

**TAC Proposal for
Wake County Hospitality Tax
Small Capital Projects Funding**



**Triangle Aquatic Center
RFP #18-001
Due February 8, 2018 by 3:00 pm EDT**

Certification Letter

February 1, 2018

Tom Wester
Wake County Finance – Procurement Services
Wake County Justice Center – 2nd Floor, Ste. 2900
301 S. McDowell Street
Raleigh, NC 27601

Mr. Tom Wester,

On behalf of the Triangle Aquatic Center, I do hereby certify that I have carefully examined this Request for Proposal. I further certify that this proposal is in all respects fair and without collusion or fraud, so that all proposals for the purchase will result from free, open and competitive proposing among all proposers.

Sincerely,

A handwritten signature in cursive script that reads "Mike Curran".

Michael Curran
Chairman of the Board
Triangle Aquatic Center

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Addenda

- A) PNC Bank Funding Letter of Support
- B) Curran Family Foundation Funding Letter of Support
- C) Scott Dameron, Executive Director, Biography
- D) 2016 990 Form
- E) Letter from Accounting firm, James A. Lucas & Associates, LLP
- F) Notarized Letter from TAC Treasurer
- G) List of TAC Board Members
- H) Town of Cary Support Letter
- I) Michael Curran, Chairman of Board, Biography
- J) Proof of Insurance Certificate

Section 1.0: Executive Summary

What Is TAC?

The Triangle Aquatic Center (“TAC”) celebrated ten years of service to the Wake County community on **October 28, 2017**. TAC is a 72,000 square-foot nonprofit public aquatic facility situated on a 23.5-acre aquatic campus located in Cary, North Carolina. This public-access aquatic facility offers our community three separate indoor year-round pools that are open to the public without membership requirements. The three pools include a 50-meter Olympic competition pool, a 10-lane 25-yard program pool, and a warm-water instruction pool. Supporting amenities include a 1,000-seat spectator stadium, a full-service café, a swim apparel and swim gear store, and a 3,500 square-foot multi-purpose gallery which serves as a classroom and administrative offices.



See four-minute video at, <https://youtu.be/8DT8n7znvhM>

Our Vision

On **May 7, 2002**, a small group of year-round swimming parents met over a cup of coffee to discuss the lack of year-round public aquatic facilities in Wake County. Beyond the initial desire to accommodate year-round swimmers and their families, the founders of TAC also considered the broader needs of aquatic health and safety programming for the entire community.







According to the CDC, one in five people who die from drowning are children age 14 and younger. For every child who dies from drowning, another five children receive costly emergency department medical care for nonfatal submersion injuries. Worse yet, the racial disparity in drowning deaths and injuries is vast; African American children drown at rates 10 times those of White children, signaling a significant **cultural** need to provide greater access to safe swimming in our community.¹

On **June 27, 2002**, TAC incorporated as a 501(c)(3) nonprofit charitable organization to address these needs and our 15-year journey began. On **October 28, 2007** – exactly 2,000 days after that first meeting over coffee – TAC celebrated the grand opening of what has become the largest nonprofit public aquatic facility ever built in the country without tax funding. TAC was built by Wake County citizens, for Wake County citizens, to provide health, safety and competition aquatic programming for visitors and residents of our community.

¹ <https://www.cdc.gov/homeandrecreationalafety/water-safety/waterinjuries-factsheet.html>

Ten Years Later: Making an Impact

TAC's **superior and unique** impact on Wake County over the first ten years is demonstrated by many accomplishments, just a few listed below:

-  TAC serves an average of 450,000 visitors to the facility each year.
-  TAC is the #1 destination venue for aquatic events in the state. Some of the more recognized events include the majority of the Wake County public high school swim meets, the high school Regional and State Championship meets, Special Olympics, Senior Games, the National Black Heritage Meet and USA Swimming-sanctioned swim meets.
-  TAC sponsors one of the largest Make-A-Splash programs in the state, which offers free and reduced-cost life-saving swim lessons to financially-disadvantaged families in Wake County.
-  TAC generates an average of \$7,000,000 in Direct Visitor Spending in Wake county each year based on the GRCVB spending formulas.
-  TAC sponsors a 650-member year-round USA Swim team called the TAC TITANS. The TITANS are the 10th ranked swim team in the country out of more than 2,000 registered USA swim teams as of **January 26, 2018**.
-  TAC's leadership in aquatic programming and facilities has helped Wake County become recognized by the national governing body for the **sport** of swimming (USA Swimming) as the 7th largest swimming community in the country.

Proposed Project Will Meet *Current Demand and Future Needs* in Wake County

Wake County's population has grown by 30% to 1,070,000 since TAC opened its doors in 2007, far outpacing the availability of year-round public aquatic facilities to accommodate the growing health, safety and competition needs of Wake County. The TAC Board began a two-year planning process for a three-phase expansion over the next two to five years. TAC seeks Wake County Hospitality Tax Small Capital Funding for Phase I of the TAC Expansion.

Phase I of the TAC expansion includes four components that will allow TAC to continue to be the largest host of aquatic events in the state and to increase Direct Visitor Spending in Wake County. The four components include:

- **Component 1: Replace Lost Event Parking.** TAC had a parking agreement with the Cary Towne Center Mall that allowed event parking to reside on their property. That contract will terminate when the new IKEA store begins construction this summer. Without event parking: 1) TAC would lose the ability to host aquatic events such as the Wake County high school swim meets; 2) Wake County would lose an average of \$7 million in Hotel & Meals tax spending; and 3) TAC would lose an income stream that helps keep TAC financially viable.
- **Component 2: Expand Spectator Stadium.** An average of 450,000 people come through TAC's front doors each year and the average swim meet attendance by swimmers, officials and spectators has grown to capacity. The spectator stadium expansion includes: 1) a 4,000 square-foot addition; 2) additional bathrooms, 3) food delivery services, and 4) an adjustment to the seating structure to increase and improve the spectator site lines.
- **Component 3: Add Administration and Maintenance Facilities.** The third component of Phase I is: 1) the addition of a 4,000 square-foot expansion to house the TAC TITANS swim team administration, and 2) the addition of a 12,000 square-foot expansion for TAC staff administration and facility maintenance.
- **Component 4: Add a 50-Meter Outdoor Pool.** A second 50-meter outdoor training pool to compliment the 50-meter indoor competition pool to meet the needs of the many citizens and organizations TAC is turning away today because TAC has reached capacity.

Project Team & Proposed Cost

The four component Phase I expansion will be led by Michael Curran, Chairman of the TAC Board. Curran founded TAC in 2002, led the original design and construction of the TAC facility, and has been Chairman of the Board since its inception.

Michael Curran Contact Info:

mike.curran@curranfoundation.org

(919) 745-0836 (cell)

An experienced Project Team has been assembled that includes many contractors who were part of the original construction team of TAC. Additional information about the proposed contracting team is included in Section 7.0. The total estimated cost of the proposed project is \$8,743,160 and includes inflation considerations and contingencies.

The TAC Proposal Meets All Criteria for Eligibility for Funding

- ✓ The TAC Project is fully located in Wake County.
- ✓ The TAC Project is consistent with the statutorily defined purposes of the funding related to convention, arts, culture or sports.
- ✓ The TAC Project is capital in nature with a minimum value of \$100,000.
- ✓ The TAC Project Proposal requests County funding for a maximum of 35% of the total project cost.
- ✓ The TAC Project Proposal request is no more than \$1,500,000.

Section 2.0: Scope of Project

Phase I Project Proposal

Phase I of the long-term three-phase expansion of TAC's 23.5-acre aquatic campus includes four (4) components with a total projected cost of \$8,743,160. TAC is requesting Hotel and Meals Tax funding of 35% of the cost or the maximum small funding limit of \$1,500,000 for the following:

- **Replace Lost Event Parking:** The first and most important component of Phase I is to replace event parking that will terminate when the new IKEA store begins construction in the summer of 2018. TAC has designed two new parking lots with 300 parking spaces as well as entered into a parking agreement with our neighbor, the Baptist State Convention, for another 120 spaces for a total of 420 parking spaces. The replacement of the lost event parking protects TAC's ability to host events that support the Wake County high school swim meets, generate an average of \$7 million in Direct Visitor Spending, and creates revenue essential for TAC's viability.

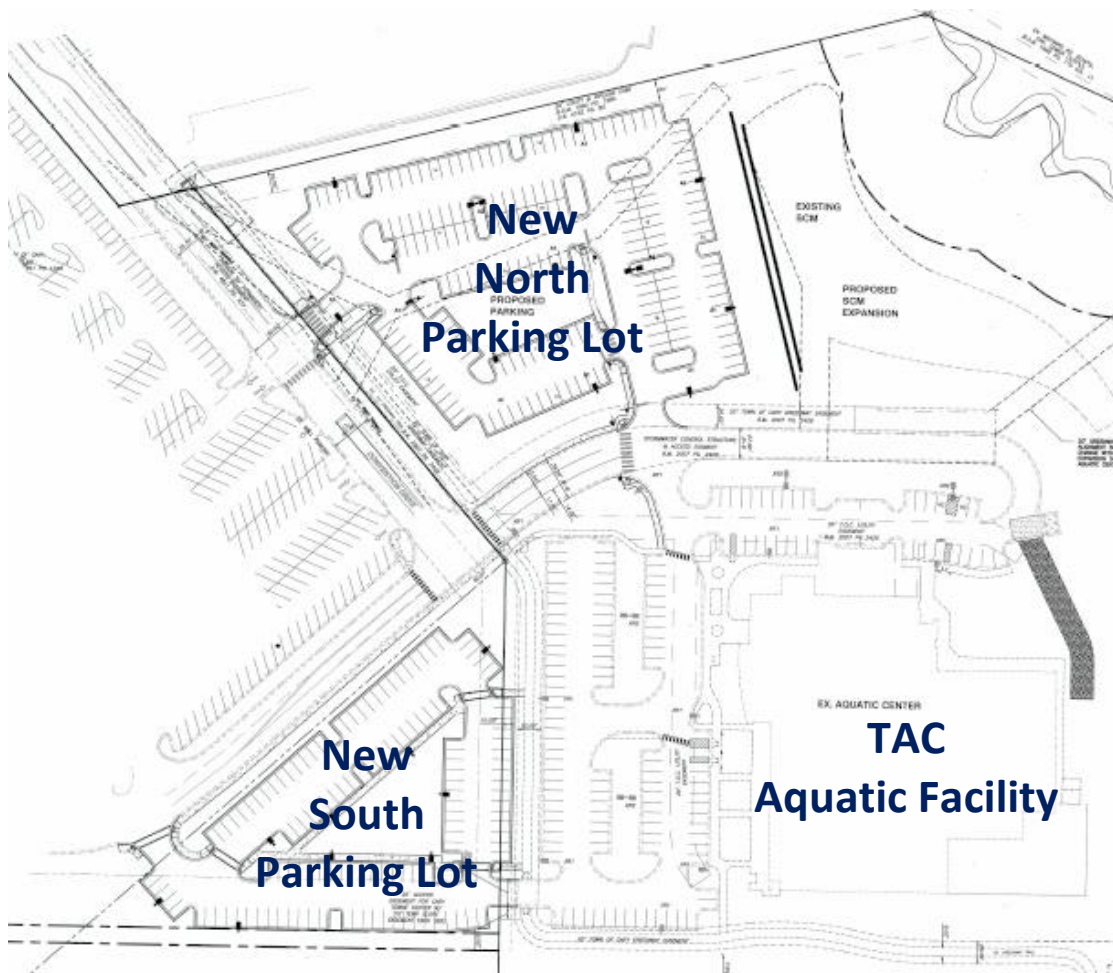


Figure 1: Event Parking

- **Expand Spectator Stadium:** The second component of Phase I is to expand the spectator stadium to better support current events and to increase the number, size and scope of future aquatic events that will increase Direct Visitor Spending.

Spectator Stadium Expansion Rendering



Figure 2: Spectator Stadium Entrance

4,000 Square Foot Expansion, Addition of Bathrooms, Food Service & Seating

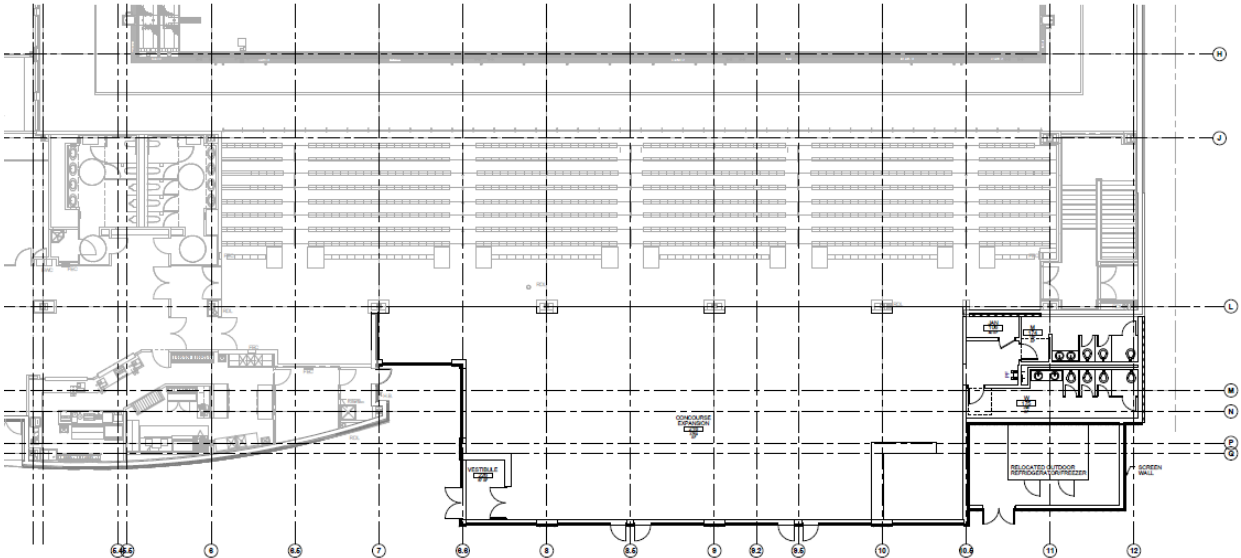


Figure 3: Spectator Stadium Expansion

- **Add Administration and Maintenance Facilities.** The third component of Phase I is to add two new administrative additions to the current facility. The first is a 4,000 square-foot addition to house the TAC TITANS coaching staff. The second is a 12,000 square-foot addition to house TAC staff, the TITANS swim team and a maintenance facility.

Administration and Maintenance Facility Renderings



Figure 4: Administration & Maintenance Facility

Figure 5: Top Floor Diagram

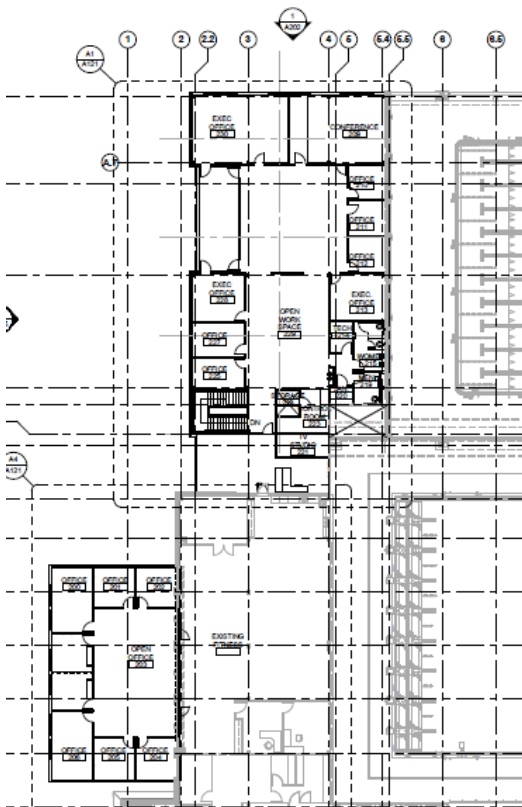
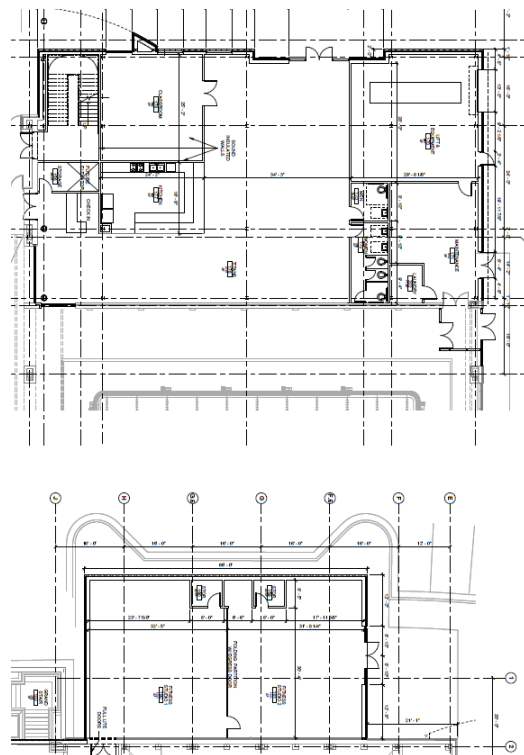


Figure 6: Bottom Floor Diagram



- **Add 50-Meter Outdoor Swimming Pool.** The fourth important component of Phase I is the addition of a second 50-Meter Olympic size outdoor swimming pool. TAC is currently at capacity during prime time (5:00 AM – 8:00 AM, 3:00 PM – 9:00 PM) and cannot accept any new programs. The 50-Meter pool with a heating system and pool cover is usable year-round to expand capacity to meet the growing population of Wake County and growing interest in aquatic programs throughout the Triangle.



Figure 7: 50-meter Outdoor Pool

The following are responses to the six specific questions outlined in section 4.2 of the RFP to be completed in Section 2.0: Project Overview and Objectives.

1. **An analysis of the demand or unmet need, inadequate facilities or future needs of sports, cultural, convention and arts programs in Wake County and the anticipated number of projected visitors / participants served.**

The last 50-meter pool built in Wake County prior to TAC opening was Pullen Aquatic Center in Raleigh near the NC State campus in 1992. In the fifteen years between 1992 and when TAC opened in 2007, Wake County's population grew by 80%. In the last ten years since TAC opened, Wake County has grown by another 30% and is continuing to grow by 64 new citizens per day. TAC is now at capacity and cannot support any new aquatic programming to meet the growing needs of our community.

- 2. A statement of the proposed project plan's effectiveness in addressing the community need in comparison to existing facilities. Include whether delays in the project impact its viability.**

Adding the second 50-meter outdoor swimming pool will increase TAC's aquatic capacity by 68.75%. The increased capacity will allow more high school swim teams to train at TAC, offer more health and safety programming, and provide more capacity for aquatic events. Delays in the project will not impact its viability.

- 3. Clear demonstration regarding the need for County capital investment in order for project success. It should also include data to demonstrate a clear link between the project initiative and the resulting increase in overnight room stays and food and beverage purchases.**

TAC is the largest nonprofit public aquatic facility ever built in the country without tax funding. TAC was built by Wake County citizens, for Wake County citizens. The community stepped up to meet an unmet need and TAC has become a valuable community asset. The capital cost for aquatic facilities are high and TAC is not in a financial position to expand the aquatic campus without partnering with the County and local municipalities. Wake County has benefited greatly by TAC and its health, safety and competition programming. In addition, since TAC opened, it has generated over \$55 million in Direct Visitor Spending and has never requested funding through the Hotel and Meals Tax revenue it helps generate. TAC has also become an economic driver for Wake County by employing over 100 people and becoming the largest host of aquatic events in the state. It is anticipated that by expanding the Spectator Stadium and increasing water capacity, Direct Visitor Spending will conservatively increase by 35%.

- 4. A description of how the proposer will collaborate with other organizations (government, non-profit, and corporate) to achieve the desired outcome resulting in lasting community impact.**

TAC currently has strong working relationships, active partnerships and provides aquatic services to many organizations, some of whom include: 1) the Wake County Public School System, 2) The Greater Raleigh Convention and Visitors Bureau (Raleigh Sports Alliance), 3) the N.C. Special Olympics, 4) the N.C. Senior Games, 5) Cardinal Gibbons High School, and 6) the Town of Cary. The expanded aquatic campus will help TAC continue to meet the aquatic programming needs of these organizations (and many more) as Wake County continues to grow and prosper.

5. How the proposer would track and measure success and how that mechanism and data would be included in future reports submitted to the County.

TAC already calculates Direct Visitor Spending and submits this data to the GRCVB on a yearly basis. TAC can provide this reporting to Wake County on a yearly basis as well. In addition, TAC tracks visitor count and program usage and can make this information available to Wake County.

6. A description of how the project is consistent with the Wake County Room Occupancy and Prepared Food and Beverage Operating Principles as identified in Attachment 2 in the RFP.

TAC is an ideal community asset and ongoing project to receive funding from the County for several reasons outlined in Operating Principles A. – L. identified in Attachment 2 and described further below:

- A. TAC drives measurable, regular overnight visitation due to its status as the largest host of aquatic events in the state.
- B. TAC was initially built by Wake County citizens to meet a community need. The Hotel and Meals tax funding will support on-going capital expenditures of this facility to help keep it current, relevant and competitive in the market.
- C. TAC complies with all requirements of the existing enabling legislation.
- D. TAC has a 10-year history of successful operations and financial viability. A proven track record reduces the County's risk and supports TAC's long-term viability.
- E. TAC is at capacity and has earned a positive operating cash flow since inception. TAC's conservative planning combined with a mature and experienced management team position's TAC to grow to meet the County's aquatic needs.
- F. Clean, quality and safe aquatic facilities are a foundational asset for any community. The health, safety and competition aquatic programming offered at TAC clearly enhances the quality of life experiences for visitors, new-comers and long-time residents.
- G. Due to TAC's leadership, Wake County has grown to become the 7th largest swimming community in the country. In addition, competitive swimming has grown significantly and is highlighted every four years during the Olympic Games. There are many Olympic swimmers who train here in Wake County and TAC's nationally-ranked swim team is the foundation for future Olympians who will call Wake County home.
- H. TAC is a sports venue but also a community asset promoting health and safety.
- I. TAC supports over 100 organizations that rent facilities or participate in aquatic programming. An estimated 450,000 visitors walk through TAC's front doors every year.

Continued

TAC Proposal: Growth Through Partnerships

- J. Wake County promotes its sports venues, parks and lifestyle as the best place to live, work and play. TAC is a major community asset that promotes Wake County as a tourism destination and provides health, safety and competition programming for its residents.
- K. TAC has a multi-phase plan to build out the aquatic campus and we look forward to partnering with Wake County as each phase is developed.
- L. TAC is not only a sports venue, but a community asset providing an unmet need for quality health and safety aquatic programming for Wake County residents.

Section 3.0: Project Budget and Funding Sources

Project Budget

The Project Budget has been prepared by an experienced team of contractors including; general contractor Clancy & Theys Construction Company; architects Integrated Design; Engineering firm BNK, Inc. and pool manufacturer Myrtha Pools. The projected costs include an inflation factor and contingency fund.

Clancy & Theys (“C&T”). C&T is a successful construction company founded in Raleigh in 1949. C&T built TAC’s initial 72,000 square-foot aquatic facility in 2007. C&T has grown to become one of the nation’s top 100 construction management at-risk providers and is a technology leader in sustainable construction practices including LEED.

Integrated Design (“ID”). ID is a multi-disciplinary architecture firm based in Raleigh. ID brings a comprehensive team of professional designers and consultants with 40 years of experience. ID has been working with TAC on design concepts to expand the aquatic campus for the last five years.

BNK, Inc. (“BNK”). BNK was founded in 1969 and is a multi-discipline consulting firm located in Raleigh. BNK was the engineering firm on the original team that built TAC’s initial 72,000 square-foot aquatic facility in 2007.

Myrtha Pools (“Myrtha”). Myrtha is a commercial pool manufacturer founded in 1961. Myrtha is the leading international pool contractor with pools constructed in 70 countries. Myrtha pools are consistently used in international events such as the World Swimming Championships and the Olympic Games.

TAC’s Certificate of Insurance for proof of Commercial General Liability Insurance, Commercial Automobile Liability Insurance, Worker’s Compensation Insurance and/or any other insurance appropriate to the work undertaken can be found in the Addendum section, document “J”.

Schedule of Expenditures by Category

The following is a summary of projected expenses for the Phase I expansion of TAC.

Planning and Design	\$500,000
Land Acquisition ²	0
Construction	
Parking	1,696,964
Facilities	4,013,196
Pool	2,433,000
Equipment/Furnishings	100,000
Other	\$0
Total	\$ 8,743,160

Table 1: Expenditures

TAC will not need to purchase additional land that is not already owned or under contract to purchase by TAC to complete the Phase I expansion. In addition, all the roads, water and sewer, and utilities have already been constructed on the TAC aquatic campus.

Funding Sources

The total projected cost for construction of the Phase I expansion is \$8,743,160. TAC has secured funding from PNC Bank and the Curran Family Foundation in addition to the requested funding of \$1,500,000 from the Hospitality Tax Small Capital Projects Fund. Total funding sources:

Funding Source	Amount	Status	Year of Commitment
PNC Bank	\$2,500,000	Approved	2018
Curran Family Foundation	\$4,750,000	Approved	2018
Wake County	\$1,500,000	Pending	2018
Total	\$8,750,000		

Table 2: Funding Sources

The ratio of private funding (PNC Bank and the Curran Family Foundation) to public funding (Wake County Hotel and Meals Tax) is 82.9% private / 17.1% public. Letters of intent from PNC Bank (Document A) and the Curran Family Foundation (Document B) to fund the Phase I expansion of TAC are included in the Addenda Section of this proposal.

² TAC purchased the initial 21.5-acre aquatic campus in 2003. In 2017, TAC entered into a purchase agreement with CBL Properties, the owners of the Cary Town Center Mall, to purchase an additional two acres of land to provide for the replacement parking lots.

Section 4.0: Project Timeline

Existing Aquatic Campus (23.5 Acres)

TAC purchased 21.58 acres of land located beside the Cary Towne Center Mall and a mile off I-40 at exit 291 on **August 13, 2003** to build a large-scale aquatic campus for the Wake County community. On **April 28, 2005**, TAC received zoning and site plan approval from the Town of Cary for a 72,000 square-foot year-round public aquatic facility. On **April 25, 2017**, TAC entered into a purchase agreement with CBL Properties, the owner of the Cary Towne Center Mall, to purchase an additional 1.92 acres to expand the aquatic campus to 23.50 acres. Rezoning for the 1.92 acres was approved by the Town of Cary on **October 26, 2017**.



Figure 8: TAC Campus

As outlined in Section 2.0, there are four components of the Phase I expansion including 1) the replacement of lost event parking due to the Mall redevelopment and the construction of the IKEA store, 2) the expansion of the spectator stadium, 3) the addition of administrative and maintenance facilities and 4) the addition of an outdoor 50-meter pool. The aquatic campus is properly zoned for three of the four components – the 50-meter pool is currently in the rezoning process and is expected to be approved within twelve-month requirement. Site plan approval submission to the Town of Cary is on schedule as follows:

Parking Expansion. The parking lot site plan was submitted to the Town of Cary in December of 2017 and approval is expected no later than February 2018. The parking component is being funded by the Curran Family Foundation and is expected to break ground in the March / April 2018 time frame.

Spectator Stadium Expansion. The stadium expansion is designed, and the aquatic campus is properly zoned for the expansion. Site plans will be submitted to the Town of Cary once funding from Wake County is known.

Addition of Administrative and Maintenance Facilities. The administrative and maintenance facilities are designed, and the aquatic campus is properly zoned for the expansion. Site plans will be submitted to the Town of Cary once funding from Wake County is known.

Addition of a 50-Meter Pool. The land for the pool is in the process of being re-zoned and is expected to be approved within twelve-month requirement. The 50-meter pool has been designed and the site plans will be submitted to the Town of Cary once funding from Wake County is known.

TAC confirms that all the building permits to complete the Phase I expansion as outlined in this RFP can be received from the Town of Cary within the twelve (12) month requirement and the project completed within thirty-six (36) months to meet all the required deadlines. The Town of Cary staff has been directly involved in the expansion project and stated that they can work with TAC in the approval process within the stated time frames.

Project Action	Start Date	Finish Date
Study and Analysis of Project	2016	2017
Site Identification	2003/2017	2003/2017
Land / Site Acquisition	2003/2017	2003/2018
Architectural / Engineering Studies	2016	2017
Facility Construction	2018	2019
Equipment Purchase	2019	2019
Other (Describe:)		

Table 3: Project Timeline

Section 5.0: Project Operating Plan

Management Team

TAC has completed ten full years of operations and has a mature and experienced management team in place. TAC is managed by an Executive Director who reports directly to the Chairman of the Board. Executive Director Scott Dameron is experienced (see Dameron Biography in Addenda, Document C) and has been with TAC for three years. TAC has five Director-level positions that report to the Executive Director and includes an 1) Aquatic Director, 2) Finance Director, 3) Event Director, 4) Facility Director and 5) Head Swim Team Coach. The Phase I expansion will not require adding to the management team. The expansion will offer additional job opportunities for 1) life guards, 2) instructors and 3) supervisors.

Marketing Plan. TAC is a high-profile community asset that receives recognition and media attention throughout Wake County. Since TAC is at capacity, few resources are allocated to marketing the facility. TAC anticipates a media event and brief marketing campaign to introduce Wake County to the new and expanded facilities when they open in 2019-20 time frame.

Facility Maintenance

TAC's Facility Director oversees a Facility Manager, a cleaning service, maintenance staff and vendors. A key component of TAC's value proposition to the Wake County community is its commitment to providing an aquatic facility that is: 1) safe, 2) clean, and 3) properly maintained. As shown in the 10-year actual operating revenue and expense summary on page 20 below, TAC's maintenance expense has averaged just under \$550,000 per year. Last year, TAC invested a total of \$647,754 in facility maintenance that included improvements to the men's and women's locker rooms.

Attachment 3. Audit Form: Receipts and Expenditures

Tax ID: 14-1839387
Fiscal Year End: December 31st

Triangle Aquatic Center

10-Year Actual Operating Revenue & Expense Summary

	2008	2009	2010	2011	2012	2013	A	2014	2015	2016	2017
Revenue											
Development/Donations	\$ 957,444	\$ 594,916	\$ 455,459	\$ 507,716	\$ 474,595	\$ 523,925		\$ 547,336	\$ 569,596	\$ 527,153	\$ 621,229
Facility Revenue	\$ 748,998	\$ 864,448	\$ 916,262	\$ 821,432	\$ 963,321	\$ 1,091,163		\$ 321,053	\$ 362,609	\$ 420,785	\$ 542,434
Water Revenue	\$ 570,362	\$ 795,933	\$ 971,728	\$ 990,514	\$ 968,383	\$ 1,828,205		\$ 2,165,269	\$ 2,291,019	\$ 2,522,665	\$ 2,628,726
Total Revenue:	\$ 2,276,804	\$ 2,255,297	\$ 2,343,449	\$ 2,319,662	\$ 2,406,299	\$ 3,443,293		\$ 3,033,658	\$ 3,223,224	\$ 3,470,603	\$ 3,792,389
Expenses											
Administration	\$ 110,698	\$ 160,703	\$ 98,732	\$ 86,012	\$ 52,644	\$ 82,608		\$ 70,775	\$ 92,555	\$ 137,004	\$ 219,263
Facility Maintenance	\$ 501,633	\$ 432,674	\$ 492,946	\$ 513,325	\$ 528,634	\$ 517,464		\$ 566,064	\$ 590,563	\$ 574,279	\$ 647,754
Financing Fees	\$ 710,816	\$ 513,653	\$ 849,240	\$ 831,844	\$ 842,669	\$ 828,862		\$ 829,274	\$ 833,339	\$ 765,607	\$ 766,344
TAC Personnel	\$ 510,374	\$ 891,867	\$ 547,107	\$ 565,454	\$ 535,793	\$ 628,876		\$ 497,874	\$ 482,920	\$ 698,056	\$ 747,798
Special Projects	\$ -	\$ -	\$ -	\$ -	\$ 64,488	\$ 7,268		\$ 21,213	\$ 14,344	\$ 62,827	\$ 126,093
Water / Programs	\$ 94,587	\$ 125,965	\$ 113,138	\$ 112,026	\$ 122,506	\$ 852,520		\$ 715,619	\$ 857,742	\$ 998,014	\$ 1,042,987
Total Expenses:	\$ 1,928,108	\$ 2,124,862	\$ 2,101,163	\$ 2,108,661	\$ 2,146,734	\$ 2,917,598		\$ 2,700,819	\$ 2,871,463	\$ 3,235,787	\$ 3,550,239
Net Operating Income:	\$ 348,696	\$ 130,435	\$ 242,286	\$ 211,001	\$ 259,565	\$ 525,695		\$ 332,839	\$ 351,761	\$ 234,816	\$ 242,150

A Revenue increase was a result of TAC starting a registered USA Swimming year-round swim team called the TAC TITANS.

B Change in revenue a result of reclassifying the TAC TITANS swim team revenue from Facility Revenue to Water Revenue.

Table 4: Actual Operating Revenue & Expenses

A notarized letter from the TAC Treasurer confirming the accuracy of the financial statements is included in the addenda section, Document F.

Projected Operating Revenue & Expense Summary

TAC's experienced management team has increased revenue by 66.6% over the last ten years and earned an operating profit each and every year. This management team will not have to be expanded to manage the new facilities in the Phase I expansion. As a result, there will be a much smaller operating expense ratio on the incremental new income generated from the expanded facilities that will improve TAC's Net Operating Income. A 10-year Projected Operating Revenue & Expense summary is shown on page 21 below. The projection assumes that the facilities are built and operational by the 2020 annual operating budget fiscal year.

Triangle Aquatic Center

10-Year Projected Operating Revenue & Expense Summary

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Revenue [A]										
Development/Donations	\$ 724,968	\$ 797,465	\$ 861,262	\$ 912,938	\$ 940,326	\$ 968,536	\$ 997,592	\$ 1,027,519	\$ 1,058,345	\$ 1,090,095
Facility Revenue	\$ 690,562	\$ 759,618	\$ 820,388	\$ 869,611	\$ 895,699	\$ 922,570	\$ 950,247	\$ 978,755	\$ 1,008,117	\$ 1,038,361
Water Revenue	\$ 3,655,244	\$ 4,020,768	\$ 4,342,430	\$ 4,602,976	\$ 4,741,065	\$ 4,883,297	\$ 5,029,796	\$ 5,180,690	\$ 5,336,110	\$ 5,496,194
Total Revenue:	\$ 5,070,774	\$ 5,577,851	\$ 6,024,080	\$ 6,385,524	\$ 6,577,090	\$ 6,774,403	\$ 6,977,635	\$ 7,186,964	\$ 7,402,573	\$ 7,624,650
Expenses [B]										
Administration	\$ 239,527	\$ 263,480	\$ 284,558	\$ 301,632	\$ 310,681	\$ 320,001	\$ 329,601	\$ 339,489	\$ 349,674	\$ 360,164
Facility Maintenance	\$ 909,796	\$ 1,000,776	\$ 1,080,838	\$ 1,145,688	\$ 1,180,059	\$ 1,215,460	\$ 1,251,924	\$ 1,289,482	\$ 1,328,166	\$ 1,368,011
Financing Fees	\$ 798,600	\$ 878,460	\$ 948,737	\$ 1,005,661	\$ 1,035,831	\$ 1,066,906	\$ 1,098,913	\$ 1,131,880	\$ 1,165,837	\$ 1,200,812
TAC Personnel	\$ 894,710	\$ 984,181	\$ 1,062,915	\$ 1,126,690	\$ 1,160,491	\$ 1,195,306	\$ 1,231,165	\$ 1,268,100	\$ 1,306,143	\$ 1,345,327
Special Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water / Programs	\$ 1,464,917	\$ 1,611,409	\$ 1,740,321	\$ 1,844,741	\$ 1,900,083	\$ 1,957,085	\$ 2,015,798	\$ 2,076,272	\$ 2,138,560	\$ 2,202,717
Total Expenses:	\$ 4,307,550	\$ 4,738,305	\$ 5,117,369	\$ 5,424,412	\$ 5,587,144	\$ 5,754,758	\$ 5,927,401	\$ 6,105,223	\$ 6,288,380	\$ 6,477,031
Net Operating Income:	\$ 763,224	\$ 839,546	\$ 906,710	\$ 961,113	\$ 989,946	\$ 1,019,644	\$ 1,050,234	\$ 1,081,741	\$ 1,114,193	\$ 1,147,619

A TAC's annual compound revenue growth rate the first ten years of operations was **5.83%**. Revenue projections assume Phase I facilities are open beginning January 1, 2020 with a 68.75% increase in water capacity due to the new 50-Meter outdoor pool. Future growth rates assume a 10% revenue growth in 2021, 8% in 2022 and 6% in 2023 as the new facilities are optimized. From 2024 forward, a 3% inflationary revenue growth rate is projected.

B The same assumptions are used for the expense projections that were used in the revenue projections.

Table 5: Projected Revenue & Expenses






Documentation

Documentation requested is included in the Addenda section, including: 1) the 2016 990 Form, Document D; 2) a letter from our accounting firm James A. Lucas and Associates, Document E; and 3) a notarized letter from the TAC Treasurer confirming the accuracy of these statements, Document F.

Section 6.0: Estimates on Visitors

Proven Performance

The Triangle Aquatic Center has grown to become the largest host of aquatic events in the State. A sampling of events includes:

-  Local, Conference, Regional and State and Championship Wake County public high school swim meets.
-  Local, state, regional and national Championship USA Swimming-sponsored swim meets.
-  The National Black Heritage swim meet that attracts over 1,000 Black swimmers from around the country.
-  The North Carolina Special Olympics
-  The North Carolina Senior Games

TAC calculates its Direct Visitor Spending each year and submits a report to the Greater Raleigh Convention and Visitors Bureau. Based on their formulas, TAC has averaged just under \$7,000,000 in Direct Visitor Spending for the last two years and \$55 million since TAC opened. Attachment 4 on page 23 below (formulas provided by Wake County) shows calculations of projected visitor spending and taxes generated based on ten years of actual performance and a projected increase of 35% beginning in 2020 once the new 50-meter pool and expanded spectator stadium are open.

Projected Visitor Count: Phase I Completed and Operational

Attachment 4: Visitor Estimates and Return on Investment

Hotel Room Rate	\$ 102.00
Meal Rate on Day Trip	\$ 23.40
Meal Rate on Overnight Trip	\$ 26.10

Visitor Estimates, Economic Impact and Taxes Collected

1. Estimated Wake County Residential Visitors (Annual) = 98,599

Estimated Food and Beverage Spending and Taxes Collected

	Visitors		Meal Rate		Meal Spending					Total Taxes
2. Estimated Day Visitors (Annual) =	19,413	X	\$ 23.40	=	\$454,264					
3. Estimated Overnight Visitors (Annual) =	95,704	X	\$ 26.10	=	\$2,497,874					
4. Total Meal Spending =					\$2,952,139	X	1.0%	Food & Beverage Tax =	\$	29,521

Estimated Hotel/Motel Spending and Taxes Collected

	Over- Night Visitors	Party Size		Number of Rooms						
5. Estimated Overnight Rooms (Annual) =	95,704	/	1.69	=	56,630	X	\$ 102.00	=	\$ 5,776,218	
6. Total Room Spending =									\$ 5,776,218	X 6.0% Occupancy Tax = \$ 346,573
										Total Food & Beverage and Occupancy Taxes: \$ 376,094
7. Return on Investment based on taxes collected (County funding/total taxes collected) =					\$1,500,000	/	\$ 376,094	=	4.0	Years for Return on Investment.

Assumption: The expansion of the spectator stadium and an increase in water capacity by 68.75% with the addition of the 50-meter outdoor pool. Visitor count calculated using TAC's Actual visitor count for the last full year calculated (2016) and assumes a conservative 35% visitor count increase. Expanding the spectator stadium and adding more water directly impacts visitor attendance and spending.

Table 6: Projected Visitor Count

Return on Investment & Performance Targets

TAC has a ten-year history of hosting quality aquatic events and as a result, TAC has become the largest host of aquatic events in the state. In 2018, TAC has been awarded a 13-State regional aquatic event called Southern Zones as well as TAC's first National USA Swimming event called Futures! TAC is currently operating at capacity; the combination of an expanded spectator stadium and the addition of an outdoor 50-meter pool will increase the number, size and scope of additional events that TAC can host. The expanded capacity is projected to increase Direct Visitor Spending and tax receipts by 35%.

TAC's Current Spectator Stadium at a Recent Swim Meet



Section 7.0: Organizational Information

1. How long has TAC been in business?

TAC was incorporated on **June 27, 2002** and its first public aquatic facility opened to Wake County citizens on **October 28, 2007**. TAC celebrated **10 years of service** to the Wake County community on **October 28, 2017**.

2. Organizational Size and Structure

TAC was incorporated as a 501(c)(3) nonprofit charitable organization and received its Determination Letter from the IRS on **May 21, 2007**. TAC has approximately twenty (20) full-time employees and approximately eighty (80) part-time employees. TAC is governed by an independent Board of Directors (see list of Board Members in the Addenda section, Document G).

3. Executive Officers of the Organization

Chairman	Michael Curran
Vice-Chairman	Kevin Chignell
Secretary	Robyn Curran
Treasurer	Anna Hergenrader
Executive Director	Scott Dameron

4. TAC's Capabilities to Implement the Project

Included in the Addenda section are letters of support from: 1) Cary Town Manager Sean Stegall, Document H; 2) PNC Bank Vice President Casey Turner, Document A; and 3) Anna Hergenrader, Partner in accounting firm James A. Lucas and Company, Document E.

5. Litigation or Governmental / Regulatory Actions Pending Against TAC

There are **NO** litigation or governmental actions pending against TAC.

6. Potential Conflicts of Interest

TAC has **NO** known contractual relationships that would create a conflict of interest with Wake County.

Proposer Team Experience

Michael Curran will be leading the team on the Proposed Project. Curran is the original Founder of the nonprofit TAC, has served as its Chairman of the Board since inception, and oversaw the construction of TAC's initial 72,000 square-foot public aquatic facility (see full biography in the Addenda section, Document I, or on the www.curranfoundation.org website).

Curran has put together a team of contractors with extensive experience building aquatic facilities. Curran is a retired businessman and volunteers full-time at TAC to oversee the management team and the expansion of the aquatic campus. Key construction team members include:

Integrated Design, LLC

Clancy & Theys Contractors

BNK, Inc.

Myrtha Pools

Architect

General Contractor

Civil, Mechanical & Electrical Engineers

Pool Contractor

Similar Projects

As referenced in Proposal Section 1.0, TAC completed the design and construction of the largest nonprofit public aquatic facility ever built in the country without tax funding that opened to Wake County citizens on **October 28, 2007**. Wake County has grown by 30% since TAC opened and the aquatic facility is operating at capacity. With the partnership of Wake County, TAC will expand its existing facility and ultimately occupy the entire 23.50-acre aquatic campus to meet the growing aquatic programming needs of Wake County citizens and visitors.

