



Citizens Advisory Committee Recommendations

July 12, 2007



Citizen Advisory Committee Appointees

Bill Miller and Vicki Nixon – Co-chairs

FINANCE

Paul Stell, Co-Chair
Paul Dannevik, Co-Chair
Jerry Bell
Zach Brady
Dr. Peter Ho
Regina Johnston
Mike Stevens

CIVIC CENTERS

Les Hatch, Chair
Kevin Atkins
Tina Betts
Walt Huffman
Steve Locke
Veronica Lujan
Donya Snead

PARKS/LIBRARIES

Tracy Bacon, Chair
Annette Castellano-Chavez
Dana Craig
Don Graf
Laura James
Rev. Jackie Johnson

PUBLIC SAFETY

George Love, Chair
Jimmy Castillo
Dr. Greg Johnson
Chris Moore
Carla Moran
Rudy Rosales
Becky Yates

STREETS

David Wilkerson, Chair
Andy Cates
Paul Frazier
Linda Greenstreet
Ysidro Gutierrez
Burle Pettit



Executive Committee

Bill Miller and Vicki Nixon – Co-chairs

Tracy Bacon

Paul Dannevik

Les Hatch

George Love

Paul Stell

David Wilkerson



Introduction

- ★ Appointment & make up of committee
- ★ Charge: Evaluate community needs in designated areas of capital improvement and develop a proposal for a possible bond election
- ★ Timing
 - Lubbock – town / community / city transition issues
 - City Management actions / outcomes / perceptions
- ★ Recommendations – traditional & non-traditional
- ★ City Council analysis: EDAW, LEAF, LEDA, Randall Group, Prior CAC's, Goals for 21st Century
- ★ Citizen's Advisory Committee functions
 - Mission: What is best for the City, and what is the most balanced and informed decision
 - Timing & positioning
 - City staff support
 - 3rd party support
 - Recommendations
 - Post recommendation activity



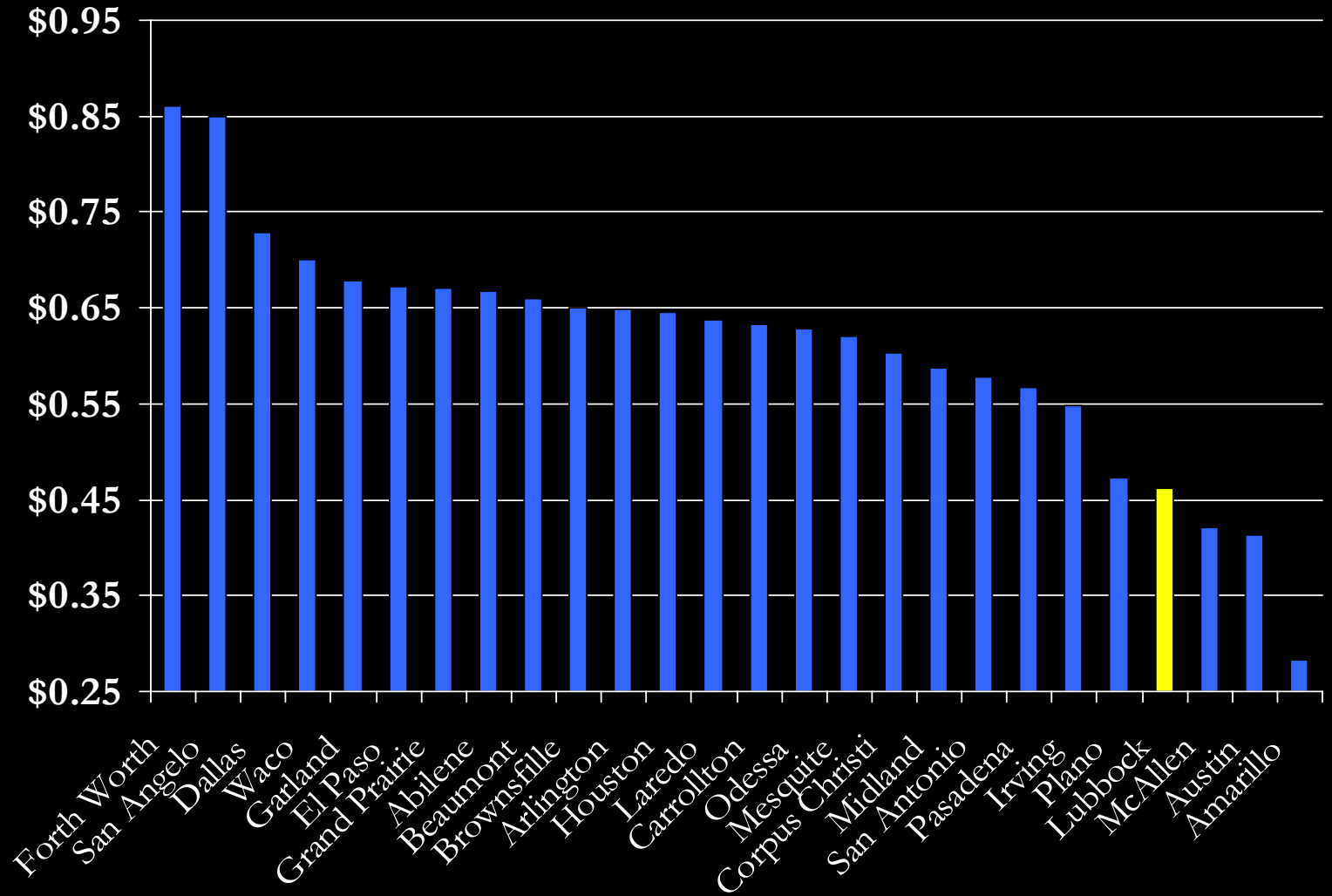
Positive Environment – Tipping Point

- ★ Robust local economy
- ★ Cotton / agriculture industries - stable with continued improvement in production techniques
- ★ Oil & gas production continues
- ★ Wind & alternative energy and research expanding
- ★ Stable/expanding commercial & residential real estate markets
- ★ Relatively low inflation
- ★ Low borrowing cost of funds
- ★ Improved city bond rating from all three rating agencies
- ★ Texas Tech University continues to expand under new and dynamic leadership
- ★ Growing & expanding Chamber of Commerce with increasing synergy between Chambers
- ★ Increasing scientific research and economic development at Reese Center
- ★ Vibrant and expanding healthcare service sectors
- ★ Regional and expanding economic and transportation center
- ★ “The Giant Side of Texas“
 - low cost of living
 - diverse educational opportunities provided by SPC, LCU & Wayland
 - personal & business transportation alternatives continue to improve
 - growth in population supporting a motivated work force
 - lack of congestion as found within the I-35 corridor



City Tax Rate Comparison

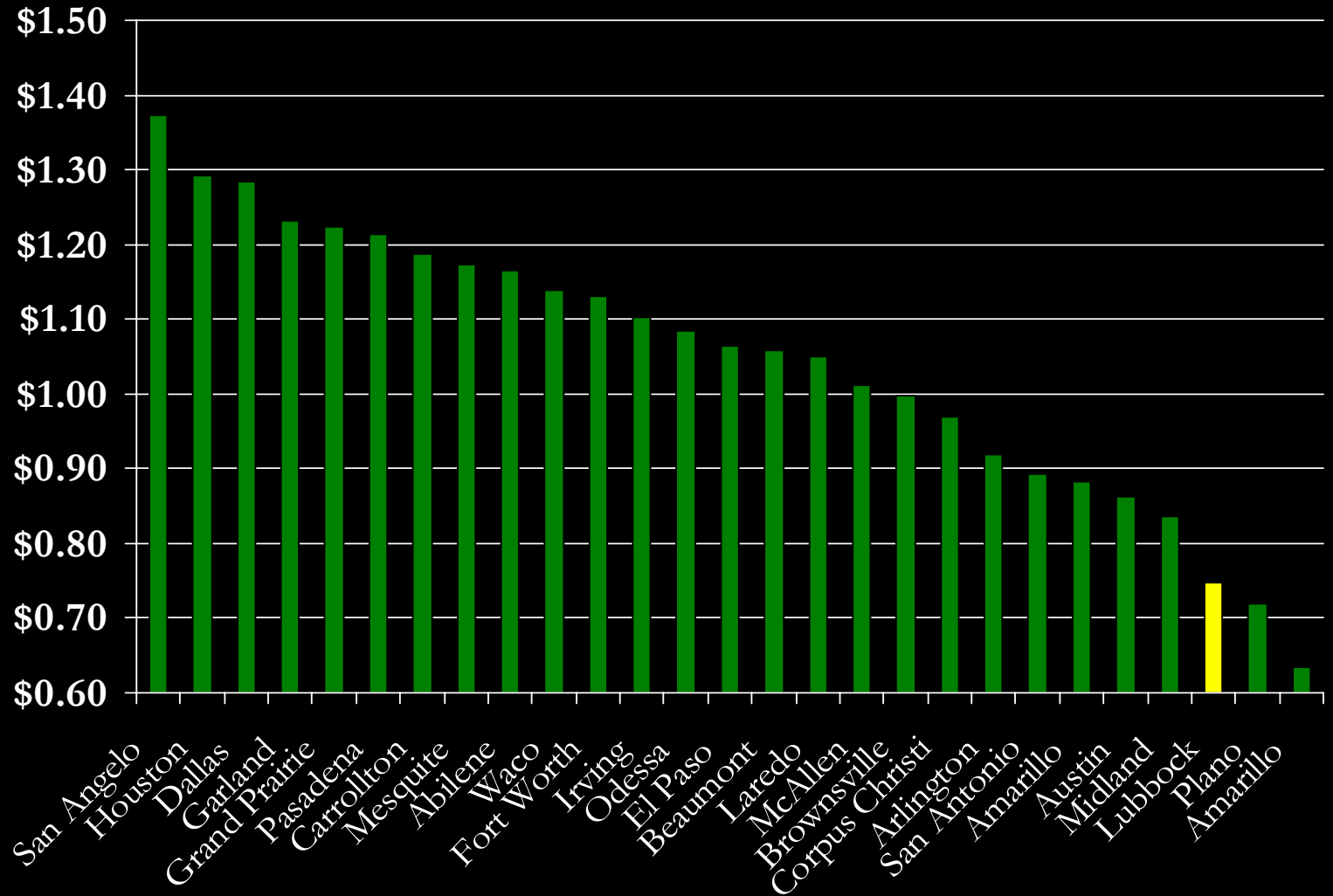
Tax rate per \$100 valuation





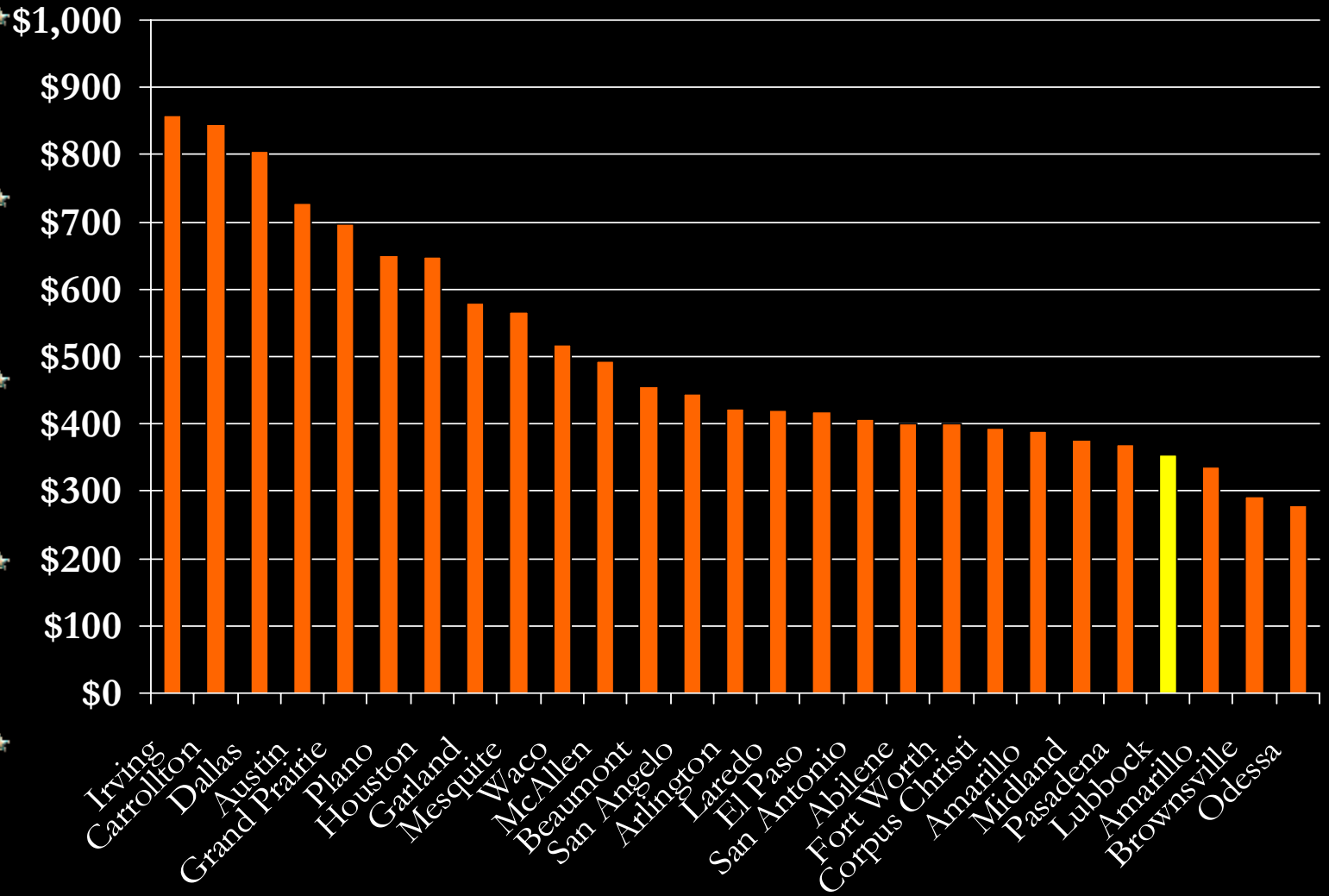
City/County Tax Rate Comparison

Tax rate per \$100 valuation





Average Tax Liability per Citizen





Management Oversight Recommendation

- ★ The CAC recommends that the Lubbock City Council appoint a standing Capital Improvement Program Review & Oversight Committee (CapROC) for a period of not less than ten (10) years.
- ★ Purpose: The CapROC will provide oversight and make recommendations to the Council on issues related to the City's Capital Improvement Program.
- ★ Member Entities: Lubbock Chamber of Commerce, Texas Tech, United Way, Covenant Health System, UMC, Downtown Redevelopment Commission, LEDA, West Texas Home Builders Assoc., Lubbock Apartment Assoc., North Overton TIF Board, CBD TIF Board, Citizen's Advisory Committee



2007 City of Lubbock–Texas Tech University Planning and Infrastructure Needs

Immediate:

- ★ Master planning of a sewer upgrade/expansion project along 3rd Street East to Canyon Lakes Project
- ★ Planning and upgrades of Airport – Tech entrance corridor
- ★ North Erskine / Quaker / Tech Parkway interchange upgrade
- ★ Improved access to the Health Sciences Center and Garrison Center via a signalized interchange at Knoxville and 4th (North side of HSC)
- ★ Continued joint basic infrastructure master planning and implementation to support Texas Tech's growth to 40,000 students within current campus boundaries
- ★ Participate in a possible transitional strategy in the re-utilization of the auditorium / coliseum when integrated with a longer range plan for a performing arts center downtown.





2007 City of Lubbock–Texas Tech University Planning and Infrastructure Needs

Long-Range:

- ★ Participate as an entity in a standing oversight committee for the completion of City capital improvement projects (CapROC)
- ★ Support campus development in the triangle at 19th / Marsha Sharp Freeway / Tech Parkway
- ★ Support residential and institutional development at 4th and Indiana
- ★ Upgrade and renovate University Avenue corridor from 4th to 19th
- ★ Joint study of the relocation of Texas Tech administrative offices or similar facilities to a downtown location





Lubbock Chamber of Commerce Strategy Statement

- ★ Need for entity/body fully invested in the City with infrastructure to provide input, support and sustain long-range planning and related initiatives
- ★ Need for independent body with experience in bond elections, PACs and governmental / political affairs management
- ★ Potential for longer-term accountability mechanism in near and long-term city infrastructure development
- ★ Due Diligence at another city reflecting the potential for:
 - Apolitical entity providing input for city growth
 - Capacity to support public & private economic development
 - Potential repository and centerpiece for long-range planning for related entities in the City
 - Component of accountability for project development, implementation and completion



Bond Project Recommendations



Public Safety

- ★ **Proposition:** The issuance of \$10,850,000 general obligation bonds for public safety facilities.
- ★ Police Department and Municipal Court Renovations
 - Renovate 30,000 sq. ft.
- ★ Fire Department Training Academy Upgrades
 - CPAT/SCBA Building
 - 2 Story Burn Building





Public Safety

★ Financing:

Police	\$ 8,490,000
Fire	<u>2,360,000</u>
Total	\$10,850,000

★ Long-Term Recommendations:

- Continue construction of planned fire stations
- Future police substation



Parks / Libraries

- ★ **Proposition:** The issuance of \$28,265,000 general obligation bonds for park and recreation facilities.
- ★ **Proposition:** The issuance of \$5,150,000 general obligation bonds for a branch library in Southwest Lubbock.
- ★ Irrigation Automation
- ★ Burgess Rushing Tennis Center – Phase 2
- ★ Park Upgrades at Dupree, Leftwich and Higginbotham Parks
- ★ Consolidation of Parks Maintenance Facilities
- ★ Youth Sports Complex – Phase 2
- ★ Southwest Branch Library





Parks / Libraries

★ Parks Financing:

Irrigation Automation	\$ 5,265,000
Burgess-Rushing Tennis Center	3,670,000
Park Upgrades	5,535,000
Maintenance Facilities	720,000
Youth Sports Complex	<u>13,075,000</u>
Total	\$28,265,000

★ Library Financing:

Southwest Branch Library	<u>5,150,000</u>
Total	\$ 5,150,000

★ Long-Term Recommendations:

- Ensure ongoing operational expenses
- Need for renovation of the Mahon Library is dependent upon the outcome of the Downtown Redevelopment Plan.



Mercado

- ★ **Proposition:** The issuance of \$1,500,000 general obligation bonds for public recreational amenities in connection with a new retail center (Mercado) in North Lubbock.
- ★ Green space located within a Mercado (retail center) to be constructed in North Lubbock.





Mercado

★ Financing:

Mercado Green Space \$ 1,500,000

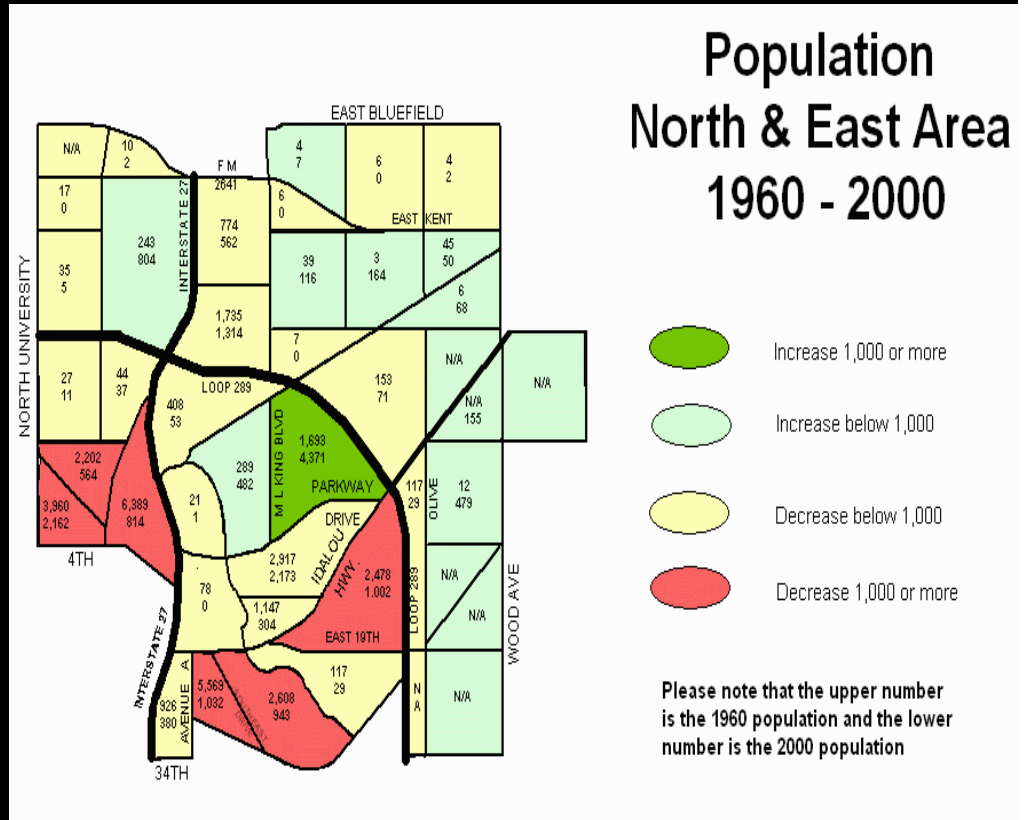
★ Long-Term Recommendations:

The funding for the public green space is contingent upon the construction of a Mercado Project by a private developer.



Northeast Lubbock Street Improvements

- ★ **Proposition:** The issuance of \$2,245,000 general obligation bonds for street improvements in Northeast Lubbock.
- ★ Street infrastructure to provide for future construction of 120-175 new homes.





Northeast Lubbock Street Improvements

- ★ **Financing:**

NE Lubbock Infrastructure \$2,245,000

- ★ **Long-Term Recommendations:**

The funding for the street infrastructure is contingent upon the planned construction of new homes in the NE portion of the City.



Streets

- ★ **Proposition:** The issuance of \$52,565,000 general obligation bonds for street improvements.
- ★ Traffic Signals – New Locations
- ★ Quaker Avenue – 98th to 114th Street
- ★ Signal Communications Upgrade
- ★ Milwaukee Avenue – 94th to 98th
- ★ East ½ of Indiana Avenue – 103rd to 114th
- ★ Upland Avenue – U.S. 62/82 to 82nd
- ★ 98th Street – Frankford to Milwaukee
- ★ 98th Street – University to U.S. 87





Streets

★ Financing:

Traffic Signals – New Locations	\$2,650,000
Quaker Avenue – 98 th to 114 th Street	5,500,000
Signal Communications Upgrade	3,500,000
Milwaukee Avenue – 94 th to 98 th	3,085,000
East ½ of Indiana Avenue – 103 rd to 114 th	1,925,000
114 th Street – Indiana to Slide	12,980,000
Upland Avenue – U.S. 62/82 to 82 nd	4,750,000
98 th Street – Frankford to Milwaukee	7,950,000
98 th Street – University to U.S. 87	<u>10,225,000</u>
Total	\$52,565,000

★ Long-Term Recommendations:

- 35 additional streets projects were identified totalling \$214 million in today's dollars. These projects are needed within the next 5-10 years.
- Ensure that an adequately funded maintenance program is continued to address deteriorating streets due to deferred maintenance.



Civic Center Renovations

- ★ **Proposition:**

The issuance of \$85,000,000 general obligation bonds for civic center renovations and improvements.

- ★ Addition of banquet hall, exhibit space, and meeting rooms, and the renovation of the theater, plaza, and the interior and exterior, including new furniture and fixtures and a new HVAC.





Civic Center Renovations

- ★ **Financing:**

Civic Center Renovations \$85 million

- ★ **Long-Term Recommendations:**

Downtown Redevelopment
Catalytic Projects



Performing Arts Center

- ★ **Proposition:** The issuance of \$55,000,000 general obligation bonds for a performing arts center facility.
- ★ Construction of a Performing Arts Center that is **multi-purpose** to serve theatrical performances, symphony, ballet and concerts. The Center would contain an auditorium with approximately 2,400 seats, rehearsal hall, and public spaces in a facility consisting of approximately 120,000 square feet.





Performing Arts Center

★ Financing:

General Bond Election	\$55 million
Private Contributions	<u>25 million</u>
Total Expected Cost	\$80 million

★ Long-Term Recommendations:

Before bonds are issued by the City, contributions totaling at least 31.25% of the total cost will be collected from the private sector and through naming rights.



Multi-Purpose Arena

Venue Tax Election

- ★ **Proposition:** Authorizing the City of Lubbock, Texas to provide for the planning, acquisition, establishment, development and construction of a multi-purpose arena within the city and to impose a short-term motor vehicle rental tax at a maximum rate of 5% and a hotel occupancy tax at a maximum rate of 2% and to use an amount not to exceed 9.5% of the revenues derived from the municipal property tax, in addition to the hotel occupancy tax and the short-term motor vehicle rental tax, for the purpose of financing the multi-purpose arena.





Multi-Purpose Arena

Venue Tax Election

- ★ Construction of a 6,000-8,000 seat Multi-Purpose Arena that can accommodate indoor soccer, arena football, ice events, circuses, concerts, exhibits, and other similar types of events.

- ★ **Financing:**

Amount supported by hotel/motel taxes and car rental taxes	\$21.5 million
Amount supported by property taxes	<u>38.5 million</u>
Total Project Cost	\$60.0 million

- ★ **Long-Term Recommendations:**

- The taxes paying for a portion of this facility would be generated by visitors to the city through hotel/motel taxes and car rental taxes.



Sports & Venue Project Financing

What is a venue project? House Bill 92 provides cities with greater authority to finance economic development projects, including: arenas, coliseums, stadiums, convention centers, civic centers, auditoriums, museums, parks, etc...

Who approves the venue project?

- ★ Citizens must approve the project as well as the revenue sources to fund the project at an election.
- ★ The venue project revenue sources that are proposed for adoption are a 2% hotel motel tax, a 5% short-term car rental tax and a property tax rate not to exceed 9.5% of property tax revenues.

What is the City's Financing Plan?

- ★ The City of Lubbock would fund the project costs, including debt service, from two sources of revenue. The following lists the estimated annual revenue in the year 2008 from each source.

Hotel Occupancy Tax	\$990,000
Car Rental Tax	535,000
Property Tax	2,600,000



Financial Assumptions

Conservative assumptions were used throughout the committee's analysis:

	<u>CAC</u>	<u>Historic/ Current</u>
★ Assessed valuation growth:	4.00%	6.35%
★ 20-year interest rate:	5.50%	4.60%
★ 30-year interest rate:	5.75%	4.80%
★ Construction inflation:	7.00%	5-10%

Project Cost Estimates

Project	Current Amount	Inflated Amount	Est. Date
1 Traffic Signals – New Locations	\$2,309,000	2,650,000	2008-12
Quaker Avenue – 98 th to 114 th Street	5,200,000	5,500,000	2008-09
Signal Communications Upgrade	3,039,000	3,500,000	2008-12
Milwaukee – 94 th to 98 th Streets	2,929,740	3,085,000	2008-09
East ½ Indiana – 103 rd to 114 th Street	1,800,000	1,925,000	2009
114 th Street – Indiana to Slide	11,500,000	12,980,000	2009-10
Upland – US 62/82 to 82 nd	4,501,600	4,750,000	2008-09
98 th – Frankford to Milwaukee	7,055,000	7,950,000	2009-10
98 th – University to U.S. 87	9,749,700	10,225,000	2008-09
2 Performing Arts Center	50,000,000	55,000,000	2008-10
3 Civic Center Renovations	70,000,000	85,000,000	2010-11
4 Southwest Branch Library	4,200,000	5,150,000	2011
5 Irrigation Automation	4,628,750	5,265,000	2009-10
Burgess Rushing Tennis Center	3,450,000	3,670,000	2008-09
Park Upgrades at 3 Parks	4,930,000	5,535,000	2008-11
Consolidation-Maintenance Facilities	720,000	720,000	2008-09
Youth Sports Complex – Ph 2	12,300,000	13,075,000	2008-09
6 Mercado	1,500,000	1,500,000	2008
7 North East Lubbock Streets	2,245,000	2,245,000	2008
8 Police Dept/Municipal Court Renov.	7,406,914	8,490,000	2010
Training Academy Upgrades	2,360,000	2,360,000	2008
V Multi-Purpose Arena	60,000,000	60,000,000	2008-09

Financing Sources

<u>Financing Source</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Venue Project Bonds	\$60,000,000	-	-	-	-
20-Year G.O. Bonds	16,740,000	41,165,000	32,795,000	8,470,000	1,405,000
30-Year G.O. Bonds	500,000	31,565,000	30,950,000	77,185,000	-
Totals	\$77,240,000	72,730,000	63,745,000	85,655,000	1,405,000

Assessed valuations (billions)	\$9.694	10.082	10.485	10.905	11.341
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<u>Property Tax Impact</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Tax rate to fund bonds (per \$100 valuation)	4.26 cents	5.6 cents	4.67 cents	5.62 cents

Annual tax increase based on additional tax (based on \$100K home)	\$43	\$56	\$47	\$56
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Cumulative tax increase based on additional tax (based on \$100K home)	\$43	\$99	\$146	\$202
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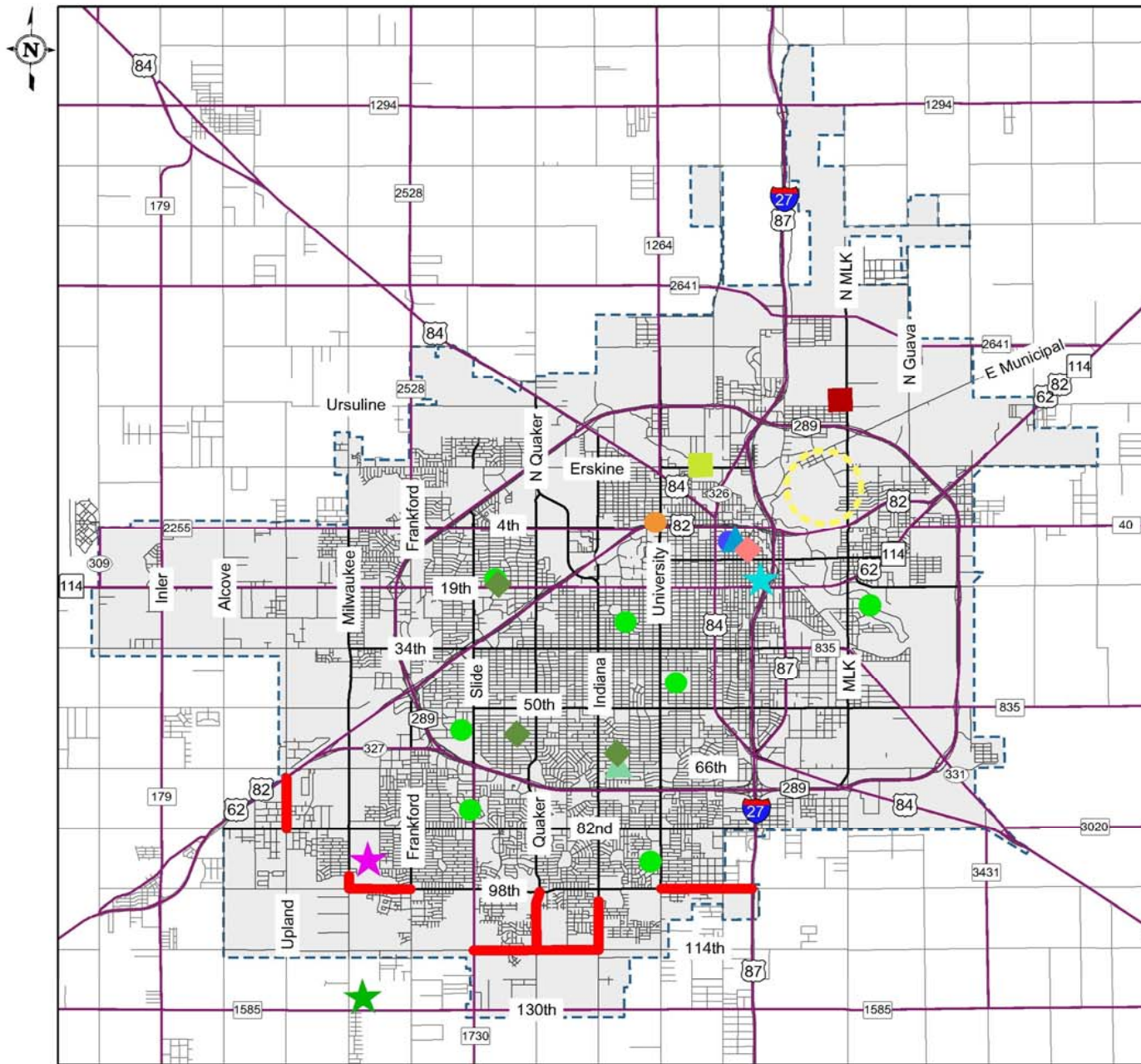
2007 Capital Improvement Projects - Citizens Advisory Committee

PROPOSED PROJECTS

- STREETS**
-  Thoroughfare Construction
- PUBLIC VENUES**
-  Performing Arts Center
-  Civic Center Remodel
-  Arena
- LIBRARIES**
-  Far Southwest Branch
- PARKS**
-  Irrigation Automation
-  Burgess Rushing Tennis Center
-  Park Upgrades
-  Maintenance Facility
-  Youth Sports Complex
- ECONOMIC DEVELOPMENT**
-  Mercado
-  North & East Lubbock
- PUBLIC SAFETY**
-  Municipal Square Renovations
-  Training Academy Upgrades

*Projects not shown, but recommended:
Traffic Signals - New Locations
Signal Communications Upgrade - City-wide*

-  State Roads
-  T1 & T2 Thoroughfares
-  City Streets
-  City Limits





Conclusion

- ★ Lubbock is in a growth mode
- ★ We must care for the streets, infrastructure and facilities we own
- ★ There is a need for focused, integrated and consistent long-range planning which can be addressed through a structured, accountable oversight group to execute those plans
- ★ Quality of life is diminished due to old, deteriorating facilities and infrastructure, which dictates how current and future businesses view our city
- ★ What do we want to be?

Fiscally Sound
Good Quality of Life
Well-Managed City

VS.

Deferred Maintenance Issues
Deteriorating Infrastructure
Manage from Crisis to Crisis



Recommendations

- ★ Adopt and appoint members of a Capital Improvement Program Review & Oversight Committee (CapROC)
- ★ Integrate the Lubbock Chamber of Commerce into the Capital Improvement Planning process of the City
- ★ Utilize the Lubbock Chamber of Commerce to manage any forthcoming Political Action Committees (PACs) in an effort to initiate and pass capital bond packages
- ★ Review recommendations as presented by Texas Tech University within the Capital Improvement Program process
- ★ Adopt the Capital Project Recommendations from the Citizen's Advisory Committee
- ★ **Call a general bond election and venue tax election for November 2007**



Questions?

