

***TOWN COUNCIL***

***MEETING***

***PACKET***

**October 7, 2013**

*Town Council*

*Agenda*

Monday, October 7, 2013  
Town Hall, Council Chambers  
450 So. Parish Avenue  
7:00 PM



Town of  
**Johnstown**

---

**MISSION STATEMENT**-*"The mission of the government of the Town of Johnstown is to provide leadership based upon trust and integrity, commitment directed toward responsive service delivery, and vision for enhancing the quality of life in our community."*

---

*Members of the audience are invited to speak at the Council meeting. Public Comment (item No. 5) is reserved for citizen comments on items not contained on the printed agenda. Citizen comments are limited to three (3) minutes per speaker. When several people wish to speak on the same position on a given item, they are requested to select a spokesperson to state that position. If you wish to speak at the Town Council meeting, please fill out a sign-up sheet and present it to the Town Clerk.*

- 1) **CALL TO ORDER**
  - A) Pledge of Allegiance
- 2) **ROLL CALL**
- 3) **AGENDA APPROVAL**
- 4) **RECOGNITIONS AND PROCLAMATIONS**
- 5) **PUBLIC COMMENT (three-minute limit per speaker)**

---

*The "Consent Agenda" is a group of routine matters to be acted on with a single motion and vote. The Mayor will ask if any Council member wishes to have an item discussed or if there is public comment on those ordinances marked with an \*asterisk. The Council member may then move to have the subject item removed from the Consent Agenda for discussion separately.*

---

- 6) **CONSENT AGENDA**
  - A) Town Council's Meeting Minutes – September 16, 2013
- 7) **STAFF REPORTS**
- 8) **OLD BUSINESS**
- 9) **NEW BUSINESS**
  - A) Presentation of Peer Review of Green Play LLC Recreation Center Feasibility Study – Dr. John Loomis, Economist
  - B) Consider Award of Contract for 2013 Sewer Cleaning Project – Dale's Environmental Services, LLC
- 10) **COUNCIL REPORTS AND COMMENTS**
- 11) **MAYOR'S COMMENTS**
- 12) **ADJOURN**

---

**WORKSESSION**

- 1) Discussion of 2014 Proposed Budget

**AGENDA ITEM 6A**

**CONSENT**

**AGENDA**

- **Council Minutes –September 16, 2013**

**TOWN COUNCIL AGENDA COMMUNICATION**

---

**AGENDA DATE:** October 7, 2013

**ITEM NUMBER:** 6A

**SUBJECT:** Consent Agenda

**ACTION PROPOSED:** Approve Consent Agenda

**PRESENTED BY:** Town Clerk

---

**AGENDA ITEM DESCRIPTION:** The following items are included on the Consent Agenda, which may be approved by a single motion approving the Consent Agenda:

A) Town Council Minutes – September 16, 2013

---

**LEGAL ADVICE:** The entire Consent Agenda may be approved by a motion of the Town Council approving the Consent Agenda, which automatically approves each and every item listed on the Consent Agenda. If a Council member wishes to have a specific discussion on an individual item included with the Consent Agenda, they may move to remove the item from the Consent Agenda for discussion.

---

**FINANCIAL ADVICE:** N/A

---

**RECOMMENDED ACTION:** Approve Consent Agenda

---

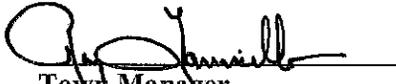
**SUGGESTED MOTION:**

**For Approval:** I move to approve the Consent Agenda.

**For Denial:**

---

**Reviewed:**

  
Town Manager

**COUNCIL  
MINUTES**

The Town Council of the Town of Johnstown met on Monday, September 16, 2013 at 7:00 p.m. in the Council Chambers at 450 S. Parish Avenue, Johnstown.

Mayor Romanowski led the Pledge of Allegiance.

Roll Call:

Those present were: Councilmembers James, Lebsack, Mellon, and Townsend

Those absent were: Councilmembers Berg and Molinar, Jr.

Also present: Roy Lauricello, Town Manager, Russ Anson, Town Attorney, John Franklin, Town Planner and Diana Seele, Town Clerk

Agenda Approval

Councilmember James made a motion seconded by Councilmember Lebsack to amend the agenda to add as Item 9A. Consider Resolution No. 2013-12. Motion carried with a unanimous vote.

Consent Agenda

Councilmember Lebsack made a motion seconded by Councilmember James to approve the Consent Agenda with the following items included:

- September 4, 2013 - Town Council Meeting Minutes
- Payment of Bills
- August Financial Statements

Motion carried with a unanimous vote.

New Business

A. Consider Resolution No. 2013-12, Declaration of a Disaster Emergency and Authorize the Mayor to Sign Any Necessary and Appropriate Documents Concerning This Emergency – Councilmember Mellon made a motion seconded by Councilmember Lebsack to approve Resolution No. 2013-12. Motion carried with a unanimous vote.

B. Public Hearing – Amendment to 2534 Design Guidelines Proposed Land Use Plan for Multi-Family and Accessory Uses by Chrisland Commercial Inc. – This is a request by Chrisland Commercial, Inc. for approval of an amendment to the 2534 Design Guidelines Land use Plan. The amendment would move Multi-Family Residential and accessory uses, now allowed in Area D of the Plan (Thompson Crossing) to specific lots located in Area B. The proposed amendment would be in effect specifically for Lots 1 and 2, Block 1, 2534 Filing No. 2 which is located south of Ronald Reagan Blvd. and west of Thompson Parkway, Lots 1 and 2 encompass approximately 10.5 acres.

Mayor Romanowski opened the Public Hearing at 7:38 p.m. and closed the hearing at 8:15 p.m.

Councilmember Mellon made a motion seconded by Councilmember Lebsack to approve the amendment to 2534 Design Guidelines Proposed Land Use Plan to Allow Multi-Family and accessory uses subject to the Planning and Zoning Commission conditions: 1) The quality of the overall project including architecture and amenities shall be equal or better than the representations provided with the request; 2) Development shall be preceded by Town staff approval of a Final PUD Development Plan and related civil engineering in accordance with the 2534 Design Guidelines and Town Public Improvements Design Criteria; 3) No parking shall be allowed on Thompson Parkway. Motion carried with a unanimous vote.

There being no further business to come before the council the meeting adjourned at 8:27 p.m.

Mayor

Town Clerk/Treasurer



**AGENDA ITEM 9A**

**PEER REVIEW  
OF  
GREEN PLAY LLC  
RECREATION CENTER  
FEASIBILITY STUDY  
(Dr. John Loomis, Economist)**

**TOWN COUNCIL AGENDA COMMUNICATION**

---

**AGENDA DATE:** October 7, 2013

**ITEM NUMBER:** 9A

**SUBJECT:** Presentation of Peer Review of Green Play LLC Recreation Center Feasibility Study –Dr. John Loomis, Economist

**ACTION PROPOSED:** N/A

**PRESENTED BY:** Town Manager

---

**AGENDA ITEM DESCRIPTION:** On August 5, 2013 the Town Council approved a Professional Services Agreement with Dr. John Loomis, Economist for consultation and peer review services related to the Thompson River Parks and Recreation District Recreation Center Feasibility Study. Attached please find a copy of the Peer Review prepared by Dr. Loomis.

A copy of the draft Recreation Center Feasibility Study prepared by Green Play LLC is attached. A final report will be provided after review by the Recreation District Board. Dr. Loomis and GreenPlay have coordinated review of the draft feasibility study.

\*Dr. Loomis will be in attendance to present his report.

\*\*Executive Director Clint Dudley of the Thompson River Parks and Recreation District will also be in attendance should Council have questions regarding the financing of the project.

---

**LEGAL ADVICE:** N/A

---

**FINANCIAL ADVICE:** N/A

---

**RECOMMENDED ACTION:** N/A

---

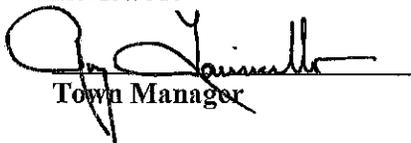
**SUGGESTED MOTION:** N/A

**For Approval:**

**For Denial:**

---

**Reviewed:**

  
Town Manager

**PEER**

**REVIEW**

**(Dr. John Loomis, Economist)**

**Dr. John Loomis, Economist**

**Economics Peer Review of Green Play  
Community Recreation Amenities Feasibility Study  
September 23, 2013**

for



**To: John Franklin, Town of Johnstown**  
**From: John Loomis, Economics Reviewer**  
**Subject: Review of GreenPlay & BRS Thompson Rivers Community Center Survey, Plans and Operational Budget (of August 21, 2013).**

### **Executive Summary**

GreenPlay and BRS have done a professional job of developing their analysis, and in most cases, presenting their assumptions that underlay their estimates of revenues and costs.

Two of their assumptions make their analysis and revenue estimates conservative:

1. Their assumptions that it is the population within 5 miles that will use the facility when the survey indicates that 25% of the survey respondents would come from further away.
2. Assuming current population levels for their analysis (i.e., not accounting for future population growth) this turns out to significant underestimate future visits.

However, I am concerned that two of their assumptions could result in over-estimates of net revenue (revenue minus expenditures):

- An aggressive campaign will be needed after the first few years to hit revenue targets
- GreenPlay's estimate of 159,500 admissions or visitation estimate is somewhat higher than my estimates. If one uses the populations just of the cities where the community centers are (and not the 5 mile radius populations GreenPlay originally reported) my estimate of 150,054 admissions is only about 6% less than GreenPlay's estimate of 159,500 visits. However, using GreenPlay's original population figures within 5 miles, my estimate would be no more than 143,763 total admissions, and worst case scenario could be around 100,000 by the time the facility is built. This worst case seems unlikely as Johnstown and Milliken appear to have no local private gyms, as compared to benchmark towns of Longmont and Erie that have these facilities.
- Implications for Operating Deficit are as follows:
  - GreenPlay's estimate of deficit is \$327,461 based on 159,500 visits.
  - My estimate of initial deficit is \$370,250 based on 150,054 visits
  - My worst case estimates of visitation produce deficits of about \$500,000.

I feel it is worth pointing out that a decision to build now is irreversible, but not building now leaves open the option of still building in the future when population levels are larger.

## Table of Contents

	<u>Page #</u>
<b>Part I.</b>	
<b>A. Review of Community Survey</b>	<b>4</b>
<b>B. Public Meeting</b>	<b>5</b>
<b>C. Site Selection</b>	<b>6</b>
<b>D. Components of an Example Community Center</b>	<b>6</b>
<b>E. Conclusion on Survey and Public Meetings</b>	<b>7</b>
<b>Part II.</b>	
<b>A. Summary Review Comments of GreenPlay and BRS Reports of August 21, 2013</b>	<b>8</b>
<b>Admission Estimates</b>	<b>8</b>
<b>B. Detailed Comments</b>	<b>11</b>
<b>1. Facility Design</b>	<b>11</b>
<b>2. Expenditures/Costs</b>	<b>12</b>
<b>3. Revenues</b>	
<b>3a. Revenue Assumptions</b>	<b>12</b>
<b>3b. Proposed Admission Fees</b>	<b>12</b>
<b>3c. Visits Per Week Per Person for Annual Passes</b>	<b>12</b>
<b>3d. Admissions Analysis</b>	<b>12</b>
<b>C. Sensitivity of Revenues &amp; Operating Deficit to Admission Numbers</b>	<b>17</b>
<b>D. Comments on Bond Financing</b>	<b>19</b>
<b>D. Conclusions</b>	<b>19</b>
<b>E. References Cited</b>	<b>20</b>

## **PART I.**

### **A. Review of Community Survey**

Generally this was a carefully and professionally done survey that is well designed to provide relevant information on potential recreation use levels of various types of facilities, priorities of the different communities and their intended voting behavior on a possible property tax levy. The survey sample design was well thought out (one person from each household on the voter list) and 300 businesses. While the response rate of 11.5% is a little lower than desirable, it is a reasonable response rate for one time mailing of a survey to the general public. The calculated margin of error is plus/minus 3.45% which is certainly acceptable. The graphs do a nice job showing not just overall results but also by community. I particularly liked the "forced choice" type question which required people to make trade-offs between which type of mutually exclusive facility they would like to have. The wording of the Voting Scenarios is generally good, although the way the cost information is presented in the initial voting question requires households to make some calculations to determine what their particular cost would be. They do provide an example of the cost in the following question about how concerned are you about the cost. This typical cost information for a \$300,000 house might have been useful to have in the prior vote question. It might have been nice to include in the survey some of the visual aids or examples included in the powerpoints to illustrate some of the scenarios. Nonetheless I think the scenarios were well thought out and provided a range of options. A more elaborate survey might have used a "conjoint" approach typically used in marketing to isolate the particular "part worths" of each component. However this would have made the survey implementation more complicated and involved a more complicated analysis. This would have increased costs for the survey and analysis.

At this point I just have two suggestions that should be addressed in the presentation of the results: (a) Residents were not only asked the number of times they would use the facility but also whether they would be willing to pay a fee for that use. However, the graph showing potential number of times they would use the facility has no cross reference to the fee. It would seem to be informative to either have another graph or within the same graph show what percent of these households that would make these trips to the facility at the fees suggested in the survey. (b) The vote Yes and vote No graphs combine the Definitely Yes with the Probably Yes as an

overall Yes vote. Survey validity research has found that when it comes time for an actual vote with real money at stake that many of the Probably Yes votes will likely become No votes. I discussed this with John Barnholt and he suggested they and the survey company deal with this by requiring significantly more than 50% Yes vote before one would conclude that a referendum would pass. Based on the survey validity literature it would be beneficial to also report just the percent Definitely Yes, so that a lower bound estimate was presented as part of a “sensitivity analysis” of the results on this critical question.

In addition, I think in the actual referendum materials it will be important to bring out the shares of the total property tax directed toward the center that come from businesses and oil/gas activity besides individual homeowners. This context can play an important role in obtaining homeowner support if homeowners realize the entire center is not being funded by homeowners. This point was not brought out in the survey, which focused primarily on the cost to the homeowner with out noting who else would be paying these costs. In this sense the survey results provide a conservative estimate of the percent Yes votes.

## **B. Public Meetings**

The attempt to reach out to community members and stakeholders involved two “briefings” with accompanying opportunity for comments/feedback. The public comments were recorded on flip charts. By having one meeting during the afternoon and one in the evening, this was nicely designed to cater to people with different time availability. There were several interested people at the afternoon session (including one council member). However, the evening session was poorly attended. My experience is that one must be more active in recruiting people to attend these. We often do a sample of people much like they did for their survey and then offer to pay them to attend a “focus group” to make sure we get a good cross section of people. However, this is expensive (\$700 in total for 10 people) but ensures that in depth feedback is provided.

### **C. Site Selection**

Generally, I think a great deal of thought went into possible site locations. There was an objective site evaluation matrix criteria that was used to score each site. Site development costs were considered, along with proximity to population centers and community growth patterns. Potential for revenue generation was also an explicit evaluation criteria.

### **D. Components of Example Community Centers**

I think GreenPlay and BRS did a nice job in their presentation of breaking down the elements that can be incorporated into a community center. They also noted the potential revenue likely to be generated (high, medium and low) relative to the expense of the center. However, it was not clear until I asked what was considered in the "expense side". It turns out it is just the operation and maintenance cost of that particular element of the community center not the cost to build it. Some of the facilities require significant space to build (e.g., a field house would require enclosing a large area, though it may not cost much to maintain). These estimates of revenue and expense appeared to be based largely upon the experience of GreenPlay and BRS in working with similar community centers around the country. It would be nice to supplement this assessment with a more data driven assessment of the experiences of the other community centers revenue and expenses. There are some centers that BRS was involved in here in Colorado for which it would be nice to see some spreadsheet level analysis of their costs and returns IF the data is sufficient to do this. It is recognized that often times community centers do not keep sufficiently detailed records on what each facility takes in and the separable costs to staff and maintain each facility to allow such calculations.

GreenPlay and BRS exhibited a very thorough understanding of the interaction of the various elements of a Community Center. For example, some areas may, when judged on their own, appear to be "money losers" but in fact they may increase the chance that a family will use the "money making" centers, e.g., day care center may just break even but allows families to then use the pool areas and weight rooms.

GreenPlay and BRS provided a wide variety of options of features of a community center as well as a well balanced discussion of the merits of each. They provided some ballpark (nearest million

dollars) estimates of what their three “scenarios” could be. These scenarios presented in their powerpoints are essentially the same ones provided in the survey.

### **E. Conclusion on Survey and Public Meetings**

Overall I think GreenPlay and BRS have both good data for the community with the survey and a wealth of experience designing these community centers to meet the desires of the community. It is my understanding their final report provides more detail on the survey. The report was not provided to me to review.

## **PART II.**

### **A. Summary Review Comments of GreenPlay Draft Operational Budget and BRS Center Facility Program Documents of August 21, 2013**

Reviewed the three documents: (a) Draft Operational Budget (8/21//2013) from GreenPlay; (b) BRS Thompson Rivers Community Center Selected Facility Program; (c) TRPR Community Center Benchmarking information from GreenPlay.

GreenPlay and BRS have provided a reasonably well documented description and rationale for their operating budget. One of the strengths is the use of comparable community recreation centers to develop realistic fees that can be charged. Most of the assumptions they make are documented in the report.

In this summary I will give an overview of the very important admission estimates that the revenue estimates and operating deficit depend on. My detail comments below provide more depth on admissions and provides details on other concerns such as facility design.

#### **Admission Estimates and Operating Deficit.**

*GreenPlay's Estimates:* GreenPlay projects 159,500 in total attendance in 2013. This appears to be based on benchmarking from six other similar sized community recreation centers in towns with a wide range of populations. GreenPlay uses the population within a 5 mile radius of the community recreation center. This is consistent with the distance that the survey indicated the majority of visitors would come from. However, there would still be at least another quarter of visitors that would come from further away. Therefore using 5 miles contributes to a conservative estimate of their admissions or visits. Further they do not incorporate future population growth of Johnstown and Milliken into providing future visitation estimates. As such they project an operating deficit of \$327,461.

*My Analysis and Estimates:* In my analysis I take a somewhat different approach to analyzing their data on visitation and population within five miles. The comparison towns range in population from a low of 7,686 in Gypsum (within 5 miles) to 95,930 in Lafayette (within 5

miles). A common way recreation economists look at visitation when population sizes are this different is to express visits as visits per capita. Specifically, we calculated the attendance at comparable centers divided by the population surrounding the centers. As is shown below in the detailed comments, Gypsum's 33.8 visits per capita is about eight times that of the other towns which average 4.8 visits per capita. Thus, Gypsum is an outlier. Using the average visits per capita from the other 5 towns, times what appears to be the 2012 population of the TRPR District within five miles of the center (18,158 people) yields an initial *worst case* estimate of 87,428 of visits, roughly half the estimate of GreenPlay. However, based on a more formal statistical analysis (multiple regression) of the limited data that accounts for facility square footage and age of the population as well as the level of population itself, visitation is estimated at 143,763, not far below GreenPlay's estimate of 159,500. My range of estimates is quite wide in part due to just 5-6 data points in GreenPlays analysis. But factoring in expected population growth estimates from the Town of Johnstown and Milliken, the worst case visitation rises to over 100,000 (detailed tables with exact estimates are provided in the next section). The associated operating deficits are presented on the next page.

**Table 1. Comparison of GreenPlay with Loomis Worst Case Estimates**

<b>Source of Estimate</b>	<b>Estimated Visits</b>	<b>Estimated Operating Deficit</b>
GreenPlay	159,500 in 2012	\$327,461
Loomis Worst Case	87,428 in 2012	\$653,950
Loomis Worst Case	107,290 in 2015	\$563,950
Loomis Worst Case	132,050 in 2020	\$451,792

The first year budget deficit may not be as high as my estimate since this estimate ignores the initial novelty of the new facility which will initially boost attendance during the first year.

However, limiting the analysis to just the cities populations and not going out to include the populations within five miles, increases the average visit per capita rate in the initial data to 8.9 (excluding Gypsum), fairly close to what I calculated from GreenPlay's 159,500 visitation estimate (9.46 visits per capita). As such using these higher visits per capita estimates result in an upward revision of my estimate to 150,054 visits, only about 6% less than GreenPlay. Table 2 provides associated estimates of current and future visitation along with estimating operating deficit.

**Table 2. Comparison of GreenPlay with Loomis Best Case Estimates**

<b>Source of Estimate</b>	<b>Estimated Visits</b>	<b>Estimated Operating Deficit</b>
GreenPlay	159,500	\$327,461
Loomis Best Estimate	150,050 in 2012	\$370,250
Loomis Best Estimate	173,550 in 2015	\$310,377
Loomis Best Estimate	213,600 in 2020	\$139,698

As can be seen, there will be an initial operating deficit that gets smaller over time as population levels increase over time. Nonetheless this deficit must be covered, as well as

covering servicing the debt payments on the bonds for construction. These were estimated at a minimum of \$1.5 million a year to as much as \$1.9 million a year.

These costs of course need to be compared with the benefits the community will receive from having a community center. As a recreation economist, the benefits community members receive usually significantly exceed the actual entrance fees they pay. While there is a temptation to try and transfer some of these community benefits into entrance fees, this may reduce the benefits the community receives. If the community center is viewed as a public good type of infrastructure like parks, they are part of the quality of life of living in Johnstown and Milliken. In this sense the community members may very well be willing to pay the increase in property taxes necessary to provide the facility. But this will be determined by the ballot initiative. Nonetheless, the community center might attract a small, but unknown amount, of new residents beyond current forecasts that would further reduce future operating deficits.

However, having said this, the decision to build a community center today is an irreversible commitment. Waiting to build the community leaves open the option to build it in the future when the population of the two towns has reached a threshold where the operating deficits may be more manageable (e.g., 2020).

## **B. Detailed Comments**

### **1. Facility Design.**

One concern I have is that there are at least two features of the Community Recreation Center that are proposed that, according to the survey, seem to be a low priority to the community and survey respondents indicated they would not use very much. These features are the Community Room and Events Hall along with a Catering Kitchen which adds about \$500,000 to the construction costs. GreenPlay and BRS feel that it would not be a community center without these and they will be booked on weekends. Whether that adds enough revenue to justify the cost of these two features has not been calculated by GreenPlay, as they do not conduct this type of incremental analysis, nor do they provide data for me to do that. Thus, this decision comes down to two judgments: (1) In the long run, is the community room, events hall and catering kitchen important functions that a community center ought to provide? (2) Trusting the judgment of

GreenPlay and BRS on this. My judgment is that they may be right to include this as part of an integral function of true community center. I just feel the survey data does not seem to support this judgment.

## **2. Expenditures/Cost**

2a. Minor Point. Page 6. Taxes are not included on either revenue or expense side. This may be reasonable on the expense side as GreenPlay notes that Thompson Rivers Recreation District is a Special District. Not sure on the revenue side.

2b. Appendix A, Line Item Operating Budget. Overall this is pretty thorough and detailed.

## **3. Revenues**

3a. *Revenue Assumption*: Potentially significant point. Page 5 of GreenPlays 8/21 report. The assumption "The revenue forecast will require an aggressive market approach by staff in order to meet the revenue goals." While GreenPlay notes this will not be necessary in the first few years with the novelty of the new community center, that continued marketing of the center and keeping the class offerings up to date will be needed. This seems reasonable, but what is meant by an aggressive marketing approach needs to be spelled out and the feasibility of this evaluated (exactly how much advertising and at what cost, is not spelled out). If GreenPlay has budgeted for this type of aggressive marketing campaign then this assumption may be acceptable.

3b. *Proposed Admission Fees*. (Page 6). The use of comparables seems like a good way to arrive at reasonable and defensible fees that should be charged.

3c. *Visits Per Week Per Person for Annual Passes*: Appendix A, Line Item Operating Budget. Page 4, Admission Revenue Goals. I think GreenPlay's assumption of 2 visits per week is reasonable for Annual Passes.

### *3d. Admissions Analysis*

GreenPlay projects 159,500 in total attendance in 2013. This appears to be based on benchmarking from six other similar sized community recreation centers in towns with a wide

range of populations. The particular thought process used is not described in what has been provided so far. No doubt GreenPlay will likely provide that information in its full report.

*GreenPlay's Conservative Visitation Estimate Assumption#1:* At present, GreenPlay uses the population within a 5 mile radius of the community recreation center. This is consistent with the distance that the survey indicated the majority of visitors would come from. However, there would still be at least another quarter of visitors that would come from further away. Therefore using 5 miles contributes to a conservative estimate of admissions visits.

*GreenPlay's Conservative Visitation Estimate Assumption #2:* GreenPlay assumes the population within five miles of the two towns and within the TRPR stays at 18,158. The Johnstown Comprehensive Plan suggests future population growth of between 3.5% and 4.9% (although the recession may have lowered this). Milliken population growth rates are slightly lower than Johnstown.

*Factoring in Differences in Population Among Comparables:* GreenPlays' comparison towns (what they call their Benchmarks) range in population within five miles of the recreation center from a low of 7,686 in Gypsum to 95,930 in Lafayette (within five miles of the recreation center). A common way recreation economists look at visitation when population sizes are this different is to express visits as visits per capita (VCAP in Table 1 below), in this case attendance divided by population (Loomis and Walsh, 1997; Ward and Beal, 2000). I use that approach below to provide insights and calculations for estimating a range of use.

*Analysis of Estimated Admissions Using Population with 5 miles of Community Center.*

In GreenPlay's original analysis (8/21/2013) they used population within five miles of the benchmark community recreation center. This is consistent with their admission estimate that included non-resident (non-resident to TRPR District).

As can be seen in Table 1, Gypsum's 33.8 visits per capita is about eight times that of the other towns which average 4.8 visits per capita. Thus, Gypsum is an outlier. It is possible Gypsum is

the only community center for miles around so it attracts visitation from well beyond the five mile radius used by GreenPlay. So I based my estimates on not including Gypsum.

**Table 3. Summary of GreenPlay's Original TRPR Community Center Benchmark Information with Loomis Calculation of Visits per Capita (VCAP)**

City	Age	Income	Facility Sq Feet	Population within 5 miles	Total Visits	VCAP
Carbon Valley	34.1	\$63,784	50000	27,670	139,209	5.031
Erie	38	\$78,000	63119	50,228	201,324	4.008
Longmont	37.5	\$57,907	63250	91,566	471,215	5.146
Loveland	40	\$57,441	85000	81,038	432,458	5.336
Lafayette	39	\$81,254	47000	95,930	436,694	4.552
Gypsum	32	\$62,988	59000	7,686	260,000	33.828

In Table 4, I use the average visits per capita from the first 5 towns in Table 3, multiplied by the population of the TRPR District within five miles of the center (18,158 people). This yields an estimate of 87,428 of visits, roughly half the estimate of GreenPlay (159,500). However, based on a more formal statistical analysis (multiple regression) of the admittedly limited data for this type of analysis, that accounts for facility square footage and age of the population as well as the level of population itself, the visitation is estimated at 143,763, not far below GreenPlay's estimate of 159,500. My range of estimates is quite wide in part due to having only 5-6 data points from GreenPlay.

**Table 4. Green Play’s Estimate and Loomis Calculations of Visitor Use/Admissions Compared to Green Play Based on Population within 5 miles.**

Basis of Estimate			Population	VCAP	Estimated Total Visits
GreenPlay Estimate---->			18,158	8.784	159,500
VCAP Basis Visitation Estimate	Worst Case Average w/out Gypsum-->		18,158	4.8148	87,428
Regression- Hi end	Stats Est w/out Gypsum-->		18,158	Stat Est	143,763

Footnote: Stats means statistical estimate based on simple multiple regression

In Table 4, I calculate the implied visits per capita (VCAP) associated with GreenPlay's 159,500 estimate of total visitation. GreenPlays implied VCAP of 8.784. This high visitation rate is much higher than the average of all the first five towns in Table 3. As shown in Table 4, the average visitation per capita (VCAP) is 4.8148. Applying the average VCAP of 4.8148 to the 18,158 population in the five mile study area yields a worst case estimate of 87,428 visits. This seems like a lower bound as none of the benchmark communities have visitation this low. In addition, one might expect a higher than 4.8 visits per capita from Johnstown-Milliken area, as Johnstown only has one private fitness studio and one private Zumba fitness studio, and Milliken does not appear to have any private gyms that would compete with the proposed community recreation center.

***Analysis of Estimated Admissions Using Just City Populations of Community Center***

As was pointed out by John Franklin of Johnstown, the populations within 5 miles of the visitor centers significantly exceeds in some cases the actual populations of the core of the cities. Therefore GreenPlay provided estimated populations of the cities themselves. Since these populations are smaller, this would suggest the visits per capita is actually nearly double what the visits per capita is using the entire population within five miles surrounding these cities community centers. The revised calculations and results are shown in Table 5.

**Table 5. Summary of GreenPlay’s TRPR Community Center Benchmark Information Using Just city Population with Loomis Calculation of Visits per Capita (VCAP)**

City	Total Visits	City Pop	Age	Inc	Sqft	VCAP
Carbon Val	139209	27670	34.1	63784	50000	5.031044
Erie	201324	18767	38	78000	63119	10.72755
Longmont	471215	88003	37.5	57907	63250	5.354533
Loveland	432458	69334	40	57441	85000	6.237315
Lafayette	436694	25464	39	81254	47000	17.14947
Gypsum	260000	7686	32	62988	59000	33.82774

The average visits per capita from Table 5, excluding Gypsum that remains an outlier, yields a visits per capita of 8.9. Taking GreenPlay’s estimate of 159,500 divided by the population of just Johnstown and Milliken proper, yields an estimate of 9.46, not too far above the 8.9 from the revised analysis.

In Table 6, I use the average visits per capita from the first 5 towns in Table 5, multiplied by at total population of the two cities (16,860) comprising just Johnstown’s population (11,119) and Milliken (5,741) . This yields an estimate of 150,054 of visits, fairly close to GreenPlay’s estimate of 159,500 visits (only about 6% different). I consider the 150,054 to be a best case estimate of visits given the population in 2012, once the initial novelty of the new community center wears off (a similar assumption made by GreenPlay). However, as shown below, the visitation increases with increased population.

**Table 6. Green Play’s Estimate and Loomis Calculations of Visitor Use/Admissions Compared to Green Play Based on City Population Only (without Gypsum)**

Basis of Estimate	City Population of Milliken & Johnstown	VCAP	Estimated Total Visits
GreenPlay Est	16860	9.46	159,500
JohnstownVCAP	16860	8.90	150,054

**C. Sensitivity of Revenues and Operating Deficit to Admission Numbers**  
**Admission Estimates and Operating Deficit.**

*GreenPlay's Estimates:* GreenPlay projects 159,500 in total attendance in 2012. Using their attendance estimate they project an operating deficit of \$327,461.

*Assumptions common to my estimate and GreenPlay's in the calculation of operating deficit:* In their original analysis (8/21/2013) GreenPlay estimated 150,500 visits, generating \$722,525 in revenue, and associated costs of \$1,049,986. This yielded an operating deficit of \$327,461. I use the same mix of revenue sources as GreenPlay (i.e., same percentage of annual passes, 20 visit punch cards and daily visit fees). Assuming the same costs (in part because most of the operational costs of the facility—utilities, staffing probably would not change with a reasonable range of difference in visitation), the operating deficits are shown in Table 7 for the worst case and Table 8 for the best case.

**Table 7. Comparison of GreenPlay with Loomis Worst Case Estimates**

<b>Source of Estimate</b>	<b>Estimated Visits</b>	<b>Estimated Operating Deficit</b>
GreenPlay	159,500 in 2012	\$327,461
Loomis Worst Case	87,428 in 2012	\$653,950
Loomis Worst Case	107,290 in 2015	\$563,950
Loomis Worst Case	132,050 in 2020	\$451,792

However, limiting the analysis to just the cities populations and not going out to include the populations within five miles, increases the average visit per capita rate in the initial data to 8.9 (excluding Gypsum), fairly close to what I calculated from GreenPlay's 159,500 visitation estimate (9.46). As such using these higher Visits per capita results in an upward revision of my estimate to 150,054 visits, only about 6% less than GreenPlay. Table 8 provides associated estimates of current and future visitation along with the operating deficit.

**Table 8. Comparison of GreenPlay with Loomis Best Case Estimates**

<b>Source of Estimate</b>	<b>Estimated Visits</b>	<b>Estimated Operating Deficit</b>
GreenPlay	159,500	\$327,461
Loomis Best Estimate	150,050 in 2012	\$370,250
Loomis Best Estimate	173,550 in 2015	\$310,377
Loomis Best Estimate	213,600 in 2020	\$139,698

As can be seen, there will be an initial operating deficit that gets smaller over time as population levels increase over time. Nonetheless this deficit must be covered, as well as covering servicing the debt payments on the bonds for construction. These were estimated at a minimum of \$1.5 million a year to as much as \$1.9 million a year.

These costs of course need to be compared with the benefits the community will receive from have a community center. As a recreation economist, the benefits community members receive usually significantly exceed the actual entrance fees they pay. While there is a temptation to try and transfer some of these community benefits into entrance fees, this may reduce the benefits the community receives. If the community center is viewed as a public good type of infrastructure like parks, they are part of the quality of life of living in Johnstown and Milliken. In this sense the community members may very well be willing to pay the increase in property taxes necessary to provide the facility. But this will be determined by the ballot initiative. Nonetheless, the community center might attract a small, but unknown amount, of new residents beyond current forecasts that would further reduce future operating deficits.

However, having said this, the decision to build a community center today is an irreversible commitment. Waiting to build the community leaves open the option to build it in the future when the population of the two towns has reached a threshold where the operating deficits may be more manageable (e.g., 2020).

## **D. Comments on Bond Financing**

As I am not a financial analyst and TRPR has retained two groups that specialize in bond counsel I will defer judgment to them. The only thing is that the 7% interest rate seems fairly high given current interest rates on long term debt such as home mortgages. Also, 7% would seem high if the bond interest payments to recipients are exempt from state or federal income taxes.

## **E. Conclusions**

In sum, I think GreenPlay and BRS have done a good job of providing initial budget estimates and the basis for these, including the assumptions.

Two of their assumptions make their analysis and estimates conservative:

- Assuming current population levels for their analysis (i.e., not accounting for future population growth).
- Assuming that it is the population within 5 miles that will use the facility when the survey indicates that 25% of the survey respondents would come from further away.

However, I am concerned that two of their assumptions may results in over-estimates of net revenue (revenue minus expenditures):

- An aggressive campaign is needed to attain revenue targets
- GreenPlay's admissions or visitation estimate is at the upper range of mine that I calculated using the data they assembled.

I am also somewhat concerned about the apparent differences between features of facility design (i.e., including a small community event center, catering facility and party/wet classroom) and the community surveys which show low potential use of these particular facilities.

The my worst case scenario is visitation nearly half of GreenPlay's estimate with an operating deficit over \$500,000 a year until population growth in Johnstown and Milliken increases visitation and revenue. My best estimate of visitation is just slightly (6%) below GreenPlay's and my associated operating deficit correspondingly higher (\$370,250) than theirs (\$327,461). My best estimate shows this deficit falling as population growth in Johnstown and Milliken occurs. My estimate of the deficit in 2015 would be in the range of \$310,377 in 2015 and \$140,000 in 2020. These reductions in deficits points show there may be some benefits in waiting to build the facility. Waiting to build keeps the option of building in the future open. Building today is an irreversible decision.

**D. References Cited**

Loomis, J. and R. Walsh. 1997. Recreation Economic Decisions, 2<sup>nd</sup> Edition. Venture Publishing, State College, PA.

Ward, F. and D. Beal. 2000. Valuing Nature with Travel Cost Models. Edward Elgar, Northampton, MA.

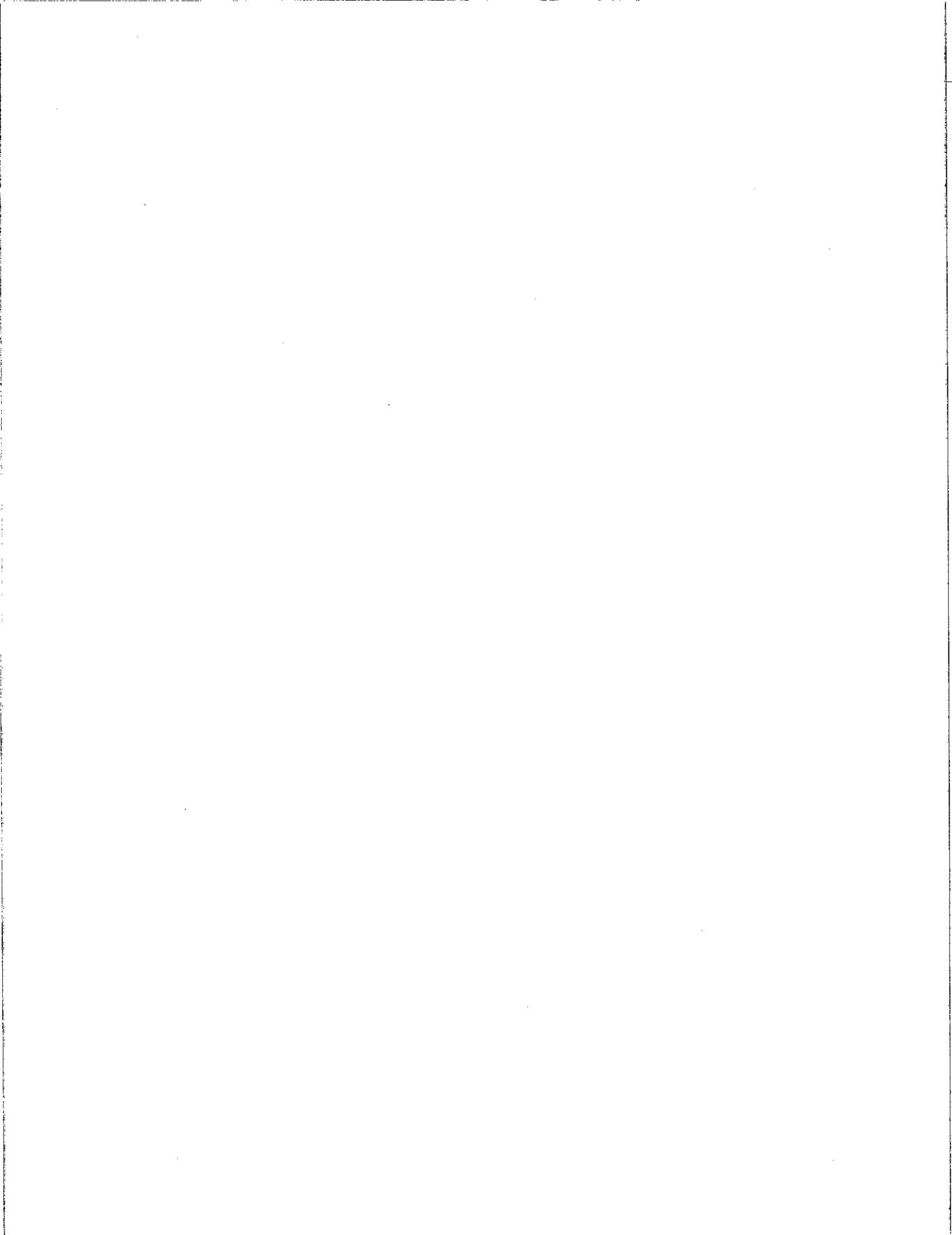
**GREENPLAY, LLC**  
**COMMUNITY**  
**RECREATION CENTER**  
**FEASIBILITY**  
**STUDY**

**THOMPSON RIVERS PARKS & RECREATION  
DISTRICT**

---

**Community Recreation Center (CRC)  
Feasibility Study**

**SEPT 2013**



## **Acknowledgements**

### **Thompson Rivers Parks and Recreation District Board of Directors**

John Dunlap  
Ted Chavez  
Stewart Erickson  
Paula Eastin  
Phyllis Bruce

### **Community Center Task Force**

Reid Hobbler  
Patrick Murphy  
John Franklin  
Aaron Townsend  
Amy Johnson  
John Bruce  
Mark Spaur  
Clint Dudley  
John Dunlap

### **Consultant Team**

GreenPlay LLC: John Barnholt, Project Manager; Chris Dropinski, Principal-in-Charge  
Barker Rinker Seacat Architecture: Dave Hammel, Chuck Musgrave



## Table of Contents

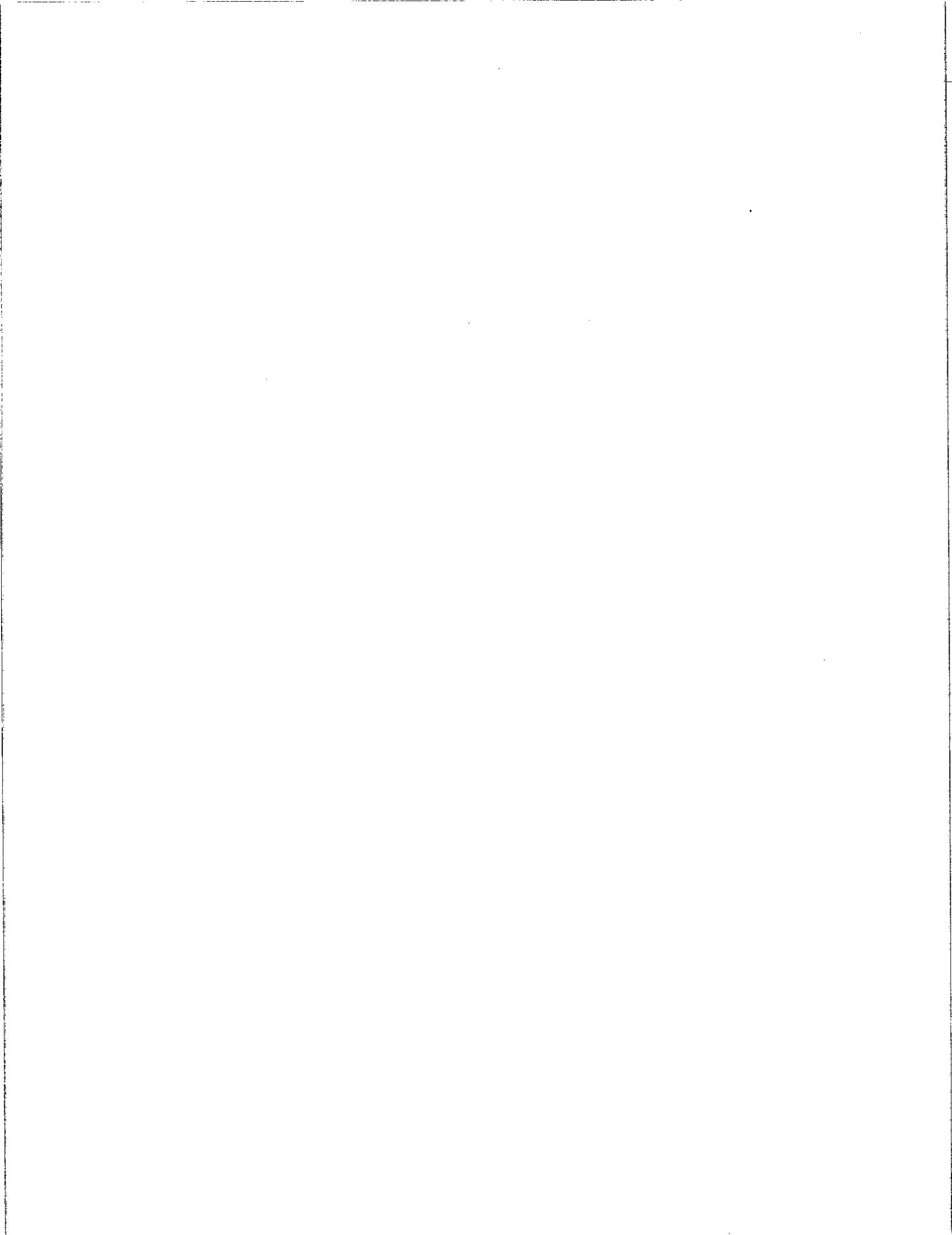
<b>I. EXECutive summary .....</b>	<b>3</b>
A. Community Input .....	3
B. Facility Concepts .....	5
C. Demographics .....	5
D. Comparisons .....	6
E. TRPR Community Recreation Center Operating Budget and Fees .....	7
F. Proposed Fees for the Community Recreation Center .....	8
<b>II. Community Input Process .....</b>	<b>11</b>
<b>III. Facility Concepts .....</b>	<b>25</b>
A. Program Development.....	25
B. Site Analysis .....	26
C. Site Design.....	27
D. Architectural Character.....	27
E. Program Development .....	28
<b>IV. Market Analysis .....</b>	<b>31</b>
A. Demographic Profile and Trends Analysis .....	31
B. Current Relevant Trends .....	34
C. Comparisons .....	36
<b>V. Facility Vision.....</b>	<b>41</b>
<b>VI. Building Program and Operational Budget .....</b>	<b>47</b>
A. Facility Spaces .....	47
B. Assumptions.....	48
C. Detailed Operating Budget .....	53
D. Long Term Operating Budget.....	54
<b>Appendices .....</b>	<b>55</b>

## List of Tables

Table 1: Comparable Data .....	6
Table 2: Summary Community Recreation Center Operating Estimates.....	7
Table 3: Proposed Admission Fee Schedule & Comparisons .....	8
Table 4: Top 10 Worldwide Fitness Trends for 2007 and 2012 .....	35
Table 5: Comparable Data .....	36
Table 6: Comparable Resident Fee Table .....	38
Table 7: Facility Program Spaces .....	47
Table 8: Center Hours of Operations .....	48
Table 9: Proposed Admission Fee Schedule & Comparisons .....	51
Table 10: Facility Rental Fees.....	52
Table 11: Community Center Budget Summary .....	53

## List of Figures

Figure 1: Level of Willingness to Vote For/Against a Mill Levy for Scenarios 1-3 – Overall Results .....	4
Figure 2: Thompson Rivers Parks and Recreation Population Projection.....	6
Figure 3: Household Characteristics (Part 1) – Overall Results.....	13
Figure 4: Extent of Agreement for How TRPR Should Offer Facilities and Programs .....	15
Figure 5: Top Three Most Important Amenities to TRPR Households – Overall Results .....	17
Figure 6: Level of Willingness to Vote For/Against a Mill Levy for Scenarios 1–3 Overall Results .....	19
Figure 7: Level of Concern of Tax Impact for Scenarios 1–3 Overall Results .....	20
Figure 8: Level of Willingness to Vote For/Against a Mill Levy and Level of Concern .....	21
Figure 9: Most Favored Scenario – Overall Results .....	22
Figure 10: Site Layout .....	27
Figure 11: Thompson Rivers Parks and Recreation Population Projection.....	31
Figure 12: 2000–2017 Age Distribution Trends .....	32
Figure 13: Racial/Ethnic Distributions for TRPR from 2000 to 2017 .....	34



**THOMPSON RIVERS PARKS & RECREATION  
DISTRICT**

---

---

**Community Recreation Center Feasibility  
Study**

***Executive Summary***



# I. EXECUTIVE SUMMARY

This Community Recreation Center (CRC) Feasibility Study project investigated the viability of building and operating the Thompson Rivers Parks and Recreation District's (TRPR) first community recreation center. An Advisory Committee was established to help guide the process to examine in depth the need for such a facility.

## A. Community Input

Engaging the public with sufficient and meaningful mechanisms for input allows for frank and open discussions about the need and expectation for a new community recreation center. To gain valuable insight into the needs and demands of the community, a public input process was conducted, which included:

- A community survey that had 826 responses
- Two (post survey) focus groups
- Two Advisory Team meetings
- One TRPR Board presentation

### Conclusions – Survey

When asked to rank the top three most important amenities to respondents and their household, **indoor leisure swimming pool/warm water activity pool was rated most important** (74% rated this amenity as one of the three most important). **Cardio and weight training equipment** (58%), and **fitness/aerobics/dance class space** (44%) **rated the next highest of all the amenities**. Moreover, these three amenities were ranked the same for both Johnstown and Milliken.

The second tier of most important amenities included the following:

- Multi-purpose gymnasium
- Indoor walk/jog track
- 25-yard 6-lane competitive lap pool
- Babysitting/child watch room

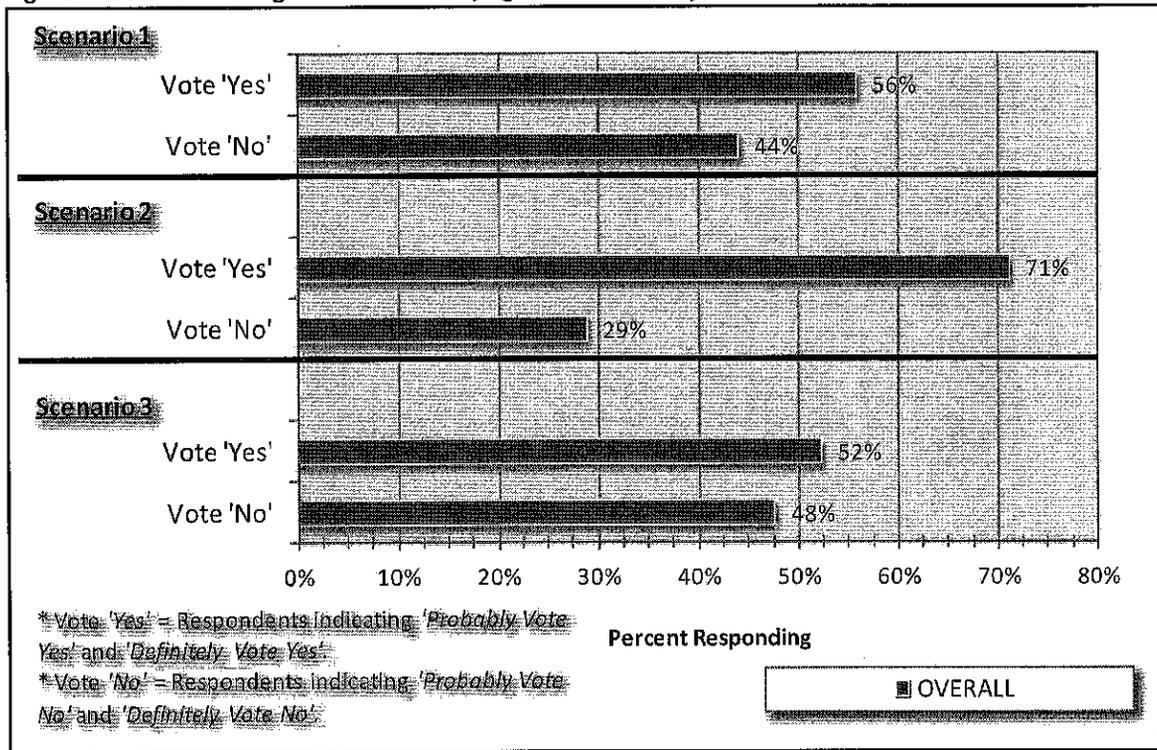
The survey probed three scenarios for recreation center(s). Evaluating the overall results, Scenario 2 (which includes all of the first and second tier amenities listed above with the exception of the 25-yard 6-lane lap pool) was the most favored option. Overall, there are more households in favor of pursuing a new recreation center than not pursuing a recreation center. The full survey report can be found in **Appendix B**.

### Level of Willingness to Vote For/Against a Mill Levy

On a scale of 1 to 4 where 1= Definitely Vote "Yes," 2=Probably Vote "Yes," 3=Probably Vote "No," and 4=Definitely Vote "No," households were asked how they would likely vote on a mill levy increase for each associated scenario. Each scenario included a formula for households to calculate the annual tax impact on their household.

For each of the scenarios, there more households indicated that they would either probably or definitely vote for the associated mill levy increase compared to those that would probably or definitely vote against the increase. *Scenario 2 had the most households indicate they would vote for the increase.*

**Figure 1: Level of Willingness to Vote For/Against a Mill Levy for Scenarios 1 - 3 – Overall Results**



## B. Facility Concepts

### Site Analysis

Five different sites were investigated in both Milliken and Johnstown:

- 257/Highway 60 – located north of highway 60 and industrial building and south of the creek.
- Centennial Lake – This site was ruled out early due to its small area; it would not be suitable for a 60-70,000 SF community center.
- Nelson Farm Property – located north of Johnstown, just north of the Nelson Farm's Ball Field Complex.
- Parish Property – located just east of the Johnstown library.
- Spaur Property – located at Colorado Roads 46 and 19.

In the final analysis, the Parish Property and the 257/Highway 60 gained the highest scores. After further discussion, the District elected for the Parish Property to be the designated site for the Community Center.

### Recreation Center Site Concepts

The new Community Recreation Center is designed to fulfill a critical need for both passive and active recreation programs in the TRPR District. All of the spaces within the center are conceptualized to be as multi-functional as possible, inclusive of both current and anticipated future needs. The multi-faceted program includes a warm water leisure pool. In addition to the aquatic elements, an array of fitness and multi-purpose spaces are also included in the program. These include a short-term babysitting room, a walk/jog track, a group fitness room, a triple middle school-sized (single high school) gymnasium, party/wet classrooms and a community event space. The total cost of the proposed facility is approximately \$20 million.

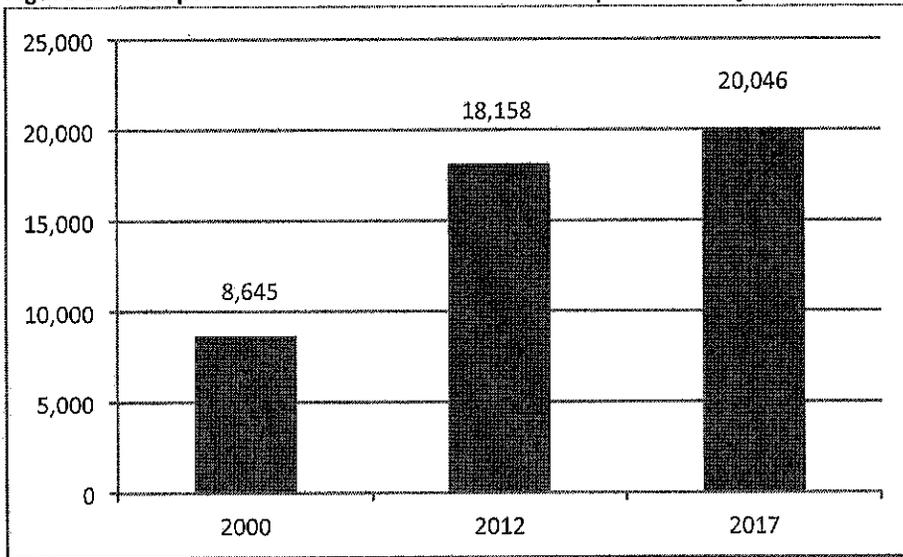
## C. Demographics

Understanding community demographics and needs is an important component of planning for future parks and recreation services and facilities in the District. This section of the *Feasibility Study* first provides a demographic overview of the TRPR.

### Population Projections

Although the future of population growth cannot be predicted with certainty, it is helpful to make assumptions about it for planning purposes. *Figure 2* provides population data including estimates and projections for TRPR in the years 2012 and 2017. ESRI's report of the 2010 Census data reflects an annual growth rate of 7.18 percent for TRPR during the 2000–2012 period. ESRI's projected annual growth rate for 2012–2017 is 2.0 percent.

**Figure 2: Thompson Rivers Parks and Recreation Population Projection**



Source: ESRI Business Information Solutions 2010 Census Summary and 2012 Demographic and Income Profile.

## D. Comparisons

In order to get a complete picture of the options for potential components, there must be an understanding of what the market will bear for fees and charges, the amount of funding it takes to operate and maintain similar facilities, as well as the costs to staff a facility. For this comparison, other park and recreation agencies were contacted to provide specific information for recreation centers that would be similar to the TRPR. Comparison agencies include Carbon Valley, Erie, Gypsum, Longmont, Loveland, and Lafayette, as shown in **Table 1**.

**Table 1: Comparable Data**

	Carbon Valley 50,000 SF	Erie 63,119 SF	Gypsum 59,000 SF	Longmont* 63,520 SF	Loveland 85,000 SF	Lafayette 47,000 SF
Expenses	\$1,282,201	\$2,602,628	\$1,045,024	\$1,285,671	\$2,080,979	\$1,484,501
Revenues	\$626,819	\$1,067,401	\$922,910	\$1,597,986	\$1,762,712	\$1,053,500
Operational Subsidy	(\$655,382)	(\$1,535,227)	(\$122,114)	\$312,315	(\$318,267)	(\$431,001)
Cost Recovery %	49%	41%	88%	124%	85%	71%
<b>Additional Data</b>						
Wages/Salaries	\$575,720	\$1,310,348	\$2,123,073	\$572,818	\$1,024,326	\$1,083,932
Utilities Expense	\$189,794	\$230,505	\$184,684	\$147,969	Not Reported	Not Reported
Pass/Punch Card Revenue	\$420,444	\$591,000	\$536,000	\$1,427,479	\$1,470,572	\$605,000

\*Longmont expenses do not include custodial and maintenance expenses. These functions are performed by separate city departments

## E. TRPR Community Recreation Center Operating Budget and Fees

The operating budget for the center is driven by the overall service philosophy, which defines the facility's purposes, including whom the facility is going to serve and at what level the service is going to be provided.

The operating budget developed in this preliminary stage serves several purposes:

- Assists in helping to establish realistic goals and expectations with operations to match.
- Provides a foundation for understanding what will be necessary to meet budget expectations and guides how marketing plans and strategies are developed and implemented.
- Offers a guide for future project decisions by providing a framework for understanding the impact of decisions about fees, operation systems, staffing levels, etc.
- Can demonstrate potential overall impacts to the agency's budget and can identify possible program relocations that may help offset the new facility's operating costs.

The projected operating budget for the Community Recreation Center is shown in **Table 2**. A detailed operating budget can be found in **Appendix A**.

**Table 2: Summary Community Recreation Center Operating Estimates**

TRPR Community Recreation Center	
<b>Expenses</b>	
Personnel Services	\$575,720
Supplies	\$74,000
Services	\$313,570
Capital Replacement	\$86,696
<b>Total Expenses</b>	<b>\$1,049,986</b>
<b>Revenues</b>	
Admissions	\$569,925
Rentals	\$15,000
Child Care	\$7,500
Vending	\$10,000
Aquatics Programming	\$55,100
Fitness Programming	\$65,000
<b>Total Revenues</b>	<b>\$722,525</b>
<b>Projected Operating Deficit/Surplus</b>	<b>(\$327,461)</b>
<b>Cost Recovery</b>	<b>69%</b>

## F. Proposed Fees for the Community Recreation Center

The proposed fee structure, as suggested below, reflects preliminary figures that correspond to the operational budget and cost recovery philosophy for the center. These fees are for the full service CRC proposed by the final plan. Comparison fees reflect centers that are closest in distance to residents of the TRPR.

**Table 3: Proposed Admission Fee Schedule & Comparisons**

Proposed Fees	TRPR	Greeley Fun Plex	Loveland	Carbon Valley
<b>Daily</b>				
Child < 3	\$2.00	\$1.50	\$2.00	Free
Youth (4 -17 yrs.)	\$3.00	\$4.50	\$3.00	\$5.00
Adult (18 – 60 yrs.)	\$5.00	\$5.50	\$4.50	\$7.00
Senior	\$3.00	\$4.50	\$2.25	\$5.00
<b>20 Punch</b>				
Youth	\$54.00			
Adult	\$90.00			
Senior	\$54.00			
<b>Annual</b>				
Youth	\$225	\$225	\$248	\$209
Adult	\$375	\$360	\$465	\$345
Senior	\$225	\$225	\$268	\$209
Family*	\$650	\$635	\$683	\$493

*\*Household annual pass rates will vary based on number of household members.*

**THOMPSON RIVERS PARKS & RECREATION  
DISTRICT**

---

---

**Community Recreation Center Feasibility  
Study**

***Community Input***



## II. COMMUNITY INPUT PROCESS

Engaging the public with sufficient and meaningful mechanisms for input allows for frank and open discussions about the need and expectation for a new community recreation center. To gain valuable insight into the needs and demands of the community, the primary tool was the execution of a statistically valid survey. Below is a summary of the survey results. The full survey report can be found in **Appendix B**.

A total of 7,026 surveys were mailed to TRPR residents in June 2013, with approximately 6,675 being delivered after subtracting undeliverable mail. The final sample size for this statistically valid survey was 829, resulting in a margin of error of approximately +/- 3.4 percentage points calculated for questions at 50 percent response<sup>1</sup>.

Substantial household/respondent profile differences between the neighborhoods in TRPR were found. These differences should be taken into account on the overall level of support for a new community recreation facility. Furthermore, the presence of children within a household was associated with a high level of support for a new recreation center. Households with no children or children no longer at home were less likely to support any proposal compared to households with children at home. However, all groups were in support of a new center compared to no new center.

There are households resistant to the project, and they express significant concerns regarding each scenario. Some of these concerns include the tax increases they would need to pay despite not being interested in using the new facilities, and the cost of usage fees in addition to property tax increases. Concerns of the households in favor of the project include the location of the facility, who would operate the facility and how it would be managed, and the timeframe for completion.

The survey probed three scenarios for recreation center(s). Evaluating the overall results, Scenario 2 was the most favored option. Scenario 3 with a competitive lap pool followed. Based on these results, and supplemented by open-ended comments, including some sort of aquatic facility in a recreation center is highly important to many TRPR households. Overall, there are more households in favor of pursuing a new recreation center than not pursuing a recreation center.

Roughly three times as many households indicated a single, large multi-purpose facility is preferred over numerous, smaller neighborhood-oriented facilities.

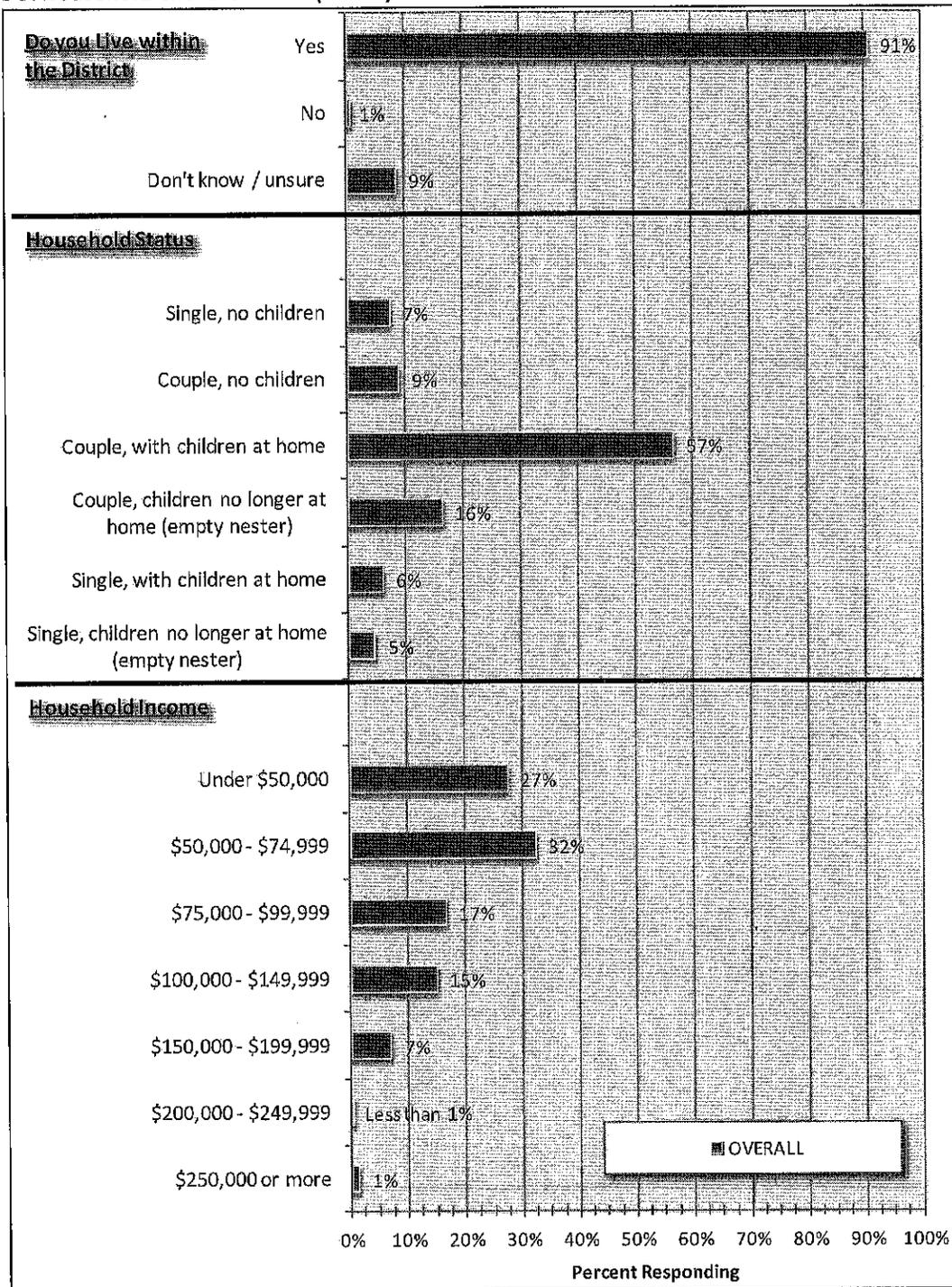
---

<sup>1</sup>For the total sample size of 829, margin of error is +/- 3.4-percent calculated for questions at 50% response (if the response for a particular question is "50%"—the standard way to generalize margin of error is to state the larger margin, which occurs for responses at 50%). Note that the margin of error is different for every single question response on the survey depending on the resultant sample sizes, proportion of responses, and number of answer categories for each question. Comparison of differences in the data between various segments, therefore, should take into consideration these factors. As a general comment, it is sometimes more appropriate to focus attention on the general trends and patterns in the data rather than on the individual percentages.

## Household Characteristics

- The majority of respondents overall reported that they are themselves in a couple household with children at home (57%). While this is uniformly the most frequently reported category across all of the neighborhoods within TRPR, some neighborhoods show more than twice the percentage of couple households with children at home than others. For example, the Mil Iron/Mad Russian neighborhoods in Milliken only had 37% of households report as couples with children at home (36% reported as couples with children no longer at home), while Carlson Farms/Rocksbury Ridge in Johnstown had 77% indicate themselves as couple households with children at home.
- The Mil Iron/Mad Russian neighborhood also differed considerably from the other neighborhoods in regards to household income. Respondents in Mil Iron/Mad Russian reported much higher annual incomes than any other neighborhood with almost one-fourth reporting a household income of over \$150,000 per year.
- Overall, about 60% of all TRPR households have at least one person 18 or under within the household. This percentage varies considerably depending on neighborhood. Mil Iron/Mad Russian only has 25% of households with at least one member 18 or under, while Carlson Farms/Rocksbury Ridge reported roughly 80% of households with children.

Figure 3: Household Characteristics (Part 1) – Overall Results



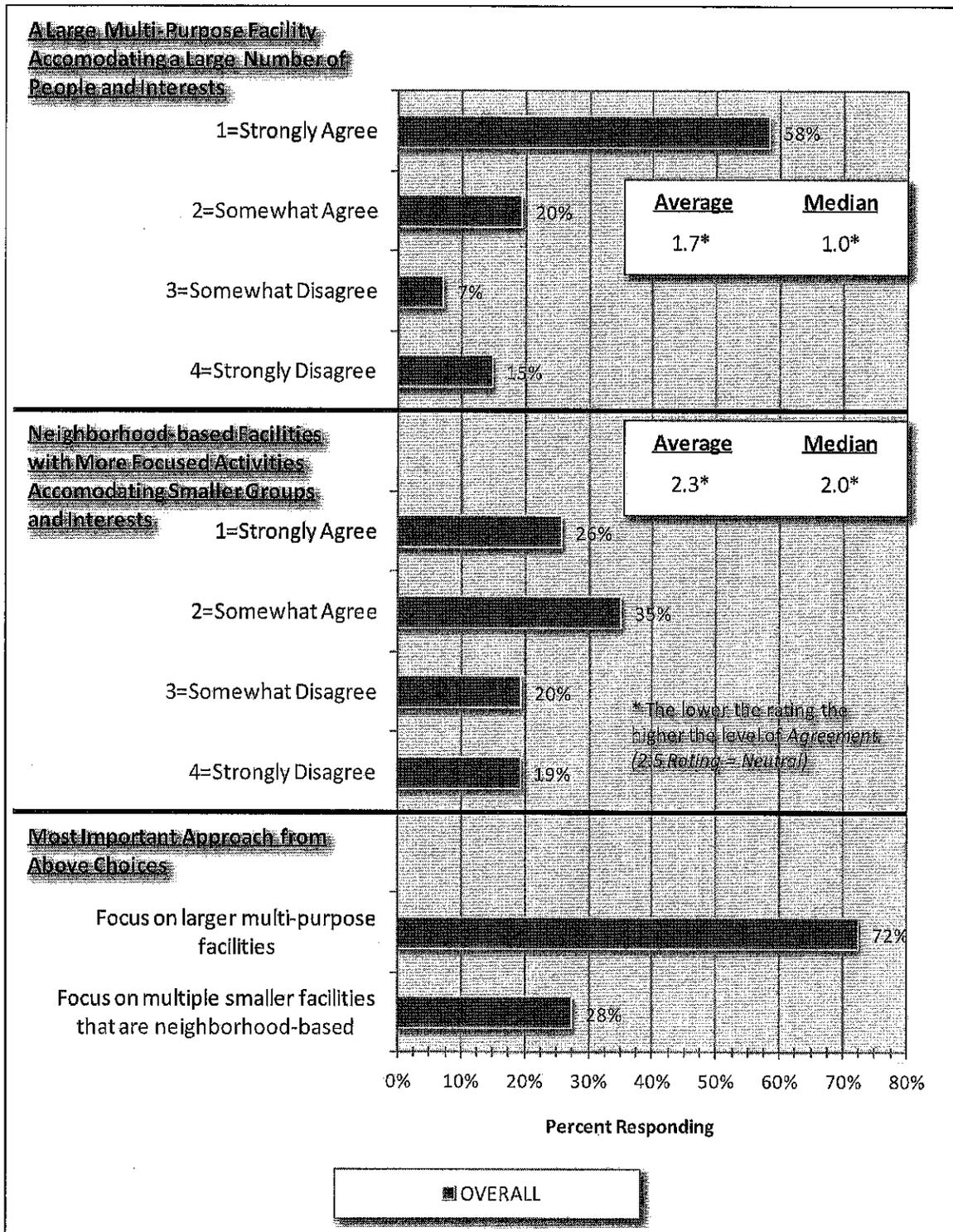
### **Single, Large, Centrally-Located Facility vs. Numerous, Smaller, Neighborhood-Oriented Facilities**

Respondents were asked to indicate their level of agreement/disagreement with how TRPR should offer recreation facilities and programs. Overall, a larger percentage of respondents agree that the TRPR District should offer recreation facilities and programs through a large multi-purpose facility that would accommodate a large number of people with varying interests. The idea of several smaller, neighborhood-oriented facilities that would accommodate smaller numbers of people and more specific interests received support but at a level lower than the large facility approach.

The large facility option had a higher rating overall (1.7 on a scale of 1 to 4 where 1=strongly agree and 4=strongly disagree) than the neighborhood focus option. However, the latter option still had more respondents indicate as “agree” (1 or 2 rating) than “disagree” (3 or 4 rating) with an overall average of 2.3. ***Either option would have support, but the larger facility option would have the most support.***

When asked to indicate which one of the two options respondents “think is the most important approach TRPR should take in offering recreation facilities and programs” about three-fourths reported focusing on larger multi-purpose facilities. Only minor differences are found across the different neighborhoods within TRPR, indicating general agreement that a larger multi-purpose facility would be supported by a majority of households within each neighborhood.

Figure 4: Extent of Agreement for How TRPR Should Offer Recreation Facilities and Programs – Overall Results



### **Most Important Amenities to TRPR Households**

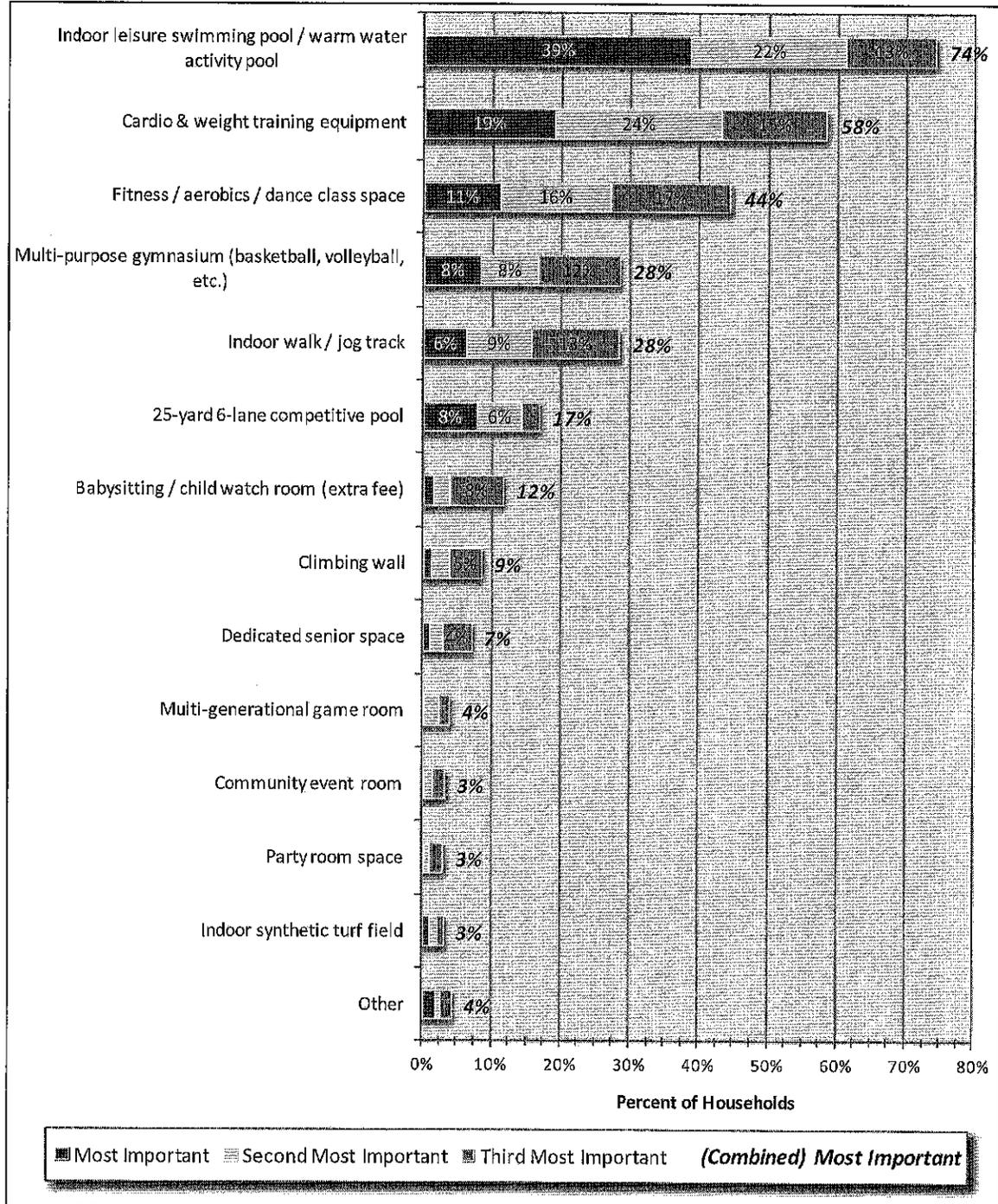
When asked to rank the top three most important amenities to respondents and their household *indoor leisure swimming pool/warm water activity pool was rated most important* (74% rated this amenity as one of the three most important). *Cardio and weight training equipment* (58%) and *fitness/aerobics/dance class space* (44%) *rated the next highest of all amenities*. Moreover, these three amenities were ranked the same for both Johnstown and Milliken.

The second tier of most important amenities included the following:

- Multi-purpose gymnasium (basketball, volleyball, etc.) (28% of households overall ranked this amenity as one of the top three; 30% for Johnstown, 24% for Milliken)
- Indoor walk/jog track (29% overall; 28% for Johnstown, 29% for Milliken)
- 25-yard 6-lane competitive lap pool (17% overall; 19% for Johnstown, 10% for Milliken)
- Babysitting/child watch room (12% overall; 10% for Johnstown, 18% for Milliken)

All other amenities received less than 10 percent of households indicating as one of their top three most important amenities.

**Figure 5: Top Three Most Important Amenities to TRPR Households – Overall Results**



## **Financial Choices for a New Community Recreation Center**

Households were given the following background information prior to being asked about likely voting behavior. After the two paragraphs below were presented, respondents were presented with three different community recreation center scenarios.

*In order to pay for the construction and ongoing operations and maintenance subsidy (portion not covered by revenues raised by fees and charges) of a new community recreation facility(ies), a voter-approved increase of your property tax mill levy that goes to the TRPR would be necessary.*

*The majority of the mill levy would go toward construction costs, and after 20 years would go away (i.e. "sunset"). A smaller part of the mil levy would be used for operating and maintenance costs of the new community recreation center and would continue for the life of the facility.*

The three different scenarios for the new community recreation center are as follows, though a disclaimer was placed within the survey stating that these scenarios "*represent possible spaces/amenities that could be included in new community recreation facilities based on estimates of constructions costs and required operational subsidy.*"

### **Scenario 1: \$9 – \$11 million - (No Aquatics/Pool or Water-Based Facilities) but including:**

- Required building support spaces (i.e. offices, lobby, locker rooms, mechanical, etc.)
- Multi-purpose gymnasium (basketball, volleyball, etc.)
- Community room – Events Hall/Catering Kitchens
- Elevated walk/jog track
- Cardio and weight training room
- Aerobics/dance studio space
- Child watch/babysitting (extra fee)

### **Scenario 2: \$17 – \$19 million - All items in Scenario 1 in addition to:**

- Indoor leisure swimming pool/warm water activity pool
- Classroom/party room

### **Scenario 3: \$21 – \$23 million - All items in Scenario 1 and Scenario 2 in addition to:**

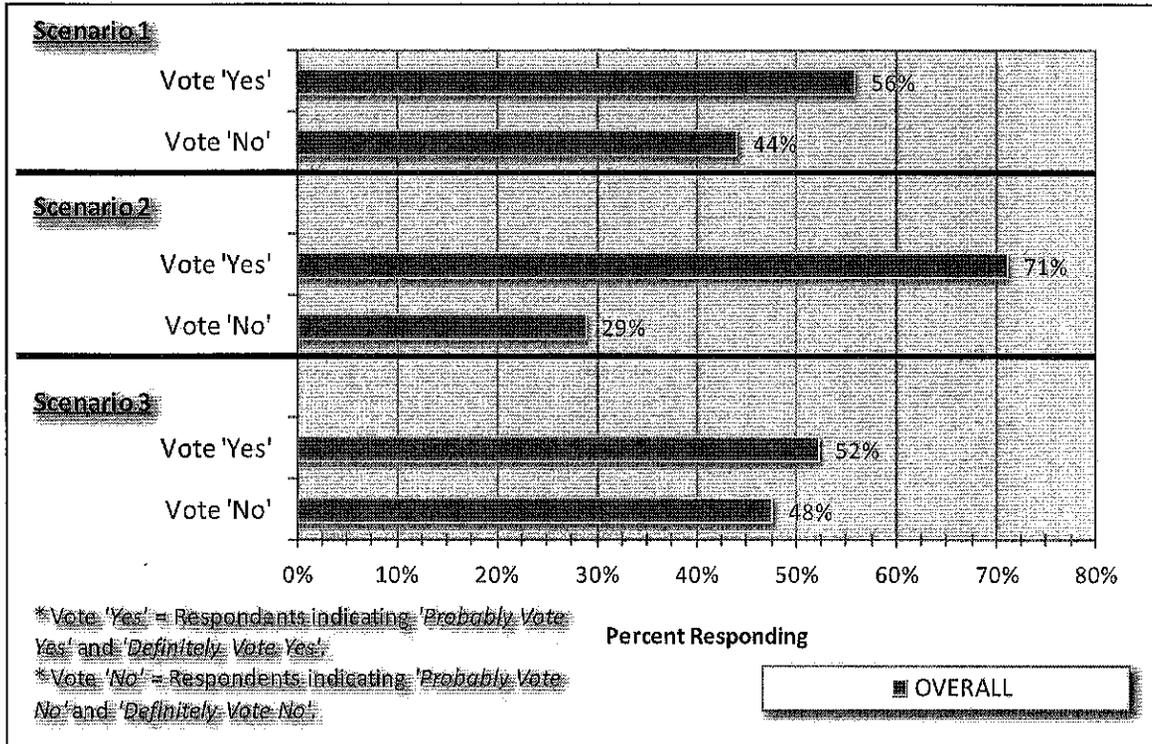
- 25-yard, 6-lane competitive lap pool or an indoor synthetic turf field

**Level of Willingness to Vote For/Against a Mill Levy**

On a scale of 1 to 4 where 1= Definitely Vote "Yes," 2=Probably Vote "Yes," 3=Probably Vote "No," and 4=Definitely Vote "No," households were asked how they would likely vote on a mill levy increase for each associated scenario. Each alternative included a formula for households to calculate the annual tax impact on their household.

For each of the scenarios there were more households who indicated they would either probably or definitely vote for the associated mill levy increase compared to those that would probably or definitely vote against the increase. *Scenario 2 had the most households indicate they would vote for the increase.*

**Figure 6: Level of Willingness to Vote For/Against a Mill Levy for Scenarios 1–3 Overall Results**



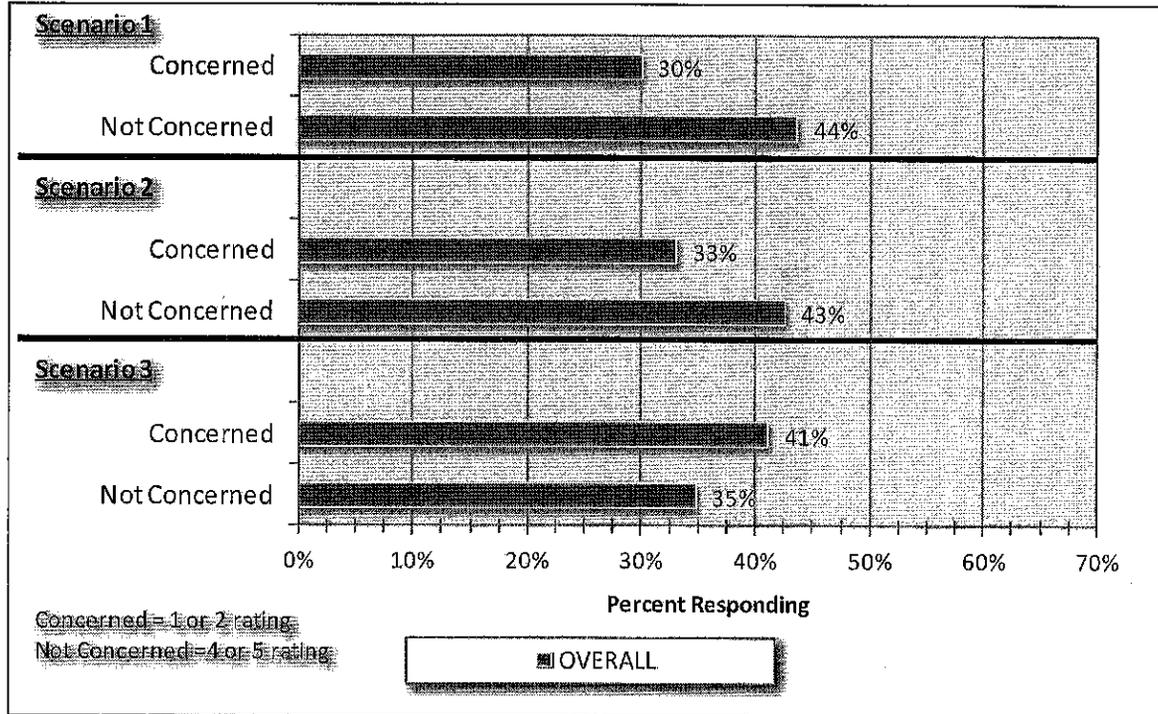
### Level of Concern for Tax Burden on Household Budgets and Residential Property Tax Bill

On a scale of 1 to 5 where 1=Extremely Concerned, 2=Very Concerned, 3=Neutral, 4=Not Very Concerned, and 5=Not At All Concerned, households were asked the level of concern they had on their household budgets and property tax bill for each scenario.

The level of concern on the tax implications for scenarios 1 and 2 were fairly similar with more households indicating either “not very concerned” or “not concerned” at all over those reporting “extremely concerned” or “very concerned.” Scenario 3 differed with more households indicating a higher level of concern than the former two scenarios.

*Each Scenario had about one-third of respondents who indicated that they were either “very” or “extremely” concerned about the mill levy increases.*

Figure 7: Level of Concern of Tax Impact for Scenarios 1–3 Overall Results



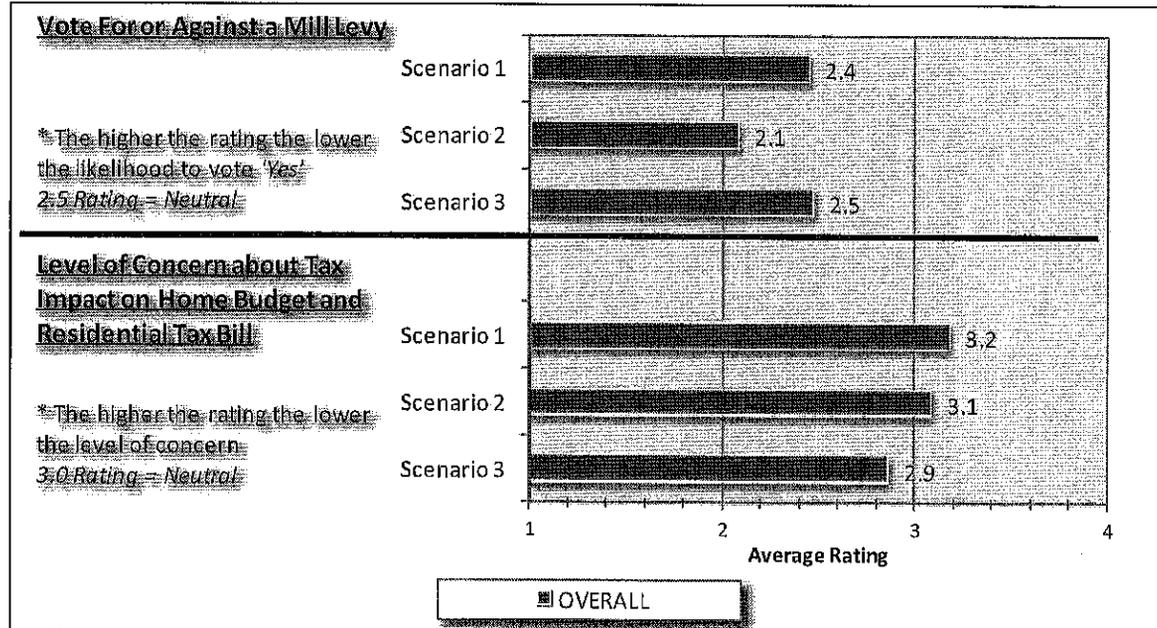
By calculating an average rating for the likelihood to vote for/against and level of concern on home budget, **Scenario 2 had the highest rating** with regard to number of households indicating that they would vote for an increase. It came in a close second with regard to level of concern on home budgets.

While Scenario 1 had the highest rating with regard to level of concern on home budget, it had only a slightly better rating than “neutral” on the likelihood to vote for/against a mill levy increase.

**Scenario 3 had the lowest ratings in each category and would likely be the least supported option.**

Variations between the different neighborhoods are found regarding the level of support for/against the mill levy increases and levels of concern. Milliken neighborhoods exhibit the largest ranges of opinion, with Mil Iron/Mad Russian showing the most opposition and the highest level of concern and Settlers Village/Colony Point/Centennial Farms reporting the highest degree of support for increases and the lowest levels of concern.

**Figure 8: Level of Willingness to Vote For/Against a Mill Levy and Level of Concern of Tax Impact – Overall Results, Average Ratings**

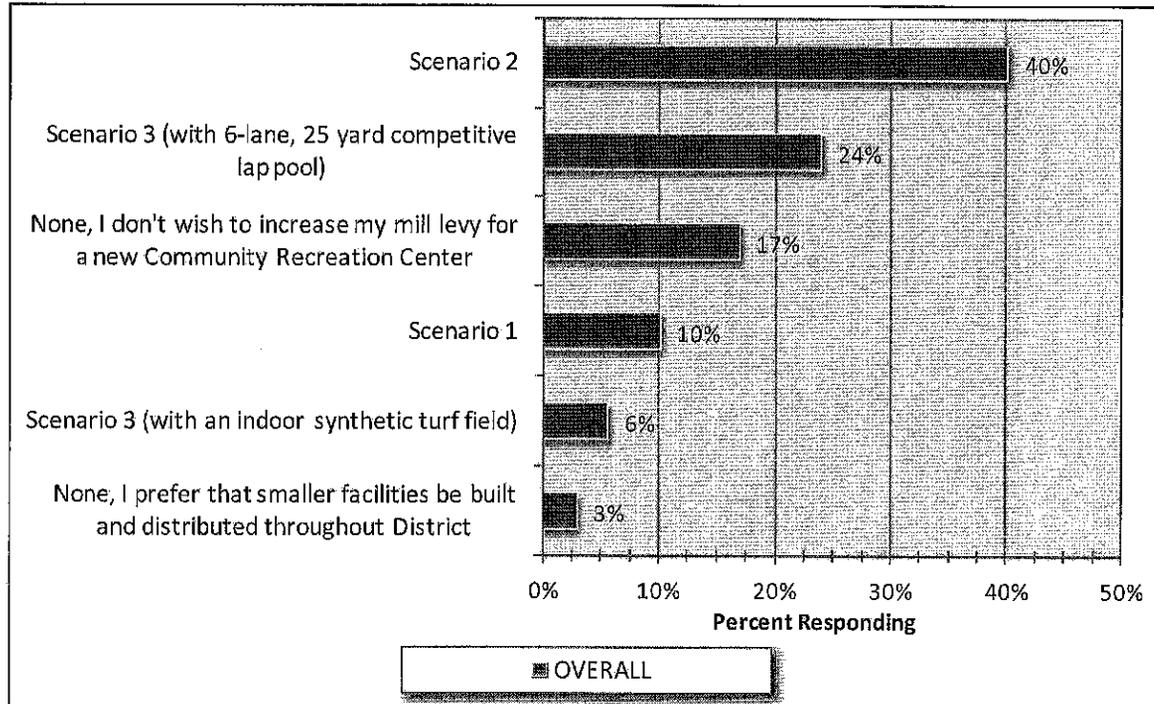


### Most Favored Community Recreation Center Option

When asked to choose the most favored option of the three, *Scenario 2 was most favored* receiving support from 40 percent of all TRPR households. Slightly less than one-fourth of respondents indicated Scenario 3 (with a 6-lane, 25-yards competitive lap pool), and about 17 percent indicated no support for any scenarios.

Neighborhoods within TRPR had modestly differing opinions with some scenarios more supported than others, but the overall ranking of most favored options was generally consistent.

**Figure 9: Most Favored Scenario – Overall Results**



**THOMPSON RIVERS PARKS & RECREATION  
DISTRICT**

---

**Community Center Feasibility Study**

***Facility Concepts & Costs***



### III. FACILITY CONCEPTS

#### A. Program Development

Through a series of workshops, a citizen survey, focus groups, and public input sessions, a series of program options were developed at differing budget targets. The targeted budgets were:

- \$9-11 Million
- \$17-19 Million
- \$21-23 Million

The survey results and remainder of the input showed overwhelming support for the \$17-\$19 million budget range that contained the following programming spaces.

- **Child Watch/Babysitting** – A babysitting space will be 900 SF, including a small secure outdoor play area with play equipment and restroom.
- **Community Room/Events Hall** – A community room will be about 1,600 SF, be divisible into two smaller rooms, and have a capacity of about 100 to 130 depending upon configuration and type of seating provided. Flooring will be a combination of carpet and resilient materials. Adjacent to the Community room will be a Catering Kitchen, suitable for caterers to serve food to users of the room. This kitchen will not be used for cooking.
- **Gym** – The gymnasium shall be about 17,310 SF which will allow for one regulation high school basketball court (50' x 84') down the middle with three smaller cross courts that will be sized at about 42'x74'. Spectator seating will be provided for about 350. The floor shall be a cushioned maple strip floor with glass backboards.
- **Elevated Track** – An elevated track will be provided with a length of about 10 laps per mile. The track will surround the Gym and extend around other spaces of the center. Rubber sheet flooring will be provided with three lanes defined by alternating colored flooring.
- **Weights and Fitness Equipment** – A weights and fitness equipment area will be provided that will allow for about 2,400 SF of cardiovascular equipment, 1,400 SF of circuit resistance equipment, 800 SF of free weights, a fitness supervisor station, a stretching area, and some storage space adjacent to the zone. Rubber flooring will be provided in the equipment area.
- **Aerobics/Dance Room** – A small Aerobics and Dance studio space will be provided that can handle classes as large as 30 with provision for adjacent storage. The floor will be made of cushioned maple strips.
- **Leisure Pool** – A Leisure Pool will be provided and include some or all of the following depending upon further design refinement in the next phase;
  - 5,300 SF pool that includes a zero depth beach area, interactive play features
  - 3 lane x 25 yd. lap swimming area
  - Lazy River with vortex area
  - Raised temperature spa
  - Body Flume water slide with run-out deceleration chute
  - Generous decks w/non-slip concrete finish
  - Outdoor sun deck
- **Party Room/Multi-Use Classroom** – A small party room shall be provided adjacent to the pool for use as a Birthday Party gathering space on weekends and multi-use classroom space during the week and when not booked for parties.

- **Support Spaces**
  - Public lobby
  - Control desk
  - Lounge
  - Men's and women's lockers
  - 4 family changing cabanas
  - Public restrooms
  - Custodial closets, mechanical room, electrical room, general storage spaces and a basement storage room.
- **Facility Administration Offices** – 1,800 SF of office space to allow for a reception area, break room, two enclosed offices, conference room, work room, and open office cubicle area.

## **B. Site Analysis**

Five different sites were investigated located in both Milliken and Johnstown:

- 257/Highway 60 – located north of highway 60 and industrial building and south of the creek.
- Centennial Lake – this site was ruled out early due to the small area and would not be suitable for a 60-70,000 SF community Center.
- Nelson Farm Property – located north of Johnstown, just north of the Nelson Farms Ballfield Complex.
- Parish Property – located just east of the Johnstown library.
- Spaur Property – located at Colorado Roads 46 and 19.

After thorough analysis, each property was given a numeric score based on objective criteria covering the following major categories:

- Site features
- Usability/services
- Anticipated cost
- Community planning usability

In the final analysis, the Parish property and the 257/Highway 60 property gained the highest scores.

## C. Site Design

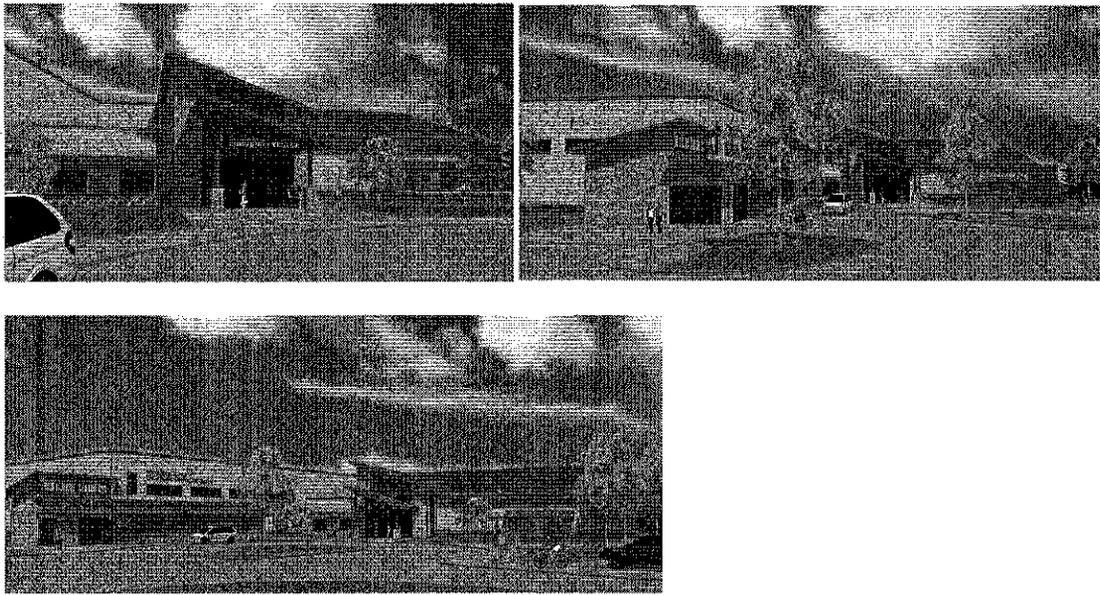
The vision for the siting of the facility is to have the entrance drive line up with the main entrance to the building. The main drive will be flanked by an "alley" of trees leading up to the drop off circle. To the north of the drive will be three soccer fields with dedicated parking for the field use. Flanking the community center will be two parking lots that will accommodate approximately 316 cars, with a connecting fire and service access road that encircles the structure. Since the facility is planned for use by basketball leagues, a separate entrance is provided for spectators and will also be used for access to restrooms by field users. The building is sited to allow a westerly entrance that will allow for melting of icy sidewalks in the winter and also take advantage of a southern exposure for the swimming pool spaces and outdoor sun deck as shown in *Figure 10*.

**Figure 10: Site Layout**



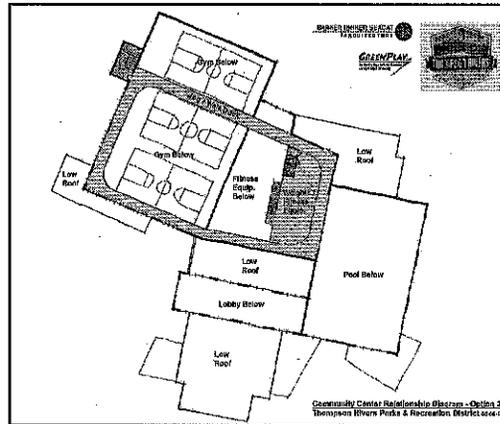
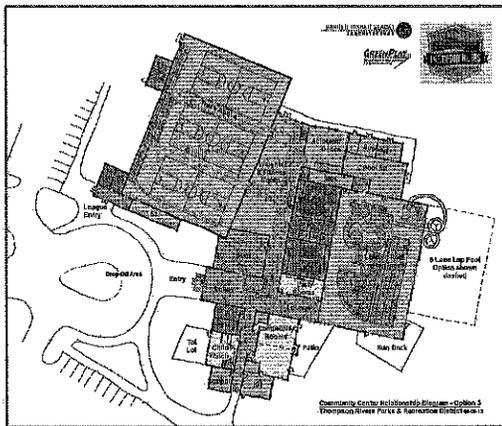
## D. Architectural Character

The floor plan is laid out with control and security in mind. The front reception desk is strategically located to allow staff to monitor all entrances and hallways from one location. The facility is divided into two wings, to the south is the community wing that houses the community rooms, kitchen, and child watch. To the north is the recreation wing that houses, via a control point, the locker rooms, weights and fitness equipment, gymnasium, aerobic/dance room and leisure pool. The staff offices and party rooms are both located just off of the Lobby and Lounge areas. Lockers are located directly adjacent to the pool to meet health department regulations. A central circulation spine is located adjacent to the locker rooms and allows access to a grand stair up to the Fitness Mezzanine. An elevator also can access the upper level for those with disabilities. On the upper level is the balance of the weights and fitness equipment and also the 10 laps per mile running track. The track affords great views down into the gym as well as views of the fitness area on the lower level and views down to the leisure pool. Running a lap on this track will be anything but dull.



## E. Program Development

As a part of one of the last workshops in July, BRSA presented an architectural set of boards illustrating many different facilities and differing characters. Using an exercise with the committee, we asked each participant to place green dots on images they liked and red dots on images they disliked. Using these boards, BRSA created a preliminary design that aimed to embody the likes of the committee. This initial design is a starting point for the project, should the community vote to have the center funded. In the event of a favorable election, the design team will develop the design further with continued input from the District and the community.



# **THOMPSON RIVERS PARKS & RECREATION DISTRICT**

---

## **Community Recreation Center Feasibility Study**

### ***Market Analysis***



## IV. MARKET ANALYSIS

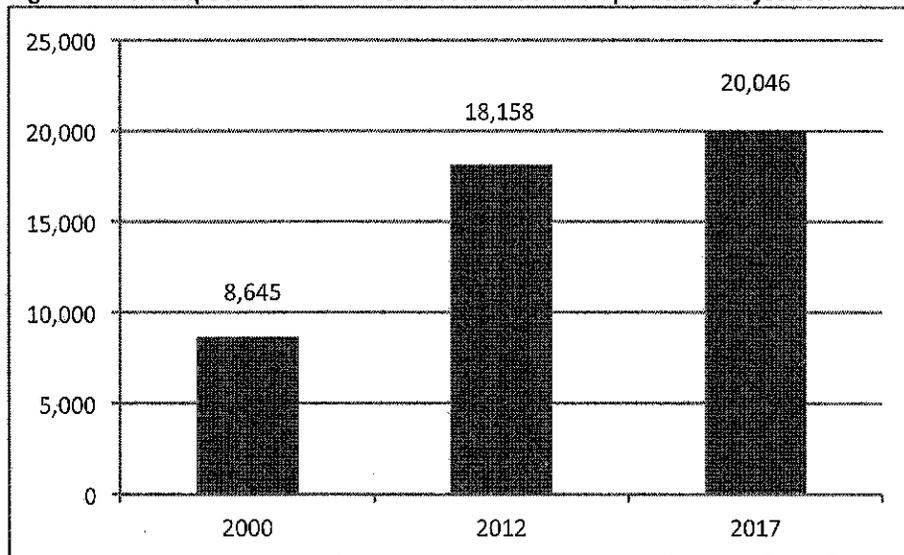
### A. Demographic Profile and Trends Analysis

Understanding community demographics and needs is an important component of planning for future parks and recreation services and facilities in the District. This chapter of the *Feasibility Study* first provides a demographic overview of the TRPR.

#### Population Projections

Although the future of population growth cannot be predicted with certainty, it is helpful to make assumptions about it for planning purposes. **Figure 11** provides population data including estimates and projections for TRPR in the years 2012 and 2017. ESRI's report of the 2010 Census data reflects an annual growth rate of 7.18 percent for TRPR during the 2000–2012 period. ESRI's projected annual growth rate for 2012–2017 is 2.0 percent.

**Figure 11: Thompson Rivers Parks and Recreation Population Projection**



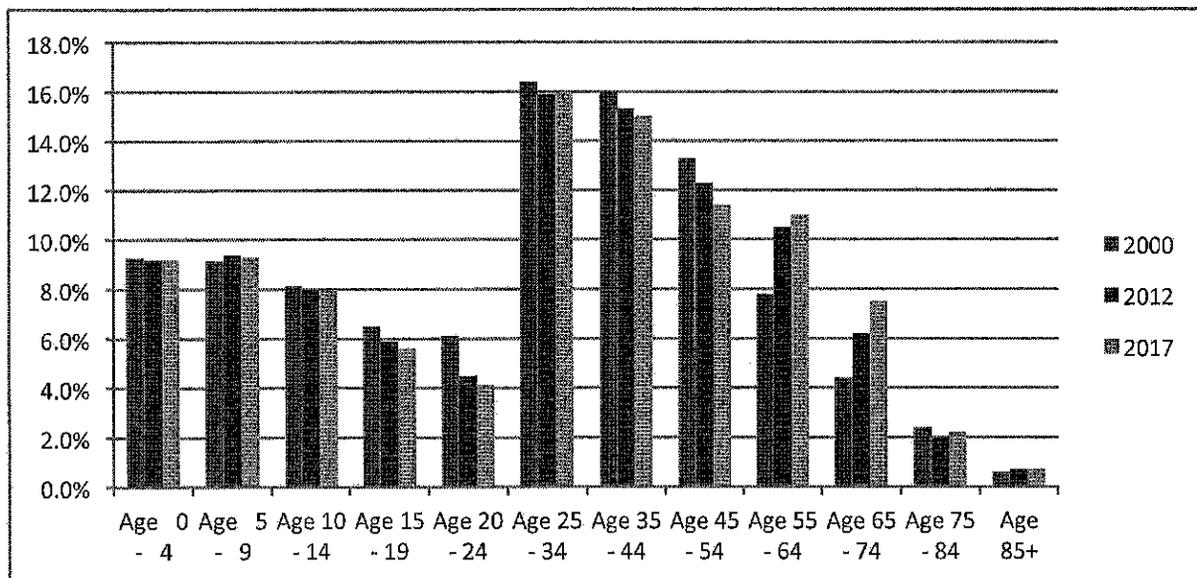
Source: ESRI Business Information Solutions 2010 Census Summary and 2012 Demographic and Income Profile.

#### Population Age Distribution, Income Distribution and Racial/Ethnic Distribution

As part of the population analysis for TRPR, it is useful to compare the District's age, income, and ethnic distribution over a period of years. According to ESRI's demographic profile, the median age in TRPR in 2012 is 33.3 compared to 31.5 in 2000. In 2017, the median age is projected to be 33.8.

As illustrated in **Figure 12**, the most significant changes in age distribution from 2000 to 2017 are in the age cohorts 45–54, 55–64, and 65–74, with the 45–54 age cohort showing the largest decline in population and the latter cohorts showing the greatest population increases. The age group with the largest projected population increase from 2000 to 2017 is from 50 to 74 years old (increasing from 12.2 percent of the population in 2000 to a projected 18.5 percent in 2017). The age groups with the largest projected decrease in population from 2000 to 2017 are ages 15–24 (decreasing from 12.6 percent in 2000 to 9.7 percent in 2017) and ages 35–54 (decreasing from 29.3 percent in 2000 to 26.4 percent in 2017).

**Figure 12: 2000–2017 Age Distribution Trends for the Thompson Rivers Parks and Recreation District**



Source: ESRI Business Information Solutions based on Census data with estimates for 2012 and forecasts for 2017.

**Demographic Trends in Recreation – The Baby Boomers**

Baby boomers are defined as individuals born between 1946 and 1964. They are a generation that consists of nearly 76 million Americans. In 2011, this influential population began their transition out of the workforce. As baby boomers enter retirement, they will be looking for opportunities in fitness, sports, outdoors, arts and cultural events, and other activities that suit their lifestyles. With their varied life experiences, values, and expectations, baby boomers are predicted to redefine the meaning of recreation and leisure programming for mature adults.

The following age breakdown is used to separate the population into age sensitive user groups.

- **Under 5 years:** This group represents users of preschool programs and facilities. As trails and open space users, this age group is often in strollers. These individuals are the future participants in youth activities.
- **5 to 14 years:** This group represents current youth program participants.
- **15 to 24 years:** This group represents teen/young adult program participants moving out of the youth programs and into adult programs. Members of this age group are often seasonal employment seekers.
- **25 to 34 years:** This group represents potential adult program participants. Many in this age group are beginning long-term relationships and establishing families.
- **35 to 54 years:** This group represents users of a wide range of adult programming and park facilities. Their characteristics extend from having children using preschool and youth programs to becoming empty nesters.
- **55 to 64 years:** This group represents users of older adult programming exhibiting the characteristics of approaching retirement or already retired and typically enjoying grandchildren. This group may also be caring for older parents.
- **65 years plus:** Nationally, this group will be increasing dramatically. Pew Research reports that by the time all Baby Boomers turn 65 in 2030, 18 percent of the nation's population will be at least that age. Recreation centers, senior centers, and senior programs can be a significant link in the health care system. This group ranges from very healthy, active seniors to more physically inactive seniors.

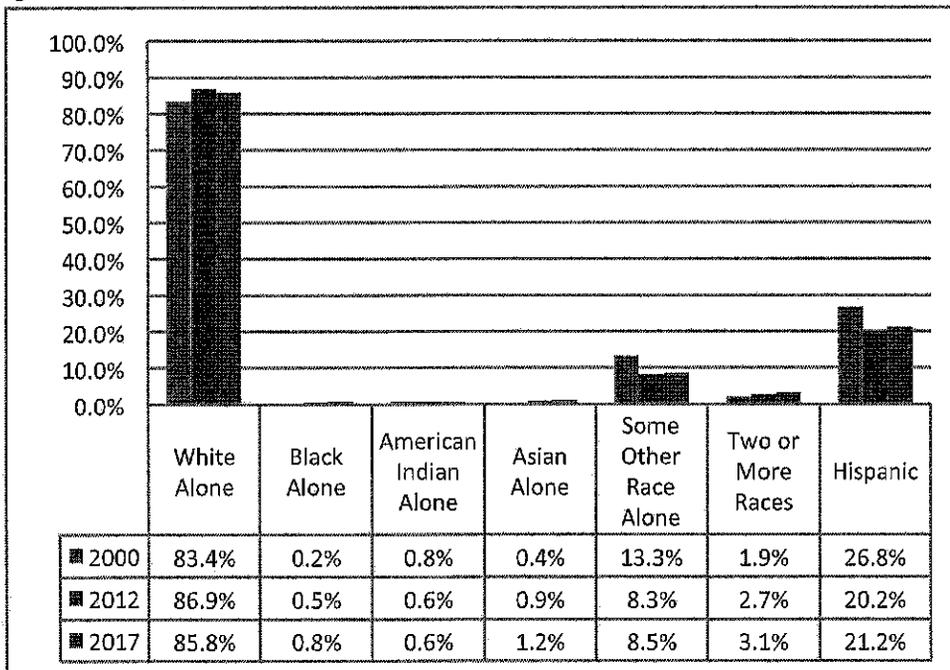
### **Income**

The median household income for TRPR was \$50,879 in 2000. According to ESRI estimates, it was \$60,032 in 2012, and in 2017, the median income is projected to be \$70,439. Thus, the medium income is expected to rise quickly in the next four years. The highest percent of the population in TRPR earns incomes in the \$50,000–\$74,999 range. Incomes in the \$75,000–\$99,999 and \$100,000–\$149,000 ranges are expected to rise by about eight percent from 2012–2017.

### **Racial/Ethnic Distribution**

As shown in **Figure 13**, the racial/ethnic distribution for TRPR is expected to remain relatively constant between 2000 and the predicted racial/ethnic distribution for 2017, with the percentage of races other than white alone expected to decrease somewhat. While the actual Hispanic population continues to rise from 2,443 in 2000 to 4,244 in 2017, the percentage of the Hispanic population in TRPR is expected to decrease by four percent from 2000 to 2017. The most significant racial cohort in the District other than White Alone is of those self-designating as some race other than White, Black, American Indian, or Asian. This group is projected to decrease from 13.3 percent of the TRPR population in 2000 to 8.5 percent of the population in 2017.

**Figure 13: Racial/Ethnic Distributions for TRPR from 2000 to 2017**



Source: ESRI Business Information Solutions based on Census data with estimates for 2012 and forecasts for 2017 (Note: Hispanic data is not race dependent.)

### Demographic Summary

The District experienced significant population growth through the first decade of the 21<sup>st</sup> Century and will continue to grow at a steady rate for the next five years. The median age is anticipated to move from 31.5 in 2000 to 33.8 in 2017, indicating that the percentages in older age groups are increasing. Additionally, the household income is projected to continue to increase, hopefully allowing households more disposable income for recreational pursuits.

## B. Current Relevant Trends

When the TRPR Community Recreation Center opens its doors, there will be a tremendous amount of excitement and interest to participate in the many activities that will be available. Over time that excitement will wane for some members of the community. It will be important for TRPR staff to keep up to date on the latest fitness, aquatics, youth, adult, and senior programming trends in order to keep people coming back year after year. The following trends are currently prevalent in facilities and programming. These trends will assist TRPR staff in planning for the opening of the new center.

### Facilities

According to *Recreation Management* magazine's "2012 State of the Industry Report,"<sup>1</sup> national trends show an increased user-base of recreation facilities. To meet that growing need, a majority of the survey respondents (60.1%) reported that they have plans to build new facilities or make additions or renovations to their existing facilities over the next three years. Nearly a quarter (23.9%) of respondents said that they have plans to build new facilities, and just over a quarter (25.5%) said they plan to add to their existing facilities. Another 44.3 percent are planning renovations.

The current national trend is toward “one-stop” indoor recreation facilities to serve all ages. Large, multi-purpose regional centers help increase cost recovery, promote retention, and encourage cross-use. Agencies across the U.S. are increasing revenue production and cost recovery. Multi-use facilities versus specialized space is a trend, offering programming opportunities as well as free-play opportunities. “One stop” facilities attract young families, teens, and adults of all ages.

**Aquatics**

According to the National Sporting Goods Association (NSGA), swimming ranked third nation-wide in terms of participation in 2011, and fourth in 2010. Outdoor swimming pools are not typically heated and open year round. Nationally, there is an increasing trend toward indoor leisure and therapeutic pools. Additional indoor and outdoor amenities like “spray pads” are becoming increasingly popular as well. In some agencies, spray pools are popular in the summer months and are converted into ice rinks during winter months.

The community survey indicated that an indoor leisure pool ranked first in terms of importance.

**Fitness Programming**

There have been many changes in fitness programs in the last ten years. What clients wanted in 2000 is not necessarily what they want today. The American College of Sports Medicine’s (ACSM’s) Health and Fitness Journal has conducted an annual survey since 2007 to determine trends that would help create a standard for health and fitness programming. **Table 4** shows survey results that focus on trends in the commercial, corporate, clinical, and community health and fitness industry. Stability ball, Pilates, and balance training dropped out of the top 20 fitness activities in the survey, while Zumba and outdoor activities appear in the top 20 for the first time.

**Table 4: Top 10 Worldwide Fitness Trends for 2007 and 2012**

2007	2012
1. Children and obesity	1. Educated and experienced fitness professionals
2. Special fitness programs for older adults	2. Strength training
3. Educated and experienced fitness professionals	3. Fitness programs for older adults
4. Functional fitness	4. Exercise and weight loss
5. Core training	5. Children and obesity
6. Strength training	6. Personal training
7. Personal training	7. Core training
8. Mind/Body Exercise	8. Group personal training
9. Exercise and weight loss	9. Zumba and other dance workouts
10. Outcome measurements	10. Functional fitness

Source: American College of Sport Medicine

## C. Comparisons

The purpose of this comparative analysis is to give the District a better understanding of the types of community centers that exist and how they operate. The types of components chosen for the center must generate enough revenue to provide for its long-term operations. These funds can be supplemented with subsidy or provided through taxes, but more than likely, they cannot be solely supported through either fees or taxes. It is necessary to have an understanding of what this balance or ratio will need to be and where supplemental funding may be accessed.

In order to get a complete picture of the options for potential components, there must be an understanding of what the market will bear for fees and charges, the amount of funding it takes to operate and maintain similar facilities, and the costs to staff a facility. For this comparison, other park and recreation agencies were contacted to provide specific information for recreation centers that would be similar to the TRPR. Comparison agencies included Carbon Valley, Erie, Gypsum, Longmont, Loveland, and Lafayette shown in **Table 5**.

**Table 5: Comparable Data**

	Carbon Valley 50,000 SF	Erie 63,119 SF	Gypsum 59,000 SF	Longmont* 63,520 SF	Loveland 85,000 SF	Lafayette 47,000 SF
Expenses	\$1,282,201	\$2,602,628	\$1,045,024	\$1,285,671	\$2,080,979	\$1,484,501
Revenues	\$626,819	\$1,067,401	\$922,910	\$1,597,986	\$1,762,712	\$1,053,500
Operational Subsidy	(\$655,382)	(\$1,535,227)	(\$122,114)	\$312,315	(\$318,267)	(\$431,001)
Cost Recovery %	49%	41%	88%	124%	85%	71%
Additional Data						
Wages/Salaries	\$575,720	\$1,310,348	\$2,123,073	\$572,818	\$1,024,326	\$1,083,932
Utilities Expense	\$189,794	\$230,505	\$184,684	\$147,969	Not Reported**	Not Reported**
Pass/Punch Card Revenue	\$420,444	\$591,000	\$536,000	\$1,427,479	\$1,470,572	\$605,000

\*Longmont expenses do not include custodial and maintenance. These functions are performed by separate city departments.

\*\*While total expenses, including utilities, were report for the Loveland and Lafayette recreation centers, separate utility expenses where not available.

### Limits of Comparative Data and Analysis

Comparative Analysis is an important tool that allows for the evaluation of certain attributes of the management of Public Spaces and Facilities (parks, recreation, arts and cultural, and related services) with other similar communities.

It is very difficult to find exact comparable communities, because each has its own unique identity, ways of conducting business, and differences in populations served. While many park and recreation agencies primarily serve residents, others serve a large portion of non-residents.

Additionally, facilities do not always track their revenues and expenditures in the same manner. Details may be limited due to the time involved and willingness to provide this information. For instance, the

Longmont Recreation Center does not include custodial or maintenance expenses in their operating budget, as those functions are performed by separate City departments. The Town of Erie includes all of its recreation programming expenses and revenues in its operation budgets, regardless of whether the programs are held in the center or not. Therefore, the comparative data should be used as just one tool in the consideration of the feasibility of building and operating a community recreation center.

### **Community Recreation Center Components – Comparisons**

The community recreation centers that were analyzed for this study range in size from 47,000 square feet to 85,000 square feet. Common amenities in these centers include leisure pools, multi-purpose rooms, gymnasiums, group fitness areas, weight/cardio rooms, walk/jog tracks, and childcare rooms. A few less common and unique amenities include a lap pool, dedicated senior areas, and racquetball.

### **Budget Data – Comparisons**

Data was gathered on the revenue gained from daily admissions, passes, and programming as well as expenses for operating the facility (including staffing, utilities, and operations). An analysis of the ratio of revenue to expenses illustrates that the cost recovery of these facilities varies greatly from 41 to 124 percent, driven because in some cases all expenses are not included. A cost recovery level of around 69 percent is projected for the TRPR Community Recreation Center, which is reasonable when compared to the other facilities and when anomalies in budgeting is taken into account.

### **Fees and Charges – Comparisons**

Understanding fees and charges at similar facilities will provide general pricing ranges to consider in choosing amenity types and the cost recovery levels that may be associated with these amenities.

Resident admission fees are primarily offered in packages based on time increments or punch cards. For the purpose of this analysis, the following categories were utilized for comparison:

- Annual
- Daily

Package fees are generally set based on age categories and group rates, as well as resident and non-resident status. The following categories are utilized by some or all of the agencies:

- Youth
- Adults
- Seniors

The range of resident fee packages for youth, seniors, and adults is shown in *Table 6*.

**Table 6: Comparable Resident Fee Table**

	Carbon Valley	Erie	Gypsum	Longmont*	Loveland	Lafayette
Daily Child	Free	N/A	Free	\$3.75	\$2.00	\$2.50
Daily Youth	\$5.00	\$2.25	\$5.00	\$4.00	\$3.00	\$3.00
Daily Adult	\$7.00	\$4.50	\$7.00	\$5.00	\$4.50	\$4.50
Daily Senior	\$5.00	\$2.70	\$5.00	\$4.00	\$3.25	\$2.75
Annual Youth	\$209	\$185	\$250	\$204	\$248	\$99*
Annual Adult	\$345	\$365	\$450	\$358	\$465	\$350
Annual Senior	\$209	\$219	\$204	\$204	\$260	\$200
Annual Family (4)	\$493	\$719	\$750	\$674	\$683	\$635

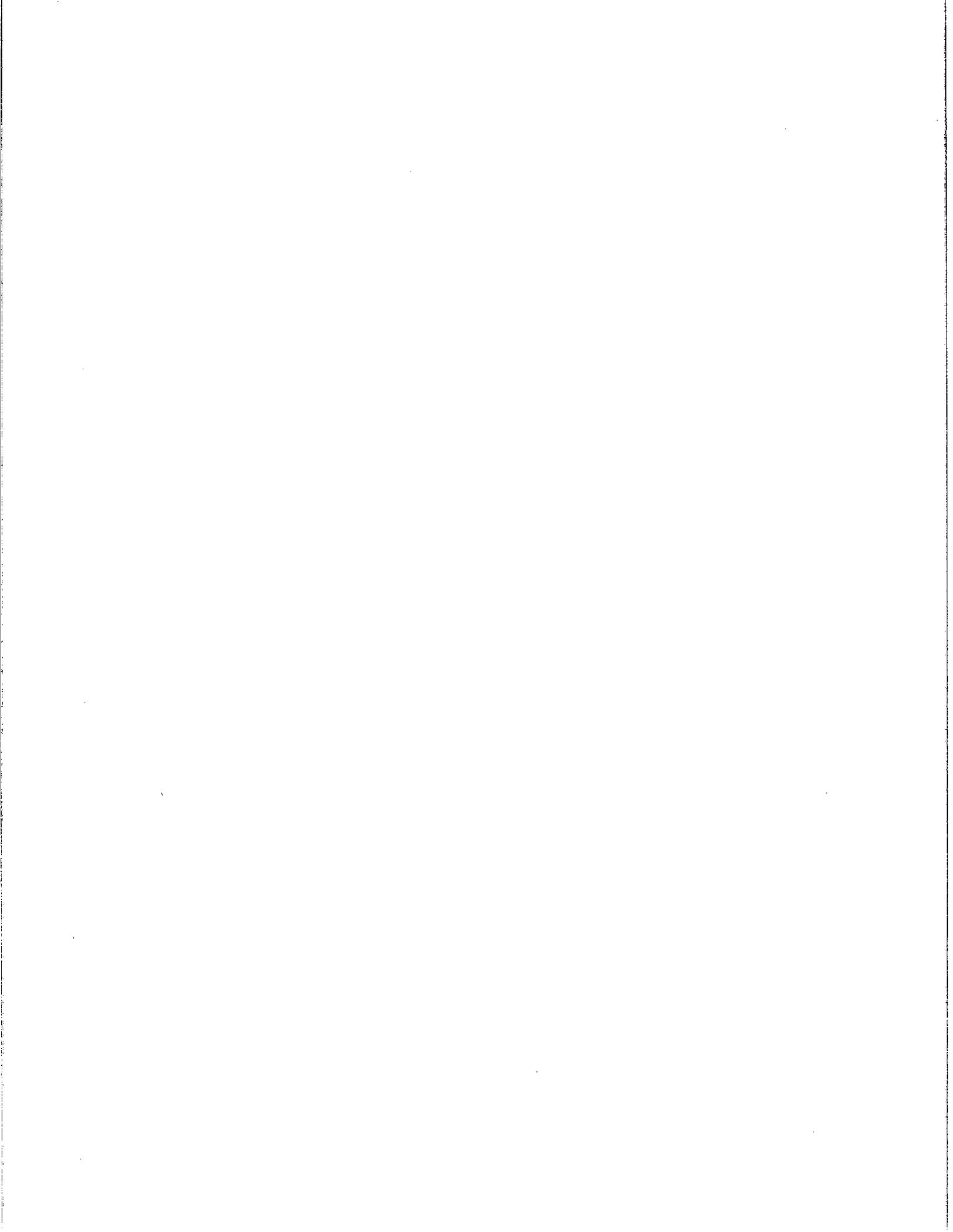
\* The Lafayette Recreation Center does not sell an annual Youth Pass but does sell a Teen Pass for ages 12 yrs. to 17 yrs.

**THOMPSON RIVERS PARKS & RECREATION  
DISTRICT**

---

**Community Recreation Center (CRC) Feasibility  
Study**

***Facility Vision***



## V. FACILITY VISION

### Space

The new Community Recreation Center should serve all age groups to every extent possible. Some spaces may be designated, such as the Child Watch area, but in general, spaces should serve the entire community.

### Facility Mission

Creating a mission statement for a community recreation center provides the foundation for developing the facility components, service philosophy, and business plan, including revenue and expenditure projections. An example of a mission statement follows:

*By promoting the life-enhancing values of recreation and wellness, the TRPR Community Recreation Center is dedicated to providing a variety of quality and innovative recreation, social, educational, and fitness opportunities for citizens of all ages and abilities. The center will be affordable, yet fiscally accountable to the residents of the TRPR while maintaining high levels of customer service where the community is the first priority.*

### Service Philosophy Components

In developing the facility service philosophy, several elements, which were preliminarily developed based on discussions with District leaders, the project team, and staff, are addressed. The following philosophical underpinnings are put forth and detailed further in the material below.

- Target market
- Customer service
- Pricing, fees, and cost recovery
- Meeting the needs of the community

### Target Market

The primary target market will be the citizens that reside in the boundaries of the TRPR. Secondary target markets could draw interest from beyond those boundaries including the communities of Windsor and Loveland and smaller communities to the east such as Platteville, La Salle, and Evans. The center will serve adults, youth, seniors, and families.

### Customer Service

Guest expectations will continue to be met and exceeded by responsive staff that already operate as community ambassadors and proactively assist users of facilities and programs. The example statements below depict the service philosophy that will encourage high levels of use.

*The community recreation center will be a welcoming and friendly place, designed to serve the local and regional community and its visitors, while creating the feeling that it belongs to the community. It will be a gathering place for families and people of all ages. Spaces for physical activity include (as applicable) the swimming, gymnasium, walking track, and fitness areas. Programmed activities will be scheduled daily, but one could expect to be able to drop in to swim or use the fitness area at a variety of times during the day.*

*Quality customer service will be the norm, with staff exceeding guest expectations by knowing people's names, proactively offering assistance, and creating a responsive environment.*

## **Marketing**

A critical element of the initial and ongoing facility success involves engaging in proactive marketing activities. Such communication tools must address drop-in, program, and rental markets, and their specific characteristics and needs.

Particularly in the first years of operation, it is anticipated that the facilities will be uniquely attractive with extensive appeal to people living, working, and visiting the Center. However, it is essential that the overall operations, from this initial planning stage through the construction, actual grand opening, and ongoing operations, focuses on citizens and their needs and desires, guest satisfaction, and efficiencies. Much like any product or service, the center and its amenities have a lifecycle. Consistent performance-monitoring market research will be critical to management decision-making.

## **Pricing, Fees, and Cost Recovery**

Center revenues will be generated primarily from admission fees, and to a lesser degree, from program revenues. Fees can be based on community importance, market demand, and comparative pricing, as well as direct and indirect costs. The following will provide insight into pricing, fees, and cost recovery.

### ***Subsidy/Cost Recovery Philosophy***

Developing and implementing a Subsidy/Cost Recovery Philosophy based on the Community Center's mission will provide the foundation for setting fees and charges. Over the long haul, management will need to be ready and willing to adjust fees to meet cost recovery goals.

### ***Pricing Policy and Strategy***

Any existing Pricing Policy should be fine-tuned to provide expanded detail for guiding management decisions.

### ***Financial Tracking and Analysis***

Relative to the center's budget, the overall monthly, quarterly, and annual tracking systems should be expanded to provide information relative to center management decisions.

Prior to opening, direct and indirect costs will need to be assigned to specific programs in order to understand balancing costs with revenues.

- **Direct costs:** Include all specific, identifiable expenses associated with providing a service. A few examples include wages and benefits, contracted services, rental of facility and equipment directly related to the service, and purchased equipment and supplies.
- **Indirect costs:** Encompass facility overhead, including the administrative costs of the District, fund debt service, contractual services, and various other appropriate costs.

### ***Participant Categories***

The next step is to identify the various participant categories that should be used for the center. Participant category examples include residents and non-residents; age; partnerships identified through various inter-governmental agreements, non-profit organizations, and private organizations; and many others.

### ***Fee Schedule and Subsidy Levels***

Management must determine the subsidy/cost recovery level by incorporating participant categories for each program/activity in the facility. It will be important to determine the appropriate cost recovery levels for facility programs so that an unplanned financial burden on the center is not created. ***(A sample Pricing and Cost Recovery Document is provided as a separate staff resource document.)***

- **Partial Cost Fee:** Recovers something less than full cost. This partial cost fee could be set at a percentage of direct costs, all direct costs, all direct costs plus a percentage of indirect costs, or some combination of the above.
- **Full Cost Fee:** Recovers the total cost of a service including all direct and all indirect costs.
- **Market Rate Fee:** Based on demand for a service or facility. The market rate is determined by identifying all providers of an identical service (e.g., private sector providers, other municipalities, etc.) and setting the fee at the highest level the market will sustain.

### ***Ability to Pay and Fee Reduction/Waiver Policy***

Since park and recreation services exist to benefit the community as a whole, ability to pay is an issue for all age groups and all persons of varying ability or participation levels.

The fee reduction/waiver policy is designed to follow programs such as free and reduced school lunch program guidelines, utilizing annual household income thresholds to determine eligibility.

A simple application procedure along with consistent and fair proof of eligibility should be implemented for fee reduction programs. Eligibility requirements might be expanded to include proof of Medicare or Social Security beneficiary with a per year maximum benefit per person or household. Other criteria can include income verification, although this is often not a reliable indicator of ability to pay for retired persons.



**THOMPSON RIVERS PARKS & RECREATION  
DISTRICT**

---

**Community Recreation Center (CRC)  
Feasibility Study**

***Operational Budget***



## VI. BUILDING PROGRAM AND OPERATIONAL BUDGET

### A. Facility Spaces

Based on community input, anticipated revenues for construction and operations, subsidy, and cost recovery goals, the anticipated TRPR Community Recreation Center program plan has been presented, as summarized in *Table 7*.

**Table 7: Facility Program Spaces**

Space	Square Footage
Child Watch/Baby Sitting	1,150
Gym (Triple Court)	20,482
Walk/Jog Track	6,017
Weight/Fitness	6,153
Aerobics/Dance Studio (30 person)	2,013
Aquatics Support	403
Leisure Pool	14,605
Party/Wet Classroom	920
Small Community Event Space w/Kitchen	2,990
Administration Space	2,070
Required Building Support	9,818
<b>Total</b>	<b>66,638</b>

#### **TRPR Community Recreation Center Operating Budget Purpose**

The operating budget for the center is driven by the overall service philosophy, which should define the facility's purposes, including whom the facility is going to serve and at what level the service is going to be provided.

The operating budget developed in this preliminary stage serves several purposes:

- Assists in helping to establish realistic goals and expectations with operations to match.
- Provides a foundation for understanding what will be necessary to meet budget expectations and guides how marketing plans and strategies are developed and implemented.
- Offers a guide for future project decisions by providing a framework for understanding the impact of decisions about fees, operation systems, staffing levels, etc.
- Can demonstrate potential overall impacts to the agency's budget and can identify possible program relocations that may help offset the new facility's operating costs.

## B. Assumptions

### Overall Budget

The operational budget planning for TRPR Community Recreation Center uses a conservative approach to estimating reasonable expenses, a conservative to moderate approach to projecting revenues, and is based on an understanding of the conceptual project, the best available market area information, and the current practices of the TRPR.

**Appendix C** provides a line item operation budget for the three facility scenarios. While this initial budget provides a baseline, it is anticipated that revenues during the first few years of operation may exceed these projections for several reasons.

- Leading up to and during the first year of operation, marketing and promotion efforts and costs will be elevated to attract an expanded population.
- Particularly in years one and two, the attraction of the facility will be higher than in subsequent years when the “newness” of the spaces declines and participation may decline.
- If the guest experience does not deliver as promised, people who initially utilized the facility will be disenchanted, resulting in lower retention and repeat visits, and potentially promoting negative word-of-mouth communications.

All figures are in 2013 dollars and are an estimate of probable costs and revenues. There is no guarantee that the estimates and projections will be met, and there are many variables that cannot be accurately determined during this conceptual planning stage, or may be subject to change during the actual design and implementation process.

### Hours of Operation

The following provides an example of anticipated operating hours. This schedule can be revised to accommodate various demands. However, it is important to note that facility revenues and expenditures are based on these hours.

**Table 8: Center Hours of Operations**

Days of Week	Hours
Monday – Friday	6:00am to 9:00pm
Saturday	7:00am to 8:00pm
Sunday	6 Hours (Times TBD)
Total Hours/Week	92

It is assumed that the facility will operate 354 days per year, with the facility being closed for four holidays during the year including Easter Sunday, Fourth of July, Labor Day, and Christmas Day, and that reduced hours will be scheduled for various other holidays. Seasonal schedule variations may also be implemented. A one-week shutdown period for maintenance is also expected to be scheduled annually. Rentals of party/activity rooms, swimming pool, classrooms, and the entire facility may extend beyond normal hours of operation and typically include weekends and some evenings.

## **Expenditures**

Generally, personnel costs make up the single highest expense for most multi-purpose recreation facilities, often up to 60 to 65 percent of the operational budget. For the TRPR Community Recreation Center, personnel costs are projected at 60 percent. This figure is at the low end of the scale, because it is anticipated that current TRPR full time staff will be able to handle a portion of the additional operational responsibilities that will come with a new center.

## **Personnel Services**

Four new full time positions will be needed for the center:

- 1 – Facility Manager
- 1 – Facility Coordinator
- 1 – Building Maintenance Worker
- 1 – Aquatics Coordinator

Additionally, part-time staff will need to be hired to cover other areas of operation which include:

- Guest services (Front Desk)
- Maintenance Assistant
- Child Care
- Custodians
- Fitness Instructors
- Life Guards/Swim Instructors

Personnel benefits are roughly 20 percent for full-time and 11 percent for part-time staff. Personnel for aquatics programming and part-time wages have a substantial impact on the budget.

Compensation is based on the current Thompson Rivers Park and Recreation District wage scales and benefit calculations. For further detail regarding pay rates, refer to the line item operating pro-formas in **Appendix C**.

### ***Evening and Weekend Coverage***

Evening and weekend coverage will be staffed by full-time, benefited staff during the majority of facility operation hours.

### ***Custodial and Maintenance Coverage***

Routine and daily set up maintenance responsibilities will be provided by full-time, benefited maintenance staff and part time maintenance staff as needed. Janitorial and deep-cleaning tasks will be completed by part-time custodian staff.

## **Supplies**

For the TRPR Community Recreation Center, supplies account for eight percent of the operational budget. Typically, supplies are between seven and ten percent of a facility's expenditures. The budgeted supplies are consistent with expectations for similar types of recreation facilities. This category of expenses includes items such as program, operating, office, computer supplies, postage, staff uniforms, janitorial, tools, equipment parts, books, identification card supplies, resale merchandise, concession supplies, and miscellaneous items. It is anticipated that this figure will increase over time due to inflation. **Note: All start up supply expenses are assumed to be funded from the Owner Items account or FFE in the construction budget.**

## **Services**

With the uncertainty of utility costs such as natural gas and electricity prices, service expenses can consume as much as 30 percent of many operation budgets. The estimated utility costs for the volume of space within the facility accounts for a high percentage of the services budget and needs to be verified by the design team. For this analysis, utilities are estimated to be \$3.20 per square foot, per year, for non-aquatic space and \$5.22 for aquatic spaces. Projected service expenses for the TRPR Community Recreation Center scenarios account for 32 percent of the operations budget.

Other typical services include contracted instructional services, marketing and advertising, printing and publishing, travel and training, subscriptions and memberships, telephone, bank charges and administrative fees, miscellaneous service charges (permits, licenses, taxes, fees), building and equipment maintenance (contractual or rental services), other contracted services (custodial services, security and fire systems, elevator, garbage pick-up, etc.), utilities, property and liability insurance, building maintenance, and repair.

Expenditure estimates are based on the type and size of the activity and support spaces in the facility and the anticipated hours of operation. When possible and wherever available, calculations are based on actual best practice or methodology, and what expense that the TRPR currently incurs that will be shifted to center operations.

## **Capital Renovation Allocation**

The Capital Improvement Funds are sinking funds transferred out after the actualization of the operating budget. A limited capital renovation allocation for building improvements, machinery, and equipment has been included in order to keep the facility up-to-date and to provide state-of-the-art equipment. It is not anticipated that this allocation will be needed in the first several years of operation, but that the allocation will accumulate over time and be carried forward for future use.

- Building and Improvements should be budgeted at six percent of operating budget.
- Machinery and Equipment should be budgeted at three percent of operating budget.

## **Revenue Forecast**

Revenue forecasts are based on anticipated drop-in fees, punch card and pass sales, and rentals around anticipated scheduled programming, as well as information from District staff. This takes into consideration program and facility components, multiple admission and age discounts, and political and economic realities. The revenue categories include both traditional and alternative sources:

- Daily admissions, punch cards, and passes
- Aquatics lessons and programs
- Fitness programs
- Child care
- Facility rentals
- Vending/concessions

Revenue forecasts are based on the space components included in the facility, the demographics of the local service area, the current status of alternative providers in the service area, and a comparison to other facilities with similar components in surrounding communities and around the country. Actual figures will vary based on the final design of the facility and the activity spaces included, the market at the time of opening, the designated facility operating philosophy, the aggressiveness of fees and use policies adopted, and the type of marketing effort undertaken to attract potential users to the facility.

The revenue forecast will require an ongoing effective marketing approach by staff in order to meet revenue goals.

**Cost Recovery**

The long term cost recovery goal for the center is projected to be 69 percent, which will serve as the basis for facility pricing and for marketing plan strategies. A continual goal should be to sustain cost recovery through a focused staff effort, resulting in high quality facility management, customer service, and marketing.

With an inevitable increase in operations costs, the TRPR must understand the financial commitment that they are making in choosing to build and operate an aquatics/recreation facility.

**Taxes**

Taxes are not included for or reflected in admissions fees, rentals, vending, or equipment sales, etc., on either the revenue or expense side which will offset, but should be anticipated, as required.

**Proposed Fees**

The proposed fee structure, as suggested in *Table 9* reflects preliminary figures that correspond to the operational budget and cost recovery philosophy for the center. These could be revised based on the District's needs and changes to service levels. Daily, punch card, and pass fees include admission to the facility, where applicable, for cardio/fitness, stretching and weight use, and lap or open swim in the lap and leisure pool. Separate fees will be charged, where applicable, for programs such as aquatic lessons, aerobics classes, general instruction, specialized fitness (e.g. weight training, personal training, yoga, Pilates, etc.), and various others.

The final fee schedule developed for the facility could also include other fee options such as non-resident fees and additional membership fees such as six-month, three-month, or seasonal passes and matinee and/or peak pricing (particularly for rentals), as well as other options. Comparison fees reflect centers that are closest in location to residents of the TRPR.

**Table 9: Proposed Admission Fee Schedule & Comparisons**

Proposed Fees	TRPR	Greeley Fun Plex	Loveland	Carbon Valley
<b>Daily</b>				
Child < 3	\$2.00	\$1.50	\$2.00	Free
Youth (4 -17 yrs.)	\$3.00	\$4.50	\$3.00	\$5.00
Adult (18 - 60 yrs.)	\$5.00	\$5.50	\$4.50	\$7.00
Senior	\$3.00	\$4.50	\$2.25	\$5.00
<b>20 Punch</b>				
Youth	\$54.00			
Adult	\$90.00			
Senior	\$54.00			
<b>Annual</b>				
Youth	\$225	\$225	\$248	\$209
Adult	\$375	\$360	\$465	\$345
Senior	\$225	\$225	\$268	\$209
Family*	\$650	\$635	\$683	\$493

\*Household annual pass rates will vary based on number of household members.

*Note: The proposed admission fees are based on a combination of market comparisons, the community's willingness to pay, and what will be required to meet cost recovery goals. Over the next several years, inflation will affect utilities, staffing, and other goods and services. Projected expenses will need to be reviewed and further refined to reflect true operating costs at the time of the facility's opening. If operating costs are deemed to have risen to where facility cost recovery goals cannot be met with current revenue projections, admission fees will need to be adjusted to a level that will meet these goals.*

*At this writing, there is an assumption of a three to four percent increase per year for expenses overall, and a minimum four to five percent increase per year for revenues. Depending on the timeframe determined for a projected facility opening date, these figures should be applied to both expenses and revenues respectively, as indicated, and all fees and charges should be adjusted for all materials prepared for public information.*

### Facility Rental Fees

This traditional revenue source comes from the right to reserve specific public property for a set amount of time and for a designated fee. For the new Community Recreation Center, this could include venue-specific parties, receptions and meetings, pool rentals, and after hour rentals. This is anticipated to be a revenue generating activity for this facility.

**Table 10: Facility Rental Fees**

Facility Rentals*	Suggested Rate
Community Room Space	\$40/hr to \$80/hr
Leisure Pool (includes 4 guard rotation and 1 facility staff) Up to 100% of maximum bather load - 2 hour minimum	\$300/hr
Gymnasium per court/entire gym	\$35/\$100hr
Entire Facility - After Hours	\$800/hr

\* All spaces and rooms are only available for rental when not scheduled for TRPR Recreation Programs, or after normal hours of operation.

### Vending

Vending operations are expected to be handled through contracted services and therefore only include a net revenue figure.

### Advertisement and Sponsorship Revenue

Additional revenues from advertisement and sponsorships are **not** included in the pro-forma but should be considered as an opportunity to increase revenues. Any advertising or sponsorship opportunities must be scrutinized to assure they meet the mission of the Center. A sample sponsorship policy has been provided as a **Staff Resource Document**.

**Aquatic Revenue**

With an indoor aquatics venue, the TRPR will have the ability to expand aquatics programming (i.e. swim lessons, aquatic exercise) on a year-round basis. These offerings should generate approximately \$55,100 (net) annually. A breakdown of aquatic revenue can be found in the line item operation budget in **Appendix C**.

**Fitness Instructional Programs**

Fitness programming will be provided on an ongoing basis at the new center and should generate approximately \$65,000 (net) annually. A breakdown on fitness revenue can be found in the line item operation budget **Appendix A**.

**C. Detailed Operating Budget**

**Table 11** is an overview of expenditures, revenues, and cost recovery for the center. The preliminary proposed detailed line item operating budget can be found in **Appendix A**.

**Table 11: Community Center Budget Summary**

TRPR Community Recreation Center	
<b>Expenses</b>	
Personnel Services	\$575,720
Supplies	\$74,000
Services	\$313,570
Capital Replacement	\$86,696
<b>Total Expenses</b>	<b>\$1,049,986</b>
<b>Revenues</b>	
Admissions	\$569,925
Rentals	\$15,000
Child Care	\$7,500
Vending	\$10,000
Aquatics Programming	\$55,100
Fitness Programming	\$65,000
<b>Total Revenues</b>	<b>\$722,525</b>
<b>Projected Operating Deficit/Surplus</b>	<b>(\$327,461)</b>
<b>Cost Recovery</b>	<b>69%</b>

## **D. Long Term Operating Budget**

Building sustainably means that revenues and expenses will keep pace over time. The proposed operating budget for the TRPR Community Recreation Center has been developed with sustainable revenue generating components. It is anticipated that expenditures for personnel, supplies, and services will increase three to four percent per year. In order to keep pace with rising expenditures and not lose ground, fees for admissions, programs, rentals, and other services will need to be increased incrementally per year at a rate greater than the expenditures.

### **Achieving Desired Results**

It is, of course, desirable to achieve the projected results presented in the Operational Budget. Additionally, it is important that the operations of the new facility not create a funding burden and that the cost recovery structure and associated goals be developed to ensure that programs will contribute to the financial success of the facility.

The managing staff of the new facility must remain cognizant of the need to develop appropriate budgets to meet designated targets and goals. This is a challenging endeavor as personnel costs rise and commodities and services experience inflationary increases. The goal is to attain and maintain sustainable programs and operations at the facility with a budget to match. Additional information regarding successful operations can be found in **Appendix C**.

# **Appendices**

---



# Appendix A – Operational Pro-Formas

**Please note: Appendix A – Operational Pro  
Formas begins on pg. 113 of the TRPD Draft  
Feasibility Study Report Final Draft as presented  
by GreenPlay, LLC**

## **Appendix B – Community Survey Report**

**Please note: A copy of Appendix B – Community Survey Report is available upon request**

**Appendix C – Monitoring Performance,  
Identifying Issues, and Successful Operations**





## **ACHIEVING DESIRED RESULTS FROM THE BUSINESS PLAN AND OPERATIONAL PRO FORMA**

Of course it is desirable to achieve the projected results from the Business Plan and/or Operational Pro Forma, but there are many factors which can contribute to the successful implementation of the plans. Many of these assumptions and contributing factors can be addressed for optimal performance before, during, and after opening.

### **A. The Operational Pro-forma Assumptions**

In order to complete operational budget planning, assumptions must be made regarding a variety of projections. The typical projections use an approach to estimating expenses and projecting revenues which may either be moderately aggressive or conservative. Plans can be based on a basic understanding of the conceptual project, operational assumptions approved by the client, and the best information available regarding the market area and current practices of the City, County, or District. The estimates are made in current year dollars. While we utilize all techniques available to help with accuracy in creating projections, there are many variables that cannot be completely accurately determined during this conceptual planning stage, and/or are subject to change during the actual design and implementation process. There can be no guarantee that the estimates and projections will be met.

Revenue projections are based on the square footage and design of components included in the facility, the demographics of the local service area, the current status of alternative providers in the service area and a comparison to other facilities in the surrounding communities or state, and around the country, with similar components. Actual figures will vary based on the final design of the facility and the activity spaces included, any changes in the market at the time of opening, the designated facility operating philosophy, the aggressiveness of fees and charges and use policies adopted, and the type of marketing effort undertaken to attract potential users to the facility.

Expenditures estimates are based on the type and size of the activity and support spaces in the center, and the anticipated hours of operation. Where possible and available, calculations are based on actual practice or methodology, and other expenses are estimated based on experience at similar facilities.

## B. Achieving the Goals of the Business Plan and Operational Pro forma

In order to best actualize optimal operational and financial performance, the following concepts are recommended:

### 1. Monitor Performance

- **Create Performance Measures:** Performance measures are quantifiable evaluations of the organization's performance on a pre-determined set of criteria measured over time. The agreement upon standard performance measures allows the organization to judge its progress over time (internal benchmarking) and identify areas of strength and weakness.
- **Detail Specific Objectives:** These are action statements or tasks which define the measurable work accomplishments of an organization through the staff over a specific timeframe. They are directly related to the annual workplan, divisional business plan, the overall long range strategic plan or master plan, the mission, vision, core values, and services for the agency or department. The accomplishment of these goals and objectives will affect the defined performance measures and the staff's performance evaluation.
- **Track the Usage**
  - **Capacity - Occupancy or Participation Rates:** The number of available spaces. Occupancy or Participation rates are the ratio of filled spaces to available spaces. Over- and under-capacity issues can be addressed by giving residents pre-registration priority, adjustments to the price based on peak or off-peak time or a market price differential.
  - **Participation Rates:** Participation refers to the number of those who are enrolled in a program, workshop, activity, or event. They are the users, the enrollees, or class attendees.
  - **Visitor Occasion:** The count of the number of people who use the organization's facilities each day throughout the year. This number will include multiple counts of a person who has repeat uses.
- **Benchmarking for a Snapshot:** External benchmarking is the study of a competitor's product or business practices in order to improve the performance of one's own company. This may include **Survey Benchmarking**, which compares the way your community compares to other like community in survey responses, and/or **Administrative Benchmarking**, which analyzed how your agency compares to other like agencies in terms of budget, land holdings, staffing ratios, and other administrative factors.
- **Survey Users:** Conduct periodic surveys on how users get their information, satisfaction levels, other program desires, and comments.
- **Comment Cards:** Provide opportunities for users to comment on issues and post the answers or results. Reward their willingness to offer feedback.

**2. Follow the Business Plan:** A business plan details how business will be conducted. It is a formal written planning document to communicate with members of a management team, employees, customers, or financial backers, often for a specific project or bond measure. It is ideal for seeking money from outside investors or lenders or for projects of mutual interest.

In general, the plan:

- Supports the vision of the overall guiding plan
- Is used for marketing and funding
- Describes core services
- Identifies core competencies
- Includes benchmarks and performance measures
- Includes an operational pro forma

A business plan is the result of thoroughly investigating your industry, your market, your product, your financial situation, and your proposed organization. A business plan outline provides an organized system for researching the feasibility of your business. In addition to providing a game plan for directing and guiding your business, a completed business plan can provide a great tool for communicating your business to potential investors and banking institutions.

**3. Reduce and Manage Direct Cost:** Direct cost includes all the specific, identifiable expenses (fixed and variable) associated with operating a facility, or providing a service or program. These expenses would not exist without the program or service and often increase exponentially. These are costs that could be covered through fees and charges. Direct costs for programs and services may include the following.

- Regular part time benefited or non-benefited and seasonal salaries for instructors, leaders, aides, field supervisors, officials, coaches, and some temporary help for vacancies or absences.
- Personnel benefits including FICA and Medicaid, Social Security, Self Insured Worker's Compensation Insurance, Unemployment Insurance; currently estimated at a percentage of salaries for regular full-time benefited employees, a percentage of salaries for regular part time benefited employees, and a percentage for regular part-time non-benefited and seasonal employees.
- Contractual services for coaches, officials, instructors, etc.
- Consumable equipment and supplies both purchased and leased, such as balls, paper, clay and glazes, kiln firing, art supplies provided by instructor or agency, chalk, cell phones.
- Uniforms, tee shirts for participants and staff.
- Non-consumable equipment purchased only for the program that require periodic, continual replacement or are necessary for the start of the program that are averaged or allocated, such as yoga mats, blocks, bouncy balls, low free weights, racquets, and goggles.
- Training specifically for the program or service like CPR and First Aid, on-going or reimbursed training and certifications.
- Transportation costs such as van driver and mileage, parking, tolls, detailing, or rental of busses, etc.
- Entry fees, tickets, admissions for participants and leaders/instructors.
- Rental fees for facilities, spaces, janitors, charge backs, etc.
- Operating expenses of replacement costs due to damage or loss.
- Any other costs associated or attributed specifically with the program or service.

#### 4. Review Fee Structures

- **Peak versus Off-Peak Pricing**
  - **Off-Peak:** Period of least demand for services and programs.
  - **Peak:** Period of highest demand for services and programs. Peak and off-peak categorizations may vary for services and programs within a facility or park. For example, in a park, day use may be highest during the same time period in which demand for interpretive programs is low.
- **Price Differentials:** Offering variations of the price to a particular group, which may achieve more equitable and efficient service delivery. Different groups are charged different prices for the same service, even though there is no direct corresponding difference in the costs of providing the service to each of these groups. Price differentials can be based on resident (tax payer)/non-resident, age categories, location of facility, time or season, quantity of use, incentives, etc. The trend is to give residents a discount off the fee versus charging non-residents more.
  - **Resident versus Non-Resident Fees**
    - ♦ **Resident:** Often defined as those who pay taxes to and live within the service boundary of the city or district, own property, youth through age 18 years who attend local public school district and private schools, government employees, resident workers, active military, etc.
    - ♦ **Non-Resident:** Is a person whose primary residence is outside of the organization's service area and doesn't meet the residency test in any way.
  - **Low Income fees versus a Scholarship Policy**
  - **Disabled**
  - **Age Groups**
  - **Seasonal Users**
- **Flexibility of Fees versus Too Many Options**
  - **Admission Fees:** Daily, Passes, Punch Cards, Coupon Books
  - **Passes:** Monthly Pass, 3-Month Pass, 6-Month Pass, Annual Pass, Seasonal, Summer Only, Disabled, Low Income
  - **Multiple in Group:** Individual, Couple, Household, Family, Plus add-ons, Corporate, Business,
  - **Age Groups:** Adult, Teen, Youth, Child, Senior
- **Memberships versus Passes**
  - **Membership:** This is a count of how many belong to a club or group. Membership is the number of people who have purchased a membership to a facility or program (also often used interchangeably to mean annual, semi-annual or monthly pass holders). Membership can be paid or unpaid.
  - **Passes:** Allow you to provide a discount for frequent users. This is a marketing strategy.
- **Cost Recovery and Fees**
  - **Full Cost Recovery Fee:** The fee recovers the total cost of a service or program including all direct and all indirect costs, enabling the breakeven point to be reached. Full-cost recovery is often used as a strategy for services perceived as "private," benefiting only users while offering no external benefits to the general community.
  - **Market Rate Fee:** Fee based on demand for a service or facility. The market rate is determined by identifying all providers of an identical service (i.e. private sector providers, other municipalities, etc.), and setting the fee at the highest level the market will bear.

- **Partial Overhead Cost Recovery Fee/Cost:** Fee recovers something less than full cost. This partial cost fee could be set at a percentage of direct costs, all direct costs, all direct costs plus a percentage of indirect costs, or some combination. The remaining portion of the costs will be subsidized.

## 5. Implement Effective Marketing or Service Communicating Techniques

- **Have a Marketing or Service Communication Plan, Review It and Follow It!**
- **Marketing of Service Communication Plan:** A marketing or service communication plan details the methods of promoting, advertising, or communicating your programs and services to the public. It should also include methods for understanding your market and reaching them for input as well as promotion; as well as market research. It outlines the promotional tools and strategies employed by your agency or department and will discuss strategies for production and distribution of materials, standards, timelines, and expectations for materials.
- **Promote the Benefits:** The degree to which programs and services positively impact the public (individual and community), or in other words, the results of the programs and services. Are the individual and community better off, worse off, or unchanged as a result of programs and services?
- **Promote the Savings or Convenience:** Daily Admission or Monthly Passes offer convenience to the non-committed user. Household and Annual Passes and Punch Cards offer financial savings for the frequent user. Punch Cards expiring in a year are also convenient for infrequent users. Coupon Books are convenient to those who might lose a punch card or pass like children using the center by themselves.
- **Benefit versus Value or Intent:** Benefit is defined as the advantage, use, or outcome to a group or individual. Value is the judgment of worth or the degree of usefulness or importance placed on a service or activity by personal opinion. The intent or intention of a program is the purpose, aim, or end.
  - **Value:** (perceived and real) Participant/user expectations of the worth and quality of a program or service based on the benefits received.
- **Focus on Current User Retention versus Attracting a New Non-User**
  - **Participant/Guest/User/Visitor:** Persons who use facilities and services, visit parks, and participate in programs and activities.
  - **Non-User:** Those who have never stepped into the parks, facilities, taken the programs or used the organization's facilities or services.
- **Empower Employees:** Allow the front line employees to solve customer complaints with free admission tokens, or by offering credits and refunds, and to make decisions in the best interest of customer retention and satisfaction.

## 6. Continually Improve the Customer Service Experience

- **Train Staff:** Provide ongoing customer service training including the use of available media, videotaping, role playing, incentives, reward, and recognition.
- **Define Minimum Service Level:** The "acceptable" service level at facilities; a function of maintenance levels, staffing levels, types and numbers of amenities available (picnic sites, nature trails, restrooms, recreation centers, etc.), types and numbers of additional program offerings, quality of customer service, etc.

- **Define Optimum Service Level:** The “best” program and facility service; a function of maintenance levels, staffing levels, types and numbers of amenities available (picnic sites, nature trails, restrooms, recreation centers, etc.), types and numbers of additional program offerings, quality of customer service, etc.

#### 7. Create User Friendly Policies

- **Scholarship/Fee Reduction Policy:** The scholarship or fee reduction policy is intended to provide an objective way to provide recreation and leisure opportunities at a reduced rate to citizens of the agency with economic need. Ability to pay should not be a factor for participation. The agency will work directly with the appropriate social services agency to provide a means of identification of residents meeting eligibility requirements. Eligibility determination could be based on the HUD scale and income verification to determine eligibility. Depending upon the systems in place for identification of need, residents may be subsidized between a certain range of percentage or at more than one level depending upon need.
- **Refund Policy:** (A typical policy may include)
  - All programs take place rain or shine. Full refunds or credits for classes will be made automatically when:
    - ♦ classes have reached their maximum enrollments;
    - ♦ classes are canceled by the organization due to insufficient enrollment or other unforeseen reasons;
  - For any reason other than those noted above, pre-paid registrations:
    - ♦ canceled at least (X number) days in advance are 100% refundable;
    - ♦ canceled less than (X number) days and more than (X number) days in advance are (X%) refundable;
    - ♦ canceled days or less in advances are not refundable.
  - Allow (X number) days for refund processing. Credit card charge refunds will be made directly to the charge card account.
- **Returned Check Policy:** Pursuant to policy, an assessment fee of (X dollar) will be charged for a returned check.

#### 8. Opening Impacts which may Impact Performance

- **Seasonality of Opening:** If the facility has a high reliance on fitness and wellness amenities, programs and services, then a January opening is often desirable so that you can take advantage of New Year’s resolutions. If the facility has a high reliance on leisure aquatics, camp and indoor playground amenities, programs, and services, then a summer opening may help.
- **Operating Hours:** Are you open when peak use occurs? Should these be adjusted? Are you open too much or too little? Is there a 24/7 demand?

### C. Definitions

When we discuss achieving the goals of the Business Plan and Operational Pro forma, we reference the following terms defined by **Merriam-Webster** Online Dictionary:

<b>Manifest</b>	<i>transitive verb</i> : to make evident or certain by showing or displaying
<b>Materialize</b>	<i>transitive verb</i> : 1 a : to make material : OBJECTIFY
<b>Objectify</b>	<i>transitive verb</i> 1 : to treat as an object or cause to have objective reality 2 : to give expression to (as an abstract notion, feeling, or ideal) in a form that can be experienced by others
<b>Actualize</b>	<i>transitive verb</i> : to make actual : REALIZE
<b>Realize</b>	<i>transitive verb</i> 1 a : to bring into concrete existence : ACCOMPLISH 2 a : to convert into actual money b : to bring or get by sale, investment, or effort : GAIN
<b>Accomplish</b>	<i>transitive verb</i> 1 : to bring about (a result) by effort 2 : to bring to completion : FULFILL 3 : to succeed in reaching (a stage in a progression)
<b>Gain</b>	<i>noun</i> 1 : resources or advantage acquired or increased : PROFIT 2 : the act or process of gaining 3 a : an increase in amount, magnitude, or degree
<b>Fulfill</b>	<i>transitive verb</i> 1 <i>archaic</i> : to make full : FILL 2 a : to put into effect : EXECUTE b : to meet the requirements of (a business order) c : to bring to an end d : to measure up to : SATISFY 3 a : to convert into reality b : to develop the full potentialities of
<b>Profit</b>	<i>noun</i> 1 : a valuable return : GAIN 2 : the excess of returns over expenditure in a transaction or series of transactions; <i>especially</i> : the excess of the selling price of goods over their cost 3 : net income usually for a given period of time 4 : the ratio of profit for a given year to the amount of capital invested or to the value of sales 5 : the compensation accruing to entrepreneurs for the assumption of risk in business enterprise as distinguished from wages or rent
<b>Execute</b>	<i>transitive verb</i> 1 : to carry out fully : put completely into effect 2 : to do what is provided or required by
<b>Satisfy</b>	<i>transitive verb</i> 1 a : to carry out the terms of (as a contract) b : to meet a financial obligation to
<b>Achieve</b>	<i>transitive verb</i> 1 : to carry out successfully : ACCOMPLISH 2 : to get or attain as the result of exertion <i>intransitive verb</i> : to attain a desired end or aim : become successful

**Sources:**

GreenPlay LLC ([www.GreenPlayllc.com](http://www.GreenPlayllc.com))

The leading edge in management consulting for Parks, Recreation, Open Space and related industries.

Merriam-Webster Online Dictionary ([www.m-w.com](http://www.m-w.com))

About.com (<http://retail.about.com/od/glossary/g/cogs.htm>)

About.Com was founded in 1996 (as The Mining Company) by Scott Kurnit and a dedicated group of entrepreneurs. It was re-named About.Com in 1999 to reflect its growing breadth of content, services and ease of use. In 2001, About, Inc. was acquired by PRIMEDIA Inc. In 2005 About, Inc. was acquired by The New York Times Company(NYSE: NYT).

BPlans.com ([www.bplans.com](http://www.bplans.com))

Bplans.com contains the largest single collection of free sample business plans online. In addition to that, it has helpful tools and know-how for managing your business. Bplans.com includes practical advice on planning, interactive tools, and a panel of experts who have answered more than 1,400 questions from people like you. Bplans.com has also won several awards as a valuable "plain talk" resource.

Bplans.com is owned and operated by Palo Alto Software, Inc. as a free resource to help entrepreneurs plan better businesses. Palo Alto Software-The Planning People-develops, publishes, and markets software products for use with personal computers. Its products offer task-oriented, "know how" solutions for small-business and home-office entrepreneurs, professionals, and middle managers. The company is a privately-owned corporation in Eugene, Oregon.

Bizminer ([www.bizminer.com](http://www.bizminer.com))

BizMiner (the Brandow Company, Inc.) has been based in Camp Hill, PA since its establishment in 1990. BizMiner has built its reputation on quality industry research and data development. The company pioneers online delivery of detailed industry analysis to small and large businesses and entrepreneurs through its local and national Marketing Plan Research Profiles, Financial Analysis Profiles, Local Business Summaries, State Market Index Profiles, Franchise Profiles and Business Risk Index series. BizMiner's proprietary research methodology tracks and analyzes the experience of over 18 million US business facilities, condensing millions of data points into the unique measures found in our profile series. Consultants and larger firms also benefit from our Research License options.

Entrepreneur ([www.entrepreneur.com](http://www.entrepreneur.com))

Washington Small Business Development Center (<http://www.wsbdc.org/index.htm>)

---

<sup>i</sup> Emily Tipping, "2012 State of the Industry Report, State of the Managed Recreation Industry", Recreation Management, June 2012.



**AGENDA ITEM 9B**

**2013**

**SEWER LINE**

**CLEANING**

**PROJECT**

**(Award of Contract)**

**(Dale's Environmental Services, LLC)**

**TOWN COUNCIL AGENDA COMMUNICATION**

---

**AGENDA DATE:** October 7, 2013

**ITEM NUMBER:** 9B

**SUBJECT:** Consider Award of Contract for the 2013 Sewer Line Cleaning Project to DES (Dale's Environmental Services, LLC)

**ACTION PROPOSED:** Award Contract to DES (Dale's Environmental Services, LLC)

**PRESENTED BY:** Town Manager, Water/Sewer Superintendent and Town Attorney

---

**AGENDA ITEM DESCRIPTION:** The 2013 Sewer Cleaning Project will encompass the problem areas of Town as determined by the Water/Wastewater Superintendent. The total length of lines to be cleaned is estimated at 81,700 linear feet.

*Section 9.1.3 of the Town's Purchasing Procedure Manual provides in part for the following:*

"Procurement Under Existing Contracts:" Department Heads and the Town Administrator may contact for services, construction of items of tangible personal property without use of competitive sealed bids or competitive sealed proposals, as follows:

- 9.3.1** "With a vendor which has a current contract or price agreement with the state purchasing agent or central purchasing officer or with another municipality or a county which has or uses an open bid process for the items that are to be procured if the following conditions are met:
- a. The quantity purchased does not exceed the quantity, which may be purchased under the applicable contract; and
  - b. The purchase order adequately identifies the contract relied upon by number, if applicable or by other appropriate references."

DES was the lower bidder of the City of Loveland's 2012 sewer cleaning/video inspection project and was awarded a renewal contract by the City on March 5, 2013 (refer to attachment). DES will provide Johnstown with the same services per the Loveland specifications at the Loveland unit prices. Using the estimated length quantity and Loveland unit prices the total "not to exceed" cost of the project is as follows:

Sewer cleaning (per linear foot):	(\$0.30)	\$24,500
Video inspection (per lineal foot) + contingency:	(\$0.30)	<u>\$ 5,500</u>
<b>Total Cost (not to exceed):</b>		<b>\$30,000</b>

According to the contract, DES will have until November 30, 2013 to complete the cleaning project.

---

**LEGAL ADVICE:** The Town Attorney drafted the attached agreement.

---

**FINANCIAL ADVICE:** According to the Town Treasurer, sufficient funds are available for the project.

**RECOMMENDED ACTION:** Award the contract to Dale's Environmental Services LLC for a total price not to exceed **\$30,000**.

---

---

**SUGGESTED MOTIONS:**

**For Approval:** I move to award the contract for the 2013 Sewer Line Cleaning Project to Dale's Environmental Services for a total price not to exceed \$30,000 and authorize the Mayor to sign the agreement.

**For Denial:** I move to deny the award of the contract to Dale's Environmental Services, LLC.

---

**Reviewed:**

  
Town Manager

# CONTRACT

**TOWN OF JOHNSTOWN, COLORADO**  
**2013 SEWER LINE CLEANING AND VIDEO INSPECTION PROJECT**  
**PUBLIC WORKS CONTRACT**

THIS CONTRACT entered into at Johnstown, Colorado, this        of October 2013, by and between the TOWN OF JOHNSTOWN, COLORADO, a Colorado Home Rule Town, with address for notice at 450 S. Parish/ P.O. Box 609, Johnstown, Colorado 80534 hereinafter called and referred to as the Town, and Dales Environmental Services, LLC, with address for notice at P.O. Box 337660, Greeley, CO 80633 hereinafter called and referred to as Contractor,

**WITNESSETH:**

THAT FOR AND in consideration of the premises, the payments hereinafter provided for, and the mutual covenants, promises, doings, and things hereinafter set forth, the parties hereto do now agree as follows:

1. That Town does engage the services of Contractor, and Contractor does hereby bind himself unto Town, to perform the following project to Town, to wit:

**2013 SEWER LINE CLEANING AND VIDEO INSPECTION PROJECT**

for a total price not to exceed Thirty Thousand (\$30,000), which shall be paid in the following manner:

The entire bid price shall be payable by Town unto Contractor upon Town's first accounts payable cycle following completion and acceptance of the work to be performed hereunder.

2. That all of Contractor's performance hereunder shall be in a workmanlike manner, and shall be in conformity with the attached specifications for said project, and in accordance with time restrictions and limitations set forth:

The term "Contract documents" means and includes the following:

- (a) Contract and Attachment "A" and "B"
- (b) Insurance and Insurance Requirements
- (c) Notice to Proceed
- (d) Change Order

The contractor shall furnish all materials, supplies, tools, equipment, labor and other services necessary for the construction and completion of the project described herein.

3. That within three (3) days of the execution of the contract, the Contractor shall have furnished the Town all of the items required of the Contractor in the Contract Documents. Upon receiving the required documents, the Town shall issue a Notice to Proceed. Contractor shall then have until November 30, 2013 to complete the project.

Failure to complete the project within such specified time period shall cause Contractor to be liable to the Town for \$100.00 each day beyond such time period to reimburse Town for its damages for such delay, such amount being difficult to ascertain in advance, and therefore, the Parties agree to the per day damages as liquidated damages and not as a penalty.

This contract shall be and become binding upon, and inure to the benefit of, the parties hereto, their heirs, personal representatives, successors and assigns. Further, this Contract shall be construed and interpreted according to the laws of the State of Colorado and any action to interpret, construe, or enforce the same shall be maintained in the appropriate court in Weld County, Colorado.

Executed as of the date and year as above written.

**TOWN OF JOHNSTOWN, COLORADO**

By \_\_\_\_\_  
Mayor

**ATTEST:**

By \_\_\_\_\_  
Town Clerk

**CONTRACTOR**

By *Janell Ford*  
(Title)  
*President*

**ATTEST:**

By *Dale Demaree*

ATTACHMENT A  
**REQUIRED PROVISIONS FOR CONTRACT FOR SERVICES  
PROHIBITING EMPLOYMENT OF ILLEGAL ALIENS**

Contractor shall not:

1. Knowingly employ or contract with an illegal alien to perform work under this public contract for services; or
2. Enter into a contract with a subcontractor that fails to certify to the Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this public contract for services.

Contractor has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the public contract for services through participation in either the e-verify program or the Department of Labor and Employment program.

Contractor is prohibited from using either the e-verify program or the Department of Labor and Employment program procedures to undertake pre-employment screening of job applicants while the public contract for services is being performed.

If Contractor obtains actual knowledge that a subcontractor performing work under the public contract for services knowingly employs or contracts with an illegal alien, the Contractor shall be required to:

1. Notify the subcontractor and the contracting state agency or political subdivision within three days that the Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and
2. Terminate the subcontract with the subcontractor if within three days of receiving the notice required pursuant to subparagraph 1 of this subparagraph the subcontractor does not stop employing or contracting with the illegal alien; except that the Contractor shall not terminate the contract with the subcontractor if during such three days that subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

Contractor shall comply with any reasonable request by the Department made in the course of an investigation that the Department of Labor and Employment is undertaking pursuant to the authority established in subsection (5) of Section 8-17.5-102 of the Colorado Revised Statutes.

**IF CONTRACTOR VIOLATES ANY OF THE AFOREMENTIONED REQUIREMENTS, THE TOWN MAY TERMINATE THE CONTRACT FOR BREACH OF CONTRACT. IF THIS CONTRACT IS SO TERMINATED, CONTRACTOR SHALL BE LIABLE FOR ACTUAL AND CONSEQUENTIAL DAMAGES TO THE TOWN OF JOHNSTOWN.**



**DALE'S ENVIRONMENTAL SERVICES, LLC**

P.O. Box 337660 – Greeley, Colorado 80633

Phone (970) 371-5251

Phone (303) 503-6697

www.DES-dalesenviro.com

To: Town of Johnstown  
450 South Parish Avenue  
Johnstown, Colorado 80534

Date: September 13, 2013

**2013 SCOPE OF SERVICE**

**CLEANING OF SANITARY SEWER LINES & SANITARY SEWER  
CLOSED CIRCUIT TV-ING**

<b><u>DESCRIPTION</u></b>	<b><u>COST</u></b>
Jet clean sanitary sewer lines	\$0.30/ft.
Video inspection of sanitary sewer lines	\$0.30/ft.

**CITY  
OF  
LOVELAND  
MATERIALS**

**RENEWAL  
Services Contract**

This Renewal is entered into this 5<sup>th</sup> day of March 2013 nunc pro tunc December 31, 2012 by and between the **City of Loveland, Colorado** ("City") and **Dales Environmental Services, LLC** ("Contractor").

Whereas, the parties entered into a contract for **Cleaning of Sanitary Sewer Lines and Sanitary Sewer Closed Circuit TVing** dated **March 12, 2012** ("Contract"); and

Whereas, the Contract expires on **December 31, 2012**; and

Whereas, the parties desire to renew the Contract for an additional one-year term.

Now, therefore, in consideration of the mutual covenants and agreements set forth herein, the parties agree as follows:

1. The Contract is hereby renewed for a one-year term effective **January 1, 2013**, to **December 31, 2013**.
2. The Contract price for this renewal term shall be an amount not to exceed **\$135,000 for cleaning and \$15,000 for TVing**.
3. Exhibit A shall remain the same unless an amended Exhibit A is attached to this Renewal. Any such attachments shall be incorporated into the Contract as if fully set forth therein.
4. All other terms and conditions of the Contract shall remain in full force and effect according to the provisions thereof.
5. This Renewal may be executed by electronic signature in accordance with C.R.S. § 24-71.3-101 *et seq.*

Signed by the parties on the date written above.

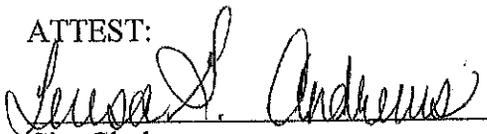
 RBW  
**City of Loveland, Colorado**

By: \_\_\_\_\_

Stephen Adams  
**Director, Water and Power**

Title: \_\_\_\_\_

ATTEST:

  
\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

Maria Garcia  
Assistant City Attorney

Contractor

By: Janell Foose

Title: President

STATE OF Colorado )  
 ) ss.  
COUNTY OF Weld )

The foregoing Renewal Contract was acknowledged before me this 15<sup>TH</sup> day of February, 2013 by Janell Foose  
(Insert name of individual signing on behalf of Contractor)



Patricia S Harden  
Notary's official signature

October 18, 2014  
Commission expiration date



**DALE'S ENVIRONMENTAL SERVICES, LLC**

P.O. Box 337660 – Greeley, Colorado 80633

Phone (970) 371-5251

Phone (303) 503-6697

FAX (970) 356-4168

**2013 SCOPE OF SERVICE**

**CLEANING OF SANITARY SEWER LINES & SANITARY SEWER-  
STORMWATER CLOSED CIRCUIT TV-ING**

<b><u>DESCRIPTION</u></b>	<b><u>COST</u></b>
Closed Circuit TV-ing..... all pipe size/diameter	\$.30/ft.
Jet cleaning..... all pipe size/diameter	\$.30/ft.



**CITY OF LOVELAND  
PURCHASING DIVISION**

Loveland, CO 80537  
Phone (970) 962-2695  
Fax (970) 962-2918  
TDD# (970) 962-2620

<b>REVISION</b>	Page(s)
<b>0014</b>	3

DATE: 03/18/2013

**PURCHASE ORDER**

**Vendor:** DALE'S ENVIRONMENTAL SERVICES LLC  
PO BOX 337660  
GREELEY, CO 80633

**Ship To:**

Federal Tax Exempt #A-138571  
State Tax Exempt #98-03478

**Bill To:** Gary Graham  
500 East Third St  
Loveland, Colorado 80537

IMPORTANT - TO RECEIVE PAYMENT ALL INVOICES AND SHIPPING DOCUMENTS MUST SHOW PURCHASE ORDER NUMBER

**Vendor #:**  
7131

**Date Needed:**  
03/07/2013

**FOB:**  
DESTINATION

**Requested By:**  
Gary Graham  
**EMAIL:**  
Gary.Graham@cityofloveland.org

Item	Quantity	Unit	Vendor/Item Part #	Description	Unit Price	Total Price
1	135,000.00	EA		2013 Cleaning Sewer Lines Account # 315-46-313-2904-43899	\$1.0000	\$135,000.00
2	15,000.00	EA		2013 TVing Sewer Lines Account # 315-46-313-2904-43899	\$1.0000	\$15,000.00
<b>Overall Total:</b>						<b>\$ 150,000.00</b>

**Included Comments**

**Description**

2013 Cleaning & TVing Sewer Lines

**Resolution #:**

**Contract #:**

