

# EVANSTON, ILLINOIS

## Robert Crown Community Center

### Project Update

February 19, 2018



# 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

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

# 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
<b>Total Revenue</b>	<b>1,430,000</b>	<b>2,451,515</b>	<b>2,451,515</b>
<b>Expenditures</b>			
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
<b>Total Expenditures</b>	<b>2,173,824</b>	<b>2,929,816</b>	<b>2,984,413</b>
<b>Net Operating Deficit</b>	<b>(743,824)</b>	<b>(478,301)</b>	<b>(532,897)</b>

# FUNDING PLAN

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



# 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

<b>2013 Levy</b>	<b>2014 Levy</b>	<b>2015 Levy</b>	<b>2016 Levy</b>	<b>2017 Levy</b>
(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
			<b>3.30%</b>		<b>0.70%</b>
	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.

	<b>2017 LEVY</b>	<b>2018 LEVY</b>		<b>2019 LEVY</b>	
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
			<b>4.93%</b>		<b>2.89%</b>



# 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
<b>2018 (3-R-18)*</b>	12,202,000	2,095,000**	6,480,000
<b>2017</b>	10,495,000	1,380,000	900,000
<b>2016</b>	8,220,000	650,000	1,000,000
<b>2015</b>	7,375,000		
<b>2014</b>	8,895,000		
<b>2013</b>	8,380,000		
<b>2012</b>	4,210,000		
<b>2011</b>	5,120,000		
<b>2010</b>	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