4. MARKET ANALYSIS

Section I – Demographic Summary & Market Review

Ballard*King & Associates as part of a larger project team assisted the City of Bloomington with the completion of a feasibility study for an indoor community recreation center.

The following is a summary of the basic demographic characteristics of the identified service areas along with recreation and leisure participation standards as produced by the National Sporting Goods Association.

Service Areas: The goal of a new facility in the City of Bloomington would be to serve the needs of the residents. However, it is recognized that the facility would serve a slightly larger geographic area. As such the boundaries of the City of Bloomington have been identified as the primary service area and a slightly larger area has been identified as the secondary service area.

Primary Service Areas are usually defined by the distance people will travel on a regular basis (a minimum of once a week) to utilize a facility or its programs. Use by individuals outside of this area will be much more limited and will focus more on special activities or events (tournaments, etc.).

Service areas can vary in size with the types of components that are included in a facility. A center with active elements (pool, weight cardiovascular equipment area, gym, track, etc.) will generally have a larger service area than a more passively oriented facility. Specialized facilities such as a sports field house, ice arena or large competitive aquatic venue will have even larger service areas that make them more of a regional destination.

Service areas can also be based upon a facility's proximity to major thoroughfares. Other factors impacting the use as it relates to driving distance are the presence of alternative service providers in the service area. Alternative service providers can have an impact upon membership, daily admissions and the associated penetration rates for programs and services. The presence of alternative service providers can also have an impact on the number and frequency of events that could be held at a specialized facility.

Service Area Comparison Chart:

	City of Bloomington	Secondary Service Area
Population:		
2010 Census	82,893	174,026
2014 Estimate	84,592	177,349
2019 Estimate	88,279	184,815
Households:		
2010 Census	35,905	75,206
2014 Estimate	36,799	76,840
2019 Estimate	38,472	80,189
Families:		
2010 Census	21,618	44,649
2014 Estimate	22,013	45,279
2019 Estimate	22,919	47,004
Average Household Size:		
2010 Census	2.28	2.29
2014 Estimate	2.27	2.28
2019 Estimate	2.27	2.28
Ethnicity:		
Hispanic	7.5%	8.9%
White	78.2%	76.3%
Black	7.5%	8.3%
American Indian	0.4%	0.5%
Asian	6.4%	6.8%
Pacific Islander	0.1%	0.1%
Other	4.0%	4.7%
Multiple	3.4%	3.3%
Median Age:		
2010 Census	42.8	40.7
2014 Estimate	43.4	41.4
2019 Estimate	44.1	42.3
Median Income:		
2014 Estimate	$61,129	$62,959
2019 Estimate	$73,520	$75,597
Household Budget Expenditures[1]:		
Housing	117	122
Entertainment & Recreation	116	121

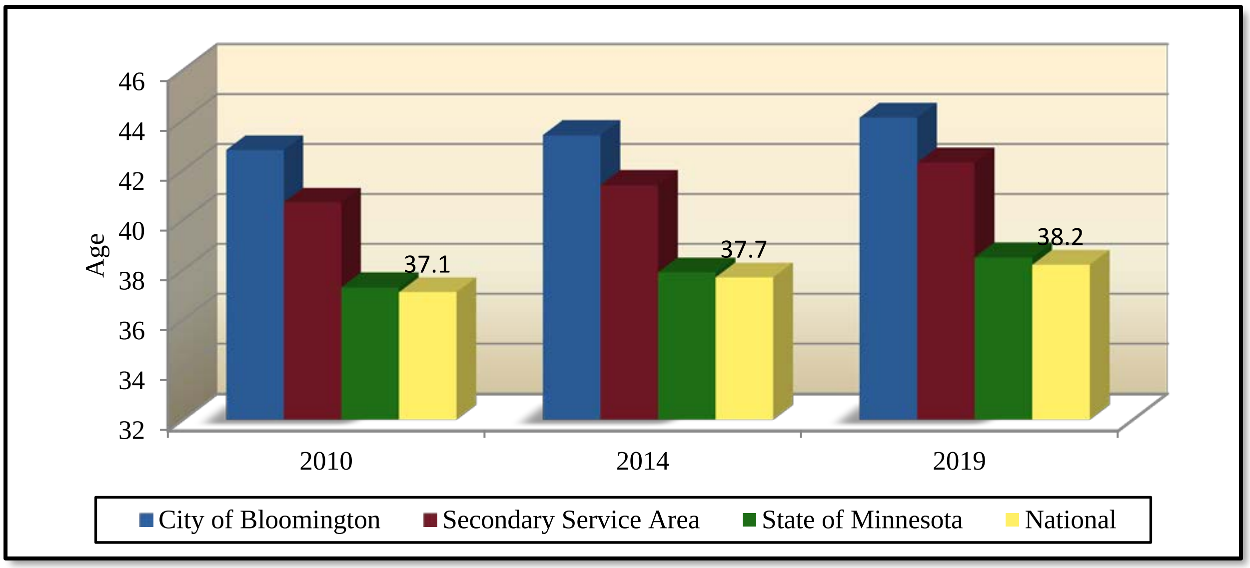
[1] This information is placed on an index with a reference point being the National average of 100.

Age and Income: The median age and household income levels are compared with the national number as both of these factors are primary determiners of participation in recreation activities. The lower the median age, the higher the participation rates are for most activities. The level of participation also increases as the median income level goes up.

Table A – Median Age:

	2010 Census	2014 Projection	2019 Projection
City of Bloomington	42.8	43.4	44.1
Secondary Service Area	40.7	41.4	42.3
State of Minnesota	37.3	37.9	38.5
Nationally	37.1	37.7	38.2

Chart A – Median Age:



The median age in the City of Bloomington and the Secondary Service Area is significantly greater than the State and National. The median age for the State of Minnesota is slightly higher than the National number. This higher median age points to a significant presence of older families, Baby Boomers, retirees and seniors. It will be important to include components in a facility that all segments of the population can utilize.

Map A – Median Age by Census Block Group:

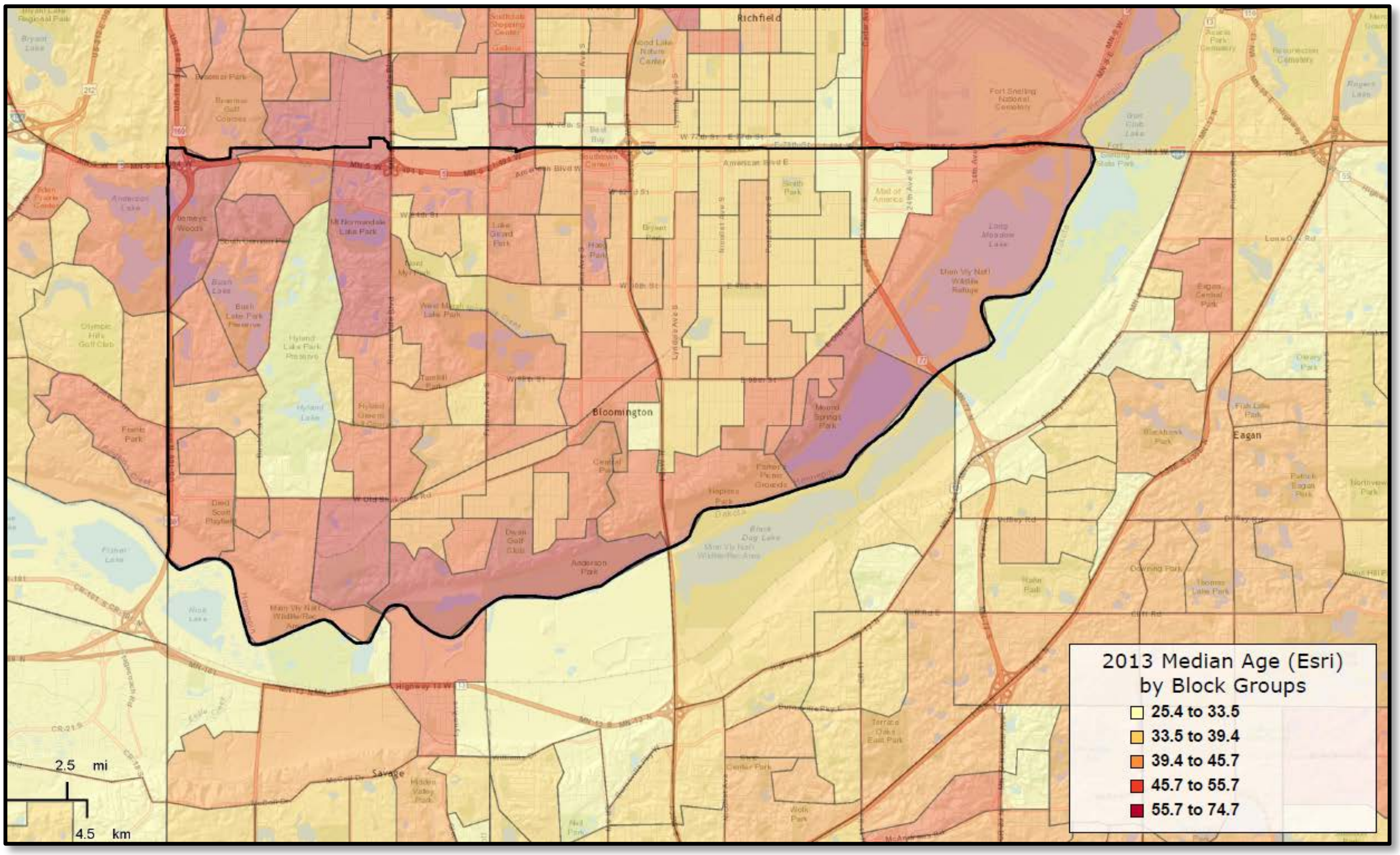
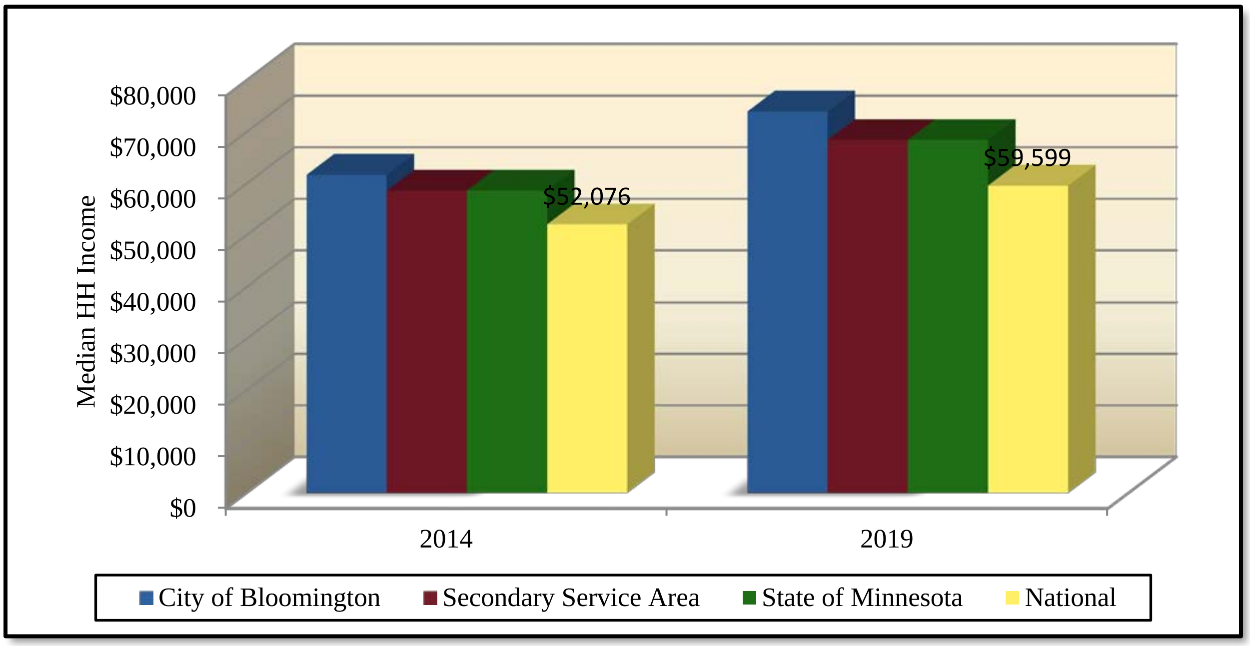


Table B – Median Household Income:

	2014 Estimate	2019 Projection
City of Bloomington	$61,129	$73,520
Secondary Service Area	$62,959	$75,597
State of Minnesota	$58,634	$68,448
Nationally	$52,076	$59,599

Chart B – Median Household Income:

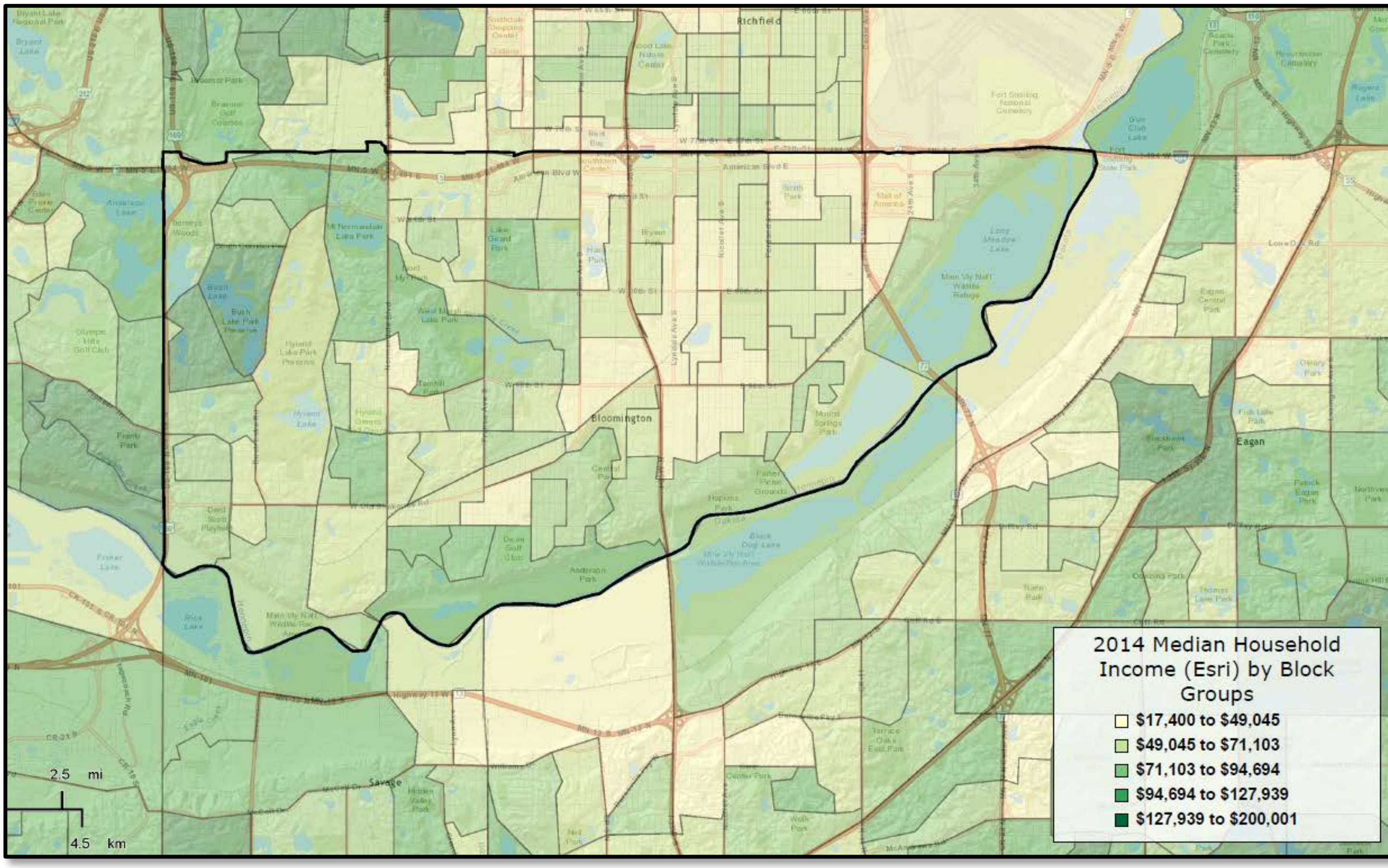


In the City of Bloomington, the percentage of households with a median income over $50,000 per year is 60.1% compared to 52.2% on a national level. Furthermore, the percentage of the households in the service area with a median income less than $25,000 per year is 14.7% compared to the level of 23.8% nationally.

In the Secondary Service Area, the percentage of households with a median income over $50,000 per year is 61.1% compared to 52.2% on a national level. Furthermore, the percentage of the households in the service area with a median income less than $25,000 per year is 15.8% compared to the level of 23.8% nationally.

The median household income in the State of Minnesota and the service areas is higher than the National number. This higher median household income must be balanced with the overall cost of living in the service area; however it may point to the ability to pay for recreation services and facilities.

Map B – Median Household Income by Census Block Group:



In addition to taking a look at Median Age and Median Income, it is important to examine Household Budget Expenditures. In particular looking at housing information (shelter, utilities, fuel and public services) along with entertainment and recreation can provide a snapshot into the cost of living and spending patterns in the services areas. The table below looks at that information and compares the service areas.

Table C – Household Budget Expenditures[2]:

City of Bloomington	SPI	Average Amount Spent	Percent
Housing	117	$24,464.68	30.8%
Shelter	118	$18,886.95	23.8%
Utilities, Fuel, Public Service	113	$5,577.73	7.0%
Entertainment & Recreation	116	$3,751.84	4.7%

Secondary Service Area	SPI	Average Amount Spent	Percent
Housing	122	$25,647.42	30.9%
Shelter	124	$19,864.06	23.9%
Utilities, Fuel, Public Service	117	$5,783.35	7.0%
Entertainment & Recreation	121	$3,913.99	4.7%

State of Minnesota	SPI	Average Amount Spent	Percent
Housing	108	$22,542.30	30.0%
Shelter	107	$17,167.93	22.9%
Utilities, Fuel, Public Service	109	$5,374.37	7.2%
Entertainment & Recreation	111	$3,595.85	4.8%

SPI: Spending Potential Index as compared to the National number of 100.

Average Amount Spent: The average amount spent per household.

Percent: Percent of the total 100% of household expenditures.

Note: Shelter along with Utilities, Fuel, Public Service are a portion of the Housing percentage.

[2] Consumer Spending data are derived from the 2004 and 2005 Consumer Expenditure Surveys, Bureau of Labor Statistics. ESRI forecasts for 2014 and 2019.

Chart C – Household Budget Expenditures Spending Potential Index:

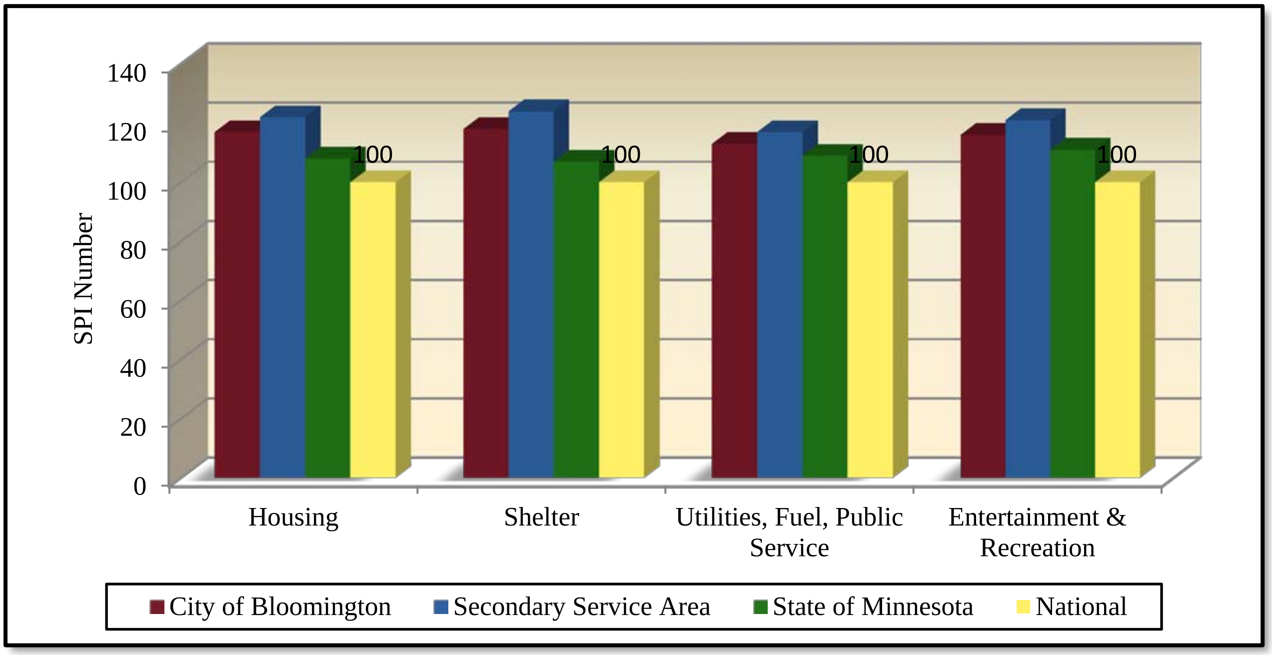


Chart C illustrates the Household Budget Expenditures Spending Potential Index in the service areas. There is consistency between the Household Budget Expenditures SPI and the Median Household Income. That consistency is positive in that the overall cost of living appears to be slightly higher while the median household income is also slightly higher. This points to the ability to pay for recreation services and facilities.

It will be important to keep this information in mind when developing a fee structure and looking at an appropriate cost recovery philosophy for the facility.

Recreation Expenditures Spending Potential Index: Through the demographic provider that B*K utilizes for the market analysis portion of the report, we are able to examine the overall propensity for households to spend dollars on recreation activities. The following comparisons are possible.

Table D – Recreation Expenditures Spending Potential Index[3]:

City of Bloomington	SPI	Average Spent
Fees for Participant Sports	120	$140.76
Fees for Recreational Lessons	121	$144.55
Social, Recreation, Club Membership	121	$202.40
Exercise Equipment/Game Tables	99	$73.85
Other Sports Equipment	106	$8.25

Secondary Service Area	SPI	Average Spent
Fees for Participant Sports	126	$148.03
Fees for Recreational Lessons	127	$152.38
Social, Recreation, Club Membership	128	$213.15
Exercise Equipment/Game Tables	103	$77.25
Other Sports Equipment	110	$8.57

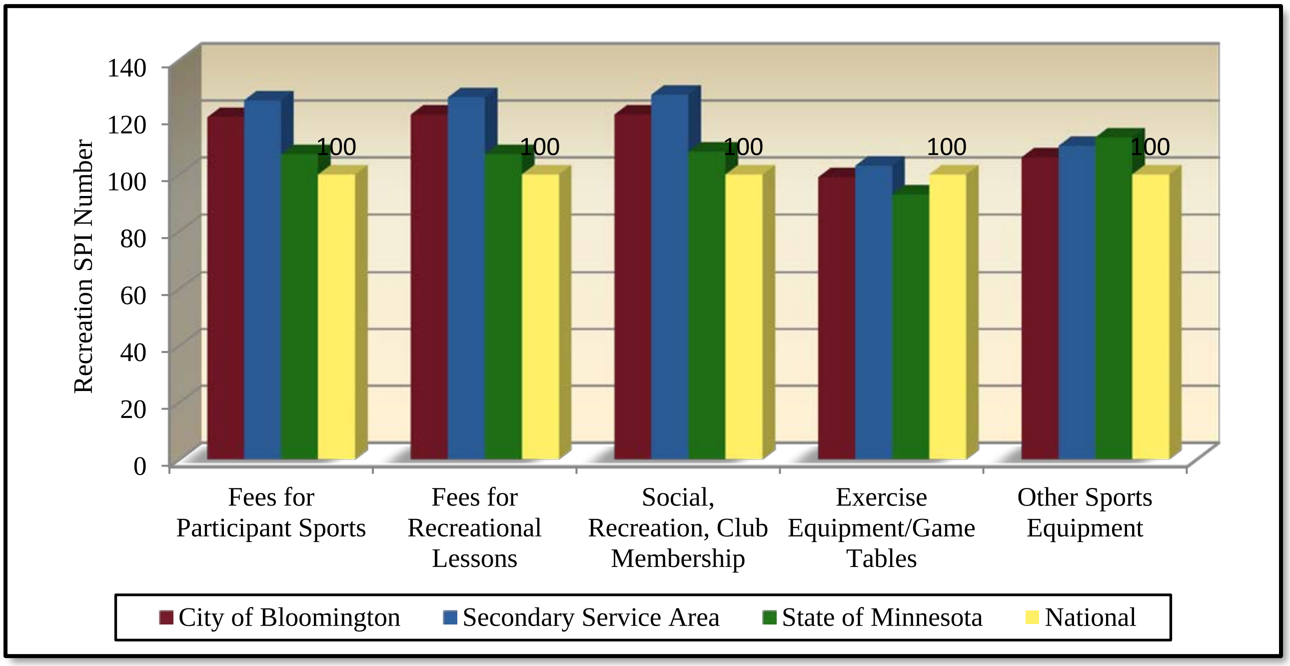
State of Minnesota	SPI	Average Spent
Fees for Participant Sports	107	$126.16
Fees for Recreational Lessons	107	$127.50
Social, Recreation, Club Membership	108	$180.03
Exercise Equipment/Game Tables	93	$69.88
Other Sports Equipment	113	$8.80

Average Amount Spent: The average amount spent for the service or item in a year.

SPI: Spending potential index as compared to the national number of 100.

[3] Consumer Spending data are derived from the 2006 and 2007 Consumer Expenditure Surveys, Bureau of Labor Statistics.

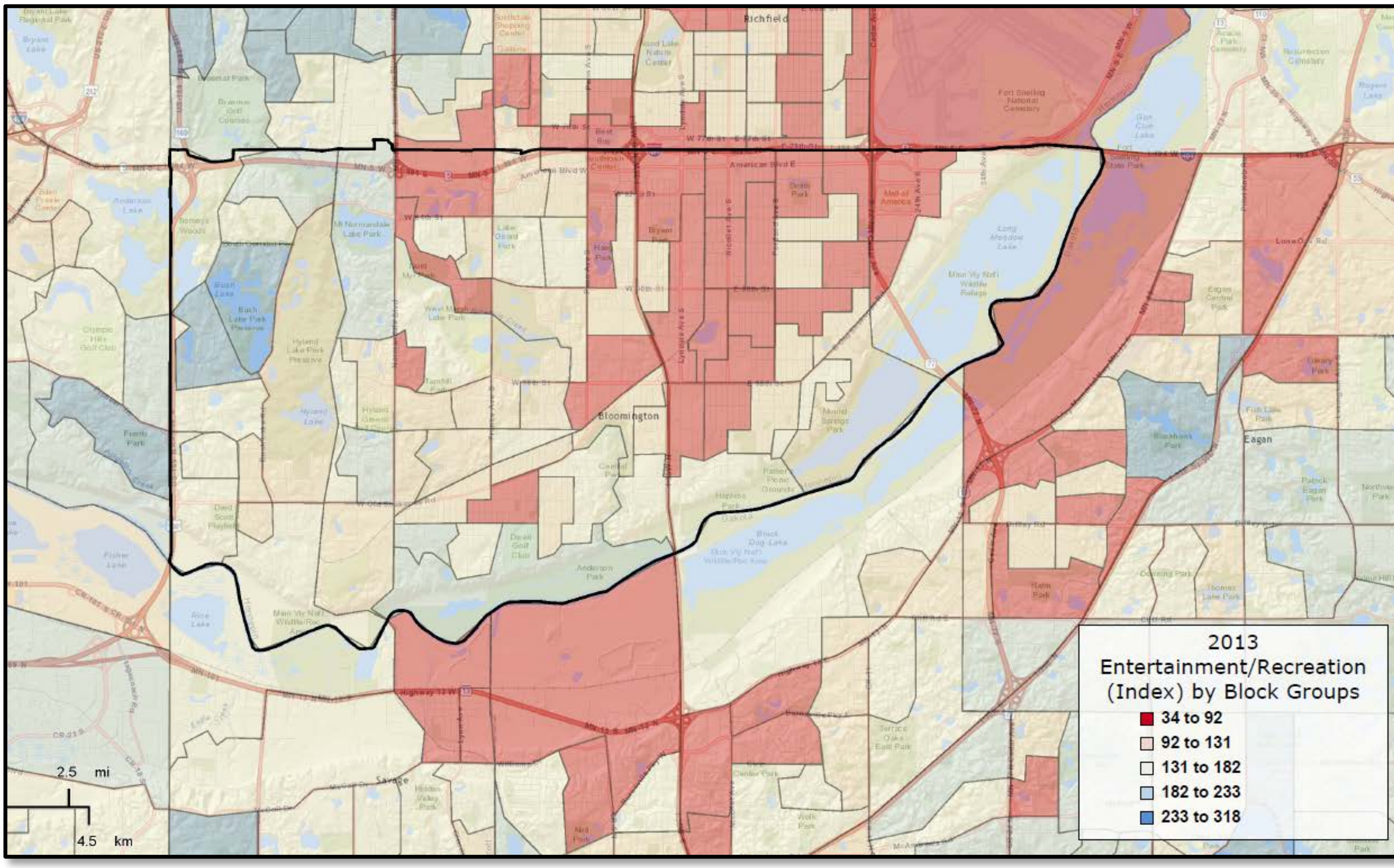
Chart D – Recreation Spending Potential Index:



The Spending Potential Index for Recreation is very comparable to the numbers in the Household Budget Index in that they follow the same pattern. The State of Minnesota and the service areas are higher than the National number, except in the case of "Other Sports Equipment."

It is also important to note that these dollars are currently being spent, so the identification of alternative service providers and the ability of another facility to capture a portion of these dollars will be important. It is possible that a portion of the dollars being spent is already being captured by the City of Bloomington.

Map C – Entertainment & Recreation Spending Potential Index by Census Block Group:

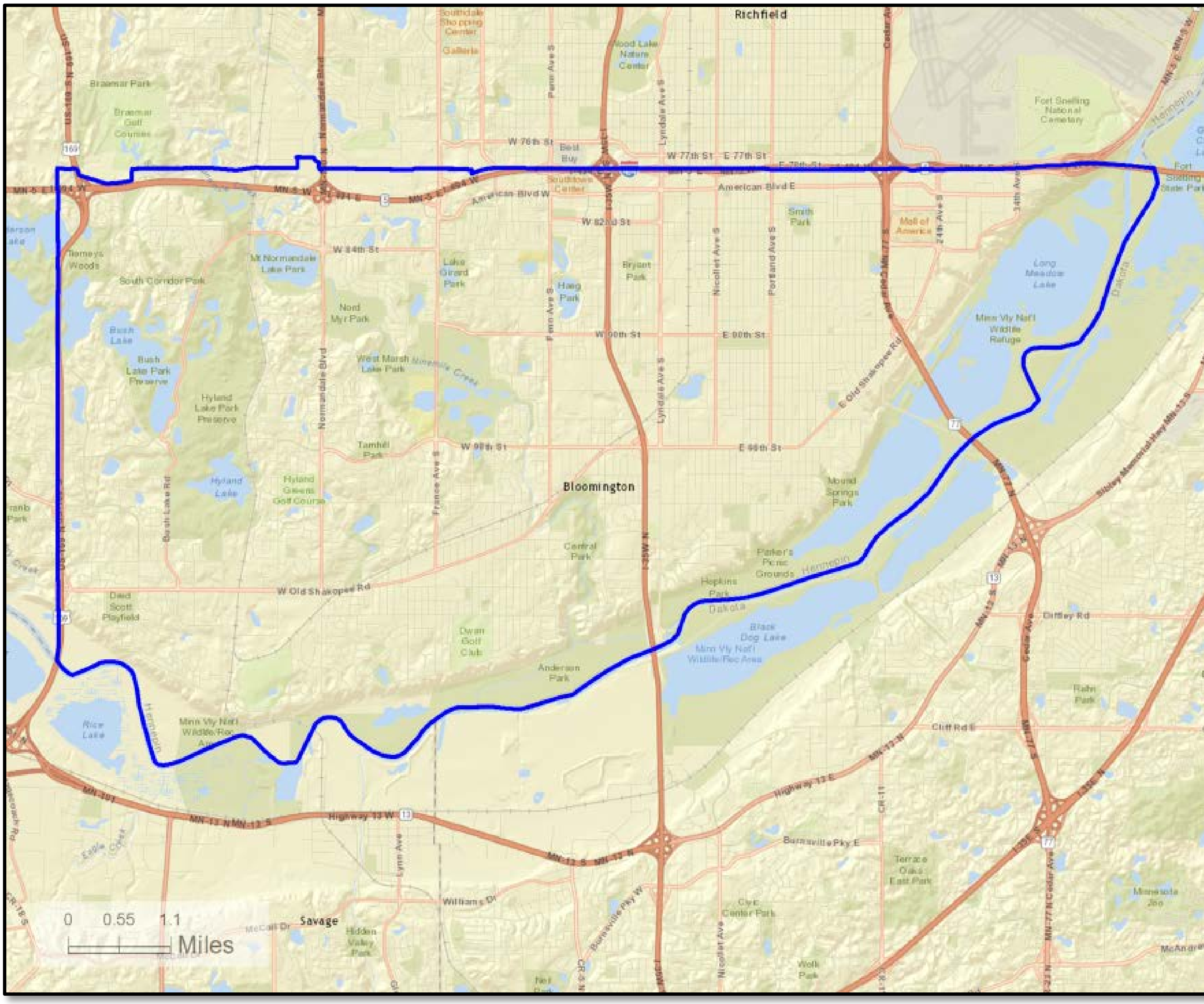


Service Area Description:

Primary Service Area – City limits of Bloomington

Secondary Service Area – An area that extends just across the river to the south and east, beyond the airport to the north and past Highway 169 to the west.

Map D – Primary Service Area Map:



Population Distribution by Age: Utilizing census information for the Primary Service Area, the following comparisons are possible.

Table E – 2014 Primary Service Area Age Distribution
(ESRI estimates)

Ages	Population	% of Total	Nat. Population	Difference
-5	4,374	5.1%	6.5%	-1.4%
5-17	11,778	14.0%	17.2%	-3.2%
18-24	6,407	7.6%	9.8%	-2.2%
25-44	21,270	25.1%	26.5%	-1.4%
45-54	11,669	13.8%	14.1%	-0.3%
55-64	12,292	14.5%	12.3%	+2.2%
65-74	8,565	10.2%	7.5%	+2.7%
75+	8,237	9.7%	6.1%	+3.6%

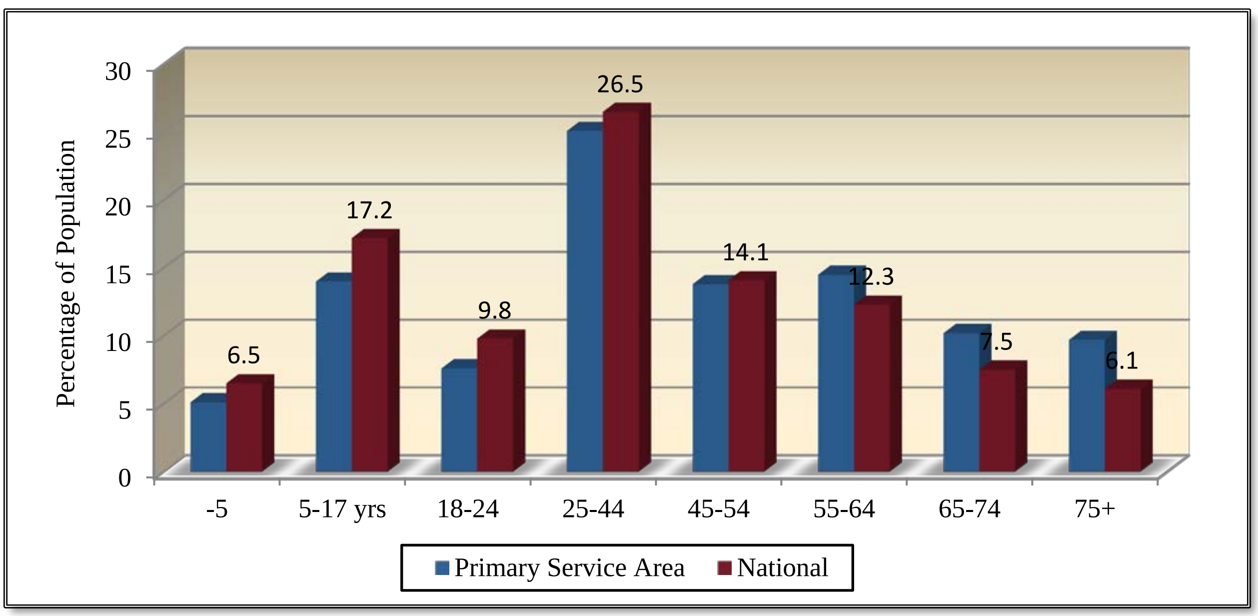
Population: 2014 census estimates in the different age groups in the Primary Service Area.

% of Total: Percentage of the Primary Service Area population in the age group.

National Population: Percentage of the national population in the age group.

Difference: Percentage difference between the Primary Service Area population and the national population.

Chart E – 2014 Primary Service Area Age Group Distribution



The Primary Service Area, when compared to the characteristics of the national population, indicates that there are some differences with an equal or larger population in the 55-64, 65-74 and 75+ age groups and a smaller population in the -5, 5-17, 18-24, 25-44 and 45-54 age groups. The largest positive variance is in the 75+ age group with +3.6% while the greatest negative variance is in the 5-17 age group with -3.2%.

Population Distribution Comparison by Age: Utilizing census information from the Primary Service Area, the following comparisons are possible.

__Table F – 2014 Primary Service Area Population Estimates__
(U.S. Census Information and ESRI)

Ages	2010 Census	2014 Projection	2019 Projection	Percent Change	Percent Change Nat'l
-5	4,505	4,374	4,584	+1.8%	+4.7%
5-17	11,858	11,778	12,185	+2.8%	+1.8%
18-24	6,485	6,407	6,040	-6.9%	-2.4%
25-44	20,843	21,270	22,196	+6.5%	+10.4%
45-54	12,762	11,669	10,764	-15.7%	-6.2%
55-64	11,222	12,292	13,112	+16.8%	+13.7%
65-74	7,502	8,565	10,110	+34.8%	+32.9%
75+	7,716	8,237	9,288	+20.4%	+9.5%

__Chart F – Primary Service Area Population Growth__

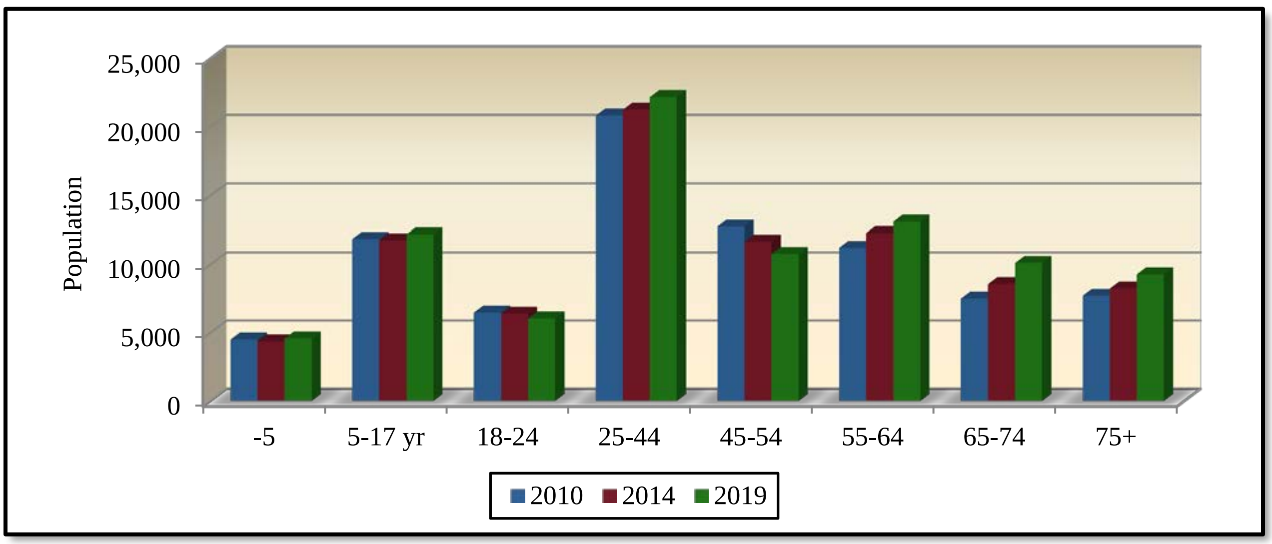


Table-F illustrates the growth or decline in age group numbers from the 2010 census until the year 2019. It is projected that all of the age categories will see an increase or static growth in population, except 18-24 and 45-54. It must be remembered that the population of the United States as a whole is aging and it is not unusual to find negative growth numbers in the younger age groups and significant net gains in the 45 plus age groupings in communities which are relatively stable in their population numbers.

Below is listed the distribution of the population by race and ethnicity for the Primary Service Area for 2014 population projections. Those numbers were developed from 2010 Census Data.

Table G – Primary Service Area Ethnic Population and Median Age
(Source – U.S. Census Bureau and ESRI)

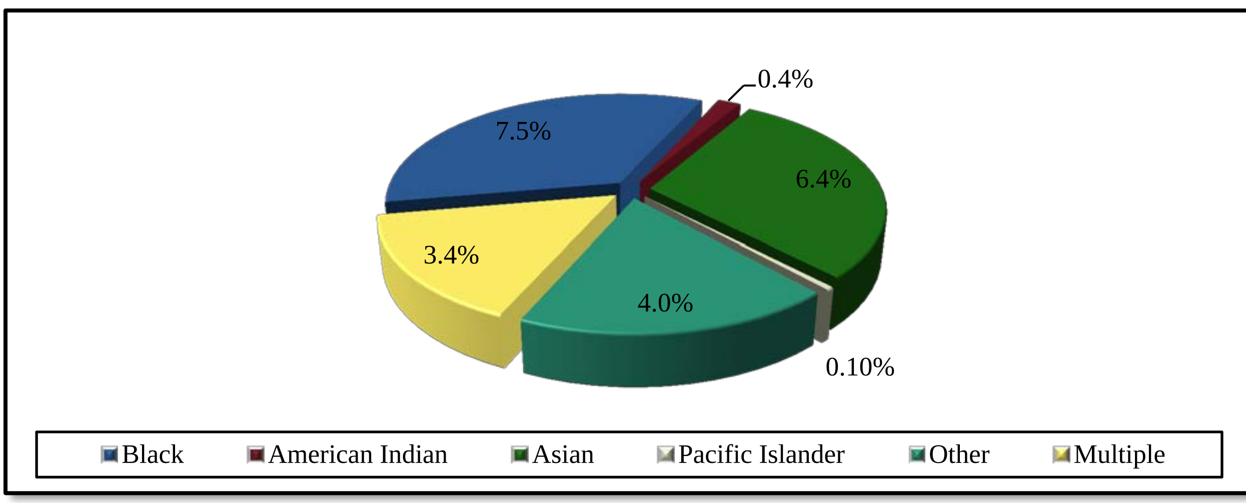
Ethnicity	Total Population	Median Age	% of Population	% of MN Population
Hispanic	6,357	25.5	7.5%	5.3%

Table H – Primary Service Area Population by Race and Median Age
(Source – U.S. Census Bureau and ESRI)

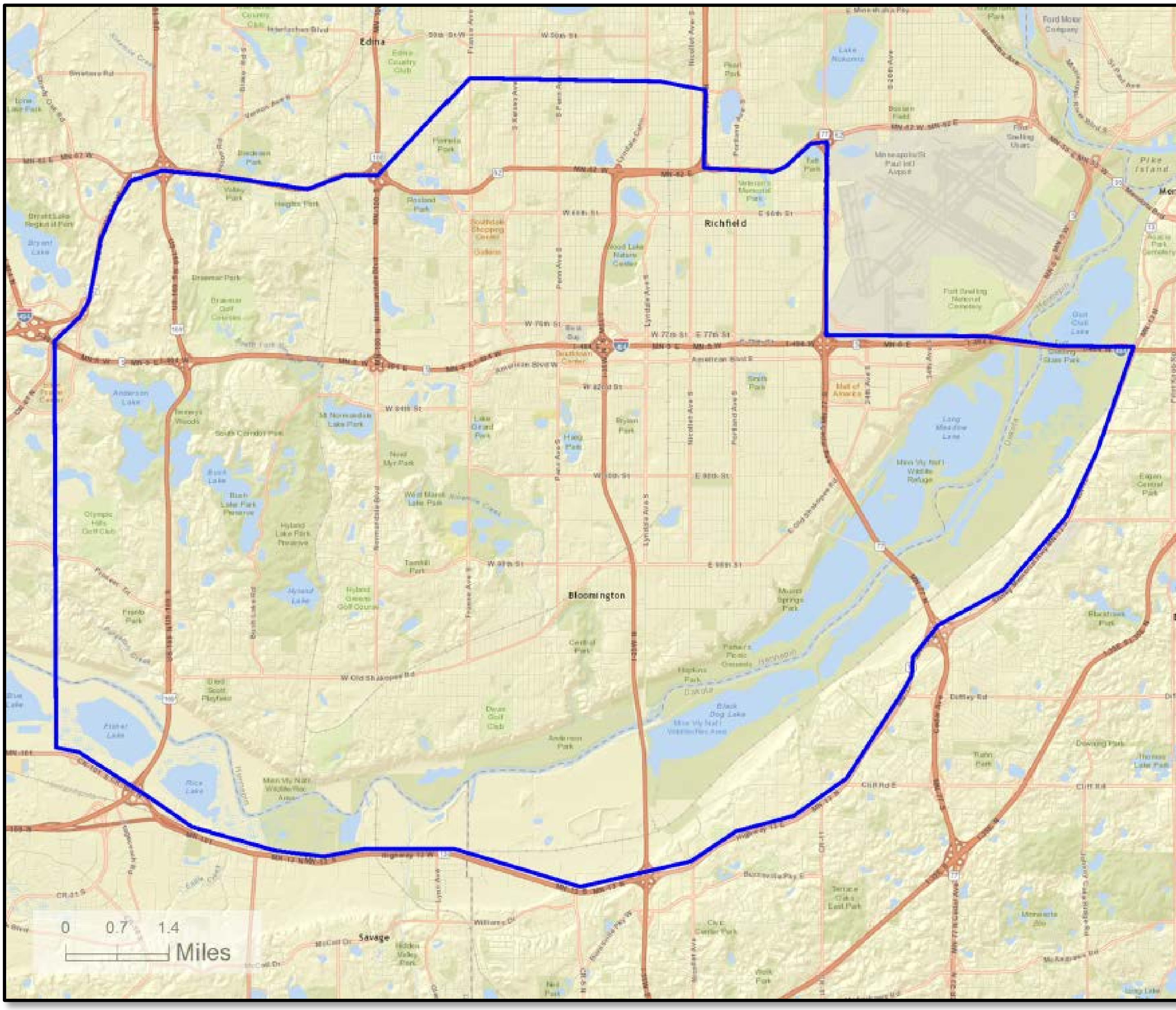
Race	Total Population	Median Age	% of Population	% of MN Population
White	66,119	48.9	78.2%	83.9%
Black	6,383	28.1	7.5%	5.6%
American Indian	333	32.1	0.4%	1.2%
Asian	5,453	34.9	6.4%	4.5%
Pacific Islander	52	35.0	0.1%	0.04%
Other	3,394	25.5	4.0%	2.1%
Multiple	2,858	16.1	3.4%	2.6%

2014 Primary Service Area Total Population: 84,592 Residents

Chart G – Primary Service Area Non-White Population by Race



Map E – Secondary Service Area Map:



Population Distribution by Age: Utilizing census information for the Secondary Service Area, the following comparisons are possible.

Table I – 2014 Secondary Service Area Age Distribution

(ESRI estimates)

Ages	Population	% of Total	Nat. Population	Difference
-5	10,357	5.9%	6.5%	-0.6%
5-17	26,378	15.0%	17.2%	-2.2%
18-24	13,270	7.5%	9.8%	-2.3%
25-44	46,360	26.1%	26.5%	-0.4%
45-54	23,924	13.5%	14.1%	-0.6%
55-64	24,295	13.7%	12.3%	+1.4%
65-74	16,186	9.1%	7.5%	+1.6%
75+	16,581	9.3%	6.1%	+3.2%

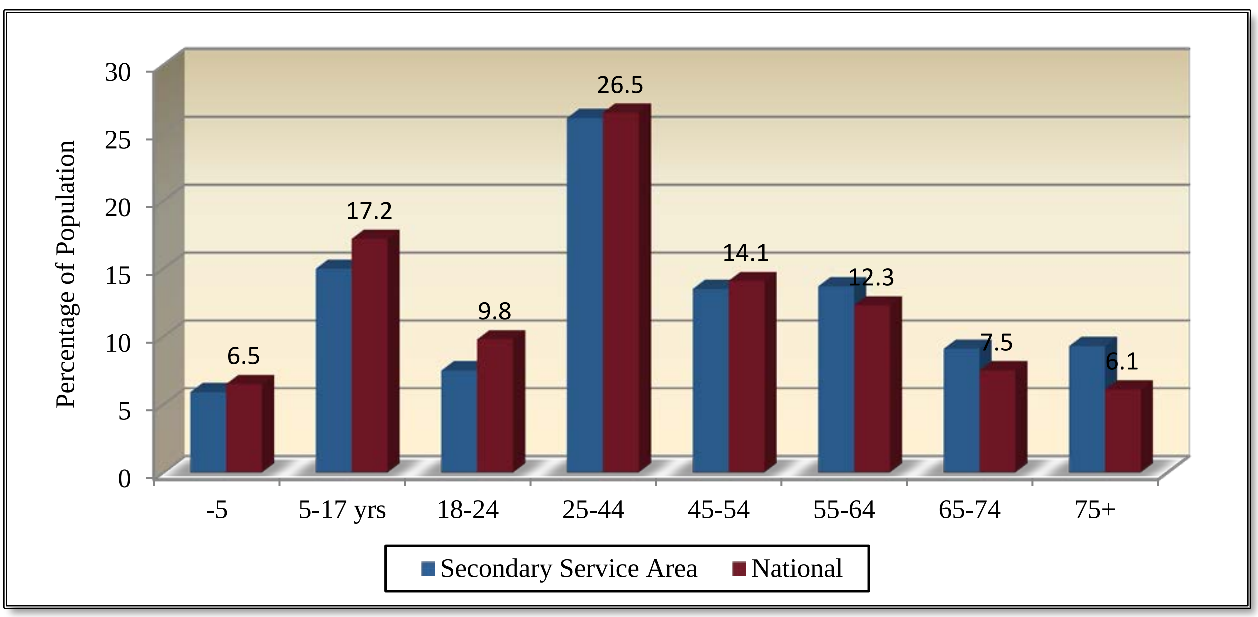
Population: 2014 census estimates in the different age groups in the Secondary Service Area.

% of Total: Percentage of the Secondary Service Area population in the age group.

National Population: Percentage of the national population in the age group.

Difference: Percentage difference between the Secondary Service Area population and the national population.

Chart H – 2014 Secondary Service Area Age Group Distribution



The Secondary Service Area, when compared to the characteristics of the national population, indicates that there are some differences with an equal or larger population in the 55-64, 65-74 and 75+ age groups and a smaller population in the -5, 5-17, 18-24, 25-44 and 45-54 age groups. The largest positive variance is in the 75+ age group with +3.2% while the greatest negative variance is in the 18-24 age group with -2.3%.

Population Distribution Comparison by Age: Utilizing census information from the Secondary Service Area, the following comparisons are possible.

Table J – 2014 Secondary Service Area Population Estimates
(U.S. Census Information and ESRI)

Ages	2010 Census	2014 Projection	2019 Projection	Percent Change	Percent Change Nat'l
-5	10,831	10,357	10,728	-1.0%	+4.7%
5-17	25,787	26,378	27,511	+6.7%	+1.8%
18-24	12,769	13,270	12,876	+0.8%	-2.4%
25-44	46,909	46,360	47,328	+0.9%	+10.4%
45-54	25,782	23,924	22,550	-12.5%	-6.2%
55-64	22,375	24,295	25,824	+15.4%	+13.7%
65-74	13,675	16,186	19,620	+43.5%	+32.9%
75+	15,899	16,581	18,378	+15.6%	+9.5%

Chart I – Secondary Service Area Population Growth

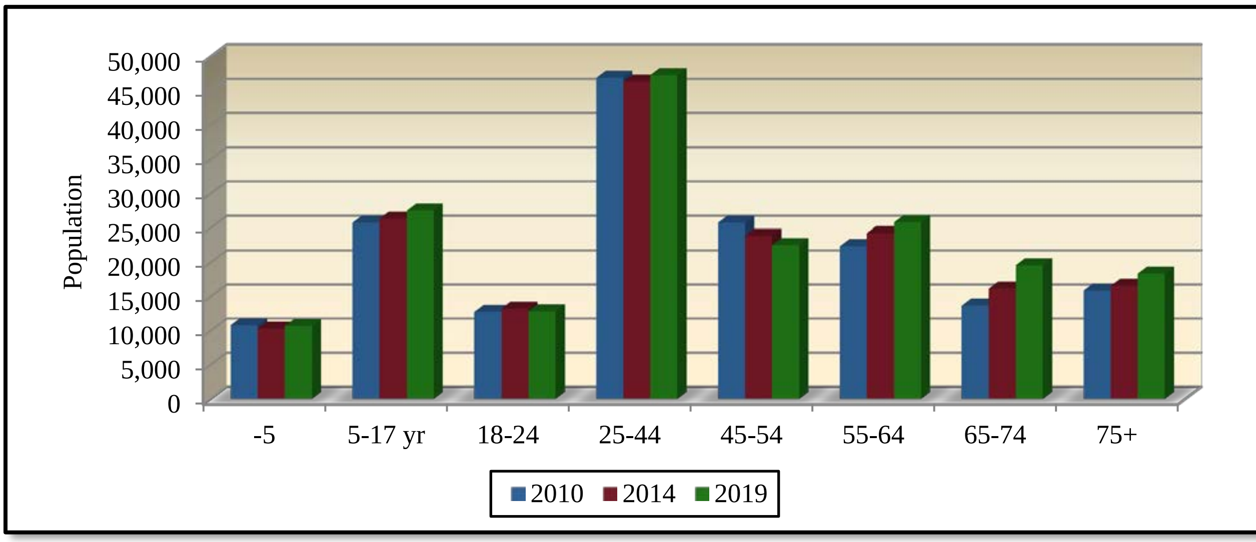


Table-J illustrates the growth or decline in age group numbers from the 2010 census until the year 2019. It is projected that all of the age categories will see an increase or static growth in population, except -5 and 45-54. It must be remembered that the population of the United States as a whole is aging and it is not unusual to find negative growth numbers in the younger age groups and significant net gains in the 45 plus age groupings in communities which are relatively stable in their population numbers.

Below is listed the distribution of the population by race and ethnicity for the Secondary Service Area for 2014 population projections. Those numbers were developed from 2010 Census Data.

Table K – Secondary Service Area Ethnic Population and Median Age
(Source – U.S. Census Bureau and ESRI)

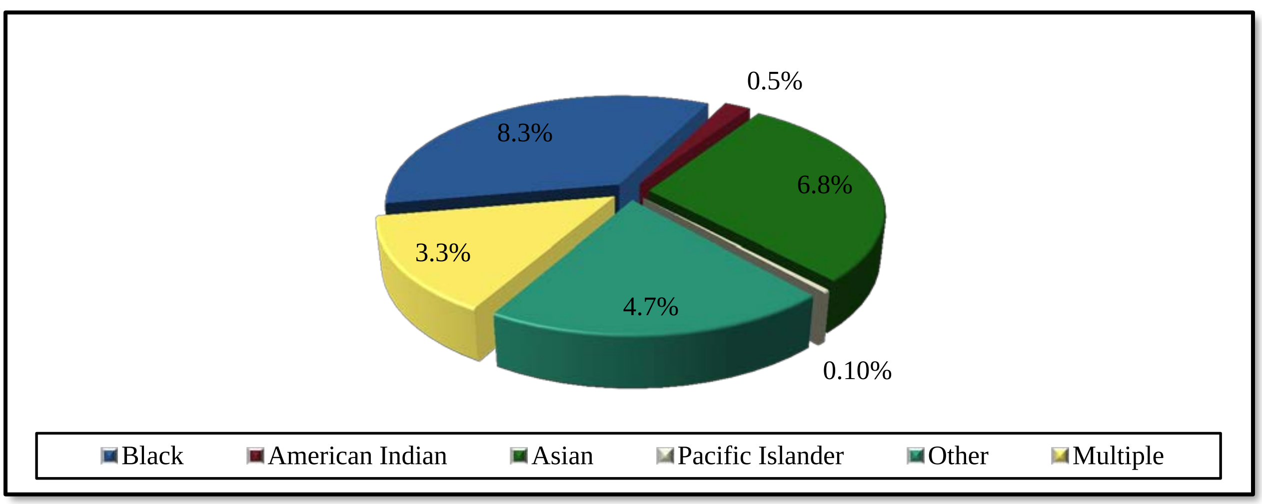
Ethnicity	Total Population	Median Age	% of Population	% of MN Population
Hispanic	15,768	24.,6	8.9%	5.3%

Table L – Secondary Service Area Population by Race and Median Age
(Source – U.S. Census Bureau and ESRI)

Race	Total Population	Median Age	% of Population	% of MN Population
White	135,397	47.5	76.3%	83.9%
Black	14,693	27.9	8.3%	5.6%
American Indian	866	30.8	0.5%	1.2%
Asian	12,134	33.3	6.8%	4.5%
Pacific Islander	121	36.3	0.1%	0.04%
Other	8,332	24.6	4.7%	2.1%
Multiple	5,806	15.6	3.3%	2.6%

2014 Secondary Service Area Total Population: 177,349 Residents

Chart J – Secondary Service Area Non-White Population by Race



Tapestry Segmentation

Tapestry segmentation represents the 4th generation of market segmentation systems that began 30 years ago. The 65-segment Tapestry Segmentation system classifies U.S. neighborhoods based on their socioeconomic and demographic compositions. While the demographic landscape of the U.S. has changed significantly since the 2000 Census, the tapestry segmentation has remained stable as neighborhoods have evolved.

The value of including this information for the City of Bloomington is that it allows the organization to better understand the consumers/constituents in their service areas and supply them with the right products and services.

The tapestry segmentation system classifies U.S. neighborhoods into 65 distinctive market segments. Neighborhoods are sorted by more than 60 attributes including: income, employment, home value, housing types, education, household composition, age and other key determinates of consumer behavior.

The following pages and tables outline the top 5 tapestry segments in each of the service areas and provides a brief description of each. This information combined with the key indicators and demographic analysis of each service area help further describe the markets that the City of Bloomington looks to serve with programs, services and special events.

Table M – Primary Service Area Tapestry Segment Comparison
(ESRI estimates)

	Primary Service Area		*U.S. Households*	
	Percent	Cumulative Percent	Percent	Cumulative Percent
Prosperous Empty Nesters (14)	16.8%	16.8%	2.1%	2.1%
Cozy & Comfortable (18)	11.7%	28.5%	2.2%	4.3%
Retirement Communities (30)	10.8%	39.3%	1.6%	5.9%
Exurbanites (07)	10.6%	49.9%	2.5%	8.4%
Main Street USA (24)	9.1%	59.0%	2.2%	10.6%

Prosperous Empty Nesters (14) – Approximately 6 in 10 households in these neighborhoods are aged 55 years or older; 40% of the households are composed of married couples with no children living at home. Residents are enjoying the move from child-rearing to retirement. These residents are not ethnically diverse; approximately 90% are white. Residents exercise regularly and take a multitude of vitamins.

Cozy & Comfortable (18) – These residents are middle-aged married couples who are comfortably settled in their single-family homes in older neighborhoods. The median age of 42 years is 5 years older than the U.S. median age. Most residents are married without children or married couples with school-aged or adult children. Most of these residents are white. Depending on the season, they play golf or ice skate for exercise.

Retirement Communities (30) – Most of the households in these neighborhoods are single seniors who live alone; a fourth is married couples with no children living at home. This older market has a median age of 52.2 years. Most of the residents are white. These residents go dancing, practice yoga, canoe and play golf.

Exurbanites (07) – These residents prefer an affluent lifestyle in open spaces beyond the urban fringes. Although 40% are empty nesters, another 32% are married couples with children still living at home. They may be part of the "sandwich generation," because their median age of 45.1 years places them directly between paying for children's college expenses and caring for elderly parents. They are very physically active; they lift weights, practice yoga and jog to stay fit.

Main Street USA (24) – These neighborhoods are a mix of household types, similar to the U.S. distribution. Approximately 50% of the households are composed of married-couple families, nearly 1/3 are single-person or shared households, and the rest are single-parent or other family households. These residents are less diverse than the U.S. population. They play baseball and basketball and go swimming.

Table N – Secondary Service Area Tapestry Segment Comparison
(ESRI estimates)

	Secondary Service Area		*U.S. Households*	
	Percent	Cumulative Percent	Percent	Cumulative Percent
Cozy & Comfortable (18)	12.6%	12.6%	2.2%	2.2%
Retirement Communities (30)	10.5%	23.1%	1.6%	3.8%
Prosperous Empty Nesters (14)	9.9%	33.0%	2.1%	5.9%
Metropolitans (22)	9.1%	42.1%	1.4%	7.3%
In Style (13)	8.7%	50.8%	2.3%	9.6%

Cozy & Comfortable (18) – These residents are middle-aged married couples who are comfortably settled in their single-family homes in older neighborhoods. The median age of 42 years is 5 years older than the U.S. median age. Most residents are married without children or married couples with school-aged or adult children. Most of these residents are white. Depending on the season, they play golf or ice skate for exercise.

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Metropolitans (22) – Residents of these communities prefer to live in older city neighborhoods. Approximately ½ of these households are singles who live alone or with others; 40% are married-couple families. Diversity is low, most of the population is white. These residents practice yoga and go kayaking, hiking/backpacking, and water and snow skiing.

In Style (13) – These residents live in the suburbs but prefer the city lifestyle. Professional couples predominate. Household distributions by type are similar to those of the U.S. Married-couple families represent 54% of households. There is little diversity in these neighborhoods. Residents stay fit by exercising.

Demographic Summary

The following summarizes the demographic characteristics of the service areas.

- The City of Bloomington is a large community which has a greater geographical draw from outside the community for recreation services. It will be important to include components that appeal to the full age spectrum in this service area.

- The median age of the Primary Service Area is significantly greater that the State and National number. This median age points to retirees, Baby Boomers and families with older children in the Primary Service. It is possible to serve these age different populations with one community recreation center.

- While the cost of living in the Primary Service Area is greater than the National number, the median household income is greater than the State and National number. This greater median household income points to the ability for residents within the service area to pay for entertainment and recreation services.

- In the service area, residents are already paying for entertainment and recreation services at a higher rate than the State of Minnesota. It will be important to identify any other service providers for indoor recreation facilities in the service areas. It will be equally important to engage the residents and determine what components should be included in an indoor recreation facility.

Sports Participation Numbers:

In addition to analyzing the demographic realities of the service areas, it is possible to project possible participation in recreation and sports activities.

Participation Numbers: On an annual basis the National Sporting Goods Association (NSGA) conducts an in-depth study and survey of how Americans spend their leisure time. This information provides the data necessary to overlay rate of participation onto the Primary Service Area to determine market potential.

B*K takes the national average and combines that with participation percentages of the Primary Service Area based upon the age distribution, median income and region. Those four percentages are then averaged together to create a unique participation percentage for the service area. This participation percentage when applied to the population of the Primary Service Area then provides an idea of the market potential for various activities.

Community Recreation Related Activities Participation: These activities are typical components of an active community recreation center.

Table O – Recreation Activity Participation Rates for the Primary Service Area

Activity	Age	Income	Region	Nation	Average
Aerobic	15.1%	14.9%	16.0%	15.3%	15.3%
Baseball	3.5%	3.9%	6.1%	4.1%	4.4%
Basketball	7.6%	8.6%	10.8%	8.9%	9.0%
Cheerleading	1.0%	1.4%	1.8%	1.2%	1.4%
Exercise Walking	34.8%	33.2%	36.6%	33.4%	34.5%
Exercise w/ Equipment	18.6%	17.8%	22.8%	18.4%	19.4%
Football (tackle)	2.2%	2.6%	2.6%	2.6%	2.5%
Gymnastics	1.5%	2.0%	2.0%	1.8%	1.8%
Hockey (ice)	1.0%	1.5%	1.1%	1.2%	1.2%
Lacrosse	0.1%	1.1%	0.6%	1.0%	0.7%
Running/Jogging	13.1%	14.5%	16.9%	14.6%	14.8%
Soccer	3.8%	5.5%	4.9%	4.5%	4.7%
Softball	3.1%	3.7%	4.3%	3.5%	3.6%
Swimming	15.0%	17.0%	16.6%	15.8%	16.1%
Tennis	4.0%	5.3%	3.8%	4.4%	4.4%
Volleyball	3.1%	3.4%	4.2%	3.5%	3.5%
Weight Lifting	10.3%	9.9%	13.6%	10.9%	11.2%
Workout @ Clubs	12.0%	10.6%	11.9%	11.8%	11.6%
Wrestling	0.9%	0.7%	1.4%	1.1%	1.0%
Yoga	8.7%	9.3%	8.9%	9.0%	9.0%

	Age	Income	Region	Nation	Average
Did Not Participate	22.2%	21.6%	19.3%	21.8%	21.2%

Age: Participation based on individuals ages 7 & Up of the Primary Service Area.
Income: Participation based on the 2014 estimated median household income in the Primary Service Area.
Region: Participation based on regional statistics (West North Central).
National: Participation based on national statistics.
Average: Average of the four columns.

Anticipated Participation Numbers by Activity: Utilizing the average percentage from Table-O above plus the 2010 census information and census estimates for 2014 and 2019 (over age 7) the following comparisons can be made.

Table P – Participation Rates Primary Service Area

Activity	Average	2010 Part.	2014 Part.	2019 Part.	Difference
Aerobic	15.3%	11,732	12,012	12,544	+812
Baseball	4.4%	3,372	3,452	3,605	+233
Basketball	9.0%	6,877	7,042	7,353	+476
Cheerleading	1.4%	1,034	1,059	1,105	+72
Exercise Walking	34.5%	26,417	27,048	28,244	+1,827
Exercise w/ Equipment	19.4%	14,850	15,205	15,877	+1,027
Football (tackle)	2.5%	1,906	1,951	2,038	+132
Gymnastics	1.8%	1,404	1,437	1,501	+97
Hockey (ice)	1.2%	926	948	990	+64
Lacrosse	0.7%	540	553	577	+37
Running/Jogging	14.8%	1,311	1,342	1,401	+91
Soccer	4.7%	3,579	3,665	3,827	+248
Softball	3.6%	2,790	2,857	2,983	+193
Swimming	16.1%	12,324	12,619	13,177	+853
Tennis	4.4%	3,357	3,438	3,590	+232
Volleyball	3.5%	2,712	2,777	2,899	+188
Weight Lifting	11.2%	8,563	8,767	9,155	+592
Workout @ Clubs	11.6%	8,864	9,075	9,477	+613
Wrestling	1.0%	782	801	836	+54
Yoga	9.0%	6,874	7,038	7,349	+475

	Average	2010 Part.	2014 Part.	2019 Part.	Difference
Did Not Participate	21.2%	16,254	16,642	17,378	+1,124

Note: The estimated participation numbers indicated above are for various activities that could take place in an indoor community recreation facility in the City of Bloomington. These numbers do not translate into attendance figures for a facility in the Primary Service Area. *Typically a private provider would want to capture between 10-15% of the market for various activities within a 5-mile radius of their establishment.* The "Did Not Participate" statistics refers to all 51 activities outlined in the NSGA 2013 Survey Instrument.

Participation by Ethnicity and Race: Participation in sports activities is also tracked by ethnicity and race. The table below compares the overall rate of participation nationally with the rate for Hispanics and African Americans. Utilizing information provided by the National Sporting Goods Association's 2013 survey, the following comparisons are possible.

Table Q – Comparison of National, African American and Hispanic Participation Rates

	Primary Service Area	National Participation	African American Participation	Hispanic Participation
Aerobic	15.3%	15.7%	15.6%	12.2%
Baseball	4.4%	4.2%	2.9%	4.9%
Basketball	9.0%	9.0%	13.2%	11.6%
Cheerleading	1.4%	1.2%	1.4%	2.3%
Exercise Walking	34.5%	35.8%	28.7%	28.1%
Exercise w/ Equipment	19.4%	35.8%	14.7%	15.5%
Football (tackle)	2.5%	2.8%	6.5%	3.7%
Gymnastics	1.8%	2.0%	1.3%	3.3%
Hockey (ice)	1.2%	1.0%	1.1%	1.7%
Lacrosse	0.7%	1.0%	1.1%	1.7%
Running/Jogging	14.8%	14.0%	15.2%	15.3%
Soccer	4.7%	4.8%	2.4%	7.6%
Softball	3.6%	3.7%	3.0%	4.0%
Swimming	16.1%	17.0%	5.8%	10.9%
Tennis	4.4%	4.8%	2.6%	4.4%
Volleyball	3.5%	3.6%	3.2%	5.0%
Weight Lifting	11.2%	10.9%	10.1%	9.2%
Workout @ Clubs	11.6%	12.3%	8.2%	9.7%
Wrestling	1.0%	1.0%	1.8%	2.3%
Yoga	9.0%	8.0%	7.8%	7.3%
Did Not Participate	21.2%	21.9%	27.1%	25.6%

Primary Service Part: The unique participation percentage developed for the Primary Service Area.
National Rate: The national percentage of individuals who participate in the given activity.
African American Rate: The percentage of African Americans who participate in the given activity.
Hispanic Rate: The percentage of Hispanics who participate in the given activity.

Based on the fact that there is not a significant Black or Hispanic population in the Primary Service Area, those participation rates become more relevant to the impact on overall participation percentages.

Summary of Sports Participation: The following chart summarizes participation in both indoor and outdoor activities utilizing information from the 2013 National Sporting Goods Association survey.

Table R – Sports Participation Ranking Summary

Sport	Primary Service Area	Primary Service Area % Participation	Nat'l Rank[4]	Nat'l Participation (in millions)
Exercise Walking	1	34.5%	1	96.3
Exercising w/ Equipment	2	19.4%	2	53.1
Swimming	3	16.1%	3	45.5
Aerobic Exercising	4	15.3%	4	44.1
Running/Jogging	5	14.8%	5	42.0
Workout @ Club	6	11.6%	10	34.1
Weightlifting	7	11.2%	11	31.2
Yoga	8	9.0%	13	25.9
Basketball	8	9.0%	14	25.5
Soccer	10	4.7%	20	12.9
Tennis	11	4.4%	21	12.6
Baseball	11	4.4%	23	11.7
Volleyball	14	3.5%	24	10.1
Softball	13	3.6%	25	10.0
Football (tackle)	15	2.5%	32	7.5
Gymnastics	16	1.8%	39	5.1
Cheerleading	17	1.4%	45	3.5
Hockey (ice)	18	1.2%	46	3.4
Wrestling	19	1.0%	48	3.1
Lacrosse	20	0.7%	49	2.8

Nat'l Rank: Popularity of sport based on national survey.
Nat'l Participation: Percent of population that participate in this sport on national survey.
Primary Service %: Ranking of activities based upon average from Table-J.
Primary Service Rank: The rank of the activity within the Primary Service Area.

The top 5 activities are consistent with the national rankings which is not uncommon due to those activities having an appeal across all age groups. The variances that exist from #8 through #20 are unique to the City of Bloomington and may reflect preferences of the community along with availability of programs and facilities.

[4] This rank is based upon the 51 activities reported on by NSGA in their 2013 survey instrument.

In addition to examining the participation numbers for various indoor activities through the NSGA 2013 Survey and the Spending Potential Index for Entertainment & Recreation, B*K can access information about Sports & Leisure Market Potential.

Table S – Market Potential Index[5] for Adult Participation in the Primary Service Area

Adults participated in:	Expected Number of Adults	Percent of Population	MPI
Aerobics	6,774	9.9%	111
Baseball	3,027	4.4%	99
Basketball	5,781	8.4%	102
Football	3,409	5.0%	100
Ice Skating	2,041	3.0%	116
Jogging/Running	9,166	13.4%	105
Pilates	1,957	2.9%	103
Soccer	2,617	3.8%	102
Softball	2,474	3.6%	106
Swimming	12,093	17.7%	112
Tennis	3,045	4.4%	104
Volleyball	2,654	3.9%	110
Walking for Exercise	20,971	30.6%	109
Weightlifting	8,328	12.2%	115
Yoga	5,268	7.7%	108

Expected # of Adults: Number of adults, 18 years of age and older, participating in the activity in the Primary Service Area.

Percent of Population: Percent of the service area that participates in the activity.

MPI: Market potential index as compared to the national number of 100.

[5] Data Note: An MPI (Market Potential Index) measures the relative likelihood of the adults or households in the specified trade area to exhibit certain consumer. Source: These data are based upon national propensities to use various products and services, applied to local demographic composition.

Below are listed those sports activities that would often take place either in an indoor community recreation facility, or in close proximity to, and the percentage of growth or decline that each has experienced nationally over the last 10 years (2004-2013). These activities could take place at the various facility types that the City is investigating. Additionally, this provides the City base-line information as to what they may expect with their current facility and program offerings.

Table Y – National Activity Trend (in millions)

Sport/Activity	2013 Participation	2004 Participation	Percent Change
Yoga	25.9	6.3	+311.1%
Wrestling	3.1	1.3	+138.5%
Lacrosse[6]	2.8	1.2	+133.3%
Running/Jogging	42.0	24.7	+70.0%
Aerobic Exercising	44.1	29.5	+49.5%
Hockey (ice)	3.5	2.4	+45.8%
Tennis	12.6	9.6	+31.3%
Gymnastics[7]	5.1	3.9	+30.8%
Weightlifting	31.3	26.2	+19.5%
Exercise Walking	96.3	84.7	+13.7%
Workout @ Club	34.1	31.8	+7.2%
Exercising w/ Equipment	53.1	52.2	+1.7%
Soccer	12.8	13.3	-3.8%
Volleyball	10.1	10.8	-6.5%
Basketball	25.5	27.8	-8.3%
Football (tackle)	7.5	8.2	-8.5%
Cheerleading	3.5	4.1	-14.6%
Swimming	45.5	53.4	-14.8%
Softball	10.0	12.5	-20.0%
Baseball	11.7	15.9	-26.4%

2013 Participation: The number of participants per year in the activity (in millions) in the United States.

2004 Participation: The number of participants per year in the activity (in millions) in the United States.

Percent Change: The percent change in the level of participation from 2004 to 2013.

[6] Participation trend since 2007.
[7] Participation trend since 2009.

Community Center Activity and Facility Trends:
Due to the increasing recreational demands there has been a shortage in most communities of the following spaces:

- Gymnasiums
- Pools (especially leisure pools)
- Weight/cardiovascular equipment areas
- Indoor running/walking tracks
- Meeting/multipurpose (general program) space
- Seniors program space
- Pre-school and youth space
- Teen use areas
- Fieldhouse

As a result, many communities have attempted to include these amenities in public community recreation facilities. With the growth in youth sports and the high demand for school gyms, most communities are experiencing an acute lack of gymnasium space. Weight/cardiovascular space is also in high demand and provides a facility with the potential to generate significant revenues.

The success of most recreation departments is dependent on meeting the recreational needs of a variety of individuals. The fastest growing segment of society is the senior population and meeting the needs of this group is especially important now and will only grow more so in the coming years. Indoor walking tracks, exercise areas, pools and classroom spaces are important to this age group. Marketing to the younger, more active senior (usually age 55-70) is paramount, as this age group has the free time available to participate in leisure activities, the desire to remain fit, and more importantly the disposable income to pay for such services.

Youth programming has always been a cornerstone for recreation services and will continue to be so with an increased emphasis on teen needs and providing a deterrent to juvenile crime. With a continuing increase in single parent households and two working parent families, the needs of school age children for before and after school child care continues to grow as does the need for preschool programming.

Without a doubt the hottest trend in recreational facilities is the leisure pool concept. This idea of incorporating slides, current channels, fountains, zero depth entry and other water features into a pool's design has proved to be extremely popular for the recreational user. The age of the conventional pool in most recreational settings has been greatly diminished. Leisure pools appeal to the younger children (who are the largest segment of the population that swim) and to families. These types of facilities can attract and draw larger crowds, and people tend to come from a further distance and stay longer to utilize such pools. This all translates into the potential to sell more admissions and increase revenues. It is estimated conservatively that a leisure pool can generate up to 20% to 25% more revenue than a comparable conventional pool and the cost of operation, while being higher, has been offset through increased revenues. Patrons seem willing to pay a higher user fee at a leisure pool than a conventional aquatics facility.

Another trend that is growing more popular in the aquatics field is the development of a raised temperature therapy pool for rehabilitation programs. A raised temperature therapy pool is typically developed in association with a local health care organization or a physical therapy clinic. The medical organization either provides capital dollars for the construction of the pool or agrees to purchase so many hours of pool time on an annual basis. This form of partnership has proven to be appealing to both the medical side and the organization that operates the facility. The medical sector receives the benefit of a larger aquatic center, plus other amenities that are available for their use, without the capital cost of building the structure. In addition, they can develop a much stronger community presence away from traditional medical settings. The facility operators have a stronger marketing position through an association with a medical organization and a user group that will provide a solid and consistent revenue stream for the center. This is enhanced by the fact that most therapy use times occur during the slower mid-morning or afternoon times in the pool and the center.

Despite the recent emphasis on recreational swimming and therapy, the more traditional aspects of aquatics (including swim teams, instruction and aqua fitness) remain as the foundation for many aquatic centers. The life safety issues associated with teaching children how to swim is a critical concern in most communities and competitive swim team programs through high schools, USA Swimming and other community based organizations continue to be important. Aqua fitness, from aqua exercise to lap swimming, has enjoyed strong growth during the last ten years with the realization of the benefits of water-based exercise.

The multi-function indoor aquatic center concept of delivering aquatics services continues to grow in acceptance with the idea of providing for a variety of aquatics activities and programs in an open design setting that features a lot of natural light, interactive play features and access to an outdoor sundeck. The placing of traditional instructional/competitive pools with shallow depth/interactive leisure pools and therapy water in the same facility has been well received in the market. This idea has proven to be financially successful by centralizing pool operations for recreation service providers and through increased generation of revenues from patrons willing to pay for an aquatics experience that is new and exciting. Indoor aquatic centers have been instrumental in developing a true family appeal for community-based facilities. The keys to success for this type of center revolve around the concept of intergenerational use in a quality facility that has an exciting and vibrant feel in an outdoor like atmosphere.

Also changing is the orientation of aquatic centers from stand-alone facilities that only have aquatic features to more of a full-service recreation center that has fitness, sports and community based amenities. This change has allowed for a better rate of cost recovery and stronger rates of use of the aquatic portion of the facility as well as the other “dry side” amenities.

As more and more communities attempt to develop community recreation facilities the issues of competition with other providers in the market area have inevitably been raised. The loudest objections have come from the private health club market and their industry voice IHRSA. The private sector has vigorously contended that public facilities unfairly compete with them in the market and have spent considerable resources attempting to derail public projects. However, the reality is that in most markets where public community recreation centers have been built, the private sector has not been adversely affected and in fact in many cases has continued to grow. This is due in large part to the fact that public and private providers serve markedly different markets. One of the other issues of competition comes from the non-profit sector (primarily YMCA's but also JCC’s, and others), where the market is much closer to that of the public providers. While not as vociferous as the private providers, the non-profits have also often expressed concern over public community recreation centers. What has resulted from this is a strong growth in the number of partnerships that have occurred between the public and non-profit sector in an attempt to bring the best recreation amenities to a community.

Community Center Benchmarks: Based on market research conducted by Ballard*King & Associates at community centers across the United States, the following represents the basic benchmarks for such centers.

- The majority of community centers that are being built today are between 65,000 and 75,000 square feet. Most centers include three primary components A) A pool area usually with competitive and leisure amenities, B) Multipurpose gymnasium space, and C) Weight/cardiovascular equipment area. In addition, most centers also have group exercise rooms, drop-in childcare, and classroom and/or community spaces.

- For most centers to have an opportunity to cover all of their operating expenses with revenues, they must have a service population of at least 50,000 and a market driven fee structure.

- Most centers that are between 65,000 and 75,000 square feet have an operating budget of between $1,500,000 and $1,800,000 annually. Nearly 65% of the operating costs are from personnel services, followed by approximately 25% for contractual services, 8% for commodities, and 2% for capital replacement.

- For centers that serve a more urban population and have a market driven fee structure, they should be able to recover 70% to 100% of operating expenses. For centers in more rural areas the recovery rate is generally 50% to 75%. Facilities that can consistently cover all of their operating expenses with revenues are rare. The first true benchmark year of operation does not occur until the third full year of operation.

- The majority of centers of the size noted (and in an urban environment) above average daily paid attendance of 800 to as much as 1,000 per day. These centers will also typically sell between 800 and 1,500 annual passes (depending on the fee structure and marketing program).

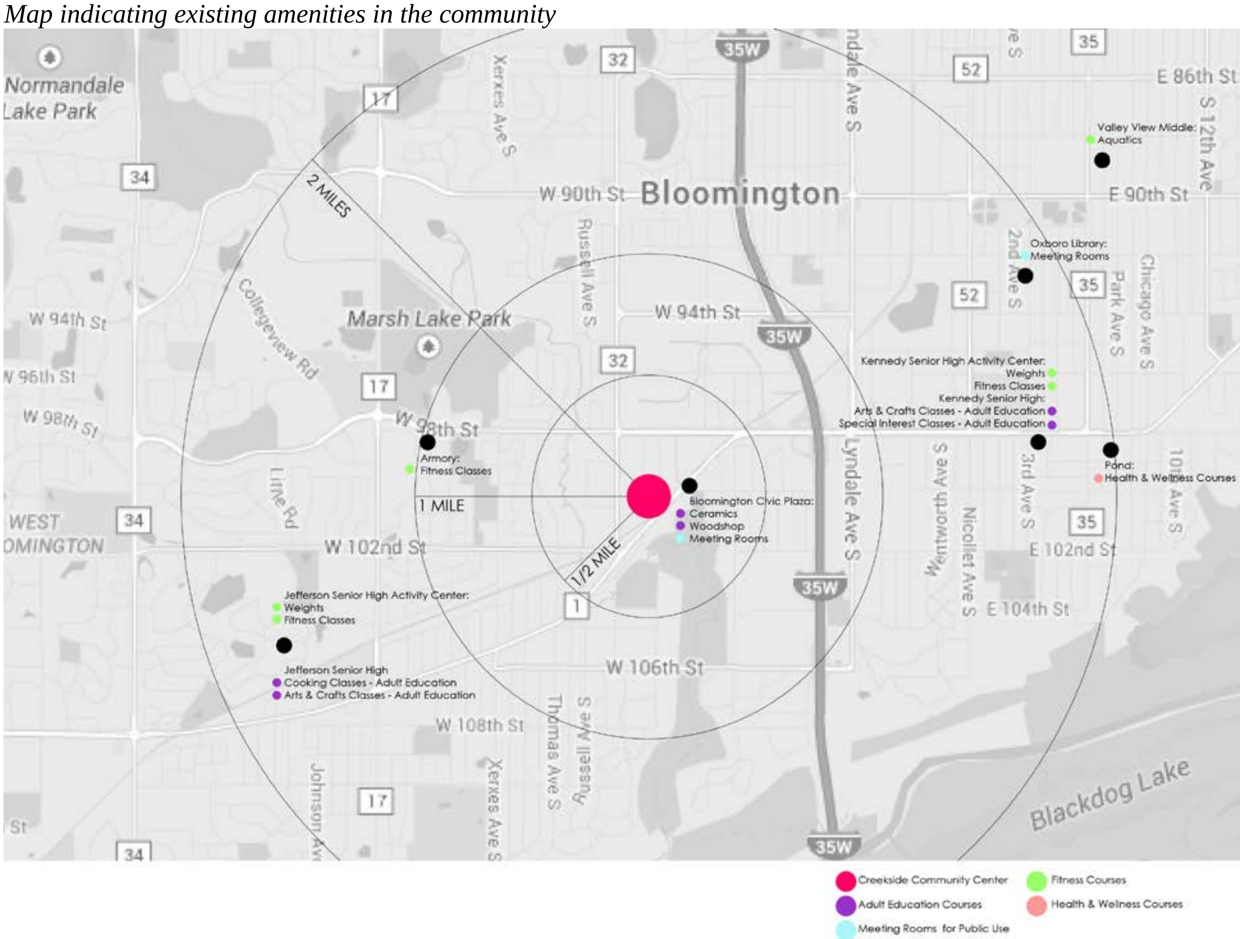
- It is common for most centers to have a three-tiered fee structure that offers daily, extended visit (usually punch cards) passes, and annual passes. In urban areas it is common to have resident and non-resident fees. Non-resident rates can cost 25% to 50% higher than the resident rate. Daily rates for residents average between $3.00 and $6.00 for adults, $3.00 and $4.00 for youth and the same for seniors. Annual rates for residents average between $200 and $300 for adults, and $100 and $200 for youth and seniors. Family annual passes tend to be heavily discounted and run between $350 and $800.

- Most centers are open an average of 105 hours a week, with weekday hours being 5:00 am to 10:00 pm, Saturdays 8:00 am to 8:00 pm and Sundays from noon to 8:00 pm. There is now a trend to open earlier on Sundays as well. Often hours are shorter during the summer months.

Note: These statistics vary by regions of the country.

Service Area Providers: There are a number of facilities in the greater Bloomington area that are providing aquatic, recreation, fitness, enrichment, senior, education and sport activities. This is a representative listing of alternative aquatic/recreation facilities in the Bloomington area and is not meant to be a total accounting of all service providers. There may be other facilities located in the area that have an impact on the market as well. The following is a brief review of each of the major providers in the area.

Map indicating existing amenities in the community



Public

There are a number of public indoor recreation, parks and aquatic centers located in the Bloomington market area providing recreation and leisure opportunities.

- Jefferson Activity Center
- Kennedy Activity Center
- Bloomington Center for the Arts
- Bloomington Ice Garden
- Bloomington/Richfield Community Education Services

- Dawn Golf Course
- Hyland Greens Golf Course
- Bloomington Family Aquatic Center
- Valley View Middle School
- Olson Middle School

Non-Profit

YMCA - There are no non-profit recreation providers in Bloomington but there is a full-service YMCA located in Edina and another in Burnsville. By virtue of the facility and programs, the YMCA most closely resembles a public service provider.

Churches – Some churches in the area provide a variety of basic community, recreation and social service programs. However, the spaces are small and not always designed for the uses that they must serve.

Private

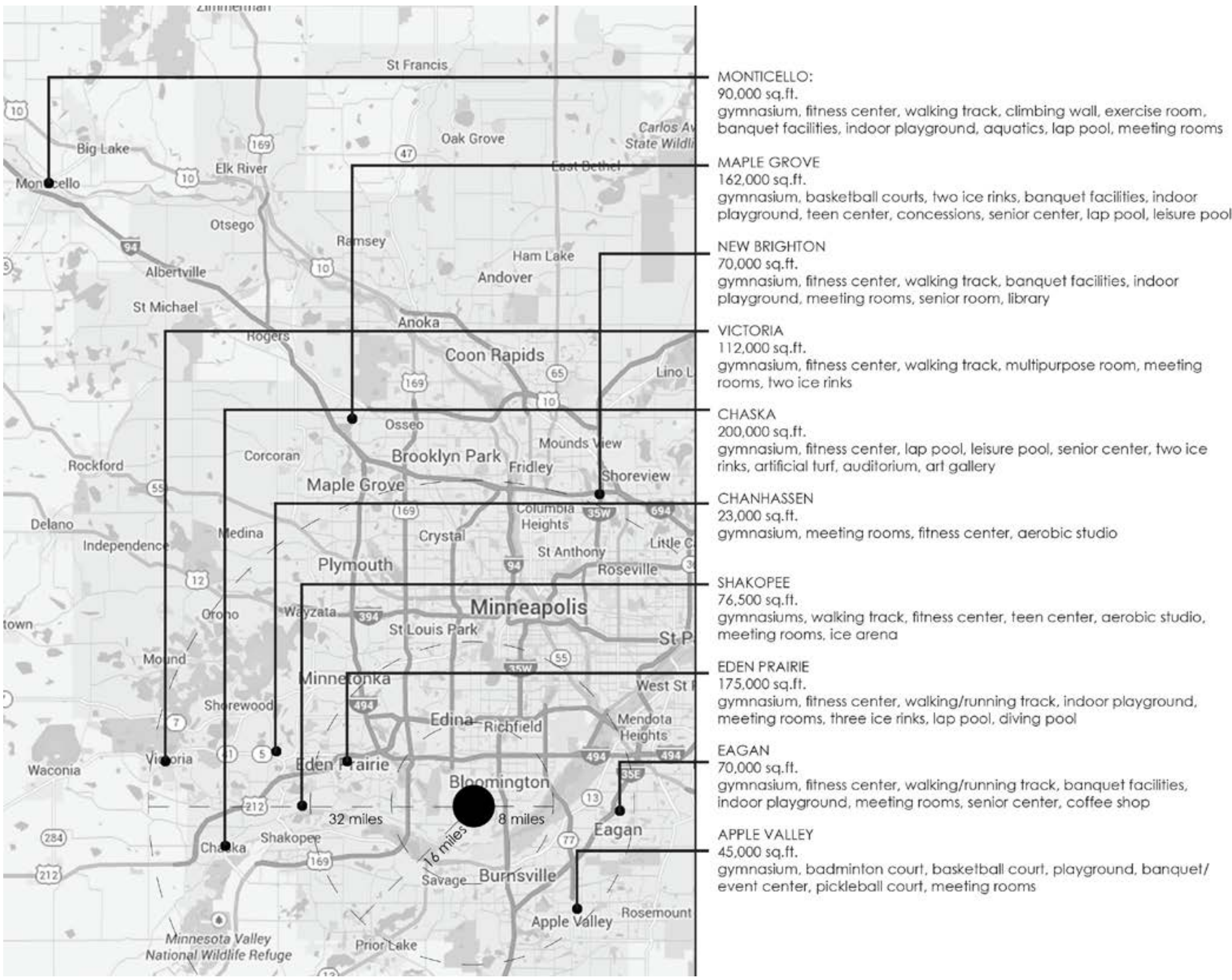
There are several private sector providers located in Bloomington. Considering the size of the population and income distribution in the area, this is not unusual. The private fitness facilities in Bloomington represent both ends of the price spectrum for private clubs. Entry level clubs such as Snap Fitness, Planet Fitness and Anytime Fitness appeal to the lower fee market segment that is only looking for a basic workout gym with limited services. Lifetime Fitness and Welcyon Fitness represent the high end of private clubs and offer an array of services and programs to their members. Private facilities include:

- Snap Fitness
- Anytime Fitness
- Curves for Women
- Planet Fitness
- Welcyon Fitness After 50
- Lifetime Fitness (2)

Alternative Providers Inventory of Components

Alternative Providers	Pool	Cardio Area	Weight Area	Group Fitness	Child Watch	Gym	Track
Welcyon		X	X	X			
Lifetime Fitness	X	X	X	X	X	X	X
Planet Fitness		X	X				
Curves		X	X				
Anytime Fitness		X	X				
Snap Fitness		X	X				
Bloomington Activity Center		X	X	X		X	X
YMCA	X	X	X	X	X	X	X

As reviewed in the 2014 presentation to City Council, staff surveyed several municipal community centers in the metro area. These findings are illustrated on the following map and are evidence of significant investment by peer communities.



Market for a Community Center: With any proposed community center the issue of the size and qualification of the market for such a facility comes to the forefront.

Reviewing the characteristics of the various markets indicates:

The population of the Primary Service Area is 84,592 (2014 population estimate) which is more than adequate to support a comprehensive indoor community center.

The population of the area is expected to show steady growth for the next five years which will help to contribute to the number of potential additional users for a new facility.

While the cost of living in the Primary Service Area is greater than the National number the median household income is greater than the State and National number. This greater median household income points to the ability for residents within the service area to pay for entertainment and recreation services.

For a comprehensive indoor facility that includes a pool, fitness amenities, gym, and other active recreation amenities, the private sector hopes to capture between 10% and 15% of a market area (generally in a 3 to 5 mile radius of the club) while the public community center, by virtue of its diversified program and components, targets a market of 20%-30% of an area within a 10 to 15 minute driving distance. Non-profits will have a market draw that is somewhere between the two. These differences are directly related to the business practices of the three types of entities. Private facilities are generally a membership based operation where revenues are almost exclusively derived from membership revenues and from program and service expenditures generated from these same individuals. As such it is relatively easy to project market dynamics (distance, eligible households, etc.) for this type of facility.

The non-profit sector (primarily YMCA's) takes the market a bit further, while still being largely membership based, they often have some limited daily admissions and actively pursue program only members. Program and service options also extend well beyond the sports and fitness area to include everything from child care to cultural arts and social programs. This expands the market for recreation services to the 15% to 20% range.

Public facilities on the other hand generally have readily accessible daily admissions, some form of extended passes as well as annual passes. In addition there are usually a large number of programs (again in areas beyond sports and fitness) that can be accessed without a membership and also a number of community functions and activities where no fee may be collected at all. Most community recreation centers operate on an ala carte system which greatly expands the market to a broader spectrum of users based on age, income and travel time. As a result the 20% to 30% market penetration rate is obtainable and the geographic area served is generally much larger. It is not inconceivable that over the course of a year's time over 50% of a community's population will have come to a community center for some use, function or activity. However, due to the variety of program and service options offered by the public sector, fewer annual passes (memberships) are generally sold than private or non-profit facilities.

The market realities put public and private facilities at the opposite end of the market spectrum with the non-profits in the middle but closer to the public market.

The ability of a community center to capture a market share is based in large part on the amenities that are included in a center, the variety of amenities available, the size of the facility and the fees that are going to be charged.

Based on the information noted above the following estimates are possible.

There are estimated to be approximately 84,592 individuals in the Primary Service Area. If 15% are captured by other providers of some sort (a relatively low percentage since there are very few other providers in the area) this would result in approximately 12,650 members.

Figuring that 15% of the market is being satisfied with the existing private providers and the School District Activity Centers attracts another 2,400 members that still leaves the community center with a substantial market draw. That potentially leaves the market at 3-4% for a Bloomington Community Center. Capturing 4% of the Primary Service Area market would convert to approximately 2,500 users that could be potential pass holders.

Another method to analyze possible participation numbers is to look at the pre-qualified population that is likely to participate in sports and recreation activities and look at the realistic percentage of that market that can be captured by a community center. Weekly participation in active recreation activities from individuals in the Primary Service Area can be expected to be somewhere in the range of 15% to 20% of the population which equals approximately 12,650-16,900 individuals, (based on 2014 population estimates). If a new community center were able to capture 30% of this pre-qualified market this would convert to 3,795 to as many as 5,000 potential annual pass holders. Participation rates for more passive oriented facilities (cultural arts amenities, teen centers, etc.,) are more difficult to project due to the lack of reliable utilization rates for such activities, but the level of use is below that of a more active facility and the potential service area is also considerably smaller as well.

Market Conclusion:

Below are listed some of the market opportunities and challenges that exist with this community center project.

Opportunities

- The demographic characteristics of the Primary Service Area indicate an older median age with household income levels significantly higher than the national level.

- There is a significant population base that will continue to grow at a steady pace.

- There is not a comprehensive, public, community center in Bloomington but there are a number of private service providers and School District Activity Centers at the two high schools.

- The existing Bloomington Creekside Community Center is not able to adequately meet the indoor recreation needs within the service area. Creekside is an older facility that is in need of being replaced and undersized to meet current program demands.

- There are a number of potential partners that have been identified for the project. Bringing equity partners to the community center project can potentially expand the scope and magnitude of the facility along with expanding City services.

- A new community center in Bloomington improves the quality of life in a community and often serves to bring more unity to a diverse population base.

Challenges

- Most of the senior programs offered at the Creekside Community Center are free to participants. If the City of Bloomington decides to build a new community center it might be necessary to increase fees and charges to off-set the increase in operational cost of a new community center.

- The population of the secondary service area covers a large geographic area and finding a central location that can adequately service the entire area will be challenging.

- With a diverse population, a new Bloomington Community Center will have to meet a vast variety of recreation needs and expectations. This is especially true for the existing senior program participants.

- Funding support for operating a new community center will increase significantly over current funding levels for the Creekside Community Center.

Community Center Market Orientation: Based on the demographic makeup of the service areas and the trends in indoor recreation amenities, there are specific market areas that need to be addressed with such community facilities. These include:

General:

1. Drop-in recreation activities - Critical to the basic operation of any community center is the availability of the facility for drop-in use by the general public. This requires components that support drop-in use and the careful scheduling of programs and activities to ensure that they do not dominate the center and exclude the drop-in user. The sale of annual passes and daily admissions, potential strong revenue sources for a center, requires a priority for drop-in use.

2. Instructional programming - The other major component of a community center's operation is a full slate of programs in a variety of disciplines. The center should provide instruction for a broad based group of users in a number of program areas. The primary emphasis should be on teaching basic skills with a secondary concern for specialized or advanced instruction.

3. Special events - There should be a market for special events including kid's birthday parties, community organization functions, sports tournaments and other special activities. The development of this market will aid significantly in the generation of additional revenues and these events can often be planned for before or after regular operating hours or during slow use times of the year. Care should be taken to ensure that special events do not adversely impact the everyday operations of the center.

4. Community rentals - Another aspect of a center's operation is providing space for rentals by civic groups or organizations as well as the general public. Gyms and multi-purpose rooms can be used as a large community gathering space and can host a variety of events from seminars, parties, receptions, arts and crafts sales and other events. It is important that a well-defined rental fee package is developed and the fee schedule followed closely. Rentals should not be done at the expense of drop-in use or programming in the center.

5. Human Services programs – An emerging area for many centers is the use of space for human service activities and programs. Special population activities, teen and senior assistance programs, childcare and other similar uses are now common in many facilities.

Specific market segments include:

1. Families - Within most markets an orientation towards family activities is essential. The ability to have family members of different ages participate in a variety of activities together or individually is the challenge.

2. Pre-school children - The needs of pre-school age children need to be met with a variety of activities and programs designed for their use. From drop-in childcare to specialized pre-school classes, a number of such programs can be developed. Interactive programming involving parents and toddlers can also be beneficial. It is significant that this market usually is active during the mid-morning time frame, providing an important clientele to the facility during an otherwise slow period of the day. For parents with small children who wish to participate in their own activities, babysitting services are often necessary during the morning and early evening time slots.

3. School age youth - Recreation programming has tended to concentrate on this market segment and this age group should be emphasized at a center as well. This group requires a wide variety of programs and activities that are available after school, during the summer, or during weekend hours. Instructional programs and competitive sports programs are especially popular, as well as drop-in use of the facility.

4. Teens - A major focus of many community center projects is on meeting the needs of teenagers in the community. There is a great debate among recreation providers throughout the country on how to best provide recreation programming for this age group. Some believe that dedicated teen space is required to meet their needs while others find that it is the activities and approach that is more important. Serving the needs of this age group will often require the use of many areas of the center at certain “teen” times of use instead of one dedicated space for teens.

5. Seniors - Currently senior programming occurs at the Creekside Community Center but it should be noted that Creekside is only attracting a portion of the senior market in Bloomington, which suggests the need for expanding opportunities and facilities beyond the current offerings. As the population of the United States and the service area continue to age, continuing to meet the needs of an older senior population will be essential. As has been noted, a more active and physically oriented senior is now demanding services to ensure their continued health. Social programs as well as weight training and cardiovascular conditioning have proven to be popular with this age group. Again, the fact that this market segment will usually utilize a facility during the slower use times of early to mid-day also is appealing.

6. Business/corporate – This market has a variety of needs from fitness/wellness and instruction, to recreation and social. The more amenities and services that can be offered at one location the more appeal there is to this market segment. The business community should be surveyed to determine their specific needs and expectations.

7. Special needs population - This is a secondary market, but with the A.D.A. requirements and the existence of a number of recreation components, the amenities will be present to develop programs for this population segment. Association with health care providers and/or other social service agencies will be necessary to fully reach this market.

8. Special interest groups - This is a market that needs to be explored to determine the use potential from a variety of groups. These could include school functions, nonprofit organizations and adult and youth sports teams. While the needs of these groups can be great, their demands on a center can often be incompatible with the overall mission of the facility. Care must be taken to ensure that a balance is achieved.

The City of Bloomington faces many challenges with Creekside Community Center. Although the City has been successful with converting and re-purposing an old school into a community center, it lacks the space and features found in most community centers today. When factoring in the senior population in Bloomington it is reasonable to question the effectiveness of the current community center in delivering senior programs as reflected by the relatively low penetration rate. This is not to imply or suggest the quality of programs currently offered are lacking or that Creekside Community Center is not an effective delivery system for the seniors currently using the center, but rather just a point that less than 15% of the senior population in Bloomington is using Creekside.

The Bloomington demographics suggest that the City has a much higher concentration of people over 55 than the national levels. The fact there is a private health club (Welcyon) that is marketed and designed for adults over 50 years old speaks to the aging population in Bloomington. However, as the senior population transitions out of Bloomington, the City will be faced with the potential housing turn-over challenge. Granted, many people are looking at the quality of education, affordable housing and strong infrastructure to determine where they live and the City of Bloomington is second to none with these attributes. However, quality of life also plays a role in determine where a family chooses to live. A vibrant community center contributes to the quality of life and in this regard, the City of Bloomington has fallen behind some of its neighboring communities such as Shakopee, Savage, Chaska, Eden Prairie and Eagan.