



EXECUTIVE SUMMARY

PREPARED FOR: JEFFERSON COUNTY DEVELOPMENT AUTHORITY

PREPARED BY: SPORTS FACILITIES ADVISORY

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In March of 2025, Sports Facilities Advisory (SFA) was engaged by the Jefferson County Development Authority (Client) to produce a five-year financial forecast (financial feasibility study) for the development of various indoor and outdoor sports and recreation assets in Jefferson County, West Virginia including the production of three different models: Indoor Model, Outdoor Model, and Combined Model. This executive summary provides an overview of SFA's detailed financial forecasts (pro forma), which have been delivered as associated documents. SFA has provided the asset and space breakdowns an indoor only, outdoor only, and combined model, followed by the financial performance summary for each corresponding model.

DEFINITIONS OF SUCCESS

- Capitalize on sports tourism to generate non-local visitation, and economic impact through regional sports tournaments and events
- Establish a sports tourism destination that also serves the local community by promoting local recreation and sport growth through new and existing facilities
- Develop a facility that becomes a catalyst for ancillary mixed-use development — driving traffic and incremental non-local spending to the site as well as the greater marketplace
- Maximize revenue generating opportunities to create an operationally sustainable business model

Summary of Tasks Performed to Complete the Feasibility Study

To assess the feasibility of the complex, SFA completed the following steps:

1. Facilitated an in-depth business development planning session with the Client to understand the vision, goals, business plan, and parameters of the complex and operations.
2. Performed research to determine current sports and recreation complexes in the local market and in the region and utilized this research to develop the proposed Facility Programs.
3. Created multiple in-depth facility programs to match the vision and goals for indoor and outdoor sports and recreation assets in Jefferson County.
4. Created opinion of costs for facility construction and operational start-up based on real-world, indoor and outdoor sports and recreation complexes that are currently in construction, as well as regional cost data from the construction industry.
5. Established fair market value pricing for fees at the new facilities.

6. Developed financial forecasts to project the market-based demand, financial forecast expectations, and economic impact analysis for the three proposed models: the Indoor Model, Outdoor Model, and Combined Model.
7. Integrated insights from SFA's database of more than 700 sports and recreation facilities across the United States, trends in sports participation, and real-world, real-time operational strategies and best practices from SFA's management company managing facilities in the region and in West Virginia.
8. Reviewed and finalized the financial forecasts with the Client.

Assessment of Feasibility

Based on the findings of the study and as detailed in the projections of the financial feasibility assessment, SFA believes each of the models to be feasible projects that can cover their operational expenses and generate income to contribute to future capital improvements as the facility ages and as it requires capital repairs/replacements. The broader local community and the extended sports tourism regional market stand to reap benefits from all models. Accordingly, SFA has included the financial performance and economic impact performance for all three models. SFA recommends reviewing this information in concert with the financial performance data, alongside any guarantees from the Client's core operation partners and its managers in the determination of funding. SFA is available to review and discuss the findings and results of this study.

Facility Program – Indoor Model

Indoor Athletic Facility

Space	Indoor Programming Product/Service	Count	Dimensions L (') W (')		Approx. SF each	Total SF	% of Footprint
Courts	Basketball Courts (actual courts 84' x 50')	4	104	80	8,320	33,280	20.9%
	Basketball Courts (w/Event Seating)	4	104	95	9,880	39,520	24.8%
	Pickleball Courts	24	44	20	Over Basketball Courts		0.0%
	Volleyball Courts	16	60	30	Over Basketball Courts		0.0%
	Telescopic Bleacher System: 4000 Seats	1	-	-	Event/Court Floor		0.0%
Total Courts Sq. Ft.						72,800	45.6%
Meeting Space	Pre-Function Space	1	-	-	1,200	1,200	0.8%
	Event Space/Meeting Rooms	1	-	-	12,000	12,000	7.5%
	Meeting Area Restrooms	2	20	20	400	800	0.5%
Total Meeting Space Sq. Ft.						14,000	8.8%
FEC	Family Entertainment Center	1	-	-	12,000	12,000	7.5%
Total FEC/Adventure Sq. Ft.						12,000	7.5%
Flex Space	Lobby/Welcome Area	1	-	-	1,500	1,500	0.9%
	Control Room	1	15	10	150	150	0.1%
	Ticket Office	1	10	10	100	100	0.1%
	Manager's Offices	4	10	10	100	400	0.3%
	Office Area	1	-	-	1,200	1,200	0.8%
	Catering Kitchen w/Front Concession	1	50	40	2,000	2,000	1.3%
	Café Seating Area	1	50	50	2,500	2,500	1.6%
	Full Secondary Concession	1	50	20	1,000	1,000	0.6%
	Flex/Team Rooms (Divisible)	4	60	30	1,800	7,200	4.5%
	Ref Rooms	2	15	10	150	300	0.2%
	Training Room	1	20	15	300	300	0.2%
	Locker Rooms	2	40	30	1,200	2,400	1.5%
	Restrooms	2	35	25	875	1,750	1.1%
	Leased Space - Medical	1	-	-	10,000	10,000	6.3%
Total Flex Space Sq. Ft.						30,800	19.3%
Required SF for Products and Services						129,600	81.3%
Mechanical, Electrical, Storage, etc. 10% of P&S SF (Excl. Leased Space)						11,960	7.5%
Common Area, Stairs, Circulation, etc. 15% of P&S SF (Excl. Leased Space)						17,940	11.2%
Total Estimated Indoor Athletic Facility SF						159,500	100%
Estimated Building Footprint						143,550	
Total Building Acreage						3.30	

Facility Program – Indoor Model

Based on SFA's understanding of the Client's definitions of success, SFA's industry experience, and market research conducted during the pro forma development process, SFA developed the previous indoor facility program and site development requirements listed below. The indoor amenities are designed to maximize the sports tourism opportunity and provide the Client with the required spaces to generate direct economic impact through tournaments and events while driving revenue to the facility. The Indoor Model will require approximately 3.30 acres of land and occupy a footprint of approximately 144,000 square feet. Including setbacks, trails, green space, and miscellaneous site development requirements, the entire complex will require approximately 638 parking spaces and 11.44 total acres of developable land.

Site Development

Site Development							
		Quantity	Dimensions L (') W (')		Approx. SF each	Total SF	% of Total
Parking Spaces Total	Parking Spaces Total (10'x18' actual, 20' x 20' inc. aisles)	638	20	20	400	255,200	71.9%
	Setbacks, Green Space, Trails, etc.	25% Indoor/Parking, 50% Outdoor				99,688	28.1%
Total Estimated Site Development SF						354,888	100%
Total Site Development Acreage						8.15	
Total Complex Acreage						11.44	

Summary of SFA's Opinion of Cost – Indoor Model

Based on the facility program, data from comparable complexes that are currently in construction, and regional cost data from the construction industry, the table below summarizes SFA's opinion of cost for the complex, including a range of low and high-end development costs according to the current construction and development climate. A detailed opinion of cost for construction and operational start-up has been included in the detailed financial forecast, which has been delivered as an associated document. As demonstrated below, the Indoor Model is projected to cost between approximately \$59 million and \$71.6 million.

USES OF FUNDS – INDOOR MODEL	LOW	MID	HIGH
LAND COST	TBD	TBD	TBD
HARD COST	\$37,335,092	\$41,483,435	\$45,631,779
COURT AND SPORTS EQUIPMENT COST	\$4,168,088	\$4,631,209	\$5,094,330
FURNITURE, FIXTURES, AND EQUIPMENT	\$6,439,367	\$7,154,853	\$7,870,338
SOFT COSTS CONSTRUCTION	\$4,909,125	\$5,454,583	\$6,000,041
SOFT COSTS OPERATIONS	\$1,919,738	\$1,919,738	\$1,919,738
ESCALATION	\$4,191,350	\$4,657,056	\$5,122,761
WORKING CAPITAL RESERVE	TBD	TBD	TBD
TOTAL USES OF FUNDS	\$58,962,760	\$65,300,874	\$71,638,987

Outdoor Facility Program – Outdoor Model

Based on SFA's understanding of the Client's definitions of success, SFA's industry experience, and market research conducted during the pro forma development process, SFA developed the following outdoor facility program.

Outdoor Athletic Facilities

Space	Outdoor Programming Product/Service	Count	Dimensions L (') W (')		Approx. SF each	Total SF	% of Footprint
Flex MP Field	Synthetic Turf Flex Field	8	-	-	120,105	960,840	70.8%
	Youth Baseball/Softball Fields	16	225' Fence		Over Flex Fields		0.0%
	Total Flex Fields Sq. Ft.					960,840	70.8%
MP Fields	Synthetic Turf Field - (With 12' Apron)	4	384	249	95,616	382,464	28.2%
	Total Outdoor Multi-Purpose Fields Sq. Ft.					382,464	28.2%
Support Buildings	Secondary Support Buildings	2	40	40	1,600	3,200	0.2%
	Press Box	2	40	40	1,600	3,200	0.2%
	Total Support Buildings Sq. Ft.					12,830	0.9%
Maint.	Maintenance Buildings	1	60	30	1,800	1,800	0.1%
	Total Maintenance Sq. Ft.					1,800	0.1%
Total Estimated Outdoor Athletic Facilities SF						1,357,934	100%
Total Outdoor Athletic Facility Acreage						31.17	

Site Development

		Quantity	Dimensions L (') W (')		Approx. SF each	Total SF	% of Total
Parking Spaces Total	Parking Spaces Total (10'x18' actual, 20' x 20' inc. aisles)	1,240	20	20	400	496,000	38.2%
	Setbacks, Green Space, Trails, etc.	25% Indoor/Parking, 50% Outdoor				802,967	61.8%
Total Estimated Site Development SF						1,298,967	100%
Total Site Development Acreage						29.82	
Total Complex Acreage						60.99	

The Outdoor Model will consist of eight multi-purpose synthetic flex fields which can be adjusted to form a total of sixteen youth baseball/softball fields. The facility also features an additional four synthetic turf multi-purpose fields which enables the facility to reach a total inventory of twelve multi-purpose fields. This quantity of fields are designed to maximize the sports tourism opportunity and drive economic impact through non-local visitation. The Outdoor Model will require approximately 31.17 acres of land for the sports assets and support buildings. Including setbacks, trails, green space, and miscellaneous site development requirements, the entire complex will require approximately 1,240 parking spaces and 60.99 total acres of developable land.

Summary of SFA's Opinion of Cost – Outdoor Model

Based on the facility program, data from comparable complexes that are currently in construction, and regional cost data from the construction industry, the table below summarizes SFA's opinion of cost for the outdoor complex, including a range of low and high-end development costs according to the current construction and development climate. A detailed opinion of cost for construction and operational start-up has been included in the detailed financial forecast, which has been delivered as an associated document.

USES OF FUNDS – OUTDOOR MODEL	LOW	MID	HIGH
LAND COST	TBD	TBD	TBD
HARD COST	\$19,314,230	\$21,460,255	\$23,606,281
FIELD AND SPORTS EQUIPMENT COST	\$19,420,024	\$21,577,805	\$23,735,585
FURNITURE, FIXTURES, AND EQUIPMENT	\$949,743	\$1,055,271	\$1,160,798
SOFT COSTS CONSTRUCTION	\$3,331,505	\$3,701,672	\$4,071,839
SOFT COSTS OPERATIONS	\$1,199,843	\$1,199,843	\$1,199,843
ESCALATION	\$3,516,518	\$3,907,242	\$4,297,966
WORKING CAPITAL RESERVE	TBD	TBD	TBD
TOTAL USES OF FUNDS	\$47,731,864	\$52,902,088	\$58,072,313

As demonstrated above, the Outdoor Model is projected to cost between approximately \$47.7 million and \$58.1 million.



Combined Facility Program – Combined Model

Based on SFA's understanding of the Client's definitions of success, SFA's industry experience, and market research conducted during the pro forma development process, SFA developed the following combined facility program.

Indoor Athletic Facility

Space	Indoor Programming Product/Service	Count	Dimensions L (') W (')		Approx. SF each	Total SF	% of Footprint
Courts	Basketball Courts (actual courts 84' x 50')	4	104	80	8,320	33,280	20.9%
	Basketball Courts (w/Event Seating)	4	104	95	9,880	39,520	24.8%
	Pickleball Courts	24	44	20	Over Basketball Courts		0.0%
	Volleyball Courts	16	60	30	Over Basketball Courts		0.0%
	Telescopic Bleacher System: 4000 Seats	1	-	-	Event/Court Floor		0.0%
Total Courts Sq. Ft.						72,800	45.6%
Meeting Space	Pre-Function Space	1	-	-	1,200	1,200	0.8%
	Event Space/Meeting Rooms	1	-	-	12,000	12,000	7.5%
	Meeting Area Restrooms	2	20	20	400	800	0.5%
Total Meeting Space Sq. Ft.						14,000	8.8%
FEC	Family Entertainment Center	1	-	-	12,000	12,000	7.5%
	Total FEC/Adventure Sq. Ft.					12,000	7.5%
Flex Space	Lobby/Welcome Area	1	-	-	1,500	1,500	0.9%
	Control Room	1	15	10	150	150	0.1%
	Ticket Office	1	10	10	100	100	0.1%
	Manager's Offices	4	10	10	100	400	0.3%
	Office Area	1	-	-	1,200	1,200	0.8%
	Catering Kitchen w/Front Concession	1	50	40	2,000	2,000	1.3%
	Café Seating Area	1	50	50	2,500	2,500	1.6%
	Full Secondary Concession	1	50	20	1,000	1,000	0.6%
	Flex/Team Rooms (Divisible)	4	60	30	1,800	7,200	4.5%
	Ref Rooms	2	15	10	150	300	0.2%
	Training Room	1	20	15	300	300	0.2%
	Locker Rooms	2	40	30	1,200	2,400	1.5%
	Restrooms	2	35	25	875	1,750	1.1%
	Leased Space - Medical	1	-	-	10,000	10,000	6.3%
Total Flex Space Sq. Ft.						30,800	19.3%
Required SF for Products and Services						129,600	81.3%
Mechanical, Electrical, Storage, etc. 10% of P&S SF (Excl. Leased Space)						11,960	7.5%
Common Area, Stairs, Circulation, etc. 15% of P&S SF (Excl. Leased Space)						17,940	11.2%
Total Estimated Indoor Athletic Facility SF						159,500	100%
Estimated Building Footprint						143,550	
Total Building Acreage						3.30	

Outdoor Athletic Facilities

Space	Outdoor Programming Product/Service	Count	Dimensions L (') W (')		Approx. SF each	Total SF	% of Footprint
Flex MP Field	Synthetic Turf Flex Field	8	-	-	120,105	960,840	70.9%
	Youth Baseball/Softball Fields	16	225' Fence		Over Flex Fields		0.0%
	Total Flex Fields Sq. Ft.					960,840	70.9%
MP Fields	Synthetic Turf Field - (With 12' Apron)	4	384	249	95,616	382,464	28.2%
	Total Outdoor Multi-Purpose Fields Sq. Ft.					382,464	28.2%
Support Buildings	Secondary Support Buildings	3	40	40	1,600	4,800	0.4%
	Press Box	3	40	40	1,600	4,800	0.4%
	Total Support Buildings Sq. Ft.					9,600	0.7%
Maint.	Maintenance Buildings	1	60	30	1,800	1,800	0.1%
	Total Maintenance Sq. Ft.					1,800	0.1%
Total Estimated Outdoor Athletic Facilities SF						1,354,704	100%
Total Outdoor Athletic Facility Acreage						31.10	

Combined Facility Program – Combined Model

The Combined Model will require approximately 34.4 acres of land for the indoor and outdoor sports assets. Including setbacks, trails, green space, and miscellaneous site development requirements, the entire complex will require approximately 1,878 parking spaces and 72.33 total acres of developable land.

Site Development

		Quantity	Dimensions L (') W (')		Approx. SF each	Total SF	% of Total
Parking Spaces Total	Parking Spaces Total (10'x18' actual, 20' x 20' inc. aisles)	1,878	20	20	400	751,200	45.5%
	Setbacks, Green Space, Trails, etc.	25% Indoor/Parking, 50% Outdoor				901,040	54.5%
Total Estimated Site Development SF						1,652,240	100%
Total Site Development Acreage						37.93	
Total Complex Acreage						72.33	

Summary of SFA's Opinion of Cost – Combined Model

Based on the facility program, data from comparable complexes that are currently in construction, and regional cost data from the construction industry, the table below summarizes SFA's opinion of cost for the complex, including a range of low and high-end development costs according to the current construction and development climate. A detailed opinion of cost for construction and operational start-up has been included in the detailed financial forecast, which has been delivered as an associated document. As demonstrated below, the Combined Model is projected to cost between approximately \$102.9 million and \$125.2 million.

USES OF FUNDS – COMBINED MODEL	LOW	MID	HIGH
LAND COST	TBD	TBD	TBD
HARD COST	\$55,352,109	\$61,502,344	\$67,652,578
COURT, FIELD, AND SPORTS EQUIPMENT COST	\$23,588,113	\$26,209,014	\$28,829,916
FURNITURE, FIXTURES, AND EQUIPMENT	\$7,381,976	\$8,202,195	\$9,022,415
SOFT COSTS CONSTRUCTION	\$6,617,101	\$7,352,335	\$8,087,568
SOFT COSTS OPERATIONS	\$2,358,621	\$2,358,621	\$2,358,621
ESCALATION	\$7,594,173	\$8,437,970	\$9,281,767
WORKING CAPITAL RESERVE	TBD	TBD	TBD
TOTAL USES OF FUNDS	\$102,892,094	\$114,062,480	\$125,232,866

Summary of Financial Performance

As detailed in the full financial forecast for each proposed model, the Indoor Model, Outdoor Model, and Combined Model are projected to generate revenue from 18, 13, and 27 primary business units respectively for each model. The full financial forecasts include a revenue and expense projection for each individual business unit for the first five years of operations. The following tables provide a summary of the revenue categories, expense categories, and the resulting overall financial performance for years one through five of facility operations for each proposed model.

The table below summarizes the total revenue and direct expenses (cost of goods sold) for the Indoor Model operations during the first five years and concludes with the gross margin and gross margin as a percent of revenue.

Revenue	Year 1	Year 2	Year 3	Year 4	Year 5
Rental Basketball Tournaments	\$68,000	\$86,000	\$110,000	\$116,600	\$122,430
Rental Volleyball Tournaments	\$99,600	\$110,400	\$142,560	\$154,440	\$162,162
Seated Court Events	\$32,000	\$36,000	\$57,200	\$70,400	\$78,540
Court Rental Events	\$48,000	\$56,000	\$70,400	\$70,400	\$73,920
Meetings and Non-Sport Events	\$321,380	\$331,021	\$416,847	\$429,353	\$464,345
Basketball	\$90,743	\$111,807	\$145,387	\$163,565	\$184,629
Volleyball	\$58,370	\$74,465	\$100,402	\$115,144	\$132,609
Futsal	\$13,230	\$16,496	\$21,718	\$24,594	\$27,952
Court Rentals	\$74,304	\$76,533	\$82,771	\$85,254	\$92,202
FEC/Adventure	\$731,909	\$823,571	\$980,053	\$1,045,044	\$1,111,251
Birthday Parties	\$25,200	\$30,240	\$34,927	\$36,674	\$40,433
Youth Programming	\$85,960	\$94,556	\$109,212	\$114,673	\$126,427
Facility Fees	\$169,600	\$197,760	\$232,320	\$247,680	\$247,680
Food & Beverage	\$1,250,137	\$1,386,412	\$1,590,564	\$1,703,785	\$1,736,276
Hotel Rebates	\$73,287	\$85,254	\$103,078	\$110,641	\$111,037
Retail	\$23,545	\$27,363	\$31,261	\$33,003	\$33,224
Tenant Revenue	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Sponsorship/Advertisement Revenue	\$146,250	\$146,250	\$175,500	\$175,500	\$195,000
Total Revenue	\$3,561,516	\$3,940,129	\$4,654,200	\$4,946,749	\$5,190,117
Cost of Goods Sold	Year 1	Year 2	Year 3	Year 4	Year 5
Rental Basketball Tournaments	\$6,800	\$8,600	\$11,000	\$11,660	\$12,243
Rental Volleyball Tournaments	\$9,960	\$11,040	\$14,256	\$15,444	\$16,216
Seated Court Events	\$3,200	\$3,600	\$5,720	\$7,040	\$7,854
Court Rental Events	\$4,800	\$5,600	\$7,040	\$7,040	\$7,392
Meetings and Non-Sport Events	\$128,552	\$132,409	\$166,739	\$171,741	\$185,738
Basketball	\$34,975	\$43,094	\$53,706	\$60,421	\$66,793
Volleyball	\$17,342	\$22,124	\$29,404	\$33,722	\$38,569
Futsal	\$2,498	\$3,115	\$3,886	\$4,401	\$4,870
Court Rentals	\$3,715	\$3,827	\$4,139	\$4,263	\$4,610
FEC/Adventure	\$256,168	\$288,250	\$343,018	\$365,765	\$388,938
Birthday Parties	\$6,948	\$8,338	\$9,358	\$9,826	\$10,683
Youth Programming	\$35,934	\$39,527	\$45,525	\$47,801	\$52,629
Facility Fees	\$0	\$0	\$0	\$0	\$0
Food & Beverage	\$687,575	\$762,526	\$874,810	\$937,082	\$954,952
Hotel Rebates	\$0	\$0	\$0	\$0	\$0
Retail	\$16,482	\$19,154	\$21,883	\$23,102	\$23,257
Tenant Expense	\$0	\$0	\$0	\$0	\$0
Sponsorship/Advertisement Expense	\$36,563	\$36,563	\$43,875	\$43,875	\$48,750
Total Cost of Goods Sold	\$1,251,512	\$1,387,765	\$1,634,359	\$1,743,182	\$1,823,494
Gross Margin	\$2,310,004	\$2,552,363	\$3,019,841	\$3,203,567	\$3,366,623
% of Revenue	65%	65%	65%	65%	65%

As demonstrated previously, the Indoor Model is projected to generate approximately \$3.6 million of revenue in Year 1 of operations, growing to approximately \$5.2 million of revenue by Year 5. Revenue growth is based on two factors: year-over-year growth in volume of sales and fee increases in Year 3 and Year 5 of operations. Gross margin (revenue minus cost of goods sold) is projected to equal approximately \$2.3 million in Year 1 of operations, growing to approximately \$3.4 million by Year 5; gross margin is the profit remaining to cover operating expenses and debt service.

SFA categorizes operating expenses into four categories, each of which has been detailed in the full financial forecast. Those categories are:

1. Facility Expenses – the costs associated with operating the physical asset
2. Operating Expenses – the costs associated with operating the business
3. Management Payroll – the salaries associated with general and administrative staff members
4. Payroll Taxes/Benefits/Bonus – the fringe costs of employment for both management and part-time staff members

The table below summarizes the operating expenses for the Indoor Model for each of the first five years of operations, demonstrates earnings before interest, tax, depreciation, and amortization (EBITDA), as well as EBITDA as a percent of revenue.

Operating Expenses	Year 1	Year 2	Year 3	Year 4	Year 5
Facility Expenses	\$426,854	\$434,604	\$450,989	\$464,615	\$473,901
Operating Expense	\$651,694	\$639,917	\$678,310	\$701,289	\$721,804
Management Payroll	\$867,500	\$902,200	\$988,288	\$1,027,820	\$1,068,932
Payroll Taxes/Benefits/Bonus	\$342,353	\$365,794	\$416,691	\$438,111	\$456,988
Total Operating Expenses	\$2,288,401	\$2,342,515	\$2,534,278	\$2,631,834	\$2,721,625
EBITDA	\$21,603	\$209,848	\$485,563	\$571,732	\$644,998
<i>% of Revenue</i>	<i>0.6%</i>	<i>5.3%</i>	<i>10.4%</i>	<i>11.6%</i>	<i>12.4%</i>

As demonstrated previously, the Indoor Model is projected to generate a positive Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA) of approximately \$21,600 in year one before growing to further generate a positive return in year five, resulting in an EBITDA figure of approximately \$645,000 annually at maturity.

The table below summarizes the total revenue and direct expenses (cost of goods sold) for the Outdoor Model operations during the first five years and concludes with the gross margin and gross margin as a percent of revenue.

Revenue	Year 1	Year 2	Year 3	Year 4	Year 5
Outdoor Rental Baseball/Softball Tournaments	\$100,800	\$119,200	\$161,920	\$179,520	\$188,496
Outdoor Baseball/Softball	\$71,340	\$87,006	\$111,939	\$125,234	\$140,538
Outdoor Rental Multi-Purpose Field Tournaments	\$64,000	\$80,800	\$94,160	\$114,400	\$127,512
Outdoor Soccer	\$44,940	\$56,035	\$73,773	\$83,541	\$94,947
Outdoor Football	\$16,520	\$20,776	\$27,597	\$31,399	\$35,863
Outdoor Lacrosse	\$19,800	\$24,504	\$32,011	\$36,100	\$40,853
Outdoor Field Rental	\$99,624	\$104,605	\$120,819	\$126,860	\$133,203
Gate Fees	\$52,080	\$63,000	\$77,280	\$87,360	\$87,360
Parking Fees	\$108,000	\$136,350	\$144,450	\$175,500	\$186,300
Food & Beverage	\$756,287	\$920,931	\$1,058,568	\$1,222,237	\$1,257,330
Hotel Rebates	\$86,621	\$105,390	\$120,793	\$140,838	\$144,712
Retail	\$25,167	\$30,875	\$34,422	\$40,029	\$41,603
Sponsorship/Advertisement Revenue	\$127,500	\$127,500	\$153,000	\$153,000	\$170,000
Total Revenue	\$1,572,679	\$1,876,972	\$2,210,733	\$2,516,020	\$2,648,717
Cost of Goods Sold	Year 1	Year 2	Year 3	Year 4	Year 5
Outdoor Rental Baseball/Softball Tournaments	\$10,080	\$11,920	\$16,192	\$17,952	\$18,850
Outdoor Baseball/Softball	\$21,256	\$25,923	\$31,640	\$35,398	\$38,701
Outdoor Rental Multi-Purpose Field Tournaments	\$6,400	\$8,080	\$9,416	\$11,440	\$12,751
Outdoor Soccer	\$9,865	\$12,300	\$15,513	\$17,567	\$19,548
Outdoor Football	\$3,097	\$3,895	\$4,979	\$5,665	\$6,350
Outdoor Lacrosse	\$2,994	\$3,705	\$4,699	\$5,300	\$5,912
Outdoor Field Rental	\$4,981	\$5,230	\$6,041	\$6,343	\$6,660
Gate Fees	\$8,400	\$10,500	\$12,600	\$14,280	\$14,280
Parking Fees	\$24,300	\$30,679	\$32,501	\$39,488	\$41,918
Food & Beverage	\$415,958	\$506,512	\$582,212	\$672,231	\$691,532
Hotel Rebates	\$0	\$0	\$0	\$0	\$0
Retail	\$17,617	\$21,613	\$24,095	\$28,021	\$29,122
Sponsorship/Advertisement Expense	\$31,875	\$31,875	\$38,250	\$38,250	\$42,500
Total Cost of Goods Sold	\$556,822	\$672,232	\$778,140	\$891,933	\$928,123
Gross Margin	\$1,015,857	\$1,204,741	\$1,432,593	\$1,624,086	\$1,720,594
<i>% of Revenue</i>	65%	64%	65%	65%	65%

As demonstrated previously, the Outdoor Model is projected to generate approximately \$1.6 million of revenue in Year 1 of operations, growing to approximately \$2.6 million of revenue by Year 5. Gross margin is projected to equal approximately \$1 million in Year 1 of operations, growing to approximately \$1.7 million by Year 5.

The table that follows summarizes the operating expenses for each of the first five years of operations, demonstrates earnings before interest, tax, depreciation, and amortization (EBITDA), as well as EBITDA as a percent of revenue for the Outdoor Model.

Operating Expenses	Year 1	Year 2	Year 3	Year 4	Year 5
Facility Expenses	\$300,828	\$303,455	\$309,857	\$317,722	\$323,093
Operating Expense	\$369,339	\$369,135	\$387,687	\$406,269	\$417,420
Management Payroll	\$340,000	\$353,600	\$417,744	\$434,454	\$451,832
Payroll Taxes/Benefits/Bonus	\$139,152	\$156,452	\$183,105	\$201,100	\$209,329
Total Operating Expenses	\$1,149,319	\$1,182,643	\$1,298,392	\$1,359,544	\$1,401,674
EBITDA	(\$133,462)	\$22,098	\$134,200	\$264,542	\$318,921
<i>% of Revenue</i>	-8.5%	1.2%	6.1%	10.5%	12.0%

As demonstrated previously, the Outdoor Model is projected to require an operational subsidy due to a negative EBITDA of approximately \$133,000 in Year 1 before generating a positive return of approximately \$22,000 in Year 2 of operations, growing to continue generating a positive EBITDA of approximately \$319,000 at maturity in Year 5.

The table below summarizes the total revenue and direct expenses (cost of goods sold) for the Combined Model operations during the first five years and concludes with the gross margin and gross margin as a percent of revenue.

Revenue	Year 1	Year 2	Year 3	Year 4	Year 5
Rental Basketball Tournaments	\$68,000	\$86,000	\$110,000	\$116,600	\$122,430
Rental Volleyball Tournaments	\$99,600	\$110,400	\$142,560	\$154,440	\$162,162
Seated Court Events	\$32,000	\$36,000	\$57,200	\$70,400	\$78,540
Court Rental Events	\$48,000	\$56,000	\$70,400	\$70,400	\$73,920
Meetings and Non-Sport Events	\$321,380	\$331,021	\$416,847	\$429,353	\$464,345
Basketball	\$95,980	\$118,260	\$153,778	\$173,005	\$195,285
Volleyball	\$63,157	\$80,572	\$108,636	\$124,587	\$143,484
Futsal	\$14,700	\$18,329	\$24,131	\$27,327	\$31,057
Court Rentals	\$78,816	\$81,180	\$87,797	\$90,431	\$97,801
FEC/Adventure	\$1,114,661	\$1,295,531	\$1,547,506	\$1,706,846	\$1,829,005
Outdoor Rental Baseball/Softball Tournaments	\$92,800	\$111,200	\$153,120	\$170,720	\$179,256
Outdoor Baseball/Softball	\$78,600	\$95,861	\$123,331	\$137,979	\$154,840
Outdoor Rental Multi-Purpose Field Tournaments	\$64,000	\$80,800	\$94,160	\$114,400	\$127,512
Outdoor Soccer	\$49,980	\$62,319	\$82,047	\$92,910	\$105,595
Outdoor Football	\$18,585	\$23,372	\$31,047	\$35,324	\$40,346
Outdoor Lacrosse	\$19,800	\$24,504	\$32,011	\$36,100	\$40,853
Outdoor Field Rental	\$110,452	\$115,975	\$133,951	\$140,648	\$147,681
Birthday Parties	\$25,200	\$30,240	\$34,927	\$36,674	\$40,433
Youth Programming	\$85,960	\$94,556	\$109,212	\$114,673	\$126,427
Gate Fees	\$48,720	\$59,640	\$73,920	\$84,000	\$84,000
Parking Fees	\$108,000	\$136,350	\$144,450	\$175,500	\$186,300
Facility Fees	\$169,600	\$197,760	\$232,320	\$247,680	\$247,680
Food & Beverage	\$1,976,893	\$2,278,024	\$2,620,026	\$2,897,103	\$2,964,782
Hotel Rebates	\$155,820	\$186,556	\$219,782	\$247,390	\$251,660
Retail	\$48,784	\$58,363	\$65,861	\$73,258	\$75,076
Tenant Revenue	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Sponsorship/Advertisement Revenue	\$270,000	\$270,000	\$324,000	\$324,000	\$360,000
Total Revenue	\$5,509,489	\$6,288,814	\$7,443,020	\$8,141,748	\$8,580,469
Cost of Goods Sold	Year 1	Year 2	Year 3	Year 4	Year 5
Rental Basketball Tournaments	\$6,800	\$8,600	\$11,000	\$11,660	\$12,243
Rental Volleyball Tournaments	\$9,960	\$11,040	\$14,256	\$15,444	\$16,216
Seated Court Events	\$3,200	\$3,600	\$5,720	\$7,040	\$7,854
Court Rental Events	\$4,800	\$5,600	\$7,040	\$7,040	\$7,392
Meetings and Non-Sport Events	\$128,552	\$132,409	\$166,739	\$171,741	\$185,738
Basketball	\$37,008	\$45,598	\$56,817	\$63,921	\$70,655
Volleyball	\$18,838	\$24,033	\$31,953	\$36,645	\$41,920
Futsal	\$2,776	\$3,461	\$4,318	\$4,890	\$5,411
Court Rentals	\$3,941	\$4,059	\$4,390	\$4,522	\$4,890
FEC/Adventure	\$390,132	\$453,436	\$541,627	\$597,396	\$640,152
Outdoor Rental Baseball/Softball Tournaments	\$9,280	\$11,120	\$15,312	\$17,072	\$17,926
Outdoor Baseball/Softball	\$23,424	\$28,568	\$34,872	\$39,013	\$42,655
Outdoor Rental Multi-Purpose Field Tournaments	\$6,400	\$8,080	\$9,416	\$11,440	\$12,751
Outdoor Soccer	\$11,008	\$13,726	\$17,319	\$19,612	\$21,829
Outdoor Football	\$3,484	\$4,381	\$5,601	\$6,373	\$7,144
Outdoor Lacrosse	\$2,994	\$3,705	\$4,699	\$5,300	\$5,912
Outdoor Field Rental	\$5,523	\$5,799	\$6,698	\$7,032	\$7,384
Birthday Parties	\$6,948	\$8,338	\$9,358	\$9,826	\$10,683
Youth Programming	\$35,934	\$39,527	\$45,525	\$47,801	\$52,629
Gate Fees	\$7,980	\$10,080	\$12,180	\$13,860	\$13,860
Parking Fees	\$24,300	\$30,679	\$32,501	\$39,488	\$41,918
Facility Fees	\$0	\$0	\$0	\$0	\$0
Food & Beverage	\$1,087,291	\$1,252,913	\$1,441,014	\$1,593,407	\$1,630,630
Hotel Rebates	\$0	\$0	\$0	\$0	\$0
Retail	\$34,149	\$40,854	\$46,103	\$51,280	\$52,553
Tenant Expense	\$0	\$0	\$0	\$0	\$0
Sponsorship/Advertisement Expense	\$67,500	\$67,500	\$81,000	\$81,000	\$90,000
Total Cost of Goods Sold	\$1,932,221	\$2,217,106	\$2,605,457	\$2,862,802	\$3,000,344
Gross Margin	\$3,577,268	\$4,071,708	\$4,837,563	\$5,278,946	\$5,580,126
% of Revenue	65%	65%	65%	65%	65%

As demonstrated previously, the Combined Model is projected to generate approximately \$5.5 million of revenue in Year 1 of operations, growing to approximately \$8.6 million of revenue by Year 5. Gross margin is projected to equal approximately \$3.6 million in Year 1 of operations, growing to approximately \$5.6 million by Year 5.

The table that follows summarizes the operating expenses for each of the first five years of operations, demonstrates earnings before interest, tax, depreciation, and amortization (EBITDA), as well as EBITDA as a percent of revenue for the Combined Model.

Operating Expenses	Year 1	Year 2	Year 3	Year 4	Year 5
Facility Expenses	\$716,500	\$728,867	\$751,519	\$772,874	\$787,393
Operating Expense	\$923,444	\$913,602	\$972,864	\$1,016,452	\$1,048,594
Management Payroll	\$1,025,000	\$1,116,000	\$1,210,640	\$1,259,066	\$1,309,428
Payroll Taxes/Benefits/Bonus	\$457,662	\$511,230	\$581,301	\$623,133	\$650,997
Total Operating Expenses	\$3,122,606	\$3,269,698	\$3,516,324	\$3,671,524	\$3,796,413
EBITDA	\$454,662	\$802,010	\$1,321,239	\$1,607,422	\$1,783,713
% of Revenue	8.3%	12.8%	17.8%	19.7%	20.8%

As demonstrated previously, the Combined Model is projected to generate a positive Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA) of approximately \$455,000 in year one before growing to generate a positive return in year five, resulting in an EBITDA figure of approximately \$1.8 million annually at maturity.

*Hoover, AL – Hoover Met Complex – Managed by Sports Facilities Management



Economic Impact Expectations

As stated previously, SFA developed its forecasts based on the prioritization of events that meet the Client's objectives related to both local and tournament programming and best practices for managing successful sports tourism facilities. As part of that exercise, SFA conducted an in-depth analysis of the two components that determine economic impact:

1. The average daily expenditure for non-local visitors to the market, including but not limited to:
 - Average daily rate for hotels
 - Average daily meal costs
 - Percent of spending in market by category
2. The details for each event, including but not limited to:
 - Number of participants
 - Number of spectators
 - Markets from which participants travel
 - Day and overnight travel habits in the region and across the industry
 - Length of event

For the purposes of this study, SFA analyzed overnight visitors to the market. Overnight visitors are defined as those coming to the Jefferson County area from more than 90 minutes away who stay overnight. SFA's economic impact projections do not include any assumptions for visitors extending their stay beyond the event and do not include any indirect or induced spending projections.

Average Daily Expenditure

SFA projected per-person spending in the categories in which visitors to the Jefferson County market are expected to spend for regional youth and amateur tournaments and events. The chart below shows that overnight visitors are expected to spend an average of \$142.16 per person per day, growing to \$150.88 in year five. The estimates for per person spending are based on conservative estimates for how non-local visitors will spend while in market. SFA believes that these are reliable estimates, and that it is unlikely that per person spending will fall below the projected amounts.

Per Person Spending By Category

	Year 1	Year 2	Year 3	Year 4	Year 5
Lodging/Accommodations	\$40.67	\$41.28	\$41.90	\$42.52	\$43.16
Dining/Groceries	\$51.00	\$51.77	\$52.54	\$53.33	\$54.13
Transportation	\$8.67	\$8.80	\$8.93	\$9.07	\$9.20
Entertainment/Attractions	\$4.08	\$4.14	\$4.20	\$4.27	\$4.33
Retail	\$23.97	\$24.33	\$24.69	\$25.06	\$25.44
Miscellaneous	\$13.77	\$13.98	\$14.19	\$14.40	\$14.61
Total	\$142.16	\$144.29	\$146.45	\$148.65	\$150.88

Economic Impact Drivers

Before converting the per-person average daily expenditure into a total direct spending projection, SFA analyzed the two most important drivers of economic impact: non-local days in market and room nights generated for each event projected. Non-local days in market are the number of days that non-local visitors will spend in the Jefferson County market because of the tournament or event they are attending. Hotel room nights are the number of nights that visitors will stay in the local area to take part in tournaments and events.

The tables that follow summarize the projected economic impact drivers and direct spending in years one through five at each proposed model, with one summary chart demonstrating the economic impact performance for each model. Each model relies entirely on the tournaments and events hosted within the indoor court, outdoor field, and event spaces. The tax revenue generation for each model has also been included below and reflects the total local sales tax revenue along with the hotel/motel sales tax revenue generation for years one through five. SFA recommends the formation of a special tax/business district and/or partnering with the associated municipality to ensure the greatest capture of tax revenue from the new anticipated direct spending that will be generated by the facility for the county.

Economic Impact Drivers (Indoor Model)

Economic Impact Drivers

	Year 1	Year 2	Year 3	Year 4	Year 5
Non-Local Days in Market - Overnight	120,593	139,892	168,805	181,229	182,217
Room Nights	28,606	33,276	40,233	43,185	43,340

Economic Impact

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Direct Spending - Overnight	\$17,143,134	\$20,184,931	\$24,722,068	\$26,939,779	\$27,492,909
Total Indirect Spending	\$0	\$0	\$0	\$0	\$0
Total Economic Impact	\$17,143,134	\$20,184,931	\$24,722,068	\$26,939,779	\$27,492,909

Tax Revenue Generation

	Year 1	Year 2	Year 3	Year 4	Year 5
Local Sales Tax (1% on Spending)	\$171,431	\$201,849	\$247,221	\$269,398	\$274,929
Hotel/Motel Tax (6% on Lodging/Accommodations)	\$209,392	\$247,237	\$303,409	\$330,556	\$336,716
Total Tax Revenue Generation	\$380,824	\$449,086	\$550,630	\$599,954	\$611,645

The table above demonstrates that SFA expects the Indoor Model to generate approximately 182,000 new non-local days in market, over 43,000 new room nights, and a total of approximately \$27.5 million in economic impact annually at maturity in year five of operations. The total sales tax revenue generation driven by the indoor facility is approximately \$611,600 in year five of operations.

Economic Impact Drivers (Outdoor Model)

Economic Impact Drivers

	Year 1	Year 2	Year 3	Year 4	Year 5
Non-Local Days in Market - Overnight	141,678	172,593	197,190	230,031	236,835
Room Nights	33,810	41,136	47,148	54,972	56,484

Economic Impact

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Direct Spending - Overnight	\$20,140,472	\$24,903,274	\$28,879,136	\$34,194,143	\$35,733,642
Total Indirect Spending	\$0	\$0	\$0	\$0	\$0
Total Economic Impact	\$20,140,472	\$24,903,274	\$28,879,136	\$34,194,143	\$35,733,642

Tax Revenue Generation

	Year 1	Year 2	Year 3	Year 4	Year 5
Local Sales Tax (1% on Spending)	\$201,405	\$249,033	\$288,791	\$341,941	\$357,336
Hotel/Motel Tax (7% on Lodging/Accommodations)	\$288,737	\$356,571	\$414,814	\$490,905	\$511,974
Total Tax Revenue Generation	\$490,142	\$605,604	\$703,605	\$832,847	\$869,310

The table above demonstrates that SFA expects the outdoor model to generate approximately 237,000 new non-local days in market, over 56,000 new room nights, and a total of approximately \$35.7 million in economic impact annually at maturity in year five of operations. The total sales tax revenue generation driven by the outdoor facility is approximately \$869,300 in year five of operations.

Economic Impact Drivers (Combined Model)

Economic Impact Drivers

	Year 1	Year 2	Year 3	Year 4	Year 5
Non-Local Days in Market - Overnight	255,987	306,201	359,711	404,976	412,768
Room Nights	60,820	72,816	85,785	96,561	98,228

Economic Impact

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Direct Spending - Overnight	\$36,390,259	\$44,181,457	\$52,680,855	\$60,199,767	\$62,278,384
Total Indirect Spending	\$0	\$0	\$0	\$0	\$0
Total Economic Impact	\$36,390,259	\$44,181,457	\$52,680,855	\$60,199,767	\$62,278,384

Tax Revenue Generation

	Year 1	Year 2	Year 3	Year 4	Year 5
Local Sales Tax (1% on Spending)	\$363,903	\$441,815	\$526,809	\$601,998	\$622,784
Hotel/Motel Tax (7% on Lodging/Accommodations)	\$519,399	\$631,180	\$754,749	\$862,302	\$890,343
Total Tax Revenue Generation	\$883,301	\$1,072,994	\$1,281,558	\$1,464,299	\$1,513,127

The table above demonstrates that SFA expects the combined model to generate approximately 413,000 new non-local days in market, over 98,000 new room nights, and a total of approximately \$62.3 million in economic impact annually at maturity in year five of operations. The total sales tax revenue generation driven by the combined model is approximately \$1.5 million in year five of operations.

POTENTIAL FUNDING SOURCES

Based on SFA's experience in planning and funding facilities across the country similar to the facilities detailed in the included facility program, communities and private clients have deployed the following funding mechanisms successfully in recent projects. It should be noted that in today's development climate, most projects have a diverse set of funding sources and often rely on public-private partnerships.

Potential Funding Sources – Special Districts

- **Tax Increment Financing (TIF)**
 - A district is developed specifically for the purpose of incentivizing development. Upon establishment, the tax base of the district is frozen and any increase to the tax base as a result of new developments are used to pay the TIF bonds.
- **Taxes on Business/Business Improvement Districts (BIDs), Community Development Districts (CDDs), and other Special Districts like STIF Districts**
 - A district is developed where businesses are required to pay an additional tax to fund projects within the boundaries of the district. States permit the formation of Business Districts in order to encourage private investment and attract reliable and stable business and commercial growth.
- **Opportunity Zones**
 - An economically distressed community where new investments, under certain conditions, become eligible for preferential tax treatment. Localities qualify as Opportunity Zones if they have been nominated for that designation by the state and that nomination has been certified by the Secretary of the U.S. Treasury via their delegation of authority to the Internal Revenue Service.

Potential Funding Sources – Partnerships

- **Public-Private Partnerships**
 - Development and/or operational commitments are made by both public and private organizations in order to provide capital, credit, or long-term income to secure or back a loan. Private sector partners are most commonly developers, medical sector organizations, for-profit sports or wellness organizations, and non-profit sports or wellness organizations. The Public-Private Partner relationship can encompass a few or all of the following facility development phases: design, build, finance, operate, and/or manage.
- **Public-Public Partnerships (Interlocal Agreements)**
 - Development and/or operational commitments are made by multiple public sector organizations in order to provide capital, credit, or long-term income to secure or back a loan. Public sector partners are most commonly Cities/Towns/Villages, Counties, Parks & Recreation Departments, Chamber/CVB/Tourism Departments, and School Districts.

In addition to providing an outline of potential funding sources, including the formation of special districts and the development of the partnerships listed above, SFA has also provided case studies of existing facilities developed using a few of the described sources.

FUNDING SOURCES CASE STUDY – CEDAR POINT SPORTS CENTER

Based on SFA's experience in planning and funding facilities similar to the facilities included in the modeled facility program, SFA has provided case studies that detail real-world funding scenarios. These scenarios provide an overview of the funding structure utilized to fund the best-in-class sports tourism venues, the Cedar Point Sports Center in Sandusky, OH, AdventHealth Sports Park at Bluhawk in Overland Park, KS, the Highlands Sports Complex in Wheeling, WV, and Rocky Mount Event Center in Rocky Mount, NC.

The Cedar Point Sports Center opened in 2020 with a total development cost of approximately \$42 million. The venue offers 185,000 square feet of indoor sports, event, and entertainment space and serves thousands of visitors on a regular tournament weekend. The facility also includes the Lee C. Jewett Sports Medicine Center in a partnership with Firelands Regional Medical Center.

Since sports tourism serves as the primary driver of the facility, various interested public and private parties collaborated in a true Public-Private Partnership to promote and fund the development of the venue, therefore encouraging new visitation to the market. This visitation has proven especially beneficial to the community during non-peak tourism seasons. The funding structure for Cedar Point Sports Center included the following approximate contributions:

- County Hotel Tax – \$23 million
- Firelands Regional Medical Center – \$11 million
- City Tax Financing – \$2 million
- Private Equity – \$6 million
 - Cedar Fair Entertainment
 - Lake Erie Shores & Islands Convention and Visitors Bureau



FUNDING SOURCES CASE STUDY – ADVENTHEALTH SPORTS PARK



The current development climate for youth and amateur sports facilities generally requires a robust combination of funding sources and mechanisms to turn a concept into reality. AdventHealth Sports Park at Bluhawk is a relevant example of a sports tourism and mixed-use development project that relied on creative funding solutions to become developable.

AdventHealth Sports Park at Bluhawk opened in Fall 2024 with a total development cost of approximately \$125 million for Phase I of the development (sports facility only). The venue offers 250,000 square feet of indoor sports, event, and entertainment space, with adjacent residential, medical, lodging/hospitality, and other traditional mixed-use spaces as a privately owned and operated development. The medical component serves a key function within most public-private partnerships, often occupying a dedicated leased space within the development and/or purchasing naming rights that can account for as much as 26 percent of the total development cost, according to SFA's industry experience.

Sports tourism serves as the primary driver of the facility, although the venue will accommodate regular local programming. Various interested public and private parties collaborated to support and fund the development of the venue, therefore encouraging new visitation and promoting new spending in the market that would not occur but for the development of the complex. The funding structure for AdventHealth Sports Park at Bluhawk included the following funding mechanisms:

- Sales Tax and Revenue (STAR) Bonds - \$46.5 Million
 - A portion of state sales tax generated within the mixed-use development district returns to the developer over time to pay for the sport facility
- Private Equity
- Traditional Lending

FUNDING SOURCES CASE STUDY – HIGHLANDS SPORTS COMPLEX

Highlands Sports Complex in Wheeling, West Virginia opened in 2020 as an indoor sports tourism venue with an additional outdoor field. The complex consists of a 200,000 square foot indoor sports and events building and a full outdoor synthetic turf football field. The indoor building offers six full basketball courts, a family entertainment center (FEC), and an indoor turf field.

Highlands Sports Complex initiated development through a unique funding structure as a County-owned property in 2019 with favorable market conditions including a pre-pandemic construction climate. The overall facility resulted in a \$35 million total development cost in 2020.

Sports tourism provides the greatest quantifiable positive characteristic from the facility through direct economic impact that benefits the community. The venue generates between approximately \$5 and \$10 million in direct economic impact annually through the indoor courts, while generating additional tax revenue for the county and providing athletic and entertainment assets for the local community where they did not previously exist. The venue came online due to multilateral public support in the form of a public-public partnership. The funding structure for Highlands Sports Complex included the following funding mechanisms:

- Public-Public Partnership
 - County-Owned Property and Business
 - Ohio County Development Authority (OCDA)
 - OCDA Development Bonds
 - Bonds repaid through hotel tax and special tax district revenues



FUNDING SOURCES CASE STUDY – ROCKY MOUNT EVENT CENTER

Youth and amateur sports facilities generally require creative and multi-lateral funding solutions prior to development. Rocky Mount Event Center is a sports tourism development project that required a unique operating arrangement and funding structure to promote development – through a mix of bonds and tax credits.

Rocky Mount Event Center, located in the heart of Downtown Rocky Mount, North Carolina opened in 2018 with a total development cost of approximately \$38.7 million. The complex offers 165,000 square feet of indoor sports and event space, a 15,000 square foot family entertainment center, and meeting and event spaces. The venue's indoor sports and event space is flexible, able to transition from eight basketball/16 volleyball courts to a single 'Championship Court' with 4,000 seats, or be used for events like concerts, weddings, or corporate conferences.

Sports tourism serves as the primary driver of the facility, which is a sports tourism destination on the regional and national scale. Influencing tremendous economic impact in the downtown area of Rocky Mount, the facility has become invaluable to the city and the surrounding area. The venue serves as a sign of optimism and growth for the Rocky Mount community and for youth sports in Eastern North Carolina. The funding structure for Rocky Mount Event Center included the following funding mechanisms:

- City of Rocky Mount
 - Special Obligation Bonds
- New Market Tax Credits - \$22 million



Assessment of Feasibility

Based on the findings of the study and as detailed in the projections of the financial feasibility assessment, SFA believes each of the models to be feasible projects that can cover their operational expenses and generate income to contribute to future capital improvements as the facility ages and as it requires capital repairs/replacements. The broader local community and the extended sports tourism regional market stand to reap benefits from all models. Accordingly, SFA has included the financial performance and economic impact performance for all three models. SFA recommends reviewing this information in concert with the financial performance data, alongside any guarantees from the Client's core operation partners and its managers in the determination of funding. As a part of next steps, SFA recommends to focus on the following items:

- **Explore Retail/Commercial Opportunities** - Assess the market demand, competitive landscape, and potential tenant mix to identify the types of retail, dining, and entertainment concepts that would be most successful in the development.
- **Research Developers** - Evaluate and identify experienced and qualified development partners with a track record of delivering similar commercial projects, focusing on alignment with the project vision.
- **Engage Retail Brokers** - Connect with brokerage professionals who specialize in retail leasing to market the project, attract tenants, and negotiate lease terms that maximize occupancy and long-term value.

About SFA

Since 2003, the Sports Facilities Companies – comprised of Sports Facilities Advisory, Sports Facilities Development, and Sports Facilities Management – has become the United States' most trusted resource for communities seeking to plan, fund, develop, and/or operate sports, recreation, entertainment, and wellness facilities. The SFA team has guided projects in over 2,500 communities nationwide and overseen more than \$15 billion in projects, making it the largest single network of sports tourism and local recreation venues in the country. Through our managed venues, SFA hosts more than 25 million visits annually and drives over \$200 million of economic impact annually.

For more information about SFA, visit www.sportsfacilities.com.

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