

FINANCE SUBCOMMITTEE

October 20, 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: Linda Moulakis, Bill Westbook, Diana Albrecht

STAFF PRESENT:

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.

CONSULTANTS

PRESENT: Leon Younger, Nancy Weir

1. Approval of the Minutes from September 22, 2020 Meeting

All members voted in favor of the approval of the September 22nd minutes.



2. Establishing Sub-Committee Goals

Chairperson Rule re-visited the Finance Sub-Committee goals that were discussed at earlier meetings:

1. Capital Stack:
 - a. Learning: Review proposed capital stack models
 - b. Potential Productive Actions:
 - i. Statement of values regarding use of TIF and/or bed tax revenue streams to leverage debt for construction costs
 - ii. Statement of values regarding use of excess City reserves for construction costs
[Some examples of statement of values follow, merely to provide clarity as to what these may look like - “We believe that it is not appropriate to use to use excess reserve funds towards construction costs”, “We believe it is appropriate to uses excess reserve funds as a source for financing construction costs so long as it is not reasonably anticipated negatively impact the City’s bond rating” or “We believe it may be appropriate to use TIF proceeds and/or bed tax to leverage debt to cover capital costs”)
 - iii. Statement of values regarding raising property taxes to fund construction costs
2. Operating Budget:
 - a. Learning: Review operational models of similarly situated communities
 - b. Potential Productive Actions
 - i. Statement of values regarding programmatic or membership based revenue models
 - ii. Statement of values regarding cost recovery parameters and goals
 - iii. Statement of values regarding resident fee participation levels
3. Partnerships:
 - a. Learning: Review partnership models of similarly situated communities and “lessons learned”
 - b. Potential Productive Actions
 - i. Statement of values regarding ownership structure(s)?
 - ii. Statement of values regarding operational partnerships
 - iii. Statement of values regarding leased space (risks/rewards of being an office, retail and/or food service landlord)

Matt Rule noted that the committee needs to clarify and refine a statement of values around these three areas. Members discussed adding tasks in order to formulate the statement of values. Tasks would be to lay out the process that the committee went



thru to evaluate each area. For example, the committee might formally evaluate the consultants proforma presentation.

Todd Walters asked about the level of detail that should be in the group's recommendations. Steve Schoeney commented that this is a decision for the Task Force. This is a feasibility task force and the recommendations should follow what is feasible.

Steve Schoeney noted that Westerville treats people who work in Westerville as residents for purposes of membership rates. Matt Rule asked for data on how that impacts existing City recreation facilities.

3. Overview of Community Center Operating Budget

Question from Todd Walters about naming rights as part of partnerships. Debbie McLaughlin indicated that she would distribute information to the committee about the City's policies for naming.

Linda Mauger asked about whether a hybrid relationship with the YMCA is possible. Steve Schoeney indicate that the size of the facility was a factor limiting the potential partnership because the YMCA typically requires its own dedicated space. Linda Mauger indicated that the Heit Center, operated by Ohio State, went thru a lot of angst with regard to membership in its early years when numbers fell short of expectations.

Debbie McLaughlin noted that the YMCA would collect all of the membership revenue for a facility they operate and then what is left are areas of the building that are more community centric such as senior services that typically don't have good cost recovery in operations. It likely would be the case that many existing programs would not fit into the facility. Steve noted that the YMCA absorbs a lot of risk and that is the benefit of having them as a partner.

Linda Mauger asked about potential partners with neighboring communities. Steve Schoeney commented that you can utilize non-resident rates as a mechanism to get to the same point as agreements with other communities and there is nothing that would stop the City from entering into this kind of agreement after the facility is open and capacity can be better judged.

Matt Rule indicated that there are two options for the leasehold space either by paying to construct the space or by having a third party construct and own that space. Dan Ralley noted that the leaseholder model is a backdoor to paying for future expansion space because the lease rate typically pays for the cost of constructing that office space and it then becomes available for possible expansion at a future point in time.

3. Public Comment



None

* * *

The meeting was adjourned at 1:07 p.m.

Chairperson

ATTEST: _____
Secretary

