



## CITY OF EDEN

### Memorandum

**To: Honorable Mayor and Members of City Council**

**From: Brad Corcoran, City Manager**

**Date: January 9, 2015**

**Re: Authorization to Launch Tax-Deductible Capital Financing Campaign for Possible City of Eden Recreational Projects**

On December 2<sup>nd</sup> Mr. Johnny Farmer, Director of Parks and Recreation made a presentation to the City Council concerning the proposed new recreation center that was first discussed at last year's annual budget/planning retreat. During his presentation he noted the extensive community involvement in assembling a proposal and suggested the proposed facility be named the Eden Civic Center. During his presentation he stated the initial preliminary costs for an indoor recreation center and indoor aquatic facility came in at approximately \$13,600,000 and the preliminary cost for an outdoor aquatic facility came in at approximately \$3,358,000. He also noted that a third plan which reduces the size of the recreation center while retaining all of the original components with the exception of the racquetball courts and replacing the indoor pool with an outdoor pool came in at approximately \$7,662,000.

Mr. Farmer also gave a brief assessment of the existing recreational facilities and their needs in reference to renovations and repairs. As an example, our existing swimming pool next to the Mill Avenue Recreation Center in Draper is now more than 54 years old and is deteriorating at a rapid pace.

Mr. Farmer noted the new facility could potentially be funded by using \$2,000,000 - \$3,000,000 from existing fund balance and then borrowing the remainder of the funds since interest rates are still so low. It was also suggested that the City reach out to business, industries and others in the community through a tax-deductible capital fundraising campaign to raise funds and sell naming rights to amenities within the

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facility, such as the gym, banquet room, senior area and swimming pool. In a chart he provided he indicated a \$5,000,000 loan at 4% interest would equal an annual payment of \$367,908 for 20 years and \$289,150 for 30 years.

Finally, Mr. Farmer noted that staff was now at a junction in this project where they needed feedback from the Mayor and members of Council on how to proceed.

Based on the feedback I have received from the Mayor and various members of City Council I believe there is a desire to see what type of financial support we could expect to receive from the community prior to obligating ourselves. As such, it is my recommendation that staff be authorized to carry-out a tax-deductible capital financing campaign to see what type of funds can be raised throughout the community to support this endeavor. There will be no commitment that this project will actually be done. We will merely be testing the waters to see what types of pledges may be feasible if the Council decides to proceed with one of the three plans presented or some other form of action yet to be identified or presented. Mr. Johnny Farmer, Director of Parks and Recreation will be the staff person responsible for overseeing this effort. Please feel free to let me know if you have any questions concerning this matter.