

Moving forward with street plans

Two important procedural steps have been taken toward improving City of Lake Ozark streets.

Both relate to voter approval of ballot issues in June, delayed from the regular April date because of COVID.

The board of aldermen recently approved an ordinance enacting a Use Tax at the same rate as the local sales tax rate – 1 percent -- to fund transportation improvements.

The board also approved first reading of an ordinance that authorizes the mayor or his designee to explore the issues involving the issuance of revenue bonds in an amount not to exceed \$6 million for street improvements. Second reading will be held at the next regular meeting Nov. 10.

Use Tax

The Use Tax only applies to purchases made online from businesses that do not have a presence within the City of Lake Ozark. It is not an addition to the local sales tax.

Prior to voter approval in June and the recent ordinance approval by aldermen, online purchases were only taxed at the state level. Cities that do not enact the Use Tax do not receive any tax benefits from online purchases.

Lake Ozark should begin receiving Use Tax income by the end of the year.

Approval of the Use Tax is one of three potential sources of income earmarked for improving 90-plus miles of streets within the city limits.



Streets like this on Valley Road are on the list of Lake Ozark streets to be improved.

Other possible sources are:

- Formation of a Transportation Development District (TDD) that could impose up to an additional 1 cent sales tax

on purchases made at businesses within the development district. A TDD Commission, independent of the City of Lake Ozark, is finalizing that

process.

- Increasing property taxes, which would be the final piece of the income puzzle if needed.

\$6 million ceiling

Voters also last spring authorized the city to borrow up to \$6 million over the next several years to finance improvements. The Use Tax and other sources of revenue would be used to pay off revenue bonds which would be issued – with board of aldermen approval – for street improvements.

The board’s recent decision authorized the mayor or his or her designee to explore the issuance of those revenue bonds. Again, the ordinance was required to begin the process.

Each of the street construction projects will require board of aldermen review and approval.

Street study

Improving the city’s streets has been a goal of city officials for several years. Completing a multi-million-dollar sanitary sewer system was first on the infrastructure agenda.

The city contracted with Cochran for a Road Assessment study in 2019. The engineering firm conducted a detailed study of the city’s streets and determined that to improve all 90-plus miles would cost between \$4 and \$6 million. Upgrading Bagnell Dam Blvd. would cost upwards of \$3 million. The TDD, if authorized, would help pay for Bagnell Dam Blvd.