RESOLUTION NO. 2021-139

RECEIVING A PRESENTATION AND PROVIDING COMMENTS ON THE UPDATED DRAFT REPORT AND FINANCIAL ANALYSIS FOR THE SPORTS CENTER

WHEREAS, The City of Marina acquired the former military pool and the adjacent vacant building west of the intersection of 2nd Avenue and 9th Street as part of the closure of the former Fort Ord; and

WHEREAS, plans need to be developed to revitalize the use of the pool building and adjacent former gym building into an aquatic center and sports center; and

WHEREAS, City Council approved a project to analyze alternatives for revitalization of the pool building in the fiscal year 2018-2019 budget; and

WHEREAS, City Council approved a project to analyze alternatives for the former gym building in fiscal year 2019-2020; and

WHEREAS, the city entered in an agreement with Jeff Katz Architecture (JKA) as the prime consultant for the aquatic and sports center planning and analysis; and

WHEREAS, Draft aquatic center concepts and financial strategy were presented to the public and an open house and a special City Council meeting on July 23rd, 2019 and input was receive at that time; and

WHEREAS, On December 3rd, 2019, City Council received a presentation and provided comments on the draft report and financial analysis for the sports center and received an update on the aquatic center plan. The draft sports center report (EXHIBIT B) is attached to this staff report; and

WHEREAS, the revised draft sports center report and financial statements (EXHIBIT A) have been prepared and are ready for review; and

WHEREAS, the report and financial statement was presented by staff and consultants.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Marina does hereby receive a presentation and provide comments on the revised draft report and financial analysis for the sports center.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 14th day of December 2021, by the following vote:

AYES: COUNCILMEMBERS: Medina Dirksen, Burnett, Biala, Delgado
NOES: COUNCIL MEMBERS: None
ABSTAIN: COUNCIL MEMBERS: None
ABSENT: COUNCIL MEMBERS: Berkley

____
Bruce C. Delgado, Mayor

ATTEST:

____
Anita Sharp, Deputy City Clerk

December 2, 2021 Item No. **6a**

Honorable Mayor and Members
of the Marina City Council

City Council Meeting
of December 14, 2021

CITY COUNCIL TO CONSIDER ADOPTING RESOLUTION NO. 2021-, RECEIVING A PRESENTATION AND PROVIDING COMMENTS ON THE UPDATED DRAFT REPORT AND FINANCIAL ANALYSIS FOR THE SPORTS CENTER

REQUEST:

It is requested that the City Council:

1. Adopt Resolution No. 2021-, receiving a presentation and providing comments on the updated draft report and financial analysis for the sports center.

BACKGROUND:

In June 2005, the City of Marina adopted a Parks and Recreation Facilities Master Plan. The Plan adopted a mission statement that says, "The City of Marina is committed to establishing and maintaining facilities, parks and services that enhance the quality of life for all ages, cultural origins and abilities." The Plan identified key goals pertaining to parks and recreation facilities and included: developing a centrally located recreation center complex for use by Marina citizens that includes an indoor swimming pool, gymnasium, basketball court, volleyball, and racquetball courts. (Goal 2; Objective 2-2). The Plan also established a goal to develop adequate level of funding for parks and recreational facilities now and in the future. (Goal 6; Objective 6-1, Policy 6-1).

A survey was conducted at that time and distributed to 4,500 homes. Approximately 321 people responded to the survey and 85% wanted a centralized recreation center, with an indoor pool as the highest rated use at 50%, followed by indoor gym, volleyball and racquetball at 40%.

In 2009, the City developed a Parks and Recreation Facilities Strategic Implementation Plan to provide a guiding document for strategic implementation for siting, constructing, and programming of the City's parks and recreation facilities. This Plan had a goal to create a unified city by linking Central Marina with Southern and Northern Marina as the City grows and develops and a key component of this was to develop a quality recreation complex to accommodate recreation programs for people of all ages. The Plan recommended that the highest priority be placed on the following parks and facilities to augment the existing system:

1. Sports Complex with indoor swimming pool, gymnasium and fitness center
2. Athletic Fields Complex - with baseball, soccer fields, fitness course and concession stand.

This Plan identified various funding options to develop these facilities and parks.

- Impact fees
- General Fund (unallocated fund balance)
- Grants and corporate sponsorships
- Certificates of Participation
- Bond financing
- School joint use agreements
- Public/Private partnerships
- Special District Tax (Mello Roos)
- User fees

After 1994 when the former Fort Ord military base closed, the former military gym building and the adjacent indoor pool west of the intersection of 2nd avenue and 9th street were transferred to the City of Marina. Since that time the pool building has remained vacant and deteriorated over time. The adjacent building was converted into a roller-skating arena and had been operated by a private business. Both buildings were deteriorating quickly on the outside. In 2014, a grant was secured to put new roofs on both of the buildings, paint the outside, fix broken windows and doors and secure the buildings from vandalism. This was the first step in stabilizing these buildings for future use.

The City commenced a park planning process in 2018 for various park improvements including the sports center and aquatic center within the park at The Dunes. An open house on parks design was held on November 13th, 2018. At the open house, community members viewed plan sheets that showed the parks and bubble diagrams containing elements identified in master plans. The participants also had a pallet of park amenities to select from for possible inclusion. Staff and the consultant team received input from 44 participants. The input was reviewed by staff and selection of elements were incorporated into draft conceptual parks plans for the park at The Dunes.

The City Council approved in the budget for fiscal year 2019-2020 a project to analyze the revitalization and renovation of the indoor pool and Water City Roller Hockey buildings. Jeff Katz Architecture (JKA) was hired as the prime consultant for the aquatic and sports center planning and analysis. The JKA team also includes Water Technology Inc, and Isaac Sports Group for the aquatic and financial planning elements of the projects.

The draft aquatic center concepts and financial strategy were presented to the public at an open house and a special City Council meeting on July 23, 2019. Input was received from both the public and the City Council. The City Council directed staff to completed final concepts plans for the aquatic center and to also develop a draft concept plant for a recreation sports complex at the former Water City Roller Hockey site along with a proposed financial and funding strategy.

On December 3rd, 2019, City Council received a presentation and provided comments on the draft report and financial analysis for the sports center and received an update on the aquatic center plan. The draft sports center report **(EXHIBIT B)** is attached to this staff report.

The City Council considered options for funding and addressing blight removal on former Fort Ord properties at the February 17th, 2021, City Council meeting. At that meeting, questions were asked whether roller hockey and leisure roller skating could be incorporated into the Sport Center. Staff was directed to work with JKA to update the sports center report including a financial analysis to include roller sports.

As part of the fiscal year 2021-2022 and fiscal year 2022-2023 budget that City Council approved on October 5th, 2021, $3.5 million from blight removal escrow bond proceeds was appropriated to move the sprots center through design and into construction.

ANALYSIS:

The revised draft Sports Center Report and financial statements have been prepared and are ready for review **(EXHIBIT A)**. A presentation on the report and financial statement will be presented by staff and consultants.

The report concludes that the addition of roller sports rink design into the Sports Center would require eliminating important functions in the Sports Center including: auxiliary gym, cardio/strength workout spaces, fitness studios, classes, multi-function room, family and gender neutral changing rooms and main gym area functions. Examples of uses eliminated from the auxiliary gym include turf space for soccer, lacrosse, field hockey, shooting and batting cages etc. The loss of these uses represents a significant decrease in the total resident users as well as the multi-generational use of the Sports Center. Maintaining the roller sports rink design in the Sports Center would result in a reduction of the projected daily users by 51% and a reduction in annual revenue by $493,000.

The Report recommends construction of a separate Pavilion if roller sports is considered. Leisure roller skating can be accommodated in the Sports Center design.

FISCAL IMPACT:
Funding for the aquatic and sports center studies were included in the Capital Improvement Program budgets for fiscal years 2018-2019 and 2019-2020. Funding for design and construction of Sports Center improvements was approved as part of the fiscal year 2021-2022 and fiscal year 2022-2023 budget.

Construction costs are estimated to have increased by approximately 25% since the previous report in December 2019.

CONCLUSION:
This request is submitted for City Council consideration and comment.

____

Brian McMinn, P.E., P.L.S.
Public Works Director/City Engineer
City of Marina

REVIEWED/CONCUR:

____

Layne P. Long
City Manager
City of Marina

RESOLUTION NO. 2021-

RECEIVING A PRESENTATION AND PROVIDING COMMENTS ON THE UPDATED DRAFT REPORT AND FINANCIAL ANALYSIS FOR THE SPORTS CENTER

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AYES: COUNCILMEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

____
Bruce C. Delgado, Mayor

ATTEST:

____
Anita Sharp, Deputy City Clerk

EXHIBIT A

City of Marina
Sports Center Program and Financial Analysis

Final Report

September 20, 2021

JKA jeff katz ARCHITECTURE

EXHIBIT A

TABLE OF CONTENTS

ATTACHMENTS

EXHIBIT A

INTRODUCTION

In 2019 the Isaac Sports Group ("ISG") and JKA Architecture completed initial Program, Design, and Feasibility Studies of the renovation of both the Pool and the Sports Center on the old Fort Ord property now managed by the City of Marina (the "City"). In 2021 the City has re-engaged JKA and ISG to further refine the Program, Design, and Financial Analysis of the Sports Center. The new Analysis is focused on the following City questions and objectives for the Sports Center:

- How to expand the multi-sport and community program flexibility to support a broader range of activities for the entire Marina community?
    - Identify all the programs and activities that the Sports Center can support and offer
    - Update design concepts to support expanding multi-sport/activity opportunities
- Can the Sports Center by financially self-sustaining as a standalone facility?
    - Program model and fees that can support sustainability
    - Management and staffing structure that can support sustainability
- Can roller sports be effectively included in the Sports Center renovation
    - Options
    - Financial impact

The ISG/JKA addresses these issues and offers program, design, and financial updates to the 2019 analysis to better meet City goals, objectives, and opportunities.

PROGRAM MODEL AND OPPORTUNITIES

Programming identified in market research and analysis of comparable, best practice, and aspirational facilities in the region and input from City management provide a good overview of all of the programs, activities, and access the City can offer in the Sports Center for residents of the City of Marina and the surrounding communities. The range of programming includes sports, fitness, recreation, classes, and open access opportunities for all residents of the City.

The Programming Model identifies the following sports, activities, and usage of a comprehensive renovated Marina Sports Center.

- Sport Programming: Training, Competition, Development
  - Indoor Court space for basketball, volleyball, pickle ball, badminton, and other court friendly activities
  - Sport court service for use with traditional outdoor sports for indoor training, camps, clinics, instruction
  - Training and instruction spaces for sport development
  - Access for groups and individuals in programs offered
    - City Parks and Rec run programs
    - Outside sport clubs/teams renting space for their programs
    - Open Gym access for individual and family recreation and use
- Fitness Programming
  - Cardio/Strength space with weights, strength, and cardio machines
  - Workout studios
  - Types of programs and access
    - Organized programs
    - Open access to workout equipment and spaces for individuals
    - Access for outside sport and club teams to rent training and workout space
  - Fitness classes
    - Senior specific classes
    - All levels of intensity and function
    - New trends in fitness
    - Special needs and Adaptive PE fitness programs
      - Special Olympic
      - Paralympics
      - Wounded Warrior programs
    - Personal Training and Cross Training
    - Class schedule offerings to support all users, including working people, families, seniors, and handicapped
  - Flexible function space for large fitness classes and special programs
- Community Programs
  - Flexible Multi-Purpose spaces to host existing and new City and private programs and functions
  - Support expanded space and functionality for existing City programs
    - Teen Center

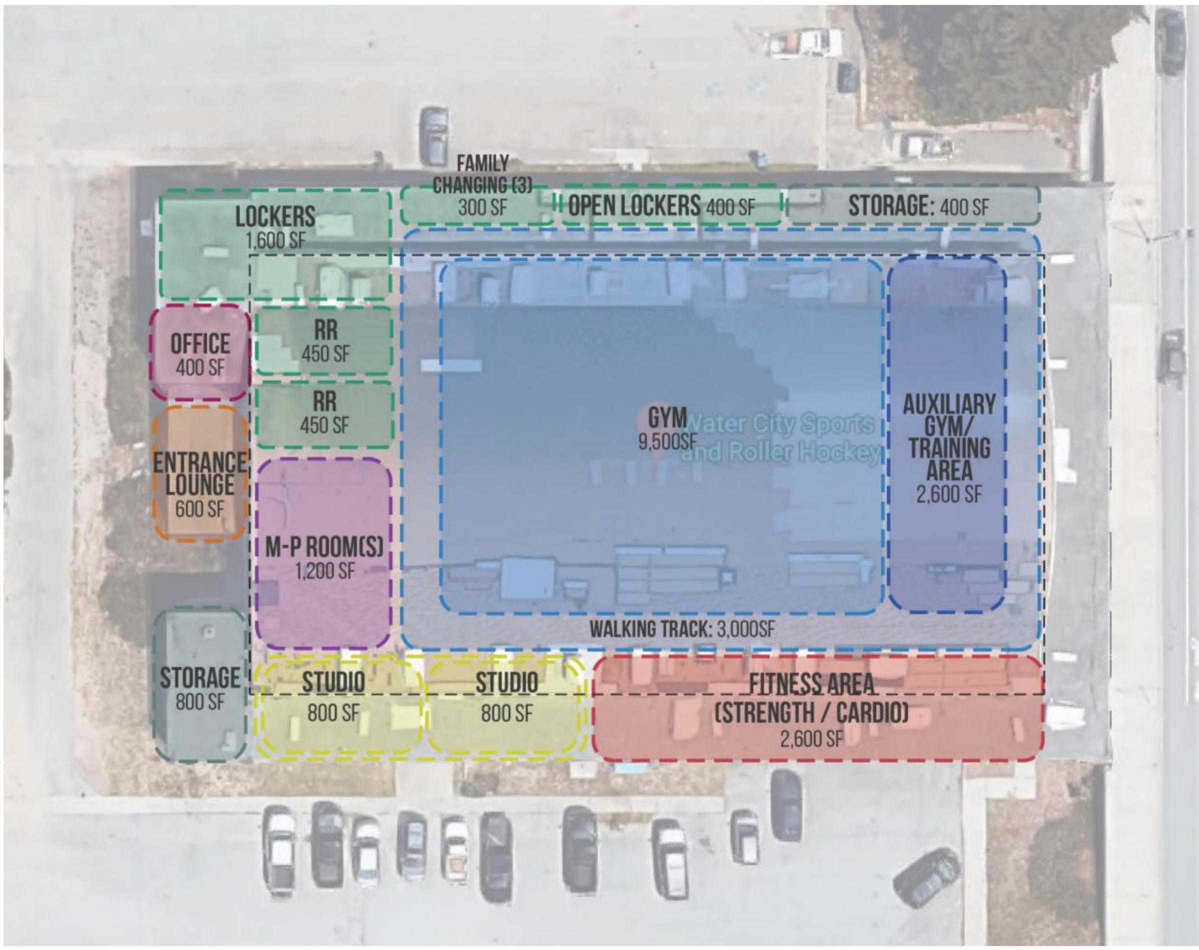
        - Youth Center
        - Senior Center
    - Support birthday parties, social events, and special programs
    - Provide community accessible meeting space that can be rented and utilized by community groups, programs, and individual functions
    - Create large flexible spaces that can support trade shows, mini-markets, and other non-sport related functions in the Sports Center
- Enhanced community access, including
    - Gender neutral changing areas
    - Family changing rooms
    - Enhanced handicap access
    - Common areas that can also support outdoor activities in the park and fields

EXHIBIT A

DESIGN UPDATES

Based on City goals and opportunities and the expanded Program Model JKA/ISG have made the following design updates from the 2019 Study. These updates focused on fine-tuning the original 2019 design spaces to open up space to add some additional functional spaces to further expand the multi-use flexibility of the Sports Center. Following are specific changes made

Updated Renovation Plan



New Spaces Added to Design

- <u>Walking Track</u>
  - Added a long walking track encircling the Gym and Auxiliary Gym
  - Provides climate controlled walking and even running opportunity and access year round
  - Appeals to seniors
  - Suitable for specific walking programs and classes
  - Enhances circulation space around the two gyms and the fitness areas

EXHIBIT A

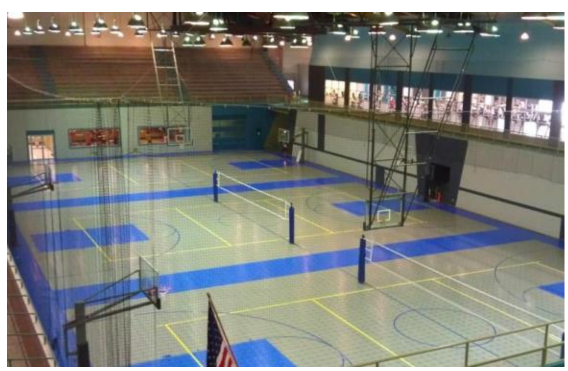
- <u>Flexible Multi-Purpose Function Room</u>
  - Significantly enhances space and support for Parks and Rec Senior Center, Youth Center, and Teen Center
    - All three programs are significantly over booked and exceeding the capacities at their current facilities
    - Sport Center can support the overflow and the expansion and enhancement of existing programs
  - Community Classes and activities
  - Sport Team meetings and use as team rooms
  - Support competitive events logistics
  - Birthday Parties, social events, functions
  - Publicly accessible and rentable for community organizations and meetings
  - Design detail
    - TOTAL: 1,200 square feet
    - Small catering or warming kitchen amenities to support functions and use 200 sf
    - Capacity
      - Classroom 55-60 seating at tables/desks
      - Theater seating 125-130
      - Seated Meal 80-100 depending on tables
      - Reception 110 people
      - Conference Room 30-35
    - Subdividable to two spaces
- <u>New Changing Areas and Locker Space</u>
  - Family and Gender Neutral Changing Areas
    - Reduced regular restrooms and locker rooms slightly to create more space for family and gender neutral changing spaces
  - Lockers and cubbies outside locker rooms to better utilize changing and comfort areas

Updates to 2019 Spaces

- <u>Main Gym</u>
  - Slightly decreased size from 10,000 sf to 9,500 sf
    - No reduction in the functional flexibility of the space

- Use configurations
  - Basketball
    - 1 x regulation size high school/college basketball court with suitable run out spaces
    - 2 x smaller full length basketball courts
    - 4 x half courts
    - 6 baskets, shooting stations all together
  - Volleyball
    - 2 x full size regulation courts with run-out spaces
  - Pickle Ball
    - 4 x regulation pickle ball courts
  - Badminton
    - 4 x regulation badminton courts
- Flexibility
  - Net curtain dividers to divide the main gym into three separate spaces
  - Can mix and max court configurations
    - For example:
      - 1 x basketball court and 2 x pickle ball courts at same time
  - Sport Court multi-purpose flooring suitable for all identified sports as well as for roller sports
- Additional Programming
  - Cheerleading/Dance Teams
  - Trade shows, mini-markets, large functions, entertainment, etc.



- <u>Auxiliary Gym/Training Area</u>
  - Based on further analysis of the opportunities for the Auxiliary gym the space was downsized from 3,000 square feet to 2,600 square feet without any significant reduction in programming flexibility
  - Turf floor surface
  - Suitable for wide range of sport clinics, lessons, classes, and development
  - Suitable for specific sport and cross training
  - Open access, Parks and Rec programming, and rental for outside team/sport training and development programs

- <u>Studio and Workout Areas</u>
  - Combined the separate cardio and strength workout spaces into one larger more open combined space to provide better flexibility as the mix of cardio and strength evolve

EXHIBIT A

        - Results in more effective utilization of workout space
    - Reduce workout studios from 1,000 sf each to 800 sf each
        - Explore diving wall between these to be able to expand into one larger workout studio
        - Capacity
            - Approximate class capacity for most programs is 20-22 participants in each studio

The remaining areas have not changed. These include:

- Office space
- Entrance Lounge
- Storage

ROLLER SPORTS CONSIDERATIONS

This study was also tasked with analyzing how Roller Sports activities as well as the other non-roller sport activities that previously have utilized the existing Sports Center building.

Following is a summary of the key elements of this analysis.

Roller Sports Activities

The vast majority of the roller sports activities focused on roller hockey, including:

- Youth and Adult leagues
- Pick-up games
- Sport clinics and development programs

These programs utilized a rink set up in the Sports Center that measured approximately 200' x 85' in a traditional hockey configuration (17,000 square feet) with a hard floor surface. This surface is not ideal for a wide range of sports and limits some of the flexibility of the space. The rink boards also limit the flexibility of reconfiguring the floor spaces for multiple use.

Even if the roller rink area is reduced a bit to 13,120 sq ft (164' x 80') with the area needed for team use this would limit the space available for the addition of additional spaces important to the overall community functions of the Sports Center. With the smaller rink, the boards, and spaces for teams and users around the rink there would not long be space for the following important function spaces:

- Cardio/Strength workout spaces
- Fitness studios
- Separate auxiliary gym would be reduced resulting in limited functionality

The current size rink would also eliminate the space for the following added amenities

- Multi-Function room
- Family and gender neutral changing rooms

Additional roller activities previously hosted in the Sports Center included skating lessons, open skate, and even roller derby. The Sport Court surface in the renovated main gym could support open skating and skating parties, although the 9,500 square feet would be much smaller skating surface than the old rink, although similar in space to some traditional roller skating rinks. The Main Gym size can also accommodate the skating birthday parties often mentioned in public comments.

Roller Derby requires a track with infield and officiating lanes that fit into a 108' x 75' rectangle, totaling 8,100 sf. This actually could fit into the Main Gym space in the renovated Sports Center. This track does not require rink boards.

These roller sports activities could be included in the renovated sports center, although the roller sport activities will shorten the life of the multi-purpose Sport Court surface in the Main Gym.

Non-Roller Sport Activities in former Water City Sports Arena

The City has also heard from other sports, particularly soccer and lacrosse, that have used the old Sports Center for indoor practices, clinics, skill drills, and even indoor soccer and box lacrosse. The Main Gym provides open space and a compatible floor for small youth games, clinics, skill drills and many of the activities of these teams but without the rink/board set up for actual box lacrosse or indoor soccer in rinks.

The renovated Sports Center also includes the smaller Auxiliary Gym with a turf surface that can actually be better suited for clinics, lessons, skill drills and team activities for the traditional outdoor grass/turf sports such as soccer, lacrosse, and field hockey. The Auxiliary Gym can be set up with nets, shooting cages, ball guns and other training equipment that can make the Auxiliary Gym an excellent training and development tool for these sports.

SPORTS PAVILION ADDITION

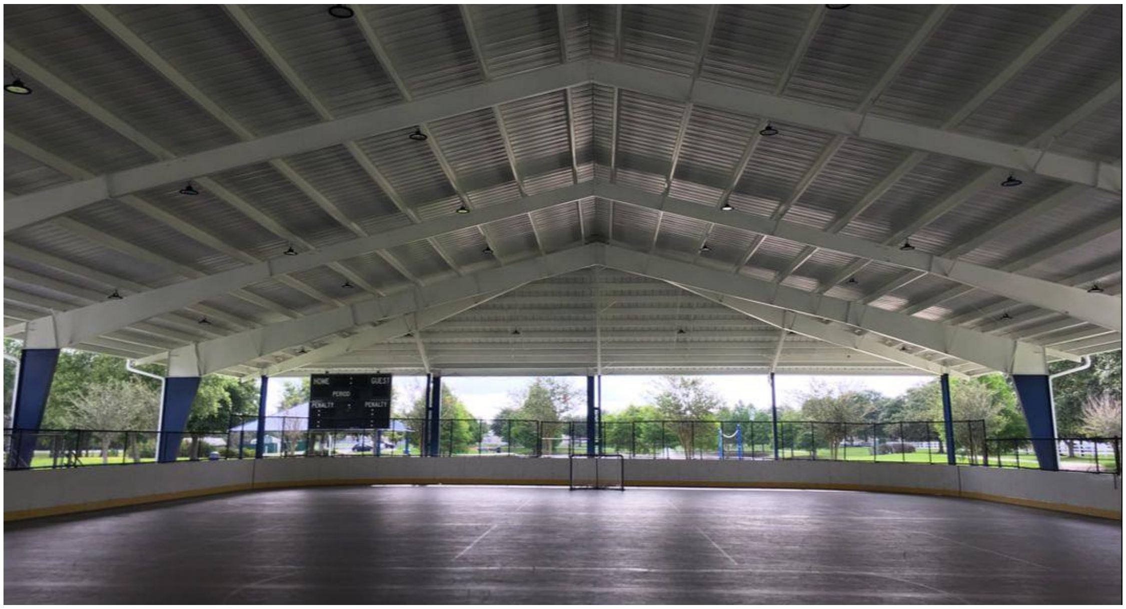
ISG and JKA explored ways to create a suitable roller sports facility at the site of the Sports Center without limiting the wide range multi-purpose uses and programming of the renovated Sports Center. The critical factor is not that the roller sports rink is total indoors, but that it is sheltered from the elements. Many of the top roller sport facilities in warm weather climates utilize an open air covered pavilion concept for their roller sport facilities. This is true of Silver Creek in San Jose (both indoor and open air pavilion rinks) and Irvine Inline, in Irvine, CA. We also see these open air pavilions in other warm weather venues, such as in Florida and Texas.

ISG and JKA identified a pavilion concept as the best and most cost effective means to support roller sports in Marina. Based on business analysis, the Sport Pavilion has the added option of providing significant flexibility to utilize in other sports and provide a covered but open air venue for youth camps, summer programs, functions, parties, and create a covered area sport and function space that can also support programs and activities in the Park and fields adjacent to the Sports Center.

JKA and ISG have developed three size options for the Pavilion. Each option has the following elements:

- Pavilion style roof
- Rink configuration to support roller hockey, box lacrosse, indoor rink soccer
- Sport Court surface suitable for roller sports but flexible enough for other sports
- Can be utilized for basketball, pickle ball, and cheerleading/dance team and other activities
    - Ceiling height is a little low for volleyball
- Support areas
    - Team benches
    - Officials/Penalty box area
    - Space for spectator bleachers
        - Such as tip and roll bleachers

Images of Roller Sports Pavilion



Small Pavilion

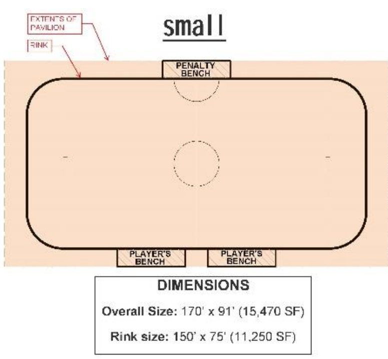
- Rink: 150' x 75' 11,250 sf
  - Small side for roller hockey, but within sport regulations for rinks
- Overall Pavilion: 170' x 91' 15,470 sf

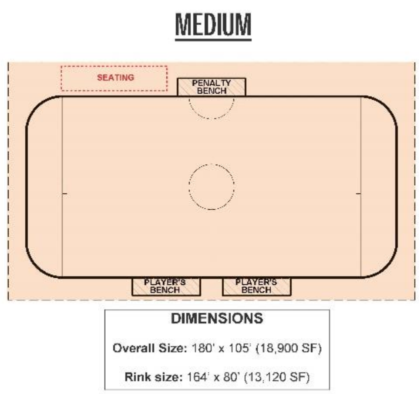
Medium Pavilion

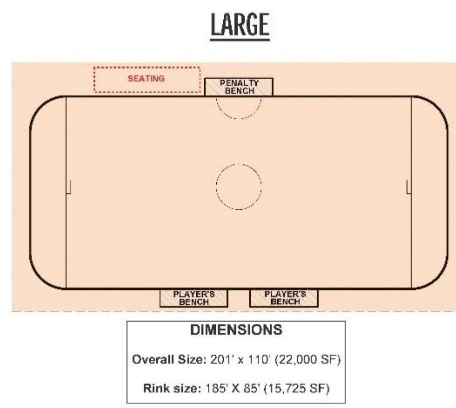
- Rink: 164' x 80' 13,120 sf
  - Mid-range rink with within sport regulations for rinks
- Overall Pavilion: 180' x 105' 18,900 sf

Large Pavilion

- Rink: 185' x 85' 15,725 sf
  - Still slightly below full size (such as an NHL rink)
- Overall Pavilion: 170' x 91' 22,000 sf







Location on Site: Potential Locations

JKA drawings show each rink and options for location on site.

- Key site considerations (based on very preliminary models of the site Master Plan).
  - All size options
    - None of the three options can be located immediately adjacent to the Sports Center
      - The small version could barely fit on the northside of the Sports Center, but it would eliminate the equestrian track along Ninth St.
    - Each option could be located in the area of potential outdoor courts very close to the potential Aquatic Center to easily access the changing areas, restrooms, and support spaces in the Aquatic Center.
  - Small Pavilion
    - Could be located on the potential tennis court and still leave space for one tennis court
    - Would result in very limited loss of parking

- Medium
  - Would lose one full row of parking along the westside of the Aquatic Center and eliminate the current location for tennis courts
  - OR: would result in replanning the access lanes and circulation on the site.
- Large
  - Would eliminate all of the parking along the west side of the Aquatic Center and eliminate the current location for tennis courts
  - OR: would result in replanning the access lanes and circulation on the site.

Site Configurations

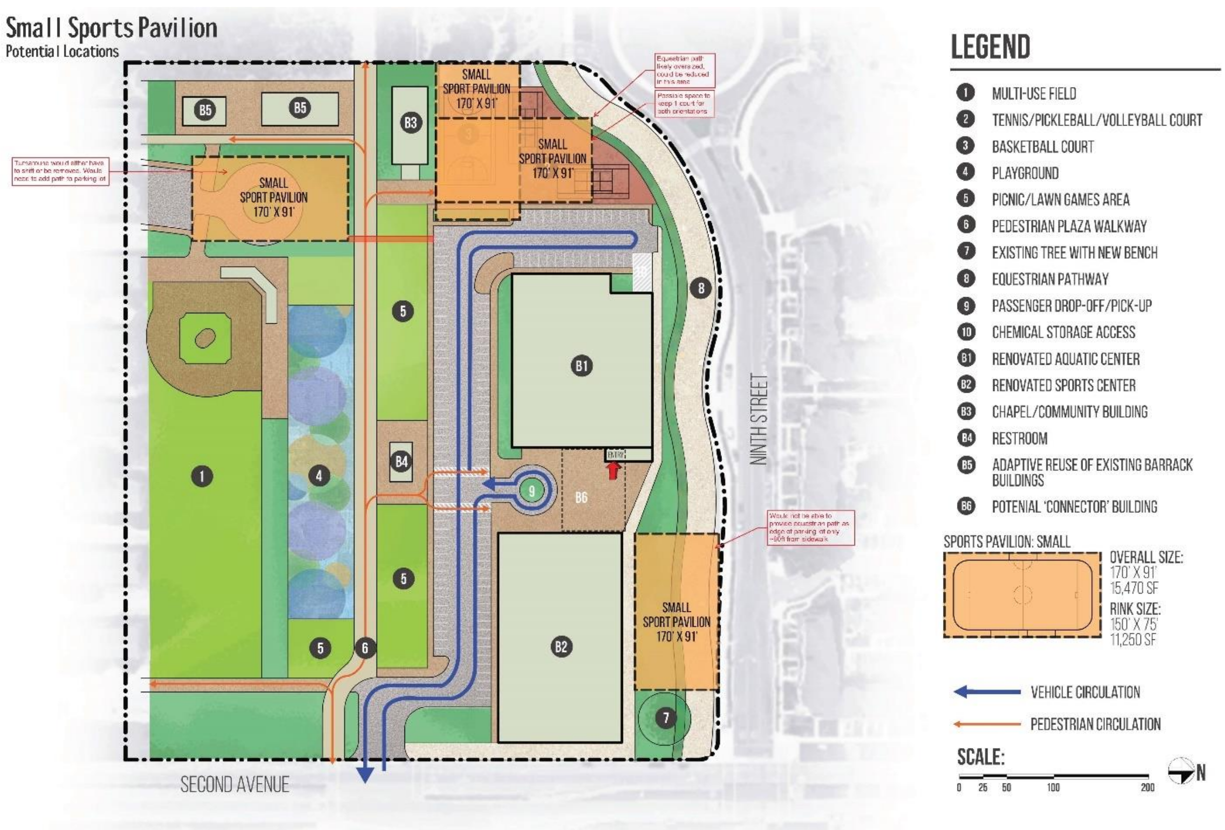
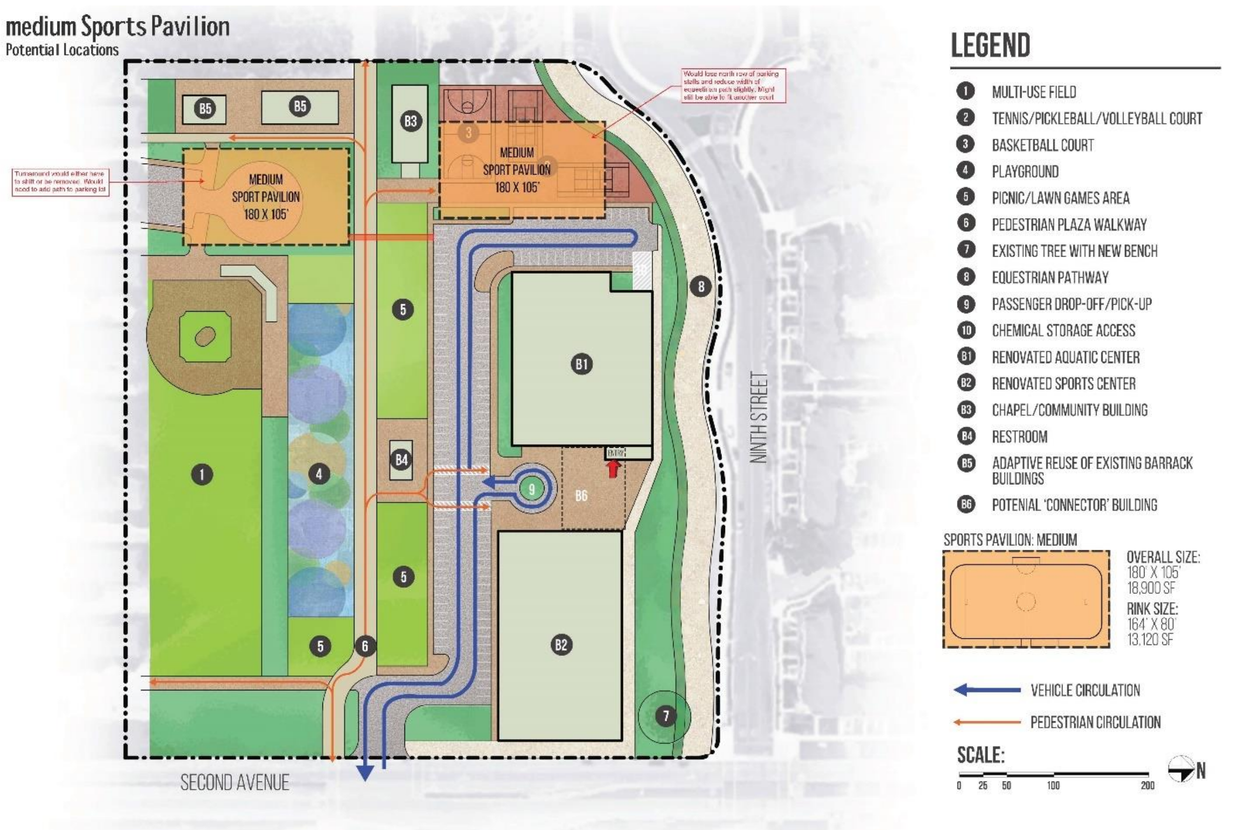


EXHIBIT A



medium Sports Pavilion
Potential Locations
Would lose north row of parking stalls and reduce width of equestrian path slightly. Might still be able to fit another court
Turnaround would either have to shift or be removed. Would need to add path to parking lot
MEDIUM SPORT PAVILION 180 X 105'
MEDIUM SPORT PAVILION 180 X 105'
B1
B2
B3
B4
B5
B5
B6
NINTH STREET
SECOND AVENUE
LEGEND
1 MULTI-USE FIELD
2 TENNIS/PICKLEBALL/VOLLEYBALL COURT
3 BASKETBALL COURT
4 PLAYGROUND
5 PICNIC/LAWN GAMES AREA
6 PEDESTRIAN PLAZA WALKWAY
7 EXISTING TREE WITH NEW BENCH
8 EQUESTRIAN PATHWAY
9 PASSENGER DROP-OFF/PICK-UP
10 CHEMICAL STORAGE ACCESS
B1 RENOVATED AQUATIC CENTER
B2 RENOVATED SPORTS CENTER
B3 CHAPEL/COMMUNITY BUILDING
B4 RESTROOM
B5 ADAPTIVE REUSE OF EXISTING BARRACK BUILDINGS
B6 POTENIAL 'CONNECTOR' BUILDING
SPORTS PAVILION: MEDIUM
OVERALL SIZE: 180' X 105' 18,900 SF
RINK SIZE: 164' X 80' 13,120 SF
VEHICLE CIRCULATION
PEDESTRIAN CIRCULATION
SCALE:
0 25 50 100 200
N

large Sports Pavilion
Potential Locations
Would lose entire north parking lot. Might still be able to fit the 2 tennis courts behind
Turnaround would either have to shift or be removed. Would need to add path to parking lot
LARGE SPORT PAVILION 201' X 110'
LARGE SPORT PAVILION 201' X 110'
B1
B2
B3
B4
B5
B5
B6
NINTH STREET
SECOND AVENUE
LEGEND
1 MULTI-USE FIELD
2 TENNIS/PICKLEBALL/VOLLEYBALL COURT
3 BASKETBALL COURT
4 PLAYGROUND
5 PICNIC/LAWN GAMES AREA
6 PEDESTRIAN PLAZA WALKWAY
7 EXISTING TREE WITH NEW BENCH
8 EQUESTRIAN PATHWAY
9 PASSENGER DROP-OFF/PICK-UP
10 CHEMICAL STORAGE ACCESS
B1 RENOVATED AQUATIC CENTER
B2 RENOVATED SPORTS CENTER
B3 CHAPEL/COMMUNITY BUILDING
B4 RESTROOM
B5 ADAPTIVE REUSE OF EXISTING BARRACK BUILDINGS
B6 POTENIAL 'CONNECTOR' BUILDING
SPORTS PAVILION: LARGE
OVERALL SIZE: 201' X 110' 22,000 SF
RINK SIZE: 185' X 85' 15,725 SF
VEHICLE CIRCULATION
PEDESTRIAN CIRCULATION
SCALE:
0 25 50 100 200
N

EXHIBIT A

Sports Pavilion Cost

The construction cost of the outdoor enclosed Sports Pavilion is projected to range between $3M to $3.5M for the mid-size Medium Sports Pavilion option.

Recommendation

If the City chooses to create a roller sports friendly venue in the overall park complex ISG recommends the Medium size Sport Pavilion if a true roller sport friendly venue is to be added to the overall park complex. This size still works well for the roller sports and other uses and provides great flexibility for community and public use of the Sports Pavilion for a wide range of activities not related to roller sports while maintaining the program and community based value and reach of the Sports Center as renovated. See Financial Analysis section for info on the impact costing, funding, revenue, and expenses.

The Following Pages include the comparison of the three Pavilion Size Options and how they could fit onto the overall site.

PROGRAM SCHEDULE

While the facility may support a large number of activities, the success of the Sports Center hinges on the effective integration of all of the programs, activities, and access in a master schedule that provides the programs at times that participants can utilize and makes the most of the available time and space. It also is important that the Sports Center has the flexibility for concurrent programming, allowing different programs to run at the same time. The addition of the Sports Pavilion creates even more flexibility in scheduling and allows for the expansion and enhancement of many of the programs envisioned for the renovated Sports Center.

ISG has worked with City Parks and Recreation Staff and analysis of best practice facility to develop a sample Schedule Matrix for the Sports Center, with and without the Sports Pavilion. This Schedule Matrix provides several useful tools in the Analysis.

- Provides a visual to help the community understand the wide range of programming the Sports Center (and the Sports Pavilion if added) can support.
- Provides a graphic analysis of space available to help develop the financial operating model, quantifying rental space and revenue generating program space as well as helping determine the staff needed to manage
- Provides a visual program schedule to utilize in final design concept development to ensure the design concepts support the program and use goals, objectives, demand, and opportunities

It is important to mention that this is just an example, but still shows a hypothetical model of how the Sports Center can be programmed. These models do include significant input from City Parks and Rec staff, regional facilities, and national best practices.

In the Schedule Matrix without the Sports Pavilion there is still time allocated two to three days a week for open roller skating on the Main Gym floor with some options for some roller sport activities, although there is not roller hockey rink.

The Schedule Matrices include a specific Matrix for the following season options:

- School Year
    - Weekdays
    - Weekends
- Summer
    - Weekdays
    - Weekends

The Matrix breaks out all of the venue elements, including:

- Main Gym
- Auxiliary Gym
- Cardio/Strength Area
- Fitness Studios
- Walking Track
- Multi-purpose Function Room

- Sport Pavilion (as an optional addition)

The activities and programs are color coded to provide a comprehensive list of programs that can be offered. These programs and open access times are broken down into several areas:

- Sports & Youth Programs
- Fitness Programs
  - Includes examples of Studio Programs
- Community Programs
- Open Access times for each venue
- Sports Pavilion Option
  - Other Gym activities in the option without the Sports Pavilion

The four Schedule Matrices for each option are included in the report as Attachment #1.

#1A: ***Without Sports Pavilion***
#1B: ***With Sports Pavilion***

Following is a sample Matrix. This sample is for the School Year weekdays with the Sports Pavilion.

ATTACHMENT #1

Sports Center and Sports Pavilion Schedule Matrix

EXHIBIT A

Marina Sports Center

School Year

WEEKDAYS

August 1, 2021

Program/Use Color Codes

SPORTS & YOUTH PROGRAMS	FITNESS PROGRAMS	COMMUNITY PROGRAMS	OPEN ACCESS	SPORTS PAVILION-Option
Basketball-Outside Group Rental	Fitness Classes	Special Needs/Adaptive PE	Main Open Gym	Lacrosse
Volleyball-Outside Group Rental	Senior Programs	After School Programs	(Multiple Setups)	Roller Sports-Hockey/Derby
Pickleball-Outside Group Rental	Special Needs/Adaptive PE	Home School Programs	Aux Open Gym	Soccer
Pickleball-In-House Program	Personal Training		Open Access & Family	Archery-Outside User Rental
In-House Leagues	Sport Training-Outside Groups or In-House	Rec Programs & Classes		Summer Camp
Archery-Outside User Rental	Veteran's Programs	Boys & Girls Club	Open Skating	Special Olympics
Soccer-Outside User Rental	After School Programs	Veteran's Programs		Basketball
Lacrosse	Home School Programs	Senior Center Programs	Outside Rentals	Youth Sports Classes
Roller Sports (Hockey/Roller Derby)	**STUDIO PROGRAMS**	Youth Center Programs	Parties and Functions	Pickleball
Veteran's Programs		Teen Center Programs		Open Skating
Summer Camp	Yoga / Barre	Parties and Functions		
Table Tennis	Pilates / Spinning			
Special Olympics/Para-Sports	Martial Arts / "Latest Trend"			
Youth Sports Classes	Dance / Much More			
Badminton				

	Main Gym Space Multi-Purpose Sport Court Floor		Auxiliary/Training Gym Turf Floor Surface		Walking Track	Fitness Spaces		Exercise Spaces		Function Room	Sports Pavilion Covered Open Air Arena
	Sub-Dividable Courts/Spaces		Sub-Dividable Training Areas					Studios		Dividable	Dividable Sections
	1 2	3 4	1 2	3 4		Cardio & Strength		#1	#2	1 2	1 2 3 3
5:00											
5:30	Open Gym		Open Gym		Open	Open Access					
6:00			Sport Specific Training		Walking	For individual		Fitness Classes		Open	
6:30		Pickup Gym				Use				Access	
7:00				Personal			Personal			Classes	Flex Space as needed
7:30				Training			Training			or Rental	
8:00				Available			Available				Can Support Pickle Ball Overflow
8:30				Group Classes		Senior Fit		Senior Fitness		Senior	
9:00	Pickle Ball			Fitness		Programs		Programs		Programs	
9:30	In House (or outside organization)			Or Sport						& Classes	
10:00	Home School	Senior									Flex Space as needed
10:30	PE	Programs									
11:00				Personal			Personal	Home School		Open	
11:30	Open Gym	Lunch Time		Training			Training	Fitness Program		Access	
12:00		Pickup Gym		Available			Available	Fitness Classes		Classes	
12:30										or Rental	
1:00								Space can be rented by			
1:30								Outside programs &			
2:00								Instructors			
2:30											
3:00	Youth Center	Teen Center	Sport Team	Special Needs			After				After School Programs
3:30	Programs	Programs	& Cross Training	Adaptive PE			School			Youth &	Youth and Teen Center Overflow
4:00			In-House or			Special	Training	After School Fitness		Teen	
4:30			Outside Groups			Needs	& Fitness			Center	Open Skate
5:00	Open Gym	Special Olympics				Adaptive	Personal	Fitness Classes		Programs	
5:30		Paralympics	Youth Sport Programs			PE	Training	& Personal Training			Roller Sports or other
6:00	Outside Group						Available			Open	Arena Court sport user/rentals
6:30	Program	Veterans'				Veterans'				Access	
7:00	Rental or	Programs	Outside User Groups			Programs		Space can be rented by		Classes	Roller Sports several days/week
7:30	In-House		OR					Outside programs &		or Rental	Other Days:
8:00		or Programs	Sport Team			Sport Training		Instructors			"Indoor" Soccer, Box Lacrosse
8:30			& Cross Training			Outside Teams & Rentals					Or other rink/court sports
9:00	Basketball, Volleyball, Pickle Ball		In-House or								Can also support pickle ball and
9:30	Soccer, badminton or other sport		Outside Groups								Basketball overflow
10:00	users depending on season & need										
10:30											

MEMBERSHIP AND USAGE MODEL

The Program and Financial Analysis of the Sports Center includes a projected Membership and Usage Model. This analysis includes the following:

- Market Analysis of area Recreation facility Membership and Use fee structures
- Projections of Sports Center membership model
  - Membership categories
  - Membership periods
  - Resident and non-resident rates
  - Daily drop in fees
- Total Projections
  - Revenue
  - Membership Units
  - Members
  - Daily Drop-in users

ISG used the following assumptions in the Membership Model:

- In the Standalone Sports Center (without Aquatic Center combined) the rates were significantly lower than area facilities such as the Monterey Sports Center or the Centennial Rec Center in Morgan Hill.
  - Attempted to position the Sports Center membership and fees in a very affordable range for the community
- Non City of Marina residents would pay a 25% premium above the City resident rates
- Incentivize the annual membership compared to monthly, seasonal, or drop in options with an annual cost equivalent to just ten months of monthly rates
- Incentivized the family pricing to create family friendly membership rates

Membership Categories include the following:

- Adult Individual
- Adult Couples
- Senior Individual
- Senior Couples
- Military Individual (retired and active)
- Military Couples and families
- Youth/Child
- Family
  - Includes a military family discount also

Periods include:

- Monthly
- Seasonal (3-month program)
- Annual
- Daily drop-in fee

Revenue and Membership Projections

Revenue projections for Year Two

• Regular Memberships:	$337,100
• Military Memberships:	$ 53,750
• Daily Drop-In users:	$ 21,900
TOTAL:	$412,750

Total Memberships and Members

- Membership Units: 866 units
    - Assumes 80% Marina residents
    - Projections represent approximately 9% of Marina households have membership
- Members: 1,398 members
    - Based on 4/family memberships and 2/couple
    - Projections represent approximately 4% of Marina residents

Impact of the Sports Pavilion on Membership

The addition of the Sports Pavilion has only a small incremental impact on the overall Sports Membership model or the daily drop in users (open skate drop in users are budgeted in a separate open skate line item). The budget projections include a 5% increase in Membership revenue with the addition of the Sports Pavilion.

Impact of the Future Aquatic Center and Overall Site Development on Membership

The potential for the future renovation and re-opening of the adjacent Aquatic Center will drive a significant increase in memberships, providing combined and integrated membership and programming. At this point, it is difficult to quantify this increment, but it likely will be in the 25% to 30% range.

The completion of the overall park site, based on the preliminary master plan, will also generate additional synergistic use and revenue increases at the Sports Center, likely in the 10% to 15% range.

The Membership Market Analysis and Projections are attached to this Report as Attachment #2.

FINANCIAL ANALYSIS

ISG used the following data and assumptions in developed the Financial Operating Analysis.

- Utility rates provided by the City
- Staff structure as well as salary and wage levels and guidelines provided by the City
- Staff benefits, payroll taxes, and other employment expenses provided by the City
- Operating costs developed from the bottom up and then validated by comparison to best practice facilities
- Court and rink rental rates based on market analysis of comparable facilities in the market area and region

The Financial Analysis includes the following categories for the first five years of operation.

- Facility Operating Expenses
- Program Expenses
- Facility Revenue
- Program Revenue
- Profit and Loss Summaries
- A Year Zero period identifying expenses incurred during renovation prior to re-opening of the Sports Center
    - Expenses that are often not included in Capital expenses such as marketing, advance hiring and training of staff, and other pre-opening costs
- Long Term Capital Replacement and Maintenance Reserve Fund
    - Includes annual allocation to accrue for projected Reserve Needs

Separate Financial Analysis includes separate P & Ls and Budget Line Item Detail for both of the Sports Center Options:

- Sports Center as Standalone
- Sports Center with the Sport Pavilion

Summary of Budget Projections

Following is a summary of the Budget Projections for each Option. For this summary table we utilized Year Three, to reflect the mature operation and eliminate start-up and program ramp-up anomalies.

Budget Summary
(Year Three)

Budget Category	Sports Center	Sports Center & Pavilion*
Operating Expenses	$1,004,093	$1,108,831
Program Expenses	$92,387	$99,603
Insurance	$26,523	$33,949
TOTAL OPERATING EXPENSES	$1,123,002	$1,242,383
Facility Revenue	$901,497	$1,106,426
Program Revenue	$261,162	$276,951
TOTAL OPERATING REVENUE	$1,162,659	$1,383,377
NET OPERATING REVENUE (Deficit)	$39,657	$140,995
Operational Cost Recovery	104%	111%
Annual Long Term Reserve Accrual	$50,000	$57,500
TOTAL ALL EXPENSES	$1,173,002	$1,299,883
NET TOTAL REVENUE (Deficit)	$(10,343)	$83,495
Total Cost Recovery	99%	106%

**NOTE: For purposes of budgeting, ISG used the medium sized Sports Pavilion in these budget projections.*

The Option with the Sports Center plus the Sports Pavilion actually provides a higher annual cost recovery, projecting a sustainable operating budget and generating some small positive net revenue, even when accruing for the Long Term Capital Replacement Fund. The open air covered Sports Pavilion has very low utility and maintenance costs but generates strong outside user group revenue. This additional annual net revenue with the Sports Pavilion needs to be weighed against the added Capital Project/Construction Cost of the Sports Pavilion. ISG and JKA project the incremental construction cost of the Sports Pavilion to be in the $3,000,000 range. The active voice of the current Roller Sports community suggests that they could be a resource for generating some private funding to support the Sports Pavilion development and construction.

Long Term Capital Replacement and Maintenance Fund
ISG projects the following accrued Long Term Capital Replacement Fund as follows.

Long Term Reserve Accrual
(assumes no interest accrual on fund)

Year of Operation	Sports Center	Sports Center with Pavilion
End of Year 5	$215,000	$250,000
End of Year 10	$609,308	$686,556
End of Year 15	$1,089,045	$1,217,692
End of Year 20	$1,672,717	$1,863,901

COVID Pandemic Contingency

We all anticipate some operating changes in sport and recreation facilities based on any "new normal" following the COVID Pandemic. While new operating procedures, equipment, and staffing may not be required by codes yet, we anticipate that there will be some added expenses from future "new normal" or best practice management and operational procedures. The Budget Projections include a line item for "COVID Post Pandemic Best Practice Contingency." While no ones knows yet what new best practices may actually be, it is important to factor this contingency into the operating expenses. In these projections we started with a Pandemic contingency of $50,000 in Year One.

Budget Line Item Detail

The detailed line item budget worksheets and supporting detail are included in this report as the following attachments:

- ***Sports Center Standalone***
    - ***Attachment #3A:*** ***Operating Expenses***
    - ***Attachment #3B:*** ***Program Expenses***
    - ***Attachment #3C:*** ***Facility Revenue***
    - ***Attachment #3D:*** ***Program Revenue***
- ***Sports Center with Sports Pavilion***
    - ***Attachment #4A:*** ***Operating Expenses***
    - ***Attachment #4B:*** ***Program Expenses***
    - ***Attachment #4C:*** ***Facility Revenue***
    - ***Attachment #4D:*** ***Program Revenue***

The Budget Line Item Detail includes highlighting of specific line items indicating the following:

- Potential for shared costs and operational efficiencies with the Aquatic Center
- Potential to reduce costs
- Potential to increase revenue
- Issues to further review
- Incremental costs and revenue generated by the Sports Pavilion
    - Only in the line item detail in the Sports Center plus Pavilion Budget

The one page Profit and Loss Summaries for Years Zero to Five for each option are included in the next pages.

EXHIBIT A

Marina Sports Center
Profit & Loss Summary
Design Option: Sports Center Renovation

August 1, 2021

Assumes Sports Center is a stand alone facility. Shared Staff, Services, and Program Support with Aquatic Center are not initially factored in.
***Year Zero is the period prior to opening during renovation leading up to re-opening of the Sports Center.**

	*Year Zero	Year One	Year Two	Year Three	Year Four	Year Five
EXPENSES						
OPERATIONAL EXPENSES	**$ 263,250**	**$ 912,570**	**$ 972,627**	**$ 1,004,093**	**$ 1,028,221**	**$ 1,056,096**
Utilities	$ -	$ 52,075	$ 53,377	$ 54,711	$ 56,079	$ 57,481
Maintenance	$ -	$ 9,000	$ 12,000	$ 16,000	$ 17,850	$ 19,709
Equipment and Supplies	$ 8,500	$ 12,500	$ 19,275	$ 25,557	$ 23,446	$ 24,344
Staff Costs	$ 244,750	$ 723,115	$ 761,695	$ 780,839	$ 800,560	$ 820,875
Outside Services	$ 1,000	$ 45,000	$ 46,125	$ 47,278	$ 48,460	$ 49,672
General Office	$ 4,000	$ 19,880	$ 21,405	$ 22,177	$ 22,982	$ 23,824
Miscellaneous Contingency	$ -	$ 1,000	$ 7,500	$ 5,000	$ 5,000	$ 5,000
COVID Post Pandemic Best Practice Contingency	$ 5,000	$ 50,000	$ 51,250	$ 52,531	$ 53,845	$ 55,191
PROGRAM EXPENSES	**$ 2,000**	**$ 73,688**	**$ 87,164**	**$ 92,387**	**$ 96,697**	**$ 101,123**
Community and Educational Programs	$ -	$ 5,568	$ 6,254	$ 6,674	$ 6,958	$ 7,256
Training, Fitness, and Therapy	$ -	$ 38,848	$ 49,072	$ 52,688	$ 55,238	$ 57,816
Leagues: In-House	$ -	$ -	$ -	$ -	$ -	$ -
Camps and Clinics	$ -	$ 24,272	$ 27,838	$ 30,025	$ 31,501	$ 33,052
Tournaments: In-House	$ -	$ -	$ -	$ -	$ -	$ -
Miscellaneous Contingency	$ 2,000	$ 5,000	$ 4,000	$ 3,000	$ 3,000	$ 3,000
INSURANCE		**$ 25,000**	**$ 25,750**	**$ 26,523**	**$ 27,318**	**$ 28,138**
TOTAL EXPENSES	**$ 265,250**	**$ 1,011,258**	**$ 1,085,541**	**$ 1,123,002**	**$ 1,152,236**	**$ 1,185,357**
REVENUE						
FACILITY REVENUE	**$ -**	**$ 705,084**	**$ 847,615**	**$ 901,497**	**$ 939,891**	**$ 974,641**
Educational, Camps and Clinics	$ -	$ 49,575	$ 55,763	$ 59,894	$ 62,288	$ 64,803
Court Rental: Clubs & Training	$ -	$ 221,710	$ 248,466	$ 267,177	$ 277,608	$ 283,199
League Rental	$ -	$ 52,800	$ 66,000	$ 67,980	$ 70,019	$ 72,120
Tournaments & Competitive Events	$ -	$ 17,500	$ 22,200	$ 23,160	$ 24,168	$ 25,226
Functions, Parties, Special Events	$ -	$ 18,125	$ 19,438	$ 20,159	$ 20,917	$ 21,554
Sales	$ -	$ 3,000	$ 3,090	$ 3,183	$ 3,278	$ 3,377
Memberships & Daily Use Fees	$ -	$ 329,074	$ 412,709	$ 433,344	$ 455,012	$ 477,762
Facility Sponsorships/Advertising/Contributions	$ -	$ 13,300	$ 19,950	$ 26,600	$ 26,600	$ 26,600
Public Entity Use	$ -	$ -	$ -	$ -	$ -	$ -
Miscellaneous Contingency	$ -	$ -	$ -	$ -	$ -	$ -
PROGRAM REVENUE	**$ -**	**$ 194,290**	**$ 239,232**	**$ 261,162**	**$ 275,792**	**$ 289,672**
Community and Educational Programs	$ -	$ 12,960	$ 14,904	$ 16,096	$ 16,901	$ 17,746
Training, Fitness and Instructional Programs	$ -	$ 79,000	$ 103,750	$ 112,050	$ 117,901	$ 124,136
Leagues: In-House	$ -	$ 36,480	$ 45,600	$ 52,440	$ 56,635	$ 59,467
Camps and Clinics	$ -	$ 50,850	$ 58,478	$ 63,156	$ 66,313	$ 69,629
Tournaments: In-House	$ -	$ 10,000	$ 11,500	$ 12,420	$ 13,041	$ 13,693
Program Sponsorships/Advertising/Fundraising	$ -	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000
Miscellaneous Contingency	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL INCOME	**$ -**	**$ 899,374**	**$ 1,086,846**	**$ 1,162,659**	**$ 1,215,683**	**$ 1,264,313**
NET OPERATING REVENUE (DEFICIT) WITHOUT RESERVE	**$ (265,250)**	**$ (111,884)**	**$ 1,305**	**$ 39,657**	**$ 63,446**	**$ 78,956**
Cost Recovery of Annual Operating Expenses		**89%**	**100%**	**104%**	**106%**	**107%**
ANNUAL CAPITAL REPLACEMENT & MAINTENANCE SET ASIDE		**$ 10,000**	**$ 25,000**	**$ 50,000**	**$ 60,000**	**$ 70,000**
TOTAL GROSS ANNUAL EXPENSES	**$ 265,250**	**$ 1,021,258**	**$ 1,110,541**	**$1,173,002**	**$ 1,212,236**	**$ 1,255,357**
TOTAL GROSS ANNUAL NET (DEFICIT)	**$ (265,250)**	**$ (121,884)**	**$ (23,695)**	**$ (10,343)**	**$ 3,446**	**$ 8,956**
Cost Recovery of Total Annual Expenses		**88%**	**98%**	**99%**	**100%**	**101%**
LONG TERM REPLACEMENT & MAINTENANCE FUND						
Annual Contribution or Budgeted set aside						
Years 1-5		**$ 10,000**	**$ 25,000**	**$ 50,000**	**$ 60,000**	**$ 70,000**
Years 6-10		**$ 72,800**	**$ 75,712**	**$ 78,740**	**$ 81,890**	**$ 85,166**
Years 11-15		**$ 88,572**	**$ 92,115**	**$ 95,800**	**$ 99,632**	**$ 103,617**
Years 16-20		**$ 107,762**	**$ 112,072**	**$ 116,555**	**$ 121,217**	**$ 126,066**
Total Accrual						
Year 5						**$ 215,000**
Year 10						**$ 609,308**
Year 15						**$ 1,089,045**
Year 20						**$ 1,672,717**

EXHIBIT A

Marina Sports Center
Profit & Loss Summary
Design Option: Sports Center Renovation with Sport Pavilion

August 1, 2021

Assumes Sports Center is a stand alone facility. Shared Staff, Services, and Program Support with Aquatic Center are not initially factored in.

***Year Zero is the period prior to opening during renovation leading up to re-opening of the Sports Center.**

EXPENSES	*Year Zero	Year One	Year Two	Year Three	Year Four	Year Five
OPERATIONAL EXPENSES	**$ 276,185**	**$ 1,004,721**	**$ 1,069,287**	**$ 1,108,831**	**$ 1,138,312**	**$ 1,170,621**
Utilities	$ -	$ 71,075	$ 72,852	$ 74,673	$ 76,540	$ 78,454
Maintenance	$ -	$ 12,000	$ 15,500	$ 24,000	$ 28,450	$ 31,911
Equipment and Supplies	$ 18,500	$ 14,000	$ 22,275	$ 29,557	$ 27,546	$ 28,547
Staff Costs	$ 247,685	$ 786,165	$ 826,639	$ 847,731	$ 869,459	$ 891,842
Outside Services	$ 1,000	$ 49,600	$ 50,840	$ 52,111	$ 53,414	$ 54,749
General Office	$ 4,000	$ 20,880	$ 22,430	$ 23,227	$ 24,059	$ 24,928
Miscellaneous Contingency	$ -	$ 1,000	$ 7,500	$ 5,000	$ 5,000	$ 5,000
COVID Post Pandemic Best Practice Contingency	$ 5,000	$ 50,000	$ 51,250	$ 52,531	$ 53,845	$ 55,191
PROGRAM EXPENSES	**$ 2,000**	**$ 79,756**	**$ 93,845**	**$ 99,603**	**$ 104,273**	**$ 109,077**
Community and Educational Programs	$ -	$ 5,568	$ 6,216	$ 6,634	$ 6,915	$ 7,211
Training, Fitness, and Therapy	$ -	$ 38,848	$ 48,813	$ 52,408	$ 54,943	$ 57,506
Leagues: In-House	$ -	$ -	$ -	$ -	$ -	$ -
Camps and Clinics	$ -	$ 30,340	$ 34,816	$ 37,562	$ 39,415	$ 41,361
Tournaments: In-House	$ -	$ -	$ -	$ -	$ -	$ -
Miscellaneous Contingency	$ 2,000	$ 5,000	$ 4,000	$ 3,000	$ 3,000	$ 3,000
INSURANCE		**$ 32,000**	**$ 32,960**	**$ 33,949**	**$ 34,967**	**$ 36,016**
TOTAL EXPENSES	**$ 278,185**	**$ 1,116,477**	**$ 1,196,092**	**$ 1,242,383**	**$ 1,277,553**	**$ 1,315,715**
REVENUE						
FACILITY REVENUE	**$ -**	**$ 865,054**	**$ 1,038,337**	**$ 1,106,426**	**$ 1,157,767**	**$ 1,202,024**
Educational, Camps and Clinics	$ -	$ 64,575	$ 70,763	$ 74,894	$ 77,288	$ 79,803
Court Rental: Clubs & Training	$ -	$ 314,446	$ 364,386	$ 394,689	$ 415,321	$ 427,798
League Rental	$ -	$ 52,800	$ 66,000	$ 67,980	$ 70,019	$ 72,120
Tournaments & Competitive Events	$ -	$ 25,000	$ 31,200	$ 32,610	$ 34,091	$ 35,645
Functions, Parties, Special Events	$ -	$ 39,725	$ 43,198	$ 45,107	$ 47,113	$ 48,797
Sales	$ -	$ 3,000	$ 3,090	$ 3,183	$ 3,278	$ 3,377
Memberships & Daily Use Fees	$ -	$ 344,708	$ 432,251	$ 453,864	$ 476,557	$ 500,385
Facility Sponsorships/Advertising/Contributions	$ -	$ 20,800	$ 27,450	$ 34,100	$ 34,100	$ 34,100
Public Entity Use	$ -	$ -	$ -	$ -	$ -	$ -
Miscellaneous Contingency	$ -	$ -	$ -	$ -	$ -	$ -
PROGRAM REVENUE	**$ -**	**$ 207,003**	**$ 253,851**	**$ 276,951**	**$ 292,370**	**$ 307,079**
Community and Educational Programs	$ -	$ 12,960	$ 14,904	$ 16,096	$ 16,901	$ 17,746
Training, Fitness and Instructional Programs	$ -	$ 79,000	$ 103,750	$ 112,050	$ 117,901	$ 124,136
Leagues: In-House	$ -	$ 36,480	$ 45,600	$ 52,440	$ 56,635	$ 59,467
Camps and Clinics	$ -	$ 63,563	$ 73,097	$ 78,945	$ 82,892	$ 87,036
Tournaments: In-House	$ -	$ 10,000	$ 11,500	$ 12,420	$ 13,041	$ 13,693
Program Sponsorships/Advertising/Fundraising	$ -	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000
Miscellaneous Contingency	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL INCOME	**$ -**	**$ 1,072,056**	**$ 1,292,188**	**$ 1,383,377**	**$ 1,450,137**	**$ 1,509,103**
NET OPERATING REVENUE (DEFICIT) WITHOUT RESERVE	**$ (278,185)**	**$ (44,421)**	**$ 96,096**	**$ 140,995**	**$ 172,584**	**$ 193,388**
Cost Recovery of Annual Operating Expenses		**96%**	**108%**	**111%**	**114%**	**115%**
ANNUAL CAPITAL REPLACEMENT & MAINTENANCE SET ASIDE		**$ 12,500**	**$ 35,000**	**$ 57,500**	**$ 67,500**	**$ 77,500**
TOTAL GROSS ANNUAL EXPENSES	**$ 278,185**	**$ 1,128,977**	**$ 1,231,092**	**$1,299,883**	**$ 1,345,053**	**$ 1,393,215**
TOTAL GROSS ANNUAL NET (DEFICIT)	**$ (278,185)**	**$ (56,921)**	**$ 61,096**	**$ 83,495**	**$ 105,084**	**$ 115,888**
Cost Recovery of Total Annual Expenses		**95%**	**105%**	**106%**	**108%**	**108%**

LONG TERM REPLACEMENT & MAINTENANCE FUND					
Annual Contribution or Budgeted set aside					
Years 1-5	**$ 12,500**	**$ 35,000**	**$ 57,500**	**$ 67,500**	**$ 77,500**
Years 6-10	**$ 80,600**	**$ 83,824**	**$ 87,177**	**$ 90,664**	**$ 94,291**
Years 11-15	**$ 98,062**	**$ 101,985**	**$ 106,064**	**$ 110,307**	**$ 114,719**
Years 16-20	**$ 119,308**	**$ 124,080**	**$ 129,043**	**$ 134,205**	**$ 139,573**
Total Accrual					
Year 5					**$ 250,000**
Year 10					**$ 686,556**
Year 15					**$ 1,217,692**
Year 20					**$ 1,863,901**

EXHIBIT A

Marina Sports Center

Profit & Loss Summary: Comparison of Sports Center with and without Sports Pavilion

August 1, 2021

Assumes Sports Center is a stand alone facility. Shared Staff, Services, and Program Support with Aquatic Center are not initially factored in.

***Year Zero is the period prior to opening during renovation leading up to re-opening of the Sports Center.**

	Sports Center with Sports Pavilion						Sports Center without Sports Pavilion					
	*Year Zero	Year One	Year Two	Year Three	Year Four	Year Five	*Year Zero	Year One	Year Two	Year Three	Year Four	Year Five
EXPENSES												
OPERATIONAL EXPENSES	**$ 276,185**	**$ 1,004,721**	**$ 1,069,287**	**$ 1,108,831**	**$ 1,138,312**	**$ 1,170,621**	**$ 263,250**	**$ 912,570**	**$ 972,627**	**$ 1,004,093**	**$ 1,028,221**	**$ 1,056,096**
Utilities	$ -	$ 71,075	$ 72,852	$ 74,673	$ 76,540	$ 78,454	$ -	$ 52,075	$ 53,377	$ 54,711	$ 56,079	$ 57,481
Maintenance	$ -	$ 12,000	$ 15,500	$ 24,000	$ 28,450	$ 31,911	$ -	$ 9,000	$ 12,000	$ 16,000	$ 17,850	$ 19,709
Equipment and Supplies	$ 18,500	$ 14,000	$ 22,275	$ 29,557	$ 27,546	$ 28,547	$ 8,500	$ 12,500	$ 19,275	$ 25,557	$ 23,446	$ 24,344
Staff Costs	$ 247,685	$ 786,165	$ 826,639	$ 847,731	$ 869,459	$ 891,842	$ 244,750	$ 723,115	$ 761,695	$ 780,839	$ 800,560	$ 820,875
Outside Services	$ 1,000	$ 49,600	$ 50,840	$ 52,111	$ 53,414	$ 54,749	$ 1,000	$ 45,000	$ 46,125	$ 47,278	$ 48,460	$ 49,672
General Office	$ 4,000	$ 20,880	$ 22,430	$ 23,227	$ 24,059	$ 24,928	$ 4,000	$ 19,880	$ 21,405	$ 22,177	$ 22,982	$ 23,824
Miscellaneous Contingency	$ -	$ 1,000	$ 7,500	$ 5,000	$ 5,000	$ 5,000	$ -	$ 1,000	$ 7,500	$ 5,000	$ 5,000	$ 5,000
COVID Post Pandemic Best Practice Contingency	$ 5,000	$ 50,000	$ 51,250	$ 52,531	$ 53,845	$ 55,191	$ 5,000	$ 50,000	$ 51,250	$ 52,531	$ 53,845	$ 55,191
PROGRAM EXPENSES	**$ 2,000**	**$ 79,756**	**$ 93,845**	**$ 99,603**	**$ 104,273**	**$ 109,077**	**$ 2,000**	**$ 73,688**	**$ 87,164**	**$ 92,387**	**$ 96,697**	**$ 101,123**
Community and Educational Programs	$ -	$ 5,568	$ 6,216	$ 6,634	$ 6,915	$ 7,211	$ -	$ 5,568	$ 6,254	$ 6,674	$ 6,958	$ 7,256
Training, Fitness, and Therapy	$ -	$ 38,848	$ 48,813	$ 52,408	$ 54,943	$ 57,506	$ -	$ 38,848	$ 49,072	$ 52,688	$ 55,238	$ 57,816
Leagues: In-House	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Camps and Clinics	$ -	$ 30,340	$ 34,816	$ 37,562	$ 39,415	$ 41,361	$ -	$ 24,272	$ 27,838	$ 30,025	$ 31,501	$ 33,052
Tournaments: In-House	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Miscellaneous Contingency	$ 2,000	$ 5,000	$ 4,000	$ 3,000	$ 3,000	$ 3,000	$ 2,000	$ 5,000	$ 4,000	$ 3,000	$ 3,000	$ 3,000
INSURANCE		**$ 32,000**	**$ 32,960**	**$ 33,949**	**$ 34,967**	**$ 36,016**		**$ 25,000**	**$ 25,750**	**$ 26,523**	**$ 27,318**	**$ 28,138**
TOTAL EXPENSES	**$ 278,185**	**$ 1,116,477**	**$ 1,196,092**	**$ 1,242,383**	**$ 1,277,553**	**$ 1,315,715**	**$ 265,250**	**$ 1,011,258**	**$ 1,085,541**	**$ 1,123,002**	**$ 1,152,236**	**$ 1,185,357**
REVENUE												
FACILITY REVENUE	**$ -**	**$ 865,054**	**$ 1,038,337**	**$ 1,106,426**	**$ 1,157,767**	**$ 1,202,024**	**$ -**	**$ 705,084**	**$ 847,615**	**$ 901,497**	**$ 939,891**	**$ 974,641**
Educational, Camps and Clinics	$ -	$ 64,575	$ 70,763	$ 74,894	$ 77,288	$ 79,803	$ -	$ 49,575	$ 55,763	$ 59,894	$ 62,288	$ 64,803
Court Rental: Clubs & Training	$ -	$ 314,446	$ 364,386	$ 394,689	$ 415,321	$ 427,798	$ -	$ 221,710	$ 248,466	$ 267,177	$ 277,608	$ 283,199
League Rental	$ -	$ 52,800	$ 66,000	$ 67,980	$ 70,019	$ 72,120	$ -	$ 52,800	$ 66,000	$ 67,980	$ 70,019	$ 72,120
Tournaments & Competitive Events	$ -	$ 25,000	$ 31,200	$ 32,610	$ 34,091	$ 35,645	$ -	$ 17,500	$ 22,200	$ 23,160	$ 24,168	$ 25,226
Functions, Parties, Special Events	$ -	$ 39,725	$ 43,198	$ 45,107	$ 47,113	$ 48,797	$ -	$ 18,125	$ 19,438	$ 20,159	$ 20,917	$ 21,554
Sales	$ -	$ 3,000	$ 3,090	$ 3,183	$ 3,278	$ 3,377	$ -	$ 3,000	$ 3,090	$ 3,183	$ 3,278	$ 3,377
Memberships & Daily Use Fees	$ -	$ 344,708	$ 432,251	$ 453,864	$ 476,557	$ 500,385	$ -	$ 329,074	$ 412,709	$ 433,344	$ 455,012	$ 477,762
Facility Sponsorships/Advertising/Contributions	$ -	$ 20,800	$ 27,450	$ 34,100	$ 34,100	$ 34,100	$ -	$ 13,300	$ 19,950	$ 26,600	$ 26,600	$ 26,600
Public Entity Use	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Miscellaneous Contingency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
PROGRAM REVENUE	**$ -**	**$ 207,003**	**$ 253,851**	**$ 276,951**	**$ 292,370**	**$ 307,079**	**$ -**	**$ 194,290**	**$ 239,232**	**$ 261,162**	**$ 275,792**	**$ 289,672**
Community and Educational Programs	$ -	$ 12,960	$ 14,904	$ 16,096	$ 16,901	$ 17,746	$ -	$ 12,960	$ 14,904	$ 16,096	$ 16,901	$ 17,746
Training, Fitness and Instructional Programs	$ -	$ 79,000	$ 103,750	$ 112,050	$ 117,901	$ 124,136	$ -	$ 79,000	$ 103,750	$ 112,050	$ 117,901	$ 124,136
Leagues: In-House	$ -	$ 36,480	$ 45,600	$ 52,440	$ 56,635	$ 59,467	$ -	$ 36,480	$ 45,600	$ 52,440	$ 56,635	$ 59,467
Camps and Clinics	$ -	$ 63,563	$ 73,097	$ 78,945	$ 82,892	$ 87,036	$ -	$ 50,850	$ 58,478	$ 63,156	$ 66,313	$ 69,629
Tournaments: In-House	$ -	$ 10,000	$ 11,500	$ 12,420	$ 13,041	$ 13,693	$ -	$ 10,000	$ 11,500	$ 12,420	$ 13,041	$ 13,693
Program Sponsorships/Advertising/Fundraising	$ -	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ -	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000
Miscellaneous Contingency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL INCOME	**$ -**	**$ 1,072,056**	**$ 1,292,188**	**$ 1,383,377**	**$ 1,450,137**	**$ 1,509,103**	**$ -**	**$ 899,374**	**$ 1,086,846**	**$ 1,162,659**	**$ 1,215,683**	**$ 1,264,313**
NET OPERATING REVENUE (DEFICIT) WITHOUT RESERVE	**$ (278,185)**	**$ (44,421)**	**$ 96,096**	**$ 140,995**	**$ 172,584**	**$ 193,388**	**$ (265,250)**	**$ (111,884)**	**$ 1,305**	**$ 39,657**	**$ 63,446**	**$ 78,956**
Cost Recovery of Annual Operating Expenses		**96%**	**108%**	**111%**	**114%**	**115%**		**89%**	**100%**	**104%**	**106%**	**107%**

EXHIBIT A

	Sports Center with Sports Pavilion						Sports Center without Sports Pavilion					
	*Year Zero	Year One	Year Two	Year Three	Year Four	Year Five	*Year Zero	Year One	Year Two	Year Three	Year Four	Year Five
ANNUAL CAPITAL REPLACEMENT & MAINTENANCE SET ASIDE		$ 12,500	$ 35,000	$ 57,500	$ 67,500	$ 77,500		$ 10,000	$ 25,000	$ 50,000	$ 60,000	$ 70,000
TOTAL GROSS ANNUAL EXPENSES	$ 278,185	$ 1,128,977	$ 1,231,092	$ 1,299,883	$ 1,345,053	$ 1,393,215	$ 265,250	$ 1,021,258	$ 1,110,541	$ 1,173,002	$ 1,212,236	$ 1,255,357
TOTAL GROSS ANNUAL NET (DEFICIT)	$ (278,185)	$ (56,921)	$ 61,096	$ 83,495	$ 105,084	$ 115,888	$ (265,250)	$ (121,884)	$ (23,695)	$ (10,343)	$ 3,446	$ 8,956
Cost Recovery of Total Annual Expenses		95%	105%	106%	108%	108%		88%	98%	99%	100%	101%
LONG TERM REPLACEMENT & MAINTENANCE FUND												
Annual Contribution or Budgeted set aside												
Years 1-5		$ 12,500	$ 35,000	$ 57,500	$ 67,500	$ 77,500		$ 10,000	$ 25,000	$ 50,000	$ 60,000	$ 70,000
Years 6-10		$ 80,600	$ 83,824	$ 87,177	$ 90,664	$ 94,291		$ 72,800	$ 75,712	$ 78,740	$ 81,890	$ 85,166
Years 11-15		$ 98,062	$ 101,985	$ 106,064	$ 110,307	$ 114,719		$ 88,572	$ 92,115	$ 95,800	$ 99,632	$ 103,617
Years 16-20		$ 119,308	$ 124,080	$ 129,043	$ 134,205	$ 139,573		$ 107,762	$ 112,072	$ 116,555	$ 121,217	$ 126,066
Total Accrual												
Year 5						$ 250,000						$ 215,000
Year 10						$ 686,556						$ 609,308
Year 15						$ 1,217,692						$ 1,089,045
Year 20						$ 1,863,901						$ 1,672,717

FINANCIAL ANALYSIS OF MAINTAINING THE EXISTING ROLLER RINK CONFIGURATION

If the current roller rink configuration or even a reduced roller rink configuration is maintained in the Sports Center building, there will be significant impact on the user and participation levels as well as the operating model. This impact is driven by several elements.

Space and Features
Maintaining the current or slightly smaller roller rink configuration will result in the following impact on proposed facility feature and amenities:

- Reduce the flexibility of the roller surface area for use by other sports, particularly volleyball, pickleball, basketball, and other uses
- The larger square footage footprint of the rink (18,000+ square feet compared to 9,500 sf) for the main gym eliminates the following spaces
    - Auxiliary turf gym space
    - Cardio/Strength space
    - Flexible fitness/workout space
    - Walking track
    - Community meeting/function room
    - Would limit addition of family, handicap, and gender neutral changing rooms
- Even a reduced roller rink space (14,000 to 16,000 sf equivalent to the proposed space in the medium sized Sports Pavilion) would result in elimination of the following spaces
    - Auxiliary turf gym space
    - Walking track
    - Community meeting/function room
- This reduced rink size would still provide some space, although reduced, for the following
    - Cardio/Strength space
    - Flexible fitness/workout space
    - Family and handicap changing rooms

Operating Budget Impact
These resulting limits in flexible space and lost amenities has a significant negative impact on the operational budget of the Sports Center. These reductions include the following:

<u>Revenue:</u>

- Rental of Main Floor space by outside user groups
    - Even with a newer multi-use sport court surface the roller sport rink configuration will result in incremental rental revenue from the roller sport users
    - Any additional roller sports user rent increase will be offset by loss of rent for higher demand users such as court sports that are better suited for a multi-sport surface more easily divided into smaller courts/spaces

    - The loss of the turf auxiliary gym also eliminates the specific clinic, program, and training uses and revenue of this space
    - The flexibility of use of the gym and auxiliary is much greater for programming during the day. The roller sports rink has reduced flexible use opportunities during the day (one of the problematic issues of the Sports Center when run by Water City).
    - Based on the schedule use analysis of all options, ISG projects rental revenue would decrease by approximately 15% to 20% ($25,000 to $35,000 annually) compared to the reconfigured Sports Center without the Sports Pavilion. This small loss reflects some of the Auxiliary Turf Gym use moving to the Rink.
- Use of Auxiliary Gym
    - All revenue from programs and outside group rentals of the turf Auxiliary Gym would be lost, totaling approximately $50,500 per year in Year Three
        - A small portion of this use and revenue that is lost would move to the main Rink surface
- Loss of Walking Track
    - Although the indoor walking track is not designed as a specific revenue generator, it is one of several factors in the daily drop-in use and membership decreases.
    - See membership projections
- Membership and Daily Use Revenue
    - The loss of the walking track and the elimination or major reduction in cardio, strength, and fitness workout spaces and studios will significantly reduce projected membership and daily use revenue, virtually eliminating the broad based community fitness element.
    - Overall, ISG projects that the membership and daily use drop in revenue would drastically decrease based on the community use spaces lost. ISG projects this loss to be:
        - 75% in Year Three ($325,000 revenue loss)
        - This loss of membership is particularly felt in the senior population as the facilities suitable for senior use are virtually eliminated.
- Program Revenue
    - The Sports Center budget projections include significant revenue from fitness classes, personal training, track walking, and program utilizing the community function space.
    - Maintaining the roller rink surface and space eliminated the facilities that support these programs, therefore eliminating much of the revenue.
    - Although some programs could be run on the roller sport rink surface, the majority of programming would be eliminated.
    - Overall, ISG projects a Program Revenue loss of approximately 46% in Year Three ($119,500 revenue loss).

<u>Expenses</u>

- Operating Expenses

- There is not a significant difference in operating and maintenance expenses between maintaining the roller sport surface and the renovated design
- The roller rink multi-sport surface will take a beating supporting both the roller sports and other uses, potentially resulting in some shortening of the lifespan of the floor surface.
    - We project the lifespan of the floor surface would shorten by 1 to 3 years, resulting in the need to replace or refinish the floor surface every 7-8 years instead of 9-11 years.
    - For purposes of the overall financial impact of maintaining the roller rink surface we have assumed no difference in the annual operating and maintenance costs.

- Program Expenses
    - There would be a significant reduction in Program Expenses, since these are directly linked to program revenue
        - Instructors
        - Coaches
        - Teachers
        - Camp counselors
        - Fitness monitors
    - Savings in Program Expenses are approximately % ($54,500) of lost Program Revenue.
    - Factoring the decreased expenses, the loss of net program revenue is still 38% of gross Program Revenue ($64,000 in net Program Revenue loss).

<u>Overall</u>

Based on this analysis, the net operating loss in the line items impacted by the retention of the roller sports rink configuration is approximately $382,500 annually by Year Three. This represents a total net decrease in overall Sports Center net operating revenue of $493,000, or 1248% decrease. The Sports Center in the reconfiguration design proposed shows a small net revenue surplus of $39,500 in Year Three while the Sports Center in the current roller sports rink configuration shows a net operating deficit of $453,000. Overall, this is a total decrease in net revenue of $493,000.

This net revenue shortfall will decrease slightly in the following years, but not significantly to generate any positive net operating revenue. The Sports Center will continue to operate at a significant deficit.

These comparisons all are to the Sports Center renovation without the Sport Pavilion. This comparison is not relevant for the Sport Pavilion design option since the roller sport and rink type uses would all be in the open air sport pavilion. ***The Revenue, Expense, and Net Revenue variances are summarized in the following Table.***

Financial Impact Summary of Maintaining Existing Roller Rink Configuration
Focusing on the cost and revenue centers that are impacted by changes
(Year Three-rounded to nearest $500)

EXHIBIT A

Category	Sports Center Renovation	Sports Center with Existing Rink	Variance in Revenue	Percent Change
*Revenue				
Gym/Rink Rental	$199,500	$169,500	$(30,000)	-15%
Auxiliary Gym	$50,500	$0	$(50,500)	-100%
Function Space	$5,000	$0	$(5,000)	-100%
Fitness Space Rent	$17,500	$0	$(17,500	-100%
Program Revenue	$262,000	$142,500	$(119,500)	-46%
Membership	$433,500	$108,500	$(325,000)	-75%
*TOTAL REVENUE VARIANCE	$968,000	$420,500	$(547,500)	-57%
*Expenses				
Operating Costs	No Change	No Change	$0	0%
Program Costs	$92,500	$38,000	$(54,500)	-59%
*TOTAL EXPENSES VARIANCE	$92,500	$38,000	$(54,500)	-59%
*NET REVENUE VARIANCE	$875,500	$382,500	$(493,000)	-56%
#OVERALL CENTER PROJECTIONS				
Total Revenue	$1,162,500	$615,000	$(547,500)	-47%
Total Operating Expenses	$1,123,000	$1,068,500	$(54,500)	-5%
NET REVENUE VARIANCE (DEFICIT)	$39,500	$(453,500)	$(493,000)	-1248%

*NOTE: These Revenue and Expense numbers reflect the revenue and cost line items impacted by maintaining the roller rink configuration compared to the proposed Sports Center Multi-Purpose renovation.

#NOTE: The Overall Revenue and Expenses show the full Sports Center Budget in these two different configurations.

Impact on Resident Use of Sports Center

Most importantly, the loss and reduction of the added features and amenities in the renovated Sports Center where the roller sports rink is maintained represent a significant decrease in the total resident users as well as the multi-generational use of the Sports Center. Overall, maintaining the roller sports rink design in the Sports Center would result in approximately 150,000 less Sports Center resident user visits annually, reducing annual projected daily visitors/users from 320,000/year to 156,000 users, a decrease of 51%. As mentioned earlier, this drop is mostly driven by the loss of member and community use of the fitness/workout areas, the loss of the walking track, and the loss of meeting/function space as well as decreased flexible programming.

CONCLUSION

Based on the ISG and JKA analysis, the proposed Sports Center Design can create a comprehensive Sport and Recreation Center for the City of Marina. It provides multi-sport facilities plus significant community fitness, workout, and walking facilities and programs that are not currently publicly, and in some cases privately, available in the City. It also provides function space for the expansion and enhancement of existing community programs such as the Senior, Teen, and Youth Centers as well as providing facilities and spaces for new community and veterans programs.

If the City chooses to pursue Roller Sports, the best option is an open air covered pavilion, the Sports Pavilion. The Sports Pavilion provides a multi-purpose rink that can accommodate much more than just Roller Sports, providing spaces for other field and court sports, camp and youth activities, support of the fields and park spaces on the site, and expansion of existing City programs.

The Sports Center as a standalone facility reaches virtual break even operation in Year Two, even taking into account an annual accrual for a Long Term Capital Replacement and Maintenance Budget.

The Sports Center with the Sports Pavilion generates a small positive net revenue by Year Two. The Sports Center with Pavilion generates an increased net revenue averaging $85,000 to $100,000 higher than the Sports Center Standalone option.

If the current roller sports rink configuration or a slightly downsized rink in the Sports Center a large portion of the community features and multi-function use is lost, resulting in a very significant decrease in total community/resident use as well as lost revenue resulting in a large annual operating deficit.

EXHIBIT A

MARINA SPORTS CENTER

REPORT

FINAL DRAFT

NOVEMBER 22, 2019

SUBMITTED BY:

JKA jeff katz ARCHITECTURE

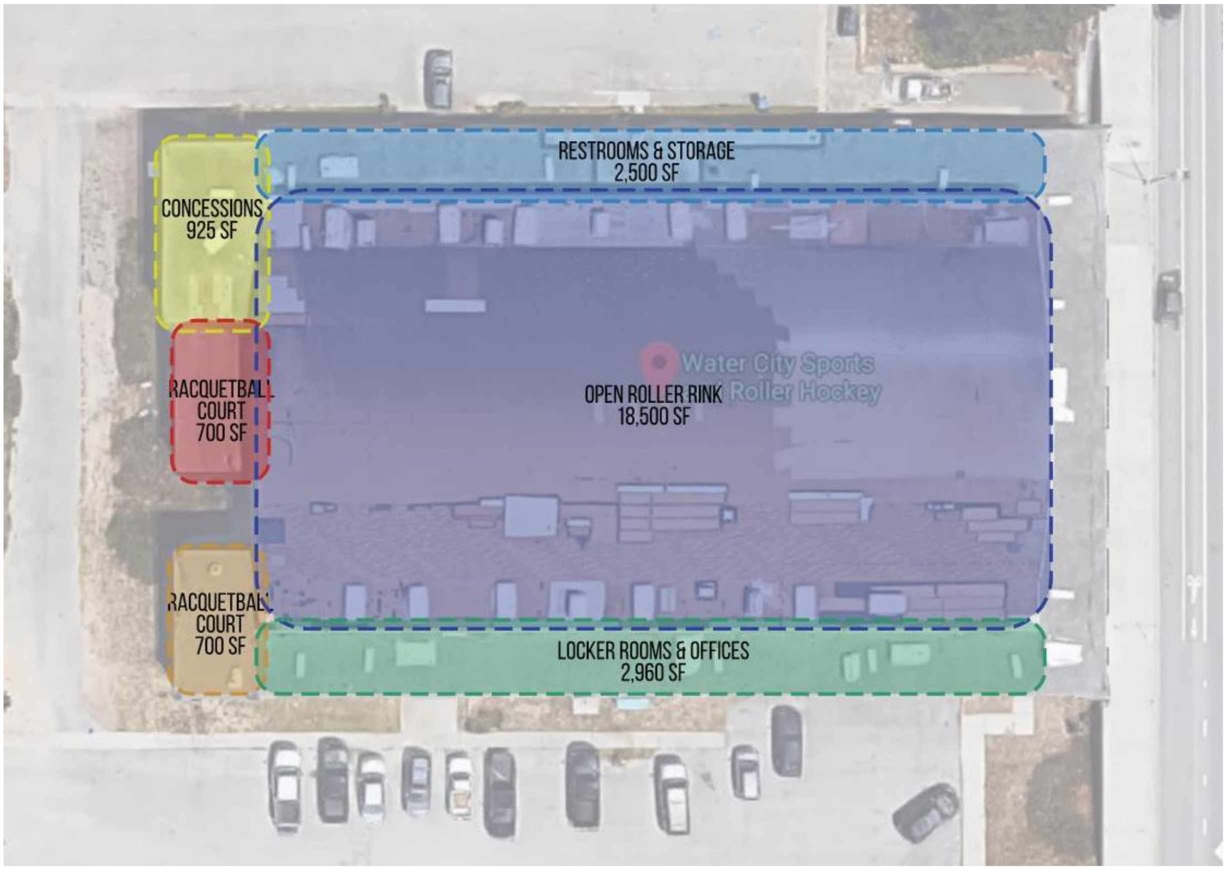
280 Bettencourt St, Sonoma, CA 95476
619.698.9177 (Office)
www.jeffkatzarchitecture.com

INCLUDING INPUT FROM OUR CONSULTANT TEAM:

THE ISAAC SPORTS GROUP

EXHIBIT A

EXISTING FACILITY:



CURRENT PROGRAMS AND USE:

- Roller hockey (youth and adult leagues and instruction)
- In-line skating lessons
- Public skating (weekends)
- Youth Soccer Clinics (select weekends)
- Archery
- Racquetball (unclear on how much use they actually get)
- Rink Rental

SCHEDULE:

- Virtually all evenings and weekends-limited to no daytime school-day programming and some summer afternoon programming

FACILITY LIMITATIONS:

- Rink floor surface is not great for other court activities
- Locker rooms need upgrading
- Limited sport space flexibility

EXHIBIT A

CITY GOALS & OPPORTUNITIES:

- Significantly expand the use of the existing Sports Center
- Provide sport and recreational activities to a much broader range of Marina residents
- Meet City needs for additional sport facilities and programs
- Provide expanded access, use, and programs throughout the day/week
- Complement existing sport facilities available in the City, including School District and Collegiate facilities open to public use
- Provide synergies and complementary programs with the other facilities in the Master Plan for the site:
    - Aquatic Center
    - Park, sports fields, playground
- Attract users from outside Marina to utilize the facility
- Develop a business model which helps offset operating costs

SPORT & RECREATION OPPORTUNITIES:

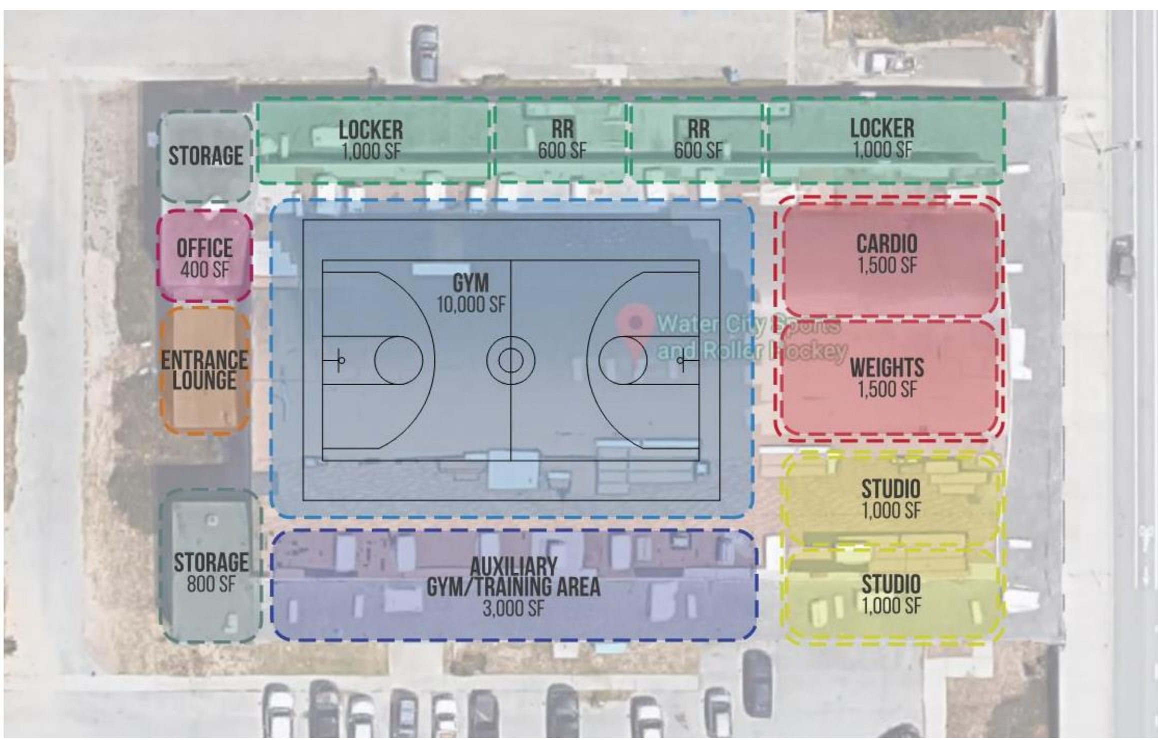
- Court Sports
    - Volleyball
    - Pickleball
    - Basketball
    - Cheer/dance teams
    - Special Olympic and Paralympic sports
        - Wheel chair basketball
    - Drop-in open court space
- Field Sports
    - Indoor soccer/futsol
    - Instructional programs
- Sport Training
    - Batting and pitching cages
    - Turf section for training
    - Cross training
    - Sport team training
- Outside user groups
    - Veterans groups and the Veterans Administration
    - Sport leagues and Clubs
        - Monterey Pickleball Club (MPBC)
        - Police Athletic League
        - IMUA Volleyball Club (currently uses Hartnell Community College gym)
- Special functions
    - Birthday parties

FITNESS AND COMMUNITY OPPORTUNITIES:

- Group Fitness
  - Aerobics
  - Yoga
  - Pilates
  - Spinning
  - Special needs programming
- Senior Programming
- Home School PE and fitness programming
- Integration with current City Recreation programs
  - Youth Center
  - Teen Center
  - Senior Center

SPORTS CENTER DESIGN OPTION:

- Enhanced Sports Center Goals
  - Utilize existing spaces with minimal new buildout and renovation
  - Optimize the flexibility of multi-purpose uses of existing spaces
  - Update support amenities
  - Repurpose existing spaces to more popular uses
  - Update infrastructure for enhanced efficiency
  - Incorporate Court Space, Workout Space, Fitness Spaces & Function Spaces



This program provides a more diverse community 'recreation center' concept that fits within the current building footprint and intends to provide services to more residents and provide programs that many Marina residents are currently going to the Monterrey Rec/Fitness Center, other facilities outside Marina, or to private facilities for.

Here are the key elements:

- Cardio/Strength workout spaces (Totaling 3,000 sq feet)
- Workout Rooms and studios (2,000 to 2,500 sf total in several different size spaces)
- Gym Space (approximately 10,000 sf)
  - Full basketball court: OR
  - 2 x volleyball courts: OR
  - 4 pickle ball courts : OR
  - Subdividable with nets
  - Sport flooring for multiple use
  - NOTE: May even have the ability to lay down turf as needed
- Auxiliary Gym/Training spaces (Total space = 3,000)
  - Spinning studio or
  - Racquetball courts
    - NOTE: Racquetball is losing popularity and participants. We see many facilities repurposing RB courts to spinning studios, exercise studios, martial arts studios or other flex space.
- Locker rooms (Total approximately 3,200 sf)
  - General Locker rooms
  - Gender Neutral spaces
  - Family/handicap changing rooms with full amenities
- Office: 400 sf (specific to Sports Center instructors and staff)
- Storage: 800 sf
- Connecting area between Sports Center and Aquatic Center (more detail later)
  - Administration Space
  - Concessions
  - Potential for meeting/multi-function or classroom space linking the two facilities
  - Covered eating area or pavilion (can complement picnic areas in Master Plan outdoor areas)

INTEGRATION & SYNERGIES WITH ADJACENT PROGRAMS:

- Aquatic Center
  - Enhance support facilities for Aquatic Center
  - Provide concession facilities in Sports Center to support Aquatic Center patrons
  - Provide link between the two buildings
    - Outdoor/covered or indoor

        - Concession or Picnic or social area between buildings
        - Lobby/entrance space between the two for shared entry point and access control
    - Provide one-stop recreational and sport "shopping"
        - Multiple and current facility use by different members of the family
        - Becomes more of a destination center
    - Management efficiency
        - Shared management and staffing
        - Shared maintenance and operational support
        - Enhanced revenue based on synergistic growth of programs

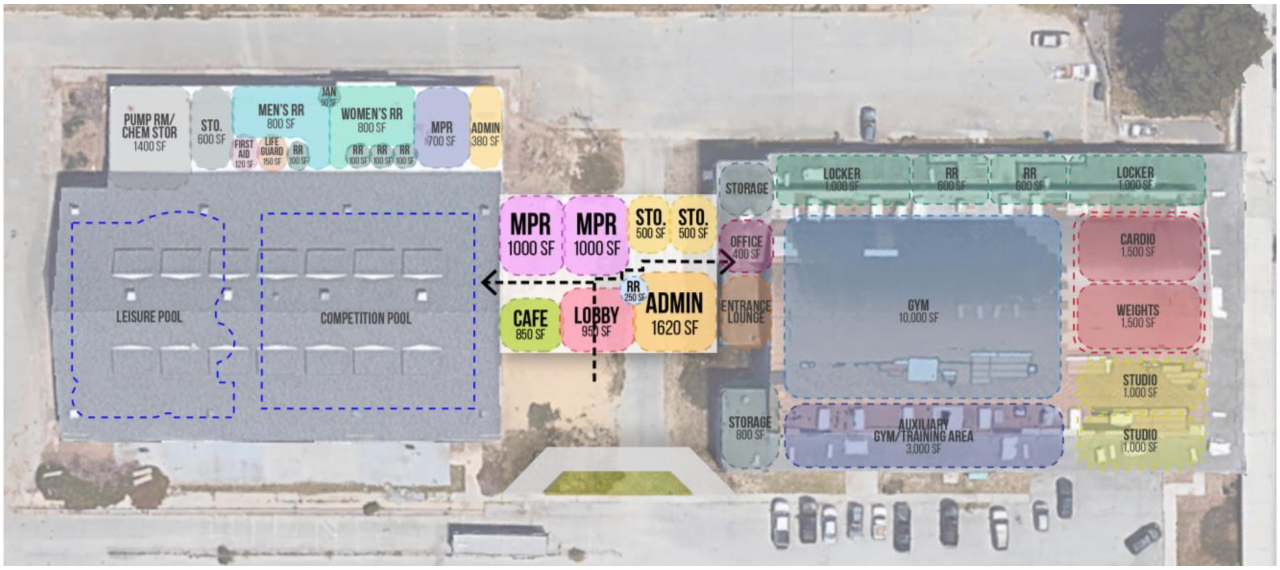
- Outdoor Spaces
    - Indoor facilities to support outdoor users and activities
        - Concessions supporting the picnic areas
        - Indoor meeting spaces to support outdoor activities
    - Link comparable indoor and outdoor facilities to expand programs
        - Basketball
        - Pickleball
        - Outdoor sand volleyball court(s) to complement indoor court space
        - Outdoor exercise trails and workout stations to complement indoor fitness spaces and programs
    - Provide training facilities in Sports Center that support the teams and groups using the outdoor facilities
    - Indoor, outdoor, and aquatic activities to support birthday parties, holiday events and other special events, rentals and social activities
    - Create optimum facilities for youth activities, sport camps, and events

KEY SITE ELEMENTS PROPOSED:

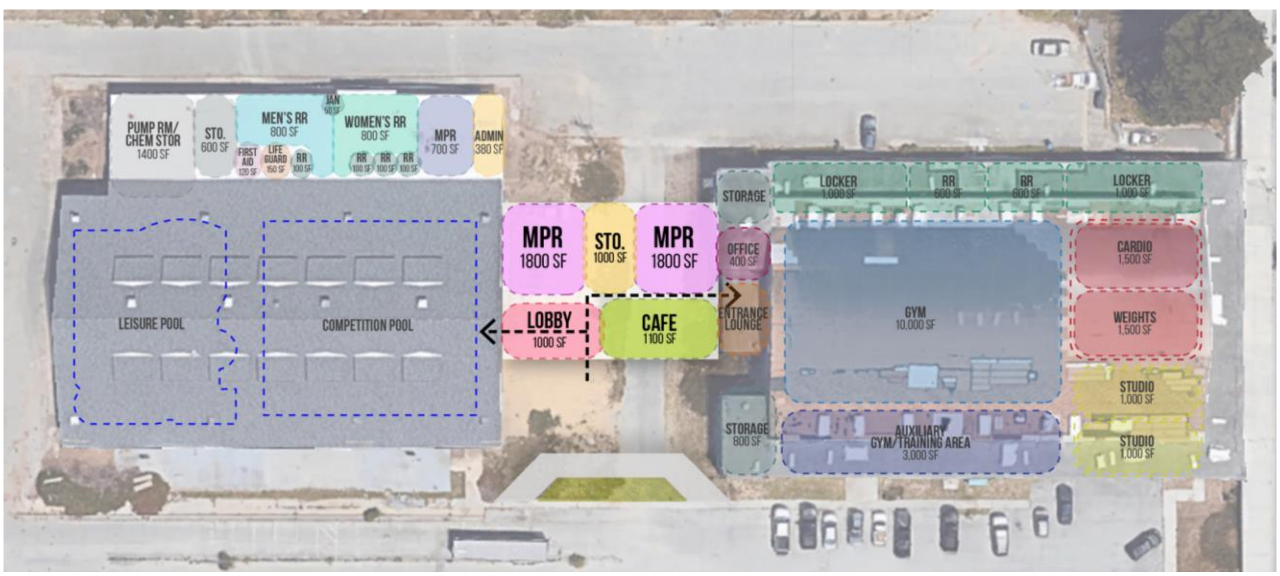
- Drop-off near entry
- Pedestrian access to public sidewalk
- Access to public transportation
- Bike parking
- Vehicle parking
    - 167 parking spaces required by zoning for the aquatic facility and sports complex.
- Entrance Plaza
    - An entrance plaza would connect the aquatic center and sports complex to pedestrians while still keeping them separate facilities. It could also serve as a special events space and can be used by both the complex users as well as the park public.
- Entrance 'Connector' Building

- A connector building would physically and programmatically connect the aquatic center with the sports complex and provide a single entrance for both facilities. It could bring together programs that would otherwise stay separate and could give the public easy access to both facilities.

CONNECTOR BUILDING – SINGLE STORY OPTION:



CONNECTOR BUILDING – TWO STORY OPTION:



2ND FLOOR:

MANAGEMENT OPTIONS:

- Facility Management
  - Initially assuming management by City Recreation and Cultural Services Department
  - Shared management responsibilities with Aquatic Center and outdoor facilities
  - Can explore outsourcing management as an option in conjunction with Aquatic Center
- Program Management
  - City Rec to develop sport leagues, instructional programs, teams, etc.
  - Option to outsource programs to existing clubs or partners
    - IMUA Volleyball Club
    - Monterey Pickleball Club
    - Police Athletic League (like Seaside partnership with PAL for youth basketball in Seaside
    - Boys and Girls Club

FINANCIALS:

- Revenue Sources
  - Membership
  - Daily drop-in use
  - Facility space rentals
  - Leagues
  - In house programs
  - Outsourced programs
- Cost Centers
  - Staffing
  - Utilities
  - Maintenance
  - Program Expenses
  - Equipment
  - Long Term capital reserve fund
- Financial detail to be developed in conjunction with City staff

EXHIBIT A

	A	B	C	D	E	F	G	H	I	J
1		**Marina Sports Center**								
2		**Financial Forecast Pre-Opening Year Through Year 5**								
3										
4										
5	**November 20, 2019**									
6	**Assumes Sports Center is a stand alone facility. Shared Staff, Services, and Program Support with Aquatic Center are not initially factored in.**									
7	***Year Zero is the period between closing of existing center through opening of renovated Sports Center.**									
8				**Potential for Shared Costs with Aquatic Center**				**Questions for City**		
9	**Operational Expenses**			**Potential to Reduce Costs**			**Issues to Review**			
10										Assumes 2.5% annual increase in utility and equipment costs
11		**Category**	**% of Tot(Y2)**	**Year Zero***	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Comments**
12	**Utilities**									
13		Courts and Gym Area								Total Square Footage = 13,000 sq ft @$1.75/sq ft May save some $$ based on any downtime of facility.
14		Electric	1.9%		14,300	14,658	15,024	15,400	15,785	
15		Water/Sewer	0.1%		750	769	788	808	828	
16		Gas (Heat/Cool)	1.0%		7,700	7,893	8,090	8,292	8,499	Average Temperature Targets: 65 degrees in cooler months and 75 degrees in summer
17										
18		Workout & Studio Areas								Space = 5,000 sq ft @ estimate of $2.00/sq ft. Cardio, Strength, Studios.
19		Electric	0.8%		6,100	6,253	6,409	6,569	6,733	
20		Water/Sewer	0.1%		500	513	525	538	552	
21		Gas (Heat/Cool)	0.5%		3,400	3,485	3,572	3,661	3,753	
22			0.0%			0	0	0	0	
23										
24		Common & Support Areas/Lobby								Space = 6,000 sq ft @ estimate of $2.50/sq ft. Locker rooms, lobby, offices, storage, restrooms
25		Electric	1.0%		7,200	7,380	7,565	7,754	7,947	
26		Water/Sewer	0.4%		3,000	3,075	3,152	3,231	3,311	
27		Gas (Heat/Cool)	0.6%		4,800	4,920	5,043	5,169	5,298	
28			0.0%			0	0	0	0	
29										
30		Connecting Area with Aquatic Center								Space: 6,370 sq ft @ estimate of $2.25/sq ft Entrance/lobby, meeting/function space, storage, admin.
31		Electric	1.2%		8,600	8,815	9,035	9,261	9,493	Paid by Tenant-separately metered
32		Water/Sewer	0.1%		1,000	1,025	1,051	1,077	1,104	
33		Gas (Heat/Cool)	0.6%		4,750	4,869	4,990	5,115	5,243	Paid by Tenant-separately metered

EXHIBIT A

	A	B	C	D	E	F	G	H	I	J
11		**Category**	**% of Tot(Y2)**	**Year Zero***	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Comments**
34			0.0%			0	0	0	0	
35										
36										
37		**UTILITIES SUBTOTAL**	**8.4%**	**0**	**62,100**	**63,653**	**65,244**	**66,875**	**68,547**	**Total Utilities average $2.000/square foot. NOTE: Current Sports Center utilities are averaging approximately $13,000/year as reported by current leasing organization. We anticipate significantly higher utilities based on much greater full day use and more amenities.**
38										
39	**Maintenance**									**Some of these services can be outside contracted services**
40		Building Repairs & Maintenance	0.8%		5,000	6,000	7,000	7,175	7,354	
41		Building Grounds & Maint	0.0%		0	0	0	0	0	Budgeted in overall Dunes Park groundskeeping
42		Custodial Service			0	0	0	0	0	Outsourced: See in Outside Services cost center.
43		Equipment Repairs	0.5%		3,000	3,500	4,000	4,100	4,203	
44		Court/Floor Maintenance & resurfacing	0.0%		0	0	0	3,000	5,500	Courts should be resurfaced or coated every 4-6 years depending on the type of court surface. Projected annual cost to stagger resurfacing beginninig in Year Three. A well maintained and
45		Equipment Maintenance	0.3%		1,000	2,500	3,000	3,075	3,152	Exercise machines and sport and event equipment
46										
47		**OPER. & MAINTENANCE SUBTOTAL**	**1.6%**	**0**	**9,000**	**12,000**	**14,000**	**17,350**	**20,209**	
48										
49	**Equipment & Supplies-Aquatic Center and Rec Space**									**Includes start up supplies and any equipment not included in Capital Costs or Start Up costs or FF&E (Furniture, Fixtures, & Equipment) and annual replensishment or replacement. Specific program equipment showing in Program Expenses.**
50		Additional Sports Equipment		7,000	1,000	2,500	3,500	3,588	3,677	FF & E not included in Start Up or Capital Costs. Includes replacement and new equipment annually as needed.
51		Office	0.2%	500	1,500	1,538	1,576	1,615	1,656	Some included in start up costs
52		First Aid/Safety	0.2%	500	1,500	1,538	1,576	1,615	1,656	
53		Custodial Supplies	0.4%		3,000	3,075	3,152	3,231	3,311	
54		Uniforms	0.2%	500	1,500	1,538	1,576	1,615	1,656	Important for staff look and identification. May be offset by equipment/apparel sponsorships.
55		Fitness Machines-Replacement	0.4%		0	3,000	6,000	7,500	8,000	Replenishment of sport and game equipment each year as needed.
56		Fitness Equipment Leasing	0.0%		0	0	0	0	0	Consider option of leasing training equipment, especially cardio equipment.
57		General Supplies and Equipment	0.1%		1,000	1,025	1,051	1,077	1,104	
58										

EXHIBIT A

	A	B	C	D	E	F	G	H	I	J
11		**Category**	**% of Tot(Y2)**	**Year Zero***	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Comments**
59		**EQUIPMENT & SUPPLIES SUBTOTAL**	**1.9%**	**8,500**	**9,500**	**14,213**	**18,430**	**20,241**	**21,060**	
60										
61	**Staff Costs**									Assumes escalation at 3% per year unless otherwise indicated.
62		Facility Director	10.8%	40,000	80,000	82,400	63,600	65,508	67,473	Target start at least 6 months prior to opening of Sports Center.
63		Facility Supervisors	7.0%	4,316	52,000	53,560	63,601	65,509	67,474	Could be one person, but budgeted as two part-time positions averaging total of 50 hours/week @ $20/hour. Start 1 month prior to opening for training.
64		Facility Operations/Maintenance Manager	8.2%	10,020	60,000	62,400	64,896	67,492	70,192	Hired 2 months prior to opening.
65		Program & Fitness Manager	6.8%	12,500	50,000	52,000	54,080	56,243	58,493	Start 3 months prior to opening. May include some instruction or training responsibilities.
66		Marketing/Membership/sales, Community Relations Manager	7.5%	18,150	55,000	57,200	59,488	61,868	64,342	Part of Facility Director position initially, can develop this position jointly with Aquatic Center. Start 4 months prior to opening. May also initially combine with Program Manager.
67			0.0%							
68		Management Performance Incentive Pool	0.0%							None included in operating model.
69		Facility Monitors		2,500	72,576	90,720	94,349	98,123	102,048	All part-time hourly staff. Handle court and workout facility set-up and monitoring and miscellaneous tasks during operation, including some minor custodial responsibilities. Average 1.0 monitors/day for average of 14 hours/day @ $18/hour for 360 days/year by Year Two.
70		Custodial Staff	0.0%		0	0	0	0	0	Outsourced. See in outside services.
71		Fitness Instructors	0.0%		0	0	0	0	0	In program expenses
72		Front Desk/Access Control Staff	9.3%	1,000	69,120	71,194	73,329	75,529	77,795	360 days X 12 hours of operation X 1 on duty X $16.00 per hour average. Can swing shift with monitors. Important customer service position. May be reduced with main entrance shared with Aquatic Center.
73		Clerical/Office	1.6%	500	12,000	12,360	12,731	13,113	13,506	Part-time at $16/hour: 15 hours/week for 50 weeks/year. Front Desk Staff Can Assist. Can clerical be covered by Rec department or City staff?
74			0.0%							
75		Health Care & Benefits	11.7%	28,235	85,750	88,900	84,722	87,889	91,175	Calculated at 35% of full time salaries. Depending on management structure and any public employee requirements.

EXHIBIT A

	A	B	C	D	E	F	G	H	I	J
11		**Category**	**% of Tot(Y2)**	**Year Zero***	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Comments**
76		Payroll Taxes	4.7%	6,674	33,802	36,138	36,456	37,754	39,099	Calculated at 7.5% of pay for all employees
77			0.0%							
78		Travel	47.9%	1,800	4,000	4,160	4,326	4,499	4,679	Development, sport, management, and event related travel.
79		Staff Professional Development	35.9%	1,500	3,000	3,120	3,245	3,375	3,510	
80		Professional Dues	11.5%	600	1,000	1,000	1,000	1,000	1,000	Certifications and professional organizations
81			0.0%							
82		Event Staff Costs	0.0%							All extraordinary Event Staff Costs are paid separately by Renter or included in event expenses if hosted by local organization.
83										
84										
85		**STAFF SUBTOTAL**	**80.8%**	**127,794**	**578,248**	**615,151**	**615,823**	**637,901**	**660,786**	
86										
87										
88	**Outside Services**									**NOTE: Outside services linked to funding, fundraising, design, etc included in capital costs, not operating budget.**
89										
90		Outsourced Services	1.3%	0	10,000	10,250	10,506	10,769	11,038	HVAC maintenance and other services as needed.
91		Custodial Services	4.0%	1,000	30,000	30,750	31,519	32,307	33,114	Some light custodial duties and cleaning handled by facility monitors. Based on City staff projections and existing contracts.
92		PR/Media	0.0%							City Services
93		Marketing	0.0%							Staff position with additional sharing of existing city communications tools.
94		Referees and Event Staff								In Program Expenses
95		Other	0.0%							Catchall place holder at this point
96		Operations/Mngmt Consultant	0.0%							Management/Operations consultant to help open, train and facilitate operations in year zero and one- Can also assist in marketing programs and develop sponsorships and advertising. Nothing factored in at this point.
97		Trash Collection	0.3%		2,000	2,050	2,101	2,154	2,208	Is this budgeted in overall park? May be covered in franchise agreement
98										
99		**OUTSIDE SERVICES SUBTOTAL**	**5.7%**	**1,000**	**42,000**	**43,050**	**44,126**	**45,229**	**46,360**	
100										
101	**General Office Costs**									
102		Phone, Media, Internet Service	0.4%		3,000	3,075	3,152	3,231	3,311	
103		IT and Computer Support	0.4%		3,000	3,090	3,183	3,278	3,377	May be part of existing City services/support.
104		Postage	0.1%		500	515	530	546	563	

EXHIBIT A

	A	B	C	D	E	F	G	H	I	J
11		Category	% of Tot(Y2)	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
105		Fees-Registration/CC/On-Line	0.0%	0	0	0	0	0	0	Calculated at 3% of membership revenue
106		Marketing, advertising, and Promo Materials	0.3%	2,500	2,500	2,000	1,000	1,000	1,000	Will want to include some marketing money for promotion of the new facility. Amount will drop as facility gains in popularity and community learns about what the facility is offering-Larger expense in year one for grand opening. This is in addition to regular City marketing and rec materials and website.
107		Legal Fees	0.0%							In overall City Budget
108			0.0%							
109										
110		**General Office Subtotal**	**1.1%**	**2,500**	**9,000**	**8,680**	**7,865**	**8,055**	**8,251**	
111										
112	**Miscellaneous**		**0.7%**		**5,000**	**5,000**	**5,000**	**5,000**	**5,000**	**Always good to include a little miscellaneous buffer.**
113										
114	**TOTAL-OPERATING EXPENSES**		**100.0%**	**139,794**	**714,848**	**761,746**	**770,489**	**800,652**	**830,212**	
115										
116	**OPERATING GROSS BUDGET**									
117										
118		Annual Operating Expenses			$ 714,848	$ 761,746	$ 770,489	$ 800,652	$ 830,212	
119										
120		Insurance		1,000	22,500	23,175	23,870	24,586	25,324	Link to existing City policies.
121										
122		Property Taxes								Not applicable
123										
124		Debt Service on Operating Line of Credit								Not anticipated
125										
126	**TOTAL ANNUAL OPERATING COSTS**				**$ 737,348**	**$ 784,921**	**$ 794,359**	**$ 825,238**	**$ 855,536**	
127										
128		**Debt Service on Project Cost**								
129										
130										
131										
132										
133	**TOTAL NET OPERATING COSTS INCLUDING DEBT SERVICE**									
134										
135										
136										
137										

EXHIBIT A

	A	B	C	D	E	F	G	H	I	J
11		**Category**	**% of Tot(Y2)**	**Year Zero***	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Comments**
138		Long Term Replacement/Maintence Fund and Capital Reserve Accrual			10,000	25,000	40,000	50,000	65,000	For long term capital equipment replacement and maintenance. Reserve target/budget is $500,000 by Year 10 and $1.2M by Year 20.

EXHIBIT A

Marina Sports Center
Financial Forecast Pre-Opening Year Through Year 5

November 20, 2019

Assumes Sports Center is a stand alone facility. Shared Staff, Services, and Program Support with Aquatic Center are not initially factored in.

***Year Zero is the period between closing of existing center through opening of renovated Sports Center.**

Program Expenses

Program relatated expenses not included in annual operating pool staff and expenses

Potential for Shared Costs with Aquatic Center	Questions for City
Potential to Reduce Costs	Issues to Review

Row	Category	% of Tot(Y2)	Year Zero	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
13	**Community Educational Programming**								
14	Program Director	0.0%		0	0	0	0	0	In overall Facility Director Responsibilities.
15	Instructors	6.8%		3,780	4,347	4,695	4,929	5,176	Hourly-Instructor fees increase at rate equal to increase in program gross revenue-Instructor wages average 35% of gross
16	Payroll Expenses/benefits/taxes	1.7%		945	1,087	1,174	1,232	1,294	Assume part-time instructors
17	Travel, Staff Development	0.0%							Staff development and Training
18	Marketing and Promo Materials	0.0%							
19	Other Program Expenses	0.8%		500	500	500	500	500	
20	Postage	0.0%							
21	Fees-Registration/CC/On-Line	0.5%		297	342	369	387	407	Calculated at 2.75% of registration fees
22									
23	**COMMUNITY EDUCATIONAL SUBTOTA**	**9.8%**	**0**	**5,522**	**6,275**	**6,737**	**7,049**	**7,377**	
24									
25	**Training, Fitness and Therapy Programs**								**All Currently Included as outside programs renting space.**
26	Fitness Program Director	0.0%		0	0	0	0	0	In overall Facility Director Responsibilities.
27	Instructors	48.4%		23,700	31,125	33,615	35,370	37,241	Hourly Wages calculated as 30% of class fee revenue
28	Payroll Expenses/benefits/taxes	4.8%	0	2,370	3,113	3,362	3,537	3,724	Assume part-time instructors
29	Travel, Staff Development	0.0%							Staff development and Training
30	Marketing and Promo Materials	0.0%							Included in overall facility marketing
31	Other Program Expenses	1.6%		1,000	1,000	1,000	1,000	1,000	
32	Postage	0.0%							
33	Fees-Registration/CC/On-Line	4.4%		2,173	2,853	3,081	3,242	3,414	Calculated at 2.75% of registration fees

EXHIBIT A

	A	B	C	D	E	F	G	H	I	J
12		**Category**	**% of Tot(Y2)**	**Year Zero**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Comments**
34										
35		**TRAINING,FITNESS AND THERAPY SUE**	**59.2%**	**0**	**29,243**	**38,091**	**41,058**	**43,150**	**45,379**	
36										
37	**In-House Leagues**									**Caluclated as net revenue in Program Revenue. Specific expenses can be calculated later when type of league and sport are specified later in the development process.**
38		League Manager	0.0%							
39		Referees	0.0%							
40		Scoreboard & Table Staff	0.0%							
41		Payroll Expenses/benefits/taxes	0.0%							
42		Travel, Staff Development	0.0%							
43		Marketing and Promo Materials	0.0%							
44		Other Program Expenses	0.0%							
45		Postage	0.0%							
46		Fees-Registration/CC/On-Line	0.0%							
47										
48										
49		**LEAGUE SUBTOTAL**	**0.0%**	**0**	**0**	**0**	**0**	**0**	**0**	
50										
51	**Camp and Clinic Programs**									**In-House Programs**
52		Camp Director	0.0%		0	0	0	0	0	In overall Facility Director and Assistant Manager Responsibilities
53		All Camp Staff	18.2%		10,200	11,730	12,668	13,302	13,967	Staff calculated at 40% of total gross clinic fees
54										
55		Payroll Expenses/benefits/taxes	0.4%	0	204	235	253	266	279	Camp coaches are usually subcontractor. Payroll taxes are only calculated on 20% of wages.
56		Marketing and Promo Materials	0.8%		500	500	500	500	500	
57		Postage	0.0%							
58		Fees-Registration/CC/On-Line	1.3%		701	806	871	915	960	Calculated at 2.75% of registration fees
59		Other Camp Expenses	2.7%		1,500	1,725	1,863	1,956	2,054	
60										
61										
62		**CAMP & CLINIC SUBTOTAL**	**23.3%**	**0**	**13,105**	**14,996**	**16,156**	**16,939**	**17,760**	
63										

EXHIBIT A

	A	B	C	D	E	F	G	H	I	J
12		**Category**	**% of Tot(Y2)**	**Year Zero**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Comments**
64	**Tournaments: In-House**									
65		Tournament Manager								Currently calculated as net revenue in Program Revenue. Once nature of in-house
66		Referees	0.0%							
67		Tournament Staff	0.0%							
68		Coach Travel and Entertainment	0.0%							
69		Other Tournament Expenses	0.0%							
70		Fees-Registration/CC/On-Line	0.0%							Calculated at 2.75% of registration fees
71		Marketing and Promo Materials	0.0%							
72		Payroll Expenses/benefits/taxes	0.0%	0						Referees are subcontractors. Tournament/Table/scoreboard staff pulled from Facilitators and are Courts staff.
73										
74		**TOURNAMENT SUBTOTAL**	**0.0%**	**0**	**0**	**0**	**0**	**0**	**0**	
75										
76										
77	**Miscellaneous Expenses**			5,000	5,000	5,000	5,000	5,000	5,000	
78										
79		**MISCELLANEOUS EXPENSES SUBTOTAL**		**5,000**	**5,000**	**5,000**	**5,000**	**5,000**	**5,000**	
80										
81	**TOTAL-EXPENSES**		**100.0%**	**5,000**	**52,870**	**64,362**	**68,951**	**72,137**	**75,516**	

EXHIBIT A

Marina Sports Center
Financial Forecast Pre-Opening Year Through Year 5

November 20, 2019
Assumes Sports Center is a stand alone facility. Shared Staff, Services, and Program Support with Aquatic Center are not initially factored in.
***Year Zero is the period between closing of existing center through opening of renovated Sports Center.**

Facility Revenue

Potential for Additional Revenue | Issues to Review
Potential for Additional Revenue based on Shared Programs with Aquatic Center.

Category	% of Tot(Y2)	Year Zero	Year 1	Year 2	Year 3	Year 4	Year 5	Comments
Educational, Camp and Clinic Programs								
Kids summer or holiday camps/all sport activities	0%		0	0	0	0	0	Any outside groups renting space for programs. In house camps/clinics are in program revenue. Can have upside revenue when linked to aquatic programs as part of camp.
Sport Specific Camps & Clinics	1%		8,100	8,100	8,100	8,100	8,100	Camps and Clinics run by outside groups renting court time. Calculate 6 outside clinics per year for 2.5 days using 2 courts for 15 total clinic hours @$45/court-hour. Year One Projections. Future years may actually decrease as The Courts actually increase their in-house run camps and clinics. Total annual court hours = 180. Access to pools can also increase sport camp revenue.
After School Program: 3:00pm to 5:00pm	3%		19,950	22,943	24,778	26,017	27,318	Program targeting school age kids after school (anticipate program run in conjunction with outside organization). 1/2 of gym for 1.5 hours x 5 days a week for 38 weeks a year.
Other Outside programs								
Evening Skills Clinic or Programs: 5:00pm to 6:00 pm (pre-evening teams or leagues)	3%		23,040	25,920	28,800	30,240	31,752	Program can be flexible in focus and can provide different focus throughout the year. Can focus on all ages. 3 courts x 1 hour/day x 5 days per week for 48 weeks per year. Revenue Projected for Year Three is $28,009; which is 25% less than the peak time court rent for Year 3. Year One is calculated at 80% of Year Three and Year Two is calculated at 90% of Year Three. A significant revenue upside potential existes. One court remains
	0%			0	0	0	0	

EXHIBIT A

	A	B	C	D	E	F	G	H	I	J
12		**Category**	**% of Tot(Y2)**	**Year Zero**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Comments**
22		**CAMP, REC, THERAPY SUBTOTALS**	**7%**	**0**	**51,090**	**56,963**	**61,678**	**64,357**	**67,170**	
23										
24	**Court Rental: Club and Training Use**									Projected Court rates: Peak Hours: Full Gym=$125/hour; half gym = $70/hour; auxiliary Gym = $60/hour. As City further develops project these projections will become more detailed by individual user group with commitments.
25		Main gym/courts	0%				0	0	0	NOTE: Hartnell college charges between $100 to $140/hour for heir gym. Average school gym rental in area is $125/hour.
26		IMUA VolleyBall			78,750	78,750	78,750	82,688	82,688	Based on direct request for time from group. Rate = $125/hour for 15 hours/week @ 42 weeks/year. Would start in Year One. Club has said they would rent as much space as City can get them. Can also increase if there are a couple outdoor beach VB courts on the site.
27		Monterey Pickleball Club								Currently uses outdoor public park facilities in Monterey and Pacific Grove. Good potential for them to use indoor and outdoor courts at the Sports Center and overall site. Nothing factored in at this point. Included as part of overall outside rentals.
28		Outside Leagues and Club Use								Potential use of facilty by outside league or league in conjunction with City, such as the Police Athletic League Youth Basketball program in Seaside. Currently in overall gym and court rentals.
29		Overall Gym and Court rentals			81,250	100,000	112,500	115,875	119,351	Based on the rent and assumption that half of the after school open time is available for outside rental the projected rental capacity is $125,000 at full utilization. Calculations: 3 hours/weekday for 50 weeks/year and 5 hours/weekend for 50 weeks/year @average of $100/hour = $125,000. Calculating at 65% capacity in Year One to 90% capacity in Year Three
30										
31		Pickleball Court Time Rental	0%		0	0	0	0	0	Factored in to overall Gym and Court rentals.
34		Personal Training-BBall and Vball	0%							Esitmate rental of 8 court hours/week @ $50/hour (mostly off peak with some peak as available) for 45 weeks/year.
35		Open Gym/court drop in								Included in membership and daily use revenue.
36		Auxiliary Gym			40,625	50,000	56,250	57,938	59,676	Average rental of 3 hours per weekday and 5 hours per weekend day @average of $50/hour for 50 weeks/year.
38										
39		Potential Outside User Groups & Programs								Revenue currently just part of overall Gym, Court, & Auxiliary Gym rental line item. Details by user group to be developed as project moves further into development.

EXHIBIT A

	A / B	C	D	E	F	G	H	I	J
12	**Category**	**% of Tot(Y2)**	**Year Zero**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Comments**
40	Special Needs Programs	0%							Many active programs in Area in the areas. May develop programs for these groups in-house, but initially would plan on current organizations renting available space. Can include instruction, practice and competitions.
41	Special Olympic Programs	0%							
42	Paralympics								
43	Veterans Programs	0%							
44	Wheel Chair Basketball	0%							
45	Wheel Chair & Sit Down Volleyball	0%							
46	Other	0%							
47									
48	Miscellaneous	0%		0	0	0	0	0	
49									
50	**CLUB AND TRAINING RENTAL SUBTOTAL**	**28%**	**0**	**200,625**	**228,750**	**247,500**	**256,500**	**261,714**	
51									
52	**League Rental**								**Outside Leagues**
53									
54	Potential League Partnerships			52,800	66,000	67,980	70,019	72,120	Such as PAL Youth Basket such as in Seaside. Youth leagues may be outside groups or a partnership with City Parks and Recreation. Currently budgeting 15 hours/week @ average of $100/hour for 15 hours/week (much of this on weekends) for 44 weeks/year by Year Two. Can be basketball, volleyball, adult programs, special needs programs, etc.
55	Other?	0%							
56									
57	**LEAGUE RENTAL & REVENUE SUBTOTAL**	**8%**	**0**	**52,800**	**66,000**	**67,980**	**70,019**	**72,120**	
58									
59	**TOURNAMENTS & EVENTS**								**Outside organizations renting facility for events, tournaments, clinics, showcases, etc. With limited # of courts and importance of member use and access, we do not anticipate a large number of tournaments. We would anticipate 12 tournament days/year utilizing gym space for 8 hours/day @ $100/hour by Year Two. This is factored out of the overall capacity rentals. Tournaments are fun by outside groups. In-house program tournaments are part of the Program Revenue Center.**
60	Outside Organization run Basketball Tournaments	1%		7,200	9,600	10,080	10,584	11,113	
61	Tournament Fees	0%		2,400	2,400	2,520	49,920	51,917	Average tournament staging and support per day = $200 billed to host organization. Direct expenses are billed directly to host organizations.

EXHIBIT A

	A	B	C	D	E	F	G	H	I	J
12		**Category**	**% of Tot(Y2)**	**Year Zero**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Comments**
62		Facility direct event revenue	0%							Includes revenue from events hosted by facility where facility controls event tickets, programs, event advertising, event licensed merchandise, etc. In rentals for events hosted by outside groups these rights are retained by the host organization. Nothing factored in to budget.
63		Birthday Parties and other parties	1%		11,250	11,813	12,403	13,023	13,674	Average Fee of $150 for party-anticipate 75/year initially.-covers wide range of party functions. May increase if 2nd retail space is repurposed for meeting or function space. Estimated 300 court-hours per year.
64										
65		Classroom and function space rentals	1%		5,000	5,000	5,000	5,000	5,000	Rental of function space for community meetings, group meetings, event support, classes, etc. Average of $50/hour for
66										
67		Gym/Court Space rental for meetings, trade shows, non-sport functions.	0%							Nothing factored into initial financials, but potential exists for use of courtt space for wide range of events when available.
68										
69		Event Sales commissions (non-food)	0%		2,500	3,000	3,000	3,000	3,000	3,000
70		Event Food Concessions	1%		3,600	4,800	5,040	5,292	5,557	Food Concessions based on event specific days calculating 20% profit margin on average revenue of $2,000/event day for 12 days/year.
71		Hotel Room Rebates-Events, camps, etc.	0%		0	0	0	0	0	Potential for hotel room night rebates through preferred hotels for tournaments. Usually averages approximately $8/room/night. May be controlled by event host. Nothing factored in to financial projections at this point.
72										
73		**EVENTS REVENUE SUBTOTAL**	**4%**	**0**	**31,950**	**36,613**	**38,043**	**86,819**	**90,261**	**Event revenue for the upgrade option is calculated at a 25% increase over the base option**
82										
83	**Sales**									**All of these numbers represent net profits from these operations**
84		Retail	0%							No Revenue: Sales through 2nd Time Sports (retail lease)

EXHIBIT A

	A	B	C	D	E	F	G	H	I	J
12		**Category**	**% of Tot(Y2)**	**Year Zero**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Comments**
85		Daily Food Service-Outside Vendors	2%		13,800	14,214	14,640	15,080	15,532	Food operations may be handled in hourse or by outside vendor. This includes regularly scheduled use and can support outside site users and Aquatic Center in future. Agreesive projections can be an average net profit of 20% on concessions and average gross sales of $1,000/weekday and $2,500/weekend for 46 weeks/year. For purposes of these calculations we only have factored in 20% of this total. This does not include event specific concessions. Current projections do not include concessions opening during the week for regular use. This represents an upside and would have potential for daily concessions when combined with pool and summer use of full site and facilities.
86		Vending	0%		3,000	3,090	3,183	3,278	3,377	Vending machines at facility-healthy snacks, water, drinks, etc. Net Revenue.
87										
88		**SALES SUBTOTAL**	**2%**	**0**	**16,800**	**17,304**	**17,823**	**18,358**	**18,909**	
89										
90	**Public Memberships/Daily Usage**									**See the Membership and Use Worksheet for Year Two Projections. Year One is 80% of Year Two. Years Three on increase at 5% per year. Based on analysis performed for Aquatic Center and area facilities we used roughly the same membership and daily use fees as for the stand alone Aquatic Center. Separately, the Sports Center and Aquatic Center rates are approximately about 50% to 60% of the comparable rates for the Monterey Sports Center. The combination of the Aquatic Center and the Sports Center can be very effective in increasing overall membership and revenue projections. The Sports Center will have more adult membersships and fewer family memberships than the aquatic center, but these tend to balance. Reduced the membership calculations based on current competition in the market.**
91		Sports Center Regular Memberships	39%		254,687	318,358	334,276	350,990	368,540	Also potential for some Year Zero pre-opening membership promotions to generate some cash flow prior to opening.
92		Sports Center Military Memberships	7%		47,203	59,003	61,953	65,051	68,304	
93		Bundled membership programs with Aquatic Center in future.								
94		Daily Drop in Use	1%		8,636	11,515	12,091	12,695	13,330	
95		Corporate Programs or Memberships								Nothing established at this point
96		Team Memberships-for Drop-in Use								Nothing established at this point
97										
98		**MEMBERSHIP/DAILY USAGE SUBTOTAL**	**48%**	**0**	**310,526**	**388,877**	**408,320**	**428,736**	**450,173**	
99										
100	**Facility Sponsorships and Contributions**									**Facility Specific fundraising, sponsorship and advertising**
101										**Includes cost relieving in-kind donations (VIK)**

EXHIBIT A

A	B	C	D	E	F	G	H	I	J
12	**Category**	**% of Tot(Y2)**	**Year Zero**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Comments**
102	Sponsorships & Advertising								In support of Facility in general
103	Facility Sponsorship	2%		10,000	15,000	20,000	20,000	20,000	Can include scoreboards, court ads, lobby and more.
104	Facility Advertising	1%		3,300	4,950	6,600	6,600	6,600	Title sponsor of a Court: 4 @ $1,500. Signage on Court or Scoreboard and potential for spots in TV monitors or streetside message kiosk.
105	League & Program Sponsor								Showing in Program Revenue
106	Grant Support	0%							Potential program for membership scholarships-Nothing factored in but potential exists. Explore a separate not-for-profit affiliated with The Courts to fund scholarships for programs and memberships for members of community who cannot affort to participate. May coordinate with Team and Tournament partners who use the facility.
107	Fundraising & Contributions	0%							No private annual fundraising or contributions factored into budget.
108									
109									
110	**SPONSORSHIP/CONTRIBUTIONS SUBTOT**	**2%**	**0**	**13,300**	**19,950**	**26,600**	**26,600**	**26,600**	
111									
112	**Public Use**								
113	School District Use Fees	0%				0	0	0	Current local school gyms are totally booked with waiting lists. May have some use by the local schools but City Parks and Rec willa lso continue to use School District facilities. Current use is based on reciprocal use agreement with Marina Schools. Not anticipating any revenue from Schools at this point. Will be addressed in ongoing Joint Use Agreement developed covering new school facilities plus the Marina Sports Center and Aquatic Center.
114									
115	**PUBLIC USE SUBTOTAL**	**0%**	**0**	**0**	**0**	**0**	**0**	**0**	**No partnership or rental use included in this business model**
116									
117	**Miscellaneous Income**								
118	Other	0%							
119									
120	**MISCELLANEOUS INCOME**	**0%**	**0**	**0**	**0**	**0**	**0**	**0**	
121									
122									
123	**GRAND TOTAL-INCOME**	**100%**	**0**	**677,091**	**814,456**	**867,945**	**951,390**	**986,947**	

EXHIBIT A

	A	B	C	D	E	F	G	H	I	J
1	**Marina Sports Center**									
2	**Financial Forecast Pre-Opening Year Through Year 5**									
3										
4										
5	**November 20, 2019**									
6	**Assumes Sports Center is a stand alone facility. Shared Staff, Services, and Program Support with Aquatic Center are not initially factored in.**									
7	***Year Zero is the period between closing of existing center through opening of renovated Sports Center.**									
8										
9	**Program Revenue**		**Potential for Additional Revenue**				**Issues to Review**			
10			**Potential for Additional Revenue based on Shared Programs with Aquatic Center.**							
11										
12		**Category**	**% of Tot(Y2)**	**Year Zero**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Comments**
13										
14	**Community Education Programming**									
15		Home School Program	6%		10,800	12,420	13,414	14,084	14,788	Home Schooling is popular in the region and requires some PE programming. Gym space during the school day in the North Metro area can accoomdate some home school programming, as an in-house program or outsourced rental. Considering it in-house programming for now, but very minimal revenue initially, but making use of low demand court-time during the school day. Use of volunteers and parents. This represents the net revenue. Plan for half gym use an average of 6 hours/week for 36 weeks @$50/hour.
16			0%		0					
17		Miscellaneous	0%		0					
18			0%		0					
19										
20		**COMMUNITY PROGRAMMING SUBTOTA**	**6%**	**0**	**10,800**	**12,420**	**13,414**	**14,084**	**14,788**	
21										
22	**Training, Fitness and Instructional Programs**									**In-House Programs not included in initital programs but likely to evolve based on facility capabilities and success of outside programs.**
23		Special Needs Programs	0%				0	0	0	Many active programs in Area in the areas. May develop programs for these groups in-house, but initially would plan on current organizations renting available space. Revenue currently showing in Facility Revenue. Anticipate these programs run by outside clubs and organizaitons.
24		Special Olympic Programs	0%							
25		Veterans Programs	0%							

	A	B	C	D	E	F	G	H	I	J
12		**Category**	**% of Tot(Y2)**	**Year Zero**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Comments**
26		Dry-Land Training and Fitness classes	22%		30,000	45,000	48,600	51,030	53,582	Some basic fitness classes included in membership. Cost for premium classes.
27										Cost schedules can be by individual class or multi-class session
28		Personal Training & Personal Coaching	14%		24,000	30,000	32,400	34,020	36,061	Personal training is a strong growing market. Rates vary from $60 to $90/hour. Project 400 hours/year of personal training averaging @$75/hour by Year Two (average of 8 hours/week for 50 weeks).
29		Senior Programs	3%		5,000	5,750	6,210	6,521	6,847	Significant opportunities with senior living centers in area. Can develop program during low use daytime hours. Should engage early in the program development process. Only minimal revenue factored in at this point.
30		Sport Instructional Programs			20,000	23,000	24,840	26,330	27,647	Entry level and development programs run by City for youth and adults. Can include basketball, volleyball, pickleball, and other activities and sports (may include use of outdoor site facilities at some point.
31										
32										
33		**TRAINING, FITNESS & INSTRUCTION SUB**	**50%**	**0**	**79,000**	**103,750**	**112,050**	**117,901**	**124,136**	
34										
35	**In-House Leagues**									**In-House: Not included in business model at this point. Initial breakdown of in-hours versus outside groups is roughly 50/50 of gym/court time. Since the type of league and sport is not yet identified, the revenue projections are factored in average net revenue per gym hour, which is cost of gym/court time minus average of league, staff, and officials costs. Average net positive revenue for leagues should average $75/hour. In-house leagues also are great marketing tools to drive memberships, so the benefits of in-house leagues go beyond just league revenue.**
36		Adult and/or Youth Leagues	22%		36,480	45,600	52,440	56,635	59,467	Calculations: 8 weekend league hours for 36 weeks/year plus 8 hours/week for 40 weeks per year @ average net revenue per hour of $75 by Year Two.
37										
38		**LEAGUE SUBTOTAL**	**22%**	**0**	**36,480**	**45,600**	**52,440**	**56,635**	**59,467**	

EXHIBIT A

	A	B	C	D	E	F	G	H	I	J
12		**Category**	**% of Tot(Y2)**	**Year Zero**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Comments**
39										
40	**Camp and Clinic Programs**									
41										
42		Kids summer day camps/all sport activities	7%		12,000	13,800	14,904	15,649	16,432	Multiple sport/activity youth day camp. 40 participants @$75/week for 4 days for six weeks in summer.
43		Summer Basketball Camps	4%		6,750	7,763	8,384	8,803	9,243	Projection for Year 1. 3 camps per Year: Average 30 participants @$75/camper for 3 days and 4 hours/day. Increase to 40 participants in Year 2. Anticipating outside groups will also rent time for summer and holiday camp. Included in facility rental revenue.
44		Summer Volleyball Camps	4%		6,750	7,763	8,384	8,803	9,243	Projection for Year 1. 3 camps per Year: Average 30 participants @$75/camper for 3 days and 4 hours/day. Increase to 40 participants in Year 2. Anticipating outside groups will also rent time for summer and holiday camp. Included in facility rental revenue.
45										
46		**CAMP/CLINIC PROGRAMS SUBTOTAL**	**14%**	**0**	**25,500**	**29,325**	**31,671**	**33,255**	**34,917**	
47										
48	**Tournaments**									
49										
50		In House City tournaments								Most tournaments are run by outside user groups. In-house tournaments are casual entry level/rec level tournaments and
51		Tournament Fees and revenue	6%		10,000	11,500	12,420	13,041	13,693	
52		Food Concessions	0%							Showing in food concession facility revenue center.
53										
54										
55		**TOURNAMENT SUBTOTAL**	**6%**	**0**	**10,000**	**11,500**	**12,420**	**13,041**	**13,693**	
56										
57										**Includes cost relieving in-kind donations (VIK)**
58	**Program Specific Sponsorships and Contributions**									**Sponsorships in support of specific programs run by the Courts**
59		Sponsorships	2%		5,000	5,000	5,000	5,000	5,000	In support of Specific Programs: Tournaments, Leagues, Clinics, Pickle Ball, etc.
60		Advertising	0%							In support of Specific Programs-Nothing factored in initially.
61		Annual Fundraising	0%							No annual fundraising factored into projections.
62		Partnerships	0%							Opportunity for corporate health programs/program funding and other partnerships
63		Grant Support	0%							Scholarship Programs and other grant support for programs or individuals not able to afford programs or equipment.
64										
65		**SPONSORSHIP/ADVERTISING SUBTOTAL**	**2%**	**0**	**5,000**	**5,000**	**5,000**	**5,000**	**5,000**	

EXHIBIT A

	A	B	C	D	E	F	G	H	I	J
12		**Category**	**% of Tot(Y2)**	**Year Zero**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Comments**
66										
67	**Miscellaneous Income**									
68		Other	0%							
69										
70		**MISCELLANEOUS INCOME**	**0%**	**0**	**0**	**0**	**0**	**0**	**0**	
71										
72										
73	**GRAND TOTAL-INCOME**		**100%**	**0**	**166,780**	**207,595**	**226,995**	**239,916**	**252,002**	

EXHIBIT A

Marina Sports Center
Profit & Loss Summary

November 20, 2019

Assumes Sports Center is a stand alone facility. Shared Staff, Services, and Program Support with Aquatic Center are not initially factored in.

***Year Zero is the period between closing of existing center through opening of renovated Sports Center**

EXPENSES	*Year Zero	Year One	Year Two	Year Three	Year Four	Year Five
OPERATIONAL EXPENSES	**$ 139,794**	**$ 714,848**	**$ 761,746**	**$ 770,489**	**$ 800,652**	**$ 830,212**
Utilities	$ -	$ 62,100	$ 63,653	$ 65,244	$ 66,875	$ 68,547
Maintenance	$ -	$ 9,000	$ 12,000	$ 14,000	$ 17,350	$ 20,209
Equipment and Supplies	$ 8,500	$ 9,500	$ 14,213	$ 18,430	$ 20,241	$ 21,060
Staff Costs	$ 127,794	$ 578,248	$ 615,151	$ 615,823	$ 637,901	$ 660,786
Outside Services	$ 1,000	$ 42,000	$ 43,050	$ 44,126	$ 45,229	$ 46,360
General Office	$ 2,500	$ 9,000	$ 8,680	$ 7,865	$ 8,055	$ 8,251
Miscellaneous	$ -	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000
PROGRAM EXPENSES	**$ 5,000**	**$ 52,870**	**$ 64,362**	**$ 68,951**	**$ 72,137**	**$ 75,516**
Community and Educational Programs	$ -	$ 5,522	$ 6,275	$ 6,737	$ 7,049	$ 7,377
Training, Fitness, and Therapy	$ -	$ 29,243	$ 38,091	$ 41,058	$ 43,150	$ 45,379
Leagues: In-House	$ -	$ -	$ -	$ -	$ -	$ -
Camps and Clinics	$ -	$ 13,105	$ 14,996	$ 16,156	$ 16,939	$ 17,760
Tournaments: In-House	$ -	$ -	$ -	$ -	$ -	$ -
Concessions & Food						
Miscellaneous	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000
INSURANCE		**$ 22,500**	**$ 23,175**	**$ 23,870**	**$ 24,586**	**$ 25,324**
OPERATING LINE OF CREDIT-DEBT SERVICE	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
TOTAL EXPENSES	**$ 144,794**	**$ 790,218**	**$ 849,283**	**$ 863,310**	**$ 897,375**	**$ 931,052**
REVENUE						
FACILITY REVENUE	**$ -**	**$ 677,091**	**$ 814,456**	**$ 867,945**	**$ 951,390**	**$ 986,947**
Educational, Camps and Clinics	$ -	$ 51,090	$ 56,963	$ 61,678	$ 64,357	$ 67,170
Court Rental: Clubs & Training	$ -	$ 200,625	$ 228,750	$ 247,500	$ 256,500	$ 261,714
League Rental	$ -	$ 52,800	$ 66,000	$ 67,980	$ 70,019	$ 72,120
Tournaments & Events	$ -	$ 31,950	$ 36,613	$ 38,043	$ 86,819	$ 90,261
Sales	$ -	$ 16,800	$ 17,304	$ 17,823	$ 18,358	$ 18,909
Memberships & Daily Use Fees	$ -	$ 310,526	$ 388,877	$ 408,320	$ 428,736	$ 450,173
Facility Sponsorships/Advertising/Contributions	$ -	$ 13,300	$ 19,950	$ 26,600	$ 26,600	$ 26,600
Public Entity Use	$ -	$ -	$ -	$ -	$ -	$ -
Miscellaneous	$ -	$ -	$ -	$ -	$ -	$ -
PROGRAM REVENUE	**$ -**	**$ 166,780**	**$ 207,595**	**$ 226,995**	**$ 239,916**	**$ 252,002**
Community and Educational Programs	$ -	$ 10,800	$ 12,420	$ 13,414	$ 14,084	$ 14,788
Training, Fitness and Instructional Programs	$ -	$ 79,000	$ 103,750	$ 112,050	$ 117,901	$ 124,136
Leagues: In-House	$ -	$ 36,480	$ 45,600	$ 52,440	$ 56,635	$ 59,467
Camps and Clinics	$ -	$ 25,500	$ 29,325	$ 31,671	$ 33,255	$ 34,917
Tournaments: In-House	$ -	$ 10,000	$ 11,500	$ 12,420	$ 13,041	$ 13,693
Program Sponsorships/Advertising/Fundraising	$ -	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000
Miscellaneous	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL INCOME	**$ -**	**$ 843,871**	**$ 1,022,051**	**$ 1,094,939**	**$ 1,191,306**	**$ 1,238,949**
NET OPERATING REVENUE (DEFICIT) WITHOUT DEBT SERVICE	**$ (144,794)**	**$ 53,653**	**$ 172,768**	**$ 231,629**	**$ 293,931**	**$ 307,897**
COST RECOVERY OF ANNUAL OPERATING EXPENSES		**107%**	**120%**	**127%**	**133%**	**133%**
DEBT SERVICE-Capital Costs						
NET OPERATING REVENUE (DEFICIT) WITH DEBT SERVICE						
LONG TERM REPLACEMENT & MAINTENANCE FUND						
Annual Contribution or Budgeted set aside		**$ 10,000**	**$ 25,000**	**$ 40,000**	**$ 50,000**	**$ 65,000**
Fund Accrual: First 5 Years		**$ 10,000**	**$ 35,000**	**$ 75,000**	**$ 125,000**	**$ 190,000**
10 Years						**$ 570,000**
20 Years						**1,370,000**