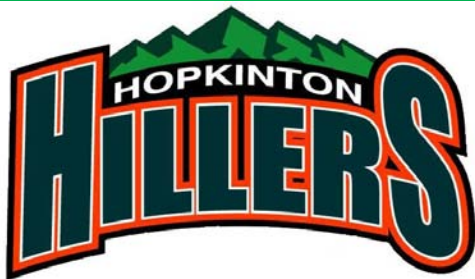




Hopkinton Ice Arena

Proposal for the
Town of Hopkinton

By:
Demons Youth Hockey



April 26, 2011



Opportunity Statement

We have a window of opportunity for Hopkinton to enhance its recreational profile and infrastructure through a Public/Private Partnership. Development of an arena at Legacy Farms provides opportunity, beyond just hockey, to benefit the community at no taxpayer expense.

Today:

- Young athletes in Hopkinton currently comprise 25 + hockey teams
- Recreational opportunities, beyond ice hockey, currently go unrealized in our community



Current Situation

Organization	Current Issues	Estimated Ice Spend
Hillers Varsity	<ul style="list-style-type: none"> No home rink means less community support Ice conditions for practice and game are inadequate Currently looking at alternative sites (Quotes - additional \$6000) Undesirable rink locations Problematic practice times 	<ul style="list-style-type: none"> \$26,000 (ice)
Hillers Junior Varsity	<ul style="list-style-type: none"> Very little practice ice Undesirable rink locations 	<ul style="list-style-type: none"> Included above
Jr Hillers - Middle School	<ul style="list-style-type: none"> League plays 30 miles away (Foxboro) Infrequent and sporadic practice ice Undesirable rink locations 	<ul style="list-style-type: none"> \$ 3000 (ice) \$ 9000 (league)
Demons Youth Hockey	<ul style="list-style-type: none"> No home rink makes youth sports less suitable to Hopkinton residents Multiple undesirable rink locations Problematic and inflexible practice times 	<ul style="list-style-type: none"> \$120,000 (ice) \$80,000 (League)
Girls Hockey	<ul style="list-style-type: none"> Currently unable to support Girls play with Boys in Varsity/JV program 	<ul style="list-style-type: none"> N/A
Other recreation Unavailable	(public skating, figure skating, teen activities, broom ball, curling, learning programs, little tot programs, recreational hockey, fitness programs, other ice-oriented sports)	<ul style="list-style-type: none"> N/A

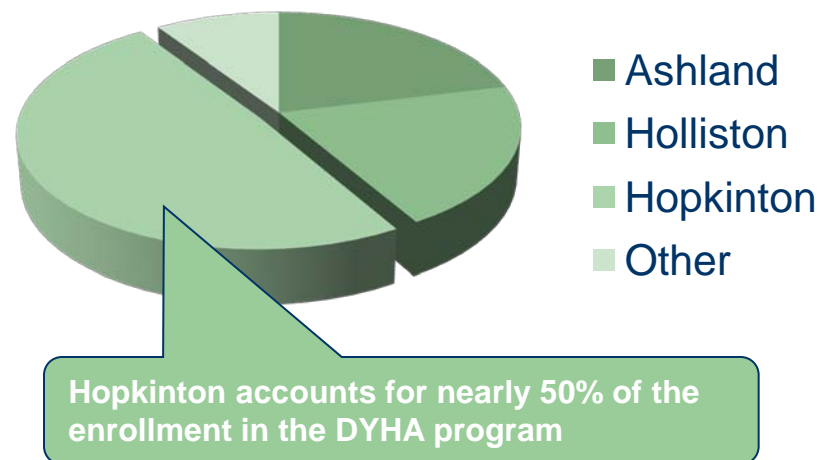
Between \$150,000 – \$200,000 per year is currently spent in outside rinks which would now stay within the Hopkinton community



Who Are Demons Youth Hockey

- Non-profit educational organization serving the youth of Hopkinton, Holliston & Ashland communities for over 40 years
- Provide youth hockey and developmental skating instruction and programs
- Inclusive program – everyone skates!
- Ice-time budget – over \$180,000 annually:
 - Cash outflow to Franklin, Marlboro, Westborough, New England Sports Center and Natick.

DYHA Enrollment





Proposal

Construct an ice rink on the land designated as *recreational* at Legacy Farms. The rink will serve as a winter activities center for Hopkinton and the building infrastructure will be available to support families utilizing the surrounding athletic fields. *This will have no negative financial impact on the taxpayer!*

Town of Hopkinton :

- Allocate a piece of recreational land for the new arena
- Lease the land for 30 years at \$1.00
- Guide and facilitate permitting and approvals

Demons Youth Hockey Association:

- Conduct fundraising activity for the arena
- Secure and service the bank financing
- Absorb customary legal fees
- Develop the property with a commitment to growing town hockey
- Assume responsibility for all design, development, construction and operating costs of running the facility.
- Continue to operate as a non-profit, educational organization

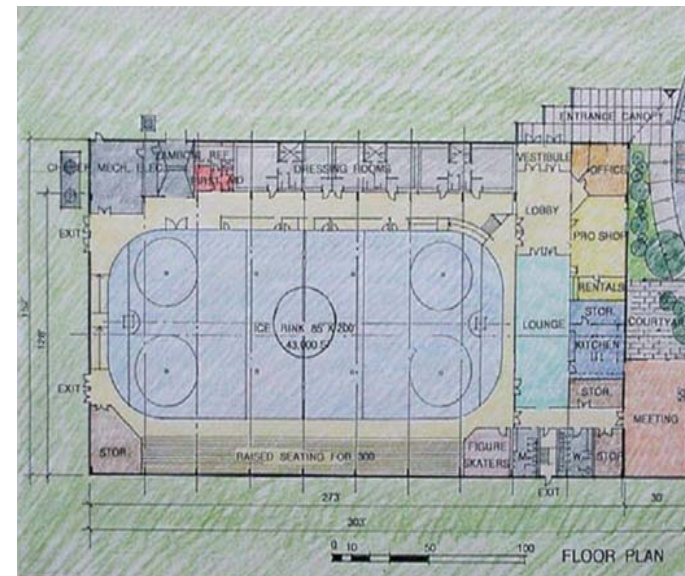
By the numbers

- Estimated construction cost: \$4.5 mm
- Projected fundraising \$1-2mm
- Years for land lease: 30
- Full-time employees: 2
- Part-time employees: 2
- Additional employees in pro-shop and food service
- Size: Approximately 49,000 square feet
- Traffic estimate: 30 car/hour run rate
- Parking space to be share with recreational fields



Target Arena Specifications

- One sheet of ice, regulation size
- Six locker rooms
- Pro shop (sub-lease)
- Concession stand (sub-lease)
- Seating capacity approx 400
- Lobby w/vending, arcade, etc.
- Meeting/community room
- Infrastructure supports external recreational area
 - Basketball
 - Athletic fields
 - Tennis
 - Etc.



Representative design

Why we should do this...



- No tax payer expense
- “Home Rink” for Hopkinton Scholastic programs
 - Typical attendance of 300 + for Varsity, JV games
 - Preferred ice-time allocation
- Develop forum for year round community events
 - Winter-time recreation center
 - Cold-weather recreational options
- Improve youth sports opportunities
- Differentiate from neighboring communities
- Complete the “Recreational Profile”
 - Marathon starting line
 - Public School Fields
 - Fruit Street Athletic Fields
 - EMC Park
 - High School Gymnasium
 - Hopkinton “Barn” Arena

Appendix

- DYHA Financial Overview
- Pro-forma Operating Budget

Demons Youth Hockey

Demons Youth Hockey Association

10 Year Financial Summary

<u>Income Statement Summary</u>	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenue	163,959	212,295	210,847	227,873	222,686	232,242	252,411	268,984	256,953	270,936
Expense	164,363	212,583	200,702	232,912	214,642	244,985	248,197	262,655	251,600	266,064
Net Income	(404)	(288)	10,145	(5,040)	8,044	(12,743)	4,215	6,329	5,352	4,872
Uncommitted Cash Balance	34,132	33,845	41,309	36,269	44,313	31,570	40,221	46,550	51,902	56,774

- In operation for 40 + Years
- Operate as a ~ break-even organization
- Fundamentally sound finances
- We target a cash reserve at 20% of revenue to invest in future opportunities and protect against unplanned program changes
- Currently expenses budgeted above \$250,000 per year
 - nearly all ice and league fees

Pro-forma Operating Budget

Ice Arena Pro-forma P&L - Base Case - Year 1 Operation Summary

Description	Total	% of Rev
Revenue		
Contract Ice Rental Total	\$762,080	87.15%
Other Revenue		
Pro Shop Lease	\$16,800	1.92%
Concession Lease	\$16,800	1.92%
Advertising	\$30,000	3.43%
Vending/Arcade	\$28,800	3.29%
Special Events	\$20,000	2.29%
Total Other Revenue	\$112,400	12.85%
Total Revenue	\$874,480	100.00%
Operating Expenses		
Salaries	(\$170,000)	-19.44%
Benefits/Payroll Taxes	(\$51,000)	-5.83%
Utilities	(\$96,000)	-10.98%
Insurance	(\$40,000)	-4.57%
Office Expenses	(\$25,000)	-2.86%
Land Lease	(\$12)	0.00%
Maintenance	(\$20,000)	-2.29%
Program Expenses	(\$25,000)	-2.86%
Miscellaneous	(\$18,000)	-2.06%
Total Operating Expenses	(\$445,012)	-50.89%
Operating Margin	\$429,468	49.11%

Debt Expense Scenarios

Scenario #1 - DYHA Raises \$0

Debt Expense	(\$386,873)	-44.24%
Net Margin	\$42,595	4.87%

Scenario #2 - DYHA Raises \$500K

Debt Expense	(\$343,887)	-39.32%
Net Margin	\$85,581	9.79%

Scenario #3 - DYHA Raises \$1 MM

Debt Expense	(\$300,901)	-34.41%
Net Margin	\$128,567	14.70%

Scenario #4 - DYHA Raises \$1.5 MM

Debt Expense	(\$257,915)	-29.49%
Net Margin	\$171,553	19.62%

Potential to share a percentage of profit with the town