

# Voter Education Outreach

October 11, 2018  
KPD Training Room  
6:00 PM

October 12, 2018  
KRMCC Cerbat Conference Room  
12:00 PM

October 13, 2018  
LWHS Practice Gym  
10:00 AM

# Purpose

- ▶ Provide facts, not opinions, as they relate to:
  - Proposition 412 – Home Rule Option
  - Proposition 413 – Responsible Sales and Use Tax Act
- ▶ Provide an overview of the proposed interchanges
- ▶ Address misconceptions surrounding city property tax

## »» Proposition 412 – Home Rule Option

# What is the Home Rule Option?

- ▶ In 1980 Arizona voters approved a State imposed spending limit on local governments. The State imposed limit is re-calculated annually by multiplying population and inflation factors times a city's 1979-80 adopted budget. It does not take into account the amount of revenues the city collects, increased services provided since 1980 nor that the services being provided may be to customers outside the city limits.
- ▶ Because of this, the Arizona State's Constitution allows for cities/towns to adopt an alternative to the State imposed limit. One of the alternatives is the Home Rule Option. The Home Rule Option excludes certain city expenditures from the State's calculation.
- ▶ Since the City of Kingman's water, sewer, sanitation and airport services are funded with user fees and are provided not only to City of Kingman residents but to non-City residents, too, our Home Rule Option excludes these services.

# Who approves the Home Rule Option?

- ▶ The Home Rule Option must be approved by the City of Kingman registered voters and remains in effect for four years.
- ▶ The Home Rule Option has been approved by the City of Kingman voters since **1988**. The last time the Home Rule Option was taken to and approved by the voters was in November 2014.

# Is this year's Home Rule Option different than in previous years?

## ► Yes.

- The city assumed the operations of the airport during fiscal year 2018. The airport provides services to primarily non-city residents and does not rely on city sales tax but rather user fees for funding. Therefore, this year's Home Rule Option not only excludes water, sewer and sanitation expenditures from the state-imposed limitation but will also exclude airport expenditures from it.

# How many Arizona cities operate under the Home Rule Option?

- ▶ Of the 91 cities/towns in Arizona, **79** operate under some type of alternative approved by the State. Of these 79 cities/towns, 51 operate under the Home Rule Option.

# Will the Home Rule Option increase your taxes?

## ▶ **No.**

- The Home Rule Option will not increase your taxes. The Home Rule Option allows the City to spend the revenues it collects and spend them on the operational and capital needs for the services it provides.



# What is the State-imposed spending limit for the City of Kingman?

- ▶ The fiscal year 2019 State imposed spending limit for the City of Kingman is **\$45,100,905**. The City's fiscal year 2018-19 adopted budget is **\$121,113,854**, which is **\$76,012,949** higher than the State imposed spending limit.

# What if the Home Rule Option is not Approved by the Voters on November 6, 2018?

- ▶ **If the Home Rule Option is not approved**, the City of Kingman's expenditures will revert to the State's spending limit beginning in fiscal year 2019-20. **THIS MAY RESULT IN SIGNIFICANT CUTS TO EXISTING CITY SERVICES** such as public safety, streets, parks and recreation, water, sewer, sanitation and the airport.
- ▶ **Home Rule Option cannot be taken back to the voters until November 2020.**

# What does the calculation look like?

| CITY OF KINGMAN                                                                |                          |                          |                          |
|--------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| HOME RULE OPTION<br>CALCULATIONS<br>FY19 and FY20                              |                          |                          |                          |
| Description                                                                    | FY19                     | FY20* w/ Home Rule       | FY20* w/o Home Rule      |
| Total Expenditures                                                             | 120,863,210              | 102,647,176              | 102,647,176              |
| Constitutional Exclusions                                                      | -35,772,877              | -31,544,543              | -31,544,543              |
| Home Rule Exclusions                                                           | -40,424,488              | -26,488,779              | 0                        |
| <b>Amount Subject to Limitation</b>                                            | <b>44,665,845</b>        | <b>44,613,854</b>        | <b>71,102,633</b>        |
| <b><i>State Imposed Limitation</i></b>                                         | <b><i>45,100,905</i></b> | <b><i>46,776,081</i></b> | <b><i>46,776,081</i></b> |
| <b>Amount Under/(Exceeding) Limitation</b>                                     | <b>435,060</b>           | <b>2,162,227</b>         | <b>(24,326,552)</b>      |
| *All calculations for FY20 are based on projections and are subject to change. |                          |                          |                          |

# How will the question read on the ballot?

## ▶ **PROPOSITION 412**

- ▶ **Official Title:** Resolution No. 5151—A resolution proposing to extend the alternative local expenditure limitation (Home Rule Option) for the city of Kingman.
- ▶ **Descriptive Title:** This proposal allows exclusion from the State Expenditure Limitation all amounts expended for the Kingman Municipal Water, Sewer, Sanitation and Airport Services for the next four years. Annually, the City Council determines maximum expenditures for the fiscal year. This local expenditure limit replaces the state imposed expenditure limit.
- ▶ A YES vote shall have the effect of allowing expenditures of the municipal water, sewer, sanitation and airport services to be excluded from the State Expenditure Limitation.
- ▶ A NO vote shall have the effect of retaining State imposed Expenditure Limitations regardless of the availability of funds.

## »» Proposition 413 – Responsible Sales and Use Tax Act

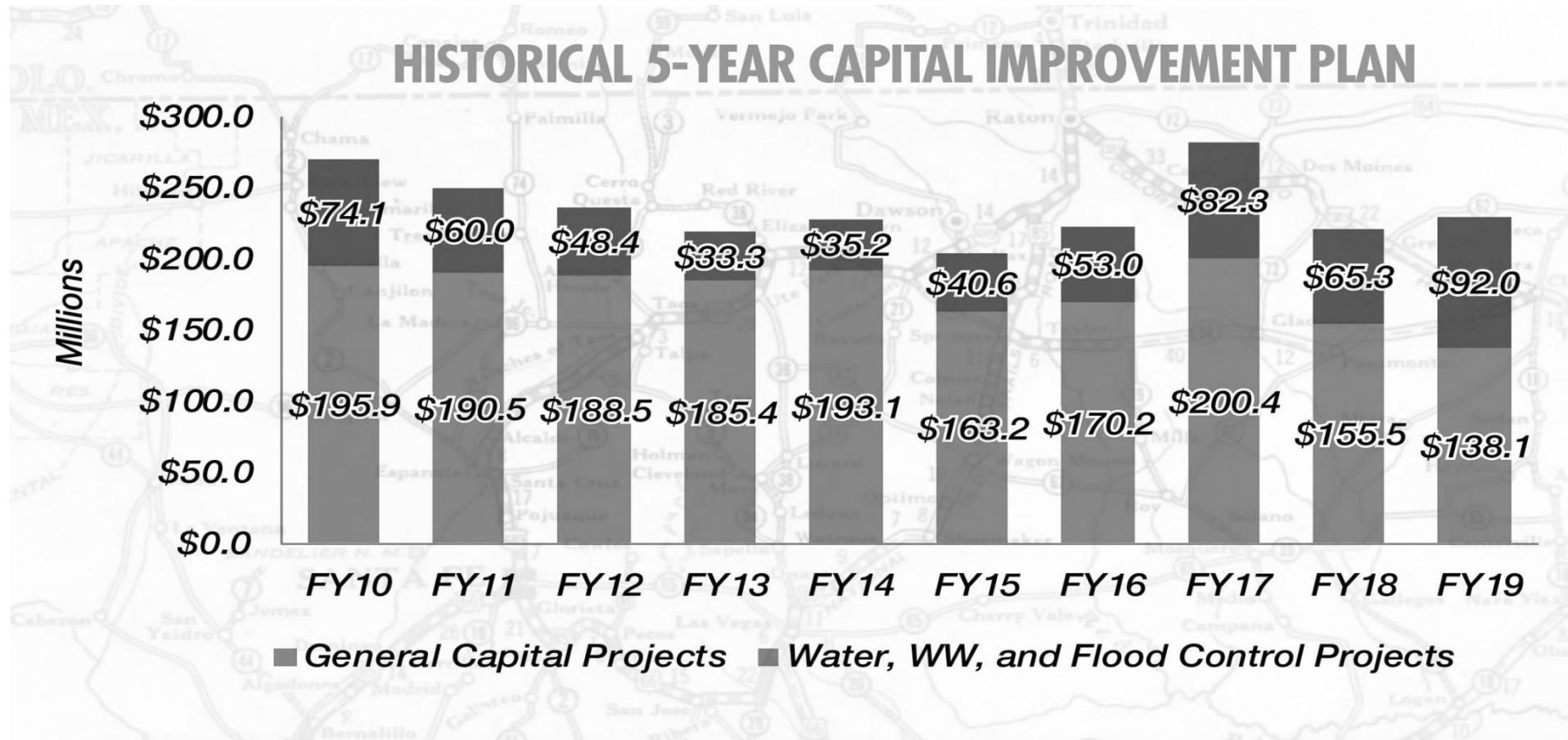
# Purpose of 1% Sales and Use Tax Increase

- ▶ City Council approved 1% sales and use tax increase in August 2017, of which 0.50% is dedicated to capital projects and 0.50% is dedicated to pavement preservation
- ▶ Additional revenues from the increase will generate approx. \$6.4M in FY19
  - \$3.2M for capital projects and \$3.2M for pavement preservation

# Why the 0.50% increase for capital projects?

- ▶ Over the past ten years, the city's 5-year CIP has for general capital projects has ranged between \$138.1M to \$200.4M
- ▶ With a dedicated general capital project revenue stream of less than \$600,000, the growing list of necessary street, parks, public safety and facilities maintenance and improvement projects go virtually unfunded
- ▶ Examples of unfunded general capital projects are Eastern Street improvements, Stockton Hill Road widening, downtown streetscape, park improvements such as restrooms, lighting and parking, soccer field complex, public safety upgrades such as radio consoles and station alerting

# History of 5-Year CIP – Funded and Unfunded



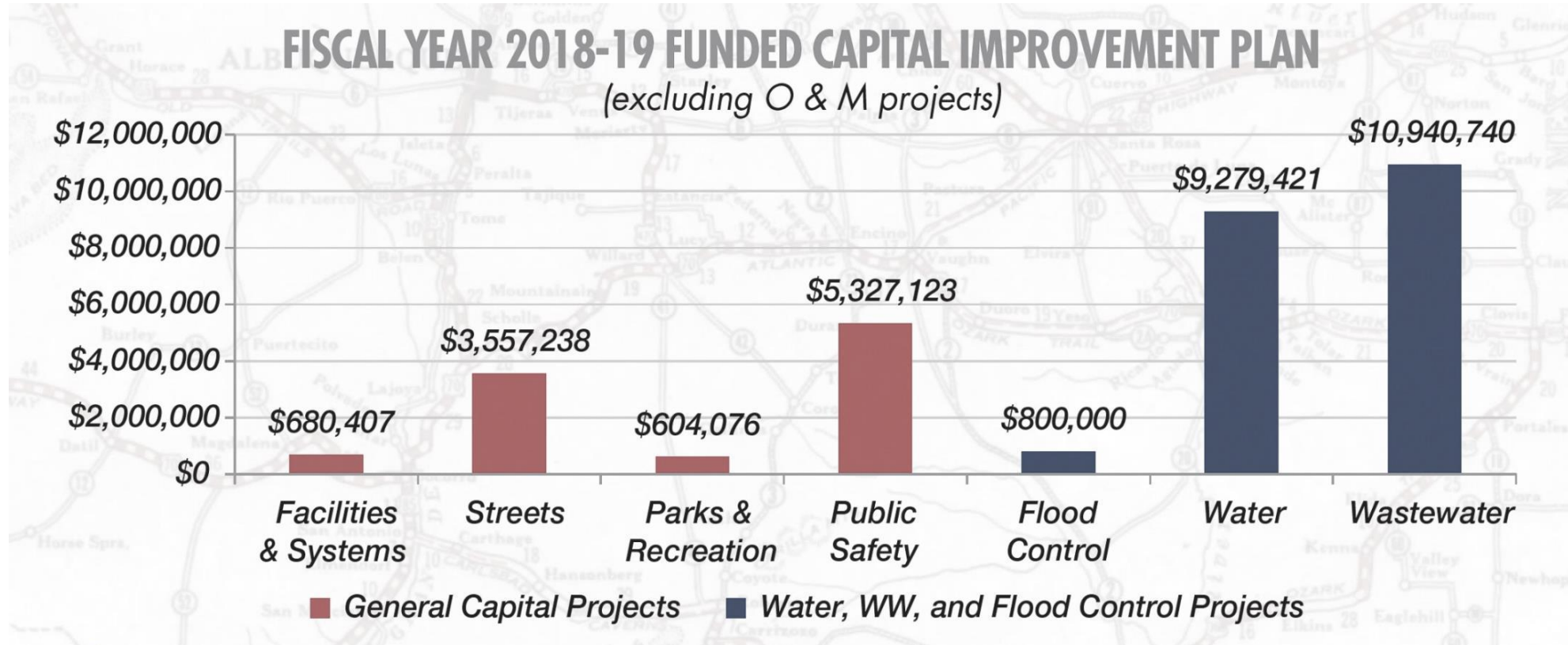


# Fiscal Year 2019-2023 CIP (Funded and Unfunded)



The general capital projects identified in the current 5-year CIP total \$138.1M. Over \$114M of these projects are street projects. Examples include Eastern Street improvements (\$10.5M), Stockton Hill Road widening (\$4.85M), Southern Avenue improvements (\$3.35M), and Rancho SF Pkwy TI Phase I (\$44.187M).

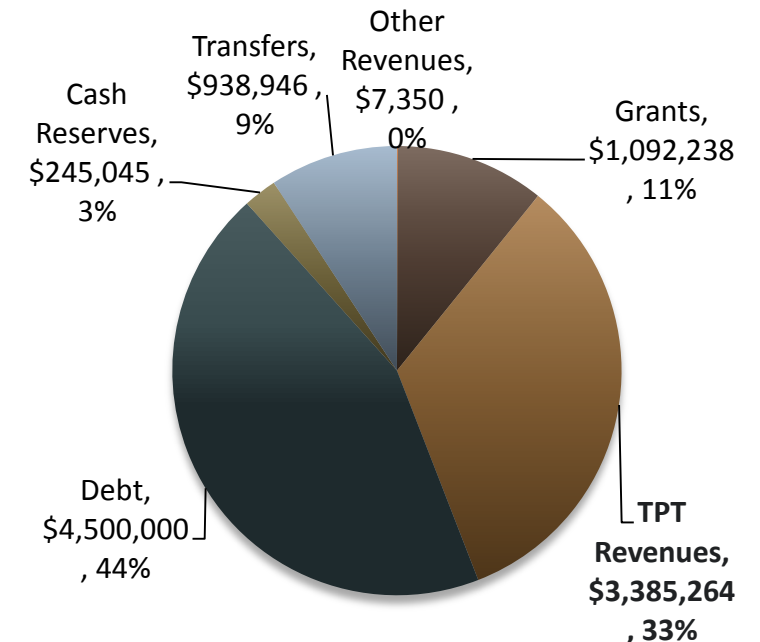
# Fiscal Year 2018-19 Funded Capital Projects



# How has the 1.0% increase dedicated to capital projects and pavement preservation helped?

| PROJECT                            | FY19 PROJECT COST |
|------------------------------------|-------------------|
| Playground Equipment               | \$219,256         |
| Fire Engine Replacement            | \$578,923         |
| Fire Station 2                     | \$4,500,00        |
| Police Building Security/Lobby     | \$95,000          |
| Eastern Improvements               | \$450,000         |
| 1-11 E. Kingman Connection Project | \$2,050,000       |

General Capital Project  
Funding Sources



# Fiscal Year 2019 – 2023 UNFUNDED General Capital Projects

| PROJECT DESCRIPTION                                   | 2019         | 2020          | 2021          | 2022          | 2023         | TOTAL          |
|-------------------------------------------------------|--------------|---------------|---------------|---------------|--------------|----------------|
| <b>FACILITIES/EQUIPMENT/SYSTEMS</b>                   |              |               |               |               |              |                |
| Document Management System                            | \$ -         | \$ 100,000    | \$ -          | \$ -          | \$ -         | \$ 100,000     |
| <b>TOTAL FACILITIES/EQUIPMENT/SYSTEMS</b>             | \$ -         | \$ 100,000    | \$ -          | \$ -          | \$ -         | \$ 100,000     |
| <b>PUBLIC WORKS - STREETS</b>                         |              |               |               |               |              |                |
| ADA Improvements                                      | \$ -         | \$ 785,000    | \$ -          | \$ 785,000    | \$ -         | \$ 1,570,000   |
| Downtown Streetscape                                  | -            | 19,500        | 68,500        | 707,500       | -            | 795,500        |
| Eastern Street Improvements - Pasadena to Airway      | -            | 10,500,000    | -             | -             | -            | 10,500,000     |
| Fairgrounds/Western and I-40 Crossing                 | -            | 300,000       | -             | -             | -            | 300,000        |
| (I-11) Airway Ave - Prospector Street to Rancho Pkwy. | 350,000      | 3,000,000     | -             | -             | -            | 3,350,000      |
| (I-11) Kingman Crossing Blvd - Southern to I40        | -            | 3,700,000     | -             | -             | -            | 3,700,000      |
| (I-11) Rancho Sante Fe Parkway TI Phase I             | -            | 2,250,000     | 21,000,000    | 20,937,000    | -            | 44,187,000     |
| (I-11) Santa Rosa Boulevard - KC Boulevard to RS Pkwy | -            | 1,000,000     | 4,250,000     | 4,250,000     | -            | 9,500,000      |
| (I-11) Santa Rosa Drive-Wagon Wheel Drive to RS Pkwy  | -            | 300,000       | 1,500,000     | -             | -            | 1,800,000      |
| North Glen Road                                       | -            | 400,000       | 50,000        | 200,000       | 1,500,000    | 2,150,000      |
| Southern Avenue-Eastern to Seneca                     | -            | -             | 200,000       | 150,000       | 3,000,000    | 3,350,000      |
| Stockton Hill Road - Detroit to Airway - Phase II     | -            | 1,000,000     | 350,000       | 3,500,000     | -            | 4,850,000      |
| <b>TOTAL STREET IMPROVEMENTS</b>                      | \$ 350,000   | \$ 23,254,500 | \$ 27,418,500 | \$ 30,529,500 | \$ 4,500,000 | \$ 86,052,500  |
| <b>PARKS &amp; RECREATION PROJECTS</b>                |              |               |               |               |              |                |
| Centennial Park Ball Field Light Replacement          | \$ -         | \$ 438,000    | \$ -          | \$ -          | \$ -         | \$ 438,000     |
| Lewis Kingman Park Restroom                           | -            | -             | 210,000       | -             | -            | 210,000        |
| Monsoon Park Restroom/Parking                         | 200,000      | -             | -             | -             | -            | 200,000        |
| Multipurpose Gym/Community Center                     | -            | -             | -             | 225,000       | 2,500,000    | 2,725,000      |
| Park Site Acquisition                                 | -            | -             | -             | 215,180       | -            | 215,180        |
| Parks and Recreation Rennovation                      | -            | -             | -             | 1,102,320     | -            | 1,102,320      |
| Sports Park (Four Ball fields/Soccer Complex)         | 450,000      | 4,500,000     | -             | -             | -            | 4,950,000      |
| <b>TOTAL PARKS &amp; RECREATION</b>                   | \$ 650,000   | \$ 4,938,000  | \$ 210,000    | \$ 1,542,500  | \$ 2,500,000 | \$ 9,840,500   |
| <b>PUBLIC SAFETY PROJECTS</b>                         |              |               |               |               |              |                |
| Cardiac Defibrillators/Monitors                       | \$ 132,999   | \$ -          | \$ -          | \$ -          | \$ -         | \$ 132,999     |
| Fire Station Diesel Exhaust Systems                   | 105,000      | -             | -             | -             | -            | 105,000        |
| Fire Station 5 Addition                               | -            | 4,600,000     | -             | -             | -            | 4,600,000      |
| Priority Dispatch Emergency Fire Software             | 70,000       | 75,000        | -             | -             | -            | 145,000        |
| Radio Console Upgrade                                 | 185,000      | -             | -             | -             | -            | 185,000        |
| Station Alert System                                  | 112,500      | -             | -             | -             | -            | 112,500        |
| <b>TOTAL PUBLIC SAFETY</b>                            | \$ 605,499   | \$ 4,675,000  | \$ -          | \$ -          | \$ -         | \$ 5,280,499   |
| <b>TOTAL ALL PROJECTS</b>                             | \$ 1,605,499 | \$ 32,967,500 | \$ 27,628,500 | \$ 32,072,000 | \$ 7,000,000 | \$ 101,273,499 |

# Why the 0.50% increase for pavement preservation?

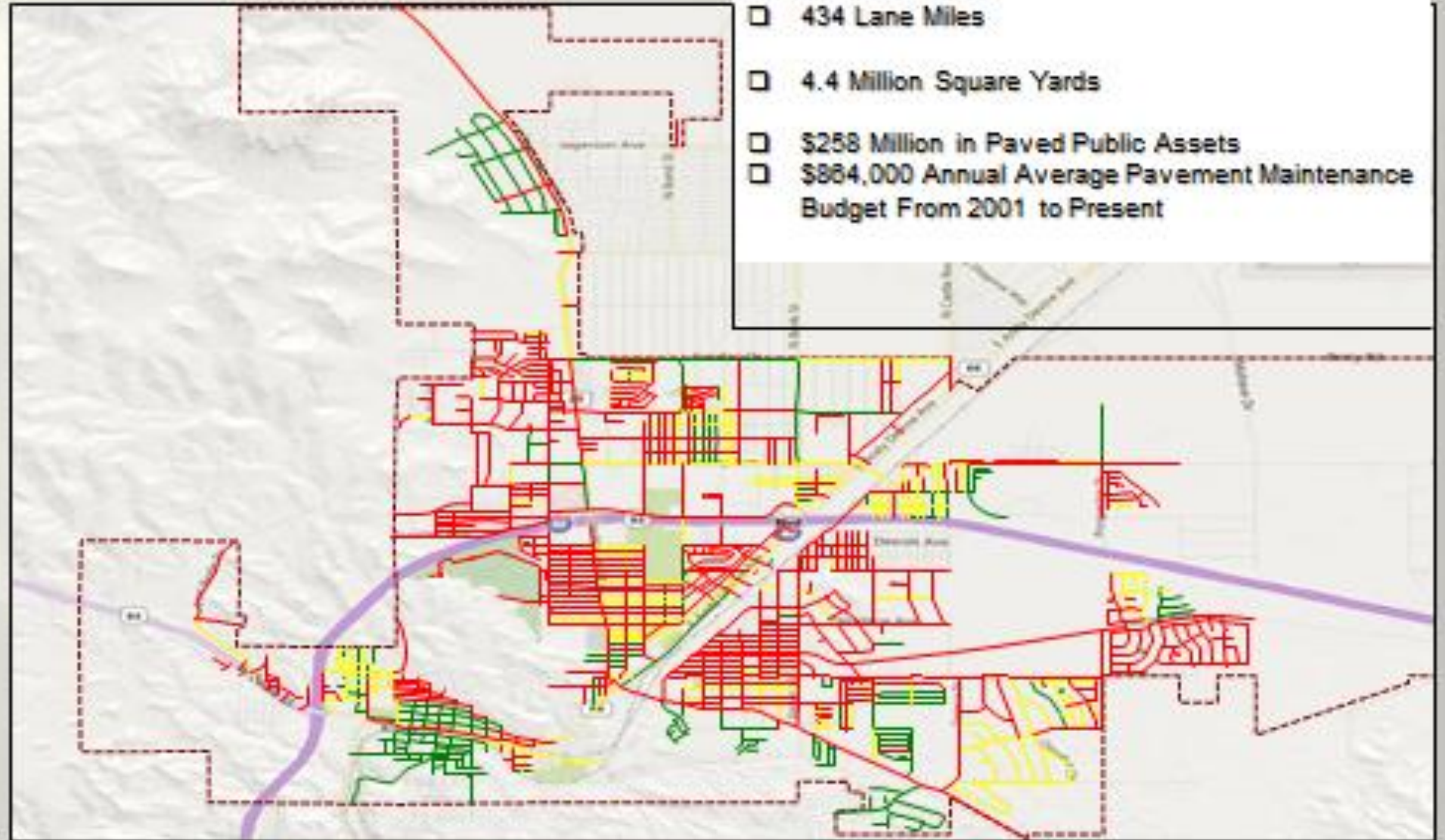
- ▶ City Council approved 1% sales and use tax increase in August 2017, of which 0.50% is dedicated to capital projects and 0.50% is dedicated to pavement preservation
- ▶ Additional revenues from the increase will generate \$3.2M for pavement preservation
- ▶ This established a dedicated funding source for pavement preservation



# Current Network PCI Conditions

## Feature Legend

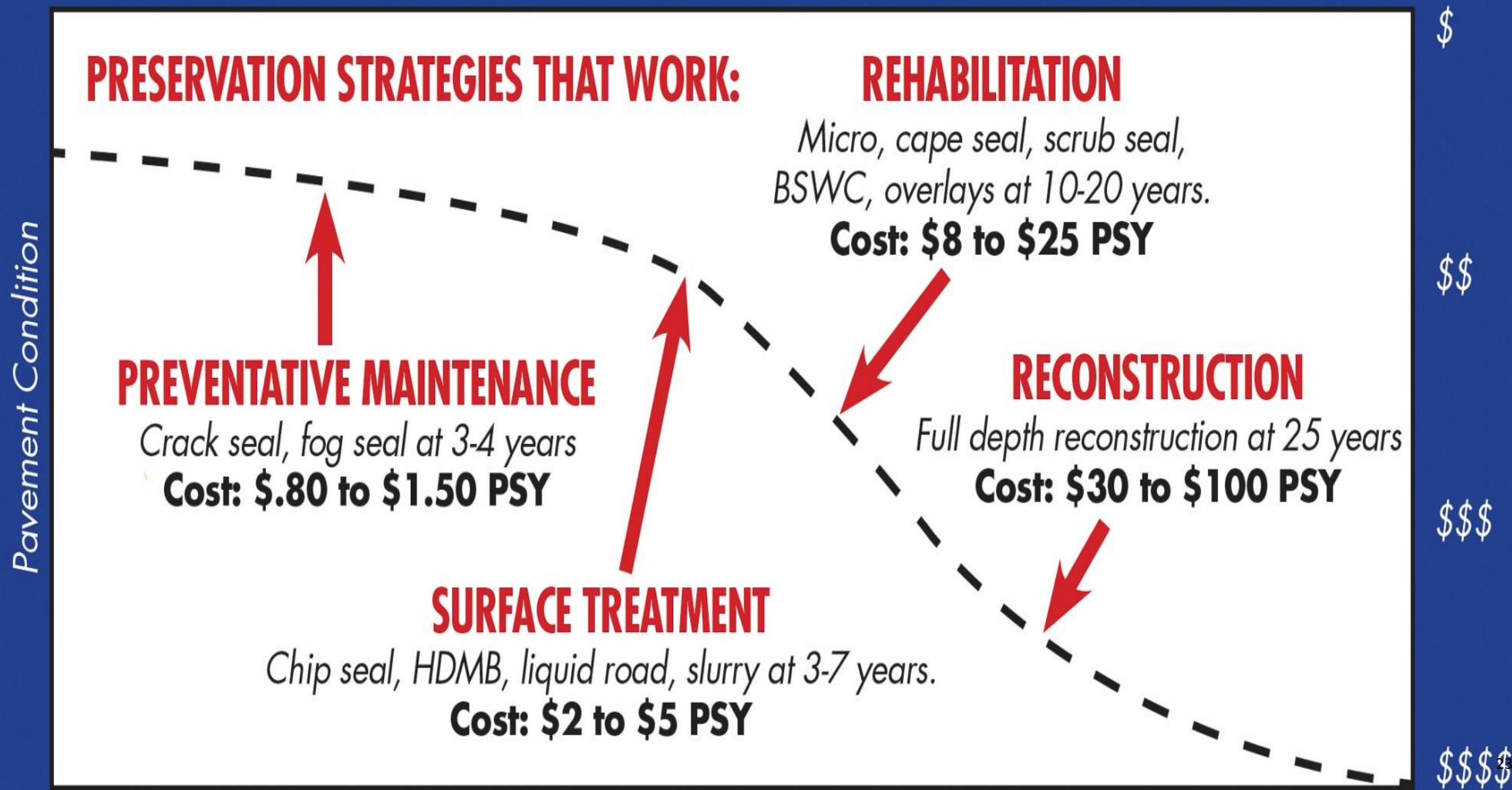
- Category 1-Very Good Category 2-
- Good (Not Used) Category 3-Good
- (Used) Category 4-Fair
- Category 5-Very Poor



## Kingman Statistics

- 434 Lane Miles
- 4.4 Million Square Yards
- \$258 Million in Paved Public Assets
- \$864,000 Annual Average Pavement Maintenance Budget From 2001 to Present

# HOW DOES PAVEMENT PRESERVATION EXTEND THE LIFE OF THE ASPHALT?





# Pavement Preservation

**“Every \$1 spent in keeping a good road good precludes spending \$6-\$14 to rebuild one that has deteriorated.”**



**Now**



**Later**

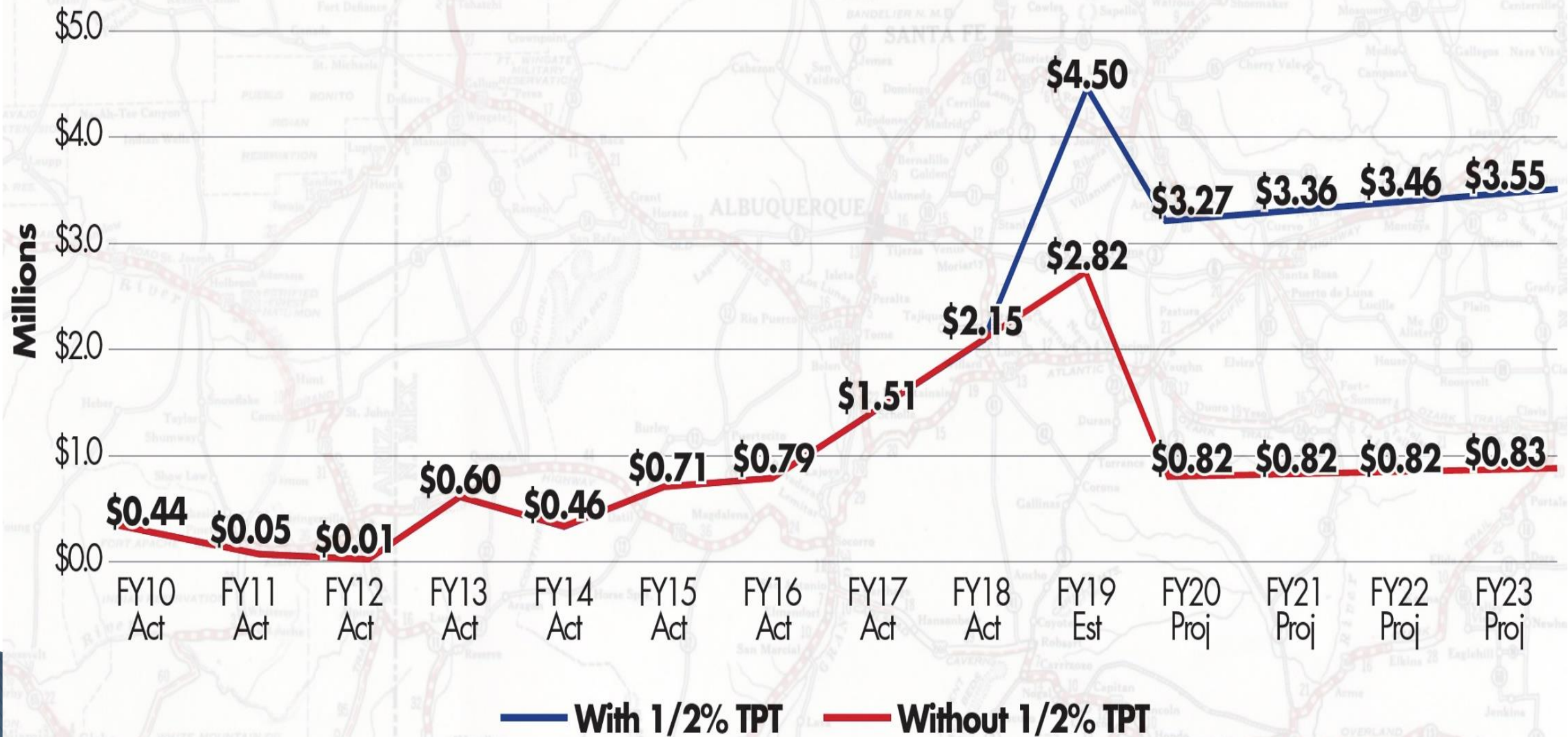
Source:

**AASHTO**  
THE VOICE OF TRANSPORTATION

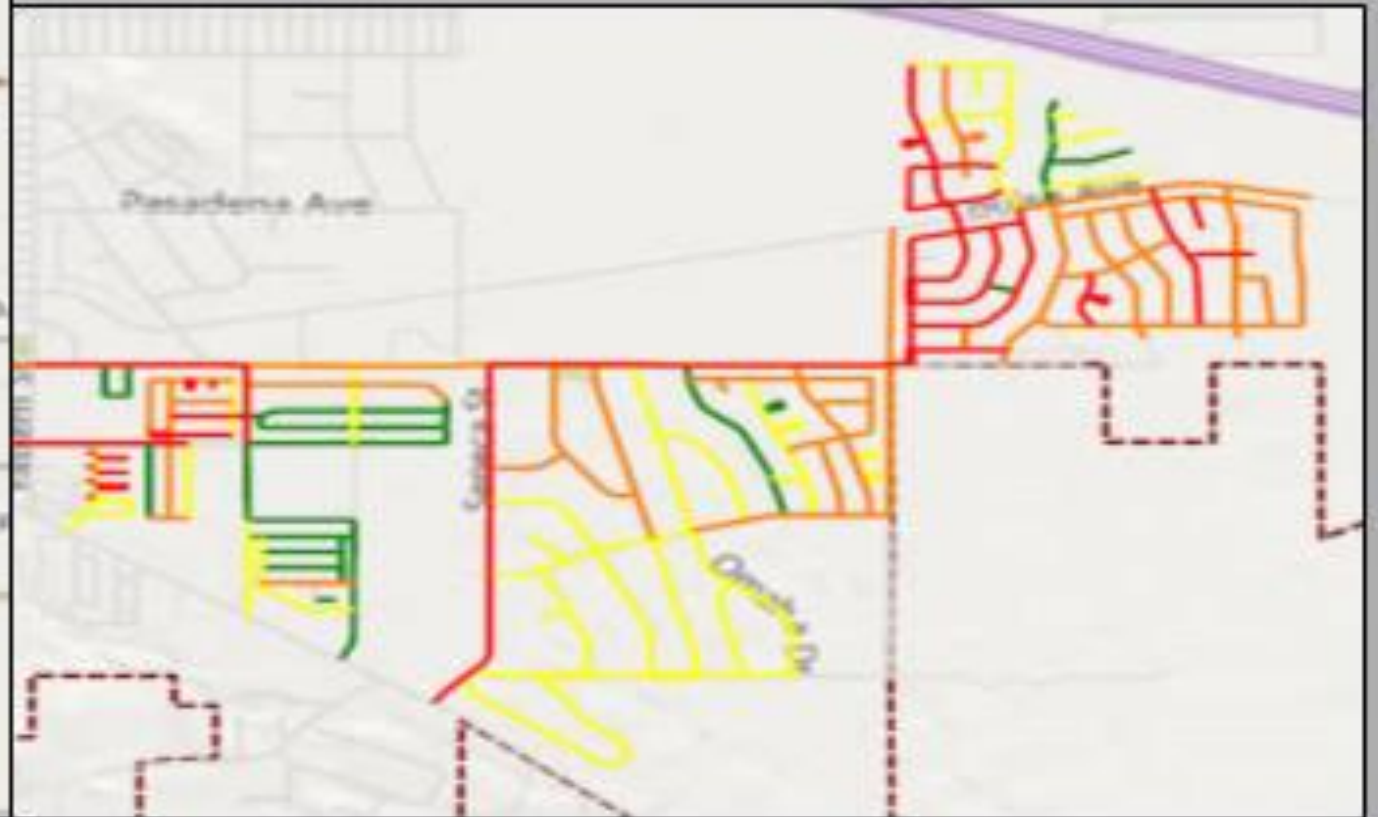
American Association  
of State Highway and  
Transportation Officials



# PAVEMENT PRESERVATION SPENDING



# FY 2019 Planned Project Areas



# How will the question read on the ballot?

## ▶ PROPOSITION 413

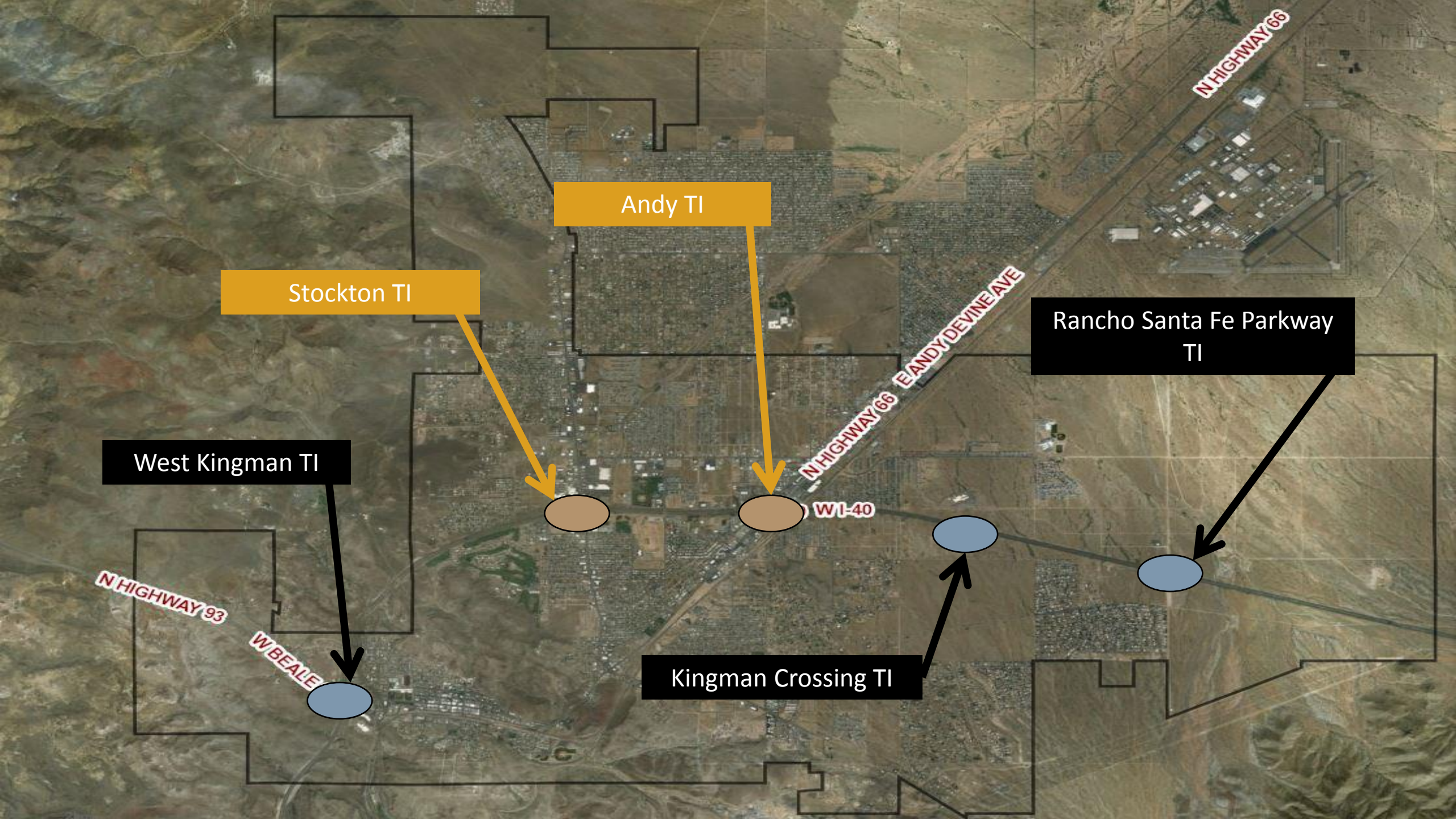
- ▶ **Official Title:** This Act shall be referred to as the “Responsible Sales and Use Tax Act.”
- ▶ **Descriptive Title:** This Act is intended to repeal a 1% increase in the City’s transaction privilege (sales) and use tax rates, requires any future increases to this tax be approved by the People, and permits the City Council to submit measures proposing increases in this tax rate to the People.
- ▶ A YES vote shall have the effect of repealing 1% of the City’s sales and use tax rates and require that all future increases to the City’s sales and use tax will be required to go before the voters.
- ▶ A NO vote shall have the effect of maintaining the current City sales and use tax rate and allowing authority for increases to this rate to remain with the City Council.



## *INTERCHANGES*

I-40/US 93 West Kingman  
Kingman Crossing Boulevard  
Rancho Santa Fe Parkway





Andy TI

Stockton TI

West Kingman TI

Rancho Santa Fe Parkway  
TI

Kingman Crossing TI

N HIGHWAY 66

N HIGHWAY 66  
E ANDY DEVINE AVE

I-40

N HIGHWAY 93

W BEALE

# **I-40 / US 93**

## **West Kingman Traffic Interchange**

### **Project Scope**

- ▶ Construct a high speed system connection between I-40 and US 93 to alleviate traffic congestion and enhance regional traffic flow.

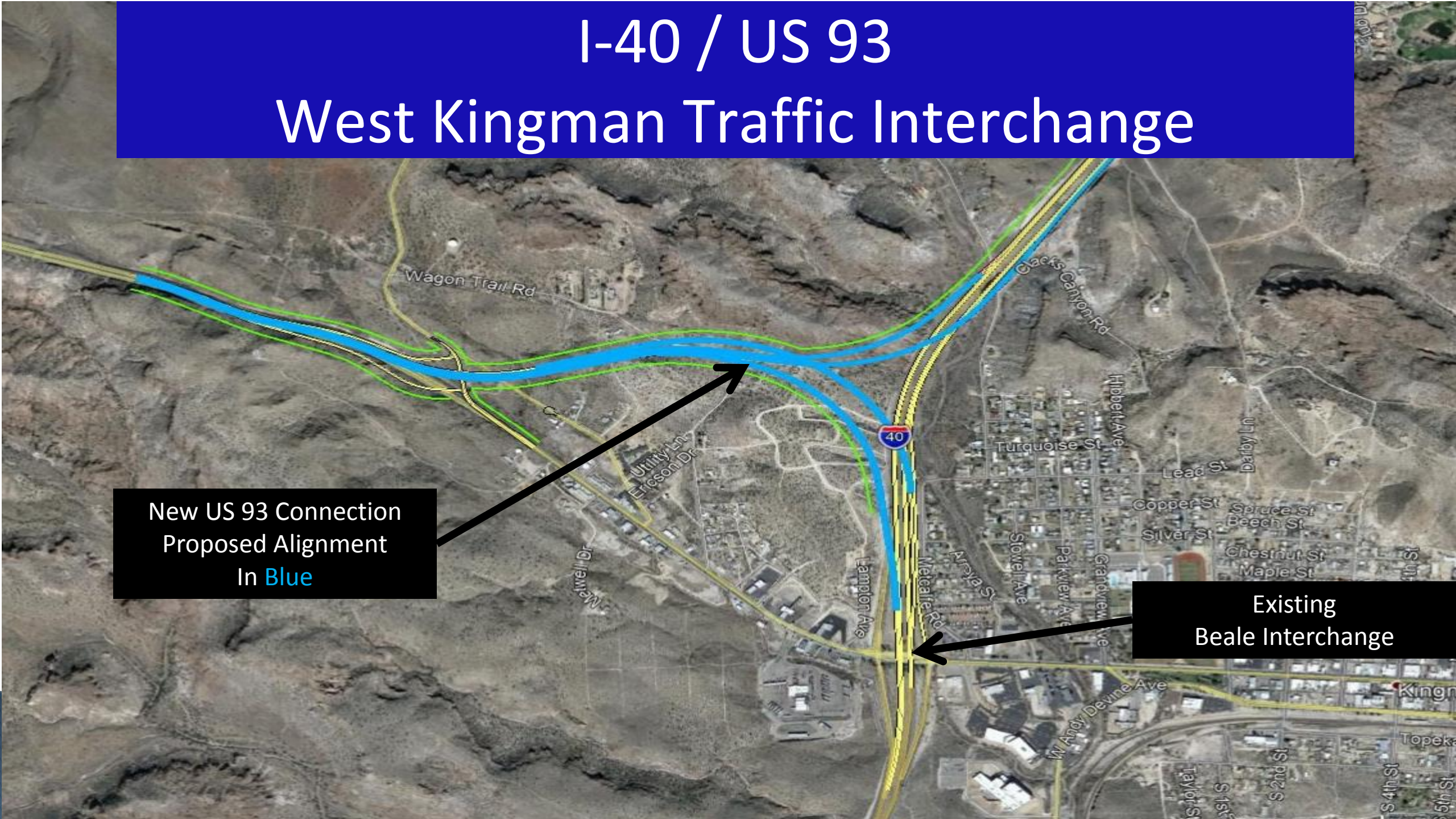


# I-40 / US 93

## West Kingman Traffic Interchange

New US 93 Connection  
Proposed Alignment  
In Blue

Existing  
Beale Interchange



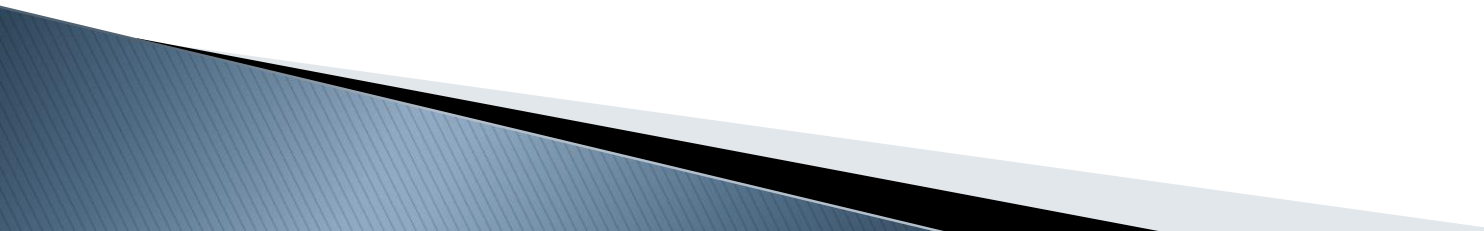
# I-40 / US 93 West Kingman TI

## History

- ▶ July 1993 - Operational concerns were identified in the ADOT report “Final Project Assessment for the West Kingman TI”
- ▶ July 1996 – US 93 Multi-Modal Corridor profile Study recommends new connection between I-40 and US 93

# I-40 / US 93 West Kingman TI

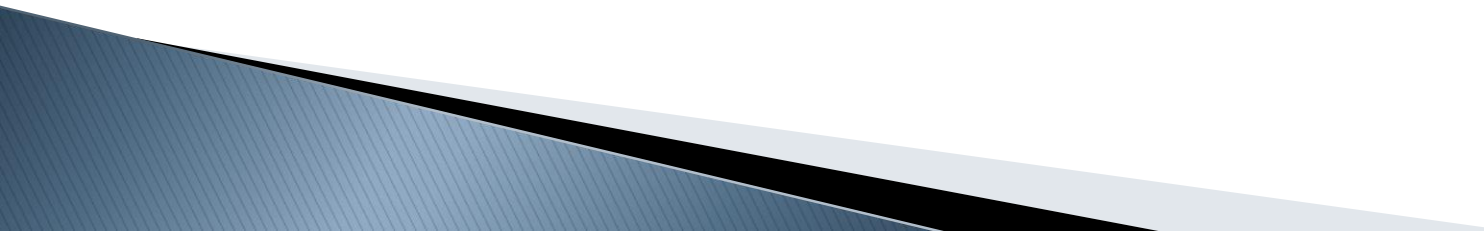
## History (continued)

- ▶ The need for the I-40 / US 93 connection was discussed in Kingman at public meetings in November 1995 and June 1996
  - ▶ December 1999 – An I-40 Multi-Modal Corridor Profile Study further identifies the need for a “bypass” or “freeway type interchange”.
- 



# I-40 / US 93 West Kingman TI

## History (continued)

- ▶ 2007-2008 – ADOT conducts Project Scoping meetings, and in March 2008 a public meeting is held in Kingman.
  - ▶ October 2009 – The I-40 / US 93 Final Feasibility Report is published showing 8 possible alignments and recommending 2 for further evaluation.
- 

# I-40 / US 93 West Kingman TI

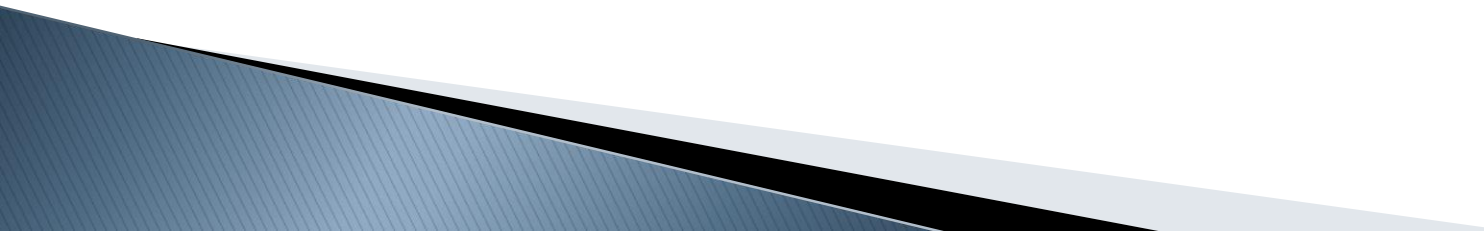
## History (continued)

- ▶ 2011-2018 – ADOT prepares project scoping, alternative analysis, environmental studies and Design Concept Report (DCR)
- ▶ FY2018 – ADOT programs \$5 Million for Design and Updated DCR



# I-40 / US 93 West Kingman TI

## Next Steps

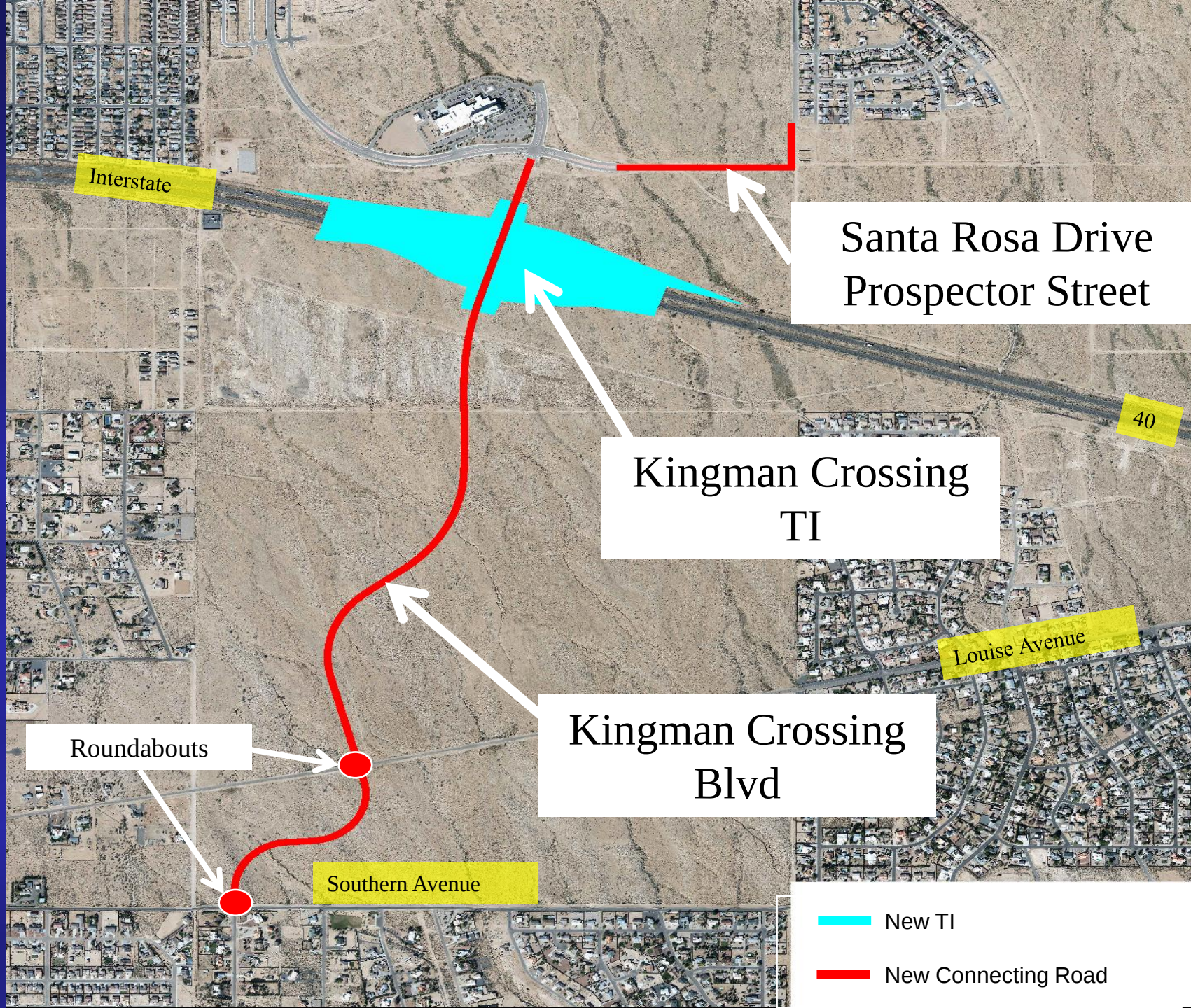
- ▶ FY2019 – Complete the project DCR / Design
  - ▶ FY2020 – ADOT proposes \$10 Million for Right of Way Acquisition
  - ▶ FY2024 – ADOT proposes \$55 Million for Construction
- 

# Kingman Crossing Traffic Interchange

## Project Scope

- ▶ Construct a new traffic interchange on I-40 with arterial connecting roads to promote and facilitate commercial development, public safety response and traffic circulation.





Interstate

Santa Rosa Drive  
Prospector Street

40

Kingman Crossing  
TI

Louise Avenue

Roundabouts

Kingman Crossing  
Blvd

Southern Avenue

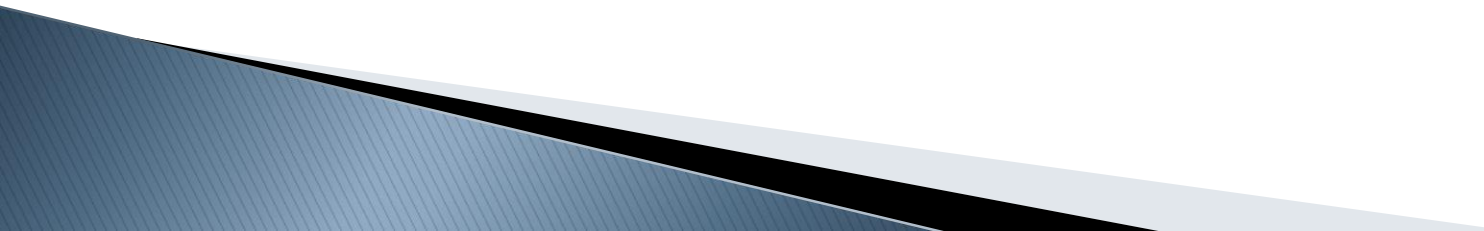
- New TI
- New Connecting Road



# Kingman Crossing TI History

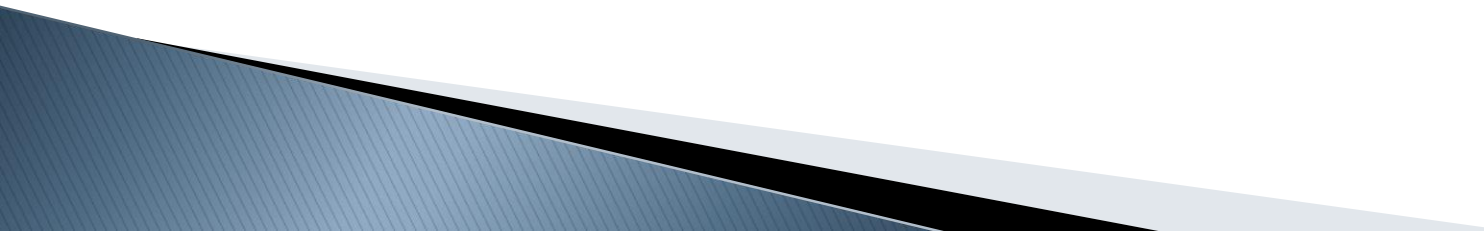
- ▶ September 2006 – The City hires URS Corporation to prepare a DCR, FHWA Change of Access Report, Environmental documents and 30% Engineering Design documents.

# Kingman Crossing TI History (Continued)

- ▶ February 2010 – FHWA approves the Change of Access Report (access to north side of I-40 only)
  - ▶ June 2010 – The final Design Concept Report is complete
- 

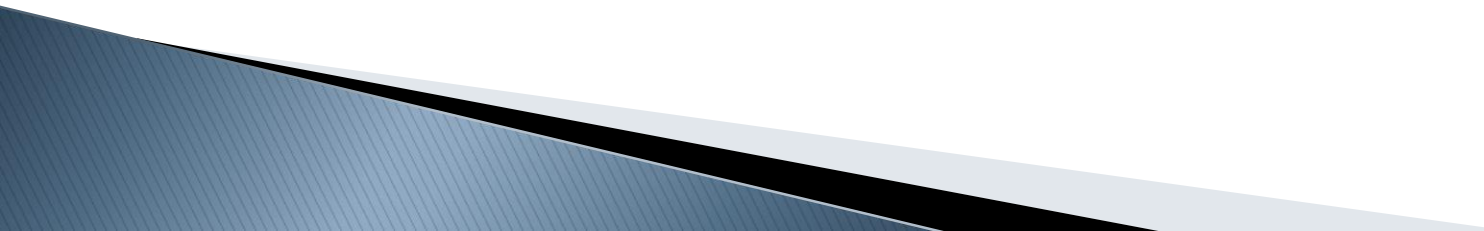


# Kingman Crossing TI History (Continued)

- ▶ January 3, 2017 – Council approves a contract with AECOM to design Kingman Crossing Boulevard from Southern Avenue to I-40. The contract includes updating and amending the Change of Access Report to include access to the south (City's property). Plans are 90% complete.
  - ▶ October 2017 – Council establishes the I-11 East Kingman Connection Project
- 

# Kingman Crossing TI

## Next steps

- ▶ Complete design of the TI and arterial roadways
  - ▶ Identify & Secure Right of Way
  - ▶ Develop and Implement Construction Funding
  - ▶ Complete necessary agreements with ADOT
- 

# **Rancho Santa Fe Parkway Traffic Interchange**

## **Project Scope**

- ▶ Construct a new traffic interchange on I-40 with arterial connecting roads to promote and facilitate commercial/industrial development, access to the airport and traffic circulation.



Airway Avenue

To Airport  
Industrial Blvd

Rancho Santa Fe Parkway

Interstate

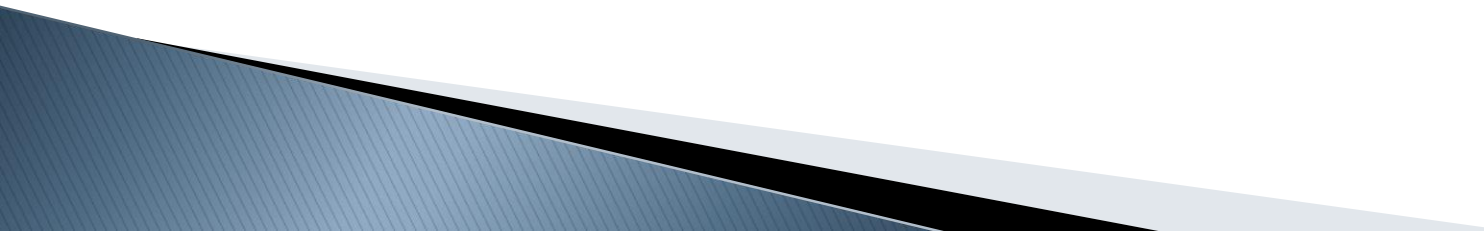
Louise Avenue

40

Rancho Parkway TI



# Rancho Santa Fe Parkway History

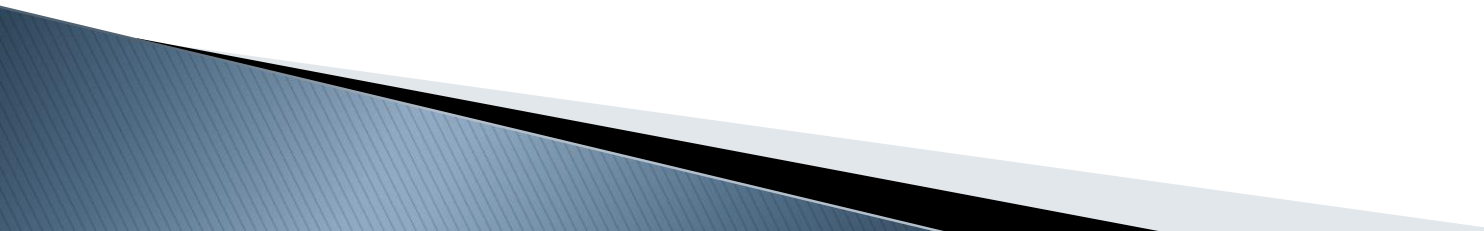
- ▶ The need for a parkway connection between Hualapai Mountain Road and the Airport was identified in the 1971 Kingman General Plan.
  - ▶ The project was discussed again in a Kingman Transportation Study from November 1980.
- 

# Rancho Santa Fe Parkway History (continued)

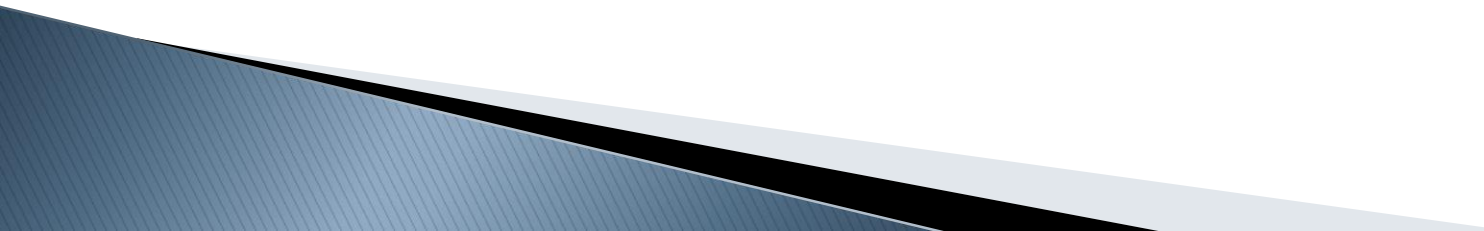
- ▶ In 1998-99 the City conducted a parkway interchange assessment at the present Rancho Santa Fe alignment.
- ▶ The 2005 Kingman Area Transportation Study recommended the traffic interchange and Rancho Parkway improvements (then known as Rattle Snake TI)

# Rancho Santa Fe Parkway

## History (continued)

- ▶ In June 2005, ADOT programs \$500,000 for a Design Concept Report (DCR). URS is selected as the Engineer
  - ▶ In June 2005, the City signs a Development Agreement with property owners agreeing to certain rezoning and right of way dedications for the Interchange (Ord 1485)
- 

# Rancho Santa Fe Parkway History (continued)

- ▶ In February 2006, the City signs a Letter of Intent with ADOT agreeing to a 70% State, 30% City cost split for Phase 1 (Resolution 4249)
  - ▶ October 2007 - Final DCR is complete
- 



# Rancho Santa Fe Parkway History (continued)

- ▶ 2008-2011 - ADOT consultant prepares 95% design plans and specifications
- ▶ June 2009 - The name was officially changed from Rattle Snake to Rancho Santa Fe Parkway under Resolution 4605

# Rancho Santa Fe Parkway History (continued)

- ▶ 2009 - ADOT includes 18 million for the project on its 5 year plan
- ▶ 2010 to 2012 - ADOT includes 5 million for the project on its 5 year plan

# **Rancho Santa Fe Parkway History (continued)**

- ▶ June 2011 - The 95% Plans are complete
- ▶ 2008-2017 - The City includes on its 5 year plan an unfunded placeholder for the project

# Rancho Santa Fe Parkway History (continued)

- ▶ October 2017 – Council establishes the I-11 East Kingman Connection Project
- ▶ June 5, 2018 - Council hires Matrix Design Group as Program Manager for I-11 East Kingman Connection Project

# Rancho Santa Fe Parkway

## Next Steps

- ▶ Complete design of the TI and arterial roadways
  - ▶ Identify & Secure Right of Way
  - ▶ Update FHWA Change of Access Report & Environmental Documents
  - ▶ Develop and Implement Construction Funding
  - ▶ Complete Agreements with ADOT
- 