

## Proposed New ½ Cent Sales Tax Election: Tuesday, June 8, 2010

**Limitations:**

½ cent up to \$12.50 maximum

NO tax on food, medicine, heating fuel, natural gas, vehicles and new farm machinery.

**Effective Date:** July 1, 2010

**Term:** 20 Years

**Proposed Uses of Funds – New ½ Cent Sales Tax:**

1. Infrastructure improvements where Federal funds are not available
2. Improvements include repairs and replacement of water, sanitary sewer, storm sewer/lagoon system, drainage, paving, etc. or other infrastructure
3. Not included are infrastructure maintenance projects such as seal coating, etc.

**Existing Funds:**

R & R (Repair & Replacement) Fund – Effective July 1, 2007. As of April 30, 2010:

Total Revenue*	\$2,349,464.85
Infrastructure Investments	(1,280,033.60)
Fund Balance	\$1,069,431.25

\*Included in the total revenue is \$948,057.58 from the existing ½ Sales Tax voted in on March 6, 2007.

**GOAL:** The new ½ cent sales tax is to reduce the amount of special assessments by 50 percent. Currently existing funds reduce the amounts assessed as follows:

All Paving Projects 2006-2009	33% reduction
Sanitary & Storm Sewers	33% reduction
Sidewalks	25% reduction
Multiple Projects 2006	20% reduction

Note: Arterial Roads - 50% citywide/general obligation and 50% special assessed

With the new ½ cent sales tax, infrastructure projects include, but are not limited to:

- |    |   |             |
|----|---|-------------|
| 1. | Sanitary Sewer and Street Improvements<br>Central Avenue and Courts A-C, 2 <sup>nd</sup> Avenue NW  | \$1,650,000 |
| 2. | Watermain Projects<br>Victory Park, 2 <sup>nd</sup> Street SE & 3 <sup>rd</sup> Street SE, 3 <sup>rd</sup> Street SE & 6 <sup>th</sup> Ave. SE) | \$2,600,000 |
| 3. | Watermain and Street Improvement<br>5 <sup>th</sup> Avenue SW, 3 <sup>rd</sup> Street SW & 6 <sup>th</sup> Avenue SW                            | \$2,400,000 |
| 4. | Street Improvements<br>9 <sup>th</sup> Street NW & NE, 2 <sup>nd</sup> Street SW & 3 <sup>rd</sup> Street SW                                    | \$1,750,000 |

Note: The City will have these types of overlay projects throughout the City annually.

Without the new sales tax, improvements will be made but amount assessed will be higher.

Example of Special Assessments Based on 2010's Estimated Reconstruction Project Cost		
Major Reconstruction Components Include:	COST PER LOT:	
	Lot with 50 Foot Frontage and 7,000 square feet	Lot with 100 Foot Frontage on a 10,000 square feet
Paving Reconstruction - calculated per frontage foot	\$15,122.19	\$30,244.37
Sanitary Sewer - calculated per hook-up	\$ 4,500.00	\$ 4,500.00
Watermain - calculated per hook-up	\$ 4,500.00	\$ 4,500.00
Storm Sewer - calculated by square feet	\$ 3,650.00	\$ 5,214.80
Total Estimated Cost per lot	\$27,772.19	\$44,459.17
Amount currently assessed with a 33% Reduction	\$18,515.72	\$29,640.93
GOAL - Amount assessed with a 50% Reduction	\$13,886.09	\$22,229.59

