

Code Ordinance

By: Mayor Bert Cottle

Introduced: June 29, 2015

Public Hearing: July 27, 2015

Adopted: July 27, 2015

Vote: Buswell, Graham, O'Barr, and Wilson in favor

Sullivan-Leonard and Wall opposed

Submitted to Election: October 6, 2015

Proposition Failed: October 6, 2015

Election Certified by the Wasilla City Council: October 12, 2015

Vote of Certification of Election: O'Barr, Sullivan-Leonard, Wall, and Wilson in favor

Buswell absent

Graham abstained (due to not receiving the resolution as he participated telephonically)

**City of Wasilla
Ordinance Serial No. 15-20**

An ordinance of the Wasilla City Council amending Wasilla Municipal Code 5.16.030 and 5.16.210 to continue the rate of the City sales tax at three percent (3%) after the sum of \$15,000,000 has been raised from sales tax and other sources to fund the construction and equipping of the new Wasilla Public Library as provided in Ordinance No. 13-14; and authorizing the City Clerk to submit the question of the continuation of such sales tax rate to the qualified voters of the City at the October 6, 2015, regular City election.

Whereas, the qualified voters of the City of Wasilla (the "City") authorized a City sales tax rate of 3% at the October 1, 2013 regular City election, with that rate to decrease to 2% when \$15,000,000 had been raised from sales tax and other sources to fund the construction and equipping of the new Wasilla Public Library; and

Whereas, the City Council finds that funding for capital projects (i.e., roads, airport, sidewalks, pathways, lighting, parks, downtown, and public safety) remains an ongoing priority for the City; and

Whereas, the City has experienced increased operating costs and additional operating costs are expected when the new Library opens in 2016; and

Whereas, funding from the State of Alaska and Federal Government have declined and they are not expected to be reliable sources in the future for capital projects; and

Whereas, the current sales tax rate of 3% is sufficient to fund capital projects and operating cost increases for the City for many years; and

Whereas, the City finds that maintaining its current sales tax rate is a more equitable method of raising additional revenue than an increase in property tax, since a sales tax will be borne by all resident and non-resident users of City facilities and services; and

Whereas, the City deems it necessary to seek voter approval to fund capital improvement projects and operating cost increases by continuing the 3% sales tax rate after the sum of \$15,000,000 has been raised from sales tax and other sources to fund the construction and equipping of the new Wasilla Public Library.

Underline, added. ~~Strikethrough, deleted~~

* **Section 1. Classification.** Sections 2 and 3 of this ordinance are of a general and permanent nature and shall become part of the city code.

* **Section 2. Amendment of section.** WMC 5.16.030, Sales Tax – Levy of tax, is amended to read as follows:

5.16.030 Levy of tax.

A. Subject to the remainder of this chapter, a tax of three percent of the price is levied on all sales, rentals and services made in the city ~~until December 31, 2016 or until \$15,000,000 (fifteen million dollars) is available through a combination of sales tax collections and library funding from other organizations and sources, including the State of Alaska, whichever is earlier;~~ and a tax of two percent of the price is levied on all sales, rentals and services made in the city thereafter.

* **Section 3. Amendment of section.** WMC 5.16.210, Property tax limit - Use of sales tax, is amended to read as follows:

5.16.210 Property tax limit - Use of sales tax.

A. Property Tax Limitation. The three percent city sales tax levy is conditioned on the city property tax levy being limited to a maximum of two mills. ~~The three percent tax will be levied until December 31, 2016 or until \$15,000,000 (fifteen million dollars) is collected, whichever is earlier and will revert to two percent of the price is levied on all sales, rentals and services made in the city thereafter.~~

B. Allocation of sales tax proceeds. Sales tax collected under Section 5.16.030 shall be allocated as follows:

1. One third (1/3) of the sales tax collected under Section 5.16.030 shall be allocated to a special account restricted to fund the construction of and equipping the new Wasilla Public Library, until the sum of \$15,000,000 has been raised from sales tax and other sources for that purpose.

2. After the sum of \$15,000,000 has been raised from sales tax and other sources to fund the construction and equipping of the new Wasilla Public Library, two ninths (2/9) of the sales tax collected under Section 5.16.030 shall be allocated to a special account restricted to fund capital improvement projects.

3. The remainder ~~Two-thirds~~ of the sales tax collected under Section 5.16.030 shall be allocated to the general fund to be appropriated as determined by the council.

Underline, added. ~~Strikethrough, deleted~~

CITY OF
WASILLA
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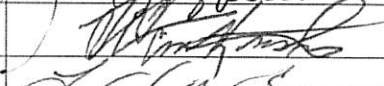
CITY COUNCIL LEGISLATION STAFF REPORT

Ordinance Serial No. 15-20: Amending Wasilla Municipal Code 5.16.030, 5.16.100 and 5.16.210 to continue the rate of the City sales tax at three percent (3%) beginning on the first date following fully funding the Library construction requirement of Ordinance No. 13-14; and authorizing the City Clerk to submit the question of such sales tax rate to the qualified voters of the City at the October 6, 2015, regular City election.

Originator: Mayor Bert L. Cottle

Date: June 17, 2015

Agenda of: June 29, 2015

Route to:	Department Head	Signature	Date
X	Chief of Police		6/17/15
X	Public Works Director		6/17/15
X	Recreation & Cultural Services Director		6-17-15
X	Finance Director		6-17-15
X	Deputy Administrator		6/17/15
X	City Clerk		6-18-15

Reviewed by Mayor Bert L. Cottle:  06:17:2015

Fiscal Impact: yes or no \$6 million annual revenue for 1% sales tax increase

Account name/number:

Attachments: Ordinance Serial No. 15-20 (4 pages)

Summary Statement: The City Council finds that funding for capital projects (i.e., roads, airport, sidewalks, pathways, lighting, parks, downtown, and public safety) remains an ongoing priority to improve and maintain the City's infrastructure. Funding from the State of Alaska and Federal Government has declined and these sources are not expected to be reliable in the future for capital projects.

In addition, the City has experienced an increase operating costs and additional operating costs are expected when the new Library opens in 2016. The current 3% is sufficient to fund capital improvement projects and operational increases of the City for many years. The City finds that maintaining its current sales tax rate is a more equitable method of raising additional revenue than an increase in property tax, since a sales tax will be borne by all resident and non-resident users of City assets.

An allocation of two-thirds of the 1% increase will provide an estimated \$4.0 million available to fund capital projects, with the remaining \$2.0 million available for operating costs.

The following capital projects are priorities for the City over the next 10 years:

- \$8.7 million Gravel Road Paving- The city maintains approximately 15 miles of residential gravel roads that needs to be paved, of which 8 miles are in need of drainage and sub-base improvements before paving can occur.
- \$2.4 million Replace Aging Pavement- The city maintains approximately 5 miles of aging pavement that will need to be replaced in the next 5 years, such as what is in Mission Hills Subdivision.
- \$1.7 million Riley Avenue Extension Phase 1- Construct 0.75 miles of new road connecting to Endeavor Street and paving from Center Point Subdivision to Endeavor Street.
- \$120,000 Smith Ballfields New Access Road- Construct approximately 1,000 feet of gravel road to Endeavor Street to provide safer access for the little league instead of the existing driveway access on Knik-Goose Bay Road.
- \$1.3 million Riley Avenue Extension Phase 2- Construct 0.67 miles of new road and paving to extend Riley Avenue from Endeavor Street to Mack/Clapp Road, completing an arterial road link along the south side of Lake Lucile.
- \$1.1 million E. Susitna Avenue Extension- Construct 0.5 miles of new road and paving to extend E. Susitna Avenue from the end of Railroad Avenue to Roberts Street and the Palmer-Wasilla Highway at Home Depot. This will provide a secondary access to the businesses and residents in the area of the Mat-Su Central School.
- \$6 million Downtown Overlay District Improvements- To provide funding for sidewalk improvements, new lighting and landscaping in downtown to support the goals of the City's Comprehensive Plan.
- \$1.8 million Downtown Renovation- To provide funding to convert the old library into the museum, to restore the museum log building to its original state, and to remove the old fire station, landscape the area and add parking in support of the historic townsite.
- \$16 million Airport Runway Extension- Extend the airport runway from 3,700 feet to 5,000 feet to expand the airport's market for lease holders with a greater range of aircraft and businesses.
- \$12 million Airport Apron Improvements- Expand and improve apron areas within the available area to maximize the space available for lease lots and aircraft tie-down spaces. The space available will double the amount of tie-down spaces and lease lots and double the revenue that can be obtained from airport users.
- \$3.2 million Iditarod Public Safety Building- To provide funding to remodel and renovate the Iditarod Elementary School into a public safety building for the Wasilla Police Department and Alaska State Troopers.
- \$12.6 million New Train Station- To develop a new train station facility to support transit, tourism and economic development at the old Smith concrete property.
- \$5 million Sidewalks, pathways and lighting- To provide funding to improve sidewalks and pathways throughout the city, including additional street lighting as needed in support of pedestrians.

\$3 million Park Development- To add irrigation and improve turf areas within city parks, to improve pathways and trails in the parks, to add pathway lighting in Iditapark for winter use, and to add and improve playground equipment and pavilions.

\$10 million Water and Sewer Extensions- To provide funding for water and sewer extensions to existing areas within the city at a cost of \$1 million per mile per line.

Total funding needed for the projects described above is \$85 million.

Staff Recommendation: Introduce and set for public hearing Ordinance Serial No. 15-20.