Cottonwood Community Recreation Center

City of Cottonwood, Arizona Summer 2006

The Cottonwood Community Recreation and Aquatics Center seeks to reach out to City and County citizens of all ages and abilities and sustainably fulfill the need for indoor recreation activities demonstrating Cottonwood's commitment to continually improve the quality of life in the Verde valley. (Mission Statement from the Feasibility Study and Design Concept Report)

Entry Perspective of Proposed Cottonwood Community Recreation Center

A New Community Recreation Center for Cottonwood

Community groups have, for a long time, expressed to the Cottonwood City Council an interest in a recreation facility that provides for a wide range of indoor recreation activities, while serving all age groups and abilities within the community.

The Cottonwood Parks and Recreation Commission, and the Cottonwood City Council have been seriously evaluating the proposed Recreation Center for the past two years. Independent consultants were hired to prepare a Feasibility Study and Concept Design Report. A full copy of this report is available for review on the city web-site www.ci.cottonwood.az.us. During the preparation of the Feasibility Study and Design Concept Report, the consultants, Parks and Recreation Commission, and City Council received public input through focus groups, workshop activities, and formal public meetings. The result is a proposed facility of approximately 60,000 s.f. that meets the indoor recreation needs described above.

Should the City of Cottonwood build and operate a Cottonwood Community Recreation and Aquatics Center?
The Cottonwood City Council has decided to put the issue of a revenue bond to the voters at an election to be held on November 7, 2006. Please take time to vote on this important issue. This publication is intended to inform Cottonwood residents on this matter prior to the election.

Aerial Perspective

Cottonwood Community Recreation Center

A Partnership Opportunity

- The proposed Wellness Center and Therapy Pool represent a partnership opportunity with the Verde Valley Medical Center (VVMC).
- VVMC is considering providing a significant portion of their physical therapy functions within the recreation center.
- If they locate within the recreation center VVMC will contribute their proportional share of cost to build and operate the facility.
- VVMC clients will benefit from the shared access opportunities of the recreation center amenities.
- The recreation center will benefit from cost sharing with VVMC and exposure of the facility to the VVMC clients.

Lower Floor Plan

Component Programming

- ***Running Track*** (indoor running/walking/jogging)
- ***Community Events Hall*** (Family Gatherings, Weddings, Reunions, Catered Events, Business Meetings, Healthy Living Classes, Cooking Classes, Foreign Language classes, Scrape Book Classes, Voting Area, Summer Youth Programs/Events, Scout Meetings)
- ***Gymnasium Space*** (Basketball Leagues, Volleyball Leagues, Ballroom/Jazz Dance, Aerobics, Family fun night, Exercise, Fundraisers, Performing Area, Gymnastics, Entertainers, Craft Sales, Youth Sports, Summer Camp Programs, Cheerleading, Self Defense Classes,)
- ***Outdoor Lap Pool*** (Major College/High School Swim Meets/Tournaments, Cottonwood Clippers Swim Team, Diving Teams/Competition, Lap Swimming, Spectator Seating)
- ***Indoor Leisure Pool*** (Year Round Lap Swimming, Family Activities, Birthday parties, Aqua-Aerobics, Senior Exercise Programs, Spa Area)
- ***Party Room*** (Birthday/event party room)
- ***Game Room*** (Teen/youth Game room area)
- ***Weight & Fitness*** (cardio, circuit and free weight equipment and a stretching area)
- ***Indoor Playground*** – (Molded play apparatus for children)
- ***Family Locker Rooms*** (Cabana style locker rooms accommodating families and those with special needs)
- ***Climbing Wall*** (Pinnacle wall for climbing, bouldering and teen programming)
- ***Baby Sitting Room*** (Short-term, drop-in babysitting)

Financial Information for the Proposed Cottonwood Community Recreation Center

CAPITAL COSTS: The cost of building the proposed Cottonwood Community Recreation and Aquatics Center (approximately 60,000 s.f.) is estimated to be $17 million dollars.

OPERATING COSTS: The Operations Analysis completed for the Cottonwood Community Recreation and Aquatics Center estimates a total annual operations expense of $1.55 million dollars.

The Operations Analysis estimates total annual facility revenue of $1.26 million dollars.

Total net annual operating costs (operating expense – operating revenue = net operating cost) is estimated to be $290,000.

TOTAL ANNUAL PROJECT COST:

Debt Service		$1,330,000
Net Operating	+	$ 290,000
Contingency	+	$ 445,000
TOTAL		$2,065,000

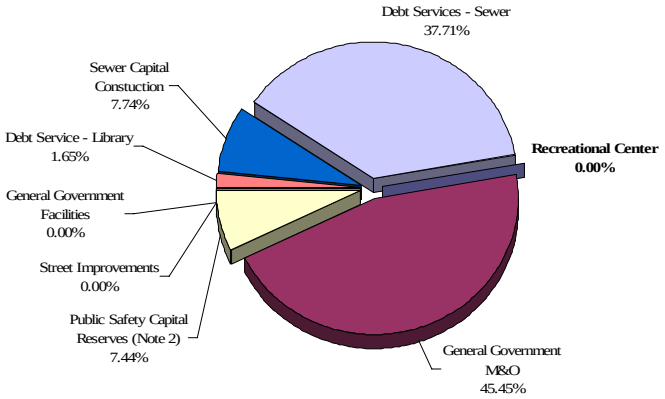
Financial Impact of the Proposed Community Recreation Center

If approved by the voters, it is the intent of the Cottonwood City Council to pay for the annual projected cost of the Cottonwood Community Recreation and Aquatics Center through local sales tax. The local sales tax rate, currently 2.2%, is set by the Cottonwood City Council.

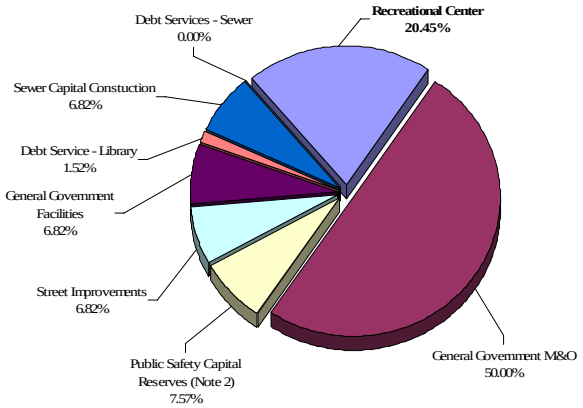
The chart on the top-right, shows a generalized breakdown for the 2006 -07 projected use of the 2.2% local sales tax. You will note that a large percentage of the existing tax is pledged to debt service for the sewer system (37.7%). 2006-07 represents the final year of current debt service payments for the sewer system.

The chart on the bottom-right represents the projected distribution of the 2.2% local sales tax if the Cottonwood Community Recreation and Aquatics Center was approved and constructed. You will note that there is no longer any debt service for the sewer, with those local sales tax dollars being generally proposed to be redistributed to the Cottonwood Community Recreation and Aquatics Center, General Government Facilities, Street Improvements, and General Government Maintenance and Operation.

2.2% Sales Tax Breakdown 2006-07

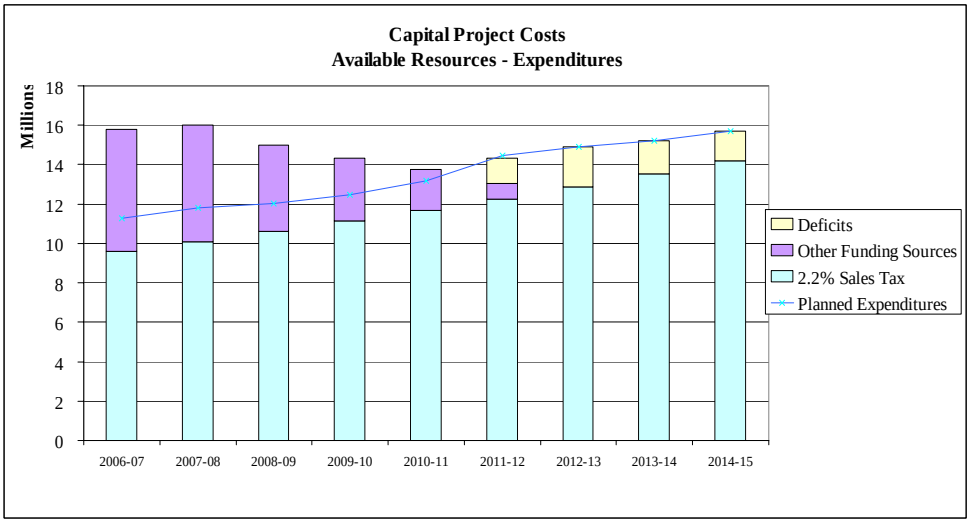


2.2% Sales Tax Breakdown 2007-08



Financial Challenges of the Proposed Community Recreation Center

The chart showing the proposed 2.2% Sales Tax Breakdown 2007-08, graphically demonstrates the commitment of local sales tax dollars (20.45%) necessary to construct and operate the proposed Cottonwood Community Recreation and Aquatics Center. A proposed project of this size certainly has a significant impact on other proposed uses of local sales tax dollars for General Government Maintenance and Operations, and other priority capital projects proposed by the city. The graph below projects the existing 2.2% local sales tax forward, and compares it to projected expenses to support the portion of the city of Cottonwood's proposed 5-year capital plan supported by the 2.2% local sales tax. As you can see, based on the current 5-year capital plan (including the proposed $17 million dollar recreation center), a revenue short-fall in local sales tax is projected to occur beginning about 2011. If the voters approve the proposed Cottonwood Community Recreation Center the Cottonwood City Council will need to reconcile this future projected deficit by either increasing the local sales tax rate, decreasing/eliminating other proposed facility improvements, or some combination of the two.



Election Information

The City Council has set the matter of issuing a revenue bond for a portion of the revenue to construct a Cottonwood Community Recreation and Aquatics Center on the November 7, 2006 election, for a vote by the public. The debt service for the proposed recreation center is proposed to be paid from two revenue sources, 1) $1 million will be secured through revenues generated by user fees for use of the recreation center, and 2) $16 million secured through a pledge of local sales tax. Under Arizona election laws, the electorate must approve the issuance of revenue bonds by the city. Also under Arizona election laws, the City Council has the authority and obligation for setting the local sales tax rate and the City is Council is restricted from voluntarily passing that authority to the electorate.

Below is how the Bond question will appear on the ballot.

SHALL THE CITY OF COTTONWOOD, ARIZONA (THE "CITY") BE AUTHORIZED TO INCUR INDEBTEDNESSS BY THE ISSUANCE OF REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $1,000,000 TO PROVIDE FUNDS TO ASSIST IN CONSTRUCTING AND EQUIPPING A MUNICIPAL RECREATION AND AQUATICS FACILITY, AND PAY ALL LEGAL, FINANCIAL, ARCHITECTURAL, ENGINEERING AND OTHER NECESSARY AND INCIDENTAL EXPENSES AND COSTS IN CONNECTION THEREWITH, SUCH REVENUE BONDS TO BE REPAID FROM THE REVENUES GENERATED BY SUCH RECREATION AND AQUATICS FACILITY, TO MATURE NOT MORE THAN 30 YEARS FROM THEIR DATE OF ISSUANCE AND TO BEAR INTEREST AT A RATE OR RATES NOT TO EXCEED 6% PER ANNUM? (THE BALANCE OF THE FUNDS TO CONSTRUCT AND EQUIP SUCH RECREATION AND AQUATICS FACILITY WOULD BE PROVIDED THROUGH OTHER INDEBTEDNESS INCURRED BY OR ON BEHALF OF THE CITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $16,000,000, SUCH INDEBTEDNESS TO BE REPAID FROM THE REVENUES GENERATED BY THE SALES TAXES LEVIED BY THE CITY.)

EXPLANATION

A "FOR THE BOND(S)" vote means that the voter authorizes the City of Cottonwood to issue a 1 million dollar revenue bond, with the understanding that the Cottonwood City Council has the authority to issue 16 million dollars of additional indebtedness to be repaid from local sales tax, to construct a 17 million dollar Cottonwood Community Recreation Center.

A "AGAINST THE BOND(S)" vote means the voter does not authorize the City of Cottonwood to issue a 1 million dollar revenue bond, and does not support the construction of the Cottonwood Community Recreation Center.

City of Cottonwood
827 North Main Street
Cottonwood, AZ 86326
Phone; (928) 634-5526
Fax: (928) 634-5520

PRESORTED
STANDARD
U.S. POSTAGE
PAID
COTTONWOOD, AZ
PERMIT NO. 17