



EXHIBIT A
STUDY PROPOSAL
APEX CENTER EXPANSION FEASIBILITY AND WATERPARK FEASIBILITY
FOR
MCKINNEY, TEXAS

Brinkley Sargent Wiginton Architects

June 6, 2019

The architectural planning team that will be managed by BSW includes Councilman Hunsaker and Kimley Horn for the Waterpark Feasibility portion of work and PROS Consulting for the Apex Expansion Feasibility and Financial Performance of this Expansion. This study is described in two sections below, Apex Center Expansion and Waterpark Feasibility.

This work is being performed as a first step in establishing an approved scope of work and budget for the Apex Expansion. The approval of this scope will be through the City and The MCDC which will provide funding of these improvements. This approval will allow this team to proceed with providing the design and support services for construction of the agreed upon improvements.

Below we have outlined the specific scopes of this study and resulting fees for this work.

1. APEX CENTER EXPANSION

1.1 Needs Assessment

1.1.1. Kick-off Meeting/Data Collection – The first task will establish the framework and outcome expectations associated with the expansion of the Apex Center. Included in this task will be a kick-off meeting with City of McKinney staff members to confirm project goals, objectives, and expectations that will help guide actions and decisions of the Consulting Team.

1.1.2. Key Leadership Interviews – The Consulting Team will perform eight-ten (8-10) interviews with key stakeholders to evaluate the vision for the facility expansion based on full operations. Community values, strengths and challenges potentially facing the facility, trends, and existing level of services provided will also be evaluated during this time. It is important to have one-on-one interviews as well as small group focus group interviews with stakeholders and staff to ascertain candid input.

1.1.3. Demographic Analysis – The Consulting Team will complete a demographic trends analysis which is based on Census 2010 baseline data, 2018 reported data, and projected populations for next five and

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ten years. Demographic characteristics analyzed and reported on will include population, age and gender distribution, households, and income characteristics. This analysis will provide an understanding of the demographic environment for the following reasons: To understand the market areas which are potentially served by the facilities to determine changes and assist in making proactive decisions to accommodate those shifts.

1.1.4. Other Service Provider Gap Analysis – The Consulting Team will analyze all major direct and indirect service providers in the area. Direct and indirect service providers will be based on typical services/programs administered in like facilities. This data will be utilized to compare against the activities and programs identified in the Market Definition. An inventory of comparable facilities will be performed on a local basis in an attempt to quantify the potential market share. An analysis of competition will include: location, service offering, pricing, programs, competitions held and attractions.

1.1.5. Market Definition – The Consulting Team will confirm the size of the market by age segment and race/ethnicity for the study area. Detailed demographic analysis will be compared to potential recreational activities to estimate potential participation per national and local trends, as documented in the Sports & Fitness Industry Association’s (SFIA) *2018 Study of Sports, Fitness and Leisure Participation* market research data, as well as ESRI Local Market Potential. This will help to determine the size of the activity market by age segment and frequency rates that can be applied to the facility. These figures will serve as the basis for participation and revenue projections of the expanded Apex Center. Two to three levels of expanded programs will be evaluated.

1.1.6. Review of Existing Financials – The Consulting Team will evaluate membership, attendance and expense history of Center provided by Owner.

1.2 Feasibility Study

1.2.1 Visioning and Core Program – Utilizing the community input, demographic analysis, service provider analysis, and market definition, the Consulting Team will identify existing programs offered and recommended core programs for the Apex Center. This will include key activities and programs for participants, as well as the potential size of the core program and market positioning.

1.2.2 Operational Plan – The Consulting Team will review operational standards with the center director and use them as the foundation for the operational portion of the study. This will include hours of operation, maintenance standards, staffing levels needed, number of control points, technology requirements and customer service requirements based on established and agreed upon outcomes. This task will require a workshop with key management and staff.

1.2.3 Detailed Financial Plan/Pro-Forma – Based on the program, operations, and conceptual plan for the selected option for the Apex Center expansion, the Consulting Team will develop a detailed financial plan illustrating pricing strategy for each of the programs and services. The detail financial plan would include a space utilization summary based on detailed line item projections and detailed participation by program area. Financial modeling will be completed in Microsoft Excel; a fully functional version of the electronic model will be provided to the management group for future use as a budgeting and planning tool. The electronic financial model, fully linked and functional with the ability to project and model dynamic scenarios, will include:

- Expenditure detail: Detailed staffing by space/program area; contractual costs, including but not limited to, utilities, maintenance and repair, insurance, office/license/dues, advertising and promotion; Commodity costs for program area and general facility requirements; Contract instructor costs
- Revenue and participation detail: General admission by month of year, by participant category and price point (youth, adult, weekday, weekend, etc.); Program/class participation by session/meetings, by participant category; Rental by space/program area by price point

Pricing strategies will be based on a ten (10) step process which highlights the level of exclusivity received by the participant and the value of experience provided. The detailed financial plan will be included as a deliverable to provide management and staff the ability to affectively plan and budget for future years. In addition to the line item detail and summary schedules for revenues, expenditures, and debt service, this model will provide a five-year pro forma and cash flow for budgetary purposes.

1.2.4 Presentation of Findings and Recommendations – The Consulting Team will present the draft findings and recommendations over a two (2) day period to MCDC Board and City Council for comment and review.

2. WATERPARK FEASIBILITY STUDY

2.1 Needs Analysis

2.1.1 Meet with the steering committee, plus any designated community groups and/or individuals involved in the project to analyze needs and determine objectives in order to ascertain existing levels of service and the perceived needs of various user groups in the community.

2.1.2 In addition to individual meetings, The Consultant will participate in a public or by invitation civic meeting to discuss the various issues concerning the proposed facility. This discussion will include images and/or video presentations with commentary on features of other aquatic centers similar to that being considered for this project, background information on historic and contemporary issues in the industry, and an open-forum question-and-answer session to discuss concerns and needs of those individuals and groups attending the meeting. A matrix of programming priorities will be developed and discussed to prioritize programming and facility features. The Consultant will use the results of the interviews and public workshop to develop a needs profile.

2.1.3 Conduct research and compile demographic information necessary to appropriately evaluate the proposed facility, including population, age distribution, income, weather analysis and economic considerations that could affect the project's viability.

2.1.4 Prepare and submit an outline of a Design Program of spaces and features for the proposed aquatic center describing the waterpark, pool(s) size, shape and support spaces based on preliminary discussions and meetings noted above.

2.2 Concept Development/Feasibility Analysis

2.2.1 Work in concert with Kimley-Horn to provide operational insight into the waterpark concept(s) development, and including physical aspects of the park, including attractions and pools mix, support facilities, site characteristics, ingress/egress, accessibility, visibility and surrounding land uses.

2.2.2 Identify aquatic amenity options for an outdoor expansion of the Apex Centre, including:

- a. Capacity Holders (i.e. pool(s), lazy river, wave pool)
- b. Thrill Amenities (i.e. waterslides, diving)
- c. Children's Areas (i.e. shallow water, multi-level play structure)
- d. Support Facilities (i.e. shade, cabanas, concessions)

2.2.3 The Consultant will prepare a Feasibility Study and will develop an opinion of operations protocol for the proposed waterpark and Apex Centre expansion. The following will be researched and analyzed:

1. Operational data including attendance levels and trends, visitor mix, per capita expenditures, revenue, operating expenses, net operating income and net income after capital costs.
2. Proposed marketing strategies, pricing policies and sponsorship efforts.
3. Analysis of market penetration and compilation of demographic trends in the Collin County market area, including population levels and trends, incomes, age distribution and ethnic composition based on the Consultant's demographic data bank for two locations for the waterpark, and the existing location for the Apex Centre.
4. A review of local weather patterns during the park's effective operating season.
5. A review of local school year schedules.
6. A review of competing aquatic facilities in the North Texas area.
7. A review of other similar public water parks with attendance over 100,000.
8. Projections of attendance potential at the waterpark's two locations and Apex Centre over a 5-year period.
9. Projections of design level attendance figures and required capacity requirements.
10. Projections of facility operational expenses including, personnel, chemical demand, operating supplies, maintenance and repair, utility demand, marketing, food and beverage and retail.
11. Projections of financial performance for the waterpark for two different site locations and for the expanded Apex Centre Outdoor Aquatic Park.
12. Preliminary estimates of warranted investment levels based on projected net operating income.
13. Information will be shared with PROS Consulting who is studying expansion options for the Apex Center.

3. CONCEPTUAL PLANNING DELIVERABLES

3.1 Architect will utilize the results of this study to develop final scope drawings for the **Expansion of the Apex Center** which will include the reconfiguration of some existing spaces. This scope will be reviewed with building code and other development officials to confirm compliance with regulations. Scope documents shall include:

- Site plan (including studying options for an improved parking lot)
- Floor plans
- Conceptual studies of exterior architecture
- Site drawings of aquatic area illustrating agreed upon aquatic expansion at Apex
- Graphics describing a phased approach to this development

- Project schedule
- Project Budgets for improvements which includes Construction, Technology, Furnishing, Fixtures and Equipment, Professional Fees and other City Costs in order to occupy and operate in the building. BSW will use historical pricing data to develop this opinion of project budget.

3.2 Architect will develop conceptual site plans in support of **Waterpark Feasibility Study** for two locations. This would include:

- Describe land area required to support the waterpark
- Parking needs of park
- Concept Drawing describing features considered
- Project budgets

3.3 Architect will develop conceptual plans for Apex Center Expansion of outdoor aquatics.

4.1 Owner provided data:

4.1.1 Surveys of proposed sites including topographic mapping and easements

4.1.2 Budget goals for projects

4.1.3 Anticipated timing of construction

4.1.4 Geotechnical soil report for anticipated sites

5.1 Exceptions not covered in contract:

- Traffic Impact Studies
- Storm Water Studies for waterpark
- Updating Gabe Nesbitt Master Plan
- Relocation of ballfields should ballfields be moved
- Utility capacity studies
- Relocating main entrance to Apex Center

6.1 Other Consultants participating in study in addition to other noted firms include: Studio Outside, Cross Engineering, and ME Consulting.

7.1 Continuation:

Upon approval to proceed to next step the architect will develop a separate fee proposal for the development of complete documents and construction administration process for Apex Center Expansion.

8.1 Proposed Fees and Schedule

A. Apex Expansion Study	\$91,750
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B. Waterpark Feasibility Study

\$51,500

C. Reimbursable costs such as printing and travel are estimated not to exceed amount of \$6,000 and will be invoiced without any mark-ups.

D. Schedule: Work will complete within 145 days of beginning study.

Invoicing will be monthly based upon the percentage of work completed the prior month.



Dwayne M. Brinkley, AIA

6/25/18

Date



Stephen Springs, AIA

6/25/19

Date