Methow Valley Aquatic Center Feasibility Study

Final Report
February 15, 2023

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Table of Contents

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ECONorthwest ECONOMICS · FINANCE · PLANNING

Introduction

The existing Wagner Pool is beyond its lifespan requiring significant investment to allow operations in any given year. This well-loved facility is located in the Town of Twisp near the Twisp Park. The site is in the flood plain of the Methow River.

The Twisp Friends of the Pool acquired a grant to facilitate the development of a feasibility study for the replacement of the pool.

This study team is led by Ballard*King & Associates. Other team members include Water Technology Inc. and Johnston Architects as well as ECONorthwest.

Section I – Market Analysis

One of the first steps in the planning process is to understand the potential market for a proposed new aquatic center in the Methow Valley.

Demographic Analysis

The first step in the market analysis is to examine the demographic characteristics of the potential service areas for the facility.

Service Areas: The following is a summary of the demographic characteristics within areas identified as the Primary and Secondary Service Areas. The Primary Service Area has been defined by the boundaries of the Methow Valley School District. The Secondary Service Area expands the reach further to the south past Chelan and to the east past Omak.

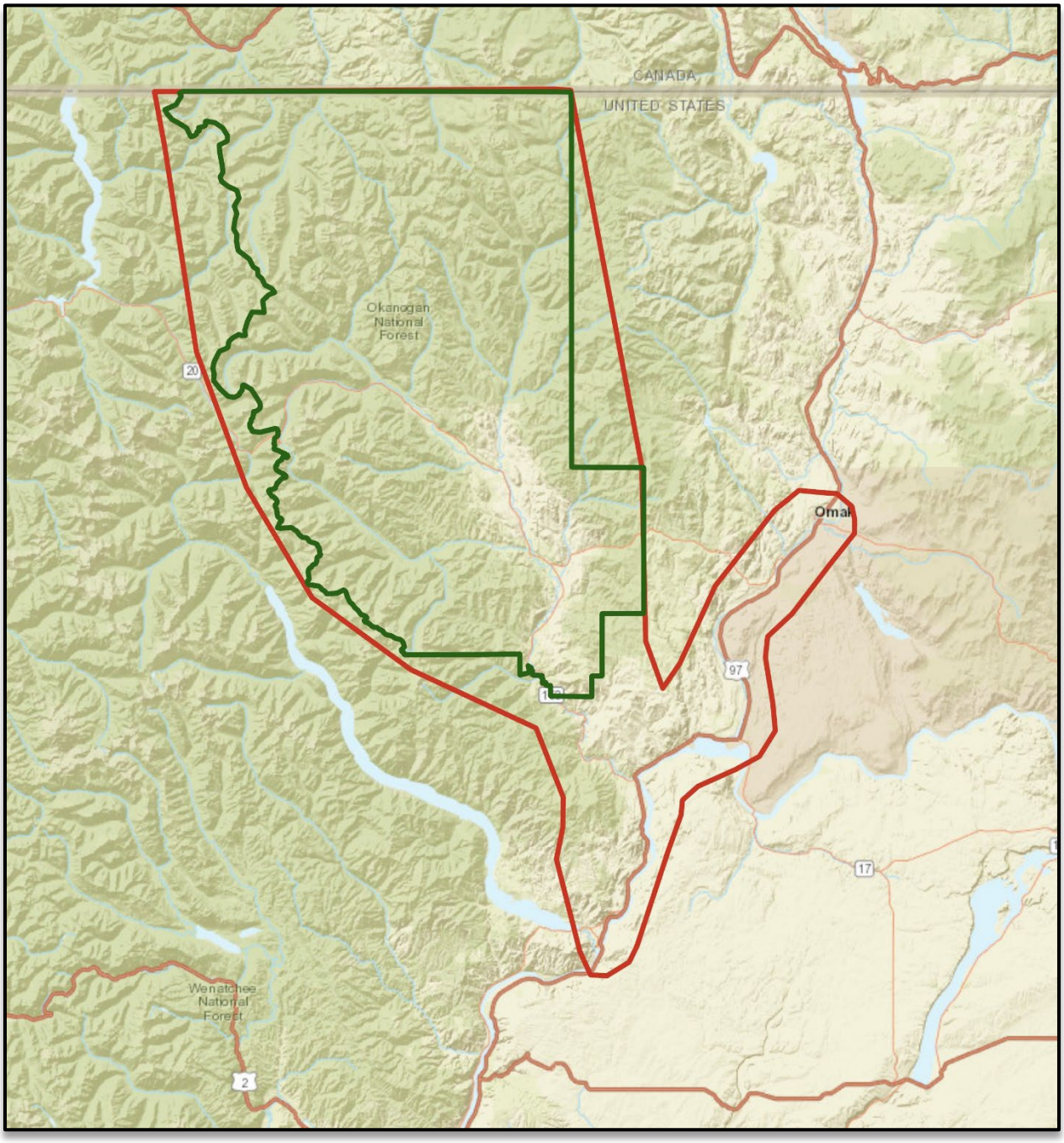
B*K accesses demographic information from Environmental Systems Research Institute (ESRI) who utilizes 2010/2020 Census data and their demographers for 2021-2026 projections. In addition to demographics, ESRI also provides data on housings, recreation, and entertainment spending and adult participation in activities.

The information provided includes the basic demographics and data for the Primary and Secondary Service Area with comparison data for the State of Washington and the United States.

Primary Service Areas are defined as the distance people will travel on a regular basis (a minimum of once a week) to utilize aquatic/recreation programs and facilities. Use by individuals outside of this area will be much more limited and will focus more on special activities or events.

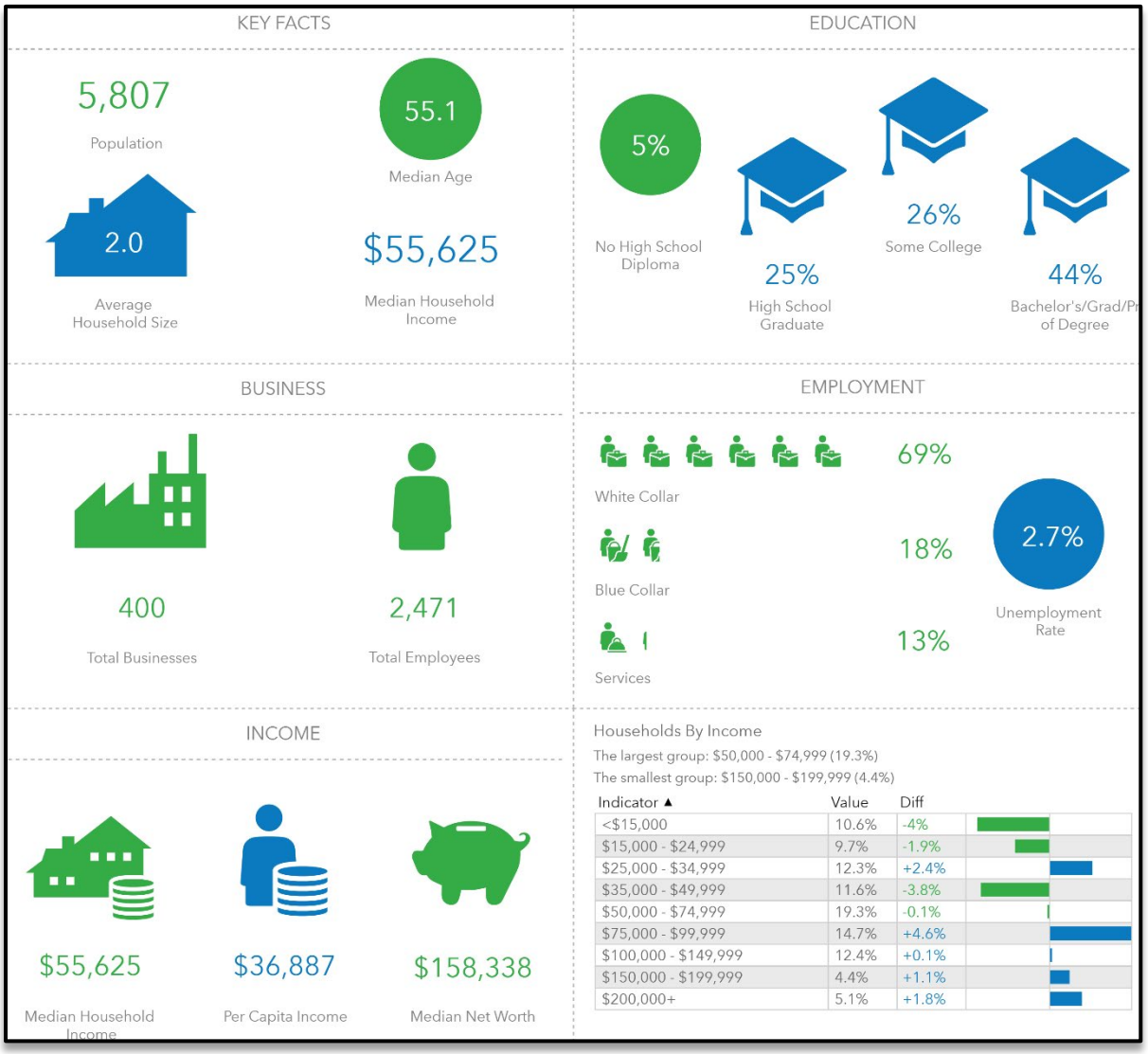
Service areas can flex or contract based upon a facility's proximity to major thoroughfares and the number of programs and activities. Other factors impacting the use as it relates to driving distance are the presence of alternative service providers in the service area. Alternative service providers can influence participation, membership, daily admissions and the associated penetration rates for programs and services.

Map A – Service Area Maps



- Green Boundary – Primary Service Area (Methow Valley School District)
- Red Boundary – Secondary Service Area

Infographic-Primary Service Area



- Household by Income comparison uses the Primary Service Area and compares it to Okanogan County.

Demographic Summary

	Primary Service Area	Secondary Service Area
Population:		
2010 Census	5,240[1]	28,614[2]
2021 Estimate	5,807	30,975
2026 Estimate	5,982	31,854
Households:		
2010 Census	2,540	11,339
2021 Estimate	2,824	12,344
2026 Estimate	2,910	12,708
Families:		
2010 Census	1,527	7,501
2021 Estimate	1,689	8,099
2026 Estimate	1,738	8,317
Average Household Size:		
2010 Census	2.06	2.48
2021 Estimate	2.05	2.48
2026 Estimate	2.05	2.47
Ethnicity (2021 Estimate):		
Hispanic	3.7%	26.8%
White	94.2%	72.5%
Black	0.4%	0.8%
American Indian	1.1%	7.1%
Asian	1.2%	1.1%
Pacific Islander	0.2%	0.2%
Other	1.1%	14.6%
Multiple	1.8%	3.7%
Median Age:		
2010 Census	51.1	41.1
2021 Estimate	55.1	42.5
2026 Estimate	56.0	43.1
Median Income:		
2021 Estimate	$55,625	$52,070
2026 Estimate	$62,145	$55,205

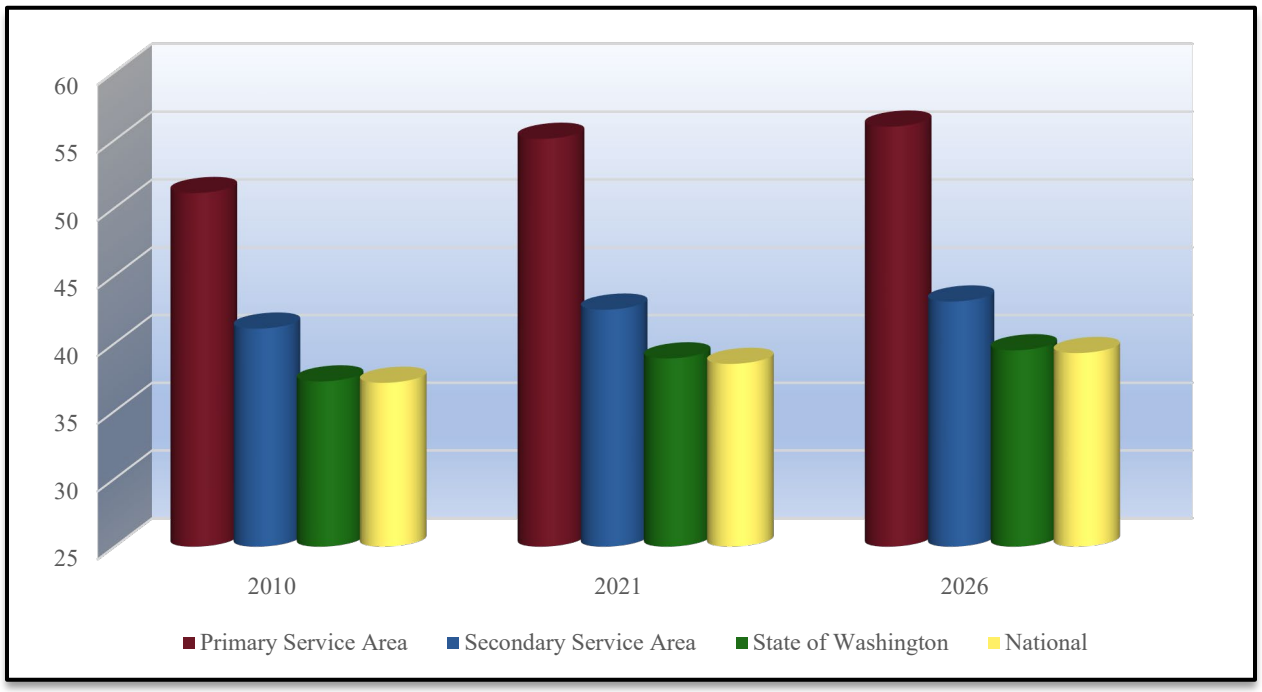
[1] From the 2000-2010 Census, the Primary Service Area experienced a 11.7% increase in population.
[2] From the 2000-2010 Census, the Secondary Service Area experienced a 4.9 % increase in population

Age and Income: The median age and household income levels are compared with the national number as 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 median income level goes up.

Table A – Median Age:

	2010 Census	2021 Projection	2026 Projection
Primary Service Area	51.1	55.1	56.0
Secondary Service Area	41.1	42.5	43.1
State of Washington	37.2	38.9	39.5
Nationally	37.1	38.8	39.3

Chart A – Median Age:



The median age in the Primary Service Area is higher than the Secondary Service Area and the National number. A lower median age typically points to the presence of families with children. Aquatic centers and activities draw a large demographic but tend to be most popular with youth and their parents. Grandparents are becoming an increasing part of the household though as they care for and are involved with their grandchildren.

Households with Children: The following charts provides the number of households and percentage of households in the Primary and Secondary Service Areas with children.

Table B – Household's w/ Children

	Number of Households w/ Children	Percentage of Households w/ Children
Primary Service Area	502	19.8%
Secondary Service Area	3,503	30.9%
State of Washington	--	31.9%

The information contained in Table-B helps further outline the presence of families with children. As a point of comparison in the 2010 Census, 33.4% of households nationally had children present.

Map B – Median Age by Census Tract

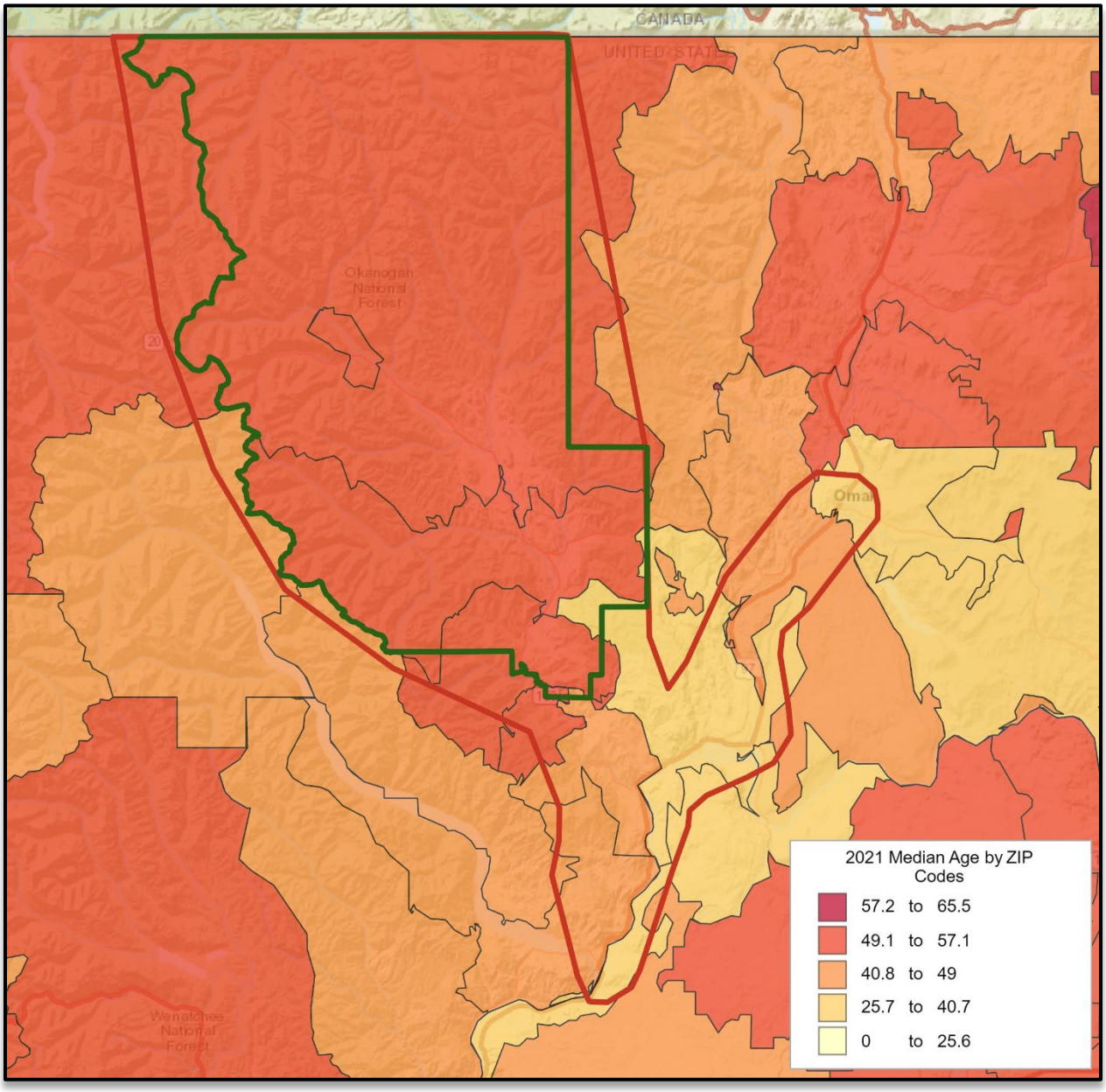
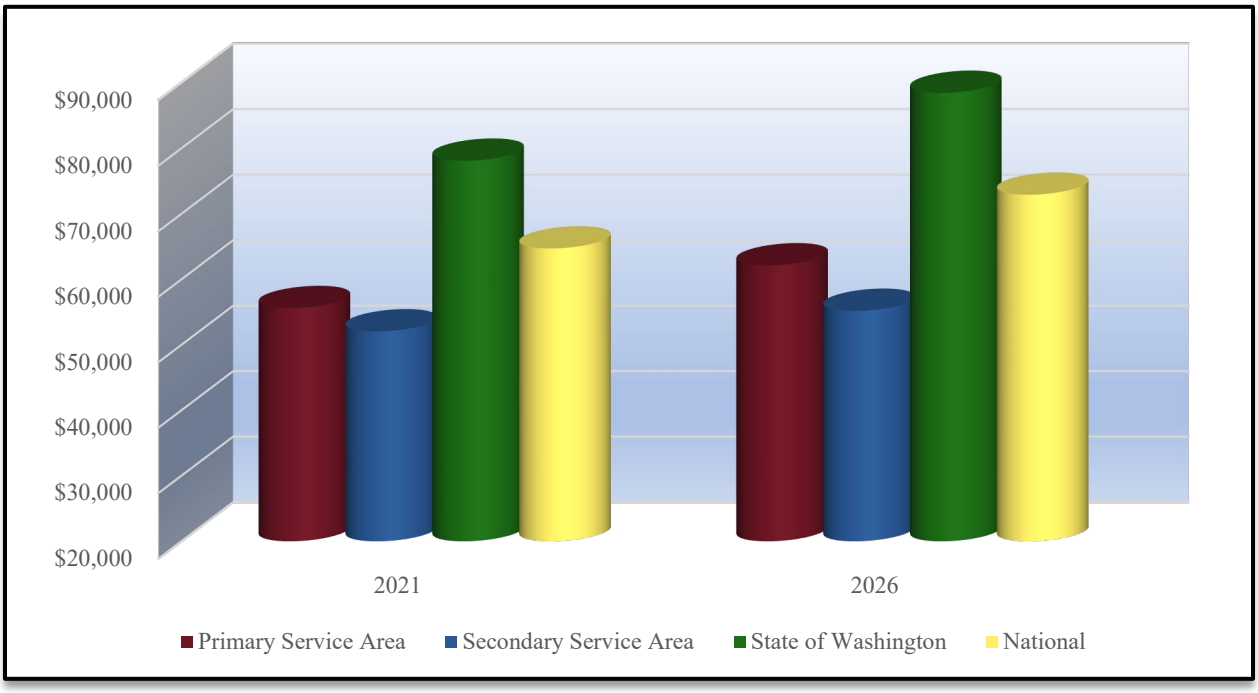


Table C – Median Household Income:

	2021 Projection	2026 Projection
Primary Service Area	$55,625	$62,145
Secondary Service Area	$52,070	$55,205
State of Washington	$78,111	$88,474
Nationally	$64,730	$72,932

Chart B – Median Household Income:



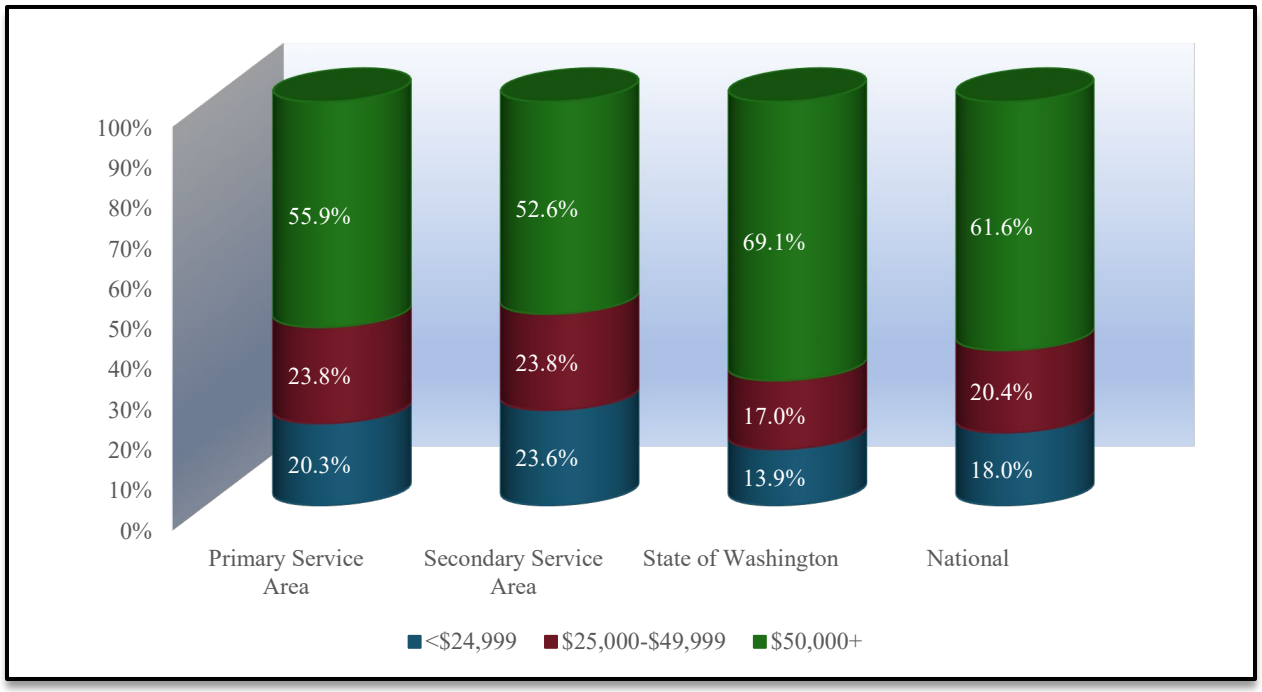
Based on 2021 projections for median household income the following narrative describes the service areas:

In the Primary Service Area, the percentage of households with median income over $50,000 per year is 55.9% compared to 61.6% on a national level. Furthermore, the percentage of the households in the service area with median income less than $25,000 per year is 20.3% compared to a level of 18.0% nationally.

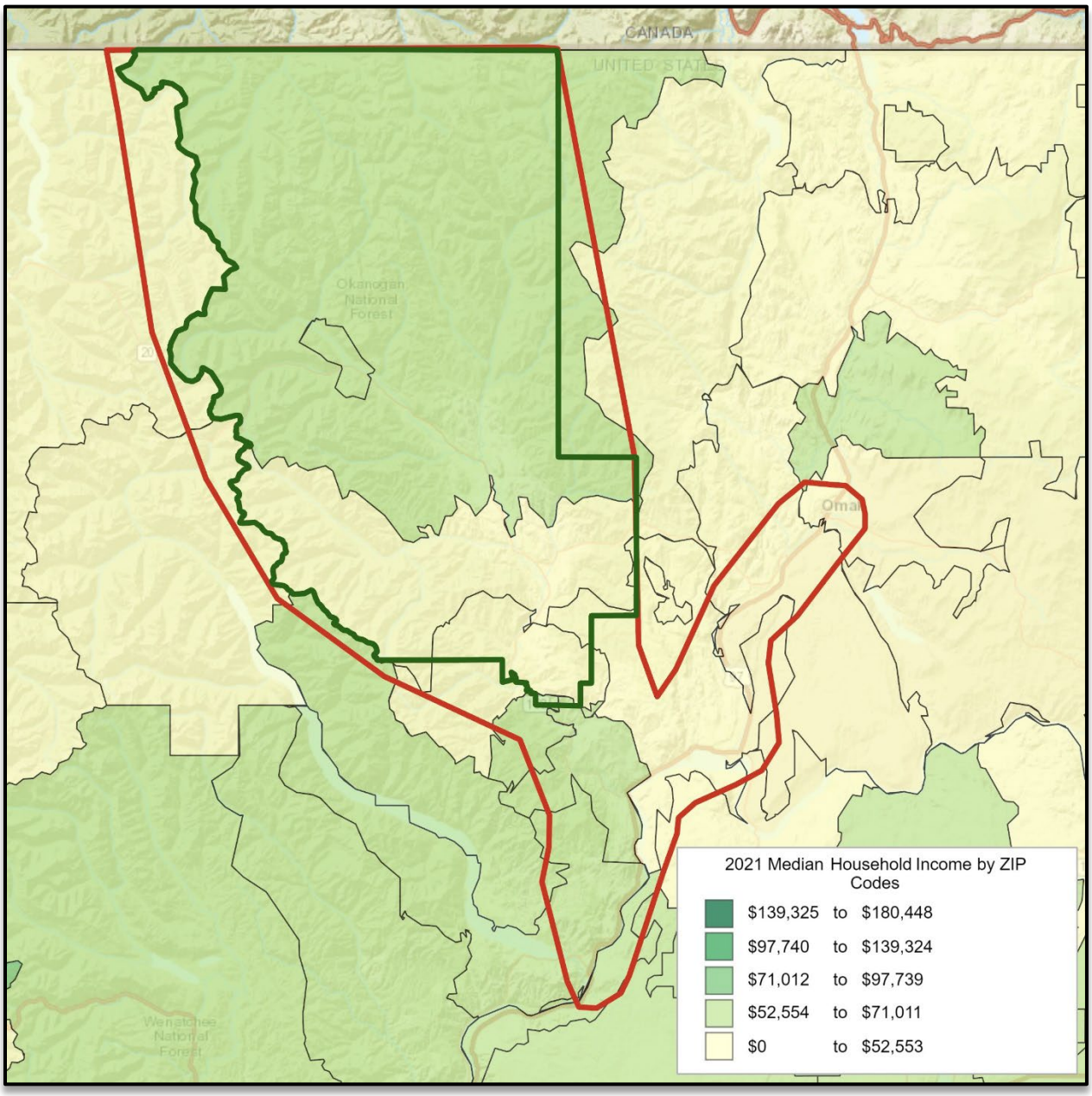
In the Secondary Service Area, the percentage of households with median income over $50,000 per year is 52.6% compared to 61.6% on a national level. Furthermore, the percentage of the households in the service area with median income less than $25,000 per year is 23.6% compared to a level of 18.0% nationally.

While there is no perfect indicator of use of parks and recreation facilities, the percentage of households with more than $50,000 median income can be a strong sign. Therefore, those numbers are significant, especially when balanced with the overall cost of living.

Chart C – Median Household Income Distribution



Map C – Household Income by Census Tract



Household Budget Expenditures: In addition to taking a look at Median Age and Median Income, it is important to examine Household Budget Expenditures. In particular, reviewing housing information; shelter, utilities, fuel and public services along with entertainment & recreation can provide a snapshot into the cost of living and spending patterns in the services areas. The table below looks at that information and compares the service areas.

Table D – Household Budget Expenditures[3]:

Primary Service Area	SPI	Average Amount Spent	Percent
Housing	81	$20,336.01	$30.5%
Shelter	*79*	*$15,834.50*	*23.7%*
Utilities, Fuel, Public Service	*90*	*$4,501.51*	*6.7%*
Entertainment & Recreation	91	$2,925.95	4.4%

Secondary Service Area	SPI	Average Amount Spent	Percent
Housing	77	$19,465.97	31.5
Shelter	*76*	*$15,418.72*	*24.9%*
Utilities, Fuel, Public Service	*81*	*$4,047.25*	*6.5%*
Entertainment & Recreation	80	$2,593.79	4.2%

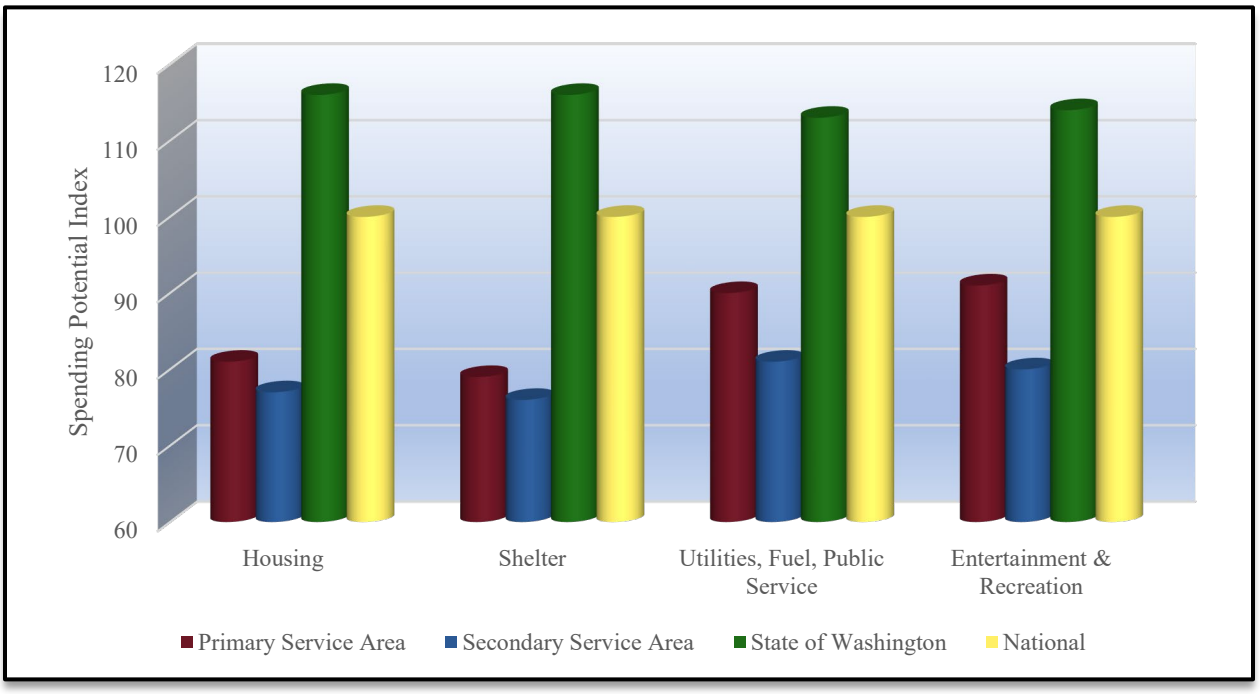
State of Washington	SPI	Average Amount Spent	Percent
Housing	116	$29,051.00	32.0%
Shelter	*116*	*$23,415.96*	*25.8%*
Utilities, Fuel, Public Service	*113*	*$5,635.04*	*6.2%*
Entertainment & Recreation	114	$3,690.81	4.1%

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.*

[3] Consumer Spending data are derived from the 2016 and 2017 Consumer Expenditure Surveys, Bureau of Labor Statistics. ESRI forecasts for 2021 and 2026.

Chart D – Household Budget Expenditures Spending Potential Index:



The relationship between median household income and the household budget expenditures is important. It also points to the fact that compared to the State level and the dollars available, the money being spent in the Primary and Secondary Service Areas is significantly lower. This could point to the ability to pay for programs and services offered at a new aquatic/recreation facility of any variety.

The total number of housing units in the Primary Service Area is 4,316 and 58.9% are occupied, or 2,540 housing units. The total vacancy rate for the service area is 41.1%. Of the available units:

- For Rent 1.5%
- Rented, not Occupied 0.1%
- For Sale 1.4%
- Sold, not Occupied 0.2%
- For Seasonal Use 35.9%
- Other Vacant 2.0%

The total number of housing units in the Secondary Service Area is 14,680 and 77.2% are occupied, or 11,339 housing units. The total vacancy rate for the service area is 22.8%. Of the available units:

- For Rent 1.8%
- Rented, not Occupied 0.2%
- For Sale 1.2%
- Sold, not Occupied 0.2%
- For Seasonal Use 15.6%
- Other Vacant 2.2%

Recreation Expenditures Spending Potential Index: Finally, through the demographic provider that B*K utilizes for the market analysis portion of the report, we can examine the overall propensity for households to spend dollars on recreation activities. The following comparisons are possible.

Table E – Recreation Expenditures Spending Potential Index[4]:

Primary Service Area	SPI	Average Spent
Fees for Participant Sports	67	$77.78
Fees for Recreational Lessons	70	$99.02
Social, Recreation, Club Membership	71	$177.32
Exercise Equipment/Game Tables	91	$50.04
Other Sports Equipment	81	$5.75

Secondary Service Area	SPI	Average Spent
Fees for Participant Sports	72	$82.98
Fees for Recreational Lessons	70	$98.68
Social, Recreation, Club Membership	72	$179.48
Exercise Equipment/Game Tables	79	$43.51
Other Sports Equipment	78	$5.52

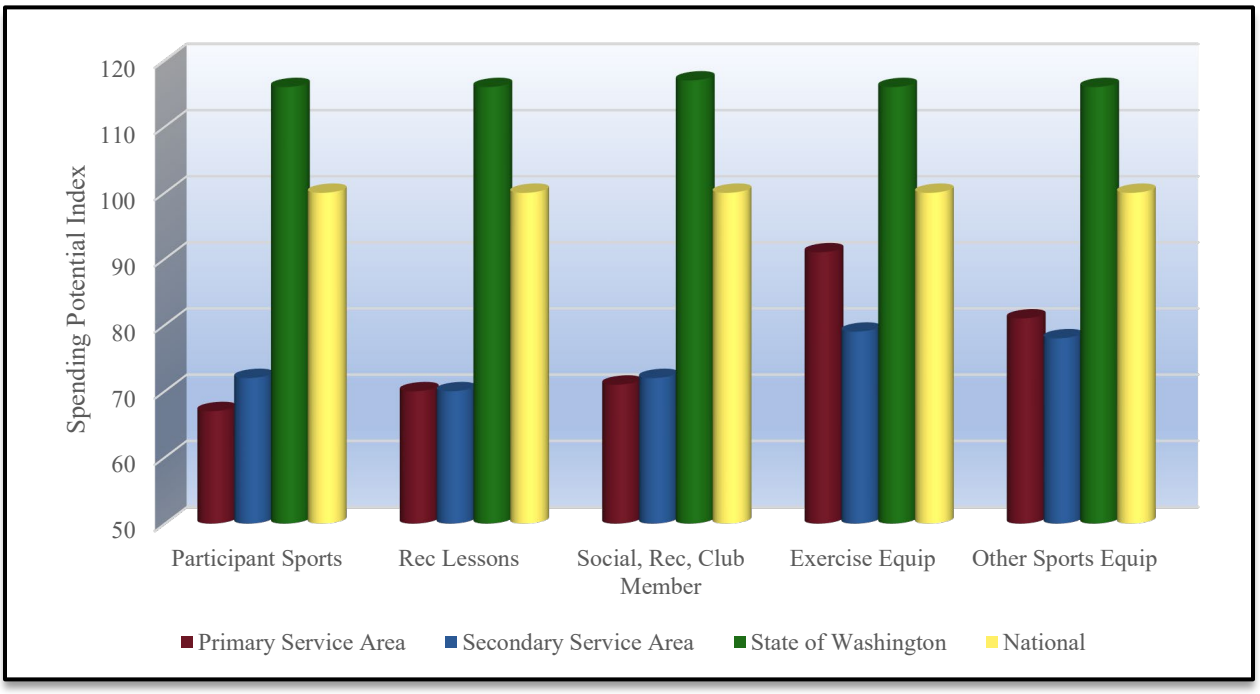
State of Washington	SPI	Average Spent
Fees for Participant Sports	116	$134.21
Fees for Recreational Lessons	116	$163.12
Social, Recreation, Club Membership	117	$289.67
Exercise Equipment/Game Tables	116	$63.84
Other Sports Equipment	116	$8.26

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.

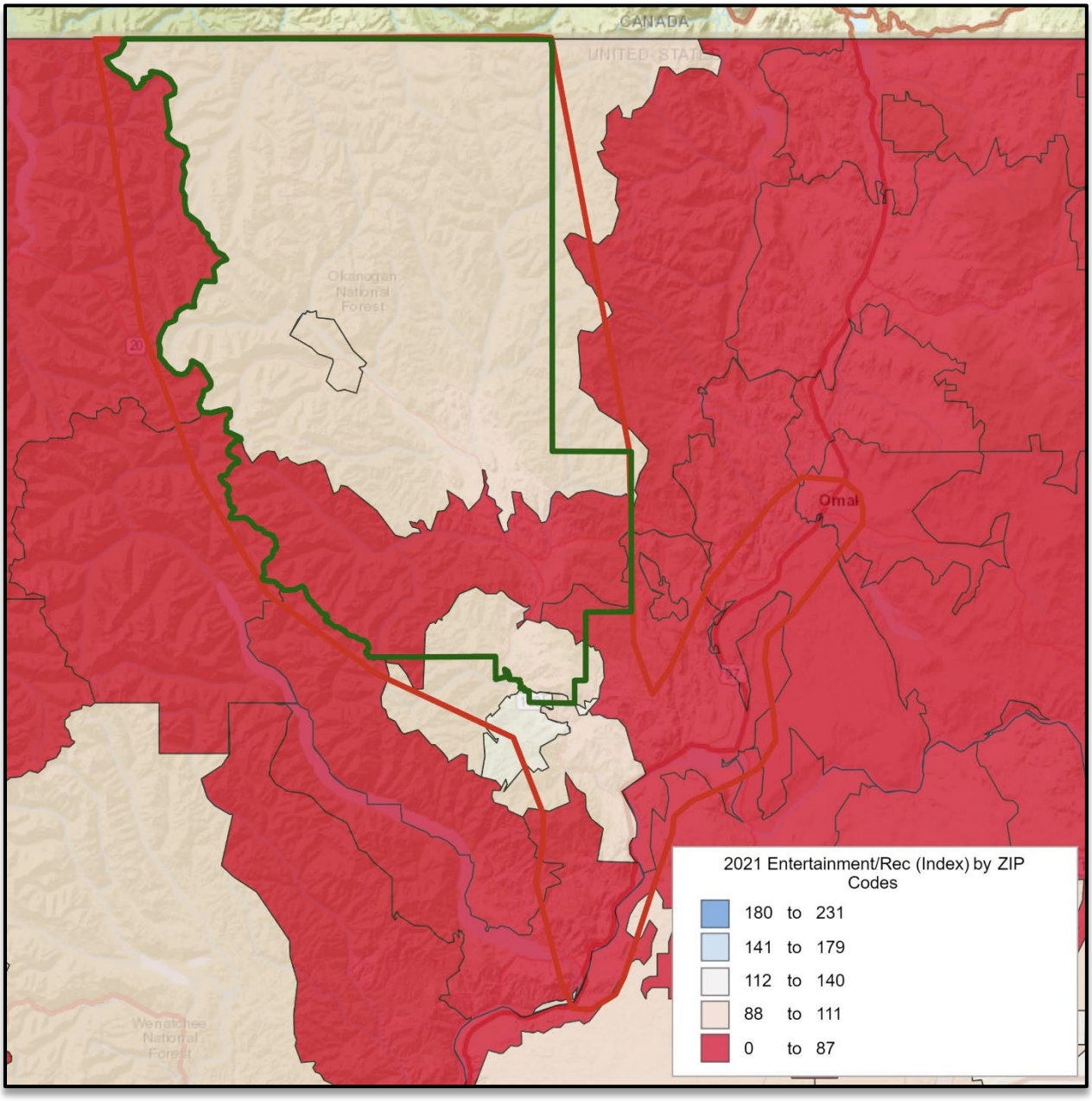
[4] Consumer Spending data are derived from the 2016 and 2017 Consumer Expenditure Surveys, Bureau of Labor Statistics.

Chart E – Recreation Spending Potential Index:



Again, there is a great deal of consistency between median household income, household budget expenditures and now recreation spending potential.

Map D – Recreation Spending Potential Index by Census Tract



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

Table F – 2021 Primary Service Area Age Distribution
(ESRI estimates)

Ages	Population	% of Total	Nat. Population	Difference
0-5	226	4.0%	6.0%	-2.0%
5-17	665	11.5%	15.9%	-4.4%
18-24	235	4.1%	9.2%	-5.1%
25-44	1,056	18.1%	26.8%	-8.7%
45-54	702	12.1%	12.1%	0.0%
55-64	1,222	21.1%	12.9%	+8.2%
65-74	1,191	20.5%	10.2%	+10.3%
75+	506	8.8%	7.1%	+1.7%

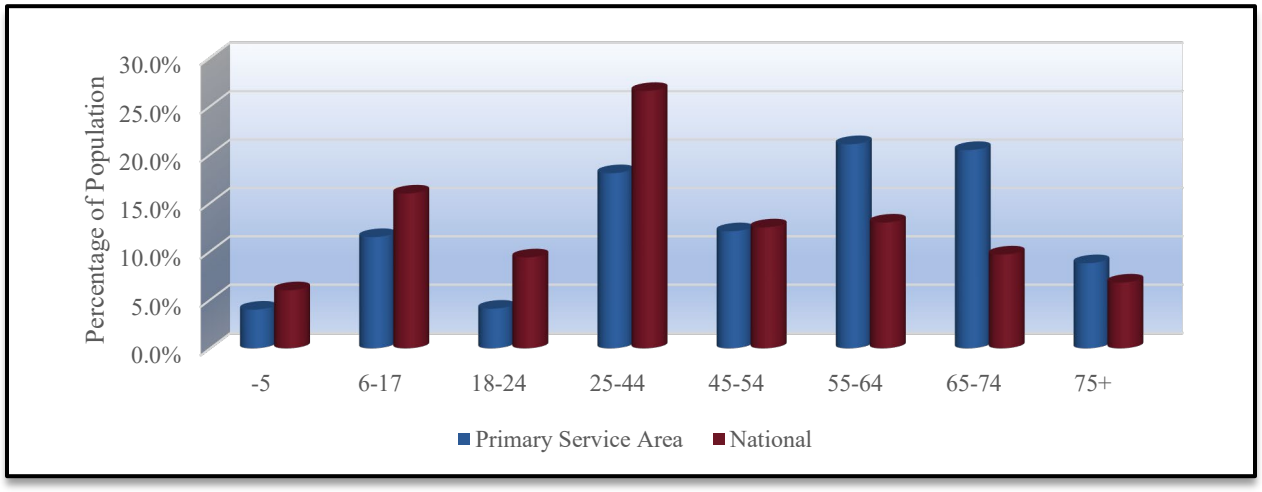
Population: 2021 census estimates in the different age groups in the Primary Service Area.

% of Total: Percentage of the Primary Service Area population in the age group.

National Population: Percentage of the national population in the age group.

Difference: Percentage difference between the Primary Service Area population and the national population.

Chart F – 2021 Primary Service Area Age Group Distribution



The demographic makeup of the Primary Service Area, when compared to the characteristics of the national population, indicates that there are some differences with a smaller population in the 5 and Under, 6-17, 18-24 and 25-44 age groups and a larger population in the 55 and over age groups. The greatest positive variance is in the 65-74 age group with +10.3%, while the greatest negative variance is in the 25-44 age group with -8.7%.

Table G – 2021 Secondary Service Area Age Distribution

(ESRI estimates)

Ages	Population	% of Total	Nat. Population	Difference
0-5	1,950	6.4%	6.0%	+0.4%
5-17	5,139	16.7%	15.9%	+0.8%
18-24	2,229	7.2%	9.2%	-2.0%
25-44	7,008	22.7%	26.8%	-4.1%
45-54	3,408	11.0%	12.1%	-1.1%
55-64	4,565	14.8%	12.9%	+1.9%
65-74	4,056	13.1%	10.2%	+2.9%
75+	2,623	8.6%	7.1%	+1.5%

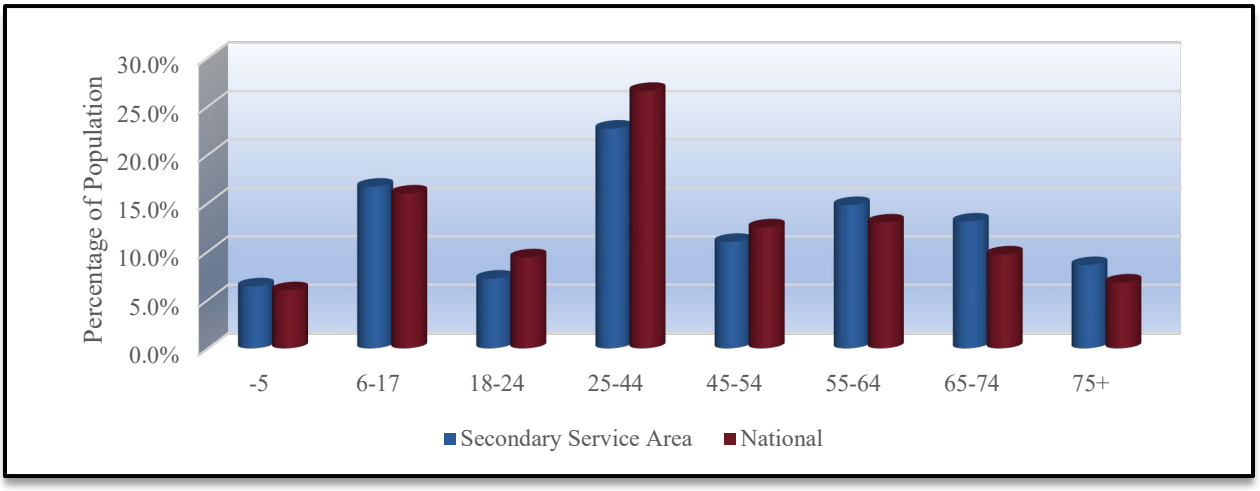
Population: 2021 census estimates in the different age groups in the Secondary Service Area.

% 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 G – 2021 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 smaller population in the age groups 18-24, 25-44 and 45-54 and a larger population in the 0-17 age groups and the over 55 age categories. The greatest positive variance is in the 65-74 age group with +2.9%, while the greatest negative variance is in the 25-44 age group with -4.1%.

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

Table H – 2021 Primary Service Area Population Estimates
(U.S. Census Information and ESRI)

Ages	2010 Census	2021 Projection	2026 Projection	Percent Change	Percent Change Nat'l
-5	245	226	219	-10.6%	+0.9%
5-17	621	665	705	+13.5%	+0.1%
18-24	217	235	245	+12.9%	-0.2%
25-44	1,050	1,056	999	-4.9%	+13.0%
45-54	877	702	726	-17.2%	-10.4%
55-64	1,209	1,222	1,056	-12.7%	+13.3%
65-74	689	1,191	1,322	+91.9%	+72.2%
75+	332	506	707	+113.0%	+56.4%

Chart H – Primary Service Area Population Growth

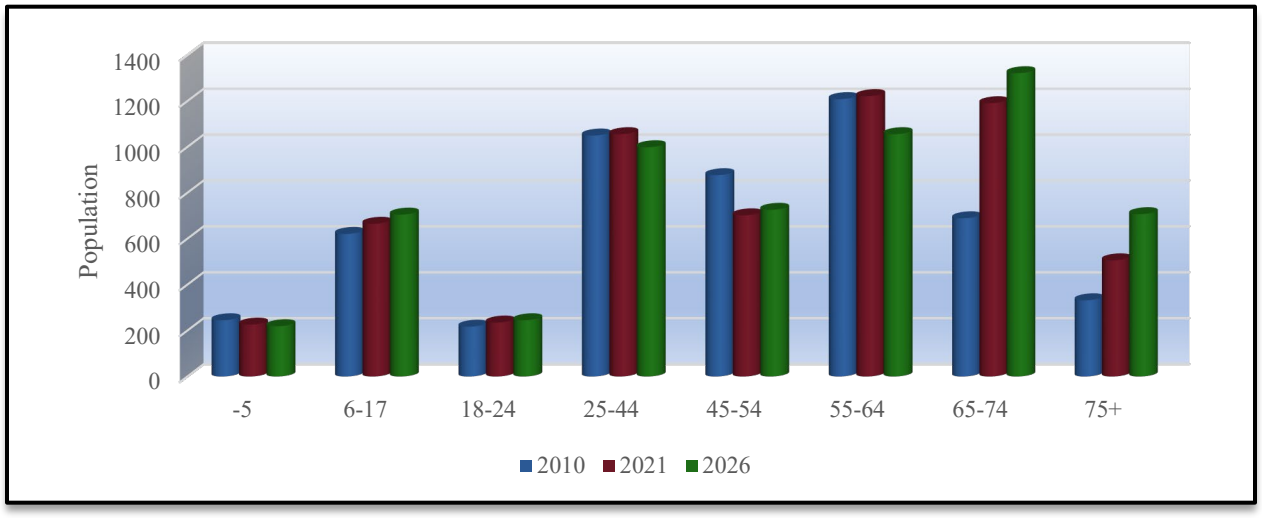


Table-H illustrates the growth or decline in age group numbers from the 2010 census until the year 2026. It is projected age categories 5-17, 18-24, 65-74 and 75+ will see an increase in population. The population of the United States as a whole is aging, and it is not unusual to find negative growth numbers in the younger age groups and significant net gains in the 45 plus age groupings in communities which are relatively stable in their population numbers.

Table I – 2021 Secondary Service Area Population Estimates
(U.S. Census Information and ESRI)

Ages	2010 Census	2021 Projection	2026 Projection	Percent Change	Percent Change Nat'l
-5	2,035	1,950	1,982	-2.6%	+0.9%
5-17	4,965	5,139	5,372	+8.2%	+0.1%
18-24	2,134	2,229	2,240	+5.0%	-0.2%
25-44	6,455	7,008	7,047	+9.2%	+13.0%
45-54	4,118	3,408	3,513	-14.7%	-10.4%
55-64	4,263	4,565	4,149	-2.7%	+13.3%
65-74	2,658	4,056	4,356	+63.9%	+72.2%
75+	1,986	2,623	3,197	+61.0%	+56.4%

Chart I – Secondary Service Area Population Growth

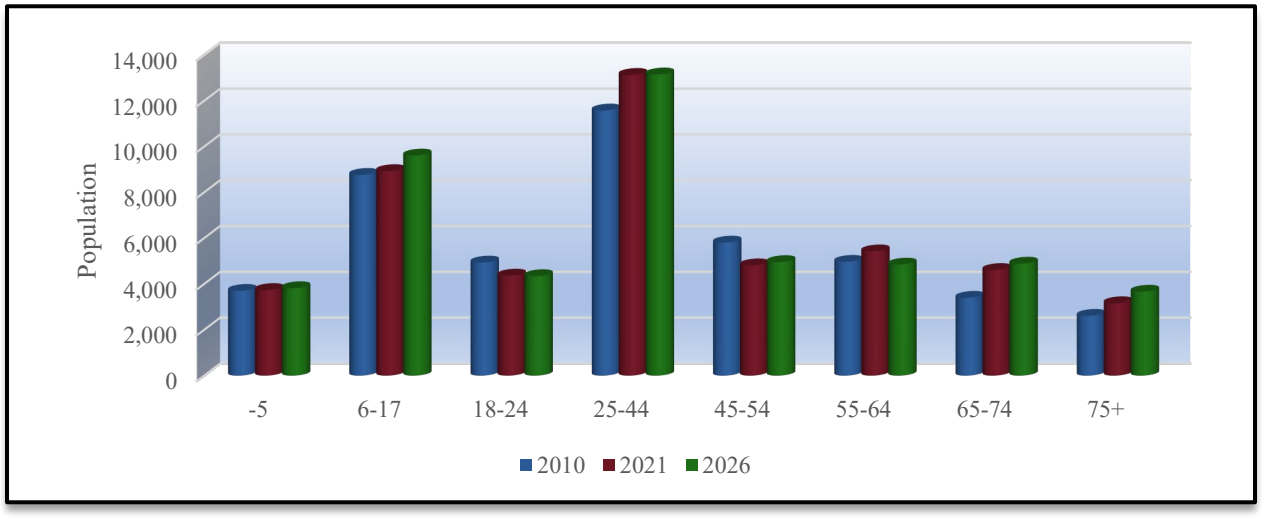


Table-I illustrates the growth or decline in age group numbers from the 2010 census until the year 2026. It is projected 5-17, 18-24, 25-44, 65-74 and 75+ age categories will see an increase in population. The population of the United States as a whole is aging, and it is not unusual to find negative growth numbers in the younger age groups and significant net gains in the 45 plus age groupings in communities which are relatively stable in their population numbers.

Ethnicity & Race: Below is listed the distribution of the population by ethnicity and race for the Primary and Secondary Service Area for 2021 population projections. These numbers were developed from 2010 Census Data.

Table J – Primary Service Area Ethnic Population and Median Age 2021
(Source – U.S. Census Bureau and ESRI)

Ethnicity	Total Population	Median Age	% of Population	% of WA Population
Hispanic	214	30.5	3.7%	13.5%

Table K – Primary Service Area by Race and Median Age 2021
(Source – U.S. Census Bureau and ESRI)

Race	Total Population	Median Age	% of Population	% of WA Population
White	5,471	55.6	94.2%	71.8%
Black	21	64.2	0.4%	4.3%
American Indian	62	48.6	1.1%	1.6%
Asian	68	59.4	1.2%	9.8%
Pacific Islander	11	38.8	0.2%	0.8%
Other	67	34.5	1.1%	6.1%
Multiple	106	36.7	1.8%	5.6%

2021 Primary Service Area Total Population: 5,807 Residents

Chart J – 2021 Primary Service Area Population by Non-White Race

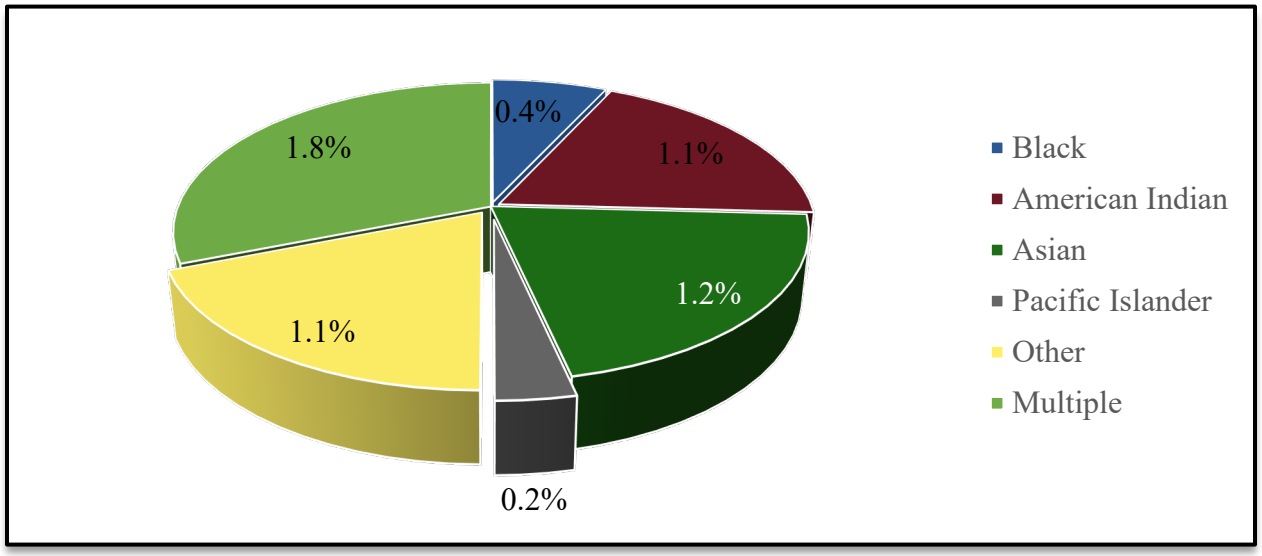


Table L – Secondary Service Area Ethnic Population and Median Age 2021
(Source – U.S. Census Bureau and ESRI)

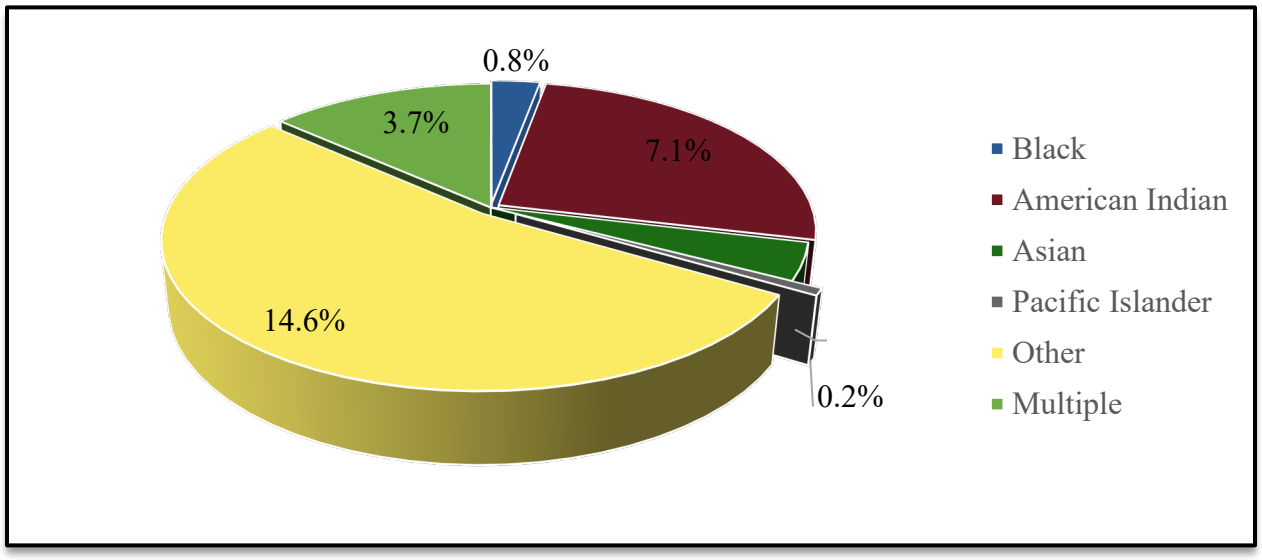
Ethnicity	Total Population	Median Age	% of Population	% of WA Population
Hispanic	8,291	23.5	26.8%	13.5%

Table M – Secondary Service Area by Race and Median Age 2021
(Source – U.S. Census Bureau and ESRI)

Race	Total Population	Median Age	% of Population	% of WA Population
White	22,464	50.9	72.5%	71.8%
Black	254	34.6	0.8%	4.3%
American Indian	2,196	30.6	7.1%	1.6%
Asian	335	42.0	1.1%	9.8%
Pacific Islander	60	35.0	0.2%	0.8%
Other	4,525	24.5	14.6%	6.1%
Multiple	1,144	20.1	3.7%	5.6%

2021 Secondary Service Area Total Population: 30,975 Residents

Chart K – 2021 Secondary Service Area Population by Non-White Race



Tapestry Segmentation

Tapestry segmentation represents the 4th generation of market segmentation systems that began 30 years ago. The 65-segment Tapestry Segmentation system classifies U.S. neighborhoods based on their socioeconomic and demographic compositions. While the demographic landscape of the U.S. has changed significantly since the 2000 Census, the tapestry segmentation has remained stable as neighborhoods have evolved.

The following pages and tables outline the top 5 tapestry segments in each of the service areas and provides a brief description of each. This information combined with the key indicators and demographic analysis of each service area help further describe the markets that the Primary and Secondary Service Area looks to serve with programs, services, and special events.

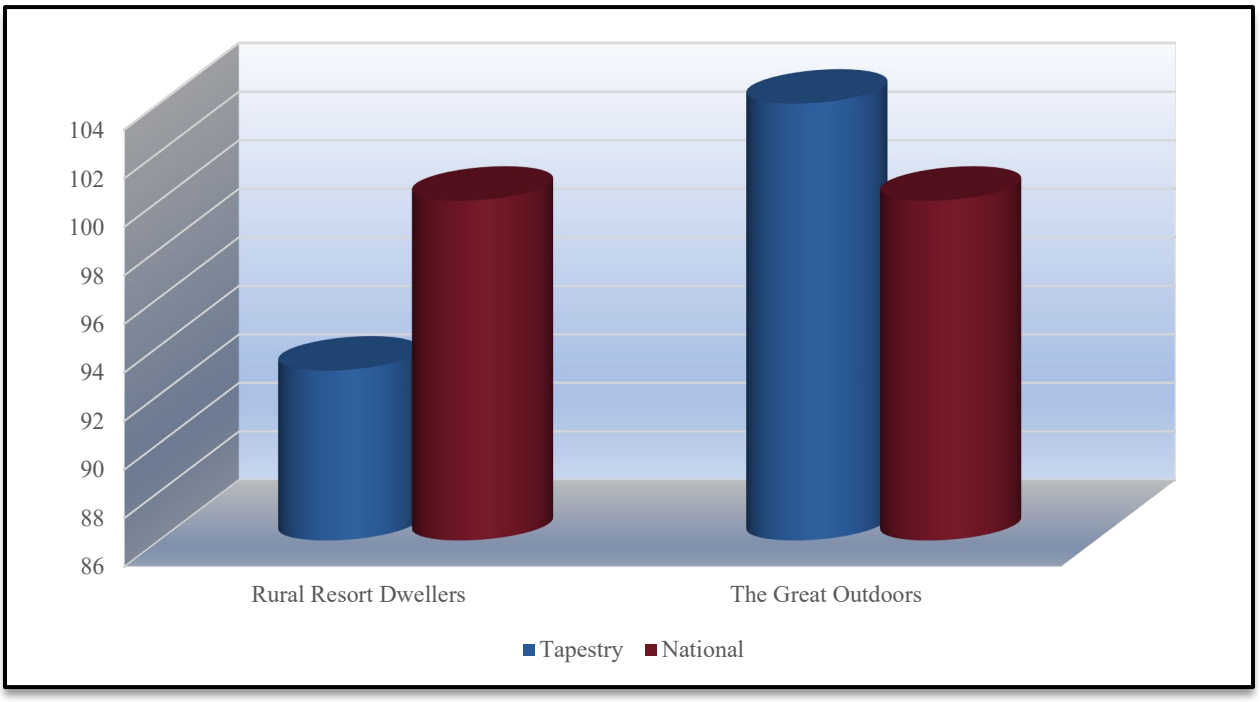
For comparison purposes the following are the top 10 Tapestry segments, along with percentage in the United States:

1. Green Acres (6A)	3.3%
2. Southern Satellites (10A)	3.2%
3. Middleburg (4C)	3.0%
4. Savvy Suburbanites (1D)	3.0%
5. Soccer Moms (4A)	3.0%
	15.5%
6. Salt of the Earth (6B)	2.9%
7. Up and Coming Families (7A)	2.6%
8. Midlife Constants (5E)	2.5%
9. Comfortable Empty Nesters (5A)	2.4%
10. Old and Newcomers (8F)	2.3%
	12.7%

Table N – Primary Service Area Tapestry Segment Comparison
(ESRI estimates)

	Primary Service Area		*Demographics*	
	Percent	Cumulative Percent	Median Age	Median HH Income
Rural Resort Dwellers (6E)	62.3%	62.3%	52.4	$46,000
The Great Outdoors (6C)	37.7%	100.0%	46.3	$53,000

Chart L – Primary Service Area Tapestry Segment Entertainment Spending:



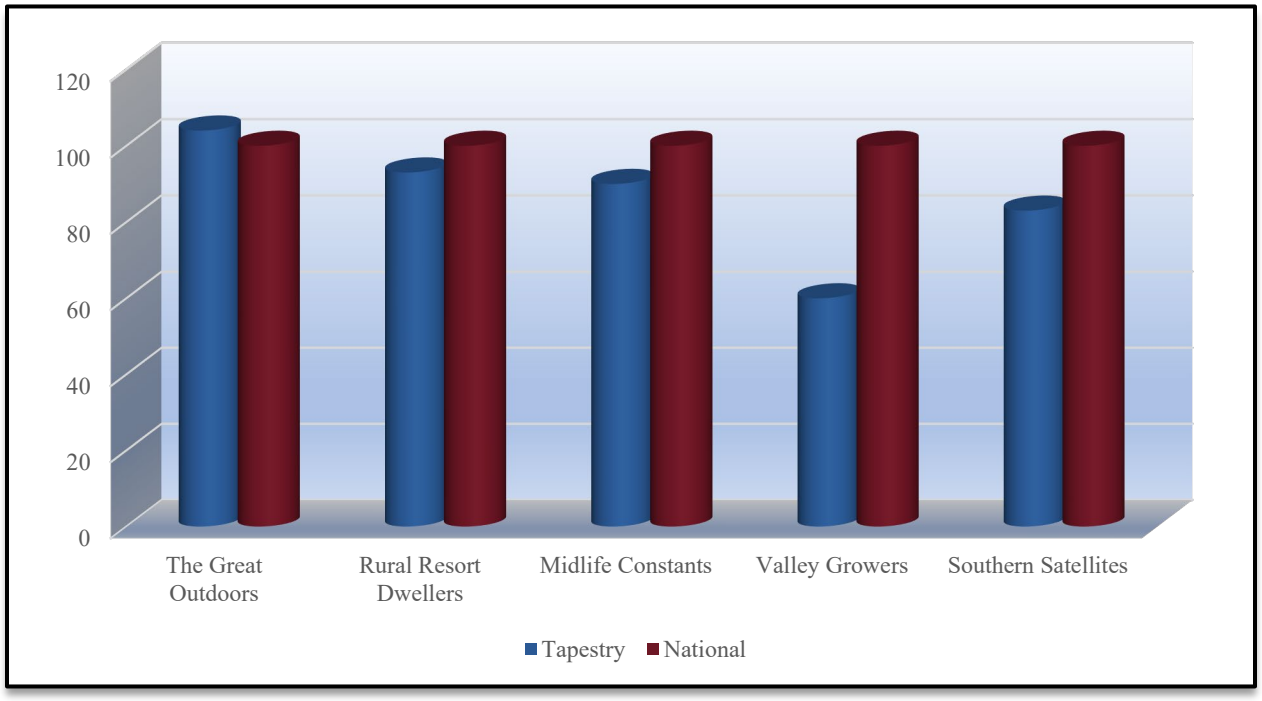
Rural Resort Dwellers (6E) – This group is centered around resort areas. Retirement is near but many postpone to maintain their lifestyle. Passionate about their hobbies, hunting and fishing.

The Great Outdoors (6C) – Living a modest lifestyle, these empty nesters are very do-it-yourself oriented and cost conscious. Enjoy outdoor activities such as hiking and hunting.

Table O – Secondary Service Area Tapestry Segment Comparison
(ESRI estimates)

	Secondary Service Area		*Demographics*	
	Percent	Cumulative Percent	Median Age	Median HH Income
The Great Outdoors (6C)	23.4%	23.4%	46.3	$53,000
Rural Resort Dwellers (6E)	16.4%	39.8%	52.4	$46,000
Midlife Constants (5E)	14.1%	53.9%	45.9	$48,000
Valley Growers (7E)	12.3%	66.2%	26.6	$32,000
Southern Satellites (10A)	8.4%	74.6%	39.7	$44,000

Chart M – Secondary Service Area Tapestry Segment Entertainment Spending:



The Great Outdoors (6C) – Living a modest lifestyle, these empty nesters are very do-it-yourself oriented and cost conscious. Enjoy outdoor activities such as hiking and hunting.

Rural Resort Dwellers (6E) – This group is centered around resort areas. Retirement is near but many postpone to maintain their lifestyle. Passionate about their hobbies, hunting and fishing.

Midlife Constants (5E) – These residents are seniors, at or approaching retirement, with below average labor force participation and above average net worth. Their lifestyle is more country than urban. They are generous, but not spendthrifts. Leisure activities including scrapbooking, movies at home, reading, fishing and golf.

Valley Growers (7E) – A small but distinctive market exclusive to the West Coast. Young, Hispanic families with children and multiple generations in the house. All about spending time with family

Southern Satellites (10A) – Found in rural areas, this market is not diverse, older, settled and married. Enjoy country living and outdoor activities. Concerned about costs and late to adopt technology.

Demographic Summary

The following summarizes the demographic characteristics of the service areas.

- The Primary Service Area has a small permanent population base to support a comprehensive aquatic/recreation center. A new center will need to draw from the second homeowners and visitors to the area to be financially viable. Attracting at least some users from the Secondary Service Area, with its much larger population, will also be important.

- It is estimated that 35.9% of the 4,316 housing units in the Primary Service Area are "seasonal use". This equates to 1,549 units and based on information gathered in "A Comprehensive Economic Study of the Methow Valley" its projected that there are 3,913 part-time residents. Of note is the reality that some of these seasonal use housing units have become full-time residences due to the pandemic and the ability to work remotely.

- The number of annual visitors to the Methow Valley was projected to be 476,746 in 2020 based on data from "A Comprehensive Economic Study of the Methow Valley". Encouraging their use of any new aquatic/recreation facility will be important.

- The population of the Primary Service Area is much older than the state and national median age. The population of the Secondary Service Area is younger than the primary but still older than the state and national median age as well.

- Both service areas have a lower percentage of households with children compared to the state and national numbers. The Primary Service Area has the lowest percentage at 19.8% while the Secondary Service Area is much higher at 30.9% and closer to the state number.

- The Primary Service Area has a median household income level that is less than the state and national levels and the Secondary Service Area has a slightly lower income level than the Primary Service Area. However, the cost of living in both service areas is lower than the state and national numbers.

- Both service areas have a lower rate of expenditures for recreation activities than the state and national levels, but this is offset somewhat by the lower cost of living.

- Currently both service areas have a smaller population in the youth and adult age classifications but a higher population in the senior age groups.

- Each of the service areas is expected to see continued steady growth in population. The Primary Service Area's growth will be most prevalent in the 65+ age categories, however ages 5-17 and 18-24 will also see strong growth. The Secondary Service Area will see growth in all age groups except for the under 5, 45-54 and 55-64 age categories.

- There is very little ethnic and racial diversity in the Primary Service Area, but the Secondary Service Area has a large Hispanic population.

- The tapestry segments indicate a population that is active in outdoor pursuits.

Sports Participation Trends

On an annual basis, the National Sporting Goods Association (NSGA) conducts an in-depth study and survey of how Americans spend their leisure time. The data is collected in one year and the report is issued in June of the following year.

Participation Numbers: The information contained in this section of the report, utilizes the NSGA's 2020 and 2021 data. The COVID-19 Pandemic had a significant impact on participation on sports and activities. Many indoor facilities were closed for a substantial part of the year, team sports and leagues did not operate, and individuals sought different ways to fill their time. As a result, participation from 2020 to 2021 varied widely in nearly all activities tracked.

One example of the swing is in walking. Consistently the most popular activity, it reached even greater heights in 2021. The previous 5 years of participation were consistent with 106 million participants. That number increased to 115 in 2021, or a 18% increase in one year.

On the other end of the spectrum is swimming. Again, typically one of the most consistent and highest percentage of participation. The one-year decline in participation was 12%.

For 2021, NSGA provided data for 7 new activities. They are Boot Camp, Cross Training, Dance-Oriented Fitness, High Intensity Interval Training, In-Home Video Workout, Spin/Indoor Cycling, and Suspension Training.

National Summary of Sports Participation: The following chart summarizes participation for indoor activities utilizing information from the 2019 National Sporting Goods Association survey.

Table A – Sports Participation Summary

Sport	Nat'l Rank[5]	Nat'l Participation (in millions)
Exercise Walking	1	106.5
Exercising w/ Equipment	2	58.3
Hiking	3	48.1
Swimming	4	48.0
Aerobic Exercising	5	47.4
Running/Jogging	6	46.0
Camping	7	40.7
Workout @ Club	8	39.6
Weightlifting	9	37.8
Bicycle Riding	10	37.8
Yoga	12	31.8
Basketball	14	25.2
Billiards/Pool	15	20.7
Golf	17	17.9
Soccer	20	14.2
Baseball	22	12.2
Tennis	23	12.2
Volleyball	25	10.6
Softball	26	10.1
Table Tennis	27	9.9
Football (touch)	30	8.9
Football (tackle)	34	7.3
Football (flag)	35	6.5
Martial Arts MMA	37	6.0
Gymnastics	39	5.9
Pilates	40	5.9
Skateboarding	42	5.3
Cheerleading	48	3.7
Wrestling	50	3.3
Lacrosse	52	2.8
Pickleball	57	2.0

Nat'l Rank: Popularity of sport based on national survey.
Nat'l Participation: Population that participate in this sport on national survey.

[5] This rank is based upon the 57 activities reported on by NSGA in their 2019 survey instrument.

National Participation by Age Group: Within the NSGA survey, participation is broken down by age groups. As such B*K can identify the top 3 age groups participating in the activities reflected in this report.

Chart B – Participation by Age Group:

Activity	Largest	Second Largest	Third Largest
Aerobics	35-44	25-34	45-54
Baseball	7-11	12-17	25-34
Basketball	12-17	25-34	18-24
Bicycle Riding	55-64	45-54	12-17
Billiards/Pool	25-34	34-44	45-54
Bowling	25-34	35-44	18-24
Cheerleading	12-17	7-11	18-24
Exercise Walking	55-64	65-74	45-54
Exercise w/ Equipment	25-34	45-54	55-64
Football (flag)	7-11	12-17	25-34
Football (tackle)	12-17	18-24	7-11
Football (touch)	12-17	25-34	7-11
Gymnastics	7-11	12-17	25-34
Lacrosse	12-17	7-11	18-24
Martial Arts MMA	7-11	25-34	12-17
Pickleball	12-17	65-74	18-24
Pilates	25-34	35-44	45-54
Running/Jogging	25-34	35-44	45-54
Skateboarding	12-17	18-24	7-11
Soccer	7-11	12-17	25-34
Softball	12-17	7-11	25-34
Swimming	55-64	12-17	7-11
Tables Tennis	25-34	18-24	12-17
Tennis	25-34	35-44	12-17
Volleyball	12-17	25-34	18-24
Weightlifting	25-34	45-54	35-44
Workout at Clubs	25-34	35-44	45-54
Wrestling	12-17	25-34	7-11
Yoga	25-34	35-44	45-54
Did Not Participate	45-54	55-64	65-74

Largest: Age group with the highest rate of participation.
Second Largest: Age group with the second highest rate of participation.
Third Largest: Age group with the third highest rate of participation.

National Sports Participation Trends: Below are listed several sports activities and the percentage of growth or decline that each has experienced nationally over the last ten years (2010-2019).

Table C – National Activity Trend (in millions)

	2010 Participation	2019 Participation	Percent Change
Kayaking	5.6	10.7	90.9%
Yoga	20.2	31.8	57.6%
Running/Jogging	35.5	46.0	29.7%
Gymnastics	4.8	5.9	23.8%
Aerobic Exercising	38.5	47.4	23.2%
Weightlifting	31.5	37.8	20.0%
Cheerleading	0.0	3.7	18.0%
Wrestling	2.9	3.3	15.0%
Exercise Walking	95.8	106.5	11.2%
Workout @ Club	36.3	39.6	9.1%
Lacrosse	2.6	2.8	7.5%
Pilates	5.5	5.9	7.1%
Exercising w/ Equipment	55.3	58.3	5.5%
Ice/Figure Skating	8.2	8.6	5.3%
Soccer	13.5	14.2	5.2%
Volleyball	10.6	10.6	0.2%
Hockey (ice)	3.3	3.3	0.0%
Tennis	12.3	12.2	-0.6%
Baseball	12.5	12.2	-2.0%
Football (flag)	0.0	6.5	-2.9%
Football (touch)	0.0	8.9	-4.0%
Bicycle Riding	39.8	37.8	-5.1%
Martial Arts / MMA	0.0	6.0	-5.8%
Basketball	26.9	25.2	-6.2%
Softball	10.8	10.1	-6.8%
Swimming	51.9	48.0	-7.4%
Golf	21.9	17.9	-18.3%
Football (tackle)	9.3	7.3	-21.3%
Mountain Biking (off road)	7.2	5.6	-21.7%
Table Tennis/Ping Pong	12.8	9.9	-22.4%

2010 Participation: The number of participants per year in the activity (in millions) in the United States.
2019 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 2010 to 2019.

Aquatic Facility Trends

Swimming is one of the most popular sports and leisure activities, meaning that there is a significant market for aquatic pursuits. Of all the sports ranked by the NSGA, swimming ranks fourth nationally in participation.

Without doubt the hottest trend in aquatics is the recreation pool concept. This idea of incorporating slides, lazy rivers (or 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 greatly diminished. Recreation 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 the potential to sell more admissions and increase revenues. It is estimated conservatively that a leisure pool can generate up to 30% 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 with this type of pool that is in a park like setting than a conventional aquatics facility.

Despite the recent emphasis on recreational swimming the more traditional aspects of aquatics (including swim teams, instruction, and aqua fitness) remain as a part of most 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 continue to be important.

The family oriented outdoor water park concept of delivering aquatics services continues to grow in acceptance with the idea of providing for a variety of interactive aquatics activities and programs in a park like setting that features a lot of grass, shade structures, sand play areas and natural landscapes. This idea has proven to be financially successful by centralizing pool operations for communities and through increased generation of revenues from patrons willing to pay for an aquatics experience that is new and exciting. These outdoor water parks have become identifiable centers for communities and have promoted "family" recreation values. 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 a park like setting.

A newer concept is the spray ground, where several water spray features are placed in a playground setting where there is no standing water, but the water is treated and recirculated much like a pool. This provides a fun, yet safe, environment where drowning is not a concern and lifeguards are not necessary.

Swimming is fourth in popularity of sports and leisure activities, meaning that there is a significant market for aquatic pursuits.

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.

Aquatic Center Market Orientation: Based on the aquatic trends and typical aquatic needs within a community, there are specific market areas that need to be addressed with aquatic facilities. These include:

1. **Leisure/recreation aquatic activities** - This includes a variety of activities found at recreation pools with zero depth entry, warm water, play apparatus, slides, seating areas and deck space. These are often combined with other non-aquatic areas such as concessions and birthday party or other group event areas.

2. **Instructional programming** - The primary emphasis is on teaching swimming and lifesaving skills to many different age groups. These activities have traditionally taken place in more conventional pool configurations but should not be confined to just these spaces. Reasonably warm water, shallow depth with deeper water (4 ft. or more), and open expanses of water are necessary for instructional activities. Easy pool access, a viewing area for parents, and deck space for instructors is also crucial.

3. **Fitness programming** - These types of activities continue to grow in popularity among a large segment of the population. From aqua exercise classes, to lap swimming times, these programs take place in more traditional settings that have lap lanes and large open expanses of water available at a 3 1/2 to 5 ft. depth.

4. **Therapy** – A growing market segment for many indoor aquatic centers is the use of warm, shallow water for therapy and rehabilitation purposes. Many of these services are offered by medically based organizations that partner with the center for this purpose.

5. **Competitive swimming/diving** - Swim team competition and training for youth, adults and seniors requires a traditional 6 to 10 lane pool with a 1 and/or 3-meter diving boards at a length of 25 yards or 50 meters. Ideally, the pool depth should be no less than 4 ft. deep at the turn end and 6 feet for starts (7 is preferred). Spectator seating and deck space for staging meets is necessary. This market usually has strong demands for competitive pool space and time during prime times of center use.

6. **Specialized uses** – Activities such as water polo and synchronized swimming can also take place in competitive pool areas as long as the pool is deep enough (7 ft. minimum), and the pool area is large enough.

7. **Social/relaxation** - The appeal of using an aquatics area for relaxation has become a primary focus of many aquatic facilities. This concept has been very effective in drawing non-swimmers to aquatic facilities and expanding the market beyond the traditional swimming boundaries. The use of natural landscapes and creative pool designs that integrate the social elements with swimming activities has been most effective in reaching this market segment.

8. **Special events/rentals** - There is a market for special events including kid's birthday parties, corporate events, community organization functions, and general rentals to outside groups. The development of this market will aid in the generation of additional revenues and these events/rentals can often be planned for after or before regular hours or during slow use times.

It is important that special events or rentals not adversely affect daily operations or overall center use.

Specific market segments include:

1. **Families** - Within most markets, an orientation towards family activities is essential. The ability to have family members of different ages participate in a fun and vibrant facility is essential.

2. **Pre-school children** - The needs of pre-school age children need to be met with very shallow or zero depth water which is warm and has play apparatus designed for their use. Interactive programming involving parents and toddlers can also be conducted in more traditional aquatic areas as well.

3. **School age youth** - A major focus of most pools is to meet the needs of this age group from recreational swimming to competitive aquatics. The recreation components such as slides, fountains, lazy rivers and zero depth will help to bring these individuals to the pool on a regular basis for drop-in recreational swimming. The lap lanes provide the opportunity and space necessary for instructional programs and aquatic team use.

4. **Teens** - Another aspect of many pools is meeting the needs of the teenage population. Serving the needs of this age group will require recreation pool amenities that will keep their interest (slides) as well as the designation of certain "teen" times of use.

5. **Adults** – This age group has a variety of needs from aquatic exercise classes to lap swimming, triathlon training and competitive swimming through a master's program.

6. **Seniors** - As the population of the United States and the service areas continues to age, meeting the needs of an older senior population will be essential. A more active and physically oriented senior is now demanding services to ensure their continued health. Aqua exercise, lap swimming, therapeutic conditioning and even learn to swim classes have proven to be popular with this age group.

7. **Special needs population** - This is a secondary market, but with the A.D.A. requirements and the existence of shallow warm water and other components, the amenities are present to develop programs for this population segment. Association with a hospital and other therapeutic and social service agencies will be necessary to reach this market.

8. **Special interest groups** - These include swim teams (and other aquatic teams), school district teams, day care centers and social service organizations. While the needs of these groups can be great, their demands on an aquatics 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.

With the proper pools and strong utilization of the aquatics area, it is possible to meet most of the varied market orientations as outlined above.

General Indoor Recreation Facility Trends

There continues to be very strong growth in the number of Americans participating in recreation and leisure activities. The Physical Activity Council in its 2020 study indicated that 36.7% of Americans (age 6 and older) participated at least once a week in an active high calorie burning activity. However, the study also indicated that 24.4% of Americans were inactive. International Health and Racquet Sports Association (IHRSA) reported that membership in U.S. health clubs has increased by 28% since 2010, and memberships in health clubs reached an all-time high of 64.2 million in 2019. Statistics also indicate that approximately 1 out of every 5 people of the U.S. population (or 21.2%) belong to or utilize 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-based recreation facility. However, despite these increases the American population as a whole continues to lead a rather sedentary life with an average of 25.4% of adults across the country reporting that they engage in no physical activity (according to The Center for Disease Control in 2018). It is important to note that this percentage has been declining steadily since a high in 2008 of 36.2%.

One of the areas of greatest participant growth over the last 10 years is in fitness related activities such as yoga, exercise with equipment, aerobic exercise and weightlifting. 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 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.

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

- Gymnasiums
- Pools (especially recreation pools)
- Weight/cardiovascular equipment areas- especially functional training space
- Indoor running/walking tracks
- Meeting/multipurpose (general program) space
- Senior's program space
- Pre-school and youth space
- Teen use areas
- Fieldhouses (turf and hard court)

As a result, many providers have attempted to include these amenities in public community recreation facilities. 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 and more specifically functional training space is also in high demand and provides a facility with the potential to generate significant revenues.

The success of most community-based recreation providers 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, warm water pools, pickleball courts and classroom spaces are important to this age group. Marketing to the younger more active senior (usually age 55-70) 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 and daycare programming.

Other Aquatic and Indoor Recreation Providers Review

In addition to the demographic characteristics of the area, sports participation trends and aquatic/recreation facility trends, one of the greatest impacts on the market for a possible new Methow Valley aquatic/recreation center is the presence of other similar providers in the area.

Within the greater Methow Valley market area there are a limited number of pools to serve the population base.

Outdoor Pools

The only public outdoor pool that serves the Methow Valley is located in Twisp.

Wagner Memorial Pool – This is a seasonal pool that has 5 lap lanes, two slides and a zero-depth area. It was originally built in 1966 and was renovated in 2000. However, it is in need of another upgrade or needs to be replaced.

Outside of the Primary Service Area there are a number of other communities that have seasonal outdoor pools as well. This includes:

Okanogan City Pool
Omak City Swimming Pool
Brewster Swimming Pool

In addition, Chelan has a private water park, *Sidewaters Water Park.*

If a new outdoor pool is built, it will primarily serve the Methow Valley as other communities in the Secondary Service area already have their own outdoor pools.

Indoor Pools

There is not an indoor public pool anywhere in the Primary or Secondary Service Areas and the closest is the indoor pool that is part of the *East Wenatchee YMCA,* and it is more than 90 miles away.

Other Significant Indoor Recreation Facilities in the Methow Valley

Beyond the aquatic facilities noted above, there are a couple of other indoor recreation facilities that are available in the Methow Valley.

Methow Valley Schools – The Liberty Bell Jr./Sr. High has a gym that is available primarily for school use. However, when time permits the gym can also be utilized for community sports and other activities.

Methow Valley Community Center – Located in Twisp, the building is the old high school, and it has a nice gym/performance space. The center is used for a variety of community events, activities, and recreation programs.

Winthrop Physical Therapy & Fitness – This facility is a local gym that has weights and treadmills as well as exercise classes.

This is not meant to be a total accounting of all the possible aquatic/recreation facilities in the area. There may be other facilities that have an impact on market for a new aquatic center in the Methow Valley.

Market Opportunities - Based on the market analysis, the following are market opportunities for a possible new Methow Valley Aquatic Center.

- The existing Wagner Memorial Pool is in need of a significant upgrade or outright replacement.
- The Wagner Memorial Pool has an established market for aquatics already in place.
- There is not an indoor public pool within 90 miles of the Methow Valley. As a result, there is a market for a new indoor pool that extends well into the Secondary Service Area.
- The permanent population in the Primary Service Area is small but second homeowners (3,913 part-time residents) and over 475,000 visitors to the Methow Valley will provide a stronger market to draw from.

Market Constraints – In addition to the market opportunities, it is also important to analyze possible market constraints. These include.

- The small population in the Primary Service Area will require strong use from other market segments.
- Most of the communities in the Secondary Service Area have their own outdoor pools, so it will be very difficult to draw users for a new outdoor pool in the Methow Valley.
- The demographics of the Primary Service Area shows a median household income level that is lower that the state and the national numbers. This will impact fees and use. The population is also considerably older which will reduce potential use as well.
- A new aquatic center (outdoor or indoor) will not be able to cover its cost of operation by revenues generated from the facility. The extent of the operational loss will be dependent on the amenities that are ultimately included in the facility and if it is indoor or outdoor.

Section II – Program Plan & Cost Estimate

The existing outdoor Wagner Pool consists of a five-lane pool with a contiguous wading area, a slide and a diving board. The desired program for a new indoor aquatic center includes a six-lane pool, a recreation pool and a hot tub supported by administrative offices, a multi-purpose room, locker and restroom facilities and various support spaces.

Desired Program: The following outlines the proposed program for the facility.

Lobby/Reception **Total: 620 sf**

Entry area with reception desk, seating area and space for incoming teams to enter, line up and register for pool use.

Administrative Offices **Total: 560 sf**

Daily Staff:	Connected to lobby, reception area 220 sf
General Pool Manager:	Connected to lobby, reception area 120 sf
Guard Room:	Connected to lobby, but also easy pool area access. 220 sf

MEP Support Spaces **Total: 1800 sf**

Electrical Room:	75 sf
Communications:	50 sf
Sprinkler/plumbing:	75 sf
HVAC:	600 sf
Pool Heating:	1000 sf

Storage Rooms **Total: 600 sf**

Pool Equipment:	120 sf
Furniture:	120 sf
Janitorial:	120 sf
Misc.:	240 sf

Multi-Purpose Room **Total: 1000 sf**

Room:	900 sf
Storage:	100 sf

Lockers, Showers, Changing, RR **Total: 3,000 sf**

Locker Area: Total: 764 sf

Locker areas can be configured in a variety of ways. Standards for number and type of lockers vary dramatically. This study assumes 75 full and half height lockers for each sex. In addition, private changing cubicles are assumed for each sex.

Changing Rooms Total: 736 sf

While changing can occur in the locker areas for each sex, additional curtained changing areas area assumed. Each sex is to receive 6 changing rooms.

Shower Areas Total: 1336 sf

Both multiple shower head showers and semi-private shower rooms are assumed. Multiple head areas are assumed to accommodate 6 swimmers at a time for each sex. In addition, 6 semi private shower alcoves are assumed per sex.

Restrooms: Total: 400 sf (see Note section for description)

General Circ./Misc. **Total: 1000 sf**

Competition Lap Pool **Total: 7800 sf**

Six Lanes 75' long x 45' wide. Total area including gutters: 3600 sf.
(Deep end suitable for a diving board.)
Deck 3600 sf
Seating: 600 sf

Recreation Pool **Total: 3000 sf**

Separate body of water with recreational amenities. Included are a slide and one overhead spray play assembly.

Deck: 1500 sf

Hot Tub **Total: 200 sf**

A hot tub suitable for up to 20 people.

Splash Pad: **Total: 800 sf**

Modest splash pad near entry. Include 4 jets, drainage, filtration, etc.

In addition to these more technical areas, various other program areas and costs are documented in the Program Detail and Estimate

Program Detail and Cost Estimate:

Methow Recreational Center Program Detail			Unbuilt Site							10-Nov-22
#	Item	Detail	Area	Qty	Total	Total	Cost	Total		Comment
1	Lobby/Entry					620	$ 475	$ 294,500		
2										
3		Vestibule	120	1	120					
4		Seating	200	1	200					
5		Reception Desk	100	1	100					
6		Misc. standing area, queing	200	1	200					
7										
8	Offices					560	$ 475	$ 266,000		
9										
10		Daily Staff	220	1	220					
11		General Pool Managers Office	120	1	120					
12		Guard Room	220	1	220					
13										
14	MEP					1,800	$ 450	$ 810,000		
15										
16		Electrical Room	75	1	75					
17		Communications Room	50	1	50					
18		Sprinkler Riser Room/Plumbing	75	1	75					
19		Heating and Cooling	600	1	600					
20		Pool heating equipment room	1000	1	1,000					
21										
22	Storage					600	$ 400	$ 240,000		
23										
24		Pool equipment	120	1	120					
25		Furniture	120	1	120					
26		Janitorial	120	1	120					
27		Misc.	240	1	240					
28										
29	Multi-Purpose Room					1,000	$ 475	$ 475,000		
30										
31		Room	900	1	900					
32		Storage	100	1	100					
33										
34	Lockers, Showers, Changing, Restrooms					3,000	$ 550	$ 1,650,000		
35										
36		Lockers	4	191	764					
37		General Showers	10	50	500					
38		Semi-private Showers	12	50	600					
39		Semi private changing	16	46	736					
40		Water Closets and Lavs	2	150	300					
41		ADA/Family Restroom	1	100	100					
42										
43	General Circulation, Other Misc. Areas					1,000	$ 475	$ 475,000		
44										
45	Total Pool House Support Program/Building					8,580		$ 4,210,500		Administrative offices, lockers, restrooms, changing, MEP, equip

NOTES:

46									
47	Competition Pool				3,600	$	400	$ 1,440,000	Pool $400/sf, prefab building $575/sf
48									
49		Six Lanes + Gutter, water surface area			3,600				Totaled in Pool Enclosure Building
50		Deck			3,600				Totaled in Pool Enclosure Building
51		Seating Area	6	100	600				Totaled in Pool Enclosure Building
52									
53	Recreational Pool and Hot Tub					1,500	$	600	$ 900,000	Rec Pool $600/sf, prefab building $575/sf
54									
55		Diving Area			incl above					deep end in competition pool area, deck totaled in Pool Enclosure Bldg.
56		Slide, and Rec Pool water surface area			1,500				
57		Deck Area			1,500				NOTE: the lines with red text are building areas and their costs.
									The Pool House Support and the Pool Enclosure Building total 19,580 sf
58	Hot Tub, water surface area					200			Pool surface areas are tabulated separately for ease of consideration
					200				of different building options in the future. In Blue are total areas
59									and costs under line 64.
60	**Total Pool, Rec Pool, Hot Tub w/o Building**					**5,300**			**$ 2,340,000**	**Pool water surface area and cost**
61									
62	**Pool Enclosure Building**					**11,000**	**$**	**575**	**$ 6,325,000**	**Enclosing both pools, hot tub, deck areas, seating areas**
63									
64	**Total Pool ,Support Building, Pool Building and Pool Hard Costs**					**19,580**			**$ 12,875,500**	**Total Building Area and Building/Pool Costs**
65									
66	**Site**					**96,980**	**$**	**15**	**$ 1,454,700**	
67									
68		Drop Off Area	1000	1	1,000					
69		Parking	350	100	35,000					
70		Landscape Team Overflow	2	5000	10,000					
71		Landscape	10	1000	10,000					
72		Loading	600	1	600					
73		Buildling Footprint	19,580	1	19,580					
74		Splash Pad	800	1	800					Cost included in general site improvements line 70
74		Setbacks, Misc.	20000	1	20,000					
75										
76										
77	**Minimum Site Area Including Building**					**96,980**				
78	**Acres**		**43560**			**2.23**				
79	**Total Hard Constrution Costs**								**$ 14,330,200**	
80	Land Acquisition								$ 500,000	assumes $200,000 per acre x 2.5 acres minimum
81	Total								$ 14,830,200	
82	Soft Cost Multiplier							30%	$ 4,299,060	30% of Hard Construction Costs
83	Total								$ 19,129,260	
84	One Year Inflation							5%	$ 956,463	
85	**Grand Total Project Costs with Soft Costs, Contingencies and Land Acquisition**								**$ 20,085,723**	

The projected capital cost for the project is estimated to be $20,085,723 based on 2022 costs.

Note: *The cost estimate and program detail spreadsheet divides competition and recreation pool surface area from other elements of the building including decks and the support building. This is because cost data received to date is for these individual components. By separating water surface area and building enclosures, this document also facilitates consideration of a variety of enclosure directions. The current estimate assumes a high quality pre-fab steel assembly. This note corresponds to the red text in the Spreadsheet.*

Restroom and Locker Area Calculation Notes

The envisioned program includes 5300 sf of pool area.

Many standards use 20sf of water surface area for maximum occupancy.

At this rate a maximum occupancy might be 265 people. A ratio of 26 sf per person would yield an occupancy of 200 people. This figure is used for this calculation and it is assumed that the male/female ratio would be about even: 100 male and 100 female users at maximum occupancy.

Locker rooms. The above area supports up to 100 lockers per sex. This quantity could be reduced based on an assumption that not all visitors will require a locker.

Changing rooms: Eight changing rooms are assumed per sex.

Restrooms: Requirements established by the International Swimming Pool & Spa Code suggest the following minimum facilities:

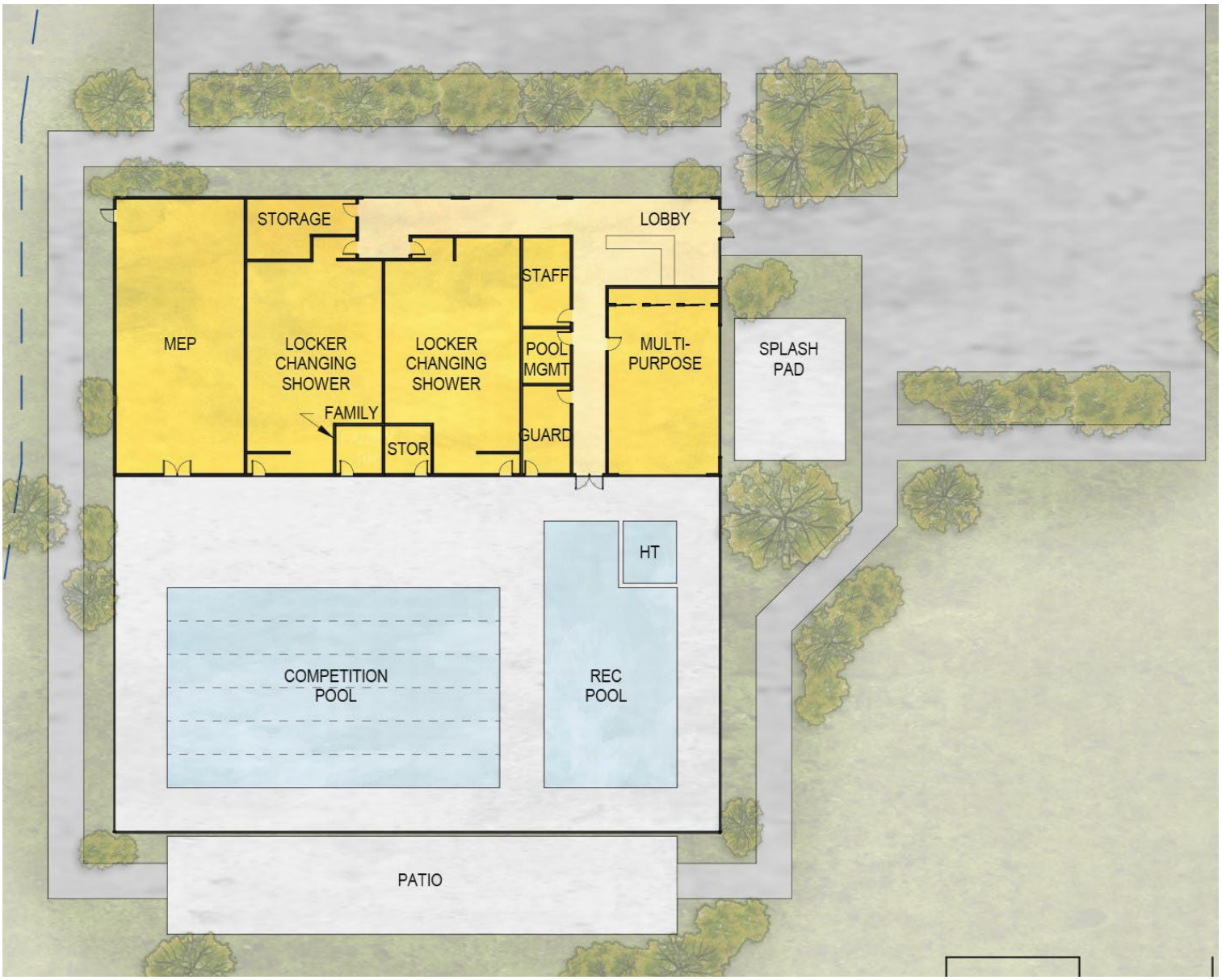
Male: 2 urinals, 1 water closest, 2 lavatories (accessible)
Female: 3 water closets, 2 lavatories. (accessible)
Family: 1 room with changing table, water closet and lav.

Area required: 400 sf

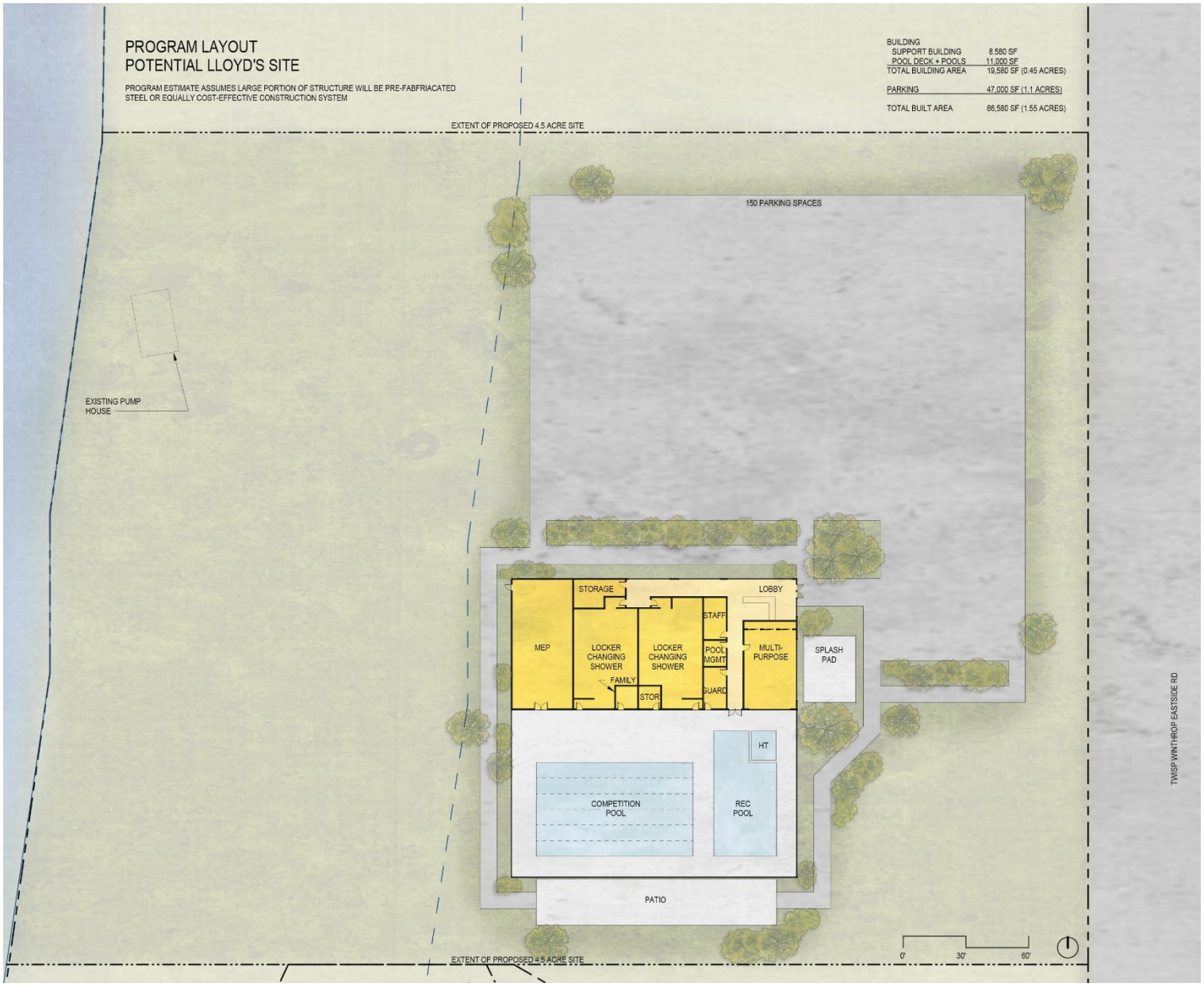
In addition, one family accessible restroom with changing table is recommend Area required: 100 sf

Section III – Conceptual Plan & Site Plan

The preliminary conceptual plan for the center is shown below.



The site plan for the center based on the utilization of the Lloyd's site is indicated below.



Section IV – Operations Analysis

The operations analysis has been completed for the proposed Methow Valley Aquatic Center. The following are the basic parameters for the project.

- *Facility Amenities* – An indoor six-lane competition pool (with diving) plus recreational pool space, hot tub, outdoor splash pad, multipurpose room and support spaces including office, guard room, locker rooms and utility spaces. This pool area is in an enclosed building designed to open up during warmer summer month Approximate SF – 19,580
- The first year of operation will be 2025 or later.
- This operational budget represents all expenses and revenues for the center and all programs.
- The presence of other providers in the market will remain the same.
- The center will be managed by a Park and Recreation District.
- This operations plan is based on a program and basic concept plan for the facility.
- The minimum wage in Washington is projected to be at least $15.00 by 2025.
- The building will be cleaned by district staff but could be contracted.
- There will be a high level of aquatic programming in the center. Most all programs and services will be offered by District staff on an hourly or contract basis.
- Revenues from user fees, programs, and rentals have been projected using a reasonably aggressive approach.
- No partnerships with other organizations have been shown in this operations plan.
- The pools will be guarded at all times by District lifeguards.

Projected Hours of Operation:

Days	Hours
Monday – Thursday	6:00am – 8:00pm
Friday	6:00am – 7:00pm
Saturday	8:00am – 6:00pm
Sunday	8:00am - 6:00pm
Total Hours Per Week	89

Note: Hours could vary by time of the year (shorter hours in the summer).

Projected Fee Schedule for 2025:

Classification	Daily	10 Visit Pass
Adult (18-60)	$6.00	$45.00
Youth (3-18)	$4.00	$27.00
Senior (60+)	$4.00	$27.00

Note: 10 visit passes are a 10% discount over the daily fee.

Classification	Annual	Month to Month
Adult (18-60)	$300	$25
Youth (3-18)	$195	$17
Senior (60+)	$195	$17
Household	$500	$42

Note: Month to month is based on automatic withdrawal (auto renew) from a bank account or credit card. Household includes 2 adults and up to 3 youth.

Annual/Month to Month fees include any basic land/water-based fitness classes.

Operations Analysis Summary:

The following figures summarize the anticipated operational expenses and projected revenues for the operation of the Methow Valley Aquatic Center.

Category	Facility Budget
Expenses	$ 895,285
Revenues	$ 332,190
Difference	(563,095)
Recovery %	37%

This represents the second full year of operation.

This operations analysis was completed based on general information and a basic understanding of the project with a preliminary 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.

Expenses:

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 aquatic 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. 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.

Category	Facility Budget
Personnel (new positions)	
Full-time	182,000
Part-time	439,281
Total	$ 621,281
Commodities	
Office supplies	5,000
Chemicals (pool)	25,000
Maintenance/repair/materials	10,000
Janitor supplies	8,000
Recreation supplies	6,500
Uniforms	2,500
Printing/postage	5,000
(program/facility information)	
Items for Resale	8,000
Other Misc. expenses	3,000
Total	$ 73,000

Category	Facility Budget
Contractual	
Utilities ($3.50 SF)	68,530
Water/sewer	15,000
Insurance	25,000
(property & liability)	
Communications	4,000
(phone/data/WiFi)	
Contract services	35,000
(mechanical, alarm, legal, software)	
Rental equipment	3,000
Advertising	10,000
Training	3,000
Conference	2,000
Trash Pickup	3,000
Dues/subscriptions	2,000
Bank Charges (75% of fees x 3%)	7,474
Other	3,000
Total	$ 181,004
Capital	
Replacement fund	$ 20,000
Grand Total	**$ 895,285**

Revenues:

The following revenue projections were formulated from information on the specifics of the project and the demographics of the service areas as well as comparing them to state and national statistics and other similar facilities 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.

Category	Facility Budget
Fees	
Daily Admissions	31,950
10 Visit Passes	3,240
Month to Month	103,636
Annual/Season Pass	56,226
Group/Corporate	4,000
Aquatic Rentals	24,600
Total	$ 223,652
Programs	
General Programs	34,630
Aquatic Programs	55,908
Total	$ 90,538
Other	
Resale items	10,000
Special events	2,000
Vending	6,000
Total	$ 18,000
Grand Total	**$ 332,190**

Staff:

The determination of full-time and part-time staff positions was developed based on the expected use of the aquatic center, the hours of operation, the key amenities that are contained in the center and operational practices of the facility. These figures contain expected instructors for a variety of recreation and aquatic programs that may be occurring at the facility.

Full-Time

Full Time Staff	Salary	Positions	Total
Center Director	$ 60,000	1	$ 60,000
Aquatic/Program Supervisor	$ 50,000	0	$ -
Aquatic Specialist/Lifeguard	$ 40,000	1	$ 40,000
Accounting/Front Desk	$ 40,000	1	$ 40,000
Facilities Coordinator (Maintenance)	$ 45,000	0	$ -
Maintenance Worker	$ 35,000	0	$ -
Positions		3	
Salaries			$ 140,000
Benefits	30.00%		$ 42,000
Total Full-Time Staff			**$ 182,000**

Part-Time

Part-Time	Rate	Hours	Weeks	Total
Pool Supervisor	$ 17.00	10	52	$ 8,840
Front Desk Cashier	$ 16.00	54	52	$ 44,928
Head Lifeguard	$ 18.00	43	52	$ 39,888
Lifeguard	$ 17.00	243	52	$ 214,812
Custodian	$ 16.00	49	52	$ 40,768
Total		399		$ 349,236
F.T.E.		9.97		
Aquatic Programs				$ 20,610
General Programs				$ 29,500
Total				$ 399,346
Benefits	10.0%			$ 39,935
Total				**$ 439,281**

Admission Revenue:

The following spreadsheets identify the expected use numbers for each form of admission that the center will offer (see projected fee schedule).

Daily Fees		Fees	Number		Revenue
Adult		$6.00	5		$30
Youth		$4.00	10		$40
Senior		$4.00	5		$20
Total			20		$90
				x 355 days/yr.	
Total					$31,950
	% of Users		% Increase		
Non-Resident		0%	0%		$0
Grand Total					$31,950

10 Visit		Fees	Number	Revenue
Adult		$45.00	30	$1,350
Youth		$27.00	50	$1,350
Senior		$27.00	20	$540.00
Total			100	$3,240
	% of Users		% Increase	
Non-Resident		0%	0%	$0
Grand Total				$3,240

Month to Month		Fees	Number	Revenue	Months	Total Revenue
Adults		$25.00	104	$2,600	12	$31,194
Youth		$17.00	15	$253	12	$3,030
Senior		$17.00	30	$505	12	$6,061
Household		$42.00	149	$6,239	12	$74,866
Total			297	$9,596		$115,151
Non-Resident	% of Users		% Increase			
		0%	0%			$0
Adjusted Total						$115,151
Loss		10%				$11,515
Grand Total						$103,636

Annual		Fees	Number	Revenue
Adults		$300	51	$15,364
Youth		$195	7	$1,427
Senior		$195	15	$2,853
Household		$500	73	$36,582
Total			146	$56,226
Non-Resident	% of Users		% Increase	
		0%	0%	$0
Grand Total				$56,226

Revenue Summary	
Daily	$31,950
10 Visit	$3,240
Month to Month	$103,636
Annual	$56,226
Total	$195,052

Passes
297
146
443

Total Annual Passes equal 5.25% of the households (2026) in the Primary Service Area (5,982)
Plus .5% of the households in the Secondary Service Area (25,872)

443

Section V – Partnerships

A significant number of new aquatic facilities now involve some form of partnership with other community organizations and aquatic 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 indoor Methow Valley Aquatic Center is to assess the partnership opportunities that exist with other possible organizations.

Through the feasibility and public input process portions of the study, a number of organizations and entities were identified as possible partners for the aquatic center. These include:

- Methow Valley Public Schools
- Okanogan County
- Town of Twisp
- Health Care Providers
- Other Aquatic Service Providers
- Swim Team
- Community 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 aquatic center.

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.

- *Methow Valley Public Schools* – The school district's role in a new aquatic facility would likely focus on the competitive pool. Pursuing some level of capital funding for the competitive pool

is advised but may be difficult to obtain. However, any pool time should require a fee for use. This could certainly help to off-set some of the operating costs for the facility.

- *Okanogan County* – The role of the County in the project would be minimal but since the center would serve county residents as well as Metropolitan Park District users, providing some level of capital and/or operational funding should be pursued. It should be expected that at minimum Okanogan County would endorse the project and publicly support its development.

- *Town of Twisp* – Much like the County, the Town of Twisp should also be approached about financially participating in the development and operation of a new aquatic center. The Town's involvement will be tied to the location of the new aquatic center being in the town. It is highly unlikely that there would be any significant level of capital involvement but there may a possibility of receiving some operational assistance for the center.

There are a limited number of opportunities to have an equity partner for the aquatic center.

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

- *Health Care Providers* – For an aquatic center with a warm water pool, there could be an opportunity to attract a health care provider to utilize the facility for therapy or rehabilitation purposes. This should involve an agreement for the payment for use of certain areas of the pool on a per hour basis.

- *Other Aquatic Service Providers* – In an effort to offer a wide variety of aquatic programs and services, partnering with select outside aquatic providers (water exercise, SCUBA, etc.) 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 new aquatic center but would see limited to no direct involvement in the development or operation of the facility.

- *Swim Team* – The local swim team will likely be a primary user of a new aquatic center with the competitive pool. It should be expected that the team would be a strong supporter 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 business and corporate community with a variety of sponsorship opportunities to enhance the revenue prospects of the facility.

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

As a new aquatic center becomes closer to reality, the opportunities for partnering will increase. A well written partnership agreement will need to be drafted between any 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 center.

Section VI – Funding Analysis

Special Purpose District Overview

The state of Washington has made available a range of special purpose districts to address the operation and funding of parks, recreation, and community facilities. No one option will meet all needs but determining the best funding alternative for the project and the one that has the greatest community support will be important.

This section delineates what activities, taxing capacity, formation procedures, and governance options are allowed by different park district types and service areas, including:

- Metropolitan Park Districts (MPD),
- Park and Recreation Districts,
- Park and Recreation Service Areas, and
- Public Facilities Districts.

Funding Issues: The following funding issues should be recognized.

1. **Funding tools are coupled to the district type.** Unlike towns and cities in Washington, where they have general-purpose taxes (e.g., property tax, sales tax, utility taxes, etc.) that can be used for a range of capital and operating expenses, these special purpose districts have limited taxing capacity given their specific purpose. With this coupling comes the different ways districts can be formed and governed, both of which should be considered at the same level of importance as funding.

2. **Revenue adequacy might frame district extent.** The districts are limited in the type and level (e.g., tax rates) available to it to fund services. Depending on the cost to build and operate the facility, the tax bases in Twisp and Okanogan County may not be adequate to sustainably fund services. Alternatively, funds could be adequate, and there may be a need to "right-size" the district to better align funding and usage of the facility among taxpayers.

3. **Revenue potential may drive the scope of services**. In the example above, a larger district may potentially provide more than adequate revenue. In such an example, there may be pressure to expand the "scope" of the district that doesn't just include the pool replacement.

4. **All options would require voter approval.** In this sense, the voter approval means that the district's effort would need to calibrate support for the project with the tax type/base and district size. For example, it might be possible that voter support for a pool-only district (and tax) might be correlated with distance to the facility. In this case, certain tax tools might not work, meaning only county-wide tools would be available.

Funding Options At-a-glance: The following list and table provide a range-of-magnitude estimate of funding availability given the options available. The types and conditions of funding tools available to the district are addressed in more detail later in this section. Still, the following bullets provide a rough summary of the primary sources (all requiring voter approval).

- MPD: Authority to levy property taxes at $.50 and $.25 per $1000 (total of $.75 per $1000)
- Park and Recreation Districts. 6-year regular property tax levy (maximum of $0.60 per $1,000)
- Park and Recreation Service Area. 6-year regular property tax levy (maximum of $0.60 per $1,000)
- PFD. Up to a 0.2% sales tax.

District Types: The following are descriptions of the different district options.

Metropolitan Park District - MPDs are special districts that operate as municipal corporations "to provide for the management, control, improvement, maintenance, and acquisition of parks, parkways, boulevards, and recreational facilities (RCW 35.61.010)."[6] Metropolitan Park Districts (MPDs) have long been allowed under Chapter 98, Laws of 1907. The first was formed by Tacoma in 1907. Prior to 2002, cities with a population under 5,000 and counties could not create metropolitan park districts. Now all cities and counties may form metropolitan park districts that include portions of one or more cities or counties.

Park and Recreation Districts - Park and Recreation Districts provide "leisure time activities and facilities and recreational facilities, of a nonprofit nature."

Park and Recreation Service Areas - Park and Recreation Service Areas "finance, acquire construct, improve, maintain, or operate any park, senior citizen activities center, zoo, aquarium, and, or recreational facilities."

Public Facilities Districts - Public facilities districts (PFD) are municipal corporations with independent taxing authority. PFDs must be coextensive with the boundaries of the jurisdictions that created them. Public Facilities Districts are created under the statute to develop and operate regional centers, and at the city, the level must cost at least $10 million, including debt service. At the county level, they can develop and operate sports, convention, and entertainment centers that do not meet the $10 million thresholds.[7][8]

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[6] "MRSC - Comparison of Recreation Districts." MRSC - Comparison of Recreation Districts. Accessed May 18, 2021. https://mrsc.org/Home/Explore-Topics/Parks-and-Recreation/Park-and-Recreation-Special-Districts/Comparison-of-Recreation-Districts.aspx

[7] Prestion, Gates, Ellis LLP. (2003). *City and County Options for Creative Financing: PFDs, PDAs, and 501(c)(3)s*. Seattle. Retrieved from https://mrsc.org/getmedia/4959a4a5-1474-4234-bcc9-5f7cb01d9aee/PDA-PFDfinan.aspx

[8] *MRSC - Public Facilities Districts (PFDs)*. Mrsc.org. Retrieved June 16, 2021, from https://mrsc.org/Home/Explore-Topics/Economic-Development/Financing-Economic-Development/Public-Facilities-Districts.aspx#overview.

District Activities: Each park district type and service area can engage in different types of activities, as outlined in the table below.

Metropolitan Park Districts

- Purchase, acquire & condemn lands;
- Issue and sell warrants, short-term obligations, or general obligation bonds;
- Issue revenue bonds;
- Petition for the creation of local improvement districts;
- Employ counsel, park police officers, secretary of the Board, and employees;
- Establish civil service for employees;
- Regulate, manage, improve, acquire, maintain, and open parks, parkways, boulevards, avenues, aviation landings, and playgrounds;
- Sell, exchange, or otherwise dispose of surplus property;
- Annex territory;
- Authorize, conduct and manage: entertainment ventures; purchase/sale of foodstuffs/merchandise; recreation or business beneficial for the public or produces revenue for park purposes.

Park and Recreation Districts

- Acquire and hold real and personal property;
- Dispose of real and personal property;
- Make contracts;
- Sue and be sued;
- Borrow money;
- Grant concessions;
- Make or establish charges, fees, rates, rentals, and the like for the use of facilities (including recreational facilities) or for participation;
- Make and enforce rules and regulations governing the use of property, facilities, or equipment and the conduct of persons thereon;
- Contract with any municipal corporation, governmental, or private agencies for the conduct of park and recreation programs;

- Operate jointly with other governmental units any facilities, including participation in the acquisition;
- Hold in trust or manage public property;
- Establish cumulative reserve funds;
- Acquire, construct, reconstruct, maintain, repair, add to, and operate recreational facilities;
- Make improvements or acquire property by the local improvement method. (RCW 36.69.130)

Park and Recreation Service Areas

- Acquire, construct, own, or lease, operate parks, senior citizen activities centers, zoos, aquariums, and recreational facilities (RCW 36.68.400);
- Make contracts (RCW 36.68.400);
- Sue and be sued (RCW 36.68.400);
- Impose and collect user fees or other direct charges on facilities financed by the park & recreation area (RCW 36.68.550);
- The legislative authority may allow admission fees and charges on persons using facilities located within a park & recreation service area (RCW 36.68.550);
- Exercise any of the powers enumerated in Ch. 67.20 RCW (Parks, Bathing Beaches, Public Camps) (RCW 36.68.600);
- Contract with any organization referred to in Ch. 67.20 RCW to conduct recreational program (RCW 67.20.020);
- Enact and enforce such policy regulations not inconsistent with the constitution and state laws as necessary for the government and control of the same (RCW 67.20.010);
- Accumulate reserves for a stated capital purpose (RCW 36.68.530);
- Hire employees and may fund salaries and benefits of County, city, or town park employees who perform work within the service area (RCW 36.68.541);
- Exercise power of eminent domain (RCW 36.68.555).

Public Facility Districts

- Public facilities districts are municipal corporations created by a city or County to perform specific statutory functions.

- A public facilities district is authorized to acquire, construct, own, remodel, maintain, equip, reequip, repair, finance, and operate one or more regional centers.

- PFDs are limited by statute to certain purposes. Public Facilities Districts or PFDs can be established by cities or counties pursuant to state law for the limited purpose of developing certain regional facilities, such as convention or special events centers.

- PFDs created under the City PFD statute may only develop and operate "regional centers. "Regional centers are defined to include "convention, conference, or special events center, or any combination of facilities, and related parking facilities, serving a regional population constructed, improved, or rehabilitated after July 25, 1999, at the cost of at least $10,000,000, including debt service."

- County PFDs can develop and operate sports, convention, and entertainment facilities that do not meet the $10 million threshold and other specific requirements for regional centers.

- They can contract with other public agencies such as cities, counties, and other PFDs to develop such facilities.

District Formation: Each park district can be formed through different measures, such as voter petitions, resolutions, and ordinances. This section identifies the steps necessary to form each park district type.

Metropolitan Park Districts

There are two ways that a Metropolitan Park District (MPD) can be formed:

- **Voter Petition.** A petition of at least 15% of the area's registered voters submitted to each county auditor where the district is located. When filed with multiple auditors, they issue joint certification.
- **Resolution.** A resolution by each of the governing bodies that would be included in part or all of the district. (RCW 35.61.020)

Once certified, what happens next depends on if Boundary Review Board approval is needed:

- **Boundary Review Board.** Notice of the proposal shall be filed; A special election held on the date specified, 60 or more days after approval by boundary review board; No review required if the proposed district only includes one or more cities.
- **No Boundary Review Board.** The proposition would appear at the next general election, or at a special election date, 60 or more days after the last resolution proposing the district is adopted, or the date the county auditor certifies the petition.

Following the petition or resolution, the question is put to voters, requiring a simple majority (50% plus one of voters) to pass. The language to voters is fairly prescriptive and must include the proposed

boundary, name for the district, and composition of the Board of commissioners (RCW 35.61.050, RCW 35.61.030.)[9] The ballot proposition must also contain the words:

> "For the formation of a metropolitan park district to be governed by *[insert board composition]."* "Against the formation of a metropolitan park district."

The governing body can establish an MPD with a limited purpose and taxing power per SSB 5138 in 2017. This flexibility addresses that some MPDs are formed in order to acquire the funds necessary to acquire, construct, renovate, expand, operate and/or maintain specific public parks or facilities. The purpose of the MPD must be stated in the petition and on the ballot when voted on and specifically identify those public parks or recreational facilities. It can set a limit to the maximum levy rate at any rate that does not exceed the aggregate, but the ballot proposition must still state the maximum regular levy rate.[10] The following is an example of proposition language from the White Salmon Valley Pool Metropolitan Park District; its boundaries are defined by the White Salmon Valley School District and involve the City of Bingen and City of White Salmon, primarily:

- **Jurisdiction:** White Salmon Valley Pool Metropolitan Park District, **County:** Klickitat
- **Funding Type/Authority:** Metropolitan Park District Formation (Ch. 35.61 RCW), **Levy (Per $1000 A/V):** $0.25
- **Ballot Measure Text:** Klickitat County Resolution No. 09418, City of White Salmon Resolution No. 2018-07-472, and City of Bingen Resolution No. 2018-024 jointly propose the creation of the White Salmon Valley Pool Metropolitan Park District (MPD) within that portion of the White Salmon Valley School District limits as now or hereafter established lying within Klickitat County with authority limited to construct, operate and maintain a White Salmon Valley swimming pool. The proposition would create an MPD with the powers provided by 35.61 RCW, including, but not limited to, the authority to levy a maximum of $.75 per thousand dollars of assessed property value with an initial levy rate of $0.25 per thousand dollars of assessed value, and not to increase over one percent per year without further voter approval. The district shall be governed by a five-member Board of Commissioners to be elected at large.[11]

Park and Recreation Districts

Formation can be initiated by a petition signed by 15% of the area's registered voters and it must designate the boundaries, district objective and benefit of the district. It requires resolution of city or Town approving inclusion of the area with the corporate limits of city or Town. The Board of County Commissioners then holds a hearing within 60 days. Following the hearing, the Board designates a name or number of the district and fixes boundaries. A ballot proposition authorizing it is then submitted to voters at the next general election 60 or more days after. The initial commissioners are elected at the same election. It requires simple majority approval.

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[9] MRSC - Comparison of Recreation Districts. Accessed May 18, 2021. https://mrsc.org/Home/Explore-Topics/Parks-and-Recreation/Park-and-Recreation-Special-Districts/Comparison-of-Recreation-Districts.aspx

[10] State of Washington. (2017). *SUBSTITUTE SENATE BILL 5138, METROPOLITAN PARK DISTRICTS--VARIOUS CHANGES*. Retrieved from http://lawfilesext.leg.wa.gov/biennium/2017-18/Pdf/Bills/Session%20Laws/Senate/5138-S.SL.pdf

[11] *What's the 'exact' levy language? — White Salmon Valley Pool*. White Salmon Valley Pool. (2021). Retrieved May 19 2021, from https://www.whitesalmonvalleypool.org/faq-district/whenmeet-ef6fp. 2/15/2023 10:47:00 AM

Park and Recreation Service Areas

Formation can be initiated in unincorporated areas by resolution adopted by county legislative body or by petition of 10% of the areas registered voters or in incorporated areas resolution of city or Town approving inclusion of the area. Contents of petition or resolution must contain boundaries, a purpose description, and an initial improvements or services cost estimate. The contents may also include incorporated cities or towns, which would require a resolution from the city or Town approving the inclusion of those areas within the corporate limits of the city or the Town.

If it passes, the County conducts a feasibility study and makes it available within 80 days. Within 20 days of report availability, a hearing must be held to accept or dismiss. At the end of the hearing, the County will make its determination based on several measures:

- Whether service areas objectives fit within the framework of the County's park comprehensive plan and general park policies;
- Exact boundaries of the service area;
- Full definition or explanation of improvements to be financed;
- Whether or not objectives of the service area are feasible;
  Number or name of service area.

If the proposal is accepted, it goes to election in the proposed service area; at the next general election or at a special election and then requires simple majority approval.

Public Facility Districts

Formation is initiated by an ordinance or resolution at the city or county level, if involving multiple jurisdictions, it may be formed by interlocal agreement.

Funding and Financing: For every park district type, a city must establish a funding and financing mechanism that will keep the park open and maintained. Different funding mechanisms include tax levies, loans, business revenue, or general obligation debts.

Metropolitan Park Districts

Financing of Metropolitan Park Districts is done through a tax levy. The levy is permanent, can be increased, but is also subject to pro-rationing as a junior district under the $5.90 aggregate limit for city/count/districts:

- **Tax Levy.** Authority to levy property taxes at $.50 and $.25 per $1000. They are considered as a single levy (up to $0.75) for the 1% annual levy limits. (Ch. 84.55 RCW)
  - **Lid Lifts.** Taxing districts <10,000 population may not increase the amount collected from current assessed valuation by more than 1% annually. Taxing districts with a > 10,000 population may not increase the total levy amount collected from current assessed valuation by more than 1% annually or the rate of inflation, whichever is lower. A taxing jurisdiction may seek voter approval to increase more than 1%, up to the statutory maximum rate, for a specified amount of time.[12]
  - **Excess Levy.** Any levy in excess of $0.75 per $1,000 AV would have to be voter-approved by a 60% majority.

[12] *MRSC - Levy Lid Lifts*. Mrsc.org. (2021). Retrieved May 21 2021, from https://mrsc.org/Home/Explore-Topics/Finance/Revenues/Levy-Lid-Lift.aspx.

- **Proration factors.** There is $5.90 aggregate limit on city, County and junior taxing district levies, as a junior taxing district if the limit is reached, it is possible the levy amount will be pro-rationed and lowered. When this limitation is exceeded, the rates must be prorated or eliminated among the districts, according to a statutory mechanism for reducing junior district rates. RCW 84.52.010 provides the proration order to be followed. MPDs with a population of 150,000 or more may request voter approval to protect up to $0.25 per thousand dollars of assessed value outside of the $5.90 aggregate levy limitation. The ability for a metropolitan park district to protect up to $0.25 per thousand dollars assessed value of their levy rate when the district is located in King County and has a population less than 150,000 from the $5.90 limitation expired after the 2017 tax year.

- **Bridge loan, line of credit.** The ex-officio treasurer may provide a bridge loan/line of credit to the newly formed district until sufficient levy proceeds are received. (RCW 35.61.040)
- **Business revenue.** Can conduct recreation or business beneficial for the public, or for revenue for expenditures for parks. (RCW 35.61.130).
- **General obligation debt.** Can be issued in an amount equal to 2 ½ % of assessed valuations. Of this, ¼ % may be non-voted debt. The source for repayment of non-voted debt is the district general fund. For voted debt, debt service is paid from an excess property tax levy and must be passed by a 60% vote. This debt must be used for capital purposes and can be issued for 20 years maximum. (RCW 84.52.056, Constitution art. 7, sec.2, RCW 35.61.100, RCW 35.61.110)

When determining the levy amount to be recommended, Metropolitan Park Districts for the Unincorporated Urban Area of Vancouver undertook a study of a variety of different maintenance and management needs as well as voter likelihood. While the Park District ultimately did not succeed at the ballot, the analysis provided a case study of available tax capacity while considering the state's $5.90 aggregate tax limit and the 101% growth limitation.[13][14] Since 2011, quite a number of Metropolitan Park District levies have been voted on. Ranging from 0.09 to .75 per $1000 A/V.

Park and Recreation Districts

Financing is done primarily through tax levy. It is a 6-year regular property tax levy ($0.60 per $1,000 assessed valuation max.) authorized when 60% of voters approve with at least 40% of the last general election voter turnout. Alternatively, it passes if the number of "yes" votes equal at least 60% times 40% of the number voting in the last general election. The district may also issue general obligation debt, equal to 1 ¼ % of the assessed valuation. Of this, only 3/8 % may be non-voted debt. The rest must be voted, where 60% of those voting answer "yes" and the voter turnout is at least 40% of that of the last general election. Other funding can come through charges, fees, rates, rentals etc. for facility usage or participation, annual excess tax levy proposition for operating funds, capital outlay funds, and cumulative reserve funds or issue LID or revenue bonds.

[13] *Metropolitan Park District for the Unincorporated Urban Area of Vancouver Summary Report #2*. Mrsc.org. (2004). Retrieved May 21 2021, from https://mrsc.org/getmedia/1170acdd-9676-4bb2-b8bb-20bfe0c82698/v35mpd.pdf.aspx.

Park and Recreation Service Areas
Financing is done primarily through tax levy. It is also a 6-year regular property tax levy (maximum of $0.60 per $1,000) authorized when 60% of voters approve with at least 40% of the last general election voter turnout. Alternatively, the measure passes if the number of "yes" votes equal at least 60% times 40% of the number voting in the last general election. The levy capacity will be diminished if the aggregate of junior and senior taxing districts exceeds the $5.90 limit. The service area may also charge fees or other direct charges on facilities. The service area can also issue voted general obligation debt equal to 2 ½% of the assessed valuation. Of this 2 ½%, 3/8 % may be non-voted. The rest must be voted, where 60% of those voting must vote "yes" and the voter turnout is at least 40% of that of the last general election. The service area may also charge fees or other direct charges on facilities.

Public Facility Districts
Financing is usually achieved through a variety of different voted and nonvoted (if pre-2002 formation) taxing options. A 0.2% sales tax approved by a simple majority of voters, admission taxes up to 5% and parking taxes up to 10%. As well, the PFD can issue general obligation and revenue bonds, voter-approved lodging taxes (County only), state sales tax credits (up 0.033% of the sales price; Regional Centers only) and voter-approved excess property tax levies (County PFDs only). They can also apply user charges and fees for facility use and accept gifts, grants, and donations.

District Governance: This section outlines the different types of governance structures that are permitted for each park district and service area type.

Metropolitan Park Districts
Metropolitan Park Districts are municipal corporations governed by a board of commissioners. The makeup of the Board must be determined and stated in the ballot measure when it is voted on by the public. Board members can be voted on the same ballot or after formation.

Metropolitan Park Districts are governed by a board that may be composed of the following:

- **Five Elected-Commissioners.** They can be elected at district creation; or
- **Ex-officio.** If a district is located entirely within one city or unincorporated area of one County, the legislative body of the city or County may act as metropolitan park board; or
- **Interlocal Agreement.** For a district located in multiple cities or counties, each legislative authority may appoint one or more members to serve as the Board.[15]

Elected boards are the most common governance structure, especially where there is overlapping jurisdictions with multiple cities or city and County. While most Metropolitan Park Districts that share boundaries with other jurisdictions have an elected board of voting residents within the district boundary, Port Angeles and Clallam County appoint two county commissioners, two city council members and then these four internally nominate one resident as the fifth member.[16]

[15] MRSC - Comparison of Recreation Districts. Accessed May 18, 2021. https://mrsc.org/Home/Explore-Topics/Parks-and-Recreation/Park-and-Recreation-Special-Districts/Comparison-of-Recreation-Districts.aspx

[16] William Shore Memorial Pool District. (2009). Interlocal Agreement Between the City of Port Angeles and Clallam County for the Governance of William Shore Memorial Pool District. Port Angeles. Retrieved from https://mrsc.org/getmedia/50C43382-77A1-4EC8-990A-796BDA0DFC9C/P54-C51-WSMPD.aspx

Additionally, non-elected citizens and other staff can have a role to play in advising or governance:

- **Citizen Advisory Boards.** Some metropolitan park districts have established additional citizen advisory boards that meet regularly and provide input to their commissioners, such as the Tukwila Pool Advisory Committee for the Tukwila Pool Metropolitan Park District.[17]
- **Treasurer.** Additionally, the county treasurer of the County within which all, or majority, of the district lies is the ex officio treasurer. If the Board receives approval from said county treasurer, another can be appointed treasurer of the district. (RCW 35.61.180); [18]

Park and Recreation Districts

The district operates as a municipal corporation with a Board of five commissioners elected from designated districts for staggered, four-year terms with elections held at general election in odd-numbered years. Duties outlined for chairman, secretary and other officers and holding monthly public meetings include:

- Elect chairman, secretary, and such other officers as it may determine it requires;
- Hold regular public meetings at least monthly;
- Adopt policies governing transaction of board business, keeping of records, resolutions, transactions, findings and determinations, which shall be of public record;
- Initiate, direct and administer district park and recreation activities, and select and employ such properly qualified employees as it may deem necessary (RCW 36.69.120).[19]

Park and Recreation Service Areas

The service area operates as a "quasi-municipal corporation and independent taxing authority and taxing district possessing all the usual powers of a corporation for public purposes." If within a county, the county legislative body acts ex officio, but if multi-county or includes a town/city then is governed through an interlocal cooperation agreement.

Public Facility Districts

Public Facility Districts operate as a municipal corporation with independent taxing authority which operates with the same bounds as the jurisdictions that created the district. City, County and multijurisdictional districts may have different governance structures. City PFDs can have 5-7 board members selected by the city legislative body and can receive recommendations from local organizations. County PFDs can have 5-7 board members, depending on the ratio of the population of

the largest city in the County to the total county population. If a County PFD imposes a lodging tax, then the Board must include a representative of the lodging industry. Other specified numbers of the members can be appointed by the county legislative body or other entities such as the governor and would be subject to confirmation by the county commission/council.

[17] Tukwila Pool Metropolitan Park District - Tukwila Pool. Tukwila Pool. (2021). Retrieved May 19 2021, from https://tukwilapool.org/tukwila-mpd-info/.

[18] MRSC - Comparison of Recreation Districts. Accessed May 18, 2021. https://mrsc.org/Home/Explore-Topics/Parks-and-Recreation/Park-and-Recreation-Special-Districts/Comparison-of-Recreation-Districts.aspx

[19] Ibid.

Special Purpose District Determination and Funding Plan

After reviewing the special purpose district options, Friends of the Pool determined that a metropolitan park district (MPD) is the preferred district entity for funding and governing the pool facility. The MPD would be formed utilizing the Methow Valley School District as the boundaries for the district. The following section includes financial projections based on assumptions for debt issuance.

Funding Estimates: The estimates below do not consider eligible activities or voter approval and are provided to benchmark potential high-end revenue estimates for each district and tax type.

Exhibit 1: Range-of-Magnitude Funding Estimate (annual)

Note: The estimates use tax bases in Twisp and Okanogan County as of 2021.

	Boundary			
	City	County	School District	Potential Rate
MPD	$70,000	$3,150,000	$1,190,000	$0.750 Property Tax
Parks and Recreation District	$60,000	$2,520,000	$950,000	$0.600 Property Tax
Parks and Recreation Service Area	$60,000	$2,520,000	$950,000	$0.600 Property Tax
Public Facility District	$80,000	$1,550,000	$0	0.20% Sales Tax

MPD Debt Limit Considerations

The pool feasibility study is considering different levels of debt funding. First an MPD is limited on the amount of debt it can issue. A MPD has the ability to issue general obligation debt. There are limits both on the amount voted and non-voted (commonly referred to as councilmanic). Overall, the limit is 2.5% of the assessed value in the district. Assuming an MPD boundary contiguous with the existing school district boundary, the follow debt limits might apply.

- Total Debt Limit: $39.7 million
- Total Non-Voted Limit: $3.97 million

Debt Issuance and Levy Requirements

Prior to the creation of the MPD, it is useful to understand how different levels of debt obligation will impact the capacity of the MPD levy. The pool will likely be funded through a range of public, private, and philanthropic funding sources, but it is likely that debt issued by the MPD will be a prominent source of capital. To better understand the impact of the this, debt issuances of $5, $10, and $15 million are assessed on the levy capacity. For this analysis, it is assumed that these debt issuances would encumber a rate of 4.5% for tax exempt municipal debt and the term of the debt would be 15 years. Debt service would be equal payments over this period.

Exhibit 2: Debt Service and Levy Impact

Source: ECONorthwest calculations

	$5 M	$10 M	$15 M
Debt Service	$384,381	$768,761	$1,153,142
Levy Rate	$0.24	$0.48	$0.73

The exhibit above summarizes both the annual debt service and the impact on the levy rate to support that level of debt service. Due to the budget-based nature of property taxes in Washington state, these levels will change as a result of growth in assessed value and the amount of new construction (and other add-on amounts) that happen in the district over time.

Operating Subsidy Levy Requirements
Outside of debt service, the MPD levy will also have to fund the operation of the facility. The level of operating subsidy is currently estimated at $600,000 per year. At this level, the levy rate would need to be approximately $0.38 per $1,000 of assessed value in the district.

Combined Debt and Subsidy on Levy Capacity
A combined debt and operating expense that used the full capacity of the levy would max out a total bond of between $7.5 and $8 million.

Tax Burden
At the full levy capacity, a median valued home (according to Zillow home value estimate as of 10/15/22) of $468,620 would expect to pay about $350 a year in property taxes to the MPD. Alternatively, for every 100,000 in assessed home value, the property tax impact is $75.

Other Funding Sources

A number of different funding sources may need to be utilized for the aquatic center to become a reality. As a result, a number of possible other funding sources were investigated. Although this is not meant to be an exhaustive list it does indicate possible available funding sources.

Capital Funding:

Partnerships – There is certainly the possibility of including equity partners in the project. There may be limits on the number of these types of partnerships that can established for the project due to competing interests. Partnership dollars could be received from other organizations as noted in the partnership section of the report.

Fundraising – A possible source of capital funding could come from a comprehensive fundraising campaign in the greater market area. Contributions from local businesses, private individuals and social service organizations should be targeted. To maximize this form of funding a private fundraising consultant may be necessary.

Foundations – There are a number of foundations in the area that could be capital funders for portions of the facility. Reaching out to these foundations to determine their level of interest, the key amenities that they would support and other project requirements for possible funding will be important.

Grants – There are a number of grants that are available for recreation projects. It is more difficult to fund active indoor recreation facilities than parks and open space from these sources, but an effort should be made to acquire limited funding from these sources. Key aspects of the facility that should be targeted for grants are serving youth, teens, seniors, and sustainable construction.

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 only 20-year maximum rights should be possible. Determining the level of financial contribution necessary to gain a naming right will be crucial.

Washington State Legislative Funding – The state legislature has the ability through a general appropriation to provide a grant for new recreation facilities. This source of funding could be difficult to obtain but might be up to a million dollars.

Federal Funding – Obtaining some level of federal funding for the project is unlikely, but not impossible. The utilization of American Rescue Plan funding is possible and there has been some limited funding for evacuation shelters, communities in need, and also for energy efficiency initiatives.

Operations Funding:

It is projected that there will be an operations subsidy that will need to be funded each year. As a result, a funding plan for the required subsidy will be necessary.

Partnerships - If there are equity partners in the project there may need to be a contractual requirement with these partners to help with funding the annual subsidy. However, these contributions would likely be small and for specific elements of the facility. This could be in the form of a contractual obligation or a straight rental of time.

Inter-local Agreements – Establishing agreements with other governmental agencies and/or community organizations to fund the on-going operation of the center is possible. However, unless the other organization is the actual operator of the center, it is unlikely that any significant operational dollars will be generated from this source.

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

Grants – There are grants that are available for programs and services that serve the disadvantaged, youth, teens, and seniors. In addition, ongoing energy conservation efforts, public health initiatives, DEI issues, and other social service-oriented programs may be funded as well.

Endowment Fund – This would require additional fundraising to establish an operational endowment fund that would be designed to fund capital replacement and improvements at the center. It is often difficult to raise funds for operational endowments and the level of initial principal funding that is required is very high.

Section VII – Project Next Steps

With the completion of the initial study on the Methow Valley Aquatic Center, Friends of the Pool and the community itself will need to be prepared to move forward with a number of important next steps if the project is to become a reality. This includes:

- *Funding Plan Update* – Finalize the funding mechanisms for not only the development of the center itself but also the annual operating subsidy. This will establish the sources of funding and most importantly the dollars that are available for the project.

- *Site Determination* – A final decision on where the aquatic center will be built has to be determined as this directly relates to capital cost projections. This is followed up with a formal commitment to acquire the site itself.

- *Building Program Update* – Based on the funding plan, make any required adjustments to the building program (amenities and their size).

- *Concept Design* – With the site determined and an updated building program in place, develop a full concept and site plan for the center.

- *Project Capital and Operations Update* – Utilizing the updated building program and concept plan for the center, the project capital cost estimates are updated as is the operations cost/revenue estimates.

- *Public Vote* - If a taxing district (likely an MPD) is going to utilized to fund at least a portion of the capital cost and operations subsidy, then there will need to be an election to establish the district and the tax rate.

Note: The Building Program Update, Conceptual Design, and Project Capital and Operations Update will require additional funding for these tasks to be completed by an architect, pool consultant, operations consultant, and a cost estimator. The actual formation of a Metropolitan Park District (MPD) will also require addition funding for a financial consultant.