

**SUBMITTAL TO THE BOARD OF DIRECTORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

4-515



FROM: Regional Park and Open-Space District

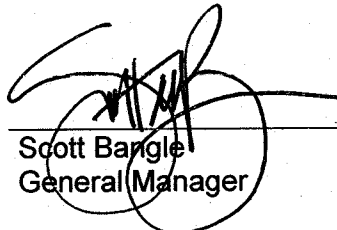
SUBMITTAL DATE:
October 17, 2013

SUBJECT: Ten Year Lease Agreement between the County of Riverside and the Riverside County Regional Park and Open-Space District for the Perris Valley Aquatic Center; No Further CEQA Action Required – District 5/5 [\$10]

RECOMMENDED MOTION: That the Board of Directors:

1. Find that nothing further is required based on the findings incorporated in the Initial Study and Environmental Checklist No. RIVCO/CEQA 2013-04 prepared by the County of Riverside for the Lease Agreement between the County of Riverside and Riverside County Regional Park and Open-Space District for use of the Perris Valley Aquatic Center and the conclusion that the project will not have a significant effect on the environment;
2. Approve the attached ten year Lease Agreement and authorize the Chairman of the Board to execute four (4) copies of the Lease Agreement;
3. Direct the Clerk of the Board to return three (3) copies of the executed Lease Agreement to Riverside County Regional Park and Open-Space District; and
4. Direct the Clerk of the Board to file the Notice of Determination with the County Clerk within five (5) days of approval of the project.

BACKGROUND:
Summary



Scott Bangle
General Manager


2014-001D KB

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 1	\$ 1	\$ 10	\$ 1	Consent <input type="checkbox"/> Policy <input type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: Recreation Fund 25420	Budget Adjustment: No
	For Fiscal Year: 2013-2014

C.E.O. RECOMMENDATION:

APPROVE

BY: 

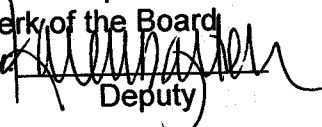
Alex Gann

County Executive Office Signature

MINUTES OF THE REGIONAL PARK AND OPEN SPACE DISTRICT

On motion of Commissioner Stone, seconded by Commissioner Ashley and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: December 3, 2013
xc: Parks, Recorder

Kecia Harper-Ihem
Clerk of the Board
By: 

Deputy

Prev. Agn. Ref.:

District: 5/5

Agenda Number:

13-1 D

FORM APPROVED COUNTY COUNSEL
BY: 
MARSHAL VICTOR
DATE: 10/21/13

- A-30
- Positions Added
- 4/5 Vote
- Change Order

SUBMITTAL TO THE BOARD OF DIRECTORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Ten Year Lease Agreement between the County of Riverside and the Riverside County Regional Park and Open-Space District for the Perris-Menifee Valley Aquatic Center – District 5/5 [\$10]

DATE: October 17, 2013

PAGE: Page 2 of 3

BACKGROUND:

Summary (continued)

Riverside County Regional Park and Open-Space District (District) desires to lease the Perris Valley Aquatic Center, located at 2167 Trumble Road between Vista and the Perris Valley Big League Dreams Sports Park in Romoland Area, in Riverside County as depicted on Exhibit "A," to conduct recreational services to the community.

The District Advisory Commission considered this item at its meeting on November 8, 2012, and recommended approval [by a vote of 8-2] by your Board. The Commission requested that additional funding be provided to cover gaps between estimated operating revenue and expenditures which were identified to be approximately \$600,000 per year. District staff resolved estimated shortfalls in the first operational budget by eliminating Net County Cost (NCC) contributions to all non-recreation programs and raising user fees. Additional revenue streams include a \$100,000 allocation from District 5, a CDGB commitment of \$40,000 to the Recreation Fund and \$120,000 annual contribution from EDA. Additionally, many local partners have committed to providing additional funding when full operations begin.

The District wishes to operate the facility to provide aquatic programming, fitness, and leisure opportunities for the region. The District is well-equipped to successfully operate the Perris-Menifee Valley Aquatic Center as demonstrated by the safety, customer satisfaction, and successful operation of Jurupa Aquatic Center. Staff is well-respected in the field of aquatics and remains on the cutting edge of best practices in aquatic safety, programming, and operations.

The County of Riverside prepared an Initial Study/Environmental Checklist No. RIVCO/CEQA 2013-04 and made the determination that nothing further was required. The potential environmental effects of the Perris Valley Aquatics Center Project were fully studied in Initial Study/Mitigated Negative Declaration (IS/MND) (SCH#2011041046). Based upon the findings incorporated therein, the Board of Supervisors adopted a Mitigated Negative Declaration and a Mitigation Monitoring and Reporting Program and approved the Perris Valley Aquatics Center Project on June 28, 2011 by Board Agenda Item 3.113. The District has determined, based on the Initial Study/Environmental Checklist No. RIVCO/CEQA 2013-04 and MND adopted by the County, that although the Lease Agreement between the County of Riverside and the Riverside County Regional Park and Open-Space District could have a significant effect on the environment, nothing further is required because all potentially significant effects have been fully analyzed in Initial Study/Environmental Checklist No. RIVCO/CEQA 2013-04 and the earlier adopted IS/MND prepared by the County of Riverside and all potential impacts have been avoided or mitigated to less than significant pursuant to that MND. Entering into this Lease Agreement will not result in any new significant environmental effects not identified in the Initial Study and Environmental Checklist No. RIVCO/CEQA 2013-04; the actions will not substantially increase the severity of the environmental effects identified in the MND; no considerably different mitigation measures have been identified; and no mitigation measures found infeasible have become feasible. As a result, no further environmental documentation is required for CEQA purposes.

Impact on Citizens and Businesses

The Perris Valley Aquatic Center will have a positive impact on the surrounding businesses by drawing increased patronage to the area. The facility will draw in customers who will spend money in local eateries, shopping centers, and hotels. The facility will have a minimal impact on citizens, as there are few houses immediately near the site. Based upon the proposed business model and projected labor needs as outlined in Exhibit "B," the citizens will benefit with the creation of over 100 new jobs.

SUBMITTAL TO THE BOARD OF DIRECTORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Ten Year Lease Agreement between the County of Riverside and the Riverside County Regional Park and Open-Space District for the Perris-Menifee Valley Aquatic Center – District 5/5 [\$10]

DATE: October 17, 2013

PAGE: Page 3 of 3

SUPPLEMENTAL:

Additional Fiscal Information

The County Economic Development Agency shall pay District \$120,000 annually to assist in offsetting operational cost of the property. In addition, the District has included \$1,166,613 within the FY 13/14 budget to operate the facility.

In 2011, PROS Consulting completed an Impact report (Exhibit "B") analyzing the operations and feasibility of the project, based on the Jurupa Aquatic Center projections. Since concluding the third summer season of Jurupa Aquatic Center, it has been determined that some of the financial projections included in the PROS consulting Impact report need to be adjusted. While PROS projected that Season Pass visitors would comprise 21% of the overall attendance, it is now being projected to comprise approximately 60% of waterpark attendance. Due to the regional nature of the facility, most attendees will visit numerous times per season and will invest in a season pass, which offers increased savings for the pass-holder, but reduced revenue for the facility. For the competition pool operations, the monthly lap swim pass projection should be decreased, as most swimmers elect to pay per day. With recent experience at Jurupa Aquatic Center, the swim lesson registration number and revenue projection should be increased, as it is one of the main revenue sources for the competition pool.

Contract History and Price Reasonableness

The District shall lease the center from the County for the purpose of providing needed recreational amenities to the community. The term of the Lease shall be for a period of ten years commencing on completion of construction and may be extended by mutual agreement by a written amendment executed by both parties. The District shall pay \$1.00 per year to the County for the term of the Lease which shall constitute rent under this Lease.

ATTACHMENTS (if needed, in this order):

- A. **BUDGET ADJUSTMENT N/A**
- B. **CHANGE ORDER REPORT N/A**

NUMBER	AMOUNT	PERCENT	DESCRIPTION

(Additional description and details of new change order(s) – one or two paragraphs for each.)

- C. **PERSONNEL CHANGE and ORDINANCE 440 REPORT N/A**

COPY

**LEASE AGREEMENT BY AND BETWEEN THE COUNTY OF RIVERSIDE
AND THE RIVERSIDE COUNTY REGIONAL PARK & OPEN-SPACE DISTRICT
FOR THE PERRIS-MENIFEE VALLEY AQUATIC CENTER**

THIS LEASE AGREEMENT ("LEASE") is made and entered into on this
_____ day of _____, 2013, by and between the County of Riverside, a
political subdivision of the State of California ("COUNTY") and the Riverside County
Regional Park & Open-Space District, a special district, ("DISTRICT"), for the property
described below upon the following terms and conditions:

WITNESETH

WHEREAS, the COUNTY is the owner of certain real property, commonly
known as the Perris-Meniffee Valley Aquatic Center ("PROPERTY"), with Assessor's
Parcel Number 327-190-029, and located at 2167 Trumble Road, Perris, on the 12
western acres of the 22-acre parcel which lies on Trumble Road between Vista and the
Perris Valley Big League Dreams Sports Park in the Romoland Area; and

WHEREAS, in accordance with California Government Code Section 26227, the
County may make available, by lease, to a public agency, nonprofit corporation, or
nonprofit association any county real property which is not needed for county
purposes, to be used to carry out social programs, upon terms and conditions
determined by the Board of Supervisors to be in the best interest of the County and
general public; and

WHEREAS, subsequent to entering into this LEASE, the DISTRICT intends to
enter into agreements, referenced as "Joint Use Agreements" with other public
agencies, including school districts and municipalities, where such other public
agencies desire to jointly use the PROPERTY during specific times and dates and will
fund its share of maintenance and operation costs according to the approved fee
schedule for the areas that are jointly used; and

1 **WHEREAS**, the DISTRICT and COUNTY have determined that there is a great
2 need to provide a recreational amenity such as an aquatic center in the Romoland
3 Area; and

4 **WHEREAS**, the PROPERTY will provide needed recreational amenities and
5 programs to the community for social, health and welfare benefits;

6 **NOW, THEREFORE**, in consideration of the preceding promises and the mutual
7 covenants and agreements hereinafter contained, the parties hereto do hereby agree
8 as follows:

9 **SECTION 1. PROPERTY DESCRIPTION.** The PROPERTY, known as the
10 Perris-Menifee Valley Aquatic Center, located at 2167 Trumble Road, Perris, on the 12
11 western acres of the 22-acre parcel within Assessor's Parcel Number 327-190-029,
12 which lies on Trumble Road between Vista and the Perris Valley Big League Dreams
13 Sports Park in the Romoland Area, as depicted on Exhibit "A," attached hereto and
14 incorporated herein by reference.

15 **SECTION 2. USE.**

16 **A.** The PROPERTY is leased to DISTRICT for the purpose of providing
17 needed recreational amenities to the community.

18 **B.** DISTRICT may provide additional services or modify the implementation
19 of their programs to ensure that the needs of the community are being met.

20 **C.** DISTRICT shall use the PROPERTY for the purpose as designated
21 herein.

22 **D.** COUNTY, or its assigns or successors-in-interest, consents to DISTRICT
23 collecting fees for public use of the facilities.

24 **SECTION 3. ACCEPTANCE OF PREMISES.** DISTRICT shall accept the
25 PROPERTY in its condition suitable for use as of December 31, 2013, or upon receipt
26 of an approved and official Notice of Completion ("NOC") whichever is later
27 ("EFFECTIVE DATE"), subject to all applicable restrictions of record, zoning and other
28 laws regulating the use of the PROPERTY. The premises shall also include all fixtures,

1 signage and other appurtenances required to operate the facility as approved by the
2 Parks Director or his designee. DISTRICT'S beginning performance of services under
3 this LEASE on the EFFECTIVE DATE and failing to object to any condition of the
4 PROPERTY in writing on or before thirty (30) days after the EFFECTIVE DATE shall
5 be conclusive evidence that DISTRICT accepts the PROPERTY and that it was in
6 good condition as of the EFFECTIVE DATE.

7 **SECTION 4. TERM.**

8 **A.** The term of this LEASE shall be for a ten (10) year period commencing on
9 the EFFECTIVE DATE as set forth in Section 3.

10 **B.** Notwithstanding subsection "C" below, any holding over by DISTRICT at
11 the expiration of said term shall be deemed a month-to-month tenancy upon the same
12 terms and conditions of this LEASE.

13 **C.** The term of this LEASE may be extended by mutual agreement of the
14 COUNTY and the DISTRICT and shall be incorporated by an amendment executed by
15 both the COUNTY and the DISTRICT.

16 **SECTION 5. RENT.** DISTRICT shall pay \$1.00 per year to COUNTY for the
17 term of this LEASE which shall constitute "Rent" under this LEASE. Such rent shall be
18 prepaid for the entire term upon execution of this LEASE and sent to COUNTY'S
19 address as set forth in Section 12 below.

20 **SECTION 6. DISTRICT OBLIGATIONS.**

21 **A. OPERATIONS.** The PROPERTY, at a minimum, shall be open to the
22 public during the months of June through August for recreational services to the public.
23 The PROPERTY shall remain open year-round for use of the competition pool in
24 accordance with Joint Use Agreements. The DISTRICT shall determine the operating
25 schedule suitable to meet the needs of the community and any public parties who have
26 entered into Joint Use Agreements.

27 **B. UTILITIES.** DISTRICT shall pay all costs for all utility services used in
28 connection with the operation of the PROPERTY throughout the term of this LEASE.

1 **C. MAINTENANCE.** DISTRICT shall pay all costs to maintain the
2 PROPERTY including, but not limited to air conditioning equipment, heating
3 equipment, plumbing, electrical wiring and fixtures, windows and structural parts in
4 good working condition and repair, and in compliance with federal, state, and local
5 laws, ordinances, rules and regulations relating to fire, health and safety, and
6 DISTRICT shall pay all cost to fully maintain the exterior and the interior of the
7 PROPERTY using choice of custodial services. DISTRICT shall pay all cost to
8 maintain the PROPERTY's landscaping and irrigation in good condition. Any dead or
9 dying plants, turf or trees shall be replaced or removed in a timely fashion. The
10 PROPERTY shall be maintained in a clean and safe state at all times.

11 **D. IMPROVEMENTS.** DISTRICT agrees to submit any construction and
12 capital improvement plans for the PROPERTY to COUNTY for review and approval
13 prior to installation or construction. DISTRICT understands and agrees that such
14 improvements, alterations and installation of fixtures are subject to County of Riverside
15 Ordinances No. 348 and 457, applicable Fire Codes, the Americans with Disabilities
16 Act, as well as other applicable County of Riverside ordinances. All alterations and
17 improvements to be made and fixtures installed or caused to be made and installed, by
18 DISTRICT shall become the property of COUNTY with the exception of trade fixtures
19 as such term is used in Section 1019 of the Civil Code.

20 At or prior to the expiration of this LEASE, DISTRICT may remove such
21 trade fixtures, provided, however, that such removal does not cause injury or damage
22 to the PROPERTY, or in the event it does, DISTRICT shall restore the PROPERTY to
23 its original shape and condition. In the event such trade fixtures are not removed,
24 COUNTY may at its own discretion either: 1) remove and store such fixtures and
25 restore the PROPERTY for the account of DISTRICT, and in such event, DISTRICT
26 shall within thirty (30) days after billing and accounting reimburse COUNTY for the
27 costs so incurred, or 2) take and hold such fixtures as its sole property.

28 **E. WATER QUALITY MANAGEMENT PLAN.** DISTRICT shall be

1 responsible for the operation and maintenance of all best management practices
2 (BMPs) associated with the PROPERTY's Water Quality Management Plan for the
3 term of the LEASE. DISTRICT shall be responsible for any fine, penalty, or any other
4 civil, administrative or criminal liability resulting from the DISTRICT's failure to maintain
5 the BMPs.

6 **F. JOINT USE AGREEMENTS.** With assistance from the COUNTY as
7 described in Section 7.A. herein, District shall be the party to procure and enter into
8 Joint Use Agreements from outside agencies, school districts, and municipalities or
9 other related entities ("USER GROUPS") whereby such public agencies will jointly use
10 the PROPERTY and pay the respective proportionate share of costs as designated in
11 the approved fee schedule for maintenance and operations, or as otherwise
12 documented within the Joint Use Agreements.

13 **SECTION 7. COUNTY OBLIGATIONS.**

14 **A.** COUNTY shall assist DISTRICT by providing Real Estate Services to
15 draft subleases, licenses, real estate documents and Joint Use Agreements with USER
16 GROUPS for the PROPERTY and to obtain the proper approvals in connection with
17 these agreements.

18 **B.** COUNTY Economic Development Agency shall pay DISTRICT \$120,000
19 annually for fiscal years 2013-14 and 2014-15 to assist in offsetting operational costs of
20 the PROPERTY. Thereafter, funding shall be provided from the operation of the Field
21 of Dreams in Perris in the amount of \$120,000 annually.

22 **C.** In the event that USER GROUPS, as a party to the Joint Use
23 Agreements referenced in Section 6F, fail to provide any funds pursuant to that Section
24 or funds are otherwise unavailable, DISTRICT shall not be responsible for such entity's
25 proportionate share of costs as defined in the Joint Use Agreement. DISTRICT shall
26 not be responsible for operating the PROPERTY to the standards provided herein if the
27 costs that would have been funded by other entities are not paid to DISTRICT.
28 DISTRICT shall be entitled to reduce services and operation hours accordingly. In the

1 event that funding from said other entities ceases for greater than 90 days, COUNTY
2 or its successors-in-interest and DISTRICT, shall have the right to amend or terminate
3 this LEASE with thirty (30) days written notice.

4 **SECTION 8. OVERSIGHT BY COUNTY.** The COUNTY may visit the
5 PROPERTY for the purpose of reviewing the uses being conducted at the PROPERTY
6 by DISTRICT. The COUNTY shall provide at least 24 hour notice to DISTRICT prior to
7 visit which shall be done during normal business hours.

8 **SECTION 9. NONDISCRIMINATION.** DISTRICT herein covenants by and for
9 himself or herself, his or her heirs, executors, administrator, and assigns, and all
10 persons claiming under or through them, that there shall be no discrimination against
11 or segregation of any person or group of persons on account of race, color, creed,
12 religion, disability, sex, sexual orientation, marital status, familial status, source of
13 income or disability in the sale, ancestry or national origin in the LEASE, sublease,
14 transfer, use, occupancy, tenure or enjoyment of the PROPERTY, nor shall the
15 DISTRICT, or any persons claiming under or through him or her, establish or permit
16 any such practice or practices of discrimination or segregation with reference to the
17 selection, location number, use or occupancy of tenants, districts, subtenants,
18 subleases or vendees in the PROPERTY herein conveyed. The foregoing covenants
19 shall run with the land.

20 **SECTION 10. DEFAULT.**

21 A. The DISTRICT shall be deemed in default of this LEASE if DISTRICT
22 uses the PROPERTY for any purpose other than that authorized in the LEASE, fails to
23 maintain the PROPERTY or the improvements in the manner provided for in the
24 LEASE, fails to pay any installment of rent or other sum when due as provided for in
25 the LEASE, fails to comply with or perform any other covenant, condition, provision or
26 restriction provided for in the LEASE, abandons the PROPERTY, allows the
27 PROPERTY to be attached, levied upon, or seized under legal process, or if the
28 DISTRICT files or commits an act of bankruptcy, has a receiver or liquidator appointed

1 to take possession of the PROPERTY, or commits or permits waste on the
2 PROPERTY.

3 **B.** The COUNTY shall provide DISTRICT with a thirty (30) day written notice
4 to remedy any and all defaults. Upon the failure of DISTRICT to properly address
5 default or commencement of curing the default within thirty (30) days, COUNTY shall
6 have the right to terminate this LEASE and retake possession of the PROPERTY
7 together with all additions, alterations, and improvements thereto by providing
8 DISTRICT notice of its intent to terminate in thirty (30) days for a total of sixty (60) days
9 from the initial notice of default. In the event that DISTRICT cures the default within the
10 sixty (60) days or is diligently pursuing to cure the default, COUNTY shall not have the
11 right to terminate upon the expiration of the sixty (60) days. COUNTY shall also retain
12 all rights to seek any and all remedies at law or in equity available in the event of
13 DISTRICT's default.

14 **SECTION 11. TERMINATION.**

15 **A.** DISTRICT and/or COUNTY shall have the option to terminate this LEASE
16 if the PROPERTY is destroyed or damaged to the extent that it cannot be repaired
17 within sixty (60) days, or if more than twenty-five percent (25%) of the PROPERTY is
18 destroyed. This LEASE can be terminated by either the DISTRICT and/or the COUNTY
19 with a thirty (30) day written notice.

20 **B.** If DISTRICT desires to continue with this LEASE despite partial damage
21 or destruction of the PROPERTY, then DISTRICT shall provide advance written notice
22 to COUNTY to seek COUNTY approval. Upon approval by the COUNTY of the
23 continuance of the LEASE and the plans for the repairs. The DISTRICT, at its sole
24 expense, shall make all approved repairs needed to the PROPERTY as the result of
25 said damage or destruction. The DISTRICT reserves the right to determine what, if
26 any, portions of the PROPERTY are usable. The DISTRICT shall remain responsible
27 for the operations of the PROPERTY as they are provided herein.

28 **C.** The DISTRICT or COUNTY may terminate this LEASE for cause, by

1 giving thirty (30) days written notice to the other party and the Parties have been
2 unable to come to an agreement or resolution regarding the cause for termination.

3 **SECTION 12. NOTICES.** Any notices required or desired to be served by
4 either party upon the other shall be deemed delivered if sent by certified mail, return
5 receipt requested to the following, or to such other addresses as from time to time shall
6 be designated by the respective parties:

7 **COUNTY**

DISTRICT

8 Robert Field

Scott Bangle

9 Assistant County Executive Officer/EDA

General Manager/Director

10 County of Riverside

Regional Park & Open Space District

11 3403 10th St

4600 Crestmore Rd.

12 Riverside, CA 92501

Riverside, CA 92509

13 (951) 955-8918

(951) 955-4398

14 (951) 955-6685 FAX

15 **SECTION 13. ASSIGNMENT & SUBLEASES.** DISTRICT shall not assign
16 this LEASE, or sublease the PROPERTY without the written consent of COUNTY.
17 Such consent shall not be unreasonably withheld, delayed or conditioned by the
18 COUNTY and takes into account all relevant circumstances and both parties' legitimate
19 interests.

20 **SECTION 14. INSURANCE.** Without limiting or diminishing the DISTRICT's
21 obligation to indemnify or hold the COUNTY harmless, DISTRICT shall procure and
22 maintain or cause to be maintained, at its sole cost and expense, the following
23 insurance coverage's during the term of this LEASE.

24 **A. Workers' Compensation:** If the DISTRICT has employees as defined by
25 the State of California, the DISTRICT shall maintain statutory Workers' Compensation
26 Insurance (Coverage A) as prescribed by the laws of the State of California. Policy
27 shall include Employers' Liability (Coverage B) including Occupational Disease with
28 limits not less than \$1,000,000 per person per accident. The policy shall be endorsed

1 to waive subrogation in favor of The COUNTY, and, if applicable, to provide a
2 Borrowed Servant/Alternate Employer Endorsement.

3 **B. Commercial General Liability:** Commercial General Liability Insurance
4 coverage, including but not limited to, premises liability, contractual liability, products
5 and completed operations liability, personal and advertising injury, and cross liability
6 coverage, covering claims which may arise from or out of DISTRICT'S performance of
7 its obligations hereunder. Policy shall name the COUNTY, its directors, officers,
8 employees, appointed officials, agents or representatives as Additional Insured.
9 Policy's limit of liability shall not be less than \$1,000,000 per occurrence combined
10 single limit. If such insurance contains a general aggregate limit, it shall apply
11 separately to this agreement or be no less than two (2) times the occurrence limit.

12 **C. Vehicle Liability:** If vehicles or mobile equipment are used in the
13 performance of the obligations under this Agreement, then DISTRICT shall maintain
14 liability insurance for all owned, non-owned or hired vehicles so used in an amount not
15 less than \$1,000,000 per occurrence combined single limit. If such insurance contains
16 a general aggregate limit, it shall apply separately to this agreement or be no less than
17 two (2) times the occurrence limit. Policy shall name the COUNTY, its directors,
18 officers, employees, appointed officials, agents or representatives as Additional
19 Insured.

20 **D. General Insurance Provisions - All lines:**

21 1) Any insurance carrier providing insurance coverage hereunder
22 shall be admitted to the State of California and have an A M BEST rating of not less
23 than A: VIII (A:8) unless such requirements are waived, in writing, by the COUNTY
24 Risk Manager. If the COUNTY's Risk Manager waives a requirement for a particular
25 insurer such waiver is only valid for that specific insurer and only for one policy term.

26 2) The DISTRICT'S insurance carrier(s) must declare its insurance
27 self-insured retentions. If such self-insured retentions exceed \$500,000 per occurrence
28 such retentions shall have the prior written consent of the County Risk Manager before

1 the commencement of operations under this Agreement. Upon notification of self-
2 insured retention unacceptable to the COUNTY, and at the election of the COUNTY's
3 Risk Manager, LESSEE'S carriers shall either: 1) reduce or eliminate such self-insured
4 retention as respects this Agreement with the COUNTY, or 2) procure a bond which
5 guarantees payment of losses and related investigations, claims administration, and
6 defense costs and expenses.

7 3) DISTRICT shall cause DISTRICT'S insurance carrier(s) to furnish
8 the County of Riverside with either 1) a properly executed original Certificate(s) of
9 Insurance and certified original copies of Endorsements effecting coverage as required
10 herein, and 2) if requested to do so orally or in writing by the COUNTY Risk Manager,
11 provide original Certified copies of policies including all Endorsements and all
12 attachments thereto, showing such insurance is in full force and effect. Further, said
13 Certificate(s) and policies of insurance shall contain the covenant of the insurance
14 carrier(s) that thirty (30) days written notice shall be given to the COUNTY prior to any
15 material modification, cancellation, expiration or reduction in coverage of such
16 insurance. In the event of a material modification, cancellation, expiration, or reduction
17 in coverage, this Agreement shall terminate forthwith, unless the COUNTY receives,
18 prior to such EFFECTIVE DATE, another properly executed original Certificate of
19 Insurance and original copies of endorsements or certified original policies, including all
20 endorsements and attachments thereto evidencing coverage's set forth herein and the
21 insurance required herein is in full force and effect. LESSEE shall not commence
22 operations until the COUNTY has been furnished original Certificate (s) of Insurance
23 and certified original copies of endorsements and if requested, certified original policies
24 of Insurance including all endorsements and any and all other attachments as required
25 in this Section. An individual authorized by the insurance carrier to do so shall sign the
26 original endorsements for each policy and the Certificate of Insurance on its behalf.

27 4) It is understood and agreed to by the parties hereto that the
28 DISTRICT'S insurance shall be construed as primary insurance, and the COUNTY'S

1 insurance and/or deductibles and/or self-insured retention's or self-insured programs
2 shall not be construed as contributory.

3 5) If, during the term of this Agreement or any extension thereof,
4 there is a material change in the scope of services; or, there is a material change in the
5 equipment to be used in the performance of the scope of work which will add additional
6 exposures (such as the use of aircraft, watercraft, cranes, etc.); or, the term of this
7 Agreement, including any extensions thereof, exceeds five (5) years, then the
8 COUNTY reserves the right to adjust the types of insurance required under this
9 Agreement and the monetary limits of liability for the insurance coverage's currently
10 required herein, if the COUNTY Risk Manager, in his reasonable judgment, has
11 deemed the amount or type of insurance carried by the DISTRICT is inadequate for the
12 material change in circumstances.

13 6) DISTRICT shall pass down the insurance obligations contained
14 herein to all tiers of sublessees working under this Agreement.

15 7) The insurance requirements contained in this Agreement may be
16 met with a program(s) of self-insurance acceptable to the COUNTY.

17 8) DISTRICT agrees to notify COUNTY of any claim by a third party
18 or any incident or event that may give rise to a claim arising from the performance of
19 this Agreement.

20 **SECTION 15. INDEMNIFICATION.** DISTRICT shall indemnify and hold
21 harmless the COUNTY, its directors, officers, employees, appointed officials, agents
22 or representatives from any liability whatsoever, based or asserted upon any services
23 of DISTRICT, its officers, employees, agents or representatives arising out of or in any
24 way relating to this Agreement, including but not limited to PROPERTY damage, bodily
25 injury, or death or any other element of any kind or nature whatsoever arising from the
26 performance of DISTRICT, its officers, agents, employees, agents or representatives
27 from this Agreement. DISTRICT shall defend, at its sole expense, all costs and fees
28 including, but not limited, to attorney fees, cost of investigation, defense and

1 settlements or awards, the COUNTY, its directors, officers, employees, appointed
2 officials, agents or representatives in any claim or action based upon such alleged acts
3 or omissions.

4 With respect to any action or claim subject to indemnification herein by
5 DISTRICT, DISTRICT shall, at their sole cost, have the right to use counsel of their
6 own choice and shall have the right to adjust, settle, or compromise any such action or
7 claim without the prior consent of COUNTY; provided, however, that any such
8 adjustment, settlement or compromise in no manner whatsoever limits or circumscribes
9 DISTRICT'S indemnification to COUNTY as set forth herein.

10 DISTRICT'S obligation hereunder shall be satisfied when DISTRICT has
11 provided to COUNTY the appropriate form of dismissal relieving COUNTY from any
12 liability for the action or claim involved.

13 The specified insurance limits required in this Agreement shall in no way limit or
14 circumscribe DISTRICT'S obligations to indemnify and hold harmless the COUNTY
15 herein from third party claims.

16 In the event there is conflict between this clause and California Civil Code
17 Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such
18 interpretation shall not relieve the DISTRICT from indemnifying the COUNTY to the
19 fullest extent allowed by law.

20 **SECTION 16. HAZARDOUS SUBSTANCES.** For purposes of this LEASE,
21 Hazardous Substances shall mean any such materials or substances that may be
22 defined as or included in the definition of "hazardous substances" under applicable
23 federal or state laws or regulations.

24 A. DISTRICT agrees that any and all handling, transportation, storage,
25 treatment, disposal, or use of Hazardous Substances by DISTRICT in or about the
26 PROPERTY shall comply with all applicable Environmental Laws.

27 B. DISTRICT shall not use, handle, store, transport, generate, release, or
28 dispose of any Hazardous Substances on, under, or about the PROPERTY, except

1 that DISTRICT may use (i) small quantities of common chemicals such as adhesives,
2 lubricants, and cleaning fluids in order to conduct business at the PROPERTY; (ii)
3 other Hazardous Substances that are necessary for the operation of DISTRICT'S
4 business; and (iii) Other Hazardous Substances for which COUNTY gives written
5 consent prior to the Hazardous Substances being brought onto the PROPERTY.

6 **SECTION 17. BINDING ON SUCCESSORS.** The terms and conditions herein
7 contained shall apply to and bind the heirs, successors in interest, executors,
8 administrators, representatives, and assigns of all the parties hereto.

9 **SECTION 18. COMPLIANCE WITH LAWS AND REGULATIONS.** By
10 executing this LEASE, the DISTRICT hereby certifies that it will adhere to and comply
11 with all federal, state, and local laws, regulations and ordinances.

12 **SECTION 19. PERSONNEL.** DISTRICT represents that it has all the
13 personnel required to provide recreation services under this LEASE or will subcontract
14 for necessary services. DISTRICT personnel shall not be employed by, not have any
15 direct contractual relationship with the COUNTY. The DISTRICT, its employees or
16 personnel under direct contract with the DISTRICT shall perform all services required
17 hereunder. DISTRICT and its agents, servants, employees and shall act at all times in
18 an independent capacity during the term of this LEASE and shall not act as, and shall
19 not be, nor shall they in any manner be construed to be agents, officers or employees
20 of the COUNTY.

21 **SECTION 20. AMENDMENTS.** This LEASE shall not be amended unless
22 such changes are mutually agreed upon by the COUNTY and the DISTRICT and shall
23 be incorporated in written executed amendments to this LEASE.

24 **SECTION 21. ADMINISTRATION.** The Assistant County Executive Officer of
25 the Economic Development Agency, or his designee, has the authority to administer
26 the LEASE on behalf of the COUNTY. The General Manager of the DISTRICT, or his
27 designee, has the authority to administer the LEASE on behalf of the DISTRICT.

28

1 **SECTION 22. CONFLICT OF INTEREST.** No member, official or employee of
2 the COUNTY or DISTRICT shall have any personal interest, direct or indirect, in this
3 LEASE nor shall any member, official or employee participate in any decision relating
4 to this LEASE which affects his or her personal interests or the interests of any
5 corporation, partnership or association in which he or she is directly or indirectly
6 interested.

7 **SECTION 23. GOVERNING LAW; JURISDICTION.** This Agreement shall be
8 governed by and construed in accordance with the laws of the State of California. The
9 COUNTY and DISTRICT agree that this Agreement has been entered into at Riverside
10 County, California, and that any legal action related to the interpretation or
11 performance of the Agreement shall be filed in the Superior Court for the State of
12 California, in Riverside, California.

13 **SECTION 24. NO THIRD PARTY BENEFICIARIES.** This LEASE is made and
14 entered into for the sole protection and benefit of the parties hereto. No other person
15 or entity shall have any right of action based upon the provisions of this LEASE.

16 **SECTION 25. SEVERABILITY.** Each section and provision of this LEASE is
17 severable from each other provision, and if any provision or part thereof is declared
18 invalid, the remaining provisions shall remain in full force and effect.

19 **SECTION 26. WAIVER.** Failure by a party to insist upon the strict
20 performance of any of the provisions of this LEASE by the other party, or failure by a
21 party to exercise its rights upon the default of the other party, shall not constitute a
22 waiver of such party's right to insist and demand strict compliance by the other party
23 with the terms of this LEASE thereafter.

24 **SECTION 27. AUTHORITY TO EXECUTE.** The persons executing this
25 LEASE on behalf of the parties to this LEASE hereby warrant and represent that they
26 have the authority to execute this LEASE and warrant and represent that they have the
27 authority to bind the respective parties to this LEASE and to the performance of its
28 obligations hereunder.

1 **SECTION 28. ATTORNEY'S FEES.** In the event of any litigation between
2 COUNTY and DISTRICT to enforce any of the provisions of this LEASE or any right of
3 either party hereto, the unsuccessful party to such litigation or arbitration agrees to pay
4 to the prevailing party all costs and expenses, including reasonable attorney's fees,
5 incurred therein by the prevailing party, all of which shall be included in and as a part of
6 the judgment rendered in such litigation.

7 **SECTION 29. COUNTERPARTS.** This LEASE may be signed by the different
8 parties hereto in counterparts, each of which shall be an original but all of which
9 together shall constitute one and the same LEASE.

10 **SECTION 30. ENTIRE LEASE.** This LEASE is intended by the Parties hereto
11 as a final expression of their understanding with respect to the subject matter hereof
12 and as a complete and exclusive statement of the terms and conditions thereof and
13 supersedes any and all prior and contemporaneous leases, agreements and
14 understandings, oral or written, in connection therewith. This LEASE may be changed
15 or modified only upon the written consent of the Parties hereto.

16 ///

17 ///

18 ///

19 [Signature provisions on following page]
20
21
22
23
24
25
26
27
28

1 **IN WITNESS WHEREOF**, the COUNTY and DISTRICT have executed this
2 LEASE as of the date first above written.

3
4 **COUNTY OF RIVERSIDE**

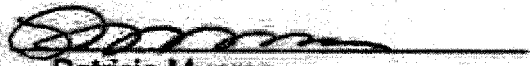
**RIVERSIDE COUNTY REGIONAL
PARK & OPEN-SPACE DISTRICT**

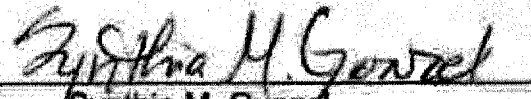
5
6
7 John J. Benoit, Chairman
Board of Supervisors

Kevin Jeffries
Chairman, Board of Directors

8
9
10 **APPROVED AS TO FORM:**
11 Pamela J. Walls
COUNTY Counsel

APPROVED AS TO FORM:
Pamela J. Walls
DISTRICT Counsel

12
13 By: 
14 Patricia Munroe
Deputy County Counsel

By: 
Synthia M. Gunzel
Deputy County Counsel

15
16 **ATTEST:**
17 Kecia Harper-Ihem
Clerk of the Board

18
19 By _____
20 Deputy


AQUATIC DESIGN
 INC.
 1000 N. ...
 ...

COUNTY OF SERRANO
 ...
PERNIS VALLEY AQUATIC CENTER PROJECT
 ...
 V.R. PERIN & SONS, INC./GENERAL CONTRACTOR

SITE PLAN
 SCALE 1/4" = 1'-0"



PREPARED BY
 ...
 ...

SP-1

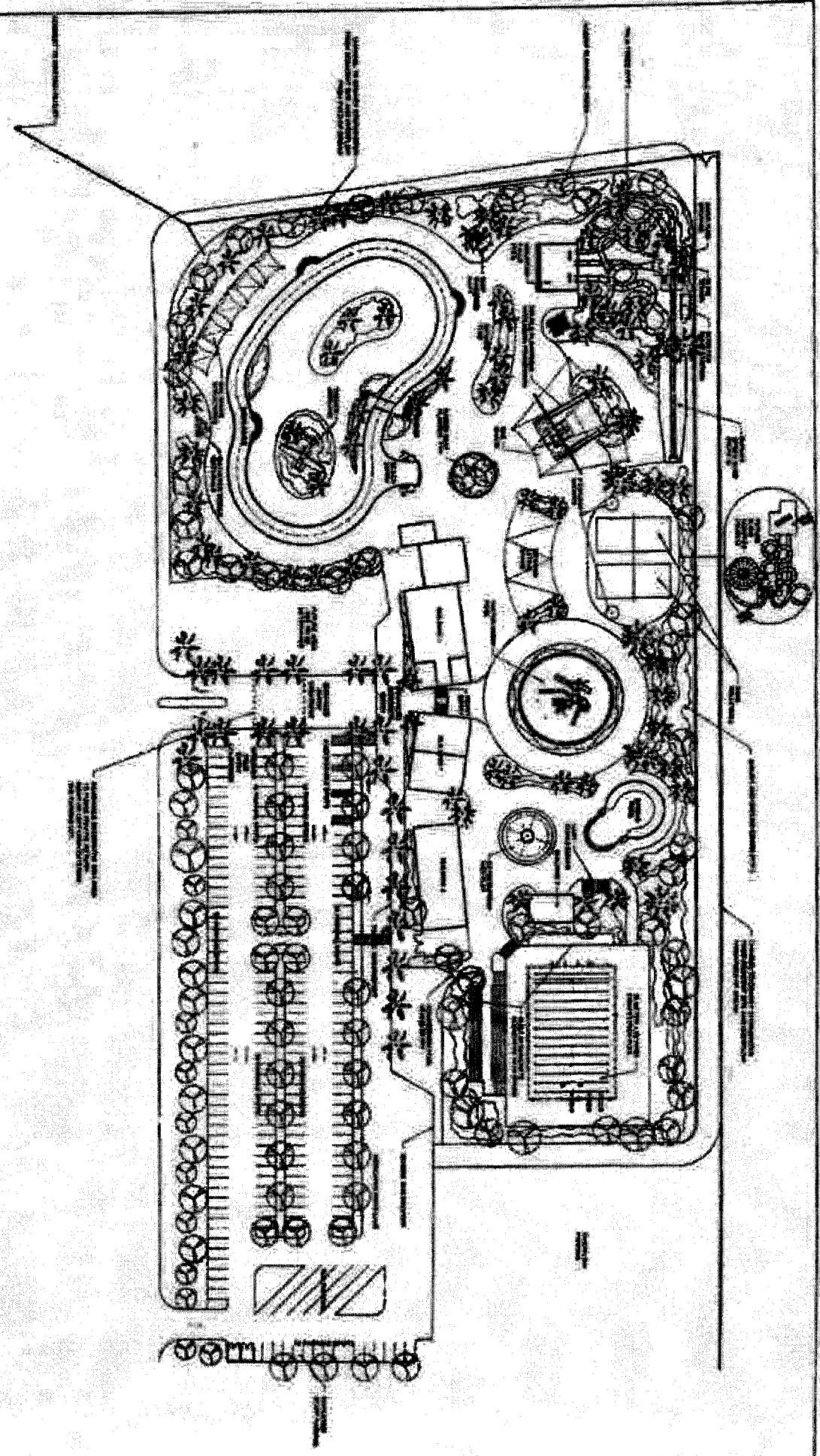
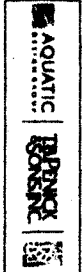


EXHIBIT A



COUNTY OF INVERNESS ECONOMIC DEVELOPMENT AGENCY PROPOSAL FOR THE
PERRIS VALLEY AQUATIC CENTER PROJECT
 T.B. PENICK & SONS, INC./CAECA
 10000 W. 10TH AVENUE, SUITE 100, DENVER, CO 80231

SITE PLAN
 SCALE 1:40



SUBMISSION DATE
 19 JUNE 2011
 THIS SUBMISSION IS THE PROPERTY OF THE COUNTY OF INVERNESS AND IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, WITHOUT THE WRITTEN PERMISSION OF THE COUNTY OF INVERNESS.

SP-1

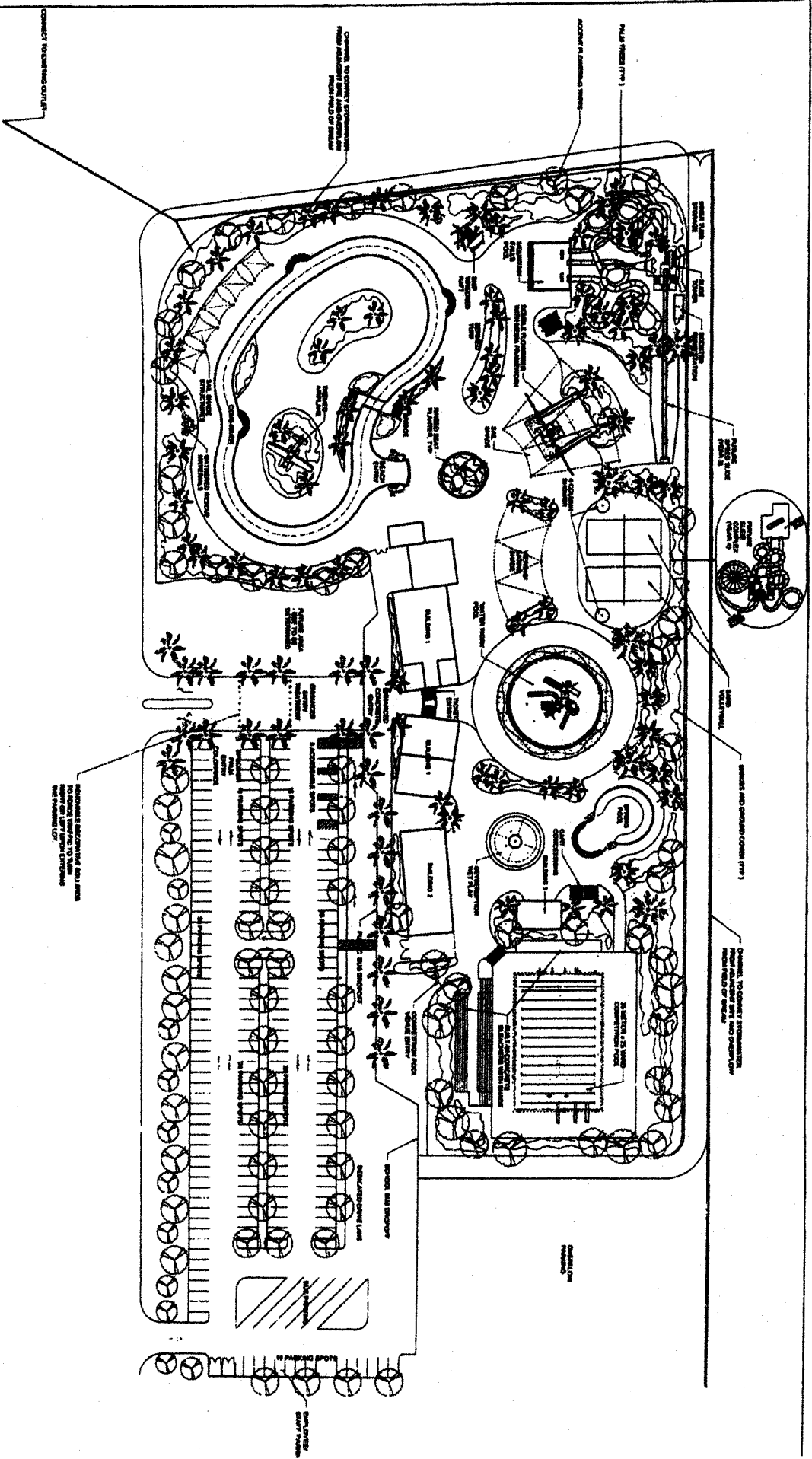
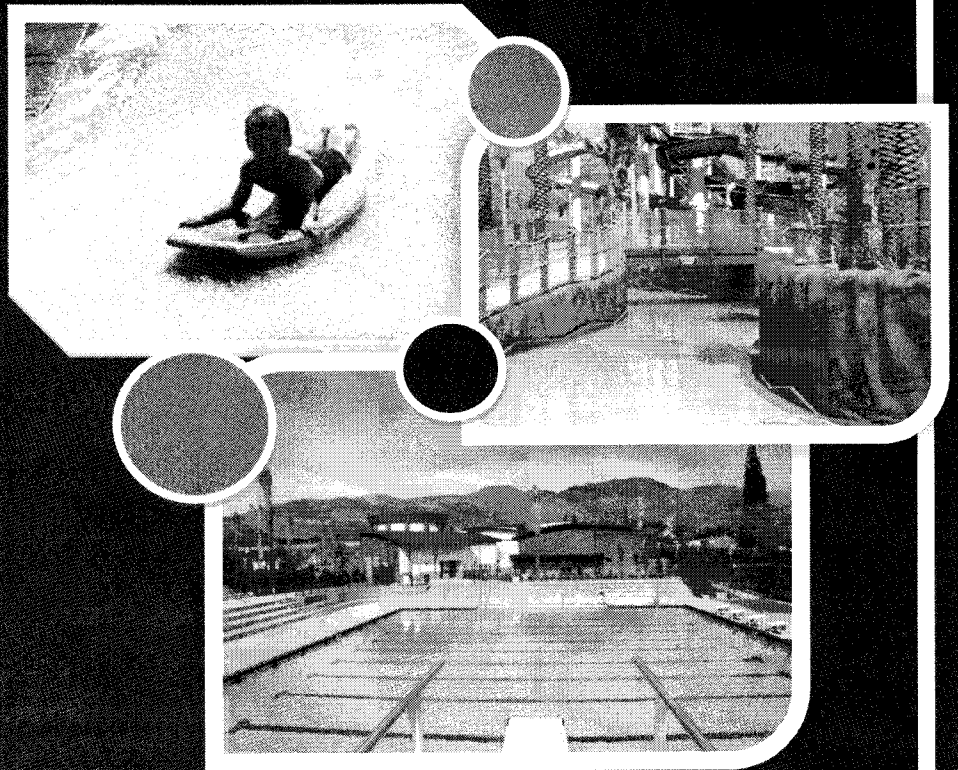


EXHIBIT A



Aquatic Facility Operational Impact Report



PREPARED BY:

pros
consulting
LLC

MAY 2011

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CHAPTER ONE - EXECUTIVE SUMMARY

The Riverside County Regional Park and Open Space District (“District”) engaged PROS Consulting, LLC to develop a new Aquatic Facility Financial Impact Report to identify in a very limited time frame, the financial ramifications of developing an aquatic facility in the proposed location (Perris, CA) based on an understanding of the market conditions.

The objective of this report is to outline the operational costs and revenue opportunities for the District to operate and maintain this Facility and to determine the level of cost recovery anticipated.

Overall, the demographics indicate there would be good market draw and participation levels. Area competitors offer some programming that would limit the success of the competition pool, but the water park would be able to recover direct costs. It is estimated that the Trumble Road Aquatics Center would require a minimum of \$600,000 in subsidy annually and that amount increases to \$1.5 M if capital replacement costs are included.

Several recommendations are made in Chapter Six that, if implemented, could improve the cost recovery model.

1.1 ASSUMPTIONS

The Trumble Road Aquatics Center is assumed to have a similar design and the same features and amenities as the new Jurupa Aquatics Center (“The Cove”), opening in May 2011.

The Trumble Road competition pool is assumed to be 50 meters by 25 yards as opposed to the current dimensions of the competition pool at The Cove. Due to the larger pool size, larger deck space, additional spectator seating, restrooms and parking spaces are also assumed. The staffing and operations are assumed to be the same as The Cove except for adjustments to reflect the larger competition pool and related spaces.

1.2 MARKET

While the Trumble Road service area has about 40% of the total population as The Cove service area, the proposed site only has 25% of competing aquatics sites as The Cove. The Big League Dreams sports complex will have a significant market impact in promoting the water park component of the new Aquatic Center during the summer season.

The water park should have strong participation, but the competition pool does not have a strong market as a significant number of schools have competition facilities. Complete market analysis can be found in **Chapter Two** of this report.

1.3 DEMOGRAPHICS

Overall, the service area has an above average population growth pattern that is expected to continue for the foreseeable future. From an age segment standpoint, there is a slight aging trend. Currently it is estimated that the 45-54 year age segment has the greatest number of people.

The service area has undergone a considerable diversification of the population composition since the Census 1990. The White alone population is the largest group by number but it is



decreasing as a portion of the total. In terms of ethnic origins, nearly 40% of the service area's populace is classified as being of Hispanic/Latino origin of any race.

The income characteristics do exhibit marginally average trends when compared to the state but are on par with national averages. The service area's median household income was \$41,873 in 2000, estimated at \$55,230 in 2010 and is projected to be \$62,896 in 2015. Growth of the various income characteristics are projected to continue.

The Demographics for the Trumble Road site indicate water fitness programs such as lap swimming and aerobics would be well received. In addition, among the highest ethnic representations, recreation swimming ranks the highest in terms of rates of participation. Finally, the median household income is an indicator that a tiered pricing strategy to accommodate low to moderate income families is recommended.

1.4 FINANCIAL IMPACT

1.4.1 DIRECT COST RECOVERY

With the **base assumptions**, the Water Park should capture 147% of its **direct** operating costs, while the competition pool is estimated to recovery 10% of its direct operating costs. The total center is estimated to recover 68% of its **direct costs**. This Direct Cost Recovery analysis excludes capital replacement costs. In total, the net operational loss is estimated at \$606,705 per year.

Note: Water Park is defined as the recreational amenities, including the waterslides, river and water play areas. Competition Pool is strictly the 50M pool, and Aquatics Center is the physical building that serves both the Water Park and Competition Pool.

Base Analysis	Water Park	Competition Pool	Aquatics Center	Total
Net Revenues Over (under) Direct Expenditures	\$ 370,335.53	\$ (758,894.26)	\$ (218,147.00)	\$ (606,705.73)
Operating Investment Per Participant	\$ (9.26)	\$ 303.56	\$ 5.13	\$ 14.28
Operating Cost Recovery	147%	10%	17%	68%

1.4.2 TOTAL COST RECOVERY

Total Cost Recovery includes Capital Replacement. The Water Park should recover all of its operating costs and 79% of the operating and capital replacement costs. The competition pool is estimated to recovery 8% of the operating and replacement costs. The center is estimated to have a **total cost recovery** of 46% including capital. In total, the net operational loss with capital replacement included is \$1.5 M per year.

Base Analysis	Water Park	Competition Pool	Aquatics Center	Total
Net Revenues Over (under) Total Expenditures	\$ (304,664.47)	\$ (983,894.26)	\$ (218,147.00)	\$ (1,506,705.73)
Total Cost - Investment Recovery Per Participant	\$ 7.62	\$ 393.56	\$ 5.13	\$ 35.45
Total Cost Recovery - Percent	79%	8%	17%	46%

CHAPTER TWO - MARKET

The Trumble Road Aquatic Facility map depicts the location of the proposed Aquatic Facility and the associated 15 mile radius service area based on a desktop assessment within the service area shown in **Figure 2**. Public facilities denote those facilities that are open to the public primarily, but that may be closed for private programming while Private facilities may have public offerings but primarily serve a private programming audience.

Aquatic Centers were determined as those facilities demonstrating two or more obvious aquatic components in addition to those typically found in and around a flat water pool. Outdoor and Indoor Pools are those facilities that have a typical flat water pool and ancillary components.

2.1 AREA COMPETITION

There are 9 facilities that are within the service area shown in **Figure 1**:

- 1 Public Facility
 - Outdoor Pool
 - City Owned
- 8 Private Facilities
 - 1 Aquatic Center (7.18 Miles Away)
 - HOA Owned
 - 7 Outdoor Pools
 - 1 HOA Owned
 - 6 School Owned (competition facilities)

Name	Class	Owner Class	Owner	Distance (Miles)
Perris High School	Outdoor Pool	Private	School	5.36
Menifee Beach & Swim Club	Aquatic Center	Private	HOA	7.18
Recreation Pool	Outdoor Pool	Public	City	14.98
Greer Ranch Community Pool	Outdoor Pool	Private	HOA	12.96
Elsinore High School	Outdoor Pool	Private	School	16.12
Temescal Canyon High School	Outdoor Pool	Private	School	14.53
Valley View High School	Outdoor Pool	Private	School	14.04
Vista Murrieta High School	Outdoor Pool	Private	School	12.89
Citrus Hill High School	Outdoor Pool	Private	School	14.56

Figure 1 –Trumble Road Aquatics Center Competitors

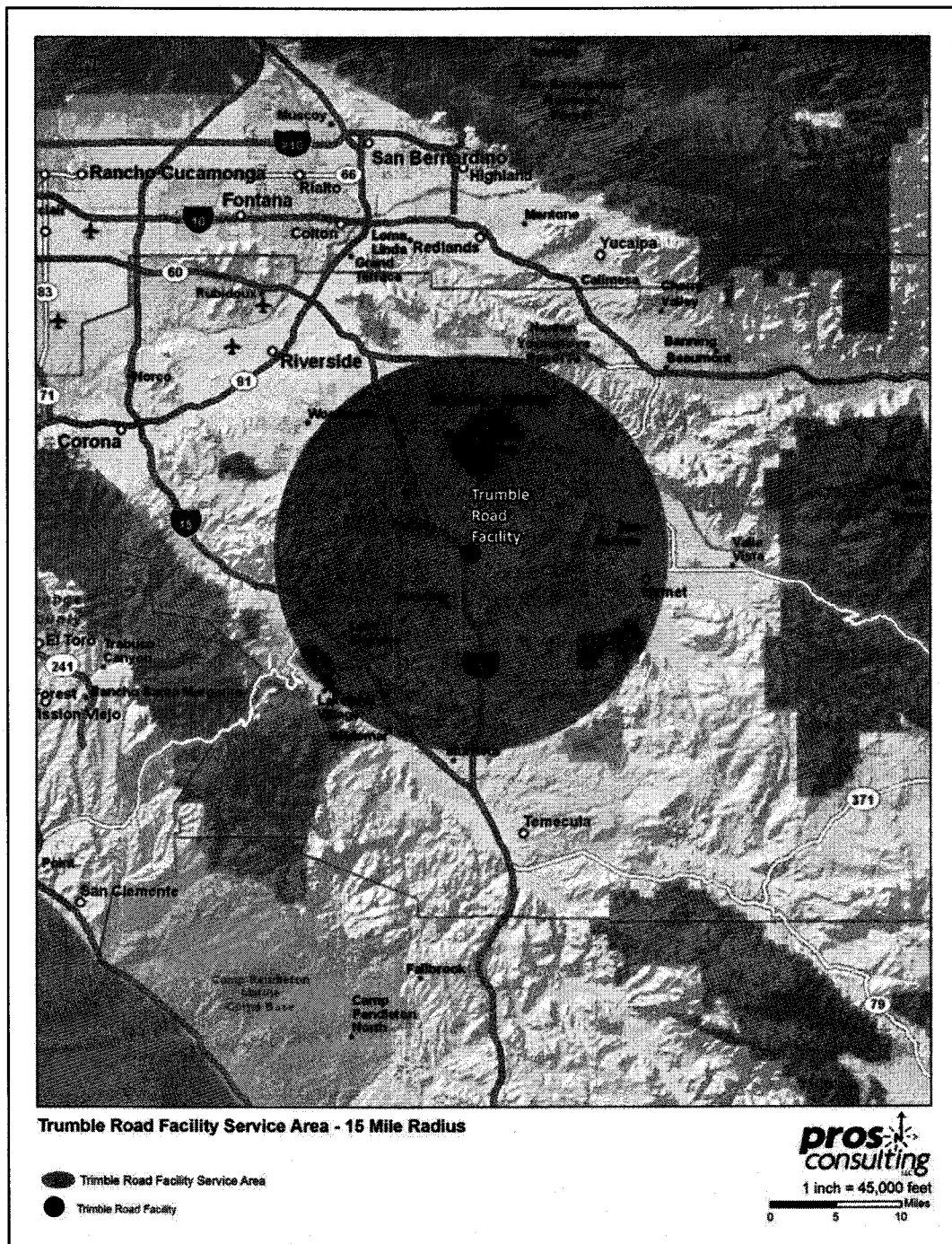


Figure 2 –Trumble Road Aquatics Center Service Area

The Market Competition of Aquatic Facility Service Areas map (Figure 3) depicts the two previous 15 mile radius service areas plus the service areas of competing **Public** aquatic facilities within 30 miles of the Trumble Road Facility and their 15 mile radius service areas; private facility locations remain denoted with the public facilities by the symbols on the map, yet do not have a service area. The same standards for Public and Private, and Aquatic Center, Indoor Pool and Outdoor Pool apply. The blue area of Figure 3 shows a large un-served area with little competition in the 15 mile radius.

2.1.1 AREA COMPETITION OBSERVATIONS

As seen, there are 43 aquatic facilities within 30 miles of The Trumble Road Facility but only 8 within 15 miles. Hotels and other non-public programming facilities do exist but were not counted. School programming may impact the aquatic center from a recreation and competitive swim programming standpoint.

There is a large gap displayed in Public Aquatic Facility Service from the Trumble Road Facility southwest to Wildomar and northwest to Perris High School and beyond to Lake Perris State Recreation Area. Schools provide the greatest competition to facilities and facility programming for their service age groups, with many schools (even some elementary schools) having outdoor competition pools. Specifically, Perris High School (approximately 5 miles away) offers swimming lessons, lap swimming, American Red Cross classes, and Masters swim programs. Nearly all aquatic facilities are on a major road or are very close to one.

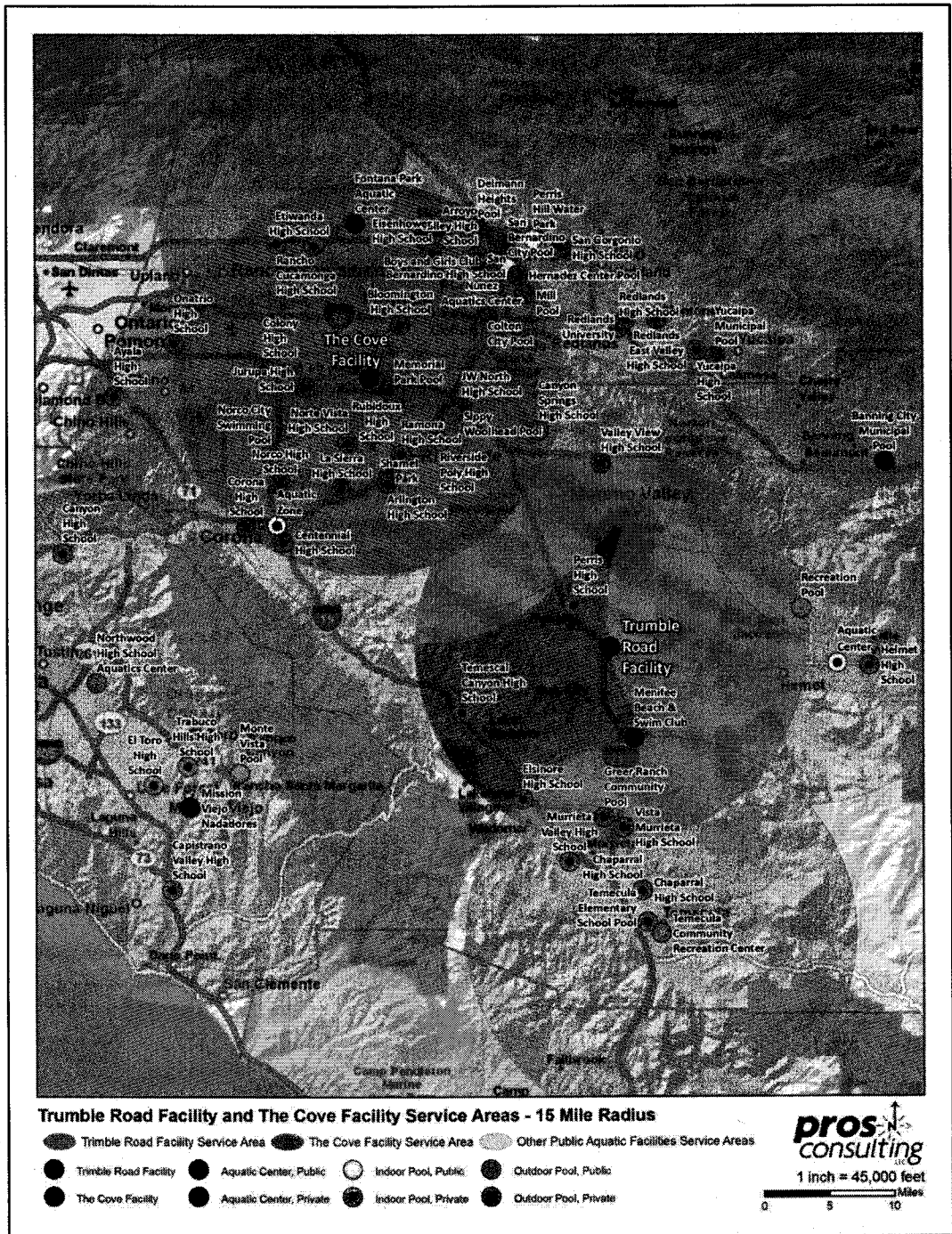


Figure 3—Trumble Road and The Cove (Jurupa) Aquatics Competition

2.2 TRUMBLE ROAD AND THE COVE (JURUPA) FACILITY

Figure 3 depicts the location of the proposed Trumble Road Aquatic Facility and the location of The Cove, and the associated 15 mile radius service area each based on a desktop assessment within the service area. Public facilities denote those facilities that are open to the public primarily, but that may be closed for public programming while Private facilities may have public offerings but primarily serve a private programming audience.

Aquatic Centers were determined as those facilities demonstrating two or more obvious aquatic components in addition to those typically found in and around a flat pool. Outdoor and Indoor Pools are those facilities that have a typical flat pool and ancillary components.

In addition to the facilities listed above, The Cove adds:

- There are 35 facilities within The Cove Service Area
 - 11 Public Facilities
 - 2 Aquatic Centers - City Owned
 - 8 Outdoor Pools
 - 8 City Owned
 - 1 Indoor Pool - City Owned
 - 24 Private Facilities
 - 23 Outdoor Pools
 - 22 School Owned (competition pools)
 - 1 Privately Owned - Indoor Pool

The competitors for the Trumble Road facility are listed in **Figure 4**.



Riverside County Regional Park & Open Space District

Name	Class	Owner Class	Owner
Aquatic Zone	Indoor Pool	Private	Private
California Baptist University Lancer Aquatic Center	Outdoor Pool	Private	School
Memorial Park Pool	Outdoor Pool	Public	City
Norco City Swimming Pool	Outdoor Pool	Public	City
Fontana Park Aquatic Center	Aquatic Center	Public	City
San Bernardino City Pool	Indoor Pool	Public	City
Hernandez Center Pool	Outdoor Pool	Public	City
Nunez Aquatics Center	Aquatic Center	Public	City
Mill Pool	Outdoor Pool	Public	City
Delmann Heights Pool	Outdoor Pool	Public	City
Boys and Girls Club	Outdoor Pool	Private	Boys and Girls Club
Arlington High School	Outdoor Pool	Private	School
Arroyo Valley High School	Outdoor Pool	Private	School
Bloomington High School	Outdoor Pool	Private	School
Canyon Springs High School	Outdoor Pool	Private	School
Centennial High School	Outdoor Pool	Private	School
Citrus Hill High School	Outdoor Pool	Private	School
Colony High School	Outdoor Pool	Private	School
Colton City Pool	Outdoor Pool	Public	City
Corona High School	Outdoor Pool	Private	School
Eisenhower High School	Outdoor Pool	Private	School
Etiwanda High School	Outdoor Pool	Private	School
Jurupa High School	Outdoor Pool	Private	School
La Sierra High School	Outdoor Pool	Private	School
Norco High School	Outdoor Pool	Private	School
Norte Vista High School	Outdoor Pool	Private	School
JW North High School	Outdoor Pool	Private	School
Perris High School	Outdoor Pool	Private	School
Ramona High School	Outdoor Pool	Private	School
Rancho Cucamonga High School	Outdoor Pool	Private	School
Riverside Poly High School	Outdoor Pool	Private	School
Rubidoux High School	Outdoor Pool	Private	School
San Bernardino High School	Outdoor Pool	Private	School
Shamel Park	Outdoor Pool	Public	Private
Sippy Woolhead Pool	Outdoor Pool	Public	Private

Figure 4 –Trumble Road Facility Competition



2.2.1 Trumble Road and The Cove (Jurupa) Observations

The Cove Facility has four times the number of area competitors that the Trumble Road facility has and about 2½ times more population. There is a slight overlap of service between the two facilities but not significant; the Trumble Road Facility is spatially located well from an in-house service area overlap standpoint.

One of the keys to making the competition pool and consequently, the entire facility, successful, is to develop a strong program base for the 50 meter pool component. This will require that the District develop their own swim teams for the facility or partner with schools or clubs in the area to create strong usage and provide opportunities for swim team competitions. This may take time to grow the teams and the District will need to be patient in doing so. There are currently four high schools within 10 miles that do not have pools or swim teams at this time:

- Val Verde High School (9.6 miles)
- Perris Lake High School (4.1 miles)
- Heritage High School (3.82 miles)
- Paloma Valley High School (8.52 miles)

It is recommended these schools be contacted to determine interest in utilizing the Trumble Road facility as a home pool.

It will be important for the District not to create entitlement of users as it applies to swim teams and lap swimmers and should focus their efforts on market rate pricing for both user groups.

2.3 BIG LEAGUE DREAMS SPORTS PARK

A Big League Dreams Sports Parks is under construction on the property next to the Trumble Road Aquatics Center site. This facility is a major host for youth baseball tournaments and should have a significant market impact on the water park area of the proposed aquatics center. Using joint-use agreements or similar partnership strategies, there is an opportunity to leverage the sports park to generate admissions for the aquatic facility (water park) particularly, during the summer season.

2.4 DEMAND SIDE ANALYSIS – RECREATIONAL TRENDS

Numerous studies have found that Americans who recreate frequently are notably happier with their lives. According to Responsive Management, among active recreationist, the one in five Americans who recreate at least twice weekly, 45% report "complete satisfaction" with their overall quality of life and 49% report being "fairly well" satisfied.

Information released by American Sports Data, Inc.'s (ASD) 2007 Superstudy of Sports Participation reveals that most of the popular sport and recreational activities include **swimming**, walking, jogging, bicycling, and weight training. Most of these activities appeal to both young and old alike, can be done in most environments, can be enjoyed regardless of level of skill, and have minimal economic barriers to entry. These popular activities also have appeal because of the social aspect: people enjoy walking and biking together, and although fitness activities are mainly self-directed, many can offer a degree of camaraderie.

Swimming remains one of the two most participated in activities of the past decade. Walking overtook swimming in participation during the last year data was available (2007), with a reported 87.3 million Americans walked at least once a year.

2.4.1 TRENDING SOURCE

The American Sports Data, Inc.'s (ASD) Superstudy of Sports Participation (Superstudy) was utilized to evaluate national sport and fitness participatory trends. ASD has been an unequaled leader in sports and fitness participation trends for over two decades; the Superstudy is based on a national consumer mail survey of 30,000 adults and children. The 2007 Superstudy of Sports Participation survey was administered between January 2nd and 3rd, 2008 and represents participatory data for the twelve consecutive months preceding December 31, 2007. Using the 2007 Superstudy of Sports Participation, the following national participation trends were identified for core activities. The Superstudy compares changes in participation during the past one (1), five (5), eight (8), and twenty (20) years. Although the one (1) year change may indicate a future trend or current fad, it is the 5, 8, and 20 year data that is representative of ongoing trends. This report includes analysis of short term and long term participation changes.

For purposes of the Trumble Road Aquatics Facility, aquatic activities were primarily analyzed.

2.4.2 AQUATIC ACTIVITY

Swimming is unquestionably a lifetime sport. Participation rates in swimming have remained steady over the years, although as with most recreational activities, participatory rates have dipped slightly. However, recreational swimming is the unquestionable leader in multigenerational appeal with more than 91 million estimated participants per year.

Aquatic exercise has paved the way for a less stressful form of physical activity, allowing similar gains and benefits to land based exercise, including aerobic fitness, resistance training, flexibility, and better balance. Doctors have begun recommending aquatic exercise for injury rehabilitation, mature patients, and patients with bone or joint problems due to the significant reduction of stress placed on weight-bearing joints, bones, muscles, and also the affect that the pressure of the water assists in reducing swelling of injuries.

National Participatory Trends; by Activity	1987	1998	2000	2003	2006	2007	% Change, '03-'07	% Change, '00-'07	% Change, '98-'07	% Change, '87-'07
Aquatic Exercise	n/a	6,685	6,367	7,141	6,629	7,209	1.0%	13.2%	7.8%	n/a
Fitness Swimming	16,912	15,258	14,060	15,899	15,744	14,585		3.7%		
Recreational Swimming	n/a	94,371	93,976	96,429	94,302	87,285				n/a

NOTE: Participation listed in 000's of participants

Figure 6 - National Aquatic Participatory Trends (shown in '000's)



Expressing the national trends in a local perspective results in the following participatory estimates:

- Aquatic Exercise: estimated 19,137 participants in the 15-minute market
 - Total persons aged 6-years and above residing in the 15-minute market: 707,787
 - National participatory percentage: 2.7%
- Fitness Swimming: estimated 38,275 participants in the 15-minute market
 - Total persons aged 6-years and above residing in the 15-minute market: 707,787
 - National participatory percentage: 5.4%
- Recreational Swimming: estimated 288,938 participants in the 15-minute market
 - Total persons aged 6-years and above residing in the 15-minute market: 707,787
 - National participatory percentage: 32.3%

CHAPTER THREE - DEMOGRAPHICS

3.1 INTRODUCTION

The California Southern Railroad was built through the future town site of Perris, CA in 1882 to provide a rail connection between present day cities Barstow and San Diego. Due to a land title dispute at Pinacate, most of its citizens moved two miles north along the railroad and established Perris in 1885. The City was incorporated in 1911.

Since this time, the City populace has grown steadily, increasing at least 30% every decade between 1920 and 2000. The demographic overview of the City will be utilized to gauge overall market conduciveness for aquatic activities as well as the estimated market capture. From this, operational and financial findings and recommendations will be made.

The county that Perris is in, Riverside, covers 7,208 square miles in the southern part of California. It stretches from Orange County to the Colorado River, the state border with Arizona. It is home to large numbers of Los Angeles workers, who have moved to the county in recent years to take advantage of the relatively affordable housing. Alongside neighboring San Bernardino County, it was one of the fastest growing regions in the state prior to changes in the regional economy. The cities of Temecula and Murrieta account for 20% of the increase in population of Riverside County between 2000 and 2007.

3.2 DEMOGRAPHICS ANALYSIS

The Demographic Analysis provides an understanding of the general populace of the within a 15 mile service area radius of the proposed Trumble Road Aquatic Center, being in the city of Perris, Riverside County, California. This analysis demonstrates the overall size of service area's total population by specific age segment, race and ethnicity, and the overall economic status and disposable income characteristics of the residents through household income statistics.

All future demographic projections are based on historical trends and projected out utilizing straight line regression. All projections should be utilized with the understanding that unforeseen circumstances during or after the time of the projections could have a significant bearing on the validity of the final projections.

3.3 SERVICE AREA DEMOGRAPHIC OVERVIEW

The Trumble Street Aquatic Center Service Area is a 15 mile radius and includes at least part of the cities of Perris, Beaumont, Canyon Lake, Hemet, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Riverside, San Jacinto, Sun City and Wildomar and the Census Designated Places of Homeland, Romoland and Winchester. The population in the service area has grown rapidly from 2000 to 2010 with an annual growth rate of 4.60% but is expected to slow to a growth rate of 2.07% per year to 2015. The current 2010 population of the service area is 771,772 persons with a projected number of 851,657 persons in the year 2015. Gender population is relatively even with an estimated 51.1% of the populace female; this trend is projected to remain constant.

The **population by major age segment** demonstrates a slight aging trend; an estimated 22.6% of the populace belongs to the 55+ age category. This aging trend is made evident by



the shift in the age segment spectrum to the right – the older categories – over the past decade; in 1990 the largest individual age segment consisted of persons aged 25-34. By 2000, the most populous age segment in the service area belonged to persons aged 35-44 years, which boasted nearly 20,000 more people than the next closest age segment. Currently it is estimated that the 45-54 year age segment has the greatest number of persons. Projections appear to remain relatively constant to the current segmentation composition.

The service area has undergone a considerable diversification of the population composition since the Census 1990. Currently, **race and ethnicity** is predominantly comprised of persons identified as white (59.3%); only one additional racial group comprises a significant portion of the populace – those classified as some other race alone (19.7% of the population). It is expected that this diversification will continue over the next five years. In terms of ethnic origins, nearly 40% of the service area's populace is classified as being of Hispanic/Latino origin of any race.

The **income characteristics** do exhibit marginally below average trends when compared to the state averages and are at par with national averages. The service area's median household income was \$41,873 in 2000, estimated at \$55,230 in 2010 and is projected to be \$62,896 in 2015. These numbers are nearly even with national trends (median household income of \$42,164 in 2000, \$54,442 in 2010 and \$61,189 in 2015) and lower than state averages (median household income of \$47,622 in 2000, \$60,992 in 2010 and \$69,315 in 2015). Growth of the various income characteristics are projected to continue.

3.4 METHODOLOGY

Demographic data used for the analysis was obtained from Environmental Systems Research Institute, Inc. (ESRI), the largest research and development organization dedicated to Geographical Information Systems (GIS) and specializing in population projections and market trends. All data was acquired in May 2011 (i.e. *Source: ESRI; 2011 05*), and reflects actual numbers as reported in the 1990/2000 Census, demographic estimates for 2010, and population projections for 2015 as calculated by ESRI. 15 mile service area radius from the Trumble Road Aquatic Center was utilized for the demographic analysis (see Figure 7).

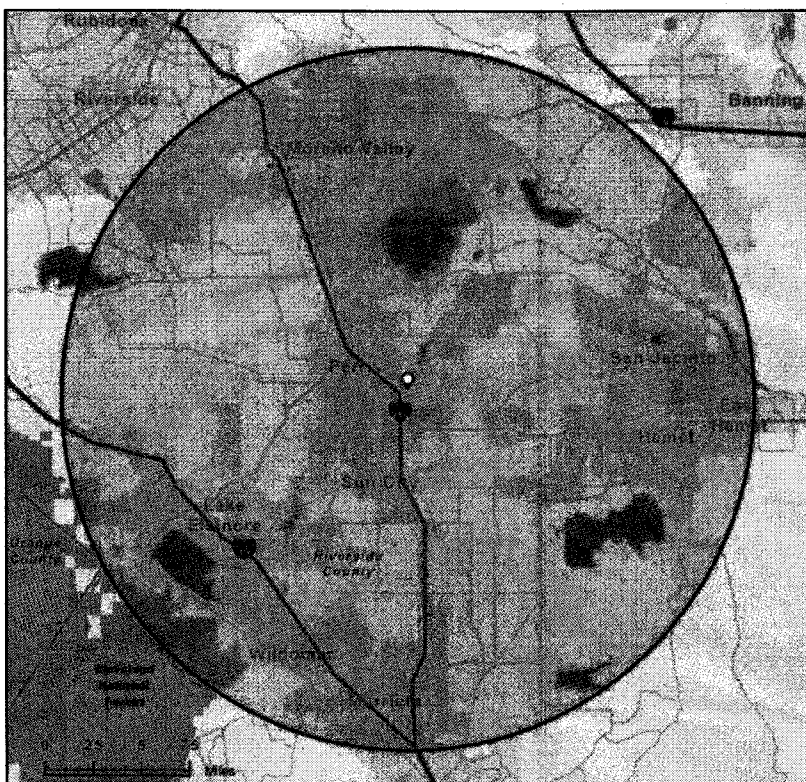


Figure 7 – Trumble Road Aquatic Center 15 Mile Radius (*Source: ESRI 2010 05*)



3.4.1 RACE AND ETHNICITY DEFINITIONS

The minimum categories for data on race and ethnicity for Federal statistics, program administrative reporting, and civil rights compliance reporting are defined as below. The Census 2000 data on race are not directly comparable with data from the 1990 Census and earlier censuses; caution must be used when interpreting changes in the racial composition of the US population over time. The latest (Census 2000) definitions and nomenclature are used within this chapter of the Business Plan.

- American Indian – This includes a person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment
- Asian – This includes a person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam
- Black – This includes a person having origins in any of the black racial groups of Africa
- Native Hawaiian or Other Pacific Islander – This includes a person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands
- White – This includes a person having origins in any of the original peoples of Europe, the Middle East, or North Africa
- Hispanic or Latino – This is an ethnic distinction, a subset of a race as defined by the Federal Government; this includes a person of Cuban, Mexican, Puerto Rican, Cuban, South or Central American, or other Spanish culture or origin, regardless of race

3.5 THE SERVICE AREA POPULACE

3.5.1 POPULATION

The service area's total service population has increased at a rapid pace over the last two decades. From 1990 to 2000, the population grew by 3.39% annually; 2000 to 2010 experienced a higher of population growth with an annual rate of 4.60%. In comparison, the national population growth rate annually is less than 1.5%. Five year projections reflect a slightly lower but stabilizing population rate; from 2010 to 2015 it is projected the service area will increase residents at a 2.07% annual rate. As depicted in Figure 8, there is an upward trend in the overall population since the turn of the century.

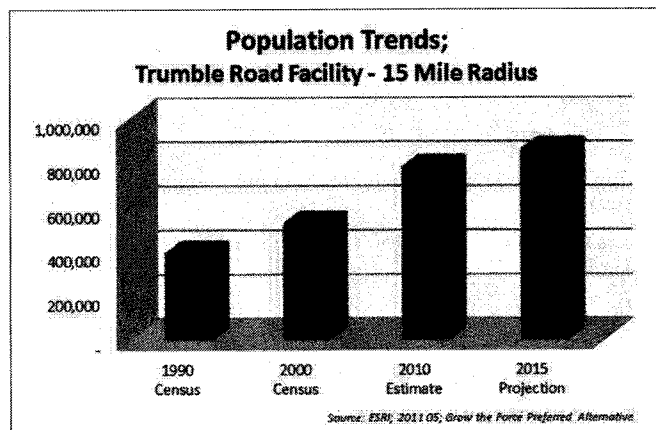


Figure 8 – Total Population Trends

3.5.2 AGE SEGMENT

Population by major age segment demonstrates a strong middle age nucleus that shows signs of an aging trend. The service area’s population plurality age segment experienced a “step down” at each of the major milestones over the past two decades:

- 1990 – biggest individual age segment consisted of persons aged 25-34 years
- 2000 – biggest individual age segment consisted of persons aged 35-44 years
- 2010 – biggest individual age segment consisted of persons aged 45-54 years

The current populace plateaus with all three middle age segments (25-34, 35-44, and 45-54) and the first senior age segment (55-64) all reporting more than 75,000 persons. This plateau is illustrated in Figure 9 with the green trend line. Future trending shows a large youth upswing of those in the 25-34 year old age group.

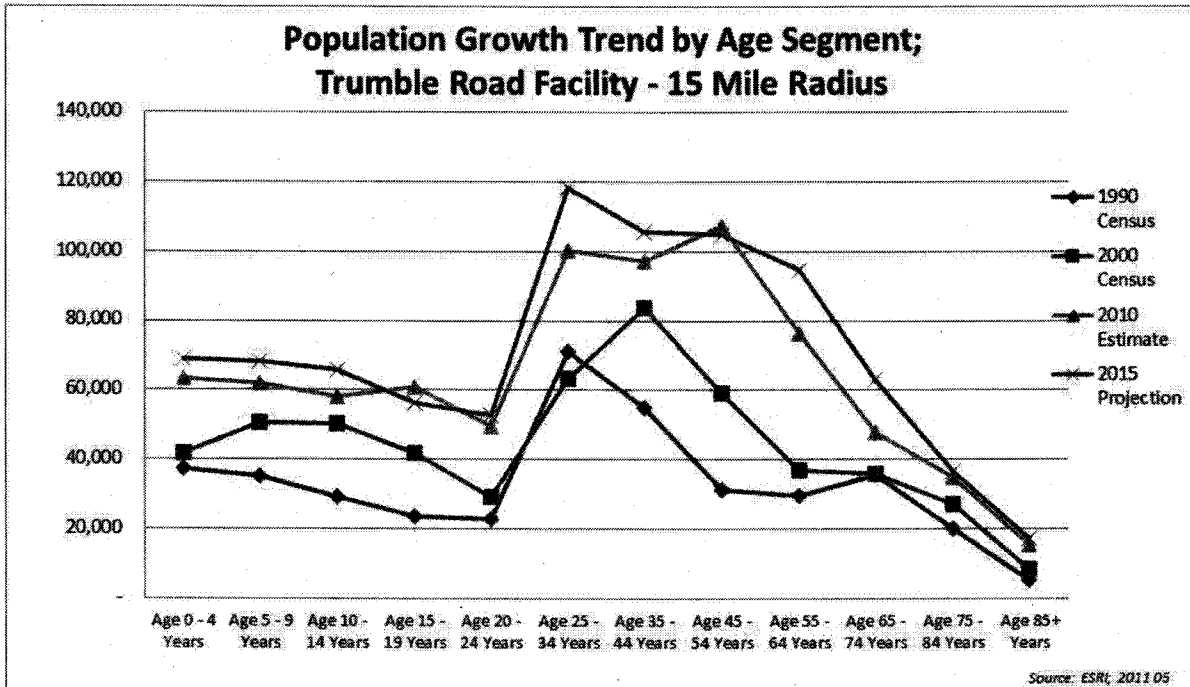


Figure 9 - Population by Major Age Segment

As depicted in Figure 10, the Under-35 segment of the population is estimated to account for 51.0 % of the current populace, down from 68.2% at the time of Census 2000, and 55.4% in 1990. Currently the 55+ populace accounts for 22.6%; this is slightly less than national averages of 24.8%. Over the next five years this 55+ group is expected to remain the same percentage of the total service area population. The median age of the service area is currently 34.3 years old, up 2.1 points from 1990. With a strong middle aged population composition combined with a growing active adult community and their desire to “stay young” and a large upcoming bubble of 25-34 year old residents, the proposed facility serves as a key player in maintaining and increasing the service area resident’s quality of life.



Population by Age	1990 Census	2000 Census	2010 Estimate	2015 Projection
Age 0 - 4 Years	37,105	41,766	63,285	68,984
Age 5 - 9 Years	35,250	50,753	61,742	68,133
Age 10 - 14 Years	29,090	50,225	57,883	65,578
Age 15 - 19 Years	23,547	41,766	60,970	56,209
Age 20 - 24 Years	22,888	29,077	49,393	52,803
Age 25 - 34 Years	70,967	63,441	100,330	118,380
Age 35 - 44 Years	54,719	83,531	97,243	105,605
Age 45 - 54 Years	31,367	59,212	107,276	104,754
Age 55 - 64 Years	29,417	37,008	76,405	94,534
Age 65 - 74 Years	35,378	35,950	47,850	63,023
Age 75 - 84 Years	19,920	26,963	34,730	36,621
Age 85+ Years	5,088	8,459	15,435	17,033
Median Age	32.1	33.2	34.3	34.6

Figure 10 - Population by Age Segment and Median Age (Source: ESRI 2011 03)

3.5.3 GENDER

The gender distribution for the service area is typical of national statistics, with the split slightly skewed towards the female population. Female totals account for 51.1% of the population (Figure 11). This distribution is projected to remain constant throughout the next five years.

According to recreational trends research performed in the industry over the past twenty years, swimming ranks in the top 10 recreational activities for women and in the top 15 recreational activities for men. For a more detailed trends analysis, please refer to the information contained in the District Strategic Plan.

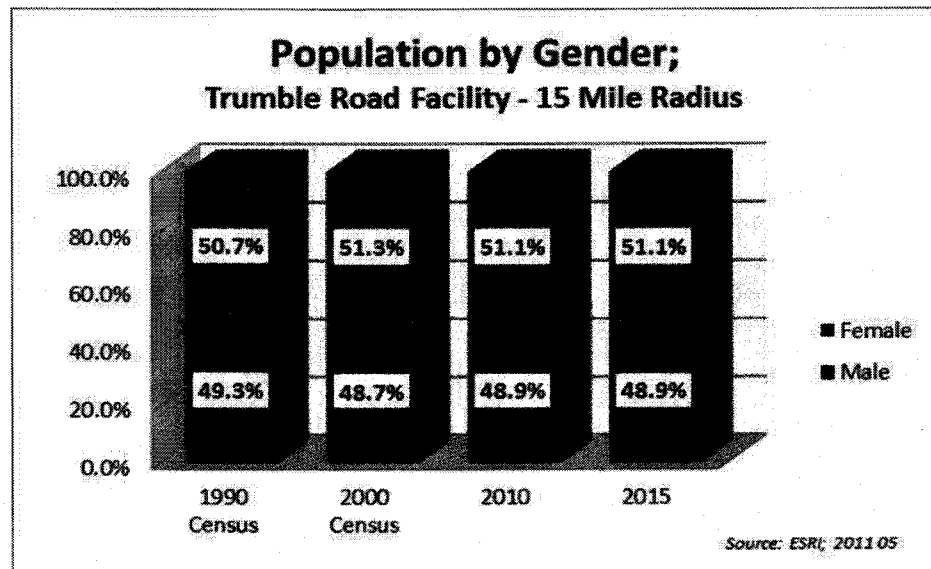


Figure 11 - Population by Gender

3.5.4 RACE AND ETHNICITY

Racial composition of a populace provides guidance for decision making based on historical and cultural heritage. In the service area, the past two decades have produced a much more diverse community. At the time of the Census 1990, 77.48% of the population was classified as white alone, and only those classified as some other race or as black alone comprised a smaller portion – 9.17% and 7.07% respectively – of the population (see Figure 12).

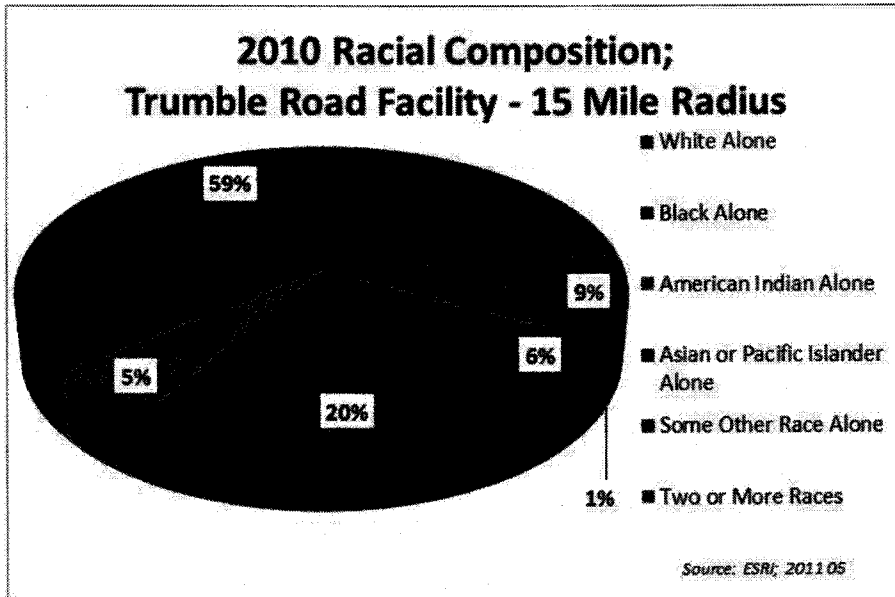


Figure 12 - Population by Race

Projections forecast a relatively steady trend line; although it is expected that persons classified as white alone will remain the majority, the margin is shrinking.

Ethnicity as it pertains to those classified as Hispanic/Latino origin of any race accounts for a significant portion of service area's population. Currently, an estimated 39.8% of the total population claims a Hispanic/Latino origin (see Figure 13) - as opposed to 16.2% nationally – being approximately 307,165 persons. The Hispanic/Latino populace has increased by over 293% since 1990. A continued increased growth is projected for the Hispanic/ Latino populace

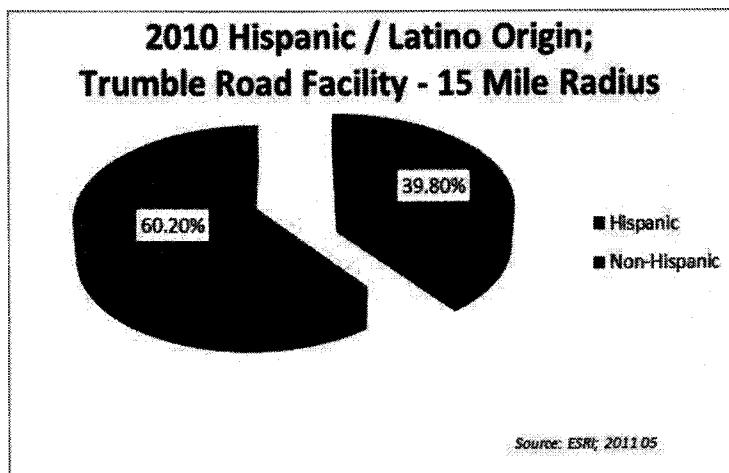


Figure 13 - Population Composition by Ethnicity/Origin



over the next five years and will have a significant impact on the marketing / communications, programming and pricing strategies that will be employed at this aquatic facility.

3.5.5 PARTICIPATION TRENDS IN AQUATICS BY RACE/ETHNICITY

The white population as a whole participates in a wide range of activities, including both team and individual sports of a land and water based variety; however, the white populace has an affinity for outdoor non-traditional sports.

Ethnic minority groups in the United States are strongly regionalized and urbanized, with the exception of Native Americans, and these trends are projected to continue. Different ethnic groups have different needs when it comes to recreational activities. Ethnic minority groups, along with Generations X and Y, are coming in ever-greater contact with white middle-class baby-boomers with different recreational habits and preferences. This can be a sensitive subject since many baby-boomers are the last demographic to have graduated high school in segregated environments, and the generational gap magnifies numerous ideals and values differences which many baby-boomers are accustomed to. This trend is projected to increase as more baby-boomers begin to retire, and both the minority and youth populations continue to increase.

Hispanic and Latino Americans have strong cultural and community traditions with an emphasis placed on the extended family, many times gathering in large recreational groups where multiple activities geared towards all age segments of the group may participate. Large group pavilions with picnicking amenities and multi-purpose fields are integral in the communal pastime shared by many Hispanics.

Utilizing the Ethnicity Study performed by American Sports Data, Inc., a national leader in sports and fitness trends, participation rates among recreational and sporting activities were analyzed and applied to the race/ethnic groups of the service area – those classified as white and of Hispanic/Latino origin.

Recreational swimming ranks as the most popular activity for those classified as **white** in terms of total participation percentage, the percentage by which you can multiply the entire population by to arrive at activity participation of at least once in the past twelve months, are:

1. **Recreational Swimming** – 38.9% participation rate (38.9% of the population has participated at least once in the last year)

Analyzing the top five activities that the **Black** populace participates in at the greatest rate finds recreational swimming ranking second:

1. Recreational Walking – 26.7% participation rate
2. **Recreational Swimming** – 20.2% participation rate

The most popular activity for those of **Hispanic/Latino** descent is recreational swimming:

1. **Recreational Swimming** – 33.2% participation rate

The top recreational activities for the Asian populace in regards to participation percentages finds recreation swimming ranking second:

1. Recreational Walking – 33.3% participation rate;
2. Recreational Swimming – 31.9% participation rate;

3.5.6 HOUSEHOLDS AND INCOME

The service area's household count has changed from 171,587 as reported in Census 2000 to an estimated 243,906 in 2010; a change of 4.7% annually. The five-year projection places household totals at 267,752 in 2015, a projected change of 2.0% annually from the 2010 estimate. Both percentages are lower but on par with overall U.S. population numbers. Average household size is currently estimated at 3.14 persons, compared to 3.05 in the year 2000. The number of families in the current year is 186,719.

Currently it is estimated that 66.5% of the 268,465 housing units in service are owner occupied; 24.4% are renter occupied, and 9.1% are vacant.

Home values statistics are:

- Median home value (2010) in the service area is \$184,114, compared to a median home value of \$157,913 for the U.S.
 - It is projected that in 2015 the median home value will increase by an annual rate of 4.0%, reaching \$221,278
 - This does not factor in a delayed economic recovery or additional economic setbacks
 - From 2000 to 2010, the median home value grew by 3.4 percent annually, higher than the national average of an annual 2.92% gain.

Household income characteristics are all nearly even with than that of national averages for median income and lower for both average and per capita incomes. This is indicative of a larger middle class segment and a smaller upper class segment within the service area than national trends; statistics are (see Figure 14):

- Current median household income is \$55,230, compared to \$54,442 for all U.S. households
 - Median household income is projected to reach \$62,896 by 2015, 2.8 percent higher than national averages
 - In 2000, median household income was \$41,873; median household income was reported as \$32,797 in 1990
- Current average household income is \$66,226, compared to \$71,437 for all U.S. households
 - Average household income is projected to reach \$75,827 in 2015



- In 2000, average household income was \$51,923, -9.09 percent less than the national average; average household income was reported as \$36,963 in 1990
- Current per capita income is \$21,087, compared to the U.S. per capita income of \$26,739
 - The per capita income is projected to be \$24,001 in 2015
 - In 2000, the per capita income was \$17,105; 1990 the per capita income was reported as \$13,760

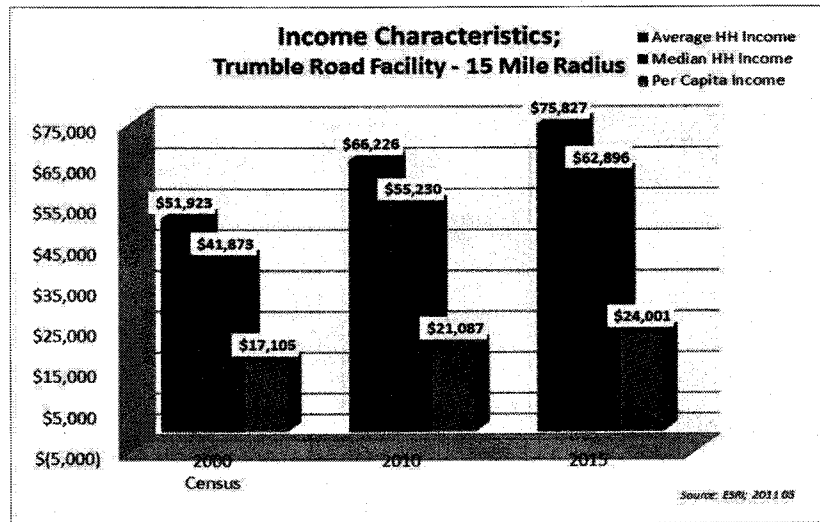


Figure 14 –Income Characteristics

In terms of disposable income – income available for household and personal expenditures after all applicable taxes – the service area has an estimated average disposable income of \$54,669. Average disposable income – or discretionary income available to the consumer – extrapolates to \$4,558 per month for households. Average disposable income by age of householder ranks as follows:

- Age of householder 45-54 – \$64,142 average disposable income
- Age of householder 35-44 – \$59,649 average disposable income
- Age of householder 55-64 – \$59,643 average disposable income
- Age of householder 25-34 – \$51,335 average disposable income
- Age of householder 65-74 – \$45,390 average disposable income
- Age of householder 75+ – \$41,123 average disposable income
- Age of householder <25 – \$40,789 average disposable income

Typically, the economy’s performance has a trickledown effect on recreation – a poor performing economy leads to less disposable income by requiring individuals and families to dedicate larger sums of money to necessities and less to discretionary items. When viewed in context with average household expenditures, the disposable income available for service area residents does not appear to be a great threat to entertainment and recreational spending. Household spending on all entertainment and recreation ranks a respectable sixth out of eighteen categories (Figure 15). On average, entertainment and recreation spending accounts for approximately 4.9%, or \$3,343 of the total household budget. The top five categories – retail goods, shelter/housing, food at home, health care, and food away from home – account for 79.0% of all household expenditures.

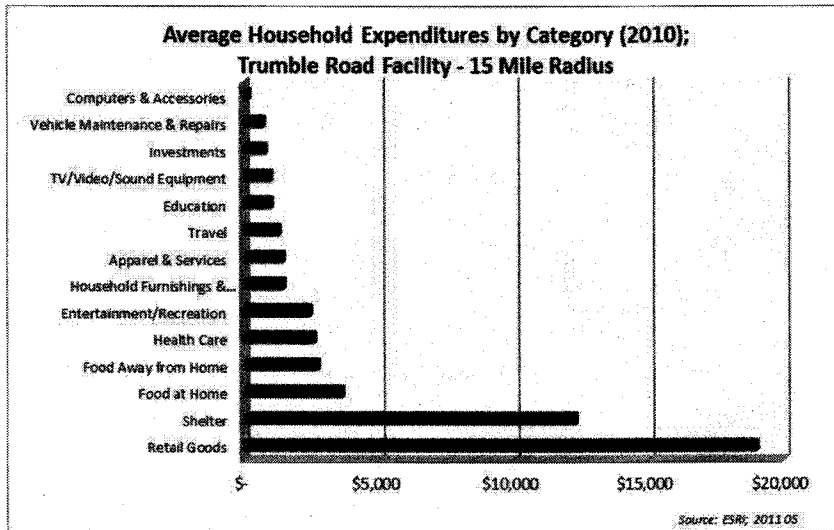


Figure 15 - Average Household Expenditures



3.6 THE COVE VS. TRUMBLE ROAD AQUATIC FACILITY COMPARISON

3.6.1 THE COVE VS. TRUMBLE ROAD AQUATIC FACILITY

In the 15-Mile radius from The Cove and the Perris Aquatic Facility, the income levels remain closely the same. In 2010, median household incomes for both facilities are around \$55,000 and average income is about \$66,000. The Perris facility has a slightly higher percentage in white alone racial composition (59.4%) compared to The Cove (46.8%). On the contrast, The Cove has a slightly higher percentage in Some Other Race Alone (29.7%) compared to the Perris facility (19.7%). The Cove's 15-Mile radius population is significantly higher than the 15-Mile radius population of the Perris facility. In 2010, the Perris population (771,772) was about 2 ½ times less than the population of The Cove (2,033,258). For the projected year of 2015, the trend remains constant. For the purposes of this report, overall attendance levels are projected lower due to the difference in population.

3.6.2 TRUMBLE ROAD AQUATIC FACILITY VS. RIVERSIDE COUNTY

The market areas of Riverside County and the designated service area market of the Perris facility overall are a very similar demographic composite.

CHAPTER FOUR - TRUMBLE ROAD SITE

The twelve acre Trumble Road site is shown in Figure 16. Figure 17 shows The Cove Aquatics complex on the Trumble Road site. The site has sufficient land of other compatible improvements.



Figure 16 – Trumble Road Site



Figure 17 – Trumble Road Site with Superimposed Cove Center

CHAPTER FIVE - FINANCIAL ANALYSIS

The financial analysis for the Trumble Road site is based on the design, features, anticipated revenues and anticipated expenditures for The Jurupa Aquatic Center. The competition pool at the Trumble Road site is proposed to be 50 meters by 25 yards instead of the 35 meters by 25 yards at the Jurupa Aquatic Center. The change in pool size also increases the deck space, spectator seating, restrooms and parking spaces.

5.1 REVENUES

The revenues are based on the Jurupa Aquatic Center budget. The Water Park admission revenues are shown in **Figure 18** with an estimated 40,000 visitors to the water park. The water park revenues are based on the Jurupa Center admission percentages by fee categories and adjusted to 40,000 first year visitors. The water park first year revenues are estimated to be \$1,333,200.

Water Park					
Attendance		40,000 Visitors			
Single Day Admission		Fees	Percent	Visitors	Revenues
General	\$	17.00	21%	8,400	\$ 142,800.00
Junior (Under 48")	\$	13.00	12%	4,800	\$ 62,400.00
Senior (Age 60+)	\$	13.00	6%	2,400	\$ 31,200.00
Free	\$	-	2%	800	\$ -
Season Pass					
General	\$	65.00	12%	4,800	\$ 312,000.00
Junior (Under 48")	\$	55.00	12%	4,800	\$ 264,000.00
Senior (Age 60+)	\$	55.00	7%	2,800	\$ 154,000.00
Family (4 or more per person \$)	\$	50.00			
Group Rates					
General	\$	15.00	16%	6,400	\$ 96,000.00
Junior (Under 48")	\$	11.00	9%	3,600	\$ 39,600.00
Senior (Age 60+)	\$	11.00	3%	1,200	\$ 13,200.00
Full Park Rental (Hour)	\$	1,500.00		12	\$ 18,000.00
Total User Water Park Revenue			100%	40,012	\$ 1,133,200.00

Figure 18 – Water Park Admissions Revenues

The Competition Pool admission revenues are shown in **Figure 19** with an estimated 2,500 visitors to the competition pool. The revenues from the Competition Pool are adjusted from the Jurupa Aquatic Center revenues to reflect that the proposed center does not have a strategic partner in using or funding the competition pool at the Trumble Road site. The competition pool revenues are based on the Jurupa Center admission percentages by fee categories and adjusted to 2,500 first year visitors. The competition pool first year revenues are estimated to be \$71,275.



Riverside County Regional Park & Open Space District

The general facility revenues are shown in **Figure 20**. The group revenues and visitors are shown in **Figure 21**.

Competition Pool					
Attendance		2,500 Visitors			
Recreation Lap Swim		Fees	Percent	Visitors	Revenues
Single Adult Use	\$	3.00	15%	375	\$ 1,125.00
Single Child Use	\$	2.00	10%	250	\$ 500.00
Single Senior Use	\$	2.00	8%	200	\$ 400.00
Free	\$	-	2%	50	\$ -
Lifeguard Fee	\$	20.00			
Lane Rentals	\$	15.00			
Aquatics Exercise					
Single Session	\$	4.00			
Multi-Pass	\$	30.00			
Aquatics Team Lessons	\$	75.00			
Monthly Discount Pass					
All Users	\$	30.00	65%	1,625	\$ 48,750.00
Specialty Camps					\$ 12,000.00
Equipment Rentals	\$	50.00		50	\$ 2,500.00
Pool Rentals	\$	300.00		20	\$ 6,000.00
Total Competition Pool Revenues			100%	2,570	\$ 71,275.00

Note 1: Competition Pool Fees are from swim team associations and are anticipated to include two year round contracts with five lanes used for two hours for five days a week for 50 weeks at \$15 per hour per lane and three summer season only contracts with five lanes used for three hours for sixteen weeks at \$15 per hour per lane.

Figure 19 – Competition Pool Revenues

Aquatics Center	Water Park	Competition Pool	Aquatics Center	Total
Concessions	\$ -	\$ -	\$ 25,000.00	\$ 25,000.00
Competition Pool Fees ¹	\$ -	\$ 11,100.00	\$ -	\$ 11,100.00
Interfund-RDA	\$ -	\$ -	\$ -	\$ -
Operating Transfer-In	\$ -	\$ -	\$ -	\$ -
Rents	\$ 5,000.00	\$ -	\$ -	\$ 5,000.00
Total Other Revenues	\$ 5,000.00	\$ 11,100.00	\$ 25,000.00	\$ 41,100.00

Figure 20 - Other Revenues

Aquatic Facility Operational Impact Report– Final Report

Revenues	Competition			Aquatics	Total
	Water Park	Pool		Center	
Participants Per Program Day					
Summer Season Swim Lessons	50	20		0	
Off-Season Swim Lessons	20	10		0	
Private Lessons	5	5		0	
Semi-Private Lessons	10	10		0	
Lifeguard Training	2	0		0	
Birthday Party	1	0		0	
Lifeguard Fee	60	20		0	
Private Rental	25	0		0	
Locker Rental	0	0		7,000	
Furniture Rental	32	0		0	
Small Group Table	32	0		0	
Large Group Table	60	0		0	
Recreation Classes	80	40		0	
Recreation Classes/Non-Resident	30	20		0	
Fee Schedule					
Summer Season Swim Lessons	\$ 50.00	\$ 50.00		\$ -	
Off-Season Swim Lessons	\$ 45.00	\$ 45.00		\$ -	
Private Lessons	\$ 25.00	\$ 25.00		\$ -	
Semi-Private Lessons	\$ 50.00	\$ 50.00		\$ -	
Lifeguard Training	\$ 160.00	\$ 160.00		\$ -	
Birthday Party	\$ 75.00	\$ 75.00		\$ -	
Lifeguard Fee	\$ 20.00	\$ 20.00		\$ -	
Private Rental	\$ 75.00	\$ 75.00		\$ -	
Locker Rental	\$ 3.00	\$ 3.00		\$ 3.00	
Furniture Rental	\$ 10.00	\$ -		\$ -	
Small Group Table	\$ 40.00	\$ -		\$ -	
Large Group Table	\$ 150.00	\$ -		\$ -	
Recreation Classes	\$ 40.00	\$ 40.00		\$ -	
Recreation Classes/Non-Resident	\$ 50.00	\$ 50.00		\$ -	
Revenues					
Summer Season Swim Lessons	\$ 2,500.00	\$ 1,000.00		\$ -	\$ 3,500.00
Off-Season Swim Lessons	\$ 900.00	\$ 450.00		\$ -	\$ 1,350.00
Private Lessons	\$ 125.00	\$ 125.00		\$ -	\$ 250.00
Semi-Private Lessons	\$ 500.00	\$ 500.00		\$ -	\$ 1,000.00
Lifeguard Training	\$ 320.00	\$ -		\$ -	\$ 320.00
Birthday Party	\$ 75.00	\$ -		\$ -	\$ 75.00
Lifeguard Fee	\$ 1,200.00	\$ 400.00		\$ -	\$ 1,600.00
Private Rental	\$ 1,875.00	\$ -		\$ -	\$ 1,875.00
Locker Rental	\$ -	\$ -		\$ 21,000.00	\$ 21,000.00
Furniture Rental	\$ 320.00	\$ -		\$ -	\$ 320.00
Small Group Table	\$ 1,280.00	\$ -		\$ -	\$ 1,280.00
Large Group Table	\$ 9,000.00	\$ -		\$ -	\$ 9,000.00
Recreation Classes	\$ 3,200.00	\$ 1,600.00		\$ -	\$ 4,800.00
Recreation Classes/Non-Resident	\$ 1,500.00	\$ 1,000.00		\$ -	\$ 2,500.00
Total User Group Revenues	\$ 22,795.00	\$ 5,075.00		\$ 21,000.00	\$ 48,870.00

Figure 21 – Group Revenues



A summary of all revenues are presented in **Figure 22**.

Revenue Summary	Water Park	Competition Pool	Aquatics Center	Total
Water Park Admissions	1,133,200			1,133,200
Competition Pool Admissions		71,275		71,275
General Aquatics Center	5,000	11,100	25,000	41,100
User Group Revenues	22,795	5,075	21,000	48,870
Grand Total Revenues	\$ 1,160,995.00	\$ 87,450.00	\$ 46,000.00	\$ 1,294,445.00

Figure 22 –Revenue Summary

5.2 LABOR COSTS

The expenditures are based on the Jurupa Aquatic Center budget for the Competition Pool. The Competition Pool labor costs are increased to reflect the larger sized pool. The Competition Pool labor costs are divided by season to reflect the significant differences in operations and visitation. The Water Park labor is shown in **Figure 23** and the Competition Pool Labor is shown in **Figures 24** through **27**.

Labor Costs	Water Park				
	Number of Staff	Hours Per Day	Hourly Rate	Days Per Season	Labor Costs
Summer					
Attendant	2	7	\$ 13.00	81	\$ 14,742.00
Pool Supervisor	1	7	\$ 19.50	81	\$ 11,056.50
Lifeguard / Senior LG	21	7	\$ 13.00	81	\$ 154,791.00
Fringe					
Attendant	2	7	\$ 13.00	25	\$ 4,550.00
Pool Supervisor	1	7	\$ 19.50	25	\$ 3,412.50
Lifeguard / Senior LG	21	7	\$ 13.00	25	\$ 47,775.00
After Hours Events					
Attendant	2	3.5	\$ 13.00	10	\$ 910.00
Pool Supervisor	1	3.5	\$ 19.50	10	\$ 682.50
Lifeguard / Senior LG	21	3.5	\$ 13.00	10	\$ 9,555.00
Facility Staff					
Bureau Chief (25%)					\$ 37,500.00
Aquatics Supervisor					\$ 40,000.00
Aquatic Coordinator					\$ 43,056.00
Park Maintenance Worker					\$ 37,440.00
Aquatic Technician					\$ 25,722.00
Training					\$ 3,000.00
Other					\$ 5,807.50
Total Water Park Labor					\$ 440,000.00

Figure 23 –Water Park Labor

Aquatic Facility Operational Impact Report– Final Report

Labor Costs	Competition Pool				
	Number of Staff	Hours Per Day	Hourly Rate	Days Per Season	Labor Costs
Summer					
Lap Swim					
Lifeguard	1	3.750	\$ 13.00	69	\$ 3,363.75
Lifeguard	1	3.125	\$ 13.00	32	\$ 1,300.00
AM Lessons					
Senior LG	6	4.750	\$ 15.00	40	\$ 17,100.00
Lifeguard	2	5.938	\$ 13.00	40	\$ 6,175.00
Lap Swim					
Lifeguard	6	4.375	\$ 13.00	101	\$ 34,466.25
PM Lessons					
Senior LG	6	5.000	\$ 15.00	32	\$ 14,400.00
Lifeguard	1	5.000	\$ 13.00	32	\$ 2,080.00
Night Lap					
Lifeguard	1	6.250	\$ 13.00	55	\$ 4,468.75
Lifeguard Training & Water Safety Instructor					
Senior LG	4	2.500	\$ 15.00	5	\$ 750.00
Lifeguard	1	2.500	\$ 13.00	5	\$ 162.50
Speciality Program Camps					\$ 5,000.00
Summer Total					\$ 89,266.25

Figure 24 –Competition Pool – Summer Labor

Labor Costs	Competition Pool				
	Number of Staff	Hours Per Day	Hourly Rate	Days Per Season	Labor Costs
Winter					
Lap Swim					
Lifeguard	1	3.75	\$ 13.00	50	\$ 2,437.50
Lifeguard	1	3.125	\$ 13.00	24	\$ 975.00
Lessons					
Senior LG	5	4.125	\$ 15.00	8	\$ 2,475.00
Lifeguard	2	4.125	\$ 13.00	8	\$ 858.00
Lap Swim					
Lifeguard	3	4.375	\$ 13.00	22	\$ 3,753.75
PM Lessons					
Senior LG	4	2.5	\$ 15.00	16	\$ 2,400.00
Lifeguard	1	2.5	\$ 13.00	16	\$ 520.00
Lifeguard Training & Water Safety Instructor					
Pool Supervisor	1	12.5	\$ 20.00	6	\$ 1,500.00
Night Lap					
Lifeguard	1	4.125	\$ 13.00	45	\$ 2,413.13
Speciality Program Camps					\$ 2,000.00
Winter Total					\$ 19,332.38

Figure 26 –Competition Pool – Winter Labor



Riverside County Regional Park & Open Space District

Labor Costs		Competition Pool				Labor Costs
		Number of Staff	Hours Per Day	Hourly Rate	Days Per Season	
Spring						
Lap Swim						
	Lifeguard	1	3.75	\$ 13.00	65	\$ 3,168.75
	Lifeguard	1	3.125	\$ 13.00	24	\$ 975.00
Lessons						
	Senior LG	5	4.125	\$ 15.00	8	\$ 2,475.00
	Lifeguard	2	4.125	\$ 13.00	8	\$ 858.00
Lap Swim						
	Lifeguard	3	4.375	\$ 13.00	24	\$ 4,095.00
PM Lessons						
	Senior LG	4	3.125	\$ 15.00	48	\$ 9,000.00
	Lifeguard	1	3.125	\$ 13.00	48	\$ 1,950.00
Night Lap						
	Lifeguard	1	4.125	\$ 13.00	52	\$ 2,788.50
Lifeguard Training & Water Safety Instructor						
	Pool Supervisor	1	12.5	\$ 20.00	9	\$ 2,250.00
Speciality Program Camps						\$ 3,000.00
Spring Total						\$ 30,560.25

Figure 27 –Competition Pool – Spring Labor

Labor Costs		Aquatics Center Operations				Labor Costs
		Number of Staff	Hours Per Day	Hourly Rate	Days Per Season	
Facility Staff						
	Aquatics Supervisor					\$ 80,000.00
	Aquatic Coordinator					\$ 28,704.00
	Park Maintenance Worker					\$ 24,960.00
	Aquatic Technician					\$ 38,583.00
	Training					\$ 3,000.00
	Other Charges					\$ 12,000.00
Total General Center Labor						\$ 187,247.00

Figure 28 –Aquatics Center – General Labor

The Aquatics Center general labor costs are shown in **Figure 28**. **Figure 29** shows a summary of the total labor costs for the facility.

Labor Costs Summary	
Water Pool	\$ 440,000.00
Competition Pool	\$ 158,491.25
Aquatics Center Operations	\$ 187,247.00
Total General Center Labor	\$ 785,738.25

Figure 29 –Labor Costs Summary

5.3 EXPENDITURES

The operating expenditures based on the Jurupa Aquatics Center are used as the basis for the Trumble Road site with adjustments to operating expenditures for the larger competition pool. The operating expenditures are shown in **Figures 30 and 31**. **Capital Replacement** costs are shown as a part of the operating expenditures. The replacement costs are estimated based on 3% per year of the initial investment to provide sufficient funds to maintain the facility at a high level of quality and functionality. These expenditures are optional but highly recommended.



Riverside County Regional Park & Open Space District

Operating Expenditures	Water Park	Competition Pool	Aquatics Facilities	Total Costs
Total Labor	\$ 440,000.00	\$ 158,491.25	\$187,247.00	\$ 785,738.25
Contractual Services				
Marketing	27,300.00	27,300.00		\$ 54,600.00
Insurance	25,500.00	25,500.00		\$ 51,000.00
Permits and Monitoring	8,000.00	4,000.00		\$ 12,000.00
Repair and Maintenance	-	-		\$ -
Maintenance-Grounds	30,000.00	40,000.00		\$ 70,000.00
Fingerprinting	200.00			\$ 200.00
Professional Services	17,000.00	30,000.00		\$ 47,000.00
Medical Exams	15,119.54	5,446.17		\$ 20,565.71
Training-Education/Tuition	2,239.93	806.84	-	\$ 3,046.77
Conference/Registration Fees	13,800.00	9,200.00	-	\$ 23,000.00
Total Contractual Services	139,159.47	142,253.01	-	\$ 281,412.48
Commodities				
Office Supplies	12,500.00	22,500.00		\$ 35,000.00
Operational Supplies		5,000.00		\$ 5,000.00
Recreation Supplies	20,000.00	-		\$ 20,000.00
Computer Supplies	-	-		\$ -
Awards/Recognition		6,000.00	500.00	\$ 6,500.00
Food	-	-	500.00	\$ 500.00
Uniforms	4,000.00	4,000.00	1,000.00	\$ 9,000.00
Postage/Mailing	-	4,200.00		\$ 4,200.00
Printing	-	1,000.00		\$ 1,000.00
Computer Lines	-	-		\$ -
Household Expense	6,000.00	8,800.00	1,000.00	\$ 15,800.00
Chemicals	25,000.00	70,000.00		\$ 95,000.00
Locks/Keys	-	-	100.00	
Fuel	-	-	500.00	
Advertising	-	-	500.00	\$ 500.00
Total Commodities	67,500.00	121,500.00	4,100.00	\$ 192,500.00

Figure 30 –Expenditures Part 1 of 2

Aquatic Facility Operational Impact Report– Final Report

Operating Expenditures (Continued)	Water Park	Competition Pool	Aquatics Facilities	Total Costs
Utilities				
Electricity	110,000.00	280,000.00	-	\$ 390,000.00
Pool Heating	10,000.00	80,000.00	-	\$ 90,000.00
Trash Service	9,000.00	12,600.00	-	\$ 21,600.00
Telephone & IT Charges	-	-	12,300.00	\$ 12,300.00
Water & Sewer	12,500.00	49,000.00	-	\$ 61,500.00
Total Utilities	141,500.00	421,600.00	12,300.00	\$ 575,400.00
Capital				
Computer Equipment-Non Fixed Asset	2,500.00	2,500.00	-	\$ 5,000.00
Office Equipment-Non Fixed Asset	-	-	2,000.00	\$ 2,000.00
Computer Equipment	-	-	2,500.00	\$ 2,500.00
Equipment-Shlp and Yard	-	-	5,000.00	\$ 5,000.00
Equipment-Other	-	-	5,000.00	\$ 5,000.00
Vehicles	-	-	45,000.00	\$ 45,000.00
Total Capital	2,500.00	2,500.00	59,500.00	\$ 64,500.00
Interfund Expenses				
Personnel Services	-	-	1,000.00	\$ 1,000.00
Total Interfund	-	-	1,000.00	\$ 1,000.00
Total Operating Expenses	\$ 790,659.47	\$ 846,344.26	\$264,147.00	\$ 1,900,550.73
Capital Replacement Fund	\$ 675,000.00	\$ 225,000.00	\$ -	\$ 900,000.00
Grand Total Expenditures	\$ 1,465,659.47	\$ 1,071,344.26	\$264,147.00	\$ 2,800,550.73

Figure 31 –Expenditures Part 2 of 2



5.4 BASE COST-OF-SERVICE

The base cost-of-service for Trumble Road site is based on the Jurupa Aquatic Center adjusted for the competition pool size, lack of a strategic partner in the competition pool and the estimated differences in visitation. The base cost-of-service is shown in **Figure 32**.

The direct cost recovery is estimated to be 68%. The water park is estimated to recover 147% of its costs and the competition pool is estimated to recover 10% of its costs. The cost recovery for general center operations is estimated to be 17%.

The capital replacement amounts are based on total facility costs of \$30 million allocated 75% to the water park and 25% to the competition pool.

The overall cost recovery is estimated to be 46%. The water park is estimated to recover 79% of its costs and the competition pool is estimated to recover 8% of its costs. The cost recovery for general center operations is estimated to be 17%.

Base Analysis	Water Park	Competition Pool	Aquatics Center	Total
Total Operating Expenditures	\$ 790,659.47	\$ 846,344.26	\$ 264,147.00	\$ 1,901,150.73
Revenues and Participants				
Revenues	\$1,160,995.00	\$ 87,450.00	\$ 46,000.00	\$ 1,294,445.00
Visitors	40,000	2,500	42,500	42,500
Base Analysis	Water Park	Competition Pool	Aquatics Center	Total
Net Revenues Over (under) Direct Expenditures	\$ 370,335.53	\$ (758,894.26)	\$ (218,147.00)	\$ (606,705.73)
Operating Investment Per Participant	\$ (9.26)	\$ 303.56	\$ 5.13	\$ 14.28
Operating Cost Recovery	147%	10%	17%	68%
Capital Replacement	\$ 675,000.00	\$ 225,000.00	\$ -	\$ 900,000.00
Total Costs	\$1,465,659.47	\$ 1,071,344.26	\$ 264,147.00	\$ 2,801,150.73
Base Analysis	Water Park	Competition Pool	Aquatics Center	Total
Net Revenues Over (under) Total Expenditures	\$ (304,664.47)	\$ (983,894.26)	\$ (218,147.00)	\$ (1,506,705.73)
Total Cost - Investment Recovery Per Participant	\$ 7.62	\$ 393.56	\$ 5.13	\$ 35.45
Total Cost Recovery - Percent	79%	8%	17%	46%

Figure 32 –Base Cost-of-Service

5.5 PROGRAM ENHANCMENTS

PROS presents the following program enhancements for consideration to improve the cost recovery of the Trumble Road facility.

5.5.1 PRE-SCHOOL SWIM PROGRAM

The Pre-School Swim Program includes five levels of training by age segment for ages 6 months through 5 years. The level summaries are presented **Figure 33**. The cost recovery is estimated to be 138% as shown in **Figure 34**.

PRE-SCHOOL SWIM (Ages 6 months to 5 years)	
Level 1:	Ages: 6-35 months
Sessions:	10 classes/25 minutes/\$60
Maximum Enrolled:	8
Prerequisite:	One parent or adult will assist the child in developing water adjustment, games, and underwater exploration
Requirements:	Child must wear swim diaper
Level 2	Ages: 3 years
Sessions:	10 classes/25 minutes/\$60
Maximum Enrolled:	4
Prerequisite:	Little or no comfort level
Goals:	Independent face float and independent forward motion
Level 3	Ages: 4-5 years
Sessions:	10 classes/25 minutes/\$60
Maximum Enrolled:	4
Prerequisite:	Little or no comfort level
Goals:	Glide on front 2 body lengths, then roll to back and float for 3 seconds then recover to standing position
Level 4	Ages: 4-5 years
Sessions:	10 classes/25 minutes/\$60
Maximum Enrolled:	4
Prerequisite:	Glide on front 2 body lengths, then roll to back and float for 3 seconds then recover to standing position; travel 5 yards in water
Goals:	Swim on front 10 feet , roll to back, float for 5 seconds, roll to front swim 10 feet
Level 5	Ages: 4-5 years
Sessions:	10 classes/25 minutes/\$60
Maximum Enrolled:	4
Prerequisite:	Swim on front 10 feet, roll to back, float for 5 seconds, roll to front swim 10 feet
Goals:	Swim on front 20 feet, roll to back, float 15 seconds, roll to front swim 20 feet

Figure 33 –Pre-School Swim Program Description



Programs	Sections	Enrollment	Enrollment Total	Classes	Time (minutes)	Fees	Revenues	Staff Costs	Other Costs	Total Costs	Net
Pre-School Level 1	5	8	40	10	25	\$ 60.00	\$ 2,400.00	\$ 843.75	\$ 260.00	\$ 1,103.75	\$ 1,296.25
Pre-School Level 2	5	4	20	10	25	\$ 60.00	\$ 1,200.00	\$ 843.75	\$ 180.00	\$ 1,023.75	\$ 176.25
Pre-School Level 3	5	4	20	10	25	\$ 60.00	\$ 1,200.00	\$ 843.75	\$ 180.00	\$ 1,023.75	\$ 176.25
Pre-School Level 4	5	4	20	10	25	\$ 60.00	\$ 1,200.00	\$ 843.75	\$ 180.00	\$ 1,023.75	\$ 176.25
Pre-School Level 5	5	4	20	10	25	\$ 60.00	\$ 1,200.00	\$ 843.75	\$ 180.00	\$ 1,023.75	\$ 176.25
Total			120				\$ 7,200.00	\$ 4,218.75	\$ 980.00	\$ 5,198.75	\$ 2,001.25
Cost Recovery											138%

Figure 34 –Pre=School Swim - Cost-of-Service

5.5.2 SWIM TEAM PROGRAM

The Swim Team Program will focus on beginning competitive swimming. PROS estimates that five sections with 10 participants for 32 classes in each session with class length of 55 minutes. The cost recovery is estimated to be 138% as shown in Figure 35.

Programs	Sections	Enrollment	Enrollment Total	Classes	Time (minutes)	Fees	Revenues	Staff Costs	Other Costs	Total Costs	Net
Swim Teams	5	10	50	32	55	\$ 150.00	\$ 7,500.00	\$ 5,940.00	\$ 300.00	\$ 6,240.00	\$ 1,260.00
Total			50				\$ 7,500.00	\$ 5,940.00	\$ 300.00	\$ 6,240.00	\$ 1,260.00
Cost Recovery											120%

Figure 35 –Swim Team - Cost-of-Service

5.5.3 WATER AEROBICS PROGRAM

The Water Aerobics Program will focus on aerobic exercises. PROS estimates that four sections with 20 participants for 16 classes in each session with class length of 45 minutes. The cost recovery is estimated to be 116% as shown in Figure 36.

Programs	Sections	Enrollment	Enrollment Total	Classes	Time (minutes)	Fees	Revenues	Staff Costs	Other Costs	Total Costs	Net
Water Aerobics	4	20	80	16	45	\$ 35.00	\$ 2,800.00	\$ 1,944.00	\$ 480.00	\$ 2,424.00	\$ 376.00
Total			80				\$ 2,800.00	\$ 1,944.00	\$ 480.00	\$ 2,424.00	\$ 376.00
Cost Recovery											116%

Figure 36 –Water Aerobics - Cost-of-Service

5.5.4 AQUA FITNESS PROGRAM

The Aqua Fitness Program will focus on fitness and stamina exercises with emphasis on lap swimming. PROS estimates that four sections with 12 participants for 16 classes in each session with class length of 55 minutes. The cost recovery is estimated to be 107% as shown in **Figure 37**.

Programs	Sections	Enrollment	Enrollment Total	Classes	Time (minutes)	Fees	Revenues	Staff Costs	Other Costs	Total Costs	Net
Aqua Fitness	4	12	48	16	55	\$ 60.00	\$ 2,880.00	\$ 2,376.00	\$ 320.00	\$ 2,696.00	\$ 184.00
Total			48				\$ 2,880.00	\$ 2,376.00	\$ 320.00	\$ 2,696.00	\$ 184.00
Cost Recovery											107%

Figure 37 –Aqua Fitness - Cost-of-Service

5.5.5 WATER POLO PROGRAM

Water Polo camp is designed for youth ages 7 through 14 for all ability levels. The camp provides participants with basic skills and techniques of the sport of water polo. Individual and team offensive and defensive skills and techniques will be taught by our Camp Staff through a series of fun, competitive and organized drills and games. PROS estimates that four sections with 12 participants for 16 classes in each session with class length of 90 minutes. The cost recovery is estimated to be 199% as shown in **Figure 38**.

Programs	Sections	Enrollment	Enrollment Total	Classes	Time (minutes)	Fees	Revenues	Staff Costs	Other Costs	Total Costs	Net
Water Polo	4	12	48	5	90	\$ 100.00	\$ 4,800.00	\$ 1,215.00	\$ 1,200.00	\$ 2,415.00	\$ 2,385.00
Total			48				\$ 4,800.00	\$ 1,215.00	\$ 1,200.00	\$ 2,415.00	\$ 2,385.00
Cost Recovery											199%

Figure 38 –Water Pool - Cost-of-Service

5.5.6 ADAPTIVE SWIMMING PROGRAM

Adaptive swimming is specifically designed for children ages 3 through 14 with mental, physical or developmental disabilities. Skills are learned step-by-step so that each student can move comfortably from one level to another. Safety and confidence in the water are the primary goals. Stroke technique and more difficult skills follow. (All swim lessons are inclusive but these lessons provide for a smaller class size and more individual attention.) PROS estimates that five sections with 8 participants for 4 classes in each session with class length of 40 minutes. The cost recovery is estimated to be 131% as shown in **Figure 39**.

Programs	Sections	Enrollment	Enrollment Total	Classes	Time (minutes)	Fees	Revenues	Staff Costs	Other Costs	Total Costs	Net
Adaptive Swimming Lessons	5	8	40	4	40	\$ 35.00	\$ 1,400.00	\$ 810.00	\$ 260.00	\$ 1,070.00	\$ 330.00
Total			40				\$ 1,400.00	\$ 810.00	\$ 260.00	\$ 1,070.00	\$ 330.00
Cost Recovery											131%

Figure 39 –Adaptive Swimming- Cost-of-Service



5.5.7 GIFT SHOP

The Gift Shop should focus on low product costs items; such as, caps, T-shirts, and cups with the District and/or facility logo. PROS estimates one-thousand transactions at \$10 each. The average staff cost is estimated at \$10 per hour with 4 transactions per hour. The merchandise should be marked up 100%. Other Costs includes the merchandise costs plus 10% of the revenues or \$1,000. The cost recovery is estimated to be 118% as shown in **Figure 40**.

Program	Transactions	Fees	Revenues	Staff Costs	Other Costs	Total Costs	Net
Gift Shop	1,000	\$ 10.00	\$10,000.00	\$2,500.00	\$6,000.00	\$ 8,500.00	\$ 1,500.00
Total	1,000		\$10,000.00	\$2,500.00	\$6,000.00	\$ 8,500.00	\$ 1,500.00
Cost Recovery							118%

Figure 40 –Aqua Fitness - Cost-of-Service

5.5.8 PROGRAM ENHANCEMENT SUMMARY

The proposed program enhancements increase the total cost recovery from 46% to 47% shown in **Figure 41**.

Trumble Road Aquatics Center

Program Enhancements	Water Park	Competition Pool	Aquatics Center	Total
Total Operating Expenditures	\$ -	\$ 19,407.75	\$ 8,500.00	\$ 27,907.75
Revenues and Participants				
Revenues	\$ -	\$ 26,700.00	\$ 10,000.00	\$ 36,700.00
Vistors	0	438	1,000	1,438
Program Enhancements	Water Park	Competition Pool	Aquatics Center	Total
Net Revenues Over (under) Direct Expenditures	\$ -	\$ 7,292.25	\$ 1,500.00	\$ 8,792.25
Operating Investment Per Participant	N/A	\$ (16.65)	\$ (1.50)	\$ (6.11)
Operating Cost Recovery	N/A	138%	118%	132%
Direct Base Plus Program Enhancements	Water Park	Competition Pool	Aquatics Center	Total
Net Revenues Over (under) Direct Expenditures	\$ 370,335.53	\$ (751,602.01)	\$ (216,647.00)	\$ (597,913.48)
Operating Investment Per Participant	N/A	\$ (1,715.99)	\$ (216.65)	\$ (415.80)
Operating Cost Recovery	147%	13%	21%	69%
Total Base Plus Program Enhancements	Water Park	Competition Pool	Aquatics Center	Total
Net Revenues Over (under) Total Expenditures	\$ (304,664.47)	\$ (976,602.01)	\$ (216,647.00)	\$ (1,497,913.48)
Operating Investment Per Participant	\$ (7.62)	\$ (332.40)	\$ (4.98)	\$ (34.09)
Program Enhancement Cost Recovery	79%	10%	21%	47%

Figure 41 –Program Enhancement Summary - Cost-of-Service

5.6 CAPITAL ENHANCMENTS

Based on the location characteristics and the proximity to the Field of Dreams complex, PROS recommends the District consider camping facilities on back of the property and the development of a restaurant on the northwest corner of the property.

The camping should be in two parts: 1) full-time service RV camp sites and 2) tent camping sites with water service, a grill, and a table. The estimated camping capital costs include 20 RV sites, 20 tent camping sites, and a restroom facility with showers.

The restaurant should be a land lease with a portion of the gross receipts as lease payment. The model anticipates a 10% of gross receipts for the land lease payments on \$300,000 in annual revenues.

The Capital enhancement will require major investment of approximately \$2 million for the camp sites shown in **Figure 42**, while the restaurant will not require a cash investment but only the dedication of land for the restaurant pad. The estimated capital costs are based on PROS experience with similar projects. Additionally, the District could explore an opportunity to purchase land adjacent to the freeway which may be utilized for a billboard or an electronic billboard that may be used for advertising and promotional opportunities for this facility or for incremental revenue generation from selling ad space to external users.

Capital Investment	Aquatics			Total
	Water Park	Comp Pool	Center	
Camp Sites - RV	\$ -	\$ -	\$ 1,350,000.00	\$ 1,350,000.00
Camp Sites - Car Camping	\$ -	\$ -	\$ 690,000.00	\$ 690,000.00
Restroom with Showers	\$ -	\$ -	\$ 53,520.00	\$ 53,520.00
Restaurant (% of Gross Receipts)	\$ -	\$ -	\$ -	\$ -
Capital Enhancement Net	\$ -	\$ -	\$ 2,093,520.00	\$ 2,093,520.00

Figure 42 –Capital Enhancement Investment

The capital enhancement operating results are shown in **Figure 43**. The capital enhancements will contribute over \$24,000 annually to the total operations excluding the initial investment.



Riverside County Regional Park & Open Space District

Revenues						
Camp Sites - RV	\$	-	\$	-	\$ 110,000.00	\$ 110,000.00
Camp Sites - Car Camping	\$	-	\$	-	\$ 80,000.00	\$ 80,000.00
Restroom with Showers	\$	-	\$	-	\$ -	\$ -
Restaurant (% of Gross Receipts)	\$	-	\$	-	\$ 30,000.00	\$ 30,000.00
Capital Enhancement Revenues	\$	-	\$	-	\$ 220,000.00	\$ 220,000.00
Operating Expenditures						
		Water Park	Comp Pool	Aquatics Center		Total
Camp Sites - RV	\$	-	\$	-	\$ 60,000.00	\$ 60,000.00
Camp Sites - Car Camping	\$	-	\$	-	\$ 40,000.00	\$ 40,000.00
Restroom with Showers	\$	-	\$	-	\$ 12,000.00	\$ 12,000.00
Restaurant (% of Gross Receipts)	\$	-	\$	-	\$ -	\$ -
Capital Enhancement Expenditures	\$	-	\$	-	\$ 112,000.00	\$ 112,000.00
Revenues Over (Under) Operating Expenditures						
		Water Park	Comp Pool	Aquatics Center		Total
Camp Sites - RV	\$	-	\$	-	\$ 50,000.00	\$ 50,000.00
Camp Sites - Car Camping	\$	-	\$	-	\$ 40,000.00	\$ 40,000.00
Restroom with Showers	\$	-	\$	-	\$ (12,000.00)	\$ (12,000.00)
Restaurant (% of Gross Receipts)	\$	-	\$	-	\$ 30,000.00	\$ 30,000.00
Capital Enhancement Net	\$	-	\$	-	\$ 108,000.00	\$ 108,000.00
Capital Replacment						
		Water Park	Comp Pool	Aquatics Center		Total
Camp Sites - RV	\$	-	\$	-	\$ 54,000.00	\$ 54,000.00
Camp Sites - Car Camping	\$	-	\$	-	\$ 27,600.00	\$ 27,600.00
Restroom with Showers	\$	-	\$	-	\$ 2,140.80	\$ 2,140.80
Restaurant (% of Gross Receipts)	\$	-	\$	-	\$ -	\$ -
Capital Enhancement Net	\$	-	\$	-	\$ 83,740.80	\$ 83,740.80
Revenues Over (Under) Total Expenditures						
		Water Park	Comp Pool	Aquatics Center		Total
Camp Sites - RV	\$	-	\$	-	\$ (4,000.00)	\$ (4,000.00)
Camp Sites - Car Camping	\$	-	\$	-	\$ 12,400.00	\$ 12,400.00
Restroom with Showers	\$	-	\$	-	\$ (14,140.80)	\$ (14,140.80)
Restaurant (% of Gross Receipts)	\$	-	\$	-	\$ 30,000.00	\$ 30,000.00
Capital Enhancement Net	\$	-	\$	-	\$ 24,259.20	\$ 24,259.20

Figure 43 –Capital Enhancement – Cost of Service

5.6.1 CAPITAL ENHANCEMENT SUMMARY

The proposed capital enhancements have a recovery of 112% excluding the capital investment as shown in **Figure 44**.

Capital Enhancement	Water Park	Competition Pool	Aquatics Center	Total
Total Operating Expenditures	\$ -	\$ -	\$ 112,000.00	\$ 112,000.00
Revenues and Participants				
Revenues	\$ -	\$ -	\$ 220,000.00	\$ 220,000.00
Vistors	0	0	4,001	4,001
Subtotal Summary				
Net Revenues Over (under) Direct	\$ 376,315.21	\$(1,165,024.67)	\$ (108,647.00)	\$ 0.72
Operating Investment Per Participant	\$ 9.41	\$ (371.74)	\$ (2.80)	\$ (20.93)
Operating Cost Recovery	148%	10%	72%	64%
Capital Replacement	\$ -	\$ -	\$ 83,740.80	\$ 83,740.80
Total Costs	\$ -	\$ -	\$ 195,740.80	\$ 195,740.80
Net Revenues Over (under) Direct plus	\$ -	\$ -	\$ 24,259.20	\$ 24,259.20
Total Cost - Investment Recovery Per Participant	N/A	N/A	\$ (6.06)	\$ (6.06)
Total Cost Recovery - Percent	0%	0%	112%	112%

Figure 44 –Capital Enhancement – Summary



5.7 COST RECOVERY WITH ENHANCMENTS

The total cost recovery with the program and capital enhancements are shown in **Figure 41**. The base cost recovery is 68% and will require an annual subsidy of \$606,705.73. With the enhancements, the cost recovery in 76% and will require an annual subsidy of \$489,913.48.

Base Analysis	Water Park	Competition Pool	Aquatics Center	Total
Net Revenues Over (under) Direct Expenditures	\$ 370,335.53	\$ (758,894.26)	\$ (218,147.00)	\$ (606,705.73)
Operating Investment Per Participant	\$ (9.26)	\$ 303.56	\$ 5.13	\$ 14.28
Operating Cost Recovery	147%	10%	17%	68%
Program Enhancements	Water Park	Competition Pool	Aquatics Center	Total
Net Revenues Over (under) Direct Expenditures	\$ -	\$ 7,292.25	\$ 1,500.00	\$ 8,792.25
Operating Investment Per Participant	N/A	\$ (16.65)	\$ (1.50)	\$ (6.11)
Operating Cost Recovery	N/A	138%	118%	132%
Capital Enhancement	Water Park	Competition Pool	Aquatics Center	Total
Net Revenues Over (under) Total Expenditures	\$ -	\$ -	\$ 24,259.20	\$ 24,259.20
Total Cost - Investment Recovery Per Participant	N/A	N/A	\$ (6.06)	\$ (6.06)
Capital Enhancement Cost Recovery	0%	0%	112%	112%
Total Direct Cost Summary	Water Park	Competition Pool	Aquatics Center	Total
Net Revenues Over (under) Direct Expenditures	\$ 370,335.53	\$ (751,602.01)	\$ (108,647.00)	\$ (489,913.48)
Operating Investment Per Participant	\$ 9.26	\$ (255.82)	\$ (2.29)	\$ (10.22)
Operating Cost Recovery	147%	13%	72%	76%

Figure 45 –Direct Cost of Service – Summary

The total cost of service including the capital replacement costs is shown in **Figure 46**. The base cost recovery is 46% and will require an annual subsidy of \$1,506,705.73. With the enhancements, the cost recovery is 52% and will require an annual subsidy of \$1,465,674.28. The capital enhancements will require an additional investment of \$2,093,520 as shown in **Figure 42**.

Base Analysis	Water Park	Competition Pool	Aquatics Center	Total
Net Revenues Over (under)				
Total Expenditures	\$ (304,664.47)	\$ (983,894.26)	\$ (218,147.00)	\$ (1,506,705.73)
Total Cost - Investment Recovery Per Participant	\$ 7.62	\$ 393.56	\$ 5.13	\$ 35.45
Total Cost Recovery - Percent	79%	8%	17%	46%
Program Enhancements	Water Park	Competition Pool	Aquatics Center	Total
Net Revenues Over (under) Total	\$ -	\$ 15,272.25	\$ 1,500.00	\$ 16,772.25
Operating Investment Per Participant	N/A	\$ 24.09	\$ 1.50	\$ 10.26
Operating Cost Recovery	N/A	171%	118%	156%
Capital Enhancement	Water Park	Competition Pool	Aquatics Center	Total
Net Revenues Over (under) Total				
Expenditures	\$ -	\$ -	\$ 24,259.20	\$ 24,259.20
Total Cost - Investment Recovery Per Participant	N/A	N/A	\$ (6.06)	\$ (6.06)
Total Cost Recovery - Percent	0%	0%	112%	112%
Grand Total Summary	Water Park	Competition Pool	Aquatics Center	Total
Net Revenues Over (under) Total				
Expenditures	\$ (304,664.47)	\$ (968,622.01)	\$ (192,387.80)	\$ (1,465,674.28)
Operating Investment Per Participant	\$ (7.62)	\$ (309.07)	\$ (4.05)	\$ (30.45)
Operating Cost Recovery	79%	11%	59%	52%

Figure 46 –Total Cost of Service – Summary



CHAPTER SIX - OPERATING ALTERNATIVES

6.1 CONTRACT OPERATIONS

A private water park has expressed an interest in operating the Trumble Road site. The District was contacted by the General Manager and contract operations may provide operating efficiencies that could low the cost of the facility. The District would probably be required to give up pricing oversight if the operations are contracted.

6.2 DESIGN CHANGES

The aquatic center could improve the financial results by decreasing or eliminating the competition pool. The demand and willingness to pay for competition facilities is low. The competition pool is also in direct competition with local programs. Other recommendations to design changes that could help reduce operating costs include:

- 1) Energy Saving alternatives, such as Variable Frequency Drives (VFD's) or "smart" control panels in the pump rooms, which include VFD's within them.
- 2) Chemical saving systems, such as adding a UV system. This would allow more cost-effective treatment of the water, and reduces the carbon and water footprint of the site.
- 3) Redesign of the AquaPlay structure to be sitting in less than 8" of water and with only one platform for slide access. This will allow the ride to be operated with fewer staff.
- 4) Modify the landscaping to be more drought tolerant and less dense to:
 - a. improve the visibility for staff; and
 - b. reduce landscape maintenance costs.
- 5) Relocate the concession/kitchen to the water park side of the facility and potentially add access from the parking lot to allow concession operations during non park operating hours.

CHAPTER SEVEN - CONCLUSION

The Trumble Road Aquatic Center will need approximately \$600,000 subsidy per year to cover the operating costs and an additional \$900,000 for capital maintenance, renewal and replacement.

The water park should have significant market draw with the limited recreational water park competition and the sports complex on adjacent property.