

What you should know about the 2014 Farmington City Parks & Recreation Bond Issuance and Recreation, Arts, Parks (RAP) Tax Proposal

On November 4, 2014, Farmington City voters will be asked to vote on a proposal for a General Obligation Bond and a RAP Sales Tax Increase for recreational purposes. The City is proposing to use the funds primarily to build a new gym and park.

What is the need? What are the benefits of the proposed improvements?

1. Gym

Need:

- Farmington City Jr. Jazz program has increased by 180% over the last 7 years. There were 856 participants for the 2013-2014 season
- Volleyball participation has increased 453% over the last 7 years. There were 150 participants for the 2013-2014 season.
- For the 2013-2014 Jr. Jazz season there were 5 different locations with 4 of the 5 locations being cafeteria floors in elementary schools.
- 2 of the Jr. Jazz locations currently being used are not in Farmington.
- Men's basketball had to be cancelled for the 2013-2014 season due to lack of gym space.

Benefits:

- It has been and will continue to be Farmington City's goal to not place any caps on recreation program enrollments. The new gym will help allow all who would like to participate in recreation programs the ability to do so.
- The new gym would accommodate the current Jr. Jazz program and allow for future growth.
- The new gym would be available for activities other than basketball including volleyball, pickleball, dance/cheer camps, basketball tournaments, adult leagues and/or activities, private rentals, and more.
- There is a proposed indoor track that would be open to the public year round.

2. **Park**

Need:

- Currently, the City uses the 22 acres including 20 soccer fields and 2 football fields at the Bus Park for soccer and football. The City will lose the use of the Bus Park when the School District builds the High School. Construction of the school is proposed to begin in the spring of 2016.
- Soccer enrollment has increased 213% over the last 6 years. There were 2101 participants in the 2014 season.
- Football enrollment has increased 10% over the last 7 years. There were 220 participants in the 2014 season.
- There are currently no softball fields in Farmington.

Benefits:

- The new 4-plex would allow the City to offer softball programs for youth and adults including league play and tournament play.
- The new 4-plex may be used for baseball in addition to softball
- The park will allow the City to have the soccer fields in one location as they now are at the Bus Park.
- The new fields could be used for future programs such as field hockey and lacrosse.

Why is the City proposing that the gym is built first and the park second?

Answer:

The City is in need of gym space for current recreational programs and the gym cannot be built in phases. While it is the City's hope to complete all projects at the same time, the park may be completed in phases if needed.

Why is the City proposing to raise property taxes in order to issue Parks & Recreation Bonds?

Answer:

- The Mayor and City Council want the public to decide if the proposed improvements are sufficiently important to raise the property taxes to pay for them.

- There are already G.O. Bonds for recreational purposes in place that will be paid off in 2016. Rather than dropping the amount of property taxes currently paid, the City can with voter approval continue to collect that amount in order to help pay for the new bonds.
- The lowest cost of financing to the City is through G.O. Bonds and there is a very favorable rate environment currently.
- The City needs to build a gym and much of the park within the next couple of years to meet current program enrollments and for future growth. For that reason, needs the funding up front.
- The demand for recreation facilities has outpaced current facility supply.

What position does the Mayor and City Council take on the proposal?

Answer:

Being familiar with the long-term needs of the City and its growth potential, the Mayor and City Council support the notion of creating a property tax revenue stream specifically dedicated to provide for the Recreation needs of its citizens (especially youth). This simply cannot be done with existing revenues. The proposal enables the City to take its Recreation programs to a new level. However, the proposal is a policy decision which legally must be made by those paying the bills- the taxpayer.

Date of Election: Tuesday, November 4, 2014

Proposed Amount of Bond Issuance: \$6,000,000 General Obligation Bond
\$1,600,000 Sales Tax Revenue Bond

Proposed RAP Tax: .10% added to sales tax rate in Farmington to pay Sales Tax Revenue Bond over a 10 year period

Project Elements:

- Gym\$5,000,000
- Park
 - Soccer/ Football Fields\$400,000
 - 4-plex Softball/Baseball Diamond.....\$1,400,000
 - Bowery.....\$100,000
 - Basketball Court.....\$80,000
 - Playground\$120,000
 - Parking Lot.....\$900,000
 - Restrooms\$100,000

The City has also set aside additional funds and will use future park impact fees to help pay for some of the project costs. Most of these funds were used to purchase the property.

Property Tax Effect:

The City already has a General Obligation (G.O.) Bonds for recreational purposes being paid for with property taxes of approximately \$12.00 per \$100,000 of home value per year. The current G.O. Bonds will be paid off in 2016, therefore, the City proposes to continue the current property tax amount and add a little more to help pay for the new Bonds. For example:

- For a \$200,000 home value:
 - The current amount paid is approximately \$24.00 per year.
 - The increase for the new bond would be roughly \$16.00 for a total bond property tax of about \$40.00 per year.

- For a \$400,000 home value:
 - The current amount paid is approximately \$48.00 per year.
 - The increase for the new bond would be roughly \$32.00 for a total bond property tax of about \$80.00 per year.

Proposed RAP Tax Effect:

- .10% will be added to Farmington City sales tax for a 10 year period.
- The sales tax increase is expected to generate roughly \$2,000,000 over a 10 year period.
- At least 60% of sales in Farmington are made by people from outside of Farmington, so visitors spending money in Farmington would be paying the majority of the RAP tax.