

UPPER MERION TOWNSHIP BOARD OF SUPERVISORS
WORKSHOP MEETING
SEPTEMBER 15, 2011

The Board of Supervisors of Upper Merion Township met for an Informational Workshop Meeting on Thursday, September 15, 2011, in the Township Building. The meeting was called to order at 7:50 p.m., followed by a pledge to the flag.

ROLL CALL:

Supervisors present were: Greg Waks, Joseph Bartlett, Edward McBride, Bill Jenaway, and Erika Spott. Also present were: Ron Wagenmann, Township Manager; Carly Fenske, Township Solicitor; Judy Vicchio, Assistant Township Manager.

CHAIRMAN'S COMMENTS:

Chairman McBride explained the workshop process and environment that allows a more in depth discussion on a limited number of topics.

DISCUSSIONS:

COMMUNITY CENTER CONSULTANT

Mr. Ken Ballard, Ballard King Associates, provided a summary of the final report for the Community Center Feasibility Study. The focus of his presentation was on site issues, cost to build and operate a community center and an update of the different aspects of planning.

Mr. Jim Bogrette, Kimmell Bogrette, stated that Kimmell Bogrette are municipal and non-profit architectural specialists dealing with the site issues and Ballard King Associates deals with demographics, market analysis, and what amenities should be included in the facility. After completing a market analysis in 2011, the sites at Heuser Park, Gold's Gym and Allendale Road were considered. Half-way through this process it was determined that the consultants should also look at possibly relocating the library as part of this project to deal with some of the space issues at the township building.

Mr. Martin Kimmell stated the last presentation meeting focused narrowly on the Heuser Park and Gold's Gym site and there was a desire among the supervisors to investigate, for comparison purposes, the possibility of activating an existing vacant facility that is commercially available in the township. The Allendale Road site was identified for this purpose. Through a process of site analysis various criteria were considered for comparison on each site. The

library was considered as its own piece so that the design concept would not be changed completely if the library were not included in the final design.

The Heuser site would have 100% new construction. There is the advantage of curb cuts, site access, and utilities. It is relatively flat compared to the Gold's gym site and has ample room to do the project with or without the library. This is identified as a pretty solid option with the best site in the northwest corner of the park. There would be the potential of an outdoor pool and shared parking as well as parking designated for the library. Building could occur with no disruption to ongoing day-to-day activities. Staff would be the number one ongoing cost.

The Gold's gym site would also be new construction. If it were decided to create and keep an outdoor pool as an amenity along with the indoor pool, that is in the program, it would be new and different than the existing pool. It would be a recreation pool not a team-oriented lane pool as it is now since space limitations would not allow both on the site. Parking would be spread around the facility with a fire lane and fire access for the relatively narrow site. The square footage would be identical to Heuser and includes a library.

The Allendale Road property has an existing two-story trapezoidal building with surface parking. The existing limitations were outlined and include such things as lack of sufficient ceiling space for gymnasium and pool. The basic layout concept is the same for all sites except at Allendale Road the gym would be on top of the pool and there would be a three level parking deck.

The Heuser site would cost \$27 million, Gold's Gym at \$28 million, and the Allendale site would cost \$32 million, largely because of the parking deck.

In comparing constructability there is plenty of room at Heuser and as a result it is less complex to build. Gold's gym is a bit more complex as the site is much tighter and at Allendale there would be multiple structures.

Achieving sustainability is good at all three sites and outdoor space to accommodate an outdoor aquatic pool as part of the project is good.

As far as future expansion, Heuser has plenty of room as opposed to the limited space on the other two sites.

ADA compliance would be more complex at Gold's gym and Allendale since more costs would be associated with moving people up and down elevators and stairs.

Gold's gym is geometrically central to the township which is a positive. Heuser is at the north end and Allendale is somewhat central.

A question was asked if there are any problems in having a gym on top of a pool. The consultant responded that while it is not ideal it is doable although it will be more costly utility-wise to accomplish.

In response to a question about accessibility, the consultant responded that Heuser Park is very simple to get in and out of. Traffic-wise the other two sites are problems.

A question was asked about the specific location of the Allendale, and it was reported to be at the corner of Allendale and Keebler Roads.

Since overall and not component costs were provided, a question was asked about the cost of the pool itself. The consultant responded they did not format costs that way, but for the sake of rough numbers, the indoor pool would be about \$225 a square foot while the gym and community spaces would be less at \$175 and \$200 a square foot respectively since these spaces have less in them.

A question was asked if the senior center is part of the equation at all. Consultant responded that there were initial discussions early on; however, it was determined that it would not be brought forth at this point. It was noted that the facility would have an appeal and strong market toward seniors, particularly on the active side.

Clarification was requested about the parking at Heuser since the fields get filled with cars six months out of the year. Consultant responded that there would be dedicated parking to support the center with a net increase of 225 spaces over what is currently there now and there would be no adverse effect at all.

Clarification was requested about the parking at the Gold's site. Utilizing the aerial, the consultant pointed out the location of the existing Gold's gym along the property line and pointed out the parking in front and along the side. Traffic would come in off Valley Forge Road as it does now.

A member of the group pointed out there is a natural potential routing coming in off of General Knox which could be opened for safety and emergency response.

A member of the group pointed out it appears from the diagram there is no location for a permanent pool that we have there. Consultant responded that to use the Gold's Gym site would eradicate what is there; and if the current pool was replaced, it would not be as big as currently exists.

During the discussion about the current pool, it was noted the Gold's gym pool is the only Olympic pool in the area, and it would be a shame to tear it down.

The suggestion was made since the township owns that property, as well as Heuser Park, to turn Gold's Gym into an aquatic center with an indoor pool to complement the existing beautiful Olympic pool. The consultant responded one could not physically fit the aquatic center with the existing outdoor pool at that location.

A member of the group pointed out that the indoor pool would be used year round and it would be more conducive to have it where other community activities are as opposed to an outdoor pool that is used only in good weather. It was also noted that it is doubtful people would travel one place to go to an indoor pool and travel somewhere else to work out. The consultant disagreed and said it was his thought if you put the indoor pool somewhere else the outdoor pool would be abandoned and left as an orphan.

A member of the group said the thinking was to leave the outdoor pool there and have one at the new place. Consultant responded from a cost recovery and revenue perspective, a stand alone indoor aquatic facility would not generate nearly enough revenue, and it would be difficult to sustain.

A member of the group pointed out if we left the outdoor pool out of the community center, with only an indoor pool, each one of these locations has the ability if something did happen twenty years down the road with the old pool there is an expansion capability to then add an outdoor one to the community center. Consultant indicated that is an excellent point because that is the only reason they show the outdoor pool just in case the existing Gold's Gym pool, for some reason no longer existed, it could be added later and that is what they will try to do. The consultant also pointed out the existing outdoor pool and bath house have a short remaining life span of 6-8 years. Long term they cannot be counted on as being viable without expending significant dollars. Long term decisions should not be made on something that has a reasonably short life span.

The consultant said in a perfect world to have an outdoor pool with an indoor pool is the most economical in terms of operational costs long term and in terms of revenue potential. Putting those two together will be far more economical long term than having them in two different locations.

A member of the group said the outdoor pool has been revamped and is operating now. The consultant suggested letting it go until it cannot go anymore.

A question was asked about the total square footage of the center without the pool. Consultant responded that it would go from just under 64,000 down to about 45,000 square feet.

A question was asked if there are additional costs putting the pool at Heuser because it is on fill. The consultant responded at some point soil testing

is done, but it would not necessarily be more expensive. It was pointed out by a member of the group that as long as construction remains on the upper level and staying on the west side of the property, the fill area would not be an issue since it was on the east side of the site.

Consultant discussed the operational cost associated with the three options. Heuser would cost \$2 million and generate excess revenues of \$130,000. Gold's Gym would cost about the same and generate \$80,000. Allendale's operational cost would be about \$2 million and show a loss of \$14,000 a year. From a cost recovery standpoint, Heuser does the best, then Gold's and then a precipitous drop on Allendale.

A discussion ensued about the fee schedule on a monthly and annual basis and hours of operation.

The consultant discussed the possibility of the issuance of a bond for the entire amount of this project. In the case of Heuser about \$47.3 million and with a 25-year bond, the actual cost per year in debt would be about \$1.7 million to \$1.8 million. The Gold's Gym site is slightly more expensive, but there is not a big difference in the annual cost. Allendale jumps up quite a bit more. There are other options and most facilities of this nature have three or four different funding options that are combined to do a project of this nature.

The consultant provided a summary of their market analysis conclusions. There is a clear demand for outdoor aquatics which was driven by the fact that at the time the analysis was done, the aquatic center at Gold's Gym was not operating as yet. The Heuser site in terms of lowest cost, best cost recovery, easiest to build is clearly the best site from purely a dollars and sense perspective. Adding a library adds a key amenity that has proven to be successful for both the library and recreation center in a number of communities across the country. The consultant stated that it is a very viable way to do two projects together and recommended this approach for Upper Merion. In terms of timing, on a fast track, it would be at least Memorial Day of 2013 to complete and open.

Mr. McBride pointed out when the expense breakdown was provided the cost of money was not factored in. Consultant responded that the expense breakdown was purely for operations.

Mr. McBride asked the consultant to refer back to the slide about the 25 year bond and pointed out as an example with Heuser it would be \$2 million to operate and \$2 million to fund.

Mr. McBride asked who will be running their facility that is being built. The consultant responded the Park and Recreation Department.

Mr. McBride asked if they are going to use township employees. The consultant responded in the affirmative. He pointed out Bethlehem Township is a more comparable model in terms of amenities because it does have the indoor aquatics and it is run by the township. They have a small core staff of township employees and a vast staff of part-time employees who deliver the programs and teach the classes.

Mr. McBride commented, for the sake of argument, that part-time employees are not getting the same wages, hours and benefits. The consultant responded the township is controlling those who are staying in part-time status and it would be similar in some instances to the staff hired in the summer, except they are working year round and do not move to full-time status.

Mr. McBride commented using the \$1.8 million for Heuser in order to make this work with the numbers in the expense and revenue projections, it would be necessary to have two-thirds of the members from outside the township. The consultant responded the actual percentage of people they were relying on from outside the township was 30% or less. He said 30% of annual pass holders would be non residents of the township, 30% on the three month and 30% on the daily.

Mr. Wagenmann asked for the gross numbers on family members. The consultant responded the number of memberships calculated amounts to 1,500 annual pass holders in terms of units or annual passes and another 765 three month passes with a market penetration rate of about 10% of the households in the township buying some type of a pass.

A discussion followed centering on the need to make it very clear exactly what is the cost of money involved and other funding sources such as grants, fundraising, public/private partnerships. It was pointed out the "lion's share" of most public facilities are coming from some form of tax dollars on the capital side.

Mr. Waks asked for clarification about the operational cost numbers and questioned the percentage of 10% joining. The consultant responded that the 10% was looking at a market penetration rate of families or households in the township only. The 10% would buy some form of either three month or an annual. He said that does not include people who are using day passes or people coming to that facility to play in a basketball league or swimming lessons.

Mr. McBride asked if the consultants would consider all their estimates conservative. The consultant responded that Upper Merion has a small geographic area and 10% is not that aggressive and they took 6% of the surrounding market area. He said the secondary market is still a pretty small

geographic based on other providers that are in there. The consultant indicated these are conservative numbers.

Mr. Waks asked what the penetration of the market was for the public/private partnership for the swimming pool. A member of the group responded it was over 400 memberships were sold.

Mrs. Spott asked how big of an impact would it make with geothermal and how much more incremental costs would it be to go with solar and other energy saving options. The consultant responded usually that would come in the detailed design when there is a building to analyze. He referenced two projects that have gone geothermal. A detailed analysis was done once they knew what the real building load was then a soil test was done to determine how much conductivity was in the soil to see how much heat could be absorbed or pulled and based on an analysis. The other project went through a similar analysis and they ultimately got a grant. Their experience stabilized at \$3,500 a month through the heating and cooling season for a building just less than 30,000 square feet. The consultant noted a comparable building is costing almost \$28,000 a month in utility costs. He noted that Upper Merion's analysis was not based on geothermal.

Mrs. Spott wanted to confirm the plan would be to move not just the library but all the Park and Recreation as well. Mr. Russell responded the entire Park and Recreation Department would be at the Community Center.

Mr. Jenaway asked if the costs of the Park and Recreation Department and the current income expenses are incorporated into the report. The consultant responded in the negative.

Mrs. Spott commented there was no provision for any kind of concession other than the vending, and asked about the idea of a café in conjunction with the library. She asked about their experience with it. The consultant responded there could be the possibility of doing at least a "coffee type" situation if the library and recreation piece were together. If the library was not included he would advise not to do it.

There was a brief discussion about a 25-year bond issue and what that would translate for every taxpayer. No definitive conclusion was reached.

Mr. McBride noted the analysis accurately points out there are quite a few recreation venues in Upper Merion already, some with more equipment or amenities than others. Part of the marketing director's responsibility will be to attract people out of those facilities and over to the community center if this is to be a viable operation.

The consultant stated the analysis indicates the largest competitor would be the YMCA because of a similar market focus. The township would not get measured so much against the private health clubs since it has a different orientation with some of the amenities and the emphasis on gymnasium and pool space. It has a very strong family and youth focus.

Mr. Wagenmann asked if they considered the proposed market.

McBride asked Mr. Wagenmann to offer his thoughts. Mr. Wagenmann explained in the Limerick area there was a brand new YMCA with a very well used gym and outdoor pool built on Linfield Trappe Road. The YMCA is going to develop a similar facility in West Norriton Township. Mr. Wagenmann pointed out it would be our competition if not for Upper Merion than for probably a fair amount of out of township pool goers. The consultant replied he does not believe they went across the river for the secondary market.

Mr. Waks asked if the consultants included non residents who work in Upper Merion. The consultant replied that it would be difficult to measure but a secondary market that could be advantageous.

Mrs. Spott commented her company is located in Upper Merion and has a wellness initiative wherein they will be subsidizing health and fitness for employees. Other companies are following this health trend. She asked if this was taken into account. The consultant responded they have been very conservative in their revenue projections and do not have answers to some of these questions.

Mr. McBride commented three to four hundred thousand dollars of this additional cost per year would be for people who do not live here. To charge them more would go to the expense and revenue of the operation; it does not go to the taxpayer.

Mrs. Spott commented there are studies to show that centers like this actually raise property values.

Mr. McBride commented this would be difficult to quantify and his question would be what the increased value is for people paying the tax.

In response to a comment the report did not accommodate the seniors; the consultant responded that in terms of amenities and their experience, these facilities are popular with the older residents. In discussing a senior center at previous meetings, the senior piece was only 3,500 square feet. He said including a senior center would be an easy fix.

Mr. McBride asked about the next step in the process. The consultant responded there are three options of facilities on three sites. The township would have to determine the site, the building, then further into the design process, the cost estimating process.

Mr. McBride asked if more information is needed from the consultants in order to determine the site or is there another step to help decide. The consultant responded this report is complete, the recommendation is complete and the rankings are complete relative to what was studied, and it would be a matter of the township giving the go-ahead on one or the other.

Mr. McBride asked what happens next if the decision is made to go with Heuser. The consultant responded the township would say they like the Heuser site, would like to proceed with that site and then the team would put together a proposal of the next steps and services to take the township to the next step which would be detailed design, followed by cost estimates, then authorization to bid, land development process.

Mr. Jenaway pointed out the big issue is how to pay for this. He said a bond issue would require voter approval and it would be necessary to be able to present a viable project and tell them exactly what is it, where is it going, what it is going to look like, what is it going to cost to build, as well as the operational implications. Mr. Jenaway emphasized this is a short term milestone that would need to be done.

Mr. McBride commented it would also be necessary to hire a good project team to package and publicize the message so everyone would understand. A communication model is going to be critical.

The consultant indicated it would have to be clearly stated how much it is going to cost per homeowner. For this to be refined "more meat is needed on the bone" that what we have right now.

A question was asked about the ongoing responsibilities of the subcommittee. Mr. McBride said at this point it is first necessary to digest what was heard at this presentation and offer feedback at the Park and Recreation meeting at which time this would be determined.

Mr. Jenaway commented if the subcommittee has the interest they could meet on their own and develop a response to the Park and Recreation Board to get their input.

Mr. McBride emphasized this is a serious undertaking and it is ultimately going to fall on the supervisors and ultimately the Board of Supervisors will need to figure out its next steps.

Mr. Jenaway said the reason he would like to see the subcommittee meet first is because the detailed discussions and debates the subcommittee had early on proved very fruitful in determining the amenities that were desired in the community center. The question now is were those thoughts validated or not and does this truly meet what we originally envisioned.

Mrs. Spott commented if the subcommittee is going to meet on its own, it might be beneficial to have a representative of the senior group there as well.

Mr. Wagenmann stated the subcommittee and Park and Recreation Board should narrow down the number as to exactly what the impact is going to be as to the debt service payment and how it translates in increased real estate tax.

TEXTING RESOLUTION

Mr. Waks began a discussion about the type of measure the township could adopt to discourage texting while operating a vehicle. During the discussion it was pointed out before a resolution is adopted a low cost public relations piece should be developed by the Public Information Officer indicating Upper Merion Township is not in support of texting while driving. Some suggestions included promotion on the township website, UMGA-TV, outgoing township correspondence, E-Newsletter, township signage, and involvement of the Business Improvement District. This communication program in conjunction with a resolution would indicate Upper Merion is serious about this issue.

Mr. Jenaway commented a Police Department representative is probably well prepared to talk about being distracted while driving since this subject was addressed by the Police Department in conjunction with a National Police organization awareness program.

Mr. McBride stated the township resources should be utilized and he further suggested a decal be placed on the back of police cars to remind people about the dangers of texting and driving.

Mr. Waks said these are all good ideas and asked what is the next step with regard to a public information campaign. He suggested getting the Media Advisory Board involved and possibly work with the Police Citizens Advisory Board.

Mr. Jenaway pointed out the Pennsylvania Turnpike Commission has a "Quit Texting on the Turnpike" message on its website and elsewhere and he suggested a call to the head of public safety for information and guidance.

Mr. McBride agreed follow up should be done with the commission.

Mr. Waks pointed out since resources are not available for enforcement this has to be a moral campaign.

Mr. Wagenmann stated a local law would not make sense because of overlapping jurisdictions and it would have to be a state law. It was decided to have the Public Information Officer get in touch with the Pennsylvania Turnpike Commission so that their wording and approach might be incorporated into the proposed resolution in support of a campaign against texting and hand-held phones.

ADJOURNMENT:

There being no further business to come before the Board, the meeting was adjourned at 10:17 p.m.

RONALD G. WAGENMANN
SECRETARY-TREASURER/
TOWNSHIP MANAGER

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Minutes Approved:
Minute Entered: