



	Approved	Denied
Date Action Taken:		4/11/11
Other:	Failed	
Verified by:	K. Smith	

WASILLA CITY COUNCIL ACTION MEMORANDUM

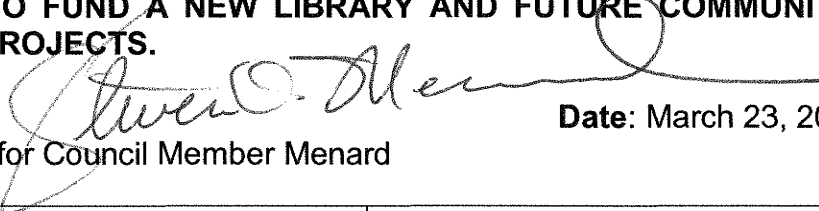
AM No. 11-07

TITLE: SUPPORTING A PERMANENT HALF PERCENT SALES TAX INCREASE TO FUND A NEW LIBRARY AND FUTURE COMMUNITY ORIENTED PROJECTS.

Agenda of: April 11, 2011

Date: March 23, 2011

Originator: Deputy Clerk for Council Member Menard



Route to:	Department	Signature/Date
X	Finance Director	
X	Public Works Director	_____
X	Deputy Administrator	
X	City Clerk	

REVIEWED BY MAYOR VERNE E. RUPRIGHT: _____

FISCAL IMPACT: yes \$ or no

Funds Available yes no

Account name/number: _____

SUMMARY STATEMENT: For years the public has been asking for a new library. Yet as a City we have been unable to allocate the funds for such a monumental project. However, this need will not go away and with each day that passes the demand for a new library increases.

The City saw how well a half percent sales tax increase can work to better the community by seeing the Curtis D. Menard Memorial Sports Center come to fruition. In fact, it worked so well the City was able to pay off the associated bonds early.

If we refer to the figures below, we will see that a half percent sales tax generates a substantial amount of revenue. These figures were taken from the Comprehensive Annual Financial Reports for the Curtis D. Menard Memorial Sports Center, which should approximate the revenue generated by a half percent sales tax.

FY2010: \$2,813,929
 FY2009: \$2,776,152
 FY2008: \$2,597,929

Given these figures it is estimated that it would take approximately five years to pay off the bonds necessary to fund the acquisition and construction of a new library with the state paying 50% through its library grant program; assuming a 14 million dollar project.

After the bonds are paid off a portion of the half percent sales tax would be set aside for operations and maintenance of the library. Remaining funds would go towards specific community oriented projects which would be set by the City Council. Ideas include:

- Acquisition, construction and maintenance of a public rest area in combination with a visitors center;
- Purchase of a new building for Valley Performing Arts;
- Purchase of a new outdoor astro turf for the Wasilla High School football field; or
- Construction of a landfill transfer station within the City.

I ask for your support in directing the Clerk's Office, with assistance from administration, to draft an ordinance which would, if adopted, go forward on the October 4, 2011, Regular City Election. The ordinance would amend Wasilla Municipal Code 5.16.030 to increase the rate of the City sales tax by one-half percent (0.5%) to two and one-half percent (2.5%) beginning July 1, 2012; authorize the City to issue General Obligation Bonds to finance the acquisition and construction of a new Wasilla Meta-Rose Public Library; and authorizing the City to submit the question of the issuance of such bonds and such sales tax rate increase to the qualified voters of the City at the October 4, 2011, Regular Election.

COUNCIL MEMBER RECOMMENDATION: Approve the adoption of AM No. 11-07.