



Progress as Promised

Fort Smith Sales Tax Election

March 13, 2012





Sales Tax in Fort Smith

- Total Rate is 9.25% (except groceries, which is 4.75%)
 - 6.00% State of Arkansas (1.50% on groceries)
 - 1.00% Sebastian County countywide sales tax
 - 2.00% City of Fort Smith
 - 1.00% for streets, bridges and associated drainage
 - 1.00% for wet weather sanitary sewer work, public safety radio system
 - 0.25% University of Arkansas Fort Smith

Sales Tax Rates in Other Arkansas Cities

- Fayetteville 9.25%
- Springdale 9.25%
- Rogers 9.00%
- Little Rock 8.50%
- Hot Springs 8.00%
- Jonesboro 8.50%
- England 10.00%
- Dumas 10.00%
- Farmington 10.25%
- DeWitt 10.50%
- Menifee 10.75%



HISTORY OF 1% SALES TAX

- Began as 0.50% sales tax in 1997 when voters approved bonds for the ***Convention Center*** expansion, new ***Libraries***, and ***River Park***
- Increased by 0.50% in 2001 when voters approved bonds for ***wastewater treatment plant*** improvements and a portion of the ***Lake Fort Smith water supply*** construction
- Continued as a 1% sales tax in 2006 when voters approved bonds for ***wet weather sanitary sewer work*** and replacement of the ***public safety communications system***
- Continued as a 1% sales tax in 2009 when voters approved additional bonds for the ***wet weather sanitary sewer work***



Extension of 1% Sales Tax

- Doesn't change Fort Smith's sales tax rate, provided voters approve refinancing of the existing sales tax bonds
- Splits the current 1% tax into two parts
 - 0.75% for projects supported with bonds
 - 0.25% for fire dept. and for parks & recreation dept.

0.75% Tax for Projects Supported by Bonds

1. Refinance Existing Outstanding Sales Tax Bonds \$55,380,000

Current bonds approved by voters in 2006 and 2009

Used for public safety radio system and wet weather sanitary sewer improvements

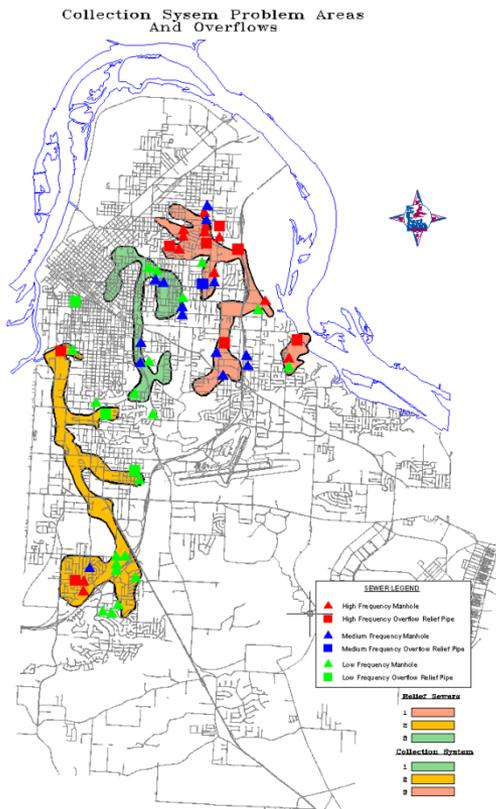
Refinancing must be approved before bonds for any other projects may be issued



0.75% Tax for Projects Supported by Bonds

2. Wastewater Wet Weather Sanitary Sewer Work

\$71,070,000



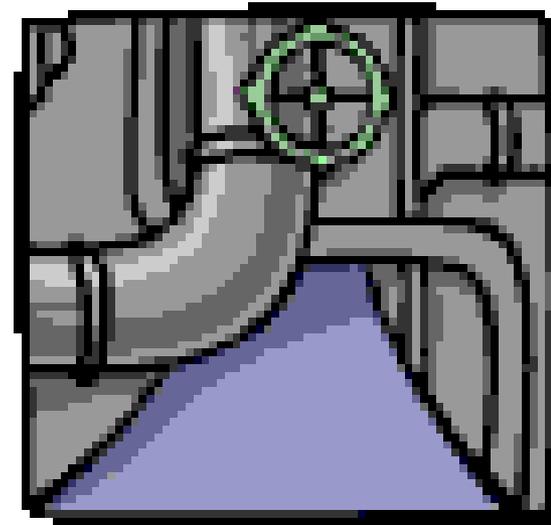
- Relief sewer and capacity improvements
\$58.5 million
- Collection system rehabilitation and reconstruction
\$12.6 million

0.75% Tax for Projects Supported by Bonds

3. Water System Improvements

\$28,120,000

- Lake Fort Smith water transmission line
\$17.9 million
- Chaffee Crossing Transmission Lines and Storage Tank
\$10.2 million



0.75% Tax for Projects Supported by Bonds

4. Fire Service Improvements \$9,110,000

Fire Station 11	\$3.2 million
Fire Apparatus Replacement	\$4.6 million
Fire Station Renovations	\$1.3 million



0.75% Tax for Projects Supported by Bonds

5. Aquatic Center at Ben Geren Regional Park
\$4,260,000



0.25% Tax for Fire Dept. and Parks & Recreation Dept.

- Fire Dept.
 - Operating costs for Station 11
 - Fire training center
 - Apparatus replacements
 - Aerial fire truck staffing
- Parks & Recreation
 - Ballfields at Ben Geren Park & Chaffee Crossing
 - Trails
 - Neighborhood parks
- Sunsets in 10 Years





Sales Tax Rate After Election

- If voters approve re-financing the existing bonds, approve any or all new projects, and approve the 0.25% tax
 - **NO CHANGE**
- If voters reject the bond re-financing and reject the 0.25% tax
 - **NO CHANGE**
- If voters approve the bond re-financing, approve any or all new projects, and reject the 0.25% tax
 - **REDUCED BY 0.25%**
- If voters reject the bond re-financing and approve the 0.25% tax
 - **INCREASED BY 0.25%**

PROGRESS AS PROMISED

- Enhance Public Safety
- Address infrastructure needed to support growth and protect the environment
- Improve leisure-time opportunities for residents
- Without increasing our tax rates

