



Legislation Details (With Text)

<b>File #:</b>	DIS 20-017	<b>Version:</b>	1	<b>Name:</b>	
<b>Type:</b>	Discussion	<b>Status:</b>		Agenda Ready	
<b>File created:</b>	1/27/2020	<b>In control:</b>		City Council Workshop	
<b>On agenda:</b>	2/4/2020	<b>Final action:</b>			
<b>Title:</b>	Discussion of issues relating to a possible Type B election on May 2, 2020.				
<b>Sponsors:</b>					
<b>Indexes:</b>	Quality of Life/Image				
<b>Code sections:</b>					
<b>Attachments:</b>	1. 2020-01-13 DP CouncilJointMtg FINAL (1), 2. DPCDC Capacity Analysis (1-29-20)				

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Discussion of issues relating to a possible Type B election on May 2, 2020.

Summary:

Below is a summary of information regarding the 2015 Type B sales and use tax election, the proposed community/recreation center project and the proposed May 2, 2020 Type B sales and use tax election. Where noted, some of the information references the PowerPoint presentation that was presented at the January 13, 2020 Joint Meeting of the City Council, Community Development Corporation, and the Parks and Recreation Commission.

I. 2015 Type B Election

On May 9, 2015, the voters in Deer Park authorized adoption of 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 public park purposes and events, and which is limited to the following list of projects and includes land, buildings, equipment, facilities, and improvements for such projects, and related improvements that enhance such projects:

- a) replacement of the restroom facilities in Dow Park with a new pavilion structure that includes a stage, restrooms, and a concession stand;
- b) renovation and expansion of the Community Center and Gym to include an indoor pool;
- c) expansion of the existing Maxwell Center and parking lot;
- d) renovation of baseball fields including but not limited to the Spencerview sports complex (Durant Fields);
- e) renovation of the girls softball facilities at the Youth Sports Complex;
- f) development of soccer fields; and

- g) the development of hike and bike trails

On March 3, 2015, the City Council also approved Resolution No. 2015-06, which established expenditures caps of Type B funds for each project and a total expenditure cap for all Type B projects. Per the resolution, the costs for the construction, renovation, acquisition equipment and improvement of the projects enumerated in the Proposition were capped at \$20,000,000, exclusive of the costs of financing such projects. The limitation on Type B funds per project was as follows:

- a) \$1,500,000 for the replacement of the restroom facilities in Dow Park with a new pavilion structure that includes a stage, restrooms, and a concession stand;
- b) \$6,000,000 for the renovation and expansion of the Community Center and Gym to include an indoor pool;
- c) \$2,000,000 for the expansion of the existing Maxwell Center and parking lot;
- d) \$3,000,000 for the renovation of baseball fields including but not limited to the Spencerview sports complex (Durant Fields);
- e) \$3,000,000 for the renovation of the girls softball facilities at the Youth Sports Complex;
- f) \$4,000,000 for the development of soccer fields; and
- g) \$500,000 for the development of hike and bike trails.

Projects were funded by Type B funds through a combination of Certificates of Obligation (COs) and on a pay-as-you-go basis.

## II. Community Center and Gym and Indoor Pool

Beginning on July 23, 2018, the City Council, the Deer Park Community Development Corporation and the Parks and Recreation Commission conducted a number of 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. 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. Ultimately, they have concluded that the best option is 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.

The proposed concept for the community/recreation center is for two (2) new buildings, both located on the north side of Dow Park.

- a) The first (Phase 1 - Community Center) will 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 - Slide #4 PowerPoint

The estimated total project cost for the design and construction of the Community Center, Recreation Center and the new outdoor swimming pool bathhouse is estimated at \$40,200,000. This includes hard costs, furniture fixtures and equipment, professional services, contingencies and miscellaneous costs, and escalation, based on a June 2021 start for construction (note: architectural design is anticipated to begin in June 2020).

#### Project Schedule - Slide #5 of PowerPoint

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.

#### Conceptual Rendering - Slide #7 of PowerPoint

A conceptual rendering prepared by the architect is included on slide #7 of the PowerPoint presented at the January 13, 2020 joint meeting.

#### Project funding - Capacity Analysis Attachment

The project is 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 is also proposed that \$250,000 from the Type B sales tax be dedicated for Maintenance and Operation (M&O) of Type B projects.

#### Cost recovery - Slides #10-25 of PowerPoint; Projected Membership fee schedule on Slide #22

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

### III. 2020 Type B Election

The proposed language for the May 2, 2020 special Type B election is as follows:

“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 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?”

Project Funding - if the Type B sales and use tax additional purposes authorization is approved

The estimated cost of the Community Center, Recreation Center and the new outdoor swimming pool bathhouse is \$40,200,000. This would be funded by certificates of obligation paid by the reauthorized Type B sales and use tax.

Pay-as-you-go funding, when available, can be budgeted for eligible projects identified in the ballot language through the annual Type B budget process (approved by Deer Park Community Development Corporation and the City Council).

It is also proposed that \$250,000 from the Type B sales tax be dedicated for Maintenance and Operation (M&O) of Type B projects.

Approximately 4.5 million of existing Type B fund balance is available for additional parking at the new Soccer Complex, Girls Softball fields at Youth Sports Complex, and Spencerview Complex (Durant Fields). Since this amount is above the cap established for projects in Resolution 2015-06, passage of the new Type B election is needed to spend these funds for this purpose.

#### Public Information

If the election is called, public information will be generated and distributed to provide factual information regarding the proposed Type B sales and use tax expanded purpose authorization. This will be for informational purposes only; no City resources can be used to advocate for or against a ballot measure.

#### Fiscal/Budgetary Impact:

Discussion only during Workshop. An item is included on the February 4, 2019 Regular Council Meeting to consider approving an ordinance calling a special Type B election on May 2, 2020.