



CITY COUNCIL MEMO

| DEPARTMENT | PRESENTED BY | DATE |
|---------------|--------------|----------------|
| Parks and Rec | Diesel Post | March 14, 2022 |

As directed by Council on 11/4/19 staff investigated and pursued the details of building an Ice Rink in partnership with the Chaffee County Amatuer Hockey Association. The City and the CCAHA entered into an MOU in which the City paid \$40,000 and the CCAHA built an ice rink for the community. The Department of Parks and Recreation has worked with CCAHA continuously to help them find ways to build an ice rink. CCAHA has requested to meet with Council again. CCAHA will share an update with Council as to its progress over the past 28 months, present a plan for the future and discuss partnership options moving forward.



Ice Rink Proposal



Delivered by Chaffee County Amateur Hockey Association (CCAHA)



Agenda

- Executive Summary
- Market Analysis
- Current State: CCAHA and City of Salida Partnership
- Conclusion and Next Steps



Executive Summary



Who we are: Chaffee County Amateur Hockey Association

- Registered 501(c)(3) nonprofit, operating since 2020
- **Mission Statement:** Our mission is to provide a recreational ice rink based in Salida, CO for Chaffee County and the surrounding communities
- Established Board of Trustees with 10 members meeting monthly
- Grassroots community with emphasis on family and youth activities
- Experience in other large projects within Chaffee County, and ice rink projects throughout the region



Why an Ice Rink?

- Develop youth and team sports programs that improve quality of life for residents and contribute to the local economy
- Respond to a direct request of thousands of community members
 - 1,000 followers on social media
 - 50 skaters per day when Long Lake is frozen and maintained
 - 100 community donors, over \$100,000 raised





Our Solution



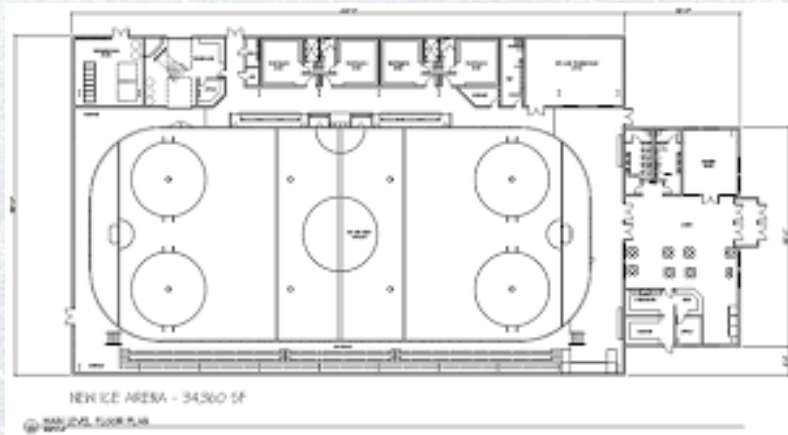
- Partner with CCAHA in the construction and operation of a safe, reliable, and high-quality ice rink facility
 - **Cost-effective**
 - CCAHA has procured over \$800,000 in ice rink infrastructure; funding required from city will be relatively small
 - **Expertise**
 - We have experience in ice rink construction and operation



Next Steps

1. Permanent location

Site viable for ice rink facility with adequate space and utilities



****Based on 2021 cost study of Alamosa and Gunnison rinks**

2. Funding

| Initial Capital Expenditures | Amount |
|--------------------------------------|-------------|
| Facility* | \$2,200,000 |
| <u>Equipment (provided by CCAHA)</u> | <u>\$0</u> |
| Total | \$2,200,000 |

* Expected funding from grants (GOCO, DOLA, private foundations)

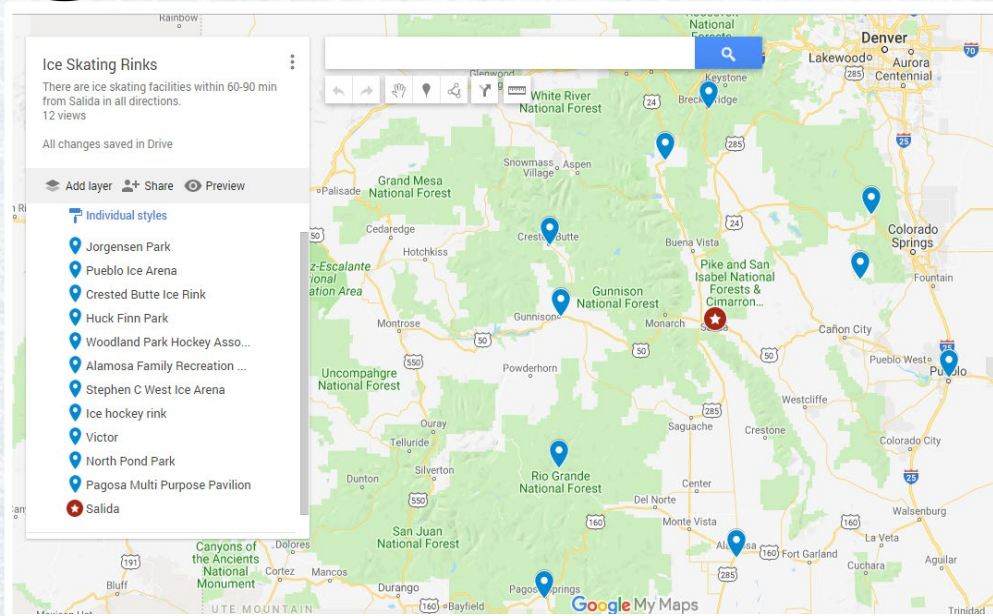
| Annual Operating Expenses** | Amount |
|---|-----------------|
| Personnel (1.75 FTE) | \$92,000 |
| Maintenance | \$55,000 |
| <u>Utilities (electric, water, gas)</u> | <u>\$48,000</u> |
| Total | \$195,000 |



Market Analysis



Nearby Communities Benefiting from Ice Rinks



- Recreation accounts for $\frac{1}{3}$ of the county's economy, and growing
- Data from Alamosa and Gunnison show ice rinks offer strong and complimentary benefits to local economy
- “Soft opening” at prototype ice rink in Salida drew 30+ attendees per day



Hockey is a Growing Sport

- USA Youth Hockey participation has grown every year since 1990.
- Colorado has highest youth participation among Western States.
- 650,000 girls and boys participated nationwide in 2020 season.





Diverse Programming Opportunities

- Public events, clinics, and rentals
- Youth ice skating programs
- Youth and adult ice hockey
- Figure skating, curling, broomball
- Regional competitions



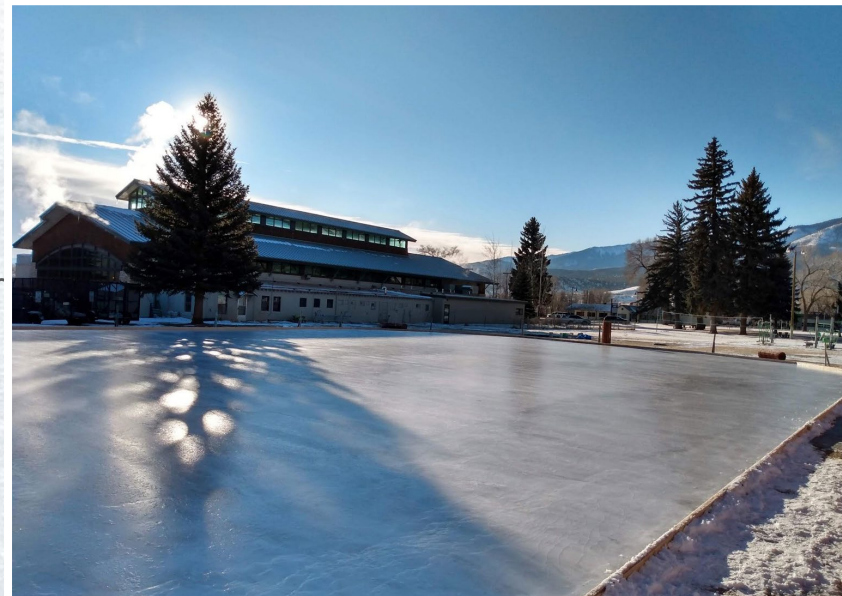


Current State: CCAHA and City of Salida Partnership



Year 1 – Prototype at Centennial Park

- 3-year MOU to build and maintain ice sheet for public use at Centennial Park.
- Ice rink area filled and graded. Material and time donated by LCI Contracting (\$10,000).
- 30 Steel poles for shade used in Alamosa outdoor ice rink received on site (\$6,000).
- CCAHA Hires Goff Engineering to design shade structure. (\$7,500)
- Pagosa Springs Ice Rink donated 30 pairs of skates for public rental.



First official public skate held in February 2020!



Year 2 – Community Bonding at Long Lake

- CCAHA volunteers maintain Long Lake (Frantz) for community use.
- Participation grows to over 200 every weekend.



Over 200 skaters participating in January 2021!



Year 2 – Ice Rink Plans Engineered

- Community acquired a Zamboni ice resurfer.
- Plans for shade system engineering at Centennial Park are submitted to city for review.
- Purchased *Colorado College Honnen Arena* infrastructure, including boards, glass, refrigeration, bleachers, nets, rubber flooring, and scoreboard (*valued at \$800,000*).



CCAHA engineered rink plans and raised over \$800,00 in capital!



Year 3 – Assessment of Marvin Park

- Assessment of temporary location at Marvin Park finds issues:
 - E-W orientation exposes rink to weather
 - Contractors provide estimate to connect utilities
 - Space and time constraints due to needed infrastructure



CCAHA stands ready with all equipment in storage for fully operational refrigerated ice rink!



Conclusions and Next Steps



Conclusion

- Partnering on an ice rink will help develop youth and team sports programs that improve quality of life for residents and contribute to the local economy; also responds to a direct request of thousands of community members
- CCAHA's solution is economical and reliable due to our accumulated capital and expertise



Next Steps

1. Determine a permanent location (e.g., on the master plan)
2. Partner with CCAHA to fund and design the facility
3. Partner with CCAHA to operate youth and team sports programs



Rink Examples





Rink Examples





Chaffee County Amateur Hockey Association

A Colorado 501(c)(3) Nonprofit Corporation | Salida, CO

Business Plan

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Executive Summary

Chaffee County enjoys a well-earned reputation for outstanding outdoor recreation, attracting residents and visitors alike. Activities like skiing, river sports, hiking and biking are the backbone of Chaffee County's highly valued lifestyle and prosperous economy.

However, these recreation opportunities are relatively limited in winter. We believe that this void in Chaffee County's recreational offerings is best addressed by installing a permanent ice skating rink to host public skating, instruction, events, and hockey.

- CCAHA is asking for City of Salida's full support in providing a permanent location by early 2022 with a timeline for construction. This full support should be in the form of a revised approved master plan and an ice rink operational budget in 2023.

Our market analysis demonstrates a clear path to success and significant economic benefit to the city and county. There is already an established ice skating community that has been skating at Long Lake for a decade, braving inconsistent ice conditions at the pond. Last winter alone, Long Lake attracted 50 skaters per day (and more on weekends) as community members sought safe outdoor settings as respite from the COVID-19 pandemic. Other nearby mountain communities have already demonstrated the positive community and economic impacts of ice rinks, including Gunnison, Breckenridge, Victor and Alamosa.

The Chaffee County Amateur Hockey Association ("CCAHA") has a mission promote ice skating and hockey, and improve access to ice rink facilities in Chaffee County and surrounding communities. With the city and community's support, we have acquired the major components of a high quality, full service ice rink from Colorado College. CCAHA's fixed capital assets have a replacement value of \$800,000.

A permanent location and facility to house CCAHA's rink equipment is highest priority.

This permanent facility has an estimated cost of up to \$6 million. Capital funds for this project should come from GOCO, DOLA, and private foundations. Operation funds from City/County.

People

Alan Brown - President. Alan brings 20 years of experience in the ice rink industry to the table, having participated in all aspects of ice rink management. He has experience designing and constructing natural ice rinks in Vernal, Utah. He also coached college hockey for eight years and worked for 20 years as program director for Colorado Outward Bound School.

Jon Fritz - Vice President. Jon is the Manager of Cardiac Rehabilitation and Wellness at Heart of the Rockies Regional Medical Center creating the program in 2013. He has been skating locally since 2007 and is passionate about creating an ice rink for our community. Jon has been a part of several projects locally such as creating Guidestone School Garden, HRRMC Outpatient Pavilion, Simple Lodge & Hostel, and Solvista Mental Health Center.

Max Jacobs - Trustee. Max works remotely as the director of client services for a financial planning and asset management firm. He played in-line hockey in his local league throughout childhood, and at the University of Vermont, Max was a member of the in-line hockey club team.

Christ Faust - Trustee. Since moving to Salida with his wife, Abby in 2001, Chris has been motivated to bring ice skating to Salida. Ice skating has brought Chris a great deal of excitement and joy through his life, and he is excited to help create a local ice-skating opportunity for his wife and daughter.

Marty Pack - Trustee. Marty transplanted to Salida in 2008 with his wife and son and has been a registered nurse at HRRMC for the past 10 years. Marty attended University of Arizona, where he helped his team win the National Street Hockey championship in 1989 before graduating with a B.S. in Economic Development.

Nate Flint - Trustee. Nate is a partner at BoardSpot, where he builds board management software to support strong nonprofit governance. Nate brings ice rink planning experience from serving as a member of the campus committee for Colorado College's Ed Robson Arena, which opened in fall 2021.

Jillian Bare - Trustee. Jillian moved to Salida nine years ago to work as a physical therapist at Heart of the Rockies Regional Medical Center. She played hockey in high school, and after a long skating drought, her love for the sport has been rekindled playing women's pond hockey this winter. She looks forward to many more years of skating in Salida with friends, her two young boys and her husband, Lucas.

Tappan Brown - Secretary. Tappan works as a ranger for Colorado Parks and Wildlife at the Arkansas Headwaters Recreation Area and has coached Learn to Skate and youth hockey programs. He moved to Salida in 2018, and with a young family, he is eager to give all children an opportunity to play a sport he loves.

Zach Spezze - Trustee. Zach is a wildlife property technician and State Trust Land Program coordinator for Colorado Parks and Wildlife. He grew up playing hockey in both Gunnison and Salida and enjoys sharing his love of the sport with his 7-year-old son. He and his wife, Brenda, welcomed a second child in May 2021.

Richard Parker - Finance Chair. Richard is a consultant on matters of finance, risk and investments. Working with CCAHA, he is excited to help bring the joy of hockey and skating to the beautiful town of Salida and build a welcoming ice-skating community for all ages and skill levels to enjoy. He also looks forward to playing the role of “hockey dad” for his two daughters.

Jerry Mallett - Funding Consultant. Jerry is a Colorado native who grew up in Colorado Springs playing hockey in high school. He moved to Salida in 2000 with his wife Nancy. He served four years as County Commissioner and helped with building the Salida River Park, Steamplant expansion, Toubert Building and the Early Childhood facility. Mallett has a strong interest in assisting with projects in Salida and Chaffee County that enhance high quality of life.

Market Opportunities / Competitive Analysis

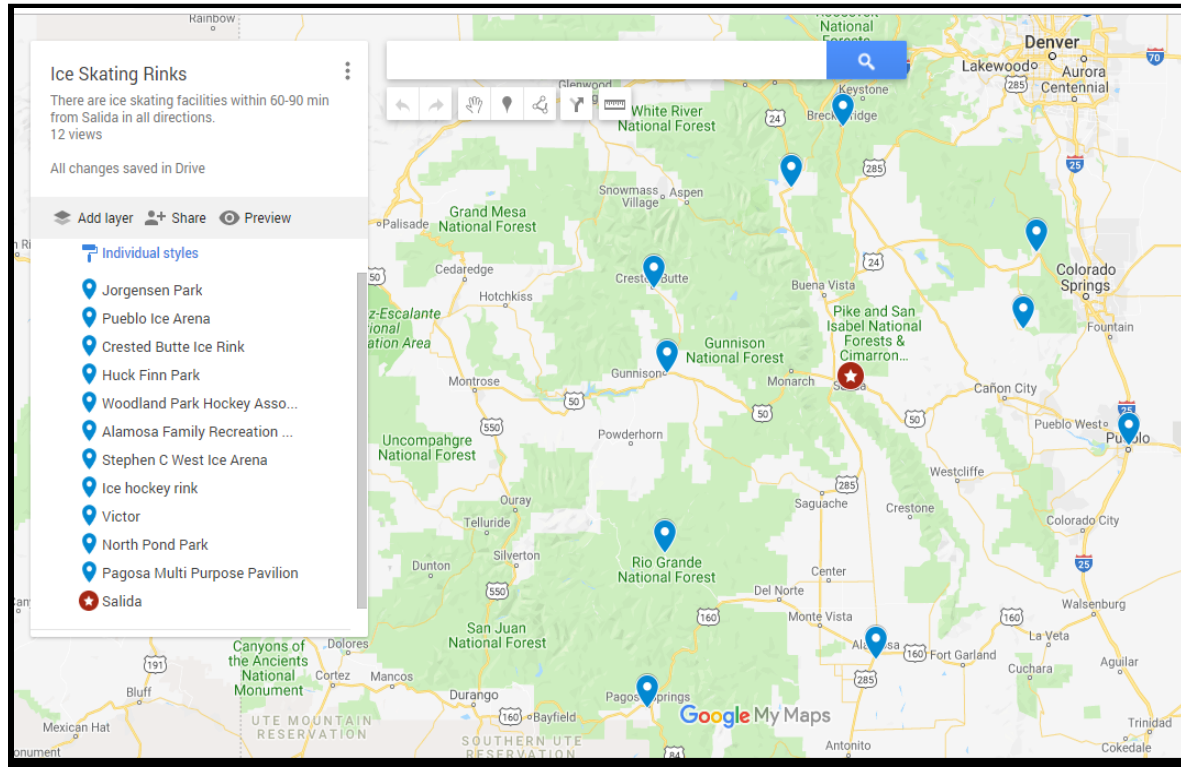
In December 2020, the CCAHA board, in cooperation with Colorado Parks and Wildlife, conducted market analysis to determine the level of community interest. With Long Lake sufficiently iced over, it increasingly attracted ice skaters seeking outdoor activities during the pandemic. The number of skaters during December quickly grew to as many as 50 per day. Skaters included a broad cross section of the community, from small children to seniors, as well as seasoned hockey players and some 25 women seeking to participate in a hockey program. Frantz and Long Lake, which attracted an average of 4.3 skaters per day prior to 2019, saw 60 skaters per day on average in December 2020. Facebook group has over 480 local members and Facebook page that promotes ice rink has 1000 followers.

The CCAHA board anticipated the positive turnout, given the strong outdoor recreation participation throughout Chaffee County. A recent article in the Ark Valley Voice, a local news website, reports that outdoor recreation accounts for a third of the county's economy and is growing at 13 percent per year. These figures include 400 jobs and \$70 million from hunting, fishing and wildlife- watching; 675 jobs and \$66 million from recreation at the Arkansas Headwaters Recreation Area; and 175 jobs and \$57 million generated by Monarch Mountain ski resort.

Chaffee County is renowned for its outstanding high-value public lands and the Arkansas river, which attracts more whitewater enthusiasts than any other section of river in the U.S. The CCAHA membership assumed that limited winter outdoor recreation opportunities would translate into support for an ice skating rink, but given the number of rinks scattered across

Colorado's mountain towns, CCAHA initially underestimated the level of community interest. While several ice rinks are multi-million dollar full-service facilities, many are inexpensive, natural ice rinks that started with limited pilot programs to gauge interest and ascertain viability.

Ice Rinks and Hockey Surround Chaffee County



Hockey is a major growing sport in the U.S., and Colorado has become the “Minnesota of the West” as demonstrated by its National Hockey League franchise and immensely popular hockey programs in cities and towns with ice rinks. Hockey not only generates the most revenue for ice rinks, but it also makes significant economic contributions to communities with ice rinks. Data from Gunnison indicates that the economic contributions from hockey to the community provide a strong complement to skiing.

A "soft opening" public skating session at the future rink site was held in February of 2020. Attendance at the event was estimated at 30+ attendees per day (Saturday/Sunday).

A typical day at Long Lake, December 2020:



Programs and Services

CCAHA's highest priority is securing a permanent location and facility for the complete ice rink equipment it owns. While working towards this goal, a refrigerated seasonal ice sheet at Marvin Park (Salida baseball fields) will be maintained in official partnership with City of Salida.

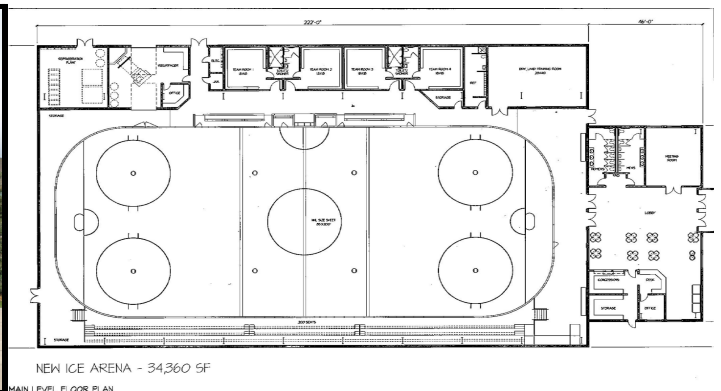
With the temporary seasonal ice sheet at Marvin Park CCAHA plans to offer the following *initial* programs for the benefit of community members, tourists, and local businesses:

1. Public ice skating events and clinics for all ages
2. Youth ice skating programming
3. Youth and adult ice hockey programming
4. Skate and equipment rental



Upon completion of the permanent ice rink structure, and with the prudent safeguards in place, CCAHA plans to offer the following *additional* programs for the benefit of community members, tourists, and local businesses:

5. League play in a Colorado Youth Hockey Association
6. Regional hockey and skating competition/ tournaments
7. A limited number of private events



Hockey programming may be facilitated through partnership with USA Hockey, the premier organization supporting youth and adult hockey development in the USA.

Contingencies

Preparations for key contingencies are as follows:

1. Competition for space with other city projects and/or other opportunities to secure a permanent location.
 - Estimated cost to move the equipment from temporary location and build garage structure is \$250,000 (moving chiller/condenser and building zamboni garage at Marvin)
2. Climate Change, warmer winters
 - Collecting data on cost of different options for refrigeration of the ice surface
3. Permanent ice rink facility
 - Reuse boards and equipment, sell outdoor structure to nearby community, or keep it

Financial Health

As of December 1, 2021 we have raised approximately \$170,000 and own \$800,000 in fixed assets from individual, corporate, and municipal donations. Our primary income sources are as follows:

- Individual and corporate donors
- Municipal funding and grants
- Advertising revenue at the facility
- Programming fees (equipment rentals and events)

Funding sources are allocated in a two phase approach; operating a temporary seasonal outdoor ice sheet followed and a capital campaign to design/build a permanent facility.

Municipal support and grant funding from organizations like DOLA and GOCO will be particularly important for construction costs to design and build. Regional and national foundations such as El Pomar and Gates Foundation have contributed to other regional facilities.

Based on other regional ice rink facility's real costs and projected increases, total capital expenditures are estimated up to \$6 million. Facility structure(s) are assumed to have a 30 year useful life.

The following excerpt from the financial statements demonstrates our current financial status as of December 31, 2021 and a three year financial projection.



Statement of Activity

Chaffee County Amateur Hockey Association

| | 2020 | Budget 2021 | Budget 2022 | Budget 2023 |
|---|-----------------|------------------|------------------|-----------------|
| Revenue and Other Support | | | | |
| Contributions | \$22,233 | \$29,100 | \$39,300 | \$20,000 |
| Program Fees | \$0 | \$30,800 | \$42,300 | \$45,300 |
| Grants and Sponsorship | \$0 | \$50,000 | \$100,000 | \$0 |
| Investment Income | \$0 | \$0 | \$0 | \$0 |
| Total Income | \$22,233 | \$109,900 | \$181,600 | \$65,300 |
| Expenses | | | | |
| Development | \$0 | \$35,000 | \$0 | \$0 |
| Program Expenses | \$5,950 | \$27,200 | \$51,600 | \$27,100 |
| Administration | \$0 | \$2,000 | \$3,000 | \$4,000 |
| Other | \$0 | \$0 | \$0 | \$0 |
| Total Expenses | \$5,950 | \$64,200 | \$54,600 | \$31,100 |
| Net Income / (Expense) | \$16,283 | \$45,700 | \$127,000 | \$34,200 |
| Organizational Costs | \$0 | \$0 | \$0 | \$0 |
| Property and Equipment | \$0 | \$58,700 | \$130,000 | \$10,000 |
| Net Operating Income / (Expense) | \$16,283 | -\$13,000 | -\$3,000 | \$24,200 |
| Net Amortization | \$0 | \$0 | \$0 | \$0 |
| Net Depreciation | \$0 | \$0 | \$1,957 | \$6,290 |
| Total Profit / (Loss) | \$16,283 | \$45,700 | \$125,043 | \$27,910 |



Statement of Financial Position

Chaffee County Amateur Hockey Association

| | Year-End 2020 | Year-End 2021 | Year-End 2022 | Year-End 2023 |
|--|------------------|------------------|------------------|------------------|
| Current Assets | | | | |
| Beginning of Period Operating Assets | \$0 | \$16,283 | \$3,283 | \$283 |
| End of Period Operating Assets | \$16,283 | \$3,283 | \$283 | \$24,483 |
| Fixed and Other Assets | | | | |
| Organizational Costs | \$0 | \$0 | \$0 | \$0 |
| Property and Equipment | \$0 | \$58,700 | \$188,700 | \$198,700 |
| Accumulated Amortization | \$0 | \$0 | \$0 | \$0 |
| Accumulated Depreciation | \$0 | \$0 | -\$1,957 | -\$8,247 |
| End of Period Total Assets | \$16,283 | \$61,983 | \$187,026 | \$214,936 |
| End of Period Total Liabilities | \$0 | \$0 | \$0 | \$0 |
| End of Period Retained Earnings | \$16,283 | \$61,983 | \$187,026 | \$214,936 |

Facility Management Plan

CCAHA is considering the following integrated partnership for managing the facility:

City of Salida in cooperation with Chaffee County manages the facility largely using existing resources from it's parks and recreation department with CCAHA support.

Personnel costs are based upon data shared from Alamosa and Gunnison Ice Arenas. Specific personnel needs are as follows:

- Rink Manager, responsible for ice and equipment maintenance and rentals
- Part-time public skating attendants
- Public works personnel, as needed
- CCAHA trustees and community volunteers, involved in programming decisions and organizing events

Annual operational costs*

| Expenses | Amount | Description |
|-----------------------|----------|----------------------------|
| Personnel | \$92,000 | 1.75 FTE |
| Equipment/maintenance | \$55,000 | Repairs, replacement, misc |
| Utilities | \$48,000 | Electric, water, gas |

Total

\$195,000

**costs estimated from a combination of Alamosa and Gunnison 2021 real costs*

Assumptions and Proposed Changes

There are several key assumptions within the business plan which are needed for the organization to continue on sound financial footing:

1. A permanent rink location will be added to a park Master Plan in early 2022.
2. City of Salida will include operational funding in 2023 budget.