



10 October 2008

Pat Mullaney
Albemarle County Parks & Recreation
Street Address
Charlottesville, VA 22902

Dear Mr. Mullaney,

It is my privilege to submit to you a proposal for Albemarle County support of the aquatic facility now under development through Star Swimming at the Fairview Swim & Tennis Club.

Since we previously have submitted a proposal to the county and made a presentation to the Board of Supervisors outlining the proposal, I will not use this space to go over what we view as the benefits of supporting our proposal, except to say the following. Over the past several weeks, we have seen the Star Swim Team/Virginia Gators program experience nice growth as we enter the 2008-09 season. This growth, combined with the closing of Smith Pool, only underscores the fact that there is an imminent need for a new facility to serve Albemarle County high school swim teams and the community at large.

With that, please allow me to answer the questions that you have posed of us. Should the answers that follow create additional questions, I am happy to speak with you or anyone on the committee at any time.

Best regards,

Jim Cudahy

A. Organizational Information:

Street Address

Charlottesville Star Swim Team, Inc. (also dba "Virginia Gators of Charlottesville")
707 Belvedere Drive
Charlottesville, VA 22901

Point of Contact

Jim Cudahy, President
Phone: 434-882-4736
Email: jim@greenmonstermarketing.com

Secondary Contact

Dave Phillips

Phone: 434-981-8088
Email: dave@caar.com

Board Members

Jim Cudahy, President
Mary Jo Natali, Vice President
Dana Ross, Treasurer
Lynette Wuensch, Assistant Treasurer, Bookkeeper
Lauren Williamson, Secretary
Mark Mitchell
Ernie Harper

Organizational Website

www.viriniagators.org

Distinction Between Star Swimming & Virginia Gators

Star Swimming is a 501(c)3, charitable organization under the I.R.S. tax code. On a day-to-day basis, the team does business as the Virginia Gators of Charlottesville and competes in USA Swimming meets as the Virginia Gators. As such, we compete with Roanoke and Lynchburg groups, which also go by the moniker, "Virginia Gators;" however, we operate as a fully independent organization from a procedural and financial perspective. To emphasize, we neither receive nor provide any financial support to or from the Roanoke or Lynchburg Gators.

Audit

As a small non-profit organization, we have not invested in a tax audit. We are more than happy to provide copies of our tax returns.

Description of the Organization

Star Swimming was established with a mission of advancing competitive swimming in the Charlottesville/Albemarle community. This includes management of a competitive swimming program at the USA Swimming level, as well as support of local high school swimming through both the periodic hosting of a local swim meet and through leasing of lane space for high school swim practices.

Perhaps Star Swimming's greatest accomplishment to date was to purchase the enclosure system (air-supported dome), which currently serves as the home for the Virginia Gators of Charlottesville and which four local high schools use for practices and for local swim meets. One of these high schools has been Western Albemarle High School. Indeed, it was the acquisition of the air-supported dome in 2000 that served as the genesis of high school swim teams in Albemarle County. We feel it also is worth mentioning that our facility serves as the home to a Special Olympics program each spring and a number of Gator swimmers participate as volunteer coaches and instructors for this effort.

While I have emphasized the fact that we are a non-profit, I also would like to emphasize that we have no debt of any kind as an organization. We own the air-supported dome outright.

Star Swimming currently leases the facilities at the Fairview Swim & Tennis Club from Labor Day through Memorial Day each year. The development of our new facility is predicated on a continuation of this relationship as Fairview will be responsible for a large portion of the associated costs of the new facility. Fairview and Star Swimming have a verbal agreement in place on a 100-year lease of the new facility. We maintain a strong, symbiotic relationship, but we remain two distinct, independent organizations. A bit more on this point: It is the strong belief of both Star Swimming and Fairview that the new facility Fairview was planning would best be utilized if it could be used on a year-round basis. It further is our position that this relationship represents the best possible scenario of allowing local swimmers to swim in a first-class facility sooner rather than later at the lowest possible expense and with minimal impact to the environment. In short, it would have been a shame for Fairview to build a first-class swimming pool and allow it to sit idle from Labor Day through Memorial Day while there is such a dire need for year-round swimming pools in the area.

Organizational Structure

Star Swimming is composed of a board of directors, which oversees all operational aspects of the team including the supervision of coaching staff and all other personnel. The coaching staff and member volunteers provide the manpower to operate and manage the facility.

IRS Classification

Star Swimming is a non-profit, 501(c)3, charitable organization. Though we do not consider Fairview as a “partner” as much as it is a landlord in this arrangement, Fairview operates as a private membership club.

Funding Request

We seek a one-time \$500,000 contribution from Albemarle County. It is our strong preference for the funding to arrive in a lump sum since the entirety of our expenses related to the construction of the new facility will be contributed prior to or upon the completion of the facility. We anticipate construction of the facility to occur during the winter/spring time period of 2009 with a completion date of Memorial Day 2009, so that should provide an idea of when the contribution would need to be fully funded. Star Swimming’s preference would be to receive an installment of one-third at the outset of the construction with another third due in the middle of construction and the balance due at the end, which would be late spring to summer of 2009.

Additional Funding from the County

With our full request met, we have no plans to ask for operating expenses from the county in the future.

County Investment Compared to Full Cost

The total cost of the project is approximately \$1.6 million, meaning the County’s investment would represent just over 30 percent of the total cost.

Purpose of County Funding

The County funding would be used exclusively for an enclosure system and related expenses to make the facility ready for year-round swimming. In all likelihood, then, the County’s contribution of \$500,000 would cover the cost of the enclosure system, commercial air-handling system, and ancillary expenses

related thereto. Beyond the enclosure system, Star Swimming also will be covering the costs of a second, two-lane, warm-water pool and other features such as a scoreboard and bleachers; however, we will cover these costs entirely through separate fund-raising efforts.

Energy-saving/Environmentally Friendly Aspects of New Facility

Since we are covering a pool that already will be built rather than clearing and developing an entirely new piece of land, the impact on the local environment from construction will be negligible. Even the plot of land that the pool and enclosure will occupy currently has no trees on it, so not one tree will be knocked down as a result of our new facility.

From an energy-saving standpoint, our facility will be a major improvement over the existing air-supported dome, which requires a commercial-grade air handling system to run on a 24/7 basis.

- First of all, the structure will have a double-paneled vinyl roof with compressed air between the two panels, which provides an extra degree of insulation during winter months.
- In comparing the new enclosure and facility with our existing enclosure and facility, there will be additional environmentally friendly features.
 - We will use natural gas to heat the water rather than propane, which is more efficient and burns more cleanly than natural gas .
 - We will not have a diving well, as we currently do, which contains half of the water we heat in the winter. With ten lanes and a two-lane warmer water pool, we won't have *half* the water to heat that we currently do, but it will be about 75 percent of what we currently heat, which, again, we'll heat more efficiently.
 - We will use solar blankets or a comparable system to maintain the water heat and thus use less energy.
- Because the main competition pool is used for only competitive swimming, we can maintain a lower water temperature of 80 degrees – rather than the typical 82-84 degrees at most indoor pools – which obviously requires less energy.
- Ultimately, we also want to install direct solar heating for the water in both the pool and in the clubhouse. We have priced a system that would do this and it would run in the neighborhood of \$90,000. Over the long term we want to do this for both environmental and economical reasons. This would almost entirely eliminate the need for natural gas to heat the pool water except when it gets exceptionally cold in the winter when we might need supplemental, natural-gas heating.

Anticipated life span of facility including any available warranty information

If the existing life of the Fairview pool is any indication, the pools themselves will have lives of 50 years or longer. The frame of the structure should have a life of 20 years or longer. The company that manufactures them has done this for just over 20 years and has clients who have used similar structures for that length of time. The vinyl panels likely will need to be replaced after 10-12 years, but it could be longer in our case because they will be removed so infrequently. The cost of replacing the panels is about 15% of the total cost, which in today's dollars would be approximately \$60,000.

The panels have a full two-year warranty. The structure has a longer warranty, which has a number of conditions, but effectively is ten years.

Services Provided to the County: How will this facility/program benefit County programs/County residents?

If the County meets Star Swimming's request for funding, we will guarantee practice times so that all three county high school teams can swim between the hours of 4:00pm and 8:30pm each day for the entirety of the high school swim seasons. This would be a full six lanes in which to practice. We also would be willing to consider practice times in the morning before school and/or after 8:30pm, but believe that schools likely would prefer 90-minute practices between 4:00pm and 8:30pm and, again, we are willing to guarantee that as part of the deal. Further, the facility would provide almost unlimited ability for local high schools to host meets up to and including regional meets.

We currently have approximately 150 kids involved in our program and expect somewhere close to 200 will cycle through the program between Labor Day and Memorial Day. This number will grow with the new facility by approximately 25 percent to start and then 10 percent thereafter. The total impact on the community would be substantial and is outlined below for a five-year period.

We want to consider other programs in conjunction with the county Parks & Recreation Department and/or Albemarle County Schools. We could be talking about many programs that could benefit Albemarle citizens of all ages. Potential programs could range from swim lessons to water aerobics to water polo to lap swimming to swim programs for middle schools and elementary schools.

When creating the chart below, we have taken a look at the current number of swimmers in our USA Swimming program. We expect there to be 25 percent growth to the program the first year in the new facility and ten percent after that annually. So as not to double-count kids who swim across multiple years, we've provided a full count on the left in those two columns and then new swimmers on the right. Among high schools, we're counting 40 swimmers in each program, with the full number of kids on the left and then the number of new swimmers (effectively, the freshmen) on the right. In all, we estimate that over the five-year period, 979 kids will directly benefit from the new facility in our USA Swimming program and 240 will benefit through high school swimming and this is to say nothing of the beneficiaries in new programming outside of competitive swimming. We will not add these numbers together because there will be a degree of duplication for those kids who swim in our USA Swimming program and also with high schools.

Direct Beneficiaries of New Aquatic Facility among USA Swim Team & High School Swimmers				
	Individual USA Swimmers Team		High School Swimmers (3 teams)	
	Total Swimmers	New Swimmers	Total Swimmers	New Swimmers
2009-2010	275	275	120	120
2010-2011	303	152	120	30
2011-2012	333	167	120	30
2012-2013	366	183	120	30
2013-2014	403	202	120	30
		979		240

We won't attempt to estimate the number of citizens who will benefit from non-swim team activities, but we expect that to be substantial as well. Currently, for instance, approximately 25 Special Olympics athletes participate in our spring program.

Potential future program options to be offered which are not currently available to residents in the region

Potential programs include water aerobics, swim lessons, other strength and conditioning programs through Parks & Recreation and/or Albemarle County Schools, water safety courses, and water polo.

These potential programs could take place from 8am through 3pm. We plan to work with the county Parks and Recreation Department to implement the programs during those hours or during other off hours such as weekend afternoons.

Fee Schedule for Use of Facility

Kids in our competitive swim program pay based on an annual fee schedule that correlates to level and the amount of time in the pool. High schools pay for practice time, which is \$15 per hour, per lane used. This effectively means we charge \$90 per hour for use of the facility. We sometimes host birthday parties for \$100 and they go a bit beyond an hour normally.

Scholarship availability and amount of annual funding for scholarships for low income residents

We offer scholarships to low-income residents and we will continue to do so in alignment with our mission to advance competitive swimming.

Detail anticipated user groups and anticipated numbers for each group

We refer you to the earlier chart outlining the direct beneficiaries. Generally, we expect approximately 200 kids to cycle through various aspects of our USA Swimming program this year (2008-09). We further expect to see 25 percent growth in the program the first year of our new facility and then ten percent for the four years thereafter, which would bring the total size of our swim program to 403 within five years. The number of high schools remains pretty static at about 40 swimmers per program, or about 120 swimmers total. With 12 lanes to practice, we know we can accommodate this growth while continuing to serve the needs of the high school teams (again, we currently operate with half that number in a pool that has half the number of lane we'll have in the new facility).

Beyond the swim team programs, it is difficult for us to estimate numbers of water aerobics or other types of programming, but such programs will be created based on identified need in the community. It is our intention to use the aquatic facility as much as possible in the hours when it is not being used for competitive swimming.

Experience: Please describe your experience in operating a similar facility

Our experience operating a similar facility is extensive. We currently are in our ninth year of operation at our current facility and it is based on this experience that we are able to make the definitive statement that our new facility will be demonstrably easier to operate than our current facility.

Star Swimming's experience includes:

- Assembling swim team programs
- Recruiting and coordinating with a working board of directors
- Fundraising
- Marketing to the community
- Financial operations
- Coaching
- Volunteer management
- Hosting swim meets
- Management of the facility itself
 - Assembling and maintaining the air-supported dome
 - Pool maintenance
 - Other elements of facility maintenance

In short, though our new facility will represent substantial improvements for our program and our community, we know exactly what it will take to run the facility and know we have the existing capability and expertise to do so.

Business Plan: (Operations – Expenses/Revenues)

Provide 5 years of actual financial results for current organizational operations

Star Swimming operates on a zero-based budget each year. The bulk of our revenue arrives between the months of September and May and the bulk of our expenses occur during those months as well. Star Swimming has no short- or long-term debt. Most importantly, our swim program has seen substantial growth this year and we will realize a corresponding positive change to our financial position. We are bringing in more revenue than we have in our history and we actually expect our expenses in 2008-09 to be reduced largely as a result of a decreased price in propane to heat the pool. While winter weather plays a large role in determining our overall costs, we expect to finish the year (August 31st for us) with a surplus of more than \$30,000. Because the new facility will include a far more energy-efficient pool and enclosure, our expenses will drop further while our revenues in the new facility will increase in substantial fashion.

I am providing a financial statement that compares our position from 2007-08 and 2008-09. I would be happy to furnish tax returns for the previous three years, but as far as financial statements, I could not provide such detail as you see below with any type of assurance that they would be accurate. Suffice it to say, our

revenues and expenses were essentially a match each year with either a small positive or negative bottom line carried over to the following year.

I wish to point out something else that bodes extremely well for the future, which is that if you compare the projected revenues of this year with actual revenue from last, you see the a dramatic jump in income for the programs that serve younger swimmers. With a jump in the number of younger swimmers, we can expect larger numbers of swimmers to enter our Gold and Senior programs in the years to come, which contributes a lot more revenue per child to the program.

	Actual Cost 2007-08	Projected Cost 2008-09	Difference		Actual Revenue 2007-08	Projected Income 2008-09	Difference
Operational Expenses				Yearly Income			
Rent	\$13,549	\$16,415	\$ 2,866	Swim Gym	\$12,489	\$15,000	\$ 2,511
Bubble Loan	\$ 2,415	\$ 0	(\$2,415)	Bronze	\$15,063	\$27,500	\$12,437
Bubble Up/Down	\$ 2,180	\$ 2,471	\$ 291	Silver	\$24,061	\$31,000	\$ 6,939
Water	\$ 3,155	\$ 3,395	\$ 240	Silver +	\$17,343	\$28,000	\$10,657
Trash removal	\$ 906	\$ 985	\$ 79	Gold	\$19,551	\$18,000	(\$1,551)
Propane	\$44,566	\$40,000	(\$4,566)	Senior	\$19,669	\$18,305	(\$1,364)
Electric	\$13,035	\$13,040	\$ 5	HS Prep	\$ 3,500	\$ 6,672	\$ 3,172
Pest Control	\$ 506	\$ 500	(\$6)	CCS	\$ 2,360	\$ 0	(\$2,360)
Heating Oil	\$21,103	\$21,120	\$ 17	Sponsors	\$ 5,820	\$ 5,000	(\$820)
Phone	\$ 5,500	\$ 4,713	(\$787)	Grocery Card Rebates	\$ 6,618	\$ 8,037	\$ 1,419
Marketing	\$ 1,448	\$ 1,200	(\$248)	Grocery Card purchases	\$ 2,700	\$ 100	(\$2,600)
Pool maintenance	\$ 6,479	\$ 4,224	(\$2,255)	HS Rental	\$11,861	\$11,861	\$ 0
Supplies	\$ 2,960	\$ 5,042	\$ 2,082	Lap Swim	\$ 55	\$ 0	(\$55)
Equipment	\$ 0	\$ 3,000	\$ 3,000	Meet fees received	\$25,239	\$27,273	\$ 2,034
Apparel	\$ 1,968	\$ 1,561	(\$408)	Pool rental	\$ 3,663	\$ 3,860	\$ 197
Reimbursement	\$ 2,394	\$ 1,039	(\$1,355)	Reg fees	\$12,450	\$14,100	\$ 1,650
SUBTOTAL	\$122,164	\$118,705	(\$3,459)	Revenues owed	\$ 8,388	\$ 1,680	(\$6,708)
PAYROLL & MEETS				Sr. Champ opt-out	\$ 450	\$ 0	(\$450)
Payroll	\$58,617	\$57,944	(\$673)	Sr. Champs Income	\$16,322	\$17,000	\$ 678
Meet Fees	\$11,682	\$12,000	\$ 318	Special Olympics	\$ 990	\$ 1,000	\$ 10
Gator Meet Expenses	\$ 1,103	\$ 0	(\$1,500)	Spring Warmup	\$ 5,663	\$ 6,000	\$ 337
Sr. Champs Expenses	\$ 4,783	\$ 5,000	(\$217)	Summer swimmers	\$ 1,600	\$ 2,000	\$ 400
USA registration	\$ 5,822	\$ 6,192	\$ 370	Apparel	\$ 235	\$ 800	\$ 565
Travel	\$ 8,755	\$ 9,311	\$ 566	Swim-a-thon	\$ 5,869	\$ 6,000	\$ 131
Petty Cash	\$ 600	\$ 200	(\$400)	Misc	\$ 443	\$ 0	(\$443)
SUBTOTAL	\$91,363	\$90,647	(\$716)	TOTAL INCOME	\$222,377	\$249,188	\$ 26,811
INSURANCE				TOTAL EXPENSES	\$219,326	\$215,660	(\$3,666)
Bubble	\$ 1,849	\$ 2,000	\$ 151				
Retirement	\$ 3,500	\$ 4,308	\$ 808	BALANCE	\$ 3,051	\$ 33,528	
Misc.	\$ 450	\$ 0	(\$450)				
SUBTOTAL	\$ 5,799	\$ 6,308	\$ 509				

Provide pro forma for new operation including any new or modified facility. This should be in the format of a 5 year forecast of income and expenses

	Anticipated Revenues	Anticipated Personnel Expenses	Anticipated Operational Expenses	Net Revenues
2009-2010	\$300,000	(\$100,000)	(\$ 72,000)	\$128,000
2010-2011	\$357,000	(\$160,000)*	(\$ 75,600)	\$121,400
2011-2012	\$393,000	(\$176,000)	(\$ 79,380)	\$137,620
2012-2013	\$432,000	(\$193,600)	(\$ 83,349)	\$155,051
2013-2014	\$475,000	(\$212,960)	(\$ 87,516)	\$174,524

* Personnel would include addition of full-time program director.

I know this looks too good to be true, which is why later on I have outlined a less optimistic scenario. Revenues are based on anticipated 25 percent growth to the Star Swimming/Virginia Gators swim program in 2009-2010 with the introduction of our new facility (which may actually be conservative) and 10 percent annual growth thereafter. We bring additional revenues in through sponsorships and other fund-raising activities, which we expect to increase in correlation with a larger program. Beyond that, we expect to collect new revenues from new programs such as swimming lessons, recreational swimming, and other programs that the new facility will make possible.

We will see an increase to personnel costs in correlation with the increased size to our competitive swim program and to staff new programs and thus are allowing for 10 percent growth to personnel expenses. Also worth noting is that part of our expenses on the personnel side will include hiring a full-time facility manager for the first time to ensure we are capable of meeting the increased needs of the community. However, we anticipate the cost of energy to operate the facility will be reduced by at least half in the new facility to start because of a decreased amount of water to heat compared with our current facility and not having to run an air-handling system on a 24/7 basis to inflate the air-supported dome as is now the case. Also, our agreement with Fairview is that we will occupy the facility with no rent. In return for not paying rent, we will be providing Fairview members with regular access to lap swimming at hours that don't conflict with competitive or high school swimming. Fairview expects that the relationship with the Gators will help to create new summer memberships at their pool.

We otherwise incur expenses that are directly reimbursable from families for items such as meet fees, apparel, USA Swimming registration, etc. We expect expenses to increase by five percent each year. The wild card in this scenario is the cost of energy; however, we will be in a far better situation in the new facility than we currently are from an energy consumption standpoint and we also hope to move to direct solar heating of the pool at some point, which further will reduce the exposure to risk that energy presents to the program.

Overall, with revenues increasing initially by 25 percent and 10 percent thereafter and operational expenses dropping to start and then increasing at a rate less than our revenues, we believe the facility won't simply be self-sustaining, but will generate an increasing net surplus each year that will place us in a strong

position to cover any needed capital improvements to the facility over the long term.

Lastly, I know that this paints a fairly rosy scenario and I cannot emphasize enough, first of all, the drain on resources that the current facility represents from an energy perspective. This alone has caused us to operate on a shoe-string budget over the first eight years of our operation under the air-supported dome. Secondly, in surveys of our member families, it is clear that the current facility is the largest weakness of the program. With the new facility will arrive certain growth over both the short and long-term and also the space to accommodate that growth.

If we were to take a much more cautious approach and presume that we see no growth to our program in the first year (which simply won't happen) and five percent thereafter and also that we are able to decrease operational expenses by only 25 percent to start with expenses increasing by ten percent annually thereafter (rather than five percent), we still would be in a strong position as outlined below. Obviously, under this scenario, at some point we would have to address the fact that our net revenues were decreasing over time, but we would have reserves that would give us leeway to do so.

	Anticipated Revenues	Anticipated Personnel Expenses	Anticipated Operational Expenses	Net Revenues
2009-2010	\$250,000	(\$ 90,000)	(\$108,000)	\$ 52,000
2010-2011	\$262,500	(\$ 94,500)	(\$118,800)	\$ 49,200
2011-2012	\$275,625	(\$ 99,225)	(\$143,748)	\$ 32,652
2012-2013	\$289,406	(\$104,186)	(\$158,123)	\$ 27,097
2013-2014	\$303,877	(\$109,396)	(\$173,935)	\$ 20,546

Something else: Should we be fortunate enough to realize the type of operating surpluses outlined at the top of this section, after establishing a contingency reserve for the organization and the facility, it would be a priority to reinvest such revenue back into competitive swimming in our community.

Finally, I wish to emphasize that we are not counting on revenue from Albemarle County high schools at this point. Below I have outlined the cost savings to the county programs by not having to pay for lane rental. I base these numbers on what I know Western Albemarle currently pays us and presume five percent increase to lane rental fees each year. Over ten years, the county swim teams would save more than \$350,000, each program saving one third of that amount. It would be shortly thereafter that the county's investment of \$500,000 effectively would be repaid if you were to look at it that way.

	W. Albemarle	Albemarle	Monticello	Total
2009-2010	\$10,500	\$10,500	\$10,500	\$31,500
2010-2011	\$11,025	\$11,025	\$11,025	\$33,075
2011-2012	\$11,576	\$11,576	\$11,576	\$34,728
2012-2013	\$12,155	\$12,155	\$12,155	\$36,465
2013-2014	\$12,763	\$12,763	\$12,763	\$38,289
2014-2015	\$13,401	\$13,401	\$13,401	\$40,203
2015-2016	\$14,701	\$14,701	\$14,701	\$42,213
2016-2017	\$15,436	\$15,436	\$15,436	\$46,308
2017-2018	\$16,208	\$16,208	\$16,208	\$48,624
2018-2019	\$17,018	\$17,018	\$17,018	\$51,054
	\$118,737	\$118,737	\$118,737	\$356,211

Current Capital Fund Raising Status:

We currently have either cash on-hand or commitments from contributors that amount to approximately \$50,000. We feel certain we can bring in another \$100,000 from our swim team families and we are hot on the trail of additional benefactors whom we believe will make contributions that will allow us to bridge the gap between the county's contribution and the amount needed for construction.

Star Swimming has hired a professional fundraising consultant who is assisting us with our plan and its implementation. We have developed a list of potential individual donors and are working on building relationships with those donors. We have also created a case statement to assist us with our fundraising.

In addition, we have identified several foundations that we believe will be willing to give to the project.

Plan and timetable for securing remaining funding

Our capital campaign will heat up in the coming weeks and months as construction of the facility approaches. Every single family will make contributions. We further are using the connections within our team to reach out to benefactors within the Albemarle community and beyond. To be honest, a lot of the resources we have devoted to this effort have been focused on negotiations with the county over the past few months. It is our fervent expectation, based on the experience of our fundraising consultant, that once we have a commitment from the county, the remaining funds will fall into line.

Last, while it is our hope and expectation that we will not have to go this route, we also will have the capability of borrowing as much as \$100,000 or perhaps a bit more than that, as we have before, to cover the difference between contributions from individuals and the county and what we need to cover our portion of the new facility.

Anticipated Construction Schedule: (Groundbreaking through Grand Opening)

We expect ground-breaking for the new facility to take place sometime in the spring of 2009 and it will take five months from start to finish. The grand opening in that event likely would take place in advance of the start of the Virginia Gators 2009-2010 swim season in August or September 2009.

Alternatives:

Please describe what would happen with your project and how you would proceed if the County funded 50% of your request

Let me first approach this from the positive side: If the county funds 100 percent of our request, the chances that we will have our facility complete and ready for high school teams to practice in November 2009 are extremely good. If the county funds 50 percent of our request, that chance goes down substantially. What would happen? Unless we could identify a couple of major donors, we would delay the enclosure of the new pool that Fairview would build anyway. We would continue swimming in our air-supported dome in our old pool until we could collect the full amount. We would not be able to give high schools priority

practice time in this event and we would probably not be able to accommodate all three county teams.

Please describe what would happen with your project and how you would proceed with no County funding

It would be largely the same story as the answer to the previous question, just a longer delay and a longer period in our existing air-supported dome and in the old pool.

Other Community Benefits: Are there other anticipated benefits of this project other than the direct benefits to facility users? If yes, please provide specific examples and attempt to quantify those anticipated benefits

Our new facility no doubt will serve as the venue for both high school and USA Swimming meets. We previously have submitted a proposal to the county that outlines the expected economic impact of these meets, which is substantial—the amount is \$300,000 annually and, thus, \$3 million over a ten-year period.

Beyond that, we cannot emphasize strongly enough the need for such a facility in this community. Recreational and competitive swimming in our community is growing in popularity. There currently are approximately 2,500 children competing each summer in the Jefferson Swim League and that number is sure to grow. For better or worse, swimming is a year-round sport and the ability for children in our community to have the opportunity to compete on a state, regional, and national basis is contingent upon them having a place to swim on a year-round basis. The dearth of facilities in Albemarle County is therefore a significant problem that our new facility will play a large role in alleviating.

Security of County Investment: How will the County's investment be protected if the organization receiving funding ceases to exist or cannot sustain operations of the facility?

First, part of this exercise will be for Star Swimming to sign a 100-year lease with the Fairview Swim & Tennis Club. We are happy to propose a survivorship clause in this proposal that would allow county high schools to maintain their practice times should Star Swimming for some reasons cease its operations and are certain Fairview would be amenable to this as a condition of the agreement. However, this scenario is so unlikely that we don't believe it should register as a major concern. While Star Swimming admittedly is not a robust organization from a financial perspective, this is a substantial strength and here's why: Because we have limited borrowing capability, we are not capable of incurring the type of debt that would put the organization at real financial risk. The largest risk would be that interest in competitive swimming takes a precipitous drop, but, even then, we would remain a nimble organization with the capability of immediately reducing expenses to correlate with any downturn.

An additional risk could be that the Fairview Swim & Tennis Club goes under and we offer Fairview's 40+ year history as a staple within the Albemarle community as the largest assurance that this simply never would happen.

Additional Information: Please feel free to provide any additional information regarding your request that has not been covered in your responses

We cannot think of a better investment for the county if it is interested in advancing high school swimming in Albemarle County. The costs associated with building a new aquatic facility that serves the needs of the community in the way our new facility will—acquiring land, building the pool and some type of enclosure, land development for the facility and parking areas—would reach \$4-5 million with relative ease and take many years. By “piggy-backing” on what Fairview already was intending to build, we have created an opportunity to accomplish the same goal at a small fraction of that cost.

Finally, I want to thank the Board of Supervisors and the Albemarle County Department of Parks & Recreation for considering our proposal. It is our strong belief that we have arrived at a proposal that makes great sense for all parties involved and we have been pleased with the county’s willingness to consider the proposal. We are happy to provide answers to any additional questions you might have and we look forward to continued discussions.