

SPONSORED BY: MAYOR DOWNING

COUNCILMAN'S BILL

ORDINANCE NO.

No. CB-1730  
Series of 2010

\_\_\_\_\_  
Series of 2010

A BILL FOR AN ORDINANCE ADOPTING A NEW ARTICLE 17 OF CHAPTER 5 OF THE NORTHGLENN MUNICIPAL CODE REGARDING IMPLEMENTATION OF THE EXTENSION OF THE CITY'S ONE-HALF PERCENT (½%) SALES TAX FOR THE PURPOSE OF CONSTRUCTION AND REHABILITATION OF CAPITAL IMPROVEMENTS

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. The Northglenn Municipal Code is amended by the addition thereto of a new Article 17 of Chapter 5 to read as follows:

ARTICLE 17

USE OF ONE-HALF PERCENT (½%) SALES TAX USED EXCLUSIVELY FOR THE CONSTRUCTION AND REHABILITATION OF CAPITAL IMPROVEMENTS

**Section 5-17-1. Purpose.** It is the purpose of this Article to implement the extension of the one-half percent (½%) sales tax, commencing January 1, 2011, for the purpose of construction and rehabilitation of capital improvements as approved by the registered electors of the City of Northglenn. The revenues derived from the one-half percent (½%) sales tax are to be used solely for the construction and rehabilitation of capital improvements, which capital improvements are more particular described in this Article.

**Section 5-17-2. Definitions.** The following terms used in this Article shall have the meaning set forth below

(a) A *capital improvement* means and includes a non-recurring expenditure in association with the acquisition, construction, or physical improvement of land, buildings, or infrastructure, whereby such expenditure results in the creation of a new asset or the extension of an existing asset's useful life, value, and/or operational capacity. The costs of the capital improvement is added to the basis of the asset, and depreciated over time, in contrast to repairs and maintenance expenditures which are recorded as operating costs in the period in which they occur.

(b) *Capital improvement sales tax* means and includes the revenues received from the one-half percent (½%) sales tax as set forth in this Article 17 of Chapter 5.

(c) *Construction of capital improvements* means and includes the design, engineering, and construction of new capital improvements in a manner approved by the City Council.

(d) *City Manager* means and includes the City Manager of the City of Northglenn, and any of the City Manager's designees.

(e) *Public Facilities* means and includes the Northglenn City Hall, the Northglenn Maintenance and Operations Facility, the Northglenn Recreation Center, and all other municipal buildings, facilities, and infrastructure of the City of Northglenn.

**Section 5-17-3. One-Half Percent (1/2%) Sales Tax Imposed.** There shall be a one-half percent (1/2%) sales tax imposed for the purpose of construction and rehabilitation of capital improvements as more particularly described in this Article.

**Section 5-17-4. Capital Improvement Sales Tax.** The revenue received from the one half percent (1/2%) capital improvement sales tax shall be separately accounted for in a manner determined necessary by the City Manager in order to implement and administer the provisions of this Article.

**Section 5-17-5. Use of Revenues Received from the One-Half Percent (1/2%) Sales Tax.**

(a) Expenditures of the revenues received from the capital improvement sales tax shall be used only for the construction of capital improvements, specifically including, but not limited to public facilities, public infrastructure, and water and sewer capital improvement projects.

(b) The City may pledge revenues received from the capital improvement sales tax and those anticipated to be collected to the retirement of the principal and interest of bonds issued by the City for financing any of the activities and improvements set forth in subsection (a) of this Section 5-17-5.

(c) Subject to the limitations contained in this Article 17 of Chapter 5, the revenues from the capital improvement sales tax may further be used to fund those capital projects that are included within the capital projects program submitted to the City Council pursuant to Section 8.5 of the City of Northglenn Home Rule Charter and Section 5-8-6 of this Northglenn Municipal Code.

**Section 5-17-6. Limitations on Use of Revenues Received from the One-Half Percent (1/2%) Sales Tax.**

(a) The use of revenues from the capital improvement sales tax shall not be used for repair and maintenance expenditures which are recorded as operating costs in the period in which they occur.

(b) Notwithstanding the limitations contained in subsection (a) of this Section 5-17-6, the City Manager may combine projects using revenues from the capital improvement sales tax with projects using revenues from other sources of funding so long as the revenues from the

capital improvement sales tax are only used for the limited purposes authorized by this Ordinance.

Section 2. Effective Date. This Ordinance shall be effective only if the ballot issue seeking voter approval of the extension of the one-half percent (½%) sales tax at the November 2, 2010, special election is approved. If approved, this Ordinance shall go into effect on January 1, 2011. If the registered electors do not approve the extension of the one-half percent (½%) sales tax, this Ordinance shall be void and of no force or effect.

INTRODUCED, READ AND ORDERED POSTED this \_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
JOYCE DOWNING  
Mayor

ATTEST:

\_\_\_\_\_  
JOHANNA SMALL, CMC  
City Clerk

PASSED ON SECOND AND FINAL READING this \_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
JOYCE DOWNING  
Mayor

ATTEST:

\_\_\_\_\_  
JOHANNA SMALL, CMC  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
COREY Y. HOFFMANN  
City Attorney