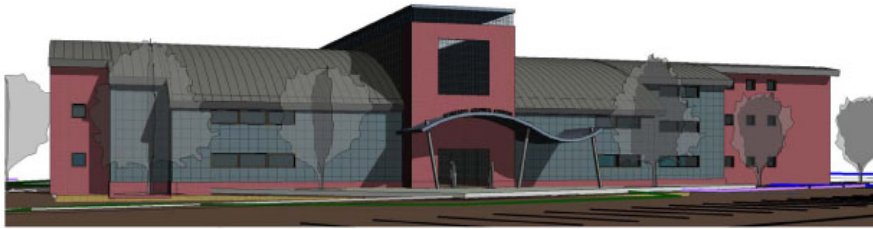


**Response to Request for Proposal -  
Burlington Community Aquatics Center  
Aquatics in Motion Development Group, LLC  
October 17, 2013**



Alternate Option

***Proposal Statement-***

As per the requirement of the Request for Proposal, this statement will serve as your authorization and our acknowledgement that this response to your RFP is valid for not less than 90 days from the date of this submittal.

My signature on this cover letter further acknowledges my understanding that I have the authority to bind the firm in the event of an agreement and as well, I will attest that all the information contained in this proposal is true and correct to the best of my ability. Please understand and appreciate that some of the information is based on estimates derived from sources believed to be reliable.

Our contact information is:  
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## ***Executive Summary -***

Burlington is fortunate to be surrounded by a vibrant backdrop of mountains and blessed with a scenic cityscape. Perhaps most treasured of all its natural assets is Lake Champlain. Sadly, Burlington has yet to fully realize this tremendous asset and Burlington's waterfront remains under capitalized. Reclaiming our waterfront's industrial past and transforming it into a destination for community activity, a place for recreation, contemplation, open to all the public - in essence, celebrating "our crown jewel" - is critical to Burlington's future.

Despite the nature of our waterfront, its well-known beauty and popularity in the summer months, "it [the waterfront] has yet to achieve the critical mass of people and the mix of uses needed to extend this vitality into" a four season destination. At the heart of planBTV is "a four season waterfront: a complex mix of year-round activity." (planBTV, page 57)

The mission of the Aquatics in Motion Development Group is to create a community aquatic center on Burlington's waterfront that provides an inclusive environment for all to enjoy and learn one of life's most essential skills while fostering community, commerce and promoting economic development. This Center will create a truly year round activity that is timeless and able to be enjoyed regardless of ability or agility, while promotes community.

As you will discover in this response to the Request for Proposal (RFP), this project has the potential to be a transformational asset on Burlington's waterfront.

We are only seeking a Tax Increment Financing request of \$2.5 million which represents less than 15% of the total overall project cost and is a commitment by the City of Burlington to what will be a strong year-round anchor to future waterfront activity and development.

Our program for the Center will be one that allows for usage by the community at large, local swimming groups, competitive and adaptive uses thus ensuring that all Burlington's residents will benefit from the Center. Importantly the programming has a specific focus on Burlington's children. The Center will run all-inclusive swimming programs designed to ensure that all the children of Burlington enjoy the facility and learn an essential, and fun, life skill.

According to national surveys, swimming ranks among the most popular forms of exercise, with more than 368 million annual visits to swimming pools. A variety of surveys and studies provide evidence of the importance of swimming as a leisure activity.

According to a 2007 National Sporting Goods Association Survey, swimming was listed as the third most popular form of exercise in the nation behind walking and exercising with equipment. Aquatic exercise and swimming have relatively high participation rates among casual recreation and fitness users.

The Center is the perfect complement to the existing recreational activities. Our proposed contemporary and signature design will incorporate the landscape bringing the lake inside and greatly enhancing our waterfront.

One of our greatest assets of the project, aside from the quality and game-changing nature of our concept, is our team. We have a core group of seven, combined with three other professionals. Our team represents a wealth of knowledge of the Burlington area, the region, development expertise and we have decades' worth of specific aquatics management experience. We all believe in and are deeply committed to this project.

We look forward to you reading our response and hope we have conveyed to you both our excitement for this project as well as all the social, economic and community benefits the Burlington Community Aquatics Center will bring to our City.

### ***Approach to the Project -***

Our goal is to create a year round activity in a standalone structure on the Moran campus that will invite the community to enjoy Burlington's waterfront like never before.

The basic approach for the Aquatics Center is a 40,000 square foot structure. The ground level would be comprised of an entry plaza, locker and bath changing rooms, a splash leisure pool, a 25 yard-by 25 meter 10 lane competition pool that is also ideal for programming for swim lessons and water aerobic activity. A second level would be created to house wellness spaces, offices and other support spaces as well as a spectator theatre for 400 people. This feature will make the Center ideal for hosting swim meets, both on a local, state, regional and collegiate level.

We do plan to include an eatery that would provide beverages and healthy snacks. At this point, we would anticipate renting out the space to a vendor and would also consider an arrangement with a non-profit organization that helps an underserved population secure employment.

We also anticipate other related activities taking place at the Center. We are in active and substantive talks with area partners for such related activities. We have reached out to the area institutions and organizations whose missions include the health of our community to find opportunities for partnership. We feel confident that we can partner in some capacity with Special Olympics, for example, as well as the University of Vermont, among others. Should our proposal advance to the voters, we will actively pursue these discussions through to contractual obligations. We would anticipate including them in our final plan prior to construction.

It would be the goal of the project to work towards LEED Certification for the overall building as we recognize the benefits of sustainable design.

While we do not plan on using lake water in the facility, we respectfully submit that this project's presence on the waterfront is critical to its success and the Center will be a significant economic magnet to the waterfront. Placing the Aquatic Center on the waterfront will provide access to, and use of, the waterfront by tens of thousands of persons every year all year long and will be, by far, the largest draw of use of the waterfront out of all the uses being considered. It will also dramatically improve the look and feel of the waterfront and lead directly to additional development and investment over time.

Its proposed structure will be a perfect complement to the landscape allowing the community to see through to the lake and enjoy the view. Burlington needs year round activities on the waterfront. An aquatics center is water-related and is a vital community asset. Aquatics are ageless. Everyone should be able to swim and be comfortable around the water, especially in a community with a massive and inviting waterfront. Our design will allow them to do that while admiring Lake Champlain, the Adirondacks and all that we appreciate on the waterfront..

Without question, these centers of activity are economic development assets, job creators and have their presence have multiple indirect positive effects on their communities on many levels.

The Aquatic Center will act as a magnet drawing people to the waterfront, increasing traffic to already existing waterfront businesses. This project is highly complementary to other proposed projects on the waterfront. It was our hope that we would be able to partner with the other potential responders to this RFP process. To that end, we organized a series of meetings of all interested responders during the months of September and October 2013. It was our hope that we could collaboratively implement a plan for the entire Moran site that creates a hub for creative expression, recreation and leisure pursuit.

At this time, it appears we can collaborate with the Burlington Community Sailing Center not only physically by an arrangement that would connect our buildings but also in programming. During the winter months, the Sailing Center has expressed an interest in having some water programs such as scuba diving that would fill some of their winter calendar, bring revenue to both entities and bring people to the waterfront in the winter.

There is little question that this project will lead to growth of our Grand List, new taxes and new direct and indirect economic activity. Our payroll when our doors open will be \$750,000. The Aquatic Center will create approximately 50 new jobs. Our operational model includes several swim meets a year that will draw many people to the region. The direct impacts will be felt in area hotels, restaurants, and retail shops translating into increased tax revenues to the City, new economic activity and another economic lure for people considering relocating to Burlington.

The total request for Tax Increment Financing is \$2.5 million. This figure represents under 15% of the overall cost. It is a relatively small percentage of the total project cost estimate and is a commitment by the City of Burlington to what will be a strong year-round anchor to future waterfront activity and development. We believe that there are significant portions of our project that will be TIF eligible.

The baseline development budget of this project is projected at \$14,600,000. The sources and uses budget is detailed at the end of this document. It is important to note that we have added several features which will enhance the aesthetics of the building; they will also increase the price of the Center and in order to meet the cost of those features, we will raise additional funds at those features are formally priced.

The Burlington Community Aquatics Center will be a community asset in more than just name. Our operational model is based on revenue sources such as monthly and yearly passes, day passes to the Center, swim team revenues, and other aquatics activities. We will be programming into our plan swim lessons which are significant income generators as well as activities that will enhance the Center's reputation and build goodwill in our community. We have also factored in passes and swim lessons that will be available at no charge similar to other ventures in Burlington that are open to everyone. As we mentioned earlier, aquatics activities are ageless and are open and accessible to every ability. One of our supporters is Vermont

Special Olympics. We have sought their input to ensure that the Center is welcoming to their swimmers. Our programming model also includes classes for older Burlingtonians, the student population, young swimmers, toddlers and everyone in between. This Center is for the community and we will insist on nothing less.

We are happy to incorporate public art into the Center. We have not had discussions with specific artists as of yet but are encouraged and excited about a Makerspace in Moran. We would welcome partnering with them to have public art made a part of the Center.

We do foresee biking facilities available just outside the Center. We also hope that public transportation will be fully incorporated into the site plan for the Moran campus allowing for easy access to the Center by bus. In time, we hope the Aquatics Center will become a place for students, families and older generations to gather.

### ***Communication and Collaboration -***

We are well aware that there will be permitting issues with this project. We are also cognizant of the complexities of permitting. We intend to actively engage neighbors and the community in the development of this project and have a plan that we feel will address concerns and lessen the proclivity for complications. Our team has members who have worked successfully with groups and homeowners most affected by waterfront activities and we are eager to work with these groups and individuals to make the project work for everyone.

We have developed a development timeline which is attached as Addendum 3 to this document. We believe this timeline is both realistic and will move the project forward with completion slated for early 2016. Once we receive voter approval for TIF funding, we will expeditiously and prudently move forward to make this project a reality as soon as possible.



### ***Project Team, Organizational Structure and Member Bios -***

The lead development entity is Aquatics in Motion Development Group LLC. We are a limited liability company registered with the State of Vermont. Over the coming months, we will determine any structural changes to our group. The members of the development group are:

- ≈ Karen Paul, a lifelong member of the Burlington community with over 25 years of professional financial and investment expertise, experience on numerous non-profit boards, currently a Burlington City Councilor with a strong knowledge of the political, social and economic environment in Burlington;
- ≈ Brad Rabinowitz, AIA, an architect with over 30 years experience designing virtually every kind of structure including recreational buildings, extensive knowledge of Burlington's development and permitting climate, a current member of Burlington's Development Review Board and an architect known for creating signature properties;
- ≈ Mary Lintermann, a Professional Engineer, PE, with over 25 years of engineering and construction experience, director of business development for Engelberth Construction, Inc., Mary has overseen from inception to completion countless of construction projects, she is also been on many boards including VEPC, GBIC and other non-profit boards;
- ≈ Ernest Pomerleau, president and owner of Pomerleau Real Estate, developer with over 35 years of direct real estate development experience, lifelong resident of Burlington former member of the Federal Reserve board of Boston, extensive financial real estate expertise, advisor to the Community Sailing Center, member, past and present of countless non-profit boards;
- ≈ William LaRosa, aquatics professional with over 11 years experience planning, programming, staffing and managing aquatic programs for numerous public school district community swimming programs and building, programming, staffing and managing over 100 private and semi-private aquatic facilities and programs in Pennsylvania. Currently retired, past Certified Pool Manager.
- ≈ Timothy Rollings, former Executive Director of the Upper Valley Aquatics Center in White River Junction, VT, extensive non-profit experience over a 35 year career in several non-profit organizations including in the Burlington area;
- ≈ Gene Richards, owner of Spruce Mortgage, a commercial and residential financing company, over 25 years of extensive experience in development and financing, entrepreneurial expertise, regulatory knowledge and decades of fundraising success, member District Environmental Board, advisor to countless non-profit boards;

Our core group of seven represents a wealth of knowledge of the Burlington area, the region, development expertise and we have decades' worth of specific aquatics management experience.

## ***Project Feasibility -***

After the "story" and the developer, there is the operational structure of the entity. We foresee the Center operating as a non-profit and will either form one or the operator will be an existing non-profit entity. We believe that this is the ideal way to accomplish our vision and mission of making the project truly accessible to the community.

We have researched countless aquatic centers all over the country. The concept of community swimming pools has changed dramatically over the last 30 years from the traditional rectangular or lap pools to aquatic facilities that provide water-oriented leisure entertainment. Family aquatic centers are replacing the traditional community pool designed for competitive swimming meets and learn-to-swim programs. Family aquatic centers combine a number of water attractions including various types of pools, water slides and children's play structures, and an array of support facilities, including food service facilities.

The idea of adding play attractions and features to the swimming experience is not new. The origins of the —family aquatic center in the United States can be traced to the early 1980's. Around that time, communities began rethinking the traditional pool that is a rectangular body of water, possibly with a diving well, bordered by a thin ribbon of concrete and encircled by a tall fence. The family aquatic center responded to a need for increased and more varied programming and accessibility. Features such as zero depth (beach) entry, water slides, leisure and activity areas, and interactive water play features provide the attraction for a variety of users, abilities, and age groups. Aquatic facilities that incorporate play areas and entertainment for all ages and ability levels attract more users and are more likely to be financially self-sustaining.

Today, the increasing aquatic recreational needs and interests of the public are pushing these concepts further. Elements such as lazy rivers, themed activity structures, and raft rides are now commonplace in regional family aquatic centers. The state-of-the-art family aquatic center incorporates birthday party rooms and packages, an array of play features and conveniences for families including ample deck for families and groups to spend a day at the pool. Although aquatic facilities are moving away from lap pools as a source of entertainment there is still a need for lap pools to accommodate swim teams, diving, water aerobics, swim lessons and water therapy and fitness programs.

*Comparable facilities* - We have looked at the feasibility of the Center by looking at what comparable aquatic center facilities are in close proximity to the proposed site of the Center and are available year round.

There are no open-to-the-public indoor aquatic facilities in Chittenden County. There are five indoor swimming pools in Chittenden County that are either private by membership or on the campus of area institution. None of these facilities are less than 20 years old; some are over 40 years old. The closest indoor aquatics facility of the type we are proposing is 90 miles away.

The National Recreation and Park Association has developed guidelines that communities provide sufficient water surface to accommodate a minimum of 3 percent of their population in an aquatic facility at any one time. Each participant should have a minimum of 15

square feet, however 25 square feet per person is preferred. Additionally, the National Recreation and Park Association standards recommend that a community have at least one public aquatic facility for every 20,000 residents. Given these guidelines, we believe that the Aquatic Center can thrive in the Burlington community and Chittenden County region. Burlington's population is 42,417 as of the 2010 census and Chittenden County's population is 156,545.

Market penetration rates for family aquatic centers vary considerably from venue to venue. Market penetration rate is a function of participation times the frequency of visit. The ability of a facility to draw attendance will depend on the number of activities which are available at the pool. Water slides, fountains, current rivers, vortexes (whirlpools), spray parks and deck areas are important parts of attracting kids where entertainment is the primary goal. Participation trends show that a leisure pool can generate up to 30% more revenue than a comparable conventional pool.

Aquatic centers are being built in a variety of rural communities ranging in size from 5,000 to 50,000 or more in population. Best practices suggest that a facility in the 30,000 to 40,000 square foot range provides the variety of features that are needed to attract a wide range of users. We are proposing a 37,000 square foot center.

We have been in contact with two firms who are able to do a complete operational feasibility study. They would be our advisor to working up the final operational budget figures so we have an extra layer of confidence in our model. The cost of hiring one of these firms is significant. We are fully prepared to move forward with that study once we are beyond this phase of the Public Investment Action Plan process. We are confident that the City's tax increment financing funds would be well placed in this project. Similarly, we look forward to engaging the City in a land lease or other arrangement that would secure the space for us to move this project to the next level.

As noted in the project timeline and the communication and collaboration section, we believe we have the tools to bring this project to fruition in a timely fashion. We are ready to get started.

## ***Project Budget -***

The sources and uses budget is included in Addendum 1 of this document along with explanations for each line item.

The construction budget was prepared by Engelberth Construction, Inc. with over 40 years of experience in estimating and building projects. Engelberth was the contractor of the Upper Valley Aquatic Center in White River Junction, completed in late 2008. Engelberth is a seasoned Vermont contractor and has systems in place to address design and building to a budget. Given the unique nature of our lakefront, we have added glass to the structure so we can allow as much of the picturesque views into the Center. The price of the Center will likely increase to approximately \$15.5 million, We have also added a 10% contingency.

The sources side of the budget are fundraising, TIF, grants and potentially New Markets Tax Credits. It is our goal to raise \$8.2 million from private donors, \$2.5 million in TIF, and the remaining \$4.9 million in a combination of grants and possibly New Markets Tax Credits (NMTC.) We have looked into several grant possibilities and have spoken with Vermont Rural Ventures regarding NMTC. We see NMTC as a bridge loan instrument given that private donors may make pledges over a period of years. Given the current interest rate environment, the rates for NMTC could not be more attractive. We will certainly be evaluating the potential for incorporating NMTC into our sources plan. Our goal would be to raise the fundraising dollars by mid-2014 while applying for grants so we would have our financing in place by the fall of 2014. Once we know a bit more about this process, we will move forward with finalizing a solid sources plan for the project.

We are also including a 15 year operational pro forma as Addendum 2. Since our draft proposal in September, we have further refined our figures and have been able to receive reasonably firm quotes on some of our fixed operating costs. Taking the revenue figures for similar aquatics centers in the region and based on our own knowledge of what it takes to operate a center, we believe we have a good base on which to project revenue figures and have extrapolated them into our population base.

With regard to our pro forma, the first two years are what we consider to be firm figures and the next five to seven years are our best estimates. The remaining six to eight years are projected off the first seven to nine years that we feel more confident about since they are over a shorter-term horizon.

We are providing you with what we feel are conservative estimates for revenue and slightly higher than expected expense figures. We greatly appreciate that the recipients of any Tax Increment Financing money are entrusted with the public's faith that their project is sustainable and viable. For this reason as well as our own reputations, this pro forma is not what we want the figures to be; they are what we reasonably believe the figures will be. We have anticipated there may a need to make up for cash flow needs and have included that factor in the sources side of our project budget.

Again, we will be contracting for an operational feasibility study by a national firm we have already identified over the winter before TIF ballot item on Town Meeting Day in March. It would be our goal to present to the voters a fully vetted plan so they have all the facts available to them in an open and transparent way.