

Minutes

The City Council of the City of Leawood, Kansas, met for a Special Call Meeting at City Hall, 4800 Town Center Drive, at 6:00 P.M., on Monday, November 17, 2008. Mayor Peggy Dunn presided.

Councilmembers present: Gary Bussing, Jim Rawlings, James Azeltine, Julie Cain, Gregory Peppes, Lou Rasmussen, Debra Filla, and Mike Gill.

Councilmembers absent: None.

Staff present: Scott Lambers, City Administrator
Franki Shearer, Asst. City Attorney
Kim Curran P&R Superintendent
Richard Coleman, Comm. Dev. Dir.
Chris Claxton, P&R Director
Joe Johnson, PW Director
Deb Mansfield, City Clerk

Parks & Recreation Advisory Board Members:

Doug Stevens
Rod Crawford

Others Present: Jeff King, Ballard King & Associates
Alice Hawk, Chair, Leawood Foundation
Jill Cedarstrom, Kansas City Star

Opening Remarks

Mayor Dunn called the meeting to order at 6:15 P.M. Introductions were made by those present.

Parks and Recreation Director Chris Claxton stated Jeff King, Ballard King & Associates, would give a presentation of the Market Analysis for the Community Center study.

Councilmember Peppes joined the meeting at 6:20 P.M.

Mr. King stated Ballard King & Associates was a recreation facility planning and operating consulting firm. He noted they complete needs assessments and feasibility studies for communities that are considering building parks and recreation facilities. Their firm has completed over 500 needs assessment feasibility studies around the country over the last 16 years and approximately 80% of their projects are public municipal parks and recreation facilities. Mr. King noted that of the studies completed, approximately 80 facilities they were involved with are currently operating. In some cases, market conditions weren't favorable to move forward, and in others, funding wasn't secured or elections may have failed. He noted they had been involved with a number of projects throughout the Kansas City area.

Mr. King shared some of the preliminary findings from the Market Analysis and noted there were four major components that were factored in:

- Data Collection
- Public Input
- Alternative Service Providers
- Existing Programs and Services

In order to begin getting information and numbers, they had to establish a service area; this area represented the City limits. Based upon the 2000 Census, there were approximately 107,000 people in this service area; the estimate for 2007 was 123,000, and projected for 2012 is 133,500. Mr. King referred to the demographics table regarding the 2007 service area population by age distribution. They included the national population numbers to provide a benchmark for comparison. He noted the size of the families in this area were most likely larger than that on a national level.

They compared the population within these age groups over the 12-year period from the Census. He noted significant growth across the entire spectrum of ages. Some of these numbers were very impressive; the under 5 age group category showed almost a 65% growth rate in those 12 years. This same age group on a national level grew 17.3%. The 5-17 age group category showed a 19.7% growth rate, with 3% on the national level.

He also compared the median age and median household income and noted they were important factors that help determine participation. The median age projected in 2012 was 43.5 years; nationally this was projected to be 35.6 years. The income was significantly higher than that on a national level. Based upon the 2007 estimates, it's over \$25,000 per year higher than the national level and in 2012 it is projected to be over \$33,000 higher. When comparing the percentage of households in the service area with income over \$50,000 per year, it represented almost 72% of the households. Income of less than \$25,000 per year represented 9.4%.

Beyond comparing the raw data and demographic profile of the service area, Mr. King stated they began to overlay national, state, and regional statistics onto this profile. This information was gathered from the National Sporting Goods Association [NSGA]. The NSGA standards are based upon median age, household income, region, and the national level. Any one of these four criteria would be a legitimate way of estimating participation. He noted they run an average of these four categories to establish their participation percentages.

When looking at market potential, the average number of people interested in aerobic activities was 14.1%, or 17,388. Mr. King noted they weren't suggesting if the community center is built, the City would get 17,000 participants. He noted there are other service providers and many people are exercising from their homes. Workout clubs are serving approximately 26,000 to 28,000 people.

When comparing activity ranking on a national level, walking was the number one activity with 36% participation. Swimming was 22.7%, and exercising with equipment was 23.2%.

The rank order was based upon on a national level; however, the percentages were based upon the Leawood service area.

They compared participation statistics over the last 10 years and found that many program activities had a tendency to have the greatest growth, such as weight lifting, running/jogging, and aerobics.

Knowing that a community center is often more than a place for sports in active participation, they gathered information from the National Dominant of the Arts. Their survey work was centered on adult participation and keyed on things such as music, art, and dance. The arts potential is equally as important as the physical portion.

The alternative service providers in the area were found primarily in the north/northwest part of Leawood. Private club operators key on two elements when deciding where to place a club; one is population within a 5-mile radius of their center, the second is the median income. Although there are a large number of health clubs in the area, this doesn't mean they are meeting 100% of the market.

Councilmember Gill asked how comprehensive the list of facilities was and noted he could think of one that wasn't on the map.

Councilmember Bussing stated he could think of two that were not indicated on the map.

Mr. King noted they could be smaller facilities, such as located in a store front or strip mall. He indicated they could go back and review another tier of facilities; however, this was based upon primary fitness facilities.

Councilmember Filla confirmed with Mr. King that the participation rate was based upon the median age.

Mr. King indicated some of the other market analysis data they looked into was the Kansas participation rates and participation correlation. When combining multiple activities into one setting, it has a tendency to build more participation. They included information on recreation trends, aquatic trends, penetration rates, participation in the arts, and potential partnerships.

Mr. King reviewed the Citizen Survey previously done by Ron Vine, Vice President, ETC Institute. He noted it was a valuable tool because it provides a cross-section of the community. He noted the survey had a 95% confidence level. Mr. King indicated 60% of the people surveyed indicated they were currently using some type of indoor recreation, sports, fitness, or aquatic facility. This means approximately 30,000 households currently use an indoor facility.

Of the 60% that indicated they were using an existing facility, 53% indicated their needs were being met; 46% indicated some of their needs were being met and 1% indicated none were being met. From a market perspective, this demonstrates where some of the potential is.

Councilmember Azeltine asked if they had determined what needs were and were not being met. Mr. King indicated they could request some cross-tabs from Mr. Vine to clarify this information. He thought it was approximately 10% of the households that indicated only some of their needs were being met. He felt the capacity for memberships in this area could be anywhere from 3,000 – 5,000 and this number would depend upon the amenities included.

Councilmember Gill referred to the service area map regarding the area outlined in red and asked Mr. King how far people were willing to travel to a facility. Mr. King indicated it depended upon what facility components were selected. When a leisure pool is included, there is higher potential to draw people outside the service area. He felt people would use the facility within a 5-mile radius.

Councilmember Gill confirmed with Mr. King that the numbers used were based upon the area outlined in red. Mr. King indicated they could also look at a service area in perspective to the drive time. People will travel greater distances to experience unique components, such as computer generated interactive fitness opportunities, rock climbing, and leisure pools.

Ms. Claxton referred to the market potential chart and noted that the numbers indicated were almost identical to the top five components that the citizens in the survey stated they would be interested in.

Mr. King indicated adults would most likely participate in the cardio equipment/weight room area, indoor walking/running track, and indoor swimming/aquatics. This indicates that people are looking for a fitness component.

Mayor Dunn confirmed with Mr. King that they were referring to exercise/walking as being equated to indoor walking/running track and noted it was ranked at 48%.

Councilmember Gill referred to membership fees and asked what the market paid on average per month. Mr. King indicated it widely varied and depended upon the governmental entity that is running it and the amenities included.

Ms. Claxton stated many facilities are currently charging flat fees per person, per month.

Councilmember Bussing asked why people would join a Leawood facility when all of the amenities previously mentioned were also located in surrounding facilities. Mr. King stated it would be the combination of components that were being offered along with accessibility. Mr. Bussing stated the components that are important were listed and available at many of the private clubs listed. Mr. King stated many overweight and out of shape adults aren't going to go to a private health club because it's too intimidating to go in. People come in to a public facility to get in shape. Mr. Bussing asked why this perspective wasn't included in the survey. Mr. King indicated he wasn't involved with the survey. He also stated families would typically not go to a private health club because they are primarily driven for adults. These are some of the elements where a community center differs from a private sector. Often times, a private health club will offer services and programs that typically parks and recreation will not.

Councilmember Azeltine asked what they could expect in terms of cost recovery and wanted to know the national average of cost recovery for a community center. Mr. King stated the most financially successful models they've seen were in communities where the population is larger than 50,000 and the community centers are larger than 65,000 square feet. These will typically have a cost recovery rate in the 80%-90% range. This is calculated on operating cost, not debt service.

Councilmember Azeltine noted the City of Leawood didn't have 50,000 in population and asked if they had any studies below this. Mr. King indicated they could review some of the operating facilities similar in size and be able to provide that information.

Councilmember Rasmussen referred to a "mall-walker" and asked what would make them want to change their environment and walk on an indoor track. Mr. King indicated the tracks currently being installed in most community centers have a cushioned surface.

Ms. Claxton noted there were some facilities allowing residents to use the walking area for free. Mr. King noted many of the walkers are seniors and centers were starting to do "ala cart" fees for walkers.

Mayor Dunn referred to the memo from Ms. Claxton and asked if there was going to be a final report or if all of the information was included in this analysis. Mr. King noted the report before Council was a power point summary. There is an actual report they have been developing and he indicated they still needed to complete the executive summary. They held off on finishing that until they had a chance to meet and discuss this with Council. Mayor Dunn confirmed with Mr. King this would all be a part of phase I.

Councilmember Rasmussen asked if there were any statistics available in terms of operating experience from the Blue Valley Parks & Recreation facilities. Ms. Claxton stated the Leawood Parks & Recreation Department has access to this information and it could be attainable.

Councilmember Cain referred to the survey and the amount people had indicated they were willing to pay and recalled it to be very low. Mr. King indicated this was where the philosophy of operation comes into play. He noted when people filled out the survey; they were thinking in terms of 2008 and weren't realizing it would take two years to have it up and operating.

Councilmember Peppes asked if they needed to discuss what their philosophy was in terms of percentage before moving on to the next level. Ms. Claxton stated in some ways, the components drive this and most of it can be controlled by programming and operations.

Councilmember Rasmussen asked what the construction cost would be for a facility of 60,000 square feet. Mr. King indicated he wasn't an architect or engineer and noted these costs change continuously. He noted some of the architects they had spoken with had indicated the cost would be more than \$200.00 - \$250.00 per square foot.

Councilmember Filla asked what size of community center they were considering for Leawood.

Mayor Dunn noted that had not been decided and they would need to discuss whether they would install the aquatic portion, since this would increase the square footage needed.

City Administrator Scott Lambers confirmed with Ms. Claxton and Mr. King that in order for a community center to be successful, they would need to attract families, and in order to attract families, they needed to have the right equipment. Mr. Lambers indicated the cost could range \$15 – \$20 Million.

Mayor Dunn noted that the Matt Ross Community Center is 82,000 square feet and cost \$22 Million to construct.

Councilmember Filla asked what percentage of debt the City was willing to encumber.

Mayor Dunn felt there needed to be more discussion on this during the Capital Improvement Program [CIP] and indicated they would be reviewing the CIP early in the year.

There being no further business, the meeting was adjourned at 7:20 P.M.

Pam Gregory, Recording Deputy City Clerk