
AGENDA ITEM SUMMARY

Subject: Local Option Sales Tax – Renewal Follow Up Discussion

Background Summary:

Approximately ten years ago the city voters approved the second Local Option Sales Tax (LOST) referendum for the City to fund roadway and street work construction projects. The LOST is a 1% sales tax for the community that was approved for use for ten years with the current tax expiring on December 31, 2022.

This revenue source is a critical part of our city operations and is the funding source for all of our major construction and reconstruction projects. Over the last ten years the tax has generated approximately \$7.5M in revenue. During those ten years we've completed over \$10M in street projects that otherwise would not have been able to be done. This equates to 7.2 miles of streets and roads from 2012-2021 and 13.8 miles since 2004.

The sales tax can be used for any lawful purpose of the city as approved by the voters. What I would like to do is finalize the discussion we had in August to confirm the council's desire for use of the Local Option Sales Tax dollars. During our most recent discussion at that time the council was generally supportive of once again asking voters to pass an option tax that would fund street and road usage. Our next step in the process prior to the vote on this is to pass a resolution that establishes how the referendum question will read on the ballot, so we need to finalize our thoughts on that.

I think dedicating the usage of the tax towards streets & roads is a logical choice. We have many more street projects to complete and this would fund our ability to do them. One more thing I would like to at least consider is potentially dedicating a portion of the tax towards public safety annual operations. Since our last LOST discussion, we restructured the wages for the police department which will add approximately \$165,000 a year to our operational need in the Police Department. Also, there is currently \$100,000 annual cost share of operating the ambulance service that previously generated a small amount of funds for the city and county. So, I think it is worth considering assigning about 10% of the future LOST (\$100,000 annually) funds to go to one or both of these services to offset the added costs.

Whatever we decide this is an incredibly important issue for the City of Charles City and we need to take the steps needed to seek continued funding of the Local Option Sales Tax.

Street Related Project Construction Costs - 2004 to Present

Street Construction Costs per year since 2012

Project Name	Total Project Cost
2021 Hwy 18 (4th / 5th Ave.) HMA Overlay Project	\$1,100,000 (Estimated)
2021 Grove St / Illinois St Intersection Improvements	\$140,000 (Estimated)
2020 Charley Western Trail Bridge Project	\$1,390,000 (Estimated)
2020 HMA Paving Project Project	\$1,565,864.35
2019 S Main and N Jackson Streets HMA Paving	\$892,642.23
2019 Main Street Bridge Repairs Project	\$327,059.80
2018 Hildreth Street Reconstruction Project	\$1,435,159.36
2018 Illinois Street Riverside Drive Reconstruction Project	\$384,836.83
2018 HMA Paving Project	\$146,607.55
2018 First Avenue Bridge Deck Repairs Project	\$193,157.95
2015 First Avenue Extension Project	\$243,335.19
2015 HMA Paving Project	\$437,301.30
2014 Street Paving Project	\$828,466.24
2013 Salsbury Avenue Reconstruction Project	\$483,873.53
2013 Clark Street HMA Overlay Project	\$140,962.87
2012 Permeable Pavement Project	\$1,991,144.09
2012 N. Grand Avenue Bridge Replacement Project	\$511,573.33
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Subtotal - Years 2012 through 2021 (Est'd)	\$12,210,000

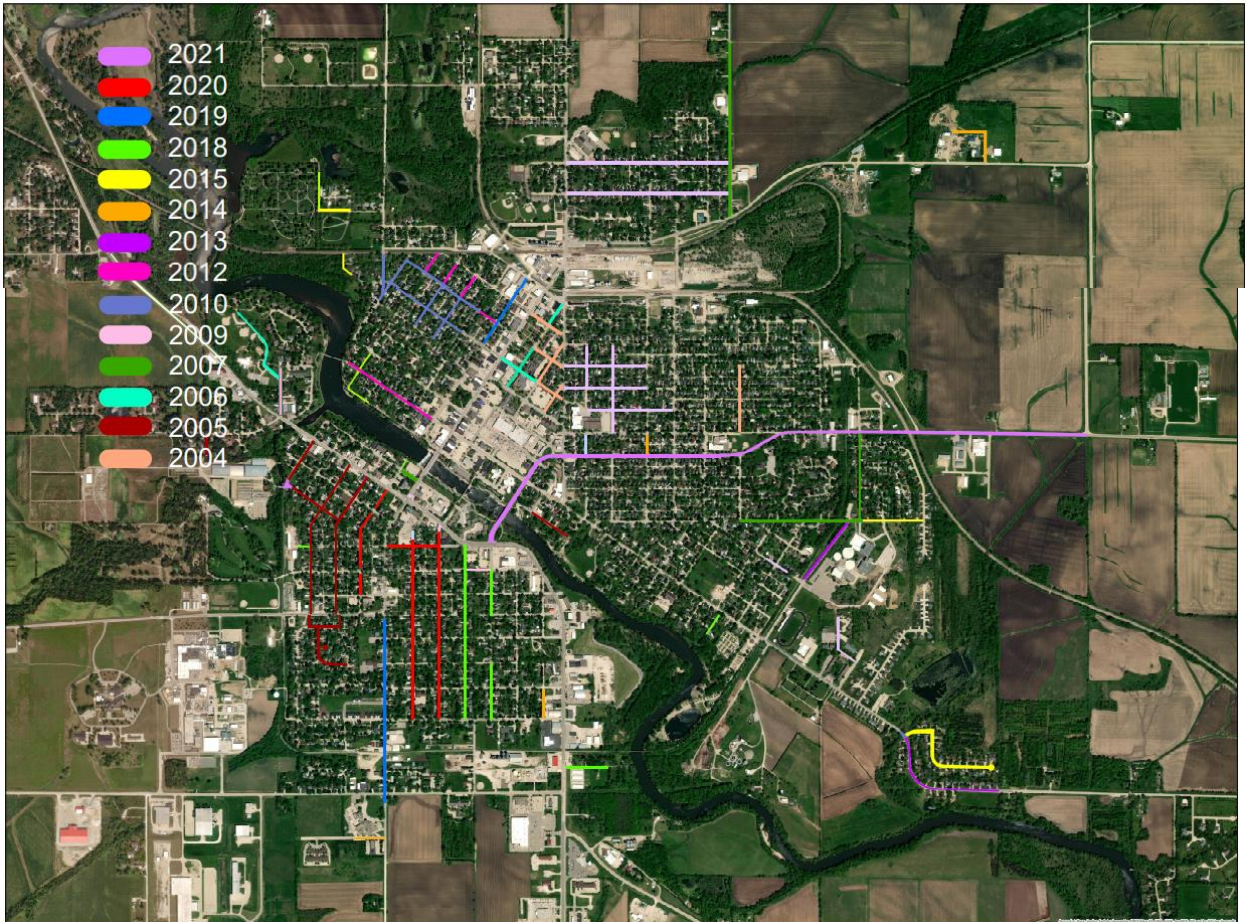
Approximate Street Construction Costs per year prior to 2012

2011	\$3,180,000
2010	\$650,000
2009	\$390,000
2008	\$850,000
2007	\$870,000
2006	\$800,000
2005	\$370,000
2004	\$1,390,000
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Subtotal - Years 2004 through 2011 (Est'd)	\$8,500,000

Total Street Related Construction Costs (2004-2021) \$20,710,000

Total approximate cost of accomplished street work is \$20.75 million
or an average of approximately \$1 million per year

CHARLES CITY STREET PAVING 2004 – 2021 USING LOCAL OPTION SALES TAX MONEY



2022 – 2031 LOCAL OPTION SALES TAX MONEY STREET PAVING

