



BEFORE YOU SIGN A CONTRACT TO RENT A POOL....

When developing or reviewing a facility lease contract or agreement, look for the following items:

- Clearly define the terms “POOL” or “FACILITY”.
- Define the parties involved in the lease. For example, if a member of your club signs the lease then leaves the club what are the provisions?
- Define the actual rental start time. For example, does the rental time begin when the swimmers enter the locker rooms, when the coach comes on deck to prepare for practice, when the swimmers enter the water?
- Define the actual rental finish time. Be specific.
- Define parking at the facility. Include:
 - Swim meets
 - Practices
 - Are there “off limit” areas? Time restrictions?
- Rental fees and details for swim meets. For example:
 - Is the facility rented by the lane hour for meets or a flat daily fee?
 - What about ½ days?
 - Is a day 8 hours, 12 hours?
- Does meet rental include timing system, operator, copier, scoreboard, internet?
- Will they allow your club to operate the system?
- Does the facility have its own meet management software and is it compatible with your needs?
 - What are their lifeguarding policies?
 - Other considerations for swim meet rental:
 - Concessions
 - Admissions
 - Heat sheet sales
 - Swim gear sales and booth/table rental for vendors. Clarify commission expectations.
 - Marshals for off deck areas
 - Locker rooms use and monitoring
 - Parking
 - Rules for spectators
 - Responsibilities for clean-up, set up, and other logistics
 - Damage reports and system for proof and payment

- Term of the contract/agreement and the renewal negotiation process. For example, can renewal negotiations begin six months prior to expiration? You need provisions that will not leave you without a facility and give you time to find another pool if necessary.
- Billing and terms of billing.
- Use of “common areas” in the facility.
- Responsibility for air and water quality. Clarify how your team brings problems forward to get immediate action. Can you have access pool water test daily log sheets?
- Insurance. Clarify what coverage is required and who is responsible.
- Ownership and maintenance of the timing systems, lane lines, lap counters, and other equipment.
- Responsibility for locker and shower room cleanliness and maintenance.
- Lighting and safety.
- What is their “clear the pool policy” for bad weather?
- Risk management program and an emergency action plan. Ask to see copies. If possible, the coaching staff needs to be involved in the training.
- Use of the pool. Can you teach lessons or only run swim practice?
- Agreement to establish a 3-5-person liaison committee to hear both grievances and suggestions. The club should have 1 person on a 3-person committee or 2 people on a 5-person committee. What is the chain of command?
- Advertising and its limitations. Advertising can be divided into 3 categories:
 - Meet or Event advertising. For events only, the advertising would be displayed before the event and removed at an agreed upon time after the event.
 - Events can be just a few hours e.g. dual meets
 - Events can be all day long e.g. specialty meets
 - Events can be multiple sessions over a period of days e.g. USA-S Invitational's
 - Examples of event advertising:
 - Parking area or street signage
 - Banners or signs on deck or hung on walls or ceiling
 - Starting block signage
 - Diving board banners
 - Bleacher section signage
 - Event sponsorships
 - Psyche sheet advertising
 - Video board commercials or listings
 - Hospitality room/area advertising
 - Event staff t-shirts
 - Practice time advertising. “Portable” advertising” that would be in view during the time the team has the facility rented. None of this would be conspicuously displayed during other times.
 - Examples of “practice time”:
 - Kick Board sponsors
 - Equipment cart sponsors
 - Team banners
 - Special equipment sponsors, i.e. Power Tower or Power Rack

- Permanent advertising. Advertising the team has secured and visible all of the time. This could be subject to a revenue sharing agreement with the facility.
 - Examples of “permanent” advertising would be:
 - Timing-Scoreboard sponsorship
 - Advertising banners hung on wall or from ceiling
 - Bulletin Board sponsorships
 - Backstroke flag sponsors
 - Timing podium sponsorship
 - Starter’s podium sponsorship
 - Naming rights for pool or pool(s)
 - Honors wall for individuals who are
 - Business wall of support
 - Record Board sponsors
 - Bricks or walking stone or tile fundraisers
 - Meeting room naming rights
 - Weight Room / Fitness Room naming rights or signage

There may be other considerations specific to the facility that should be considered when signing a contract. This list is not intended to be all-inclusive but should offer a great starting point when working on a pool or facility contract.

PARTNERSHIPS

The advice above also applies to partnerships – however – there is much more to consider when agreeing to “partner” with another person or entity to operate and assume responsibility for an aquatic facility. Why do people even consider partnerships?

The most common scenario usually involves a municipal pool(s) that is already built and that is not meeting budgetary expectations. A swim club or coach is already part of a water rental agreement for the pool and does not want to lose the pool they depend on.

Why PARTNERSHIPS may have an advantage:

- If privatized, employee’s compensation may be less across the board positively affecting overall budget
- People who have a “stake” will be more conscious of budget
- More marketing freedom for programming creating more opportunities for income
- Better able to compete in the private sector
- Sometimes better insurance and utilities rates
- Better chance for the primary owners not to lose money – minimum guarantee of 10% of gross profit usually
- More \$ retained internally rather than to debt reduction
- Better chance to support community outreach

Predictable Pitfalls of partnerships:

- One partner “benefiting” more than the others
- One partner taking more public credit than the others
- Incorrectly valuing equity brought to the partnership
- Unfavorable contract to one partner
- Change in partner negotiators because of public sector term limits
- Communication weakness and/or misrepresentation
- Capital improvements and repair cost not predicted accurately – or hidden *
- Public opinion – adversaries & advocates
- Unforeseen circumstances causing perceived breach of contract with no negotiation leeway

Ask these questions to yourself and others:

What are you starting with? Make a list of the pluses and minuses

Where does everyone want to be in:

18 months?

36 months?

Thereafter?

STORY PROBLEM:

When considering RENTAL CONTRACTS or terms of partnership some basic aquatic economics need to be considered.

AXIOM 1. Competitive lane rental.

For this example, let's use the national average of \$15 per lane hour for short course pool rental and assume it is a 6-lane pool. The average team will want to rent the pool 2 hours in the morning 3 days a week + 4 hours after school 5 days a week and 2 hours on Saturday. That = 28 hours a week for 6 lanes @ 15\$ per lane = \$2520 per week or \$10,836 per month.

AXIOM 2. Valuing the facility and operating it.

This facility would be approximately 17,000 square foot and have an operational cost of \$204,000 annually. Staffing cost would be approximately \$255,000 annually. The facility has a mandated income of at least \$460,000 per year or it will not be able to keep the doors open. Assuming the facility is open 80 hours per week then it must have an income of \$110 per hour. You can easily see the \$15 per lane hour rental is not totally covering operational cost. There could be some shared staffing opportunities to make this reasonable for both parties.

AXIOM 3. Owning

The coach/club is considering the option of building their own facility so it is available when they need it and they can also offer Learn to Swim and Adult Health & Wellness options that have potential membership income possibilities. The facility we have been using as our example would cost around \$5,000,000 to build not including land. In today's economy, financing \$5 million has a 20-year monthly debt payback commitment of \$36,000. That is more than 3 x the \$ rental commitment that the club has now.

SUMMARY:

Know the facts about RENTING and PARTNERSIPS and OWNING. Each has their advantages and commitments. Think with your budget in mind. There is a difference between possible and practical so do the homework. TAP conducts regional Build a Pool conferences for USA Swimming and at-your-site Custom Workshops.

sue@totalaquatic.llc for current schedule and registration information.