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Parks and Rec looking at funding plans

By GORDON WEIXEL
Bismarck Tribune

The Bismarck Parks and Recreation District unveiled several plans which could provide \$25 million in funding for a "package" of projects at the second of its three Community Conversations.

The first public input meeting, held early in October, drew over 70 people who got a first look at the many projects the parks district is considering. That meeting provided a clear consensus that packaging the many projects - ranging from an aquatics center and enhancements of current facilities to acquisition of land and creation - was the tactic the district should pursue.

Thursday's meeting saw about half the attendance of the first Community Conversation, and there was no clear indication of a preferred method of funding which basically involved property taxes, sales taxes and a park dedication ordinance aimed at new residential and commercial development.

The funding methods included:

3 Increasing the park district's mill levy. Currently the district levies 21 mills, but it could increase that by 14 mills reaching the cap of 35 which is the most allowed by the state.

Based on the 2005 property values, a district mill is valued at \$132,000 and will generate \$1.8 million. A one-mill increase will raise residential property taxes \$4.50 on a \$100,000 home and \$5 on \$100,000 commercial property.

The increase would have to be approved by a vote of the people.

3 A bond issue for \$25 million will also take a vote of the people and increase property taxes by 15 mills. Over 20 years the pay back on a 4.5 percent bond would be \$39 million and over 25 years \$43 million.

3 A community betterment package, such as used in 1999 and 2001, uses money from Bismarck's sales tax and is dedicated to specific projects. Bismarck's sale tax raises about \$9 million annually. This too takes a vote of the people.

3 Dedicating a part of the existing sales tax could provide a long-term fund. District staff members say it could realistically get \$1 million annually from the sales tax. The city commission would have to approve it and it would have to go to a vote of Bismarck residents.

3 Increasing Bismarck's sales tax. The city hasn't raised its portion of the 6 percent sales tax, which is 1 percent, in 20 years. The district is looking at both an one-eighth-cent increase which would raise

\$1,125,000 annually or a quarter cent increase raising \$2,250,000 annually.

This too would need the city commissions approval and be taken to a vote of Bismarck residents.

3 An increase in the Bismarck Hospitality Tax which is currently 1 percent and can be raised to 2 percent under state law. The extra 1 percent could provide \$1.2 million a year. This would take just the approval of the city commission.

3 The district feels private fundraising could bring in \$500,000 annual but 10 to 15 percent would be lost to administration.

3 A park dedication ordinance would involve some type of payment by developers as new subdivisions were created. This could involve land only dedication, land or cash in lieu of land, or development impact fees. District director Steve Neu said that these dedications could only be used for new facilities and acquisitions and not existing. And this facilities and acquisitions would have to be near the new developments.

Bismarck resident Bob Cordova at first asked whether a combination of the funding scenarios provided should be in order. But after listening to the comments offered by others was convinced sort of sales tax funding will best spread the burden.

"Everybody would help pay, and I feel that's the most feasible," Cordova said.

Bismarck School District Superintendent Paul Johnson said the district would oppose any bond issues.

"It's a selfish response I know, but bonding is one way we build a school building," Johnson said. "While there are no plans at this time, I believe that in time we will have to ask the public for a bond issue on an elementary school or possibly a middle school or high school. It is one of the few ways we raise money to construct a facility. Let me put you on notice we're not in favor of this."

Businessman Dennis Kemmesat said he favored an increase in the sales tax and felt the district should stay away from increasing the district's mill levy. He didn't think businesses would feel any extra burden and that using the district mill for facilities would short change future operation growth. Neu noted that Bismarck is seeing a retail explosion and a sales tax could be a great economic generator for the district.

At the third Community Conversation on Dec. 1, the district will combine the information it has gathered to date for presentation and will also address funding for operation and maintenance of existing facilities and proposed facilities in the future.

Plans are to bring all the information to the Park Board at its Dec. 15 meeting with some type of recommendation on what course to take.

When asked what the district would do if it attempted some sort of tax increase and it failed, Neu replied, "we'd just pick ourselves up and work on developing another strategy."

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TOM STROMME/Tribune Paul Stubbs was among the 25 people who attended Thursday night's Community Conversation with Bismarck Parks and Recreation Department. Stubbs asked about the potential for grant money like the Fargo parks department received from the Pepsi Corporation. "And large amounts of this \$25 million could be supplied by these grants," said Stubbs.