

Agenda Item

**DATE:** AUGUST 8, 2022 – 2:00 P.M.  
**TO:** DOUGLAS COUNTY BOARD OF COUNTY COMMISSIONERS  
**FROM:** DOUG DEBORD, COUNTY MANAGER  
**SUBJECT:** OPEN SPACE SALES TAX CITIZEN GROUP FOLLOW UP

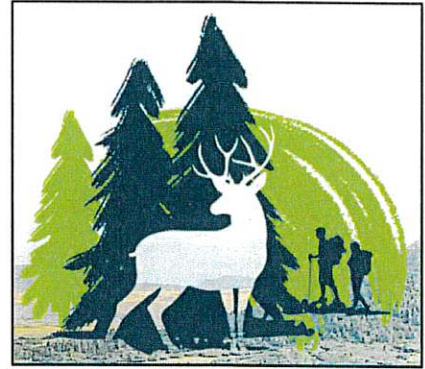
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The Board will review and discuss the attached information.

August 5, 2022

The Board of Douglas County Commissioners  
The Honorable Abe Laydon  
The Honorable George Teal  
The Honorable Lora Thomas

100 Third Street  
Castle Rock, CO 80104



Dear Commissioners,

In preparation for our meeting on Monday, August 8, 2022, the Douglas County Open Space Initiative (DCOSI) Board would like to express our positions on the Resolution specifics we feel strongly about and why.

Open space preservation is a long-term endeavor that requires looking ahead and preserving what we can, when we can. The National Parks program was termed 'America's Best Idea' because it took foresight and resoluteness to carry out a national program of preservation long before the US even had the highways for people to get to the Parks.

We feel we can campaign for the passage of the program if we have five key items in the extension Resolution. Open space and parks have been a key part of Douglas County's mission for the last 28 years. Our residents love this program and consistently rank it as very important in defining our County and maintaining its quality of life. Therefore, we propose:

1. *20-year extension.* This is important for COSAC and the Board of County Commissioners to adequately plan open space acquisitions that often take many years to accomplish. If in the future, the Board or future citizen groups want to make changes to the funding, or program, there is nothing precluding them from coming forward to propose and campaign for that to let the voters decide.
2. *Separate allocations for spending.* This is a crucial component. While we appreciate the Board's interest in wanting maximum flexibility, as Commissioner Thomas said at the Town Hall meeting, with all of the funding in one bucket, the residents don't know for sure what they are getting, and generally vote these down. Moreover, it makes it difficult to plan long-term projects (for open space acquisitions and park projects), without knowing what funding you can count on. If there are big projects that require large-scale funding, planning should entail partnerships and phasing (be it open space or parks).
3. *30% for open space and trail acquisitions.* This is actually a significant reduction in open space spending of approximately 36.6% when compared to the history the program. Land prices are rising, and what we enjoy as open lands now may

not be available for preservation in the future. The reductions in open space and trails acquisition funding are being used to support an increase in parks and municipal shareback funding.

4. *20% for municipal shareback.* As proposed by DCOSI, the municipalities funding will be made whole (i.e. they actually will receive \$520,000 more than in the previous years). This is the case, even with the addition of the cities of Castle Pines and Lone Tree. We have now received letters of support from all of the municipalities. They support the 20% funding scenario.
5. Additional funding for Parks increases the budget for parks by almost \$1M per year. We would like to support the County in developing even more funding by matching grants, for instance by GOCO, to add to the available funds.

The other specifics in the draft Resolution we presented to you are what we believe to be best practices, e.g., mandatory conservation easements, posted notice for proposals to sell open space lands, or modify conservation easements, the 11-member COSAC Board, and grant matches for parks. We are happy to discuss those more in detail with you.

We appreciate the Board's support for Parks, Trails, and Open Space, and look forward to discussing the program with you next Monday.



Micki Clark  
Douglas County Open Space Board President

cc: Doug Debord  
Dru Campbell  
Jerrod Taylor

Attachment: A: Douglas County Open Space Initiative Proposed Allocations

# **Attachment A**

## **Douglas County Open Space Initiative Proposed Allocations for an Extended Douglas County Parks, Trails & Open Space Sales & Use Tax Revenue**

The Douglas County Open Space Initiative (DCOSI) is pleased to submit our proposal for the allocation of an extended revenue from the sales and use tax. Two scenarios are presented for consideration by the Board of County Commissioners. Scenario A is DCOSI's proposal previously presented and discussed. Scenario B is an alternative developed demonstrating a 50% / 50% of sales and use tax revenue between the County's Parks and Open Space programs. Each scenario brings challenges to bear for consideration by Douglas County. As you will note, the sales and use tax fund has been renamed to the Parks, trails, and Open Space Fund reflecting the increase in funding and emphasis to the Douglas County Parks program.

Common elements between Scenario A and B are:

- A sales and use tax rate of 0.17% (17¢ per \$100 paid for goods)
- An estimate of \$16,000,000 in sales and use tax revenue for used to compute the allocated revenue. Actual open space sales and use tax revenue in 2021 was \$16,911,086.
- The percentage change over historic funding levels columns are the calculated percentage of twenty-seven (27) years of sales and use tax funding invested in each program allocation. These percentages are provided for perspective on the County's investments in the program.

**Scenario A:** is the DCOSI allocation proposal with increase municipal shareback and parks funding. Increased funding for the municipal shareback and parks transfer are projected at \$520,000 and \$941,000 respectively based upon \$16,000,000 in sales and use tax revenue.

Open space and natural resources program (County program) revenue is kept in close alignment with actual 2021 and budgeted 2022 spending with approximately \$293,000 in additional funding.

Trail and open space acquisition funding is used to fund the increases in the parks, municipal shareback and County program. Taxpayers have invested approximately \$100 million in open lands and trail acquisition from 1995 through 2021 representing approximately 47.4% of sales and use tax revenue.

**The County's Open Space partners have invested \$2.27 for every dollar of sales and use tax revenue used for open land and trails acquisitions.**

**Scenario B:** is presented for consideration by the Board and County management. In this scenario, sales and use tax revenue are equally split between parks investments (the parks transfer and municipal shareback) and the County program and trails and open space acquisitions.

As you will note, this 50%/50% allocation results in a reduction of approximately \$1 million in County program funding which DCOSI recommends be backfilled from the General Fund (GF). There are, of course, options to a GF backfill such as an increase in direct funding to the Parks program. GF support to the Open Space and Natural Resources program of \$1million will cover staff costs and demonstrate the County's ongoing investment in the program.

# Scenario A: DCOSI Allocation Proposal

## DCOSI Proposed Revenue Allocations Parks, Trails, and Open Space Sales & Use Tax Investment Renewal

Tax Paid per \$100 Paid	17 ¢	Sales Tax Rate	0.170%
		Total Sales & Use Tax Economic Base	\$9,411,765,000
		Parks, Trails & Open Space Sales & Use Tax Annual Revenue <sup>1</sup> →	\$16,000,000

Use of Sales & Use Tax Funds: 1995-2021	Proposed Allocation of Sales & Use Tax Revenue % of Tax Revenue	HISTORIC Average Annual % of Funding Life of the Program 1995-2021	DCOSI Proposed Change from Historic Funding Percentage	Allocated Revenue	CHANGE from the Average of 2021 Estimated Actual and 2022 Budgeted Spending
Municipal Shareback	20%	13.78%	↑ 45.1%	\$3,200,000	\$520,000
Trails & Open Space Acquisitions	30%	47.35%	↓ -36.6%	\$4,800,000	\$4,800,000
County Open Space & Natural Resources Program: Admin/O&M/Capital Improvements	28%	18.49%	↑ 51.4%	\$4,480,000	\$293,000
Parks Fund /Grant Program	22%	15.64%	↑ 40.7%	\$3,520,000	\$941,000
<b>TOTAL</b>	<b>100%</b>	<b>95.26%</b>		<b>\$16,000,000</b>	
Open Space Acquisition Reserve Funds		4.74%			

	Historic Funding %	Proposed Funding	Proposed Funding %	Change
Parks Program Funding	29.42%	\$6,720,000	42.00%	42.8%
Open Space Program Funding	65.84%	\$9,280,000	58.00%	-11.9%

# Scenario B: 50-50 Split between Parks & Open Space

Recommended \$1,100,000 General Fund Support for the Open Space & Natural Resources program or an Alternative

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Trails & Open Space Acquisitions	30%	47.35%	↓ -36.6%	\$4,800,000	\$4,800,000
County Open Space & Natural Resources Program: Admin/O&M/Capital Improvements	20%	18.49%	↔ 8.2%	\$3,200,000	-\$987,000
Parks Fund / Grant Program	30%	15.64%	↑ 91.8%	\$4,800,000	\$2,221,000
<b>TOTAL</b>	<b>100%</b>	<b>95.26%</b>		<b>\$16,000,000</b>	
Open Space Acquisition Reserve Funds		4.74%			

	Historic Funding %	Proposed Funding	Proposed Funding %	Change
Parks Program Funding	29.42%	\$8,000,000	50.00%	70.0%
Open Space Program Funding	65.84%	\$8,000,000	50.00%	-24.1%