

EXECUTIVE SUMMARY

September 7, 2011

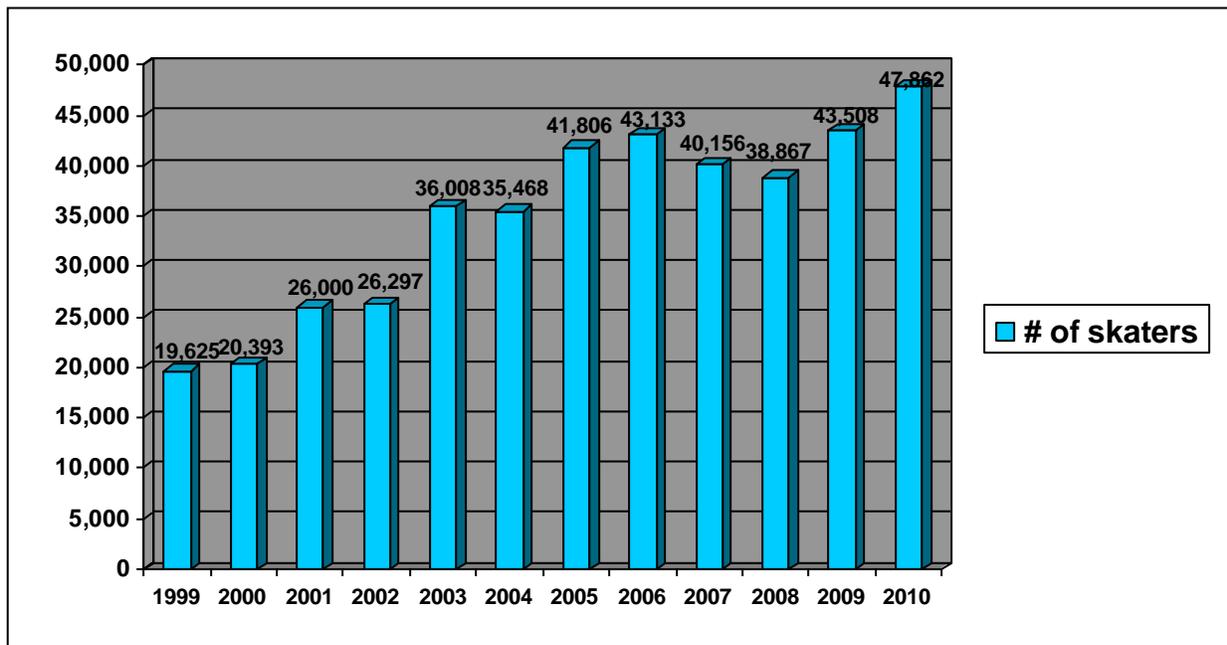
ISSUE: Consider and approve expenses related to producing The Woodlands Ice Rink

BACKGROUND:

Twelve years ago, Town Center Improvement District, now The Woodlands Township, Board of Directors approved a plan to create a holiday ice rink to attract visitors to The Woodlands Town Center for shopping and dining during the holiday season. The idea succeeded and The Ice Rink at The Woodlands Town Center™ has attracted over 419,000 paid skaters in 12 seasons. The Ice Rink celebrated its 12th Anniversary with a record breaking year with over 47,862 paid skaters. Last year’s new record topped the previous record breaking season in 2009 with 43,508 paid skaters. Part of the success from the past two seasons is due to The Ice Rink’s highly visible location, on the northeast corner of Lake Robbins Drive and Six Pines Drive.

The Woodlands Convention & Visitors Bureau’s (TWCVB) surveys, telephone calls and emails all indicate an overwhelming positive response to having The Ice Rink. Surveys from last season indicated that 76 percent of skaters came from outside of The Woodlands zip codes. Each year respondents say The Ice Rink brings them to The Woodlands during the holiday season.

HISTORICAL SKATER COUNT FOR THE ICE RINK:



BUDGET FOR THE 2011 – 2012 ICE RINK SEASON:

Income		
	Sponsorships	\$50,000
	Admissions & Rentals <i>(2010-2011 actual skater income totaled \$198,696.30. This number does not include income from parking or phone sales)</i>	\$175,000 <i>(2011 budgeted skater revenue)</i>
	Total Income	\$225,000
Expenses		
	Production of tent, restrooms, lighting, site prep and build out, equipment	\$253,500
	Refrigeration & Electrical Power <i>(estimated)</i>	\$70,000
	Advertising	\$40,000
	Signage, tickets, printing, other production items	\$45,650
	Total Costs	\$409,150
Net Cost		\$184,150

PRODUCTION EXPENSES FOR THE 2011 – 2012 ICE RINK SEASON:

Spectrum Events, a past producer for The Ice Rink, The Woodlands Winter Wonderland, International Winter On The Waterway™ (iWOW) and Lighting of The Doves™ has produced this event since 2002 with a tremendous amount of success. Spectrum Events was selected as the primary event producer for TWCVB five major holiday events for calendar year 2011 and 2012 in May of 2011 by TWCVB Board of Directors after going through a Request For Proposal (RFP) process. Production items include management of The Ice Rink, staffing, equipment and supplies, facilities, refrigeration and electrical requirements, skates, site prep and build out, theatre wall, spectator area, inventory of skates and the constant refurbishing, comfort stations including 1 ADA restroom, 16'x16' small children's rink and event contingency. The additional production items include signage, additional insurance, tickets, printing and promotional items.

TWCVB has set a goal of \$50,000 for outside sponsorships and is currently in negotiations with potential sponsors. As of August 23, the TWCVB has generated 73% of the total sponsorship goal. Advertising accounts for \$40,000 of the total budget. The total production budget for The Ice Rink is \$409,150, the same as last year. Actual production costs from Spectrum Events are not to exceed \$323,500 of the total production budget. It should be noted that Spectrum Events did not increase their production costs.

RECOMMENDED BOARD ACTION:

Recommend contracting with Spectrum Events for production costs related to The Ice Rink at a cost not to exceed \$323,500 and authorize the president of The Woodlands Convention & Visitors Bureau to execute contracts in connection therewith.

HISTORY OF THE ICE RINK:

- August 18, 2000 – Operations/Finance Committee recommended utilizing The Ice of Texas to produce an ice rink to the Board of Directors for costs not to exceed \$300,000 in the 2000-2001 budget year, not to exceed \$270,000 for the 2001-02 season.
- August 30, 2000 – TCID Board of Directors sent the proposal back to the Operations/Finance Committee for final review and approval and to include provisions for canceling the second season (2001-02), if necessary, and set benchmark revenue target of \$140,442 (in 2000-01) to continue.
- January 16, 2001 – The Ice Rink finishes the 2000-01 season with \$157,201 in revenue and The Ice of Texas costs were \$259,388.
- January 20, 2002 – The Ice Rink finishes the 2001-02 season with \$162,937 in revenues. Total costs for the rink with The Ice of Texas were \$259,375.
- September 18, 2002 – Recommend to the Ops/Finance Committee to produce The Ice Rink for a fourth consecutive season and change vendors to use Spectrum Events. Reasons for recommending a new vendor: proven in producing ice rinks, strong track record in producing special events in The Woodlands Town Center on time and on budget, better ideas for this year and a local company that participates financially in TCID supported events.
- January 20, 2003 – TCID was successful in bringing in 26,297 skaters, an all-time record in the 4-year-old event, breaking last year's mark of 26,000 skaters. The 67 day season average was 406 skaters per day, topping last year's mark of 388 per day. Net revenue for this year's Ice Rink totaled \$111,532 -- off from \$162,937 in the prior year. Sponsorships were down \$25,000. A soft economy in the third and fourth quarter had a direct impact on sponsorship success, according to the 30+ companies contacted in addition to not having a full-time person managing the sponsorship revenue program.
- August 20, 2003 – Recommend to the Ops/Finance Committee to produce The Ice Rink for a fifth consecutive season, using Spectrum Events as the producer with costs not to exceed \$260,000. New this season will be the location, moving from The Woodlands Mall to the corner of Lake Robbins Drive and Six Pines Drive. This recommendation includes increasing the skating price to \$7.50 from \$6.50 and keeping the skate rental at \$1.50. TCID's share would be \$5.75 per skater for ice time and \$0.75 for skate rental. This would mark the only increase in price since the beginning of The Ice Rink.
- September 24, 2003 – The fifth season of The Ice Rink was approved by the TCID Board of Directors and at a new location. Price for admission remained the same as the prior four years at \$6.50 for skating and \$1.50 for skate rental.
- January 19, 2004 – The fifth season of The Ice Rink at The Woodlands Town Center finished with a record number of skaters – 36,008.
- January 17, 2005 – The sixth season of The Ice Rink at The Woodlands Town Center finished with 35,468 paid skaters with 81% saying they planned to dine in Town Center restaurants and 76% of skaters said they shopped in Town Center. Sixty-eight (68%) percent of attendees were from outside of The Woodlands. Fifty-seven (57%) percent of guests had never been to The Ice

Rink before. Regular admission is \$7 for a two-hour skate time and \$2.50 for skates.

- January 15, 2006 – The seventh season of The Ice Rink at The Woodlands Town Center brought in approximately 41,806 skaters. A total of 79 percent said The Ice Rink was the reason they came to Town Center, and 40 percent had not been to The Ice Rink in previous years. The admission price for The Ice Rink was not increased from the previous year. Sponsorships were \$53,000. Net costs for the 2005-2006 Ice Rink season were \$137,640.
- January 15, 2007 – The eighth season of The Ice Rink at The Woodlands Town Center finished with 43,133 paid skaters which is an increase of 1,000+ skaters from previous year. There were 102 different zip codes represented during the 2006-2007 Ice Rink season. A total of 40 percent were first time visitors. The admission price was not increased from the previous year. Sponsorships were \$57,000. Net costs for the 2006-2007 Ice Rink season were \$117,305.
- January 17, 2008 – The ninth season of The Ice Rink at The Woodlands Town Center brought 40,156 paid skaters. There were 59 different zip codes represented during the 2007-2008 Ice Rink Season. A total of 81 percent said The Ice Rink was the reason why they came to Town Center. The admission price was not increased from previous year. Sponsorships were \$47,000. Net costs for the 2007-2008 Ice Rink season were \$153,576.
- January 19, 2009 – The tenth season of The Ice Rink at The Woodlands Town Center brought 38,867 paid skaters. There were 582 different zip codes represented during the 2008-2009 Ice Rink Season. A total of 78 percent said the Ice Rink was the reason why they came to Town Center. The admission price was not increased from previous year. Sponsorships were \$50,500. Net costs for the 2008-2009 Ice Rink season were \$188,032.07.
- January 18, 2010 – The eleventh season of The Ice Rink at The Woodlands Town Center brought a record breaking 43,508 paid skaters. There were 560 different zip codes represented during the 2009-2010 Ice Rink Season. A total of 45 percent said the Ice Rink was the reason why they came to Town Center. The admission price was increased by \$1 on weekends from previous year. Sponsorships were \$51,000. Net costs for the 2009-2010 Ice Rink season were \$129,462.38.
- January 17, 2011 – The twelfth season of The Ice Rink at The Woodlands Town Center ended with 47,862 total paid skaters. This new record breaking season beat the previous year's record high of 43,508 paid skaters. TWCVB also contracted The Chamber's Visitors Services to work the busy days at an information booth set up inside of The Ice Rink. This new program proved to be extremely beneficial as Visitors Services staff was able to collect more surveys than past years and help answer visitor questions about The Woodlands. TWCVB plans to implement the same program with Visitors Services at The Ice Rink during the 13th season. During the 12th season TWCVB staff also added new activities to The Ice Rink on slower days including a picture booth, strolling entertainers and more. A total of 55 percent said the Ice Rink was the reason why they came to Town Center. The admission price remained the same as the previous year. Sponsorships were \$47,500. Net costs for the season were \$129,462.38.