



# **EXECUTIVE SUMMARY FEASIBILITY STUDY FOR A NEW MULTI-USE RECREATION CENTER**



Perkins&Will

# EXECUTIVE SUMMARY

## Key Analysis Takeaways

To explore how the area could further improve its standing as a destination for recreation and accommodate needs of local residents, the Valdez Parks & Recreation Department (“VPRD”) commissioned a Parks and Recreation Master Plan in 2020 that identified areas of opportunity in the market. The plan highlighted indoor recreation as a potential area of need, suggesting the development of a community recreation center or sports-focused fieldhouse facility in Valdez.

Importantly, a new recreation center could serve many benefits for the local community, including enhancing quality of life, supporting community health and wellness initiatives and goals, providing additional space to accommodate existing and new community activities, expanding community access to recreation programming, and generating economic impacts and tax revenues through the construction of the facility and the attraction of non-local event activity. Based on the results of the master plan, VPRD engaged the project team of Conventions, Sports & Leisure International (“CSL”) and Perkins & Will to conduct a feasibility study for a potential Multi-Use Recreation Center in the market.

To thoroughly evaluate the feasibility of a potential new Multi-Use Recreation Center in Valdez, CSL conducted a thorough analysis of existing facilities, local demographics, sports/activity participation trends, and comparable facilities in Alaska and the U.S., and conducted extensive outreach to local stakeholders and potential users of a Center. An in-depth review of several potential sites was also conducted. Key takeaways from each of these analyses are presented in the adjacent exhibit.

### Existing Facility Analysis

Additional spaces for pickleball, youth volleyball, low impact senior activities, and homeschool activities have been identified as potential needs in the community. A new facility could also benefit the expansion of various youth sports and adult recreation leagues offered within Valdez.

### Local Demographic Analysis

With a declining population, a potential new Multi-Use Rec Center could serve as a significant quality of life asset that would help retain existing and future residents. This would complement other community investments such as added housing and childcare.

### Comparable Facility Analysis

Reviewed 15 facilities nationally, including five smaller rec centers in Alaska. Representatives from each small Alaska facility described substantial utilization of these facilities during the winter months. Three of the five (Craig, Kenai, and South Peninsula in Homer) reportedly budget near a breakeven level operationally.

### Outreach

Conducted nearly 50 interviews with area stakeholders and had 40+ Build-a-Center surveys completed by residents. Community demand suggests a need for a public place that could accommodate critical need of seniors, afterschool and recreation space for youth, a sports and activity hub for the adult population, and a mental and physical health center for all.

### Community Demand

Local resident demand suggests the development of an “indoor park” in Valdez that would include an indoor playground, indoor turf space, and indoor walking/jogging track. Other popular choices include an inclusion of a childcare center as well as at least one hardcourt gym. Potential also exists to host several tournaments with non-local attendance per year.

### Site Analysis

We have determined the potential viability of seven sites in Valdez through the scoring of ten different criteria. Due to their identified viability, we recommend the City-owned Playground and Courts site and City-owned Dog Park & Community Garden Site by the Medical Center be considered as the preferred locations for the potential Rec Center.

# EXECUTIVE SUMMARY

## Building Program + Childcare Option

As shown by the table below, when factoring hard and soft construction costs, site development costs, and necessary renovations to the existing Ike Woodman Recreation Center, a budget of approximately \$12.8 million should be targeted for the building program presented herein for a new Multi-Use Recreation Center in Valdez. If a decision is made to include a childcare center within the new Center, this would add approximately \$1.0 million to the project which would essentially replace the costs assumed for renovating Ike Woodman Recreation Center.

| Space                                     | Area (sf) | Cost         |  |
|---|-----------|--------------|--|
| Building Support Areas                    | 1,300     | \$699,700    |  |
| Staff Administrative Areas                | 900       | \$451,900    |  |
| Locker Areas                              | 1,700     | \$918,800    |  |
| Indoor Turf Field                         | 6,600     | \$3,200,000  |  |
| Gymnasium                                 | 6,700     | \$3,257,700  |  |
| Walking/Jogging Track                     | 2,600     | \$742,500    |  |
| Indoor Playground                         | 800       | \$440,000    |  |
| Multipurpose Classroom/Activity Rooms     | 2,000     | \$984,400    | <b>Alternate Option:</b><br>2,000sf of classroom space could be re-positioned as childcare center for 25 children. Needed investment for classrooms to be childcare-ready would likely equal the \$1.0 million cost to renovate Ike Woodman. |
| Renovate Woodman Rec Center for Childcare |           | \$1,000,000  |  |
| Site Development Costs                    |           | \$1,079,700  |  |
| TOTAL                                     | 23,900    | \$12,774,700 |  |



# EXECUTIVE SUMMARY

## Key Results

To support identified demand within Valdez's primary and secondary markets, we recommend the development of a 23,900-square foot Multi-Use Recreation Center inclusive of a 60'x110' indoor turf field, full-sized basketball court/gymnasium, two activity rooms, and an indoor playground.

When factoring hard and soft construction costs, site development costs, and necessary renovations to the existing Ike Woodman Recreation Center, a budget of approximately \$12.8 million should be targeted for the building program presented herein.

We have also estimated the total annual attendance at a potential Multi-Use Recreation Center, as shown in the adjacent exhibit. Overall attendance levels are estimated to grow from 30,100 in Year 1 to approximately 39,400 by Year 4 as the community and tournament usage of the Center would grow.

Operating at an annual deficit of \$26,800 during a mature year of operations, the facility would accumulate a loss of more than \$666,000 over 20 years of operation, representing a net present value (NPV) of just under \$443,000. The facility's moderate operational deficit could be at least partially addressed through pricing structure. Potential may exist to charge higher daily admission and/or membership prices than those assumed for the Financial Analysis. However, it should be noted that if the Center membership base includes 90 more residents than estimated (485 instead of 395), current pricing structures would support a breakeven financial performance.

### Building Program

**23,900**  
square feet

60'x110' indoor turf field

Full-sized basketball court/gym

Childcare center

Indoor playground

Community spaces

Parks and Rec offices & admin areas

### Utilization

**39,400**  
users per year

~394 annual/monthly members

~780 total programs per year

~130 programs using indoor turf

~580 programs using new court/gym

~70 programs using classrooms

### Financial Estimates

**\$12.8**  
million development

~\$26,500 annual operating deficit based on analysis

~\$4,800 surplus possible with 485 members

2 full-time staff

~\$63,900 annual capital reserve payment

~\$940,000 debt service payment over 20 years