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Title: The Deer Park City Council, the Deer Park Community Development Corporation and the Deer Park Parks and Recreation Commission will discuss issues relating to the proposed community/recreation center and a possible Type B Continuation Election on May 1, 2021.

Sponsors:

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Attachments: 1. 2021-01 DP Rec Study Final Report 172021, 2. 2021-01 DP Rec Study Final Report 182021SHORT, 3. Copy of DPDC Capacity Analysis (12-2-20), 4. Type B publication - Final draft 3-6-20 - 1-7-21-2, 5. Poster - PRIMARY - 3-3-20 - 1-7-21-2

Date	Ver.	Action By	Action	Result
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The Deer Park City Council, the Deer Park Community Development Corporation and the Deer Park Parks and Recreation Commission will discuss issues relating to the proposed community/recreation center and a possible Type B Continuation Election on May 1, 2021.

Summary:

On May 9, 2015, the voters in Deer Park approved a one-half of one percent Type B sales and use tax, the proceeds of which were limited to seven (7) projects. One of these projects was for the "... renovation and expansion of the Community Center and Gym to include an indoor pool..." The City Council also established fiscal parameters by adoption of Resolution 2015-06, for the cost for each of the projects, and total not to exceed amount for all 7 projects. The fiscal parameter set for the renovation and expansion of the Community Center was \$6 million and the total not-to-exceed amount for all 7 projects was \$20,000,000, exclusive of the costs of financing.

One of the initial steps in the renovation/expansion of the Community Center was to enlist a team of professionals (Halff Associates - Civil Engineers, Brinkley Sargent Wigington - Architects, Schmitz Partners - Structural, Stanton Engineering - MEP, and Texas Accessibility Solutions) to tour the facility and conduct a Building Observations Survey. Three (3) of the key conclusions/considerations contained in the Building Observations Survey report were:

- It would be very expensive to make permanent repairs to the structure; and
- The City should consider replacement versus repair of the Community Center, and
- The cost and consequences of disruption of services should also be considered

Beginning on July 23, 2018, the City Council, the Deer Park Community Development Corporation and the Parks and Recreation Commission conducted a total of eight (8) joint meetings to discuss the Community Center project. The complexities and challenges associated with renovating and expanding the Community Center and Gym to include an indoor pool were discussed at length. As that project was studied, it became apparent the cost of the renovations and structural repairs to the existing facilities, let alone adding an indoor therapy pool, would well exceeded \$6 million. As previously stated, the conclusion of the architect/engineers that studied the facility was that permanent repairs would be very expensive, so much so that they believed that the City should seriously consider replacement versus repair of the community center. Since July 23, 2018, the City Council, DPCDC Board of Directors, and the Parks and Recreation Commission have weighed further options. At the January 13, 2020 Joint meeting, a proposed conceptual option and rendering for a possible new community/recreation center with gymnasium and indoor pool was presented along with possible construction and operating costs, and cost recovery options. Ultimately, the consensus was that the best option was to ask the Deer Park voters if they would like to conduct a new Type B sales tax and use tax election to authorize additional purposes including the new Community/Recreation Center. A summary of the community/recreation center concept is summarized below:

Proposed community/recreation center - two (2) new buildings, both located on the north side of Dow Park:

- a) The first (Phase 1 - Community Center) would house activity/program/meeting rooms and staff offices, to be constructed next door to City Hall on the site of the former City Hall.
- b) The second building (Phase 2-Recreation Center) would house the gymnasium, indoor walking track, and indoor pool to be built on the site of the current Community Center and Gymnasium after demolition of the current Community Center and Gymnasium.

Additionally, a new outdoor swimming pool bathhouse to replace the 44-year-old bathhouse would be also be constructed.

Project Cost :

The estimated total project cost for the design and construction of the Community Center, Recreation Center and the new outdoor swimming pool bathhouse was estimated at \$ \$40,224,868 (January 2020 estimate). This includes hard costs, furniture fixtures and equipment, professional services, contingencies and miscellaneous costs. (Note that the cost estimate was from one year ago and is no longer accurate).

Project Schedule :

The anticipated timeline for construction of the new Community Center is 44 months. This time period includes 12 months for design, two months for the bidding process, and 29 months for construction. Specifically, construction would entail 12 months for the Community Center Construction; three months for abatement and demolition of the existing Community Center and Gym; and 14 months for the Recreation Center.

Size:

Based on the information presented by Brinkley, Sargent, Wiginton Architects at the January 13, 2020 joint meeting, the Community Center would be approximately 12,000 square feet with public

spaces, program spaces, administrative offices, a service area, Recreation Division staff offices and a dance room.

The Recreation Center would be approximately 48,000 square feet with Athletic staff offices, two full-size gyms, an indoor track, a fitness room and an indoor pool. The new outdoor swimming pool bathhouse to replace the 44-year-old bathhouse would be approximately 3,000 square feet.

Project funding :

The project was proposed to be funded by the one-half of one percent Type B economic development sales and use tax. Certificates of Obligation (COs) would be sold to finance the project over 25 years. It was also proposed that \$250,000 from the Type B sales tax be dedicated for Maintenance and Operation (M&O) of Type B projects.

(Note: some of the Type B fund balance may be considered to assist in funding the project)

Cost recovery.

A user/membership fee schedule was proposed to be adopted to help offset the cost of maintenance and operation (M&O) of the facility.

The presentations from each of these eight (8) Joint meetings can be viewed at:

<http://deerparktx.gov/1471/Community-Center-Type-B-Renovations>.

On February 4, 2020, the City Council adopted an ordinance calling for a special Type B economic development sales and use tax election on May 2, 2020 to authorize purposes of the Type B revenues in addition to the purpose approved by the voters at the 2015 Election. The May 2, 2020 ballot was to be set forth as follows:

CITY OF DEER PARK - PROPOSITION A

“Shall the City Council of the City of Deer Park be authorized to adopt the Type B economic development sales and use tax within the City at the rate of one-half of one percent, as authorized by chapters 501 and 505 of the Texas Local Government Code for the additional purpose of land, buildings, equipment, facilities, and improvements (including the maintenance and operating costs thereof) found by the board of directors of the Deer Park Community Development Corporation to be required or suitable for use for the following: amateur sports, children’s sports, athletic, entertainment and public park purposes and events, including ball parks, parks and park facilities, and open space improvements (including (i) a community/recreation center complex with indoor pool, gymnasium, and indoor track and (ii) an outdoor pool and/or pool related facilities); related concession and automobile parking facilities; related roads, streets, and water and sewer facilities; and other related improvements that enhance any of the above?”

Thereafter, due to the COVID-19 pandemic:

- On March 13, 2020, the Governor issued a proclamation certifying that COVID-19 posed an imminent threat of disaster in the state and declaring a state of disaster for all counties in the State, and the Governor has subsequently extended such disaster declaration.
- On March 18, 2020, the Governor issued a proclamation suspending certain provisions of the Texas Election Code to allow all local political subdivisions that were utilizing the May 2, 2020

uniform election date to postpone their election to the November 3, 2020 uniform election date.

- In response to the Governor's Proclamation, the Texas Secretary of State provided guidance to election officials, advising election officials to postpone elections to be held on May 2, 2020.
- Pursuant to the Governor's Proclamation and the Secretary of State's advisories, on April 21, 2020, the City Council postponed the May 2, 2020 Elections to the November 3, 2020 uniform election date.

On July 27, 2020, the City Council, Deer Park Community Development Corporation and Deer Park Parks and Recreation Commission conducted another joint meeting to discuss the possibility of postponing/cancelling the November 3, 2020 election Type B election in light of COVID-19. Subsequently, on August 4, 2020, due to concerns about COVID-19, the City Council cancelled the November 3, 2020 Type B continuation election.

Possible Community/Recreation Center and May 1, 2021 Type B Continuation Election Considerations:

1. It is anticipated that the Community/Recreation Center project costs will be higher than cost estimates from one year ago as follows:

2020 cost estimate: \$40,224,868

2021 cost estimate: \$42,557,677
2. In January 2020, a capacity analysis for Type sales revenues over a 25-year period was prepared by the City's financial advisor. Due to COVID-19, a new capacity analysis has been prepared in December 2020 by the financial advisor. The new capacity analysis forecasts a reduction in sale tax projections in the near term, but the financial advisor feels that the City has the capacity to issue the previously estimated \$40,225,000, and possibly even more depending on future sales tax collections.
3. The estimated Type B fund balance as of 9/30/21 indicates funds are available for the estimated increase in Community/Recreation Center project costs from 2020 to 2021.
4. The Community/Recreation Center project schedule start date would be approximately one year later than projected last year.

Attachments:

- a. 2020 Community Recreation Center Needs Assessment & Feasibility Study Project Report (with addendum with updated information)
- b. Draft of January 11, 2021 Presentation
- c. Updated Capacity Analysis
- d. 2020 Type B Informational Newsletter (this was for the 2020 election. To be updated for 2021)
- e. 2020 Type B Poster (this was for the 2020 election. To be updated for 2021)

Fiscal/Budgetary Impact:

Discussion only.