



Comment:	Presented 12/13/04
Verified by:	<i>H. Smith</i>

WASILLA CITY COUNCIL INFORMATION MEMORANDUM

IM No. 04-19

TITLE: FEE STRUCTURE REPORT AS PREPARED AND SUBMITTED BY THE MCDOWELL GROUP

Agenda of: December 13, 2004
Originator:

Date: December 3, 2004

Route to:	Department	Signature/Date
	Police	
	Recreational and Cultural Services Library, Museum	<i>Brueckner 12/06/04</i>
	Public Works Planning	
X	Finance *signature required	<i>[Signature]</i>
X	Clerk	<i>H. Smith</i>

REVIEWED BY MAYOR DIANNE M. KELLER: *Dianne M. Keller*

FISCAL IMPACT: yes\$ or no Funds Available yes no

Account name/number:

Attachments: Fee Structure for City of Wasilla Parks and Recreation Services

SUMMARY STATEMENT: A grant in the amount of \$30,000 was received from the Alaska Department of Community and Economic Development, Division of Community Advocacy earlier this year. The purpose of the grant was to have a rate analysis of the sports complex and other recreational fees conducted by a professional organization.

The McDowell Group was selected to perform the rate analysis and was selected through a bid process to conduct this analysis.

Attached is the completed report by the McDowell Group entitled "Fee Structure for City of Wasilla Parks and Recreation Services."

Fee Structure for City of Wasilla Parks and Recreation Services

FINAL REPORT

***PREPARED FOR:
City of Wasilla***

PREPARED BY:



Anchorage • Juneau

November 2004

Table of Contents

Executive Summary	1
Overview	1
Pricing Strategy Considerations	1
Pricing Recommendations	2
Introduction and Methodology	3
Introduction	3
Methodology	3
Parks and Recreation Services	5
Types of Facilities	5
Community Expectations	7
Pricing Strategies	10
Overview	10
Revenue Goals	11
Market Segmentation	12
Competitor Prices	15
Case Studies	16
Market Analysis and Recommendations	23
Size of the Market	23
Competitive Considerations	24
Ice Rinks	24
Turf Courts	29
Running Tracks	31
Meeting Rooms	32
Outdoor Pavilions	35
Campgrounds	35
Advertising and Naming Rights	36
Special Events	38
Appendix A: Executive Interview Contacts	39
Appendix B – Whitehorse Ice Arena Fees	40
Appendix C – Whitehorse Arenas Financial Performance	41
Appendix D – Soldotna Sports Center Information	43
Appendix E – Fees Database	48

EXECUTIVE SUMMARY

Overview

The City of Wasilla contracted with the McDowell Group, an Alaska research consulting firm, to identify a fee structure for the services offered at the Wasilla Multi-Use Sports Complex and at its outdoor pavilions. The Sports Complex includes an ice rink, turf court, running track, and meeting rooms.

Through secondary research and executive interviews, the study team examined community and user group priorities and goals for Wasilla's recreational facilities and identified competitive fee structures for comparable services. The team also researched comparable facilities, including facilities in Alaska, Minnesota and the Yukon Territory. Based on this research, the study team recommended a fee schedule that addresses individual and group activity fees (including special events), bundled activity fees, and discounts.

Pricing Strategy Considerations

Because the Sports Complex opened for the first time in March 2004, initial marketing and pricing strategies are geared to building market share and to increasing the overall demand for indoor ice and turf sports. The two major market considerations are the rapid growth of the Matanuska-Susitna Valley and the direct competition, particularly for the ice rink, from the renovated Brett Arena and the soon-to-be opened Palmer Arena. The pricing strategy is therefore designed to address a situation wherein supply is likely to exceed demand in the short run, but likely to grow substantially as a result of population growth, increasing awareness of the Sports Complex and, most of all, the evolution of new leagues, teams and groups that will result from the availability of the new facilities.

A goal of the Sports Complex is to earn enough income to offset operating expenses. This appears feasible. However, the length of time needed to achieve this operating equilibrium will depend heavily on how well the Sports Complex and the other two ice arenas are able to foster growth in the number of local hockey, indoor soccer, and other indoor sports teams, both youth and adult. Whether it can be accomplished within two years, as some have suggested, is uncertain given the temporary oversupply of ice, and may rest largely on growing the demand for indoor soccer and other turf sports.

In addition to the above considerations, factors potentially affecting fees include:

- Cost of providing certain services relative to others and how services combine in ways that makes them more or less efficient to provide.
- Whether certain services complement each other in ways that increase value to users.
- Preferences of different user groups with respect to location, amenities, scheduling, service staff, and other non-monetary aspects of the facility.

- Fees at competing facilities for similar services.

Recommended fees also take into account the Sports Center's market positioning as a high quality provider offering the finest facilities and professional services in the area.

Pricing Recommendations

The report contains information about comparable fees for the following services, and provides fee recommendations for most:

- Ice rink
- Turf court
- Running track
- Meeting rooms
- Outdoor pavilions
- Campgrounds
- Advertising
- Naming rights
- Special events

Peak and off-peak prices, group and individual use, bundling and incentives, program fees, and promotional discounts are addressed. In some cases, for example naming rights, the fee study has provided guidance without identifying specific fees. In these instances specifying fees is inappropriate because they are typically negotiated on the basis of a variety of factors relevant to the particular client.

In a follow-up study, McDowell Group is working with Sports Complex management to develop a detailed marketing plan for the facility's major products. The marketing plan will address in more detail the relationship between pricing, key target markets, and other strategic business considerations.

INTRODUCTION AND METHODOLOGY

Introduction

The City of Wasilla provides various parks and recreational services to its residents, many through the new Wasilla Multi-Use Sports Complex. Opened in March 2004, this facility includes an ice rink, turf court, running track, and meeting rooms. The city also owns and manages three outdoor pavilions located at local city parks.

The City contracted with the McDowell Group, an Alaska research-based consulting firm, to identify a fee structure for the services offered at the Complex and at its pavilions. The Complex's mission is to "...maintain a quality facility while generating revenues that meet or exceed operating expenses and provide a safe and secure quality of life experience for all city and borough residents." Since the mission addresses both finances and public service, analysis of fees was designed to take account of both types of goals, that is, to achieve revenue targets without overly discouraging broad public use.

This report includes a discussion of methodology, a description of the parks and recreation services offered by the City of Wasilla, pricing strategies, competitive analysis, and recommendations for a fee structure for each of the services. This study was produced in part with Mini-Grant Assistance funds made available through the Department of Commerce, Community and Economic Development, and the Denali Commission.

Methodology

The methodology used for this project is based on:

- Community priorities and goals
- Analysis of user preferences and alternatives
- Analysis of fee structures for comparable facilities

In early August, members of the study team toured the Complex to see the facility and learn about the current and anticipated market. Through secondary research and interviews, the study team examined community and user group priorities and goals for Wasilla's recreational facilities and identified competitive fee structures for comparable services. The team also researched comparable facilities that are not direct competitors with the Complex, including facilities in Eagle River, Soldotna, Eagan, Minnesota and Whitehorse, Yukon Territory.

The study team interviewed four local community leaders, 17 user group representatives and several managers of comparable recreational facilities. These interviews included an assessment of user groups' preferences and willingness to pay for use of city recreational facilities, revenue goals for other public facilities (or, conversely, willingness to subsidize recreational facilities), and other information useful in the development of a fee structure. See Appendix A for a list of people contacted during the course of this study.

The study team used interviews and secondary sources to develop an inventory of recreational and meeting alternatives to Wasilla's services and to assess the extent to which they might compete with Wasilla's facilities. Alternatives in Anchorage are relevant, especially in view of the large number of Matanuska-Susitna Borough residents who work in, or otherwise travel frequently to, Anchorage. This analysis considered the convenience, availability, and quality of alternative facilities.

Once community priorities, comparables, and available alternatives were understood, the study team drafted a fee schedule that addresses individual activity fees (including special events), bundled activity fees, and discounts.

PARKS AND RECREATION SERVICES

City of Wasilla Parks and Recreation services include the operation of the Wasilla Multi-Use Sports Complex and several outdoor parks and pavilions. This section of the report provides a description of these facilities and services.

Types of Facilities

Wasilla Multi-Use Sports Complex

The City of Wasilla opened the doors to the Wasilla Multi-Use Sports Complex on March 6, 2004. The Complex is a 102,000 square foot building with four primary activity areas: a National Hockey League-size ice arena, an indoor artificial turf court, a running/walking track, and three community meeting rooms. These primary activities comprise the first phase elements of the 60-acre master plan for the Complex.

The voters of Wasilla enacted a temporary sales tax of 0.5 percent effective July 1, 2003 dedicated to fund the construction bond for the Complex. Receipts for the dedicated sales tax for fiscal year 2004 are estimated at \$1.8 million.

Table 1 lists the current offerings at the Wasilla Multi-Use Sports Complex:

Table 1
Sports Complex Products and Services

Area	Size	Offerings
Ice Arena	NHL-size 200 feet by 85 feet	Public skating, hockey, figure skating, concerts, graduation ceremonies, trade show events, etc.
Turf Court	175 feet by 75 feet	Soccer, volleyball, flag football, football and baseball practices, birthday parties, etc.
Running Track	830 feet long	6.4 laps equals one mile
Meeting Rooms (three rooms)	650 ft ² per room (30 people capacity). Retractable walls for 1,950 ft ² total (90 people total capacity)	Team meetings, small conferences, team and birthday parties, etc.

Ice Arena

The ice arena is National Hockey League-size at 200 feet long by 85 feet wide. Seating surrounds the hockey rink, accommodating 1,500 spectators for games and skating competitions. Additional seating can be added for concerts and shows, accommodating a total of 3,000 spectators. The fixed bleachers have heated seats. There are large windows for natural lighting.

Turf Court

The turf court is 175 feet long and 75 feet wide. Divider curtains are available to separate the turf court into thirds for rental of a smaller area. A safety net around the court prevents stray balls. There is an elevated viewing area and large windows for natural lighting. Pullout bleachers accommodate 450 spectators.

Running Track

The running track is elevated above and encircles the bleachers in the ice arena. Large windows allow natural lighting and an outdoor view for walkers, joggers, and runners. Strollers are allowed on the running track provided the wheels are non-marking.

Meeting Rooms

There are three meeting rooms with tables and chairs that will accommodate 30 people in each room. The meeting rooms have retractable walls for larger gatherings. The Complex does not offer food service; however, catered food is permitted in the rooms. One room includes a sink. Additional items available for the meeting rooms include: podiums, easel/flip chart, projector, screen, TV/VCR/DVD, conference phoning, fax transmittal services, and copier services.

Other Services

Support space at the Sports Complex includes: daily-use lockers, change rooms with showers, and administrative spaces. Vending machines are also available. The addition of a pro shop and coffee stand is being considered. A new trailhead facility was constructed with separate funding to provide access to nearby Iditarod and Tesoro Iron Dog trail systems. A paved road and utility corridor linking to the Parks Highway was recently constructed. A new bike trail also provided access to a new area of the city.

Planned Phase II Additions

Outdoor amenities make up the bulk of the planned Phase II additions. These amenities would include an outdoor skating pond with covered warm-up and seating area, a football/track and field/speed-skating oval stadium, a soccer field, a baseball/softball field, and on-site cross-country ski and running trails. There are also plans for limited campground facilities. The timeline for completion of Phase II is the next three to five years.

City Parks and Outdoor Pavilions

The City of Wasilla has three pavilions available for public use; two in the Iditapark (the Red and Blue pavilions), and the McEvoy Pavilion at Newcomb Park. Iditapark includes: basketball, tennis, and sand volleyball courts, Wonderland (a children's playground), a world-class skateboard facility, BMX trails, an amphitheater, an Armed Forces honor garden, and a Garden of Reflection with a waterfall and trellis.

Newcomb Park on Wasilla Lake is popular for swimming in the summer and outdoor ice skating in winter. Use of the parks and pavilions is free for both individuals and groups, though groups are required to obtain a permit in advance.

Community Expectations

McDowell Group contacted four Matanuska-Susitna community officials to gather their perceptions of the Multi-Use Sports Complex. Community officials were asked about their vision for the Complex and how it fits into the overall plan for the community. The study also contacted 17 sports organizations that are either current or potential users of the Sports Complex. League sport officials representing hockey, baseball, soccer, figure skating, and volleyball were interviewed. These groups were located in Talkeetna, Wasilla, Palmer, Eagle River, and Anchorage. Questions were asked to gauge their interest in and experience with the facility. Key points from both sets of interviews are summarized below.

Viewpoints of Community Officials

All community officials interviewed had visited the facility and thought it was of excellent quality. When asked what they like best about the Complex, they said the following:

- *A tremendous asset. This is a facility that can grow with the community.*
- *This is a family-oriented area. A wonderful facility on 60 acres. There is potential to grow outside (the facility).*
- *What is there not to like? It is a very nice community facility.*
- *The Complex provides several needed functions in the community.*
- *It is very modern and not contentious.*
- *Like the multi-use aspect....It's not just an ice arena.*

While most comments were positive, a few concerns were expressed. One interviewee mentioned "...Parking problem in winter. [Parking] is quite a bit separate from the building. [You have to] walk so far to get to where you want to go." Others expressed concern about traffic and a need for improved access from the Parks Highway. Recently, a traffic light was installed and is scheduled to be operative by November 1, 2004. This traffic light was designed to improve access to and from the Parks Highway.

In general, community officials envision the Sports Complex as an anchor for community development in Wasilla. As one interviewee put it, "The Sports Complex will allow other sports activities to grow in the region." Interviewees uniformly believe the Sports Complex makes Wasilla a more attractive place to live. One pointed out the potential to use the facility for high school graduations and other large group events that currently must be held outdoors.

One interviewee said, "Given the phenomenal growth in the Matanuska Valley it was fortunate that the community built the Complex now rather than waiting," adding, "the community might have lost the opportunity in the future as land becomes more scarce."

In terms of economic activity, community officials thought that leagues hosting tournaments at the Complex would bring more visitors into Wasilla. These activities, in turn, would support local gas stations, restaurants, hotels, and other businesses. There was a general feeling that the Complex should be able to break even on operations within two years.

Viewpoints of User Groups

User groups contacted represented youth and adult leagues, approximately 30 figure skaters, and 1,600 soccer, 70 baseball, 285 football, 110 volleyball, and 1,200 hockey players from Anchorage, Wasilla, Palmer, Eagle River, and Talkeetna. Not all groups had direct experience with the Sports Complex. However, the groups that had used the facility were complimentary about the facility and how it is managed. All groups were enthusiastic about getting to use the new ice or turf.

One figure skating team representative said it was a pleasure to have "few conflicts for ice time." Another figure skating representative was also pleased with the facility but said a ballet room would further enhance it. Figure skaters were also pleased that they would be able to host competitions in the Valley, now that two ice rinks would be available (Brett Arena and Wasilla's Complex), a requirement for some competitions.

For hockey groups located outside of the Wasilla area, there was little concern about the inconvenience of traveling to Wasilla for games or even practices, provided ice is available at reasonable times and at prices similar to those they currently pay.

All the sports organizations take rental cost into consideration. Most user groups are non-profit organizations, operated largely by volunteers and financed through donations, fund-raising activities and group fees. Those organizations that currently conduct practices and games outdoors (i.e., football, baseball, and soccer) for little or no cost were most concerned with the additional expense of renting an indoor facility.

Several hockey groups currently using the Complex indicated that once the Brett Arena reopens they expect to go back to that facility. The main reason was an expectation that rental fees would be less expensive at the Brett. Significantly, all hockey groups indicated they would expand their teams once more ice became available in the Valley.

Baseball and soccer groups were pleased with the turf court set-up but had little experience with it. The volleyball group had not yet tried to play on turf but thought it would be preferable to a gym floor. They also indicated they would use the turf court regularly if the price is reasonable and if there is a place to store their gear. The soccer and volleyball groups also expect their leagues to grow.

Adult user groups indicated that comfort is also an important consideration. They like a clean facility, heated change rooms, and hot showers, which are not always available at other locations.

In summary, figure skating, hockey and volleyball representatives all expect to use the Complex and to experience growth in their respective sports as a result. Representatives of football, baseball, and soccer teams are interested in using the Complex, but are more price-sensitive. It will take time and some trial experiences for these teams to get a clear idea of the Complex's potential value to them. Equipment storage and a clean, well-managed space are important to many teams, and may be a critical consideration for expansion of some sports, for example volleyball and arena soccer.

PRICING STRATEGIES

This section of the report presents some of the rationales behind various pricing strategies, including revenue goals, market segmentation, price signaling, advertising, and competitive factors, as well as case studies of other sports facilities' pricing.

Overview

Pricing strategies must be a reflection of both management goals and market realities. They tend to lie along a continuum from a primarily "market-share" strategy to a primarily "profit-taking" strategy. A market-share strategy is a combination of pricing and other marketing activities designed to increase the number of customers, either by generating new users or by attracting them from competitors. A profit-taking focuses on short-term profits by extracting the highest possible fees from existing customers, with little regard for expanding the market.

Where on the continuum an organization lies tends to change depending on its age, its financial needs, its competitors, major demographic and market trends, and other factors. For a new facility such as the Sports Complex, initial marketing and pricing strategies are typically geared to build market share. This is particularly true where markets – in this case sports participants – are rapidly evolving and the potential for growth is strong. It is even more true where, as in Wasilla, there is substantial direct competition and a situation where supply is likely to exceed demand in the short term.

Building market share is not simply a matter of slashing prices, however. No product is worth the same to all potential purchasers. In theory, the ideal pricing structure will charge each user the precise amount that a product is worth to that individual at that particular time. This is the principal behind auctions. Nevertheless, most pricing structures limit the range of potential prices based on a combination of practical considerations and strategic goals.

Until a more detailed marketing strategy is developed for the Sports Complex, the study team proposes the following guidelines for setting a fee structure:

1. After an initial ramp-up period, the Sports Complex is expected to earn enough income to offset operating, but not capital, expenses. Management would like this period to be two years or less. However, this may not be realistic, given the temporary oversupply situation created by 1) two new facilities opening in quick succession, and 2) introduction of a substantially new product – the turf court.
2. As a public facility that depends, to an extent, on broad-based community support, the Sports Complex would also like to encourage use by a range of community members and groups, particularly youth.
3. Encouraging the long-term growth of activities that utilize the Sports Complex serves both one and two, above.

Specific considerations that can affect fees include:

- Cost of providing certain services relative to others and how services combine in ways that makes them more or less efficient to provide.
- Whether certain services complement each other in ways that increase value to users. For instance, coffee shop lease space may not cover expenses, but the ability for parents to wait comfortably for a child during a 45-minute skating lesson encourages more parents to choose the Sports Complex.
- Preferences of different user groups with respect to location, amenities, scheduling, service staff, and other non-monetary aspects of the facility.
- Fees at competing facilities for similar services.

The study team emphasizes that competitor prices are only one of several considerations relevant to setting fees. One would expect two facilities to have identical fees only if all the other aspects of those facilities, including services, amenities, user groups, location, cost structure, and short-term and long-term revenue goals, are also identical. The recommended pricing structure is designed to address the specific needs of the Sports Complex.

Revenue Goals

The Sports Complex seeks to recover 100 percent of operating costs through fees. This expectation is typical of public facilities in the US, but is not always reasonable, or even desirable. In Canada, for example, public sports complexes typically aspire to recover only 40 to 60 percent of operating costs. If broad community use is to be encouraged, it is nearly inevitable that some users will be subsidized, either by taxes or by fees paid by other users. Which of these is more appropriate – broad-based or user-based subsidies – is widely debated and varies from situation to situation.

Nevertheless, cost-recovery is an explicit goal of the Complex and this has a significant influence on the fee structure. Table 2 shows preliminary revenue targets by source. These targets will likely change as the Complex develops a proven track record with the public.

**Table 2
Complex Management Preliminary Revenue Targets by Source**

Source	Target Percent	Target Amount
Teams/Leagues (initiated by the Sports Complex)	5%	\$40,000
Private rentals (including existing sports teams, clubs and leagues)	30	240,000
Non-traditional sports (softball, lacrosse, driving range, etc.)	10	80,000
Programs (learn to skate, etc.)	5	40,000
Events	5	40,000
Meetings	5	40,000
Business sponsorships (including naming rights)	25	200,000
Concessions	15	120,000
Total	100%	\$800,000

Meeting these revenue targets will depend not only on pricing, but on marketing efforts, the actions of competing facilities, and trends in recreational use patterns that, in some cases, cannot be controlled by Sports Complex management.

Market Segmentation

Charging users according to how they value the product is called “market segmentation.” A market segment is a group of people that have one or more characteristics in common that tend to make them value a product in similar ways. In an auction, markets are fully segmented down to the level of the individual purchaser. Each purchaser is free to bid whatever amount reflects his or her personal value for the product. A practical fee structure for the Sports Complex must group users more generally into segments according to their interests, needs and “willingness to pay.” Following are brief discussions of several ways to group or “segment” users. These include:

- Peak and off-peak times
- Regular vs. intermittent users
- Affinity for companion products
- Affinity for “Add-on” purchases
- Interest in product “bundles”
- Membership in a group
- Responsiveness to discounts

Below, we discuss briefly each of these factors. Then we consider some of the implications of individual product prices.

Peak and Off-Peak Times

Peak and off-peak pricing strategies use lower fees to encourage customers who are willing and able to utilize the facility during low demand periods. This is a critical issue for most sports arenas, because there is a limited span of time during which most groups want to use the facility. For the Sports Complex, peak times are weekdays from 5 p.m. to 9 p.m. and weekends. Other peak times include in-service days, holidays, and school breaks (fall, spring, and summer).

If a facility is able to reach its revenue goals entirely through peak period fees, then off-peak times may be used for a variety of public service or market development activities. More often, however, facilities depend on off-peak fees, and this means developing a customer base for the lower-demand times of the day, week and year. Discounted fees alone may not be able to accomplish this. It may require development of new leagues, sports, events, or other activities.

Regular vs. Intermittent Users

Most sports facilities offer bulk purchases at a special price. These often take the form of punch cards that cover a specified number of individual visits. The same principal may be applied to team contracts that offer benefits, either in lower fees or use of amenities, in return for pre-purchase of large blocks of time.

Companion Products

Companion products are products whose purchase typically accompanies purchase of a main offering. This pricing strategy is sometimes called "captive product." For example, skate rentals are a "captive" companion purchase with ice arena time for any users who don't own their own skates. Another example is a fee charged for arena staff to operate the scoring box during a hockey or soccer match. This strategy works best when there are no convenient alternatives to making the companion purchase.

"Add-on" Purchases

Once a customer is in the door, it is important to provide opportunities to make discretionary purchases at the Complex. Prices for add-on purchases depend on many factors closely associated with retail sales, for example, quality of service, knowledge of staff, or product lines offered. Pro-active efforts to obtain customer feedback and careful observation of customer behavior are helpful in determining the right inventory, pricing, display strategies, etc. Also important are accurate sales records and a method to analyze them in order to identify the contribution of each product to overall financial performance. This, of course, holds true for the facility's main offerings, as well.

Bundling

The term "bundling" means charging a single price for a package of services. The customer might only want one service enough to pay full price for it. But the offer of additional services is attractive enough that the customer will pay some extra amount to obtain them. The most apparent bundling strategy employed by recreational facilities is the membership. Most customers purchase club memberships primarily for a single activity, tennis, racquetball, aerobic workouts, etc. It is critical to understand customer attitudes toward what is included and not included in any bundle of services. Focus groups may be useful for this purpose.

For the Sports Complex, any of the four major services could be bundled. For example, people playing hockey regularly can pay a bit extra and get access to a meeting room before each game. Or a family renting the facility for a birthday party could be offered access to all free-skates during the birthday month for an additional fee. Bundling may be extended outside the facility. For example, an arena might co-promote with a health spa by selling a punch card that includes services at both facilities.

Group Rates

Group rates can be an important tool for expanding the size of a market (market development). Group rates may entice additional members of the group to join an activity. Groups can be based on a common interest, affiliation with particular organizations, age, gender, or many other parameters. Group rates work best when individuals have a personal incentive to encourage other member of the group to participate.

Promotional Discounts

Promotional discounts should have specific, short-term goals, for example, to increase purchases by existing customers, to entice new customers, or to introduce a new product. Typically, they are used for a pre-determined period and then discontinued. Discounts must be large enough to entice customers to change their current purchasing patterns.

A critical factor in discounting is to retain a clear distinction in the minds of customers between the regular price and the discounted price. If promotional discounts are used carelessly or too frequently, customers may come to expect them and rebel against any return to regular prices. Continuous discounting may also give the impression that the product is of lesser quality. (See "price signaling" below).

For a business with a fixed inventory -- such as an airline, cruise line, or sports arena - a common use of promotional discounts is inventory management. These discounts are based on the same idea as peak and off-peak fees. They are used to help fill chronically under-utilized time slots or activities. Since the Sports Complex sells time, its inventory disappears, whether it is purchased or not. Discounting is one way to obtain revenue that might otherwise have been lost. Effective inventory management requires a detailed understanding of customer needs and a reliable way to track customer use.

Price Signaling

With all the mechanisms for grouping and adjusting prices for different market segments, one might ask, "Do 'regular' prices matter?" The answer is, "yes." Customers pay regular prices because it is convenient, because they are not interested in special premiums or additional services, or simply because they can afford to. In addition to the revenue that results, regular prices are an important signal to customers about what to expect from a product or service.

Low prices tend to make customers feel they are getting lower quality, even when this is not the case. One study showed that identical products sold better for \$39.95 than \$35.95, because the higher price better matched customer expectations for that product. Customers assumed that the lower price signaled a defect or other undesirable characteristic.

Low advertised prices may also be difficult to raise without antagonizing customers. Low prices can affect the attitudes of staff, causing them to provide lower quality service. High prices suggest that a product is high-quality. Often companies sell several different brands at different price levels when they are essentially the same products. This is true, for example, of certain automobiles and many kinds of personal care products. Of course, if the product is priced too high, consumers will seek alternatives or forego purchase altogether. The point is simply that, where product cost allows a range of potential prices, price levels should be chosen to support a particular market strategy, rather than simply being made as low as possible.

Advertising

Advertising is another Sports Complex product, just like turf-court time or skate rentals, and a potentially important source of revenues. To make the most of advertising sales, it is critical to understand how advertising may benefit a business. Advertisers are purchasing a package of benefits from the Complex. These include:

- “Exposures” – the number of times a business’s message is seen by visitors to the Complex.
- “Message synergies” – The degree to which the advertising medium being offered is appropriate for a business’s key message. For example, dashboards are best used for logos or very simple messages, since there is not a lot of space and people are reading from relatively far away.
- “Product synergies” – the extent to which a business can associate itself with the Complex in the minds of potential customers. This is most apparent in products that are related to health, recreation, sports, sports competition, etc.
- “Good will” – A positive association in the minds of potential customers achieved by associating a business with a high-quality public facility.

The proposed fee structure includes preliminary rates for advertising. These may be refined as part of a marketing plan.

In addition to pricing according to the benefits of individual advertising opportunities, the strategies of bundling and discounting should be applied to advertisers as well. Advertisers who purchase ice banners may receive discounts on program advertising for events or competitions. Advertisers who contract for multiple year or season events could receive a discount. If the advertiser is a local company, consider offering discounts to the advertiser’s employees.

Competitor Prices

The focus of this study is largely on competitor prices, in part because the Sports Complex does not yet have a track record that demonstrates how its own customers respond to different pricing alternatives. As the study team has tried to demonstrate, competitor prices are an important consideration, but they are not a substitute for understanding one’s own key market segments.

Nevertheless, they are an appropriate starting point in the absence of more detailed market research, especially since the Sports Complex will be facing two new competitors (the Brett and Palmer arenas) in the next few months.

However, the study team emphasizes that the recommended fee structure is primarily designed for the near term. As the competitive environment becomes more stable over the next year and the use patterns of the Complex become clearer, fees may be refined. In particular, additional marketing planning will help identify the roles of three other critical pricing considerations: "market penetration," "market development," and "product development." Briefly, these consist of the following:

- **Market penetration** – Ways to increase the Complex's share of the existing market, either by encouraging current customers to come more often or by attracting competitor customers.
- **Market development** – Ways to expand the market by creating new customers from among those who are not currently using a sports facility.
- **Product development** – Ways to alter or enhance the Sports Complex that would attract new types of customers (for example, people looking for a quick lunch), or encourage current customers to spend more money, as, for example, when a club entices members to upgrade to an "executive" level membership.

The most important of these for the Sports Complex is almost certainly market development, in particular, encouraging creation of more teams and leagues for both ice and turf sports. Pricing may or may not have a role to play in this effort, but in any event, it is a long-term strategy that will ultimately have an impact on fees if it is successful.

Case Studies

Whitehorse

The Whitehorse area has a population of approximately 21,000. The city has two indoor ice arenas, a cross-country ski/convention center, and a modern aquatic center with hot tubs as well as leisure and competition pools. One of the indoor arenas, Stan McCowan Arena, was built in 1975. The second arena, Takhini Arena, was built in 1985. It is the main facility and will be used for the 2004 Canadian Senior Games and the 2007 Canada Winter Games. It seats 1,500 and has a modern refrigeration system. In addition, the city floods about 30 outdoor spaces for winter skating.

Peak ice time for the arenas is from 3 p.m. to midnight on weeknights, and 6 a.m. to midnight on weekends. Most rental hours are filled, except near Christmas time. The facilities are expected to recover 40 percent of operating and maintenance costs. The rest is covered by taxes. Actual cost recovery was approximately 35 percent in 2000 and 2001 but improved to 39 percent in 2003. The improvement was due partly to increased revenue at one arena and partly to an overall reduction in maintenance costs. The total public subsidy for the two arenas fell from \$746,000 CAN in 2000 to \$669,000 CAN in 2003.

In 2003, ice fees were modified somewhat. During summer (April to September) all ice rental is now charged as prime time to cover increased operating costs of maintaining the ice. Users have not objected, and overall usage for 2003 shows a modest increase over 2002. Appendix C contains more information about the Multiplex's financial performance.

Indoor soccer enthusiasts in Whitehorse have been lobbying for turf courts for several years. Final impetus to build the courts came from Whitehorse's commitment to house the 2007 Canada Winter Games and the federal funding associated with it. The new Multiplex facility will be adjacent to the aquatic center and will house two soccer surfaces, one Olympic and one NHL hockey rink, a fitness center, and an indoor walking track. Opening is scheduled for fall 2005.

Analysis for the proposed Multiplex performed by recreational consultant Randall Conrad indicates that Canadian indoor soccer arenas can break even on operations with rental fees of \$100 CAN to \$125 CAN per hour. Public subsidies up to 50 percent are not uncommon.

The Multiplex is projected to improve overall revenue recovery for Whitehorse's public recreation facilities from 40 percent to nearly 60 percent. This is partly because of the efficiency of operating a consolidated facility and partly because indoor soccer is expected to contribute significantly to revenues.

Indoor soccer is a rapidly growing sport in western Canada. Soccer associations with indoor arenas have grown at 15 percent per year, according to analysis performed for the Whitehorse facility. Demand is projected to fully utilize both new soccer surfaces within a year of opening. Whitehorse officials expect that 1,200 youth and adults (6 percent of the population) will be involved in indoor soccer, with nearly 80 teams booking court time. This includes crossover use by 30 percent of existing arena ice sports registrants, Whitehorse's 600 current indoor soccer players, and 200 players who will be new to the sport.

Fees for municipal recreation facilities are set by the Whitehorse City Council under Bylaw 98-12. The "benefit-based" fee schedule is complex and takes into account the goal of the facilities to provide broad public benefits. Typically, different fees are specified for adults, students, youth, seniors, families, and the disabled. A variety of passes (annual, monthly, seasonal, etc.) are available. Rental rates are lower for non-profit groups than for-profit and also lower for non-peak time use. (See Fees Database, Appendix E). In addition to recreation rentals, certain facilities rent meeting, storage, and event space as well. They also negotiate fees for advertising space on equipment and in printed materials. Appendix B lists the user fees.

The City gives priority for use of recreation facilities as follows:

- General facilities – Order of priority is 1) youth, 2) public/seniors/families, 3) adult, 4) commercial/private.
- Arenas – ice sports/activities receive priority over non-ice-related activities during the prime (hockey) season.
- Pools – learning to swim and aquatic education are top priorities, followed by recreational swimming.

Soldotna

Soldotna is a First Class City located on the Kenai Peninsula 150 miles south of Anchorage by road. It is within 10 miles of Kenai (population 7,000) and Sterling (population 5,000). Soldotna has a population of approximately 4,000. The community has eight schools, a community college, and an acute-care hospital. The median household income is \$48,400 and 6.6 percent of residents live below the poverty line. Oil refining; sport, subsistence and commercial fishing; government; lumber; and services are key components of the local economy. There is a significant influx of recreational visitors and seasonal residents during the summer.

The Soldotna Sports Center houses an Olympic-size ice rink, two racquetball courts, and a conference room with a capacity of 350 people and an adjoining kitchen. The conference room can be divided into three smaller meeting rooms. In the summer the facility hosts local trade shows and banquets. There is adjacent camping/RV space.

The Sports Center is open 7 days per week from August 1 through April 15. In the summer the ice is removed and the facility is used only for conventions and home shows. Table 3 below is a list of typical events held at the center.

**Table 3
Soldotna Sports Center Special Events**

Soldotna Sports Center Special Events
Hockey Ministries International Hockey Camp
Kenai Peninsula Soup Supper
Soldotna Chamber of Commerce Pie Auction
Sports Center Holiday Bazaar
Soldotna Ice Classic - High School Hockey Tournament
2-KPHA Kris Kringle Youth Hockey Tournaments
Peninsula Winter Games
Alaska State High School Championship Tournament
Rusty Blades Tier 1 Men's Tournament
Alaska Hockey Association State Tournament
Rusty Blades Tier 2 Adult Hockey Tournament
Arctic Cat New Model Preview
Polaris Snowmobile New Model Preview
Soldotna Chamber of Commerce St. Patrick's Day dinner and Fireworks
Alaska Hockey Association State Tournament
Adult Beginning Advanced Tournament
Peninsula RiverSkate Figure Skating Competition
Kenai Peninsula Home Builders Association Home Show
Kenai Peninsula Sport Recreation and Trade Show
Safari Club International Banquet
Soldotna Lions Club Gun Show
Soldotna High School Graduation
Skyview High School Graduation
Kenai Classic Banquet

The Center is managed by the City of Soldotna and has seven full-time and five part-time employees and six instructors. Employees include an office manager, director, skating director, maintenance supervisor, janitorial/Zamboni driver, receptionist and an office assistant.

The Center uses IceMax Scheduling software to manage and track activities. About 23 percent of the facility's ice time is used by schools. Another 55 percent is allocated to organized community teams. The area has a youth hockey program, three adult leagues and one women's league. Nearly 20 percent of ice time is used by figure skaters, public skaters, learn-to-skate programs, freestyle skaters and morning shinny hockey. The remaining 2 percent is used for tournaments.

Users of the Soldotna Sports Center ice rink include:

- Denali Ice Club (figure skating)
- Kenai Peninsula Hockey Association
- Puffins Hockey Club (women's hockey)
- Rusty Blades Competitive and Recreational Hockey Leagues
- Teams from Soldotna High School, Kenai High School and Skyview High School.

Ice rental is \$170 per hour. Individual public skating is \$4 per hour, regardless of age. The meeting rooms rent for \$145 up to \$210 for a half-day and \$170 to \$405 for a full day. Kitchen rental is \$100. Technical support costs \$37.50 per hour. Janitorial and conversion labor cost \$8 per hour. More information about user fees can be found in Appendix D.

The number of people using the Sports Center has remained level from year to year. According to the Soldotna draft FY 2005 budget, in 2003, the Sports Center (not including the campground) took in \$529,056. That includes \$148,403 from the City of Soldotna's General Fund. Among facility users, the two biggest revenue categories were \$90,000 from the Kenai Peninsula Hockey Association and \$45,000 from the Center's own local league. Revenue from both those sources declined slightly between FY01 and FY03.

Total operating costs for the Soldotna Sports Center in 2003 were \$600,719 (including \$360,807 in personnel costs and \$239,912 in other operating costs.) Combining the General Fund appropriation (\$148,403) with the operating deficit of \$71,663 -- revenues minus operating costs -- puts the total public subsidy of the arena at \$220,066, or 37 percent of operating costs.

The arena campground is accounted for separately. It took in \$169,160 and spent \$131,222, for net revenues of \$37,938.

Eagle River/Chugiak

Eagle River/Chugiak lies 13 miles north of downtown Anchorage. It is part of the Municipality of Anchorage and has a population of about 30,000. Many residents commute to Anchorage for employment. Others work at nearby Fort Richardson.

The Harry J. McDonald Memorial Center is a 38,000 square-foot facility with an Olympic-size ice rink, seating for 700, a community meeting room and a walking/jogging track. The facility cost \$4.8 million to build in 1984. It is owned by the Municipality of Anchorage and managed by Fire Lake Arena Management, Inc. The management company was established soon after the facility was constructed.

Employees are hired by the management company, and are not considered municipal employees. Staff consists of a general manager, full-time office manager/bookkeeper, full-time maintenance supervisor, two full-time and two part-time rink attendants, including a Zamboni operator, two part-time janitors, and 10 to 15 part-time instructors.

School teams account for 15 to 20 percent of the ice time. Another 30 percent is used by figure skate and learn-to-skate programs and leisure skating. The remaining 50 percent of ice time is dedicated to community hockey. There are about 30 hockey teams in the area. Five or six are for adults, and the balance are youth teams. Arena management estimates that 600 local residents participate in non-school-related hockey.

The McDonald Center is open year-round, with the exception of six weeks beginning at the end of April. It operates seven days per week in winter. During June, July and August it is open five days per week. During that time, the facility opens on weekends only for pre-reserved events that require at least four hours of ice time. Although some hockey programs continue through the summer, the main summer use is freestyle ice skating, scheduled from 1:45 p.m. to 5:00 p.m. weekdays.

Use of the facility has leveled off in recent years as prime time has filled to capacity. Skating and hockey associations in the area are unable to expand because there is very little ice time available. Ice alternatives include Wasilla, Anchorage and several local, outdoor rinks. Management does not expect the new rinks in Palmer/Wasilla to affect the McDonald Center. However, the Valley facilities may benefit from some "overflow" of Eagle River skaters looking for additional ice time.

Allocating time among the various activities at the Center has been challenging. The activities include:

- Figure Skating – practice and private lessons
- Leisure Skate – families and individuals, no hockey equipment allowed
- Shiny Hockey – pick-up hockey for adults (youth program in summer)
- Learn to Skate – group lessons for 3 years to adult in skating and hockey
- Walking/Jogging
- Community Room

Facility use has grown from 6,800 users in its first year to 68,000 users in 1998 and an average of nearly 100,000 users over its most recent five years of operation. The most recent annual operating budget is \$472,000. The McDonald Center does not have explicit revenue goals. When the Center first opened, operations were subsidized in the amount of about \$175,000 per year. Currently, the subsidy has fallen to just \$50,000 with increasing use.

In addition to ice time, revenue comes from vending machines and from the jogging track, which brought in nearly \$10,000 last year. Revenue from local use is supplemented by occasional large events, such as the 1996 Arctic Winter Games and the 2001 Special Olympics World Speed-skating competition. Management focuses revenue enhancement efforts on non-ice activities, and believes that a second ice rink would be necessary to break even on operations.

Future plans for the center include a second ice rink, racquetball/handball courts, full-court basketball, a kitchen, dance/aerobics rooms, a weight room, arts and crafts, and a teen center at a total projected cost of \$9 to 10 million. A bond issue was narrowly defeated in 1995. Another revenue bond is now being pursued.

Table 4 shows the fee structure for the Harry J. MacDonald Center:

Table 4
Harry J. MacDonald Memorial Center Ice Rink Fees

Offering	Fee
Rate per hour for entire rink	\$190.00
Single session admission	3.50
Family admission	8.00
Skate rental (per pair)	2.50
Family skate rental	6.00
Punch card (20 punches) can be used for admission or skate rental	50.00
Shinny Hockey – 14 years and under	4.00
Shinny Hockey – 15 years and older	5.00
Learn to Play Hockey (6 lessons)	50.00
Youth Learn to Skate Beginner (8 lessons)	56.00
Youth Learn to Skate Gamma (8 lessons)	61.00
Tots Learn to Skate – 3 to 5 years	45.00
Adults Learn to Skate Beginner (6 lessons)	48.00
Adults Learn to Skate Gamma (6 lessons)	48.00
Saturday Learn to Skate Beginner	48.00
Saturday Learn to Skate Tots	45.00
Skate sharpening (one time)	5.00
Skate sharpening punch card (10 skate sharpenings)	30.00

Eagan, Minnesota

Eagan is located about 20 miles south of Minneapolis. It has a population of 67,000 and a median household income of \$67,000 per year, compared with \$48,000 in Wasilla. The community has an extensive parks and recreation program, including 54 parks, 21 pavilions and shelters, 79 softball diamonds, 31 soccer fields, and 22 outdoor skating rinks. There are 10 elementary schools, two middle schools and one high school located in Eagan.

The Eagan Civic Arena has two ice rinks, one Olympic-size and one NHL-size. One of the rinks is converted to a turf court from March through August each year. The first rink was installed in 1995, the second in 1998. The facility is actively marketed. There are more than 200 indoor ice arenas in Minnesota and, even though ice sports are highly developed there, this represents an oversupply.

In 2001, there were 5,100 hourly rentals of the Civic Arena ice and turf courts. Cost of an hour of ice time is \$150, and prime time space is filled. High school teams start on the ice at 2 p.m. After the school leagues are done, adult leagues play until 1:30 a.m. It is not unusual for games to be scheduled at 11:30 p.m. Currently, the most popular use of the turf court is by stay-at-home parents looking for daytime activities for their children. Rental costs are \$75 per hour.

Four high school hockey teams use the facility, along with one high school figure skating team and one junior varsity team. There are two major youth hockey leagues, one with 600 players and one with 350 players. There are approximately 100 regular figure skaters. About 500 people participate in public skate schools.

Eagan Civic Arena is staffed by five full-time employees – an arena manager, a skating school coordinator and three laborers. They employ up to 60 part-time staff, including about 10 instructors, 10 concession stand workers, 10 public cleaning workers, and 10 managers.

The arena is operated under a City enterprise fund. The annual budget is about \$800,000. Revenues generally cover operations and any excess goes into the enterprise fund as working capital for the facility.

MARKET ANALYSIS AND RECOMMENDATIONS

This section of the report contains fee recommendations for each major recreation service at the Sports Complex and a discussion of how Wasilla compares to competitors with respect to the service. Additional detail on competitor fees is provided in the Appendix D.

Size of the Market

With an area population of 50,000 to 60,000 people, the potential demand for indoor ice and turf sports likely is large enough to support all three of the arenas now operating or being constructed in the Borough. Whitehorse, with a local population of about 20,000 is able to fully utilize two ice rinks, albeit with higher public subsidies than commonly found in the US. The Harry McDonald Center in Eagle River has a local population of approximately 30,000 and is heavily used and planning an expansion.

In Minnesota, which has a highly developed statewide hockey program, there is roughly one indoor hockey rink for every 18,000 people statewide. The Eagan Civic Arena breaks even on operations serving a community of 67,000 with two ice rinks, one of which is converted to a turf court in the summer. The Eagan rink is very heavily subscribed during prime time, which lasts until 1:30 a.m.

In Soldotna, use of the ice arena has reportedly leveled off and the facility is only recouping about 60 percent of operating expenses. It is not clear whether more marketing or league development activities would increase use.

Taken together, these comparisons indicate that Wasilla's soon-to-be three ice arenas will represent an oversupply for at least two years. The speed with which they become fully subscribed will depend heavily on overall development of amateur hockey and recreational skating in the region. The situation will be alleviated somewhat by teams traveling from Anchorage and Eagle River, where ice is in shorter supply. However, interviews indicate there is also a preference among some hockey players and teams to play in Anchorage in order to find better quality competition. The issue of quality-of-play also will be addressed by the gradual evolution of Wasilla-area hockey.

The turf court at the Sports Complex is in a similar situation in the short run, since the area market for indoor turf sports is undeveloped. However, based on the popularity of indoor soccer, the turf court has great potential. Volleyball, whiffle ball and indoor lacrosse are other growing sports that could use the facility, as well as sports, like baseball, that are likely to find more and more uses for indoor practice space, now that it is available.

The markets for meeting rooms and the jogging track are harder to define. The Mat-Su Valley's rapid growth bodes well, but it is unlikely that these will be important sources of revenue in the immediate future.

Competitive Considerations

The three main competitive considerations for Wasilla Parks and Recreation are availability, location and pricing. Other, somewhat less influential factors include amenities, friendliness/helpfulness of staff, cleanliness, and food, which, taken together, might be thought of as "ease of use." These factors help define the overall experience of using the facility, including making a reservation, parking, accommodations for sports participants and their equipment, accommodations for parents and spectators (including food), billing/payment procedures and the quality of overall staff-customer interactions. Each of these areas has the potential to win or lose repeat customers for the Sports Complex.

In addition to competitive considerations *vis a vis* other arenas, fee recommendations may reflect the following considerations:

- Balancing revenue and usage
- Meeting cost-coverage goals
- Competition with the private sector
- Services to special populations – elderly, disabled, youth, etc.

It is important to note that the fee recommendations are primarily market-based. That is, they do not reflect detailed analysis of the cost to provide each service. Rather, the recommendations focus on what people are likely to be willing to pay, given the options available to them. As the Sports Complex becomes better known, and usage for different services begins to stabilize, further analysis is recommended to determine whether revenues and usage rates for specific services warrant continuation or modification of those services.

Ice Rinks

Comparative Operations

Direct competitors for the Sports Complex ice rink are the Brett Arena in Wasilla and the soon-to-be-opened Palmer Ice Arena. Other nearby ice rinks include the Harry J. McDonald Center in Eagle River and several public and privately owned facilities in Anchorage. These are listed in Table 5, below.

Location

Potential users of the Wasilla Multi-Use Sports Complex indicated a willingness to travel. Hockey players and figure skaters typically travel throughout the state for competitions and tournaments. Talkeetna and Anchorage teams and groups expressed a willingness to travel to Wasilla for ice time for a number of reasons:

- New ice. Skaters enjoy being able to get on new ice in a new facility.
- Amenities. For example, hot showers are a benefit not always offered at other facilities.

- Available ice time. Anchorage skaters in particular said they would travel to Wasilla if they could get ice time before 9:00 p.m.

Comparison of Fees

Table 5 shows hourly rates for sheets of ice (the entire rink) by geographic region. Generally speaking, privately-owned and operated ice rinks have higher fees than government-owned facilities. This reflects the fact that publicly-owned facilities often have other goals besides financial ones. For example, they may be expected to provide healthful youth activities, help attract new businesses to the area, or serve those who could not otherwise afford to participate.

**Table 5
Comparable Ice Rink Rental Rates by Geographic Region, 2004**

Area	Rink Name	Rink Size	Cost per Hour	Limitations/Exceptions
Wasilla	Wasilla Multi-Use Sports Complex	NHL size 200' X 85'	Range \$135 to \$185	
Mat-Su Borough	Brett Arena	NHL size 200' X 85'	Range \$130 to \$190	Closed for repairs – scheduled to reopen in November 2004
	Palmer Ice Rink	NHL size 200' X 85'	\$165	Under construction – scheduled for January 2005 opening
Eagle River	Harry J. MacDonald Memorial Center	Olympic size 200' X 100'	\$ 190	
Anchorage	Ben Boeke	NHL size 200' X 85'	\$ 210	
	Dempsey/Anderson	NHL size 200' X 85'	\$ 210	
	Tesoro Sports Center	Red Rink 200' X 85', Blue Rink 200' X 85'	Range \$200 to \$305	Privately-owned
	Dimond Athletic Center	145' X 65'	\$150	Privately-owned. Ice skating is included in gym membership rates
	UAA Wells Fargo Sports Complex	NHL size 200' X 85'	\$ 200	Limited availability due to school activities
	Sullivan Arena	Olympic size 200' X 100'	\$ 250	
Kenai	Kenai Multi-Purpose Facility	NHL size 200' X 85'	\$105	
Soldotna	Soldotna Sports Center	Olympic size 200' X 100'	\$ 170	
Talkeetna	Talkeetna Hockey Rink	Outdoor rink NHL size 200' X 85'	Free	Ice rink free in exchange for upkeep of rink
Fairbanks	Big Dipper Ice Arena	200' X 80'	Range \$45 to \$125	
	Carlson Center	Olympic size 200' X 100'	\$ 150	
North Pole	Polar Ice Center	185' X 85'	Range \$125 to \$ 225	

In addition to full-sheet rentals, rinks typically have other fee structures by age, time of day, and multiple-use customers. Some of these are analyzed below. More detail is available in the appendix.

Recommended Ice Rink Fees

The Brett Arena is the Sports Complex's most direct competitor for ice rink time. The newly remodeled Brett is expected to rent for \$180 per hour. A third Valley ice rink is under construction in Palmer. Rental rates are not yet determined, but a representative said the rink may rent for \$165 per hour, at least during its initial operations.

Tripling the local ice space will create a temporary surplus. However, there are 70,000 people in the Matanuska-Susitna Borough and its 4 percent growth rate is the highest in the state. Based on the experience of the Harry J. McDonald Center and others, this population base should be sufficient to keep all three arenas in demand, provided that ice-related activities are promoted, league/club development is actively pursued, and hockey remains popular. The Sports Center has an advantage in its attractive design and the fact that it includes a turf court. Its location, relative to distance from the larger Anchorage market, is just a few added miles (under five miles) than that of the Brett and Palmer arenas.

Most local organizations using ice rinks are youth and adult groups run by volunteers. Interviews with representatives from these groups suggest that they are price-sensitive. Most say they currently use the Sports Complex because the Brett Arena is closed for repairs and they plan on returning to the Brett once it reopens, in part because they perceive it as a lower-priced facility. However, this perception is not likely to persist with only a \$5 fee differential. A \$20 difference between the Sports Complex and the new Palmer rink may have more impact.

Nevertheless, a small price premium *vis a vis* the other two local rinks should not reduce Sports Complex use appreciably, if the Complex is, in fact, the most attractive of the three, and if it achieves its goal of excellent customer service. Small benefits may be decisive in attracting customers, for example, use of storage rooms for equipment and space for teams to keep administrative and other records. Overall, as long as fees in the Wasilla area are similar to those in Anchorage and other areas where ice sports are popular, we would not expect fee levels to be a deterrent to growth in the popularity of ice sports in Wasilla. Variations on the basic fee are discussed below.

Peak and Off Peak Prices

Off peak pricing during hockey season helps encourage use during shoulder times and provides an alternative for groups that are very price sensitive. It is not as clear that blanket off-peak pricing during the summer months is as useful, even though most ice facilities follow this practice.

Whitehorse has recently begun to charge full prices during prime time in the summer, largely on the basis of the increased cost of maintaining ice in warm weather, and that this has not diminished use. Although it is not included in the recommendations below in Table 6, the study team suggests that lower summer prices be identified as a "special introductory offer" next summer and that they be reconsidered a year from now.

**Table 6
Ice Rink Peak and Off-peak Fee Recommendations**

Offering	Existing Rate	Recommended Rate
PEAK – M-F 5 p.m. to 10 p.m. and S-Su 8 a.m. to 10 p.m.	\$185.00	No change
OFF-PEAK – M-F 7 a.m. to 5 p.m.	\$135.00	No change
<i>Potential New Offerings</i>		
Peak rates apply for holidays and in-service days	--	\$ 185.00
Summer rate (June 1 through August 31) anytime	--	\$ 135.00

Individual Use Prices

Table 7 provides price recommendations for individual use currently offered. There are some potential new offerings for consideration. The Sports Complex would need a way to track first-time customers for the "Bring a friend to skate" offering. The employer pass could also be offered as an incentive to companies purchasing advertising space or sponsoring events. If an employer pass is added, its use should be carefully monitored to determine the extent to which it may be cannibalizing (taking the place of) other sales.

**Table 7
Ice Rink Individual Use Fee Recommendations**

Offering	Existing Rate	Recommended Rate
Public skate – Ages 5 and under	\$ 3.00	Half-price (\$2.00)
Public skate – Ages 6 through adult	\$ 4.00	No change
Public skate – Ages 55 and older	\$ 3.00	65 and older
Skate rental	\$ 2.00	\$ 2.50
Freestyle figure skating per person	\$ 7.00	\$ 7.50
Public hockey per person	\$ 7.00	\$ 7.50
10-pass – Ages 5 and under	\$ 24.00	Half-price (\$2.00)
10-pass – Ages 6 through adult	\$ 32.00	15% off (\$34.00)
10-pass – Ages 55 and older	\$ 24.00	15% off (\$25.00)
Family skate (up to four family members)	\$ 11.00	No change
Each additional family member	\$ 2.00	No change
<i>Potential New Offerings</i>		
"Bring a friend to skate" (first-time customer)	--	Half-price
Punch cards –20-use	--	20% off
Employer pass (100-use - any employee eligible)	--	\$ 250.00

Group Rates

Group rates would apply to groups of perhaps eight or more people who are affiliated with a recognized organization (or spouses of affiliated individuals). They could be limited to nonprofit organizations. This would simplify administration, since a list could be maintained of eligible nonprofits. If the City maintains a list of tax-exempt organizations, that might be used as the basis for eligibility.

Bundling/Incentives

Additional discussion with Sports Complex management is needed to determine whether a bundled fee structure is feasible. While standard for health clubs, bundling is not common for public arenas. In part, this is because public facilities tend not to provide services already available through the private sector. As a result, their overall offerings are often missing elements that would lend themselves to package pricing. For example, a weight room would be a natural product to bundle with ice or turf rentals or with a jogging track. Additional market research might identify new services that would strengthen the Complex's financial position by helping to create attractive service packages. Many options would tend to place the Complex in more direct competition with private sector health and fitness providers, however. The Sports Complex's marketing plan will include initiatives to explore the potential of different bundling alternatives.

Program Fees

Programs such as the "Learn to" activities will require the services of professional instructors. Program rates are generally designed to cover the cost of the instructor's time as well as ice time. Since Learn-to programs help to develop a continuing market for the facility, they may be subsidized by other activities. However, if they can be scheduled during off-peak periods, they may contribute positively to net revenues.

Table 8 shows fees for programs offered by the Harry J. McDonald Rink in Eagle River. However, program fees from other facilities may not be a close guide for the Sports Complex, since the length, incidence and quality of such programs varies widely.

**Table 8
Harry J. McDonald Ice Rink Program Fees**

Potential New Offerings	Recommended Rate
Tots Learn to Skate – Ages 5 and under (6 lessons)	\$ 45.00
Adults Learn to Skate – Ages 6 through adult (6 lessons – 45 minutes each)	\$ 48.00
Learn to Play Hockey (6 lessons – 45 minutes each)	\$ 50.00
Saturday Tots Learn to Skate – Ages 5 and under (2 lessons – 3 hours with break)	\$ 45.00
Saturday Learn to Skate Beginner – all ages (2 lessons – 3 hours with break)	\$ 48.00
Saturday Learn to Skate Intermediate – all ages (2 lessons – 3 hours with break)	\$ 50.00

Promotional Discounts

Promotional discounts will be developed as part of an overall marketing strategy for the Sports Complex.

Turf Courts

Comparative Operations

There are just two indoor turf courts in Alaska, the Wasilla Multi-Use Sports Complex and the privately operated Cellular One Sports Center (formerly O'Malley Gardens) in Anchorage. Activities that take place on turf courts include soccer, softball, volleyball, dodge ball, lacrosse, ultimate Frisbee, and tag football. The courts can also be used as practice space for a wide variety of other sports. Alternatives to indoor turf courts are high school gymnasiums and outdoor fields. High school courts are less desirable for many sports. The hard floor surface tends to be much rougher on players' bodies, gymnasiums are often unheated during school closures, and amenities such as locker rooms and showers are often unavailable for public use. Demand for turf courts is growing. In Canada, the rapid growth of indoor soccer has often resulted in turf courts being fully utilized after a single year of operation. Interviews indicate that a second Anchorage turf facility is planned that will include five courts, three of which can be combined into a full-size soccer field. Opening is projected for fall 2005.

Location

The Anchorage turf court at the Cellular One Sports Center is 45 miles from the Wasilla Multi-Use Sports Complex. There are eight competitive soccer leagues in Anchorage and three in Wasilla. The one competitive soccer league in Eagle River indicated they would be more likely to travel to Anchorage for competitions than Wasilla because they can play more games and field better competition in Anchorage. Eagle River soccer players would consider traveling to Wasilla, but would prefer to have more teams there to play against.

Comparison of Fees

Cellular One Sports Center charges \$165 per hour for use of its 180'X90' turf court. The Eagan, Minnesota Civic Arena charges \$75 per hour and operates its turf only in the spring and summer. Arena Sports is a for-profit business that operates five turf arenas in and around Seattle. Their rates range from \$100 to \$125 per hour.

The new turf facility planned for Anchorage will be a private venture located adjacent to the former Alaska Seafood International building. Unconfirmed reports indicate that the facility will have five courts, will engage heavily in league development activities, and will charge significantly less than Cellular One, possibly as low as \$75 per hour.

One potential user of the Wasilla turf court, the Northern Lights Volleyball Team, indicated they currently pay \$40 per hour for use of the Borough and Palmer Middle School gymnasiums. Using the Sports Complex turf court would allow three volleyball courts to be in play at the same time, which could make costs comparable.

Recommended Turf Court Fees

Since the turf court is a new type of facility for the area, market development is a priority consideration with respect to fees. This is particularly true since there are multiple uses for the facility, and its value is likely to be perceived differently by different types of users. It is critical to persuade potential users to experiment with the facility in order for them to appreciate its advantages.

The recommended fees below are significantly lower than current levels. They should be promoted as introductory levels and accompanied by programs aimed at encouraging specific uses. It is essential to support the recommended fees with a marketing plan to develop indoor soccer, volleyball, and other activities in the area. As noted elsewhere, the potential for high use and significant income for the turf court is excellent, but they will take time to realize.

Peak and Off Peak Prices

Recommendations below call for a significant reduction in turf court fees to encourage market development. Because the turf court is unique in the area, further discussion with Sports Complex management is needed to evaluate introductory and long-term pricing options. It may be necessary to lower fees still further in the short-term. Because the area has no experience with this type of facility, success over the first 12 to 18 months should be measured in terms of usage rather than revenue.

A critical goal for the Complex is to foster development of its own indoor soccer leagues. This is both to encourage new players, to build loyalty to the facility, and to avoid losing revenue to outside league organizers. Dedicated time for volleyball and, possibly, softball are also important for market development.

**Table 9
Turf Court Peak and Off-peak Fee Recommendations**

Offering	Existing Rate	Recommended Rate
PEAK -- (M-F 4pm – 10pm, S-Su 8am – 10pm)		
Rate per hour for entire court	\$ 150.00	\$ 85.00
Rate per hour for one-third court	\$ 60.00	\$ 40.00
OFF-PEAK -- (M-F 7am – 4pm)		
Rate per hour for entire court	\$ 115.00	\$ 75.00
Rate per hour for one-third court	\$ 45.00	\$ 35.00

We recommend considering a price reduction of perhaps 10 percent for five or more full-court bookings in a season made at the same time by the same team or group.

Running Tracks

Comparative Operations

For runners wishing to use indoor facilities, the choices are the Wasilla Multi-Use Sports Complex, the Harry J. MacDonald Memorial Center in Eagle River, the Tesoro Sports Center in Anchorage, and the Big Dipper Ice Arena in Fairbanks.

Other alternatives are stationary running machines. Typically, running tracks are included in facilities offering other services that would induce customers to use the track.

Running tracks vary in length and pricing structures. Table 10 shows the running track rates for the equivalent of 20 passes.

Table 10
Running Track Fee Comparisons

Area	Facility Name	Facility Size	Type of Use	Rate
Eagle River	Harry J. MacDonald Memorial Center	660-foot track 8 laps = 1 mile	Individual	\$1.00
			Senior	Free
			20-use pass	\$ 15.00
Anchorage	Tesoro Sports Center	920-foot track 5.75 laps = 1 mile	10-use pass (trial rate, limit two per customer)	\$ 10.00
			25-use pass	\$ 65.00
			50-use pass	\$ 110.00
			6-month membership	\$ 199.00
Fairbanks	Big Dipper Ice Arena	704-foot track 7.5 laps = 1 mile	Individual	\$ 2.50
			Seniors	\$ 1.00
			10-use pass	\$ 16.00
			10-use pass (seniors)	\$ 8.00
			3-month pass	\$ 50.00
			3-month pass (seniors)	\$ 15.00

Location

The Harry J. MacDonald Memorial Center in Eagle River is approximately 30 miles from Wasilla and could be considered the closest competitor for the running track.

Price

The rates at the Eagle River facility seem low compared to other facilities and privately-owned running tracks tend to charge higher rates than publicly-owned facilities. In many facilities, discounts are offered for age groups and time of day.

Recommended Running Track Fees

The running track at the Sports Complex is unique to the Valley. The Alaska Club Valley offers competition in the form of running machines and, of course, there are outdoor trails available to runners in the Mat-Su. The Sports Complex running track is very nice with elevated sections, new surface, and views to the outside. The study team recommends that the running track be offered at half price to ice rink and turf court users. Feedback from potential users of the ice rink and turf court indicate that skaters, in particular, like to warm up prior to entering the ice, but paying full price for the use of the running track seemed high.

Table 11
Running Track Fee Recommendations

Offering	Existing Rate	Recommended Rate
Youth and adults per person	\$ 2.00	No change
55 and older per person	\$ 1.00	No change
20-pass youth and adults	\$ 32.00	No change
20-pass 55 and older	\$ 16.00	No change
<i>Potential New Offerings</i>		
3-month pass (unlimited time) youth and adult		\$ 55.00
3-month pass (unlimited time) 55 and older		\$ 40.00
Groups renting ice or turf court immediately before or after assigned time		\$1.00

Meeting Rooms

Comparative Operations

Competition for business and public meetings and convention rooms in the Valley comes primarily from local hotels. However, there are a number of sports-related uses for the meeting rooms, such as coaching meetings and team parties, for which the Complex has an inherent advantage over other alternatives. Some sports facilities offer meeting rooms to their major users at no cost.

The value of meeting rooms for business purposes may depend largely on ancillary services, such as audio-visual, electronic white-boards, snack and meal service, access to phones and Internet, etc.

Comparison of Fees

Table 12 shows the meeting room rates for two sports facilities, the Municipality of Anchorage, three hotels in Wasilla, and one hotel in Palmer. Room size and amenities differ for each of these facilities, making comparisons inexact. In addition, the hotel meeting rooms offer catering services not found in the other facilities.

**Table 12
Comparison of Meeting Room Fees**

Area	Facility Name	Facility Size	Rates	Limitations/Exceptions
Eagle River	Harry J. MacDonald Memorial Center	Up to 49 people	\$10.00/hr.	Community room holds up to 49 people
Soldotna	Soldotna Sports Center	Up to 100 people	\$40.00/hr.	Three rooms holding about 100 people each
Anchorage	Municipal Parks and Recreation facilities	Specialty room rental	\$60.00/hr.	Municipal Parks and Recreation Fee Schedule effective January 1, 2004.
		Large room rental	\$50.00 /hr.	
		Medium room rental	\$40.00/hr.	
		Small room rental	\$30.00/hr.	
Wasilla	Lake Lucille Inn	Mid-size room	\$250.00/day	Many add-on services
	Mat-Su Resort	Up to 102 people	\$350.00/3 hrs.	\$50.00 per hour after 3 hours
	Mat-Su Resort	Up to 50 people	\$200.00/3 hrs.	\$25.00 per hour after 3 hours
	Agate Inn	Up to 25 people	\$150.00/day	Rooms available to guests of the Agate Inn
Palmer	Gold Miners Hotel	Up to 40 people	\$50.00/2 hrs.	\$25.00 per hour after 2 hours

The Lake Lucille Inn in Wasilla offers a number of amenities for additional fees. Items that may be relevant to the Sports Complex are listed in Table 13.

**Table 13
Examples of Fees for Specific Amenities at the Lake Lucille Inn**

Offering	Fees
Podium – table top	\$ 20.00
Podium – Free-standing	\$ 30.00
Easel	\$ 15.00
Flip chart	\$ 15.00
Overhead projector	\$ 25.00
Slide projector	\$ 30.00
Large screen	\$ 15.00
TV/VCR	\$ 25.00
Conference phone (long distance charges are additional)	\$ 35.00
Fax Service	
Local, per page	\$ 1.00
Long distance, 1 st page	\$ 2.00
Long distance, additional pages	\$ 1.00
International, 1 st pages	\$ 5.00
International, additional pages	\$ 1.00
Copier Service, per page	\$ 0.25

Outdoor Pavilions

Comparative Operations

Competition for outdoor pavilions is primarily from the Matanuska Susitna Borough recreational facilities and private properties. There are five park pavilions at the Matanuska River Park Campground, three pavilions at the Lake Lucille Park campground, and the Little Susitna River campground near Houston with a large pavilion available for reservations. The outdoor pavilions offered by the City of Wasilla are currently free with a group user permit.

Price

The Matanuska Susitna Borough parks offer pavilion rentals by reservation. The Municipality of Anchorage also offers picnic shelter reservations for a fee. The rental rates for the Borough and the Municipality are listed in Table 16.

Table 16
Comparative Fees for Pavilions and Shelters

Facility Type	Offering	Rates
Pavilion – Mat-Su Borough	Half day rental	\$ 20.00
	Full day rental	\$ 30.00
	Full day rental for large pavilion	\$ 40.00
Picnic Shelter Reservation - Anchorage	Less than 4 hours per use	\$ 40.00
	Less than 8 hours per use	\$ 60.00
	4 to 8 hours per use	\$ 50.00

Recommended Outdoor Pavilion Fees

There are three outdoor pavilions in the City of Wasilla which currently are available to the public free of charge; a permit is required. The City should consider charging rates similar to the Matanuska Susitna Borough for use of its outdoor pavilions. We suggest that pavilions scheduled for construction at the Sports Complex charge the same rates as the Matanuska-Susitna Borough (see Table 16) once construction is complete.

Campgrounds

The City of Wasilla does not currently have campground space available. However, the Sports Complex may offer camping facilities as part of its Phase II construction. For this reason, Matanuska Susitna Borough camping fees are listed in Table 17.

**Table 17
Matanuska-Susitna Borough Campground Fees**

Offering	Rates
Per vehicle	\$ 10.00
Per vehicle with hook-up	\$ 15.00
Primitive campground daily	\$ 5.00
Primitive campground weekly	\$ 30.00
Daily campground	\$ 8.00
Weekly campground	\$ 50.00
Seasonal camping (May thru September)	\$ 300.00
RV Dump	\$ 5.00

Advertising and Naming Rights

Advertising

There is virtually no limit to the number of potential advertising opportunities that may be marketed by a sports complex. Facilities sell advertising space on dashboards, scoreboards, wallboards/signs, stair treads, uniforms, ice sheets, and even on the Zamboni. Advertising rates typically reflect a combination of the number of impressions and user demographics. For reference, the Harry J. McDonald Center estimates that approximately 475,000 people per year visit or use the facility.

Annual advertising rates for three Alaska sports facilities are listed in Table 18.

**Table 18
Sample Annual Advertising Rates**

	Tesoro Sports Center	Harry J. McDonald Center	Soldotna Sports Center
Ice logo	\$ 5,000 to 10,000	none	\$1,500 and up
Zamboni signage	\$5,000	\$1,500	none
Scoreboards	\$4,000 to \$6,000	none	none
Dasherboards	\$1,500	\$1,000, including production cost. \$750 for renewal.	\$600
Wallboards/banners		(under consideration) \$900 for 6'x8'	\$800 for 4'x8'
Stair treads	none	none	\$28 per stair tread (6"x10" stickers)
Track banners	\$1,500	none	none

Partnering to sell advertising space may be worthwhile, provided the effort is cost-effective to administrate. For example, the Soldotna Sports Center has started a program under which user groups can fundraise by selling dashboard space. The Soldotna Sports Center charges \$300, plus production costs, and the user group keeps any money over that amount. It may also be possible to attract national advertisers such as Midas Mufflers, Champion Sportswear, or Gatorade. However, this would require working through a marketing firm. Local restaurants and regional restaurant management organizations such as Subway of Alaska are also potential advertisers.

Naming Rights

Naming rights can be an important source of income. However, the value of naming rights is variable. A key factor is whether the building is well-known mainly just to those who use it, or whether it represents an "icon" that is closely tied to the whole community. To obtain maximum value from a naming rights contract, both the facility and the sponsor must actively promote the relationship throughout the contract period. A public relations firm may be helpful in this regard. Most important, however, is involvement by the facility and the sponsor in creation and promotion of special events, clinics, tournaments, etc. Naming rights typically also involve use of interior and exterior signage, regular announcements at games, logos on employee uniforms and facility communications materials, etc.

Companies tend to see naming rights as an opportunity to associate with a highly visible organization/facility, preferably one that reinforces the company's marketing image and reflects customer demographics. As with any advertising, companies look for a positive image and a large number of "impressions," that is, a location/facility that many local residents are likely to either use, see, or at least know about. Signage is often a critical consideration.

A successful sponsor relationship depends on active, ongoing participation and cooperation between the facility and the sponsor. Sponsors may spend half-again the sponsorship fee to produce and promote events and community activities that bring more visibility and new users to the facility. For example, the sponsor of a sports complex might provide free or reduced court-time to nonprofit organizations that are working to promote sports, help at-risk youth, improve community health, etc.

An important issue is that, when a company name is on the building, people tend to think of that company as the owner. Therefore, to some extent, the company must be prepared to act like an owner, and the facility must be willing to work closely with the company on an ongoing basis. It is in everyone's interest that naming rights not change hands often, if at all. This suggests a relatively long-term agreement period, for example, five years with first right of refusal on a five-year renewal.

The arrangement is a true partnership. A professional knowledgeable about naming contracts suggests that the facility and company identify in advance the specific return on investment each expects from the relationship.

The precise value of an agreement depends heavily on how well the facility fits with the company's overall marketing and public relations strategy, in part because this affects the level of involvement the company is likely to provide. Companies seeking to be identified with a quality public facility often do not have many options. However, funds for a naming contract must compete with other company marketing priorities. To obtain the best value from this kind of contract a facility must be willing to spend time to understand a prospective partner's needs and to negotiate carefully.

Special Events

Most public arenas are, to some extent, a venue for special events. Whether this is part of a planned facilities strategy or simply a byproduct of having a large indoor space available depends on many factors. In either case, it is important to remember that the market for special events is very different from that for recreational activities, even when the event is sports-based, such as the Special Olympics.

Although this study did not analyze in detail the potential for special events marketing at the Wasilla Sports Complex, Wasilla's proximity to Anchorage, recent expansion of hotel accommodations in the area, and the lack of a dedicated convention space, suggest that special events may be an opportunity. Since the Complex is neither designed nor staffed for this purpose, it is wise to move slowly, however. Food service can be a major hurdle. Events that do not require food service are simpler, but this eliminates a large part of the market. The Harry J. McDonald Arena plans to invest in a commercial kitchen partly for this reason. Even if food is not prepared on site, feeding more than 100 or so people requires a staging kitchen where food may be held and arranged prior to serving and collected when tables are cleared. If they are not available by rental, there may need to be a significant investment in specialized banquet equipment, in addition to tables, chairs, tableware and linens. This includes chafing dishes, steam tables, portable refrigeration and heating cabinets, waste sinks, etc.

For events that typically charge admission, such as concerts, auto shows, home shows, etc., rates are sometimes a combination of a base fee plus specific services (audio-visual, food, set-up/break-down, janitorial, security, etc.), plus a percentage of the gate. Charging a lower base fee and a percentage of the gate is a way of reducing the risk for the organization producing the event. A way must be found to keep track of attendance, for example with turnstiles or electronic counting mechanisms. Simpler, but less accurate, is to avoid precise counting by charging in increments of, for example, 100 people. Charging a percentage of the gate is especially appropriate where the venue (the arena) participates in promoting the event, and thereby has a direct influence on attendance.

APPENDIX A: EXECUTIVE INTERVIEW CONTACTS

Below is a list of people interviewed during the course of this study.

Community Leaders

- Archie Giddings, Director, Department of Public Works, City of Wasilla
- Tom Healy, City Manager, City of Palmer
- Curt Menard, Wasilla Multi-Use Sports Complex Steering Committee Member
- Ron Swanson, Director, Department of Community Development, Matanuska-Susitna Borough

User Groups

- Ron Bower, Boys & Girls Club of Mat-Su Valley
- Rory Burkhart, Freestyle Figure Skating
- Pete Christopher, Mat-Su Miners
- Diane Clauwson, Northern Lights Volleyball
- Gretchen Carrick, Chugiak Soccer Club
- Cheryl Curtis, Mat-Su Valley Competitive Soccer Club
- Laura Davis, Anchorage Womens Hockey League
- Sue Fujimoto, Valley Womens Hockey
- Cindy Gigliori, Freestyle Figure Skating
- Steve Haines, Alaska Quakes Baseball Club
- Wendy Hale, Alumni Game (Hockey)
- Dick Harren, Wasilla Outdoor Hockey Association
- Jack MacDonald, Talkeetna Youth Hockey Association
- Mark Masteller, Over 40 Adult Skate
- Polly Beth Odom, Alaska Youth Soccer
- Anna Pitts, Mat-Su Youth Football Association
- Janice Williams, Wasilla Youth Soccer Club

Competitive Facility Managers

- Richard Graham, Whitehorse Arenas
- Marcia Vans, Soldotna Sports Center
- Reid McDonald, Harry J. McDonald Memorial Center
- Mark Vaughan, Eagan Civic Arena

APPENDIX B – WHITEHORSE ICE ARENA FEES

CITY OF WHITEHORSE - ARENAS

FEES EFFECTIVE SEPTEMBER 1, 2004 (Prices in \$CAN, GST Included)

ARENA INDOOR ICE RENTAL:

PRIME TIME

(Monday to Friday 3pm to 12am, Saturday and Sunday 8am to 12am)

NON-PRIME TIME

(Any hours not listed under Prime Time)

Regular Ice Season (October 1 to March 31)

NON PROFIT (PRIME TIME)

ADULT \$130.70

YOUTH \$ 82.80

NON PROFIT (NON-PRIME TIME)

ADULT \$ 98.00

YOUTH \$ 62.10

Available Day Ice \$ 39.30 (Adult – per person)

Available Day Ice \$ 23.00 (Youth – per person)

PROFIT (ALL TIMES – ALL AGES) \$ 16

Extended Ice Season (April 1 to June 30)

NON PROFIT (ALL TIMES)

ADULT \$130.70 * 50 Hrs/week minimum

YOUTH \$ 87.00

PROFIT (ALL TIMES – ALL AGES) \$ 174.00

Summer Ice Season (July 1 to September 31)

NON PROFIT (ALL TIMES)

ADULT \$130.70 *40 Hrs/week minimum

YOUTH \$ 83.60

PROFIT (ALL TIMES – ALL AGES) \$167.30

****PAYMENT IS REQUIRED AT TIME OF BOOKING FOR PRIVATE RENTALS.**

Ice Cancellations require 10 days notice for regular ice or mezzanine bookings and 21 days notice for special event ice or mezzanine or dry floor bookings.

Time cancelled late will be billed for time that cannot be rented to another group.

Public Skating Fees

Adult \$3.00

Punchcard \$ 30.00

Student \$ 2.50

Punchcard \$ 25.00

Youth \$ 1.75

Punchcard \$ 17.50

Senior \$ 1.75

Punchcard \$ 17.50

Disabled \$ 1.75

Punchcard \$17.50

Family \$5.25

Punchcard \$ 52.50

Punchcards

GET 12 Admissions for the
price of 10!!!

APPENDIX C – WHITEHORSE ARENAS FINANCIAL PERFORMANCE

City of Whitehorse - ARENAS Year End Financial Comparison

		2000 Actual	2001 Actual	2002 Actual	2003 Actual
Expenditures					
Operations					
	Takhini Arena	491,268.58	484,417.85	436,079.38	462,399.18
	Stan McCowan Arena	332,581.06	328,954.66	331,032.01	366,298.42
	Total Operations	823,849.64	813,372.51	767,111.39	828,697.60
Maintenance					
	Takhini Arena	232,256.39	227,181.89	187,349.33	183,357.24
	Stan McCowan Arena	48,782.93	47,895.97	54,604.07	38,767.98
	Total Maintenance	281,039.32	275,077.86	241,953.40	222,125.22
Administration¹					
	Total Administration	40,000.00	40,600.00	41,209.00	42,000.00
	TOTAL EXPENDITURES	1,144,888.96	1,129,050.37	1,050,273.79	1,092,822.82
Revenues from Operations					
	Takhini Arena	244,582.42	229,234.51	211,751.34	224,639.28
	Stan McCowan Arena	154,133.14	159,484.25	183,817.93	198,871.96
	Total Operations Revenue	398,715.56	388,718.76	395,569.27	423,511.24
	ARENA RECOVERY RATE	34.83%	34.43%	37.66%	38.75%
	Difference Expenses - Revenue (= subsidy)	746,173.40	740,331.61	654,704.52	669,311.58

¹ Based on a 1/3 portion of the Facility/Parks Supervisor Wages and Benefits, plus a 1/10 portion of the Manager, Parks and Recreation Wages and Benefits and a portion of the departments advertising and clerical budgets.

APPENDIX D – SOLDOTNA SPORTS CENTER INFORMATION

Soldotna Sports Center Fees

Activity	Price	W/Tax
Public Skate		
Admission	\$3.81	\$4.00
Skate Rental	2.86	3.00
Punch Card - 30 visits	57.14	60.00
Punch Card - 15 visits	42.86	45.00
Shinny Hockey		
Admission	\$4.76	\$5.00
Punch Card - 15 visits	42.76	45.00
12 & Under 1 Hour	4.76	5.00
13 & Over 1 Hour	4.76	5.00
13 & Over 1 1/2 Hour	4.76	5.00
Learn To Skate		
LTS General Instruction	\$61.90	\$65.00
LTS Hockey Power	53.33	56.00
Walk On	8.57	9.00
Skate Rental	0.96	1.00
Walking Track		
Per Use	\$2.86	\$3.00
Season Pass (Aug 15-Apr 30)	\$38.10	\$40.00
1/2 Season Pass (January 1-April 30)	\$19.05	\$20.00
Racquet Ball/Wally Ball		
Racquet Ball/hr	\$7.61	\$8.00
Wally Ball/hr	11.42	12.00
Freestyle		
Admission - 30 min	\$2.86	\$3.00
Admission - 45 min	4.29	4.50
Admission - 60 min	5.71	6.00
Showers		
Per Use	\$2.86	\$3.00
Punch Card - 10 visits	26.80	25.00

Activity	Price	W/Tax
Ice Rental		
Indoor - Prime Time	\$150.00	\$157.00
Indoor - Non Prime Time		
(From 4:30 am - 6:59 am)	98.57	103.50
Outdoor - KPHA Use *	22.00	22.00
Outdoor - Not KPHA	66.29	69.61

Conference Room Rental

1 Room - Per Hour	\$38.10	\$40.00
1 Room - Half Day	138.10	145.00
1 Room - Full Day	161.90	170.00
2 Rooms - Half Day	180.95	190.00
2 Rooms - Full Day	261.90	275.00
3 Rooms - Half Day	200.00	210.00
3 Rooms - Full Day	385.71	405.00
Kitchen	95.23	100.00
Damage Deposit	100.00	N/A

Arena Rental

Daily Flat Rate	\$2175.00	\$2200.00
Move In/Move Out		
Days Flat Rate	\$525.00	\$550.00
Ticket Event:	% of Gross Rev or Flat Rates	
	(Which Ever is Higher)	15%

Soldotna Sports Center Schedule

Public Skate

Tuesday - Friday 10:30am - 12:00pm

Tuesday 7:30pm - 9:00pm

Saturday 1:00pm - 3:00pm

*Punch Cards: 30 visits for \$60.00 or 15 visits for \$45.00

*All punch cards expire after three months whether they are used or not.

Rental Skates \$3.00

Shinny Hockey

Tuesday - Friday 8:45am - 10:15am

\$5.00 per session

Shinny punch cards* are 15 visits for \$45.00. Shinny punch cards may also be used for public skate session, however, public and shinny on the same day will constitute as two visits/punches on your card. You must wear a helmet.

FreeStyle

Tuesday - Friday 7:00am - 8:30am

Tuesday - Friday 1:45am - 2:30pm

These sessions are established time for competitive routines, techniques, and instruction. Access During these times is limited to 25 skaters for space and safety reasons. The cost is \$4.50 per 45 minute session.

Racquetball and Wallyball

The Sports Center has two racquetball/wallyball courts available during normal building hours. The cost for racquetball is \$8.00/hr. The cost for wallyball is \$12.00/hr. Reservations may be made on a daily or monthly basis. Monthly reservations must be submitted to the Soldotna Sports Center office in person. NO monthly reservations will be taken by phone or fax.

Walking Track

The walking track is open from 8:00am until 10:00pm Tuesday - Sunday and Mondays from 2:30pm until 10:00pm except during special events such as conferences of hockey games. A season walking pass is available for \$40.00 per season with a season being from the 2nd week in August through the 1st of April. Walking track patrons are asked to sign in at the office prior to starting their walking.

*All punch cards expire after three months whether used or not.

Indoor & Outdoor Ice Rental Rates

Indoor

Early morning ice 1.5 hrs \$150

5:00am - 6:45am only

Minimum charge \$150

Private ice prime time \$150

Non profit prime time \$150

Non prime time private \$98.57

Non prime non profit \$98.57

Outdoor

Outdoor private \$66.29

Outdoor non profit \$66.29

Ice reservations must be made through arena manager or manager's representative only. Ice reservations require 45 days cancellation notice. If the 45 day cancellation notice is not provided original reserving party shall remain liable for rental fee.

Skating Programs

**For your convenience please click on link below to preprint registration form. This form requires the Adobe Acrobat Reader program.

Learn to Skate Registration Form / Current Schedule

Learn to skate is a progressive ice skating instruction program designed and endorsed by the Ice Skating Institute. The program is designed for ages 2 years and older and progresses from beginner to intermediate and advanced hockey and figure skating. In the Learn to Skate program, skaters progress through skill levels during 7 week, 7 lesson semesters. Semesters run back to back during the ice season from August until April and allow skaters' skill levels to progress continuously in a positive environment. The classes are held Tuesday evenings from 6:30pm - 7:15pm and Saturday afternoon from 12:00pm until 12:45pm.

Tot Learn to Skate

The Tot Learn to Skate classes are held on Tuesday mornings from 11:15am until 12:00pm. The program is designed for tots ages 2-5 years old and are an excellent mid-day break.

Home School Learn to Skate

Home School Learn to Skate is held Wednesday afternoons from 12:15pm until 1:00pm.

Hockey Power and Conditioning:

In addition to the general Learn to Skate programs, the Soldotna Sports Center also offers *Hockey Power and Conditioning* classes on Tuesday from 5:30pm - 6:15pm. This program is designed to condition the intermediate to advanced skater while at the same time fine tuning specific skills.

Kenai Peninsula Hockey Association

KPHA is the driving force of hockey on the Kenai Peninsula. Each year over 300 youths participate in this hockey program from in-house recreational to competitive hockey levels. The program provides excellent instructional and competitive opportunities for kids between 4 and 18 years of age. Watch for registration dates posted within the Soldotna Sports Center and around the Peninsula. For registration information call Pete Iverson at 262-7170. The KPHA hotline number is 262-6404.

Denali Figure Skating Club

Denali is the group that organizes and sponsors the peninsula's figure skating program. The Club of over 35 skaters provides instruction as well as performance opportunities for up and coming figure skaters at both local and state levels. Denali normally holds practices on Monday evenings at the Soldotna Sports Center from 5:30pm - 6:30pm. For registration information contact John Bishop at 262-9731.

Rusty Blades Tier I

Rusty Blades Tier I is the adult hockey league playing from 1-3 nights/wk. The league also holds on tournament per year with teams from the Peninsula as well as Anchorage. For registration call Rick Swanson at 262-9151 or 262-8353.

Rusty Blades Tier II

Rusty Blades Tier II is geared for the recreational or beginning adult hockey players. The league plays 1-3 nights/wk, Sunday, Monday, and Wednesday. For more information call Diane Garske 262-9747.

Puffins

The Puffins are the area's Women's league/group. The Puffins play Monday from 6:45pm - 7:45pm. For more information call Heidi Hanson at 262-2726.

Red Line Sports

Red Line Sports is a full service hockey and skating shop. Red Line Sports is an independent/private business. It is located inside the main arena area. Their winter hours are:

Monday - Thursday 12:00pm - 8:00pm

Saturday 10:00am - 5:00pm

Sunday 1:00pm - 5:00pm

You may contact them at 262-5860.

Soldotna Sports Center Meeting Rooms

The SSC has enough meeting room for groups of people ranging in size from 5-300 and is complimented by over 370 hotel rooms within a 15-mile radius. The SSC also boasts a 20,000 square foot general session/trade show/banquet floor augmented by small breakout rooms for groups of 2-225. In recent years, the Center has hosted large events such as the State of Alaska Fish Board Hearings, Alaska Republicans, Alaska Municipal League, Alaska State Chamber of Commerce, Cook Inlet Regional Corporation, the Kenai River Classic, and Soldotna Chamber of Commerce Awards Banquets with great success.

Needs of large general sessions are easily met via use of the Center's rink area and conference rooms. The rink area's 20,000 sq ft of space provides ample room for general sessions and banquet settings separate from concurrent sessions for smooth transition. The area's mezzanine area of over 3600 feet may also be converted to an informal meeting area when necessary.

Sports Center users enjoy the benefits offerings of an approved kitchen with the capacity to create culinary delights for most groups up to 450. The kitchen meets all requirements of the Alaska Department of Environmental Conservation and boasts two large convection ovens, freezer, refrigerator, grill and conventional oven, broiler, deep fryer, steam kettle as well as an automatic dishwasher, and preparation tables.

Facility Rates:

1 Room 1/2 Day	\$145
1 Room Full Day	\$170
2 Rooms 1/2 Day	\$190
2 Rooms Full Day	\$275
3 Rooms 1/2 Day	\$210
3 Rooms Full Day	\$405
Kitchen Rental	\$100

Entire Building:

Move-in/Move out	\$550/day
Event Full Day	\$2,200/day

Labor Rates:

Technical Support 8 hr/Event Day, Full Building Rental	\$ N/C
Additional Tech Support 8+ hr/Event Day	\$37.50/hr
Conversion Labor/Building or Room Rental	\$8.00/hr
Janitorial	\$8.00/hr
Security	Bonded Security is Available Locally

APPENDIX E – FEES DATABASE

Facility	Wasilla Multi-Use Sports Complex	Fee (\$)	Brett Ice Arena	Fee (\$)	Harry McDonald Memorial Center	Fee (\$)	UAA Wells Fargo Sports Complex	Fee (\$)
Owner	City of Wasilla		Mat-Su Borough		MOA - run by Fire Lake Arena Mgmt.		State (University)	
Ice Rink	NHL size 200' by 85'		NHL 200' by 85'		Olympic size 200' X 100'		NHL size 200' by 85'	
Programs	Public hockey per person Freestyle figure skating per person per session	7.00			Shiny Hockey 15 years and older 10 years and under 11 to 14 year olds Learn to play hockey - 6 lessons Tots learn to skate - 3 to 5 years - 6 lessons Adults learn to skate - 6 lessons Saturday learn to skate beginner Saturday learn to skate tots Skate rental Family skate rental skate sharpening Punchcards (10 sharpenings) Learn to skate - 8 lessons Beginner Learn to skate - 8 lessons Intermediate	5.00 4.00 4.00 50.00 45.00 48.00 48.00 45.00 2.50 6.00 5.00 30.00 56.00 61.00		
Ancillary	Skate rental per pair	2.00	Skate rental Skate sharpening Punchcards (10 sharpenings) Skating lessons (per session)	2.00 5.00 40.00 60.00		Locker rental per semester	20.00	

Facility	Ben Boeke - Dempsey Anderson	Fee (\$)	Diamond Athletic Center	Fee (\$)	Big Dipper Ice Arena FBX	Fee (\$)	Soldotna Sports Center	Fee (\$)
Owner	MQA - Managed by Ogden Facility Mgmt.		Privately owned and operated		FBX North Star Borough		City of Soldotna owns and operates	
Ice Rink	Two 200' by 85' rinks		145' by 65'			Olympic size 200' X 100'		
Individual	General admission	7.00	general admission 12 and under, UAA student or military	5.00	child 4 - 11 yrs	2.50	public skate all ages	4.00
				3.50	youth 12-17	3.50	Freestyle	
					Non-prime youth	45.00	30 min	3.00
					M-F 6am to 3pm	4.00	45 min	4.50
					Adult 18-59	1.50	60 min	6.00
					Senior 60+			
Families			family membership per month	89.00	Family Nucleus	9.00		
			midday membership per month	42.00	10-pass child	18.00	30-pass	60.00
			Single membership per month	63.00	10-pass youth	23.00	15-pass	45.00
Multi-day Passes					10-pass adult	30.00		
					10-pass senior	12.50		
					10-pass family	65.00		
					3-mos child	28.00		
					3-mos youth	40.00		
					3-mos adult	50.00		
					3-mos senior	25.00		
					3-mos family	90.00		
					6-mos child	53.00		
					6-mos youth	77.00		
					6-mos adult	95.00		
					6-mos senior	48.00		
					6-mos family	170.00		

Facility	Ben Boeke - Dempsey Anderson	Fee (\$)	Dimond Athletic Center	Fee (\$)	Big Dipper Ice Arena FBX	Fee (\$)	Carlson Center FBX	Fee (\$)	Sullivan Arena	Fee (\$)	Soldotna Sports Center	Fee (\$)	Polar Ice Arena FBX	Palm Beach Rink
Owner	MOA - Managed by Ogden Facility Mgmt.		Privately owned and operated		FBX North Star Borough		Managed by SMG		Managed by SMG		City of Soldotna owns and operates			
Whole Rink	per hour	210.00	at least 30 days notice	150.00	Non-prime adult M-F 6am to 3pm prime 3pm to closing and WKE for youth prime 3pm to closing and WKE for adults	60	per hour	150	per hour	250	per hour non-prime time (4:30-6:00am)	170	165	165
Programs	Learn to skate ages 3 to adult summer Learn to skate ages 3 to adult winter	75.00 95.00				100 125					by day for event /move in % of gate learn to skate walk-on	2,200 550 %15 65 9		
Ancillary	skate rental	2.00	skate rental hockey rental Locker rental Small/month Medium/month Large/month x-large/month	2.00 2.50 4.00 8.00 12.00 16.00	skate rental	2.50					Shiny hockey one-hour 15-pass skate rental	5 45 3		

Facility	Wasilla Multi-Use Sports Complex	Fee (\$)	Tasoro Sports Centre and Cellular One Sports Center	Fee (\$)
Owner	City of Wasilla		Privately owned and operated	
Turf Court	Size 175' by 75'		Size 180' by 90'	
	Per hour for full court	115.00	Youth	165.00
	Per hour for one-third court	45.00	Adult	180.00

Facility	Wasilla Multi-Use Sports Complex	Fee (\$)	Harry McDonald Memorial Center	MOA - run by Fire Lake Arena Mgmt.	Fee (\$)	Soldotna Sports Center	Fee (\$)
Owner	City of Wasilla					City of Soldotna owns and operates	
Meeting rooms	Size each room about 650 sq ft holds 30 people		Community room holds up to 49 people			3 rooms each hold about 100 people	
	Single room per hour	15.00	charge per hour	10.00		3 rooms all day	405.00
	Single room per day	75.00	daily charge	80.00		3 rooms half day	275.00
	2 rooms per hour	25.00	fundraiser per hour for profit	15.00		one room by hour	40.00
	2 rooms per day	125.00	political per hour	20.00			
	3 rooms per hour	40.00		25.00			
	3 rooms per day	200.00					

Facility	Wasilla Multi-Use Sports Complex	Fee (\$)	Harry McDonald Memorial Center	Fee (\$)	Tesorro Sports Centre and Cellular One Sports Center	Fee (\$)	Big Dipper Ice Arena FBX	Fee (\$)
Owner	City of Wasilla		MOA - run by Fire Lake Arena Mgmt.		Privately owned and operated		Fairbanks North Star Borough	
Running Track	Size 830 ft long, 6.4 laps = 1 mile		1/8 mile track		920 feet - 5.75 laps = 1 mile			
	Youth and adults	2.00	per visit	1.00	10 punch card	30.00	daily ages 4-59	2.50
	20-pass youth and adults	32.00	Punch card (20 punches)	15.00	25 punch card	65.00	seniors daily	1.00
	55 and older	1.00	Seniors Mon/Wed	free	50 punch card	110.00	10-pass ages 4-59	16.00
	20-pass 55 and older	16.00			6 month membership	199.00	10-pass seniors	8.00
							3-mos pass ages 4-59	50.00
							3-mos pass seniors	15.00

Facility	Mat-Su Borough	Fee (\$)
Owner	Mat-Su Borough	
Parks and Campgrounds		
Matanuska River Park	per vehicle per night	10.00
Lake Lucille Park	per vehicle with hookups	15.00
Little Su River	per vehicle per night	10.00
Deshka River	per vehicle per night	10.00
	Dump	5.00
	Daily campground	8.00
	Weekly campground	50.00
	Primitive camping - daily	5.00
	Primitive camping - weekly	30.00
	Seasonal camping (May thru Sept.)	300.00

Facility	Mat-Su Borough	Fee (\$)
Owner	Mat-Su Borough	
Pavilions		
Matanuska River Park	Pavilion rental 1/2 day	20.00
Lake Lucille Park	Pavilion rental 1/2 day	30.00
Little Su River	Pavilion rental 1/2 day	20.00
	Pavilion rental 1/2 day	30.00
	Pavilion rental	30.00

Facility	Wasilla Multi-Use Sports Complex	Fee (\$)	Harry McDonald Memorial Center	Fee (\$)	Tasoro Sports Centre and Cellular One Sports Center	Fee (\$)	Soldotna Sports Center	Fee (\$)
Owner	City of Wasilla		MOA - run by Fire Lake Arena Mgmt.		Privately owned and operated		City of Soldotna owns and operates	
Advertising	Ice logos discount for 2 or more dashboards	2,200 \$ 0.10 1,200	Zamboni signage Dashboard Wallboards	1,500 1,000 900	Ice logos - year ice resurfacers scoreboards dashboards track banners	5,000 to 10,000 5,000 to 4,000 to 6,000 1,500 1,500	Ice logo Dashboard Wallboards Stair treads	1,500 600 800 28/stair