

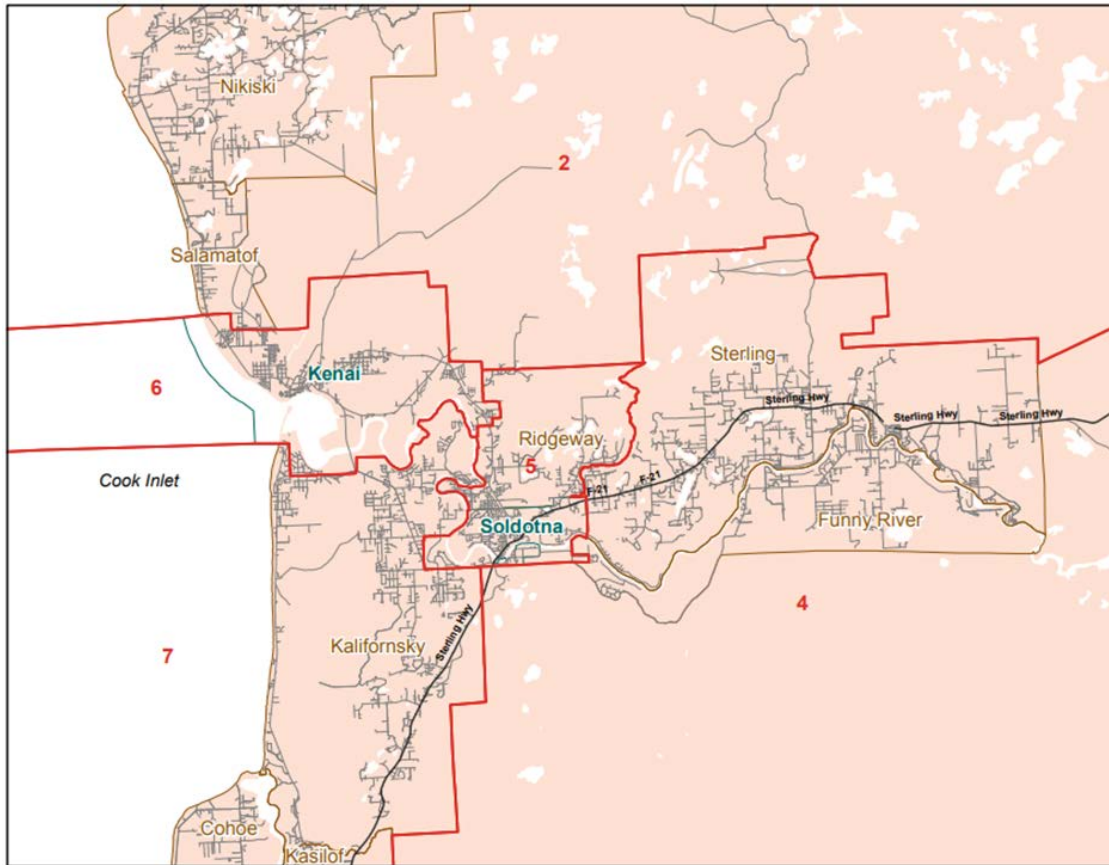


UAA Business
Enterprise Institute
UNIVERSITY of ALASKA ANCHORAGE



Soldotna Field House Feasibility Analysis





- Census tracts 2, 4, 5, 6, and 7
- ~45 minute drive
- Population: 37,313
- Households: 13,808
- 13% are 65 or older
- 14% age 5-14

Market Area

Sport/Activity	Participation Rate (U.S.)	Potential Participants (local)
Baseball	4.1%	1,512
Flag Football	2.2%	812
Running/Jogging	14.7%	5,472
Soccer (Futsal)	4.8%	1,786
Softball	3.3%	1,224
Wrestling	1.1%	400
Total		11,205

Sports Participation for Market Area

	2020	2021	2022	2023	2024
Total Revenues	\$109,536	\$133,008	\$156,480	\$159,610	\$162,802
Total Expenses	\$286,846	\$294,254	\$301,860	\$309,670	\$317,689
Net Profit/Loss	-\$177,310	-\$161,246	-\$145,380	-\$150,060	-\$154,888
Profit Margin	-62%	-55%	-48%	-48%	-49%

Financial Projection: Conservative Scenario

	2020	2021	2022	2023	2024
Total Revenues	\$171,913	\$208,752	\$245,590	\$250,502	\$255,512
Total Expenses	\$277,155	\$284,035	\$291,093	\$298,333	\$305,760
Net Profit/Loss	-\$105,242	-\$75,284	-\$45,503	-\$47,831	-\$50,248
Profit Margin	-38%	-27%	-16%	-16%	-16%

Financial Projection: Moderate Scenario

	2020	2021	2022	2023	2024
Total Revenues	\$236,426	\$287,089	\$337,752	\$344,507	\$351,397
Total Expenses	\$339,050	\$347,502	\$356,173	\$365,070	\$374,197
Net Profit/Loss	-\$102,624	-\$60,413	-\$18,421	-\$20,563	-\$22,800
Profit Margin	-30%	-17%	-5%	-6%	-6%

Financial Projection: Optimistic Scenario

<u>4.3% 20-Year Bonds</u>	<u>\$10M</u>
Annual Payment	\$745,745
Total Interest on Bond	\$4,914,900
Total Debt Service	\$14,914,900


<u>3.9% 10-Year Bonds</u>	<u>\$10M</u>
Annual Payment	\$1,206,895
Total Interest on Bond	\$2,068,950
Total Debt Service	\$12,068,950

Bond Repayment on \$10 Million

	Sales Tax Rate Increase	New Revenue
Operating deficit coverage →	.05%	\$125,000
	.10%	\$250,000
Cover 20-year bonds →	.25%	\$625,000
	.30%	\$750,000
Cover 10-year bonds →	.50%	\$1,250,000
	.75%	\$1,875,000
	1.0%	\$2,500,000

Option 1: Year Round Sales Tax Increase

	<u>0.60%</u>	<u>0.75%</u>	<u>1.00%</u>	
July-Sept	\$510,000	\$637,500	\$850,000	← 20-year
Oct-Dec	\$345,000	\$431,250	\$575,000	
Jan-Mar	\$285,000	\$356,250	\$475,000	
Apr-Jun	\$345,000	\$431,250	\$575,000	
April-Sept	\$855,000	\$1,068,750	\$1,425,000	← 10-year


 20-year

Option 2: Seasonal Sales Tax

% Tax	Amount Generated
1%	\$47,500
2%	\$95,000
3%	\$142,500
4%	\$190,000
5%	\$237,500
6%	\$285,000

Option 3: Bed Tax



Mill Rate Increase	Total New Mill Rate	New Revenue
0.5	1.0	\$287,500
1.0	1.5	\$575,000
1.3	1.8	\$747,500 ← 20-year
2.1	2.6	\$1,207,500 ← 10-year

Option 4: Property Tax