I. Introduction

In 2006, the City was approached by a local, non-profit organization - *Swimming Pools for Leisure, Active Sports, and Health (SPLASH),* whose mission is to advocate for the development of aquatics facilities to meet the needs of the region. SPLASH seeks to bring together community partners to plan, construct, and operate a multi-purpose aquatic complex for all ages, ranges of health, level of experiences, and recreational and athletic interests.

SPLASH presented it's goals to the Bellevue City Council and Parks and Community Services Board, and funding was approved to complete a study to determine the feasibility and costs of constructing and operating an aquatic facility.

In the fall of 2007, the City of Bellevue – Parks and Community Services Department (*Parks*) contracted with the team lead by Ballard*King and Associates to complete a comprehensive feasibility study for a possible new aquatic center for the City of Bellevue.

The City has not yet determined if, or to what extent, it supports the development of an aquatic center. This study is intended to assist the City in reaching that decision by exploring a range of facility options and operating models. Additionally, this study does not make any recommendations for which a potential aquatics scenario is appropriate for the City of Bellevue - the sole purpose is to provide factual information on the costs and benefits associated with constructing, operating and programming a variety of aquatic venues.

Should the City of Bellevue decide to further pursue any of the options described in this feasibility report, the City should conduct a more thorough analysis of the capital costs, operating costs, economic impacts, and funding options. That said, Parks believe the information presented within this document provides a fair and realistic appraisal of the fiscal, economic, and policy impacts of operating a new aquatic facility.

II. Demographic Analysis (Appendix A - p. 20)

Critical to the success of any major facility is an understanding of the market forces influencing the use of that facility. One key component of the market is knowing the demographics of the service area. Because different options serve potentially different markets, three different service areas have been identified. A service area is often defined as the distance people will regularly travel to utilize a program or facility. The primary focus for a new aquatic center is to serve the aquatic needs of Bellevue citizens, so the City is the study's primary service area. However, an aquatics facility with significant competitive and recreation amenities will likely draw from areas beyond the City limits, so a secondary service area that reflects the greater Eastside, including Bellevue, Sammamish, Issaquah, Newcastle, Renton, Kirkland, Redmond, and Mercer Island, has been identified. Daily use for most of the options studied will come from this geographic area, so the demographic statistics generally use this service area. A larger tertiary service area was identified that includes Seattle, and extends north and south to the intersection of I-5 and I-405.

Detailed population statistics and a demographic analysis for the service area are provided in Appendix A. Several trends are easily identified. The population is expected to increase steadily into the foreseeable future. Compared to the national average, the service area population is older, has a higher median income, and has a substantially lower household size, which indicates fewer households with children.

III. Market Assessment (Appendix B - p. 27)

A. The state of aquatics in Bellevue and the Eastside

Swimming remains a very popular activity. Based on statistics compiled by the National Sporting Goods Association, nearly 19% of the population in the Pacific region participates in swimming, with users participating on the average of nearly once per week. Nearly half of all children ages 7-11 participate in swimming, and nearly one-third of all swimmers are under 18. Given the nearly half-million people living within the Eastside service area, there is a significant local market that could support a new aquatic center.

Locally, the Bellevue Aquatic Center, the City's only indoor public aquatic facility, attracted 153,545 visits in 2008, and Bellevue's beaches attract another 61,086 annual visitors. Additionally figures provided by SPLASH:

- 4,277 families are members of private outdoor pools in Bellevue;
- 471 students participate on one of Bellevue School District's aquatic teams (swimming, diving or water polo);
- 3,640 swimmers participate in the Midlakes Swim League, a league comprised of 26 primarily outdoor swim club teams on the Eastside.

Growth in many local aquatics organizations is capped due to a lack of pool time, and most teams travel long distances to substandard facilities for meets and practices. Many private facilities extend their seasons into the fall and winter to accommodate the need for pool time.

While there are a large number of aquatic facilities in the region, many are reaching the end of their useful lives and will need significant renovation or replacement within the next 5-10 years. This is especially true for many of the "Forward Thrust" indoor pools and some of the estimated 23 private outdoor pools. The following summarizes additional key findings of the current state of the Eastside's aquatic facilities:

- Most high schools do not have their own pools, relying on other aquatic facilities to serve their competitive swim programs. With no high school pools in Bellevue, students must travel to other communities for all meets and many practices;
- Because of their age, most Eastside pools are not designed to adequately serve the area's competitive aquatic needs;
- Most public indoor pools are stand-alone facilities with few dry side amenities;
- The key indoor pools that support the area's competitive aquatics market are the Bellevue Aquatic Center, Juanita High School pool in Kirkland, Julius Boehm pool in Issaquah, Mary Wayte pool in Mercer Island, and the King County Aquatic Center in Federal Way;
- The King County Aquatic Center is the primary competitive venue for regional and national events, and also supports a range of local programs and activities;

- Though immensely popular and financially viable, the new Henry Moses leisure pool in Renton is one of only three public outdoor pools in the area;
- The recreational swim needs of the Eastside are not being well served by existing facilities, which are generally more conventional in nature with deeper and colder water.

B. City of Seattle

Similar to Bellevue and the Eastside, the City of Seattle has limited pool space and has built only one pool in the last 30 years, despite the growing interest in aquatics.

Currently, there are eight indoor pools, two outdoor pools, and thirty wading pools in the Seattle Park system. However, none of the public pools have a graduated-entry ramp for wheelchairs, many are operating beyond capacity (kids are being turned away from swim lessons), and most are designed to provide only one type of activity at a time. Furthermore, most existing filtration systems are not designed to keep up with the heavy use, requiring each pool to close one day a week,for maintenance.

Seattle's two outdoor-public pools are often filled to capacity during the summer, though neither is centrally located (Colman is in West Seattle and Mounger in Magnolia). The Mounger Pool has been able to achieve an annual 87% cost-recovery rate, while Seattle's indoor pools currently recover between 36% and 61% of their operating costs

In early 2008, responding to a grassroots citizen interest group "Project Seattle Pools," the Seattle Parks and Recreation Department prepared a Preliminary Outdoor Pool Feasibility Study (See Appendix L, page 176) assessing the current state of public swimming in Seattle and potential for future outdoor facilities. As a result, the Seattle City Council passed a resolution requesting that the Mayor considered a park levy in 2010 that would include swimming pools. However, no funds were approved in the 2009 budget to complete the next phase of this initiative, which is the preparation of a Comprehensive Aquatics Study.

C. Aquatic Trends

Over the past two decades, the leisure pool has been the most dominant trend in the aquatics industry. The idea of incorporating water slides, lazy rivers, fountains, zero-depth entry and interactive water amenities has proven very popular with the recreational swimmer, particularly young children and families. The closest examples of this are Renton's Henry Moses outdoor pool which opened in 2006 and Federal Way's indoor leisure pool, which opened last year as part of a larger community center.

Another trend in aquatics has been the advent of the multi-functional, or full-service, recreational center that provides an array of recreational amenities including sports, fitness, aquatics and other community-based facilities. These centers have allowed for better operational cost recovery rates compared to the stand-alone aquatic facilities built from the 1950's through the 1970's.

The Pacific Northwest, and especially the State of Washington, has been slow to respond to these trends. Newer facilities in King County may be lacking due to the presence of many single-purpose, conventional indoor swimming pools built throughout the County as part of the Forward Thrust Bond Program in the 1970's.

Despite the recent emphasis on recreational swimming, the more traditional aspects of aquatics remain popular, including competitive swimming, aqua fitness and learn-to-swim programs. These programs remain a part of most aquatic centers. Though not as popular, competitive diving, water polo, and synchronized swimming remain a part of the fabric of the aquatic community. A growing trend is the importance of the raised-temperature therapy pool for relaxation, socialization and rehabilitation. A good example of this is Bellevue's warm water pool that has proven very popular.

A relatively new concept in aquatics is the outdoor spray park, where a number of water spray features are designed in a playground setting with no standing water. The most recent example of this is the new Rotary water spray playground which opened in the Summer 2008 at Crossroads Community Park.

Nationally, though the popularity of swimming has declined slightly, it remains a very popular participation sport. However, the focus of swimming has changed from an activity oriented around competitive aquatics with deeper, colder water, to a more recreational approach that emphasizes shallow, warmer water, socialization, and interactive play.

D. Market Segments

The aquatic community consists of many user types with different facility and water requirements. Some segments have very specific size and water requirements that are incompatible with other uses, while other segments can share space and still others can adapt to many environments. The different uses with associated facility requirements are listed below:

- Leisure/recreation – includes the widest array of facility options that include zero-depth entry, water slides, seating area, decks, and play apparatus. Often combined with amenities like concessions and group activity areas;
- Instructional & fitness – includes learn-to-swim and life saving programs, fitness classes and lap swimming. Requires deeper (4'-5') water and generous deck space for instruction. Large amount of open water with lap lanes preferred;
- Therapy & rehabilitation - often offered by medical organizations, and requires warm, shallow water;
- Competitive swimming – requires specific length (25 yards to 50 meters), width (6 to 10 lanes) and depth (4'-7'). Spectator seating preferred;
- Competitive diving - 1 and 3 meter diving boards, with optional platform diving for national and international events. May require separate, deep water (min 12') tank;
- Team competitions – includes competitive water polo and synchronized swimming. Requires a minimum 7' depth and large pool area. Can use competition pool if deep enough;
- Special events/rentals – Separate areas or facilities used in conjunction with the aquatic facilities for birthday parties, corporate events and community gatherings;
- Social/relaxation – can be picnic areas or landscaped areas, but are generally non-aquatic spaces that serve to integrate social and aquatic activities. Most often associated with the leisure/recreation function above.

Water temperature also is critical to the success of the various aquatic uses, and varies widely. In general, the more active the use, the cooler the water: Competition pools, including lap swimming, generally maintain 80-83 degree water temperature; fitness and aquatic exercise programs require

warmer (83-86 degree) temperatures; learn-to-swim programs, particularly for the younger ages, prefer at least 89 degree water; and therapy pools generally maintain 90-92 degree water.

A successful aquatic facility understands the demographic market segments, and targets specific segments to attract. The segments often have very different needs, including:

- Pre-school children – generally needs zero-depth, warm water designed for interactive play with parents;
- School-aged children – a wide range of needs from recreational swimming to competition and learn-to-swim programs;
- Teens – similar to school-aged requirements, with greater emphasis on recreational elements and designated "teen" use;
- Families – facilities that encourage multiple ages to participate in fun, interactive activities;
- Seniors – requires an increasing range of services, including aqua exercise, lap swimming, therapeutic conditioning and selected learn-to-swim programs;
- Competitors – mainly school-aged through teen, with activities ranging from swim and dive teams to water sports;
- Special needs population – require warm, shallow water features and amenities.

E. Hosting Major Events

Much attention is paid to the notion of attracting major regional, national and international events to a facility, and the potential financial benefits to the facility and host city. The King County Aquatic Center (KCAC) is one of approximately 20 state-of-the-art facilities nationally that compete for a limited number of major regional or national aquatic events such as the US Olympic Trials or Pac-10 Conference championships. Most of these venues are associated with large universities. Some of the larger national events are beginning to utilize large stadiums with temporary pools that have the ability to accommodate 10,000-15,000 people. In addition to a potential new facility having to compete with the KCAC for major events, there are a diminishing number of events to attract. The host facility often absorbs a financial loss to host a major event, though the loss is sometimes offset by potential tourism dollars, positive image and economic benefit to the host community. A more realistic goal for a competitive aquatic center in Bellevue would be to concentrate on hosting more local events and activities.

IV. Public Input (Appendix C - p. 51)

An important aspect of gauging public interest in an aquatic facility is a comprehensive community involvement process. Three techniques were utilized to gather information regarding the need and demand for a new aquatic facility. The key findings from each technique is summarized below, with detail provided in each appendix:

A. Stakeholder Meetings

Discussions were held with thirteen stakeholder groups during November and December 2007, including representatives of six nearby cities, three school districts, King County, the Bellevue Chamber of Commerce, Bellevue Downtown Association, and Bellevue Community College. The basic findings were:

- All recognized a need for additional aquatic facilities on the Eastside;

- There is very limited capital funding and no property available from these groups;
- Several cities expressed interest in exploring partnerships to develop a regional facility. The location of the facility is key to each community's level of interest or support;
- The Cities of Sammamish and Issaquah are collaborating on a joint aquatic center feasibility study;
- The only school district-owned swimming pools in the area are in Kirkland (Juanita HS) and Renton (Hazen HS), and no school districts are planning to build pools. The Juanita Pool is aging, and the Lake Washington School District may close this facility in the near future;
- The Bellevue School District has no property or funding for this facility, but would be interested in renting pool time;
- King County is concerned that a facility that attracted regional or national events would compete with the King County Aquatic Center.

B. Focus Groups

A series of nine focus group sessions were held with aquatics interest groups on October 29 and 30, 2007. Individuals representing the coaching community, neighborhood swimming pools, area swimming, diving, and water polo teams, medical/therapy groups, the YMCA, and others participated in these focus groups. Key findings were:

- The Eastside is a strong region for competitive swimming that is constrained due to a lack of pool time;
- An aquatic center should serve a wide variety of aquatic needs, including non-aquatic amenities;
- The competitive swim market is relatively large, and the water polo market is small, but growing. The diving and synchronized swimming markets are much smaller, but could grow if more pool time were available;
- The YMCA would consider a future partnership that might include a capital contribution, but they will require operational control of the facility;
- There is some concern about the potential impact of a new facility on several smaller, neighborhood swimming pools;
- A convenient location is critical to the success of a new facility, as most users are not willing to drive more than 15-20 minutes to use a pool.

C. Public Interest Survey

The market research firm Leisure Vision conducted a statistically valid phone survey to assess the future direction of aquatics facilities and services in Bellevue. Responses were obtained from 406 Bellevue residents in November 2007. The responses from these households indicated that:

- 46% of respondent households use swimming facilities and/or programs;
- The three most popular swimming types are recreational swimming (60%), fitness/lap swimming (35%), and swim lessons (28%);
- The aquatic features identified as most needed include areas for swim lessons, lanes for lap swimming, and a recreation-oriented pool;
- The most frequently cited reasons that households would use an aquatic center are for recreation swimming (56%) and fitness and exercise (49%);
- 48% of respondents indicated that the aquatic facilities they are currently using meet all of their needs, while 47% indicated that they meet some of their needs;

- If a new facility is built, 48% of the respondents prefer a facility with both indoor and outdoor aquatic amenities, while 38% preferred an indoor aquatic center;
- Half of the respondents are willing to drive less than 15 minutes to the aquatic center if it had the amenities important to them; 37% would drive more than 15 minutes..
- Compared to other park investments, a new aquatic center is a high priority for 23%, medium priority for 40%, and low (or no) priority for 24% of the respondents.
- 53% of the respondents would support a property tax increase of at least $50/year to build a new aquatic facility, while 44% would not support any tax increase.

V. Facility Options and Capital Costs (Appendix D - p. 92)

Based on the information gathered from the market and demographic analysis, together with the input received from the community, the project team developed five facility options for study. Each option is summarized on the following pages, including a conceptual plan, brief description of the target audience, facility size and components, construction and operational costs, estimated site size required, and the projected annual attendance. Detailed descriptions and cost estimates of each facility option are provided in Appendix D..

The capital costs are meant as planning level estimates, and don't include land acquisition or unusual site conditions. The specific components of each facility also provided the basis to project annual attendance, and to estimate the operational revenue and expense for each option. In developing the operational estimates, the assumptions about attendance, fees, facility hours, and staffing levels are identified in the appendices. Many factors, including organizational policies, marketing efforts and facility location, can greatly influence these estimates. Other facilities' financial experiences are provided for comparison.

Option A: Outdoor Seasonal Aquatic Center

Target audience: The main focus would be the seasonal recreational user, but also allows for seasonal competition, fitness/lap swimming, diving and lessons.

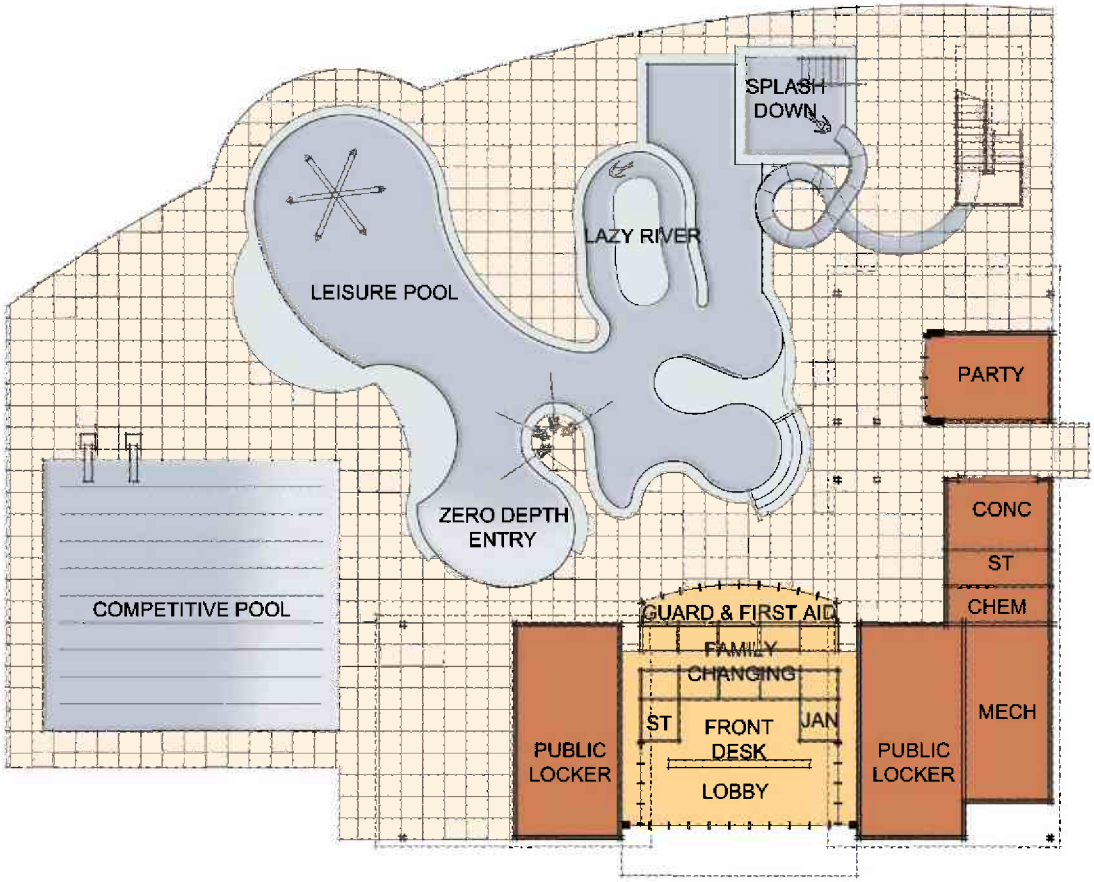
Facility size & components: Approximately 70,000 sq ft, including an outdoor 13,500 sq.ft. leisure pool with a zero depth entry, interactive play features, lazy river, and slides. Includes extensive deck areas, shade structures and grass areas, and a separate outdoor 10-lane, 25 yard by 25 meter competitive pool with 1 and 3 meter diving boards. Indoor facilities include a bath house with a concessions area, locker rooms, a meeting party room, and other support spaces.

Capital Cost: $19.1 million

Annual Operating Surplus/Deficit: +$130,000

Site Requirement: 5.5 acres

Annual Visits: 77,250



Option B: Indoor/Outdoor Year-Round Aquatic Center

Target audience: Same user profile as Option A, but also provides for year-round activity. The leisure pool is smaller but includes both indoor and outdoor elements.

Facility size & components: Approximately 60,000 sq. ft., including an indoor 4,000 sq.ft. leisure pool and outdoor leisure pool of 2,500 sq.ft., each with a zero depth entry, interactive play features, and slides. Includes an indoor adult whirlpool and an outdoor 1,000 sq.ft. splash pad. Separated by a glass wall, an indoor, 10-lane 25 yard by 25 meter competitive pool with 1 and 3 meter diving boards is included. The aquatic center will also include a concessions area, locker rooms, a meeting/management room, party rooms and other support spaces.

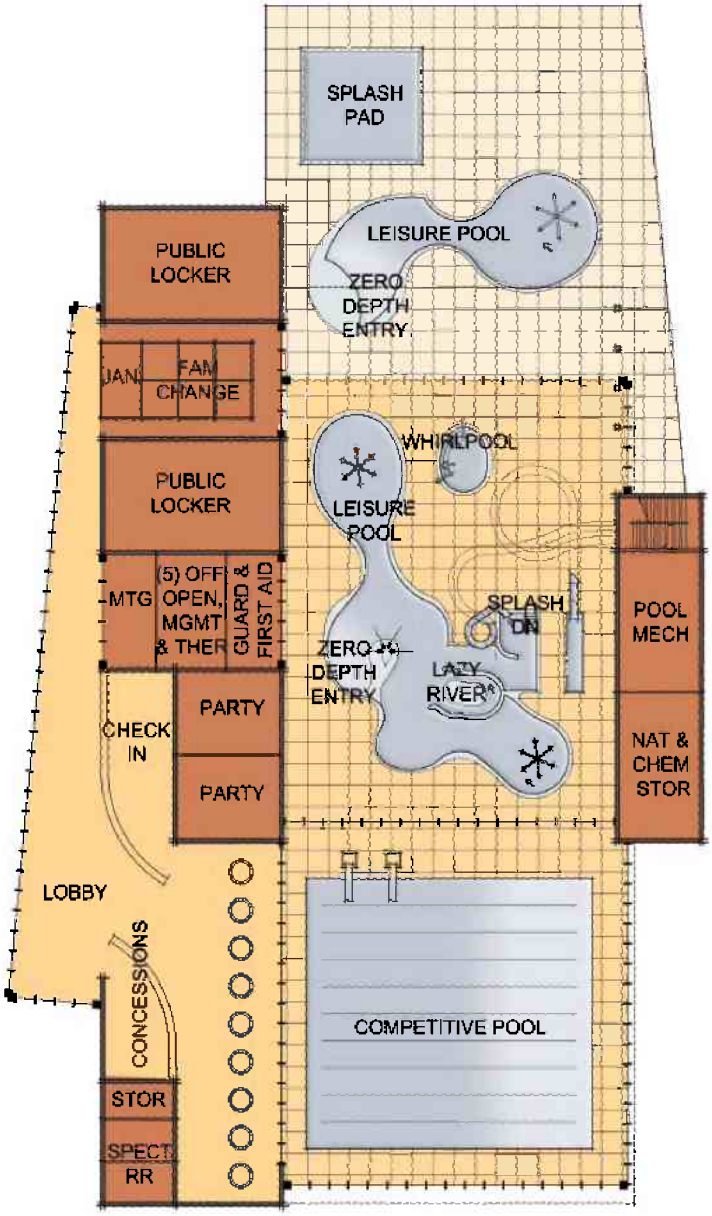
Capital Cost: $28.5 million

Annual Operating Surplus/Deficit: -$670,000

Site Requirement: 5 acres

.

Annual visits: 155,200



Option C: Indoor Competition and Training Aquatic Center

Target Audience: Still accommodates the year-round recreational swimmer, but also provides a greater focus on the year-round competitive swimmer, including the ability to host high school and club level practices and meets. Accommodates simultaneous competitions along with fitness/lap swimming or lessons, and accommodates competitive water polo, synchronized swimming and therapy. Fewer outdoor recreational amenities than Options A or B.

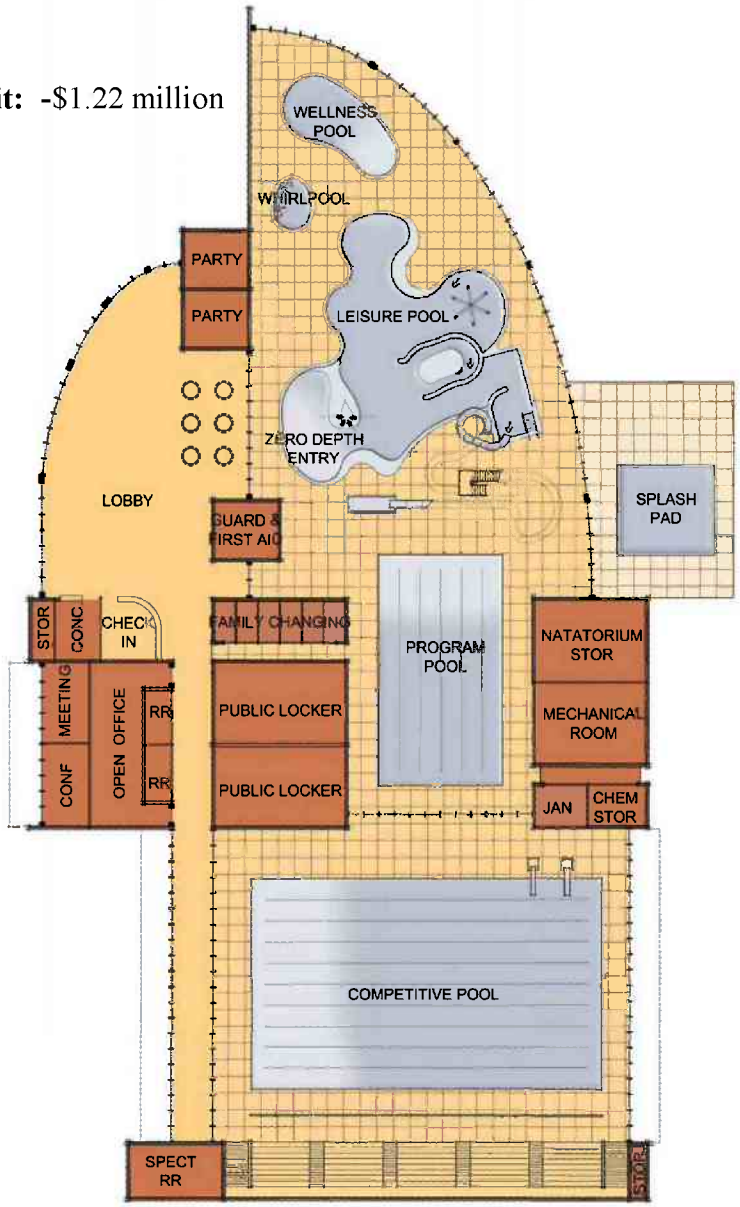
Facility size & components: Approximately 70,000 sq. ft., including an indoor 5,500 sq.ft leisure pool with a zero depth entry, interactive play features, lazy river, slides and an adult whirlpool. An indoor 6 lane by 25 yard program pool is added. Separated by a glass wall, a stretch 10-lane competitive pool with 1 and 3 meter diving boards and seating for 500 is included. There will also be a dedicated 1,200 sq.ft. warm water wellness/therapy pool and an outdoor splash pad adjacent to the leisure pool. The center will include a concessions area, locker rooms, meeting/party rooms, meet management room, and other support spaces.

Capital Cost: $45 million

Annual Operating Surplus/Deficit: -$1.22 million

Site Requirement: 6 acres

Annual visits: 205,000



Option D: Indoor Regional Aquatic Center

Target audience: Similar to Option C, but also accommodates regional/collegiate competitions, and provides greater capacity in both the competition and program pools. A slightly larger capacity leisure pool is provided.

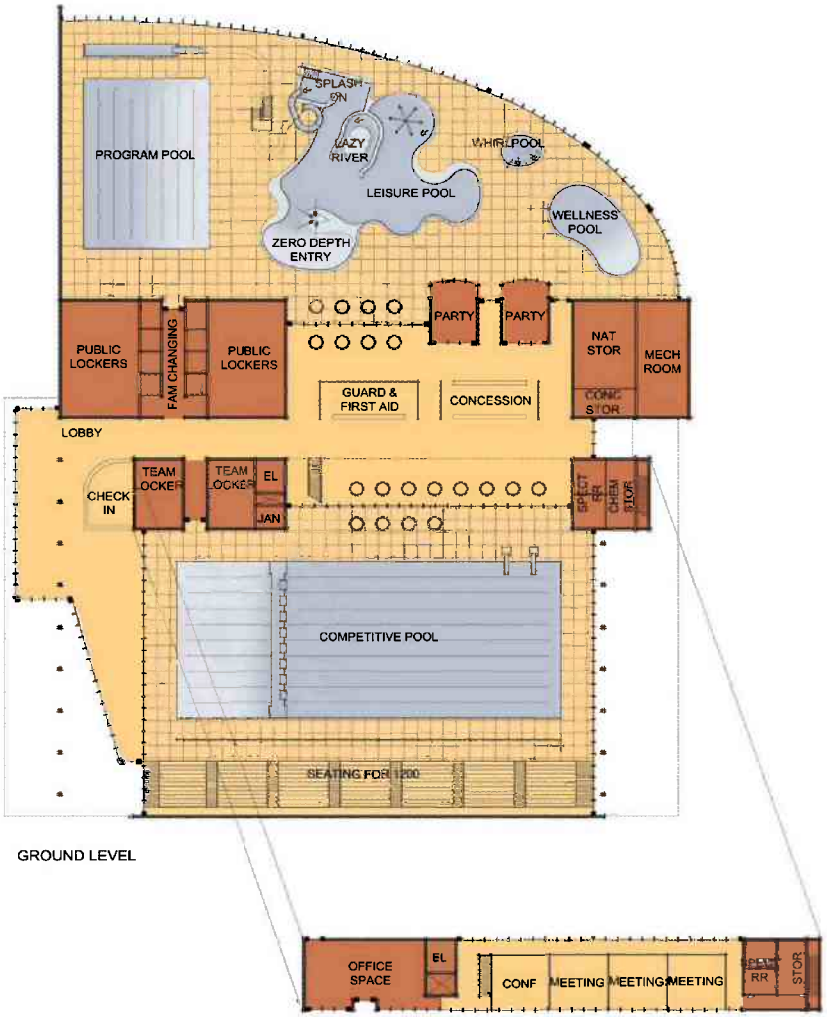
Facility size & components: Approximately 88,000 sq. ft., including a 6,000 sq.ft. leisure pool with a zero depth entry, interactive play features, lazy river, slides, water walk and an adult whirlpool. An 8-lane by 25 yard program pool is included. Separated by a glass wall, a 10-lane, 54 meter by 25 yard competitive pool with two bulkheads, 1 and 3 meter diving boards, and seating for 1,200 is provided. Includes a dedicated 1,200 sq.ft. warm water wellness/therapy pool as well as a concessions area, locker rooms, a meet management room, meeting/party rooms, coach's offices, team locker rooms, and support spaces.

Capital Cost: $53.3 million with surface parking
$71.8 million with parking structure

Annual Operating Surplus/Deficit: -$1.35 million

Site Requirement: 7.5 acres with surface parking
4 acres with parking structure

Annual visits: 226,000



Option E: Indoor National Aquatic Center

Target audience: Similar to Option D, but also provides expanded facilities for elite training and competitions, including Olympic performance levels. Provides for competitive diving and space for dry land training..

Facility components: Approximately 139,500 sq. ft., including a 6,000 sq.ft. leisure pool with a zero depth entry, interactive play features, lazy river, slides, water walk as well as adult and family whirlpools. A 10-lane 25 yard by 25 meter program pool is included. Separated by a glass wall, a 10-lane 54 meter by 25 yard competitive pool with two bulkheads and a separate diving pool with 1 and 3 meter boards plus a platform diving tower will be included. There will be seating for 3,000. A dedicated warm water wellness/therapy pool is provided, as well as a concessions area, locker rooms, a meeting management room, dry land training areas, several meeting/party rooms, coach's offices, team locker rooms, and other support spaces.

Capital Cost: $83.7 million with surface parking
$114.2 million with parking structure

Annual Operating Surplus/Deficit: -$1.90 million

Site Requirement: 10.5 acres with surface parking
6 acres with structured parking

Annual visits: 247,000

VI. Site Analysis (Appendix E - p. 130)

Seven locations were studied as potential sites for a new aquatics center, including four City-owned park properties, one parcel owned by King County, and two that represent general areas, as follows:

- Hidden Valley Park – a 12-acre City-owned park
- Eastgate Area Property – a 27-acre City-owned future park
- Marymoor Park – a 20-acre City-owned portion of the larger park.
- Highland Park – a 12-acre City-owned park
- SE Eastgate Way Parcel – King County-owned former Park-n-Ride site
- Bellevue Community College – a 96-acre campus
- Bel-Red Corridor Study Area – a 910-acre area

The analysis does not recommend an actual site for an aquatic center, but compares the merits of each location based on a set of criteria deemed important to the success of an aquatic facility, and to understand the potential impacts if a large facility were to be constructed. The various options have widely varying needs. For example, Option A requires a 5-acre site, while Option E may require up to a 10.5-acre site. It should be noted that neither King County nor Bellevue Community College has expressed support for the use of their property to construct an aquatic facility, and that locating a facility in the Bel-Red Corridor would require the acquisition of property.

Evaluations of each specific location, a location map and comparative evaluation tools are included in Appendix E.

VII. Estimated Financial Performance (Appendix F - p. 136)

Below is a summary of the anticipated financial performance of the different facility options. A full discussion of the financial assumptions and detailed revenue and expenditure projections are included in Appendix F.

Category	Option A	Option B	Option C	Option D	Option E
Revenue					
Fees	678,850	1,101,657	1,642,261	1,891,573	2,069,738
Programs	41,500	225,000	425,500	442,500	526,000
Other	111,500	187,000	227,000	283,000	322,000
Total Revenues	**$831,850**	**$1,513,657**	**$2,294,761**	**$2,617,073**	**$2,917,738**
Expenses					
Personnel	391,279	1,461,274	2,394,758	2,625,809	3,042,098
Commodities	111,000	155,500	221,000	300,500	352,000
Utilities/Prof Services	200,000	564,000	898,313	1,045,000	1,426,250
Operating Expenses	**$702,279**	**$2,180,774**	**$3,514,071**	**$3,971,309**	**$4,820,348**
Renovation/Refurbishment	220,000	330,000	520,000	880,000	1,120,000
Total Expenses	**$922,279**	**$2,510,774**	**$4,034,071**	**$4,851,309**	**$5,940,348**
Operating Surplus/Deficit	$129,571	-$667,117	-$1,219,310	-$1,354,236	-$1,902,610
% Operating Cost Recovery	118%	69%	65%	66%	61%
Total Surplus/Deficit	-$90,429	-$997,117	-$1,739,310	-$2,234,236	-$3,022,610
% Total Cost Recovery	90%	60%	57%	54%	49%

This operational and financial analysis was completed based on the best information available and a basic understanding of the project. However, 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 cannot be accurately measured at this point. That said, these figures represent a true and fair assessment of the likely financial performance of the five scenarios studied.

In order to validate the financial performance estimates summarized above, this study gathered information from other aquatics facilities with a combination of competitive and recreational elements. Financial performance from this group ranged from 37% cost recovery at the Tualatin Hills Aquatic Center in Beaverton, OR, to 71% cost recovery at the Saanich Commonwealth Place in Victoria, BC. The results above are also consistent with a recent survey published in Aquatics International that found that aquatic facility operating cost recovery ranged from 51% at indoor competition facilities to 132% at outdoor recreation-only facilities.

VIII. Economic Impact (Appendix G - p. 156)

In addition to the direct financial performance of the various operating models discussed above, the City should consider the broader economic impacts of such a facility on the community. In 2002, for example, William B. Beyers of the University of Washington and GMA Research Corporation produced a report entitled "An Economic Impact Study of the Weyerhaeuser King County Aquatic Center" (June 2002). This study estimates that KCAC generated aggregate spending of $7.5 million in Washington State, 98 jobs, $3.1 million in labor income, and $0.6 million in tax revenues. The study notes that KCAC is unique in that most spending associated with the use of this facility comes from people who live outside the local area, and therefore about 80% of these economic impacts represented "new money" to the local economy.

While a similar analysis was not part of this project, the City should consider the potential economic impacts if one or more of the various aquatic facility models is further evaluated. In general, a more locally-focused facility (options A-C) will create significantly less economic impact than a regional or national facility (options D and E) that generates a significant number of trips, visits, and spending from outside the local area. Components for further study could include the following: hotel stays, car rentals, airfare, and other spending; job creation and labor income; and local tax revenue.

IX. Partnerships (Appendix H - p. 158)

An initial partnership assessment was done for the five different Bellevue Aquatic Center options. Three different levels of partnerships were identified:

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.

Secondary Project Partners – These organizations have a direct interest in the project but not to the same level as the primary partners. Capital funding for the project is unlikely, but there can be some assistance with program and service delivery.

Support Partners – These organizations support the concept of the aquatics center project but would have limited to no direct involvement in the development or operation of the center.

Foundation- Under this format, the partners would place the responsibility for operations and management of the center under the control of a non-profit foundation established for the center. The center would operate as a public facility and would be under the direct control of the partners through an executive board made up of representatives of each organization. Board membership numbers for each partner should be determined based on the level of contribution to the project.

This arrangement would allow the center to enjoy the benefits of public operation, without the limits of mandated personnel requirements and other issues. It also ensures that each of the partners' interests are represented and their issues are heard. This option does complicate operations and requires the establishment of an additional organization.

Each of the five options was then evaluated to see what level of partnership might be possible:

- *Option A* – This option is the least likely to attract a partnership. It is doubtful that a primary partner will have interest in the project. A few secondary partners may be available.
- *Option B* – This option should be able to attract both primary and secondary partners, but the development and operation of the aquatic center would not be dependent on any primary partners being part of the project.
- *Option C* – Much like Option B, there will most likely be interest in the project from both primary and secondary partners. Having the participation of primary partners would be beneficial, but not essential.
- *Option D* – With the size and magnitude of this option, attracting at least one key primary partner will be essential, and there will need to be a significant number of secondary partners as well.
- *Option E* – In order to make this option a reality, there will need to be multiple primary partners and an extensive number of secondary partners. In addition, the importance of support partners for this option becomes much more critical.

X. Financing Options (Appendix I - p. 164)

Determining a method for funding the capital development costs and annual operating subsidy for a new aquatic center will be a challenge. Several different funding sources may need to be utilized for the center to become a reality. As a result, a number of possible funding sources were investigated:

- *Option A* – With a definite Bellevue focus, it is unlikely that there will be any equity partners for the project. While there is the possibility of fundraising dollars, the vast majority of funding will probably need to come from City of Bellevue funding sources.
- *Option B* – Much the same as with Option A, this option continues to have a Bellevue focus. However, with a more comprehensive indoor center, the opportunity to bring in equity partners and for increasing fundraising and grant/endowment dollars grows considerably. It could still be expected that the City of Bellevue will serve as the primary funding agent for the project.
- *Option C* – The level of funding from equity partners and fundraising should continue to increase. This option could offer the opportunity for some sponsorship dollars, as well as component naming rights revenue. Despite a broader base of capital funding, it could still be expected that the City of Bellevue will need to fund a majority of the project.
- *Option D* – With a much more regional focus to the aquatic center, it will be essential that significant revenue sources beyond the City of Bellevue be tapped. The concept of establishing a Park District needs to be seriously explored. Much stronger revenues from equity partners and naming rights/sponsorships should be expected as well. If the City of Bellevue is still the primary force behind the project (no Park District), then it should be expected that more of the project will have to come from City funding. The concept of establishing a Park District or Public Development Authority needs to be seriously explored.
- *Option E* – The same funding scenario as outlined for Option D would be in place for this option.

XI. A Regional Approach (Appendix J - p. 168)

The City of Bellevue will need to determine what role, if any, the City will want to have in the development of a new aquatic center. If option D or E is chosen, considering the large capital and operational costs of these options, a regional approach to the development and operation of such a facility will be likely. Key issues include:

- Identifying other equity partners with an interest in such a project, including other cities, school districts and non-profit agencies.
- Identifying a site large enough to support such a facility that is conveniently located for the partners in the project; and one that has relatively easy access from I-405, SR 520, and I-90. This will be a significant challenge for the project.
- Establishing a development agreement and operations plan that is satisfactory and equitable to all partners.
- Explore other taxing options, such as the formation of a Parks District, as a way to broaden the tax base for a regional facility.

XII. Key Issues (Appendix K, p. 171)

A number of key issues should be identified and resolved should the City choose to move forward with the development of an aquatic center:

- What is the City's role in providing for aquatics in Bellevue?
- The established goals and policies of an aquatic facility will dramatically affect its capital and operating costs, such as the target market, cost recovery goals and fee policies;
- Facility location will greatly influence its use, capital costs and partnership potential;
- Generally, outdoor aquatic facilities recover a greater percentage of their operating costs than indoor facilities, and recreation-oriented facilities recover a greater percentage of operating costs than competitive-oriented facilities.
- While this study focused on aquatic-oriented facilities, the addition of non-aquatic (dry-side) facilities such as fitness space, gymnasiums and other community amenities can increase market draw and improve overall cost recovery.