

QUESTIONS RECEIVED

March 2 & 3, 2017

How familiar are you with Kentucky pool codes and specifically Jan Brown? Steve Crocker and WTI have completed multiple projects that Jan Brown has approved, and they are very familiar with her. **Do they now allow variable speed drives?** Yes.

Would a lift be there for handicap persons to use? In the proposed design, two of the three pools have a handicapped accessible lift. In addition, the warm water pool is currently designed to be equipped with a ramp entry.

Will the pool be at least 25 meters long and have 8 lanes? It is actually 25 yards, which is the high school and NCAA standard length. The U.S. has not adopted the metric system so it is measured in yards. **Diving boards?** Diving boards are proposed for one of the indoor pools at this time.

What effect have such facilities had to prevent community drownings? Taking swimming lessons have been shown to reduce drowning by 90%, so having access to a swimming pool and swimming lessons is extremely effective at reducing drowning.

In Scottsville, every 2nd grader receives swim lessons at the Core (formerly YMCA) as part of school curriculum. Will this facility provide the same opportunity for children in Franklin? Yes.

With the three phases, there hasn't been anything shown of building them separately. Is that an option to only build the aquatic part and wait on the senior and convention center? How much does that part only cost? Each of the Phases could be built separately. Phase 1 (Aquatics and Wellness Center) cost is \$14,773,026. Phase 2 (Senior Center) cost is \$1,089,176.00. Phase 3 (Convention/Banquet Hall) cost is \$4,508,400.

Will there be a place for the elderly and handicap? Yes, the entire facility will meet all of today's Handicapped Accessibility requirements, and the Senior Center is dedicated space for the elderly.

Will there be racquetball courts? No racquetball courts are currently planned, but the facility is still in the planning phase. These facilities can be discussed.

Have you thought of a disc golf course in the outdoor area? Yes, but nothing has been finalized currently in the outdoor area.

Is there really a legitimate need for yet another gym type facility? There are already 4 or 5 gym facilities operating here. Our proforma and market study shows that a facility like the one we have designed is needed and wanted in Franklin.

Where is the proposed location? In Franklin, beside/behind Walmart off 31W.

Will it be accessible for seniors? Yes. In addition to the physical access provided for seniors, there will be time set aside in the daily programming schedule for senior specific programming, coordinated with the Senior Center programs and use.

Will you have a therapy pool? I benefit from that in Russellville. The therapy pool was in the design of the project originally, but was ultimately taken out. However, the idea it is currently being revisited. Regardless, the small teaching/ fitness pool will have a water temperature of approximately 86 to 87 degrees, and will have a ramp and lift for full access, including wheel chair access. This pool will accommodate a significant amount of aquatic therapy and rehab throughout the day and can be used by local therapy and health care providers.

How much will it be to get in to the pool? Tentative membership and usage rates have been developed based on an analysis of public and private facilities in the region and an analysis of the Franklin demographics. While this rate structure is tentative and used in the financial operating analysis, it will not change significantly when the facility opens. We assume some slight increases based on inflation, but nothing that changes the rates relative to other options. Resident rates apply to all residents of Simpson County. In addition to monthly, annual, and summer seasonal memberships, daily use fees will also be available. Here is a quick summary of key rates. A more detailed summary will be posted on the City website in the near future.

Membership	<u>Aquatic Center Only</u>		<u>Full Facility</u>	
	Resident	Non-Resident	Resident	Non-Resident
Adult Monthly	\$30	\$40	\$50	\$65
Adult Annual	\$330	\$440	\$550	\$715
	(equivalent to 11 months with 1 month free for annual membership)			
Summer	\$75	\$100	\$125	\$200
Adult Daily Use	\$6	\$8	\$8	\$10
Seniors and Youth				
Monthly	\$18	\$24	\$30	\$40
Annual	\$195	\$265	\$330	\$440
Daily Use	\$4	\$5	\$6	\$8
Summer	\$45	\$60	\$75	\$100
Couples-Adult				
Monthly	\$45	\$65	\$80	\$105
Annual	\$500	\$660	\$880	\$1,155
Family				
Monthly	\$60	\$85	\$100	\$130
Annual	\$660	\$935	\$1,100	\$1,430
Summer	\$150	\$210	\$250	\$325

Will the seniors have a discount? Yes. Senior discounts will range from 40% to 50% off of standard resident and non-resident adult rates. It is likely a Senior Couples rate also will apply. Efforts will be made to include Silver Sneaker type programs and membership will be structured to allow seniors to make use of health insurance payment programs for memberships where applicable.

Is the total cost of this project \$80 million over 20 years? No, the cost of the facility is estimated to be \$20 million dollars to be paid over 20 years. In addition, the estimated total cost of operating the aquatic center is \$1.5 million per year. The estimated operating costs will be offset with operating revenues, and the debt service to pay for the facility should be paid for by the tax revenues generated from the transient room (hotel/motel) and restaurant tax that will be charged to the customers of these businesses.

What about members bringing out of town guests (like grandkids)? The facility will be open to all individuals with a daily use fee for residents and non-residents. Efforts will be made to create a guest fee structure for guests of residents who are members.

Will it be cost effective for membership? See answer on membership above. The rate structure was designed to be very reasonable and deliver high value for users. The rates are below traditional regional YMCA rates and significantly below private fitness centers and clubs.

The pool schedule looked over run with swim teams especially during prime time. Will you have an aquatic professional programming the pool so our local interests are considered? There are a lot of programmed times in the aquatic center, but the multiple pools will always allow for open lap lanes and areas available at any time throughout the day for free swim (or play) time even while programs may be running in the other pools or parts of the pools. Experienced professional aquatic and recreational facility management and program staff will be brought in to manage the facility to insure the best programming and maximum use and access for community residents, combining structured programming and open access daily.

Will there be senior programs? Senior programming will be a very important part of the Aquatic and Community Center and will be closely coordinated with the Senior Center facilities and programs at the site. Aquatics especially will have a strong senior programming component since low impact aquatic programs are so important for senior users. The facility design also pays particular attention to senior access and senior friendly use, exceeding the minimal ADA code requirements.

What effect will this facility have on our local economy? The impact on the local economy is both indirect and direct. The indirect benefits begin with the significant enhancement in the quality of life in Franklin and Simpson County that this state of the art Aquatic, Community, and Senior Center generates. This enhancement of quality of life makes Franklin and Simpson County a more desirable place to live and work, which encourages more families and seniors to move into the Franklin area and stay in the hotels in the Franklin area. It also makes Franklin and Simpson County a more attractive place to locate businesses, further driving economic growth. While this impact is difficult to quantify, all signs and examples in other communities point to a significantly positive financial impact on Franklin and Simpson County.

More specifically, this facility will draw daily users and memberships from outside Franklin and Simpson County, especially for the aquatic, fitness, learn to swim, swim team, and recreation programs the facility will offer. These users will also spend money in our restaurants and some will stay in our hotels. In addition, we know that many Franklin residents are currently traveling to Bowling Green, Scottsville, and other surrounding communities for health, fitness, and aquatic activities. Certainly, keeping our own residents in town will also have a positive economic impact.

The facility will also be able to host swimming meets and other aquatic competitions that are currently hosted outside the county. These events alone will bring in participants and generate an estimated \$400,000 in additional direct annual spending in the community, including hotel room nights and restaurant business.

Finally, the facility will be a strong generator of new jobs for the community. The facility will create 5-6 full time management positions and a large number of part-time lifeguard, instructor, maintenance, and other jobs. Many of these jobs will be great opportunities for high school students, college students, and young people, both in the summer and year round. Overall, over \$5,000,000 in total wages and salaries are anticipated over the first five years of operation, not including the 50-60 (or more) jobs created during construction.

How were these architects and consultants chosen?

Jeff Arnold with Arnold Consulting Engineering Services, Inc. has performed general engineering service for the City off and on for a number of years. When the City contacted him with regard to this project to get ideas, Jeff recommended Chris Cottongim with 5253 Design Group due to his experience in the design and construction of the Elizabethtown Sports Park and Lindsey Wilson College Aquatic and Wellness Center. After the initial meeting with Chris, he recommended Steve Crocker because of his aquatic design expertise, and being a Franklin native and an NCAA All-American swimmer. Both Chris and Steve referred Stu Isaac because of his knowledge in aquatic center budgeting and programming. All of the Aquatic and Community Center consultants are independent firms and/or organizations. We have included the following biographical information about each consultant:

5253 Design Group:

The architect for the project is Chris Cottongim. He is the principal owner at the 5253 (*Fifty Two, Fifty Three*) Design Group. They have completed municipal, aquatic and wellness projects throughout Kentucky including the new Elizabethtown Sports Park. He also teamed with Steve Crocker and WTI on the Aquatic and Wellness Center at Lindsey Wilson College.

Water Technology Inc.

Franklin native Steve Crocker is the Director of Sports Swimming at Water Technology, Inc. (WTI). WTI is a highly experienced aquatic design and engineering firm, based in Wisconsin, specializing in the design of waterparks, municipal aquatic facilities, YMCA's, resorts, wellness facilities, and world-class swimming competition venues. Steve has been involved in competitive swimming for over 35 years as an athlete, coach, and designer of aquatic

facilities. While at Franklin-Simpson High School, Steve was a High School State Champion - setting a State record in 1981. Steve is a three-time Olympic Trials participant, two-time National Champion, U.S. Open Champion, NCAA All-American, and NCAA Academic All-America. Steve's highest level of success as an athlete was in 1992, when he set the World Record in the 50-meter freestyle.

Isaac Sports Group:

The Aquatic Programming Consultant is Stu Isaac. Stu founded ISG in 2009 after over thirty years of experience in all aspects of aquatics, including coaching, administration, and for 25 years as an executive at Speedo Swimwear, working in all aspects of the aquatic business world. Stu brought Duane Proell to ISG in 2010 to bring in expertise and experience in actual aquatic and recreation facility design, management, and programming. Prior to joining ISG, Duane spent thirty-five years as an aquatic center manager at various aquatic facility locations. Stu and Duane bring a combination of business expertise, actual facility management experience, and a vast network of colleagues, organizations, and facilities around the country to draw from to ascertain best practices and the latest technology and trends.

If this project does not go forward, could the funds from a restaurant tax be used toward improving our downtown historic district? \$960,000 would make significant improvements to what we already have. If the Aquatic and Community Center does not go forward there will be no Restaurant Patron Tax, since this funding must be used specifically for tourism purposes.

In the future, if the city cannot cover short falls in operating and debt service, does not the shortfall then impact the county residents? If there happens to be a future operating funds deficit, the City would be responsible to pay for any difference. This is why the City has employed the services of independent consultants who are experts in their field in order to provide the City Commission the most reliable data in order to make an informed decision as to the feasibility of this project.

Has the Bowling Green failure been looked at in this consideration? We do not know what “the Bowling Green failure” is referring to, but Stu Isaac, with Isaac Sports Group, has reviewed some of the Bowling Green Aquatic Center’s programming, administration and costs. Stu’s findings were used and are incorporated into Franklin’s Aquatic and Community Center cost and budget proposals, concerning best practices for staffing, scheduling, etc.

How will this affect the kids of the Boys & Girls Club and will they get to use this at the same expense as they do the Boys & Girls Club currently? This facility will be available for everyone’s use. However, the specifics of the use and cost to the Boys & Girls Club users have not been discussed as of this writing, but they will be addressed at a later time.

What was the capital operating cost of Leitchfield? According to information that we received from the City of Leitchfield, FY15/16 unaudited costs were \$697,432

Have you had any feedback, positive or negative, from restaurants? We’ve received feedback from the owners of three restaurants, all have been negative.

Would the 3% restaurant tax be permanent of just until the facility is paid for? The timing for the implementation and duration of any tax that would generate revenues for the aquatic and convention center has not been discussed as of this writing, but we anticipate that it will be addressed during the discussions relating to the income and expenses of the facility.

Is this location most feasible for access to everyone? With the close proximity to the schools, hospital, medical facilities, restaurants, Interstate exits, residential subdivisions, and surrounding farm land, the site appears to be the most ideal site for the facility's location.

What happens if it goes into default? Who is on the hook? If there happens to be a future operating funds deficit, the City would be responsible to pay for any difference. This is why the City has employed the services of independent consultants who are experts in their field in order to provide the City Commission the most reliable data in order to make an informed decision as to the feasibility of this project.

Would there be consideration to partner with Franklin Country Club to allow aquatic members to have the opportunity to play golf? This has not been addressed or discussed, but it could certainly be a topic to discuss during the discussions regarding the feasibility of the facility.

Can you give us examples of other communities the size of Franklin and Simpson County that have successfully taken on this level of:

- 1. Construction cost of \$20,000,000**
- 2. Annual debt service of \$2,000,000**
- 3. Annual operating expense of \$1,000,000**

The Design Team Consultants are compiling this information, and we hope to be able to provide this soon.

Will this be a monopoly? Are private caterers and instructors welcome? The Aquatic and Community Center will be open to all users, but schedule priority will be given to in-house programs. While this decision will ultimately be made by the actual facility management closer to the opening of the facility, we anticipate that some outside instructors could rent space in the facility for their fitness and aquatic programs. We anticipate that the Community Center and Convention Center meeting spaces and functions will be open to user groups catering choices. There will not likely be an exclusive caterer that outside renters or user groups would be required to use, but there may be an approved or recommended list to insure quality and consistency.

Will there be a facility for line dancing, bop and ballroom dancing? The gym and multi-purpose function spaces can accommodate a wide range of dance programs, classes, and functions. The gym floor will be a multi-purpose floor to accommodate a full range of activities, including dancing.

Is this just a city project or city/county? At this time, the City is coordinating this project. The County has been asked to review the project to determine if they want to participate and at what level.

Is public transport from the courthouse/square included in the budget? Not at this time.

Would it be possible to move the facility to the north end of town so that traffic would flow through our downtown? That is not being considered at this time.

Have you all explored the opportunity of having a partnership with Medical Center, Graves-Gilbert, Greenview or Vanderbilt Heart? Yes, these options have been and are continuing to be explored.

What is the reasoning behind including a convention center? Do we have a need for such a facility? We feel that there is a need for this type of facility. We feel that the convention center and aquatic center would work well together, too. The convention center would work well as an awards staging area for swim meets, and the aquatics center could be used by families of people who might use the convention center for meetings. In addition, the Kentucky Legislature has allowed some cities, including Franklin, to gain additional revenue from an additional amount of tax on the rental of hotel/motel rooms of 1% of the rental rate per Tourism Commission (1 for City and 1 for County) which can only be used to pay for the convention center. That additional tax amount will be paid only by people who rent a hotel/motel room, so local residents will not bear that cost. The amount of additional tax revenue generated solely to pay for a convention center would pay for approximately 60% of the cost of construction alone without regard to any revenues generated from the use of the convention center.

Was this an “independent” feasibility study? The Isaac Sports Group was brought in to do this study based on their national reputation and their independence from the architect and the aquatic design firm. ISG does not benefit financially or otherwise from the design or construction of the facility and has no vested interest in the overall size or scope of the facility or even if it gets built. It is important to note that this is why 5253 Design and Water Technology, Inc. do not do feasibility studies. It can be a conflict of interest if the groups doing the design and engineering also do the feasibility study.

Is it possible to have a tobacco and/or alcohol tax? As far as a tobacco tax, no. The Kentucky Legislature has not authorized cities to tax tobacco. Also, although the statutes in Kentucky allow cities to put a regulatory fee (or tax) on alcohol, cities can only use that revenue for particular purposes related to the sale of alcoholic beverages such as policing, regulating, and the administration of the laws or ordinances relating to the sale of alcoholic beverages within the city.

Since this is a community project, do you think it is fair to single out the restaurant and hotel industries to impose this tax on, as opposed to an alternative funding model? The tax is not on restaurants or hotels. It is for the patrons that go to restaurants or stay in hotels. The Kentucky Legislature has allowed certain cities to levy or charge a tax or fee on the gross sales of restaurants and allowed most cities and counties to levy or charge a tax or fee on hotel/motel rooms for tourism purposes and/or to fund a facility to promote tourism. These fees or taxes have to be used to promote tourism and/or building a facility such as the one proposed to promote tourism. Specifically, in the case of a convention and aquatic center, the Kentucky Legislature has authorized certain cities and/or counties, including the City of Franklin, to levy a

restaurant tax of up to 3% on the gross sales of restaurants. This money has to be turned over to a tourism and convention commission to be used for its purposes. The same is true with a transient room tax on the rental of hotel rooms. The Kentucky Legislature has authorized our City to impose a tax on hotel/motel rooms of up to 3% to be used for tourism purposes. In addition, the City and County can charge an additional transient room tax of 1% per Tourism Commission (meaning the County can charge an additional 1% on hotel/motel rooms) and the City can charge up to a total of 4%. However, this additional 1% per tourism commission can only be charged, and must be used, for funding a convention center. If there is no convention center added to the project, the City can only charge 3% as the transient room tax to go to the City Tourism Commission which will use the funding to pay for the Aquatic Center.

Will there be an endowment fund to maintain the facility? There will be funds set aside for the maintenance of the facility. There are monies included in the initial budget, and annually thereafter, for this purpose. In addition, any surplus revenues generated by the facility will be divided equally between the maintenance fund and the City Tourism Commission. The Tourism Commission will be able to use its half of any surplus for any proper purpose including additional maintenance of the facility (if needed) or to promote tourism for our community.

What is the tourism commission going to do with their part of the surplus? Could that be split for other community organizations – Boys & Girls Club in particular? The Kentucky Revised Statutes require that the money collected be used for the purpose of promoting convention and tourist activities. The money may also be used to finance the cost of acquisition, construction, operation, and maintenance of facilities useful in the attraction and promotion of tourist and convention business like the convention and aquatic center facility proposed.

How do you determine what is considered to be a restaurant for the tax? Examples: Country Club with public dining, mom and pop places (Hot Plate), Wal-Mart that serves prepared meals? As used in some ordinances that we have reviewed, other cities have defined “restaurant” as follows: “restaurant” means any fixed or mobile commercial establishment that engages in the preparation and serving of ready-to-eat foods in portions to the consumer including, but not limited to restaurants, coffee shops, cafeterias, short order cafes, luncheonettes, grilles, tea rooms, sandwich shops, soda fountains, roadside stands, street vendors, catering kitchens, delicatessens or similar places in which food is prepared for sale for consumption on the premises or elsewhere. It does not include school cafeterias which are operated by the school system and not an independent corporation, food vending machines, or establishments serving beverages only in single service or original containers. Temporary food stands operated by nonprofit organizations and cafeterias located inside of industrial factories in which services are limited to employees only are exempt from this tax. So, this definition is fairly all inclusive and includes pretty much any business that serves ready-to-eat foods including all of the examples set forth in the question to the extent that the business is located in the city limits of Franklin.

We currently have a tourism board and director, is this not a duplication of services? We do not see this as a duplication of services. The City Tourism Commission will generally serve as the Board to manage the Convention and Aquatic Center. We generally envision this Board will be responsible for hiring the director and employees of the facility, preparing and managing

the budget of the facility (with City Commission oversight and approval) and, if funding allows, promoting and advertising the facility and events that will be housed at the facility. Over time, it is hoped that funding will allow the City Tourism Commission to work with the County Tourism Board in promoting tourism throughout our community.

Can we raise the tax higher? No. The maximum tax rate allowed is 3% for a restaurant tax and 3% for a transient room (hotel/motel) tax. Those are the amounts being proposed. In addition, as stated above, there is proposed a 1% transient room (hotel/motel) tax from each the City (when formed) and County Tourism Commissions (for a total of 2% - in addition to the other 3%) which has to be used exclusively to pay for the costs and/or expenses related to a convention center.

Has the city tourism commission already been established? No.

Will any of the funds from the tax be used to benefit F-S Parks since the tax can be used for recreation? Once the tax funds are received by the City Tourism Commission, they can use the funds for any purposes authorized by the Kentucky statutes. The City Tourism Commission could provide funding for the parks or to promote events at the parks in order to promote tourism, but that would be in the discretion of the Commission.

What alternative funding models were considered to cover construction costs? The Kentucky Legislature has provided the restaurant and transient room taxes available to fund a project such as the Convention and Aquatic Center. Since practically all of the taxes generated by the transient room tax and a fairly large percentage of the restaurant taxes are paid by people who do not live in the community, this means that perhaps as much as 60% of the debt service for the facility will be paid for by people who do not live in the community. If the City were to consider raising property or payroll taxes, it would cost the residents much more. However, if anyone has an alternate proposal or any other ideas as to how to generate the revenue to pay for the facility, please contact the City Commissioners or City Manager and we will be happy to explore other possibilities.

If the restaurant/hotel/membership fees are going to fund the center, why would there be a need for more fundraising efforts? We understand there are a limited amount of charitable dollars in our community. We don't anticipate needing to hold fundraising events or solicit for donations. We are very early in the planning process, however, we would consider naming rights of rooms, equipment, etc. as negotiated with donations that could go to the capital expense.

It will still be important to have additional community and private support for the project. This additional support allows for enhancement of some amenities and equipment in the facility to better serve the community and even reduce the capital cost to be financed, creating the opportunity to build a cash reserve for future growth and long term facility support or possibly reduce the taxes or tax rates in future years.

Perhaps more important than the above, is ongoing community support and private involvement in support of programming, providing scholarships, program subsidies, and outreach programs to

insure that the facility can truly support the entire community in its vision of fitness, health, wellness, and recreation; including providing access and programs for those who otherwise cannot afford to participate or who may not be able to get to the facility.

Control of population memberships? We feel that will be discussed in conjunction with programming.

How was the need for the aquatic and community center determined? Survey? The City has been accumulating a wealth of comments and input on the aquatic center since the old outdoor pool closed in 2008. Need was further quantified with meetings with key leaders, stakeholders, and potential users during site visits. Efforts were made to identify the number of Franklin and Simpson County residents who were traveling outside the county for aquatic programs, pool access, swim team use, and swim lessons. Efforts were also made to identify key meetings and social functions for groups and residents of Franklin and Simpson County who were using banquet and meeting facilities outside Franklin because there were no facilities in Franklin that could accommodate their meeting and function needs. It is important to note that need and potential opportunity were both taken into account. Need is often under identified since the absence of any aquatic facility in the community limits the community vision of what opportunities the residents are missing. Opportunity can be identified and quantified by looking at comparable communities with these type facilities and showing how these are used and how they positively impact the community. The public meetings held March 2 and 3 further supported and reinforced the opportunities and needs the Aquatic and Community Center can address.

No survey was conducted.

Will the tax take effect in 2017 to start paying for it? At this time, the City Commission has not made a final decision regarding the project. Therefore, we cannot say for sure when the tax will be implemented. However, if the City Commission approves the project to go forward, we would anticipate implementing the taxes fairly soon to have money available to pay for the project and avoid any potential cost deficits during construction and in the first year or two of operation of the aquatic center.