



AGENDA DOCUMENTATION

Item 13.1.

Meeting Date: April 20, 2021

**TO: DURANGO CITY COUNCIL FROM: AMY PHILLIPS
CITY CLERK**

SUBJECT: CERTIFICATION OF THE APRIL 6, 2021 ELECTION RESULTS - FET

PURPOSE/BACKGROUND

Pursuant to the Durango City Charter and the Uniform Election Code of 1992 staff will present for Council approval, the certification of the results for the Regular Municipal Election held on April 6, 2021.

The election was conducted to elect three City Councilors from a field of six (6) candidates and to ask the voters Question 1-A. The three (3) candidates receiving the most votes will be sworn in for terms of (4) four-years.

As the certification reflects, Melissa Youssef received 3,774 votes, Jessika Buell received 2,679 votes, and Olivier Bosmans received 1,850 votes. Question 1-A passed with 2,574 votes in support of the lodgers' tax increase and 2,418 votes against the lodgers' tax increase.

QUESTION 1-A:

AUTHORIZATION TO INCREASE THE CITY LODGERS' TAX FROM 2% TO 5.25%.

SHALL CITY OF DURANGO TAXES BE INCREASED NOT MORE THAN \$900,000.00 IN TAX COLLECTION YEAR 2021 AND BY WHATEVER AMOUNTS AS ARE GENERATED ANNUALLY THEREAFTER BY INCREASING THE CITY LODGERS' TAX FROM 2% TO 5.25% EFFECTIVE JUNE 1, 2021 AND SHALL THE LODGERS' TAX REVENUES RECEIVED ANNUALLY BE USED FOR THE FOLLOWING PURPOSES:

55% FOR SUSTAINABLE TOURISM MARKETING, INCLUDING ADVERTISING AND ATTRACTING CONFERENCES, CONVENTIONS, AND MEETINGS;

20% FOR TRANSPORTATION AND TRANSIT SERVICES, EQUIPMENT, AND FACILITIES;

14% FOR ARTS AND CULTURAL EVENTS, PROGRAMS AND FACILITIES; AND

11% FOR ANY OF THE ABOVE PURPOSES OR OTHER PURPOSES RELATED TO THE IMPACTS OF TOURISM AS COUNCIL MAY DETERMINE;

PROVIDED THAT THE COUNCIL SHALL ADOPT AN ORDINANCE TO IMPLEMENT THE TAX INCREASE AS PROVIDED IN THIS QUESTION AND MAY ADJUST THE RATE OF THE LODGERS' TAX FROM TIME TO TIME SO LONG AS IT DOES NOT EXCEED 5.25%?

_____ YES

_____ NO

The canvass of votes verified that 13,742 ballots were distributed to active registered voters and those inactive registered voters who requested a ballot. Of that number, 12,768 ballots were delivered to voters, and 974 ballots were returned marked "undeliverable". A total of 5,121 ballots were counted, resulting in a 40% voter turnout based on the total ballots delivered to voters or a 37% voter turnout based on the number of ballots distributed. 35 ballots were rejected due to invalid signatures. Letters were mailed to each voter, and curing time was allowed until April 14, 2021. 11 ballots were cured within the grace period.

The total number of ballots cast in 2021 increased by 651 ballots from those cast in 2019---a 13% increase.

ELECTION HISTORY

The 2019 canvass of votes verified that 12,113 ballots were distributed to active registered voters and those inactive registered voters who requested a ballot. Of that number, 11,435 ballots were delivered to voters, and 678 ballots were returned marked "undeliverable". A total of 4,470 ballots were counted, resulting in a 39% voter turnout based on the total ballots delivered to voters or a 37% voter turnout based on the number of ballots distributed. The per ballot cost for the 2019 Municipal Election was \$6.35.

The 2017 canvass of votes verified that 12,197 ballots were distributed to active registered voters and those inactive registered voters who requested a ballot. Of that number, 11,410 ballots were delivered to voters, and 787 ballots were returned marked "undeliverable". A total of 4,900 ballots were counted, resulting in a 43 percent voter turnout based on the total ballots delivered to voters or a 40 percent voter turnout based on the number of

ballots distributed. The per ballot cost for the 2017 Municipal Election was \$3.69.

The 2015 canvass of votes verified that 10,323 ballots were distributed to active registered voters and those inactive registered voters who requested a ballot. Of that number, 9,713 ballots were delivered to registered voters, and 610 ballots were returned marked “undeliverable” by the U.S. Postal Service. A total of 3,954 ballots were counted, resulting in a 41 percent voter turnout based on the total ballots delivered to voters or a 38 percent voter turnout based on the number of ballots distributed. The per ballot cost for the 2015 Municipal Election was \$4.70.

FISCAL IMPACT

The total expense associated with the Election is not known at this time, pending the arrival of the final bill from La Plata County. The budgeted amount for the Election was \$28,000.

RECOMMENDATION

It is the recommendation of the City Manager and the City Clerk that the Council, by motion,

approve the April 6, 2021 Certification of Election Results.

La Plata County Clerk and Recorder

INVOICE

Tiffany Lee

679 Turner Dr Ste C
Durango, CO 81303
Phone (970) 382-6297 Fax (970) 259-5413

DATE: April 21, 2021

BILL TO:

City of Durango
949 E 2nd Ave
Durango, CO 81301

April 6, 2021 City of Durango Municipal Election

CATEGORY	DESCRIPTION	AMOUNT
Printing	Test Ballots	\$ 12.00
	Mail Ballots	\$ 3,184.32
	Mail Ballot Overs	\$ 144.00
	Additional Insert	\$ 1,328.00
	Inner Envelopes	\$ 3,818.00
	Outer Envelopes	\$ 2,656.00
	Processing	\$ 3,449.68
	TABOR	\$ 3,208.00
Postage	Ballots	\$ 361.60
	TABOR	\$ 18.75
Miscellaneous	Supplies	\$ 50.00
	Equipment and Tabulation	\$ 300.00
	Employee Time	\$ 1,422.20
	Employee Overtime	\$ 84.58
Total Amount Due		\$ 20,037.13

Make all checks payable to **La Plata County Clerk**.
Payments due 30 days after receipt.

Thank you!

Amy Phillips
Durango City Clerk
949 E. 2nd Ave.
Durango, CO 81301

RETURN SERVICE REQUESTED



AMY PHILLIPS • DURANGO CITY CLERK

949 E 2ND AVE, DURANGO, CO 81301

April 6, 2021 Municipal Election Informational Booklet

NOTICE OF ELECTION TO INCREASE TAXES ON A REFERRED MEASURE

This Notice of Election was prepared in accordance with Article X, Section 20 of the Colorado Constitution and the Colorado Uniform Election Code of 1992, as amended. The information contained in the Notice was prepared by persons required by law to provide summaries of ballot issues and fiscal information. The City of Durango Clerk does not warrant, verify, or confirm the accuracy or truth of the ballot titles, questions, text, and summaries of comments as presented, nor is the City Clerk responsible for errors in spelling, grammar, or punctuation of the materials presented.

The following information is provided by the City under the provisions of the Colorado Constitution, Article X, Section 20 (3) which requires the City to provide the following information:

(970) 375-5010

BALLOT@DURANGOGOV.ORG

WWW.DURANGOGOV.ORG

**TO: ALL REGISTERED VOTERS
NOTICE OF ELECTION TO INCREASE TAXES
ON A REFERRED MEASURE**

CITY OF DURANGO
La Plata County, Colorado

Election Date/Hours: Tuesday, April 6, 2021 7:00 a.m. to 7:00 p.m.

Local Election Office Address and Telephone Number:

City Clerk, City of Durango
949 East 2nd Avenue
Durango, CO 81301
Telephone: (970) 375-5010

Ballot Title and Text:

QUESTION 1-A: AUTHORIZATION TO INCREASE THE CITY LODGERS' TAX FROM 2% TO 5.25%.

SHALL CITY OF DURANGO TAXES BE INCREASED NOT MORE THAN \$900,000.00 IN TAX COLLECTION YEAR 2021 AND BY WHATEVER AMOUNTS AS ARE GENERATED ANNUALLY, THEREAFTER BY INCREASING THE CITY LODGERS' TAX FROM 2% TO 5.25% EFFECTIVE JUNE 1, 2021 AND SHALL THE LODGERS' TAX REVENUES RECEIVED ANNUALLY BE USED FOR THE FOLLOWING PURPOSES:

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14% FOR ARTS AND CULTURAL EVENTS, PROGRAMS AND FACILITIES; AND

11% FOR ANY OF THE ABOVE PURPOSES OR OTHER PURPOSES RELATED TO THE IMPACTS OF TOURISM AS COUNCIL MAY DETERMINE;

PROVIDED, THAT THE COUNCIL SHALL ADOPT AN ORDINANCE TO IMPLEMENT THE TAX INCREASE AS PROVIDED IN THIS QUESTION AND MAY ADJUST THE RATE OF THE LODGERS' TAX FROM TIME TO TIME SO LONG AS IT DOES NOT EXCEED 5.25%?

Total City Fiscal Year Spending

Fiscal Year

2021 (estimated)	\$61,330,132
2020 (estimated)	\$57,462,407
2019 (unaudited)	\$58,348,024
2018 (actual)	\$52,699,986
2017 (actual)	\$47,941,018

Overall percentage change from 2017 to 2021 27.9 %

Overall dollar change from 2017 to 2021 \$13,389,114

Proposed Tax Increase

City Estimate of the Maximum Dollar Amount of the Proposed Tax Increase For Fiscal Year 2022 (the First Full Fiscal Year of the Proposed Tax Increase):

\$2,000,000

City Estimate of 2022 Fiscal Year Spending

Without Proposed Tax Increase \$64,660,241

Summary of Written Comments FOR Ballot Issue No. 1A:

Over the past two years, local citizens and business organizations from the arts and culture sector, lodging and restaurant sector, special events, and city transit services have worked together with the city council to bring this lodgers' tax ballot measure to City voters for their approval. In increasing the lodgers' tax from 2% to 5.25%, beginning in June 2021, of the total taxes collected, 55% of the revenue generated by the increase would go to sustainable tourism marketing; 20% to transportation and transit services; 14% to arts and culture programs; and 11% to any of the previous uses or other tourism impacts.

The good news is: you don't pay this tax. Visitors do. With this increase, the Durango lodgers' tax rate will go from second lowest in the State to being similar or slightly lower than most of the cities and towns in Colorado. Good

marketing is essential. Tourism accounts for over 3500 jobs in our area, about 41% of all jobs. It is truly the bedrock of Durango's economy. It takes a marketing effort to be sure that visitors to Durango are staying in our hotels, camp grounds and vacation rentals.

With this funding, our local cultural nonprofit organizations, facilities, and events can do even more to increase our quality of life. This level of funding is both modest and necessary to the health of this important sector of our economy. Grants from the arts and culture fund, which will be established and administered by the City, are estimated to be less than 5% of each organization's budget. This keeps those organizations responsible for the other 95% of their budget through earned revenue and fundraising activities. Every community has roads and sidewalks, but the ones you would want to live in have a vibrant arts and culture scene. These organizations are the keystones of our downtown community and provide value for our community. The multiplier effect of the dollars spent on live theater, film festivals, exhibits, and a thriving annual arts festival is conservatively one to eleven; for every dollar spent to see a show, another eleven are infused into the downtown restaurants, retailers, and hotels, and all of those dollars are taxable which adds to the bottom line of the city coffers and in turn improves our city services. Tourists also love to be part of or exposed to culture and art in our area so in a sense the art and culture opportunities are for sustainable tourism as well.

Sustaining the viability of our local transportation and transit options with adequate funding, strengthening our economy with vibrant and diverse arts and culture programs, managing tourism benefits to create opportunities focusing on the shoulder season for jobs, and increasing the overall City tax base for facilities, amenities and services benefitting all Durango residents.

Let's make sure we have the funding to keep Durango the magical spot we are all so blessed to call home. Vote yes on the lodgers' tax increase. It's the tax you don't pay.

Summary of Written Comments AGAINST Ballot Issue No. 1A:

None of the revenues should be used for marketing which brings more people to town to buy food, alcohol, t-shirts and hotel rooms. Durango turns into a drunk fest every night, in many neighborhoods. Our town was infested with out of state visitors last year, negatively impacting the quality of life. Without marketing, people will still come. Durango has plenty of tourists now. We don't need to go overboard to attract more visitors than this lovely town can

handle. Tourists impact Durango a great amount with parking, crowding, air pollution from many vehicles; let's not turn Durango into a tourist town any more than what it is already.

Rather than focusing so predominantly on promoting tourism, arts and culture, some of the City's budget problems that a properly designed lodgers' tax could help with include: upgrade the police station; adequate funding for transportation; open the library on Sundays; replace or upgrade the storm drainage system and workforce housing. With more visitors, there is a greater incentive to convert housing units to short term rentals, exacerbating the affordable housing crisis and making Durango more of a resort community.

Too much of the tax is going toward marketing Durango and a paltry amount is designated for transit support. Our parking, transit, and multimodal amenities have become the weak link in our community. We do not lack visitors, but we do lack effective and efficient ways to accommodate their vehicles, their numbers, and their impacts. Every appealing city worldwide prioritizes walkable and bikeable communities, effective vehicle management, and attractive public transportation. We need to take large steps forward on all of these before we spend millions to attract more visitors that we can't comfortably absorb.

The distribution of the funds raised from the tax is wrong. We firmly believe if there was no tourism marketing our community would still be overwhelmed with visitors. If the numbers increased during a pandemic, why will the trend not continue? We are squeezing more houses into our neighborhoods and locals are losing their quality of life. Why increase the marketing budget to add to the stress caused by overpopulation?

After last year's influx of tourists in spite of a pandemic, it's important to consider what sustainable tourism actually means. Do we seriously need more marketing? Moab, after being overrun with tourists, is spending marketing dollars on educating tourists on desert etiquette. Durango needs to expand its efforts in this area, working with the green business roundtable, to create a plan for a truly sustainable tourism model.

Having lived in tourist towns my entire adult life, I know from experience it is hard to close the gate. Once the word is out, it's easy to evolve more quickly than desired from a rare and precious destination to tourism overload.

A no vote will send the message to council that providing for core service is essential in order to begin addressing the longstanding problems with the city's budget. This tax is a forever tax with no end date.

Ordinance to implement proposed amendments to the Lodger's tax

February 5 – Call for Pro/Con statements

February 16 - Second reading of Ordinance to implement amendments to Lodger's tax
(contingent on approval by voters).

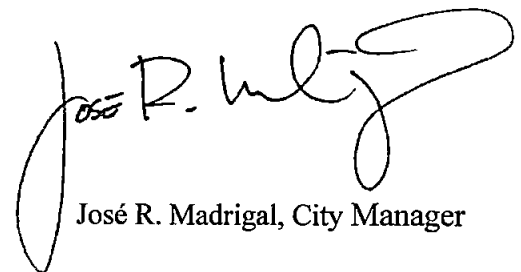
February 19 - Last Day to Submit Pro/Con statements

March 5 - TABOR notices to be mailed

April 6 - Election day

FISCAL IMPACT

The fiscal impact is subject to the lodger's tax increase set forth in the question. There is no additional cost to place this question before the voters in April because it is the City's regular municipal election. If this were to be added to a November coordinated election the cost would be approximately \$30K.

A handwritten signature in black ink, appearing to read "Jose R. Madrigal". The signature is stylized with a large, looping initial "J" and a long horizontal stroke at the end.

José R. Madrigal, City Manager