The Skating Club of Boston

New Facility Update

October 13, 2017
NEW FACILITY UPDATE

720 University Avenue Site – Basic Information

- **Land cost**: $7.1MM
- **Lot size**: 32.1 acres, ~9.3 buildable
- **Cost per buildable acre**: $763,440
- **Distance from 1240 SFR**: 17-20 miles, depending on route
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Change in Member Travel Time: Weekday at 3PM

Dots represent member locations

Color Legend:
- 15-30 Minutes Shorter (19%)
- 10-15 Minutes Shorter (4%)
- 5-10 Minutes Shorter (2%)
- 0-5 Minutes Shorter (3%)
- No Travel Time Change (2%)
- 0-5 Minutes Longer (5%)
- 5-10 Minutes Longer (8%)
- 10-15 Minutes Longer (13%)
- 15-30 Minutes Longer (45%)

Source: VHB traffic study
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720 University Avenue Site – Surrounding Amenities

- T Commuter Rail (1.8 m) – 8 minutes to Back Bay Station
- Rt. 1 Shopping district nearby
- University Station Development (1.5 m)
  - Wegmans
  - Target
  - Marshalls
  - Nordstrom Rack
  - Lifetime Athletic
  - Banks
  - Courtyard by Marriott
  - Starbucks
  - Del Frisco’s
  - Not Your Average Joe’s
  - Smashburger
  - Panera
  - Chipotle

Note: Logos don’t necessarily reflect actual locations
## NEW FACILITY UPDATE

### The Facility: Plan to Address the Many Skater, Coaches, and Member Needs

<table>
<thead>
<tr>
<th>Physical Features</th>
<th>Social Amenities</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 170,000 square feet, three (3) rinks</td>
<td>• Club lounge</td>
</tr>
<tr>
<td>• (2) NHL size (seating for 500 and 1,000 respectively)</td>
<td>• Club museum and library</td>
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<tr>
<td>• (1) Olympic size (seating for 2,500)</td>
<td>• Coaches lounge</td>
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<tr>
<td>• Natural light</td>
<td>• Cafe and seating</td>
</tr>
<tr>
<td>• 500 parking spots</td>
<td>• Skate rentals</td>
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<tr>
<td>• Dedicated skater pick-up and drop-off area</td>
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<tr>
<td>• Expanded check-in space</td>
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<tr>
<td>• Added locker rooms</td>
<td></td>
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<tr>
<td>• Conference rooms</td>
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</tbody>
</table>

### Training Amenities

- Enlarged off-ice training space
- Dedicated off-ice dance space
- Physical therapy examination and treatment room

### Other Skater Amenities

- Professional kitchen
- Study rooms
NEW FACILITY UPDATE

Key Development Steps

1. Purchase and Sale Agreement
2. Due Diligence period
3. Entitlement period (permitting)
4. Financing
5. Construction
NEW FACILITY UPDATE

Purchase and Sale Agreement

- Agreement is with the Meditech Company
- Drafted to the satisfaction of Club management and the Building Committee
- Ready for Club Board review and approval at October 18, 2017 Board Meeting
- Lays out deadlines and terms for due diligence, permitting, deposit schedules and termination
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Due Diligence Period

- Three (3) month period of research about site begins with the signing of the purchase and sale agreement
- Critical period to determine two go/no go decision points
  - Conservation commission classification of a man-made storm water basin
  - Geotechnical report on water table/issues
- Also includes:
  - Land survey
  - Title research
  - Easement research
  - Environmental engineering studies for soil, etc.
  - Civil engineering studies for utilities, water, sewage, traffic, etc.
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Entitlement Period (Permitting)

• Nine (9) month period to work through local zoning and permitting requirements
• Club applying to town for an educational use exemption
• All environmental review for project’s impact on wetlands, nearby rivers and wildlife
• Process extended if state review also required
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Financing

• Total cost of project under active development, and pending bids on the design/build contractor

• Total cost of project likely to be $50 - $55 million, including land, site preparation, design and construction, furnishings, management, legal and financing costs

• The Club will finance this project with a mix of equity and debt
  • Equity
    • Sale of 1234 Soldiers Field Road
    • Eventual Sale of 1240 Soldiers Field Road
    • Fundraising
    • NO PLANS for a special assessment

• Amount of debt will depend on Club’s conservative financial projections
  • 2017 Audit and 2018 Budget now complete, work has begun on new financial projections for new facility
  • Club has increased financial history of its operations and programming
  • Will project likely case scenario, as well as worst-case and best-case
Construction

- Requires permitting and financing in place
- 15-18 month duration
- Opening date is in flux: September 2019 - March 2020
- Build/Design Approach: combines the design and build processes within one organization
  - Designed to save time
  - Designed to save money
  - Less back-and-forth between architect and builder
  - Less chance of cost surprises from over design, etc.
  - Slight advantage of function versus form in design decisions
  - Does not eliminate opportunity to upgrade various parts of the facility
1. **Permitting and the schedule**
   - Local and state permitting
   - 4-6 months local permitting
   - Local constituencies involved
   - Time extensions for state involvement
     - MEPA (Massachusetts Environmental Policy Act)
       - Requires added public study of a project
       - Adds considerable time to the permitting process

2. **Building costs**
   - Balancing champagne tastes and soda pop budget
   - Form and function
   - Importance of expense management
   - Time = Money

3. **Financing**
   - Can only come from three sources
     - Sale of property
     - Fundraising
     - Debt
NEW FACILITY UPDATE

Sale of 1240 Soldiers Field Road

1. **Timing**
   - Need to know land value as soon as practical
   - Boston market’s seller's boom may not last
   - Potential buyers actively circling

2. **Conditions for Sale**
   - Club does not vacate until new facility is built
   - Club terminates any sales agreement if new facility can’t be built

3. **Skating Academy classes**

4. **Options for Club ice in Boston**