

Boulder City Proposed Aquatic Center Frequently Asked Questions

Q: What exactly are we voting on?

A: The City of Boulder City is seeking voter approval to issue “general obligation bonds” guaranteed by the city to pay for the new Aquatic Center. These bonds are basically a loan from investors to Boulder City that Boulder City promises to pay back to investors with interest over the life of the loan.

Q: How much will the aquatic center cost?

A: The estimated cost of construction, design and construction management is \$27,260,521.00. Inflation and contingencies are estimated at \$10.3 million. There is a complete breakdown of [estimated costs here](#).

Q: How did Boulder City decide on the \$27 million option?

A: The City held a number of workshops and surveys with pool users in 2018. Three construction options* were presented:

OPTION 1: \$20 million construction with main lap pool, locker rooms, front desk and restrooms;

OPTION 2: \$27 million construction with all of the option 1 items, plus a programming pool, a fitness center, racquetball courts, a group exercise room, outdoor children’s attraction and a meeting room;

OPTION 3: \$35 million construction with a longer, 50-meter main pool, the option 2 items, plus classrooms, an arts and crafts center and a youth center.

Those surveyed in Spring 2018 selected Option two. In the Autumn of 2018, Applied Analysis completed a scientific survey of residents. Three out of four residents preferred building a new Aquatics Center, and 62-percent of respondents supported use of public funds to pay for the new facility. (**Construction options do not include inflation or contingencies.*)

Q: The pool design says it’s a \$27 million pool; why is the city requesting up to \$40 million in bonds?

The City will only issue the bonds it needs to cover the final cost. The key words in the ballot question are “**up to \$40 million.**” Consider the process of purchasing a house: the first thing you would do is get pre-approved for a mortgage. If Question 1 passes, allowing the City to use \$5 million Capital Improvement funds; the calculation for needed funding would be reduced by \$5 million; the remaining \$35 million (if needed) would be bonded.

Q. Why doesn’t the City just get a bank loan for the replacement aquatic center?

A. The process to obtain a bank loan for any city public works project is identical to that for a general obligation bond. The City is required to pledge taxes (whether existing or new) for the payment of the loan, and is forbidden by State Law from pledging other revenues (such as lease payments) for the repayment of the loan. Note – just as with the Bond, the City is legally able to repay the loan using other proceeds other than taxes (such as solar lease revenue). However, to qualify for the loan (as with the

Bond), the City can only pledge property taxes as the legal collateral for the loan. In addition, as with a Bond, the City would have to solicit proposals from banks to bid on the issuance of a bank loan for the project, including terms, interest rates, and so forth. Lastly, the City would be required to obtain voter approval for any debt whether it is a bond or bank loan in excess of \$1M dollars. For reference, NRS Chapter 500, sections 500 through 720, called "Local Government Securities Law", governs the financial instruments that a city may use.

Q: Why not just keep the current pool?

A: The average "life expectancy" of a municipal pool built in the 1970's was 30 years. The current city pool, built in 1979, continues to require expensive repairs to replace aging equipment, as well as the interior surface. It requires costly repairs on a regular basis and continually struggles to keep up with contemporary public health standards. Staff at the current facility often receive complaints about the aging facility, and there has been a 35% decrease in attendance since the Henderson Heritage Park Aquatic Center opened in 2010. The new center would be up to code and have energy-efficiencies that did not exist forty years ago and meet more of the needs of the community.

Q: Why not renovate the current pool?

The existing pool is not deep enough for programs and competitions. If we made it deeper, it would make water programs for senior residents, moms and children impossible. The current pool opened ten years before the Americans with Disabilities Act (ADA) instituted accessibility measures that were not utilized in the construction at that time. Since opening, there have been a number of changes in Southern Nevada Health District health code. There would be little savings and potentially loss in park green space in bringing the current facility up to code and ADA-compliant

Q: How long will it take to pay off the bonds?

A: Thirty years.

Q: What if the City can pay off the bonds early?

A: The City can save interest costs and pass those savings on to taxpayers by paying off the debt early. City staff will seek other funding sources to accomplish this.

Q: I keep hearing that the pool will cost \$80 million. Why the discrepancy?

A: If the city uses 30 years to pay off the bonds (the life of the bond issue), it would cost \$79 million (\$40 million principle and \$39 million interest assuming 5% interest rate). For example, if you buy a \$300,000 home, the total amount of payoff over a 30-year mortgage will be \$580,000 (\$300,000 principle and \$280,000 interest) in 30-years.

Q: Where would the aquatic center be built?

A: In Broadbent Park next to the current facility. The current pool would remain open during construction.

Q: What will happen to the 40-year-old aquatic facility?

A: It will be demolished after the new center is complete. Broadbent Park will retain the same amount of greenspace upon completion of demolition.

Q: Will the new pool be bigger than the current pool?

A: The current pool is approximately 6,252 square feet surface area. The main pool in the proposed facility would be about the same surface size but deeper for competition swimming. There will be an additional four lane programming pool built; that is 2460-square-feet. There will also be an outdoor kids facility open in the summer.

Q: Will the aquatic center be open year-round?

A: The indoor area will be. The outdoor pool will be seasonal.

Q: Will there be children's swimming and aquatic fitness classes?

A: Yes. We have a long history of offering classes and this will continue.

Q: I don't live within Boulder City's city limits. Can I vote?

A: No. Only citizens who live within Boulder City can participate in this vote.

Q: Will there still be a fee to use the pool?

A: Yes. User fees will cover part of the operating cost of the aquatic center, which will be about \$100,000 a year more than the current municipal pool. The exact fees and operating cost are yet to be determined.

Q: What other recreational activities would the new center house?

A: Plans include a fitness center, racquetball courts, upgraded locker rooms, and an outdoor children's attraction.

Q: Why can't the City use the solar leases as collateral?

A: The City can use a portion of the solar lease income to pay the debt. Solar lease revenue cannot be used as collateral to get bond financing. NRS requires stable income sources to back bonds. Solar leases are not considered stable because leases can be terminated.

Q: What if the bond doesn't pass?

A: Failure prolongs the process by a minimum of a year and a half because the next time for a bond question is November 2020. The City staff would continue to repair mechanical issues to the best of our ability and keep the existing pool open as long as possible until it is no longer operable.

Q: What will the pool cost me?

A: That depends on the actual amount of bonds issued and the valuation of your property/home. [See the table here for estimates on sample properties](#) of the annual increase in taxes based on the amount bonded and property valuation.

DO YOU HAVE A QUESTION THAT IS NOT ADDRESSED HERE? PLEASE FEEL FREE TO SEND IT TO LISA LAPLANTE (LLAPLANTE@BCNV.ORG) AND STAFF WILL ANSWER YOU WITHIN 3-5 BUSINESS DAYS.