



Recommendations for CIP Sales Tax Renewal

Public Works Committee

November 21, 2016



Essential Questions

- Renew the CIP Sales Tax – yes or no?
- Types of projects to be funded – more than transportation?
- Specific projects and/or programs to fund?
- Term of renewal – 10 or 15 years?

Uses of Funding

- Funding to date used for road projects
- Ballot language could be written to allow use for other types of projects
- Other potential project types in addition to roads - can include infrastructure operations and maintenance per state statutes

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Potential Projects

(See attached file)

Term of Renewal

- Current sales tax is for 10 years
 - Recent Parks Sales Tax renewal for 15 years
- Current annual revenue is approx. \$7.5M
- Potential Revenues
 - 10 years \approx \$ 75M (w/no growth)
 - 15 years \approx \$ 112.5M (w/no growth)

Expediting Projects

- Debt financing can generate funds immediately to expedite projects
 - \$1M bond yields \$750K; remaining funds are to service P&I
 - \$1M smallest debt issued
 - Inter-fund loans paid back within 5 years
 - \$10M in capacity currently
 - Special obligation – commercial bank loans

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Additional question

- Pay as you go or debt finance?

Next Steps

- Dec – Present PWC recommendations to Finance & Budget Committee and/or City Council for discussion and decision
- By Jan 24, 2017 – Council decision on ordinance to place sales tax on ballot
- April 4, 2017 – Election

Questions?