



**FOR YOUTH DEVELOPMENT
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY**

January 18, 2013

Jim Dunaway
Mayor Donald Hill
Jesse Ancira, Jr.
Brandt Rydell
Christopher Gonzales
Chris Osborn

Taylor City Hall
400 Porter St.
Taylor, TX 76574

Dear City Manager, Mayor and City Council Members,

The YMCA of Greater Williamson County is proud of its history and presence in Taylor and grateful to all of the Taylor and area-wide donors who have contributed graciously over the years to ensure that Taylor families could participate in life-enriching YMCA programs.

The YMCA of Greater Williamson County is extremely grateful to the Taylor City Council and city administration for their tireless work on our partnership concept. A great deal of effort and resources have been exhausted by everyone for the good of all involved.

The YMCA is committed to continuing to provide services and programs in Taylor. We have always believed that the best way to accomplish this is through a partnership effort with the City of Taylor. However, we realize that in order for this partnership to accomplish a successful outcome for all involved we must all be on the same page with a shared vision of both facilities needed and a service delivery model that is thoroughly understood and enthusiastically embraced by all partners. Unfortunately, we feel that we have not been able to achieve this.

After the YMCA received facility plans and specifications (late December 2012), the YMCA's construction consultant advised that the plans, per his review, potentially presented unknown costs that may not be covered by the project contingency amount. Verification of the amount of exposure to the YMCA would only result from joint review with the design team, which would be necessary if the facility as designed was constructed and ultimately operated and funded to any extent by the YMCA. In addition, the YMCA staff reviewed the list of ad-alt items and determined that additional funds would be necessary to underwrite the cost of the aquatics-related equipment. So, as we project the impact due to the decline in membership units at our temporary facility on the future facility operating proformas, cash flow limitations that would result from pre-paying rent, and potentially underwriting unknown construction/equipment costs not covered in the proposed project budget, the YMCA leadership

wrestled with the best way to leave the door open for ongoing partnership discussion while being fiscally prudent. In order for us to regain the sense of valued partnership intended so that we can lay the ground work for future discussions, we feel we must state the following:

- 1) The YMCA of Greater Williamson County cannot fund the \$288,804 prepaid rent requested by Taylor City Manager Jim Dunaway, in letter dated December 17, 2012.
- 2) The YMCA of Greater Williamson County must withdraw from the existing MOU.
- 3) We would respectfully request a council work session that could include discussion of how the community could best be served by a partnership. The existing MOU and operating proforma was developed using a "Family YMCA Center Model" due to the desire to have a facility and program offerings similar to one found in a larger city. This model requires adequate square footage, substantial program offerings and ultimately significant ongoing subsidy from all partners involved when the population is limited. We would suggest discussions to include the merits of the currently planned family center model versus an alternate solution to include a youth and teen recreation center and adult wellness gymnasium that could potentially require less square footage and subsidy due to multi-purpose area use. The YMCA's goals would include a funding and an operational strategy that would meet the following criteria:
 - Be centrally located in order to be accessible for all Taylor residents.
 - Focus on youth and teens.
 - Be affordable for all partners.
 - Ideally receive across the board support by the Taylor City Council, the YMCA of Greater Williamson County Board and the local Taylor Family YMCA Board.

We sincerely appreciate your consideration of this matter and look forward to working with the City of Taylor to formulate a plan that best meets the needs of the your community. The YMCA of Greater Williamson County believes that through this partnership we can greatly impact the lives of the youth, teens and families of Taylor in a manner that is affordable to all partners.

Please consider responding to us formally, as to whether a work session will be appropriate and beneficial.

We look forward to visiting with you soon.

Sincerely,



David Hays
Chair, YMCA of Greater Williamson County Board

Historical Overview (From the YMCA's perspective)

For over 15 years, the YMCA of Greater Williamson County has been pleased to have the opportunity to provide recreation and social services to families in Taylor. We believe that we have had a positive impact on the lives of the children and families of Taylor.

In 2005, the YMCA together with the City of Taylor and Williamson County agreed to pursue steps necessary to establish a permanent YMCA facility in Taylor that would enhance services and programs to Taylor residents and to families of surrounding communities.

The approach included the construction of a temporary facility that would promote membership and transition into the future facility, which was planned to be located at the sports complex to be built on Taylor's Outer Loop Road. Many locations for the permanent facility were considered. Ultimately, city-owned land and the YMCA's planned role in the operation of the sports complex resulted in the choice to locate the YMCA at that location.

The temporary facility was to cost \$510,000 with the cost split between the YMCA and the county. The city declined to participate in funding of the temporary facility due to costs associated with anticipated road improvements. The future permanent facility was to be funded by a successful bond election for the City of Taylor. With this partnership plan in place, the YMCA renovated the old CVS building at 106 W. Lake Drive and opened the doors on the temporary facility in March of 2006.

The group planned for the bond election to be held in 2008, with construction taking place during 2009 and the permanent facility being opened in 2010. With this in mind, the YMCA agreed to lease and operate the temporary facility for a three-year period while anticipating a one-year construction timeline after the successful election.

Operations of the temporary facility were anticipated to require annual financial subsidies from YMCA branches and donors from outside of Taylor. (This was acceptable for the YMCA due to the established timeline and benefits related to enhanced ramp up once the permanent facility was opened). The YMCA viewed the subsidies to be provided during this anticipated three year period as part of our overall Mission.

Anticipating the YMCA's presence at the future sports complex, the YMCA underwrote the cost of the preliminary master plans for that site and shared in the cost of preparing and submitting a grant proposal to the state that could possibly fund the expansion of the future YMCA on this city location. The original facility plans called for the YMCA to be strategically located in the middle of the sports complex play field area and service the concession stand, restrooms and storage areas for sports equipment as it was anticipated that the YMCA was going to provide on location recreational services for the city during tournaments and events.

Meanwhile, membership at the temporary location exceeded expectations due to the expanded services and excitement caused by the anticipation of the future partnership facility.

As planned, after approximately two years of operations at the temporary facility, the YMCA approached the city to inquire about the planned bond election and development of an MOU for the future facility. The city explained to the YMCA that a decision had been made to utilize certificates of obligation bonds to construct the sports complex and that timing for a publicly-supported bond election for a YMCA would be better received in approximately 18 – 24 months.

At this time the YMCA discovered that the city's new master plan for the park and sports complex no longer included a YMCA at the location that had previously been agreed upon, and that potentially there was not enough city land available to house the new facility. Also at this time, the YMCA was informed that they may no longer be administering recreational services at the park and sports complex as the city had hired a parks and recreation director to perform this task.

The city's decision to delay the bond election required the YMCA to extend its temporary facility lease and operational subsidy for an unplanned two additional years and assist in the process of securing additional land for the facility. The lease extension would mean that the YMCA's total subsidy for the temporary facility, including the YMCA's percentage of construction for that facility, would exceed \$1.9 million before the permanent facility was constructed.

The YMCA agreed to the extension but, in 2010, the bond election failed. The city then asked the YMCA to provide to them a letter stating that if the funds to build a permanent facility to be operated by the YMCA were not secured by another source then the temporary YMCA facility would be closed and the adult wellness component of the YMCA services in Taylor would be discontinued. The YMCA provided this letter to the city. As a result, toward the end of 2011, an MOU for the operation of a future Rec Center/YMCA was developed and signed by both parties. It was agreed that the facility would be located on land that was adjacent to the park and sports complex, which had been donated by the county to the City of Taylor Park and Recreation Foundation for the sole purpose of constructing a recreational facility. Due to a variety of reasons, the membership at the temporary facility began declining in 2010 and has continued to decline annually.

Immediately following the mutual signatures on the MOU, the YMCA provided the city a draft form of an operating agreement for the future facility. It was hoped that the city would respond with thoughts in order to negotiate and execute an agreement. To date, the YMCA has not received a formal response.

The city hired Sledge Engineering to perform in the role of project manager in order to construct a City Rec/YMCA facility. The project budget was established between \$3.2 and \$4.2 million dollars. Establishing this budget was a critical turning point in the development of the MOU process. The participation of the TEDC combined with the preliminary pre-construction design input of the YMCA provided a basis for the established allowance.

The YMCA's participation in the design process was initially involved in the floor plan process. Further involvement was limited. This limited involvement during the design development and value engineering phase resulted in the partners no longer being on the same page as to facility needs and expectations. This left the YMCA not knowing what was being included in the design, when the facility

would be built and ultimately whether or not the YMCA would continue to be included as a partner in the project.

On December 17, 2012, Taylor City Manager Jim Dunaway requested that the YMCA consider funding \$288,804 in the form of pre-paid rent to complete the construction of the facility that was designed. This request was not part of the MOU Agreement. Since the YMCA had been excluded from the final design process and did not know what the facility would include, the YMCA was concerned about whether or not it would provide the elements needed to successfully operate a Family YMCA.

Upon receiving the request from Mr. Dunaway, the YMCA requested a copy of the plans, the specifications of the planned facility and an opportunity to meet with the design team. This would be the first time that the YMCA had the opportunity to review complete plans and specifications. The YMCA also received a list, developed by the city and Sledge Engineering, of elements that the city did not feel were necessary for the building to function as a Rec Center. These elements were listed as ad-alternate items that would need to be funded by the YMCA if they were to be included. The YMCA promptly received the plans and specifications from the city and acknowledgement that these consultants would be available to meet.

The YMCA had their construction consultant review the documents along with key YMCA leadership. The group desired to make two determinations with respect to the design and the request for \$288,804 in prepaid rent.

- Would the facility, as designed by the city, successfully function as a Family YMCA facility?
- Could the YMCA risk additional financial exposure over and above the \$288,804 requested by the city?

The consultants' initial response to the YMCA was that the plans per his review did potentially present unknowns that could not adequately be covered by the project contingency. Verification of this exposure would only result from joint review with the design team. Meanwhile, the ad-alt items were reviewed by YMCA staff and it was determined that additional funds would be necessary to underwrite required pool toys. YMCA Chairman David Hays convened a group of key YMCA leadership to assist him in determining the best way to respond to the City of Taylor's request, which would meet the expectations of the Executive Committee and Board while ideally keeping the opportunity available to discuss an alternative approach to expand services in Taylor, Texas. The response to the city manager and council which included a determination to not prepay the requested rent and to discontinue the current MOU agreement was underscored by a request to get back to the table in order to discuss an alternative option that would be satisfactory to all partners while achieving what the Taylor community could support. This approach negated the need to review current facility plans (as requested prior) in hopes that a council work session could be scheduled to talk about an alternative approach.