

EVANSTON, ILLINOIS

Robert Crown Community Center

Project Update

February 19, 2017



PROJECT SCHEDULE

- **February 19:** Funding discussion
- **February 26:** Construction manager contract, MOU discussion (tentative)
- **Summer 2018:** Building construction begins
- **September 2019:** Building opens, demolition and site work begins
- **July 2020:** Fields open

FUNDRAISING UPDATE

As of September 25:

- Funds pledged and collected - **\$9.4 million**
- Estimated Project Cost - **\$40-46 million**

Now:

- Funds pledged and collected – **\$11.1 million**
(to be received by end of 2023)
- Revised fundraising goal – **\$15 million**
- **Estimated Project Cost - \$48.5 million**

PROJECT COSTS

Estimated Project Cost - \$48.5 Million

Expenditures	2016	2017	2018	2019	2020	Total
Fundraising - Contractual Services	\$355,000	\$374,458	\$34,000			\$763,458
Architectural/Engineering		\$638,727	\$1,718,355	\$315,372	\$236,529	\$2,908,983
Construction Manager/ Construction Costs			\$16,229,085	\$20,441,575	\$4,062,500	\$40,733,160
Material Testing			\$15,000	\$45,000	\$15,000	\$75,000
Furniture/Fixtures/ Equipment				\$1,200,000		\$1,200,000
Additional Costs/Contingencies			\$593,824	\$1,660,736	\$605,552	\$2,860,112
Total Expenditures	\$355,000	\$1,013,185	\$18,590,264	\$23,662,683	\$4,919,581	\$48,540,713

PROJECT COSTS

Sources of cost increase

- Subsoil issues discovered
- Preliminary design documents completed
- Construction manager preliminary pricing received and reviewed
- Rise in cost of labor and materials (inflation)

FUNDING CONSIDERATIONS

- Aggressive construction timeline – Building open by September 2019
- Cash flow to match construction needs in 2018-2019
- Timing of donations – Pledge agreements to 2025
- Project risks – cost overruns, subsoil issues
- Despite second sheet of ice bringing increased revenue, operations will still not be completely covered by user fees

OPERATING REVENUES/EXPENSES

	Current Crown	New Crown	
Revenue	2017	2020	2021
Ice Rink and Camp Program Revenues	1,050,000	2,056,262	2,056,262
Community Center Program Revenues	380,000	395,253	395,253
Total Revenue	1,430,000	2,451,515	2,451,515
Expenditures			
Ice Rink Program Expenses	1,261,671	1,720,590	1,755,002
Community Center Program Expenses	912,153	1,009,226	1,029,410
Transfer to Crown Maintenance Fund	-	200,000	200,000
Total Expenditures	2,173,824	2,929,816	2,984,413
Net Operating Deficit	(743,824)	(478,301)	(532,897)

FUNDING PLAN

SOURCES	2016	2017	2018	2019	2020-2025	Total
City Funding						
City Bond Proceeds	\$1,000,000	\$900,000	\$22,500,000	\$11,000,000		\$35,400,000
Library Bond Proceeds			\$1,250,000	\$1,250,000		\$2,500,000
Transfer Parking Fund			\$1,500,000			\$1,500,000
Transfer Sewer Fund			\$1,000,000			\$1,000,000
Subtotal	\$1,000,000	\$900,000	\$26,250,000	\$12,250,000		\$40,400,000
Friends of Crown Funding						
Pledges Paid		\$2,497,902	\$2,464,404	\$1,996,645	\$3,356,923	\$10,315,874
Subtotal		\$2,497,902	\$2,464,404	\$1,996,645	\$3,356,923	\$10,315,874
Total Sources	\$1,000,000	\$3,397,902	\$28,714,404	\$14,246,645	\$3,356,923	\$50,715,874
	2016	2017	2018	2019	2020	
Total Uses	\$355,000	\$1,013,185	\$18,590,264	\$23,662,683	\$5,025,360	
Ending Cash Balance	\$645,000	\$3,029,717	\$13,153,857	\$3,737,819	\$2,069,382	

ADVANTAGES OF FUNDING PLAN

- One-time increase to Debt Service Levy to cover project
- Cash balance throughout construction schedule to manage risk of cost overruns
- \$12.25 million issuance in 2019 – callable at 5 years
 - Only pay interest on first 5 years
 - At 2023, pay down principal as possible from pledges; refinance remaining into 25-year bonds
 - Allows for maturation of pledges

IMPACT ON OVERALL DEBT

- \$1.5 million (14.5%) one-time increase in annual debt service
- Allows for approximately \$9 million in other G.O. bond projects annually (similar to previous years)
- Does not include additional bond proceeds for library renovation
- No CIP bond issue in 2023
- Need to increase limit on tax-supported General Obligation debt
 - Current limit = \$113 million
 - Current debt amount = \$112.67 million
 - Based on projections, need to increase to \$150 million

IMPACT ON PROPERTY TAX LEVY

Annual Percentage Increase

City/Library Combined Tax Levy

2013 Levy	2014 Levy	2015 Levy	2016 Levy	2017 Levy
(2014 Budget)	(2015 Budget)	(2016 Budget)	(2017 Budget)	(2018 Budget)
1.25%	1.20%	1.84%	2.46%	2.52%

IMPACT ON PROPERTY TAX LEVY

- 2017 Total City and Library Tax Levy (2018 Budget)

\$47,761,413

- Increase from 2016 Levy = **\$1,173,654 = 2.52%**
 - \$410,000 new Solid Waste Levy
 - 5% increase to Library Operations Levy
 - 2.3% increase to Police/Fire Pension Levy

IMPACT ON PROPERTY TAX LEVY

- Expected 2018 Total City and Library Tax Levy (2019 Budget)

\$50,113,830

- Increase from 2017 Levy = **\$2,352,417 = 4.93%**
 - 14.5% increase to Debt Service Levy
 - 1% increase to General City Levy
 - \$410,000 increase to Solid Waste Levy
 - 1% increase to Library Operations Levy
 - 1.3% increase to Police/Fire Pension Levy

IMPACT ON PROPERTY TAX LEVY

- Expected 2019 Total City and Library Tax Levy (2020 Budget)

\$51,561,357

- Increase from 2017 Levy = **\$1,447,527 = 2.89%**
 - 1.8% increase to Debt Service Levy
 - 1.5% increase to General City Levy
 - \$512,500 increase to Solid Waste Levy
 - 2% increase to Library Operations Levy
 - 2.1% increase to Police/Fire Pension Levy

IMPACT ON PROPERTY TAX LEVY

Estimated Tax Increase - Crown Project Only					
	2017 LEVY	2018 LEVY		2019 LEVY	
Market Value of Property	Estimated City Tax	Projected City Tax	AMOUNT OF INCREASE	Projected City Tax	AMOUNT OF INCREASE
\$100,000	\$510.68	\$527.53	\$16.85	\$531.23	\$3.69
\$200,000	\$1,021.36	\$1,055.07	\$33.70	\$1,062.45	\$7.39
\$400,000	\$2,042.73	\$2,110.14	\$67.41	\$2,124.91	\$14.77
\$600,000	\$3,064.09	\$3,165.20	\$101.11	\$3,187.36	\$22.16
\$800,000	\$4,085.45	\$4,220.27	\$134.82	\$4,249.81	\$29.54
\$1,000,000	\$5,106.81	\$5,275.34	\$168.52	\$5,312.27	\$36.93
			3.30%		0.70%
	City Tax Percentage Increase	City Tax Percentage Increase		City Tax Percentage Increase	
	1.0252	1.033		1.007	

IMPACT ON PROPERTY TAX LEVY

- Estimated City tax increase - Inclusive of Police/Fire Pension, Solid waste, etc.

	2017 LEVY	2018 LEVY		2019 LEVY	
Market Value of Property	Estimated City Tax	Projected City Tax	AMOUNT OF INCREASE	Projected City Tax	AMOUNT OF INCREASE
\$100,000	\$510.68	\$535.86	\$25.18	\$551.34	\$15.49
\$200,000	\$1,021.36	\$1,071.72	\$50.35	\$1,102.69	\$30.97
\$400,000	\$2,042.73	\$2,143.43	\$100.71	\$2,205.38	\$61.95
\$600,000	\$3,064.09	\$3,215.15	\$151.06	\$3,308.07	\$92.92
\$800,000	\$4,085.45	\$4,286.86	\$201.41	\$4,410.76	\$123.89
\$1,000,000	\$5,106.81	\$5,358.58	\$251.77	\$5,513.44	\$154.86
			4.93%		2.89%

Questions?

GENERAL OBLIGATION DEBT

- Projections presented include \$9 million in other G.O. bond capital for 2018
- Average issuance 2010-2017: \$7.4 million
- 3-R-18 – G.O. Bond Reimbursement Resolution
 - \$6.48 million Crown Center
 - \$2.1 million Library
 - \$12.2 million Other Capital
- 2018 Adopted Budget – includes additional \$8 million for Main Library Renovation

GENERAL OBLIGATION DEBT

Year	City G.O. Debt	Library G.O. Debt	Crown Project
2018 (3-R-18)*	12,202,000	2,095,000**	6,480,000
2017	10,495,000	1,380,000	900,000
2016	8,220,000	650,000	1,000,000
2015	7,375,000		
2014	8,895,000		
2013	8,380,000		
2012	4,210,000		
2011	5,120,000		
2010	6,500,000		

*2018 - According to Reimbursement Resolution 3-R-18 dated 1/22/18. This does not include the proposal contained in this presentation

**2018 Adopted Budget includes an additional \$8M for Main Library Renovation