

Section I – Executive Summary

This study was conducted to explore the feasibility of a new outdoor pool for the City of Yankton through market analysis, pool evaluation, site evaluation and operations. The age and condition of the existing pool, the expectations of the City's residents and the advancement of modern aquatic facilities all factored in the City's decision to complete the study at this time. A market analysis, pool evaluation and operations analysis were completed to provide the City with the data needed to make an informed decision whether to renovate or replace its outdoor pool.

Based on the results of these analyses, building a new aquatic center is the best option for the City of Yankton. The existing pool has lasted beyond its useful life and has numerous structural and mechanical problems. Declining attendance and revenue over the past few years indicate the facility has lost some of its appeal to the public. The cost benefit comparison indicates it is more economically feasible to build a new facility than to renovate and repair the existing pool.

The City of Yankton is ideally positioned to not only improve the quality of the facilities and the experience they are providing by building a new aquatic center, but also to improve the financial outcome and cash flow for the City. A new aquatic center with improved safety features and efficient operations, along with inclusion of shallow water play features, water slides, interactive play features and sprays, will drastically enhance the image and financial viability of the aquatic program for the City of Yankton.

Market Analysis:

The Yankton primary service area is growing at a slow pace. Its population is projected to grow about 2% over the next five years to reach a population of 13,988 people by the year 2008. Growth in the secondary service area is estimated to decrease by a slight 0.5% over the next five years to reach a population of 122,181 people in the secondary service area. The demographic profile of the community indicates that the number of families is increasing slightly in the primary service area over the next five years while the number of families in the secondary service area will be shrinking slightly. The median age of the Yankton service area is slightly older than the national level and the median household income is lower than the national level. Age and household income are two determining factors that drive participation in parks and recreation services. The demographic profile suggests there will be continued support and demand for swimming activities and programs in the future.

The market potential for swimming was examined in both the primary and secondary service areas. In determining the Yankton market share for swimming, the consultants took into consideration the travel distance in the secondary service area, the impact of the

Lewis and Clark Recreation Area, surrounding communities with outdoor swimming pools and the Summit Activities Center. As a result, the market potential represents 62% of the primary service area and only 37% of the secondary service area. The numbers used to estimate annual pass sales for the operations proforma were reduced even more to assure the City of Yankton that the proforma represents a conservative approach. The table below illustrates how the conservative proforma estimates for annual pass sales were developed.

Market Penetration Table

	Population	Swimming Market Potential	Swimming Market Share	Proforma Estimate Option 1/2
Primary Service Area	13,719	2,880	1,801	1,490/1,360
Secondary Service Area	122,812	25,790	9,677	372/340

There are a number of communities surrounding Yankton that have outdoor swimming pools. Although the presence of outdoor pools in neighboring communities will impact the secondary penetration rate for the proposed Yankton aquatic center, that most of these pools are aging and do not have the modern amenities and components that attract higher bather loads. A number of these pools in the outlying area will require major renovation and some communities may choose to close their pools rather than invest in renovation.

Based on the market information and recreational needs within a community, there are specific market areas that need to be addressed with a new outdoor aquatic center. These include drop in activities, instruction programs, special events and community rentals. Specific market segments include:

- Families
- Pre-school
- School-aged children
- Teens
- Seniors
- Special needs population
- Special interest groups

Options for a New Pool:

Two different options were developed for the new aquatic center based on 1) The desire to increase economic trade, and 2) the facilities available from alternative service providers. The bather load of the existing pool of 14,335 square feet is 750 people for the main pool and 132 people for the wading pool for a total of 882.

Option 1 features an outdoor pool with 19,200 square feet of water surface and includes an 8-lane 50-meter competition pool and a leisure pool area with about 180 lineal feet of zero depth entry. Components of the pool include water slides, interactive play features, zero depth entry, spray fountains, competition/lap lanes, two one-meter diving boards, drop slide, bubblers, bath house with locker rooms, and a concession area. Non-aquatic features include a sand play area, sand volleyball courts, sun turf area, group rental/party area and parking lot. The bather load capacity is 1,175 for option one.

Option 2 features a smaller outdoor pool with 14,300 square feet of water surface with a 6-lane 50-meter competition/lap pool and a leisure pool area with about 160 lineal feet of zero depth entry. Components of the pool are similar to those in Option 1, less one diving board, with the primary difference between the facilities being the reduction of water surface in both the competitive/lap pool and leisure portions of the pool. The bather load capacity is 875 for option two.

Operations:

An operations analysis was conducted to estimate facility costs and revenues for both options. The operating proforma developed represents a conservative approach to estimating expenses and revenues and was completed based on the best information available and a basic understanding of the project. Expenses were calculated on an 84-day season, while revenues were based on a 70-day season. Fees and charges utilized for this study represent the City's current fee structure and market value and are subject to review, change and approval by the City of Yankton.

The proforma estimates that both the base facility and expanded aquatic center will generate a positive cash flow. The fees and charges used for the operations proforma, including eliminating the free use of the wading pool and assessing fees for the swim team to use the pool for practice, are more market driven and aggressive than past policy for the City of Yankton. Charging fees is needed to offset the cost of operating the aquatic center, which is estimated to be about \$230-\$250 per hour.

Ballard*King and Associates recognizes that charging the swim team fees creates some inconsistency with the fee policy for other youth activities including baseball, softball, football and soccer. This issue will need to be addressed through City policy. The cost recovery for both options under consideration is significantly higher than the City is currently recovering from the operation of the outdoor pool.

Expenditure – Revenue Comparison

Category	Option One	Option Two
Expenditures	\$246,486	\$222,570
Revenue	\$258,275	\$226,975
Difference	\$11,789	\$4,405
Recovery %	105%	102%

Economic Impact:

An economic assessment was developed to quantify the economic impact generated by operating the City of Yankton's aquatic center. The primary mission of the Yankton Department of Parks and Recreation is to provide quality leisure opportunities, to promote healthy lifestyles for the people it serves and to contribute to the overall quality of life in Yankton. In addition, the City of Yankton plays an important role in enhancing the local economy. Operating recreational facilities that not only enhances resident's quality of life but also contributes to the community's economic health by purchasing local goods and services, providing many job opportunities, contributing tax revenue for local school districts, county and city, and working through the visitors bureau to attract visitors to the Yankton area.

Data for this study was generated through the market analysis study. Three main categories that were incorporated into this assessment: primary impacts, secondary impacts and indirect impacts. Primary impacts are generally defined as impacts that result in salaries paid to employees and the purchases of goods and services locally from the operation of the aquatic center. Special events are also classified as primary impacts through the raw tourism generated as a result of activities and facilities operated by the City of Yankton. Secondary impacts are defined as the spin-off or ripple effects raw tourism and primary impact have on the local economy. The businesses receiving these raw tourism dollars use them to pay wages and salaries, purchase more goods and services for the business and pay taxes. Secondary impacts also include salaries and wages paid to aquatic center employees that represent a large volume of disposable income which, in turn, the employees spend on local goods and services.

There is a broader impact beyond economic benefit, which will be evident in Yankton as a result of the Yankton aquatic center. The aquatic center represents a unique public success story that greatly enhances the value and quality of life for residents. The intangible benefit to area schools, hospitals and community developers, reduced crime rate by being a focal point for area youth, the ability to market homes and community image are all community impacts that cannot be quantified.

The following table summarizes the annual economic impact benefit (primary and secondary impacts) for operating the proposed Yankton aquatic center.

Summary	Amount
Primary Impact	\$611,905
Secondary Impact	\$681,377
Total Economic Impact	\$1,293,282

Section II – Market Analysis

To determine the feasibility of an outdoor aquatic center in Yankton, South Dakota, a market analysis that looks at the demographic realities of the area, assesses the community needs, and reviews the existing aquatic facilities, has been undertaken.

The following is a summary of the basic demographic characteristics of the area in and around Yankton, a comparison with basic sports participation standards produced by the National Sporting Goods Association and an analysis of the alternative service providers in the service area.

Service Area: The goal of this project is to serve, first and foremost the citizens of Yankton, but it is also recognized that most aquatic facilities serve a larger geographical area. To define an accurate service area for the proposed facility, the primary service area is defined by the corporate limits of Yankton. A primary service area is usually defined by the distance people will travel on a regular basis (a minimum of once per week) to visit a recreation facility. Use by people outside the primary service area will be less frequent than the primary service area and will be driven by special facilities (leisure pool), special events (swim meets), special programs (swim lessons, fitness classes, etc), or visitors to the area. The primary service area can vary in size with the type of components included in a facility. An aquatic center with a leisure pool and other active play elements will generally have a larger primary service area than a more traditionally oriented facility.

The secondary service area extends to a region that includes Freeman to the north, Wagner to the west, Norfolk to the south and Vermillion to the east. This is a large secondary market and it will be challenging to draw regular users from the full area because some of these outlying communities have small municipal pools and the travel distance is significant. As a result, the operations proforma reflects a very conservative number of users from the secondary market.

A 10-minute to 15-minute service area is not uncommon for recreation facilities in a more urban environment. The basic configuration of the primary service area supports this driving distance.

Service Area Population: The population of the service area is as follows:

	<u>2000 Census</u>	<u>2003 Estimate</u>	<u>2008 Project.</u>
Primary Service Area	13,528	13,719	13,988
Secondary Service Area	122,912	122,812	122,181

Source – U.S. Census Bureau and ESRI Business Solutions and is based on mailing addresses.

Population Distribution by Age: Census information for the primary service area was used to make the following comparisons:

Table A- Primary Service Area Age Distribution

Ages	Population	% of Total	Nat. Population	Difference
-5	815	6.1%	8.3%	-2.2%
5-17	2,355	17.5%	17.7%	-0.2%
18-24	1,328	9.8%	9.5%	+0.3%
25-44	3,816	28.2%	29.9%	-1.7%
45-54	1,768	13.1%	13.5%	-0.4%
55-64	1,122	8.3%	8.7%	-0.4%
65-74	1,009	7.5%	6.6%	+0.9%
75+	1,315	9.7%	6.4%	+3.3%

Population – 2000 census estimates in the different age groups in the service area.

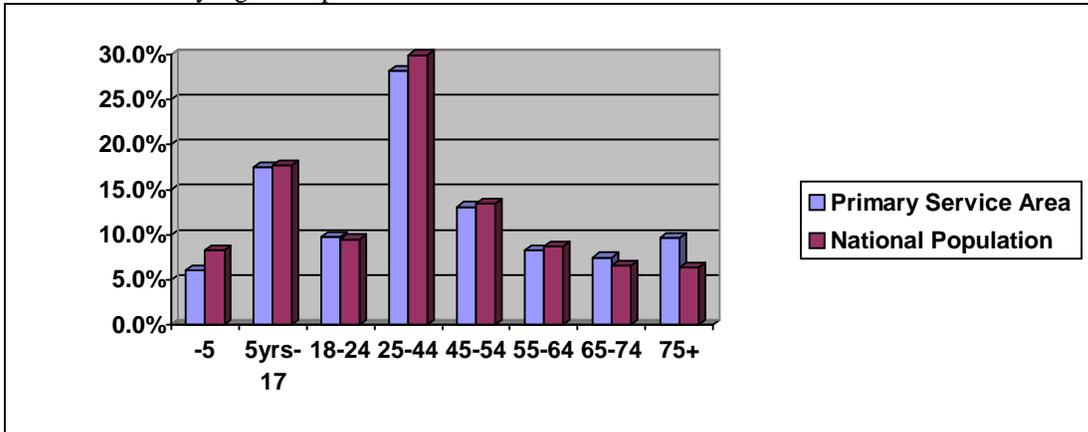
% of Total – Percentage of the service area population in the age group.

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

Difference – Percentage difference between the service area population and the national population.

Compared to the characteristics of the national population, the demographic makeup of the primary service area when compared to the characteristics of the national population, indicates there are more individuals in the 18-24, 65-74 and 75-and-over age groups and less in the under 5, 5-17, 25-44, and 55-64 age categories. These statistics indicate the presence of a considerable number of young adults in the service area.

Chart- A – Primary Age Group Distribution



Population Distribution by Age: Census information for the secondary service area was used to make the following comparisons:

Table B - Secondary Service Area Age Distribution

Ages	Population	% of Total	Nat. Population	Difference
-5	7,417	6.1%	8.3%	-2.2%
5-17	23,928	19.4%	17.7%	+1.7%
18-24	13,948	11.4%	9.5%	+1.9%
25-44	30,706	25.0%	29.9%	-4.9%
45-54	15,399	12.5%	13.5%	-1.0%
55-64	10,404	8.5%	8.7%	-0.2%
65-74	9,717	7.9%	6.6%	+1.3%
75+	11,393	9.3%	6.4%	+2.9%

Population – 2000 census estimates in the different age groups in the service area.

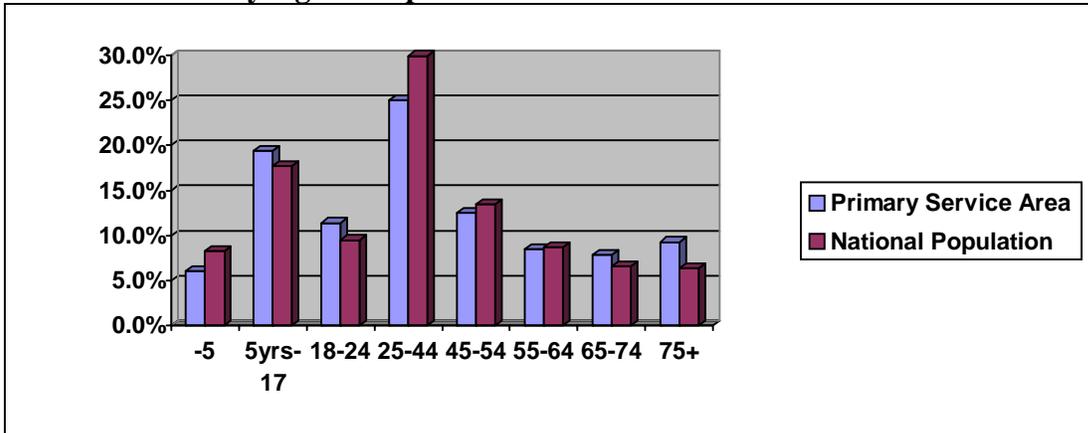
% of Total – Percentage of the service area population in the age group.

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

Difference – Percentage difference between the service area population and the national population.

The demographic makeup of the secondary service area, when compared to the characteristics of the national population, indicates there are more individuals in the 5-17, 18-24, 65-74 and over-75 age groups and less in the under 5, 25-44, 45-54 and 55-64 age categories. The secondary service area, when compared to the primary service area, indicates there are more people in the 5-17 age group. The age group distribution is similar in the balance of the age categories.

Chart-B – Primary Age Group Distribution



Population Distribution Comparison by Age: Census information from the service area was used to make the following comparisons:

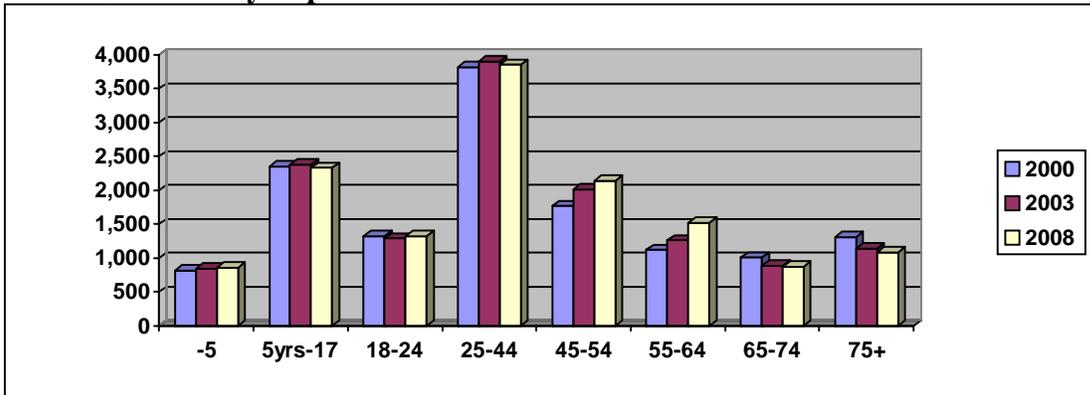
Yankton Primary Service Area – from U.S. Census information and ESRI

Table C- Primary Service Area Population Estimate

Ages	2000 Population	2003 Population	2008 Population	% Change
-5	815	847	864	+6.0%
5-17	2,355	2,381	2,329	-1.1%
18-24	1,328	1,288	1,326	+/-0%
25-44	3,816	3,895	3,848	+0.8%
45-54	1,768	2,011	2,138	+20.9%
55-64	1,122	1,261	1,522	+35.6%
65-74	1,009	890	873	-13.4%
75+	1,315	1,144	1,086	-17.4%

Table B looks at the growth or decline in age group numbers from the 2000 census until the year 2008. It is projected that the numbers of individuals across most of the spectrum show significant increases and reflects growth in Yankton. However, the decrease in population in the 65-74 and 75 and older age groups suggests that many people in this age bracket leave the area for warmer climates. It must be remembered that the population of the United States as a whole is aging and it is not unusual to find negative growth numbers in the younger age groups and net gains nearing 30% in the 45 plus age grouping.

Chart C – Primary Population Growth Estimate

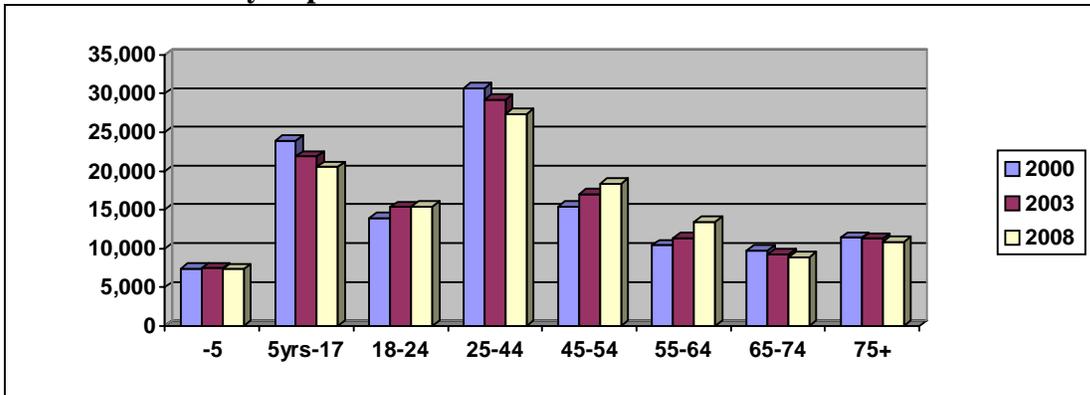


Yankton Secondary Service Area – from U.S. Census information and ESRI

Table D – Secondary Service Area Population Estimates

Ages	2000 Population	2003 Population	2008 Population	% Change
-5	7,417	7,465	7,355	-0.8%
5-17	23,928	21,857	20,527	-14.2%
18-24	13,948	15,360	15,438	+10.6%
25-44	30,706	29,189	27,315	-11.0%
45-54	15,399	17,009	18,336	+19.1%
55-64	10,404	11,373	13,435	+29.1%
65-74	9,717	9,292	8,882	-8.5%
75+	11,393	11,267	10,893	-4.3%

Chart D – Primary Population Growth Estimate

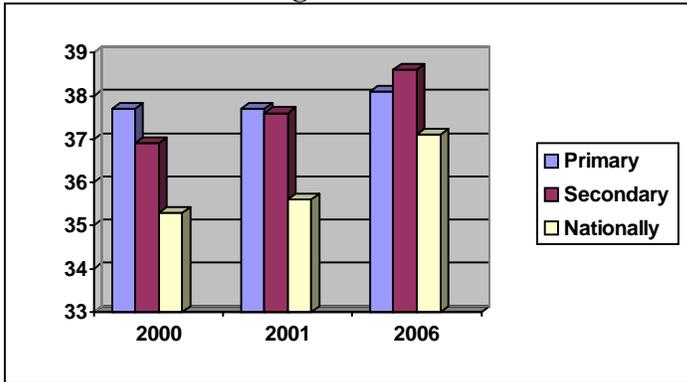


Next, the median age and household income levels were compared with the national number. Both of these factors are primary determiners of participation in aquatic and recreation activities (see Table E). The lower the median age the higher the participation rates for most activities. The level of participation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

Median Age:

	<u>2000 Census</u>	<u>2003 Estimate</u>	<u>2008 Project.</u>
Primary Service Area	37.7	37.7	38.1
Secondary Service Area	36.9	37.6	38.6
Nationally	35.3	35.6	37.1

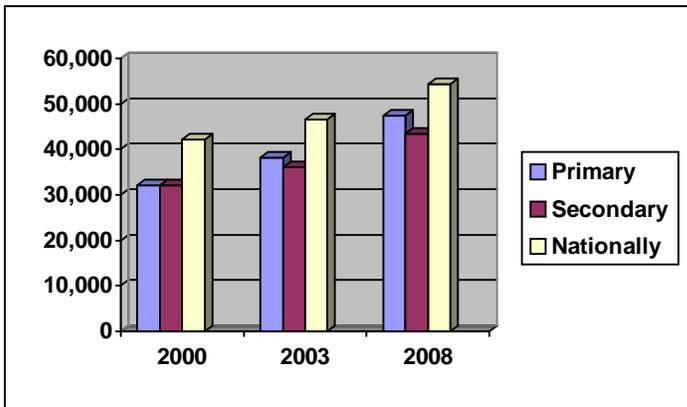
Chart- E – Median Age



Median Household Income:

	<u>2000 Census</u>	<u>2003 Estimate</u>	<u>2006 Project.</u>
Primary Service Area	\$32,178	\$38,134	\$47,409
Secondary Service Area	\$32,158	\$36,164	\$43,374
Nationally	\$42,164	\$46,615	\$54,319

Chart F – Household Median Income



Note: The median household income is lower than the national level. However, the median household income level must be balanced against the cost of living for the area to determine possible discretionary income available for recreation purposes. When factoring the cost of living (based on “Places to Live Almanac” for Sioux Falls) the median household income is sufficient to support recreational activities.

Comparison With National Statistics: By utilizing information from the National Sporting Goods Association (NSGA) and comparing them with the demographics from the primary service area, the following participation projections can be made (statistics were compared based on age, household income, regional population and national population).

Participation Estimates – Primary service area from the National Sporting Goods Association (based on 2002 population estimates).

Table E – Participation Rate

	Income	Age	Region	Nation	Average
Swimming	21.0%	20.9%	20.6%	21.5%	21.0%

Income: Participation based on the 2002 estimated median household income in the service area.

Age (median): Participation based on median age of the service area.

Region: Participation based on regional statistics (West, North Central, U.S.).

National: Participation based on national statistics.

Average: Average of the other four columns.

When looking at participation rates in various recreation activities, the National Sporting Goods Association uses four different criteria for determining their percentages. Averaging these four categories considers each of the factors that can influence participation rates.

Anticipated Participation Numbers by Activity. Utilizing the average percentage from Table E above plus the 2003 census information and census estimates for 2003 and 2008.

Table F – Participation Estimate

Swimming	Average	2000 Participation	2003 Participation	2008 Participation	Difference
Primary	21.0%	2,840	2,880	2,937	+97
Secondary	21.0%	25,811	25,790	25,658	-153

Note: The estimated participation numbers indicated above are for swimming and do not necessarily translate into expected attendance figures for the Yankton aquatic center since because many participants will use other facilities for swimming, including lakes, rivers and backyard pools.

Anticipated Swimming Participation by Age: Using the census numbers by age group and 2002 NSGA participation figures by age, the following participation figures are possible:

Table G- Age Distribution for Swimming

Age Group	% of Age Group	% of Total Swimmers	2003 Participation Primary	2003 Participation Secondary	2003 Participation Total
7-11	51.5%	17.0%	490	4,384	4,874
12-17	42.6%	15.7%	452	4,049	4,501
18-24	25.6%	12.6%	362	3,250	3,612
25-34	25.0%	15.4%	443	3,972	4,415
35-44	23.5%	16.9%	486	4,359	4,845
45-54	17.4%	11.7%	336	3,017	3,353
55-64	13.7%	5.3%	152	1,367	1,519
65-74	11.6%	2.8%	81	722	803
+75	10.4%	2.6%	78	670	748
Total			2,880	25,790	28,670

% of Age – Percent of this age group that participates in swimming

% of Total – Percent of the total population that participates in swimming

Note: It is important to realize that the number of swimmers listed above includes all forms of swimming at any location, including a lake, river, backyard pool or other similar facility.

Participation Correlation: The Yankton aquatic center’s primary orientation will be to provide swimming and other aquatic activities that will enhance the use of the facility. The following table illustrates the participation correlation when multiple components and activities are located in the same facility or location. The synergy created by combining activities or components together has a tendency to increase attendance and traffic flow through a facility. The location of the aquatic center (proximity to other park amenities) and program space within the aquatic center is critical for maximizing participation. With this in mind, and utilizing information provided by the National Sporting Goods Association’s 2000 survey, the following correlation between people who participate in swimming and other recreation activities is possible.

Table H – Participation Correlation

	% of Swimmers	% of Activity Participants
Bicycle Riding	35.8%	50.4%
Basketball	21.7%	48.7%
Exercise Walking	42.5%	29.9%
Hiking	18.0%	45.1%
Running/jog	21.5%	47.3%
Tennis	8.7%	52.5%
Volleyball	11.8%	58.5%

Percent of Swimmers – The percentage of swimmers who would participate in the given activity.

Percent of Activity Participants – The percentage of the listed activity participants who would also participate in swimming.

These correlation statistics indicate a strong relationship between those people who participate in aquatics and other activities. These statistics also indicate the importance of having a pool located in a park to increase usage in other areas of the park.

Summary of Sports Participation: The following chart summarizes participation in various sports and leisure activities using information from the 2002 National Sporting Goods Association.

Table I – Activity Ranking

Sport	Rank Order	% of Population that Participates	Participants (in million)
Exercise Walking	1	32.4%	82.2
Camping	2	21.8%	55.4
Swimming	3	21.8%	54.7
Exercise w/equip	4	19.8%	50.2
Fishing	5	17.4%	44.2
Bowling	6	17.3%	43.9
Biking	7	16.3%	41.4
Billiards	8	13.9%	35.3
Hiking	9	12.0%	30.5
Aerobics	10	11.4%	28.9

Rank – Popularity of sport based on national survey.

% Participation – Percent of population that would participate in this sport based on the average percentage in Table C above.

Total Participation – The total participation for the activity based on a national survey.

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

South Dakota participation numbers in swimming – As reported by the National Sporting Goods Association in 2002.

Table J – South Dakota Participation

Sport	Participation (in thousands)	Age Group	Largest Number
Swimming	124	7-11	35-44

Participation – The number of people (in thousands) in South Dakota who participated more than once in the activity in 2002 and are at least seven years of age.

Age Group – The age in which the sport is most popular. The age groups with the highest percentage of the age span participants in the activity. Example: the highest percent of an age group that participates in swimming is 7-11. **This is a national statistic.**

Largest Number – The age group with the highest number of participants. Example: The greatest number of swimmers is in the 35-44 age group. Note: This statistic is driven more by the sheer number of people in the age group than by the popularity of the sport in the age span. **This is a national statistic.**

South Dakota sports percentage of participation compared with the population percentage of the United States – South Dakota’s population represents 0.3% of the population of the United States (based on 2002 statistics).

Table K – South Dakota Participation Percentage

Sport	Participation Percentages
Swimming	0.2

Note: Sports participation percentages refer to the total percent of the national population that participates in a sport that comes from the State of South Dakota. Swimming participation is slightly lower than the percentage of the national population.

Aquatic Activity and Facility Trends: Without doubt the hottest trend in aquatics is the leisure pool concept. This idea of incorporating slides, current channels, fountains, zero depth entry and other water features into a pool's design has proven to be extremely popular for the recreational user. The attraction of the conventional pool in most recreational settings has been greatly diminished. Leisure pools appeal to younger children (who are the largest segment of the population that swim) and to families. These types of facilities are able to attract and draw larger crowds and people tend to come from a further distance and entice them to stay longer.

This all translates into the potential to sell more admissions and increase revenues. It is estimated conservatively that a leisure pool can generate up to 25% to 30% more revenue than a comparable conventional pool. Operation cost, while being higher, have been offset through increased revenues. Patrons are willing to pay a higher user fee to visit a leisure pool than a conventional pool. Revenues for aquatic centers are also enhanced when they are combined with other outdoor and indoor recreation amenities.

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

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

The leisure pool concept of delivering aquatics services continues to grow in acceptance with the idea of providing a variety of aquatics activities and programs in an open design setting. Locating traditional instructional/competitive pools, with shallow depth/interactive leisure pools and warm water therapy pools in the same enclosure has been well received in the market. This idea has proven to be financially successful by

centralizing pool operations for recreation services providers and through increased generation of revenues from patrons willing to pay for a new and exciting aquatic experience that is new and exciting. Outdoor aquatic centers have been instrumental in developing a true family appeal for community-based facilities. The keys to success for this type of center revolve around the concept of intergenerational use in a quality facility that has an exciting and vibrant feel in an outdoor atmosphere.

Nationally, swimming is third only to walking and camping in popularity of sports and leisure activities, meaning there is a significant market for aquatic activities. Slightly more than 20% of the population in the region of the country participates in aquatic activities. The largest age group that participates in aquatic activities are children aged 7-11, with nearly 51% of all kids 7-11 participating in swimming. Almost 33% of all swimmers are under the age of 18 years, and nearly half are under the age of 25. Individuals that swim do so on a regular basis with an average of 37 days per year. This indicates that there is not only a large segment of the population that participates in aquatic activities but that this participation happens on a relatively consistent basis. Within the state of South Dakota, swimming is the number two most participated sport activity behind exercise walking.

As a comparison, below are listed some of the most popular traditional sports and the percentage of growth or decline that each has experienced nationally over the last ten years (1993-2002).

Table L – Activity Trend

Sport/Activity	1993 Participation	2002 Participation	Percent Change
Hiking	19.5	30.5	+56.4%
Exercise w/Equip.	34.9	50.2	+43.8%
Camping	42.7	55.4	+29.7%
Exercise Walking	64.4	82.2	+27.6%
Fishing	34.9	44.2	+26.6%
Billiards	29.4	35.3	+20.0%
Aerobics	24.9	29.0	+16.4%
Bowling	41.3	43.9	-6.2%
Swimming	61.4	54.7	-10.9%
Biking	47.9	41.4	-13.5%

1993 Participation – The number of participants per year in the activity (in millions) in the U.S.

2002 Participation – The number of participants per year in the activity (in millions) in the U.S.

Percent Change – The percent change in the level of participation from 1993 to 2002.

Section III – Market Orientation

Based on the market information and typical swimming needs within a community, there are specific market areas that need to be addressed with a new aquatic facility. These include:

Aquatics

Leisure/recreation aquatic activities – This includes a variety of activities found at leisure pools with zero-depth entry, warm water, play apparatus, slides, sun deck areas, spas and other similar amenities. These are often combined with other non-aquatic areas such as concessions, lounge areas and group activities (birthday party) spaces. The emphasis is on drop-in activities and free play. This market needs to be a primary area of emphasis as it provides the opportunity to generate significant revenues and uses for the center. A major portion of the pool area should be available at most times for drop-in use.

Instructional programming – The primary emphasis is on teaching swimming and life saving skills to many different age groups. These activities have traditionally taken place in more conventional pool configurations but should not be confined to just these spaces. Reasonably warm water, shallow depth (3 to 4 feet deep) and an open expanse of water are necessary for instructional activities. Easy pool access, a viewing area for parents and deck space for instructors are also crucial.

Fitness programming – These types of activities continue to grow in popularity among a large segment of the population. From aqua exercise classes and water walking, to lap swimming times, these programs take place in more traditional settings that have lap lanes and large open expanses of water available at a 3 ½-to 4-foot depth.

Therapy programming – Therapeutic programming aimed at injury and medical reconditioning has developed into a very strong market, especially among seniors. True therapeutic programming requires a raised pool temperature (usually upper 80s to lower 90s) to be effective. Partnering with a local hospital or health care organization is essential for a strong, medically based, programs that will generate a solid revenue stream for the center. The leisure pool area of the facility can often work for this function as well. However, it will be challenging to establish a strong therapy program when considering the outdoor water temperature and South Dakota climate.

Competitive Swimming – Swim team competition and training for youth and adults requires a traditional 6 to 8 lane pool (possibly with a 1-meter diving board) at a length of 25 yards or 50 meters. Ideally, competitive swimmers desire the 50-meter pool, a pool depth no less than 4 feet and a cool water temperature in the high 70s to low 80s. Spectator seating and deck space for staging meets is necessary. This market tends to be small in number but very vocal on the demands for competitive pool space and time. Pool time should be sold to local teams and programs by the hour and lane.

Special events/rentals – There is a significant market for special events including kids birthday parties, corporate events, swim meets, community organization functions, and general rentals to outside groups. Development this market will aid significantly in generating of additional revenues. These events/rentals can often be planned for after or before regular hours or during slow use times. It is important that special events or rentals not adversely affect daily operations or overall center use.

Specific market segments include:

1. **Families** – Within this market, an orientation toward family activities is essential. The ability to have family members of different ages participate in a variety of activities together or individually is a challenge. Leisure pool components have been the most effective in accomplishing this objective and in drawing families with small children to aquatic facilities.
2. **Pre-school children** – The needs of pre-school age children need to be met with very shallow or zero-depth warm water and have play apparatus designed for their use. Interactive programming involving parents and toddlers can be conducted in these aquatic areas as well. It is significant that this market usually is active during the mid-morning to early afternoon time frame, providing an important clientele during an otherwise slow period of the day.
3. **School-age children** – A major focus of this project should be to meet the needs of this age group from recreational swimming to instructional and competitive aquatics. The leisure components such as slides, fountains, lazy rivers, vortex and zero-depth will help to bring these individuals to the pool on a regular basis for drop-in recreational swimming. The conventional area provides the opportunity and space necessary for instructional, fitness and competitive aquatics.
4. **Teens** – Another aspect of this project should be meeting the needs of the teenage population. Serving the needs of this age group will require leisure amenities that will keep their interest (slides and 1-meter diving board) as well as the designation of certain “teen” times of use.
5. **Seniors** – As the population of the United States continues to age, meeting the needs of an older senior population will be essential. As has been noted, a more active and physically oriented senior is now demanding services to maintain their continued health. Aqua exercise, lap swimming, therapeutic conditioning and even learn-to-swim classes have proven to be popular with this age group. Again, the fact that this market segment will usually visit the pool during the slower use times of early morning also is appealing.
6. **Special needs population** – This is a secondary market, but with the Americans with Disability Act requirements and probable existence of shallow warm water

and other components the amenities are present to develop programs for this population segment. Association with hospitals and other therapeutic and social agencies will be necessary to reach this market.

7. **Special interest groups** – This is a market that needs to be explored to determine the use potential from a variety of groups. These could include school functions, day care centers, social service organizations and swim teams. While the needs of these groups can be great, their demand on an aquatic center can often be incompatible with the overall mission of the facility. Care must be taken to ensure that special interest groups are not allowed to dictate use patterns for the aquatic center.

With the proper utilization of the aquatic area, it is possible to meet most of the varied market orientations as outlined above. However, it is critical to balance the different market segments and so that no one group or area dominates the facility.

Section IV – Alternative Service Providers

Service Area Competition – The greatest competition for a new Yankton aquatic center will probably come from outside the primary service area from the beach at Lewis and Clark Recreation Area. There is a significant expansion planned that will expand the swimming beach area at the lake. Also, aquatic facilities outside the secondary service area, including facilities in Mitchell, Sioux City and Sioux Falls, will provide competition for attracting customers from the secondary service area. Avera Sacred Heart Wellness Center has a pool that requires a membership fee and consequently should not be considered direct competition since it is not available to the public on a drop-in basis. Two of the six hotels also have indoor swimming pools that are generally available for hotel guests only. Considering all of this, as well as Yankton’s primary service area population base, there is a strong market for a multi-faceted outdoor leisure aquatic center.

Other Aquatic Service Providers:

This is a representative listing of pools in the area and is not meant to be a total accounting of all facilities. There may be other pools located outside the primary service area that have an impact on the Yankton market as well. It should be noted that the proposed aquatic center would not compete with the Summit Activities Center (SAC). Staff reports that the summer months are typically the slowest at the SAC in terms of membership revenue and participation. This pattern will continue if the City of Yankton decides to build a new aquatic center.

Outdoor Pools

Vermillion City Pool

Tyndall Pool

Hartington Pool

Crofton Pool

Freeman City Pool

Mitchell Aquatic Center

Menno Pool

Avon City Pool

Tripp Pool

Parkston Pool

Wagner City Pool

Springfield City Pool

Tabor Pool

Indoor Pools

Best Western Hotel

Wellness Center

University of South Dakota

Summit Activities Center

Holiday Inn Express

Lakes

Lewis and Clark Recreation Area

Conclusion: Weekly participation in aquatics activities from residents within the primary service area can be expected to be around 43% of the swimming participants (identified on Table F above) equaling approximately 1,241 individuals. The balance of the swim participants (57% or 1,639 individuals) will participate on an infrequent basis of two to four times per year.

Table M – Primary Service Area Market Share

	Participation Rate	Swimmers	Market Share %	Yankton Market Share
Frequent-30 plus visits/season	3.2%	92	70%	65
Occasional-5-29 visits/season	39.9%	1,149	70%	804
Infrequent - 2-4 visits/season	56.9%	1,639	85%	932
Total	100%	2,880		1,801

Participation Rate: Percent of swimmers by category
 Swimmers: Number of swimmers by category
 Market Share: Percent of market penetration based on alternative service providers in the primary service area
 Yankton Market Share: Estimated numbers of participants for the City of Yankton

Weekly participation in the secondary service area which represents 25,790 swimming participants can be expected to be around 43% of the participants that equals about 11,115 individuals (identified on Table C above). The balance of the swim participants (57% or 14,675 individuals) will participate on an infrequent basis. The following table highlights the market share that can be expected from the secondary service area.

Table M1 - Secondary Service Area Market Share

	Participation Rate	Swimmers	Market Share %	Yankton Market Share
Frequent-30 plus visits/season	3.2%	825	25%	206
Occasional-5-29 visits/season	39.9%	10,290	35%	3,601
Infrequent-2-4 visits/season	56.9%	14,675	40%	5,870
Total	100%	25,790		9,677

Participation Rate: Percent of swimmers by category
 Swimmers: Number of swimmers by category
 Market Share: Percent of market penetration based on alternative service provider in the primary service area
 Yankton Market Share: Estimated numbers of participants for the City of Yankton

Table M indicates that a new aquatic center in Yankton will capture 1,801 individuals from the primary service area. When calculating the frequency of visits per person, an average daily pool attendance can be expected of 354 people. This average number of swimmers will support a bather load capacity of 700-800 people. Table M1 estimates the number of individuals from the secondary service area that would swim.

Table M shows that a new aquatic center in Yankton will capture 9,677 individuals from the secondary service area. The average daily pool attendance is estimated at 667 people. When combining the average daily attendance for both the primary and secondary markets, the daily average of 1,021 people will support a bather load capacity of 1,300 - 1,500. This is a strong population base to rely on to operate the aquatic center.

Emphasis should be placed on promoting the recreational nature of the pool and the desire to serve families, realizing that the leisure pool activities and their corresponding facilities will attract the most participants. The more traditional competitive and instructional swimming needs of the area should also be promoted without dominating the facility.

Facility planning should be based on serving the age groups that have the highest level of participation. The fact that the demographic statistics show a greater percentage of the population in the youth and young adult age categories should be kept in mind since the principal age range for aquatic activities is 7 to 17 years. During the next five years the fastest growing segment of the population nationally will be in the 35 to 65 age category. The population in this age group is becoming increasingly more active and in tune with fitness and aquatic activities and their needs should also be recognized.

Population growth in the primary service area is projected by ESRI to increase a modest 2% over the next five years, which will aid in the growth of the market for aquatics. Household income is one of the primary determining factors in recreation activity participation. Although the Yankton service area has a lower household income level than the national level, it is sufficient to be considered a positive element when factoring in the relatively low cost of living in the area.

Overall, after reviewing the demographic information and considering the alternative aquatic providers, there is a sufficient market and relatively strong interest for a Yankton aquatic center. However, the center needs to be marketed to the entire region to be financially successful. A pool designed to meet the swimming demand in the primary service area (700-800 bather load) is too small to operate on a profitable basis and will require an annual operating subsidy. Without hesitation, there is a need for an outdoor aquatic facility in Yankton, but there is a legitimate concern over the size of the aquatic center and whether this need is large enough to attain the financial objectives of this project.

Section IV – Operations Analysis

Operations Overview

The operations analysis represents a conservative approach to estimating expenses and revenues. It was completed based on the best information available and a basic understanding of the project. Fees and charges utilized for this study took into consideration the current fee structure and market value and are subject to review, change and approval by the City of Yankton. There is no guarantee that the expense and revenue projections outlined in the operations analysis will be met. There are many variables that affect such estimates that either cannot be accurately measured or are subject to change during the actual budgetary process. The revenue and expense projections for 2004 provide an allowance for future operating costs and fees.

Expenditures

Expenditures have been formulated on the costs designated by the consultant to be included in the facility's operating budget. The figures are based on the size of the aquatic center, the specific components of the facility and the hours of operation. Actual rates were utilized wherever possible and estimates for other expenses were based on similar facilities in other areas of the country. All expenses were calculated to the high side and the actual cost may be less based on the final design, operational philosophy and programming considerations adopted by staff.

Facility: Two different outdoor aquatic center options are presented in this evaluation. It should be noted that the existing bather load for the existing pool is 750 for the main pool and 132 for the wading pool for a total of 882, and that the size of the existing pool is 14,335 square feet.

Option 1 features an outdoor pool with 19,200 square feet of water surface and includes an 8-lane 50-meter competition pool and a leisure pool area with about 180 lineal feet of zero depth entry. Components of the pool include water slides, interactive play features, zero depth entry, spray fountains, competition/lap lanes, two one-meter diving boards, drop slide, bubblers, bath house with locker rooms, and a concession area. Non-aquatic features include a sand play area, sand volleyball courts, sun turf area, group rental/party area and parking lot. The bather load capacity is 1,175 for Option 1.

Option 2 features a smaller outdoor pool with 14,300 square feet of water surface with a 6-lane 50-meter competition/lap pool and a leisure pool area with about 160 lineal feet of zero depth entry. Components of the pool are similar to those in Option 1, less one diving board, with the primary difference between the facilities being the reduction of water surface in both the competitive/lap pool and leisure portions of the pool. The bather load capacity is 875 for Option 2.

Operation Cost Model:

Category	Option One	Option Two
<u>Personnel</u>		
Full-time ¹	\$21,937	\$21,937
Part-time ²	\$103,999	\$95,183
	\$125,936	\$117,120

Category	Option One	Option Two
<u>Commodities</u>		
Office Supplies	\$750	\$750
First aid supplies	\$300	\$300
Maint/repair materials	\$4,000	\$4,000
Janitorial supplies	\$2,000	\$2,000
Rec. program supplies	\$2,500	\$2,000
Food Supplies	\$30,000	\$25,000
Uniforms	\$1,500	\$1,200
Printing/postage	\$2,500	\$1,500
Pro-shop	\$2,500	\$2,000
Chemicals	\$19,500	\$17,000
Other	\$1,000	\$1,000
Total	\$66,550	\$56,750

¹A detailed breakdown of positions can be found on page 29.

² A detailed breakdown on positions can be found on page 30.

Operating Cost Model cont.

<u>Category</u>	<u>Option One</u>	<u>Option Two</u>
<u>Contractual</u>		
Utilities (gas & elect)	\$16,000	\$14,500
Water/sewer	\$6,000	\$5,000
Professional services ³	\$7,500	\$7,500
Communications	\$2,000	\$2,000
Insurance	\$4,500	\$4,500
Training/conference ⁴	\$1,500	\$1,200
Dues and subscription	\$500	\$500
Advertising	\$10,000	\$7,500
Others	\$1,000	\$1,000
Total	<u>\$49,000</u>	<u>\$43,700</u>

<u>Category</u>	<u>Option One</u>	<u>Option Two</u>
<u>Capital</u>		
Replacement fund ⁵	\$5,000	\$5,000
Total	<u>\$5,000</u>	<u>\$5,000</u>

Grand Total **\$246,486** **\$222,570**

³ Professional services includes pool contractor, HVAC, control systems, office equipment

⁴ Lifeguard in-service training, Aquatic Conference, first aid training.

⁵Capital needs will be minimal during the first year of operation since most equipment and operating systems will be under warranty. It is strongly recommended that a sinking fund be established with a goal to build adequate reserves that meet future capital needs. American Public Works recommends planning for 2%-4% of construction cost for capital and maintenance needs. Since maintenance costs have been factored into this pro-forma, a target for building the sinking fund to a level of \$20,000-\$30,000 is desirable.

Staffing levels:

<u>Positions</u>	<u>Aquatic Center</u>
Full-Time - Existing Facility Director ⁶	0
Maintenance Worker (4 months) ⁷	\$7,500
Aquatic Leader (6 months) ⁸	\$8,750
Salaries	\$16,250
Benefits (35% of salaries)	\$5,687
Total Full-Time Personnel ⁹	\$21,937

Note: Pay rates were determined based on the City of Yankton's job classification and wage scale. The positions listed are necessary for adequate staffing and provide for a full-time staff member presence during all open hours of the facility. Maintenance/ custodial staffing numbers are for personnel associated with the upkeep and operation of the outdoor community swimming pool. The full-time positions listed above reflect support from existing personnel and/or positions that have been funded through alternative sources. The wage scales for both the full-time and part-time staff positions reflect estimated wages for 2004.

⁶ Existing Aquatic Director will serve as the facility manager.

⁷ Maintenance worker is an existing park maintenance employee that will be assigned the maintenance responsibility of the aquatic center during the summer.

⁸ Aquatic Leader will serve as the pool manager for the new Aquatic Center

⁹ Total Full-Time Personnel cost is shown on page 27.

Positions	Hours	Option One	Option Two
<u>Part-Time</u>			
Front Desk (\$6.50/hr)	116 hrs/wk	\$9,048	\$9,048
Head Lifeguard (\$9.00/hr)	63 hrs/wk	\$8,505	\$8,505
Lifeguard-expanded (\$7.00/hr)	575 hrs/wk	\$48,300	
Lifeguards-base (7.00/hr)	510 hrs/wk		\$42,840
Concession-expanded (\$6.50/hr)	196 hrs/wk	\$15,288	
Concession-base (6.50/hr)	161 hrs/wk		\$12,558
Birthday Party Host (\$6.50/hr)	6 hrs/wk	\$468	\$468
Building Attendant (\$8.00/hr)	35 hrs/wk	\$4,200	\$4,200
Program Instructors ¹⁰ Aquatics		\$10,800	\$10,800
Salaries		\$96,609	\$88,419
Benefits (7.65% of part-time wages)		\$7,390	\$6,764
Total Part-Time Salaries ¹¹		\$103,999	\$95,183

Note: A detailed schedule for the part-time positions listed above can be found on page 39 near the back of this report. The part time staff hours are calculated for an 84-day season and represent the following operating schedule.

Operating Hours:

Monday-Saturday 9:00am-9:00pm
 Sunday Noon-9pm

Total hours per week 81 hours

¹⁰ Program instructors are paid at several different pay rates and some are also paid per class or in other ways. This makes an hourly breakdown difficult.

¹¹Total Part-Time personnel cost is shown on page 27.

Revenues

The following revenue projections were formulated based on specific project information, comparisons to national statistics on similar facilities and the competition for recreation services in the area. Current revenue and attendance figures are not kept and do not exist for the wading pool because patrons do not have to pass through the control point to enter the wading pool. The proposed aquatic center (either option) reflects a major change in the access to the wading pool. The proposed aquatic center will require everyone that enters the pool, including wading pool customers, to pass through a control point and pay an admission fee. This represents a radical change from the admission policy for the City of Yankton. The aquatic center design will incorporate shallow water entry and play features designed for toddlers. The design features of the aquatic center will eliminate the wading pool concept.

Actual revenue figures will vary based on the size and makeup of the components selected during final design, market stratification, philosophy of operation, fees and charges policy and priority of use. All revenues were calculated conservatively as a result.

Revenue Projection Model:

<u>Category</u>	<u>Option One</u>	<u>Option Two</u>
<u>Fees¹²</u>		
Daily Admissions	\$50,400	\$44,450
Annuals	\$79,500	\$73,850
Rentals	\$10,500	\$7,000
Total	<u>\$140,400</u>	<u>\$125,300</u>
<u>Programs¹³</u>		
Aquatics	\$17,325	\$17,325
Total	<u>\$17,325</u>	<u>\$17,325</u>

¹² Detailed revenue breakdown can be found on page 43 and 44.

¹³ Detailed program breakdown can be found on page 44.

<u>Other</u>		
Pro-shop	\$3,500	\$2,800
Concession	\$90,000	\$75,000
Vending	\$3,000	\$2,500
Birthday parties ¹⁴	\$4,050	\$4,050
Total	<u>\$100,550</u>	<u>\$84,350</u>
Grand Total	\$258,275	\$226,975

Expenditure – Revenue Comparison

Category	Option One	Option Two
Expenditures	\$246,486	\$222,570
Revenue	\$258,275	\$226,975
Difference	\$11,789	\$4,405
Recovery %	105%	102%

This operational proforma was completed based on the best information available and a basic understanding of the project. However, there is no guarantee that the expense and revenue projections outlined above will be met as there are many variables that affect such estimates, especially weather, that either can not be accurately measured or are not consistent in their influence on the budgetary process.

¹⁴ Based on 45 parties at \$90.00 each.

Future years: Expenditures – Revenue Comparison: Operation expenditures are expected to increase by approximately 3% a year through the first three to five years of operation. Revenue growth is expected to increase by 5% to 10% a year through the first three years and then level off with only a slight growth (3% or less) the next two years. Expenses for the first year of operation should be slightly lower than projected with the facility being under warranty and new. Revenue growth in the first three years is attributed to increased market penetration and in the remaining years to continued population growth. In most aquatic centers the first three years show tremendous growth from increasing the market share of patrons who use such facilities but revenue growth begins to flatten out by the end of this time period. Additional revenue growth is then spurred through increases in the population within the market area, a specific marketing plan to develop alternative markets, the addition of new amenities or by increasing user fees. The estimated five-year expense and revenue comparison is illustrated in the table below.

Five-Year Revenue-Expense Comparison – Option One

Years	Expense	Revenue	Difference	Cost Recovery
Base	\$246,486	\$258,275	\$13,389	105%
Year 2	\$252,335	\$271,188	\$18,853	107%
Year 3	\$259,905	\$286,748	\$26,843	110%
Year 4	\$267,702	\$296,138	\$28,436	110%
Year 5	\$275,733	\$305,022	\$29,289	110%

Projected Fee Schedule: The fee schedule has been formulated from information gathered during the feasibility phase of this project. Revenue projections will be calculated from this fee model. The monthly rate listed is the cost of an annual pass broken down into twelve equal payments and does not include any handling fees. It should be noted that monthly bank draft convenience for customers would encourage more annual pass sales. However, there are bank fees and a substantial amount of staff time spent managing the bank draft membership base and consideration should be given to pass on some form of a handling fee for bank draft customers.

Category	Existing Rate	New Daily	Existing Annual	New Annual
Adult	\$ 3.00	\$ 4.00	\$ 25.00	\$ 60.00
Youth	\$ 2.00	\$ 3.00	\$ 25.00	\$ 45.00
Family	\$ 5.00	NA	\$ 60.00	\$145.00

Note: The fee schedule above was developed as the criteria for estimating revenues. Actual fees are subject to review and approval by the City of Yankton.

Section V – Economic Impact Assessment

Overview

This economic assessment was developed to promote the City of Yankton, and in particular, the proposed Yankton aquatic center's role in contributing to the economic health of Yankton. The ultimate outcome of the study is to quantify the magnitude of the economic impact generated by operating the City of Yankton's aquatic center.

The primary mission of the Yankton Department of Parks and Recreation is to provide quality leisure opportunities, to promote healthy lifestyles for the people it serves and to contribute to the overall quality of life in Yankton. In addition, the City of Yankton plays an important role in enhancing the local economy by operating facilities that not only enhance the quality of life but also contribute to the economic health of the community by purchasing local goods and services, by providing many job opportunities, by contributing tax revenue for local school districts, county and city, and by working through the visitors bureau to attract visitors to the Yankton area.

There is a broader impact beyond economic benefit, which will be evident in Yankton as a result of the Yankton aquatic center. The aquatic center will greatly enhance the quality of life for residents and present an intangible benefit to area schools, hospitals and community developers. The aquatic center may reduce the crime rate by serving as a focal point for area youth, increase the marketability of homes in the area and improve community image. All of these impacts to the community are benefits that cannot be quantified.

Operation costs are offset by collecting facility use fees and rentals. With this assessment, the City can strive to increase public recognition of the economic value of the facility to the community by demonstrating that recreation contributes not only to the quality of life, but also identifies the City of Yankton as being committed to the economic health of the community.

Data for this study was generated through the market analysis study and there are three main categories that were incorporated into this assessment including primary impacts, secondary impacts and indirect impacts.

Primary Impacts

The cornerstone of the economic impact assessment centers on the primary impacts. Primary impacts are generally defined as impacts that result in salaries paid to employees and the purchase of goods and services locally from the operation of the aquatic center. Special events are also classified as primary impacts through the raw tourism generated as a result of activities and facilities operated by the City of Yankton. Economic benefit begins when a traveler to Yankton spends money in the City. The typical purchases by visitors include goods and services such as lodging, food, beverage, gasoline, souvenirs, admission fees, entertainment or other retail goods. This initial round of spending is referred to as direct or primary effect. The Yankton Visitors Bureau estimates an overnight convention/conference visitor will spend \$192 per day. Recognizing that spending for sporting/recreation visitor may be lower than the spending for a convention/conference, an amount of \$140.00 was used to calculate raw tourism dollars. A participant day, or an individual’s spending during a one-day period or part of a day in Yankton, is estimated at \$30 per day. Raw tourism calculations were based on participants only and do not take into consideration the number of visitors and relatives that might travel with each participant. However, major events held at the aquatic center are geared towards young people who must be accompanied by one or more adults. In addition to special events (swim meets), the raw tourism also takes into consideration the estimated number of pool users that will be traveling to Yankton from outside the primary service area. The specialized water features incorporated into the design of the aquatic center will draw day visitors from the surrounding Yankton area.

Personnel ¹⁵	\$112,855	
Commodities ¹⁶	\$66,550	
Contractual ¹⁷	\$49,000	
Capital ¹⁸	\$5,000	
Expenditure Subtotal		\$233,405
Special events ¹⁹	Tourism Dollars	
Yankton Cherokee Invitation	\$62,000	
S.D. State Zone Championship	\$90,000	
Estimated Visitors (non-residents)	\$226,500	
Tourism Subtotal		\$378,500
Total Primary Impact		\$611,905

¹⁵ Salaries paid to employee of the aquatic center. Amount does not include fringe benefit allowance from page 27.

¹⁶ Commodities line item from page 27.

¹⁷ Contractual Services for the aquatic center from page 28.

¹⁸ Capital Expenditures for the aquatic center from page 28.

¹⁹ Represents swim meets that will be held at the aquatic center that attract visitors to Yankton. Overnight visitors were calculated at \$140 per day and day visitors were calculated at \$30.00 per day. Non-resident visitors that will be attending the aquatic center are calculated at the day visitor rate of \$30.00 per day.

Secondary Impacts

Secondary impacts are defined as the spin-off or ripple effects raw tourism and primary impacts have on the local economy. The businesses receiving these raw tourism dollars use them to pay wages and salaries, to purchase more goods and services for the business and pay to taxes. This process is repeated through several rounds of ripple impact until it becomes insignificantly small. The combined impact of these several rounds of spending is referred to as the multiplier effect. Calculating the multiplier effect is not an exact science and consequently a relatively conservative multiplier of 1.5 was used for this study. The multiplier rate typically used by the tourism industry ranges from 1.5 to 7 times.

Secondary impacts also include salaries and wages paid to aquatic center employees that represent a large volume of disposable income which, in turn, the employees spend on local goods and services.

Disposable income spent by employees ²⁰	\$84,171	
State sales tax collected from tourism ²¹	\$16,740	
Local sales tax collected from tourism ²²	\$7,784	
State sales tax generated from employees disposable income ²³	\$3,366	
Local Sales Tax generated from employees disposable income ²⁴	\$1,566	
Tourism rollover multiplier ²⁵	\$567,750	
Total Secondary Impact		\$681,377

Summary	Amount
Primary Impact	\$611,905
Secondary Impact	\$681,377
Total Economic Impact	\$1,293,282

²⁰ Disposable income represents salaries minus fringe benefits and current wages paid to outdoor pool staff.
²¹ State sales tax based on \$378,500 in tourism dollars.
²² Local sales tax based on \$378,500 in tourism dollars.
²³ State sales tax based on \$84,171 of employee disposable income.
²⁴ Local sales tax based on \$84,171 of employee disposable income.
²⁵ A multiplier of 1.5 was used based on information from the Yankton Visitors Bureau.

Indirect Impacts

There are other indirect impacts from the operation of the aquatic center that are difficult or impossible to quantify including. These indirect impacts include the following elements:

The aquatic center will positively impact the quality of life for people living in Yankton. A positive value is placed on leisure services in the community. The aquatic center will provide a focal point for the community and help bring a diverse community together. It will help to develop a sense of community for Yankton. The aquatic center will be a source of tremendous community pride and will provide a positive image of Yankton with broad based appeal. Residents who bring their friends and relatives by the aquatic center to “show off” the facility will see this.

The aquatic center will provide fitness and stress reducing programs and activities to help prevent people from becoming tomorrow’s high medical cost patients. Obesity is reaching epidemic proportions in the U.S and the cost to treat obesity and obesity related problems is approaching the level of cigarette smoking.

Recreational facilities can be viewed as a proactive supplement to law enforcement. The aquatic center will offer programs and activities to provide an alternative to potential juvenile criminals. The aquatic center will help keep kids off the street and reduce juvenile crime.

The City of Yankton will employ about 50 people at the Aquatic Center. Young people, especially teens and college students, fill a large majority of these positions.

The Tourism Industry reports that one job is created for every \$50,000 generated from tourism. The City of Yankton will generate \$378,500 in raw tourism from activities hosted and visitors using the aquatic center. Based on the Tourism projections, the City of Yankton will have the same impact as a business that creates about eight jobs.

Businesses and industries seek attractive communities in which to locate to. The quality of the parks system, Summit Activities Center, Fox Run Golf Course and proposed aquatic center contribute to the overall quality of life that continues to make Yankton marketable. Businesses and industries looking to locate factor a community’s quality of life into their criteria for decision-making.

Section VI – Part-Time Staff Hours – Option One

<u>Time</u>	<u>Hours</u>	<u>Staff</u>	<u>Days</u>	<u>Total Hours/Wk</u>
Front Desk				
<u>Mon-Fri</u>				
9am – noon	3	1	5	15
Noon – 5pm	5	2	5	50
5pm-9pm	4	1	5	20
<u>Saturday</u>				
9am – Noon	3	1	1	3
Noon – 5pm	5	2	1	10
5pm – 9pm	4	1	1	4
<u>Sunday</u>				
Noon – 5pm	5	2	1	10
5pm-9pm	4	1	1	4
Total				116 hours
Head Guard				
<u>Mon-Sun</u>				
Noon –9pm	9	1	7	63
Total				63 hours
Birthday Party Host				
<u>Fri-Sat-Sun</u>				
Noon – 2 pm	2	1	3	6 hours

LifeguardsMon-Fri

9am – Noon	3	3	5	45
Noon-5pm	5	9	5	225
5pm – 9pm	4	7	5	140

Saturday

9am – Noon	3	3	1	9
Noon – 5pm	5	9	1	45
5pm-9pm	4	7	1	28

Parties

9pm-11pm	2	5	1	10
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Sunday

Noon – 5pm	5	9	1	45
5pm-9pm	4	7	1	28

Total 575 hours

Concession WorkerMon-Sun

Noon-9pm	9	2	7	126
Noon-5pm	5	2	7	70
Total				196 hours

Building AttendantMon – Sun

6pm – 11pm	5	1	7	35
Total				35 hours

Part-Time Staff Hours – Option Two

<u>Time</u>	<u>Hours</u>	<u>Staff</u>	<u>Days</u>	<u>Total Hours/Wk</u>
Front Desk				
<u>Mon-Fri</u>				
9am – noon	3	1	5	15
Noon – 5pm	5	2	5	50
5pm-9pm	4	1	5	20
<u>Saturday</u>				
9am – Noon	3	1	1	3
Noon – 5pm	5	2	1	10
5pm – 9pm	4	1	1	4
<u>Sunday</u>				
Noon – 5pm	5	2	1	10
5pm-9pm	4	1	1	4
Total				116 hours
Head Guard				
<u>Mon-Sun</u>				
Noon –9pm	9	1	7	63
Total				63 hours
Birthday Party Host				
<u>Fri-Sat-Sun</u>				
Noon – 2 pm	2	1	3	6 hours

LifeguardsMon-Fri

9am – Noon	3	3	5	45
Noon-5pm	5	8	5	200
5pm – 9pm	4	6	5	120

Saturday

9am – Noon	3	3	1	9
Noon – 5pm	5	8	1	40
5pm-9pm	4	6	1	24

Parties

9pm-11pm	2	4	1	8
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Sunday

Noon – 5pm	5	8	1	40
5pm-9pm	4	6	1	24

Total 510 hours

Concession WorkerMon-Sun

Noon-9pm	9	2	7	126
Noon-5pm	5	1	7	35
Total				161 hours

Building AttendantMon – Sun

6pm – 11pm	5	1	7	35
Total				35 hours

Program Staff Cost – Both options**Aquatics**

<u>Category</u>	<u>Classes/wk</u>	<u>Wks</u>	<u>Rate</u>	<u>Amount</u>
Lessons	96	10	\$10.00	\$ 9,600
Fitness	6	10	\$15.00	\$ 900
Privates	60	Annual	\$10.00	\$ 600
Total				<u>\$10,800</u>

Section VII - Program Fees and Revenue Worksheet - Option One**Daily Admissions - Pool**

<u>Category</u>	<u>Number</u>	<u>Fee</u>	<u>Daily Revenue</u>
Adult	60	\$ 4.00	\$ 240.00
Youth	135	\$ 3.00	\$ 405.00
Senior	25	\$ 3.00	\$ 75.00
Total Daily	220		\$720.00 x 70 days = \$50,400

Annuals – Pool

<u>Category</u>	<u>Number</u>	<u>Fee</u>	<u>Revenue</u>
Adult	65	\$60.00	\$3,900
Youth	200	\$45.00	\$9,000
Senior	30	\$45.00	\$1,350
Family	450	\$145.00	\$65,250
Total Annuals	745		\$79,500

Rentals - Pool

<u>Category</u>	<u>Hours/Week</u>	<u>Fee</u>	<u>Weeks</u>	<u>Revenue</u>
Swim Team	15	\$50.00	10	\$7,500
Swim Meet	2 days	\$3,000		\$3,000
Total				\$10,500

Swim Programs

<u>Category</u>	<u>Number</u>	<u>Fee</u>	<u>Sessions</u>	<u>Revenue</u>
Swim Lessons	72	\$32.00	5	\$11,520
Privates	60	\$18.00	Annual	\$ 1,080
Water Fitness	45	\$35.00	3	\$ 4,725
Total				\$17,325

Program Fees and Revenue Worksheet - Option Two**Daily Admissions - Pool**

<u>Category</u>	<u>Number</u>	<u>Fee</u>	<u>Daily Revenue</u>
Adult	50	\$ 4.00	\$ 200.00
Youth	125	\$ 3.00	\$ 375.00
Senior	20	\$ 3.00	\$ 60.00
Total Daily	195		\$635.00 x 70 days = \$44,450

Annuals – Pool

<u>Category</u>	<u>Number</u>	<u>Fee</u>	<u>Revenue</u>
Adult	50	\$60.00	\$3,000
Youth	175	\$45.00	\$7,875
Senior	30	\$45.00	\$1,350
Family	425	\$145.00	\$61,625
Total Annuals	680		\$73,850

Rentals - Pool

<u>Category</u>	<u>Hours/Week</u>	<u>Fee</u>	<u>Weeks</u>	<u>Revenue</u>
Swim Team	15	\$40.00	10	\$4,000
Swim Meet	2 Days	\$1,500		\$3,000
Total				\$7,000

Swim Programs

<u>Category</u>	<u>Number</u>	<u>Fee</u>	<u>Sessions</u>	<u>Revenue</u>
Swim Lessons	72	\$32.00	5	\$11,520
Privates	60	\$18.00	Annual	\$ 1,080
Water Fitness	45	\$35.00	3	\$ 4,725
Total				\$17,325

Note: The aquatic programs listed above represent a conservative approach to programming and do not include the many creative programs that could be offered including: Dive-In Movies, Day Camp Swim Lessons, Mud Bowl, Shark Days, Parents/Toddler Swim Lessons, Intro to Synchronized Swimming, Diving Lessons, Exercise Walking Classes, Dog Days (end of the year), Intro to Swim Team, Scuba Diving, Kayak Lessons, Water Rescue Training, Lifeguard Certification, Water Safety Classes, Boy Scout/Girl Scout Merit Badge Classes, Water Fun Camp and Home School Lessons.