

# Proposition P Q & A

## WHAT IS PROPOSITION P?

Proposition P will be on the August 7, 2012 ballot. Voters will be asked to consider a four-tenths of a cent sales tax increase for parks, trails and storm water management projects. Money from Proposition P can only be used for parks, trails and storm water projects.

## HOW WILL THE MONEY BE USED?

The money raised by Proposition P will pay for maintenance of our parks and trails and storm water projects

St. Peters residents enjoy a great quality of life including 25 beautiful parks on nearly 1,300 acres of parkland across our City; plus 20 miles of hiking and biking trails, the Rec-Plex and St. Charles County's only municipal golf course. As these parks and recreation facilities get older, costs to maintain them will continue to increase.

We are also planning ahead to face a growing number of storm water issues in neighborhoods, creeks and streams across our City. Federal laws require the City to maintain our storm water quality to keep water clean, fishable and swimmable. Many neighborhoods have detention basins that need to be repaired now. We have identified more than 100 storm water projects that need to be fixed at a cost of \$119 million dollars. Right now, our storm water budget is \$600,000 a year. We need \$3.9 million per year for storm water projects.

## WHY IS THE CITY TRYING TO RAISE THE SALES TAX? AREN'T THERE OTHER OPTIONS?

City officials considered three options to pay for the \$119 million dollars in storm water projects and the ongoing costs to maintain our parks and recreation facilities and to develop 370 Lakeside Park:

- Increase property taxes-this would especially hurt people on fixed incomes and would not provide enough money to pay for these problems
- Charging a storm water utility fee would be very expensive for homeowners, businesses, churches and schools
- Increase the parks and storm water sales tax by four-tenths of a cent. This would spread the costs to non-St. Peters residents who shop in St. Peters.

## WE JUST PASSED A HOTEL TAX IN APRIL TO HELP FUND OUR PARKS, TRAILS AND THE REC-PLEX.

### WHY DO THEY NEED MORE MONEY?

The hotel tax will generate an estimated \$150,000 per year. That money will help, but it doesn't cover the costs for maintaining and improving our parks or maintaining our trails. For example, it costs an average of \$200,000 to replace or install a new playground. Money raised by the hotel tax was planned to pay for some of the costs of wear and tear on the Rec-Plex and our athletic fields for events like the Missouri State High School Swimming and Diving meets, baseball, softball and hockey tournaments. This is a tourism tax paid only by hotel guests that helps keep our parks a great spot for all our residents to enjoy, helps keep Parks and Recreation fees for our residents low, and helps bring special events to our region.

## WE PASSED A BOND ISSUE FOR STORM WATER IN 2010. WHAT HAPPENED TO THAT MONEY FOR STORM WATER PROJECTS?

St. Peters voters did approve a no-tax-increase bond issue that authorized the City to borrow \$40 million dollars for storm water management projects. Then, we began feeling the impact of the housing crisis. We did not issue those bonds because there has been an 11% decrease in our property values—a loss of more than \$2 million dollars in City property tax revenue. That means the City would not have had enough money to pay off the bonds without raising taxes.

## WHAT WILL HAPPEN IF PROPOSITION P DOESN'T PASS?

Property taxes could be raised immediately. The City is already allowed by law to raise property taxes by ten cents per hundred dollar value. That would mean that the owners of a \$180,000 home with cars valued at \$21,000 would immediately see a \$41 per year property tax increase. That would only be the beginning. Additional property tax increases would be considered. A storm water utility fee could be imposed. Other fees would be raised and some services would be cut.

## WHAT KIND OF STORM WATER UTILITY FEES COULD BE CHARGED?

Fees could be based on the size of a home, church, school or business. For example, Francis Howell North High School could face a \$90,000 storm water utility fee. Small businesses, churches, apartments and single-family residences would also face fees based on the size of the building, sidewalks, driveways and parking lots. An average sized, three bedroom, two bath home could see a utility fee of approximately \$120 dollars per year. You would have to spend \$30,000 in order to pay an equivalent amount of additional sales tax if Prop P passes.

## IF PROP P PASSES, HOW WILL SALES TAXES IN ST. PETERS COMPARE WITH OTHER CITIES IN OUR AREA?

Sales tax rates have a range depending on where your specific location is in a given city. Some parts of St. Peters will have a higher sales tax rate than others, depending on if they are in a special district.

Other cities in our area also have special districts with higher tax rates, for example, you pay higher sales tax in St. Charles on Main Street than you do in other parts of that city. This chart helps show the different rates. Generally, St. Peters rates are lower, or about the same, as other cities in our region.

