



**CITY
OF
BOULDER**

OFFICE OF THE CITY MANAGER

November 5, 2009

Dear Stakeholder,

The City of Boulder City Manager's Office and City Attorney's Office are in the process of completing an analysis of the issues and concerns raised by the August 2009 compliance letter sent to contractors and homeowners regarding Construction Use Tax. You are receiving this letter because I want to provide you with an update about this review and outline your opportunities to provide input.

This letter contains:

- Background information on this issue;
- Ways to provide input;
- The timeline (including 12/15/09 City Council meeting); and
- A link to the city web page specific to Construction Use Tax, including an online survey and frequently asked questions.

Background:

In August of this year, the City of Boulder mailed over 300 letters to contractors and homeowners regarding reconciliation of Construction Use Tax on completed building projects. Homeowners, builders, contractors and others have told the city they were unaware of the need to reconcile the actual project cost with the estimated value as required by the city code. Many voiced deep concern regarding the potential financial impacts and they expressed anger and frustration with the letter that caught them by surprise.

Because of these concerns, in September, the city suspended follow-up on the voluntary compliance letters and instituted a 60-day re-examination process. Outside legal counsel has been retained to review the tax code. The city has also secured the services of Anita White of Anita White Consulting as a third-party reviewer of the processes in place regarding Construction Use Tax.

Stakeholder Participation:

I want to hear from those who may be affected by the Construction Use Tax and the process used to calculate and reconcile the amounts owed. To date, one focus group meeting has been conducted. The following public meetings have been scheduled with consultant Anita White:

DATES: Friday 11/13/09, Thursday 11/19/09, and Friday 11/20/09
TIME: 3:30 PM to 5:00 PM
LOCATION: City Council Chambers
Boulder Municipal Building, 1777 Broadway, Boulder, CO

PURPOSE: Provide your candid input to Ms. White. The feedback you provide at the meeting(s) will be summarized without identification of any individual who makes a comment.

I will receive Ms. White's draft report toward the end of November. This document will be available for public review and comment at a public meeting to be held on December 4, 2009. You are encouraged to attend this public meeting to provide input to me before I finalize my recommendation to City Council.

DATE: Friday, December 4, 2009
TIME: 3:30 PM to 5:00 PM
LOCATION: City Council Chambers
Boulder Municipal Building, 1777 Broadway, Boulder, CO

PURPOSE: Public meeting with the City Manager to gather your comments on consultant White's report prior to preparation of the City Manager's recommendation to City Council.

After reviewing all the information, I will form a recommendation for City Council concerning the past and future actions, processes, and communication needed to resolve the collection of Construction Use Tax in the City of Boulder.

In addition to the opportunities to participate at these designated meetings, you may also provide your input by completing a short **online survey**. The survey can be found at www.bouldercolorado.gov/constructionusetax. Please take the time to complete this survey **by November 23, 2009**, especially if you are unable to attend any of the other meetings.

Timeline:

The timeline for this review and presentation of a recommendation to City Council is listed below:

Task	Projected Timeline
Accumulate information and document current process	October – November 6
Complete analysis of policies/ procedures in comparable jurisdictions; develop best practices	October – November 13
Collect stakeholder input	October 28 – December 4
Consultant White to develop and finalize her report	November 13 – December 9
Deadline for consultant White’s report to be posted online	December 3, 2009
Tentative deadline for the City Manager’s recommendation to be posted online	December 10, 2009
City Council meeting	December 15, 2009 begins at 6:00 PM

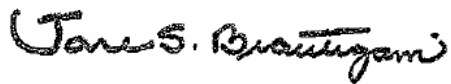
Online Information:

Go to www.bouldercolorado.gov/constructionusetax where you will find information about this issue, including:

- The survey;
- Frequently asked questions;
- Consultant White’s report (once available); and
- The City Manager’s recommendation to City Council (once available).

I am committed to completing this re-examination process in a timely manner and reaching a fair resolution.

Regards,



Jane S. Brautigam
City Manager