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MEMORANDUM

To: Mayor and City Council

From: Warren Hutmacher, City Manager

Date: October 19, 2011 (for October 24, 2011)

Subject: **Dunwoody Village Ice Skating Attraction**

ITEM DESCRIPTION

As discussed at the October 10th meeting, staff proposes bringing a temporary ice skating rink attraction to the Dunwoody Village.

BACKGROUND

The community's vision for the Dunwoody Village, as captured in the Dunwoody Village Master Plan, envisions a thriving destination downtown with a vibrant mix of local convenience commercial and community gathering spaces. From an economic development perspective, the City can play an important role in providing a catalyst for downtown activity, revitalization, and redevelopment.

Based on the success and popularity of temporary ice skating attractions in other cities, staff believes bringing a temporary ice skating rink attraction to the Dunwoody Village would be an appropriate catalytic tool for creating the "downtown" feel in the Dunwoody Village.

Initial plans would be to install a 50' x 60' temporary outdoor rink, which would accommodate roughly 75 skaters at a time in the parking lot adjacent to Calico Corners on Dunwoody Village Parkway.

The Convention and Visitor's Bureau of Dunwoody (CVBD) likewise supports this idea and has agreed to take the lead on marketing the event to the Atlanta region. The CVBD has authorized \$15,000 in marketing funds to promote this project. If this event proves to be successful and financially self-sustaining, in future years the event will be turned over to one of the City's community partners.

Based on preliminary figures, staff believes the total costs to operate this attraction for 41 days starting on November 19th to December 31st would be around \$70,000. Ideally, the majority of costs would be covered by both admission from patrons and sponsorships from local businesses.

ANALYSIS

Staff has compiled a business pro-forma for the temporary skating rink attraction. A conservative estimate of attendance was gathered based on recent years attendance at similar attractions in the metro area. Staff forecasts that the attraction will make a very small profit based on conservative admission and sponsorship forecasts.



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A Request for Proposals (RFP) was issued, due back on October 24th for vendors to provide the City with a turnkey skating rink attraction. The vendor will supply the rink, skates and labor to run the facility for a 41-day period.

The City has begun the process of marketing sponsorships for the attraction. Based on initial feedback from sponsors, staff is confident that sufficient sponsorships will be sold to offset the city's costs.

RECOMMENDATION

Staff recommends that the Council authorize the City Manager to expend up to \$70,000 (net expenses) to bring a temporary skating rink attraction to Dunwoody Village in support of economic development, tourism and community spirit. Staff further recommends that the Council authorize the City Manager to enter into a contract with a private firm to provide turnkey skating rink services. Staff will be able to provide the Council with the proposed contract and a recommendation for approval prior to the Council meeting on October 24th.

Skating Rink Pro-Forma Forecast

Revenues:

<u>Ice Skating Admission Fee:</u>	<u>Admission Fee</u>	<u>Skaters</u>	<u>Total</u>
Including Skate Rental	\$10	3,815	\$38,150
No Skate Rental	\$7	1,090	\$7,630
Under 8 years old	\$6	2,725	\$16,350
No Skate Rental	\$3	1,090	\$3,270
Senior Citizen (60 and older)	\$6	1,090	\$6,540
No Skate Rental	\$3	1,090	\$3,270
Group Rate (20 +) Includes Skate Rental	\$7	100	\$700
Total Ticket Revenue	\$7	11,000	\$75,910

<u>Sponsorships:</u>	<u>Sponsorship Cost</u>	<u>Sold</u>	<u>Total</u>
Blizzard Sponsor	\$10,000	1	\$10,000
Snow Storm	\$5,000	2	\$10,000
Snow Shower	\$2,500	5	\$12,500
Snow Flurry	\$500	6	\$3,000
Snow Flake	\$250	8	\$2,000
Sub Total		22	\$37,500
Commission Paid (35%)			(\$13,125)

Net Income from Sponsorships \$24,375

<u>Vendors:</u>	<u>Daily Rate</u>	<u>Avg. # of Vendors</u>	<u>Total</u>
Sale of space to local food vendors (37 days)	\$50	1	\$1,850
Net Income from vendors			\$1,850

Total Revenue \$102,135

Expenses:

Turnkey Ice Skating Rink \$70,000

City expenses:

Special Events and Marketing \$7,500
 Rink Improvements (seating) \$2,750
 Staff augmentation (temporary help) \$5,000
 Lighting, Power and Heaters \$6,000

Total Expenses \$91,250

Net Income/Loss: \$10,885