

**Report of the Cedar Hills Blue Ribbon
Recreation/Aquatics Committee**

August 31, 2010

Executive Summary

The Cedar Hills Blue Ribbon Recreation/Aquatics Committee recommends that the city council allocate the \$3 million recreation facility impact fees and the \$1 million in city facilities funds in the following way:

1. Build a community center at the golf course that includes a pro shop, club house, cart parking, reception and event space, and city office space.
2. Build a separate recreation center at a different location. The list of desired amenities was prioritized in the following order: A large multi-purpose court (for indoor basketball, soccer, futsal, etc.), an exercise room, a cardio room, and an indoor track. In later phases, an aquatic area and other facilities could be added as funding is available.
3. We recommend any of the following locations for the recreation center in priority order:
 - a. The “St. Andrews Estates” land on Canyon Road currently being held for development.
 - b. A portion of the Smart property if the council chooses to acquire it.
 - c. The back half (or less) of the commercial property the city owns on 4800 West.
4. The recreation center built in phase one should be completely paid for with the \$3 million recreation impact fees without any further debt. Phase 2 construction of an aquatic center and any other recreation facilities should be built after a vote of the electorate for any needed bond. Residents should be made aware, prior to the vote, that any shortfall in operations and maintenance revenue will need to be covered by sales or property taxes.
5. The community center at the golf course should be built with the \$1 million city offices fund. Additional funding should be borrowed from other city accounts that may be available. If this is not feasible, the committee was split 50/50 on willingness to use any recreation impact fees for this facility.

Introduction

The Mayor's Blue Ribbon Committee was formed on April 1, 2010, at the request of Mayor Richardson. Volunteers were solicited through the city newsletter and web page. 50 applicants offered to serve, of which 25 were chosen by the Mayor. The members of the committee were representative of the city's varying demographics, geography, and ideological viewpoints, and in some cases were able to provide expertise applicable to the issues being decided.

The committee was chartered by the Mayor to make recommendations on the following issues:

1. What to do with the \$3 million in recreation impact fees and the \$1 million allocated for future city office space.
2. How to meet the facility needs for city offices, police, fire, & EMS space, community center space, golf course facilities, recreation facilities, and other potential city building needs.
3. What recreation facilities should be built and operated by the city, where, and how to fund them.

The committee met 9 times over a period of four months. The group elected Steve Lee to serve as the chairman and Keith Irwin to serve as the vice-chairman. Daniel Zappala volunteered to take notes and to establish a website and mailing list. Member attendance at the meetings varied from a low of 10 members to a high of 21 members. By and large the group was quite open-minded and opinions shifted significantly as new information was discovered and presented. There was a high level of cooperation and openness. Several members visited recreation facilities in nearby cities and talked with officials about their activity and financial measures.

Process, Issues, and Recommendations

The committee used the first few meetings to gather information. In the initial meeting, Mayor Richardson, Marisa Wright, and Konrad Hildebrandt each presented scenarios for addressing facility needs of the city. In the second meeting, the committee met at the golf course and heard from Jim Madsen and looked at the available property. In the third meeting, the committee invited a group of experts in pool construction and operation to help understand relevant issues and likely costs.

Following these meetings, Steve Lee and Keith Irwin identified a series of questions to be answered, which became our roadmap for discussions and decisions. Those questions can be consolidated into the following:

1. Should we refund the \$3 million in recreation impact fees back to the developers or should we use them?
2. If we use the fees, should we build one facility or two?
3. Where should the facilities be located?
4. Should we bond and build all at once or construct in phases?
5. What amenities should be included in a recreation facility?
6. How should construction of the facilities be funded?

The following are the decisions the committee made. We have included the vote count and minority opinions so that they might be considered in any deliberations made by the City Council.

1. Should we refund the \$3 million in recreation impact fees back to the developers or should we use them?

The group voted 13–1 in favor of using the funds for recreation facilities and to not refund the money.

2. Should the city build one multi-purpose facility at the golf course or two facilities in separate locations?

We visited the golf course and met with Jim Madsen, then walked around the property and looked at where earlier proposals for a clubhouse and recreation facility would be located as well as space for parking and roads.

The discussion of the issues was both rigorous and vigorous. The following were some of the considerations discussed:

Building everything at the golf course would cost less because we already own the land and could use a single architect, engineering firm, and contractor. There would be no opportunity cost from using other properties. It would also be easier to staff.

Increased usage at the golf course site would create parking as well as ingress/egress issues that could be difficult to resolve given limited space. This was the major concern the committee had with this site. Other concerns are the many utility easements and need for Cedars HOA approval.

The site is not centrally located, but has good access via city trails.

There could be compatibility issues mixing a recreation facility with a golf / reception events center.

There may not be enough space at the site if the city decided to expand by building significant aquatic facilities at the same location.

The Cedars HOA would see both benefits and problems. Traffic and noise would increase but they would have a fine recreation facility very close by.

Being able to sell the golf course at a future time would require consideration to maintain the city office space and recreation facilities if located there.

Using property at 4800 West for a recreation facility will create conflicts with commercial tenants and reduce lease revenue.

Building at 4800 West will require higher construction and operations costs as compared to building a single facility.

There may be more space at 4800 W for phased expansion of recreation facilities.

After discussing these issues and more, the committee voted 10 – 2 in favor of building two facilities at separate locations. The facility at the golf course would include the clubhouse, reception / events rooms, and city offices. The recreation facility would be devoted solely to recreation activities.

3. Where should the facilities be located?

It is obvious that the golf clubhouse and reception / events center should be located at the golf course. The more difficult decision was where to locate the recreation facility. We considered three locations and recommend them in the following order of preference:

A. The “St. Andrews Estates” land on Canyon Road

Using this property preserves more commercial land and thus lease and sales tax revenue at 4800 West. It has plenty of space for a sizable facility, parking, and fits with the recreation zoning in the area. This property is dedicated to pay off golf course debt, but we can “trade” some of the revenue from the commercial land for that purpose. We might be able to pay back the golf course debt more quickly by using revenue from sale or lease of commercial land, as compared to waiting to sell the residential land. We might also be able to bring back the sledding hill in the winter. This property is not encumbered by any CC&Rs or HOA covenants. Downsides would include probable increased costs to develop, more traffic on Canyon Road and the fact that it is not as centrally located. Mitigation would be required to protect cars and buildings from golf balls from the hole above.

B. The property across from Wal-Mart owned by the Smart family.

If the City Council can come to acceptable terms to acquire this property, a portion could be utilized for the recreation facility. The location in the commercial area would be more convenient for many of our citizens. Vehicle access would be easy and the location is walkable for many. It is also larger than

the property at 4800 West, which means that taking a portion for recreation would likely be less of an opportunity cost. We recognized that negotiating for this property could be time consuming even if funds are available.

C. The commercial property on 4800 West.

Considerable discussion was had about this property. Many on the committee felt that we could use up to half of the property and share parking with commercial businesses. The biggest issues were the loss of lease revenue and incompatibility with commercial businesses. There is good access and though there is less land than the other two properties, there is still enough to build a good recreation facility.

Votes were phrased as follows:

Is Canyon Road a better location than 4800 West? Yes – 10, No – 0, Abstain – 2

Is Canyon Road a better location than the Smart Property? Yes – 8, No – 5, Abstain – 1

4. Should we bond and build all at once or construct in phases?

The committee strongly recommends that the city phase the construction such that phase one can be built with the funds on hand. Although many on the committee were willing to pay extra property taxes for recreational facilities, the committee as a whole remained undecided on whether to recommend a bond for subsequent phases, and preferred to put this question to the voters.

5. What amenities should be included in a recreation facility?

We created a prioritized list of what should be included in the recreation facility. They are listed below with the number of votes received in parentheses.

- Multi-purpose room(s) (14)
- Basketball and other indoor sports court (10)
- Exercise room (10)
- Cardio room (10)
- Game room (6)
- Small splash pad (4)
- Skate park (4)

There were several committee members who preferred to see facilities built or improved in existing parks such as a community garden, a splash pad, or additional play equipment in lieu of a recreation center or in the case of the tennis court lights, in addition to a recreation center.

The amount of money available will obviously dictate how much of this can be built in phase one. There is a strong sense of the group that a pool should be the priority in phase

two. There is also significant support for building only an outdoor pool, as our discussions with architects and managers of surrounding cities' facilities have indicated that it may be more feasible to break even operationally when running an outdoor pool. Based on our discussions with architects and managers of surrounding cities' facilities, we would strongly recommend that the city NOT build a bubble on an outdoor pool.

6. How should construction of the building at the Golf Course be funded?

This was the most difficult and contentious issue our committee discussed. In the end, we broke this down into the following four questions:

A. Should we even build a building at the golf course?

We recognized that though there is a list of financial projections, there has been no solid business plan created that demonstrates this building will bring in additional revenue. In our own investigation, it appears that Fox Hollow, which recently built a clubhouse & reception center, has had very minimal net increase in reception center or golf business. We were told, on the other hand, that the Sleepy Ridge reception center is very profitable.

We also recognize that we are in the golf course business whether we like it or not and that our facilities are deteriorating. If we don't act, we will likely incur increased maintenance expenses and could lose business to better equipped courses. We can use the reception center room(s) for council chambers. And ultimately, it would make the course easier to sell if we had a reasonably nice clubhouse. We do recognize that Jim Madsen has made great progress in running the course as a business and we have given his opinions considerable weight, though a solid, well vetted business plan would have been even more convincing.

Vote: In favor of building – 12, Opposed to building – 1, Undecided – 1.

B. If so, should it include recreation amenities other than for golf and receptions?

Exercise and cardio rooms could be built and outfitted for the use of golfers as well as the general public.

Vote: Yes – 2, No – 9, Undecided – 3

C. How do we recommend financing this building?

We identified four funding scenarios and discussed and voted on each of them as follows:

- a) General Obligation Bond – The bond would be paid for from revenues from the facility but backed by property taxes in the event the revenue is insufficient. It would require a vote of Cedar Hills residents.

Vote: Yes – 3, No – 9, Undecided – 1

- b) A portion of the \$3 million recreation impact fees – Using \$1 million from the impact fees in addition to the \$1 million city office money would provide about enough to complete the building at the golf course but would diminish the amount available for the recreation center.

Vote: Yes – 6, No – 6, Undecided – 1

- c) Revenue Bond – The City Council can use a bond backed by sales tax revenues in case there is a shortfall. Does not require a vote of Cedar Hills residents.

Vote: Yes – 1, No – 12

- d) Self-finance – In this scenario, the city council would borrow money that has been saved in other city accounts, assuming they are confident that revenue from golf, receptions and other events in the building will cover the repayment.

Vote: Yes – 11, No – 3

Appendix 1

List of Committee Members

Amber Linebaugh
April Felix
Bobby Seegmiller
Brent Schvaneveldt
Brent Uibel
Cammie Jo Wilson
Cliff Chandler
Daniel Zappala
Darin Lowder
David Driggs
Gary Gygi
Gretchen Wilcox
Jerry Dearinger
Julie Sessions
Julie Wright
Karen Herd
Keith Irwin
Lisa Barrager
Marisa Wright
Mike Evans
Paul Clyde
Rebecca Carroll
Scott Jackman
Shawn Johnson
Steve Lee

Appendix 2 Meeting Minutes

Minutes were not kept for the meetings on April 22nd and June 24th.

May 10, 2010

We first met at the golf course and had a presentation about what the course needs and how it can make more money with a clubhouse and reception center. This would enable the course to book tournaments, attract golfers who want a nice place to eat and drink before or after a round, and make extra money by renting the space for receptions.

We then returned to the city building, and each member of the committee had a few minutes to share his or her thoughts. The following are the comments each person made -- names are removed for anonymity.

Person 1

- Separate the clubhouse from the rec center
- People with kids want a pool
- Maybe put a library one building

Person 2

- Same as Person 1
- The golf course really needs a reception center
- Do it right the first time

Person 3

- Same comments as previous people.

Person 4

- The golf course is beautiful
- We should have two separate buildings -- one for the golf course/reception center and one for a recreational center
- A restaurant and reception center would be nice
- We definitely need a pool -- too crowded in area right now

Person 5

- I want to do the best thing for residents
- Maybe we're OK going to a neighboring city for recreation
- Would rather spend money on rec than library
- Would rather spend recreation money only on recreation and not on city buildings, so our recreation money goes farthest
- An aquatic center would be really popular
- There will be too much traffic up at golf course if a multi-purpose building up there
- East-west road being built will help out the 4800 W property
- Maybe we should visit neighboring rec centers and look at amenities and see what is used and what people want

- Thinks residents would support an increase in \$9/month property taxes

Person 6

- What I'm hearing: the golf course is a dirty word, families with kids want a pool, older families not so excited about a pool
- Talking to Jim at the course makes him predisposed to build a clubhouse
- Start from the funding side
- Pay for bond using leases or sale of land so there is no impact
- What is the potential revenue we can get from leases? or sales taxes?
- What is the max bond we can afford without raising taxes?

Person 7

- Definition of rec center - lots of latitude
- Based on feedback from his neighbors, kids go for shallow pool, then families go
- Don't need a costly lap pool
- 9 acres and 12 acres of commercial land deserve profitable use
- Prefers the tri-center, but has questions about parking, egress and ingress
- Plenty of space at the golf course for a building
- Need to separate the funds
- Would we want to raise taxes once we build something in order to pay for it?

Recs and pools are a hard sell except for those that like them

Person 8

- If money is the primary concern, then we should build one building for all our needs.
- Unfortunately, the location and parking situation are not ideal for putting that building on the golf course
- We would need a feasibility study that examines parking and traffic issues before pursuing the multi-purpose building further
- If a vision for city is more important, then I prefer to have separate buildings for reception and recreation.
- We should put in even a small library in one building if possible, so we can buy into the county system at some point
- There will be a vocal contingent against the clubhouse - but not necessarily a majority
- Those who learn about the golf course mostly support it
- The reception center would benefit from a true restaurant, rather than simply a grill

Person 9

- A multi-purpose building makes a lot of sense, but the feeling of the space up there will be lacking
- The current bond is a sunk cost
- It will cost \$2 million for a clubhouse/reception center or \$5/month -- if we do no better business
- That area should be calm, beautiful, peaceful
- Building a reception center and clubhouse will increase property values. It will be an easy sell because of what it offers. It will provide an exit plan for the golf course because someone may buy it if it has a clubhouse.

- When building a separate rec center the question is how much taxes will you take from someone who opposes it because 80% prefer the facility? \$5 to \$10 a month?
- We need to look at other revenue sources to understand what that gives us: worst case bond vs upside from revenue sources

Person 10

- People want a pool
- Concerned about maintenance
- Think outside the box: offer things no one else does
- Use rec dollars on rec and not golf
- Multi-purpose facility is overkill
- Build something smaller and unique

Person 11

- The worst days economically may not necessarily be behind us
- Do a lot of homework
- Assign people to golf courses and rec facilities -- find out what revenue there is
- Likes having an exit strategy for the golf course
- Maybe buy into another city's recreation facility

Person 12

- When first heard presentations, best deal seemed like multi-purpose building -- we own the property
- But the more thought about it, too many uses at the same time would detract from the reception center
- Reception center is more important than club house because it provides revenue
- Keep it separate, use impact fees for rec center
- Most people want a pool, makes the rec center
- Best place would be by the roundabout
- Bond to build on roundabout, then hold onto commercial area to lease or sell it later when it is valuable
- City building could be the add-on

Person 13

- Would be curious to look at a detailed business plan for a clubhouse and reception facility -- can this be supported without any property taxes? Worst case scenario is \$5/month if they don't improve anything, but wants a very solid business plan first
- Plan for the long term - not necessarily the least expensive
- Try to do it in the right place - phased recreation plan with aquatic first, then other portions
- Brought a plan for an indoor aquatic center, 7 lane lap pool, leisure pool, play structure, river loop, spa
- Just the pool structures is \$1 million
- What are the revenue opportunities we have there?

General Comments

- Try to put money from Walmart toward rec center
- We need specific questions on what we need to know about different rec centers
- An architect/builder can come in and tell us what is possible

Survey other pools and recreation centers

May 20, 2010

During this meeting, we heard a number of presentations.

Brent Tippets - VCBO Architects

Introduction

- architect that specializes in aquatic facilities
- Payson pool, BYU Miller Park, Richards Building, etc., Linden facility
- Payson and Linden were designed as phased facilities, eventually indoor amenities
- Payson - bubble
- Linden - eventually a full rec center, eventually enclosed if they choose
- Dimple Dell, West Valley, South Davis, Camas (4000 residents)

Trends

- gym - high demand, Junior Jazz
- multi-purpose activity (MAC) court -- like a gym , different surface -- indoor hockey, futsal, volleyball, can be used for basketball, but not desired surface for that sport
- usually build both types of gyms
- indoor turf - soccer
- leisure pools -- good revenue generators
- water play
- track -- affordable -- share space with gym -- 2nd level
- fitness -- good revenue generators -- can be a conflict with businesses
- Spinning
- Racquetball
- Aerobics/exercise studios - dance, karate, pilate, yoga
- Climbing walls -- requires an instructor -- high cost
- Bouldering -- lower, padded floor, less expensive
- Children's spaces -- activity, child care
- Locker rooms -- modernized, comfort, privacy, separation
- Generational spaces -- teens, elderly (community center)
- Wave machine (Linden has one) -- expensive to install and maintain
- Sustainability -- green buildings

Recreation centers

- Bountiful: pool, leisure and lap pool (extra so people can swim while teams are going), outdoor rec pool and splash pool, ice rink, basketball courts, raquetball courts, multi-purpose court, upstairs viewing for non-paying public, aerobics studio, running track
- Arizona: outdoor leisure pool and competition pool, indoor rec center and community center
- Camas: indoor lap lanes, indoor rec pool - 25 yards for high school competition, locker room, aerobics, outdoor play, 8 acres

- West valley: 8 lane 25y pool, indoor rec pool, gym, children's area can be converted to a small gym if desired, racquet, cardio, community space, large lobby
- Dimple Dell
- Need to think of conversion to other uses should usage change over time

Feasibility study

- what are you going to build?
- building cost
- operational costs
- includes goals, finances, operation, development, architectural, phasing
- operational - staffing, maintenance - is key
- per element: expense and revenue
- Finances are not the only concern: cities are the only entities that build these and they are provided as a service so kids have an opportunity to learn and participate in sports
- Most facilities have a public subsidy of some level: want to minimize subsidy or even eliminate it\ - furniture, fixtures and equipment costs
- Can be program driven (what do you want?) or budget driven (what can you spend?)

High revenue features

- Leisure pool (20/1 ratio of people as compared to a competition pool)
- Weight/cardio
- Aerobics/dance
- Gym/running
- Concession
- Ice arenas

Medium revenue features

- Racquetball
- Sports medicine
- Climbing walls
- Gymnasitics

Low Revenue features

- Senior space
- Administrative space
- Teen lounge (requires staff)
- Babysitting (requires staff)
- Kitchen
- Lockers (though clean and private lockers can make a center much more appealing)
- Theater
- Tennis
- Competition pool

Timeline

- feasibility - 2 to 3 months
- design - 3 to 6 months
- bidding - 30 days
- construction - 18 months

- total of 2 years

Pools

- Previously lasted 20 - 30 years, now trying to design for 50 - 60 years
- Outdoor pool operationally is definitely more affordable -- most nearby actually make money
- Indoor pool -- due to enclosure, staffing, lights, environment -- lose money
- But outdoor is open 4 months vs 12 months
- Bubbles -- doesn't like them -- they don't last, hard to provide healthy environment in them, not well insulated, leading to condensation, difficult to setup and remove

Construction Costs

- lower now (25%)
- \$8 million to build Dimple Dell in 1998
- Would cost \$8 million just for indoor competition, locker room, outdoor leisure pool
- Costs are approximately \$160 per square foot -- wet vs dry spaces have different costs
- Outdoor pools very affordable to build
- Indoor aquatic spaces cost \$400/sq foot -- building, mechanical, etc
- Outdoor aquatic spaces cost \$125/sq foot
- Indoor spaces (non aquatic) - \$160-\$170/sq foot
- Can put in an indoor pool with a roof that allows openings for fresh air

Alan Clawson (Cloward H2O)

Intro

- extremely specialized in aquatic design
- global -- not done as much locally
- 60% resort pools

Pools

- a pool is not enough -- need something for everyone to do -- all ages
- \$500,000 - 750,000 to install play structures
- 5,000 to 10,000 gallons per day outdoors
- Can possibly overcome downsides of indoor pools (expense) by bringing people in to the facility
- Interactive water play - no supervision needed
- Lazy river
- Flow rider - expensive to operate

Recommends

- quality equipment
- design to the use of the pool

Dee Loose (HAST)

Intro

- teaching competitive swimming for > 30 years
- head coach at HAST (Hilltop Aquatic Swim Team) -- club swimming

Programming -- why we should have a competitive program, revenue, costs, coach perspective

- 25 pools in SL County, 10 in Utah County
- Growing population -- AF, Lehi are year-round, only two in Northern Utah County
- Aquatic programming -- pools can be efficient
- Be sure to get a SwimAmerica franchise

Four pillars of a sustainable aquatic facility

- rehabilitation
- fitness
- competitive
- community needs - learn to swim

SwimAmerica is responsible to see that program grows -- key to sustainability

- hire knowledgeable staff
- need a mix of competition and leisure
- highly recommends south davis recreation center stretch 25 yard pool

May 27, 2010

Mayor Richardson spoke on the following topics:

Purposes of the committee

- not rubberstamping his idea
- we're past time to be using the impact fees
- collected funds for other city buildings
- what do we do with them?
- what should the recreational facilities entail? (assuming we want to spend impact fees and not return them)
- how do we take care of other capital needs? this includes city building; police, fire and EMS; community center spaces, recreation, aquatic, library; golf course and open space
- We don't need to spend more money -- prefer no new taxes: use assets we have
- What is the scope of what we can recommend? Determine a budget
- Plan is best when it pays off the golf course: approximately \$6 million

Assets

- \$3 million recreation impact fees
- \$1 million office space (tied up in Cottonwood Estates)
- land -- property owned at golf course and on 4800 W

4800 W and Smart property

- 9 acres were bought for small fraction of what it is worth: \$270,000
- city needs to have money up front to purchase property
- asking price was \$5.5 million for Smart property -- in 2010 -- for 13 acres

Bonds -- two types

- General obligation (GO) -- backed by property tax -- requires a vote of the people -- provides best interest rates
- revenue -- comes from sales tax, operational revenue, lease revenue -- our city is the only one that also requires a vote for this type of bond -- not required by state law
- can have a phased plan -- when we have the lease revenue then it goes toward the next phase to float the bond
- may as well do GO bond since you have to vote either one, and then use the revenue from the other source to pay for it -- we get a better rate
- both golf course property and 4800 W property can be monetized in this way, but golf course property is harder to monetize

Parking for a multi-purpose building at the golf course

- clearly not the ideal site
- but in the real world, this helps us deal with some constraints
- this lets us get more because we can use the commercial property to pay for facilities
- if we build facilities on 4800 W property, we have a lot less cash
- good chance that we could make the parking and traffic flow work at the golf course

Vote

We voted on the question of whether we should do nothing (i.e. return the impact fees to the original builders) or use the money for some purpose (as varied as buying into another city's recreation program or building a facility)

The vote was 11-1 in favor of using the money, not counting council member votes, 13-1 including their votes.

Chair

We voted to appoint a chair, with Steve Lee appointed as chair and Keith Irwin appointed as vice chair, to help us organize our meetings

Items for Discussion

We made a list of the following items for discussion at our future meetings:

- budget -- what should it be?
- bond or no bond
- if bonding, when should we bond, what type, and for how much?
- should we have one facility that meets all our needs, or two separate facilities -- event center and office space at the golf course, and recreation elsewhere
- sell/lease 4800 W property versus use it (or part of it) for recreational facilities
- long term plan
- pool or no pool

We then went around the table providing our opinions on what we should do -- [I didn't record these thoughts but I think Steve did]

Mayor Richardson's thoughts

- wants a plan where we have paid off the golf course in 5 years
 - all our facilities taken care of -- recreation, city building, event center
 - operations and management taken care of via revenue
 - no taxes raised (will go down substantially when golf course paid off)
 - can expand later if desired
 - conservative assumption -- using 6 of the 9 acres at 4800 W will provide a revenue-backed bond of \$3 million -- 50% of what today's rates are
 - golf course can be healthy with a building that provides for a clubhouse, office space, event space
 - could still have 3 acres on 4800 W for recreation space if desired, but needs can be met with a single building
- revenue bond addresses the issue of timing -- we can have about \$7 million total for building and furnishing costs

June 3, 2010

Present: Karen Herd, Brent S., David Driggs, Shaun J., April Felix, Steve Lee, Keith Irwin, Jerry Dearing, Rebecca Carroll, Julie Wright, Daniel Zappala, Marisa Wright, Konrad H.

Roadmap: Decisions to be made

- Should we plan for a recreation center? A golf clubhouse and reception center?
- New city offices?
- Should the city build one facility or two separate facilities?
 - Location for facilities? What do we do with the 4800 W property? How much for recreation? Should we lease it? Should we sell it?
 - Should we plan for phasing or bond and do it all at once?
 - Should we bond at all?
 - What is the total cost going to be? How much are we willing to spend?
 - What amenities should the city offer and at which locations?
 - Pool or no pool?
 - What do we build now (first phase)?
 - What amenities do we offer in subsequent phases?
 - When do we build subsequent phases?

Procedural rules

- stay focused on the topic
- balance inquiry and advocacy
- avoid side conversations
- if you are thinking it, say it, don't save it
- balance participation
- if you miss a meeting, read the notes before the next meeting
- make decisions based on data rather than emotion

- respect decisions once they are made
- the responsibility for how the group functions is shared by all

Opinions made by straw poll

- if you miss the meeting, read the notes and ask questions
- submit a vote for the straw poll once you are informed

Vote: The plan we recommend will include decisions on all three city needs: rec center, event center, city offices: unanimous (11-0)

Topic: one or two facilities

- exit strategy: we can lease the space in a facility to those who want to buy and run a golf course
- we should consider all the areas at the same time -- regulated use of impact fees -- must be used for the specific purposes for which they were collected -- can we mingle together money from various sources and build a single facility for multiple purposes, including office space?
- binary decision or recommend a preference?

Multipurpose Facility Concerns/Thoughts

- adequate parking and access
- mixed use compatibility
- walkable/bikeable
- not centrally located
- beautiful location
- harder to market
- space/size
- lower cost since we own the land
- HOA encumbrance and impact on neighbors
- can act quickly
- bad city planning

Discussion

- parking: concerns about how many spaces we have
- parking: concerns about being able to build parking on top of pipeline
- parking: concerns about overlap of events, golfing, and recreation
- access: need better directions
- access: only one entrance and exit
- access: good chance we can't widen the road due to water on one side and power on the other
- access: Brent thinks we can make it work
- access: earthquake or fire
- access: a deal breaker for some on the committee
- mixed use: it's a problem, but not a deal-breaker
- space: may not have a large enough space for an outdoor pool
- space: may not have enough space to meet all the recreation needs of the city
- space: constrained on what we can build due to terrain
- cost: less expensive to build one facility
- cost: less expensive to staff one facility
- HOA: biggest problem is impact to neighbors -- parking and traffic and noise

- HOA: they want something for their kids
 - planning: gradual transition from residential to commercial
 - planning: selling the golf course in the future may be impacted by a rec center
 - planning: city spaces can be easily transferred to another use
- Action Item for City: legal opinion on commingling office space and recreation space in one facility -- restrictions on impact fees

4800 W Facility Concerns/Thoughts

- compatibility with commercial development
- reduces lease revenue
- higher construction and operating cost
- separate uses
- is there enough space
- more conducive to a phased approach

Discussion

- compatibility: pool enhances commercial opportunities
- compatibility: steady flow of customers for commercial property
- compatibility: may be problems with shared parking -- conflicts
- cost: the balancing issue -- any building on 4800 W loses future lease revenue -- \$150,000 to \$200,000 per year
- cost: we will have greater sales tax revenue in the future
- cost: it would be smart to maximize the revenue to the golf course
- cost: back 6 acres -- OK with giving up the lease revenue

Vote: 5 points to allocate to one or two facility plan

One	Two
3	2
2	3
2	3
0	5
2	3
4	1
0	5
0	5
0	5
4	1
0	5
1	4

Vote: one facility or two

10-2 in favor of two facilities

July 8, 2010

A. Brief review of neighboring city recreation center expenses

Pleasant Grove

- one of first cities to put in a pool
- initially bonded 11 years ago
- have had to replace every pump, major component and heater at least once
- initially making 1/4 million a year in profit
- everyone else built
- now subsidize 1/4 million per year
- they're OK with that -- their role as a city to provide services individuals can't
- ASD pays in very little
- suggested a Myrtha pool -- stainless steel from Italy, requires a fraction of chemicals, less wear-and-tear, Lehi did it
- meets are a huge money maker, but they don't get them there
- bubble is cost-prohibitive and a nightmare, so not installed
- separately are phasing in a recreation center -- will have an indoor competition pool in second phase, for high school students
- for recreation center, the programming and operations must be break-even or in the black

Highland City

- \$1.7 million for their splash pad, including landscaping, benches, parking
- operating costs are very small and it is part of public works budget
- \$750,000 to \$800,000 for just a water feature in an already-developed park

American Fork Rec Center

- \$400,000 to \$500,000 per year subsidy

Lehi City

- 2001 recreation with no aquatics -- 4.5 million
- 2005 pool -- 4.8 additional
- \$4 million budget of operating expenses per year, \$1 million covered via bond, remainder is 2/3 to 90% covered by revenue
- in a bad year, \$1 million subsidy, in a good year, \$300,000 subsidy
- property tax did not go up -- used commercial property tax revenue

B. Review of previous discussion/roadmap

- Should we plan for a recreation center? A golf clubhouse and reception center? New city offices? a. Should we plan for a recreation center? -- YES b. Should we build a golf course and reception center -- YES initially, but now we want to see a solid business plan c. Should we build new city offices -- YES
- Should the city build one facility or two separate facilities? -- TWO
- Location for facilities? What do we do with the 4800 W property? How much for recreation? Should we lease it? Should we sell it? a. Reception center at golf course b. Recreation center at Smart property if possible but decisions for 4800 W mostly the same c. Roughly 1/3 for recreation d. Lease the remainder

- Should we plan for phasing or bond and do it all at once? -- PHASING
- Should we bond at all? -- Phase 1 CASH ONLY, Phase 2 bonding is undecided
- What is the total cost going to be? How much are we willing to spend? --

Develop a wish list that is reasonable

- What amenities should the city offer and at which locations? a. Where should the city offices go? b. Pool or no pool?
- What do we build now (first phase)?
- What do we build in subsequent phases?
- How do we finance the golf facility?

C. Discussion and vote on remaining decisions

Q: What amenities should the city offer and at what locations?

- David: Phase 1 -- splash pad, building for track and multi-purpose rooms for yoga, dance, tumbling, basketball, 70% of \$4 million for rec and 30% reception center
- Brent: Phase 1 -- outdoor skateboard park as part of recreation center
- Karen: Phase 1 -- splash pad and building for multipurpose rooms (no track)
- Daniel: Phase 1 -- splash pad only, bank the rest either via saving or paying temporarily to reception center
- Julie: Phase 1 -- kiddie pool with lazy river and slide -- pay for use -- exercise area with weight room and multipurpose (high revenue items), Phase 2 -- competition pool
- Cammie Jo: Phase 1 -- small indoor pool with lap lanes and kiddie area
- Shaun: Phase 1 -- wave pool, covered outdoor track with outdoor lighted basketball courts
- Brent: Phase 1 -- community center with meeting rooms, cardio, aerobic, multipurpose (yoga) and game rooms, if room an outdoors kiddie pool, lights at high school tennis courts, Phase 2 -- add on a larger building with basketball courts and elevated track, Phase 3 -- racquetball and walleyball courts, Phase 4 -- eventually city offices moving to the area, Phase 5 -- indoors aquatics center
- Bobby: Phase 1 -- if a building center first, then do a recreation center right and include an indoor track, basketball courts, gym, community garden, adult playground integrated with children's playground, skate park
- Lisa: Phase 1 -- kiddie pool, two small lap lanes, play structure and slides, bare facilities -- \$2.25 million, Phase 2 -- recreation building
- Rebecca: Phase 1 -- track is important, cardio room, weight room, aerobic/yoga room, multipurpose rooms
- Darrin: Phase 1 -- year round -- recreation center or community center mix, track, basketball, aerobic, classes
- Jerry: Phase 1 -- community garden, adult playground, skateboard park, buy shares in Manilla Creek, expand trails -- use existing land rather than 4800 west pool with kiddie slide, year-round facility
- Phase 1 -- pool , splash pad or fountain, tennis, racquetball, indoor track, charter memberships, corporate partnership for joint facility
- Steve: Phase 1 -- dry and desirable, scale to our budget -- indoor track on second floor, first floor is multipurpose space, racquetball, walleyball, Phase 2 -- pool -- vote and

bond, done in conjunction with commercial development so commercial property taxes pay for most of it

Three clusters of what to do first:

- (1) rec/community center that includes track, basketball, racquetball, exercise classes, etc
- (2) kiddie pool
- (3) use existing land to build a community garden, adult playground, skateboard park, splash pad, expanded trails, lighting at high school tennis courts

Straw vote allocation of 5 points per person:

- (1) 42
- (2) 15
- (3) 23

July 22, 2010

Recap

We laid out a roadmap of decisions to make, and our plan was to proceed from point to point, making decisions, and not looking back. Review of decisions made so far.

Additional questions

1. Should we bond for the event center?
2. Should the event center include some recreation facilities, e.g. dance classes?
3. Reimbursement for another city's for recreation services?
4. Procuring Smart property -- how
5. Make citizens aware of costs of a recreation center
6. An alternative to put one facility up on the golf course by using Hole 9 for parking and re-locating the hole.

Discussion

1. Phase 1 discussion, follow-up from last time.

Majority votes were for a recreation center with some recommended items: multi-purpose room, exercise room with weights, cardio room, basketball and other court sports, track, game room for teens.

Opinions:

- Spaces for individual or family recreation (aside from organized youth sports) is important.
- A track above a basketball court is important.

- Aquatics are important -- incorporate a splash pad or water feature, even if it is small.
 - We need a large enough area.
 - The outside of the building should look nice.
 - Build most of the building now, with some unfinished space, and furnish with equipment and accessories later as needed -- the architect will help us figure this out.
- Prioritize:

- Multipurpose room (13), exercise room (10), cardio room (10), basketball and other sports court (10), indoor track (10)
- Game room (6), Small splash pad (4), Skateboard park (4)

2. Suitability of land on Canyon Road

Tradeoffs of land use. The golf course land provides lower costs and preserves commercial land, but has access and parking problems. The commercial property provides better parking and access, but has higher costs. To preserve the most commercial property as possible, build on the reconfigured hole #15 on Canyon Road. It has good parking and access, good views, and fits with the recreation zoning in the area. Preserves our more valuable commercial land. Hole #15 is "dedicated" to pay of golf course debt, but we can "trade" some of the commercial land for this purpose. The golf course debt can be repaid more quickly this way because we will get more revenue and more quickly from the commercial land. Has a ridge that could be used as a secondary reception center. Could bring back the sledding hill in the winter.

Downsides: May be expensive to develop, puts another building on Canyon Road that some may not like, faster traffic on Canyon Road.

Could build an extremely modest club house at the golf course, and build the reception center and restaurant up on Hole 15 to be integrated. Provide restaurant facilities for golfers and rec center members.

Is Canyon Road a better location than 4800 W? (10 Yes, 0 No, 2 abstain)

Is Canyon Road a better location than the Smart property? (8 Yes, 5 No, 1 abstain)

3. Where should the city offices go, assuming we build two buildings?

Needs: Council chambers (an elevated dais for safety reasons, an exit behind you for safety, a public seating area), city offices

At the clubhouse/reception center (11 Yes) at the recreation center (3 Yes)

4. Should we recommend an aquatics center for a future phase, along with a vote of the people to support it (14 Yes -- unanimous)

The vote should make clear both construction and operational costs.

What would be the triggers? Adequate revenues to cover cost of operations.

Mayor Richardson: Tradeoffs of Hole 15

Golf course bond covered the golf course land, anything sold on golf course must be used directly for paying down the bond, so what happens if we take golf course land that is part of the bond and use it for something that is not golf? Hunch is that it is probably doable.

Plan to sell 24 lots was meant to pay off golf course -- so we would need some way to recoup that lost money if we use some of those lots for a recreation center. We want to pay off the course early. Would need to then say that some of the revenue from 4800 West goes toward the golf course. 4800 W was purchased with park money, so if we use it all for commercial, then we should "reimburse" ourselves with park land elsewhere -- the rec center could do that. The land is not encumbered by any CCRs or HOA covenants. From a land use point of view, we would be creating more of a driving facility, since few would walk to it, which changes parking ratios. Commercial land will be much more valuable.

July 29, 2010

Terms for ease of discussion

Structure A - the proposed recreation center structure at 4800W/"Smart property"/"Canyon Rd. land"

Structure B - the proposed golf/reception/events structure at the golf course

Decisions

1. Do we recommend that the city build "Structure B"?

Steve talked to American Fork and they expressed some disappointment about building their reception center. They rent it out 3 to 4 times a month at \$1000 each time. They don't think they are getting any more golfers or tournaments than before building the club house. Mayor Richardson talked to Sleepy Ridge and they say their reception center does well and no one would build a golf course without one.

Clarification: we do have \$1 million available separately from the \$3 million collected for recreation impact fees.

Cons:

- Cities don't usually run businesses well
- We have no business plan to demonstrate that it will make money

Pros:

- the current facilities are inadequate and deteriorating
- we are in the business of owning and running a golf course and this structure could improve its bottom line -- since we're in the business, do it right -- e.g. attract tournaments
- if we don't do anything, people won't come and our operating costs will go up
- reception center is a good bang for the buck since it can double as city council space
- will make it easier to sell the course if we want to

General:

- Don't expect it to do well, but we may have to do it anyway

Yes: 12, No: 1, Undecided: 1

The city should do its due diligence and be sure it has a good business plan.

2. If so, should it include recreation amenities other than golf & events?

A reception area could be outfitted with additional equipment needed, or extra rooms could be built for exercise and aerobics.

Yes: 2, No: 9, Undecided: 3

3. If so, how do we recommend financing it?

a. General obligation bond?

Bond that is pledged from property taxes, goes to November ballot, we think we have enough revenue to cover for it, so we don't think residents will pay more, but the pledge is there in the event that revenue is too low. Has the lowest rates for a bond.

Yes: 3, No: 11, Undecided: 1

b. Allocation from recreation center impact fees?

Allocate some of our banked recreation center fees.

Yes: 6, No: 6, Undecided: 2

c. Revenue bond?

Council can use a bond backed by sales tax revenues from other locations in the city, in case there is a short-fall. Does not require a vote.

Yes: 1, No: 12

d. Self-finance

Use money the city has saved in other funds, assuming they are confident enough that these funds can be repaid by the revenue.

Yes: 11, No: 3, Undecided: 0