

AGENDA ITEM SUMMARY

City Council



STAFF

Travis Storin, Chief Financial Officer
Ginny Sawyer, Senior Project and Policy Manager

SUBJECT

Items Relating to the Submission to the Voters of a Ballot Question Extending the Quarter-Cent Sales and Use Tax for the Street Maintenance Program.

EXECUTIVE SUMMARY

The purpose of this item is to set the ballot language and refer the Street Maintenance Program tax renewal to the November 5, 2024, election.

A. Possible Public Hearing and Motion(s) Regarding Protest(s) of Ballot Language.

B. Resolution 2024-093 Submitting to the Registered Electors of the City at the November 5, 2024, Regular City Election the Question of the Extension of the Expiring Quarter-Cent Sales and Use Tax Used to Fund the City's Street Maintenance Program.

Any protest of the proposed ballot language must be received no later than Monday, July 17, 2024, at noon. Protest(s) shall be heard, considered, and resolved by the Council prior to adoption of the related Ordinance. If protests are received, copies will be included in Council's "Read Before the Meeting" packet.

STAFF RECOMMENDATION

Staff recommends adoption of the Resolution.

BACKGROUND / DISCUSSION

The Street Maintenance Program (SMP) provides funding for the repair and renovation of the entire City street system. The Fort Collins community has supported dedicated funding of the SMP since 1989 when it was funded through Choices 95.

The current Street Maintenance Program tax will expire December 31, 2025. The Street Maintenance Program is funded at approximately \$21.0 million per year. This dedicated quarter-cent tax makes up approximately \$8.7 million per year of that total cost. The General Fund is also a significant contributor to these costs.

The Street Maintenance Program maximizes the community's investment in the street network by performing ongoing maintenance before much more costly repairs or replacement is necessary, extending the usable life of a street. The program includes repair of concrete curbs, gutters, and sidewalks;

construction of sidewalk access ramps; repair of deteriorating asphalt; and the reconstruction, overlay, or seal coat operations on existing streets. Street Maintenance funding also contributes to repair and replacement of bridges and traffic control infrastructure throughout the City.

Since 2015, lane miles in the City grew from 1,870 miles to more than 1,994 miles. Each year, approximately 94 lane miles of Fort Collins streets are improved which is in contrast to the 130 lane mile target to maintain a “good” rating system-wide. The City’s policy is to keep the street system at a Level of Service (LOS)-Grade B or better and the Street Maintenance Program is critical to meeting this goal. Fort Collins’ overall street network is the City’s largest capital asset, and maintaining and preserving this asset is a key responsibility of municipal government.

Having a dedicated funding source for the Street Maintenance Program through a ¼-cent sales tax ensures that streets are maintained while sharing the cost burden with non-City residents that use our street system.

CITY FINANCIAL IMPACTS

This is a proposed tax extension, not a new tax, and as such will not be an increase in current tax revenue. This is a sales and use tax collected on all taxable purchases, which does not include prescription drugs and food for home consumption. The extension results in the continued ¼-cent tax which is the equivalent of 25-cents on a \$100 taxable purchase. This measure is for a 20-year extension based on the critical and on-going need of street maintenance.

The recommended term of the tax renewal is January 1, 2026, through December 31, 2045. Current revenue projections over 20 years are approximately \$220.0 million in 2024 terms.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

Staff engaged with members of multiple City Boards and Commissions at a Super Issues Meeting. There was overall support for a 20-year extension on the tax.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Resolution for Consideration
2. Presentation