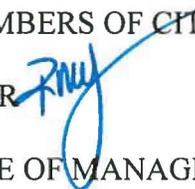


City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 30, 2013

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: RASHAD M. YOUNG, CITY MANAGER 

FROM: NELSIE L. SMITH, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET 

SUBJECT: BUDGET MEMO # 33: AQUATICS FACILITIES FUNDING OPTIONS

Aquatics Facilities Funding Options

At the City Council preliminary add/delete session on April 29, 2013, Council members indicated an interest in further consideration of a \$25 million capital investment in aquatics over the next ten years (FY2014 - 2013). If approved as part of the ten year budget, this \$25 million may be supplemented by the Advocates for Alexandria Aquatics with up to \$4.8 million. This money may be provided as a funding stream for aquatics as a whole. Staff notes that details of the specifics of the proposed fundraising efforts are not available at this time.

Based on this discussion staff is submitting the attached table depicting funding scenarios for aquatic facilities in Alexandria, including the original CIP budget request submitted by the Department of Recreation, Parks and Cultural Activities (RPCA) (detailed in Budget Memo #6), a scenario based on direction from City Council members at their April 3 work session (detailed in Budget Memo #22) and a column indicating proposed private fundraising commitments from the Advocates for Alexandria Aquatics (AAA funding proposal attached).

As part of the Adopted CIP development, City Council should develop its policy preference for the number and location of desired aquatics facilities, and prioritize the sequence of the construction of the facilities in the ten-year CIP. For example, from the April 29 add-delete work session, there is City Council consensus to include Chinquapin renovations with a 50 meter pool in the Proposed CIP. As such, it is considered the highest aquatics facility priority. It is unclear to staff if City Council wishes to include funding for any additional facilities other than Chinquapin as no other facility received City Council consensus for funding. Articulating that policy direction will enable staff to sequence the aquatics facilities, budget the City funded portion of the projects, and set fundraising targets to support total project costs throughout the ten-year plan consistent with the AAA proposal.

Additionally, as part of staff recommendations, \$650,000 is designated for feasibility studies for the 50 meter pool at Chinquapin, a Warwick community pool, and a therapy pool. Staff does not

recommend completion of feasibility studies until City Council provides funding for specific aquatics projects. For example, if funding is not provided for the therapy pool, that portion of the feasibility study would not be funded.

Warwick Pool Revenue

Unrelated to the aquatics facilities funding options, staff notes that an additional \$10,000 in revenues can be added to the FY 2014 budget to account for base revenues associated with keeping Warwick pool open for FY 2014, exclusive of the proposed increased fees for all outdoor pools.

	RPCA Initial Budget Request (Budget Memo #6)	April 3 Work Session (Budget Memo #22)	AAA Private Funding Proposal
Chinquapin	\$10.7 million (25m x 25yd pool and recreation pool)	\$20 million (50m x 25yd pool and recreation pool)	\$2.5 million (50m pool only)
Warwick	\$2.5 million (sprayground and community room)	\$3.5 million (community pool and room)	\$500,000
Old Town	\$5.5 million (medium family aquatic facility)	\$2.5 million (replace tot pool with recreation pool)	\$1.1 million
Therapy Pool	\$3.4 million (indoor therapy pool)	\$3.5 million (indoor therapy pool)	\$700,000
Ewald	\$2.1 million (sprayground and park redesign)	\$0	\$0
Colasanto	\$800,000 (interactive fountain)	\$0	\$0
Feasibility Study	\$0 (included in 2012 Aquatics Study)	\$650,000 (for therapy pool, Warwick community pool, 50m pool at Chinquapin)	\$0
TOTAL	\$25,000,000	\$30,150,000	\$4,800,000
Estimated Operating*	\$1,800,000	\$2,744,999	n/a
Projected Revenue*	\$1,100,000	\$1,321,713	n/a

*Estimated Operating Costs and Projected Revenue are based on current costs and analysis completed during the 2012 Aquatics Facilities Study.

Advocates for Alexandria Aquatics - March 2013

Financial Contribution:

<u>Facility</u>	<u>City Recommendation</u>	<u>AAA Contribution</u>	<u>Net for City</u>
Old Town Recreation & 25-meter pools	\$5.5 m	\$ 1.1 m	\$4.4 m
Lee Therapeutic pool	\$3.4 m	\$0.7 m	\$2.7 m
Warwick Sprayground	\$2.5 m	\$0.5 m	\$2.0 m
Chinquapin Recreation & 25-meter pools	\$10.7 m	0	\$10.7 m
Ewald Sprayground	\$2.1 m	0	\$2.1 m
Colasanto	\$0.8 m	0	\$0.8 m
	<hr/>	<hr/>	<hr/>
	\$25.0 m	\$2.3 m	\$22.7 m
Chinquapin Change from 25-meter To 50-meter pool	\$ 5.0 m	\$2.5 m	\$ 2.5 m
	-----	-----	-----
	\$30.0 m	\$ 4.8 m	\$25.2 m

Reduce Construction Costs:

1. Possible use of stainless steel pools
 - Buy used Olympic Trial 50-meter pool
 - Renovate with stainless steel pool in existing concrete pool base
2. Reduced installation costs with stainless steel pools
3. Lower operating costs of stainless steel pools

Future Business Plan for Operating Revenue

1. Realistic entrance fees
2. Concession stands
3. More attractive party uses
4. Attract more club/competition usage
5. Naming rights to features, such as individual lanes