

City of Piedmont
COUNCIL AGENDA REPORT

DATE: July 3, 2017

TO: Mayor and Council

FROM: Paul Benoit, City Administrator

SUBJECT: Consideration of the Appointment of a Council Subcommittee for the Aquatics Master Plan Conceptual Design and Consideration of Next Steps

RECOMMENDATION

Create an ad hoc Council subcommittee consisting of the Vice Mayor and the Recreation Commission Liaison to recommend action items to Council regarding next steps with regard to the Aquatics Master Plan Conceptual Design.

BACKGROUND

The existing Piedmont aquatic facility opened in 1964 and operated as the private not-for-profit Piedmont Swim Club (PSC) until 2011. At that time, the City assumed responsibility for the operation of the facility and renamed it the Piedmont Community Pool (PCP).

It has long been recognized that the current size of the facility is inadequate to meet the aquatic needs of the community. Recreation swim, lap swim, learn-to-swim, therapeutic swim and competitive swim/water polo have all been vying for limited space for many years. The Council and community have launched many efforts over the years to chart a course to a new aquatics center including but not limited to:

- Piedmont Community Recreation Center (PCRC) 2002
- Recreation and Aquatics Cooperative (RAC) 2002-2005
- Sports Management Group Aquatic Study 2006
- Civic Center Master Plan 2006-2007

These efforts and studies, which involved a great deal of work by the community, each drew similar conclusions regarding the adequacy of the present facility and opportunities for a new, more appropriately sized facility. However, for various reasons, including the projected cost of a new facility, no action has been taken beyond the transition from the PSC to City operations.

Instead, the focus has been on yearly maintenance and repairs to keep the present facility safe and operational. Due to the diligence of City staff and the PSC before them, the PCP has managed to exceed the normal lifespan for an outdoor pool of its vintage.

In the spring of 2015, the Piedmont Recreation Department (PRD), together with the Recreation Commission and volunteer consultant Jennifer Cavanaugh, launched a community research plan to gain understanding of the community's interests, priorities and unmet needs as they relate to programs and services provided by PRD. A survey was undertaken to gain community input and 994 respondents shared their thoughts.

In the aquatics section of the survey, respondents indicated that the Piedmont Community Pool is both a valued asset and a source of frustration for community members. Approximately 68% of pool users reported overall satisfaction and 22% were "very satisfied" with the Aquatics program. Those who reported being "somewhat dissatisfied" or "very dissatisfied" with their aquatics experience focused primarily on facilities and space allocation. Respondents who indicated dissatisfaction frequently cited customer service and cost but often tied these concerns back to the condition of the facility. Only 57% of pass holders were "very likely" to renew their pass. We received 244 open-ended responses to aquatics programming questions. Despite no mention of facilities in the questions, nearly 100 open-ended responses noted concerns related to the inadequacy of the aquatics facility.

On September 8, 2015, based on the recognition of needs as well as the May 2015 recommendation of the Capital Improvements Projects Review (CIP) Committee, the City Council authorized staff to issue a Request for Proposals (RFP) to secure the services of a design professional with proven experience in planning aquatics facilities to assist the City through the process of investigating conceptual possibilities of a new aquatics center. Proposals were reviewed by the City Administrator, Recreation Director, Aquatics Coordinator, and Public Works Director. This group narrowed the five proposals received to three finalists.

On November 12, 2015, the three finalists each made an oral presentation to a review committee comprised of the following individuals:

- Councilmembers Teddy King and Tim Rood
- Recreation Commissioner Betsy Smegal Andersen
- Park Commissioner Jonathan Levine
- City Administrator Paul Benoit
- Recreation Director Sara Lillevand
- Aquatics Coordinator Rebecca Sermeno
- Public Works Director Chester Nakahara
- PUSD Director of Facilities Pete Palmer

This group discussed the finalists and reached a consensus to recommend the firm of Harley Ellis Devereaux (HED). The City Administrator, Recreation Director and Public Works Director worked with HED to fine tune the scope of work and ensure a high emphasis on public input and dialogue. The contract with the HED was approved by the Council on March 21, 2016.

Shortly thereafter, staff held a kickoff meeting with the HED and their aquatics experts from Councilman-Hunsaker to begin the development of the Aquatics Master Plan. At the kick off meeting, it was determined that a steering committee representing the varied stakeholders would be helpful to the Consultant and beneficial to the overall project. On April 18, 2016, Council

established the Aquatics Master Plan Steering Committee (Steering Committee) to serve in a supporting role to the consultant, providing insight and perspective as to the sustainability and appropriateness of report recommendations for the City of Piedmont and assisting with vetting and prioritizing suggested initiatives. The following individuals were appointed to the committee:

- Councilmembers Teddy King and Tim Rood
- Park Commissioner Jonathan Levine
- Recreation Commissioner Betsy Smegal Andersen
- Budget Advisory Committee member Dirk ten Grotenhuis
- Residents Brett Byers and Terry London

The City Administrator, Recreation Director, Public Works Director, and Aquatics Coordinator, as well as PHS Assistant Athletic Director Megan Hernandez served as non-voting members of the Steering Committee.

During the month of May 2016, the community was given opportunity to provide input to the Consultant both by electronic survey as well as in person at a series of small stakeholder meetings on May 4 and a larger community meeting held on May 24. This community input was in addition to the nearly 1,000 responses received by the comprehensive Recreation Community survey fielded in the spring of 2015. All respondents to the survey were directed to aquatics-related questions and those detailed results were provided to HED.

The Aquatics Master Plan Steering Committee met with HED on May 4, June 6 and August 30, 2016. On September 21, 2016 the Aquatics Master Plan Conceptual Design was presented to the Recreation Commission, which voted unanimously to recommend it be moved forward for consideration by City Council. In order to ensure that neighbors of the Aquatics Center had ample opportunity to provide input, on October 4, 2016 the Recreation Director hosted an informational meeting in the East Wing of 801 Magnolia Avenue. The conceptual design was reviewed in detail and questions and concerns were heard from residents of Bonita, Vista, Hillside and Magnolia Avenues.

On November 7, 2016 City Council accepted the Aquatics Master Plan Conceptual Design as presented by HED and recommended by the Recreation Commission. This conceptual design was the result of an extensive community process that arrived at a high level view of how the community's aquatics needs could best be met within a slightly enlarged footprint at the existing location of the Piedmont Community Pool. For the agenda report from this meeting, please see <http://www.ci.piedmont.ca.us/html/govern/staffreports/2016-11-07/aquaticsmasterplan.pdf>.

In order to gain more information on the possible costs of operating the facility conceived of in the Aquatics Master Plan Conceptual Design, on April 3, 2017, the City Council awarded a contract to HED to complete an operational analysis of the proposed aquatics facility. The analysis was designed to determine projected operational costs as well as anticipated revenue, in an effort to estimate the facility's need for an operational subsidy from the General Fund.

On June 5, 2017, the feasibility study was presented to City Council by John Dale of HED and Kevin Post of Counsilman-Hunsaker. The operational study was based on research and analysis of current Piedmont Community Pool use and operations, area aquatic providers, market area demographics, and the operational expertise of the consultant. In addition, the impact of energy saving initiatives such as solar heating, water saving filters, and high efficiency pumps were analyzed for impact on operational costs. The consultant provided conservative estimates of probable revenue and expenses, as well as facility financial performance for three scenarios based on the following assumptions:

1. Projected increase in attendance for the conceptual design based on demographics, climate, and surrounding area. This model uses the current Piedmont Community Pool fee structure and rates for passes and programs as well as current operating hours (**Status Quo**)
2. The second model is essentially the same as the first but incorporates energy and water saving initiatives (**Status Quo with Green Tech**)
3. The third model incorporates a five percent increase in pass holder rates and includes the green technologies (**Fee Increase with Green Tech**)

For the first year of operation of the aquatics center conceived of in the master plan, the operational analysis estimates a General Fund subsidy of **\$191,000** for the Status Quo model; **\$156,000** for the Status Quo/Green model; and **\$121,000** for the Fee Increase with Green Tech model. Accepting that an annual contribution to a capital replacement fund specifically for the pool is both prudent and best practice, the total annual subsidy, considering both operations and capital reserves, is projected at **\$249,000; \$218,000; \$184,000** respectively for the three models for year one and **\$190,000; \$156,000; \$116,000** in year five. The agenda report for this topic is available on the City's web site at: <http://www.ci.piedmont.ca.us/html/govern/staffreports/2017-06-05/aquaticsmasterplan.pdf>

Current annual general fund subsidy (operations and maintenance) for the Piedmont Community Pool averages **\$132,000**. Given that the results of the operational analysis were not vastly out of line with the current level of general fund support, City Council directed staff to return to Council with recommendations for potential next steps in this comprehensive master planning process.

NEXT STEPS

The investigative and design work completed to date indicates that Piedmont community aquatic needs can be largely accommodated within the existing site; that construction costs would range from \$12 to \$15 million; and that the total level of annual General Fund support would, on a worst case basis, be in the range of \$249,000. With this information in-hand, staff is recommending the following as the most beneficial and informative next steps to advance this process:

1. Complete a Comprehensive Examination of Potential Funding Mechanisms

2. Develop Strategies for Public Outreach and Communication to Ensure a Thorough Understanding of the Proposal and it's Financial Implications on the Piedmont Community
3. Explore Options to Effectively Evaluate Community Interest and Support for a New Aquatics Facility (Polling)

In order to develop comprehensive and thorough proposals for how best to undertake these critical next steps, staff is suggesting that the most effective and efficient approach would be for the City Council to establish an ad hoc subcommittee from its membership, consisting of the Recreation Commission Liaison and the Vice Mayor. This ad-hoc subcommittee would meet with subject-matter experts, stakeholders and staff to refine the approach and to develop a scope and budget for each step. This ad hoc committee would not have decision-making authority, but would complete investigative work on behalf of the Council, would keep the Council apprised of progress, and would ultimately report back with specific action-items for consideration.

By: Sara Lillevand, Recreation Director