

CITY OF HOLLADAY

POTENTIAL PROPERTY TAX INCREASE

PRELIMINARY PROPOSAL

April 9, 2021

PRELIMINARY PROPOSAL



**5% INCREASE TO
YOUR TOTAL, ANNUAL
PROPERTY TAX BILL**

-OR-

\$20/MONTH

estimated for a home
with a market value of
\$750,000



KEY OUTCOMES

- PREVENT 17% OF ROADS IN VERY POOR CONDITION FROM FAILING
- HELP ADDRESS \$57 MILLION DOLLARS IN UNFUNDED PROJECT NEEDS
- MAINTAIN CURRENT LEVELS OF SERVICE FOR CRITICAL CONTRACTS FOR POLICE, FIRE, EMERGENCY, AND PUBLIC WORKS

What is the potential property tax increase *Preliminary Proposal*?

The Holladay City Council is weighing a preliminary proposal for a **5% increase to your total, annual property tax bill**, which equals a 50% increase to the City of Holladay property tax levy. For a home with a market value of \$750,000, the increase is estimated at \$20 per month.

Currently, the City of Holladay receives about 10% of the total property tax you pay. When the City incorporated in 1999, Holladay received about 18% of the total property tax, but this has diminished over time as other taxing entities have raised their tax rates and the City of Holladay has had no property tax increase for 21 years. The preliminary proposal suggests that Holladay would receive about 15% of total property tax you pay.

Why does the City need a property tax increase?

While the City has functioned well for the last 21 years, flat revenues and increasing costs over time mean Holladay now lacks budget to replace roads, storm drains, and other aging infrastructure elements that can no longer be sustained with simple repairs. As Holladay assesses these costs, it's clear that revenues aren't enough to pay for needed improvements while also ensuring the City continues to serve residents well and meet ongoing obligations. Nearly half of Holladay's total revenue is dedicated to public safety funding for police (31%) and fire (17%) and the cost of these contracted services is increasing.

Holladay has identified \$57 million dollar in unfunded project needs that includes \$40.5 million dollars of roads, bridges, and sidewalk work. Right now, about 17% of the City's roadways are in very poor condition and at-risk for failing. By 2023, at least 2% of the City's roads will fail. When these roads fail, the cost of repair quadruples in price. By 2028, 15% of the roads will fail, which is equivalent to 36 lane miles. In 2028 dollars, the cost to reconstruct 36 lane miles is estimated at \$27.7 million. With funding from the new property tax, the City would be able to proactively overlay the same roads before they reach failure at a cost of \$6.8 million. As part of this preliminary proposal, Holladay would issue a roadway bond to accomplish this critical work as soon as possible. Without additional funding, Holladay's infrastructure needs will continue to grow in number, urgency and cost of repair.

What specific projects will be funded?

The City Manager will present her **Recommended Fiscal Year 2021-2022 Budget to the Holladay City Council on May 6, 2021 at 6 p.m.** Virtual meeting details will be posted on www.cityofholladay.com. The Recommended Budget will include more information on the specific projects, services and programs the potential property tax revenue will fund for the upcoming year, as well as outline the City's first Capital Improvement Program (CIP) for the next 5 years. Continued transparency in the use of any potential new revenue is a top priority.





How can I learn more?

Please visit the project website, www.holladay20.com/propertytax, to find more information, including a video series about the potential property tax increase. The site also features details from a robust evaluation process called **Holladay@20 Preparing for Tomorrow led by a Citizen Advisory Group** that proceeded the City Council's consideration of a proposed property tax increase.

How does the Council's preliminary proposal compare to the Citizen Advisory Group's recommendation?

The preliminary proposal provides the same benefits of the Citizen Advisory Group's recommended funding scenario known as "Biggest Impact", but at a lower property tax rate increase. Since May 2020, when the Group presented their recommendation, the City's on-line sales tax receipts have grown significantly, and Holladay was awarded new roadway funding in House Bill 244 from the 2021 State of Utah Legislative Session. This new revenue combined with the use of more City budget fund balance subsequently offset the level of property tax increase needed at this time, while still achieving the same goals and outcomes.

How do I share comments or ask a question?

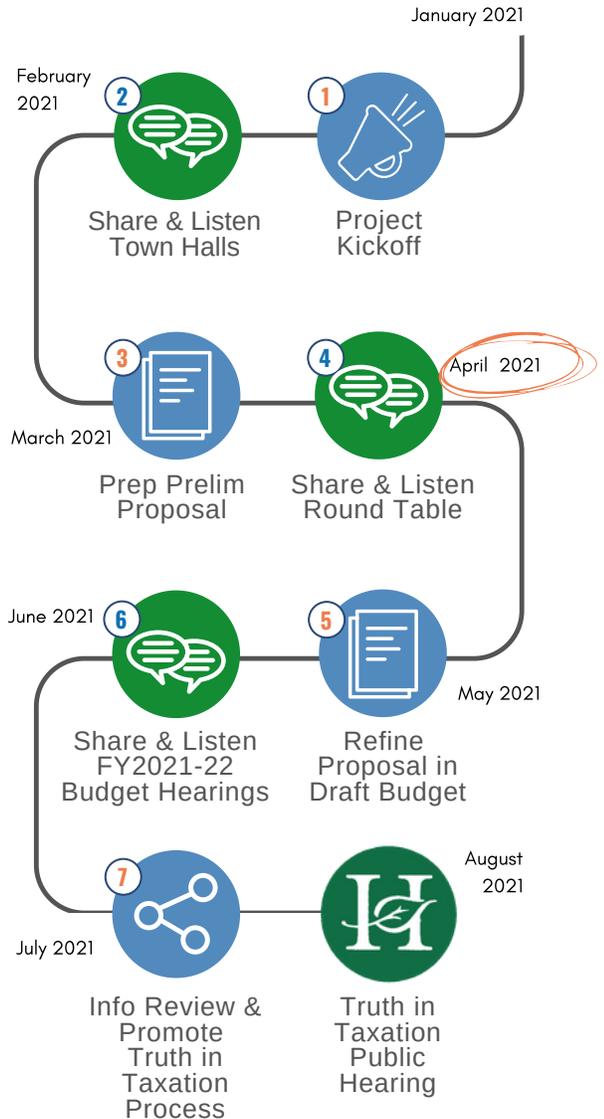
Residents have many options to provide feedback on the preliminary proposal of the potential property tax increase:

- Participate in the upcoming **Round Table Discussion on Thursday, April 15 at 7 p.m.** Learn about the preliminary proposal and share your feedback with Holladay City Council Members. More details about this event will be posted on the project website, www.holladay20.com.
- Visit www.holladay20.com, click "contact" in the main menu bar at the top of the page, and fill out the comment form.
- Email your Council Member or the Mayor directly. Find their contact information at www.cityofholladay.com - hover over "Our Government" top menu item, then select "Mayor & Council".
- Provide oral public comments during a regularly scheduled City Council meeting. See the dates of their upcoming meetings on www.cityofholladay.com.

Public Process Timeline



City of Holladay as of March 2021



Round Table Discussion
Thursday, April 15 at 7 p.m.
Property Tax Increase Preliminary Proposal
with Holladay City Council Members

Virtual Zoom Webinar
meeting link will be posted on project
and City websites 24-48 hrs prior to April 15