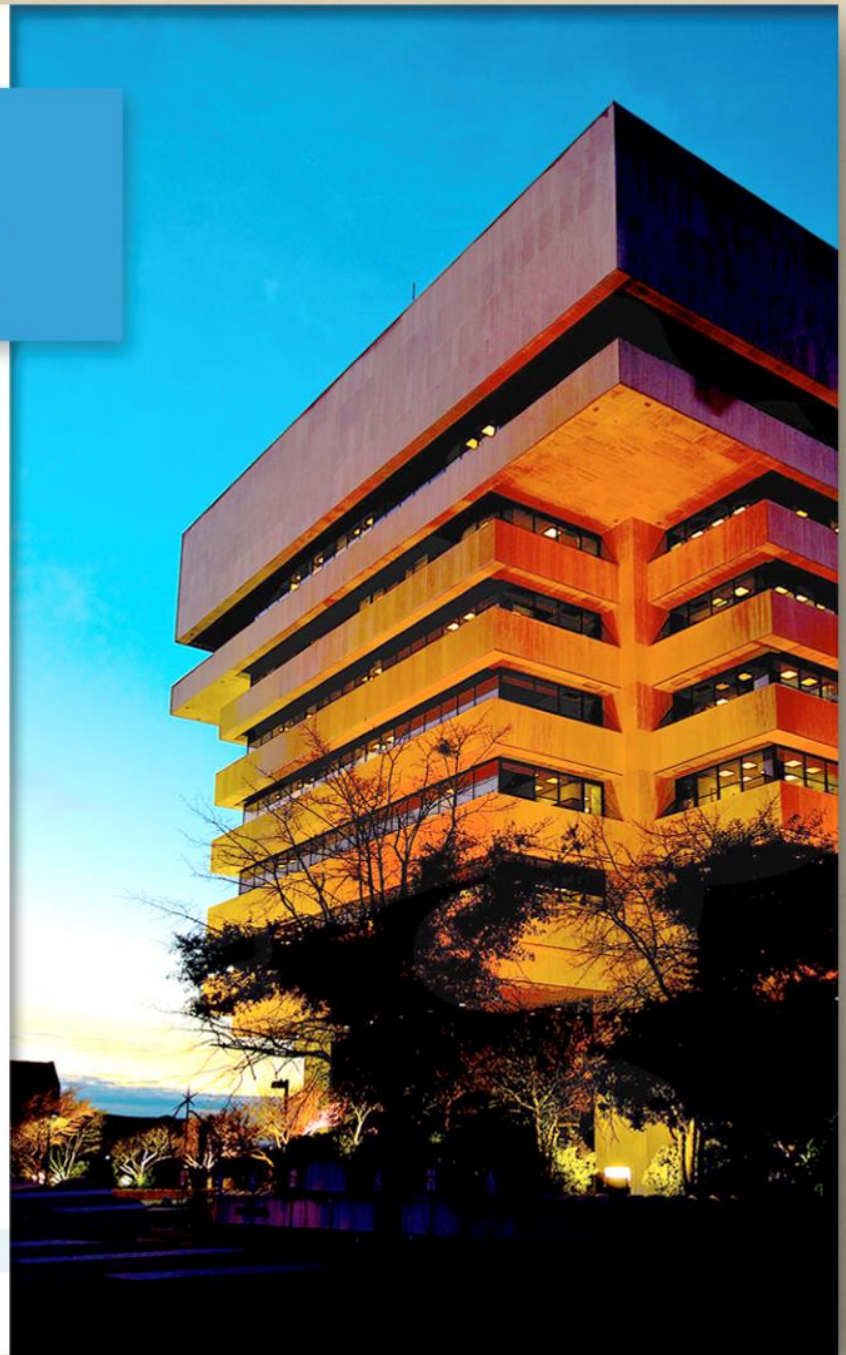


# HAMPTON VA

## **Council Strategic Priorities**

**City Council**

**January 11, 2017**



# Agenda

- Background
- Review Strategic Project Rankings
- Review Funding Options
- Review Funding Scenarios

# Background

- City Council has established its strategic priorities
- Several projects submitted in the FY17 CIP process set aside so we could review them with Council in preparation for FY18 CIP process
  - Council ranked projects in Fall 2016

# Vision

*We are Hampton, a vibrant waterfront community celebrating and embracing 400 years of history and innovation to create an even more dynamic future*



# Our Strategic Priorities

- **Economic Growth** – generating the resources necessary to support the services the community desires and produce quality jobs for our citizens
- **Place Making** – creating vibrant and authentic places that reflect and celebrate the unique culture, history, and character of our community
- **Living with Water** – addressing coastal resiliency, reoccurring flooding, waterways, and environmental sustainability while enhancing our tax base and quality of life



# Our Strategic Priorities

- **Educated & Engaged Citizenry** – partnering with the Schools System, Hampton University, Thomas Nelson Community College and other formal and informal educational providers to keep, develop and attract a talented citizenry that will have a positive impact on their community and be able to succeed in the global economy
- **Safe & Clean Community** – ensuring that all Hampton citizens and businesses are safe, healthy, and secure in their persons and property
- **Good Government** – attracting, retaining, developing and rewarding high quality public servants that are committed to being stewards of community resources and trust, providing great customer service and demonstrating the highest level of ethical conduct

# Our Strategic Priorities

- *Family Resilience & Economic Empowerment*—addressing poverty in ways that support families and individuals.

# Project Ranking

- **Tier 1** should reflect those projects which Council members have the strongest interest in immediately pursuing;
- **Tier 2** should reflect those projects which Council members support but which may take longer than five years to complete unless revenue grows faster than projected;
- **Tier 3** should reflect those projects which - while Council members may support – there is agreement to cease active staff work on currently.



# Tier 1 Projects

Projects	Requested Funding
• 911/EOC Center	\$ 2,200,000
• Buckroe Bayfront Redevelopment Acquisition	\$ 5,058,120
• Buckroe Boardwalk Renovation	\$ 550,000
• Downtown Seafood Initiative	\$ 12,000,000
• Dutch Dialogue/Central Park	\$ 2,000,000
• Enhanced Park Maintenance (Gosnold, Briarfield, etc)	\$ 11,350,000
• Housing Improvement Fund	\$ 2,800,000
• Housing Redevelopment Fund	\$ 2,137,920
• Park improvement and Place Making (general)	\$ 300,000
• Police Academy	\$ 1,700,000
• Social Services Building Replacement	\$ 12,000,000
• Virginia Air & Space Center (VASC) Capital Campaign	\$ 1,300,000
• War Memorial Stadium	\$ 4,300,000

# Tier 2 Projects

Projects	Requested Funding
• Buckroe Bayfront Area Infrastructure	\$ 9,100,000
• Infill Development	\$ 236,600
• Downtown Development	\$ 6,000,000
• Sports Tourism Facility (Crossroads Amateur Sport)	\$ 30,000,000
• Coliseum Drive Redevelopment	\$ 35,000,000
• Greater Buckroe Redevelopment Acquisition	\$ 2,053,000
• Downtown Acquisition	\$ 6,865,000
• Pressey Otley Development	\$ 325,000
• Crossroads Parking Expansion	\$ 2,400,000

# Tier 2 Projects (continued)

Projects	Requested Funding
• Hampton Roads Center Business District Infrastructure	\$ 1,100,000
• Bright's Creek Initiative (including Riprap on ramp)	\$ 7,500,000
• Magruder Blvd Landscape Improvements	\$ 500,000
• PW Operations Center	\$ 19,150,000
• Downtown Promenade	\$ 100,000
• Neighborhood Improvement Fund	\$ 450,000
• Kechoughtan Corridor Acquisitions	\$ 4,500,000
• Neighborhood Pools	\$ 5,000,000

# Tier 3 Projects

Projects	Requested Funding
• Maida Site Redevelopment Howard Street Extension	\$ 275,000
• Slaughter Property Redevelopment	\$ 308,000
• Greenman Property	\$ 800,000
• Community Pool Replacement	\$ 13,000,000
• Air Power Park	\$ 725,000
• Downtown Splash Pad	\$ 500,000
• Martin Luther King, Jr./Hampton Heroes-First Citizens Memorial	\$ 500,000

# Funding Capacity Scenarios

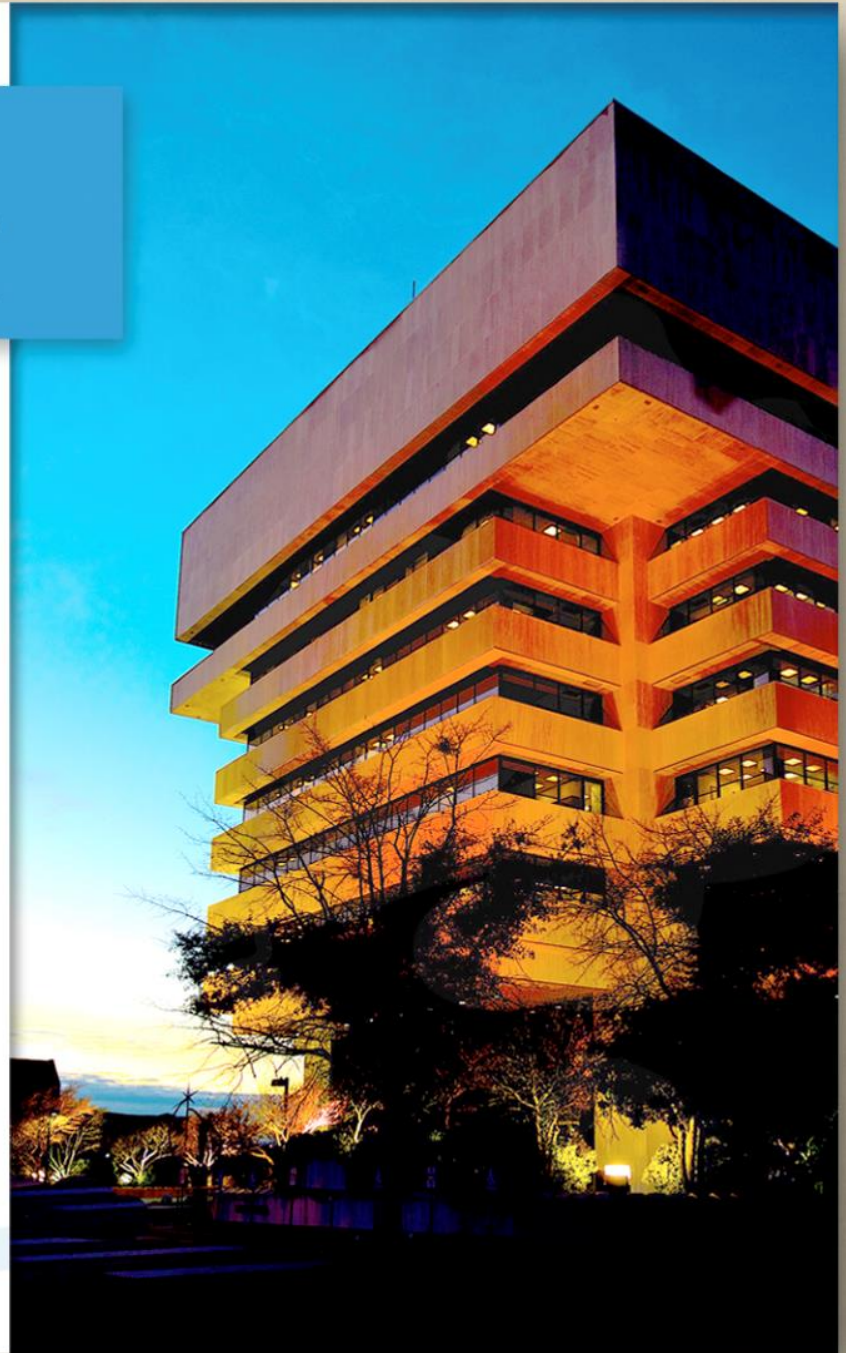
- Asked Financial Advisors to develop funding capacity scenarios
- Identify capacity to do strategic priority projects without impacting core CIP priorities (school maintenance, building maintenance, park maintenance, etc.)



# HAMPTON VA

## Debt Capacity and Affordability Analysis Update

**Davenport & Company**  
**David Rose**



# Local Revenue Impacts

	Real Estate	Personal Property	Meals Tax	Sales Tax	BPOL	Lodging
Housing	Moderate	Moderate	Moderate	Moderate	Low	Low
Jobs	High	High	Moderate	Moderate	High	Moderate
Retail	High	High	High	High	High	Low
Tourism	High	High	High	High	High	High

- Top 5 taxes generate nearly 80% of local revenues to support city services:
  - Real Estate
  - Personal Property
  - Meals Tax
  - Retail Sales Tax
  - BPOL

# Economic Sustainability

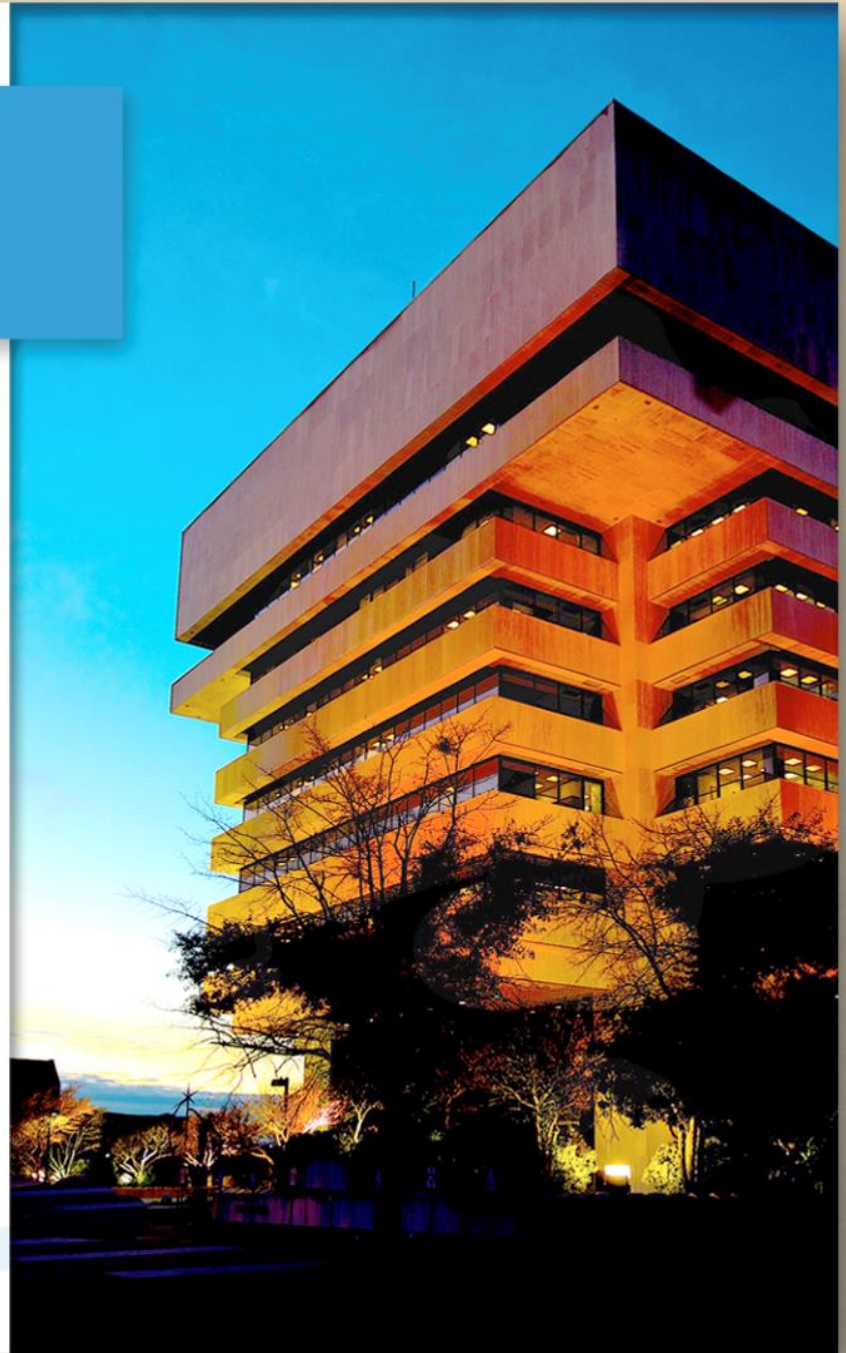




# HAMPTON VA

**Do you agree and embrace the concept embodied in the “circle graphic” – that economic development, revenue enhancement, quality of life, etc. are all interrelated and must be addressed holistically?**

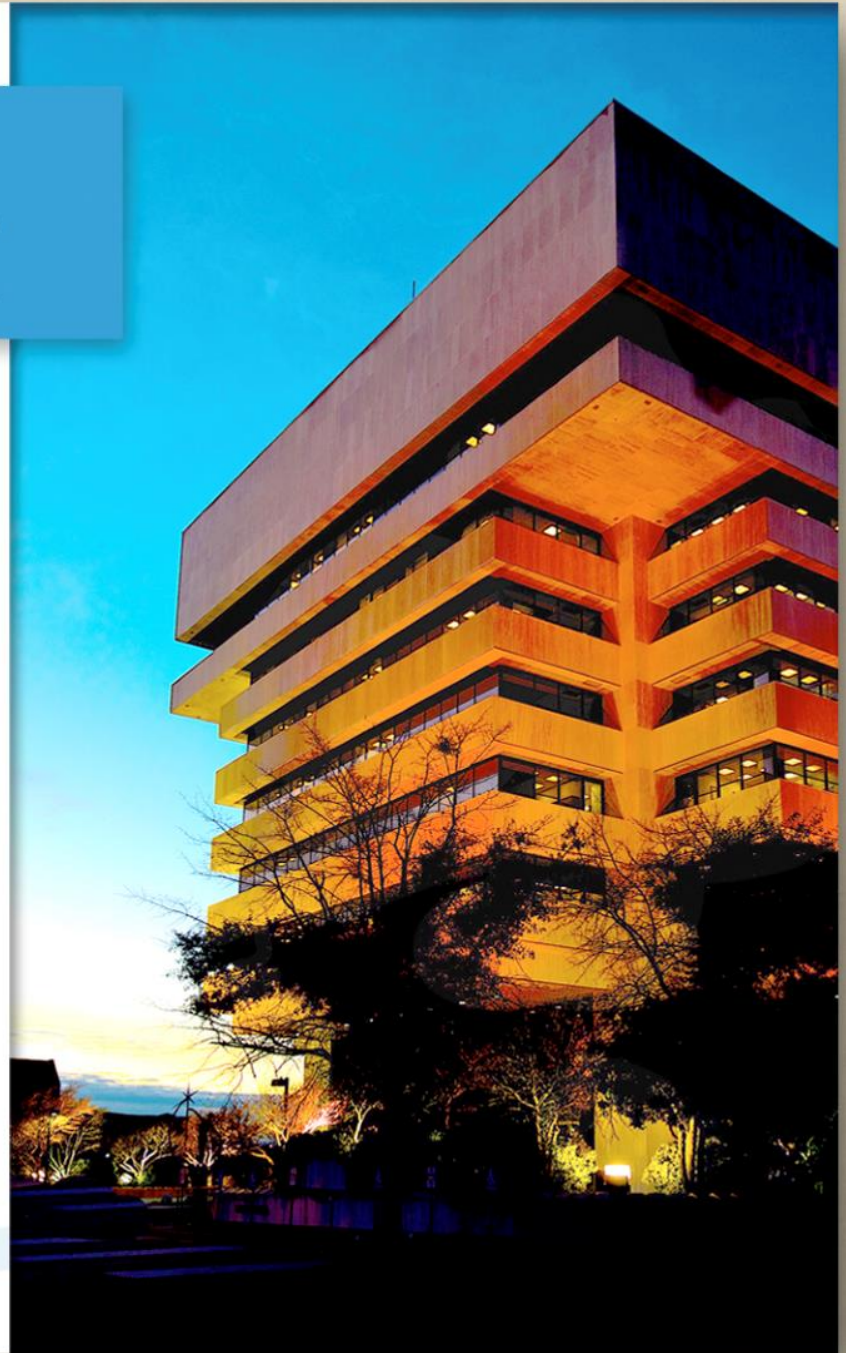
**YES**



# HAMPTON VA

**Do you agree with the four key elements of our economic development strategy (jobs, higher value housing, retail & tourism)?**

**YES – but schools are also a key driver impacting jobs & housing**

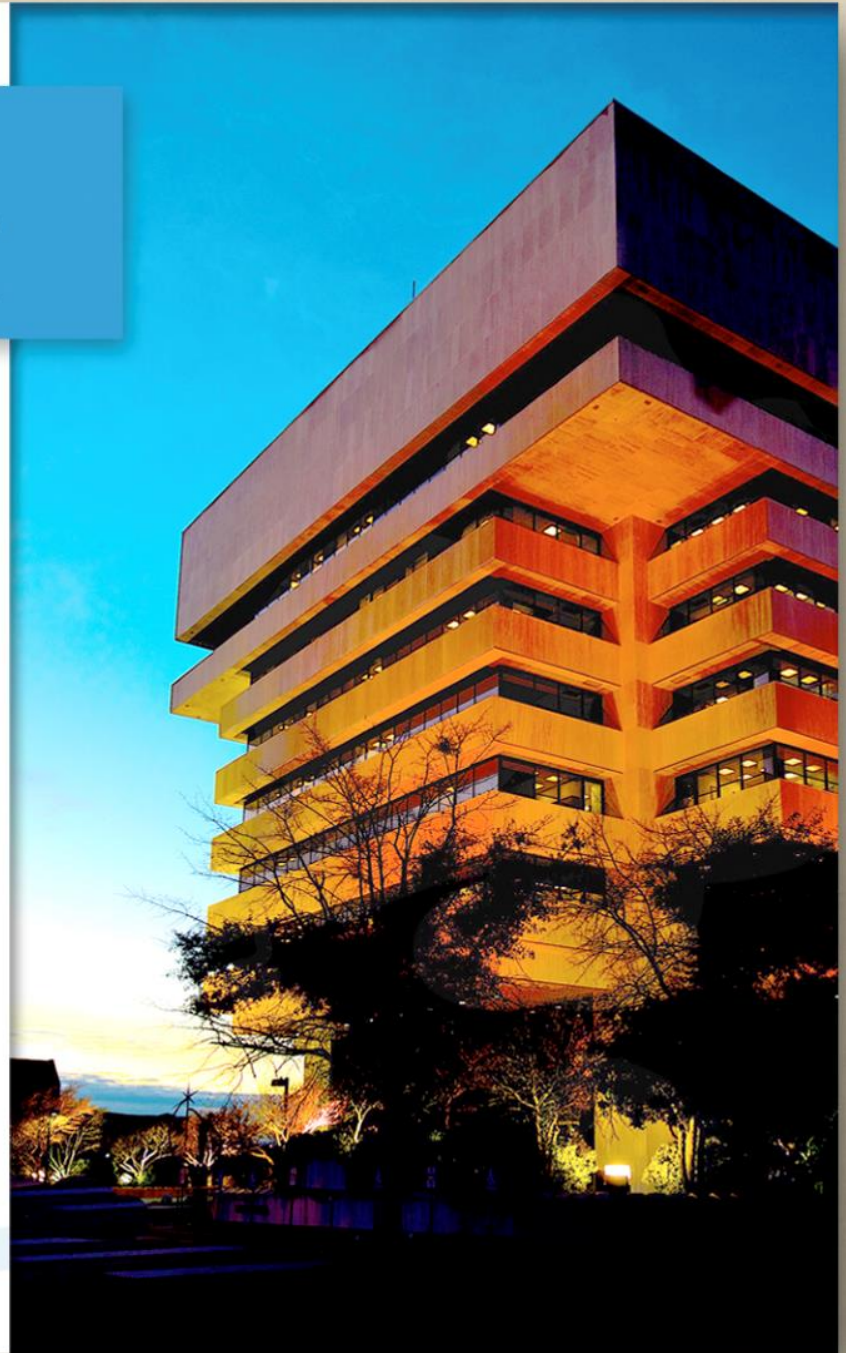




# HAMPTON VA

**Do you agree with the six strategic investment areas (Master Plan areas: Buckroe, Coliseum Central, Downtown, Kecoughtan, North King Street & Phoebus)?**

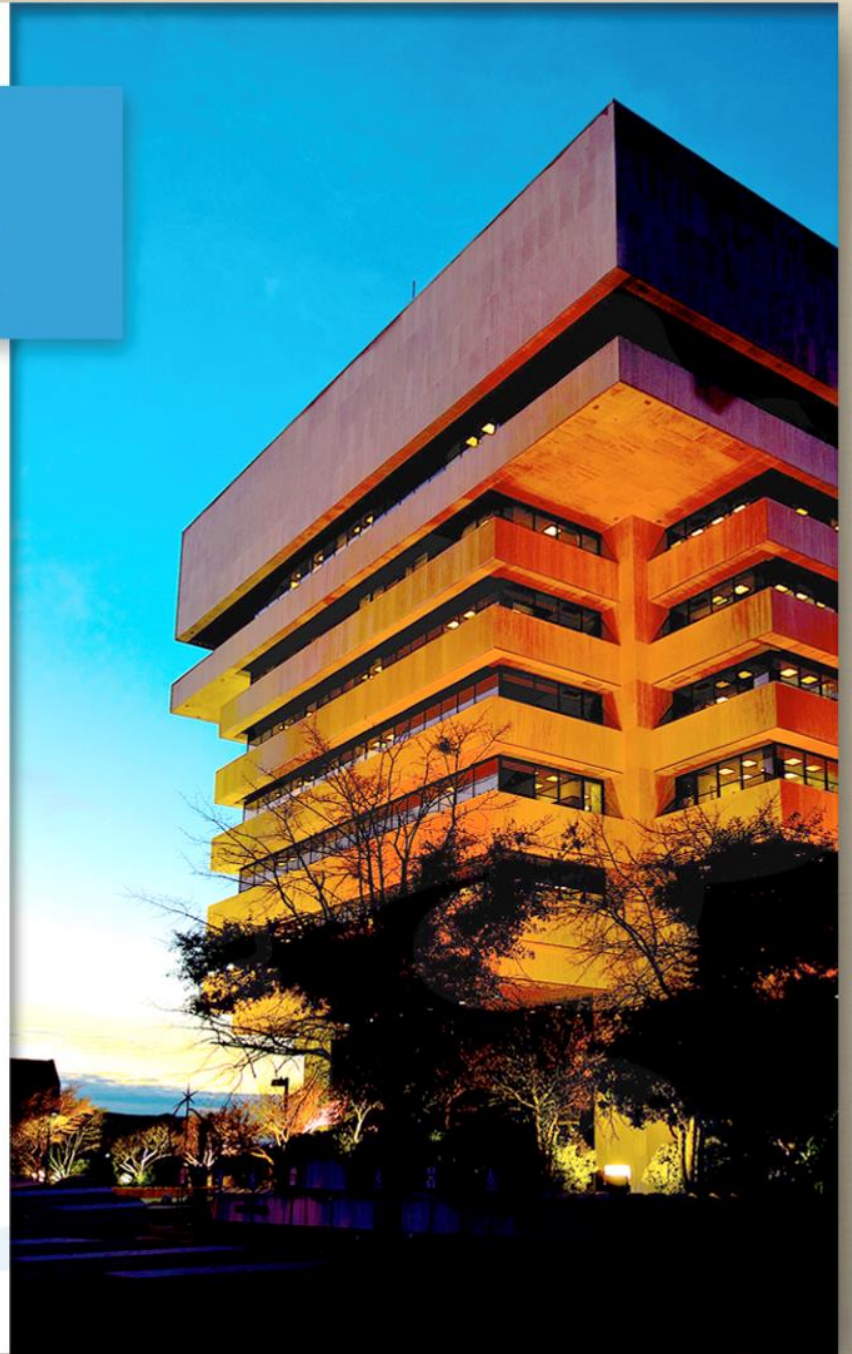
**YES**



# HAMPTON VA

**Do you agree with the goal  
of achieving 25% (or more)  
commercial tax base?**

**YES**

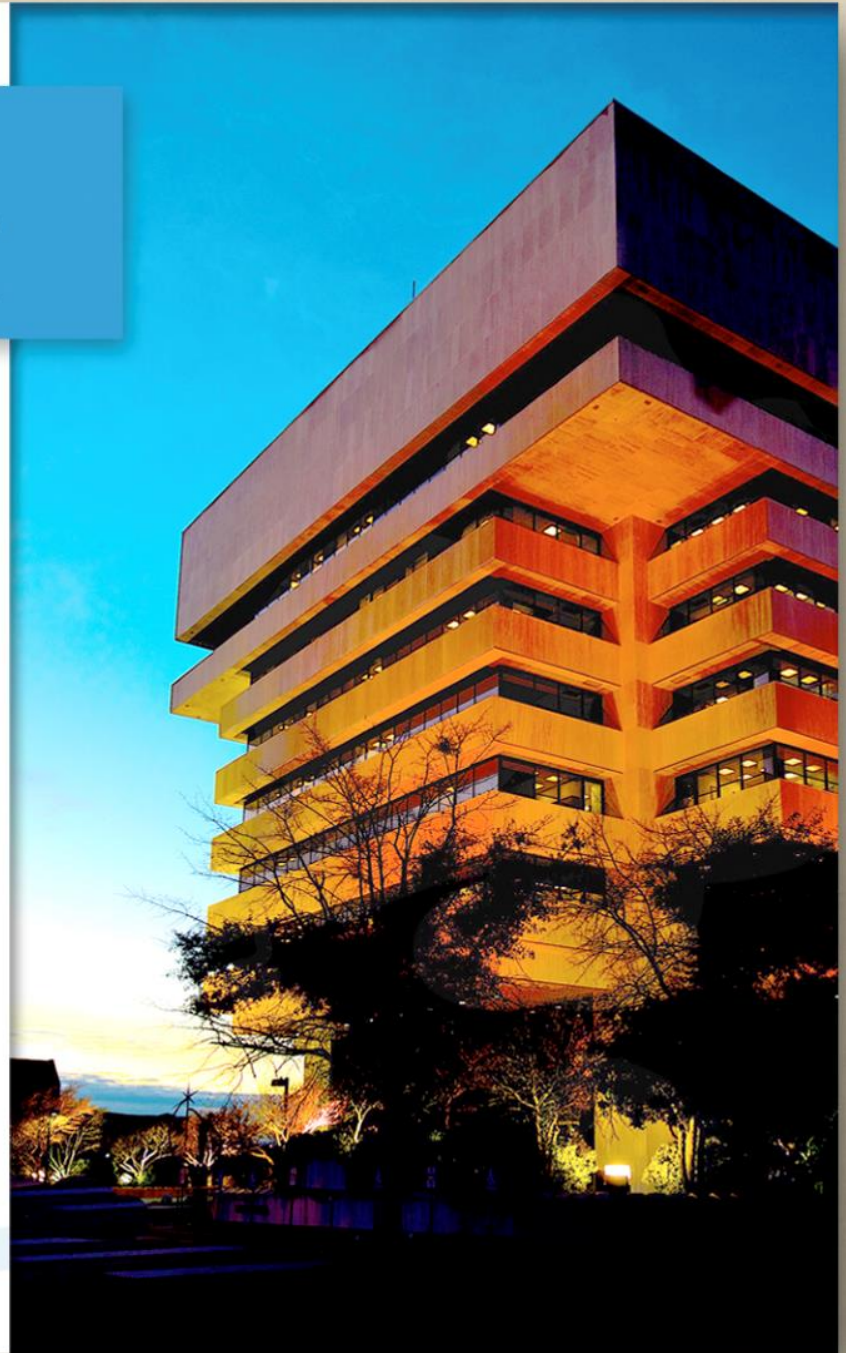




# HAMPTON VA

**What is the desired balance between near term and long term investments?**

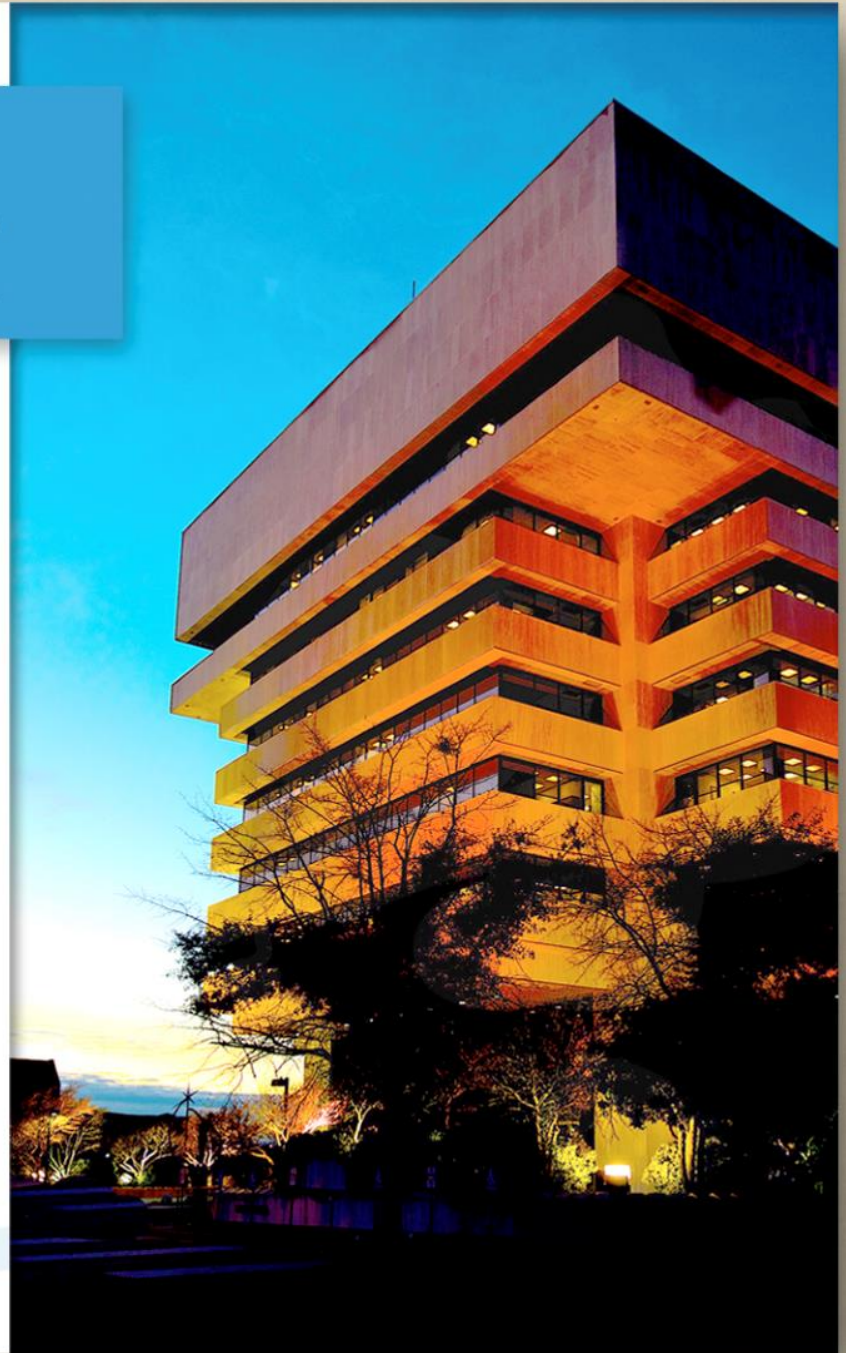
**30-40% Long/60-70% Short  
("ideal mix")**



# HAMPTON VA

**Over the next 5 years, should we focus on all six Master Plan areas or only a few?**

**FEWER – Maybe 3**

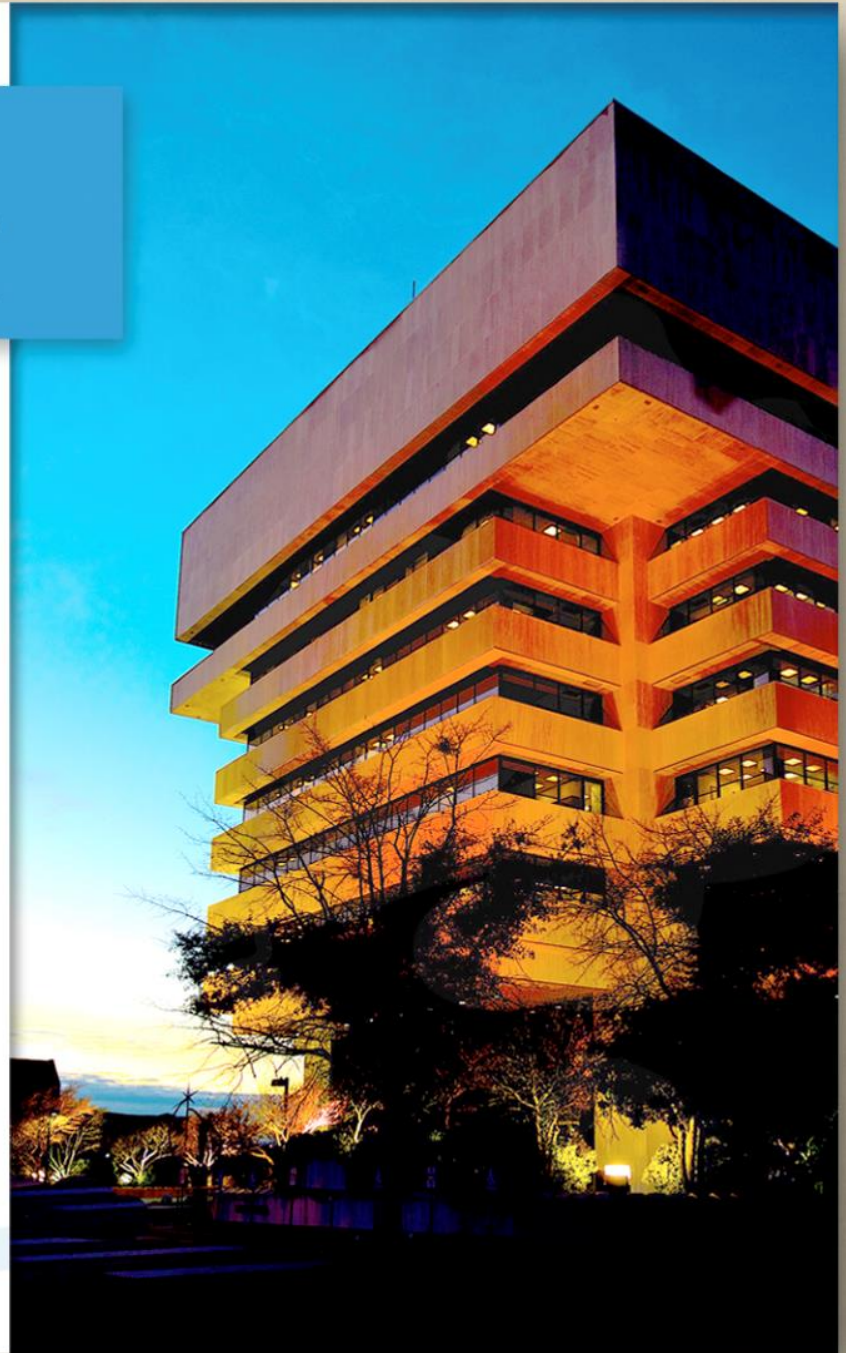




# HAMPTON VA

**What is the right balance between  
quality of life initiative and  
economic development initiatives?**

**70-80% Economic/  
20-30% Quality of Life  
("ideal mix")**





# Key Assumptions

- Continue to fund 2017-2021 CIP
- Set aside \$75 million (\$15 million) per year through 2022 - 2026 for basic CIP needs such as school maintenance, facility, maintenance, park maintenance, etc.
- Set aside 10% of additional capacity for contingency/flexibility

<u>Base Case</u>	<u>Scenario 1</u>	<u>Scenario 2</u>	<u>Scenario 3</u>	<u>Scenario 4</u>
8,900,000	12,500,000	13,900,000	16,300,000	17,700,000

- 75% of additional capacity dedicated to economic growth, 25% for other projects

# FY2017-2021 Capital Improvement Plan

<b>Education</b>	<b>\$37,486,512</b>	<b>17.84%</b>
<b>Economic Growth</b>	<b>\$12,775,000</b>	<b>6.08%</b>
<b>Good Government*</b>	<b>\$81,432,092</b>	<b>38.76%</b>
<b>Living With Water</b>	<b>\$28,312,500</b>	<b>13.48%</b>
<b>Place Making</b>	<b>\$20,327,523</b>	<b>9.68%</b>
<b>Safe &amp; Clean</b>	<b><u>\$29,740,942</u></b>	<b><u>14.16%</u></b>
<b>Total</b>	<b>\$210,074,569</b>	<b>100.00%</b>

**\* Includes street resurfacing (\$30.9M), wastewater infrastructure rehabilitation (\$32.6M), facility maintenance (\$13M), etc.**

# Economic Growth Priority Projects - Tier 1

Tier 1 Projects	Weighted Score	Requested Funding	Adjusted Funding	Base Case (no debt service increase)	Scenario 1 (1/8% of annual revenue growth (\$318,000+/year) increase in debt service per year beginning in FY19)	Scenario 2 (1/8% of annual revenue growth (\$318,000+/year) increase in debt service per year beginning in FY19) & \$2 Hotel Fee Increase	Scenario 3 (1/4% of annual revenue growth (\$635,000+/year) increase in debt service per year beginning in FY19)	Scenario 4 (1/4% of annual revenue growth (\$635,000+/year) increase in debt service per year beginning in FY19) & \$2 Hotel Fee Increase
				FY19-26	FY19-26	FY19-26	FY19-26	FY19-26
<b>Capacity</b>				6,675,000	30,900,000	43,000,000	56,700,000	68,800,000
Buckroe Bayfront Redevelopment Acquisition	19	5,058,120	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Downtown Seafood Initiative	19	32,365,000	Merged w/ other downtown projects	4,675,000	10,000,000	10,000,000	10,000,000	16,347,480
Housing Improvement Fund	19	2,800,000	2,800,000		2,800,000	2,800,000	2,800,000	2,800,000
Housing Redevelopment Fund	18	2,137,920	2,137,920		2,137,920	2,137,920	2,137,920	2,137,920
<b>Tier 1 Total</b>				6,675,000	16,937,920	16,937,920	16,937,920	23,285,400
<b>Tier 1 Funding Balance</b>				0	13,962,080	26,062,080	39,762,080	45,514,600

# Economic Growth Priority Projects - Tier 2

Tier 2 Projects	Weighted Score	Requested Funding	Adjusted Funding	Base Case (no debt service increase)	Scenario 1 (1/8% of annual revenue growth (\$318,000+/year) increase in debt service per year beginning in FY19)	Scenario 2 (1/8% of annual revenue growth (\$318,000+/year) increase in debt service per year beginning in FY19) & \$2 Hotel Fee Increase	Scenario 3 (1/4% of annual revenue growth (\$635,000+/year) increase in debt service per year beginning in FY19)	Scenario 4 (1/4% of annual revenue growth (\$635,000+/year) increase in debt service per year beginning in FY19) & \$2 Hotel Fee Increase
				FY19-26	FY19-26	FY19-26	FY19-26	FY19-26
<b>Remaining Capacity</b>				0	13,962,080	26,062,080	39,762,080	45,514,600
Buckroe Bayfront Area Infrastructure	17	9,100,000	500,000		500,000	500,000	500,000	500,000
Infill Development	17	236,600	236,600		236,600	236,600	236,600	236,600
Downtown Development	16	6,000,000	Merged w/Downtown Seafood (Tier 1)					
Sports Tourism Facility (Crossroads Amateur Sport)	16	30,000,000	30,000,000			22,925,480	30,000,000	30,000,000
Coliseum Drive Redevelopment	15	35,000,000	10,000,000		8,772,480		4,572,480	10,000,000
<b>Tier 2 Subtotal</b>					9,509,080	23,662,080	35,309,080	40,736,600
<b>Tier 2 Funding Balance</b>				0	4,453,000	2,400,000	4,453,000	4,778,000

# Economic Growth Priority Projects - Tier 2 (continued)

Tier 2 Projects	Weighted Score	Requested Funding	Adjusted Funding	Base Case (no debt service increase)	Scenario 1 (1/8% of annual revenue growth (\$318,000+/year) increase in debt service per year beginning in FY19)	Scenario 2 (1/8% of annual revenue growth (\$318,000+/year) increase in debt service per year beginning in FY19) & \$2 Hotel Fee Increase	Scenario 3 (1/4% of annual revenue growth (\$635,000+/year) increase in debt service per year beginning in FY19)	Scenario 4 (1/4% of annual revenue growth (\$635,000+/year) increase in debt service per year beginning in FY19) & \$2 Hotel Fee Increase
				FY19-26	FY19-26	FY19-26	FY19-26	FY19-26
<b>Remaining Capacity</b>				0	4,453,000	2,400,000	4,453,000	4,778,000
Greater Buckroe Redevelopment Acquisition	15	2,053,000	2,053,000		2,053,000		2,053,000	2,053,000
Downtown Acquisition	14	6,865,000	Merged w/Downtown Seafood (Tier 1)					
Pressey Otley Development	14	325,000	325,000					325,000
Crossroads Parking Expansion	14	2,400,000	2,400,000		2,400,000	2,400,000	2,400,000	2,400,000
Hampton Roads Center Business District Infrastructure	14	1,100,000	1,100,000					
<b>Tier 2 Subtotal</b>					4,453,000	2,400,000	4,453,000	4,778,000
<b>Tier 2 Funding Balance</b>				0	0	0	0	0

# Economic Growth Priority Projects - Tier 2 (continued)

Tier 2 Projects	Weighted Score	Requested Funding	Adjusted Funding	Base Case (no debt service increase)	Scenario 1 (1/8% of annual revenue growth (\$318,000+/year) increase in debt service per year beginning in FY19)	Scenario 2 (1/8% of annual revenue growth (\$318,000+/year) increase in debt service per year beginning in FY19) & \$2 Hotel Fee Increase	Scenario 3 (1/4% of annual revenue growth (\$635,000+/year) increase in debt service per year beginning in FY19)	Scenario 4 (1/4% of annual revenue growth (\$635,000+/year) increase in debt service per year beginning in FY19) & \$2 Hotel Fee Increase
				FY19-26	FY19-26	FY19-26	FY19-26	FY19-26
<b>Remaining Capacity</b>				0	0	0	0	0
Bright's Creek Initiative (including Riprap on ramp)	13	7,500,000	Merged w/Downtown Seafood (Tier 1)					
Magruder Blvd Landscape Improvements	13	500,000	500,000					
<b>Tier 2 Total</b>								
<b>Tier 2 Funding Balance</b>				0	0	0	0	0



# Economic Growth Priority Projects - Tier 3

Tier 3 Project	Weighted Score	Requested Funding	Adjusted Funding	Base Case (no debt service increase)	Scenario 1 (1/8% of annual revenue growth (\$318,000+/year) increase in debt service per year beginning in FY19)	Scenario 2 (1/8% of annual revenue growth (\$318,000+/year) increase in debt service per year beginning in FY19) & \$2 Hotel Fee Increase	Scenario 3 (1/4% of annual revenue growth (\$635,000+/year) increase in debt service per year beginning in FY19)	Scenario 4 (1/4% of annual revenue growth (\$635,000+/year) increase in debt service per year beginning in FY19) & \$2 Hotel Fee Increase
				FY19-26	FY19-26	FY19-26	FY19-26	FY19-26
<b>Remaining Capacity</b>				0	0	0	0	0
Maida Site Redevelopment Howard Street Extension	11	275,000						
Slaughter Property Redevelopment	11	308,000						
<b>Tier 3 Total</b>								
<b>Tier 3 Funding Balance</b>				0	0	0	0	0

# Other Priority Projects - Tier 1

Tier 1 Projects	Weighted Score	Requested Funding	Adjusted Funding	Base Case (no debt service increase)	Scenario 1 (1/8% of annual revenue growth (\$318,000+/year) increase in debt service per year beginning in FY19)	Scenario 2 (1/8% of annual revenue growth (\$318,000+/year) increase in debt service per year beginning in FY19) & \$2 Hotel Fee Increase	Scenario 3 (1/4% of annual revenue growth (\$635,000+/year) increase in debt service per year beginning in FY19)	Scenario 4 (1/4% of annual revenue growth (\$635,000+/year) increase in debt service per year beginning in FY19) & \$2 Hotel Fee Increase
				FY19-26	FY19-26	FY19-26	FY19-26	FY19-26
<b>Capacity</b>				<b>2,225,000</b>	<b>10,300,000</b>	<b>10,300,000</b>	<b>18,900,000</b>	<b>18,900,000</b>
Buckroe Boardwalk Renovation	21	550,000	Include in Enhanced Park Maintenance					
911/EOC Center	21	2,200,000	Try to fund in Base CIP					
Virginia Air & Space Center (VASC) Capital Campaign	19	1,300,000	1,000,000	1,000,000	1,132,500	1,132,500	1,300,000	1,300,000
Enhanced Park Maintenance (Gosnold, Briarfield, etc)	19	11,350,000	5,000,000	205,000	5,000,000	5,000,000	5,000,000	5,000,000
Police Academy	19	1,700,000	2,800,000		2,800,000	2,800,000	2,800,000	2,800,000
<b>Tier 1 Subtotal</b>				<b>1,205,000</b>	<b>8,932,500</b>	<b>8,932,500</b>	<b>9,100,000</b>	<b>9,100,000</b>
<b>Tier 1 Funding Balance</b>				<b>1,020,000</b>	<b>1,367,500</b>	<b>1,367,500</b>	<b>9,800,000</b>	<b>9,800,000</b>

# Other Priority Projects - Tier 1

## (continued)

Tier 1 Projects	Weighted Score	Requested Funding	Adjusted Funding	Base Case (no debt service increase)	Scenario 1 (1/8% of annual revenue growth (\$318,000+/year) increase in debt service per year beginning in FY19)	Scenario 2 (1/8% of annual revenue growth (\$318,000+/year) increase in debt service per year beginning in FY19) & \$2 Hotel Fee Increase	Scenario 3 (1/4% of annual revenue growth (\$635,000+/year) increase in debt service per year beginning in FY19)	Scenario 4 (1/4% of annual revenue growth (\$635,000+/year) increase in debt service per year beginning in FY19) & \$2 Hotel Fee Increase
				FY19-26	FY19-26	FY19-26	FY19-26	FY19-26
<b>Capacity</b>				1,020,000	1,367,500	1,367,500	9,800,000	9,800,000
Park improvement and Place Making (general)	18	300,000	300,000	300,000	300,000	300,000	300,000	300,000
War Memorial Stadium	18	4,300,000	2,400,000	720,000	1,067,500	1,067,500	2,400,000	2,400,000
Social Services Building Replacement	17	12,000,000	5,000,000				5,000,000	5,000,000
Dutch Dialogue/Central Park	17	2,000,000	Home Elevation and/or Stormwater Funds					
<b>Tier 1 Total</b>				1,020,000	1,367,500	1,367,500	7,700,000	7,700,000
<b>Tier 1 Funding Balance</b>				0	0	0	2,100,000	2,100,000

# Other Priority Projects - Tier 2

Tier 2 Projects	Weighted Score	Requested Funding	Adjusted Funding	Base Case (no debt service increase)	Scenario 1 (1/8% of annual revenue growth (\$318,000+/year) increase in debt service per year beginning in FY19)	Scenario 2 (1/8% of annual revenue growth (\$318,000+/year) increase in debt service per year beginning in FY19) & \$2 Hotel Fee Increase	Scenario 3 (1/4% of annual revenue growth (\$635,000+/year) increase in debt service per year beginning in FY19)	Scenario 4 (1/4% of annual revenue growth (\$635,000+/year) increase in debt service per year beginning in FY19) & \$2 Hotel Fee Increase
<b>Remaining Capacity</b>				0	0	0	2,100,000	2,100,000
PW Operations Center	16	19,150,000	Move Non-General Fund First					
Downtown Promenade	16	100,000	100,000				100,000	100,000
Neighborhood Improvement Fund	16	450,000	450,000				450,000	450,000
Kechoughtan Corridor Acquisitions	14	4,500,000	4,500,000					
Neighborhood Pools	13	5,000,000	2,500,000				1,550,000	1,550,000
<b>Tier 2 Total</b>							2,100,000	2,100,000
<b>Tier 2 Funding Balance</b>				0	0	0	0	0



# Other Priority Projects - Tier 3

Tier 3 Projects	Weighted Score	Requested Funding	Adjusted Funding	Base Case (no debt service increase)	Scenario 1 (1/8% of annual revenue growth (\$318,000+/year) increase in debt service per year beginning in FY19)	Scenario 2 (1/8% of annual revenue growth (\$318,000+/year) increase in debt service per year beginning in FY19) & \$2 Hotel Fee Increase	Scenario 3 (1/4% of annual revenue growth (\$635,000+/year) increase in debt service per year beginning in FY19)	Scenario 4 (1/4% of annual revenue growth (\$635,000+/year) increase in debt service per year beginning in FY19) & \$2 Hotel Fee Increase
				FY19-26	FY19-26	FY19-26	FY19-26	FY19-26
<b>Remaining Capacity</b>				<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Greenman Property	12	800,000						
Community Pool Replacement	11	13,000,000						
Air Power Park	10	725,000						
Downtown Splash Pad	10	500,000						
Martin Luther King, Jr./Hampton Heroes-First Citizens Memorial	10	500,000						
<b>Tier 3 Total</b>								
<b>Tier 3 Funding Balance</b>				<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Key Assumptions

- Continue to fund 2017-2021 CIP
- Set aside \$75 million (\$15 million) per year through 2022 - 2026 for basic CIP needs such as school maintenance, facility, maintenance, park maintenance, etc.
- Set aside 10% of additional capacity for contingency/flexibility

<u>Base Case</u>	<u>Scenario 1</u>	<u>Scenario 2</u>	<u>Scenario 3</u>	<u>Scenario 4</u>
8,900,000	12,500,000	13,900,000	16,300,000	17,700,000

- 75% of additional capacity dedicated to economic growth, 25% for other projects

# Key Questions for January 25<sup>th</sup> Meeting

- Are there any other scenarios that Council would like staff to explore?
- Which Funding Scenario do you Prefer?

# Process “Moving Forward”

Council Guidance – January 25th

CIP Committee Meetings (on-going)

Public Input Month (February)

- Public Town Hall Meeting
- Public CIP Input Meeting
- Public Annual Budget Input Meeting

Stakeholder Meetings

Planning Commission and Council Approvals  
(March/April)