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Leisure Square Skate Park (19,000 sf)

Business Plan

The plan we developed is for a skate park at Leisure Square that would serve the citizens of Vero Beach, Indian River County and the surrounding communities who need a place to safely skateboard, in line skate, roller skate and BMX.

Plan Origination

This plan grew out of a need in our community to have an all inclusive, family friendly park where people can go to safely skateboard, in line skate, roller skate and BMX. In addition, Leisure Square, a 9 acre health and wellness campus owned and operated by the City of Vero Beach, needs a service that will attract more people to its aging and soon to be remodeled facility.

Market Gap

We have been aware of this market gap that is evident in the huge demand for a skate park in our town and a lack of supply of skate parks in the area. Skateboarding is a 2.5 billion dollar industry and the second fastest growing sport behind snowboarding in the United States. Nearly one in seven youth are skateboarders. Skateboarding is more popular among kids six to seventeen than baseball.

A survey of the Trust for Public Land indicates that on average, metropolitan areas provided 1.86 skate parks for every 100,000 residents. Currently, Indian River County has approximately 149,000 , an estimated 11,000 skateboarders but only 7,700 square feet of skate park located in Sebastian. Based on the Skate Park Adoption Model (S.A.M) formula used by the industry a skate park terrain of 60,000 square feet is needed to meet the area's overall need.

To create a business around this opportunity, we have decided to develop a primarily service-based business model which includes some minor product sales.

Service-based Model

As an added amenity to Leisure Square we will be selling memberships to the public which would give members access to the entire campus to include the skate park. For one low fee, members can enjoy amenities such as basketball courts, sand volleyball courts, a fully equipped gym, and pay-as-you-go services to include a heated pool, personal training, group fitness, dance, gymnastics, summer camps and more.

The skate park will be an inclusive park meaning that skateboards, BMX bicycles and in-line skaters will use the park concurrently. We have spoken with the experts in the business and believe that all will be able to work together however, if they cannot we will adjust accordingly. The skate elements will cover 19,000 square feet to include bowl and street elements. A waiver will need to be signed by all members. Members 16 and younger must have a parent or guardian sign the waiver. Members 16 and younger who choose to use the skate park must wear a helmet. All other members it is not required but strongly advised to wear a helmet. Children under the age of 10 must be supervised by an adult.

The skate park will be monitored by staff at the main entrance. Occasional safety checks will be performed by the facility staff. Video cameras will be installed in and around the park and monitored by staff.

Other Logistics and Amenities

Parking for the skate park will be treated like recreation football and soccer. Parking for the skate park will be out front and parking for Centerstage and for most staff will be held in the back of the facility. If we have an event tht takes up more parking space than this we will get permission to use the church and Rosewood Elementary School which are both across the street. This is what the Recreation Department did in the past with no concerns. There are already public bathrooms and a drinking fountain by the proposed skate park.

Market and Projected Sales

The market for our service is currently under served in our target segment. We have redefined that market by attracting all age groups and modalities (skateboards, BMX, in line skaters).

A membership pre-sale is suggested with the goal of 250 memberships sold prior to the skate park grand opening. Memberships may include the use of the weight rooms, basketball courts and volleyball courts. Pay-as-you-go services will not be included in the membership fee. As per our research, most skate parks sales do not exceed expenses: 66% of facilities do not operate with a surplus. 27% of facilities operate at a net neutral position (revenue equals expenses). 6% of parks generate a profit. We expect our business to generate \$26,500 - \$75,000 in annual sales.

Business Model

Our research supports operating our business as a complete wellness campus to include healthy activities, a safe environment, family friendly atmosphere and an edge on the competition with the unique selling position of an all inclusive skate park. The nature of the business will allow us to complete sales and service delivery with minimal staffing, subcontracted services and help from volunteer organizations.

Do's & Don't's:

Do:

Allow BMX and in-line skaters at the same time as skateboarders

Membership includes entire use of campus (some restrictions apply)

Helmets required by individuals 16 years and younger. Helmets highly recommended but not required with all others

Subcontract food service, pro shop and lessons

Incorporate summer camps with existing summer camp

Budget marketing dollars to advertise Leisure Square

Create skate park rules that are simple and unambiguous

Hold special events, i.e. skateboard competitions, mentoring, after school programs

Be consistent with rule enforcement

Provide enough space within the park for families and spectators

Provide ancillary elements, i.e. walking track, swing set, benches etc.

Example of rules:

Have fun

Don't be a jerk

Look out for each other

Smoke free facility

Try to restrain from using offensive language

Skate at your own risk

Helmets and pads are strongly recommended.

Helmets required for all skaters 16 years old and younger

No glass containers

Allow volunteer groups to clean and maintain the park

Don't

Implement rules that are above and beyond street requirements

Have staff stationed directly in park. It increases labor costs and liability while decreasing usage

Allow city officials who do not understand the cultural context to impart overreaching rules

Allow city officials to respond to perceived risk than actual risk

Allow policies that are determined by unfounded impressions

Try to govern behavior i.e. no cursing (unenforceable)

Plant high shrubs that block clear sight lines for security in park

Drive users back on to the streets because of unpopular rules, crowding and expensive fees

Financial Model

We will be accepting cash, check or credit card payment at the time of sign up at the service desk located in the main building. We will offer yearly memberships at a discounted rate. There will be no automatic electronic funds transfer on memberships. Financial scholarships may be awarded to individuals who meet certain criteria.

Projected Costs of Sales

Our projected costs of sales are based on how quickly we can obtain a membership base of 250 members. The goal at our grand opening is to be at 250 members. Membership may be closed at the 500 member mark. By keeping supervision, unenforceable rules and misguided perceptions to a minimum and allow participants to aid in the successful governance of the park by cultivating ownership and mentoring, we expect to keep overhead to a minimum, thus maximizing profits.

Plan Viability

We have determined that with several changes to Leisure Square business methods, our plan is sound and can provide the foundation for a viable business.

Timing

Our research has lead us to the conclusion that the best approach to ensure the success of this business is to start now and make the necessary preparations to take advantage of industry forecasts for continued growth in the skate park industry.

Profitability

We anticipate showing a profit within the first year of business assuming the continuation of current

growth trends, steady sales rates and the implementation of rules and regulations that are reasonable, unbiased and based in fact not perception.

Hours of Operation:

Monday through Saturday: 9am to 7:30 pm

Sunday: Noon to 5 pm

**Skate park hours will remain within current Leisure Square hours with the exception of Fridays, Saturdays and Sundays.

Yearly Revenue Estimates:

#1) Membership, Guest, Vendors and Professional Services

Memberships and Guest Fee Information

City of Vero Beach Residents: \$8 per month

Non Residents: \$10 per month

Drop In/Guest Fee: \$5

Projected Number of Memberships per month: 150-500 (Average \$9 per month)

Estimated New Membership Revenue: \$16,200-\$54,000

Projected Number of Guests: 3-5 drop ins per day x \$5 x 350 days = \$5,250 – \$8,750

Membership and Guest Fee Estimated Revenue: \$21,450 - \$62,750

#2) Vendors, Professional Service Instructors and Camps

Food, Resale Vendors: Generally a 10% return:

Food and Resale Vendors would be subcontracted out

Estimate:\$100 - \$300 per month = \$1,200 - \$3,600

Professional Service Skate Lessons and Camps: \$20 - \$25 per hour (4-8 hours per week)

Lessons, Food and Resale Vendors would be subcontracted out

\$80 - \$200 per week x 48 weeks = \$3,840 - \$9,600

“” Local competitions & possible tournaments – TBA. Want to make sure that logistics can work including parking, fan participation, neighborhood support etc will work.

Total Estimated Revenue: \$26,490 - \$75,950

Yearly Expense Estimates:

Staffing estimates which include: Extension of facility hours and maintenance

Front desk staff (cost includes benefit rates)

15 – 30 hours per week x \$10 per hour

Maintenance Expense: \$1,000-\$3,000

Landscape and Ground Maintenance Expense: \$2,000

Front desk staff estimate: \$7,800 - \$15,600

Maintenance staff cost to include cleaning and repairs (costs include benefit rates)

10 hours x \$14 (includes benefits) x 52 weeks = \$7,280

Added insurance: \$5,000

Unplanned miscellaneous expenses: \$2,000

Total Estimated Expenses: \$25,080-\$34,880

*****Projected resurfacing and/or coping replacement may be needed around year 8. However, as one of our experts mentioned at the Council meeting held on Tuesday, February 2, resurfacing may not be needed for decades.***

Leisure Square Skate Park (10,000 sf)

Business Plan

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The skate park will be an inclusive park meaning that skateboards, BMX bicycles and in-line skaters will use the park concurrently. We have spoken with the experts in the business and believe that all will be able to work together however, if they cannot we will adjust accordingly. The skate elements will cover 10,000 square feet to include bowl and street elements. A waiver will need to be signed by all members. Members 16 and younger must have a parent or guardian sign the waiver. Members 16 and younger who choose to use the skate park must wear a helmet. All other members it is not required but strongly advised to wear a helmet. Children under the age of 10 must be supervised by an adult.

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Membership and Guest Fee Estimated Revenue: \$13,350 - \$51,950

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Estimate:\$50 - \$150 per month = \$600 - \$1,800

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Unplanned miscellaneous expenses: \$2,000

Total Estimated Expenses: \$22,596-\$31,396

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