BALLARD*KING
& ASSOCIATES LTD
Recreation Facility Planning and Operation Consultants

* SCOPE OF SERVICES

City of Shakopee
Athletic Center Feasibility Study
Letter of Agreement

Terms:

1. Ballard*King and Associates agrees to provide the consulting services that are outlined in the attached scope of service for the City of Shakopee. Payment shall not exceed $16,100 for personnel cost. All materials and documents prepared by Ballard*King as part of the scope of services shall be provided to the client to be used as the client determines.

2. All expenses incurred by Ballard*King and Associates that are directly related to the completion of this agreement will be reimbursed by the same based on actual cost of service.

3. Any modification in the scope of services and fees must be mutually agreed upon to in writing prior to implementation of the changes.

4. The project fee will be billed at selected intervals of the project upon completion of those specified project services. All invoices are due in full within 30 days of the bill's receipt.

, City Administrator 12/5/14

City of Shakopee Date

2/16/15

Ballard*King and Associates Date

*Ballard*King and Associates is committed to comprehensive planning and operations consulting services, providing for the effective and efficient use of available resources to develop and operate sports, recreation and wellness facilities.*

BALLARD*KING
& ASSOCIATES LTD
Recreation Facility Planning and Operation Consultants

* SCOPE OF SERVICES

City of Shakopee
Athletic Center
Feasibility Study Scope

Phase 1 - Market Analysis:

* Project review and update
* Service area identification
* Review of demographic characteristics/community profile
  - Population/age range/income
  - Businesses/schools
  - Trends
* Review and analyze existing programs/services
  - Existing program statistics
  - Demand for programs/services
* Review competitive market analysis
  - Identify similar facility type in the general area
  - Inventory program and services offered
  - Operational structure
- Admission rates/attendance numbers
* Comparison with national, regional and local participation statistics
  - NSGA standards
  - Potential participation levels
* Conduct/participate community stakeholder meetings (11)
  - Identify key community leaders, staff and project influence individuals
  - Conduct interviews to gain responses from these individuals/groups
* Compile, evaluate and interpret all information received

* SCOPE OF SERVICES

Phase 2 - Programming Assistance:

*Review project component recommendation/prioritization
- Validate the facility program
* Operating structure and parameters
- Philosophy of operation
- Priority of use

Phase 3 - Feasibility Analysis: Develop an operations pro-forma for each of the five components being considered as part of the Athletic Center including additional sheet of ice, field house, aquatic center, indoor play structure and fitness center expansion.

* Develop fee structure
- Drop-in
- Multiple admissions/annual passes
- Rentals
* Sources of income
- Identification and verification of revenue sources
* Operating cost projections
- Develop a line item budget
- Personnel by position
- Contractual services
- Commodities
- Capital replacement
* Revenue generation projections
- Develop a line item accounting
- Admissions
- Programs and services
- Rentals
- Other revenue sources
* Revenue/expenditure comparisons
- Cost recovery level
* Project recommendations/profitability of options
- Marketing strategy
- Program/service considerations

Phase 4 - Final Report:

2743 E. Ravenhill Circle * Highlands Ranch, CO 80126 * (303) 470-8661 * www.ballardking.com * BKA@ballardking.com

* SCOPE OF SERVICES

* Written final report and recommendation
* Presentation of report

2743 E. Ravenhill Circle * Highlands Ranch, CO 80126 * (303) 470-8661 * www.ballardking.com * BKA@ballardking.com

BALLARD*KING
& ASSOCIATES LTD
Recreation Facility Planning and Operation Consultants

* SCOPE OF SERVICES

City of Shakopee
Athletic Center Feasibility Study
Summary of Fees

Study Elements	BK Fees
Phase 1. Market Analysis	$ 6,100
Phase 2. Programming Assistance	$ 750
Phase 3. Feasibility Analysis	$ 8,500
Phase 4. Final Report	$ 750
Sub-Total	$16,100

Reimbursable Expenses: Ballard*King estimates that to complete the scope of services it would require approximately 2 visits to Shakopee at an average of $1,200 per trip. Reimbursable expenses will be billed at cost.

Total Project Estimate: (not to exceed) **$18,500**

*Ballard*King welcomes the opportunity to sit down and customize, prioritize, and/or phase a scope of professional services that will meet the goals and expectations necessary for this project.*

Project Approach and Methodology

Based upon B*K's understanding of the project and the information gathered we would recommend the following approach to the market study and feasibility analysis.

Phase 1:

The initial step of this project will be to examine any previous information that the City of Shakopee has gathered concerning the development of a community center and assist with the development of a steering committee for the project.

Having reviewed the information B*K will begin to conduct the demographic analysis of the study. In this phase B*K will be tasked with developing service areas for the facility, analyzing demographic characteristics of said service areas, overlaying participation rates from the National Sporting Goods Association (NSGA) and the National Endowment of the Arts (NEA). It is important to note that one, the identification of service areas will be completed working in conjunction with City of Shakopee Parks and Recreation staff and two, B*K will use the most current accessible demographic information.

One focus of this phase is the completion of the competitive market analysis where a representative of B*K will be on site to identify, review and visit each the alternative service providers that exist in the identified service areas. This step of identifying potential competitors in the service areas is an important step when providing recommendations about facility components and the subsequent size of said components. Meetings will also be help with representatives from the City of Shakopee Parks and Recreation Department.

The stakeholder meeting of the market analysis phase will be one of the most important element of the project as it is where the user groups are engaged about the Athletic Sports Center expansion. The project manager from B*K will be on-site for a 2-3 day period of time to conduct stakeholder meetings. B*K will require assistance from the City of Shakopee in identifying whom these groups and individuals are and in establishing meeting times over the 2-3 day period. Through the course of these stakeholder meetings B*K will want to gain a general reaction about the concept of a Athletic Sports Center expansion,

the components that groups demonstrate need and would like to see included along with their propensity and willingness to pay for services.

Phase 2:

With the demographic information, competitive market analysis, stakeholder meeting results and staff input complete, B*K can then review and develop the program statement that outlines basic facility components and potential uses. The program statement deliverable will be in spreadsheet format listing the components and program related details within each component and estimate of size. This program statement can then be provided to the architect who can then provide facility cost estimates including land, architectural/engineering, building and other.

With the program statement complete and the component sizes estimated B*K will then apply their Operational Performance Indicator Analysis (OPIA) to the proposed community wellness center. The OPIA process is a time-tested process that B*K has used to develop realistic operating budgets for community wellness facilities. The end result deliverable of this process will be a line item budget accounting that will incorporate a detailed listing of all staffing, contractual services, commodities costs along with capital improvement reserve. BK will try to match the same budget format and terminology utilized with the City of Shakopee budget process. Additionally the budget will address revenue projections and provide a 5-year operation projection for the facility. The revenue projections will be based upon memberships, daily admissions and program revenue.

Phase 3:

The last phase of the process will be to develop a final report that encapsulates the entire process in an easy to read, easy to follow format that the City of Shakopee can utilize as a decision making tool in moving the project forward.

Project Timeline:

* SCOPE OF SERVICES

Phase 1 – Market Analysis, approximately 30 days

Phase 2 - Program recommendations and feasibility, approximately 30 days

Phase 3 - Final Report, approximately 14 days

Total Time: approximately 74 days