6. ASTON PARK TENNIS CENTER

The Aston Park Tennis Center is a public clay court facility offering 12 lighted clay courts designed and constructed of the Har Tru Fast Dry clay court material. The Tennis Center is open from April 1st through November 30th. Along with offering hourly court rentals, the center also hosts league practices and tournaments, USTA tournaments, and summer camps. The following chapter discusses the cost recovery analysis of the Tennis Center, including per unit results and annual revenue impacts.

1. DETAILED RESULTS

The Tennis Center collects fees for a majority of the services it offers including hourly court rentals. Results are presented on a fee-by-fee basis, along with the full cost of activities and programs that take place at the Tennis Center.

(1.1) Fee Analysis

Currently the Tennis Center has fees for court rentals, annual passes, league teams, and summer camps. The following table details the current fee, total cost, and the associated surplus / deficit with each fee.

Program Title	Current Fee	Total Cost	Surplus / (Deficit)
Court Fees			
Resident	$5	$6	$(1)
Non-Resident	$7	$6	$1
Annual Passes			
Individual - Resident	$160	$665	$(505)
Individual - Non-Resident	$200	$665	$(465)
Senior - Resident	$130	$665	$(535)
Senior - Non-Resident	$170	$665	$(495)
Family - Resident	$200	$1,330	$(1,130)
Family - Non-Resident	$240	$1,330	$(1,090)
Senior Family - Resident	$160	$1,330	$(1,170)
Senior Family - Non-Resident	$200	$1,330	$(1,130)
Junior - Resident	$-	$665	$(665)
Junior - Non-Resident	$-	$665	$(665)

Program Title	Current Fee	Total Cost	Surplus / (Deficit)
League Teams			
Resident	$15	$20	$(5)
Non-Resident	$25	$20	$5
Summer Camps			
Resident	$70	$130	$(60)
Non-Resident	$90	$130	$(40)

As the table above and on the previous page shows, that for court fees, league teams, and summer camps, the per unit surplus / deficit is minimal. The average cost recovery associated with those fees on a per unit basis is 86%. However, the largest source of under-recovery for the Tennis Center is its annual passes, as the deficit varies from a low of $505 to a high of $1,130. The average cost recovery for annual passes is only 20%.

(1.2) Program Analysis

In addition to providing open play, the tennis center offers structured programs and activities such as League Play, Tournaments (USTA and other City-based Tournaments), and weekly activities (Senior Co-Ed Group & Ladies Group). The following table shows the annual cost associated with each of these programs.

Program Title	Annual Cost
League Teams	$32,831
Sanctioned Tournaments (USTA, Adult, Junior, etc.)	$36,175
City Tournaments (e.g. Halloween)	$912
Weekly Programs (Senior Co-Ed & Ladies Group)	$138,318
TOTAL	**$208,237**

The table above shows the total cost associated with structured programs and activities cost approximately $208,000 annually. The Tennis Center can recover for some of these activities based on fees or annual passes. The Tennis Center goes through a bid application process with the North Carolina Tennis Association (NCTA) and the Southern Tennis Association (STA) to obtain permission to hold these

tournaments. The Tournaments are run directly by the NCTA or STA staff, and the Tennis Center does not receive entry fee revenue from these events, therefore, the annual cost of $36,000 is non-recoverable.

The largest proportion of annual cost that is recoverable is associated with League Play and weekly activity programs. While there are per participant fees in place for league play (resident & non-resident), these fees are only charged if the individual does not possess an annual pass. Similarly, for the Senior Co-ed and Ladies Group there are court rental fees, but those are only charged if the participants do not have annual passes. The following table compares the current annual pass to the total cost per participant for each of these programs.

Program Title	Annual Pass Fee[2]	Total Cost / Participant
League Teams - per season	$160	$76
League Teams - all seasons	$160	$228
Senior Co-ed Group (Senior Resident Individual Pass)	$130	$443
Ladies Group	$160	$443

While the cost of participation in a single season of league play is more than covered by the annual pass fee, those who choose to participate in all three league seasons end up paying $68 less than the total cost. The City looses approximately $300 for each Annual Pass participant who plays in a senior or ladies groups. This analysis helps demonstrate that for many of these activities the annual pass fee does not recover the per participant cost for those programs, as the cost is significantly higher than the annual pass. Additionally, annual pass holders have access to open play in addition to these activities, reinforcing the significant deficits noted in the fee results analysis section.

[2] Annual Pass assumes Individual Resident Pass unless otherwise stated.

2. ANNUAL REVENUE IMPACTS

Overall, the Tennis Center is under-recovering its fee-related costs by approximately $238,000. The following table shows the volume associated with each fee category, the current revenue, projected annual cost, and associated annual deficit.

Program Title	Annual Participants	Current Revenue	Projected Revenue	Surplus / (Deficit)
Court Fees				
Resident	357	$1,785	$2,261	$(476)
Non-Resident	165	$1,155	$1,045	$110
Annual Passes				
Individual - Resident	45	$7,200	$29,925	$(22,725)
Individual - Non-Resident	15	$3,000	$9,975	$(6,975)
Senior - Resident	137	$17,810	$91,104	$(73,294)
Senior - Non-Resident	71	$12,070	$47,214	$(35,144)
Family - Resident	15	$3,000	$19,950	$(16,950)
Family - Non-Resident	3	$720	$3,990	$(3,270)
Senior Family - Resident	37	$5,920	$49,209	$(43,289)
Senior Family - Non-Resident	24	$4,800	$31,919	$(27,119)
Junior - Resident	-	$-	$-	$-
Junior - Non-Resident	-	$-	$-	$-
League Teams				
Resident	1,550	$23,250	$30,842	$(7,592)
Non-Resident	-	$-	$-	$-
Summer Camps				
Resident	35	$2,450	$4,560	$(2,110)
Non-Resident	-	$-	$-	$-
	TOTAL	**$83,160**	**$321,993**	**$(238,833)**

Overall, the Aston Park Tennis center recovers approximately 26% of its fee-related costs, with the primary source of this deficit relating to annual passes. A breakout of resident versus non-resident league and summer camp participants was not available, and therefore projected annual revenues and costs could not be made. Additionally, no cost assumptions could be made for junior annual pass holders, as the City does not charge a fee.

3. ANNUAL PASSES

The detailed and annualized results suggest that the single source of under-recovery for the Tennis Center is fees associated with annual passes. To put these fees into context, the following table shows the per month cost for each of the annual passes.

Annual Pass	Current / Month Fee	Total Cost / Month
Individual - Resident	$20	$83
Individual - Non-Resident	$25	$83
Senior - Resident	$16	$83
Senior - Non-Resident	$21	$83
Family - Resident	$25	$166
Family - Non-Resident	$30	$166
Senior Family - Resident	$20	$166
Senior Family - Non-Resident	$25	$166
Junior - Resident	$0	$83
Junior - Non-Resident	$0	$83

If juniors are excluded from the analysis, the current per month fee varies from a low of $16 for resident seniors to a high of $30 for non-resident families. The total cost per month varies from between $83 to $166. The per month fee states that for approximately $20 a month, an individual can come and play at the tennis court for an unlimited number of times during that month. The total cost of $83 per month assumes that an individual will play four hours of tennis a week, or approximately 16 hours a month.

To better evaluate the current and total cost associated with annual passes, the project team looked at other tennis only facilities with clay courts to show the current market rate. Facilities such as country clubs (e.g. Biltmore Forest County Club or Country Club of Asheville) or fitness centers (e.g. Asheville Racquet Club) were excluded from the analysis as they provide more than just tennis services and as such their per month rates would not be comparable to the Aston Park Tennis Center per

month rates. The following table shows the monthly fees associated with individual, senior, family, senior family, and junior passes.

	Individual	Senior	Family	Senior Family	Junior
Asheville – Current	$20	$16	$25	$20	-
Asheville – Full Cost	$83	$83	$166	$166	$83
Cheshire Racquet Club	$56	$51	$88	$81	$25
Sapphire Valley Racquet Club	$44	$44	$74	$74	$20
Hendersonville Sports Club	$65	$65	$110	$110	-
Raleigh Racquet Club	$195	$195	$246	$246	$44
Riverside Tennis Club	$58	$58	$78	$78	$50
Brookstone Tennis	$82	$72	$111	$111	$40

As shown in the table above, the City's current fees are significantly lower than those of comparable facilities (i.e. clay courts). This comparison shows that the City has potential to increase its fees without the fear of losing customers to cheaper alternatives. For example the average fee for an individual is $61, which is $41 higher than the current fee, and $22 lower than the City's actual cost.

If the City were to raise its fees by $1.25 per month across all annual pass categories, or $10 for the entire season, it would generate approximately $58,000 in additional revenue. If the City were to raise its fees by $40 a month ($320 a season) to be more in line with the average, it would generate an additional $166,000 in revenue, and reduce the Center's deficit to $128,000. These scenarios do not take into account revenue that could be generated by developing a fee for juniors. As shown in the table on the previous page, Asheville is one of two facilities that do not charge for juniors. Developing even a nominal fee for juniors would offset the need for such an exponential increase to other annual pass holders.

4. TENNIS CENTER COST RECOVERY ANALYSIS

To determine the full cost recovery of the Tennis Center, indirect costs related to citywide (IT, risk management, etc.) and departmental (administration, payroll, etc.)

support was calculated. The following table shows the Center's FY 14/15 budgeted expenditures, projected indirect costs, along with FY 13/14 Revenue.

Category	FY 14/15 Budget
Direct Expenditures	$256,082
Indirect Expenditures*	
Maintenance	$69,168
Departmental	$26,095
Citywide	$21,050
Total Program Costs	**$372,394**
FY 13-14 Revenue	**$94,182**
Direct Costs Recovery	**37%**
Direct Cost Deficit	$ (161,900)
Program Cost Recovery	**25%**
Program Cost Deficit	$(278,212)

The table above shows that if only direct costs are factored into the cost recovery analysis, the Tennis Center recovered approximately 37% of its cost in FY 14/15. However, if indirect costs such as departmental and citywide overhead are incorporated into the analysis, the Tennis Center is recovering 31% of its total costs or suffering an annual deficit of $278,000.

However, as discussed in the Program Results Section of this chapter, the Tennis Center cannot recover for the costs associated with some of the sanctioned Tournaments hosted by the Tennis Center. Due to the inability to specifically identify participation in the recoverable tournaments, the project team utilized the full annual cost associated with all tournaments as unrecoverable costs. These unrecoverable costs should not be incorporated into determining the overall cost recovery of Aston Park Tennis Center. The table on the following page reduces program costs by tennis tournament costs and analyzes the program recovery based on recoverable costs.

Category	FY 14/15 Budget
Total Aston Park Cost (Direct & Indirect Expenditures)	$303,226
Tennis Tournaments Costs	$36,175
Total Recoverable Program Costs	**$336,219**
FY 13-14 Revenue	**$94,182**
Recoverable Cost Recovery %	**28%**
Recoverable Cost Deficit	$ (242,036)

The table above shows that by excluding the tennis tournament costs, the cost recovery percentage increases from 25% to 28%. It decreases the deficit to $242,000 annually. As the tennis tournaments are such a minimal cost compared to the total cost of running Aston Park Tennis Center (10%), elimination of these tournaments would have an insignificant impact on cost recovery.

In order for the City to significantly increase the Tennis Center's overall cost recovery, fees associated with annual passes will need to be increased. As discussed in the Annual Passes section of this chapter, marginal increases to these passes would have a substantial impact on reducing the Tennis Center's annual deficit.