

RESOLUTION 2016R-151

**By B. Johnson, Goodman, Reich, Frey, Warsame,
Glidden, Cano, Bender, Quincy, A. Johnson, and Palmisano**

Street Infrastructure and Neighborhood Park Funding Plan

Whereas, the Minneapolis Park and Recreation Board (MPRB) has identified a significant financial gap for necessary maintenance, rehabilitation and capital improvements to the Minneapolis neighborhood park system; and

Whereas, the City and the MPRB, working in partnership, have developed a financial plan to close the neighborhood parks funding gap to be memorialized in concurrent ordinances (the “Neighborhood Park Plan”); and

Whereas, the City has also identified a significant financial gap in necessary street paving, maintenance, rehabilitation and repairs; and

Whereas, the City has developed a financial plan to close the financial gap in street infrastructure (the “Street Infrastructure Plan”); and

Whereas, having applied principles of sound fiscal management, the City has developed a prudent, long-term plan to close this financial gap in street infrastructure, beginning in 2017 and continuing through 2036.

Now, Therefore, Be It Resolved by the City Council of the City of Minneapolis:

1. That the attached “Street Infrastructure and Neighborhood Park Funding Plan” is hereby approved and adopted, setting forth the annual levy impacts to which the City is committed and which are supplemental to future levies anticipated in the Five-Year Financial Direction to fund current service levels and commitments.
2. That the identified levy impacts defined in the Street Infrastructure and Neighborhood Park Funding Plan assume only the future use of sources outlined in the Plan. Any alterations to those projected levies not outlined in the Plan will be identified during the annual budget process and incorporated into the City’s Five Year Financial Direction and, in such case, the Plan will be amended accordingly.

Neighborhood Parks and Street Infrastructure Funding Plans

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Expenditures	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Increased Park Operating Levy	3,000,000	3,090,000	3,182,700	3,278,181	3,376,526	3,477,822	3,582,157	3,689,622	3,800,310	3,914,320	4,031,749	4,152,702	4,277,283	4,405,601	4,537,769	4,673,902	4,814,119	4,958,543	5,107,299	5,260,518
Park Capital	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,160,000	8,323,200	8,489,664	8,659,457	8,832,646	9,009,299	9,189,485	9,373,275	9,560,741	9,751,955	9,946,994	10,145,934	10,348,853	10,555,830	10,766,947
Street Capital	21,200,000	21,624,000	22,056,480	22,497,610	22,947,562	23,406,513	23,874,643	24,352,136	24,839,179	25,335,962	25,842,682	26,359,535	26,886,726	27,424,461	27,972,950	28,532,409	29,103,057	29,685,118	30,278,820	30,884,397
Increased Street Operating Costs	800,000	824,000	848,720	874,182	900,407	927,419	955,242	983,899	1,013,416	1,043,819	1,075,133	1,107,387	1,140,609	1,174,827	1,210,072	1,246,374	1,283,765	1,322,278	1,361,946	1,402,805
Streets and Parks Plan Expenditures - New Operating and Capital	33,000,000	33,538,000	34,087,900	34,649,972	35,224,495	35,971,755	36,735,242	37,515,321	38,312,362	39,126,747	39,958,863	40,809,109	41,677,892	42,565,629	43,472,746	44,399,679	45,346,876	46,314,792	47,303,896	48,314,667
Financing Costs (Principal and Interest)	-	1,550,000	3,210,000	5,030,000	7,080,000	9,200,000	11,350,000	13,480,000	15,590,000	17,670,000	19,700,000	20,310,000	20,780,000	21,050,000	20,990,000	20,660,000	19,940,000	18,510,000	16,400,000	14,330,000
Total Annual Expenditures	33,000,000	35,088,000	37,297,900	39,679,972	42,304,495	45,171,755	48,085,242	50,995,321	53,902,362	56,796,747	59,658,863	61,119,109	62,457,892	63,615,629	64,462,746	65,059,679	65,286,876	64,824,792	63,703,896	62,644,667

Sources of Funds	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Levy Offsets from 2016 Budget																				
Reduce Pension Levy from 2016	5,000,000	5,000,000	4,000,000	3,000,000	2,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replace Park Board Tree Levy	-	-	-	-	-	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Non-Property Tax Revenues																				
Sales tax higher than 2016 Budget	1,000,000	1,010,000	1,020,100	1,030,301	1,040,604	1,051,010	1,061,520	1,072,135	1,082,857	1,093,685	1,104,622	1,115,668	1,126,825	1,138,093	1,149,474	1,160,969	1,172,579	1,184,304	1,196,147	1,208,109
Increase in storm water fees	1,500,000	1,515,000	1,530,150	1,545,452	1,560,906	1,576,515	1,592,280	1,608,203	1,624,285	1,640,528	1,656,933	1,673,503	1,690,238	1,707,140	1,724,211	1,741,453	1,758,868	1,776,457	1,794,221	1,812,163
Bond Proceeds (issued with 10 year term)	13,200,000	14,200,000	15,500,000	17,500,000	18,100,000	18,300,000	18,200,000	18,000,000	17,700,000	17,300,000	16,800,000	15,000,000	13,000,000	10,800,000	8,200,000	5,300,000	2,000,000	-	-	-
Cash (\$31M)*	9,000,000	8,000,000	7,500,000	6,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total annual new property taxes for Parks and Street	3,300,000	5,363,000	7,747,650	10,104,220	19,602,985	22,444,229	25,431,442	28,514,982	31,695,221	34,962,534	38,297,308	41,529,939	44,840,830	48,170,396	51,589,061	55,057,257	58,555,429	60,064,031	58,913,527	57,824,394
Total Annual Budget for Parks and Street Plan	33,000,000	35,088,000	37,297,900	39,679,972	42,304,495	45,171,755	48,085,242	50,995,321	53,902,362	56,796,747	59,658,863	61,119,109	62,457,892	63,615,629	64,462,746	65,059,679	65,286,876	64,824,792	63,703,896	62,644,667

*Cash sources include: \$6M from convention center, \$1M - \$3M from intergovernmental, \$8M from self-insurance and \$13M - \$15 from bond debt service reserve.

Impacts on City and Park Board Levies	2016	2017	2018	2019	2020	2021**	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Projected annual increase in the base City and Park																					
Board current service level (CSL) property tax levy	11,175,009	11,944,887	11,916,930	10,878,241	12,022,152	12,442,928	12,878,430	13,329,175	13,795,696	14,278,546	14,778,295	15,295,535	15,830,879	16,384,960	16,958,433	17,551,978	18,166,298	18,802,118	19,460,192	20,141,299	
Projected annual increase in property tax levy attributable to Park and Streets Plan	3,300,000	2,063,000	2,384,650	2,356,570	9,498,766	2,841,244	2,987,212	3,083,541	3,180,238	3,267,313	3,334,774	3,232,631	3,310,891	3,329,566	3,418,665	3,468,196	3,498,172	1,508,602	(1,150,504)	(1,089,133)	
Total annual levy increase	14,475,009	14,007,887	14,301,580	13,234,811	21,520,918	15,284,172	15,865,642	16,412,716	16,975,935	17,545,859	18,113,069	18,528,166	19,141,770	19,714,526	20,377,098	21,020,175	21,664,470	20,310,720	18,309,689	19,052,166	
Total Projected Levy - Overall Budget	297,575,000	312,050,009	326,057,896	340,359,476	353,594,287	375,115,205	390,399,376	406,265,019	422,677,735	439,653,669	457,199,528	475,312,597	493,840,763	512,982,533	532,697,059	553,074,157	574,094,331	595,758,801	616,069,521	634,379,210	653,431,375
Projected Base CSL Annual Plan Percentage Levy Inc.	3.76%	3.87%	3.72%	3.27%	3.31%	3.32%	3.30%	3.28%	3.26%	3.25%	3.23%	3.22%	3.21%	3.19%	3.18%	3.17%	3.16%	3.16%	3.16%	3.17%	
Projected Park Operating Increase (one-time) - \$3M	1.01%																				
Remaining Park and Streets Plan Percentage Levy Inc.	0.10%	0.66%	0.73%	0.69%	2.69%	0.76%	0.77%	0.76%	0.75%	0.74%	0.73%	0.68%	0.67%	0.65%	0.64%	0.63%	0.61%	0.25%	-0.19%	-0.17%	
Total City and Park Board Levy % increase	4.86%	4.53%	4.45%	3.96%	5.99%	4.07%	4.06%	4.04%	4.02%	3.99%	3.96%	3.90%	3.88%	3.84%	3.83%	3.80%	3.77%	3.41%	2.97%	3.00%	

**The larger levy increase in 2021 is predicated on the decertification of the Consolidated TIF district in 2020 which will increase the taxable tax capacity in 2021.