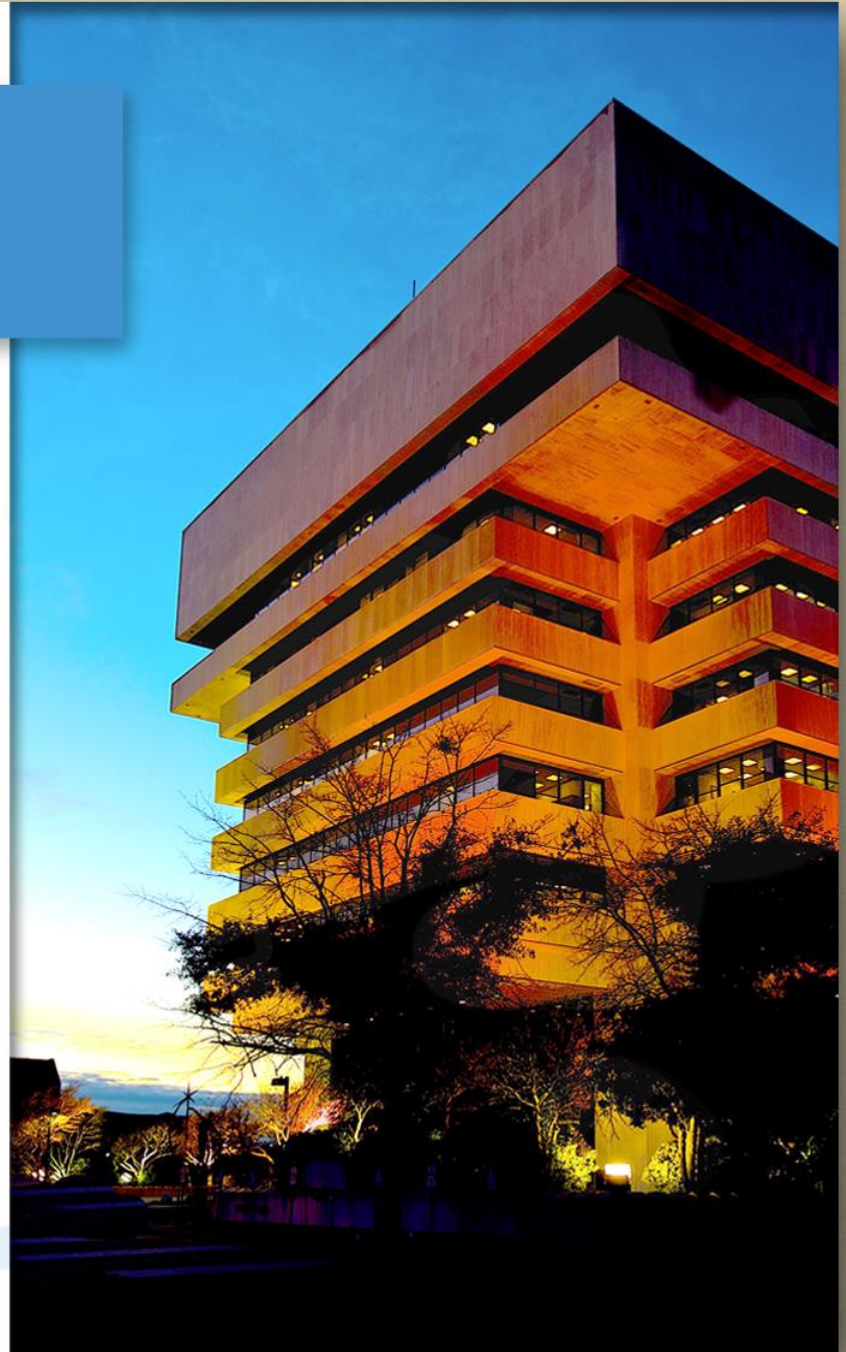


HAMPTON VA

# Strategic Priority Project Options

August 9, 2017



# Overview

- Debt Capacity Scenarios
- Project Updates
- Project Funding Options
- Key Questions
  - Which debt capacity scenario do you prefer?
  - What project funding option do you prefer?
  - Do you have any changes to project funding options?

# Capacity Scenarios 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>Scenario 1</u>	<u>Scenario 2</u>
13,000,000	7,900,000

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

# Capacity Scenarios

## 1. \$74.65 million

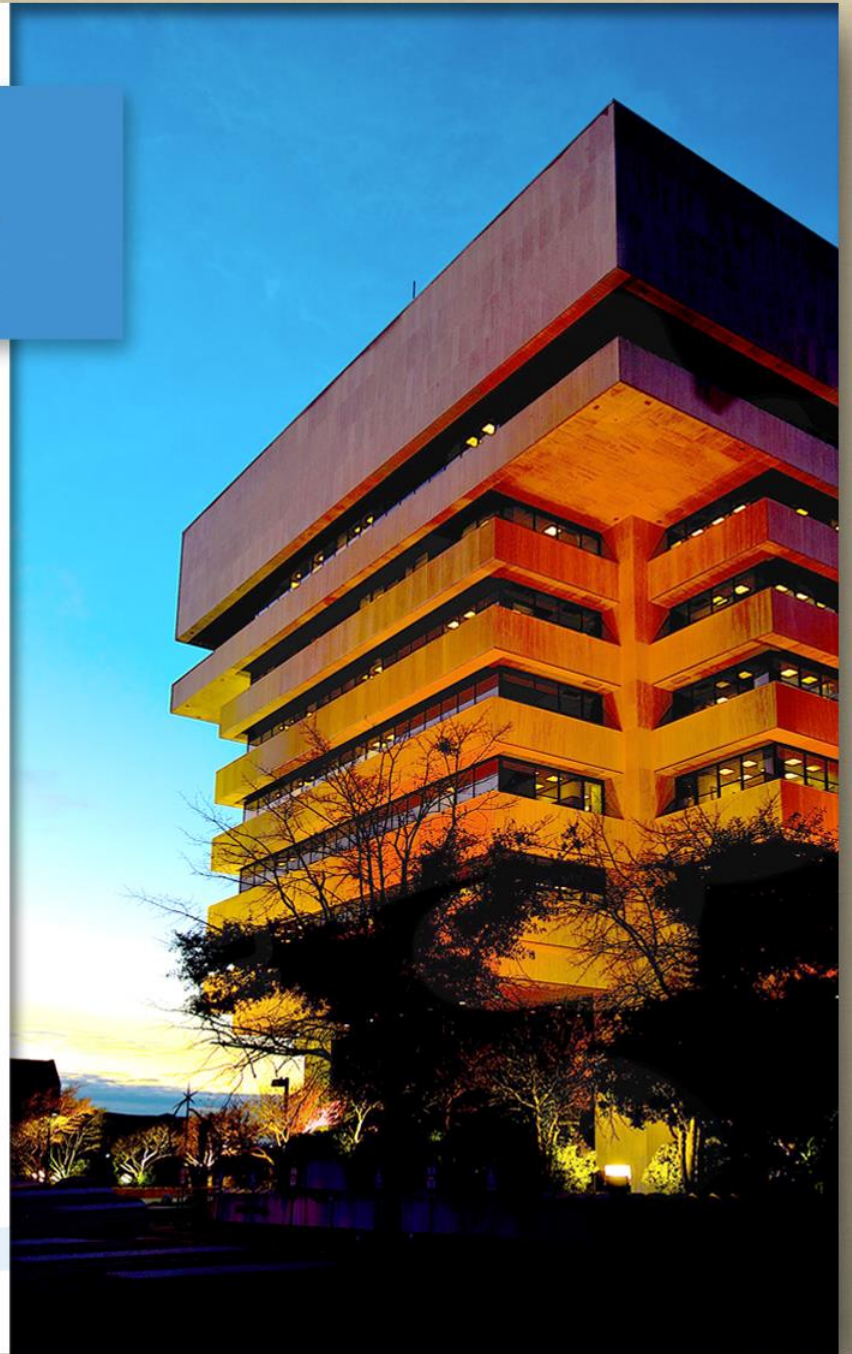
- ~\$320,000/yr (0.125%) debt service increase in FY20-21
- ~\$660,000/yr (0.250%) debt service increase in FY22-23
- ~\$820,000/yr (0.300%) debt service increase in FY24-25
- ~\$1.13M (0.400%) debt service increase in FY26
- \$1.50 room night fee dedicated to Tourism Initiative
  - \$1.00 fee increase
  - \$0.50 dedication of existing fee
- All projects fully funded by FY24 based on current cost estimates

## 2. \$46.15 million

- ~\$320,000 (0.125%) debt service increase each year FY20-26
- \$1.50 room night fee dedicated to Tourism Initiative
  - \$1.00 fee increase
  - \$0.50 dedication of existing fee
- All projects fully funded by FY23 based on current cost estimates

# HAMPTON VA

## Project Updates



# Downtown Seafood

- Committed to \$1.5 million to support capital campaign
- Additional infrastructure work likely needed

# Downtown Development

- Requested City support = \$600,000
- Land sale proceeds would go to Economic Development Fund for future economic development projects

# Buckroe Bay Front Infrastructure

- RFQ responses received
- Process moving forward



# Aquatics Center

- Potential Partners
  - HU – discussions ongoing
  - Langley AFB – interested, subject to approval by the Secretary of the Air Force
    - Any financial support would likely be in the form of a “contract fee for service”
  - CNU – not interested at this time

# Police Academy

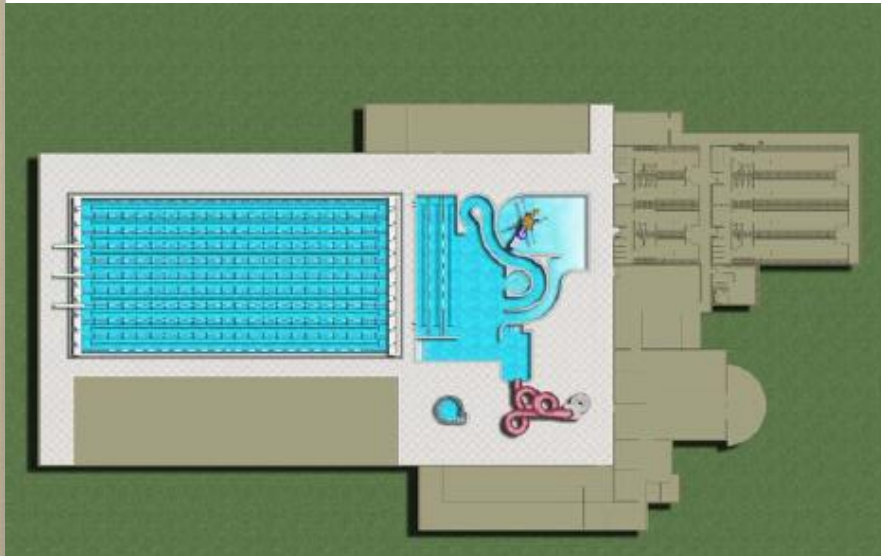
- Cost estimate based on acquisition and renovation of property on Research Drive
- Option could be to use Teen Center/Performing Arts Center Building (if do Aquatics Center)

# Aquatics Center Potential Option

Construction Cost Estimate (all in)	\$ 31,553,000
Design Funds Already Budgeted	(2,650,000)
Outdoor Splash Park	<u>(4,700,000)</u>
Adjusted Construction Costs	\$ 24,203,000

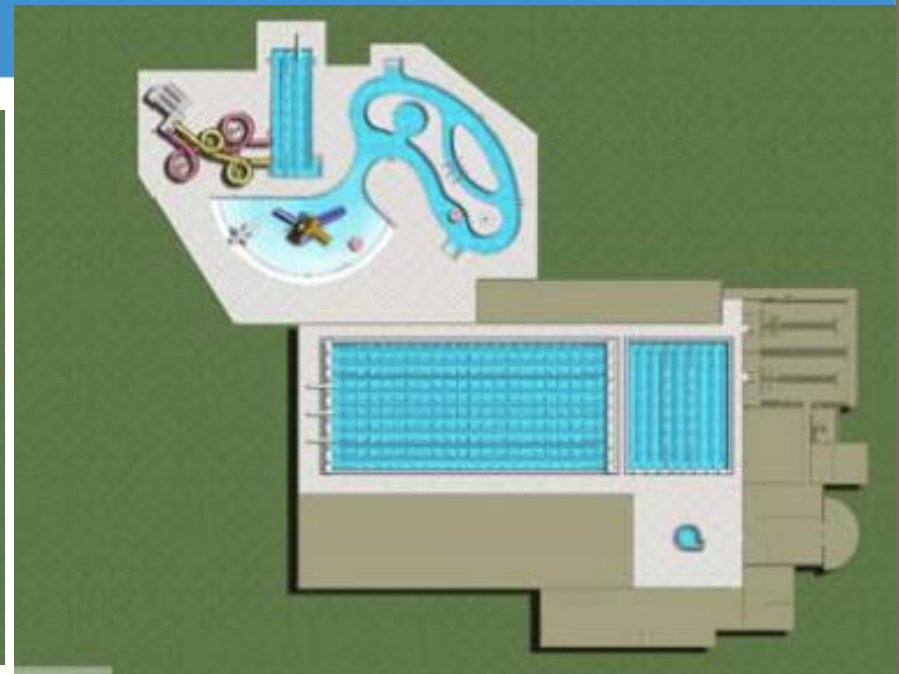
- Additional analysis needed to determine impact of removal of outdoor splash pad on project performance (operations & economic impact)
  - National recapture rate for an outdoor splash park component is 131%, which means they typically generate a profit
  - Best guess would be approx. \$90,000 increase in annual operating deficit
    - Loss in revenue could potentially be offset at some level by Wibit
- Savings from reallocating annual operating cost for aquatics operation at the Performing Arts Center to new Aquatics Center = \$188,441 (based on FY18 budget)
- Arts & Other Programing at Performing Arts Center would be relocated to the New American Theater
- HPD Academy would move into Performing Arts Center building

# Aquatics Center Comparison



## **Option 1 (\$28,006,000)**

- 50 meter competition pool
- 1m & 3m springboard
- 2 bulkheads
- 1000 seats
- Leisure pool (indoor) + lap lanes
- Multipurpose room
- Kitchen



## ***Recommended Option (\$31,553,000)***

- 50 meter competition pool
- 1m & 3m springboard
- 2 bulkheads
- 1500 seats
- Teaching pool (8 lane x 25yard)
- Leisure pool (outdoor) & waterslides
- Multipurpose room & kitchen
- Team room

# Public Works Operations Center

- Updated Relocation Cost Estimate = \$49.8 million
  - General Fund = \$10.4 million
  - Fleet = \$20.0 million (52% General Fund)
  - Stormwater = \$6.0 million
  - Wastewater = \$6.6 million
  - Solid Waste = \$6.8 million
- Rehab existing site = \$2.0 million
  - Minimum needed – would extend life of the facility 10 years

# Project Options

- **Three Options**
  1. **\$74.65 million with Aquatics**
  2. **\$74.65 million without Aquatics**
    - **\$9.15 million for other Tourism Initiative**
  3. **\$46.15 million without Aquatics**
    - **\$9.15 million for other Tourism Initiative**

# Summary of Options

#	Project	Council Weighted Score	Citizen High/Moderate	Citizen Not a Priority	Original Funding Request	Revised Funding Target	\$74.65 M Scenario Option 1	\$74.65 M Scenario Option 2	\$46.15 M Scenario Option 3
1	Buckroe Bayfront Redevelopment Acquisition	19	48%	18%	5,058,120	2,000,000		2,000,000	
2	Downtown Seafood & Other Initiatives (Options include Downtown Development, Downtown Acquisition & Bright's Creek)	19	61%	13%	12,000,000	10,000,000	9,000,000	10,000,000	5,000,000
3	Housing Improvement Fund	19	61%	11%	2,800,000	2,800,000	1,400,000	2,800,000	2,800,000
4	Housing Redevelopment Fund	18	74%	7%	2,137,920	2,137,920	1,213,400	2,137,920	2,137,920
5	Buckroe Bayfront Area Infrastructure	17	50%	15%	9,100,000	500,000	500,000	500,000	500,000
6	Infill Development	17	65%	12%	236,600	236,600	236,600	236,600	236,600
7	Downtown Development	16	55%	13%	6,000,000	incl. #2	incl. #2	incl. #2	incl. #2
8	Sports Tourism Facility (Crossroads Amateur Sport)	16	45%	32%	30,000,000	29,000,000	27,500,000	9,150,000	9,150,000
9	Coliseum Drive Redevelopment	15	53%	16%	35,000,000	15,000,000	15,000,000	15,000,000	15,000,000
10	Greater Buckroe Redevelopment Acquisition	15	39%	21%	2,053,000	2,053,000		2,053,000	
11	Downtown Acquisition	14	41%	21%	6,865,000	incl. #2	incl. #2	incl. #2	incl. #2
12	Pressey Otley Development	14	37%	22%	325,000	325,000		325,000	
13	Crossroads Parking Expansion	14	28%	27%	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
14	Hampton Roads Center Business District Infrastructure	14	29%	29%	1,100,000	1,100,000	1,100,000	1,100,000	
15	Bright's Creek Initiative (including Riprap on ramp)	14	58%	14%	7,500,000	incl. #2	incl. #2	7,500,000	incl. #2
16	Magruder Blvd Landscape Improvements	13	19%	43%	500,000	500,000			
17	Buckroe Boardwalk Renovation	21	incl. Park Maint		550,000	Park Maint.	Park Maint.	Park Maint.	Park Maint.
18	911/EOC Center	21	77%	5%	2,200,000	Base CIP	Base CIP	Base CIP	Base CIP
19	Virginia Air & Space Center (VASC) Capital Campaign	19	45%	17%	1,300,000	1,000,000	1,000,000	1,000,000	1,000,000
20	Enhanced Park Maintenance (Gosnold, Briarfield, etc)	19	67%	5%	11,350,000	5,000,000	5,000,000	5,000,000	2,500,000
21	Police Academy	19	71%	7%	1,700,000	2,800,000	-	2,800,000	2,800,000
22	Park improvement and Place Making (general)	18	27%	30%	300,000	300,000	300,000	300,000	225,480
23	War Memorial Stadium	18	48%	15%	4,300,000	2,400,000	2,400,000	2,400,000	2,400,000
24	Social Services Building Replacement	17	56%	15%	12,000,000	5,000,000	3,000,000	3,000,000	
25	Dutch Dialogue/Central Park	17	28%	28%	2,000,000	Home Elev.	Home Elev.	Home Elev.	Home Elev.
26	PW Operations Center	16	71%	8%	19,150,000	49,800,000			
27	Downtown Promenade	16	32%	34%	100,000	100,000	100,000	100,000	
28	Neighborhood Improvement Fund	16	60%	14%	450,000	450,000		347,480	
29	Kecoughtan Corridor Acquisitions	14	43%	22%	4,500,000	4,500,000	4,500,000	4,500,000	
30	Neighborhood Pools	13	56%	18%	5,000,000	2,500,000			
<b>Total</b>					<b>187,975,640</b>	<b>141,902,520</b>	<b>74,650,000</b>	<b>74,650,000</b>	<b>46,150,000</b>

# Option 1 - Funding Schedule

## ~ \$74.65 Million With Aquatics ~

#	Projects	Option 1	2018	2019	2020	2021	2022	2023	2024
1	Buckroe Bayfront Redevelopment Acquisition								
2	Downtown Seafood & Other Initiatives (Downtown Development, Downtown Acquisition & Bright's Creek)	9,000,000		3,000,000	2,000,000	4,000,000			
3	Housing Improvement Fund	1,400,000	280,000	280,000	280,000	280,000	280,000		
4	Housing Redevelopment Fund	1,213,400	242,680	242,680	242,680	242,680	242,680		
5	Buckroe Bayfront Area Infrastructure	500,000		500,000					
6	Infill Development	236,600	236,600						
7	Downtown Development	incl. #2							
8	Sports Tourism Facility (Crossroads Amateur Sport)	27,500,000	9,150,000					18,350,000	
9	Coliseum Drive Redevelopment	15,000,000			7,500,000	7,500,000			
10	Greater Buckroe Redevelopment Acquisition								
11	Downtown Acquisition	incl. #2							
12	Pressey Otley Development								
13	Crossroads Parking Expansion	2,400,000				2,400,000			
14	Hampton Roads Center Business District Infrastructure	1,100,000				1,100,000			
15	Bright's Creek Initiative (including Riprap on ramp)	incl. #2							
16	Magruder Blvd Landscape Improvements								
17	Buckroe Boardwalk Renovation	Park Maint.							
18	911/EOC Center	Base CIP							
19	Virginia Air & Space Center (VASC) Capital Campaign	1,000,000	1,000,000						
20	Enhanced Park Maintenance (Gosnold, Briarfield, etc)	5,000,000		1,000,000	1,500,000	2,500,000			
21	Police Academy	-							
22	Park improvement and Place Making (general)	300,000	300,000						
23	War Memorial Stadium	2,400,000	600,000	1,800,000					
24	Social Services Building Replacement	3,000,000							3,000,000
25	Dutch Dialogue/Central Park	Home Elev.							
26	PW Operations Center								
27	Downtown Promenade	100,000	100,000						
28	Neighborhood Improvement Fund								
29	Kecoughtan Corridor Acquisitions	4,500,000							4,500,000
30	Neighborhood Pools								
<b>Total</b>		<b>74,650,000</b>	<b>11,909,280</b>	<b>6,822,680</b>	<b>11,522,680</b>	<b>18,022,680</b>	<b>522,680</b>	<b>18,350,000</b>	<b>7,500,000</b>

Aquatics Center could be financed earlier with a short term interest only note during construction with the debt service covered by the proceeds of the \$1.50 hotel fee. Capacity for permanent financing available in 2023. 15



# Option 2 - Funding Schedule

## ~ \$74.65 Million Without Aquatics ~

#	Projects	Option 2	2018	2019	2020	2021	2022	2023	2024
1	Buckroe Bayfront Redevelopment Acquisition	2,000,000			2,000,000				
2	Downtown Seafood & Other Initiatives (Downtown Development, Downtown Acquisition & Bright's Creek)	10,000,000			5,000,000	5,000,000			
3	Housing Improvement Fund	2,800,000		560,000	560,000	560,000	560,000	560,000	
4	Housing Redevelopment Fund	2,137,920		427,584	427,584	427,584	427,584	427,584	
5	Buckroe Bayfront Area Infrastructure	500,000		500,000					
6	Infill Development	236,600	236,600						
7	Downtown Development	incl. #2							
8	Sports Tourism Facility (Crossroads Amateur Sport)	9,150,000	9,150,000						
9	Coliseum Drive Redevelopment	15,000,000				7,500,000		7,500,000	
10	Greater Buckroe Redevelopment Acquisition	2,053,000		1,053,000				1,000,000	
11	Downtown Acquisition	incl. #2							
12	Pressey Otley Development	325,000						325,000	
13	Crossroads Parking Expansion	2,400,000				2,400,000			
14	Hampton Roads Center Business District Infrastructure	1,100,000				1,100,000			
15	Bright's Creek Initiative (including Riprap on ramp)	7,500,000						4,000,000	3,500,000
16	Magruder Blvd Landscape Improvements								
17	Buckroe Boardwalk Renovation	Park Maint.							
18	911/EOC Center	Base CIP							
19	Virginia Air & Space Center (VASC) Capital Campaign	1,000,000	1,000,000						
20	Enhanced Park Maintenance (Gosnold, Briarfield, etc)	5,000,000		1,000,000		4,000,000			
21	Police Academy	2,800,000		2,800,000					
22	Park improvement and Place Making (general)	300,000				300,000			
23	War Memorial Stadium	2,400,000	600,000	1,800,000					
24	Social Services Building Replacement	3,000,000						3,000,000	
25	Dutch Dialogue/Central Park	Home Elev.							
26	PW Operations Center								
27	Downtown Promenade	100,000				100,000			
28	Neighborhood Improvement Fund	347,480		347,480					
29	Kecoughtan Corridor Acquisitions	4,500,000							4,500,000
30	Neighborhood Pools								
<b>Total</b>		<b>74,650,000</b>	<b>10,986,600</b>	<b>8,488,064</b>	<b>7,987,584</b>	<b>21,387,584</b>	<b>987,584</b>	<b>16,812,584</b>	<b>8,000,000</b>

# Option 3 - Funding Schedule

## ~ \$46.15 Million Without Aquatics ~

#	Project	Option 3	2018	2019	2020	2021	2022	2023
1	Buckroe Bayfront Redevelopment Acquisition							
2	Downtown Seafood & Other Initiatives (Downtown Development, Downtown Acquisition & Bright's Creek)	5,000,000			5,000,000			
3	Housing Improvement Fund	2,800,000		560,000	560,000	560,000	560,000	560,000
4	Housing Redevelopment Fund	2,137,920		427,584	427,584	427,584	427,584	427,584
5	Buckroe Bayfront Area Infrastructure	500,000		500,000				
6	Infill Development	236,600	236,600					
7	Downtown Development	incl. #2						
8	Sports Tourism Facility (Crossroads Amateur Sport)	9,150,000	9,150,000					
9	Coliseum Drive Redevelopment	15,000,000				15,000,000		
10	Greater Buckroe Redevelopment Acquisition							
11	Downtown Acquisition	incl. #2						
12	Pressey Otley Development							
13	Crossroads Parking Expansion	2,400,000				2,400,000		
14	Hampton Roads Center Business District Infrastructure							
15	Bright's Creek Initiative (including Riprap on ramp)	incl. #2						
16	Magruder Blvd Landscape Improvements							
17	Buckroe Boardwalk Renovation	Park Maint.						
18	911/EOC Center	Base CIP						
19	Virginia Air & Space Center (VASC) Capital Campaign	1,000,000	1,000,000					
20	Enhanced Park Maintenance (Gosnold, Briarfield, etc)	2,500,000		1,000,000		1,500,000		
21	Police Academy	2,800,000		2,800,000				
22	Park improvement and Place Making (general)	225,480				225,480		
23	War Memorial Stadium	2,400,000	600,000	1,800,000				
24	Social Services Building Replacement							
25	Dutch Dialogue/Central Park	Home Elev.						
26	PW Operations Center							
27	Downtown Promenade							
28	Neighborhood Improvement Fund							
29	Kecoughtan Corridor Acquisitions							
30	Neighborhood Pools							
<b>Total</b>		<b>46,150,000</b>	<b>10,986,600</b>	<b>7,087,584</b>	<b>5,987,584</b>	<b>20,113,064</b>	<b>987,584</b>	<b>987,584</b>

# Key Questions

- Which debt capacity Scenario do you prefer?
  1. \$74.65 million
  2. \$46.15 million
- What Option do you prefer?
  1. \$74.65 million with Aquatics
  2. \$74.65 million without Aquatics
    - \$9.15 million for other Tourism Initiative
  3. \$46.15 million without Aquatics
    - \$9.15 million for other Tourism Initiative
- Do you have any changes to project funding options?

# HAMPTON VA

## Questions

