



STUDY OF A POTENTIAL NEW INDOOR SPORTS COMPLEX FOR JANESVILLE, WISCONSIN

January 24, 2019





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Ms. Jennifer Petruzzello
Neighborhood & Community Services Director
City of Janesville, Neighborhood & Community Services Department
18 N. Jackson Street
P.O. Box 5005
Janesville, Wisconsin 53547-5005

Dear Ms. Petruzzello:

Conventions, Sports & Leisure International (CSL) has completed a feasibility study for a proposed indoor sports complex in Janesville, Wisconsin, including a detailed analysis of market demand, supportable building program, ownership/management, site/location, and cost/benefit implications.

The analysis presented in this report is based on estimates, assumptions and other information developed from industry research, data provided by study stakeholders, surveys of potential facility users, discussions with industry participants and analysis of competitive/comparable facilities and communities. The sources of information, the methods employed, and the basis of significant estimates and assumptions are stated in this report. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur. Therefore, actual results achieved will vary from those described and the variations may be material.

The findings presented herein are based on analyses of present and near-term conditions in the Janesville area. As in all studies of this type, the recommendations and estimated results are based on competent and efficient management of the subject facility and assume that no significant changes in the event markets or assumed immediate and local area market conditions will occur beyond those set forth in this report. Furthermore, all information provided to us by others was not audited or verified and was assumed to be correct.

The report has been structured to provide study stakeholders with a foundation of research to provide decision makers with the information necessary to evaluate issues related to potential future decisions concerning the proposed development of a new indoor sports/recreation complex and should not be used for any other purpose. This report, its findings or references to CSL may not be included or reproduced in any public offering statement or other financing document.

We sincerely appreciate the assistance and cooperation we have been provided in the compilation of this report and would be pleased to be of further assistance in the interpretation and application of our findings.

Very truly yours,

CSL International

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EXECUTIVE SUMMARY

Conventions, Sports and Leisure International (CSL) was retained by the City of Janesville (City) and the Janesville Area Convention & Visitors Bureau (JACVB) to study the feasibility of a new Indoor Sports Complex in Janesville, Wisconsin. The attached report outlines the key findings associated with our research and analysis and is intended to assist the City, JACVB and other stakeholders in evaluating the viability of developing and operating a potential new Indoor Sports Complex. The full written report should be reviewed in its entirety to gain an understanding of the study's methods, limitations and implications.

Overall Conclusions

Based on the results of the feasibility study, key overall conclusions include the following:

1. Market demand exists to support a new Indoor Sports Complex in Janesville.
2. Core building program elements that are market supportable include:
 - a. Two ice sheets (main arena plus secondary arena with removable ice)
 - b. Flex/multipurpose space (for court, turf and dry floor events/activities)
 - c. Recreational space (indoor walking track and other family recreation space/amenities).
3. Demand conclusions were reached via a detailed outreach, interview and survey process, including:
 - a. Online survey of Janesville community members (totaling 1,435 responses)
 - b. In-person interviews with more than 75 local area individuals and representatives of sports leagues/organizations
 - c. Telephone interviews with more than 20 representatives of regional tournaments and other candidate athletic organization users.
4. The highest unmet facility need relates to the offering of a suitable facility capable of better serving and growing local hockey and skating programs, as well as allowing for the attraction of new usage (from tournaments and regional users). A new ice-based complex would also serve to protect the long-term viability of the Janesville Jets hockey team and significantly enhance fan experience.
5. The gross square footage of a potential new Indoor Sports Complex could approximate between 80,000 and 100,000 square feet (depending on the scenario). This would require a site of between 4.5 and 7.5 acres (including parking), depending on the scenario and the availability of other ancillary parking inventory nearby.
6. It is suggested that the City of Janesville serve as the owner and operator of the Complex.
7. There are compelling arguments for two general location areas in Janesville. The first would be a downtown location nearer the central business core than the current Janesville Ice Arena. The second would be northeast of downtown proximate to I-90 near the extensive retail and hospitality infrastructure that exists between the Janesville Mall and Northeast Regional Park.
8. Order-of-magnitude construction costs (excluding site costs) could range between \$24 million and \$29 million (in 2019 dollars).
9. Annual financial operating results would be estimated to outperform industry averages for comparable projects—ranging between a \$62,000 annual operating profit for the market supportable scenario to a \$49,000 annual operating deficit for a smaller facility scenario.
10. In addition to many intangible, quality of life-type benefits, a new Indoor Sports Complex will generate significant new economic impacts, including between \$15 million and \$17 million in new annual spending in Janesville, along with the associated generation of new jobs, personal income and tax revenue.

The remainder of this executive summary provides additional detail concerning study methods, key research and analysis findings, and cost/benefit implications.

Background and Methods

Types of components of a potential new Indoor Sports Complex that are the focus of the study include: one or more sheets of ice, indoor turf facilities, multipurpose/court facilities, a running/walking track, and an indoor playground. During the market survey and research phase, information was obtained concerning other indoor sports, recreation and leisure facility needs beyond these specific concepts, as well.

Specifically, the envisioned Janesville facility product would serve to: (1) provide a public resource for local residents (by accommodating local sports and recreation and entertainment events and activities); (2) enhance the ability to drive additional revenue for local sports and recreation programs and facilities; and (3) generate new economic impact (through attracting tournaments, and competitions with non-local participants and attendees).

The study process, outlined herein, consisted of detailed research and analysis, including a comprehensive set of market-specific information derived from the following:

- ✓ Experience garnered through more than 500 sports, recreation and event facility feasibility, planning and benchmarking projects throughout the country.
- ✓ Local market visits at the outset of the project, including community and facility tours, and discussions with study stakeholders.
- ✓ In-person and telephone interviews, meetings and focus groups with more than 75 local Janesville area individuals, representatives of sports organizations/clubs, government and academic institution officials, and local sports, tourism and business leaders.
- ✓ Research and analysis of local market conditions, existing facilities and infrastructure and amateur sports and recreation trends.
- ✓ Benchmarking research and analysis of facility data and interviews conducted with management of nearly 100 competitive and comparable sports and recreation complexes located throughout the region and country.
- ✓ Comparative analysis of socioeconomic data from competitive/comparable facility markets.
- ✓ Completed telephone interviews with 20 representatives of organizations/associations that run leagues and/or produce tournaments, meets and other competitions throughout the region.
- ✓ Online community survey developed for the project to assess local opinions/interest/use potential. Strong response resulted in 1,435 total responses. A 191-page summary of quantified responses and verbatim open-ended responses was developed and is attached to this report as an appendix.

Local Market Situation

The strength of a market in terms of its ability to support and utilize sports and recreation facilities is measured, in part, by the size of the local and regional market area population and its age, income and other characteristics. In addition to the demographic profile of the local and regional market area, other local market characteristics have relevance when considering the attractiveness of a particular community as a host for high quality sports and recreation complexes. These include items such as transportation

accessibility, climate, existing inventory of athletic facilities, and visitor amenities (such as hotels, attractions and other such items).

Transportation access to and from a potential new Janesville Indoor Sports Complex represents a key element of viability. Convenient local access to a potential new sports facility will be important to the local and regional sports participants who will be the primary users of those potential facilities, while regional access characteristics will likely influence the ability of the venue to attract tournaments drawing teams from throughout the Midwest.

The majority of existing indoor sports and recreation facilities in the Janesville area are those associated with area high schools. However, as is typical with school-based sports/rec facilities, date availability for non-school uses is often limited.

Owned and operated by the City of Janesville, the Janesville Ice Arena has been a productive community asset for 45 years. Relative to modern ice arenas being developed throughout the country, the Janesville Ice Arena has a number of important deficiencies and, due to its age, capital repair and replacement efforts with it are becoming increasing costly.

The Janesville Ice Arena serves as the home venue to the Janesville Jets of the NAHL junior hockey league, along with a number of other youth and adult hockey and figure skating programs. Representatives from these user groups acknowledge that their programming is limited to non-prime ice times and it has, at times, limited their ability to grow their programs, leading some groups to utilize ice time at facilities outside of Janesville. In addition to these tenants, many other local organizations utilize the Janesville Ice Arena for some of their programs and also have found scheduling time difficult. Additionally, the Arena lacks the seating capacity required by the NAHL as well as amenities that other NAHL arenas offer, hindering the fan experience.

Market Demand

Key conclusions associated with the market demand research and analysis conducted for a potential new Indoor Sports Complex in Janesville include the following:

1. Overall Demand:
Measurable unmet demand exists for a potential new indoor sports and recreation facility. Key unmet sports demand types include hockey, turf sports training, basketball, volleyball and other dry surface league and rec games, practices, camps/clinics, and tournaments.
2. Ice Facility Unmet Demand:
Strongest areas of need appear to be for ice facilities. Available local area ice facility inventory is very limited and substandard. Local participation and interest in ice sports/activities is being constrained by lack of dates and preferred time availability. During peak periods, September through May, it is estimated that Janesville could support a primary ice complex with two sheets of ice. This would suggest that a new facility should include two ice sheets, one of which could represent a seasonal sheet (i.e., removed in off-peak periods to accommodate other uses).
3. Janesville Ice Arena is Not Sufficient to Accommodate Current and Future Demand:
The existing Janesville Ice Arena is an aging facility and lacks the amenities needed from both a player and spectator standpoint. The facility has a number of user tenants and date availability constraints are prevalent among each group, particularly during key peak demand periods. Beyond tenant users, there are many user groups in the greater Janesville area that need a home facility but cannot currently be accommodated within one facility due to lack of available time, using

multiple facilities in the region. The lack of available prime time also has decreased participation among some user groups. A substantial increase in hockey tournaments (sports tourism) would be possible with a two-sheet facility. Lastly, the Janesville Jets are an important community asset and the Janesville Ice Arena provides a substandard fan experience.

4. Demand Exists for Additional Indoor Sports/Recreation Space:

The Janesville area presently lacks indoor turf space for training, dryland activities, and certain sports/rec games and practices. These activities could include off-season training for baseball, softball, soccer, football, and other sports. In terms of court or other types of flat surface sports/activities, the Janesville area has a number of courts provided by school gyms/fieldhouses; however, their availability for outside rentals and rec use during peak periods is very limited.

5. Demand for Other Dedicated Space (i.e., Swimming), but Not Considered Viable:

There are certain groups that indicated strong interest in a new aquatics facility (natatorium). However, in terms of satisfying the primary objectives of this potential project—specifically, the need for an indoor facility investment that works to address measurable unmet facility space needs by local sports and recreation activities, drive industry-average or higher utilization levels with breakeven or near breakeven financial operating characteristics—an indoor aquatics facility project would be lower on the list in terms of investment priority for the City. Industry-typical natatoriums have construction costs in excess of \$30 million and generate annual operating deficits in excess of \$500,000. The facilities that often have the most attractive feasibility case tend to be those that are developed/operated in partnership with a local university/college and host the school's various swim programs on or near campus.

6. Facility Should Maximize Flexibility:

Beyond the permanent Main Arena, the remainder of the facility sports/rec spaces should maximize flexibility/adaptability. This would include a second sheet of ice (including dashboards and bleachers) that is removable to a concrete base. An additional flat floor space (with a concrete floor base) should be configured adjacent to the second ice sheet space. An FF&E purchase would include a variety of sports equipment (i.e., netting systems, rollable bleachers, scorers tables, goals/nets, etc.), along with portable turf and sportcourt (or portable hardwood surface). These surfaces and equipment would be stored onsite and deployed (entirely or partially) as demanded and determined by management. Should the budget allow, an indoor walking track (ground level or elevated) would be expected to be highly utilized during non-summer periods. Likewise, a playground could serve as a desirable amenity for families visiting the facility.

Program and Owner/Operator

Based on the results of the market analysis, the market supportable program for a potential new Janesville Indoor Sports Complex is outlined below:

- Main Arena:
200'x85' ice sheet, seating for 1,600 (majority individual seats with seatbacks), year-round ice.
- Secondary Arena:
200'x85' ice sheet, seating for 250, seasonal, removable ice/dasherboards. With ice removed, up to four-court capacity.
- Flex Space:
20,000-square-foot dry surface, capable of deploying sportcourt, synthetic turf, portable hardwood, capable of a future third ice sheet. Up to 4 courts if all sportcourt or hardwood.

- Indoor walking track:
Recreation-grade, length/size will depend on facility design. Could be incorporated at the concourse level above grade encircling the perimeter of one or both rinks.
- State-of-the-industry amenities:
Food court, pro shop, locker rooms, dry playing surfaces/equipment, party/meeting rooms, etc. Indoor playground space could broaden appeal (in terms of funding and usage). Opportunity to contract with a third party to develop an attached or adjacent restaurant.
- Other:
FF&E purchase to include state-of-the-industry portable turf and multipurpose sportcourt surface for Flex Space. Portable hardwood also possible. Sufficient onsite storage is assumed.
- Estimated Size:
Approximately 100,000 gross square foot facility (or approximately 2.5 acres). Assuming 500 parking spaces for the Main Arena, 100 parking spaces per secondary ice sheet and 100 parking spaces per 20,000 square feet of alternate event space, 700 parking spaces would be indicated (or 4.5 acres). This would hypothetically indicate a 5.5 to 7.5-acre minimum site size, depending on the amount of nearby street, lot or ramp parking might be available to accommodate spillover parking demand.

A second scenario was developed (Scenario 2) to illustrate a project that would have a lower construction cost, but still emphasizing the core and high-impact facility elements that were indicated through the market analysis. Scenario 2 involves a scaled-back version of the concept, focused around a Main Arena and a flexible secondary space that could accommodate a second sheet of ice during peak season. The ice sheet and dasher boards and portable seating in this secondary space could be removed off-season and used as dry-floor sports and recreation space or multipurpose/exhibition event space. The sports and recreation capabilities of such space will depend, in part, on the type of flooring surface that is purchased as part of the project construction (i.e., portable hardwood, multipurpose sport court, synthetic turf, etc.). With the ice, dasherboards and portable seating removed from the second sheet, approximately 40,000 square feet of total floor space would be available for court or turf activities under Scenario 1 and approximately 20,000 square feet of total floor space would be available under Scenario 2.

Order-of-magnitude gross square footage of Scenario 1 would approximate 100,000 square feet and require a minimum site size (including parking) of between 5.5 and 7.5 acres. Scenario 2 would theoretically consist of an approximate 80,000-gross square foot facility, requiring between 4.5 and 6.0 acres (depending on the availability of nearby overflow parking).

Both of these scenarios would entail the decommissioning of the current Janesville Ice Arena. There may be opportunities to salvage portions of the central plant and other FF&E, particularly some of the newer equipment recently purchased. While there are not often many re-use opportunities for ice arena facilities of the age of the Janesville Ice Arena, rather than demolition and sale or re-use of the land parcel, some communities have put their facilities up for auction or sold the asset to a local private party or non-profit. Types of uses have included conversion to roller skating rinks, paintball, go-carts, flea markets, after school recreation programs for youth (i.e., dry surface uses consistent with gymnasium activities, such as rec basketball, dodgeball, badminton, gymnastics, weight training/fitness, etc.). However, the operating costs associated with utilities, repair/maintenance, and insurance for these types of re-use may be prohibitive.

Based on the results of the market analysis and the anticipated facility type/program and demand generators present in Janesville, it is believed that the City of Janesville remains the logical owner and operator for the proposed new Indoor Sports Complex.

Should the City of Janesville (either through its current Recreation Division or under other purview) own and operate any new Indoor Sports Complex, it will be imperative that the business model and staffing structure be substantially adjusted and scaled appropriately.

Site/Location

There are compelling arguments for two general location areas in Janesville. The first would be a downtown location nearer the central business core than the current Janesville Ice Arena. The second would be northeast of downtown proximate to I-90 near the extensive retail and hospitality infrastructure that exists between the Janesville Mall and Northeast Regional Park.

A downtown site would be attractive for supporting spectator events, such as Jets games, and assist in serving as an important economic generator in the downtown area. Thus, it could also serve important downtown economic development objectives. However, much of the non-Jets activity (i.e., youth and adult hockey practices and games) would occur in the late afternoon and early evening hours—a time in which traffic in and near the downtown could be viewed unfavorably by these groups. Furthermore, it may be very difficult to identify and/or acquire at a reasonable cost a 4.5 to 7.5-acre site in a location that is walkable to/from downtown amenities and is congruent with surrounding businesses/residences.

If such an appropriate downtown site cannot be identified, the decision to focus planning efforts on the preferred northeast location will be clearer. A potential site in the identified northeast location would be advantageous due to:

1. its proximity and accessibility via Interstate 90;
2. its proximity to Janesville's largest concentration of branded retail, restaurant and hotel supply;
3. attractive location for potential Craig High School and Milton High School athletic demand;
4. still accessible for Parker High School demand (as the location will not necessitate access through downtown roadways/traffic); and
5. a greater supply and volume of sizeable site parcel opportunities.

The utilization, financial operating and economic impact projections provided in the subsequent chapter assume a Facility location in one of these two preferred areas. Should an alternate location be selected, a revised analysis would need to be undertaken, as it is likely that market demand, utilization levels, and financial/economic performance would be negatively impacted.

Cost/Benefit & Funding Issues

A cost/benefit analysis was conducted relating to potential utilization levels, construction and operating costs and estimated economic impacts associated with the two identified scenarios for a new Janesville Indoor Sports Complex.

The exhibit on the following page presents a summary of total estimated attendance and attendee origin associated with the scenarios. As shown, upon stabilization (assumed fourth year of operations), the potential new Janesville Indoor Sports Complex is estimated to attract between approximately 278,500 and 316,500 attendees annually, depending on the scenario. While each scenario is expected to generate new visitation and new hotel room nights for Janesville through non-local activity, nearly two-thirds of the estimated attendance under each scenario is expected to consist of utilization by Janesville residents.

Total Estimated Attendance by Scenario

	Existing Janesville Ice Arena	SCENARIO 1 Market Supportable	SCENARIO 2 Reduced Program
ESTIMATED ATTENDANCE			
Local:			
Janesville Residents	68,217	199,011	178,068
Non-Local:			
Non-Resident Day Trippers (Tournaments)	1,588	12,701	10,206
Non-Resident Day Trippers (Other)	21,750	81,490	71,690
Non-Resident Overnight Stay	<u>3,290</u>	<u>23,321</u>	<u>18,580</u>
Total Attendance	94,845	316,523	278,544
ESTIMATED HOTEL ROOMS			
Total Hotel Room Nights	1,316	9,329	7,432

Note: 'Other' Day Trippers refers to NON-Janesville resident attendees of Jets games, leagues, lessons, clinics, etc.

When comparing the estimates associated with Scenarios 1 and 2 with the existing Janesville Ice Arena, it is important to recognize the differences in the physical products and the use profiles, including (1) two ice sheets during peak season versus one sheet, (2) leagues/tournaments/clinics/training on court/turf space, and (3) expanded usage and programming due to greater availability during peak hours and months.

Operating revenues and expenses for a potential new Janesville Indoor Sports Complex have been estimated for the two new Complex scenarios. The exhibit below presents the estimated annual financial operating results for the potential new Janesville Indoor Sports Complex for a start-up period through a stabilized year (assumed to occur by the fourth full year of operations), presented in 2019 dollars. Additionally, the estimates below do not include any "non-operating" items, such as debt service or capital repair/replacement funding.

Estimated Annual Financial Operating Results by Scenario (in 2019 dollars)

	Year 1	Year 2	Year 3	Stabilized Year 4
Scenario 1				
Operating Revenue	\$1,390,400	\$1,453,600	\$1,501,000	\$1,580,000
Operating Expenses	<u>\$1,442,100</u>	<u>\$1,472,460</u>	<u>\$1,487,640</u>	<u>\$1,518,000</u>
Operating Profit/(Loss)	(\$51,700)	(\$18,860)	\$13,360	\$62,000
Scenario 2				
Operating Revenue	\$1,061,280	\$1,109,520	\$1,145,700	\$1,206,000
Operating Expenses	<u>\$1,192,250</u>	<u>\$1,217,350</u>	<u>\$1,229,900</u>	<u>\$1,255,000</u>
Operating Profit/(Loss)	(\$130,970)	(\$107,830)	(\$84,200)	(\$49,000)

It is noteworthy that financial operating performance of the current Janesville Ice Arena benefits from the City of Janesville's ownership and operation (via the Recreation Division), which allow many expenses that are typically-borne by other facilities (i.e., insurance, staffing, general and administrative costs) to be shared with other departments or umbrella contracts. A number of these efficiencies are assumed to remain with a new Indoor Sports Complex should it also be owned and operated by the City. However, it will be critical to appropriately adjust and scale up staffing, policies and procedures in consideration of a larger, higher quality, and more highly utilized/programmed sports complex.

Order-of-magnitude construction costs (excluding site costs) for a potential Janesville Indoor Sports Complex are estimated to range between \$23.9 million and \$29.3 million (in 2019 dollars).

While many of the perceived benefits of a potential Janesville Indoor Sports Complex are intangible, including providing enhanced sports and recreation participation opportunities for local youths and stimulating community pride among other qualitative benefits, the annual operations of the potential Indoor Sports Complex can provide quantifiable benefits to an area. Specifically, the annually recurring impacts of an amateur sports and recreation facility begin with the initial direct spending made during operations related to ticket sales, participant fees, camps, clinics, facility rentals, concessions, advertising and other income as well as expenditures made before and after events throughout local hotels, restaurants, retail, entertainment and other establishments.

Total economic output (direct spending plus indirect/induced spending) for a potential Janesville Indoor Sports Complex in a stabilized year of operations (assumed fourth full year of operation) is estimated to range between approximately \$14.6 million and \$17.1 million per annum (in 2019 dollars), depending on the scenario. Additionally, this spending is estimated to annually support between \$7.3 million and \$8.6 million in earnings (or personal income) in the local Janesville economy, along with between 189 and 221 full and part-time jobs throughout the Janesville economy, depending on the scenario.

Based on the analysis of funding options, public sector revenue sources are often used to fund all or a majority of the capital development of municipally-owned facilities comparable to proposed Janesville Indoor Sports Complex throughout the region and country. While a majority of the construction costs associated with a new Janesville Indoor Sports Complex would likely need to be funded by the City of Janesville, private sector sources via P3 (public/private partnership) and equity contributions (e.g., Janesville Jets and/or other local companies/organizations) could help substantially contribute to the capital stack necessary to fund the project. Based on discussions with the Study Steering Committee and local officials, it has strongly been expressed that a P3 will be a necessary requirement of any pursuit of a new Indoor Sports Complex project in Janesville.

Public sector mechanisms and sources that are most often utilized to fund comparable sports/recreation complexes located throughout the region and country include: General Obligation Bonds; Revenue Bonds; Tax Increment Financing (TIF); Pay-As-You-Go Financing; Certificates of Participation; State/Federal Assistance; and Private/Public Equity & Grants. Under situations where bonds have been issued, debt service is often supported by local tax revenue, which has tended to include the following: Property taxes; Sales and use taxes; Hotel/motel taxes; Food & beverage taxes; and Admissions/entertainment taxes.

Based on a review of the local market and comparable facility funding sources, potential sources of private sector funding for the potential new sports and recreation complex could include, but are not limited to: naming rights/sponsorships; equity contributions (with or without a formalized P3); grants/donations; vendor rights; facility use agreements; registration fee surcharge; parking fee; and other sources.

A logical private sector funding source to investigate further should planning for a new Indoor Sports Complex in Janesville proceed would involve the sale of naming rights to the complex, or components of the complex. The value of this opportunity for potential local and regional private partners will likely be directly enhanced due to the visibility and branding associated with the Janesville Jets as an assumed primary tenant. Based on a review of naming rights revenue generated at other comparable sports complexes and a review of the depth and breadth of the local corporate community, it is estimated that an additional \$750,000 to \$2.0 million could be raised (approximately \$75,000 to \$200,000 annually over ten years) from a comprehensive naming rights program for potential new Janesville Indoor Sports Complex, should the City wish to pursue such an opportunity.

1. INTRODUCTION

Conventions, Sports and Leisure International (CSL) was retained by the City of Janesville (City) and the Janesville Area Convention & Visitors Bureau (JACVB) to study the feasibility of a new Indoor Sports Complex in Janesville, Wisconsin. The contracted study involves the analysis of market demand, supportable building program, ownership/management, site/location, and cost/benefit implications.

This report outlines the key findings associated with our research and analysis and is intended to assist the City, JACVB and other stakeholders in evaluating the viability of developing and operating a potential new Indoor Sports Complex in Janesville.

Types of components of a potential new Indoor Sports Complex that are the focus of the study include: one or more sheets of ice, indoor turf facilities, multipurpose/court facilities, a running/walking track, and an indoor playground.



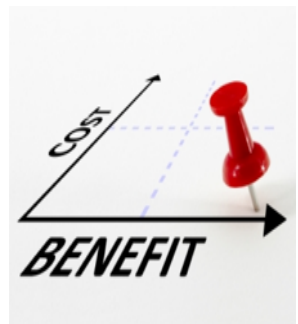
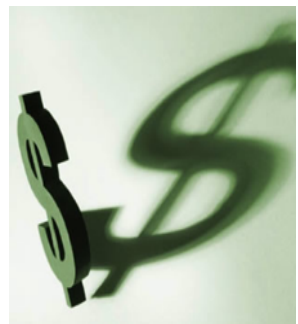
Specifically, the envisioned facility product would serve to: (1) provide a public resource for local residents (by accommodating local sports and recreation and entertainment events and activities); (2) enhance the ability to drive additional revenue for local sports and recreation programs and facilities; and (3) generate new economic impact (through attracting tournaments, and competitions with non-local participants and attendees).

The study process, outlined herein, consisted of detailed research and analysis, including a comprehensive set of market-specific information derived from the following:

- ✓ Experience garnered through more than 500 sports, recreation and event facility feasibility, planning and benchmarking projects throughout the country.
- ✓ Local market visits at the outset of the project, including community and facility tours, and discussions with study stakeholders.
- ✓ In-person and telephone interviews, meetings and focus groups with more than 75 local Janesville area individuals, representatives of sports organizations/clubs, government and academic institution officials, and local sports, tourism and business leaders.
- ✓ Research and analysis of local market conditions, existing facilities and infrastructure and amateur sports and recreation trends.
- ✓ Benchmarking research and analysis of facility data and interviews conducted with management of nearly 100 competitive and comparable sports and recreation complexes located throughout the region and country.
- ✓ Comparative analysis of socioeconomic data from competitive/comparable facility markets.
- ✓ Completed telephone interviews with 20 representatives of organizations/associations that run leagues and/or produce tournaments, meets and other competitions throughout the region.
- ✓ Online community survey developed for the project to assess local opinions/interest/use potential. Strong response resulted in 1,435 total responses. A 191-page summary of quantified responses and verbatim open-ended responses was developed and is attached to this report as an appendix.

In general, for studies of facility projects of this nature, conclusions of a project's feasibility can be assessed in various ways, including:

- Market feasibility – the facility's ability to attract and support levels of facility utilization that are consistent with, or in excess of, industry standards.
- Financial feasibility – the ability of the facility to "break-even" or generate an operating profit focusing only on direct facility-related operating revenues and expenses.
- Economic spending – the facility's ability to generate new spending activity in the local community (i.e., direct and indirect spending that is attributable to non-local sports facility participants/attendees that would not otherwise occur in the local area).
- Tax generation – the ability of the facility to generate new tax revenue for the local area (i.e., tax revenue resulting from direct, indirect and induced spending that



- is attributable to non-local participants/attendees that would not otherwise occur in the local area).
- Costs/benefits/return on investment – the facility’s ability to generate new revenues (i.e., from taxes, operating income, ancillary facility-related revenues) in excess of quantifiable facility-related costs (i.e., construction costs, operating costs, capital reserves, etc.).
 - Intangible benefits/public good – the ability of the facility to represent an important resource for the local community, regardless of financial or economic concerns. The facility would represent high-quality athletic and recreation facilities that the local community presently lacks—a benefit that is not easily quantifiable. These types of benefits add to the local community’s “quality of life” similar to civic centers, libraries, museums, parks, theaters and other public facilities/amenities.

When evaluating the feasibility of a potential new Indoor Sports Complex, communities throughout the country have differed in the specific criteria that best reflect the definition of “feasible” for their community. For instance, one community may focus more on the ability of the project to be operationally self-supportive or require below a certain threshold of public sector contribution, rather than the intangible “public good” aspects the project would provide local residents at a higher level of upfront or ongoing public sector participation. The research, data, information and analysis provided through this study is intended to allow Janesville community constituents to draw their own informed conclusions concerning the “feasibility” of a potential new Indoor Sports Complex in Janesville.

2. LOCAL & REGIONAL CONDITIONS

An important component in assessing the potential success of a new Indoor Sports Complex in Janesville is the demographic and socioeconomic profile of the local and regional market. The strength of a market in terms of its ability to support and utilize sports and recreation facilities is measured, to some extent, by the size of the regional market area population, its age, income, and other characteristics. In addition to the demographic profile of the local and regional market area, other local market characteristics have relevance when considering the attractiveness of a particular community as a host for high quality sports and recreation complexes. These include items such as transportation accessibility, climate, existing inventory of athletic facilities, and visitor amenities (such as hotels, attractions and other such items).

Background, Location and Accessibility

Exhibit 1 illustrates the location of Janesville and its regional markets, along with the approximate drive time to/from downtown Janesville and the metro area population of each. These driving distances will also be utilized throughout the report while analyzing and comparing demographic and socioeconomic variables.

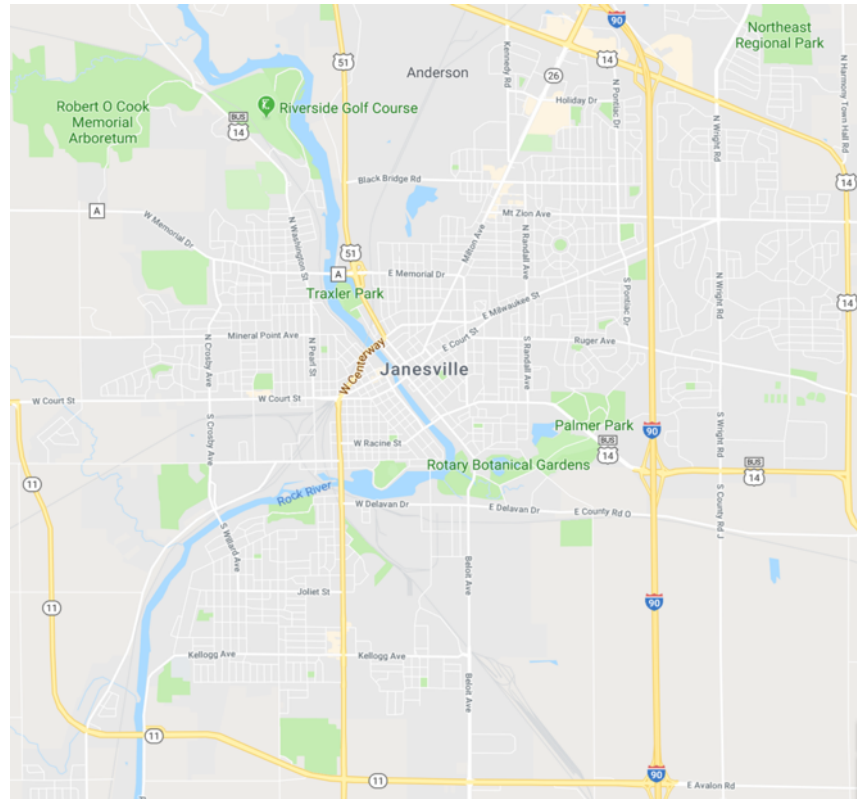
Exhibit 1
Location and Transportation – Driving Distances to Nearby Major Markets



Market	Distance (miles)	Drive Time	Market Population
Madison, WI	40	0:57	258,275
Milwaukee, WI	73	1:57	587,575
Chicago, IL	108	2:39	2,768,416
Green Bay, WI	157	2:41	108,363
Indianapolis, IN	295	4:28	864,472
Des Moines, IA	296	4:53	227,308
Minneapolis, MN	301	5:04	419,897
Cincinnati, OH	408	6:12	308,969
Louisville, KY	409	6:14	247,994
Omaha, NE	430	6:48	450,466
Sioux Falls, SD	443	7:29	181,739
Kansas City, MO	488	7:53	497,311

Transportation access to and from a potential new Janesville Indoor Sports Complex represents a key element of viability. Convenient local access to a potential new sports facility will be important to the local and regional sports participants who will be the primary users of those potential facilities, while regional access characteristics will likely influence the ability of the venue to attract tournaments drawing teams from throughout the Midwest.

Janesville is located in the south-central portion of Wisconsin along Interstate 90. The interstate joins Janesville to Rockford, Illinois to the south, Madison, Wisconsin to the north, and connects to Interstate 43 which runs straight into the heart of Milwaukee, Wisconsin.



Industry research indicates that participants in youth and adult sports tournaments are willing to travel, on average, up to 200 miles to participate in regional tournaments. This puts Janesville within tournament draw distance of three major population centers (Chicago, Milwaukee and Madison) for a total of over 3.5 million people.

Demographics and Socioeconomic Characteristics

The historical, current and projected demographic and socioeconomic characteristics of the Janesville area, the state of Wisconsin and the surrounding regional area provide an indication of the market's ability to support a potential new Janesville Indoor Sports Complex.

The demographic and socioeconomic data presented in this report is based on the anticipated primary and secondary markets of a potential new Janesville Indoor Sports Complex. The primary market is the geographic area from which it is anticipated that the majority of participants and attendees are expected to originate. The size of this primary market area can be influenced by such factors as transportation systems, site accessibility, media coverage and competing venues in the surrounding region. For purposes of this analysis, the area within a 30-minute drive from the center of Janesville represents the "primary" market for a potential new Indoor Sports Complex. The area between the 30-minute drive time and the 90-minute drive time effectively represents Janesville's secondary market. In addition to residents of the primary and secondary market areas, a potential Indoor Sports Complex could draw events and attendance from a larger geographic area for regional sports tournaments/competitions.

A variety of industry research suggests that, on average, sports teams and their participants are often willing to travel up to 200 miles to attend tournaments. Therefore, the analyses presented herein also include information regarding the demographics within a 180-minute drive of Janesville.

The map to the right illustrates the land area captured within 30, 60 and 180-minute estimated driving distances. For purposes of determining these driving distances, the center point of downtown Janesville was used.

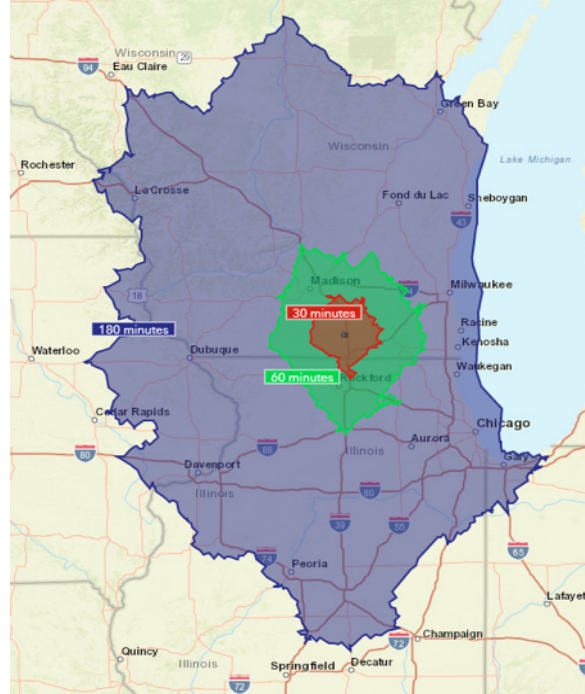


Exhibit 2 presents the historical, current and projected demographic and socioeconomic characteristics of the Janesville area, including Rock County, the primary and secondary markets of a potential new Indoor Sports Complex, a 180-minute drive from the city of Janesville, the state of Wisconsin and the U.S. as a whole.

**Exhibit 2
Demographics Summary - Janesville Area**

Demographic Variable	City of Janesville	Rock County	30-minute	60-minute	180-minute	State of Wisconsin	U.S.
Population (2000)	61,483	152,307	223,406	1,247,335	15,407,453	5,363,675	281,421,906
Population (2010)	63,505	160,331	243,950	1,385,240	16,095,842	5,686,986	308,745,538
Population (2018 est.)	64,307	162,168	246,640	1,442,482	16,413,608	5,847,633	330,088,686
% Change (2000-2018)	4.6%	6.5%	10.4%	15.6%	6.5%	9.0%	17.3%
Population (2023 est.)	65,162	164,197	249,182	1,485,087	16,611,620	5,963,700	343,954,683
% Change (2018-2023)	1.3%	1.3%	1.0%	3.0%	1.2%	2.0%	4.2%
Avg. Household Inc. (2018 est.)	\$66,603	\$68,701	\$72,231	\$81,446	\$86,534	\$76,629	\$83,694
Avg. Household Inc. (2023 est.)	\$74,573	\$77,429	\$81,004	\$91,545	\$96,892	\$86,313	\$96,109
% Change (2018-2023)	12.0%	12.7%	12.1%	12.4%	12.0%	12.6%	14.8%
Median Age (2018, in years)	39.2	39.5	39.6	38.3	38	39.7	38.3
Businesses (2018 est.)	2,585	5,678	8,322	53,402	573,095	223,374	11,539,737
Employees (2018 est.)	41,816	78,316	118,180	858,881	8,575,296	3,201,109	151,173,763
Employee/Population Ratio	0.65:1	0.48:1	0.48:1	0.60:1	0.52:1	0.55:1	0.46:1



The level of population from which facilities will draw participants, both short-term and long-term, will impact the utilization of a potential new Janesville Indoor Sports Complex. As shown in Exhibit 2, the market area captured within a 180-minute drive of Janesville has experienced a lower growth in population than the United States total population.

Household income is another important socioeconomic characteristic essential to the success of a potential new Janesville Indoor Sports Complex. Income levels can serve as an indication of area households' ability to support athletics in the region by paying league fees and other costs associated with participation. The affluence of area households can also impact the types of programming that will be most successful at the sports complex, as household income levels often impact the types of sports that are played by a specific populace. Average household income in Janesville is lower than state and national averages; however, average household income increases to levels above these averages after extending past the hour driving distance from Janesville.

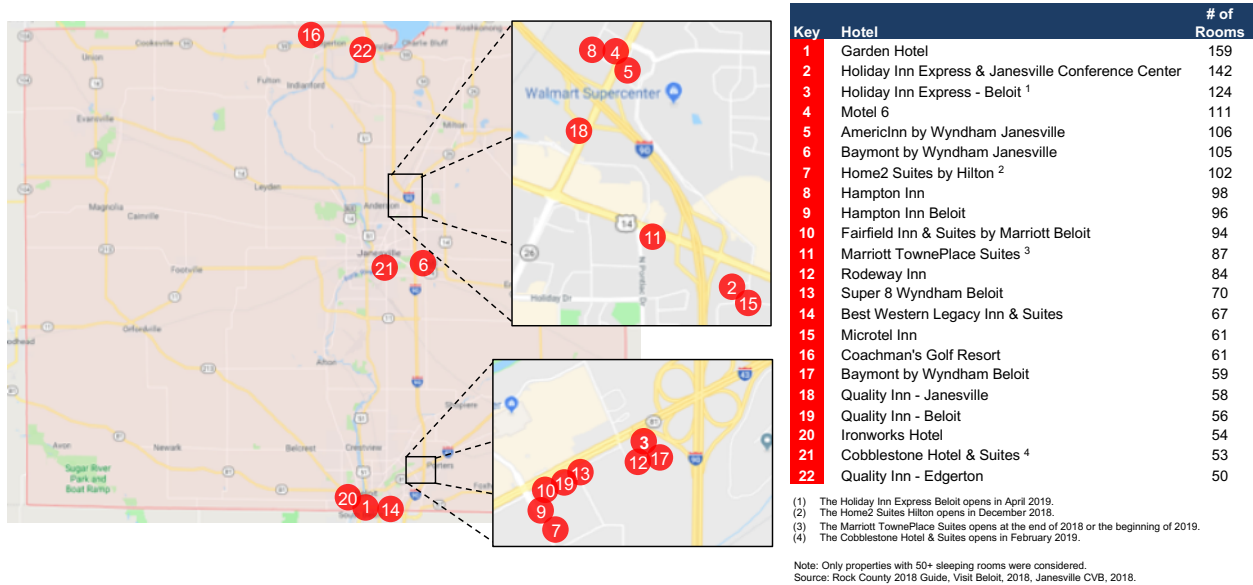
As is typical in most communities housing a complex of the nature being considered, the marketplace will likely be sensitive to material increases in youth sports registration fees that may become necessary to support the operations of potential amateur and recreational sports facilities. In developing fee structures for a potential new Janesville Indoor Sports Complex, it will be important to identify price points that allow local sports/recreational organizations to afford to use the facilities without pricing-out the participant base through increased participation/registration fees. To potentially mitigate the impact of lower household incomes, it may become important to emphasize the opportunities provided by a sports and recreation facility to youths from underprivileged families. Further, it may be beneficial to consider scholarship and other financial assistance programs to maximize utilization of the complex.

The regional corporate market base can play an important role in the success of a potential new amateur sports complex. Corporate sponsorships and donations are potential methods of financing and funding potential new indoor sports facilities. While the number of companies and employees within Janesville and Rock County is somewhat limited, in terms of ongoing opportunities for corporate participation, the majority of corporate sponsorship opportunities at a potential new Janesville Indoor Sports Complex will likely be in the form of sponsorships, banners, scoreboard advertising and other such opportunities; many of which would be relatively inexpensive.

Hotel Inventory

In order to evaluate the opportunity of a potential new Indoor Sports Complex to drive new visitation and economic impact to the Janesville destination, a review of the local market's hotel inventory was undertaken. The offering of a sufficient number of conveniently-located and affordable hotel products is often a key consideration for sports organizations when choosing tournament sites. Exhibit 3 presents a map of the primary lodging facilities in Rock County with more than 50 guestrooms.

Exhibit 3
Hotel Properties in Rock County with More than 50 Rooms



As displayed, Rock County has 22 hotel properties (existing or under construction) with at least 50 guestrooms each. There are 1,900 total sleeping rooms in Rock County. The largest single property is the independent Garden Hotel in Beloit, offering 159 rooms. The largest property in Janesville is the Holiday Inn Express and Janesville Conference Center, with 142 rooms. The majority of the hotels within Rock County represent limited-service or select/focused-service nationally-branded and independent properties.

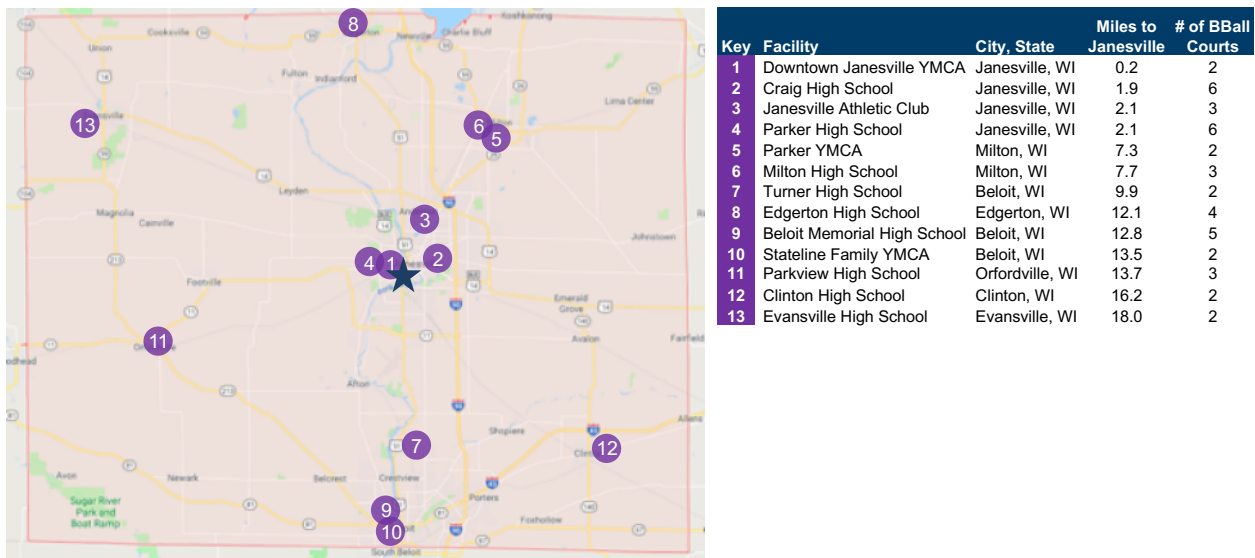
As shown, clusters of hotel properties exist at the north end of Janesville, as well as the northeast end of Beloit, both near Interstate 90. While certain public assembly facilities such as convention centers greatly benefit from having an attached or adjacent "headquarters hotel" (typically of a full-service nature), sports and recreation facilities generally do not require a single property within very close proximity to enhance its marketability for non-local events as participants are generally willing to drive 15 to 20 minutes to the host facility.

Janesville Area Athletic Facilities

An understanding of the inventory and quality of existing athletic indoor facilities in the Janesville area is critical in identifying potential areas of local and non-local need that may be met by a potential new Janesville Indoor Sports Complex. New facilities can maximize utilization and become a more valued community asset if they can provide sports and recreation facilities and other programming in areas that may currently be lacking in the Janesville area.

Exhibit 4 below contains an inventory of Rock County facilities as well as a map that illustrates their location within the County. As shown, the majority of existing facilities are those associated with area high schools. However, as is typical with school-based sports/rec facilities, date availability for non-school uses is often limited. All of the facilities are within twenty miles of the center of Janesville. Janesville sports clubs and organizations primarily utilize the high and middle schools throughout the city, especially those that offer four to six courts like Craig and Parker High Schools. Local sports stakeholders noted that scheduling at the high and middle schools can be difficult as school functions always get gym space first, but that athletic directors work closely with them to make the experience more worthwhile.

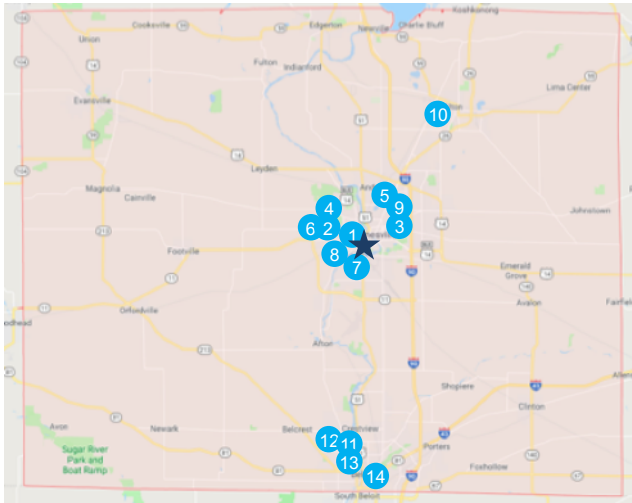
**Exhibit 4
Multi-court Gym Facilities in Rock County**



A potential new Indoor Sports Complex within an area that offers a critical mass of courts and/or multipurpose space for a particular sport would likely make the Janesville area a more marketable tournament destination, as the potential facility could serve as the central tournament location, rather than spreading games across a number of small court facilities.

Exhibit 5, on the following page, shows the existing inventory of indoor aquatic facilities in Rock County as well as a map that illustrates their location in the County. As shown, similar to the inventory of local area court facilities, the majority of existing aquatic facilities are associated with local area high schools and are primarily used by school-related groups and activities. Athletic directors and swim coaches indicated that many of the school facilities host upwards of 70 official swim meets or practices per year in addition to open swim sessions and rec nights. Many of the facilities are also used for summer school activities. A recent report indicated that Milton High School's pool needs \$1,025,000 in upgrades.

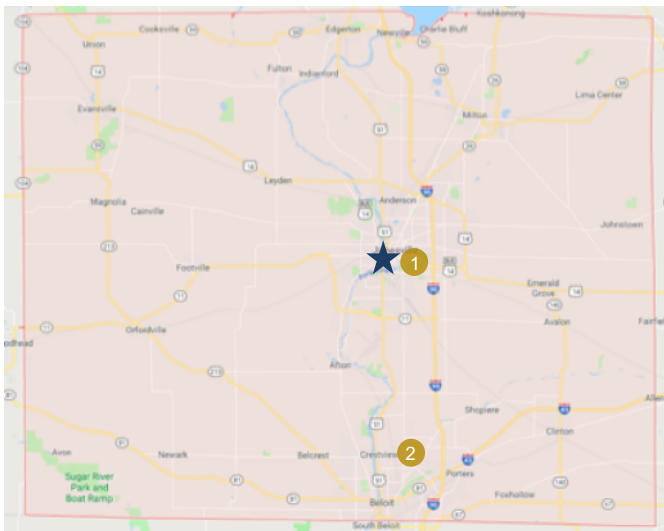
Exhibit 5 Aquatic Facilities in Rock County



Key	Facility	City, State	Miles to Janesville		Lap Pool Size
			Indoor/Outdoor		
1	Downtown Janesville YMCA	Janesville, WI	0.2	Indoor	25 yd
2	Franklin Middle School	Janesville, WI	1.5	Indoor	25 yd
3	Craig High School	Janesville, WI	1.9	Indoor	25 yd
4	Janesville Country Club	Janesville, WI	1.9	Outdoor	25 yd
5	Janesville Athletic Club	Janesville, WI	2.1	Indoor & Outdoor	14 yd
6	Parker High School	Janesville, WI	2.1	Indoor	25 m
7	Edison Middle School	Janesville, WI	2.4	Indoor	25 m
8	Rockport Pool	Janesville, WI	2.4	Outdoor	50 m
9	Marshall Middle School	Janesville, WI	2.7	Indoor	25 yd
10	Milton High School	Milton, WI	7.7	Indoor	50 m
11	Beloit Memorial High School	Beloit, WI	12.8	Indoor	25 yd
12	Krueger Swim Pool	Beloit, WI	13.1	Outdoor	25 yd
13	Stataline Family YMCA	Beloit, WI	13.5	Indoor	25 yd
14	Kresge Natatorium	Beloit, WI	13.5	Indoor	25 yd

Exhibit 6 below shows the inventory of ice arena facilities in Rock County. As shown, only two ice facilities exist within Rock County. One is the Janesville Ice Arena, home to the Janesville Jets and the Janesville Youth Hockey Association, with one ice sheet. The other is the Edwards Ice Arena/Telfer Pavilion in Beloit offering an indoor/outdoor refrigerated rink open October through March. Edwards Ice Arena/Telfer Pavilion is home to the Beloit Youth Hockey Association, Beloit Memorial High School Hockey Teams and Rock County Fury. The seasonal nature of the Beloit facility negatively impacts training/tryouts and off-season activities for a number of users. Overall, the lack of ice sheets near Janesville has caused significant scheduling issues, and has limited the ability to expand ice hockey programming and/or attract more tournaments.

Exhibit 6 Indoor Ice Facilities in Rock County



Key	Facility	City, State	Miles to Janesville	
			# of Ice Sheets	
1	Janesville Ice Arena	Janesville, WI	1.3	1
2	Edwards Ice Arena/Telfer Pavilion	Beloit, WI	11.0	1



Janesville Ice Arena

Janesville Ice Arena was built in 1973. The facility is owned and operated by the City of Janesville through its Recreation Division. Located less than a mile to the southeast of Janesville's downtown central business district, the arena offers a seating capacity of approximately 750 with a maximum capacity of approximately 1,200.

Since the Arena's opening, there have been numerous capital repairs and replacements to maintain operations. The largest occurred in 2012 which included the replacement of the refrigeration system, installation of a new rink floor and the addition of more locker room space. Most recently in 2017, a new dehumidification system was installed.

Current Janesville Ice Arena tenants include:

- NAHL Janesville Jets
- Janesville Youth Hockey
- Janesville Figure Skating Club
- Polar Express Learn to Skate
- Janesville Bluebirds
- Rock County Fury
- Janesville Adult Hockey



Representatives from these user groups acknowledged that their programming is limited to non-prime ice times and it has, at times, limited their ability to grow their programs, leading some groups to utilize ice time at facilities outside of Janesville. In addition to these tenants, many other local organizations utilize the Janesville Ice Arena for some of their programs and also have found scheduling time difficult. Additionally, the Arena lacks the seating capacity required by the NAHL as well as amenities that other NAHL arenas offer, hindering the fan experience.

Based on data provided by facility management, Exhibit 7 presents a summary of the total hours used at the Janesville Ice Arena by user group for the years 2015 to 2018.

Exhibit 7
Janesville Ice Arena – Total Hours Used By User Group

Hours Used	2015	2016	2017	2018	Average	2015-17 Growth
Adult Hockey League	155	157	158	131	150	2%
Janesville Bluebirds	218	173	202	150	186	-7%
Janesville Figure Skating Club	402	398	392	375	392	-2%
Janesville Jets	365	329	368	381	361	1%
Janesville Youth Hockey	652	680	664	591	647	2%
Non-Tenant Hockey	75	72	100	122	92	34%
Open Hockey	61	59	110	69	75	78%
Other	21	20	3	17	15	-84%
Polar Express	35	36	35	35	35	0%
Private Rental	27	38	67	18	38	154%
Public Skate	323	314	288	278	301	-11%
Rock County Fury	37	31	40	57	41	10%
Total	2,371	2,307	2,427	2,225	2,333	-6%

As shown, based on data provided by facility management, Janesville Youth Hockey (JYH) has historically consumed the largest number of hours at the Janesville Ice Arena, averaging approximately 650 hours annually. Currently, the Janesville Jets have the second largest number of annual hours scheduled.

Based on a recent detailed review of 2017 schedule data by facility management, it suggests that the actual number of use hours by the Jets and JYH has been slightly under-reported in the master schedule data. Based on this review, Jets and JYH actual use hours are believed to be approximately nine percent and four percent higher, respectively, than the figures shown in the chart above (and in subsequent charts). As the recent review by management was only completed for 2017 relating to the Jets and JYH, the entirety of the figures in the charts within this report have not been adjusted.

Overall, the total hours of use at Janesville Ice Arena are consistent with industry averages for comparable ice arenas. As with most facilities, demand during peak periods (weekday evenings and weekends all day, between October and March) is high and is displacing usage to less desirable hours and to other facilities, as well as constraining growth of certain programming.



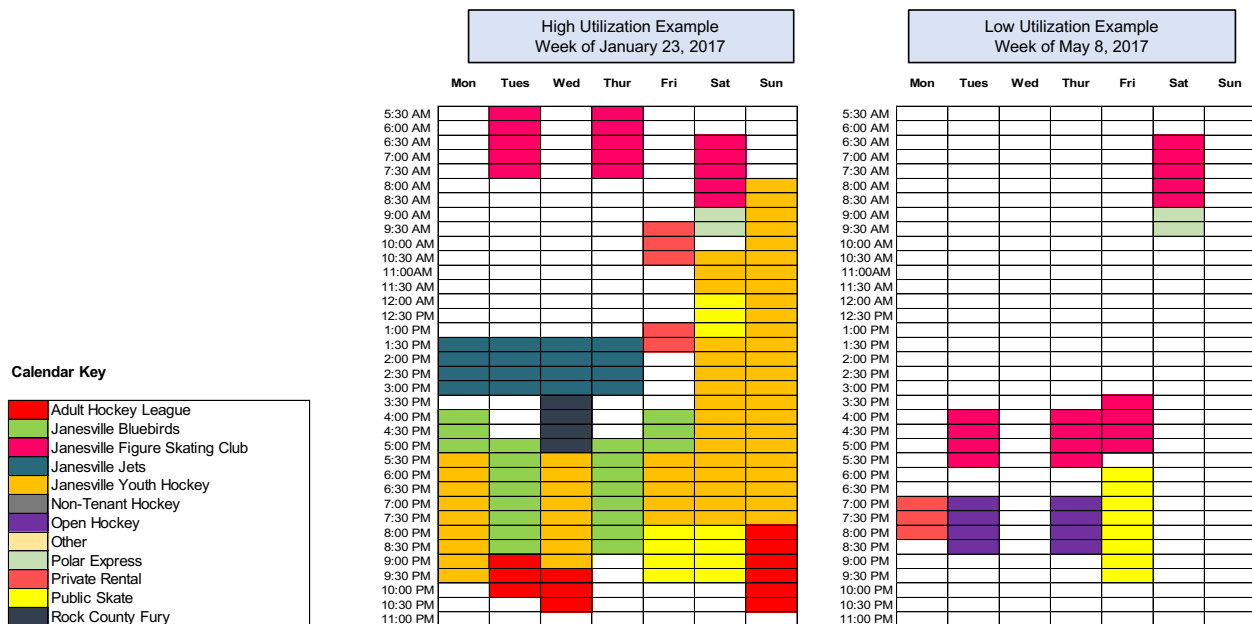
Exhibit 8 presents a summary of the monthly use by user group at the Janesville Ice Arena for 2017. Exhibit 9 presents a visual illustration of hourly use during a typical high utilization week (peak season) and a low utilization week (off-season) at the Janesville Ice Arena.

Exhibit 8 Janesville Ice Arena – Total 2017 Monthly Hours Used By User Group

Hours Used	January	February	March	April	May	June	July	August	September	October	November	December	Total	Average
Adult Hockey League	19	14	22	4	0	5	17	23	0	10	21	22	158	13
Janesville Bluebirds	38	23	3	0	0	32	39	4	0	0	27	36	202	17
Janesville Figure Skating Club	26	24	36	40	23	22	41	56	31	32	32	30	392	33
Janesville Jets	35	36	34	54	8	0	29	9	43	42	49	30	368	31
Janesville Youth Hockey	116	120	27	10	5	7	22	24	21	112	110	90	664	55
Non-Tenant Hockey	0	3	1	17	4	8	15	23	21	7	1	1	100	8
Open Hockey	2	4	11	15	7	13	15	24	8	7	3	1	110	9
Other	0	0	1	0	0	0	0	0	0	2	0	0	3	0
Polar Express	4	3	4	4	2	2	3	3	1	4	3	2	35	3
Private Rental	3	19	17	7	2	2	6	6	0	2	2	3	67	6
Public Skate	22	18	39	32	12	8	10	20	36	37	20	35	287	24
Rock County Fury	6	9	0	0	0	3	4	6	0	0	6	6	40	3
Total	270	272	195	182	64	101	200	198	161	254	273	256	2,427	202

Utilization Percentage	January	February	March	April	May	June	July	August	September	October	November	December	Total	Average
Adult Hockey League	3.4%	2.8%	4.0%	0.7%	0.0%	2.3%	3.0%	4.1%	0.0%	1.8%	3.9%	3.9%	2.7%	2.5%
Janesville Bluebirds	6.9%	4.6%	0.5%	0.0%	0.0%	14.8%	6.9%	0.7%	0.0%	0.0%	4.9%	6.5%	3.4%	3.8%
Janesville Figure Skating Club	4.7%	4.7%	6.5%	7.4%	9.1%	10.0%	7.3%	10.0%	5.8%	5.7%	5.9%	5.4%	6.6%	6.9%
Janesville Jets	6.2%	7.0%	6.1%	9.9%	3.2%	0.0%	5.2%	1.7%	8.0%	7.5%	9.1%	5.4%	6.2%	5.8%
Janesville Youth Hockey	20.9%	23.8%	4.8%	1.9%	2.1%	3.4%	4.0%	4.3%	3.8%	20.0%	20.4%	16.1%	11.2%	10.5%
Non-Tenant Hockey	0.0%	0.6%	0.2%	3.1%	1.6%	3.9%	2.7%	4.0%	3.9%	1.2%	0.2%	0.1%	1.7%	1.8%
Open Hockey	0.4%	0.8%	2.0%	2.7%	3.0%	5.8%	2.6%	4.3%	1.5%	1.3%	0.6%	0.2%	1.8%	2.1%
Other	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.0%	0.0%	0.1%	0.1%
Polar Express	0.7%	0.6%	0.7%	0.7%	0.8%	0.9%	0.5%	0.5%	0.2%	0.7%	0.6%	0.4%	0.6%	0.6%
Private Rental	0.4%	3.8%	3.0%	1.3%	0.8%	0.7%	1.1%	1.2%	0.0%	0.4%	0.3%	0.5%	1.1%	1.1%
Public Skate	3.9%	3.5%	7.0%	5.9%	4.8%	3.7%	1.8%	3.6%	6.7%	6.6%	3.6%	6.3%	4.8%	4.8%
Rock County Fury	1.1%	1.8%	0.0%	0.0%	0.0%	1.4%	0.8%	1.1%	0.0%	0.0%	1.1%	1.1%	0.7%	0.7%
Total	48.5%	54.0%	35.0%	33.7%	25.3%	46.9%	35.9%	35.5%	29.8%	45.6%	50.6%	45.9%	40.9%	40.5%

Exhibit 9 Janesville Ice Arena – Examples of High & Low Usage Periods



Source: Facility Management, 2018.



Exhibit 10 presents a graphical summary of the hours of use by user group and by type of activity (as available for applicable users). Exhibit 11 presents a summary of the historical financial operating results of the Janesville Ice Arena annually since 2014 (with 2018 shown in terms of budgeted figures). The financial operating figures do not include any capital expenditures/debt or any non-operating items.

Exhibit 10
Janesville Ice Arena – Summary of Hours By Group and Use Type

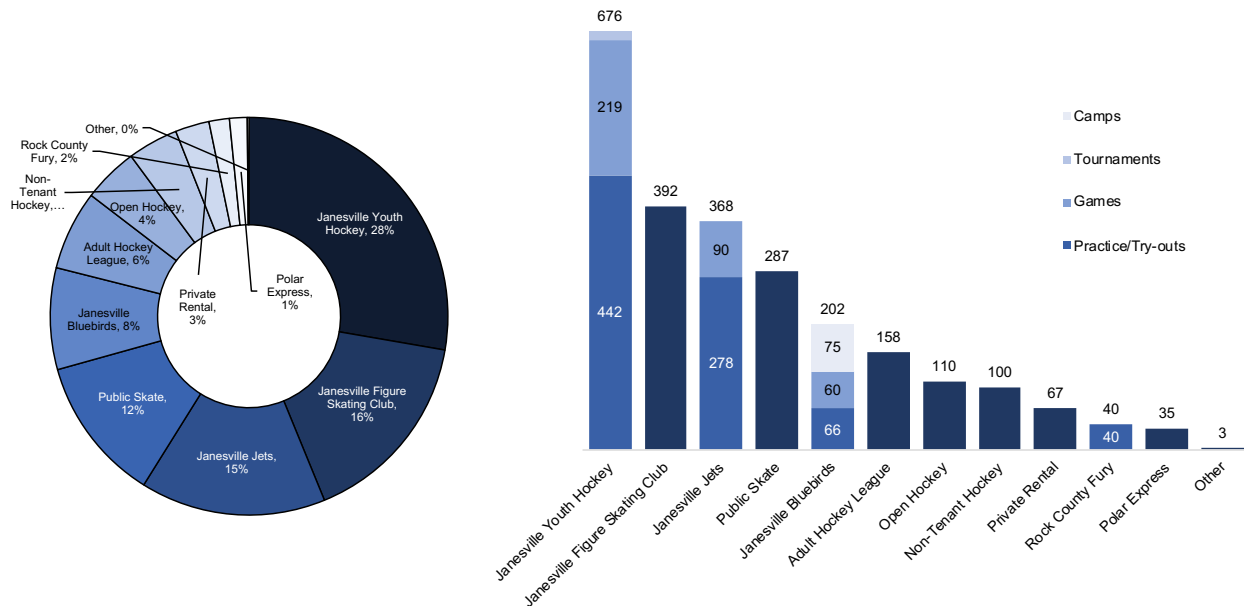


Exhibit 11
Janesville Ice Arena – Summary of Historical Financial Operating Results

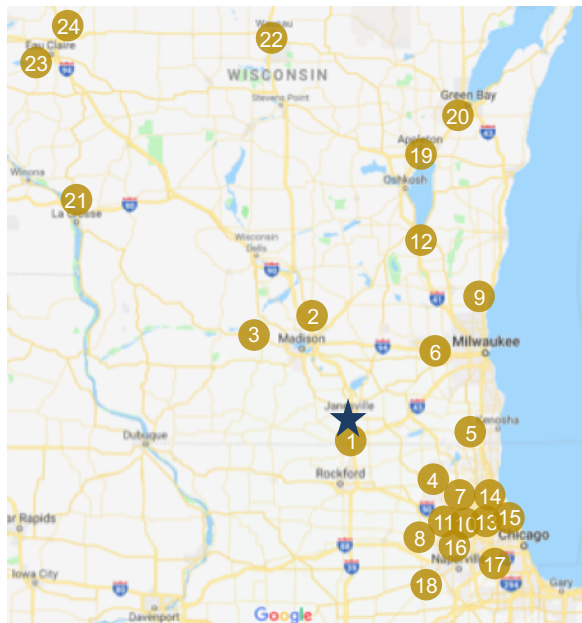
	2014	2015	2016	2017	2018
Operating Revenues:					
Hockey	\$145,233	\$131,589	\$150,897	\$147,339	\$154,000
Programming/Ice Rental	66,893	83,979	91,348	45,051	74,000
Figure Skating	26,648	17,461	17,698	14,532	18,500
Public Skating	46,607	47,626	39,232	37,426	46,000
Concessions (Net)	0	7,118	12,885	487	7,500
Other	2,276	2,148	1,705	1,742	2,000
Total Operating Revenue	\$287,657	\$289,922	\$313,765	\$246,577	\$302,000
Operating Expenses:					
Salaries & Wages	\$169,594	\$170,391	\$166,754	\$187,138	\$176,559
Utilities	89,490	92,820	95,488	99,011	97,738
Repairs & Maintenance	11,509	15,130	7,650	16,637	8,000
Materials and Supplies	18,842	16,977	20,068	20,363	16,700
Insurance	1,690	1,538	1,844	1,828	2,224
General & Administrative	19,843	22,777	27,300	29,978	23,545
Total Operating Expenses	\$310,968	\$319,632	\$319,105	\$354,955	\$324,766
Net Operating Profit/(Loss)	(\$23,311)	(\$29,710)	(\$5,340)	(\$108,377)	(\$22,766)

Note: 2018 data reflects Adopted Budget.
All other years reflect Actual.

Regional Competitive Facilities

In addition to the existing facilities located in the Janesville area, facilities located throughout the state and surrounding region were also reviewed as these facilities are likely to generate the most competition with a potential new Janesville Indoor Sports Complex. Several of these facilities have been mentioned by local sports organizations and stakeholders as principal sports complexes in the area. Exhibit 12 illustrates the location of the competitive ice arenas and proximity, in miles, to Janesville.

Exhibit 12
Regional Competitive Ice Arenas/Complexes



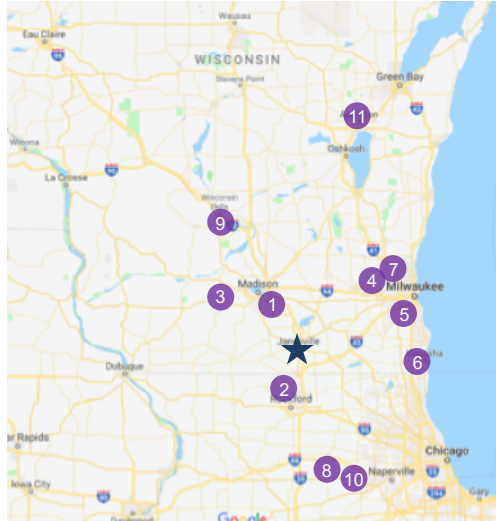
Key	Facility	City, State	Miles to Janesville	Number of Ice Sheets
1	Edwards Ice Arena/Telfer Pavilion	Beloit, WI	11	1
2	Sun Prairie Ice Arena	Sun Prairie, WI	40.1	2
3	Capital Ice Arena	Middleton, WI	47.9	2
4	Leafs Ice Center	West Dundee, IL	65.8	3
5	Pleasant Prairie IcePlex	Pleasant Prairie, WI	68.6	2
6	Pettit National Ice Center	Milwaukee, WI	70.9	2
7	Triphahn Center	Hoffman Estates, IL	78.4	2
8	Fox Valley Ice Arena	Geneva, IL	84.5	2
9	Ozaukee Ice Center	Mequon, WI	89.5	2
10	Redmond Recreational Center	Bensenville, IL	94.5	3
11	Addison Ice Center	Addison, IL	94.9	2
12	Blue Line Family Ice Center	Fond du Lac, WI	97.1	2
13	Franklin Park Ice Arena	Franklin Park, IL	97.2	2
14	Northbrook Sports Center & Skating	Northbrook, IL	97.6	2
15	Centennial Park & Recreation Complex	Wilmette, IL	102	2
16	7 Bridges Arena	Woodridge, IL	107	2
17	Darien Sportsplex	Darien, IL	107	3
18	Canlan Ice Sports	Romeoville, IL	118	3
19	Fox Cities Champion Center	Grand Chute, WI	129	2
20	Cornerstone Community Center	De Pere, WI	153	3
21	Onalaska OmniCenter	Onalaska, WI	173	2
22	Marathon Park Ice Arenas	Wausau, WI	175	2
23	Hobbs Ice Arena	Eau Claire, WI	214	3
24	Chippewa Area Ice Arena	Chippewa Falls, WI	225	2

Source: Facility Management, 2018.

There are 24 different ice facilities that could compete with a potential new Indoor Sports Complex in Janesville (should it incorporate ice) for tournaments and ice time throughout Wisconsin and Northern Illinois. Each of the facilities listed in the map key have at least two sheets of ice, except for the Edwards Ice Arena/Telfer Pavilion in Beloit, Wisconsin which has a single sheet. Most of the facilities are located in Southeastern Wisconsin and Northern Illinois, but outliers like the Onalaska OmniCenter, the Hobbs Ice Arena, and the Chippewa Area Ice Arena in Northwestern Wisconsin were specifically mentioned as competitors of the Janesville Ice Arena by local stakeholders that were interviewed for this project. Additionally, a new two-sheet ice complex is currently in the planning stages in Naperville, Illinois (southwest of Chicago), which would represent a new state-of-the-industry competitor to the greater regional supply.

Exhibit 13 below outlines the identified major competitive gymnasium facilities, their respective location and distance in miles from Janesville.

Exhibit 13 Regional Competitive Indoor Hardcourt Complexes

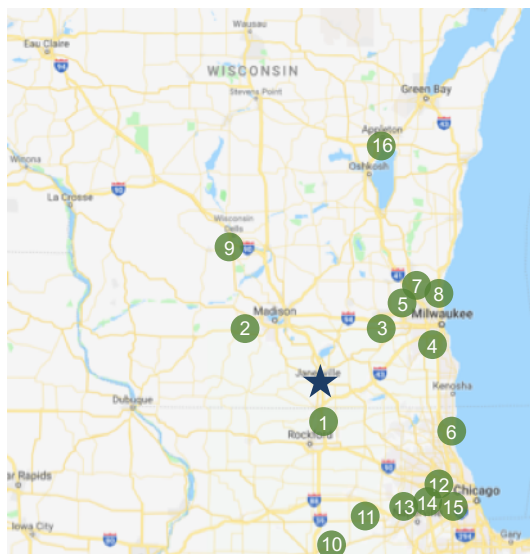


Key	Facility	City, State	Miles to JIA	Number of BBall Courts	Number of VBall Courts
1	Sports Enhancement Academy - Stoughton	Stoughton, WI	26	4	4
2	UW Health Sports Factory	Rockford, IL	31	8	16
3	Sports Enhancement Academy - Verona	Verona, WI	39	4	4
4	Center Court Sports Complex	Waukesha, WI	52	5	8
5	Milwaukee County Sports Complex	Franklin, WI	60	1	4
6	Pleasant Prairie RecPlex	Pleasant Prairie, WI	68	9	18
7	Milwaukee Sting Center	Menomonee Falls, WI	73	0	10
8	Vaughan Athletic Center	Aurora, IL	89	4	4
9	Woodside Wisconsin Dells Center	Wisconsin Dells, WI	90	10	16
10	Supreme Courts	Aurora, IL	98	4	0
11	Fox Cities Champion Center	Grand Chute, WI	129	8	16

Note: The Fox Cities Champion Center does not open until 2019.
Source: Facility Management, 2018.

Exhibit 14 below outlines the identified major competitive indoor turf facilities, their respective location and distance in miles from Janesville. The majority of these facilities cluster around the Milwaukee and Chicago suburbs. Some of these facilities listed are multi-sport complexes such as the 7 Bridges Arena in Woodridge, Illinois and the Darien Sportsplex, in Darien, Illinois which have 2 ice sheets and 1 turf field and 3 ice sheets and 1 turf field respectively. Other facilities listed have indoor turf capabilities as well as indoor courts.

Exhibit 14 Regional Competitive Indoor Turf Facilities



Key	Facility	City, State	Miles to JIA	# of Turf Fields
1	MercyHealth Sportscore Indoor Sports Ctr.	Loves Park, IL	28	3
2	Break Away Sports Center	Fitchburg, WI	41	2
3	theZONE	Oconomowoc, WI	49	3
4	Milwaukee County Sports Complex	Franklin, WI	60	1
5	Midwest Orthopaedic Sports Complex	Brookfield, WI	70	3
6	Lake County Sports Center	Waukegan, IL	74	3
7	Uihlein Soccer Park	Milwaukee, WI	79	3
8	Inbounds Training Center	Glendale, WI	81	
9	Woodside Wisconsin Dells Center	Wisconsin Dells, WI	90	1
10	Go For It Sports Dome	Yorkville, IL	91	2
11	Wheatland Athletic Association Sports Center	Aurora, IL	96	2
12	Ridgeland Commons Recreation Complex	Oak Park, IL	102	1
13	7 Bridges Arena	Woodridge, IL	106	1
14	Darien Sportsplex	Darien, IL	110	1
15	Chicago Indoor Sports	Chicago, IL	113	4
16	Soccer Heaven Sports Center	Appleton, WI	128	3

Source: Facility Management, 2018.



Conclusions

The strength of a market in terms of its ability to support and utilize sports and recreation facilities is measured, in part, by the size of the local and regional market area population and its age, income and other characteristics. In addition to the demographic profile of the local and regional market area, other local market characteristics have relevance when considering the attractiveness of a particular community as a host for high quality sports and recreation complexes. These include items such as transportation accessibility, climate, existing inventory of athletic facilities, and visitor amenities (such as hotels, attractions and other such items).

Transportation access to and from a potential new Janesville Indoor Sports Complex represents a key element of viability. Convenient local access to a potential new sports facility will be important to the local and regional sports participants who will be the primary users of those potential facilities, while regional access characteristics will likely influence the ability of the venue to attract tournaments drawing teams from throughout the Midwest.

The majority of existing indoor sports and recreation facilities in the Janesville area are those associated with area high schools. However, as is typical with school-based sports/rec facilities, date availability for non-school uses is often limited.

Owned and operated by the City of Janesville, the Janesville Ice Arena has been a productive community asset for 45 years. Relative to modern ice arenas being developed throughout the country, the Janesville Ice Arena has a number of important deficiencies and, due to its age, capital repair and replacement efforts with it are becoming increasing costly.

The Janesville Ice Arena serves as the home venue to the Janesville Jets of the NAHL junior hockey league, along with a number of other youth and adult hockey and figure skating programs. Representatives from these user groups acknowledge that their programming is limited to non-prime ice times and it has, at times, limited their ability to grow their programs, leading some groups to utilize ice time at facilities outside of Janesville. In addition to these tenants, many other local organizations utilize the Janesville Ice Arena for some of their programs and also have found scheduling time difficult. Additionally, the Arena lacks the seating capacity required by the NAHL as well as amenities that other NAHL arenas offer, hindering the fan experience.

3. COMPARABLE FACILITIES

This chapter provides information on the various physical characteristics and resources of comparable indoor amateur sports facilities/complexes and communities. The data helps place a potential new Janesville Indoor Sports Complex within a competitive and comparable market context with respect to facility offerings, demographics and other related destination features. A set of comparable facilities throughout the region and country were identified and analyzed to obtain insight into the physical and operational characteristics of facilities located in competitive and comparable communities.

An assessment of the physical and operational characteristics of comparable sports facilities is a critical component in assessing the market potential of a potential new Indoor Sports Complex in Janesville. Comparable facilities were identified based on discussions with project representatives, sports tournament organizers and our knowledge of the industry. The analysis of similar sports facilities provides general informational background and a programmatic perspective from which to assess possible use activity at a potential new Janesville Indoor Sports Complex. Many of the facilities incorporate multiple athletic space components, including ice sheets, hardcourt, turf, walking tracks, fitness facilities and other such playing surfaces/amenities.

We have identified 23 comparable facilities throughout the region and country for review. Exhibit 1 summarizes the comparable facilities and markets evaluated.

**Exhibit 1
Comparable Facility Complexes – Summary of Identified Facilities**

Facility	Location	Year Opened	Construction Costs	Number of Ice Sheets	Number of Bball Courts	Number of Vball Courts	Number of Fields
Sanford Pentagon	Sioux Falls, SD	2013	\$19.0	3	9	9	-
SCHEELS IcePlex	Sioux Falls, SD	2014	\$8.5	3	-	-	-
Braemar Field & Arena	Edina, MN	1955	-	3	-	-	1
Bloomington Ice Garden	Bloomington, MN	1970	-	3	-	-	-
Kennedy Recreation Center	Trenton, MI	1962	-	3	-	-	-
LeDuc Recreation Centre	LeDuc, AB	1980	-	2	3	-	-
Pleasant Prairie RecPlex	Pleasant Prairie, WI	2000	-	2	8	12	-
Seven Bridges Ice Arena	Woodridge, IL	1994	\$10.0	2	-	-	*
Fox Cities Champion Center	Grand Chute, WI	2019	\$30.6	2	8	16	-
Summit Sports & Ice Complex	Lansing, MI	-	-	2	5	6	2
Chelsea Piers Connecticut	Stamford, CT	-	-	2	2	4	4
Sun Prairie Ice Arena	Sun Prairie, WI	1979	-	2	-	-	-
W. Des Moines Proposed Facility	West Des Moines, IA	2020	\$30.0	2	3	6	3
Hyannis Youth & Community Center	Hyannis, MA	2009	\$25.6	2	1	1	-
Larson Ice Center	Brookings, SD	2002	\$7.0	2	-	-	-
Family Sports Ice Arena	Denver, CO	-	-	2	-	-	1
Peaks Ice Arena	Provo, UT	1998	\$12.4	2	-	-	1
Rochester Recreation Center	Rochester, MN	1974	-	2	2	2	-
Blue Line Family Ice Center	Fond du Lac, WI	1995	-	2	-	-	-
Jacksonville Ice & Sportsplex	Jacksonville, FL	1993	-	1	6	6	1
The River's Edge	Davenport, IA	1994	\$2.0	1	-	-	1
Salina Fieldhouse	Salina, KS	2017	\$11.8	-	6	8	1
Cape Sportsplex	Cape Girardeau, MO	2017	\$12.5	-	6	12	2
Average		1995	\$15.4	2	5	7	2
Median		1997	\$12.4	2	6	6	1

*Construction costs in millions



On average, the comparable facilities listed were built around the mid-nineties for a total construction cost of \$15.4 million. The average number of ice sheets at these facilities is two rinks. Many of these facilities originally opened with one rink, but have made serious renovations over the years, adding another one to two rinks and usually other amenities such as indoor turf fields, indoor courts, and/or walking tracks and fitness centers.

Exhibit 2 presents Janesville’s rank among identified comparable markets offering indoor court space in terms of population, average household income, median age, and overall corporate base. Demographic data was collected for a 30-, 90- and 180-minute drive from the respective facilities. Janesville’s information is included as a means of comparing current local market conditions to the low, high, average, and median population, average household income, median age and corporate base statistics of the markets offering comparable facilities.

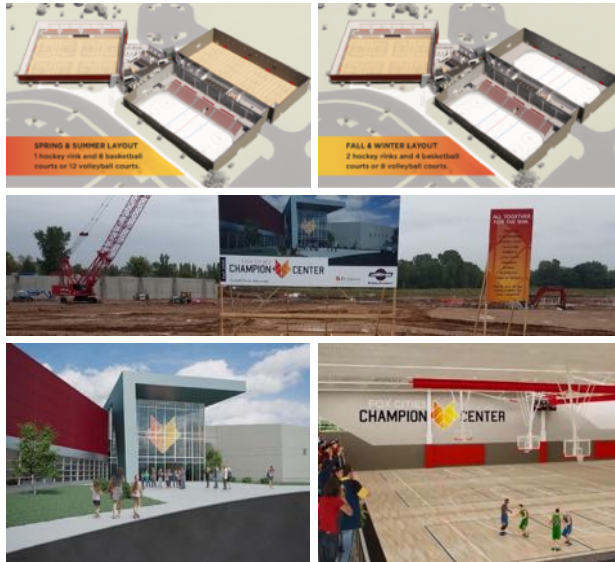
**Exhibit 2
Comparable Facility Complexes – Demographic Comparison**

Market	POPULATION				Market	AVG. HOUSEHOLD INCOME			
	City	30-minute	60-minute	180-minute		City	30-minute	60-minute	180-minute
Woodridge, IL	33,891	2,083,107	8,224,418	17,603,918	Stamford, CT	\$128,859	\$163,823	\$101,622	\$102,659
Edina, MN	51,651	1,960,772	3,533,055	6,192,625	Woodridge, IL	\$103,173	\$106,410	\$96,081	\$85,095
Bloomington, MN	88,950	1,935,593	3,528,233	6,233,711	Edina, MN	\$150,314	\$102,978	\$100,387	\$88,474
Denver, CO	714,708	1,884,117	3,486,824	5,308,920	Bloomington, MN	\$95,445	\$100,842	\$100,301	\$88,444
Jacksonville, FL	907,722	1,070,902	1,664,426	8,664,849	Denver, CO	\$89,904	\$100,115	\$99,856	\$92,746
Trenton, MI	18,643	958,870	4,370,912	14,693,500	Rochester, MN	\$95,430	\$96,866	\$86,333	\$87,956
Pleasant Prairie, WI	21,081	695,832	3,798,796	15,390,174	Hyannis, MA	\$99,703	\$95,764	\$104,245	\$102,052
Stamford, CT	135,232	647,874	6,657,386	34,038,305	Pleasant Prairie, WI	\$107,582	\$93,660	\$96,421	\$87,410
West Des Moines, IA	69,299	624,369	879,436	5,934,477	West Des Moines, IA	\$103,240	\$90,193	\$85,005	\$75,766
Leduc, AB	32,921	602,930	1,499,752	3,600,818	Provo, UT	\$64,864	\$85,207	\$89,781	\$86,945
Provo, UT	121,441	547,612	1,900,609	3,019,996	Sun Prairie, WI	\$88,056	\$83,117	\$87,008	\$88,498
Lansing, MI	117,289	466,624	1,598,744	12,888,141	Sioux Falls, SD	\$76,096	\$79,563	\$74,866	\$75,254
Grand Chute, WI	76,875	428,386	957,667	7,052,638	Grand Chute, WI	\$75,311	\$78,557	\$75,697	\$85,449
Sun Prairie, WI	33,392	428,365	1,219,406	14,733,468	Jacksonville, FL	\$71,219	\$77,269	\$78,074	\$71,159
Davenport, IA	104,591	338,687	633,705	12,162,308	Davenport, IA	\$65,657	\$74,648	\$72,894	\$82,756
Janesville, WI	64,307	266,485	1,493,835	16,462,576	Janesville, WI	\$66,603	\$74,059	\$81,767	\$86,515
Sioux Falls, SD	181,739	252,276	400,171	2,546,145	Fond Du Lac, WI	\$63,810	\$72,925	\$78,995	\$90,160
Rochester, MN	118,068	193,525	429,851	6,317,218	Lansing, MI	\$51,139	\$72,379	\$75,201	\$72,950
Fond Du Lac, WI	43,165	162,875	1,273,872	11,856,312	Brookings, SD	\$60,736	\$67,040	\$75,331	\$72,825
Hyannis, MA	47,044	155,069	452,945	9,851,923	Cape Girardeau, MO	\$63,362	\$65,827	\$60,671	\$70,466
Cape Girardeau, MO	39,691	97,023	245,379	6,406,636	Salina, KS	\$60,345	\$63,720	\$64,987	\$76,661
Salina, KS	47,748	74,439	230,413	4,214,048	Trenton, MI	\$76,974	\$58,690	\$77,663	\$75,077
Brookings, SD	24,508	46,157	355,032	1,785,810	Leduc, AB	\$55,920	\$58,167	\$55,278	\$58,834
Average	137,700	711,600	2,151,900	9,568,000	Average	\$84,000	\$85,800	\$83,500	\$82,600
Rank (Out of 23)	12	16	12	3	Rank (Out of 23)	15	16	12	11

As shown, the Janesville market ranks below the midpoint among the identified comparable markets offering indoor sports facility space in terms of population base, average household income and corporate base within the city, 30, and 60-minute driving distances, while ranking near the top of comparable markets in terms of demographic statistics within a 180-minute drive. These demographic and socioeconomic comparisons can provide important context in terms of potential market reach and an idea of a supportable program from a local perspective.

Case studies of each of the identified comparable facilities are provided on the following pages.





FACILITY: Fox Cities Champion Center
City, State: Grand Chute, Wisconsin
Owner: Grand Chute Development Authority
Operator: SFM
Key Facility Components: Pod 1 – four basketball/eight volleyball courts
 Pod 2 – one ice rink
 Pod 3 – one ice rink; convertible to four basketball/eight volleyball courts

Development: Official ground-breaking occurred in July of 2018 and the construction is expected to be completed in October of 2019 at a total cost of \$30.6 million.

Tenants: The new facility is expected to take on the majority of the ice activity in the Appleton area, but no official tenants have been named.

Other:

- The cost estimate for the facility is \$30.6 million of which \$29.2 million is allotted for construction and \$1.4 million for furniture, fixtures, and equipment. It will be financed by municipal lease revenue bonds at a fixed interest rate and a motel and hotel room tax.
- The land for the development was donated by the City of Grand Chute and has an estimated value of \$1 million.
- The Champion Center is projected to generate \$8.9 million in direct spending during the first year of operations and \$12 million by the fifth year of operations.
- The facility will offer flexible space with one of the three pods being able to convert between an ice rink and sport court depending on the season and demand for the space.



FACILITY: Seven Bridges Ice Arena
City, State: Woodridge, Illinois
Owner: Black Bear Sports Group
Operator: Black Bear Sports Group
Key Facility Components: One NHL sized ice rink with 1,500 seats
 One Olympic sized ice rink with 700 seats
 13,760 sf turf space
 Blue Line Bar & Grill, Ice Café, Skate Sharpening Shack
 350 parking spots

Development: Opened in 1994 at a total cost of approximately \$10.0 million

Tenants: Team Illinois, Benet Academy Hockey Club, Bridgedale Academy Hockey, Naperville North Hockey, Huskies Hockey Club, CMSA Soccer, Windy City Curling Club, 200x85 hockey development company

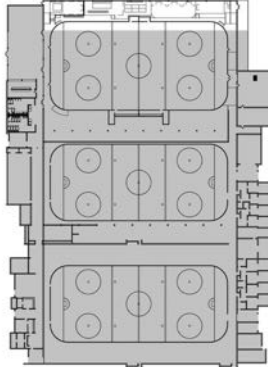
Other: In 2011 the Chicago Mission AAA hockey club purchased the arena for \$13.5 million borrowing a total of \$13.7 million for the acquisition renovation of the facility. In 2015, the borrower filed a foreclosure suite alleging the Mission failed to repay \$8.9 million in debt that had matured the previous fall. An east coast based private equity firm, Black Bear Sports Group, bought the debt on the facility and seized the property through a foreclosure sale in 2016. The mission of the firm is to purchase undermanaged and underperforming facilities to better manage and provide capital to provide for the local community. It is estimated that the annual foot traffic of the Arena is 1.1 million people.



FACILITY: Pleasant Prairie Recplex
City, State: Pleasant Prairie, Wisconsin
Owner: Village of Pleasant Prairie
Operator: Village of Pleasant Prairie
Key Facility Components: The RecPlex is the largest municipal recreation facility in America. Complex spans over 300,000 sq. ft.
 Ice Components: Two NHL-sized rinks (200'x85')
 Hardcourt Components: 8 regulation size basketball courts or 12 volleyball courts (additional 6 outdoor sand volleyball courts)
Development: Fieldhouse was part of the original facility that opened in 2000
Tenants: Cutting Edge, a US Figure Skating Club
 Patriots Hockey Program
 Ankle Breakers, Old Geezers and Sunday Night Hockey League (SNHL)
 Adult Leagues
Other: Ice Rentals:
 Summer Prime (8a-10p): \$200/hr
 Summer Non-Prime (Before 8a and after 10p): \$150/hr
 Fall/Winter Monday - Friday
 - Prime (4p-10p): \$280/hr
 - Non-Prime (6a-4p and after 10p): \$150/hr
 Fall/Winter Saturday/Sunday
 - Prime (8a-10p): \$280/hr
 - Non-Prime (Before 8a and after 10p): \$150/hr
 RexPlex operations are entirely supported by membership fees and rentals, which covers the payments on the \$30 million bond used to finance the building.



FACILITY: Braemar Field & Arena
City, State: Edina, Minnesota
Owner: City of Edina
Operator: City of Edina
Key Facility Components: 3 NHL-sized rinks
 1 outdoor, "backyard" rink
 1 domed, full-sized turf soccer field
 Concessions and locker rooms
Development: Braemar Field and Arena first opened in 1955 with a single ice arena. Over the years, the additional two indoor ice rinks were built. In 2012, the outdoor, "backyard" rink was added, and in 2013, the facility opened a dome housing the full-size indoor turf field. For six months of the year, the turf field is covered by the dome and uncovered for the remainder of the year.
Tenants: Edina Hockey Association
 Edina High School's boys' and girl's hockey teams
 Independent figure skating club
 City Sports Connection (adult soccer organization)
Other: The facility is completely self-funded with no subsidy from the city.
 In fiscal years 2015, 2016 and 2017, the Braemar Arena ran operating losses of \$199,013, \$396,719, and \$327, 836 respectively. Revenue stayed steady, coming in at \$2.3 million in 2015 and 2016 and then \$2.5 million in 2017. Expense slowly rose with \$2.5 million in 2015, \$2.7 million in 2016, and \$2.8 million in 2017.



FACILITY: Bloomington Ice Garden

City, State: Bloomington, Minnesota

Owner: City of Bloomington

Operator: City of Bloomington

Key Facility Components: 125,000 sf facility

Two indoor NHL-sized ice rinks, one indoor Olympic-sized ice rink

12 locker rooms (four for each rink)

Seating capacity – 1,800 (feature rink); 900 (second rink); SRO (third rink)

Two concession stands

Pro-shop

Development: Opened as single-sheet ice rink in 1970

A second rink was added in 1975 with balcony seating only

The third rink opened in 1993, offering an Olympic-sized sheet

Tenants:

Bloomington Amateur Hockey Association

Bloomington Girls High School Hockey

Bloomington Jefferson High School Hockey

Bloomington Kennedy High School Hockey

Bloomington Figure Skating Club

Adult Hockey Association

Bloomington Skate School

Notable Events: Attracts approximately 500,000 attendees annually

Five annual youth hockey tournaments (3-4 days) attract over 200 teams

Figure Skating Club Ice Show – 2-day competition with over 50 athletes

MSSHL Boys Hockey Tournament 2AA and 6AA semifinal games

Other:

Generates approximately \$1.5 million in revenues and incurs \$1.3 million in expenses, annually



FACILITY: Blue Line Family Ice Center

City, State: Fond du Lac, Wisconsin

Owner: Fond du Lac Blue Line Club

Operator: Fond du Lac Blue Line Club

Key Facility Components: One Olympic-sized ice sheet, one NHL-sized ice sheet and one studio ice sheet (Olympic sheet is the only year round rink)

Development: In 1995, the Olympic sized ice sheet opened, three years later the NHL-

sized and studio ice sheet were added

Facility was funded through donations and a loan taken out by the Fond

du Lac Blue Line Club

Donations included monetary donations as well as donations in

construction and labor

Will be closing all three sheets of ice for one month to replace the

compressors

Tenants:

Fond du Lac Thunder Youth Hockey

Fond du Lac Figure Skating Club

Blades Syncro

Junior Bears AAA Hockey

Lady Lightning & Bolts

Marian University Men & Women Hockey

Fond du Lac Cardinals

SMSA Ledgers, Warbirds and Bears

Others:

Draws over 125,000 annual visitors

Between September and March they run at full capacity in all three rinks

Host 1 tournament a month as well as rent out their ice to groups such as

USA Hockey and Wisconsin Amateur Hockey Association (WAHA) who

then put on weekend tournaments

They are unable to offer open skate because of lack of available time



FACILITY: LeDuc Recreation Centre

City, State: LeDuc, Alberta

Owner: City of LeDuc

Operator: City of LeDuc

Key Facility Components: 2 fieldhouses, 1 with an indoor soccer turf, and 1 with hardwoods divisible into 3 basketball/volleyball courts

1,800-seat NHL-sized ice arena
2 (twin) NHL-sized arenas with seating for 300 each
25M, 6-lane pool
4-lane track created for the 2008 AB Winter Games
8-sheet BMO Centre curling complex

Development: The facility was originally built in 1980, including a pool and the current skating rinks. In 2004, the pool was expanding, and in 2005, a curling rink was added. In 2009, a \$53 million expansion added the fieldhouse, twin arena, and fitness area.

Other: Outfitted with the largest commercial solar panel roof in Canada, resulting in annual electricity savings of \$90,000

Financial Operations: In FY 2016, the Leduc Recreation Centre generated approximately \$4.5 million in operational revenues and \$6.8 million in operational expenses, resulting in a deficit of \$2.2 million.

Major revenue sources include Memberships (\$1.2 million), Rental Revenue (\$1.1 million), Admissions (\$797,100), Lease Revenue (\$474,400) and Corporate Sponsorships (\$204,000).

The facility hosts approximately 200 events a year. The 2018 budget consisted of an estimated \$4.4 million in revenues and \$7 million in expenses.



FACILITY: Peaks Ice Arena

City, State: Provo, Utah

Owner: City of Provo

Operator: City of Provo

Key Facility Components: 2 Olympic-grade ice sheets

2 indoor turf fields
12 locker rooms

Development: After Salt Lake City, Utah successfully captured the bid for the 2002 Winter Olympics, it was decided that Provo would be home to a two-sheet Olympic practice facility. Construction on the Peaks Ice Arena began on September 17th, 1997 and the facility was opened on November 20th 1998. The total cost of construction was \$12.4 million, and the City of Provo, Utah County, Salt Lake City Olympic Committee, and the owners of Provo's private Seven Peaks Waterpark split the final cost.

Tenants: Brigham Young University Cougars men's ice hockey team
Peaks Youth Hockey Association
Peaks Figure Skating Club
Learn-to-Skate USA program

Other: This is the first year the facility will be operating without a general fund subsidy from the City of Provo.

The ice sheets are in constant use from 6am to midnight during the winter months. The turf fields have served as a big revenue for the facility all throughout the year.



FACILITY: Kennedy Recreation Center

City, State: Trenton, Michigan

Owner: City of Trenton

Operator: City of Trenton

Key Facility Components: 150,000 sf facility

3 NHL-size ice arenas

4 locker rooms per arena

Pro shop

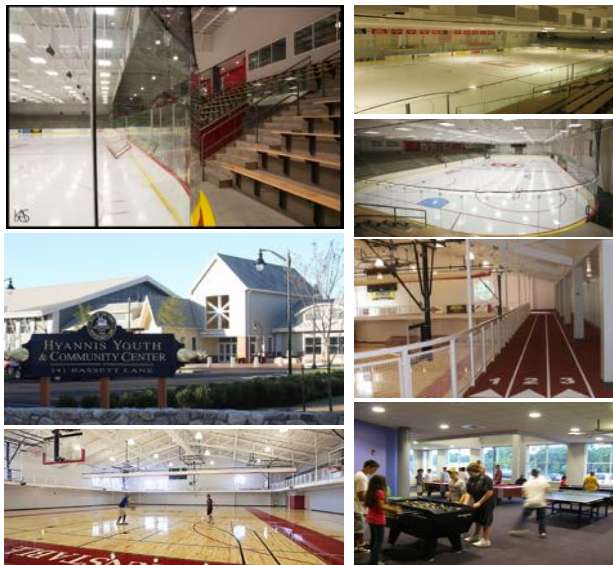
Restaurant: Hat Trick Bar & Grill

Development: The facility was originally opened in 1962 with one ice rink. In 1994, the lobby was expanded, and in 2002, the city added two more rinks and renovated the interior.

Tenants: Trenton Hockey Association
Learn-to-Skate recreational programming
Trenton High School boys' and girls' hockey program
Carlson High School boys' and girls' hockey program
Riverview Community High School boys' and girls' hockey program
Grosse Ile High School boys' and girls' hockey program

Other: The Kennedy Recreation Center runs on an enterprise fund with an annual subsidy from the city. The size of the subsidy changes each year depending on the needs of the facility and general maintenance.

Facility management noted that a major source of yearly revenue for the center was the lease agreements held with the hockey pro shop and the restaurant and bar.



FACILITY: Hyannis Youth & Community Center

City, State: Hyannis, Massachusetts

Owner: Town of Barnstable

Operator: Town of Barnstable

Key Facility Components: 2 NHL-size hockey rinks

Gymnasium with 1 full-size basketball court that converts into 1 full-size volleyball court

Elevated 1/12-mile walking track above the gymnasium

In-house concession stand

9 locker rooms

2 referee rooms

Development: The Hyannis Youth & Community Center opened its doors in September of 2009 with a total construction cost of \$24 million. The facility was funded by a combination of bonding, state and town money and grants, and private donations.

Tenants: Parks and Recreation Department programming
Barnstable Hockey Association

Other: The community center operates as one of the Town of Barnstable's enterprise accounts. The Town also grants an annual general fund subsidy to the facility to primarily cover maintenance and cleanliness.



FACILITY: Cape Sportsplex
City, State: Cape Girardeau, Missouri
Owner: City of Cape Girardeau
Operator: City of Cape Girardeau Parks and Recreation Department
Key Facility Components: 6 full-size basketball courts that convert to 12 full-size volleyball courts
 2 indoor turf soccer fields
 Four batting cages that come down on one of the turf fields
 Concession area
 3 meeting rooms spaces
 Open space throughout the facility for teams to meet during tournaments

Development: The Cape Sportsplex opened in May 2017 for \$12.5 million. The City of Cape Girardeau funded the entire project with a restaurant tax that continues to help with operations that were handed to the parks and recreation department.

Event Activity: The facility brings in a little bit of everything, but the majority of tournaments and practices are for volleyball and basketball. Outside or recreational programming hours, local clubs, organizations, and associations utilize the facility on a regular basis throughout the week.

Other: Facility management noted that building in flexibility as part of the facility is the key to its early successes. Having basketball hoops, batting cages, and other sports equipment seamlessly come down from the ceiling ensures quick set-up and take down of events allowing management to book more events.



FACILITY: MidAmerican Energy Company RecPlex
City, State: West Des Moines, Iowa
Owner: -
Operator: -
Key Facility Components: 2 ice rinks
 3 indoor turf soccer fields
 3 full-size basketball courts, 6 full-size volleyball courts
 5 outdoor soccer fields
 3,000 sf of meeting space and 20,000 sf of exhibit space
 3,000-seat arena with a stage

Development: The \$30 million facility was first proposed in 2017 by the Iowa Soccer Association and the Iowa Ice Sports Foundation as a way to meet the growing demand for indoor youth and adult sports.

The MidAmerican Energy Company donated \$5 million to the project, and the city granted them naming rights on the complex in October 2018.

Excavation of the proposed site started in fall 2018. The tentative opening date is set for the summer of 2020.

A mix of public and private money will be used to fund the facility. So far, \$10 million in individual and corporate donations, a potential \$1.5 million in grant funding, and \$18.5 million in West Des Moines hotel/motel tax revenue has been set aside for the project. The hotel/motel tax is a seven percent tax charged to hotel guests throughout West Des Moines.

The MidAmerican Energy Company RecPlex will be located on 60 acres of farmland south of Grand Avenue and east of Jordan Creek Parkway in West Des Moines.

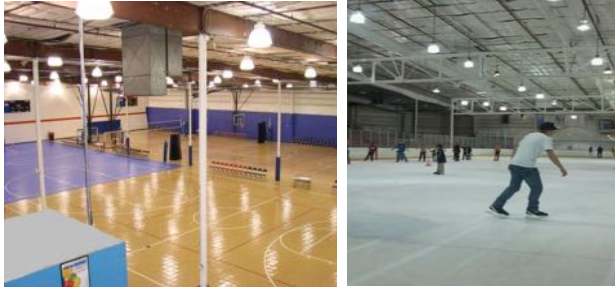


FACILITY: Jacksonville Ice & Sportsplex
City, State: Jacksonville, Florida
Owner: Skate World, Inc.
Operator: Skate World, Inc.
Key Facility Components: 100,000 square feet of indoor space
 • 20,000 square feet of contiguous space
 • 6 indoor courts
 • 9,000 square feet of turf
 • Carpeted/mirrored multi-purpose space
 • Regulation NHL-sized ice arena
 • 3 break out rooms

Development: The facility has changed hands a couple of times over the years, but has since been operating under this same management and in this capacity for the last ten years.

Tenants: Florida Gainseville Gators hockey team
 Jacksonville Scene (basketball/volleyball leagues)
 Beaches Adult Soccer League
 JaxHoops
 Fiorreto Fencing Academy
 Mike Hollis Kicking Academy

Other: The indoor turf space is leased out to a private soccer organization that handles all of the programming.



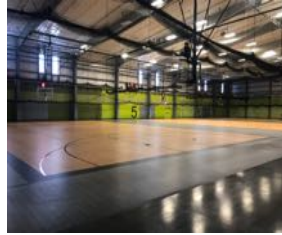
FACILITY: Larson Ice Center
City, State: Brookings, South Dakota
Owner: City of Brookings
Operator: City of Brookings Parks and Recreation Department
Key Facility Components: Two NHL-sized ice sheets
 Capacities: 1,500 / 500
 10 locker rooms

Development: Opened in 2002 at a total cost of \$7 million paid through public and private funds. Undergone several renovations, most recently in 2009 totaling \$625,000, \$375,000 funded by the Brookings Ice Skating Association and the remaining amount from the City of Brookings.

Tenants: Brookings Ice Skating Association (BISA)
 Brookings Figure Skating Club (BFSC)
 Brookings Rangers
 Brookings Blizzard
 SDSU Jackrabbit Hockey

Other: The Larson Ice Center's revenues and expenses in 2017 were \$161,144 and \$ 464,726 respectively, resulting in an operating loss of \$303,582. Current rental rates for teams, clubs, and organizations runs \$140 an hour. The Brookings Figure Skating Club, the Brookings Ice Skating Association, and the Brookings Blizzard all pay lump sums for their ice times. For example, the Brookings Blizzards pay \$42,000 for a regular season, paid in eight installments with post-season prices running at \$135 an hour for practices and \$225 an hour for games with a three-hour maximum time limit. The whole building is subsidized by the city, but has its own budget within the recreation department.



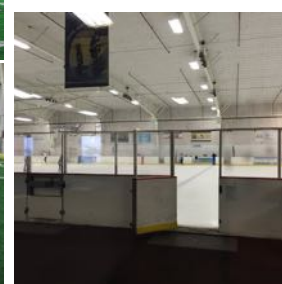
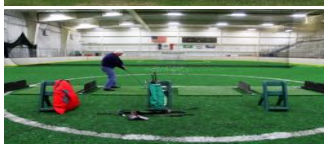


FACILITY: Salina Fieldhouse
City, State: Salina, Kansas
Owner: Salina Parks and Recreation Department
Operator: Salina Parks and Recreation Department
Key Facility Components: 68,500 square foot facility
 6 full-size basketball courts that can be converted into 8 volleyball courts
 1 indoor turf field

Development: The Salina Fieldhouse was recently opened in July of 2017 for a total of \$11.8 million.

Tenants: Parks and Recreation programming
 Clubs, teams, and organizations

Other: Three of the basketball courts can be converted over to turf to make up the full-size indoor turf field.



FACILITY: The River's Edge
City, State: Davenport, Iowa
Owner: City of Davenport
Operator: City of Davenport Parks and Recreation Department
Key Facility Components: 1 Olympic-sized indoor hockey rink
 1 indoor turf field

Development: Opened in 1994 as a non-profit facility, the city acquired the River's Edge in 2010 and paid the remaining balance on its outstanding loans for approximately \$2 million.

Tenants: Quad Cities Hockey Association
 Services all the municipalities in the surrounding communities, including cities in Illinois

Other: Originally, there were two ice rinks at The River's Edge until one was converted into a turf field. The conversion to the turf field was more profitable for the facility than having two sheets of ice, so the turf was kept permanently.

The River's Edge is run as an enterprise fund with no subsidy from the city. Facility management's main goal is to breakeven each year, with infrastructure repairs causing any losses over the years.



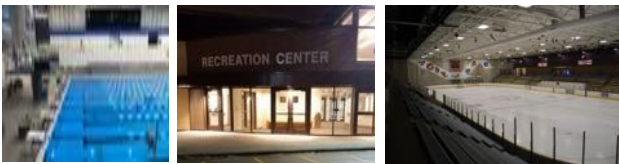
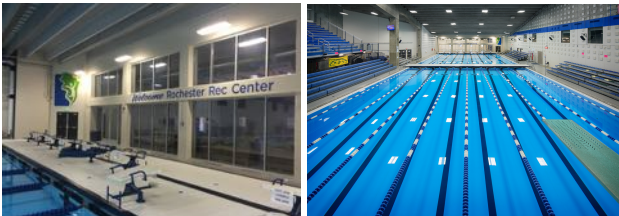
FACILITY: Family Sports Ice Arena
City, State: Denver, Colorado
Owner: South Suburban Parks and Recreation Department
Operator: South Suburban Parks and Recreation Department
Key Facility 2 ice sheets
Components: 1 indoor turf field
 Entertainment center (arcade games, climbing wall, laser tag)
 Golf and hockey pro shops
 Restaurant
 Lighted indoor golf range
 Outdoor golf course and mini golf course

Development: The Family Sports Ice Arena was originally opened as a private facility in the 1990s, but was acquired by the city in 2001 utilizing revenue bonds as the main financing tool.

Tenants: Colorado Avalanche

Other: The facility is funded throughout the year by fifty percent entry fees and admissions, forty percent property taxes, and ten percent grants and revenues.

The Family Sports Ice Arena has had a positive operating income the last four fiscal years, however, these numbers are progressively declining. Operating income in 2015 was \$454,863 but in 2017, operated income had dropped to \$363,519. The reasons primarily behind this are stagnating revenues and increasing expenses.



FACILITY: Rochester Recreation Center
City, State: Rochester, Minnesota
Owner: City of Rochester
Operator: City of Rochester
Key Facility 2 ice sheets
Components: 50-meter pool
 Gymnasium with 2 full-size basketball courts
 Shared warm water pool w/ the Senior Center next door

Development: The Rochester Recreation Center was originally opened in 1974.

Other: The facility works with a \$1.3 million budget each year.

Renovations over the past few years have been partially funded with a half cent sales tax which has been kept over the years by voters. This tax continues to help fund the facility.



FACILITY: Sanford Pentagon
City, State: Sioux Falls, South Dakota
Owner: Sanford Health
Operator: Sanford Health
Key Facility Components: 160,000 sf facility anchoring 162 acre Sanford Sports Complex
 Neighbors SCHEELS IcePlex
 Nine basketball /volleyball courts (six H.S. size, three Collegiate/Professional size)
 Heritage Court holds 3,100 spectators, four Game Day Suites, 12 Loge Suites and two Corner Suites
 Six meeting/activity rooms
 Eight locker rooms
 Three concession areas and a multi-purpose area
 Three athletic training rooms
 Team Store

Development: Opened in Fall 2013 at a cost of \$19 million.

Tenants: Sioux Falls Skyforce (NBDL Basketball Franchise)
 POWER TIBBS Basketball Academy
 POWER Volleyball Academy
 NSIC Basketball Tournament

Other: Minnesota Timberwolves/Milwaukee Bucks exhibition game
 NCAA Division I basketball
 NCAA Men's Division II Basketball Championships – 2017, 2018
 NCAA Woman's Division II Basketball Championships – 2015, 2016, 2018
 NCAA Division II Woman's Volleyball Championship - 2016



FACILITY: Chelsea Piers Connecticut
City, State: Stamford, Connecticut
Owner: Chelsea Piers
Operator: Chelsea Piers
Key Facility Components: Olympic-size, 50-meter Indoor pool with moveable bulkhead
 2 indoor basketball courts/4 volleyball courts
 2 NHL-sized ice rinks
 100-yard indoor turf field (divisible into 4 large fields)
 1/5-mile indoor track
 5 batting cages
 7 indoor tennis courts
 12 squash courts
 15,000 square foot gymnastics training space
 "The Loft" event space (3,500 square feet)

Development: Expansion of the Chelsea Piers sports complex in Manhattan, opened in July 2012. The project cost \$50 million.
 NBC Sports Group leased 270,000 square feet adjacent to Chelsea Piers as part of their \$100 million headquarters/studios relocation project.

Tenants: Chelsea Piers Aquatic Club
 Full Throttle Triathlon Team
 Chelsea Piers Athletic Club
 BlueStreak Sports Training



FACILITY: Summit Sports and Ice Complex

City, State: Lansing, Michigan

Owner: Aim High Sports

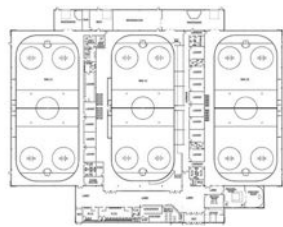
Operator: Aim High Sports

- Key Facility Components:**
- 2-rink ice complex – 1 Olympic-sized, 1 NHL-sized rink
 - 55,000 square foot Basketball facility with 5 basketball courts/6 volleyball courts with bleacher seating for 100 per court
 - 54,300 square foot fieldhouse with roll-up turf surface above concrete floor
 - 4 meeting rooms
 - Sports performance center
 - Gymnastics center
 - Event promoter office space

Development:

Tenants: Aim High Sports
Gymnastics tenant
Hockey clubs
Basketball club teams

Other: Peak usage occurs during the months of December through March, and 3pm to midnight on weekdays. Private owner has a liquor license for the facilities, hosts a number of special events like banquets and expos. The CVB has a sponsorship of the venue and the management team works with the CVB to bid on events



FACILITY: SCHEELS Iceplex

City, State: Sioux Falls, South Dakota

Owner: Ice Sports Association (ICA)

Operator: Ice Sports Association (ICA)

- Key Facility Components:**
- 100,000 sf facility
 - Three indoor NHL-sized ice rinks, one outdoor ice rink
 - 12 locker rooms (four for each rink)
 - Seating capacity (feature rink): 1,300
 - Clubhouse suite for Sioux Falls Stampede and ice training room for Sanford "Power" Program
 - Additional facility components include a figure skating clubhouse, offices, concession stands, reception area, skate sharpening room and a meeting/party room
 - Situated adjacent to the Sanford Pentagon indoor sports complex

Development: Opened in 2014 at a total cost of \$8.5 million. Replaced two single ice sheet facilities in Sioux Falls – Sioux Falls Fairgrounds Rink & Sioux Falls Ice & Rec Center, both facilities were used full-time but lacked programming space and facility quality. It was determined that the investing in upgrades was more costly and would not fulfill the additional need of ice time

Tenants: Sioux Falls Stampede
Sioux Falls Curling Club
Brandon Valley Ice Cats Hockey
Jr. Rhino Hockey Association
Sioux Falls Figure Skating Club

Notable Events: Sioux Falls Flyers Squirt B/C Tournament
Northland Hockey Group Tournament

Conclusions

The population, average household income and corporate base levels of the primary market area surrounding Janesville (i.e., within an hour's drive) is lower than comparable indoor sports facility averages; however, demographic statistics strengthen considerably beyond a one hour's drive. Likewise, as was noted in a previous chapter, the nearby competitive supply of certain indoor sports facility products (particularly ice facilities) is limited.

Data was collected regarding estimated construction costs, financial operations and event levels among a critical number of these venues. The implications of these metrics vary greatly depending on the ultimate facility program of event space and operational mandate (i.e., privately owned/operated for-profit, municipally-run with the goal of serving the community; run with the goal of attracting economic impact generating events, etc.). It will be important to carefully consider facility program development options and operational mandates when identifying supportable facility programming and funding opportunities for facility development and operations.

4. SPORTS PARTICIPATION TRENDS

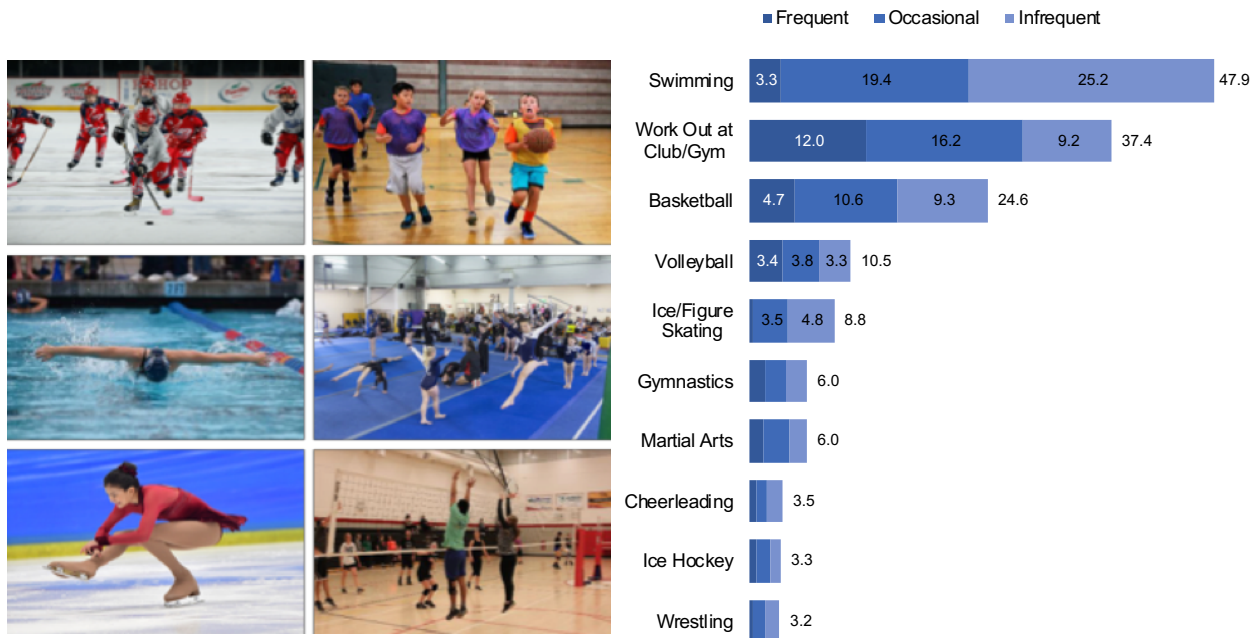
The purpose of this section is to provide an overview of sports participation trends in the United States. An understanding of these trends at a national, regional and local level provides a framework from which to assess potential demand for a potential new Indoor Sports Complex in Janesville.

The statistical data presented in this section was derived from the Sporting Goods Manufacturer’s Association (SGMA) and the Sports Business Research Network (SBRNet). Research information from the Sporting Goods Manufacturer’s Association is derived from a study based on approximately 40,000 interviews encompassing youth and adult sports participation. SBRNet compiles studies from organizations such as the National Sporting Goods Associations (NSGA), which publishes a comprehensive bi-annual report of sports participation in the United States. The report contains participation data which is gathered to analyze trends and patterns within 51 sports and activities.

Although it is anticipated that the vast majority of programming at a potential new Indoor Sports Complex in Janesville would be dedicated to frequent sports participants, it is important to understand the overall participation rates on a national level. National participation levels can provide insights into the overall popularity of a sport, as well as the size of the base from which to attract new frequent participants.

The following exhibit presents a summary of the national participation rates of indoor sports broken out by participation level (i.e. frequent, infrequent and occasional).

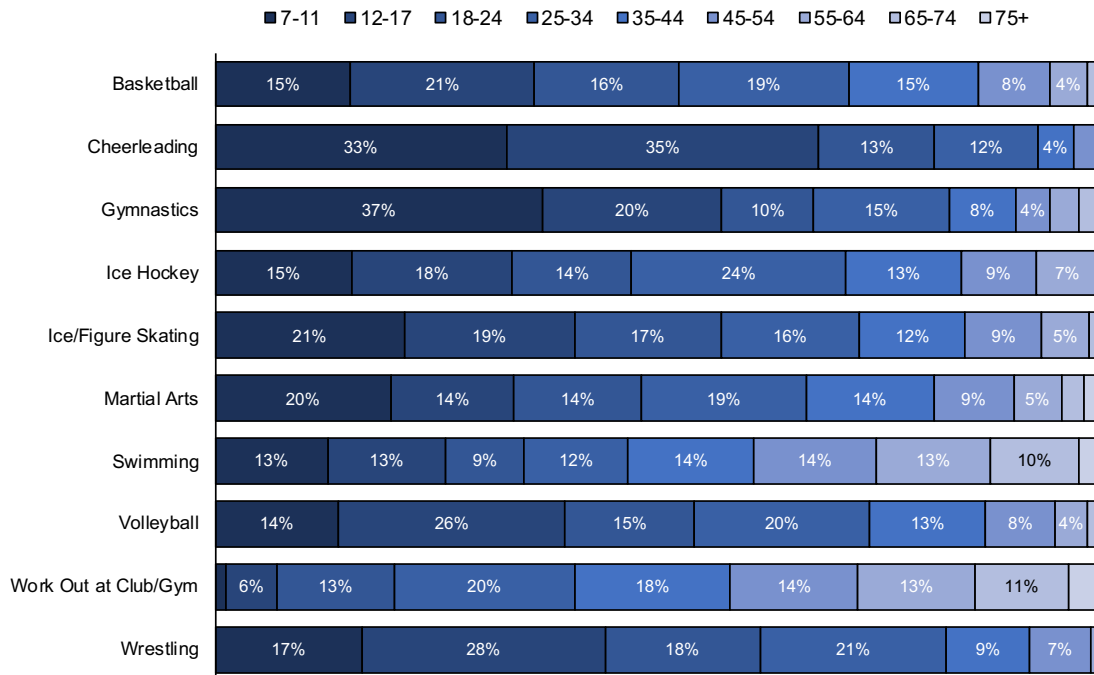
**Exhibit 1
National Participation Levels (in millions)**



Source: NSGA, 2018.

Exhibit 2 has been prepared to summarize sports participation levels by age group for each of the identified indoor sports. A potential new Indoor Sports Complex in Janesville would be expected to be utilized by a variety of age groups, and it is important to understand which sports appeal to each age group in order to consider appropriate programming.

**Exhibit 2
National Participation Levels (in millions) by Age**

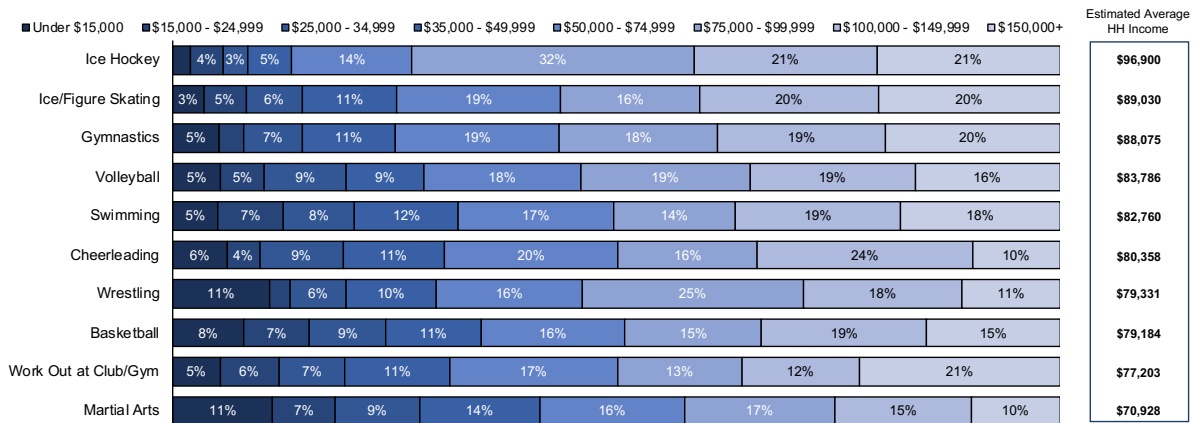


Source: NSGA, 2018.

Although it is important to understand overall sports participation rates, there are other factors that contribute to an individual's willingness and ability to participate in a given sport or activity. Household income has a direct influence on sports participation due to the fact that sports require different levels of annual investment, some of which may not be feasible for all people.

Exhibit 3 presents a summary of the average household income of the indoor sports and recreational activities reviewed.

Exhibit 3 Average Household Income (by Sport/Activity)



Source: NSGA, 2018.

As shown, on average, ice hockey participants have the highest average annual household income, followed by figure skating and gymnastics participants.

In addition to understanding a variety of statistics related to national sports participation, each region of the country has its own independent characteristics, traditions and history that influence which sports people choose to participate in. Exhibit 4 presents a comparison of the national frequent participation rate and adjusted regional rate (frequent participation) based on the East North Central region participation index. The East North Central region includes Illinois, Indiana, Michigan, Ohio and Wisconsin.

Exhibit 4 Estimated Frequent Participation of Local and Regional Markets

Sport/Activity	Frequent Participation (times annually)	National Frequent Participation Rate	East North Central Index	Adjusted East North Central Participation Rate
Basketball	50+	1.60%	112	1.79%
Cheerleading	70+	0.25%	72	0.18%
Gymnastics	40+	0.58%	89	0.51%
Ice Hockey	30+	0.27%	66	0.18%
Ice/Figure Skating	30+	0.16%	82	0.13%
Martial Arts	80+	0.49%	91	0.44%
Swimming	110+	1.10%	99	1.09%
Volleyball	20+	1.16%	98	1.14%
Work Out at Club/Gym	110+	4.07%	88	3.58%
Wrestling	50+	0.15%	97	0.15%

Source: NSGA, 2018.



It should be noted that the East North Central Region includes a total of five states, all with their own local nuances that serve to influence the overall participation index. As such, the local index of a particular sport could potentially be higher or lower depending upon the individual level.

In order to estimate frequent sports participation in the primary and secondary markets, national participation percentages were adjusted to account for the East North Central Region index and applied to the primary and secondary market populations. Exhibit 5 summarizes the estimated population base participating in each identified sport based on national and adjusted regional participation rates applied to the overall market population. It is important to note that market population takes into account only those over the age of seven. Additionally, the rate of participation includes only those who frequently participate in the sports analyzed and omits those that occasionally or infrequently partake in any of the below sports.

Exhibit 5 Estimated Frequent Participation Rates

Estimated Frequent Participants												
	City of Janesville		Rock County		30-minute Drive Time		60-minute Drive Time		180-minute Drive Time		State of Wisconsin	
Market Population:	64,307		162,168		246,640		1,442,482		16,413,608		5,847,633	
	National Rate	Regional Rate	National Rate	Regional Rate	National Rate	Regional Rate	National Rate	Regional Rate	National Rate	Regional Rate	National Rate	Regional Rate
Basketball	1,029	1,153	2,595	2,907	3,947	4,421	23,085	25,855	262,673	294,194	93,582	104,812
Cheerleading	158	114	398	287	605	436	3,541	2,550	40,292	29,010	14,355	10,335
Gymnastics	370	329	933	830	1,419	1,263	8,297	7,384	94,411	84,026	33,636	29,936
Ice Hockey	174	115	438	289	666	439	3,893	2,569	44,299	29,237	15,782	10,416
Ice/Figure Skating	103	85	261	214	396	325	2,318	1,900	26,370	21,624	9,395	7,704
Martial Arts	312	284	788	717	1,198	1,091	7,009	6,378	79,750	72,572	28,412	25,855
Swimming	710	703	1,790	1,772	2,722	2,695	15,920	15,760	181,144	179,332	64,536	63,890
Volleyball	746	731	1,881	1,843	2,861	2,803	16,730	16,395	190,364	186,557	67,821	66,464
Work Out at Club/Gym	2,615	2,302	6,596	5,804	10,031	8,828	58,668	51,628	667,571	587,463	237,834	209,294
Wrestling	97	94	244	237	372	361	2,174	2,109	24,737	23,995	8,813	8,549
AVERAGE	631	591	1,592	1,490	2,422	2,266	14,163	13,253	161,161	150,801	57,416	53,725

Source: NSGA, Esri, 2018.

Based on the SGMA report's sports participation regional index, which is derived from the national average frequent participation rates, Rock County, based on its approximate population base and the regional participation rate, would have an estimated average of approximately 1,490 frequent participants among all sports reviewed, while the area within a 1-hour drive time of Janesville would have an average of approximately 13,253. It should be noted, that when considering only the target sports, the average frequent participation increases across all drive markets.



5. MARKET DEMAND

The purpose of this chapter is to evaluate the market demand associated with a potential new Janesville Indoor Sports Complex. The overall market analysis consisted of detailed research and analysis, including a comprehensive set of market-specific information derived from the following:

- ✓ Experience garnered through more than 500 sports, recreation and event facility feasibility, planning and benchmarking projects throughout the country.
- ✓ Local market visits at the outset of the project, including community and facility tours, and discussions with study stakeholders.
- ✓ In-person and telephone interviews, meetings and focus groups with more than 75 local Janesville area individuals, representatives of sports organizations/clubs, government and academic institution officials, and local sports, tourism and business leaders.
- ✓ Research and analysis of local market conditions, existing facilities and infrastructure and amateur sports and recreation trends.
- ✓ Benchmarking research and analysis of facility data and interviews conducted with management of nearly 100 competitive and comparable sports and recreation complexes located throughout the region and country.
- ✓ Comparative analysis of socioeconomic data from competitive/comparable facility markets.
- ✓ Completed telephone interviews with 20 representatives of organizations/associations that run leagues and/or produce tournaments, meets and other competitions throughout the region.
- ✓ Online community survey developed for the project to assess local opinions/interest/use potential. Strong response resulted in 1,435 total responses. A 191-page summary of quantified responses and verbatim open-ended responses was developed and is attached to this report as an appendix.

The focus of much of the remainder of this chapter is focused on the data obtained from the two primary surveys/interview techniques deployed for this study:

1. The Online Community Survey. Represents the primary market from which it is anticipated that the majority of participants and attendees are expected to originate.
2. User Group Survey—Sports and Recreation Organizations. In-person and telephone interviews of representatives of organizations/associations that run leagues and/or produce tournaments, meets and other competitions throughout the region.

Amateur and recreational sports facilities, like those being considered for this study, typically host a mix of local and non-local sports and recreation activities. In most cases, these facilities are conceived, developed and operated with the intent of providing optimized venues to best compete for tournaments/competitions that draw new visitors to the area (participants and spectators), thereby generating new economic impact for host communities. Nevertheless, local usage of these facilities (through local league play, recreation, clinics and camps) is typically foundational and critical in sustaining utilization levels and generating operating revenue, in addition to providing an attractive community resource and enhancing quality of life for local residents. Ultimately, a full picture of utilization for a potential new Janesville Indoor Sports Complex cannot be reached without testing both local and non-local markets.

A summary of the market demand research, key organizations interviewed, and analysis and conclusions for facility type is provided below and on the following pages.

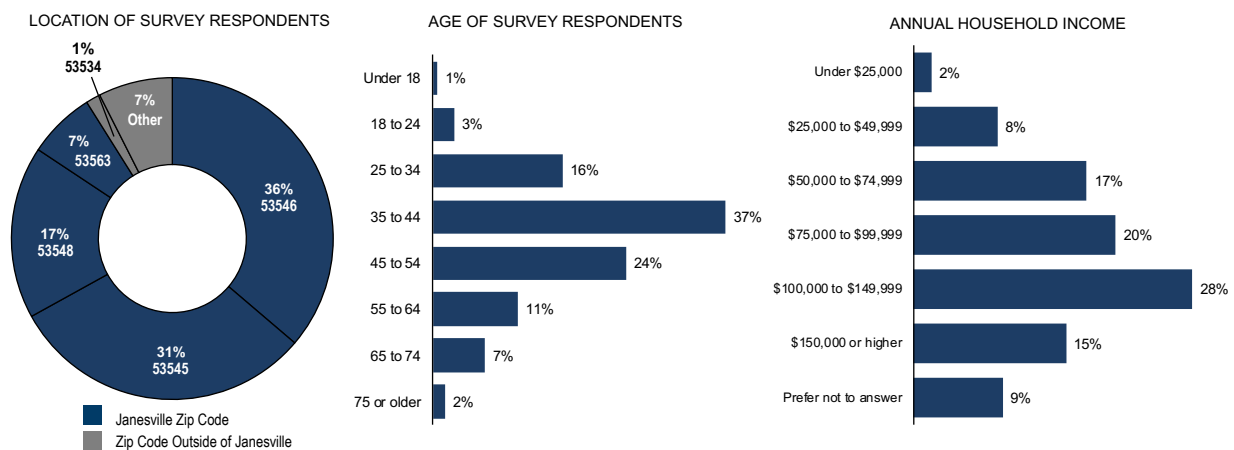
Community Survey Analysis

The purpose of this section is to provide a summary of the survey research conducted among Janesville-area community members. A primary objective of the survey was to ascertain interest levels and opinions of Janesville community members and other local stakeholders regarding which, if any, components of a new Indoors Sports Complex would best serve the needs of the Janesville community.

With the assistance of the City of Janesville, the Janesville Area Convention and Visitors Bureau, local community organizations/stakeholders, a link to an online survey was distributed for the purposes of gathering direct feedback on the proposed project. The online survey remained open from October 4, 2018 through October 19, 2018 and a total of 1,435 responses were received. This represents a collected amount in excess of the average previous similar online survey effort organized by CSL in comparable markets. More detail concerning Community Survey responses is provided in the Appendix at the conclusion of this report.

Respondents were first asked to identify where they reside (in terms of zip code), their age, and their annual household income. Responses are presented in Exhibit 1 below.

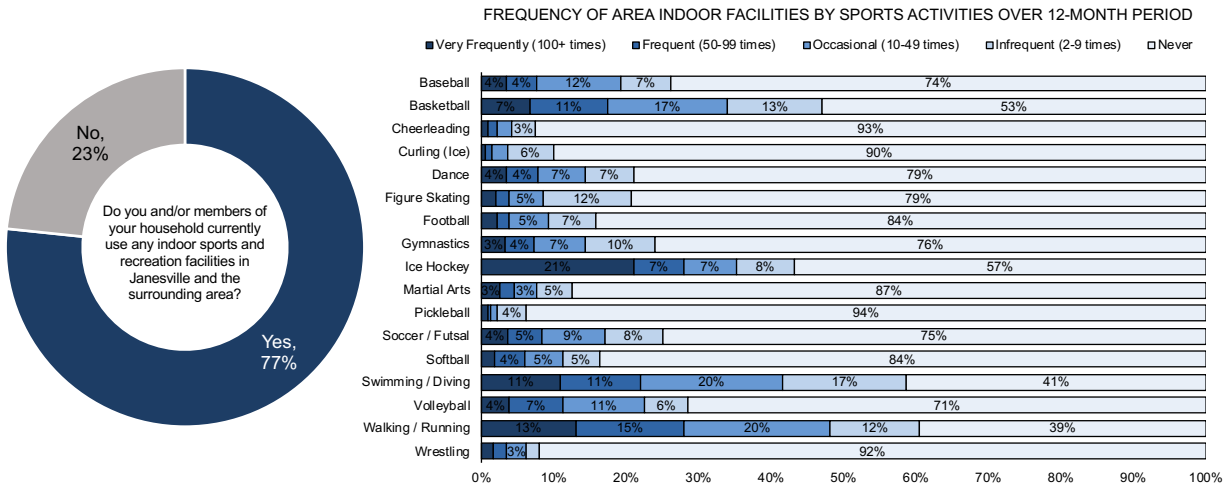
Exhibit 1
Summary of Place of Residence and Other Demographic Statistics



As shown, approximately 92 percent of the completed surveys originated from respondents that live within a Janesville zip code. The greatest percentage of respondents represent individuals between the ages of 35 and 44, with annual household income in excess of \$100,000. As will be further examined, this suggests that a significant percentage of respondents are families with children active in sports.

An important component to consider when contemplating indoor sports complex development in Janesville is the potential impact on current facilities being utilized within the community. Respondents were asked to indicate whether they currently use facilities in the Janesville area, and if so, which facilities. Responses are presented in Exhibit 2 on the following page.

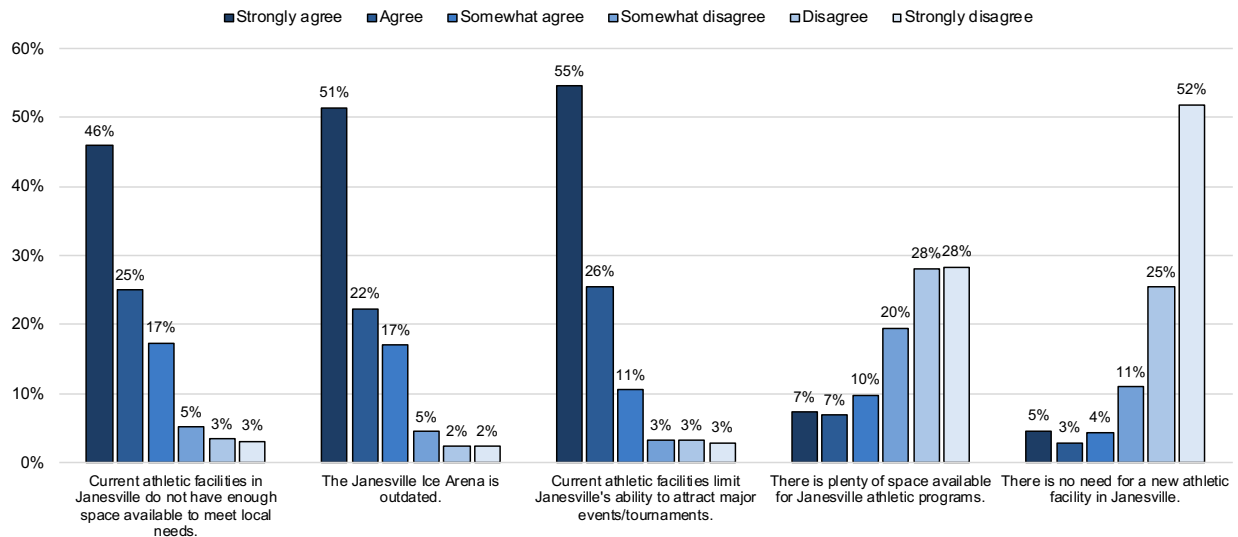
Exhibit 2 Frequency of Use of Local Sports/Recreational Facilities



Approximately 77 percent of all survey respondents use an indoor sports facility in the Janesville area, while 23 percent indicated that they do not use any indoor sports facilities. Ice hockey received the highest percentage of respondents (21 percent) who indicated that their family's use of local area facilities would be characterized as "very frequently", or more than 100 times during a 12-month period.

Survey respondents were subsequently asked to describe their opinions of existing Janesville indoor sports and recreation facilities.

Exhibit 3 Opinions Related to Current Janesville Facilities



As presented, responses were heavily weighted towards the belief that existing Janesville indoor sports and recreation facilities are outdated and in need of replacement and/or improvement. While a certain bias in favor of a proposed facility development/improvement is typical of online surveys of this nature, these results are considered significant and higher in favor of facility product improvement than what has been noted in other communities considering comparable projects.

In order to better parse and evaluate responses, survey data has been sorted by the type of facility user and their frequency of use. As would be expected, those that indicate that they or their household members are frequent users of indoor sports facilities expressed the strongest opinions concerning the need for a new or improved sports and recreation facility product in Janesville.

**Exhibit 4
Opinions Related to Current Janesville Facilities Isolated By Type of User**

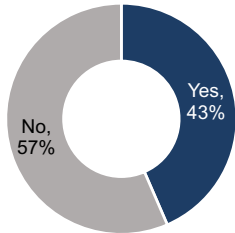
	Indoor Facility Users n = 1,100	Non-Indoor Facility Users n = 335	Frequent Facility Users n = 828	Non-Frequent Facility Users n = 272	Overall n = 1,435
Q. Current athletic facilities in Janesville do not have enough space available to meet local needs.					
1) Strongly agree	52%	26%	60%	29%	46%
2) Agree	25%	26%	22%	33%	25%
3) Somewhat agree	16%	21%	13%	25%	17%
4) Somewhat disagree	3%	12%	2%	8%	5%
5) Disagree	2%	8%	2%	4%	3%
6) Strongly disagree	2%	7%	2%	1%	3%
Q. The Janesville Ice Arena is outdated.					
1) Strongly agree	55%	39%	59%	43%	51%
2) Agree	22%	24%	19%	29%	22%
3) Somewhat agree	16%	20%	15%	19%	17%
4) Somewhat disagree	4%	6%	4%	5%	5%
5) Disagree	1%	6%	1%	2%	2%
6) Strongly disagree	1%	5%	1%	1%	2%
Q. Current athletic facilities limit Janesville's ability to attract major events/tournaments.					
1) Strongly agree	59%	41%	65%	40%	55%
2) Agree	24%	29%	21%	34%	26%
3) Somewhat agree	10%	12%	8%	17%	11%
4) Somewhat disagree	3%	4%	2%	4%	3%
5) Disagree	2%	7%	2%	3%	3%
6) Strongly disagree	2%	7%	2%	1%	3%
Q. There is plenty of space available for Janesville athletic programs.					
1) Strongly agree	7%	10%	7%	6%	7%
2) Agree	4%	15%	4%	7%	7%
3) Somewhat agree	8%	16%	5%	16%	10%
4) Somewhat disagree	19%	21%	16%	28%	20%
5) Disagree	29%	24%	30%	27%	28%
6) Strongly disagree	33%	14%	38%	15%	28%
Q. There is no need for a new athletic facility in Janesville.					
1) Strongly agree	3%	11%	3%	3%	5%
2) Agree	2%	6%	1%	3%	3%
3) Somewhat agree	3%	8%	2%	6%	4%
4) Somewhat disagree	9%	17%	7%	17%	11%
5) Disagree	25%	28%	22%	32%	25%
6) Strongly disagree	59%	30%	65%	40%	52%



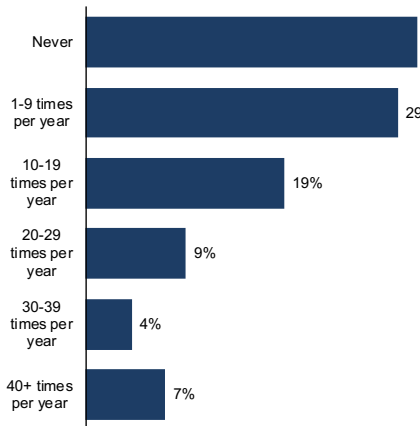
Survey results indicate that a significant percentage of facility demand is leaving Janesville for required or preferred indoor sports facility product. Exhibit 5 below summarizes the responses to these key questions.

Exhibit 5 Facility Use Leaving the Janesville Marketplace

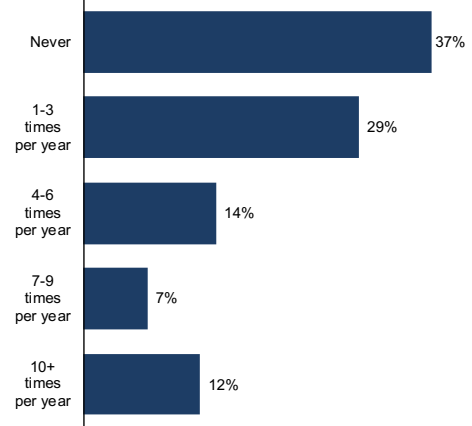
NEED TO LEAVE JANESVILLE FOR SUITABLE FACILITIES FOR REGULAR TRAINING, PRACTICES OR LEAGUES



FREQUENCY OF TOURNAMENT/COMPETITION PARTICIPATION OUTSIDE OF JANESVILLE

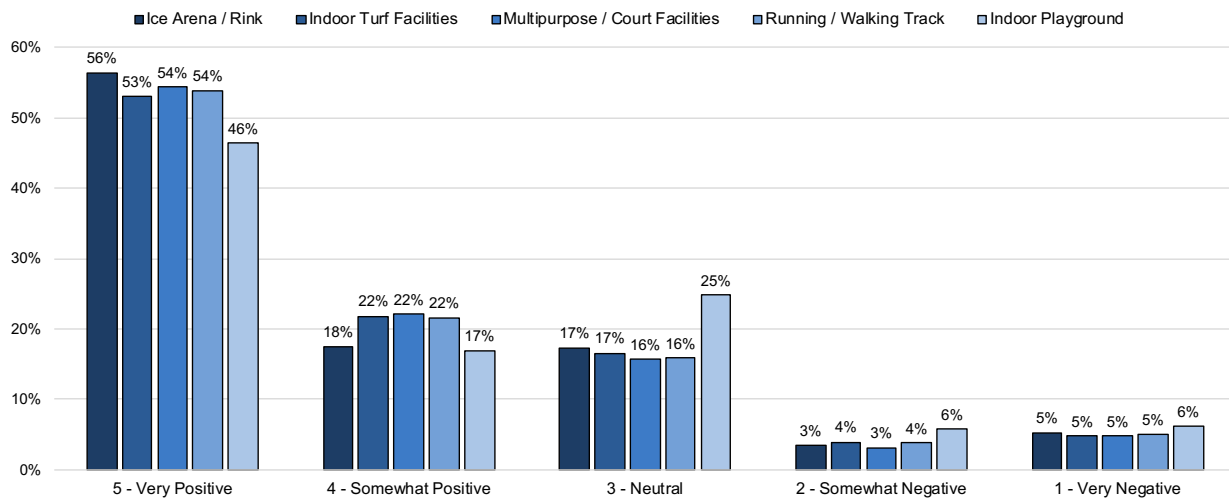


FREQUENCY OF COLLEGIATE OR PROFESSIONAL HOCKEY ATTENDANCE OUTSIDE OF JANESVILLE



Online survey respondents were asked to rate their attitude towards various potential components of a new Janesville Indoor Sports Complex. Responses provided by facility type are presented below.

Exhibit 6 Interest in Potential Components of a New Janesville Indoor Sports Complex



Survey respondents were given five choices of very positive, somewhat positive, neutral, somewhat negative, and very negative to describe their attitudes toward specific components of a potential new Janesville Indoor Sports Complex. As shown above, all components received a high percentage of respondents indicating a "Very Positive" response. Ice Arena/Rink, Multipurpose/Court Facilities and Running/Walking Track received the strongest feedback.

As shown in Exhibit 7, survey data has been sorted by the type of facility user and their frequency of use. Similar to the previous data sort, those that indicate that they or their household members are frequent users of indoor sports facilities expressed the strongest opinions concerning the need for a new or improved sports and recreation facility product in Janesville, with the relative distribution of desired components remaining relatively consistent. For non-frequent indoor sports facility users, as would be expected, the non-sports component tested (Indoor Playground) received a higher level of interest.

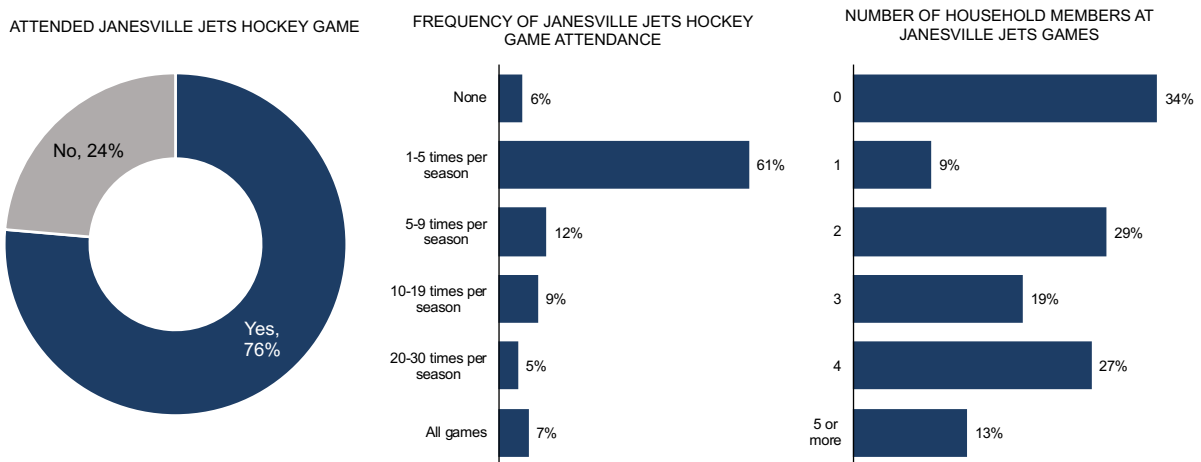
**Exhibit 7
Interest in Potential Facility Components Isolated By Type of User**

	Indoor Facility Users n = 1,100	Non-Indoor Facility Users n = 335	Frequent Facility Users n = 828	Non-Frequent Facility Users n = 272	Overall n = 1,435
Q. Interest in ice arena / rink					
1) Very Positive	60%	46%	62%	51%	56%
2) Somewhat Positive	18%	16%	16%	24%	18%
3) Neutral	16%	21%	16%	18%	17%
4) Somewhat Negative	3%	5%	3%	3%	3%
5) Very Negative	3%	12%	3%	5%	5%
Q. Interest in indoor turf facilities					
1) Very Positive	57%	41%	59%	49%	53%
2) Somewhat Positive	22%	21%	20%	29%	22%
3) Neutral	16%	18%	17%	14%	17%
4) Somewhat Negative	3%	8%	2%	5%	4%
5) Very Negative	2%	12%	2%	3%	5%
Q. Interest in multipurpose court facilities					
1) Very Positive	58%	41%	61%	51%	54%
2) Somewhat Positive	22%	22%	20%	29%	22%
3) Neutral	15%	18%	16%	13%	16%
4) Somewhat Negative	2%	7%	1%	3%	3%
5) Very Negative	3%	12%	2%	3%	5%
Q. Interest in running / walking track					
1) Very Positive	56%	47%	57%	53%	54%
2) Somewhat Positive	22%	20%	21%	26%	22%
3) Neutral	17%	13%	18%	14%	16%
4) Somewhat Negative	3%	7%	2%	4%	4%
5) Very Negative	3%	12%	3%	3%	5%
Q. Interest in indoor playground					
1) Very Positive	48%	42%	46%	52%	46%
2) Somewhat Positive	17%	16%	17%	19%	17%
3) Neutral	26%	22%	28%	19%	25%
4) Somewhat Negative	5%	9%	4%	6%	6%
5) Very Negative	4%	12%	5%	3%	6%



Additional questions were also asked of respondents regarding their past attendance of Janesville Jets hockey games. As shown, 76 percent of respondents indicated that they have attended a Janesville Jets hockey game in the past, with seven percent of all respondents indicating that they regularly attend all games in a given season. A hypothetical extrapolation of these results to the general population of Janesville highlights the fact that there is an affirmative bias of project supporters inherent in the facility data; however, the response turnout for a community the size of Janesville is significant and suggests strong local sentiment for the need for investment in a facility product to serve as a better home for the Jets and to more effectively accommodate indoor sports and recreation needs of residents.

Exhibit 8 Summary of Janesville Jets Attendance



Additional detail regarding the Community Survey and the opinions provided by community stakeholders can be found in Appendix B.

Potential User Group Surveys

In addition to initial in-person interviews with local stakeholders that participate in the Janesville amateur sports sector, telephone interviews were conducted with representatives of potential user groups, providing supporting information for the estimation of market demand presented herein. Key representatives from local and non-local youth sports organizations and regional tournament organizers were interviewed in person and/or by telephone to assess their potential interest in utilizing a new Janesville Indoor Sports Complex. A summary of the market demand research, analysis and conclusions by sport is provided on the following pages.

In addition to two public Community meetings, a listing of the organizations from which representatives were interviewed specifically for this study is shown in the exhibit below. These interviews were completed in late 2018 and were conducted in-person and via telephone.

- Amateur Athletic Union (AAU) Wisconsin Region
- Beloit College
- Beloit High School
- Beloit Youth Hockey
- Big Bear Hockey Tournaments
- Blackhawk Technical College
- City of Janesville
- CSA Kids Sports & Arts Campus
- Downtown Janesville Inc. (Downtown BID)
- Forward Janesville
- Janesville A League Men's Hockey
- Janesville Area Convention & Visitors Bureau
- Janesville Athletic Club
- Janesville B League Men's Hockey
- Janesville Basketball Association
- Janesville BlueBirds (School District)
- Janesville C League Men's Hockey
- Janesville Figure Skating Club
- Janesville Ice Arena
- Janesville Jets
- Janesville La Crosse Club
- Janesville Youth Baseball/Softball Assoc.
- Janesville Youth Football
- Janesville Youth Hockey
- Milton High School
- Moms Club of Rock County (indoor play)
- Oakhill Christian School (Parochial School)
- Polar Express Learn to Skate
- Premiere Tennis & Fitness
- Rock County Christian School (Parochial)
- Rock County Fury (Beloit/JVL)
- Rock County Health Department
- Rock Soccer Club
- Rock Volleyball Club
- South Central Swim Team
- South Central WI Soccer
- St. John Vianney (Parochial School)
- St. Mary's (Parochial School)
- St. Matthew's (Parochial School)
- St. Paul's (Parochial School)
- St. Williams (Parochial School)
- Tier 3 Junior Team
- Ultimate Tournaments
- UW-Rock County
- UW-Whitewater
- WI Center for the Blind & Visually Impaired
- Wisconsin AAU
- Wisconsin Amateur Hockey Assoc.
- Wisconsin Amateur Hockey Assoc-Region 4
- Wisconsin Sports Group
- YMCA

It is understood that one intent of this study is to assess demand by local Janesville area sports groups and participants, including evaluating the ability of the area's current facilities to accommodate this demand. As such, detailed summaries related to each of the primary local organizations interviewed are presented within this chapter. Types of single-purpose and multi-purpose indoor sports facility products investigated included, but were not necessarily limited to facilities capable of accommodating the following sports, recreation and activities:

- Basketball
- Volleyball
- Gymnastics
- Wrestling
- Indoor Soccer/Futsal
- Dance/Cheer
- Tennis/Pickleball
- Table Tennis/Badminton
- Boxing/Martial Arts
- Ice Hockey/Figure Skating/Curling
- Swimming/Diving/Water Polo
- Indoor Track & Field/Cycling
- Off-Season Field Sports Training/Camps/Clinics (i.e., baseball, softball, soccer, football, lacrosse)
- Fitness Competitions/Exhibitions
- Non-Athletic Competitions (i.e., Robotics)

While understanding demand issues associated with local groups is critical in a study of this nature, it is also important to appropriate research and analyze non-local demand sources. For nearly all state-of-the-industry indoor sports facilities, demand sources with significant non-local participants/spectators are often critical in driving facility utilization, revenues and community economic impact. Even with providing local users with priority scheduling and rates, the opportunity to attract and accommodate tournaments and meets with significant nonlocal participant/spectator composition was important to investigate. Further, distinguishing lines between "local" and "nonlocal" are often not distinct, as a significant portion of events will have varying degrees of local involvement (direct and indirect) in terms of event procurement and athlete/team participation by local organizations in tournaments/meets that might normally be described as "non-local". A full picture of utilization for potential new indoor sports facilities cannot be reached without testing both local and non-local markets.

A summary of the market demand research, analysis and conclusions by facility type and key organization interviewed is provided below and on the following pages.

Janesville Jets



The Janesville Jets are a junior ice hockey team in the North American Hockey League (NAHL), playing their inaugural season in 2009. They play 30 regular season games and have averaged between 515 and 759 fans per home game over the past nine seasons at the Janesville Ice Arena. The Jets are considered a strong asset for the Janesville community, hosting community engagement events, free kids' nights, post-game open skate and they also have one of the highest season ticket holder sales in the league.

However, the aging Janesville Ice Arena has presented numerous problems for the team as well as for fans. Current Arena capacity falls short of the required capacity of the NAHL and the Arena is near or at capacity every home game. The lack of amenities and overall lack of facility space has negatively impacted the fan experience, and representatives from the Jets noted they are losing customers due to the facility shortcomings. Additionally, facility amenities are a large recruitment tool for the team, and the existing facility, offsite training facilities and company offices have put them at a disadvantage.



Facility requirements and preferences include:

- Facility with at least one sheet of NHL-sized ice.
- Seating capacity of 1,200 to 1,500 required by the NAHL, ideal capacity of 1,500 to 1,800 with preference for individual seats rather than bleachers.
- Premium seating options are preferred.
- Onsite workout/off-ice training facility.
- Dedicated locker room space, media box/space, lounge area and offices.
- State-of-the-art scoreboard/jumbotron.
- Enhanced food service options and concession points of sales, possible restaurant.
- Pro-shop onsite that could sell fan gear.
- Preference for downtown facility location.

Exhibits 9 through 13 on the following pages compare various metrics associated with Janesville Jets attendance and arena capacity with other teams and host facilities that are members of the NAHL.

**Exhibit 9
NAHL Teams and Facilities (sorted alphabetically by market)**

Market	Facility	Total Seating Capacity	30-Minute Drive Time Population	90-Minute Drive Time Population	Total 2017-18 Attendance
Aberdeen, SD	Odde Ice Center	1,600	38,848	57,135	41,529
Amarillo, TX	Cal Farley Coliseum	4,870	261,209	352,074	62,935
Attleboro, MA	New England Sports Village	750	1,010,282	4,394,257	6,491
Austin, MN	Riverside Arena	2,300	64,786	383,684	33,984
Bismarck, ND	V.F.W. Sports Center	1,289	123,577	138,976	34,845
Brookings, SD	Larson Ice Center	1,600	43,920	353,208	23,495
Chippewa Falls, WI	Chippewa Area Ice Arena	1,250	152,068	315,412	n/a
Cloquet, MN	Northwoods Credit Union Arena	1,700	133,201	234,727	37,791
Corpus Christi, TX	American Bank Center	8,000	405,447	561,156	88,495
Fairbanks, AK	Big Dipper Ice Arena	1,857	93,236	98,990	68,064
Jamestown, NY	Northwest Arena	2,100	88,409	404,872	n/a
Janesville, WI	Janesville Ice Arena	750	246,640	1,442,482	19,831
Johnstown, PA	1st Summit Arena at Cambria County War Memorial	4,000	125,754	478,986	64,927
Middletown, NJ	Middletown Sports Complex	1,500	801,932	5,669,630	8,769
Minot, ND	Maysa Arena	1,800	73,193	91,283	42,742
North Richland Hills, TX	Nytex Sports Centre	2,400	1,981,550	6,823,515	78,595
Odenton, MD	Piney Orchard Ice Arena	500	1,144,228	5,807,050	n/a
Odessa, TX	Ector County Coliseum	5,131	300,411	390,851	57,384
Pittston, PA	Revolution Ice Centre	400	378,572	884,682	5,805
Richfield, MN	Richfield Ice Arena	1,300	2,324,130	3,561,329	13,954
Shreveport, LA	George's Pond at Hirsch Coliseum	8,500	369,891	588,192	87,742
Soldotna, AK	Soldotna Regional Sports Complex	2,000	28,953	32,170	26,272
Springfield, IL	Nelson Center Ice Rink	2,100	205,602	491,791	16,473
Topeka, KS	Kansas Expocentre	7,450	244,870	905,847	31,879
Average (excluding Janesville)		2,800	451,920	1,435,640	41,610
Median (excluding Janesville)		1,857	205,602	404,872	36,318

**Exhibit 10
NAHL Teams and Facilities (sorted by 30-minute drive time)**

Market	Facility	Total Seating Capacity	30-Minute Drive Time Population	90-Minute Drive Time Population	Total 2017-18 Attendance
Richfield, MN	Richfield Ice Arena	1,300	2,324,130	3,561,329	13,954
North Richland Hills, TX	Nytex Sports Centre	2,400	1,981,550	6,823,515	78,595
Odenton, MD	Piney Orchard Ice Arena	500	1,144,228	5,807,050	n/a
Attleboro, MA	New England Sports Village	750	1,010,282	4,394,257	6,491
Middletown, NJ	Middletown Sports Complex	1,500	801,932	5,669,630	8,769
Corpus Christi, TX	American Bank Center	8,000	405,447	561,156	88,495
Pittston, PA	Revolution Ice Centre	400	378,572	884,682	5,805
Shreveport, LA	George's Pond at Hirsch Coliseum	8,500	369,891	588,192	87,742
Odessa, TX	Ector County Coliseum	5,131	300,411	390,851	57,384
Amarillo, TX	Cal Farley Coliseum	4,870	261,209	352,074	62,935
Janesville, WI	Janesville Ice Arena	750	246,640	1,442,482	19,831
Topeka, KS	Kansas Expocentre	7,450	244,870	905,847	31,879
Springfield, IL	Nelson Center Ice Rink	2,100	205,602	491,791	16,473
Chippewa Falls, WI	Chippewa Area Ice Arena	1,250	152,068	315,412	n/a
Cloquet, MN	Northwoods Credit Union Arena	1,700	133,201	234,727	37,791
Johnstown, PA	1st Summit Arena at Cambria County War Memorial	4,000	125,754	478,986	64,927
Bismarck, ND	V.F.W. Sports Center	1,289	123,577	138,976	34,845
Fairbanks, AK	Big Dipper Ice Arena	1,857	93,236	98,990	68,064
Jamestown, NY	Northwest Arena	2,100	88,409	404,872	n/a
Minot, ND	Maysa Arena	1,800	73,193	91,283	42,742
Austin, MN	Riverside Arena	2,300	64,786	383,684	33,984
Brookings, SD	Larson Ice Center	1,600	43,920	353,208	23,495
Aberdeen, SD	Odde Ice Center	1,600	38,848	57,135	41,529
Soldotna, AK	Soldotna Regional Sports Complex	2,000	28,953	32,170	26,272
Average (excluding Janesville)		2,510	451,990	1,458,980	41,010
Median (excluding Janesville)		1,800	205,602	404,872	36,318



**Exhibit 11
NAHL Teams and Facilities (sorted by 90-minute drive time)**

Market	Facility	Total Seating Capacity	30-Minute Drive Time Population	90-Minute Drive Time Population	Total 2017-18 Attendance
North Richland Hills, TX	Nytex Sports Centre	2,400	1,981,550	6,823,515	78,595
Odenton, MD	Piney Orchard Ice Arena	500	1,144,228	5,807,050	n/a
Middletown, NJ	Middletown Sports Complex	1,500	801,932	5,669,630	8,769
Attleboro, MA	New England Sports Village	750	1,010,282	4,394,257	6,491
Richfield, MN	Richfield Ice Arena	1,300	2,324,130	3,561,329	13,954
Janesville, WI	Janesville Ice Arena	750	246,640	1,442,482	19,831
Topeka, KS	Kansas Expocentre	7,450	244,870	905,847	31,879
Pittston, PA	Revolution Ice Centre	400	378,572	884,682	5,805
Shreveport, LA	George's Pond at Hirsch Coliseum	8,500	369,891	588,192	87,742
Corpus Christi, TX	American Bank Center	8,000	405,447	561,156	88,495
Springfield, IL	Nelson Center Ice Rink	2,100	205,602	491,791	16,473
Johnstown, PA	1st Summit Arena at Cambria County War Memorial	4,000	125,754	478,986	64,927
Jamestown, NY	Northwest Arena	2,100	88,409	404,872	n/a
Odessa, TX	Ector County Coliseum	5,131	300,411	390,851	57,384
Austin, MN	Riverside Arena	2,300	64,786	383,684	33,984
Brookings, SD	Larson Ice Center	1,600	43,920	353,208	23,495
Amarillo, TX	Cal Farley Coliseum	4,870	261,209	352,074	62,935
Chippewa Falls, WI	Chippewa Area Ice Arena	1,250	152,068	315,412	n/a
Cloquet, MN	Northwoods Credit Union Arena	1,700	133,201	234,727	37,791
Bismarck, ND	V.F.W. Sports Center	1,289	123,577	138,976	34,845
Fairbanks, AK	Big Dipper Ice Arena	1,857	93,236	98,990	68,064
Minot, ND	Maysa Arena	1,800	73,193	91,283	42,742
Aberdeen, SD	Odde Ice Center	1,600	38,848	57,135	41,529
Soldotna, AK	Soldotna Regional Sports Complex	2,000	28,953	32,170	26,272
Average (excluding Janesville)		2,660	457,170	1,477,540	39,350
Median (excluding Janesville)		1,800	244,870	404,872	34,415

**Exhibit 12
NAHL Teams and Facilities (sorted by total attendance)**

Market	Facility	Total Seating Capacity	30-Minute Drive Time Population	90-Minute Drive Time Population	Total 2017-18 Attendance
Corpus Christi, TX	American Bank Center	8,000	405,447	561,156	88,495
Shreveport, LA	George's Pond at Hirsch Coliseum	8,500	369,891	588,192	87,742
North Richland Hills, TX	Nytex Sports Centre	2,400	1,981,550	6,823,515	78,595
Fairbanks, AK	Big Dipper Ice Arena	1,857	93,236	98,990	68,064
Johnstown, PA	1st Summit Arena at Cambria County War Memorial	4,000	125,754	478,986	64,927
Amarillo, TX	Cal Farley Coliseum	4,870	261,209	352,074	62,935
Odessa, TX	Ector County Coliseum	5,131	300,411	390,851	57,384
Minot, ND	Maysa Arena	1,800	73,193	91,283	42,742
Aberdeen, SD	Odde Ice Center	1,600	38,848	57,135	41,529
Cloquet, MN	Northwoods Credit Union Arena	1,700	133,201	234,727	37,791
Bismarck, ND	V.F.W. Sports Center	1,289	123,577	138,976	34,845
Austin, MN	Riverside Arena	2,300	64,786	383,684	33,984
Topeka, KS	Kansas Expocentre	7,450	244,870	905,847	31,879
Soldotna, AK	Soldotna Regional Sports Complex	2,000	28,953	32,170	26,272
Brookings, SD	Larson Ice Center	1,600	43,920	353,208	23,495
Janesville, WI	Janesville Ice Arena	750	246,640	1,442,482	19,831
Springfield, IL	Nelson Center Ice Rink	2,100	205,602	491,791	16,473
Richfield, MN	Richfield Ice Arena	1,300	2,324,130	3,561,329	13,954
Middletown, NJ	Middletown Sports Complex	1,500	801,932	5,669,630	8,769
Attleboro, MA	New England Sports Village	750	1,010,282	4,394,257	6,491
Pittston, PA	Revolution Ice Centre	400	378,572	884,682	5,805
Odenton, MD	Piney Orchard Ice Arena	500	1,144,228	5,807,050	n/a
Jamestown, NY	Northwest Arena	2,100	88,409	404,872	n/a
Chippewa Falls, WI	Chippewa Area Ice Arena	1,250	152,068	315,412	n/a
Average (excluding Janesville)		2,980	460,860	1,393,890	40,520
Median (excluding Janesville)		1,929	245,755	485,389	34,415

The NAHL is one of the top junior hockey leagues in the United States. It is the only Tier II junior league sanctioned by USA Hockey. The league consists of four divisions with a total of 24 teams. The Janesville Jets are members of the Midwest Division, along with the Chippewa Steel, Fairbanks Ice Dogs, Kenai River Brown Bears, Minnesota Magicians, and the Springfield Jr. Blues.

As shown in the previous exhibits, playing in the Janesville Ice Arena, the Jets presently play in the third smallest arena facility in the NAHL. This low capacity, coupled with the lack of modern facility amenities, poor sightlines and marketability of certain seating areas, influences lower than average Jets attendance levels. When seats located at the periphery edges and those with poor sightlines are removed, nearly all Jets games can effectively be considered sell-outs—despite a spectator/fan experience that is considered considerably lower than modern standards due to facility age/deficiencies.

Exhibit 13 presents a hypothetical seating capacity and attendance extrapolation for a potential new Janesville Jets Arena (as a theoretical part of a potential new Janesville Indoor Sports Complex) based on NAHL league averages.

Exhibit 13
Hypothetical Seating Capacity and Attendance Extrapolation
Based on NAHL League Averages

Seating Capacity	Per Game Attendance
• 750 = Existing Janesville Ice Arena	• 661 = Existing Jets
• 2,800 = NAHL average (+2,050 difference)	• 1,351 = NAHL average (+690 difference)
• 1,857 = NAHL median (+1,107 difference)	• 1,147 = NAHL median (+486 difference)
• 1,520 = 30-min population (+770 difference)	• 2,347 = 30-min population (+1,686 difference)
• 1,770 = 90-min population (+1,020 difference)	• 5,420 = 90-min population (+4,759 difference)

As shown, when considering NAHL league averages (and excluding secondary drive markets), extrapolation to various measurements of Janesville’s population would suggest an arena seating capacity of between 1,520 and 2,800, depending on the metric evaluated. This represents a difference in seating capacity from the existing Janesville Ice Arena of between 770 and 2,050 seats.

A hypothetical extrapolation of per game attendance using NAHL league averages and population (and excluding secondary drive markets) suggests that, should the host facility be sufficiently large and capable, per game attendance would theoretically fall between 1,147 and 2,347—levels that are 486 and 1,686 attendees higher than current attendance figures at Janesville Ice Arena.



Janesville Youth Hockey

Janesville Youth Hockey is the largest user of the Janesville Ice Arena. They serve more than 250 skaters in their programs, from the introductory program through the Bantam level. Currently, due in part to lack of prime ice time, JYH teams are sharing ice for their practices, with only the Bantam level getting their own ice time.



This season, JYH added its first girls team in four years, with approximately 18 skaters, who currently utilize the arena in Beloit for their practices. JYH representatives believe that within the next two years, they could add up to five additional girls teams due to the demand if the ice time to accommodate them was available.

Additional prime ice time would also allow for existing JYH teams to utilize the entire rink for their practices. They could envision adding approximately eight additional hours of ice time every two weeks that would allow for teams to practice once bi-weekly on their own ice. Annually, JYH hosts two tournaments at the Janesville Ice Arena. It is believed that if there was additional ice time at the Arena, they could host approximately nine more tournaments on an annual basis, they currently are hosting two per season. It is believed that an additional sheet of ice could allow JYH to grow participation and programming.

Facility requirements / preferences:

- Facility with two NHL-sized ice sheets.
- Affordable rental arrangement.
- Space to accommodate off-ice training and shooting.
- Adequate size and 4 locker rooms per ice sheet.
- Larger storage areas.
- Concession stands, food court or restaurant.
- Pro-shop onsite that offers skate sharpening and basic equipment.

Rock County Fury

The Rock County Fury is a girls co-op hockey team that consists of athletes from 11 schools. Annually there are between 23 and 35 skaters that form a Junior Varsity and Varsity team. Currently, they rotate between three ice arenas to accommodate their practice and game time. However, the JV and Varsity teams must share the ice time and their games cannot be held one after another due to the shortage of ice time available. In speaking with team coaches, if a new facility was able to accommodate them, they would move all of their operations over to that facility and utilize it as their home arena. They would envision using it daily, one hour for each team as well as their games. Facility requirements include two sheets of ice with an additional studio sheet for goalie practice, dedicated locker rooms for the teams and an off-ice training area.



Janesville Figure Skating Club

The Janesville Figure Skating Club is the second largest ice time user at the Janesville Ice Arena. They currently have approximately 18 to 20 skaters per session and are one of the smaller clubs in the greater area. Club representatives said that the lack of ideal and consistent ice times has limited their ability to retain skaters as well as attract coaches to the Club.



If they were able to get more ice time during prime hours with a more consistent schedule, they believe they would be able to increase their skater participation by 30 to 50 percent over the next five years. Beyond ice, other facility desires include area for off-ice training and storage solutions. Figure skaters also noted that they will travel to the Chicago area for adequate skate sharpening, therefore an in-house pro-shop that had the capability to sharpen figure skates would be desirable.

Janesville Bluebirds

The Janesville Bluebirds is a co-op boys hockey team offering both a Varsity and Junior Varsity program that utilize the Janesville Ice Arena. Unlike most high school hockey programs, the current lack of ice time at the Arena has limited them to practicing only a few times a week as well as having to share the ice between both the JV and Varsity teams. An increase in the number of ice sheets and the ice time available would allow Bluebirds to offer separate daily practice times.



The high school also runs camps at the Janesville Ice Arena for all age groups and noted that if additional ice were available, they would be able to run more programs. In addition to ice other desires include a dryland training area, locker room facilities and increased spectator amenities. Organization representatives also noted that although the rink has made improvements that have benefited the players, spectators of high school games have indicated that there have not been any enhancements to the fan experience.

Janesville Adult Hockey Leagues

The Janesville Ice Arena has an A, B and C Adult League that runs twice a year. In the summer months, there is more ice time available which allows them to play earlier in the evening resulting in higher participation. During the winter, they are forced to play at much later times and participation rates drops significantly. Any additional ice sheet that would allow for earlier play time in the winter would likely result in more consistent participation levels and potentially attract additional players.



Milton High School Boys Hockey

Milton High School Hockey is a newer hockey program going into its fourth year of operations. There are 25 skaters this season which may allow them to have both a Junior Varsity and Varsity team.



Currently they utilize the Stoughton Ice Center, a seasonal ice arena with a seating capacity approximately half of the size of the Janesville Ice Arena. The Ice Center is located more than 20 miles from the high school but used by the hockey team because of lack of available time at the Janesville Ice Arena. Although there is some potential opportunity for them to relocate their team to a new facility in Janesville, they would not do so unless it was conveniently located.

Beloit Youth & High School Hockey

Beloit Youth Hockey currently serves between 150 and 180 youth skaters a year at the seasonal ice arena the Hockey Association runs in Beloit. Beloit has a boys' hockey program that primarily offers a Varsity team. However, some seasons, they offer a JV team. Due to the seasonal usage of their arena, they will at times utilize the Janesville Ice Arena for tryouts and practices.



Beloit Youth Hockey representatives indicated a strong interest in moving their organization to a new facility in Janesville if ice time was available. Additionally, coaches noted that they would definitely utilize a new arena for youth and summer hockey programs in Janesville.

MYHockey Tournaments

MYHockey tournaments organizes youth tournaments throughout the country including four in the greater Madison area. Staff indicated that if a facility with at least two sheets of ice were to be developed in Janesville, they would definitely consider it for future events either in terms of using it in conjunction with existing tournaments in Madison as well as potentially developing new events in Janesville. Each tournament lasts three days and could attract between 28 and 30 teams. Beyond two sheets of ice, they require space for vendors, concession stands or restaurant options, large locker room facilities and a separate referee room.



Rock Soccer Club

The Rock Soccer Club has an estimated 500 kids playing within its programs. The club encompasses all of Rock County and has teams from different age groups playing year-round. Currently, the club is utilizing high and middle schools for their field needs. During the indoor soccer season, the Rock Soccer Club uses the schools' courts to play a make-shift futsal and soccer combination game. The club management notes that they have a good relationship with the schools, but scheduling is always difficult as they are competing with school functions and winter sports.



The club is in favor of a new facility in Janesville, citing that, throughout the county, soccer and lacrosse are growing sports that would utilize an indoor turf facility all winter. Club management commented that the amount of tournaments the club could host would go up exponentially with a new facility. In order to host a tournament, the club would need at least two fields (one large enough for an eleven versus eleven game and another for a seven versus seven game), a concession stand, and some locker rooms or space for the teams to meet.

Janesville Youth Football

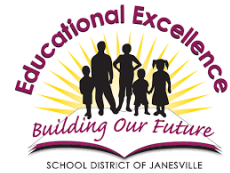
Currently, the Janesville Youth Football (JYF) organization has just under 400 kids participating in its programming. This organization runs teams and leagues primarily in the summer and fall, but it could extend its season easily with a new indoor turf facility. The JYF has its own outdoor complex that consists of four full-size, lighted football fields. Football in Janesville is slowly evolving more towards flag football than tackle football, primarily because of the recent research studies looking into brain injuries tackle football.



The Janesville Youth Football organization's management is in favor of a new indoor sports complex that would cater to multiple sports, including turf fields. Ideally, the JYF would like to see two full-size indoor turf football fields in a new facility, along with concessions, a fitness and workout center, and a pro shop.

Janesville School District

The Janesville School District is comprised of 10,000 students among 21 facilities. In speaking with representatives, they noted that among their school district athletics, the greatest area of need among indoor facilities was ice sheets. Additionally, staff indicated that although they offer a significant number of indoor court facilities, due to the buildings not being open seven days a week, it limits their usage for both school related and non-school related use and that there is a need for additional space that can be utilized during the weekends without additional costs to the user groups.



Janesville Basketball Association (JBA)

The Janesville Basketball Association (JBA) is in its fifth season of programming. The organization has an estimated 300 to 320 kids each year participating in teams at various age groups. Currently, the JBA hosts all of its tournaments and weekly practices during the season at local schools. With scheduling priority going to school activities and the limited parking however, planning and hosting events have been difficult for the association.



The JBA is in favor of a new facility to further the growth of Janesville. Association management shared that the organization was levelling off with new participants and could expand their teams with a new facility. The organization would also bring more tournaments to the area with a new facility, and utilize it weekly for practices throughout the winter regular season. Tournaments currently bring in twenty to twenty-four teams and around 400 to 500 family members. These numbers would only grow with a new facility available. Janesville's central location between Madison, Milwaukee, and Northern Illinois will ensure the facility will always be utilized for basketball tournaments.

Ideally, they would like to see a facility that could accommodate four to six courts, space for vendors to set up during tournaments, concessions, gathering spaces for teams, as well as indoor turf field options for training and workouts, as well as catering to other sports.

Janesville Youth Baseball and Softball Association

There are nearly 800 youth baseball and softball players in the JYBSA annually that utilize the Janesville Sports Complex for their practices and games. The JYBSA offers both in-house and traveling teams, with in-house teams playing in the spring and summer and tournament teams nearly practicing year-round.



Due to the inclement weather in the spring and fall, there is a need for indoor practice space for their players. Additionally, in an attempt to combat decreased participation over the years, they have been working to offer indoor open gym time during the off-season to players which draws between 75 and 100 kids per session. However, with a lack of availability in school facilities and costs associated with weekend use, accommodating these needs has proven difficult. Ideally, they would like to have a facility that would allow them to play indoors with space to drop down nets and hit balls. If a space like this were to be developed in Janesville, they would be able to utilize it year-round for practice and open gym space.

Conclusions

Key conclusions associated with the market demand research and analysis conducted for a potential new Indoor Sports Complex in Janesville include the following:

1. Overall Demand:
Measurable unmet demand exists for a potential new indoor sports and recreation facility. Key unmet sports demand types include hockey, turf sports training, basketball, volleyball and other dry surface league and rec games, practices, camps/clinics, and tournaments.
2. Ice Facility Unmet Demand:
Strongest areas of need appear to be for ice facilities. Available local area ice facility inventory is very limited and substandard. Local participation and interest in ice sports/activities is being constrained by lack of dates and preferred time availability. During peak periods, September through May, it is estimated that Janesville could support a primary ice complex with two sheets of ice. This would suggest that if a reuse is identified for the current Janesville Ice Arena, then a new facility should include two ice sheets, one of which could represent a seasonal sheet (i.e., removed in off-peak periods to accommodate other uses).
3. Janesville Ice Arena is Not Sufficient to Accommodate Current and Future Demand:
The existing Janesville Ice Arena is an aging facility and lacks the amenities needed from both a player and spectator standpoint. The facility has a number of user tenants and date availability constraints are prevalent among each group, particularly during key peak demand periods. Beyond tenant users, there are many user groups in the greater Janesville area that need a home facility but cannot currently be accommodated within one facility due to lack of available time, using multiple facilities in the region. The lack of available prime time also has decreased participation among some user groups. A substantial increase in hockey tournaments (sports tourism) would be possible with a two-sheet facility. Lastly, the Janesville Jets are an important community asset and the Janesville Ice Arena provides a substandard fan experience.
4. Demand Exists for Additional Indoor Sports/Recreation Space:
The Janesville area presently lacks indoor turf space for training, dryland activities, and certain sports/rec games and practices. These activities could include off-season training for baseball, softball, soccer, football, and other sports. In terms of court or other types of flat surface sports/activities, the Janesville area has a number of courts provided by school gyms/fieldhouses; however, their availability for outside rentals and rec use during peak periods is very limited.
5. Demand for Other Dedicated Space (i.e., Swimming), but Not Considered Viable:
There are certain groups that indicated strong interest in a new aquatics facility (natatorium). However, in terms of satisfying the primary objectives of this potential project—specifically, the need for an indoor facility investment that works to address measurable unmet facility space needs by local sports and recreation activities, drive industry average or higher utilization levels with breakeven or near breakeven financial operating characteristics—an indoor aquatics facility project would be lower on the list in terms of investment priority for the City. Industry-typical natatoriums have construction costs in excess of \$30 million and generate annual operating deficits in excess of \$500,000. The facilities that often have the most compelling feasibility case tend to be those that are developed/operated in partnership with a local university/college and host the school's various swim programs on or near campus.

6. Facility Should Maximize Flexibility:

Beyond the permanent Main Arena, the remainder of the facility sports/rec spaces should maximize flexibility/adaptability. This would include a second sheet of ice (including dashboards and bleachers) that is removable to a concrete base. An additional flat floor space (with a concrete floor base) should be configured adjacent to the second ice sheet space. An FF&E purchase would include a variety of sports equipment (i.e., netting systems, rollable bleachers, scorers tables, goals/nets, etc.), along with portable turf and sportcourt (or portable hardwood surface). These surfaces and equipment would be stored onsite and deployed (entirely or partially) as demanded and determined by management. Should the budget allow, an indoor walking track (ground level or elevated) would be expected to be highly utilized during non-summer periods. Likewise, a playground could serve as a desirable amenity for families visiting the facility.

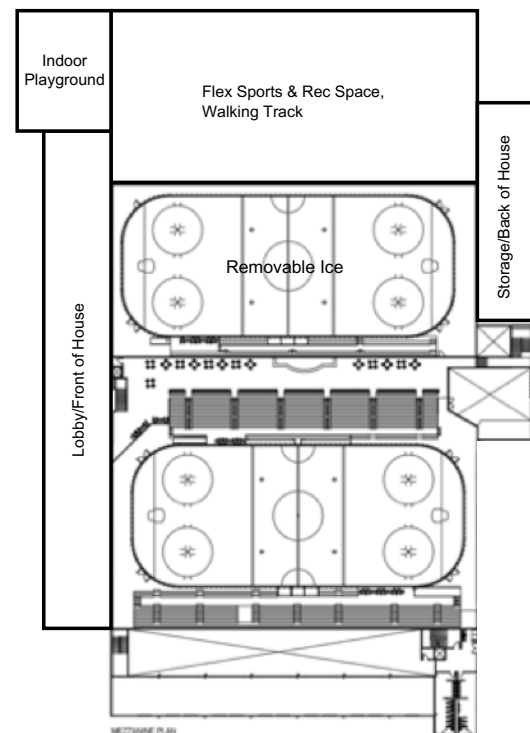
6. BUILDING PROGRAM & OWNERSHIP/MANAGEMENT

The purpose of this chapter is to build off the market demand research, analysis and conclusions related to a potential new Janesville Indoor Sports Complex to evaluate market indicated facility development alternatives and ownership/management options. Recommendations regarding potential facility components and other aspects evaluated in this chapter are based on the results of the market analysis, including the historical, current and projected demographic and socioeconomic characteristics of the market area, an assessment of existing sports and recreation facilities in the marketplace, characteristics of comparable sports facility developments throughout the country, and discussions with potential users of a new Janesville Indoor Sports Complex.

Market Supportable Program

Based on the results of in-depth interviews with individuals representing local and regional sports organizations, the results of the online community survey, as well as discussions with local project stakeholders, the demographic and socioeconomic characteristics of the local and regional market and current participation levels in youth sports, the market supportable program for a potential new Janesville Indoor Sports Complex is outlined below, with a hypothetical layout/space configuration illustration. Several images of other projects are included on the following pages to illustrate the concept.

- **Main Arena:**
200'x85' ice sheet, seating for 1,600 (majority individual seats with seatbacks), year-round ice.
- **Secondary Arena:**
200'x85' ice sheet, seating for 250, seasonal, removable ice/dasherboards. With ice removed, up to 4 courts capacity.
- **Flex Space:**
20,000 SF dry surface, capable of deploying sportcourt, synthetic turf, portable hardwood capable of a future third ice sheet. Up to 4 courts if all sportcourt or hardwood.
- **Indoor walking track:**
Recreation-grade, length/size will depend on facility design. Could be incorporated at the concourse level above grade encircling the perimeter of one or both rinks.
- **State-of-the-industry amenities:**
Food court, pro shop, locker rooms, dry playing surfaces/equipment, party/meeting rooms, etc. Indoor playground space could broaden appeal (in terms of funding and usage). Opportunity to contract with a third party to develop an attached or adjacent restaurant.
- **Other:**
FF&E purchase to include state-of-the-industry portable turf and multipurpose sportcourt surface for Flex Space. Portable hardwood also possible. Sufficient onsite storage is assumed.
- **Estimated Size:**
Approximately 100,000 gross square foot facility (or approximately 2.5 acres). Assuming 500 parking spaces for the Main Arena, 100 parking spaces per secondary ice sheet and 100 parking spaces per 20,000 square feet of alternate event space, 700 parking spaces would be indicated (or 4.5 acres). This would hypothetically indicate a 5.5 to 7.5-acre minimum site size, depending on the amount of nearby street, lot or ramp parking might be available to accommodate spillover parking demand.



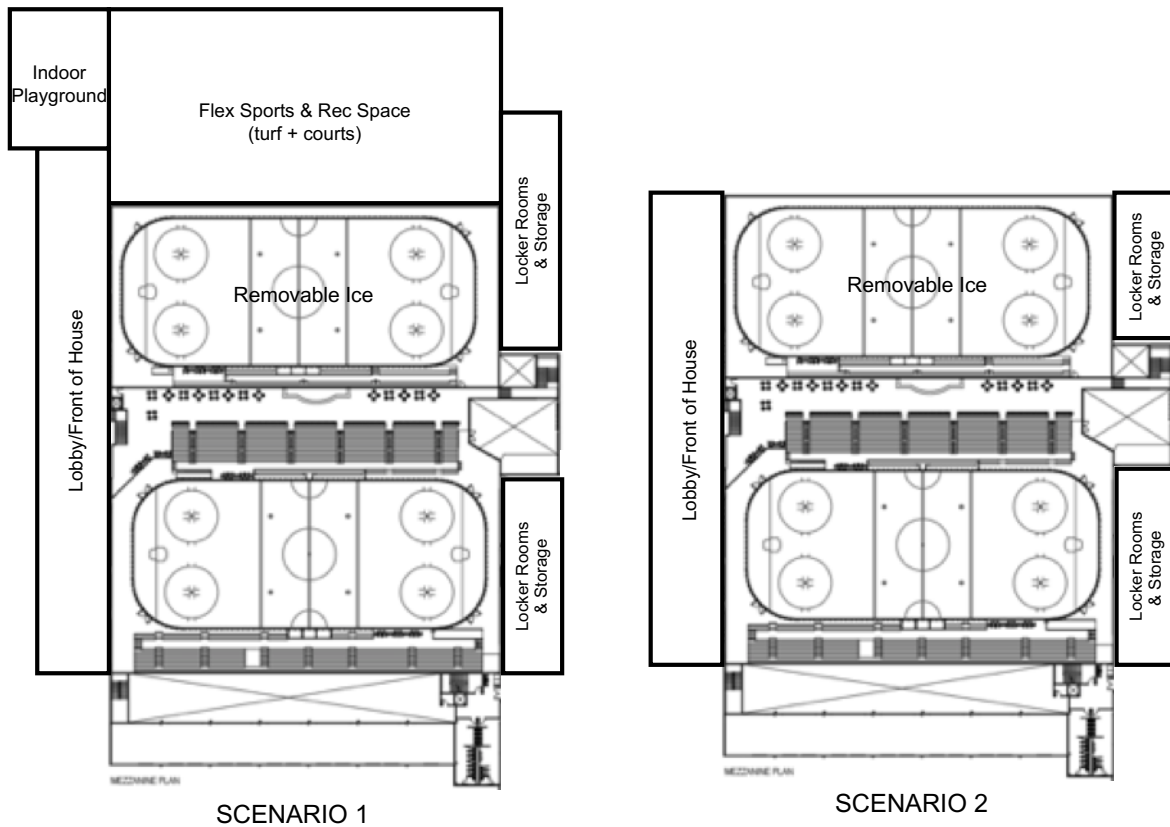




Development Scenarios

To contrast a lower-cost option, building on these market supportable program findings and based on conversations with the Study Committee, the following two scenarios were identified for further analysis:

- Scenario 1: Market Supportable Program
- Scenario 2: Reduced Program (less additional flex space, playground & related support space)



Scenario 1 consists of the full market supportable program, as previously outlined within this chapter. Scenario 2 involves a scaled-back version of the concept, focused around a Main Arena and a flexible secondary space that could accommodate a second sheet of ice during peak season. The ice sheet and dasher boards and portable seating in this secondary space could be removed off-season and used as dry-floor sports and recreation space or multipurpose/exhibition event space. The sports and recreation capabilities of such space will depend, in part, on the type of flooring surface that is purchased as part of the project construction (i.e., portable hardwood, multipurpose sport court, synthetic turf, etc.). With the ice, dasherboards and portable seating removed from the second sheet, approximately 40,000 square feet of total floor space would be available for court or turf activities under Scenario 1 and approximately 20,000 square feet of total floor space would be available under Scenario 2.

As previously mentioned, order-of-magnitude gross square footage of Scenario 1 would approximate 100,000 square feet and require a minimum site size (including parking) of between 5.5 and 7.5 acres. Scenario 2 would theoretically consist of an approximate 80,000-gross square foot facility, requiring between 4.5 and 6.0 acres (depending on the availability of nearby overflow parking).

Both of these scenarios would entail the decommissioning of the current Janesville Ice Arena. There may be opportunities to salvage portions of the central plant and other FF&E, particularly some of the newer equipment recently purchased. While there are not often many re-use opportunities for ice arena facilities of the age of the Janesville Ice Arena, rather than demolition and sale or re-use of the land parcel, some communities have put their facilities up for auction or sold the asset to a local private party or non-profit. Types of uses have included conversion to roller skating rinks, paintball, go-carts, flea markets, after school recreation programs for youth (i.e., dry surface uses consistent with gymnasium activities, such as rec basketball, dodgeball, badminton, gymnastics, weight training/fitness, etc.).

Ownership & Management

Comparable indoor amateur sports complexes are typically owned and operated under one of several models. These include:

Public Model

Under the public model, the land and facility are owned and operated by a public entity, such as a municipal government's parks and recreation department (i.e., City or County). Typically, the primary goal is to, first and foremost, provide access to residents of the municipality. Facilities that operate under this model generally attract the greatest percentage of local participation and attendance. Publicly-operated facilities are typically funded through the municipal government owner's general fund and/or other dedicated public sector monies. Additionally, these facilities typically rely on an annual financial operating subsidy provided by the public sector owner.

Private Model

Under the private model, both the land and the complex are privately-owned, developed, maintained and operated. Facilities under this model tend to be more specialized and cater to a narrower segment of the marketplace. This operational model is designed for profit, with pricing and booking strategies that often limit interest and use by most local community and neighborhood leagues and tournaments. The funding for such facilities usually comes from private equity and revenue generated through programmed tournaments, training, camps and league play.

Public/Private Model

Under the public/private model, the land, and often the facility as well, is often owned by a public entity and leased to a third-party private entity responsible for operating and maintaining the complex. The goals and objectives of this model can vary widely in examples throughout the country; however, many attempt to balance objectives of (1) economic impact generation, (2) local community use opportunities, and (3) operational self-sufficiency. Under an industry best practices approach, these issues are negotiated and agreed upon by the parties in advance and appropriate booking, pricing, and operational guidance is memorialized within the ultimate lease/management agreement. Similar to the private model, many facilities under this model tend to be more specialized and cater to a narrower segment of the marketplace than the public model or the public/non-profit model. Some facilities under this model are operationally self-sufficient and do not require annual subsidy or external funding support, while some still require annual financial operating support by the public sector facility owner.

Public/Non-Profit Model

Under the public/non-profit model, the land and facility are generally owned by a public entity and the complex is leased and operated by a 501(c)3 non-profit. The non-profit operator often utilizes relationships with local sports organizations to generate strategic partnerships, serving to share operating/maintenance responsibilities and expand revenue-generating and use opportunities. The non-profit entity typically gives first priority to its partnerships, with public use given a secondary

priority. This model generally serves more of a public utility than that of a Public/Private model and relies on public funding, as well as the access that non-profit organizations have a number of applicable grant programs that can either contribute to the construction of the complex or offset operating expenses.

Based on the results of the market analysis and the anticipated facility type/program and demand generators present in Janesville, it is believed that the City of Janesville remains the logical owner and operator for the proposed new Indoor Sports Complex. Key factors influencing this conclusion include:

- The strong rationale for the project is to better serve and accommodate the sports, recreation and entertainment needs of local Janesville families. This includes providing access to desirable dates/times at affordable rates. A new Complex will allow for the attraction of non-local tournaments/competitions, but it should not be to the detriment of local users.
- Smaller communities that are more geographically isolated, such as Janesville, often do not have a robust array of strong tourism-based attractions and hospitality infrastructure. This fact, coupled with the distance from very large bedroom communities (i.e., Chicago, Milwaukee, and Madison suburbs), indicate that demand will be weighted to local groups/leagues/training (rather than heavy overnight tournament business) and will need to be affordable. Likewise, communities such as Janesville have lower corporate bases, and, therefore, lower opportunities to drive revenue via sponsorship sales and premium seating leases.
- The majority of comparable facilities located in markets similar to Janesville operate at a financial operating deficit (i.e., operating expenses exceed operating revenues), requiring ongoing operating subsidy support by the facility owner.
- All else equal, experienced third-party private operators can often drive high utilization/attendance and operating revenue, while operating facilities more efficiently; however, for facilities in smaller markets where local accessibility and affordability are paramount, a private management model may not be the most appropriate.

Should the City of Janesville (either through its current Recreation Division or under other purview) own and operate any new Indoor Sports Complex, it will be imperative that the business model and staffing structure be substantially adjusted and scaled appropriately. A hypothetical staffing plan (for Scenario 1) could include the following eleven full-time equivalent (FTE) positions. Salaries, wages and benefits associated with these positions have been included in the financial operating projections provided in the subsequent chapter.

General Manager (1)
Receptionist/Admin. Asst. (1)
Accounting/Contracts (1)
Sales/Marketing Programming (2.5)
Director Operations (1)
Maintenance/Technician (2.5)
Custodians (2)

While outside of the scope of this engagement, it is suggested that, should a new Indoor Sports Complex project be pursued, that a detailed business planning exercise be undertaken to account for the new markets, size/scale and greatly enhanced product quality and functionality of a new project. At the forefront of importance will be to secure an experienced Complex manager, ideally, a person that has a number of years of experience operating a comparable, modern sports complex, including during its pre-opening and initial years of operation.

7. SITE/LOCATION

The purpose of this section is to identify and evaluate the most appropriate location for a potential new Janesville Indoor Sports Complex. A detailed site parcel investigation and analysis was not included as a part of this study engagement. However, this preliminary location review was conducted in order to frame some of the site issues that may be important to consider if future steps are undertaken to advance project planning. Further evaluation, planning, design, research and analysis must take place before a list of specific sites can be narrowed down to the most viable locations and site parcels.

As discussed in the previous chapter, order-of-magnitude gross square footage of Scenario 1 would approximate 100,000 square feet and require a minimum site size (including parking) of between 5.5 and 7.5 acres. Scenario 2 would theoretically consist of an approximate 80,000-gross square foot facility, requiring between 4.5 and 6.0 acres (also including parking). The variance/range in the acreage associated with both of these scenarios relates to the actual availability/amount of nearby street, lot or ramp parking to accommodate spillover parking demand. Actual Facility site parcels that have greater availability of these spillover parking options would typically lead to a recommendation to consider a site size on the lower end of the range, while less available spillover options would suggest consideration of a site size at the higher end of each of the respective ranges.

A large number of characteristics and factors are typically important when evaluating the attractiveness of a site location for an indoor sports complex. These include, but are not limited to:

- Size, cost, and ownership complexity of site;
- Nearby accessibility to major interstates/roadways;
- Driving proximity to primary population concentrations;
- Ability to leverage existing infrastructure/prior investment;
- Requirements/preferences of a private partner;
- Proximity to quality hotel inventory;
- Proximity to restaurants, retail, nightlife, and entertainment;
- Parking availability;
- Ingress/egress;
- Site visibility;
- Synergy with other public sector initiatives/master plans; and,
- Compatibility with surroundings.

In the case of a potential new Janesville Indoor Sports Complex, it is believed that certain issues are elevated in importance when considering sites/locations. Specifically:

1. Unlike many amateur sports and recreation complexes, the proposed Janesville Complex would have a prominent sports tenant (Jets) that would be projected to draw in excess of 1,000 spectators per game. Most comparable complexes lack this type of spectator-drawing tenant. The Jets franchise are akin to a professional sports tenant in a larger city. There are compelling reasons why most sports/entertainment arenas being developed throughout the country often look for locations in or near the city's central business district. The critical mass of walkable restaurants, bars and pedestrian-friendly environment are typically mutually beneficial to the team/facility and the economic vitality of the downtown.
2. However, the importance of a downtown location is lessened—and potentially less desirable—for other projected user activity, such as community-based youth hockey, figure skating, training and

recreation. For these users, ease of accessibility, free parking, and proximity to residential neighborhoods or schools tend to be most important.

3. For tournaments (multi-day events with a large relative non-local participation/attendance base), interstate accessibility and hotel and retail proximity tend to be most important factors.

As such, there are compelling arguments for two general location areas in Janesville. The first would be a downtown location nearer the central business core than the current Janesville Ice Arena. The second would be northeast of downtown proximate to I-90 near the extensive retail and hospitality infrastructure that exists between the Janesville Mall and Northeast Regional Park. Exhibit 1 highlights these locations.

Exhibit 1 Potential Janesville Indoor Sports Complex Site Locations



A downtown site would be attractive for supporting spectator events, such as Jets games, and assist in serving as an important economic generator in the downtown area. Thus, it could also serve important downtown economic development objectives. However, much of the non-Jets activity (i.e., youth and adult hockey practices and games) would occur in the late afternoon and early evening hours—a time in which traffic in and near the downtown could be viewed unfavorably by these groups. Furthermore, it may be very difficult to identify and/or acquire at a reasonable cost a 4.5 to 7.5-acre site in a location that is walkable to/from downtown amenities and is congruent with surrounding businesses/residences.

If such an appropriate downtown site cannot be identified, the decision to focus planning efforts on the preferred northeast location will be clearer. A potential site in the identified northeast location would be advantageous due to:

1. its proximity and accessibility via Interstate 90;
2. its proximity to Janesville's largest concentration of branded retail, restaurant and hotel supply;
3. attractive location for potential Craig High School and Milton High School athletic demand;
4. still accessible for Parker High School demand (as the location will not necessitate access through downtown roadways/traffic); and
5. a greater supply and volume of sizeable site parcel opportunities.

The utilization, financial operating and economic impact projections provided in the subsequent chapter assume a Facility location in one of these two preferred areas. Should an alternate location be selected, a revised analysis would need to be undertaken, as it is likely that market demand, utilization levels, and financial/economic performance would be negatively impacted.

8. COST/BENEFIT ANALYSIS

Based on the results of the market demand and utilization analysis, a cost/benefit analysis was conducted relating to potential utilization levels, construction and operating costs and estimated economic impacts associated with the two identified scenarios for a new Janesville Indoor Sports Complex. A detailed utilization, economic and financial model was developed to consider a large number of variables and inputs to analyze each sport/use for each facility component under review. For instance, when considering different types of usage (i.e., Jets games, use from local leagues/clubs versus non-local tournaments/meets versus clinics/camps/lessons versus open recreation, etc.), separate assumptions were used for the development of usage, attendance, rates, fees, and in- and out-of-facility spending estimates.

Estimated Utilization

A detailed utilization model was developed to consider a large number of variables and inputs to analyze each sport/use for the two development scenarios under review. For instance, when considering different types of usage (i.e., use from local leagues/clubs versus non-local tournaments/meets versus clinics/camps/lessons versus open recreation, etc.), separate assumptions were used for the development of usage and attendance (participants and spectators).

As an initial step in assessing the projected utilization associated with a potential Janesville Indoor Sports Complex, a detailed analysis was conducted to estimate existing use, participation and attendance for the two potential development scenarios under consideration. Next, based on discussions with local sports organizations, regional tournament organizers, a review of sports participation trends, and a review of the historical utilization levels of the Janesville Ice Arena, other local facilities, and comparable facilities, we have developed an estimation of the market demand for a proposed Indoor Sports Complex in Janesville. The utilization assumptions assume the facility is managed by professional, competent and experienced facility management personnel that will promote events in keeping with the City's goals of community involvement, fiscal prudence, and economic impact.

The utilization and attendance assumptions form the basis for analysis of financial operating characteristics and economic impact. A detailed market, utilization, attendance, financial and economic model was developed for the study. For simplicity, the core assumptions have been grouped into the following use type categories that apply to all spaces at the assumed Complex (ice sheets plus flex space courts/turf):

1. Janesville Jets (games and practice/training hours)
2. Leagues
 - a. Janesville Youth Hockey
 - b. Janesville Bluebirds
 - c. Rock County Fury
 - d. Adult Leagues
 - e. High Schools
 - f. Other leagues
3. Tournaments
4. Lessons/Clinics/Miscellaneous
 - a. Janesville Figure Skating Club
 - b. Lessons/Polar Express/Learn-to-Skate programs
 - c. Clinics/camps
 - d. Open skating/open recreation
 - e. Private rentals

Exhibit 1 on the following page presents a summary of estimated utilization and attendance. Estimates relate to a stabilized year of operations (assumed to represent the fourth full year of operations).

Exhibit 1
Estimated Utilization and Attendance Comparison by Scenario

	Existing Janesville Ice Arena	SCENARIO 1 Market Supportable	SCENARIO 2 Reduced Program
Janesville Jets			
Games	32	32	32
Per Game Paid Attendance	600	1,200	1,200
Per Game Turnstile Attendance	661	1,300	1,300
Total Paid Attendance	19,200	38,400	38,400
Total Turnstile Attendance	21,152	41,600	41,600
Percent Janesville Residents	75%	75%	75%
Percent Non-Resident Day Trippers	20%	20%	20%
Percent Non-Residents Overnight Stay	5%	5%	5%
Practice/Training Hours	300	400	400
Avg. Participants & Spectators Per Hour	50	50	50
Total Annual Attendance	15,000	20,000	20,000
Percent Janesville Residents	95%	95%	95%
Percent Non-Resident Day Trippers	5%	5%	5%
Percent Non-Residents Overnight Stay	0%	0%	0%
Total Janesville Resident Attendance	30,114	50,200	50,200
Total Day Trippers	4,980	9,320	9,320
Total Overnight Guests	1,058	2,080	2,080
Leagues			
Number of League Hours	1,200	4,300	3,700
Avg. Participants & Spectators Per Hour	32	34	36
Total Annual Attendance	38,400	146,200	133,200
Percent Janesville Residents	70%	65%	65%
Percent Non-Resident Day Trippers	30%	35%	35%
Percent Non-Residents Overnight Stay	0%	0%	0%
Total Janesville Resident Attendance	26,880	95,030	86,580
Total Day Trippers	11,520	51,170	46,620
Total Overnight Guests	0	0	0
Tournaments			
Annual Tournaments	2	14	12
Average Teams per Tournament	28	32	30
Total Annual Teams	56	448	360
Players Per Team	18	18	18
Spectators Per Player	2.0	2.0	2.0
Average Days Per Tournament	2.1	2.1	2.1
Total Annual Attendance	6,350	50,803	40,824
Percent Janesville Teams/Residents	35%	35%	35%
Percent Non-Resident Day Trippers	25%	25%	25%
Percent Non-Residents Overnight Stay	40%	40%	40%
Total Janesville Resident Attendance	2,223	17,781	14,288
Total Day Trippers	1,588	12,701	10,206
Total Overnight Guests	2,540	20,321	16,330
Lessons/Clinics/Misc.			
Number of Hours	1,000	4,000	3,000
Avg. Participants & Spectators Per Hour	15	15	15
Total Annual Attendance	15,000	60,000	45,000
Percent Janesville Residents	60%	60%	60%
Percent Non-Resident Day Trippers	35%	35%	35%
Percent Non-Residents Overnight Stay	5%	5%	5%
Total Janesville Resident Attendance	9,000	36,000	27,000
Total Day Trippers	5,250	21,000	15,750
Total Overnight Guests	750	3,000	2,250

Exhibit 2 presents a summary of total estimated attendance and attendee origin associated with the scenarios. As shown, upon stabilization (assumed fourth year of operations), the potential new Janesville Indoor Sports Complex is estimated to attract between approximately 278,500 and 316,500 attendees annually, depending on the scenario. While each scenario is expected to generate new visitation and new hotel room nights for Janesville through non-local activity, nearly two-thirds of the estimated attendance under each scenario is expected to consist of utilization by Janesville residents.

**Exhibit 2
Total Estimated Attendance by Scenario**

	Existing Janesville Ice Arena	SCENARIO 1 Market Supportable	SCENARIO 2 Reduced Program
ESTIMATED ATTENDANCE			
Local:			
Janesville Residents	68,217	199,011	178,068
Non-Local:			
Non-Resident Day Trippers (Tournaments)	1,588	12,701	10,206
Non-Resident Day Trippers (Other)	21,750	81,490	71,690
Non-Resident Overnight Stay	<u>3,290</u>	<u>23,321</u>	<u>18,580</u>
Total Attendance	94,845	316,523	278,544
ESTIMATED HOTEL ROOMS			
Total Hotel Room Nights	1,316	9,329	7,432

Note: 'Other' Day Trippers refers to NON-Janesville resident attendees of Jets games, leagues, lessons, clinics, etc.

Estimated Costs

The purpose of this section is to estimate the key costs (operating and construction) associated with a potential new Janesville Indoor Sports Complex. Estimates are presented in 2019 dollars.

Financial Operations

An analysis of estimated operating revenues and expenses associated with the two identified scenarios for a potential new Janesville Indoor Sports Complex was conducted, provided for context alongside current Janesville Ice Arena figures. Since detailed facility design, configuration and cost estimates have not yet been completed, the assumptions used in this analysis are based on the results of the market analysis, industry trends, knowledge of the marketplace and financial results from comparable facilities. Additional physical development planning must be completed before more precise estimations of the potential Indoor Sports Complex's operating costs can be made, and likewise, estimates of construction costs. Also, upon completion of further planning, revenue and expense assumptions should be updated to reflect changes to the assumptions made herein. These changes could significantly affect the analysis of future operating results.

This presentation is designed to assist project representatives in estimating the financial attributes of the potential new Janesville Indoor Sports Complex and cannot be considered to be a presentation of expected future results. Accordingly, this analysis may not be useful for any other purpose. The assumptions disclosed herein are not all inclusive, but are those deemed to be significant; however, there will be differences between estimated and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material.

The majority of major sports and recreation facilities of this nature involve public sector funding participation (both in terms of construction and operations). Most of the facilities throughout the country similar to each of the three scenarios identified herein operate at an annual financial deficit. Non-operating direct support could come from a variety of sources including public sector support (i.e. general funds, dedicated tax proceeds, etc.), grants, philanthropy and other such sources. A typical cost recovery for comparable indoor sports/rec facilities ranges between 50 to 80 percent of total operating costs.

Those indoor sports facilities that are privately-owned and operated throughout the country typically employ unique marketing and booking strategies that maximize operating revenue and minimize operating expenses. For instance, most offer significant in-house programming, clinics, lessons and other such activities. These facilities also tend not to pursue and accommodate significant non-local tournaments/competitions/meets, thereby resulting in lower economic impact generation for the local community, nor do they typically offer affordable usage for open recreation, schools or non-profits.

Operating revenues and expenses for a potential new Janesville Indoor Sports Complex have been estimated for the two new Complex scenarios. The existing financial operating results of the Janesville Ice Arena is also shown for comparison. Exhibit 1 presents the estimated annual financial operating results for the potential new Janesville Indoor Sports Complex for a stabilized year of operations (assumed to occur by the fourth full year of operations), presented in 2019 dollars. Additionally, the estimates below do not include any "non-operating" items, such as debt service or capital repair/replacement funding.

Exhibit 1
Estimated Annual Financial Operating Results by Scenario
(stabilized year of operation, in 2019 dollars)

	Existing Janesville Ice Arena	SCENARIO 1 Market Supportable	SCENARIO 2 Reduced Program
Operating Revenues			
League, Practice, Rec Rentals	\$246,500	\$637,000	\$522,000
Tournament Rental Income	--	\$158,000	\$120,000
Camps and Clinics	--	\$162,000	\$134,000
Sponsorship	--	\$187,000	\$140,000
Concessions (Net)	\$7,500	\$293,000	\$195,000
Other Revenue	\$48,000	\$143,000	\$95,000
Total Operating Revenues	\$302,000	\$1,580,000	\$1,206,000
Operating Expenses			
Salaries & Wages	\$177,000	\$525,000	\$445,000
League Operations/Programming	--	\$144,000	\$125,000
Utilities	\$100,000	\$407,000	\$328,000
Repairs & Maintenance	\$10,000	\$145,000	\$121,000
Materials and Supplies	\$20,000	\$164,000	\$130,000
Insurance	\$2,000	\$12,000	\$10,000
General & Administrative	\$23,000	\$121,000	\$96,000
Total Operating Expenses	\$332,000	\$1,518,000	\$1,255,000
Net Operating Profit/(Loss)	(\$30,000)	\$62,000	(\$49,000)

It is noteworthy that financial operating performance of the current Janesville Ice Arena benefits from the City of Janesville's ownership and operation (via the Recreation Division), which allow many expenses that are typically-borne by other facilities (i.e., insurance, staffing, general and administrative costs) to be shared with other departments or umbrella contracts. A number of these efficiencies are assumed to remain with a new Indoor Sports Complex should it also be owned and operated by the City. However, as



was mentioned in a previous chapter, it will be critical to appropriately adjust and scale up staffing, policies and procedures in consideration of a larger, higher quality, and more highly utilized/programmed sports complex.

As shown in the previous exhibit, upon stabilization and not including debt service, a potential new Janesville Indoor Sports Complex is estimated to operationally generate roughly break-even numbers. Specifically, a Scenario 1 Complex is estimated to generate an annual operating profit of approximately \$62,000, while Scenario 2 is estimated to generate an operating deficit of approximately \$49,000. This type of annual operating performance is better than the average comparable ice-based sports complexes located throughout the country.

The financial operating estimates provided on the previous page are presented in terms of 2019 dollars for a stabilized year of operation (assumed to occur by the fourth full year of operations). While certain sport and event facility products often have a significant “ramp-up” period following opening (where financial operating performance improves year-over-year until stabilization), the magnitude of such a ramp-up during initial operations for a new Janesville Indoor Sports Complex is expected to be less pronounced. This is partially due to the mature base of assumed groups/programs comprising the majority of its expected business resulting from the closure of Janesville Ice Arena, along with the aforementioned efficiencies provided by a City management model. Nevertheless, for planning purposes, modeling for this project suggests the following financial operating performance for Years 1 through 4 (stabilized year) in 2019 dollars.

	Year 1	Year 2	Year 3	Stabilized Year 4
Scenario 1				
Operating Revenue	\$1,390,400	\$1,453,600	\$1,501,000	\$1,580,000
Operating Expenses	\$1,442,100	\$1,472,460	\$1,487,640	\$1,518,000
Operating Profit/(Loss)	(\$51,700)	(\$18,860)	\$13,360	\$62,000
Scenario 2				
Operating Revenue	\$1,061,280	\$1,109,520	\$1,145,700	\$1,206,000
Operating Expenses	\$1,192,250	\$1,217,350	\$1,229,900	\$1,255,000
Operating Profit/(Loss)	(\$130,970)	(\$107,830)	(\$84,200)	(\$49,000)



Construction Costs

An analysis was conducted associated with order-of-magnitude hard construction costs pursuant to the identified scenarios and associated program elements presented earlier herein. Site costs (acquisition and preparation) have not be included in this analysis.

Construction costs tend to vary widely among comparable sports facility projects. Many variables exist that influence actual realized construction costs, including type of facility, size, components, level of finish, integrated amenities, costs of goods and services in the local market, location and topography of the site, ingress/egress issues, and other such aspects. Importantly, a detailed architectural concept, design and costing study would be required to specifically estimate construction costs for a potential Janesville Indoor Sports Complex.

Exhibit 2 presents a summary of assumed construction costs associated with the two identified scenarios.

Exhibit 2
Hypothetical Order-of-Magnitude Construction Costs by Scenario
(in 2019 dollars)

	SCENARIO 1 Market Supportable	SCENARIO 2 Reduced Program
Construction Costs (order-of-magnitude, excluding site)		
<i>Gross square feet</i>	100,000	80,000
<i>Cost per GSF</i>	\$225	\$230
<i>Soft cost rate</i>	30%	30%
Hard costs	\$22,500,000	\$18,400,000
Soft costs	<u>\$6,750,000</u>	<u>\$5,520,000</u>
Total Costs	\$29,250,000	\$23,920,000

As shown, order-of-magnitude construction costs (excluding site costs) for a potential Janesville Indoor Sports Complex are estimated to range between \$23.9 million and \$29.3 million (in 2019 dollars).

Estimated Benefits

While many of the perceived benefits of a potential Janesville Indoor Sports Complex are intangible, including providing enhanced sports and recreation participation opportunities for local youths and stimulating community pride among other qualitative benefits, the annual operations of the potential Indoor Sports Complex can provide quantifiable benefits to an area. Specifically, the annually recurring impacts of an amateur sports and recreation facility begin with the initial direct spending made during operations related to ticket sales, participant fees, camps, clinics, facility rentals, concessions, advertising and other income as well as expenditures made before and after events throughout local hotels, restaurants, retail, entertainment and other establishments.

Direct Spending

The operation of a state-of-the-industry sports and recreation facility can impact the local economy in a variety of ways. Initial direct spending is generated during construction on materials and labor and during operations at events on registration fees, facility rentals, concessions and advertising, as well as before and after events throughout local hotel, restaurant, retail and other establishments.

In order to estimate the incremental economic impact benefits generated to the local economy, certain adjustments must be made to initial direct spending to reflect the fact that all spending is not likely to impact the local economy. Adjustments must be made to account for the fact that a certain amount of spending associated with the potential Complex will be made by local residents and, therefore, likely represents money already spent in the economy in another form. This phenomenon is called displacement and reduces the overall net new impacts. This type of spending is not considered net new to the local economy. Additionally, not all spending associated with the potential Complex will take place in the local economy. A portion of this spending is likely to occur outside the immediate area. This phenomenon is called leakage and reduces the overall impact.

The economic impacts presented in this section represent the estimated net new impacts associated with a potential Janesville Indoor Sports Complex.

Multiplier Effects

Economic impacts associated with the potential Facility will likely be further increased through re-spending of the net new direct spending. The total impact is estimated by applying an economic multiplier to initial direct spending to account for the total economic impact. The total output multiplier is used to estimate the aggregate total spending that takes place beginning with the direct spending and continuing through each successive round of re-spending. Successive rounds of re-spending are generally discussed in terms of their indirect and induced effects on the area economy. Each is discussed in more detail as follows:

- Indirect effects consist of the re-spending of the initial or direct expenditures. These indirect impacts extend further as the dollars constituting the direct expenditures continue to change hands. This process, in principle, could continue indefinitely. However, recipients of these expenditures may spend all or part of it on goods and services outside the market area, put part of these earnings into savings, or pay taxes. This spending halts the process of subsequent expenditure flows and does not generate additional spending or impact within the community after a period of time. This progression is termed leakage and reduces the overall economic impact. Indirect impacts occur in a number of areas including the following:
 - wholesale industry as purchases of food and merchandise products are made;

- transportation industry as the products are shipped from purchaser to buyer;
- manufacturing industry as products used to service the sports and recreation facility, sports franchise(s), vendors and others are produced;
- utility industry as the power to produce goods and services is consumed; and
- other such industries.
- **Induced effects** consist of the positive changes in spending, employment, earnings and tax collections generated by personal income associated with the operations of a sports facility. Specifically, as the economic impact process continues, wages and salaries are earned, increased employment and population are generated, and spending occurs in virtually all business, household and governmental sectors. This represents the induced spending impacts generated by direct expenditures.

The appropriate multipliers to be used are dependent upon certain regional characteristics and also the nature of the expenditure. An area which is capable of producing a wide range of goods and services within its border will have high multipliers, a positive correlation existing between the self-sufficiency of an area's economy and the higher probability of re-spending occurring within the region. If a high proportion of the expenditures must be imported from another geographical region, lower multipliers will result. The multiplier estimates used in this analysis are based on the IMPLAN system, which is currently used by hundreds of universities and government entities throughout the country. IMPLAN is a computer program that performs regional input-output analysis based on approximately 530 industry interrelationships.

Estimated Economic Impacts

Exhibit 3 presents the estimated annual economic impacts associated with the two identified development scenarios for a potential Janesville Indoor Sports Complex, along with a comparison of the existing Janesville Ice Arena's estimated impacts.

Exhibit 3
Estimated Annual Economic Impact by Scenario
(stabilized year of operations, in 2019 dollars)

	Existing Janesville Ice Arena	SCENARIO 1 Market Supportable	SCENARIO 2 Reduced Program
Direct Spending by Type			
Hotel	\$623,099	\$2,749,783	\$2,351,129
Restaurant/Meals	1,246,198	5,499,565	4,702,258
Entertainment/Leisure	167,757	740,326	632,996
Retail/Shopping	287,584	1,269,130	1,085,136
Other	<u>71,896</u>	<u>317,283</u>	<u>271,284</u>
Total	\$2,396,534	\$10,576,087	\$9,042,804
Indirect/Induced Spending	<u>\$1,485,851</u>	<u>\$6,557,174</u>	<u>\$5,606,538</u>
Total Economic Output	\$3,882,386	\$17,133,261	\$14,649,342
Personal Earnings	\$1,941,193	\$8,566,631	\$7,324,671
Employment (full & part-time jobs)	50	221	189



As presented in the exhibit, the total output (direct spending plus indirect/induced spending) for a potential Janesville Indoor Sports Complex in a stabilized year of operations (assumed fourth full year of operation) is estimated to range between approximately \$14.6 million and \$17.1 million per annum (in 2019 dollars), depending on the scenario. Additionally, this spending is estimated to annually support between \$7.3 million and \$8.6 million in earnings (or personal income) in the local Janesville economy, along with between 189 and 221 full and part-time jobs throughout the Janesville economy, depending on the scenario.

Non-Quantifiable Impacts

In addition to the more quantifiable benefits, some benefits related to the operations of a Janesville Indoor Sports Complex cannot be quantitatively measured. First, the estimated quantitative impacts (outlined within this chapter) of the potential Indoor Sports Complex in Janesville do not include benefits that may be generated from other private sector developments surrounding the facility such as hotel, restaurant, other retail, and entertainment establishments.

Additionally, other potential qualitative benefits for Janesville and its residents could include:

- Enhanced sports and recreation opportunities for local youths and adults;
- Reduction in the need for residents to leave Janesville for sports and recreation activities;
- Improved wellness and other health outcomes for community members;
- Synergy with the other sports, recreation, entertainment and leisure facilities leading to increased tourism activity;
- Enhanced community pride, self-image, exposure and reputation; and
- Enhanced regional exposure.

These quantifiable economic impacts (through driving new visitation and associated new spending and tax revenue generation) and non-quantifiable benefits are often cited as reasons for upfront and ongoing funding participation in these types of facility projects by the public sector in many communities throughout the country.

Funding Issues

Based on the analysis of funding options, public sector revenue sources are often used to fund all or a majority of the capital development of municipally-owned facilities comparable to proposed Janesville Indoor Sports Complex throughout the region and country. While a majority of the construction costs associated with a new Janesville Indoor Sports Complex would likely need to be funded by the City of Janesville, private sector sources via P3 (public/private partnership) and equity contributions (e.g., Janesville Jets and/or other local companies/organizations) could help substantially contribute to the capital stack necessary to fund the project. Based on discussions with the Study Steering Committee and local officials, it has strongly been expressed that a P3 will be a necessary requirement of any pursuit of a new Indoor Sports Complex project in Janesville.

The ultimate financing structure of a facility is dependent on political, economic and other issues of various parties that may be involved in developing a potential new sports and recreation complex. In some markets, the public sector has the ability to finance a substantial portion of the project cost, while in other markets it does not. The same is true of the private sector.

Public sector mechanisms and sources that are most often utilized to fund comparable sports/recreation complexes located throughout the region and country include:

- General Obligation Bonds
- Revenue Bonds
- Tax Increment Financing (TIF)
- Pay-As-You-Go Financing
- Certificates of Participation
- State/Federal Assistance
- Private/Public Equity & Grants

Under situations where bonds have been issued, debt service is often supported by local tax revenue, which has tended to include the following:

- Property taxes
- Sales and use taxes
- Hotel/motel taxes
- Restaurant/food & beverage taxes
- Sin taxes (alcohol, cigarette, etc.)
- Admissions/entertainment taxes

Based on a review of the local market and comparable facility funding sources, potential sources of private sector funding for the potential new sports and recreation complex could include, but are not limited to:

- Naming rights/sponsorships
- Equity contributions (with or without a formalized P3)
- Grants/Donations
- Vendor rights
- Facility use agreements
- Registration fee surcharge
- Parking fees
- Other sources

A logical private sector funding source to investigate further should planning for a new Indoor Sports Complex in Janesville proceed would involve the sale of naming rights to the complex, or components of the complex. The value of this opportunity for potential local and regional private partners will likely be directly enhanced due to the visibility and branding associated with the Janesville Jets as an assumed primary tenant.

Naming rights partnerships are agreements in which a company places its name or logo on a specific venue, and in return, pays an annual fee to the venue's owner or manager. Typically, these types of deals are done on a more intermediate or long-term basis (e.g. 20 to 30 years), while renewals typically are done on shorter terms (i.e. 10 years or less). Along with the naming of the facility, a naming rights partner typically receives a variety of exposure opportunities, including landmarks, scoreboard signage, exterior facility signage, digital marquee signage, directional signage, opportunities for activation and product sampling, hospitality benefits, inclusion in the venue's media buy and editorial media coverage.

Based on a review of naming rights revenue generated at other comparable sports complexes and a review of the depth and breadth of the local corporate community, it is estimated that an additional \$750,000 to \$2.0 million could be raised (approximately \$75,000 to \$200,000 annually over ten years) from a comprehensive naming rights program for potential new Janesville Indoor Sports Complex, should the City wish to pursue such an opportunity.

**APPENDIX A:
COMMUNITY SURVEY RESULTS**

