



City of Grand Island

Tuesday, October 18, 2016

Study Session

Item -1

Information and Discussion on Upcoming Ballot Issue for 1/2 Cent Sales Tax

Staff Contact: Marlan Ferguson

Council Agenda Memo

From: Marlan Ferguson, City Administrator
Meeting: October 18, 2016
Subject: Additional ½ Percent Sales Tax
Presenter(s): City Staff and Council

Background

On August 23, 2016 the City Council approved resolution 2016-208, which places an initiative on the November 8th, general election ballot to increase the City's sales tax by ½ percent. The Nebraska Legislature passed legislation in 2012 which allows City's to do this after an affirmative vote of the citizens. The Legislature saw the need for additional revenue to meet the infrastructure needs of municipalities. They also saw the pressure on property taxes and determined that this additional revenue source would be valuable for communities.

There will be two issues on the Ballot. One is to authorize the City to generate or collect the funds and the second one is to authorize the City to spend the funds. Municipalities have limitations on increasing the budget authority on restricted funds from one year to the next. Therefore the second provision will allow the City to increase the budget authority in the amount of the expected revenues.

Discussion

Tonight's study session is for the purpose of discussing and reviewing the Sales tax initiative, potential projects, and financial projections. This will be an informal discussion with the following topics:

1. Power Point: Legislation, Ballot, Oversight
2. Capital and General Fund Spending projections / Restricted Funds
3. History on Investment and Spending for capital projects
4. Project Overview
5. What happens if the initiative fails:

<http://www.grand-island.com/your-government/administration/sales-tax>

http://grand-island.granicus.com/MediaPlayer.php?view_id=2&clip_id=824

Conclusion

This item is presented to the City Council in a Study Session to allow for any questions to be answered and to create a greater understanding of the ballot initiative.



Let's Keep Grand Island Growing

LB357 SALES TAX BASICS:

- No impact on existing 1 ½% City Sales Tax
- Additional ½% to be used for Public Infrastructure Projects = streets, water, sewer, drainage, etc.
- Projected revenue per year = \$5.5 million
- Term: 10 years or until bonds for which revenue is pledged are paid off.

LB357 SALES TAX BASICS cont.:

- Interlocal Agreement
- Could not be one that was in existence for 1-year preceding the election
- Not required to use funds for the purpose of the agreement
- **Community Redevelopment Authority**

BALLOT LANGUAGE:

- 1st Question: Increase City's sales tax from 1.5% to 2% = **ABILITY TO GENERATE**
- 2nd Question: Raise City's budget authority by \$5.5 million (est. additional revenue) = **ABILITY TO SPEND**

LB357 SALES TAX IMPLEMENTATION:

- Voters must approve at General Election on November 8th
- If passes, additional tax would take effect April, 2017
- Oversight = CRA

DISCUSSION

We believe that the increase, shared by Grand Islanders and all who visit, will provide the City the additional financial resources needed to make continued infrastructure improvements.

TAXABLE PURCHASE @ MALL

\$100.00

1/2% additional tax

= 50¢

| | | |
|--|--|--|
| | | |
|--|--|--|

New Sales Tax Revenue

(Projected to be \$5m + /year)

CURRENT REVENUE SOURCES

Property Tax
Sales Tax
Fees

GENERAL FUND

Public Safety
Parks & Library
Public Works
General Govt

INFRASTRUCTURE + CAPITAL PROJECTS

PROJECT LIST INCLUDES:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

2018 GENERAL FUND BUDGET COMMITMENT

"BALANCED BUDGET"

Expenses = Revenue

Without the NEW REVENUE, how many of these projects can we afford?

The YELLOW line coming from the

Planned Capital Improvement Plan (CIP) Projects
Total Project Cost Include City share

Funding
C - City GF
S - Street Gas Tax
B - Bonded
G - Grant
N - State
F - Federal

Class
C - Cancelled
M - Mandatory/In process
1 - Important
2 - Should/Scheduled Replacement
3 - Wanted/Requested

| Project | Class | Funding | Total Project Cost | City Cost | FY | 1 & 6 | TIP | L RTP | Comments |
|--|-------|---------|-----------------------|-----------------------|----|-------------------------------------|-------------------------------------|-------------------------------------|--|
| Adams Street - Stolley Park Rd to Church Rd | M | S | \$ 1,000,000 | \$ 500,000 | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Interlocal Agreement - GIPS |
| Adams Street - Church Rd to Oklahoma Ave | 3 | S | \$ 1,500,000 | \$ 1,500,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Annual Handicap Ramp Installation | 1 | S | \$ 165,000 | \$ 165,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Broadwell Avenue Widening (Faidley Ave to Third St) | 3 | S | \$ 3,900,000 | \$ 3,900,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Broadwell Improvements - Phase 1 |
| Broadwell UPRR Bridge | 3 | S | \$ 13,000,000 | \$ 13,000,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Broadwell Improvements - Phase 2 |
| Broadwell Extension (3-lane) from Anna St to Adams St | 3 | S | \$ 4,900,000 | \$ 4,900,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Broadwell Improvements - Phase 3 |
| Capital Avenue Storm Sewer Improvements | M | S | \$ 400,000 | \$ 400,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Completed pending final payment |
| Capital Avenue - Widening (Broadwell Rd to BNSF RR/Oak St) | 3 | S | \$ 3,438,000 | \$ 3,438,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| Capital Avenue - Widening (BNSF RR/Oak St to St. Paul Rd) | 3 | S | \$ 1,781,000 | \$ 1,781,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| Capital Avenue Widening (Carleton Ave to North Rd) | 3 | S | \$ 2,000,000 | \$ 2,000,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Includes intersection improvements |
| Capital Avenue Widening (North Rd to Engleman Rd) | 3 | S | \$ 2,000,000 | \$ 2,000,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| Capital Avenue - Webb Rd to Broadwell Ave (includes trail) [20/80] | M | S | \$ 10,157,126 | \$ 4,000,000 | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Under Construction |
| East Bypass | M | S, N | \$ 42,000,000 | \$ 8,400,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | DOR Project |
| Faidley Ave Reconstruction - Webb Rd to Broadwell Ave | 3 | S | \$ 1,750,000 | \$ 1,750,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Faidley & Diers Traffic Signal | 3 | S | \$ 100,000 | \$ 100,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Pending Warrants |
| Five Point Intersection Improvements | 1 | S | \$ 350,000 | \$ 350,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Gravel to Concrete Streets - Macron, Jay & Chanticleer | 3 | S | \$ 1,000,000 | \$ 1,000,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Blaine & Louise Intersection Improvements | 3 | S, F | \$ 250,000 | \$ 25,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Safety, potential for federal safety funds |
| Custer & Faidley Intersection Improvements | 3 | S, F | \$ 500,000 | \$ 50,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Safety, potential for federal safety funds |
| Locust & Anna Intersection Improvements | 3 | S, F | \$ 350,000 | \$ 35,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Safety, potential for federal safety funds |
| Webb & State Intersection Improvements | 3 | S, F | \$ 200,000 | \$ 20,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Safety, potential for federal safety funds |
| Hwy 281 & 13th Intersection Improvements | 2 | S, F | \$ 400,000 | \$ 40,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Safety, potential for federal safety funds |
| Hwy 281 & Faidley Intersection Improvements | 2 | S, F | \$ 400,000 | \$ 40,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Safety, potential for federal safety funds |
| Hwy 281 & Old Potash Intersection Improvements | 2 | S, F | \$ 400,000 | \$ 40,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Safety, potential for federal safety funds |
| Hwy 281/State/Diers Intersection Improvements | 2 | S, F | \$ 1,500,000 | \$ 150,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Safety, potential for federal safety funds |
| Handicap Ramp CDBG Project | M | S | \$ 714,865 | \$ 93,300 | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Under Construction |
| Hwy 30 Realignment - NDOR Project | M | S, N, F | \$ 25,978,000 | \$ 2,000,000 | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | DOR Project |
| Hwy 34/281 and Rae Rd Signal Improvements | 3 | S | \$ 500,000 | \$ 500,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Hwy 34/281 and Wildwood Rd Signal Improvements | 3 | S, F | \$ 500,000 | \$ 50,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Safety, potential for federal safety funds |
| Hwy 281 Reconstruction in GI & North - NDOR project | M | S, N, F | \$ 18,707,000 | \$ 3,126,000 | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | DOR Project |
| Husker Highway - Widening (Hwy 281 to Prairie View) | 3 | S | \$ 1,750,000 | \$ 1,750,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| Husker Highway - Widening (Prairie View to North Rd) | 3 | S | \$ 3,250,000 | \$ 3,250,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| Niedfeldt - Sterling Estates Paving | 2 | S | \$ 300,000 | \$ 180,000 | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| North Road over UPRR | 3 | S | \$ 15,000,000 | \$ 15,000,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| North Road - Widening (Hwy 2 to Capital Ave) | 2 | S | \$ 2,800,000 | \$ 2,800,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| North Road - Widening (Capital Ave to State St) | 2 | S | \$ 1,700,000 | \$ 1,700,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| North Road - Widening (State St to 13th St) | 2 | S | \$ 1,250,000 | \$ 1,250,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| North Road - Widening (13th St to Old Potash Hwy) | 2 | S | \$ 3,200,000 | \$ 3,200,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| North Road - Widening (Old Potash Hwy to Hwy 30) | 2 | S | \$ 1,250,000 | \$ 1,250,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| Old Potash Hwy - Widening (Webb to Claude) | 1 | S | \$ 5,300,000 | \$ 5,300,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| Old Potash Hwy - Widening (Claude Rd to North Rd) | 2 | S | \$ 2,000,000 | \$ 2,000,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| Old Potash Hwy - Widening (North Rd to Engleman Rd) | 3 | S | \$ 3,000,000 | \$ 3,000,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| Pavement Condition Survey | M | S | \$ 194,365 | \$ 194,365 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Required every 3rd year |
| Reconstruction Wildwood (Hwy 281 to Locust St) | 3 | S | \$ 2,000,000 | \$ 2,000,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Sky Park Rd (Abbott to Airport) Lighting, Intersection, Roadway Improvements | 3 | S | \$ 3,000,000 | \$ 3,000,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| S Locust Illumination Lighting - S City Limits to I-80 | 3 | S | \$ 1,600,000 | \$ 1,600,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| South Street Paving | 3 | S | \$ 1,000,000 | \$ 1,000,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Stolley Park Road Restriping/Rehabilitation | 1 | S, F | \$ 1,215,000 | \$ 121,500 | | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Pending DOR Funding approval |
| Stolley - Fonner/HEC/Fair Entrance to Stuhr Road | 3 | S | \$ 1,550,000 | \$ 1,550,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| Stuhr Rd & Hwy 30 dual left turn | 2 | S | \$ 500,000 | \$ 500,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Swift Road Relocation (Talc Rd/Swift Rd connector to Stuhr Rd) | 2 | B | \$ 2,500,000 | \$ 2,500,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Eddy St Underpass Rehabilitation | 1 | S | \$ 1,500,000 | \$ 1,500,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Sycamore Underpass Rehabilitation | 1 | S | \$ 2,500,000 | \$ 2,500,000 | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 13th Street - Paving and Drainage (North Rd to Moores Creek) | 3 | S | \$ 1,800,000 | \$ 1,800,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Includes North intersection improvements |
| 13th Street - Widening (North to Independence) | 3 | S | \$ 4,193,000 | \$ 4,193,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| 13th Street - 10th St. Connector | 3 | S | \$ 600,000 | \$ 600,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| Traffic Signal Preemption for Emergency Vehicles | 2 | G | \$ 500,000 | \$ 500,000 | | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Possible Grant |
| Downtown Parking Lots | 3 | C | \$ 2,500,000 | \$ 2,500,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Construction of NW GI Flood Control Project (46.25/53.75) | M | C | \$ 29,000,000 | \$ 2,929,800 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Under Construction |
| Eagle Scout Detention Cell - N of Eagle Scout Lake | 2 | C | \$ 2,000,000 | \$ 2,000,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Independence Avenue Sidewalk & Ditch installation | 3 | C | \$ 500,000 | \$ 500,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Integrated/Comprehensive Drainage Plan | 2 | C | \$ 500,000 | \$ 500,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Moores Creek Drain Extension (Old Potash to Hwy 30) | 1 | C | \$ 2,000,000 | \$ 2,000,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Part must be coordinated with Hwy 30 project |
| PVIP Drainage Project | 2 | C | \$ 2,000,000 | \$ 2,000,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Seedling Mile Detention Cell Improvements | 3 | C | \$ 400,000 | \$ 400,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Webb Rd (UPRR N to Hwy 30) Drainage Improvements | 3 | C | \$ 250,000 | \$ 250,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Fire Training Tower | 3 | C | \$ 700,000 | \$ 700,000 | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Possible Grant |
| TOTALS | | | \$ 245,143,356 | \$ 133,371,965 | | | | | |