

# **Refresh Hailey!**

## **Capital Improvement Needs Report**

### **January 20, 2015 City Council Meeting**

**Project Goal** – to work with Hailey citizens to identify essential infrastructure needs and diverse funding methods to support these needs, in an effort to Refresh Hailey. The project envisions that our town properly care for, carefully improve, and Refresh Hailey citizen’s quality of life by:

- Caring for Roads, Sidewalks, Bike/Pedestrian Paths and Trees
- Connecting Parks, Trails, Gardens, and River Access to other Hailey Amenities
- Cultivating Hailey’s Outstanding Public Library
- Fostering Event and Cultural Facilities
- Preserving Beautiful Historic Public Buildings
- Protecting Safe, Healthy Water and Wastewater Systems
- Rejuvenating Aging Infrastructure
- Upgrading for Effective Police and Fire Facilities, Equipment, and Apparatus

### **Project Mission:**

1. Understand the goal and the needs –  
Staff will have a complete list of capital needs in today’s costs prepared for the February 9, 2015 City Council meeting.
2. Involve the people who live here in choosing priorities -  
Discussions of Refresh Hailey are planned for:
  - City Council Meetings
  - Our Town Monthly Publications
  - Bi-Monthly Press Releases
  - Website and Social Media
  - Brochures
  - Community Gatherings, Presentations and Discussions, including:
    - Focus Group Meetings and Open Houses
    - Hailey Business-After-Hours on June 16, 2015
    - Rotary Club
    - Kiwanis Club
    - Hailey Chamber of Commerce
    - Wake-Up Hailey
    - Blaine County School District Meetings
    - Blaine County Transportation Committee Meetings
3. Find funding and get started –  
See funding analyses under the public hearing agenda item pertaining to the county road and bridge levy.

### **Project Components:**

- Identify partners and stakeholders.
- Identify a timeframe that fully involves all citizens and stakeholders.
- Develop an engaging and interesting communication strategy.
- Produce an approachable and authentic description of need.

**Project Name:**

A brainstorm of names was conducted, with Refresh Hailey being used in this memo as an example of how the project name would be used. Other choices suggested:

Capital Planning Campaign	HIP Hailey Improvement Plan
Build Now!	Hailey – Keep it Great
Capital Strategy	Connect Hailey
Beautify Hailey	Stand Up Hailey
CIP Planning Process	Building a Stronger Hailey
Hailey 2015	A-4-A Action for Hailey
Hailey Today and Tomorrow	Livable Hailey
Upgrade Hailey	Link Hailey
ReSet Hailey	WISH Work-Improve-Support Hailey
Next Step Hailey	Good Thing Better Hailey
Authentic Hailey	Hailey Pride
Bonafide Hailey	The Real Hailey

**Funding Need and Opportunities:**

Hailey's resources are largely applied to operational needs. At the same time, our infrastructure is aging. We run the risk of having our operating fund competing against our capital needs.

We want to keep Hailey great. Our community favors connected, high quality sidewalks, roadways and parks. We have deep pride in our town, and that shows in how we take care of our assets.

So how do we pay for these assets? Here are listed many of Hailey's funding sources:

- Local Improvement Districts
- Business Improvement Districts
- Idaho Power Franchise Fee negotiated from 1 to 2% (increase street maintenance revenue by \$60,000)
- Voter approved Idaho Power Franchise fee of 3% (increase street maintenance revenue by \$120,000)
- 2-year levy overrides (50% +1 voter approval)
- Permanent levy overrides (60% voter approval or 66.67 voter approval)
- Local Option Tax increase for Capital (60% voter approval)
- County Road and Bridge Levy partnership
- Revenue Bonds for Water or Wastewater projects (50% +1 voter approval)
- General Obligation Bonds (66.67% voter approval)
- Development Impact Fees (already exists)
- Tax Increment Financing (available within URA)
- Grants (need a separate revenue stream for grant matches)
- Donations
- Transfer of excess operating funds to Capital

## Property Tax Funding Analyses:

Property taxes are currently the basis of nearly half of Hailey's budgeted general revenue, which comes from the following sources:

Property Taxes for Operations	\$2.2 Million
Property Taxes for Rodeo Bond Repayment	\$ .4 Million
Fees, Permits, State & LOT Taxes	\$2.3 Million
Contracts (Bellevue Police, School Resource Officers, etc)	\$ .5 Million

Idaho law limits how much property taxes can increase: the \$70,000 additional taxes levied each year under this 3% cap can't keep up with our needs.

We know that we need to look at other funding ideas in addition to property tax to take care of our town. We believe that an array of tools is the best approach.

We also need to identify proper partners. The Hailey City Council will discuss, on January 20, 2015, whether one of these partners should be Blaine County, through their planned May 2015 Road and Bridge 2-year property tax override measure. The information provided below will inform that discussion.

Hailey residents currently pay \$290 annually to the City of Hailey for each \$100,000 of their net taxable property value. This garners the \$2.2 million in operational tax revenue shown above. In addition, they pay \$52 each year for the G/O Rodeo Bond payback, which levy will continue for 6 more years.

Idaho Law imposes levy limits. Taxes can be increased up to these levy limits by two methods:

1. Annual 3% budget increase nets \$70,000 increase in property tax which costs taxpayers 9 cents per year/100,000 valuation.
2. Voter approved tax increases greater than the 3% budget increase.

The levy limits applicable to Hailey are shown in the table below.

For each additional \$10 per year Hailey residents pay in taxes through a voter approved Hailey levy increase, Hailey would receive \$76,700 additional revenue. The different categories in the table below are utilized by cities to assure voters that the additional funds would be used for specific purposes.

Hailey is defined as a Low Property Tax City under Idaho Code 63-802.1.f. As such, a 60% majority of Hailey voters can approve a permanent property tax increase from the current .0029 levy to .004. This would permanently increase the city's revenue by up to \$843,700 each year, if the full amount was approved. The cost to taxpayers would be an additional \$110 per year for each \$100,000 valuation, over the \$290 per year they are currently paying.

<b>Taxing Authority</b>	<b>Idaho Code</b>	<b>Maximum Levy</b>	<b>Cost to Taxpayer/ 100,000 Valuation</b>	<b>Current Amount Paid by Taxpayer / 100,000 V</b>	<b>Annual Revenue Increase over</b>	<b>Voter Approval Required</b>
General Fund	63-802.1.f	.004	\$400	\$290	\$843,700	60%
General Fund	50-235	.009	\$900	\$290	\$4,700,000	66.67%
General Fund 2-Yr	50-235	.009	\$900	\$290	4,700,000 each year for 2 years	50% +1
Capital Fund	50-236	.0004	\$40	-0-	\$306,000	60%
Library	33-2603	.001	\$767	-0-	\$767,000	66.67%
Parks & Recreation	50-303	.0006	\$60	-0-	460,000	66.67%
Streets	50-312	No Limit	\$10	-0-	\$76,700 for each \$10/year of taxes paid/ \$100,000 valuation	66.67%