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Location, Location, Location

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It is often said that the three most important things in the real estate business are location, location, and location. This concept is often forgotten or not given the proper level of consideration in our industry when it comes to finding a suitable site for an ice skating facility.

The real estate requirements for an ice skating facility can be daunting. Depending upon programming considerations (like spectator seating for the facility), 2.5 to five acres of land for a single surface facility and five to seven acres of land for a twin surface facility will be necessary. These allocations of acreage allow for a floor plan and parking design that is both "business optimal" (i.e. allowing management to provide sufficient space for the facility's clientele while maximizing revenue potential and minimizing expenses) and ample enough to support the programming and parking demands of the facility. When meeting these requirements, the reality of locating an ice skating facility on a suitable site becomes a significant challenge for individuals, groups, or entities considering the construction of these facilities. Owners of ice skating facilities that have experienced financial difficulties or closed have had many, some of them valid, reasons for the location of their ice skating facility. Among these are:

• The land is owned by one or more of the future facilities' owners, eliminating cost of real estate as a barrier to entry into the ice skating industry.

• The land is favorably zoned, saving time and expense in the site plan review and approval process with the local municipality.

• The land is affordable due to its location.

• The land is in an industrial or office park, reducing the headaches of access to utilities and services like snow removal/sanding, and site preparation.

It is critically important, once the goals of the conceptual ice skating facility are defined, that the prospective location decision be a sound one. I acknowledge that when selecting the location of an ice skating facility, the planners may have no choice of location. This is true in the case of locating an ice skating facility for a secondary school, college, or university. For those planners who have discretion, there are three characteristics that can help to create a successful location for an ice skating facility: customer ease of use, proximity to home or other activities, and suitability to an exit strategy.

Customer Ease of Use

One of the simplest things that the planners of an ice skating facility must consider is: how easy will it be for our customers to find and use this facility? Too often planners of such facilities overlook this very basic question. For example, there are some beautiful, newer, facilities operating that are easily visible from major highways, which is a positive. The negative attached to some of these facilities however, is that by the time a customer accesses the off ramp, navigates the local roads, and competes with the surrounding businesses (shopping mall or office park traffic, for example) the appeal of getting to these facilities quickly has worn off. Consider the dilemma of the mother or father responsible for transporting a child to skating at the facility:

1. Pick up the child at school

2. Drive to the facility

3. Wait until the skating activity is complete

4. Drive the child home

5. Then of course there is dinner, homework etc.

As a youth hockey player, I can remember my father having to allow 20 minutes to drive me to the rink across town! This was because he had to negotiate a railroad crossing, and an intersection where five streets converged into a circle regulated by a single traffic sign. His car dashboard probably still bears the marks of my fingernails digging in to relieve the worry of being late for practice or a game while coping with these travel logistics.

My point is, with the arrival of the millennium; time is at a premium in today's working households. The average parent does not have the time or desire to negotiate time-consuming or long-distance trips to the ice skating facility. The more difficult travel to and from the ice skating facility becomes, the less inclined a customer will be to continue to regularly patronize the facility. This fact needs to be considered by the planners of these facilities. Taking this scenario further, the following are characteristics of some customer-friendly ice skating facilities.

• A general rule of thumb is that a single surface ice skating facility requires a population of 100,000 people within a five mile radius and 250,000 people within a 10 mile radius and no existing competition within these radii to be economically feasible. These populations are necessary to attract skaters to fill programs, rent ice, and attend public skating sessions, hockey games, and skating competitions. It is not enough for individuals, groups or entities to rely on word of mouth, an attractive building, or capable employees. Critical masses of population are the bedrock to an ice skating facility's success. Planners considering locating an ice skating facility need to consider this. In states like Maine, where I live, a larger radius can apply since customers are used to driving longer distances to use facilities. In the Boston area, where there are high population densities, there are some locations that will support multiple facilities within these radii.

• The ice skating facility should be located near a major highway system, and whenever possible through the use of site planning or signage, visible from the highway sys-tem. There isn't a much better marketing tool for an ice skating facility manager to have than a lighted sign identifying the facility, that's visible from the highway at night. A proper location saves the customers time each week and provides an ease of use for those traveling great distances (figure skaters, travel teams, and tournament teams). It is comforting to a parent, coach or official running behind schedule to have an ice skating facility close to an exit of an inter-state or turnpike. Such a location makes it easier for the facility to market itself to current and potential users who may reside in densely populated markets that are 25 or more miles away from the facility. Such markets would be generally considered unreachable in areas limited by heavy traffic, land barriers (railroad tracks, bridges), and inconvenient road systems. A facility astutely positioned near a major road system and featuring easy on/off access within a short distance from the highway can attract loyal, paying customers from greater than usual distances.

Proximity to Home or Other Activities

Other activities can provide help to the economics of the proposed ice skating facility and should be evaluated as potential catalysts when located near the prospective facility.

• Retail malls allow parents to shop before, during and after they or their children use the facility. Those that have grocery stores and drug stores, which feature constant people traffic at all times of the day, week and months of the year, are pluses.

• Restaurants close by make it easy for hungry skaters and their families between exhibitions, tournaments and before/after regular uses.

• Office or industrial parks located near an ice skating facility can provide a stable of potential customers that can blend skating to and from work, or squeeze in work time while supporting their skater's program.

• Hotels make the prospective facility more attractive for tournaments, camps, and competition. The hotels should feature key amenities desirable to skating families: a restaurant which serves breakfast/lunch/dinner and has a children's menu, a full size swimming pool, game room, health club, and meeting rooms (good for team/parents meetings).

• Schools offer exposure to scores of children and their parents for a proposed ice skating facility and provide many interconnected scenarios of use including inexpensive or free land, dual locker room use, and linked facilities such as gymnasiums, swimming pools, and athletic fields.

• Health club facilities allow a synergy that is helpful to the ice skating facility. Mom or Dad may workout when sons or daughters are skating. Taking this concept one step further, recreation facilities that are popular during seasons when the ice skating facility is slow can be of great assistance to stimulating ice skating facilities' programs.

• A facility that I helped to manage in the Northeast constructed an outdoor swimming pool on a parking lot adjacent to the ice skating facility. Our organization was able to sell summer pool memberships from Memorial Day to Labor Day, bringing hundreds of people to the skating facility site. This created opportunities to share staffing between the two facilities – snack bar staff serving both the outdoor pool and ice skating facility customers. In addition, the daily trips to the pool caused families to ponder and subsequently enroll in summer hockey and skating programs.

The value of all of the above examples is to establish visibility for the ice skating facility in order to continue to generate a steady flow of people traffic that is so critical to the economics of the facility. For example, in many Northern areas, by the time April 1st rolls around, most parents, coaches, officials, and skaters wish to get away from the ice skating facility and out to the baseball/softball fields, ocean, and lakes. The dilemma for the planners or management of the ice skating facility in this region and many other regions across the country is how to get the customers to keep coming between April 1st and October 1st. Locating the ice skating facility near some of the above can provide solutions to customer traffic, add cross-promotional opportunities, and spawn new or expanded revenue streams. The research component of the assessment process can discern whether these facilities are compatible with the ice skating facility. It is important to note that this research component allows for the fact that there are some things an ice skating facility may find a hindrance to its operating activities. Residential neighborhoods, for example, may limit expansion, generate complaints to the manager relating to parking lot activities, and preclude other helpful businesses from being introduced to the area.

Suitability to an Exit Strategy

One final consideration is that the planners of an ice skating facility must always evaluate an exit strategy. Though our clients never like to hear this, an ice skating facility, with its high capital requirements and highly fluctuating cash flows, is a risky proposition to be involved with. Economic failure is a possibility that must be considered in the planning of these facilities. By locating a facility properly, owners can hope to recoup some or all of their investment by selling the facility to an owner that can develop the facility for another purpose: a cold storage warehouse, light manufacturing facility, etc. Sometimes planners of ice skating facilities overlook this sobering fact and position a facility in a place where little future potential for an alternate use is possible, which

may doom the facility. Related to this subject is the fact that sometimes planners of an ice skating facility become convinced that a particular type of building construction must be used. Generally speaking, a conventional building design, such as a pre-engineered building, has the best suitability for future use for another purpose.

In summary, the question of where to locate an ice skating facility has many variables. Articulating the ease of use, proximity to other facilities, and suitability to an exit strategy are necessary ingredients to the success of the efforts of the planners of ice skating facilities. By taking these factors into account, groups, individuals, or other entities will enable themselves to make an informed decision and hopefully correctly answer this most important question. Finally, the planners of an ice skating facility should seriously consider the engagement of qualified professionals who can assist with the location decision.

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