

How can we fund the needs of Salt Lake City?

Salt Lake City's population is growing and is expected to keep growing. The number of people commuting to Salt Lake City every day to work, learn, be entertained and seek out services like medical care is growing as well. Salt Lake City's strong economy is bolstered by serving as the hub of northern Utah's tourism and convention business.

This growth and responsibility for service brings challenges. Salt Lake City has identified four critical needs that need additional funding to maintain the City's high quality of life and help improve air quality: street maintenance, affordable housing, transit service, and public safety.

Salt Lake City's Most Critical Needs

1 Increased Public Safety

NEED:

- 50 police officers have been hired to serve growing daytime and evening populations and support Operation Rio Grande
- Support 13 new civilian positions, prosecutors, 911 operators and court personnel made necessary by new police department hires

ACTION PLAN:

- Maintain requested neighborhood policing model for 23 neighborhood beats
- Provide ongoing funding for the new officers and associated support services

FUNDING GAP:

- \$12 million a year via sales tax

2 Better Transit Service

NEED:

- Better transit to connect residents with jobs and housing
- 4 out of 5 car trips in Salt Lake City are local
- No existing funding for local transit
- Families using transit instead of an automobile could realize a cost savings

PROPOSED ACTION:

- Contract with UTA or other transit providers to:
 - Increase frequency and eliminate gaps in midday, evening, and weekend services
 - Provide new east-west routes
 - Improve the quality of transit stops and shelters

FUNDING GAP:

- \$8 million a year via sales tax

3 Improved Street Conditions

NEED:

- Two-thirds of SLC streets are in poor condition and in need of maintenance
- 20% need to be completely rebuilt
- An estimated \$20 million a year is needed to rebuild roads. The City has been spending less than \$10 million a year
- Poor road conditions cost motorists an additional \$600/year (extra fuel consumption, tire repair and maintenance)

PROPOSED ACTION:

- Increase the lane miles maintained each year from 75 to 155
- Reconstruct the worst roads

FUNDING GAP:

- \$20 million a year for new roads and infrastructure via a GO bond
- \$5 million a year for road maintenance via sales tax

4 Greater Housing Opportunities

NEED:

- 7,500-unit gap in affordable housing for people making \$20,000 or less
- Rents rising faster than wages
- Half of renters pay more than 1/3 of income on housing
- Vacancy rates remain historically low - demand for affordable housing growing

PROPOSED ACTION:

- Implement the strategies outlined in the *Growing Salt Lake Housing Plan*:
 - Provide low-interest loans to affordable housing developers
 - Assist with down payment strategies
 - Provide case manager for those looking for affordable housing solutions

FUNDING GAP:

- \$20 million a year, but the division is requesting \$5 million a year via sales tax

Funding Approach 1: Sales Tax



Photo credit: Visit Salt Lake

Salt Lake City leaders are considering increasing the city's portion of sales tax by 0.5 percent (5 cents on a \$10 purchase) generating \$33 million a year in new revenue. The City Council may vote on the increase during an April 17, 2018 public hearing.

- Sales tax is paid on most purchases made in the City, with the exception of groceries
- 60% of sales tax revenue would be paid by nonresidents – office workers, visitors and tourists

How will \$33 million in sales tax revenue be used?

- Sales tax revenue could be used for ongoing needs.
 - Street maintenance - \$5 million a year
 - Neighborhood safety - \$12 million a year
 - Affordable housing - \$5 million a year
 - Transit service - \$8 million a year
 - Rainy-day fund - \$3 million a year

Funding Approach 2: General Obligation Bond



Photo credit: KSL

City leaders are considering placing a new General Obligation (GO) Bond on November's ballot estimated to raise \$87 million for infrastructure improvements.

- If voters approve, property taxes would go up about \$5 a year for the average homeowner
- Two GO bonds approved 20 years ago will be paid off in 2019 providing an opportunity to finance new projects without a large increase in property taxes.

How will \$87 million raised by a GO bond be used?

- Bond revenue must be used for specific one-time projects
- Major street and infrastructure rebuild projects - \$20 million a year

Contextual Notes: Through deliberative community engagement, the Kem C. Gardner Policy Institute convenes people with a wide variety of perspectives, provides them with a foundation of high quality information, and allows them to share perspectives and work collaboratively to make INFORMED DECISIONS™.

Salt Lake City asked the Gardner Policy Institute to convene city business leaders and solicit feedback on the city's identified critical needs and potential funding mechanisms to address these needs. Discussion comments will be aggregated and remain confidential. A short summary will be provided to Salt Lake City leaders to help with their decisions.