

This is the outline I would like Brian Kelley to fill in for the presentation, and be prepared to address questions that arise from it.

Start with a review of the Capital Projects Budget information for this project presented on page 161. For FY 2016 - \$242,000 of General Revenue plus \$758,000 in Park Fees equate to the \$1.0m budget for FY 2016 (The balance of the General Revenue, \$618,000, was made available from a grant that is for project costs adjacent to and associated with the HCT budget).

- What took the cost of the project from \$2.2m in approved appropriations in June to \$4.0m in this re-allocation request just 2 months later, an 82% increase?
  - At the time the budget was prepared and adopted much of the design was not complete and the cost was unknown. We recommended appropriation of another \$600,000 from grant sources because that is the amount we thought would be available at the time. We thought that we may be in the ball park range for the budget, but we also realized that we may need to come back later and add to it if other sources of revenue were needed. We did not anticipate it coming in at \$4.0m. This wasn't even clear until recently when an estimator from Layton Construction provided this number.
- If the cost of the project was always expected to be \$4.0m, why did the budget not reflect that?
  - We did not expect the cost to be around \$4.0m. We thought it may come in higher than what was budgeted, and that we may need to request a budget amendment from the Council in the future at carryover time or sooner, if necessary.

Related questions:

- What is the current average cost per foot to construct a Sandy park?
  - Naturally, this depends on the uses of the park and the amenities include therein. Depending on the size of the park and what amenities makes it difficult to come up with a standard cost per acre. Parks that the City has developed to date have ranged between \$200,000 and \$350,000 per acre for development of park space. This does not include land acquisition. The most recent parks space development has been the Cemetery expansion at cost of \$206,000 per acre. The square foot cost range for developed parks to date is between \$4.60 to \$8.00. Development of park space that is predominantly blue grass is much less expensive than park space that includes more expensive amenities such as hard scape and water features.
- What is the current average cost per foot to maintain Sandy parks?
  - This can vary widely as well due to the use of the space and the amenities at the park. The Parks Division calculated their total Parks Division budget and their total acres maintained to arrive at a cost of \$10,542 per acre. Note, this includes all parks division activities events, trails, snow removal, etc. and equates to about 24 cents per square foot.
- What is the estimated annual maintenance for this park?
  - According to the Parks Division a conservative estimate for annual maintenance of the plaza is \$51,400 or about \$1.18 per square foot – which includes the cost of running the water feature year-round. This number will be revised based on information from project engineers. The power and the gas estimates are difficult to arrive at this time.

- What maintenance participation obligation does Hale have for the park (CAM)?
  - This will be a City owned and operated plaza.
- What condition standard, if any, is Sandy committing to?
  - Our own standard, maintained at a very high level. This will be similar to the splash pad or City Hall and will include daily site visits and daily maintenance.

#### Turn presentation to Funding Memo

- The 8/3/16 Additional Funding Memo does not tie back to the approved budget. The budget shows \$1.658m appropriated in 2016 versus just \$1.0m in the memo.
  - What accounts for this difference?
    - The amount appropriated in the FY 2016 budget was \$1.618m. \$618,000 was made available from a grant intended for the theatre budget and not the plaza. That is why the memo only represents the \$1.0m available for the plaza.
- The memo indicates the State Appropriation and Quarry Bend monies are currently held in the Capital Projects Fund.
  - Which projects are they currently appropriated to?
    - They are not appropriated to any projects; they are in Capital Projects fund balance. The \$2.6m is shown in Capital Projects fund balance on page 19 of the Budget Document. The Quarry Bend monies were just received around June 1st and are now in fund balance.
  - What condition or constraints are there on spending either monies?
    - The \$2.6m is the remainder from a State Legislative appropriation of \$6.25m intended to be used in the central business district area (now Cairns) for these types of projects. At the time of the appropriation the City was contemplating building its own theater. The balance of the monies was spent on the land where the Hale Centre Theatre and Plaza are being constructed. As for the Quarry Bend monies – there are no restrictions; however, using these funds on a park plaza fits nicely with the original intention of the money. These monies came from a developer that originally agreed to gift land for a park, but later altered the agreement to gift money in lieu of park land. The monies were just recently collected – long after all park area improvements were complete. No other restrictions apply.
- The Additional Funding request seems to free up at least \$658k for other projects.
  - What are the options for the use of these funds?
    - As mentioned above, \$618,000 of the General Revenues budgeted for the Plaza is intended for the Hale Centre Theatre construction project.
  - How was the determination made of which source (Genl Rev or Park Fees) to free up?
    - No sources are freed up because the \$618,000 is intended for Hale Centre Theatre.

#### What is the source of the Grant funding appropriated for 2017?

- This was a grant from the County or State that the City was pursuing.

#### Has the Grant been awarded?

- No, and the latest indication is that it may not materialize. This is why the \$600,000 amount was not included in the memo.

What are the conditions or constraints on spending?

- It was to be used for the Plaza but has not materialized yet. Constraints are unknown at this time.

Have funds been received? No. If not, when expected? Unknown, may not materialize.

Are these funds now freed up for spending on other projects?

- Not as of now. If received, it is expected that such funds would free up an equivalent amount, pending any constraints.

What indemnifications are being provided to or from Hale with respect to the operation of the Plaza?

- We are working to ensure clear delineation and sufficient attention to risks and safety between the theatre and the plaza. These talks are ongoing and will be evaluated and addressed as we move forward.