



All In Denver Statement on City of Denver Sales Tax Initiative to Fund Parks July 16, 2018

All In Denver is a non-profit advocacy organization that believes an equitable city is where all people have the opportunity to prosper and thrive. This statement provides All In Denver's response to plans by the Denver City Council to advance a sales tax increase of 2.5 cents per \$10 on the November ballot to support the acquisition, maintenance and improvement of the city's parks and recreation facilities. This revenue would be in addition to Denver Parks and Recreation's annual budget allocation, currently at about \$70 million this year.

Overall, we support continued investment in the City of Denver's parks system. Parks are a critical part of Denver's quality of life and health, and it's clear that our parks system has not kept up with the city's rapid growth.

However, we request that the Denver City Council consider the size and scope of the proposed sales tax initiative for Parks. We would be more inclined to embrace a measure that:

- 1) features a lower tax rate and a sunset mechanism; and
- 2) is guided by a community-based plan that clearly demonstrates how the benefits from new investments in parks will be targeted to our neglected neighborhoods with high concentrations of lower income households, combined with anti-displacement strategies, and
- 3) aligns with the City's identified higher priorities to invest in mobility, affordable housing and growing as a more inclusive city.

Our position is based on City Council's own priorities and our concerns with the unintended consequences of the parks initiative.

While desirable, increased investment in parks is a secondary priority that is overshadowed by our larger challenges. In its "Policy and Budget Vision 2018-2019" from just last January, City Council described how "Denver is in a housing crisis and many can no longer afford to live here. Moving people around the city is a challenge, traffic congestion and bike and pedestrian safety are issues." Transportation and affordable housing are clearly articulated as the Council's over-riding top two priorities.

We are concerned with the unintended consequences of a nearly \$50 million annual sales tax increase dedicated solely to parks, including: 1) parks investment driving increased property valuations and accelerating involuntary displacement and the rapid gentrification of neighborhoods without strategies to mitigate it, 2) competition for land acquisition that favors parks over housing, and 3) making it more difficult to secure dedicated funding for our walk, bike and transit networks.

Also of concern is the opportunity cost of an aggressive sales tax increase today for this one purpose that will impact the city's future appetite tomorrow for tax revenue proposals for other pressing



priorities—mobility, transit, housing, arts, education, libraries, and priorities that are not yet on our radar screen.

The proposed size of the sales tax increase will compete with other measures headed to the November 2018 ballot, and we share the assertion raised by many—including members of Council and the Administration—that a large sales tax increase is inherently regressive. Fiscal conservatism was a driving principle and of the 2017 GO Bond process; the bond packages were constrained to keep tax rates at their current level, and dozens of critical projects were left on the cutting room floor. Still, voters approved more than \$136 million to invest in our parks system.

This tax increase proposal just for Parks & Recreation sends a mixed message about our priorities. It is the largest sales tax increase advanced by the Denver City Council in modern memory -- more than double the size of the SCFD and stadium taxes, nearly two times the Preschool tax, and five times the annual revenue from the (not-yet-approved) marijuana tax increase dedicated to the affordable housing fund. Meanwhile, the dedicated local funding for our walk, bike and transit networks stands at zero dollars.

Thank you for your consideration of our statement.

Statement approved by the All In Denver board of directors on July 12, 2018, revised after meeting with Councilman Clark on July 13.