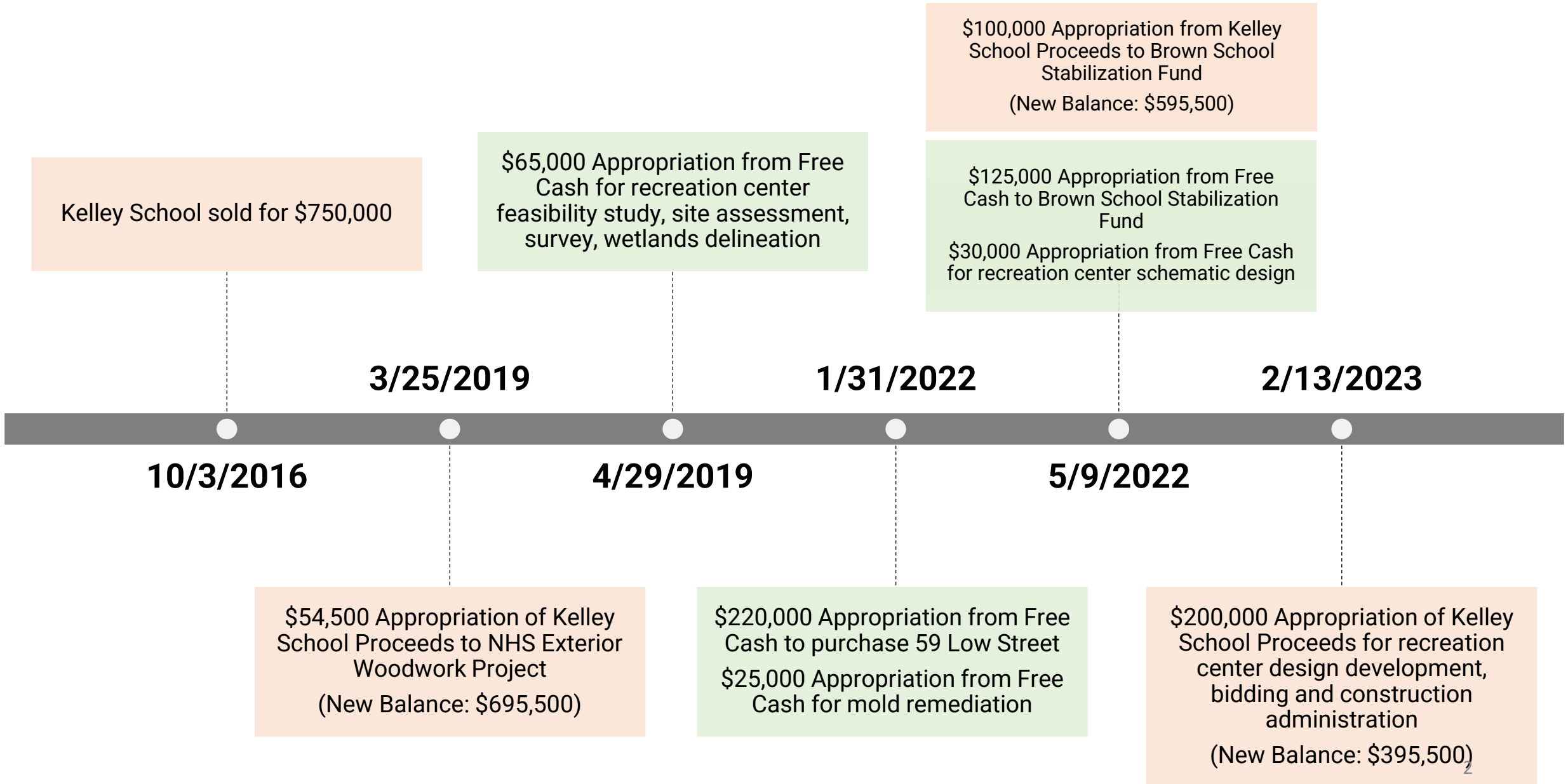


Recreation Center Proposal Funding Discussion

Community Services Committee

March 18, 2024

Funding History



Potential Funding Sources

- **Known/Likely:**
 - General Fund borrowing (within levy limit)
 - Kelley School sale proceeds (\$395,500)
 - National opioid settlement payments
 - Private donations
 - State earmark
- **To Be Determined:**
 - American Rescue Plan Act (ARPA) funds (\$967,675)
- **Potential but Less Likely:**
 - Grants (very limited for brick & mortar, but potential for targeted elements)
 - CPA (recreation category)
 - Facility fee (added to recreation program registrations)
 - Increases to local option taxes
 - Disposition of underutilized and/or vacant city properties

National Opioid Settlement Recoveries

Newburyport's Estimated Allocations


Payment Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Total	
Company / Year Ending	6/30/23	6/30/24	6/30/25	6/30/26	6/30/27	6/30/28	6/30/29	6/30/30	6/30/31	6/30/32	6/30/33	6/30/34	6/30/35	6/30/36	6/30/37	6/30/38	6/30/39		
Walmart	11,968	11,968	11,968	11,968	11,968	11,968												71,808	
Teva	7,374	7,374	7,374	7,374	7,374	7,374	7,374	7,374	7,374	7,374	7,374	7,374	7,374					95,864	
Allergan	8,159	8,159	8,159	8,159	8,159	8,159	8,159											57,111	
CVS	9,068	7,230	14,448	14,448	14,448	14,448	13,726	12,993	12,993	12,993								126,795	
Walgreens	10,639	7,023	7,023	7,023	7,023	7,023	7,023	10,639	10,639	10,639	10,639	10,639	10,639	10,639	10,639			137,888	
Johnson & Johnson	84,960				4,285	4,285	4,285	5,456	5,456	5,456								114,183	
Distributors	43,525	22,303	27,915	27,915	27,915	27,915	32,832	32,832	32,832	27,599	27,599	27,599	27,599	27,599	27,599	27,599	27,599	496,773	
Total	175,693	64,056	76,887	76,887	81,172	81,172	73,399	69,294	69,294	64,061	45,612	45,612	45,612	38,238	38,238	27,599	27,599	1,100,424	
																		<i>Average Annual Payment</i>	64,731
Already Paid to City																			

Funding Overview

Project Budget

Building Construction	\$4,238,732
Site Work/HazMat Removal	\$856,522
Sub-Total Building Construction & Site	\$5,095,254
General Conditions	\$606,991
Overhead & Fee	\$426,808
OPM	\$329,992
Bonds/Insurance/Permitting	\$208,397
Sub-Total Soft Costs & Allowances	\$1,572,187
Pedestrian Safety	\$243,000
Move Parks Division	\$106,700
Sub-Total Other Costs	\$349,700
Total Building Costs	\$7,017,140
10% Project Contingency	\$701,714
Total Budget Estimate	\$7,718,854

Funding Sources

Budget Estimate	\$7,718,854
Opioid Settlement Funds	\$1,000,000
Donations	\$500,000
Kelley School Proceeds	\$395,500
State Earmark	\$25,000
(-) Total Other Sources	\$1,920,500
(+) Rounding	\$1,646
	
= Net Borrowing Need	\$5,800,000
<i>Annual Debt Service</i>	<i>\$356,071</i>

Average of PM&C and South Coast cost estimates plus 10% contingency

Current + Potential Debt (Within Levy)

	Project Cost	Annual Debt Service
Current Debt	\$21,585,500	\$1,478,081
Streets & Sidewalks	\$3,175,000	\$285,563
Whittier Tech (2.3% of 150M)	\$3,450,000	\$211,801
NHS Roof A + Nock/Molin Roof*	\$1,989,026	\$132,418
Fire Rescue Pumper	\$800,000	\$71,953
Downtown Utilities (Design)**	\$433,333	\$52,763
Central Waterfront Bulkhead	\$500,000	\$44,971
Dispatch Center Renovation	\$670,000	\$41,132
City Hall Improvements	\$600,000	\$36,835
Plummer Spring Bridge	\$500,000	\$30,696
Waterfront Culvert	\$500,000	\$30,696
Brown School/Gym Renovations	\$500,000	\$30,696
Total Potential Debt	\$13,117,359	\$969,523
Current + Potential Debt	\$34,702,859	\$2,447,604
Recreation Center	\$5,800,000	\$356,071
Total Debt within Levy Limit	\$40,502,859	<u>\$2,803,675</u>
	2.5% Benchmark:	<u>\$2,839,811</u>
	Variance:	<u>\$36,136</u>

To be defrayed by remaining ARPA Funds (\$968K) based on recommendations of Ad Hoc Committee

**Note on Downtown Utilities:

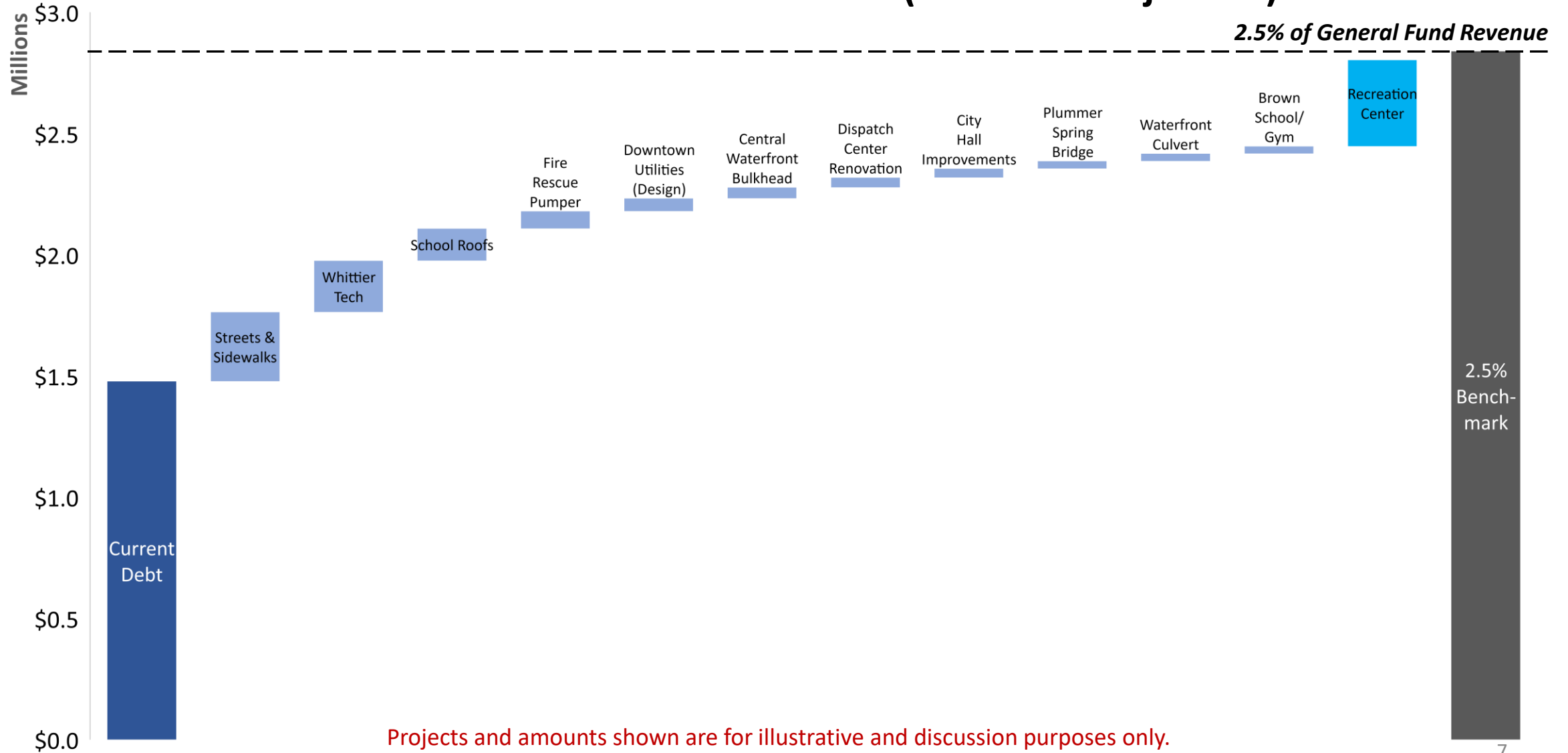
- \$200K currently appropriated for surveying of impacted areas
- \$1.3M estimated for design (borrowing) split by General Fund/Water/Sewer (\$433K each)
- \$15-20M estimated for construction would rely on funding from sources such as:
 - Federal funding for drinking water, wastewater and stormwater infrastructure upgrades
 - State clean water and drinking water revolving fund
 - District Improvement Financing (DIF) assessments – Waterfront West
 - Betterment/Stormwater Fees
 - Other Available Funds

*Assumes MSBA reimbursement of 43.6%

Projects and amounts shown are for illustrative and discussion purposes only.

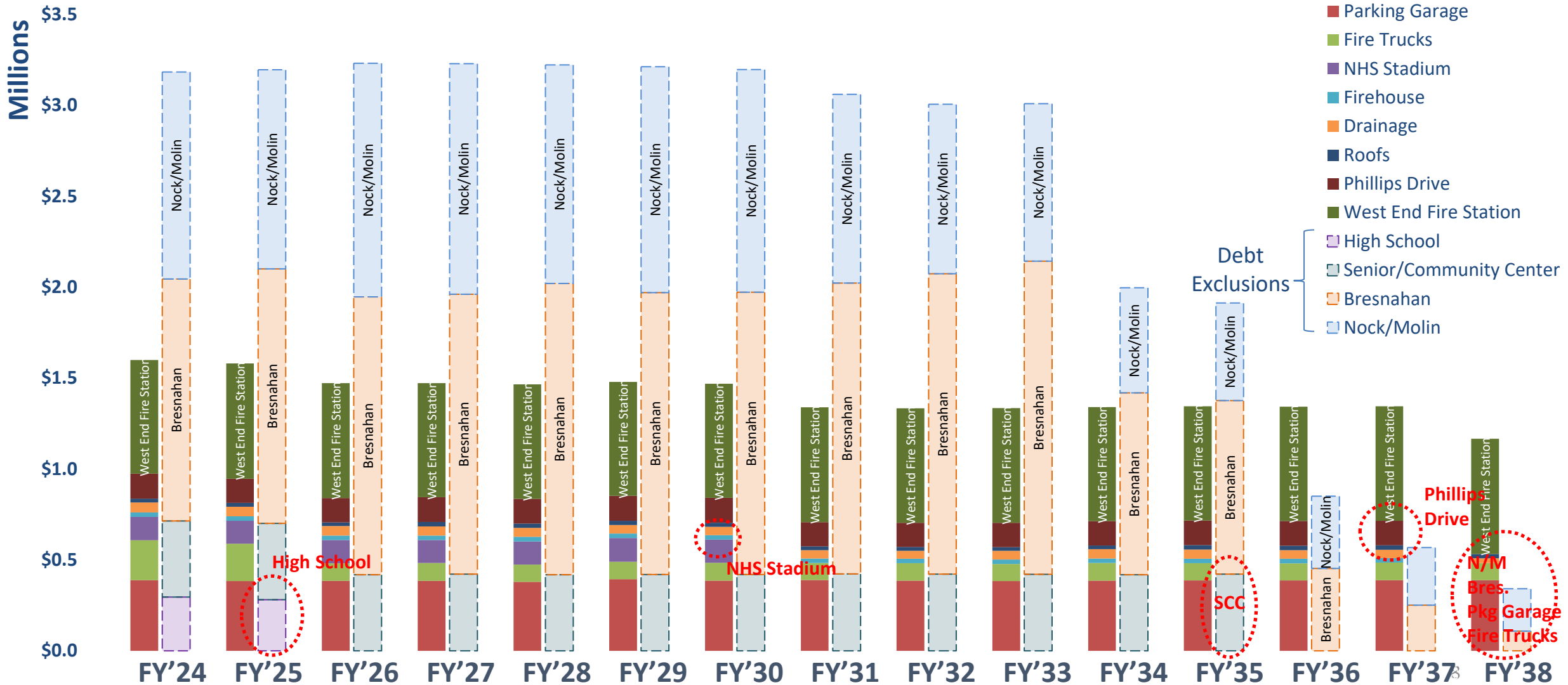
Current + Potential Debt (Within Levy)

General Fund Annual Debt Service (Five Year Projection)



Current General Fund Debt: Ordinary & Excluded

When does it start to roll-off?



Other Considerations

- Ongoing maintenance/future capital needs
 - Establish maintenance revolving fund for facility usage/programming fees similar to ones for Senior/Community Center (SCC), City Hall, Emma Andrews Library
- Carry utilities in annual operating budget
 - Based on the usage per square foot at the SCC (\$1.68/sf per year for 15.5K sf), the proposed recreation center (+/-11K sf) would cost approximately \$18K/year for heating, cooling and electricity