

To: The Honorable Mayor and City Council

Through: Tom Brymer, City Manager

From: Jeff Kersten, Budget and Strategic Planning Director

Date: April 21, 2004

Subject: Neighborhood Park Improvements and Soccer Field Lighting Financing Considerations

The following is a summary of some of the key points regarding options on financing additional neighborhood parks and soccer field lights currently not included in the budget or the 5 year capital projects plan.

The proposal to light 10 soccer fields will cost approximately \$1,000,000 for design and construction, and approximately \$100,000 in annual operating costs. The capital portion of this project could be funded through the issuance of certificates of obligations over the next several years.

The funding for the additional neighborhood park projects identified will also require additional resources. The total estimated cost of the park projects identified on the coversheet is \$1,250,000. These projects include improvements to Eastgate Park, the construction of Steeplechase Park, Woodland Hills Park, and University Park.

It should be noted that last year the \$38 million capital project program passed by the voters considered a number of capital projects including \$8,105,000 for park improvements. The Steeplechase Park development is one of the projects that was considered by the citizens committee, however it did not rank high enough to be included in the final recommendations for the 2003 General Obligation bond election. The soccer field light project and the other park improvement projects were not reviewed by the citizens committee as part of the 2003 CIP process.

There are some resources from Parkland Dedication funds, beautification funds for the Eastgate Park project, and potential resources from Community Development Block Grant for the University Park project. These resources are currently estimated at \$543,000. An additional \$707,000 is currently anticipated to be needed for these projects. If the City Council wishes to move forward with these projects, the additional \$707,000 could be funded by issuing certificates of obligation over the next several years. **There will also be additional operations and maintenance costs that will be added to the operating budget as these projects are constructed and come on line.**

There is sufficient capacity available to issue this total additional debt of \$1,707,000 for the soccer field lights and the park development and improvement projects without having an impact on the debt service portion of the tax rate.

The current financial forecast shows there will be capacity to issue approximately \$14 million of additional debt over the next 5 years, beyond what has already been obligated for the \$38.4 million bond authorization approved last November. Of this amount approximately \$5 million has been identified for projects in the current 5 year capital project plan. These projects include the new business park, various technology projects, and street projects in the southside area. Therefore, approximately \$9 million in debt capacity is available for additional projects to be identified over the next 5 year period.

It should be noted that there are a number of projects which the City Council may wish to consider issuing additional debt in the next several years. These include the Aggie Field of Honor project, street projects including improvements to F&B Road, additional technology projects, as well as the parks projects currently being discussed. The City Center project is also one that may require additional resources. All of these projects as well as any others that may come up during the budget process should be considered to determine the overall priority of the City Council. The City Council may wish to consider a cautious approach in utilizing the additional debt capacity, especially given some of the uncertainties with the State Legislature and the potential changes to property tax laws and the impact they could have on College Station. If this debt capacity is used in the next five years, it will not be available for future projects in the next five year capital project planning period.

The overall impact of any direction given will be reviewed again as part of the FY 05 budget process.