
M E M O R A N D U M

DATE: August 10, 2007
TO: City Council Members
FROM: Nancy Saxton, City Council Member District 4
RE: Potential Funding Options for gap in renovation of Central City Recreation Center

Thank you for your continued support of gap funding for the Central City Recreation Center renovation.

In February of this year I approached the Council regarding potential funding options for the Central City Recreation Center renovation. To date, I am still working to collect funding through private and public sources. The ZAP funding has been approved for \$3.1 Million due to the cost increase of redevelopment for recreation centers. This is \$1.1 Million more than had previously been approved. However 100% of this allocation is to cover the increased construction costs and the required removal of asbestos, and it will not address any of the needed project components to make this facility all that it needs to be in order to better serve the community. The Central City Recreation Advisory Board and I have combined our efforts and are working diligently with community banks, associations, and members to raise an additional \$3 million to support renovation.

At this time, I am requesting the Council consider the necessity of additional funding for the renovation of the Center. The information presented below includes options considered in February and updates on their consideration.

The City has provided over \$2 million to various recreation centers through the CDBG or CIP programs; however, the Central City Recreation Center has only received \$25,000 in CDBG funding. Due to the need of renovation of the area, and the continued efforts from the community, I propose that the Council consider utilizing the General Fund Capital Improvement Program (CIP) to provide the Center a state-of-the-art facility serving the Downtown area and all of the East Side and Avenues areas. This facility serves 5 Council Districts and is the oldest building in the City's community center portfolio.

The County has begun working with the City to potentially obtain New Market Tax Credits for the facility. The deadline on this determination is August 23, 2007. Would the Council support CIP funding allocation for the renovation of the Central City Recreation Center, and do any of the options below continue to have Council support?

POSSIBLE GAP FUNDING SOURCES

The following list outlines a variety of sources by which to fill this \$4.9 million gap. I would like to request Council support to pursue any and all of these funding options so that the City and County can upgrade this facility to be a facility that these area residents can use.

1. Sale of the Kiwanis-Felt building - The City and County share joint ownership of this building (40 percent County/60 percent City), on 900 East between 400 and 500 South, which is intended to be sold in the very near future. The building was previously used as a gym/recreation facility, but was determined to be too small given the demand in the community and is no longer operational. Mayor Corroon has indicated a willingness to donate the County's proceeds from this sale to the Central City Recreation Center project (subject to County Council approval). It is estimated that the building could sell for between **\$500,000** and **\$550,000**. Interested parties have already contacted the City regarding the sale of this property. To date, Staff has not been able to confirm the status of any sale related to the property.
2. RDA/Skate Park Funds - The RDA Board of Directors has previously appropriated **\$100,000** order to construct a modular skate park at the Central City Recreation Center. These funds have not been expended because the RDA was awaiting the results of the master planning process. The Board of Directors could decide to re-allocate these funds towards the general renovation of the Central City Recreation Center. With the support of the RDA Board, RDA Staff is also continuing to work towards the purchase of the neighboring property for additional land and opportunity for the Central City Community Center.
3. New Markets Tax Credits (NMTC) - Conversations with the Administration and with the City's New Markets Tax Credit consultant indicate that this project would qualify under the federal law for use of NMTC funds. Conversations with the County Mayor and staff have indicated that the County has begun investigating this option and has developed a proposal to include \$1.5 million earmarked for the Central City Recreation Center.
4. City Grant Writers - The Council could request that the City's grant writers take a look at this project and apply for any and all grants that may apply. At this time it is not possible to estimate how much this option would generate.
5. Private Funding - The Central City Advisory Board, in conjunction with my personal efforts, have distributed letters to various banks throughout Utah requesting their assistance and participation in the renovation project.
6. Naming Rights - The Central City Advisory Board has included the potential of allowing naming rights to be considered with a donation of \$2-4 million.
7. CIP Funding - The Council could allocate funds from the general fund CIP budget towards this project.
8. Alternative option - City Sales Tax Bond - The Council could decide to bond for the \$3 million gap. It is estimated that annual debt service on a **\$3 million bond** would be approximately \$200,000 per year on a 20 year bond.

Thank you again for your time and support. I appreciate the sustained interest in helping this project to move forward.

PAST CITY INVESTMENT IN COMMUNITY/RECREATION CENTERS

	Year	Amount	Source	Description
10th East Senior Citizen Center	ongoing	n.a.	GF	Landscaping Maintenance
	2004	\$ 43,300	CDBG	Site Improvements
	2003	\$ 50,000	CDBG	Site Improvements
	1992	\$ 150,000	CDBG	HVAC Improvements
	1982	\$ 215,000	CIP	Building Addition
<i>Total 10th East Senior Citizen Center</i>		<i>\$ 458,300</i>		
Central City Recreation Center	2005	\$ 25,000	CDBG	Master Plan
<i>Total Central City Recreation Center</i>		<i>\$ 25,000</i>		
Northwest Multi Purpose Center	2005	\$ 40,000	CDBG	Master Plan
	1981	\$ 160,000	CIP	Building Addition
	1980	\$ 21,000	CIP	Interior Renovation
	1980	\$ 147,000	CIP	Building Improvements
<i>Total Northwest Multi Purpose Center</i>		<i>\$ 368,000</i>		
Westside Senior Citizens Center	ongoing	n.a.	GF	Landscaping Maintenance
(City-owned building)	1993	\$ 140,000	CDBG	Re-roof
(City-owned building)	1988	\$ 6,500	CDBG	Re-roof
	1986	\$ 11,000	CIP	Landscaping
	1982	\$ 40,000	CIP	Parking Lot
<i>Total Westside Senior Citizens Center</i>		<i>\$ 197,500</i>		
Liberty Wells Senior Center	ongoing	n.a.	GF	Landscaping Maintenance
	2000	\$ 450,000	CDBG	Design and Construction
	1999	\$ 250,000	CDBG	Design and Construction
<i>Total Liberty Wells Senior Center</i>		<i>\$ 700,000</i>		
Fairmont Park Swimming Pool & Area	1982	\$ 165,000	n.a.	Pool
	1982	\$ 145,000	n.a.	Site Improvements
	1982	\$ 19,000	n.a.	Parking Lot
		\$ 175,000	n.a.	Park Pond
<i>Total Fairmont Park Swimming Pool</i>		<i>\$ 504,000</i>		
Glendale Youth Center	1995	\$ 3,200,000	n.a.	Building Addition
	1995	\$ 245,000	CDBG	Parking Lot
	1993	\$ 25,000	CDBG	Athletic Floor
	1993	\$ 150,000	CDBG	Mechanical/Re-roof
	2000	\$ 74,000	CDBG	Ball Field Improvements
<i>Total Glendale Youth Center</i>		<i>\$ 3,694,000</i>		
Steiner Ice Arena	1999	\$ 10,700,000	bond	Building/Ice Arena, etc
(City-owned)	1999	\$ 265,000		Excavation for Building, etc
<i>Total Steiner Ice Arena</i>		<i>\$ 10,965,000</i>		
Liberty Park Pool Area	1994	\$ 703,000		New Pool/Site Work
<i>Total Liberty Park Pool Area</i>		<i>\$ 703,000</i>		

In total the City has contributed over \$6 million to various recreation facilities (some county-owned), not including the nearly \$11 million contributed for the Steiner Ice Arena/Pool.