

City of Colorado Springs Mayor Steve Bach's Proclamation

El Paso County has asked Colorado Springs City Council to approve an Intergovernmental Agreement (IGA) that would create a Pikes Peak Regional Drainage Authority (PPRDA) including the County, Colorado Springs, Fountain, Green Mountain Falls and Manitou Springs. I wholeheartedly support regional collaboration on stormwater as long as the approach is fair to everyone involved. I believe this IGA is not fair to the citizens of Colorado Springs.

The new Authority will grow the size of government with a new, separate legal entity imposing essentially what is the same as a permanent tax even though the County is calling this new charge a "fee" on all real properties, including residential, commercial, non-profits (including schools and churches), and military installations for 20 years.

For the initial 20 years of the Authority, the proposed fee of \$92.40 per year for the average residential property is 77% higher than the \$52.20 imposed by the City's former Stormwater Enterprise (SWENT) several years ago. The new \$92.40 stormwater fee is about the same amount the average residential property owner now pays for all City services combined, including Police, Fire, Parks, Streets and Transit.

The IGA allows the Authority to increase fees in the future without voter approval and enables the Authority to borrow money without voter approval. Although the IGA states that fees collected would be reduced after 20 years by 55% with 45% continuing indefinitely without voter approval, the IGA empowers the Authority participants to extend the full fee indefinitely beyond 20 years without voter approval. This will effectively bypass the Taxpayers Bill of Rights (TABOR) Amendment to the Colorado State Constitution.

If the City determines in future years that its priorities for stormwater projects within the City limits should be reordered based on changing conditions, the City must first obtain approval of a supermajority of the Authority Board, which has no obligation to grant such approval. Should the City wish to manage the completion of projects strictly within the City, either with its existing Public Works staff or outside contractors again, a supermajority of the Authority Board must approve but has no obligation to do so.

In the event of a flood emergency strictly within the City limits, the IGA gives the Authority, and not the City, the right to determine whether funds contributed by Colorado Springs residents will be used to address the City's emergency needs. A supermajority of the Authority Board must approve a return to the City of the fees paid by City residents into the Authority's emergency reserve, but the Board has no obligation to do so. At least one of the two County Commissioners of the Authority must vote as part of a supermajority to approve all major decisions of the Authority, including returning to Colorado Springs significant portions of the fees paid by the citizens of Colorado Springs, which effectively results in a one vote veto power.

The Authority will retain from total fees collected a 1% (\$390,000+/-) management fee for administrative costs, and the County appears poised to collect a 1.5% (\$600,000+/-) administrative fee annually for adding one line item to its property tax bills for the stormwater charge. Together, these overhead charges add up to \$20+/- million over the first 20 years of the Authority with the vast majority of the funding coming from Colorado Springs citizens.

While I acknowledge City Council's purview to determine the funding source for the City's stormwater needs, I respectfully ask that it modify the IGA as follows: 1) Sunset the IGA after 10 years (similar to the original Pikes Peak Rural Transportation Authority/PPRTA) unless extended by the voters in the future; 2) reduce the residential fee so that the average property owner's cost is fixed for 10 years at \$52.20 per year (\$4.35 per month), while similarly reducing fees for all other property types; (3) allow any fee increase or borrowing only if approved by the voters in the future; (4) restore to the City the ability to manage its stormwater projects strictly within its boundaries; and (5) limit the Authority's administrative fee to one-half of one percent (0.5%) and the County's fee collection charge to one-half of one percent (0.5%).

Signed this 26th day of August, 2014



Steve Bach
Mayor, City of Colorado Springs