



Spokane Sportsplex Overview of Updates to Financial Forecast and Economic Impact Projections

Notable Changes to Facility Size and Construction Costs

- Updated the facility program based on new facility comparable and design recommendations
 - Result of shifts are a very minimal net decrease in size (a couple of hundred SF)
- Increased the cost of the hard structure construction and site development based on inflation and increased construction costs and updated the construction and start-up costs based on new industry data for equipment and facility amenities
- **Total Impact of Changes to Facility Size and Construction Costs: ~\$1.63 million increase (5% increase)**

Notable Changes to Revenue

- Updated pricing for all rentals and programs
 - Most notable change: increase fees for ice by \$20/hour based on increased fees at existing service providers
- Utilized new national, regional, local sports participation rates to forecast demand for all programs and rentals
- Reevaluated market demand for track, court, and ice facilities
 - No significant change in market demand for track and court
 - No new significant competition
 - Oregon indoor track not moving forward until other athletic facility upgrades are complete – 2021 timeframe
 - Increased ice rental hours based on stakeholder conversations and market conditions specifically related to Eagles Ice Arena ownership/management/operation as well as the Ice Palace closure
 - Results in shortened the ramp-up/maturation period for ice rental to reflect the opportunity to capitalize on increased demand in earlier years of operation
- Increased the number of teams that can be hosted during ice hockey tournaments
 - National trends toward 3-day tournaments with 15 teams per sheet of ice
 - Since that requires holiday weekends, we created a blended structure for hockey tournaments increasing average days to 2.5 and average number of teams to 12



- **Total Impact of Changes to Revenue: Average of \$135,000 more revenue per year over five years; \$679,000 5-year cumulative revenue increase (8% increase)**

Notable Changes to Fixed Expenses

- Reevaluated facility, operating, and management payroll expenses based on new industry data and inflation
 - Facility expenses: 5-year cumulative increase of \$75,000 (4% increase)
 - Operating expenses: 5-year cumulative decrease of \$67,000 (6% decrease)
 - Management payroll expenses: 5-year cumulative increase of \$148,000 (6% increase)
 - Salary taxes and benefits: 5-year cumulative increase of \$129,000 (13% increase)
- **Total Impact of Changes to Expenses: Average of \$57,000 higher fixed expenses per year over five years; \$285,000 5-year cumulative fixed expense increase (4% increase)**

Total Impact of Changes on EBITDA: Average of \$66,000 increase in EBITDA per year over five years; \$328,000 5-year cumulative increase in EBITDA (30% increase)

Notable Changes to Economic Impact

- Updated tournament structure, yielding increased number of non-local days and room nights (note: number of events did not change)
 - Non-local days increased by average of 3,300 per year over five years; 16,700 5-year cumulative increase (2% increase)
 - Room nights increased by 760 per year over five years; 3,800 5-year cumulative increase (2% increase)
- Increased the Average Daily Expenditure for regional and national visitors based on changes in hotels near proposed site
 - Average daily expenditure for regional visitors increase by \$1.43 per day
 - Average daily expenditure for national visitors increase by \$2.50 per day

Total Impact of Changes on Economic Impact: Average of \$669,000 increase in direct spending per year over five years; \$3.35 million 5-year cumulative increase in economic impact (3% increase)