



Recommendation to Fund Phase 1 of the Parks Master Plan

Town Council Meeting

December 1, 2021

Objective of Presentation

- Summarize Prior Presentations and Discussions
- Receive Direction on the Two Remaining Policy Decisions Regarding Facilities to Build in Phase 1?
 - Multi-Generational Center
 - Aquatics Center
- Discuss Phase 1 Funding Recommendations and Timelines for Construction and Bond Issuance



Summary of Prior Presentations

- At Buildout Population (149k)*
 - **758** Total Park Acres
 - Requirements to Meet Buildout Projection:
 1. Purchase **334** Acres of Vacant Land, and
 - Finding Land Could be a Challenge
 2. Build **579** New Parks Acres
 - Town Owned Vacant Acres: 245 (Includes Jorde Property)
 - Costs to Buildout
 - Land and Construction: **\$495M** (Excludes Inflation)
 - Town Paid: \$335M
 - Impact Fees: \$160M
 - Annual Operating Expenses: **\$32M** (Excludes Inflation)
 - Debt: \$23M
 - O&M: \$9M

**The amounts on this slide changed from the August 18, 2021 presentation because the buildout population decreased from 175K to 149K due to land use changes in state lands.*

Summary of Prior Presentations

(continued)

- The Adopted Master Plan (MP) Level of Service (LOS) is 51 Acres per 10k Population
- Current Status (Including Eagle Park)
 - Current LOS is **26 Acres per 10k Population** (68.5k Population)
 - Currently **170 Acres Under** the Adopted MP LOS (~290-Acre Parks)



Summary of Prior Presentations

(continued)

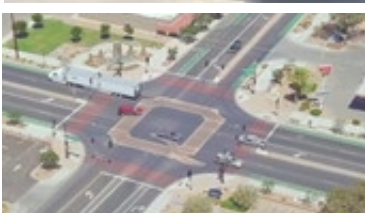
- Will Take 20+ Years to Attain MP LOS
 - Recommendations Focus on Next 10 Years
- “Keep Up” and “Catch Up”
 - Impact Fees were Set to Pay for ~90 Acres of the 245 Acres Needed to “Keep Up”
 - “Catch Up” is 100% Funded by the Town
- Two Funding Sources Exist for Parks
 1. Impact Fees: Growth Portion of Costs Only
 2. Operating Budget
 - Non - Growth Portion of Impact Fee Eligible Projects
 - Funds Projects Not Eligible for Impact Fees
 - Park Sites Greater than 30 Acres
 - Recreation and Aquatic Centers



Summary of Prior Presentations

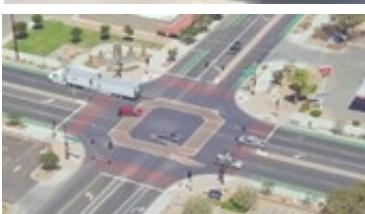
(concluded)

- Land and Construction Costs Will be Financed via Debt Issues
- Annual Costs Include Debt Payments and Operating / Maintenance Costs (O&M)
- New Taxes Will NOT Be Created
- User Fees Reduce O&M Costs
- Optimal Park Size is 80 – 90 Acres
 - Funding from Impact Fees: 30 Acres Maximum
- Affordability Metrics Evaluated



Financing Recommendation

- 10 - Years
- Totals
 - Infrastructure: \$265M
 - Construct 245 Park Acres, a Multi - Gen Center and an Aquatics Center
 - Debt and Operating Costs: \$19M Annually by 10th Year
- Broken Into 2 Phases
 - Phase 1: Years 1-5
 - Phase 2: Years 6 - 10
- Bonds Will be Issued for Town's Share
- Impact Fees Will Be Used for Growth Share



10-Year Cost Summary

	Construction Cost	Paid by Impact Fees	Paid by Operating Budget
New Parks (245 Acres) “Keep Up”	\$200M	\$71M	\$129M
Multi-Generational Center	\$40M	NA	\$40M
Aquatics Center	<u>\$25M</u>	<u>NA</u>	<u>\$25M</u>
Total	\$265M	\$71M	\$194M

Increase to Operating Budget	Debt	Net O&M Costs
\$12M	\$8M	\$4M
\$4M	\$3M	\$1M
<u>\$3M</u>	<u>\$2M</u>	<u>\$1M</u>
\$19M	\$13M	\$6M

Current Costs

Operating Budget	Debt Service	O&M Costs
\$1.7M	\$0.6M	\$1.1M

Recommendation: Years 1 - 5

- Consistent with Citizen Survey
- Construction Cost: \$136M
 - \$115M Bond Financed (Town's Share)
 - 98 Park Acres Constructed
- Annual Cost: ~\$11M

	Construction Cost	Paid by Impact Fees	Paid by Operating Budget	Increase to Operating Budget	Debt	Net O&M Costs
East Park (85 Acres)	\$62M	\$21M	\$41M	\$4M	\$2.7M	\$1.3M
Mansel Carter (13 Acres)	\$9M	NA	\$9M	\$0.8M	\$0.6M	\$0.2M
Multi-Generational Center	\$40M	NA	\$40M	\$3.7M	\$2.7M	\$1M
Aquatics Center	<u>\$25M</u>	<u>NA</u>	<u>\$25M</u>	<u>\$2.7M</u>	<u>\$1.7M</u>	<u>\$1M</u>
Total	\$136M	\$21M	\$115M	\$11.2M	\$7.7M	\$3.5M

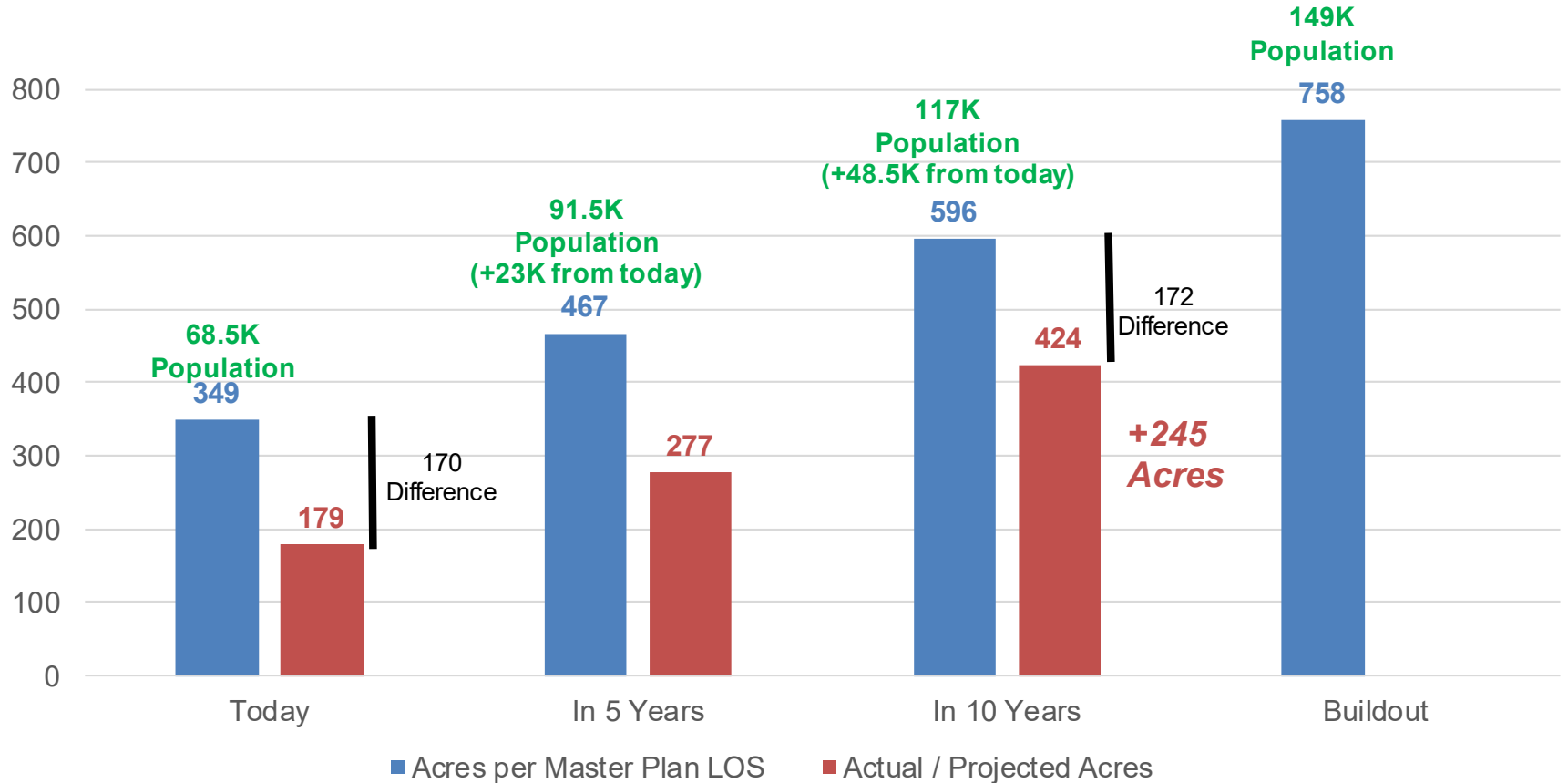
Recommendation: Years 6 - 10

- Construction Cost: \$ 129M
 - 147 Park Acres Constructed
- Annual Cost: ~\$8M

	Construction Cost	Paid by Impact Fees	Paid by Operating Budget
Jorde Property (80 Acres)	\$82M	\$31M	\$51M
Desert Wells (30 Acres)	\$21M	\$11M	\$10M
Sossaman (22 Acres)	\$15M	\$6M	\$9M
San Marqui (15 Acres)	<u>\$11M</u>	<u>\$2M</u>	<u>\$9M</u>
Total	\$129M	\$50M	\$79M

Increase to Operating Budget	Debt	Net O&M Costs
\$4.9M	\$3.4M	\$1.5M
\$1.2M	\$0.7M	\$0.5M
\$0.9M	\$0.6M	\$0.3M
<u>\$0.8M</u>	<u>\$0.6M</u>	<u>\$0.2M</u>
\$7.8M	\$5.3M	\$2.5M

Parks Master Plan Level of Service*

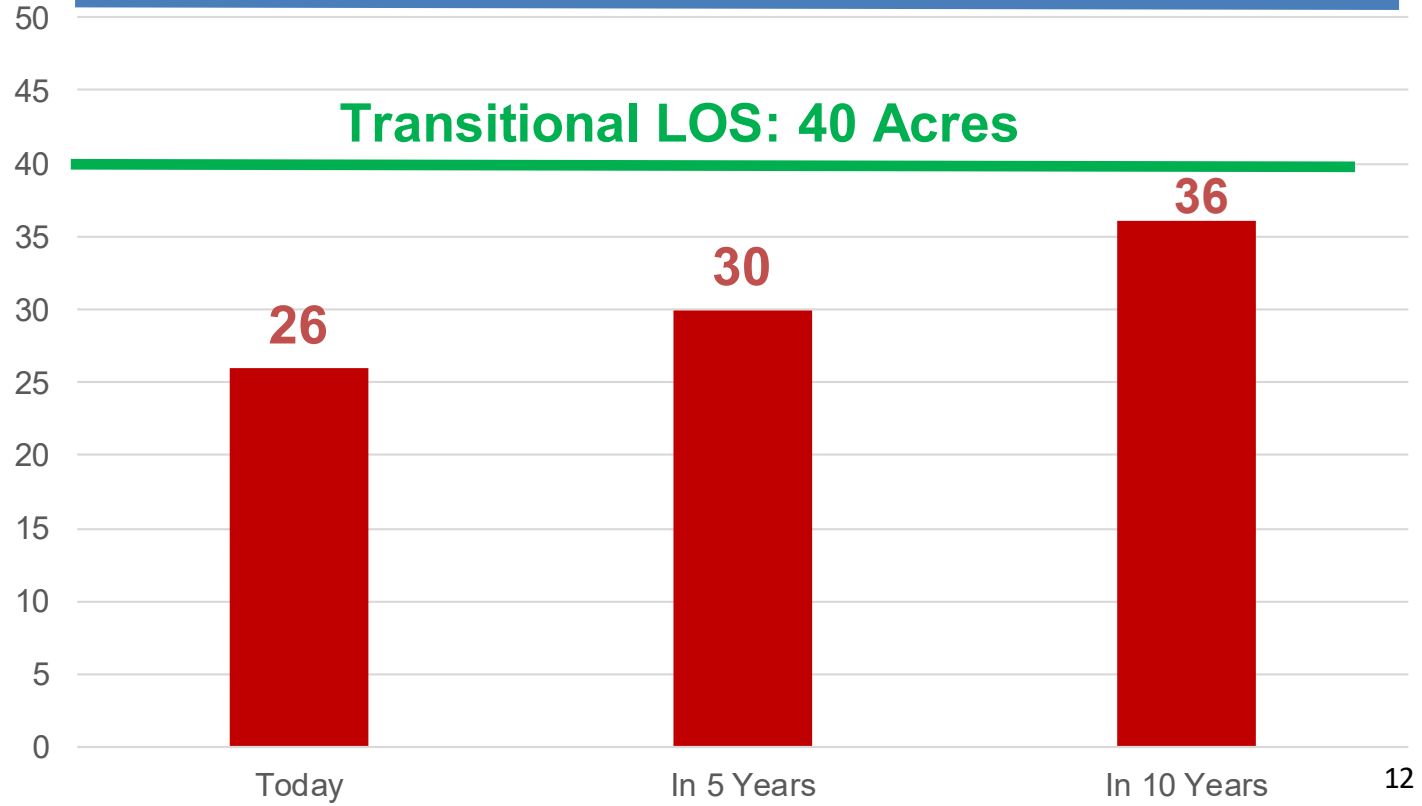


*Master Plan Level of Service is 51 Acres per 10K Population

Park Acres per 10K Population (Funding Recommendation)

Adopted MP LOS: 51 Acres

Transitional LOS: 40 Acres



Parks Construction

Mansel Carter Oasis Park Phase II



Amenities may include:

- Tennis Courts
- Volleyball Courts
- Fitness Play
- Passive Turf Space
- Restrooms
- Parking
- Retention

Parks Construction

East Park - Original site plan



EAST PARK MASTER PLAN

03.16.2021



Parks Construction

East Park - No Recreation Center or Aquatic Center

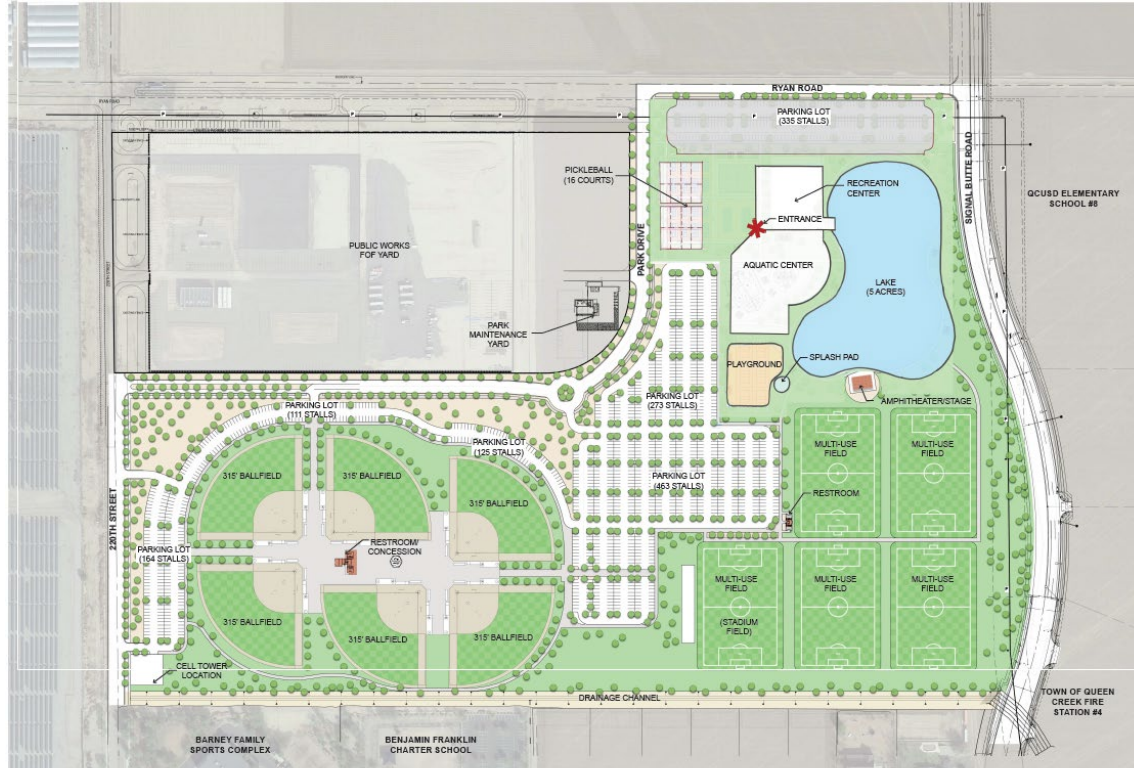


EAST PARK MASTER PLAN ALTERNATE 'C'



Parks Construction

East Park - Recreation Center and Aquatic Center Combo



EAST PARK MASTER PLAN ALTERNATE 'A'



Recreation Center



- Gym – Basketball, Volleyball, Pickleball, Multiuse Space
- Fitness Floor
- Indoor Track
- Class Rooms
- Dance and Fitness Rooms
- Multipurpose Rooms
- Catering and Teaching Kitchen
- Teen Center
- Senior Center
- Child Watch
- Lobby
- Art Studio
- Locker Rooms with Showers
- Staff Offices
- Meeting Rooms

Aquatics Center



- La zy River
- Fa m ily Pla y Pool with Interactive Water Features
- Wa ter Slides
- Com petition Pool
- Div ing Bo ards
- Sh a red Am en ities
 - Lobby/Check In
 - Locker Rooms with Showers

Construction Timeline



Facility	Completion Date
East Park	Late 2023
Mansel Carter Oasis Park Phase II	Late 2023
Recreation Center	Summer 2024
Aquatic Center	Summer 2024

Affordability Metrics

1. Operating Budget Capacity
2. Operating Budget Liquidity
3. Capacity to Issue Debt



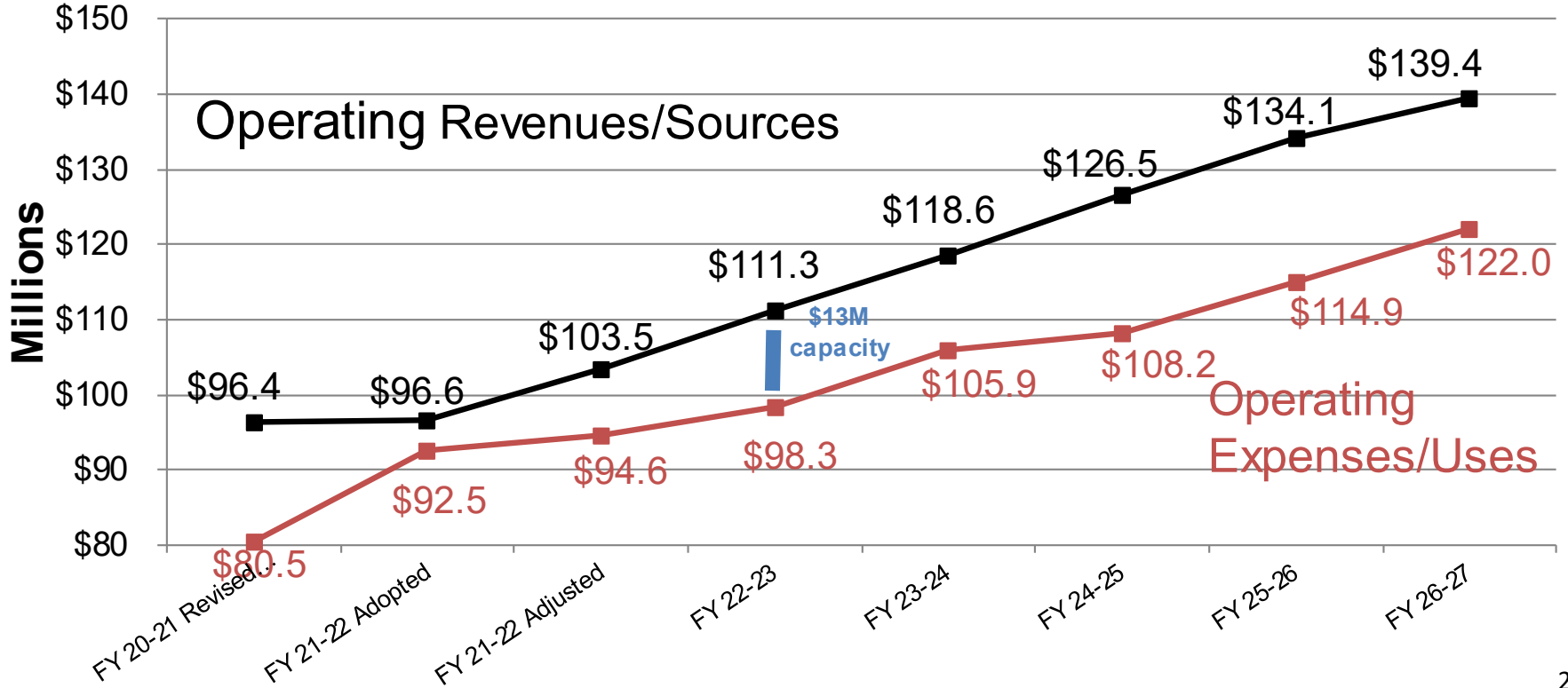
1. Operating Budget Capacity

- The 5- Year Projection Used to Prepare the FY 21- 22 Budget Has Been Revised
 - Sales Tax and Building Revenues Increased
 - Streets Replacement Sinking Fund Created
 - PD Placeholder Created for Unanticipated Expenses



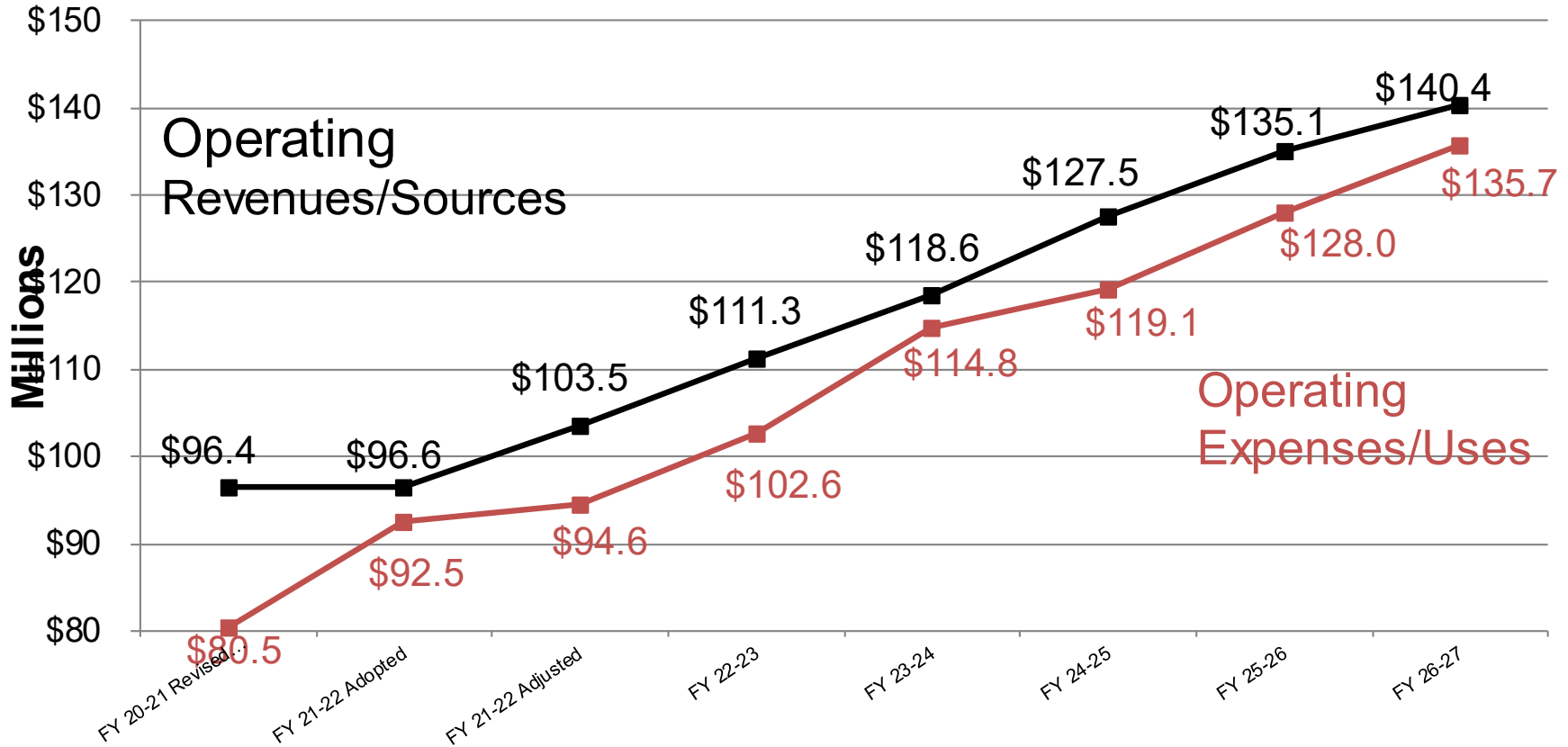
5-Year Operating Budget Projection

Updated August 2021



5-Year Operating Budget Projection

With Parks Funding Recommendation



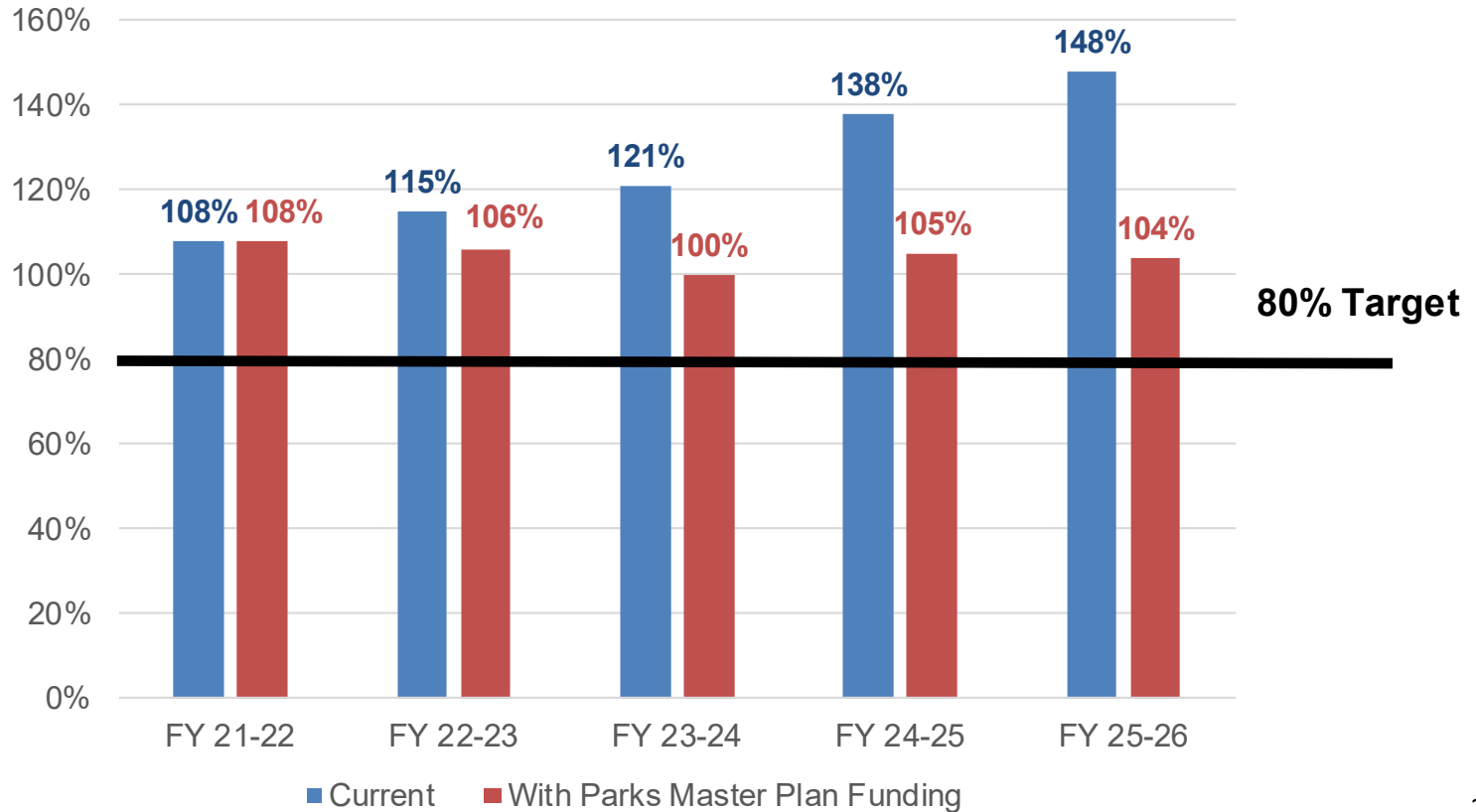
2. Operating Budget Liquidity

- Measures the Relationship of Reserves to Annual Expenses
- Intended to Show the Length of Time Reserves Could be Used to Pay Expenses in an Economic Downturn
- Calculation: Reserves Divided by Annual Expenses
 - The Higher the Percent, the Better
 - Target: 80% or Greater

	FY 21-22
Reserves (A)	\$94M
Annual Expenses (B)	\$87M
Liquidity Ratio (A / B)	108%

2. Operating Budget Liquidity

Reserves Divided by Annual Expenses



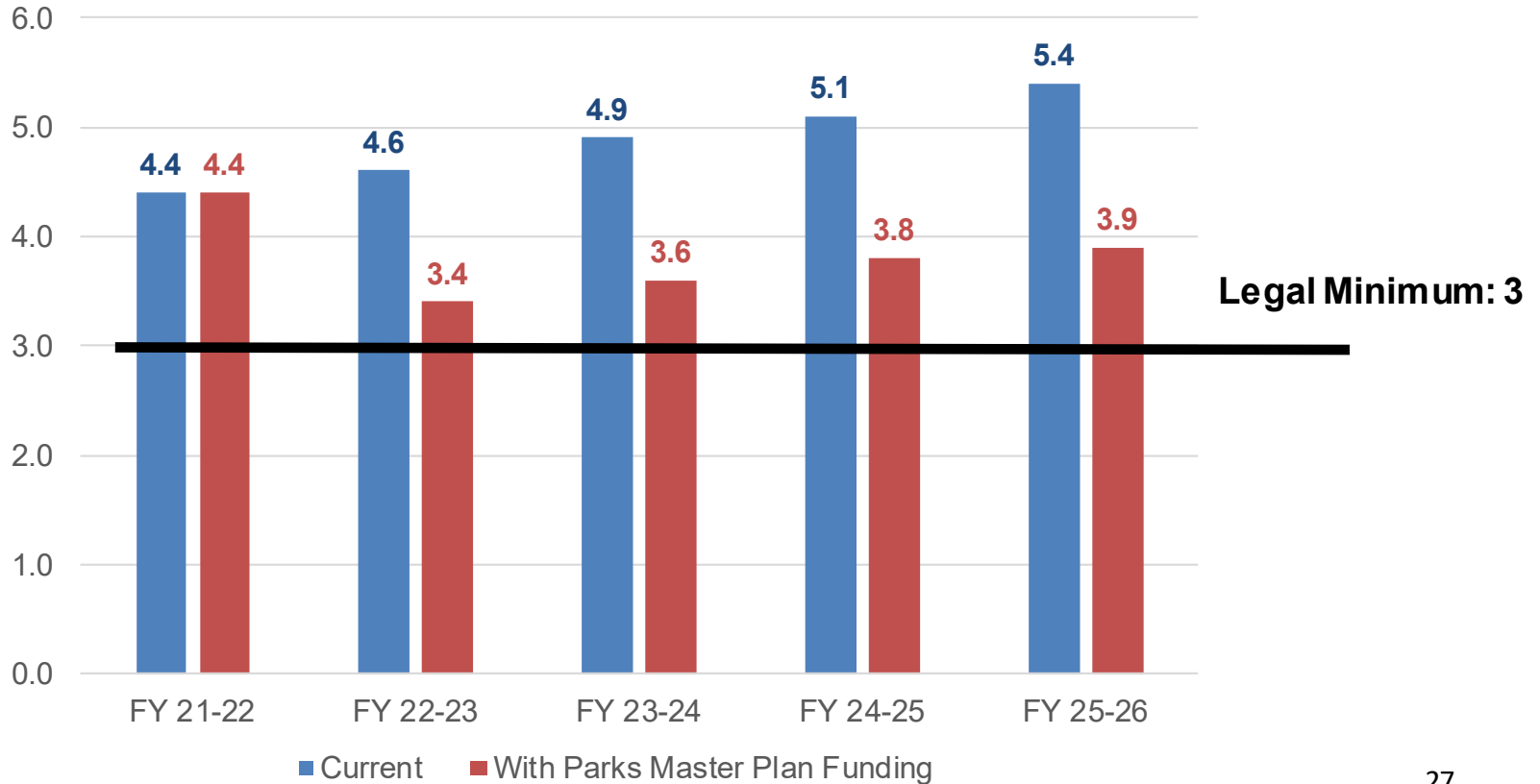
3. Capacity to Issue Debt

- Debt Coverage Ratio
 - Calculation: Revenues Legally Pledged to Make Annual Debt Payments Divided by Annual Debt Payments
 - The Higher the Number Indicates More Revenues are Available to Make Annual Debt Payments
 - Bond Legal Minimum: 3

	FY 21-22
Pledged Revenues (A)	\$94.3M
Annual Debt Payments (B)	\$21.5M
Liquidity Ratio (A / B)	4.4

3. Debt Coverage Ratio

Pledged Revenues Divided by Annual Debt Payments



Bond Issue Timeline



Date	Action
January	<ul style="list-style-type: none">• Financing Team Organizational Meeting• Select Underwriters
February	<ul style="list-style-type: none">• Prepare Preliminary Official Statement• Bond Rating Agency Presentations• Ratings Notification
March	<ul style="list-style-type: none">• Town Council Approval of Authorizing Resolution
March	<ul style="list-style-type: none">• Bond Sale
April	<ul style="list-style-type: none">• Review & Sign Closing Documents• Close Transaction and Receive Bond Proceeds

Motion

Direct Town Staff to Construct and Issue \$115M of Bonds to Finance the Projects in Phase 1 of Parks Master Plan





Comments and Questions