

Aquatic Feasibility Study

Del Oro High School (California)

Prepared for:



**New Pool Committee
Del Oro High School ("Golden Eagles")
3301 Taylor Road
Loomis, California 95650**

By:



July 2010

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Introduction

A group of citizens interested in aquatic programming at Del Oro High School ("Del Oro High School" or "DOHS" in this report) retained TSE Consulting ("TSE" or "TSE Consulting" in this report) to assist in the preliminary development of a feasibility study for an enhanced and rehabilitated aquatic facility which would meet the comprehensive needs of DOHS students, as well as expanding and diversifying opportunities for residents of the Town of Loomis (CA).

This report has some limitations based upon project scope, most notably the lack of direct input from community forums or other public mechanisms designed to elicit and understand the needs of various constituencies and interest groups. However, because this feasibility study was commissioned by a citizen group committed to exploring a wide range of instructional, recreational, and competitive programming, TSE has attempted to provide a broad set of information that provides numerous options for implementation.

TSE met on one occasion with the citizen group; Placer Unified High School District (PUHSD) and Del Oro High School administrators; and, representatives of the Loomis Town Council. In addition, this report includes information gleaned from other discussions with knowledgeable aquatic experts representing various organizations and interests; an examination of demographic and statistical information specific to the area; analysis of regional and national trends and developments in aquatics; an analysis of probable construction costs; and, the synthesis of information that enables good forecasting and decision-making.

In general terms, the scope of services provided by TSE to Del Oro High School includes the following:

- Identification of various potential user groups
- Analysis of educational, recreational, and competitive aquatic needs
- Estimate of construction costs
- Analysis of potential funding sources to defray construction and ongoing operational costs
- Projection of potential programs and the personnel necessary to support these activities
- Analysis of facilities in close geographic proximity that have impact on usage and profitability
- Opinion on likely scenarios for income and expense

Based upon thoughtful analysis of the information presented herein, and with full recognition of various economic factors associated with the local community, the State of California, and the nation, DOHS leadership will be prepared to engage in meaningful discussions with potential user groups, in preparation for building an aquatic facility that can appropriately meet community needs.

1 Executive Summary

A group of citizens interested in aquatic programming at Del Oro High School retained TSE Consulting to assist in the preliminary development of a feasibility study for an enhanced and rehabilitated aquatic facility which would meet the comprehensive needs of DOHS students, as well as expanding and diversifying opportunities for residents of the Town of Loomis (CA).

TSE examined a variety of options for facility design that included consideration of the seven planning imperatives, as follows:

- Outdoor facility, augmenting the usage of the current (but inadequate) facility
- Student-centered, reflecting Del Oro High School students as the highest priority user group
- Multi-purpose, providing a broad range of aquatic programming
- Centrally located, on current site, or, if deemed more practical, elsewhere on DOHS property
- Community-oriented, recognizing the recreational and instructional needs of area residents, as well as the options currently available within a short driving distance
- Competition-suited, enabling some competitive events to be hosted in an accommodating environment
- Fitness-based, emphasizing the health-related benefits of exercise

Based upon these criteria, TSE proposed a preferred option: a three-pool, outdoor aquatic center that meets the educational, instructional, recreational, and competitive needs outlined throughout this report.

For this option (referenced as "Scenario 1"), the existing pool would be enhanced by inclusion of the following elements:

- The maximum depth of this pool, at all points, is four feet, thus enabling optimal utilization for aquatic instruction and recreation
- A double water slide, which substantially increases the potential for recreational use by community residents
- Expanded support facilities, including a functional snack bar and vending area, locker rooms, and mechanical/plumbing fixtures

A second pool, designed for competitive team utilization and deep-water instructional activities, would feature the following elements:

- Twelve swimming lanes (25 yard course, suitable for high school, collegiate, and swim club practice and competition)
- Multi-directional water polo configurations (suitable for high school and other various levels of practice and competition)
- Spectator bleachers and shaded relaxation areas

A third pool, approximately 35 feet x 27 feet with shallow water and warm water would enable the following programmatic options:

- Aquatic therapy and rehabilitation for patients of local hospital and private physician groups
- Swimming instruction for young children, in which a warm water environment is most conducive to learning
- Various activities including classes for mothers and infants and individuals with handicapping conditions

TSE offers its opinion on the possible construction costs associated with the proposed facility. For this report, it is assumed that the site will be on the DOHS campus, possibly, but not positively, at its current location. Therefore, it should be understood that land acquisition costs are not included; however, site work and demolition have been included, pending further analysis of unknown hazards or potential obstacles.

Capital outlay for the facility is estimated to be \$5,962,947. This projection not only includes construction costs but also recognizes an allowance for contractor overhead (8%); contractor profit (8%); bonds and insurance (2%); design fees (8%); fees and permits (5%); and, contingency (10%).

TSE also provided two other alternatives (referenced as "Scenario 2" and "Scenario 3") with corresponding revenue and expense projections. Scenario 2 features all of the elements included in Scenario 1, with the exception of the aquatic therapy pool. Scenario 3 features the deep-water pool included in Scenario 1, but without the existing pool and the aquatic therapy pool. In each case, appropriate reductions in construction cost, staffing cost, operational cost, and program revenue have been adjusted to reflect a more limited scope.

TSE examined aquatic facilities within a 16-mile radius of Del Oro High School and found several outdoor facilities operated by local parks and recreation departments and a nearby community college, as well as one public indoor facility, in Roseville. The relatively small number of available pools within a forty-five minute drive of Loomis provides a strong competitive position for the proposed swimming pools at DOHS.

TSE used demographic data to render conclusions concerning the potential market for aquatic programming. The summary conclusions included the following:

In terms of overall population, the Loomis Service Area has demonstrated above average population growth and this trend is projected to continue, albeit, at a reduced rate over the next 10-15 years. While this percent increase does not translate into a huge growth in actual population numbers (800 individuals from 2009 – 2024), it does indicate a potential for a sustained level of use compared to current levels.

The racial composition is fairly homogeneous with a gradual increase in diversity over time. White only population comprised 86% of the current population and will be 81% by 2024. Those of Hispanic Origin (Any Race) are projected to increase from 6.87% in 2000 to almost 15% by 2024.

The age segment distribution demonstrates a rapid aging trend in the population over the upcoming years. The 55+ population comprised 20.7% of the population in 2000 and is projected to be 39% by 2024. This would point to a greater need for aquatic fitness and wellness programs centered on aqua-robics and therapeutic recreation. The U-18 group, which is typically the primary target age segment, comprised 29% of the 2000 population and is projected to decrease to 16.5% by 2024.

Spending on sports, recreation and exercise equipment within the Loomis Service Area demonstrates encouraging signs, particularly for aquatic activities. The Spending Potential Index (household based index representing the amount spent for a product or service relative to national average of 100) for water sports equipment purchase is much higher than national averages (index of 130), while the average amount spent is at par with spending for the State of California.

Income characteristics are above average and are projected to grow at a slow pace over the next decade. The median household income is currently at \$69,413 and poised to grow to \$83,895 by 2024 while per capita income is also projected to grow from \$33,425 currently to \$38,582 by 2024. This compares favorably against the State and National averages.

Participation trends show a decrease in total participants nationwide in swimming. However, with 87 million annual participants, recreation swimming is still the second most popular activity after walking. Swimming (Recreational) participation index is lower than average (84) in California but the overall number of swimmers is still very high. However, participation rates for related activities such as Surfing, Aquatic Exercise, Sailing, and Snorkeling is well above average.

In summary, a healthy population growth trend, positive income characteristics and above average recreation spending are all factors that would tend to support the proposed aquatic facility. On the other hand, a decreasing youth population might mean that the facility amenities and programming should be tailored to target the growing active adult population in order to build the overall user base necessary to sustain the facility.

Funding opportunities were explored in depth, recognizing the various ways in which aquatic facilities have been financed in various locations across the country. Analysis included multiple methodologies within the following areas:

- Public financing, including mechanisms that involve issuing of bonds
- Private sector funding, particularly via naming rights and corporate partnerships

- Non-profit sector partners, including human and social service providers, youth sports groups, and other potential organizational partners
- Philanthropic sources, with emphasis on both community foundations and wealthy individual donors

Finally, although the absence of community input on programming needs was an obvious obstacle, TSE projected a potential revenue and expense scenario for the proposed aquatic center.

TSE has utilized the various revenue and expense inputs to create a five-year projection that can provide guidance to various decision-makers.

TSE makes the following observations:

- In Scenario 1, the expanded aquatic facility will have an operating deficit of approximately \$89,000 in the first year (with increases projected on the basis of 4% increases in revenue and 3% increases in expense), based upon current usage patterns at the high school pool and estimates by TSE based upon its professional experience. The current differential between revenue and operational cost is unknown, but estimated to be \$75,000 to \$100,000 (PUHSD did not supply this requested information to TSE). In Scenario 2 and Scenario 3, the operating deficit is projected to be approximately \$86,000 and \$55,000, respectively.
- Cost recovery is approximately 70% in each of the first five years of operation in Scenario 1, a standard that is equivalent to national trends in aquatics. This expectation is based upon the understanding that outside usage during school hours in the school year will be more limited than at typical public (parks and recreation department) facilities nationwide.
- The recent substitution of an aquatic therapy/rehabilitation pool instead of a children's play area (spray pool) will result in a significantly more favorable operating result, and if partnership agreements can be made with local hospitals or physician groups, the impact could be considerably greater than contained in the pro forma.
- The operational trends are likely to have a high degree of accuracy because of the absence of numerous direct competitors in geographic proximity, but after community forums are conducted and input is received, various types of programming will emerge that can have positive or negative impact on the bottom line, depending upon their characteristics.
- TSE has not considered fundraising efforts by the DOHS New Pool Committee, including corporate sponsorships and charitable giving, in formulating the pro forma, either during the period of securing capital funding, or afterward, during the operational phase. However, there is

substantial reason to believe that this group could be highly successful in securing non-PUHSD funding.

Based upon the ability of identifying an acceptable mix of public financing, private sector support, and philanthropic donations, TSE believes that a new aquatic facility in Loomis can be a very positive impact on the community, while achieving a high level of cost effectiveness.

Scenario 1

Five Year Pro Forma	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues					
Learn to Swim	\$ 43,200	\$ 44,928	\$ 46,725	\$ 48,594	\$ 50,538
Open Swim	\$ 27,000	\$ 28,080	\$ 29,203	\$ 30,371	\$ 31,586
Aquatic Therapy	\$ 21,600	\$ 22,464	\$ 23,363	\$ 24,297	\$ 25,269
Competition Swim Rental	\$ 30,000	\$ 31,200	\$ 32,448	\$ 33,746	\$ 35,096
Water Polo Rental	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Third Party / Outside Rentals	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Diving Team Rental	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Masters Team Rental	\$ 24,000	\$ 24,960	\$ 25,958	\$ 26,997	\$ 28,077
Adult Program Rental (Scuba)	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Concessions	\$ 7,500	\$ 7,800	\$ 8,112	\$ 8,436	\$ 8,774
Total Revenues	\$ 201,300	\$ 209,352	\$ 217,726	\$ 226,435	\$ 235,493
Operating Expenses					
Electricity	\$ 41,921	\$ 43,179	\$ 44,474	\$ 45,808	\$ 47,182
Natural Gas	\$ 58,661	\$ 60,421	\$ 62,233	\$ 64,101	\$ 66,024
Chemical	\$ 75,840	\$ 78,115	\$ 80,459	\$ 82,872	\$ 85,359
Water	\$ 2,769	\$ 2,852	\$ 2,938	\$ 3,026	\$ 3,117
Staffing	\$ 111,360	\$ 114,701	\$ 118,142	\$ 121,686	\$ 125,337
Total Operations	\$ 290,551	\$ 299,268	\$ 308,246	\$ 317,493	\$ 327,018
Total Operating Expenses	\$ 290,551	\$ 299,268	\$ 308,246	\$ 317,493	\$ 327,018
Net Operating Profit (Loss)	\$ (89,251)	\$ (89,916)	\$ (90,520)	\$ (91,058)	\$ (91,525)
Operating Cost Recovery Percentage	69.28%	69.95%	70.63%	71.32%	72.01%

Scenario 2

Five Year Pro Forma	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues					
Learn to Swim	\$ 43,200	\$ 44,928	\$ 46,725	\$ 48,594	\$ 50,538
Open Swim Competition	\$ 27,000	\$ 28,080	\$ 29,203	\$ 30,371	\$ 31,586
Swim Rental	\$ 30,000	\$ 31,200	\$ 32,448	\$ 33,746	\$ 35,096
Water Polo Rental	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Third Party / Outside Rentals	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Diving Team Rental	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Masters Team Rental	\$ 24,000	\$ 24,960	\$ 25,958	\$ 26,997	\$ 28,077
Adult Program Rental (Scuba)	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Concessions	\$ 7,500	\$ 7,800	\$ 8,112	\$ 8,436	\$ 8,774
Total Revenues	\$ 179,700	\$ 186,888	\$ 194,364	\$ 202,138	\$ 210,224
Operating Expenses					
Electricity	\$ 41,921	\$ 43,179	\$ 44,474	\$ 45,808	\$ 47,182
Natural Gas	\$ 52,795	\$ 54,379	\$ 56,010	\$ 57,690	\$ 59,421
Chemical	\$ 68,256	\$ 70,304	\$ 72,413	\$ 74,585	\$ 76,823
Water	\$ 2,769	\$ 2,852	\$ 2,938	\$ 3,026	\$ 3,117
Staffing	\$ 100,560	\$ 103,577	\$ 106,684	\$ 109,885	\$ 113,181
Total Operations	\$ 266,301	\$ 274,290	\$ 282,519	\$ 290,994	\$ 299,724
Total Operating Expenses	\$ 266,301	\$ 274,290	\$ 282,519	\$ 290,994	\$ 299,724
Net Operating Profit (Loss)	\$ (86,601)	\$ (87,402)	\$ (88,155)	\$ (88,856)	\$ (89,500)
Operating Cost Recovery Percentage	67.48%	68.14%	68.80%	69.46%	70.14%

Scenario 3

Five Year Pro Forma	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues					
Open Swim Competition	\$ 9,000	\$ 9,360	\$ 9,734	\$ 10,124	\$ 10,529
Swim Rental	\$ 30,000	\$ 31,200	\$ 32,448	\$ 33,746	\$ 35,096
Water Polo Rental	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Third Party / Outside Rentals	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Diving Team Rental	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Masters Team Rental	\$ 24,000	\$ 24,960	\$ 25,958	\$ 26,997	\$ 28,077
Adult Program Rental (Scuba)	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Concessions	\$ 5,850	\$ 6,084	\$ 6,327	\$ 6,580	\$ 6,844
Total Revenues	\$ 116,850	\$ 121,524	\$ 126,385	\$ 131,440	\$ 136,698
Operating Expenses					
Electricity	\$ 24,124	\$ 24,848	\$ 25,593	\$ 26,361	\$ 27,152
Natural Gas	\$ 24,375	\$ 25,106	\$ 25,859	\$ 26,635	\$ 27,434
Chemical	\$ 49,296	\$ 50,775	\$ 52,298	\$ 53,867	\$ 55,483
Water	\$ 2,769	\$ 2,852	\$ 2,938	\$ 3,026	\$ 3,117
Staffing	\$ 70,560	\$ 72,677	\$ 74,857	\$ 77,103	\$ 79,416
Total Operations	\$ 171,124	\$ 176,258	\$ 181,545	\$ 186,992	\$ 192,602
Total Operating Expenses	\$ 171,124	\$ 176,258	\$ 181,545	\$ 186,992	\$ 192,602
Net Operating Profit (Loss)	\$ (54,274)	\$ (54,734)	\$ (55,160)	\$ (55,551)	\$ (55,904)
Operating Cost Recovery Percentage	68.28%	68.95%	69.62%	70.29%	70.97%

2 Facility Design Concepts

TSE presents one preferred design concept and two alternative design concepts for review and consideration by the Del Oro High School New Pool Committee (DOHSNPC).

TSE customarily brings forward multiple design options, with varying levels of aquatic programming potential and with several pricing scenarios. However, because of the considerable work already done by the DOHSNPC, TSE is able to recommend the site plan which has previously been developed, with several suggested adjustments and alterations (Scenario 1). The alternative options (Scenario 2 and Scenario 3) have various benefits and liabilities

This approach is also based upon discussions with Pacer Unified School District and Del Oro High School administrators, as well as other knowledgeable aquatic practitioners, highlighting seven planning imperatives, as follows:

- Outdoor facility, augmenting the current (but inadequate) facility
- Student-centered, reflecting Del Oro High School students as the highest priority user group
- Multi-purpose, providing a broad range of aquatic programming
- Centrally located, on current site, or, if deemed more practical, elsewhere on DOHS property
- Community-oriented, recognizing the recreational and instructional needs of area residents, as well as the options currently available within a short driving distance
- Competition-suited, enabling some competitive events to be hosted in an accommodating environment
- Fitness-based, emphasizing the health-related benefits of exercise

1. Indoor vs. Outdoor Pools:

TSE did not consider design options that include indoor pool space, primarily for three reasons:

- The local weather conditions are generally suitable for year-round use
- The current outdoor facility has been utilized in an efficient manner, given its various limitations
- The funding differential for construction and operation costs is substantial, and current economic conditions are not conducive to support for the additional costs of an indoor facility

For Del Oro High School to derive optimal benefit from its investment, an outdoor pool is both practical and cost-effective, while serving a highly comprehensive level of aquatic programming for the school and the community.

2. Student Prioritization

TSE understood that Del Oro High School students should have the highest prioritization of usage for the new facility, and this planning imperative is reflected in the design characteristics presented for consideration. Clearly, the unique circumstances of an aquatic center on a high school campus necessitated a different approach from alternatives that might be presented in a park setting or in a shared-use arrangement with a YMCA or other non-profit entity.

In terms of student usage, TSE considered ways to enhance the current physical education program, particularly the ability to offer electives emphasizing lifetime sports and vocational opportunities, including scuba diving, kayaking, and canoeing, as well as lifeguard training, water safety instructor, and lifesaving courses. Additionally, it was recognized that interscholastic sport opportunities in swimming & diving and water polo, for both boys and girls and at varsity and sub-varsity levels, were very important considerations.

3. Multi-Purpose Facility

Because this feasibility study was initiated and financed by community residents who understand the benefits of aquatic programming, there was a clear mandate for TSE to review potential design characteristics that could serve the needs of community residents, in addition to providing an excellent educational experience for DOHS students (in physical education classes and extracurricular activities).

On a national basis, communities have increasingly constructed new aquatic facilities that emphasize recreational play through water slides, spray pools, water parks, and wave pools. While there is clearly a need for such facilities, TSE chose to focus instead on instruction, competition, and therapy, because of its location at the high school. Flexibility of use and diversity of user groups were primary considerations, but it was recognized that recreational play activity should have a lower priority than other uses. Thus, the pool designs envision a basic water slide configuration, recognizing that other pools within geographic proximity of DOHS have more elaborate installations.

4. Central Location

TSE did not consider sites other than the DOHS campus, most likely at the current location, but with the possibility of other locations on school grounds.

The current location has several advantages, including its proximity to high school locker rooms, bath rooms, and other amenities. The site allows for adequate parking for afterschool and weekend activities, while accommodating student parking during school hours. And, particularly as it

relates to community utilization, the current location minimizes the impact of traffic and access issues for DOHS.

There also may be sound rationale for locating an expanded aquatic center elsewhere on the campus, particularly to provide additional proximate parking for the student population, as well as other reasons best contemplated by DOHS and Placer Unified High School District decision-makers.

Thus, TSE takes no position on a preferred site on the DOHS campus for the expanded pool facility, recognizing the myriad factors that must be considered that are outside the scope of this report.

5. Community Orientation

Although an aquatic facility of the size and scope projected in this report will create interest and usage across a wide geographic area, the Town of Loomis and DOHS area residents need to be the primary focus of attention.

Local property taxes have increasingly been a target for resident voter dissatisfaction in cities across America. Thus, it is important to be able to create aquatic programming that promotes continuing education for community residents and that expands the usage of school facilities beyond traditional academic and extracurricular functions. Consistent with this philosophy, TSE recommends that community forums be conducted in order to encourage input and buy-in concerning the programming needs of area residents.

6. Competitive Aquatic Events

One of the additional benefits of an expanded aquatic facility (as suggested in this report) is the opportunity to host competitive events in the four aquatic disciplines (competitive swimming, diving, synchronized swimming, and water polo). While the primary focus would be on the high school swimming & diving and water polo teams, the facility could also be the site of local and regional competitive events in one or more of the aquatic disciplines, particularly events hosted by the current recreation swim team.

The facility could serve as an important catalyst for economic development for the Town of Loomis if it is designed so that it can accommodate competitive events that include participants from neighboring communities, or depending upon scope, regional competitions. While the DOHS site does not currently have active participation in diving and synchronized swimming, the new facility could motivate new interest in these popular sports if potential designs include capability for utilization.

7. Fitness Orientation

An analysis of swimming pools within a ten-mile radius of Del Oro High School indicates that there is a need for additional facilities that are oriented toward fitness and promotion of healthy lifestyles. The educational value of this approach, particularly an emphasis on lifetime fitness, can be substantial, with skill and knowledge base enhanced through regular physical activity.

Additionally, there may be significant opportunities to incorporate aquatic therapy and rehabilitation, if planners take into account these fast-growing services which enable increased levels of partnership with hospitals, physician groups, and health insurance providers.

Therefore, based upon the planning imperatives outlined above, TSE proposes a multi-purpose design concept for consideration.

2.1 Site Plans for New Aquatic Facility – Scenario 1, 2, and 3

Scenario 1 features an outdoor aquatic center that meets the educational, instructional, recreational, and competitive needs outlined in this report.

The existing pool is enhanced by inclusion of the following elements:

- The maximum depth of this pool, at all points, is four feet, thus enabling optimal utilization for aquatic instruction and recreation
- A double water slide, which substantially increases the potential for recreational use by community residents
- Expanded support facilities, including a functional snack bar and vending area, locker rooms, and mechanical/plumbing fixtures

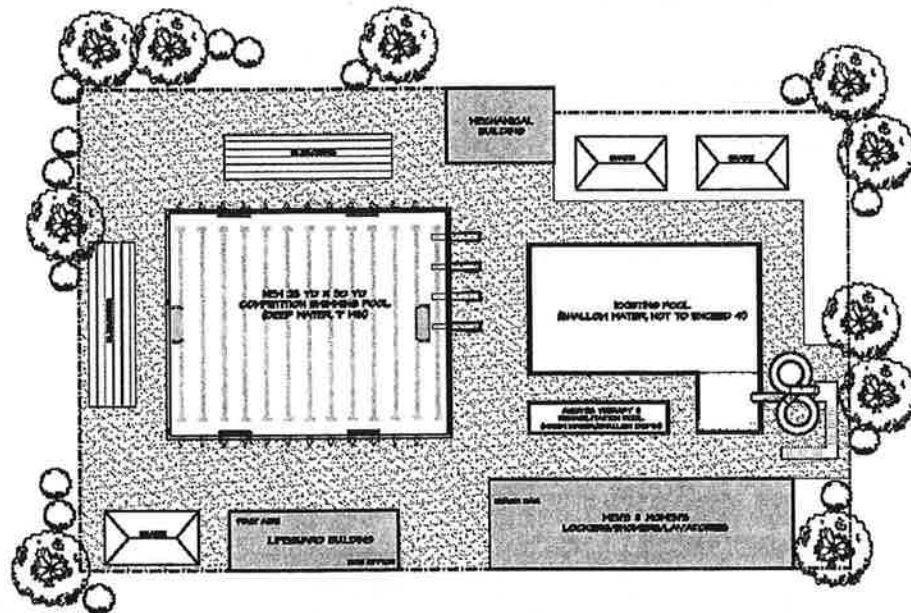
A second pool is geared for competitive team utilization and deep-water instructional activities, featuring the following elements:

- Twelve swimming lanes (25 yard course, suitable for high school, collegiate, and swim club practice and competition)
- Multi-directional water polo configurations suitable for high school and other various levels of practice and competition
- Diving boards suitable for development of a springboard diving program and the utilization for competitive diving events
- Spectator bleachers and shaded relaxation areas

A third pool, approximately 35 feet x 27 feet with shallow water and warm water would enable the following programmatic options:

- Aquatic therapy and rehabilitation for patients of local hospital and private physician groups
- Swimming instruction for young children, in which a warm water environment is most conducive to learning
- Various activities including classes for mothers and infants and individuals with handicapping conditions

Site Plan – Scenario 1



Scenario 2 also features an outdoor aquatic center that meets the educational, instructional, recreational, and competitive needs outlined in this report. However, instead of a three-pool site plan, Scenario 2 envisions two pools; thus, the aquatic therapy pool, which was the third pool included in Scenario 1, has been eliminated in Scenario 2.

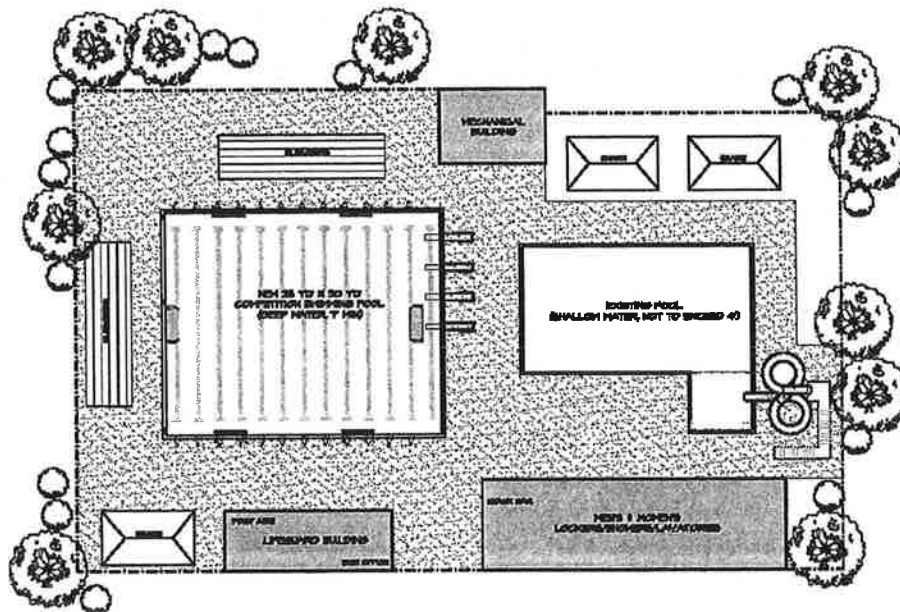
The existing pool is enhanced by inclusion of the following elements:

- The maximum depth of this pool, at all points, is four feet, thus enabling optimal utilization for aquatic instruction and recreation
- A double water slide, which substantially increases the potential for recreational use by community residents
- Expanded support facilities, including a functional snack bar and vending area, locker rooms, and mechanical/plumbing fixtures

A second pool is geared for competitive team utilization and deep-water instructional activities, featuring the following elements:

- Twelve swimming lanes (25 yard course, suitable for high school, collegiate, and swim club practice and competition)
- Multi-directional water polo configurations suitable for high school and other various levels of practice and competition
- Diving boards suitable for development of a springboard diving program and utilization for competitive diving events
- Spectator bleachers and shaded relaxation areas

Site Plan – Scenario 2

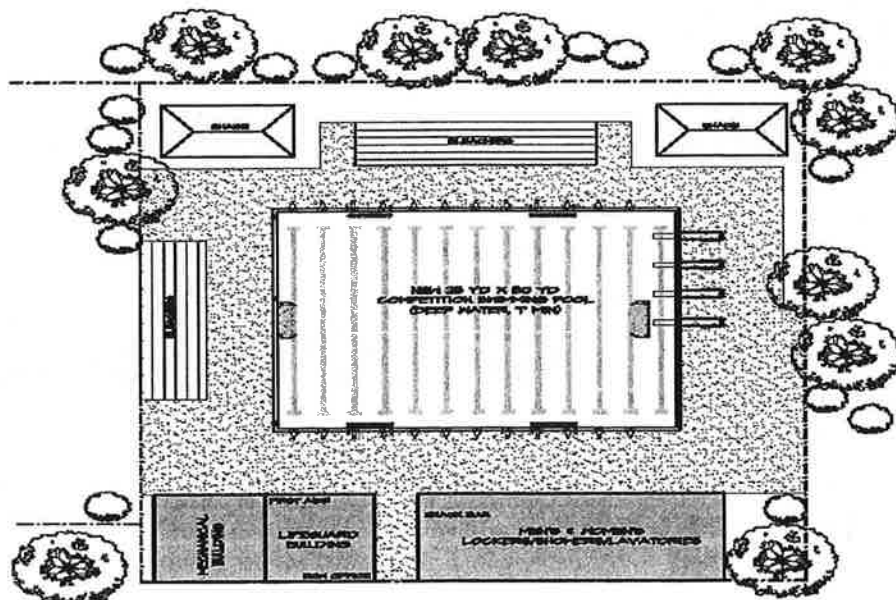


Scenario 3 includes features an outdoor aquatic center that meets some, but not all, of the educational, instructional, recreational, and competitive needs outlined in this report. The absence of shallow water limits opportunities for learn to swim instruction and utilization by Del Oro High School physical education classes; further, it is understood that some deep-water activities will be more limited in a one-pool scenario because of limitations during prime-time hours (typically, early morning from 5:00 to 8:00 AM and late afternoon/early evening from 4:00 to 7:00 PM).

A newly-constructed pool is geared for competitive team utilization and deep-water instructional activities, featuring the following elements:

- Twelve swimming lanes (25 yard course, suitable for high school, collegiate, and swim club practice and competition)
- Multi-directional water polo configurations suitable for high school and other various levels of practice and competition
- Diving boards suitable for development of a springboard diving program and utilization for competitive diving events
- Spectator bleachers and shaded relaxation areas

Site Plan – Scenario 3



2.2 Opinion of Project Costs

TSE offers its opinion on the possible construction costs associated with these three options (below). As mentioned previously, Del Oro High School is the only site that has been considered for the purposes of this feasibility study. Therefore, land acquisition costs have not been included in the costs estimates below.

Scenario 1:

Usage	Square Footage	Opinion of Cost
Pools:		
Competition Pool (25 yd. x 30 yd.)	6,750	\$1,001,250
Existing Pool (remodel)	3,553	296,083
Aquatic Therapy/Rehabilitation Pool (35 ft. x 27 ft.)	945	121,917
Sub-Total	11,248	\$1,419,250
Buildings		
Locker rooms/toilets/snack bar	3,000	1,085,000
Life guard/first aid/box office	1,100	357,500
Mechanical building	875	246,458
Shade structures (5)		83,333
Sub-Total	4,975	\$1,772,292
Features and Hardscape		
Water slide (double)		245,000
Outdoor lighting (one light standard)		37,500
Decking and storm drain	15,000	210,000
Fencing (850 linear feet)		28,333
Sub-Total	15,000	\$520,833
Site Work		
Landscaping	12,500	33,333
Demolition (existing buildings, concrete, pavement)		50,000
Parking lot (paving, AB, striping)	65,000	433,333
Sub-Total	77,500	\$516,667
TOTAL	108,723	\$4,229,042
Contingency (10%)		\$422,904
Contractor Overhead (8%)		\$338,323
Contractor Profit (8%)		\$338,323
Bonds & Insurance (2%)		84,580
Design Feed (8%)		\$338,323
Fees/Permits (5%)		\$211,452
Sub-Total of Overhead Costs		\$1,733,905
Sub-Total of Construction and Site Costs		\$4,229,042
Grand Total		\$5,962,947

Scenario 2

Usage	Square Footage	Opinion of Cost
Pools:		
Competition Pool (25 yd. x 30 yd.)	6,750	\$1,001,250
Existing Pool (remodel)	3,553	296,083
Sub-Total	10,303	\$1,297,333
Buildings		
Locker rooms/toilets/snack bar	3,000	1,085,000
Life guard/first aid/box office	1,100	357,500
Mechanical building	875	246,458
Shade structures (5)		83,333
Sub-Total	4,975	\$1,772,292
Features and Hardscape		
Water slide (double)		245,000
Outdoor lighting (one light standard)		37,500
Decking and storm drain	15,000	210,000
Fencing (850 linear feet)		28,333
Sub-Total	15,000	\$520,833
Site Work		
Landscaping	12,500	33,333
Demolition (existing buildings, concrete, pavement)		50,000
Parking lot (paving, AB, striping)	65,000	433,333
Sub-Total	77,500	\$516,667
TOTAL	107,778	\$4,107,125
Contingency (10%)		\$410,712
Contractor Overhead (8%)		\$328,570
Contractor Profit (8%)		\$328,570
Bonds & Insurance (2%)		82,143
Design Feed (8%)		\$328,570
Fees/Permits (5%)		\$205,356
Sub-Total of Overhead Costs		\$1,683,921
Sub-Total of Construction and Site Costs		\$4,107,125
Grand Total		\$5,791,046

Scenario 3

Usage	Square Footage	Opinion of Cost
Pools:		
Competition Pool (25 yd. x 30 yd.)	6,750	\$1,001,250
Sub-Total	6,750	\$1,001,250
Buildings		
Locker rooms/toilets/snack bar	3,000	1,085,000
Life guard/first aid/box office	1,100	357,500
Mechanical building	875	246,458
Shade structures (5)		83,333
Sub-Total	4,975	\$1,772,292
Features and Hardscape		
Outdoor lighting (one light standard)		37,500
Decking and storm drain		210,000
Fencing (850 linear feet)	15,000	28,333
Sub-Total	15,000	\$275,833
Site Work		
Landscaping	12,500	33,333
Demolition (existing buildings, concrete, pavement)		50,000
Parking lot (paving, AB, striping)	65,000	433,333
Sub-Total	77,500	\$516,667
TOTAL	104,225	\$3,566,042
Contingency (10%)		\$356,604
Contractor Overhead (8%)		\$285,283
Contractor Profit (8%)		\$285,283
Bonds & Insurance (2%)		71,322
Design Feed (8%)		\$285,283
Fees/Permits (5%)		\$178,302
Sub-Total of Overhead Costs		\$1,462,077
Sub-Total of Construction and Site Costs		\$3,566,042
Grand Total		\$5,028,119

3 Aquatic Facilities and Recreational Opportunities in the Area (Potential Competitors for Usage)

Aquatic programming provides a significant number of user options. Availability of swimming pools for leisure activities is largely driven by trends in population, levels of income, and other demographic characteristics. Therefore, it is prudent to examine other aquatic providers in geographic proximity to Del Oro High School to determine the level of potential competition that a new aquatic facility would encounter, recognizing that many factors – from drive time to local availability of learn to swim programming, for example – ultimately determine demand and usage.

It is understood that successful competition for the leisure services market is, in itself, not the ultimate goal for the construction of the enhanced aquatic facility. Instead, the most positive end result is that aquatic services and activities would be delivered to the students of Del Oro High School and Town of Loomis residents at reasonable cost and with emphasis on the quality of the experience.

Additionally, it is necessary to compare “apples and apples” when a listing of area aquatic facilities is compiled. This report envisions an aquatic facility that provides a robust set of programming opportunities, and, thus, there emerge relatively few direct competitors, particularly within close proximity. However, despite the fact that some facilities are not comprehensive in all aspects of usage, it is important to recognize the existence of limited-use facilities, because there may be direct competition for specific, potentially high-profit aquatic programming. Additionally, indoor pools may have some potential advantages during the winter months, particularly for aquatics activities that thrive in a warm or climate-controlled environment.

Lastly, the competitive swimming landscape is also an important ingredient to consider. Swimming instruction, for example, that is “pre-competitive” may hold a higher degree of popularity or acceptance than a learn-to-swim program that does not lead directly to participation in other activities in and around water. Therefore, TSE examined competitive swimming programs in the area to determine levels of membership and the quality of the experience.

For purposes of this study, TSE examined aquatic facilities in Auburn, Rocklin, Folsom, and Roseville because the potential similarities were most clearly delineated. It should be noted that the geographic areas within a forty-five minute drive of Loomis (including, and surrounding, the Del Oro High School) has other public aquatic facilities that offer programming that includes instructional and recreational activities, but in our professional opinion, the four aquatic facilities below represent the most likely competitors for patronage and utilization.

Clearly, the marketplace proximate to DOHS does not have an abundance of aquatic facilities that support "total aquatic programming" activities on a year-round basis. In TSE's experience, it is unusual to identify an area with a population base equivalent to the area surrounding DOHS that has such limited aquatic opportunities, particularly in a location whose residents place such a high value on healthy lifestyles and physical activity.

While there are many competing factors, TSE recommends that DOHS continue to operate the swimming pool at the high school, with updated amenities and enhanced capabilities, and include two additional pools – one for competition and one for aquatic therapy and rehabilitation.

It is understood that the current facility is aging and would require some additional capital investment (unknown amount) that could become costly in the next five years, irrespective of other enhancements to the site.

There are also other factors for DOHS to consider:

- The new facility is likely to accelerate substantially the growth of various aquatic programs, in particular, the high school teams and the programs that "feed" their membership.
- The opportunities for collaboration with the Town of Loomis are considerable and would be advantageous to the Placer Unified High School District.
- Community usage would increase by property taxpayers in the district who do not have school-age children, a circumstance sought by school districts throughout the country, particularly when bond referenda are likely.
- New facilities provide so much optimism within a community that it is not uncommon to achieve capacity or over-capacity levels in the first three years of operation. When a community is asked to "dream" about the possibilities for enhanced programming, it often "dreams big."

In final analysis, TSE believes that there is compelling rationale for expansion and improvement of aquatic programs at Del Oro High School – physical education classes and electives, the competitive teams in water polo and swimming & diving, and other extracurricular offerings to justify enhancement of the current aquatic facility. However, given the overall lack of competitor facilities offering quality programming on a year-round basis, TSE believes that a community aquatics program could be established that enables DOHS to be in a leadership position for community service among high schools in this geographic region.

Sierra Pool

Located at Recreation Park, a 22-acre park in Auburn. The 50 foot by 100 foot facility is operated under the auspices of Auburn Recreation District (ARD).

It is an outdoor facility located 9.9 miles, or 13-minute drive time, from Del Oro High School. Its aquatic program features:

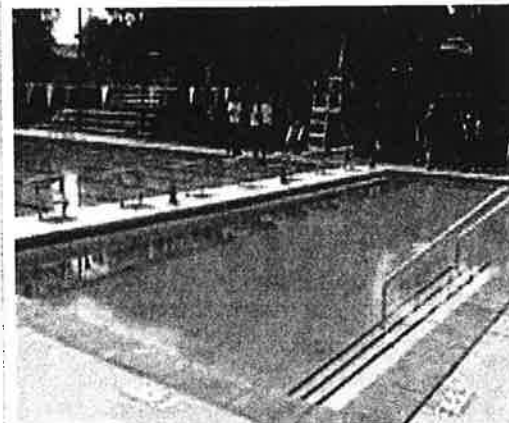
- Learn to swim instruction (group and private lessons)
- Robalos Swim Team
- Mermaids Synchro Team
- Masters swimming
- Lap swimming
- Lifeguarding classes
- Water aerobics classes

All programs have registration fees, and there is a small additional fee for out-of-district residents.

The 2009-2010 ARD Annual Report includes the following reference to competitive events:

"Sierra Pool hosted five VFCAL Competitive Swimming and Synchronized Swimming meets, as well as hosting the two day VFCAL Synchronized Swimming Championships, bringing 250 regional swimmers and their families to Recreation Park."

Upcoming projects within the next year include a joint Auburn Recreation District/volunteer project making major improvements to the lifeguard/snack-bar facility at Sierra Pool.



Sierra College

A community college located in Rocklin which has both men's and women's swimming and diving and water polo programs, as well as an extensive community education program.

The college is located 3.6 miles, or a seven-minute drive time, from Del Oro High School and features a two-pool complex.

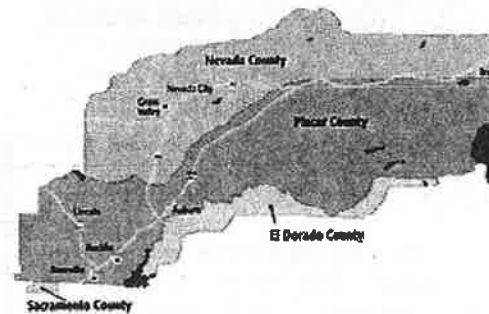
Among its public program offerings (non-student utilization) are the following:

- Swimming lessons, both group and private instruction
- Diving camp
- Youth water polo
- Wolverine Aquatic Club, a year-round program with four group classifications (approximately 15 hours weekly)
- RAMS, a US Masters Swimming Club (three workout opportunities daily, approximately 25 hours weekly)

All non-academic credit classes are organized through the community education program administered by the college, which is extensive and year-round.



Sierra Community College District



Folsom Aquatic Center

Operates a year-round aquatic program, and it is located 16 miles, or twenty-five minute drive time, from Del Oro High School.

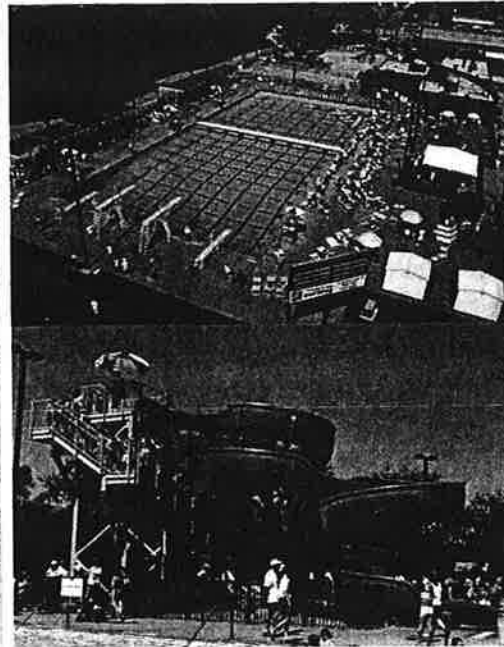
Program offerings include:

- Recreational swimming
- Learn to swim lesson program
- USA Swimming team, the Sierra Marlins
- Two recreational swim teams, the Folsom Sea Otters and Folsom Tigersharks
- Diving team, Dos Rios Divers
- Water aerobics classes
- Lifeguard training

The pool features:

- Four diving boards
- 165' long water slide
- Interactive play structure with water cannons and manually operated spray features
- Warm water instructional pool
- Water basketball
- Innertube use

This aquatic facility is oriented toward recreational experiences for community residents, although it maintains a good instructional and competitive programming element.



SIERRA

The City of Roseville

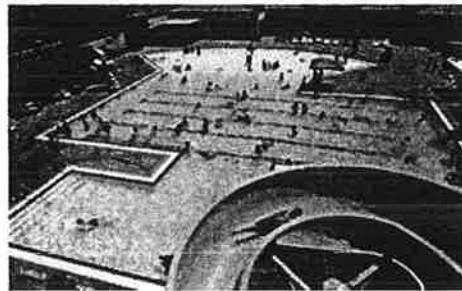
Manages three pools, two of which are year-round operations:

- Central Park Indoor Pool (approximately 9 miles or twelve-minute drive, from Del Oro High School)
- Roseville Aquatics Complex (11.5 miles, eighteen-minute drive from Del Oro High School)
- Johnson Pool (summer only)

The Central Park Indoor Pool is a new facility that includes an 8 lane, 25 yard pool with depths between 3.5 - 8.5 feet. There is an additional 1,500 square foot warm water pool with depths up to 5 feet deep.

Programs at this facility include a variety of water fitness programs, swimming lessons, lap swimming, land fitness, recreational swimming, and special events.

The Roseville Aquatics Complex includes the Summer Sanders Olympic-size competition pool, a zero-depth recreation pool with beach entry, a 150-foot water-slide, and a children's interactive water play area and the Wave Cafe. Additionally, the facility offers a USA Swimming team, the Woodcreek Seawolves, recreational swimming, a variety of morning, afternoon and evening swim lessons, fitness programs, water polo, and other camps and classes.



4 User Groups and Market Demographics

Introduction

The Demographic and Participation Trends Analysis helps to provide an understanding of the target market in question. Dividing the target market by age, race, income and spending characteristics enables a more accurate prediction of market affinity and likelihood to be able to support a particular facility/amenity or recreation program. An accurate understanding of these vital market characteristics is paramount when planning future development.

Methodology

The demographic data used for the analysis was obtained from Environmental Systems Research Institute, Inc. (ESRI). It is one of the foremost agencies in Geographic Information Systems (GIS), utilizing the information to provide population projections. The data provided herein has been obtained in February 2010 and is based on numbers provided in the 2000 Census. All other projections are created utilizing straight line regression analysis. For the purpose of this analysis, the Town of Loomis, CA service area has been considered.

Summary

In terms of **Overall Population**, the Loomis Service Area has demonstrated above average population growth and this trend is projected to continue, albeit, at a reduced rate over the next 10-15 years. While this percent increase does not translate into a huge growth in actual population numbers (800 individuals from 2009 – 2024), it does indicate a potential for a sustained level of use compared to current levels.

The **Racial Composition** is fairly homogeneous with a gradual increase in diversity over time. White only population comprised 86% of the current population and will be 81% by 2024. Those of Hispanic Origin (Any Race) are projected to increase from 6.87% in 2000 to almost 15% by 2024.

The **Age Segment Distribution** demonstrates a rapid aging trend in the population over the upcoming years. The 55+ population comprised 20.7% of the population in 2000 and is projected to be 39% by 2024. This would point to a greater need for aquatic fitness and wellness programs centered on aqua-robics and therapeutic recreation. The U-18 group, which is typically the primary target age segment, comprised 29% of the 2000 population and is projected to decrease to 16.5% by 2024.

Spending on Sports, Recreation and Exercise Equipment within the Loomis Service Area demonstrates encouraging signs, particularly for aquatic activities. The Spending Potential Index (household based index representing the amount spent for a product or service relative to national average of 100) for water sports equipment purchase is much higher than national averages (index of 130), while the average amount spent is at par with spending for the State of California.

Income characteristics are above average and are projected to grow at a slow pace over the next decade. The median household income is currently at \$69,413 and poised to grow to \$83,895 by 2024 while per capita income is also projected to grow from \$33,425 currently to \$38,582 by 2024. This compares favorably against the State and National averages.

Participation Trends show a decrease in total participants nationwide in swimming. However, with 87 million annual participants, recreation swimming is still the second most popular activity after walking. Swimming (Recreational) participation index is lower than average (84) in California but the overall number of swimmers is still very high. However, participation rates for related activities such as Surfing, Aquatic Exercise, Sailing, and Snorkeling is well above average.

In summary, a healthy population growth trend, positive income characteristics and above average recreation spending are all factors that would tend to support the proposed aquatic facility. On the other hand, a decreasing youth population might mean that the facility amenities and programming should be tailored to target the growing active adult population in order to build the overall user base necessary to sustain the facility.

Overall Population

As demonstrated in **Figure I**, the primary target market witnessed an average growth spurt from 2000 to 2009 when the total population grew 5.1%.

Breaking it down, the annual growth rate is around 0.6%.

In the same time frame, the U.S. population growth was about 0.9%.

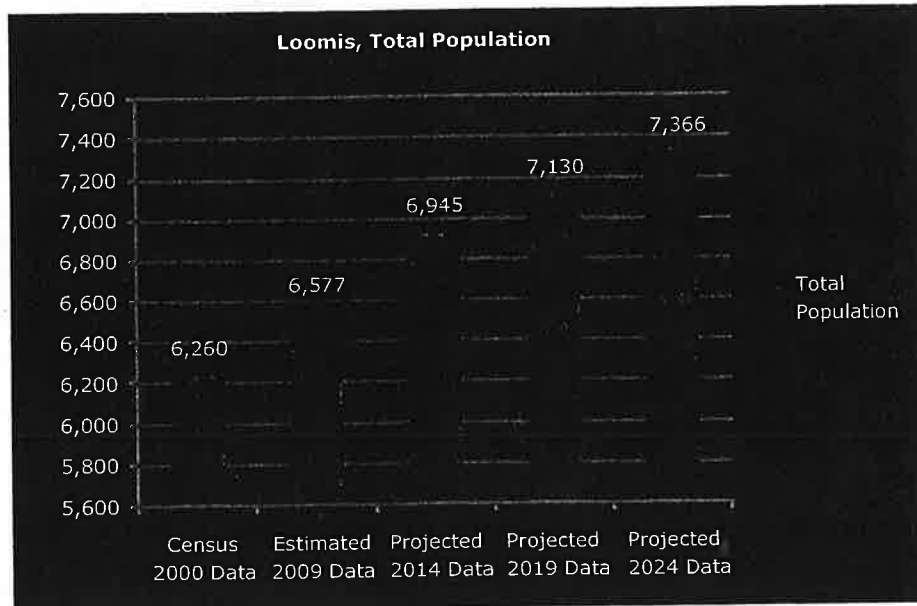


Figure I – Loomis Total Population

This growth trend is projected to have a marginal rise (5.6% growth from 2009-2014) before dipping significantly to 2.7% from 2009-2014 and 3.3% from 2019-2024 respectively. This would translate into a total population of approximately 7366 by 2024. As seen in the Demographic Summary Chart – **Figure II**.

Demographic Summary, Loomis					
Population	Census 2000 Data	Estimated 2009 Data	Projected 2014 Data	Projected 2019 Data	Projected 2024 Data
Total Population	6,260	6,577	6,945	7,130	7,366
Male Population	3,110	3,268	3,458	3,551	3,670
Female Population	3,150	3,310	3,489	3,582	3,699
Number of Households	2,206	2,420	2,581	2,702	2,834

Figure II – Loomis Demographic Population Summary

Race

The Loomis service area is fairly homogeneous with almost 86% of the current total population classified as White only and the next highest segment being those classified as belonging to Two or More Races 5.98% (see **Figure III**).

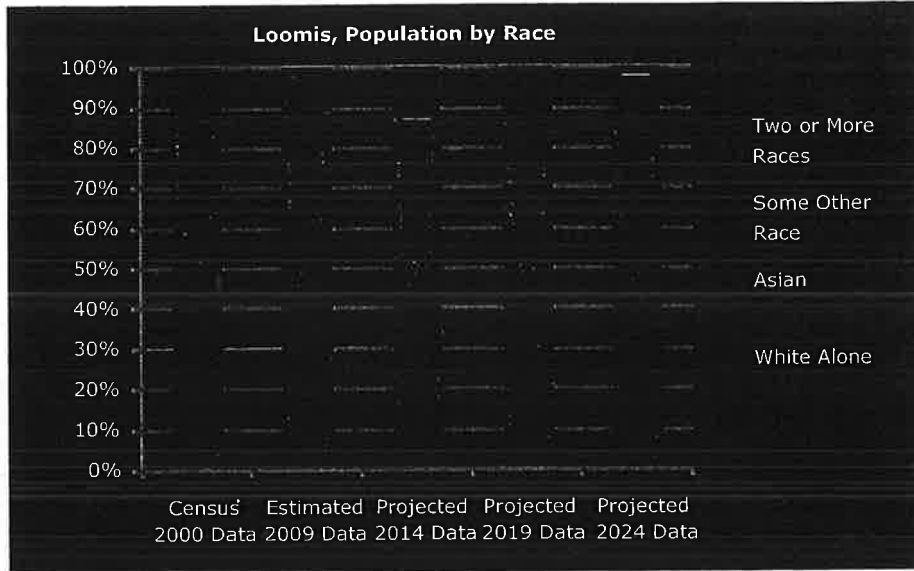


Figure III- Loomis Population by Race

The projections from **Figure IV** point to a continuation of current trends with a minor decrease in the White Only (86% currently and 81% by 2024) population balanced by an increase in Two or More Races (4.38% in 2000 to 8.4% by 2024). While all other race segments are expected to marginally increase as well over the same time frame.

Notably, those of Hispanic Origin (Any Race) are projected to increase significantly from 6.87% in 2000 to 14.64% by 2024.

Demographic Summary, Loomis					
Population by Race / Ethnicity	Census 2000 Data	Estimated 2009 Data	Projected 2014 Data	Projected 2019 Data	Projected 2024 Data
White Alone	89.06%	85.94%	84.23%	82.75%	81.33%
Black Alone	0.19%	0.20%	0.20%	0.20%	0.21%
American Indian	0.96%	1.11%	1.09%	1.16%	1.21%
Asian	3.23%	3.51%	3.77%	3.91%	4.07%
Pacific Islander	0.18%	0.17%	0.19%	0.18%	0.19%
Some Other Race	2.01%	3.10%	3.63%	4.15%	4.62%
Two or More Races	4.38%	5.98%	6.88%	7.64%	8.38%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%
Hispanic Origin (any race)	6.87%	10.08%	11.69%	13.22%	14.64%
All others combined	7.52%	10.35%	11.79%	13.14%	14.39%

(Except White, Black and Asian)

Figure IV - Loomis Demographic Ethnicity Summary

Age Segments

The population in Loomis is showing signs of a rapid aging trend as can be seen by the increase in the 55+ population in **Figure V**.

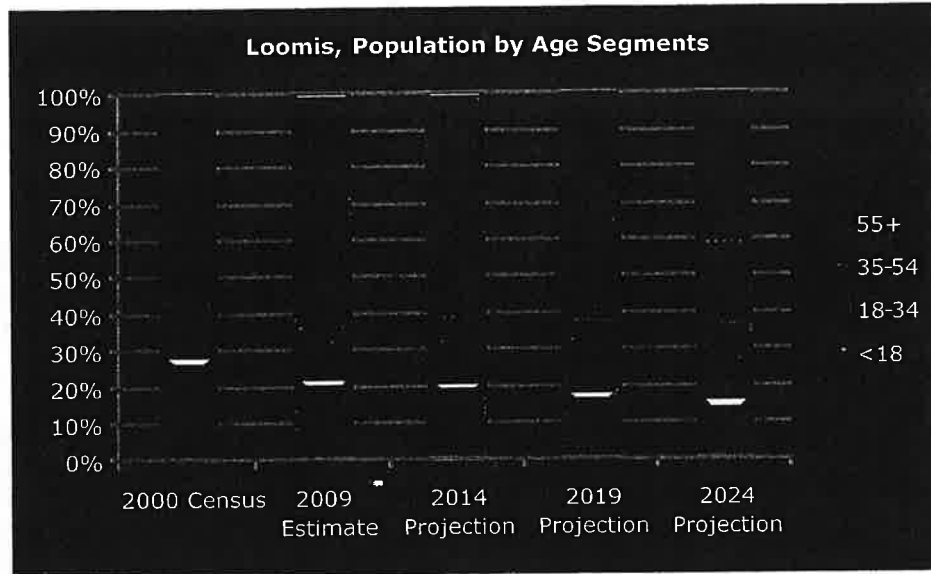


Figure V – Loomis Age Segments

This observation is partly reflective of nationwide trends that show the gradual aging of the population, largely due to the aging baby boomer population, and advances in medical technology fuelling increased life expectancy.

The 55+ population comprised only 20% of the population in 2000 and is projected to almost double to 39.2% by 2024, at which point it will be the single largest age group segment. This means that more than one out of three individuals within the service area will be over the age of 55 by 2024. This trend could be partly attributed to overall nationwide aging trends referencing again to the aging baby boomer population and increased life expectancy rates.

As seen in **Figure VI** - The U-18 group comprised 27% of the 2000 population and is projected to decrease to 18% by 2024. The youth population comprises the key target audience for an aquatic facility of this nature and research has shown that these age groups tend to form the primary participant base for competitive swimming and recreational swimming.

With the reducing youth population and a fast growing active adult population, there might be more opportunities to offer therapeutic activities and wellness and fitness programming. Participation trends have shown that these activities are increasing in popularity within the senior age segment nationwide.

Loomis	<18	18-34	35-54	55+	<18	18-34	35-54	55+
2000 Census	3,697	3,134	5,241	1,792	26.7%	22.6%	37.8%	12.9%
2008 Estimate	3,680	3,538	5,615	3,225	22.9%	22.0%	35.0%	20.1%
2013 Projection	3,643	3,856	5,501	4,146	21.2%	22.5%	32.1%	24.2%
2018 Projection	3,630	4,115	5,700	5,044	19.6%	22.3%	30.8%	27.3%
2023 Projection	3,610	4,390	5,812	5,949	18.3%	22.2%	29.4%	30.1%

Figure VI – Population projections

Recreational Expenditures

Figure VII demonstrates the spending on Sports, Recreation and Exercise Equipment within the Loomis service area. The Spending Potential Index (SPI) is household based and represents the amount spent for a product or service relative to the national average of 100. While this might not be a direct indicator for participation in the proposed facility, it indicates the affinity of the service area's population towards sports and recreation in general. Despite factoring in a higher cost of living, it would be fair to assume that a higher spending potential index would indicate above average interest in aquatic activities as a part of all recreation activities within the Loomis service area.

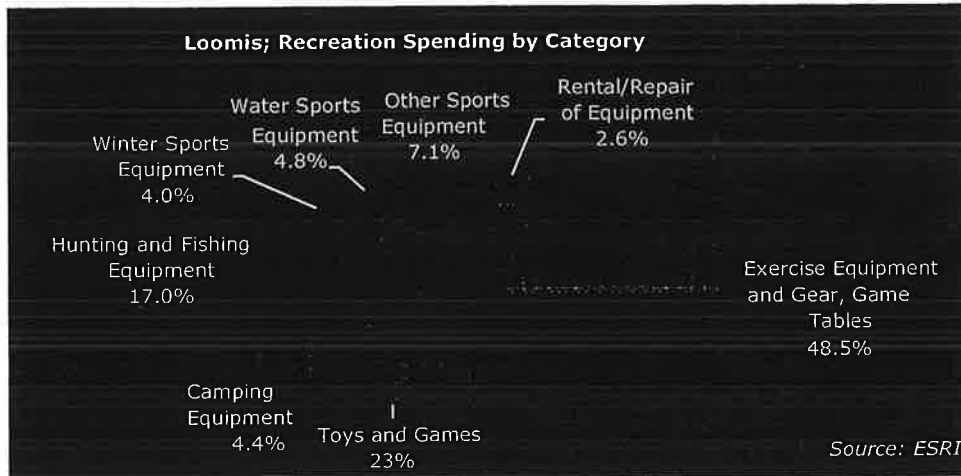


Figure VII – Loomis Recreation Spending

As seen below in **Figure VIII**, the service area has a higher spending potential index in most areas of recreation spending. More directly, water sports equipment purchase is significantly higher (index of 130). The average amount spent in total is far less than California averages and lesser than National averages too, despite the higher cost of living. However, to further validate the high interest in aquatic activities, looking at Figure VII, the average amount spent is far higher than national averages. For Water Sports Equipment alone, it is at par for California and far higher than national averages.

Sports, Recreation and Exercise Equipment	Spending Potential Index	Total	Loomis, Average Amount Spent	CA, Average Amount Spent	U.S. Average Amount Spent
Exercise Equipment and Gear, Game Tables	95	\$ 229,265	\$ 94.74	\$ 110.34	\$ 99.06
Bicycles	122	\$ 54,954	\$ 22.71	\$ 25.48	\$ 18.96
Camping Equipment	65	\$ 20,803	\$ 8.60	\$ 13.33	\$ 10.85
Hunting and Fishing Equipment	85	\$ 80,537	\$ 33.28	\$ 44.49	\$ 38.27
Winter Sports Equipment	128	\$ 18,814	\$ 7.77	\$ 7.54	\$ 5.44
Water Sports Equipment	130	\$ 22,939	\$ 9.48	\$ 9.49	\$ 7.21
Other Sports Equipment	126	\$ 33,389	\$ 13.80	\$ 18.94	\$ 15.13
Rental/Repair of Equipment	127	\$ 12,292	\$ 5.08	\$ 4.00	\$ 3.54
		\$ 472,993	\$ 195.46	\$ 233.61	\$ 198.46

Source: Consumer Spending data derived from 2004 & 2005 Consumer Expenditure Surveys, Bureau of Labor Statistics. ESRI forecasts for 2009 and 2014.

Figure VIII – Loomis Recreation Spending Average

Income Characteristics

The Loomis service area exhibits healthy income characteristics.

The median household income is currently at \$69,413 and poised to grow to \$83,895 by 2024.

The median household income refers to the income earned by all members of a household over the age of 16. The per capita income too is projected to grow from \$30,384 in 2000 to \$38,852 by 2024.

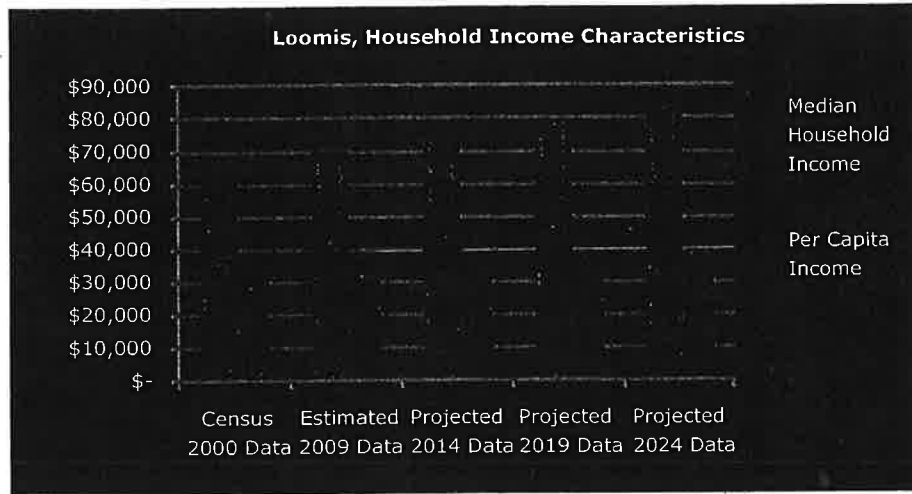


Figure IX – Loomis Income Characteristics

While it is fair to assume that the economic downturn might negatively impact some of the future projections, it certainly does not take away from the service areas above average income levels.

As **Figure X** depicts, the service area's income levels are much higher than the state (median household income - \$58,361 in 2007) and national (median household income - \$ 50,007 in 2007) averages.

These income trends coupled with the proximity of the high school indicate the presence of a user base that would be willing and able to participate in the aquatic / recreation programs at a facility catering to their needs.

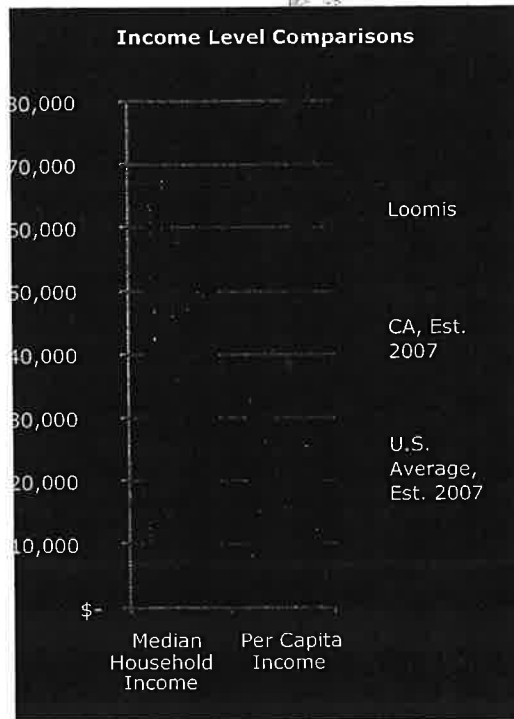


Figure X – Loomis Comparative Income Characteristics

Trends Analysis

The data for this analysis is obtained from the American Sports Data (ASD) 2007 - 2008 SUPERSTUDY®. The SUPERSTUDY® is an annual syndicated tracking study which presents a comprehensive overview of sports participation in the United States based on responses obtained from over 15,000 statistically valid surveys nationwide. The study identifies and analyzes general patterns, trends, and relationships within a full range of 103 sports and activities. National participation trends as well as data specific to the state of California are used for the analysis.

Region	Participants (000)	Segment %	Participants per 100 people	Index
USA	87285	100	32.3	100
North East	16152	18.5	32.1	99
North Central	21982	25.2	36.6	113
South	31972	36.6	32.4	100
West	17179	19.7	28	87

Figure XI – USA National Participation (Recreational Swimming)

Figure XI shows the Total National Participation numbers for Recreational Swimming. The current participation number of over 87 million shows a slight decrease from the 2005-2006 numbers of approximately 91 million. Despite this decrease in participation, it is important to note that other than Recreational Walking (with 90 million estimated participants); Recreational Swimming continues to be the most popular recreation activity participated in within the United States. The average number of days per year that an individual participates in currently is 32.5 days and when asked about future participation, 55% stated they would continue at current rates while 39% were expected to increase participation in recreational swimming in this coming year.

	Participants (000)	Segment %	Participants per 100 people	Index
Males				
U - 18	15347	17.6	61.1	189
18-34	10348	11.9	30.3	94
35-54	12814	14.7	30.4	94
55+	4558	5.2	14.8	46
Females				
U - 18	13549	15.5	56.3	174
18-34	13174	15.1	39.2	122
35-54	11928	13.7	27.4	85
55+	5568	6.4	15	47

Figure XII - Recreational Swimming Participation by Age Segment by Gender

As **Figure XII** shows, the U-18 age segments form the primary audience for recreational swimming. The participation index for U-18 (189 - males; 174 - females) is significantly higher than those of any other age segments. However, the 18-34 age segment forms a much higher proportion of the participant base in females as compared to males. This presents an additional opportunity to introduce newer programming or build facilities / amenities that can help attract this target segment.

Additionally, nationwide there is a projected trend of an increase in mature adults. Demographic studies have shown that females tend to have a higher life expectancy than males. This assumed large contingent of mature female adults, creates a need for active adult programs geared towards females. Aside from walking, the second most popular recreational activity in America among the mature demographic is water aerobics or 'aqua-robics'. The interest in this type of recreational activity can be attributed to the low impact "senior friendly" exercise that reduces the amount of stress on the body. Additional program opportunities for health and wellness and therapeutic recreation can also contribute to its high appeal.

	Participants (000)	Participants per 100 people	Index
California			
Swimming (Recreational)	9843	28.5	84
Surfing	926	2.7	306
Aquatic Exercise	1243	3.6	144
Sailing	724	2.1	129
Snorkelling	1321	3.8	104
Nevada			
Swimming (Recreational)	697	43.5	128
Jet Skiing	202	12.6	348
Snorkelling	191	11.9	324
Scuba Diving	37	2.3	225
Aquatic Exercise	58	3.6	144

Figure XIII- California Participation in Recreational Swimming

As can be seen in **Figure XIII**, the Swimming (Recreational) participation index is lower than average (84) in California. However, despite the lower index, it is important to note that California has a fairly high number of total individuals (approx. 9.8m) participating in this activity.

Also, from the figure above, the participation rates are well above average for related activities such as Surfing, Aquatic Exercise, Sailing and Snorkeling. This would indicate that the community holds an affinity towards water based recreation activities and, for a majority of individuals, the ability to swim provides an opportunity to partake in these activities. Lastly, the high participation for Aquatic Exercise is a positive indicator of potential success in therapeutic recreation programs targeting the active adult population that most frequently participate in these programs.

5 Programming Scenarios and Potential User Groups

Under ideal circumstances, aquatic facilities are built to accommodate specific programming needs expressed through community forums and other participatory mechanisms, thus helping to refine the design characteristics of the aquatic facility that best accommodate these programs. While such gatherings were not used as a means to obtain community sentiments in Loomis, there are sufficient indicators of successful programming in similar communities nationwide to be able to make realistic assumptions.

Aquatic programming is both traditional and evolving. Communities across the United States have understood, since the early 20th century, the importance of swimming instruction. For example, the aquatic safety programs developed by American Red Cross personnel and administered by trained volunteers -- including swimming instruction, lifesaving training, and small craft safety -- are highly respected and admired. However, aquatic programming has changed significantly over the last twenty years, with water parks, spray pools, zero-depth pools, and other pool configurations leading to new ways in which aquatic activity is valued in community settings.

Additionally, as the demographic characteristics of the American population have changed, there have been many changed patterns of recreational usage that have been precipitated by increased levels of activity by senior citizens and persons with handicapping conditions. Pools are no longer the exclusive province of community youth, but instead, are multi-generational, ADA-accessible facilities that foster participation across broad segments of the population. These trends have also been augmented by the need to better understand the ways in which aquatic facilities can be used for physical therapy and to aid recovery from various forms of injury or illness.

Furthermore, pool shapes and dimensions have also undergone significant change. The "traditional" pool shapes -- rectangle, "T" shape, or "L" shape -- have been supplemented by free-form leisure pools with irregular shapes and configurations. Wave pools are now commonplace, and there seem to be few limitations on design, form, and utilization.

These developments are taking place against the backdrop of competitive swimming, where the number of participants continues to rise. Athletes in other sports are now using swimming as an ideal form of cross-training, and thus, traditional lap swimming has a strong position in modern pool usage patterns.

While a new pool at Del Oro High School cannot literally be "all things to all people," it is essential that a new facility meet the needs of as many potential user groups as possible, particularly if public mechanisms are to be considered as potential sources of funding. Good programming that meets community needs is fundamentally important to a successful effort

to garner support for the construction of a pool, while also providing the basis for successful future operations.

It is recognized at this juncture that the desired facility is an outdoor pool environment, not an indoor pool, and this decision is fundamental to the way in which the pool would be utilized and programmed. Indoor pools and outdoor pools tend to have very different functions. Indoor pools are more likely to be programmed with classes and structured activity. Outdoor pools tend to be used more for recreation and leisure activity, although competitive and instructional utilization is highly desirable, depending on pool configuration and other factors. Because the pool would be located at Del Oro High School, the necessity to provide physical education classes and after-school extracurricular activities is well understood.

As noted in every major survey of recreational activity in the United States, and as demonstrated through charts in the preceding section of this report, swimming ranks second – only behind “walking” – as the preferred methodology of Americans who seek recreation, leisure, or physical fitness.

Core programming activities are fundamental to a successful aquatic facility. In this section, TSE analyzes five programming elements that have particular significance to the Del Oro High School pool that are critical to productive and financially viable operations. Each also forms distinctive user groups that can be beneficial at all stages of pool development, from concept to operations.

5.1 Aquatic Instruction – Multi-Generational

The primary reason that aquatic instruction is so important is to prevent drowning. USA Swimming provides the following statistical rationale for swimming instruction:

- Drowning is the second leading cause of unintentional injury-related death for children between the age of one and 14. (Centers for Disease Control, 2003)
- Nine people drown in the United States every day. (CDC)
- Two-thirds of all drownings occur between May and August. (Orange County California Fire Authority)
- Approximately 75% of child drownings occur because of a lapse of adult supervision of less than five minutes (unattributed)
- African-American children between the ages of five and 19 are 2.6 times more likely to drown than Caucasian children in the same age group. (Centers for Disease Control, 2003)
- In the swimming pool, African-American boys between the ages of 5-19 are twelve to fifteen times more likely to drown than their Caucasian peers. (National Institute of Health, 2001)

A community-wide lesson program is an important resource in creating a safe environment for children, and significantly, it is an investment in protecting young people from harm in and around water. Irrespective of age or the specific intent of the class – from basic swimming instruction to small craft safety skills – instruction plays an essential role in a well-rounded community program.

The range of programming options related to aquatic instruction provides Del Oro High School with the ability to provide services that are specifically tailored to the expressed needs of community residents. These instructional opportunities demonstrate the broad population base that can be served by an aquatic facility, including specific programs by age, skill level, interest, and mobility.

Additionally, the instructional programming provided for Loomis-area youth can provide important benefits. These basic skill classes are excellent forerunners to physical education classes at Del Oro High School, and can include beginner-level instruction, as well as electives in lifetime activities like scuba diving, kayaking, and canoeing. A well-designed program for community youth would enable more advanced-level classes to be offered at the high school, including electives like lifesaving and lifeguarding which provide vocational opportunities.

While the list provided below is not meant to be comprehensive, the number and type of instructional classes provide ample evidence of the ways in which an improved aquatic facility can meet community needs. In fact, it is common that owners/operators of new facilities need to manage the overly large expectations of certain potential user groups. This emphasizes the need to make difficult decisions about prioritization of usage, particularly during prime hours outside of the school day and the academic year.

5.1.1 Instructional Usage Opportunities

- School Programs:
 - School district physical education classes and electives
 - District-wide elementary school learn to swim program
 - Aquatic instruction for special education classes
- Community Programs:
 - Scuba classes
 - Red Cross Water Safety Instructor (WSI) classes
 - Red Cross small craft water instruction
 - Red Cross Lifesaving classes
 - Red Cross Lifeguarding classes
 - Coast Guard safe boating classes
 - Water Aerobics classes
 - Water safety classes and workshops
 - Survival training
 - Personal fitness training
 - Mother and infant water acclimatization classes
 - Police and fire department rescue team training

5.2 Competitive Usage and Other Related Training Opportunities

An important reason to design a pool with competitive equipment, markings, and capabilities is the substantial number of opportunities for a swimming pool to be used for competitive training purposes across the four aquatic disciplines (swimming, diving, synchronized swimming, and water polo), both as elements of school district extracurricular activities program and community utilization.

For Del Oro High School, an aquatic facility can accommodate the needs of the boys' and girls' swimming and diving programs. These teams provide opportunities for boys and girls to train in a variety of environments, including short course (25-yard or 25-meter dimension) as well as mixed practices with boys and girls, segmented by stroke specialties or workout groups.

A primary advantage is the ability to schedule practices immediately after the school day ends, eliminating late evening practices that might interfere with homework and negating the need for transportation arrangements outside of usual school district busing procedures.

The potential for growth of competitive diving, synchronized swimming, and water polo is particularly strong in this geographic area, given the presence of other programs, some of which have existed for many years. Water polo, in particular, can grow substantially if nurtured and developed properly, and there is evidence that the girls' water polo team at Del Oro High School is already expanding in popularity.

There also are competitive teams -- both schools and swim clubs -- which would rent pool space in a new aquatic facility. While the need is particularly great for parochial schools that may not have competitive facilities on school grounds, other area swimming programs that are experiencing growth in numbers beyond their physical space capabilities are also likely to utilize a new aquatic facility.

The list below recognizes several potential user groups that are primarily competitive programs in aquatics. The revenue opportunities from such groups provide strong rationale for accommodating groups outside of the primary geographic area.

5.2.1 Competitive/Training Opportunities

- School Programs:
 - High school swimming and diving teams for boys and girls
 - High school water polo teams for boys and girls

- Community Programs:
 - Age group swim club (Loomis Dolphins)
 - Masters swimming team
 - Diving program (springboard)
 - Synchronized swimming team
 - Water polo team
 - Rentals to public and parochial high school and swim club teams in the area

5.3 Competitive Events

Competitive events are extensions of the usage opportunities described above, but it is important to note that there are many competitions scheduled in the four disciplines throughout the year, and rental income from such usage can play an important role in creating revenue to offset some or all of the operating expenses.

Such competitive events also can create new partnerships and alliances, particularly among non-profit entities, some of which are charged with finding ways to bring new visitors to the area and to create tax revenues through hotel, rental car, and restaurant usage.

It is recognized that, in particular, regional and national events require aggressive marketing and bidding strategies, as well as technical expertise commensurate to the level of competition.

Competitive events can be organized and administered internally, or the facilities can be rented to outside organizations which pay hourly or day-based rental fees. Such rentals can supplement other internal events and various types of utilization, but care needs to be given that such special events do not disrupt too much the daily use patterns of the facility.

5.3.1 Competitive Events

- School Programs:
 - Middle school and high school swimming and diving meets for boys and girls

- Community Programs:
 - High School conference championship swimming meets
 - USA Swimming LSC age group and senior swimming events
 - USA Swimming Western Zone age group swimming meets
 - US Masters Swimming meets (local, regional, and national)
 - USA Diving events (local, regional)
 - US Synchronized Swimming events (local, regional)
 - USA Water Polo tournaments (local, regional, and national)
 - Special Olympics

5.4 Recreational Opportunities/Non-competitive Special Events

While both instructional and competitive usages are important components of a well-rounded aquatic program, recreational activities and non-competitive special events are also important priorities.

All pools have some scheduled time for lap swimming, and this is the most basic form of recreational usage. Additionally, there are opportunities for a variety of special events, from birthday parties to after-prom parties. While the majority of such usage is community-based, these occasions can be especially important to promote utilization to individuals who might not otherwise do so for other purposes, thus expanding the user base.

Water exercise may be conducted as an instructional experience, but it also has an important recreational element.

It is recognized that it is unlikely that a proposed aquatic facility in this setting would contain extensive recreational amenities, but it is important to recognize national trends in aquatic recreation can include the following:

- Zero-depth pools that facilitate ease of entry and overall safety, while simulating a beach setting

- Leisure pools of shallow depth that are created for play, not for swimming
- Current rivers ("lazy rivers") that allow users to float along a water channel on inner tubes or other similar devices
- Water slides of various lengths and shapes
- Water walks and water vortexes, both of which create new play environments
- Spray features
- Tumble buckets for young children in shallow pool environments

5.4.1 Recreational Opportunities/Non-Competitive Special Events

- School Programs:
 - After-prom parties
 - Recreational swimming/stroke improvement
- Community Programs:
 - Adult lap swimming
 - Private and non-profit organization rentals
 - Birthday party rentals
 - Age-appropriate party rentals
 - Water exercise
 - Games and specialized activities for both swimmers and non-swimmers

5.5 Health-Related Special Opportunities

Swimming pools have become centers for therapy of various types to relieve discomfort or symptoms of afflictions or disabilities.

Aquatic therapy involves rehabilitation activities, usually performed in warm water and involving physical activity that includes exercise across a range of motion. Warm water helps to increase the dynamics of blood pressure, blood and lymph circulation, and to decrease swelling in skin and other tissues.

Participation in an aquatic therapy program offers some or all of the following:

- Overall health and fitness
- Range of motion
- Stretching and movement capabilities
- Muscular coordination
- Physical endurance

Aquatic therapy programs involve some trade-offs in pool design or functionality. For such therapy programs to be successful, pools must have warm water (which is usually warmer than that used for all other potential activities of the pool); faster recirculation of filtered water; excellent water chemistry treatment systems and sanitization systems; and, excellent air

circulation systems. Pools may also have some accommodations for ramps, railings, and other in-pool equipment.

Aquatic therapy has been shown to be an effective way of producing incremental revenue for aquatic facilities. Such utilization requires partnerships with local hospitals, physician groups, and physical and occupational therapists. These arrangements can not only bring additional operational revenue but also expand the base of community alliances for Del Oro High School. Some of the possible aquatic therapy utilization opportunities are listed below.

5.5.1 Health-Related Special Opportunities

- Aquatic therapy
- General physical therapy and injury rehabilitation
- Post-operative therapy to restore mobility or range of motion
- Arthritis physical therapy
- Hospital and clinic patient prescriptive activity
- Activity during pregnancy
- Athletic injuries
- Meditation
- Obesity-related health issues
- Diabetic health issues

6 Financial Considerations, Funding Opportunities, and Partnerships

Funding for land acquisition, construction costs, and operational costs has traditionally been a major hurdle for school districts or municipalities seeking to build a new aquatic facility or to add amenities to existing facilities. However, in the current economic environment, funding is even more difficult to obtain because the impact of the financial crisis has been felt profoundly by local governmental authorities, which are struggling just to fulfill their current obligations.

The recent economic downturn reinforces two basic principles of successful projects:

- Encourage broad community usage that enables large segments of the population to be active participants
- Create partnerships and collaborations among various user groups and stakeholders

It is clear that municipal governmental jurisdictions and school districts do not have interest in single-use facilities that appeal narrowly to special-interest groups or small population segments. While competitive swimming groups often are the driving force behind aquatic facility feasibility studies, the limited scope of competitive swimming usage and revenue reinforces the necessity of "thinking big," including a wide range of aquatic options discussed in the previous section of this report. Flexibility and robust community usage are fundamental concepts of successful pool projects.

Likewise, the necessity of establishing a broad vision for the impact of a new aquatic facility magnifies the importance of the establishment of collaborations, partnerships, and alliances so that school district leaders can recognize the variety of ways that an aquatic facility can meet community needs. These cooperative efforts are essential to demonstrating that an aquatic facility would be used and valued by diverse user groups, and these partnerships enable funding possibilities from multiple sources.

Additionally, TSE recommends the utilization of an aggressive strategy related to charitable giving and private sector investment through naming rights and other similar mechanisms. The ideal combination of resources includes public sector expenditure that is reinforced by philanthropic contributions, private sector investment, and nonprofit sector involvement. To achieve this beneficial mix of funding options, a community must establish mechanisms for inclusive activity that span user groups segmented by age, interest, and skill level.

6.1 Capital Markets Financing

While mechanisms vary from state to state and within various types of governmental entities, the capital markets are important resources in financing public facilities and should be viewed as essential to the “mix” of revenue streams that are likely to be woven together to form a successfully funded project.

It should also be acknowledged that current financial conditions within the financial marketplace are difficult and challenging – certainly less than ideal. While this situation is likely to improve over the next twelve months, some forms of financing may be preferable to others, depending on the way in which general economic conditions recover in the United States and worldwide.

6.1.1 General Obligation Bonds

General obligation bonds are mechanisms that obligate a governmental entity to collect sufficient tax revenues (usually through property taxes) to pay the principal and interest on the bonds at appropriate intervals. General obligation bonds are frequently used for capital projects, helping school districts or municipalities acquire sufficient funding to be able to meet construction costs, as well as interest payments.

For a general obligation bond to be approved, the amount must be within the limits established for maximum bond indebtedness by Placer Unified High School District. It must also go through an established system of internal approvals, and it is also subject to the wishes expressed in a referendum. For this reason, utilization of general obligation bonds requires evidence of potential broad community use of the facility, as well as established partnerships and alliances among user groups.

6.1.2 Revenue Bonds

Revenue bonds are mechanisms that envision repayment of bond indebtedness through surplus operational funds generated by the use of the new facility. While this type of funding has merit for new facilities that have potential to generate revenue in excess of expenses, it is less likely to be a useful mechanism for the construction of an aquatic facility because the certainty of operational surplus (net profit) is not guaranteed, and in fact, may be difficult to project even under the most ideal circumstances.

6.1.3 Municipal Lease

This mechanism is based upon the assumption that an investor – a private sector company or nonprofit organization – purchases a share of lease revenue over the span of the municipal lease from a specially-created entity that has been established by the municipality. This entity uses the

invested money to build the facility and leases the facility back to the municipality.

Because a municipal lease needs to be able to forecast sufficient revenue to pay for the interest obligations, it is unlikely that this mechanism is suitable for a proposed aquatic facility because there is reasonable uncertainty that the new aquatic center could generate positive cash flow.

6.1.4 Other Mechanisms Utilizing Public Financing

Depending on the governmental entity and the state in which it is located, there may be other forms of revenue generation through public financing. However, in most cases, these types of funding opportunities are predicated on the ability to generate operational surplus and positive cash flow from the proposed facility. Rarely are these mechanisms acceptable within the scope of a community-based aquatic center, which is not likely to be able to produce revenue equal to or greater than expected expenses.

6.2 Partnership Plan

Del Oro High School has developed relationships with some local partners over the years, and these collaborations are critical to the planning efforts for a new aquatic facility. Additionally, the aquatic collaborative, consisting of individuals representing various community interests, needs to work with current DOHS partners, as well as creating new relationships specific to aquatics.

TSE regards formalization of relationships as a vital part to success, while at the same time, not diminishing the realities of informal relationships. However, for facilities with various types of utilization that inherently is complex and brings financial risk, it is essential to have contractual agreements that define expectations and responsibilities. Good partners are also willing to delineate the way in which benefits, financial or otherwise, will be divided. It is also recognized that strategic priorities and capabilities of partners change over time, as do the individuals who sometimes are driving forces in the establishment and maintenance of good relationships.

Therefore, TSE proposes that Del Oro High School (and, perhaps, the Placer Unified High School District) establish a policy related to partnerships that will enable it to bring together the necessary resources to accomplish its goal of construction of a new aquatic facility. While this process may appear to be overly formal, it is essential to do so, particularly if ongoing successful relationships are necessary to meet expected utilization and financial goals set by Del Oro High School.

6.2.1 Purpose

The process for formation and maintenance of partnership agreements supports DOHS in its ongoing efforts to identify and make arrangements with partners in the public, private, and nonprofit sectors. These partnerships may take a variety of forms, and flexibility is a key operating principle that enables strong relationships to prosper.

The initial phase has the following elements:

- Provision of background information about the organization, its purpose, and its "track record" of other successful relationships.
- Provision of the parameters for obtaining information about the benefits to be derived from and accruing to the potential partner organization.
- Identification of ways in which the partnership will benefit Del Oro High School and the residents/property owners in the Placer Unified High School District.

Additionally, DOHS can evaluate how a potential partner would prospectively interact with existing or potential partners to determine if there is compatibility, particularly in terms of volunteer resources.

6.2.2 Assumptions

Partnerships and collaborations are increasingly being used to augment public sector capabilities, and school districts are leaders in this effort, particularly because so many are centered on youth sports. However, partnerships with private sector companies, particularly multi-year sponsorship arrangements, have become more common in recent years. Public agency partnerships with other public agencies generally are centered on funding relationships, but they may also take other forms to achieve political ends.

In order for partnerships to be successful, basic elements need to be in place, as follows:

- Support for the partnership must exist at the highest level within the organization, whether staff, volunteer, or both, because a good partnership requires absolute commitment from key decision-makers.
- Partnerships must be sought and valued, not formed unwillingly or for political reasons. Enterprise solutions – collaborations – need to be an operating principle, not an unintended relationship.
- Partnership process and core requirements should be well-defined, easily understood, and firmly in place before partner procurement processes begin.
- Partnerships must be differentiated from privatization, involving the transfer of certain municipal functions to a private sector company in order to improve efficiency or effectuate cost savings.

6.2.3 Benefits

It is essential that the benefits of collaborations are communicated broadly, not just among current or potential partners, but within the community. Good partnerships involve sufficient benefits for both parties.

Partnerships can accomplish tasks with limited resources, respond to urgent issues, encourage cooperative action and conflict resolution, and serve as an education and outreach tool. Partnerships broaden ownership in facility projects and increase public support for community recreation goals. And, partners often have flexibility to obtain and invest resources on activities where public entities like DOHS or the school district may have substantial limitations.

Benefits for partnering entities:

- Sharing risk with an established governmental entity like the school district that has stability and substantial human resources.
- Participation in a larger network of support and management that can enhance organizational capabilities.
- Availability of DOHS and school district staff facilitation of planning and operational efforts.
- Facility availability or usage trade-offs at a subsidized level that enables wider utilization of services and facilities.

Benefits for Del Oro High School and the Placer Unified High School District:

- Merging of resources to create a higher level of service, event production, and facility availability.
- Identification of alternative funding sources (other than local property taxes) that can be available to improve utilization of community amenities.
- Availability of alternative skills and capabilities, including entrepreneurial traits in the private sector and volunteer manpower in the nonprofit sector.
- Efficient delivery of services by utilizing collaborative business solutions within public organizational settings.

6.2.4 Definition

The TSE Team suggests the following definition to create appropriate parameters on partnership development:

"Partnership is defined as an operating agreement outlining the application of combined resources between DOHS (or the school district) and a single or multiple private, public, or nonprofit sector entities to attract or conduct events, manage or operate various elements of an aquatic facility, or develop other amenities that would contribute to the benefit of the residents of the Placer Unified High School District."

Partnerships may take any of the following forms:

- Cash gifts or donor programs, including trust funds or endowments, under strict guidelines
- Improved access to alternative funding sources not otherwise available
- Investments in property or facilities
- Volunteer manpower
- Material, equipment, and physical resources that assist facility or event operations
- Sponsorships for cash or in-kind services and products
- Technical or management skills not otherwise available
- Other forms of value

TSE recommends viewing partnerships in three categories:

- Active Partnerships, including management agreements, program partnerships, facility leases, joint-use agreements, intergovernmental agreements, and marketing partnerships.
- Limited Decision-Making Partnerships (Private Sector), including sponsorships.
- Limited Decision-Making Partnerships (Charitable Sector), including grant programs, donor programs, and certain types of volunteer programs.

6.2.5 Classification of Partners

Categories of partnership are further divided into three categories as follows, including some examples (all assume initiation by the non-DOHS entity, and this could be reversed with equal effectiveness):

- Public/Private Partnerships (examples for illustration)
 - A corporation wishes to provide funds for the aquatic facility, but does not wish to operate and maintain it. In exchange for the community relations benefit of its support, the company provides direct funding to Del Oro High School.
 - A restaurant owner or catering company wants to provide food service operations or vending machines at the aquatic facility. The company is allowed to fund and operate the restaurant/snack bar/vending in exchange for a share of gross revenues.
 - A business recognizes the need for more community fitness and wellness programs. Del Oro High School enables the company to equip an area of the aquatic facility, negotiate a management contract, provide the needed programs, and split revenue or profit with DOHS.
- Public/Nonprofit Partnerships (examples for illustration)
 - The swim club, organized through a parent Board of Directors, is able to obtain a community foundation grant to partially fund the aquatic facility. DOHS accepts the gift through the swim club, and in return, enables priority usage.
 - The Masters swim club wishes to attract a regional event to the aquatic facility. The club bids for the event, provides financial resources, and utilizes volunteers, while DOHS collects a rental fee, parking revenues, and concessions proceeds from the tournament.
 - One or both of the swim clubs (age group and Masters) supplies pool equipment and learn to swim instruction by club swimmers in exchange for priority practice time availability.
- Public/Public Partnerships (example for illustration)
 - Two governmental agencies contribute funds to the development and construction of the aquatic facility to serve residents of both entities. DOHS (or Placer Unified High School District, as appropriate), through an inter-governmental agreement, is responsible for the operation of the facility, while the other entity contributes an operating subsidy through a formula based on population or usage, or both.

6.3 Sponsorships

It is likely that Del Oro High School receives some unsolicited offers to sponsor events, facilities, and programs. In some cases, DOHS may actively seek such sponsorships to generate incremental revenue to offset

operational and capital costs. Therefore, it is essential to formulate a sponsorship policy to guide those efforts consistently and to optimal benefit for DOHS.

The specific objectives of the sponsorship policy should include the following:

- To establish and guide relationships with existing and potential partners which share similar goals as DOHS;
- To generate revenue to fund existing and proposed facilities, projects, programs, and events;
- To reduce or eliminate competition with various special interest groups in seeking corporate and business community support; and,
- To minimize excessive commercialization while optimizing revenue.

Simply stated, the policy is intended to guide the actions of DOHS staff, as well as the Board of Education of the Placer Unified High School District. Without question, all gifts, sponsorships, and contractual partnerships must meet the legal requirements of the school district, as well as reinforce its mission, values, and priorities. Corporate sponsorship, in any form, must not be proposed in a way that would result in the loss of school district jurisdiction or authority.

6.3.1 Definitions

Because some terms within this area are used interchangeably, resulting in possible confusion or misinterpretation. It is important to establish a set of clear understandings.

- Gift

A gift is an unsolicited donation to Del Oro High School that is freely given in the form of cash, property, or goods, and which no business relationship exists. In some instances, there may be conditions associated with the gift. For example, if an individual wished to donate land for future development, there might be an expectation associated with the donation that DOHS would cover maintenance and program costs related to the use of the donated land.

- Naming Right

A naming right is the permanent or temporary recognition created through a charitable contribution to put an individual's name on a school district facility. Granting of a naming right should be a cautious process reserved for major gifts, exceptional individuals (preferably deceased), and

significant historical figures. The criteria should be purposely difficult to achieve. For example, DOHS might choose to name a sports complex in exchange for a cash donation that is a minimum of 20% of the total cost of the facility.

- Corporate Sponsorship

A corporate sponsorship is the cash or in-kind support from a private sector company that is given to DOHS in exchange for recognition and benefits associated with an event, program, or project. For most sponsors, those benefits are primarily marketing opportunities, such as the promotion of a brand or product. In essence, DOHS agrees to display a corporate logo or other form of corporate recognition in exchange for financial support or in-kind goods and services. For example, a local company may wish to have title sponsorship of a swimming meet or water polo tournament conducted at the aquatic facility. There are various categories of sponsorship associated with incremental levels of exposure in exchange for differing levels of financial support.

- Co-Sponsorship

Co-sponsorship is tied to the events which DOHS supports, either with cash or in-kind services, an outside organization's event or program, particularly when the support is mutually beneficial and furthers specific high school or school district goals or programs, demonstrates community pride, or promotes tourism.

6.3.2 General Principles and Guidelines – Restrictions and Opportunities

Within a sponsorship program established by DOHS, it is essential to have a firm understanding of the types of sponsorship or operating support that are not acceptable in order to provide guidance to school district or DOHS leadership.

Restrictions on sponsorship may include the following:

- Police-regulated businesses
- Companies which derive a substantial share of operating revenue from the sale of tobacco products
- Alcoholic beverages generally, or when they might be proposed as a sponsor for an event which has a preponderance of youth participants under the legal age of drinking alcoholic beverages.
- Companies that are currently engaged in litigation against the Town of Loomis or DOHS, or in negotiation for a school district contract

- Situations in which DOHS feels that the credibility of a sponsor's affiliation with an event or program would harm the image of the school

The Placer Unified High School District may choose to establish priorities that enable certain companies to have preferred status within sponsorship negotiations, particularly when more than one company may wish to sponsor an event or program. Likewise, the school district may establish some criteria that create preferred status categories. Examples include the following:

- A company's track record of involvement and support for other DOHS projects and programs
- The desirability of association through the positive image of the sponsoring company in the community
- The timeliness and readiness of the company in entering into an agreement
- Operating and maintenance costs associated with the sponsorship
- The sponsoring company's record of responsible environmental stewardship
- The level of users/visitors, media exposure, and related opportunities for positive community relations efforts

6.3.3 Responsibility

TSE recommends that the Placer Unified High School District create a small working group that represents relevant stakeholders (not confined strictly to school district personnel). This working group should review all proposed agreements and provide a recommendation to the appropriate staff leader (likely, the Superintendent or DOHS Principal). The necessity of having a multi-stakeholder team is emphasized because in its absence, it is difficult to minimize the impact of over-commercialization, and equally importantly, it is essential to eliminate intra-district competition for resources, or competition among different interest groups, clubs, or programs.

6.3.4 Relevant Procedural Guidelines

While this list is not intended to be comprehensive, it is essential for DOHS to recognize some of the key elements of proposed sponsor contracts. Included below are several that have rather clear-cut limitations, but there are other areas that will require review and consideration by DOHS leadership to establish workable solutions.

- Signage

The type, location, size, content, and duration of advertising or sponsorship recognition needs to be limited and consistent. Such requirements need to be included in the contract between the sponsor and the high school and monitored by DOHS personnel for compliance.

- Employee Participation

Employees should not be required to wear corporate-branded clothing during work hours.

- Community Sports Teams

Businesses should be allowed to sponsor community sports teams (swimming, water polo, Masters, etc.). However, recognition should be reviewed by DOHS staff.

6.3.5 Procedures and Other Considerations

DOHS should formulate a set of procedures consistent with school district guidelines for contract review and approval. However, while DOHS will likely have a variety of opportunities for sponsorship, it is essential that there is broad participation in the decision-making process so that the policies and procedures are beneficial for the whole community.

Within these procedures, careful consideration should be given to interpretation, enforcement, and tracking of contractual relations, including risk management considerations, timelines, size and location of recognition, and other details of the relationship. It is suggested that all cash payments are provided by the sponsor in full to DOHS at the time that the contract is executed.

Among the questions that need to be posed to a potential sponsor relate to community needs and might include the following:

- How does the sponsorship meet community needs?
- How will your organization meet ADA and EEO requirements?
- What is the length of agreement sought?
- What are the levels of general liability insurance that you currently hold?
- What is your experience with similar relationships in other school districts or municipalities?

Logistics also play an important role in determination of the appropriateness of a sponsor. Some of the potential questions could include the following:

- How much space do you need? What type of space?
- What is absolutely critical to your plan that is specific to location?
- What is the proposed timeline?

Evaluation is also a critical element of this process, and it is often overlooked because of the emphasis on the needs, commitments, and mutual obligations at the front-end of the agreement. Key questions include the following;

- How, by whom, and at what intervals should the project be evaluated?
- How can you assure the high school of the long-term stability of your company/organization?
- What types of exit strategies should we include?
- What should be done if the project does not meet the conditions of the original agreements?

Costs for the approval process should also be considered. For most proposed partnerships, there will be considerable staff time spent on the review and approval process once a project passes through the initial review phase. This time includes discussions with the proposed partners; exploration of synergies; possible RFP processes; and, the various details associated with the specific project.

There also may be costs for construction and planning documents, design work, and related needs stipulated by school district or DOHS policy. Successful partnerships will take these costs into account and may plan (or propose) for some or all of the costs to be recovered within the proposal framework. Regardless, these costs should be recognized within the process so that the likelihood of recovery is increased.

Land use or site improvements may also come into play during the review process as some proposed relationships might include facility or land use. Necessary site improvements cannot be automatically assumed. Costs and responsibility for these improvements should be considered within the partnership proposal, and some of the facility costs may be negotiated within the project scope, especially direct costs like staffing or maintenance to specified standards.

These areas are not exhaustive, but reflect the fact that each contract will have a myriad of specific details, and the challenge is to place them in the context of a contract that reflects consistency, adherence to mission, and operates within a prescribed set of guidelines that are approved by school district and DOHS decision-makers. It is by no means an easy path to steer, albeit a necessary one.

6.3.6 Non-Active Partnerships

While focus is placed on the identification, acquisition, and management of "active" partnerships like marketing partnerships and facility rentals/leases, a sometimes neglected area of partnership are "non-active" partnerships, or "limited decision-making" partnerships, including grant programs, donor programs, and volunteer programs.

- Grant programs

Grants emanate from a variety of sources, including governmental agencies, private foundations, community foundations, and corporate foundations. In general terms, each foundation establishes specific guidelines, priorities, and procedures for the way in which it makes grants. In some cases, corporations that have interest in sponsoring a DOHS event may derive their funds internally from a foundation because the purpose of their involvement may be more closely aligned to community relations than to marketing.

- Donor Programs

Charitable giving needs active management to create and support a suitable program of individual and corporate philanthropy, and there is usually less direct involvement in the way in which money is spent, particularly as compared to corporate sponsorship. The key difference is the expected return for the donor. With corporate sponsorship and other coordinated relationships, there is an expected "payback" in return for the gift. In pure donor programs, the satisfaction to the donor comes from supporting worthwhile causes, and, thus, the expectations are substantially different.

- Volunteer Programs

While volunteer programs require active management, it is most often supplied by nonprofit organizations or as part of a corporate employee group and, thus, managed outside of the school district or DOHS. TSE views a community-wide volunteer program as a necessity in order to derive maximum benefit and to involve individuals who are not "insiders" to the primary user groups.

6.3.7 Conclusion

Because it is unlikely that a single revenue source will supply the needed funding to construct a new aquatic facility, the DOHS and the aquatic support group need to employ strategies that emphasize partnerships, alliances, and collaborations. DOHS must actively support and assist the process to seek partners which will operate within carefully-constructed parameters. Thus, the most important alliance-builder should be DOHS, which must use its collective strength to reach the desired goal.

7 Opinion of Operational Revenue and Expense

7.1 Assumptions and Inputs (Figures XIV, XV, XVI, XVII, XVIII, XIX, XX, XXI, and XXII) for Scenarios 1, 2, and 3

Because no community forums have been conducted to assess the programming areas that have the greatest support, TSE utilizes the charts below in order to provide the basis for revenue and expense assumptions.

Assumptions used as a basis for the Pro Forma have been provided for the following:

- Operations and Maintenance (M & O) staffing and compensation
- Aquatic program staffing and compensation
- Operational costs of recirculation pumps
- Cost of pool chemicals
- Cost of water
- Revenue sources, including instructional, recreational, and competitive programs,
- Revenue sources, including pool rentals to various groups and concession sales

Staffing	Hrs / day	Hrs / month	Hrs / year	Cost / hr	Annual Cost
O & M staff					
Clean	4	80	960	\$ 40.00	\$ 38,400.00
Maint.	4	80	960	\$ 40.00	\$ 38,400.00
				Operations Staff Expense	\$ 76,800.00
Program staff					
Part-time (lifeguard - 1)			0	\$ 10.00	\$ -
Part-time (lifeguard - 2)			0	\$ 10.00	\$ -
Learn to Swim Instructors			900	\$ 12.00	\$ 10,800.00
Aquatic Therapy Instructors			720	\$ 15.00	\$ 10,800.00
Part-time (program rental staff)			1080	\$ 12.00	\$ 12,960.00
				Program Staff Expense	\$ 34,560.00
				Total	\$ 111,360.00

Figure XIV– Scenario 1: Staffing assumptions

		# of hours/day	# of days	Total # of hours	
Cost / hour (30 m Circ. Pump 25 hp)	\$ 0.15	24	365	8760	\$ 1,314.00
Cost / hour (Rec. Pump 10 hp)	\$ 0.20	24	365	8760	\$ 1,765.14
Cost / hour (Slide Pump 20 hp * 2)	\$ 0.20	24	365	8760	\$ 1,765.14
		# of units / month		Total cost	
Chlorine (cost / unit)	\$ 1.80	2400	12	\$ 51,840.00	
Acid (cost / unit)	\$ 2.50	800	12	\$ 24,000.00	
Water (cost / gallon)	\$ 0.00189300				

Figure XV– Scenario 1: Maintenance assumptions

Revenue Sources	Fee / hr	Participant s / Session	Hours / Class	# of Classes/ Year	Total	Total Participant Hours	Total Rental/ Month	Total Annual Revenue
Learn to Swim	\$ 12	4	6	150	600	3,600		\$ 43,200
Open Swim	\$ 3					9,000		\$ 27,000
Aquatic Therapy	\$ 30	40	1	12	480	480		\$ 14,400
Competition Swim Rental							\$ 2,500	\$ 30,000
Water Polo Rental							\$ 1,000	\$ 12,000
Third Party/Outside Rentals							\$ 1,000	\$ 12,000
Concessions								\$ 7,500
							Total	\$ 146,100

Note:

1. Aquatic therapy participants / session refers to 40 user sessions per month
2. # of hours during school year as 90 per month and in summer, as 200 per month
3. 200 hours / month for 3 summer months (600) and 90 hours / month for 9 non-summer months (810)

Figure XVI– Scenario 1: Revenue assumptions

Staffing	Hrs / day	Hrs / month	Hrs / year	Cost / hr	Annual Cost
O & M staff					
Clean	4	80	960	\$ 40.00	\$ 38,400.00
Maint.	4	80	960	\$ 40.00	\$ 38,400.00
				Operations Staff Expense	\$ 76,800.00
Program staff					
Part-time (lifeguard - 1)			0	\$ 10.00	\$ -
Part-time (lifeguard - 2)			0	\$ 10.00	\$ -
Learn to Swim Instructors			900	\$ 12.00	\$ 10,800.00
Part-time (program rental staff)			1080	\$ 12.00	\$ 12,960.00
				Program Staff Expense	\$ 23,760.00
				Total	\$ 100,560.00

Figure XVII– Scenario 2: Staffing assumptions

Expenses					
		# of hours / day	# of days	Total # of hours	
Cost / hour (30 m Circ. Pump 25 hp)	\$ 0.15	24	365	8760	\$ 1,314.00
Cost / hour (Rec. Pump 10 hp)	\$ 0.20	24	365	8760	\$ 1,765.14
Cost / hour (Slide Pump 20 hp * 2)	\$ 0.20	24	365	8760	\$ 1,765.14
		# of units / month		Total cost	
Chlorine (cost / unit)	\$ 1.80	2400	12	\$ 51,840.00	
Acid (cost / unit)	\$ 2.50	800	12	\$ 24,000.00	
<i>Note: Utility / Commodities Costs reduced by 10% to accommodate for elimination of Therapeutic Pool</i>					
Expense Factor (10% reduction)		0.9			
Water (cost / gallon)	\$ 0.00189300				

Figure XVIII– Scenario 2: Maintenance assumptions

Revenues								
Revenue Sources	Fee / hr	Participants / Session	Hours / Class	# of Classes / Year	Total Participants	Total Participant Hours	Total Rental / Month	Total Annual Revenue
Learn to Swim	\$ 12	4	6	150	600	3,600		\$ 43,200
Open Swim	\$ 3					9,000		\$ 27,000
Competition Swim Rental							\$ 2,500	\$ 30,000
Water Polo Rental							\$ 1,000	\$ 12,000
Third Party / Outside Rentals							\$ 1,000	\$ 12,000
Diving Team Rental							\$ 1,000	\$ 12,000
Masters Team Rental							\$ 2,000	\$ 24,000
Adult Program Rental (Scuba)							\$ 1,000	\$ 12,000
Concessions								\$ 7,500
							Total	\$ 179,700

Figure XIX- Scenario 2: Revenue assumptions

Staffing	Hrs / day	Hrs / month	Hrs / year	Cost / hr	Annual Cost
O & M staff					
Clean	4	60	720	\$ 40.00	\$ 28,800.00
Maint.	4	60	720	\$ 40.00	\$ 28,800.00
				Operations Staff Expense	\$ 57,600.00
Program staff					
Part-time (lifeguard - 1)			0	\$ 10.00	\$ -
Part-time (lifeguard - 2)			0	\$ 10.00	\$ -
Part-time (program rental staff)			1080	\$ 12.00	\$ 12,960.00
				Program Staff Expense	\$ 12,960.00
				Total	\$ 70,560.00

Note: O&M staff reduced to 0.75 FTEs

Figure XX- Scenario 3: Staffing assumptions

	Cost / hour (30 m Circ. Pump 25 hp)	# of hours / day	# of days	Total # of hours	
	\$ 0.15	24	365	8760	\$ 1,314.00
		# of units / month		Total cost	
Chlorine (cost / unit)	\$ 1.80	2400	12	\$ 51,840.00	
Acid (cost / unit)	\$ 2.50	800	12	\$ 24,000.00	
<i>Note: Utility / Commodities Costs reduced by 35% to accommodate for elimination of Current Pool and Therapeutic Pool</i>					
Water (cost / gallon)	\$ 0.00189300				

Figure XXI- Scenario 3: Maintenance assumptions

Revenues				
Revenue Sources	Fee / hr	Total Participant Hours	Total Rental / Month	Total Annual Revenue
Open Swim	\$ 3	3,000		\$ 9,000
Competition Swim Rental			\$ 2,500	\$ 30,000
Water Polo Rental			\$ 1,000	\$ 12,000
Third Party / Outside Rentals			\$ 1,000	\$ 12,000
Diving Team Rental			\$ 1,000	\$ 12,000
Masters Team Rental			\$ 2,000	\$ 24,000
Adult Program Rental (Scuba)			\$ 1,000	\$ 12,000
Concessions				\$ 5,850
			Total	\$ 116,850
<i>Note:</i>				
1. # of hours for Open Swim estimated at 33% of original after demolishing old pool				
2. Learn to Swim program has been eliminated due to pool demolishing				

Figure XXII- Scenario 3: Revenue assumptions

7.2 Opinion of Probable Expense (Figures XXIII, XXIV, XXV, XXVI, XXVII, and XXVIII) for Scenarios 1, 2, and 3

Expense projections are included for the following:

- Utilities (electricity and natural gas for pool equipment)
- Chemicals (pool disinfection and water stabilization)
- Water supply
- Staffing, both maintenance & operations an program personnel

Additionally, the capital expenses associated with pool construction (competition and aquatic therapy/rehabilitation); site improvement; feature addition (double slide); and, existing pool renovation.

Electricity	1-ph	Misc. Equipment	\$ 2,400
			\$ 240
	3-ph	30m Circ Pump	\$ 21,484
	3-ph	Rec. Pump	\$ 17,317
		Service Fee	\$ 480
		Slide Pump	\$ 11,544
			\$ 480
			\$ 53,945
			\$ 41,921
Natural Gas		30M heater	
		Cost / therm	
		Subtotal	\$ 37,500.00
		Rec. heater	
		Cost / therm	
		Subtotal	\$ 21,000.00
		Service Fee	\$ 161.04
			\$ 58,661.04
Chemical		Chlorine	\$ 51,840.00
		Acid	\$ 24,000.00
			\$ 75,840.00
Water			\$ 2,769.00
Staffing		Operations and	
		Maintenance	\$ 76,800.00
		Program	\$ 34,560.00
			\$ 111,360.00
Total			\$ 290,551.04

Figure XXIII– Scenario 1: Expense by project

Expense	Year 1	Year 2	Year 3	Year 4	Year 5
Electricity	\$ 41,921	\$ 43,179	\$ 44,474	\$ 45,808	\$ 47,182
Natural Gas	\$ 58,661.04	\$ 60,421	\$ 62,233	\$ 64,101	\$ 66,024
Chemical	\$ 75,840.00	\$ 78,115	\$ 80,459	\$ 82,872	\$ 85,359
Water	\$ 2,769.00	\$ 2,852	\$ 2,938	\$ 3,026	\$ 3,117
Staffing					
<i>Operations and Maintenance</i>	\$ 76,800.00	\$ 79,104	\$ 81,477	\$ 83,921	\$ 86,439
<i>Programs</i>	\$ 34,560.00	\$ 35,597	\$ 36,665	\$ 37,765	\$ 38,898
Total Operations	\$ 290,551	\$ 299,268	\$ 308,246	\$ 317,493	\$ 327,018
Capital Expenses					
Pools	\$1,419,250.00				
Buildings	\$1,772,292.00				
Features	\$282,500.00				
Hardscape	\$238,333.00				
Site Work	\$516,667.00				
Contingency	\$1,733,905.00				
Total Capital (including contingency)	\$5,962,947.00	\$ -	\$ -	\$ -	\$ -
Estimated Capital Improvements	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 6,253,498	\$ 299,268	\$ 308,246	\$ 317,493	\$ 327,018

(Note: Spray Feature removed from Features - less \$100,000)

Figure XXIV- Scenario 1: Estimated yearly expenses

Electricity	1-ph	Misc. Equipment	\$ 2,400
			\$ 240
	3-ph	30m Circ Pump	\$ 21,484
	3-ph	Rec. Pump	\$ 17,317
		Service Fee	\$ 480
		Slide Pump	\$ 11,544
			\$ 480
			\$ 53,945
			\$ 41,921
	Natural Gas		30M heater
		Cost / therm	
		Subtotal	\$ 37,500.00
		Rec. heater	
		Cost / therm	
Chemical		Subtotal	\$ 21,000.00
		Service Fee	\$ 161.04
			\$ 52,794.94
Water		Chlorine	\$ 51,840.00
		Acid	\$ 24,000.00
			\$ 68,256.00
			\$ 2,769.00
Staffing		Operations and Maintenance	\$ 76,800.00
		Program	\$ 23,760.00
			\$ 100,560.00
Total			\$ 266,300.94

Figure XXV- Scenario 2: Expense by project

Expense					
	Year 1	Year 2	Year 3	Year 4	Year 5
Electricity	\$ 41,921	\$ 43,179	\$ 44,474	\$ 45,808	\$ 47,182
Natural Gas	\$ 52,795	\$ 54,379	\$ 56,010	\$ 57,690	\$ 59,421
Chemical	\$ 68,256	\$ 70,304	\$ 72,413	\$ 74,585	\$ 76,823
Water	\$ 2,769	\$ 2,852	\$ 2,938	\$ 3,026	\$ 3,117
Staffing					
<i>Operations and Maintenance</i>	\$ 76,800.00	\$ 79,104	\$ 81,477	\$ 83,921	\$ 86,439
<i>Programs</i>	\$ 23,760.00	\$ 24,473	\$ 25,207	\$ 25,963	\$ 26,742
Total Operations	\$ 266,301	\$ 274,290	\$ 282,519	\$ 290,994	\$ 299,724
Capital Expenses					
Pools	\$ 1,297,333				
Buildings	\$ 1,772,292				
Features	\$ 282,500				
Hardscape	\$ 238,333				
Site Work	\$ 516,667				
Contingency	\$ 1,683,921				
Total Capital (including contingency)	\$5,791,046.25	\$ -	\$ -	\$ -	\$ -
Estimated Capital Improvements					
	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 6,057,347	\$ 274,290	\$ 282,519	\$ 290,994	\$ 299,724

Figure XXVI- Scenario 2: Estimated yearly expenses

Electricity	1-ph	Misc. Equipment	\$ 2,400
			\$ 240
	3-ph	30m Circ Pump	\$ 21,484
			\$ 24,124
			\$ 24,124
Natural Gas	30M heater		
	Cost / therm		
	Subtotal		\$ 37,500.00
			\$ 24,375.00
Chemical	Chlorine		\$ 33,696.00
	Acid		\$ 15,600.00
			\$ 49,296.00
Water			\$ 2,769.00
Staffing	Operations and Maintenance		\$ 57,600.00
	Program		\$ 12,960.00
			\$ 70,560.00
Total			\$ 171,124.00

Figure XXVII- Scenario 3: Expense by project

Expense	Year 1	Year 2	Year 3	Year 4	Year 5
Electricity	\$ 24,124	\$ 24,848	\$ 25,593	\$ 26,361	\$ 27,152
Natural Gas	\$ 24,375	\$ 25,106	\$ 25,859	\$ 26,635	\$ 27,434
Chemical	\$ 49,296	\$ 50,775	\$ 52,298	\$ 53,867	\$ 55,483
Water	\$ 2,769	\$ 2,852	\$ 2,938	\$ 3,026	\$ 3,117
Staffing					
<i>Operations and Maintenance</i>	\$ 57,600	\$ 59,328	\$ 61,108	\$ 62,941	\$ 64,829
<i>Programs</i>	\$ 12,960	\$ 13,349	\$ 13,749	\$ 14,162	\$ 14,587
Total Operations	\$ 171,124	\$ 176,258	\$ 181,545	\$ 186,992	\$ 192,602
Capital Expenses					
Pools	\$ 1,001,250				
Buildings	\$ 1,772,292				
Features	\$ 37,500				
Hardscape	\$ 238,333				
Site Work	\$ 516,667				
Contingency	\$ 1,462,077				
Total Capital (including contingency)	\$ 5,028,119	\$ -	\$ -	\$ -	\$ -
Estimated Capital Improvements	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 5,199,243	\$ 176,258	\$ 181,545	\$ 186,992	\$ 192,602

(Note: Existing Pool and Spray Features removed)

Figure XXVIII– Scenario 3: Estimated yearly expenses

7.3 Opinion of Probable Revenue (Figure XXXIV, XXXV, and XXXVI) for Scenarios 1, 2, and 3

Revenue projections for a five-year period are analyzed in detail, including the following:

- Instructional programs, with generic reference to “learn to swim”
- Open recreational swim
- Aquatic therapy and rehabilitation
- Competitive swimming and water polo teams
- Rental revenues from outside organizations and teams
- Concessions/vending sales

Revenue

	Year 1	Year 2	Year 3	Year 4	Year 5
Learn to Swim	\$ 43,200	\$ 44,928	\$ 46,725	\$ 48,594	\$ 50,538
Open Swim	\$ 27,000	\$ 28,080	\$ 29,203	\$ 30,371	\$ 31,586
Aquatic Therapy	\$ 21,600	\$ 22,464	\$ 23,363	\$ 24,297	\$ 25,269
Competition Swim Rental	\$ 30,000	\$ 31,200	\$ 32,448	\$ 33,746	\$ 35,096
Water Polo Rental	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Third Party / Outside Rentals	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Diving Team Rental	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Masters Team Rental	\$ 24,000	\$ 24,960	\$ 25,958	\$ 26,997	\$ 28,077
Adult Program Rental (Scuba)	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Concessions	\$ 7,500	\$ 7,800	\$ 8,112	\$ 8,436	\$ 8,774
	\$ 201,300	\$ 209,352	\$ 217,726	\$ 226,435	\$ 235,493

Note:

1. Aquatic therapy participants / session refers to 60 user sessions per month

Figure XXXIV-- Scenario 1: Expense by project

Revenue

	Year 1	Year 2	Year 3	Year 4	Year 5
Learn to Swim	\$ 43,200	\$ 44,928	\$ 46,725	\$ 48,594	\$ 50,538
Open Swim	\$ 27,000	\$ 28,080	\$ 29,203	\$ 30,371	\$ 31,586
Competition Swim Rental	\$ 30,000	\$ 31,200	\$ 32,448	\$ 33,746	\$ 35,096
Water Polo Rental	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Third Party / Outside Rentals	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Diving Team Rental	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Masters Team Rental	\$ 24,000	\$ 24,960	\$ 25,958	\$ 26,997	\$ 28,077
Adult Program Rental (Scuba)	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Concessions	\$ 7,500	\$ 7,800	\$ 8,112	\$ 8,436	\$ 8,774
	\$ 179,700	\$ 186,888	\$ 194,364	\$ 202,138	\$ 210,224

Figure XXXV-- Scenario 2: Expense by project

Revenue

	Year 1	Year 2	Year 3	Year 4	Year 5
Open Swim	\$ 9,000	\$ 9,360	\$ 9,734	\$ 10,124	\$ 10,529
Competition Swim Rental	\$ 30,000	\$ 31,200	\$ 32,448	\$ 33,746	\$ 35,096
Water Polo Rental	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Third Party / Outside Rentals	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Diving Team Rental	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Masters Team Rental	\$ 24,000	\$ 24,960	\$ 25,958	\$ 26,997	\$ 28,077
Adult Program Rental (Scuba)	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Concessions	\$ 5,850	\$ 6,084	\$ 6,327	\$ 6,580	\$ 6,844
	\$ 116,850	\$ 121,524	\$ 126,385	\$ 131,440	\$ 136,698

Note:

1. # of hours for Open Swim estimated at 33% of original after demolishing old pool

2. Learn to Swim program has been eliminated due to pool demolishing

Figure XXXVI-- Scenario 2: Expense by project

7.4 Operations Pro Forma – Five Year Projection (Figure XXXVII, XXXVIII, and XXXIV) for Scenarios 1, 2, and 3

TSE has utilized the various revenue and expense inputs to create a five-year projection that can provide guidance to DOHSNPC.

TSE makes the following observations:

- In Scenario 1, the expanded aquatic facility will have an operating deficit of approximately \$89,000 in the first year (with increases projected on the basis of 4% increases in revenue and 3% increases in expense), based upon current usage patterns at the high school pool and estimates by TSE based upon its professional experience. The current differential between revenue and operational cost is unknown, but estimated to be \$75,000 to \$100,000 (PUHSD did not supply this requested information to TSE). In Scenario 2 and Scenario 3, the operating deficit is projected to be approximately \$86,000 and \$55,000, respectively.
- Cost recovery is approximately 70% in each of the first five years of operation in Scenario 1, a standard that is equivalent to national trends in aquatics, and cost recovery in Scenarios 2 and 3 is similar (approximately 68%). This expectation is based upon the understanding that outside usage during school hours in the school year will be more limited than at typical public (parks and recreation department) facilities nationwide.
- The recent substitution of an aquatic therapy/rehabilitation pool instead of a children’s play area (spray pool) will result in a significantly more favorable operating result in Scenarios 1, and if partnership agreements can be made with local hospitals or physician groups, the impact could be considerably greater than contained in the pro forma.
- The operational trends are likely to have a high degree of accuracy because of the absence of numerous direct competitors in geographic proximity, but after community forums are conducted and input is received, various types of programming will emerge that can have positive or negative impact on the bottom line, depending upon their characteristics.
- TSE has not considered fundraising efforts by the DOHS New Pool Committee, including corporate sponsorships and charitable giving, in formulating the pro forma, either during the period of securing capital funding, or afterward, during the operational phase. However, there is substantial reason to believe that this group could be highly successful in securing non-PUHSD funding.

It should be noted that TSE has taken a conservative approach to revenue in the five-year pro forma that can be mitigated by some or all of the following:

- An increased level of public utilization during school hours on days in which school is in session. It was unclear to TSE at the time of this report about the DOHS and PUHSD policy regarding such use, as well as site alterations that might enable such to occur.
- A year-round competitive swimming program, in addition to the Loomis Basin Dolphins, could provide supplemental rental income, depending on the size, scope, and objectives of the team (similar results could be achieved by water polo, diving, and Masters teams).
- Aggressive marketing of aquatic rehabilitation and therapy arrangements with local medical providers.
- Higher levels of patrons from surrounding communities who are drawn by the excellence of programmatic offerings and the quality of instruction.

Based upon the ability to identify an acceptable mix of public financing, private sector support, and philanthropic donations, TSE believes that a new aquatic facility in Loomis can be a very positive impact on the community, while achieving a high level of cost effectiveness.

Five Year Pro Forma;					
	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues					
Learn to Swim	\$ 43,200	\$ 44,928	\$ 46,725	\$ 48,594	\$ 50,538
Open Swim	\$ 27,000	\$ 28,080	\$ 29,203	\$ 30,371	\$ 31,586
Aquatic Therapy	\$ 21,600	\$ 22,464	\$ 23,363	\$ 24,297	\$ 25,269
Competition Swim Rental	\$ 30,000	\$ 31,200	\$ 32,448	\$ 33,746	\$ 35,096
Water Polo Rental	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Third Party / Outside Rentals	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Diving Team Rental	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Masters Team Rental	\$ 24,000	\$ 24,960	\$ 25,958	\$ 26,997	\$ 28,077
Adult Program Rental (Scuba)	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Concessions	\$ 7,500	\$ 7,800	\$ 8,112	\$ 8,436	\$ 8,774
Total Revenues	\$ 201,300	\$ 209,352	\$ 217,726	\$ 226,435	\$ 235,493
Operating Expenses					
Electricity	\$ 41,921	\$ 43,179	\$ 44,474	\$ 45,808	\$ 47,182
Natural Gas	\$ 58,661	\$ 60,421	\$ 62,233	\$ 64,101	\$ 66,024
Chemical	\$ 75,840	\$ 78,115	\$ 80,459	\$ 82,872	\$ 85,359
Water	\$ 2,769	\$ 2,852	\$ 2,938	\$ 3,026	\$ 3,117
Staffing	\$ 111,360	\$ 114,701	\$ 118,142	\$ 121,686	\$ 125,337
Total Operations	\$ 290,551	\$ 299,268	\$ 308,246	\$ 317,493	\$ 327,018
Total Operating Expenses	\$ 290,551	\$ 299,268	\$ 308,246	\$ 317,493	\$ 327,018
Net Operating Profit (Loss)	\$ (89,251)	\$ (89,916)	\$ (90,520)	\$ (91,058)	\$ (91,525)
Operating Cost Recovery Percentage	69.28%	69.95%	70.63%	71.32%	72.01%

Figure XXXVII– Scenario 1: Five year pro forma

Five Year Pro Forma;					
	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues					
Learn to Swim	\$ 43,200	\$ 44,928	\$ 46,725	\$ 48,594	\$ 50,538
Open Swim	\$ 27,000	\$ 28,080	\$ 29,203	\$ 30,371	\$ 31,586
Competition Swim Rental	\$ 30,000	\$ 31,200	\$ 32,448	\$ 33,746	\$ 35,096
Water Polo Rental	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Third Party / Outside Rentals	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Diving Team Rental	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Masters Team Rental	\$ 24,000	\$ 24,960	\$ 25,958	\$ 26,997	\$ 28,077
Adult Program Rental (Scuba)	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Concessions	\$ 7,500	\$ 7,800	\$ 8,112	\$ 8,436	\$ 8,774
Total Revenues	\$ 179,700	\$ 186,888	\$ 194,364	\$ 202,138	\$ 210,224
Operating Expenses					
Electricity	\$ 41,921	\$ 43,179	\$ 44,474	\$ 45,808	\$ 47,182
Natural Gas	\$ 52,795	\$ 54,379	\$ 56,010	\$ 57,690	\$ 59,421
Chemical	\$ 68,256	\$ 70,304	\$ 72,413	\$ 74,585	\$ 76,823
Water	\$ 2,769	\$ 2,852	\$ 2,938	\$ 3,026	\$ 3,117
Staffing	\$ 100,560	\$ 103,577	\$ 106,684	\$ 109,885	\$ 113,181
Total Operations	\$ 266,301	\$ 274,290	\$ 282,519	\$ 290,994	\$ 299,724
Total Operating Expenses	\$ 266,301	\$ 274,290	\$ 282,519	\$ 290,994	\$ 299,724
Net Operating Profit (Loss)	\$ (86,601)	\$ (87,402)	\$ (88,155)	\$ (88,856)	\$ (89,500)
Operating Cost Recovery Percentage	67.48%	68.14%	68.80%	69.46%	70.14%

Figure XXXVIII– Scenario 2: Five year pro forma

Five Year Pro Forma;					
	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues					
Open Swim	\$ 9,000	\$ 9,360	\$ 9,734	\$ 10,124	\$ 10,529
Competition Swim Rental	\$ 30,000	\$ 31,200	\$ 32,448	\$ 33,746	\$ 35,096
Water Polo Rental	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Third Party / Outside Rentals	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Diving Team Rental	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Masters Team Rental	\$ 24,000	\$ 24,960	\$ 25,958	\$ 26,997	\$ 28,077
Adult Program Rental (Scuba)	\$ 12,000	\$ 12,480	\$ 12,979	\$ 13,498	\$ 14,038
Concessions	\$ 5,850	\$ 6,084	\$ 6,327	\$ 6,580	\$ 6,844
Total Revenues	\$ 116,850	\$ 121,524	\$ 126,385	\$ 131,440	\$ 136,698
Operating Expenses					
Electricity	\$ 24,124	\$ 24,848	\$ 25,593	\$ 26,361	\$ 27,152
Natural Gas	\$ 24,375	\$ 25,106	\$ 25,859	\$ 26,635	\$ 27,434
Chemical	\$ 49,296	\$ 50,775	\$ 52,298	\$ 53,867	\$ 55,483
Water	\$ 2,769	\$ 2,852	\$ 2,938	\$ 3,026	\$ 3,117
Staffing	\$ 70,560	\$ 72,677	\$ 74,857	\$ 77,103	\$ 79,416
Total Operations	\$ 171,124	\$ 176,258	\$ 181,545	\$ 186,992	\$ 192,602
Total Operating Expenses	\$ 171,124	\$ 176,258	\$ 181,545	\$ 186,992	\$ 192,602
Net Operating Profit (Loss)	\$ (54,274)	\$ (54,734)	\$ (55,160)	\$ (55,551)	\$ (55,904)
Operating Cost Recovery Percentage	68.28%	68.95%	69.62%	70.29%	70.97%

Figure XXXVIII– Scenario 3: Five year pro forma

