

**CAPITAL IMPROVEMENT PROGRAM**  
**City of Missoula CIP Project Request Form FY 2013-2017**

<b>Program Category:</b>	<b>Project Title:</b>		<b>11 Project #</b>	<b>12 Project #</b>	<b>13 Project #</b>
Parks, Recreation and Open Space	Concession Truck with Grill				

**Description and justification of project and funding sources:**

FY 13 - Concession Truck Operating at Splash will generate approximately \$38,000 of additional net revenue through sales of grilled items such as hamburgers and chicken sandwiches, thus effectively doubling current concessions net revenue. Minimal cost to transport off site to vend at other events to produce additional revenue allowing increased revenue through shoulder months.  
 The first consideration was to install a grill at the existing kitchen space @ Splash, but due to lack of space and cost to install grease traps (would require excavation) this option was not cost effective. The option to purchase a food truck that would work a separate service area would provide 4 year payback if stand-alone or two year payback when considered as part of entire concessions operation.

<b>Is this equipment prioritized on an equipment replacement schedule?</b>	<b>Yes</b>	<b>No</b>	<b>NA</b>
		x	

**Are there any site requirements:**

**How is this project going to be funded:**

<b>REVENUE</b>	<b>Funding Source</b>	<b>Accounting Code</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>Funded in Prior Years</b>
	Aquatics	5711	105,000					
			105,000	-	-	-	-	-

**How is this project going to be spent:**

<b>EXPENSE</b>	<b>Budgeted Funds</b>	<b>Accounting Code</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>Spent in Prior Years</b>
	A. Land Cost B. Construction Cost C. Contingencies (10% of B) D. Design & Engineering (15% of B) E. Percent for Art (1% of B) F. Equipment Costs G. Other			105,000				
			105,000	-	-	-	-	-

**Does this project have any additional impact on the operating budget:**

<b>OPERATING BUDGET COSTS</b>	<b>Expense Object</b>	<b>Accounting Code</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>Spent in Prior Years</b>
	Personnel Supplies Purchased Services Fixed Charges Capital Outlay Debt Service			2,000	2,000	2,000	2,000	2,000
			2,000	2,000	2,000	2,000	2,000	-

<b>Responsible Person:</b>	<b>Responsible Department:</b>	<b>Date Submitted to Finance</b>	<b>Today's Date and Time</b>	<b>Preparer's Initials</b>	<b>Total Score</b>
			4/20/2012 14:17		46

## CAPITAL IMPROVEMENT PROGRAM

### Project Rating

(See C.I.P. Instructions For Explanation of Criteria)

Program Category:	Project Title:				10 Project #
Parks, Recreation and Open Space	Concession Truck with Grill				
Qualitative Analysis		Yes	No	Comments	
1. Is the project necessary to meet federal, state, or local legal requirements? This criterion includes projects mandated by Court Order to meet requirements of law or other requirements. Of special concern is that the project be accessible to the handicapped.		<input type="checkbox"/>	<input checked="" type="checkbox"/>		
2. Is the project necessary to fulfill a contractual requirement? This criterion includes Federal or State grants which require local participation. Indicate the Grant name and number in the comment column.		<input type="checkbox"/>	<input checked="" type="checkbox"/>		
3. Is this project urgently required? Will delay result in curtailment of an essential service? This statement should be checked "Yes" only if an emergency is clearly indicated; otherwise, answer "No". If "Yes", be sure to give full justification.		<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4. Does the project provide for and/or improve public health and/or public safety? This criterion should be answered "No" unless public health and/or safety can be shown to be an urgent or critical factor.		<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Quantitative Analysis	Raw Score Range	Comments		Weight	Total Score
5. Does the project result in maximum benefit to the community from the investment dollar?	(0-3) 3	The net increase of concessions revenue at Splash Montana would nearly double from \$39,000 to \$72,000 per year. This increase in net revenue would see a quick payback (2 to 3 years) and would aid the Aquatics enterprise fund to generate funds for capital and maintenance projects.		5	15
6. Does the project require speedy implementation in order to assure its maximum effectiveness?	(0-3) 2	Splash Montana attendance has continued to grow each year, weather permitting. The sooner the project is implemented, the sooner we can begin payback. As the facility ages, the attractions age and may decrease the facility's draw of patrons, so payback may be affected by implementing in late years.		4	8
7. Does the project conserve energy, cultural or natural resources, or reduce pollution?	(0-3) 1	Providing a grill within the confines of the facility will give patrons greater choice when selecting food purchase items. This may reduce the need to leave the facility and drive to another facility to obtain that desired hamburger and fries, Patrons may be more likely to eat where they recreate.		3	3
8. Does the project improve or expand upon essential City services where such services are recognized and accepted as being necessary and effective?	(0-2) 2	This project will expand the concessions services provided to the patrons of the Splash Montana water park. These services are necessary for funding the operations of the Aquatics facilities, including Splash Montana and Currents Water Park with minimal draw from the General Fund.		4	8
9. Does the project specifically relate to the City's strategic planning priorities or other plans?	(0-3) 3	Information from the ProForma indicates concessions are the number one revenue generator for Splash. Also per strategic goals, a sustainable operating budget is necessary for increasing the fund balance for capital improvements which increase revenue.		4	12
Total Score					46

**Concessions Grill/Van Payback Plan**

<b>Purchase Expense</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>
Van - Purchase	(\$46,430.00)			
Van - Maintenance est	(\$3,000.00)	(\$3,000.00)	(\$3,000.00)	(\$3,000.00)
Van - Gas/Propane/Etc...	(\$2,000.00)	(\$2,000.00)	(\$2,000.00)	(\$2,000.00)
Equipment - Purchase	(\$58,570.00)			
Carry over from prev year	\$0.00	(\$32,517.50)		
<b>Purchase Expense Total by year</b>	<b>(\$110,000.00)</b>	<b>(\$37,517.50)</b>	<b>(\$5,000.00)</b>	<b>(\$5,000.00)</b>

<b>Grill Revenue</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>
Expected Gross Revenue Increase as a result of grill at Splash - Based on facility comparison - \$20K for possible weather related shortened season	\$140,000.00	\$140,000.00	\$140,000.00	\$140,000.00
Cost of Goods (35% historically)	(\$49,000.00)	(\$49,000.00)	(\$49,000.00)	(\$49,000.00)
Labor (28% historically)	(\$39,200.00)	(\$39,200.00)	(\$39,200.00)	(\$39,200.00)
Overhead Costs (Utilities, Start up, Misc...) @ 10%	(\$14,000.00)	(\$14,000.00)	(\$14,000.00)	(\$14,000.00)
Grill related Net Revenue	\$37,800.00	\$37,800.00	\$37,800.00	\$37,800.00
Net Grill Revenue after expense of truck	(\$72,200.00)	\$282.50	\$32,800.00	\$32,800.00

<b>Existing Café Revenue</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>
Summer 2011 Gross Revenue at Café	185,000.00			
%15 decrease due to Grill	(27,750.00)			
Adjusted Gross Revenue (due to grill)	157,250.00	157,250.00	157,250.00	157,250.00
Cost of Goods (35%)	(55,037.50)	(55,037.50)	(55,037.50)	(55,037.50)
Labor (28%)	(44,030.00)	(44,030.00)	(44,030.00)	(44,030.00)
Overhead Costs @10%	(18,500.00)	(18,500.00)	(18,500.00)	(18,500.00)
Net Revenue at Existing Café	39,682.50	39,682.50	39,682.50	39,682.50
Remaining owed from Purchase	(\$72,200.00)			
Net Revenue total Concessions	(\$32,517.50)	\$39,965.00	\$72,482.50	\$72,482.50

Grill Revenue Expectations achieved as a result of a report provided by Profitable Foods, Inc. based on 5 other Water Parks of varying sizes (2 are very similar to Splash Montana).

<b>Park Name</b>	<b>Attendance</b>	<b>Gross Revenue Before</b>	<b>Gross Revenue After</b>	<b>Gross Revenue Increase attributed to Grill</b>
Seven Peaks Waterpark	200,000	\$400,000	\$530,000	\$130,000
Chesapeake Beach Waterpark	60,000	\$226,000	\$323,000	\$97,000
Wave Waterpark	100,000	\$160,000	\$340,000	\$180,000
Splash Waterpark	108,000	New Site	\$360,000	n/a
NRH2O	260,000	520,000	\$676,000	\$156,000
Splash Montana (for comparison)	103,500	187,000	\$327,000	\$140,000

<b>Park Name</b>	<b>COGS</b>	<b>Labor %</b>	<b>Netting</b>
Seven Peaks Waterpark	28%	18%	\$300,000
Aqua Adventure	30%	28%	\$136,000
Wave Waterpark	25%	27%	\$162,000
Splash Waterpark	21%	19%	\$200,000
NRH2O	35%	20%	\$305,000

\$40,000.00    \$85,000.00  
 \$43,200.00    \$91,800.00  
 \$76,800.00    \$163,200.00

This chart shows the Cost of Goods (COG) and labor breakdown for each of the 5 sample parks on the first year of installed grill:

Park Name	COGS	Labor %	Net
Seven Peaks Waterpark	28%	18%	\$ 300,000
Aqua Adventure	30%	28%	\$ 136,000
Wave Waterpark	25%	27%	\$ 162,000
Splash Waterpark	21%	19%	\$ 200,000
NRH2O	35%	20%	\$ 305,000

**Nutritional Plan:**

Many people utilize Splash Montana as an inexpensive and local vacation attraction. A comparison of the food that has been offered over the 5 years of operation and the items that sell points to the fact that customers make the same decisions at Splash that they would make when visiting the County Fair. Menu item sales reflect customer preferences. Lower calorie items such as fruit trays, salads, and peanut butter and jelly sandwiches did not sell well enough to make the top 20 chart.