

Sales Tax Funds for New Street Construction
Proposed Strategy
August 26, 2019

The following is a proposed strategy from the Lincoln Transportation and Utilities Department and the Planning Department for use of the quarter cent sales for new street construction. This proposal is focused on the required minimum of 25% of the funds being used for new construction to promote private sector investment. The following are the main points of the strategy:

- **Promotes public-private partnerships:** all projects will include private sector financing with developers providing funds for each project. A typical 4-lane arterial street costs about \$12 million per mile. By combining \$19.5 million in city sales tax funds with potentially over \$12 million provided by the private sector, a significant number of projects can be accomplished over a six-year period. This assumes that 25% (\$3.25 million) of the anticipated total of \$13 million from the sales tax each year goes to new street construction. If a developer was not able to move forward with their part of the financing, then the project would be delayed and other projects advanced.
- **Immediate impact:** several projects are set to begin construction in 2020 or 2021. Potentially 17 projects could be built over a six-year period using this strategy. Several developments and street projects are currently stalled due to a shortfall in funding.
- **Long Term Benefits** – this use of funding will support many street projects that include roundabouts. In many cases a roundabout may initially cost more than a traditional intersection. However, in the long term they reduce crashes and cost less for the public.
- **Geographic distribution:** projects are in all quadrants of the city, although half are in the southeast since that is the area with the most new construction projects.
- **Prioritization:** The first priority are 13 arterial street projects already included in land subject to annexation agreements. The second priority are other potential street projects that have been discussed with developers and landowners. At this point these projects are not committed and are provided as examples.
- **Funding timeline:** Rather than fund only 1 or 2 projects a year, multiple projects using private funding to advance the construction can be supported. Investments in new streets via the sales tax will be spread over two to three years due to the number of projects.

Timing: After review by the Advisory Committee on Transportation (ACT) this proposal will then be sent to the City Council and Mayor. The City Council will potentially take action on a Capital Improvement Program (CIP) amendment that includes this strategy in November. The sales tax begins on October 1st and the first project could begin construction in 2020.

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