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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 Type B Special Election currently scheduled for November 3, 2020.

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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 Type B Special Election currently scheduled for November 3, 2020.

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 are limited to the seven (7) projects listed below. Additionally, the City Council established fiscal parameters in Resolution 2015-06, which states that the costs for the construction, renovation, acquisition equipment and improvement of the projects enumerated in the Type B Proposition shall not exceed \$20,000,000, exclusive of the costs of financing such projects, and such costs estimated to be 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.

The Type B projects were funded through a combination of Certificates of Obligation (COs) in an aggregate principal amount not to exceed \$18,000,000 and an additional \$2,000,000 on a pay-as-you-go basis. Certificates of Obligation (COs) is the funding mechanism for most of these projects.

Community Center. 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. 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, DPCCDC 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 is estimated at \$40,200,000 (January 2020 estimate). 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). (Note that this timeframe has passed due to the COVID-19 pandemic).

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.

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 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.

With the Type B election scheduled for November 3, 2020, some issues to consider include:

- COVID-19 impact on Type B sales and use tax revenues. As stated above, the Community/Recreation Center was proposed to be financed through the sale of Certificates of Obligation (COs) over 25 years funded by the one-half of one percent Type B economic development sales and use tax. It is still unknown what impact the COVID-19 will have on sales and use tax revenues.
- Should the November 3, 2020 election date be reconsidered due to the uncertainty caused by COVID-19?
- The total cost of the Community/Recreation Center was estimated at \$40,200,000 in January 2020, based on a June 2021 start for construction. The start date for construction was predicated on a start date of June 2020 to begin architectural design. As time goes on inflation will increase costs. The increased cost could exceed projected revenues.
- If the November 3, 2020 election date is reconsidered to a possible future date due to the uncertainty caused by COVID-19, which would result in higher project costs possibly exceeding projected revenues, would the project concept need to be revisited?

Fiscal/Budgetary Impact:

No fiscal impact associated with this agenda item. Type B sales and use tax funding is already in place for specific purposes but would need voter approval to be used for additional purposes.

Discussion only.