



Hamilton County Administrator's Office

Interdepartmental Memorandum

To: Board of County Commissioners

From: Erica L. Riehl

Cc: Christian M. Sigman, Joseph J. Feldkamp

Date: July 22, 2013

Re: Stadium 5-Year Capital Plan

As part of the Sales Tax Fund discussion, this report provides an update to the 5-year capital plan provided by the teams at Paul Brown Stadium (PBS) and Great American Ball Park (GABP). The Administration will provide a recommendation as to actual budget funding as we do each year, but please recognize that the aging stadiums cannot be adequately maintained with the lease-required capital maintenance funding contribution.

In 2014, PBS will be entering its 14th year of operation and GABP will be entering its 11th. Many of the systems at both stadiums are 2-3 years older than this as they were bid and placed in service before the facilities were opened. With the Major League Baseball announcement of the July 2015 All Star Game coming to GABP, we are contemplating an accelerated capital use plan beginning this year to prepare the ballpark for this national marquee event.

	PBS	GABP
Fund Balance as of 8-1-13	2,600,000	3,000,000
Projected use Aug-Dec 2013	-0-	(1,500,000)
Fund Balance 1-1-14	2,600,000	1,500,000
Capital Request 2014	(12,518,700)	(4,000,000)
Lease Commitment 2014	+ 1,000,000	+1,000,000
Fund Balance 1-1-2015	(8,918,700)	(1,500,000)
Capital Request 2015	(1,853,000)	(500,000)
Lease Commitment 2015	+1,000,000	+1,000,000
Fund Balance 1-1-2016	(9,771,700)	(1,000,000)
Capital Request 2016	(1,898,000)	(500,000)
Lease Commitment 2016	+1,000,000	+1,000,000
Fund Balance 1-1-2017	(10,669,700)	(500,000)
Capital Request 2017	(1,495,000)	(500,000)
Lease Commitment 2017	+1,000,000	+1,000,000
Fund Balance 1-1-2018	(11,164,700)	-0-

As of August 1, 2013 we project capital reserve fund balances of \$2.6 million for PBS and \$3.0 million for GABP. The detail for the above capital plan is attached. We are projecting an accelerated use of capital funding at GABP by performing additional work this fall to ready the ballpark for the All Star Game in 2015. While both stadiums have been managed efficiently and capital maintenance programs have been implemented with the use of the lease required annual contribution of \$1 million at each stadium, planning and associated funding will need to be addressed as the stadiums age to maintain public safety, a satisfactory appearance, and tenant occupancy. Specific asset preservation activities include concrete and waterproofing, lighting, mechanical and fire suppression maintenance, and structural steel painting.

Additionally, the lease(s) obligations feature replacement costs to major components such as deep well pumps, heating & A/C components, scoreboards, sound systems, playing fields, furniture and carpeting, suite refurbishes, and concession equipment. On occasion, each of the teams have partnered with the County to perform cost-sharing or deferment programs. This collaboration has proven helpful in stabilizing the respective capital maintenance funds and enabled the County to perform some maintenance items quicker than the budget may have allowed. Another concept that we have explored includes a performance contracting effort that defers payment over time until the capital improvements begin to show savings in the way of utilities or operational costs. This deferment allows us to accomplish more with less and essentially is self-financed. However, in the short term, the pending request for a new HD scoreboard and other recommended capital expenditures at PBS and the few accelerated improvements at GABP quickly places each of the capital maintenance funds into a deficit. Even with some fine tuning or decreasing some of the requests, the funds are still in fiscal jeopardy.

As you can see, capital expenditures escalate over time as the buildings age and special requests are made. These capital expenditures are a key element of any long-term solution to balancing the Sales Tax Fund. We will continue to work with the teams in an effort to manage the respective capital funds and continue to seek cost sharing concepts.

In the coming weeks the Administration will schedule a Board staff meeting discussion to seek specific policy direction concerning balancing the Sales Tax Fund in 2014 and beyond.

Great American Ball Park					
5 Year Capital Plan 2014 - 2018					
Budget Summary					
Projected August 1, 2013 Capital balance	\$3,000,000				
2014 Capital Contribution	\$1,000,000				
2015 Capital Contribution	\$1,000,000				
Accumulated Interest	\$15,000				
	\$5,015,000				
Description	2014	2015	2016	2017	2018
Engineering	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Security	\$ 220,000	\$ 80,000	\$ 100,000	\$ 100,000	\$ 100,000
Maintenance	\$ 2,985,000	\$ 75,000	\$ 120,000	\$ 120,000	\$ 120,000
Audio / Visual	\$ 300,000		\$ 10,000	\$ 10,000	\$ 10,000
Administrative	\$ 95,000	\$ 95,000	\$ 95,000	\$ 95,000	\$ 95,000
Concession	\$ 350,000	\$ 200,000	\$ 125,000	\$ 125,000	\$ 125,000
	\$ 4,000,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000