



UPPER KITTITAS COUNTY Community Recreation Center

Estimated Project Costs and Funding

January 25, 2022

This document is to help the community understand how a community recreation center might be funded under each of the three options being considered. There are three types of costs associated with the Community Recreation Center that have been estimated by experts in the design, construction, and operation of community centers. These experts believe these costs are all-inclusive, conservative, and an accurate reflection of what the community can expect. The costs account for inflation and estimated population growth and include a contingency for unexpected costs.

Who Would Pay for the Center?

UKC Community Recreation Center Alliance will conduct a capital campaign to raise as much money as possible toward design and construction.

Taxpayers would fund levies, which would cover:

1. **Capital costs** exceeding the amount we can fundraise.
2. An **operating subsidy** to address the difference between center revenues and the full cost of operations.

In addition:

3. **Users of the facility** would pay for **passes** or **classes**.

Community recreation centers almost always require taxpayer support because grants and private donations rarely cover the cost to build the facility, and user fees and other income earned by the facility rarely cover the costs of operating the facility.

The components of the cost model are explained below, and the last section provides samples of estimated costs for different types of households and families. If you don't like numbers and charts, the language before each section explains the section in plain

English. If you are still confused after reading this document, send us an email at hello@recreationukc.org. We want you to understand!

Section 1: Estimated capital levy

“Capital” refers to the one-time costs of designing and building the community recreation center. These costs include both “soft costs” (e.g., architectural and engineering fees, permits, and taxes) and “hard costs” (e.g., site work, parking lots, access, lighting, and all of the costs that go into construction of the facility).

To help cover the capital costs, the Upper Kittitas County Community Recreation Center Association (UKC CRCA) intends to (1) apply for public and private grants and (2) conduct a capital campaign to secure private donations. Suncadia has already contributed \$2 million toward capital costs. Our target is a total of \$7 million, as shown in the chart below.

The remaining design and construction cost would be financed through a **capital bond**, paid for via a capital levy on property owners. This section shows the estimated amount that must be financed with bonds under each of the three options, and the estimated cost per \$1,000 of assessed property value under each of the three options.

1) Calculating estimated capital levy

	Option A	Option B	Option C
A. Total estimated capital costs	\$24,000,000	\$34,000,000	\$44,000,000
Fundraising Assumptions			
Funding provided by Suncadia	\$2,000,000	\$2,000,000	\$2,000,000
Funding raised through capital campaign and from foundations	\$4,000,000	\$4,000,000	\$4,000,000
State and federal funding	\$1,000,000	\$1,000,000	\$1,000,000
B. Total amount that can be fundraised	\$7,000,000	\$7,000,000	\$7,000,000
C. Total capital debt needed (A minus B)	\$17,000,000	\$27,000,000	\$37,000,000
Annual debt service in 2021\$ for 30 year bond at 3.5% with 2.5% issuance cost	\$947,000	\$1,505,000	\$2,062,000
Total assessed value of properties in hypothetical taxing district	\$4,741,000,000	\$4,741,000,000	\$4,741,000,000
D. Capital levy rate in dollars per \$1,000 of assessed Property Value	\$0.20	\$0.32	\$0.43

Section 2: Estimated operations levy

Operations and maintenance (O&M) costs are the ongoing, yearly costs to keep the facility running and well-maintained. Staffing costs (e.g., facility director, lifeguards, instructors) are generally about 60-70% of total annual operating costs. Other O&M costs include utilities, supplies (pool chemicals, office supplies, janitorial supplies), insurance, and a capital replacement fund (money set aside to replace a broken pool pump, for example).

A relatively small portion of the O&M costs will be offset by operating revenues (primarily the user fees described in Section 4, as well as revenues from renting out the gym for a basketball tournament, for example). Almost all community recreation centers rely on **operating levies** subsidized by property owners to bridge the difference between operating costs and operating revenues. The chart below then translates this into a levy cost per \$1,000 of assessed property value.

2) Calculating estimated operations levy

	Option A	Option B	Option C
Annual operating expenses	\$1,192,600	\$1,452,700	\$1,687,500
Annual operating revenues (including user fees listed below)	\$356,800	\$535,200	\$682,200
E. Estimated annual operating subsidy required	\$835,800	\$917,500	\$1,005,300
F. Operating levy rate in dollars per \$1,000 of assessed Property Value	\$0.18	\$0.19	\$0.21

Section 3: Estimated total annual cost to taxpayers

This section adds the numbers from section 1 and 2 (capital costs + operating costs = total costs) to estimate the total amount we would be asking the taxpayers to help us fund under each of the three options. Then, we calculate the estimated costs in dollars so you can see what **your estimated tax increase** would be under each of the three options.

Keep in mind that your property's market value (the amount for which you could sell it) is generally much higher than the assessed (by the County Assessor) value on which taxes are paid. You can find your assessed property value on the Kittitas County Assessor website: taxsifter.co.kittitas.wa.us. Just type in your street address, owner name or parcel number.

3) Determining total annual cost to tax payers

	Option A	Option B	Option C
G. Sum of capital and operating levy rates (D. plus F.) per \$1,000 assessed pro	\$0.38	\$0.51	\$0.65

Summary of annual cost to tax payers by property value	Property Value	Option A	Option B	Option C
	\$100,000	\$38	\$51	\$65
You can find the value of your home or rental property on the Kittitas County Assessor website here .	\$200,000	\$75	\$102	\$130
	\$300,000	\$113	\$153	\$194
	\$400,000	\$151	\$205	\$259
	\$500,000	\$188	\$256	\$324
Note that "Assessed" (or "Taxable") values are usually much lower than the amount for which you could sell your property.	\$600,000	\$226	\$307	\$389
	\$700,000	\$264	\$358	\$454
	\$800,000	\$302	\$409	\$518
	\$900,000	\$339	\$460	\$583
	\$1,000,000	\$377	\$511	\$648

Section 4: Estimated user fees

User fees are generally charged by community recreation centers to help cover the operating costs. If you don't use the facility, you don't pay user fees. Users of the facility would contribute revenues through:

- **Day-use or discounted fees** for 10-day, monthly, or annual passes, with a further discount for households.
- **Class fees** for fitness classes, including aquatic classes, would be covered by a pass.

If your child is enrolled in a swimming class or if you are taking a water aerobics class (for example), you would NOT pay a daily user fee in addition to the cost of the class.

The model provides for **discounts** if multiple-use passes or memberships are purchased and proposes higher user fees for **visitors** than **residents**.

We are committed to making the community recreation center accessible to everyone in our community. **Scholarships** will be available to individuals and families who cannot afford the user fees.

The following table show estimated fee schedules for 2025, including day fees, 10-visit passes, month-to-month passes, and annual passes. Class fees are shown just below. Fitness classes (both aquatic and non-aquatic) would be covered by an annual or month to month pass. A pass holder pays for other classes, with a 10% to 15% discount.

User Fees		Daily Fees		10 Visit Pass	
Option A		Resident	Non-Resident	Resident	Non-Resident
	Adult (18-60)	\$5.00	\$6.50	\$45.00	\$58.00
	Youth (3-18)	\$3.00	\$4.00	\$27.00	\$36.00
	Senior (60+)	\$3.00	\$4.00	\$27.00	\$36.00
		Annual Passes		Month to Month Passes	
		Resident	Non-Resident	Resident	Non-Resident
	Adult (18-60)	\$245.00	\$320.00	\$21.00	\$27.00
	Youth (3-18)	\$185.00	\$240.00	\$16.00	\$20.00
	Senior (60+)	\$185.00	\$240.00	\$16.00	\$20.00
	Household	\$420.00	\$545.00	\$35.00	\$46.00
Options B and C		Daily Fees		10 Visit Pass	
		Resident	Non-Resident	Resident	Non-Resident
	Adult (18-60)	\$6.00	\$8.00	\$54.00	\$72.00
	Youth (3-18)	\$4.00	\$5.50	\$36.00	\$50.00
	Senior (60+)	\$4.00	\$5.50	\$36.00	\$50.00
		Annual Passes		Month to Month Passes	
		Resident	Non-Resident	Resident	Non-Resident
	Adult (18-60)	\$270.00	\$350.00	\$23.00	\$30.00
	Youth (3-18)	\$205.00	\$265.00	\$17.00	\$22.00
	Senior (60+)	\$205.00	\$265.00	\$17.00	\$22.00
	Household	\$465.00	\$605.00	\$39.00	\$51.00
Sample Class Fees		Aquatics		Other	
	Learn to Swim Class	\$65.00	Adult Classes	\$35.00	
	Private Lesson	\$30.00	Youth Classes	\$25.00	
	Water Aerobics	\$8.00	Senior Classes	\$25.00	

Illustrative Examples

The following three examples present a picture of what total costs might look like to different households.

Example A is a family of four, including two adults and two children. They own their home, which has an assessed valuation of \$300,000. They are all frequent users of the community recreation center and opt to purchase annual passes.

	Option A	Option B	Option C
Total tax amount (including capital and operating levies)	\$113	\$153	\$194
Annual household pass	\$420	\$465	\$465
Total annual cost	\$533	\$618	\$659

Example B is a couple who own a home with an assessed value of \$200,000. They use the facility during the wet winter months and the pool once a month during the summer.

	Option A	Option B	Option C
Total tax amount (including capital and operating levies)	\$75	\$102	\$130
Month-to-month passes for household for 3 months	\$105	\$117	\$117
Day passes for 2 adults (1/month for 3 months = 6 total)	\$30	\$36	\$36
Total annual cost	\$210	\$255	\$283

Example C is a senior living in a rented subsidized housing who purchases an annual pass.

	Option A	Option B	Option C
Annual pass	\$185	\$205	\$205
Total annual cost	\$185	\$205	\$205

We hope this document helps you understand the economics of the proposed options. If you have questions, please direct them to hello@recreationukc.org.