

MEMO

To: Stephen Arbo, City Manager
From: Dena E. Mezger, P.E., Director of Public Works *DEM*
CC: Christal Weber, David Bushek, George Binger, Michael Park
Date: February 6, 2020
Re: Potential Matching Funds for MoDOT Cost Share – M291 North & US50 Interchange Project

Public Works staff recently reviewed possible funding sources for a potential cost share as referenced above. The anticipated amount needed by the City for its share of project costs is \$9 million. For that amount, a combination of two revenue sources appears to be the most viable funding option.

The first source is the ½-¢ CIP Sales Tax fund. The original plan for this fund anticipated the possibility of participation in a future MoDOT project although a specific amount was not identified. At this time, based on the fund balance and our project commitments staff is confident that \$3 to \$4 million is available.

The second source is the License Tax charged on new development. The License Tax collected must be used on transportation projects. The License Tax Committee met on January 27, 2020. Part of the discussion was the use of future revenues. The Committee recommended funding the M291 N. interchange project. Based on current development projections, the fund balance for the License Tax is anticipated to be approximately \$5,000,000 by 2022 and over \$6,000,000 by 2024. This source can provide the remainder of the matching funds required for the cost share program.

Staff assumes a cost application will be submitted in April 2020. If the application is successful, bid letting would occur in spring 2023 based on a typical timeframe for a cost share project. Construction would be complete in late 2024. This allows time for the License Tax to build to the maximum amount for the construction phase.