

WORK SESSION AGENDA ITEM SUMMARY

City Council



STAFF

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SUBJECT FOR DISCUSSION

Community Capital Improvement Program ¼-cent Tax Renewal.

EXECUTIVE SUMMARY

The purpose of this item is to update the City Council and get feedback on the development of a package of projects for the capital tax renewal. This renewal is targeting the November 2025 election.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. What questions do Councilmembers have regarding current proposed projects and/or timeline?
2. Are there projects Councilmembers recommend removing or adding?
3. Do Councilmembers have additional thoughts/suggestions on naming the project package?

BACKGROUND / DISCUSSION

The current Community Capital Improvement Program (CCIP) tax will expire on December 31, 2025. Staff is currently working to create a package to offer voters as a renewal in November 2025 for a tax that would run from January 1, 2026, to December 31, 2035.

To date staff has:

- Demonstrated the traditional use of this tax being implemented at approximately 50% transportation-related projects and 50% identified capital projects.
- Shared lessons learned from previous tax measures.
- Confirmed the desire that package of projects serve a diversity of needs throughout the community and focus on projects identified and vetted by the public through planning processes.
- Compiled and vetted potential projects submitted by departments.

Timeline to date has included Council touch points at a February 2024 work session, March 2024 Council Finance Committee (CFC), April 2024 work session, July 2024 CFC, and October 2024 CFC. Proposed Council timeline going forward:

- January/February 2025 CFC (to be scheduled)

- April/May work session (to be scheduled)
- June/July work session (to be scheduled)
- July/August 2025 ballot referral (to be scheduled)

This schedule also anticipates public outreach and engagement starting in early 2025.

Potential Projects

The full proposed project list to date is attached. The list represents project costs far over what the quarter-cent tax would collect. Continued refinement of the list will include prioritization of projects through Council direction and public input, identifying scalable projects, and cost refinement, including the impacts of inflation over time.

Below are a few specific project notes and project refinements that are underway:

- **Mulberry Pool:** Following the July CFC meeting and the full Council discussion on the use of 2050 tax funds, staff reviewed proposed projects to ensure alignment. Based on these discussions, the Mulberry pool project remains in the 2026-35 capital sales tax list (\$10M) with an understanding that multiple funding sources will ultimately be needed.
- **Housing:** Staff has continued to vet the potential use of a \$10M Affordable Housing Fund as the seed money for an on-going revolving loan fund. The overarching goal would be to create sustainable affordable housing funding and provide an ability to go “narrow and deep” with funding as opposed to “wide and shallow.” There are still many details to be determined and based on work and conversations to date it seems feasible to:
 - Issue a sales tax revenue bond against the \$10M affordable housing fund dedication.
 - Bond proceeds of approximately \$7.5M would be available in year one to loan to an affordable housing developer(s) at a favorable below-the-market interest rate.
 - Developer would pay back loan creating money for future loans and projects.

Staff will prepare a more in-depth discussion on this topic for CFC in February 2025.

- **Downtown trolley Barn:** Further discussions with Operation Services, Culture Services, and the Museum of Discovery have narrowed and better defined the scope of the downtown trolley building improvements into two specific activities:
 1. Identify and complete necessary improvements to make the downtown trolley building “ready” and feasible for a yet to be determined use; and
 2. Find temporary storage for the Museum object artifacts to allow for downtown trolley barn improvements and the inventory and auditing of the objects.
- **Gardens on Spring Creek:** Expanding the projects at the Gardens on Spring Creek to include both the Children’s Garden and Event Infrastructure based on current challenges and limitations that impact visitor experience and potential revenue opportunities.
- **Downtown River Projects:** shifting project focus to access for neighbors to the north of the river and river health in the area north of the river and west of College Avenue.
- **Dog Parks:** Consideration of removing project based on desire for a different approach/philosophy addressing dogs in parks.

- The 3 proposed Streetscape projects (Willow and two on Jefferson) are being re-considered:
 - Continue with Willow only, furthering the redevelopment in the River District and to coincide with Utilities work; or
 - Remove all 3 projects and add additional dollars to the Arterial Improvements fund to allow greater flexibility in leveraging opportunities and greater geographic disbursement.
 - This option would benefit from additional clarity by adding “Streetscapes” to the fund title and ensuring any projects have been identified in plans.
 - An alternative streetscape project outside of the Downtown area would be Midtown Streetscape Improvements: Drake to Boardwalk

The following projects are no longer listed:

- Lincoln Center Kitchen Renovation
- Community Shared Commercial Kitchen
- LaPorte Avenue Re-design

The following project has been added

- Timberline Recycling Center Improvements

Naming

Having common nomenclature on tax measures can be beneficial during public outreach and throughout the term of the tax when describing funding sources. Previous programs have included:

Designing Tomorrow Today
 Project RECAP
 Choices 95
 Building Community Choice
 Building on Basics

And the current program: Community Capital Improvement Program (CCIP)

Considerations for the renewal are listed below. CFC feedback encouraged not using the words “tax” or “capital.” Staff will continue to create/consider options.

Capital by Design
 Community by Design
 Capital Improvement Tax
 Quarter Cent Capital

NEXT STEPS

- Continued project development and refinement.
- Council Work Sessions and Finance Committee Meetings

ATTACHMENTS

1. Project Descriptions
2. Council Finance Committee Draft Minutes, October 3, 2024 (Excerpt)
3. Presentation