

2017

Business Plan: Dundurn Community Complex



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Administrator, Town of Dundurn

6/14/2017

Business Profile



Owner: Town of Dundurn

Ownership type: Municipality. Dundurn was incorporated as a Village in 1905 and as a Town in 1980.

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Business Category: Arts, Entertainment and Recreation

Business type: Fitness and Recreational Sports Centres

NAIC code: 71394

Project Name: Dundurn Community Complex

Project Description:

The Town of Dundurn seeks to retire its present Ice Rink and build a new Community Complex for the town and surrounding communities to use for sporting and event activities.

The Community Complex will host amenities including a full size indoor ice rink with dressing rooms, skate sharpening services and access onsite to a planned fitness centre and other commercial spaces available for supporting a Lounge and Food Concession along with day care services.

Project Budget: \$6.73 Million

Target In-Service Date: 1st Quarter, 2019

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EXECUTIVE SUMMARY

The Town of Dundurn has assigned 6 acres of Municipal owned land within Sunshine Meadows phase 3 commercial and residential development project for the construction of the Dundurn Community Complex.

The proposed sports facility will provide the residents and visiting sports teams the use a fully equipped sports arena that includes use of an Ice Rink and access to a Fitness Centre. Additional proposed services at the Dundurn Community Complex (DCC) include the addition of a Pro Shop, Concession with Lounge, Rental Office/Clinic Space and Daycare Space.

The total estimated cost of the Dundurn Community Complex (DCC) Project is \$6.73 Million with plans to commence construction in 1st Quarter, 2019. The proposed building site for the DCC will reside adjacent to another 6-acre plot of land that will be the future home for a new high school and gymnasium.

Total estimated revenues each year based on a three-year study average sales are \$646,194. These revenues will be generated from a combination rental income of leased commercial space, ice rink time, advertising revenues, liquor sales and dry surface events and offseason sport bookings.

The Dundurn Community Complex will provide access to services for over 700 Dundurn residents and an estimated 2,800 residents whom reside within the Rural Municipality of Dundurn #314, the Dundurn Military Base, and Resort Villages of Shields and Thode. Specifically, the local K-12 students and the local Minor Hockey League will benefit greatly from having access to the Ice Rink, Fitness Centre and supporting Complex amenities.

The present Sunshine Meadows 3 Phase development project in Dundurn began in late 2015 and when completed will produce 300 new homes along with 4 hectares of commercial development. The commercial and residential expansion will provide the housing and infrastructure to help support the town's population growth with additional housing to support 1,500 residents.

Dundurn continues to realize a steady population growth from it increasing bedroom community of people who commute the 30 kms to work in Saskatoon.

1.0 BUSINESS ENVIRONMENT

Current State



The Dundurn Sports Centre was built in 1970.

Home of Wheat Kings Senior Team and the Dundurn Minor Hockey League.

Current Ice Rink Facility

The Dundurn Ice Rink was built in 1970 and presently provides services for the local hockey teams as well as many of the Saskatoon teams. The present Ice Rink produces \$.122M in revenues and annual operating expenditures of \$.117M (3-year average). The RM and Town of Dundurn jointly owns this property and provides for a total operating grant of \$14,000 with shared responsibility to cover major repair costs.

The present Ice Rink is not utilized to its potential to capitalize on revenues from Saskatoon Minor Hockey League rentals and Tournaments due to present Ice Rink size constraints. The Dundurn Minor Hockey League relies on travelling to other community ice rinks or Saskatoon due issues with regulation size of the ice surface.

Community Growth

To support the growing Dundurn community the Sunshine Meadows Phase 3 subdivision project was approved to start construction in 2015. DDD+ Construction plans to complete the build of 300 new homes in Sunshine Meadows within 12 years. Sunshine Meadows homes are in close proximity to the proposed Complex and High School.

In the Town of Dundurn, the local school supports grades K – 6 however due to constraints in present school the students in Grade 7-12 bus to Hanley and rely on this community for its recreational facilities to support the high school events and sports activities.

Presently, the Town of Dundurn are in negotiations with the school board to seek approval to have a new high school built in the town. The proposed new school would be situated on the adjacent 6-acre lot to the proposed Dundurn Community Complex and would utilize the proposed Dundurn Community Complex amenities.

Desired State



The proposed Dundurn Community Complex (DCC) will be located adjacent to Highway 11 in close proximity to 300 newly built homes and located 20 minutes south of Saskatoon. The DCC would be built as part of the Phase 1 Development to help coincide with securing funding thru grants to supplement added development into the facility,

Phase 1 development will build 100 units of residential homes in walking distance to the Dundurn Community Complex. Another 6 acres of land is reserved adjacent to the DCC for a future high school that will be attached to the Dundurn Community Complex. Discussions with the School Board are in-progress.

The 12-year development plan for Sunshine Meadows subdivision will result in providing the community with a newly proposed High School that would be situated adjacent to the proposed Dundurn Community Complex (DCC). The DCC will create the following desired outcome for the community;

- 1) Preferred location for hosting hockey practices, games and tournaments on the proposed full sized indoor artificial Ice Rink.
- 2) Food, Beverage services including a licensed Lounge
- 3) Commercial rental opportunities to help drive new business activity and offer new services to attract visitors to the community.
- 4) The DCC will serve as the home of a Saskatoon Triple A Team who is seeking to relocate their team to Dundurn and provide incremental revenue of \$80,000 into the community.
- 5) Access to amenities such as a new Day Care, Medical Office, Pro Shop and Fitness Centre

The proposed 6-acre lot committed for development of the Dundurn Community Complex will also support future expansion plan for the complex to include a second Ice/Dry Surface Rink and a Hall/Conference Room.

INDUSTRY OVERVIEW

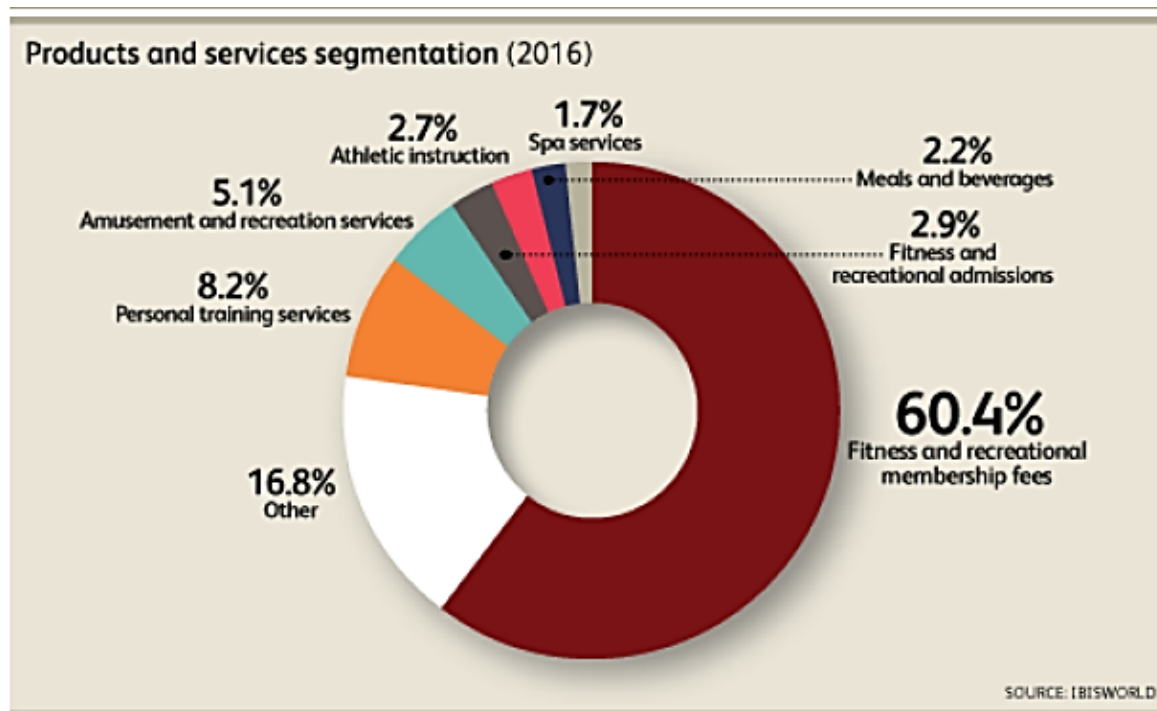
The Dundurn Community Complex (DCC) is categorized based on the 2012 National Association of Industry Classifications (NAICS) under code 71394. This code is characterized as all business services both profit and non-profit that provide services related to “Gym, Health & Fitness Clubs in Canada.”

The following industry statistics were provided by IBISWorld Canada Industry Report and reflect business performance for both profit and non-profit businesses operating under the category of “Gym, Health & Fitness Clubs in Canada” (NAICS 71394).

Total reported businesses in Canada under NAICS 71394 reported \$2.6B in revenues for 2015 with an annual historical growth rate of 1.8% and a projected growth rate of 2.7% over the next 5 years. Total profit reported under this industry classification was \$196.9M based on 4,704 businesses that reported under this classification.

As seen in Table 1-A the product and services segmentation shows that 60.4% of 2016 revenues under NAICS 71394 were from Fitness and Recreational Membership Fees collected.

Table 1-A



The Dundurn Community Complex will expect to fall in line with the industry products and service segmentation with 60% of expected revenues to derive from related Fitness and Recreational Membership Fees charged for use of the Ice Rink and Fitness Centre.

The remaining 40% of revenues will be achieved through hosting events, and rental income from office/clinic spaces, Day Care, and the Lounge/Concession services.

Industry Summary

The businesses operating under NAICS 71394 (Gym, Health & Fitness Clubs in Canada) are operating in an industry that is in its growth cycle offering medium risk to revenue volatility and operations are lightly regulated.

The Gym, Health and Fitness Clubs industry has seen a 1.8% growth rate in the market as a result of consumer trends following a heavy influence from public health awareness campaigns and advocating towards fighting adult and child obesity. In 2016, business revenues under NAICS 71394 are forecasted to realize \$2.6 billion in revenues and a 1.1% growth rate in 2016.

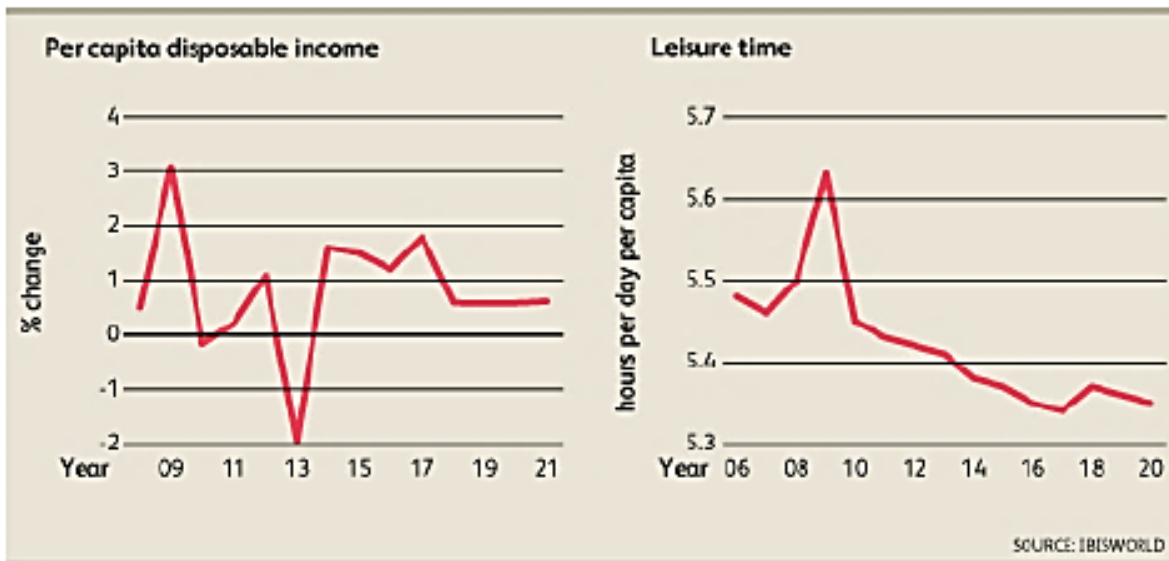
Adult obesity continues to rise at an estimated 0.6% across Canada. The Public Health Agency of Canada (PHAC) has advocated over the merits behind establishing fitness regimes and promoting health lifestyles. Obesity issues put a financial strain of \$4.6 billion to \$7.1 billion on our Canadian healthcare system.

The financial strain has led to many insurance companies and businesses promoting healthier living and fitness by means of lower health care costs and offering workplace fitness incentives.

Industry Demographics

Adults between the ages of 20 to 64 are the largest gym going demographic base in Canada. This age group carries the highest per capital income which enables this demographical customer segment to incur the cost of membership fees.

Adult obesity rates in Canada continue to climb and as Adults seek to mitigate the risk of detrimental health effects that can be caused by obesity they naturally incline towards recreational activities within their community. In today's society however, the opposing force is the amount of Leisure time that people have available for fitness activities.



Barrier to Entry

There is a wide range of businesses operating under “Fitness and Recreational Sports Centres”. The barrier of entry to operate within this category is generally low for Entrepreneurs who wish to provide Fitness services such as Yoga, Martial Arts out of a rented gym facility. However, more direct competition at the DCC level becomes a cost barrier for entry.

To provide a DCC facility requires a large investment of working capital for the acquisition of land, facilities and purchase of costly equipment. As such, the proposed Dundurn Community Complex will be competing directly with a much smaller base of competitors in the Saskatchewan market.

DCC and other Recreation Centres face the following challenges:

1. Working Capital to fund the cost associated to building or acquiring a large enough facility to meet the needs of the guests. Costs include building, land, equipment, furnishings, landscaping.
2. Zoning and Municipal Bylaws that regulate use of land and its impact on the environment and risk to the public.
3. Skills and experience can pose as a barrier based on the location of the facility and the require Fitness experts needed to support the programs offered.
4. Public support. DCC facilities are very costly to operate and maintain. They require a strong membership base and support within the community to help provide sustainable revenue levels.

Competitive Barrier Analysis

The Dundurn Community Complex will be successful at competing within its local market based on the proposed business strategy to help promote and centralize Minor League Hockey events at the Centre. For example, the DCC will serve the public but also serves the many Associations that require a full-size Ice Rink year-round.

Another strategy includes providing complimentary services at the Complex to help attract public support and traffic to the Centre.

- Parents interested in acquiring a membership to use the gym and fitness centre will benefit from having convenient access to onsite day care services.
- The complex will offer food services onsite to help add convenience and ease of access to cater food services for onsite DCC hosted events.
- Rental space for a Pro Shop and office/clinic which will provide traffic flow to the Centre and serve as supplemental income for the DCC.
- Potential Dry Surface off season rentals at the facility are also other avenues of revenue and ways to service the needs of the community.

POSITION IN THE INDUSTRY

Services & Amenities



1. Ice Rink equipped with Private Locker Rooms with Showers
2. Food & Beverage
3. Fitness centre
4. Commercial space for Office and Clinics to lease
5. Day Care
6. Pro Shop with skate sharpening services

Conceptual Drawing of DCC



36,180 square feet facility over two floors

Please see Appendix C for Floor plan drawings of Ice Rink main and second floor.

Strengths

1. Full size Ice Rink will be made available in Dundurn which provides convenience for the hockey families and teams residing in the area who presently face challenges securing ice time or forced to travel to Saskatoon.
2. Complimentary services provide value and service to the community as a whole at all ages. From children to seniors.
3. The location of the DCC is in a prime location. Close to Highway 11 for travellers while conveniently close to the new subdivision of 300 homes.
4. There is no competing facility within 30 kilometers that can provide the same level and capacity of services.

Weaknesses

1. The cost to maintain the DCC will require a strong commitment from the community and the Minor Hockey League and Associations to support consistent use of the facility.
2. Securing the skills and experience to operate the DCC.

Summary

The DCC business niche lies within its array of services and the proximity of the proposed facility to customer target market that resides in Dundurn and outlying areas including Saskatoon.

We will compete in the market by providing competitive ice fee rentals and by producing a full size legitimate Ice Rink to support competitive hockey play. The proposed prime location will attract Hockey Teams from the surrounding municipality and Saskatoon.

The addition of the DCC to the Town of Dundurn will help to attract and retain families to the community. It will serve as a convenient location to provide services for the proposed new High School and the anticipated 300 families in the new subdivision over the next twelve years.

Another 6 acres of land reserved for a future high school that will be attached to the Dundurn Community Complex. We have had several meetings with the school board regarding the process for a new high school. Dundurn currently has a k-6 grade school with grades 7-12 bused to Hanley.

Due to budgetary cuts for the PSSD, we are confident the operating savings they will have from no longer bussing students will be a perk. The donation of 6 acres of land to the school board, when a new school is approved is also a considerable cost savings and in our opinion, provides an attractive proposal for serious consideration. Town water, sewer and road infrastructure is available to accommodate the project.

COMPETITION

There are 135 Sports and Recreation Facilities operating in Dundurn and Saskatoon area. Size of competition varies greatly depending on the type of business. From a small gym operated with three staff to a DCC Centre with 150 staff. The main draw for the target audience to the Dundurn DCC is Hockey and having the large indoor ice rink available.

As such the competition identified in **Appendix A** can be short-listed to competitors offering Ice Rinks and DCC facilities with gym and/or ice rinks either indoors or outdoors.

When looking at the competition the direct competitors that offer “like” services are situated in Saskatoon.

Services	Employee Size	Sales (Low)	Sales (High)
Gym	3 - 23	\$90,000	\$1,035,000
Ice Rinks	1 - 30	\$45,000	\$1,770,000
Misc. (ex. DCC)	2 - 150	\$118,000	\$8,850,000

USE OF TECHNOLOGY

Fitness Centre	Free weights, stair climber, treadmill, weight lifting apparatus, rowing machine, stationary bikes. Sports equipment to support tennis, basketball, volleyball, indoor soccer, floor hockey gear/nets, gym mats, medicine balls, boxing equipment.
Ice Rink	Zamboni, hockey nets, electronic display scoreboard
Payment & Scheduling	To help streamline labour costs, maximize in productivity while offer flexibility and convenience to our visitors we will seek to employ self-pay terminals and online booking scheduler. See Appendix D.

2.0 BUSINESS OPERATIONS

STAGE OF DEVELOPMENT

The Dundurn Rink Committee presently manages over the existing Dundurn Ice Rink. Planning is underway to finalize the facility design on approved commercial location.

Hours of Operation

The Dundurn Community Complex (DCC) will provide flexible hours open 7 days a week with Ice Rink and Fitness Centre open from 6am until midnight. The Concession and lounge hours will coincide with the Complex and Lounge will be open from noon till midnight.

Other services:

- Day Care – Monday through Friday from 6am until 6pm
- Offices – Monday through Friday from 8am until 5pm

Methods of Payment

The DCC will accept cash, debit, Visa, MasterCard. Visitors will have the option to make payments in the following manner;

- Monthly or Annual Membership fees for individual or family
- Pre-purchase Ice Rink time
- Drop-in daily rates
- Hourly rates for booking Fitness Centre for special events

Management

The Ice Rink Committee (volunteer committee) currently manages over the existing Dundurn Ice Rink and they contract ice rental personnel to operate the facility in exchange for compensation paid from a percentage of ice rentals received.

Future state, the new Dundurn DCC will be managed by a new Recreation Director position pending municipal funding approval for the position. In the interim and/or default the current Ice Rink Committee would manage over the new DCC. However, given the size of the proposed facility a larger compliment of staff would be hired to maintain and manage over the facility.

The DCC will be a municipally owned and incorporated business managed by the Town of Dundurn.

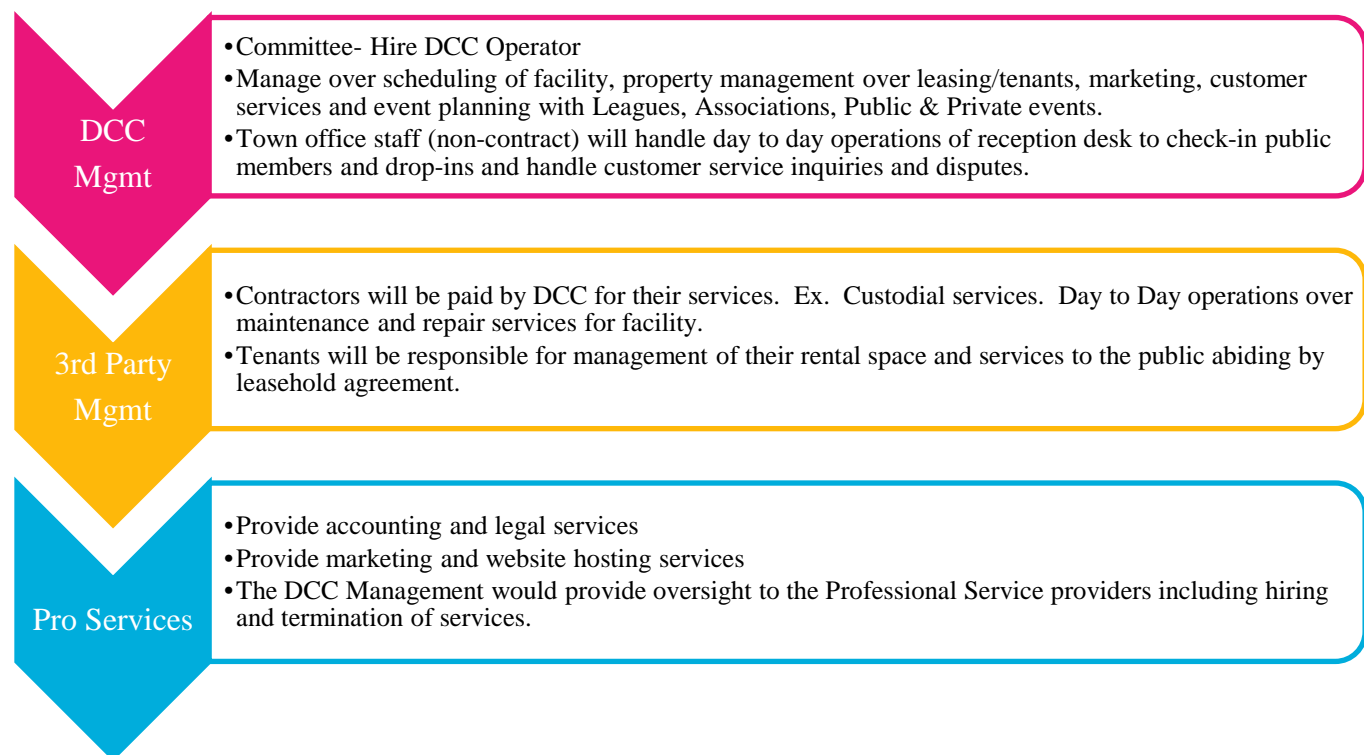
Associations & Community Service Groups

The following list of associations and community service groups would serve as both potential customers and advocates in the community to help promote the use of the proposed Dundurn Community Complex.

- Senior Antique Hockey Teams
- Blackstrap Soccer Association
- Central Saskatchewan Military Family Resource Centre
- Communities in Bloom
- Dundurn & Rink Committee
- Dundurn Lions Club
- Dundurn Minor Hockey League
- Dundurn School Community Council
- Dundurn Wheat kings
- Women Hockey Team, Barley Queens
- Wilson Museum Board
- Saskatoon Minor Hockey Association
- Saskatoon Ball Hockey
- Youth Basketball Camp
- Saskatchewan Lacrosse Association

SERVICE DELIVERY PROCESS

Process/Production



Services Operations

Service	Day to Day Operations	Accountable Person/Group
Daycare Pro Shop Custodial Services Fitness Centre Concession Lounge Office/Clinic Space	Outsourced thru leasing agreement to third party provider. The day to day management, fitness programs and operation of the Fitness Centre would be contracted out.	DCC Committee to locate Leasee and govern over Leasee agreement.
Ice Rink Skate Sharpening Services Liquor Concession (Lounge)	The Ice Rink would be managed and scheduled by DCC staff for public use and booking events.	DCC Committee

BUSINESS STRATEGY

Vision

“Our town will continue to grow and prosper by offering a healthy local economy and the necessary infrastructure and services to retain and attract new families.”

Business Goals

1. Provide a state of the art Dundurn Community Complex with the required amenities and facilities to support competitive minor league hockey leagues.
2. To create the necessary infrastructure to help local families live a healthy and fit lifestyle in the community.
3. Generate a 5% return on profit annually that can be utilized to support the Sports Centre and/or other town needs.

Business Objectives

Year 1

- To secure 90% or more of the identified hockey leagues for their membership to the Sports Centre.
- Generate revenues to self-sustain the costs of the Sports Centre

Year 2

- Grow net income from facility by 5%
- Increase occupancy levels by 25% from year 1 attendance

Year 3

- Increase net income by 5%
- Increase occupancy levels by 15% from year 2 attendance

3.0 HUMAN RESOURCES PLAN

WORKFORCE STRATEGY

The DCC Committee will contract a Sports Plex Operator to manage over the proposed DCC including overseeing the ice rink and dry surface services including general maintenance of the equipment and facility. A dedicated ice & dry surface rental co-coordinator will also be contracted out. This position will play an integral role working with the Dundurn Ice Rink Committee to help develop and execute a Market Plan to help attract teams and hosting of events to capitalize on use of the DCC facilities. Custodial contractor will also report to the DCC Committee.

Town of Dundurn staff and possible additional local staff will be hired or otherwise work contracted out to manage over the day to day customer service and larger maintenance operations for the facility.

Organizational Chart



SKILLS & LABOUR

The facility will rely on the following roles with summary of responsibilities and required skill sets necessary to effectively and efficiently operate the DCC.

Key Workforce Operations:

1. Ice Maintenance – ice flooding, equipment maintenance, preparation for events, general repairs
2. Custodial services – Clean facility
3. Customer Services to manage over customer inquiries and complaints, and cashier.
4. Exterior Maintenance – landscaping, snow removal, and exterior facility maintenance.
5. Ice & Dry Surface Scheduling – market facility, coordinate rentals and maintain online booking.

Positions:

Sports Plex Operator

The Operator is responsible for delivering a high quality, well-maintained facility, focusing on ice quality, operations, safety, fiscal health and customer satisfaction. This position must work closely with the contracted staff, and the Ice Rink Committee to accomplish these objectives.

Qualifications:

- A minimum 5 years' experience in the operation and/or management of ice arena facilities with at least 2 years in a supervisory capacity; skating or hockey skills and experience preferred.
- Self-starter with ability to analyze situations and develop solutions to problems with minimal supervision, strong organizational skills with ability to prioritize multiple tasks and manage time effectively; outstanding interpersonal skills to motivate and lead a team.
- ability to develop "out of the box" ideas for increasing facility usage, sales and controlling costs; ability to communicate effectively both verbally and in writing
- Flexibility to work varying hours; must have a valid Driver's License.

Customer Service Representative

The Customer Service Representative must ensure that administrative duties are conducted in a professional, accurate and courteous manner.

- Willingness and ability to work flexible hours (evenings & weekends).
- Great communication skills.
- Thorough, organized, articulate and punctual.
- Neat in appearance and professional in attitude.
- Able to work well under pressure and pay particular attention to deadlines.
- Previous cash handling experience.
- Minimum one year office and customer service experience.

Custodial

Reporting to the DCC Committee, this position would be responsible for the cleanliness of the facility in all common areas including dressing rooms. This position would be responsible to order all janitorial supplies.

Ice/Dry Surface Scheduler

Reporting to the DCC Committee the scheduler is responsible to book all available ice and dry surface time. Working with the committee, would assist to promote the facility through various marketing tools to obtain maximum rentals and visitors to the facility. Maintenance of online self serve registration, client services and payment options.

Salary schedule & Workforce forecasts

Position	Hourly Rate	FTE*	Annual Salary
Sports Plex Operator	Salary	1	\$54,000
Customer Services Representative (Town)	Town Subsidized	1	\$ 00000
Maintenance person (Custodial)	\$2,000/mth (P/T)	.5	\$24,000
Ice/Dry Surface Scheduler	10% rental commission + base (P/T)	.5	\$15,920

*FTE – Full-time Equivalent

Professional & Advisory Services

Royal Bank – Laurie Reimer. Email; Laurie.Reimer@rbc.com

Laurie Reimer | Associate Account Manager | Commercial Financial Services | RBC Royal Bank | Royal Bank of Canada | 2030 Avenue C North, Saskatoon, SK S7L 1M2 | T. 306-651-8210 | F.306-668-3893

4.0 MARKETING PLAN

Summary

The DCC will be positioned as valued service within its community to promote fitness and well-being however a specific focus to the hockey community.

Hockey leagues will benefit from the convenience and quality experience of utilizing a full sized indoor ice rink while serving as the main revenue stream for the DCC. Dundurn's local hockey team and surrounding hockey teams within a 30-km radius will travel to the new DCC based on the following benefits;

- Full sized indoor ice rink that will be available year-round.
- Separate locker rooms
- Fitness Centre facilities
- Convenience to complimentary medical service businesses, concession and lounge and day care.
- Availability for ice time to meet current under met demands
- Conveniently located adjacent to the new high school
- The secondary revenue stream for the DCC will rely on positioning the business value it represents to complimentary businesses who are seeking to offer their services to the same consumer demographic.
- DCC will offer businesses leasing and advertising opportunities to a common consumer segment of families and individuals who are seeking health and fitness activities.
- Businesses that will be sought after for the DCC include;
- A full-service concession and lounge & lounge
- Physio and massage therapy offices
- Doctor and Dental offices
- Day Care services
- Pro shop

ADVERTISING & PROMOTIONS

The main forms of advertising and promotion will consist of online advertising on the Town of Dundurn Website and print media to Associations and Hockey Leagues who would serve as primary users for the use of the DCC.

Advertising Budget

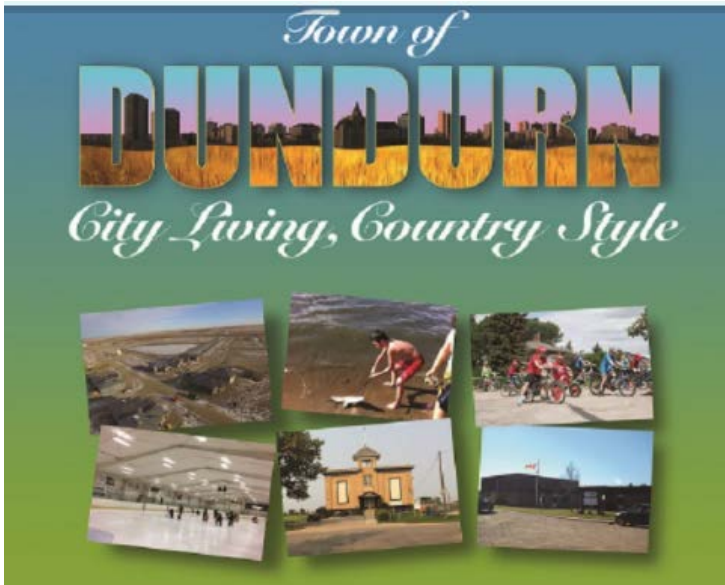
1. Website development/revisions: \$3,000
2. Print Media: \$2,250
3. External signage: \$20,000
4. Consulting services: \$4,750

Print Media

Print Media will include the following;

- Advertising in Dundurn & Area Newsletter
- Flyers to post in town and to provide to independent and league inquiries/associations. 100 ct.
- Business Cards for DCC Operator & Scheduler (250 ct)
- Signage. Internal only. (ballpark \$2,000)

Online Digital Media



Website: <http://townofdundurn.ca>

Estimated fees: \$3,000.

Social Media: Facebook/Town of Dundurn

The website will serve as an informative website to provide the local market and surrounding communities' access to the following information. By providing this information it will serve to create both awareness and opportunity to secure event and league bookings.

- Hours of operation
- Contact form to request booking times or contact main office.
- Posting of current schedule for events booked.
- Advertising space for tenants who lease office space
- Advertising space for the concession and lounge tenant

External Signage

Estimate \$20,000 to develop and install signage on Complex.

Market Consulting

Assign a \$4,750 budget to help hire Consulting and Advertising services for creation of brand, logo and forming market strategy to help draw traffic to the DCC.

CUSTOMER TARGET MARKET

Demographics

The DCC will serve a wide demographic of customers within its target market with ages between 20 – 64 years. The proposed facility will cater to a wide range of community interest from hockey events and league play to recreational skating and use of the fitness gym and day care services.

The Town of Dundurn and its surrounding communities within a 30-km radius provide for a strong demographical composition of potential customers that will be in close living proximity to the proposed new DCC.

OEM
2016 Demographic Snapshot

2016 Demographic Snapshot	Dundurn (T), SK	
		%
2011 Census*	718	
2016 Population estimate	793	
2019 Population projection	824	
% Population Change (2011-16)	10.4%	
% Population Change (2016-19)	3.9%	
2016 Population by Age	793	
0 to 4 years	70	9%
5 to 19 years	185	23%
20 to 24 years	18	2%
25 to 34 years	135	17%
35 to 44 years	130	16%
45 to 54 years	86	11%
55 to 64 years	87	11%
65 to 74 years	52	7%
75 to 84 years	20	3%
85 years and over	10	1%
Median Age	34.2	
2016 Families	227	
Married couples	165	73%
Without children at home	71	31%
With children at home	94	41%
Common-law couples	34	15%
Without children at home	14	6%
With children at home	20	9%
Lone-parent families	28	12%

Statistics:

- Median age in Dundurn is 34.2 years compared to the median age of 40.7 years for Canada.
- Dundurn's present population is estimated at 793 residents which represent a 10.9% growth in the community when comparing to 2011 (5-year span). Over the next 5 years the community growth is expected to increase by 3.9% to an estimated 824 residents.
- The average household income in Dundurn is \$87,918 with a five-year forecast of 16% increase to \$102,026.

Source: Report: Future Growth Study. Author: Crosby Hanna & Associates. March 2016.

Source: Square One. Report: "Demographics Report – Dundurn." September 19, 2016

Geographical Segmentation

The DCC will be situated within the Dundurn's new residential development in Sunshine Meadows Phase 3. The complex will be constructed on 6 acres of commercial land owned by the Town of Dundurn. This location will serve as a location hot spot for hockey played in leagues within and surrounding a 30-km radius from Saskatoon.

The location of this DCC will draw attendance from within Dundurn, and from nearby communities including Saskatoon, Blackstrap, Clavet, Kenaston, Hanley, Martensville, and Loreburn. People will travel to the Dundurn DCC to partake in a number of fitness and exercise activities including;

- Ice Skating
- Hockey
- Yoga
- Dancing
- Fitness activities

The complex will also seek to host complimentary services through facility services and/or from commercial tenants who will reside within the facility. Current plans include offering a hall/gym that can be used for wedding; anniversaries etc. and tenants will be sought after who provide services such as;

- Food Concession and Lounge
- Pro Shop
- Day care
- Medical or physio related services such as doctor's office, dental office, physio therapy, massage etc.

The new DCC (Dundurn Community Complex) will also serve as the home base for the Dundurn Home Hockey teams who presently rent the current ice rink facility from the town. The community teams presently pay rental fees and ice time in the range of \$50,000 with non-local teams a range of \$42,000 per annum.

Behavioural Segmentation

Obesity is an important issue in Canada for both adults and children. According to Statistics Canada one in four adults and one in ten children are clinically considered obese. The DCC will provide concerned families and individuals with convenient access to the use of a full-sized ice rink that can be utilized year-round for hockey, ice skating and off-season dry surface played sports.

Both residents of Dundurn and local communities in an estimated 30 km radius will seek use of the proposed sports facility for hockey tournaments, practices and league games as well as leisure skating.

People interested in use of the new DCC will be of all ages who;

- Play hockey or want to take figure skating lessons.
- Hockey camps for summer daytime and daytime ice rental.
- Families using facilities, i.e.: ordering supper or parent(s) using gym membership in same facility while their child may be taking hockey practice or ice skating lessons.
- DCC rink during off-season will serve as a suitable alternative for parties, weddings, meetings.
- Military base residents will find value in using gym and fitness area
- New adjacent High School can leverage use of the DCC for Phys Ed and after school recreational activities.
- Adults that want to take workshops lessons such as yoga, dancing etc. to obtain a membership to Fitness Centre.

Current Recreation Associations and Clubs (Dundurn)

The following associations and clubs serve as a list of potential customers are involved in fitness activities in the Dundurn community.

- Senior Antique Hockey Teams
- Blackstrap Soccer Association
- Central Saskatchewan Military Family Resource Centre
- Communities in Bloom
- Dundurn & Rink Committee
- Dundurn Lions Club
- Dundurn Minor Hockey League
- Dundurn School Community Council
- Dundurn Wheat kings
- Women Hockey Team, Barley Queens
- Saskatoon Minor Hockey Association
- Saskatoon Ball Hockey
- Youth Basketball Camp
- Saskatchewan Lacrosse Association

The local Dundurn minor hockey league was surveyed in 2016 to determine what they would see as key areas of interest in the new DCC over the current local Ice Rink facility.

1. 6-10 Dressing rooms with showers and toilet and ideally no common shared washrooms between dressing rooms.
2. Heated viewing area in the lobby
3. Access to kitchen and concession
4. Lockers for the minor hockey league teams
5. 1-2 multi-purpose rooms for coaches, referees, program director to share

PRICING STRATEGY

The Dundurn Community Complex will generate its revenue by charging for services based on;

- 1) Monthly Lease per contract that will be based on \$15 per square feet plus an added occupancy rate of \$2-\$4 per square feet to help cover the cost of utilities.
- 2) League membership fees for scheduled ice time
- 3) Drop-in public skating rates based on individual or family rates
- 4) Event based rates to book the ice rink off-season for events based on \$300 per day rate.
- 5) Ice skates sharpening at \$10 per set of skates.
- 6) Liquor sales concession. The DCC will seek to license its Concession area to provide Liquor sales. The DCC Committee will oversee the lounge and liquor sales and will run the operation on a volunteer platform or hire service staff.

The current ice rink rental rates will be form up the basis of a baseline on what to cost for the new Dundurn Community Complex with an added 30% added to rates.

Estimated Annual Sales

Public skating fees	\$ 1,985.00	30% ice rate increase from current
Non-local Ice fees	\$ 58,984.00	30% ice rate increase
Dry surface revenue	\$ 22,500.00	Lacrosse camp and ball hockey \$100 per hour \$300 per day @ 75% capacity 4 months x 20 days per month = 80 days @ 75% capacity = 60 days x \$300 per day \$18,000/4 months \$4500 per month x 25%
General Local Ice fees	\$ 6,615.00	30% ice rate increase
Dundurn Antiques	\$ 3,308.00	30% ice rate increase
Wheat Kings	\$ 6,615.00	30% ice rate increase
Barley Queens	\$ 3,308.00	30% ice rate increase
Dundurn Minor Hockey	\$ 39,911.00	30% ice rate increase
Rentals to Others (conference etc.)	\$ 2,205.00	30% ice rate increase

Continued...

		Based on 35,000 visitors per year (50% of Warman DCC annual visitors' assumption) x 50% that purchase average 2 drinks at \$4 profit per drink. So at \$6/drink or rather est. cost of \$2 per serving total liquor sales would be \$21K with \$7K to cost.
Liquor Concession	\$ 35,000.00	
Wall, Rink, Clock advertising	\$ 68,750.00	@ 75% capacity rented

Leasing Rates

Rental property in the Dundurn Community Complex will be charged at a rate of \$15 per square feet and an additional

\$2-\$4 occupancy cost per square feet to account for use of utilities.

A tender to market will be released seeking interested companies who wish to lease the use of their name as the Facility name over a 10-year lease. The target contract value will be \$750,000 (\$75,000/year).

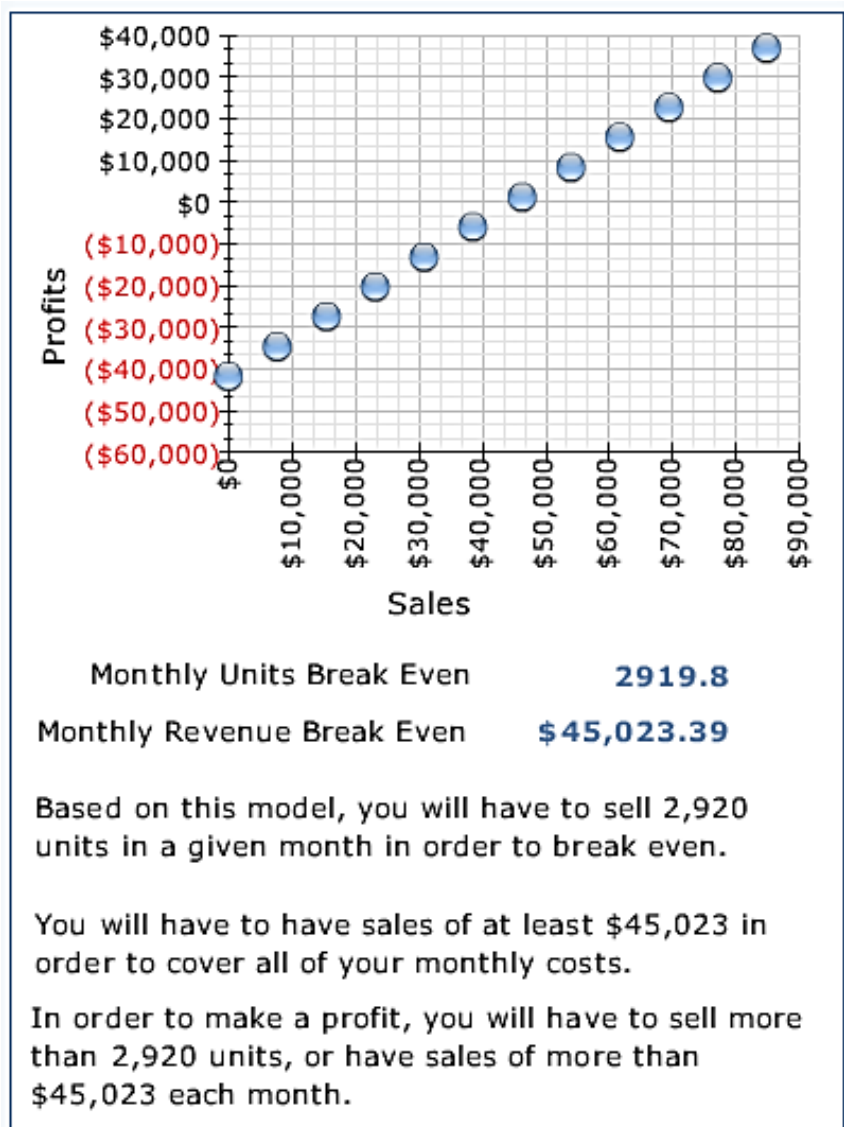
Concession Lease	\$ 30,000.00	2,000 sq ft x \$15 sq ft/12 \$2500.	
Concession Lease occupancy cost	\$ 8,000.00	2,000 sq ft x \$4 sq ft/12 \$666.67.	
Pro Shop lease	\$ 7,320.00	488 sq ft x \$15 per sq ft/12	
Pro Shop lease occupancy cost	\$ 976.00	488 sq ft x \$2 per sq ft/12 \$81.33	
Chiro/sports clinic lease	\$ 15,390.00	1,026 sq ft x \$15 per sq ft /12 \$ 1,282.50	
Chiro/sports clinic lease occupancy cost	\$ 2,052.00	1,026 sq ft x \$2 per sq ft /12 \$ 1,282.50	
Daycare lease	\$ 30,000.00	2,000 sq ft x \$15 sq ft/12 \$2500.	
Daycare lease occupancy cost	\$ 8,000.00	2,000 sq ft x \$4 sq ft/12 \$666.67.	
Gym lease	\$ 30,000.00	2,000 sq ft x \$15 sq ft/12 \$2500	
Gym lease occupancy costs	\$ 4,000.00	2,000 sq ft x \$2 sq ft/12 \$333.33	
Facility naming contract	\$ 75,000.00	10 year \$750,000 lease @ \$75,000 per year	

Break-even analysis

- Fixed cost per month: \$41,870
- Variable cost per unit: $\$37880 / 35,000$ visitors per annum: \$1.08 per visitor
- Average per unit of revenue: $\$539934 / 35000$ visitors per annum: \$15.42 per visitor

Summary: As seen in the following Table 1-A the break-even point relies on an average of 2,920 customers visiting the Dundurn Community Complex each month.

Table 1-A



SWOT ANALYSIS

	strengths (internal)	weaknesses (internal)
opportunities (external)	<p>Shortage of full size ice rinks that can be used year-round. Public need to fight obesity.</p> <p>The proposed DCC will be equipped with a full size indoor ice rink that will be located within the Dundurn community.</p>	<p>To secure Management to operate the facility long-term and to attract surrounding communities and hockey leagues to use the DCC.</p>
threats (external)	<p>Competing facilities to serve the same hockey leagues within 30 km radius.</p> <p>Stable revenues to cover Operating overhead.</p>	<p>High costs to build facility and time required to develop in time for 2017 hockey season.</p> <p>Require/attract tenants to lease office space in facility to help offset the operating costs.</p>

5.0 FINANCIAL ANALYSIS

Year 1 Business Start-up

Cost Breakdown

Construction	Estimate
Base Building (Precast)	\$ 4,258,363
Refridgeration Plant	\$ 750,000
Rink Concreate Floor	\$ 375,000
Dasher Boards	\$ 150,000
Dehumidification	\$ 100,000
Score Boards	\$ 15,000
Site Management	\$ 100,000
Landscaping, Parking lot, lighting	\$ 268,000
Contingency	\$ 483,637
Total	\$ 6,500,000

Furniture	Estimate
Lounge Chairs	\$ 20,000
Office Chairs	\$ 2,000
Office Desks	\$ 4,000
Lounge tables	\$ 10,000
Décor	\$ 4,000
Total	\$ 40,000

Marketing Support	Estimate
Exterior Signage	20000
Website	3000
Collateral/Print/Logo	2250
Market Consulting	4750
Total	\$ 30,000

Equipment	Estimate
Computers/Printer	\$ 5,000
Copiers	\$ 7,000
Kitchen Equipment	\$ 100,000
Play structure	\$ 20,000
Point of Sale	\$ 8,000
RF Card Readers	\$ 3,000
Ice Rink supplies	\$ 5,000
Total	\$ 148,000

Business Support	Estimate
Legal	\$ 2,000
Accounting	\$ 500
Business Grant writing	\$ 2,500
Permits & Licenses	\$ 10,000
Total	\$ 15,000

Cost Summary	Estimate
Facility build	\$ 6,500,000
Marketing support	\$ 30,000
Business support	\$ 15,000
Sports Plex Furniture	\$ 40,000
Equipment	\$ 148,000
Total	\$ 6,733,000

\$ -

Note: An additional Operating Line of Credit in the target amount of \$175,000 is recommended to help provide contingency cash flow to support operations.

Operating Cost Item(s)	Variable Costs	Fixed Costs	Annual
Commercial Mortgage (\$5.47M at 3% for 20 years using RBC Principal Plus Int)		\$ 273,504	\$ 273,504
Staff (Admin, Janitor, Maintenance Mgr, Scheduler)	\$ 26,880	\$ 67,040	\$ 93,920
Utilities (Power/Gas/Water)		\$ 110,000	\$ 110,000
Insurance		\$ 10,000	\$ 10,000
Software (self-serve payments/scheduling)		\$ 5,000	\$ 5,000
Equipment		\$ 6,000	\$ 6,000
Supplies (Rink, Office, Janitorial)	\$ 11,000		\$ 11,000
Maintenance & Contract Repairs		\$ 25,000	\$ 25,000
Professional Services (Accounting, Legal, Consulting)	\$ 2,500		\$ 2,500
Advertising	\$ 5,000		\$ 5,000
Waste Disposal fees		\$ 3,000	\$ 3,000
Internet/Telephone		\$ 2,400	\$ 2,400
Travel expenses	\$ 500		\$ 500
WCB		\$ 500	\$ 500
Memberships & Subscriptions	\$ 200		\$ 200
Interact/Credit Card Commissions	\$ 4,942		\$ 4,942
Total	\$ 51,022	\$ 502,444	\$ 553,466

Revenue Forecast

Description	2017-18 Budget	Notes
Liquor Concession	\$ 70,000.00	Based on 35,000 visitors per year (50% of Warmen Sports Plex annual visitors (70K) assumption) x 25% who purchase average 2 drinks at \$4 profit per drink. So at \$6/drink or rather est. cost of \$2 per serving
Public skating fees	\$ 1,985.00	30% ice rate increase from current
Non local Ice fees	\$ 58,984.00	30% ice rate increase
Wall, Rink,Clock advertising	\$ 68,750.00	@ 75% capacity rented
3 on 3 Tournament revenue	\$ -	
General Local Ice fees	\$ 6,615.00	30% ice rate increase
Dundurn Antiques	\$ 3,308.00	30% ice rate increase
Wheat Kings	\$ 6,615.00	30% ice rate increase
Barley Queens	\$ 3,308.00	30% ice rate increase
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Gym lease	\$ 30,000.00	2,000 sq ft x \$15 sq ft/12 \$2500
Gym lease occupancy costs	\$ 4,000.00	2,000 sq ft x \$2 sq ft/12 \$333.33
Facility naming contract	\$ 75,000.00	10 year \$750,000 lease @ \$75,000 per year
Dry surface revenue	\$ 22,500.00	hour \$300 per day @ 75% capacity 4
GIC interest	\$ 15.00	
Saskatoon Hockey Team	\$ 80,000.00	move their operation to new Sports Plex.
TRANSFER FROM RESERVE	\$ 40,000.00	Town subsidy/Skate sharpening services
	\$ 614,934.00	

Contribution Model

Expenditures	Amount	Financial Contribution	Amount
Capital cost		Owner Contribution	
Furniture	\$ 40,000	Fundraising	\$ 739,458
Equipment	\$ 148,000	Town Tax Levy	\$ 40,000
Building & Facilities	\$ 6,500,000	Developer(s) Donations	\$ 475,000
		Sask Lottery/Parks & Rec Grants	\$ 10,000
Subtotal	\$ 6,688,000	Subtotal	\$ 1,264,458
One-time Expenses		Lending Contribution	
Business Support		Bank Development of Canada	\$ 2,000,000
Professional fees (Legal, Accountant)	\$ 5,000	Chartered Bank	\$ 1,700,000
Permits & Licensing fees	\$ 10,000	Chartered Bank (2)	\$ 1,770,000
Subtotal	\$ 15,000	Subtotal	\$ 5,470,000
Opening Inventory (Liquor)	\$ 1,458		
Marketing Support			
Signage	\$ 27,500		
Collateral, website	\$ 2,500		
Subtotal	\$ 30,000		
Operating Costs (x4 months)	\$ 200,000	Operating Line of Credit	\$ 200,000.00
Total	\$ 6,934,458	Total	\$ 6,934,458

Financial Assumptions

1. Leased building space will be charged an occupancy fee in addition to monthly lease for purposes of contributing to the DCC monthly operating overhead costs.
2. Inflationary increase on costs of 2% per annum
3. Assume a 5% increase in fees per annum
4. Assume 75% occupancy on average per annum with leased space.
5. Sales forecasts assume target customer market of Dundurn and surrounding 30 km radius communities will support use of the Dundurn DCC over competing facilities.
6. Assume commercial loan of \$5M at 3% interest rate over 20-year term.
7. To have a total estimate of 35,000 visitors per year visit the Dundurn Community Complex. (On average 100 visitors per day)
8. Business will operate year-round but seasonally impacted. The main draw to the Complex is the Ice Rink which suggests highest attendance of the facility will be during hockey season.

Financial Analysis

Revenue model is based on obtaining 75% occupancy and targeting 35,000 visitors per annum.

Revenue Type	Amount
Rental Property	\$ 210,738
Advertising Revenue	\$ 68,750
Ice Rink Sales	\$ 225,431
Liquor Concession	\$ 35,000
Other	\$ 40,015
Total	\$ 579,934

The cost based on a loan repayment of \$5,470,000 appears to be a moderate level risk to the present business based on forecasted sales. The risk factor increases when also considering the risk of increase to interest rate of loan on the span of 20 years.

Maintenance Cost Factors

Other factors that are considered here are the financial expectations of lenders who will want to ensure that costs include maintenance of the building asset. Lenders will also recognize the potential risk of having to pay for a property management outfit in the worst-case scenario where the Lenders assumed ownership of the Complex due to non-payment from Owner.

Rental Space Occupancy

The occupancy ratio for the leased space in the facility is a financial risk if occupancy is not sustained. To mitigate this risk a 5-year lease arrangement could be entertained and to seek local community support for businesses to locate into office space in support of the facility.

The selection process for tenants is another important factor. Seeking strong complimentary tenants that will draw the desired target market helps support the market strategy of attracting the town and surrounding communities to frequent the DCC and its services. Target an average occupancy level of 75%.

Start-up Cost considerations

The conservative vs target model tables represent the start-up cost needed vs the balance of where allocation of funds will be acquired to support said costs. In the conservative model the Town of Dundurn assumes no grant funds from their 2016-17 grant application into PTIC (Provincial-Territorial Infrastructure Component Program) will be awarded. The target model assumes that application is awarded requested funds which would help to greatly offset the level of debt consumption needed otherwise.

For purposes of this Business Plan until the grant award is confirmed the present planning will use the conservative model which relies on securing 3rd party lending.

Traffic Flow volume

Dundurn has taken into consideration the revenue earned from present Ice Rink in town and consideration to the intake of visitors per annum (est. 70,000/annum) that Warman has realized with their DCC as another “bedroom community” from Saskatoon. To mitigate some risk in forecasting traffic flow, an in-between estimate of 3,000 visitors per month was factored in (100 customers per day average).

Another input to traffic flow is the reliance on returning and new Hockey Team clubs using the new Dundurn Sports Centre facility. The proposed complex will provide a full size indoor ice rink with dressing rooms, coach office space and supporting pro shop and skate sharpening services on site.

The Sports Centre will seek to secure a liquor license for its concessionary services and has estimated 8,750 of the estimated 35,000 annual visitors will consume an average of 2 alcoholic beverages while visiting the complex.

FINANCIAL FORECASTS

NAME: Town of Dundurn DCC
PRO-FORMA CASHFLOW STATEMENT
PERIOD: March 1, 2019 -Feb 30, 2022
DATE: 06-14-2017

	YEAR 1		YEAR 2		YEAR 3	
TOTAL SALES	\$	614,935	\$	645,682	\$	677,966
Cash Sales	\$	614,935	\$	645,682	\$	677,966
Depreciation	\$	134,000	\$	136,680	\$	139,414
Loan #1	\$	5,470,000	\$	-	\$	-
Equity	\$	1,264,458	\$	-	\$	-
TOTAL CASH IN	\$	7,483,393	\$	782,362	\$	817,379
LESS:						
Purchases	\$	62,951	\$	69,728	\$	73,215
Cash Expenses	\$	404,141	\$	405,297	\$	405,627
Non-Cash Expense	\$	134,000	\$	136,680	\$	139,414
Assets Purchased	\$	6,688,000	\$	-	\$	-
Dividend Paid	\$	-	\$	-	\$	-
Princ.P. Loan#1	\$	149,213	\$	153,751	\$	158,428
Income Tax Paid	\$	2,353	\$	5,369	\$	9,554
TOTAL CASH OUT	\$	7,441,254	\$	771,244	\$	786,237
NET CASH GAIN (L.)	\$	42,139	\$	11,117	\$	31,142
CASH AT START	\$	-	\$	42,139	\$	53,256
CUMULATIVE CASH	\$	42,139	\$	53,256	\$	84,398
LESS: MIN.CASH BAL.		0		0		0
TOTAL L/C REQU'D.		5985		0		0
SURPLUS CASH	\$	-	\$	53,256	\$	84,398

PRO-FORMA INCOME STATEMENT**PERIOD:** March 1, 2019 -Feb 30, 2022**DATE:** 06-14-2017**NAME:** Town of Dundurn DCC

Revenue Projections	YEAR 1		YEAR 2		YEAR 3
TOTAL SALES	\$	614,935	\$	645,682	\$ 677,966
COST OF SALES	\$	61,493	\$	69,728	\$ 73,215
GROSS MARGIN	\$	553,441	\$	575,953	\$ 604,751
EXPENSES					
Advertising	\$	5,000	\$	5,150	\$ 5,305
Waste Disposal	\$	3,000	\$	3,060	\$ 3,121
Software fees	\$	6,000	\$	6,120	\$ 6,242
Processing Fees	\$	4,942	\$	5,041	\$ 5,142
Depreciation	\$	134,000	\$	136,680	\$ 139,414
Insurance	\$	10,000	\$	10,200	\$ 10,404
Interest-Loan #1	\$	162,059	\$	157,521	\$ 152,844
Equipment	\$	5,000	\$	5,100	\$ 5,202
Supplies & Sundries	\$	-	\$	-	\$ -
Subscriptions	\$	200	\$	204	\$ 208
Maintenance	\$	25,000	\$	25,500	\$ 26,010
Professional fees	\$	2,500	\$	2,575	\$ 2,652
Travel Expenses	\$	500	\$	510	\$ 520
Telephone/Internet	\$	2,400	\$	2,448	\$ 2,497
Utilities	\$	110,000	\$	112,200	\$ 114,444
Wages-Management	\$	67,040	\$	68,381	\$ 69,748
Wage Benefits	\$	500	\$	1,287	\$ 1,287
TOTAL EXPENSES	\$	538,141	\$	541,977	\$ 545,041
OPERATING INCOME	\$	15,300	\$	33,977	\$ 59,710
Other Income	\$	-	\$	-	\$ -
Less L/C Interest	\$	596	\$	419	\$ -
NET INCOME BFR TAX	\$	14,704	\$	33,558	\$ 59,710
Less Tax Provision	\$	2,353	\$	5,369	\$ 9,554
NET INCOME	\$	12,352	\$	28,188	\$ 50,157

NAME: Town of Dundurn DCC
PRO-FORMA SALES SUMMARY
PERIOD: March 1, 2019 -Feb 30, 2022

DATE: 06-14-2017

	YEAR 1		YEAR 2		YEAR 3
SALES					
Ice Rink Sales	\$	150,431	\$	161,420	\$ 169,491
Advertising Revenue	\$	143,751	\$	219,532	\$ 230,508
Rental Property	\$	210,738	\$	148,507	\$ 155,932
Liquor	\$	70,000	\$	71,025	\$ 74,576
Other	\$	40,015	\$	45,198	\$ 47,458
TOTAL SALES	\$	614,935	\$	645,682	\$ 677,966
COST OF SALES					
Ice Rink Sales	\$	15,043	\$	16,142	\$ 16,949
Rental Property	\$	21,074	\$	21,953	\$ 23,051
Advertising Revenue	\$	14,375	\$	16,531	\$ 17,358
Liquor	\$	7,000	\$	10,500	\$ 11,025
Other	\$	4,002	\$	4,602	\$ 4,832
Category 6	\$	-	\$	-	\$ -
TOTAL COST OF SALE	\$	61,493	\$	69,728	\$ 73,215
GROSS MARGIN					
Ice Rink Sales	\$	135,388	\$	145,278	\$ 152,542
Rental Property	\$	122,677	\$	197,579	\$ 207,457
Advertising Revenue	\$	196,363	\$	131,975	\$ 138,574
Liquor	\$	63,000	\$	60,525	\$ 63,551
Other	\$	36,014	\$	40,596	\$ 42,626
Category 6	\$	-	\$	-	\$ -
TOTAL GROSS MARGIN	\$	553,441	\$	575,953	\$ 604,751

NAME:
PRO-FORMA BALANCE SHEET

Town of Dundurn DCC

PERIOD: March 1, 2019 -Feb 30, 2022
DATE: 06-14-2017

	OPENING		YEAR 1		YEAR 2		YEAR 3
CURRENT ASSETS							
Accounts Receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Cash	\$ -	\$ -	\$ 42,139	\$ 53,256	\$ 84,398	\$ -	84,398
Inventory (liquor)	\$ 1,458	\$ 1,458	\$ 1,458	\$ 1,458	\$ 1,458	\$ -	1,458
Prepaid Expenses	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ -	-
TOTAL CURRENT	\$ 46,458	\$ -	\$ 43,597	\$ 54,714	\$ -	\$ -	85,856
FIXED ASSETS							
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Building	\$ 6,500,000	\$ 6,500,000	\$ 6,500,000	\$ 6,500,000	\$ 6,500,000	\$ -	6,500,000
Leasehold Improvements	\$ 148,000	\$ 148,000	\$ 148,000	\$ 148,000	\$ 148,000	\$ -	148,000
Equip./Furniture	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ -	40,000
Goodwill	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Vehicle	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Other Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Accumulated Depreciation	\$ -	\$ 134,000	\$ 270,680	\$ 410,094	\$ -	\$ -	-
Prepaid Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
TOTAL FIXED	\$ 6,688,000	\$ 6,554,000	\$ 6,417,320	\$ 6,277,906	\$ -	\$ -	6,277,906
TOTAL ASSETS	\$ 6,734,458	\$ 6,597,597	\$ 6,472,034	\$ 6,363,763	\$ -	\$ -	6,363,763
CURRENT LIABILITIES							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Current portion of L.T.D.	\$ 149,213	\$ 153,751	\$ 158,428	\$ 163,247	\$ -	\$ -	-
Line of Credit Outstanding	\$ -	\$ 5,985	\$ -	\$ -	\$ -	\$ -	-
Bridge Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
TOTAL CURRENT	\$ 149,213	\$ 159,737	\$ 158,428	\$ 163,247	\$ -	\$ -	163,247
LONG TERM DEBT (L.T.D.)							
Loan #1	\$ 5,470,000	\$ 5,320,787	\$ 5,167,036	\$ 5,008,608	\$ -	\$ -	-
Less Current Portion	\$ 149,213	\$ 153,751	\$ 158,428	\$ 163,247	\$ -	\$ -	-
Loan #2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Less Current Portion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Loan #3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Less Current Portion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Other Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Shareholder's loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
TOTAL LONG TERM DEBT	\$ 5,320,787	\$ 5,167,036	\$ 5,008,608	\$ 4,845,361	\$ -	\$ -	4,845,361
TOTAL LIABILITIES	\$ 5,470,000	\$ 5,326,772	\$ 5,167,036	\$ 5,008,608	\$ -	\$ -	5,008,608
EQUITY							
Opening Equity	\$ -	\$ 1,264,458	\$ 1,276,810	\$ 1,304,998	\$ -	\$ -	-
Plus: Net Income	\$ -	\$ 14,704	\$ 33,558	\$ 59,710	\$ -	\$ -	-
Less: Dividends	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Less: Income Tax	\$ -	\$ 2,353	\$ 5,369	\$ 9,554	\$ -	\$ -	-
Plus: New Equity	\$ 1,264,458	\$ -	\$ -	\$ -	\$ -	\$ -	-
TOTAL EQUITY	\$ 1,264,458	\$ 1,276,810	\$ 1,304,998	\$ 1,355,155	\$ -	\$ -	1,355,155
TOTAL LIABILITIES & EQUITY	\$ 6,734,458	\$ 6,603,582	\$ 6,472,034	\$ 6,363,763	\$ -	\$ -	6,363,763

6.0 GOVERNING LAWS, REGULATIONS AND LICENSING

Business Name Registration

- Saskatchewan
- Registering your business

A "Business Name Registration" must be obtained by any person (natural person or corporation) who carries on business in Saskatchewan under a business name. Before a business name can be registered, a "Name Availability Search and Reservation" must be conducted.

Prerequisites

A name search and reservation needs to be conducted prior to, or concurrent with, the submission of the Business Name Registration Form. Every applicant should become familiar with the Business Names Registration Act. Copies are available free of charge online at <http://www.qp.gov.sk.ca>

Contact Information

Information Services Corporation (ISC)

Corporate Registry

corporateregistry@isc.ca

1301 1st Avenue

Regina

Saskatchewan S4T 8H2

<http://qtds.gov.sk.ca/Pages/Details.aspx?organizationid=4fd116c5-7cc3-4be0-9699-dbc4bc13b5f5>

Tel: 306-787-2962

Fax: 306-787-8999

Collecting GST and PST

Goods and Services Tax: 5%. Must collect and remit if business revenues exceed \$30,000.

Provincial Sales Tax: 6%

The DCC will need to be set up when going through business registration to include securing a GST number and registering to collect for PST.

Workers' Compensation Board Registration

- Saskatchewan
- Recruiting or hiring workers ...

Workers' compensation is a no-fault insurance program that protects the employer and worker from the results of work place injuries. Employers who employ workers on a regular, casual, part-time, seasonal or contractual basis are required to contact the Saskatchewan Workers' Compensation Board (WCB) within 30 days of commencing business to determine registration requirements. Persons operating a business and not employing workers may also be eligible for optional personal coverage.

Prerequisites

Details of the business operations and an estimate of payroll must be provided with registration.

Information you will need:

- Federal business number;
- Complete legal name of your business or, if you are registering under a proprietorship or partnership, the legal names of the partners;
- List of contractors hired in previous years including type of work and contract amounts;
- An estimate of your payroll for workers and directors carried on a salary if any;
- Start date of operations and start date of your first worker if applicable; and
Address and contact information.

Contact Information

Workers' Compensation Board

Employer Inquiries

reainquiry@wcbsask.com

200 - 1881 Scarth Street

Regina

Saskatchewan S4P 4L1

https://myaccount.wcbsask.com/WCBPortalPage/page_forms_employer_registration.html?navigationAction=page_forms_employer_registration

Tel: 306-787-4370

Toll Free: 1-800-667-7590

Fax: 306-787-4205

Federal Business Registration

- CANADA
- Registering your business

You may need to register with Canada Revenue Agency to get a Business Number. Registration is mandatory if your business requires a GST/HST (depending on your total revenue), Payroll, Corporate income tax or Import/Export account.

Prerequisites

<http://www.cra-arc.gc.ca/tx/bsnss/tpcs/bn-ne/bfr/menu-eng.html>

Contact Information

Canada Revenue Agency

<http://www.cra-arc.gc.ca/cntct/phn-eng.html>

Toll Free: 1-800-959-5525

Source: Canada Business Network. Website: <http://www.canadabusiness.ca/eng/brfse/sgc-4706027/naics-8113>.

7.0 RISK MANAGEMENT

#	Risk Event	Impact	Probability of Occurrence	Score	Mitigation
1	Occupancy of tenant spaces to help pay for facility	8	7	56	Proactively seek interested tenants for the Facility and look for complimentary tenant services if possible for “win – win”. Provide competitive lease rate of \$15 per square feet. Secure a commitment from home team to move to new DCC.
2	Ice Rink rental capacity levels	8	7	56	Lock down long-term contracts with the Home Town Hockey League and any Associations for use of Ice Rink.
3	Contractor delays	7	6	42	Delays in completion of DCC impact project schedule on when new facility can be available. Impacts locking down tenants and migration from old Ice Rink in Dundurn.
4	Economic downturn reducing customer disposable income spent on leisure/sports	8	4	32	Provide competitive pricing and seek a wide customer target demographic. Diversify revenues between Ice Rink and Gym with tenant leasing revenues.
5	Finding resources to staff Facility	6	5	30	Seek contractors to manage core maintenance services. If a Recreations Director is not hired then Ice Rink Committee volunteers will continue to manage DCC.
6	Competition (CFAD Gym, Corman Park project, other new rinks in Saskatoon)	8	3	25	Offer tenant services that help provide complimentary services to draw customers to the facility.

Summary

The Dundurn DCC will require a significant capital investment of \$6.73 million to build and set-up the 36,000 square feet facility for operation. The new facility will need to mitigate the following risks to help ensure operating overheads are well managed and costs paid.

Maintaining a health occupancy level, investing in marketing the new complex to attract visitors and hockey/other leagues will be critical to helping maintain a health cash flow and realized a modest revenue growth year to year.

CONCLUSIONS

The Dundurn Community Complex (DCC) will provide access to services for over 700 Dundurn residents and an estimated 2800 residents whom reside within the Rural Municipality #314, CFAD Dundurn and the Resort Villages of Shields & Thode. Specifically, the local K-12 students and the local Minor Hockey League will benefit greatly from having local access to the DCC Ice Rink, and its tenants including a Day Care, Licensed Food Concession, Medical Clinic, Pro Shop and Fitness Gym.

The present Sunshine Meadows Phase 3 development project in Dundurn will produce 300 new homes. The commercial and residential expansion will provide the housing and infrastructure to help support the town's population growth with additional housing to support 1,500 residents.

The DCC has a wide demographic of customers within its target market with ages between 20 – 64 years. The proposed facility will cater to a wide range of community interest from hockey events and league play to recreational skating and use of the fitness gym and day care services.

Currently the Town of Dundurn is at the design stage of developing the DCC and presently focusing on securing the necessary funds and financial support to proceed with an implementation plan. Target in-service date would be March 1, 2019.

The total cost of project is \$6,733,000 with an estimated annual operating cost of \$553,466 and first year targeted gross operating revenue of \$579,934. The revenue stream will be diversified to include ice rink sales, liquor sales, rental property sales and advertising revenue. The three-year financial study enclosed within this plan assumes a 2% year to year inflationary increase on expense and a target return of 5% in net income starting in year 2 period.

The Town of Dundurn has presently submitted a grant application through the PTIC Program (The Provincial Territorial Infrastructure Component) seeking an estimated project capital injection of \$4,330,000. Present fundraising activities are being planned and DDD+ Construction has approved an in-kind contribution of \$475,000. A default target of \$5,470,000 in 3rd party financial institution lending will be sought after to support this community project.

The DCC launch will be slated for 2019 to align with current subdivision development planning and it will serve as an opportune window for the Town of Dundurn to continue with its planned fundraising activities and to pursue government grants that will further strengthen their capital position into this project.

APPENDIX A: COMPETITION

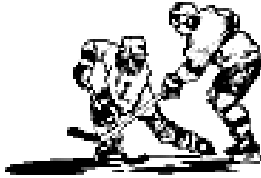
Company Name	Type	City	Province	Location Sales Volume	Location Number of Employees
Clubmynx Fitness Inc	Gym	Saskatoon	SK	\$360,000	8
Colosseum Athletics Inc	Gym	Saskatoon	SK	\$180,000	4
Cross Fit Saskatoon	Gym	Saskatoon	SK	\$135,000	3
Crossfit Brio	Gym	Saskatoon	SK	\$270,000	6
Crossfit Brio	Gym	Saskatoon	SK	\$270,000	6
Curves	Gym	Saskatoon	SK	\$315,000	7
Curves	Gym	Saskatoon	SK	\$270,000	6
Curves	Gym	Saskatoon	SK	\$225,000	5
Curves	Gym	Saskatoon	SK	\$270,000	6
First Step Fitness	Gym	Saskatoon	SK	\$675,000	15
Fit 4 Less	Gym	Saskatoon	SK	\$270,000	6
Fitness Circuit & Terry Fox	Gym	Saskatoon	SK	\$180,000	4
Fitness Focus	Gym	Saskatoon	SK	\$900,000	20
Fitness For 10	Gym	Saskatoon	SK	\$225,000	5
Fitness For Ten	Gym	Saskatoon	SK	\$450,000	10
Fitness Masters Corp	Gym	Saskatoon	SK	\$0	
Flaman Fitness Ltd	Gym	Saskatoon	SK	\$450,000	10
Flex Appeal Fitness For Her	Gym	Saskatoon	SK	\$225,000	5
Fortitude Health & Fitness	Gym	Saskatoon	SK	\$270,000	6
Good Life Fitness Club	Gym	Saskatoon	SK	\$990,000	22
Hub City Boxing Club	Gym	Saskatoon	SK	\$270,000	6
Ignite Athletic Conditioning	Gym	Saskatoon	SK	\$270,000	6
Iron Works Gym Inc	Gym	Saskatoon	SK	\$90,000	2
Lead Pilates & Wellness	Gym	Saskatoon	SK	\$450,000	10
Lead Pilates Cycle & Fitness	Gym	Saskatoon	SK	\$270,000	6
Mawson Health & Fitness	Gym	Saskatoon	SK	\$900,000	20
Mecca Fitness	Gym	Saskatoon	SK	\$225,000	5
Metamorphosis	Gym	Saskatoon	SK	\$135,000	3
Orangetheory Fitness	Gym	Saskatoon	SK	\$180,000	4
Pace Athletic Training Ctr	Gym	Saskatoon	SK	\$270,000	6
Pro Fit Athletic Club	Gym	Saskatoon	SK	\$675,000	15
Quantum Fitness	Gym	Saskatoon	SK	\$1,035,000	23
Rcaf Astra Hall Rental	Gym	Saskatoon	SK	\$354,000	6
Rhinos Fitness Studio	Gym	Saskatoon	SK	\$90,000	2
Saskatoon Pilates Ctr	Gym	Saskatoon	SK	\$180,000	4
Snap Fitness	Gym	Saskatoon	SK	\$180,000	4
Snap Fitness	Gym	Saskatoon	SK	\$180,000	4
Soulworks	Gym	Saskatoon	SK	\$270,000	6
Train For Life	Gym	Saskatoon	SK	\$270,000	6
Ukrainian Orthodox Auditorium	Gym	Saskatoon	SK	\$177,000	3

Company Name	Type	City	Province	Location Sales Volume	Location Number of Employees
Act Arena	Ice Rink	Saskatoon	SK	\$295,000	5
Act Arena Hockey Ctr	Ice Rink	Saskatoon	SK	\$472,000	8
Alvin Buckwold School Rink	Ice Rink	Saskatoon	SK	\$295,000	5
Anna Mc Intosh Park Rink	Ice Rink	Saskatoon	SK	\$295,000	5
Arbor Creek Park Rink	Ice Rink	Saskatoon	SK	\$295,000	5
Archibald Arena	Ice Rink	Saskatoon	SK	\$177,000	3
Bishop Roborecki Rink	Ice Rink	Saskatoon	SK	\$295,000	5
Brevoort Park School Rink	Ice Rink	Saskatoon	SK	\$295,000	5
Buena Vista School Rink	Ice Rink	Saskatoon	SK	\$295,000	5
Canlan Ice Sports	Ice Rink	Saskatoon	SK	\$1,180,000	20
Cardinal Leger School Rink	Ice Rink	Saskatoon	SK	\$295,000	5
Caswell Community School Rink	Ice Rink	Saskatoon	SK	\$295,000	5
Dr John G Egnatoff School Rink	Ice Rink	Saskatoon	SK	\$295,000	5
Dundonald Park Rink	Ice Rink	Saskatoon	SK	\$295,000	5
Georges Vanier School Rink	Ice Rink	Saskatoon	SK	\$295,000	5
Greyston School Rink	Ice Rink	Saskatoon	SK	\$295,000	5
Harold Latrace Arena	Ice Rink	Saskatoon	SK	\$1,180,000	20
Henry Kelsey School Rink	Ice Rink	Saskatoon	SK	\$295,000	5
Holliston School Rink	Ice Rink	Saskatoon	SK	\$295,000	5
Hugh Cairns School Rink	Ice Rink	Saskatoon	SK	\$295,000	5
John Lake School Rink	Ice Rink	Saskatoon	SK	\$295,000	5
King George School Rink	Ice Rink	Saskatoon	SK	\$295,000	5
Ladies Workout Express	Ice Rink	Saskatoon	SK	\$45,000	1
Mc Kee Hockey Club	Ice Rink	Saskatoon	SK	\$174,000	3
Pope John Paul II School Rink	Ice Rink	Saskatoon	SK	\$295,000	5
Rutherford Rink	Ice Rink	Saskatoon	SK	\$1,475,000	25
Saskatoon Blades Hockey Club	Ice Rink	Saskatoon	SK	\$1,770,000	30
Saskatoon Lions Arena	Ice Rink	Saskatoon	SK	\$177,000	3
Schroh Arenas Ltd	Ice Rink	Saskatoon	SK	\$295,000	5
Sk Indian Federated Cllg Rnk	Ice Rink	Saskatoon	SK	\$295,000	5
St Augustine School Rink	Ice Rink	Saskatoon	SK	\$295,000	5
St Frances School Rink	Ice Rink	Saskatoon	SK	\$295,000	5
St John School Rink	Ice Rink	Saskatoon	SK	\$295,000	5
St Luke School Rink	Ice Rink	Saskatoon	SK	\$295,000	5
St Philip School Rink	Ice Rink	Saskatoon	SK	\$295,000	5
Dundurn Sports Ctr	Ice Rink	Dundurn	SK	\$177,000	3

Company Name	Type	City	Province	Location Sales Volume	Location Number of Employees
Royal Canadian Air Force Assn	Misc	Saskatoon	SK	\$118,000	2
Royal Canadian Legion Br 63	Misc	Saskatoon	SK	\$236,000	4
Sask Terry Fox Track	Misc	Saskatoon	SK	\$450,000	10
Saskatoon Mothers' Ctr	Misc	Saskatoon	SK	\$290,000	5
Saskatoon Soccer Ctr Inc	Misc	Saskatoon	SK	\$2,668,000	46
Sutherland Curling Club	Misc	Saskatoon	SK	\$638,000	11
Well One Coaching & Consulting	Misc	Saskatoon	SK	\$180,000	4
Dundurn Community Hall	Misc	Dundurn	SK	\$118,000	2
George Ward Swimming Pool	Pool	Saskatoon	SK	\$708,000	12
Harry Bailey Aquatic Ctr	Pool	Saskatoon	SK	\$1,770,000	30
Lakewood Swimming Pool	Pool	Saskatoon	SK	\$708,000	12
Lathey Swimming Pools	Pool	Saskatoon	SK	\$708,000	12
Lawson Swimming Pool	Pool	Saskatoon	SK	\$1,180,000	20
Martensville Aquatic Ctr	Pool	Saskatoon	SK	\$708,000	12
Mayfair Swimming Pool	Pool	Saskatoon	SK	\$708,000	12
Riversdale Swimming Pool	Pool	Saskatoon	SK	\$1,180,000	20
Saskatoon Paddling Pools/Spray	Pool	Saskatoon	SK	\$1,180,000	20
Tcu Place Swimming Place	Pool	Saskatoon	SK	\$8,850,000	150
Cosmo Civic Ctr	SportsPlex	Saskatoon	SK	\$3,540,000	60
Lakewood Civic Ctr	SportsPlex	Saskatoon	SK	\$1,652,000	28
Lawson Civic Ctr	SportsPlex	Saskatoon	SK	\$2,360,000	40
Sasktel Sports Ctr	SportsPlex	Saskatoon	SK	\$174,000	3
YMCA	SportsPlex	Saskatoon	SK	\$4,602,000	78

APPENDIX B: CURRENT ICE RENTAL RATES

Rate will be see an estimated 30% rate increase in order to help support the cost of providing a new Dundurn Community Complex for the community.



DUNDURN SPORTS CENTRE & ICE RINK RENTAL RATES 2017-2018

ICE RENTAL RATES OCTOBER 1, 2017 TO MARCH 31, 2018:

Dundurn Skating Club, Dundurn Minor Hockey Association	\$105/Hour
Senior Hockey (Dundurn Wheat Kings)	\$125/Hour
Antiques, Blackstrap Lakers, Barley Queens Hockey Teams	\$125/Hour
Prime time rental for local renter	\$125/Hour
Prime time rental for non-local renter	\$150/Hour
Non-prime time rental for anyone (i.e. daytime hours)	\$115/Hour
Tournament Fee non-local teams	\$625/Day
Tournament Fee local including Dundurn Minor Hockey	\$350/Day

NOTE: All users groups that book ice will require an *Ice Rental Agreement*. This is a new process and we appreciate the ongoing support. Please contact the Ice Scheduler to get your contract signed today. Tournaments will require a \$200 deposit. Deposit will be returned after tournament is completed.

PUBLIC SKATING AND PUBLIC HOCKEY RATES:

- \$5 per person drop-in fee
- \$30 per person for the season (must be prepaid)
- \$80 per family for the season (immediate family only, must be prepaid)

Please call Leah Weisbrod, Ice Scheduler, to make arrangements for Public Skating or Public Hockey fees. Drop-in fees will be collected at the Concession Booth.

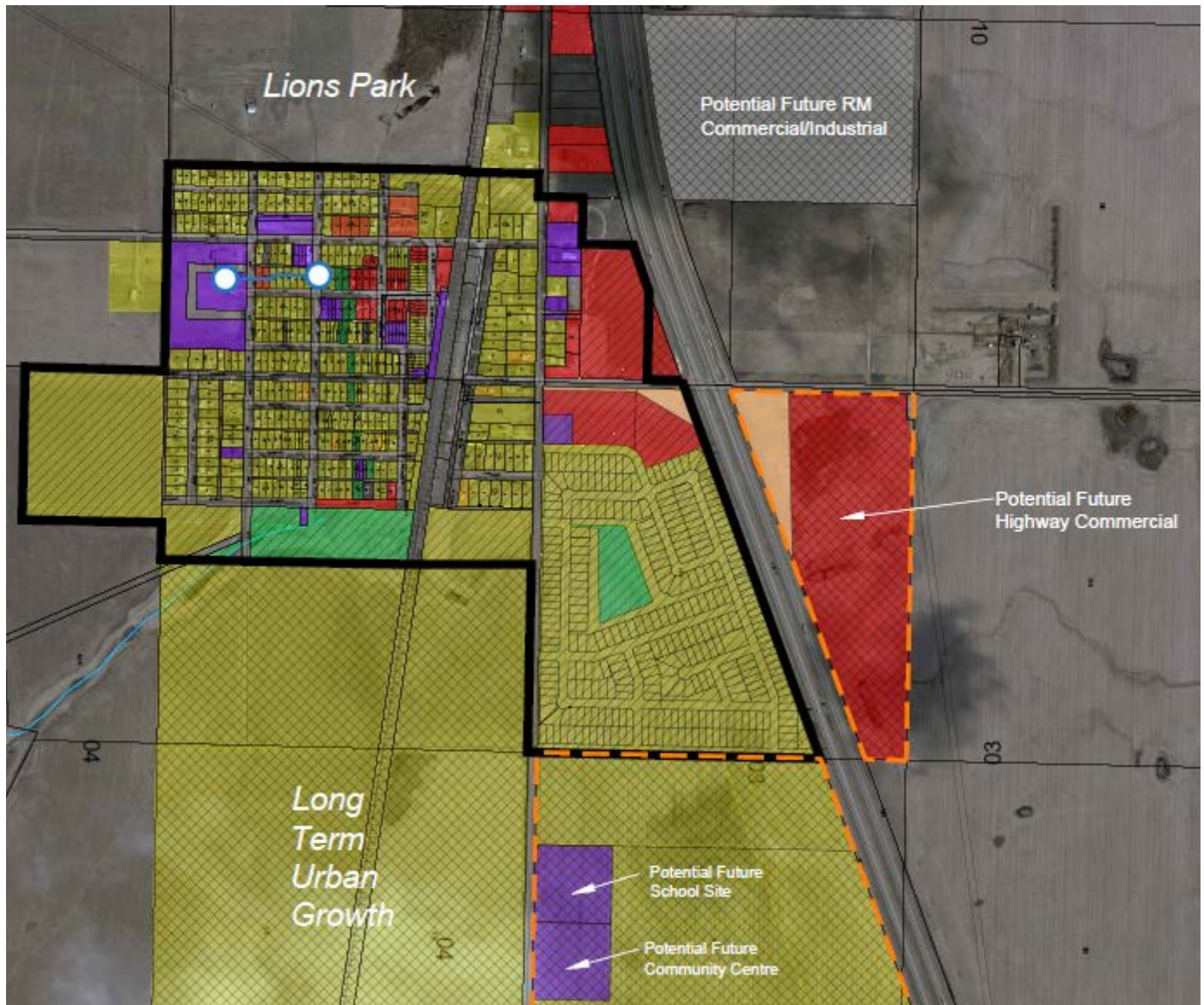
BUILDING RENTALS DURING THE SUMMER:

Full building rental	\$350/Day
Ice area rental with no kitchen	\$40/Hour
Lobby area rental	\$25/Hour

- Damage deposit of \$50 must be paid in advance of the rental.
- Renter is required to complete an *Ice Rental Agreement* that outlines responsibilities.
- Special event or private functions require approval of the Town of Dundurn Rink Committee. Please call 306-492-2202 or come into the Town of Dundurn office for more information.

The Town of Dundurn Rink Committee supervises the rink operation. If you have any questions, please contact the Town Office at 306-492-2202 ext. 1.

APPENDIX C: SITE & FLOOR PLAN



Town of Dundurn Future Growth Study

Option 1 - Preferred Future Land Use (Detail)

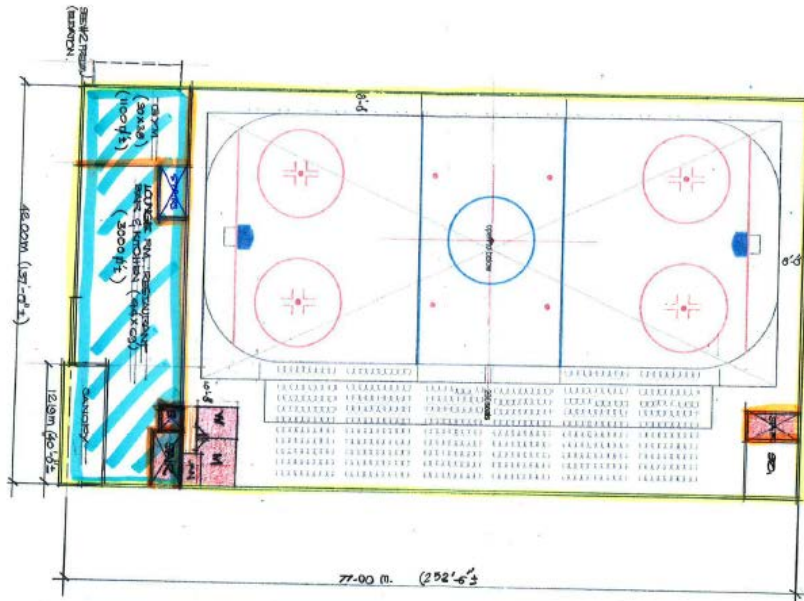
CROSBY HANNA & ASSOCIATES
LANDSCAPE ARCHITECTURE & COMMUNITY PLANNING
June 2016



#2
(16-011)

PRELIM
300 (SHEET 6/16)

SECOND FLOOR PLAN

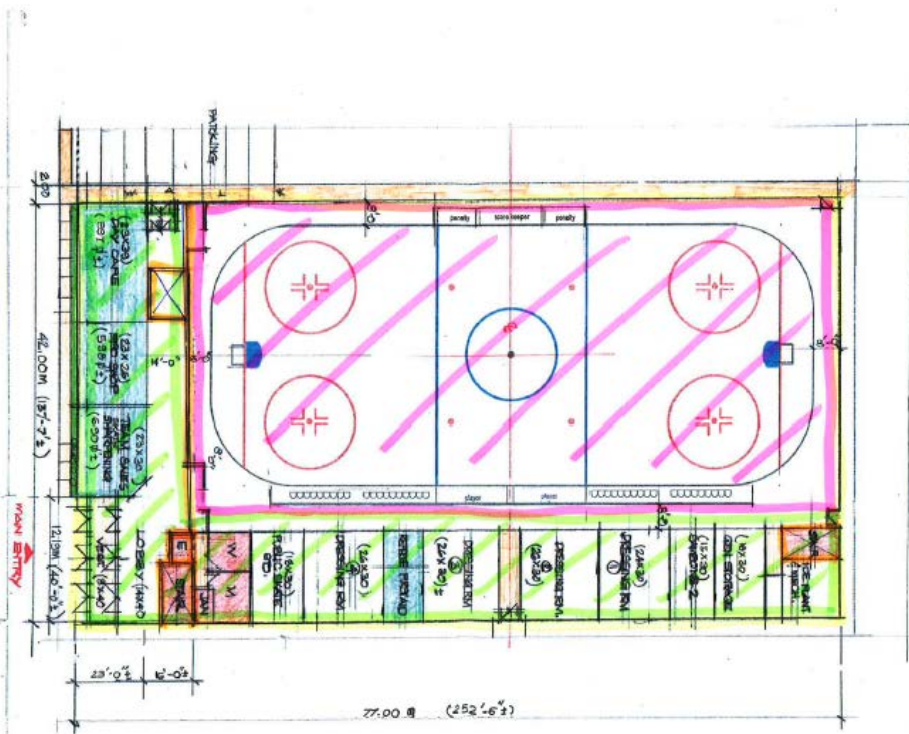


- PRECAST EXTERIOR
- PRECAST INTERIOR
- 4" CONCRETE FLOOR ON DECKING

#2F
(16-011)

PRELIM
300 (SHEET 7/16)

MAIN FLOOR PLAN

























- PRECAST EXTERIOR
- PRECAST INTERIOR
- 6" FLOOR
- 5" FLOOR

Main floor view of Ice Rink

APPENDIX D: SUPPLEMENTAL INFORMATION

Dundurn Community Complex Scheduling Software will provide an effective way for both staff and Teams to manage scheduling activity. Here is a summary of the desired capabilities we will require when selecting a supplier.

Full Feature List (Example)

 Facility Scheduling & Management	 MemberMe+ - Branded Mobile App
 Trainer & Instructor Scheduling	 Membership Management
 Customer Relationship Management	 Package Sales & Attendance
 Rentals & Special Events	 Invoicing & Payment Tracking
 Locker & Equipment Tracking	 Front Desk Check-In
 Access Control	 Photo ID's & Player Passes
 Employee Time Clock	 Fitness Assessment
 League Scheduling & Management	 Extensive Reporting
 Registration Management	 Marketing Tools
 Member Self-Service	 Point of Sale
 Credit Card / ACH / EFT Processing	 Payroll and Commission Tracking

Source: eZFacility. Website: <https://www.ezfacility.com/industries/sports-facility-software>.