



Operational projections and economic impact for proposed pools on Bainbridge Island.

Factors to consider:

- The most important factor to consider when developing a new aquatic facility is how the additional body of water will impact the number of swimmers in the community. The National Sporting Goods Association (NSGA) defines swimmers as frequent, occasional and infrequent.
  - Frequent Swimmers                      6.8% of Swim Population      110+ Visits/Year
  - Occasional Swimmers                    40.5% of Swim Population    25-109 Visits/Year
  - Infrequent Swimmers                    42.7% of Swim Population    6-24 Visits/Year

This information is based off the national average as produced by the NSGA. There are variances based on the region of the country and location of the community. Because Bainbridge Island is surrounded by water, it is highly likely that the frequent swimmers could participate much more. The Park District understands this and the above referenced definitions provide a framework and language for all to work from.

- The Nakata Pool, which will remain in-place meets many of the demand of the infrequent and lower end of the occasional swimmers. It provides warm water, zero depth entry and addresses the social aspects of aquatic participation. Additionally, it provides opportunities for instructional classes and private rentals.
- The addition of a 50M x 25Y pool addresses the top of the visits from the occasional swimmers and the frequent swimmers. This body of water will have an impact in the following areas:
  - Ability to increase participation in USA Swim Age Group Program (Major)
  - Ability to increase Participation in the USA Masters Swim Program (Major)
  - Ability to develop and increase water polo program (Major)
  - Expansion of rentals, specific to competitions (Significant, specific to rentals)
  - Potential expansion of deep-water group exercise classes (Minimal)
  - Expansion of more advanced youth specialty classes (Minimal)
- Because the focus of the new body of water will be more traditional and competitively focused, it will allow the Park District to only make modest, if any, increases in fee structure for programs, admissions and membership.



- The 50M pool increases the total lane inventory and the potential for 50M lanes. This equates to potentially more revenue in non-competitive and competitive pool rentals.
- Because of the extensive work that B\*K has completed in and around Kitsap, Mason, Pierce and King Counties we understand the need for lap lane space by the competitive swimming community.
- Swim Meet Realities. Because there is a youth and masters program there is the ability to run swim competitions at any of the proposed facilities. Information that the Park District must consider in hosting swim meets:
  - Most club teams (200-300 members) can host 4-6 competitions per year. This would allow for short course competitions in the fall, early winter and championship season, an early season long course meet (50M pool only) and a summer swim meet. If a club team of that size hosts more meets than that they experience volunteer fatigue and the event quality suffers.
  - It is possible to have other swim clubs use the facility to host their swim meets. However, regardless of who is the host club for the meet, it is the Park District's reputation that will be impacted good or bad depending on the meet administration.
  - The masters program could also host 2-3 competitions per year. While these meets can draw from a significant area, they are not typically as lucrative as a youth meet.
  - Based on B\*K's aquatic operations experience, we would recommend focusing on the local and regional competitive market. While a national competition does bring prestige and attention to the facility, those meets are typically less lucrative for the host facility.
  - Swim competitions, including water polo, diving and synchronized swimming, can have a positive economic impact on the host community, with swimming being the most impactful. The economic impact comes in the way of hotel/motel stays, fuel purchases, food and the like. The challenge for the facility operator is that those dollars do not come directly back to the facility.



Current Budget: Based on the budget information that was provided to B\*K in November of 2018 the following information and comparisons can be made.

- Project Revenue Generation:               \$1,249,000
- Revenue Sources: Donations, Facility & Park Rentals, Swim Lessons, Public Swim, Birthday Parties, Swim Team, Master Team, Water Safety, Concessions.
- Public Swim (29.7%), Swim Lessons (26.5%), and Swim Team (21.5%) account for 77.7% of total revenue generation in the current operation.
- The three pool options proposed, will allow for a larger bather load, which could have an increase in public swim participation. However, in order to accomplish this the Park District will want to invest in inflatable play features to enhance and further animate the flat-water they are adding.
- The three pool options proposed, will allow for expanding the swim lesson program. However, that expansions will happen at the higher skill levels, where there are less participants.
- The three pool options proposed, will have the greatest positive impact on the youth and masters swim team. All pool options will allow for a greater number of participants AND the ability to host more events.



Current Budget: Based on the budget information that was provided to B\*K in November of 2018 the following information and comparisons can be made.

- Project Revenue Generation: \$1,249,000
- Revenue Sources: Donations, Facility & Park Rentals, Swim Lessons, Public Swim, Birthday Parties, Swim Team, Master Team, Water Safety, Concessions.
- Public Swim (29.7%), Swim Lessons (26.5%), and Swim Team (21.5%) account for 77.7% of total revenue generation in the current operation.
- The three pool options proposed, will allow for a larger bather load, which could have an increase in public swim participation. However, in order to accomplish this the Park District will want to invest in inflatable play features to enhance and further animate the flat-water they are adding.
- The three pool options proposed, will allow for expanding the swim lesson program. However, that expansions will happen at the higher skill levels, where there are less participants.
- The three pool options proposed, will have the greatest positive impact on the youth and masters swim team. All pool options will allow for a greater number of participants AND the ability to host more events.
- Projected Expenses: \$1,921,172
- Full-Time Wages (36.4%) and Part-Time Wages (17.6%) account for 54.0% of the total expense budget for the pool operations.
- The categories of; Utilities-Water, Utilities-Sewer, Fuel for Facilities, and Utilities-Electricity make up 14.8% of the total expense budget for the pool operations.
- All three pool operations will increase the operational budget with the size of impact varying by body of water, i.e. the smaller the pool the less impact, the bigger the pool the greater impact.
- Areas that all three options will have an impact will be; part-time staff, payroll tax, maintenance supplies, pool chemicals, advertisement, janitorial supplies, utilities-water, utilities-sewer, fuel for facilities, utilities-electricity, utilities, waste-disposal, and meet fees and USA registration fees.



**BALLARD \* KING**  
**& ASSOCIATES LTD**  
Recreation Facility Planning and Operation Consultants

Again, based on the budget numbers that B\*K has reviewed the Park District is anticipating a 65% cost recovery for the facility. For a stand-alone aquatic facility and based on the experience B\*K has working across the country that is a good cost recovery percentage.

B\*K would anticipate, conservatively, that the cost recovery percentage would dip, slightly, depending on the size of the pool that was added. However, that slight dip in cost recovery does not factor the economic impact that said facilities could have on the local community.



Operational Expenses

	Existing	25Y x 25M	25Y x 33M	25Y x 52M
Credit Card Fees	\$5,210	\$5,322	\$5,402	\$5,612
FT Wages	\$698,431	\$698,431	\$698,431	\$698,431
Over Time	\$1,000	\$1,000	\$1,000	\$1,000
PT Wages	\$338,912	\$355,858	\$389,749	\$423,640
Payroll Tax	\$136,830	\$136,830	\$136,830	\$136,830
PERS	\$96,776	\$96,776	\$96,776	\$96,776
Health Insurance	\$101,951	\$101,951	\$101,951	\$101,951
Life & Disability Ins.	\$6,095	\$6,095	\$6,095	\$6,095
Office of Class Supplies	\$15,700	\$15,700	\$15,700	\$15,700
Maintenance Supplies	\$23,000	\$25,000	\$25,000	\$25,000
Small Tools & Equipment	\$29,000	\$29,000	\$29,000	\$29,000
Supplies - Chemicals	\$35,000	\$37,500	\$45,000	\$51,000
Telephone & Communications	\$5,500	\$5,500	\$5,500	\$5,500
Fuel Consumer - Vehicles	\$100	\$100	\$100	\$100
Mileage	\$4,850	\$4,850	\$4,850	\$4,850
Advertisement	\$1,100	\$1,100	\$1,100	\$1,100
Lease & Rentals	\$1,600	\$2,100	\$2,100	\$2,100
Repair & Maintenance Equip.	\$13,500	\$15,500	\$15,500	\$15,500
Dues & Subscriptions	\$2,158	\$2,158	\$2,158	\$2,158
Janitorial Supplies	\$10,000	\$12,500	\$15,000	\$15,000
Cell Phone	\$3,940	\$3,940	\$3,940	\$3,940
Travel Other Than Mileage	\$8,100	\$8,100	\$8,100	\$8,100
Utilities - Water	\$7,500	\$10,000	\$15,000	\$17,500
Utilities - Sewar	\$37,000	\$50,482	\$62,444	\$64,000
Fuel For Facilities	\$110,000	\$150,082	\$185,644	\$190,000
Utilities - Electricity	\$130,000	\$177,370	\$219,397	\$225,000
Repair & Maintenance Build.	\$1,500	\$1,500	\$1,500	\$1,500
Empl Background Checks	\$649	\$649	\$649	\$649
Utilities - Waste Disposal	\$3,000	\$3,500	\$5,000	\$5,000
Prof. Fees Intergovernmental	\$1,000	\$1,000	\$1,000	\$1,000
Prof. Fees - Other	\$4,000	\$4,000	\$4,000	\$4,000
Printing & Binding	\$250	\$250	\$250	\$250
Registration & Tuition	\$10,520	\$10,520	\$10,520	\$10,520
Meet Fees & USA Reg. Fee	\$58,000	\$58,000	\$58,000	\$58,000
Items for Sale	\$19,000	\$19,000	\$19,000	\$19,000
<b>Total Expense</b>	<b>\$1,921,172</b>	<b>\$2,051,663</b>	<b>\$2,191,686</b>	<b>\$2,245,802</b>



Expense Notes from Previous Page:

- Using the current budget numbers, B\*K determined a credit card percentage based off total revenues. That percentage was then applied to revenue generation for each model.
- B\*K does not anticipate the need for increased full-time staffing levels for any of the plans.
- Part-time wages increased as the buildings grew, more importantly, as the bodies of water grew. That same percentage increase of part-time staffing was not applied to payroll tax, PERS, or health insurance.
- Chemical cost increased as the bodies of water increased in size.
- Sewer, Fuel for Facilities, and Electricity were determined based off current facility and cost per square foot. That cost was then applied to the new square foot allocations.

This expense budget is not the preferred zero-based budget that B\*K prefers to develop, however as the bodies of water get bigger the Park District should anticipate the expenses to increase as well.



Revenue Generation

	Existing	25Y x 25M	25Y x 33M	25Y x 52M
Donations				
031 Aquatics General	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
Facility & Park Rentals (ST)				
032 AQ Facility	\$44,572.00	\$45,909.16	\$49,029.20	\$53,486.40
Swim Lessons				
033 Swim Lessons	\$330,900.00	\$337,518.00	\$340,827.00	\$347,445.00
Water Exercise				
034 Water Exercise	\$34,760.00	\$34,760.00	\$34,760.00	\$35,802.80
Public Swim				
035 Public Swim	\$370,499.00	\$377,908.98	\$381,613.97	\$389,023.95
AQ Birthday Parties				
036 AQ BD Parties	\$29,775.00	\$29,775.00	\$29,775.00	\$29,775.00
Swim Team				
037 Swim Team	\$268,300.00	\$276,349.00	\$281,715.00	\$308,545.00
Master Team				
038 Masters Team	\$111,996.00	\$115,355.88	\$117,595.80	\$123,195.60
Water Safety				
039 Water Safety	\$26,000.00	\$26,000.00	\$26,000.00	\$26,000.00
Concessions				
045 Concessions	\$31,757.55	\$31,757.55	\$33,345.43	\$31,757.55
Revenue	\$1,249,560	\$1,276,334	\$1,295,661	\$1,346,031
Expense	\$1,921,172	\$2,051,663	\$2,191,686	\$2,245,802
	(\$671,612)	(\$775,330)	(\$896,024)	(\$899,771)
Cost Recovery	65.0%	62.2%	59.1%	59.9%





Revenue Notes from Previous Page:

- The revenue numbers outlined above do not consider any economic impact on the local community.
- Equally important, the ability to maintain revenue generation will directly hinge on the ability to keep all programs running during construction.
- The Park District is in a unique position because they are taking existing programs and potentially expanding them, they are not starting into a new business model. The greatest potential for increase in revenue generation comes from competitive aquatics and the hosting of meets and other competitions. The Park District should anticipate it taking 3-5 years before they reach numbers that will be consistent annually.



- Economic Impact. The following are first year numbers that the Park District could expect.

- 25Y Age Group Swim Competition

▪ Athletes	1,200
▪ Spectators	1,800 (1.5 per Athlete)
▪ Total Individuals	3,000
▪ Days/ Meet	2.5
▪ Meets	4.0
▪ Meet Days	10.0 (per calendar year)
▪ Total Individuals	30,000
▪ Spending	\$40.00 Per Individual Per Day
▪ Total Spending	\$1,200,000
▪ Hotel Athletes	720 (60%)
▪ Spectators	1,080
▪ Total Individuals	1,800
▪ Hotel Rooms	450 (Assumes 4 Individuals Per Room)
▪ Hotel Nights	8 (2 Nights per Meet, 4 Meets)
▪ Room Nights	3,500
▪ Room Cost	\$150/Room
▪ Hotel Spending	\$540,000
▪ Total Impact	\$1,740,000

- 50M Age Group Swim Competition

▪ Athletes	600
▪ Spectators	900 (1.5 per Athlete)
▪ Total Individuals	1,500
▪ Days/ Meet	2.5
▪ Meets	1.0
▪ Meet Days	2.5 (per calendar year)
▪ Total Individuals	3,750
▪ Spending	\$40.00 Per Individual Per Day



- Total Spending \$150,000
- Hotel Athletes 360 (60%)
- Spectators 540
- Total Individuals 900
  
- Hotel Rooms 225 (Assumes 4 Individuals Per Room)
- Hotel Nights 2 (2 Nights per Meet, 1 Meet)
  
- Room Nights 450
- Room Cost \$150/Room
- Hotel Spending \$67,500
  
- Total Impact \$217,500
  
- 25Y Masters Swim Competition
  - Athletes 1,000
  - Spectators 1,000 (1.0 per Athlete)
  - Total Individuals 2,000
  
  - Days/ Meet 2.5
  - Meets 2.0
  - Meet Days 5.00 (per calendar year)
  
  - Total Individuals 10,000
  - Spending \$40.00 Per Individual Per Day
  - Total Spending \$400,000
  
  - Hotel Athletes 750 (75%)
  - Spectators 750
  - Total Individuals 1,500
  
  - Hotel Rooms 375 (Assumes 4 Individuals Per Room)
  - Hotel Nights 4 (2 Nights per Meet, 2 Meets)
  
  - Room Nights 1,500
  - Room Cost \$150/Room
  - Hotel Spending \$225,000
  
  - Total Impact \$625,000



○ Age Group Water Polo Tournament (2 courses)

- Athletes 640 (32 teams @ 20 individuals per team)
- Spectators 960 (1.5 per Athlete)
- Total Individuals 1,600
  
- Days/ Meet 4.0
- Meets 2.0
- Meet Days 8.0 (per calendar year)
  
- Total Individuals 12,800
- Spending \$40.00 Per Individual Per Day
- Total Spending \$512,000
  
- Hotel Athletes 320 (60%)
- Spectators 480
- Total Individuals 800
  
- Hotel Rooms 200 (Assumes 4 Individuals Per Room)
- Hotel Nights 6 (3 Nights per Tournament, 2 Tournaments)
  
- Room Nights 1,200
- Room Cost \$150/Room
- Hotel Spending \$180,000
  
- Total Impact \$692,000

○ Age Group Water Polo Tournament (1 course)

- Athletes 320
- Spectators 320 (1.0 per Athlete)
- Total Individuals 640
  
- Days/ Meet 3.0
- Meets 1.0
- Meet Days 3.0 (per calendar year)
  
- Total Individuals 1,920
- Spending \$40.00 Per Individual Per Day
- Total Spending \$76,800



**BALLARD \* KING**  
**& ASSOCIATES LTD**  
Recreation Facility Planning and Operation Consultants

- Hotel Athletes            240 (75%)
- Spectators                240
- Total Individuals        480
  
- Hotel Rooms              120 (Assumes 4 Individuals Per Room)
- Hotel Nights             3 (3 Nights per Meet, 1 Meet)
  
- Room Nights             360
- Room Cost                \$150/Room
- Hotel Spending          \$54,000
  
- Total Impact             \$130,800



Year One:

- 4 25Y Age Group Swim Meets
- 1 50M Age Group Swim Meet
- 2 25Y Master Swim Meets
- 3 Water Polo Club Tournaments

Spending Impact: \$2,338,800

Hotel Impact: \$1,066,500

Total Impact: \$3,405,300

Days: Most of the meets and tournaments reflected in the Year One numbers are 2 or 3 day meets. If we assumed most have a 3-day impact on the facility the total number of days in a calendar year is 156 and the year one numbers are 17.5 days, or 11.2% of the total.

Potential Increases. It is reasonable to assume that if a new 50M pool were developed on the Bainbridge Island that there would be the potential to have other youth swim teams, masters swim teams, and club water polo teams host meets at the facility. The numbers listed in year one could expand as follows:

- 8 25Y Age Group Swim Meets
- 3 50M Age Group Swim Meet
- 4 25Y Master Swim Meets
- 6 Water Polo Club Tournaments

Spending Impact: \$5,127,600

Hotel Impact: \$2,335,500

Total Impact: \$7,463,100

Days: Most of the meets and tournaments reflected in the Potential Increase numbers are 2 or 3 day meets. If we assumed most have a 3-day impact on the facility the total number of days in a calendar year is 156 and the year one numbers are 40.0 days, or 25.6% of the total. While 25.6% of the total number of days does not sound significant, the reality is that it is a very aggressive schedule.



Notes:

- While the ability to host large meets increases with the addition of a 50M pool, there is a finite number of events that can be sanctioned by the local governing body, and a finite number of athletes. And while the economic impact can increase as the level of competition increases, the ability and willingness of high-level competitions to pay for pool rent decreases exponentially.
- This is to say that a focus for the Park District should be on local/regional events as they have a significant economic impact and they have revenue streams in place to pay a market-based pool rent. It is also important to note that to achieve the numbers illustrated in the Potential Increases column the Park District will need to partner with other Age Group and Masters programs to achieve those numbers.
- The Year One and Potential Increases do not account for any age-group or club water polo tournaments. As a sport, water polo is growing in popularity, especially in communities and areas of the country with strong competitive swim programs. The addition of a club team that hosted large regional tournaments could further boost the economic impact of the facility.
- B\*K has worked with many communities that have focused on the development of a 50M pool with the sole purpose of significant economic impact. The economic impact of a 50M pool cannot be disputed if accompanied by established and passionate competitive programs and competent management. However, the economic impact of a 50M does not have a positive impact on the increased operational expenses of a 50M pool.
  - Year One numbers equate to approximately 17.5 meet days. Those 17.5 meet days equate to approximately \$47,250 in pool rent using \$15/hour/lane for 18 lanes for 10 hours.
  - Potential Increase numbers equate to approximately 37.5 meet days. Those 37.5 meet days equate to approximately \$101,250 in pool rent using \$15/hour/lane for 18 lanes for 10 hours.

B\*K includes this information because the Park District should expect exponential increases in staffing, utilities, chemicals, and the like. And while there may be slight increases in programming, the revenue potential from program and special events, will not keep pace with expenses, resulting in a lower cost recovery level for the total facility.