

City of Wheat Ridge Comprehensive Plan Update

Fiscal Background

Citizens Advisory Committee & City of Wheat Ridge
Wheat Ridge, Colorado

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Agenda

Fiscal History

City Revenues

City Sales Taxes

Other Revenue Sources

Property Taxes

Overall Expenses

General Fund Expenses

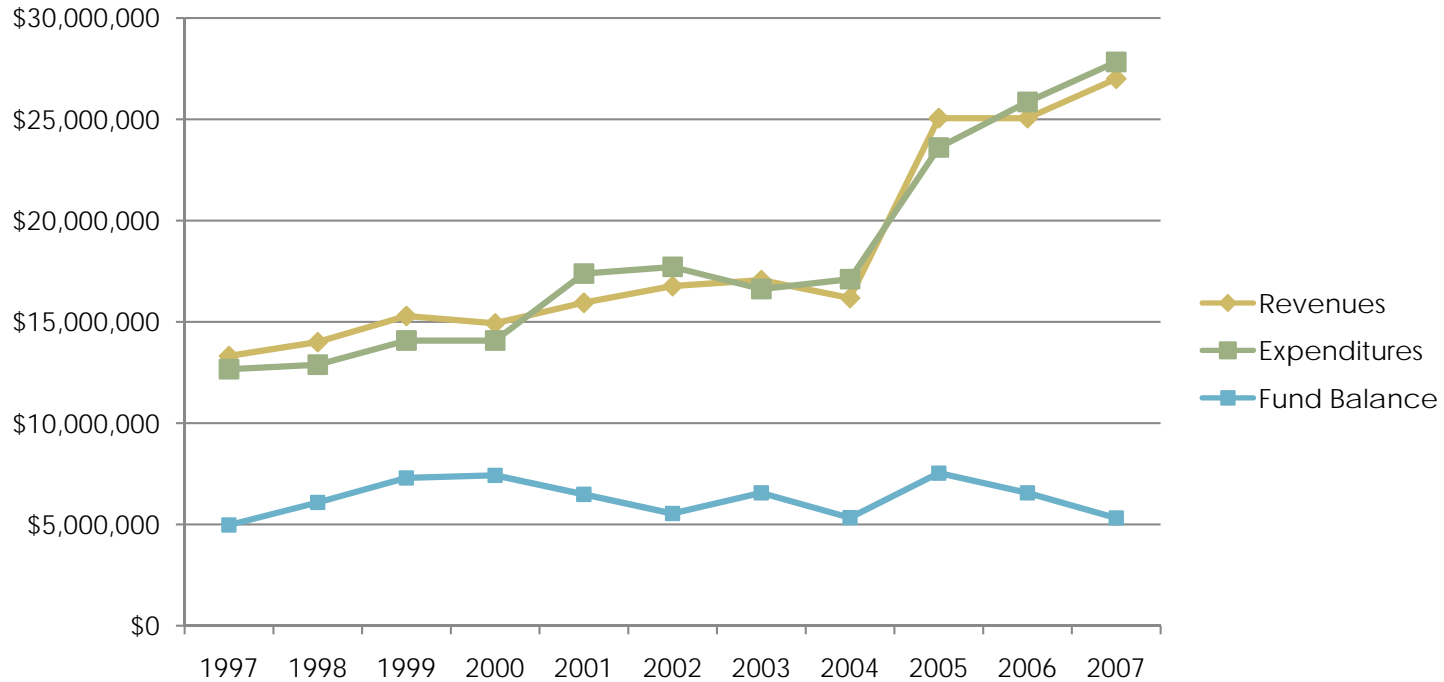
Fiscal Projections

Current Response

Other Ideas?

Fiscal History

- The City of Wheat Ridge's current budget is about \$30 million.



Source: City of Wheat Ridge

City Revenues

- 2009 City budget projections indicate that nearly sixty percent of general City revenues are expected to come from sales taxes.
- Reliance on sales taxes is a common issue / problem for Colorado cities.
- Wheat Ridge's largest sales tax contributors include supermarkets / grocery stores; public utilities / communications; general retail; liquor; restaurants.

Biggest Contributors to Overall Sales Tax Revenues

| | |
|-------------------------------------|------|
| Food Stores | 16% |
| Communications / Public Utilities | 12% |
| General Retail | 14% |
| Liquor | 11% |
| Restaurants | 10% |
| Hotels and Lodging | 6% |
| Subtotal | 69% |
| Other Retail and Service Categories | 31% |
| Total | 100% |

Source: City of Wheat Ridge, ArLand

*based on average contributions 2004-2008



City Sales Taxes

- Wheat Ridge’s sales tax rate is low in the Metro Area at 3%.
- Its rate, however, is comparable with its immediate neighbors.

Additional components of sales taxes in Jefferson County:
state tax of 2.9%,
county tax of 0.5%,
RTD / stadium tax of 1.2%

| City | City Sales Tax Rate |
|-------------|---------------------|
| Wheat Ridge | 3% |
| Lakewood | 3% |
| Golden | 3% |
| Arvada | 3.46% |
| Lakeside | 2.10% |
| Edgewater | 3.50% |
| Denver* | 3.62% |
| Westminster | 3.85% |
| Northglenn | 4% |
| Englewood | 3.50% |

Source: CO Dept. of Revenue, ArLand

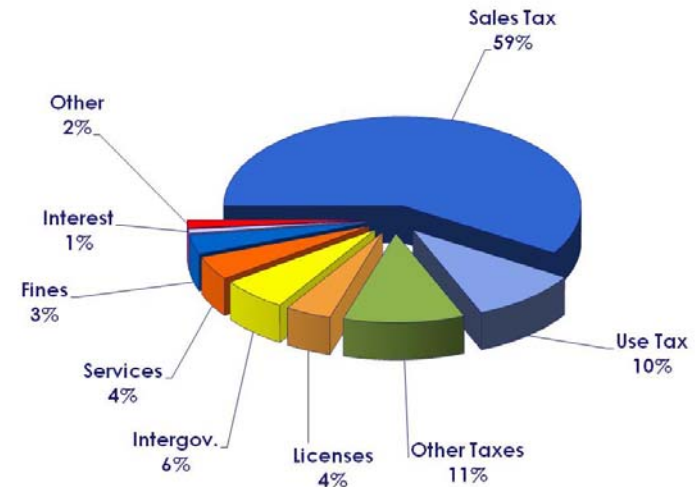
* 4% for food / drink for immediate consumption

7.25% for short term rental cars

Other Revenue Sources

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- “Use taxes” are based on construction.
 - ▣ The largest construction project is Exempla Lutheran expansion.
- “Other Taxes” include property taxes.
- “Franchise Taxes” include Xcel and other utilities.
- Based on projected 2009 budget.



Source: City of Wheat Ridge

Property Taxes

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- Property taxes for City services in Wheat Ridge are relatively low at 1.83 mills.
- Mill levies can be raised to help pay dedicated infrastructure and other public costs within special districts
- For example, overall mill levy in Denver West is about 130. Wheat Ridge (depending on location) is in the 80s.
- Additional mills go to the County, schools, urban drainage, sanitation, fire, other dedicated services.

Property Tax Example

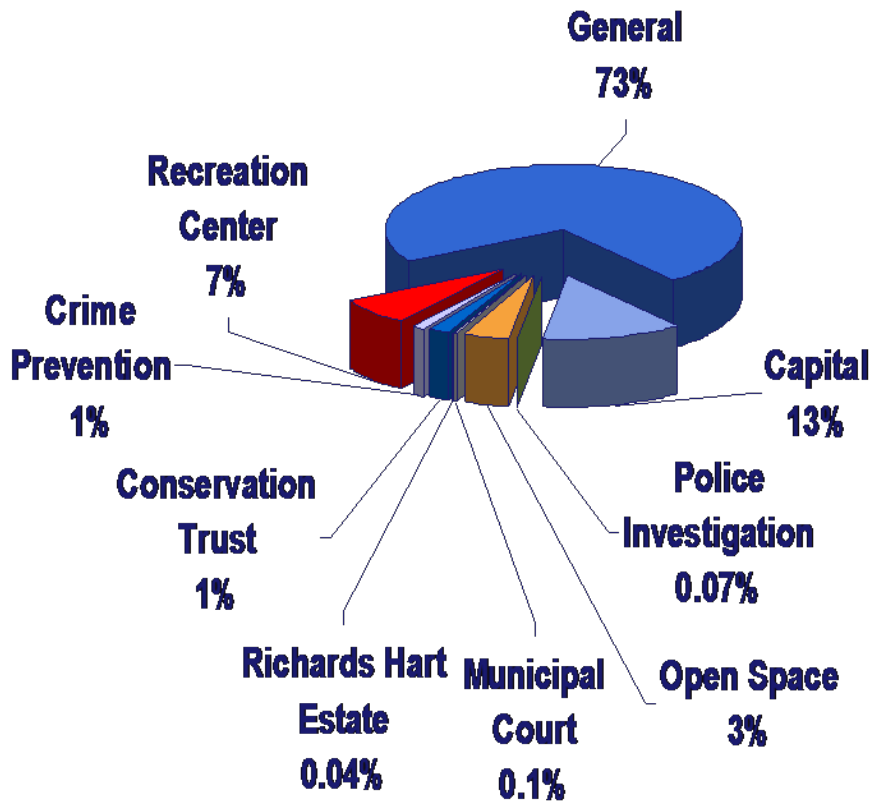
Actual Value X Assessment % =
Assessed Value X Mill Levy (per
\$1,000) = Annual Local Taxes Due

*For Property with a market value
of \$500,000*

\$500,000 X 29% (commercial
assessment) and 1.83 mills is \$265
to the City

\$500,000 X 7.96% (residential
assessment) and 1.83 mills is \$73
to the City

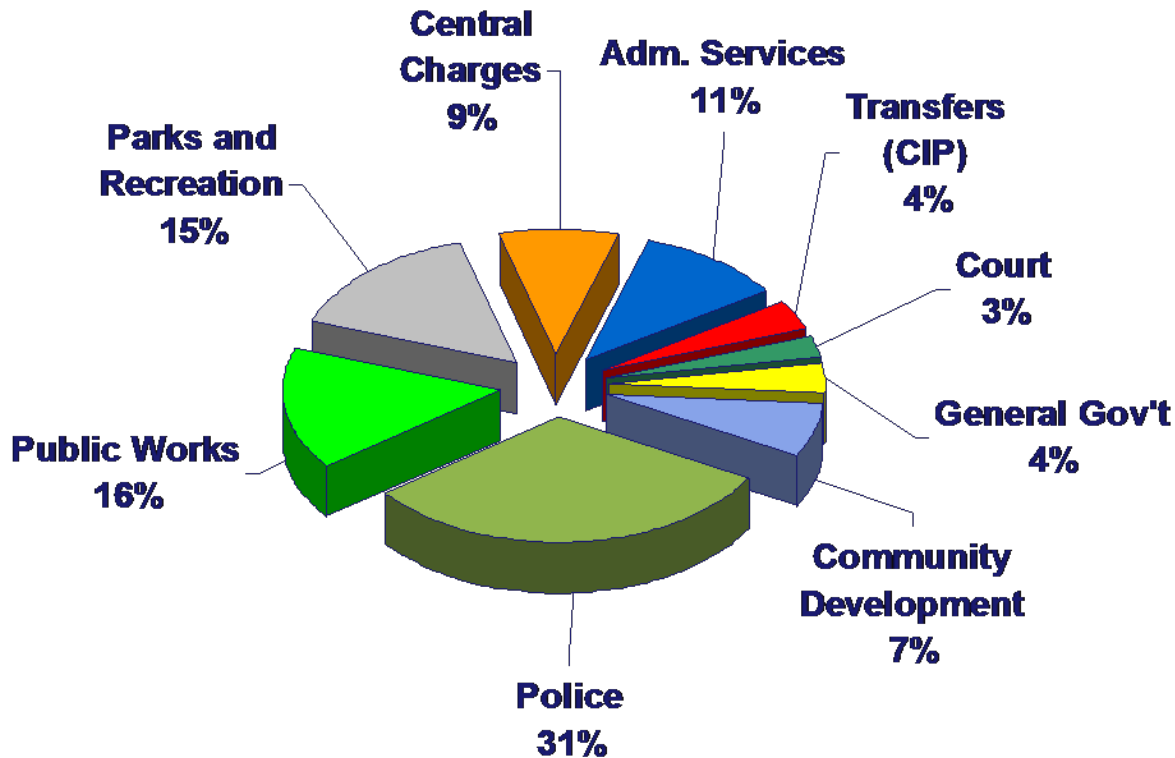
Overall Expenses



General Fund expenditures are 73% of all expenses

Source: City of Wheat Ridge

General Fund Expenses

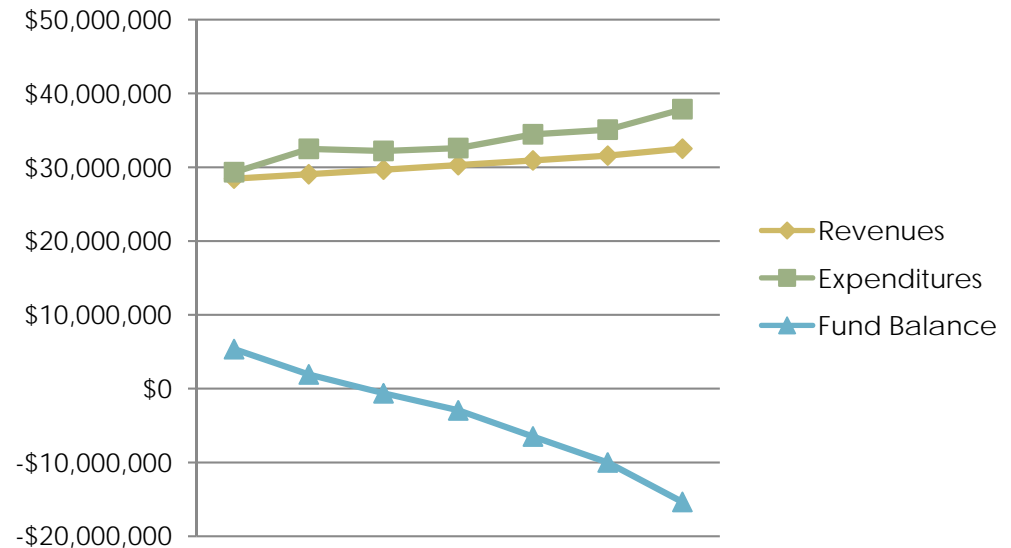


The General Fund includes the Police, Public Works, Parks and Rec, Community development, General Government (legislative, city manager, attorney.) Central charges includes insurance and administrative expenses.

Fiscal Projections

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- Current City budget projections extrapolate past budget and expense trends.
- Trends indicate that expenses are outstripping revenues, resulting in the need to dip into the Fund Balance (reserves).
- Projections indicate potentially no reserves by 2010.



Source: City of Wheat Ridge

Current Response

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- City is cutting costs (postponing purchases and capital expenditures)
- Significant efforts have been directed toward increasing revenues (attracting / retaining retail).
- Current challenges presented by challenging retail environment and the potential for existing supermarket-based retail to move to adjoining City.



Other Ideas?

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- **General**
 - Sales taxes
 - Property Taxes
 - Greater Efficiencies

- **Specific to a Need**
 - Sales taxes
 - Tax Increment Financing in URAs
 - Public Improvement Fees
 - Property taxes
 - Additional mills in metro districts
 - Targeted fees for specific projects
 - Special Districts / Authorities
 - Public / Private / NonProfit Partnerships
 - Others