11 Market Analysis

VILLAGE OF ADDISON DEMOGRAPHIC DATA

In order to develop a park and recreation facilities comprehensive master plan for Addison Park District a market analysis that looks at the demographic realities of the Village of Addison and reviews the existing park and recreation facilities in the Addison Park District market has been undertaken. It is important to note that as this master plan evolves and specific facility locations are identified similar demographic information will be developed with prescribed service areas.

The following is a summary of the basic demographic characteristics of the Village of Addison and a comparison with basic sports participation standards as produced by the National Sporting Goods Association (NSGA) and the National Endowment of the Arts (NEA).

SERVICE AREAS

The focus of the park and recreation facilities Comprehensive Master Plan is Addison Park District and thus a service area of the Village of Addison has been identified.

As we begin to identify individual parks and facility locations there will be service areas prescribed. 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 recreation facility or its programs. Secondary service areas are usually defined by the distance people will travel on a less consistent basis (a minimum of once a month) to utilize a recreation facility or its programs. Use by individuals outside of the secondary area will be limited to special events (tournaments, swim meets, etc.) or visitors to the area.

Service areas can also vary in size with the types of components that are included in a facility. A center with an indoor pool and other active elements (weight cardiovascular equipment area, gym, track, etc.) will generally have a larger primary service area than a more passively oriented facility. Specialized facilities such as an indoor ice rink or sports field house 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 Village of Addison area. Alternative service providers can have an impact upon membership, daily admissions and the associated penetration rates for programs.

Service Area Statistics & Comparison

Population Comparison

	2000 Census	2009 Estimate	2014 Projection
Primary Service Area	35,914	37,348	37,740

Number of Households Comparison

	2000 Census	2009 Estimate	2014 Projection
Primary Service Area	11,649	12,045	12,158

Number of Families Comparison

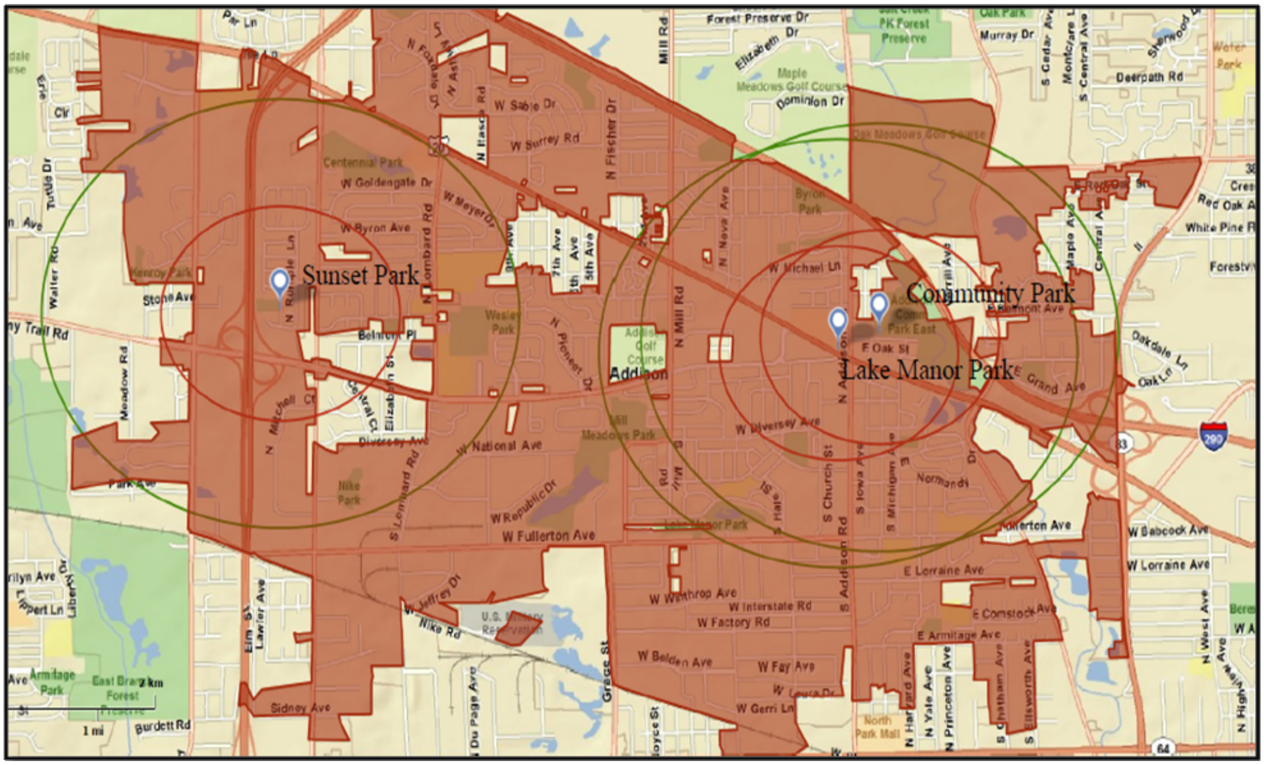
	2000 Census	2009 Estimate	2014 Projection
Primary Service Area	9,095	9,214	9,210

Average Household Size Comparison

	2000 Census	2009 Estimate	2014 Projection
Primary Service Area	3.07	3.09	3.09
United States	2.59	2.59	2.59

Source – U.S. Census Bureau and ESRI

Primary Service Area Map



Population Distribution by Age

Utilizing census information for the primary service area, the following comparisons are possible.

Table A - 2009 Primary Service Area Age Distribution
(ESRI estimates)

Ages	Population	% of Total	National Population	Difference
-5	2,885	7.7%	7.0%	0.7%
5-17	6,709	17.9%	17.4%	0.5%
18-24	3,523	9.4%	9.9%	-0.5%
25-44	11,442	30.6%	26.9%	3.7%
45-54	5,035	13.5%	14.6%	-1.1%
55-64	3,771	10.1%	11.4%	-1.3%
65-74	2,330	6.2%	6.6%	-0.4%
75+	1,652	4.4%	6.2%	-1.8%

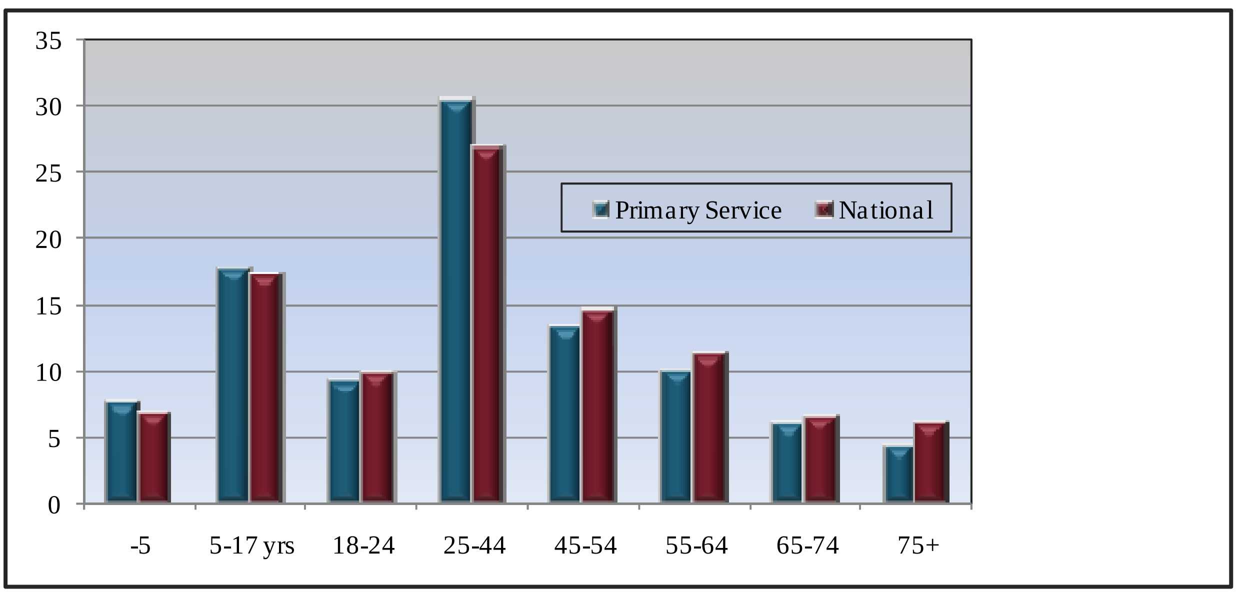
Population: 2009 census estimates in the different age groups in the service area.

% of Total: Percentage of the service area population in the age group.

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

Difference: Percentage difference between the service area population and the national population.

Chart A - 2009 Primary Service Area Age Group Distribution



The demographic makeup of the Village of Addison, when compared to the characteristics of the national population, indicates that there are some differences with a larger population in the -5, 5-17, and 25-44 age groups and a smaller population in the 18-24, 45-54, 55-64, 65-74 and 75+ age groups. The largest positive variances is in the 25-44 age group with +3.7%, while the greatest negative variance is in the 75+ age group with -1.8% These demographics point to a younger population, which is not consistent with what is being experienced on a National level.

POPULATION DISTRIBUTION COMPARISONS

Utilizing census information from the primary service area, the following comparisons are possible.

Table B – 2009 Primary Service Area Population Estimates
(U.S. Census Information and ESRI)

Ages	2000 Population	2009 Population	2014 Population	Percent Change	Percent Change National
-5	2,731	2,885	2,914	6.7%	14.4%
5-17	6,688	6,709	6,822	2.0%	4.7%
18-24	4,047	3,523	3,510	-13.3%	16.2%
25-44	11,489	11,442	11,373	-1.0%	0.6%
45-54	4,594	5,035	4,752	3.4%	16.2%
55-64	3,333	3,771	3,941	18.2%	64.3%
65-74	1,910	2,330	2,640	38.2%	41.3%
75+	1,122	1,652	1,789	59.4%	19.1%

Chart B – Primary Service Area Population Growth

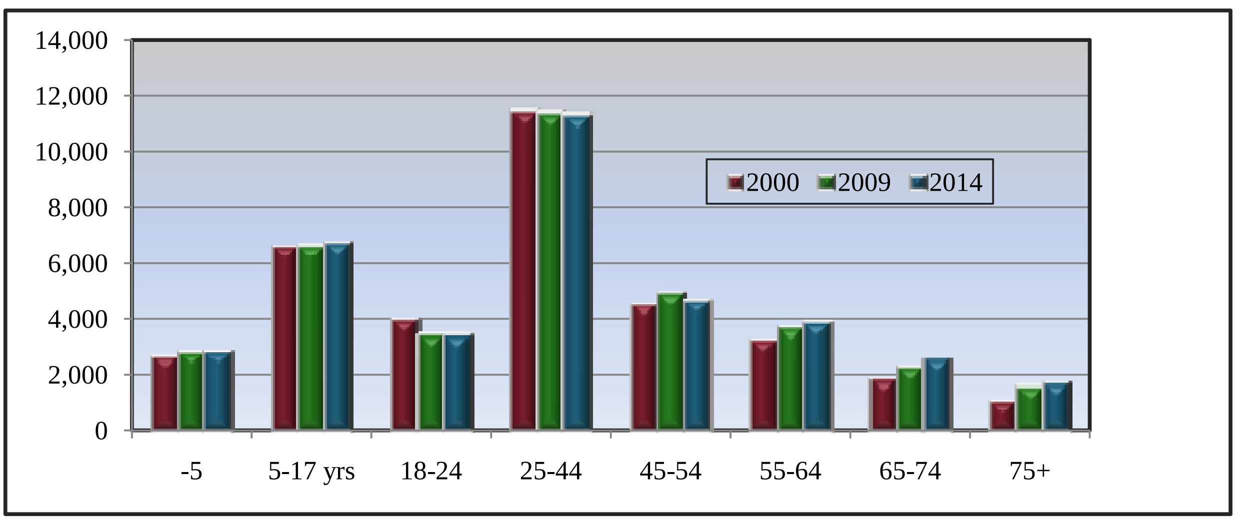


Table-B, looks at the growth or decline in age group numbers from the 2000 census until the year 2013. It is projected that all age categories, except 18-24 and 25-44, will see an increase in population. It must be remembered that the population of the United States as a whole is aging and it is not unusual to find negative growth numbers in the younger age groups and net gains nearing 45% 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 based on 2009 population estimates.

Table C - Primary Service Area Hispanic Population and Median Age
(Source – U.S. Census Bureau and ESRI)

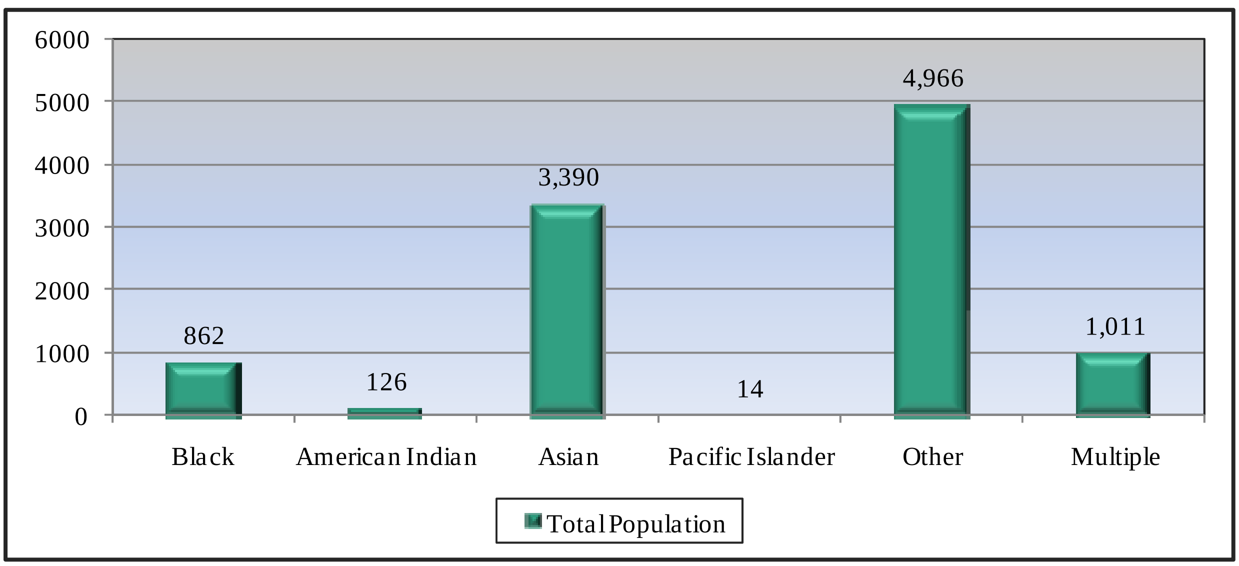
Ethnicity	Total Population	% of Population	Median Age
Hispanic	12,715	34.0%	24.9

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

Ethnicity	Total Population	% of Population	Median Age
White	26,977	72.2%	37.6
Black	862	2.3%	24.8
American Indian	126	0.3%	32.4
Asian	3,390	9.1%	33.8
Pacific Islander	14	0.04%	30.0
Other	4,966	13.3%	24.7
Multiple	1,011	2.7%	25.8

2009 Primary Service Area Total Population: 37,348 Residents

Chart C - Primary Service Area Ethnic Population

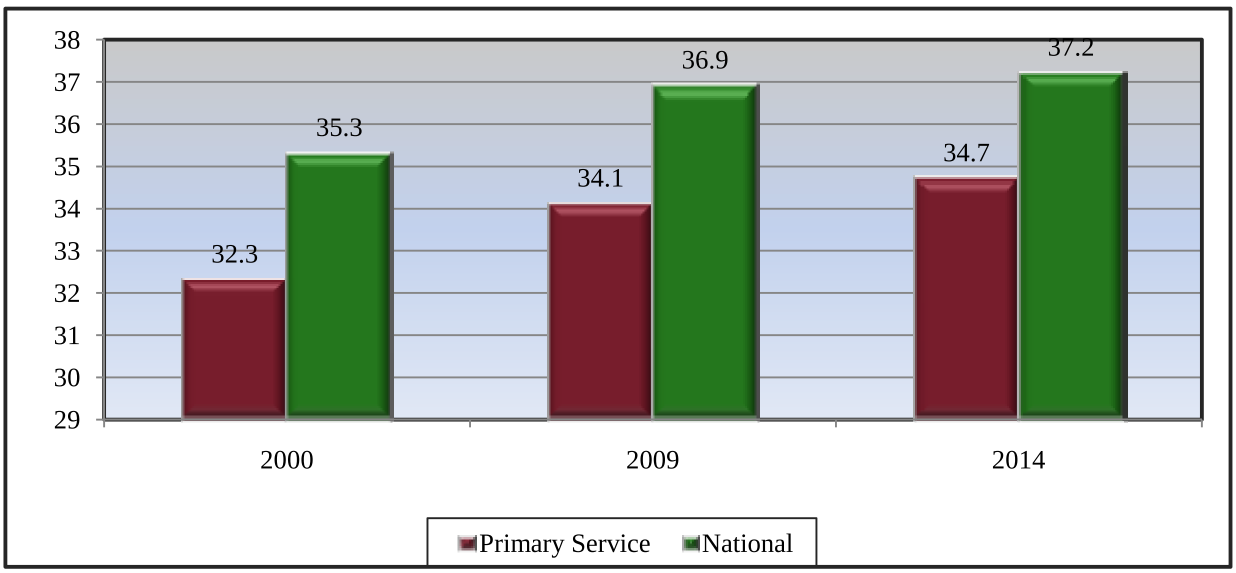


Next, the median age and household income levels are compared with the national number. Both of these factors are primary determiners of participation in recreation activities. The lower the median age, the higher the participation rates are for most activities. The level of participation also increases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

Median Age

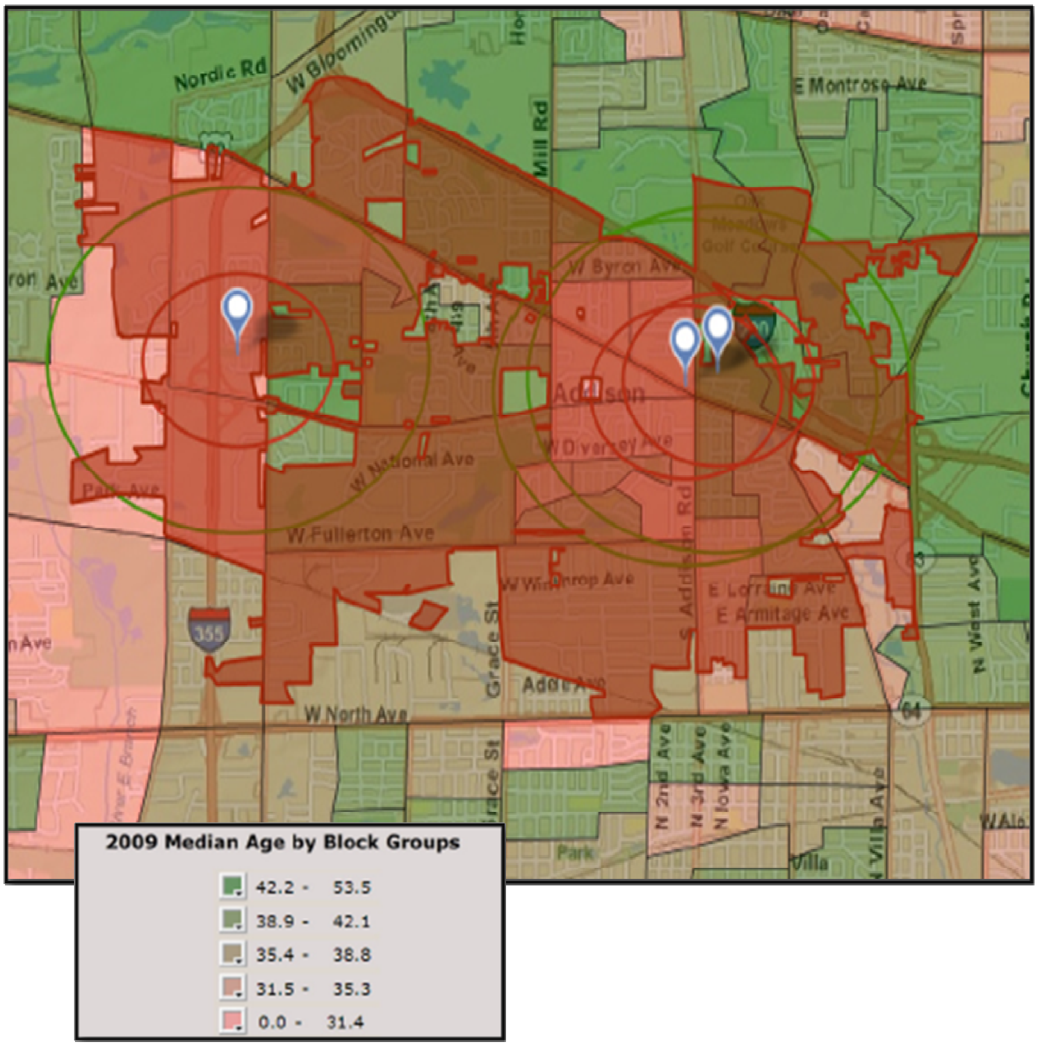
	2000 Census	2009 Estimate	2014 Projection
Primary Service Area	32.3	34.1	34.7
Nationally	35.3	36.9	37.2

Chart D - Median Age



With the median age in Village of Addison being well below the National number it indicates that there would be considerable participation in programs and facilities offered in park and recreation facilities in Addison Park District.

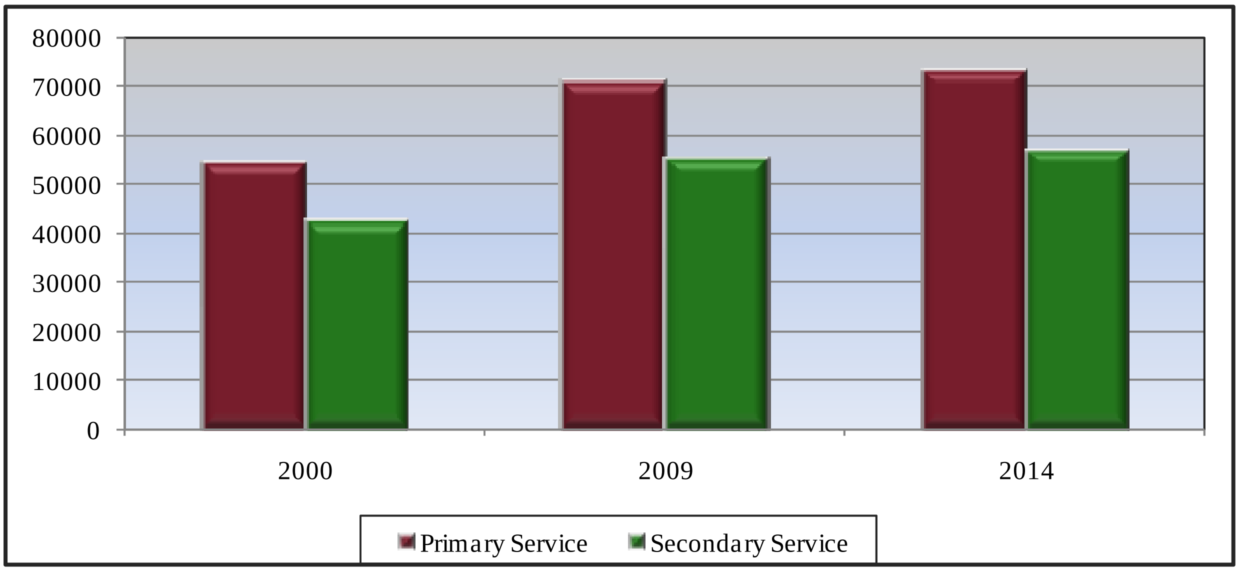
Map of Median Age by Block Group



Median Household Income

	2000 Census	2009 Estimate	2014 Projection
Primary Service Area	$53,891	$70,948	$73,310
Nationally	$42,164	$54,719	$56,938

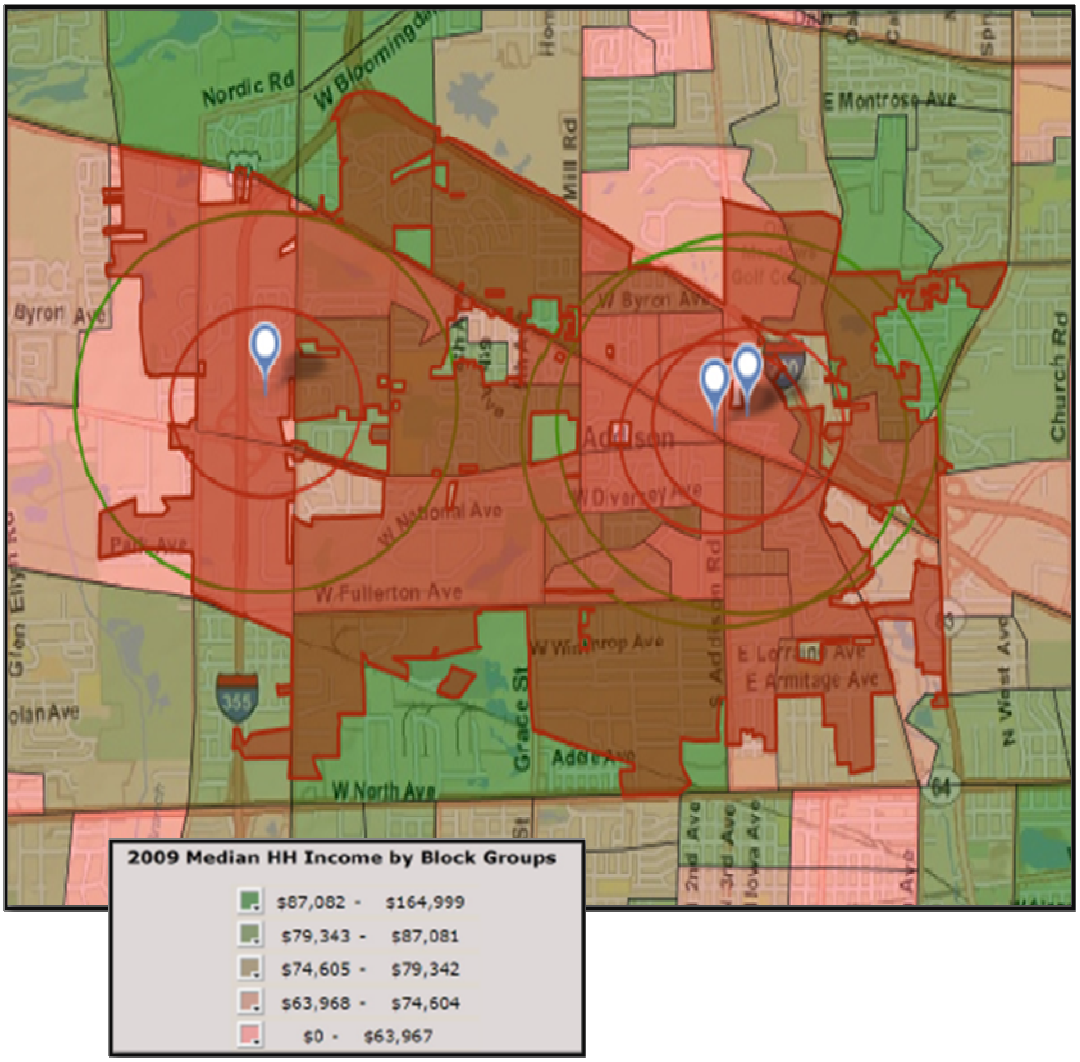
Chart E - Median Household Income



In the primary service area the percentage of households with median income over $50,000 per year is 67.0% compared to 54.6% on a national level. Furthermore, the percentage of the households in the primary service area with median income less than $25,000 per year is 11.2% compared to a level of 21.0% nationally.

These statistics indicate that there may be a higher level of discretionary income for recreational purposes, but must be tempered with the cost of living.

Map of Median Household Income by Block Group



In addition to taking a look at Median Age and Median Income, we are able to examine Household Budget Expenditures. In particular looking at housing information; shelter, utilities, fuel and public services along with entertainment & recreation we can provide a snap shot into the cost of living and spending patterns in the services areas. The table below looks at that information and compares the primary service area to the State of Illinois.

Household Budget Expenditures[1]

Primary Service Area	**SPI**	**Average Amount Spent**	**Percent**
Housing	120	$24,262.14	31.2%
Shelter	*124*	*$19,391.18*	*25.0%*
Utilities, Fuel, Public Service	*108*	*$4,870.96*	*6.3%*
Entertainment & Recreation	114	$3,688.59	4.7%

State of Illinois	**SPI**	**Average Amount Spent**	**Percent**
Housing	109	$21,979.87	30.2%
Shelter	*109*	*$17,110.38*	*23.5%*
Utilities, Fuel, Public Service	*108*	*$4,866.49*	*6.7%*
Entertainment & Recreation	109	$3,516.06	4.8%

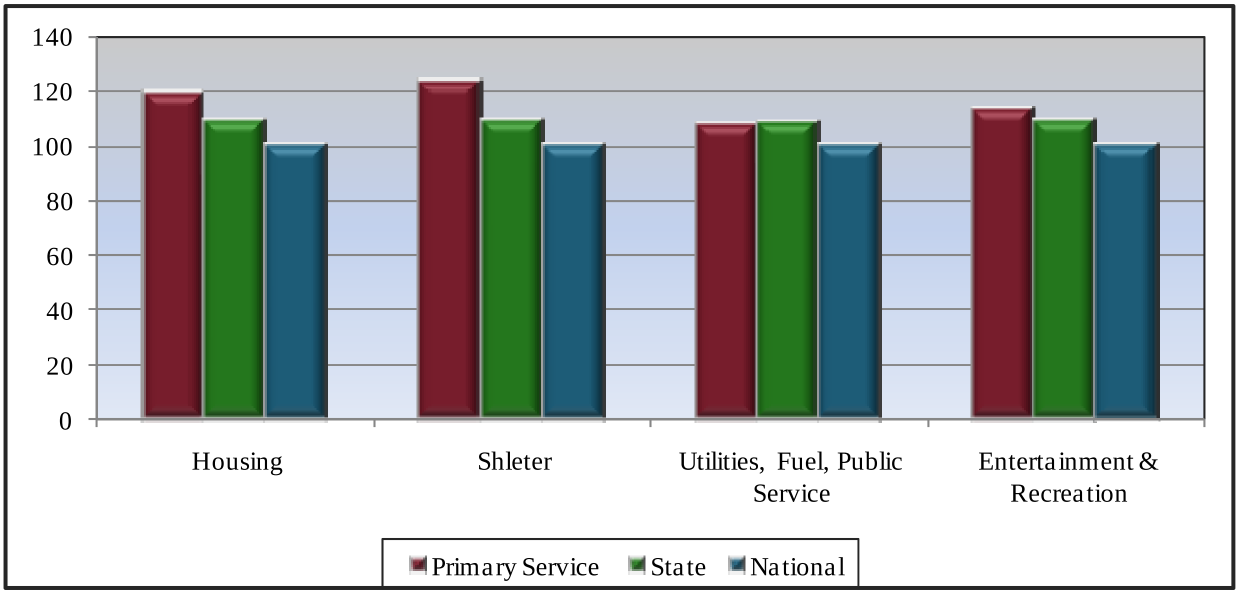
SPI: Spending Potential Index as compared to the National number of 100.

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.

[1] Consumer Spending data are derived from the 2004 and 2005 Consumer Expenditure Surveys, Bureau of Labor Statistics. ESRI forecasts for 2008 and 2013.

Chart E - Household Budget Expenditures Spending Potential Index



When you look at the Median Household Income it is above the National level, and when you examine the Household Budget Expenditures it indicates that the cost of living in the Village of Addison is greater than the State of Illinois and greater than the National Spending Potential Index (SPI) Number of 100.

Additionally, it appears that the Spending Potential Index (SPI) for Entertainment & Recreation in the Village of Addison is greater than the State of Illinois and the National Spending Potential Index of 100.

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

RECREATION EXPENDITURES SPENDING POTENTIAL INDEX

In addition to participation in recreation activities ESRI also measures recreation expenditures in a number of different areas and then indexes this against national numbers. The following comparisons are possible.

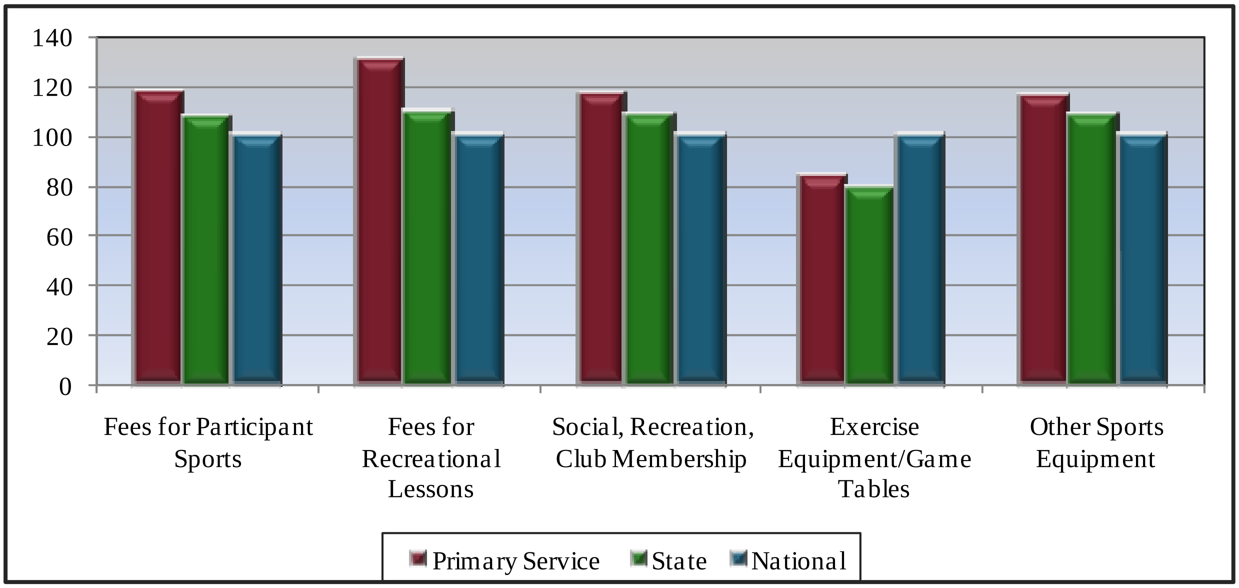
Table E – Recreation Expenditures Spending Potential Index

	Primary Service Area		State of Illinois	
	SPI	Average Spent	SPI	Average Spent
Fees for Participant Sports	119	$131.48	108	$120.13
Fees for Recreational Lessons	132	$172.02	111	$145.08
Social, Recreation, Club Membership	118	$201.56	109	$185.88
Exercise Equipment/Game Tables	84	$83.75	80	$79.66
Other Sports Equipment	117	$12.75	109	$11.96

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.

Chart F - Recreation Expenditures Spending Potential Index



The SPI index indicates that in all areas the rate of spending is significantly below the state average and the National SPI of 100. This information is very important when determining price point for activities and cost recovery philosophy.

It is also important to note that these dollars are currently being spent, so the identification of alternative service providers and the ability of facilities within Addison Park District to capture a portion of these dollars will be important.

Recreation Activities Participation

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.

Comparison With National Statistics

Utilizing information from the National Sporting Goods Association and comparing them with the demographics from the primary service area, the following participation projections can be made (statistics were compared based on age, household income, regional population and national population).

Table F - Participation Rates

Activity	Age	Income	Region	Nation	Average
Aerobic	14.1%	13.8%	12.3%	13.5%	13.4%
Baseball	5.9%	6.5%	6.1%	5.7%	6.0%
Basketball	11.5%	12.4%	11.9%	11.1%	11.7%
Exercise w/ Equipment	25.6%	24.2%	22.8%	23.5%	24.0%
Exercise Walking	36.2%	37.5%	35.8%	36.1%	36.4%
Running/Jogging	14.2%	13.1%	12.3%	13.4%	13.2%
Skateboarding	3.8%	4.1%	2.6%	3.7%	3.5%
Soccer	6.1%	5.7%	5.3%	5.8%	5.7%
Softball	5.1%	5.1%	19.9%	4.8%	8.7%
Swimming	24.4%	26.3%	21.7%	23.7%	24.0%
Tennis	4.9%	5.1%	4.2%	4.7%	4.7%
Volleyball	4.7%	4.2%	6.6%	4.5%	5.0%
Weight Lifting	14.8%	13.8%	13.6%	14.0%	14.0%
Workout @ Clubs	15.2%	17.8%	13.3%	14.7%	15.3%

Age (median): Participation based on individuals ages 7 & Up of the primary service area.
Income: Participation based on the 2009 estimated median household income in the primary service area.
Region: Participation based on regional statistics (East North Central).
National: Participation based on national statistics.
Average: Average of the four columns.

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 2008 survey, the following comparisons are possible.

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

	Primary Service Participation	National Participation	African American Participation	Hispanic Participation
Aerobic	13.4%	13.5%	14.4%	11.4%
Baseball	6.0%	5.7%	7.7%	6.3%
Basketball	11.7%	11.1%	22.4%	13.3%
Exercise w/ Equipment	24.0%	23.5%	19.9%	18.7%
Exercise Walking	36.4%	36.1%	36.0%	29.5%
Running/Jogging	13.2%	13.4%	19.8%	12.7%
Skateboarding	3.5%	3.7%	2.9%	4.6%
Soccer	5.7%	5.8%	3.8%	6.7%
Softball	8.7%	4.8%	4.8%	3.3%
Swimming	24.0%	23.7%	12.9%	22.2%
Tennis	4.7%	4.7%	4.1%	3.3%
Volleyball	5.0%	4.5%	5.7%	3.7%
Weight Lifting	14.0%	14.0%	13.7%	11.6%
Workout @ Clubs	15.3%	14.7%	13.0%	9.8%

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 a significant Hispanic population in the primary service area the overall rate of participation may be affected.

ANTICIPATED PARTICIPATION NUMBERS BY ACTIVITY

Utilizing the average percentage from Table- E above plus the 2000 census information and census estimates for 2009 and 2014 (over age 7) the following comparisons can be made.

Table H – Participation Rates

Activity	Village of Addison Average	Village of Addison Participation
Aerobic	13.4%	5,014
Baseball	6.0%	2,258
Basketball	11.7%	4,383
Exercise w/ Equipment	24.0%	8,972
Exercise Walking	36.4%	13,594
Running/Jogging	13.2%	4,948
Skateboarding	3.5%	1,322
Soccer	5.7%	2,136
Softball	8.7%	3,258
Swimming	24.0%	8,975
Tennis	4.7%	1,763
Volleyball	5.0%	1,865
Weight Lifting	14.0%	5,243
Workout @ Clubs	15.3%	5,696

Note: The estimated participation numbers indicated above are for each of the sports listed and do not necessarily translate into expected attendance figures at any one particular facility in Addison Park District since many participants utilize other facilities for these activities and may participate in more than one activity at a time. However, these figures do indicate the total number of people participating in various activities within the Village of Addison.

SUMMARY OF SPORTS PARTICIPATION

The following chart summarizes participation in various sports and leisure activities utilizing information from the 2008 National Sporting Goods Association survey.

Table I – Sports Participation Summary

Sport	Nat'l Rank[2]	Nat'l Participation (in millions)	Primary Service Rank	Primary Service Area % Participation
Exercise Walking	1	96.6	1	36.4%
Swimming	2	63.5	2	24.0%
Exercising w/ Equipment	3	63.0	2	24.0%
Work-Out at Club	8	39.3	4	15.3%
Weight Lifting	10	37.5	5	14.0%
Aerobic Exercising	11	36.2	6	13.4%
Running/Jogging	12	35.9	7	13.2%
Basketball	14	29.7	8	11.7%
Soccer	20	15.5	11	5.7%
Baseball	21	15.2	10	6.0%
Softball	23	12.8	9	8.7%
Tennis	24	12.6	13	4.7%
Volleyball	25	12.2	12	5.0%
Skateboarding	30	9.8	14	3.5%

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-E.

Primary Service Rank: The rank of the activity within the primary service area.

[2] This rank is based upon the 41 activities reported on by NSGA in their 2008 survey instrument.

Comparison of State Statistics with National Statistics
Utilizing information from the National Sporting Goods Association, the following charts illustrate the participation numbers in selected sports in the State of Illinois.

Illinois participation numbers in selected indoor and outdoor sports
As reported by the National Sporting Goods Association in 2008.

Table J - Illinois Participation Rates

Sport	Illinois Participation (in thousands)	Age Group	Largest Number
Exercise Walking	4,004	45-54	45-54
Swimming	2,054	7-11	35-44
Exercising w/ Equipment	2,509	25-34	25-34
Work-Out at Club	1,911	25-34	25-34
Weight Lifting	1,419	25-34	25-34
Aerobic Exercising	1,524	18-24	25-34
Running/Jogging	1,172	25-34	25-34
Basketball	1,107	12-17	12-17
Soccer	389	7-11	7-11
Baseball	601	7-11	7-11
Softball	531	7-11	25-34
Tennis	372	12-17	12-17
Volleyball	625	12-17	12-17
Skateboarding	188	12-17	25-34

Illinois Participation: The number of people (in thousands) in Illinois who participated more than once in the activity in 2008 and are at least 7 years of age.

Age Group: The age group in which the sport is most popular or in other words, where the highest percentage of the age group participates in the activity. (Example: The highest percent of an age group that participates in exercise walking is 55-64.) **This is a national statistic.**

Largest Number: The age group with the highest number of participants. Example: The greatest number of exercise walkers is in the 45-54 age group. (Note: This statistic is driven more by the sheer number of people in the age group than by the popularity of the sport in the age span.) **This is a national statistic.**

Illinois sport percentage of participation compared with the population percentage of the United States
Illinois's population represents 4.2% of the population of the United States (based on 2009 estimates from ESRI).

Table K – Illinois Participation Correlation

Sport	Participation Percentages
Volleyball	5.1%
Work-Out at Club	4.9%
Aerobic Exercising	4.2%
Exercise Walking	4.1%
Softball	4.1%
Exercising w/ Equipment	4.0%
Baseball	4.0%
Weight Lifting	3.8%
Basketball	3.7%
Running/Jogging	3.3%
Swimming	3.2%
Tennis	2.9%
Soccer	2.5%
Skateboarding	1.9%

Note: Sports participation percentages refer to the total percent of the national population that participates in a sport that comes from the State of Illinois. It is significant that in 3 activities the percentage of participation equals or exceeds the percentage of the National population. This indicates a relatively high rate of participation in the selected activities.

Non-Sport Participation Statistics

It is recognized that most community recreation centers are more than just sports oriented facilities. Participation in a wide variety of passive activities and cultural pursuits is common and essential to a well-rounded center. This information is useful in determining some of the program participation and revenue in the operations section of the report.

While there is not an abundance of information available for participation in these types of activities as compared to sport activities, there are statistics that can be utilized to help determine the market for cultural arts activities and events.

> There are many ways to measure a nation's cultural vitality. One way is to chart the public's involvement with arts events and other activities over time. The NEA's Survey of Public Participation in the Arts remains the largest periodic study of arts participation in the United States, and it is conducted in partnership with the U.S. Census Bureau. The large number of survey respondents – similar in make-up to the total U.S. adult population – permits a statistical snapshot of American's engagement with the arts by frequency and activity type. The survey has taken place five times since 1982, allowing researchers to compare the trends not only for the total adult population, but also for demographic subgroups.[3]

[3] National Endowment for the Arts, *Arts Participation 2008 Highlights from a National Survey.*

Table L – Percentage of U.S. Adult Population Attending Arts Performances: 1982-2008

					Rate of Change	
	1982	1992	2002	2008	2002-2008	1982-2008
Jazz	9.6%	10.6%	10.8%	7.8%	-28%	-19%
Classical Music	13.0%	12.5%	11.6%	9.3%	-20%	-29%
Opera	3.0%	3.3%	3.2%	2.1%	-34%	-30%
Musical Plays	18.6%	17.4%	17.1%	16.7%	-2%	-10%
Non-Musical Plays	11.9%	13.5%	12.3%	9.4%	-24%	-21%
Ballet	4.2%	4.7%	3.9%	2.9%	-26%	-31%

Smaller percentages of adults attended performing arts events than in previous years.

- Opera and jazz participation significantly decreased for the first time, with attendance rates falling below what they were in 1982.
- Classical music attendance continued to decline – at a 29% rate since 1982 – with the steepest drop occurring from 2002 to 2008
- Only musical play saw no statistically significant change in attendance since 2002.

Table M – Percentage of U.S. Adult Population Attending Art Museums, Parks and Festivals: 1982-2008

					Rate of Change	
	1982	1992	2002	2008	2002-2008	1982-2008
Art Museums/Galleries	22.1%	26.7%	26.5%	22.7%	-14%	+3%
Parks/Historical Buildings	37.0%	34.5%	31.6%	24.9%	-21%	-33%
Craft/Visual Arts Festivals	39.0%	40.7%	33.4%	24.5%	-27%	-37%

Attendance for the most popular types of arts events – such as museums and craft fairs – also declined.

- After topping 26% in 1992 and 2002, the art museum attendance rate slipped to 23 percent in 2008 – comparable to the 1982 level.
- The proportion of the U.S. adults touring parks or historical buildings has diminished by one-third since 1982.

Table N – Median age of Arts Attendees: 1982-2008

					Rate of Change	
	1982	1992	2002	2008	2002-2008	1982-2008
U.S. Adults, Average	39	41	43	45	+2	+6
Jazz	29	37	43	46	+4	+17
Classical Music	40	44	47	49	+2	+9
Opera	43	44	47	48	+1	+5
Musicals	39	42	44	45	+1	+6
Non-Musical Plays	39	42	44	47	+3	+8
Ballet	37	40	44	46	+2	+9
Art Museums	36	39	44	43	-1	+7

Long-term trends suggest fundamental shifts in the relationship between age and arts attendance.

- Performing arts attendees are increasingly older than the average U.S. adult.
- Jazz concert-goers are no longer the youngest group of arts participants.
- Since 1982, young adult (18-24 year old) attendance rates have declined significantly for jazz, classical music, ballet, and non-musical plays.
- From 2002 to 2008, however, 45-54 year olds – historically a large component of arts audiences – showed the steepest declines in attendance for most arts events.

Table O – Percentage of U.S. Adult Population Performing or Creating Art: 1992-2008

				Rate of Change	
	1992	**2002**	**2008**	**2002-2008**	**1982-2008**
Performing:					
Jazz	1.7%	1.3%	1.3%	0.0%	-0.4%
Classical Music	4.2%	1.8%	3.0%	+1.2%	-1.2%
Opera	1.1%	0.7%	0.4%	-0.3%	-0.7%
Choir/Chorus	6.3%	4.8%	5.2%	+0.4%	-1.1%
Musical Plays	3.8%	2.4%	0.9%	-1.5%	-2.9%
Non-Musical Plays	1.6%	1.4%	0.8%	-0.6%	-0.8%
Dance	8.1%	4.3%	2.1%	-2.2%	-6.0%
Making:					
Painting/Drawing	9.6%	8.6%	9.0%	+0.4%	-0.6%
Pottery/Ceramics	8.4%	6.9%	6.0%	-0.9%	-2.4%
Weaving/Sewing	24.8%	16.0%	13.1%	-2.9%	-11.7%
Photography	11.6%	11.5%	14.7%	+3.2%	+3.1%
Creative Writing	7.4%	7.0%	6.9%	-0.1%	-0.5%

Adults generally are creating or performing at lower rates – despite opportunities for displaying their work line.

- Only photography increased from 1992 to 2008 – reflecting, perhaps, greater access through digital media.
- The proportion of U.S. adults doing creative writing has hovered around 7.0 percent.
- The rate of classical music performance slipped from 1992 to 2002 then grew over the next six years.
- The adult participation rate for weaving or sewing was almost twice as great in 1992 as in 2008. Yet this activity remains one of the most popular forms of art creation.

Table P - Percentage of U.S. Adult Population Viewing or Listening to Art Broadcasts or Recordings, 2008 (online media included)

	Percentage	Millions of Adults
Jazz	14.2%	31.9
Classical Music	17.8%	40.0
Latin or Salsa Music	14.9%	33.5
Opera	4.9%	11.0
Musical Plays	7.9%	17.8
Non-Musical Plays	6.8%	15.3
Dance	8.0%	18.0
Programs about the visual arts	15.0%	33.7
Programs about books/writers	15.0%	33.7

As in previous years, more Americans view or listen to broadcasts and recordings of arts events than attend them live.

- The sole exception is live theater, which still attracts more adults than broadcasts or recordings of plays or musicals (online media included).
- Classical music broadcasts or recordings attract the greatest number of adult listeners, followed by Latin or salsa music.
- 33.7 million Americans listened to or watched programs or recordings about books.

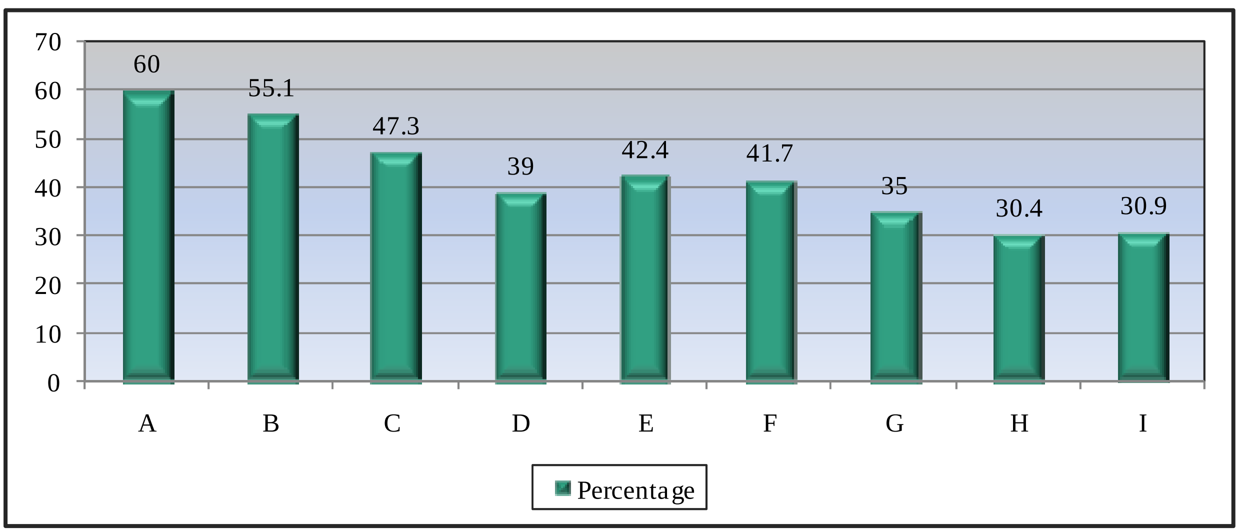
In an attempt to develop a more direct comparison between the rates of participation in various leisure activities, the NEA survey ranked the following activities

Table Q - Rate of Participation in Leisure Activities in 2002

Chart G Correlation	Activity	Percentage
A	Went to Movies	60.0%
B	Exercised	55.1%
C	Gardening	47.3%
D	Arts Activity	39.0%
E	Home Improvements	42.4%
F	Theme Park	41.7%
G	Attended Sports Events	35.0%
H	Played Sports	30.4%
I	Camped/Hiked/Canoed	30.9%

Percentage: The rate of participation in the activity (at least once) nationally in 2002.

Chart G - Graphic Illustration of Activities in Table U



In relationship to sports participation and other leisure activities, participation in cultural arts is very high. One Element not included in this table that does impact leisure activities is watching television. *The Survey of Public Participation in the Arts* conducted in 2002 reports that adults spend an average of 2.9 hours per day watching television.

RECREATION ACTIVITY AND FACILITY TRENDS

There continues to be very strong growth in the number of people participating in recreation and leisure activities. It is estimated that one in five Americans over the age of six participates in some form of fitness related activity at least once a week. American Sports Data, Inc. reported that membership in U.S. health clubs has increased by 76.1% between 1987 and 1999, and memberships in health clubs reached an all time high of 32.8 million in 2000. The greatest increase in membership has occurred in the over 55 age group, followed by the under 18 and 35-54 age categories. Overall membership in the 35-54 age group increased while it actually decreased in the 18-34 age group. Statistics also indicate that approximately 12 out of every 100 people of the U.S. population (or 12%) belong to a health club. On the other side most public recreation centers attract between 20% and 30% of a market area (more than once) during the course of a year. All of this indicates the relative strength of a market for a community recreation facility. However despite these increases the American population as a whole continues to lead a rather sedentary life with an average of 25% of people across the country reporting that they engage in no physical activity (according to The Center for Disease Control).

One of the areas of greatest participant growth over the last 10 years is in fitness related activities such as exercise with equipment, aerobic exercise and group cycling. This is also the most volatile area of growth with specific interest areas soaring in popularity for a couple of years only to be replaced by a new activity for the coming years. Also showing particularly strong growth numbers are ice hockey and running/jogging while swimming participation remains consistently high despite recent drops in overall numbers. It is significant that many of the activities that can take place in an indoor recreation setting are ranked in the top fifteen in overall participation by the National Sporting Goods Association.

The multi-component concept of delivering recreation services continues to grow in acceptance with the idea of providing for a variety of activities and programs in a single location. This idea has proven to be financially successful by centralizing operations for operators and through increased generation of revenues from patrons able to participate in multiple and varied leisure needs under the same roof. These facilities have become identifiable centers for communities, and have promoted "family" recreation values. The keys to success revolve around the concept of intergenerational use in a quality facility that has multi-use capabilities and the versatility and flexibility to meet ever-changing leisure needs.

Aquatic Activity and Facility Trends

Without a doubt the hottest trend in aquatics 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 are able to 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. Of note is the fact that 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 aquatic's field is the development of a raised temperature therapy pool for rehabilitation programs. This has usually been done 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 are able to 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 United States Swimming, high schools, 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 placement of traditional instructional/competitive pools, with shallow depth/interactive leisure pools and warm water therapy pools in the same enclosure has been well received in the market. This idea has proven to be financially successful by centralizing pool operations for recreation services providers and through increased generation of revenues from patrons willing to pay for an aquatic experience that is new and exciting. For many centers, the indoor aquatic complex has become the focal point for the facility and has expanded markets and ultimately revenues.

Below are listed those sports activities that often take place either in a community recreation center, or in close proximity to, and the percentage of growth or decline that each has experienced nationally over the last 10 years (1998-2008).

Table R - National Activity Trend (in millions)

Sport/Activity	1998 Participation	2008 Participation	Percent Change
Skateboarding	5.8	9.8	69.0%
Weight Lifting	22.8	37.5	64.5%
Running/Jogging	22.5	35.9	59.6%
Work-Out at Club	26.5	39.3	48.3%
Aerobic Exercising	25.8	36.2	40.3%
Exercising w/ Equipment	46.1	63.0	36.7%
Exercise Walking	77.6	96.6	24.5%
Soccer	13.2	15.5	17.4%
Tennis	11.2	12.6	12.5%
Swimming	58.2	63.3	8.8%
Basketball	29.4	29.7	1.0%
Billiards/Pool	32.3	31.7	-1.9%
Baseball	15.9	15.2	-4.4%
Hockey (ice)	2.1	1.9	-9.5%
Volleyball	14.8	12.2	-17.6%
Softball	15.6	12.8	-17.9%

1998 Participation: The number of participants per year in the activity (in millions) in the United States.

2008 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 1998 to 2008.

In addition to sports participation trends the following chart shows how cultural arts participation has changed from 1992 to 2002.

Table S – Personal Participation in the Arts 1992-2002

Activity	1992 Participation	2002 Participation	Percent Change
Music			
Jazz	3.2%	2.7%	-16.0%
Classical Music	7.8%	3.7%	-53.0%
Opera	2.0%	1.4%	-30.0%
Choir/Choral	11.7%	9.8%	-16.0%
Composing Music	3.9%	4.7%	+21.0%
Plays			
Musical Plays	7.1%	4.9%	-31.0%
Non-Musical Plays	3.0%	2.9%	-3.0%
Dance			
Ballet	0.4%	0.6%	+50.0%
Other Dance	15.0%	8.6%	-43.0%
Visual Arts			
Drawing/Painting	17.8%	17.6%	-1.0%
Photography	21.6%	23.5%	+9.0%
Pottery/Jewelry	15.6%	14.1%	-10.0%
Weaving/Sewing	46.1%	32.7%	-29.0%
Literature			
Writing	13.7%	14.4%	+5.0%

1992 Participation: The number of participants per year in the activity (in millions) in the United States.

2002 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 1992 to 2002.

Due to the increasing recreational demands there has been a shortage in most communities of the following spaces:

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

As a result, many communities have attempted to include these amenities in public community recreation centers. Leisure pools (with slides and interactive water features) that appeal to younger swimmers and non-swimmers as well as families and seniors have become extremely popular and are being built in conjunction with or instead of conventional pools. Weight/cardiovascular space is also in high demand and provides a facility with the potential to generate significant revenues (along with the leisure pool). Gyms, due to their flexibility and versatility are needed for both youth and adult activities. Ice arenas, although expensive to build and operate, have the potential to have a very positive cash flow and growth in hockey has been significant in the last 10 years, but is currently showings signs of a plateau.

The success of most community recreation centers 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 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.

The ever increasing demand for programming has put a real squeeze on the number of indoor recreation facilities that are available. Recreation has historically utilized school facilities during non-school hours for its programs and services. However, the limits of using school facilities, the growth in school sports, and the lack of daytime program space has pushed communities to build separate recreation centers or partner with schools to enlarge facilities. Even with these new centers, use of school buildings has continued to be strong and has allowed for the growth in programs and services.

As more and more communities attempt to develop community recreation centers 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 Recreation Center Benchmarks

Based on market research conducted by Ballard*King and Associates at community recreation centers across the United States, the following represents the basic benchmarks.

- The majority of community recreation 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 operating expenses with revenues, they must have a service population of at least 50,000 and an aggressive 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 and are usually a topic of discussion amongst elected officials. 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 100 hours a week, with weekday hours being 6:00am to 10:00pm, Saturdays 8:00am to 8:00pm and Sundays from noon to 8:00pm. Often hours are shorter during the summer months.

Note: These statistics vary by regions of the country.