

## Questions for the Wheatlands Park and Recreation Authority (WPRA) Board of Directors

1. How many memberships need to be sold (outside of our community) to cover operational expenses and loan payments and interest (to break even), so that we don't have an increase in our WMD fees?
  - Based upon an independent market analysis, Mutual of Omaha Bank (MOB) determined that there are approximately 37,000 households within a five mile radius of the Recreation Center. Roughly 1,050 of these households are located within the WMD. MOB and the Placement Agent for the loan relied upon a very conservative penetration rate of 8% to determine the number of participating households expected to utilize the Recreation Center. This 8% penetration rate is less than what other metro area YMCA operated facilities realize. At an 8% penetration rate, it is expected there will be approximately 2,876 households purchasing memberships at the Recreation Center. This provides a conservative basis for establishing the loan coverage ratio expected by MOB. That being said, there is no guarantee that WMD fees will not go up at any time as that may be necessary to support cost increases that inevitably occur over time. However, the Board of Directors of the WMD is comprised of residents who are focused on keeping costs as low as possible for the entire community.
2. Did you disclose to the independent third-party market analysis firm and the bank that Southshore is going to have its own rec center run by the YMCA? What specific market research was conducted to give certainty that this is feasible?
  - The Southshore announcement was made public in July of 2018, well over a year before the WPRA financing was complete. Both Mutual of Omaha Bank and King & Associates (third-party market analyst) had ample time to consider the impacts of this facility on the WPRA project.
  - An independent third-party market analysis was conducted by King & Associates and found that, "Demographic growth in the trade area suggested demand of approximately 5 to 9 fitness centers from 2015 through 2020. This equals demand of approximately 1 to 2 fitness centers per year. The demand forecast was based on a 21% per-capita fitness center demand rate (using national statistics for fitness center utilization in Colorado). The demand forecast assumed both unmet demand (underutilization) and new demand (population growth). With continued strong population growth forecast during the next several years, ongoing demand ranging from 1 to 2 fitness centers per year is expected in the trade area."
3. How much is Phase 2 of the Recreation Center expected to cost?
  - It is currently estimated that Phase 2 will cost approximately \$10 million. This number may vary somewhat based on what amenities end up being included.
4. Who pays for new equipment, pool maintenance, or other improvements to the

## Recreation Center?

- In accordance with the Management Agreement, the WPRA is responsible for providing fitness and other program specific equipment as needed for the Recreation Center. The YMCA may provide additional equipment as needed and that equipment will remain the property of the YMCA.
5. Why is your WRPA Board meeting at 9:30am on a weekday?
- The meeting is scheduled during work hours at a time when board members and consultants are available to attend. Members of the public are always welcome to attend. WPRA also has an email address where questions and comments can be submitted - [Wheatlandsparkandrec@gmail.com](mailto:Wheatlandsparkandrec@gmail.com).
6. How are seats on the WPRA filled? Are members elected?
- Two members of the WRPA Board are appointed by WMD and one member is appointed by Board of Directors of the High Plains Metropolitan District. The community does not vote to elect these individuals to the WPRA Board.
7. What involvement does High Plains Metro District have with the WPRA and the Recreation Center?
- The WPRA was created in order to finance the construction of the Recreation Center and serve as the entity responsible for ongoing operation and maintenance of the Recreation Center after construction. The WPRA was created by an agreement between the WMD and High Plains Metropolitan District (HPMD). To create an "Authority" as a legal entity there must be at least two parties to an intergovernmental agreement. WMD reached out to other metropolitan districts to determine if they were interested in participating in the creation of the WPRA. HPMD expressed an interest and became the other party to the Authority Establishment Agreement. As such, that agreement provides that residents of HPMD shall receive \$10.00 off of their monthly membership fee, if they choose to become a member of the Recreation Center. HPMD was also given the ability to appoint one member to the three-member WPRA Board.
8. When will the WPRA budget be available?
- A draft of the WPRA budget was provided to the Board by October 15th. A final budget will be adopted prior to December 31st. WPRA will schedule a budget hearing to take place before the end of the year.