



MEMO from the Parks and Recreation Department

To: Colchester Selectboard
From: Glen Cuttitta, Parks and Recreation Director
Date: January 6, 2023
Re: Colchester Recreation Center

Here is a summary of the presentations and outreach that we have had pertaining to the Colchester Recreation Center over the last twenty-two years.

In 2001, there was a community wide survey indicating overwhelming support for an indoor recreation center. Several amenities were identified with the most popular being a full-size multi-purpose gymnasium, fitness room, exercise spaces and an indoor pool. Shortly after the survey was complete, a Recreation Center Committee was formed, but a site was still needed for the Recreation Center. At the time, the 14 acre Bayside/Hazelett parcel was available for purchase. In 2004, the voters approved to spend \$1.1 million to purchase that property, and its bond will be paid off in 2024. After the property was purchased, the Colchester Planning Commission conducted a public survey, which identified a multi-generational recreation center as the best use of the property.

After a series of improvements to buildings on Blakely Road, which allowed staff to better serve the public and work on transportation and water quality in the Malletts Bay area, the Selectboard decided to focus on the Recreation Center Initiative. A series of focus group meetings, public meetings, and a community wide survey identified the needs and future recreational opportunities in the community. The Recreation Center was a topic at fourteen Selectboard meetings over the ten-year period from 2013 to 2022.

Planning and public input led to Upper Bayside being identified as a location for a recreation center. This required relocation of most outdoor recreation amenities from Upper Bayside to the Bayside/Hazlett property. In 2019, the Selectboard authorized staff to develop plans and cost estimates for outdoor recreation amenities to be relocated to the Bayside/Hazelett parcel. In September 2020, cost estimates to construct the park and outdoor amenities exceeded the budget to make room for the Recreation Center to be at Upper Bayside Park. The Selectboard then agreed to focus on the Recreation Center, locating it on the Bayside/Hazelett Parcel and leaving the outdoor recreation amenities at Upper Bayside.

The Recreation Center will be located on the 14-acre parcel with a roughly 50-foot buffer around many sides of the property. The Recreation Center will be a 29,427 square foot facility with two floors. On the first floor will be the parks and recreation office, reception area, men's and women's locker rooms,

elevator, full-size multi-purpose gymnasium, meeting/classroom/exercise room, kitchen, storage, and mechanical rooms. On the second floor will be an exercise studio, fitness/cardio room, elevated walking/running track, bathroom and storage spaces. The parking area will accommodate 135 vehicles and will have 4 electric car charging stations. There will be a 216,000-watt solar canopy of a portion of the parking lot and 167,000-watt solar array on the roof of the Recreation Center.

The entrance road to the Recreation Center will be located across from Laker Lane on Blakely Road. The intersection on Blakely Road will be signalized, which will reduce traffic congestion from Laker Lane entering and exiting Blakely and to facilitate the new access road to the Recreation Center.

The total cost of the 29,427 sq. ft building will be \$15,907,000. The building will be paid with Local Option Tax (LOT) funds (1% sales tax revenue). There is \$9 million available in LOT funds. The remaining \$6,907,000 that is needed will be financed through a loan over 10 years. This loan will be paid with future LOT funds, however, there will be no increase in LOT or other taxes.

The Local Option Tax is a 1% sales tax that the voters approved in March of 2015. The defined use of the Local Option Tax is to retire existing debt and for use on Capital Projects that are approved by the voters. The estimated balance of local option tax funds as of 6/30/23 is \$9,468,285 and \$9 million will be used for the Recreation Center.

When the LOT was implemented it generated \$1,482,496 in the first year. In 2022 it generated \$2,174,000 in revenue, or an 8.1% average annual increase. We are estimating 3% increase in revenues starting in 2023. With existing and Recreation Center debt, there will be \$1 million annually to take on other voter approved capital projects.

The Local Option Tax will pay for the construction of the building and no property taxes will be used for the construction. Operating costs will be paid for by memberships to the fitness center, facility rentals, and programs. No property taxes will be used for the operating costs of the Recreation Center.

We estimate that membership rates for annual members will range from \$30 per month to \$50 for adults and \$100 for families. There will be 3-month memberships, punch passes, and daily passes. There will be exercise classes, general programs, and other opportunities that will not require memberships to participate. Program or class fees may apply. The goal of this facility is to make it not impact the property taxes of residents and memberships are necessary to achieve that goal.

The project requires voter approval at Town Meeting Day on March 7, 2023. The question on the ballot will look like this:

Shall general obligation bonds or notes of the Town of Colchester in the amount of \$6,907,000, subject to available grants-in-aid, be issued under Section 703(c) of the Town Charter and Subchapter 1 of Chapter 53 of Title 24, Vermont Statutes Annotated, payable from the existing 1% local option sales tax over a period not to exceed ten years, and shall the Town use \$9,000,000.00, in previously collected local option sales taxes that are restricted to voter approved capital projects, for the construction of a Recreation Center?

If the ballot item is approved by the voters, it is anticipated completion will be in Spring of 2025.

To summarize, the Town of Colchester is seeking voter approval for \$15,907,000 to fund construction of the Colchester Recreation Center. There is \$9 million in Local Option Tax (LOT) (1% sales tax) available in reserve for this project. The remaining \$6,907,000 will be financed over 10 years, which will be repaid with LOT funds.

There will be **NO** increase in property taxes to support or construct the facility. Recreation Center operations will be funded by memberships and facility rentals. There will be **NO** increase to the LOT (repayment is funded with existing 1% sales tax).

Over the last 20 years, surveys, public meetings, focus groups, and elected and volunteer boards have endorsed the need for an indoor recreation facility. A facility such as this one is important for a community's health, economy and social fabric.