Appendix K: Key Issues

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The following section details specific issues related to the proposed new aquatic center project. Remarks are grouped by areas of interest.

Project Focus
At this point a wide range of options for the possible development of a new aquatic center are being considered. It will be critical that if there is true interest in moving this project forward, additional study determines a preferred option to be developed. From this a more detailed building program, concept plan, capital cost estimate, and operational assessment is possible. The preferred option should consider not only the wide range of aquatic needs in Bellevue, but also the entire Eastside. But project decisions must also be based squarely on the financial realities of what capital costs can be funded as well as the ability to cover the anticipated annual operational subsidy for the facility.

While this study has focused primarily on an aquatic-oriented facility, serious consideration will need to be given to possibly adding other non-aquatic amenities to the center including fitness space, gymnasiums, walk/jog tracks and other active recreation spaces. With the addition of these types of amenities it is possible to increase the market draw for the facility and therefore marginally improve the overall level of cost recovery. However, this study has been developed to only address the aquatic uses of a center.

Site
One of the primary issues associated with this study is determining a possible site for the development of a new aquatic center. A number of potential sites have been identified and a preliminary site assessment completed. However, it is apparent that there are issues associated with the potential size of the aquatic center and the ability of many of the sites to carry such a facility. This situation is further exacerbated by the parking requirements for the facility.

Determining a site priority will be essential as it will drive capital costs, operational use and revenues, as well as potential partnerships and funding opportunities. If the aquatic center study is to move forward, then a preferred site will need to be determined in a timely manner. The site issues are discussed in more detail in the site section of the report.

Facilities
The design, image, and quality of an aquatic center has a direct impact on its ability to attract and keep customers, as well as swim meets. Thought should be given to the facility layout, as it pertains to crowd control and access, during the final design phase of the project. A visible open design, which highlights the different activity areas and encourages participation from the user and the non-user, is essential to generating community excitement and revenue.

As much natural light as possible needs to be incorporated into the design of the leisure pool area, while not compromising safety and promoting and maintaining energy

efficiency in every way possible. Since some of the options have a strong emphasis on spectators, good sight lines, comfortable seating, and easy access to concessions and restrooms becomes essential, and should be included in the development of the center's design. Ultimately, the intent is to build a "smart aquatic center" that gives the City and/or partners, the most for its money and the end users a sense of quality and value.

Programs

Special events (primarily meets) are an important aspect of any facility, but they are difficult to base consistent revenue on. For Options B and C, they can also be disruptive to regular users, and care must be taken to evaluate the benefits of individual meets before committing to hosting them. Even for Options D and E, the center should not be designed specifically to handle the once-a-year national event or activity, but should have the versatility to adapt to these needs within reason.

For the larger options, the long term aquatic programming and facility needs of not only Bellevue, but the entire Eastside, school districts, Bellevue Community College, and other institutions should be identified and integrated into the programming and operations plan for this facility.

However, if the aquatic center is going to attract large swim meets, then an organized plan must be put in place to identify desired meets and a methodology developed to obtain long term commitments (3 years and beyond) to host these events. This often requires substantial marketing dollars and a close relationship with an organization that has a history of being able to bring events to the community.

Beyond the occasional meets, the financial success of the larger aquatic center options depends in part on a strong ongoing rental of pool time by high schools, swim clubs, diving teams, water polo clubs and other specialty users. Signing long term contracts (2 to 3 years) with these organizations is essential and will ensure consistent rental revenues for the center.

The overall success of an aquatic center is dependent on developing a broad-based appeal to the general public. The needs of youth, seniors, and families must be considered and their individual concerns and issues addressed. Programs that are intergenerational in nature and those that are specifically oriented towards certain population segments will both need to be developed.

Consideration should be given to contracting for certain programs or services, especially those that are very specialized in nature (scuba, kayaking, etc.). Any contracted programs or services should require a payment of a percentage of the fees collected back to the center.

It is important to realize that the center must have a balance between program and drop-in use of the various components of the facility. If there are not substantial times set aside on a daily basis for drop-in use, then revenues generated from daily and annual passes

will be in jeopardy. A goal of the center should be to have at least 4 to 12-lap lanes (depending on the option) available to the public at most all times that the center is open.

It should be recognized that the leisure pool portion of the facility is the key to strong revenue generation from general community use. The size and magnitude of this space should not be compromised to develop the competitive portion of the facility. If anything, the size of this leisure pool area should be enlarged. This space should be dedicated to drop-in use exclusively during the afternoon, evening and weekend hours.

Budget and Fees

The success of this project depends on a number of budget factors, which need special consideration. An operational philosophy must be developed and priorities for use must be clearly identified. The revenue figures contained in this document are based on the principle that the facility will have a balance between drop in use (recreational swimming), team practices and meets, and programmed activities. A goal of consistently covering between 50% to 70% of operational expenses with revenues should be attainable for the indoor options, but there is virtually no possibility of recovering all operating expenses through facility revenues.

It should be realized that most indoor aquatic centers that have been built in the last ten years are not covering their operating expenses with revenues (see the examples in the operational budget summary section). Maximizing revenue production should be a primary goal. Care must be taken to make sure that a fees and charges policy is consistently followed. No form of revenue production should be given away. All uses by organized aquatic groups and other community organizations should include a user fee (or rental fee) to help offset the cost of operating the center.

For the outdoor aquatic center option it should be possible to have the facility cover its annual cost of operation through fees generated by the center itself. However the financial performance is dependent in part on the weather. A wet and cool summer season could result in a significant decrease in overall center revenues.

Capital replacement fund

A plan for funding a capital replacement program should be developed before the center opens. The American Public Works Association recommends between 2% and 4% of replacement cost be budgeted annually for capital items. The Renovation and Refurbishment line-items included in this study are consistent with this recommendation. Costs for maintenance and contract services should be lower than the amount budgeted for the first year, since most equipment will still be under warranty.

Fees

Fees paid for individual programs do not allow the user to utilize the center on a drop-in basis. A method of combining program fees and drop in use allows an annual pass holder to purchase a "fitness rider" for $150.00, which gives them unlimited access to any fitness class (wet or dry) during the time their pass is valid. Some centers actually include “free” fitness classes as part of the benefits of having an annual pass. Other

centers offer annual pass holders a discount (usually 10% to 15%) on all programs and services offered by the facility. The payment of the drop-in fee should allow the user access to all areas of the center that are open to drop-in use. There should not be separate fees for different portions of the building (such as the pool and weight room in Option E).

A senior discount fee schedule was developed for the center, but it should be considered as a marketing tool, rather than a discount based on need. Another option is to offer a limited morning or daytime discount rate that would be available to anyone using the center during this slower period of the day. This would work much like a senior discount, without having to label it as one.

With the fee structure that has been proposed, it will be necessary to develop a scholarship program for those individuals who cannot afford the basic rates. An established criteria, such as eligibility for the school lunch program, should be utilized to determine need, rather than spending the time developing and administering a new system. The corporate rate program should also be promoted and sold to local businesses in the area.

To promote the sale of annual passes, it is absolutely essential that a system be set up that allows for the automatic withdrawal from the pass holder's checking account of a monthly portion of the annual pass payment. Without this option, it will be difficult to meet the projected sales of annual passes. In addition, charge cards need to be accepted for all programs and services offered by the facility. A computerized registration process must also be in place to speed registration transactions and improve annual pass management.

Pre-selling annual passes
Approximately 3 to 6 months before the center opens, there must be a program in place to begin the pre-sale of "charter passes" with a savings incentive to promote sales. A goal should be to pre-sell between 25% and 50% of all budgeted passes prior to opening the center.

Marketing plan
A marketing plan for the facility and its programs is essential. This document should target specific markets, programs, facilities, and user groups. It needs to be an active document that is utilized by the staff to guide all marketing efforts. This plan should be updated yearly. Special emphasis must be placed on promoting the sale of annual passes, as well as rentals to organized teams and groups to establish a strong revenue base. The business market should also be a major focus of the marketing effort as well.

Another focus of the marketing plan, could be the development of a comprehensive sponsorship program for the entire facility. This program could provide an estimated $20,000 to $50,000 annually from the sponsorship of scoreboards, starting blocks, signage, and other equipment.

Staffing

Staffing costs are the biggest single operating expense, and alternative options need to be investigated if costs are to be significantly reduced. The pay rates for both part-time and full-time personnel were determined based on the need to attract well-qualified employees and minimize staff turnover rates. It is important to budget for an adequate level of staffing in all areas. One of the biggest mistakes in operations, comes from understaffing a center and then having to come back and ask for more help later. Maintenance staffing is of particular concern, and is most often where cuts are made. Detailed job descriptions should be written for all staff and areas of responsibility need to be clearly defined. An adequate training fund is essential to a well-run center. An emphasis needs to be placed on the importance of image and customer service in all training programs.

The key to opening an aquatic center and have it operate smoothly, is hiring the necessary staff well in advance and having them well organized, properly trained, and comfortable with the building's features. They need to be ready to hit the ground running with policies and procedures in place, and a marketing and maintenance program under way.