

FINDING THAT INDOOR SITE

By Peter F. Olesen, P.E.

You have a concept for an indoor facility that on paper looks like it can't miss. This may be an indoor "racing" facility, a family entertainment center, adult entertainment center, bowling center or a combination of retail and family entertainment. There are many concepts or combinations of venues that could be successful. However, any or all could be destined for failure if the location, environment or cost were not conducive for the specific concept being planned.

Site Location:

For a business to be successful, it must be located where its customers (guests) can identify with the location. It must be easily reached by good roads (streets) and directions to the facility easy to follow. This is especially important for the potential guests living outside the immediate community.

The location should be visible to traffic passing the site, have a presence that draws favorable attention and easily accessible from the adjacent roadways. Being visible from a freeway, expressway or limited access highway may not be a great location. This is especially true if the nearest interchange is a few miles down the road and there is no direct access from the interchange to the site. In many instances highly visible sites were almost impossible to reach because of no direct routes were available and the local communities did not permit directional signage. The public likes easy, and if the route is confusing, many will not make the effort.

Being on arterial streets with barrier medians can also result in lower attendance, especially in terms of impulse sales. If a site is on a main street with heavy commuter traffic, people may not be able to make U-turns to get back to your facility. On streets without barrier medians, heavy traffic may still make left turns into the facility very difficult. This should be checked out with the agency having jurisdiction over the project site. In many instance a traffic study presenting the anticipated flow of traffic to and from the site during peak traffic hours may be required as part of the approval process.

Competition:

Check out your competition very early in the process of selecting a location. Gas stations and fast food facilities may like to be next door to their competition, but entertainment facilities do not. Entertainment facilities are all competing for the consumer's disposable time and income, not only with other entertainment venues, but park districts, school activities, professional sports, etc. Being close to your competition gives your potential guest the option of visiting the guy down the street. It is better to be the only entertainment attraction of your type in the immediate area.

Building Appearance:

The appearance of the building must be attractive. A building that looks like a factory or looks run down will not have "curb appeal". Should the building you ultimately select have a tired or rundown exterior (or interior) seriously consider creating an entirely new façade to upgrade its appearance. If this isn't possible, check out alternative sites. If this is the only viable site, you

will have to seriously consider the cost of making the exterior of the building attractive, or face the reality of driving potential guests away.

Neighborhood:

The neighborhood a facility is located in can be a bonus or a detriment to success. Take a look at the surrounding neighborhood. Does it give a feeling of comfort or concern? This is especially true in many urban and some suburban areas as well. Many areas have fallen into disrepair due to current economic conditions. In some instances crime rates may also be higher. Being located on a street with closed or abandoned businesses, boarded up buildings is not conducive for maximum attendance.

Will people feel uncomfortable coming to the site, parking their vehicles and walking to your entrance and back to their vehicle in the daytime or evening? Are the adjacent streets and the site parking well illuminated at night? Customers (guests) want to feel secure.

If the building and or site location is a great bargain, there may be a good reason for the bargain price. No one else could see the value. This does not mean that there are not great buildings and/or sites available. Today's economy has caused businesses to relocate because they found better locations for their markets, needed larger space, had to downsize, changing markets, financial difficulties or many other reasons.

Make certain you carefully consider the reasons the space is available, the location of the site relative to your market and your ability to utilize the site to your advantage in terms of building your attractions or business.

Functionality of the Building:

If you are considering an existing building, take a close look at its floor plan and walk through it to see what your development problems may be. Check ceiling heights, wall locations, column spacing, floor conditions, heating and air-conditioning systems, stairways, elevators, entrances, sprinkler systems, electric power capacity, bathrooms and related plumbing, windows, roof conditions including leaks, basement dryness and other elements that may affect your use of the building. Get copies of utility bills to see the energy requirements of the building as it stands. Also ask for inspection data with respect to its current physical condition. Don't hesitate to check with the local building department with respect to their knowledge of its condition.

Seriously consider the use of an experienced design consultant to give you an unbiased opinion as to the functionality of the building. This includes existing configuration as well potential flexibility to modify it to accommodate your final concept. Can you end up with a floor plan that will enhance your attractions, providing maximum exposure to each, or will you end up with a disjointed layout that will be confusing to your guests and end up lowering your potential revenues?

Parking

Know your parking needs in terms of projected busy days. Does the site you are considering have enough parking to accommodate the guest vehicles on weekends, holidays or other busy days? If people can't park when they arrive at your facility, the odds are they won't come back.

In urban environments, people are used to having to look for parking because it is usually at a premium. If the site is short on parking, can people find on-street or public parking adjacent to or in close proximity to the facility? Again, if they can, does the neighborhood environment have a comfort factor in terms of street lighting, unsavory businesses such as strip joints, biker bars, abandoned buildings or vacant lots.

Failure to have sufficient parking, on site or off should wave a strong red flag. Without it, you cannot accommodate the guests you are seeking to attract. People are not inclined to walk long distances to enter a facility, nor will they accept traveling on dark sidewalks, etc.

If the building shares parking with other establishments make certain you obtain documentation that you have the right to utilize the parking and that the peak demand times are not the same.

Zoning

Make certain the zoning of any facility allows the use you are proposing. Even if the building or site is perfect in terms of your needs, if it requires rezoning in order to open your business, don't sign a lease or purchase agreement for the property unless it is specifically contingent on getting the proper zoning. Get a good real estate lawyer to protect your interests. Never take a broker or seller's word that it is easy to get rezoning. Some times it is, sometimes not. In all cases, remember that rezoning can take a lot of time, and time is money.

Find out the process for obtaining approval for your specific use. The community may have specific concerns beyond the zoning ordinances. This can include hours of operation, noise and light restrictions.

Public Transportation

In urban and suburban locations, the availability of public transportation is a plus. It can provide additional guest attendance, especially in congested areas, where people are used to utilizing public transportation and are uncomfortable parking on city streets. This is a consideration in today's high fuel cost environment as well.

Check out the schedules for public transportation on the routes adjacent to the site you are considering. How often and how late they operate is important. Many routes don't operate in late evening hours or on weekends.

Market Size and Feasibility

Make certain you have seriously considered the size of your potential market in terms of the feasibility of creating the type and number attractions you wish to include. In most instances, it is very advisable to have a feasibility study performed by an experienced consultant before closing on the site.

The study should be based on the specific site being developed. It should give consideration to current demographics of the projected market area, the specific attractions and amenities being considered, realistic per-capita spending of the guests that will attend and the operating costs to be anticipated over the first five years. It should also include a realistic construction budget to

cover the construction of the facility and the purchase and installation of all attractions and amenities. It should clearly state whether it includes debt service, and if not identify the annual net revenues available to retire debt.

The firm employed to perform the study should be one with extensive experience in the family entertainment industry and in the performance of specific industry feasibility studies. The more specific their experience and expertise is to the specific concept you are proposing, the better.

Cost of Leasing and or Purchasing

In making a final decision with respect to either leasing or purchasing a building and or leasing a site, a strong review of the options must be made. The cost of purchase or leasing should not be such that it will not be possible to be successful. The decision should also include a careful evaluation of the proposed cost in terms of its being a realistic price in the local market. Don't acquire an over priced site. The use of an experienced broker can help avoid overpaying.

Remember! If the price is too good to be true, it probably is. Look for the reasons. They may have seen you coming, so to speak, and know that you covet the site. The site may have environmental or zoning problems that you have not been advised of. There are many possibilities for misdirection or misinformation.

Prior to purchasing or leasing, make certain that you have an initial agreement that states clearly, that ***the purchase or lease is only valid when the proper zoning is approved for the proposed use.*** Never leave yourself in position to own or have leased a site on which you cannot develop your proposed facility.

Don't Sign Lease or Purchase Agreement Without Escape "Clause":

Real estate agents, brokers and property owners all want to make the deal. They may not have your interests at heart. Many people have found a building they liked, in the location they were seeking and purchased or signed binding leases; only to find out the existing zoning did not permit the use planned, the cost to bring the building into compliance was way too high or one or more of the elements listed below could not be addressed.

Failing to Plan is Planning to Fail

This applies totally to the selection of a site, as well as to the creation of a workable concept that considers the potential as well as the limitations of the site, the concept and your capabilities.

Once you've obtained the site you are going to develop, remember, "you only get one chance to make a first impression". Make certain the facility you develop is well done and that you don't open before you are ready.

Peter is a registered professional engineer in numerous states and the President of Entertainment Concepts, Inc. (formerly Peter F. Olesen and Associates, Inc.) a firm with more than 29 years of experience in the design of family entertainment centers, both outdoor and indoor, stand alone go-kart tracks and miniature golf courses, bumper boat ponds and related attractions. The firm has been at the forefront of go-kart, miniature golf course and bumper boat pond design, having brought about many innovations in safety, geometrics, design and

construction methods that are now widely emulated throughout the industry. The firm has performed more than 440 projects in 43 states, Angola, Brunei, Canada (Alberta, British Columbia, Ontario and Quebec), Cuba (Guantanamo Bay), Kazakhstan, Mexico, Puerto Rico, Saudi Arabia and Vietnam. These projects span feasibility, concept development, master plans, final design and construction engineering. He is a member of the faculty of Foundations Entertainment University, having participated in 29 Foundations seminars to-date. He has presented seminars at the International Association of Amusement Parks' Attractions Expo, FunExpo, Kart Expo and Leisure Expo as well presenting go-kart safety seminars for the State of Ohio. He has, and continues to write articles for industry magazines and internet newsletters.

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