

June 17, 2011

Dear Mayor and Commissioners:

At our May 19, 2011 meeting, the Central Beach Alliance membership reviewed the ISHOF/Aquatic Center project and adopted the following resolution:

The current proposal does not make financial sense and should not be accepted. If this proposal cannot be consummated within 3 months, the CBA wants it terminated and a new, scaled back proposal issued and rebid.

What follows is a brief summary of what the CBA determined and how it arrived at this conclusion:

Purpose of Aquatic Center/Swimming Hall of Fame – Bring world class swimming events. The proposal must reflect and fill this basic need. The current proposal actually has fewer diving boards than the current aquatic center. Other uses may need to be trimmed back (ie: the water park). It is not possible for this attraction to be everything to everybody.

Statistics

To the best of our knowledge, the ISHOF is currently losing over \$1,000,000/year. With this new \$76,000,000 project, the loss is expected to be about \$1,500,000/year. This loss is based on the developer's projections of 685,000 visitors/year, or about 1900/day. The CBA would certainly like to see where these visitor projections came from, because, on the surface, they seem wildly optimistic, if not completely unrealistic.

The Hall of Fame is said to generate 15,000 hotel nights/year. 15K hotel rooms x 200/night = \$3,000,000 year - \$1,500,000 (HOF operating cost) = \$1,500,000 net economic gain. This means it would take 50 years to break even. This does not account for non-hotel activity, but it does assume that the HOF will actually have 1900 visitors per day.

Parking - The CBA members did not feel that there was enough parking available.

Project Design - The new design should include more input from the Swimming Hall of Fame organization and other experts. It should be presented to and reviewed by the Central Beach Alliance membership, just as other projects have been through the years.

Please note that there was some discussion about the past bid process. Despite what some individuals may imply, the CBA is not interested in looking back at past events. We are only interested in what is viable going forward. Any person that states otherwise is only stating his/her opinion (and he/she has that right) and does not, nor has he/she ever, represented the wishes of the Central Beach Alliance membership.

Please also note that a contributor to the Central Beach Alliance, who has done some considerable research on this project, previously had submitted his views to the Commission. These views contain more detailed information and, though not verified by the CBA, the information was deemed to be worthwhile and has been sent with this resolution.

As with past projects in which we have taken a position, the Central Beach Alliance feels that we can better serve everyone's needs when private enterprises, the residents, and city government cooperate. And, as usual, we look forward to working together with all involved.

John Weaver, President

On behalf of the Central Beach Alliance members