



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Department Source: Finance

To: City Council

From: City Manager & Staff

Council Meeting Date: May 20, 2024

Re: Supplemental Memo - Renewal of the City of Columbia's one-fourth of one percent capital improvement sales tax.

Executive Summary

Staff has prepared for Council's consideration an ordinance authorizing a special election on the proposition to renew the City of Columbia's one-fourth of one percent ($\frac{1}{4}$) capital improvement sales tax to fund various street, sidewalk, building improvements, and large capital equipment purchases over the next 10 years. Staff is including a list of projects to be considered for the extended funding.

Discussion

In November of 2005 Columbia voters passed a ballot measure extending the one-fourth of one percent ($\frac{1}{4}$) capital improvement sales tax for a period of three (3) years to fund capital projects for the Fire Department, the Police Department, as well as replacing the emergency storm warning sirens. The voters have passed a measure to extend this tax twice, for a period of seven (7) years and then an additional ten (10) years, for the purpose of funding capital improvements, replacement of fire apparatus, and other capital projects throughout the City. The current extension of the capital improvement sales tax for the above mentioned initiatives is set to expire on December 31, 2025.

In order for the City to continue funding major capital improvements to the streets, sidewalks, buildings, replacing fire apparatus and other equipment, staff requests the City Council consider placing a renewal of the one-fourth of one percent ($\frac{1}{4}$) capital improvement sales tax on the August 2024 ballot. The renewal of the one-fourth of one percent ($\frac{1}{4}$) capital improvement sales and use tax is anticipated to generate approximately \$88.1 million over the next 10 years. The sales tax revenue in conjunction with development fees, \$10 million estimate, and the County Road Tax, \$27.7 million estimate, will ultimately fund the \$125.8 million project list.

To place the proposal on the August 2024 ballot, an ordinance authorizing such action must be passed by Council no later than the May 20, 2024 Council meeting.

Fiscal Impact

Short-Term Impact: Election cost to include the proposition on the ballot. The Capital Improvement Sales Tax is anticipated to provide \$16,000,000 in revenue for fiscal years 2026 and 2027.

Long-Term Impact: The Capital Improvement Sales Tax is anticipated to provide \$67,000,000 in revenue for fiscal years 2028 through 2035.



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Strategic & Comprehensive Plan Impact

Strategic Plan Impacts:

Primary Impact: Primary, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Comprehensive Plan Impacts:

Primary Impact: Primary, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Legislative History

Date	Action
08/15/2005	B93-05A Requesting a special election to consider multiple propositions to extend the parks sales tax, public safety sales tax and capital improvement sales tax and for an additional sales tax for streets and sidewalk and an increase in the development charge
05/04/2015	B113-15 Renewal of the City of Columbia's one-fourth of one percent capital improvement sales tax.

Suggested Council Action

Adoption of the proposed legislation to place this referendum on the August 2024 ballot.