



Public Information Meeting 2016 Ice Arena Program & Facility Study

June 8 and June 15, 2016

Ice Arena Facility Study Scope

- Evaluation of programs and market analysis
- Citizen participation
- Operational Analysis
- Final Report: Retain as Ice Arena or Repurpose space for alternative programming

Agenda

- Public Engagement Overview
- Market and Operation Analysis Overview
- Facility Improvement Options
- Financial Analysis Overview
- Next Steps
- Q&A
- Voting

Public Engagement Overview

Public Engagement Overview

- ❑ 3,000 Kettering households mailed survey. 848 returned with a 95% level of confidence. (+/- 3.3%)
- ❑ 8% user vs. 92% non user
- ❑ **User participation response:**
 - 82% public skating
 - 46% recreation ice programs
 - 26% ice hockey
 - 24% ice skating
 - 89% pay higher fee to sustain Ice Arena

Public Engagement Overview

❑ **Non-user participation response:**

60% no interest in skating

18% lack of time

4% cost

❑ **Ice Arena Benefit to Community:**

87% of ALL respondents stated is a benefit to the community

86% of non-user stated ice arena is a benefit to the community

User and non-user support because of the benefit for youth sports

78% of all respondents feel ice arena is a unique recreation experience

Public Engagement Overview

Recreational Needs

32% fully met

26% mostly met

14% partially met

4% unmet

- 23% responded “do not have a need” for additional sport facilities
- The low unmet needs shows the city has done an excellent job of providing comprehensive quality programs and facilities

Public Engagement Overview

Potential New Feature for Repurposed Facility: Adults w/ children 18 and younger

44% indoor playground

36% climbing wall

36% indoor turf

36% indoor basketball/volleyball

Potential New Feature for Repurposed Facility: Adults

39% would not use any of the features listed

27% additional aerobics/fitness/dance space

21% indoor golf range

18% multipurpose community based programs

Public Engagement Overview

❑ **Support for Funding Ice Arena**

85% support at some level using city reserves to fund improvements

15% not in favor

High level of support from non-users stems from community support for quality recreation facilities for youth

❑ **Priority for improvements compared to other city projects**

5% very high priority

23% high priority

46% medium priority

26% low priority

Public Engagement Overview

❑ Special focus group key points

- ✓ Kettering provides significant role in providing ice time for hockey and ice skating
- ✓ If the ice arena is re-purposed there would be a significant impact to participation with potential impact of a 35% reduction in region
- ✓ Demand for other indoor sports, specifically select programs are putting a demand on existing indoor facilities.
- ✓ Basketball and volleyball needs are growing but these organizations stated that there is access to other facilities
- ✓ The Ice sports groups indicated a willingness to pay higher fees for ice time to help increase revenue

Market/Operation Analysis Overview

Market Analysis Overview

❑ Key Points

- ✓ Kettering and the service area population is aging with flat growth
- ✓ Only 26% of Kettering households have children
- ✓ City of Kettering is well served with recreation facilities
- ✓ Kettering Ice Arena is considered a regional facility and critical to ice hockey and lesser degree figure skating
- ✓ Indoor sports facilities continue to be challenged to provide enough prime time to support other court sports
- ✓ Demand for other court sports out paces demand for hockey and ice skating in the region
- ✓ Market potential is lower for ice than sports

Market Analysis Overview

□ Key Points

- ✓ Need for recreation space to support existing resident based PRCA programs could support a multi-sport facility with a subsidy
- ✓ “Select” youth sports programs have increased in the service area causing increased pressure on existing facilities prime time use.
- ✓ Indoor play opportunities for pre-school and young children is limited in Kettering and highly desirable by residents with children.
- ✓ According to the draft market analysis, consultant recommends the City of Kettering renovate and continue offering ice and hockey.

Market Analysis Overview

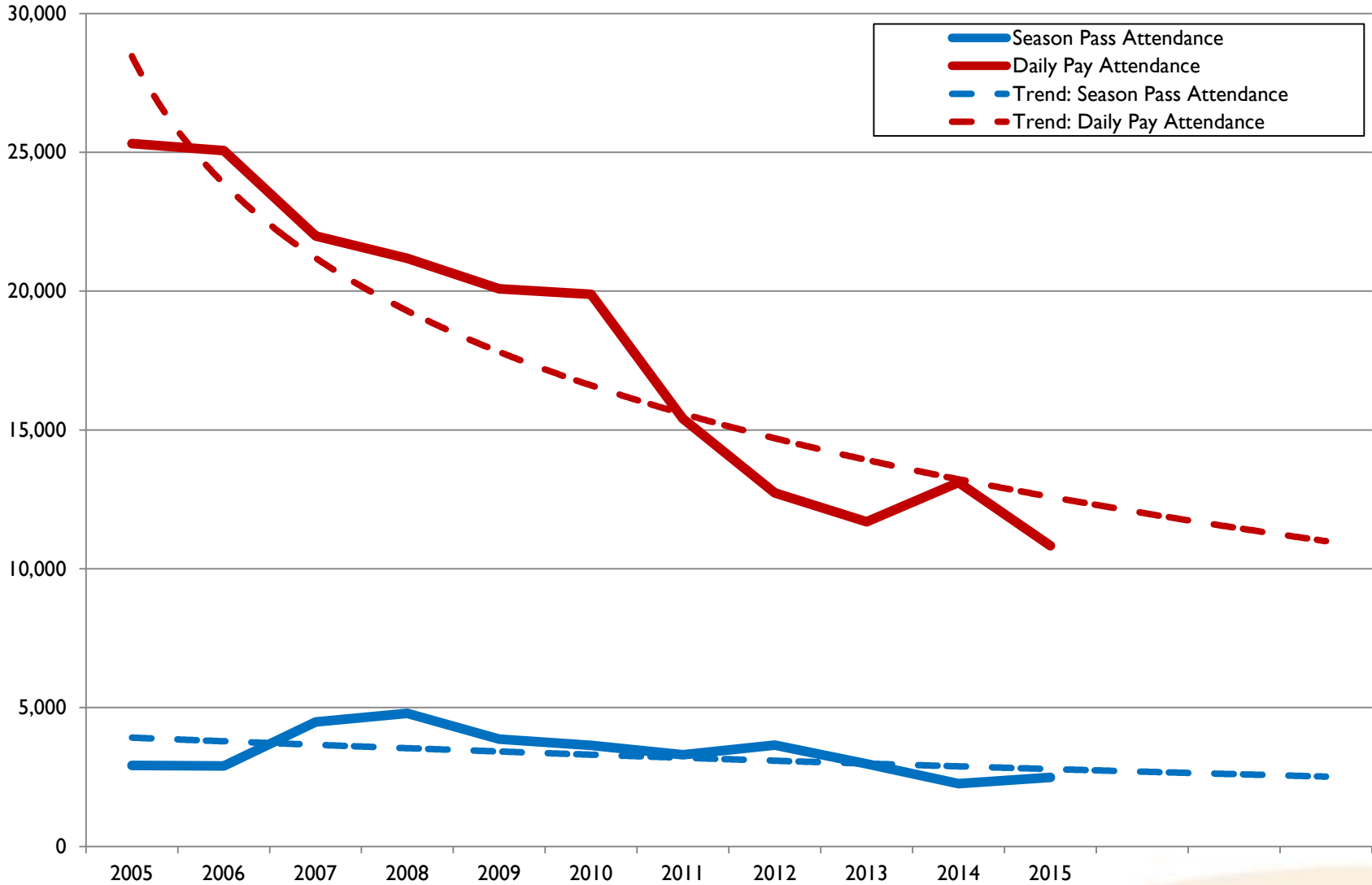
- ❑ **National Sporting Good Association Dayton Regional Ranking top 5 “sports activities”**
 - ✓ 15.3% swimming
 - ✓ 7.9% basketball
 - ✓ 4.4% soccer
 - ✓ 3.9% baseball
 - ✓ 3.6% softball

Operation Analysis Overview

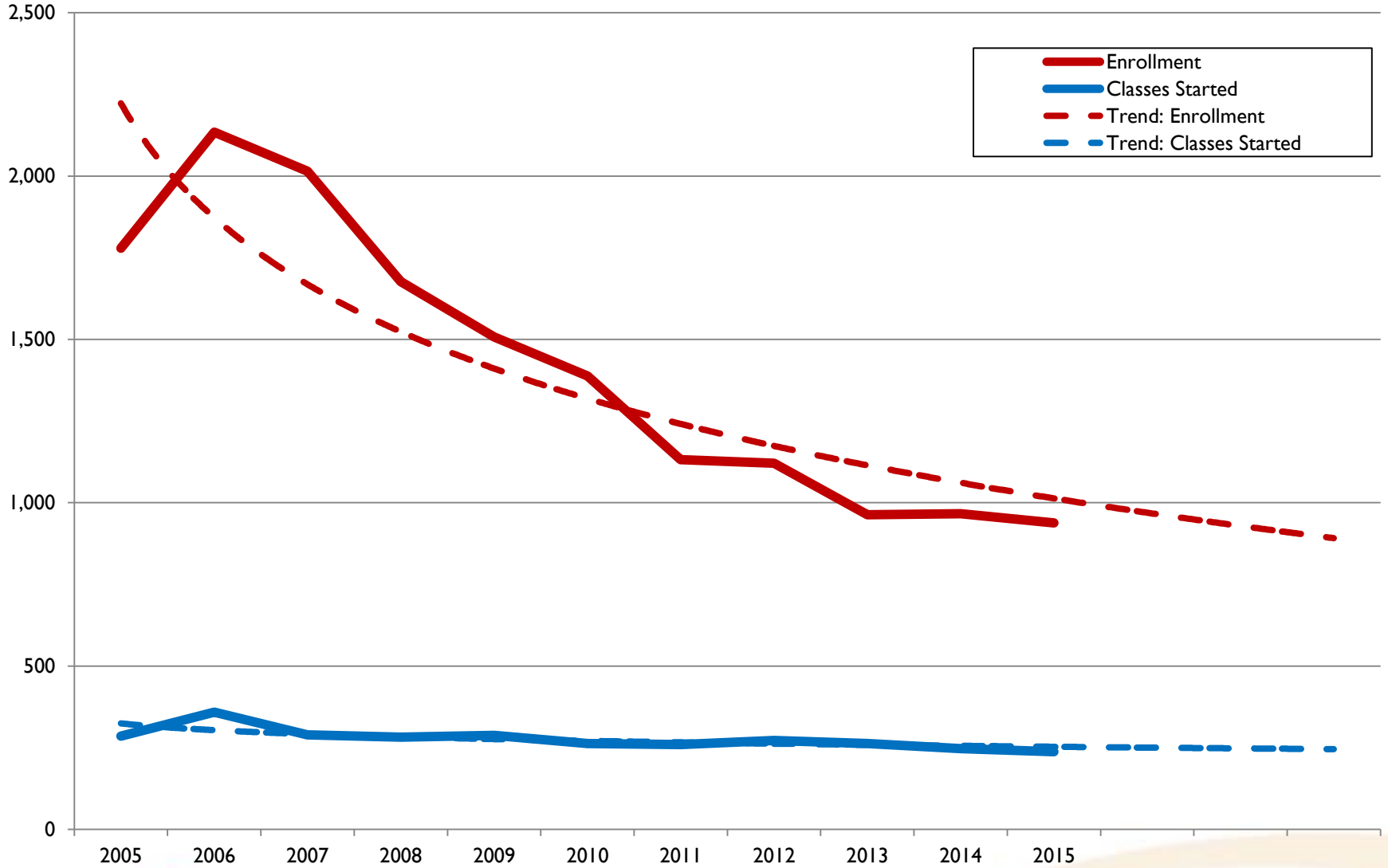
❑ Key Points

- ✓ Existing program mix for the Kettering Ice Arena is healthy with a very good variety of public offerings and rental time.
- ✓ Consultant contacted a contractor to discuss contracting operations.
- ✓ There is Prime Time demand for Ice however there are challenges with Non Prime Time demand
- ✓ 10 year review demonstrates decrease in lessons and non prime time rentals
- ✓ 10 year review demonstrates decrease in prime time rental & open skate; however upswing past two years. Projected to be steady next 3 years.

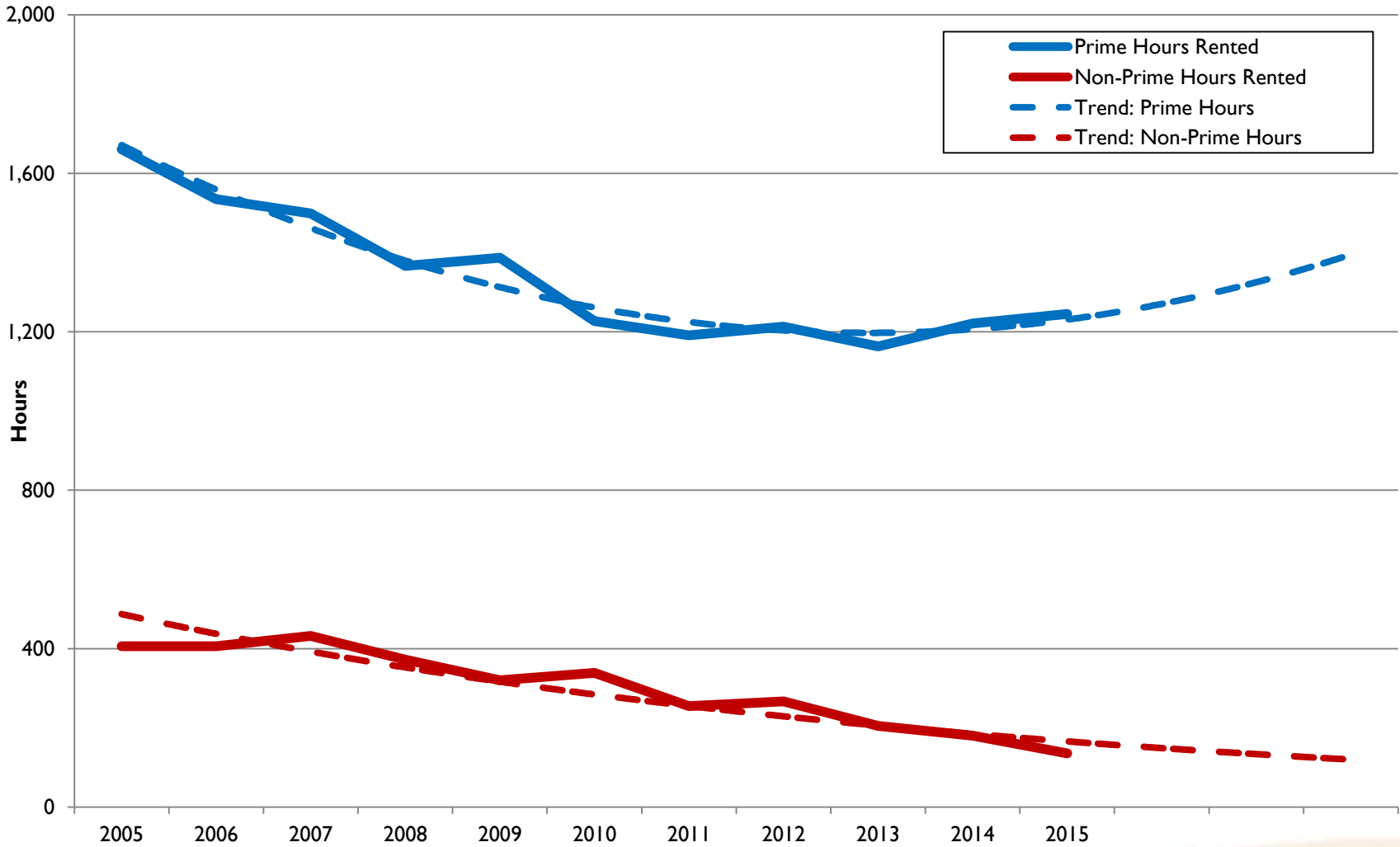
Passholder and Drop-In Attendance



Classes Started and Enrollment



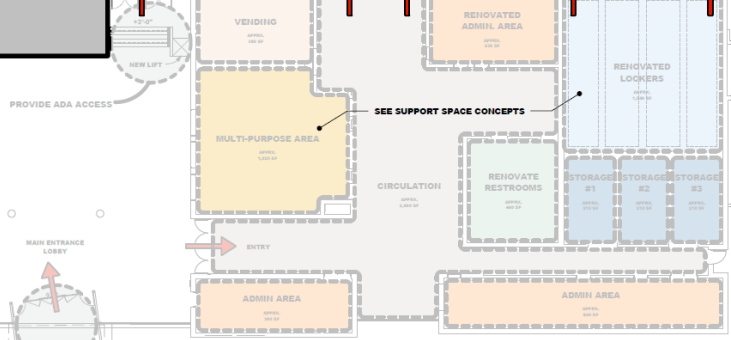
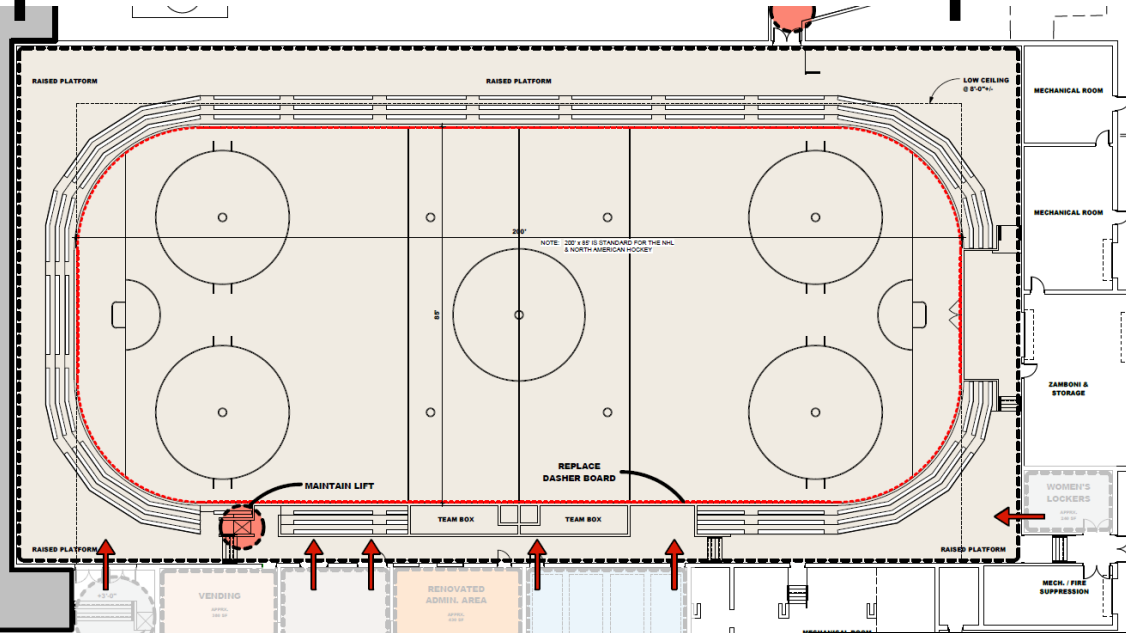
Rental Hours Prime and Non-Prime



Facility Improvement Options

Sports Venue Concept #1

RECREATION CENTER
(NOT IN SCOPE)



- Concept Scope**
- Roof Material Replacement
 - Dasher Board Replacement
 - Ice Rink Floor Replacement
 - Ice Rink Equipment Replacement
 - MEP improvements
 - HVAC System Improvements

Concept Budget
\$5.9M - \$6.5M

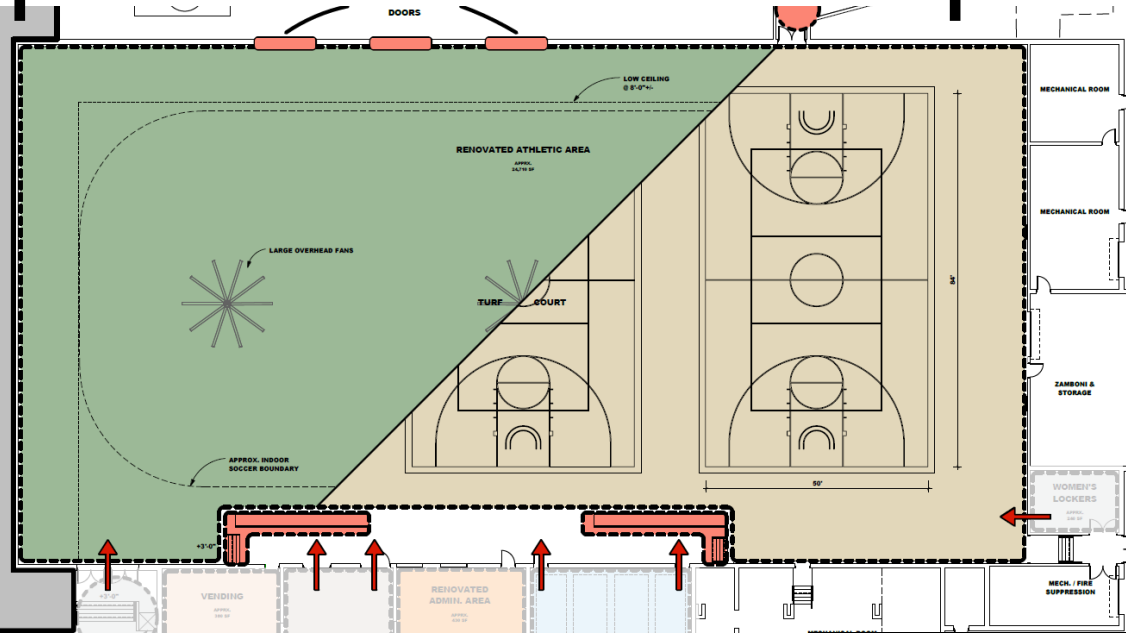
CONCEPTUAL PLAN
302' x 150'



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Sports Venue Concept #2

RECREATION CENTER
(NOT IN SCOPE)



Concept Scope

- Roof Structure Replacement
- ADA Access Ramps
- Rink Area Infill – Turf of Court
- Overhead Doors
- MEP Improvements
- HVAC System Improvements

Concept Budget

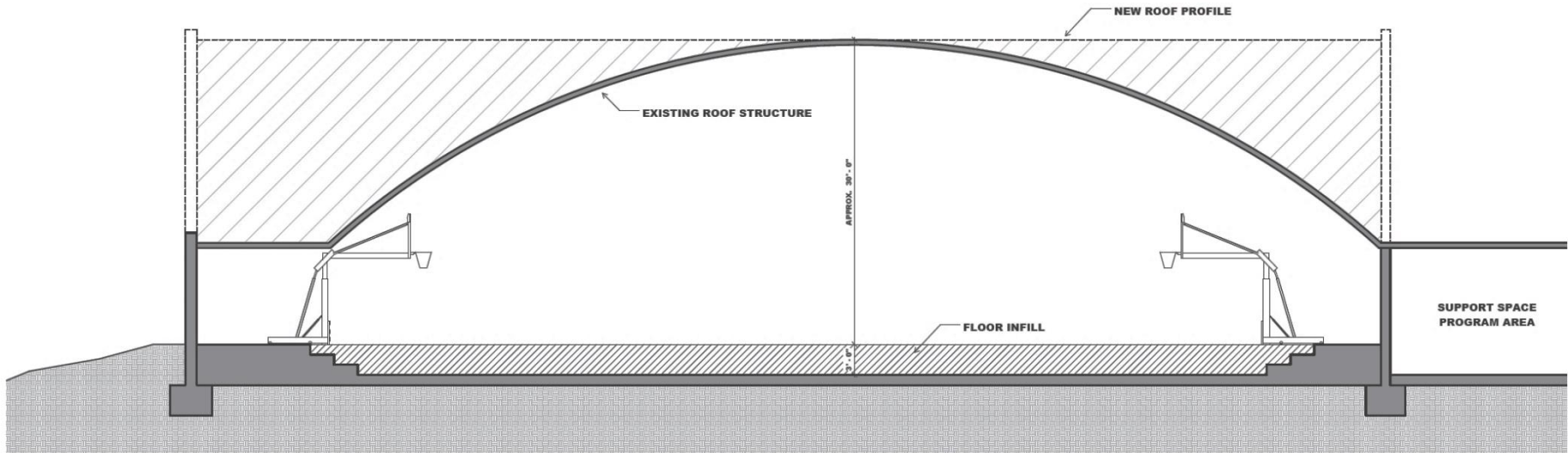
\$3.9M - \$4.5M

CONCEPTUAL PLAN



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Roof Profile Ice vs. Turf/Court



CONCEPTUAL SECTION

- In the Ice Rink Sports space, the existing roof structure will be retained, with the roofing material replaced.
- In the Turf/Court Sports space, the roof will be rebuilt to match the new roof profile shown above.



SPORT VENUE CONCEPT SECTION

CITY OF KETTERING City of Kettering | Kettering Ice Arena Renovation

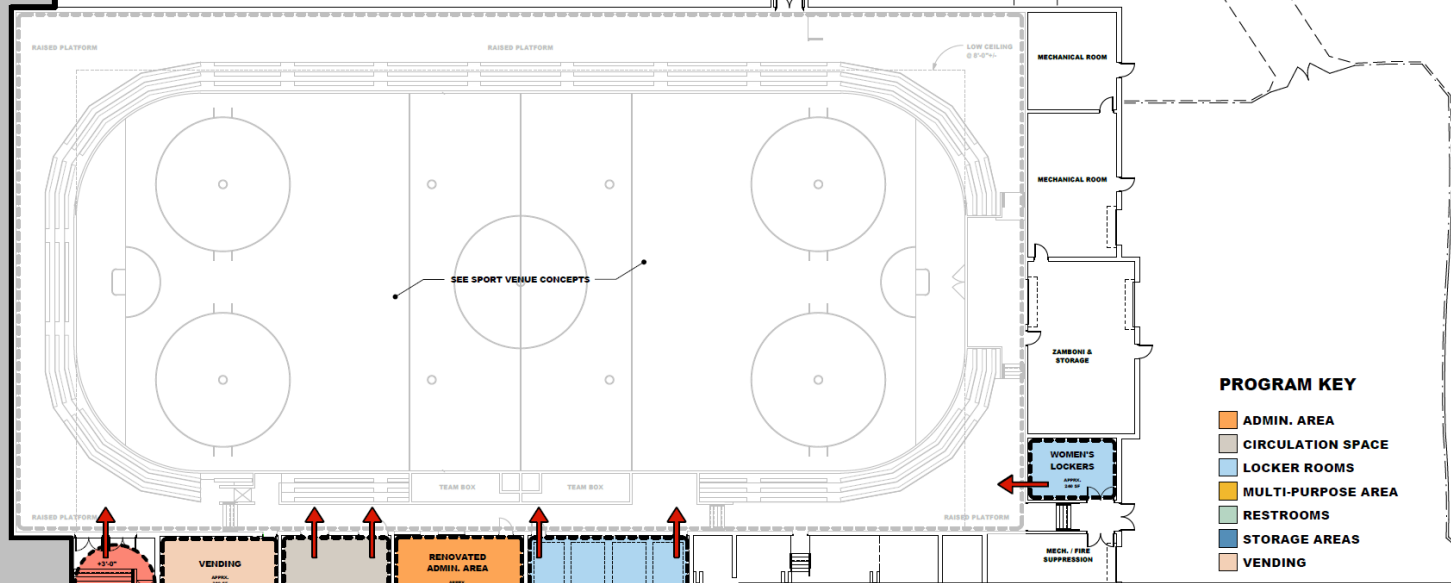
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MSA SPORT

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Support Space Concept #1

RECREATION CENTER
(NOT IN SCOPE)



PROGRAM KEY

- ADMIN. AREA
- CIRCULATION SPACE
- LOCKER ROOMS
- MULTI-PURPOSE AREA
- RESTROOMS
- STORAGE AREAS
- VENDING

Concept Scope

- Locker Renovation
- Restroom Renovation
- New ADA Access with Main Entrance Lobby
- Vending/Multi-Purpose Renovation
- Storage Spaces (3) Renovation
- Circulation Space Renovations
- MEP Improvements

Concept Budget

\$1.5M - \$1.7M

CONCEPTUAL PLAN
332'-11"0"



SUPPORT SPACE CONCEPT #1 - MINOR INTERIOR RENOVATION

City of Kettering | Kettering Ice Arena Renovation

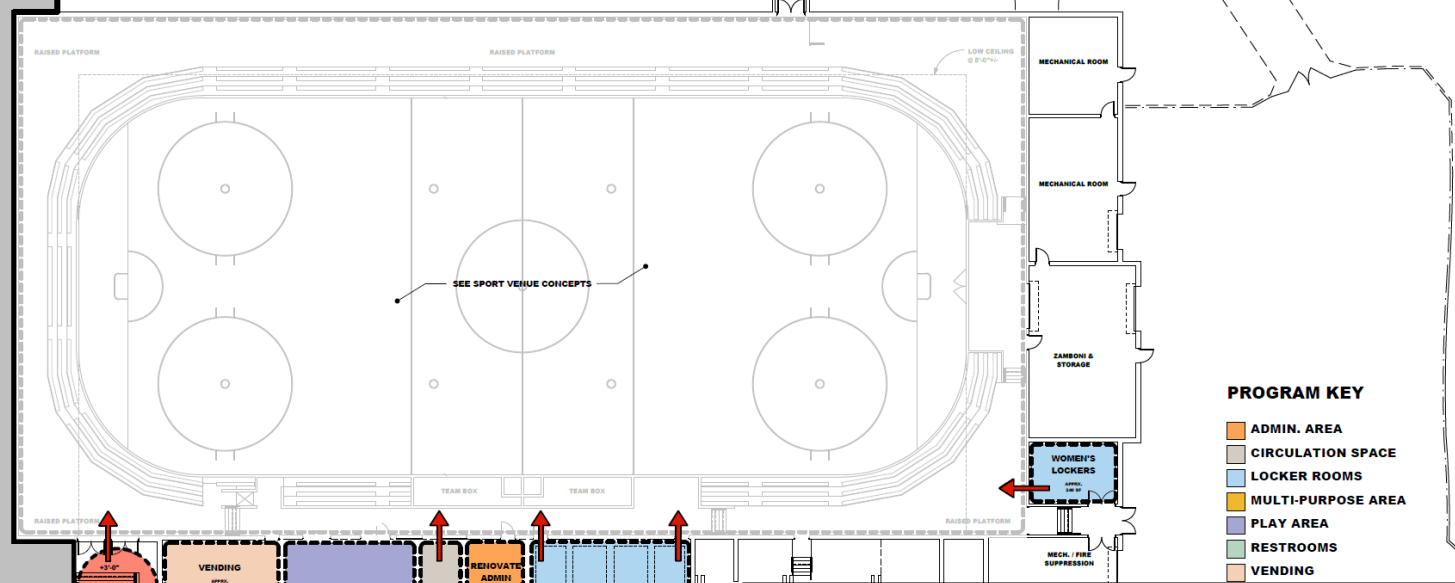


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Support Space Concept #2

RECREATION CENTER
(NOT IN SCOPE)



PROGRAM KEY

- ADMIN. AREA
- CIRCULATION SPACE
- LOCKER ROOMS
- MULTI-PURPOSE AREA
- PLAY AREA
- RESTROOMS
- VENDING

Concept Scope

- Selective Demolition
- Locker Room Renovation
- Restroom Renovation
- New ADA Access with Main Entrance Lobby
- Vending/Multi-Purpose Renovation
- New Indoor Play Area Renovation
- Circulation Space Renovation
- MEP Improvements

Concept Budget

\$2.3M - \$2.7M

CONCEPTUAL PLAN
352' x 110'



SUPPORT SPACE CONCEPT #2 - DEMO TO SHELL & REBUILD INTERIOR

City of Kettering | Kettering Ice Arena Renovation

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MSA SPORT

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Financial Analysis Overview

Retain as Ice

Market Rate Pricing

This model was developed using a pricing structure in line with regional market rates for year 1

Category	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	\$549,438	\$573,674,	\$599,123	\$625,844	\$653,901
Expense	\$594,185	\$612,011	\$630,371	\$649,282	\$668,761
Subsidy	(\$44,748)	(\$38,336)	(\$31,248)	(\$23,438)	(\$14,859)
Cost Recovery %	92%	94%	95%	96%	98%

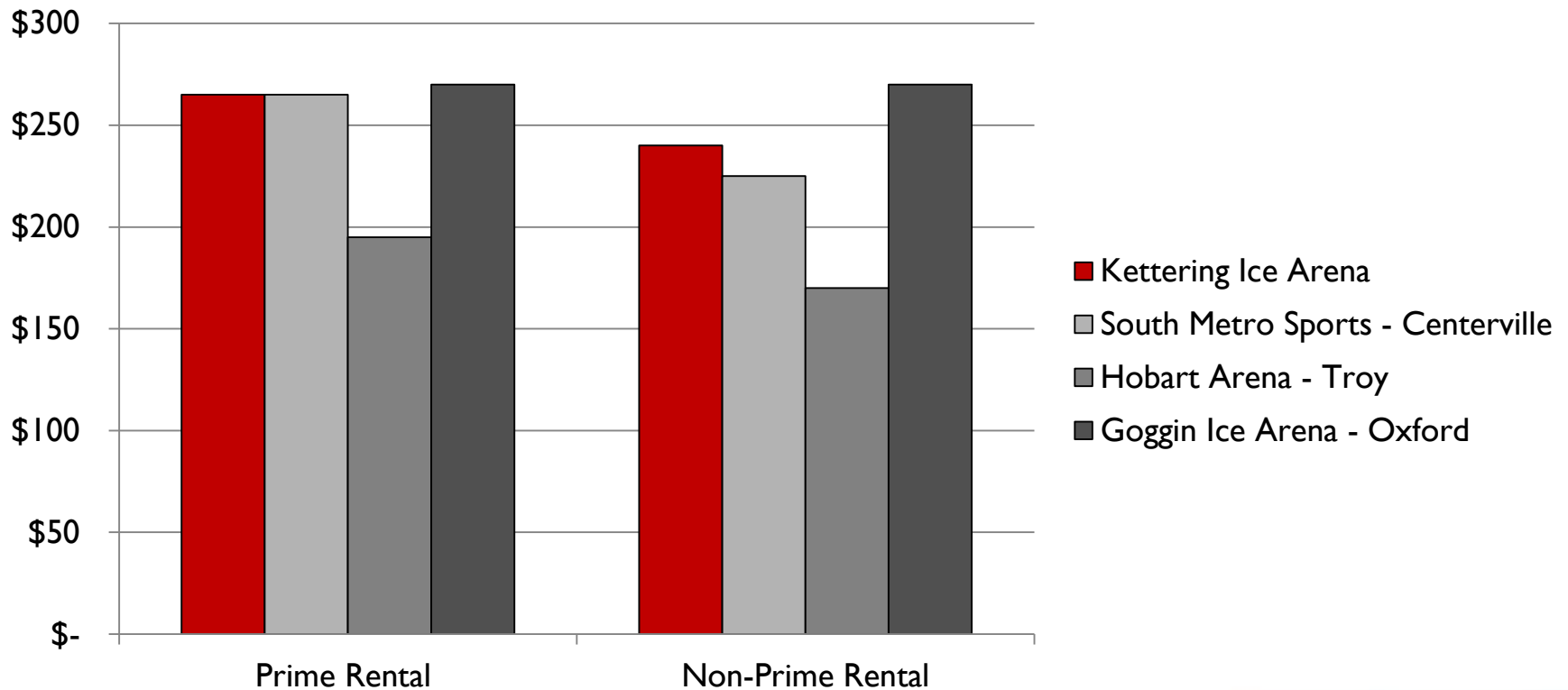
Assumptions:

- 3% expense increase Year 1 thru Year 5
- 15% utility expense savings in Year 1 from improved mechanical systems
- Ice Rental Pricing increase of 6% above current rates in Year 1
- All Pricing increases 5% Year 2 thru Year 5
- No further reduction in participation

Retain as Ice

Market Rate Pricing

This model was developed using a pricing structure in line with regional market rates for year 1



Retain as Ice

Self-Sustaining Pricing

Category	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	\$598,688	\$625,387	\$653,421	\$682,857	\$713,765
Expense	\$594,185	\$612,011	\$630,371	\$649,282	\$668,761
Subsidy	\$4,503	\$13,376	\$23,050	\$33,575	\$45,005
Cost Recovery %	101%	102%	104%	105%	107%

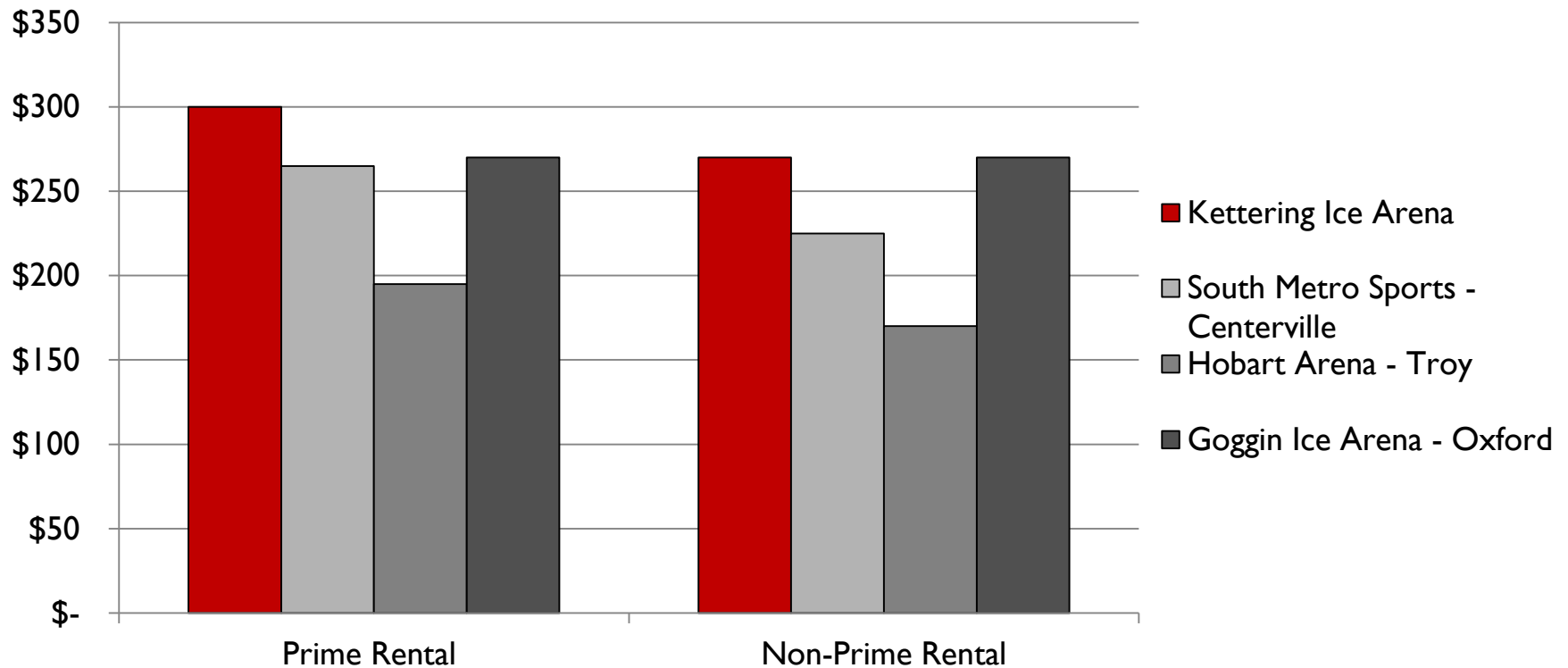
Assumptions:

- 3% expense increase Year 1 thru Year 5
- 15% utility expense savings in Year 1 from improved mechanical systems
- Ice Rental Pricing increase of 20% above market rates in Year 1
- All Pricing increases 5% Year 2 thru Year 5
- No further reduction in participation

Retain as Ice

Self-Sustaining Pricing

This model was developed using a pricing structure required for the facility to self-sustain.



Repurpose as Gym/Court

Market Rate Pricing

This model was developed using a pricing structure in line with regional market rates for year 1

Category	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	\$392,350	\$412,750	\$432,702	\$453,710	\$476,234
Expense	\$478,131	\$492,474	\$507,249	\$522,466	\$538,140
Subsidy	(\$85,781)	(\$79,724)	(\$74,547)	(\$68,756)	(\$61,906)
Cost Recovery %	82%	84%	85%	87%	88%

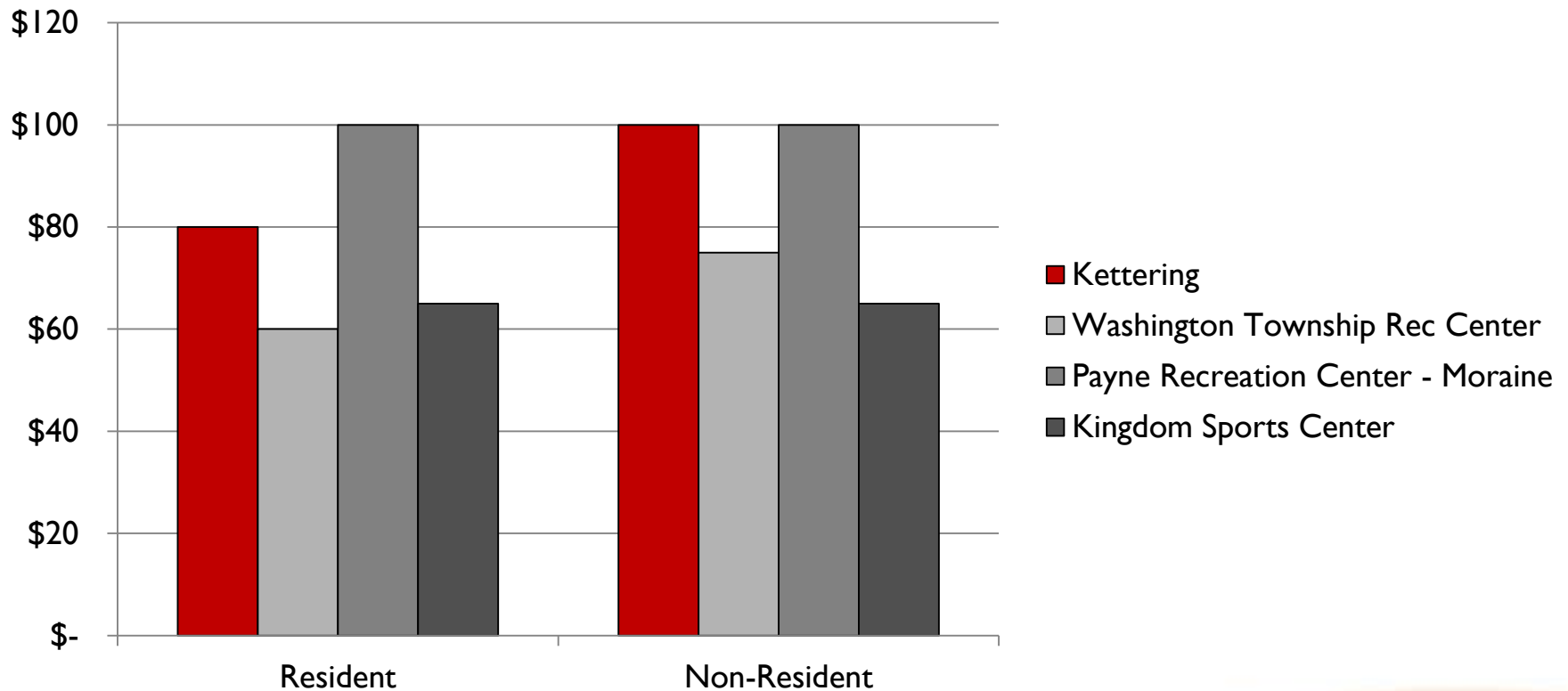
Assumptions:

- 3% expense increase Year 1 thru Year 5
- All Pricing increases 5% Year 2 thru Year 5
- No reduction in participation

Repurpose as Gym/Court

Market Rate Pricing

This model was developed using a pricing structure in line with regional market rates for year 1



Repurpose as Gym/Court

Self-Sustaining Pricing

Category	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	\$481,590	\$495,662	\$518,150	\$542,158	\$565,383
Expense	\$478,131	\$492,474	\$507,249	\$522,466	\$538,140
Subsidy	\$3,459	\$3,188	\$10,901	\$19,692	\$27,698
Cost Recovery %	101%	101%	102%	104%	105%

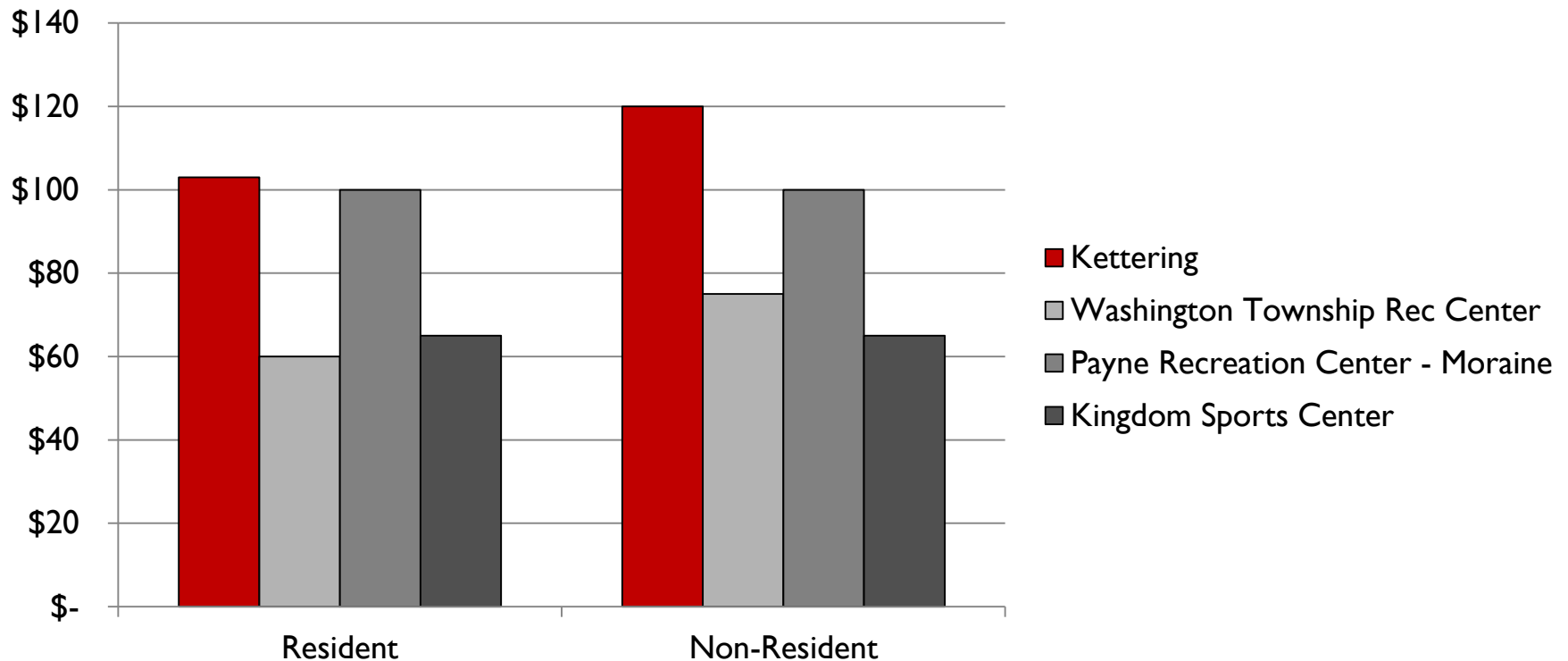
Assumptions:

- 3% expense increase Year 1 thru Year 5
- Gym/Court Rental Pricing increase of 25% above market rates in Year 1
- Aggressive sponsor program (\$15,000) in Year 1
- All Pricing increases 5% Year 2 thru Year 5
- No further reduction in participation

Repurpose as Gym/Court

Self-Sustaining Pricing

This model was developed using a pricing structure required for the facility to self-sustain.



Repurpose as Turf

Market Rate Pricing

This model was developed using a pricing structure in line with regional market rates for year 1

Category	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	\$237,530	\$249,406	\$261,187	\$274,970	\$288,718
Expense	\$459,374	\$473,151	\$487,349	\$501,970	\$517,029
Subsidy	(\$221,845)	(\$223,749)	(\$226,162)	(\$226,999)	(\$228,309)
Cost Recovery %	52%	53%	54%	55%	56%

Assumptions:

- 3% expense increase Year 2 thru Year 5
- Rental, League and Program pricing increase of 5% Year 2 thru Year 5

Due to the low cost recovery rate of this option a Self-Sustaining Pricing model for this scenario was not explored

Capital Investment

- ❑ **Retain as Ice – concepts range from \$7.4M-\$9.2M depending on support space concept chosen**
- ❑ **Repurpose as Turf/Court– concepts range from \$5.4M-\$7.2M depending on support space concept chosen**

Next Steps

- Final Report will be available on-line late June
- EPA Phaseout of HCFC-22 begins Jan. 2020
- Ice Arena Facility improvements will be prioritized based on other City of Kettering Capital Improvement Projects and funding allocations for future years.
- Potential to phase selected improvements
- The Ice Arena **WILL REMAIN OPEN DURING SEASON**



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