



Parks, Recreation & Cultural Affairs  
Master Plan Funding Alternatives  
Recreation, Cultural Affairs and Public Works  
Committee  
July 30, 2013



Vision Initiative:	Est. Cost:
1. New and/or Improved Parks	\$21,400,000
2. Athletic Facilities and Programs	\$2,000,000
3. Nature Parks and Programs	\$ (incl. within #1)
4. Cultural Facilities and Programs	\$12,750,000
5. Recreation Centers, Pools, and Programs	\$11,100,000
6. Trails and Bikeways	\$7,886,000
<b>TOTAL:</b>	<b>\$55,136,000</b>
<i>Ongoing Maintenance 5% of Capital Costs (annually)</i>	<i>\$2,751,800</i>



## Parks, Recreation & Cultural Affairs Master Plan

### Potential funding approaches:

1. Maintain same level of funding, approximately \$1.5 annually from CIP, grants, sponsorships, donations, etc.
2. Dedicated millage rate increase
3. Sales tax
4. Bonding
  - a) Revenue bonds
  - b) General Obligation bonds



## Parks, Recreation & Cultural Affairs Master Plan

1. Maintain same level of funding, approximately \$1.5 annually from CIP, grants, sponsorships, donations, etc.
  - If current funding pattern continues annually, approximately \$30M would be available for implementing portions of the Master Plan over the next 20 years.
  - For large projects, this would require rolling over CIP project funds for several years to accumulate larger amounts of funding.



## Parks, Recreation & Cultural Affairs Master Plan

### 2. Dedicated millage rate increase

- City Commission increases millage rate and dedicates incremental property tax revenue to funding Master Plan projects
- Can be done either through a voter referendum or City Commission designation
- Based on funding requirements would need millage rate increases of approximately:
  - one-quarter mill for 20 year period, or
  - four-tenths mill for 15 year period
- Equates annually to
  - One-quarter mill equals \$25 per \$100,000 of the taxable property value
  - Four-tenths mill equals \$40 per \$100,000 of the taxable property value



## Parks, Recreation & Cultural Affairs Master Plan

### 3. Sales tax similar to Wild Space Public Places

- Sales tax implemented through voter referendum (Wild Spaces Public Places model ½ cent)
- Generates funds over relatively short time frame
  - Tax revenues and interest generated on accumulated revenues funds Master Plan projects
- Assuming revenue levels generated similar to WSPP, estimated tax duration of four years required to meet Master Plan funding requirements



## Parks, Recreation & Cultural Affairs Master Plan

### 4a. Revenue bond issuance (funds capital costs only)

- City issues debt, pledging legally available non ad valorem revenues to repay debt service
- Projections indicate that three separate 20 year issues would be required to fund Master Plan projects
  - \$9.5M in Year 5
  - \$9.5M in Year 10
  - \$7.45M in Year 15
- Requires identification of new revenue source or expenditure side solution to pay debt service
- Total payout (principal & interest \$34.6M)



## Parks, Recreation & Cultural Affairs Master Plan

### 4b. General obligation bond issue(capital costs only)

- Voter referendum to approve millage rate increase, with incremental property tax revenue funding debt service associated with bonds
- Projections indicate that three separate 20 year issues would be required to fund Master Plan projects
  - \$9.5M in Year 5
  - \$9.5M in Year 10
  - \$7.45M in Year 15
- Total payout (principal & interest \$34.6M)





## Parks, Recreation & Cultural Affairs Master Plan

During a Public Noticed Meeting on June 18, 2013, Commissioner Botcher and Commissioner Hawkins directed staff to prepare timelines using the Dedicated Millage Rate as the funding mechanism. The following slides show a twenty-year chart and a fifteen-year chart noting the millage increase needed for either plan. Based upon recent experiences with WSPP project implementation, a ten-year timeline would be very difficult to achieve.

Also included are charts removing the Trail and Bikeway projects from the Master Plan in case these are included in any future transportation funding efforts.



# Parks, Recreation & Cultural Affairs Master Plan

MASTER PLAN FUNDING: 20 YEARS					
Year	Projected Expenditures		Ongoing revenues:	Incremental	Annual Funding (Required) Surplus
	Capital	Maintenance	User fees, CIP, donation sponsorships, etc		
1	1,000,000	87,500	1,500,000		412,500
2	1,000,000	37,500	1,500,000		462,500
3	1,000,000	57,500	1,500,000		442,500
4	1,000,000	87,500	1,500,000		412,500
5	3,806,250	87,500	1,500,000		(2,393,750)
6	3,806,250	87,500	1,500,000		(2,393,750)
7	3,806,250	87,500	1,500,000		(2,393,750)
8	3,806,250	87,500	1,500,000		(2,393,750)
9	3,806,250	125,000	1,500,000		(2,431,250)
10	3,806,250	125,000	1,500,000		(2,431,250)
11	3,806,250	125,000	1,500,000		(2,431,250)
12	3,806,250	125,000	1,500,000		(2,431,250)
13	2,750,000	125,000	1,500,000		(1,375,000)
14	2,750,000	125,000	1,500,000		(1,375,000)
15	2,750,000	125,000	1,500,000		(1,375,000)
16	2,750,000	125,000	1,500,000		(1,375,000)
17	2,750,000	250,000	1,500,000		(1,500,000)
18	2,750,000	250,000	1,500,000		(1,500,000)
19	2,436,000	280,800	1,500,000		(1,216,800)
20	1,750,000	351,000	1,500,000		(601,000)
	<b>55,136,000</b>	<b>2,751,800</b>	<b>30,000,000</b>		<b>(27,887,800)</b>



# Parks, Recreation & Cultural Affairs Master Plan

MASTER PLAN CASH FLOW: 15 YEARS					
Year	Projected Expenditures		Ongoing revenues:	Incremental	Annual Funding (Required) Surplus
	Capital	Maintenance	User fees, CIP, donations sponsorships, etc		
1	1,000,000	87,500	1,500,000	412,500	
2	1,000,000	37,500	1,500,000	462,500	
3	2,000,000	57,500	1,500,000	(557,500)	
4	2,000,000	87,500	1,500,000	(587,500)	
5	4,806,250	87,500	1,500,000	(3,393,750)	
6	4,806,250	87,500	1,500,000	(3,393,750)	
7	4,806,250	150,000	1,500,000	(3,456,250)	
8	4,806,250	150,000	1,500,000	(3,456,250)	
9	4,806,250	150,000	1,500,000	(3,456,250)	
10	4,806,250	150,000	1,500,000	(3,456,250)	
11	4,806,250	341,160	1,500,000	(3,647,410)	
12	4,806,250	341,160	1,500,000	(3,647,410)	
13	4,750,000	341,160	1,500,000	(3,591,160)	
14	3,000,000	341,160	1,500,000	(1,841,160)	
15	2,936,000	342,160	1,500,000	(1,778,160)	
	55,136,000	2,751,800	22,500,000	(35,387,800)	



## Parks, Recreation & Cultural Affairs Master Plan Net of Trails & Bikeways

### 2. Dedicated millage rate increase

- City Commission increases millage rate and dedicates incremental property tax revenue to funding Master Plan projects
- Can be done either through a voter referendum or City Commission designation
- Based on funding requirements would need millage rate increases of approximately:
  - .1675 mills for 20 year period, or
  - .32 mills for 15 year period
- Equates annually to
  - .1675 mills equals \$16.75 per \$100,000 of the taxable property value
  - .32 mills equals \$32 per \$100,000 of the taxable property value



# Parks, Recreation & Cultural Affairs Master Plan

## MASTER PLAN CASH FLOW FUNDING (NET OF TRAILS & BIKEWAYS): 20 YEARS

Year	Projected Expenditures		Ongoing revenues:	Incremental
	Capital	Maintenance	User fees, CIP, donations sponsorships, etc	Annual Funding (Required) Surplus
1	1,000,000	87,500	1,500,000	412,500
2	1,000,000	37,500	1,500,000	462,500
3	1,000,000	57,500	1,500,000	442,500
4	1,000,000	87,500	1,500,000	412,500
5	2,306,250	87,500	1,500,000	(893,750)
6	2,306,250	87,500	1,500,000	(893,750)
7	2,306,250	87,500	1,500,000	(893,750)
8	2,306,250	87,500	1,500,000	(893,750)
9	2,806,250	125,000	1,500,000	(1,431,250)
10	3,806,250	125,000	1,500,000	(2,431,250)
11	3,806,250	125,000	1,500,000	(2,431,250)
12	3,806,250	125,000	1,500,000	(2,431,250)
13	2,750,000	125,000	1,500,000	(1,375,000)
14	2,750,000	125,000	1,500,000	(1,375,000)
15	2,750,000	125,000	1,500,000	(1,375,000)
16	2,750,000	125,000	1,500,000	(1,375,000)
17	2,750,000	250,000	1,500,000	(1,500,000)
18	2,750,000	250,000	1,500,000	(1,500,000)
19	2,436,000	280,800	1,500,000	(1,216,800)
20	1,750,000	351,000	1,500,000	(601,000)
	<b>48,136,000</b>	<b>2,751,800</b>	<b>30,000,000</b>	<b>(20,887,800)</b>



# Parks, Recreation & Cultural Affairs Master Plan

## MASTER PLAN CASH FLOW (NET OF TRAILS & BIKEWAYS): 15 YEARS

Year	Projected Expenditures		Ongoing revenues:	Incremental
	Capital	Maintenance	User fees, CIP, donations sponsorships, etc	Annual Funding (Required) Surplus
1	1,000,000	87,500	1,500,000	412,500
2	1,000,000	37,500	1,500,000	462,500
3	1,000,000	57,500	1,500,000	442,500
4	1,000,000	87,500	1,500,000	412,500
5	2,806,250	87,500	1,500,000	(1,393,750)
6	2,806,250	87,500	1,500,000	(1,393,750)
7	3,806,250	150,000	1,500,000	(2,456,250)
8	4,806,250	150,000	1,500,000	(3,456,250)
9	4,806,250	150,000	1,500,000	(3,456,250)
10	4,806,250	150,000	1,500,000	(3,456,250)
11	4,806,250	341,160	1,500,000	(3,647,410)
12	4,806,250	341,160	1,500,000	(3,647,410)
13	4,750,000	341,160	1,500,000	(3,591,160)
14	3,000,000	341,160	1,500,000	(1,841,160)
15	2,936,000	342,160	1,500,000	(1,778,160)
	<b>48,136,000</b>	<b>2,751,800</b>	<b>22,500,000</b>	<b>(28,387,800)</b>



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**EDITORIAL**

# Play to strengths

**T**echnology trumps geography in a interconnected world.

Many companies today can be run from virtually anywhere, as long as they have access to communication tools and talented workers.

Gainesville has seen the upside of this trend with India-based Mindtree

of residents between ages 30 and 60 than the U.S. average.

Holloway said the community can be more competitive by aligning the educational pipeline here with the skills that companies need. That means picking a few areas of focus — agriculture and life sciences often

Limited's selection of the city for its first U.S. development center.

But it also means that Gainesville faces intense competition to attract companies and keep them here. That's why the community needs to play to its strengths as it takes the Innovation Gainesville initiative to the next level.

The Gainesville Area Chamber of Commerce held a regional economic forum last week at Santa Fe College to start a conversation about the next stage of the effort. Amy Holloway, president of Avalanche Consulting, told more than 300 business and community leaders in attendance that the area has an "enviable" list of assets including University of Florida research and business incubators.

But the area also has weaknesses such as sluggish population growth and a lower percentage

get mentioned — and ensuring that there's programs training workers in those fields at the K-12, community college and university levels.

Gainesville also has play to its strengths in terms of quality of life. Varied cultural offerings and options for outdoor recreation are among the amenities that will help ensure residents of all ages move and stay here.

Technology opens a lot of possibilities for Gainesville to attract businesses that provide high-paying jobs and boost the local economy. But it also means there's plenty of competition for those companies.

As Innovation Gainesville moves to its next stage, the challenge will be identifying the community's greatest strengths and improving on them rather than resting on our laurels.



# Comments or Questions?