

FINANCE SUBCOMMITTEE

November 3, 2020

Due to the ongoing situation with COVID-19 and pursuant to H.B. 197, this Community Center Feasibility Task Force, Facilities & Partnerships Sub-Committee Meeting was convened remotely via video-conference using Zoom.

This meeting was called to order by Chair Rule at 12:00 p.m.

SUBCOMMITTEE

MEMBERS PRESENT: Subcommittee Chairperson Matt Rule, Linda Mauger, Brian Perera, Todd Walter

SUBCOMMITTEE

MEMBERS ABSENT: None

TASK FORCE MEMBERS

PRESENT: Greg Comfort, Margie Pizzuti, Linda Moulakis, Bill Westbook, Diana Albrecht, Mary Duchi

STAFF PRESENT:

City Manager Steve Schoeny, Assistant City Manager Dan Ralley, Community Affairs Director Emma Speight, Parks & Recreation Director Debbie McLaughlin, Parks Planning & Development Manager Jeff Anderson, Economic Development Director Joe Henderson, Finance Director Brent Lewis, Assistant Finance Director Jon Lindow

CONSULTANTS

PRESENT: Leon Younger, Nick Deardorf, Nancy Weir

1. Approval of the Minutes from October 20, 2020 Meeting

All members voted in favor of the approval of the October 20th minutes.



2. Updated Capital Cost Estimates

Nan Weir shared updated cost estimates that Williams has developed that show costs for both the MSC and Kingsdale sites. Estimates for the MSC site range between \$70.2 and \$76.5M. Estimates for the Kingsdale site range between 46.1 and 51M.

Key differences in site costs include structured parking at the MSC site as well as the need to re-build MSC office space for the City administrative offices. Parking at Kingsdale as well as the site acquisition would be part of a Tax Increment Financing (TIF) agreement and as a result are not part of the capital estimates provided by Williams for the Community Center.

Williams is verifying these numbers with outside contractors and intends to present this information at the next Facilities Committee meeting.

Todd Walter asked about the size of the facility relative to other facilities in Central Ohio. Dan Ralley noted that the proposed facility is similar to Westerville's facility before their recent expansion. Nan Weir noted that basketball courts are full sized based on site layout.

3. Overview of Community Center Operating Budget

Leon Younger presented a summary of the proforma that PROS Consulting has prepared for the proposed Upper Arlington Community Center. Assumptions included graduated pricing based on age and resident status. Proposing basic, premier, senior social and senior healthy lifestyle membership classifications. Rates are in the middle of community centers around Central Ohio.

Nick Deardorf from PROS covered the assumptions for the membership market using a twelve minute drive time from the Kingsdale location. 229,035 people live within this twelve minute drive time and PROS assumes that 3% or 6,871 individuals will become members at the proposed facility.

Draft pro forma shows cost recovery in excess of 100% due to heavy existing programming use that UA Parks and Recreation have that would move into this building. These cost recovery numbers include a 5% maintenance endowment that is estimated to generate approximately \$170,000 per year.

Matt Rule indicated they would like to do stress testing on the membership volumes that are used for this estimate and have that information presented at the next meeting. Rule further asked whether a specific cost recovery goal needs to be part of the CCFTF recommendations. Steve Schoeny indicated that guidance to Council would be helpful if the Task Force feels comfortable making that recommendation, particularly if it is offered within a range.



Brian Perera indicated that the Task Force should give Council a worst case scenario for cost recovery and what impact that might have on the City's General Fund.

Linda Mauger asked about debt payments and how they are factored into the model. Capital expenses are not factored into operating expenses because the City is anticipating using outside sources of funding like TIF to pay for the capital debt.

Greg Comfort and Todd Walter asked to factor in existing costs that should be shown in these operating calculations. Matt Rule indicated that this existing subsidy rate could be a source of comfort if it a stress test projects deficits within the range of existing expenses.

3. Public Comment

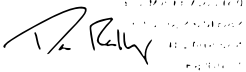
None

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The meeting was adjourned at 1:23 p.m.



Chairperson



ATTEST:

Secretary

