

PERC Steering Committee – Market Analysis Work Group Meeting #2 Summary

Meeting Date: Thursday, June 17, 2021 | 5:15-7:00 p.m.
www.cityofpoulsbo.com/perc

Meeting Video: <https://vimeo.com/565707960>

1. Welcome and Work to Date Update

Karla Boughton welcomed members and thanked them for their continued attendance and involvement. Karla updated the MA Work Group on the previous week's Steering Committee Meeting with ARC Architects, and thanked everyone for their flexibility as meetings are scheduled. Karla then introduced Jason Hennessy and Sherrie Hsu from BERK Consulting. BERK is preparing the PERC Market Analysis.

2. Market Analysis Update – BERK Consulting

Jason Hennessy and Sherrie Hsu from BERK Consulting welcomed and gave a quick reminder of the Market Analysis Work Group Meeting #1 in March 2021 covered. Jason and Sherrie presented a preliminary demand analysis oriented around driving time areas as potential markets. The slides include demographic information, potential market estimates, potential market competitors and potential demand. The presentation is attached to this packet.

3. Group Discussion

Jason called on each remaining member group to respond to BERK's presentation and share their input on the potential market and competitors, potential uses, and what they believe is the potential demand for the PERC. Key message points are attached.

4. Closing Comments

Peter Battuello thanked the group for meeting and encouraged participants to reach out as they have more questions and comments. Next step is BERK Consulting will finish the demand analysis portion of the Market Analysis quickly and the next Steering Committee Meeting is July 15th with ARC Architects to continue with PERC use programming.

5. Adjourned at 6:51 pm





Poulsbo Events &
Recreation Center

PERC Market Analysis Working Group Meeting #2

Thursday, June 17, 2021 | 5:15-7:00 p.m.

www.cityofpoulsbo.com/perc

Remote Meeting Information:

- Link to the video conference and view the screen share:
<https://zoom.us/j/91622739384>
- To participate by phone only: **1 (253) 215 8782**
and enter the Meeting ID **916 2273 9384**

1. Welcome	5:15
2. Update since last MA Work Group Meeting	5:20
• Site Concept is underway	
• Schedule adjustments	
3. Market Analysis Update – BERK Consulting	5:25
4. Discussion	6:15
5. Closing	7:00
• Next Steering Committee Meeting – July 15, 2021	



**PERC Market Analysis Work Group
Meeting #2 Attendees
June 17, 2021 – 5:15-7:00pm**

First Name	Last Name	Organization/Affiliation	Work Group Assignment*
Peter	Batuello	Project consultant to City of Poulsbo	Executive Team
Debbie	Booher	City of Poulsbo (Finance)	Financial Analysis Plan Work Group
Karla	Boughton	City of Poulsbo (Planning and Economic Development)	Executive Team
Marty	Cavalluzzi	Olympic College	Financial Analysis Work Group
Tom	Eckmann	Olympic College	Financial Analysis Work Group
Mari	Gregg	Poulsbo Parks & Recreation Commission	Site Concept Plan Work Group
Jason	Hennessy	Project Manager, BERK Consulting	Consultant
Holly	Hill	Western WA University on the Peninsulas	Market Analysis Work Group
Sherrie	Hsu	Lead Analyst, BERK Consulting	Consultant
Mark	Kipps	Poulsbo Planning Commission	Management Plan Work Group
Diane	Lenius	City of Poulsbo (Engineering)	Site Concept Plan Work Group
Kelly	Michaels	Poulsbo Parks and Recreation Commission	Management Plan Work Group
Tim	Morgan	Sports management/events	Market Analysis Work Group
Irene	Moyer	Community Member	Market Analysis Work Group
Doug	Newell	CK School District Finance & Support/Community Member	Market Analysis Work Group
Jessie	Palmer	YMCA	Market Analysis Work Group
Jess	Rae	City of Poulsbo	Exec Team Support
John	Vaughan	Olympic College	Financial Analysis Work Group
Mike	Walton	Kitsap Public Facilities District	Financial Analysis Work Group
Don	Williams	Community Member	Financial Analysis Work Group
Lenny	Zilz	Columbia Hospitality	

**Steering Committee members are invited to attend all work group meetings, not only their 'assigned' work group.*



PERC MARKET ANALYSIS WORK GROUP MEETING #2
DISCUSSION SUMMARY
June 17, 2021 - 5:15-7:00pm

The City of Poulsbo convened the PERC Market Analysis Work Group on June 17, 2021, for the Group's second meeting in the PERC Feasibility Study. There was a period during the meeting when group members were able to provide input and comments. Key thoughts from individuals are as follows:

- Are we building a community center for the City of Poulsbo or a regional event center? And is there an overlap of those two?
- How do we differentiate the PERC? Another pool does not differentiate us from NKHS or the YMCA. To BERK's point, is someone going to drive past five pools to come to the PERC. It needs to be different, fit a niche, that can be leveraged.
- Can the event center provide an experience that is different than someplace else? Not bigger, but different – that adds to the identity of the Poulsbo. But if we are trying to compete against Clearwater Casino for a conference Center – that has parking garage and spaces – it will be hard to outdo them. The PERC must be different because it is not going to be bigger.
- Can its proximity to the OC/WWU campus be leveraged to make it different?
- There is a lot of competition out there for several the uses being considered for the PERC. Need to consider unique and creative ways to provide amenities that there is a demand for, and a be a draw to the PERC.
- Focus on uniqueness and multi-use in different ways that would appeal to a broad range of demand.
- The facility also needs to satisfy a demand from the City's park and recreation programming, as well as an economic development perspective.
- When doing tournaments, quantity is the key. Quantity in number of fields – two fields is not going to do anything unless partner with other communities that have fields. Basketball tournaments need 4-6 courts minimum and will need to partner with other community facilities.
- Youth sports events fill hotels much greater than business meetings, so sports tournaments can help with the economic uplift component.
- One way to differentiate the PERC from the military aquatic and recreation facilities is that those are not necessarily family oriented. One way to make a valuable distinction is the PERC can be family friendly.

- Combined usage with OC/WWU is a valuable partnership with the college campus adjacent.
- An aquatic facility not only will be costly to build but expensive to maintain. This needs to be factored into the final decision.
- Lab pools serve a select group of people, and the pool model for the PERC should be what's on Bainbridge Island as a multi-use pool.
- A pool would be wonderful to have, but the PFD did a study not that long ago and the result is that cool water lap pools do not pay for itself period. A recreational pool like one on Bainbridge could possibly be programmed enough to break even.
- Is there enough room on the site as is to have a pool, fields, and event center?
- A pool with its expense to build and maintain, should not be the top priority for the facility.
- Multi-use facility that can be used for as many things as possible to serve the community in as many ways as they can dream up to use it, is the best thing that the city could build.
- Its going to be a challenge to break into the tournament market, but it can be done with the right facility. But there is no way to site 4-6 fields, and so partnerships with other community fields are key.
- The challenge is to find the right mix of uses for the PERC, as it will not be a Kitsap Conference Center or the Casino. But there is a lot that can be provided for the facility that can work and be justified in spending both the City's and KPFDD funds.
- A pool will need to be a multi-use community pool and operations of such a facility is some of the costliest recreation facilities to building and operate. Partnerships with expertise and funding would be necessary before moving ahead with any type of aquatic facility.
- Pickelball is a growing sport across the United States, you can do both indoor and outdoor, and these are small areas that are easy to maintain, with potential review. These can also be offered for tournaments.
- Pickelball is a multi-age use and is one of the fastest growing activities.
- Concerned about the potential cost and ongoing costs of an aquatic facility.
- It is apparent that the PERC cannot provide everything the community survey said is desired.

- Concern about the cost and if the community is willing to underwrite their share of the PERC – this remains to be seen.

- To have a chance at funding the PERC, we must clearly identify who we are serving? Are we serving the sports community, the tournament community, the surrounding communities? What problem are we trying to solve? A better answer to this question will help inform the direction of what would be included.
- The PERC needs to be unique and different in its design. It needs to be exciting, and exciting to the community.
- Collaboration and opportunities for OC/WWU students could be an important distinction.
- Agree that aquatic center is very very expensive and probably an unaffordable addition to the PERC.
- There is a field shortage – regardless of tournaments. It is a struggle to find field time.
- The PERC cannot be everything for everyone; and even though the community really wants an aquatic center, they community has not come to terms with how expensive it is to build and maintain.
- There is a lot of opportunities for the PERC and if a pool is not feasible, maybe a splash pad could be a compromise – although that is a not a revenue generator.
- Came into this group with a lot of interest in the performing arts but understand how we have moved away from that. A multi-use building might not have what every theater group would hope for in performance space, but it could still be something quite usable, and revenue generating.
- A multi-use building with fields that could be used as part of a tournament, could be the right mix for community needs with the need to generate revenue.

Next Steps: BERK Consulting will finish the demand analysis of the market study, and the next Steering Committee Meeting is July 15th with the architects ARC from 5:15-7:00.

Thank you for participating with the Market Analysis Work Group meeting #2.

PERC Steering Committee: Market Analysis Work Group

June 17, 2021

Jason Hennessy and Sherrie Hsu, BERK Consulting



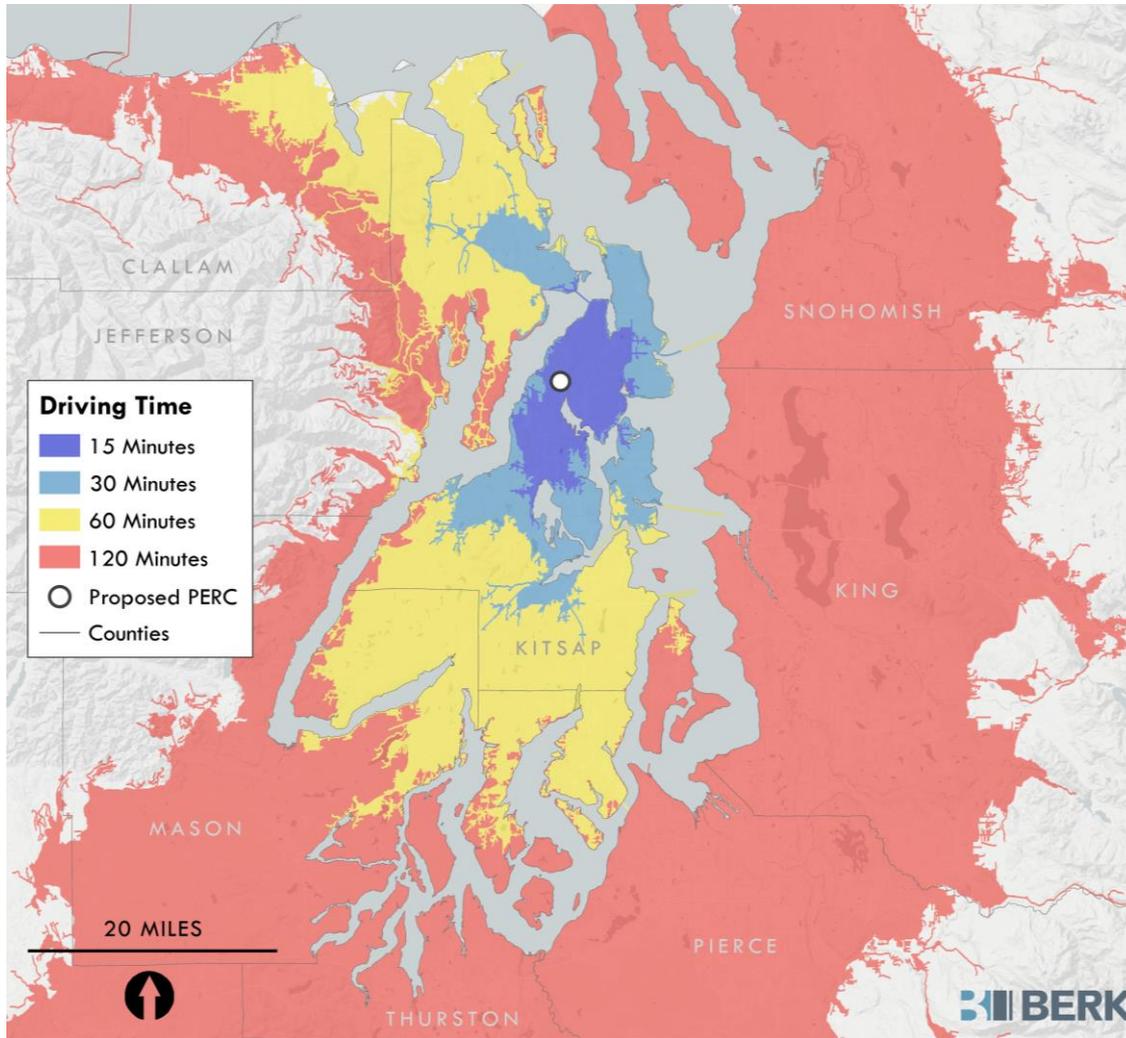
Introduction: Status and Agenda

- Market research to date:
 - Demographic information on potential markets
 - Research of national and regional recreation trends
 - Review of similar facilities in region and state, including interviews with comparable facilities
 - Interviews with potential user groups
- Today we review results from a market analysis and combine with the prior work
 - Maps with driving time areas and potential competitors
 - High-level demographic information
 - Market potential estimates for select activities

Driving Time Areas as Potential Markets

- Using the current road system, GIS can create areas based on how far an individual could be expected to drive from a starting point during typical traffic conditions
- This provides an estimate of the market based on the people who could drive to the proposed PERC
 - For example, over 200,000 people live within a 30 minute drive
- The 60 minute driving time area was adjusted to remove two areas that are within saturated markets:
 - Across the Narrow Bridge (Tacoma, Fircrest, etc.)
 - Edmonds-area

Areas Based on Driving Times to PERC



2020 Estimates	30 Minute Driving Area	60 Minute Driving Area	120 Minute Driving Area
Population	203,000	406,000	4,888,000
Population 18+	162,000	330,000	3,865,000
Population <18	41,000	77,000	1,023,000
Households	80,000	163,000	1,925,000
Median Household Income	\$78,292	\$77,667	\$86,502

Notes: Rounded to the nearest thousands; totals may not add due to rounding.

Sources: ESRI, 2021; BERK, 2021.

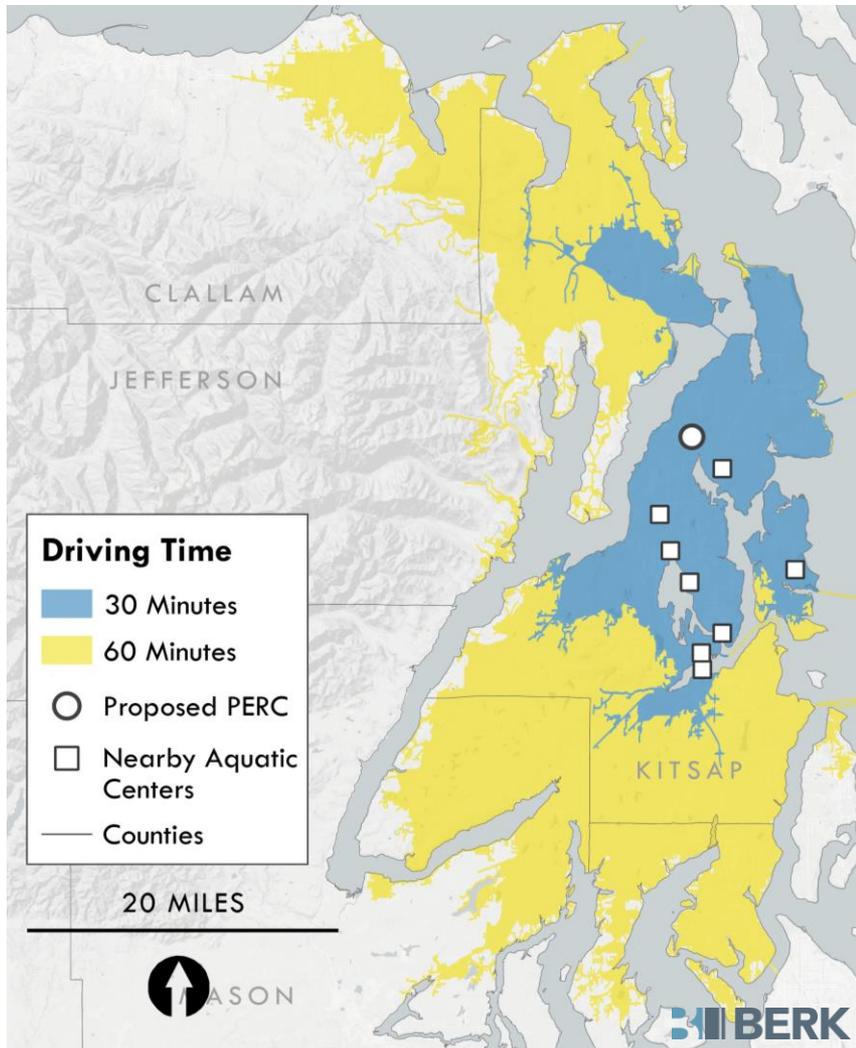
Market Estimates

- ESRI is the industry standard for GIS analysis and for creating Market Potential Indices (MPI)
- How does ESRI estimate MPI?
 - Consumer surveys, market segment data to calculate expected number of consumers, local consumption rate

For more information, please see the ESRI Technical Methodology:

https://downloads.esri.com/Support/downloads/other_/BA_10.8.1/2020_USA_ESRI_Market_Potential_Methodology.pdf

Driving Areas: Aquatic Centers



2020 Estimates	30 Minute Driving Area	60 Minute Driving Area
Population	202,911	406,487
Swam in the Last 12 Months	27,759	57,434
Swam Percent	17.1%	17.4%
Swam MPI	112	114

Sources: ESRI, 2021; BERK, 2021.

Mapped Aquatic Facilities

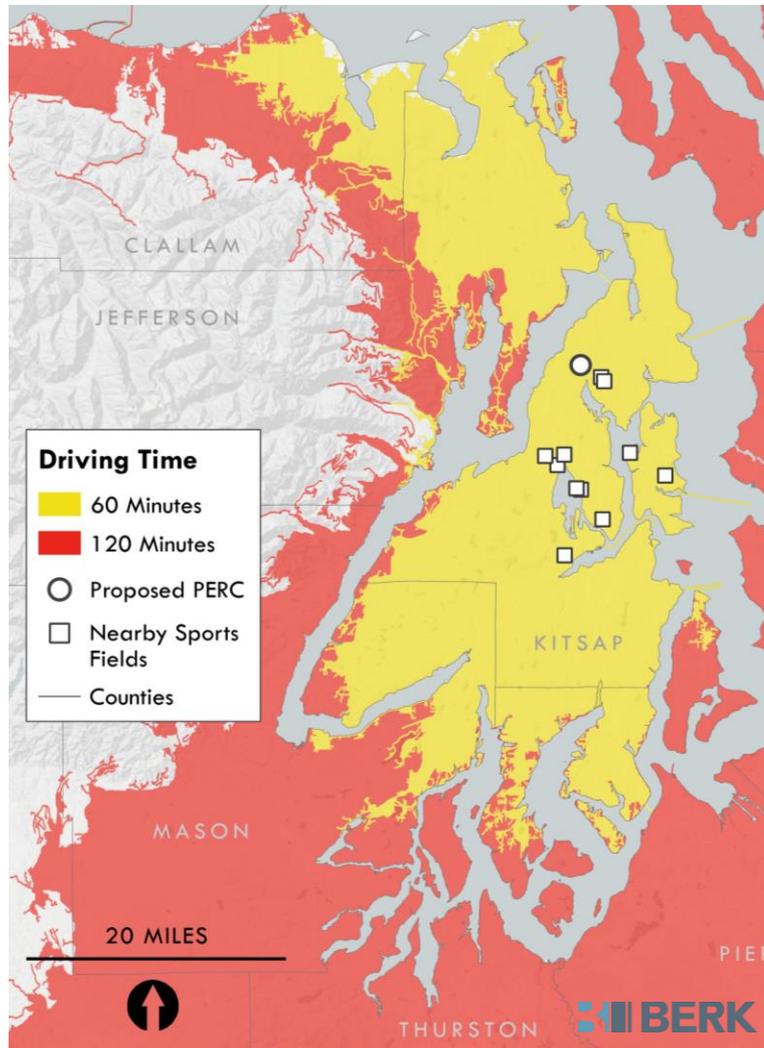
- Bangor Aquatics Center
- Puget Sound Naval Shipyard
- Olympic Swim Center
- Bainbridge Island Aquatic Center
- North Kitsap Community Pool
- Glenn Jarstad Swimming Center YMCA
- Haselwood Family YMCA
- South Kitsap Community Pool

Summary: Aquatics

Community Survey Interest (“I would like to do this activity at the PERC”)	Aquatics 83%
User Group Reported Interest/Use	<ul style="list-style-type: none"> ▪ High school team might use PERC depending on interlocal agreement between school district and PERC ▪ The Poulsbo Piranhas might use PERC 6 days/week for practices, up to 5 weekends/year for swim meets ▪ If PERC includes a free splash pad, people would use it every day

30-Minute Driving Area		60-Minute Driving Area	
Population	202,911	Population	406,487
Estimated % that have swam in the last 12 months	17.1%	Estimated % that have swam in the last 12 months	17.4%
Estimated # of people who have swam in the last 12 months	27,759	Estimated # of people who have swam in the last 12 months	57,434
MPI	112	MPI	114

Driving Areas: Tournament Sports Fields



2020 Estimates	60 Minute Driving Area	120 Minute Driving Area
Population	406,487	4,888,104
Soccer: # Last 12 months	13,165	186,354
Soccer: % Last 12 months	4.0%	4.8%
Soccer: MPI	95	115
Frisbee: # Last 12 months	12,298	161,474
Frisbee: % Last 12 months	3.7%	4.2%
Frisbee: MPI	101	113

Sources: ESRI, 2021; BERK, 2021.

Mapped Sports Field Facilities

Competitive Fields

- Strawberry Fields
- North Kitsap HS
- OlyPen Sports (Pendergast)

Other Sports Fields

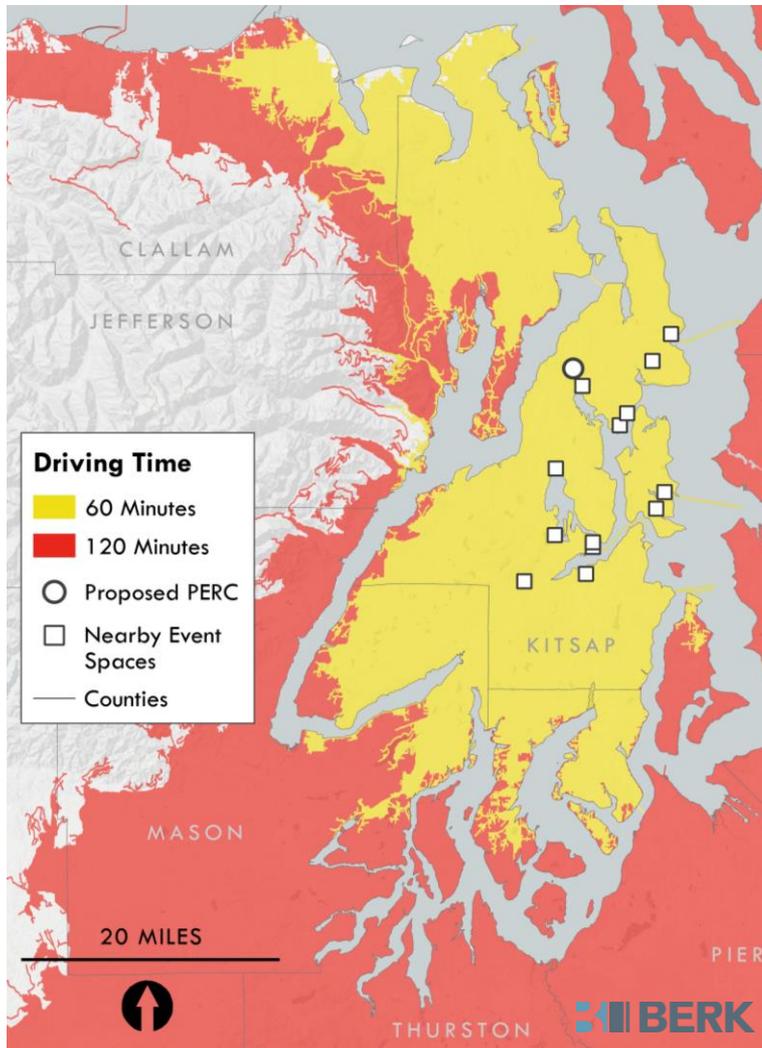
- Anderson Hill Athletic Fields
- Central Kitsap High School
- Bainbridge High School
- Gordon Fields, Bremerton
- Lobe Fields [Baseball only]
- Ostrander Field
- Ross Field
- Battle Point Park Baseball Fields

Summary: Tournament Sports Fields

Community Survey Interest (“I would like to do this activity at the PERC”)	Soccer	48%
	Ultimate Frisbee	39%
	Baseball/Softball	38%
	Football	22%
	Lacrosse	20%
	Rugby	13%
User Group Reported Interest/Use	<ul style="list-style-type: none"> ▪ Soccer team would use PERC year-round and bring in ≤100 teams for tournaments ▪ Lacrosse team might use PERC for three tournaments, use fields for camps ▪ Little League would use PERC tournaments and practices, five times/week ▪ Flag football team would use PERC for games once/week 	

60-Minute Driving Area		120-Minute Driving Area	
Population in 60-min driving area	406,487	Population in 120-min driving area	4,888,104
Estimated % that have played soccer in the last 12 months	4.0%	Estimated % that have played soccer in the last 12 months	4.8%
Estimated # of people who have played soccer in the last 12 months	131,165	Estimated # of people who have played soccer in the last 12 months	186,354
MPI (soccer)	95	MPI (soccer)	115
Estimated % that have played Frisbee in the last 12 months	12,298	Estimated % that have played Frisbee in the last 12 months	161,474
Estimated # of people who have played Frisbee in the last 12 months	3.7%	Estimated # of people who have played Frisbee in the last 12 months	4.2%
MPI (Frisbee)	101	MPI (Frisbee)	113

Driving Areas: Event Spaces



2020 Estimates	60 Minute Driving Area	120 Minute Driving Area
Population	406,000	4,888,000

Sources: ESRI, 2021; BERK, 2021.

Mapped Event Spaces	Meetings (Largest)	Weddings
Bainbridge Island Museum of Art	-	-
Baymont Inn & Suites	558	500
Best Western Silverdale	275	200
City of Bremerton Parks & Rec	65	-
Clearwater Casino Event Center	986	100
Givens Community & Senior Center	150	-
Gold Mountain Golf Course	30	175
IslandWood	175	200
Kiana Lodge	300	350
Kitsap Conference Center	700	450
Sons of Norway	300	-
Village Green	200	200
White Horse Golf Course	150	175

Summary: Event Space

Community Survey Interest (“I would like to do this activity at the PERC”)	Lecture Series	52%
	Multi-day Events	44%
	Trade Shows	38%
	Performance Venue	36%
	Company Holiday Parties	36%
	Weddings	36%
	Business Conferences	31%
	Award Ceremonies	23%
User Group Reported Interest/Use	<ul style="list-style-type: none"> ▪ Almost half of Chamber meeting attendees said they would use the PERC. Around one-third said maybe. The primary reasons not to use the PERC was if the business already has their own facility. ▪ Chamber meeting attendees indicated interest in a lounge area/reception area, dining area, auditorium, stage, and meeting spaces from all sizes. 	

60-Minute Driving Area		120-Minute Driving Area	
Population in 60-min driving area	406,000	Population in 120-min driving area	4,888,000

Market Research Summary

Component	Pros	Risks
Aquatics Center	<ul style="list-style-type: none"> • Strong community support • Potential partnerships 	<ul style="list-style-type: none"> • Saturated market • Free and/or subsidized services available to nearly 40% of the population
Tournament Sports Fields	<ul style="list-style-type: none"> • Complements existing Strawberry Fields Facility • Participating families tend to be accustomed to longer travel 	<ul style="list-style-type: none"> • Existing large facilities throughout Western Washington would be compete for regional events • Weaker demand for soccer in the 60-minute driving time area • Potential split locations could make less competitive
Event Space	<ul style="list-style-type: none"> • Flexible space leads to multiple use scenarios 	<ul style="list-style-type: none"> • Competitive landscape • Difficult to gauge niche markets

Discussion

- What questions do you have?
- What stands out to you for each of the three uses?
- What are your takeaways from market demand?