

**City of Wasilla
Ordinance Serial No. 13-05**

An ordinance of the Wasilla City Council amending Wasilla Municipal Code 5.16.030, 5.16.100 and 5.16.210 to increase the rate of the City sales tax by one percent (1%) to three percent (3%) beginning on January 1, 2014; amending Wasilla Municipal Code 5.16.210 to allocate one percent (1%) of the sales tax increase to a special account to finance the construction of the new Wasilla Public Library; and authorizing the City Clerk to submit the question of such sales tax rate increase to the qualified voters of the City at the October 1, 2013, regular City election.

WHEREAS, the City Council of the City of Wasilla (the "City") finds that the City requires a new library facility; and

WHEREAS, the City views the construction of a new library facility as necessary and beneficial to the community; and

WHEREAS, the City finds that it is necessary for the City to finance at least 6.5 million dollars as the City's portion of the construction costs; and

WHEREAS, the current 2% rate of City sales tax is insufficient to fund the construction of the City's new library facility; and

WHEREAS, the City finds that an increase in the rate of sales tax is a more equitable method of raising additional revenue than an increase in property tax, because a sales tax increase will be borne by all resident and non-resident users of City library; and

WHEREAS, the City deems it necessary to increase the rate of the City sales tax by one percent (1%), and to deposit the resulting additional revenue (1%) in a special account restricted to funding a new library facility; and

WHEREAS, the City finds that sufficient funds can be obtained in one calendar year with an increase of one percent (1%), therefore the one percent (1%) tax increase will sunset or be retired after one calendar year.

* **Section 1. Classification.** Sections 2 through 4 of this ordinance are of a general and permanent nature and shall become part of the city code.

Bold and underline, added. Strikethrough, deleted

* **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 two~~ percent of the price is levied on all sales, rentals and services made in the city **and shall expire on December 31, 2014, 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 5.16.100.B.2, Sales Tax – Collection of sales tax – Addition and separate statement; Exceptions, is amended to read as follows:

2. The amount of sales tax to be added to the price of a sale, rental or service shall be determined in accordance with the following schedule:

Price of sale, Rental or service	Tax
Under \$0.15 0.25	None
<u>\$0.16 through \$0.49</u> \$0.25 through \$0.74	\$.01
<u>\$0.50 through \$0.83</u> \$0.75 through \$1.24	\$.02
<u>\$0.84 through \$1.16</u> \$1.25 through \$1.74	\$.03
<u>\$1.17 through \$1.49</u> \$1.75 through \$2.24	\$.04
<u>\$1.50 through \$1.83</u> \$2.25 through \$2.74	\$.05
<u>\$1.84 through \$2.16</u> \$2.75 through \$3.24	\$.06
<u>\$2.17 through \$2.49</u> \$3.25 through \$3.74	\$.07
<u>\$2.50 through \$2.83</u> \$3.75 through \$4.24	\$.08
<u>\$2.84 through \$3.16</u> \$4.25 through \$4.74	\$.09
<u>\$3.17 through \$3.49</u> \$4.75 through \$5.24	\$.10
Over \$3.50 \$5.25 , continue on same scale up to five hundred dollars (\$500.00).	

Bold and underline, added. Strikethrough, deleted

CITY COUNCIL LEGISLATION STAFF REPORT

Ordinance Serial No. 13-05: Amending Wasilla Municipal Code 5.16.030, 5.16.100 and 5.16.210 to increase the rate of the City sales tax by one percent (1%) to three percent (3%) beginning on January 1, 2014; amending Wasilla Municipal Code 5.16.210 to allocate one percent (1%) of the sales tax increase to a special account to finance the construction of the new Wasilla Public Library; and authorizing the City Clerk to submit the question of such sales tax rate increase to the qualified voters of the City at the October 1, 2013, regular City election.

Originator: Deputy Mayor Colleen Sullivan-Leonard *Colleen Sullivan-Leonard*

Date: February 7, 2013 Agenda of: 2/25/2013

Route to:	Department Head	Signature	Date
X	Finance Director		
X	Deputy Administrator		
X	City Clerk	<i>Tom S.</i>	2/8/13

Reviewed by Mayor Verne E. Rupright: *VR* *REVIEWED TO FORM*

Fiscal Impact: yes or no **Funds Available:** yes or no

Account name/number: To be determined upon voter approval

Attachments: None

Summary Statement: This ordinance reflects funding for a new Wasilla Public Library through a one cent sales tax increase with a sunset clause after one year. One year, one cent for one project.

The Foraker Group’s pre-development study estimates that the City’s obligation for the new \$16.3 million dollar library would be \$6.5 million dollars. A one year collection of the additional sales tax revenue, from January 1, 2014, to December 31, 2014, would generate between \$6.2 - \$6.5 million dollars toward our obligation. Additional funding, if needed, would come from the General Fund, Fund Balance.

The City has actively worked through its Capital Improvement Plan as well as Council goals and initiatives toward a new library for many years. Like other big capital projects for the City, a plan was needed and required before funding could be considered.

In July 2012 the City Council requested an up-to-date plan that showed the pre-design, feasibility study, community survey and potential funding sources for the new public library before any capital funding could be considered. In September 2012 that pre-development plan moved forward with the coordination of The Foraker Group, the Library Needs Committee, the Friends

of the Wasilla Library, administration and City Council. After several meetings with the Foraker Group and McCool, Carlson and Green Architects a final presentation was made to the City Council in January 2013 and was well received.

The concept design from McCool, Carlson and Green Architects shows a one-story 23,500 square foot library with organized and efficient space, ample parking and great access to our schools. It also identifies the funding sources and costs associated with the capital and operating costs for the new library.

The city is now at a point to move forward to acquire funding for the design and construction of a new Wasilla Public Library. The funds have been identified as:

- Community funding through a Capital Campaign obligation of \$600,000
- State Funds requested in the amount of \$8.2 million
- Mat-Su Borough land investment value of \$900,000
- City of Wasilla obligation of \$6.5 million
- Operating costs to show an annual increase of \$115,000 primarily for lighting and heating (Per Foraker, no additional staff is needed due to the one story efficient layout).

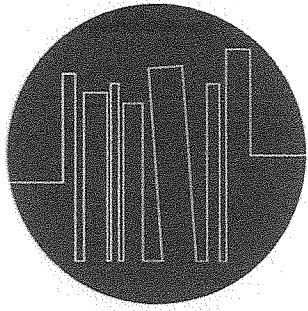
With the passage of this ordinance the City could proceed with a procurement process to secure design assistance. This would be followed by design schematics, development and construction documentation, and initial construction to build our new library. As outlined in the pre-development schedule from the Foraker Group, completion of a new library could be sometime in 2016.

The approval of this ordinance would show all invested members of this project, including State Legislators, the Mat-Su Borough, the Mat-Su School District, and community and corporate sponsors, that we are working collaboratively and with accountability toward this major capital City project.

The Council has a fiscal responsibility to spend the tax monies collected to run city government wisely and responsibly. A sales tax increase with a sunset clause does that. Our citizens would see accountability from our city government when the one cent sales tax increase, started on January 1, 2014, ends on December 31, 2014. They will know the funds are for the construction of a new Wasilla Public Library only and not for other unknown, unplanned construction projects, or, for growing general government.

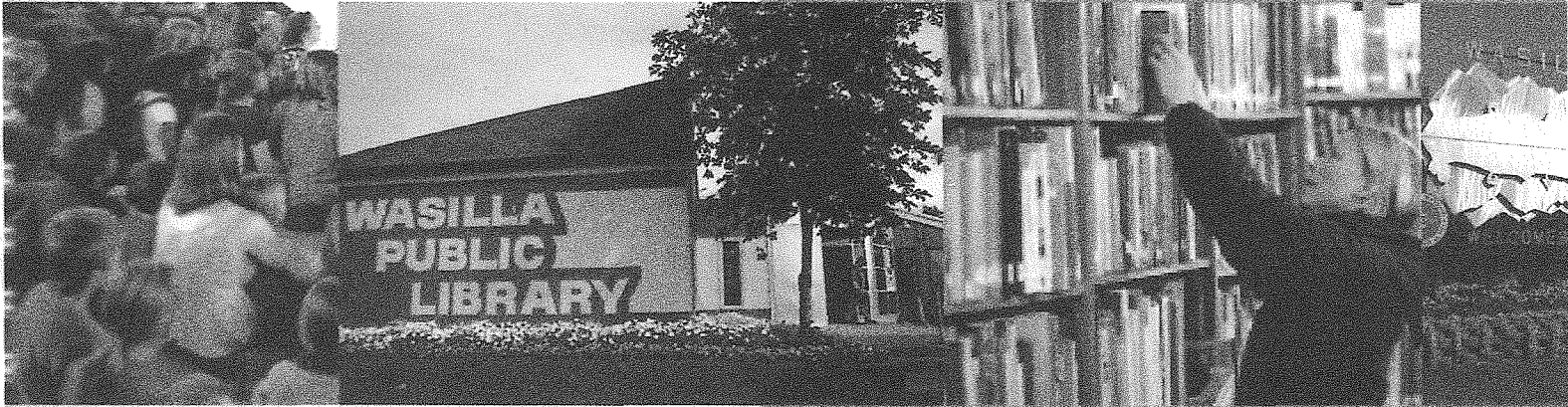
This ordinance finds the balance and accountability necessary to present to the Wasilla City voters for their consideration of funding and construction of a new Wasilla Public Library.

Recommended Action: Introduce and Set for Public Hearing/Adopt Ordinance Serial No. 13-05.



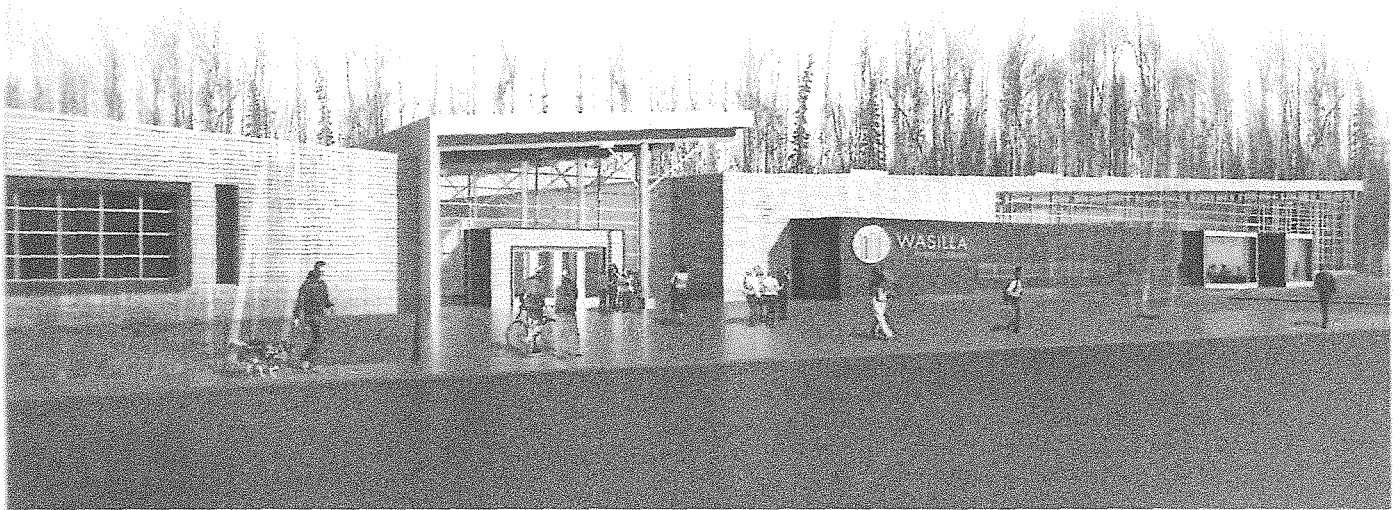
WASILLA

PUBLIC LIBRARY

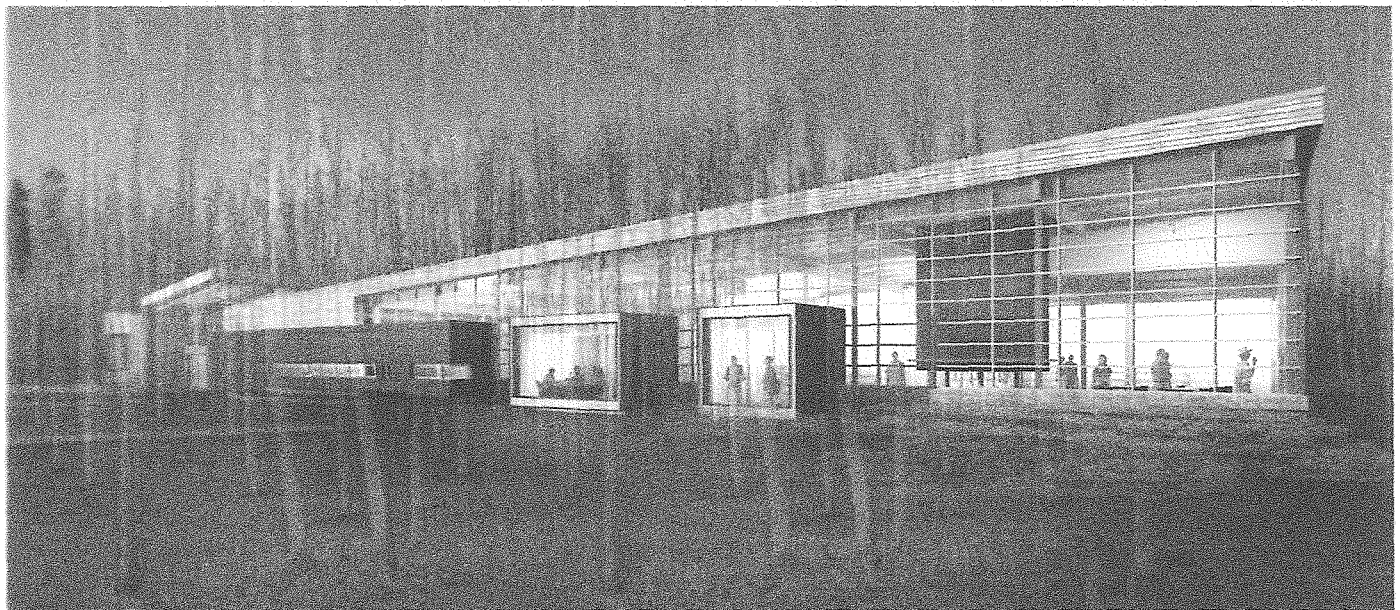


Project Development Plan

January 7, 2013



Architectural rendering of the new library front facade.



Architectural rendering of the new library from the southeast.



Architectural rendering of library interior.

PROJECT SCHEDULE

The City of Wasilla is in the enviable position of having secured funding to immediately begin the design process. Beginning the design process now will “buy” as much as a year in the project schedule. In addition, a public process during the design will help raise the profile of the project in the community and most likely generate additional community support. The following schedule should be considered reasonable and normal process in the design and construction industry. There are many different ways to accelerate this schedule should the community decide it is wanted. Key project schedule benchmarks include:

Procure Design Assistance - With approval from the City Council, a procurement process for securing design services could begin in January, 2013. The amount of time necessary for preparing proposals, receiving and reviewing proposals, negotiating and awarding a contract would be approximately three months.

Schematic Design – The initial phase of design should include topographic surveys, geotechnical analysis, a healthy public process, coordination with Wasilla Middle School and development of a site plan and floor plan. This process would begin in May and require three to four month’s effort.

Design Development and preparation of Construction Documents – While Schematic Design is under way, the City of Wasilla should learn whether or not State of Alaska matching grant monies will be awarded. Should grant monies be secured, the design can continue seamlessly to completion. Design Development and the preparation of Construction Documents will require approximately eight to nine months.

Construction – There are several different methods of procuring construction services. Either a qualifications-based selection of a Construction Manager during design or an Invitation to Bid process will allow construction to start in the summer of 2014. This size facility will require 16 to 18 months construction time.

Opening – The schedule outlined below is reasonable and should not require any extraordinary efforts. The new facility would be placed into service in the early winter of 2016.

WASILLA LIBRARY PROJECT SCHEDULE OVERVIEW

	2013				2014				2015				2016			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	JAN-MAR	APR-JUN	JULY-SEPT	OCT-DEC	JAN-MAR	APR-JUN	JULY-SEPT	OCT-DEC	JAN-MAR	APR-JUN	JULY-SEPT	OCT-DEC	JAN-MAR	APR-JUN	JULY-SEPT	OCT-DEC
Design Assistance																
Schematic Design																
Design Devel. & Const. Doc.																
Construct.																
Opening																

Wasilla Public Library replacement project schedule.

4.0 PROJECT & OPERATING COSTS

TOTAL PROJECT COST ESTIMATE

The total project cost is estimated to be \$15,012,000. When adding the value of the land, pre-development costs already committed, and the value of in-kind project management services provided by City staff, the total value of the project is \$16,315,553. These other costs are captured in the column marked "Committed".

This total cost estimate is based upon the 23,500 square foot concept design prepared by McCool Carlson Green Architects. Many individual elements and factors go into the preparing the estimate.

Please refer to the table below for the following discussion.

Estimate of Total Project Cost				
Line	Item	%	Committed	Est to Complete
1	Site Acquisition			
2	Four acre site		\$ 877,734	
3	Closing costs		\$ 18,819	
4	Soft Costs			
5	Wasilla Pre-Development Costs		\$ 11,500	
6	Foraker Group Pre-Development Costs, est'd		\$ 55,000	
7	Other Direct Costs: advertising, printing, legal, public communications, moving expense			\$ 30,000
8	1% for Art	1%		\$ 113,500
9	Management and Design			
10	Project Management, in kind from City of Wasilla	3%	\$ 340,500	
11	Design: includes soils and geotech report, landscaping, interior design, FF&E assistance, acoustics consultant, IT consultant, energy model	12%		\$ 1,362,000
12	Construction Administration: special inspections, A/E assistance, certification application	4%		\$ 454,000
13	Construction			
14	Construction Costs: includes upper and lower parking lots, book stacks, site development and amphitheater, 23,500sf@ \$516/sf*			\$ 11,350,000
15	Furniture, Fixtures and Equipment: tables, chairs, office furniture, IT and A/V, computers	5%		\$ 567,500
16	Project Contingency, % of construction cost	10%		\$ 1,135,000
17	Sub-total		\$ 1,303,553	\$ 15,012,000
18	Estimate of Total Project Cost			\$ 16,315,553

Estimated Operating Costs
Based on Planned Facility Size and Known Costs in the Area
15 December 2012

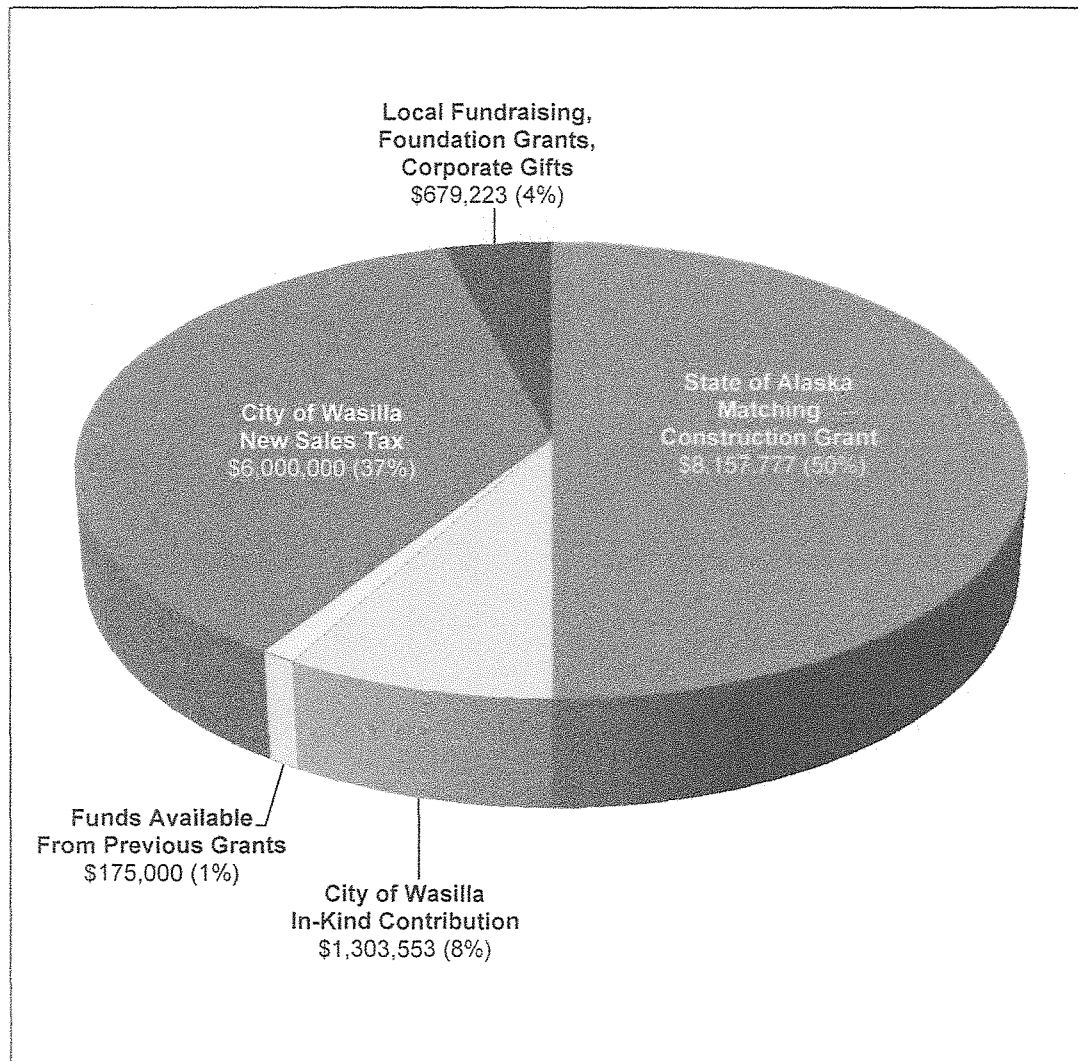
Line #	Item	Mat Su Valley Facility Comparisons						Est'd Op Cost, New Fac		Notes
		Machetanz Elem School	Su Valley Jr/Sr High School	Wasilla Police Station	Wasilla Sports Arena	Existing Library	Est'd Cost	Est'd Cost/SF		
1	Square Footage	51,306	48,897	10,376	104,842	8,143				
2	Electricity	\$ 48,972	\$ 69,932	\$ 39,175	\$ 150,000	\$ 4,216		\$ 29,375		more HVAC equipment, more computers, better lighting higher indoor air quality, higher volume single story, efficient like Machetanz but operate year round some increase in absolute value due to increased usage some increase in absolute value due to increased usage cost per SF goes down with efficiencies, need low maintenance materials. minimal costs in early years includes building replacement and general liability
3	Elect, cost/SF	\$ 0.95	\$ 1.43	\$ 3.78	\$ 1.43	\$ 0.52		\$ 1.25		
4	Natural Gas	\$ 27,825		\$ 18,345	\$ 118,000	\$ 2,655		\$ 23,500		
5	Gas, cost/SF	\$ 0.54		\$ 1.77	\$ 1.13	\$ 0.33		\$ 1.00		
6	Fuel Oil		\$ 124,224							
7	Oil, cost/SF		\$ 1.78							
8	Water/Sewer	\$ 2,165		\$ 2,258	\$ 18,000	\$ 3,200		\$ 4,700		
9	W/S, cost/SF	\$ 0.04		\$ 0.22	\$ 0.17	\$ 0.39		\$ 0.20		
11	Waste Disposal			\$ 3,204	\$ 5,500	\$ 660		\$ 1,175		
12	Waste Dis, cost/SF			\$ 0.31	\$ 0.05	\$ 0.08		\$ 0.05		
13	Cleaning			\$ 22,712		\$ 20,389		\$ 41,125		
14	Cleaning, cost/SF			\$ 2.19		\$ 2.50		\$ 1.75		
15	Repair & Maint			\$ 6,500	\$ 25,000	\$ 4,361		\$ 3,525		
16	Repair & Maint, cost/SF			\$ 0.63	\$ 0.24	\$ 0.54		\$ 0.15		
17	Insurance			\$ 11,996	\$ 68,855	\$ 10,126		\$ 19,300		
18	Ins., cost /SF			\$ 1.16	\$ 0.66	\$ 1.24		\$ 1.22		
19	Total, cost/SF			\$ 10.04	\$ 3.68	\$ 5.60		\$ 5.62		
20	Sub-Total, cost					\$ 28,107		\$ 122,700		
21	Technology Rpl Fund					\$ 17,500		\$ 38,000	43	
22	Total Est'd Facilities Cost					\$ 45,607		\$ 160,700	# of public use computers + 2 servers	
23	Estimated Increase In New Facility Operating Cost							\$ 115,093		

This estimate does not include additional staffing. Current staff supports 40 operating hours per week. New facility design will not require additional staffing, but demand for more operating hours may.

4.0 PROJECT & OPERATING COSTS

Based upon a project value of \$16,315,553, the City of Wasilla should be eligible for a matching grant in the amount of \$8,157,777.

After securing a matching grant and applying funds already secured, the amount required to complete the project is \$6,679,224. The City of Wasilla is contemplating a sales tax increase to raise \$6,000,000. The remainder, \$679,224, is anticipated to be raised through local fundraising, gifts from companies and grants from foundations.



Funding plan for the new Wasilla Public Library.



CITY OF WASILLA

ALASKA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2012



CITY OF WASILLA, ALASKA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

Year ended June 30, 2012

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:				
Taxes	\$ 11,613,500	11,613,500	12,029,178	415,678
Licenses and permits	35,100	35,100	32,695	(2,405)
Fines, forfeitures, and penalties	150,000	174,000	252,101	78,101
Intergovernmental	1,049,487	1,312,131	2,136,769	824,638
Charges for services	1,538,261	1,706,094	1,721,924	15,830
Investment income	269,500	269,500	66,097	(203,403)
Other	12,950	20,042	50,006	29,964
Total revenues	<u>14,668,798</u>	<u>15,130,367</u>	<u>16,288,770</u>	<u>1,158,403</u>
Expenditures:				
Current:				
General government	3,022,268	3,095,540	2,790,919	(304,621)
Public safety	6,190,508	6,506,936	6,161,011	(345,925)
Public works	2,195,174	2,262,169	2,167,129	(95,040)
Culture and recreation	867,498	1,810,583	1,834,867	24,284
Nondepartmental	81,000	81,000	64,567	(16,433)
Debt service:				
Principal	295,000	295,000	295,000	—
Interest	124,844	124,844	124,844	—
Total expenditures	<u>12,776,292</u>	<u>14,176,072</u>	<u>13,438,337</u>	<u>(737,735)</u>
Excess of revenues over expenditures	<u>1,892,506</u>	<u>954,295</u>	<u>2,850,433</u>	<u>1,896,138</u>
Other financing sources (uses):				
Proceeds from sale of assets	10,000	10,000	55,881	45,881
Transfers in	1,000	16,000	15,079	(921)
Transfers out	(1,881,905)	(1,199,005)	(1,199,005)	—
Net other financing sources (uses), net	<u>(1,870,905)</u>	<u>(1,173,005)</u>	<u>(1,128,045)</u>	<u>44,960</u>
Net change in fund balance	<u>\$ 21,601</u>	<u>(218,710)</u>	<u>1,722,388</u>	<u>1,941,098</u>
Beginning fund balance			<u>8,687,154</u>	
Ending fund balance			<u>\$ 10,409,542</u>	

See accompanying independent auditors' report.