



## **AGENDA REPORT**

### **City Council Meeting**

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**TODAY'S DATE:** July 9, 2026

**MEETING DATE:** July 15, 2026

**TO:** Sandpoint City Council

**FROM:** Mayor Jeremy Grimm

**SUBJECT:** Community Survey Results and Discussion of Local Option Tax Ballot Direction  
**Consideration of a 1% Local Option Sales Tax Ballot Measure**

#### **PURPOSE:**

The purpose of this report is to present the results of the City's community survey regarding a potential Local Option Sales Tax (LOT), summarize the major themes that emerged from public feedback, discuss relevant policy considerations, and provide a recommendation for Council's consideration regarding a potential November ballot measure.

#### **DESCRIPTION/BACKGROUND:**

Earlier this year, the City Council discussed whether Sandpoint should again consider asking voters to authorize a Local Option Sales Tax (LOT) dedicated to community infrastructure improvements. During those discussions, several Councilmembers expressed a desire to better understand community priorities before determining whether a ballot measure should be pursued.

Rather than relying solely on testimony provided during City Council meetings, I was directed to conduct broader community outreach to capture feedback from a larger cross-section of residents and stakeholders. In response to that direction, the City developed and distributed an online community survey that remained open for more than one month.

The survey was designed not simply to ask whether respondents supported or opposed a Local Option Tax, but to better understand why they held those views and which public investments they believed should receive priority if additional funding were available. Participants were asked to evaluate transportation infrastructure, parks and recreation, public safety, housing initiatives, community connectivity, tax duration, accountability measures, and several alternative project concepts. Numerous opportunities were also provided for open-ended comments.

While the survey was not intended to be a statistically valid scientific poll, it generated substantial public participation and provides valuable insight into the priorities, concerns, and expectations of engaged community members. The complete survey results are attached as Exhibit A and incorporated into this report by reference.

#### **SUMMARY:**

Several clear themes emerged from the survey.

First, respondents consistently identified maintenance of existing public infrastructure as the City's highest priority. Streets, sidewalks, pavement condition, and pedestrian connectivity ranked significantly above most other categories.

Second, respondents expressed considerably more concern regarding **how** Local Option Tax revenues would be spent than whether the tax itself should exist. Questions involving accountability, project specificity, annual reporting, and preventing funds from being diverted consistently ranked among the most important considerations.

Third, while respondents expressed varying opinions regarding the preferred duration of a Local Option Tax, the survey indicates that voters place substantially greater value on clearly identified projects and fiscal accountability than on the length of the authorization itself.

Finally, Idaho law presents an important timing consideration. Sandpoint currently qualifies as a resort city eligible to seek voter approval of a Local Option Tax because the City's population remains below 10,000 according to the most recent federal census. Based on current growth trends, however, Sandpoint may exceed that population threshold following the 2030 Census, potentially eliminating the City's ability to establish a new Local Option Tax in the future. A voter-approved LOT adopted prior to that time, however, may remain in effect for the duration approved by the electorate. Accordingly, any discussion regarding the appropriate sunset period should consider not only public preference but also the possibility that this may represent one of Sandpoint's final opportunities to establish a Local Option Tax under current state law.

The survey had 255 responses on the opening question. The average openness to voting for a 1% LOT, if restricted to clearly defined public improvement projects, was **5.3 out of 10**. That indicates neither broad consensus nor automatic rejection. It suggests that the measure's success will depend heavily on project clarity, accountability, and ballot language.

Several findings are particularly important:

- **176 respondents** favored prioritizing ongoing maintenance and repairs, compared with only **35** who favored limiting repairs to major failures.
- Respondents rated the condition of streets and sidewalks poorly: **2.7 out of 10** for streets, **2.7** for sidewalks/pathways, **2.6** for sidewalk connectivity, and **2.9** for bicycle connectivity.
- The top transportation concern was potholes and pavement condition, selected **157 times**, followed by condition of streets at **112**, bicycle/pedestrian safety at **82**, and traffic congestion at **81**.
- On ballot framing, the most persuasive language was "general maintenance and rehabilitation of the street and sidewalk system," selected by **68 respondents**, followed by "expansive street repaving effort across a large swath of degraded roadways," selected by **45**.
- The leading concern was not business impact or the tax rate itself. The top ranked concerns were funds being redirected, government accountability, and unclear project priorities.
- On duration, the largest group, **93 respondents**, said duration mattered less than clear project priorities and accountability. Another **68** said they **would not** support a LOT measure. Among fixed durations, **5 years** received **34**, **10 years** received **25**, **20 years** received **10**, and **15 years** received **6**.

Based on the survey, it appears that the ballot measure should be limited, specific, and accountability driven.

### Timing Consideration

Idaho Code allows a qualifying resort city to seek voter approval for a local option non-property tax if the city has a population of **10,000 or fewer at the most recent census**. Sandpoint currently qualifies, but this eligibility may not exist after the 2030 Census if the City's population exceeds 10,000.

That timing issue should inform the term. A short-term measure may be more politically comfortable, but if Sandpoint exceeds 10,000 in 2030, the City may lose the ability to establish a new LOT after that point. However, a LOT adopted before then may remain in place for the term authorized by the voters.

For that reason, a **10-year term** may be the strongest policy balance. It is long enough to preserve the funding tool beyond the likely 2030 eligibility threshold, but short enough to remain a defined, sunset-based capital program. A 15- or 20-year term is not well supported by the survey.

### Survey Findings

The opening question asked how open respondents were to a 1% local option sales tax if the money were restricted to clearly defined public improvement projects. The average score was **5.3 out of 10**, with **255 responses**. This is a mixed but viable baseline. It does not support an expansive measure. It seems to support a carefully drafted measure.

The strongest evidence in the survey relates to basic infrastructure. Respondents rated existing systems poorly:

| Infrastructure Category                     | Average Rating |
|---------------------------------------------|----------------|
| Overall condition of streets and roadways   | 2.7            |
| Overall condition of sidewalks and pathways | 2.7            |
| Sidewalk network connectivity               | 2.6            |
| Bicycle network connectivity                | 2.9            |

The maintenance philosophy question was especially clear:

| Preferred Approach                         | Responses |
|--------------------------------------------|-----------|
| Prioritize ongoing maintenance and repairs | 176       |
| Limit repairs to major failures            | 35        |
| Unsure                                     | 24        |

This is one of the strongest findings in the survey. It indicates that the public understands the cost of deferred maintenance and prefers preserving existing infrastructure before it fails.

The transportation-priority question reinforced the same theme:

| Transportation Concern          | Responses |
|---------------------------------|-----------|
| Potholes and pavement condition | 157       |
| Condition of streets            | 112       |
| Bicycle and pedestrian safety   | 82        |
| Traffic congestion              | 81        |
| Sidewalk gaps                   | 64        |

| Transportation Concern | Responses |
|------------------------|-----------|
|------------------------|-----------|

|              |    |
|--------------|----|
| Snow removal | 64 |
|--------------|----|

|                   |    |
|-------------------|----|
| Flooding/drainage | 35 |
|-------------------|----|

This seems to strongly support a ballot measure focused on pavement, street rehabilitation, sidewalks, pedestrian safety, and related drainage.

### Ballot Framing

Respondents were asked which street/sidewalk ballot language would be most persuasive. The strongest response was not a highly technical reconstruction phrase. It was broader but still infrastructure-specific:

| Ballot Language Concept | Responses |
|-------------------------|-----------|
|-------------------------|-----------|

|                                                                      |    |
|----------------------------------------------------------------------|----|
| General maintenance and rehabilitation of street and sidewalk system | 68 |
|----------------------------------------------------------------------|----|

|                        |    |
|------------------------|----|
| None would persuade me | 65 |
|------------------------|----|

|                                                           |    |
|-----------------------------------------------------------|----|
| Expansive street repaving effort across degraded roadways | 45 |
|-----------------------------------------------------------|----|

|                                                                        |    |
|------------------------------------------------------------------------|----|
| Safe bicycle routes connecting neighborhoods, parks, schools, downtown | 24 |
|------------------------------------------------------------------------|----|

|                                                      |    |
|------------------------------------------------------|----|
| Specific sidewalk corridors and pedestrian crossings | 14 |
|------------------------------------------------------|----|

|                                             |   |
|---------------------------------------------|---|
| Specific street right-of-way reconstruction | 9 |
|---------------------------------------------|---|

|                                                       |   |
|-------------------------------------------------------|---|
| Downtown pedestrian, bicycle, and access improvements | 6 |
|-------------------------------------------------------|---|

This suggests the ballot should not be overly narrow to one or two named projects, but it also should not be vague. The best approach may be to identify project categories and require an adopted public project list, annual accounting, and clear restrictions.

### Additional Uses Beyond Streets

The survey shows some support for trails, pathways, passive recreation, and waterfront access, but less support for broad parks or housing programs.

When asked to rank additional investment areas, the highest-ranked option was trails, pathways, and passive recreation in existing and new park spaces. Public safety ranked second. Public access and recreation improvements between First Avenue and Sand Creek ranked third. Sustainability, workforce housing, and major park capital improvements ranked lower.

The affordable housing concept performed especially poorly. A proposed use of LOT revenue for staffing and developer subsidies for an affordable housing program scored only **1.5 out of 10** in persuasiveness, with **228 responses**. Based on this result, workforce housing probably should not be included in the LOT ballot language.

For park-focused options, “none of these” received **87 responses**, while downtown waterfront/Sand Creek improvements received **61**, City Beach improvements received **47**, and Travers/Centennial/Great Northern sports field upgrades received **21**. This argues for caution. Waterfront and public access improvements may be included, but only as a limited secondary category and not as the central purpose of the tax.

## Duration Analysis

The survey asked what duration respondents would be most comfortable supporting:

| Duration Option                                                    | Responses |
|--------------------------------------------------------------------|-----------|
| Duration matters less than clear project priorities/accountability | 93        |
| Would not support a LOT                                            | 68        |
| 5 years                                                            | 34        |
| 10 years                                                           | 25        |
| 20 years                                                           | 10        |
| 15 years                                                           | 6         |

The data does not point to overwhelming support for any fixed duration. The strongest message is that **clarity and accountability matter more than term length**.

A 5-year measure may appear more attractive politically, but it may fail to preserve Sandpoint's LOT opportunity beyond the 2030 Census. A 10-year term better fits the statutory timing issue while remaining within a reasonable voter-authorized sunset. A 15- or 20-year measure is harder to justify because the survey shows little direct support for those terms.

## Accountability and Trust

The survey repeatedly shows that public trust is the central obstacle. The top concern was that funds may be redirected. Government accountability ranked second. Unclear project priorities ranked third.

Open-ended comments repeatedly asked:

- "Where is the plan?"
- "How will you show transparency?"
- "Can you guarantee funds will not be redirected?"
- "Will the public have access to a report?"
- "How will streets be scored and prioritized?"
- "How much will be raised per year?"
- "What projects will be done?"

These comments support strong ballot and ordinance safeguards. The measure should include:

1. A dedicated LOT fund.
2. Annual public reporting.
3. A published project list.
4. Clear eligible and ineligible uses.
5. A prohibition on general government operations.

6. A prohibition on unrelated staffing.
7. Annual Council review in a public meeting.
8. A defined sunset date.

### **Discussion Ballot Direction**

The survey supports a measure centered on:

- street pavement maintenance;
- street rehabilitation and reconstruction;
- pothole repair and pavement preservation;
- sidewalk repair and gap completion;
- ADA and pedestrian crossing improvements;
- bicycle/pathway connectivity were tied to transportation safety;
- drainage and stormwater improvements related to streets;
- limited public waterfront, trail, and access improvements.

The survey does not appear to support including workforce housing subsidies, general sustainability programs, broad parks programming, or general government operations.

### **Potential Ballot Language for Attorney Review**

Shall the City of Sandpoint adopt a one percent (1%) local option non-property sales tax for a period of ten (10) years, beginning January 1, 2027, and ending December 31, 2036, with all revenues restricted to public infrastructure and access improvements within the City of Sandpoint, including street pavement maintenance, street rehabilitation and reconstruction, pothole repair, stormwater and drainage improvements related to streets, sidewalk repair and construction, ADA and pedestrian crossing improvements, bicycle and pathway connectivity, and limited public waterfront, trail, and open-space access improvements; provided that revenues shall not be used for general government operations, unrelated staffing, or purposes not identified in the voter-approved ordinance, and that the City shall publish an annual accounting of revenues collected, projects funded, expenditures made, and project status?

### **Timing on a Decision**

If the City Council determines that they are favorable to placing the LOT measure on the November 2026 ballot, you will need to approve the specific language in August.

### **ATTACHMENTS:**

Sandpoint 2026 Community Survey Priorities for a local option sales tax