Background and Reasons for Purchasing the SportsPlex

The SportsPlex owners approached the City about purchasing the property in November of 2007 and serious negotiations began a year later after the City conducted a feasibility study through Crowe-Horwath. The Parks and Recreation Department is now pursuing the purchase because:

- The construction and acquisition of an indoor sports facility has been mentioned in Parks Master Plans for more than 25 years and the need to provide one was rated very highly in the 2006 Citizen Attitude and Interest surveys;
- Such a facility will help round out services that address the health and wellness of the members of our community which, among many other benefits, will tend to reduce health care costs in the future;
- The purchase of this facility now will preserve "a fitness and youth/adult sport anchor in the community" and continue "the delivery of many indoor recreation and sports programs" offered nowhere else in the community;
- The purchase will add approximately 10 acres of greenspace to the City's inventory and, when combined with the neighboring Twin Lakes facility, "consolidate some operational and storage expenses" and offer a higher profile for the department's services;
- The feasibility study indicates the City "could purchase and operate the facility by using a revenue bond to fund the acquisition."

Facility and Grounds

The SportsPlex is a 10-year old, multipurpose recreational facility with 97,900 s.f. spread over three floors (including the basement) and approximately 10 acres of land located next to the City's Twin Lakes Park. It contains five maple hardwood basketball courts, a synthetic grass indoor soccer field (that will be resurfaced), a weight and fitness center, an aerobic studio, a fifth of a mile running track, office space and adjacent parking.

Valuation of the Property

The property has been appraised at a market value of $10,000,000. That figure was derived by valuing the land and using three approaches to value the facility which were then reconciled as noted below:

Element or Approach	Elaboration	Amount
Land Value		$1.40 million
Cost Approach	Captures replacement value minus depreciation	$10.97 million
Sales Comparison Approach	Looks at recent sales (within a 12-month period) of comparable properties	$9.80 million
Income Capitalization Approach	Values a stream of income	$10.65 million
As Is Market Value	Reconciled amount	$10.00 million [1]

Feasibility – Financial Operations and Debt Service

When asked about why the Parks and Recreation Department thought it could succeed with the SportsPlex when it appears that the current owners could not, Mick Renneisen had a quick answer - the City has lower debt service (in part, because the City will pay lower interest on the bonds), lower operating costs (in part, because the City pays no property taxes) and better "branding."

The longer answer is found in a feasibility study (included in this packet) prepared by Tom Guevara, former City Controller, who now works for Crowe-Horwath. That study projected revenues, expenditures and debt service over five years and, according to Renneisen, concluded that "the Parks Department could operate the SportsPlex on a break even basis including debt service for the facility at the agreed upon purchase price of $5.5 million." The study assumes revenues starting at $1 million per year and increasing at 5% per year with an increase in membership fees in the third and fifth year. The initial figure was considered

[1] The assessed value (AV) of the land and improvements is about $5.6 million. While the AV is supposed to reflect market value, this figure may be low for any number of reasons. Those reasons might include an absence of valuing the interior fixtures and equipment, a total disregard of the value of the income stream, and efforts by the property owner to lower the tax liability.

conservative based upon revenues for other similar facilities and the history of revenue reported by the property owner. The lower figure (the property owner reported in excess of $1 million per year in the last two years) also reflects that the membership fees are likely to be lower once the City assumes ownership.[2]

The expenses, on the other hand, were expected to be similar to those under current ownership except for the lack of property taxes and the lower cost for liability insurance. Here, Renneisen, notes that beyond a transition period of less than a year, his department does not anticipate any additional administrative costs associated with running the facility because existing staff will transfer and operate out of there.

The Board of Park Commissioners proposes to issue no more than $6.5 million in Park District revenue bonds to pay for the project.[3] The proceeds will be used to pay:

- $5.55 million for the property;
- About $330,000 for repairs and renovations (including about $68,000 on the IT system, $120,000 to replace the soccer field, and $124,000 on repairs – with $75,000 being spent on the HVAC system alone);
- $14,000 for due diligence (which includes inspections, appraisals and surveys); and
- $477,000 in "capitalized interest" which will significantly lower the payments for the first few years and provide a buffer to make payments for the first two years should revenues not meet expectations. Please note those annual payments will rise to about $565,000 in 2014 and stay at that level until paid off in 2029.

Legislation

As mentioned in the first paragraph, the ordinance takes the steps set forth in statute to issue revenue bonds to purchase and renovate the SportsPlex. It does this by approving three Board of Parks Commissioner (BPC) resolutions which include Res 09-02 (Declaratory Resolution), Res 09-03 (Confirmatory Resolution, and Res 09-04 (Bond Resolution). Together these resolutions state that after holding a

[2] In his memo, Renneisen says that there will be a "downward pressure on prices" if the SportsPlex is operated as a public facility which, I assume, refers to an effort to make fees affordable for moderate income households. Please note that there are 1,400 households who are currently members of the SportsPlex. (See Frequently Ask Questions about the SportsPlex at the end of this packet).

[3] Please note that Mike Trexler, Controller, has indicated that the total debt of the City (including this revenue bond but excluding Utilities) would be about $26.54 million. With an estimated AV of $3.48 billion for property within the City, our debt would be at about 1% of AV, which is half of the City's internal cap on debt.

legally-advertised public hearing on March 11, 2009 to hear any remonstrances from persons opposed to the project, the BPC found that it is necessary and of public utility and benefit to acquire and make certain improvements to the SportsPlex. The resolutions then authorize the issuance of revenue bonds in an amount not to exceed $6.5 million to cover the cost of the acquiring, renovating, and arranging the financing for this project for an interest rate not to exceed 6.5% and a period not to exceed 20 years and also authorize the Director of the Parks Department to take steps to complete the purchase.

EXHIBIT A

DESCRIPTION OF THE PROJECT

The Project consists of the following:

(i) acquire the real estate and improvements currently known as the Bloomington SportsPlex located at 1700 W. Bloomfield Road, Bloomington, Indiana, consisting of approximately 11 acres including a multipurpose recreation facility thereon consisting of a three (3) story facility of approximately 98,000 square feet containing five (5) hardwood maple basketball courts, a synthetic grass indoor soccer field, weight and fitness center, aerobic studio, a 1/5 mile running track and adjacent parking areas (collectively, the "Facility"), and (ii) make certain repair and replacement improvements to the Facility (collectively with the Facility, the "Project").

.75
.24
5.2
1.29
3.5

Sports Plex
TOTAL 10.98 Acres
All property info per City of Bloomington G.I.S.

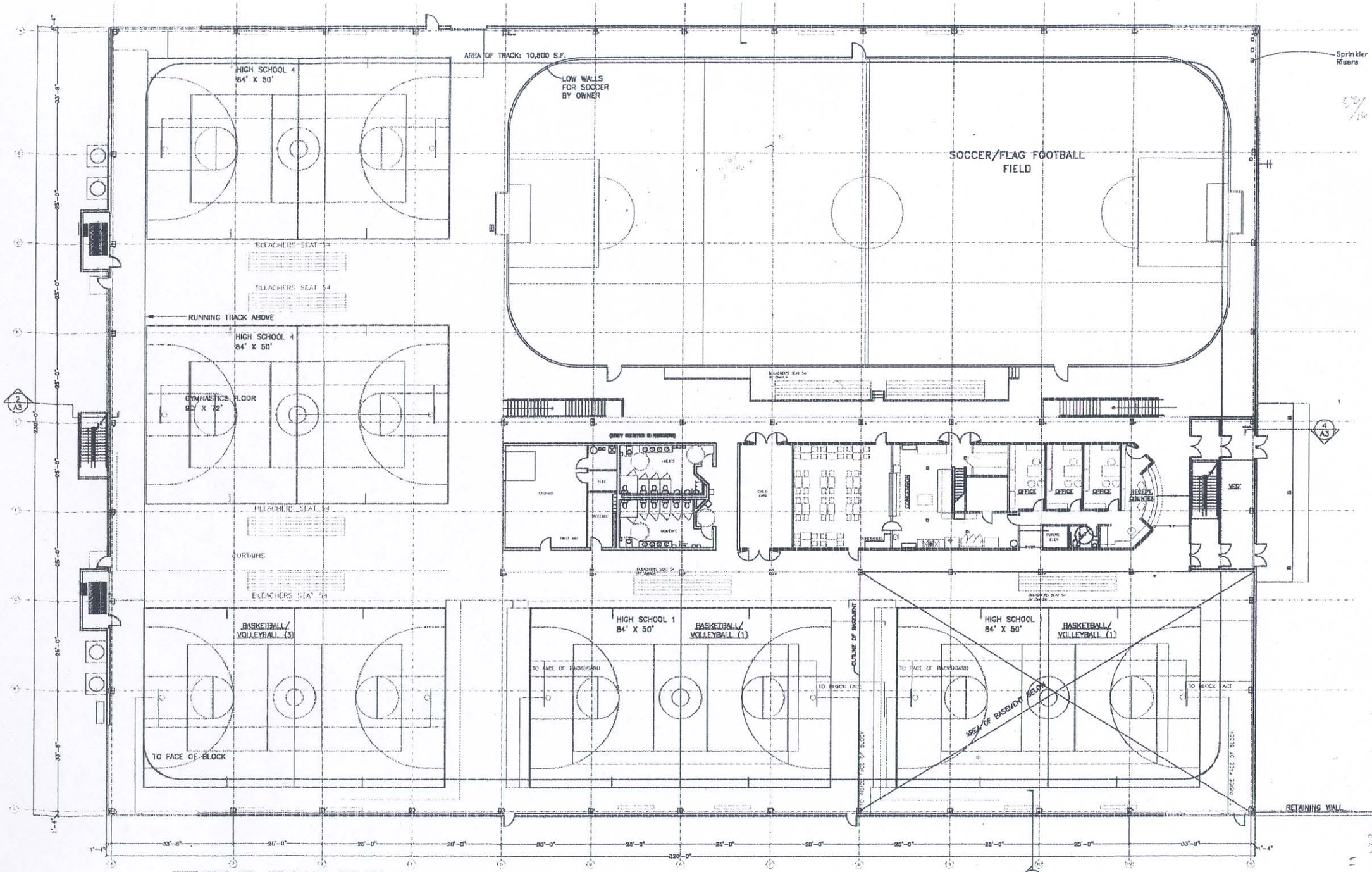
#1
Parcel ID: 015-12180-01
Owner: FURR LLC
Property Address: 2270 W. Bloomfield Rd., 47403
Owner Address: 501 S. Madison St., 47401
Legal Description: Seminary PT Lot 191
Lot Size: 5.2 AC

#2
Parcel ID: 015-32660-01
Owner: FURR LLC
Property Address: ? W. Bloomfield Rd., 47403
Owner Address: 501 S. Madison St., 47401
Legal Description: Seminary PT Lot 191
Lot Size: .24 AC

#3
Parcel ID: 015-32670-01
Owner: FURR LLC
Property Address: 2290 W. Bloomfield Rd., 47403
Owner Address: 1700 W. Bloomfield Rd., 47403
Legal Description: Seminary PT Lot 191
Lot Size: .75 AC

#4
Parcel ID: 015-12170-01
Owner: FURR LLC
Property Address: 2260 W. Bloomfield Rd., 47403
Owner Address: 501 S. Madison St., 47401
Legal Description: Seminary PT Lot 190
Lot Size: 1.29 AC

#5
Parcel ID: 015-12150-01
Owner: FURR LLC
Property Address: 1700 W. Bloomfield Rd., 47403
Owner Address: 1700 W. Bloomfield Rd., 47403
Legal Description: PT – SE – 6-8-1W
Lot Size: 3.5 AC

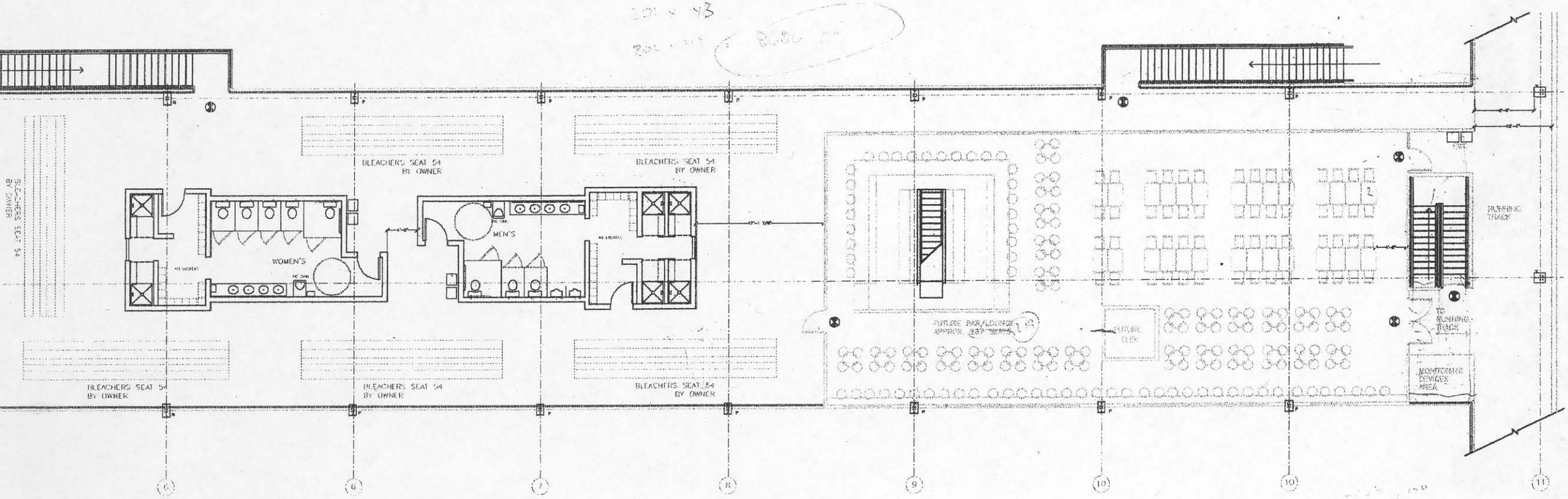


1 FIRST FLOOR PLAN

SCALE: 1"=32'-0"

FOOTPRINT: 54,617 SF

NORTH



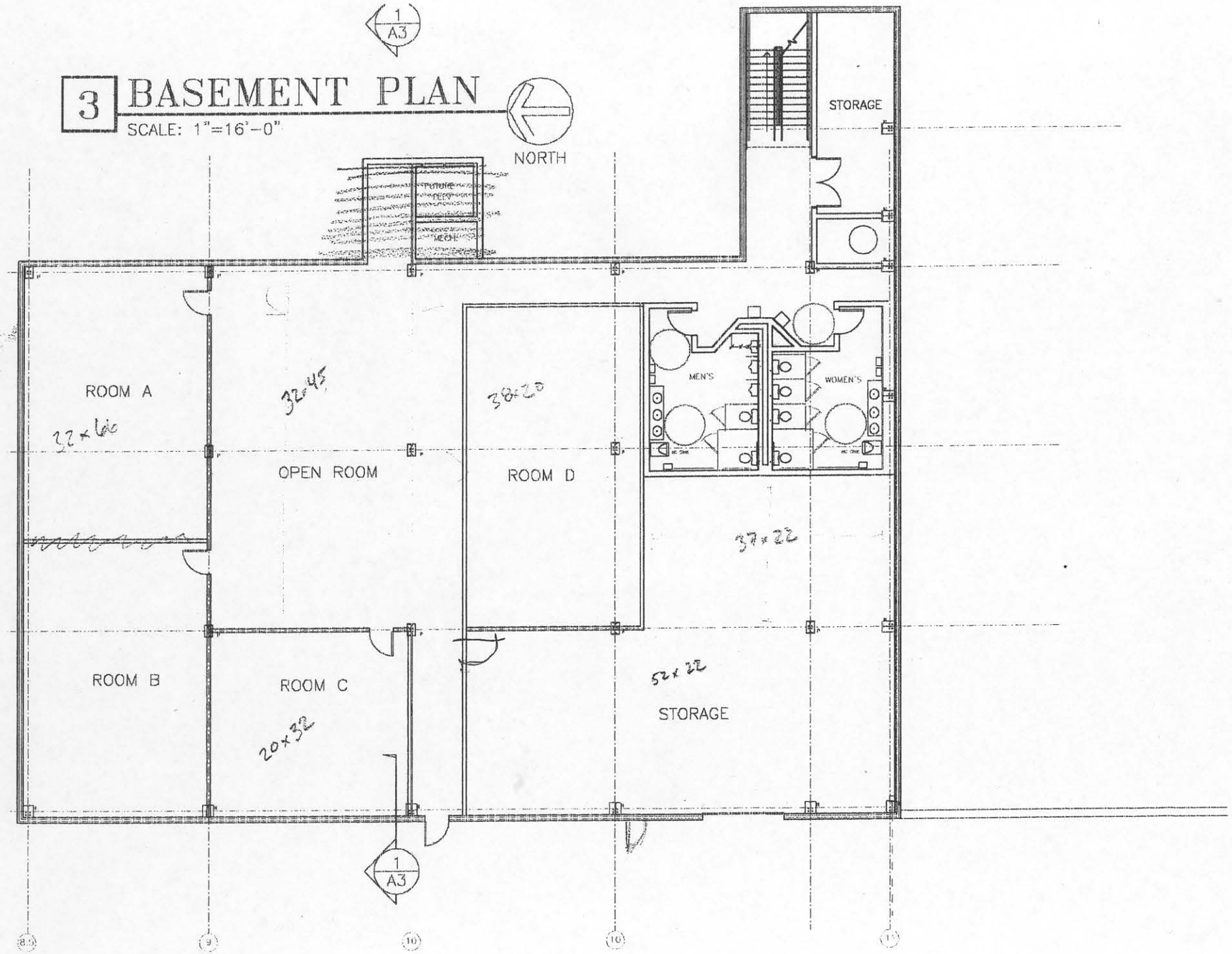
2 SECOND FLOOR PLAN

SCALE: 1"=16'-0"

NORTH

3 BASEMENT PLAN

SCALE: 1"=16'-0"



CITY OF BLOOMINGTON
parks and recreation

STAFF REPORT

TO: Common Council
FROM: Mick Renneisen, Parks & Recreation Director
DATE: February 24, 2009
SUBJECT: **REVIEW/APPROVAL OF AN ORDINANCE APPROVING THE ISSUANCE OF BONDS OF THE DEPARTMENT OF PUBLIC PARKS OF THE CITY OF BLOOMINGTON, INDIANA IN AN AMOUNT NOT TO EXCEED $6,500,000 TO FINANCE ACQUISITION AND IMPROVEMENT OF THE BLOOMINGTON SPORTSPLEX**

Recommendation

Staff recommends approval of Ordinance 09-03 of the Bloomington City Council to issue bonds in the name of the City for the purchase of a community recreation center. Bond sale proceeds are expected to fund the purchase of the Bloomington SportsPlex and the approximately 11 acres of land where the facility is located and for miscellaneous improvements to the facility.

Background

Staff believes a multi-faceted community center targeting the needs of moderate income families, but serving all socio-economic backgrounds of our community, is an important asset for the quality of life in our community. Consideration of construction or acquisition of a multi-faceted community center operated by the City of Bloomington has been mentioned in previous Parks & Recreation Department Master Plans for at least 25+ years. Our 2006 Citizen Attitude and Interest Survey identified an indoor recreation facility as the 7th highest ranked need (37% of respondents) while our 2006 Senior Citizen Attitude and Interest Survey ranked an indoor recreation facility as the 2nd highest ranked need (49% of respondents) expressed by the community.

Current local health/fitness/recreation centers are either for profit (Iron Pit Gym; SportsPlex, Cardinal Fitness) or not-for-profits (YMCA, SRSC, HPER) that charge rates beyond the means of the target audiences of the City and the Parks and Recreation Department or are not accessible to all members of the public.

The obesity rate in Indiana is at an epidemic level. The health of many Hoosiers and local residents is in jeopardy due to a lack of exercise and poor nutrition. Healthcare costs are soaring and the long-term costs of an unhealthy population have significant implications for our society.

The City of Bloomington was approached by the SportsPlex owners in November 2007 to determine if the City had any interest in acquiring the SportsPlex. Informal discussions continued throughout 2008. Serious negotiations began in earnest in November 2008 after the City Parks Department concluded a Financial Feasibility Study completed by Crowe-Horwath consultants. The study indicated that the City

could purchase and operate the facility by using a revenue bond to fund the acquisition. Negotiations concluded in January 2009 with a verbal agreement to purchase the SportsPlex for $5,550,000. The formal Purchase Agreement has been signed by the City and the SportsPlex owners.

Opportunities/Benefits of the Acquisition

Parks staff believes that the SportsPlex serves a significant recreation market segment in the community. The loss of this facility would have a substantial impact on the delivery of many indoor recreation and sports programs that are currently offered at the SportsPlex that could not be offered at other sites in the community.

The City's acquisition of the SportsPlex will preserve a fitness and youth/adult sport anchor in the community. Arguably it has become the focus of youth basketball, other than the Banneker Basketball program, for the community. All other local youth leagues are conducted at the SportsPlex.

The facility is situated next to Twin Lakes Sports Park and that proximity often confuses the customer to think that they are both owned and operated by the City of Bloomington. Owning the adjacent properties would consolidate some storage and operational expenses along with a clear brand or presence in the recreational market. The acquisition will also add approximately 11 acres of greenspace, contiguous to Twin Lakes, to the City's inventory.

Acquisition of the SportsPlex will address several key community interests identified in the 2006 Parks and Recreation Citizen Attitude and Interest Survey. Parks indoor facilities were rated the lowest in meeting respondent's needs based on the shortage of usable space and existing conditions. In addition, indoor fitness and exercise spaces, as well as an indoor running/walking track, were two of the highest desired activities identified in the surveys.

SportsPlex Appraised Value/Offer

The current appraised value of the facility is $10,000,000. The bond process requires that three appraisers agree on the appraised value of the facility. The three local appraisers signed off on this valuation on February 17, 2009.

Financial Operations

Annual operation of the facility considers three primary categories; Revenues, operational expenses, and debt service. The annual revenues reported from 2002-2006 reflected consistent increases in annual revenues that approached $1 million dollars annually. Revenues in 2007 and 2008 exceeded $1 million annually and reached an all-time high of $1.3 million in 2008. If operated as a public facility, there would be downward pressure on prices and revenue estimates have been lowered to reflect a lower price point. We estimate revenues from City operation of this facility conservatively at approximately $1 million annually. Operational expenses will be fairly consistent with existing facility expenses with the exception of two major expenses. The City will not have to pay property taxes and the liability insurance cost will be less. Finally, debt service interest rates will be significantly reduced from typical private sector interest charges. (See attached Financial Feasibility Analysis for more detail.)

Parks does not believe that any additional staff resources would be required to operate the SportsPlex. Existing staff resources would transfer to this facility. The Financial Feasibility Study concludes that the Parks Department could operate the SportsPlex on a break even basis including debt service for the facility at the agreed upon purchase price of $5,550,000.

The SportsPlex will require some facility upgrades. The synthetic turf and bathroom fixtures are in need of replacement. Minor ADA compliance issues need to be corrected. Some HVAC repair/replacement is anticipated. Information technology and security camera systems will also need to be upgraded. The entire list of facility upgrades is estimated to cost approximately $330,000. These improvement costs have been added to the purchase price and are reflected in the total bond estimate cost. The cost of bond issuance, the financial feasibility study and other due diligence expenses have also been factored into the total bond issuance cost.

Conclusion

An opportunity exists to acquire a large recreation facility that would allow the City to consolidate resources and provide better health/wellness, sports and recreation programs to the community.

Parks staffs believe that the loss of this facility would have a negative impact on the community.

The community has indicated in the 2006 Citizen Attitude and Interest Survey and the 2006 Senior Citizen Attitude and Interest Survey that indoor health/wellness, sports and recreation space is lacking in the City's inventory of facilities.

The acquisition of the SportsPlex will not have any effect on the taxpayer as the facility purchase will be funded through a revenue bond. Users of the facility will pay for the cost of operations and debt service.

The community's health, wellness and recreation needs will be better served as a result of this acquisition.

RESPECTFULLY SUBMITTED,

_____

Mick Renneisen, Director

SportsPlex Bond Fund Use

Vendor	Service	Cost	Completed	Notes
Bond Issuance Expenses				
Crowe-Horwath	Financial Feasibility	$44,000	2/18/2009	
Bingham-McHale	Bond Counsel	$50,500		
Capitalized Interest		**$477,678.06**		
Underwriters Discount		**$45,500.00**		
Due Diligence				
Vencel Appraisal	Appraisal	$3,000	2/18/2009	
Figg Appraisal	Appraisal	$3,000	2/18/2009	
1st Appraisal	Appraisal	$2,750	2/18/2009	
Sherlock Homes	Inspection	$900	2/12/2009	Repairs noted below.
Fields Environmental Services	Environmental Report - Phase I	$1,950	2/18/2009	No concerns found.
Bledsoe, Riggert, Guerrettaz	Survey	$2,400		
sub total		**$14,000**		
Project Funds	**Item**	**Cost**		
Furr LLC	SportsPlex Purchase	$5,550,000		
purchase subtotal		**$5,550,000**		
	IT Improvements			
	Fiber Construction Costs		$104,000	telecom fund request
	Telephone services	$1,800		
	Computer/peripherals	$7,300		
	Networking	$13,200		
	Voice/data cabling	$13,500		
	Security cameras	$30,500		
	FM Transmitter	$2,000		
		$68,300		
	Soccer surface replacement	**$120,000**		
	ADA improvements	**$3,050**		
	Signage	**$2,000**		
	Repairs			
	Roof		$750	owner
	HVAC repairs	$29,989.51		
	HVAC duct work replacement	$45,500.00		
	Plumbing	$1,700		
	counters	$800		
	Walls	$12,000		
	Ceiling tiles	$500		
	Flooring	$5,000		
	FRP paneling	$13,750		
	Tuck pointing	$750		
	Exterior walls	$3,300		
	Landscaping	$2,000		
	Curbs/sidewalks	$1,500		
	Door damage		$1,100	owner
	Sealing doors/windows	$2,500		
	Guttering repair		$1,000	owner
	Soil erosion	$1,200		
	Retaining wall	$2,500		
	Downspouts	$1,000		
Repair sub total		**$123,990**		
Project sub total		**$5,867,340**		
TOTAL		**$6,499,018**		$6,500,000

CITY OF BLOOMINGTON
Monroe County, Indiana

Proposed Park District Bonds, Series 2009
(SportsPlex Project)
Estimated Sources and Uses of Funds

Sources of Funds:		
Par Amount of Bonds	$	6,500,000.00
Total Sources of Funds	$	6,500,000.00

Uses of Funds:		
Project Fund	$	5,882,321.94
Capitalized Interest (Through and including January 15, 2011)		477,678.06
Underwriter's Discount (.07% of Par)		45,500.00
Cost of Issuance		94,500.00
Total Uses of Funds	$	6,500,000.00

CITY OF BLOOMINGTON
Monroe County, Indiana

Proposed Park District Bonds, Series 2009
(SportsPlex Project)
Amortization Schedule

Date	Principal	Coupon (1)	Interest	Total	Capitalized Interest	Fiscal Total	Annual Debt Service Reserve	Total
15-Jul-09			$ 58,934.31	$ 58,934.31	$ 58,934.31			
15-Jan-10			139,581.25	139,581.25	139,581.25		$ 189,324.17	$ 189,324.17
15-Jul-10			139,581.25	139,581.25	139,581.25			
15-Jan-11			139,581.25	139,581.25	139,581.25		189,324.17	189,324.17
15-Jul-11			139,581.25	139,581.25				
15-Jan-12	$ 25,000	2.20%	139,581.25	164,581.25		$ 304,162.50	189,324.17	493,486.67
15-Jul-12			139,306.25	139,306.25				
15-Jan-13	240,000	2.35%	139,306.25	379,306.25		518,612.50		518,612.50
15-Jul-13			136,486.25	136,486.25				
15-Jan-14	295,000	2.65%	136,486.25	431,486.25		567,972.50		567,972.50
15-Jul-14			132,577.50	132,577.50				
15-Jan-15	300,000	2.85%	132,577.50	432,577.50		565,155.00		565,155.00
15-Jul-15			128,302.50	128,302.50				
15-Jan-16	310,000	3.05%	128,302.50	438,302.50		566,605.00		566,605.00
15-Jul-16			123,575.00	123,575.00				
15-Jan-17	320,000	3.25%	123,575.00	443,575.00		567,150.00		567,150.00
15-Jul-17			118,375.00	118,375.00				
15-Jan-18	330,000	3.50%	118,375.00	448,375.00		566,750.00		566,750.00
15-Jul-18			112,600.00	112,600.00				
15-Jan-19	340,000	3.75%	112,600.00	452,600.00		565,200.00		565,200.00
15-Jul-19			106,225.00	106,225.00				
15-Jan-20	355,000	4.05%	106,225.00	461,225.00		567,450.00		567,450.00
15-Jul-20			99,036.25	99,036.25				
15-Jan-21	365,000	4.30%	99,036.25	464,036.25		563,072.50		563,072.50
15-Jul-21			91,188.75	91,188.75				
15-Jan-22	380,000	4.50%	91,188.75	471,188.75		562,377.50		562,377.50
15-Jul-22			82,638.75	82,638.75				
15-Jan-23	400,000	4.70%	82,638.75	482,638.75		565,277.50		565,277.50
15-Jul-23			73,238.75	73,238.75				
15-Jan-24	415,000	4.85%	73,238.75	488,238.75		561,477.50		561,477.50
15-Jul-24			63,175.00	63,175.00				
15-Jan-25	435,000	5.00%	63,175.00	498,175.00		561,350.00		561,350.00
15-Jul-25			52,300.00	52,300.00				
15-Jan-26	460,000	5.10%	52,300.00	512,300.00		564,600.00		564,600.00
15-Jul-26			40,570.00	40,570.00				
15-Jan-27	485,000	5.20%	40,570.00	525,570.00		566,140.00		566,140.00
15-Jul-27			27,960.00	27,960.00				
15-Jan-28	510,000	5.30%	27,960.00	537,960.00		565,920.00		565,920.00
15-Jul-28			14,445.00	14,445.00				
15-Jan-29	535,000	5.40%	14,445.00	549,445.00		563,890.00		563,890.00
Total	$ 6,500,000.00		# $ 3,840,840.56	$ 10,340,840.56	$ 477,678.06	$ 9,863,162.50	$ 567,972.51	$ 10,431,135.01

(1) Interest rates presented on this amortization schedule are based on TM3 AA rates plus 75 bp as of 2/10/09. Crowe Horwath LLP makes no assertion that these rates will be actual interest rates charged at the time debt is actually issued by the City as market conditions change on a frequent basis.

Prepared by Crowe Horwath LLP

As of February 18, 2009
For Discussion Purposes Only

CITY OF BLOOMINGTON

Monroe County, Indiana

Proposed Park District Bonds, Series 2009

(SportsPlex Project)

Estimated Coverage

Year	Net Revenues	Debt Service	Net Cash Flow	Cumulative Cash Flow	Coverage
2009	$ 243,417 (1)	$ 189,324	$ 54,093	$ 54,093	129%
2010	508,973	189,324	319,649	373,742	269%
2011	558,201	493,487	64,714	438,456	113%
2012	586,010	518,613	67,398	505,853	113%
2013	642,851	567,973	74,879	580,732	113%
2014	642,851	565,155	77,696	658,428	114%
2015	642,851	566,605	76,246	734,674	113%
2016	642,851	567,150	75,701	810,375	113%
2017	642,851	566,750	76,101	886,476	113%
2018	642,851	565,200	77,651	964,127	114%
2019	642,851	567,450	75,401	1,039,528	113%
2020	642,851	563,073	79,779	1,119,306	114%
2021	642,851	562,378	80,474	1,199,780	114%
2022	642,851	565,278	77,574	1,277,353	114%
2023	642,851	561,478	81,374	1,358,727	114%
2024	642,851	561,350	81,501	1,440,228	115%
2025	642,851	564,600	78,251	1,518,479	114%
2026	642,851	566,140	76,711	1,595,190	114%
2027	642,851	565,920	76,931	1,672,121	114%
2028	642,851	563,890	78,961	1,751,082	114%
Total	$ 12,182,217	$ 10,431,135	$ 1,751,082		

(1) Represents 50% of the pro-forma revenues. Acquisition of the SportsPlex is scheduled for April 2009.

Prepared by Crowe Horwath LLP

As of February 18, 2009

For Discussion Purposes Only

Bloomington SportsPlex

Feasibility Study

City of Bloomington, Indiana

January 26, 2009

Crowe Horwath™

Bloomington SportsPlex
Bloomington, Indiana

Feasibility Study

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A. Introduction

1. Purpose of the Report

Crowe Horwath LLP ("Crowe") has been engaged by the City of Bloomington, Indiana (the "City") to analyze the proposed acquisition and operations of the Bloomington SportsPlex (the "SportsPlex"). Crowe has prepared this Feasibility Study (the "Report") to help the City determine, based on their operating assumptions, if the SportsPlex operating cash flows could provide adequate resources to pay for the acquisition and financing costs associated with purchasing the SportsPlex.

This Report includes assumptions and results of assumptions on the following:

1) A 5-year proforma operating statement reflecting the ability of the SportsPlex to provide positive cash flows.

2) A debt financing scenario, based on cash flows available, to finance the acquisition of the SportsPlex.

To the extent practical, Crowe has compared certain assumptions provided by the City with industry data to assess the reasonableness of the assumptions provided. Crowe does not, however, assume responsibility for the assumptions provided, nor have we audited financial or supplemental data used for this financial analysis. The Report contains certain projections that may vary from actual results because events and circumstances frequently do not occur as estimated and such variances may be material.

2. City of Bloomington, Indiana

Through participatory leadership and innovative programs and services, the City seeks to keep the community economically strong and sustainable, as well as safe, culturally vibrant and beautiful for its residents and visitors. The Mayor is the chief executive and the nine-member City Council is the legislative body.

The City's Parks and Recreation Department's mission is to provide essential services, facilities and programs necessary for the positive development and well-being of the community through the provision of parks, greenways, trails and recreational facilities while working in cooperation with other service providers in the community in order to maximize all available resources.

3. Bloomington SportsPlex

The SportsPlex is an indoor sports facility and fitness center currently owned and operated by a private sector enterprise. The facility was built in 1999 and contains approximately 98,000 square feet (SF) on 3 floors situated on 11 acres of land in the City of Bloomington on West Bloomfield Road. The SportsPlex currently features 5 hardwood-maple basketball courts; a synthetic grass indoor soccer field; a weight room with cardio and strength machines, plus free weights, an aerobic studio and a one-fifth (1/5) mile running track.

B. SportsPlex Operating and Feasibility Summary

1. Operating and Feasibility Assumptions

The assumptions disclosed in this section of the Report are believed to be significant to the financial analysis. Usually there are differences between financial analysis and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

The assumptions were based on proposed operational data provided by the City. Several of the assumptions were compared to financial and nonfinancial data from other City Parks and Recreation operations and activities, as well as, historical operations under private management. These resources were utilized by the City to develop assumptions related to certain operating ratios, receipts and expenditures.

Table A: Operating Statement

	Year 1	Year 2	Year 3	Year 4	Year 5
Operating Cash Receipts:					
Membership	$ 437,200	$ 456,860	$ 503,483	$ 528,556	$ 582,527
Sports and recreation programs	321,283	337,347	354,217	371,931	390,526
Fitness services	109,175	114,635	120,368	126,385	132,704
Facility Rentals	105,000	110,250	115,763	121,551	127,628
Concessions and vending	85,000	89,250	93,713	98,398	103,318
Total operating cash receipts	$ 1,057,658	$ 1,108,342	$ 1,187,544	$ 1,246,821	$ 1,336,703
Operating Cash Expenditures:					
Contractual	149,410	156,881	164,726	172,963	181,610
Sports and recreation programs	157,414	165,288	173,553	182,231	191,343
Concession and vending	47,500	49,875	52,369	54,987	57,737
Operating costs	216,500	227,325	238,695	250,630	263,162
Total operating cash expenditures	$ 570,824	$ 599,369	$ 629,343	$ 660,811	$ 693,852
Operating cash receipts over expenditures (**)	$ 486,834	$ 508,973	$ 558,201	$ 586,010	$ 642,851

** Excess cash flows can be designated for capital asset reserves or debt service financing

2. Operating Cash Receipts Assumptions

This financial analysis includes revenue assumptions related to:

- Membership
- Sports and recreation programs
- Fitness services
- Facility rentals
- Concession and vending

The primary assumptions are linked to membership revenue and sports and recreation program revenue, which represent approximately 72% of total activity. Important indicators of revenue generation are the number of members, the amount and mix of program services that members will utilize, and the membership and program service fee structure. Key assumptions follow:

- Membership revenues represent approximately 42% of operating activity.
    - Membership levels will start at 786 units in Year 1. Member units will grow 5% each year. Membership revenue is approximately $437,000 in Year 1 and by Year 5 will be $583,000. (See Table B)
    - Membership fees are generated based on the number of members and the membership rates. The fee structure for Year 1 is provided in Table B. The primary fee structure assumption is that all member rates will increase by 5% in Year 3 and then in Year 5, while remaining flat in Years 2 and Year 4.
- Sports and recreation programs represent approximately 30% of operating activity. It includes programs operated by the City in addition to current programs offered to SportsPlex with approximately 70% of revenue related to conducting sports leagues, camps and clinics. (See Table C). These programs are estimated to grow 5% per year based on a combination of participation and fee increases.
- Fitness services represent approximately 10% of operating activity. It includes a variety of programs such as personal training, group fitness classes, dance, and fitness support programs. Personal training and fitness classes represent approximately 55% of fitness revenue. Fitness programs are estimated to grow 5% per year based on a combination of participation and fee increases. (See Table D)
- Facility rentals represent approximately 10% of operating activity. Facility rentals will be available for basketball, soccer and general facility use to leagues, groups and the community. Facility rental revenue estimates are based on historical use of the facility by outside groups adjusted for sports programming planned by the City. Facility rentals are estimated to grow 5% per year based on fee increases.
- Concession and vending revenues represent approximately 8% of operating activity Estimates are based on historical use of the facility and reduced based on a limited menu. These revenues are estimated to grow 5% per year based on fee increases.
- Other forms of contributions, grants and sponsor revenue, and food service leases are not included in the financial analysis but may be sought to support operating or capital needs.

Table B: Membership Data

The following table represents membership activity and fee structures utilized in the financial analysis.

Member Type	Units	Fee per Month	Year 1 Revenue	% of Revenue	Year 2 Revenue	Year 3 Revenue	Year 4 Revenue	Year 5 Revenue
Daily Users ($6 per visit)	5,500		$ 33,000	8%	$ 34,650	$ 38,202	$ 40,112	$ 44,223
Monthly								
Student	130	$ 25	39,000	9%	40,950	45,147	47,404	52,263
Adult	265	$ 35	111,300	25%	116,865	128,844	135,286	149,153
2 Adult, Same House	136	$ 50	81,600	19%	85,680	94,462	99,185	109,351
Family	255	$ 55	168,300	38%	176,715	194,828	204,569	225,537
	786		400,200	91%	420,210	463,281	486,444	536,304
Capital Fee (one time fee of $50 for new members)			4,000	1%	2,000	2,000	2,000	2,000
Total membership revenues			$ 437,200	100%	$ 456,860	$ 503,483	$ 528,556	$ 582,527

Table C: Sports and Recreation Program Revenues

Revenues from sports and recreations program are estimated as follows:

Program Name	Year 1 Revenue	Year 2 Revenue	Year 3 Revenue	Year 4 Revenue	Year 5 Revenue
Activities					
Youth Basketball (BBCC/Splex)	$ 100,000	$ 105,000	$ 110,250	$ 115,763	$ 121,551
People's University Classes	9,180	9,639	10,121	10,627	11,158
Facility Rental to 3 BACC groups/$35 hr	19,120	20,076	21,080	22,134	23,241
Senior Expo	15,400	16,170	16,979	17,828	18,719
BreakDays	13,168	13,826	14,517	15,243	16,005
Sports Shorties - Fall Ball-preschool	6,000	6,300	6,615	6,946	7,293
Martial Arts	5,600	5,880	6,174	6,483	6,807
Flower Show	5,000	5,250	5,513	5,789	6,078
Mom's Prom	3,000	3,150	3,308	3,473	3,647
Tiny Dancers - preschool	2,160	2,268	2,381	2,500	2,625
Lock-in	1,500	1,575	1,654	1,737	1,824
Event Planning (estimate per 1)	925	971	1,020	1,071	1,125
Movies (2 per year)	900	945	992	1,042	1,094
Soapbox Derby	750	788	827	868	911
Wii Tournaments (2 per year)	680	714	750	788	827
Concert	400	420	441	463	486
Birthday Party Rentals (140 @$50)	7,000	7,350	7,718	8,104	8,509
	190,783	200,322	210,340	220,859	231,900
Leagues, Camps and Clinics					
Basketball Leagues - Adult/High School	25,000	26,250	27,563	28,941	30,388
Soccer leagues	60,000	63,000	66,150	69,458	72,931
Volleyball Leagues	2,500	2,625	2,756	2,894	3,039
Flag Football	13,000	13,650	14,333	15,050	15,803
Camps and Clinics	30,000	31,500	33,075	34,729	36,465
	130,500	137,025	143,877	151,072	158,626
Total sports and recreation revenues	$ 321,283	$ 337,347	$ 354,217	$ 371,931	$ 390,526

Table D: Fitness Service Revenues

Revenues from fitness services are estimated as follows:

Program Name	Year 1 Revenue	Year 2 Revenue	Year 3 Revenue	Year 4 Revenue	Year 5 Revenue
Fitness Services					
Personal training	$ 33,400	$ 35,070	$ 36,824	$ 38,665	$ 40,598
Fitness classes	27,600	28,980	30,429	31,950	33,548
Dance	20,750	21,788	22,877	24,021	25,222
Groups	1,200	1,260	1,323	1,389	1,458
Assessments	12,775	13,414	14,085	14,789	15,528
Nutrition	450	473	497	522	548
Youth	2,800	2,940	3,087	3,241	3,403
Training / Certification	2,400	2,520	2,646	2,778	2,917
Miscellaneous	7,800	8,190	8,600	9,030	9,482
Total fitness services	$ 109,175	$ 114,635	$ 120,368	$ 126,385	$ 132,704

Table E: Facility Rental Revenues

Revenues from facility rentals are estimated as follows:

Program Name	Year 1 Revenue	Year 2 Revenue	Year 3 Revenue	Year 4 Revenue	Year 5 Revenue
Basketball	$ 50,000	$ 52,500	$ 55,125	$ 57,881	$ 60,775
Soccer	30,000	31,500	33,075	34,729	36,465
General Facility	25,000	26,250	27,563	28,941	30,388
	$ 105,000	$ 110,250	$ 115,763	$ 121,551	$ 127,628

Table F: Concession and Vending Revenues

Revenues from concessions and vending are estimated as follows:

Program Name	Year 1 Revenue	Year 2 Revenue	Year 3 Revenue	Year 4 Revenue	Year 5 Revenue
Concessions	$ 60,000	$ 63,000	$ 66,150	$ 69,458	$ 72,931
Vending Machines	25,000	26,250	27,563	28,941	30,388
	$ 85,000	$ 89,250	$ 93,713	$ 98,399	$ 103,319

3. Operating Expenditures Assumptions

This financial analysis includes expenditure assumptions related to:

- Management – salary and benefits
- Contractual services
- Program costs – sports and recreation
- Concession and vending
- Other operating costs

The primary significant assumptions related to expenditures include how the facility will be managed through City personnel and contracted services, assumptions on direct costs of programs and fitness services, as well as, facility operating costs. Key assumptions follow:

- Management salaries and benefits - The City has identified 8 management positions representing approximately 4.4 full-time equivalents (FTE) that will provide leadership at the SportsPlex. (See Table G) The salary and benefits of the 4.4 full-time equivalents is approximately $221,000. However, the salary and benefit costs of the management function are not included in the financial analysis. These positions are already part of the Parks and Recreation budget and are not considered to be incremental costs to the City.
- Contractual services include on-site supervisors (evenings and weekends), fitness instructors, front desk support, concessions, and janitorial services that will be provided by part-time individuals (Year 1 is approximately $149,000). These expenditures are estimated to grow 5% per year for inflationary increases and increased services. (See Table H)
- Program costs represent the direct costs associated with sports and recreation activities, leagues, camps and clinics. (Year 1 is approximately $157,000) Recreation activities are based on historical operations by the City. Leagues, camps and clinics represent 55% of related revenues based on the City's operating model. These expenditures are estimated to grow 5% per year for inflation and increased services. (See Table A)
- Concessions and vending costs represent the direct costs associated with food and vending revenues (Year 1 is approximately $48,000). Costs approximate 55% of related revenues based on the City's operating model. These expenditures are estimated to grow 5% per year for inflation and increased services. (See Table A)
- Other operating costs represent indirect costs of operating the SportsPlex including utilities, insurance, building and equipment maintenance, advertising and administrative costs. Assumptions are based on historic operations of the SportsPlex by the private enterprise and by City operating model estimates. These expenditures are estimated to grow 5% per year for inflation and increased services. (Table I)

Information used in the financial analysis related to expenditures follows:

Table G: Management Resources

Management Positions	% Allocation of Time	FTE
General Manager	60%	0.60
Program Manager	60%	0.60
Fitness Programmer	100%	1.00
Facility Supervisor	100%	1.00
Facility - Janitorials	30%	0.30
Sports Division Director	20%	0.20
Recreation Division Dir	20%	0.20
Marketing	5%	0.50
Total		4.40

Table H: Contractual Services

Service Area	Year 1	Year 2	Year 3	Year 4	Year 5
Supervisors (evening and weekend)	$ 30,000	$ 31,500	$ 33,075	$ 34,729	$ 36,465
Fitness Programs	44,258	46,471	48,795	51,235	53,797
Front Desk	40,000	42,000	44,100	46,305	48,620
Concessions	15,000	15,750	16,538	17,365	18,233
Janitorial	20,152	21,160	22,218	23,329	24,495
Total	$ 149,410	$ 156,881	$ 164,726	$ 172,963	$ 181,610

Table I: Other Operating Costs

Expense Category	Year 1	Year 2	Year 3	Year 4	Year 5
Advertising	3,000	3,150	3,308	3,473	3,647
Building Maintenance	12,000	12,600	13,230	13,892	14,587
Grounds	6,000	6,300	6,615	6,946	7,293
Janitorial Supplies	6,000	6,300	6,615	6,946	7,293
Equipment Maintenance	5,000	5,250	5,513	5,789	6,078
Insurance	25,000	26,250	27,563	28,941	30,388
Security	2,000	2,100	2,205	2,315	2,431
Utilities					
Electricity	96,000	100,800	105,840	111,132	116,689
Gas	15,000	15,750	16,538	17,365	18,233
Water	7,000	7,350	7,718	8,104	8,509
Trash removal	3,000	3,150	3,308	3,473	3,647
Telephone	8,000	8,400	8,820	9,261	9,724
Bank and credit card fees	11,500	12,075	12,679	13,313	13,979
Copier Lease	10,000	10,500	11,025	11,576	12,155
Postage	1,000	1,050	1,103	1,158	1,216
Office Supplies	6,000	6,300	6,615	6,946	7,293
	$ 216,500	$ 227,325	$ 238,695	$ 250,630	$ 263,162

C. SportsPlex Financing

Based on the cash flows available (Table A), this section of the Report presents the amount of debt that can be financed for potential acquisition of the SportsPlex. The Tables included in this section are:

- Table J, Estimated Sources and Uses
- Table K, Estimated Amortization Schedule, and
- Table L, Estimated Debt Service Coverage

The total amount of financing and net Project Fund presented in Table J is based upon the estimated cash flows. Debt service has been sized based upon a 20 year term with 19 years of amortization of debt. The full amortization schedule is shown in Table K. The bond sizing also includes a coverage ratio of net operating revenues to debt service of at least 110%, which is shown in Table L.

1. Financing Assumptions

The following assumptions have been made in preparing these Tables.

- Security – Security for the Bonds is an ad Valorem property tax levied on all taxable property of the Parks District. However, the City expects the debt service payments to be made from cash flows available from operating the Bloomington SportsPlex.
- Issuance date of bonds – Bonds are assumed to be issued on or about April 1, 2009.
- First interest payment due – It is assumed that the first interest payment will be made July 15, 2009 from proceeds of the Bonds (capitalized interest).
- Principal and interest payments – It is assumed that interest payments will be made each July 15 and January 15, beginning July 15, 2009. Annual principal payments are assumed to be made beginning January 15, 2011, with final principal and interest due on January 15, 2029.
- Capitalized interest is estimated at approximately $472,000 for interest due and payable from date of issuance through and including July 15, 2010.
- Cost of Issuance – We have assumed that costs associated with the issuance of the bonds, including attorney fees, financial advisory fees, other professional fees, rating fee, underwriting fees, and other miscellaneous costs will be approximately 2.6% or about $163,000. Actual costs of issuance and fees may be higher.
- Interest rate – Interest rates for debt service are based on estimates prevailing in the market. There can be no assurance that actual interest rates will be the same at the time the Bonds are issued.

Table J: Estimated Sources and Uses

CITY OF BLOOMINGTON
Monroe County, Indiana

Proposed Park District Bonds, Series 2009
(SportsPlex Project)
Estimated Sources and Uses of Funds

Sources of Funds:		
Par Amount of Bonds	$	6,380,000
Total Sources of Funds	$	6,380,000
Uses of Funds:		
Project Fund	$	5,745,103
Capitalized Interest Fund (Through and Including July 15, 2010)		471,597
Underwriter's Discount (1% of Par)		63,800
Costs of Issuance		99,500
Total Uses of Funds	$	6,380,000

Table K: Estimated Amortization Schedule

CITY OF BLOOMINGTON
Monroe County, Indiana

Proposed Park District Bonds, Series 2009
(SportsPlex Project)
Estimated Amortization Schedule

Date	Principal	Rate(1)	Interest	Total	Capitalized Interest	Fiscal Total
7/15/09			$ 131,367	$ 131,367	$ 131,367	
1/15/10			170,115	170,115	170,115	
7/15/10			170,115	170,115	170,115	
1/15/11	$ 115,000	3.00 %	170,115	285,115		$ 285,115
7/15/11			168,390	168,390		
1/15/12	165,000	3.50	168,390	333,390		501,780
7/15/12			165,503	165,503		
1/15/13	195,000	3.60	165,503	360,503		526,006
7/15/13			161,993	161,993		
1/15/14	250,000	3.85	161,993	411,993		573,986
7/15/14			157,180	157,180		
1/15/15	260,000	4.05	157,180	417,180		574,360
7/15/15			151,915	151,915		
1/15/16	275,000	4.25	151,915	426,915		578,830
7/15/16			146,071	146,071		
1/15/17	285,000	4.45	146,071	431,071		577,142
7/15/17			139,730	139,730		
1/15/18	295,000	4.65	139,730	434,730		574,460
7/15/18			132,871	132,871		
1/15/19	310,000	4.95	132,871	442,871		575,742
7/15/19			125,199	125,199		
1/15/20	325,000	5.10	125,199	450,199		575,398
7/15/20			116,911	116,911		
1/15/21	345,000	5.40	116,911	461,911		578,822
7/15/21			107,596	107,596		
1/15/22	360,000	5.65	107,596	467,596		575,192
7/15/22			97,426	97,426		
1/15/23	380,000	5.80	97,426	477,426		574,852
7/15/23			86,406	86,406		
1/15/24	405,000	5.95	86,406	491,406		577,812
7/15/24			74,358	74,358		
1/15/25	430,000	6.00	74,358	504,358		578,716
7/15/25			61,458	61,458		
1/15/26	455,000	6.10	61,458	516,458		577,916
7/15/26			47,580	47,580		
1/15/27	480,000	6.15	47,580	527,580		575,160
7/15/27			32,820	32,820		
1/15/28	510,000	6.20	32,820	542,820		575,640
7/15/28			17,010	17,010		
1/15/29	540,000	6.30	17,010	557,010		574,020
Total	$ 6,380,000		$ 4,622,546	$ 11,002,546	$ 471,597	

(1) Interest rates presented on this debt service schedule are based on current market interest rate conditions and other financial variables. We make no assertion that these rates will be the actual interest rates charged at the time debt is actually issued by the City as market conditions change on a frequent basis.

Table L: Estimated Debt Service Coverage

CITY OF BLOOMINGTON
Monroe County, Indiana

Proposed Park District Bonds, Series 2009
(SportsPlex Project)
Estimated Cash Flow and Debt Service Coverage

Year	Projected Revenues	Estimated 2009 Bonds	Estimated Excess Funds	Coverage
2009	$ 365,000 (1)		$ 365,000	
2010	509,000	$ 285,115	223,885	1.79
2011	558,000	501,780	56,220	1.11
2012	586,000	526,006	59,994	1.11
2013	643,000	573,986	69,014	1.12
2014	643,000	574,360	68,640	1.12
2015	643,000	578,830	64,170	1.11
2016	643,000	577,142	65,858	1.11
2017	643,000	574,460	68,540	1.12
2018	643,000	575,742	67,258	1.12
2019	643,000	575,398	67,602	1.12
2020	643,000	578,822	64,178	1.11
2021	643,000	575,192	67,808	1.12
2022	643,000	574,852	68,148	1.12
2023	643,000	577,812	65,188	1.11
2024	643,000	578,716	64,284	1.11
2025	643,000	577,916	65,084	1.11
2026	643,000	575,160	67,840	1.12
2027	643,000	575,640	67,360	1.12
2028	643,000	574,020	68,980	1.12
Totals	$ 12,306,000	$ 10,530,949	$ 1,775,051	

(1) Assumes 9 months of first full year's revenues for FY 2009

Potential SportsPlex Acquisition - Frequently Asked Questions (from City's Webpage)

What is a revenue bond and are there any taxpayer implications?

Why has the City chosen to pursue a revenue bond to purchase the SportsPlex?

What happens if there are no buyers for the bond?

What protections do the taxpayers have in the event that the SportsPlex does not generate the amount of revenue that is projected?

How many members does the Sportsplex currently have? What is the usage?

What will happen to existing memberships at the SportsPlex?

Is the SportsPlex in danger of closing? Why not allow the current owners/business to default and then purchase it directly from the bank?

What additional land will be added to the City's inventory through this purchase?

Is the potential for additional traffic congestion along that section of 2nd street a concern for the City?

Is there a parking concern at the SportsPlex?

Is the City concerned about the perception of competition against the YMCA or other fitness facilities?

Why are people only finding about this now?

What is a revenue bond and are there any taxpayer implications?

A revenue bond is a public funding mechanism that relies on revenue generated by a facility or entity in an amount that will cover debt service/loan and operating expenses. It is typically backed by property taxes as a way to ensure potential bond investors that they will recover their investment in the event revenues do not materialize as expected.

The other public funding mechanism more commonly used for municipal project is called a general obligation bond which uses property taxes as a funding source.

Why has the City chosen to pursue a revenue bond to purchase the SportsPlex?

The City chose to use a revenue bond for two reasons:

1. To avoid using the tax based general obligation bond which would have an impact on taxpayers

2. Because existing programs at the SportsPlex, as well as the potential for new activities offered by the Parks and Recreation Department are projected to bring in enough revenue to offset debt service/loan and operating expenses.

A financial feasibility study was conducted by Crowe-Horwath, a financial consulting firm. The revenue estimates in that study were conservative, so the City feels extremely confident that sufficient revenue will be generated in order to cover expenses.

The City has previous experience with this type of financing. A revenue bond was used to construct the new nine holes at Cascades Golf Course in 1999. The City has successfully paid all debt service and expenses associated with that revenue bond for the past 10 years.

What happens if there are no buyers for the bond?

Then the bond is simply re-bid. The City's financial consultants, Crowe-Horwath, have indicated that municipal bonds, in particular, have traditionally been extremely stable and that the current economic climate makes them an even more attractive option for potential investors.

Additionally, the City has a AA bond rating, which also makes it an extremely attractive and stable investment option for potential buyers.

The bonds are to be paid off in 20 years.

What protections do the taxpayers have in the event that the SportsPlex does not generate the amount of revenue that is projected?

A reserve fund has been built into the $6.5 million proceeds from the bond sale. This will allow the City to pay the debt service for two full years assuming that revenue does not come in as projected. So there is essentially a two-year buffer for the City. During this period, whatever revenue is generated will be used as additional reserves for future years.

How many members does the Sportsplex currently have? What is the usage?

Currently there are about 1,400 fitness members, and an estimated 1,000 youth sport participants. (Let me check this number with Paul tomorrow)

The SportsPlex currently facilitates a number of programs and activities ranging from fitness memberships, youth and adult basketball and volleyball leagues; soccer/flag football leagues, lessons, camps and amateur basketball and wrestling tournaments and other events that generate significant economic impact for many businesses in the community.

What will happen to existing memberships at the SportsPlex?

All existing memberships will be honored for the duration of their current term. Members will be encouraged to renew their membership through the City when their previous membership expires.

Is the SportsPlex in danger of closing? Why not allow the current owners/business to default and then purchase it directly from the bank?

Any suggestion that the SportsPlex is failing would be a complete assumption. In fact, we don't know the specific reasons the owners' have for selling.

If one makes an assumption that the facility might go into foreclosure, buying from the bank following a foreclosure would present several challenges. For one, the City becomes one of any number of bidders for the property, which could result in having to pay a higher purchase price or could result in the City not being the successful bidder.

Additionally, the SportsPlex currently has many programs/memberships that generate significant income. If the SportsPlex is closed for a period of time those revenue generating activities would have to be re-built from scratch.

Finally, there are a number of people in the community that currently use the facility. Those users would have to find another place to go if the business were to close.

What additional land will be added to the City's inventory through this purchase?

The purchase of the SportsPlex will add 10 additional acres to the City's inventory. The total number of acres in the City's inventory will be 2,272 with this purchase. In the Twin Lakes area the City currently owns 62 acres. This purchase will connect the City owned acreage to the SportsPlex property.

Is the potential for additional traffic congestion along that section of 2nd street a concern for the City?

We wouldn't expect traffic to the facility to change much from what is currently taking place. We do acknowledge that exiting the facility and heading back towards downtown Bloomington can be challenging during peak traffic hours. The City of Bloomington Public Works Department is in the process of conducting the necessary traffic counts at the SportsPlex. Once the City has completed this study, we will have a better idea of the volume of traffic and subsequent steps that we can take to alleviate it.

Is there a parking concern at the SportsPlex?

There is ample parking at the facility for most activities. With this purchase, the City will own both this property as well as Twin Lakes, which has an additional 305 parking spaces that are adjacent to the SportsPlex.

Is the City concerned about the perception of competition against the YMCA or other fitness facilities?

The YMCA has expressed support for the City's purchase of the SportsPlex. The City already has an existing partnership with the YMCA. Neither entity views this as direct competition, but rather an opportunity to explore new partnership opportunities and provide health/fitness services to a broader segment of our population. Each facility provides a different set of amenities to their clients. The SportsPlex has five basketball/volleyball courts an indoor soccer field, an elevated 1/5 mile track, a dance/aerobic exercise room and fitness equipment. The YMCA, by contrast, has 2 indoor pools, numerous fitness areas, 3 basketball courts and services a different segment of the population. This is an opportunity for the City to promote much-needed wellness and fitness in a first-class facility on the west side of Bloomington at a price that will make sense for many families.

Why are people only finding about this now?

People are finding out about this now because the City first has to declare its intent to issue revenue bonds for the potential purchase of the SportsPlex. This was done, as required by law, at a February 24 Park Board meeting.

The next steps in the process allow for public participation at upcoming Park Board and City Council meetings Listed below is a schedule of the meetings at which public comment will be welcomed:

All meetings will be held in City Hall in the Council Chambers
March 11th - Parks Board meeting - 4pm
March 23rd - Parks Board meeting - 4pm
March 25th - City Council meeting - 7:30pm
April 1st - City Council meeting - 7:30pm

We would be happy to answer any questions you have by phone, email or at any of the above mentioned public meetings.

Call 812 349-3700 or email parks@bloomington.in.gov for more information.

Bloomington SportsPlex
City of Bloomington
Financial Fact Sheet

FINANCIAL INFORMATION

2009 Appraised Value of SportsPlex…….....$10,000,000
Purchase Price…….$5,550,000
Total Revenue Bond Amount*……..…….(not to exceed) $6,500,000
Facility Upgrade Costs (Included in Rev. Bond)**……..……..……$330,000
- ADA Improvements……....$3,050
- Soccer Surface Replacement……...$120,000
- Information Technology Improvements……..$68,300
- Restroom Improvements/Repairs……..$33,750

2008 Revenues Collected By SportsPlex…….…….$1,300,000

*Includes facility upgrade costs, financial feasibility study costs, and other due diligence costs
** A full list of all upgrades and repairs is available

PROJECTED TOTAL FIVE-YEAR RECEIPTS & EXPENDITURES***

Year 1

Receipts…….……$1,057,658
- Membership Fees……$437,200
- Sports/Recreation Programs……$321,283
  - Youth Basketball……..……$100,000
  - People's University Classes……...…$9,180
  - Facility Rental/BACC Groups……$19,120
  - Senior Expo……...……...$15,400
  - BreakDays……$13,168
  - Sports Shorties – Fall BBall Preschool……..$6,000
  - Martial Arts……$5,600
  - Flower Show……..$5,000
  - Mom's Prom……..$3,000
  - Tiny Dancers – Preschool……..$2,160
  - Lock-in……...…$1,500
  - Event Planning……..$925
  - Movies……..$900
  - Soapbox Derby..……..……....$750
  - Wii Tournaments……..$680
  - Concert……..$400
  - Birthday Party Rentals……...$7,000
  - Leagues, Camps and Clinics……...……...$130,500
- Fitness Services……...$109,175
- Facility Rental……$105,000
- Concessions/Vending……$85,000

Expenditures…….……...$570,824

Year 2

Receipts…….……$1,108,342
- Membership Fees……$456,860
- Sports/Recreation Programs...……$337,347
  - Youth Basketball……...……..…$105,000

People's University Classes……$9,639
Facility Rental/BACC Groups……$20,076
Senior Expo……$16,170
BreakDays……$13,826
Sports Shorties – Fall BBall Preschool……$6,300
Martial Arts……$5,880
Flower Show……$5,250
Mom's Prom……$3,150
Tiny Dancers – Preschool……$2,268
Lock-in……$1,575
Event Planning……$971
Movies……$945
Soapbox Derby……$788
Wii Tournaments……$714
Concert……$420
Birthday Party Rentals……$7,350
Leagues, Camps, & Clinics……$137,025
Fitness Services……$114,635
Facility Rental……$110,250
Concessions/Vending……$89,250
Expenditures……$599,369

Year 3

Receipts……$1,187,544
Membership Fees……$456,860
Sports/Recreation Programs……$354,217
Youth Basketball……$10,250
People's University Classes……$10,121
Facility Rental/BACC Groups……$21,080
Senior Expo……$16,979
BreakDays……$14,517
Sports Shorties – Fall BBall Preschool……$6,615
Martial Arts……$6,174
Flower Show……$5,513
Mom's Prom……$3,308
Tiny Dancers – Preschool……$2,381
Lock-in……$1,654
Event Planning……$1,020
Movies……$992
Soapbox Derby……$827
Wii Tournaments……$750
Concert……$441
Birthday Party Rentals……$7,718
Leagues, Camps, & Clinics……$143,877
Fitness Services……$120,368
Facility Rental……$115,763
Concessions/Vending……$93,713
Expenditures……$629,343

Year 4

Receipts……$1,246,821
Membership Fees……$528,556
Sports/Recreation Programs……$371,931

Youth Basketball……$115,763
People's University Classes……$10,627
Facility Rental/BACC Groups……$21,080
Senior Expo……$17,828
BreakDays……$15,243
Sports Shorties – Fall BBall Preschool……$6,946
Martial Arts……$6,483
Flower Show……$5,789
Mom's Prom……$3,473
Tiny Dancers – Preschool……$2,500
Lock-in……$1,737
Event Planning……$1,071
Movies……$1,042
Soapbox Derby……$868
Wii Tournaments……$788
Concert……$463
Birthday Party Rentals……$8,104
Leagues, Camps, & Clinics……$151,072
Fitness Services……$126,385
Facility Rental……$121,551
Concessions/Vending……$98,399
Expenditures……$660,811

Year 5

Receipts……$1,336,703
Membership Fees……$582,527
Sports/Recreation Programs……$390,526
Youth Basketball……$121,551
People's University Classes……$11,158
Facility Rental/BACC Groups……$23,241
Senior Expo……$18,719
BreakDays……$16,005
Sports Shorties – Fall BBall Preschool……$7,293
Martial Arts……$6,807
Flower Show……$6,078
Mom's Prom……$3,647
Tiny Dancers – Preschool……$2,625
Lock-in……$1,824
Event Planning……$1,125
Movies……$1,094
Soapbox Derby……$911
Wii Tournaments……$827
Concert……$486
Birthday Party Rentals……$8,509
Leagues, Camps, & Clinics……$158,626
Fitness Services……$132,704
Facility Rental……$127,628
Concessions/Vending……$103,319
Expenditures……$693,852

*** Projections are based on data from current Parks & Recreation operations/activities as well as historical operations of the SportsPlex. Figures may change as events and circumstances change

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over time. Excess cash flows can be applied to debt service. A complete list of revenue sources is available.

USE OF REVENUE BOND FUNDS

Project Fund…….…$5,882,321.94
Capitalized Interest (through & including Jan. 15, 2011)…….…….…$477,678.06
Underwriter's Discount (.07% of Bond Total)...…….…….....$45,500
Cost of Bond Issuance…….……..$94,500
TOTAL REVENUE BOND AMOUNT…….……..$6,500,000

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