

LS

2017 CIP Sales Tax Prioritization

November 9, 2017

Agenda

- o Main purpose and background
- o Funding Guidance
- o Discuss guidance for projects and programs
- o Confirm process for public input

Purpose

Define the criteria and process to guide Council Committee and City Staff in prioritizing projects and programs funded by the CIP Sales Tax

Capital Improvements Presented to Public

- 8 road projects
- *Downtown parking structure*
- *Sidewalk gaps program*
- *Curb replacement program*
- *Street lighting*
- *MoDOT system projects*
- *Rock Island Trailheads*
- *Stormwater projects*
- *CMP replacement program*

Project Category	Costs
<u>Road Projects</u>	\$ 58.50 M
<i>Transportation Related</i>	\$ 17.25 M
Stormwater	\$ 24.50 M
TOTAL	\$100.25 M

Funding Parameters

- o Tax collection from April 1, 2018 to March 31, 2033
- o Potential CIP Sales Tax Revenues
 - o \$112.5M over 15 years
 - o Averages \$7.5M per year
- o Proposed projects list estimated cost of \$100.25M
- o Financing option may influence project prioritization
- o Project sequencing and timing may dictate debt financing
- o Cash flow:
 - o Large project construction typically 3 or more years after tax collection begins
 - o Large projects tend to run sequentially

Debt Financing: Yes or No ?

What we Know Today

- Current Interest very low
- Cost of Debt about 2.25%
- Inter-fund loans have \$23M capacity
- Can advance money
- Bond revenues must be spent within 36 months

What we Don't Know

- Inflation
- Future interest
- Future value of land
- Project schedules
- Future revenues
- Will debt remain to be cheaper than inflation

Project Evaluation

Factors to Consider

Safety	Urgency
Capacity	Public Impact
Livability	Condition
Economic Development	Public Health
Cost Sharing	Public Demand
Future Savings	

Public Input for Prioritization

- o What / how much of a role do we want for Public Input on prioritization of work?
- o Is public comment at Committees sufficient ?

Tentative Timeline

- o Estimated Timeline
 - o November & December PWC
 - o January 2018: Council presentation or work session
 - o February 2018: Council finalizes project priorities
 - o March-June 2018: CIP presented and adopted
- o Expect first project no earlier than 2019

Re-Stated Purpose

It is our understanding that...



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