




City of Bowie

15901 Excalibur Road
Bowie, Maryland 20716

TO: City Council
FROM: Alfred D. Lott, CPM 
SUBJECT: Indoor Sports Facility
DATE: September 14, 2017

1. **PURPOSE:** To provide information related to the construction of the Bowie Indoor Sports Facility (BISF) and information related to the conduct of a BISF Referendum Ballot in the near future.
2. **BACKGROUND:** On June 19, 2017, the City Staff informed the Council that potential costs for the BISF were estimated between \$36,145,000 and \$38,856,000. What is more, the City Staff presented seven (7) feasible courses of action for the Council's consideration. (See attached June 19th agenda item). At the conclusion of the June 19th discussions surrounding the BISF, Council directed staff to accomplish the following and return on Sept. 18th:
 - a. Conduct a "Due Diligence Evaluation" of the existing Ice Arena in Bowie to determine the following:
 - i. Assess the current condition of the facility.
 - ii. Determine the costs to renovate this facility to like new condition.
 - iii. Determine the costs to maintain the current facility for the next five years.
 - b. Conduct all necessary research regarding Option G (Referendum), and be prepared to brief and implement this course of action. Please see the enclosed memorandum that depicts the referendum process.
3. **DISCUSSION:** City Staff utilized Hughes Group Architects to complete the aforementioned Due Diligence cost evaluation. A quick summary indicates that it will cost the City approximately \$22,400,000 to renovate the current Bowie Ice arena to like new condition or approximately \$2,000,000 to maintain the facility for five years considering its current condition. An executive summary of the evaluation completed by Hughes Group Architects is enclosed.
4. **OPTIONS:** (Option H is new)
 - a. Cancel the project altogether and hire a professional engineer/architect to determine the cost to renovate or maintain.

MAYOR G. Frederick Robinson MAYOR PRO TEM Henri Gardner

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- b. Proceed with the original plan for five (5) courts and two (2) rinks at a cost of \$36,145,000 to \$38,856,000.
- c. Reduce the plan to three (3) courts and one rink (1) at a cost of \$23,072,000.
- d. Reduce the plan to two (2) ice rinks and no courts at a cost of \$24,401,000.
- e. Reduce the plan to five (5) courts and no ice rinks at a cost of \$16,500,000.
- f. Select one of the reduced options and move the facility to a more centrally located place in the City such as Glen Allen Park.
- g. Refer the decision to Referendum.
- h. Completely renovate the existing Bowie Ice Rink at its present location at a cost of \$22,400,000.

5. **FACTS BEARING ON THE PROBLEM:**

- a. If fully renovated, the Bowie Ice Arena would be closed for 12 to 18 months producing a negative impact on current staff and current users.
- b. Hughes Group Architects have opined that the life expectancy of the current Bowie Ice Rink is five years at best.
- c. The current approved FY2018 Budget for the construction phase of this project is limited to \$23,700,000.
- d. The cost for a newly constructed single sheet ice rink would be \$22,800,000.
- e. The estimated cost of a special election is \$48,000 and the Board of Elections and City Clerk would require at least six (6) months notice to prepare for a special election.

6. **RECOMMENDATION: Option C:** Construct three (3) courts and one rink at the Church Road location for \$23,072,000.

Enclosures

Bowie Ice Arena: Executive Summary – Council Meeting

09.13.2017

Objectives and Methodology

At the request of the City of Bowie HG Architects conducted a Due Diligence Evaluation of the existing Ice Arena in Bowie Maryland to assess the current condition of the facility and provide probable facility overhaul and renovation cost to continue to operate the facility for a period of 40 years. In addition to providing an assessment of existing conditions a comparison between the ice program proposed for the Indoor Sports Facility (ISF) and the existing Bowie Ice Arena has been generated.

To assess existing conditions a team of Architects and Engineers visited the facility August 3, 2017 to assess existing conditions and review operations with building staff. During this visit the potential existence of mold growth was observed resulting in follow up testing conducted by ECS August 31st which confirmed the existence of mold growth.

The report findings are based on site observations, survey data analysis, existing drawings, discussions with ice arena facility personnel, and HG team's experience with similar projects. We have endeavored to obtain reliable data but are not responsible for the accuracy of information or documentation provided by others.



Probable Construction Costs

Probable construction costs were evaluated based extending the facility operations 40 years through Items outlined within the scope represent renovations needed to overhaul the facility to extend service life for an additional 40 years. The scope focuses on replacing components and systems to maintain the current program and does not include program upgrades to address changes in market demand.

Summary of Findings

The facility is located adjacent to Patrick Murtagh Soccer fields and shares the site and parking with Allen Pond Park. The original structure constructed in the early 1970's consisted of a refrigerated slab located under large pavilion with open sides. Since opening the facility has been modified several times including enclosing the ice rink and expansions to provide locker room space and mechanical rooms. The most recent construction in 2002 added retail space and renovated the main entry area of the facility. The overall condition of the facility was found to be better than would be expected for a facility of this age however many of the facility's components and systems are near or past the end of their

expected service life - maintaining operations at the facility will require a substantial capital investment to overhaul the facility. The primary areas of concern are as follows:

Existing Program to Indoor Sports Facility Program Comparison: Program Comparison provides a space by space comparison between the proposed Ice Program of approximately 83,700 SF included in the Indoor Sports Facility and the existing 39,900 SF Bowie Ice Arena. The proposed program includes provisions for two ice rinks while the existing facility only includes one resulting in approximately 29,000 SF difference in building area. In addition to the absence a second sheet of ice the existing Ice Arena lacks the appropriate number and size locker room and restroom facilities when compared to the proposed program and what is typically provided for a one rink facility. Additionally spectator seating capacity accommodates approximately 350, less than the 500 indicated in the proposed program and the public or common zone is approximately 2200 sf (40%) less than proposed.

Site and Parking: Grading along the north side of the building results in water infiltrating the building with each heavy rain. Installation of a storm water drainage system and regrading is recommended to prevent additional damage to the building.

Accessible parking spaces and marked pathways are provided onsite; however, cross slopes for both are not in compliance with accessibility requirements.

Additionally the parking lot is not configured to provide a 20' Fire Lane and the Fire Department Connection (FDC) is visually obscured and located more than 150' away from the nearest fire hydrant.



Building Envelope: Exterior wall systems are primarily clad with EIFS or Metal Panels and are in fair condition with service life remaining, however, in the case of the metal panel areas provide little to no insulation. Roofing systems are past their service life and staff indicated there are several active leaks. Roofing needs to be replaced in the near term.

Structural System: Columns and trusses for the volume enclosing the ice rink are wood and date to the original construction. They show signs of strain and shifting as evidenced by cracked web members and misaligned members and are in need of near term repairs. Structural design requirements have become more stringent in the years since the structural system has been designed. It is believed the existing system has a design capacity well short of current requirements, specifically with regard to snow loading, and long range plans should consider complete reconstruction.

Mold growth is evident on the wood trusses and roof deck, air quality testing is recommended to determine the level of hazard to building users and establish remediation requirements.

Ice Rink: The existing refrigeration slab has heaved, likely the result of permafrost below. Without mitigating efforts the slab will continue to deform which will result in damage to the refrigeration piping.

Both the existing refrigeration plant and dehumidification system are at the end of their respective service life, increased equipment failures placing the facility out of service should be expected as should escalating repair costs.

Long range plans should consider replacement of the refrigeration slab and extensive overhaul or replacement to the mechanical systems.



Locker Rooms and Restrooms: Locker Rooms are undersized for this size facility and lack sufficient mechanical systems to deliver an adequate quantity of outside air. Restroom water closet and lavatory quantities are also well short of the quantity required by code to serve the calculated occupancy.

Accessibility: Accessible elements and pathways have been accommodated within the facility however in numerous instances the existing configuration and clearances are not in accordance with current accessibility requirements. Accessible access to the building entry is accommodated via a mechanical lift requiring assistance from facility staff to operate which is not permitted by current regulations. Additionally required clearances are not provided at several doors and mounting heights for counters, restroom fixtures and many accessories are not in accordance with current regulations.

Fire Suppression Systems: Sprinkler piping exhibits signs of rust and corrosion throughout the ice rink venue. Replacement should be considered.

Mechanical and Electrical Systems: Mechanical and Electrical Systems including HVAC, Electrical Service, and Lighting are aged with many components at the end of their services life. These systems do not operate as efficient as modern equipment and are lacking automated control systems resulting in increased operating cost. As a result of their age, increased maintenance and repair cost should be expected. Long range plans should consider system replacement and upgrade.

Facility Overhaul & Renovation - Extended Life Span (40 Year)

Site			\$1,301,000
Building Envelope			\$2,927,000
Structural Systems			\$968,000
Architectural Systems			\$3,353,000
Mechanical Systems			\$4,657,000
Subtotal			\$13,207,000
Design Contingency	10%	\$1,321,000	\$14,528,000
Escalation to 2020	10%	\$1,453,000	
Probable Construction Cost			\$15,981,000
Owner Carried Soft Cost	40%	\$6,392,000	
Total Project Cost			\$22,373,000

Facility Overhaul & Renovation – Extended Life Span (40 year)

Facility Overhaul and Renovation to extend operations through 2057 (40 years), this scope represent renovations needed to overhaul the facility to extend service life for an additional 40 years. The scope does not include program upgrades to address changes in market demand.

A full facility shutdown is required to complete the overhaul. A construction duration of 18 - 24 months is anticipated.

Probable Construction Cost figures above capture cost of construction only and do not include project management, design and permitting expenses or owner contingency funds.

Total Project Cost do not include revenue impact associated with closing the facility during construction.

Escalation has been calculated to the estimated midpoint of construction based construction starting in the 2nd quarter of 2019 and lasting approximately 18 months.

M E M O R A N D U M

TO: City Council

FROM: Alfred D. Lott, CPM
City Manager

SUBJECT: Special City Election – Indoor Sports Facility Referendum Question

DATE: September 12, 2017

At the City Council meeting held on June 19, 2017 Council instructed staff to provide information on the process and cost of a Special City Election for the Indoor Sports Facility Referendum question. Staff has prepared the information which is contained in this memo.

Per Section 32 of the City Charter all special city elections shall be conducted by the Board of Supervisors of Elections in the same manner and with the same personnel, as far as practicable, as regular city elections. With that said the Board and the City Clerk would require at least a minimum of 6 months to prepare for the special election. If Council decides to proceed with the special election, it is recommended that it be held on April 10, 2018.

The City uses eight polling locations throughout the City, two per district. As of this date, all polling locations will be available to be used on April 10, 2018 except for Christian Community Presbyterian Church (District 2A). The Board will have to locate another suitable location in close proximity, which might be difficult.

The estimated cost of the special election would be about \$48,000. Below is the breakdown of expenses:

Voting Machines & Ballot Preparation	\$22,000
Mailing of Voter Notification Cards (40,439) & Support from County BOE (2)	\$19,000
Compensation for Election Judges (40) and SBE (7)	\$7,000

The vendor the City currently uses for the equipment is not able to do a ranked choice method of voting, so the question on the ballot can be either a simple yes or no question or it could provide an array of questions for the voter.

Bowie Indoor Sports Facility
Program & Cost: PEMB Construction-Reduced Program Option 3: Single Ice Sheet Only

Description	Reduced Program-Option 3			Conceptual Cost: PEMB Construction	
	Unit Area (SF)	Quantity	Total Area (SF)	Unit Cost	Total Cost
Common Zone					
Lobby / Welcome / Social Areas	1,600	1	1,600	\$167	\$267,200
Café					
Serving Counter	100	1	100	\$167	\$16,700
Preparation/Warming Kitchen	300	1	300	\$511	\$153,300
Pantry/Storage	200	1	200	\$167	\$33,400
Seating Area	2,000	1	2,000	\$167	\$334,000
Community Area				\$167	
Community/Party Rooms	600	2	1,200	\$167	\$200,400
Storage	100	1	100	\$157	\$15,700
Public Toilet					
Men's Toilet	500	1	500	\$167	\$83,500
Women's Toilet	500	1	500	\$167	\$83,500
Universal Toilet	120	1	120	\$167	\$20,040
Administration					
Control/Info/Membership Desk	250	1	250	\$167	\$41,750
Facility Manager Office	120	1	120	\$167	\$20,040
Asst Manager Office	100	1	100	\$167	\$16,700
Business Office	100	0	0	\$167	\$0
Program Office	100	1	100	\$167	\$16,700
Open Work Stations	64	2	128	\$167	\$21,376
Work Room	150	1	150	\$167	\$25,050
Conference Room	250	0	0	\$167	\$0
Subtotal Community Zone			7,468		\$1,349,356
Indoor Ice Zone					
Service Desk	100	0	0	\$167	\$0
Lobby / Welcome Area	400	0	0	\$167	\$0
Ice Offices	100	1	100	\$167	\$16,700
Skate & Equipment Rental	500	1	500	\$167	\$83,500
Proshop/Retail	500	1	500	\$167	\$83,500
Skate Changing Area	0		0	\$167	\$0
DJ Area	64	1	64	\$167	\$10,688
Ice					
Ice Rink # 1: NHL Size 85' W X 200' L (includes 800 spectator seating, team boxes and circulation)	27,300	0	0	\$333	\$0
Ice Rink # 2: NHL Size 85' W X 200' L (includes 200 spectator seating, team boxes and circulation)	26,000	1	26,000	\$333	\$8,658,000
Zamboni and Equipment Storage	1,500	1	1,500	\$157	\$235,500
General Toilet					
Men's Toilet	625	1	625	\$167	\$104,375
Women's Toilet	625	1	625	\$167	\$104,375
Locker Areas					
Team Locker Rooms	500	4	2,000	\$197	\$394,000
Alternate Girls Locker Rooms	500	2	1,000	\$197	\$197,000
Coaches & Referee Rooms	225	2	450	\$197	\$88,650
Ice Area Storage	600	1	600	\$167	\$100,200
Subtotal Indoor Ice			33,964		\$10,076,488
Indoor Court Zone					
Service Desk	100	0	0	\$167	\$0
Court Offices	100	0	0	\$167	\$0
Gymnasium/s					
4- Basketball Court Area (Tournament Area) w/ 4 overlaid volleyball courts	21,000	0	0	\$267	\$0
4-Court Storage	900	0	0	\$157	\$0
1-Basketball Court Area (Multipurpose court) w/ 2 overlaid volleyball courts	12,600	0	0	\$267	\$0
1-Court Storage	600	0	0	\$157	\$0
Fitness Zone					
Fitness & Weights (Sports Performance Training)	2,000	0	0	\$196	\$0
Group Exercise Room (Group X Room)	1,200	0	0	\$196	\$0
Multipurpose Rooms	1,500	0	0	\$196	\$0
Locker Rooms					
Men's Locker Room	600	0	0	\$208	\$0
Women's Locker Room	600	0	0	\$208	\$0
Universal Locker Room	120	0	0	\$208	\$0
Elevated Track at 3-court area (1/10 mile)	6,000	0	0	\$112	\$0
Elevator & Stairs associated with Track	500	0	0	\$312	\$0
Subtotal Indoor Court			0		\$0
Support Zone					
Maintenance Office	100	1	100	\$157	\$15,700
General Building Storage	400	1	400	\$157	\$62,800
Electrical Room	450	1	450	\$157	\$70,650
Mechanical Room	2,000	1	2,000	\$157	\$314,000
Sprinkler Room	400	1	400	\$157	\$62,800
Data & IT	120	2	240	\$157	\$37,680
Vending Areas	100	2	200	\$157	\$31,400
Janitor Closets	50	3	150	\$157	\$23,550
Subtotal Support			3,940		\$618,580
Total Net Area			45,372	Unit Cost	\$12,044,424
Unassigned Area (Circulation & Walls)		10%	4,991	\$167	\$833,484
Total Building Area			50,363	\$256	\$12,877,908
Total Site Cost					\$3,449,850
Probable Construction Cost					\$16,327,758
Owner Carried Soft Cost (40%)					\$6,531,103
Total Project Cost					\$22,858,861

MEMORANDUM

To: City Council

From: Alfred D. Lott

Subject: Indoor Sports Facility

Date: June 14, 2017

The purpose of this communication is to brief you on a very significant turn of events related to the construction of the Bowie Indoor Sports Facility (BISF).

Problem: Hughes Group Architects have informed the City's BISF Planning Team that the potential cost of the new facility is estimated between \$36,145,000 and \$38,856,000 depending on the type of construction used. The budget approved in the FY 2018 budgeted was \$23,700,000 for the construction portion of this project.

Background:

- a. In May of 2013, Sports Facility Advisory (SFA) completed and presented a Feasibility Study regarding the Bowie Indoor Sports Facility to City Council. From this data, the City concluded that the total cost would be approximately \$28,000,000 minus construction inflation.
- b. In September of 2016, the City selected and hired Hill International as project manager of the BISF construction project.
- c. In February of 2017, the City selected and hired Hughes Group Architect to perform architectural, engineering and design service to the City regarding the BISF.
- d. On April 25, 2017, Hughes Group's senior architect, Amado Fernandez, informed the City's BISF Planning Team that in their professional opinion, the City's construction cost estimates were very low. They estimate that the construction will cost between \$36,145,000 and \$38,856,000 depending on the type of construction used. The budget approved in the FY 2018 budget proposes \$23,700,000 for the construction portion of this project.

Options: The City's BISF Planning Team developed some options for the City Council to consider. A quick listing is presented below. The same list, which includes a more detailed analysis, is attached (see Attachment 1). They are as follows:

- a. Project can be cancelled altogether and a professional engineer hired to determine how much it would cost to upgrade the existing City Ice Rink.
- b. Project proceeds with original program of five courts and two ice rinks. Cost - \$36,145,000 to \$38,856,000 depending on type of construction.

- c. Reduce program to three courts and one ice rink. Cost - \$23,072,000
- d. Reduce program to two ice rinks and no courts. Cost - \$24,401,000.
- e. Reduce program to five courts and no ice rinks. Cost - \$16,500,000
- f. Select one of the reduced options offered above and move the location of the facility to a location more central in the City (e.g. Glen Allen Park, other).
- g. Project can be referred to referendum.

Council Questions

Since becoming aware of this issue, City Council has raised a number of questions as follows:

- a. What is the return on the current ice rink and projection for the new ice rink? Attachment 2 provides information on the Facility Cost Recovery Analysis for the past three fiscal years. This does not include capital costs. Attachment 3 provides the projections from SFA for cost recovery for future year operations for the gymnasium and ice rink. This does not include debt service costs.
- b. Can the new facility be self-sufficient/self-standing? If yes, when? Attachment 3 from the SFA study shows the expected cost recovery for future operations. It shows that the cost recovery for the gymnasium would be 39% to 60% over a five year period and the cost recovery for the ice rink would be 70% to 84% over a five year period. The SFA study also indicates that rates would need to be raised at each facility to achieve these cost recovery projections, particularly at the gymnasium. Under the SFA projections, both the gymnasium and the ice rink would receive a subsidy from the City.
- c. What is the cost to renovate the current ice facility with an Olympic sheet of ice versus an NHL sheet of ice? Without an analysis by a professional engineer, staff is unable to provide this information. If Council is interested in obtaining this information, it would cost approximately \$105,000 to perform this analysis and take approximately four weeks to do this analysis.
- d. Provide a breakdown showing which facilities cover their expenses and the percentage they do including the ice rink, gymnasium, senior center, mansion and museums, golf course and the turf and ball fields. See attachment 2 that provides this breakdown. The City has leased the golf course and has not incurred operating costs for the operation of this facility, so the golf course is not shown on this analysis.
- e. When was the plan to expand the original rink originally discussed? Attachment 4 provides a summary of the history of the ice rink development.

Community Notification

Staff provided detailed background information regarding this matter to the Community Recreation Council (CRC) and the Bowie based users of both the gymnasium and the ice rink. Furthermore this meeting has been extensively advertised through the various mechanisms the City uses to advertise important events.

Staff Recommendation

Given the options presented above and on Attachment A, staff recommends that City Council choose Option F to construct three courts and one ice rink on Glen Allen Park for an estimated construction cost of \$23,072,000.

If Council does not wish to pursue this option, staff then recommends that this matter be referred to referendum.

ADL/JLF/adf

Attachments

Indoor Sports Facility Options

The Hughes Group Architects have performed a cost validation of the new Indoor Sports Facility as part of the program evaluation portion of their contract. Unfortunately, this evaluation has determined that the potential cost of the new facility is estimated at between \$36,145,000 and \$38,856,000 depending on the type of construction used. The budget presented in the FY 2018 Budget proposes \$23,700,000 for the construction portion of this project.

Given this situation, the City has several options to consider as to how to proceed with this project as follows:

Option A – Project can be cancelled altogether and hire an architect/engineer to prepare an estimate as to what it would cost to renovate existing ice rink.

Cost - \$162,411 spent to date; additional cost of \$105,000 to do an analysis of existing ice rink.

Pro

- Eliminates potential issue with cost overruns

Con

- Indoor court and ice demand not met.
- Does not address issue of deteriorating infrastructure at existing ice rink.
- If existing ice rink is closed for renovation, could lose customer base to other facilities.

Option B- Project proceeds with original program of five courts and two ice rinks.

Cost - \$36,145,000 to \$38,856,000 depending on type of construction.

Pro

- Provides for original program approved by City Council.
- Addresses issue of deteriorating structure at existing ice rink.

Con

- Project would be over budget by \$12,445,000 to \$15,155,000, depending on type of construction used.
- Most expensive option.

Option C – Reduce Program to three courts and one ice rink.

Cost - \$23,072,000

Pro

- Partially meets original program objectives.
- Stays within proposed project budget.
- Addresses issue of deteriorating structure at existing ice rink.

Con

- Reduces project by two courts and one ice rink.
- May result in reduced revenue to support operating expenses

Option D – Reduce Program to two ice rinks and no courts.

Cost - \$24,401,000

Pro

- Meets original program objectives for ice rink.
- Addresses issue of deteriorating structure at existing ice rink.

Con

- Indoor court demand not met.
- Highest percentage of non-Bowie resident benefit.
- Over current project budget by \$701,000.

Option E – Reduce Program to five courts and no ice rinks.

Cost - \$16,500,000

Pro

- Meets original program objectives for courts.
- Least expensive of reduced option costs.

Con

- Ice demand not met.
- Does not address issue of deteriorating infrastructure at existing ice rink.

Option F – Select one of the reduced options offered above and move location of facility to a location more central to the City (e.g. Glen Allen Park, other).

Cost - \$16,500,000 for five courts and no ice rink

\$23,072,000 for three courts and one ice rink

\$24,401,000 for two ice rinks and no courts

Pro

- Relocates project in the heart of the City rather than outside City limits.
- Leaves Church Road property available for other recreational uses (e.g. ballfields, community garden, etc.)

Con

- Adjacent residents may object to location at this site.
- Does not allow for future expansion
- Potential delay due to need for site analysis
- Relocation to Glen Allen Park would displace one baseball/softball field, one soccer field, two tennis courts, one open field area, one small pavilion and one playground.

Option G – Project can be referred to referendum. If this option is chosen, Council will need to determine how to word the referendum question.

Cost - \$30,000 to \$50,000 to conduct special City Election

Pro

- Registered voters will determine whether they support the project.
- If no vote, eliminates issue with cost overruns.

Con

- Delays project moving forward.
- If no vote on referendum, would still need to address issue of deteriorating infrastructure at ice rink.
- If no vote on referendum, indoor court and ice demand not met.

CITY OF BOWIE
FACILITY COST RECOVERY ANALYSIS
ACTUAL FOR FISCAL YEARS 2015 AND 2016 YEAR TO DATE FOR FISCAL
2017 AND BUDGET FOR FISCAL YEAR 2018

Departments	Actual FY2015	Actual FY2016	FY2017 (11 mos.)	FY2018 Budget
Ice Rink				
Revenues	698,880	689,691	681,856	707,200
Expenditures	<u>927,693</u>	<u>898,741</u>	<u>881,717</u>	<u>1,024,900</u>
Surplus (Deficit)	(228,813)	(209,050)	(199,861)	(317,700)
Recovery pct.	75.3%	76.7%	77.3%	69.0%
Gymnasium				
Revenues	162,305	162,524	152,959	182,300
Expenditures	<u>590,425</u>	<u>589,235</u>	<u>562,067</u>	<u>742,600</u>
Surplus (Deficit)	(428,120)	(426,711)	(409,108)	(560,300)
Recovery pct.	27.5%	27.6%	27.2%	24.5%
Senior Center				
Revenues	139,234	131,165	121,985	143,700
Expenditures	<u>1,062,667</u>	<u>1,110,743</u>	<u>989,653</u>	<u>1,358,900</u>
Surplus (Deficit)	(923,433)	(979,578)	(867,668)	(1,215,200)
Recovery pct.	13.1%	11.8%	12.3%	10.6%
Historic Properties				
Revenues	18,004	18,467	19,723	20,500
Expenditures	<u>614,132</u>	<u>553,082</u>	<u>507,149</u>	<u>645,900</u>
Surplus (Deficit)	(596,128)	(534,615)	(487,426)	(625,400)
Recovery pct.	2.9%	3.3%	3.9%	3.2%
Parks and Recreation				
Revenues	535,324	552,718	537,024	435,100
Expenditures*	<u>979,065</u>	<u>1,093,236</u>	<u>985,578</u>	<u>1,334,100</u>
Surplus (Deficit)	(443,741)	(540,518)	(448,554)	(899,000)
Recovery pct.	54.7%	50.6%	54.5%	32.6%

*excludes expenditures captured in other departments.

May 2013

Court

The chart below summarizes all revenue and expenses for the facility:

Total Facility Revenue & Expenses- Total COURT					
Revenue	Year 1	Year 2	Year 3	Year 4	Year 5
Basketball Rental	\$235,230	\$287,709	\$348,912	\$399,802	\$455,580
Basketball Programs	\$41,450	\$43,523	\$47,984	\$50,383	\$55,547
Volleyball Rental	\$41,988	\$50,937	\$61,619	\$70,186	\$79,877
Volleyball Programs	\$33,200	\$34,860	\$38,433	\$40,355	\$44,491
Wrestling Rental	\$5,000	\$6,160	\$7,502	\$8,639	\$9,872
Cheer/Twirl Rental	\$3,000	\$3,696	\$4,501	\$5,184	\$5,923
Indoor Court Events	\$20,750	\$20,750	\$21,788	\$30,975	\$32,524
Court Rental	\$8,275	\$9,103	\$10,513	\$11,039	\$12,171
Secondary Areas	\$6,250	\$6,563	\$6,891	\$7,235	\$7,597
Food & Beverage	\$70,885	\$74,429	\$78,151	\$82,059	\$86,161
Total Revenue	\$466,028	\$537,728	\$626,293	\$705,856	\$789,743
Expenses	Year 1	Year 2	Year 3	Year 4	Year 5
Basketball Rental	\$19,163	\$21,043	\$23,111	\$24,249	\$25,443
Basketball Programs	\$19,362	\$18,589	\$20,250	\$21,262	\$23,172
Volleyball Rental	\$2,924	\$3,194	\$3,491	\$3,654	\$3,826
Volleyball Programs	\$16,212	\$15,628	\$16,995	\$17,845	\$19,415
Secondary Areas	\$375	\$413	\$454	\$476	\$500
Cheer/Twirl Rental	\$225	\$248	\$272	\$286	\$300
Indoor Court Events	\$2,075	\$2,075	\$2,179	\$3,098	\$3,252
Court Rental	\$422	\$442	\$463	\$475	\$488
Secondary Areas	\$1,250	\$1,313	\$1,378	\$1,447	\$1,519
Food & Beverage	\$47,364	\$49,732	\$52,219	\$54,830	\$57,572
Total Cost of Goods Sold	\$109,372	\$112,676	\$120,812	\$127,622	\$135,487
Gross Margin	\$356,656	\$425,053	\$505,481	\$578,234	\$654,256
<i>% of Revenue</i>	77%	79%	81%	82%	83%
Facility Expenses	\$373,821	\$385,036	\$396,587	\$408,485	\$420,739
Operating Expense	\$0	\$0	\$0	\$0	\$0
Management Payroll	\$421,720	\$430,154	\$438,757	\$447,533	\$456,483
Payroll Taxes/Benefits/Bonus	\$94,633	\$97,248	\$99,961	\$102,712	\$105,464
Existing Facility & Operating Expenses	\$186,400	\$190,128	\$193,931	\$197,809	\$201,765
Total Operating Expenses	\$1,076,575	\$1,102,566	\$1,129,235	\$1,156,538	\$1,184,452
<i>% of Revenue</i>	231%	205%	180%	164%	150%
Net Operating (Loss)	(\$719,919)	(\$677,513)	(\$623,755)	(\$578,304)	(\$530,196)
<i>% of Revenue</i>	-154%	-126%	-100%	-82%	-67%
Annual Debt Service	\$0	\$0	\$0	\$0	\$0
Total Net (Loss)	(\$719,919)	(\$677,513)	(\$623,755)	(\$578,304)	(\$530,196)
Cost Recovery	0.39	0.44	0.50	0.55	0.60

Note that the subcategory of "operating expenses" has been omitted. That line accounts for a specific set of administrative/overhead expenses that will be incurred but are not scalable to each individual facility type. Total operating expenses for the facility would likely range from \$100,000-\$200,000 annually, depending on which line items would be encapsulated by existing City of Bowie services (e.g. legal fees). If more than one facility were to be built, these costs would not increase dramatically, so it is impossible to assign a proportion of expense to each facility. In order to have a reliable side-by-side analysis, those costs are not shown.

May 2013

Ice

The chart below summarizes all revenue and expenses for the facility:

Total Facility Revenue & Expenses- ICE					
Revenue	Year 1	Year 2	Year 3	Year 4	Year 5
Ice Hockey Rental	\$347,531	\$364,908	\$402,311	\$422,426	\$465,725
Ice Program Rental	\$193,824	\$203,516	\$224,376	\$235,595	\$259,743
Ice Programs	\$172,750	\$181,388	\$199,980	\$209,979	\$231,502
Ice Events	\$51,000	\$51,000	\$53,550	\$75,600	\$79,380
Secondary Areas	\$6,250	\$6,563	\$6,891	\$7,235	\$7,597
Food & Beverage	\$80,902	\$84,947	\$89,194	\$93,654	\$98,337
Total Revenue	\$852,257	\$892,320	\$976,301	\$1,044,489	\$1,142,283
Expenses	Year 1	Year 2	Year 3	Year 4	Year 5
Ice Hockey Rental	\$13,987	\$14,686	\$15,421	\$16,192	\$17,001
Ice Program Rental	\$31,081	\$27,639	\$29,912	\$31,403	\$34,005
Ice Programs	\$81,774	\$78,502	\$86,322	\$90,533	\$99,585
Ice Events	\$5,100	\$5,100	\$5,355	\$7,560	\$7,938
Secondary Areas	\$1,250	\$1,313	\$1,378	\$1,447	\$1,519
Food & Beverage	\$54,057	\$56,760	\$59,598	\$62,578	\$65,707
Total Cost of Goods Sold	\$187,250	\$184,000	\$197,985	\$209,712	\$225,755
Gross Margin	\$665,008	\$708,320	\$778,316	\$834,776	\$916,528
<i>% of Revenue</i>	78%	79%	80%	80%	80%
Facility Expenses	\$620,634	\$639,253	\$658,431	\$678,184	\$698,529
Operating Expense	\$0	\$0	\$0	\$0	\$0
Management Payroll	\$333,320	\$339,986	\$346,786	\$353,722	\$360,796
Payroll Taxes/Benefits/Bonus	\$73,422	\$75,123	\$77,135	\$79,400	\$81,541
Total Operating Expenses	\$1,027,376	\$1,054,362	\$1,082,352	\$1,111,306	\$1,140,867
<i>% of Revenue</i>	121%	118%	111%	106%	100%
Net Operating (Loss)	(\$362,368)	(\$346,042)	(\$304,036)	(\$276,529)	(\$224,339)
<i>% of Revenue</i>	-43%	-39%	-31%	-26%	-20%
Annual Debt Service	\$0	\$0	\$0	\$0	\$0
Total Net (Loss)	(\$362,368)	(\$346,042)	(\$304,036)	(\$276,529)	(\$224,339)
Cost Recovery	0.70	0.72	0.76	0.79	0.84

Note that the subcategory of "operating expenses" has been omitted. That line accounts for a specific set of administrative/overhead expenses that will be incurred but are not scalable to each individual facility type. Total operating expenses for the facility would likely range from \$100,000-\$200,000 annually, depending on which line items would be encapsulated by existing City of Bowie services (e.g. legal fees). If more than one facility were to be built, these costs would not increase dramatically, so it is impossible to assign a proportion of expense to each facility. In order to have a reliable side-by-side analysis, those costs are not shown.

The Bowie Ice Arena opened its doors in December of 1971 as a seasonal ice skating facility. The City Staff and Ice Rink Users began discussions on the need to enclose and renovate the building in 1986. Preliminary discussions for the RFP for a feasibility study to determine the need for renovations and expansion of the rink began in 1988. In 1989, the City requested proposals to determine the feasibility and cost estimates for the renovation and enclosure of the existing rink as well as the addition of a second sheet of ice. During that same year, 1989, David Poile with the Washington Capitals approached the City of Bowie about adding a second sheet of ice to the existing facility and having the Capitals build and pay for the construction and maintenance on a support area for their team. The Capitals wanted a long-term contract for ice time for the new sheet of ice and the community groups could use it when the team did not need it. Mr. Poile met with City Council and staff and presented an agreement but the City decided to pursue the feasibility study that was already set in motion rather than enter into an agreement with the Capitals organization.

September of 1990 the City entered into an agreement with I.C.E. (Independent Consulting Engineers) for \$23,317 to study the need and provide cost estimates for renovating/enclosing the existing facility and adding a second sheet of ice. Public hearings were held in February 1991 with the public and users voicing their support for the project and the findings of the feasibility study. Charlie Moore sent a letter to Council stating that, "Staff has reviewed the Ice Rink Feasibility Study and the Three Year Cost Analysis. Staff recognizes that construction of a second sheet of ice is feasible and there is sufficient demand for more ice in the Bowie area. However, with the current economic situation and its impact on the City, staff cannot recommend construction of a second sheet of ice at this time."

Staff recommended moving forward with roof and building repairs and enclosing the facility and the project was budgeted to begin in FY 1993. The project did not begin until FY 1994 with the arena roof replacement and restroom renovations. The enclosure of the facility and the addition of the mechanical/storage rooms and locker rooms with showers did not begin until 1996 as a multi-phase project spread out over several years.