



# Street Improvement Plan

## Residential/Local Reconstruction

### *Funding Options*



Council Presentation  
April 14, 2015



# Overview of Update

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- **Basic Information on Street System**
- **Existing Resources**
- **Possible Resources**
- **Discussion**



# Street System



- **Existing Street System - 1,234 Miles**
  - 172 Miles Arterial Streets (14%)
  - 210 Miles Collector Streets (17%)
  - 852 Miles Residential/Local Streets & Alleys (69%)
- **2010 - Overall Condition of Street System**
  - 20.3M Square Yards (SY) Total System
  - Approximately 50% of System in “Poor” Condition
  - Estimated Cost to Repair All Streets to “Good” - \$ 967M
    - ✓ \$469M for Residential /Local in “Poor” Condition (5.7M SY)
    - ✓ \$368M for Arterial / Collector in “Poor” Condition (3.8M SY)
    - ✓ \$ 23M for Alleys in “Poor” Condition (0.3M SY)
  - Condition Result of 30 Years of Neglect
- **2014 - Current Estimate for Residential/Local Reconstruction**
  - Estimated Cost to Repair to “Good” Condition - \$881M (7.8M SY)



# Existing Resources



Revenue Source	Years											
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TOTAL	
	Property Tax	5% growth	4% growth	4% growth	3½% growth	3½% growth	3% growth	3% growth	3% growth	3% growth		
	Sales Tax	3% growth	3% growth	3½% growth	3½% growth	3½% growth	3½% growth	3½% growth	3½% growth	3½% growth		
General Fund Transfer	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 875,000	\$ 1,800,000	\$ 2,800,000	\$ 2,800,000	\$ 11,275,000	
5% of Industrial District Revenue	\$ -	\$ 500,000	\$ 520,000	\$ 540,800	\$ 559,728	\$ 579,318	\$ 596,698	\$ 614,599	\$ 633,037	\$ 652,028	\$ 5,196,208	
Total	\$ 1,000,000	\$ 1,500,000	\$ 1,520,000	\$ 540,800	\$ 559,728	\$ 579,318	\$ 1,471,698	\$ 2,414,599	\$ 3,433,037	\$ 3,452,028	\$ 16,471,208	

**NOTE:** The funding levels noted above are outlined as follows in Section 7 of the Financial Budgetary policies adopted by Resolution 030265 on 8/26/14.



# Possible Resources



- Repurpose Sales Tax
- Property Tax Increase
- Assessments (Special Taxing District)
- Street Maintenance Fee
- Reallocation of General Fund Resources
- Voter Approved Bonds
- Future Defeased Debt
- Legislative Initiatives



# Possible Resources



## ➤ Repurpose Sales Tax

- Collection for Economic Development sales tax ends on April 1, 2018
- Generates \$7.7M annually of which \$2.5M was used for the Baseball Stadium

Revenue Source	Years										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TOTAL
		3% growth	3% growth	3½% growth	3½% growth	3½% growth	3½% growth	3½% growth	3½% growth	3½% growth	
Total Sales Tax Collections	\$ 7,691,000	\$ 7,921,730	\$ 8,159,382	\$ 8,444,960	\$ 8,740,534	\$ 9,046,453	\$ 9,363,078	\$ 9,690,786	\$ 10,029,964	\$ 10,381,012	\$ 89,468,899
Less: Allocation to Baseball Stadium	\$(2,500,000)	\$(2,500,000)	\$(2,500,000)	\$(1,250,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$(8,750,000)
Less: Allocation to streets	\$ -	\$ -	\$ -	\$(1,250,000)	\$(2,500,000)	\$(2,500,000)	\$(2,500,000)	\$(2,500,000)	\$(2,500,000)	\$(2,500,000)	\$(16,250,000)
Remainder available for Affordable Housing, Major Business Incentives, and Small Business Projects	\$ 5,191,000	\$ 5,421,730	\$ 5,659,382	\$ 5,944,960	\$ 6,240,534	\$ 6,546,453	\$ 6,863,078	\$ 7,190,786	\$ 7,529,964	\$ 7,881,012	\$ 64,468,899

### NOTE:

- Every million dollars of debt service can fund approximately \$15M in projects.
- \$2.5M of debt service for 20 years will fund approximately \$37.5M of projects.

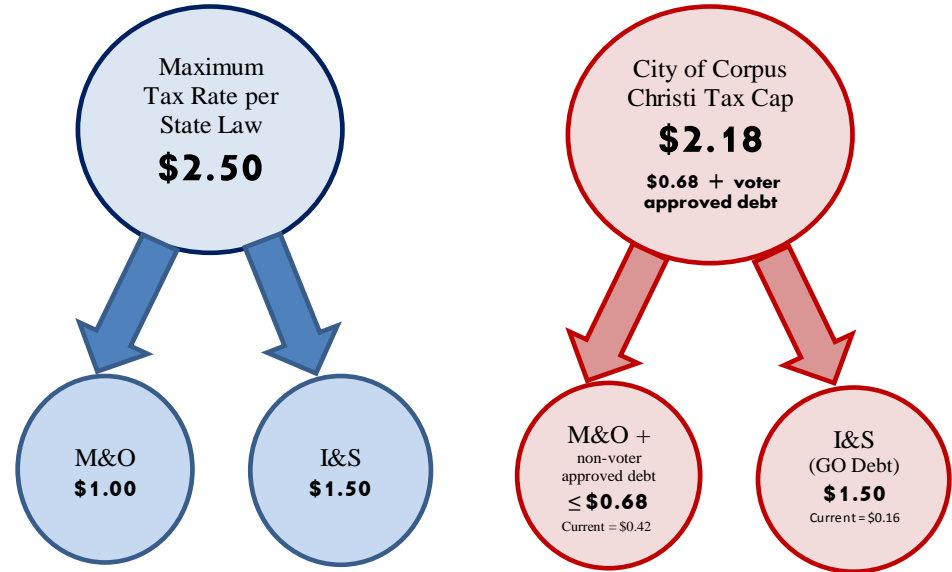


# Possible Resources



## ➤ Property Tax Increase

- Dedicated to residential streets
- Current property tax rate is \$0.585264 per \$100 valuation
- Each penny increase in property tax generates approximately \$1.7M of revenue.









# Possible Resources



- Street Maintenance Fee
  - For both residential and non-residential customers
  - Currently generates \$10.9M per year.
  - Increase and dedicate to residential streets



# Possible Resources



- Assessments/Special Taxing Districts
  - Municipal Management Districts
  - Public Improvement Districts
  - Road Assessment Districts

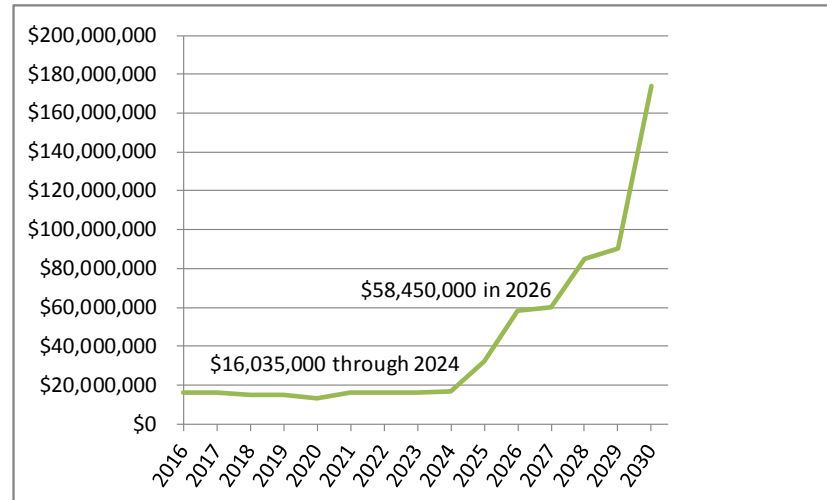


# Possible Resources



- Voter approved bonds
- Future defeased debt

Debt Capacity



Assumptions:

- Issuance of \$55M of debt every 2 years for 10 years
- Issuance of \$2M of debt every year for 10 years
- Interest rate of 3.75% in 2016 and 4.5% in 2026
- Increase in property tax rate in 2016 for Bond 2014 voter-approved debt
- Assumed projected increases in assessed values
- 98% collection rate



# Possible Resources

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- Legislative Initiatives
  - Fuel Tax
  - Vehicle Registration Fee



# Additional Questions to Consider

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- How much of the problem do we want to solve?
- What is our time horizon for solving it?
- What is our physical capacity to do the street work?

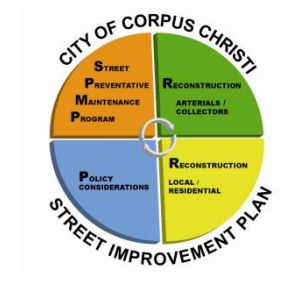


# Funding Options

## Residential/Local Reconstruction



# Discussion



Extending the life of our streets.