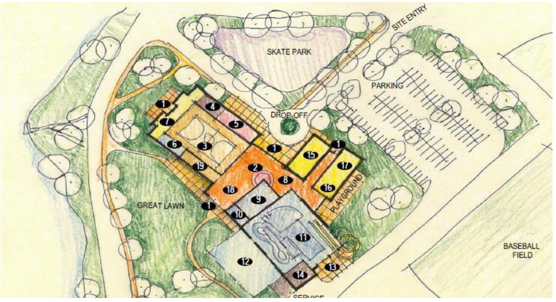
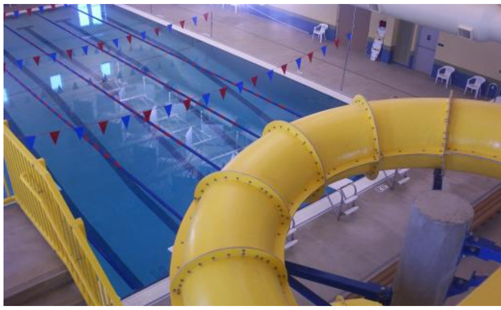
Livingston Community Recreation Center Feasibility Study

Final Report
October 1, 2019





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This study was funded from the following groups:

- AMB West Philanthropies
- City of Livingston
- Park County
- Livingston Health Care
- Livingston Health Care Foundation
- Livingston School District
- Park County Community Foundation

Section I – Market Analysis

Ballard*King & Associates (B*K), as part of the Livingston Community Recreation Center study, has completed a market analysis for the project.

Demographics

The following is a summary of the demographic characteristics within Livingston Primary Service Area (59047 Zip Code) and an area identified as the Secondary Service Areas. The Secondary Service Area utilizes Park County as its boundaries.

B*K accesses demographic information from Environmental Systems Research Institute (ESRI) who utilizes 2010 Census data and their demographers for 2018-2023 projections. In addition to demographics, ESRI also provides data on housings, recreation, and entertainment spending and adult participation in activities. B*K also uses information produced by the National Sporting Goods Association (NSGA) to overlay onto the demographic profile to determine potential participation in various activities.

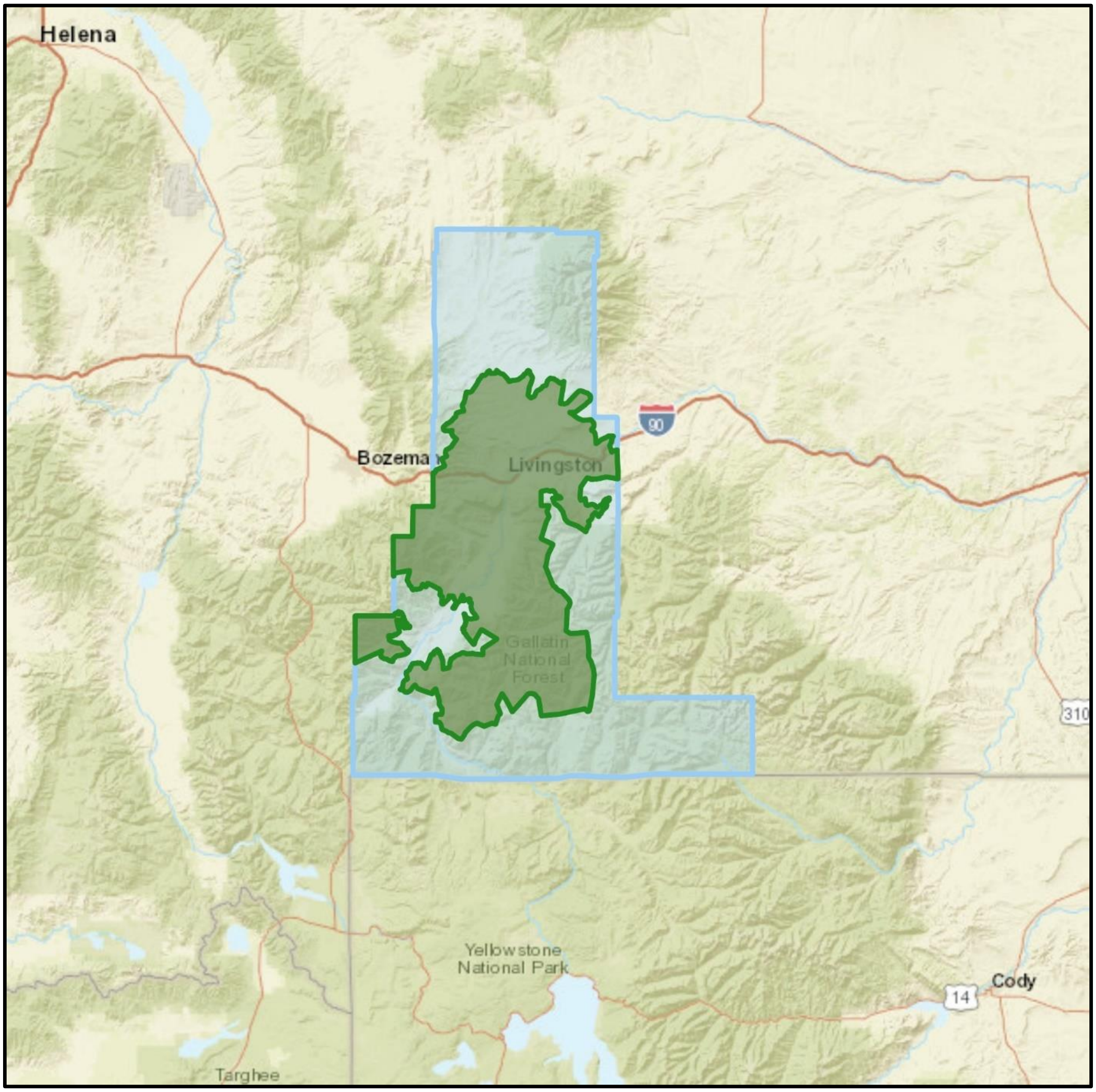
The information provided includes the basic demographics and data for Livingston with comparison data for the Secondary Service Area as well as the State of Montana and the United States.

Secondary Service Areas are defined as the distance people will travel on a regular basis (a minimum of once a week) to utilize recreation facilities. Use by individuals outside of this area will be much more limited and will focus more on special activities or events.

Service areas can flex or contract based upon a facility's proximity to major thoroughfares. Other factors impacting the use as it relates to driving distance are the presence of alternative service providers in the service area. Alternative service providers can influence membership, daily admissions and the associated penetration rates for programs and services.

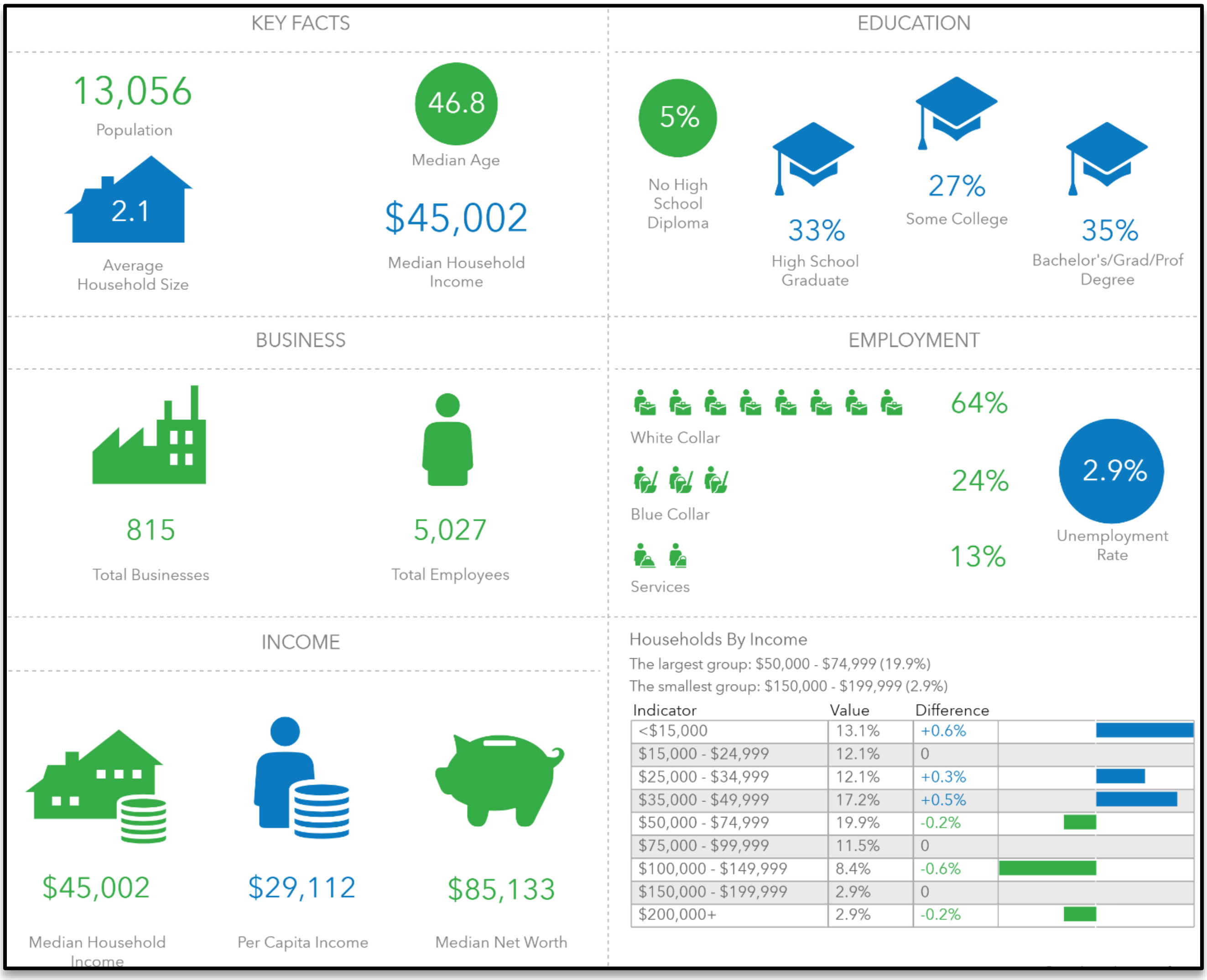
Service areas can vary in size with the types of components in the facility.

Map A – Service Area Maps



- Green Boundary – Primary Service Area (59047 Zip Code)
- Light Blue Boundary – Secondary Service Area (Park County)

Infographic - Primary Service Area



Indicator	Value	Difference
<$15,000	13.1%	+0.6%
$15,000 - $24,999	12.1%	0
$25,000 - $34,999	12.1%	+0.3%
$35,000 - $49,999	17.2%	+0.5%
$50,000 - $74,999	19.9%	-0.2%
$75,000 - $99,999	11.5%	0
$100,000 - $149,999	8.4%	-0.6%
$150,000 - $199,999	2.9%	0
$200,000+	2.9%	-0.2%

- Household by Income comparison uses the Primary Service Area and compares it to Park County.

Demographic Summary

	Primary Service Area	Secondary Service Area
Population:		
2010 Census	12,159[1]	15,636[2]
2018 Estimate	13,056	16,718
2023 Estimate	13,674	17,493
Households:		
2010 Census	5,624	7,310
2018 Estimate	6,055	7,834
2023 Estimate	6,351	8,205
Families:		
2010 Census	3,221	4,177
2018 Estimate	3,393	4,381
2023 Estimate	3,532	4,555
Average Household Size:		
2010 Census	2.15	2.12
2018 Estimate	2.14	2.12
2023 Estimate	2.14	2.12
Ethnicity (2018 Estimate):		
Hispanic	3.4%	3.4%
White	94.5%	94.7%
Black	0.1%	0.1%
American Indian	1.3%	1.3%
Asian	0.4%	0.4%
Pacific Islander	0.0%	0.0%
Other	0.9%	0.9%
Multiple	2.6%	2.5%
Median Age:		
2010 Census	44.4	45.4
2018 Estimate	46.8	47.8
2023 Estimate	48.2	49.4
Median Income:		
2018 Estimate	$45,002	$46,300
2023 Estimate	$46,504	$48,097

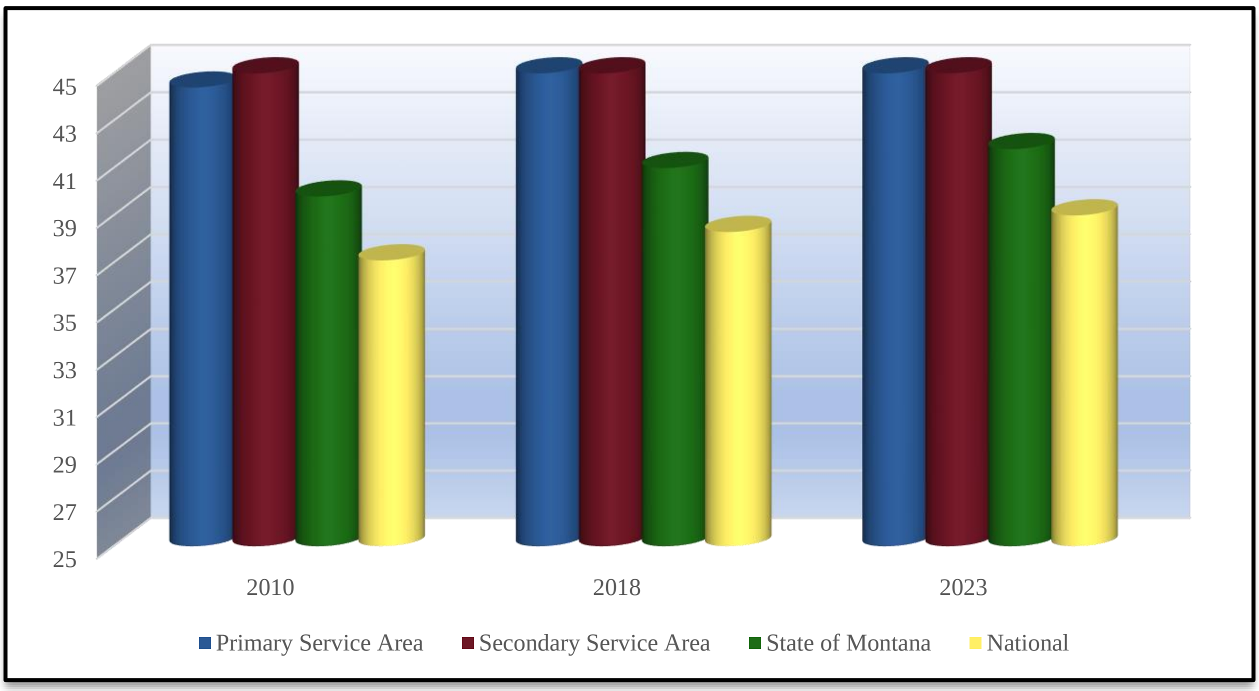
[1] From the 2000-2010 Census, the Primary Service Area experienced an 1.1% increase in population.
[2] From the 2000-2010 Census, the Secondary Service Area experienced a 0.3% decrease in population.

Age and Income: The median age and household income levels are compared with the national number as both of these factors are primary determiners of participation in recreation activities. The lower the median age, the higher the participation rates are for most activities. The level of participation also increases as the median income level goes up.

Table A – Median Age:

	2010 Census	2018 Projection	2023 Projection
Primary Service Area	44.4	46.8	48.2
Secondary Service Area	45.4	47.8	49.4
State of Montana	39.8	41.0	41.8
Nationally	37.1	38.3	39.0

Chart A – Median Age:



The median age in the Primary Service Area is similar to the Secondary Service Area, but greater than the State of Montana and the National number. A higher median age typically points to the presence of fewer households with children. Indoor recreation amenities are becoming multi-generational as the population ages and is more interested in physical health.

Households with Children: The following chart provides the number of households and percentage of households in the Primary Service Area and the Secondary Service Area with children.

Table B – Households w/ Children

	Number of Households w/ Children	Percentage of Households w/ Children
Primary Service Area	1,364	24.3%
Secondary Service Area	1,721	23.5%

The information contained in Table-B helps further outline the presence of families with children. As a point of comparison in the 2010 Census, 28.4% of households in Montana and 33.4% of households nationally had children present.

Map B – Median Age by Zip Code

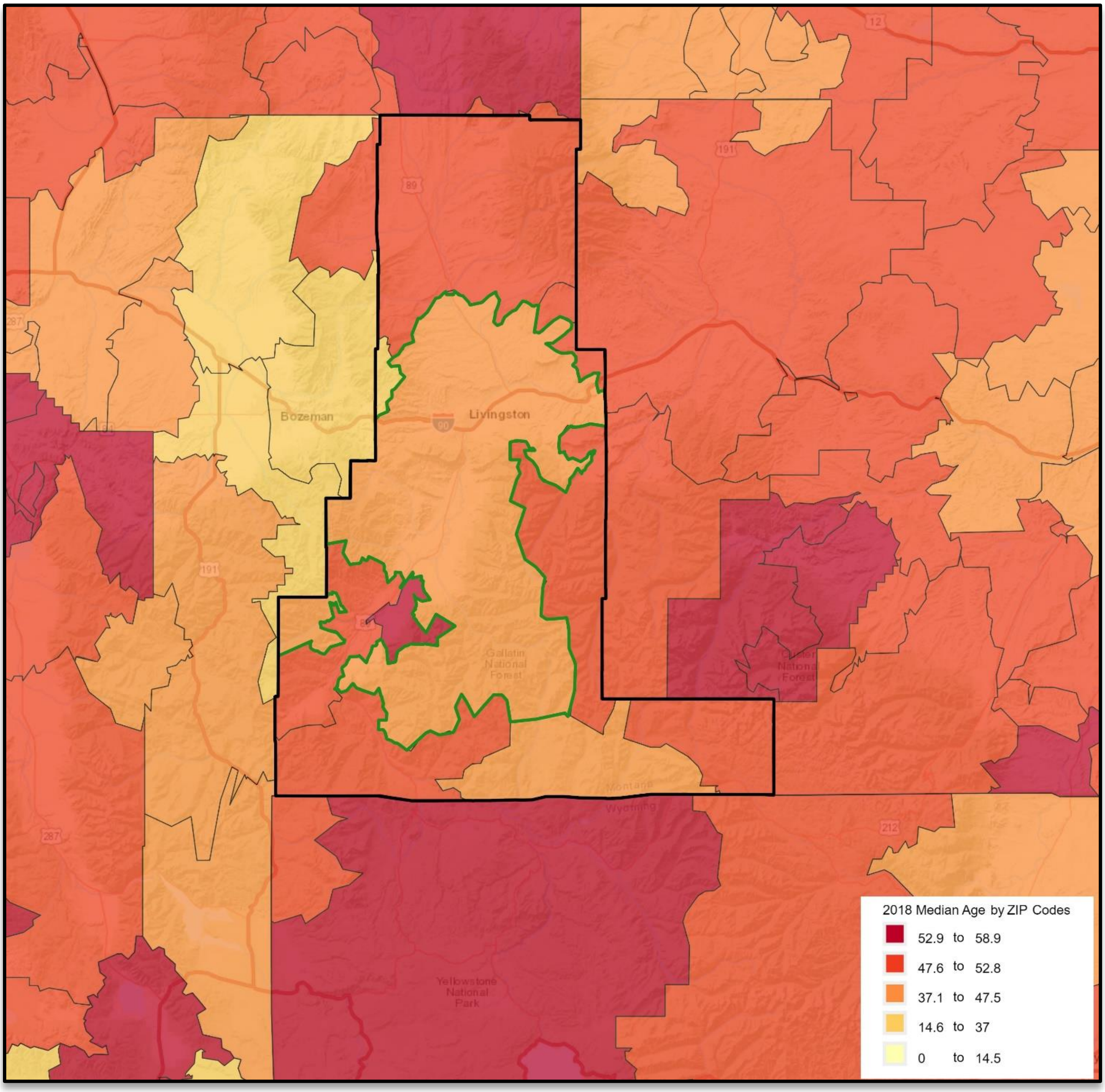
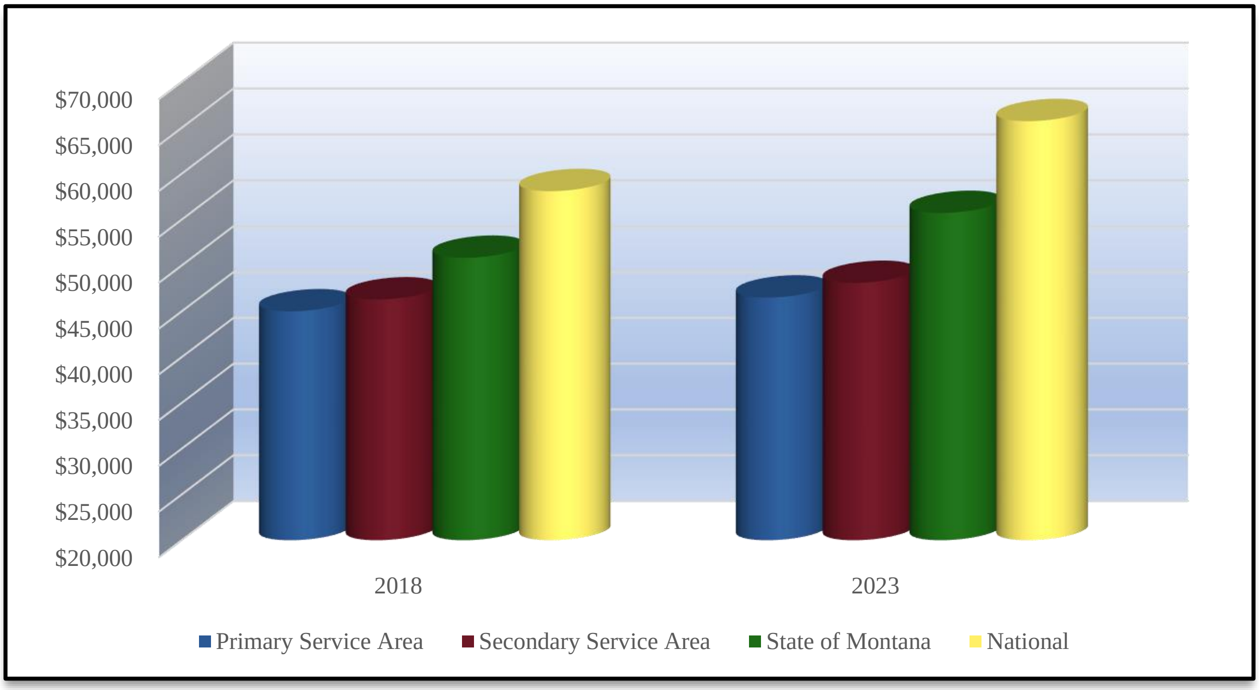


Table C – Median Household Income:

	2018 Projection	2023 Projection
Primary Service Area	$45,002	$46,504
Secondary Service Area	$46,300	$48,097
State of Montana	$50,833	$55,721
Nationally	$58,100	$65,727

Chart B – Median Household Income:



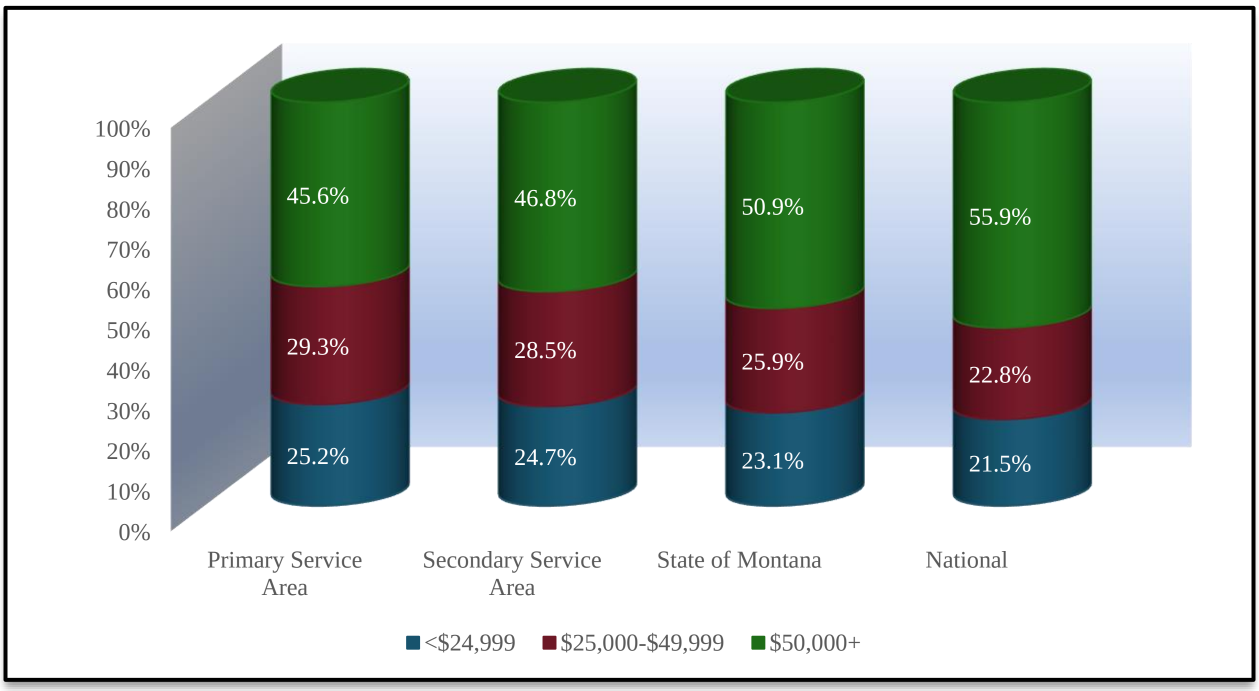
Based on 2018 projections for median household income the following narrative describes the service areas:

In the Primary Service Area, the percentage of households with median income over $50,000 per year is 45.6% compared to 55.9% on a national level. Furthermore, the percentage of the households in the service area with median income less than $25,000 per year is 25.2% compared to a level of 21.5% nationally.

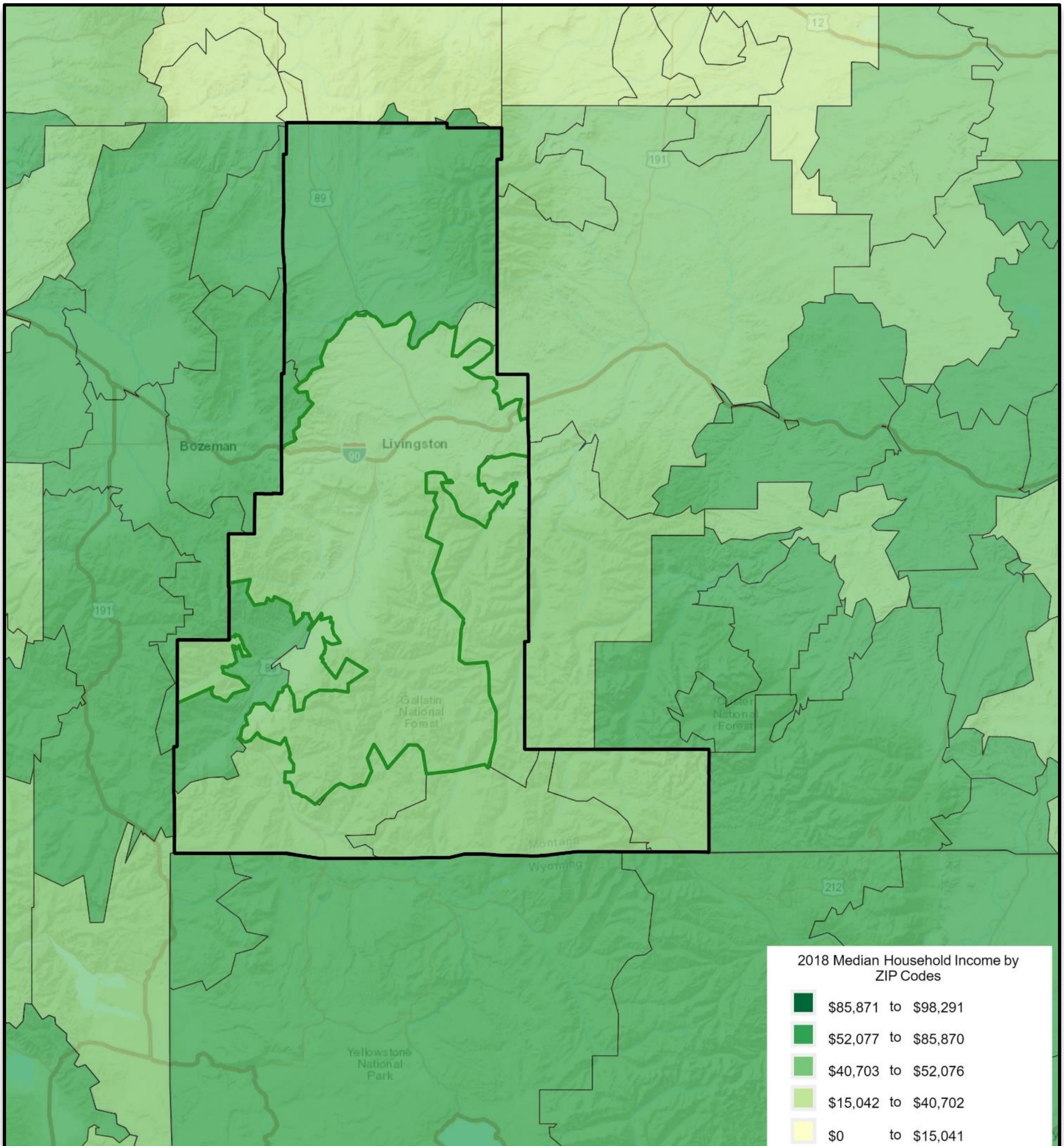
In the Secondary Service Area, the percentage of households with median income over $50,000 per year is 46.8% compared to 55.9% on a national level. Furthermore, the percentage of the households in the service area with median income less than $25,000 per year is 24.7% compared to a level of 21.5% nationally.

While there is no perfect indicator of use of an indoor recreation facility, the percentage of households with more than $50,000 median income is an important factor. Therefore, those numbers are significant.

<u>Chart C – Median Household Income Distribution</u>



Map C – Household Income by Zip Code



Household Budget Expenditures: In addition to taking a look at Median Age and Median Income, it is important to examine Household Budget Expenditures. In particular, reviewing housing information; shelter, utilities, fuel and public services along with entertainment & recreation can provide a snapshot into the cost of living and spending patterns in the services areas. The table below looks at that information and compares the service areas.

Table D – Household Budget Expenditures[3]:

Primary Service Area	SPI	Average Amount Spent	Percent
Housing	74	$15,985.73	29.4%
Shelter	*71*	*$11,880.44*	*21.9%*
Utilities, Fuel, Public Service	*83*	*$4,105.29*	*7.6%*
Entertainment & Recreation	80	$2,576.54	4.7%

Secondary Service Area	SPI	Average Amount Spent	Percent
Housing	75	$16,344.61	29.3%
Shelter	*72*	*$12,136.04*	*21.8%*
Utilities, Fuel, Public Service	*85*	*$4,208.57*	*7.6%*
Entertainment & Recreation	82	$2,651.28	4.8%

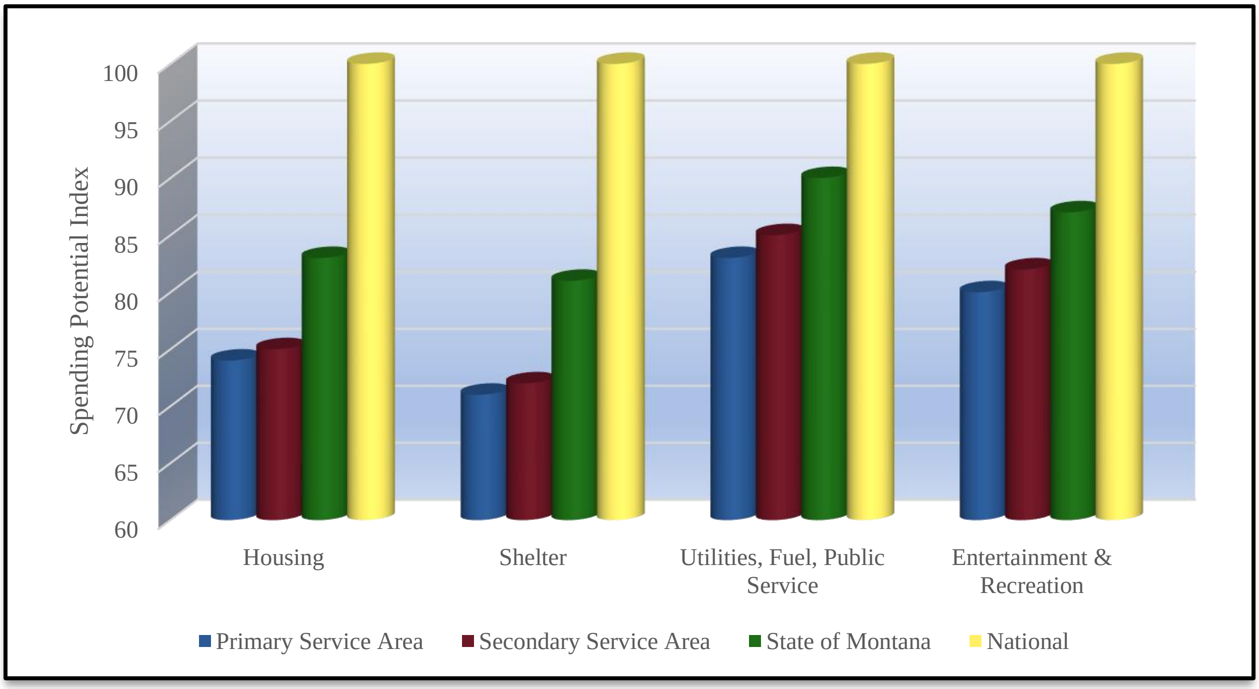
State of Montana	SPI	Average Amount Spent	Percent
Housing	83	$18,052.12	29.9%
Shelter	*81*	*$13,610.33*	*22.5%*
Utilities, Fuel, Public Service	*90*	*$4,441.79*	*7.3%*
Entertainment & Recreation	87	$2,812.80	4.7%

SPI: Spending Potential Index as compared to the National number of 100.
Average Amount Spent: The average amount spent per household.
Percent: Percent of the total 100% of household expenditures.

Note: *Shelter along with Utilities, Fuel, Public Service are a portion of the Housing percentage.*

[3] Consumer Spending data are derived from the 2014 and 2015 Consumer Expenditure Surveys, Bureau of Labor Statistics. ESRI forecasts for 2018 and 2023.

Chart D – Household Budget Expenditures Spending Potential Index:



The consistency between the median household income and the household budget expenditures is important. It also points to the fact that compared to the National level the dollars available, and that are being spent in the Primary Service Area, Secondary Service Area, and State of Montana are lower. This could point to a lower ability to pay for programs and services offered at a recreation facility.

The total number of housing units in the Primary Service Area is 6,779 and 83.0% are occupied, or 5,624 housing units. The total vacancy rate for the service area is 15.9%. Of the available units:

- For Rent 3.1%
- Rented, not Occupied 0.2%
- For Sale 1.7%
- Sold, not Occupied 0.3%
- For Seasonal Use 9.0%
- Other Vacant 2.6%

The total number of housing units in the Secondary Service Area is 9,375 and 78.0% are occupied, or 7,310 housing units. The total vacancy rate for the service area is 22.0%. Of the available units:

- For Rent 2.9%
- Rented, not Occupied 0.2%
- For Sale 1.6%
- Sold, not Occupied 0.3%
- For Seasonal Use 14.0%
- Other Vacant 2.9%

Recreation Expenditures Spending Potential Index: Finally, through the demographic provider that B*K utilizes for the market analysis portion of the report, we can examine the overall propensity for households to spend dollars on recreation activities. The following comparisons are possible.

Table E – Recreation Expenditures Spending Potential Index[4]:

Primary Service Area	SPI	Average Spent
Fees for Participant Sports	69	$78.32
Fees for Recreational Lessons	60	$82.73
Social, Recreation, Club Membership	65	$146.37
Exercise Equipment/Game Tables	67	$38.51
Other Sports Equipment	88	$6.80

Secondary Service Area	SPI	Average Spent
Fees for Participant Sports	71	$79.81
Fees for Recreational Lessons	61	$84.88
Social, Recreation, Club Membership	66	$149.00
Exercise Equipment/Game Tables	78	$39.38
Other Sports Equipment	92	$7.11

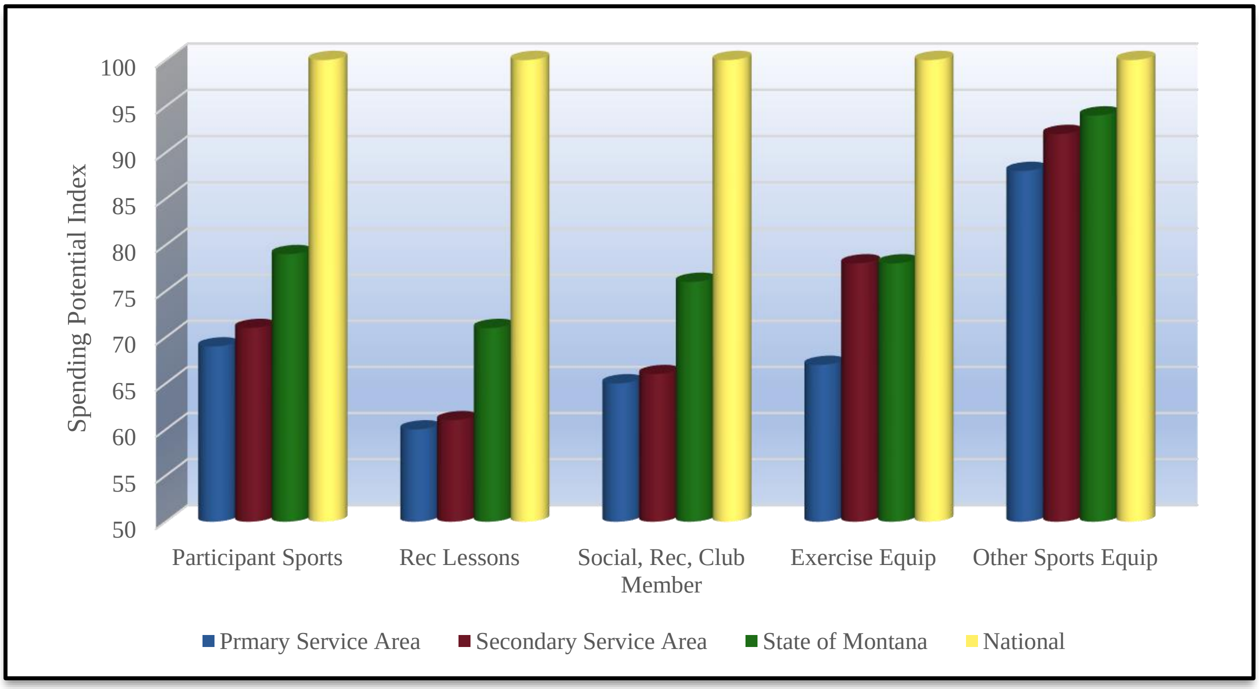
State of Montana	SPI	Average Spent
Fees for Participant Sports	79	$89.73
Fees for Recreational Lessons	71	$98.57
Social, Recreation, Club Membership	76	$170.68
Exercise Equipment/Game Tables	78	$45.13
Other Sports Equipment	94	$7.23

Average Amount Spent: The average amount spent for the service or item in a year.

SPI: Spending potential index as compared to the national number of 100.

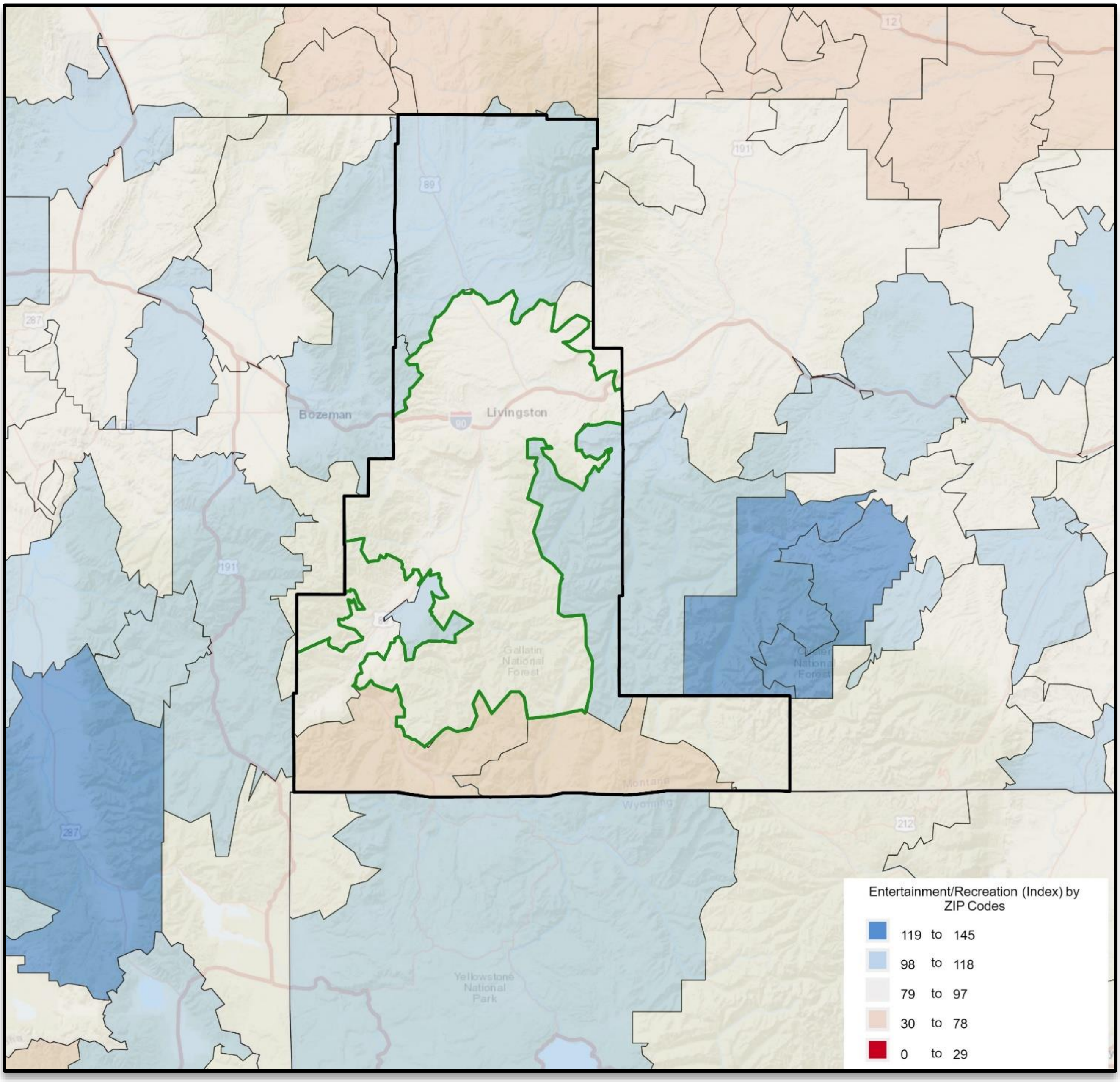
[4] Consumer Spending data are derived from the 2014 and 2015 Consumer Expenditure Surveys, Bureau of Labor Statistics.

Chart E – Recreation Spending Potential Index:



Again, there is a great deal of consistency between median household income, household budget expenditures and now recreation and spending potential.

Map D – Recreation Spending Potential Index by Zip Code



Population Distribution by Age: Utilizing census information for the Primary Service Area and the Secondary Service Area, the following comparisons are possible.

Table F – 2018 Primary Service Area Age Distribution
(ESRI estimates)

Ages	Population	% of Total	Nat. Population	Difference
0-5	655	5.1%	6.0%	-0.9%
5-17	1,774	13.5%	16.3%	-2.8%
18-24	1,315	10.1%	9.7%	+0.4%
25-44	3,209	24.6%	26.4%	-1.8%
45-54	2,033	15.6%	13.0%	+2.6%
55-64	2,198	16.8%	12.9%	+3.9%
65-74	1,109	8.5%	9.2%	-0.7%
75+	646	4.9%	6.4%	-1.5%

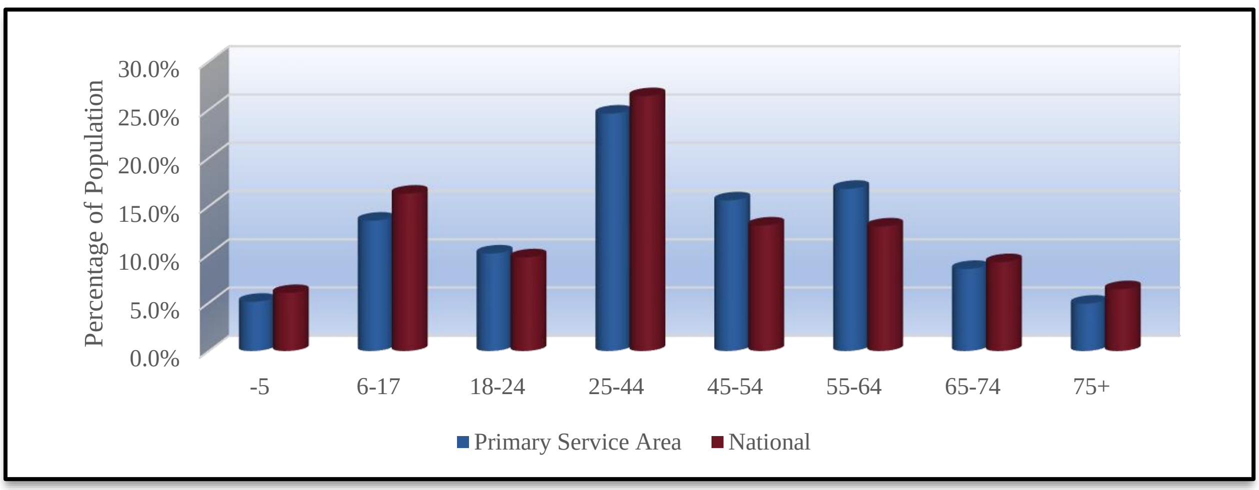
Population: 2018 census estimates in the different age groups in the Primary Service Area.

% of Total: Percentage of the Primary Service Area population in the age group.

National Population: Percentage of the national population in the age group.

Difference: Percentage difference between the Primary Service Area population and the national population.

Chart F – 2018 Primary Service Area Age Group Distribution



The demographic makeup of the Primary Service Area, when compared to the characteristics of the national population, indicates that there are some differences with a larger population in the 18-24, 45-54 and 55-64 age groups. A smaller population in the age groups 17 and Under, 25-44, 65-74 and 75+. The greatest positive variance is in the 55-64 age group with +3.9%, while the greatest negative variance is in the 6-17 age group with -2.8%.

Table G – 2018 Secondary Service Area Age Distribution
(ESRI estimates)

Ages	Population	% of Total	Nat. Population	Difference
0-5	773	4.6%	6.0%	-1.4%
5-17	2,224	13.4%	16.3%	-2.9%
18-24	990	5.9%	9.7%	-3.8%
25-44	3,749	22.4%	26.4%	-4.0%
45-54	2,355	14.1%	13.0%	+1.1%
55-64	3,041	18.2%	12.9%	+5.3%
65-74	2,261	13.5%	9.2%	+4.3%
75+	1,325	7.8%	6.4%	+1.4%

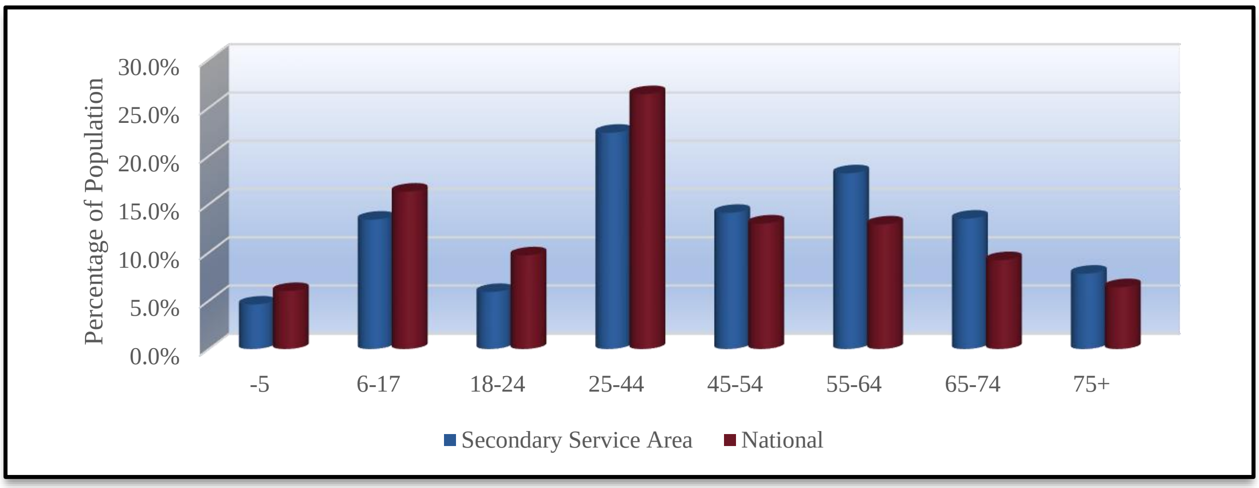
Population: 2018 census estimates in the different age groups in the Secondary Service Area.

% of Total: Percentage of the Secondary Service Area population in the age group.

National Population: Percentage of the national population in the age group.

Difference: Percentage difference between the Secondary Service Area population and the national population.

Chart G – 2018 Secondary Service Area Age Group Distribution



The demographic makeup of Secondary Service Area, when compared to the characteristics of the national population, indicates that there are some differences with a larger population in the 45 and over age groups. A smaller population in the age groups 0-44. The greatest positive variance is in the 55-64 age group with +5.3%, while the greatest negative variance is in the 25-44 age group with -4.0%.

Population Distribution Comparison by Age Over Time: Utilizing census information from the Primary Service Area and the Secondary Service Area, the following comparisons are possible.

Table H – 2018 Primary Service Area Population Estimates Over Time
(U.S. Census Information and ESRI)

Ages	2010 Census	2018 Projection	2023 Projection	Percent Change	Percent Change Nat'l
-5	671	655	660	-1.6%	+2.5%
5-17	1,777	1,774	1,910	+7.5%	+0.9%
18-24	1,200	1,315	1,245	+3.8%	+0.7%
25-44	3,310	3,209	3,205	-3.2%	+12.5%
45-54	2,136	2,033	1,907	-10.7%	-9.5%
55-64	1,518	2,198	2,365	+55.8%	+17.2%
65-74	824	1,109	1,529	+85.6%	+65.8%
75+	592	646	736	+24.3%	+40.2%

Chart H – Primary Service Area Population Growth

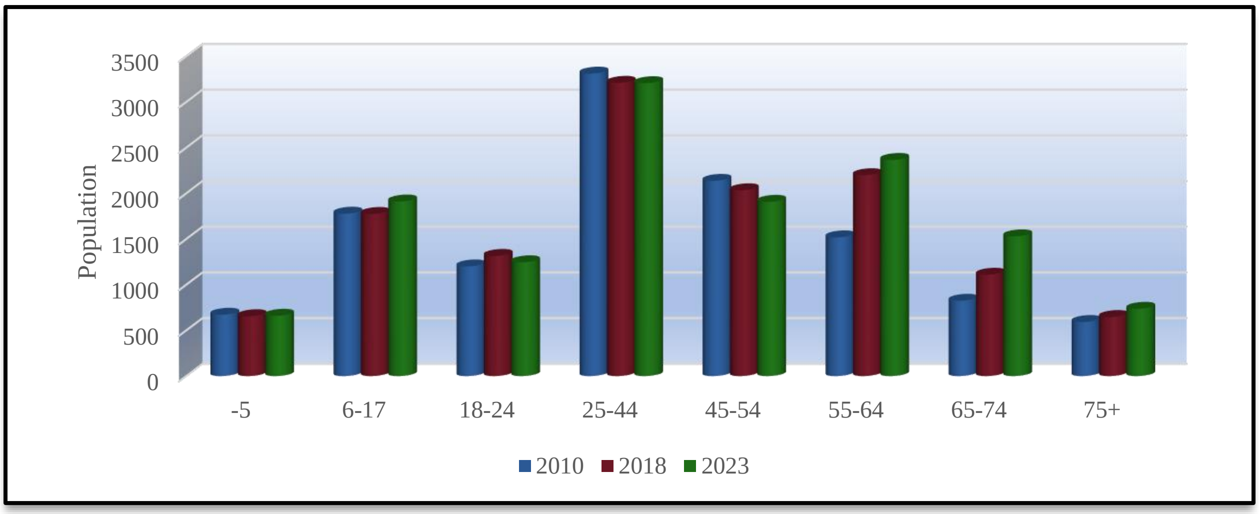


Table-H illustrates the growth or decline in age group numbers from the 2010 census until the year 2023. It is projected all age categories, except under 5, 25-44 and 45-54, will see an increase in population. The population of the United States as a whole is aging, and it is not unusual to find negative growth numbers in the younger age groups and significant net gains in the 45 plus age groupings in communities which are relatively stable in their population numbers.

Table I – 2018 Secondary Service Area Population Estimates Over Time
(U.S. Census Information and ESRI)

Ages	2010 Census	2018 Projection	2023 Projection	Percent Change	Percent Change Nat'l
-5	820	773	779	-5.0%	+2.5%
5-17	2,266	2,224	2,334	+3.0%	+0.9%
18-24	795	990	977	+22.9%	+0.7%
25-44	3,839	3,749	3,701	-3.6%	+12.5%
45-54	2,680	2,355	2,306	-14.0%	-9.5%
55-64	2,647	3,041	2,881	+8.8%	+17.2%
65-74	1,452	2,261	2,829	+94.8%	+65.8%
75+	1,137	1,325	1,685	+48.2%	+40.2%

Chart I – Secondary Service Area Population Growth

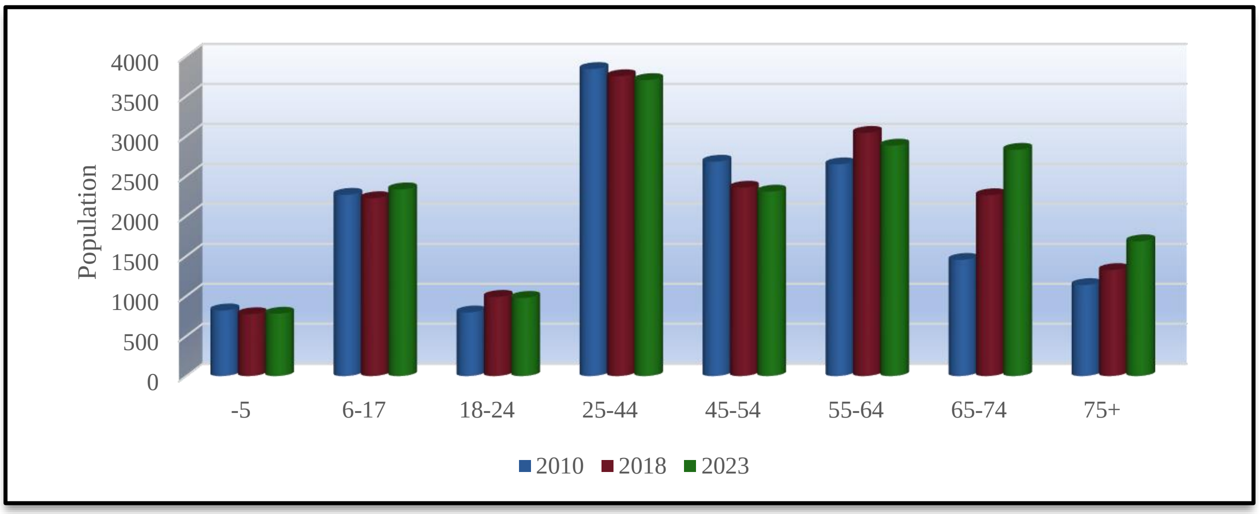


Table-I illustrates the growth or decline in age group numbers from the 2010 census until the year 2023. It is projected age categories 5-17, 18-24, 55-64, 65-74 and 75+ will see an increase in population. The population of the United States as a whole is aging, and it is not unusual to find negative growth numbers in the younger age groups and significant net gains in the 45 plus age groupings in communities which are relatively stable in their population numbers.

Ethnicity and Race: Below is listed the distribution of the population by ethnicity and race for the Primary Service Area and the Secondary Service Area for 2018 population projections. Those numbers were developed from 2010 Census Data.

Table J – Primary Service Area Ethnic Population and Median Age 2018
(Source – U.S. Census Bureau and ESRI)

Ethnicity	Total Population	Median Age	% of Population	% of MT Population
Hispanic	446	28.9	3.4%	3.9%

Table K – Primary Service Area by Race and Median Age 2018
(Source – U.S. Census Bureau and ESRI)

Race	Total Population	Median Age	% of Population	% of MT Population
White	12,340	47.4	94.5%	88.1%
Black	18	50.0	0.1%	0.6%
American Indian	172	40.0	1.3%	6.5%
Asian	57	48.8	0.4%	0.8%
Pacific Islander	5	42.5	0.0%	0.1%
Other	120	30.0	0.9%	0.8%
Multiple	344	34.2	2.6%	3.1%

2018 Primary Service Area Total Population: 13,056 Residents

Chart J – 2018 Primary Service Area Population by Non-White Race

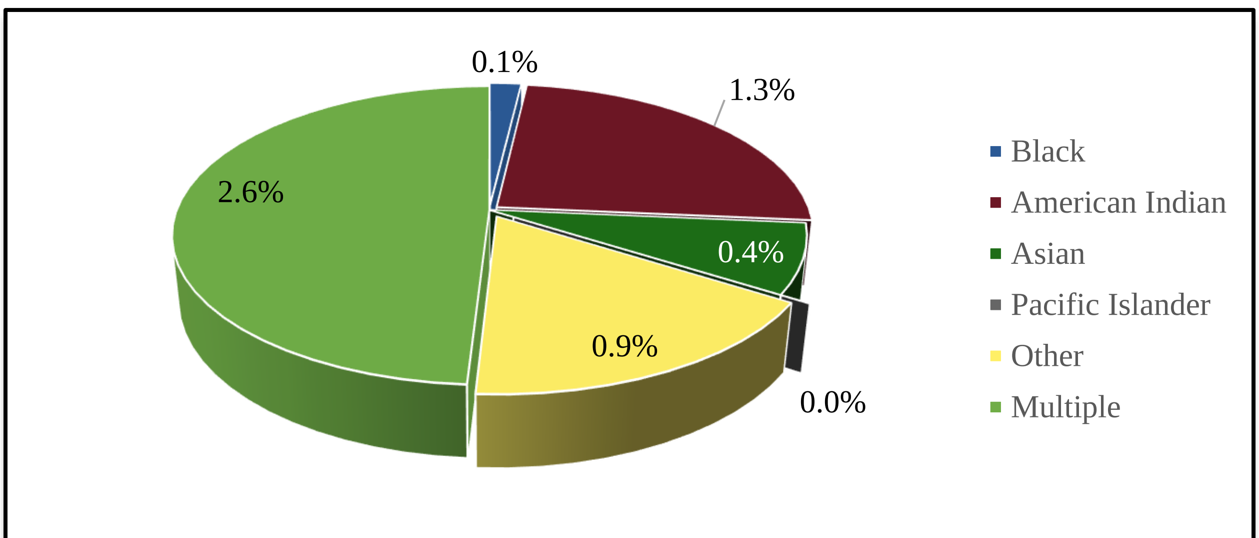


Table L – Secondary Service Area Ethnic Population and Median Age 2018
(Source – U.S. Census Bureau and ESRI)

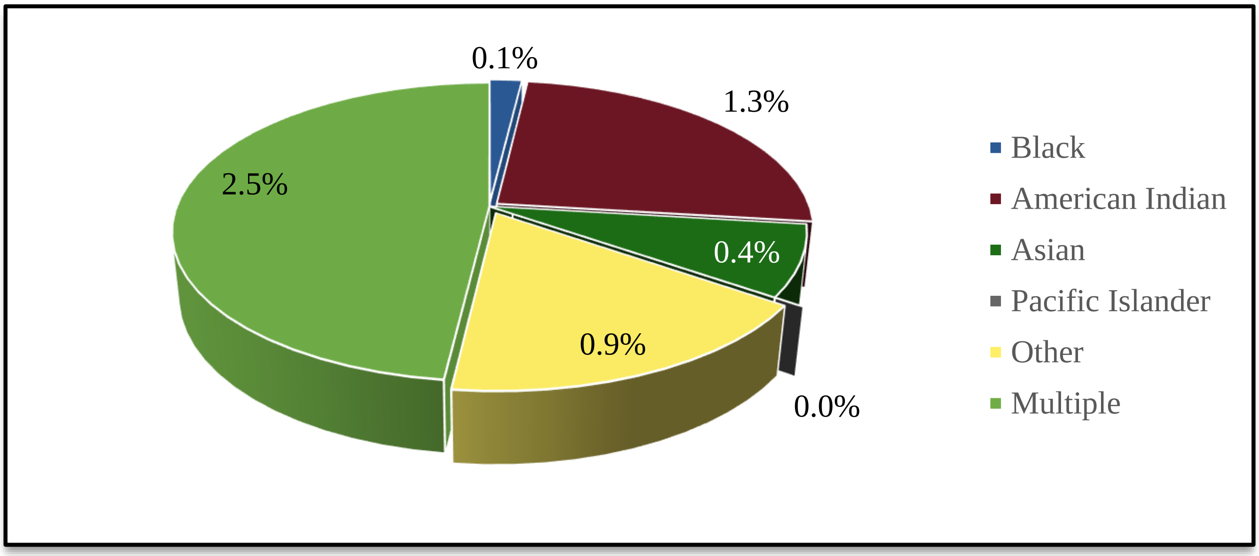
Ethnicity	Total Population	Median Age	% of Population	% of MT Population
Hispanic	563	30.9	3.4%	3.9%

Table M – Secondary Service Area by Race and Median Age 2018
(Source – U.S. Census Bureau and ESRI)

Race	Total Population	Median Age	% of Population	% of MT Population
White	15,829	48.4	94.7%	88.1%
Black	24	57.5	0.1%	0.6%
American Indian	223	40.8	1.3%	6.5%
Asian	73	49.6	0.4%	0.8%
Pacific Islander	6	52.5	0.0%	0.1%
Other	153	32.5	0.9%	0.8%
Multiple	410	34.4	2.5%	3.1%

2018 Secondary Service Area Total Population: 16,718 Residents

Chart K – 2018 Secondary Service Area Population by Non-White Race



Tapestry Segmentation

Tapestry segmentation represents the 4th generation of market segmentation systems that began 30 years ago. The 65-segment Tapestry Segmentation system classifies U.S. neighborhoods based on their socioeconomic and demographic compositions. While the demographic landscape of the U.S. has changed significantly since the 2000 Census, the tapestry segmentation has remained stable as neighborhoods have evolved.

The Tapestry segmentation system classifies U.S. neighborhoods into 65 unique market segments. Neighborhoods are sorted by more than 60 attributes including; income, employment, home value, housing types, education, household composition, age and other key determinates of consumer behavior.

The following pages and tables outline the top 5 tapestry segments in each of the service areas and provides a brief description of each. This information combined with the key indicators and demographic analysis of each service area help further describe the markets that the service areas look to serve with programs, services, and facilities.

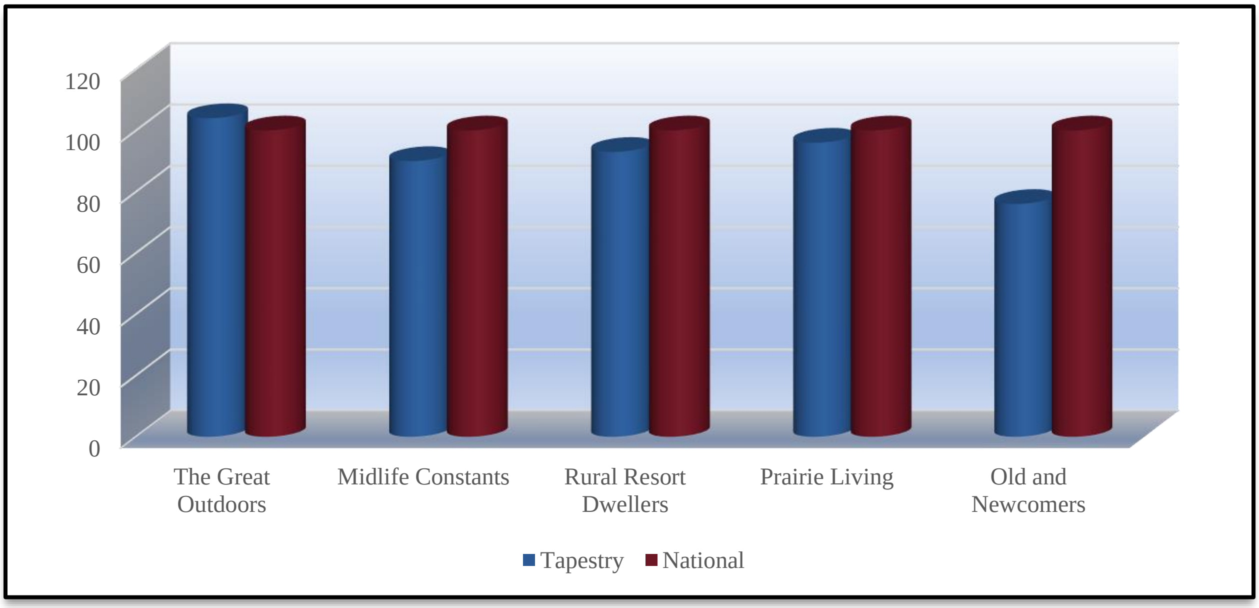
For comparison purposes the following are the top 10 Tapestry segments, along with percentage in the United States:

1. Green Acres (6A)	3.2%
2. Southern Satellites (10A)	3.2%
3. Savvy Suburbanites (1D)	3.0%
4. Salt of the Earth (6B)	2.9%
5. Soccer Moms (4A)	2.8%
	15.1%
6. Middleburg (4C)	2.8%
7. Midlife Constants (5E)	2.5%
8. Comfortable Empty Nesters (5A)	2.5%
9. Heartland Communities (6F)	2.4%
10. Old and Newcomers (8F)	2.3%
	12.5%

Table N – Primary Service Area Tapestry Segment Comparison
(ESRI estimates)

	Primary Service Area		*Demographics*	
	Percent	Cumulative Percent	Median Age	Median HH Income
The Great Outdoors (6C)	16.4%	16.4%	46.3	$53,000
Midlife Constants (5E)	13.3%	29.7%	45.9	$48,000
Rural Resort Dwellers (6E)	12.0%	41.7%	52.4	$46,000
Prairie Living (6D)	12.0%	53.7%	43.4	$51,000
Old and Newcomers (8F)	11.2%	64.9%	38.5	$39,000

Chart L – Primary Service Area Tapestry Segment Entertainment Spending:



The Great Outdoors (6C) – Living a modest lifestyle, these empty nesters are very do-it-yourself oriented and cost conscious. Enjoy outdoor activities such as hiking and hunting.

Midlife Constants (5E) – Seniors at or approaching retirement. Although they are generous, they are attentive to price. Prefer outdoor activities and contributing to the arts/service organizations.

Rural Resort Dwellers (6E) – This group is centered around resort areas. Retirement is near but many postpone to maintain their lifestyle. Passionate about their hobbies, hunting and fishing.

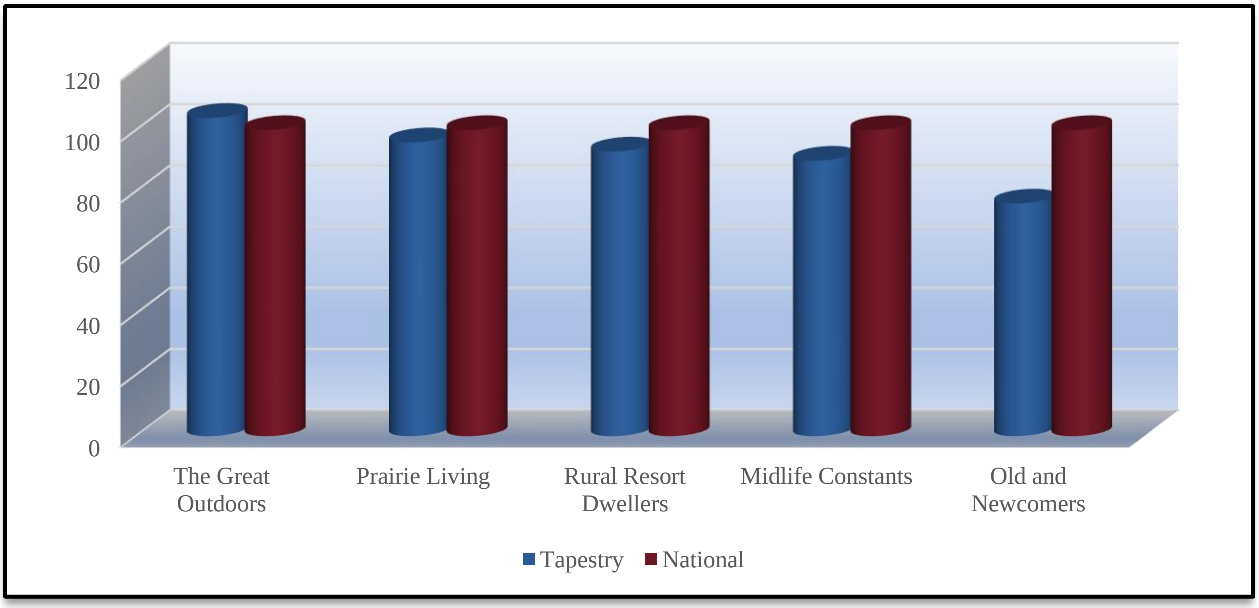
Prairie Living (6D) – The most rural market, predominantly self-employed farmers. Faith is important to these married-couple families. Choose outdoor activities when they find time to relax.

Old and Newcomers (8F) – Singles living on a budget. Just beginning careers or taking college/adult education classes. Strong supporters of environmental organizations.

Table O – Secondary Service Area Tapestry Segment Comparison
(ESRI estimates)

	Secondary Service Area		*Demographics*	
	Percent	**Cumulative Percent**	**Median Age**	**Median HH Income**
The Great Outdoors (6C)	20.8%	20.8%	46.3	$53,000
Prairie Living (6D)	16.6%	37.4%	43.4	$51,000
Rural Resort Dwellers (6E)	11.0%	48.4%	52.4	$46,000
Midlife Constants (5E)	10.3%	58.7%	45.9	$48,000
Old and Newcomers (8F)	8.6%	67.3%	38.5	$39,000

Chart M – Secondary Service Area Tapestry Segment Entertainment Spending:



The Great Outdoors (6C) – Living a modest lifestyle, these empty nesters are very do-it-yourself oriented and cost conscious. Enjoy outdoor activities such as hiking and hunting.

Prairie Living (6D) – The most rural market, predominantly self-employed farmers. Faith is important to these married-couple families. Choose outdoor activities when they find time to relax.

Rural Resort Dwellers (6E) – This group is centered around resort areas. Retirement is near but many postpone to maintain their lifestyle. Passionate about their hobbies, hunting and fishing.

Midlife Constants (5E) – Seniors at or approaching retirement. Although they are generous, they are attentive to price. Prefer outdoor activities and contributing to the arts/service organizations.

Old and Newcomers (8F) – Singles living on a budget. Just beginning careers or taking college/adult education classes. Strong supporters of environmental organizations.

Demographic Summary

The following summarizes the demographic characteristics of the service areas.

- The Secondary Service Area, with a population of just under 17,000 is relatively small and a recreation center will need to draw well from the entire market area to be financially viable.

- The population is expected to continue to grow in the coming years

- The household size is relatively small, indicating fewer households with children. These households are typically the greatest participants in recreational activities.

- The population is older than the state and national numbers but in the coming years there is expected to be increases in the younger age groups age 5 and up.

- The household income levels are low, but the cost of living is also low.

- There are relatively low expenditures for recreation purposes.

- There is very little ethnic or racial diversity.

- The tapestry segments indicate a greater focus on outdoor activities than indoor recreation.

Participation, Trends & Providers

In addition to analyzing the demographic realities of the service areas, it is possible to project possible participation in recreation and sport activities that might take place at a new Livingston Community Recreation Center.

Sports Participation Numbers: On an annual basis, the National Sporting Goods Association (NSGA) conducts an in-depth study and survey of how Americans spend their leisure time. This information provides the data necessary to overlay rate of participation onto Livingston and the Secondary Service Area to determine market potential. The information contained in this section of the report, utilizes the NSGA's most recent survey. For that data was collected in 2017 and the report was issued in June of 2018.

B*K takes the national average and combines that with participation percentages of the Primary Service Area and the Secondary Service Area based upon age distribution, median income, region and National number. Those four percentages are then averaged together to create a unique participation percentage for the service area. This participation percentage when applied to the population of the Primary Service Area and the Secondary Service Area then provides an idea of the market potential for various activities.

Community Recreation Related Activities Participation: These activities could take place at an indoor community recreation center space.

Table A –Participation Rates for the Primary Service Area

	Age	Income	Region	Nation	Average
Aerobics	15.4%	12.9%	15.7%	15.2%	14.8%
Basketball	7.8%	6.9%	10.2%	8.3%	8.3%
Cheerleading	1.0%	1.0%	0.9%	1.2%	1.0%
Exercise Walking	36.5%	34.0%	39.1%	35.4%	36.3%
Exercise w/ Equipment	19.3%	17.6%	22.6%	18.8%	19.6%
Gymnastics	1.8%	1.7%	1.4%	2.0%	1.7%
Mixed Martial Arts	1.9%	2.1%	1.6%	2.0%	1.9%
Pilates	0.3%	2.0%	1.8%	1.9%	1.5%
Running/Jogging	14.5%	12.5%	14.8%	14.8%	14.2%
Swimming	15.9%	14.7%	18.0%	16.2%	16.2%
Volleyball	3.3%	2.4%	4.5%	3.6%	3.4%
Weightlifting	12.6%	11.3%	14.2%	12.4%	12.6%
Workout at Clubs	12.8%	10.6%	13.2%	12.7%	12.3%
Wrestling	1.0%	0.9%	0.8%	1.1%	0.9%
Yoga	10.1%	8.7%	11.7%	10.0%	10.1%
Did Not Participate	23.0%	25.0%	19.1%	22.8%	22.5%

Age: Participation based on individuals ages 7 & Up of the Primary Service Area.
Income: Participation based on the 2018 estimated median household income in the Primary Service Area.
Region: Participation based on regional statistics (Mountain).
National: Participation based on national statistics.
Average: Average of the four columns.

Note: "Did Not Participate" refers to all 55 activities tracked by the NSGA.

Table B –Participation Rates for Secondary Service Area

	Age	Income	Region	Nation	Average
Aerobics	15.3%	12.9%	15.7%	15.2%	14.8%
Basketball	6.8%	6.9%	10.2%	8.3%	8.1%
Cheerleading	0.9%	1.0%	0.9%	1.2%	1.0%
Exercise Walking	38.1%	34.0%	39.1%	35.4%	36.7%
Exercise w/ Equipment	19.3%	17.6%	22.6%	18.8%	19.6%
Gymnastics	1.7%	1.7%	1.4%	2.0%	1.7%
Mixed Martial Arts	1.7%	2.1%	1.6%	2.0%	1.9%
Pilates	0.3%	2.0%	1.8%	1.9%	1.5%
Running/Jogging	13.0%	12.5%	14.8%	14.8%	13.8%
Swimming	15.7%	14.7%	18.0%	16.2%	16.1%
Volleyball	2.9%	2.4%	4.5%	3.6%	3.3%
Weightlifting	11.9%	11.3%	14.2%	12.4%	12.4%
Workout at Clubs	12.4%	10.6%	13.2%	12.7%	12.2%
Wrestling	0.8%	0.9%	0.8%	1.1%	0.9%
Yoga	9.3%	8.7%	11.7%	10.0%	9.9%
Did Not Participate	23.5%	25.0%	19.1%	22.8%	22.6%

Age: Participation based on individuals ages 7 & Up of the Secondary Service Area.
Income: Participation based on the 2018 estimated median household income in the Secondary Service Area.
Region: Participation based on regional statistics (Mountain).
National: Participation based on national statistics.
Average: Average of the four columns.

Note: "Did Not Participate" refers to all 55 activities tracked by the NSGA.

Anticipated Participation Numbers: Utilizing the average percentage from Table-A above plus the 2010 census information and census estimates for 2018 and 2023 (over age 7) the following comparisons are available.

Table C –Participation Growth or Decline in the Primary Service Area

	Average	2010 Population	2018 Population	2023 Population	Difference
Aerobics	14.8%	1,644	1,776	1,867	223
Basketball	8.3%	921	996	1,046	125
Cheerleading	1.0%	114	124	130	16
Exercise Walking	36.3%	4,030	4,354	4,577	547
Exercise w/ Equipment	19.6%	2,174	2,350	2,470	295
Gymnastics	1.7%	192	208	218	26
Mixed Martial Arts	1.9%	212	229	241	29
Pilates	1.5%	167	181	190	23
Running/Jogging	14.2%	1,573	1,699	1,786	214
Swimming	16.2%	1,801	1,946	2,046	245
Volleyball	3.4%	382	413	434	52
Weightlifting	12.6%	1,402	1,515	1,593	190
Workout at Clubs	12.3%	1,369	1,479	1,555	186
Wrestling	0.9%	105	113	119	14
Yoga	10.1%	1,124	1,214	1,277	153
Did Not Participate	22.5%	2,496	2,698	2,835	339

Note: These figures do not necessarily translate into attendance figures for various activities or programs. The "Did Not Participate" statistics refers to all 55 activities outlined in the NSGA 2017 Survey Instrument.

Table D –Participation Growth or Decline in the Secondary Service Area

	Average	2010 Population	2018 Population	2023 Population	Difference
Aerobics	14.8%	2,148	2,307	2,421	273
Basketball	8.1%	1,171	1,258	1,320	149
Cheerleading	1.0%	146	156	164	19
Exercise Walking	36.7%	5,331	5,726	6,009	678
Exercise w/ Equipment	19.6%	2,846	3,058	3,209	362
Gymnastics	1.7%	246	264	277	31
Mixed Martial Arts	1.9%	271	291	305	34
Pilates	1.5%	218	234	246	28
Running/Jogging	13.8%	2,002	2,151	2,257	255
Swimming	16.1%	2,347	2,521	2,646	299
Volleyball	3.3%	486	522	548	62
Weightlifting	12.4%	1,810	1,944	2,040	230
Workout at Clubs	12.2%	1,776	1,908	2,002	226
Wrestling	0.9%	132	142	149	17
Yoga	9.9%	1,443	1,551	1,627	184
Did Not Participate	22.6%	3,285	3,529	3,703	418

Note: These figures do not necessarily translate into attendance figures for various activities or programs. The "Did Not Participate" statistics refers to all 55 activities outlined in the NSGA 2017 Survey Instrument.

Participation by Ethnicity and Race: The table below compares the overall rate of participation nationally with the rate for Hispanics and African Americans. Utilizing information provided by the National Sporting Goods Association's 2017 survey, the following comparisons are possible.

Table E – Comparison of National, African American and Hispanic Participation Rates

Indoor Activity	Primary Service Area	National Participation	African American Participation	Hispanic Participation
Aerobics	14.8%	15.2%	14.5%	11.4%
Basketball	8.3%	8.3%	12.2%	7.9%
Cheerleading	1.0%	1.2%	1.5%	0.8%
Exercise Walking	36.3%	35.4%	29.4%	25.6%
Exercise w/ Equipment	19.6%	18.8%	15.8%	15.0%
Gymnastics	1.7%	2.0%	2.3%	1.6%
Mixed Martial Arts	1.9%	2.0%	1.6%	1.8%
Pilates	1.5%	1.9%	1.9%	1.8%
Running/Jogging	14.2%	14.8%	14.0%	14.9%
Swimming	16.2%	16.2%	10.2%	12.9%
Volleyball	3.4%	3.6%	3.4%	3.2%
Weightlifting	12.6%	12.4%	13.2%	10.5%
Workout at Clubs	12.3%	12.7%	12.0%	11.2%
Wrestling	0.9%	1.1%	1.2%	0.9%
Yoga	10.1%	10.0%	8.5%	9.0%
Did Not Participate	22.5%	22.8%	26.6%	26.6%

Primary Service Part: The unique participation percentage developed for the Primary Service Area.
National Rate: The national percentage of individuals who participate in the given activity.
African American Rate: The percentage of African-Americans who participate in the given activity.
Hispanic Rate: The percentage of Hispanics who participate in the given activity.

There is Hispanic population of 3.4% and African American population of 0.1% in the Primary Service Area. As such these numbers don't play a factor with regards to overall participation.

Table F – Comparison of National, African American and Hispanic Participation Rates

Indoor Activity	Secondary Service Area	National Participation	African American Participation	Hispanic Participation
Aerobics	14.8%	15.2%	14.5%	11.4%
Basketball	8.1%	8.3%	12.2%	7.9%
Cheerleading	1.0%	1.2%	1.5%	0.8%
Exercise Walking	36.7%	35.4%	29.4%	25.6%
Exercise w/ Equipment	19.6%	18.8%	15.8%	15.0%
Gymnastics	1.7%	2.0%	2.3%	1.6%
Mixed Martial Arts	1.9%	2.0%	1.6%	1.8%
Pilates	1.5%	1.9%	1.9%	1.8%
Running/Jogging	13.8%	14.8%	14.0%	14.9%
Swimming	16.1%	16.2%	10.2%	12.9%
Volleyball	3.3%	3.6%	3.4%	3.2%
Weightlifting	12.4%	12.4%	13.2%	10.5%
Workout at Clubs	12.2%	12.7%	12.0%	11.2%
Wrestling	0.9%	1.1%	1.2%	0.9%
Yoga	9.9%	10.0%	8.5%	9.0%
Did Not Participate	22.6%	22.8%	26.6%	26.6%

Secondary Service Part: The unique participation percentage developed for the Secondary Service Area.
National Rate: The national percentage of individuals who participate in the given activity.
African American Rate: The percentage of African-Americans who participate in the given activity.
Hispanic Rate: The percentage of Hispanics who participate in the given activity.

There is Hispanic population of 3.4% and African American population of 0.1% in the Secondary Service Area. As such these numbers don't play a factor with regards to overall participation.

Summary of Sports Participation: The following chart summarizes participation for indoor activities utilizing information from the 2017 National Sporting Goods Association survey.

Table G – Sports Participation Summary

Sport	Nat'l Rank[5]	Nat'l Participation (in millions)
Exercise Walking	1	104.5
Exercising w/ Equipment	2	55.6
Swimming	3	47.9
Aerobic Exercising	4	44.9
Running/Jogging	5	43.9
Hiking	6	43.8
Camping	7	42.1
Workout @ Club	8	37.4
Bicycle Riding	9	36.5
Weightlifting	10	36.4
Yoga	13	29.6
Basketball	14	24.8
Soccer	20	14.3
Tennis	22	12.3
Baseball	23	12.1
Volleyball	24	10.7
Table Tennis	25	10.2
Softball	27	9.8
Football (touch)	28	9.5
Ice/Figure Skating	31	8.8
Football (tackle)	34	7.5
Football (flag)	35	6.5
Martial Arts MMA	37	6.0
Pilates	40	5.7
Ice Hockey	50	3.3
Lacrosse	52	2.9

Nat'l Rank: Popularity of sport based on national survey.
Nat'l Participation: Population that participate in this sport on national survey.

[5] This rank is based upon the 55 activities reported on by NSGA in their 2017 survey instrument.

Participation by Age Group: Within the NSGA survey, participation is broken down by age groups. As such B*K can identify the top 3 age groups participating in the activities reflected in this report.

Chart H – Participation by Age Group:

Activity	Largest	Second Largest	Third Largest
Aerobics	35-44	25-34	45-54
Baseball	12-17	7-11	25-34
Basketball	12-17	25-34	18-24
Billiards/Pool	25-34	35-44	18-24
Exercise Walking	55-64	45-54	65-74
Exercise w/ Equipment	45-54	35-44	25-34/55-64
Football (flag)	7-11	12-17	25-34
Football (tackle)	12-17	25-34	18-24
Football (touch)	12-17	25-34	7-11
Hockey (ice)	25-34	12-17	7-11
Ice/Figure Skating	7-11	12-17	18-24
Lacrosse	12-17	7-11	25-34
Martial Arts MMA	7-11	25-34	18-24/35-44
Pilates	25-34	35-44	45-54
Running/Jogging	25-34	35-44	18-24
Soccer	7-11	12-17	25-34
Softball	12-17	25-34	7-11
Swimming	35-44	45-54	12-17
Volleyball	12-17	25-34	18-24
Weightlifting	25-34	35-44	45-54
Workout at Clubs	25-34	35-44	45-54
Yoga	25-34	35-44	45-54
Did Not Participate	45-54	55-64	65-74

Largest: Age group with the highest rate of participation.
Second Largest: Age group with the second highest rate of participation.
Third Largest: Age group with the third highest rate of participation.

Market Potential Index for Adult Participation: In addition to examining the participation numbers for various indoor activities through the NSGA 2017 Survey and the Spending Potential Index for Entertainment & Recreation, B*K can access information about Sports & Leisure Market Potential. The following information illustrates participation rates for adults in various activities.

Table I – Market Potential Index for Adult Participation in Activities in the Primary Service Area

Adults participated in:	Expected Number of Adults	Percent of Population	MPI
Aerobics	776	7.3%	93
Basketball	722	6.8%	82
Exercise Walking	2,630	24.7%	102
Pilates	228	2.1%	77
Running/Jogging	1,085	10.2%	79
Swimming	1,618	15.2%	94
Volleyball	304	2.9%	87
Weightlifting	959	9.0%	86
Yoga	705	6.6%	81

Expected # of Adults: Number of adults, 18 years of age and older, participating in the activity in the Primary Service Area.
Percent of Population: Percent of the service area that participates in the activity.
MPI: Market potential index as compared to the national number of 100.

This table indicates that the overall propensity for adults to participate in the activities listed is greater than the national number of 100 in only one activity, exercise walking. In many cases when a participation number is lower than the National number, secondary factors include a lack of facilities or an inability to pay for services and programs.

Table J – Market Potential Index for Adult Participation in Activities in Secondary Service Area

Adults participated in:	Expected Number of Adults	Percent of Population	MPI
Aerobics	1,001	7.3%	93
Basketball	921	6.7%	81
Exercise Walking	3,465	25.3%	104
Pilates	312	2.3%	81
Running/Jogging	1,474	10.7%	83
Swimming	2,136	15.6%	96
Volleyball	396	2.9%	88
Weightlifting	1,294	9.4%	90
Yoga	983	7.2%	88

Expected # of Adults: Number of adults, 18 years of age and older, participating in the activity in the Secondary Service Area.
Percent of Population: Percent of the service area that participates in the activity.
MPI: Market potential index as compared to the national number of 100.

This table indicates that the overall propensity for adults to participate in the activities listed is greater than the national number of 100 in only one activity, exercise walking. In many cases when a participation number is lower than the National number, secondary factors include a lack of facilities or an inability to pay for services and programs.

Sports Participation Trends: Below are listed several sports activities and the percentage of growth or decline that each has experienced nationally over the last ten years (2008-2017).

Table K – National Activity Trend (in millions)

Increasing in Popularity

	2008 Participation	2017 Participation	Percent Change
Yoga	10.7	30.3	183.2%
Lacrosse	1.2	2.9	141.7%
Hockey (ice)	2.1	3.4	61.9%
Running/Jogging	30.4	44.9	47.7%
Wrestling	2.1	3.0	42.9%
Aerobic Exercising	34.8	45.6	31.0%
Exercise Walking	89.8	105.7	17.7%
Weightlifting	33.2	35.6	7.2%
Basketball	24.1	24.8	2.9%
Workout @ Club	36.8	37.8	2.7%
Tennis	12.3	12.6	2.4%
Soccer	13.8	14.0	1.4%

Decreasing in Popularity

	2008 Participation	2017 Participation	Percent Change
Bicycle Riding	37.4	36.2	-3.2%
Ice/Figure Skating	8.2	7.7	-6.1%
Volleyball	12.0	10.7	-10.8%
Swimming	52.3	45.6	-12.8%
Baseball	14.0	12.2	-12.9%
Football (tackle)	9.2	7.9	-14.1%
Golf	22.7	18.5	-18.5%
Softball	12.4	9.6	-22.3%

2017 Participation: The number of participants per year in the activity (in millions) in the United States.

2008 Participation: The number of participants per year in the activity (in millions) in the United States.

Percent Change: The percent change in the level of participation from 2008 to 2017.

Non-Sport Participation Statistics: It is important to note participation rates in non-sport activities as well. While there is not an abundance of information available for participation in these types of activities as compared to sport activities, there are statistics that can be utilized to help determine the market for cultural arts activities and events.

There are many ways to measure a nation's cultural vitality. One way is to chart the public's involvement with arts events and other activities over time. The NEA's Survey of Public Participation in the Arts remains the largest periodic study of arts participation in the United States. It tracks various arts activities that Americans (aged 18 and over) report having done in the course of a year. It also asks questions about adults' preferences for different kinds of music, and it seeks to understand participation in non-arts leisure events such as sports and exercise, outdoor activities and civic and social affairs.

The participation numbers for these activities are national numbers and the information falls into the following categories:

- Visual & Performing Arts Attendance
- Arts Consumption Through Electronic Media
- Creating, Performing and Sharing Art
- Participation in Arts Learning Activities
- Reading and Film Attendance

Visual & Performing Arts Attendance

Table L – Percentage of U.S. Adult Attending a Performing Arts Activity at Least Once in the Past 12-Months

				Rate of Change	
Music	**2002**	**2008**	**2012**	**2002-2008**	**2008-2012**
Jazz	10.8%	7.8%	8.1%	-3.0%	+0.3%
Classical Music	11.6%	9.3%	8.8%	-2.3%	-0.5%
Opera	3.2%	2.1%	2.1%	-1.1%	+0.0%
Latin Music	Not Asked	4.9%	5.1%	NA	+0.2%
Outdoor Performing Arts Festival	Not Asked	20.8%	20.8%	NA	+0.0%

				Rate of Change	
Plays	**2002**	**2008**	**2012**	**2002-2008**	**2008-2012**
Musical Plays	17.1%	16.7%	15.2%	-0.4%	-1.5%
Non-Musical Plays	12.3%	9.4%	8.3%	-2.9%	-1.1%

				Rate of Change	
Dance	**2002**	**2008**	**2012**	**2002-2008**	**2008-2012**
Ballet	3.9%	2.9%	2.7%	-1.0%	-0.2%
Other Dance	6.3%	5.2%	5.6%	-1.1%	+0.4%

- Following a sharp decline in overall arts attendance that occurred from 2002-2008, participation rates held steady from 2008-2012.
- Changes in the U.S. demographic composition appear to have contributed to the overall declines in performing arts attendance. Still, various subgroups of Americans have maintained or increased attendance rates for individual art forms.

Table M – Percentage of U.S. Adults Attending Visual Arts Activities and Events

				Rate of Change	
	2002	2008	2012	2002-2008	2008-2012
Art Museums/Galleries	26.5%	22.7%	21.0%	-3.8%	-1.7%
Parks/Historical Buildings	33.4%	24.5%	22.4%	-8.9%	-2.1%
Craft/Visual Arts Festivals	31.6%	24.9%	23.9%	-6.7%	-1.0%

Table N – Percentage of Adults Attending Live Music Performance by Genre in the Past 12-Months

Genre	Percentage
Jazz	15.9%
Latin	9.1%
Classical	18.2%
Opera	4.8%
Hymns	14.2%
Country	20.2%
Rap	8.7%
Blues	13.1%
Folk	9.8%
Pop/Rock	43.6%

- Visual arts attendance has declined significantly since 2002.
- These 10-year declines were experienced by all demographic subgroups, with one exception; the nation's oldest Americans (75+) were more likely to attend visual arts activities than a decade ago.

Arts Consumption Through Electronic Media

Table O – Percentage of Adults Who Watched or Listened to an Arts Broadcast or Recording At least Once the Past 12-Months via TV/Radio or Internet

	TV or Radio	Internet	Both
Jazz	9.6%	5.2%	11.8%
Lain, Spanish, or Salsa	10.5%	5.4%	12.6%
Classical	11.7%	5.8%	13.6%
Opera	3.6%	1.5%	4.3%
Other Music[6]	40.1%	24.9%	46.9%
Theater Productions (musical or stage play)	6.2%	2.1%	7.1%
Ballet, Modern, or Contemporary	3.9%	1.3%	4.5%
Other Dance Programs and Shows	8.3%	2.2%	9.2%
Programs and Info. About Visual Arts	7.6%	4.1%	9.4%
Programs Info. About Book Writers	7.5%	5.3%	10.0%
Other Books, Stories, or Poetry Read Aloud	3.8%	4.6%	7.1%

Table P – Percentage of U.S. Adults Who Used Mobile or Handheld Devices to Explore the Arts: 2012

	Percentage
US Adult Population Used Mobile/Handheld Device for Any Reason	53.2%
Read, Listen, Download any Novel, Short Story, Poetry or Plays	16.0%
Watch, Listen, or Download Any Music	3.4%
Download or View Any Visual Arts	7.9%

- Americans were more likely to watch or listen to broadcast arts performances using traditional sources such as TV and radio than the Internet.

- Nearly half of all American adults watched or listened to a broadcast or recorded performance of rock, pop, country, folk, rap or hip-hop music in 2012.

- Over two-thirds of people watching dance performances via median in 2012 were women. Nearly three-quarters of the adult audience was 25-64.

[6] Rock, pop, country, folk, rap or hip-hop

Creating, Performing and Sharing Art

Table Q – Percentage of American Adults Engaging in the Performing Arts: 2012

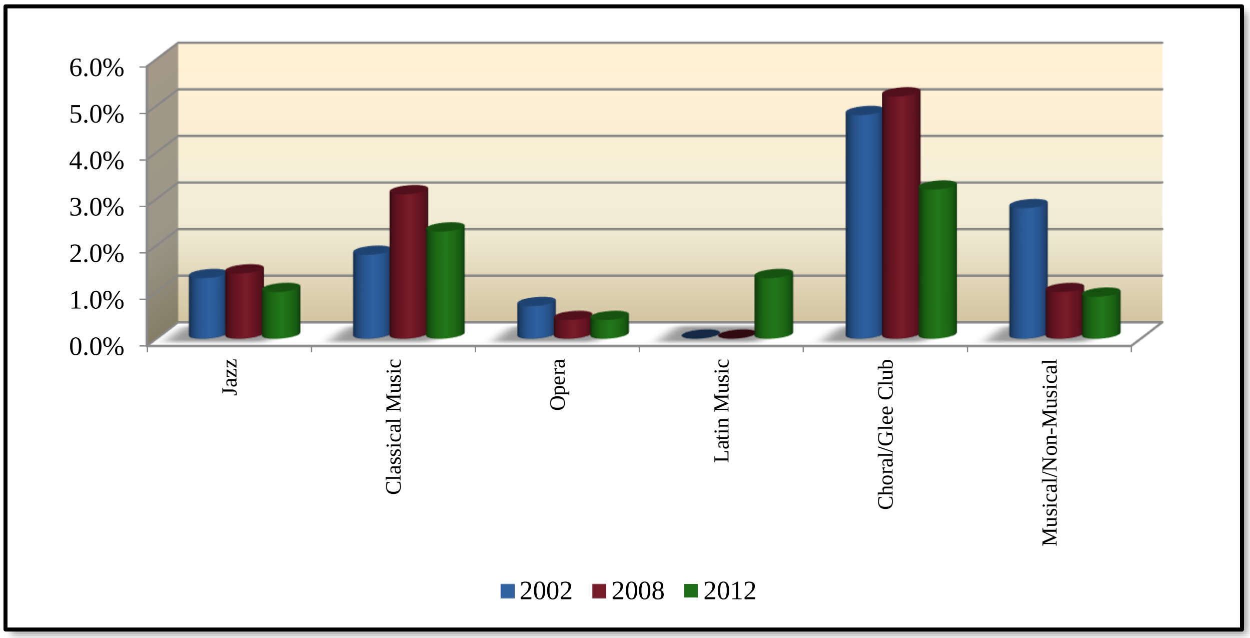
	Percentage
Play a Musical Instrument	12.1%
Play a Musical Instrument (with others)	5.1%
Do Any Acting	1.4%
Do Any Social Dancing	31.6%
Do Any Formal Dancing	5.1%
Perform or Practice Singing	8.7%
Do Any Singing w/ Other People	6.8%

- Social dancing is the most common way Americans performed art in 2012, followed by playing a musical instrument.
- Women are more likely than men to dance. The rates of dance participation are highest for young adults (18-34) and increase with educational level and family income.

Table R – Percentage of Adults Who Practiced or Performed Music of Various Types

				Rate of Change	
Practiced or Performed	**2002**	**2008**	**2012**	**2002-2008**	**2008-2012**
Jazz	1.3%	1.4%	1.0%	+0.1%	-0.4%
Classical Music	1.8%	3.1%	2.3%	+1.3%	-0.8%
Opera	0.7%	0.4%	0.4%	-0.3%	+0.0%
Latin Music	N/A	N/A	1.3%	N/A	N/A
Choral or Glee Club	4.8%	5.2%	3.2%	+0.4%	-2.0%
Musical or Non-Musical	2.8%	1.0%	0.9%	-1.8%	-0.1%

Chart A – Percentage of U.S. Adult Population Attending Arts Performances:



- The percentage of American adults who performed or practiced jazz, classical music, or opera has not changed much since 2002.

- The percentage of people in a choral or glee club orwho performed in a musical or non-musical stage play has declined since 2002.

Table S – Percentage of Adults Creating or Performing Arts During the Last 12 Months

	Percentage
Music	5.0%
Dance	1.3%
Films/Videos	2.8%
Photos	12.4%
Visual Arts	5.7%
Scrapbooks	6.5%
Creative Writing	5.9%

Table T – Percentage of U.S. Adults Using Electronic Media to Create or Perform Art in the Past 12 Months by Art Form

	Percentage
Recorded, Edited, or Remixed Music	4.4%
Recorded, Edited or Remixed Dance	0.9%
Recorded, Edited or Remixed Films and Videos	2.2%
Edited Photos	13.0%

- 19% of American adults in 2012 used electronic media to share art that they themselves had created, edited or remixed.

- Men are more likely than women to use electronic media to create, perform, or share art. This pattern stands in contrast to most forms of arts participation, in which women typically lead men.

- Large proportions of adults who create music or visual art do so through electronic media.

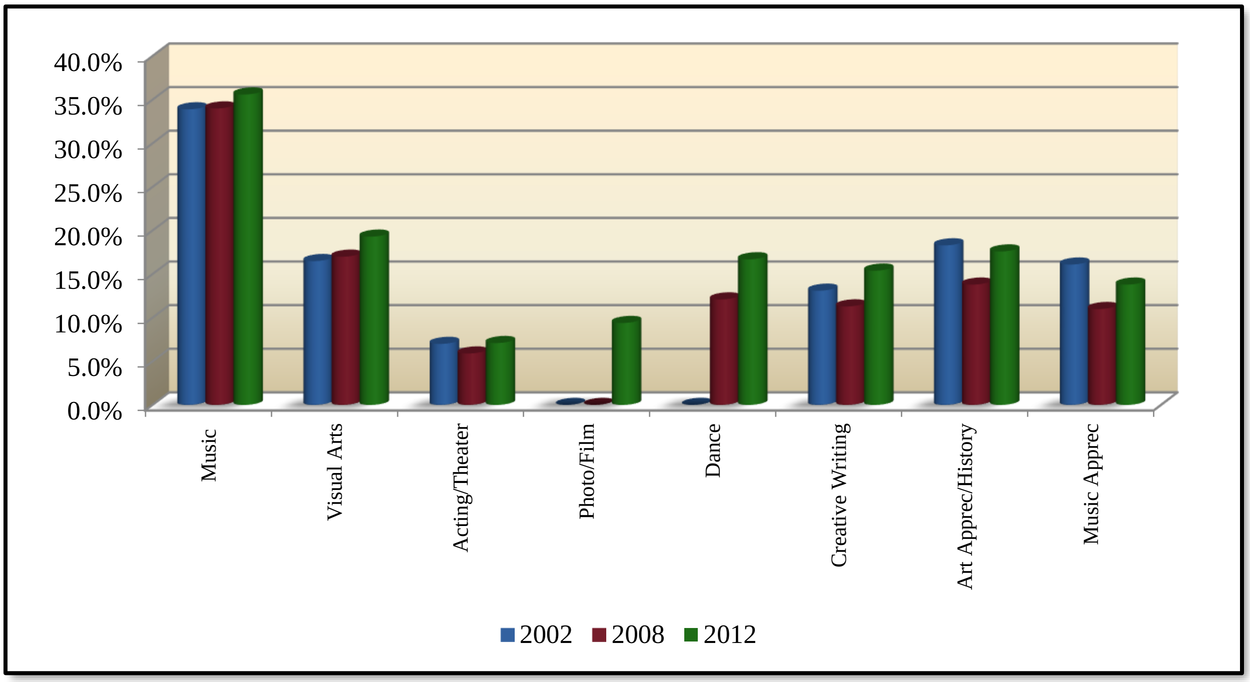
- 12% of Americans take photographs for artistic purposes, making photography the most common form of arts creation.

Participation in Arts Learning Activities

Table U – Percentage of U.S. Adults Who Took Arts Lessons and Classes During their Lifetime by Form of Art Studied

				Rate of Change	
	2002	**2008**	**2012**	**2002-2008**	**2008-2012**
Music	33.9%	34.0%	35.6%	+0.1%	+1.6%
Visual Arts	16.5%	17.0%	19.3%	+0.5%	+2.3%
Acting or Theater	7.0%	5.9%	7.1%	-1.1%	+1.2%
Photography or Film	N/A	N/A	9.4%	N/A	N/A
Dance	N/A	12.1%	16.7%	N/A	+4.6%
Creative Writing	13.1%	11.3%	15.4%	-1.8%	+4.1%
Art Apprec. or History	18.3%	13.8%	17.6%	-4.5%	+3.8%
Music Appreciation	16.1%	11.0%	13.8%	-5.1%	+2.8%

Chart B – Percentage of U.S. Adult Population Attending Arts Performances:

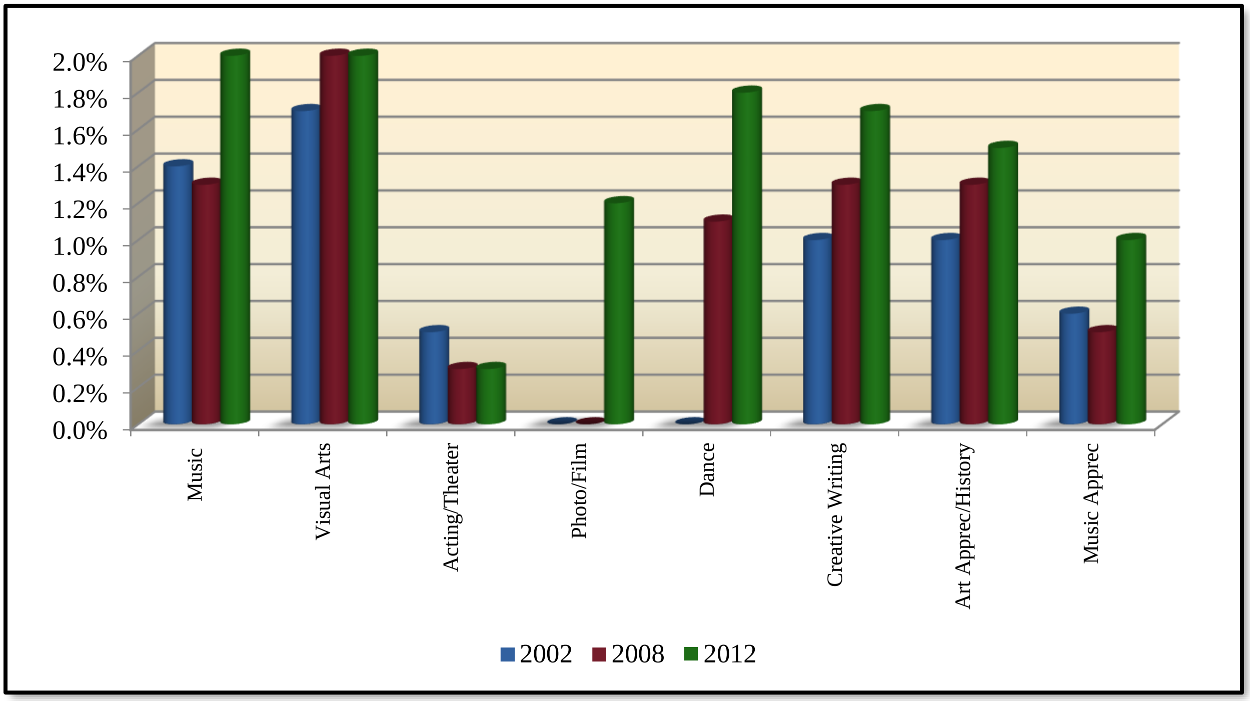


- Music is the art form most commonly studied, whether through voice-training or learning to play an instrument.

Table V – Percentage of U.S. Adults Who Took Arts Lessons and Classes During the Past 12-Monts

				Rate of Change	
	2002	2008	2012	2002-2008	2008-2012
Music	1.4%	1.3%	2.0%	-0.1%	+0.7%
Visual Arts	1.7%	2.0%	2.0%	+0.3%	+0.0%
Acting or Theater	0.5%	0.3%	0.3%	-0.2%	+0.0%
Photography or Film	N/A	N/A	1.2%	N/A	N/A
Dance	N/A	1.1%	1.8%	N/A	+0.7%
Creative Writing	1.0%	1.3%	1.7%	+0.3%	+0.4%
Art Apprec. or History	1.0%	1.3%	1.5%	+0.3%	+0.2%
Music Appreciation	0.6%	0.5%	1.0%	-0.1%	+0.5%

Chart C – Percentage of U.S. Adult Population Attending Arts Performances:



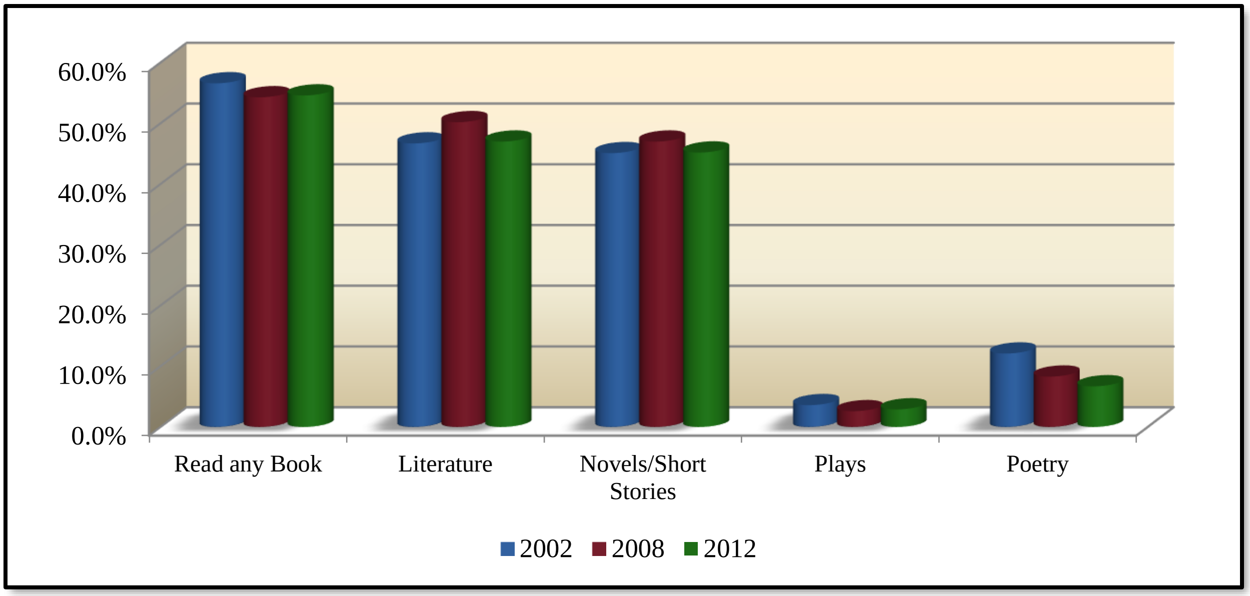
- Childhood experience in the arts is significantly associated with educational level obtained in adulthood. Over 70% of college graduates said they visited an art museum or gallery as a child, compared with 42% of adults who have only a high school diploma.

Reading and Film Attendance

Table W – Reading Activity

				Rate of Change	
	2002	2008	2012	2002-2008	2008-2012
Read any Book, non-required	56.6%	54.3%	54.6%	-2.3%	+0.3%
Literature	46.7%	50.2%	47.0%	+3.5%	-3.2%
Novels and Short Stories	45.1%	47.0%	45.2%	+1.9%	-1.8%
Plays	3.6%	2.6%	2.9%	-1.0%	+0.3%
Poetry	12.1%	8.3%	6.7%	-3.3%	-1.6%

Chart D – Reading Activity

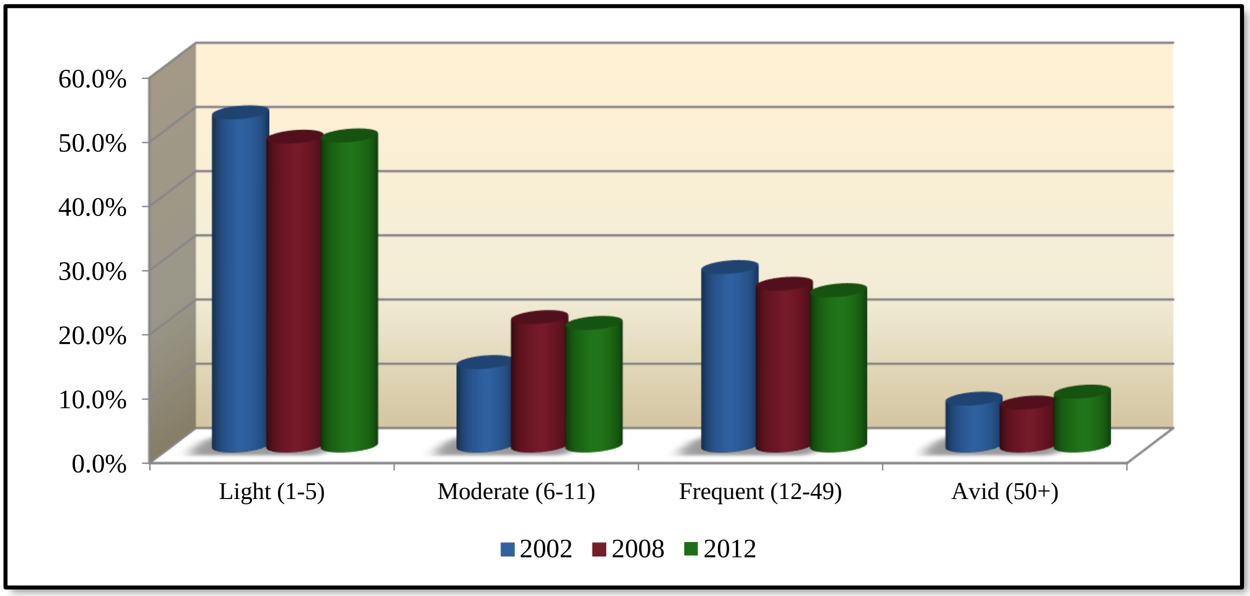


- Women are far more likely to read literature than are men.
- Men are more likely to read nonfiction than fiction, while the opposite is true for women.
- Reading of books and literature has increased among older adults in the past decade.

Table X – Percentage of U.S. Adults who Read During the Past 12 Months by Frequency (number of books read):

				Rate of Change	
	2002	**2008**	**2012**	**2002-2008**	**2008-2012**
All Adults					
Light (1-5)	29.4%	26.1%	23.4%	-3.3%	-2.7%
Moderate (6-11)	7.4%	10.9%	10.4%	+3.5%	-0.5%
Frequent (12-49)	15.7%	13.7%	13.2%	-2.0%	-0.5%
Avid (50+)	4.1%	4.6%	4.6%	+0.5%	+0.0%
All Book Readers					
Light (1-5)	51.9%	48.1%	48.3%	-3.8%	+0.2%
Moderate (6-11)	13.0%	20.0%	19.1%	+7.0%	-0.9%
Frequent (12-49)	27.8%	25.2%	24.2%	-2.6%	-1.0%
Avid (50+)	7.3%	6.7%	8.4%	-0.6%	+1.7%

Chart E – All Book Readers Rate of Consumption



- Over half of Amerian adults read at least one book in 2012. This is unchanged from 2008, but in 2002 slightly more adults read books.
- About 4% of adults belonged to a book club or reading group in 2012.

National Recreation Activity and Facility Trends: There continues to be very strong growth in the number of people participating in recreation and leisure activities. The Physical Activity Council in its 2017 study indicated that 42% of Americans (age 6 and older) participated at least once a week in a high calorie burning activity. However, the study also indicated that 27% of Americans were inactive. International Health and Racquet Sports Association (IHRSA) reported that membership in U.S. health clubs has increased by 2.6% from 2017, and memberships in health clubs reached an all-time high of 62.5 million in 2018. Statistics also indicate that approximately 1 out of every 5 people of the U.S. population (or 20.8%) belong to or utilize a health club. On the other side, most public recreation centers attract between 20% and 30% of a market area (more than once) during the course of a year. All of this indicates the relative strength of a market for a community recreation facility. However, despite these increases the American population as a whole continues to lead a rather sedentary life with an average of 25% of people across the country reporting that they engage in no physical activity (according to The Center for Disease Control).

One of the areas of greatest participant growth over the last 10 years is in fitness related activities such as exercise with equipment, aerobic exercise and group cycling. This is also the most volatile area of growth with specific interest areas soaring in popularity for a couple of years only to be replaced by a new activity for the coming years. Also showing particularly strong growth numbers are running/jogging while swimming participation remains consistently high despite recent drops in overall numbers. It is significant that many of the activities that can take place in an indoor recreation setting are ranked in the top fifteen in overall participation by the National Sporting Goods Association.

Due to the increasing recreational demands there has been a shortage in most communities of the following spaces:

- Gymnasiums
- Pools (especially leisure pools)
- Weight/cardiovascular equipment areas
- Indoor running/walking tracks
- Meeting/multipurpose (general program) space
- Senior's program space
- Pre-school and youth space
- Teen use areas
- Fieldhouses

As a result, many communities have attempted to include these amenities in public recreation facilities. With the growth in youth sports and the high demand for school gyms, most communities are experiencing an acute lack of gymnasium space. Weight/cardiovascular space is also in high demand and provides a facility with the potential to generate significant revenues.

The success of most recreation agencies is dependent on meeting the recreational needs of a variety of individuals. The fastest growing segment of society is the senior population and meeting the needs of this group is especially important now and will only grow more so in the coming years. Indoor walking tracks, exercise areas, warm water pools and classroom spaces are important to this age group. Marketing to the younger more active senior (usually age 55-70) is paramount, as this age group has the free time available to participate in leisure activities, the desire to remain fit, and more importantly the disposable income to pay for such services.

Youth programming has always been a cornerstone for recreation services and will continue to be so with an increased emphasis on teen needs and providing a deterrent to juvenile crime. With a continuing increase in single parent households and two working parent families, the needs of school age children for before and after school child-care continues to grow as does the need for preschool programming.

As more and more communities attempt to develop indoor recreation facilities the issues of competition with other providers in the market area have inevitably been raised. Some of the objections have come from the private health club market and their industry voice IHRSA. However, the reality is that in most markets where public recreation centers have been built, the private sector has not been adversely affected and in fact in many cases has continued to grow. This is due in large part to the fact that public and private providers serve markedly different markets. One of the other issues of competition comes from the non-profit sector (primarily YMCA's but also Jewish Community Center's (JCC's), Boys & Girls Clubs, and others), where the market is much closer to that of the public providers. While not as vociferous as the private providers, the non-profits have also often expressed concern over public recreation centers. What has resulted from this is a strong growth in the number of partnerships that have occurred between the public and non-profit sector in an attempt to bring the best recreation amenities to a community.

Recreation Center Benchmarks: Based on market research conducted by Ballard*King & Associates at public recreation centers across the United States, the following represents the basic benchmarks.

- The majority of recreation centers that are being built today are between 65,000 and 75,000 square feet. Most centers include three primary components A) A pool area usually with competitive/lap and leisure amenities, B) Multipurpose gymnasium space, and C) Weight/cardiovascular equipment area. In addition, most centers also have group exercise rooms, drop-in childcare, and classroom and/or community spaces.

- For most centers to have an opportunity to cover all of their operating expenses with revenues, they must have a service population of at least 50,000 and a market driven fee structure.

- Most centers that are between 65,000 and 75,000 square feet have an operating budget of between $2,000,000 and $2,500,000 annually. Nearly 65% of the operating costs are from personnel services, followed by approximately 25% for contractual services, 8% for commodities, and 2% for capital replacement.

- For centers that serve a more urban population and have a market driven fee structure, they should be able to recover 70% to 100% of operating expenses. For centers in more rural areas the recovery rate is generally 50% to 75%. Facilities that can consistently cover all of their operating expenses with revenues are rare. The first true benchmark year of operation does not occur until the third full year of operation.

- The majority of centers of the size noted (and in an urban environment) above average daily paid attendance of 800 to as much as 1,000 per day. These centers will also typically sell between 1,000 and 2,000 annual passes (depending on the fee structure and marketing program).

- It is common for most centers to have a three-tiered fee structure that offers daily, extended visit (usually multiple admission options) passes, and annual passes. In urban areas it is common to have resident and non-resident fees. Non-resident rates can cost 25% to 50% higher than the resident rate and are usually a topic of discussion amongst elected officials.

- Most centers are open an average of 105 hours a week, with weekday hours being 5:00 am to 10:00 pm, Saturdays 8:00 am to 8:00 pm and Sundays from noon to 8:00 pm. There is now a trend to open earlier on Sundays as well. Often hours are shorter during the summer months.

Note: These statistics can vary by regions of the country.

Recreation Facilities Market Orientation: Based on the demographic makeup of the service areas and the trends in indoor recreation amenities, there are specific market areas that need to be addressed with such community facilities. These include:

General:

1. Drop-in recreation activities - Critical to the basic operation of any recreation center is the availability of the facility for drop-in use by the general public. This requires components that support drop-in use and the careful scheduling of programs and activities to ensure that they do not dominate the center and exclude the drop-in user. The sale of annual passes and daily admissions, potential strong revenue sources for a center, requires a priority for drop-in use.

2. Instructional programming - The other major component of a recreation center's operation is a full slate of programs in a variety of disciplines. The center should provide instruction for a broad-based group of users in a number of program areas. The primary emphasis should be on teaching basic skills with a secondary concern for specialized or advanced instruction.

3. Special events - There should be a market for special events including kid's birthday parties, community organization functions, sports tournaments and other special activities. The development of this market will aid significantly in the generation of additional revenues and these events can often be planned for before or after regular operating hours or during slow use times of the year. Care should be taken to ensure that special events do not adversely impact the everyday operations of the center.

4. Community rentals - Another aspect of a center's operation is providing space for rentals by civic groups or organizations as well as the general public. Gyms and multi-purpose rooms can be used as a large community gathering space and can host a variety of events from seminars, parties, receptions, arts and crafts sales and other events. It is important that a well-defined rental fee package is developed, and the fee schedule followed closely. Rentals should not be done at the expense of drop-in use or programming in the center.

5. Social welfare programs – An emerging area for many centers is the use of space for social service activities and programs. Special population activities, teen and senior assistance programs, childcare and other similar uses are now common in many facilities.

Specific market segments include:

1. Families - Within most markets an orientation towards family activities is essential. The ability to have family members of different ages participate in a variety of activities together or individually, is the challenge.

2. Pre-school children - The needs of pre-school age children need to be met with a variety of activities and programs designed for their use. From drop-in childcare to specialized pre-school classes, a number of such programs can be developed. Interactive programming involving parents and toddlers can also be beneficial. It is significant that this market usually is active during the mid-morning time frame, providing an important clientele to the facility during an otherwise slow period of the day. For parents with small children who wish to participate in their own activities, babysitting services are often necessary during the morning and early evening time slots.

3. School age youth - Recreation programming has tended to concentrate on this market segment and this age group should be emphasized at a center as well. This group requires a wide variety of programs and activities that are available after school, during the summer, or during weekend hours. Instructional programs and competitive sports programs are especially popular, as well as drop-in use of the facility.

4. Teens - A major focus of many recreation center projects is on meeting the needs of teenagers in the community. There is a great debate among recreation providers throughout the country on how to best provide recreation programming for this age group. Some believe that dedicated teen space is required to meet their needs while others find that it is the activities and approach that is more important. Serving the needs of this age group will often require the use of many areas of the center at certain "teen" times of use.

5. Seniors - As the population of the United States and the service areas continue to age, continuing to meet the needs of an older senior population will be essential. As has been noted, a more active and physically oriented senior is now demanding services to ensure their continued health. Social programs as well as weight training and cardiovascular conditioning have proven to be popular with this age group. Again, the fact that this market segment will usually utilize a facility during the slower use times of early to mid-day also is appealing. Providing services for this age group should be more of a function of time than space.

6. Business/corporate - This market has a variety of needs from fitness/wellness and instruction, to recreation and social. The more amenities and services that can be offered at one location the more appeal there is to this market segment. The business community should be surveyed to determine their specific needs and expectations.

7. Special needs population - This is a secondary market, but with the A.D.A. requirements and the existence of a number of recreation components, the amenities will be present to develop programs for this population segment. Association with health care providers and/or other social service agencies will be necessary to fully reach this market.

8. Special interest groups - This is a market that needs to be explored to determine the use potential from a variety of groups. These could include school functions, social service organizations and adult and youth sports teams. While the needs of these groups can be great, their demands on a center can often be incompatible with the overall mission of the facility. Care must be taken to ensure that special interest groups are not allowed to dictate use patterns for the center.

Market Review

In addition to the demographic characteristics, recreation participation, and trends analysis, one of the other greatest impacts on the market for a possible Livingston Community Recreation Center is the presence of other similar providers in the area.

Within the Livingston market area there are a limited number of indoor sports, recreation, aquatic and fitness facilities to serve the population base. However, there are considerably more when Bozeman is considered.

Public

There are several public recreation facilities available in Livingston.

Civic Center - The City of Livingston owns and operates the Civic Center building which consists of a large gym, several smaller activity rooms, kitchen and office space for the Administrative Services and Recreation Department. This is old building that needs extensive renovation and improvements to be brought up to code. The building is also utilized as an evacuation center. At the back of the building there is also the Parks garage.

Livingston Swimming Pool – The City owns and operates this seasonal outdoor pool that is located across the street from the Civic Center. It is an old conventional, rectangular, pool that is in need of being replaced.

Civic Center

Park High School Rec Plex

Park County Fairgrounds – The fairgrounds has a number of buildings that can be rented and utilized for meetings, events, and other purposes.

Livingston School District – The School District has the Park High School Rec Plex which is also utilized by the Recreation Department for active based programming on occasion. This is a large gym space and a climbing wall. The high school also has a two-court main gym as well. The Recreation Department also makes use of the gym at East Side Middle School, Washington Elementary, Gardiner School, and Shields Valley Junior High/High School.

In addition to the facilities noted above, the District also has a Livingston Adult Community Education department that provides education and recreation programs for adults. The District also runs Links for Learning, which is an afterschool program at the elementary schools.

Non-Profit

There are a limited number of non-profit providers in the marketplace. The primary non-profit providers are:

Shane Lalani Center for the Arts- As the name implies this is a facility that has a performing arts focus. This is an old elementary school that has been renovated to house a variety of arts activities from theater, dance and even the visual arts.

Livingston Depot – This old railroad depot in downtown Livingston has been restored and now serves as a location for community events and rentals.

Northside Soccer Complex – The complex has an indoor event building that was built and is operated by the Livingston Youth Soccer Association.

Private

Within the community there are a number of private recreation service providers. These include:

Firehall Fitness Center – Located in downtown Livingston, this is a full-service fitness facility with weight cardio equipment and space for group exercise classes.

Railyard Fitness Center – Owned by the same individual as Firehall, this is a smaller fitness center that is on the west side of the community.

Park Elite Gymnastics – This is a true gymnastics center.

<u>Bozeman</u>

Beyond Livingston itself, the greatest number of other sports, fitness and recreation providers are located in Bozeman and the surrounding area.

City of Bozeman – They operate the Bozeman Swim Center (an indoor 50 meter pool), Bogert Pool (an outdoor pool), and two small community centers.

Montana State University – The University has the Hosaenus Fitness Center that features gym space, a pool, fitness center, racquet courts and an indoor track. Although it is primarily for the students, staff and faculty, it does serve some of the general community.

Gallatin Valley YMCA – This is a relatively new facility located just west of Bozeman and it is primarily a fitness center.

Private Providers – There are also a number of private facilities including Lone Mountain Gymnastics and Swim School, The Ridge Athletic Club as well as a number of smaller fitness centers.

There are also a number of yoga, marital arts and dance studios in the region.

In addition, there is the Eagle Mount facility in Bozeman that has a large indoor therapeutic pool.

This is a representative listing of alternative recreation facilities in the area and is not meant to be a total accounting of all service providers. There may be other facilities located in the area that have an impact on the Livingston market as well.

Other Providers Conclusion: While there are a number of other aquatic, sports and fitness providers in place in the greater Livingston market area, the existing City facilities are in need of significant upgrade or outright replacement due to their age and condition. This is necessary to provide a much-needed new pool and gymnasium space. In addition, besides two smaller fitness centers, the Livingston community is highly dependent on other public providers (Livingston School District or Park County) for most other indoor active recreation needs, or they must travel to Bozeman for these demands.

On the other side, it appears that much of the cultural arts needs of the Livingston are being supplied by the Shane Lalani Center for the Arts.

After analyzing these other existing providers, there is still a strong market for a new Livingston Community Recreation Center if the facility can draw well from the Secondary Service Area.

Market Analysis Conclusion:

Below are listed some of the market opportunities and challenges that exist with a possible new Livingston Community Recreation Center.

Opportunities

- The Secondary Service Area will provide a larger population base to enhance the operation of a new center.
- The population will continue to grow at a strong pace. There is expected to be growth in the youth age groups as well.
- There are a limited number of other, aquatic, recreation and sports facilities in Livingston itself.
- The existing Civic Center building and Livingston Swimming Pool both need to be renovated or replaced.
- There is a strong history of philanthropy in Livingston to fund important community improvements.
- Parks and recreation facilities improve the quality of life in a community and often serve to bring more unity to a diverse population base.

Challenges

- The City of Livingston has a small population base that will require a community recreation center to draw users from the Secondary Service Area on a regular basis.
- The demographics of the market area shows a population that is older, with fewer children.
- Income levels are relatively low for the area.
- There are relatively low expenditures for recreation purposes with a greater interest in outdoor activities than indoor.
- The Boseman area has significant indoor recreation, sports, fitness and aquatic amenities and services which will limit the market to the west.
- Funding not only the development but the operation and maintenance of a new community recreation center will have to be determined.

Section II – Community Input

As part of the process of determining indoor recreation needs within the greater Livingston area, a number of public input mechanisms were utilized to gain input. These included:

- Stakeholder Meetings
- Community Survey
- Community Meetings

The following is a brief summary of the information gathered from these sources.

Stakeholder Meetings

A series of stakeholder meetings were held on May 21, 2019, to gain input on the needs and expectations for a possible recreation center in Livingston.

Non-Profits

Attendees

Carly Burson, Park County Community Foundation, Program Director
Barb Oldershaw, Park County Community Foundation, Program Director
John Gregory, Community Health Partners, Learning Partners Director
Heidi Barrett, Abuse Support & Prevention Education Network (ASPEN) – Executive Director
Marissa Hackett, HRDC, Livingston Outreach Coordinator
Becky Bird, Park County Senior Center, Director
Lanette Jones, Big Brothers, Big Sisters of Park and Sweet Grass Counties, Executive Director
Erica Lighthiser, Park County Environmental Council, Program Director

Vision and Needs

- There is a big need for licensed childcare in the community. This does not have to be operated by the city.
- There is also a need for drop-in child watch as well.
- There needs to be a place where after-school programming as well as leadership and mentoring. This could occur in a classroom or gymnasium space.
- The pool needs to support a swim team
- The building needs to be energy efficient
- Will need to look at phasing options for the center
- Other key spaces included:
    - Group exercise room

- Gymnasium (existing or new)
- Fieldhouse for outdoor "grass" sports
- Senior space
- Climbing wall
- Meeting/classrooms
- Indoor track
- Outdoor pavilion space

Early Childhood

<u>Attendees</u>

Jacqui Poe, Park County Early Childhood Coalition Coordinator
John Gregory, Community Health Partners, Learning Partners Director
Maggie Tarr, Livingston Recreation Department / Parent of early childhood children
Carly Burson, Park County Community Foundation, Program Director
Barb Oldershaw, Park County Community Foundation, Program Director

<u>Vision and Needs</u>

- Having childcare facilities is a big need. Infant to 3 years is the biggest need.
- There is also a need for pre-school program space. The school district is looking at pre-K programming, but this will not cover all the needs.
- Need additional space for smaller children.
- Consider using the old outdoor pool as a covered pavilion.
- The project needs to purse grants for renewable energy options.
- There needs to be an indoor pool with zero depth entry.
- Need a facility that supports summer camps.
- A teaching kitchen would be an important amenity.

Youth and Adult Sports / School District

<u>Attendees</u>

Matt Pierson, President of Livingston Youth Soccer Association and Park High School Girls Soccer Coach
Len Wright, Chairman of Livingston Youth Baseball and Softball Association
LaRue Seitz-Dettori, Chairwoman of Livingston Adult Softball Association
Emily Raymond, Eastside Elementary Physical Education Teacher
Regina Wood, Park High School Athletic Director (not present – gave input via message)

<u>Vision and Needs</u>

- The high school would like to start a swim team if an indoor pool is built.
- Not sure that a fieldhouse is needed. A larger gym would be enough.
- Other key spaces included:
    - Dance/Yoga studio
    - Meeting room
    - Indoor track
    - Space for art project displays
    - Birthday party rooms
    - Small weight cardio space
    - Racquetball courts
    - Child watch space

Therapeutic/Fitness Centers

Attendees

Andrea Price, Yellowstone Physical Therapy PT, DPT
Chad Yoakam, Yellowstone Physical Therapy co-owner & MSPT
Jenny Blades, Blades Fitness LLC CPT
Scott Coleman, Livingston Healthcare (representing therapy services)
Charles Hubbell, Firehall and Railyard Fitness Centers, Owner
Rikki Earle, Livingston Recreation Department, Recreation Coordinator

Vision and Needs

- The existing fitness clubs in the area have 2,000 people as members.
- Should consider a therapy pool.
- Weight cardio equipment should be considered even though there are existing providers.
- Physical Therapy could be part of a new center.
- Having an indoor walk/jog track in the building will be important.
- The facility needs to meet the needs of seniors.

Community Survey

Ballard*King & Associates completed an online survey as a component of the community input process. B*K worked with the City of Livingston to develop the survey instrument and administered the survey using the online service SurveyMonkey.

- The survey was open to the public for approximately 3 weeks in April 2019.
- Total number of responses received was 870, with an average completion rate of 83%.
- Responses were limited to 1 response per I.P. address.

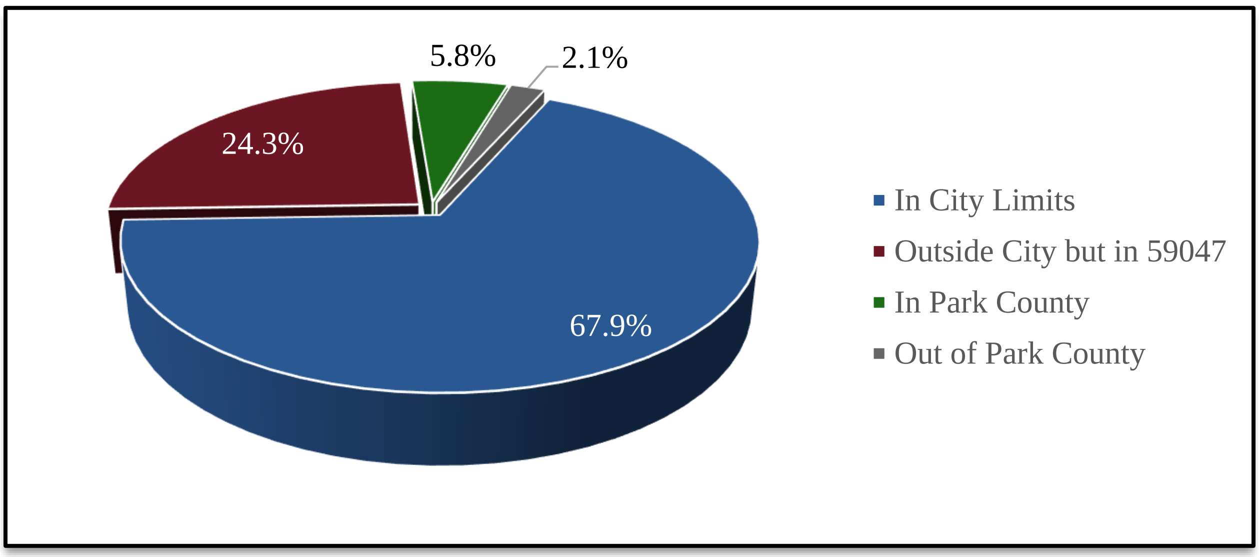
- 68% of respondents were from Livingston and 24% in 59047 zip code.

- Of the responses received:
  - 18.8% - Male
  - 81.2% - Female

- Of the responses received, total annual household income:
  - Under $25,000 – 7.6%
  - $25,000-$49,999 – 20.1%
  - $50,000-$74,999 – 27.6%
  - $75,000-$99,999 – 21.9%
  - $100,000-$249,999 – 19.5%
  - $250,000+ - 3.4%

- Respondents were asked to indicate the number of people in their house in the following age categories; Under 5, 5-12, 13-15, 16-19, 20-25, 26-44, 46-64 and 65+.
  - Average Number – 2.8 individuals
  - Median Number – 3 individuals

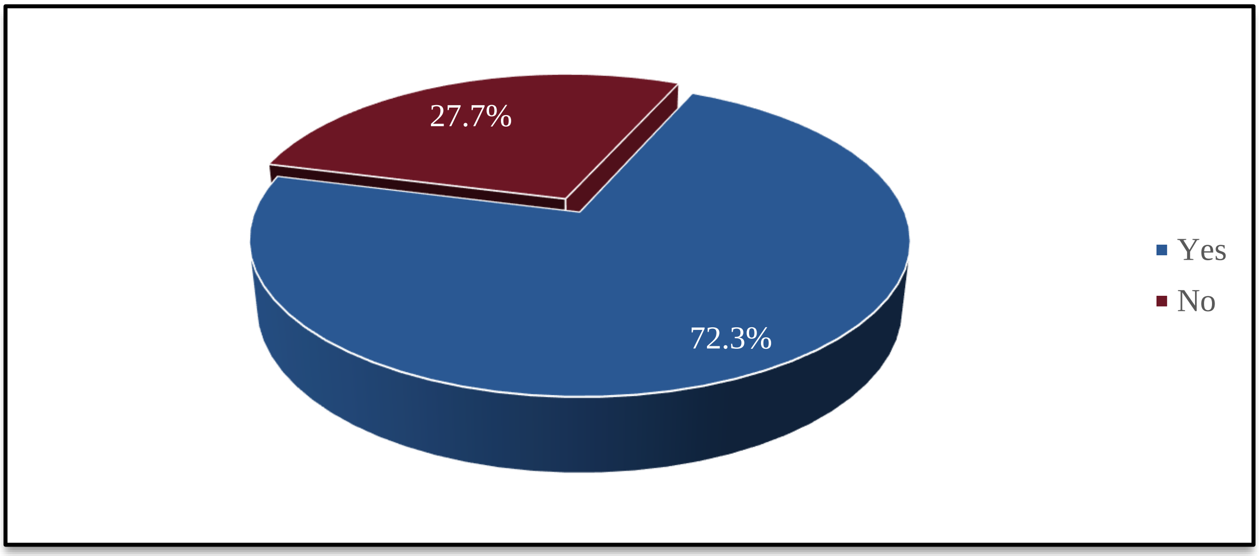
1. Please indicate where you live?



- In the City limits of Livingston – 67.9%
- Outside the City, but in the 59047-zip code – 24.3%
- Elsewhere in Park County – 5.8%
- Outside of Park County – 2.1%

The greatest number of respondents were from within the City limits.

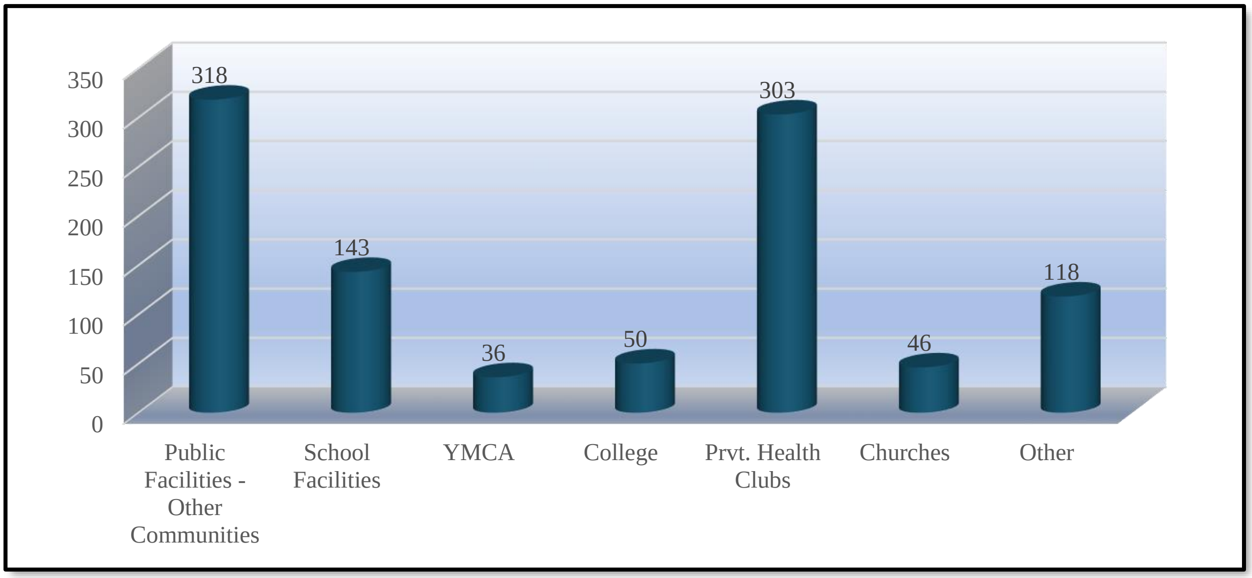
2. Do you or members of your household use INDOOR aquatics, sports, or fitness facilities?



- Yes – 72.3%
- No – 27.7%

If respondents answered "no" they were directed to question #6, if they answered "yes" they were directed to question #3. This question does indicate that the individuals that responded to the survey are significant users of indoor facilities.

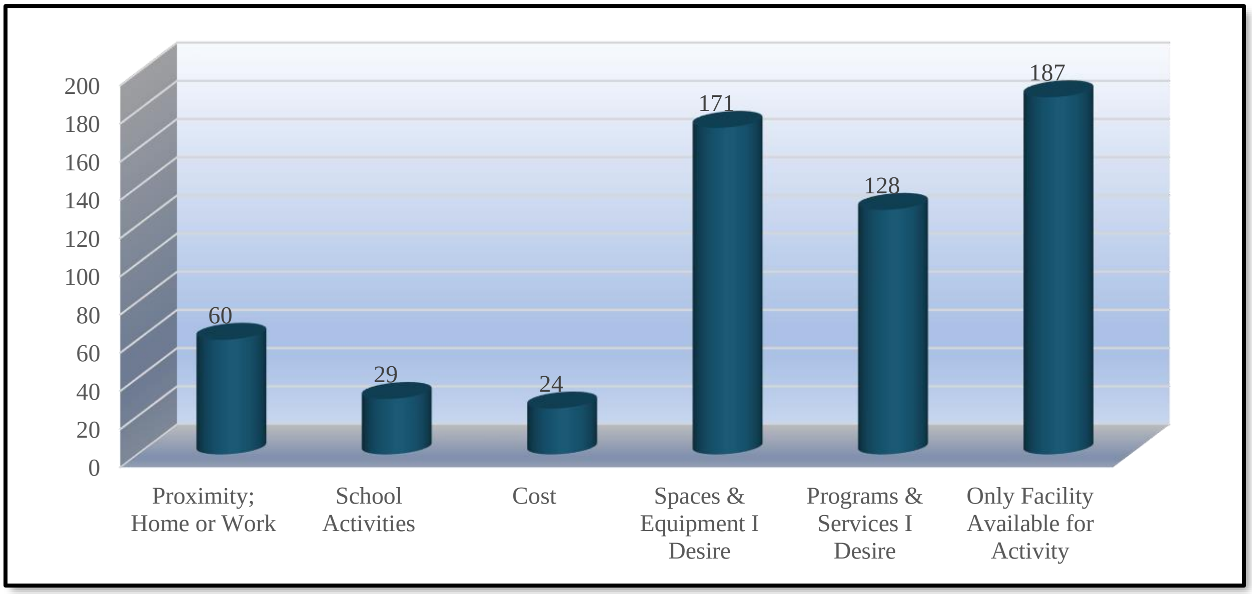
3. Which of the following INDOOR aquatic, sports, or fitness facilities does your household currently use? Check all that apply.



- Public facilities in other communities – 53.1%
- School facilities (other than for activities during school hours as a student) – 23.9%
- YMCA – 6.0%
- College (other than for activities during school hours as a student) – 8.4%
- Private health club – 50.6%
- Churches – 7.7%
- Other 19.7%

It is significant that of individuals that use facilities there is a significant portion that are using public facilities in other communities. It is also significant that many are using private health clubs.

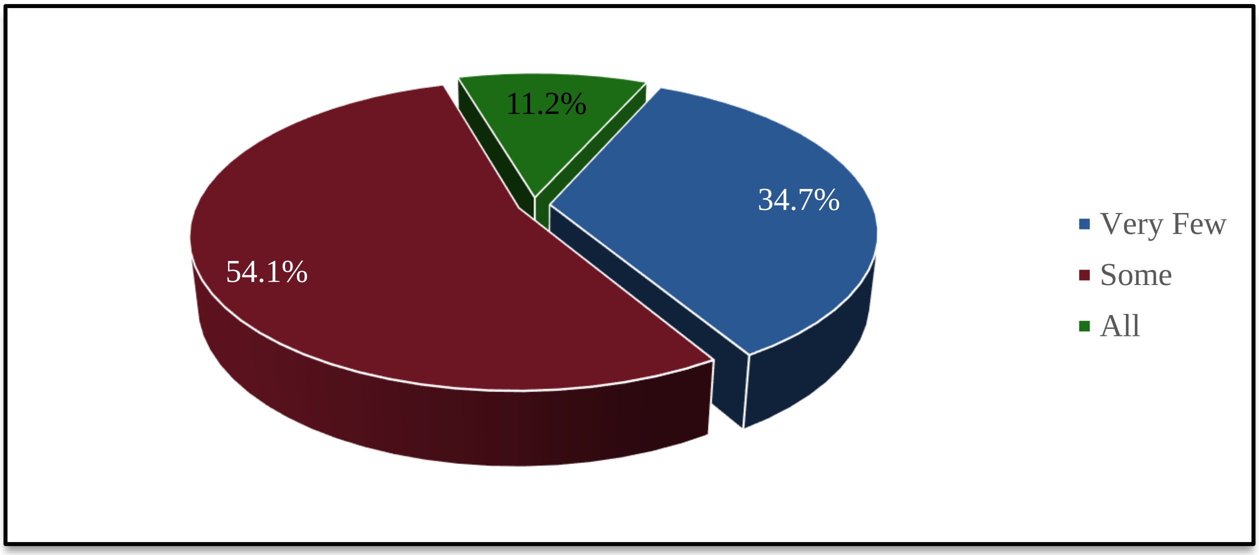
4. What is the primary reason that your household currently uses aquatic, sports or fitness facilities?



- Proximity to home or work – 10.0%
- School related activities – 4.8%
- Cost – 4.0%
- Facility has the spaces and equipment that I desire – 28.6%
- Facility has the programs and services that I desire – 21.4%
- Only facility available for my activity – 31.2%

It is important to note that only 4.0% of respondents to this question indicated that cost was a primary reason for use of the facility. Equally important is the fact that users of facilities have preferences for spaces, equipment and programs.

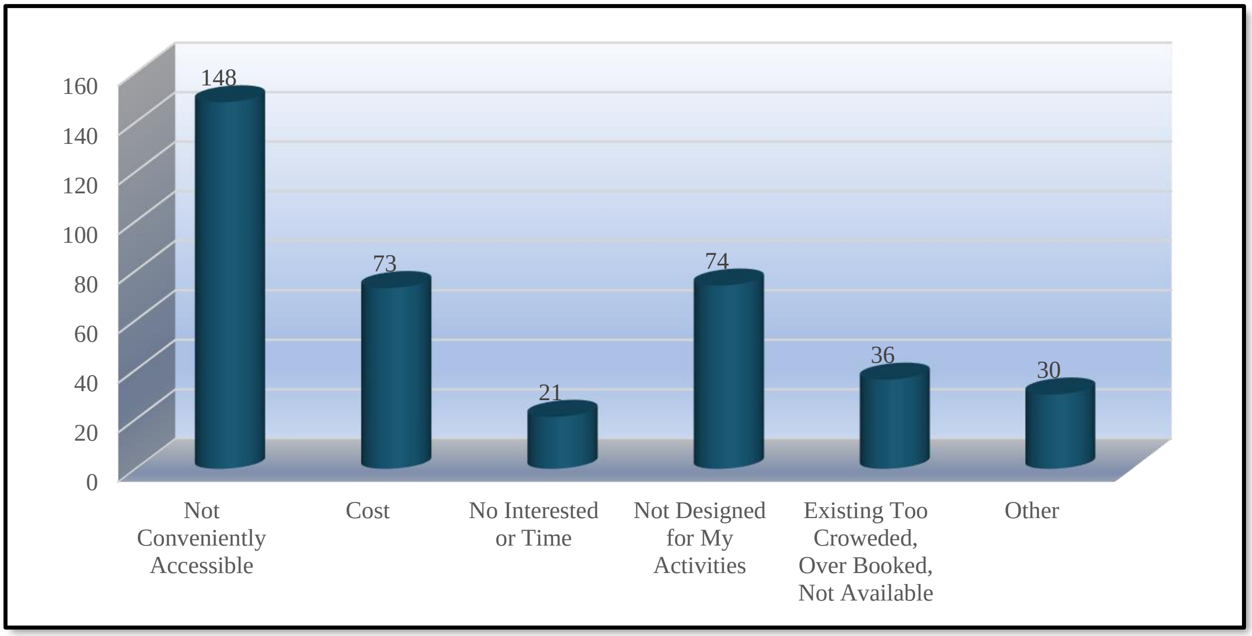
5. Which statement best represents how existing indoor aquatic, sports or fitness facilities that you are currently using meets your household's needs?



- Meets very few of our needs – 208
- Meets some of our needs – 324
- Meets all of needs – 67

It is significant that 34.7% of respondents indicated that the facilities they are currently using meet "very few" of their needs, and that 54.1% indicated "meet some of our needs." As Livingston continues with the feasibility process, drilling down to determine what needs are not being met, will be helpful.

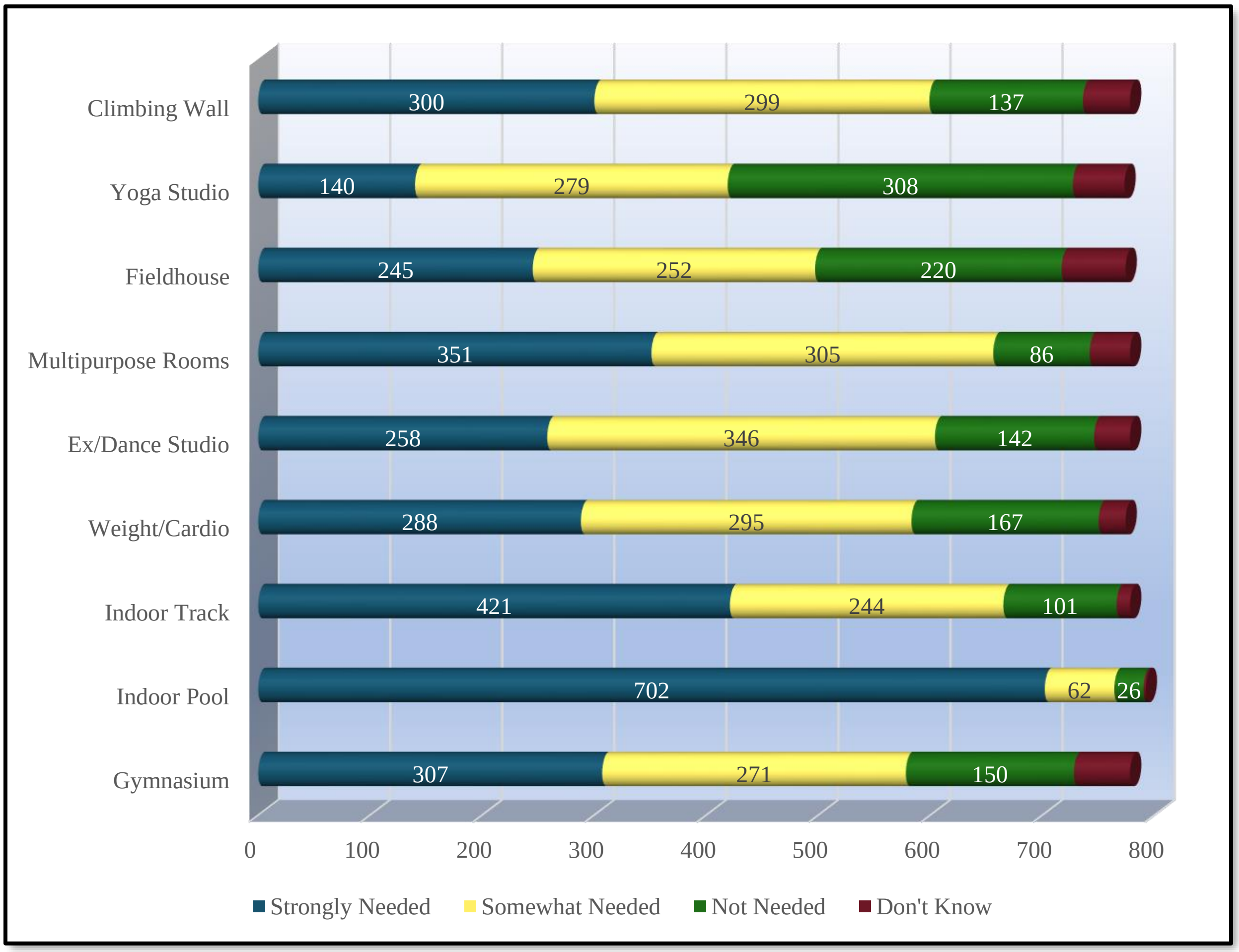
6. Why does your household not use indoor aquatic, sports or fitness facilities? Check all that apply.



- Not conveniently accessible – 63.0%
- Costs too much – 31.1%
- Not something my household is interested or has time for – 8.9%
- Existing facilities are not designed for the kind of activities I'm interested in – 31.5%
- Existing facilities are too crowded or overbooked and not available – 15.3%
- Other – 12.8%

The answers to this question point to the potential location of a future facility being of utmost important if Livingston wants to attract individuals that are not currently using facilities.

7. Listed below are various specific INDOOR community aquatic, sports, or fitness features. For each one, please indicated whether you think more of each of these features is strongly needed, somewhat needed, or not needed by your family.



	Strongly	Somewhat	Not Needed	Don't Know	Weighted
Indoor Pool	88.6%	7.8%	3.3%	0.3%	3.85
Indoor Track	54.1%	31.4%	13.0%	1.5%	3.38
Multi-Purpose Room	45.1%	39.2%	11.1%	4.6%	3.25
Climbing Wall	38.6%	38.4%	17.6%	15.4%	3.10
Weight/Cardio	37.2%	38.1%	21.6%	3.1%	3.09
Ex/Dance Studio	33.2%	44.5%	18.3%	4.1%	3.07
Gymnasium	39.5%	34.8%	19.3%	6.4%	3.07
Fieldhouse	31.7%	32.6%	28.4%	7.4%	2.89
Yoga Studio	18.1%	36.1%	39.8%	6.0%	2.66

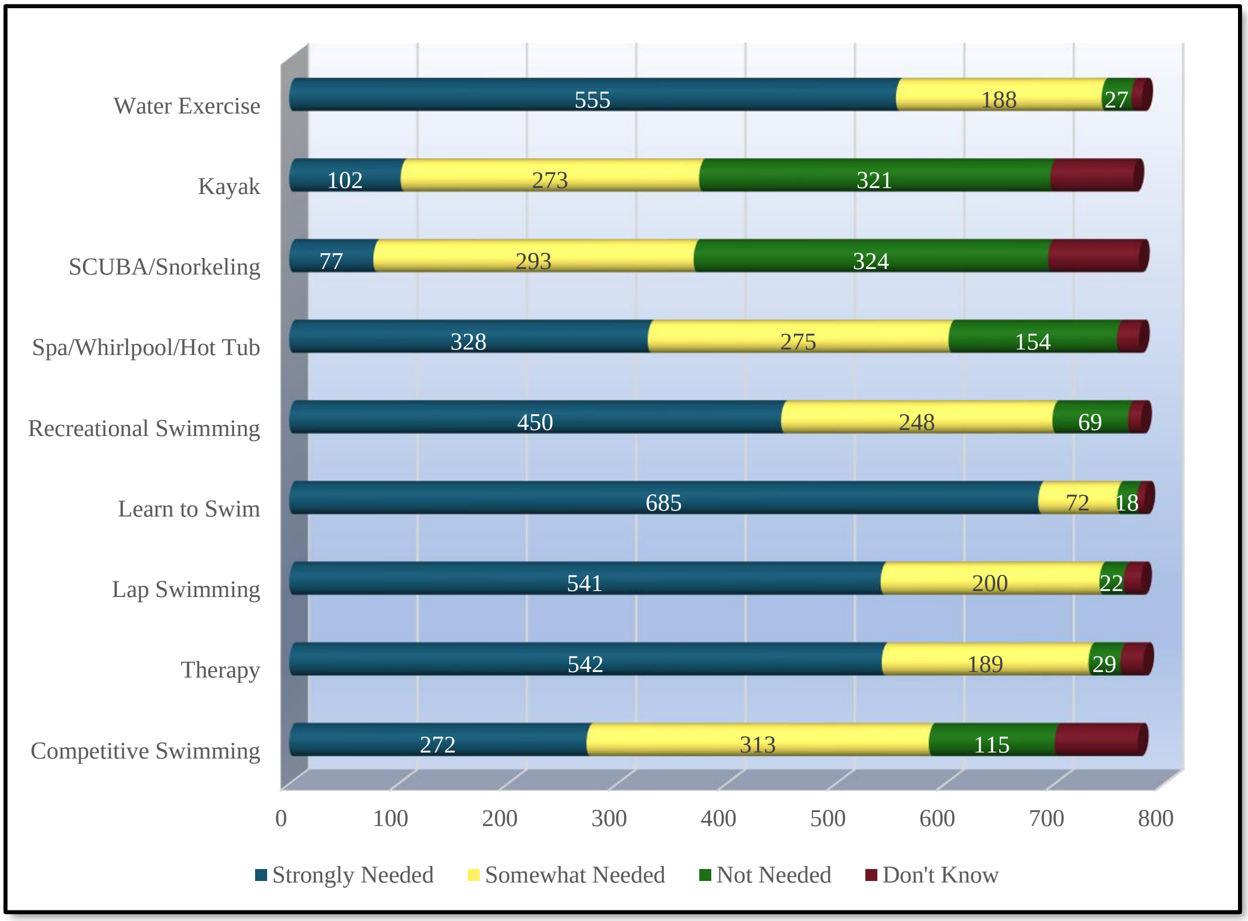
8. Which THREE of the recreation features listed in the previous question does your household feel are MOST NEEDED in the community?

- Most Needed:
  - Indoor Swimming Pool Aquatic Center 626
- 2nd Most Needed:
  - Indoor Walk/Jog Track 198
- 3rd Most Needed:
  - Multipurpose Rooms 130

	Most Needed	2nd Most Needed	3rd Most Needed
Gymnasium	5.9%	17.1%	13.4%
Indoor Pool	78.6%	12.5%	4.4%
Indoor Track	3.6%	25.2%	15.4%
Weight/Cardio	2.9%	8.4%	11.6%
Ex/Dance Studio	0.4%	5.6%	8.4%
Multi-Purpose Room	1.9%	8.1%	16.8%
Fieldhouse	2.4%	8.5%	9.8%
Yoga Studio	0.4%	1.3%	3.6%
Climbing Wall	2.9%	11.8%	14.2%
None	1.0%	1.5%	2.5%

Based on the survey work that B*K has completed, combined with the market data provided it is not uncommon for "swimming" as an activity, i.e. a pool, to be one of the top 3 facility types wanted. The need for indoor walk/jog track points to the possibility of a gymnasium, but it also points to that need being met through treadmills or other pieces of cardio equipment.

9. A possible area of focus is an indoor pool to replace the existing outdoor facility. Listed below are various aquatic related activities that could possibly have an emphasis at a pool. For each one, please indicate whether you and your household think that the aquatic activity is strongly needed, somewhat needed, or not needed in the community.



	Strongly	Somewhat	Not Needed	Don't Know	Weighted
Learn to Swim	87.6%	9.2%	2.3%	0.9%	3.83
Water Exercise	71.2%	24.1%	3.5%	1.3%	3.64
Lap Swim	69.5%	25.7%	2.8%	2.1%	3.60
Therapy	69.4%	24.2%	3.7%	2.7%	3.58
Rec. Swim	57.8%	31.8%	8.9%	1.5%	3.44
Spa/Whirlpool/HT	42.2%	35.4%	19.8%	2.6%	3.15
Comp. Swim	35.1%	40.3%	14.8%	9.8%	2.91
Kayak	13.2%	35.4%	41.6%	9.8%	2.42
SCUBA	9.9%	37.7%	41.7%	10.7%	2.36

10. Which THREE of the recreation features listed in the previous question does your household feel are MOST NEEDED in the community?

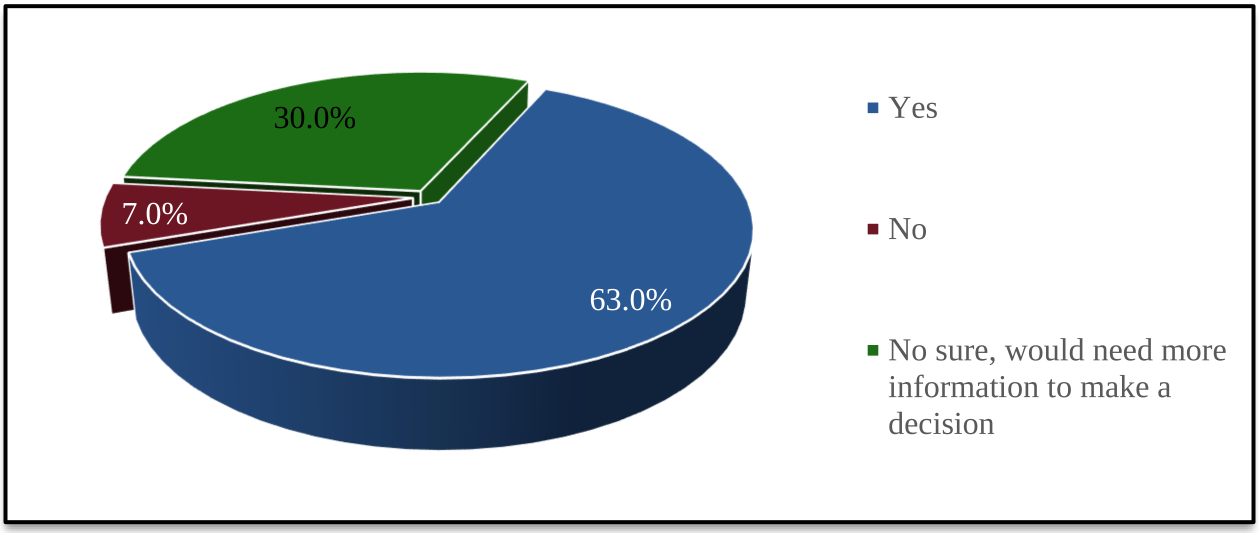
- Most Needed:
    - Learn to Swim Program 256
- 2nd Most Needed:
    - Learn to Swim Program 193
- 3rd Most Needed:
    - Water Exercise 134

	Most Needed	2nd Most Needed	3rd Most Needed
Comp. Swim	5.6%	9.0%	8.8%
Therapy	7.8%	14.0%	14.8%
Lap Swim	22.5%	15.1%	10.9%
Learn to Swim	32.7%	24.9%	15.2%
Rec. Swim	20.6%	17.1%	16.0%
Spa/Whirlpool/HT	1.0%	6.2%	11.9%
SCUBA	0.1%	0.5%	1.2%
Kayak	0.3%	1.4%	2.1%
Water Exercise	8.2%	10.7%	17.4%
None	1.3%	1.0%	2.5%

Individuals define a "pool" in many ways. The competitive swim community defines a pool as a traditional rectangle (25Y or 50M) with water temperature in the 79-82-degree range and preferably at least one section of deeper (8 feet +). The fact that the top programs are "learn to swim" and "water exercise" point to a different type of pool. Participants in these programs are looking for warmer water (86-88 degrees) and more importantly shallow water (zero depth to 4 feet). Those specific characteristics point to the possibility of a leisure pool with active elements and 3-4 integrated lap lanes. In terms of operational realities, while a leisure pool comes with a higher operational cost, it also comes with the ability to recover more of its operational cost, in contrast to a traditional rectangle.

Another body of water that could accommodate the programmatic wants based on the survey is a therapy pool.

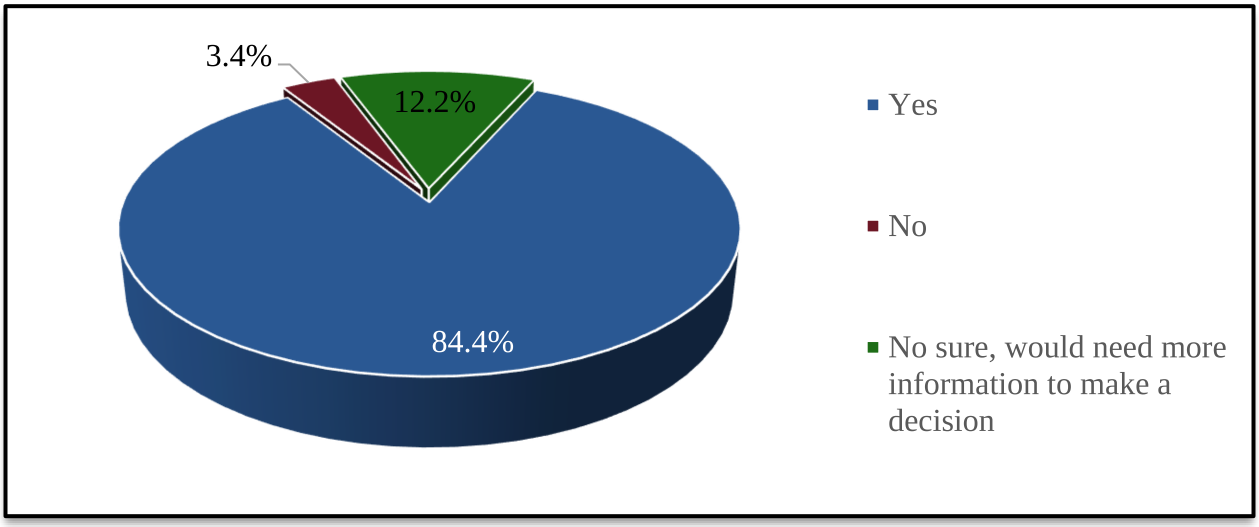
11. If you are a resident of the City of Livingston and a facility was built that met your needs as well as other currently unmet community needs, would your household be willing to increase property taxes by $160 a year (approximately $13.35 a month) to fund at least a portion of the cost of building the project?



- Yes – 461
- No – 51
- Not sure, would need more information to make a decision – 220

This is a strong indicator that this type of facility is wanted by the residents that responded to the survey. Typically, anything over a 50% "yes" response is considered very favorable. It will be equally important for Livingston to develop an information campaign to provide individuals with the additional information they require.

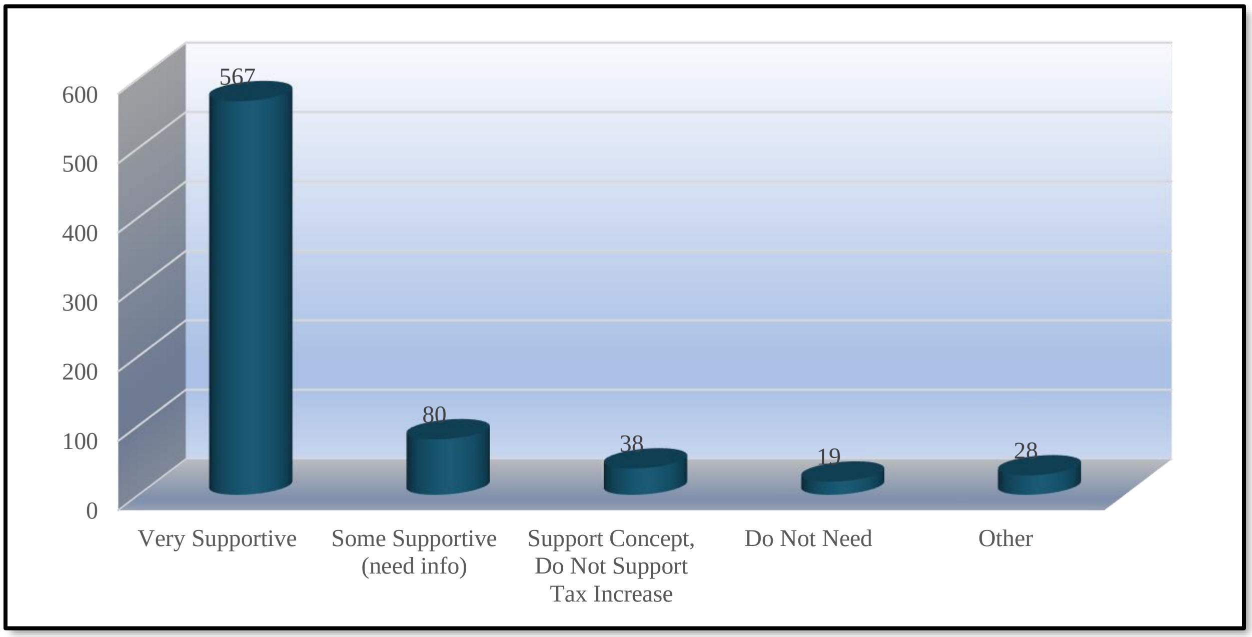
12. If you are a resident of the 59047 zip code (including the city) and a facility was built that met your needs as well as other currently unmet community needs, would your household be willing to increase property taxes by $30 a year (approximately $2.50 a month) to fund a portion of the cost of operating the project?



- Yes – 618
- No – 25
- Not sure, would need more information to make a decision – 89

Again, this level of support is very favorable to the success of the project.

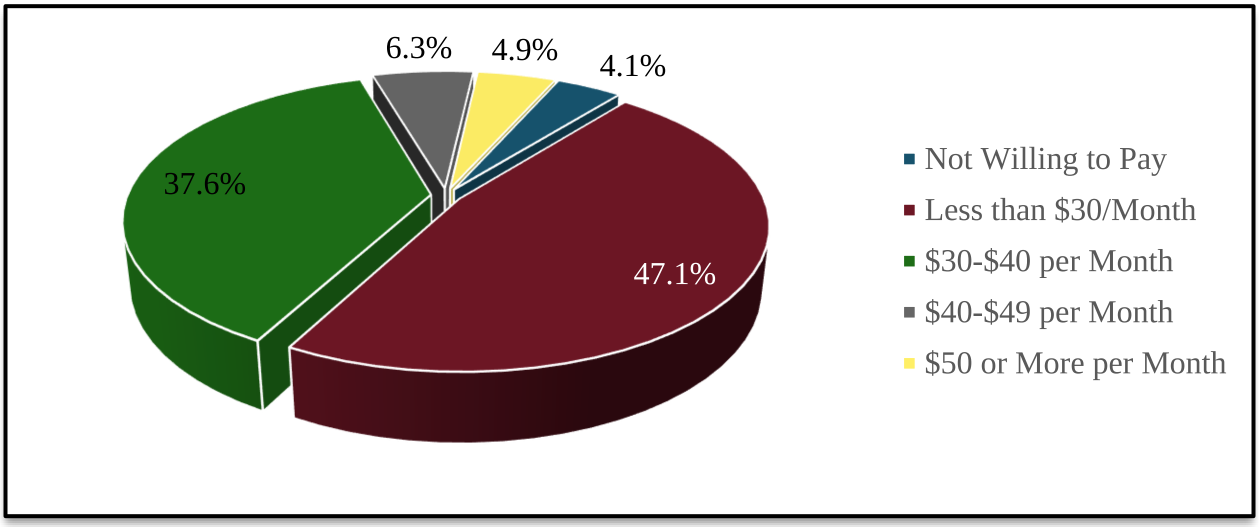
13. Which ONE of the following is the major reason for your response to Question 11 or 12?



- Very Supportive – 77.5%
- Somewhat supportive, but need additional information – 11.0%
- I support the concept of a new indoor aquatic or recreation amenities in Livingston but do not support increasing taxes for its construction and/or operation – 5.2%
- I do not think there is a need for any additional indoor aquatic or recreation amenities in Livingston – 2.6%
- Other – 3.8%

It will be important for Livingston to determine if the overwhelming supportive sentiment is reflective of the entire community. For those that are somewhat supportive, but need additional information, Livingston has a 50/50 chance of moving them to very supportive. The remaining groups will not likely change their mind unless there is a special need the facility meets.

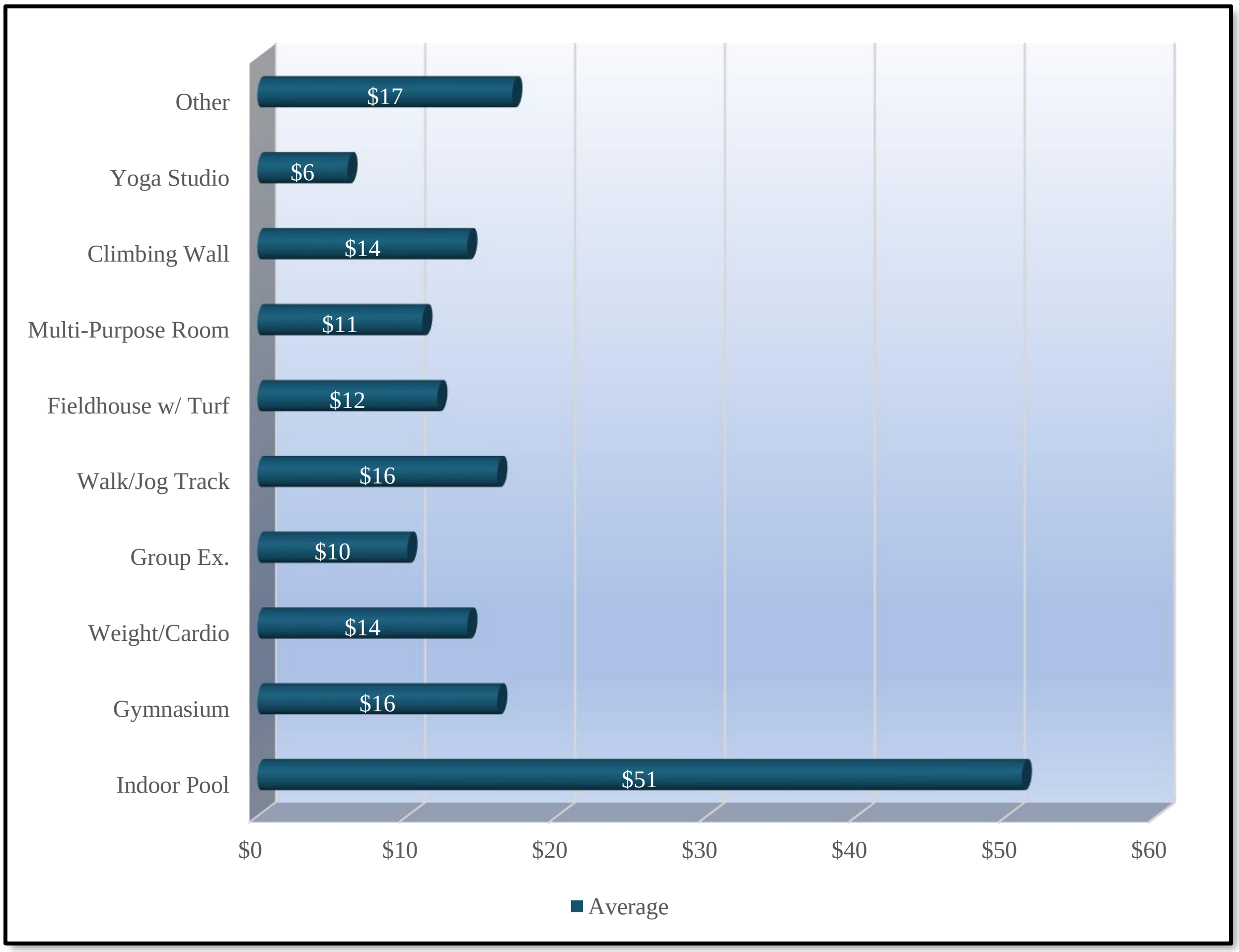
14. A portion of the operating cost for a new aquatic and recreation facility would need to be covered by user fees. From the list below, please indicate the maximum amount you would be willing to pay per month as an individual to use a new facility if it had the features that you prefer.



- Not willing to pay – 30
- Less than $30 per month – 345
- $30-40 per month – 275
- $40-49 per month – 46
- More than $50 per month – 36

This information will be important to consider when developing the operational plan for the proposed facility. But, the fact that over 95% of respondents are willing to pay at least something to use the facility is very positive.

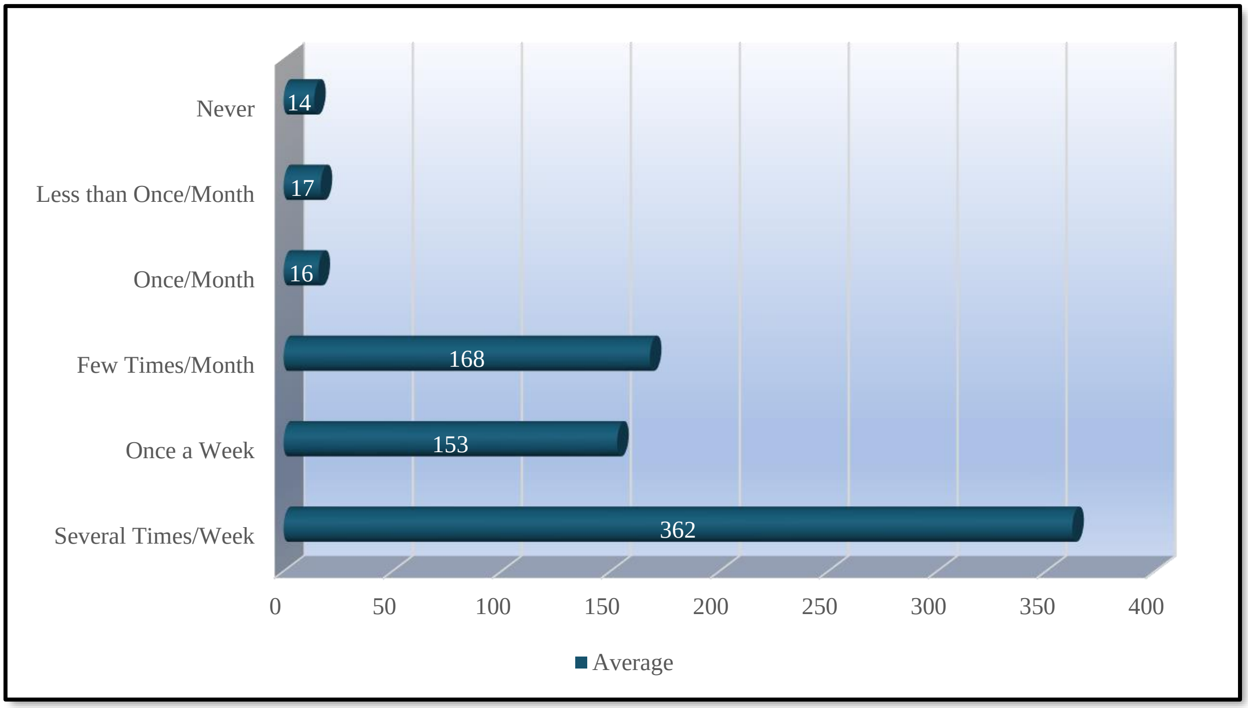
15. As an example, if there was $100 to spend on a new aquatic and recreation facility, how would you distribute the money among the categories listed below? Please be sure your total adds up to $100.



	Total Spent
• Indoor Pool – 712	$36,661
• Indoor Walk/Jog Track – 445	$6,962
• Gymnasium – 420	$6,528
• Weight/Cardio Equipment Area – 377	$5,462
• Climbing Wall – 369	$5,080
• Multi-Purpose Room – 318	$3,398
• Fieldhouse w/ Turf – 284	$3,350
• Group Exercise Room – 317	$3,086
• Other – 79	$1,358
• Yoga Studio – 217	$1,315

Again, this points to the need for an indoor pool along with an indoor walk/jog track.

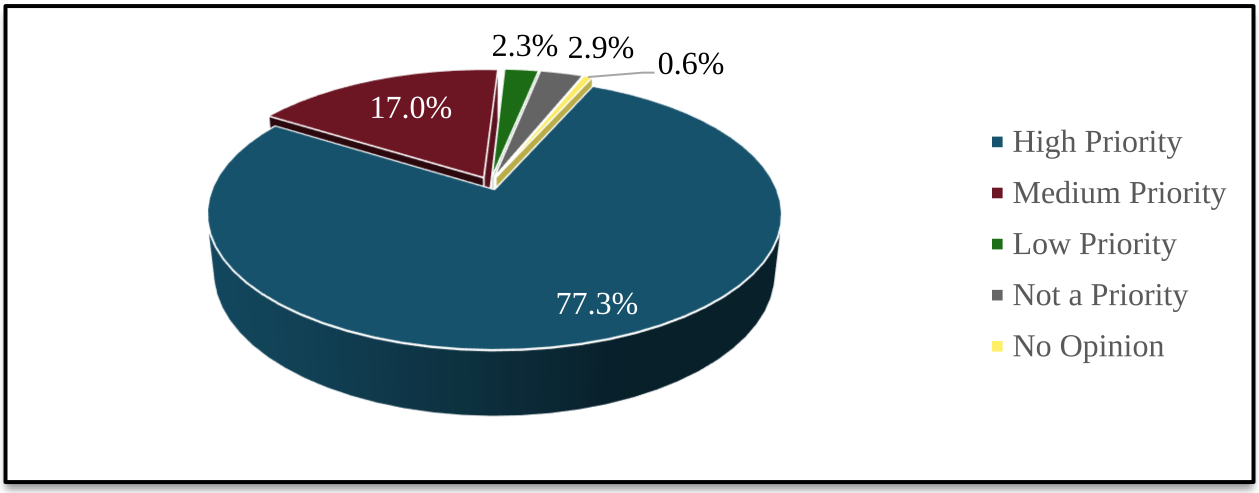
16. If a new indoor aquatic and recreation facility were built in Livingston with the features that your household desires, how often would your household use the facility?



- Never – 14
- Less than once a month – 17
- Once a month – 16
- Few times a month – 168
- Once a week – 153
- Several times a week – 362

This points to strong support of an indoor recreation facility.

17. In your opinion, how important is it to develop a new indoor aquatic and recreation facility in Livingston?



- Do not have an opinion – 4
- Not a priority at all – 21
- A low priority – 17
- A medium priority – 124
- A high priority – 564

Respondents indicated that a new indoor aquatic and recreation facility is a high priority for Livingston.

Community Meetings

Two different community meetings were held at key points in the study. The first was held on May 20, 2019. The intent of this meeting was to introduce the study, the tasks that were going to be completed and learn more about community needs and priorities for indoor recreation. The meeting started with a review of the market analysis portion of the study and the results of the survey. Participants were asked to respond to a series of posters around the gym that indicated potential different elements that could be included in the facility. By placing post-its on the top priorities a form of dot-o-cracy was used to determine the top amenities. The summary of this exercise is shown below.

COMMUNITY MEETING "DOT-O-CRACY" RESULTS		
Rank	Program Element	Votes
1	Competition/Lap Pool	86
2	Family Indoor Leisure Pool	70
3	Indoor Walk / Jog Track	51
4	Field House	37
5	Wellness Pool	32
6	Gymnasium	22
7	Open Fitness	18
8	Group Fitness	16
9	Child Watch	15
10	Community Meeting Rooms	13
11	Senior Lounge	12
12	Community Services	9
13	Licensed Daycare	6
14	Café / Concessions	6
15	Party Room	3

The second community meeting was held on July 22, 2019. Utilizing all the information that was gathered through the community input process, three different facility options were presented for consideration by the participants. There was support for building a facility that featured a new gym and track rather than renovating the existing Civic Center.

Section III – Concept Plan & Cost Estimate

After reviewing the information that was gathered through the market analysis and community input portions of the project, three different possible options for a community recreation center were developed by Barker Rinker Seacat Architecture.

Option 1 – Full-Service Recreation Center

This option contains the following key elements, recreation/teaching pool, lap pool, fitness area, gymnasium, walk/jog track, community room, licensed daycare, partner/wellness space, and a climbing wall.

OPTION 1
Program Elements
69,913 SF
Administration
Lobby / Support
Locker Spaces
Partner / Hospital Wellness
Child Watch (drop-in childcare for center users)
Licensed Daycare for 24 to 30 children
Park Restrooms
160 Person Community Room
Regulation Gym (2 full-sized basketball courts)
14 Lap / mile elevated walk / jog track
2,000 SF of Weight and Fitness
30-35 Person Aerobic Dance Studio
5/6 Person Climbing Wall
Aquatic Support Space
Specialty Aquatic Amenity (slide, etc.)
6 Lane / 25-yard Lap Pool
5,400 SF Recreation/Teaching Pool
LEED Gold Certification

LEGEND
1. BUILDING ENTRY
2. CONTROL DESK
3. GYMNASIUM
4. CLIMBING WALL
5. ADMIN OFFICES
6. STAIR
7. ELEVATOR
8. LOUNGE
9. LOCKER ROOMS
10. OUTDOOR RESTROOMS
11. LEISURE POOL
12. LAP POOL
13. SUN DECK
14. POOL / BUILDING MECH
15. EVENT HALL
16. CHILDWATCH
17. PRESCHOOL
18. RESTROOMS
19. COMMUNITY ROOM
20. KITCHEN
21. WELLNESS
BASEBALL FIELD
NORTH
YELLOWSTONE RIVER
SITE ENTRY
PARKING
SKATE PARK
DROP-OFF
PLAYGROUND
SERVICE ACCESS
OUTDOOR GYM
AMPHITHEATER
GREAT LAWN
BARKER RINKER SEACAT ARCHITECTURE
07/22/2019
RECREATION & CIVIC CENTER AT LIVINGSTON, MONTANA
MAIN FLOOR

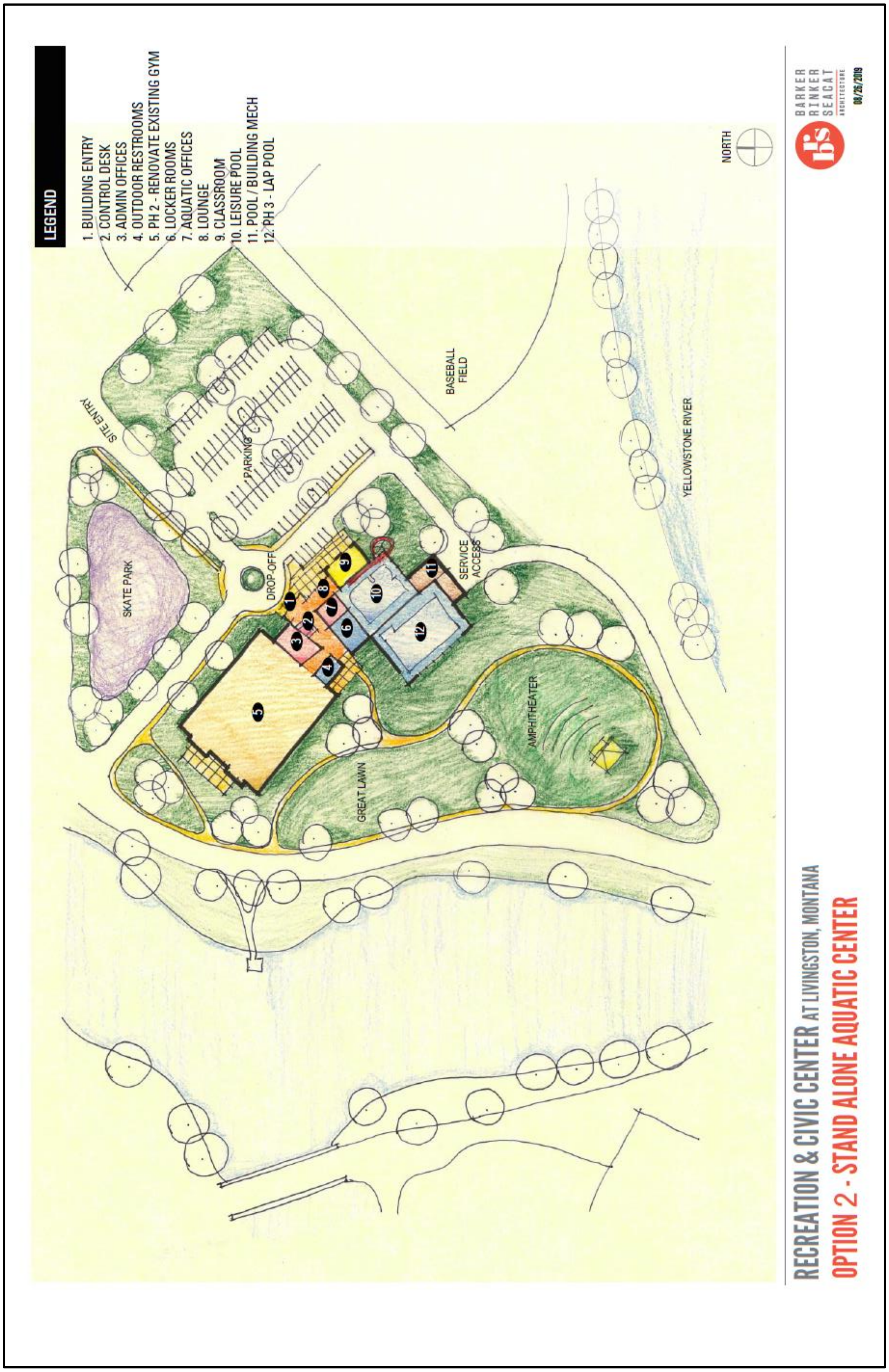
LEGEND
1. STAIR
2. ELEVATOR
3. FITNESS
4. WALK / JOG TRACK
5. AEROBICS/ GROUP FITNESS
NORTH
OPEN
OPEN
OPEN
OPEN
BARKER
RINKER
SEACAT
ARCHITECTURE
07/22/2019
RECREATION & CIVIC CENTER AT LIVINGSTON, MONTANA
MEZZANINE FLOOR

Option 2 – Aquatic Center

The other option is a facility that contains the key element that was identified in the community input process, an indoor pool. The first phase would be a recreation/teaching pool and the second phase would add the lap pool. Each option would also include a small community room. The possible renovation of the existing Civic Center gymnasium is a third phase.

OPTION 2
Program Elements
Phase 1: 18,154 SF
Administration
Lobby / Support
Locker Spaces
50 Person Community Room
Park Restrooms
Aquatic Support
2,500 SF Recreation/Teaching Pool
Phase 2: 8,602 SF
6 Lane / 25-yard Lap Pool
Phase 3: 12,008 SF
Renovation of Existing Civic Center Gymnasium

Note: The recreation/teaching pool in this option is less than ½ the size of the current outdoor pool.



LEGEND
1. BUILDING ENTRY
2. CONTROL DESK
3. ADMIN OFFICES
4. OUTDOOR RESTROOMS
5. PH 2 - RENOVATE EXISTING GYM
6. LOCKER ROOMS
7. AQUATIC OFFICES
8. LOUNGE
9. CLASSROOM
10. LEISURE POOL
11. POOL / BUILDING MECH
12. PH 3 - LAP POOL
NORTH
SITE ENTRY
PARKING
BASEBALL FIELD
YELLOWSTONE RIVER
SKATE PARK
DROP-OFF
SERVICE ACCESS
AMPHITHEATER
GREAT LAWN
BARKER RINKER SEACAT ARCHITECTURE
08/26/2019
RECREATION & CIVIC CENTER AT LIVINGSTON, MONTANA
OPTION 2 - STAND ALONE AQUATIC CENTER

Capital Cost Estimate Summary

An initial capital cost estimate has been completed for each of the three center options. Cost estimates are based on a mid-point of construction being April 1, 2022.

	Option 1	Option 2	Option 3 (Option2 w/Lap Pool)	Option 3 (Option 2 w/Gym Renovation)
Building SF	**69,913**	**18,154**	**8,602**	**12,008**
Average Cost Per SF	**$627**	**$592**	**$600**	**$312**
Total Project Cost	**$43,846,558**	**$10,740,952**	**$5,157,320**	**$3,747,080**

Project cost refers to the total cost of construction plus all soft costs (design, site, furnishings, permits, etc.) for the center.

Section IV – Operations Analysis

The following operations analysis has been completed for the planned Livingston Community Recreation Center. The following are the basic parameters for the project.

- Budget numbers for the two different facility options have been developed including a third option that adds a 6 lane x 25 yard lap pool to option 2.
- The first year of operation will be 2022 or later. This budget represents the second full year of operation.
- The presence of other providers in the market will remain the same.
- The center will be operated by the City of Livingston.
- This operations estimate is based on the program and concept plan for the facility as developed by Barker Rinker Seacat Architecture.
- Revenues for option 1 includes lease payments for operation of the licensed childcare aspect of the facility. Additional lease revenue is also shown for a physical therapy partner.
- The admission fees for the center are comparable to other facilities in the market and for the amenities that are available.
- A reasonably conservative approach to estimating use and revenues from pass sales and programs taking place at the facility has been used for this pro-forma. The center will need to draw well from the entire Secondary Service Area on a consistent basis.

Hours of Operation: The projected hours of operation of the Livingston Recreation Center are as follows:

	Option 1	Options 2 & 3
Days	**Hours**	**Hours**
Monday - Friday	5:00am – 10:00pm	6:00am – 8:00pm
Saturday	7:00am – 8:00pm	8:00am – 6:00pm
Sunday	Noon – 8:00pm	Noon – 6:00pm
Total Hours Per Week	106	86

Hours usually vary some with the season (longer hours in the winter, shorter during the summer), by programming needs, use patterns and special event considerations.

Projected Fee Schedules: Revenue projections and attendance numbers were calculated from these fee models. This is the projected rate for 2022 (or later) based on the possible opening date for the center.

Option 1

	Daily	3 Month	Annual	Monthly EFT
Adult (18 up)	$9.00	$180	$475	$43
Youth (2-17)	$7.00	$105	$275	$26
Senior (60+)	$7.00	$150	$400	$36
Household[7]	N/A	$300	$800	$70

3 Month and Annual Pass Benefits: Basic land and water fitness classes are included.

Options 2 & 3

	Daily	3 Month	Annual	Monthly EFT
Adult (18 up)	$5.00	$115	$300	$28
Youth (2-17)	$4.00	$85	$225	$22
Senior (60+)	$4.00	$85	$225	$22
Household[8]	N/A	$225	$600	$53

Note: Rates include drop-in access to the existing gym at the Civic Center.

3 Month and Annual Pass Benefits: Basic water fitness classes are included.

Note: Monthly EFT is not another form of admission but represents the cost of an Annual pass broken down on a monthly basis (with a fee for monthly transactions) and withdrawn from the pass holder's bank account on an automatic basis. This would be a month to month commitment only, but cancellation and reactivation would require the pre-payment equal to two months.

Fitness $9.00 Daily fee per class

[7] Includes 2 adults and up to 3 youth, each additional adult would be $95/$250 and each additional youth $40/$95.

[8] Includes 2 adults and up to 3 youth, each additional adult would be $95/$250 and each additional youth $40/$95.

Operations Analysis Summary:

The following figures summarize the anticipated operational expenses and projected revenues for the operation of the Livingston Recreation Center's two options, plus option 3 which is option 2 with the addition of the lap pool.

Category	Option 1	Option 2	Option 3 Option 2 w/ Lap Pool
Expenses	$ 1,811,120	$ 670,366	$ 906,541
Revenues	$ 923,620	$ 392,123	$ 444,762
Difference	(887,501)	(278,243)	(461,779)
Recovery %	51%	58%	49%

This represents the second full year of operation.

This operations analysis was completed based on general information and a basic understanding of the project with a preliminary program and concept plan for the center. As a result, there is no guarantee that the expense and revenue projections outlined above will be met as there are many variables that affect such estimates that either cannot be accurately measured or are not consistent in their influence on the budgetary process.

Future Years: Expenditure - Revenue Comparison: Expenses for the first year of operation of the center should be slightly lower than projected with the facility being under warranty and new. However, revenues can also be less than year two as the recreation center gears up. Revenue growth in the first three years is attributed to increased market penetration and in the remaining years to continued population growth, new programs or fee increases. Revenue growth in years one and two can be as much as 10% but usually declines to 5% in year three. At the end of this time period revenue growth begins to flatten out. Expenses generally increase by 3% to 4% in the first three years, then begin to rise by 5% or more in years four and five.

Expenses:

Expenditures have been formulated based on the costs that are typically included in the operating budget for this type of facility. The figures are based on the size of the recreation center, the specific components of the facility and the projected hours of operation. Actual costs were utilized wherever possible and estimates for other expenses were based on similar facilities. All expenses were calculated as accurately as possible, but the actual costs may vary based on the final design, operational philosophy, and programming considerations adopted by staff.

Category	Option 1	Option 2	Option 3
Personnel (new positions)			
Full-time	394,200	137,700	178,200
Part-time	889,292	330,259	451,994
Total	$ 1,283,492	$ 467,959	$ 630,194
Commodities			
Office supplies	10,000	4,000	5,000
Chemicals	25,000	10,000	20,000
Maintenance/repair/materials	20,000	8,000	11,000
Janitor supplies	15,000	6,000	7,000
Recreation supplies	30,000	8,000	10,000
Uniforms	3,500	2,000	2,700
Printing/postage	15,000	8,000	10,000
Concession food	-	0	0
Items for Resale	4,000	2,000	2,500
Other Misc. expenses	2,000	500	750
Total	$ 124,500	$ 48,500	$ 68,950

Category	Option 1	Option 2	Option 3
Contractual			
Utilities	245,000	72,800	107,000
($3.50 SF/Options 1&2; $4.00 SF/Options 3&4)			
Water/sewer	20,000	10,000	15,000
Insurance	15,000	6,000	9,000
(property & liability)			
Communications	4,000	3,000	3,500
(phone)			
Contract services	45,000	27,000	30,000
Rental equipment	2,000	2,000	2,000
Advertising	10,000	5,000	7,000
Training	4,000	2,500	3,000
Conference	3,000	2,000	2,500
Trash Pickup	3,000	2,000	2,000
Dues/subscriptions	1,500	1,000	1,000
Bank charges	22,629	9,607	10,897
Other	3,000	1,000	1,500
Total	$ 378,129	$ 143,907	$ 194,397
Capital			
Replacement fund	$ 25,000	$ 10,000	$ 13,000
Grand Total	**$ 1,811,120**	**$ 670,366**	**$ 906,541**

Revenues:

The following revenue projections were formulated from information on the specifics of the project and the demographics of the service areas as well as comparing them to state and national statistics and other similar facilities in the area. Actual figures will vary based on the size and make-up of the components selected during final design, market stratification, philosophy of operation, fees and charges policy, and priorities of use.

Category	Option 1	Option 2	Option 3
Fees			
Daily Admissions	57,600	19,080	22,680
3 Month Pass	35,625	18,200	19,900
Monthly Annuals*	305,712	110,857	116,541
Annuals	157,914	56,291	59,177
Group/Corporate	10,000	6,000	7,000
Aquatic Rentals	26,210	8,585	24,335
Lease Space (Partner/Pre-school-$12/SF)	66,000	0	0
General Facility Rentals	33,280	7,280	7,280
Total	$ 692,342	$ 226,293	$ 256,913
Programs**			
Aquatics	64,174	43,530	64,174
Fitness/General	152,104	116,300	116,300
Total	$ 216,278	$ 159,830	$ 180,474
Other			
Resale items	5,000	2,500	3,125
Concessions	-		
Special events	2,000	500	750
Vending (net from contract)	8,000	3,000	3,500
Total	$ 15,000	$ 6,000	$ 7,375
Grand Total	**$ 923,620**	**$ 392,123**	**$ 444,762**

Staff:

The determination of full-time and part-time staff positions was developed based on the expected use of the recreation center, the hours of operation, the key amenities that are contained in the center and operational practices of the facility. These figures contain expected instructors for a variety of recreation and aquatic programs that may be occurring at the facility.

Pay rates were determined based on basic job classifications and wage scales for existing positions. The wage scales for staff positions reflect an anticipated wage for 2022.

Full-Time

		Option 1		Option 2		Option 3	
New Full Time Staff	**Salary**	**Positions**	**Total**	**Positions**	**Total**	**Positions**	**Total**
Recreation Center Manager	$45,000	1	$45,000	0	$0	0	$0
Aquatics Supervisor/Asst. Manager	$40,000	1	$40,000	1	$40,000	1	$40,000
Recreation Supervisor Fitness	$40,000	1	$40,000	0	$0		$0
Recreation Supervisor General	$40,000	0	$0	0	$0		$0
Accounting Clerk	$30,000	0	$0	0	$0		$0
Maintenance Foreman	$43,000	1	$43,000	0	$0		$0
Custodian	$32,000	2	$64,000	1	$32,000	1	$32,000
Front Desk Supervisor	$30,000	1	$30,000	1	$30,000	1	$30,000
Head Lifeguard	$30,000	1	$30,000	0	$0	1	$30,000
Positions		8		3		4	
Salaries			$292,000		$102,000		$132,000
Benefits	35.00%		$102,200		$35,700		$46,200
Total Full-Time Staff			**$394,200**		**$137,700**		**$178,200**

Part-Time

New Part-Time	Rate	Option 1 Hours	Option 1 Weeks	Option 1 Total	Option 2 Hours	Option 2 Weeks	Option 2 Total	Option 3 Hours	Option 3 Weeks	Option 3 Total
Front Desk Sup	$ 13.00	66	52	$ 44,616.00	51	52	$ 34,476.00	51	52	$ 34,476.00
Front Desk Attend	$ 12.00	106	52	$ 66,144.00	26	52	$ 16,224.00	26	52	$ 16,224.00
Lifeguard	$ 13.00	616	52	$ 416,702.00	253	52	$ 170,794.00	406	52	$ 274,183.00
Gym Attendant	$ 12.00	51	30	$ 18,360.00	0	30	$ -	0	30	$ -
Weight Room Attendant	$ 12.00	106	52	$ 66,144.00	0	52	$ -	0	52	$ -
Child Watch Attendant	$ 12.00	66	52	$ 41,184.00	0	52	$ -	0	52	$ -
Climbing Wall Attendant	$ 12.00	36	52	$ 22,464.00	0	52	$ -	0	52	$ -
Custodian	$ 12.00	51	52	$ 31,824.00	34	52	$ 21,216.00	34	52	$ 21,216.00
Total		1098		$ 707,438.00	364		$ 242,710.00	517		$ 346,099.00
F.T.E.		27.46			9.09			12.91		
Aquatics				$ 34,645.00			$ 27,365.00			$ 34,645.00
General				$ 66,364.00			$ 30,160.00			$ 30,160.00
Total				$ 808,447.00			$ 300,235.00			$ 410,904.00
Benefits	10.0%			$ 80,844.70			$ 30,023.50			$ 41,090.40
Total				**$ 889,291.70**			**$ 330,258.50**			**$ 451,994.40**

Admission Revenue:

The following spreadsheets identify the expected use numbers for each form of admission that the center will offer (see projected fee schedule) for each facility option.

Livingston Recreation Center Revenue Worksheet Option 1

Daily Fees	Fees	Number	Revenue
Adult	$9.00	10	$90
Youth	$7.00	3	$21.00
Senior	$7.00	7	$49.00
Total		20	$160
			x 360 days/year
Grand Total			$57,600
	% of users	% of fee increase	
Non. Res.	0%	0%	$0
Adjusted Total			$57,600

3 Month Passes	Fees	Number	Revenue
Adult	$180	45	$8,100
Youth	$105	5	$525
Senior	$150	20	$3,000
Family	$300	80	$24,000
Total		150	$35,625
	% of users	% of fee increase	
Non. Res.	0%	0%	$0
Adjusted Total			$35,625

Month to Month	Fees	Number	Revenue	Months	Total Revenue
Adult	$43	122	$5,242	12	$62,904
Youth	$26	5	$127	12	$1,521
Senior	$36	68	$2,458	12	$29,492
Family	$70	293	$20,480	12	$245,764
Total		488	$28,307		$339,680
	% of users	% of fee increase			
Non. Res.	0%	0%			
Sub-Total					$ 339,680
Loss	10%		$0		$33,968
Adjusted Total					$305,712

Annual Passes	Fees	Number	Revenue	
Adult	$475	60	$28,521	25%
Youth	$275	2	$660	1%
Senior	$400	34	$13,450	14%
Family	$800	144	$115,284	60%
Total		240	$157,914	100%
	% of users	% of fee increase		
Non. Res.	0%	0%	$0	
Adjusted Total			$157,914	

Revenue Summary		Passes
Daily	$57,600	
3 Month	$35,625	
Month to Month	$305,712	488
Annual Passes	$157,914	240
Total	$556,852	728

Annual Passes equal 10% of the households (2023) in Primary Service Area (6,351)
Plus 5% of the households in the Secondary Service Area (1,854)

728 Annual passes have been divided with 2/3 being month to month and 1/3 pre-paid annual passes

Livingston Recreation Center Revenue Worksheet Option 2

Daily Fees	Fees	Number	Revenue
Adult	$5.00	5	$25
Youth	$4.00	4	$16.00
Senior	$4.00	3	$12.00
Total		12	$53
			x 360 days/year
Grand Total			$19,080
	% of users	% of fee increase	
Non. Res.	0%	0%	$0
Adjusted Total			$19,080

3 Month Passes	Fees	Number	Revenue
Adult	$115	20	$2,300
Youth	$85	5	$425
Senior	$85	10	$850
Family	$225	65	$14,625
Total		100	$18,200
	% of users	% of fee increase	
Non. Res.	0%	0%	$0
Adjusted Total			$18,200

Month to Month	Fees	Number	Revenue	Months	Total Revenue
Adult	$28	61	$1,707	12	$20,480
Youth	$22	2	$54	12	$644
Senior	$22	34	$751	12	$9,011
Family	$53	146	$7,753	12	$93,039
Total		244	$10,265		$123,174
	% of users	% of fee increase			
Non. Res.	0%	0%			
Sub-Total					$ 123,174
Loss	10%		$0		$12,317
Adjusted Total					$110,857

Annual Passes	Fees	Number	Revenue	
Adult	$300	30	$9,007	25%
Youth	$225	1	$270	1%
Senior	$225	17	$3,783	14%
Family	$600	72	$43,231	60%
Total		120	$56,291	100%
	% of users	% of fee increase		
Non. Res.	0%	0%	$0	
Adjusted Total			$56,291	

Revenue Summary		Passes
Daily	$19,080	
3 Month	$18,200	
Month to Month	$110,857	244
Annual Passes	$56,291	120
Total	$204,428	364

Annual Passes equal 5% of the households (2023) in Primary Service Area (6,351)
Plus 2.5% of the households in the Secondary Service Area (1,854)

364 Annual passes have been divided with 2/3 being month to month and 1/3 pre-paid annual passes

Livingston Recreation Center Revenue Worksheet Option 3

Daily Fees	Fees	Number	Revenue
Adult	$5.00	7	$35
Youth	$4.00	4	$16.00
Senior	$4.00	3	$12.00
Total		14	$63
			x 360 days/year
Grand Total			$22,680
	% of users	% of fee increase	
Non. Res.	0%	0%	$0
Adjusted Total			$22,680

3 Month Passes	Fees	Number	Revenue
Adult	$115	25	$2,875
Youth	$85	5	$425
Senior	$85	10	$850
Family	$225	70	$15,750
Total		110	$19,900
	% of users	% of fee increase	
Non. Res.	0%	0%	$0
Adjusted Total			$19,900

Month to Month	Fees	Number	Revenue	Months	Total Revenue
Adult	$28	64	$1,794	12	$21,530
Youth	$22	3	$56	12	$677
Senior	$22	36	$789	12	$9,473
Family	$53	154	$8,151	12	$97,809
Total		256	$10,791		$129,490
	% of users	% of fee increase			
Non. Res.	0%	0%			
Sub-Total					$ 129,490
Loss	10%		$0		$12,949
Adjusted Total					$116,541

Annual Passes	Fees	Number	Revenue	
Adult	$300	32	$9,468	25%
Youth	$225	1	$284	1%
Senior	$225	18	$3,977	14%
Family	$600	76	$45,448	60%
Total		126	$59,177	100%
	% of users	% of fee increase		
Non. Res.	0%	0%	$0	
Adjusted Total			$59,177	

Revenue Summary		Passes
Daily	$22,680	
3 Month	$19,900	
Month to Month	$116,541	256
Annual Passes	$59,177	126
Total	$218,298	383

Annual Passes equal 5.25% of the households (2023) in Primary Service Area (6,351)
Plus 2.65% of the households in the Secondary Service Area (1,854)

383 Annual passes have been divided with 2/3 being month to month and 1/3 pre-paid annual passes

Lap Pool Financial Implications

The capital and operational implications of including the lap pool in either of the two options is noted below.

Capital Cost Estimate: $5,157,320

Operations Estimate:

Expenses - $236,175

Revenues - $52,639

Difference - (183,536)

Section V – Partnerships

A significant number of new recreation facilities now involve some form of partnership with other community organizations and aquatic/recreation service providers. For partnerships to be effective the following must occur.

- Must actively pursue and sell the benefits of the partnership.
- Weigh the benefits vs. the cost of the partnership.
- Don't compromise on the original vision and mission of the project.
- Establish a shared partnership vision.
- Expect compromises to meet different needs and expectations.
- Clearly define development and operations requirements.

An important step in determining the feasibility of developing a new indoor recreation center in Livingston is to assess the partnership opportunities that exist with organizations that have indicated possible interest in pursuing such projects.

Through the feasibility and public input process portions of the study, a number of organizations and entities were identified as possible partners for the recreation center.

- Livingston Public Schools
- Park County
- Livingston Health Care
- Day Care Provider
- Community and other Non-Profit Organizations
- Private Health Clubs
- Other Recreation Service Providers
- Social Service Providers
- Retail Sales
- Aquatic/Sports Organizations
- Business and Corporate Community

The following is a general summary of the partnership assessment and recommendations for how to proceed with partnering on the recreation center.

Specific Project Roles – After reviewing the partnering assessment for each organization, the partnerships can be categorized into three possible levels.

Primary or Equity Project Partners – These would be the main partners in the project who have the most interest, the ability to fund, and a willingness to be a part of the development and operation of the facility.

- *Livingston Health Care* – For a recreation center with a well-equipped fitness center, and a warm water pool, there could be an opportunity to attract Livingston Health Care to utilize the facility for therapy or rehabilitation purposes. This could even involve a lease of space for an on-site presence by the organization. There will need to be a strong effort to develop a contract with them for this purpose that would cover any operating costs and the capital cost of the space amortized over a ten-year period. If there is no dedicated space in the building, then having an agreement for the payment for use of certain aspects of the center on a per hour basis would be necessary.

- *Day Care Provider* – In two of the options for the recreation center, a day care center has been proposed. It is not anticipated that the City will operate this aspect of the facility but will instead contract with an outside organization for this service. A lease that covers anticipated operating costs and a portion of the capital cost should be a goal.

- *Livingston Public Schools* – The school district's role in a new recreation facility would probably be for a competitive pool or possibly additional gym space. Pursuing some capital funding for the lap pool is advised but may be difficult to obtain. However, any space that is utilized in the center (pool or gym) should require a fee for use. This could certainly help to off-set operating costs for the facility.

- *Park County* – The role of the County in the project would be minimal but since the center would serve County residents as well as City users, providing some level of capital and/or operational funding should be pursued. It should be expected that at minimum Park County would endorse the project and publicly support its development.

There are a number of realistic opportunities to have an equity partner for the recreation center and there could in fact be multiple partners.

Secondary Project Partners – These organizations could have a direct interest in a recreation center project but not to the same level as a primary partner. Capital funding for the project is unlikely but there could be some assistance with program and service delivery.

- *Private Health Club* – A partnership would most likely be to provide fitness and wellness programming in the center as an alternative to all in-house programming. These services should be offered on a contract basis with a split of gross revenues at a rate of 70% for the vendor and 30% for the center.

- *Retail Sales* – It may be possible to integrate some local retail services into the recreation center. This could come in the area of a small drink/food service operation and/or a small area to sell sports, recreation and fitness goods. The center should either lease space in the building for these purposes or take a percentage of any goods that are sold.

- *Other Recreation Service Providers* – In an effort to offer a wide variety of programs and services, partnering with select outside recreation providers is encouraged. These services should also be offered on a contract basis with a split of gross revenues at a rate of 70% for the vendor and 30% for the center. Some of these other providers could include a Boys & Girls Club, YMCA or other groups.

- *Social Service Providers* – Broadening services to include some social services to center users (especially teens and seniors) should be encouraged. There are a number of local providers in the Livingston area that may be able to provide some of these services.

The key factor with the secondary partners is to determine what programs and services are most appropriate for this delivery method realizing that there is the potential for overlapping services.

<u>Support Partners</u> – These organizations support the development of a new recreation center but would see limited to no direct involvement in the development or operation of the facility.

- *Aquatic/Sports Organizations* – Local aquatic/sports organizations could be primary users of a new recreation center if the amenities that they need are available (gymnasiums, pools, etc.) and support their activities. It should be expected that these groups would be strong supporters of the center and would pay for their use of the facility.

- *Community Organizations* – Developing working relationships with community organizations and service clubs could provide much needed support for the project as well as generate possible users of the center.

- *Business and Corporate Community* – It is important to approach the business and corporate community with a variety of sponsorship opportunities to enhance the revenue prospects of the facility.

Support partners would have a limited impact on the development and operation of the Livingston Recreation Center, but their involvement in the process should still be a priority to build overall awareness of the project and help promote its use. As possible on-going users of the facilities they could provide a solid revenue stream for the amenities.

As a new recreation center becomes closer to reality, the opportunities for partnering will increase. A well written partnership agreement will need to be drafted between any organizations involved in the project. The agreement should clearly outline the capital funding requirements, project ownership, priorities of use/pricing, operating structure, facility maintenance and long-term capital funding plan. These agreements must be approved prior to committing to begin design or construction of the center.

Section VI – Funding Analysis

It is recognized that a new Livingston Recreation Center will likely be funded through a number of public and private sources. This leaves a number of possible funding sources that should be investigated. Although this is not meant to be an exhaustive list it does indicate possible available funding sources. These include:

Capital Funding Sources

Partnerships – There is the potential of including equity (capital and/or operational funding) partners in the project. This may include a partnership with one of the organizations noted above or another not yet identified partner. There will be a limit on the number of these types of partners that can be established for a project due to potential competing interests. Partnership dollars received from other organizations are expected to be limited and will probably generate no more than 5%-10% of the total capital cost of the project. A more detailed partnership assessment will be necessary to determine a realistic level of funding for the project.

Fundraising – A possible source of capital funding could come from a comprehensive fundraising campaign in the City and County. Contributions from local businesses, private individuals and social service organizations would be included in the outreach effort. To maximize this form of funding a private fundraising consultant may be necessary. A realistic fundraising goal is 5% to 10% of the capital costs of a project.

Foundations – There are a number of significant foundations in the greater Livingston area that could be capital funders for significant portions of the facility. This includes the Park City Community Foundation, AMB West Philanthropies, BNSF, as well as several others. Reaching out to these foundations to determine their level of interest, the key amenities that they would support and other project requirements for possible funding will be important. It is possible that 25% to 50% of the project may be able to be funded through several foundations.

Grants - It is more difficult to fund active, indoor, recreation facilities than parks and open space from grant sources, but an effort should be made to explore these options. Key aspects of the project that should be targeted for grants is anything related to youth, teens, seniors, people with disabilities, families and lower income households. There may also be grant opportunities for energy conservation and green building initiatives. Major funding from this source is unlikely but could provide in the range of 3% to 5% of the capital costs.

Naming Rights and Sponsorships – Although not nearly as lucrative as for large stadiums and other similar facilities, the sale of naming rights and long-term sponsorships could be a source of some capital funding as well. It will be necessary to hire a specialist in selling naming rights and sponsorships if this revenue source is to be maximized to its fullest potential. No lifetime naming rights should be sold. The industry standard is 20 years maximum. Determining the level of financial contribution necessary to gain a naming right will be crucial. This could mean a contribution of up to 25% of the total cost of the entire project for overall facility naming rights or 50% to 100% for individual spaces (specific areas, or spaces) within a facility center itself. It should be recognized that the maximum potential for this funding source is probably 25% to 50% of the total capital cost.

Even when all of the potential funding sources noted above are combined, they will at best generate a funding level of 50% to 60% of the capital for the project. It is clear that a primary source of funding will have to come from tax dollars.

City of Livingston – Assuming that the City is going to be a primary funding agent for the recreation center, several options to acquire the necessary tax dollars for the facility will need to be evaluated.

> *General Fund* – The utilization of any existing non allocated tax dollars for the project. This is not a likely source for significant funding.
>
> *Capital Improvement Fund* – Project funding from City resources allocated for major capital projects. This is also not a significant source of funding.
>
> *Bond Measure* – A voter passed tax initiative to fund projects through a property tax increase. This is a more likely route for project funding. It is estimated that this would be for a maximum of $10 million.
>
> *Certificates of Participation* – A form of lease-purchase, COP's are issued for debt periods similar to normal bonds but the facility itself serves as the collateral. This funding mechanism does not require voter approval.
>
> *Community Development Block Grant* - The City could likely allocate up to $1 million in CDBG funding for the project.
>
> *United States Department of Agriculture* – The USDA has a loan program for more rural communities that can be used for recreation purposes but not a pool. The City would be eligible for a loan for approximately $5 million, but it would have to be allocated for portions of the center that are not directly related to the pool.

Special Parks and Recreation District - Another possible funding option is to establish a special district that would be in the portion of the County that surrounds Livingston. This would require a special election to set-up a level of property tax funding that would come from the District. This would increase the tax base and lower the cost to individual taxpayers as a result.

Park County Funding **–** It is not expected that any significant tax dollars will come from County funding, but this should be requested as the center will serve their residents as well.

Montana State Legislative Funding – The state legislature has the ability through a general appropriation or state referendum to provide a grant for new recreation facilities. This source of funding will be likely be difficult to obtain.

Federal Funding – Obtaining some level of federal funding for the project is unlikely, but not impossible. There has been limited funding for evacuation shelters and also for energy efficiency initiatives.

Capital Cost Funding Scenario

Source	Possible Amount	Percentage of Project
City of Livingston (Bond and USDA Loan)	$12 Million	25% to 100%
City of Livingston (CDBG)	$1 Million	4% to 10%
Partnerships	$1-$2 Million	5% to 10%
Fundraising	$1-$2 Million	5% to 10%
Foundation	$5-$15 Million	25% to 50%
Grants	$0-$1 Million	0% to 5%
Naming Rights	Will likely be an aspect of fundraising or foundation participation	
Park County	$0	
Special Parks & Recreation District	Funding will be used for the operations subsidy	
Park County	$0	
Montana State Funding	$0	
Federal Funding	$0 to $500,000	Less than 1%

Operations Funding Sources

It is projected that a new recreation center will have an operational subsidy that will be required to support on-going operations on a yearly basis. As a result, a funding plan for the required subsidy will be necessary.

City of Livingston – It is anticipated that some responsibility for an operational subsidy will fall on the City. However, the City will need to identify how the subsidy will be handled and from what source the funding will come from. This would likely require an increase in the operational mill levy.

Special Parks & Recreation District – One of the primary purposes of establishing a new District would be to fund a majority of the annual operational subsidy. This would require the establishment of an operational mill levy for this purpose.

Partnerships – With any equity partners for the project it is possible that the facility could receive some operational funding from this source. A carefully worded partnership agreement will be necessary to confirm and guarantee the level of funding that is possible and the length of time that it should be expected.

Endowment Fund – This would require additional funding from one or more of the foundations in the area to establish an operational endowment that would fund capital replacement and improvements at a facility. Fundraising for operational endowments can be challenging.

Sponsorships – The establishment of sponsorships for different programs and services as well as funding for different aspects of the facility's operation is possible. In most cases however, this provides a relatively low revenue stream for funding day to day operating costs.

Grants – There are grants for programs and services that serve the disadvantaged, youth, teens and seniors. It may be possible to acquire funding for specific programs from this source. Many grants are only for a set period of time (1 to 3) years which could mean the loss of the program if other funding cannot be found to replace the grant.

Operational Subsidy Funding Scenario

Source	Possible Amount	Percentage of Project
City of Livingston (Operational Millage)	$0 to $400,000 Annually	0% to 45%
Special Parks & Recreation District (Operational Millage)	$500,000 Annually	55% to 100%
Partnerships	$0-$100,000 Annually	0% to 5%
Endowment Fund	$0-$1 Million Annually	0% to 100%
Sponsorships	$0-$50,000 Annually	0% to 2.5%
Grants	$0-$100,000 Annually	0% to 5%

Foundation: It is highly recommended that the existing Park County Foundation be utilized as a funding conduit for the new recreation center. This will provide a way to collect a variety of funding dollars and donations as well as equity partner payments for the project. This may also make the project eligible for a broader range of grant dollars.