

## DEBT SERVICE PROPOSAL FOR THE MOBILE COUNTY SOCCER AND AQUATIC CENTER COMPLEX

Commissioner Connie Hudson

My office is recommending to the Mobile County Commission that the existing level of county Lodging Tax revenues be utilized to fund debt service to pay for Phase I construction of the Mobile County Soccer and Aquatic Center Complex. Phase I of the project includes:

- 10 lighted soccer fields including a championship field with spectator seating
- Restroom buildings and a concession building
- Soccer events area and a ceremonial plaza
- 7 shade pavilions
- Maintenance building
- Main entrance drive and interior roadways and road signage
- 3 visitor parking areas with 931 total spaces
- Vehicular and pedestrian bridges on interior roadways
- Playground
- Cross Country track and Nature Trails
- Site work including design, environmental and geotechnical
- Water and Sewer
- Landscaping

The projected cost of Phase I is \$20.7 million. The county's 2% current Lodging Tax was approved by the County Commission in 2001 for the express purpose of utilizing the revenues generated to stimulate tourism and convention business throughout Mobile County. In 2015, the Lodging Tax generated \$2.4 million (a 4.5% increase over revenue collected in 2014). Since 2013, the Lodging Tax revenues have averaged growth of 3.7% per year. Currently, \$1.4 million of the revenue collected is utilized for tourism-related events and attractions. Another \$500,000 of the revenue is allocated to the General Fund Budget. The balance of the Lodging Tax revenues (\$500,000) is currently not earmarked.

This debt service payment recommendation proposes to utilize the un-earmarked \$500,000 and the \$500,000 in Lodging Tax revenue that is currently allocated to the county General Fund Budget to pay amortized debt service on Phase I of the Soccer and Aquatic Center Complex. This \$1 million of Lodging Tax revenue plus anticipated annual growth in the fund is sufficient to service debt on a 20 to 30 year Bond. The \$500,000 reduction in the General Fund Budget would be replaced by the projected growth in sales tax revenue (4% positive variance) of approximately \$2.2 million by the end of the 2016 fiscal year.

The future development of Phase II (The 15 acre water park) and Phase III (The natatorium) of the Soccer and Aquatic Center project would be contingent on private partnerships and financial investment.