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RESULTS FOR THE ROCK

Frequently Asked Questions from 2024 Sales Tax Community Meetings

General Questions

Why does Little Rock need a sales tax increase?

In 2021, a significant portion (approximately 3/8) of our previous tax revenue rolled off, leaving us with reduced income tax revenue compared to previous years. As the state's capital city, Little Rock needs money to operate. A one percent sales tax increase is one of the few limited ways that cities in Arkansas can raise revenue. The city is committed to wisely spending these funds to achieve Results for all our residents, focusing on vital areas such as enhancing police and fire services, introducing new recreational opportunities for youth and families, improving street infrastructure, and attracting high-paying jobs to foster economic growth. Cities experience the same financial pressures as a family, whether the need to replace an older car or the impact of inflation on the products you buy. Like a family managing its finances amid changing circumstances, Little Rock must responsibly allocate resources to meet current needs and invest in future growth to benefit all residents.

How will this sales tax increase compare to other cities?

Right now, the city's portion of the sales tax rate is 1.125 percent, one of the lowest rates in the State or among comparable cities across the country. For example, Bryant's sales tax (3 percent) is almost three times higher, Benton's (2.5 percent) is more than two times higher, and places like Cabot (2 percent), North Little Rock (2 percent), Fayetteville (2 percent) and Fort Smith (2 percent) have sales tax rates almost double what ours is. This increase merely catches us up with other cities that have invested in themselves and their futures.



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What will it pay for?

Projects show that this modest increase would result in about \$650 million over 10 years for safer streets and stronger neighborhoods. Specifically, we would allocate:

- More than \$100 million for public safety – meaning immediate upgrades to replace aging police and fire fleets and purchases of advanced technology to help police protect our neighborhoods
- More than \$126 million to fund street paving, drainage and construction throughout Little Rock
- More than \$300 million for sweeping, transformational Quality-of-Life improvements for residents and visitors of all ages, including new youth sports facilities, a senior citizen center, a new swimming pool, long-needed parks upgrades and more
- Approximately \$50 million for economic development and downtown revitalization. (In the past five years, we've seen a return that's more than 26 times higher than our initial investment when it comes to economic development and jobs growth).
- The City will be accountable for every cent, and it commits to getting results for our residents. The complete dollar-by-dollar spending plan is available on our website, www.LittleRock.gov.

Question: How will the sales tax close the loop on the Arkansas River Trail? What are the safety ramifications if it is in front of Dillard's headquarters on Cantrell Road?

Response: The City supports "closing the loop" and our plans to do so are moving forward unrelated to the sales tax proposal. We are working with the Arkansas Department of Transportation and stakeholders to ensure the connection is safe for bicyclists and pedestrians. Meanwhile, our City's Complete Streets Ordinance prioritizes pedestrian and cyclist-friendly streets.



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Question: Why is there support in the sales tax for the Zoo while there are other needs, such as homelessness?

Response: The Little Rock Zoo is the only accredited Zoo in Arkansas, and it is an important cultural amenity that contributes to the quality of life and place that residents deserve. In addition, being one of the top tourist attractions in Arkansas, our Little Rock Zoo is a significant economic driver in our city. Continued support of the Zoo helps it complete the projects in its Master Plan, which will ensure our children and grandchildren will be able to enjoy this important attraction for years to come. Zoo funding does not diminish or lessen our ability to focus on other priorities like public safety and meeting the needs of our unsheltered residents.

Question: How does the sales tax plan address homelessness?

Response: Our goal is functional zero homelessness, meaning homelessness is brief and rare. This goal requires us to focus on a quilt of solutions, engaging with various community partners. The sales tax would support the operations of our Micro Home Village, a groundbreaking and innovative approach to providing quality, temporary housing and wraparound services to the unsheltered. The City Board allocated American Rescue Plan Act funds for the construction of the village, but a funding source for operating expenses is needed to ensure we can serve over two hundred unsheltered residents. In the meantime, we are focusing on improving services to get the unsheltered off the streets and into permanent housing with the addition of our first-ever Chief Homelessness Officer. The sales tax will support new programming and resources connected to the role of putting housing first.



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Question: Why not re-open the golf course at War Memorial Park?

Response: Based on recommendations from consultants who examined all aspects of our golf operations, the City Board agreed in 2019 to close golf courses at War Memorial and Hindman Park. This was, and still is, the fiscally appropriate thing to do, and it is in the best interests of Little Rock residents. The sales tax plan sets aside funding for improvements to the golf courses at Rebsamen Park and First Tee, because we understand the demand for quality, affordable public golf courses. This strategy allows us to meet the needs of our golfing community while not running a deficit, as we did at War Memorial. With these changes, War Memorial is becoming a world-class “Central Park” with green space while Hindman will be a magnet for outdoor recreation enthusiasts.

Question: The sales tax revenues will flow into the city over 10 years. Are there any plans to finance capital improvements so you can start them now or in the next few years rather than waiting six or eight years? .

Response: Likely, yes. It is common practice for the City to obtain financing to start capital improvement projects. Upon voter approval, the City will explore all available options to ensure we begin work as quickly and responsibly as possible.

Question: Are there more than just eight (8) to ten (10) basketball courts inside the indoor sports complex?

Response: Yes. The Little Rock Sports Venues plan includes concessions, locker rooms, and meeting rooms. The spaces can also be utilized for multiple sports, including basketball, volleyball, and badminton, just to name a few. The versatility of the complex will also allow for community events, adding to the array of event venues in our great city.



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Question: How will the sales tax impact public services – trash collection and recycling?

Response: Garbage collection by the City and recycling provided by our contractor will not be impacted by the sales tax. Those services are funded through monthly sanitation fees. Garbage pickup will be unchanged, regardless of the outcome of a vote.

Question: Have you considered the state of the economy and inflation when deciding to pursue this plan?

Answer: Yes, we fully acknowledge the economic challenges being faced by many as we all transition from a global pandemic. Unfortunately, under Arkansas law, cities are limited in how they can raise revenue to adequately provide the necessary services to its residents. We believe we must act now to invest in our City and generate the kinds of economic benefits that will help all our residents in the long-term.

It is essential to recognize that our City is experiencing growth and development demands that cannot be deferred indefinitely. By advancing these initiatives now, we're addressing immediate needs and laying the groundwork for the future.

Question: Past sales taxes have had committees. Will there be something like that for this current proposal?

Response: Yes. The Mayor and Board of Directors will appoint a committee of residents who will be involved in planning and implementation of the tax.



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Question: How does this plan prioritize public safety?

Response: Almost 60 percent of the City's current budget is allocated to public safety. It has been, is, and always will be our top priority. We believe investments in quality-of-life amenities go hand-in-hand with public safety, because our young people need activities and jobs to ensure we have a safe city now and in the future. In addition, we know the root causes of crime, so we continue to focus on housing, food insecurity, and workforce development. Supporting quality-of-life initiatives and investing in spaces like the proposed sports youth complex provides our youth with constructive activities and creates job opportunities, contributing to the overall well-being and safety of our community. In addition, there is a direct investment in public safety to replace the aging fleet, add to our innovative technologies, and ensure the appropriate maintenance and upgrades for all of our public safety infrastructure. Our Police and Fire Chief have been intricately involved to ensure the needs of their departments are adequately addressed in this proposal.