

STAFF REPORT

DATE: February 6, 2018

TO: City Council

FROM: Kelly Stachowicz, Assistant City Manager
Kelly Fletcher, Finance Administrator
Bob Clarke, Public Works Director

SUBJECT: Introduction of Ordinances for a Park Maintenance Special Tax and a Streets and Bike Path Maintenance Special Tax for Inclusion on the June 5, 2018 Ballot

Recommendation

1. Introduce the first reading of an ordinance (Attachment 1) to renew the Park Maintenance Special Tax to fund maintenance of park, open space, swimming pools public facilities, landscaping and public lighting at the existing rates of \$49 per residential unit with a 2% annual inflator, and an expiration date of no later than June 30, 2038, subject to voter approval at the June 5, 2018 election.
2. Introduce the first reading of an ordinance (Attachment 2) for a Streets and Bike Path Maintenance Special Tax to fund the maintenance of streets, bike paths and lanes, sidewalks and related transportation infrastructure at a rate of \$99 per residential unit, with a 2% annual inflator, and an expiration date of no later than June 30, 2028, subject to voter approval at the June 5, 2018 election.
3. Approve Resolution (Attachment 3) Ordering the Submission to the Voters of Tax Measures Relating to Park Maintenance and Street and Bike Path Maintenance at the General Municipal Election to be Held on Tuesday June 5, 2018.
4. Appoint Council Subcommittee(s) or individual Council member to draft Argument(s) in Favor and Rebuttal(s) to Argument(s) Against Measure(s)

Fiscal Impact

Funding from the Park Maintenance Tax currently accounts for \$1.4 million, or approximately 18% of the \$7.73 million allocated annually in support of Park Maintenance activities. This tax is scheduled to sunset on June 30, 2018. Renewal of the tax would provide funding for existing park maintenance service levels. Conversely, the loss of this revenue source would require adoption of off-setting expenditures, resulting in reduced maintenance of park facilities, potentially offset by selected reductions in other areas of the City's General Fund budget.

The City also commissioned a study by Nichols Consulting Engineers (NCE) to determine the condition of the city's roads, bike lanes and bike paths. The study noted that a pavement condition index rating of over 70 was considered "Good" but that the city's average pavement condition index for roads was at a level 63 and for bike paths a 51. They recommended funding

at additional levels to repair, maintain and protect the city's transportation infrastructure asset. The Streets and Bike Path Maintenance Special Tax, if approved, would generate approximately \$2.8 million in the first year, with a 2% annual inflator, to provide funding to supplement \$3 million of existing General Fund dollars currently provided in the Capital Improvement Project for Transportation Infrastructure Rehabilitation. The tax would require the City to continue to provide a minimum of \$3 million in contributions in addition to the revenue generated through the tax, in order to levy the full amount of the tax and meet a maintenance of effort requirement.

Based on the Leland long-term forecast the two parcel taxes generate an annual average of \$4.6M in new revenue over time, which closes 55% of the average annual \$8.3M gap that results over the 21-year period. (For purposes of the long-term forecasting model, the period covers 21 years.)

Council Goals

This item is in support of Goal 1 - Ensure Fiscal Resilience City of Davis – Goals, Objectives & Tasks; Objective 1 – Revenue: Ensure fair City tax rates and fees while investigating new and sustainable sources of revenue to strengthen the economic base and to provide the services desired by the community; Task A. Queue up park maintenance tax discussion with enough time to consider all options prior to the expiration of the tax in June of 2018.

This item is also in support of Goal 6 – Fund, maintain and improve infrastructure.

Background and Analysis

In order for a measure or measures to appear on the June 2018 ballot, the City Council must take final action no later than its meeting of February 6, 2018. At the most recent Council meeting, the City Council directed staff to bring back two separate ordinances, one for a renewal of the \$49 park maintenance tax, with a 2% annual inflator and a 20-year sunset. The second ordinance is for a \$99 streets and bike paths maintenance tax, with a 2% annual inflator, a 10-year sunset and a maintenance of effort requirement. Both taxes, if passed, will have oversight via annual public commission review and recommendations to the City Council.

Park Maintenance Special Tax. The current Park Maintenance Special Tax, which generates \$1.4 million per year in support of park maintenance activities, is scheduled to sunset on June 30, 2018. The tax currently generates \$1.4 million for park maintenance efforts throughout the city. The tax has been set at the same level since 1998 and has not kept pace with inflation or the increased park and greenbelt acreage citywide.

The City commissioned a study by Kitchell to look at long-term needs in the parks and greenbelts. Although the City currently budgets \$7.7 million for parks maintenance citywide, the report identified almost \$1 million in additional costs annually over the next 10-year period. After multiple discussions at the City Council level during 2017 and January of 2018, the City Council, at its January 23, 2018 meeting, directed staff to prepare an ordinance to place a renewal of the Park Maintenance Special Tax before the voters at the election of June 5, 2018, with a 2% annual inflator and a 20-year sunset period. The ordinance drafted includes the same rate of \$49 per residential unit and the same formulas as in the existing tax for the non-residential properties. The 2% inflator should allow the tax to keep up with inflationary increases over the life of the tax so that current buying power is not lost; the cost of the tax in

20 years would be approximately \$71 per residential unit. The tax should allow the City to maintain current levels of service in existing parks and greenbelts.

Streets and Bike Path Maintenance Special Tax. In 2016, concerned about the state of the city's transportation infrastructure and the fluctuating funding levels from the federal and state governments for transportation programs and projects, the City Council commissioned a study by NCE on pavement quality and other transportation system issues. NCE reported that, at that time, levels of funding were not adequate to keep up with infrastructure needs. The City currently allocates \$3 million in direct General Fund to fund pavement repair and rehabilitation. In addition, this year's budget includes \$130,000 from construction tax and \$800,000 of developer impact fees to be used on eligible transportation projects. However, the continuing unfunded amount for pavement and pathways is approximately \$3.5 million, plus an estimated \$4.5 million for related transportation infrastructure needs such as striping, traffic signals, and sidewalks/curbs/gutters.

The funding gap is exacerbated by the uncertain and fluctuating nature of funding that has historically flowed to the city from the federal and state levels. While public transportation funding has incremented upward each year, the city is merely the pass-thru entity for Unitrans and YoloBus. The TDA (Transportation Development Act) non-transit dollars have decreased from \$2M in 13-14 to approximately \$1,200 in the current budget. Outside competitive grants vary year to year, although the City is becoming more aggressive in preparing and applying for grant opportunities. Finally, the SB1 dollars, which have started this fiscal year, will assist in addressing transportation needs but will not close the gap.

The proposed Street and Bike Path Maintenance Special Tax would place a \$99 per-unit tax on residential properties and other amounts as specified in the Ordinance. It has an annual 2% inflator and a 10-year sunset provision. In addition, the Ordinance includes a maintenance of effort requirement, so that new funding generated through the tax supplements, rather than supplants, current efforts. The proposed wording sets the \$3 million of current FY 17/18 General Fund contribution in the Transportation Infrastructure Rehabilitation Capital Improvement Project 8250 as the baseline and requires that, at minimum, this amount of General Fund be included in the budget each year. If, because of a recession or other budget crisis, this amount is not included, then the tax levied for that year would not exceed the total General Fund contribution amount. Specifically, the proposed wording in the Ordinance is:

- The revenues collected from this tax shall be used only to supplement existing expenditures for street and bike path maintenance improvements and shall not be used to supplant existing funding for street and bike path maintenance improvements. The baseline maintenance of effort budget for this purpose shall be the Fiscal Year 2017-2018 Adopted General Fund for Transportation Infrastructure Rehabilitation (CIP 8250), which budgeted \$3 million. If the maintenance of effort requirement is not met, the tax levied for that year shall not exceed the total General Fund contribution.

More information on the NCE report and pavement management can be found here: <http://cityofdavis.org/city-hall/public-works/transportation/pavement-management>

Funding Gaps. The charts in Attachment 4 show how both special taxes, if passed in the proposed forms, would help to narrow the overall funding gaps identified by the City for parks and for the transportation infrastructure. Staff understand the Council’s intent to allow the taxes to offset roughly half of the unfunded liability and continue to work to address the remainder via outside funding such as grants, economic development efforts, and additional cost savings measures.

For the proposed Streets and Bike Path Maintenance Special Tax, the charts reflect 45% of the funding for street resurfacing, 25% for bike paths and 30% allocated to traffic maintenance. These allocations are for illustration purposes only and can be adjusted by City Council at any point during the life of the tax, through the annual budget process. Adding this tax and continuing to fund transportation infrastructure from existing funding sources is projected to fund 82% of the identified infrastructure maintenance needs related to streets, 81% of bike paths, and 61% of traffic maintenance needs.

Resolution. In addition to the individual ordinances, Council must also adopt a Resolution ordering the measure(s) and stating the ballot measure language. The attached Resolution includes both measures, with the following proposed wording for each. Measures are required to adhere to a certain format, include the amount expected to be generated and have no more than 75 words each.

PARK MAINTENANCE TAX MEASURE “(letter to be assigned)”

Shall Ordinance XXXX, which extends for 20 years the existing Park Maintenance Tax of \$49 per year on residential units and on non-residential units in amounts specified in the Ordinance, adds an annual 2% inflator, and is expected to generate \$1.4 million in the first year to fund maintenance of parks, street trees, greenbelts, bike paths, medians, public landscaping, urban wildlife and habitat, swimming pools, and recreational facilities, be adopted?	YES	
	NO	

STREET AND BIKE PATH MAINTENANCE TAX MEASURE “(letter to be assigned)”

Shall Ordinance XXXX be adopted to add Article 15.21 to the Davis Municipal Code to establish a Street and Bike Path Maintenance Tax of \$99 per year on residential units and on non-residential units in amounts specified in the Ordinance, to fund maintenance of streets, bike lanes and paths, sidewalks, and related transportation infrastructure, which is estimated to raise \$2.8 million, with a 2% annual inflator, for a period of 10 years?	YES	
	NO	

Council Subcommittees. If the City Council places a measure on the ballot, state law provides that the Council as a body has the first option to write the Argument in Favor and the Rebuttal to the Argument Against the measure or measures. If Council votes to place a Park Maintenance Tax and a Street and Bike Path Maintenance Tax on the ballot, the Council needs

to decide whether to appoint a subcommittee for each measure or authorize an individual council member to write the arguments on behalf of the Council. Staff may not participate in any election activities, other than providing facts and information to the public.

Attachments

1. Park Maintenance Special Tax Ordinance
2. Street and Bike Path Maintenance Special Tax Ordinance
3. Resolution Ordering the Submission to the Voters of Tax Measures Relating to Park Maintenance and Street and Bike Path Maintenance at the General Municipal Election to be Held on Tuesday June 5, 2018.
4. Financial Charts and Background Information
5. Revenue Measure Staff Reports from previous City Council meetings:
 - a. January 23, 2018
<http://documents.cityofdavis.org/Media/Default/Documents/PDF/CityCouncil/CouncilMeetings/Agendas/20180123/08-Revenue-Discussion.pdf>
 - b. January 9, 2018
<http://documents.cityofdavis.org/Media/Default/Documents/PDF/CityCouncil/CouncilMeetings/Agendas/20180109/06-Revenue-Measures.pdf>
 - c. December 19, 2017
<http://documents.cityofdavis.org/Media/Default/Documents/PDF/CityCouncil/CouncilMeetings/Agendas/20171219/07-Revenue-Discussion.pdf>
 - d. October 17, 2017
<http://documents.cityofdavis.org/Media/Default/Documents/PDF/CityCouncil/CouncilMeetings/Agendas/20171017/06-Revenue-Measures-Update.pdf>
 - e. July 11, 2017
<http://documents.cityofdavis.org/Media/Default/Documents/PDF/CityCouncil/CouncilMeetings/Agendas/20170711/09-Revenue-Options.pdf>

ORDINANCE NO. -----

ORDINANCE OF THE CITY OF DAVIS AMENDING ARTICLE 15.14 OF CHAPTER 15 OF THE DAVIS MUNICIPAL CODE AMENDING AND EXTENDING A PARK MAINTENANCE TAX TO FUND MAINTENANCE OF PARKS, STREET TREES, GREENBELTS, BIKE PATHS, MEDIANS, PUBLIC LANDSCAPING, URBAN WILDLIFE AND HABITAT, SWIMMING POOLS, AND RECREATIONAL FACILITIES TO ADD A TWO PERCENT INFLATOR TO THE MAXIMUM TAX RATE BEGINNING JULY 1, 2019 AND TO EXTEND THE TERM OF THE TAX TO 2038 SUBJECT TO THE APPROVAL OF THE VOTERS

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DAVIS, as follows:

Section 1. Article 15.14 of Chapter 15 of the Davis City Code is hereby amended to read as follows:

ARTICLE 15.14. PARK MAINTENANCE TAX

15.14.010. Findings.

The Park Maintenance Tax currently provides funding to supplement the General Fund for the maintenance of community parks, greenbelts, open space, street lighting, swimming pools, and related public facilities. The Park Maintenance Tax, which was approved by the voters in 1998, 2002, 2006 and again in 2012 will expire in June of 2018. The further extension of this special tax, if approved by an affirmative vote of two-thirds of Davis voters, will continue the Park Maintenance Tax for an additional twenty (20) years to provide funding for the maintenance of these facilities and amenities.

Our parks and greenbelts reflect the very character of Davis and are instrumental in making Davis the type of community that its citizens appreciate and support. The City Council strongly believes that it is in the public interest to continue funding maintenance of the parks, greenbelts, open space, street lighting, swimming pools, and public facilities. The special tax extended and levied herein, if approved by a two-thirds vote of the voters, will continue the existing Park Maintenance Tax for the next twenty years thereby providing a stable revenue source that will continue to pay for a portion of the cost of park maintenance and also adding an annual two percent adjustment to the amount of the tax to assist in accounting for annual inflation.. This tax, if approved, will also provide for revenue which may be used to maintain and operate property owned by the Davis Joint Unified School District or other public agencies so long as the property is available, on a joint use basis, for use by the residents of the City for park, open space, and recreational uses.

15.14.020. Legal Authority.

This special tax is levied under each of the following legal authorities: Government Code section 37100.5, which authorizes general law cities to levy any tax that may be levied by charter cities, subject to voter approval; and Government Code section 50075 through section 50077, which authorizes cities to impose special taxes. This tax is a special tax authorized under Article

13A, section 4 of the California Constitution and Proposition 218. This tax is an excise tax and is based, to the extent practicable, upon the use to which a property is put and the benefit that the use of property receives from the public facilities supported by this tax. This tax is based, among other things, on the benefit that different land uses of property receive from the availability of properly maintained parks, open space, greenbelts, medians, public facilities, and public lighting. This tax is not a property tax; it is not based on the status of ownership of property; nor is it based on the value of property.

15.14.030. Definitions.

The following terms shall have the following definitions when used in this article:

"Assessor's parcel" or "parcel" means a lot or parcel shown in an assessor's parcel map with an assigned assessor's parcel number.

"Assessor's parcel map" means an official map of the county assessor of the county of Yolo designating parcels by assessor's parcel number.

"City" means the city of Davis as its jurisdictional boundaries exist on July 1st of each year that this tax is in effect.

"Commercial property" means all parcels that are used for nonresidential land uses that do not classify the parcel as industrial property or day care property, as defined below.

"Common area" means a separate legal or assessor's parcel owned by a common interest development association or as tenants in common by the owners of separate interests in a common interest development provided that the common area: (1) in the case of residential property, cannot be used as an independent residential dwelling unit; or (2) in the case of commercial or industrial property is not improved building space.

"Day care property" means all property that is used as a commercially operated day care center and is not used as a residence.

"Developed property" means, in any fiscal year, all parcels of taxable property with a structure that has been cleared for occupancy before March 1st of the prior fiscal year. For purposes of levying the special tax, each parcel of developed property shall be assigned to one of the land use classes identified in Table 1 below.

"Fiscal year" means the period starting on July 1 and ending the following June 30th.

"Group living property" means all parcels of developed property that have been issued conditional use permits from the city's planning division for a group living use.

"Improved building space" means the greater of (i) gross building area as shown on building permits issued for any property, or (ii) gross building area as measured or determined by an engineer retained by the city.

"Industrial property" shall generally include but not be limited to, all parcels of developed property with a building or structure that is used for assembling, disassembling, fabricating, finishing, manufacturing, packaging, repair or processing operations, as classified by the city's planning division.

"Land use class" means any one of the six classes listed in Table 1 below.

"Maximum special tax" means the maximum special tax, determined in accordance with Section 15.14.050, that can be levied by the City Council in any fiscal year.

"Multifamily residential property" means all parcels of developed property with a residential structure or structures consisting of five or more residential units on a single parcel.

"Public improvements" means those facilities, improvements, and amenities that will be constructed, installed, operated, serviced, maintained, and repaired from proceeds of the special tax and shall include, but not be limited to, the following: public lighting, landscaping, parks, public areas, recreational facilities, open space, and bike trails.

"Public property" means property owned by a public agency, public rights-of-way, unoccupied public utility property and property encumbered with a public or utility easement that makes impractical utilization of the property for other than the public or utility purpose set forth in the easement.

"Single-family residential property" means all parcels of developed property with a residential structure or structures consisting of less than five residential units on a single parcel.

"Special tax" means that tax levied pursuant to application of the special tax formula set forth below to pay for the construction, installation, operation, servicing, maintenance, and repair of the public improvements.

"Taxable property" means all assessor's parcels within the city as the boundaries of the city exist on July 1st of each year which are not exempt from the special tax pursuant to law or section 15.14.090 below.

"Vacant land" means all parcels of taxable property that have either no structures or a structure or structures that have not been cleared for occupancy.

15.14.040. Park Maintenance Tax.

a. If approved by the voters, commencing July 1, 2018 for fiscal year 2018-2019, the city shall continue collecting funding for parks, open space, public lighting and related public facilities in the form of a special park tax in the manner and at the rates set forth herein.

1. Developed Property. The maximum special tax for all parcels of developed property shall be determined by reference to Table 1 below:

Land Use Class	Description	Maximum Special Tax
1	Single-family residential	\$49.00 per unit
2	Multifamily residential	\$49.00 per unit
3	Group living	\$20.00 per resident
4	Commercial	\$40.00 per 1,000 square feet of Improved Building Space up to a maximum of 10,000 square feet
5	Industrial	\$12.80 per employee up to a maximum of 30 employees
6	Day care	\$14.30 per 1,000 square feet of Improved Building Space up to a maximum of 10,000 square feet

2. Vacant Land. The maximum special tax rate for vacant land shall be forty-nine dollars per assessor's parcel.

b. Method of Apportionment of the Special Tax.

1. For fiscal year 2018-2019, the City shall levy the special tax at the maximum tax rates set forth above. For fiscal years 2019-2020 and each fiscal year thereafter, the maximum tax rate shall be increased at the beginning of each fiscal year by two percent (2%). For each fiscal year beginning with the 2019-20 fiscal year, the City Council shall set the actual tax rate for the applicable fiscal year, not to exceed the maximum tax rates set forth above as adjusted as set forth in this section and in section 15.14.060, and the special tax shall be levied at the amount set by the City Council.

2. The special tax shall be levied on each parcel of land in the amount determined by reference to this Section 15.14.040:

A. On each parcel of taxable property in Land Use Classes 1 through 6, inclusive.

B. If there is more than one land use class on a parcel, the special tax shall be determined by separately applying the appropriate special tax for each land use class on the parcel and levying the sum total of the combined special taxes.

15.14.050. Collection.

The park maintenance tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes and shall be subject to the same penalties for non-payment. If necessary to meet financial obligations or if it becomes more cost-efficient as determined by the City Council, the City may collect the park maintenance tax in the same manner and at the same time as City taxes, fees and/or charges provided that the total annual tax imposed shall not exceed the maximum amounts set forth in this article.

15.14.060. Annual Adjustment of Tax Rate

The maximum allowable tax rate shall be increased annually beginning July 1, 2019, by two percent (2%) per year unless modified or changed by a further vote of the electorate of the City. There shall be no other cost of living or COLA permitted.

15.14.070. Limitation on Disposition of Revenue.

Revenues collected under the provisions of this article shall be deposited in a special fund called the park maintenance special tax fund and shall be used only for the operation and maintenance of landscaping, park, open space, median, greenbelt, swimming pools, recreational and public facility and public lighting improvements, within the City and for the incidental expenses incurred in the administration of this tax, including, but not limited to the cost of elections, and the cost of collection. Revenues may be used to operate and maintain property owned by the Davis Joint Unified School District or other public agencies so long as the property so maintained is available for use by the residents of the City for the purposes set forth herein.

15.14.080. Exemptions.

- a. Public Property. No special tax shall be levied against public property.
- b. Low Income Exemption. To avoid undue hardship, the City Council shall continue the existing low-income refund program subject to such terms and conditions as the City Council may, from time to time, determine.
- c. Common Areas. No special tax shall be levied against common areas.

15.14.090. Effective Date; Renewal Provision.

- a. This article shall take effect immediately upon its approval by a two-thirds vote of the voters voting in the election called to approve the ordinance.
- b. If an extension or re-authorization of this article is approved by the voters of the City at an election called for that purpose by or on June 30, 2038, this article shall be extended or re-authorized. If this article is not so extended or re-authorized by the voters, this article shall no longer be in effect.

15.14.100. Appeals.

The imposition of this tax and/or amount of the tax imposed based on the use of property may be appealed to the City Council under such procedures as the council shall, by ordinance, adopt. The City Council may modify the appeals process from time to time in order to facilitate the hearing and resolution of appeals.

15.14.105 Annual Review of Expenditures by City Advisory Commission(s).

To promote the efficient and effective use of the special tax revenues, the City Council shall designate a commission or commissions to review the expenditures of funds collected through this special tax and the proposed expenditures for the next fiscal year. Each designated commission shall make recommendations to the City Council to be used during the City's budgeting process and to assist City staff and the City Council in proposing and approving the

projects that will be funded, in whole or in part, through this special tax. The Council may, from time to time, modify the commission(s) that will perform this annual review and the Council may also request other city committees or commissions to also review the prior or planned expenditures of revenues from this special tax.

15.14.110. Severability.

If any sentence, clause, article, section, subsection, phrase or portion of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portion of this ordinance. The voters of the City hereby declare that they would have adopted the remainder of this Ordinance, including each sentence, clause, article, section, subsection, phrase or portion of this Ordinance, irrespective of the invalidity of any other sentence clause, article, section, subsection, phrase or portion of this ordinance.

INTRODUCED on the 6th day of February, 2018 and PASSED AND ADOPTED by the City Council of the City of Davis on the —— day of February, 2018 by the following vote:

AYES:

NOES:

ATTEST:

Robb Davis
Mayor

Zoe S. Mirabile, CMC
City Clerk

ORDINANCE NO. -----

ORDINANCE OF THE CITY OF DAVIS ADDING ARTICLE 15.21 OF CHAPTER 15 OF THE DAVIS MUNICIPAL CODE TO ESTABLISH A STREET AND BIKE PATH MAINTENANCE SPECIAL TAX TO FUND MAINTENANCE OF STREETS, SIDEWALKS, BIKE LANES AND BIKE PATHS, FOR TEN YEARS SUBJECT TO THE APPROVAL OF THE VOTERS

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DAVIS, as follows:

Section 1. Article 15.21 of Chapter 15 of the Davis City Code is hereby added to read as follows:

ARTICLE 15.21. STREET AND BIKE PATH MAINTENANCE TAX

15.21.010. Findings.

The Street and Bike Path Maintenance Tax is intended to provide funding to supplement the General Fund for the maintenance of streets, bike lanes and bike paths, and sidewalks, curbs and gutters and related street, sidewalk and bike path repair and maintenance. This special tax, if approved by an affirmative vote of two-thirds of Davis voters, will be in effect for a period ten (10) years to provide funding for the maintenance of these facilities.

The City Council strongly believes that it is in the public interest to increase the available amount of funding for the repair and maintenance of the City's street, sidewalk and bike path infrastructure to provide for the safe movement of the community on our transportation infrastructure and to protect the community's transportation-related assets. To that end, the City engaged Nichols Consulting Engineers, Inc. to perform an analysis of the state of repair of the City's 160 miles of roads and 52 miles of bike paths and make recommendations on repairs and costs. As set forth in that report dated April 2016, the average pavement condition index was 63 for the City's street network and 51 for bike paths, while 70-100 is considered to be in "good" condition. In addition, outside funding from state and federal levels has fluctuated in recent years, making it difficult to plan and execute street and bike path maintenance on a regular basis.

The special tax levied herein, if approved by a two-thirds vote of the voters, will provide the added revenue, which in addition to current funding allocations, is expected to fund over 70% of the total identified infrastructure maintenance needs and will, through this maintenance protect the City's and the residents' \$238 million transportation infrastructure asset. The City will continue to fund street, sidewalk and bike path repairs through other funds and this tax provides for a "maintenance of effort" by the City which would continue the general funding for streets, sidewalks and bike paths and help assure that this tax provides added revenue to this purpose. This tax is proposed to continue for ten years thereby providing a stable revenue and also provides an annual two percent adjustment to the amount of the tax to assist in accounting for annual inflation.

15.21.020. Legal Authority.

This special tax is levied under each of the following legal authorities: Government Code section 37100.5, which authorizes general law cities to levy any tax that may be levied by charter cities, subject to voter approval; and Government Code section 50075 through section 50077, which authorizes cities to impose special taxes. This tax is a special tax authorized under Article 13A, section 4 of the California Constitution and Proposition 218. This tax is an excise tax and is based, to the extent practicable, upon the use to which a property is put and the benefit that the use of property receives from the public facilities supported by this tax. This tax is based, among other things, on the benefit that different land uses of property receive from the availability of properly maintained streets, sidewalks and bike paths. This tax is not a property tax; it is not based on the status of ownership of property; nor is it based on the value of property.

15.21.030. Definitions.

The following terms shall have the following definitions when used in this article:

"Assessor's parcel" or "parcel" means a lot or parcel shown in an assessor's parcel map with an assigned assessor's parcel number.

"Assessor's parcel map" means an official map of the county assessor of the county of Yolo designating parcels by assessor's parcel number.

"City" means the city of Davis as its jurisdictional boundaries exist on July 1st of each year that this tax is in effect.

"Commercial property" means all parcels that are used for nonresidential land uses that do not classify the parcel as industrial property or day care property, as defined below.

"Common area" means a separate legal or assessor's parcel owned by a common interest development association or as tenants in common by the owners of separate interests in a common interest development provided that the common area: (1) in the case of residential property, cannot be used as an independent residential dwelling unit; or (2) in the case of commercial or industrial property is not improved building space.

"Day care property" means all property that is used as a commercially operated day care center and is not used as a residence.

"Developed property" means, in any fiscal year, all parcels of taxable property with a structure that has been cleared for occupancy before March 1st of the prior fiscal year. For purposes of levying the special tax, each parcel of developed property shall be assigned to one of the land use classes identified in Table 1 below.

"Fiscal year" means the period starting on July 1 and ending the following June 30th.

"Group living property" means all parcels of developed property that have been issued conditional use permits from the city's planning division for a group living use.

"Improved building space" means the greater of (i) gross building area as shown on building permits issued for any property, or (ii) gross building area as measured or determined by an engineer retained by the city.

"Industrial property" shall generally include but not be limited to, all parcels of developed property with a building or structure that is used for assembling, disassembling, fabricating, finishing, manufacturing, packaging, repair or processing operations, as classified by the city's planning division.

"Land use class" means any one of the six classes listed in Table 1 below.

"Maintenance" means the maintenance, repair, and rehabilitation of the Street and Bike Path Improvements including but not limited to resurfacing, repair of cracks or holes, re-striping, replacement of pavement markings, replacement of pavement of street and bike path surfaces, and similar maintenance, repair or rehabilitation of other Street and Bike Path Improvements.

"Maximum special tax" means the maximum special tax, determined in accordance with Section 15.21.050, that can be levied by the City Council in any fiscal year.

"Multifamily residential property" means all parcels of developed property with a residential structure or structures consisting of five or more residential units on a single parcel.

"Street and Bike Path Improvements" means public streets, roads, sidewalks, bike lanes and on and off road bike paths and improvements ancillary to these improvements, including curbs, gutters, street and bike path drainage, signs, striping and pavement markings, traffic signals and street lighting that will be maintained, repaired and rehabilitated with proceeds of the special tax and shall also include other costs such as design, bidding, legal, inspection project management and financing costs directly related to the allowable public Street and Bike Path Improvements.

"Public property" means property owned by a public agency, public rights-of-way, unoccupied public utility property and property encumbered with a public or utility easement that makes impractical utilization of the property for other than the public or utility purpose set forth in the easement.

"Single-family residential property" means all parcels of developed property with a residential structure or structures consisting of less than five residential units on a single parcel.

"Special tax" means that tax levied pursuant to application of the special tax formula set forth below to pay for the construction, installation, operation, servicing, maintenance, and repair of the public improvements.

"Taxable property" means all assessor's parcels within the city as the boundaries of the city exist on July 1st of each year which are not exempt from the special tax pursuant to law or

section 15.21.090 below.

"Vacant land" means all parcels of taxable property that have either no structures or a structure or structures that have not been cleared for occupancy.

15.21.040. Street and Bike Path Maintenance Tax.

a. If approved by the voters, commencing July 1, 2018 for fiscal year 2018-2019, the city shall begin collecting funding for Street and Bike Path Improvements in the form of a special tax in the manner and at the rates set forth herein.

1. Developed Property. The maximum special tax for all parcels of developed property shall be determined by reference to Table 1 below:

Land Use Class	Description	Maximum Special Tax
1	Single-family residential	\$99.00 per unit
2	Multifamily residential	\$99.00 per unit
3	Group living	\$40.00 per resident
4	Commercial	\$80.00 per 1,000 square feet of Improved Building Space up to a maximum of 10,000 square feet
5	Industrial	\$25.86 per employee up to a maximum of 30 employees
6	Day care	\$29.90 per 1,000 square feet of Improved Building Space up to a maximum of 10,000 square feet

2. Vacant Land. The maximum special tax rate for vacant land shall be ninety-nine dollars per assessor's parcel.

b. Method of Apportionment of the Special Tax.

1. For fiscal year 2018-2019, the City shall levy the special tax at the maximum tax rates set forth above. For fiscal years 2019-2020 and each fiscal year thereafter, the maximum tax rate shall be increased at the beginning of each fiscal year by two percent (2%). For each fiscal year beginning with the 2019-20 fiscal year, the City Council shall set the actual tax rate for the applicable fiscal year, not to exceed the maximum tax rates set forth above as adjusted as set forth in this section and in section 15.21.060, and the special tax shall be levied at the amount set by the City Council.

2. The special tax shall be levied on each parcel of land in the amount determined by reference to this Section 15.21.040:

A. On each parcel of taxable property in Land Use Classes 1 through 6, inclusive.

B. If there is more than one land use class on a parcel, the special tax shall be determined by separately applying the appropriate special tax for each land use class on the parcel and levying the sum total of the combined special taxes.

15.21.050. Collection.

The Street and Bike Path Maintenance tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes and shall be subject to the same penalties for non-payment. If necessary to meet financial obligations or if it becomes more cost-efficient as determined by the City Council, the City may collect the Street and Bike Path maintenance tax in the same manner and at the same time as City taxes, fees and/or charges provided that the total annual tax imposed shall not exceed the maximum amounts set forth in this article.

15.21.060. Annual Adjustment of Tax Rate

The maximum allowable tax rate shall be increased annually beginning July 1, 2019, by two percent (2%) per year unless modified or changed by a further vote of the electorate of the City. There shall be no other cost of living or COLA permitted.

15.21.070. Limitation on Disposition of Revenue.

Revenues collected under the provisions of this article shall be deposited in a special fund called the Street and Bike Path maintenance special tax fund and shall be used only for allowable costs of public Streets and Bike Path Improvements as defined in this Article and for the incidental expenses incurred in the administration of this tax, including, but not limited to the cost of elections, and the cost of collection.

15.21.080. Exemptions.

- a. Public Property. No special tax shall be levied against public property.
- b. Low Income Exemption. To avoid undue hardship, the City Council shall provide for a low-income refund program subject to such terms and conditions as the City Council may, from time to time, determine.
- c. Common Areas. No special tax shall be levied against common areas.

15.21.090. Effective Date; Renewal Provision.

- a. This article shall take effect immediately upon its approval by a two-thirds vote of the voters voting in the election called to approve the ordinance.
- b. If an extension or re-authorization of this article is approved by the voters of the City at an election called for that purpose by or on June 30, 2028, this article shall be extended or re-authorized. If this article is not so extended or re-authorized by the voters, this article shall no longer be in effect on June 30 2028.

15.21.100. Appeals.

The imposition of this tax and/or amount of the tax imposed based on the use of property may be appealed to the City Council under such procedures as the council shall, by ordinance, adopt.

The City Council may modify the appeals process from time to time in order to facilitate the hearing and resolution of appeals.

15.21.105. Maintenance of Effort.

The revenues collected from this tax shall be used only to supplement existing expenditures for street and bike path maintenance improvements and shall not be used to supplant existing funding for street and bike path maintenance improvements. The baseline maintenance of effort budget for this purpose shall be the Fiscal Year 2017-2018 Adopted General Fund for Transportation Infrastructure Rehabilitation (CIP 8250), which budgeted \$3 million. If the maintenance of effort requirement is not met, the tax for that fiscal year shall be levied at a rate where the total revenue from the tax for that year shall not exceed the total General Fund contribution.

15.21.110 Annual Review of Expenditures by City Advisory Commission(s).

To promote the efficient and effective use of the special tax revenues, the City Council shall designate a commission or commissions to review the expenditures of funds collected through this special tax and the proposed expenditures for the next fiscal year. Each designated commission shall make recommendations to the City Council to be used during the City's budgeting process and to assist City staff and the City Council in proposing and approving the projects that will be funded, in whole or in part, through this special tax. The Council may, from time to time, modify the commission(s) that will perform this annual review and the Council may also request other city committees or commissions to also review the prior or planned expenditures of revenues from this special tax.

15.21.115. Severability.

If any sentence, clause, article, section, subsection, phrase or portion of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portion of this ordinance. The voters of the City hereby declare that they would have adopted the remainder of this Ordinance, including each sentence, clause, article, section, subsection, phrase or portion of this Ordinance, irrespective of the invalidity of any other sentence clause, article, section, subsection, phrase or portion of this ordinance.

INTRODUCED on the 6th day of February, 2018 and PASSED AND ADOPTED by the City Council of the City of Davis on the _____ day of February, 2018 by the following vote:

AYES:

NOES:

ATTEST:

Robb Davis
Mayor

Zoe S. Mirabile, CMC
City Clerk

RESOLUTION NO. , SERIES 2018

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DAVIS ORDERING THE SUBMISSION TO THE VOTERS OF A TAX MEASURE TO EXTEND THE PARK MAINTENANCE TAX WITH THE ADDITION OF A 2% INCREASE IN THE MAXIMUM TAX RATE PER YEAR AND A TAX MEASURE TO ENACT A STREET AND BIKE PATH MAINTENANCE TAX AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, JUNE 5, 2018

WHEREAS, a General Municipal Election on Tuesday, June 5, 2018 has been called by Resolution No. 18-_____, adopted on February 6, 2018; and

WHEREAS, the City Council wishes to renew the existing park maintenance tax to continue to offset costs to maintain the city’s parks and greenbelts; and

WHEREAS, the City Council has determined a desire to raise revenue to supplement the General Fund for the maintenance of streets, bike lanes and bike paths, sidewalks/curbs/gutters and related street sidewalk, and bike path repair and maintenance; and

WHEREAS, the City Council has determined to submit to the voters at the election questions relating to Park Maintenance and Street and Bike Path Maintenance.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF DAVIS HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The City Council, pursuant to its right and authority, does order submitted to the voters at the General Municipal Election to be held on Tuesday, June 5, 2018, the following measures:

MEASURE “(letter to be assigned)”

Shall Ordinance XXXX, which extends for 20 years the existing Park Maintenance Tax of \$49 per year on residential units and on non-residential units in amounts specified in the Ordinance, adds an annual 2% inflator, and is expected to generate \$1.4 million in the first year to fund maintenance of parks, street trees, greenbelts, bike paths, medians, public landscaping, urban wildlife and habitat, swimming pools, and recreational facilities, be adopted?	YES	
	NO	

MEASURE “(letter to be assigned)”

Shall Ordinance XXXX be adopted to add Article 15.21 to the Davis Municipal Code to establish a Street and Bike Path	YES	
--	-----	--

Maintenance Tax of \$99 per year on residential units and on non-residential units in amounts specified in the Ordinance, to fund maintenance of streets, bike lanes and paths, sidewalks, and related transportation infrastructure, which is estimated to raise \$2.8 million, with a 2% annual inflator, for a period of 10 years.	NO	
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SECTION 2. The complete text of the proposed measures submitted to the voters are attached as Exhibits A and B.

SECTION 3. The vote requirement for the measures to pass is 2/3 of the votes cast.

SECTION 4. In all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for the holding of municipal elections.

SECTION 5 The City Council hereby directs the City Attorney to prepare an impartial analysis of the measure in accordance with section 9280 of the California Election Code showing the effect of the measure on existing law and the operation of the measure. The impartial analysis shall be filed by the date set for the filing of primary arguments.

SECTION 6. Written arguments for or against the measures may be filed with the City Clerk pursuant to section 9282 of the California Election Code. Rebuttal arguments may be submitted as provided for in section 9285 of the Election Code.

SECTION 7. As the City of Davis has requested the consolidation of the general election, the Yolo County Clerk shall fix the dates for submittal of written arguments and rebuttals.

PASSED AND ADOPTED by the City Council of the City of Davis this 6th day of February, 2018, by the following vote:

AYES:

NOES:

Robb Davis
Mayor

ATTEST:

Zoe S. Mirabile, CMC
City Clerk

City of Davis Long-Range Budget Model and Revenue Scenarios

Revenue Opts:	Rate	Action*	FY Eff.	Term	Growth**	Infrastructure Assumptions:			
Sales Tax	1.00%	2	FY 21	6 yrs	1.7% avg	1-FUND % OF NEED	1-% of Need	2- Base	Parcel Tax
Park Tax	\$49	2	FY 19	20 yrs	2.40%	2-FUND \$ AMOUNTS	Funded	Share	Allocation
New Parcel Tax	\$99	2	FY 19	10 yrs	2.40%	Street Resurfacing	100%	\$1.75M	45.0%
New UUT	0.00%	0	FY 19	10 yrs	1.00%	Bike Path Resurfacing	100%	\$0.14M	25.0%
Cannabis Tax	\$0.50M	1	FY 19	ongoing	2.00%	Facilities Maintenance	100%	\$0.50M	0.0%
						Park Maintenance	100%	\$1.50M	0.0%
						Traffic Maintenance	100%	\$0.10M	30.0%
						Parking Lots	100%	\$0.00M	0.0%
						Cost Inflator		0.0%	100.0%
						MOE if linked to Revenue / Fixed		5.0%	\$3.00M

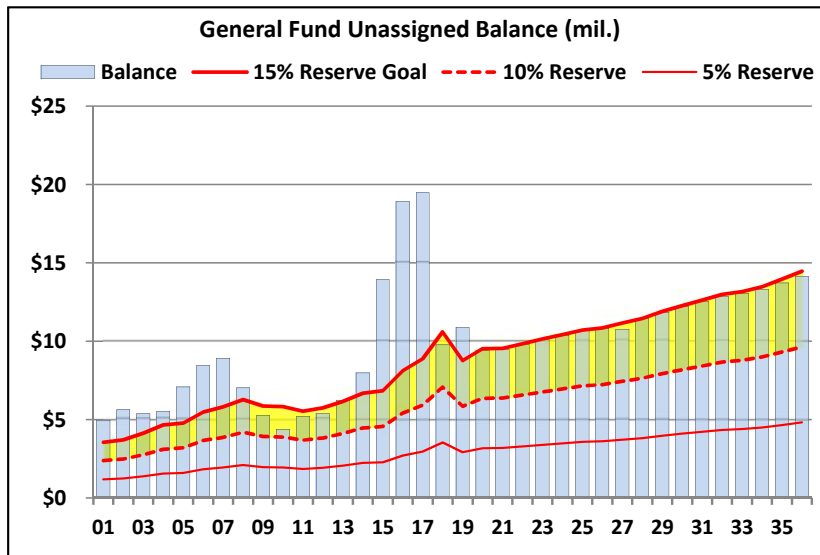
*0=no tax or not renewed, 1=renew for term only, 2=renew ongoing
 **Park tax/Parcel tax growth is 2% inflator and assumed 0.4% growth in tax base over time

New UUT:	Included	Base	Revenue	21-Year % Funded	
Electric	0	\$38.21M	\$0.00M	Parks	81%
Gas	0	\$10.39M	\$0.00M	Streets	82%
Cable	0	\$9.50M	\$0.00M	Bike Paths	81%
Telephone	0	\$13.94M	\$0.00M	Traffic	61%
Water	0	\$14.05M	\$0.00M	Parking Lot	0%
Sewer	0	\$11.94M	\$0.00M	Facilities	62%
Sanitation	0	\$10.34M	\$0.00M	Total	77%
UUT Total			\$0.00M	Begin Gap^	\$8.3M
Total New Park/Parcel Tax (year 1)			\$4.23M	Ave Chng~	\$4.6M
Net Infrastructure Revenue Change			\$4.23M	End Gap	\$3.7M
Social Services Revenue			\$0.00M	Gap Closed	55%

GF Reserve Goal Options	
Scenario	NO ADJUSTMENTS TO INFRASTRUCTURE CONTRIBS
OPT. A	ADJUST INFRA CONTRIBS SO RESERVE MEETS GOAL
OPT. B	EXCESS OF RESERVE GOAL ADDED TO INFRA CONTRIBS
OPT. C	LINK CONTRIBS TO MAINT OF EFFORT AT x% OF REV
OPT. D	MAINTENANCE OF EFFORT = \$xM MINIMUM
OPT. E	
OPT. F	
OPT. G	
OPT. H	
OPT. I	
OPT. J	

Infrastructure Contrib Adjust Starts		FY 19
New Programs	\$0.00M	FY 19
Cost Containment	\$0.00M	FY 19

^With maximum GF contributions assuming 15% reserve maintained; assumes Park Tax expires
 ~average annual new revenue over forecast period



SUMMARY OF LONG-RANGE GENERAL FUND FORECAST

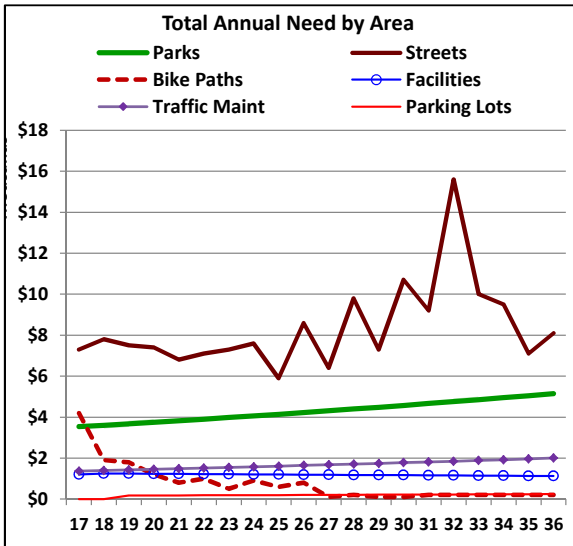
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
Property Tax	\$19,822	\$20,947	\$21,428	\$22,363	\$23,314	\$24,331	\$25,391	\$26,343	\$27,332	\$28,358	\$28,848	\$30,108	\$31,423	\$32,796	\$34,030	\$35,310	\$36,639	\$37,276	\$38,908	\$40,612
Sales Tax-Regular	7,712	8,068	7,895	8,199	8,477	8,798	8,989	9,197	9,410	9,159	9,509	9,875	10,254	10,496	10,743	10,998	10,709	11,125	11,558	12,009
Sales Tax-Measure O	7,949	8,050	7,826	8,081	8,352	8,634	8,792	8,949	9,110	8,819	9,111	9,414	9,727	9,905	10,087	10,273	9,950	10,285	10,631	10,990
Transient Occup Tax	1,784	1,752	2,252	3,263	3,385	3,512	3,618	3,726	3,838	3,857	4,002	4,152	4,307	4,437	4,570	4,707	4,730	4,908	5,092	5,283
Other Taxes/Franchises	6,339	6,375	6,979	7,166	7,358	7,556	7,741	7,931	8,126	8,265	8,487	8,715	8,950	9,171	9,398	9,631	9,799	10,064	10,335	10,615
Permits & Fees	6,850	6,016	7,443	7,123	6,895	7,079	7,220	7,365	7,512	7,497	7,695	7,900	8,110	8,272	8,437	8,606	8,589	8,816	9,050	9,291
Interest	118	121	98	109	94	95	98	101	104	107	108	107	114	119	122	125	128	130	133	137
Other Revenue	9,213	9,571	5,557	5,675	5,797	5,920	6,041	6,164	6,290	6,396	6,534	6,675	6,818	6,958	7,101	7,248	7,372	7,532	7,695	7,862
Total Revenues	59,787	60,900	59,478	61,979	63,673	65,924	67,890	69,777	71,722	72,457	74,295	76,945	79,704	82,153	84,488	86,898	87,918	90,135	93,403	96,799
Salaries/Wages	18,559	20,528	21,607	22,095	22,593	23,102	23,623	24,156	24,701	25,258	25,827	26,410	27,005	27,614	28,237	28,874	29,525	30,191	30,871	31,568
Part Time Wage/Benefit	1,403	1,526	1,627	1,684	1,747	1,817	1,894	1,932	1,970	2,010	2,050	2,091	2,133	2,176	2,219	2,263	2,309	2,355	2,402	2,450
Overtime	2,934	1,074	1,131	1,156	1,182	1,209	1,236	1,262	1,293	1,322	1,352	1,382	1,413	1,445	1,478	1,511	1,545	1,580	1,615	1,652
Retirement	6,177	7,257	8,512	9,700	10,805	11,920	13,005	14,134	15,146	15,658	16,829	17,343	18,028	18,650	19,205	18,855	18,870	18,591	18,432	18,131
Health/Cafeteria Plan	4,290	4,740	4,897	5,044	5,195	5,351	5,512	5,677	5,847	6,023	6,203	6,389	6,581	6,778	6,982	7,191	7,407	7,629	7,858	8,094
Retiree Medical	4,738	4,405	4,498	4,583	4,682	4,806	4,943	5,197	5,236	5,446	5,661	5,745	6,065	6,322	6,510	6,676	6,848	7,024	7,205	7,362
Other Benefits	2,412	2,986	3,143	3,214	3,287	3,361	3,437	3,514	3,593	3,674	3,757	3,842	3,929	4,017	4,108	4,201	4,295	4,392	4,491	4,592
Expense Credits	(5,020)	(5,373)	(5,740)	(6,000)	(6,255)	(6,517)	(6,781)	(7,062)	(7,304)	(7,506)	(7,796)	(7,988)	(8,235)	(8,468)	(8,688)	(8,793)	(8,948)	(9,070)	(9,211)	(9,334)
Vacancy Savings	(1,433)	(1,433)	(1,433)	(1,170)	(895)	(914)	(933)	(952)	(972)	(994)	(1,014)	(1,037)	(1,060)	(1,084)	(1,109)	(1,138)	(1,166)	(1,196)	(1,227)	(1,258)
Subtotal Personnel	35,493	35,710	38,241	40,306	42,341	44,135	45,936	47,861	49,511	50,890	52,870	54,177	55,842	57,450	58,942	59,641	60,684	61,495	62,438	63,257
Internal Services	8,748	7,112	7,254	7,399	7,547	7,698	7,852	8,009	8,169	8,333	8,499	8,669	8,843	9,019	9,200	9,384	9,572	9,763	9,958	10,157
Contract Services	6,461	8,873	6,361	6,468	6,576	6,687	6,799	6,913	7,030	7,148	7,269	7,392	7,517	7,645	7,774	7,906	8,041	8,178	8,317	8,459
Other O&M Expenses	4,835	6,052	5,565	5,658	5,753	5,850	5,949	6,049	6,151	6,255	6,361	6,469	6,578	6,690	6,804	6,919	7,037	7,157	7,280	7,404
Debt Service	245	245	249	249	249	249	249	249	249	249	249	249	249	249	249	249	249	249	249	249
Infrastructure Contribs	4,692	5,643	3,990	6,758	4,560	4,485	4,370	4,039	4,033	3,208	3,000	3,250	4,255	4,848	5,369	6,753	6,504	7,451	9,286	11,466
New Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost Containment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Capital	1,443	10,394	50	51	52	53	54	55	56	57	59	60	61	62	63	65	66	67	69	70
Transfers	(2,777)	(3,421)	(3,348)	(3,415)	(3,483)	(3,553)	(3,624)	(3,696)	(3,770)	(3,846)	(3,923)	(4,001)	(4,081)	(4,163)	(4,246)	(4,331)	(4,418)	(4,506)	(4,596)	(4,688)
Subtotal O&M	23,647	34,896	20,122	23,169	21,255	21,470	21,650	21,619	21,918	21,405	21,515	22,088	23,423	24,350	25,214	26,946	27,051	28,360	30,564	33,119
Total Expenditures	59,140	70,606	58,364	63,475	63,596	65,604	67,586	69,480	71,429	72,295	74,385	76,265	79,283	81,801	84,156	86,587	87,736	89,856	93,002	96,376
Net Annual	647	(9,706)	1,114	(1,496)	78	320	304	297	293	162	(90)	680	421	352	332	311	182	280	402	423
Beginning Balance	18,826	19,474	9,768	10,882	9,386	9,464	9,784	10,088	10,385	10,677	10,839	10,749	11,429	11,850	12,202	12,535	12,845	13,027	13,307	13,709
Ending Balance	19,474	9,768	10,882	9,386	9,464	9,784	10,088	10,385	10,677	10,839	10,749	11,429	11,850	12,202	12,535	12,845	13,027	13,307	13,709	14,131
Balance as % of Tot Exp	32.9%	13.8%	18.6%	14.8%	14.9%	14.9%	14.9%	14.9%	14.9%	15.0%	14.5%	15.0%	14.9%	14.9%	14.9%	14.8%	14.8%	14.8%	14.7%	14.7%

Infrastructure Recap:

Infrastr Maint of Effort*	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Excess (Shortfall) of MOE	1,692	2,643	990	3,758	1,560	1,485	1,370	1,039	1,033	208	-	250	1,255	1,848	2,369	3,753	3,504	4,451	6,286	8,466
Infrastr Contributions	4,692	5,643	3,990	6,758	4,560	4,485	4,370	4,039	4,033	3,208	3,000	3,250	4,255	4,848	5,369	6,753	6,504	7,451	9,286	11,466
Cum. Infrastr Contribs	4,692	10,335	14,325	21,083	30,128	34,498	38,533	42,570	45,778	48,778	52,028	56,283	61,131	66,500	73,254	79,757	87,208	96,495	107,961	120,909
Cum. Excess of MOE	1,692	4,335	5,325	9,083	10,643	12,128	13,498	14,537	15,570	15,778	15,778	16,028	17,283	19,131	21,500	25,254	28,757	33,208	39,495	47,961

*5.0% of total revenue

TOTAL INFRASTRUCTURE NEED

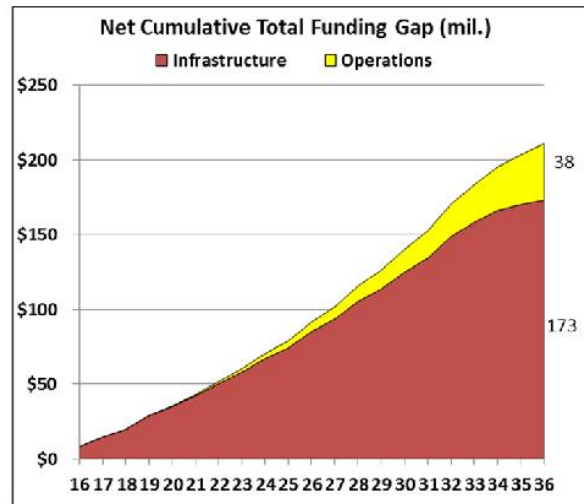
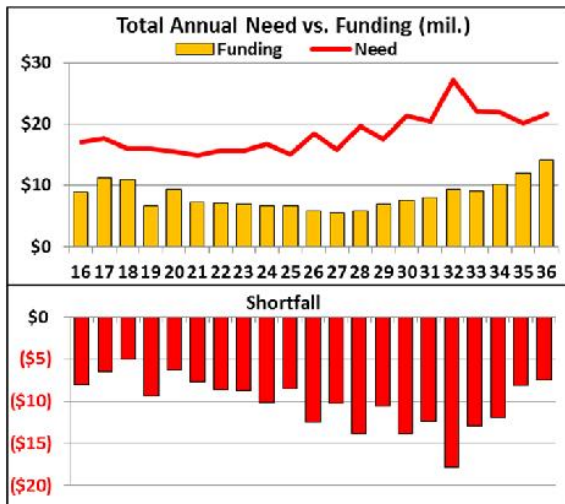


- Streets: NCE's 2015 Pavement Mgmt Program Update (streets/curbs/gutters/sidewalks)
- Bike Paths: NCE's 2015 Pavement Mgmt Program Update
- Facilities: Kitchell report (May 2016, smoothed over 20 years)
- Parking Lots: Public Works (Dec 2017), at \$176,000/year
- Parks: analysis by Parks & Community Services (Dec 2017)

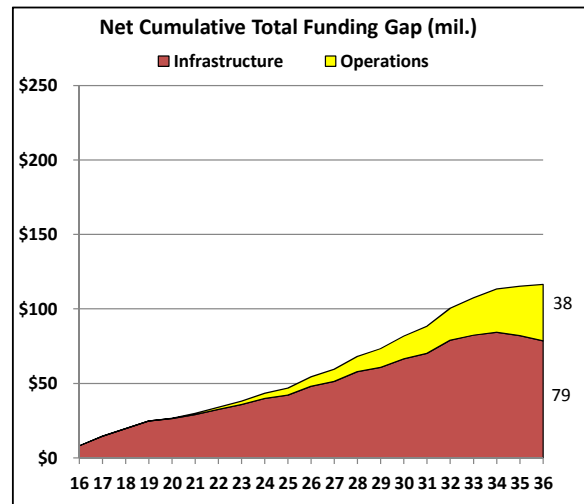
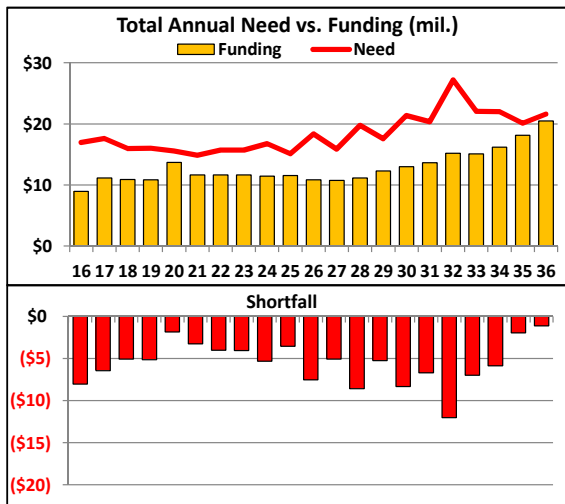
Maintenance (current Park Tax)	\$1.400M
Unmet Maintenance Needs	\$0.950M
Urban Forestry	\$0.570M
Integrated Pest Mgmt program	\$0.410M
Special park project/grant match	<u>\$0.250M</u>
	<u>\$3.580M</u>
- Traffic Maintenance: analysis by Public Works (Dec 2017)

Striping	\$0.390M
Signals	\$0.550M
ADA ramps	\$0.225M
Street/Path Lights	<u>\$0.210M</u>
	<u>\$1.375M</u>

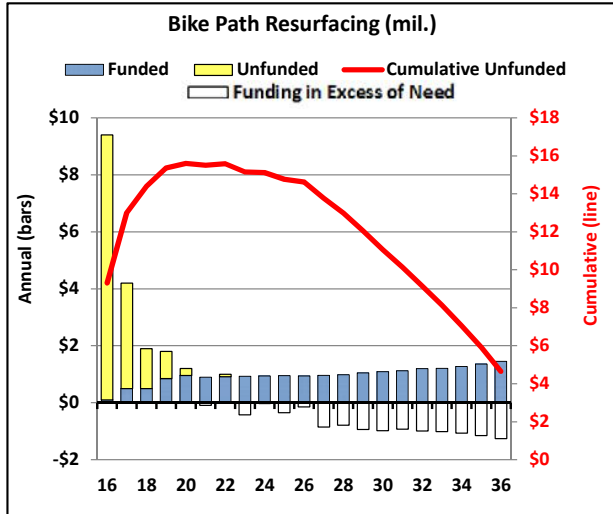
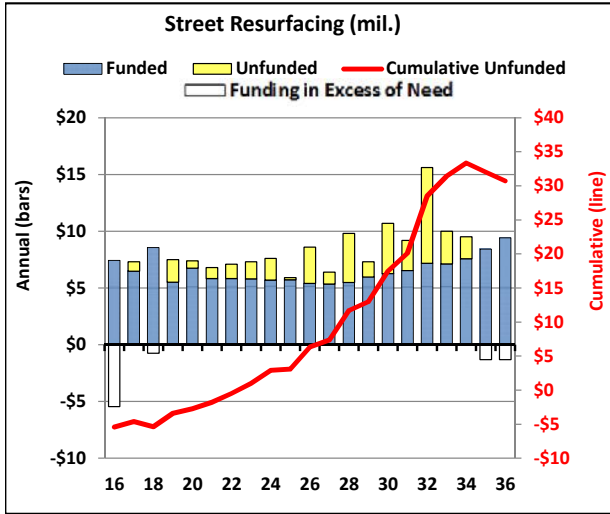
ANNUAL INFRASTRUCTURE AND SERVICE GAPS: PARK TAX EXPIRES AND NO NEW PARCEL TAX



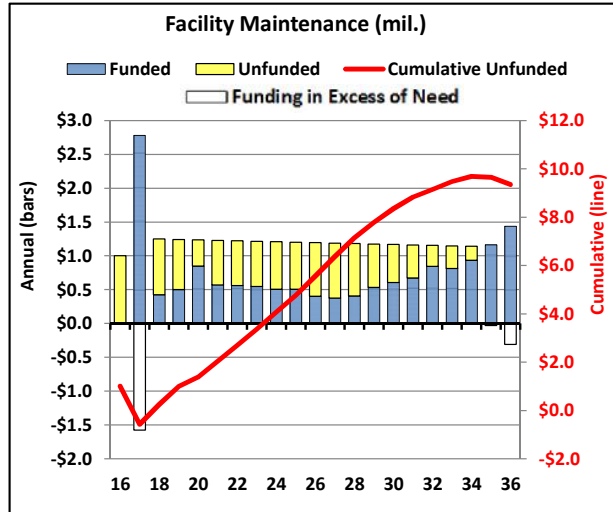
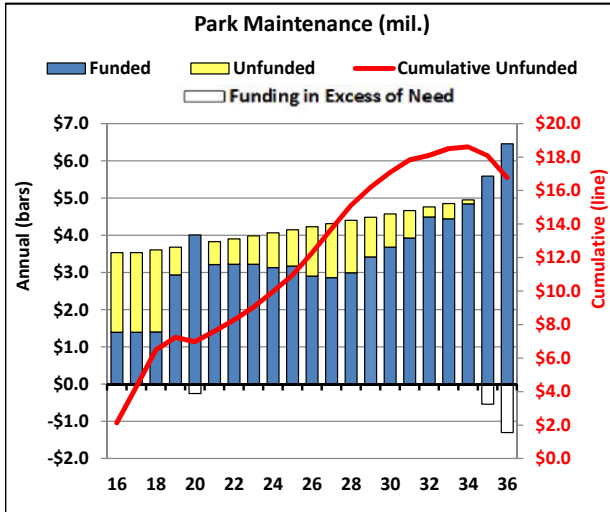
ANNUAL INFRASTRUCTURE AND SERVICE GAPS: PARK TAX RENEWED PLUS NEW PARCEL TAX



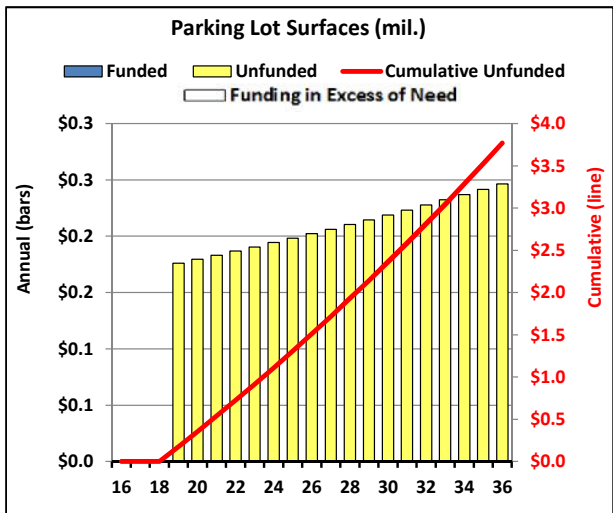
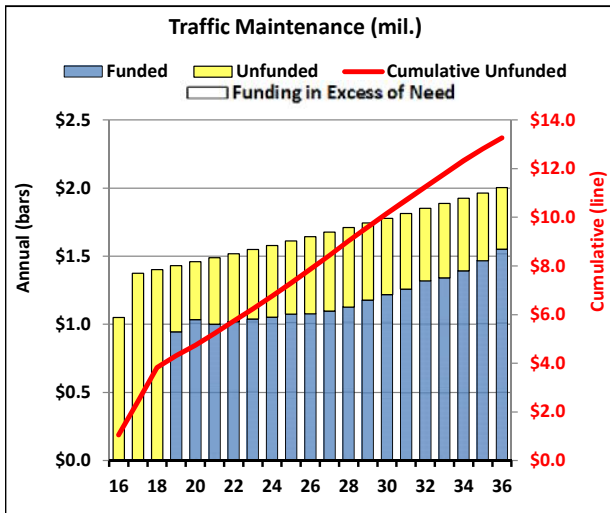
STREETS



PARKS AND FACILITIES



TRAFFIC AND PARKING



SUMMARY OF ANNUAL INFRASTRUCTURE AND SERVICE FUNDING GAPS

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
Street Needs (1)	7,300	7,800	7,500	7,400	6,800	7,100	7,300	7,600	5,900	8,600	6,400	9,800	7,300	10,700	9,200	15,600	10,000	9,500	7,100	8,100
Other Funds	5,076	3,841	2,493	2,493	2,493	2,493	2,493	2,493	2,493	2,493	2,493	2,493	2,493	2,493	2,493	2,493	2,493	2,493	2,493	2,493
General Fund Contrib	1,412	4,718	1,750	2,964	2,000	1,967	1,917	1,772	1,769	1,407	1,316	1,426	1,866	2,126	2,355	2,962	2,852	3,268	4,073	5,029
Infrastructure Parcel Tax	-	-	1,267	1,298	1,329	1,361	1,393	1,427	1,461	1,496	1,532	1,569	1,606	1,645	1,725	1,766	1,766	1,808	1,852	1,896
Surplus(Shortfall)	(812)	759	(1,990)	(645)	(978)	(1,279)	(1,497)	(1,909)	(177)	(3,204)	(1,059)	(4,313)	(1,334)	(4,436)	(2,668)	(8,420)	(2,888)	(1,931)	1,318	1,318
Bike Path Needs (1)	4,200	1,900	1,800	1,200	800	1,000	500	900	600	800	100	200	100	100	200	200	200	200	200	200
General Fund Contrib	500	500	740	237	160	157	153	142	142	113	105	114	149	170	188	237	228	261	326	402
Infrastructure Parcel Tax	-	-	704	721	738	756	774	793	812	831	851	871	892	914	936	958	981	1,005	1,029	1,054
Surplus(Shortfall)	(3,700)	(1,400)	(956)	(242)	98	(87)	427	34	353	144	856	785	942	984	924	995	1,009	1,066	1,155	1,256
Facilities Needs (2)	1,204	1,250	1,243	1,236	1,229	1,222	1,215	1,208	1,201	1,195	1,188	1,181	1,174	1,168	1,161	1,155	1,148	1,142	1,135	1,129
General Fund Contrib	2,780	425	500	847	571	562	548	506	505	402	376	407	533	607	673	846	815	934	1,164	1,437
Infrastructure Parcel Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus(Shortfall)	1,576	(825)	(743)	(389)	(657)	(660)	(667)	(702)	(696)	(793)	(812)	(774)	(641)	(560)	(488)	(308)	(333)	(208)	28	308
Park Needs (3)	3,536	3,607	3,679	3,753	3,828	3,904	3,982	4,062	4,143	4,226	4,311	4,397	4,485	4,574	4,666	4,759	4,854	4,951	5,050	5,151
Park Tax	1,394	1,399	1,433	1,467	1,502	1,538	1,575	1,613	1,652	1,692	1,732	1,774	1,816	1,860	1,905	1,950	1,997	2,045	2,094	2,144
General Fund Contrib	-	1,500	2,541	1,714	1,686	1,643	1,643	1,518	1,516	1,206	1,128	1,222	1,600	1,822	2,019	2,539	2,445	2,801	3,491	4,311
Infrastructure Parcel Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus(Shortfall)	(2,142)	(2,208)	(746)	(255)	(611)	(680)	(764)	(930)	(975)	(1,329)	(1,451)	(1,401)	(1,069)	(892)	(743)	(270)	(412)	(105)	535	1,303
Traffic Needs (4)	1,375	1,403	1,431	1,459	1,488	1,518	1,548	1,579	1,611	1,643	1,676	1,710	1,744	1,779	1,814	1,851	1,888	1,925	1,964	2,003
Other Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General Fund Contrib	-	-	100	169	114	112	110	101	101	80	75	81	107	121	135	169	163	187	233	287
Infrastructure Parcel Tax	-	-	845	865	886	907	929	951	974	997	1,021	1,046	1,071	1,097	1,123	1,150	1,177	1,206	1,235	1,264
Surplus(Shortfall)	(1,375)	(1,403)	(486)	(425)	(488)	(499)	(510)	(527)	(536)	(566)	(580)	(582)	(566)	(561)	(557)	(532)	(547)	(533)	(497)	(452)
Parking Lot Needs (5)	-	-	176	180	183	187	191	194	198	202	206	210	215	219	223	228	232	237	242	246
General Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure Parcel Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus(Shortfall)	-	-	(176)	(180)	(183)	(187)	(191)	(194)	(198)	(202)	(206)	(210)	(215)	(219)	(223)	(228)	(232)	(237)	(242)	(246)
Infrastructure Total	(6,454)	(5,076)	(5,097)	(1,626)	(2,820)	(3,391)	(3,202)	(4,228)	(2,230)	(5,950)	(3,252)	(6,495)	(2,883)	(5,684)	(3,755)	(8,763)	(3,404)	(1,948)	2,297	3,488
Staffing Growth Needs (6)	-	-	175	361	563	770	988	1,223	1,459	1,710	1,978	2,240	2,524	2,816	3,116	3,425	3,745	4,077	4,422	4,776
General Fund Contrib	-	-	109	112	115	118	121	125	128	132	136	138	142	145	149	152	155	159	162	166
Surplus(Shortfall)	-	-	(65)	(249)	(448)	(652)	(867)	(1,098)	(1,331)	(1,579)	(1,843)	(2,102)	(2,382)	(2,671)	(2,967)	(3,273)	(3,590)	(3,919)	(4,259)	(4,610)
Infrastructure+Staffing	(4,311)	(5,076)	(5,162)	(1,875)	(3,268)	(4,043)	(4,068)	(5,326)	(3,560)	(7,528)	(5,094)	(8,597)	(5,266)	(8,355)	(6,722)	(12,036)	(6,994)	(5,866)	(1,962)	(1,123)
PERS Funding Gap (7)	2,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OPEB Funding Gap (7)	(2,311)	(5,076)	(5,162)	(1,875)	(3,268)	(4,043)	(4,068)	(5,326)	(3,560)	(7,528)	(5,094)	(8,597)	(5,266)	(8,355)	(6,722)	(12,036)	(6,994)	(5,866)	(1,962)	(1,123)
Grand Total Gap	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Park Tax Annual	1,394	1,399	1,433	1,467	1,502	1,538	1,575	1,613	1,652	1,692	1,732	1,774	1,816	1,860	1,905	1,950	1,997	2,045	2,094	2,144
Park Tax Cumulative	1,394	2,793	4,226	5,693	7,195	8,734	10,309	11,922	13,574	15,266	16,998	18,772	20,588	22,448	24,352	26,303	28,300	30,345	32,439	34,583
Parcel Tax Annual	-	-	2,816	2,883	2,953	3,023	3,096	3,170	3,246	3,324	3,404	3,486	3,569	3,655	3,743	3,833	3,925	4,019	4,115	4,214
Parcel Tax Cumulative	-	-	2,816	5,699	8,652	11,675	14,771	17,941	21,188	24,512	27,916	31,402	34,971	38,626	42,369	46,201	50,126	54,145	58,260	62,474
General Fund Contributions	4,692	5,643	3,990	6,758	4,560	4,485	4,370	4,039	4,033	3,208	3,000	3,250	4,255	4,848	5,369	6,753	6,504	7,451	9,286	11,466
GF Contrib Cumulative	4,692	10,335	14,325	21,083	25,643	30,128	34,498	38,537	42,570	45,778	48,778	52,028	56,283	61,131	66,500	73,254	79,757	87,208	96,495	107,961

- (1) Street and bike path needs as identified in 2016 NCE report. Funding is from General Fund as selected in budget model plus construction tax, developer fees, SB1 gas tax and any grant/other funding.
- (2) Facility maintenance needs as identified in Table 3 of 2016 Kitchell report, then smoothed over 20 years. Does not include replacement costs. Funding is General Fund contribution only as selected in budget model.
- (3) Park maintenance needs as identified by Parks staff (Dec 2015 staff report and updated Kitchell numbers). Funding is current \$49 parks tax (\$1.4M/year plus selected General Fund contribution).
- (4) Traffic maintenance needs as identified in Dec 2015 staff report. Funding is existing General Fund support plus amount selected in budget model.
- (5) Represents a shortfall in transit funds projected to be available for city's share of Unitrans costs. To maintain current service levels may require General Fund support.
- (6) Based on addition of 2.0 FTE per year (1.4 from GF) to address added workload from population growth and other needs. If this category is activated, deficit of this amount is reflected as shortfall, excess as surplus.
- (7) Funding in budget model compared to projected full funding obligation for each fiscal year. Both PERS and OPEB have long-term funding schedules to amortize unfunded liabilities. In FY17 the city pre-funded \$2M in OPEB obligations.