



Section I – Market Analysis

The City of Sammamish is undertaking a feasibility study to investigate the opportunities that exist to develop an indoor community center. The following market analysis information looks at the demographic realities within the City of Sammamish and a slightly larger Secondary Service Area and compares that information to national statistics. In addition, basic sports participation standards as produced by the National Sporting Goods Association in their 2009 survey have been analyzed as has cultural arts participation utilizing a study completed by the National Endowment for the Arts in 2008.

Service Areas: This market analysis has been developed with the focus being the City of Sammamish as the primary service area. However it is recognized that there is the potential to reach a larger population and as such a Secondary Service Area has been identified, that area includes an adjacent unincorporated area in close proximity to the City.

Service areas are usually defined by the distance people will travel on a regular basis (a minimum of once a week) to utilize a facility or its programs. Locations outside of the service areas are usually defined by the distance people will travel on a less consistent basis (a minimum of once a month) to utilize a facility or its programs. Use by individuals in these areas will primarily be limited to special events (tournaments, etc.).

Service areas can also vary in size with the types of components that are included in a facility. A center with active elements (weight cardiovascular equipment area, gym, track, etc.) will generally have a larger service area than a more passively oriented facility. Specialized facilities such as a sports field house will have even larger service areas that make them more of a regional destination.

Service areas can also be based upon a facility's proximity to major thoroughfares. Other factors impacting the use as it relates to driving distance are the presence of alternative service providers in the primary service area. Alternative service providers can have an impact upon membership, daily admissions and the associated penetration rates for programs and services.

It is estimated that the population of the City of Sammamish was approximately 45,780 in 2010 and the Secondary Service Area added another 12,742 for a total population of 58,522. It is also recognized that due to the fact that Sammamish is primarily a bedroom community, that the day time population is estimated to be only 20,000 as the balance leave the immediate area for work each day.

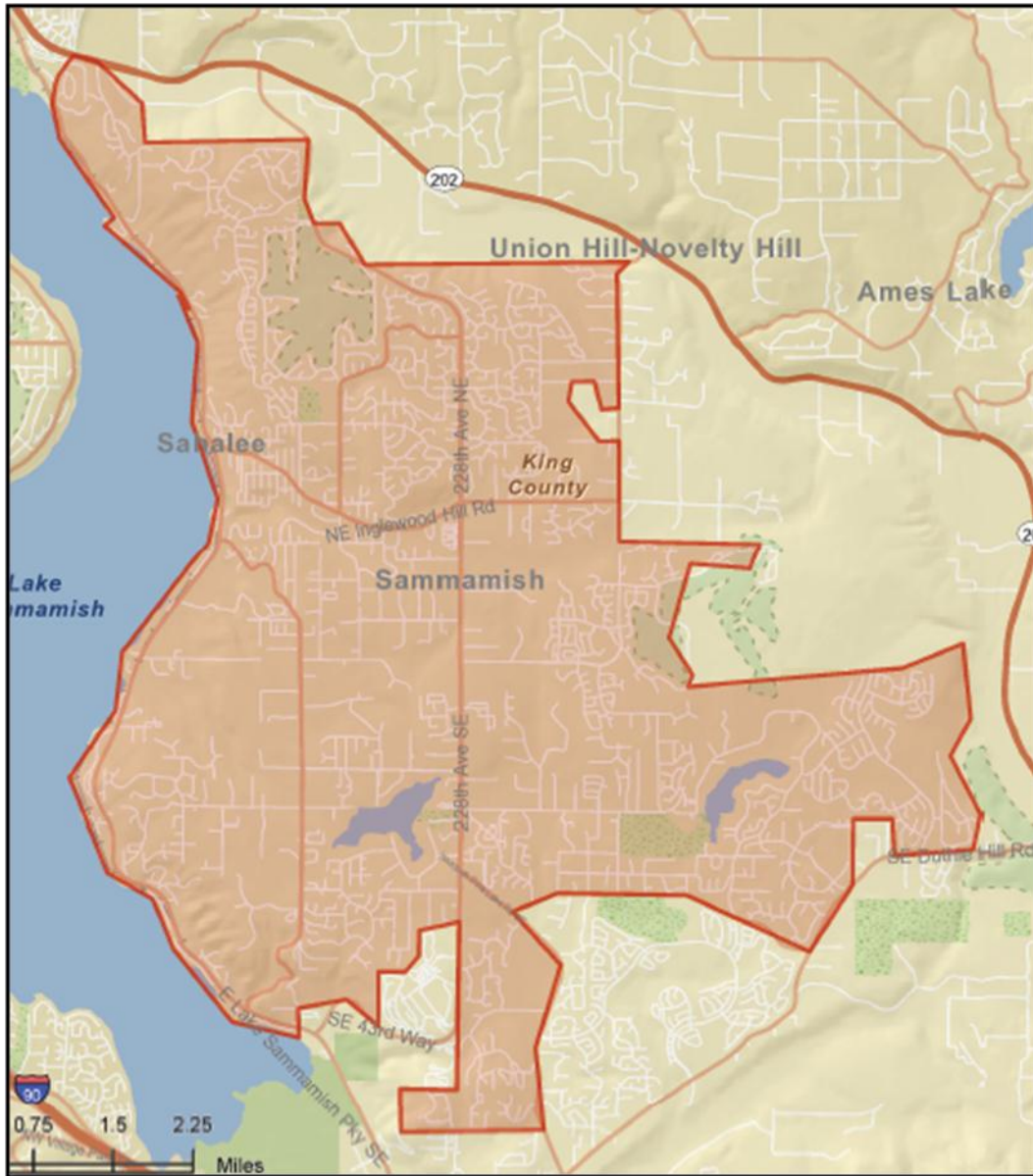


Table A - Service Area Comparison Chart:

| | City of Sammamish | Secondary Service Area |
|---|-------------------|------------------------|
| Population: | | |
| 2000 | 34,104 | 48,014 |
| 2010 | 45,780 | 58,522 |
| 2015 | 47,416 | 63,927 |
| Households: | | |
| 2000 | 11,131 | 16,236 |
| 2010 | 14,767 | 19,536 |
| 2015 | 15,185 | 21,250 |
| Families: | | |
| 2000 | 9,655 | 13,375 |
| 2010 | 11,836 | 16,054 |
| 2015 | 12,984 | 17,457 |
| Average Household Size: | | |
| 2000 | 3.06 | 2.95 |
| 2010 | 3.10 | 2.98 |
| 2015 | 3.11 | 3.00 |
| Ethnicity: | | |
| Hispanic | 3.9% | 3.9% |
| White | 74.7% | 81.1% |
| Black | 1.0% | 1.1% |
| American Indian | 0.3% | 0.3% |
| Asian | 19.3% | 13.2% |
| Pacific Islander | 0.1% | 0.2% |
| Other | 1.1% | 1.0% |
| Multiple | 3.5% | 3.2% |
| Median Age: | | |
| 2000 | 35.3 | 35.4 |
| 2010 | 37.2 | 37.1 |
| 2015 | 36.2 | 36.2 |
| Median Income: | | |
| 2000 | \$101,592 | \$92,966 |
| 2010 | \$129,110 | \$120,782 |
| 2015 | \$148,206 | \$137,699 |
| Household Budget Expenditures Index: | | |
| Housing | 241 | 225 |
| Entertainment & Recreation | 247 | 232 |



Map A – City of Sammamish





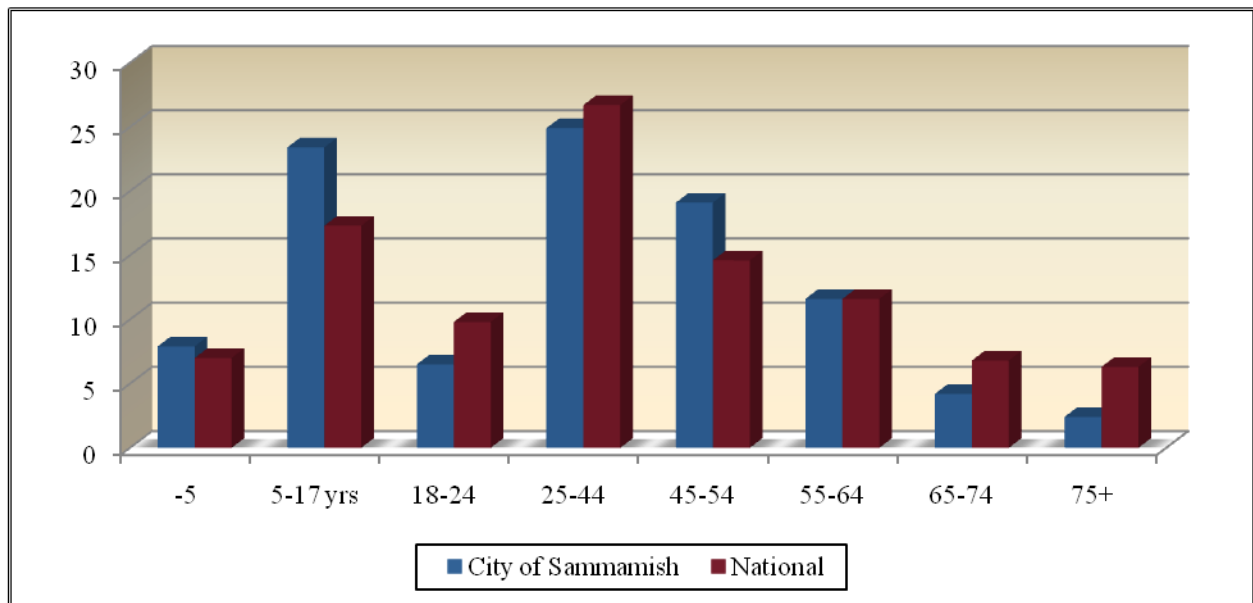
Population Distribution by Age: Utilizing census information for the City of Sammamish, the following comparisons are possible.

Table B – 2010 City of Sammamish Age Distribution
(ESRI estimates)

| Ages | Population | % of Total | Nat. Population | Difference |
|-------|------------|------------|-----------------|------------|
| -5 | 3,617 | 7.9% | 7.0% | 0.9% |
| 5-17 | 10,713 | 23.4% | 17.3% | 6.1% |
| 18-24 | 2,976 | 6.5% | 9.8% | -3.3% |
| 25-44 | 11,399 | 24.9% | 26.7% | -1.8% |
| 45-54 | 8,744 | 19.1% | 14.6% | 4.5% |
| 55-64 | 5,310 | 11.6% | 11.6% | 0.0% |
| 65-74 | 1,923 | 4.2% | 6.8% | -2.6% |
| 75+ | 1,099 | 2.4% | 6.3% | -3.9% |

- Population:** 2010 census estimates in the different age groups in the City of Sammamish.
- % of Total:** Percentage of the City of Sammamish population in the age group.
- National Population:** Percentage of the national population in the age group.
- Difference:** Percentage difference between the City of Sammamish population and the national population.

Chart A – 2010 City of Sammamish Age Group Distribution



MARKET ANALYSIS

Sammamish Community Center



The demographic makeup of the City of Sammamish, when compared to the characteristics of the national population, indicates that there are some differences with a larger population in the - 5, 5-17, and 45-54 age groups and a smaller population in the 18-24, 25-44, 65-74 and 75+ age groups. The largest positive variance is in the 5-17 age group with +6.1%, while the greatest negative variance is in the 75+ age group with -3.9%. This indicates a market with a significant number of families present.

Population Distribution Comparison by Age: Utilizing census information from the City of Sammamish, the following comparisons are possible.

Table C – 2010 City of Sammamish Population Estimates
 (U.S. Census Information and ESRI)

| Ages | 2000 Population | 2010 Population | 2015 Population | Percent Change | Percent Change Nat'l |
|-------|-----------------|-----------------|-----------------|----------------|----------------------|
| -5 | 2,851 | 3,617 | 3,670 | 28.7% | 14.0% |
| 5-17 | 8,535 | 10,713 | 10,859 | 27.2% | 4.3% |
| 18-24 | 1,648 | 2,976 | 3,139 | 90.5% | 14.2% |
| 25-44 | 11,313 | 11,399 | 11,652 | 3.0% | 0.0% |
| 45-54 | 6,129 | 8,744 | 8,214 | 34.0% | 14.2% |
| 55-64 | 2,268 | 5,310 | 5,904 | 160.3% | 65.7% |
| 65-74 | 829 | 1,923 | 2,812 | 239.2% | 45.9% |
| 75+ | 531 | 1,099 | 1,169 | 120.2% | 19.5% |

Chart B – City of Sammamish Population Growth

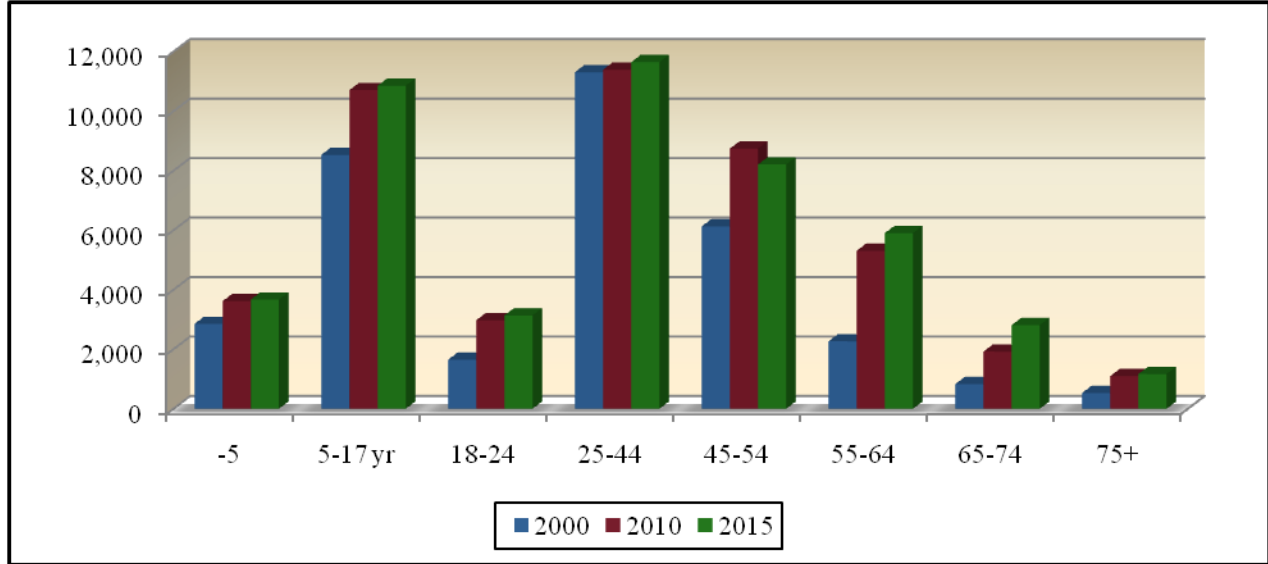


Table-C, looks at the growth or decline in age group numbers from the 2000 census until the year 2015. It is projected that all of the age categories will see an increase in population. It must be remembered that the population of the United States as a whole is aging and it is not unusual to find negative growth numbers in the younger age groups and net gains nearing 45% in the 45 plus age groupings in communities which are relatively stable in their population numbers.



Below is listed the distribution of the population by race and ethnicity for the City of Sammamish based on 2010 population estimates.

Table D – City of Sammamish Ethnic Population and Median Age

(Source – U.S. Census Bureau and ESRI)

| Ethnicity | Total Population | Median Age | % of Population | % of WA Population |
|-----------|------------------|------------|-----------------|--------------------|
| Hispanic | 1,785 | 26.2 | 3.9% | 10.6% |

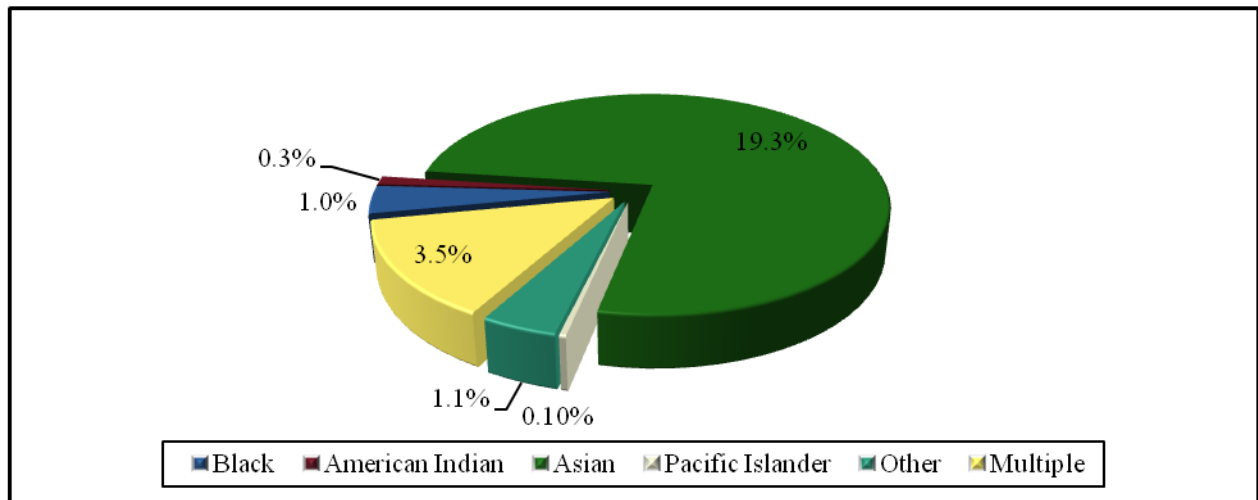
Table E – City of Sammamish Population by Race and Median Age

(Source – U.S. Census Bureau and ESRI)

| Race | Total Population | Median Age | % of Population | % of WA Population |
|------------------|------------------|------------|-----------------|--------------------|
| White | 34,198 | 39.1 | 74.7% | 77.7% |
| Black | 458 | 34.9 | 1.0% | 3.6% |
| American Indian | 137 | 35.0 | 0.3% | 1.7% |
| Asian | 8,836 | 32.1 | 19.3% | 6.9% |
| Pacific Islander | 46 | 24.0 | 0.1% | 0.5% |
| Other | 504 | 27.7 | 1.1% | 5.3% |
| Multiple | 1,602 | 14.6 | 3.5% | 4.3% |

2010 City of Sammamish Total Population: 45,780 Residents

Chart C – City of Sammamish Non-White Population by Race





Map B – Secondary Service Area



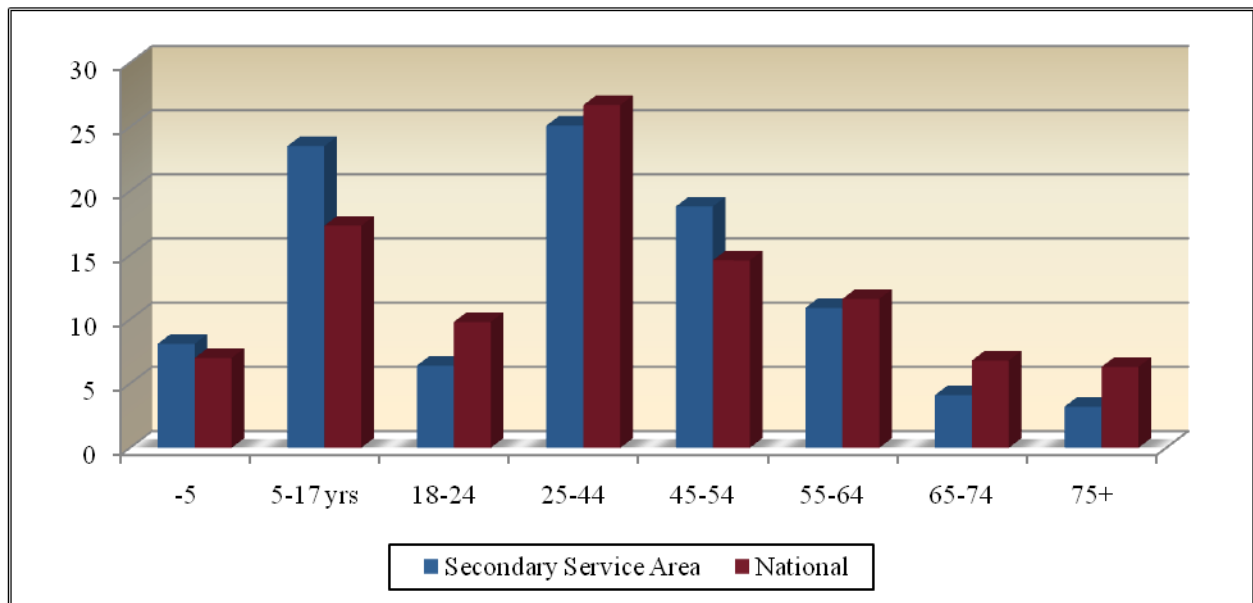
Population Distribution by Age: Utilizing census information for the Secondary Service Area, the following comparisons are possible.

Table F – 2010 Secondary Service Area Age Distribution
 (ESRI estimates)

| Ages | Population | % of Total | Nat. Population | Difference |
|-------------|-------------------|-------------------|------------------------|-------------------|
| -5 | 4,726 | 8.1% | 7.0% | 1.1% |
| 5-17 | 13,785 | 23.5% | 17.3% | 6.2% |
| 18-24 | 3,752 | 6.4% | 9.8% | -3.4% |
| 25-44 | 14,619 | 25.1% | 26.7% | -1.6% |
| 45-54 | 10,993 | 18.8% | 14.6% | 4.2% |
| 55-64 | 6,410 | 10.9% | 11.6% | -0.7% |
| 65-74 | 2,378 | 4.1% | 6.8% | -2.7% |
| 75+ | 1,857 | 3.2% | 6.3% | -3.1% |

- Population:** 2010 census estimates in the different age groups in the Secondary Service Area.
- % of Total:** Percentage of the Secondary Service Area population in the age group.
- National Population:** Percentage of the national population in the age group.
- Difference:** Percentage difference between the Secondary Service Area population and the national population.

Chart D – 2010 Secondary Service Area Age Group Distribution





The demographic makeup of the Secondary Service Area, when compared to the characteristics of the national population, indicates that there are some differences with a larger population in the -5, 5-17 and 45-54 age groups and a smaller population in the 18-24, 25-44, 55-64, 65-74 and 75+ age groups. The largest positive variance is in the 5-17 age group with +6.2%, while the greatest negative variance is in the 18-24 age group with -3.4%. Again this shows a population with a significant number of families.

Population Distribution Comparison by Age: Utilizing census information from the Secondary Service Area, the following comparisons are possible.

Table G – 2010 Secondary Service Area Population Estimates
 (U.S. Census Information and ESRI)

| Ages | 2000 Population | 2010 Population | 2015 Population | Percent Change | Percent Change Nat'l |
|-------|-----------------|-----------------|-----------------|----------------|----------------------|
| -5 | 4,107 | 4,726 | 5,027 | 22.4% | 14.0% |
| 5-17 | 11,686 | 13,785 | 14,650 | 25.4% | 4.3% |
| 18-24 | 2,221 | 3,752 | 4,272 | 92.3% | 14.2% |
| 25-44 | 16,147 | 14,619 | 15,568 | -3.6% | 0.0% |
| 45-54 | 7,832 | 10,993 | 10,902 | 39.2% | 14.2% |
| 55-64 | 2,934 | 6,410 | 7,803 | 166.0% | 65.7% |
| 65-74 | 1,435 | 2,378 | 3,700 | 157.8% | 45.9% |
| 75+ | 1,654 | 1,857 | 2,004 | 21.2% | 19.5% |

Chart E – Secondary Service Area Population Growth

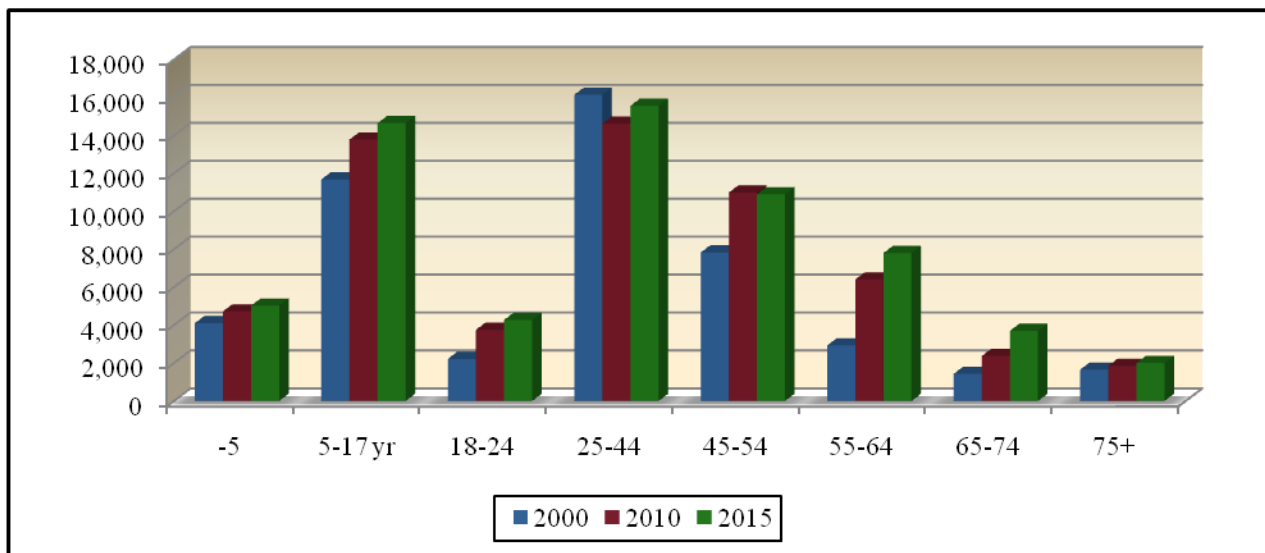


Table-G, looks at the growth or decline in age group numbers from the 2000 census until the year 2015. It is projected that all of the age categories will see an increase in population (except for the 25-44 age group).

Below is listed the distribution of the population by race and ethnicity for the Secondary Service Area based on 2010 population estimates.

Table H – Secondary Service Area Ethnic Population and Median Age
 (Source – U.S. Census Bureau and ESRI)

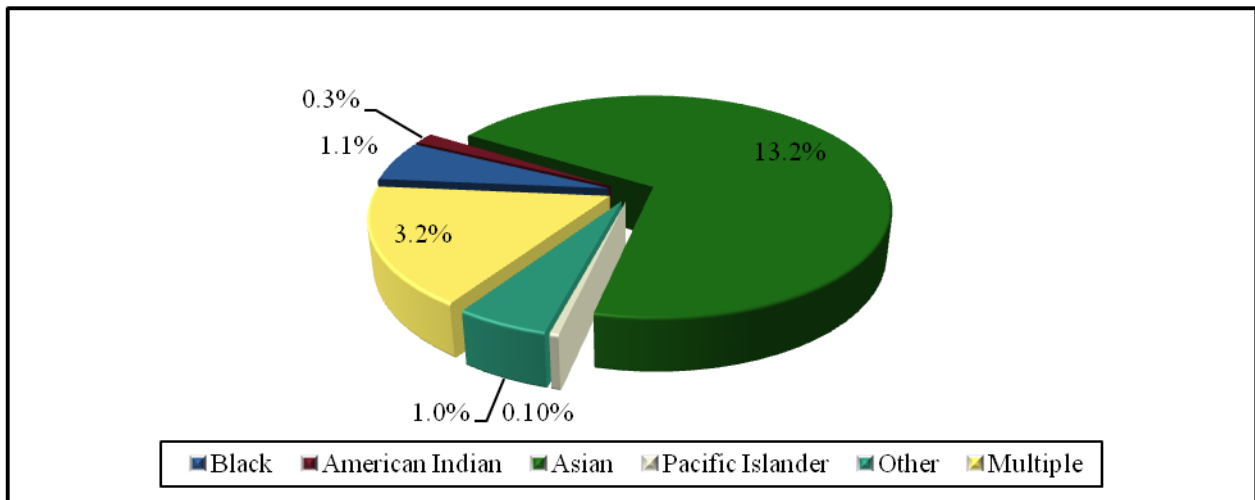
| Ethnicity | Total Population | Median Age | % of Population | % of WA Population |
|-----------|------------------|------------|-----------------|--------------------|
| Hispanic | 2,288 | 26.1 | 3.9% | 10.6% |

Table I – Secondary Service Area Population by Race and Median Age
 (Source – U.S. Census Bureau and ESRI)

| Ethnicity | Total Population | Median Age | % of Population | % of WA Population |
|------------------|------------------|------------|-----------------|--------------------|
| White | 47,465 | 39.2 | 81.1% | 77.7% |
| Black | 628 | 34.4 | 1.1% | 3.6% |
| American Indian | 164 | 32.1 | 0.3% | 1.7% |
| Asian | 7,703 | 32.2 | 13.2% | 6.9% |
| Pacific Islander | 83 | 23.1 | 0.1% | 0.5% |
| Other | 570 | 26.5 | 1.0% | 5.3% |
| Multiple | 1,898 | 15.0 | 3.2% | 4.3% |

2010 Secondary Service Area Total Population: 58,522 Residents

Chart F – Secondary Service Area Non-White Population by Race

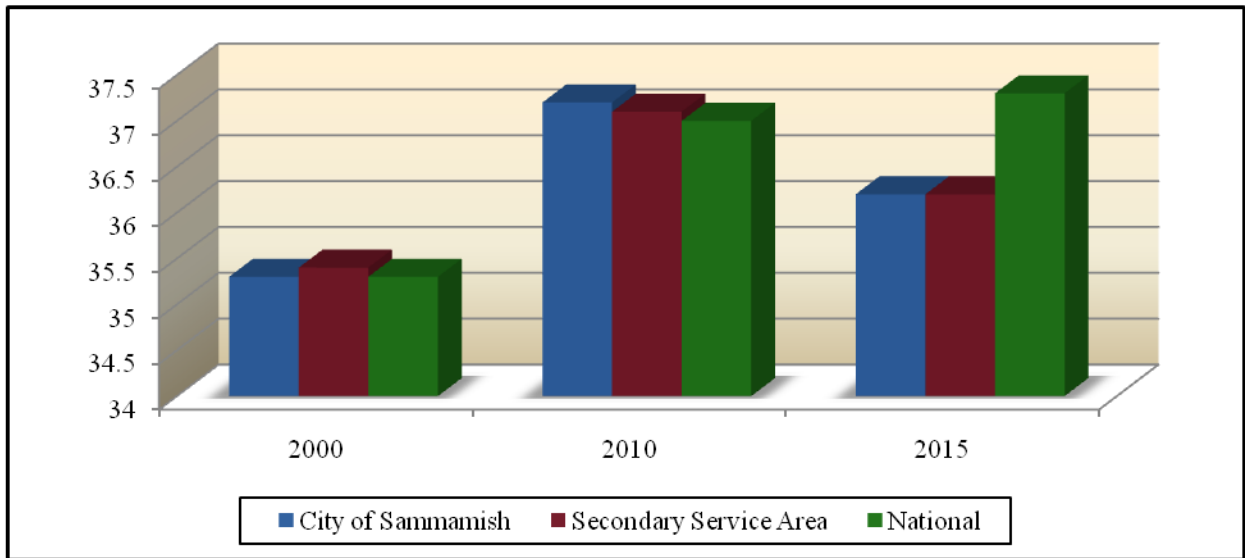


Next, the median age and household income levels are compared with the national number. Both of these factors are primary determiners of participation in recreation activities. The lower the median age, the higher the participation rates are for most activities. The level of participation also increases as the income level goes up.

Table J - Median Age:

| | 2000 Census | 2010 Estimate | 2015 Projection |
|------------------------|--------------------|----------------------|------------------------|
| City of Sammamish | 35.3 | 37.2 | 36.2 |
| Secondary Service Area | 35.4 | 37.1 | 36.2 |
| Nationally | 35.3 | 37.0 | 37.3 |

Chart G – Median Age



With the median age in the City of Sammamish and the Secondary Service Area being comparable to the national number it would indicate a population that is closer to the national population. As it relates to indoor facilities it will be important to focus on facility components that will address the needs of all age groups and equally important will be the programming of the facility.



Map C - Median Age by Census Block Groups

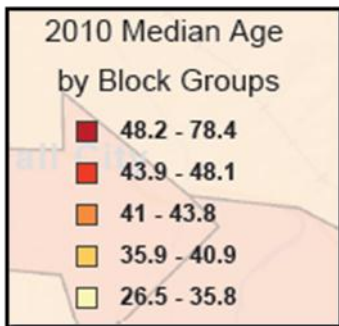
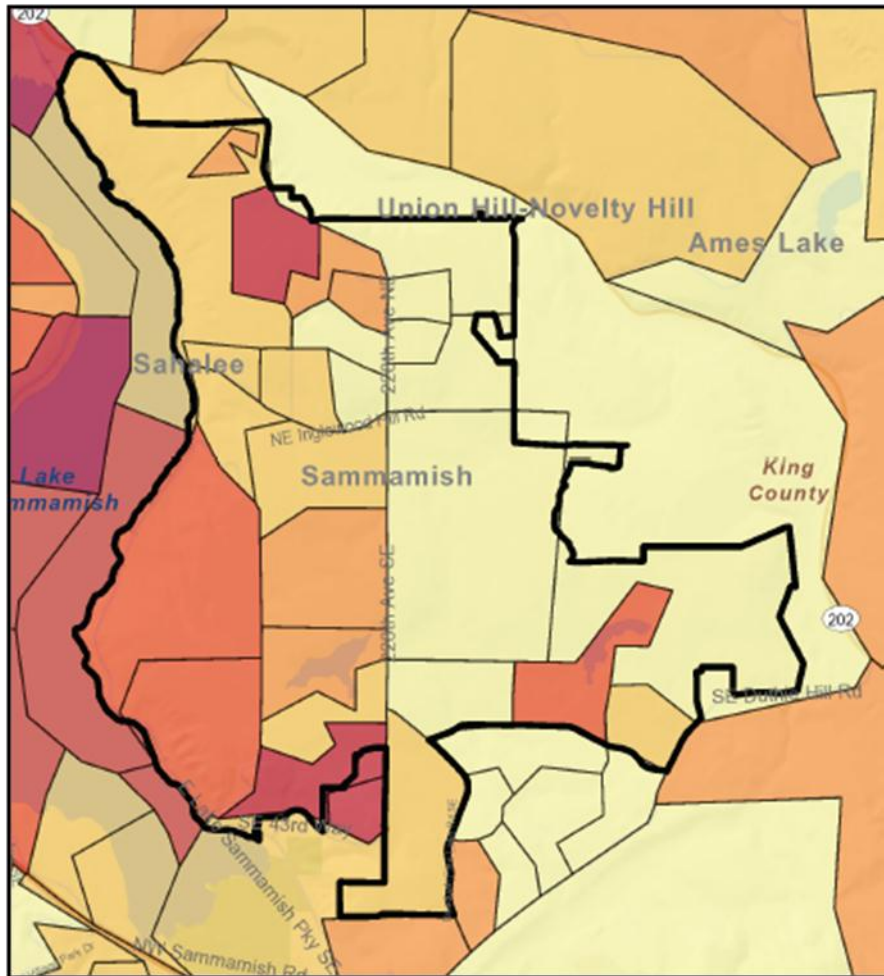
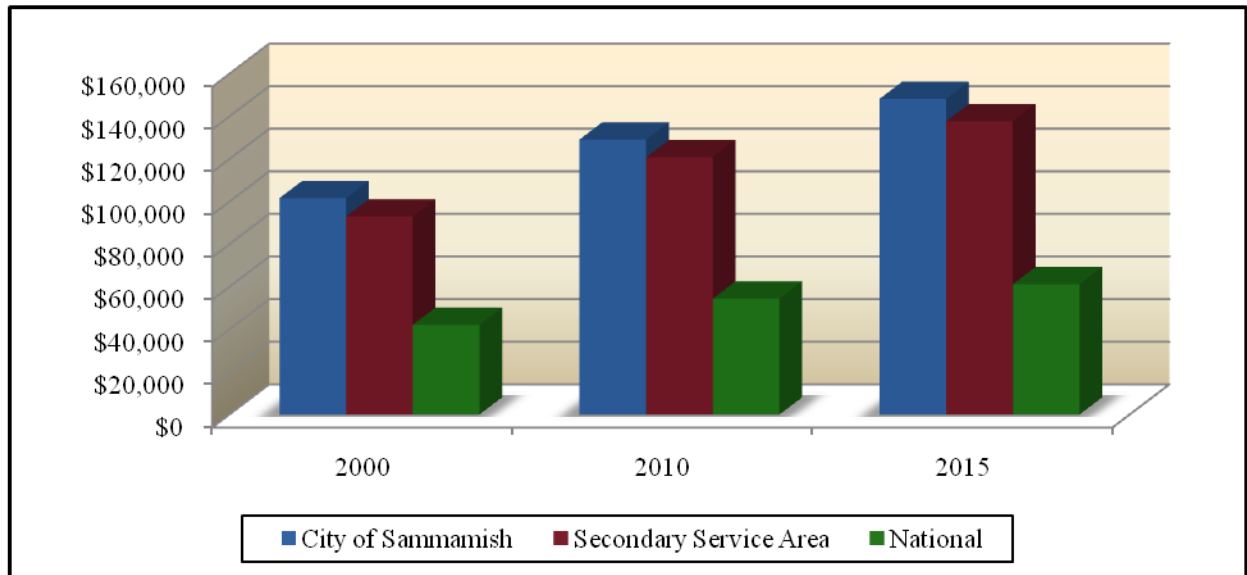


Table K - Median Household Income:

| | 2000 Census | 2010 Estimate | 2015 Projection |
|------------------------|-------------|---------------|-----------------|
| City of Sammamish | \$101,592 | \$129,110 | \$148,206 |
| Secondary Service Area | \$92,966 | \$120,782 | \$137,699 |
| Nationally | \$42,164 | \$54,442 | \$61,189 |

Chart H – Median Household Income



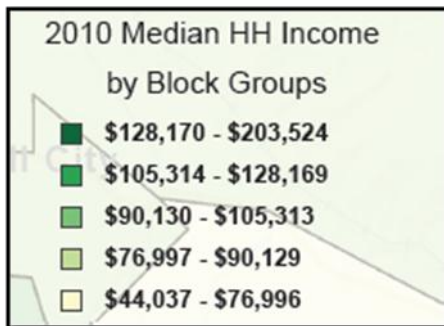
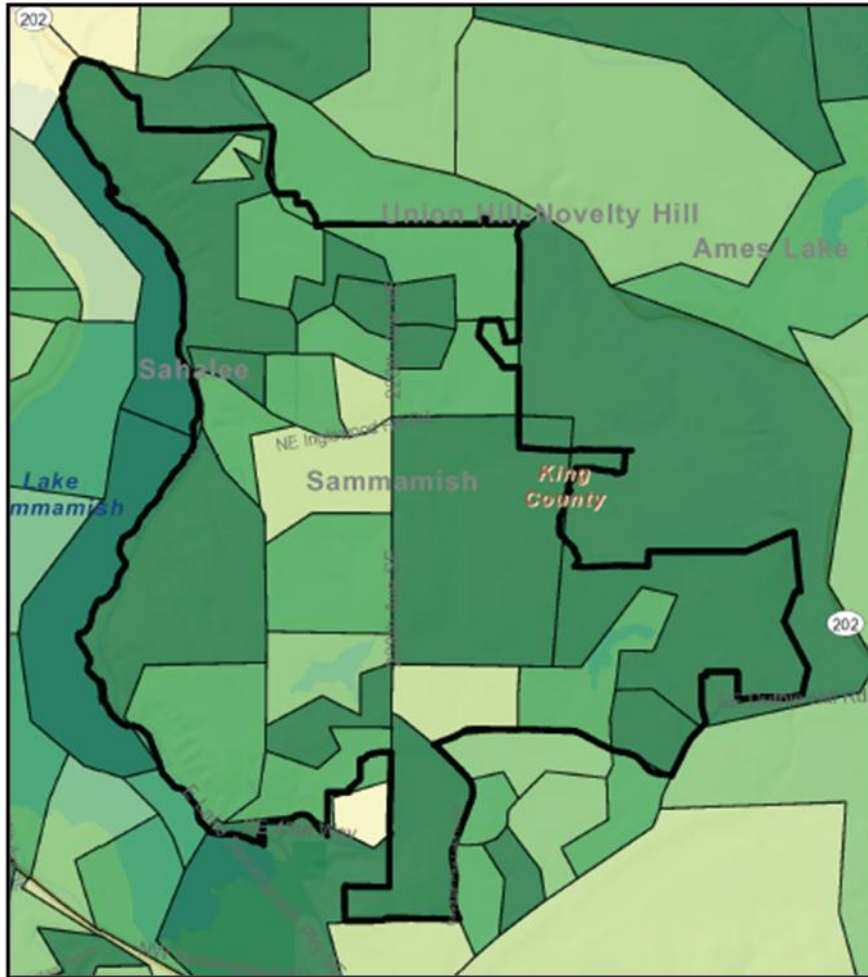
In the City of Sammamish the percentage of households with median income over \$50,000 per year is 91.4% compared to 54.5% on a national level. Furthermore, the percentage of the households in the City with median income less than \$25,000 per year is 3.0% compared to a level of 20.7% nationally.

In the Secondary Service Area the percentage of households with median income over \$50,000 per year is 88.7% compared to 54.5% on a national level. Furthermore, the percentage of the households in the service area with median income less than \$25,000 per year is 4.3% compared to a level of 20.7% nationally.

These statistics indicate there may be a significantly higher level of discretionary income within the City of Sammamish and the Secondary Service Area.



Map D - Median Household Income by Census Block Group



In addition to taking a look at Median Age and Median Income, it is important to examine Household Budget Expenditures. In particular looking at housing information; shelter, utilities, fuel and public services along with entertainment & recreation can provide a snap shot into the cost of living and spending patterns in the services areas. The table below looks at that information and compares the City of Sammamish and Secondary Service Area to the State of Washington.

Table L - Household Budget Expenditures¹

| City of Sammamish | SPI | Average Amount Spent | Percent |
|--|------------|-----------------------------|----------------|
| Housing | 241 | \$49,008.84 | 31.0% |
| <i>Shelter</i> | 248 | \$39,202.33 | 24.8% |
| <i>Utilities, Fuel, Public Service</i> | 216 | \$9,806.51 | 6.2% |
| Entertainment & Recreation | 247 | \$7,973.84 | 5.0% |

| Secondary Service Area | SPI | Average Amount Spent | Percent |
|--|------------|-----------------------------|----------------|
| Housing | 225 | \$45,760.14 | 31.0% |
| <i>Shelter</i> | 232 | \$36,552.03 | 24.7% |
| <i>Utilities, Fuel, Public Service</i> | 203 | \$9,208.11 | 6.2% |
| Entertainment & Recreation | 232 | \$7,467.05 | 5.1% |

| State of Washington | SPI | Average Amount Spent | Percent |
|--|------------|-----------------------------|----------------|
| Housing | 106 | \$21,532.84 | 30.8% |
| <i>Shelter</i> | 107 | \$16,821.72 | 24.1% |
| <i>Utilities, Fuel, Public Service</i> | 104 | \$4,711.12 | 6.7% |
| Entertainment & Recreation | 107 | \$3,458.50 | 4.9% |

SPI: Spending Potential Index as compared to the National number of 100.

Average Amount Spent: The average amount spent per household.

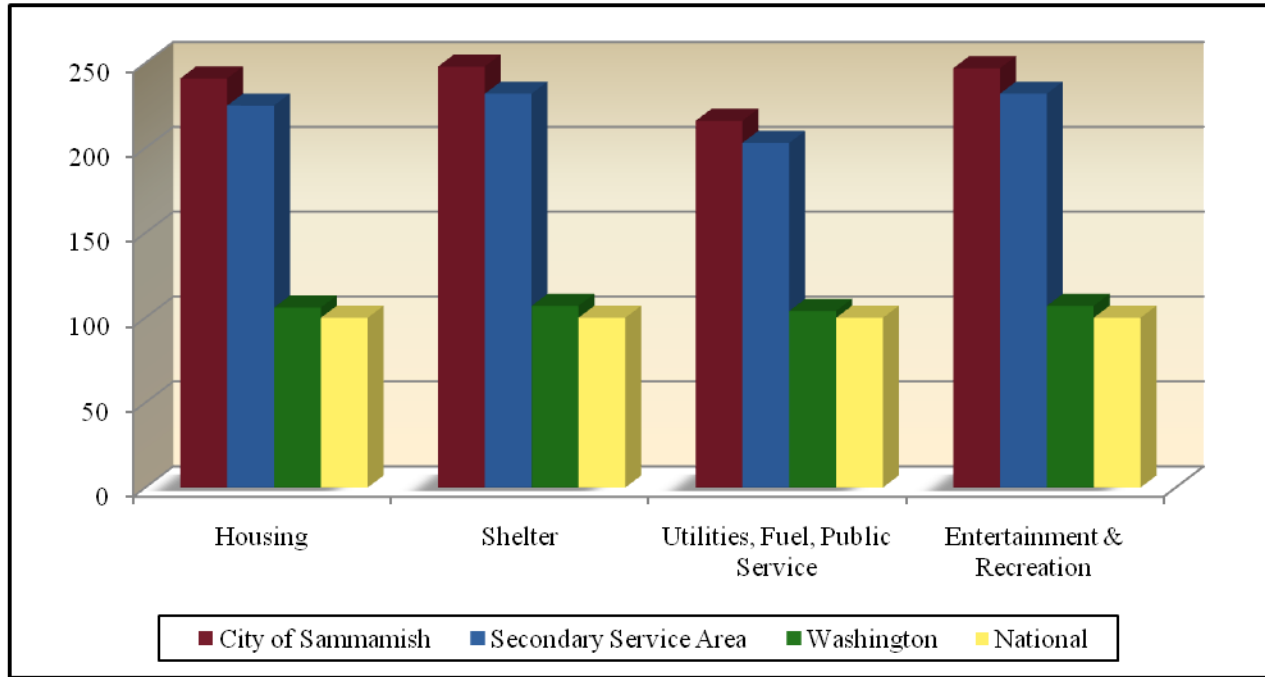
Percent: Percent of the total 100% of household expenditures.

Note: Shelter along with Utilities, Fuel, Public Service are a portion of the Housing percentage.

¹ Consumer Spending data are derived from the 2004 and 2005 Consumer Expenditure Surveys, Bureau of Labor Statistics. ESRI forecasts for 2010 and 2015.



Chart I – Household Budget Expenditures Spending Potential Index



Looking at the Median Household Income in the City of Sammamish and the Secondary Service Area, it is well above the national level, and when examining the Household Budget Expenditures it would indicate that the cost of living in both service areas is higher than the State of Washington and the National Spending Potential Index (SPI) Number of 100. Additionally, it would appear that the Spending Potential Index (SPI) for Entertainment & Recreation in both service areas is higher than the State of Washington and the National Spending Potential Index of 100.

It will be important to keep this information in mind when developing a fee structure and looking at an appropriate cost recovery philosophy.

Recreation Activities Participation

On an annual basis the National Sporting Goods Association (NSGA) conducts an in-depth study and survey of how Americans spend their leisure time. This information provides the data necessary to overlay rate of participation onto the Secondary Service Area to determine market potential.

Comparison With National Statistics: Utilizing information from the National Sporting Goods Association and comparing them with the demographics from the Secondary Service Area, the following participation projections can be made (statistics were compared based on age, household income, regional population and national population).

Table M – Participation Rates for Various Indoor Recreation Activities

| Activity | Age | Income | Region | Nation | Average |
|-----------------------|-------|--------|--------|--------|---------|
| Aerobic | 11.8% | 16.5% | 15.3% | 12.3% | 14.0% |
| Baseball | 5.1% | 4.9% | 4.1% | 4.3% | 4.6% |
| Basketball | 10.0% | 10.8% | 9.8% | 9.0% | 9.9% |
| Exercise w/ Equipment | 20.3% | 28.2% | 23.4% | 21.2% | 23.3% |
| Exercise Walking | 34.3% | 38.7% | 36.3% | 34.6% | 36.0% |
| Running/Jogging | 11.9% | 16.1% | 15.9% | 11.9% | 14.0% |
| Skateboarding | 3.7% | 4.5% | 5.1% | 3.1% | 4.1% |
| Soccer | 6.0% | 8.1% | 7.6% | 5.0% | 6.7% |
| Softball | 4.7% | 3.9% | 5.7% | 4.4% | 4.7% |
| Swimming | 20.2% | 25.1% | 20.2% | 18.6% | 21.0% |
| Tennis | 4.3% | 7.2% | 5.2% | 4.0% | 5.2% |
| Volleyball | 4.2% | 5.3% | 4.4% | 4.0% | 4.5% |
| Weight Lifting | 12.2% | 15.2% | 14.9% | 12.8% | 13.8% |
| Workout @ Clubs | 13.3% | 22.8% | 19.4% | 14.2% | 17.4% |

- Age (median):** Participation based on individuals ages 7 & Up of the Secondary Service Area.
- Income:** Participation based on the 2010 estimated median household income in the Secondary Service Area.
- Region:** Participation based on regional statistics (Pacific).
- National:** Participation based on national statistics.
- Average:** Average of the four columns.

Anticipated Participation Numbers by Activity: Utilizing the average percentage from Table-M above plus the 2000 census information and census estimates for 2010 and 2015 (over age 7 for the Secondary Service Area) the following comparisons can be made.

Table N – Participation Rates

| Activity | Average | 2000 Part. | 2010 Part. | 2015 Part. | Difference |
|-----------------------|---------|------------|------------|------------|------------|
| Aerobic | 14.0% | 5,879 | 7,231 | 7,920 | 2,041 |
| Baseball | 4.6% | 1,937 | 2,382 | 2,610 | 672 |
| Basketball | 9.9% | 4,171 | 5,130 | 5,619 | 1,448 |
| Exercise w/ Equipment | 23.3% | 9,798 | 12,051 | 13,200 | 3,401 |
| Exercise Walking | 36.0% | 15,138 | 18,618 | 20,393 | 5,255 |
| Running/Jogging | 14.0% | 5,874 | 7,224 | 7,913 | 2,039 |
| Skateboarding | 4.1% | 1,726 | 2,123 | 2,326 | 599 |
| Soccer | 6.7% | 2,809 | 3,455 | 3,784 | 975 |
| Softball | 4.7% | 1,963 | 2,414 | 2,645 | 681 |
| Swimming | 21.0% | 8,847 | 10,881 | 11,918 | 3,071 |
| Tennis | 5.2% | 2,178 | 2,678 | 2,934 | 756 |
| Volleyball | 4.5% | 1,887 | 2,321 | 2,542 | 655 |
| Weight Lifting | 13.8% | 5,800 | 7,134 | 7,814 | 2,014 |
| Workout @ Clubs | 17.4% | 7,334 | 9,020 | 9,879 | 2,546 |

Note: The estimated participation numbers indicated above are for each of the sports listed and do not necessarily translate into expected attendance figures at a City of Sammamish Community Center since many participants utilize other facilities for these activities and may participate in more than one activity at a time. However, these figures do indicate the total number of people participating in various activities within the Secondary Service Area.

Participation by Ethnicity and Race: Participation in sports activities is also tracked by ethnicity and race. The table below compares the overall rate of participation nationally with the rate for Hispanics and African Americans. Utilizing information provided by the National Sporting Goods Association's 2009 survey, the following comparisons are possible.

Table O – Comparison of National, African American and Hispanic Participation Rates

| | Secondary Service Area | National Participation | African American Participation | Hispanic Participation |
|-----------------------|-------------------------------|-------------------------------|---------------------------------------|-------------------------------|
| Aerobic | 14.0% | 12.3% | 12.2% | 10.0% |
| Baseball | 4.6% | 4.3% | 5.0% | 5.4% |
| Basketball | 9.9% | 9.0% | 15.4% | 12.6% |
| Exercise w/ Equipment | 23.3% | 21.2% | 19.7% | 20.0% |
| Exercise Walking | 36.0% | 34.6% | 30.1% | 33.8% |
| Running/Jogging | 14.0% | 11.9% | 10.7% | 13.5% |
| Skateboarding | 4.1% | 3.1% | 2.5% | 4.5% |
| Soccer | 6.7% | 5.0% | 2.1% | 9.3% |
| Softball | 4.7% | 4.4% | 4.3% | 5.5% |
| Swimming | 21.0% | 18.6% | 9.8% | 18.1% |
| Tennis | 5.2% | 4.0% | 2.8% | 4.9% |
| Volleyball | 4.5% | 4.0% | 1.9% | 7.1% |
| Weight Lifting | 13.8% | 12.8% | 10.9% | 15.6% |
| Workout @ Clubs | 17.4% | 14.2% | 1.0% | 3.1% |

Primary Service Part: The unique participation percentage developed for the Secondary Service Area.

National Rate: The national percentage of individuals who participate in the given activity.

African American Rate: The percentage of African Americans who participate in the given activity.

Hispanic Rate: The percentage of Hispanics who participate in the given activity.

Based on the fact that there is not a significant Hispanic or African American population in either service area those participation rates become irrelevant. No participation characteristics are available for Asians.



Participation Correlation: An additional piece of information to examine is participation correlation between various activities. This chart looks at activities commonly seen in recreation/wellness facilities and the participation correlation between those activities.

Table P – Participation Correlation

| | Aerobic | Basketball | Baseball | Exercise Walking | Exercise w/ Equipment | Running/ Jogging | Swimming | Tennis | Volleyball | Weight Lifting |
|-----------------------|--------------|--------------|--------------|------------------|-----------------------|------------------|--------------|--------------|--------------|----------------|
| Aerobic | | 16.5 12.2 | 11.5 4.0 | 23.2 65.2 | 23.6 56.3 | 32.3 31.4 | 20.3 30.7 | 29.9 9.8 | 28.5 9.2 | 34.7 36.1 |
| Basketball | 12.2 16.5 | | 51.0 24.1 | 10.0 38.1 | 14.2 33.2 | 8.3 23.2 | 10.1 44.2 | 12.7 11.9 | 12.6 11.7 | 6.7 20.1 |
| Baseball | 4.0 11.5 | 12.3 13.1 | | 3.7 29.9 | 4.5 22.2 | 23.2 30.6 | 21.8 44.8 | 30.0 13.3 | 43.8 19.2 | 19.4 27.4 |
| Exercise Walking | 65.2 23.2 | 38.1 10.0 | 29.9 3.7 | | 61.4 37.6 | 54.0 18.6 | 26.6 25.1 | 50.6 5.9 | 45.3 5.2 | 55.4 20.5 |
| Exercise w/ Equipment | 56.3 32.6 | 33.2 14.2 | 22.2 4.5 | 37.6 61.4 | | 52.4 29.5 | 31.8 28.0 | 41.1 7.8 | 41.3 7.8 | 72.3 43.6 |
| Running/ Jogging | 31.4 32.3 | 30.6 23.2 | 23.2 8.3 | 18.6 54.0 | 29.5 52.4 | | 22.3 34.8 | 31.4 10.6 | 33.8 11.3 | 39.5 42.3 |
| Swimming | 30.7 20.3 | 44.8 21.8 | 44.2 10.1 | 25.1 46.6 | 28.0 31.8 | 34.8 22.3 | | 49.6 10.7 | 50.9 10.9 | 28.3 19.5 |
| Tennis | 9.8 29.9 | 13.3 30.0 | 11.9 12.7 | 5.9 50.6 | 7.8 41.1 | 10.6 31.4 | 10.7 49.6 | | 20.2 20.1 | 8.0 25.6 |
| Volleyball | 9.2 28.5 | 19.2 43.8 | 11.7 12.6 | 5.2 45.3 | 7.8 41.3 | 11.3 33.8 | 10.9 50.9 | 20.1 20.2 | | 7.9 25.4 |
| Weightlifting | 1.3 14.8 | 6.1 50.5 | 5.3 20.7 | 1.3 42.1 | 1.9 37.1 | 42.3 39.5 | 19.5 28.3 | 25.6 8.0 | 25.4 7.9 | |

In interpreting this data the number at the top of each box refers to the percentage of the people that participate in the sport at the top of the page also participate in the sport to the left.

Example: 28.3% of people that participate in Weightlifting also participate in Swimming. The number at the bottom of the box refers to the percentage of people that participate in the sport to the left also participate in the sport at the top of the page.

Example: 19.5% of people that Swim also participate in Weightlifting.



Anticipated Annual Swimmer Days: Utilizing NSGA survey information B*K can determine the average number of time each of the groups listed below participated in swimming. Once that average has been determined it can be applied to the participation numbers from Table-M to provide an anticipated number of swimmer days within the service area. Anticipated number of swimmer days can be defined as the number of times all of the individuals within the Secondary Service Area will swim during a year, regardless of duration or location.

Table Q – Anticipated Annual Swimmer Days

| National | Male | Female | Region | Income | Average |
|----------|-------|--------|--------|--------|--------------|
| 40.06 | 37.41 | 42.45 | 37.36 | 37.49 | 38.95 |

| Average | 2000 Part. | 2010 Part. | 2015 Part. |
|---------|------------|------------|------------|
| 38.95 | 344,632 | 423,874 | 464,273 |

It is important to note that these days are currently being spent in other facilities and locations in the area which may extend beyond the Secondary Service Area. A conservative penetration rate would be 10-20%. It must be remembered that some individuals will based their use of a primary facility component, like a pool, on the other auxiliary components that are on location. That auxiliary components include but are not limited to; locker rooms and associated amenities, steam room, sauna, programs, weight/cardio space, child care, etc.



Summary of Sports Participation: The following chart summarizes participation in various sports and leisure activities utilizing information from the 2009 National Sporting Goods Association survey.

Table R – Sports Participation Summary

| Sport | Nat'l Rank ² | Nat'l Participation (in millions) | Secondary Service Rank | Secondary Service Area % Participation |
|-------------------------|-------------------------|-----------------------------------|------------------------|--|
| Exercise Walking | 1 | 93.4 | 1 | 36.0% |
| Exercising w/ Equipment | 2 | 57.2 | 2 | 23.3% |
| Swimming | 5 | 50.2 | 3 | 21.0% |
| Work-Out at Club | 7 | 38.3 | 4 | 17.4% |
| Weightlifting | 9 | 34.5 | 7 | 13.8% |
| Aerobic Exercising | 11 | 33.1 | 5 | 14.0% |
| Running/Jogging | 12 | 32.2 | 5 | 14.0% |
| Basketball | 15 | 24.4 | 8 | 9.9% |
| Soccer | 21 | 13.6 | 9 | 6.7% |
| Softball | 27 | 11.8 | 11 | 4.7% |
| Baseball | 28 | 11.5 | 12 | 4.6% |
| Tennis | 29 | 10.8 | 10 | 5.2% |
| Volleyball | 30 | 10.7 | 13 | 4.5% |
| Skateboarding | 33 | 8.4 | 14 | 4.1% |

Nat'l Rank: Popularity of sport based on national survey.

Nat'l Participation: Percent of population that participate in this sport on national survey.

Primary Service %: Ranking of activities based upon average from Table-M.

Primary Service Rank: The rank of the activity within the Secondary Service Area.

² This rank is based upon the 52 activities reported on by NSGA in their 2009 survey instrument.

Comparison of State Statistics with National Statistics: Utilizing information from the National Sporting Goods Association, the following charts illustrate the participation numbers in selected sports in the State of Washington.

State of Washington participation numbers in selected indoor and outdoor sports - As reported by the National Sporting Goods Association in 2009.

Table S – Washington Participation Rates

| Sport | Washington Participation (in thousands) | Age Group | Largest Number |
|-------------------------|---|-----------|----------------|
| Exercise Walking | 2,025 | 35-44 | 35-44 |
| Exercising w/ Equipment | 1,272 | 25-34 | 25-34 |
| Swimming | 1,182 | 7-11 | 35-44 |
| Work-Out at Club | 1,456 | 25-34 | 25-34 |
| Weightlifting | 997 | 12-17 | 25-34 |
| Aerobic Exercising | 1,220 | 25-34 | 25-34 |
| Running/Jogging | 959 | 25-34 | 25-34 |
| Basketball | 681 | 12-17 | 12-17 |
| Soccer | 631 | 7-11 | 7-11 |
| Softball | 161 | 7-11 | 25-34 |
| Baseball | 301 | 7-11 | 7-11 |
| Tennis | 726 | 7-11 | 35-44 |
| Volleyball | 295 | 12-17 | 12-17 |
| Skateboarding | 388 | 7-11 | 12-17 |

Washington Part: The number of people (in thousands) in Washington who participated more than once in the activity in 2009 and are at least 7 years of age.

Age Group: The age group in which the sport is most popular or in other words, where the highest percentage of the age group participates in the activity. (Example: The highest percent of an age group that participates in exercise walking is 55-64.) **This is a national statistic.**

Largest Number: The age group with the highest number of participants. Example: The greatest number of exercise walkers is in the 45-54 age group. (Note: This statistic is driven more by the sheer number of people in the age group than by the popularity of the sport in the age span.) **This is a national statistic.**



Washington sport percentage of participation compared with the population percentage of the United States:

Washington's population represents 2.2% of the population of the United States (based on 2010 estimates from ESRI).

Table T – Washington Participation Correlation

| Sport | Participation Percentages |
|-------------------------|---------------------------|
| Tennis | 6.7% |
| Soccer | 4.6% |
| Skateboarding | 4.6% |
| Work-Out at Club | 3.8% |
| Aerobic Exercising | 3.7% |
| Running/Jogging | 3.0% |
| Weight Lifting | 2.9% |
| Basketball | 2.8% |
| Volleyball | 2.8% |
| Softball | 2.6% |
| Exercising w/ Equipment | 2.4% |
| Exercise Walking | 2.2% |
| Swimming | 2.2% |
| Baseball | 1.4% |

Note: Sports participation percentages refer to the total percent of the national population that participates in a sport that comes from the State of Washington's population. The fact that the rate of participation is equal to or greater in all but one activity indicates a relatively high rate of participation.



Recreation Expenditures Spending Potential Index: In addition to participation in recreation activities ESRI also measures recreation expenditures in a number of different areas and then indexes this against national numbers. The following comparisons are possible.

Table U – Recreation Expenditures Spending Potential Index

| City of Sammamish | SPI | Average Spent |
|-------------------------------------|-----|---------------|
| Fees for Participant Sports | 269 | \$286.72 |
| Fees for Recreational Lessons | 314 | \$428.98 |
| Social, Recreation, Club Membership | 279 | \$457.77 |
| Exercise Equipment/Game Tables | 219 | \$179.86 |
| Other Sports Equipment | 246 | \$23.33 |

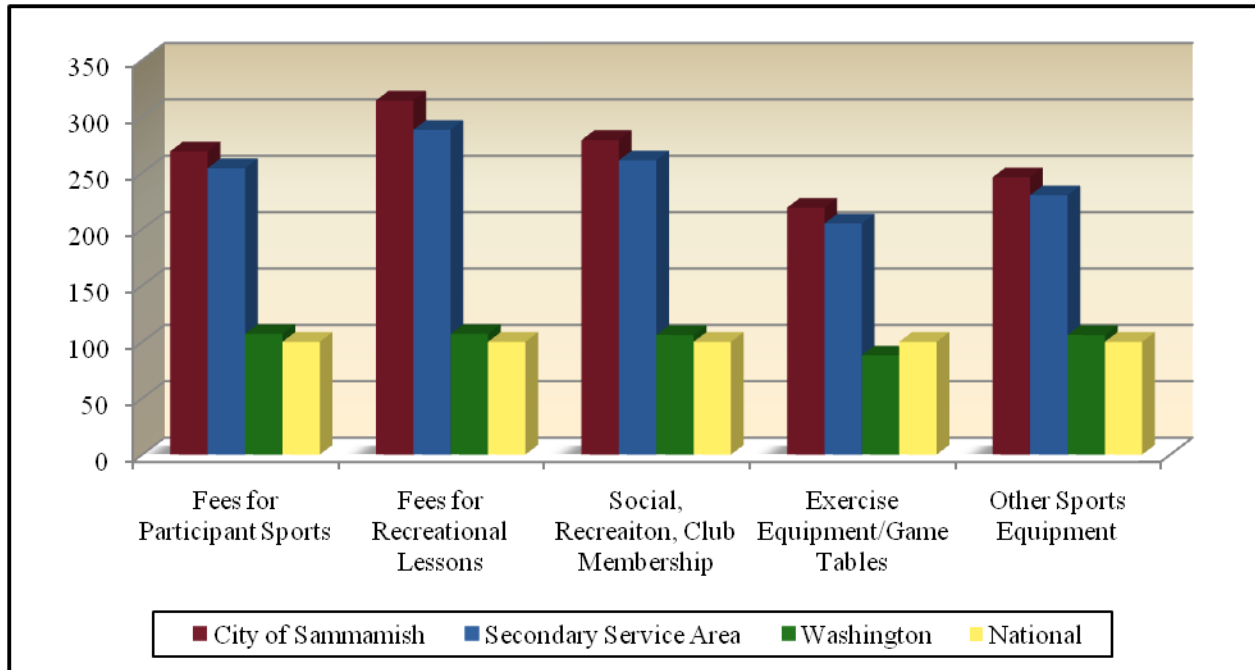
| Secondary Service Area | SPI | Average Spent |
|-------------------------------------|-----|---------------|
| Fees for Participant Sports | 254 | \$271.07 |
| Fees for Recreational Lessons | 288 | \$392.91 |
| Social, Recreation, Club Membership | 261 | \$427.61 |
| Exercise Equipment/Game Tables | 205 | \$167.86 |
| Other Sports Equipment | 230 | \$21.77 |

| State of Washington | SPI | Average Spent |
|-------------------------------------|-----|---------------|
| Fees for Participant Sports | 107 | \$114.26 |
| Fees for Recreational Lessons | 107 | \$145.78 |
| Social, Recreation, Club Membership | 106 | \$174.31 |
| Exercise Equipment/Game Tables | 88 | \$72.54 |
| Other Sports Equipment | 106 | \$10.05 |

Average Amount Spent: The average amount spent for the service or item in a year.

SPI: Spending potential index as compared to the national number of 100.

Chart J – Recreation Spending Potential Index

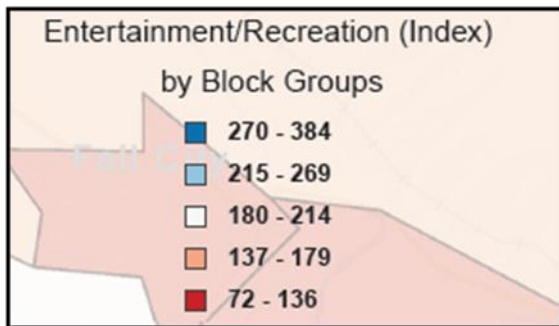
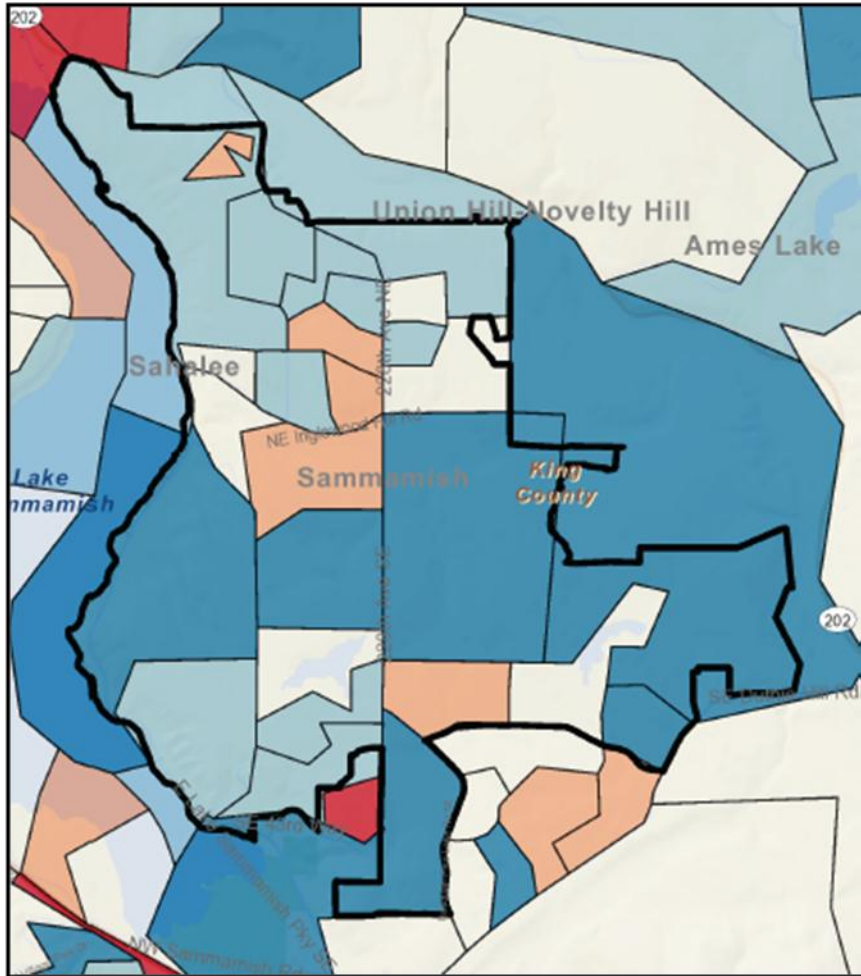


The SPI index indicates that in all areas the rate of spending is significantly higher than the state average and the National Spending Potential Index (SPI) of 100. This information is very important when determining a price point for activities and cost recovery philosophy.

It is also important to note that these dollars are currently being spent, so the identification of alternative service providers and the ability of another facility to capture a portion of these dollars will be important.



Map E - Entertainment/Recreation Total Dollars Spent by Census Block Group





Non-Sport Participation Statistics: It is recognized that most community centers are more than just sports oriented facilities. Participation in a wide variety of passive activities and cultural pursuits is common and essential to a well-rounded center. This information is useful in determining some of the program participation and revenue in the operations section of the report.

While there is not an abundance of information available for participation in these types of activities as compared to sport activities, there are statistics that can be utilized to help determine the market for cultural arts activities and events.

There are many ways to measure a nation's cultural vitality. One way is to chart the public's involvement with arts events and other activities over time. The NEA's Survey of Public Participation in the Arts remains the largest periodic study of arts participation in the United States, and it is conducted in partnership with the U.S. Census Bureau. The large number of survey respondents – similar in make-up to the total U.S. adult population – permits a statistical snapshot of American's engagement with the arts by frequency and activity type. The survey has taken place five times since 1982, allowing researchers to compare the trends not only for the total adult population, but also for demographic subgroups.³

³ National Endowment for the Arts, *Arts Participation 2008 Highlights from a National Survey*.

Table V – Percentage of U.S. Adult Population Attending Arts Performances: 1982-2008

| | | | | | Rate of Change | |
|-------------------|-------|-------|-------|-------|----------------|-----------|
| | 1982 | 1992 | 2002 | 2008 | 2002-2008 | 1982-2008 |
| Jazz | 9.6% | 10.6% | 10.8% | 7.8% | -28% | -19% |
| Classical Music | 13.0% | 12.5% | 11.6% | 9.3% | -20% | -29% |
| Opera | 3.0% | 3.3% | 3.2% | 2.1% | -34% | -30% |
| Musical Plays | 18.6% | 17.4% | 17.1% | 16.7% | -2% | -10% |
| Non-Musical Plays | 11.9% | 13.5% | 12.3% | 9.4% | -24% | -21% |
| Ballet | 4.2% | 4.7% | 3.9% | 2.9% | -26% | -31% |

Smaller percentages of adults attended performing arts events than in previous years.

- Opera and jazz participation significantly decreased for the first time, with attendance rates falling below what they were in 1982.
- Classical music attendance continued to decline – at a 29% rate since 1982 – with the steepest drop occurring from 2002 to 2008
- Only musical play saw no statistically significant change in attendance since 2002.

Table W – Percentage of U.S. Adult Population Attending Art Museums, Parks and Festivals: 1982-2008

| | | | | | Rate of Change | |
|-----------------------------|-------|-------|-------|-------|----------------|-----------|
| | 1982 | 1992 | 2002 | 2008 | 2002-2008 | 1982-2008 |
| Art Museums/Galleries | 22.1% | 26.7% | 26.5% | 22.7% | -14% | +3% |
| Parks/Historical Buildings | 37.0% | 34.5% | 31.6% | 24.9% | -21% | -33% |
| Craft/Visual Arts Festivals | 39.0% | 40.7% | 33.4% | 24.5% | -27% | -37% |

Attendance for the most popular types of arts events – such as museums and craft fairs – also declined.

- After topping 26% in 1992 and 2002, the art museum attendance rate slipped to 23 percent in 2008 – comparable to the 1982 level.
- The proportion of the U.S. adults touring parks or historical buildings has diminished by one-third since 1982.



Table X – Median Age of Arts Attendees: 1982-2008

| | | | | | Rate of Change | |
|----------------------|-------------|-------------|-------------|-------------|-----------------------|------------------|
| | 1982 | 1992 | 2002 | 2008 | 2002-2008 | 1982-2008 |
| U.S. Adults, Average | 39 | 41 | 43 | 45 | +2 | +6 |
| Jazz | 29 | 37 | 43 | 46 | +4 | +17 |
| Classical Music | 40 | 44 | 47 | 49 | +2 | +9 |
| Opera | 43 | 44 | 47 | 48 | +1 | +5 |
| Musicals | 39 | 42 | 44 | 45 | +1 | +6 |
| Non-Musical Plays | 39 | 42 | 44 | 47 | +3 | +8 |
| Ballet | 37 | 40 | 44 | 46 | +2 | +9 |
| Art Museums | 36 | 39 | 44 | 43 | -1 | +7 |

Long-term trends suggest fundamental shifts in the relationship between age and arts attendance.

- Performing arts attendees are increasingly older than the average U.S. adult.
- Jazz concert-goers are no longer the youngest group of arts participants.
- Since 1982, young adult (18-24 year old) attendance rates have declined significantly for jazz, classical music, ballet, and non-musical plays.
- From 2002 to 2008, however, 45-54 year olds – historically a large component of arts audiences – showed the steepest declines in attendance for most arts events.

Table Y – Percentage of U.S. Adult Population Performing or Creating Art: 1992-2008

| | 1992 | 2002 | 2008 | Rate of Change | |
|--------------------|-------|-------|-------|----------------|-----------|
| | | | | 2002-2008 | 1982-2008 |
| Performing: | | | | | |
| Jazz | 1.7% | 1.3% | 1.3% | +0.0% | -0.4% |
| Classical Music | 4.2% | 1.8% | 3.0% | +1.2% | -1.2% |
| Opera | 1.1% | 0.7% | 0.4% | -0.3% | -0.7% |
| Choir/Chorus | 6.3% | 4.8% | 5.2% | +0.4% | -1.1% |
| Musical Plays | 3.8% | 2.4% | 0.9% | -1.5% | -2.9% |
| Non-Musical Plays | 1.6% | 1.4% | 0.8% | -0.6% | -0.8% |
| Dance | 8.1% | 4.3% | 2.1% | -2.2% | -6.0% |
| Making: | | | | | |
| Painting/Drawing | 9.6% | 8.6% | 9.0% | +0.4% | -0.6% |
| Pottery/Ceramics | 8.4% | 6.9% | 6.0% | -0.9% | -2.4% |
| Weaving/Sewing | 24.8% | 16.0% | 13.1% | -2.9% | -11.7% |
| Photography | 11.6% | 11.5% | 14.7% | +3.2% | +3.1% |
| Creative Writing | 7.4% | 7.0% | 6.9% | -0.1% | -0.5% |

Adults generally are creating or performing at lower rates – despite opportunities for displaying their work.

- Only photography increased from 1992 to 2008 – reflecting, perhaps, greater access through digital media.
- The proportion of U.S. adults doing creative writing has hovered around 7.0 percent.
- The rate of classical music performance slipped from 1992 to 2002 then grew over the next six years.
- The adult participation rate for weaving or sewing was almost twice as great in 1992 as in 2008. Yet this activity remains one of the most popular forms of art creation.



Table Z – Percentage of U.S. Adult Population Viewing or Listening to Art Broadcasts or Recordings, 2008 (online media included)

| | Percentage | Millions of Adults |
|--------------------------------|------------|--------------------|
| Jazz | 14.2% | 31.9 |
| Classical Music | 17.8% | 40.0 |
| Latin or Salsa Music | 14.9% | 33.5 |
| Opera | 4.9% | 11.0 |
| Musical Plays | 7.9% | 17.8 |
| Non-Musical Plays | 6.8% | 15.3 |
| Dance | 8.0% | 18.0 |
| Programs about the visual arts | 15.0% | 33.7 |
| Programs about books/writers | 15.0% | 33.7 |

As in previous years, more Americans view or listen to broadcasts and recordings of arts events than attend them live.

- The sole exception is live theater, which still attracts more adults than broadcasts or recordings of plays or musicals (online media included).
- Classical music broadcasts or recordings attract the greatest number of adult listeners, followed by Latin or salsa music.
- 33.7 million Americans listened to or watched programs or recordings about books.



Recreation Activity and Facility Trends: There continues to be very strong growth in the number of people participating in recreation and leisure activities. It is estimated that one in five Americans over the age of six participates in some form of fitness related activity at least once a week. American Sports Data, Inc. reported that membership in U.S. health clubs has increased by 76.1% between 1987 and 1999, and memberships in health clubs reached an all time high of 32.8 million in 2000. The greatest increase in membership has occurred in the over 55 age group, followed by the under 18 and 35-54 age categories. Overall membership in the 35-54 age group increased while it actually decreased in the 18-34 age group. Statistics also indicate that approximately 12 out of every 100 people of the U.S. population (or 12%) belong to a health club. On the other side most public recreation centers attract between 20% and 30% of a market area (more than once) during the course of a year. All of this indicates the relative strength of a market for a community recreation facility. However, despite these increases the American population as a whole continues to lead a rather sedentary life with an average of 25% of people across the country reporting that they engage in no physical activity (according to The Center for Disease Control).

One of the areas of greatest participant growth over the last 10 years is in fitness related activities such as exercise with equipment, aerobic exercise and group cycling. This is also the most volatile area of growth with specific interest areas soaring in popularity for a couple of years only to be replaced by a new activity for the coming years. Also showing particularly strong growth numbers are ice hockey and running/jogging while swimming participation remains consistently high despite recent drops in overall numbers. It is significant that many of the activities that can take place in an indoor recreation setting are ranked in the top fifteen in overall participation by the National Sporting Goods Association.

Aquatic Activity and Facility Trends: Without a doubt the hottest trend in aquatics is the leisure pool concept. This idea of incorporating slides, current channels, fountains, zero depth entry and other water features into a pool's design has proved to be extremely popular for the recreational user. The age of the conventional pool in most recreational settings has been greatly diminished. Leisure pools appeal to the younger children (who are the largest segment of the population that swim) and to families. These types of facilities are able to attract and draw larger crowds and people tend to come from a further distance and stay longer to utilize such pools. This all translates into the potential to sell more admissions and increase revenues. It is estimated conservatively that a leisure pool can generate up to 20% to 25% more revenue than a comparable conventional pool and the cost of operation, while being higher, has been offset through increased revenues. Of note is the fact that patrons seem willing to pay a higher user fee at a leisure pool than a conventional aquatics facility.

Another trend that is growing more popular in the aquatic's field is the development of a raised temperature therapy pool for rehabilitation programs. This has usually been done in association



with a local health care organization or a physical therapy clinic. The medical organization either provides capital dollars for the construction of the pool or agrees to purchase so many hours of pool time on an annual basis. This form of partnership has proven to be appealing to both the medical side and the organization that operates the facility. The medical sector receives the benefit of a larger aquatic center, plus other amenities that are available for their use, without the capital cost of building the structure. In addition, they are able to develop a much stronger community presence away from traditional medical settings. The facility operators have a stronger marketing position through an association with a medical organization and a user group that will provide a solid and consistent revenue stream for the center. This is enhanced by the fact that most therapy use times occur during the slower mid-morning or afternoon times in the pool and the center.

Despite the recent emphasis on recreational swimming and therapy, the more traditional aspects of aquatics (including swim teams, instruction and aqua fitness) remain as the foundation for many aquatic centers. The life safety issues associated with teaching children how to swim is a critical concern in most communities and competitive swim team programs through USA Swimming, high schools, and other community based organizations continue to be important. Aqua fitness, from aqua exercise to lap swimming, has enjoyed strong growth during the last ten years with the realization of the benefits of water-based exercise.

The multi-function indoor aquatic center concept of delivering aquatics services continues to grow in acceptance with the idea of providing for a variety of aquatics activities and programs in an open design setting that features a lot of natural light, interactive play features and access to an outdoor sundeck. The placing of traditional instructional/competitive pools, with shallow depth/interactive leisure pools and therapy water, in the same facility has been well received in the market. This idea has proven to be financially successful by centralizing pool operations for recreation service providers and through increased generation of revenues from patrons willing to pay for an aquatics experience that is new and exciting. Indoor aquatic centers have been instrumental in developing a true family appeal for community-based facilities. The keys to success for this type of center revolve around the concept of intergenerational use in a quality facility that has an exciting and vibrant feel in an outdoor like atmosphere.

Also changing is the orientation of aquatic centers from stand alone facilities that only have aquatic features to more of a full-service recreation center that has fitness, sports and community based amenities. This change has allowed for a better rate of cost recovery and stronger rates of use of the aquatic portion of the facility as well as the other “dry side” amenities.

Within the Pacific Northwest, the newer trends of indoor leisure pools and therapy pools have been a little slower to catch on compared to other areas of the country. The area also has an unusually large number of stand alone, single purpose, indoor aquatics centers, a situation that is not found in other areas of the country. The multi-function indoor aquatic center, especially in



conjunction with other indoor recreation amenities, is still a relatively new phenomenon in the Pacific Northwest.

Below are listed those sports activities that would often take place either in a community recreation facility, or in close proximity to, and the percentage of growth or decline that each has experienced nationally over the last 10 years (2000-2009).

Table AA – National Activity Trend (in millions)

| Sport/Activity | 2000 Participation | 2009 Participation | Percent Change |
|-----------------------|---------------------------|---------------------------|-----------------------|
| Hockey (Ice) | 1.9 | 3.1 | 63.2% |
| Weightlifting | 22.8 | 34.5 | 51.3% |
| Running/Jogging | 22.8 | 32.2 | 41.2% |
| Exercise w/ Equipment | 44.8 | 57.2 | 27.7% |
| Aerobic Exercising | 26.7 | 33.1 | 24.0% |
| Exercise Walking | 81.3 | 93.4 | 14.9% |
| Work-Out at Club | 34.1 | 38.3 | 12.3% |
| Tennis | 10.0 | 10.8 | 8.0% |
| Soccer | 12.9 | 13.6 | 5.4% |
| Skateboarding | 9.1 | 8.4 | -7.7% |
| Basketball | 27.1 | 24.4 | -10.0% |
| Volleyball | 12.3 | 10.7 | -13.0% |
| Swimming | 58.8 | 50.2 | -14.6% |
| Softball | 14.0 | 11.8 | -15.7% |
| Baseball | 15.6 | 11.5 | -26.3% |

1998 Participation: The number of participants per year in the activity (in millions) in the United States.

2008 Participation: The number of participants per year in the activity (in millions) in the United States.

Percent Change: The percent change in the level of participation from 2000 to 2009.



Due to the increasing recreational demands there has been a shortage in most communities of the following spaces.

- Gymnasiums
- Pools (especially leisure pools)
- Weight/cardiovascular equipment areas
- Indoor running/walking tracks
- Meeting/multipurpose (general program) space
- Senior's program space
- Pre-school and youth space
- Teen use areas

As a result, many communities have attempted to include these amenities in public community centers. With the growth in youth sports and the high demand for school gyms, most communities are experiencing an acute lack of gymnasium space. Weight/cardiovascular space is also in high demand and provides a facility with the potential to generate significant revenues.

The success of most indoor community recreation facilities is dependent on meeting the recreational needs of a variety of individuals. The fastest growing segment of society is the senior population and meeting the needs of this group is especially important now and will only grow more so in the coming years. Indoor walking tracks, exercise areas, pools and classroom spaces are important to this age group. Marketing to the younger more active senior is paramount, as this age group has the free time available to participate in leisure activities, the desire to remain fit, and more importantly the disposable income to pay for such services.

Youth programming has always been a cornerstone for recreation services and will continue to be so with an increased emphasis on teen needs and providing a deterrent to juvenile crime. With a continuing increase in single parent households and two working parent families, the needs of school age children for before and after school child care continues to grow as does the need for preschool programming.

The ever increasing demand for programming has put a real squeeze on the number of indoor recreation facilities that are available. Recreation has historically utilized school facilities during non-school hours for its programs and services. However, the limits of using school facilities, the growth in school sports, and the lack of daytime program space has pushed communities to build separate recreation centers or partner with schools to enlarge facilities. Even with these new centers, use of school buildings has continued to be strong and has allowed for the growth in programs and services.

Public recreation centers have evolved from smaller, more singular purpose facilities that were designed to serve neighborhoods to larger more comprehensive centers that can adequately serve an entire community. These centers usually have a strong active recreation focus along with being able to serve the more passive use needs as well. The larger comprehensive indoor recreation facilities have proven to be more cost effective to operate with their ability to consolidate activities and facilities thereby reducing staff while at the same time commanding a higher fee for service and thus increasing the revenue potential of indoor recreation facilities as a result.

As more and more communities attempt to develop community recreation facilities the issues of competition with other providers in the market area have inevitably been raised. The loudest objections have come from the private health club market and their industry voice IHRSA. The private sector has vigorously contended that public facilities unfairly compete with them in the market and have spent considerable resources attempting to derail public projects. However, the reality is that in most markets where public community centers have been built, the private sector has not been adversely affected and in fact in many cases has continued to grow. This is due in large part to the fact that public and private providers serve markedly different markets. One of the other issues of competition comes from the non-profit sector (primarily YMCA's but also JCC's, and others), where the market is much closer to that of the public providers. While not as vociferous as the private providers, the non-profits have also often expressed concern over public community centers. What has resulted from this is a strong growth in the number of partnerships that have occurred between the public and non-profit sector in an attempt to bring the best recreation amenities to a community.

Community Center Benchmarks: Based on market research conducted by Ballard*King & Associates at community centers across the United States, the following represents the basic benchmarks.

- The majority of community centers that are being built today are between 65,000 and 75,000 square feet. Most centers include three primary components A) A pool area usually with competitive and leisure amenities, B) Multipurpose gymnasium space, and C) Weight/cardiovascular equipment area. In addition, most centers also have group exercise rooms, drop-in childcare, and classroom and/or community spaces.
- For most centers to have an opportunity to cover all of their operating expenses with revenues, they must have a service population of at least 50,000 and an aggressive fee structure.
- Most centers that are between 65,000 and 75,000 square feet have an operating budget of between \$1,500,000 and \$1,800,000 annually. Nearly 65% of the operating costs are from



personnel services, followed by approximately 25% for contractual services, 8% for commodities, and 2% for capital replacement.

- For centers that serve a more urban population and have a market driven fee structure, they should be able to recover 70% to 100% of operating expenses. For centers in more rural areas the recovery rate is generally 50% to 75%. Facilities that can consistently cover all of their operating expenses with revenues are rare. The first true benchmark year of operation does not occur until the third full year of operation.
- The majority of centers of the size noted (and in an urban environment) above average daily paid attendance of 800 to as much as 1,000 per day. These centers will also typically sell between 800 and 1,500 annual passes (depending on the fee structure and marketing program).
- It is common for most centers to have a three-tiered fee structure that offers daily, extended visit (usually punch cards) passes, and annual passes. In urban areas it is common to have resident and non-resident fees. Non-resident rates can cost 25% to 50% higher than the resident rate and are usually a topic of discussion amongst elected officials. Daily rates for residents average between \$3.00 and \$6.00 for adults, \$3.00 and \$4.00 for youth and the same for seniors. Annual rates for residents average between \$200 and \$300 for adults, and \$100 and \$200 for youth and seniors. Family annual passes tend to be heavily discounted and run between \$350 and \$800.
- Most centers are open an average of 105 hours a week, with weekday hours being 5:00 am to 10:00 pm, Saturdays 8:00 am to 8:00 pm and Sundays from noon to 8:00 pm. Often hours are shorter during the summer months.

Note: These statistics vary by regions of the country.

Market Orientation: Based on the demographic makeup of the service areas and the trends in indoor recreation amenities, there are specific market areas that need to be addressed with such community facilities. These include:

General:

1. Drop-in recreation activities - Critical to the basic operation of any community center is the availability of the facility for drop-in use by the general public. This requires components that support drop-in use and the careful scheduling of programs and activities to ensure that they do not dominate the center and exclude the drop-in user. The sale of annual passes and daily admissions, potential strong revenue sources for a center, requires a priority for drop-in use.



2. Instructional programming - The other major component of a community recreation center's operation is a full slate of programs in a variety of disciplines. The center should provide instruction for a broad based group of users in a number of program areas. The primary emphasis should be on teaching basic skills with a secondary concern for specialized or advanced instruction.

3. Special events - There should be a market for special events including kid's birthday parties, community organization functions, sports tournaments and other special activities. The development of this market will aid significantly in the generation of additional revenues and these events can often be planned for before or after regular operating hours or during slow use times of the year. Care should be taken to ensure that special events do not adversely impact the everyday operations of the center.

4. Community rentals - Another aspect of a center's operation is providing space for rentals by civic groups or organizations as well as the general public. Gyms and multi-purpose rooms can be used as a large community gathering space and can host a variety of events from seminars, parties, receptions, arts and crafts sales and other events. It is important that a well-defined rental fee package is developed and the fee schedule followed closely. Rentals should not be done at the expense of drop-in use or programming in the center.

5. Social welfare programs – An emerging area for many centers is the use of space for social service activities and programs. Special population activities, teen assistance programs, childcare and other similar uses are now common in many facilities.

Specific market segments include:

1. Families - Within most markets an orientation towards family activities is essential. The ability to have family members of different age participate in a variety of activities together or individually is the challenge.

2. Pre-school children - The needs of pre-school age children need to be met with a variety of activities and programs designed for their use. From drop-in childcare to specialized pre-school classes, a number of such programs can be developed. Interactive programming involving parents and toddlers can also be beneficial. It is significant that this market usually is active during the mid morning time frame, providing an important clientele to the facility during an otherwise slow period of the day. For parents with small children who wish to participate in their own activities, babysitting services are often necessary during the morning and early evening time slots.

3. School age youth - Recreation programming has tended to concentrate on this market segment and this age group should be emphasized at a center as well. This group requires a wide



variety of programs and activities that are available after school or during weekend hours. Instructional programs and competitive sports programs are especially popular, as well as drop-in use of the facility.

4. Teens - A major focus of many community center projects is on meeting the needs of teenagers in the community. There is a great debate among recreation providers throughout the country on how to best provide recreation programming for this age group. Some believe that dedicated teen space is required to meet their needs while others find that it is the activities and approach that is more important. Serving the needs of this age group will often require the use of many areas of the center at certain “teen” times of use.

5. Seniors - As the population of the United States and the service areas continue to age, continuing to meet the needs of an older senior population will be essential. As has been noted, a more active and physically oriented senior is now demanding services to ensure their continued health. Aqua exercise, lap swimming, weight training and cardiovascular conditioning have proven to be popular with this age group. Again, the fact that this market segment will usually utilize a facility during the slower use times of early to mid-day also is appealing. Providing services for this age group should be more of a function of time than space.

6. Business/corporate - This market has a variety of needs from fitness/wellness and instruction, to recreation and social. The more amenities and services that can be offered at one location the more appeal there is to this market segment. The business community should be surveyed to determine their specific needs and expectations.

7. Special needs population - This is a secondary market, but with the A.D.A. requirements and the existence of a number of recreation components, the amenities will be present to develop programs for this population segment. Association with health care providers and/or other social service agencies will be necessary to fully reach this market.

8. Special interest groups - This is a market that needs to be explored to determine the use potential from a variety of groups. These could include school functions, social service organizations and adult and youth sports teams. While the needs of these groups can be great, their demands on a center can often be incompatible with the overall mission of the facility. Care must be taken to ensure that special interest groups are not allowed to dictate use patterns for the center.

Service Area Providers: There are a number of facilities in the greater Sammamish area that are supplying aquatic, recreation, fitness, and sports activities. The following is a brief review of each of the major providers in the public, non-profit and private sector.

Public

There are a variety of public indoor aquatic and recreation amenities in the area. This includes:

City of Redmond – The city has a number of indoor recreation facilities that serve the community.

Old Redmond Schoolhouse Community Center – This is the primary location for the City’s general recreation programs. The old school building houses recreation staff offices, a large number of classrooms, a large gym, multipurpose room, pottery studio, commercial kitchen and a dance studio.

Redmond Senior Center – This is a newer building that features a large multipurpose room, commercial kitchen, open lounge area, wellness room, computer lab and crafts rooms, billiards room, gift shop, library and other meeting rooms.

Old Firehouse Teen Center – This building used to be a fire station but has been renovated and expanded to serve as a teen center. The facility includes a small office area, game room, sound studio, silk screen shop, dark room, computer room, small kitchen and a large performance area that opens to outside.

Redmond Pool at Hartman Park – The City of Redmond owns the land and King County the building but Wave Aquatics operates the pool. The aquatic center features a stretch 6 lane tank with a 1 and 3 meter diving board, small office area and locker rooms.

Old Redmond Schoolhouse Community Center



Old Firehouse Teen Center



MARKET ANALYSIS

Sammamish Community Center



City of Issaquah – The City of Issaquah has two indoor facilities that are located next to each other in the downtown area.

Julius Boehm Pool – This is one of the old King County Forward Thrust pools with a conventional stretch 40 yard pool with a shallow area and a 25 yard six lane lap/competition area. There is a severe shortage of parking at times as well.

Issaquah Community Center – This is a newer center that features a large gym, raised running track, very small fitness area, several classrooms and a youth center.

Julius Boehm Pool



Bellevue Aquatic Center



City of Bellevue – The City of Bellevue has a number of indoor recreation amenities but the only facility that is in relative close proximity to Sammamish is their indoor pool.

Bellevue Aquatic Center – This conventional 6 lane pool has a diving L attached as well as a separate therapy pool.

Other – In addition to the public facilities listed above there are also other communities in the area (Snoqualmie, Mercer Island, etc.) that have indoor community recreation facilities but they are all a considerable distance from Sammamish which limits their market impact.

Also, the two school districts (Lake Washington and Issaquah) that serve Sammamish have gyms, classroom space and other areas that can be used at times for community recreation purposes, however the first priority is for school based activities which limits availability. It is important to note that none of the schools have pools.

It is significant that the City of Sammamish has very limited indoor facilities that consist of the Lodge at Beaver Lake (which is really a large multipurpose room with a kitchen) and Commons Hall (which is a large meeting room) in City Hall. Both of these facilities focus on meetings or

other smaller events but many of the City’s recreation programs are also staged out of the Lodge. There are no indoor active recreation spaces that are owned or operated by the City.

While most all of the communities that are near to Sammamish currently have indoor recreation facilities, most of these are older, have limited active recreation elements, and are smaller facilities that have difficulty serving their own communities. However, it should be noted that each of the cities noted above have long range plans to potentially build new community recreation centers with a strong focus on active recreation pursuits.

Non-Profit

There are a limited number of non-profit facilities in the greater Sammamish area. This includes:

Sammamish Boys & Girls Club – The club is preparing to open in the old library building. The building is owned by the City but will be leased and operated by the Boys & Girls Club. The facility will also provide some senior and adult programs during the day.

Sammamish Family YMCA – This facility is located in a leased portion of City Church and features a 4 lane lap pool, gymnasium, wellness studio, cycling studio, meeting room and fitness center.

Bellevue Family YMCA – This is a full service YMCA that is in a small building that suffers from a lack of parking. The Y has a 4 lane lap pool, gym, fitness area, indoor track, racquetball courts, youth, teen and senior areas.

Pine Lake Community Club – Located in Sammamish this is an older community building that has a large multipurpose room with a small kitchen and stage area. On the first floor a preschool rents space.

Sammamish Boys & Girls Club



Sammamish Family YMCA



Considering the population base in the Secondary Service Area it is interesting that the only comprehensive non-profit facility that is directly in the market is the Sammamish Family YMCA and this facility is not owned by the Y, was not designed for this type of use, and is not large enough to begin to serve the needs of the area. As a result many users travel to the new Coal Creek YMCA even though it is located a considerable distance away in New Castle.

Private

Besides the public and non-profit facilities noted above there are a variety of private clubs in the area. This includes the following facilities:

Columbia Athletic Club-Pine Lake – This is the only comprehensive, private, sports and fitness facility that is actually located in Sammamish. The club has four indoor tennis courts, gymnasium, 25 yard pool, children’s pool, large fitness area, 3 exercise studios, and other amenities.

Columbia Fitness – This is a smaller storefront fitness center that is located in north Sammamish.

The Plateau Club – The club is primarily a golf oriented facility but it does have a small fitness center and an outdoor pool that is located in a separate building from the clubhouse.

Fitness Together – This is a small fitness facility located in a shopping center.

Sammamish Club – Located in Issaquah, the club features 4 indoor tennis courts, a 4 lane lap pool, weight/cardio area, group fitness rooms, youth area and café.

24 Hour Fitness – The club has a large fitness area, lap pool and gymnasium.

Klahanie Fitness – This is a medium sized fitness facility that is located just outside the City.

Pro Sports Club-Bellevue and Redmond – The Bellevue club is one of largest and most sophisticated health clubs in the United States. It is a high end facility that features huge fitness areas, a significant number of indoor pools, gym, indoor tennis courts, racquetball courts a restaurant and other support amenities. The Redmond facility is more of a specialty fitness and sports specific training center in a much smaller space. Microsoft currently funds memberships at these facilities for its employees.

Redmond Athletic Club – This is a relatively new health club that is located in the downtown area of Redmond. The club features a large weight/cardio equipment area, gym, group fitness areas, climbing wall and racquetball courts.



Gold's Gym (2) – There are two Gold's Gyms in the area. The one in Redmond is a large comprehensive club that has an indoor lap pool, large fitness area, gym, and youth athletics area. The other is located in Issaquah and it also has a large fitness area as well as an indoor lap pool.

Velocity Sports Performance – The facility is dedicated to sports specific training and it focuses primarily on youth.

Samena Swim & Recreation Club – Located in Bellevue, this club has indoor and outdoor pools, a fitness area, classroom space, youth space, preschool room, and a multipurpose room. This facility is a considerable distance from Sammamish.

Klahanie Pools – The Klahanie development has two small outdoor 4 lane lap pools, one is the Mountainview Pool which is seasonal and the other is Lakeside which has an inflatable bubble during the non-summer season. This pool is used by competitive swim teams during the winter months and is open to the general public as well.

Redmond Athletic Club



Columbia Athletic Club-Pine Lake



There are also plans to develop a Planet Fitness facility in the old Albertsons grocery store in Issaquah in the near future.

In addition to these large, comprehensive facilities there are also a significant number of smaller fitness facilities such as Snap Fitness, Anytime Fitness and Curves. There are also many martial arts and dance studios in the area as well.

It is likely that some of these existing private providers may have a concern over the possibility that a new public recreation facility (if it contains fitness amenities) would adversely impact their market and they may very well oppose the project as a result. However, private fitness clubs typically serve very different clientele and usually do not compete head to head for the same



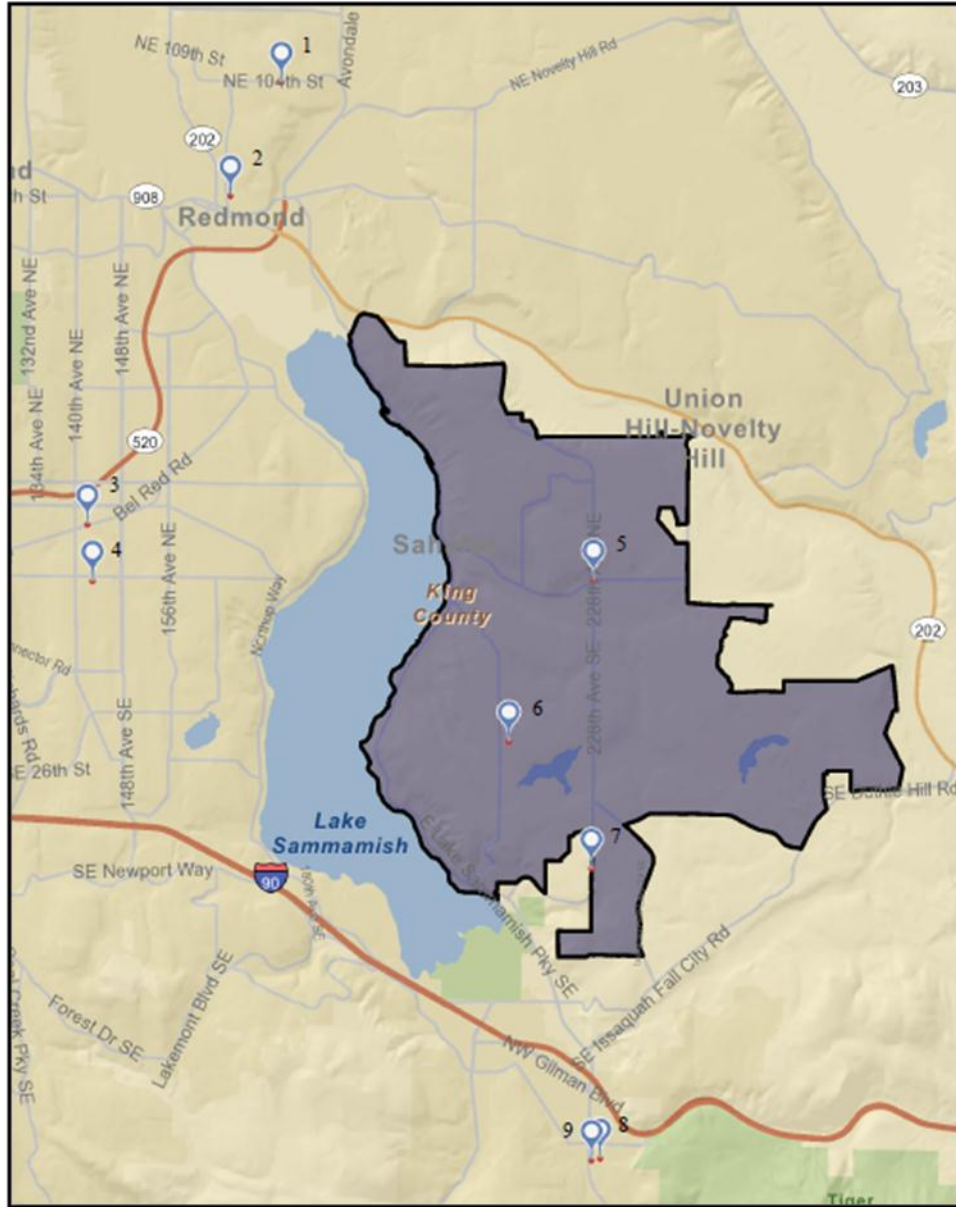
users. It is conservatively estimated that well over 50% of the users of a public facility will have never been to a private club and would have no interest in joining such a center.

This is a representative listing of alternative aquatic/recreation facilities in the area and is not meant to be a total accounting of all service providers. There may be other facilities located in the greater Sammamish area that have an impact on the market as well.

Conclusion: After analyzing the existing indoor aquatic and recreation providers in the greater Sammamish area, there is a definite market for an additional public facility. With a population base of approximately 58,500 in the Secondary Service Area there is a strong base for new public indoor recreation amenities. It is clear that the private sector is the major provider of indoor fitness, and sports facilities in the area.



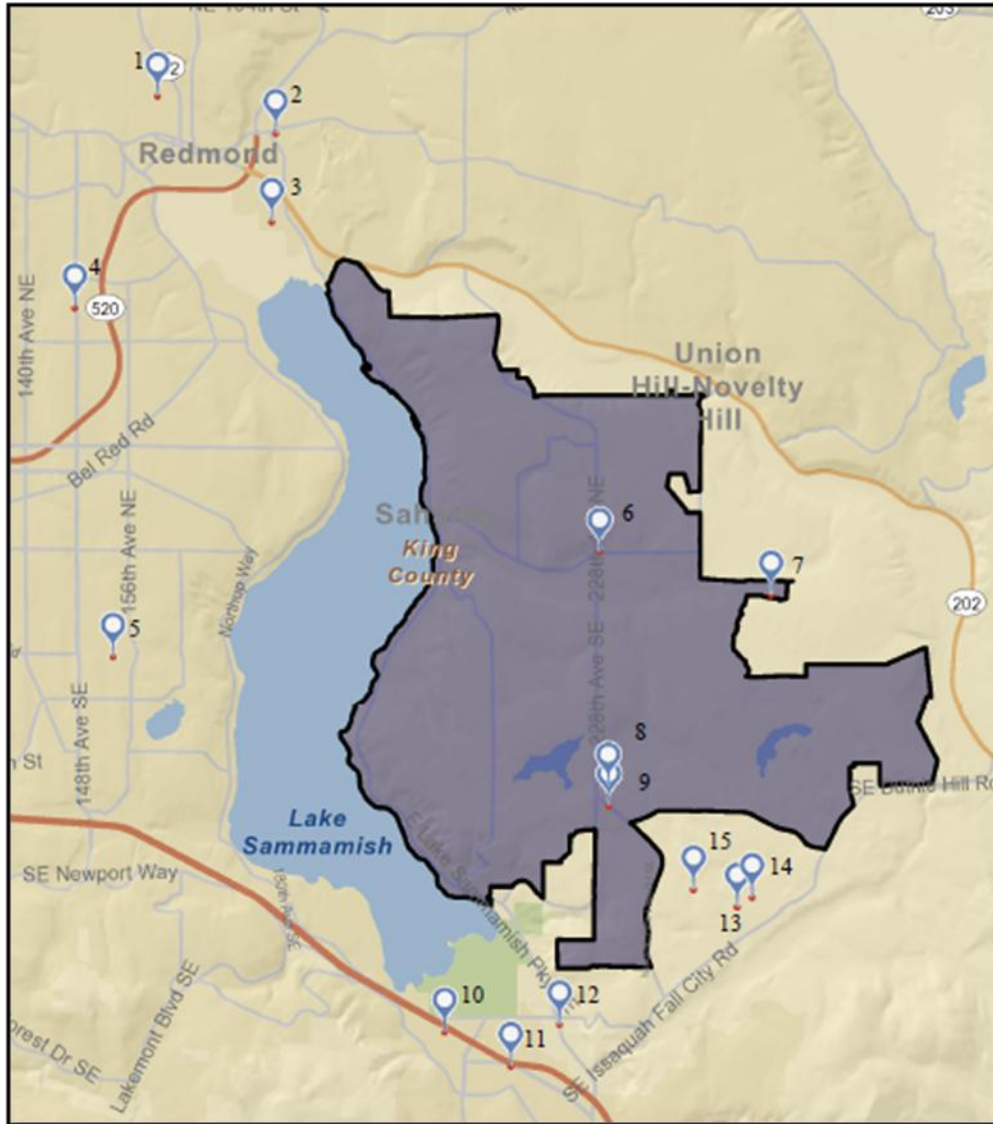
Map F - Public & Non-Profit Providers



- | | |
|---|--------------------------------|
| 1. Redmond Pool @ Hartman Park | 5. Sammamish Boys & Girls Club |
| 2. Old Redmond School House Community Center | 6. Pine Lake Community Club |
| 3. Bellevue Family YMCA | 7. Sammamish YMCA |
| 4. Bellevue Aquatic Center | 8. Issaquah Community Center |
| | 9. Julius Boehm Pool |



Map G - Private Providers



- | | |
|-----------------------------|--------------------------------|
| 1. Redmond Athletic Club | 9. Fitness Together |
| 2. Gold's Gym | 10. Sammamish Club |
| 3. Velocity Sports | 11. Gold's Gym |
| 4. Pro Sports Club | 12. 24 Hour Fitness |
| 5. Samena Swim & Recreation | 13. Klahanie Fitness |
| 6. Columbia Fitness | 14. Klahanie Mountainview Pool |
| 7. Plateau Club | 15. Klahanie Lakeside Pool |
| 8. Columbia Athletic Club | |



Market for a Community Center: With any proposed recreation facility the issue of the size and qualification of the market for such a facility comes to the forefront.

Reviewing the characteristics of the various markets indicates:

The population of Sammamish is just below 46,000 which is more than sufficient to support a comprehensive indoor recreation facility. Additional users could come from the Secondary Service Area which would place the total service area population at just above 58,500.

The population of the area is expected to show steady growth for the next five years which will help to contribute a significant number of potential additional users for the facility.

The population of Sammamish has a median age that is similar to the national median age but there are a greater number of children and middle aged adults with less young adults and seniors. Household size is above the national numbers indicating a strong number of families and the Secondary Service Area has a population that is much the same. The median household income for both the City and Secondary Service Areas is much higher than the national number.

For a comprehensive indoor facility that includes a pool, fitness amenities, gym, and other active recreation amenities, the private sector hopes to capture between 10% and 15% of a market area (generally in a 3 to 5 mile radius of the club) while the public sector facilities target a market of 20% to 30% of an area within a 10 to 15 minute driving distance. Non-profits will have a market draw that is somewhere between the two. These differences are directly related to the business practices of the three types of entities. Private facilities are generally a membership based operation where revenues are almost exclusively derived from membership revenues and from program and service expenditures generated from these same individuals. As such it is relatively easy to project market dynamics (distance, eligible households, etc.) for this type of facility. The non-profit sector (YMCA's) takes the market a bit further, while still being largely membership based, they often have some limited daily admissions and actively pursue program only members. Program and service options also extend well beyond the sports and fitness area to include everything from child care, to cultural arts and social programs. This expands the market for recreation services to the 15% to 20% range. Public facilities on the other hand generally have readily accessible daily admissions, some form of extended passes as well as annual passes. In addition there are usually a large number of programs (again in areas beyond sports and fitness) that can be accessed without a membership and also a number of community functions and activities where no fee may be collected at all. Most community recreation centers operate on an ala carte system which greatly expands the market to a broader spectrum of users based on age, income and travel time. As a result the 20% to 30% market penetration rate is obtainable and the geographic area served is generally much larger. It is not inconceivable that over the course of a year's time over 50% of a community's population will have come to a community recreation center for some use, function or activity. However, due to the variety of program and

service options offered by the public sector, fewer annual passes are generally sold than private or non-profit facilities. On the other side it is relatively common to have individuals and families who have memberships at private or non-profit facilities to access public centers for certain services that are either not offered by the others or are not providing them in a manner that meets their needs.

The market realities put public and private facilities at the opposite end of the market spectrum with the non-profits in the middle but closer to the public market.

The ability of a fitness, sports or recreation facility to capture a market share is based in large part on the amenities that are included in a center, the variety of amenities available, the size of the facility and the fees that are going to be charged.

Based on the information noted above the following estimates are possible.

There are estimated to be approximately 58,500 individuals in the Secondary Service Area. If 12% are captured by the private sector (a relatively large percentage since there are a number of private providers) this would result in approximately 7,020 memberships.

Figuring that 12% of the market is being satisfied with the private providers that still leaves the difference between the public and private market rate at 18%. Since there are a number of other public facilities in the area (but they are located some distance away), plus the YMCA (which are in inferior facilities), it is estimated that 8% of the market will be taken from these facilities. That potentially leaves the market at 10% for a Sammamish Community Center. Capturing 10% of the Secondary Service Area market would convert to approximately 5,850 users that could be potential annual pass holders.

Another method to analyze possible participation numbers is to look at the pre-qualified population that is likely to participate in sports activities and look at the realistic percentage of that market that can be captured by a facility. Weekly participation in active recreation activities from individuals in the Secondary Service Area can be expected to be somewhere in the range of 15% to 20% of the population which equals approximately 8,775 to 11,700 individuals, (based on 2010 population estimates). If a new center were able to capture as little as 25% of this pre-qualified market this would convert to 2,200 to as many as 2,925 potential annual pass holders. Participation rates for more passive oriented facilities (cultural arts amenities, teen centers, etc.) are more difficult to project due to the lack of reliable utilization rates for such activities, but the level of use is below that of a more active facility and the potential service area is also considerably smaller as well.

Market Conclusion:

Below are listed some of the market opportunities and challenges that exist with this project.

Opportunities

- There are no comprehensive, public, indoor sports, fitness or aquatic facilities in the City of Sammamish or the Secondary Service Area. There also is no public pool (indoor or outdoor) in the City or either school district. Other than Commons Hall, the City does not have any significant community space that is available either.
- The Sammamish Family YMCA is the only non-profit sports, fitness and aquatic facility in the City or Secondary Service Area and it is housed in an old building that has been repurposed.
- The vast majority of the existing private providers in the market are located to the north in Redmond or to the south in Issaquah. There are only four fitness facilities actually located in Sammamish proper and only one of these is a comprehensive facility.
- The current public indoor aquatic facilities in the area are all older, conventional pools, with none of the appeal of a true leisure pool.
- Despite the presence of a number of other providers in the greater market, the population base is large enough to support another indoor recreation facility.
- The demographic characteristics indicate households with children and higher income levels.
- Many of the more prominent private facilities have very high user fees.
- An indoor recreation center improves the quality of life in a community and often serves as an economic development engine.

Challenges

- The YMCA has a reasonably strong presence in the Sammamish market even with their current inadequate facility.
- There are a number of existing private sports, fitness and aquatic facilities in the greater Sammamish area. Most of these facilities have a strong fitness orientation as well as other sports amenities.



-
- The population has lower numbers in the 25-44 age category which is one of the prime age groups that support and use an indoor community center.
 - New public community recreation centers are possible in the coming years in Issaquah, Redmond and Bellevue. This could limit the draw for a Sammamish Community Center from these areas.
 - Funding not only the development but the operation of an indoor community center will have to be clearly defined.

Project Direction

Based on the information gathered from the demographic and market analysis, the following is the recommended direction for the project.

- The facility will need to emphasize its ability to serve all age groups including youth, seniors and most importantly families. It will also need to serve a diversified ethnic population as well.
- The center must be seen as a facility that features a variety of active use areas (pool, gyms, fitness, etc.) as well as community gathering spaces.
- The facility has to be perceived as being affordable for the amenities and services that are going to be provided.
- The site has to be visualized as being easily accessible for the entire City as well as the Secondary Service Area.

OPERATIONS ANALYSIS

Sammamish Community Center



Section II - Operations Analysis

The following operations analysis has been completed for the planned Sammamish Community Center. The following are the basic parameters for the project.

- The first year of operation will be 2014 or later.
- This operational budget represents new expenses and revenues only.
- The presence of other providers in the market will remain the same.
- While there are a number of possible project partners and operations options for the center, and no final scenario has been determined, this operations plan shows the center being operated by the City of Sammamish.
- The operations plan is based on the center being built on the Kellman site.
- This operations estimate is based on a program and a basic concept plan for the facility only. However, the plan does include the operation and maintenance of a possible parking garage.
- Maintenance and custodial services have been shown as being provided in-house but could be a contracted service.
- No long term, ongoing, use or rental of space in the facility has been shown other than for the competitive pool.
- Community room rentals will allow alcohol by permit.
- A reasonably aggressive approach to estimating the sale of annual passes, and revenues from programs and services taking place at the facility has been used for this pro-forma.
- No provision for any type of concessions has been shown (other than vending).
- Sales tax payments have not been shown but are assumed to be collected and passed on directly to the state.

OPERATIONS ANALYSIS

Sammamish Community Center



Division I - Expenditures

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

Facility Description – Leisure pool, 8 lane x 25 yard lap pool, double court gymnasium, track, child watch, indoor playground, weight/CV area, group exercise room, fitness studio, senior lounge, community room w/commercial kitchen, classroom, party room (2), lobby, locker rooms and administration area – **Approximately 98,000 sq.ft. plus a parking garage**

Operation Cost Model:

| Personnel | |
|------------------|--------------------|
| Full-Time | \$825,000 |
| Part-Time | \$1,117,946 |
| TOTAL | \$1,942,946 |

| Commodities | |
|--------------------------------------|------------------|
| Office Supplies (forms, paper, etc.) | \$14,000 |
| Chemicals (pool) | \$40,000 |
| Maintenance/Repair/Materials | \$38,000 |
| Janitor Supplies | \$24,000 |
| Rec. Supplies | \$80,000 |
| Uniforms | \$6,000 |
| Printing/Postage | \$25,000 |
| Items for Resale | \$8,000 |
| Other | \$5,000 |
| TOTAL | \$240,000 |

OPERATIONS ANALYSIS

Sammamish Community Center



| Contractual | |
|---|------------------|
| Utilities (electric and gas) ¹ | \$451,000 |
| Water/Sewer | \$30,000 |
| Insurance (property & liability) | \$58,000 |
| Communications (phone) | \$10,000 |
| Contract Services ² | \$58,000 |
| Rent Equipment | \$5,000 |
| Marketing/Advertising | \$20,000 |
| Training (staff time) | \$7,000 |
| Conference | \$5,000 |
| Trash Pickup | \$6,000 |
| Dues & Subscriptions | \$1,000 |
| Bank Charges (charge cards, EFT) | \$30,000 |
| Other | \$6,000 |
| TOTAL | \$687,000 |

| Capital | |
|------------------|-----------------|
| Replacement Fund | \$80,000 |
| TOTAL | \$80,000 |

| All Categories | |
|-----------------------|--------------------|
| Personnel | \$1,942,946 |
| Commodities | \$240,000 |
| Contractual | \$687,000 |
| Capital | \$80,000 |
| TOTAL EXPENSE | \$2,949,946 |

NOTE: *Line items not included in this budget are exterior site maintenance and any vehicle costs.*

¹ Rates are \$4.50 SF and include electric and natural gas plus \$10,000 for the parking garage. It should be noted that rates for electricity and gas have been very volatile and could result in higher cost for utilities over time.

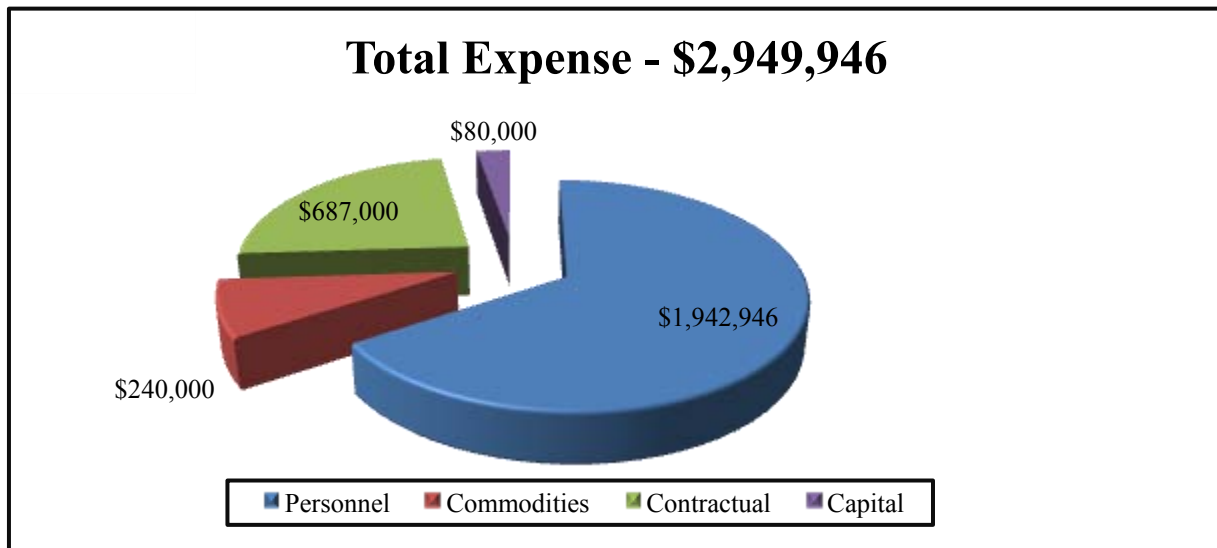
² Contract services cover maintenance contracts, control systems work, alarm, and other services.

OPERATIONS ANALYSIS

Sammamish Community Center



Graphic Representation of Total Expenses:



OPERATIONS ANALYSIS

Sammamish Community Center



Staffing Levels:

| Full-Time Positions | Positions | Total |
|----------------------------|------------------|------------------|
| Center Manager | 1 | \$70,000 |
| Aquatics Supervisor | 1 | \$53,000 |
| Aquatics Coordinator | 1 | \$48,000 |
| Recreation Coor.-Fitness | 1 | \$48,000 |
| Recreation Coor.-General | 1 | \$48,000 |
| Marketing Coor. | 1 | \$48,000 |
| Maintenance Foreman | 1 | \$51,000 |
| Custodian | 3 @ \$37,000 ea. | \$111,000 |
| Front Desk Supervisor | 2 @ \$37,000 ea. | \$74,000 |
| Head Lifeguard/Instructor | 2 @ \$37,000 ea. | \$74,000 |
| | | |
| Salaries | | \$625,000 |
| Benefits (32%) | | \$200,000 |
| | | |
| TOTAL | 14 F.T.E. | \$825,000 |

Note: Pay rates were determined based on City of Sammamish’s job classifications and wage scales for similar positions. The positions listed are necessary to ensure adequate staffing for the facility’s operation. **The wage scales for both the full-time and part-time staff positions reflect an anticipated wage for 2014. It is anticipated that most of the existing full-time recreation staff will have operational and program responsibilities at the center as well.**

OPERATIONS ANALYSIS

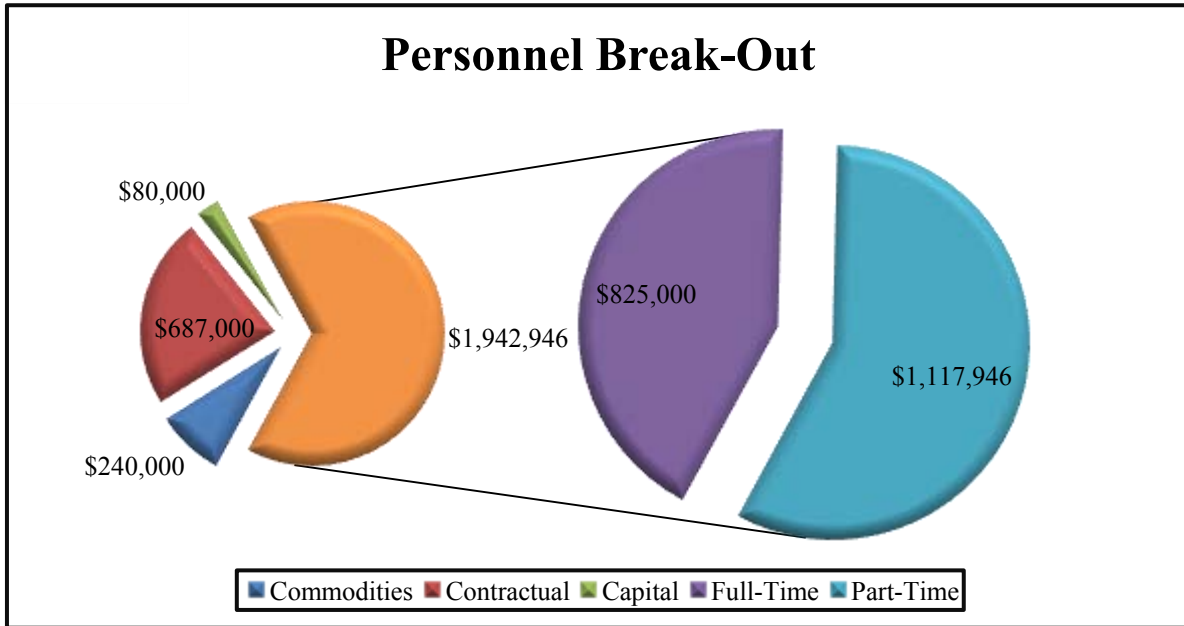
Sammamish Community Center



| Part-Time Positions | Rate/Hour | Hours/Week |
|--|------------------|--------------------|
| Front Desk Supervisor | \$13.00 | 27 |
| Front Desk Attendant | \$10.00 | 137 |
| Weight/CV Room Attendant | \$10.00 | 214 |
| Gym Attendant ³ | \$10.00 | 37 |
| Custodian | \$13.00 | 130 |
| Child Care Worker | \$10.00 | 153 |
| Playground Attendant | \$10.00 | 67 |
| Lifeguard | \$11.00 | 495 |
| | | |
| Program Instructors⁴ | | |
| Aquatics | Variable | \$60,150 |
| General | Variable | \$167,960 |
| | | |
| Salaries | | \$923,922 |
| Benefits (21%) | | \$194,024 |
| | | |
| TOTAL | | \$1,117,946 |

³ Position (and hours) is six months (26 weeks) only, due to heavier use of the facility during the winter months.

⁴ Program instructors are paid at several different pay rates and some are also paid per class or in other ways. This makes an hourly breakdown difficult. Aquatics includes lessons, fitness and other activities. General programs consist of sports leagues, fitness, instructional classes, summer camp, and other activities.



OPERATIONS ANALYSIS

Sammamish Community Center



Division II - Revenues

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

Revenue Projection Model:

| Fees | |
|----------------------------|--------------------|
| Daily Fees | \$195,075 |
| 3 Month Passes | \$226,013 |
| Annual Passes ⁵ | \$1,402,700 |
| Corporate/Group | \$30,000 |
| Rentals ⁶ | \$210,841 |
| TOTAL | \$2,064,629 |

⁵ Figures are based on an active program to promote the sale of annual passes.

⁶ Rentals are based on the following:

| | | |
|---------------------|--------------------------------------|----------|
| Classroom | \$60 x 2/wk x 50 wks = | \$6,000 |
| Community Room | \$75 x 4/wk x 50 wks = | \$15,000 |
| Community Room | \$1,200 x 40 times = | \$48,000 |
| Kitchen | \$50 x 2/wk x 50 wks = | \$5,000 |
| Gymnasium | \$50 x 4/wk x 26 wks = | \$5,200 |
| Group Exercise Room | \$75 x 20/hrs = | \$1,500 |
| Fitness Studio | \$50 x 20/hrs = | \$1,000 |
| Party Room | \$40 x 2/wk x 50 wks = | \$4,000 |
| Senior Lounge | \$40 x 20/hrs = | \$800 |
| Competitive Pool | \$90 x 6hrs x 5 days x 13 wks (H.S.) | \$35,100 |
| | \$120 x 3hrs x 10 meets (H.S.) = | \$3,600 |
| | \$90 x 2hrs x 5 days x 48 wks (Club) | \$43,200 |
| | \$120 x 6hrs x 6 meets (Club) = | \$4,320 |
| Leisure Pool | \$350 x 30 rentals = | \$10,500 |
| Entire Center | \$4,000 x 5 rentals = | \$20,000 |
| Non-resident | 15% of rentals x 25% fee increase | \$7,621 |

OPERATIONS ANALYSIS

Sammamish Community Center



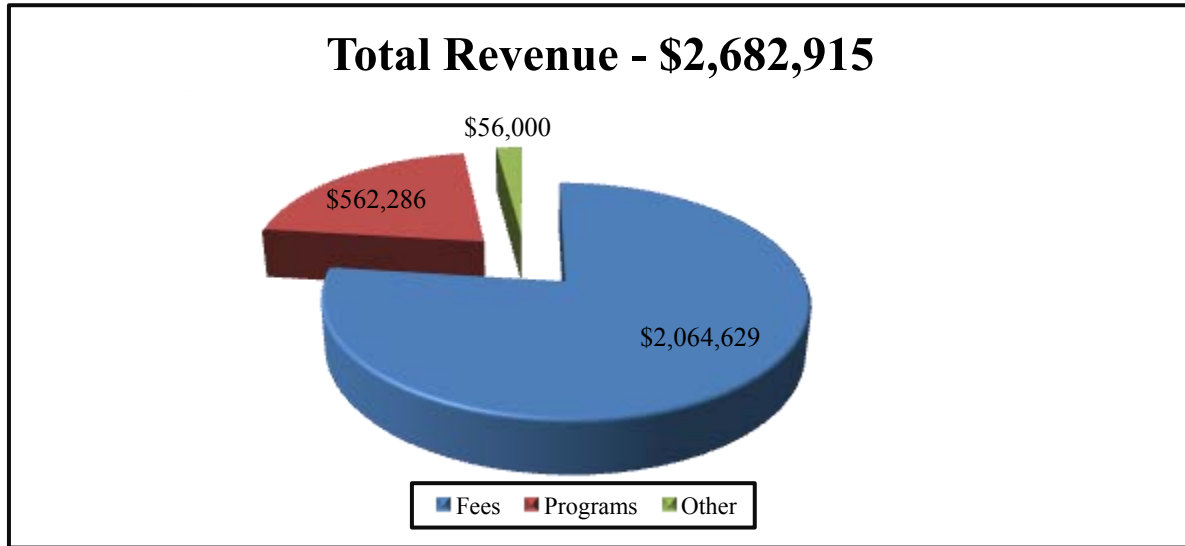
| Programs | |
|-------------------|------------------|
| Aquatics | \$146,736 |
| General | \$405,550 |
| Contract Programs | \$10,000 |
| TOTAL | \$562,286 |

| Other | |
|--------------------|-----------------|
| Resale Items | \$12,000 |
| Special Events | \$4,000 |
| Vending | \$15,000 |
| Drop-in Child Care | \$25,000 |
| TOTAL | \$56,000 |

| All Categories | |
|-----------------------|--------------------|
| Fees | \$2,064,629 |
| Programs | \$562,286 |
| Other | \$56,000 |
| TOTAL REVENUE | \$2,682,915 |



Graphic Representation of Total Revenue



OPERATIONS ANALYSIS

Sammamish Community Center



Division III - Expenditure - Revenue Comparison

Full Center

| Category | |
|---------------|-------------|
| Expenditures | \$2,949,946 |
| Revenues | \$2,682,915 |
| Difference | -\$267,031 |
| Recovery Rate | 91% |

Center without the Competitive Pool

| Category | |
|---------------|-------------|
| Expenditures | \$2,665,251 |
| Revenues | \$2,507,113 |
| Difference | -\$158,138 |
| Recovery Rate | 94% |

- Expenses have been reduced in personnel, commodities and contractual services.
- Revenues were also reduced in rentals, aquatic programs and user fees.
- There were no changes in the fee schedule or the hours of operation.

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

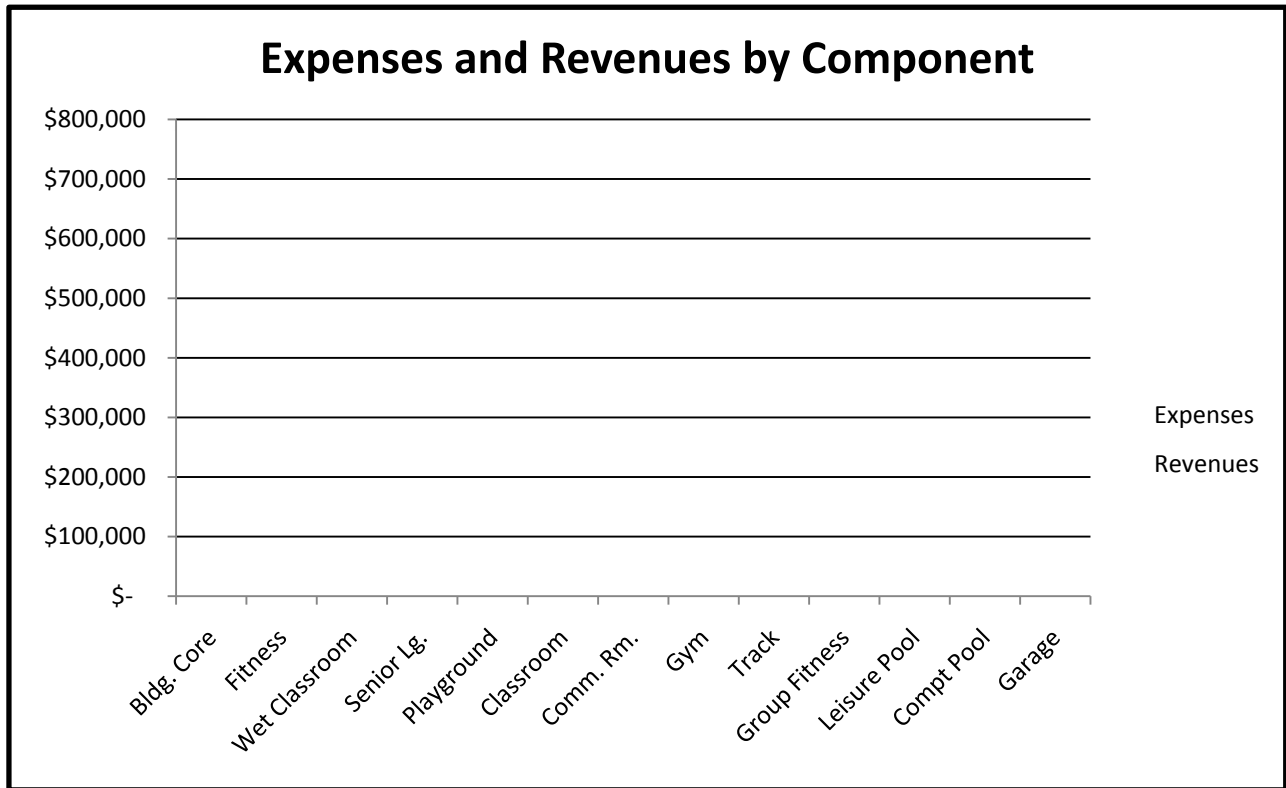
Future Years: Revenue growth in the first three years is attributed to increased market penetration and in the remaining years to continued population growth. In most recreation facilities the first three years show tremendous growth from increasing the market share of patrons who use such facilities, but at the end of this time period revenue growth begins to flatten out. Additional revenue growth is then spurred through increases in the population within the market area, a specific marketing plan to develop alternative markets, the addition of new amenities or by increasing user fees.

OPERATIONS ANALYSIS

Sammamish Community Center



Expenditure and Revenues by Individual Center Component: The chart below takes the total expenditure and revenue numbers and breaks them down by individual component within the center. It should be noted that this is a general estimate only.



OPERATIONS ANALYSIS

Sammamish Community Center



Division IV - Fees and Attendance

Projected Fee Schedule: The fee schedule has been figured utilizing an approximate 25% fee differential for non-residents. Revenue projections and attendance numbers were calculated from this fee model.

| Category | Daily | | 3 Month | | Annual | | Monthly ⁷ | |
|---------------------|--------|----------|---------|----------|--------|----------|----------------------|----------|
| | Res. | Non-Res. | Res. | Non-Res. | Res. | Non-Res. | Res. | Non-Res. |
| Adult | \$7.00 | \$9.00 | \$205 | \$260 | \$550 | \$690 | \$47 | \$59 |
| Couple | N/A | N/A | \$270 | \$335 | \$715 | \$895 | \$61 | \$77 |
| Youth (3-17 yrs) | \$5.00 | \$6.50 | \$150 | \$190 | \$400 | \$500 | \$34 | \$43 |
| Senior (65+) | \$5.00 | \$6.50 | \$150 | \$190 | \$400 | \$500 | \$34 | \$43 |
| Senior Couple | N/A | N/A | \$195 | \$245 | \$520 | \$650 | \$45 | \$56 |
| Family ⁸ | N/A | N/A | \$340 | \$425 | \$900 | \$1,125 | \$77 | \$97 |

It is projected that basic fitness classes will be included with all annual passes.

Fitness \$12/class

| | | |
|-----------|--------------|----------------------------|
| Corporate | 10% discount | 5 or more monthly/annuals |
| | 15% discount | 10 or more monthly/annuals |
| | 20% discount | 15 or more monthly/annuals |

| | | |
|---------|--------------|--|
| Rentals | \$60/hr | Classroom |
| | \$75/hr | Community Room (per section, non-prime time) |
| | \$1,200/4 hr | Community Room (3 sections, 4 hour min., prime time) |
| | \$50/hr | Kitchen |
| | \$50/hr | Gymnasium (per court) |
| | \$75/hr | Group Exercise Room |
| | \$50/hr | Fitness Studio |
| | \$40/hr | Party Room |
| | \$40/hr | Senior Lounge |
| | \$250/hr | Competitive Pool (non-team rental) |
| | \$15/lane/hr | Competitive Pool (high school and swim team rate) |
| | \$350/hr | Leisure Pool |

⁷ Does not represent a separate form of payment but the cost of an annual pass on a monthly contract.

⁸ Includes 2 adults and all youth under 18 living in the same home.

OPERATIONS ANALYSIS

Sammamish Community Center



\$4,000/4 hr Entire Center

Child Care \$2.00/per hour

Admission Rate Comparisons: The above rates were determined based on other providers in the area and the rates paid at similar facilities in the market area.

Sammamish Family YMCA – Local Facility Membership

| Category | Joining | Monthly |
|---------------------|----------------|----------------|
| Adults (21-64) | \$60 | \$47 |
| Family w/two adults | \$80 | \$68 |
| Family w/one adult | \$55 | \$51 |
| Couple | \$70 | \$57 |
| Senior (65+) | \$55 | \$37 |
| Youth (up to 13) | \$25 | \$21 |
| Teen (14 to 20) | \$30 | \$24 |

Columbia Athletic Club – Athletic Membership

| Category | Joining | Monthly |
|-------------------|----------------|----------------|
| Individual | \$200 | \$105 |
| Couple | \$300 | \$155 |
| Family | \$400 | \$190 |
| Senior Individual | \$200 | \$94 |
| Senior Couple | \$300 | \$146 |



Redmond Athletic Club

| Category | Monthly |
|--------------------|----------------|
| Year Agreement | |
| Primary | \$60 |
| Family Add-on | \$35 |
| Under 18 Add-on | \$25 |
| Student Primary | \$40 |
| Senior Primary | \$51 |
| Senior Add-on | \$30 |
| Limited Membership | \$49 |
| Month to Month | |
| Primary | \$72 |
| Family Add-on | \$40 |
| One Month | |
| Primary | \$100 |

Sammamish Club

| Category | Monthly |
|-----------------|----------------|
| Year Agreement | |
| Individual | \$55 |
| Couple | \$75 |
| Family | \$95 |
| Month to Month | |
| Individual | \$75 |
| Couple | \$110 |
| Family | \$135 |

OPERATIONS ANALYSIS

Sammamish Community Center



Attendance Projections: The following attendance projections are the basis for the revenue figures that were identified earlier in this report. The admission numbers are affected by the rates being charged, the facilities available for use and the competition within the service area. The figures are also based on the performance of other similar operation facilities in the area. These are averages only and the yearly figures are based on 360 days of operation.

| Yearly Paid Admissions | Description | Facility |
|-------------------------------|---------------------|-----------------|
| Daily | 90 admissions/day | 32,400 |
| 3 Month | 800 sold annually | 39,000 |
| Annual/Monthly | 1,750 sold annually | 374,400 |
| Total Yearly | | 445,800 |
| Total Daily | | 1,238 |

These attendance projections are for paid admissions to the center and do not include individuals who would be present strictly for programs, meetings, and other functions as well as rentals. It is conservatively estimated that this could add another 300-400 visitors per day for a daily estimated total of 1,538 to 1,638.

NOTE: *The 1,750 annual passes are based on selling to approximately 9% of the households (19,536 estimated in 2010) in the Secondary Service Area. Annual passes are based on 104 admissions a year and 3 month passes on 26 admissions. Family passes are counted as a 2.5 admissions and couples as 1.5.*

OPERATIONS ANALYSIS

Sammamish Community Center



Division V – Hours of Operation

Hours of Operation: The projected hours of operation of the Sammamish Community Center are as follows:

| Days | Hours |
|----------------|----------------|
| Monday-Friday | 5:00am-10:00pm |
| Saturday | 7:00am-8:00pm |
| Sunday | 9:00am-6:00pm |
| Hours per Week | 107 |

Hours usually vary some with the season (longer hours in the winter, shorter during the summer), by programming needs, use patterns and special event considerations.

OPERATIONS ANALYSIS

Sammamish Community Center



Division VI - Project Recommendations

The following section details specific recommendations for the Sammamish Community Center project. Remarks are grouped by areas of interest.

Programs and Facilities: The design, image and quality of a recreation facility has a direct impact on its ability to attract and keep annual pass holders. Thought should be given to the building layout as it pertains to user control and access, during the final design phase of the project. A visible open design which highlights the different activity areas and encourages participation from the user as well as the non-user, is essential to generating member excitement and revenue. As much natural light as possible needs to be incorporated into the design while not compromising safety and promoting and maintaining energy efficiency in every way possible. The intent is to build a "smart building" that gives Sammamish the most for its money and the user a sense of quality and value.

Weight/cardiovascular fitness area- The presence of a large space for fitness activities in the building is essential to developing a strong revenue stream for the facility. More revenue per square foot can be generated from this recreation component than any other indoor amenity. It also allows the center to have a higher rate structure due to the value such an amenity has in the market place.

Pool- No other amenity affects facility revenues and use as dramatically as a pool and as a result, Ballard*King and Associates believes strongly that any aquatic/recreation center that is being built in most settings should include a recreationally oriented swimming pool as part of its facility components. While a competitive pool will serve more traditional aquatic needs in the community it is the leisure pool that will meet the broadest range of swimming interests. The idea of incorporating slides, current channels, fountains, zero depth entry and other water features into a pool's design has proved to be extremely popular for the drop-in user. Leisure pools appeal to the younger kids (who are the largest segment of the population that swims) and to families. These types of facilities are able to attract and draw larger crowds and people tend to come from a further distance and stay longer to utilize such pools. This all translates into more use and revenue. Of note is the fact that patrons seem willing to pay a higher admission fee for the use of a leisure amenity when it includes a pool (even if they are not a swimmer). The simple fact that there is a leisure pool in a community center will drive the use and ultimately the revenue in the other areas of the center. It is estimated that a leisure pool will increase revenues in non-aquatic areas by as much as 10%. Consistent use of the facility by families and young children is dependent in large part on this amenity. The sale of annual passes and especially family annual passes is also tied to the appeal of the leisure pool.

OPERATIONS ANALYSIS

Sammamish Community Center



Programs- The center should not be designed specifically to handle the once a year event or activity but should have the versatility to adapt to these needs within reason. Long term programming and facility needs of the community, businesses, and special interest groups should be identified and integrated into the operations plan for this facility.

The success of community based community centers is dependent on developing a broad based appeal to the annual pass holders as well as the general public. The needs of youth, seniors, and families must be considered and their individual concerns and issues addressed. Programs that are intergenerational in nature and those that are specifically oriented towards certain population segments will both need to be developed. The needs of the business community must also be considered if this market is to be developed.

Consideration should be given to contracting for certain programs or services, especially those that are very specialized in nature. Any contracted programs or services should require a payment of a percentage of the fees collected (at least 30%) back to the center and the organization.

It is important to realize that the center must have a balance between program and drop-in use of the various components of the facility. The pool, gym, and weight/fitness areas are of particular concern. If these areas do not have substantial times set aside on a daily basis for drop-in use then revenues generated from annual passes will be in jeopardy.

Budget and Fees: The success of this project depends on a number of budget factors, which need special consideration. An operational philosophy must be developed and priorities for use must be clearly identified. The revenue figures contained in this document are based on the principal that the facility will have a strong annual pass and program orientation. A goal of consistently covering over 90% to 95% of operational expenses with revenues should be attainable but it is not likely that 100% self sufficiency can be obtained. However, it should be realized that most public aquatic, sports, and fitness facilities have similar difficulties. Maximizing revenue production should be a primary goal. Care must be taken to make sure that a fees and charges policy is consistently followed for all users. No form of revenue production should be given away.

Capital replacement fund- A plan for funding a capital replacement program should be developed before the facility opens. The American Public Works Association recommends between 2% and 4% of replacement cost be budgeted annually for capital items. Costs for maintenance and contract services should be lower than the amount budgeted for the first year since most equipment will still be under warranty.

OPERATIONS ANALYSIS

Sammamish Community Center



Fees- The revenue projections were based on the concept of not having more than a 25% resident/non-resident fee differential. A non-resident fee that is more than 25% tends to exclude these individuals from participating in the facility or its programs. Even though there is an adequate resident population base, non-residents need to be encouraged to utilize the facility to improve the overall cost recovery rate. With a resident/non-resident fee system, non-resident fees should be listed as the “regular fee” and the resident fee as the “resident discount fee”. It is estimated that 20% to 25% of all users could be non-residents. To adequately administer a resident/non-resident fee program a resident photo ID program needs to be put into effect. This requires a resident to buy a photo ID to speed identification and resident verification at the check-in counter. The costs and revenues of such a program have not been figured into the operations budget.

Fees paid for individual programs do not allow the user to utilize the center on a drop-in basis. The payment of the drop-in fee should allow the user access to all areas of the center that are open to drop-in use. There should not be separate fees for different portions of the building (such as the pool, gym, track or weight room).

A senior discount fee schedule was developed for the center, but it should be considered as a marketing tool rather than a discount based on need. Another option is to offer a limited morning or daytime discount rate that would be available to anyone using the center during this slower period of the day. This would work much like a senior discount without having to label it as one. With the fee structure that has been proposed, it will be necessary to develop a scholarship program for those individuals that cannot afford the basic rates. Established criteria such as eligibility for the school lunch program should be utilized to determine need rather than spending the time and aggravation of developing and administering a new system. The corporate rate program should also be promoted and sold to local businesses in the area.

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

Annual pass benefits – With revenues from annual passes making up the greatest single source of revenues, selling the benefits will be critical. This includes free basic land and water based fitness classes and possibly free drop-in child care. Other options include an initial fitness assessment and 1-3 personal training sessions and a 15% discount on all fee based classes and services in the center.

OPERATIONS ANALYSIS

Sammamish Community Center



Pre-selling annual passes – Approximately 3 to 6 months before the facility opens there should be a program in place to begin the pre-sale of “charter passes”. A goal should be to pre-sell between 25% and 50% of all budgeted passes prior to opening the facility.

Marketing plan- A marketing plan for the facility as well as its programs and services is essential. This document should target specific markets, programs, facilities and user groups. It needs to be an active document that is utilized by the center supervisor to guide all marketing efforts. This plan should be updated yearly. Special emphasis must be placed on promoting not only annual passes but also programs to establish a strong revenue base. The business market should also be a major focus of the marketing effort as well. The annual pass rates for the center should be easily obtainable from the facility and the web site.

Another focus of the marketing plan could be the development of a comprehensive sponsorship program for the entire facility. This program could provide an additional revenue stream for the center.

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

The key to opening a recreation facility and have it operate smoothly is hiring the necessary staff well in advance and having them well organized, properly trained and comfortable with the building's features. They need to be ready to hit the ground running with policies and procedures in place, and a marketing and maintenance program under way. However, this will require the establishment of a start-up budget and funding in advance of user revenues.

OPERATIONS ANALYSIS

Sammamish Community Center



Division VII - Appendix

Part-Time Staff Hours

Program Revenue Projections

Admission Revenue Projections

OPERATIONS ANALYSIS

Sammamish Community Center



Part-Time Staff Hours:

Front Desk - 2 scheduled to work any hours that the center is open plus 3 staff from 4 to 8 pm on weekdays and 1 to 6 pm on weekends. The two full-time Front Desk Supervisor positions will handle 80 hours of the front desk schedule (split between evenings and weekends).

Weight/Cardio Room Attendant

| Days | Time | Hours | Employees | Days | Total Hours/Week |
|--------------|--------------|-------|-----------|------|------------------|
| Mon-Fri | 5:00-10:00A | 5 | 2 | 5 | 50 |
| | 10:00A-4:00P | 6 | 2 | 5 | 60 |
| | 4:00-10:00P | 6 | 2 | 5 | 60 |
| Saturday | 7:00A-2:00P | 7 | 2 | 1 | 14 |
| | 2:00-8:00P | 6 | 2 | 1 | 12 |
| Sunday | 9:00A-3:00P | 6 | 2 | 1 | 12 |
| | 3:00P-6:00P | 3 | 2 | 1 | 6 |
| TOTAL | | | | | 214 |

Gym Attendant

| Days | Time | Hours | Employees | Days | Total Hours/Week |
|--------------|------------|-------|-----------|------|------------------|
| Mon-Fri | 4:00-9:00P | 5 | 1 | 5 | 25 |
| Sat & Sun | Noon-6:00P | 6 | 1 | 2 | 12 |
| TOTAL | | | | | 37 |

NOTE: *This position is 26 weeks only during the winter months.*

Custodian

| Days | Time | Hours | Employees | Days | Total Hours/Week |
|--------------|--------------|-------|-----------|------|------------------|
| Mon-Fri | 8:00A-4:00P | 8 | 1 | 5 | 40 |
| | 4:00P-10:00P | 6 | 2 | 5 | 60 |
| Sat & Sun | 7:00-11:00A | 4 | 2 | 1 | 8 |
| | 11:00A-3:00P | 4 | 2 | 1 | 8 |
| | 3:00-10:00P | 7 | 2 | 1 | 14 |
| TOTAL | | | | | 130 |

OPERATIONS ANALYSIS

Sammamish Community Center



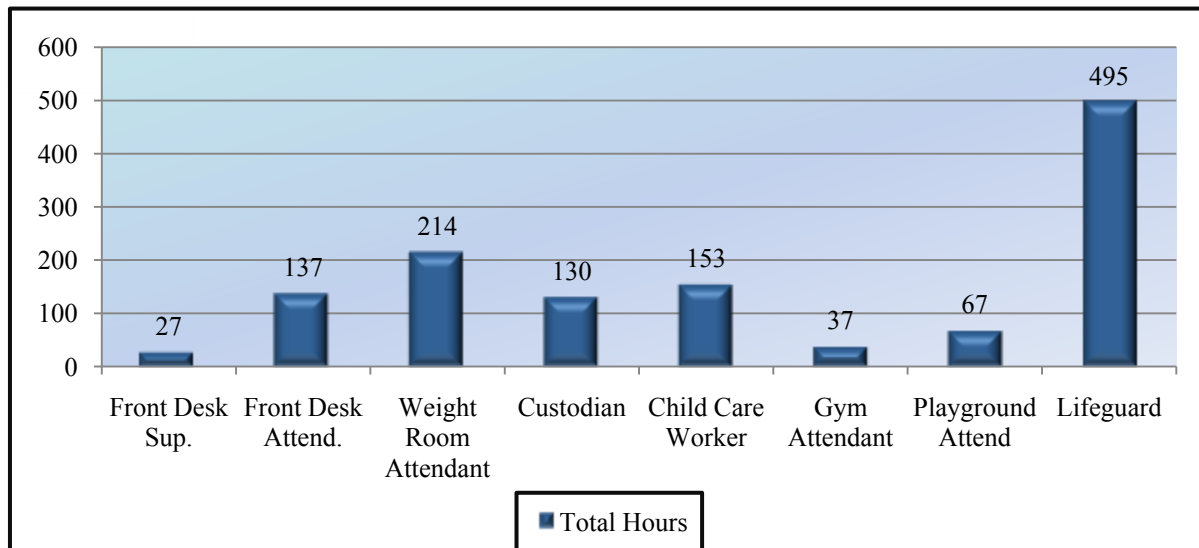
Child Care Worker

| Days | Time | Hours | Employees | Days | Total Hours/Week |
|--------------|--------------|-------|-----------|------|------------------|
| Mon-Fri | 8:00A-1:00P | 5 | 3 | 5 | 75 |
| | 4:00-8:00P | 4 | 3 | 5 | 60 |
| Saturday | 10:00A-4:00P | 6 | 3 | 1 | 18 |
| TOTAL | | | | | 153 |

Playground Attendant

| Days | Time | Hours | Employees | Days | Total Hours/Week |
|--------------|-------------|-------|-----------|------|------------------|
| Mon-Fri | 8:00A-1:00P | 5 | 1 | 5 | 25 |
| | 3:00-8:00P | 5 | 1 | 5 | 25 |
| Saturday | 8:00A-1:00P | 5 | 1 | 1 | 5 |
| | 3:00-8:00P | 5 | 1 | 1 | 5 |
| Sunday | 9:00A-1:00P | 4 | 1 | 1 | 4 |
| | 3:00-6:00P | 3 | 1 | 1 | 3 |
| TOTAL | | | | | 67 |

Recommended Hours per Week for Successful Operation



OPERATIONS ANALYSIS

Sammamish Community Center



Lifeguard Staffing

Summer Season (June, July, August & Holidays, 15 wks)

| Days | Time | Hours | Employees | Days | Total Hours/Week |
|--------------|-------------|-------|-----------|------|------------------|
| Mon-Fri | 5:00-9:00A | 4 | 2 | 5 | 40 |
| | 9:00A-1:00P | 4 | 4 | 5 | 80 |
| | 1:00-7:00P | 6 | 7 | 5 | 210 |
| | 7:00-10:00P | 3 | 5 | 5 | 75 |
| Saturday | 7:00-9:00A | 2 | 2 | 1 | 4 |
| | 9:00A-1:00P | 4 | 4 | 1 | 16 |
| | 1:00-6:00P | 5 | 7 | 1 | 35 |
| | 6:00-8:00P | 2 | 5 | 1 | 10 |
| Sunday | 9:00A-1:00P | 4 | 4 | 1 | 16 |
| | 1:00-6:00P | 5 | 7 | 1 | 35 |
| TOTAL | | | | | 521 |

Fall, Winter, & Spring Seasons (September – May, 37wks)

| Days | Time | Hours | Employees | Days | Total Hours/Week |
|--------------|--------------|-------|-----------|------|------------------|
| Mon-Fri | 5:00-8:00A | 3 | 2 | 5 | 30 |
| | 8:00-11:30A | 3.5 | 4 | 5 | 70 |
| | 11:30A-1:00P | 1.5 | 3 | 5 | 22.5 |
| | 1:00-3:00P | 2 | 3 | 5 | 30 |
| | 3:00-8:00P | 5 | 7 | 5 | 175 |
| Saturday | 8:00-10:00P | 2 | 4 | 5 | 40 |
| | 7:00-9:00A | 2 | 2 | 1 | 4 |
| | 9:00A-1:00P | 4 | 4 | 1 | 16 |
| | 1:00-6:00P | 5 | 7 | 1 | 35 |
| Sunday | 6:00-8:00P | 2 | 5 | 1 | 10 |
| | 9:00A-1:00P | 4 | 4 | 1 | 16 |
| | 1:00P-6:00P | 5 | 7 | 1 | 35 |
| TOTAL | | | | | 483.5 |

NOTE: This schedule is based on a guard rotation concept and on utilizing the Head Guards in the rotation schedule (approximately 80 hrs. a week additional). Based on the pool's basic

OPERATIONS ANALYSIS

Sammamish Community Center



configuration, schedule and estimated use patterns, this level of lifeguard staffing will be necessary to ensure adequate protection for swimmers. This is an estimate of anticipated guard hours only and actual needs could vary depending on the final pool design, actual use patterns, and hours of operation.

OPERATIONS ANALYSIS

Sammamish Community Center



Aquatics Program Staffing

This is a representative sample of possible aquatic programming in the center.

Swim Lessons

| Season | Staff Rate/Class | Classes/Day | Days | Weeks | Total |
|--------------|------------------|-------------|------|-------|-----------------|
| Summer | \$6.00 | 36 | 5 | 10 | \$10,800 |
| Spring/Fall | \$6.00 | 18 | 2 | 20 | \$4,320 |
| Winter | \$6.00 | 12 | 2 | 10 | \$1,440 |
| TOTAL | | | | | \$16,560 |

Note: Instructors are paid \$12/hour classes are 25 minutes in length.

Water Aerobics

| Season | Staff Rate/Class | Classes/Week | Weeks | Total |
|--------------|------------------|--------------|-------|-----------------|
| Summer | \$25.00 | 18 | 14 | \$6,300 |
| Spring/Fall | \$25.00 | 15 | 26 | \$9,750 |
| Winter | \$25.00 | 15 | 12 | \$4,500 |
| TOTAL | | | | \$20,550 |

Semi-Private Swim Lessons

| Lessons/Week | Staff Rate/Lesson | Weeks | Total |
|--------------|-------------------|-------|----------------|
| 4 | \$20.00 | 45 | \$3,600 |
| TOTAL | | | \$3,600 |

Private Swim Lessons

| Lessons/Week | Staff Rate/Lesson | Weeks | Total |
|--------------|-------------------|-------|----------------|
| 4 | \$20.00 | 45 | \$3,600 |
| TOTAL | | | \$3,600 |

OPERATIONS ANALYSIS

Sammamish Community Center



Lifeguard Training

| Staff | Staff Rate/Class | Hours/Class | Sessions | Total |
|--------------|------------------|-------------|----------|----------------|
| 1 | \$20.00 | 33 | 4 | \$2,640 |
| TOTAL | | | | \$2,640 |

Therapy Classes

| Staff | Staff Rate/Class | Classes/Week | Weeks | Total |
|--------------|------------------|--------------|-------|----------------|
| 1 | \$30.00 | 6 | 40 | \$7,200 |
| TOTAL | | | | \$7,200 |

Miscellaneous

| Staff | Staff Rate/Class | Classes/Week | Weeks | Total |
|--------------|------------------|--------------|-------|----------------|
| 1 | \$20.00 | 6 | 50 | \$6,000 |
| TOTAL | | | | \$6,000 |

Aquatic Program Staffing

| Category | |
|---------------------------|-----------------|
| Swim Lessons | \$16,560 |
| Water Aerobics | \$20,550 |
| Semi-Private Swim Lessons | \$3,600 |
| Private Swim Lessons | \$3,600 |
| Lifeguard Training | \$2,640 |
| Therapy Classes | \$7,200 |
| Miscellaneous | \$6,000 |
| TOTAL | \$60,150 |

OPERATIONS ANALYSIS

Sammamish Community Center



General Programs

This is a representative sample of possible general programming in the center.

Adult Leagues (basketball & volleyball) –2 ten week seasons a year

| League | Position | Staff | Rate/Game | Game/Wk | Weeks | Total |
|--------------|------------|-------|-----------|---------|-------|----------------|
| Basketball | Officials | 2 | \$20.00 | 6 | 20 | \$4,800 |
| | Scorer | 1 | \$10.00 | 6 | 20 | \$1,200 |
| Volleyball | Off/Scorer | 1 | \$20.00 | 6 | 20 | \$2,400 |
| TOTAL | | | | | | \$8,400 |

Youth Leagues (indoor soccer & basketball) –2 ten week seasons a year

| League | Position | Staff | Rate/Game | Game/Wk | Weeks | Total |
|--------------|-----------|-------|-----------|---------|-------|-----------------|
| Soccer | Officials | 2 | \$15.00 | 9 | 20 | \$5,400 |
| | Scorer | 1 | \$10.00 | 9 | 20 | \$1,800 |
| Basketball | Officials | 2 | \$15.00 | 9 | 20 | \$5,400 |
| | Scorer | 1 | \$10.00 | 9 | 20 | \$1,800 |
| TOTAL | | | | | | \$14,400 |

Youth Sports Camps

| League | Position | Staff | Rate/Hr. | Number | Hours | Total |
|--------------|----------|-------|----------|--------|-------|----------------|
| Basketball | Coaches | 2 | \$20.00 | 2 | 16 | \$1,280 |
| Volleyball | Coaches | 2 | \$20.00 | 2 | 16 | \$1,280 |
| Other | Coaches | 2 | \$20.00 | 2 | 16 | \$1,280 |
| TOTAL | | | | | | \$3,840 |

Fitness

| Day | Staff | Rate/Class | Classes/Week | Weeks | Total |
|---------------|-------|------------|--------------|-------|-----------------|
| Mon, Wed, Fri | 1 | \$25.00 | 24 | 52 | \$31,200 |
| Tue, Thu | 1 | \$25.00 | 16 | 52 | \$20,800 |
| Weekend | 1 | \$25.00 | 8 | 52 | \$10,400 |
| TOTAL | | | | | \$62,400 |

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Weight Training

| Staff | Rate/Class | Classes/Week | Weeks | Total |
|--------------|------------|--------------|-------|----------------|
| 1 | \$25.00 | 6 | 52 | \$7,800 |
| TOTAL | | | | \$7,800 |

Personal Trainer

| Staff | Rate/Session | Sessions/Week | Weeks | Total |
|--------------|--------------|---------------|-------|-----------------|
| 1 | \$25.00 | 15 | 52 | \$19,500 |
| TOTAL | | | | \$19,500 |

Youth/Teen Activities

| Staff | Staff Rate/Class | Classes/Week | Weeks | Total |
|--------------|------------------|--------------|-------|----------------|
| 1 | \$15.00 | 9 | 36 | \$4,860 |
| TOTAL | | | | \$4,860 |

Summer Day Camp

| Staff | Staff Rate/Hour | Hours/Week | Weeks | Total |
|--------------|-----------------|------------|-------|-----------------|
| 1 | \$15.00 | 40 | 10 | \$6,000 |
| 5 | \$10.00 | 40 | 10 | \$20,000 |
| TOTAL | | | | \$26,000 |

Senior Activities

| Staff | Staff Rate/Class | Classes/Week | Weeks | Total |
|--------------|------------------|--------------|-------|----------------|
| 1 | \$15.00 | 6 | 36 | \$3,240 |
| TOTAL | | | | \$3,240 |

Birthday Parties

| Staff | Staff Rate/Party | Parties/Week | Weeks | Total |
|--------------|------------------|--------------|-------|----------------|
| 1 | \$15.00 | 10 | 52 | \$7,800 |
| TOTAL | | | | \$7,800 |

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General Interest

| Staff | Staff Rate/Class | Classes/Week | Weeks | Total |
|--------------|------------------|--------------|-------|----------------|
| 1 | \$15.00 | 6 | 36 | \$3,240 |
| TOTAL | | | | \$3,240 |

Miscellaneous (dance, martial arts, etc.)

| Staff | Staff Rate/Class | Classes/Week | Weeks | Total |
|--------------|------------------|--------------|-------|----------------|
| 1 | \$15.00 | 12 | 36 | \$6,480 |
| TOTAL | | | | \$6,480 |

General Program Staffing

| Category | |
|-----------------------|------------------|
| Adult Leagues | \$8,400 |
| Youth Leagues | \$14,400 |
| Youth Camps | \$3,840 |
| Fitness | \$62,400 |
| Weight Training | \$7,800 |
| Personal Training | \$19,500 |
| Youth/Teen Activities | \$4,860 |
| Summer Day Camp | \$26,000 |
| Senior Activities | \$3,240 |
| Birthday Parties | \$7,800 |
| General Interest | \$3,240 |
| Miscellaneous | \$6,480 |
| TOTAL | \$167,960 |

NOTE: *Some programs and classes will be on a contractual basis with the center, where the facility will take a percentage of the revenues charged and collected. These programs have not been shown in this budget as a result.*

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Program Revenue Estimates

This is a representative sample of possible aquatic programming and revenue at the center.

Aquatics

Swim Lessons

| Title | Classes | Fee | Sessions/ Weeks | Total Revenue |
|-----------------------------|------------------------|-------------|--------------------|------------------|
| <i>Summer</i> | 36 classes/4 per class | \$70.00 | 5 sessions | \$50,400 |
| <i>Spring/Fall</i> | 18 classes/4 per class | \$70.00 | 2 sessions | \$10,080 |
| <i>Winter</i> | 12 classes/4 per class | \$70.00 | 1 session | \$3,360 |
| | | | | |
| <i>Semi-Private Lessons</i> | 4 classes/wk | \$40.00/cl. | 45 weeks | \$7,200 |
| <i>Private Lessons</i> | 4 classes/wk | \$30.00/cl. | 45 weeks | \$5,400 |
| TOTAL | | | | \$76,440 |

Water Aerobics

| Title | Classes | Fee | Sessions/ Weeks | Total Revenue |
|--------------------|------------------------|-------------|--------------------|------------------|
| <i>Summer</i> | 18 classes/3 per class | \$12.00/cl. | 14 weeks | \$9,072 |
| <i>Spring/Fall</i> | 15 classes/3 per class | \$12.00/cl. | 26 weeks | \$14,040 |
| <i>Winter</i> | 15 classes/3 per class | \$12.00/cl. | 12 weeks | \$6,480 |
| TOTAL | | | | \$29,592 |

Other

| Title | Classes | Fee | Sessions/ Weeks | Total Revenue |
|---------------------------|-----------------------|-------------|--------------------|------------------|
| <i>Lifeguard Training</i> | 1 class/10 per class | \$150.00 | 4 sessions | \$6,000 |
| <i>Therapy</i> | 6 classes/5 per class | \$12.00/cl. | 40 weeks | \$14,400 |
| <i>Misc.</i> | 6 classes/5 per class | \$10.00/cl. | 50 weeks | \$15,000 |
| TOTAL | | | | \$35,400 |

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| | |
|--|------------------|
| Aquatics Program Revenue | \$141,432 |
| Non-Resident (15% of attendees x 25%) | \$5,304 |
| Total Aquatics Program Revenue | \$146,736 |

General

This is a representative sample of possible general programming and revenue at the center.

Adult Leagues

| Title | Classes | Fee | Seasons | Total Revenue |
|-------------------|----------|----------|-----------|---------------|
| <i>Basketball</i> | 12 teams | \$300.00 | 2 seasons | \$7,200 |
| <i>Volleyball</i> | 12 teams | \$300.00 | 2 seasons | \$7,200 |
| TOTAL | | | | \$14,400 |

Youth Leagues

| Title | Teams | Players | Fee | Seasons | Total Revenue |
|-------------------|----------|---------|---------|-----------|---------------|
| <i>Soccer</i> | 18 teams | 10/team | \$65.00 | 2 seasons | \$23,400 |
| <i>Basketball</i> | 18 teams | 10/team | \$65.00 | 2 seasons | \$23,400 |
| TOTAL | | | | | \$46,800 |

Youth Sports Camps

| Title | Classes | Fee | Camps | Total Revenue |
|-------------------|---------|----------|---------|---------------|
| <i>Basketball</i> | 20 kids | \$125.00 | 2 camps | \$5,000 |
| <i>Volleyball</i> | 20 kids | \$125.00 | 2 camps | \$5,000 |
| <i>Other</i> | 20 kids | \$125.00 | 4 camps | \$10,000 |
| TOTAL | | | | \$20,000 |

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Fitness

| Title | Classes | Fee | Weeks | Total Revenue |
|--------------------------|------------------------|-------------|----------|---------------|
| <i>Fitness Classes</i> | 48 classes/2 per class | \$12.00/cl. | 52 weeks | \$59,904 |
| <i>Weight Training</i> | 6 classes/2 per class | \$12.00/cl. | 52 weeks | \$7,488 |
| <i>Personal Training</i> | 15 sessions | \$65.00 | 52 weeks | \$50,700 |
| TOTAL | | | | \$118,092 |

Other

| Title | Classes | Fee | Sessions/ Weeks | Total Revenue |
|--------------------------|------------------------|---------------|--------------------|---------------|
| <i>Youth/Teen</i> | 9 classes/8 per class | \$50.00/sess. | 4 sessions | \$14,400 |
| <i>Summer Day Camp</i> | 50 per week | \$150/wk. | 10 weeks | \$75,000 |
| <i>Senior Activities</i> | 6 classes/8 per class | \$25.00/sess. | 4 sessions | \$4,800 |
| <i>Birthday Parties</i> | 10 per week | \$125/pty. | 52 weeks | \$65,000 |
| <i>General Interest</i> | 6 classes/8 per class | \$50.00/sess. | 6 sessions | \$14,400 |
| <i>Misc.</i> | 12 classes/5 per class | \$75.00/sess. | 4 sessions | \$18,000 |
| TOTAL | | | | \$191,600 |

| | |
|--|------------------|
| General Program Revenue | \$390,892 |
| Non-Resident (15% of attendees x 25%) | \$14,658 |
| Total General Program Revenue | \$405,550 |

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Admission Revenue Worksheet:

Daily

| Category | Fee | # Per Day | Revenue | Days | Total |
|---------------|--|-----------|---------|------|------------------|
| Adult | \$7.00 | 30 | \$210 | | |
| Youth | \$5.00 | 50 | \$250 | | |
| Senior | \$5.00 | 10 | \$50 | | |
| | | 90 | \$510 | 360 | \$183,600 |
| Non-Residents | 25% of daily pass holders x 25% fee increase | | | | \$11,475 |
| TOTAL | | | | | \$195,075 |

3 Month Passes

| Category | Fee | # Sold | Revenue |
|---------------|------------------------------------|--------|------------------|
| Adult | \$205 | 50 | \$10,250 |
| Couple | \$270 | 100 | \$27,000 |
| Youth | \$150 | 100 | \$15,000 |
| Senior | \$150 | 50 | \$7,500 |
| Senior Couple | \$195 | 100 | \$19,500 |
| Family | \$340 | 400 | \$136,000 |
| TOTAL | | 800 | \$215,250 |
| Non-Residents | 20% of pass holders x 25% increase | | \$10,763 |
| TOTAL | | | \$226,013 |

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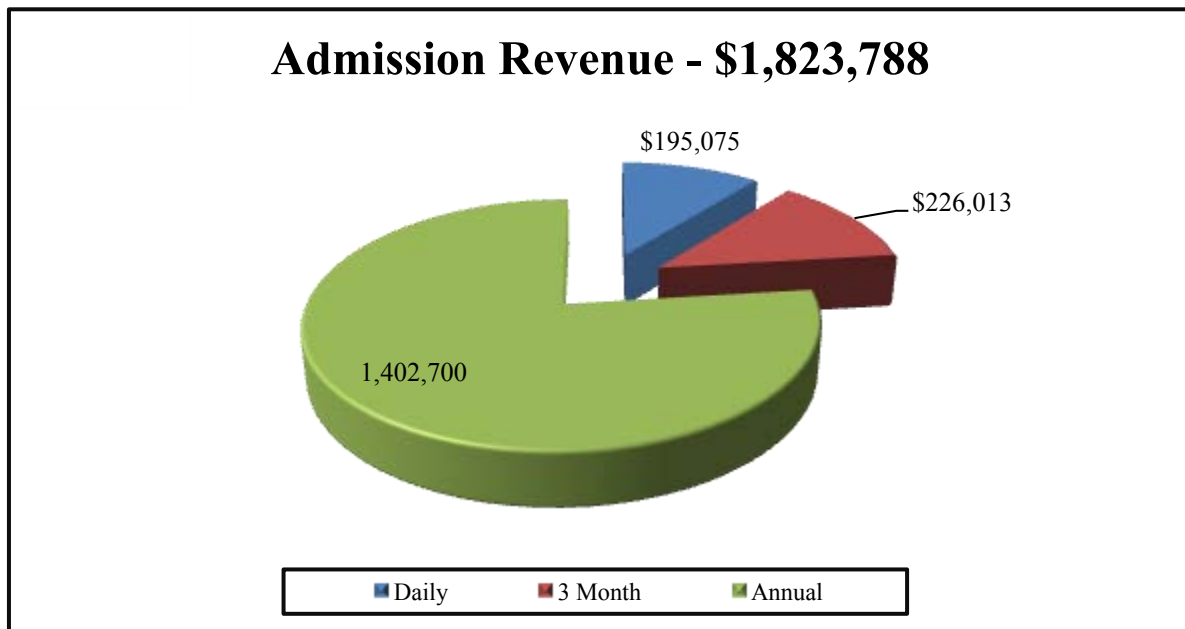
Sammamish Community Center



Annual Passes

| Category | Fee | # Sold | Revenue |
|---------------|------------------------------------|--------|--------------------|
| Adult | \$550 | 100 | \$55,000 |
| Couple | \$715 | 200 | \$143,000 |
| Youth | \$400 | 50 | \$20,000 |
| Senior | \$400 | 100 | \$40,000 |
| Senior Couple | \$520 | 200 | \$104,000 |
| Family | \$900 | 1,100 | \$990,000 |
| TOTAL | | 1,750 | \$1,352,000 |
| Non-Residents | 15% of pass holders x 25% increase | | \$50,700 |
| TOTAL | | | \$1,402,700 |

Revenue Summary



NOTE: *This work sheet was used to project possible revenue sources and amounts. These figures are estimates only, based on basic market information and should not be considered as*

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guaranteed absolutes. This information should be utilized as a representative revenue scenario only and to provide possible revenue target ranges.

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Section III – Partnership Assessment

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

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

An important step in determining the feasibility of developing a new Sammamish Community Center is to assess the partnership opportunities that exist with organizations that have indicated interest in pursuing the project.

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

- YMCA
- Community and other Non-Profit Organizations
- Private Health Clubs
- Other Communities
- School Districts
- Medical Service Providers
- Retail Sales
- Sports Organizations
- Business and Corporate Community

The following is a general summary of the partnership assessment and recommendations for how to proceed with partnering on the proposed Sammamish Community Center.

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Specific Project Roles – After reviewing the partnering assessment for each organization the partnerships can be categorized into three possible levels.

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

- *YMCA* – Interest has already been expressed by the YMCA of Greater Seattle partner on the community center project. They would provide some capital funding (probably less than \$5 million) and would be willing to operate the center.
- *Other Communities* – There is a possibility that the City of Sammamish could partner with one of the neighboring communities to build and operate a joint facility. This is likely to be either Redmond or Issaquah as both of these cities have long range plans to build centers. Finding a site that could effectively serve the needs of two communities plus working out the capital and operational commitments will be a huge challenge.
- *School Districts* – Both the Lake Washington and Issaquah school districts should be approached about partnering for the construction and operation of a competitive pool in the center.
- *Private Health Club* – A partnership would most likely be in the form of the City leasing land at a very low rate and the club building a private fitness center. A successful partnership of this nature would require the private firm or the City to also construct community spaces that are typically included in community centers (arts rooms, leisure pool, community/banquet space, senior lounge, classrooms, etc.). This facility would not be a “community center” without these additional spaces. Operational responsibility and funding will also need to be determined for these amenities.

There are a number of realistic opportunities to have an equity partner for this project and there could in fact be multiple partners.

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

- *Medical Service Providers* – With a well equipped fitness center, there will be a market to attract medical service providers to utilize the facility for rehabilitation purposes.

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There will need to be a strong effort to develop a contract with these providers to use the center during slower times of use (mid-day).

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

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

Support Partners – These organizations support the development of a Sammamish Community Center project but would see limited to no direct involvement in the development or operation of the center.

- *Sports Organizations* – Local sports organizations could be primary users of the community center if the spaces that they need are available (gymnasiums) and support their activities. It should be expected that these groups would be strong supporters of the center and would pay for their use of the facility.
- *Community Organizations* – Developing working relationships with community organizations and service clubs could provide much needed support for the project as well as generate possible users of the center.
- *Business and Corporate Community* – It is important to approach the corporate community with a variety of sponsorship opportunities to enhance the revenue prospects of the center.

Support partners have a limited impact on the development and operation of the Sammamish Community Center, but their involvement in the process should still be a priority to build overall awareness of the project and help promote community use. As possible on-going users of the facility they could provide a solid revenue stream for the center.

As the Sammamish Community Center becomes closer to reality, the opportunities for partnering will increase. A well written partnership agreement will need to be drafted between any

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organizations involved in the project. The agreement should clearly outline the capital funding requirements, project ownership, priorities of use/pricing, operating structure, facility maintenance and long-term capital funding plan. These agreements must be approved prior to committing to begin design or construction of the project.

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Section IV – Financing Options

While it is recognized that the community center project will most likely be funded in large part by the City of Sammamish, there are a number of other possible funding sources that should be investigated. Although this is not meant to be an exhaustive list it does indicate possible available funding sources. These include:

Capital Funding Sources

Partnerships – There is the potential of including equity (capital and/or operational funding) partners in the project. This may include a partnership with one of the organizations noted above or another not yet identified partner. There will be a limit on the number of these types of partners that can be established for the project due to potential competing interests. Partnership dollars received from other organizations are expected to be limited and will probably generate no more than 10%-20% of the total capital cost of the project. A more detailed partnership assessment will be necessary to determine a realistic level of funding.

Fundraising – A possible source of capital funding could come from a comprehensive fundraising campaign in the City. Contributions from local businesses, private individuals and social service organizations would be included in the outreach effort. To maximize this form of funding a private fundraising consultant may be necessary. A realistic fundraising goal is 3% and 5% of the capital costs of the project.

Grants/foundations – There are a number of grants and/or foundations that are available for recreation projects. It is more difficult to fund active recreation facilities than parks and open space from these sources, but an effort should be made to explore these options. Key aspects of the facility that should be targeted for grants are anything related to youth, teens, seniors and families. Major funding from this source is unlikely but it never the less could provide funding in the range of 3% and 5% of the capital costs.

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

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Even when all of the potential funding sources noted above are combined, they will at best generate a funding level of 25% of the capital project. It is clear that the primary source of funding will have to come from tax dollars.

City of Sammamish – Assuming that the City of Sammamish is going to be the primary funding agent for the community center several options to acquire the necessary tax dollars for the project will need to be evaluated. It should be noted that several of these options are already being utilized to their full legal potential and cannot be increased.

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

Capital Improvement Fund – Project funding from city resources allocated for major capital projects.

Councilmanic Bonds – Bonds that are authorized by the City Council for the project.

Bond Measure – A voter passed (60% super majority) tax initiative to fund the project.

Park Impact Fees – Utilization of development fees for the construction of the center.

Real Estate Excise Tax – Use of revenues derived from taxes on the sale of real property.

Utility Tax – Utilization of revenues generated from taxes on utilities.

Certificates of Participation – A form of lease-purchase, COP's are issued for debt periods similar to normal bonds but the building itself serves as the collateral. This funding mechanism does not require voter approval.

From this list of possible funding sources, the City of Sammamish developed two possible tax scenarios for capital. The first is based on a property tax increase for funding the project and the second on a utility tax.

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Property Tax

| Proceeds | \$20 Million | \$30 Million | \$40 Million | \$50 Million |
|--------------------------------|--------------|--------------|--------------|--------------|
| Annual Debt (prin./int.) | \$1,520,000 | \$2,280,000 | \$3,040,000 | \$3,800,000 |
| Cost per \$1,000 Asses. Value* | \$0.18 | \$0.27 | \$0.36 | \$0.45 |
| Annual Cost (\$520,000) Home | \$93.60 | \$140.40 | \$187.20 | \$234.00 |
| Monthly Cost | \$7.80 | \$11.70 | \$15.60 | \$19.50 |

* Based on 2011 Assessed Value.

Utility Tax

| Proceeds | \$20 Million | \$30 Million | \$40 Million | \$50 Million |
|---------------------------|--------------|--------------|--------------|--------------|
| Annual Debt (prin./int.) | \$1,520,000 | \$2,280,000 | \$3,040,000 | \$3,800,000 |
| Utility Tax Needed* | 1.40% | 2.10% | 2.80% | 3.50% |
| Annual Cost per Person | \$31.00 | \$45.48 | \$62.07 | \$77.58 |
| Annual Cost per Household | \$92.99 | \$136.44 | \$186.20 | \$232.75 |
| Monthly Household Cost | \$7.75 | \$11.37 | \$15.52 | \$19.40 |

* Utility tax assuming 1% = \$1.1 million in proceeds annually

These scenarios are based on funding different levels of capital expenses for the project and are general projections only at this point. Basic assumptions include:

45,780 Population

\$8,587,714,906 Assessed Value

3.0 Persons per Household

AAA Rating from Standard & Poors

20 Year Term for Bonds

4.16% True Interest Cost of Bonds

4.592% Average Bond Coupon

Utilities Taxed: Electric, Natural Gas, Telephone, Cell Phones, Cable Television

Metropolitan District (MPD) – A special purpose district established to provide funding support for parks and recreation services (both capital and operating expenses). Formation of an MPD requires voter approval and the maximum levy is established at the time of the vote. An MPD may be a separate government entity or it may be governed by the City Council.

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State Legislative Funding – The state legislature has the ability through a general appropriation or state referendum to provide a grant for a new community center. This source of funding will be highly difficult to obtain given the current economic climate.

Federal Funding – Obtaining some level of federal funding for the project is unlikely, but not impossible. The availability of new economic stimulus dollars may be the best opportunity to attract federal funds.

Operations Funding Sources

It is projected that a subsidy that will be required to support on-going operations on a yearly basis. As a result a funding plan for the required subsidy will be necessary.

City of Sammamish – It is anticipated that the major responsibility for the operational subsidy will fall on the City. However the City will need to identify how the subsidy will be handled and from what source the funding will come from.

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

Metropolitan Park District - With the establishment of a MPD there is an opportunity to fund the subsidy as part of the tax levied for the project. This could spread the tax across a wider tax base.

Endowment Fund – This would require additional fundraising to establish an operational endowment fund that would fund capital replacement and improvements at the center. Fundraising for operational endowments is challenging.

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

Grants – There are grants that for programs and services that serve the disadvantaged, youth, teens and seniors. It may be possible to acquire funding for specific programs from this source.

Foundation: It is highly recommended that a 501(c)3 foundation be established for the project (or an existing parks foundation utilized). This will provide a way to collect a variety of

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fundraising dollars and donations as well as equity partner payments for the project. This may also make the project eligible for a broader range of grant dollars.

Any equity partners may need to contribute to the operational subsidy and this should be included in the contractual agreement. In the long run the establishment of an operational endowment to fund at least a portion of the subsidy is highly advised.

