

FEASIBILITY STUDY FOR A NEW MULTI-PURPOSE RECREATION CENTER

CSL

Perkins&Will

PROJECT TEAM



RECREATION CENTER MARKET &
FINANCIAL FEASIBILITY EXPERTS

Perkins&Will

RECREATION CENTER DESIGN &
SITE PLANNING EXPERTS



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STUDY OBJECTIVES & METHODOLOGY



KEY STUDY GOALS

- Enhance quality of life in the region, which can support attraction of future residents and employers
- Educate the community on the potential benefits of developing a multi-purpose recreation center
- Provide additional facilities to support existing and potentially expanded community activities
- Determine the best site location for a new multi-purpose recreation center
- Support Parks & Recreation, School District, and other local sports programming
- Estimate the usage of a new multi-purpose recreation center for league play, practices, camps, clinics, and regional tournaments
- Develop market-supported financial models to determine a potential facility's ability to be economically self-sufficient

PROJECT TIMELINE

	MAY		JUNE				JULY				AUGUST	
Project Kick-Off Meeting												
Phase I. Market Analysis												
Task 1: Review of Existing Recreation Offerings												
Task 2: Demographic & Socioeconomic Profile												
Task 3: Recreation & Sports Industry Trends												
Task 4: Comparable Benchmarking												
Task 5: Potential User Interviews												
Update Presentation #1												
Phase II. Community Engagement												
Phase III. Building Project Assessment & Estimated Utilization												
Task 1: Estimated Utilization & Building Program Recommendations												
Task 2: Site Analysis & Identification												
Update Presentation #2												
Phase IV. Operational, Financial, & Economic Analysis												
Draft Report Submittal												

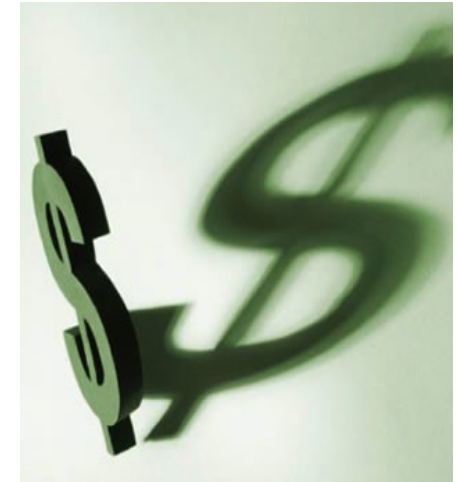
 Potential Site Visit or Virtual Meeting

 Check-In Meeting

THE QUESTION OF FEASIBILITY

Typical measurements used to determine project feasibility:

- Enhanced quality of life
- Expanded community access to recreation programming
- Market
- Financial
- Economic spending
- Tax generation
- Cost/benefit & return-on-investment



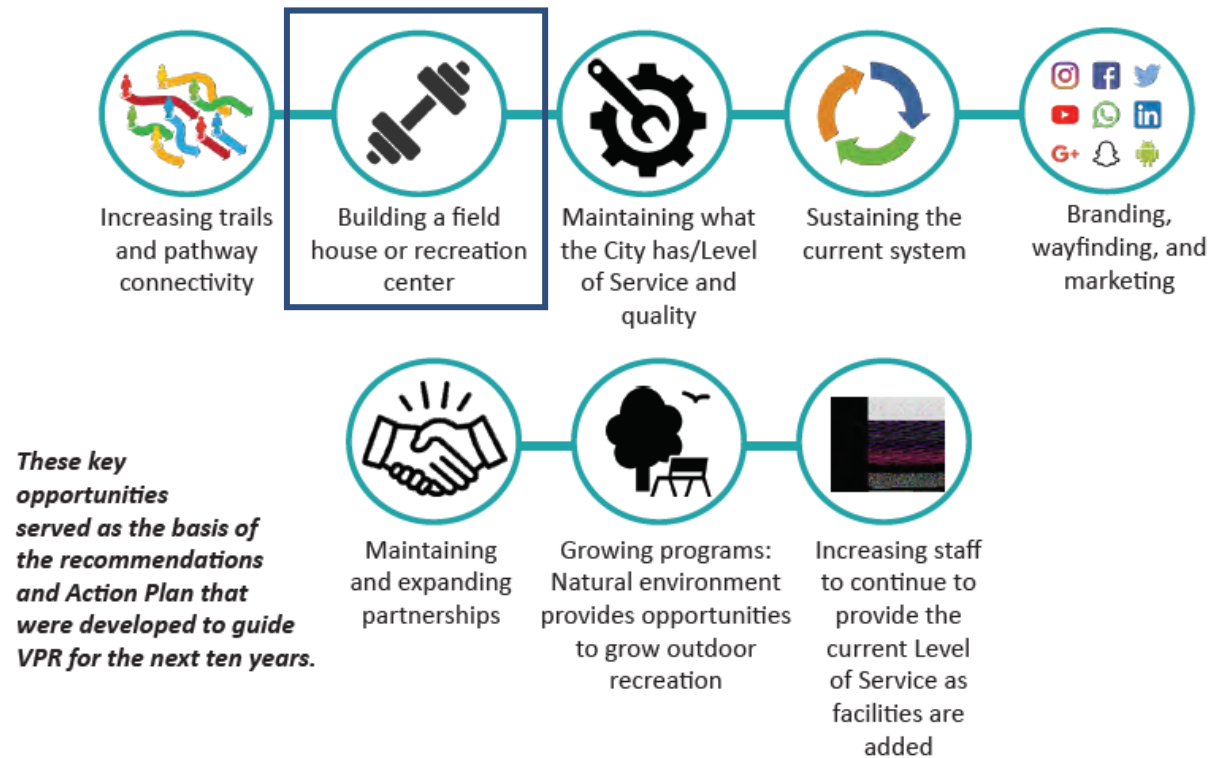
RATIONALE FOR PUBLIC INVESTMENT

- **Economic generating opportunities within the community**
 - Construction
 - Operations
- **Creation of new unquantifiable/intangible benefits:**
 - Potential transformative and iconic effects
 - Positive effects on nearby commerce and activity
 - Quality of life for residents
 - New visitation
 - Spin-off development
 - Destination branding and marketing
 - Anchor for revitalization
 - Reduction in lost local impact
 - Community reputation and image

BUILDING ON THE MASTER PLAN

KEY INSIGHTS FOR CSL STUDY EFFORT

- Extensive demographic and existing conditions analysis to leverage
- Basketball represents team sport with highest participation in Valdez
- 60+ percent of surveyed community agree that Valdez would benefit from a new indoor multi-use recreation facility
- Current recreation center offerings utilized 6,600 times per year
- Detailed community survey input will be incorporated as part of analysis and recommendations
- Opportunity to develop facility that also supports other MP initiatives



LOCAL MARKET CHARACTERISTICS

ESTIMATED MARKET AREA



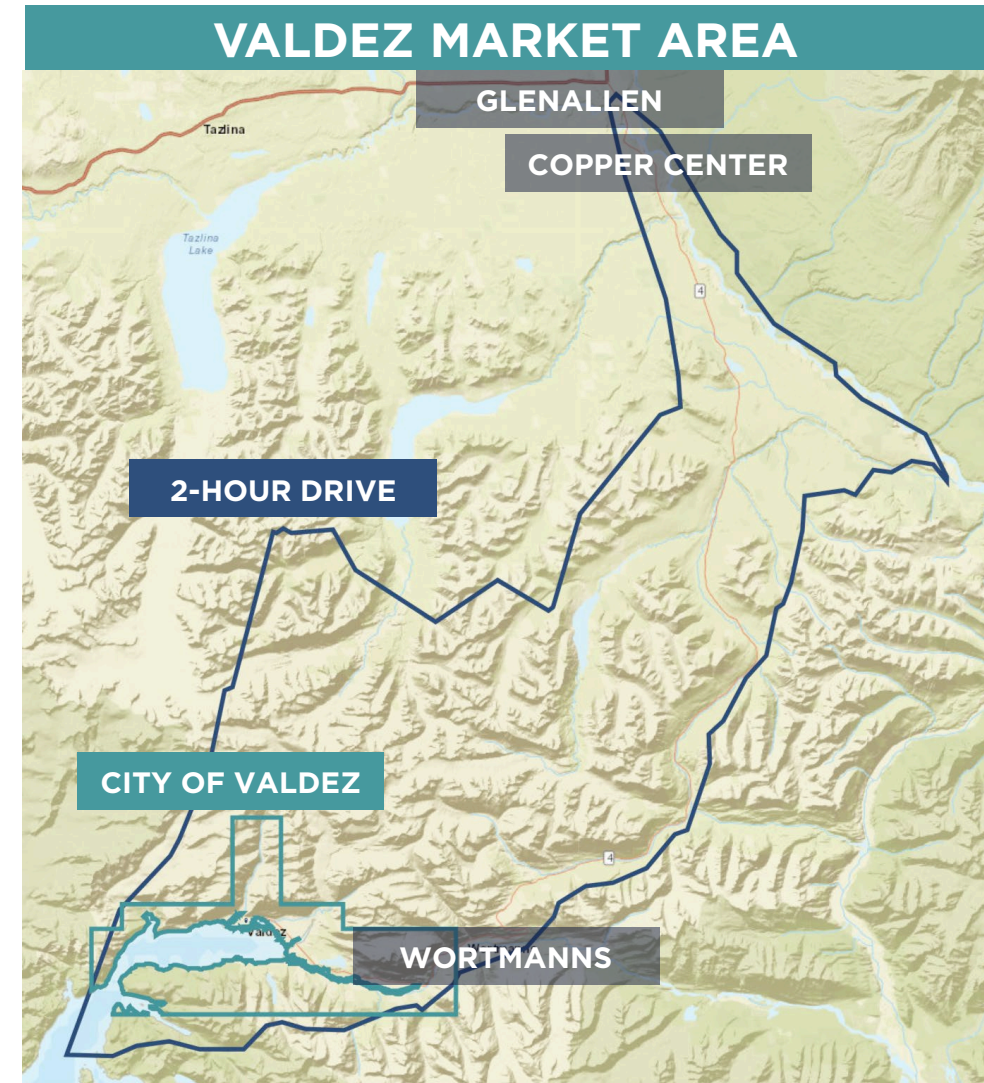
PRIMARY MARKET

- Defined as the City of Valdez
- Area from which the majority of youth sports, entertainment, and other programming attendees will originate



SECONDARY MARKET

- Defined as a two-hour drive from Valdez
- Programming and special events could attract attendees from area cities



LOCAL MARKET CHARACTERISTICS

KEY MARKET FINDINGS



The highest concentration of population within the region is in Valdez



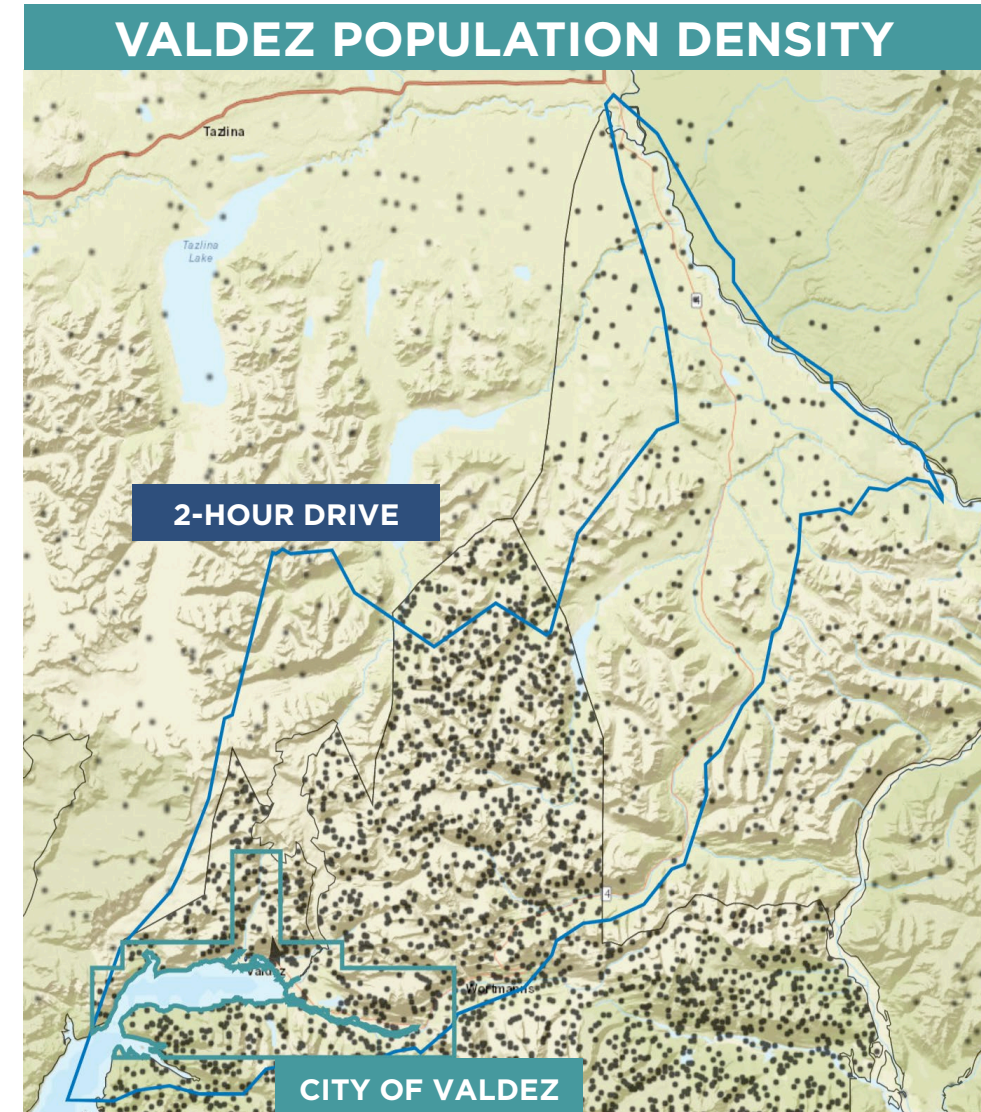
Seasonal work force driven by extended-stay tourism, the cannery, the Coast Guard base, and other such industries can nearly double the population size in Valdez in peak seasons



Over 30 percent of residents in the area are under the age of 24



Residents in Valdez have a significantly higher median income level than the nation as a whole as well as other cities in Alaska



Source: ESRI. 1 dot = 1 resident

LOCAL MARKET CHARACTERISTICS

ESTIMATED TERTIARY MARKET AREA



Development of a new recreation center in Valdez could provide opportunities to host larger regional youth and adult league sports tournaments or special events



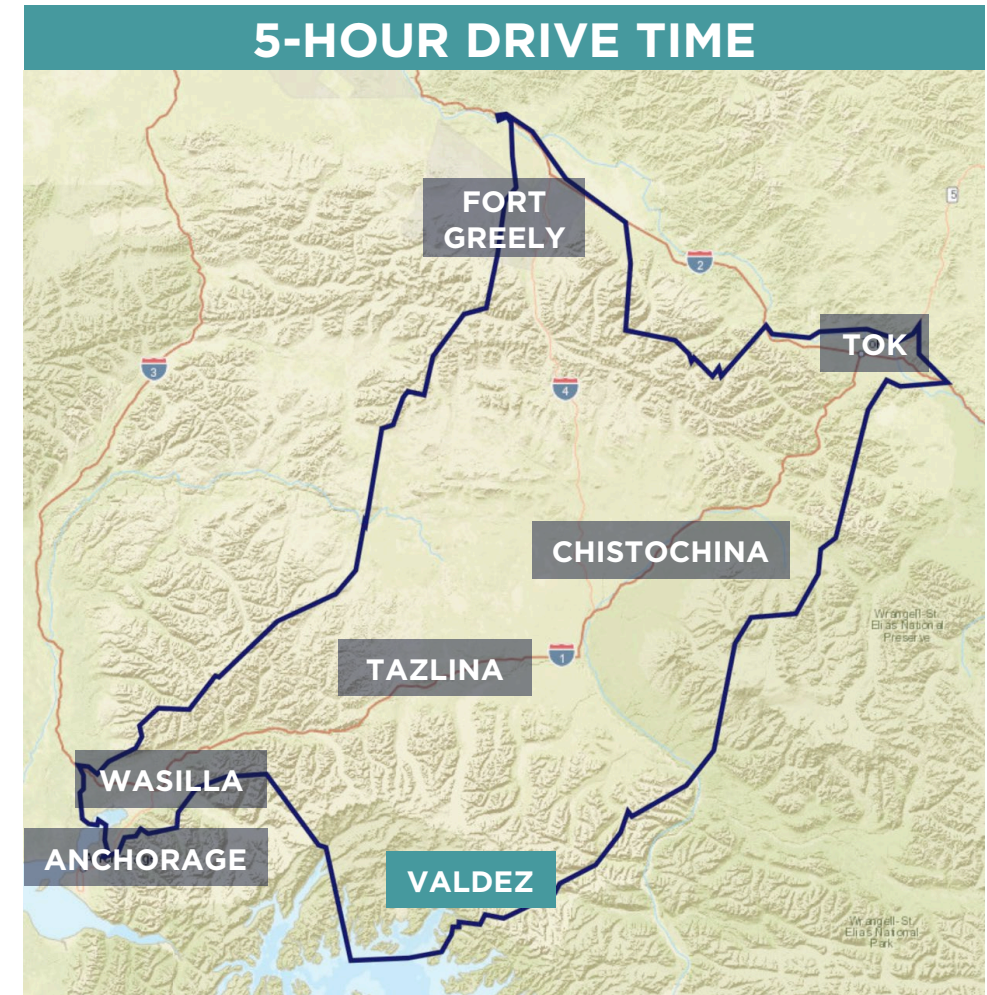
Residents in the region are used to traveling longer distances for entertainment offerings



There is a general lack of facilities to host larger regional tournaments or special events within this part of Alaska




Special events and sports tournaments could therefore attract attendees from a broader regional area, estimated as a five-hour drive time from Valdez




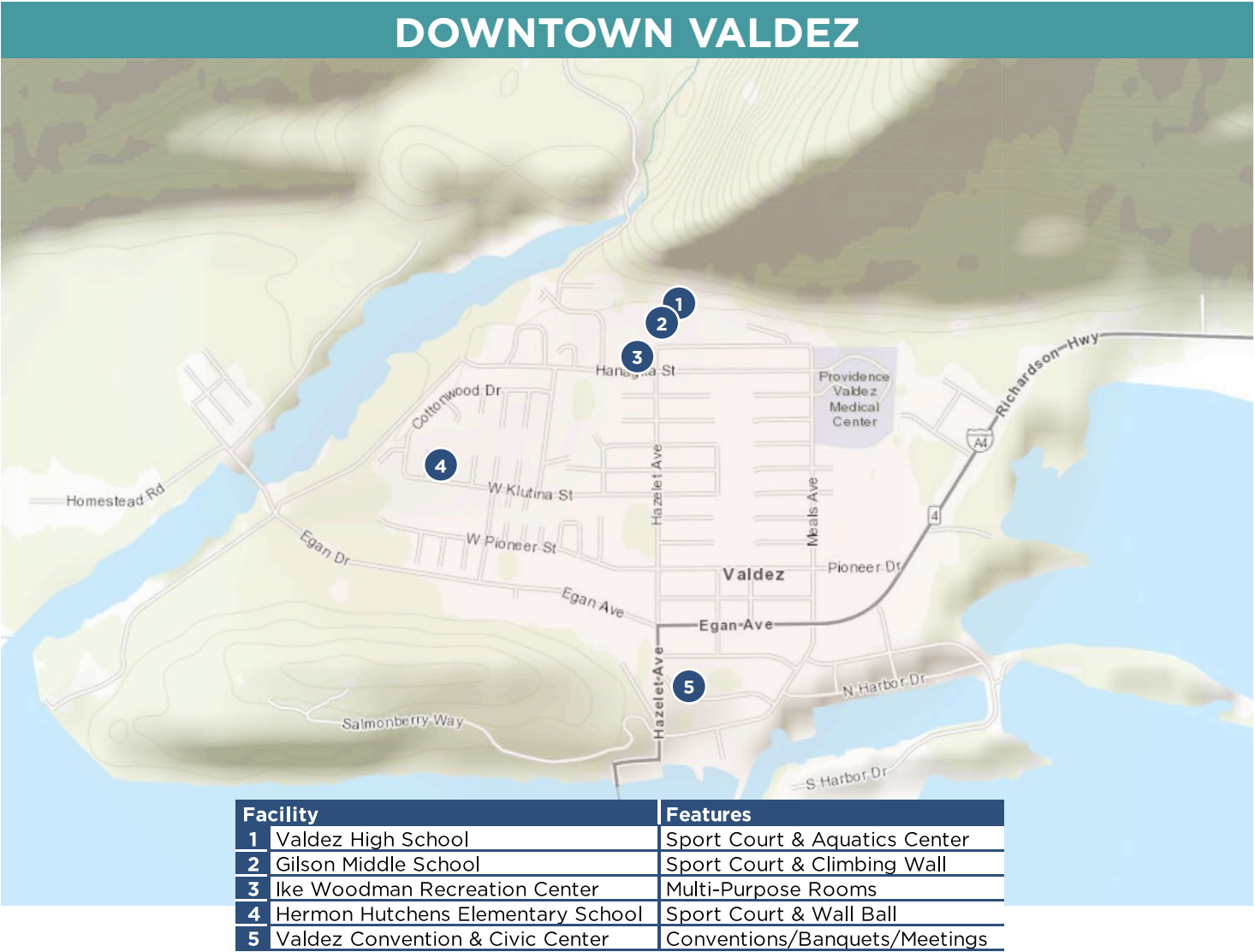
MARKET FACILITY ANALYSIS

EXISTING FACILITIES

 The majority of existing facilities in Valdez are located close to the city center

 Schools represent the vast majority of sports facilities in the City

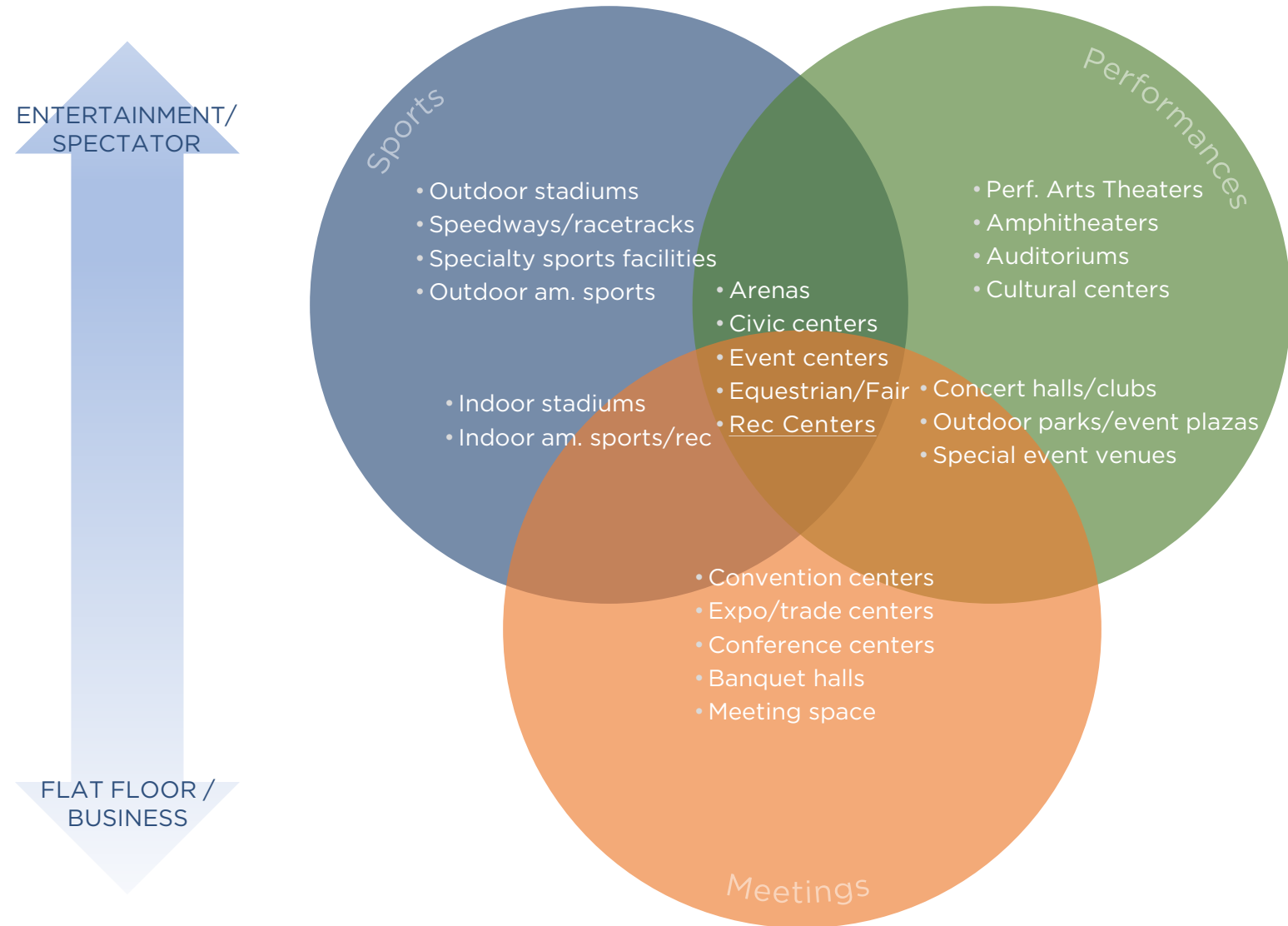
 Because schools have to support the needs of student athletes and organizations, the Valdez Parks & Recreation Department has limited hours in which to host programs and sports leagues



INDUSTRY TRENDS

FACILITY TYPES

- Valdez Rec Center will likely need to accommodate wide variety of user groups and event types
- Important to consider unique needs of community and who will use space



INDUSTRY TRENDS

FACILITIES BY EVENT TYPE

- Possible program elements:
 - Hardwood
 - Sportcourt
 - Turf
 - Fitness areas
 - Multipurpose event space
- Could host recreation leagues, local meetings & banquets, and walk-in members
- Not a significant economic impact generator, but a significant quality of life component
- Still moderate potential to host non-local events

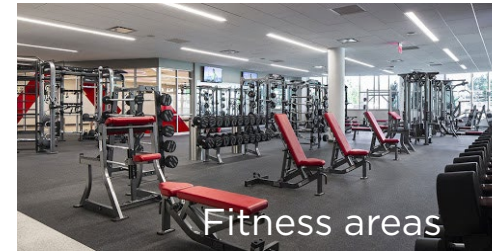
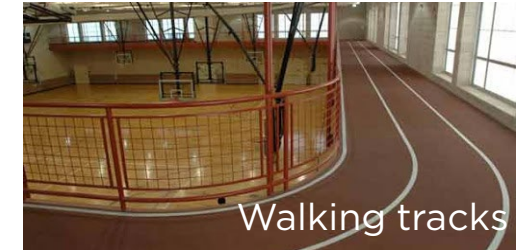
	Valdez Opportunities					
	Convention Center	Conference Center	Expo Center	Community/Civic Center	Indoor Rec/Sports Center	Spectator Arena
Type of Space	Exhibit, Meeting, Ballroom	Meeting, Ballroom	Exhibit, Limited Meeting	Multipurpose Space	Hardwood, Sportcourt, Turf, and/or Fitness Spaces	Spectator Seating, Flat Floor Space
Typical Events	Conventions, Trade Shows, Meetings, Banquets, Public Shows	Conferences, Meetings, Banquets	Public Shows, Trade Shows, Miscellaneous	Local Meetings & Banquets, Recreation, Other Events	Sports Tournaments, Recreation, Local Meetings & Banquets, Other Events	Concerts, Entertainment, Pro/Minor Sports, and Other Events
Typical Ancillary Characteristics	Adjacent Headquarters Hotel	Adjacent Headquarters Hotel	Parking, Accessibility, Visibility	Parking, Accessibility, Visibility	Parking, Accessibility, Visibility	Parking, Accessibility, Visibility
Economic Impact Generating Ability	High	Moderate	Limited to Moderate	Limited to Moderate	Limited to Moderate	Limited to Moderate
Ability to Fulfill Community Needs	Limited to Moderate	Moderate	Moderate to High	High	High	Moderate to High

INDUSTRY TRENDS

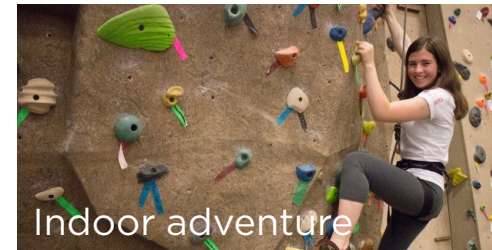
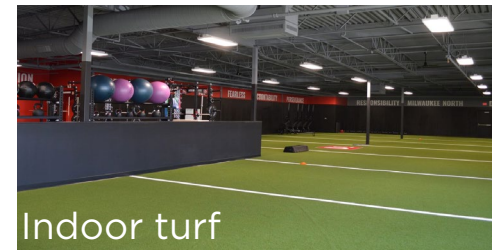
PROGRESSION OF REC CENTERS

- Modern rec facilities have significantly evolved in terms of capabilities, flexibility, amenities, operating efficiencies, and enhanced revenue generation opportunities
- Maximization of local uses and sports and event tourism
- Flexibility to accommodate the widest variety of uses
- Growing emphasis on partnerships (equity, sponsorship, and ancillary development)
- Incorporation of quality amenities and specialty components:
 - Performance centers
 - Esports capabilities/technology
 - STEM programming
 - Restaurants/cafes/food courts
 - Indoor adventure

Traditional Rec Center Amenities



Emerging Rec Center Amenities



INDUSTRY TRENDS

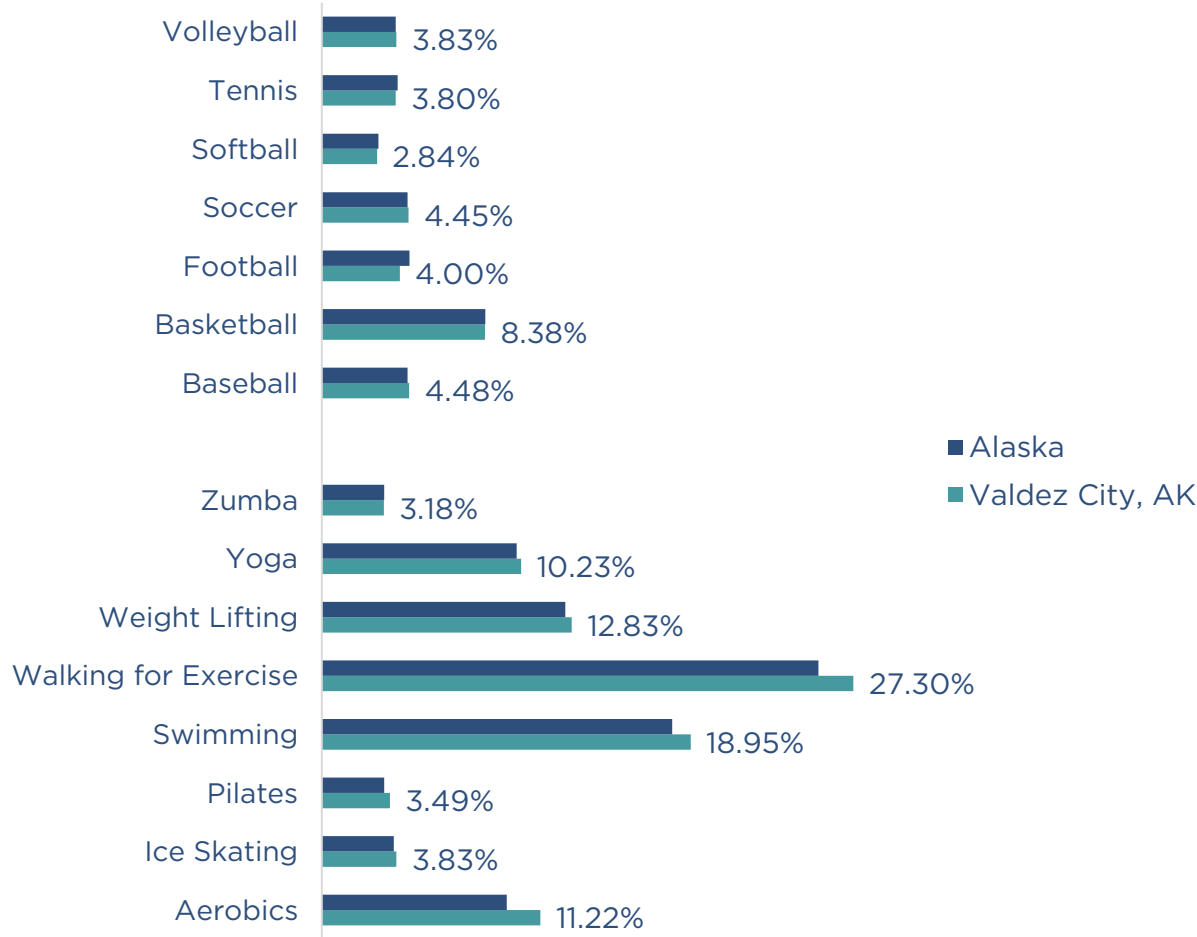
ACTIVITY PARTICIPATION RATES

- Local/regional activity participation rates provide further insights into the potential opportunities for a new recreation center in Valdez that could also host events that attract attendees from the broader regional area
- The chart to the right provides insight into activity participation rates within the city of Valdez and the state of Alaska.
- These and other activity participation rates will be compared with national and other regional rates.
- Interviews with stakeholders and organizations within the area will provide further insight into popular sports and activities in the area that can be served by a new recreation center

TEAM SPORTS

FITNESS AND RECREATION

VALDEZ AND ALASKA ACTIVITY PARTICIPATION RATES

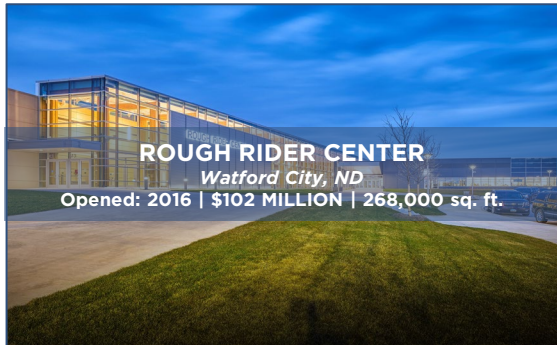


Source: Esri Business Analyst, Valdez Parks and Recreation Master Plan, 2021.
Note: Regional index for pickleball is unavailable.

COMPARABLE FACILITY ANALYSIS

OVERVIEW

- Assessing the physical, operational, and financial characteristics of comparable recreation and sports centers
- Continuing to identify comparable markets and facilities throughout Alaska and the United States
- We will identify which facilities have experienced the greatest success and failures and explore the underlying reasons



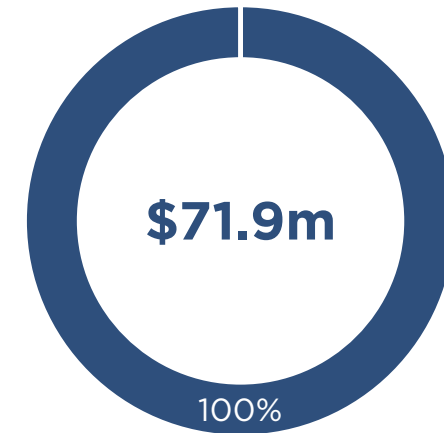
COMPARABLE FACILITY ANALYSIS

CASE STUDY: WILLISTON AREA RECREATION CENTER

FACILITY NAME:	The Williston Area Recreation Center
LOCATION:	Williston, North Dakota
YEAR OPENED:	2014
OWNER:	Williston Parks & Recreation District
OPERATOR:	Williston Parks & Recreation District
PROJECT COST:	\$71.9 M
% PUBLIC:	100%
% PRIVATE:	0%
FACILITY SIZE:	254,000 sq. ft.



- Development took approximately 18 months from ground breaking to facility opening
- Built on five acres, the 254,000 square foot facility is the largest city-owned recreation center in the country
- Total development cost was \$71.9 million
- Residents approved a one-cent sales tax with 50 percent of revenues dedicated to funding construction of the facility
- The facility has approximately 5,200 members and attracts upwards of 430,000 visitors annually



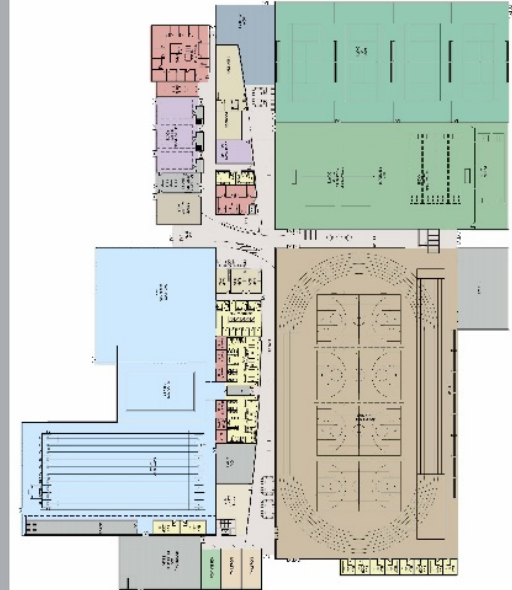
▪ City Funding Contribution

COMPARABLE FACILITY ANALYSIS

CASE STUDY: WILLISTON AREA RECREATION CENTER

AMENITIES

- 4 indoor tennis courts
- 13,000 sq. ft. indoor turf field
- Batting cages
- 4 basketball courts convertible to 8 volleyball courts
- A 200-meter competition track
- A 50-meter competition pool
- Instructional pool
- Waterpark
- 3 multi-purpose meeting rooms
- Fitness equipment and gym
- Golf simulator



Williston Area
Recreation Center
Architectural
Floor Plan

POTENTIAL USER INTERVIEWS

Discussing usage, pricing/fee structure, building program requirements, partnership opportunities, and creative facility concepts with:

1. Local Stakeholders and User Groups

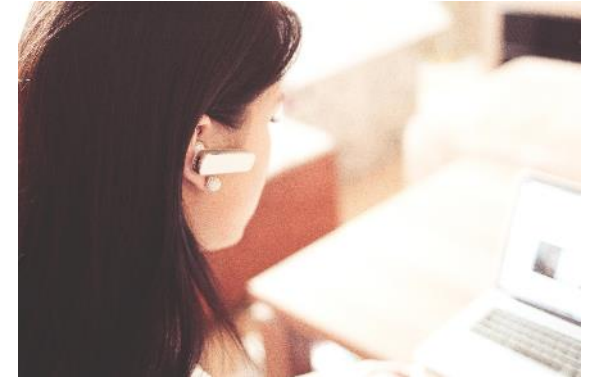
- City leadership and staff
- Valdez City School District
- Valdez Native Tribe
- Chamber of Commerce and CVB
- Local businesses
- Event facility management
- Other local organizations

2. Non-Local Sports Organizers

- Basketball
- Volleyball
- Wrestling
- Dance/cheer
- Martial arts
- Indoor soccer/futsal
- Esports

3. Other Non-Local Events Organizers

- Social, military, educational, religious, and fraternal groups
- State associations
- Corporate and independent meeting planners



COMMUNITY ENGAGEMENT

ENSURING INCLUSIVE COMMUNITY INPUT

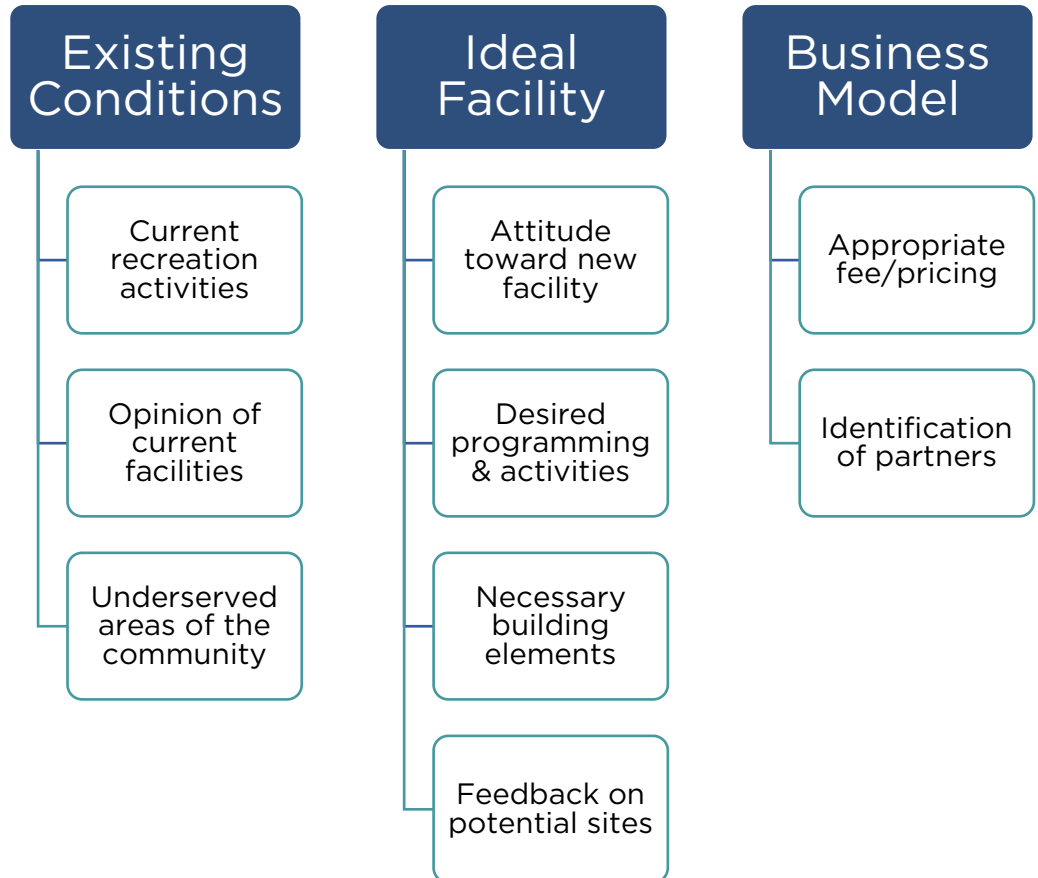
ONE-ON-ONE INTERVIEWS

- In-person or virtual interviews with stakeholders
- Purpose is to ascertain interest in development of the Facility, potential programming offered, expected amenities, and other such information

PUBLIC FORUMS

- Open to the general public in an informal, welcoming environment
- Allows members of the community to be informed and provide direct feedback on the proposed Facility
- Hosted at selected, easily-accessible sites in the local area
- A short informational presentation would be given followed by community input

DISCUSSION TOPICS



NEXT STEPS

1. Continue research process & report development
 - Local Market Conditions Assessment
 - Recreation and Sports Industry Trends
 - Comparable Benchmarking
2. Continue stakeholder outreach
3. CSL and Perkins + Will site visit (June 14 to June 16)
4. Schedule and conduct potential user interviews with key contacts
5. Begin planning for Community Engagement phase