

Louisville Revitalization Commission

Agenda

**Monday, June 13, 2016
Louisville Public Library
1st Floor Conference Room
951 Spruce Street (Northwest entrance)
7:30 AM**

Note: The time frames assigned to agenda items are estimates for guidance only. Agenda items may be heard earlier or later than the listed time slot.

- I. Call to Order
- II. Roll Call
- III. Approval of Agenda
- IV. Approval of May 9, 2016 Meeting Minutes
- V. Public Comments on Items Not on the Agenda (Limit to 3 Minutes)
- VI. Reports of Commission
- VII. Business Matters of Commission
 - a. DELO Update
 - b. Legislative Update
 - c. Rec Center Presentation
- VIII. Items for Next Meeting July 11, 2016, 7:30am Library Meeting Room
- IX. Commissioners' Comments
- X. Adjourn

City of Louisville

City Manager's Office 749 Main Street Louisville CO 80027
303.335.4533 (phone) 303.335.4550 (fax) www.LouisvilleCO.gov

Revitalization Commission

Minutes

Monday, May 9, 2016
Louisville Public Library
1st Floor Conference Room
951 Spruce Street (Northwest entrance)
7:30 AM – 9:00 AM

Call to Order – Chair Karl Becker called the meeting to order at 7:30 am in the Louisville Public Library at 951 Spruce Street, Louisville, CO.

Commissioners Present: Karl Becker, Chair
Alex Gorsevski
Rob Lathrop
Michael Menaker
Mayor Bob Muckle
Bob Tofte

Staff Present: Malcolm Fleming, City Manager
Heather Balsler, Deputy City Manager
Sam Light, City Attorney
Aaron DeJong, Economic Development Director
Rob Zuccaro, Planning and Building Safety
Director
Dawn Burgess, Executive Assistant to the City
Manager

Others: Randy Caranci, John Leary, Lynn Miller, Jim
Henderson, Malcolm Murray, Chris Pritchard

Approval of Agenda

City Attorney Light requested the addition of a DELO update as agenda item 7e.
With that change, agenda Approved

Approval of March 18, 2016 Minutes:

Approved

City of Louisville

City Manager's Office 749 Main Street Louisville CO 80027
303.335.4533 (phone) 303.335.4550 (fax) www.LouisvilleCO.gov

Public Comments on Items Not on the Agenda

None

Reports of Commission

Randy Caranci asked about how many Commissioners are on the LRC. Body was expanded to 7 according to Michael Menaker. Caranci asked why there was no meeting in April. Per DeJong, there were no topics to discuss.

Business Matters of Commission

None

Executive Session

Chair Becker requested the Louisville Revitalization Commission (LRC) convene an Executive Session. Attorney Sam Light said the LRC is requesting an executive session for purposes of discussion of pending litigation and real property acquisitions and dispositions to discuss threatened legal action regarding implementation of the 550 S. McCaslin Urban Renewal Plan and to discuss strategy related to the acquisition and disposition of real property. Regarding executive session procedures, the LRC in its Bylaws has expressly chosen to follow the rules applicable to the City Council, and the LRC Bylaws state "the Commission may hold an executive session for the same purposes and in accordance with same procedures applicable to executive sessions of the Louisville City Council." Therefore, as a first step and prior to entertaining any motions for the executive session, DeJong will read a statement required to be read into the record pursuant to the City Code.

DeJong read the statement required by the City Code.

City Attorney Light stated the authority to conduct an executive session: Regarding the authority for the executive session, Section 5-2(c) of the home rule charter authorizes an executive session for the purpose of consideration of real property acquisitions and dispositions, provided such session is limited to consideration of appraisals and other value estimates and strategy for the real property acquisition or disposition. An executive session for this purpose is also authorized by Section 24-6-402(4)(a) of the Colorado Open Meetings Law.

Section 5-2(d) of the home rule charter also authorizes an executive session for the purpose of consultation with an attorney representing the LRC with respect to pending litigation, which includes actual pending lawsuits as well as situations where the person requesting the session believes in good faith that a lawsuit may result. An executive session for this purpose is also authorized by Section 24-6-402(4)(b) of the Colorado Open Meetings Law.

Chair Becker made a motion to go into executive session for the purpose of consideration of potential real property acquisitions and dispositions in relation to

the 550 S. McCaslin urban renewal plan, but only as to appraisals and other value estimates and strategy for same, and that the executive session include the City Manager, Economic Development Director, Attorneys Sam Light and Malcolm Murray, and Deputy City Manager Balser. Fleming asked that Zuccaro join the Executive Session. Chair Becker approved.

Vote (the motion carried by a vote of 6 – 0)

Chair Becker made a motion to go into executive session for the purpose of consultation with an attorney representing the LRC with respect to pending litigation, and that the executive session include the City Manager, Economic Development Director, Deputy City Manager, Planning and Building Safety Director, Attorneys Sam Light and Malcolm Murray.

Vote (the motion carried by a vote of 6 – 0)

The LRC adjourned to executive Session at 7:40 am

The LRC Reconvened in Open Meeting at 9:22 am

REPORT – DISCUSSION/DIRECTION/ACTION Real Property acquisition and Disposition and Pending Litigation

City Attorney Light reported that the LRC held executive session on Real Property acquisition and disposition and pending litigation.

There would be a public process. No action or direction was taken.

The LRC adjourned at Regular Meeting 9:24 am

550 S. McCaslin Development Proposal

Staff Presentation

As discussed at March meeting, one proposal was received in response to the RFP. The proposal is to construct a King Sooper Marketplace on the property. DeJong reviewed the objectives of the Urban Renewal Plan:

- To create a retail rich environment
- Redevelop the property
- Increase retail activity

DeJong listed the 4 blight factors that were found in the July 2014 conditions Survey and how the proposal addresses each of the four blight factors. They can be found in the packet.

Recommendation:

Staff asks for direction to begin negotiation to for a development agreement.

Commissioner Comments

No comments

Public Hearing

Lynn Miller said that at the March meeting there were several questions such as how detailed the proposal was. She asked how can we get to this point when there are unanswered questions from the March meeting.

City Manager Fleming said the development proposal will address that – can't answer questions until development agreement has been received. City Attorney Sam Light said the City has invited Albertson's to discuss what their plan is.

Mike Kranzdorf said it is important the City respect property rights. He urges great caution against using eminent domain.

Jim Henderson said he does not understand what the LRC is approving and is unclear what the LRC is asking for. Attorney Light responded that if the LRC adopts staff recommendation, it is approval for staff to begin negotiations for a development agreement.

Randy Caranci echoes Mike Kranzdorf's comments.

Direction

Chair Becker made a motion that the LRC recommend the City Council authorize staff to negotiate a development agreement for the proposal received for 550 S. McCaslin. Commissioner Menaker seconded the motion. All in favor. Motion passed.

DELO update

Report on status of DELO project. Phase II is being broken into two portions. Justin McClure of RMCS said commercial and residential have been broken into two entities. One additional request is that lender for residential portion is asking for an opinion from bond counsel this will not impair tax exempt status. Any costs incurred for refreshing tax exempt status be at the developer's expense. The commission direct Butler Snow to commence working on the bond opinion for the developer.

Items for Next Meeting June 13, 2016

- DELO update
- Legislative Update

Commissioner Comments:

none

Adjourn – The meeting adjourned at 9:38 am

SUBJECT: DELO UPDATE

DATE: JUNE 13, 2016

PRESENTED BY: AARON M. DEJONG, ECONOMIC DEVELOPMENT

SUMMARY:

The DELO Phase II residential component received bank financing and a \$3,000,000 second advance was made on the Core Area TIF Bonds.

DISCUSSION:

Over the last 2 months, the parties have been working on several documents to adjust the ownership and obligations for the DELO Phase II project. The following is a list of the documents and the main components of each.

1st Amendment to the Construction Fund Agreement

This amendment was needed to include two new ownership entities, DELO Apartments, LLC and South Street Commercial LLC allocating rights to request payment for infrastructure eligible for reimbursement under the Core Area TIF bonds. DELO Apartments, LLC's lender, FirstBank, is included in the approval process for disbursing funds. Takoda Properties, Inc. remains a party on the agreement to maintain their obligations.

Assignment and Assumption of Agreements

This agreement is needed to assign the Construction Fund Agreement and Core Project Area Agreement to the two new entities, South Street Commercial, LLC and DELO Apartments, LLC. The Assignment keeps Takoda Properties obligate to perform under the Agreements should the new entities not perform.

1st Amendment to DELO Phase II Subdivision Agreement

The City executed a 1st Amendment to divide the infrastructure obligations in the Subdivision Agreement (which include the public improvements eligible for reimbursement under the Core Area Bonds and the needed private improvements) to South Street Commercial, LLC and DELO Apartments, LLC. Takoda Properties has remained a party to the Subdivision Agreement so should either entity not perform, then Takoda will be obligated to complete the improvements.

Instead of making a long agenda packet item, copies of the agreements are available upon request.

With the bank financing closed on the residential component, a \$3,000,000 second advance on the TIF bonds was made on June 6, 2016.

SUBJECT: TIF LEGISLATION UPDATE

DATE: JUNE 13, 2016

PRESENTED BY: AARON M. DEJONG, ECONOMIC DEVELOPMENT

SUMMARY:

Staff and the City Attorney will give an update on the conclusion of the 2016 legislative session.

DISCUSSION:

SB 16-177 was adopted to address issues relating to the 2015 Urban Renewal Legislative amendment. Attached is the final bill and below is the Colorado Municipal League's May 13, 2016 update of it.

Urban Renewal: Consensus Cleanup of HB 15-1348

SB 16-177 implements the consensus language largely developed through collaborative efforts of CML, CCI, and SDA and was discussed at the final meeting of the working group established by Gov. John Hickenlooper. The bill will:

1. Resolve 1348's TABOR conflict
2. Clarify the mediation process
3. Ensure, to some extent, that existing contracts were not impaired and that investors were held harmless

Ironically, the main stated purpose for the governor's working group to be convened is the one singular issue that it failed to resolve: the clarification of the applicability of HB 1348 provisions to plans adopted prior to Jan. 1, 2016.

CML supports the consensus legislation. There are elements within it that are critical to ensure the proper functioning of existing and future urban renewal plans. Support for this necessary legislation, however, does not in any way mean that all of the issues are resolved or that CML will stop trying to resolve them. The inability to come to consensus on the extent and limitations of the applicability of HB 1348 is clear evidence that work on clarification must continue, and it is not the only example of inconsistency and ambiguity in the statute. The League is committed to continuing to pursue clear outcomes (as articulated best by Gov. Hickenlooper) that respect the will of the General Assembly while ensuring that plans in existence prior to Jan. 1 are upheld and existing rights and financial expectations are not impaired.

Bill: SB 16-177, Consensus Cleanup of HB 15-1348

Sponsors: Sens. Beth Martinez Humenik, R-Thornton, and Rollie Heath, D-Boulder;
Speaker Dickey Lee Hullinghorst, D-Gunbarrel, and Rep. Polly Lawrence, R-Littleton

Status: Before governor

SUBJECT: TIF LEGISLATION UPDATE

DATE: JUNE 13, 2016

PAGE 2 OF 2

RECOMMENDATION:

This memorandum is for discussion purposes only.

ATTACHMENTS:

1. SB 16-177

NOTE: This bill has been prepared for the signatures of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.

An Act

SENATE BILL 16-177

BY SENATOR(S) Martinez Humenik and Heath, Kefalas, Scheffel;
also REPRESENTATIVE(S) Hullinghorst and Lawrence, Arndt, Becker
K., Duran, Fields, Kraft-Tharp, Lontine, Mitsch Bush, Pettersen, Ryden,
Vigil.

CONCERNING TECHNICAL MODIFICATIONS TO LEGISLATION ENACTED IN
2015 TO PROMOTE AN EQUITABLE FINANCIAL CONTRIBUTION AMONG
AFFECTED PUBLIC BODIES IN CONNECTION WITH URBAN
REDEVELOPMENT PROJECTS ALLOCATING TAX REVENUES.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 31-25-107, **amend**
(9.5); and **add** (9.7) as follows:

31-25-107. Approval of urban renewal plans by local governing body - definition. (9.5) (a) Before any urban renewal plan containing any tax allocation provisions that allocates any taxes of any ~~public body~~ TAXING ENTITY other than the municipality may be approved by the municipal governing body pursuant to subsection (4) of this section, the ~~governing body~~ AUTHORITY shall notify the board of county commissioners of each county and the governing boards of each other ~~public body~~ TAXING ENTITY whose INCREMENTAL property tax revenues would be allocated under such

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

proposed plan. Representatives of the ~~municipal governing body~~ AUTHORITY and THE GOVERNING BODY OF each ~~board of county commissioners and each public body~~ TAXING ENTITY shall then meet and attempt to negotiate an agreement governing the ~~types and limits of tax revenues of each taxing entity to be allocated to the urban renewal plan~~ SHARING OF INCREMENTAL PROPERTY TAX REVENUE ALLOCATED TO THE SPECIAL FUND OF THE AUTHORITY ESTABLISHED IN ACCORDANCE WITH SUBPARAGRAPH (II) OF PARAGRAPH (a) OF SUBSECTION (9) OF THIS SECTION. The agreement must address, without limitation, estimated impacts of the urban renewal plan on county or district services associated solely with the urban renewal plan. The agreement may be entered into separately among ~~the municipality~~, the authority and each such ~~county or other public body~~ TAXING ENTITY, or through a joint agreement among the ~~municipality~~, the authority and any ~~public body~~ TAXING ENTITY that has chosen to enter that agreement. Any such ~~allocated~~ shared INCREMENTAL tax revenues governed by any agreement are limited to all or any portion of the INCREMENTAL REVENUE GENERATED BY THE taxes levied upon taxable property by the ~~public body~~ TAXING ENTITY within the area covered by the urban renewal plan in addition to any INCREMENTAL sales tax revenues generated within the area covered by the urban renewal plan by the imposition of the sales tax of the municipality and, AT THE OPTION OF any other ~~public body~~ TAXING ENTITY LEVYING A SALES TAX IN THE AREA COVERED BY THE URBAN RENEWAL PLAN, ANY INCREMENTAL SALES TAX REVENUES OF SUCH OTHER TAXING ENTITY THAT ARE INCLUDED WITHIN THE AGREEMENT.

(b) The agreement described in paragraph (a) of this subsection (9.5) may provide for a waiver of any provision of this part 1 that provides for notice to the ~~public body~~ TAXING ENTITY, requires any filing with or by the ~~public body~~ TAXING ENTITY, requires or permits consent from the ~~public body~~ TAXING ENTITY, or provides any enforcement right to the ~~public body~~. ~~The municipality may delegate to the authority the responsibility for negotiating the agreement described in paragraph (a) of this subsection (9.5) as long as final approval of the plan or any modification of the plan is made by the governing body of the municipality in accordance with subsection (4) of this section~~ TAXING ENTITY.

(c) If, after a period of one hundred twenty days from the date of notice or such longer or shorter period as the ~~municipal governing body~~ AUTHORITY and any ~~public body~~ TAXING ENTITY may agree, there is no agreement between the ~~municipal governing body~~ AUTHORITY and any

~~public body~~ TAXING ENTITY as described in paragraph (a) of this subsection (9.5), the ~~municipal governing body~~ AUTHORITY and any applicable ~~public body~~ TAXING ENTITY are subject to the provisions and limitations of paragraph (d) of this subsection (9.5).

(d) (I) In an absence of an agreement between the ~~municipality~~ AUTHORITY and any taxing entity as described in paragraph (a) of this subsection (9.5), the parties must submit to mediation on the issue of appropriate ~~allocation of~~ SHARING OF INCREMENTAL PROPERTY TAX REVENUES AND urban renewal project costs among the ~~municipality~~ AUTHORITY and ~~all other~~ ANY SUCH taxing entities whose ~~taxes~~ INCREMENTAL PROPERTY TAX REVENUES will be allocated pursuant to an urban renewal plan AND WITH WHOM AN INTERGOVERNMENTAL AGREEMENT WITH THE AUTHORITY HAS NOT BEEN REACHED.

(II) THE MEDIATION REQUIRED BY SUBPARAGRAPH (I) OF THIS PARAGRAPH (d) MUST BE CONDUCTED BY A MEDIATOR WHO HAS BEEN JOINTLY SELECTED BY THE PARTIES; EXCEPT THAT, IF THE PARTIES ARE UNABLE TO AGREE ON THE SELECTION OF A MEDIATOR, THEN THE AUTHORITY SHALL SELECT ONE MEDIATOR, THE OTHER PARTIES SHALL SELECT A SECOND MEDIATOR, AND THESE TWO MEDIATORS SHALL THEN SELECT A THIRD MEDIATOR. IN SUCH CIRCUMSTANCES, THE MEDIATION WILL BE JOINTLY CONDUCTED BY THE THREE MEDIATORS. UNLESS ALL PARTIES OTHERWISE AGREE, ANY MEDIATOR SELECTED PURSUANT TO THIS PARAGRAPH (d) MUST BE AN ATTORNEY LICENSED IN THE STATE FOR AT LEAST TEN YEARS AND MUST BE EXPERIENCED IN BOTH LAND USE AND ADMINISTRATIVE LAW. PAYMENT OF THE FEES AND COSTS FOR THE MEDIATION MUST BE SPLIT EQUALLY BETWEEN OR AMONG THE PARTIES.

(III) In making a determination of the appropriate ~~allocation~~ SHARING, the mediator must consider the nature of the project, the nature and relative size of the revenue and other benefits that are expected to accrue to the municipality and other taxing entities as a result of the project, any legal limitations on the use of revenues belonging to the ~~municipality~~ AUTHORITY or any taxing entity, and any capital or operating costs that are expected to result from the project. Within ninety days, the mediator must issue his or her findings of fact as to the appropriate ~~allocation~~ SHARING of costs and INCREMENTAL PROPERTY TAX REVENUES, AND shall promptly transmit such information to the parties. ~~The municipality may agree to the mediator's findings by including in the urban renewal plan provisions that~~

~~allocate municipal and incremental tax revenues of taxing bodies in accordance with the cost allocations determined by the mediator or by entering into an intergovernmental agreement with the taxing entity providing an alternative cost allocation methodology.~~ WITH RESPECT TO THE USE OF INCREMENTAL PROPERTY TAX REVENUES OF EACH OTHER TAXING ENTITY, FOLLOWING THE ISSUANCE OF FINDINGS BY THE MEDIATOR, THE GOVERNING BODY OF THE MUNICIPALITY SHALL:

(A) INCORPORATE THE MEDIATOR'S FINDINGS ON THE USE OF INCREMENTAL PROPERTY TAX REVENUES OF ANY TAXING BODY INTO THE URBAN RENEWAL PLAN AND PROCEED TO ADOPT THE PLAN;

(B) AMEND THE URBAN RENEWAL PLAN TO DELETE AUTHORIZATION OF THE USE OF THE INCREMENTAL PROPERTY TAX REVENUES OF ANY TAXING BODY WITH WHOM AN AGREEMENT HAS NOT BEEN REACHED; OR

(C) DIRECT THE AUTHORITY TO EITHER INCORPORATE THE MEDIATOR'S FINDINGS INTO ONE OR MORE INTERGOVERNMENTAL AGREEMENTS WITH OTHER TAXING ENTITIES OR TO ENTER INTO NEW NEGOTIATIONS WITH ONE OR MORE TAXING ENTITIES AND TO ENTER INTO ONE OR MORE INTERGOVERNMENTAL AGREEMENTS WITH SUCH TAXING ENTITIES THAT INCORPORATE SUCH NEW OR DIFFERENT PROVISIONS CONCERNING THE SHARING OF COSTS AND INCREMENTAL PROPERTY TAX REVENUES WITH WHICH THE PARTIES ARE IN AGREEMENT.

(e) Notwithstanding any other provision of law, no ~~payments~~ INCREMENTAL PROPERTY TAX REVENUES may be ~~made~~ ALLOCATED AND PAID into the special fund of the authority in accordance with subparagraph (II) of paragraph (a) of subsection (9) of this section unless the municipality or the authority has satisfied the requirements of this subsection (9.5).

~~(e)~~ (f) Notwithstanding any other provision of this section, a city and county is not required to reach an agreement with a county satisfying the requirements of this subsection (9.5).

(g) FOR PURPOSES OF THIS SUBSECTION (9.5), "TAXING ENTITY" MEANS ANY COUNTY, SPECIAL DISTRICT, OR OTHER PUBLIC BODY THAT LEVIES AN AD VALOREM PROPERTY TAX ON PROPERTY WITHIN THE URBAN RENEWAL AREA SUBJECT TO A TAX ALLOCATION PROVISION.

(9.7) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, NOTHING IN SUBSECTION (9.5) OF THIS SECTION, AS ADDED BY HOUSE BILL 15-1348, ENACTED IN 2015, AND AS AMENDED BY SENATE BILL 16-177, ENACTED IN 2016, IS INTENDED TO IMPAIR, JEOPARDIZE, OR PUT AT RISK ANY EXISTING BONDS, INVESTMENTS, LOANS, CONTRACTS, OR FINANCIAL OBLIGATIONS OF AN URBAN RENEWAL AUTHORITY OUTSTANDING AS OF DECEMBER 31, 2015, OR THE PLEDGE OF PLEDGED REVENUES OR ASSETS TO THE PAYMENT THEREOF THAT OCCURRED ON OR BEFORE DECEMBER 31, 2015.

SECTION 2. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Bill L. Cadman
PRESIDENT OF
THE SENATE

Dickey Lee Hullinghorst
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Effie Ameen
SECRETARY OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____

John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO

SUBJECT: RECREATION CENTER PRESENTATION

DATE: JUNE 13, 2016

PRESENTED BY: AARON M. DEJONG, ECONOMIC DEVELOPMENT

SUMMARY:

Representatives from the Recreation Center Task Force will present the conceptual plans for the proposed expansion of the Recreation Center.

ATTACHMENTS:

1. Presentation

Recreation & Senior Center and Memory Square Improvements



The process





Why are improvements necessary?

- Cardio and strength fitness space is small and overcrowded
- Limited recreational and leisure pool area
- Senior areas are shared with youth programs
- Locker rooms are too small and lack family change space
- The population for the City of Louisville has doubled since the facility was built.

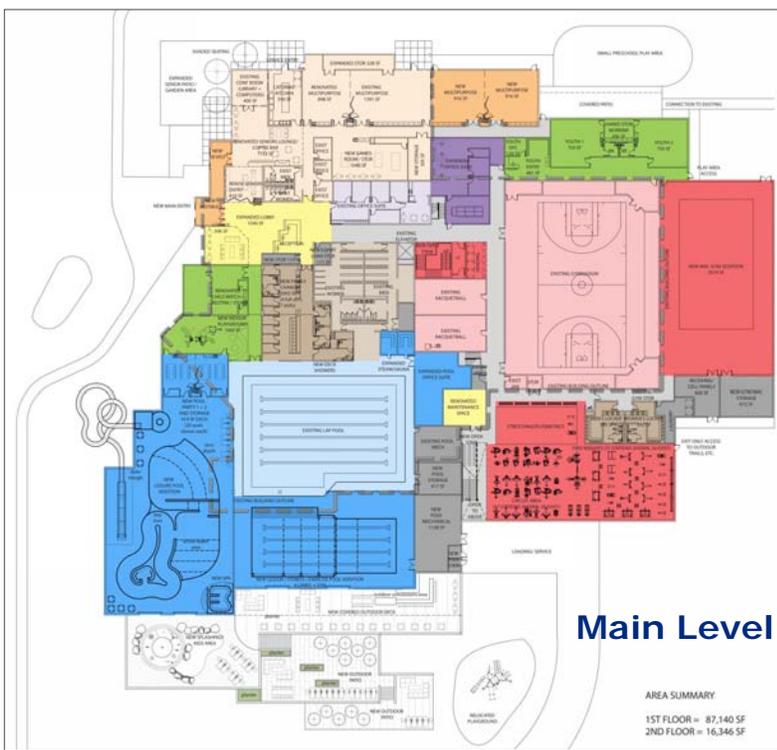


Recreation/Senior Center Proposed Improvements

Site Improvements

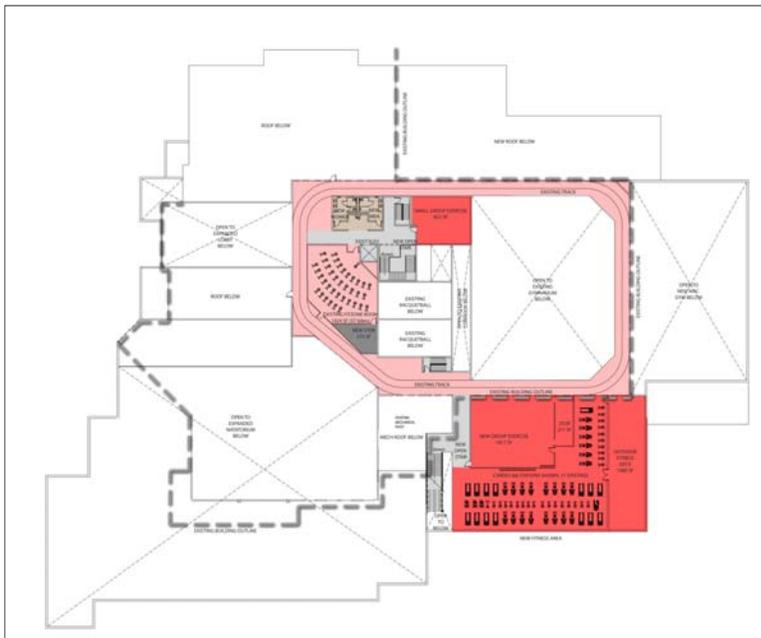


- Expanded parking area
- New outdoor pool deck and patio
- Relocated playground
- New covered senior entry
- Landscaping improvements
- Trail Connections



- New Leisure Pool
- New Lesson/Exercise/Lap Pool
- Senior Center Improvements
- New Youth Areas
- New Fitness Center Addition
- New Turf Gymnasium
- New Family Locker/Change Room

Total Main Level:	87,140 sf
Total New Main Area:	37,677 sf
Total New Area:	46,486 sf
Total Building Area:	103,486 sf



Upper Level

- New Cardio Fitness Center
- New Group Exercise and Fit Zone
- Renovate Fit Zone into Spinning Studio
- Upper level restrooms
- Improve existing running track

Total Upper Level:	16,346 sf
Total New Upper Area:	8,806 sf
Total New Area:	46,486 sf
Total Building Area:	103,486 sf

Proposed Improvements: Aquatics

Lap/Lesson/Exercise Pool



Warm Water Leisure Pool



Improvements to Existing Lap Pool



Current aquatics area: 11,785 sf

Proposed aquatics area: 24,850 sf

Proposed Improvements: Deep Water Opportunity

Plunge Slide



Rope Swing



Climbing Wall



Proposed Improvements: Outdoor Pool Deck

Large Door Openings



Seating Patio



Sprayground



Proposed Improvements: Strength Fitness

Free Weight / Strength Training



Machine Circuit Training



Current fitness area: 1,670 sf
Proposed fitness area: 4,700 sf

Proposed Improvements: Cardio Fitness

Cardio Fitness



Current cardio area: 1,670 sf
Proposed cardio area: 5,195 sf

Proposed Improvements: Group Exercise and Spinning Studio

Aerobics / Group Exercise Fit Zone



Spinning Studio



Current group exercise area: 1,600 sf

Proposed group exercise area: 4,500 sf

Proposed Improvements: Turf Gymnasium

Indoor Turf Gym and Activities



Current gymnasium: 9,230 sf

Proposed gymnasium: 15,245 sf

Proposed Improvements: Senior Areas

New Lounge and Reception

Upgraded Meeting Rooms

New Catering Kitchen



Current senior area: 7,050 sf
Proposed senior area: 10,783 sf

Proposed Improvements: Youth Areas

Remodeled Child Sitting

Indoor Playground

New Youth Classrooms



Current youth area: 1,920 sf
Proposed youth area: 4,975 sf

Square footage comparisons

Program	Current Ft. ²	Proposed Ft. ²
Fitness Center - Strength	1,670	4,700
Fitness Center – Cardio/Plyometric	1,680	5,195
Group Exercise	1,600	4,500
Gymnasium	9,230	15,245
Aquatics	11,785	24,850
Senior Areas	7,050	10,783
Youth Areas	1,920	4,975
Administration	1,391	2,890

Memory Square Proposed Improvements

Memory Square Site Improvements



- Redesigned Clubhouse
- Improved locker rooms
- Shade Structures
- Replace children's pool with new shallow pool and sprayground
- Improved deck and landscape

Memory Square Clubhouse Plan



Project Cost

Estimated Cost of Improvements

Category	Total Estimated Costs*
Site Construction	\$2,797,770
New Additions	\$20,619,877
Existing Area Renovation	\$3,458,642
Memory Square Improvements	\$1,240,515

Total project costs estimated at \$28 million to \$30 million

Operations & maintenance costs estimated at \$750,000 annually

* Estimate includes all costs for planning, design, engineering and construction

Public Finance Considerations

- Property tax proposed to finance capital construction.
- A \$28 million project would amount to an annual increase of \$123 on a \$500,000 home, based on 2.50% interest rate for a 20-year bond.
- Annual operations and maintenance costs estimated at \$750,000 would be financed through a voter-approved sales tax of approximately 20 cents on every \$100 spent.
- The following schedule is an estimate of the additional property and sales taxes required to pay back various size debt issuances. The amounts will actually depend on interest rates, bond ratings, property valuations, etc.

Public Finance Considerations

Debt Amount	Approx. Annual Debt Service	Sales Tax Rate to Pay Back Debt	Sales Tax on \$100	Mill Levy to Pay Back Debt	Annual Property Tax Increase on \$500,000 Residence
\$30 million	\$1,924,000	.673%	.67	3.32	\$132.03
\$40 million	\$2,566,000	.898%	.90	4.42	\$176.08
\$50 million	\$3,207,000	1.123%	1.12	5.53	\$220.07

Next Steps

- Language is being drafted for the two ballot issues that must pass for this project to move forward. The first issue will ask voters to approve a sales tax increase to fund capital construction and the second issue will ask voters to approve a sales tax increase to fund annual operations & maintenance costs.
- If City Council moves forward with these two ballot measures, citizens will vote on them Nov. 8. **(Both measures must pass!)**



View of New Recreation Center and Senior Entry





Why are improvements necessary?

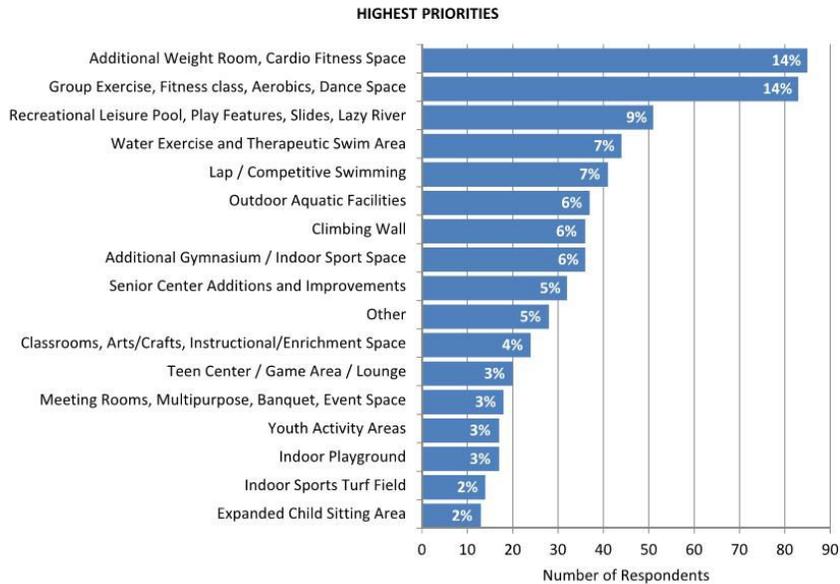
- Lack of cardio and strength fitness space is small and overcrowded
- Limited indoor sport opportunities in the current gymnasium
- Limited recreational and leisure pool area for seniors, youth and families
- Lap swimming time and number of lanes limited and crowded while sharing lesson and exercise pool programs
- Senior areas are shared with youth programs
- Youth areas are undersized for the current demand
- Locker rooms are too small and lack family change space



What has the community said?

- (4) Public open house meetings
- Statistically valid internet survey
- City Council presentations
- Ongoing task force meetings

Open House Feedback

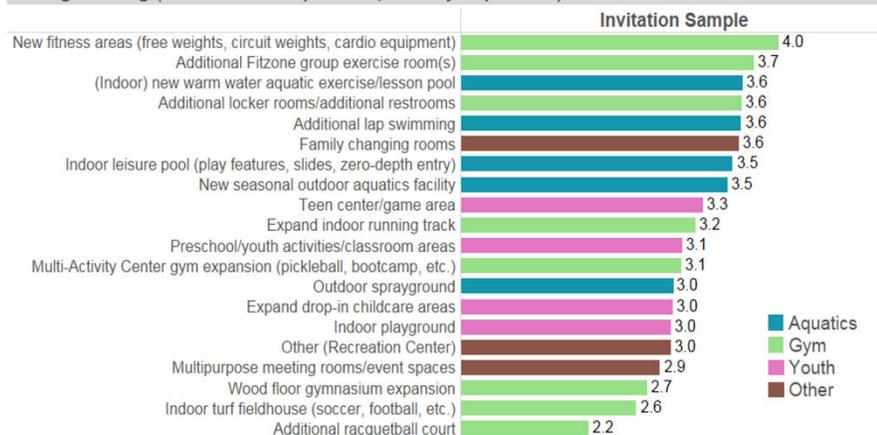


RECREATION/SENIOR CENTER
+ AQUATICS OPEN HOUSE
December 9, 2015

- 125 attendees
- 128 Comment cards received to date (hard copy + online)

Community Preference Survey

Importance of Recreation Center Facilities to the Louisville Community
Average Rating (1=Not at all Important, 5=Very Important)



RECREATION/SENIOR CENTER
+ AQUATICS PUBLIC SURVEY
April, 2016

Statistically Valid Sampling
4000 Surveys
690 Respondents
+/- 3.7% margin of error

Collected a total of 3 methods
1) Statistically valid sampling
2) Open-link online
3) Email list from recreation department

Task Force Build-a-center

Potential New and Expanded Spaces / Amenities		Total Cost	Phase 1 (\$12.0M)	Phase 2 (additional \$12.0M)
GENERAL	Existing Building & Site - General Upgrades	\$3,500,000	included	included
	Additional Locker Rooms	\$650,000	6	7
	Family Change Rooms	\$350,000	16	2
	Expanded Staff Offices	\$250,000	7	8
	Sustainable Improvements to Existing and New	\$400,000	8	5
AQUATICS	Aquatic Exercise and Lesson Pool (New)	\$2,000,000	8	6
	Warm-Water Leisure Pool - Medium	\$5,000,000	0	6
	Warm-Water Leisure Pool - Large	\$7,500,000	0	3
	Additional Lap Swimming Lanes (4, 25-yard lanes)	\$2,500,000	12	5
	Memory Square - Minor Improvements	\$500,000	11	2
	Memory Square - Major Improvements	\$1,000,000	5	4
	New Outdoor Pool (Leisure, Lap, Site, Poolhouse)	\$3,500,000	2	6
	Outdoor Sprayground	\$500,000	5	7
SPORTS AND FITNESS	One-Court Wood Gymnasium Expansion	\$2,300,000	0	6
	Multi-Activity (MAC) Gym Expansion	\$2,300,000	10	3
	Indoor Turf Fieldhouse (100'X200')	\$2,500,000	2	1
	Expand Running Track	\$450,000	5	3
	New Fitness Center - Medium	\$1,800,000	5	1
	New Fitness Center - Large	\$2,400,000	11	2
	Group Exercise Studio (in addition to current)	\$750,000	15	5
	Climbing / Bouldering Wall	\$900,000	0	0
	Sports Simulator Area	\$200,000	1	0

Task Force Build-a-center

Potential New and Expanded Spaces / Amenities		Total Cost	Phase 1 (\$12.0M)	Phase 2 (additional \$12.0M)
SENIOR	Separate Foyer, Reception, Covered Entry, Restrooms	\$350,000	7	5
	Expanded Multi-Purpose Meeting Rooms	\$700,000	8	5
	Arts & Crafts Classroom	\$300,000	0	2
	Senior Lounge	\$400,000	7	5
	Expanded Senior Game Area	\$400,000	5	7
	Expanded Catering / Teaching Kitchen	\$250,000	4	3
	Health, Wellness & Fitness Space	\$350,000	4	10
YOUTH	Expand Child Sitting	\$400,000	3	4
	Indoor Playground Area	\$500,000	5	7
	New Youth Activity / Preschool / Classroom Area	\$600,000	8	5
	New Game Room / Teen Center	\$400,000	2	6

Building Improvements

Comparable Program Area of the Proposed Plan

Program	Current Area	Proposed Area (% increase)
Fitness Center-Strength	1,670	4,700 (181%)
Fitness Center-Cardio/Plyometric	1,680	5,195 (209%)
Group Exercise	1,600	4,500 (181%)
Gymnasium	9,230	15,245 (65%)
Aquatics	11,785	24,850 (111%)
Senior Areas	7,050	10,783 (53%)
Youth Areas	1,920	4,975 (159%)

Project Cost

Cost Estimate of Improvements

Category	Direct Const (\$)	*Total Project (\$)
Site Construction	\$ 2,088,983	\$ 2,797,770
New Additions	\$15,380,177	\$20,619,877
Existing Area Renovation	\$ 2,576,787	\$ 3,458,642
Memory Square Improvements	\$ 918,000	\$ 1,240,515
Project Management (2.5%)		\$ 530,685
Project Total Cost		\$28,116,804

Soft Costs Include:

20% Escalation and Design Contingency

7% Design and Engineering Fee

6% Fixtures, Furnishings and Equipment

2% Permits, Surveys, Reports, Testing & Inspection

Operational Cost and Revenue Analysis

Louisville Recreation & Senior Center Expansion

Full Budget Analysis w/ Public Works/Facility Maintenance and CIP

Revenues	Current	Revenue from Fee Increases*	Expansion	Total
720 - Rec Admin				
721 - Center Mgmt (Admissions)	\$ 1,032,582	\$ 170,280	\$ 143,575	\$ 1,346,437
722 - Aquatics	\$ 143,510		\$ 86,680	\$ 230,190
723 - Fitness (GroupX)	\$ 108,233		\$ 100,625	\$ 208,858
724 - Youth	\$ 212,587			\$ 212,587
725 - Memory Square	\$ 36,939			\$ 36,939
726 - Youth Sports	\$ 134,594			\$ 134,594
727 - Adult Sports	\$ 47,644			\$ 47,644
728 - Senior Services	\$ 82,043			\$ 82,043
731 - Senior Meal	\$ 48,000			\$ 48,000
732 - Nite at the Rec	\$ 42,698			\$ 42,698
Total	\$ 1,888,830	\$ 170,280	\$ 330,880	\$ 2,389,990
Expenses	\$ 2,062,307			\$ 2,062,307
Personnel			\$ 443,935	\$ 443,935
Supplies			\$ 39,500	\$ 39,500
Services			\$ 281,780	\$ 281,780
Public Works - Building Maintenance	\$ 427,702		\$ -	\$ 427,702
Recreation/Senior Center R&R	\$ 125,000		\$ 163,261	\$ 288,261
Total	\$ 2,615,009		\$ 928,475	\$ 3,543,484
Cost Recovery	72%		36%	67%
Total Surplus/Deficit	\$ (726,179)	\$ 170,280	\$ (597,595)	\$ (1,153,495)

* Includes revenue increase of 16% in admissions, 26% in rentals and 31% in parties at current level of use but with increased fee applied.

Public Finance Considerations

- Possible financing opportunity for the Recreation and Senior Center Expansion and memory Square Improvements by Mill Levy General Obligation Bonds.
- A \$28,000,000 Project Cost would amount to an annual increase of \$123 on a \$500,000 home, based on 2.50% interest rate for a 20 year bond
- Other than a new property tax, the City could consider requesting voter approval for an increase in the sales tax rate.
- The additional operational subsidy would also need to be financed through either a Property tax or sales tax increase to cover the approximate additional subsidy of ### per year.
- The following schedule provides an estimate of the amount of additional property tax and sales tax required to fund the debt service on various size debt issuances. The amounts will actually depend on interest rates, bond ratings, property valuations, etc.

Public Finance Considerations

Debt Issuance Amount	Approx Annual Debt Service	Sales Tax Rate to Support Annual Debt Service	Sales Tax On \$100	Mill Levy to Support Annual Debt Service	Increase to Annual Property Tax On \$500,000 Residence
10,000,000	641,000	0.169%	0.17	1.11	43.99
15,000,000	962,000	0.337%	0.34	1.66	66.01
20,000,000	1,283,000	0.449%	0.45	2.21	88.04
25,000,000	1,604,000	0.561%	0.56	2.77	110.07
30,000,000	1,924,000	0.673%	0.67	3.32	132.03
40,000,000	2,566,000	0.898%	0.90	4.42	176.08
50,000,000	3,207,000	1.123%	1.12	5.53	220.07

Assumptions:

- *Interest Rate on Bonds = 2.500%*
- *Term of Bonds (in Years) = 20*
- *City Taxable Sales = 380,000,000*
- *City Net Assessed Valuation = 580,000,000*