

Upper. Arlington Community Center Financial Modeling

September 22, 2020



City of **Upper
Arlington**

Assumptions

- Community Center will be 100,000 square feet
- Construction will be \$400 per square foot
- \$40M in Capital Expenses
- Annual operating expenses will be approximately \$40 per sq ft



TIF Funding

TIFs (in annual dollars available)*

• Kingsdale Core	\$55,000
• Arlington Crossing	\$163,000
• Kingsdale West	\$45,000
• Kingsdale Continental	\$1M
TOTAL	\$1.26M

* Length of TIFs vary



Other Capital Funding Sources

- Bed Tax \$500,000 (annual)*
- General Fund Cash \$7M
- TIF \$1.26 (annual)

* Bed Tax can also be used for operating expenses



Annual Debt Payments

Total Cost	\$40M
Less Cash	\$7M
\$33M 2% for 30 years	\$1.5M per year
\$33M 3% for 30 years	\$1.7M per year
Total Available for Capital Expenses	\$1.73M



Annual Debt Payments with Private Fundraising

Total Cost	\$40M
Less Cash	\$6M
Private Fundraising	\$4M (10%)
\$30M 2% for 30 years	\$1.33M per year
\$30M 3% for 30 years	\$1.41M per year
Total Available for Capital Expenses	\$1.73M
Bed Tax Available for Operating	\$300,000 - \$400,000



Operating Budget Assumptions

	Size	Total Budget	Per Sq Ft	% Cost Recovery
Dublin	110,000	\$4M	\$36.36	50%
Westerville	96,000	\$3.6M	\$37.50	85%
Worthington	72,000	\$3M	\$41.66	70%
Upper Arlington	100,000	\$4M	\$40	75%



Operating Expenses

Assuming 75% Cost Recovery

- \$4M Annual Budget
- \$3M in memberships, class fees, daily admissions, and rentals
- \$1M annual contribution from the General Fund

Note: The City is currently spending \$700,000 on personnel that would normally be part of a community center.



Bed Tax

- Pre-COVID, City was receiving approximately \$275,000 annually from first hotel on Lane Ave.
- Second hotel will open Sept. 2020
- If Capital outlay is \$30M or below (with private fundraising)...
- And TIF projections are consistent with model...
- Between \$300,000 and \$400,000 of Bed tax could be available to defray annual operating expenses



Alternative: Income Tax

- Westerville allocates .25% of income tax rate toward Parks and Recreation
- If Upper Arlington allocated .1% of income tax rate toward P&R it would provide \$1.1M
- Allocating .2% of income tax of 2.5% rate toward P&R would provide \$2.2M
- Parks is currently averaging \$1.72M in 10yr CIP



Summary

- \$40M cost of constructing a Community Center can be funded via TIF and Bed Tax
- If debt issuance is lowered to \$30M, bed tax can help cover 30-40% of the annual operating gap

