

Community Recreation Center



CITY OF
West
Linn

Funding A New Facility

Building a Community Recreation Center (Capital)

Large construction projects by public agencies are typically paid for using voter-approved bonds, which are most often repaid through a tax on property value. The concept level estimate, developed by DCM Cost Estimators, for all of the costs to build the Community Recreation Center totals between \$60-65.4 million. The range is a result of the contingencies included in the cost. These contingencies are based on real-world cost changes and design choices. To ensure that the building includes all the features described in this concept plan, one way to fund it would be to ask the voters to approve bonds for the full amount on the high end of the range \$65.4 million.

The City is looking for ways to keep this ask of the community's taxpayers to a minimum through the efficient design, construction, and operation of the center. It is important to note that the costs developed during the feasibility study are intentionally conservative and include escalation to the year of construction (for capital) or opening (for operations).

\$65.4 Million Capital Bond

- 20-year repayment
- 5% interest
- 1.18/\$1,000 in assessed value
- Example: \$427,090 average assessed value¹ of a home in West Linn
 - \$502 per year for the average home
 - \$42 per month for the average home

An alternate approach to funding would be to split the cost into two parts, a portion paid by bonds and the other for outside fundraising or cost reductions. One example, based on community input during this process, would be to ask voters to approve \$45 million in bonds and the City to find the \$20.4 million balance in other ways.

While this approach might initially seem more appealing, the challenge is the uncertainty. There is no guarantee that West Linn could secure \$20.4 million in donations and grants, and the process would be lengthy and require considerable effort by staff, elected officials, and the community.

¹ Assessed value is the amount used by the County Assessor to calculate your taxes, it is not the real market value or the purchase/sale price of the property. The increase in assessed value is limited by Oregon law and is generally much lower than the market value. Look up assessed value at: <https://maps.clackamas.us/maps/cmap>

\$45 Million Capital Bond

- 20-year repayment
- 5% interest
- 0.81/\$1,000 in assessed value
- Example: \$427,090 average assessed value of a home in West Linn
\$345 per year for the average home
\$29 per month for the average home

Additional Fundraising Options

- Grants
- Private donations
- State or Federal funding

Cost Savings Options

- Remove or delay specific features.

Target Goal: \$20.4 million

Operating and Maintaining a Community Recreation Center (Operations)

One major challenge of all public projects is the ongoing cost of operations and maintenance. The cost to operate and maintain the facility as it is currently conceptualized was developed by Ballard*King, a national expert in the operation of recreation facilities. This preliminary operations plan considers the operation of similar facilities locally and nationwide, accounting for the major costs, such as staffing and materials, and the revenue sources such as rentals, drop-in fees, and memberships. With both costs and revenues considered, the Community Recreation Center will need an average of \$1,055,000 per year. While not as large as the capital cost needs, the money for operations will continue or increase for every year the center is open. Similarly to the capital costs the City does not have money in the budget for the increased operations while simultaneously maintaining the current level of other recreational services. There are two options the City can consider for operating a future facility: a local option levy (property tax) or an increase in the Park Maintenance Fee (utility fee).

Local Option Levy for Operations

- Total funds needed: \$1,055,000
- Requires voter approval
- 5-year maximum duration, would need to be renewed after that
- \$0.24/\$1,000 in assessed value
- Example: \$427,090 average assessed value of a home in West Linn
\$105 per year for the average home
\$8.75 per month for the average home

Park Maintenance Fee Increase

- Total funds needed: \$1,055,000
- Existing fee can be increased by City Council
- Continues until changed by City Council
- 39% increase² in the existing parks maintenance fee charged monthly on utility bills
- Single-family fee increase from \$21.23 to \$29.38 per month
- Multi-family fee increase from \$20.16 to \$27.90 per month

For a new Community Recreation Center to move forward it will take funding of both Capital and Operational Cost to fund the project. Decisions about how to move forward with funding will be made by the City Council, after consideration of community input. The Council may refer one or more measures to the voters of West Linn.

² \$2,747,000 collected in 2023, low-income citizens (defined in the fees and charges schedule) are charged at ½ the regular rate