

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 16, 2013
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
THROUGH: RASHAD M. YOUNG, CITY MANAGER
FROM: NELSIE L. SMITH, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET
SUBJECT: BUDGET MEMO # 22: AQUATICS FACILITIES STUDY IMPLEMENTATION OPTIONS

Item

As part of the April 3, 2013 Aquatics Facilities Study work session, City Council directed the City Manager and City staff to provide options for implementation of new and renovated aquatics facilities as determined by City Council's priorities during the work session. This memorandum provides options for City Council's consideration in adding aquatics facilities funding to the Proposed FY 2014 - 2023 Capital Improvement Program (CIP).

RPCA Project Recommendations

RPCA has provided recommendations for implementation of new and renovated aquatics facilities throughout the City based on City Council's stated priorities. These recommendations require the identification of \$30.2 million in additional City capital funding over the next five years. The totals below do not include private funding to support the projects. If private funding is received, the City's estimated contribution could be reduced. RPCA recommendations (with descriptions following) include:

Table with 7 columns: Project, FY2014, FY2015, FY2016, FY2017, FY2018, Total. Rows include Feasibility Study, Warwick, Chinquapin, Lee, Old Town, and TOTAL.

Architecture & Engineering Design Feasibility Study: The study will perform a refined programming and architecture/engineering analysis for three sites (Chinquapin, Warwick and Lee). The intent of the study is to identify site opportunities, constraints and contextual relationships. Components would include items such as utilities, geotechnical and environmental

review, transportation/parking/pedestrian access analysis, site development, specialized aquatics design and building systems. The study will include relative construction phasing, opinions of costs, projected scheduling of work and assistance in identifying any specific issues/challenges for each site including guidance related to any unique considerations for each site. The study will also provide opinions of operating impact, revenue return and life-cycle expectations for each site. Work is required to be performed by an interdisciplinary consulting team with specialized project experience and is intended to provide a basis for architecture/engineering services dedicated to project design and construction.

Warwick: Community pool with three lap lanes and zero depth entry, new bathhouse and community meeting room. If a new pool is desired for Warwick, this proposal includes the replacement as the first new pool constructed as part of the implementation of new aquatics facilities. By constructing Warwick first, the City will no longer need to invest capital funds into maintaining a deteriorating facility and will have a new outdoor recreation pool available when the recreation pool at Chinquapin is under construction.

Chinquapin: 50 meter competition pool and a separate recreation pool (this maintains the existing recreation center). Pending results of the feasibility study, Chinquapin is proposed as the second facility addressed. Planning and community outreach for Chinquapin will involve more significant staff resources and time. Moving Chinquapin to FY 2016 - 2017 also allows additional time for fundraising by the community. Planned HVAC and other infrastructure work in FY 2014 are needed for the existing recreation center will not be impacted by the addition of the 50 meter pool, as the pool will be housed in separate facility requiring its own separate infrastructure. Therefore, staff recommends continuation of these projects as planned.

Lee: A 1,800 square foot indoor therapy pool designed to assist those with aquatic therapy needs. Therapy pools are heated to 84-88 degrees to allow for year round therapeutic recreation/exercise. Additional locker and changing rooms are also included in the estimated cost.

Old Town: Design and engineering for a two pool system (recreation pool and lap pool with new bathhouse) to be completed in two phases, of which only Phase I is funded in the five-year plan. Construction of Phase I includes the removal of the existing children's pool and adding a new recreation pool with zero depth entry and play features. Phase I maintains the existing lap pool and bathhouse for future improvements, which would be considered as part of Phase II if additional funding was identified.

Funding Options

Recommendations for Aquatics Facilities Plan implementation involve providing funding from FY 2014 – 2018. Options #1 – 3, detailed below, involve an increase to the tax rate to fund aquatics improvements. Staff does not recommend revenues received from the tax rate increase in FY 2019 - 2023 to remain reserved for aquatics facilities; rather, staff recommends reserving the additional funding in FY 2019 – 2023 for other potential CIP projects not included in the City Manager's Proposed FY 2014 – 2023. Potential projects include, but are not limited to, Alexandria City Public Schools (ACPS) capacity and facilities capital infrastructure requests, future State and Federal mandated stormwater and sanitary sewer capital infrastructure projects, and continued maintenance of the City's existing transportation infrastructure. City staff

recommends reserving this revenue received in FY 2019 – 2023 in a “Capital Projects to be Determined” line as part of the overall FY 2014 – 2023 CIP. Recommendations for the allocation of those funds would be included as part of the FY 2015 – 2024 CIP when thorough project prioritization can be completed.

Options for providing additional funding for new and renovated aquatics facilities from FY 2014 – 2018 are detailed below. In Option #1, it is assumed that all new revenue received in FY 2014 – 2018 from the 1.5 cent tax increase would be applied to aquatics facilities. This would prevent additional capital projects from being funded with the tax rate increase in the first five years of the CIP.

Option #1 – 1.5 Cents on Real Estate Tax Rate for FY 2014 – 2018

Option #1 provides additional capital funding from FY 2014 – 2018 to implement the RPCA recommendations for aquatics facilities (Attachment #1). An additional \$1.0 million annually in operating costs (over the current budget) would be required once all facilities are completed.

Option #2 – 1.0 Cents on Real Estate Tax Rate for FY 2014 – 2018

Option #2 provides funding to construct only improvements at Chinquapin (indicated as the most desirable project in the work session), and would move construction to FY 2017 – 2018 based on available financing options. An additional \$600,000 in operating costs would be required to operate Chinquapin with the 50 meter pool. Total operating costs for the entire facility are estimated at \$1.5 million annually, with \$900,000 in annual revenue anticipated.

Option #3 – 0.5 Cents on Real Estate Tax Rate for FY 2014 – 2018

Option #3 would not provide sufficient funding to construct the Chinquapin improvements in the five-year plan. With 0.5 cents, the Chinquapin improvements could not be considered until FY 2022 at the earliest. Other projects included in the RPCA recommendations could be funded with the 0.5 cents, but Chinquapin could not. These projects include a new facility at Warwick, a therapeutic facility at the Lee Center, and Old Town pool improvements. Estimated additional operating impact would be determined once specific projects are chosen.

Option #4 – Find Capacity within Proposed FY 2014 – 2023 CIP by eliminating projects or deferring planned projects until at least FY 2020.

City Council may elect to fund all or a portion of the Aquatics Facilities Study by eliminating specific projects included in the City Manager’s Proposed FY 2014 – 2023 CIP (in years FY 2014 – 2018) in the same amount as the funding added for aquatics facilities, for a net zero increase.

To fund any of the options, City staff will be required to adjust funding sources in FY 2014 – 2018 to achieve a balanced plan annually while adhering to City Council approved debt limit policies. City staff does not recommend cash funding all of the aquatics facilities projects by “banking” the additional tax rate until enough cash has been collected to fully fund each specific project. Staff can provide recommendations for a mix of cash and bond funding – without increasing the planned amount of borrowing in the City Manager’s Proposed FY 2014 – 2023 CIP – if additional revenues are provided by City Council to support the City’s CIP and the construction of new and renovated aquatics facilities.

Option 1 - 1.5 Cents on Tax Rate (FY 2014 - 2018)
Aquatics Facilities Plan Funding
Proposed FY 2014 - 2023 Capital Improvement Program (CIP)

Revenue Category	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Total FY 2014 - 2028
Additional Tax Rate for Capital Projects	1.5	1.5	1.5	1.5	1.5	
Revenue from Tax Rate	\$5,227,053	\$5,370,797	\$5,531,921	\$5,697,878	\$5,883,060	\$27,710,709
Add: Third Payment in FY 2014 Only	\$2,613,527	\$0	\$0	\$0	\$0	\$2,613,527
Total Revenues Available	\$7,840,580	\$5,370,797	\$5,531,921	\$5,697,878	\$5,883,060	\$30,324,235

Aquatics Facilities Plan Project	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Total FY 2014 - 2028
Aquatics Facilities Feasibility Study	\$650,000	\$0	\$0	\$0	\$0	\$650,000
Chinquapin Aquatics Center (Aquatics Plan)	\$0	\$0	\$5,000,000	\$15,000,000	\$0	\$20,000,000
Warwick Pool/Community Building (Aquatics Plan)	\$0	\$500,000	\$3,000,000	\$0	\$0	\$3,500,000
Lee Center - Therapeutic Facilities (Aquatics Plan)	\$0	\$0	\$0	\$500,000	\$3,000,000	\$3,500,000
Old Town Pool (Aquatics Plan)	\$0	\$0	\$0	\$500,000	\$2,000,000	\$2,500,000
Total Capital Projects	\$650,000	\$500,000	\$8,000,000	\$16,000,000	\$5,000,000	\$30,150,000

CIP Category/Project	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Total FY 2014 - 2028
Add Cash Capital to Overall Plan	\$7,840,580	\$5,370,797	\$5,531,921	\$5,697,878	\$5,883,060	\$30,324,236
Add/Reduce Borrowing	(\$7,190,580)	(\$4,870,797)	\$2,468,079	\$10,302,122	(\$883,060)	(\$174,235)