

CITY COMMISSION AGENDA MEMO
April 9, 2019

FROM: Jason Hilgers, Deputy City Manager

MEETING: April 23, 2019

SUBJECT: General Purpose Permanent Sales Tax Increase –
Ballot Question

PRESENTER(S): Jason Hilgers, Deputy City Manager

BACKGROUND

On February 26, 2019, the City Commission held a work session to discuss the 2020 Budget with a focus on existing and future revenue. City Administration has highlighted the strains on revenue beginning in 2017 and continuing in 2019, and suggested the City Commission consider a ballot question be formed for the electorate to consider a permanent sales tax increase. The City established the sales tax fund in 1971 with a half cent, and increased it to a full cent in 1982. The City has the ability to go up to 2% for a permanent sales tax via state statute through an election process.

DISCUSSION

Given the slowing of revenue growth that the City experienced in 2017 and, to some extent, in 2018, the Finance Department is encouraging City Administration and the City Commission to continue exploring the possibility of an additional, permanent sales tax that could help augment General Fund revenues in the future.

	Sales Tax – City 1%	Annual % Increase/Decrease
2013	\$10,484,185	-0.6%
2014	\$10,723,686	2.3%
2015	\$10,968,606	2.3%
2016	\$11,196,423	2.1%
2017	\$10,955,526	-2.2%
2018	\$11,134,801	1.6%
	AVG Annual	0.92%

In addition, there are a considerable number of City-wide projects that are planned for the next several years. Some of these projects will likely have an operational impact on future General Fund expenditures.

	City at Large - Principal	Total Debt Service (20 YR)
Levee	\$10,000,000	\$17,080,000
Runway	\$3,500,000	\$5,974,000
Aggieville	\$20,000,000	\$38,200,000
North Campus Corridor	\$11,500,000	\$19,660,000
Joint Maintenance Facility	\$1,000,000	\$1,435,000
SENRC – Douglass Rec	\$3,500,000	\$5,974,000
TOTAL	\$49,500,000	\$88,323,000

Total time to retire all six (6) projects will span over 30 years (2020 – 2050) based on projected construction and bonding timelines. In that span, it would require \$3.3M (\$99.9M) at a .3% sales tax to generate enough revenue to offset the \$88,323,000 in debt service.

The City’s current sales tax rate for the majority of the community is 8.95%. There are a number of Transportation Development Districts (TDD’s) and one Community Improvement District (CID) located throughout the community that will raise the sales tax rate to 9.45% (TDD’s) and 9.7% (CID). The City of Manhattan currently ranks #19 of 25 first class cities when ranking from largest to smallest sales tax rate. There are a total of 6 communities that have a lower sales tax rate than Manhattan. If Manhattan were to increase by .3%, it would raise the total rate to 9.25%, leaving 10 communities at or above Manhattan.

State of Kansas	6.50%
City – General Purpose	1.00%
Riley County – General Purpose	0.50%
Riley County – Roads/Bridges & Eco Devo	0.50%
City – Special (Street)	0.20%
City – Special (P&R Quality of Life)	0.25%
TOTAL	8.95%

The City of Manhattan also has a retail trade pull factor of 1.33. The pull factor is computed by dividing the per capita sales tax of a city by the statewide per capita sales tax. Values greater than 1.00 indicate that local businesses are pulling in trade from beyond their city border. A value less than 1.00 indicate more trade is being lost than pulled in, that residents are shopping outside the city. The same is computed for counties. Riley County has a pull factor of .77, and Pottawatomie County has a pull factor of 1.40. Both values for Manhattan and Pottawatomie County highlight the draw of retail business in Manhattan’s city limits.

If Manhattan had a pull factor of 1.0, the City would generate about \$827,067,669 in annual sales. Since Manhattan has a 1.33 pull factor, we generate \$1.1 billion, resulting in an influx of \$272,921,331 from people that don't live within the city limits. In effect, roughly 25% of the City of Manhattan's sales tax are generated from those who don't live in Manhattan.

An additional comparison involves exploring revenue via a property tax increase versus a sales tax increase. In order to generate \$3.3 million in property taxes, a 6 mill increase would have to be considered at \$550,000 per mill. The following table provides a comparison of raising the sales tax rate by .3% and raising the mill levy by 6 mills with varying annual incomes and residential/commercial property owners.

Annual Household Income	% Income - Spent on Taxable Goods	Sales Tax Rate - MHK		Annual Difference
		8.95%	9.25%	
	30%			
\$12,500	\$3,750	\$336	\$347	\$11
\$25,000	\$7,500	\$671	\$694	\$23
\$35,000	\$10,500	\$940	\$971	\$32
\$50,000	\$15,000	\$1,343	\$1,388	\$45
\$60,000	\$18,000	\$1,611	\$1,665	\$54
\$75,000	\$22,500	\$2,014	\$2,081	\$68
\$85,000	\$25,500	\$2,282	\$2,359	\$77
\$100,000	\$30,000	\$2,685	\$2,775	\$90
\$120,000	\$36,000	\$3,222	\$3,330	\$108
\$150,000	\$45,000	\$4,028	\$4,162	\$135
\$200,000	\$60,000	\$5,370	\$5,550	\$180

	Assessed Value	Mill Levy	+6 Mill (\$3.3M)	Difference
Residential	11.50%	0.145	0.152	.006
\$150,000	\$17,250	\$2,501	\$2,622	\$121
\$175,000	\$20,125	\$2,918	\$3,059	\$141
\$200,000	\$23,000	\$3,335	\$3,496	\$161
\$250,000	\$28,750	\$4,169	\$4,370	\$201
\$300,000	\$34,500	\$5,003	\$5,244	\$242
\$350,000	\$40,250	\$5,836	\$6,118	\$282
\$500,000	\$57,500	\$8,338	\$8,740	\$403
Commercial	25%	0.145	0.152	.006
\$250,000	\$62,500	\$9,063	\$9,500	\$438
\$500,000	\$125,000	\$18,125	\$19,000	\$875
\$1,000,000	\$250,000	\$36,250	\$38,000	\$1,750
\$5,000,000	\$1,250,000	\$181,250	\$190,000	\$8,750

A draft question has been prepared by legal staff. A version of the potential question is below for review and direction.

Shall the City of Manhattan, Kansas be authorized to impose an additional three tenths of one percent (0.3%) general retailers' sales tax, thereby increasing the general sales tax rate to one and three tenths percent (1.3%), pursuant to the authority of K.S.A. 12-187 *et seq.*, to be used for all lawful expenditures of the City and intended to reduce the impact on the ad valorem property tax burden on City taxpayers with collection of such tax beginning on (April 1, 2020), or as soon as provided by law?

Possible Timeline for November 2019 Election

- June 2019 ~ City Commission considers a resolution authorizing the specific language of the question to be proposed to the public for general election on November 5, 2019, or some other timeline/format.
- June 2019 ~ City publishes a resolution in *The Manhattan Mercury*.
- June 2019 - November 2019 ~ City Administration provides education components via multiple sources of media to the public and other civic engagement.
- September 1, 2019 ~ Deadline for special question to be delivered to Riley County Clerk for the November general election.
- October 15, 2019 ~ Last day to register.
- October 16, 2019 ~ Advance voting by mail and in-person begins.
- November 4, 2019 ~ Advance voting in person closes at noon.
- November 5, 2019 ~ Election Day and Original Canvass.

FINANCING

The City's current 1% general purpose sales tax provides funding for the general operation of the City and some special revenue funds. Specifically, sales taxes help fund personnel and offset property tax increases in the General Fund. The City's 1% generates roughly \$11 million annually. If increased to 1.3%, the City should expect \$14.3 million in annual revenues. A significant portion of this increase could be dedicated towards the bond and interest in an effort to limit any increases in property taxes to support the list of public improvements provided previously in this memo.

ALTERNATIVE

It appears the Commission has the following alternatives concerning the issue at hand. The Commission may:

1. Provide feedback and direction on the potential sales tax ballot question in November.

RECOMMENDATION

City Administration recommends the City Commission provide feedback and direction on the potential sales tax ballot question in November.

POSSIBLE MOTION

No motion is necessary, as this is a work session.

JH
19040

Enclosure:

1. Historical ballot initiatives in Manhattan
2. Power Point Presentation

November 6, 0218

RE: Special Question USD 383 Bond Issue

Shall the following be adopted?

Shall Unified School District No. 383, Riley County, Kansas (Manhattan-Ogden), issue general obligation bonds in an amount not to exceed \$129,500,000 to pay the costs to: (a) construct, furnish and equip security and safety improvements at all District school sites; (b) construct, furnish and equip secured entrance improvements at Eugene Field Headstart, Frank V. Bergman Elementary School, Susan B. Anthony Middle School, Dwight D. Eisenhower Middle School, and at District office and support facilities; (c) construct, furnish and equip a new elementary school in Blue Township; (d) construct, furnish and equip improvements, renovations and additions to Eugene Field Headstart and College Hill Preschool, and to develop them into Early Learning Centers; (e) construct, furnish and equip improvements, renovations and additions to the District's school sites to improve teaching and learning environments and building operating efficiencies; (f) construct, furnish and equip improvements at the District's school sites and facilities, including parking, transportation, central kitchen, administrative and drainage improvements; (g) make practice field improvements and construct new tennis courts; and (h) make all other necessary District improvements and related demolition appurtenant thereto; all pursuant to the provisions of K.S.A. 10-101 et seq., K.S.A. 25-2018(f), K.S.A. 72-5457, and K.S.A. 72-5458 et seq.?

*Yes 5,703 No 3,146

November 7, 2017

RE: Special Question City of Manhattan .25% Quality of Life Sales Tax, Special Question Book 1

Shall the following be adopted?

Shall the City of Manhattan, Kansas be authorized to: (a) impose a special twenty-five one hundredths percent (.25%) citywide retailers' sales tax (the "Quality of Life Sales Tax"), pursuant to the authority of K.S.A. 12-187 et seq., to pay: the costs of the construction of two approximately thirty-four thousand square foot (30,000-40,000 sq. ft.) multi-purpose gymnasiums/neighborhood centers, along with parking facilities and access roads, adjacent to Anthony and Eisenhower Middle Schools, upon land owned by Unified School District No. 383; and, the costs of the renovation of ball fields and tennis courts within CICO Park, including but not necessarily limited to, the creation of multi-purpose softball and baseball fields with synthetic turf playing areas, and the establishment of a 12-court tennis layout, along with all other necessary improvements, equipment and furnishings appurtenant thereto; and, the costs of the acquisition of necessary right-of-way for, and the design and construction of, new recreational trails and the improvement of existing recreational trails and all other necessary improvements appurtenant thereto, (collectively, the "Projects"); and/or a portion of the debt service requirements on any bonds issued in connection therewith, all at an estimated cost of Thirty Million Dollars (\$30,000,000), collection of the "Quality of Life Sales Tax" to commence on the later date of the cessation of the .25% city wide retailers' sales tax implemented on October 1, 2009, or January 1, 2018, or as soon thereafter as permitted by law, and shall expire ten (10) years after its commencement; and (b) , issue general obligation bonds of the City in an

amount not to exceed Thirty Million Dollars (\$30,000,000) pursuant to the authority of K.S.A. 12-1736 et seq. (the "Bonds"), with the proceeds of said Bonds to be used to finance the costs of designing and constructing the Projects, and associated financing costs?

*Yes 3,691 No 2,352

November 8, 2016

RE: Special Question City of Manhattan .20% Sales Tax, Special Question Book 1

Shall the following be adopted?

“Shall the City of Manhattan Kansas, pursuant to the provisions of K.S.A. 12-187, be authorized to levy an additional two tenths of one percent (0.20%) special purpose citywide retailers’ sales tax within the city limits of Manhattan, Kansas; such additional tax, if approved by a majority of the electors voting thereon, to take effect April 1, 2017, or as soon as thereafter as permitted by law and notice requirements allow, and to end ten years thereafter on March 31, 2027; the revenue from the additional tax shall be used for the sole purpose of financing, in whole or in part with any other funds, both of the following programs: I. Street Maintenance Repair Program which shall include the costs of repairing, rebuilding, rehabilitating, upgrading and improving existing streets in the City of Manhattan. Such program may include the repair, reconstruction and rehabilitation of existing street pavement, curb and gutters, sidewalk ramps and such other work as is necessary to maintain, repair, renew, upgrade and improve existing city streets; and, II. Safe Pedestrian Routes to School Program, which shall consist of the use of no more than five percent (5%) of the funds generated by such tax to finance the costs to upgrade existing pedestrian facilities, as well as the construction of new pedestrian facilities, along routes used by children walking to and from schools. The term “pedestrian facilities” shall include all infrastructures necessary to accommodate such pedestrian traffic, including, but not limited to, sidewalks and traffic control devices. With the means and methods to accomplish said purposes to be determined in the sole discretion of the Governing Body of the City.”

*Yes 10,962 No 5,877

June 2, 2015

RE: USD 383 LOB Mail Ballot Election, Special Question Book 1

Shall the following be adopted?

Shall the Board of Education of Unified School District No. 383, Riley County, Kansas, be authorized to increase its local option budget authority by an additional 3% (from 30% to 33%) of its state financial aid?

*Yes 5601 No 3147

November 6, 2012 ***

RE: Special Question Riley County .5% Sales Tax, Special Question Book 1

Shall the following be adopted?

Shall a countywide retailers' sales tax in the amount of one-half of one percent (.5%) (the "Sales Tax") be levied to Riley County, Kansas (the "County"), to take effect after the County's current one-half of one percent (.5%) sales tax levied by Resolution No. 032504-10 expires December 31, 2012, with the proceeds of the Sales Tax distributed to the County and the cities located within the County as required by law and used: (i) by the County to pay the costs of developing, improving, and maintaining the system of roads, bridges and culverts located in the County, (ii) by the City of Manhattan for economic development initiatives that occur within Riley County and which benefit the City of Manhattan, Kansas, as determined and authorized by the Governing Body of the City; provided, however, such revenue may be used for economic development initiatives that occur outside of Riley County, if the Governing Body of the City determines that Riley County will benefit from such initiatives, and the Board of Riley County Commissioners agree, in writing, with such determination, and (iii) the proceeds distributed to other cities within the County to be used as those cities determine to be in their best interests, provided further that, the Sales Tax shall end December 31, 2022, all pursuant to K.S.A. 12-187 et seq., as amended?

*Yes 11,956 No 8,200

April 7, 2009

RE: City of Manhattan, City Pool Project, Special Question Book 1

CITY PARK POOL PROJECT:

Shall the following be adopted?

Shall the City of Manhattan, Kansas be authorized to impose a special one-tenth percent (.10%) retailers' sales tax pursuant to the authority of K.S.A. 12-187 *et seq.*, to pay the costs of reconstructing the current swimming pool located in City Park along with all other necessary improvements, equipment and furnishings appurtenant thereto, and/or a portion of the debt service requirements on any bonds issued in connection therewith, all at an estimated cost of \$8,400,000? Collection of such sales tax to commence on October 1, 2009, or as soon thereafter as permitted by law, and shall expire ten (10) years after its commencement.

*Yes 4,487 No 1,150

April 7, 2009

RE: City of Manhattan, Northview Pool/Cico Pool Projects, Special Question Book 1

NORTHVIEW POOL/CICO POOL PROJECTS:

Shall the following be adopted?

Shall the City of Manhattan, Kansas be authorized to impose a special one-tenth percent (.10%) retailers' sales tax pursuant to the authority of K.S.A. 12-187 *et seq.*, to pay the costs of reconstructing the current swimming pool located in Northview Park along with all other necessary improvements, equipment and furnishings appurtenant thereto, and/or a portion of the debt service requirements on any bonds issued in connection therewith, all at an estimated cost of \$4,250,000; **AND**, to pay the costs of repair, renovation and improvement of the current swimming pool in CICO Park, including the repair, renovation and improvement of all support facilities and furnishings, all at an estimated cost of \$2,250,000? The total estimated cost of both

projects is \$6,500,000. Collection of such sales tax to commence on October 1, 2009, or as soon thereafter as permitted by law, and shall expire ten (10) years after its commencement.

*Yes 4,020 No 1,580

April 7, 2009

RE: City of Manhattan, Zoo Education Center Project, Special Question Book 1

ZOO EDUCATION CENTER PROJECT:

Shall the following be adopted?

Shall the City of Manhattan, Kansas be authorized to issue general obligation bonds of the City in an amount not to exceed \$4,400,000 pursuant to the authority of K.S.A. 12-1736 *et seq.* (the "Bonds"); and impose a special five-hundredths percent (.05%) retailers' sales tax pursuant to the authority of K.S.A. 12-187 *et seq.*, to pay the costs of designing and constructing a single facility at Sunset Zoological Park to combine ticket booth, zoo entrance, restrooms, education classrooms, public meeting room, zoo camp meeting spaces, education animal holding and display facilities, and all other necessary improvements appurtenant thereto, and/or a portion of the debt service requirements on the Bonds issued in connection therewith, all at an estimated cost of \$4,400,000? Collection of such sales tax to commence on October 1, 2009, or as soon thereafter as permitted by law, and shall expire ten (10) years after its commencement.

*Yes 3,432 No 2,183

November 4, 2008 ***

RE: USD 383 Bond Question. Special Question Book 1

Shall the following be adopted?

Shall Unified School District No. 383, Riley County, Kansas (Manhattan-Ogden), issue general obligation bonds in an amount not to exceed \$97,500,000, to pay the costs to: (i) construct, furnish and equip additions and make improvements to existing elementary school buildings in the District; (ii) make improvements to existing middle school buildings in the District; (iii) make improvements to the existing High School East Campus; (iv) construct, furnish and equip additions and make improvements to the existing High School West Campus; (v) construct, furnish and equip restroom additions and make improvements to the existing Bishop Stadium complex; (vi) make improvements for security purposes to other District facilities; and (vii) make all other necessary District improvements appurtenant thereto; all pursuant to the provisions of K.S.A. 10-101 *et seq.*; K.S.A. 25- 2018(f); K.S.A. 72-6761; and K.S.A. 75-2315 *et seq.*?

*Yes 14,163 No 6,390

November 6, 2007

RE: Manhattan City – Sales Tax – Indoor Recreation

Shall the following be adopted?

Shall the City of Manhattan, Kansas be authorized to: (1) provide for the construction of the following public buildings: (a) a family indoor recreation and aquatic center at an estimated cost of \$31,700,000; (b) a soccer complex at an estimated cost of \$1,500,000; (c) the replacement of the northview swimming pool at an estimated cost of \$2,500,000; (d) a new Sunset Zoo education and visitor's center at an estimated cost of \$3,500,000; and (e) all other necessary improvements appurtenant thereto (collectively, the "Quality of Life Projects"); (2) issue general obligation bonds of the City in an amount not to exceed \$40,000,000 pursuant to the authority of K.S.A. 12-1736 et seq. (the "Bonds") to pay the costs of the Quality of Life Projects and related financing costs; and (3) impose a special one-fourth percent (1/4%) retailers' sales tax pursuant to the authority of K.S.A. 12-187 et seq. (the "Quality of Life Sales Tax"), to pay a portion of the costs of the Project and/or a portion of the debt service requirements on the Bonds, collection of such Quality of Life Sales Tax to commence on April 1, 2008, or as soon thereafter as permitted by law, and shall expire ten (10) years after its commencement?

Yes 2781 *No 5933

April 5, 2005

RE: Manhattan City – Quarter City Sales Tax – for USD 383 - Special Question Book 1
Shall the following be adopted?

That the City of Manhattan, Kansas, in order to advance the City's overall economic development, shall adopt an additional retailers' sales tax in the amount of one-quarter of one percent (.25%), on all retail sales occurring in the City of Manhattan, Kansas between October 1, 2005, and September 30, 2008, unless sooner terminated, pursuant to the Interlocal Agreement between the City of Manhattan and the Board of Education of USD #383. The Interlocal Agreement provides that the tax shall be terminated sooner than September 30, 2008, if the governing body of the City and the Board of Education of USD #383 agree to such earlier termination; and, it further provides that the governing body of the City, in its sole discretion, may terminate such tax at any time after the distribution of proceeds to the School District is equal to, or in excess of, the total sum of Five Million Four Hundred Thousand Dollars (\$5.4 million). The proceeds from such tax to be distributed, by the City, as a grant to Unified School District No. 383, and used by the School District for the purposes of sustaining quality educational opportunities within the School District and maintaining appropriate infrastructure and programs to accommodate expected additional military families.

*Yes 5295 No 3396

November 5, 2002

RE: Riley County– General Election Book 3
Shall the following be adopted?

Shall a countywide retailers' sales tax in the amount of one-half of one percent (.5%) (the "Sales Tax") be levied in Riley count, Kansas (the "County"), to take effect when the County's current one-half of one percent (.5%) sales tax levied by Resolution No. 051997-15 expires in

accordance with K.S.A. 12-187(b)(2), with the proceeds of the Sales Tax distributed to the County and the cities located within the County as required by law and used: (i) by the County to pay the costs of developing, improving, and maintaining the system of roads, bridges and culverts located in the County, (ii) by the City of Manhattan for economic development initiatives that occur within Riley County and which benefit the City of Manhattan, Kansas, as determined and authorized by the Governing Body of the City; provided, however, such revenue may be used for economic development initiatives that occur outside of Riley County, if the Governing Body of the City determines that Riley County will benefit from such initiatives, and the Board of Riley County Commissioners agree, in writing, with such determination, and (iii) the proceeds distributed to other cities within the County will be used as those cities determine to be in their best interests, provided further that, the question of continuing the Sales Tax shall be submitted to the electors of the County at the general election held in 2012, all pursuant to K.S.A. 12/187 et seq., as amended?

*Yes 6786 No 6706

November 3, 1998

RE: Manhattan CityXE "Manhattan City" - General Election Book 3

That the City of Manhattan, Kansas, adopt an additional retailers' sales tax in the amount of one-quarter of one percent (.25%), to be imposed upon all retail sales within the City of Manhattan, Kansas, from January 1, 1999, through December 31, 2002, with the revenue received from said additional tax to be pledged for economic development initiatives which benefit the City of Manhattan, Kansas, as determined, and authorized, by the Governing Body of the City.

Yes 3480 *No 5460

November 5, 1996 ***

RE: Riley CountyXE "Riley County" - General Election Book 3

Shall Riley County, Kansas, be authorized to impose a countywide retailers' sales tax in the amount of .5% (one-half of one percent) beginning January 1, 1999, and pledge the revenues received there from to pay and retire sales tax revenue bonds of the County to be issued in the maximum principal cost of \$10,800,000.00 to finance the construction, furnishing and equipping of a new law enforcement center, together with the acquisition of a site therefore to be located in the northeast quadrant of the intersection of Fort Riley Blvd and Seth Child Road, and all other things necessary and incidental thereto at a total principal cost of \$10,800,000.00 under the authority of K.S.A. 12-187 (b) (2) and K.S.A. 12-195?

*Yes 10352 No 8640

June 6, 1995

RE: USD 383

Should Unified School District No. 383, Manhattan, be authorized to adopt a local option budget in each school year for a period of time not to exceed 12 percent of the amount of state financial aid determined for the current school year?

Yes 1706 **No 3507***

November 8, 1994

RE: Manhattan City – General Election Book 3

That the City of Manhattan, Kansas, adopt an additional retailer's sales tax in the amount of .5%, to be imposed upon all retail sales within the City of Manhattan, Kansas, from January 1, 1995, through December 31, 1998, with the Revenue received from said additional tax to be pledged for economic development initiatives which benefit the City of Manhattan, Kansas, as determined, and authorized, by the Governing Body of the City.

***Yes 5728** No 4952

November 8, 1994

RE: Riley County – General Election Book 3 (Medifab)

That a retailers sales tax in an additional amount of one-half of one percent (.50%) to take effect January 1, 1995, be levied throughout the county until the proceeds therefrom are sufficient to pay the costs, which shall not exceed eight million three hundred thousand dollars (\$8,300,000), incurred in financing, constructing and otherwise providing a county jail and law enforcement center, to be located on the square in the City of Manhattan, Riley County, Kansas, bounded as follows: on the North by Pierre Street, on the East by Sixth Street, on the south by Colorado Street and on the West by South Juliette Avenue.

Yes 6245 ***No 7987**

October 5, 1993

RE: USD 383 – Special Election Book 1
PROPOSITION I

Shall Unified School District No. 383, Riley County, Kansas (Manhattan), issue general obligation bonds in an amount not to exceed \$25,887,000, to pay the costs to purchase a site or sites; to construct, equip and furnish a new elementary school and two new middle schools; to construct, furnish and equip improvements to the senior high school, middle school and elementary schools; to make modifications and improvements to various buildings in the District, including, but not limited to asbestos abatements, roof repair, to conform to the Americans With Disabilities Act requirements and to provide technology enhancements; and all

other necessary appurtenances thereto; all pursuant to the provisions of K.S.A. 10-101 et seq.; K.S.A. 25-2018 (f); K.S.A. 75-2315 et seq. and K.S.A. 72-6761.

Yes 4602* No 2877

October 5, 1993

RE: USD 383 – Special Election Book 1
PROPOSITION II

Shall Unified School District No. 383, Riley County, Kansas (Manhattan), issue general obligation bonds in an amount not to exceed \$2,020,500, to pay the costs to purchase a site or sites and to construct, equip and furnish a new swimming pool complex and all other necessary appurtenances thereto; all pursuant to the provisions of K.S.A. 10-101 et seq.; K.S.A. 25-2018(f); K.S.A. 75-2315 et seq. and K.S.A. 72-6761.

Yes 3402 No 4076*

April 7, 1992

RE: Riley County – Special Election Book 1

Shall Riley County, Kansas, be authorized to issue general obligation bonds of the County under the authority of K.S.A. 68-580 et seq., as amended, in an amount not to exceed \$1,411,000.00, to pay the costs of constructing, reconstructing and repairing Kimball Avenue, also referred to as Scenic Drive, from its intersection with Anderson Avenue to its intersection with Kansas Highway No. 18, and that unpaved portion of Kimball Avenue located in Section 10, Township 10 South, Range 7 East of the 6th P.M. in Riley County, Kansas.

*Yes 3425 No 3167

May 8, 1990

RE: USD 383 – Special Election Book 1

Shall Unified School District No. 383, Riley County, Kansas (Manhattan), be authorized to issue general obligation bonds of the School District under the authority of K.S.A. 72-6761, in an amount not to exceed \$14,380,000, which together with interest earnings thereon will be used to pay the estimated costs (\$15,377,000) of constructing and improving buildings in the School District, including expanding the Amanda Arnold kitchen, acquiring a site for and constructing a new grad 6-7 Middle School, constructing an addition to the existing grade 8-9 Middle School, providing air conditioning service to the existing High School and ancillary improvements and equipment for the aforementioned in the School District.

Yes 3214 No 3801*

August 5, 1986

RE: Manhattan City- Primary Election Book D

Shall the following be adopted?

That the City of Manhattan, Kansas, issue its general obligation municipal bonds in the sum of \$2,726,000.00 which includes \$135,000.00 for temporary financing and the cost of issuing said bonds, for the following purposes: Not to exceed \$770,000.00 of said sum shall be used for the development of an outdoor recreation sports complex which includes the design, site grading, development of three soccer/football fields, two softball fields and fencing, road surface establishment, development of two parking lots, development of additional water and sewage treatment, construction of a maintenance building, construction of restrooms, construction of central softball complex facility with surrounding concrete improvements, construction of three picnic shelters, construction of playground equipment, bleachers, construction of lighting of the four softball fields and security lighting. The funds devoted to this project shall be in addition to \$595,000.00 already allocated for said project from federal revenue sharing funds and park development funds of the city of Manhattan, Kansas, which have been allocated to acquire the real estate necessary for the project, design services for the initial phase of the project which included development of four soccer/football fields, the development of two softball fields and fencing, the construction of partial road service establishment, the development of two parking lots, the construction of partial water and sewage development and construction of restroom and storage facilities. This complex will be located on approximately one hundred acres on the south side of West Anderson, approximately five hundred feet from the current boundary of the City limits;

Not more than \$350,000.00 of said sum to be used for the purpose of renovating the current Northview swimming pool of the city of Manhattan, Kansas. The renovation includes adding separate wading and training pool, increasing the deck space around the original and new pool, upgrading the pool equipment, adding additional filters and improving the existing mechanical equipment and adding a bathhouse and concessions;

Not to exceed \$695,000.00 of said sum to be used for the construction of a new 25-meter swimming pool and relating facilities in the southwest corner of CiCo Park;

Not to exceed \$125,000.00 of said sum to be used to construct a new 1900-square foot shelter and related facility for stray animals on property currently owned by the City, the location of which has not been finally determined;

Not to exceed \$451,000.00 of said sum to be used for the development of a linear park trail system with related facilities, along the levy system from Casement Road to South Manhattan Avenue and also the development and acquisition of the continuation of this trail system along Wildcat Creek from South Manhattan Avenue to Poliska Lane railroad bridge, which includes the building of a bridge across Wildcat Creek at South Manhattan Avenue, the development and acquisition of a continuation of the trail along the abandoned Rock Island Railway right-of-way from Poliska Lane railroad bridge the west edge of Village Plaza, which includes the acquisition of the abandoned Rock Island Railway right-of-way. The funds used herein will be in addition to approximately \$70,400.00 from the park Development Fund;

Not to exceed \$200,000.00 of said sum for the purpose of renovating the existing Community House of the City of Manhattan, Kansas which includes the renovation of the stage area, new finishes to the basement area, electrical and air conditioning improvements, new gym floor and finishes to walls and ceiling, new roofing balcony repairs and accessibility improvements.

*Yes 3756 No 2430

November 2, 1982

RE: USD 383 – General Election Book 3

Shall the following be adopted?

Proposition to issue General Obligation School Building Bonds of Unified School District No. 383, Riley county, State of Kansas, in the amount of not to exceed \$5,950,000.00, to be used in conjunction with \$1,168,000.00 Capital Outlay funds to pay the \$7,118,000.00 total cost of the construction of a new elementary school building, and renovating, remodeling, and making additions to eight other elementary schools in the District, under authority of K.S.A. 1982 Supp. 72-6761, and any and all amendments.

Yes 7644* No 4078

November 2, 1982

RE: Riley County – General Election Book 3

Shall the following be adopted?

That, effective February 1, 1983, Riley County, Kansas shall levy a county wide retailers' sales tax in the amount of one half of one percent (.5%).

***Yes 7627** No 5334

August 3, 1982

RE: Manhattan City – Primary Election Book D

Shall the following be adopted?

That, effective November 1, 1982, the City of Manhattan, Kansas, shall levy a retailers' sales tax in the amount of one-half of one percent (.5%), which shall be in addition to the retailers' sales tax currently levied by said City.

***Yes 3863** No 1086

April 6, 1982

RE: Manhattan City – Special Election Book 1

Shall the following be adopted?

That the City of Manhattan, Kansas, shall issue its general obligation municipal bonds in the sum of \$950,000.00 for the purpose of constructing a 50-meter swimming pool and related facilities in CICO Park, Manhattan, Kansas.

Yes 1541 ***No 2229**

November 11, 1978

RE: Manhattan City – Special Election Book 1

Shall the City of Manhattan, Kansas issue its General Obligation Municipal Bonds in the sum of \$806,000.00 which will be in addition to \$649,697.00 provided by Federal Funds for the purpose of converting the City Park Swimming Pool to a covered, enclosed winterized facility?

Yes 3876 *No 5636

August 1, 1978

RE: Riley County – Primary Election Book D

Shall a tax in the amount of one-tenth (.10) of one (1) mill be levied in 1978 on all taxable tangible property located in Riley County, Kansas, for the purpose of financing a county-wide economic development program in Riley County for the year 1979?

Yes 1586 *No 3538

November 8, 1977

RE: USD 383 – City/School Election Book 1

Shall the following be adopted?

Proposition to issue General Obligation School Building Bonds of Unified School District No. 383, Riley County, State of Kansas under authority of K.S.A. 72-6761 and K.S.A. 1976 Supp. 75-2315 et seq. in the amount of not to exceed \$7,400,000.00 to pay the cost of repairing, remodeling, equipping, furnishing and making additions to the existing junior high school building and to the existing senior high school building located in Manhattan, Kansas, which buildings are used for school purposes within said District.

Yes 2572* No 2457

April 5, 1977

RE: Riley County – City/School Election Book 1

Shall a countywide retailer's sales tax in the amount of one percent (1%) be levied in Riley County, Kansas, to be effective July 1, 1977?

Yes 1491 *No 4648

November 2, 1976 ***

RE: Riley County – General Election Book 3

Shall an annual tax of not to exceed one (1) mill be levied in Riley County, Kansas to fund a service program for the elderly?

*Yes 11267 No 4613

November 5, 1974

RE: USD 383 – General Election Book 3

Shall the Board of Education of Unified School District 383, Riley County, State of Kansas, issue its general obligation bonds in the amount of \$5,684,000.00 to pay for the cost of improving school sites and constructing, equipping and furnishing a new junior high school building, the replacement of the central elementary school building at Ogden, Kansas, and the construction of a new elementary school building all within the said Unified School District 383, Riley County, State of Kansas, all pursuant to K.S.A. 72-6761 and K.S.A. Chapter 10, Article I and amendments thereto?

Yes 4969 No 8391*

April 6, 1971

RE: Manhattan City – City/School Election Book 1

Proposition #1

Shall the City of Manhattan, Kansas, issue it's General Obligation Bonds in the amount to \$450,000.00, the same to run not longer than 20 years and to bear interest at a rate not exceeding 6 percent per annum and to be issued in the manner provided by law for the purpose of paying the City's share of the cost of improvements at the municipal airport of said City, said improvements to be and consist of a 6 inch asphalt concrete overlay of the existing southwest northeast runway, the southeast portion of the southeast-northwest runway, loading ramp and existing taxiway, to build a new taxiway parallel to the southwest-northeast runway and to install lighting for said new taxiway and for other appurtenances incidental thereto, all at a total cost of \$900,000.00 of which the Federal government will contribute the approximate sum of \$450,000.00?

Yes 2388 *No 3901

April 6, 1971

RE: Manhattan City – City/School Election Book 1

Proposition #2

Shall the City of Manhattan, Kansas levy a retailers' sales tax in the amount of one-half of one percent, on retail transactions consummated within the City, in accordance with Section 79-4424, 79-4425 and 79-4426 of the 1970 Supplement, Kansas Statutes Annotated, for the purpose of expanding and financing police and fire services, and for paying health insurance and salary increases for other city employees?

*Yes 4380 No 1963

April 6, 1971

RE: Manhattan City – City/School Election Book 1

Proposition #3

Shall the 1972 Budget for operating expenditures of the City of Manhattan, Kansas be increased \$260,000.00 to expand and finance police and fire services and to pay for health insurance and salary increases for other city employees?

*Yes 4353 No 1937

April 6, 1971

RE: USD 383 – City/School Election Book 1

Shall the budget of the Unified School District No. 383, Riley County, State of Kansas, be increased by two hundred forty-nine thousand two hundred twenty dollars (\$249,220.00)?

Yes 4301* No 2957

November 3, 1970

RE: Manhattan City – General Election Book 3

Special Bond Election for the purpose of paying the city's share of the cost of acquiring land, easements or servitude's and for the improving of the same at the Municipal Airport of said city.

Yes 4048 *No 4273

November 5, 1968 ***

RE: Manhattan City – General Election Book 3

Shall the City of Manhattan, Kansas, levy annually upon all of the taxable tangible property within the City a tax not to exceed one (1) mill for the purpose of creating a fund to be used in securing industries or manufacturing institutions for said city or near its environs?

*Yes 5627 No 3588

August 6, 1968

RE: Riley County – Primary Election Book D

Shall the Riley County Commissioners be authorized to issue general obligation bonds to the sum not to exceed four hundred thousand dollars (\$400,000.00) to erect and construct a swimming pool. And in connection therewith to secure matching federal funds in the sum not to

exceed two hundred fifty thousand dollars (\$250,000.00) in addition to the above bond issue pursuant to K.S.A. 10-101 through 21 – 120.

Yes 3124 *No 3958

November 8, 1966

RE: Manhattan City – General Election Book 3

Special Bond Election for acquiring a site for and constructing and equipping a public building to be used as a Public Library.

*Yes 4397 No 2315

Permanent Sales Tax November Ballot Question

April 23, 2019

Sales Tax Objectives

- 1. Determine if the Commission would like to proceed with a question to the public to increase the permanent sales tax in Manhattan.
- 2. If Yes, determine if there is support with .3% increase
- 3. If Yes, consider question as drafted by legal
- 4. If Yes, determine key talking points and intent to use the .3% in the future

WHY?

- Major Projects/Infrastructure Improvements
 - Levee, Aggieville, Runway, Joint Maintenance Facility, SENRC, North Campus Corridor
 - 7 years of projects/construction - 30 years of debt service (2020 – 2050)
 - \$190M in construction – with an identified City at large financing gap of \$50M
 - Gap can be made up from property tax or sales tax in the bond and interest fund
 - 6 mills (@ \$575,000 per mill) or .3% sales tax (8.95% to 9.25%)

Current Sales Tax

- 1% City – Permanent Sales Tax
 - Part of the 8.95%
 - (State 6.5%, City 1.45%, County 1%)
- City's 1% Generates \$11M annually
 - \$7.5M – General Fund to assist with operations/personnel
 - \$3.08M – Employee Benefit Fund
 - \$162,630 – KP&F Fund
 - \$43,910 – General Improvement Fund

Current Sales Tax

- .5% - 1971 ballot question to establish the sales tax
- .5% - 1982 ballot question to increase to a full 1%
- 2013 – 2018 History of 1%

	Sales Tax – City 1%	Annual % Increase/Decrease
2013	\$10,484,185	-0.6%
2014	\$10,723,686	2.3%
2015	\$10,968,606	2.3%
2016	\$11,196,423	2.1%
2017	\$10,955,526	-2.2%
2018	\$11,134,801	1.6%
	AVG Annual	0.92%

Current Sales Tax

State of Kansas	6.50%
City – General Purpose	1.00%
Riley County – General Purpose	0.50%
Riley County – Roads/Bridges & Eco Devo	0.50%
City – Special (Street)	0.20%
City – Special (P&R Quality of Life)	0.25%
TOTAL	8.95%

Kansas Cities of the First Class (2019 Information)

Rank	City	Population	Sales Tax Rate	Pull Factor	Rank	City	Population	Sales Tax Rate	Pull Factor
1	Junction City	22,988	9.750%	1.02	13	Overland Park	191,278	9.100%	1.40
2	Shawnee	65,513	9.600%	0.98	14	Leawood	34,659	9.100%	1.33
3	Coffeyville	9,481	9.500%	0.92	15	Hutchinson	40,772	9.100%	1.23
4	Leavenworth	36,210	9.500%	0.86	16	Lawrence	96,892	9.050%	1.09
5	Olathe	137,472	9.475%	1.23	17	Prairie Village	22,368	8.975%	0.68
6	Fort Scott	7,813	9.400%	1.16	18	Manhattan	54,832	8.950%	1.33
7	Lenexa	53,553	9.350%	1.58	19	Garden City	26,895	8.950%	1.60
8	Liberal	19,826	9.250%	1.10	20	Atchison	10,636	8.750%	0.92
9	Parsons	9,761	9.250%	1.01	21	Salina	46,994	8.750%	1.48
10	Pittsburg	20,216	9.250%	1.09	22	Dodge City	27,720	8.650%	1.11
11	Topeka	126,587	9.150%	1.39	23	Newton	18,869	8.500%	0.89
12	Kansas City	152,938	9.125%	0.97	24	Emporia	24,724	8.500%	1.13
					25	Wichita	390,591	7.500%	1.06

Pull Factor

- Manhattan has a pull factor of 1.33
 - Values greater than 1.00 indicate that local businesses are pulling in trade from beyond their city border.
 - City of Manhattan realizes \$1.1B in sales in 2018
 - 25% or \$272,921,331 is generated from people who don't live in the city limits

Annual Household Income	% Income - Spent on Taxable Goods	Sales Tax Rate - MHK		Annual Difference
		8.95%	9.25%	
	30%			
\$12,500	\$3,750	\$336	\$347	\$11
\$25,000	\$7,500	\$671	\$694	\$23
\$35,000	\$10,500	\$940	\$971	\$32
\$50,000	\$15,000	\$1,343	\$1,388	\$45
\$60,000	\$18,000	\$1,611	\$1,665	\$54
\$75,000	\$22,500	\$2,014	\$2,081	\$68
\$85,000	\$25,500	\$2,282	\$2,359	\$77
\$100,000	\$30,000	\$2,685	\$2,775	\$90
\$120,000	\$36,000	\$3,222	\$3,330	\$108
\$150,000	\$45,000	\$4,028	\$4,162	\$135
\$200,000	\$60,000	\$5,370	\$5,550	\$180

	Assessed Value	Mill Levy	+6 Mill (\$3.3M)	Difference
Residential	11.50%	0.145	0.152	.006
\$150,000	\$17,250	\$2,501	\$2,622	\$121
\$175,000	\$20,125	\$2,918	\$3,059	\$141
\$200,000	\$23,000	\$3,335	\$3,496	\$161
\$250,000	\$28,750	\$4,169	\$4,370	\$201
\$300,000	\$34,500	\$5,003	\$5,244	\$242
\$350,000	\$40,250	\$5,836	\$6,118	\$282
\$500,000	\$57,500	\$8,338	\$8,740	\$403
Commercial	25%	0.145	0.152	.006
\$250,000	\$62,500	\$9,063	\$9,500	\$438
\$500,000	\$125,000	\$18,125	\$19,000	\$875
\$1,000,000	\$250,000	\$36,250	\$38,000	\$1,750
\$5,000,000	\$1,250,000	\$181,250	\$190,000	\$8,750

Project Timeline & Summary

2020 - 2050

	City at Large - Principal	Total Debt Service (20 YR)
Levee	\$10,000,000	\$17,080,000
Runway	\$3,500,000	\$5,974,000
Aggieville	\$20,000,000	\$38,200,000
North Campus Corridor	\$11,500,000	\$19,660,000
Joint Maintenance Facility	\$1,000,000	\$1,435,000
SENRC – Douglass Rec	\$3,500,000	\$5,974,000
TOTAL	\$49,500,000	\$88,323,000

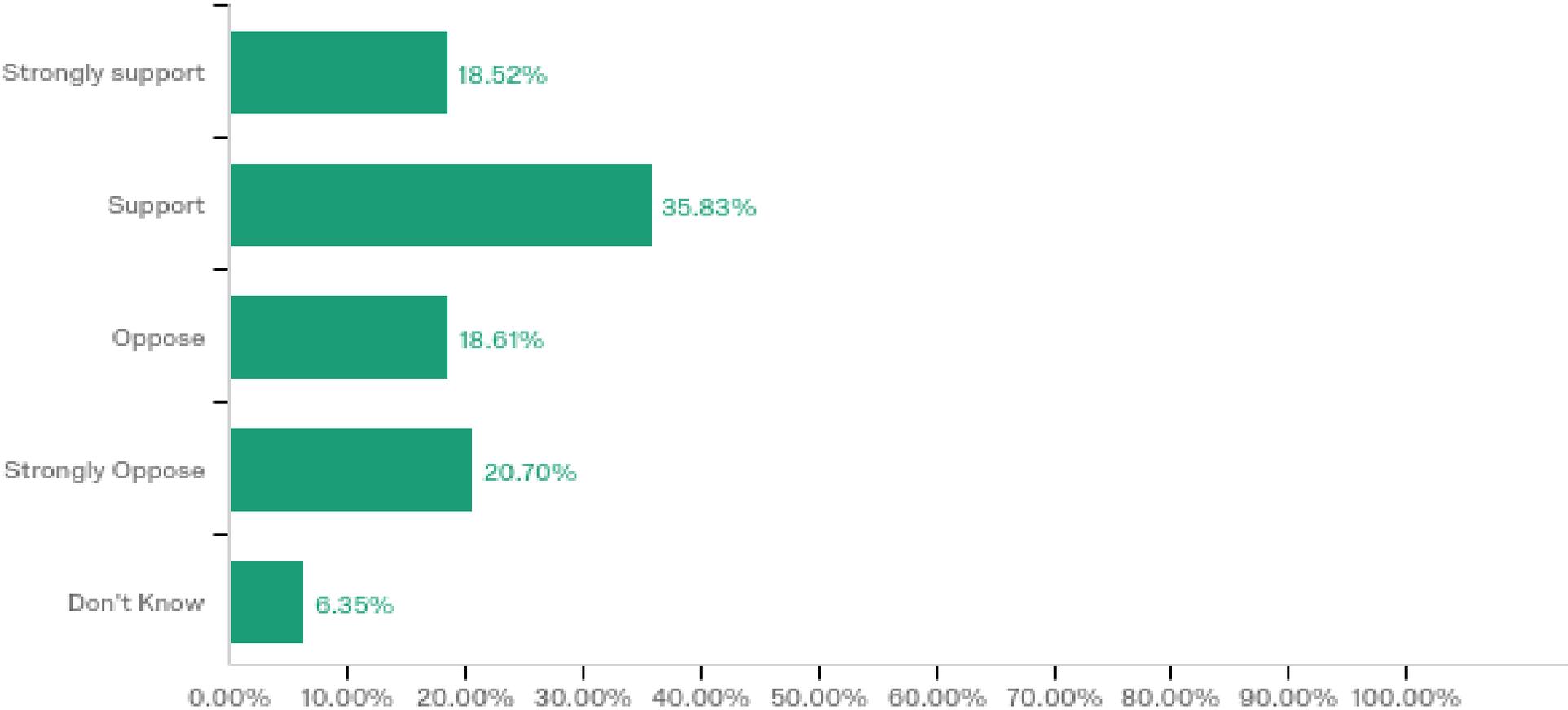
Sales Tax Increase @ .3% = \$3.3M annually; 30 year revenue = \$99.9M

Draft Question

Shall the City of Manhattan, Kansas be authorized to impose an additional three tenths of one percent (0.3%) general retailers' sales tax, thereby increasing the general sales tax rate to one and three tenths percent (1.3%), pursuant to the authority of K.S.A. 12-187 *et seq.*, to be used for all lawful expenditures of the City and intended to reduce the impact on the ad valorem property tax burden on City taxpayers with collection of such tax beginning on (April 1, 2020), or as soon as provided by law?

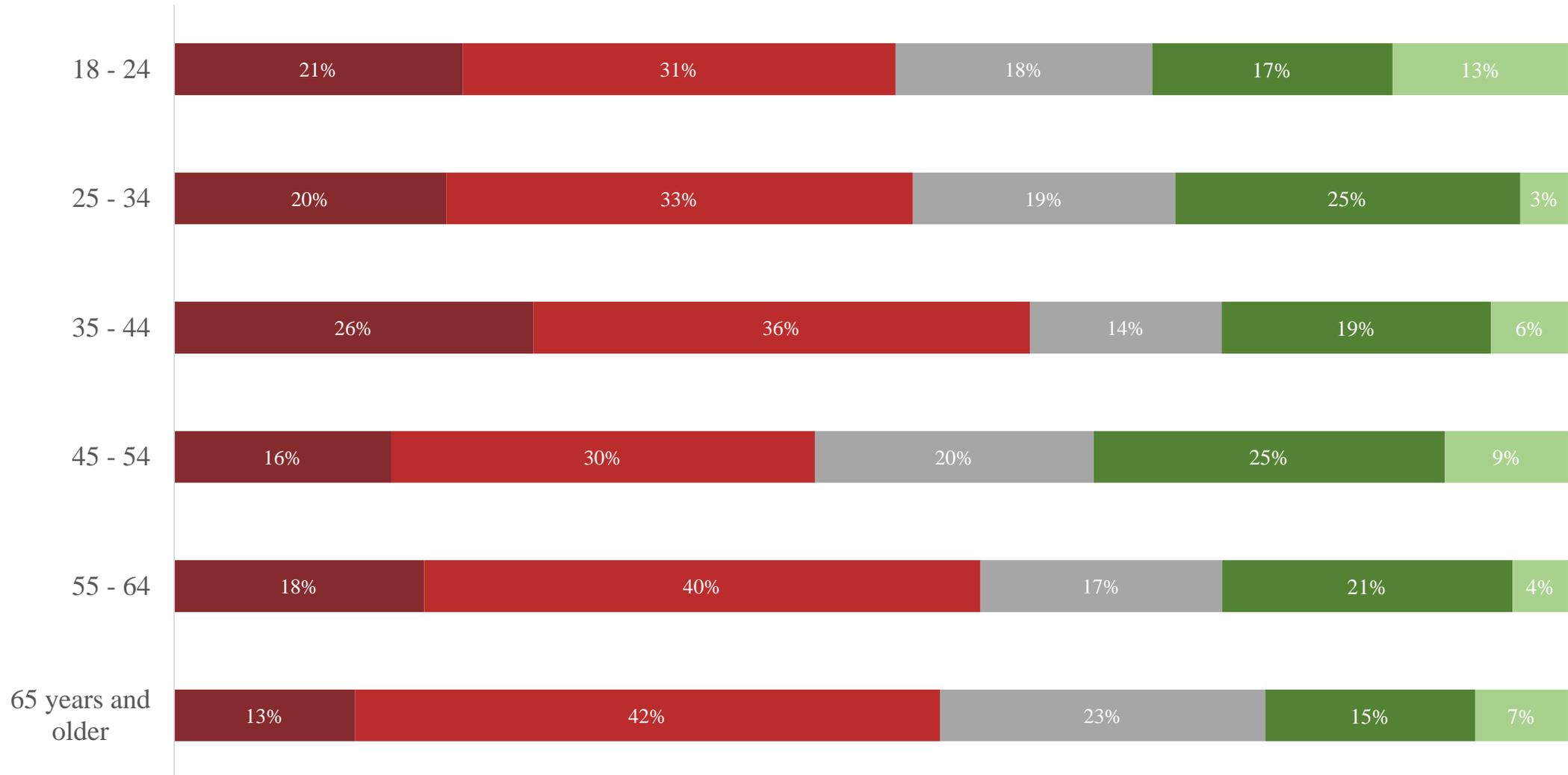
Currently, the sales tax rate in Manhattan is **8.95%** in most areas of the community. The State of Kansas keeps 6.5% of the total sales tax revenue. The City of Manhattan dedicates much of the remaining revenues to operations in order to keep the City's reliance on property taxes low.

Would you support or oppose increasing the sales tax an additional .30% to 9.25% ? This increase will allow the City to reduce dependency on property taxes and fund major projects that increase the quality of life for residents.

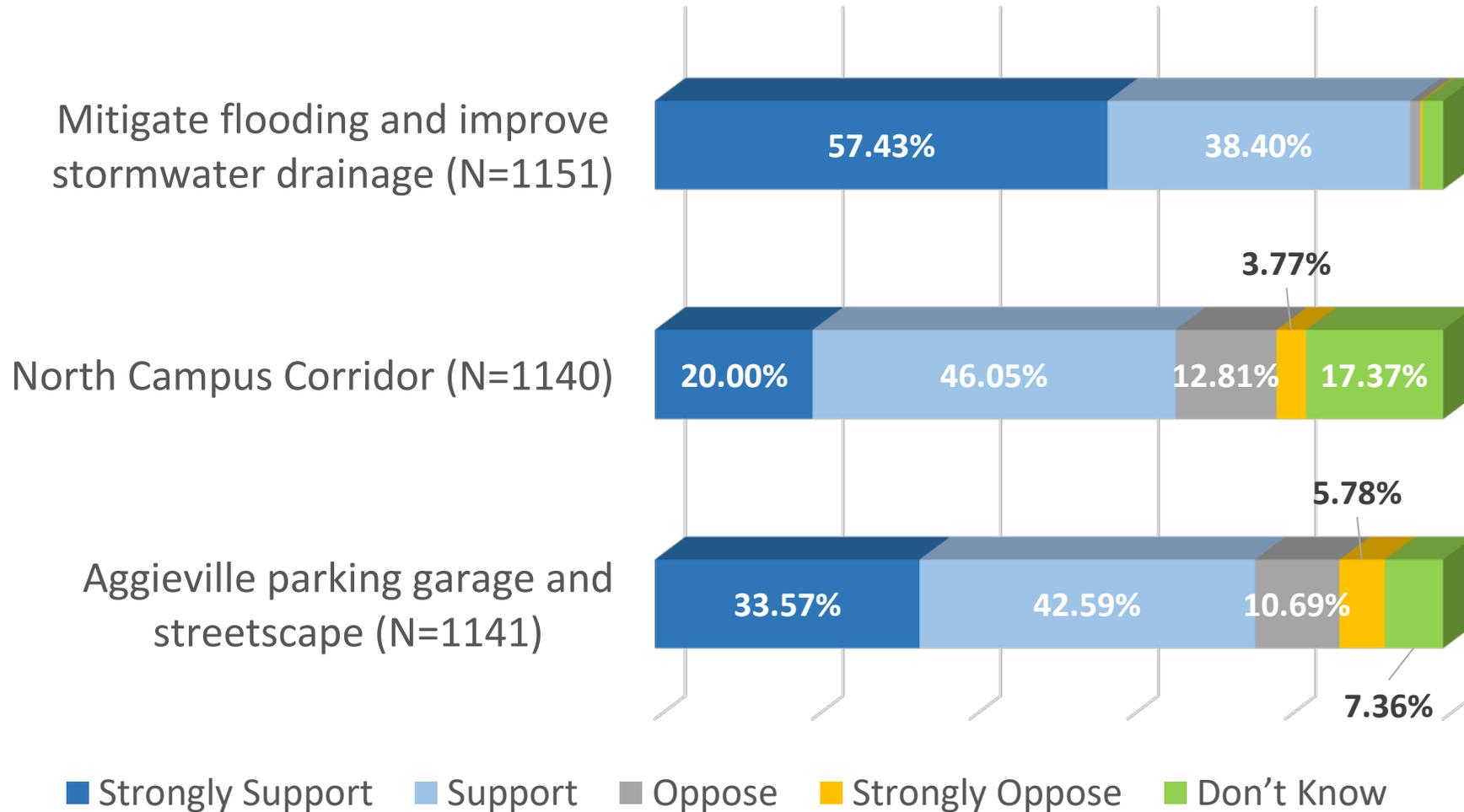


The greatest support is among 35-44 years olds, the greatest opposition is among 45-54. 55% of 65 years olds and older support or strongly support.

■ Strongly support ■ Support ■ Oppose ■ Strongly Oppose ■ Don't Know



Public Support for growth related projects



Possible Timeline

- May/June – Resolution approving the question
- June thru November – Public Education
- September 1, 2019 – Question due to Riley County
- October 15, 2019 – Last day to register to vote
- October 16, 2019 – Advance voting begins
- November 4, 2019 – Advance voting closes at noon
- November 5, 2019 – Election Day

Direction/Feedback

- Yes/No – November Ballot Question on Sales Tax?
 - If Yes – ok with permanent .3% increase – increase 1% to 1.3%?
 - If Yes – ok with question drafted by legal?
-
- Thank you