

7 OPERATING MODEL AND BUDGET

7.1 OPERATIONS ANALYSIS

7.1.1 OPERATIONS ANALYSIS ASSUMPTIONS

This operations analysis has been completed for the planned new Si View Aquatic Center. The following are the basic parameters for the project.

- A basic operations analysis has been completed for two center phases.
Phase 1 – A leisure pool with 3 lap lanes. Approximately 26,000 SF.
Phase 2 – Adds a 25 yard by 25 meter pool. Approximately 46,000 SF. (total SF)
- The first year of operation will be late 2022 or later. This budget represents the second full year of operation.
- The minimum wage in Washington will be at least \$14.32 an hour in 2022.
- This operational budget represents the full anticipated expenses and revenues for the center.
- The presence of aquatic providers in the market will remain the same.
- The center will be operated by the Si View Metropolitan Park District and the pool(s) will be guarded at all times with the appropriate number of life guards that will be employed by the District.
- This operations estimate is based on a basic program and concept plan for the facility phases only. This operations plan will need to be updated once a final concept design has been developed.
- Most of the programming will be provided by District staff.
- The center will draw well from the Secondary Service Area.
- Use of the competitive pool by the School District for swim team use has been shown based on an hourly rate.
- The existing Si View Metro Parks indoor pool will close.
- The operational numbers do not include any site maintenance.
- An aggressive approach to estimating use and revenues from pass sales and programs taking place at the center has been used for this pro-forma.

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7.1.2 PROJECTED HOURS OF OPERATION

The projected hours of operation are shown for both phases of the facility.

Days	Hours
Monday – Friday	5:30am – 9:00pm
Saturday	6:30am – 6:00pm
Sunday	Noon - 6:00pm
Total Hours Per Week	95

7.1.3 PROJECTED FEE SCHEDULE

The fee structure for general use of the center (both phases) is shown below. These fees are based on a 2022 opening date.

	Daily		1 Month Pass		3 Month Pass		Annual Pass		10 Visit	
	Res	N.Res	Res	N.Res	Res	N.Res	Res	N.Res	Res.	N.Res
Adult (18-60)	\$7	\$8.50	\$57	\$68	\$170	\$205	\$450	\$540	\$56	\$68
Youth (3-17)	\$6	\$7.00	\$47	\$57	\$140	\$170	\$375	\$450	\$48	\$56
Senior (55+)	\$6	\$7.00	\$47	\$57	\$140	\$170	\$375	\$450	\$48	\$56
Family	\$20	\$24.00	\$100	\$120	\$300	\$360	\$800	\$960	N/A	N/A

Month to Month as an option for Annual passes is available.

Fees cover lap/open swimming and water exercise classes only.

Non-Resident rates are 20% higher than resident rates. 10 Visit passes are a 20% discount over the daily fee.

Lane Use Rates:

Use of the competitive pool will be based on a cost per lane hour.

Lane Hour	District	Non District
	\$15.00 (25 yard)	\$20.00 (25 yard)

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7.1.4 OPERATIONS ANALYSIS SUMMARY

The following figures summarize the anticipated operational expenses and projected revenues for the operation of the Si View Aquatic Center’s two phases.

Category	Phase 1	Phase 2
Expenses	\$ 1,170,573	\$ 1,757,983
Revenues	\$ 820,274	\$ 1,236,428
Difference	\$ (350,299)	\$ (521,556)
Recovery %	70%	70%

This represents the second full year of operation.

This operations analysis was completed based on general information and a basic understanding of the project with a preliminary program and concept plan for the center. There is no guarantee that the expense and revenue projections outlined above will be met as there are many variables that affect such estimates that either cannot be accurately measured or are not consistent in their influence on the budgetary process.

7.1.5 FUTURE YEARS: EXPENDITURE - REVENUE COMPARISON

Expenses for the first year of operation of the center should be slightly lower than projected with the facility being under warranty and new. However, revenues can also be less than year two as the recreation center gears up. Revenue growth in the first three years is attributed to increased market penetration and in the remaining years to continued population growth, new programs or fee increases. Revenue growth in years one and two can be as much as 10% but usually declines to 5% in year three. At the end of this time period revenue growth begins to flatten out. Expenses generally increase by 3% to 4% in the first three years, then begin to rise by 5% or more in years four and five.

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7.1.6 EXPENSES

Expenditures have been formulated based on the costs that are typically included in the operating budget for this type of facility. The figures are based on the size of the aquatic center, the specific components of the facility and the projected hours of operation. Actual costs were utilized wherever possible and estimates for other expenses were based on similar facilities. All expenses were calculated as accurately as possible, but the actual costs may vary based on the final design, operational philosophy, and programming considerations adopted by staff.

Acct. #	Category	Phase 1	Phase 2
	Personnel (plus benefits)		
20-10-00	Salaries & Wages - Aqua Admin (Full-Time)	187,500	248,000
20-10-01	Salaries & Wages - Seasonal Aquatics (Part-Time)	525,037	807,570
20-20-00	Benefits - Aqua Admin (Full-Time)	75,000	99,200
20-20-01	Benefits - Seasonal Aquatics (Part-Time)	52,504	80,757
	Total	\$ 840,041	\$ 1,235,527
	Supplies & Contractual		
20-30-01	Operating Supplies - Aquatics	12,000	15,500
	Office Supplies	3,000	3,500
	Uniforms	3,000	4,500
	First Aid Supplies	1,000	1,500
	Program Supplies	5,000	6,000
20-30-02	Maintenance Supplies - Aquatics	30,000	58,000
	Janitorial Supplies	10,000	13,000
	Pool Chemicals	20,000	45,000
20-35-01	Operating Small Tools & Equipment - Aquatics	7,000	9,000
20-35-02	Maintenance Small Tools & Equipment - Aquatics	4,000	6,000
20-41-00	Professional Services - Aquatics	3,000	5,000
20-41-02	Professional Services - Aquatics Maintenance (Alarm, HVAC, Pool Mech. Etc.)	10,000	20,000
20-43-01	Travel	2,000	3,000

Acct. #	Category	Phase 1	Phase 2
20-44-01	Advertising - Aquatics	10,000	15,000
20-48-01	Repairs & Maintenance - Pool	12,000	17,000
20-49-00	Misc. Dues/Fees	5,000	6,000
20-49-01	Rentals/Misc. - Pool	2,000	3,000
20-49-02	Training - Tuition	3,000	4,000
	Total	\$ 100,000	\$ 161,500
	Other		
	Bank Charges (Registration/Credit Card Fees)	21,532	32,456
	Utilities (Gas & Electric- \$4.00 SF)	104,000	184,000
	Communications (Phone/IT)	4,000	4,500
	Water & Sewer	20,000	35,000
	Trash Pick-Up	3,000	3,000
	Cafe Supplies (Food)	50,000	60,000
	Merchandise for Resale	8,000	12,000
	Insurance (Property & Liability)	0	0
	Total	\$ 210,532	\$ 330,956
	Capital		
	Replacement fund	\$ 20,000	\$ 30,000
	Grand Total	\$ 1,170,573	\$ 1,757,983

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7.1.7 REVENUES

The following revenue projections were formulated from information on the specifics of the project and the demographics of the service areas as well as comparing them to state and national statistics and other similar facilities in the area. Actual figures will vary based on the size and make-up of the components selected during final design, market stratification, philosophy of operation, fees and charges policy, and priorities of use.

Acct. #	Category	Phase 1	Phase 2
	<u>Fees</u>		
30-00-02	Daily Admissions	87,480	104,976
30-00-02	10 Visit Pass	6,720	8,064
30-00-02	1 Month	4,325	5,190
30-00-02	3 Month Pass	6,405	7,686
30-00-02	Monthly Annuals	198,415	226,760
30-00-02	Annuals	101,653	116,175
	Group/Corporate	5,000	8,000
40-00-01	Aquatic Rentals	8,663	156,755
	General Facility Rentals	10,920	32,760
	Total	\$ 429,580	\$ 666,364

Acct. #	Category	Phase 1	Phase 2
	<u>Programs</u>		
60-00-01	Aquatics Programs	197,075	318,156
	Fitness/General Programs	74,620	96,908
	Total	\$ 271,695	\$ 415,064
	<u>Other</u>		
	Resale Items (Gross Sales)	10,000	15,000
	Concession (Gross Sales)	103,000	131,000
	Special events	1,000	1,500
	Vending (Net)	5,000	7,500
	Total	\$ 119,000	\$ 155,000
	Grand Total	\$ 820,274	\$ 1,236,428

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7.1.8 STAFF

The determination of full-time and part-time staff positions was developed based on the expected use of the aquatic center, the hours of operation, the key amenities that are contained in the center and operational practices of the facility. These figures contain expected instructors for a variety of recreation and aquatic programs that may be occurring at the facility.

Pay rates were determined based on basic job classifications and wage scales for existing positions. The wage scales for staff positions reflect an anticipated wage for 2022.

FULL TIME

Full Time Staff	Salary	Existing	Phase 1		Phase 2	
			Positions	Total	Positions	Total
Recreation Supervisor-Aquatics	\$ 77,500	X	1	\$ 77,500	1	\$ 77,500
Recreation Coordinator-Aquatics	\$ 60,500		0	\$ -	1	\$ 60,500
Recreation Specialist-Aquatics (From 3/4 to Full)	\$ 48,000	X	1	\$ 48,000	1	\$ 48,000
Maintenance Technician	\$ 62,000		1	\$ 62,000	1	\$ 62,000
Front Desk Specialist	\$ 48,000		0	\$ -	0	\$ -
Head Lifeguard	\$ 48,000		0	\$ -	0	\$ -
Positions			3		4	
Salaries				\$ 187,500		\$ 248,000
Benefits	40.00%			\$ 75,000		\$ 99,200
Total Full-Time Staff				\$ 262,500		\$ 347,200

PART TIME

Part-Time	Hourly Rate	Hours	Phase 1		Phase 2		
			Weeks	Total	Hours	Weeks	Total
Front Desk Supervisor	\$ 15.00	95	52	\$ 74,100	95	52	\$ 74,100
Front Desk Clerk	\$ 14.50	32	52	\$ 23,954	59	52	\$ 44,646
Lifeguard	\$ 15.00	310	52	\$ 241,740	531	52	\$ 414,330
Head Lifeguard	\$ 17.50	42	52	\$ 38,063	86	52	\$ 78,348
Custodian	\$ 15.50	33	52	\$ 26,598	48	52	\$ 38,688
Café/Retail	\$ 14.50	64	52	\$ 48,198	87	52	\$ 65,294
Total		575		\$ 452,653	906		\$ 715,405
F.T.E.		14			23		
Aquatics Program Staff				\$ 59,905			\$ 69,006
General Program Staff				\$ 12,480			\$ 23,160
Total				\$ 525,037			\$ 807,570
Benefits	10.0%			\$ 52,504			\$ 80,757
Total				\$ 577,541			\$ 888,327

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7.1.9 ADMISSION REVENUE

The following spreadsheets identify the expected use numbers for each form of admission that the center will offer (see projected fee schedule) for each phase.

PHASE 1

Daily Fees	Fees	Number	Revenue
Adult	\$7.00	5	\$35
Youth	\$6.00	10	\$60
Senior	\$6.00	5	\$30
Family	\$20.00	5	\$100.00
Total		25	\$225
			x 360 days/yea
Total			\$81,000
	% of Users	% of Fee Increase	
Non.Res.	40%	20%	\$6,480
Grand Total			\$87,480

10 Visit	Fees	Number	Revenue
Adult	\$56	35	\$1,960
Youth	\$48	60	\$2,880
Senior	\$48	30	\$1,440
Total		125	\$6,280
	% of users	% of fee increase	
Non. Res.	35%	20%	\$440
Adjusted Total			\$6,720

1 Month Passes	Fees	Number	Revenue
Adult	\$57	20	\$1,140
Youth	\$47	10	\$470
Senior	\$47	10	\$470
Family	\$100	20	\$2,000
Total		60	\$4,080
	% of users	% of fee increase	
Non. Res.	30%	20%	\$245
Adjusted Total			\$4,325

3 Month Passes		Fees	Number	Revenue		
Adult		\$170	10	\$1,700		
Youth		\$140	5	\$700		
Senior		\$140	5	\$700		
Family		\$300	10	\$3,000		
Total			30	\$6,100		
	% of users		% of fee increase			
Non. Res.	25%		20%	\$305		
Adjusted Total				\$6,405		
Month to Month		Fees	Number	Revenue	Months	Total Revenue
Adult		\$41	97	\$3,963	12	\$47,561
Youth		\$35	16	\$564	12	\$6,767
Senior		\$35	48	\$1,692	12	\$20,300
Family		\$70	161	\$11,278	12	\$135,335
Total			322	\$17,497		\$209,963
	% of users		% of fee increase			
Non. Res.	25%		20%		\$	10,498
Sub-Total					\$	220,461
Loss	10%			\$0		\$22,046
Adjusted Total						\$198,415
Annual Passes		Fees	Number	Revenue		
Adult		\$450	48	\$21,426		30%
Youth		\$375	8	\$2,976		5%
Senior		\$375	24	\$8,927		15%
Family		\$800	79	\$63,483		50%
Total			159	\$96,812		100%
	% of users		% of fee increase			
Non. Res.	25%		20%	\$4,841		
Adjusted Total				\$101,653		
Revenue Summary		Passes				
Daily	\$87,480					
10 Visit	\$6,720					
1 Month	\$4,325					
3 Month	\$6,405					
Month to Month	\$198,415			322		
Annual Passes	\$101,653			159		
Total	\$404,997			481		

PHASE 2

Daily Fees	Fees	Number	Revenue
Adult	\$7.00	6	\$42
Youth	\$6.00	12	\$72
Senior	\$6.00	6	\$36
Family	\$20.00	6	\$120.00
Total		30	\$270
			x 360 days/year
Total			\$97,200
	% of Users	% of Fee Increase	
Non.Res.	40%	20%	\$7,776
Grand Total			\$104,976
10 Visit	Fees	Number	Revenue
Adult	\$56	42	\$2,352
Youth	\$48	72	\$3,456
Senior	\$48	36	\$1,728
Total		150	\$7,536
	% of users	% of fee increase	
Non. Res.	35%	20%	\$528
Adjusted Total			\$8,064
1 Month Passes	Fees	Number	Revenue
Adult	\$57	24	\$1,368
Youth	\$47	12	\$564
Senior	\$47	12	\$564
Family	\$100	24	\$2,400
Total		72	\$4,896
	% of users	% of fee increase	
Non. Res.	30%	20%	\$294
Adjusted Total			\$5,190

3 Month Passes				Fees	Number	Revenue		
Adult		\$170	12			\$2,040		
Youth		\$140	6			\$840		
Senior		\$140	6			\$840		
Family		\$300	12			\$3,600		
Total			36			\$7,320		
		% of users	% of fee increase					
Non. Res.		25%	20%			\$366		
Adjusted Total						\$7,686		
Month to Month				Fees	Number	Revenue	Months	Total Revenue
Adult		\$41	110			\$4,530	12	\$54,355
Youth		\$35	18			\$644	12	\$7,733
Senior		\$35	55			\$1,933	12	\$23,200
Family		\$70	184			\$12,889	12	\$154,669
Total			368			\$19,996		\$239,957
		% of users	% of fee increase					
Non. Res.		25%	20%				\$	11,998
Sub-Total							\$	251,955
Loss		10%				\$0		\$25,196
Adjusted Total								\$226,760
Annual Passes				Fees	Number	Revenue		
Adult		\$450	54			\$24,486		30%
Youth		\$375	9			\$3,401		5%
Senior		\$375	27			\$10,203		15%
Family		\$800	91			\$72,552		50%
Total			181			\$110,643		100%
		% of users	% of fee increase					
Non. Res.		25%	20%			\$5,532		
Adjusted Total						\$116,175		
Revenue Summary				Passes				
Daily		\$104,976						
10 Visit		\$8,064						
1 Month		\$5,190						
3 Month		\$7,686						
Month to Month		\$226,760				368		
Annual Passes		\$116,175				181		
Total		\$468,850				550		

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7.1.10 AQUATIC PROGRAMS

The following worksheets indicate representative aquatic programs that could take place at the center, the costs of providing the service and the expected revenue.

PHASE 1

Program Calculations - Expenses					
Learn to Swim Classes	Rate/Class	Classes/Day	Classes	Sessions	Total
Summer	\$ 7.75	15	10	4	\$ 4,650
	\$ 7.75	7	6	4	\$ 1,302
Spring/Fall/Winter	\$ 7.75	13	10	10	\$ 10,075
	\$ 7.75	7	6	10	\$ 3,255
Total					\$ 19,282
Water Exercise	Rate/Class	Classes/Wk	Weeks	Total	
Summer	\$ 15.50	18	14	\$ 3,906	
Spring/Fall/Winter	\$ 15.50	18	38	\$ 10,602	
Total				\$ 14,508	
Other	Rate/Class	Classes/Wk	Weeks	Total	
Private Lessons	\$ 7.75	8	50	\$ 3,100	
Lifeguard Training	\$ 15.50	33	3	\$ 1,535	
Stingrays Swim Team	\$ 15.50	10	48	\$ 7,440	
	\$ 15.50	10	48	\$ 7,440	
Misc.	\$ 15.50	4	50	\$ 3,100	
Total				\$ 22,615	
Contract/Other					\$ 3,500
Grand Total					\$ 59,905

Program Calculations - Revenues

<i>Learn to Swim</i>	Classes/Week	Fee	Participants	Sessions	Total
Summer	15	\$ 105.00	4	4	\$ 25,200
	7	\$ 65.00	4	4	\$ 7,280
Spring/Fall/Winter	13	\$ 105.00	4	10	\$ 54,600
	7	\$ 65.00	4	10	\$ 18,200
Private Lessons	8	\$ 45.00	1	50	\$ 18,000
Total					\$ 123,280
<i>Water Aerobics</i>	Classes/Week	Fee	Participants	Sessions	Total
Summer	18	\$ 7.00	4	14	\$ 7,056
Spring/Fall/Winter	18	\$ 7.00	4	38	\$ 19,152
Total					\$ 26,208
<i>Other</i>	Classes/Week	Fee	Participants	Sessions	Total
Lifeguard Training	1	\$ 195.00	8	3	\$ 4,680
Stingrays Swim Team	1	\$ 100.00	25	11	\$ 27,500
Misc.	4	\$ 7.00	4	50	\$ 5,600
Total					\$ 37,780
Contract/Other					\$ 5,000
Total					\$ 192,268
Non-Resident	25% of Total x 10% increase in fees				\$ 4,807
Grand Total					\$ 197,075

PHASE 2

Program Calculations - Expenses

<i>Learn to Swim Classes</i>	Rate/Class	Classes/Day	Classes	Sessions	Total
Summer	\$ 7.75	18	10	4	\$ 5,580
	\$ 7.75	10	6	4	\$ 1,860
Spring/Fall/Winter	\$ 7.75	15	10	10	\$ 11,625
	\$ 7.75	10	6	10	\$ 4,650
Total					\$ 23,715
<i>Water Exercise</i>	Rate/Class	Classes/Wk	Weeks	Total	
Summer	\$ 15.50	21	14	\$ 4,557	
Spring/Fall/Winter	\$ 15.50	21	38	\$ 12,369	
Total				\$ 16,926	
<i>Other</i>	Rate/Class	Classes/Wk	Weeks	Total	
Private Lessons	\$ 7.75	10	50	\$ 3,875	
Lifeguard Training	\$ 15.50	33	3	\$ 1,535	
Stingrays Swim Team	\$ 15.50	10	48	\$ 7,440	
	\$ 15.50	10	48	\$ 7,440	
Misc.	\$ 15.50	5	50	\$ 3,875	
Total				\$ 24,165	
Contract/Other				\$ 4,200	
Grand Total				\$ 69,006	

Program Calculations - Revenues					
Learn to Swim	Classes/Week	Fee	Participants	Sessions	Total
Summer	18	\$ 105.00	4	4	\$ 30,240
	10	\$ 65.00	4	4	\$ 10,400
Spring/Fall/Winter	15	\$ 105.00	4	10	\$ 63,000
	10	\$ 65.00	4	10	\$ 26,000
Private Lessons	10	\$ 45.00	1	50	\$ 22,500
Total					\$ 152,140
Water Aerobics	Classes/Week	Fee	Participants	Sessions	Total
Summer	21	\$ 7.00	4	14	\$ 8,232
Spring/Fall/Winter	21	\$ 7.00	4	38	\$ 22,344
Total					\$ 30,576
Other	Classes/Week	Fee	Participants	Sessions	Total
Lifeguard Training	1	\$ 195.00	8	3	\$ 4,680
Stingrays Swim Team	1	\$ 100.00	100	11	\$ 110,000
Misc.	5	\$ 7.00	4	50	\$ 7,000
Total					\$ 121,680
Contract/Other					\$ 6,000
Total					\$ 310,396
Non-Resident	25% of Total x 10% increase in fees				\$ 7,760
Grand Total					\$ 318,156

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7.1.11 GENERAL PROGRAM

The following worksheets indicate representative general programs that could take place at the center, the costs of providing the service and the expected revenue.

PHASE 1

Program Calculations - Expenses					
Birthday Parties	Rate/Class	Classes/Week	Number of Hours	Weeks	Total
Parties	\$ 15.00	8	2	52	\$ 12,480
Total					\$ 12,480
Grand Total					\$ 12,480
Program Calculations - Revenues					
Birthday Parties	Rate	Number	Weeks	Total	
Parties	\$ 175.00	8	52	\$	72,800
Total				\$	72,800
Non-Resident	25% of Total x 10% increase in fees			\$	1,820
Grand Total					\$ 74,620

PHASE 2

Program Calculations - Expenses					
Fitness	Rate/Class	Classes/Week	Number of Staff	Weeks	Total
Group Fitness Classes	\$ 25.00	6	1	52	\$ 7,800
Total					\$ 7,800
Birthday Parties					
Parties	Rate/Class	Classes/Week	Number of Hours	Weeks	Total
Parties	\$ 15.00	8	2	52	\$ 12,480
Total					\$ 12,480
General Recreation Classes					
Adult Classes	Rate/Class	Classes/Week	Number of Staff	Weeks	Total
Adult Classes	\$ 15.00	2	1	32	\$ 960
Youth/Teen Classes	\$ 15.00	2	1	32	\$ 960
Misc. Classes	\$ 15.00	2	1	32	\$ 960
Total					\$ 2,880
Contract/Other					\$ -
Grand Total					\$ 23,160
Program Calculations - Revenues					
Fitness	Rate/Class	Classes/Week	Participants	Weeks/sessions	Total
Group Fitness Classes	\$ 7.00	6	6	52	\$ 13,104
Total					\$ 13,104
Birthday Parties					
Parties	Rate	Number	Weeks	Total	
Parties	\$ 175.00	8	52	\$ 72,800	
Total				\$ 72,800	
General Recreation Classes					
Adult Classes	Rate/Class	Classes/Week	Participants	Weeks/sessions	Total
Adult Classes	\$ 50.00	2	8	4	\$ 3,200
Youth/Teen Classes	\$ 35.00	2	8	4	\$ 2,240
Misc. Classes	\$ 50.00	2	8	4	\$ 3,200
Total					\$ 8,640
Contract/Other					
Total					\$ 94,544
Non-Resident Fee	25% of Total x 10% increase in fees				\$ 2,364
Grand Total					\$ 96,908

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7.1.12 RENTAL REVENUE

These worksheets indicate the expected revenue that will be obtained through the rental of the aquatic and other areas of the center for events and other activities.

GENERAL PHASE 1

Revenues	Rate/Hr.	Number of Hrs.	Weeks	Total
Group Room	\$ 50	4	52	\$ 10,400
Non Resident Fee	25% of Total x 20% increase in fees			\$ 520
Total				\$ 10,920

GENERAL PHASE 2

Revenues	Rate/Hr.	Number of Hrs.	Weeks	Total
Flex Room	\$ 100	4	52	\$ 20,800
Group Room	\$ 50	4	52	\$ 10,400
Sub-Total				\$ 31,200
Non-Resident Fee	25% of Total x 20% increase in fees			\$ 1,560
Total				\$ 32,760

Aquatic PHASE

Revenues	Rate/Hr.	# of Lanes	Hours/Day	Days/Week	Weeks/Times	Total
Recreation Pool	\$275		1		30	\$ 8,250
Sub-Total						\$ 8,250
Non-Resident	25% of Total x 20% increase in fees					\$ 413
Total						\$ 8,663

Aquatic PHASE

Revenues	Rate/Hr.	# of Lanes	Hours/Day	Days/Week	Weeks/Times	Total
Compt. Pool 25 x 25						
<i>USA Team</i>						
Per Lane Hour (25Yd)	\$15	8	3	6	48	\$ 103,680
Total Pool (Meets)	\$900		1		6	\$ 5,400
<i>High School</i>						
Per Lane Hour	\$15	6	3	6	18	\$ 29,160
Total Pool (Meets)	\$700		1		4	\$ 2,800
Recreation Pool	\$275		1		30	\$ 8,250
Sub-Total						\$ 149,290
Non-Resident	25% of Total x 20% increase in fees					\$ 7,465
Total						\$ 156,755

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7.2 PARTNERSHIPS

7.2.1 INTRODUCTION

A significant number of new indoor aquatic facilities now involve some form of partnership with other community organizations and aquatic/recreation service providers. For partnerships to be effective the following must occur.

- Must actively pursue and sell the benefits of the partnership.
- Weigh the benefits vs. the cost of the partnership.
- Don't compromise on the original vision and mission of the project.
- Establish a shared partnership vision.
- Expect compromises to meet different needs and expectations.
- Clearly define development and operations requirements.

An important step in determining the feasibility of developing a new indoor aquatic center for the Si View Metropolitan Park District is to assess the partnership opportunities that exist with organizations that have indicated possible interest in pursuing such a project.

Through the feasibility and public input process portions of the study, a number of organizations and entities were identified as possible partners for the aquatic center.

- City of Snoqualmie
- Snoqualmie Valley School District
- Health Care Providers
- Aquatics Organizations
- Retail Sales
- Other Recreation Service Providers
- Community Organizations
- Business and Corporate Community

The following is a general summary of the partnership assessment and recommendations for how to proceed with partnering on the aquatic center.

7.2.2 SPECIFIC PROJECT ROLES

After reviewing the partnering assessment for each organization, the partnerships can be categorized into three possible levels.

Primary or Equity Project Partners – These would be the main partners in the project who have the most interest, the ability to fund, and a willingness to be a part of the development and operation of the facility.

- *City of Snoqualmie* – The City has been interested in developing an indoor pool as part of its recreation offerings for its citizens. Since the City is virtually surrounded by the Si View Metropolitan Park District, having them as an equity partner in the project should be pursued. Site will be a critical issue for the City with the need for the project to be in the community. It should be expected that the City would be a significant provider of capital for the project and would also possibly share some of the operational funding obligations. In return, residents of the City would be able to use the aquatic center at resident rates.
- *Snoqualmie Valley School District* – The school district’s interest in a new aquatic facility will be for the competitive pool. The site of the aquatic center will also factor into the level of possible partnership with the school district. A location close to a school campus will increase the possibility for a stronger partnership. Pursuing some capital funding for the competitive pool is advised but could be difficult to obtain. However, any utilization of the pool should require a fee for use on a per lane/hour basis. This could certainly help to off-set operating costs for that portion of the facility.
- *Health Care Provider* – With an aquatic center with a warm water pool, there could be an opportunity to attract a health care provider to utilize the facility for therapy or rehabilitation purposes. This could even involve a lease of space for an on-site presence by the organization. There will need to be a strong effort to develop a contract with a provider for this purpose that would cover any operating costs and the capital cost of the space amortized over a ten-fifteen-year period. If there is no dedicated space in the building, then having an agreement for payment of use of the pool at certain times on a per hour basis would be necessary.

There are several realistic opportunities to have an equity partner for the aquatic center.

Secondary Project Partners – These organizations could have a direct interest in an indoor aquatic center project but not to the same level as a primary partner. Capital funding for the project is unlikely but there could be some assistance with program and service delivery.

- *Aquatics Organizations* – Local aquatic organizations (swim teams, diving teams, water polo teams, etc.) could be primary users of the competitive pool if the amenities that they need are available (diving boards, deep water, etc.) to support their activities. It should be expected that these groups would be strong supporters of the center and would pay for their use of the facility.

- *Retail Sales* – It may be possible to integrate some local retail services into the aquatic center. This could come in the area of a small drink/food service operation and/or a small area to sell sports, recreation and fitness goods. The center should either lease space in the building for these purposes or take a percentage of any goods that are sold.
- *Other Recreation Service Providers* – In an effort to offer a wide variety of programs and services, partnering with select outside recreation providers is encouraged. These services should also be offered on a contract basis with a split of gross revenues at a rate of 70% for the vendor and 30% for the center. Some of these other providers could include other aquatic providers or groups interested in offering more dryland-based programming in the flex space.

The key factor with the secondary partners is to determine what programs and services are most appropriate for this delivery method realizing that there is the potential for overlapping services.

Support Partners – These organizations support the development of a new aquatic center but would see limited to no direct involvement in the development or operation of the facility.

- *Community Organizations* – Developing working relationships with community organizations and service clubs could provide much needed support for the project as well as generate possible users of the center.
- *Business and Corporate Community* – It is important to approach the business and corporate community with a variety of sponsorship opportunities to enhance the revenue prospects of the facility.

Support partners would have a limited impact on the development and operation of the Si View Aquatic Center, but their involvement in the process should still be a priority to build overall awareness of the project and help promote its use.

As the new aquatic center becomes closer to reality, the opportunities for partnering will increase. A well written partnership agreement will need to be drafted between any organizations involved in the project. The agreement should clearly outline the capital funding requirements, project ownership, priorities of use/pricing, operating structure, facility maintenance and long-term capital funding plan. These agreements must be approved prior to committing to begin design or construction of the center.

7

7.3 FUNDING ANALYSIS

7.3.1 INTRODUCTION

It is possible that a new Si View Aquatic Center could be funded through a number of public and private sources. This leaves a number of possible funding sources that should be investigated. Although this is not meant to be an exhaustive list it does indicate possible available funding sources. These include:

7.3.2 CAPITAL FUNDING SOURCES

Partnerships – There is the potential of including equity (capital and/or operational funding) partners in the project. This may include a partnership with one of the organizations noted above or another not yet identified partner. There will be a limit on the number of these types of partnerships that can be established for a project due to potential competing interests. Partnership dollars received from other organizations (primarily the City of Snoqualmie) could be significant and could generate between 25%-40% of the total capital cost of the project. A more detailed partnership assessment will be necessary to determine a realistic level of funding for the project.

Fundraising – A possible source of capital funding could come from a comprehensive fundraising campaign in the Si View Metropolitan Park District. Contributions from local businesses, private individuals and service organizations could be included in the outreach effort. To maximize this form of funding a private fundraising consultant may be necessary. A realistic fundraising goal is 5% to 10% of the capital costs of the project.

Foundations – There are foundations in the greater Snoqualmie and Seattle area that could be capital funders for portions of the facility. Reaching out to these foundations to determine their level of interest, the key amenities that they would support and other project requirements for possible funding will be important. It should only be expected that 5% to 10% of the project could be funded through foundations.

Grants - It is more difficult to fund active, indoor, aquatic/recreation facilities than parks and open space from grant sources, but an effort should be made to explore these options. Key aspects of the project that should be targeted for grants is anything related to youth, teens, seniors, people with disabilities, families and lower income households. There may also be grant opportunities for energy conservation and green building initiatives. Major funding from this source is unlikely but could provide in the range of 3% to 5% of the capital costs.

Naming Rights and Sponsorships – Although not nearly as lucrative as for large stadiums and other similar facilities, the sale of naming rights and long-term sponsorships could be a source of some capital funding as well. It will probably be necessary to hire a specialist in selling naming rights and sponsorships if this revenue source is to be maximized to its fullest potential. No lifetime naming rights should be sold. The industry standard is 20 years maximum. Determining the level of financial contribution necessary to gain a naming right will be crucial. This could mean a contribution of up to 25% of the total cost of the entire project for overall facility naming rights or 50% to 100% for individual spaces (specific areas, or spaces) within a center itself. It should be recognized that the maximum potential for this funding source is probably 10% to 25% of the total capital cost.

Even when all of the potential funding sources noted above are combined, they will at best generate a funding level of 50%-60% of the capital for the project. It is clear that the other primary source of funding will have to come from tax dollars.

Si View Metropolitan Park District – Assuming that the District is going to be the primary funding agent for the aquatic center, several options to acquire the necessary tax dollars for the facility will need to be evaluated.

General Fund – The utilization of any existing non allocated tax dollars for the project. This is not a likely source for significant funding.

Bond Levy – A voter passed tax initiative to fund projects through a property tax increase. This is a more likely route for project funding. It is estimated that this would be for a maximum of \$15 to \$20 million.

King County Funding – It is not expected that any tax dollars will come from County funding, but this should be requested as the center will serve their residents as well.

Washington State Legislative Funding – The state legislature has the ability through a general appropriation to provide a grant for new recreation facilities. This source of funding will likely be difficult to obtain.

Federal Funding – Obtaining some level of federal funding for the project is unlikely, but not impossible. There has been some limited funding for evacuation shelters and also for energy efficiency initiatives.

7.3.3 OPERATIONS FUNDING SOURCES

It is projected that the new aquatic center will have an operational subsidy that will be required to support on-going operations on a yearly basis. As a result, a funding plan for the required subsidy will be necessary.

Si View Metropolitan Park District – It is anticipated that most of the responsibility for an operational subsidy will fall on the District. However, the District will need to identify how the subsidy will be handled and from what source the funding will come from. This would likely require an increase in the operational mill levy.

Partnerships – With any equity partners for the project it is possible that the facility could receive some operational funding from this source. A carefully worded partnership agreement will be necessary to confirm and guarantee the level of funding that is possible and the length of time that it should be expected.

Endowment Fund – This would require additional funding from foundations and/or fundraising to establish an operational endowment that would fund capital replacement and improvements at the facility. Fundraising for operational endowments can be very challenging.

Sponsorships – The establishment of sponsorships for different programs and services as well as funding for different aspects of the facility's operation is possible. In most cases however, this provides a relatively low revenue stream for funding day to day operating costs.

Grants – There are grants for programs and services that serve the disadvantaged, youth, teens and seniors. It may be possible to acquire funding for specific programs from this source. Many grants are only for a set period of time (1 to 3) years which could mean the loss of the program if other funding cannot be found to replace the grant.

FOUNDATION

It is highly recommended that the Si View Metropolitan Park District establish a its own foundation or utilize an existing community foundation as a funding conduit for the new aquatic center. This will provide a way to collect a variety of funding dollars and donations as well as equity partner payments for the project. This may also make the project eligible for a broader range of grant dollars.