

Cape Community Arena

An Outdoor, Covered, Multi-Use Facility for Cape Elizabeth

Proposed by CCIR, a volunteer organization

October 6, 2021

Important Clarifications



- We are a group of volunteers living in Cape Elizabeth, offering to fundraise for, further qualify, construct, and donate what we believe will be a dynamic and lasting community resource for Cape. We are NOT a private enterprise and view this effort as a true partnership with the Town.
- We are asking Town Council to grant us fundraising approval so we can raise funds to further qualify our proposed project and reconfirm interest from the wider community. Such approval in NO way approves us to construct Cape Community Arena (CCA) at Gull Crest, nor does it commit the Town to taking possession of the project once completed. We fully understand that securing all necessary permits and delivering you a compelling business case, that you approve, will be required.
- CCA is designed for ALL AGES, with uses ranging from youth sports to concerts. CCA is much, much more than an ice rink. For long-term success, we realized quickly that we needed a project that appeals to a much greater audience than winter enthusiasts and delivers year-round value, otherwise a massive opportunity would be missed.

Important Clarifications

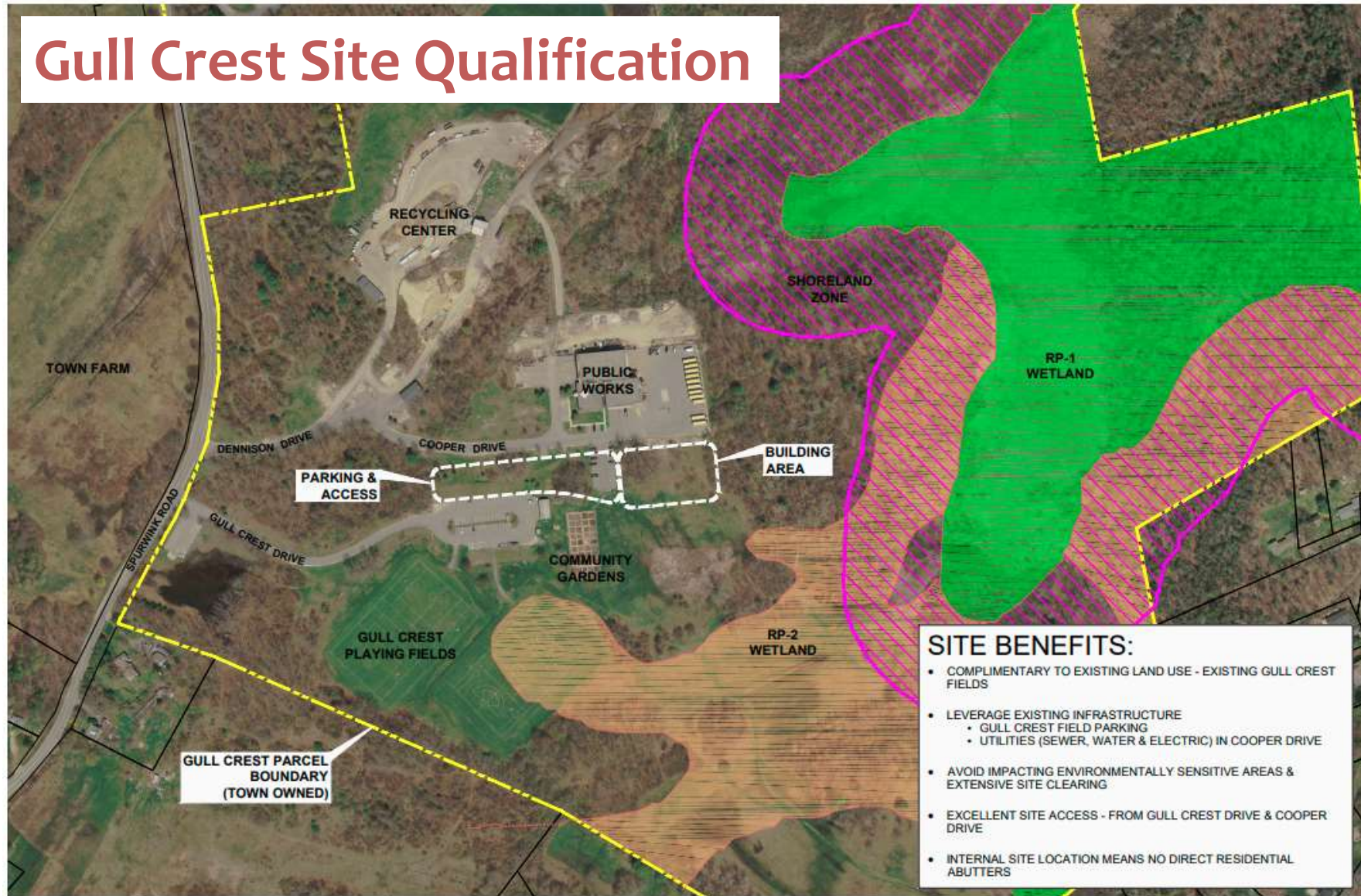


We believe CCA is a unique opportunity for Cape and will add significant value to the Town:

1. Builds community by bringing people together to recreate and socialize unlike any other Town owned asset – covered yet open-air sports, music, camps, farmers markets, etc.
2. Compliments and upgrades the current athletic complex that resides at Gull Crest and the adjacent Public Works property.
3. Continues Cape Elizabeth’s commitment to environmental stewardship through green design and minimal footprint.
4. Supports active lifestyle and outdoor activity, representing the spirit of Cape and its residents.
5. Development and construction approach is for CCA to be fully donor and grant (vs. tax-payer) funded. CCA operating model will be developed in conjunction with the Town so that operating expense (short and long-term) is fully supported by revenue.

Over the past few weeks, we have received material feedback from Cape residents that CCA is of strong interest. The best way for us to really find out for sure, is by kicking off a formal fundraising effort, and we NEED your help!

Gull Crest Site Qualification



Proposed Pro-Forma Annual Operating Budget



• Revenue	\$350,000
• Expenses	- \$142,000
- Management	- \$54,000
- Occupancy	- \$52,000
- Insurance	- \$24,000
- Officials	- <u>\$12,000</u>
• Operating Margin	<u>\$208,000</u>

Notes:

- Data is from a local comparable community arena (privately held and managed)
- Revenue is primarily from ice time rentals
- CEHS teams purchase in excess of \$30,000 per year in ice time alone
- Some contribution from advertising sales
- Local rinks fully book/sell their ice time for hockey and figure skating programs; might not be our proposed model
- Anticipated rate for ice time rentals is \$250-\$300 per hour
- Non-winter revenue potential (e.g., camp, concert, turf rental, gym fees) not yet included
- Note many private facilities include debt in their capital structure and as a result debt servicing requirements; not here
- A local comparable arena has approximately \$153,000 per year in debt servicing

Proposed Pro-Forma Annual Operating Budget



- Our review of similar facilities in our region concludes that most operate annually near a financial break-even point.
- Caveat is that most of the facilities assume a level of debt in their capital structure.
- It is CCA's intent to fundraise enough capital to avoid debt and avoid the ongoing debt servicing requirements. This materially impacts revenue requirements versus local comparable arenas. The trade off is the amount of capital required to be fundraised versus ongoing revenue burdens.
- Demand for an additional arena in our area appears to be very high and we believe the revenue generation potential will easily cover operating expenses with no debt servicing.
- In addition, our current pro-forma contemplates winter-only use only, CCA will have year-round use with additional revenue generation opportunities (spring, summer, and fall!).
- Given the projected operating margin, the Town will have discretion to the extent it wants to sell available ice time e.g., choosing to sponsor community recreational opportunities.
- More detailed financials will be provided as we continue to refine our operating model, including a proposed staffing plan.

Fundraising Plan & Timeline



Stage 1: Preconstruction and Initial Donor Solicitation

- * Approach Potential Donors, Distribute Donor Package, and Collect Pledges to Inform Project Scope
 - Survey Community Regarding Project Interest and Potential Donor Engagement
 - Finalize Budget Based on Recommendations Made by CJS & Woodhull Construction, and Returns on Initial Fundraising Efforts
- * Complete Site Development, Engineering, Utilities
 - Approximately \$500,000
 - Approximately 3-6 months

Stage 2: Implementation and Construction

- * Submit Grant Applications, Community Engagement, and Donor Solicitation
 - Includes Opportunities for Naming Rights, In-Kind Donations, Corporate Sponsorships, Fundraising Events, etc.
- * Order and Obtain Materials, Construct and Commission Core Project and Building Amenities Based on Community Buy-In and Returns on Fundraising Efforts
 - Currently projected to be \$5,000,000 +/- 20 percent
 - 9-12 months ideally
- * Will not break ground without financial means to do so



Questions & Next Steps

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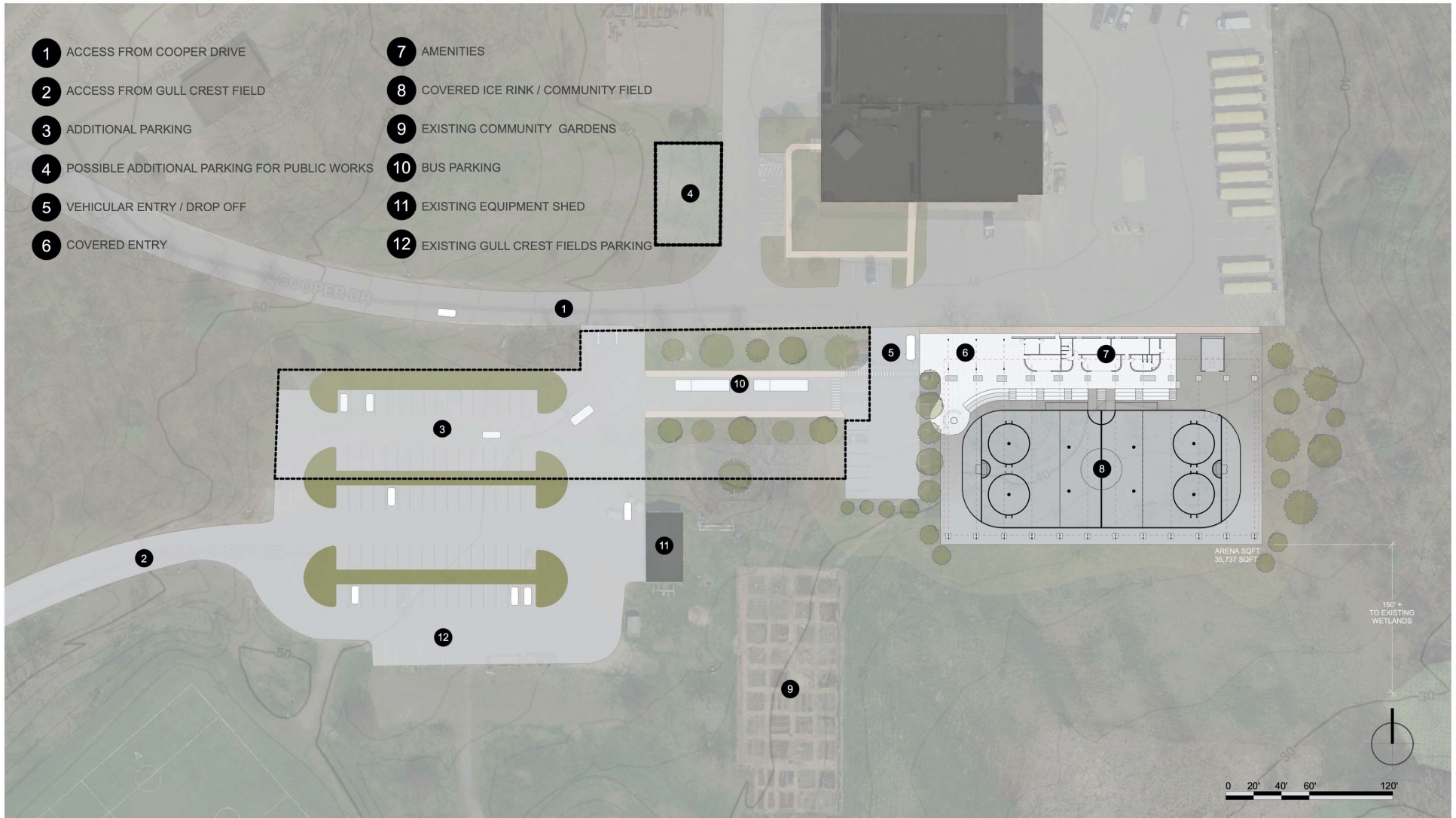
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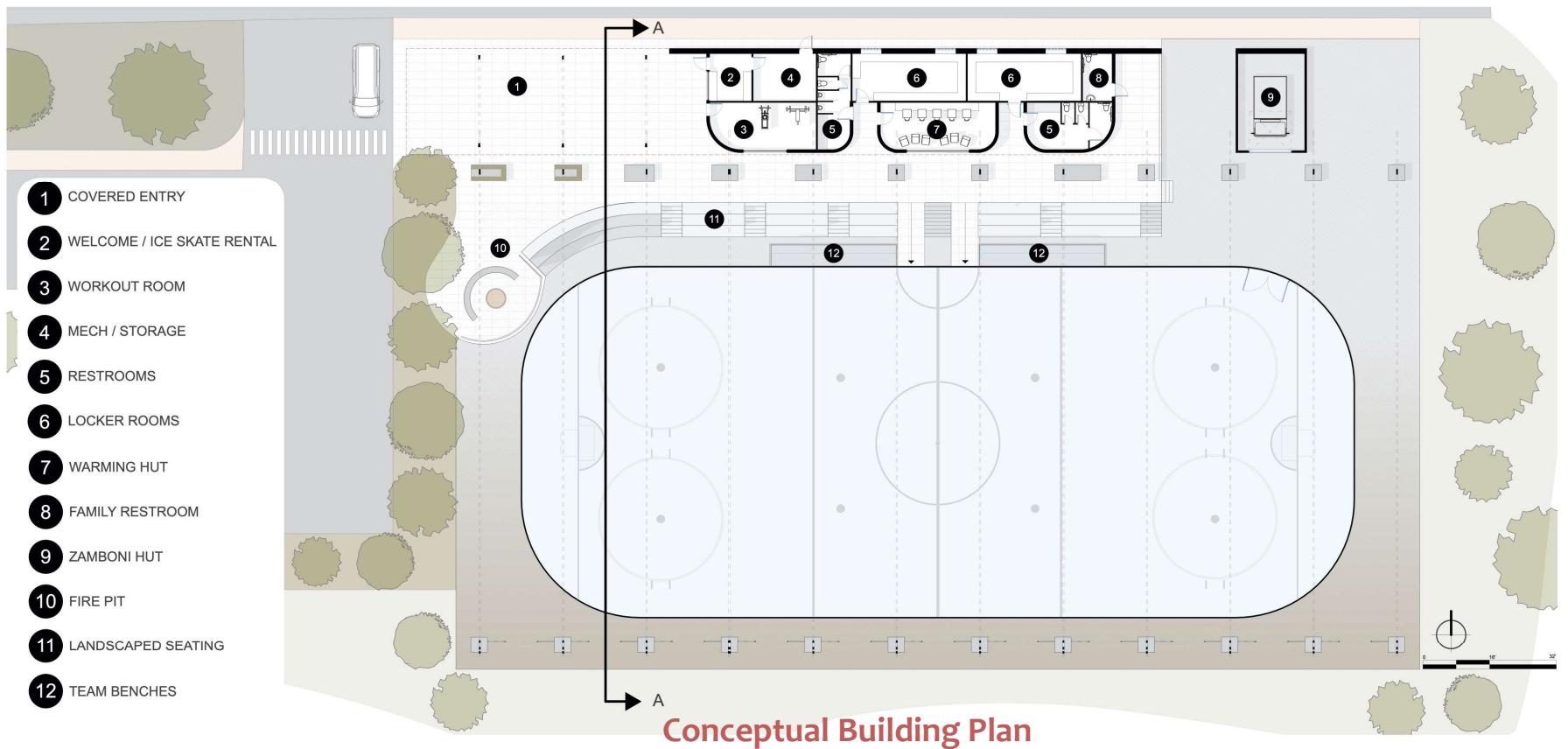
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Conceptual Site Plan





Conceptual Rendering from Inside Arena (Winter)



Conceptual Rendering from Inside Arena (Non-Winter)