculates a tax rate based on the revenue needed from property tax and the total assessed value of real and personal property located within the political subdivision's boundaries.

<i>Revenue from Property Tax</i>		\$1,398,000	
<i>Total Assessed Value</i>		\$1,000,000,00	= 0.013980
			or 13.980
			Mills

All of the tax rates of the political subdivisions that provide services in your tax area are added together to form the total tax rate.

<i>County Tax Rate</i>	.013980
<i>City Tax Rate</i>	.008752
<i>School District Tax Rate</i>	.052116
<i>Water and Sanitation Tax Rate</i>	<u>.000693</u>
<i>Total Tax Rate</i>	.075541

These authorities publish public budget hearing dates in the local newspaper. The public hearings are usually scheduled in September or October. By

attending budget hearings, taxpayers may participate in the budget process and become informed about the quality and cost of services provided in their area.

CALCULATION OF PROPERTY TAXES

<i>Actual Value</i>	\$ 275,000.00
<i>Assessment Rate</i>	x <u>.29</u>
<i>Assessed Value</i>	\$ 79,750.00
<i>Assessed Value</i>	\$ 79,750.00
<i>Tax Rate</i>	x <u>.075541</u>
<i>Taxes Due</i>	\$ 6,024.39

NOTICE OF VALUATION

Real Property Notices of Valuation are mailed by May 1 of each year. Personal Property Notices of Valuation are mailed by June 15 each year. The Notices of Valuation list the location, classification, and value of the property for both the prior and current years.

PROTEST AND APPEAL RIGHTS

If you disagree with the actual value or classification placed on your property, you may present oral or written objections to the assessor. Protests for real property must be postmarked or delivered to the assessor on or before June 1. Personal property protests must be postmarked or delivered to the assessor by June 30.

The assessor must make a decision on your protest and mail a Notice of Determination to you by the last regular working day in June for real property and by July 10 for personal property. Any county may elect to extend the Notice of Determination mailing date from the last regular working day in June to the last regular working day in August.

If you are dissatisfied with the assessor's decision, you may appeal to the county board of equalization by July 15 for real property and by July 20 for personal property. The county board conducts hearings through August 5. If the county has opted for the extended appeal period, you must appeal to the county board by September 15. Under this option, the county board conducts hearings through November 1. The county board must notify you in writing within five business days of the date of its decision.

If you are dissatisfied with the county board's decision, you may appeal to an arbitrator, district court or the Board of Assessment Appeals within 30 days of the date the county board's decision was mailed.

PROPERTY TAX BILL

Property tax bills, reflecting the taxes due for the preceding year, are mailed as soon after January 1 as possible.

Tax amounts greater than \$25 may be paid in one payment by April 30 or in two EQUAL payments. The first half payment is due by the last day of February. The second half payment is due by June 15. If the tax amount is \$25 or less, payment in full is due on April 30.

PROPERTY TAX INCENTIVES

The Colorado Urban and Rural Enterprise Zone Act allows local governments, at their discretion, to provide property tax credits or incentive payments based on the amount of increased property taxes for qualifying new business activity in their jurisdictions. Additional information on these programs and other business incentives is available from the Colorado Office of Economic Development and International Trade at:

<http://www.colorado.gov/cs/Satellite/Prospects/PRS/1165009698677>

ADDITIONAL INFORMATION

The **Colorado Business Resource Guide** is available from the Colorado Office of Economic Development and International Trade at:

<http://www.colorado.gov/cs/Satellite/OEDIT/OEDIT/1154721645662>

PERSONAL PROPERTY

With the exception of works of art on public display, personal property is taxable for the entire year regardless of any destruction, conveyance, relocation, or change in taxable status.

DECLARATION SCHEDULE

If the total depreciated actual value of all personal property owned exceeds \$7,000 (per county), the property owner must file an annual declaration schedule with the county assessor. All personal property, including equipment not otherwise exempt by law, must be listed on the declaration schedule.

PROPERTY TAX BILL

Property tax bills, reflecting the taxes due for the preceding year, are mailed as soon after January 1 as possible.

Tax amounts greater than \$25 may be paid in one payment by April 30 or in two EQUAL payments. The first half payment is due by the last day of February. The second half payment is due by June 15. If the tax amount is \$25 or less, payment in full is due on April 30.

TAX RELIEF

Senior citizens, persons with disabilities, and members of the National Guard and Reserves who are called into active military service may be eligible for the following tax relief programs:

- Property Tax/Rent/Heat Rebate
- Property Tax Deferral
- Property Tax Work-Off Program
- Senior Citizen Property Tax Exemption
- Disabled Veteran Property Tax Exemption

For further information on these programs, refer to the brochures entitled "Rebates and Deferrals for Senior Citizens, Persons with Disabilities, and Active Members of the National Guard or Reserves;" "Property Tax Exemption for Senior Citizens;" and/or "Property Tax Exemption for Disabled Veterans." The brochures are available on the Colorado Division of Property Taxation's website at www.dola.colorado.gov/dpt or from your county assessor.

ADDITIONAL INFORMATION

For additional information regarding property taxation procedures in Colorado, contact the Colorado Division of Property Taxation at (303) 866-2371 or contact your county assessor.

Office of the Assessor Corbin Sakdol, Assessor

5334 South Prince Street
Littleton, Colorado 80120-1136

Phone: 303-795-4600 | Fax: 303-797-1295

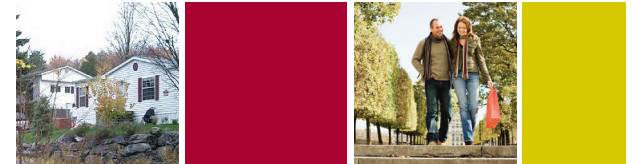
www.arapahoegov.com



ARAPAHOE COUNTY
COLORADO'S FIRST

Information Prepared by:
Division of Property Taxation Department of Local
Affairs State of Colorado (01/13)

Understanding Property Taxes in Colorado



ARAPAHOE COUNTY
COLORADO'S FIRST

Corbin Sakdol, Assessor
5334 South Prince Street
Littleton, Colorado 80120-1136
Phone: 303-795-4600
Fax: 303-797-1295
www.arapahoegov.com

This brochure was created to provide general information on the Colorado property tax system. For more information on any one of these topics, please visit our website at www.dola.colorado.gov/dpt.

INTRODUCTION

Property tax revenue supports public schools, county governments, special districts, municipal governments, and junior colleges. All of the revenue generated by property taxes stays within your county. Property taxes do not fund any state services.

The county assessor is responsible for discovering, listing, classifying, and valuing all property in the county in accordance with state laws. The assessor's goal is to establish accurate values of all property located within the county, which in turn ensures that the tax burden is distributed fairly and equitably among all property owners.

Real property is revalued every odd-numbered year. Personal Property is revalued every year. Property tax calculations consist of several components:

- property classification
- actual value of the property
- assessment rate
- assessed value
- tax rate

PROPERTY CLASSIFICATION

Property is classified according to its actual use on January 1. The property's classification determines the rate at which the property will be assessed.

ACTUAL VALUE OF THE PROPERTY

Residential property is valued using only the market approach to value. In this approach, the value of the subject property is based on an analysis of comparable sales. For tax years 2013 and 2014, the comparable properties must have sold between January 1, 2011 and June 30, 2012. However, if insufficient data existed during that timeframe, data from each preceding six-month period (up to a period of five years preceding June 30, 2012) may be utilized.

Most non-residential property, including personal property, is valued by consideration of the market approach, the cost approach, and the income approach to value. Please refer to the brochure entitled "Property Valuation and Taxation for Business and Industry in Colorado" for additional information regarding non-residential property.

ASSESSMENT RATE

For property that is classified residential, the current assessment rate is 7.96% of market value. The assessment rate for most other types of property, including personal property, is 29% of actual value.

ASSESSED VALUE

Multiplying the actual value by the appropriate assessment rate results in what is known as the property's "assessed value."

<i>Actual Value</i>		\$275,000
<i>Residential Assessment Rate</i>	x	<u>.0796</u>
<i>Assessed Value</i>		\$ 21,890

TAX RATE

Each year county commissioners, city councils, school boards, and governing boards of special districts determine the revenue needed and allowed under the law to provide services for the following year.

Each political subdivision calculates a tax rate based on the revenue needed from property tax and the total assessed value of real and personal property located within the political subdivision's boundaries.

$$\frac{\text{Revenue from Property Tax}}{\text{Total Assessed Value}} = \frac{\$1,398,000}{\$1,000,000,00} = 0.013980$$

or 13.980 Mills

All of the tax rates of the various taxing entities providing services in your tax area are added together to form the total tax rate.

<i>County Tax Rate</i>	.013980
<i>City Tax Rate</i>	.008752
<i>School District Tax Rate</i>	.052116
<i>Water and Sanitation Tax Rate</i>	<u>.000693</u>
<i>Total Tax Rate</i>	.075541

Public notices of budget hearings are published in the local newspaper. The public hearings are usually scheduled in September or October. By attending budget hearings, taxpayers may participate in the budget process and become informed about the quality and cost of services provided in their area.

The assessor classifies and values property. The various taxing entities determine tax rates.

CALCULATION OF PROPERTY TAX

<i>Actual Value</i>		\$275,000
<i>Residential Assessment Rate</i>	x	<u>.0796</u>
<i>Assessed Value</i>		\$ 21,890
<i>Tax Rate</i>	x	<u>.075541</u>
<i>Taxes Due</i>		\$1,653.59

NOTICE OF VALUATION

Real Property Notices of Valuation are mailed by May 1 of each year. Personal Property Notices of Valuation are mailed by June 15 of each year. The notices list the location, classification, the characteristics germane to value, and the actual value of the property for both the prior and current years.

PROTEST AND APPEAL RIGHTS

If you disagree with the actual value or classification placed on your property, you may present oral or written objections to the assessor. Protests for real property must be postmarked or delivered to the assessor on or before June 1. Personal property protests must be postmarked or delivered to the assessor by June 30.

The assessor must make a decision on your protest and mail a Notice of Determination to you by the last regular working day in June for real property and by July 10 for personal property. Any county may elect to extend the Notice of Determination mailing date from the last regular working day in June to the last regular working day in August.

If you are dissatisfied with the assessor's decision, you may appeal to the county board of equalization by July 15 for real property and by July 20 for personal property. The county board conducts hearings through August 5. If the county has opted for the extended appeal period, you must appeal to the county board by September 15. Under this option, the county board conducts hearings through November 1. The county board must notify you in writing within five business days of the date of its decision.

If you are dissatisfied with the county board's decision, you may appeal to an arbitrator, district court, or the Board of Assessment Appeals within 30 days of the date the decision was mailed.

2013 & 2014 Valuation Time Period

Sales Time Period **Sales cannot be considered** **Assessor mails 2013 Notice of Valuation** **Treasurer mails Tax Statement**

2010

January	February	March	April	May	June	July	August	September	October	November	December
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2011

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2012

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Appraisal Date:
June 30, 2012

2013

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2014

January	February	March	April	May	June	July	August	September	October	November	December
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2015

January	February	March	April	May	June	July	August	September	October	November	December
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8 9 10 11 12 13 14	15 16 17 18 19 20 21	15 16 17 18 19 20 21	19 20 21 22 23 24 25	17 18 19 20 21 22 23	14 15 16 17 18 19 20	19 20 21 22 23 24 25	16 17 18 19 20 21 22	20 21 22 23 24 25 26	18 19 20 21 22 23 24	22 23 24 25 26 27 28	20 21 22 23 24 25 26
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Appraisal Date: June 30, 2012

Current sales and economic conditions cannot be considered



City of Englewood, Colorado

Retail Assessment and Marketing/Development Strategy

Council Presentation September 12, 2011

Presented by:



BBC Research & Consulting
3773 Cherry Creek N. Drive, Suite 850
Denver, Colorado 80209-3868

303.321.2547 tel

303.399.0448 fax

www.bbcresearch.com



The Kornfeld Real Estate Group, LLC
299 Milwaukee Street, Suite 501
Denver, CO 80206

303.399.2555 tel

303.333.1905 fax

www.kornfeldgroup.com



Englewood Retail Strategy Analysis

Key Questions:

- How would a retail developer or retailer view Englewood?
- How can we make the City more attractive?
- What are the current or emerging opportunities?
- What community strategies make sense?





Consultant Tasks

- Retail Market Analysis
- Assessment of 10 Retail Sites
- Identification of Most Promising Sites
- Detailed Assessment of Sites
- Identification of Opportunities for City Involvement





Demographic and Retail Summary

- Englewood is a moderate income community with little population growth
- Englewood enjoys very high sales tax per household
- City has withstood downturn better than most
- Mature urban area; retail patterns are established





National Retail Trends

■ Recession reaction:

“Entire industry has changed”

- Oversupply of space/rents declining
- Corporate failures/no liquidity
- Financing is difficult if not impossible
- Industry consolidation and contraction
- Consumer demand down
- New retail development down
- Internet competition





Characteristics of Successful Retail Sites



Category		
<i>Locational Characteristics</i>		
<input checked="" type="checkbox"/>	Visibility	→ Is the site easily seen from nearby major roadways?
<input checked="" type="checkbox"/>	Local Access	→ Can motorists and pedestrians enter and exit the site freely and directly, or is access to the property restricted and
<input checked="" type="checkbox"/>	Adjacent to Land Uses	→ Are adjacent land uses at least comparable, and hopefully complementary, with the retail development?
<input checked="" type="checkbox"/>	Regional Access	→ Can motorists easily get to this site by clear and uncongested roadways?
<i>Site Characteristics</i>		
<input checked="" type="checkbox"/>	Acreage	→ Is the parcel large enough and of the right shape to accommodate the intended development?
<input checked="" type="checkbox"/>	Topography	→ Is the site level and free of natural barriers (i.e.; wetlands, streams, hills), or is significant grading required?
<input checked="" type="checkbox"/>	Utilities	→ Are utilities present on the site, or can utilities easily be extended to the site?
<i>Market Characteristics</i>		
<input checked="" type="checkbox"/>	Demographics	→ Is there adequate market in terms of households and income?
<input checked="" type="checkbox"/>	Competition	→ Is there a need for more retail, or is the trade area adequately served or saturated?

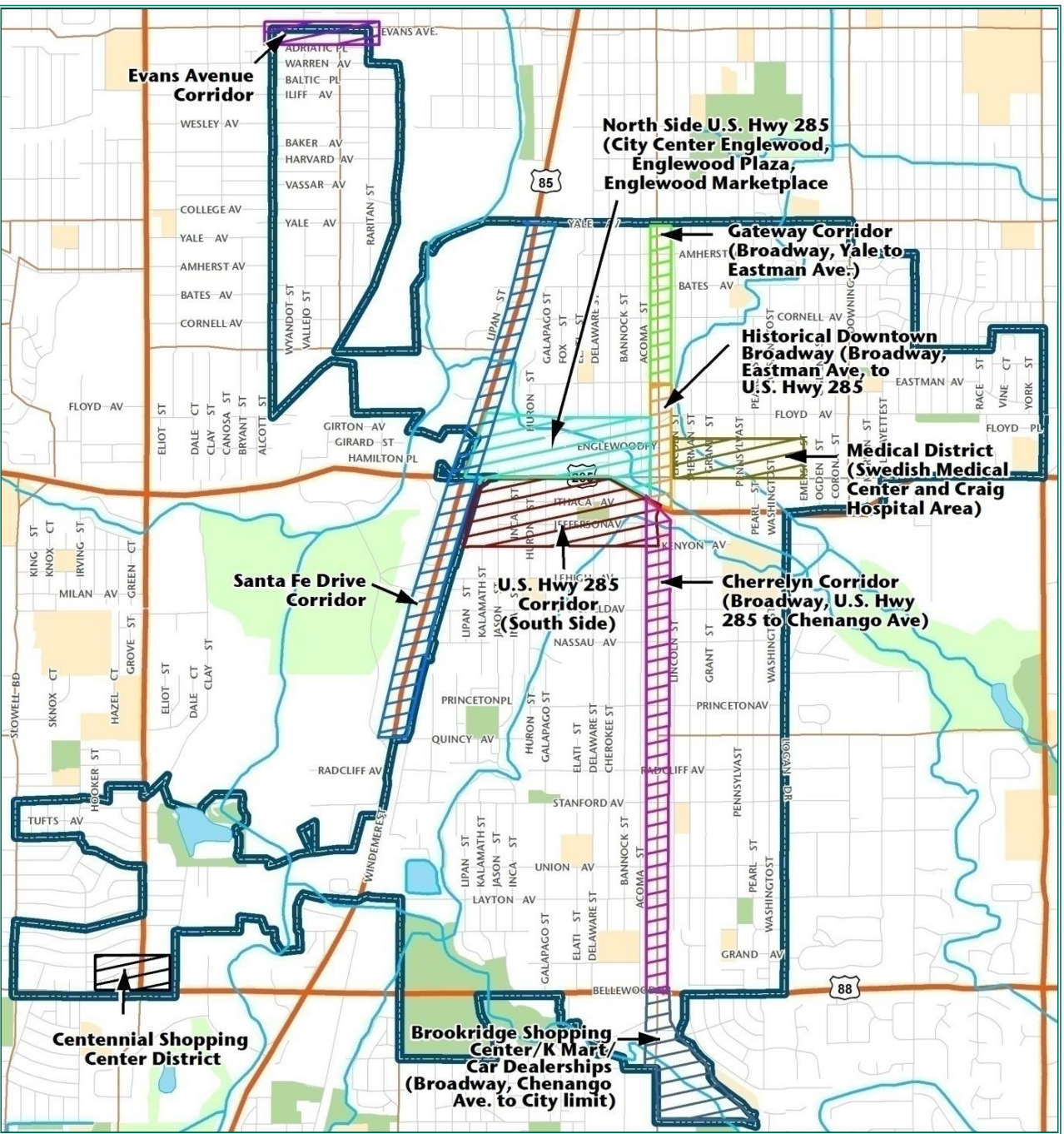


Retail Site Analysis



Englewood Retail Study Sites

- Ten established or potential retail sites
- Mix of regional, grocery-anchored and strip centers





Site Analysis

South Broadway Corridor



Strengths

- Walkable, established retail corridor
- Development/redevelopment opportunities
- Excellent visibility
- Strong traffic counts

Challenges

- Some inactive ownership
- Small and shallow lots
- Multiple owners
- Limited access



South Broadway Corridor

- Auto-centric neighborhood services
- Trade Area: \$73 million in annual retail purchases
- Lease Rates: \$12-\$16 NNN
- Relatively low vacancy

South Broadway Trade Area



South Broadway Corridor

South Broadway Detailed Evaluation

Characteristic	Rating	Comments
Availability of undeveloped or underdeveloped	+	<ul style="list-style-type: none"> Limited undeveloped properties, but opportunities for redevelopment Important redevelopment sites - Funtastic Fun, City property, SmartCar site
Infill opportunities	-	<ul style="list-style-type: none"> Infill will be challenging due to fractured ownership of retail along the corridor Large scale land assembly will be required for substantial infill redevelopment
Access and parking	±	<ul style="list-style-type: none"> Parking is ample; however, may be a challenge if commercial activity increases Access off Broadway is limited
Visibility	+	<ul style="list-style-type: none"> Unobstructed visibility from road to retail along corridor Main strength of corridor
Proximity to intersection or transportation corridor	+	<ul style="list-style-type: none"> Broadway is one of the primary north/south local access roads in the region Broadway/Highway 285 intersection to the south
Land ownership consolidation	-	<ul style="list-style-type: none"> Ownership is fractured by parcel along the corridor Parcel assembly for large redevelopment will be challenging
Current retail composition and sales trends	-	<ul style="list-style-type: none"> Sales relatively stagnant in last 5 years Tenant composition is limited and needs variety
Vacancy	±	<ul style="list-style-type: none"> Moderate vacancy rates along corridor
Trade area size, character and growth trends (households and daytime markets)	+	<ul style="list-style-type: none"> Current trade area is limited Traffic along corridor provide opportunities for growth
Extent and nature of competitive influences	-	<ul style="list-style-type: none"> Denver's portion of the Broadway corridor is equally as accessible and has received public and private investment for 30 years

South Broadway Corridor

Improving Infrastructure: South Pearl Street, Denver, CO



Encouraging Mixed Use: Colfax Avenue, Denver, CO





Public Intervention Options

South Broadway Corridor

- Continue to engage property owners to spur redevelopment partnerships.
- Continue investing in improving public infrastructure, parking and streetscapes.
- Evaluate sales tax sharing options on a case-by-case basis.
- Provide assistance to enhance BID effectiveness.
- Actively seek a developer for city-owned vacant parcels.
- Encourage mixed use development.
- Explore creating overlay zones to encourage varied height and density of development to create visual interest.





Site Analysis

City Center—Englewood Area

■ Strengths

- Established shopping destination
- Strong anchor (Wal-Mart)
- Good access

■ Challenges

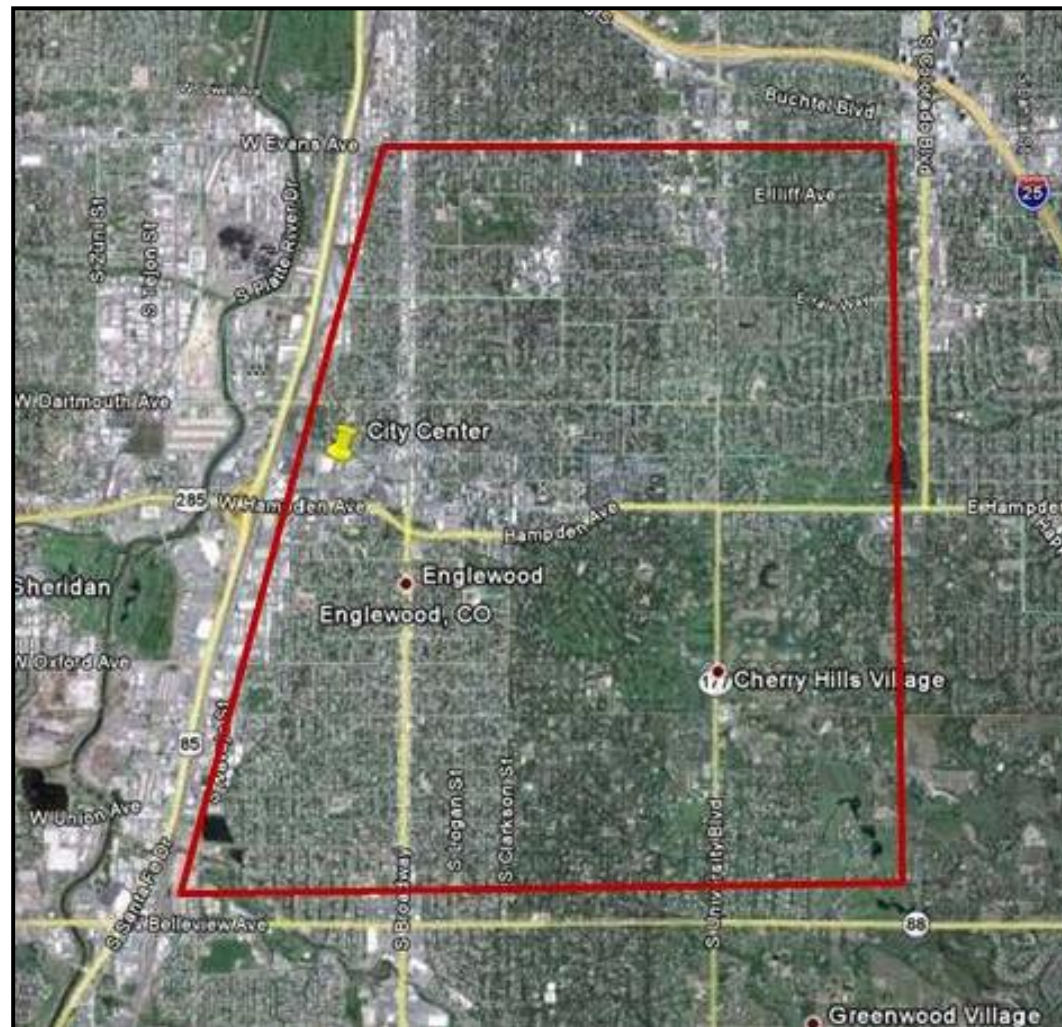
- Visibility
- Lack of foot traffic
- River Point competition
- Congestion



City Center—Englewood Area

City Center Trade Area

- Trade area includes affluent neighborhoods to the east and south
- Trade Area: \$536 million in annual retail purchases
- Lease Rates: 15-\$20 NNN
- Vacancy: higher near Civic Center



City Center—Englewood Area

City Center Detailed Evaluation

Characteristic	Rating	Comments
Availability of undeveloped or underdeveloped	±	<ul style="list-style-type: none"> • Site recently redeveloped • May be opportunities for subdividing existing retail space
Infill opportunities	±	<ul style="list-style-type: none"> • Could introduce additional pad sites
Access and parking	+	<ul style="list-style-type: none"> • Good access from both Broadway and Highway 285 • Sufficient parking
Visibility	-	<ul style="list-style-type: none"> • Limited visibility from both Broadway and Highway 285
Proximity to intersection or transportation corridor	+	<ul style="list-style-type: none"> • Located near two major intersections: Broadway and Highway 285 • Located adjacent to light rail station
Land ownership consolidation	±	<ul style="list-style-type: none"> • Since site has recently redeveloped, land consolidation issues already solved
Current retail composition and sales trends	±	<ul style="list-style-type: none"> • Strong anchor in Walmart • Competition and vacancies in nearby River Point create challenges for City Center
Vacancy	±	<ul style="list-style-type: none"> • Strong anchor in Walmart, but some inline vacancies
Trade area size, character and growth trends (households and daytime markets)	+	<ul style="list-style-type: none"> • Relatively large trade area with unlimited potential due to light rail stop • Stable daytime market
Extent and nature of competitive influences	-	<ul style="list-style-type: none"> • Nearby River Point Shopping Center contains Costco and Super Target • Experienced recent erosion in sales due to River Point competition

City Center—Englewood Area

Cohesion and Branding:

Denver Pavilions & Cherry Creek North, Denver, CO



Smaller, Unique Spaces: Colorado Boulevard, Denver, CO





Public Intervention Options

City Center—Englewood Area

- Improve way-finding signage along both Broadway and Highway 285 to draw attention to City Center.
- Consider expanding entertainment programming:
 - Concerts
 - Public art
 - Movies
 - Farmers markets
- Continue investment in pedestrian-oriented and placemaking site improvements.
- Explore ways to capitalize on the market created by transit users.
- Improve access, store visibility and overall “retail clarity.”





Site Analysis

Brookridge Shopping Center Area



Strengths

- Recent reinvestment in Brookridge Shopping Center
- Large redevelopment opportunity – Kmart
- At major intersection
- Good access
- Strong visibility

Challenges

- Redevelopment at Kmart site could be costly if scrape is required
- Limited retail synergy due to car dealerships
- Other retail sites could be more attractive



Brookridge Shopping Center Area

- Large, unconstrained, affluent trade area
- Trade Area: \$911 million in annual retail purchases
- Lease Rates: \$18-\$24 NNN
- Vacancy is low

Brookridge Trade Area



Brookridge Shopping Center Area

Brookridge Detailed Evaluation

Characteristic	Rating	Comments
Availability of undeveloped or underdeveloped	±	<ul style="list-style-type: none"> K-Mart site presents opportunity for redevelopment or opportunity to serve as new center's anchor
Infill opportunities	+	<ul style="list-style-type: none"> Potential opportunities for additional retail in Kmart parking lot Larry Miller Nissan site, Wachovia bank site
Access and parking	+	<ul style="list-style-type: none"> Good access from two major local corridors Ample parking
Visibility	+	<ul style="list-style-type: none"> Strong visibility from Broadway and Belleview
Proximity to intersection or transportation corridor	+	<ul style="list-style-type: none"> Located at intersection of two major local corridors Provides access to both Denver and DTC
Land ownership consolidation	+	<ul style="list-style-type: none"> Single owner
Current retail composition and sales trends	-	<ul style="list-style-type: none"> Despite Brookridge remodel, low performing retail mix
Vacancy	±	<ul style="list-style-type: none"> Brookridge Center has some vacancy, but major anchor site (Kmart) is still occupied
Trade area size, character and growth trends (households and daytime markets)	+	<ul style="list-style-type: none"> Large trade area driven by strong access Most spending power of all sites evaluated
Extent and nature of competitive influences	+	<ul style="list-style-type: none"> Depending on retail tenant, potential for limited competition

Brookridge Shopping Center Area

Division : Colorado Blvd. and Buchtel Blvd., Denver, CO



Site Redevelopment: Elych Gardens, Denver, CO





Public Intervention Options

Brookridge Shopping Center Area

- Engage the property owner at the Kmart site to encourage modernization of the center.
- Evaluate sales tax sharing.
- Encourage mixed-used redevelopment on the Kmart site and Larry Miller Nissan and former bank site.
- If large-scale redevelopment is desired, consider establishing a new urban renewal area.
- Invest in public improvements in the retail district such as landscaped medians, monumentation and street lighting





Site Analysis

Centennial Shopping Center Area



Strengths

- Located on a peninsula – captures Littleton market
- King Soopers remodel – could spur inline demand
- Visibility, Traffic

Challenges

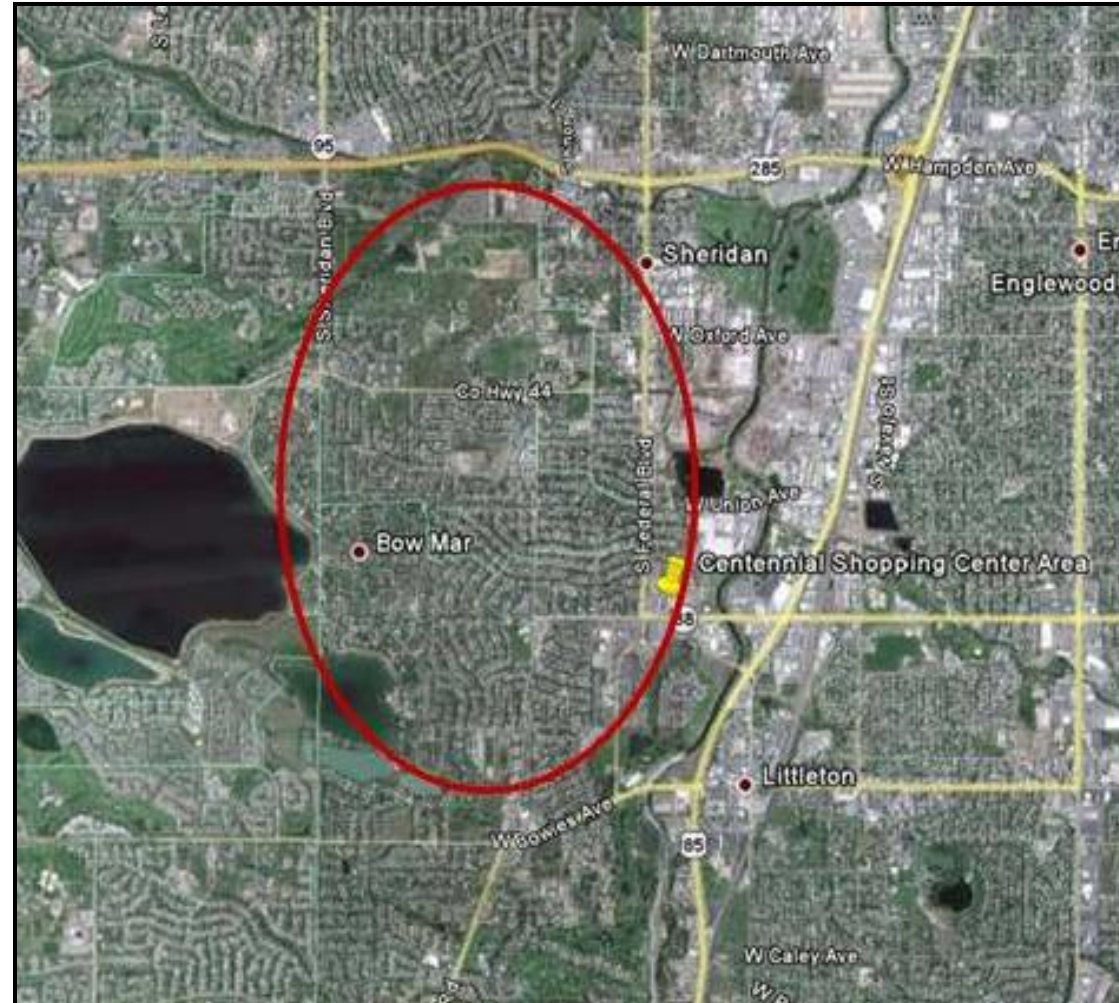
- Currently: modest value inline tenants (but may change)



Centennial Shopping Center Area

- Large, proven trade area, entirely in Littleton
- Trade Area: \$260 million in annual retail purchases
- Lease Rates: \$15-\$17 NNN
- Vacancy is currently high

Centennial Trade Area



Centennial Shopping Center Area

Centennial Detailed Evaluation

Characteristic	Rating	Comments
Availability of undeveloped or underdeveloped	±	<ul style="list-style-type: none"> Potential opportunities for acquisition of adjacent properties
Infill opportunities	+	<ul style="list-style-type: none"> King Soopers has indicated a desire to renovate store and develop new model with fuel center
Access and parking	+	<ul style="list-style-type: none"> Access from both Federal and Belleview Sufficient parking
Visibility	+	<ul style="list-style-type: none"> Strong visibility from both Federal and Belleview
Proximity to intersection or transportation corridor	+	<ul style="list-style-type: none"> Located at intersection of two heavily traveled corridors
Land ownership consolidation	+	<ul style="list-style-type: none"> Single owner on the site creates no land consolidation challenges
Current retail composition and sales trends	-	<ul style="list-style-type: none"> Modest value inline tenants However, King Soopers wants to update and continue to use site
Vacancy	-	<ul style="list-style-type: none"> High inline vacancy
Trade area size, character and growth trends (households and daytime markets)	+	<ul style="list-style-type: none"> Large residential trade area
Extent and nature of competitive influences	+	<ul style="list-style-type: none"> No nearby King Soopers Competitors located further east on Santa Fe

Centennial Shopping Center Area

City Cooperation in Development Process — Englewood, CO



- City allowed Panda Express to install a large sign, moved a utility pole.
- Store was one of the fastest constructed in the company's history.
- Company officials praised the city's responsiveness, understanding of their brand and physical requirements.



Public Intervention Options

Centennial Shopping Center Area

- Continue to exceed expectations for a fast permitting and approval process.
- Suggest adding pad or inline space if the site can meet King Soopers' parking ratios.
- Consider signage options
- If deemed beneficial to the community, evaluate a sales tax sharing agreement to:
 - Induce redevelopment of the entire center
 - Expand in-line retail space
 - Encourage development of additional pad sites





Public Intervention Options

Citywide Best Practices

- Recognize Difficult Timing for Public Intervention
- Support Density/Mixed Use in Appropriate Areas
- Pursue Redevelopment Partnerships
- Improve Functionality/Attractiveness of Public Areas
- Evaluate Retail Incentive Packages on a Case by Case Basis
- Continue:
 - the Catalyst Revolving Loan programs
 - fast, flexible development review process.
 - attending retail trainings, seminars and conferences
 - investing in public infrastructure, parking and streetscapes
 - promoting the benefits of state's Enterprise Zone program







Emerging Retail Trends - Formats

- Shrinking big box footprint
- Internet sales: stores as showrooms – less inventory on-site
- Non-retail uses infiltrating malls and strip centers
- Traditional retail centers and strips transitioning to residential or mixed use
- Developers: Private equity and public funding more important than ever
- Fundamentals still apply: household income and convenience balances well-situated supply



The Politics of Public Budgeting – 2013

- **Explaining budgeting in the United States is like painting the proverbial moving train. Just when you think you have captured it, it moves on, not only presenting a new set of problems to describe but also upending some prior conclusions. - Irene Rubin, Preface, The Politics of Public Budgeting**

“The Budget Process is the one thread that links the parts of the organization together.” Robert Bland

“Government budgets are difficult to understand. They use terminology and methods of presentation familiar to few outside the world of government finance. Adding to the challenge, practices vary widely. Even within the same state, budget presentations can differ greatly.” Understanding Government Budgets, A Practical Guide, R. Marksell, 2009

Participant's Responsibility

- **(1) Show up, participate, ask questions, learn**
- **(2) Review Syllabus (ask questions, contact me)**
- **or**
- **(3) Come to Englewood City Center (Hampden and Santa Fe) on Saturday, April 6 for participation in Budget Simulation, Class**
- **(4) Read and be familiar with texts, concepts in cases. Use the concepts and terminology in your papers, questionnaires.**
- **(5) Assignments: (1) Major Paper on complex, public sector (or not-for-profit) budgeting or financial management topic of the student's choosing, due by March 17– electronically (2) Minor paper (no more than 3 pages) regarding the effectiveness of a budget message in a public or non-profit organization, including an interview, due Saturday, April 6 (3) Response to two questionnaires due March 19 and April 6 (electronically) , and (4) Class participation – comments, thoughts, questions always appreciated.**

Four-Step Method For Presentation

Christine Altenburger, *Attaining a Wise Outcome, Problem Solving for Elected Officials, 2001, The Effective Local Government Manager*

1. Diagnose the Problem – describe the problem, assemble the facts, identify stakeholders, define the position of each party involved, describe history of the problem, identify factors that might limit government's control of the problem, define the issues that are current to solving the problem.
2. Diagnose the Environment for Problem Resolution – Examine the levels of hostility and misinformation that exist.
3. Diagnose the Unknown – Consider consequences of various alternatives and risks involved.
4. Diagnose Yourself – How objective can you be about the issue and how does it relate to your core values?

Cases





- **“Budget Analysis – a Study in the Budgetary Processes of a Small Community,”** Campenni and Khan -Analysis useful in reviewing budget letters in organizations.
- **“Welcome to the New City Manager,”** ICMA - Simulation at Englewood - Budget preparation, analysis and recommendation (prioritization)
- **“Infrastructure demands versus debt,”** ICMA – Establishing a Capital Improvements Plan - Capital Budgeting we will do a similar simulation on Sunday with administrative and policy leaders changing places.
- **“Developing the Tax Base”** – ICMA - Growth and Revenue Development
- **“A Park, A School, and Two Strained Budgets,”** **“Cherry Grove Park,”** by Gary Sears, Budget Implementation and alternative revenue alternatives

Bland Expenditures Pg 64, 65, Debt Policies

- Elements of a Budget Policy Statement -
Operating policies, revenue policies, budget implementation policies, debt policies
- Governmental Funds
- Proprietary (Enterprise Funds)
- Fiduciary Funds

- Debt Service Funds, Go, Revenue, COP, Lease purchase, Special Improvement District, Restricted Funds

The Federal Budget Calendar

Winter 	The President sends his budget request to Congress by the first week in February. Congress considers the President's proposal and then begins crafting its own budget resolution.
Spring 	Congress finalizes its budget resolution, which is like a blueprint for the year.
Summer 	Congress begins consideration of individual appropriations, entitlement, and tax bills.
Fall 	Congress finalizes appropriations and other bills, as the President begins formulating his budget request for the following year.

Federal Budget Entitlements

Built-in budget busters

A battle is looming over the more than \$60 billion in spending cuts approved last month by the House. Republican leaders hail the cuts as among the deepest in U.S. history, but they amount to less than 2 percent of the \$3.46 trillion fiscal 2010 budget. By law, government spending is divided into two types: discretionary and mandatory. Discretionary spending, controlled through annual appropriations acts, includes employee salaries and other operating expenses for government agencies. Mandatory spending, such as Medicare and Medicaid payments, is controlled by established laws.

Federal spending by category

For fiscal years ending Sept. 30, in trillions

2010 spending

Discretionary
\$1.306 trillion

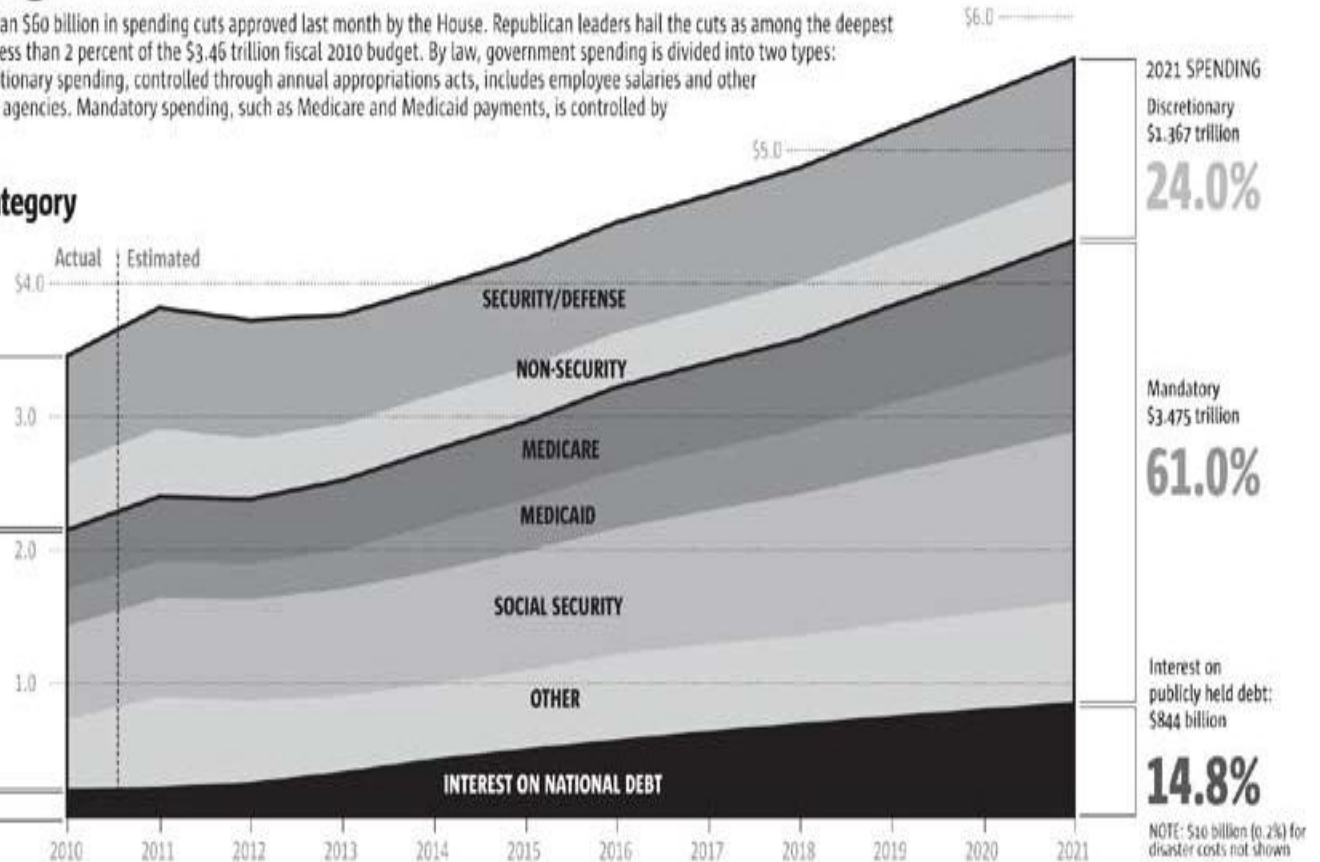
37.8%

Mandatory
\$1.954 trillion

56.5%

Interest on
publicly held debt:
\$196 billion

5.7%



s, so we'd have running water
light — something I didn't
was even possible. And then
me by later to make sure every-
was working.

yes, those lazy, featherbed-
overpaid public employees. I
a pregnant friend who went
labor in Greeley 30 years ago
started driving toward Boulder,
she'd made hospital arrange-
s. Her new daughter arrived
and was delivered by a state
er beside Interstate 25.

n't think obstetrics are part of
ate patrol job description. And
w that what happened next
t. A few days later, she re-
d a bassinet from that trooper,

Over time, she found some suitable
books and was taking them to her.

Like any other good American, I
have fantasies of winning the lottery
or producing a best-seller, so that I
could be rich enough to become a
Republican and start demonizing
the public sector. I could have my
own vast estate so I wouldn't use
public parks or public land. I'd have
my own extensive book and maga-
zine collection so I wouldn't need
the public library. My own security
force so I'd never need to call the po-
lice or sheriff. My own helicopter
standing by, so I need not care
whether the roads were passable.

But I don't think that's going to
happen for most of us. We rely on
public employees to provide our wa-

...outside New Jersey
...to protest proposed benefit cuts. Emile Wamsteker, Bloomberg

ter and treat our sewage, to plow
and maintain our roads, to instruct
our children, to maintain our parks,
patrol our streets, protect our food
supply, to extinguish fires, to do
scores of other things that we can't
realistically do on our own.

Sure, there are time-servers in
public employment, slackers who
can always justify not doing what-
ever they don't want to do. And espe-
cially when times are tight, we have
every right to demand efficient man-
agement and an honest day's work
for an honest day's pay.

I suspect most public employees
want to deliver an honest day's work
for an honest day's pay. And I've seen
many of them go well past that —

teachers coming by on their own
with lessons for our sick kids; D
firefighters helping my daughter
when she locked her keys in her
one cold night; a game warden p
ing my pickup out of a ditch along
back road. I could go on and on.

To put this another way, who
does you more good? Those av
public-sector employees, or so
\$250 million-a-year hedge fund
ator on Wall Street? Which on
overpaid parasite? Who more
serves our torches and pitchfo

Freelance columnist Ed Quillen
...of Salido
regular contributor to The Denver
Post.

TWIN: Acting like adults in Washington

FROM 1D

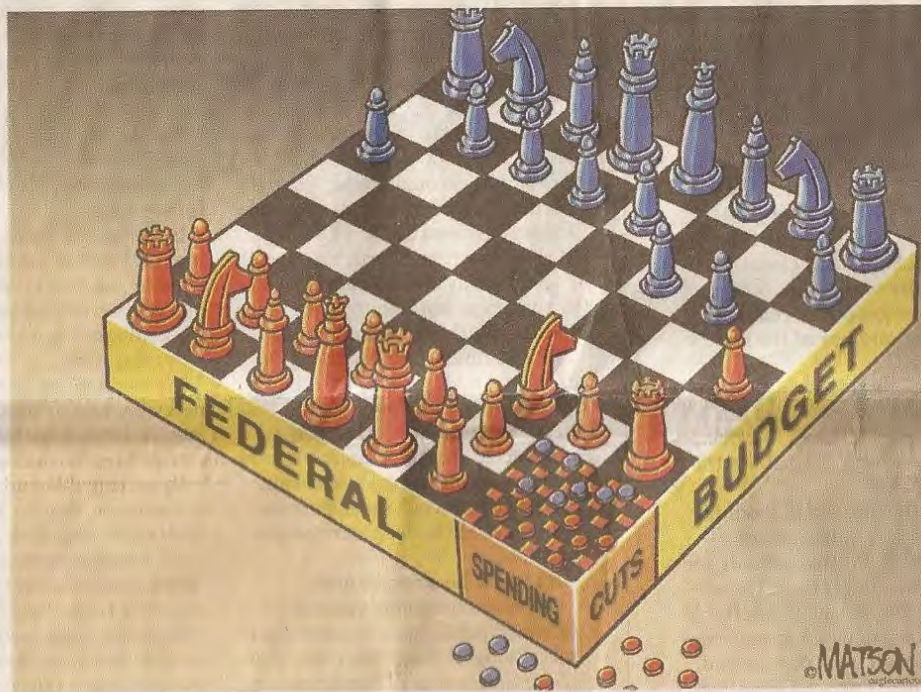
as it was a provocation.

bill was amended to the point that Reid
it "mischievous." Actually, it was misbegot-
but Reid doesn't want to say anything too
bout Speaker John Boehner, because he's
posed to be the adult on the Republican
e side, and Democrats need his adulthood.
d, after all, send the two-week bill to the
e without the controversial riders.

any case, when McConnell finishes speaking,
ns and — I swear this is true — runs right
me. I'm leaning against a wall, but he looks at
if I were the problem. Seems like a meta-
in the making.

atch Michael Bennet as he's leaving the room
ask him about the state of the standoff. Ben-
s you'll remember, ran against Washington
unction, which seemed like a stretch at the
But now that he's an elected senator from
rado, he's saying the same things.

st of all, you wouldn't run any enterprise
his in the real world," Bennet is saying. "No



© MATSON ROL
...placement

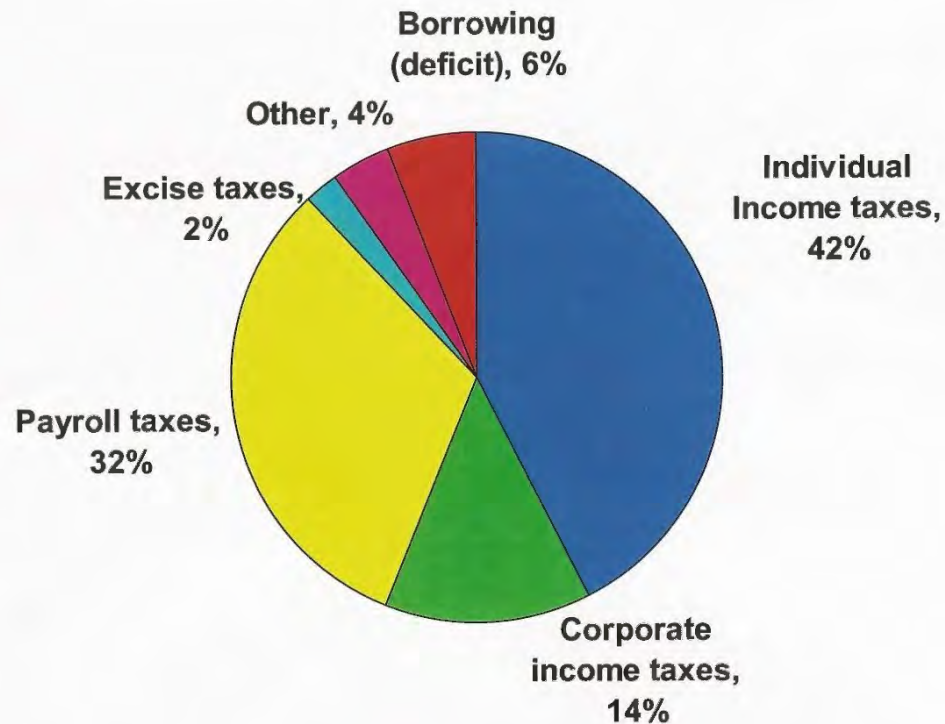
RJ Matson, St. Louis Post-D

when you say constantly that the problem facing
small businesses is uncertainty and then you
threaten to pass a series of uncertain 14-day con-

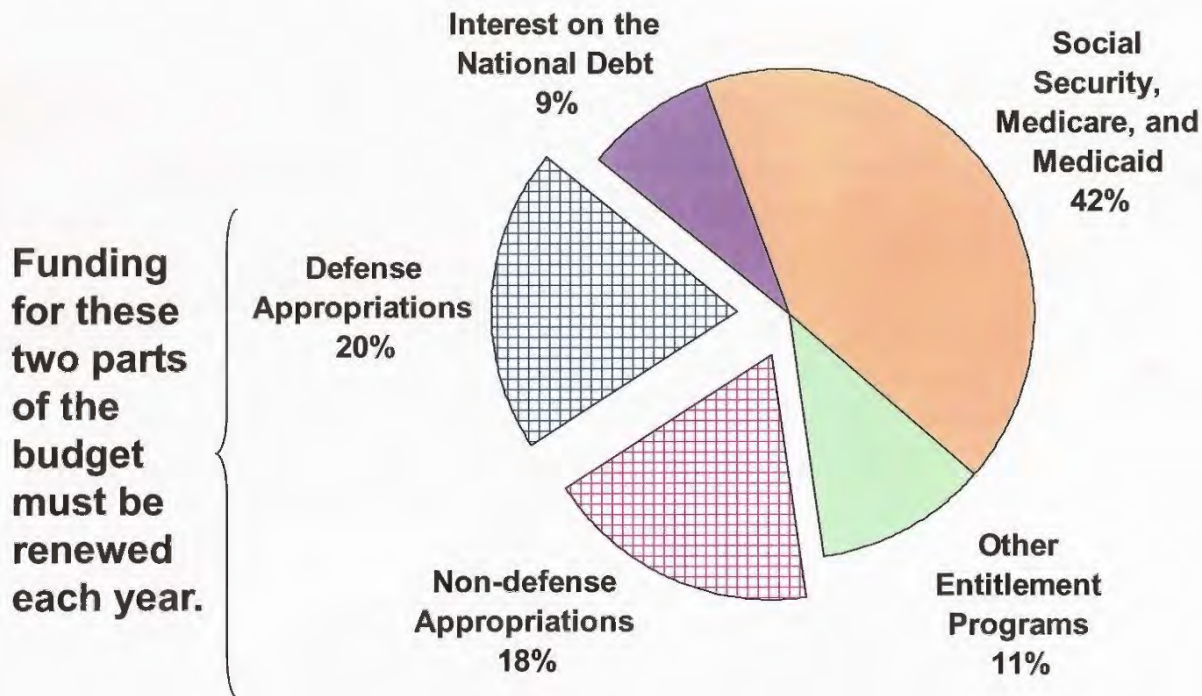
thing far worse than a government shutdown.
They're threatening a vote against raising the
debt ceiling.

The debt is ridiculously high, but raising

Where Does the Money Come From?



What's in the Federal Budget?



Key Elements of the Budget Class

Chapter (1) Rubin

- **Budgeting is about Terminology and Acronyms - obtain a better understanding of these terms**
- **Budgeting has simple Concepts (revenues, expenditures, process, balancing, etc. - The complexity is in the application of these terms**
- **Budgeting is about prioritizing - Determining and evaluating priorities with available funds is what the concept of budgeting is all about.**
- **Budgeting is about “Actors,” - Most public organizations have a finance director, chief administrative officer, board of directors (city council, legislature, etc.), auditor, department directors, advocacy groups, that all influence the budget process**
- **Cases - The cases are designed to help students understand and be involved in the budgetary process, giving students a real opportunity to understand the difficulties in prioritizing the many elements of public service organizations**

Questionnaire (#1) – Public vs. Private

- Public/Private Differences, Robert Bland pg. 7
- (a) “broader set of responsibilities than private companies or businesses – public mandates - Fund Accounting
- (b) must protect citizen’s best interest as opposed to self-interest – profit/ loss statements,
- (C) budgeting is in the public forum,
- (d) financial controls are part of the public budgeting process (TABOR), grants, laws – fund accounting)“

Bob Bland Budget on Communications

- The budget is the one public forum where most of the voices in a community have an opportunity to be heard
- Not only is the city or county manager the point person on budget deliberations but that manager is also the primary communicator to the community on budget matters
- Effective communication begins at the outset of the budget process with agreed-upon policies to guide deliberations (P), insisting on accurate information (A)
- And ensuring timely progression of budget deliberations (T) - PAT for short.

Bob Bland – “Conflict is inherent in the budget process tough economic times only intensify those conflicts”

- Budget policies provide the manager with the formal tools to manage that conflict by establishing the boundaries for deliberations
- Budget policies approved by council should include operating budget, revenues, budget implementation, and debt and should be on the web
- Public administrators preoccupation with budget realities often clashes with politicians attention to image

Bob Bland

revenue forecasts and budget accuracy-

budget image versus accurate data - council v. staff

-
- Unfortunately political spinning in manipulation of budget information has left many skeptical of what and who to believe
 - The county or city manager provides the key to ensuring the integrity of the information is produced and disseminated throughout deliberations on the budget
 - The third component of effective communication is ensuring timely progression of the budget process

Bob Bland - Timeliness of Budget Critical Information

- Budget preparation and inputs
- Policy deliberation/ outcomes prior to budget preparation
- Outcomes v. Incrementalism
- Development and submission of an executive budget by the manager which can provide a framework for discussion by the Council
- Appropriation ordinance
- Timely completion of the budget conveys a message of accountability in administrative discipline to the citizens

Bob Bland -

Budget preparation and adoption is a conflict ridden process in the best of times

- Budgets rely upon accurate data
- Critical policy development based upon citizen input
- Effective communication on budget choices
- Accurate estimates of budget deficits with timely dissemination of this information, both internally and externally

The Meaning of Politics in Public Budgeting - Rubin

- **Reform Orientation – Professionals vs. Elected**
- **Incrementalism – Conflict between Bureaucracy and Outcome Based Budgeting**
- **Interest Groups Dominate the Budget Process**
- **The Budget *Process* itself is the center and focus of budget politics. Examination and goal setting are the fundamental aspects of budget setting**
- **Politics of budgeting centers in policy debates (i.e. budget emphasizes tradeoffs, especially those that occur between major areas of the budget, such as social services or defense (Parks vs. Police))**

The Politics of Public Budgeting 2011

Key Budget Concepts Used in Class

- 1. Budgetary decision making is not sequential or linear. Rubin pg. 283 (Chapter 9)**
- 2. Budgets raise the social conscience of a community by making inequities more visible and by exposing a government's commitment to fairness. Bland (pg. 6)**
- 3. The budget process is the one common thread that links the parts of the organization together. (pg. 4) Bland**
- 4. Local government financial management is distinctive because it contains a comparatively high risk component. Banovetz (Case Management)**
- 5. "Real time" refers to the continual adjustment of decision in each stream to decisions and information coming from other streams and from the environment. Chapter 9 (pg. 281) Rubin**

Characteristics of Public Budgeting – Rubin (Chapter 1)

- **Differs from Private Budgets, as follows: (Question 1)**
- **Has a Fiscal Year/Calendar**
- **Includes a Variety of Actors - Bureau Chiefs/Budget Office, CEO, Legislators, Interest Groups, Individuals (direct democracy), The Courts (damage suits, mandates)**
- **Separation of Payer and Decider**
- **Openness to the Environment**
- **Constraints “Fund structure,” Mandates, TABOR**

Budget Themes/ Clusters - Question (2)

- **Rubin's Book _ "The Politics of Public Budgeting"
Special Characteristics of Budgeting in the Public
Sector Page 30-32**
- **(1) Revenues Cluster**
- **(2) The Budget Process**
- **(3) The Expenditure Cluster**
- **(4) The Balance Cluster**
- **(5) Budget Implementation**

Questionnaire

- 3. Formats. - Line-Item, Program based, Zero Based, Target Based, Outcome Based (not incremental)
- 4. CAFR - Comprehensive Annual Financial Review
- 5. Revenue restrictions, % based on growth and inflation; 3% restricted reserve; 10% contributions; different restrictions based on schools, State

Questions 6,7,8,9

- **(6) Enterprise funds (water, sewer, airports). Restricted by 10% contribution from the general fund**
- **(7) “One time revenue” - Preferred for capital improvements**
- **(8). Fixed asset - \$2,500 - 5,000 maximum**
- **(9) Supplemental Appropriation - Appropriating budgeted dollars- ordinances follow each other. President submits a proposed budget, Congress decides**

Questions 10 and 11

- # 10 - SALES TAXES, INCOME TAXES, FEES, FRANCHISE TAXES, USE TAXES, PROPERTY TAXES, REAL ESTATE TAXES, plus
- # 11 - See next slide per Robert Bland

Question # 11

- **“Advocates versus Guardians”**
- **“Accuracy versus Political Expediency”**
- **“Bureaucracy versus Democracy “**
- **”Public will versus Public Welfare”**
- **“The Budget Office vs. Departments”**
- **“Special Interests vs. Collective Interests”**
 - **Budgetary Constraints: Economic Downturns, Inflation, Interest Rates, Competition among local governments , Balance Budget Requirements, Type of government, Mandates, The Battle over Information (Council vs. Staff)**

what political scientists call an "iron triangle"—the mutually reinforcing relationship that exists among an agency, its clients or beneficiaries, and the legislative committee exercising oversight.² Each group in the triangle needs the other, and they all benefit from increased funding, especially if the costs are borne by a broad-based tax. Members of a library board have a vested interest in promoting the public library system, in partnership with the patrons of the library, and together they use their influence with the full council to pressure for more funding or even a dedicated source of revenue.

Conservers, on the other hand, are the bottleneck when it comes to increasing spending. The budget office (the Office of Management and Budget at the national level, or the budget and research office in a large city or county) must defend budgetary limits, which are defined by available revenues, and this places them at odds

that office can exert over the department. Thus, department heads, for the organization to make certain the department and its operations. This struggle over information is one reason why zero-based budgeting (ZBB). As noted in Chapter 2, each decision unit must submit at least three alternative services (only the most urgent) and continuous spending at current levels, and if funding falls below the minimum level, the department must continue operating.

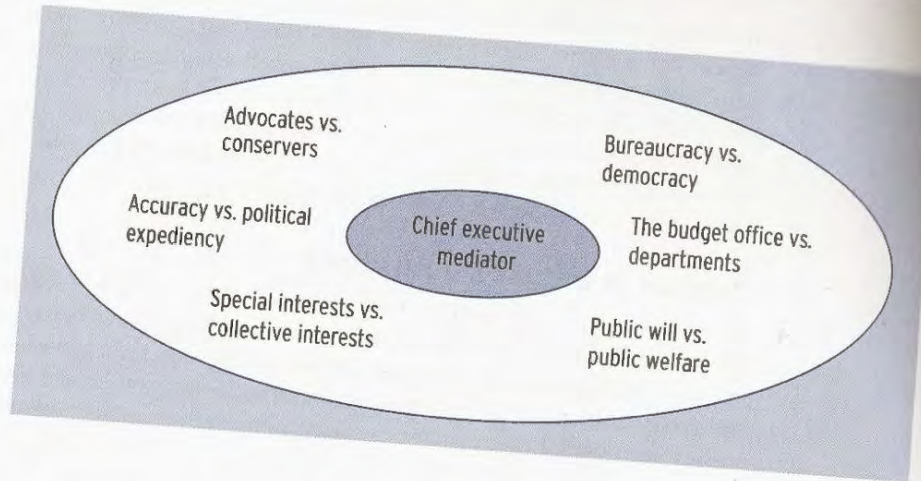
The budget office never

Understandably, department heads resist requests for additional services; to do so gives the budget office a good reason to reduce spending. Departmental requests for additional spending has to be reduced. Departmental requests for additional spending would be catastrophic.

The budget office never has enough information to make decisions in this chapter, the cost of requests for additional services that have to devote additional staff to make decisions require information. A budget office must have documentation in order to make fair and equitable decisions. To moderate this conflict, the chief executive officer must:

- Make clear what information is essential
- Recruit a professional staff of budgetary analysts with well as analytical skills

Figure 3-1 Sources of conflict in the budget process



Response to Syllabus Questions

- 1. Did Harper move too quickly to make a decision or should he have allowed more time to pass?**
- 2. Is it best to support a “Pay as you go” philosophy for Capital Improvements or to use Short and Long Term Debt financing?**
- 3. Are tax increases an appropriate way to pay for Capital Improvements requirements?**
- 4. Are you proposing debt financing or “pay as you go” financing for the project or initiative you are considering?**

Two Views of Current Public Service 2011

Governing Magazine March 2011, “What Really Hurts is the sense that some public employees, most of them imbued with a sense of public service, somehow have it coming.”

Other side of the spectrum - Bellweather, California

**Welcome to the New Town Manager
Budget Simulation - Englewood City Center
Saturday, April 2 / Sunday, April 3 , Chaparral Campus**

- **Formation of Teams – City Manager, Staff, Mayor and City Council, City Attorney, Citizen Activist Groups,**
 - **Preparation of the Budget**
 - **Presentation of the Budget**
 - **Discussion/ Decision By Mayor and City Council**
 - **Critique of Budget Process**
 - **Discussion of Different Formats of Budgeting**
 - **Presentation – Frank Gryglewicz, Finance Director, Vicki Mattox, Stifel Nichols**
 - **Review of Englewood Experience/ Construction/Finance Issues**
-
- April 3rd Chaparral Campus – Capital Improvements Planning**
- **Discussion of Case from a Policy Perspective/Administrative**
 - **Infrastructure Vs. Debt Case – Reversal of Policy vs. Administration - CIP**

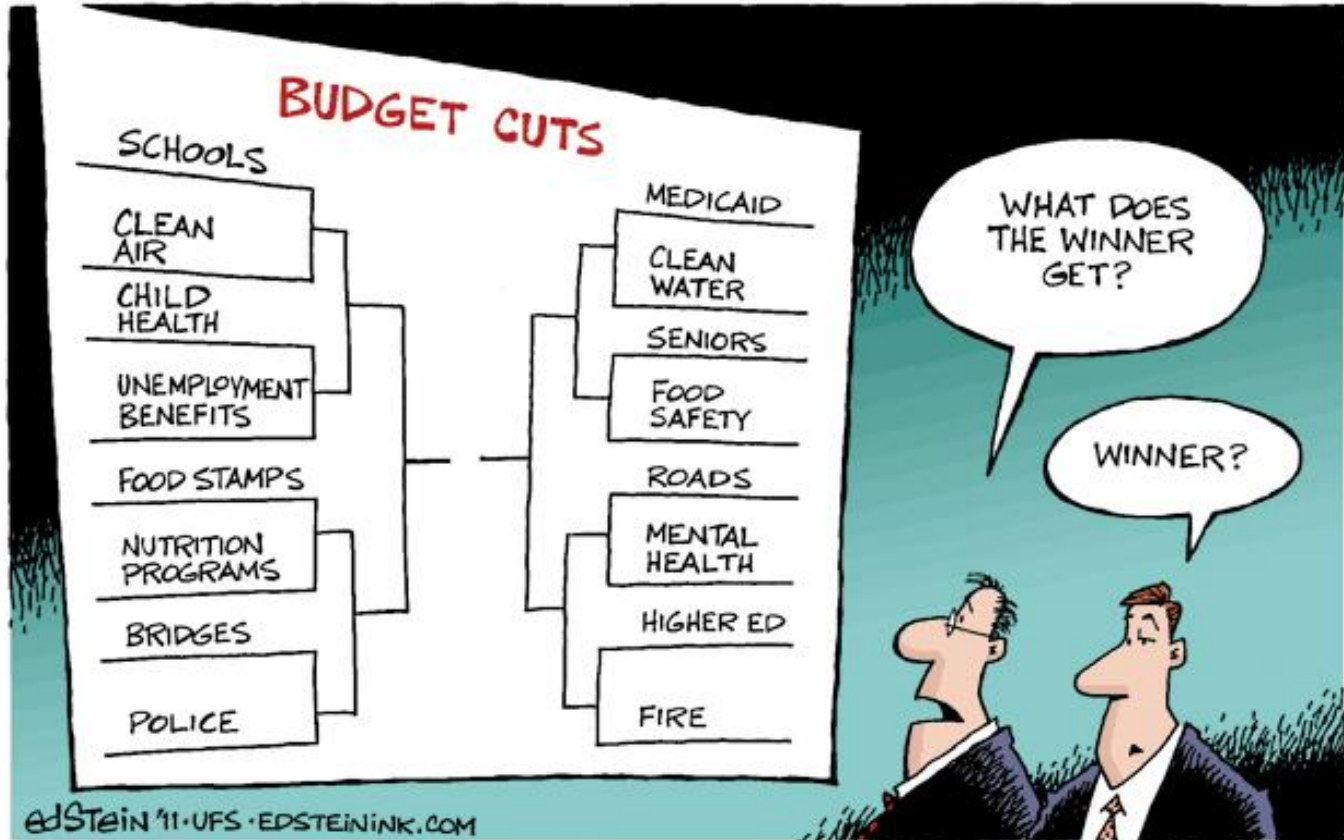
CRABANT

I'D BE ENJOYING THIS
TAX-CUT BUSINESS
A WHOLE LOT MORE
HAD I EVER PAID TAXES
IN THE FIRST PLACE.



THERE, THERE...
ROME WASN'T
WRECKED
IN A DAY!

Budget Expenditures Equals Prioritizing Programs and Services



MARCH MADNESS

Governments and Revenues

“The problem of money. A fundamental problem facing virtually every individual and every organization is money: **where to get it, how to get more, where to keep it, how to protect it, what records to maintain, how to divide it among desired uses, where to spend it, how to get maximum benefit from it, and how to account for what happened to it.’**

James Banovetz, Introduction, Managing Local Government Finance Cases in Decision Making

Cities have SIX ways to obtain revenues:

- Taxing
- Charging User Fees
- Levying Fines
- Charging Fees and Permits
- Receiving Federal or State Intergovernmental Transfers
- Charging Fees for Permits

Government Revenues

Businesses can be taxed in 3 Ways:

- **(1) when they have obtained money (income taxes)**
- **(2) when they spend money (sales taxes)**
- **(3) when they have some form of wealth (real or intangible property taxes)**
- ***The Effective Local Government Manager***

The Effective Local Government Manager

- Evaluating the Revenue Policies:
- (1) Adequacy – Will the change yield the needed revenues?
- When taxes or other charges are levied on business, questions arise about whether the burden will be borne by business owners or shifted to employees (occupational privilege tax) in the form of lower pay or to customers in the form of higher prices
- (2) *Overlapping Burden* – How much do residents pay to other governments (Sheridan – Bond Issues)
- (3) *Equity* – Is the revenue source fair? Local government managers must keep in mind that most jurisdictions have regressive revenue structures – they exact a larger portion of their incomes from the least affluent residents (food). Disclosure and Transparency are important.

Time Magazine, June 17, 2010

“In government, as in life, there are cuts that injure and cuts that heal. As they continue to slog through the wreckage of the Great Recession, state and local leaders have a challenge to be surgeons rather than hacks and make this era of crisis into a session of fresh starts.”

Approaches to Managing Conflict, Sue R. Faerman, 1996
The Effective Local Government Manager, ICMA, 2004

- **Avoiding** – “One does not wish to confront or explore issues behind the conflict”
- **Accommodating** – Conflict avoidance but also “seen when one party decides that the issue at hand is not as important to him or her as it is to the other party.”
- **Competing** – “Promoting one’s own position, may lead to zero-sum game”
- **Comprising** – “It is characterized by a moderate amount of assertiveness and a moderate amount of cooperativeness”
- **Collaborating** – “This approach assumes most organizational conflicts emerge as a result of interdependence, not incompatible goals”

Expenditure Issues

- **Interfund Transfers**
- **Budget Authorization – Appropriations Ordinances**
- **Budget Reserves – Size, Requirements**
- **Fiscal Crisis – Cutback management / Raising taxes– pg. 37 (Rubin Revenues)**
- **Reduction of Internal Funds/Earmarking/Legislative or Constitutional Requirements – (TABOR, Amendment 23)**
- **Accounting Requirements - Chart of Accounts,**
- **“Tension exists between the assumptions that underlie the budget and the standards that guide the accounting system.” Bureaucracy vs. Democracy, Accuracy vs. Political Expediency**
- **Fund Accounting**
- **CAFR –Auditing (auditors)**
- **Pay as you go vs. Pay as you use**
- **Disaster Management (Back ups, duplication, Tokyo (earthquake))**

Bland – Summary pg. 76

Expenditures - Key Actors

- (1) Advocates request funding for program or service from which they benefit, but conservers, taking into consideration revenue constraints, are not able to fill all requests**
- (2) Budget officers need information, but department heads are reluctant to share information for fear that they may lose budgetary controls**
- (3) The administrator's concerns for budget realities may clash with the politician's concern for image or expediency.**
- (4) The goals of democracy – equality and accountability – may conflict with those of bureaucracy.**
- (5) Legislators must address special interests or risk losing supporters and votes**
- (6) The well-being of the community is not always served by what the community desires.**

Rubin – Deficits Reserves

- **Pros and Cons of a Balanced Budget Amendment – federal level**

- **Pros - (1) deficit spending is detrimental to the economy, increases inflation and it crowds out other uses of capital (2) the need for flexible economic policy is overstated, Keynesian politics doesn't work and monetary policy (controlling the economy by regulating the amount of money in circulation and influencing interest rates) are sufficient to influence economic cycles, (3) Growth of government should be checked, and (4) Congress if left alone will not act or cannot take effective action**

Rubin Monetary Policy

- **Cons (arguments against a constitutional amendment requiring a balanced budget)**
 - (1) **Little relationship between deficit and size of government and inflation, balanced budget will not have any effect**
 - (2) **Constitutional budget constraints will impede governments ability to respond to an economic or other crisis**
 - (3) **A supermajority for amendments will upset the balance of power in Congress**
 - (4) **An amendment is unenforceable**
 - (5) **Spending cuts are likely to fall on States and local governments and social services programs**
 - (6) **A constitutional shift will shift budget-making power to the courts (enforcement)**
 - (7) **Not a Proper subject for a constitutional amendment**
 - (8) **The same result can be achieved through legislation**

Capital Improvements Planning

- **Fixed Assets (Bland) pg. 150 (alternatives) Chapter 7**
- **(1) Infrastructure**
- **(2) Public Buildings**
- **(3) Equipment**
- **(4) Land Acquisition**

- ***One fact is certain: the number of proposals will greatly exceed the ability of the government to finance them all.***

- ***Priorities/ 5 years (fixed number of years)***

- ***Pay as you Go versus Pay as you Use***

Capital Improvements Planning Chatham County

Evaluation and Prioritization of Capital Assets 79

4. Efficiency

A. Will the project save the county future operating costs? Yes No

B. If yes, how?

C. Amount of projected savings on an annual basis: \$ _____

D. Current project costs with operating savings: will the project eventually pay for itself? Yes No

E. If yes, how long will the project take to pay for itself? _____ years

F. Will the project save the county future capital costs? Yes No

G. If yes, how will the project save future capital costs?

H. Amount of projected capital savings: \$ _____

7. Maintain current service levels

A. Is the project necessary to maintain current service levels? Yes No

B. If yes, why?

C. What are the immediate consequences of rejecting the project?

D. What are the long-term consequences of rejecting the project?

E. Does the project protect investment in existing assets or infrastructure? Yes No

F. If yes, how?

8. Improve Access

A. Does the project improve access to county services and information? Yes No

B. Who will benefit from improved access (such as other departments, certain members of the public, commissioners, the press, etc.)?

C. Describe how they will benefit.

9. Service Improvement

A. Does the project improve the quality of service provided? Yes No

B. Which of the following services does the project improve?
 Public Safety
 Public Health
 Quality of Life
 Internal Services
 Other (specify): _____

C. Describe how the project will improve the quality of the identified service.

10. Service Additions

A. Does the project increase the quantity of service provided? Yes No

B. Which of the following services does the project increase?
 Public Safety
 Public Health
 Quality of Life
 Internal Services
 Other (specify): _____

C. Describe how the project will increase the quantity of the identified service provided. (continued)

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Final Class Issues

- Bland – Afterword
- Technology, Citizen Participation, Concern for Quality of Life
- Fiduciary Relationships
- Cherry Grove Case