

AGENDA ITEM SUMMARY

DATE: 11/23/09 **DEPARTMENT:** Parks/Administration **DEPT. HEAD SIGNATURE:** HD

SUBJECT: Rodeo Grounds Fund Raising Brochure – approval of financial commitment from City

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

Architect Nick Latham has submitted a schedule of projected architectural costs for the Hailey Rodeo Park Project. Although he does not have firm numbers yet, (which will come soon with a contract for services), he has shown the components of the fee and an estimated cost of \$375,000. Council's discussion of that fee and agreement to go forward represents a substantial financial contribution to the project.

We have learned in our fundraising meetings that it is very important to donors to know that the City Council will contribute to the funding of the project. We would like to be able to assure donors of that, and have drafted some language into the solicitation brochure to that effect (see paragraph just below Janet Fugate's quote) We will need a motion from the council approving that language and authorizing it to be printed. Below, in Fiscal Impact and Project Financial Analyses, is some financial information that may help you approve that language.

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS:

Budget Line Item #	Capital Fund 120-50-41549
YTD Line Item Balance:	\$100,000 budgeted in 2009/10
Estimated Spent to Date:	\$ 8,000 spent in 2008/09

With a cost of up to \$6 million and a council pledge to match donations up to half of that amount, the city council must consider whether it is willing to pledge \$3 million to this project. Such a pledge could be made from several sources, combined in various ways.

Capital Fund – The current Capital Fund Balance is \$2.7 million. Half of that amount is earmarked for grant matches, including the future \$500,000 ICDBG grant match which will be filed late next year. It is within good prudence to consider \$1 million of the Capital Fund available for the Hailey Rodeo Park.

Grants - We have identified some grants for various components of the Rodeo Park project. As we apply for those grants, we will utilize the \$1 million identified above from the Capital Fund as matches to those grant requests. As such, that \$1 million could increase by a currently unknown amount, but perhaps as much as 100%.

G/O Bond - Hailey currently has no general bonded indebtedness, but has a debt capacity of \$25.6 million. A g/o bond measure for this project alone, or combined with other capital needs of the city, could be taken to voters in May 2010. If approved, that funding would be available by the proposed construction start date of July 6, 2010 with a payback of approximately 15 years.

Levy Override - Cities are allowed to put temporary (2-year) levy override measures before voters, or permanent levy overrides. This project amount could well be requested from voters through a 2-year override rather than a G/O bond, as the project is finite and relatively small, as capital projects go. With an override, no money would be paid for debt service and the required voter approval is a simple majority of ballots cast. Our current levy is approximately half of the .004 amount allowed by law. Voters could be asked to increase their taxes for 2-years to fund the difference between the donors funds and the capital funds and grants.

L.I. D. - This project could be funded through a city-wide Local Improvement District, assuming that the benefit to businesses and residences could be quantified and assessed through

an equal assessment. That process involves public hearings and direct mail notices, but no vote. The funding would be paid back through an LID bond through a 10-year period

The council does not need to choose funding combinations nor state preferred approaches at this time. Those details, and the effect on taxpayers, will be worked out in early April prior to calling a May election. At that time, we will know the success of a 4-month fundraising effort and can make those decisions with far more information, and can assess the pay-back time length to the taxpayer's benefit. The council simply needs to feel comfortable that some combination of these approaches will allow the city to pledge firm support for this project at this time.

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IF APPLICABLE)

<input type="checkbox"/> City Attorney	<input type="checkbox"/> Clerk / Finance Director	<input type="checkbox"/> Engineer	<input type="checkbox"/> Building
<input type="checkbox"/> Library	<input type="checkbox"/> Planning	<input type="checkbox"/> Fire Dept.	<input type="checkbox"/> _____
<input type="checkbox"/> Safety Committee	<input type="checkbox"/> P & Z Commission	<input type="checkbox"/> Police	<input type="checkbox"/> _____
<input type="checkbox"/> Streets	<input type="checkbox"/> Public Works, Parks	<input type="checkbox"/> Mayor	<input type="checkbox"/> _____

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

Move to approve (or amend) brochure language and authorize the city council to be represented as stated in a brochure mailed to all post office boxes throughout the region.

FOLLOW-UP REMARKS:

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HAILEY RODEO PARK

BROCHURE/BULK MAILING COST ESTIMATE

PO Boxes:	Hailey - 83333	5000
	Ketchum - 83340	9500
	Sun Valley - 83353	4000
	Bellevue - 83313	1000
	Picabo, Carey & Fairfield	1500
	Total Count	21,000
Bulk Permit Postage Costs		
	Permit Fee; valid for one mailing only	\$ 185
	Annl Permit Fee	185
	Non-Profit Rate @ \$.155 piece	3,255
	Total Postage Cost	\$ 3,625
Production Costs		
	Design and layout	\$ 550
	Brochure printing	1,740
	Enclosed return envelope design	130
	Enclosed return envelope printing	2,800
	Total production costs	\$ 5,220
	TOTAL COST	\$ 8,845

