



City of Grand Island

Tuesday, July 17, 2018

Study Session

Item -2

Discussion on Half Cent Sales Tax

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Sales Tax

Let's Keep Grand Island Growing

What do we know?

State Statute 77-27,142 allows incorporated municipalities to impose a sales and use tax of up to $\frac{1}{2}\%$ above the allowed $1\frac{1}{2}\%$

- Must be approved by 70% of the City Council to allow for a vote
- Must be voted on at a primary or general election
- Proceeds can only be used for public infrastructure projects and capital equipment purchases

What do we know? (cont.)

- Shall terminate no more than 10 years after its effective date, or if bonds are issued and the sales tax revenue is used for payment of bonds.
 - An interlocal agreement must be established with a political subdivision within the City/County. Cannot be one that was in existence for 1-year preceding the election.
 - If vote fails, cannot be voted on again for at least 23 months.
-

History

LB357-Local Option Sales Tax Bill

Passed April 18, 2012 to allow cities an additional $\frac{1}{2}\%$

17 Other Nebraska communities have adopted an additional sales tax (greater than $1 \frac{1}{2}\%$)

Goal

Our goal is to put before the voters an additional ½% sales tax on all eligible purchases made in Grand Island. The additional ½% would begin in April, 2019.

THE VOTE: November 6, 2018

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 and public safety equipment purchases.

Interlocal Agreement with Community Redevelopment Authority

- State Statue requirement
- Cannot be one that was in existence for 1-year preceding the election
- Not required to use funds for the purpose of the agreement

Proposed Ballot Language Summary

Shall the governing body of the City of Grand Island increase the local sales and use tax rate by an additional one-half of one percent (1/2%) from the current rate of one and one-half percent (1 1/2%) to a rate of two percent (2%) and impose a sales and use tax at the increased rate upon the same transactions within such municipality on which the State of Nebraska is authorized to impose a tax, the revenue from such increased rate to be used for public infrastructure projects as allowed pursuant to the Local Option Revenue Act, which increased rate shall terminate no more than ten years after the effective date of the increased sales and use tax or, if bonds are issued and the local option sales and use tax revenue is pledged for payment of such bonds, upon payment of such bonds and any refunding bonds, whichever date is later, and increase its budgeted restricted funds for fiscal year 2019-2020 by \$5,500,000, sixteen percent (16%) over the current year's restricted funds, to permit the expenditure of revenue derived from the increased rate?

The additional revenue would be used to fund Infrastructure Projects and General Fund Capital Equipment

Additional Dollars

$\frac{1}{2}\% = \$5,500,000$

Infrastructure Projects:

\$3,000,000 (54%) = Replace \$1,500,000 Wheel Tax Funds
\$1,500,000 New Funds

Capital Equipment Fund:

\$2,500,000 (46%) = Public Safety
\$1,250,000 Capital Equipment
\$1,250,000 General Fund Capital Equipment

Infrastructure Projects

- Old Potash Highway
- North Road
- Downtown Parking Lots
- Sidewalks: (Examples – Independence and George Park)
- Upgrade Gravel Streets: (Examples – Macron and Jay Street)
- Handicap Ramp Installations
- Moores Creek Flood Control
- South Locust – Koenig to Fonner
- State Street
- Eddy Street Underpass

Capital Equipment Projects

Public Safety

Fire Department – 5 Year Plan:

- \$ 510,000: Fire Engine (Replace a 2000 model)
- \$ 500,000: Ambulances (Replace 2000 and a 2003)
- \$ 40,000: Shift Commander Vehicle (Replace 2012)
- \$ 375,000: Fire Station remodel (Station #1 and #2)
- \$ 325,000: SCBA replacement
- \$1,000,000: Ladder Truck Replacement (Replace 1999 model) (6-10 years)

Police Department:

- Police Vehicles: \$ 83,000 per year (1-5 years)
- Police Vehicles: \$122,000 per year (6-10 years)
- Other Equipment: \$200,000 per year (1-10 years)

Capital Equipment General Fund

- Street Department
- Engineering
- Building

DISCUSSION

2019 PROJECTS				
Broadwell / UPRR Grade Separation Feasibility	\$	125,000.00		
Annual Handicap Ramp Installation	\$	150,000.00		
Webb Rd Assessment Payments	\$	130,000.00		
S Front St over Sycamore Underpass Rehab	\$	2,200,000.00		
Pavement Condition Survey	\$	150,000.00		
Hwy 30 Realignment	\$	1,530,000.00		
Old Potash; Claude to Webb (PE/ROW)	\$	600,000.00		
Hwy 281 Lighting (Stolley Park to Hwy 30 overpass)	\$	95,000.00		
5-Points Intersection (PE/ROW)	\$	170,000.00		
Various Traffic Study Locations	\$	100,000.00		
North Rd & 13th	\$	200,000.00		
TOTAL	\$	5,450,000.00		

Current Plan

Plan with 1/2 Cent Sales Tax

2020 PROJECTS				
5-Points Intersection (CONST/CE) - pay ahead for 2021 CONST	\$	420,000.00	5-Points Intersection (CONST/CE) - pay ahead for 2021 CONST	\$ 420,000.00
Old Potash; Claude to Webb (PE/ROW)	\$	2,884,000.00	Old Potash; Claude to Webb (PE/ROW)	\$ 2,884,000.00
Webb Rd Assessment Payments	\$	133,900.00	Webb Rd Assessment Payments	\$ 133,900.00
Annual Handicap Ramp Installation	\$	250,000.00	Annual Handicap Ramp Installation	\$ 154,500.00
			Annual Sidewalk Program	\$ 51,500.00
			Downtown Parking - Phase 1	\$ 1,854,000.00
TOTAL	\$	3,687,900.00	TOTAL	\$ 5,497,900.00

2021 PROJECTS				
Hwy 2 Resurfacing	\$	198,000.00	Hwy 2 Resurfacing	\$ 198,000.00
Old Potash; Claude to Webb (1/2 CE, 1/2 CONST)	\$	4,243,600.00	Old Potash; Claude to Webb (1/2 CE, 1/2 CONST)	\$ 4,880,140.00
Annual Handicap Ramp Installation	\$	159,135.00	Annual Handicap Ramp Installation	\$ 159,135.00
Webb Rd Assessment Payments	\$	130,000.00	North Road; Hwy 2 to Capital (PE/ROW)	\$ 318,270.00
			Webb Rd Assessment Payments	\$ 130,000.00
			Annual Sidewalk Program	\$ 53,045.00
TOTAL	\$	4,730,735.00	TOTAL	\$ 5,738,590.00

2022 PROJECTS				
Hwy 30 bridges	\$	80,000.00	Hwy 30 bridges	\$ 80,000.00
Pavement Condition Survey	\$	163,909.05	Pavement Condition Survey	\$ 163,909.05
Old Potash; Claude to Webb (1/2 CE, 1/2 CONST)	\$	4,370,908.00	North Road; Hwy 2 to Capital (CE/CONST)	\$ 1,420,545.10
North Road; Hwy 2 to Capital (PE/ROW)	\$	327,818.10	Annual Handicap Ramp Installation	\$ 163,909.05
Annual Handicap Ramp Installation	\$	163,909.05	Old Potash; Claude to Webb (1/2 CE, 1/2 CONST)	\$ 3,715,271.80
Webb Rd Assessment Payments	\$	130,000.00	Webb Rd Assessment Payments	\$ 130,000.00
			Annual Sidewalk Program	\$ 54,636.35
TOTAL	\$	5,236,544.20	TOTAL	\$ 5,728,271.35

2023 PROJECTS				
Webb Rd Assessment Payments	\$	130,000.00	Webb Rd Assessment Payments	\$ 130,000.00
Hwy 281 Corridor Study; Diers to Webb	\$	450,203.52	Locust Reconstrucion; Koenig to Fonner (PE/ROW)	\$ 450,203.52
North Road; Hwy 2 to Capital (CE/CONST)	\$	2,926,322.91	North Road; Hwy 2 to Capital (CE/CONST)	\$ 1,463,161.45
Locust Reconstrucion; Koenig to Fonner (PE/ROW)	\$	450,203.52	Stolley Park Road; State Fair to Stuhr (PE/ROW)	\$ 393,928.08
Annual Handicap Ramp Installation	\$	168,826.32	Moores Creek (PE/ROW)	\$ 1,012,957.93
			Downtown Parking - Phase 2	\$ 1,294,335.13
			Annual Handicap Ramp Installation	\$ 168,826.32
			Hwy 281 Corridor Study; Diers to Webb	\$ 450,203.52
			Annual Sidewalk Program	\$ 56,275.44
TOTAL	\$	4,125,556.28	TOTAL	\$ 5,419,891.41

2024 PROJECTS				
Webb Rd Assessment Payments	\$	130,000.00	Webb Rd Assessment Payments	\$ 130,000.00
Locust Reconstrucion; Koenig to Fonner (1/2 CE, 1/2 CONST)	\$	3,477,822.22	Annual Handicap Ramp Installation	\$ 173,891.11
State Street; Layfayette to Broadwell (PE/ROW)	\$	347,782.22	Moores Creek (CE/CONST)	\$ 579,637.04
Annual Handicap Ramp Installation	\$	173,891.11	Locust Reconstrucion; Koenig to Fonner (1/2 CE, 1/2 CONST)	\$ 2,898,185.19
			Stolley Park Road; State Fair to Stuhr (1/2 CE/ 1/2 CONST)	\$ 1,622,983.70
			Annual Sidewalk Program	\$ 57,963.70
TOTAL	\$	4,129,495.56	TOTAL	\$ 5,462,660.74

2025 PROJECTS				
Pavement Condition Survey	\$	179,107.84	Pavement Condition Survey	\$ 179,107.84
Locust Reconstrucion; Koenig to Fonner (1/2 CE, 1/2 CONST)	\$	1,910,483.67	Locust Reconstrucion; Koenig to Fonner (1/2 CE, 1/2 CONST)	\$ 2,985,130.74
State Street; Layfayette to Broadwell (CE/CONST)	\$	1,432,862.76	Stolley Park Road; State Fair to Stuhr (1/2 CE/ 1/2 CONST)	\$ 835,836.61
Stolley Park Road; State Fair to Stuhr (PE/ROW)	\$	417,918.30	Moores Creek (CE/CONST)	\$ 597,026.15
Annual Handicap Ramp Installation	\$	179,107.84	State Street; Layfayette to Broadwell (PE/ROW)	\$ 358,215.69
			Annual Sidewalk Program	\$ 59,702.61
			Annual Handicap Ramp Installation	\$ 179,107.84
			Old Potash; Claude to North (PE/ROW)	\$ 417,918.30
TOTAL	\$	4,119,480.42	TOTAL	\$ 5,612,045.79

2026 PROJECTS				
Stolley Park Road; State Fair to Stuhr (CE/CONST)	\$	2,090,785.57	North Road; Captial to State (PE/ROW)	\$ 614,936.93
Old Potash; Claude to North (PE/ROW)	\$	430,455.85	Old Potash; Claude to North (CE/CONST)	\$ 2,336,760.34
State Street; Layfayette to Broadwell (CE/CONST)	\$	860,911.71	Annual Handicap Ramp Installation	\$ 184,481.08
North Road; Captial to State (PE/ROW)	\$	516,547.02	State Street; Layfayette to Broadwell (CE/CONST)	\$ 2,213,772.96
Annual Handicap Ramp Installation	\$	184,481.08	Annual Sidewalk Program	\$ 61,493.69
TOTAL	\$	4,083,181.23	TOTAL	\$ 5,411,445.01

2027 PROJECTS				
North Road; Captial to State (CE/CONST)	\$	1,773,478.11	Annual Handicap Ramp Installation	\$ 190,015.51
Stolley Park Road; State Fair to Stuhr (CE/CONST)	\$	506,708.03	Old Potash; Claude to North (CE/CONST)	\$ 1,646,801.11
Old Potash; Claude to North (CE/CONST)	\$	2,026,832.13	North Road; Captial to State (CE/CONST)	\$ 3,040,248.20
Annual Handicap Ramp Installation	\$	190,015.51	North Road; State to 13th (PE/ROW)	\$ 506,708.03
			Annual Sidewalk Program	\$ 63,338.50
TOTAL	\$	4,497,033.79	TOTAL	\$ 5,447,111.35

2028 PROJECTS				
Pavement Condition Survey	\$	195,715.98	Pavement Condition Survey	\$ 195,715.98
North Road; Captial to State (CE/CONST)	\$	1,826,682.46	North Road; Captial to State (CE/CONST)	\$ 391,431.96
Old Potash; Claude to North (CE/CONST)	\$	1,304,773.18	North Road; State to 13th (CE/CONST)	\$ 3,457,648.94
Webb Road; Old Potash to UP (PE/ROW)	\$	443,369.53	Independence Ave; Capital to Manchester(PE/ROW)	\$ 456,670.61
North Road; State to 13th (PE/ROW)	\$	521,909.27	Annual Handicap Ramp Installation	\$ 195,715.98
Annual Handicap Ramp Installation	\$	195,715.98	Annual Sidewalk Program	\$ 65,238.66
			Hwy 281 Corridor Study; Diers to Webb	\$ 521,909.27
TOTAL	\$	4,488,166.40	TOTAL	\$ 5,284,331.39

2029 PROJECTS				
North Road; State to 13th (PE/ROW)	\$	537,566.55	North Road; State to 13th (CE/CONST)	\$ 201,587.46
Webb Road; Old Potash to UP (CE/CONST)	\$	3,359,790.95	North Road; 13th to Faidley (PE/ROW)	\$ 470,370.73
Annual Handicap Ramp Installation	\$	201,587.46	Broadwell / UPRR Grade Separation (PE/ROW)	\$ 2,000,000.00
			Webb Road; Old Potash to UP (PE/ROW)	\$ 537,566.55
			Independence Ave; Capital to Manchester(CE/CONST)	\$ 2,015,874.57
			Annual Handicap Ramp Installation	\$ 201,587.46
			Annual Sidewalk Program	\$ 67,195.82
TOTAL	\$	4,098,944.96	TOTAL	\$ 5,494,182.59

2030 PROJECTS				
North Road; State to 13th (CE/CONST)	\$	2,768,467.74	Broadwell / UPRR Grade Separation (PE/ROW)	\$ 1,000,000.00
Webb Road; Old Potash to UP (CE/CONST)	\$	692,116.94	Webb Road; Old Potash to UP (CE/CONST)	\$ 2,076,350.81
Independence Ave; Capital to Manchester(PE/ROW)	\$	484,481.85	Independence Ave; Capital to Manchester(CE/CONST)	\$ 692,116.94
Annual Handicap Ramp Installation	\$	207,635.08	Annual Handicap Ramp Installation	\$ 207,635.08
			Annual Sidewalk Program	\$ 69,211.69
			North Road; 13th to Faidley (CE/CONST)	\$ 1,730,292.34
TOTAL	\$	4,152,701.61	TOTAL	\$ 5,775,606.85

2031+ PROJECTS				
North Road; State to 13th (CE/CONST)	\$	1,425,760.89	Webb Road; Old Potash to UP (CE/CONST)	\$ 2,138,641.33
Broadwell / UPRR Grade Separation (PE/ROW)	\$	4,277,282.66	North Road; Faidley to Old Potash (PE/ROW)	\$ 356,440.22
Independence Ave; Capital to Manchester(PE/ROW)	\$	499,016.31	North Road; Faidley to Old Potash (CE/CONST)	\$ 3,564,402.22
Independence Ave; Capital to Manchester(CE/CONST)	\$	3,421,826.13	North Road; 13th to Faidley (CE/CONST)	\$ 1,140,608.71
North Road; 13th to Faidley (PE/ROW)	\$	570,304.35		
North Road; 13th to Faidley (PE/ROW)	\$	4,277,282.66		
Downtown Parking	\$	4,189,000.00		
Annual Sidewalk	\$	659,601.48		
	\$	19,320,074.48		\$ 7,200,092.48

Grand Island in Hall County

2018-2019 LID SUPPORTING SCHEDULE

Calculation of Restricted Funds

Total Personal and Real Property Tax Requirements	(1)	\$	12,140,304.33
Motor Vehicle Pro-Rate	(2)	\$	973,816.44
In-Lieu of Tax Payments	(3)	\$	-
Prior Year Budgeted Capital Improvements that were excluded from Restricted Funds.			
Prior Year Capital Improvements Excluded from Restricted Funds (From 2017-2018 Lid Support, Line (17))		\$	8,209,347.00
	(4)		
LESS: Amount Spent During 2017-2018	(5)	\$	6,431,965.00
LESS: Amount Expected to be Spent in Future Budget Years	(6)	\$	1,777,382.00
Amount to be included as Restricted Funds (Cannot Be A Negative Number)	(7)	\$	-
Motor Vehicle Tax	(8)	\$	1,390,540.50
Local Option Sales Tax	(9)	\$	15,518,192.28
Transfers of Surplus Fees	(10)	\$	-
Highway Allocation and Incentives	(11)	\$	5,417,759.00
MIRF	(12)	\$	-
Motor Vehicle Fee	(13)	\$	385,000.00
Municipal Equalization Fund	(14)	\$	707,083.12
Insurance Premium Tax	(15)	\$	-
Nameplate Capacity Tax	(15a)	\$	-
TOTAL RESTRICTED FUNDS (A)	(16)	\$	36,532,695.67

Lid Exceptions

Capital Improvements (Real Property and Improvements on Real Property)		\$	7,454,355.00	(17)
LESS: Amount of prior year capital improvements that were excluded from previous lid calculations but were not spent and now budgeted this fiscal year (<i>cannot exclude same capital improvements from more than one lid calculation.</i>)				
Agrees to Line (6).		\$	1,777,382.00	(18)
Allowable Capital Improvements	(19)	\$	5,676,973.00	
Bonded Indebtedness	(20)			
Public Facilities Construction Projects (Statutes 72-2301 to 72-2308)	(21)			
Interlocal Agreements/Joint Public Agency Agreements	(22)	\$	1,203,731.00	
Public Safety Communication Project (Statute 86-416)	(23)			
Payments to Retire Interest-Free Loans from the Department of Aeronautics (Public Airports Only)	(24)			
Judgments	(25)			
Refund of Property Taxes to Taxpayers	(26)			
Repairs to Infrastructure Damaged by a Natural Disaster	(27)			
TOTAL LID EXCEPTIONS (B)	(28)	\$	6,880,704.00	

TOTAL RESTRICTED FUNDS

For Lid Computation

(To Line 9 of the Lid Computation Form)

To Calculate: Total Restricted Funds (A)-Line 16 MINUS Total Lid Exceptions (B)-Line 28

\$ 29,651,991.67

Total Restricted Funds for Lid Computation **cannot** be less than zero. See Instruction Manual on completing the Lid Supporting Schedule.

LID COMPUTATION FORM

Grand Island
IN
Hall County

COMPUTATION OF LIMIT FOR FISCAL YEAR 2018-2019

PRIOR YEAR RESTRICTED FUNDS AUTHORITY OPTION 1 OR OPTION 2

OPTION 1

2017-2018 Restricted Funds Authority (Base Amount) = Line (8) from last year's Lid Form

31,272,899.09
Option 1 - (1)

OPTION 2 - *Only use if a vote was taken at a townhall meeting to exceed Lid for one year*

Line (1) of 2017-2018 Lid Computation Form

31,272,899.09
Option 2 - (A)

Allowable Percent Increase **Less** Vote Taken
(From 2017-2018 Lid Computation Form Line (6) - Line (5))

_____%
Option 2 - (B)

Dollar Amount of Allowable Increase Excluding the vote taken
Line (A) X Line (B)

Option 2 - (C)

Calculated 2017-2018 Restricted Funds Authority (Base Amount) =
Line (A) **Plus** Line (C)

31,272,899.09
Option 2 - (1)

ALLOWABLE INCREASES

1 BASE LIMITATION PERCENT INCREASE (2.5%)

2.50 %
(2)

2 ALLOWABLE GROWTH PER THE ASSESSOR MINUS 2.5%

- %
(3)

_____/_____= 0.00 %
2018 Growth 2017 Valuation Multiply times
per Assessor 100 To get %

3 ADDITIONAL ONE PERCENT COUNCIL/BOARD APPROVED INCREASE

1.00 %
(4)

_____/_____= 80.00 %
of Board Members Total # of Members
voting "Yes" for in Governing Body at
Increase Meeting
Must be at least
75% (.75) of the
Governing Body

ATTACH A COPY OF THE BOARD MINUTES APPROVING THE INCREASE.

**4 SPECIAL ELECTION/TOWNHALL MEETING - VOTER
APPROVED % INCREASE**

_____%
(5)

Please Attach Ballot Sample and Election Results OR Record of Action From Townhall Meeting

Grand Island IN Hall County

LINE (10) MUST BE GREATER THAN OR EQUAL TO ZERO OR YOU ARE IN VIOLATION OF THE LID LAW.

THE AMOUNT OF UNUSED RESTRICTED FUNDS AUTHORITY ON LINE (10)
MUST BE PUBLISHED IN THE NOTICE OF BUDGET HEARING.