



## PROJECT GOALS & OBJECTIVE

- ◆ Conduct community meetings to establish a program and targeted outcomes for the project
- ◆ Update the competitive context to understand what existing/planned facilities could impact utilization and participation rates
- ◆ Update program and cost estimates
- ◆ Update the financial model

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## MARKET FINDINGS

- B&D examined a series of key factors in order to frame the issues what would affect demand and financial feasibility of a new project:
  - Demographics
  - Participation Analysis and Demand Reconciliation
  - Competitive Context Analysis

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## MARKET FINDINGS

### **Community Input:**

- Aquatics are a big part of Reston, and serve all age groups and abilities. It was stated that current demand exceeds the capacity of existing facilities, forcing programs to turn away potential users. The conditions of the current pool limit the functionality and ability to appropriately serve multiple types of users.
- Additional expressed needs:
  - Weight and fitness
  - Multipurpose courts
  - Multipurpose rooms

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## MARKET FINDINGS

### **Community Concerns:**

- Location of facility and space needs.
- Existing and planned private facilities entering the market, and the impact this would have on future plans to expand recreation by RCC.
- Project costs, and net cost recovery.

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## MARKET FINDINGS

### Demographics:

- The demographic make-up of Reston suggests a higher propensity to participate in recreation activities.
- Two key factors that are the basis of this assumption include household income and education attainment. The median household income in Reston is nearly double that of the national average.
- Reston also has a high percentage of residents with either a high school or undergraduate degree.

	2000	2010	2012	2017	2022
Total Population	54,489	58,404	60,621	65,486	65,685

Source: SitesUSA (US Census)

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## MARKET FINDINGS

### Participation Levels and Demand:

- Reconcile estimated demand with current demographic data
  - B&D estimated core levels of participation for a series of activities
  - Based on the levels at which individual participate in these activities, B&D estimated square footage needs to meet demand
  - The primary focus of demand centers around Reston, and B&D estimated a 10% capture rate for the extended market areas
  - B&D reconciled demand with current/planned facilities in the Reston market

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## MARKET FINDINGS

### Participation Levels and Demand:

- Fitness activities: Aerobics, Pilates, Yoga, and Tai Chi
- Weight and Fitness activities: Elliptical Motion Trainer, Stationary Cycling, Treadmill, Free Weights, Weight/Resistance Machines
- Gymnasium activities: Basketball, Indoor Soccer, Volleyball
- Aquatic activities: Aquatic Exercise, Lap Swimming

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## MARKET FINDINGS

Activity	Participants		
	Reston	0-5 Market	5-10 Market
Fitness Activities	7,302	20,401	63,878
Weight and Fitness	25,699	72,048	227,455
Gymnasium	4,132	16,165	51,639
Aquatics	2,138	6,368	19,019
<b>Total Core Participants</b>	<b>39,270</b>	<b>114,981</b>	<b>361,990</b>

Activity	Participants Most Likely to Use Private/Public Facility		
	Reston	0-5 Market	5-10 Market
Fitness Activities	3,035	8,039	24,462
Weight and Fitness	13,958	36,971	111,831
Gymnasium	3,534	9,592	29,157
Aquatics	1,449	3,897	11,839
<b>Total Core Participants</b>	<b>21,977</b>	<b>58,499</b>	<b>177,289</b>

## MARKET FINDINGS

### Competitive Context:

- Range of existing facilities in the market.

#### Reston Private Facilities

Sport & Health Club- Reston

Bikram Yoga

Pure Joe Pilates Studios

Fitness First

Fairfax County YMCA- Reston

Lady of America Fitness Center

LifeTime Fitness

Crunch Fitness

} Planned Facilities

## PROGRAM MODEL UPDATE

Define program elements based  
on feedback from:

- *Community Input*
- *Market analysis*
- *Existing Conditions*

### Elements:

- *Aquatics*
- *Fitness Equipment*
- *Gymnasium*
- *Fitness/Wellness*
- *Community Spaces*
- *Support Spaces*

## PROGRAM OPTIONS

- ◆ Option A: 52,000sf
  - ◆ 25YD Competition Pool (with diving well)
  - ◆ Weight and Fitness Space
  - ◆ Two Group Fitness Rooms
  - ◆ Single Multi-Activity Court
  - ◆ Single Multipurpose Room (meeting Room)

**Project Cost: \$20.3M**

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## PROGRAM OPTIONS

- ◆ Option B: 84,900sf
  - ◆ 50M Competition Pool (with diving well)
  - ◆ Weight and Fitness Space
  - ◆ Two-Group Fitness Rooms
  - ◆ Two Multi-Activity Courts (Gymnasium)
  - ◆ Two Multipurpose Room (Meeting Rooms)

**Project Cost: \$33.5M**

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## OPERATING MODEL - FINANCIAL OVERVIEW

- ◆ Objective of the model is to develop reliable and realistic operating costs and revenue projections to determine estimated Cost Recovery.
  - Model relies on benchmark data, information provided by RCC, demographic data, B&D internal research
- ◆ Analyze the financial impact of various operating strategies, membership structures and rates, staffing, and other operating assumptions

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## MODEL INPUTS

- ◆ Building Program / Hours of Operations
- ◆ User Fee Assumptions
- ◆ Operating Revenues
- ◆ Operating Expenses
  - Personnel
  - Non-Personnel
- ◆ Net Cost Recovery

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## USER FEE ASSUMPTIONS

### ◆ Rate Structure

- Low – commensurate with current Reston rates for aquatics and fitness
- Moderate – between current Reston rates and average public regional rates
- Market – represents average rate for public regional facilities

*\* Rates based on comparative analysis of existing public regional facilities*

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## USER FEE ASSUMPTIONS

Rate Category	SWIM PASS			FACILITY PASS		
	Low Rate	Moderate Rate	Market Rate	Low Rate	Moderate Rate	Market Rate
<b>Daily Admission</b>						
Adult	\$4.00	\$5.00	\$6.00	\$5.25	\$6.50	\$7.75
Youth/Student	\$2.50	\$3.50	\$4.50	\$3.50	\$4.50	\$5.50
Senior	\$2.50	\$3.50	\$4.50	\$3.50	\$4.50	\$5.50
<b>20 Swim Pass</b>						
Adult	\$65.00	\$80.00	\$95.00	\$81.25	\$97.50	\$120.00
Youth	\$45.00	\$60.00	\$75.00	\$56.25	\$70.00	\$85.00
Senior	\$45.00	\$60.00	\$75.00	\$56.25	\$70.00	\$85.00
<b>3 Months</b>						
Adult Single	\$110.00	\$132.00	\$154.00	\$137.50	\$165.00	\$200.00
Family	\$250.00	\$300.00	\$350.00	\$312.50	\$375.00	\$450.00
<b>Yearly</b>						
Adult Single	\$380.00	\$456.00	\$532.00	\$475.00	\$570.00	\$660.00
Family	\$800.00	\$960.00	\$1,120.00	\$1,000.00	\$1,200.00	\$1,300.00

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## REVENUE OPPORTUNITIES

- ◆ Aquatic specialty classes (learn-to-swim, diving classes)
- ◆ Specialty fitness classes (Personal training)
- ◆ Aquatic Rentals
- ◆ Room Rentals
- ◆ Birthday parties

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## OPERATING EXPENSES

- ◆ Personnel (Permanent)
  - General Manager
  - Assistant Manager - Business
  - Assistant Manager – Community Outreach/Programming
  - Front Desk / Member Service
  - Aquatic Operations Manager
  - Assistant Aquatics Operations Manager
  - Building Operations Supervisor/Aquatics Engineer
  - Aquatics Program Manager
  - Fitness Manager

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## OPERATING EXPENSES

### ◆ Personnel (Temporary)

- Control Desk Attendant
- Youth Programming
- Head Lifeguards
- Lifeguards – Competition Pool
- Fitness Attendant
- Fitness Instruction
- Personal Trainers
- Aquatic Instructors

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## OPERATING EXPENSES

### ◆ Operating expenses

- Advertising/marketing
- General expenses
- Contract Management
- Aquatic supplies
- Utilities
- Repair and Maintenance (General/Preventative)
- Custodial
- Contracted Staff

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## PROJECT ECONOMICS

- ◆ The chart represents the cost recovery for the first ten years based on the varying rate structure – OPTION A

Cost Recovery Percentage

	Low	Moderate	Market
Year 1	53%	59%	65%
Year 2	55%	61%	67%
Year 3	56%	62%	68%
Year 4	57%	63%	69%
Year 5	57%	63%	69%
Year 6	57%	63%	69%
Year 7	58%	64%	70%
Year 8	58%	64%	70%
Year 9	58%	64%	71%
Year 10	59%	65%	71%

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## PROJECT ECONOMICS

- ◆ The chart represents the cost recovery for the first ten years based on the varying rate structure – OPTION B

Cost Recovery Percentage

	Low	Moderate	Market
Year 1	60%	66%	73%
Year 2	61%	68%	75%
Year 3	63%	69%	76%
Year 4	63%	70%	77%
Year 5	63%	70%	77%
Year 6	64%	71%	78%
Year 7	64%	71%	78%
Year 8	65%	72%	79%
Year 9	65%	72%	79%
Year 10	65%	73%	80%

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## NEXT STEPS

- ◆ Obtain Direction of Board for Financial Modeling and Cost Recovery Scenario
- ◆ Respond to Questions