

Pasco County Sports Complex Feasibility Study

SUBMITTED TO
Dunlap & Associates, Inc.

SUBMITTED BY
C.H. Johnson Consulting, Incorporated

August 17, 2015



**JOHNSON
CONSULTING**

Experts in Convention, Hospitality,
Sport and Real Estate Consulting.

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SECTION I
TRANSMITTAL LETTER

August 17, 2015

Mr. Craig Dunlap
Dunlap & Associates
1146 Keyes Avenue
Winter Park, FL 32789

Re: Pasco County Sports Complex Feasibility Study

Dear Mr. Dunlap:

Johnson Consulting is pleased to submit a report to Pasco County to provide market feasibility analysis, related to the potential development of a sports complex at Wiregrass Park in Wesley Chapel. This report includes an economic and demographic overview, an industry trends analysis, benchmark comparisons of peer facilities, facilities gap analysis, program recommendations, demand and financial projections for a facility, and a funding gap analysis.

Johnson Consulting has no responsibility to update this report for events and circumstances occurring after the date of this report. The findings presented herein reflect analyses of primary and secondary sources of information. Johnson Consulting used sources deemed to be reliable, but cannot guarantee their accuracy. Moreover, some of the estimates and analyses presented in this study are based on trends and assumptions, which can result in differences between the projected results and the actual results. Because events and circumstances frequently do not occur as expected, those differences may be material. This report is intended for the clients' internal use and cannot be used for project underwriting purposes without Johnson Consulting's written consent.

We have enjoyed serving you on this engagement thus far, and look forward to providing you with continuing service.

Sincerely,

C.H. Johnson Consulting, Inc.

C.H. JOHNSON CONSULTING, INC.

SECTION II
INTRODUCTION & EXECUTIVE SUMMARY

INTRODUCTION

The need for this study arose because Pasco County officials wish to leverage County-owned land into an asset that will enhance the tourism base within the County and serve as an economic generator. Further, the County desires to enter into a public-private sports development venture with an experienced and creditworthy private partner that balances risk and rewards to the participating entities. The crux of this study is to determine if Pasco County warrants such a development and if so, what that development program should look like as it relates to the gaps within the market place, which will drive and enhance the tourism base in Pasco County.

Ultimately, our study will provide the County with a clear and detailed action plan for both the short-term and long-term growth of the proposed facility. The summary written below summarizes our feasibility report examining the sports tourism facility needs of Pasco County as it relates to the proposed site at Wiregrass Park.

OBJECTIVES OF THE STUDY

Johnson Consulting has undertaken a program of services designed to accomplish the following major objectives:

- To provide an objective review of the sports tourism market in Pasco County by evaluating potential demand and market support.
- To independently estimate achievable demand potential from all potential sources for the recommended program elements.
- To provide a business implementation plan and potential funding sources for the recommended development.

In analyzing the potential for a sports tourism complex, Johnson Consulting considered the following framework questions:

1. Is there sufficient market demand and tourism infrastructure to support these uses?
2. What are the demand trends associated with youth sports and adult recreation/sports tourism?
3. Should such a sports complex make sense for the market, then what physical program should be developed?
4. Is there a baseline venue starting point that can be embellished over time?

In addition to this introduction and methodology review, the report contains the following sections that address what type of facility would best capture the need within the market:

- **Section 3** - Presents an economic and demographic overview of Pasco County and the regional market. The information in this section is an essential component in understanding the economic and market framework that will support a new development which will be determined from the data.
- **Section 4** - Provides an overview of the characteristics and trends in the participatory sports market. This section focuses on national participation levels for casual and core participants to show which sports are growing and/or declining. It also includes a comparable market analysis, as well as an audit of local and regional tournament-quality sports facilities.
- **Section 5** - Offers a comparable analysis that focuses on markets and facilities. The comparable market analysis examines other similar counties in Florida as a comparison to Pasco County, while the comparable facilities analysis provides emerging or successful programming that could serve as models for development in Pasco. Also included in this section is a facilities audit throughout the County and region.
- **Section 6** - Provides a recommended program broken down into development Phases for the Wiregrass Ranch Site. Additionally, the recommended operational approach of the proposed development is also described and identified.
- **Section 7** - Includes Johnson Consulting's projections of demand and financial projections stemming from operations at a proposed indoor facility. This section includes a financial pro forma for the first ten years of operations.
- **Section 8** - Presents a number of funding strategies and Public-Private deal structures for the County to consider as the proposed development advances.

APPROACH / METHODOLOGY

In order to accomplish these objectives, the program of analysis conducted by Johnson Consulting has undertaken the following research tasks thus far:

- Interviewed stakeholders to gather information, obtained work performed to date, and recognized the expectations and objectives of this development
- Examined regional economic and demographic data and projected regional economic trends relevant to the proposed development.

- Interviewed local industry participants and those familiar with the local market to identify unmet needs and specific market opportunities.
- Conducted an assessment of programming and utilization of peer sports facilities.
- Prepared an inventory of the current and proposed array of sports, entertainment and tourism-related facilities, including those under construction. This facilities audit was used to identify specific “gaps” and to what extent a new facility can satisfy demand that the existing facilities cannot.

ABOUT THE CONSULTING TEAM

C.H. Johnson Consulting is a proven sports consulting firm with specific expertise in the analysis, planning, and financing of multi-purpose sports complexes, stadiums, arenas, and adjacent mixed-use, hospitality/entertainment elements that may evolve around them. We have or are working very similar projects with the same set of services in Austin, TX; Branson, MO; Santa Rosa, CA; Monroe, LA; Champaign, IL; and Lake of the Ozarks, MO. We also have extensive knowledge of the local marketplace, having worked on projects in Miami, Doral, Osceola, Brevard County, and Citrus County.

Our firm is internationally recognized as one of the most comprehensive advisors on development of new sports complex facilities, and has a reputation for quality, integrity, and success among facility owners and operators, developers, and within the sports complex and public finance community. Our firm works extensively in the area of sports complex business planning, tournament programming and development, event programming development, and maximizing economic return from such venues. We also specialize in public-private partnership projects, organizational studies and can comprehensively evaluate the operational strategies to help bring indoor and outdoor sports programming to recommended facilities with the addition of facility development.

TERMS OF ASSIGNMENT

This report is based on estimates, assumptions, actual operating data and other information obtained from our research, our prior experience with similar assignments, and information received from Pasco County and other sources. The sources of information and basis of estimates and assumptions are stated herein. Projections of facility demand, attendance presented within this report are based Johnson Consulting’s assessment of various data, market characteristics, discussions with project stakeholders, and documented assumptions. We cannot represent our projections as results that will actually be achieved.

EXECUTIVE SUMMARY

Johnson Consulting undertook a comprehensive objective review of market conditions in Pasco County and Wesley Chapel in relation to the Tampa-St. Petersburg-Clearwater MSA, the state, and nation's conditions. The key objectives of these analyses were to identify structural factors, opportunities and weaknesses that may affect the market's ongoing competitive situation. While characteristics such as population, employment and income are not strict predictors of the success and impact of a sports complex, they can provide insight into the capacity of a market to yield ongoing support for the infrastructure associated with tourism, such as facilities, hotels and entertainment.

MARKET

Pasco County has many key characteristics and requirements to support a multi-use sports complex – namely solid population growth, access to regional, national, and international transportation, and county household incomes projected to increase at an above average rate. Based on the objective findings, we are recommending a multi-use sports facility as the best use for the given site at Wiregrass Park.

Examining further into the county, we see that Wesley Chapel is boasting rapid population growth, a high proportion of residents ages 5-34, and a median household income greater than that of the United States. This combination of a growing and young population that possesses a greater proportion of disposable income is a great opportunity for the development of the County as a whole. These local characteristic strengths are critical as any proposed sports facility would serve the local sports and recreation needs, while also serving as an economic demand generator for the County. Along with this consistent economic growth, it can be speculated that an expansion of the Florida Hospital, an extension of S.R. 56, and the construction of the Raymond James commercial property will bring economic stability to the County, attract skilled laborers to the County's workforce, and present even more future opportunities for growth and advancement.

INDUSTRY

Over the last two decades, sports facilities have become destination tourism generators while also serving the local recreation needs if necessary. Whereas two decades ago the common tactic was to develop single-purpose facilities with the intent to serve as a local community resource, today's facilities are often developed with the intent of attracting a multipurpose niche of visitors to an area. As a result, they are portrayed based on their ability to induce economic activity through an increasingly diversified demand. As this has occurred, society has also become more mobile and time constraints for families much greater, which has translated to the rise of short duration, purpose-driven trips that coincide with tournament and competition lengths. In the most recent years, the sports tourism industry has proven itself to be somewhat recession proof, as parents are more reluctant to cut spending on their children.

Entertainment and sports marketing has led to changes in development strategies for communities and the emergence of facilities and attractions that offer either niche focused venues or multipurpose venues, and fee-

for-service amenities that appeal to everyone. For Pasco County, the challenge in developing a new sports complex is to design specialized facilities that will accommodate enough demand (i.e. attract visitors and events) to justify development while ensuring that these facilities are distinct in relation to other regional offerings. This must be done in a way that attracts sports tourism while also satisfying the needs of local sports/recreation leagues who will utilize the facility during the week when there are no tournaments.

The sports industry has seen participation rates for individual sports decline over the past several years, mainly due to the increase of specialization in sports. As club sports grew in popularity, so too did year-round play that prevented athletes from participating in multiple sports.

Thus, it will be critical for a facility in Pasco County to target sports where current demand is unmet by existing facilities to help ensure the new sports complex will capture a sufficient number of event days and, in turn, supplement use of the facility outside of national and regional tournaments. This becomes especially necessary as traditional sports continue to see participation rates decline. Facilities with the flexibility to host a variety of sports will have the greatest chance of success over the long-term as national participation rates fluctuate. Community events and expositions should also be considered when accounting for potential events hosted by the facility in Pasco County.

SWOT ASSESSMENT

When considering the strengths, weaknesses, opportunities and threats in Pasco County, we believe that the strengths of the market outweigh the weaknesses, which can, for the most part, be mitigated over time and largely addressed with a multi-purpose sports facility. In fact, Pasco County's strengths – solid growth, high income, and accessibility – should be able to correct the weaknesses within the market.

Pasco County SWOT Analysis



<ul style="list-style-type: none"> • Strengths <ul style="list-style-type: none"> ▪ Rapidly Growing Population Base ▪ Central Location ▪ Easily Accessible ▪ Attractive Climate ▪ High disposable income (Wesley Chapel) • Opportunities <ul style="list-style-type: none"> ▪ Improve quality of life for residents ▪ Hotel development ▪ Partner with organizations in need of space ▪ Increase ability to attract visitors ▪ Improve tourism profile ▪ Need for quality indoor facility 	<ul style="list-style-type: none"> • Weaknesses <ul style="list-style-type: none"> ▪ Lack of hotels ▪ Limited entertainment options ▪ No brand identity for Pasco County ▪ Disconnect between local parks and tourism • Threats <ul style="list-style-type: none"> ▪ Speculated developments in Hillsborough County ▪ Regional competition from other facilities ▪ Summer heat/ lightning could limit outdoor event offerings ▪ Other developments taking precedent
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PROPOSED RANGE OF PROGRAM

Johnson Consulting has identified the need for the following key elements at the Wiregrass Ranch Site. The phases of development and range of facility sizes are recommended as a reflection of the needs in the local and regional marketplace, as well as types of facilities that would best leverage existing assets in Pasco County – both public and private – in positioning the County as a sports tourism destination. A breakdown of the key elements recommended for Phase 1 is listed below. There are subsequent phases of development described later in this report, however, the multipurpose indoor should be the primary focus for any potential public/private partnership at the Wiregrass Ranch site.

PHASE 1 (5-10 AC)

- Multi-purpose Indoor Complex: ranging between 85,000 – 100,000 square feet, with ability to expand in the future.
 - 6-8 basketball courts, which convert to 12-16 volleyball courts
 - Elevated seating area or retractable seating for 500-750
 - Concessions – offering two points of sale, with one positioned at an elevated seating area above the courts
 - Locker rooms
 - 4-6 Multi-purpose rooms
 - Sports Orthopedic/Healthcare partnership

The proposed indoor will not only service the needs of the local and regional indoor sports clubs and participants, but it will also service the overall goal and objectives of the County to provide an asset that would generate economic impacts with year round activities, including attracting regional and national events to the market place. The proposed concept would also allow for partnership opportunities between this complex and the Florida Hospital Ice Center, which is under construction as of the writing of this report. If combined strategically, these facilities would offer a significant amount of convertible indoor space capable of hosting larger regional and national events. Also, the Florida marketplace is becoming saturated with outdoor complexes, especially for baseball. With the recently announced \$27 million sports complex in Seminole County, including 15 fields for baseball, softball, soccer and lacrosse, it would make most sense for Pasco County to focus on an indoor multipurpose sports facility.

In addition to population growth, the County has seen a significant economic investment from hospitals and other businesses. This investment will be critical infrastructure to help support a sports complex. With more sports complexes being developed across the country, it is critical that adequate support infrastructure is in place to create a competitive advantage for a sports tourism market from its competitors.

OPERATIONAL APPROACH

After evaluating the operational models as they relate to the proposed development, Johnson Consulting concurs that the most appropriate model for Wiregrass Ranch is a Public/Private model. Also, important to the analysis will be the role of the operator in development of ownership and operation of tournaments. For Wiregrass, it will initially make sense to rent out the facility to event owners who will put on the tournaments. However, once the facility is established on the sports market, larger revenues will be generated if the operator of the facility puts on its own tournaments.

DEMAND

With this development, the demand profile at the complex will, over time, increase in volume and improve in quality. For this reason, we have recommended utilizing a phased approach for the development of this facility. After a five or ten year period, demand could satisfy the need to expand the facility to include an additional 15,000-20,000 square feet or more, increasing the total size by approximately 100,000 square feet. The expansion would allow for additional hard court surfaces, or possibly indoor turf, thus creating a suitable facility for attracting a larger scale and wider variety of indoor sporting events.

Table 2-1 presents a projected event demand calendar for the sports complex’s first ten years of operation. As is common with these types of facilities, demand is expected to ramp up and reach stabilization in Year Five. The primary driver of events will be new demand currently unable to be accommodated at existing facilities.

Table 2 - 1

Pasco County Indoor Sports Complex Operating Proforma												
Number of Events - First 10 years of Operation												
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 5 (Stabilization)	
											Participant Attendance	Spectator Attendance
Tournaments-Regional/National												
Basketball/Volleyball/Adapted	9	10	13	14	16	16	16	16	16	16	8,820	22,050
Wrestling/Cheerleading/Martial Arts	4	5	6	7	8	8	8	8	8	8	2,955	7,388
Tournaments-Local												
Basketball/Volleyball/Adapted	13	16	19	22	24	24	24	24	24	24	8,640	21,600
Wrestling/Cheerleading/Martial Arts	8	10	12	14	15	15	15	15	15	15	1,770	4,425
Leagues												
Basketball/Volleyball/Adapted	7	8	10	11	12	12	12	12	12	12	1,152	1,152
Camps/Clinics/Lessons												
Basketball/Volleyball/Adapted	13	16	19	22	24	24	24	24	24	24	2,400	1,200
Wrestling/Cheerleading/Martial Arts	9	11	14	15	17	17	17	17	17	17	1,615	808
Baseball/Softball	2	3	3	4	4	4	4	4	4	4	400	200
Special Events												
Family Events/Concerts/Special Events	4	5	6	6	7	7	7	7	7	7		7,000
Total	69	84	102	115	127	127	127	127	127	127	27,752	65,822

Source: Johnson Consulting

FINANCIALS

Johnson Consulting has prepared financial projections, based upon programs and events hosted at the facility, with the assumption that the private operational model be applied to overall operations at the Pasco County indoor sports complex. However, if the operational model was to change the demand and financial projections provided below would vary greatly. We have assumed that the facility receives programming income from outside rentals, and facility programming. We have also assumed the facility will generate concession revenue on a per capita basis.

Johnson Consulting recommends the operational Proforma be investigated further once a private partner has been identified, due to the preliminary status of this study and the unknowns of potential funding partners, lease agreements have not been accounted for in the projections. Also, revenues could increase if the management company would change the tournament model from renting the facility to creating and owning events. Additionally, there may be an opportunity for larger advertising revenues through naming rights partnerships, which could be applied as upfront construction costs or annual operational subsidy.

NEXT STEPS

Johnson Consulting recommends the County proceed with the development of a public RFQ for the solicitation of a private developer/operator for a multipurpose indoor facility. In our experience, when you first begin with a known end user, in this case a sports development and operating company, the feasibility and investment recommendations can sometimes be steered towards that company's financial needs first and not reflect real market conditions. The goal of this report was to illustrate a true and objective picture of the market's potential. The next steps would be to assist the County in identifying sports operating partners who can work within those known market conditions, thus determining the option that best serves the market and can do so in a financially successful way for all parties involved. Further, it may be of interest to the County to understand the type of economic benefit the proposed development may have on the County should the proposed facility be developed.

SECTION III
ECONOMIC & DEMOGRAPHIC OVERVIEW

MARKET OVERVIEW

Johnson Consulting undertook a comprehensive objective review of market conditions in Pasco County and Wesley Chapel in relation to the Tampa-St. Petersburg-Clearwater MSA, the state, and nation's conditions. The key objectives of these analyses were to identify structural factors, opportunities and weaknesses that may affect the market's ongoing competitive situation. While characteristics such as population, employment and income are not strict predictors of the success and impact of a sports complex, they can provide insight into the capacity of a market to yield ongoing support for the infrastructure associated with tourism, such as facilities, hotels and entertainment.

CURRENT POPULATION

A large local population base is a key factor for supporting the demand for a sports facility. Most attendees for recurring events, such as local sporting events, will live within a relatively short distance of the facility.

In 2010, Pasco County had an estimated resident population of 344,743 persons. Between 2000 and 2010, the population of the County increased at an average annual rate of 3.03 percent, which was nearly twice the rate of growth recorded throughout Florida (1.64 percent per annum), and three times the national average (0.93 percent per annum). Sharing in this steady growth in population between 2000 and 2010, Wesley Chapel experienced an average annual growth rate of roughly 11 percent. The hope for the County is that the new development at Wiregrass will be an economic generator and also support the area's rapidly growing population.

Table 3-1

Historic & Current Population - Pasco County (2000-2015)						
	2000	2010	2015	% Growth 2000-2015	CAGR* 2000-2010	CAGR* 2010-2015
United States	281,302,576	308,725,722	318,536,439	12.1%	0.93%	0.60%
Florida	15,963,334	18,801,310	19,603,934	19.4%	1.64%	0.80%
Tampa-St. Petersburg- Clearwater, FL MSA	2,395,997	2,783,243	2,893,923	17.9%	1.51%	0.75%
Pasco County, FL	344,743	464,697	483,188	29.8%	3.03%	0.75%
Wesley Chapel, FL	15,477	44,092	47,688	73.1%	11.04%	1.5%

*Compounded Annual Growth Rate

Sources: Esri ArcGIS BAO and Johnson Consulting

PROJECTED POPULATION GROWTH

Population projections prepared by ERSI Business Analyst Online indicate that the population of Pasco County will reach 506,331 persons in 2020, representing an average annual rate of growth of .94 percent. This is below the rate of growth projected throughout Florida (1.05 percent per annum), and slightly higher than the national average (0.75 percent). During the same period, the population of the Wesley Chapel is projected to increase at 2.21 percent per annum reaching 53,208 persons in 2020.

Table 3-2

Projected Population Growth - Pasco County (2015)				
	2015 Population	2020 Population	% Growth 2015-2020	CAGR* 2015-2020
United States	318,536,439	330,622,575	3.7%	0.75%
Florida	19,603,934	20,654,191	5.1%	1.05%
Tampa-St. Petersburg-Clearwater, FL MSA	2,893,923	3,027,024	4.4%	0.90%
Pasco County, FL	483,188	506,331	4.6%	0.94%
Wesley Chapel CDP, FL	47,688	53,208	10.4%	2.21%

*Compounded Annual Growth Rate

Sources: Esri ArcGIS BAO and Johnson Consulting

Longer-term projections for Florida indicate that the state's population will increase at an average annual rate of 2.1 percent between 2020 and 2030, reaching 28.7 million people in 2030. This rate of growth is higher than the rate of increase forecast throughout the U.S. (0.8 percent per annum), reflecting long-term growth rates in the state.

Table 3-3

Population Projection - Florida (2020-2030)				
	2020	2025	2030	CAGR* 2020-2030
United States	335,804,546	349,439,199	363,548,443	0.8%
Florida	23,406,525	25,912,458	28,685,769	2.1%

*Compounded Annual Growth Rate

Sources: U.S. Census Bureau and Johnson Consulting

AGE CHARACTERISTICS

The success of a multipurpose complex lies in its ability to develop a program that appeals to a broad cross-section of the marketplace. A market's age composition can be a decisive factor in determining potential event demand, as certain types of events appeal to specific age groups. Sports are unique as they can target a wide range of attendees, from youth to senior citizens. Age characteristics can also determine the likelihood of an area to develop into a tourist location, from having enough workers to support the industry, to influencing what types of tourists are attracted to the area. Table 3-4 summarizes the age distribution of the market, State, and Country.

Table 3-4

Age Distribution - Pasco County (2015)					
Age	United States	Florida	Tampa-St. Petersburg-Clearwater MSA	Pasco County	Wesley Chapel
0-4	6.2%	5.4%	5.4%	5.3%	7.1%
5-9	6.4%	5.6%	5.6%	5.5%	7.4%
10-14	6.5%	5.7%	5.7%	5.8%	7.8%
15-19	6.6%	5.9%	5.8%	5.5%	6.7%
20-24	7.3%	6.7%	6.4%	5.4%	5.7%
25-29	6.8%	6.6%	6.3%	5.2%	6.0%
30-34	6.7%	6.2%	6.1%	5.3%	7.2%
35-39	6.2%	5.7%	5.8%	5.6%	7.9%
40-44	6.4%	6.2%	6.3%	6.4%	8.8%
45-49	6.4%	6.4%	6.6%	6.5%	7.9%
50-54	7.0%	7.2%	7.4%	7.2%	6.9%
55-59	6.9%	7.0%	7.1%	7.1%	5.6%
60-64	5.9%	6.3%	6.4%	6.7%	4.4%
65-69	5.0%	6.0%	6.0%	6.9%	4.3%
70-74	3.6%	4.7%	4.6%	5.6%	2.8%
75-79	1.8%	3.4%	3.4%	4.1%	1.8%
80-84	1.9%	2.5%	2.5%	3.0%	0.9%
85+	1.9%	2.6%	2.7%	3.0%	0.8%
Total	318,536,439	19,603,934	2,893,923	483,188	47,688

Sources: Esri ArcGIS BAO and Johnson Consulting

The age characteristics of Pasco County differ from those of the U.S., primarily on the basis of a higher concentration of older residents aged 55 years and over. In 2015, 36.2 percent of residents of the County were 55 and over compared to 32.5 percent of residents of Florida, and 27.0 percent of the resident population of the U.S, and 20.6 percent of residents of Wesley Chapel. Pasco County has a marginally smaller

proportion of youth compared to MSA, State and National averages with only 16.8 percent of residents in the County aged 5-19, compared to 19.4 percent in the U.S. and 17.1 and 17 percent, respectively in the State of Florida and Tampa-St. Petersburg-Clearwater MSA. Although a smaller proportion of the youth population is observed in Pasco County, Wesley Chapel showcased a 21.9 percent proportion of youth between the ages 5 and 19. This population statistic displays an opportunity for Wiregrass Park. If Pasco County elects to build a sports complex and/or outdoor fields, Wesley Chapel has a large enough youth population to have athletic leagues that serve as an anchor tenant during the week at Wiregrass Park. The sports complex could then be marketed for regional and national tournaments on weekends. This strategy has proven successful at many other youth sports complexes.

In 2015, the median age of residents of Pasco County was 45 years, which was higher than the median age in Florida (41.9 years), and particularly the U.S. (37.9 years). Between 2000 and 2015, the median age of residents in Pasco County increased by 1.4 years, which was higher than that of Wesley Chapel (1.1 years), the MSA (1.1 years), Florida (1.1 years) and the nation (0.8 years). The median age statistics confirm that Pasco County is a slightly older population and that Wesley Chapel has a much younger population for Pasco County and Florida, with their median age (36.3 years) being more consistent with the national average. The younger median age within Wesley Chapel suggests there could be several families with young children who are in need, or soon will be in need, of sports facilities.

Table 3-5

Median Age - Pasco County (2010-2020)					
	2010	2015	2020	Growth 2010-2015	Growth 2015-2020
United States	37.1	37.9	38.6	0.8	0.7
Florida	40.8	41.9	42.4	1.1	0.5
Tampa-St. Petersburg-Clearwater, FL MSA	41.3	42.4	42.8	1.1	0.4
Pasco County, FL	43.6	45	45.8	1.4	0.8
Wesley Chapel, FL	35.2	36.3	36.3	1.1	0

Sources: Esri ArcGIS BAO and Johnson Consulting

INCOME AND EMPLOYMENT

The strength of a market's income level and employment opportunities can also be an indicator of its potential ability to support a sports complex. Higher income levels traditionally suggest greater amounts of disposable income, which can be spent on non-essential items such as recreation and entertainment. Wealthy markets, as seen in Wesley Chapel, will have more income available to spend on sports equipment and league fees and could therefore provide a justified level of utilization for a proposed sports complex. A healthy and diversified economy provides not only employment and disposable income for a market's residents, but it also helps to insulate a region from economic downturns that could affect facility demand.

In 2015, the median household income in Pasco County was \$44,131 per annum, which was lower than the median household income observed across Florida (\$47,255), and the U.S. (\$53,217), and substantially lower than that of Wesley Chapel (\$68,843). When considering Pasco County's lower median household income it is important to consider the large proportion of retired residents, who are on fixed monthly-incomes. This segment of the population may be distorting the median household income.

Table 3-6

Median Household Income - Pasco County (2008-2020)				
	2008-2012	2015	2020	CAGR* 2015-2020
United States	\$53,046	\$53,217	\$60,683	2.7%
Florida	\$47,309	\$47,255	\$54,478	2.9%
Tampa-St. Petersburg-Clearwater, FL MSA	\$46,490	\$46,755	\$53,943	2.9%
Pasco County, FL	\$43,787	\$44,131	\$52,067	3.4%
Wesley Chapel, FL	\$73,832	\$68,843	\$74,293	1.5%

**Compounded Annual Growth Rate
Sources: Esri ArcGIS BAO and Johnson Consulting*

Looking forward, growth in median household incomes in Pasco County is expected to continue at a higher rate in relation to the other profiled populations (3.4 percent between 2015 and 2020), with the median household income projected to reach \$52,067 in 2020. The rate of growth forecast in the state of Florida (2.9 percent) and the Tampa-St. Petersburg-Clearwater MSA (2.9 percent) are consistent with that of Pasco County, while the Wesley Chapel (1.5 percent) and National (2.7 percent) projections are slightly lower than Pasco County.

EMPLOYMENT

Historically, unskilled labor has made up the majority of Pasco County's workforce, however as indicated in the data below a shift to more skill services has been realized in the most recent years. In 2014, the principal industry of employment in Pasco County was Services (42.7 percent), particularly within the Health and Education sectors, followed by Retail Trade (28.1 percent), Construction (6.4%), and FIRE (6.1 percent). The high percentage of Health Services can be seen as a response to the large proportion of residents ages 55 and older in Pasco County, which as discussed earlier, is a greater percentage of the age distribution than Florida and the United States.

Table 3-7

Labor Summary - Pasco County (2014)				
	Businesses		Employees	
Services	6,144	38.3%	56,940	42.7%
Retail Trade	3,535	22.1%	37,409	28.1%
Construction	1,640	10.2%	8,466	6.4%
FIRE*	1,828	11.4%	8,083	6.1%
Government	308	1.9%	7,744	5.8%
Manufacturing	401	2.5%	4,126	3.1%
Transport & Utilities	511	3.2%	3,765	2.8%
Wholesale Trade	507	3.2%	2,776	2.1%
Agriculture & Mining	549	3.4%	2,720	2.0%
Communications	117	0.7%	682	0.5%
Other	491	3.1%	541	0.4%
TOTAL	16,031		133,252	

* Finance, Insurance & Real Estate

Sources: Esri BAO Business Summary and Johnson Consulting

UNEMPLOYMENT

The table below shows labor force data and annual unemployment rates for Pasco County, relative to Florida and the U.S., for the period of 2000-2014.

Table 3-8

Unemployment Rate - Pasco County (2000-2014)			
Year	United States	Florida	Pasco County
2000	4.0%	3.7%	3.7%
2001	4.7%	4.7%	4.8%
2002	5.8%	5.6%	6.1%
2003	6.0%	5.2%	5.8%
2004	5.5%	4.6%	5.2%
2005	5.1%	3.7%	4.4%
2006	4.6%	3.2%	3.9%
2007	4.6%	4.0%	5.0%
2008	5.8%	6.3%	7.7%
2009	9.3%	10.5%	11.9%
2010	9.6%	11.1%	11.9%
2011	8.9%	10.0%	10.9%
2012	8.1%	8.5%	9.1%
2013	7.4%	7.3%	7.8%
2014	6.2%	5.4%	6.7%

Average Annual Rate (Seasonally Unadjusted)

Sources: U.S. Bureau of Labor Statistics and Johnson Consulting

Between 2000 and 2006 the unemployment rate in Pasco County remained consistent with state and national averages. Since 2007, however, Pasco County unemployment rates have been slightly higher than the unemployment rates recorded across Florida, and the U.S., reaching a high of 11.9% in 2010. High unemployment is a challenge for County officials, but unemployment rates have been improving since 2010. According to County officials, tourism supports 12,000 full-time job opportunities in Pasco County. Considering this amount, a strategic plan to increase tourism could lead to additional employment opportunities for local residents, particularly in services industry. According to the National Association of Sports Commissions, the sports tourism industry is an \$8.9 billion dollar industry, which could certainly diversify and enhance the tourism base in Pasco County. A new quality sports complex would help the County capture a larger share of that industry.

CORPORATE PRESENCE

A strong business presence can be an important factor in the success of a sports complex, because local businesses can attract residents to an area, provide disposable income, and support facilities through donations, advertising, and their requirement for event space. One of the challenges for Pasco County will be overcoming the high unemployment with a large retiree population.

The following table shows the largest public and private employers throughout Pasco County. As shown, the largest employers in the county are spread across a range of industries, with the largest single employer being the Pasco County School Board (9,700+ employees) followed by HCA Healthcare (2,500+ employees) and Pasco County Government (2,200+ employees).

Table 3-9

Largest Employers in Pasco County		
Employer	Industry	Number of Employees
Pasco County School District	Education	9,713
HCA Healthcare	Healthcare	2,597
Pasco County Government	Government	2,200
Pasco County Sheriff	Law Enforcement	1,261
State of Florida	Government	1,211
Morton Plant North Bay Hosp./Recovery Center	Healthcare	873
Florida Hospital Zephyrhills	Healthcare	847
Florida Hospital Wesley Chapel	Healthcare	750
Wal-Mart	Retail	736
Saint Leo University	Education	726
Federal Government	Government	724
Florida Medical Clinic	Healthcare	654

Sources: Pasco County and Johnson Consulting

SCHOOL, UNIVERSITY AND COLLEGE PRESENCE

The presence of colleges, universities, and educational institutions can serve as a significant source of event demand for a sports facility. The number of local college students is important because it represents a target audience for education-related events, such as assemblies, graduations, and intramural and club sports.

Pasco County has one community college, one four year university and is within 50 miles of two universities and two colleges– University of South Florida in Tampa, the University of Tampa, St. Petersburg College and Eckerd College in Tampa. The County also offers nineteen public high schools.

Table 3-10

Local Colleges and Universities		
	Location	Enrollment
Four-Year Colleges & Universities		
University of South Florida	Tampa	48,000
Saint Leo University	St. Leo	16,000
University of Tampa	Tampa	7,750
St. Petersburg College	St. Petersburg	57,000
Eckerd College	St. Petersburg	2,500
Community Colleges		
Hillsborough Community College	Multiple Campuses	47,000
Pasco-Hernando State College	Multiple Campuses	17,000
	Total	195,250

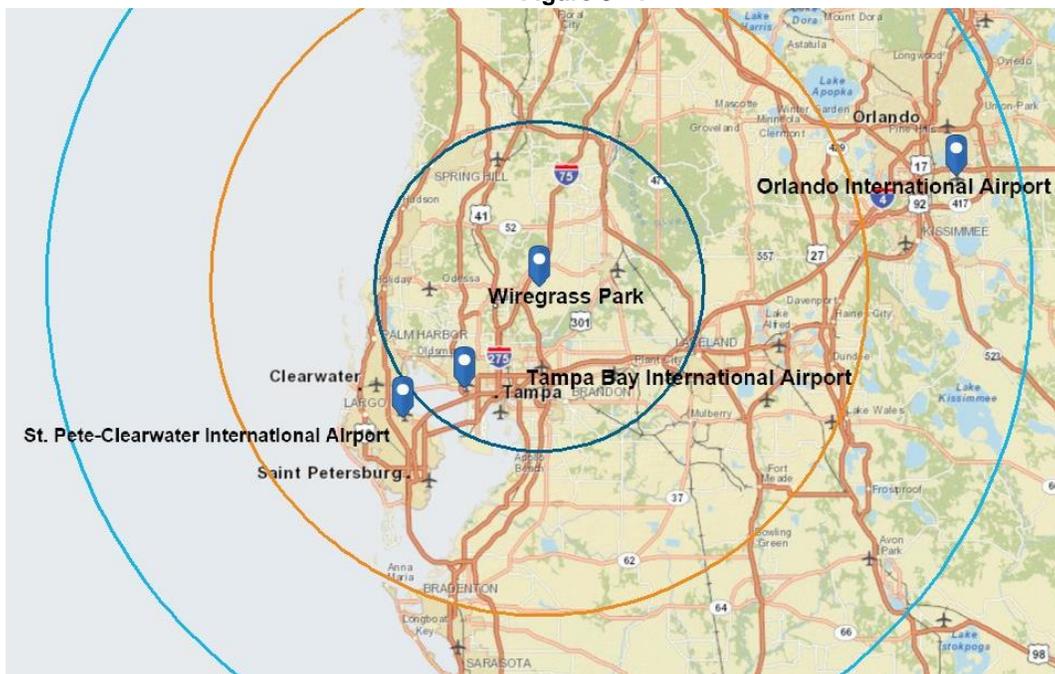
Sources: Pasco County and Johnson Consulting

ACCESSIBILITY

The location of Pasco County, approximately 25 miles Northeast of Tampa along Florida's Gulf Coast, means it is accessible via multiple modes of transportation, and can draw visitors from a wide catchment area:

- AIRPORTS:** Pasco County has no major commercial airport, but is within driving distance of Tampa International Airport (35 miles), St. Pete-Clearwater International Airport (40 miles) and Orlando International Airport (90 miles). Tampa International provides the service of eighteen airlines and is a hub for Silver Airways. St. Pete-Clearwater International offer three passenger airlines and is a focus city for Allegiant. Allegiant services flights to 40 cities across the United States and occasionally to Canada. Orlando's International Airport provides flights from thirty-three airlines. This airport is a mini-hub for Southwest Airlines, Frontier Airlines and JetBlue Airways and serves nearly 100,000 passengers daily. Figure 3-1 shows Wiregrass' and Pasco County's proximity to these three airports.

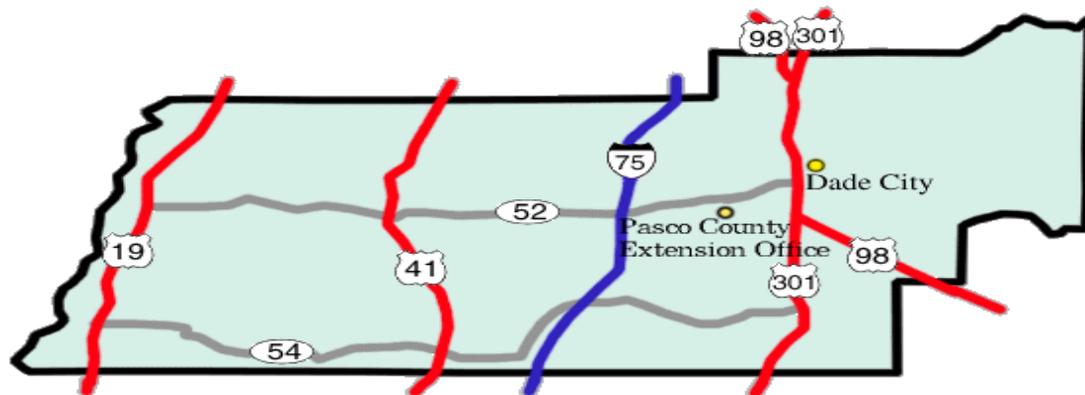
Figure 3 - 1



Sources: Ersi BAO, Johnson Consulting

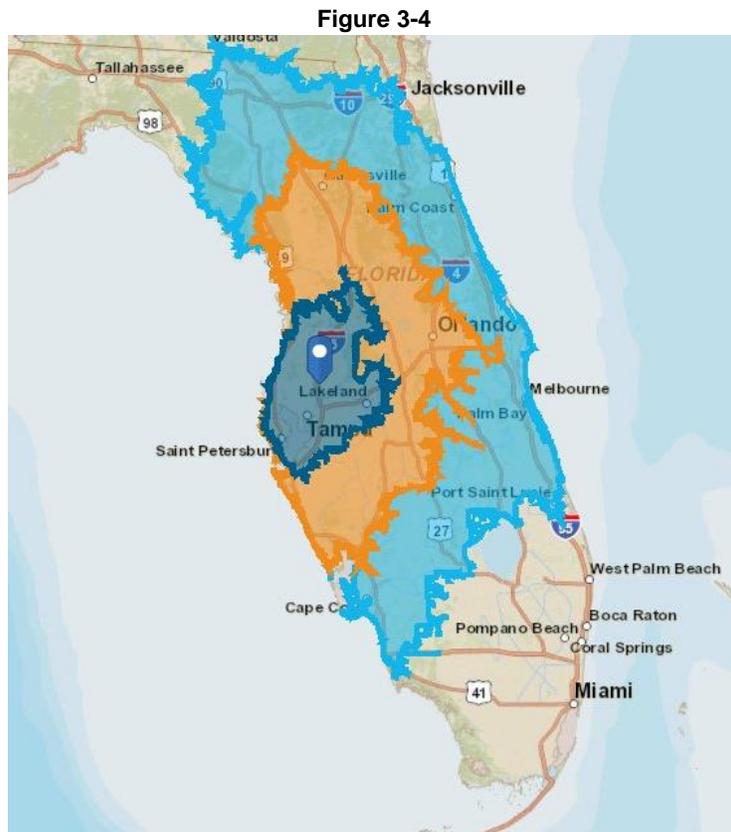
- ROAD:** Florida highways 19, 41, 98, and 301 run North/South across Pasco County. The county is also split by Interstate 75, which runs through the middle of Pasco. These highways link residents with several major cities, most notably Tampa. A planned extension of the Veterans Expressway/SunCoast Parkway, which runs through the western half of the county, will provide additional access to the County. SR 52 and 54 are the major state roads running East/West through the county. In recent years, SR 56 was opened as an extension of SR 54. This road was built with the intention of bringing stability to Wesley Chapel and the surrounding areas. In the fall of 2014, an extension of SR 56, which would connect the road with US 301 in Zephyrhills, was approved and construction is set to begin in the Spring of 2016. These roadways are highlighted in the following Figure 3-2.

Figure 3-2



Source: University of Florida

Figure 3-4 shows the 60-minute, 120-minute, and 180-minute drive time maps from the site of the proposed Wiregrass Park. Pasco County is centrally located within the state of Florida and has accessibility to the major roadways mentioned above. Being centralized allows a development at Wiregrass Park the opportunity to attract tournaments and events from across the state of Florida and South Atlantic Region.



Sources: Ersi BAO, Johnson Consulting

HOTEL INVENTORY

According to the 2014 Florida Sports Directory and Facilities Guide, Pasco County has 3,800 hotels rooms in total. For this report we compiled a list of hotels based on the following criteria: a property within 11 miles of the location of the proposed park with at least 50 rooms and one or more conference/meeting rooms. When applying these criteria, it results in a total of 3,474 rooms across Pasco and Hillsborough Counties. The following table provides a breakdown of hotels that fit the given parameters.

Table 3-11

Nearby Hotel/ Motel Inventory			
Property	Rooms	City	Proximity (Miles)
Hampton Inn & Suites Tampa Wesley-Chapel	94	Wesley Chapel	1.81
Econo Lodge	82	Wesley Chapel	2.99
Comfort Inn	68	Wesley Chapel	3.08
Sleep Inn Wesley Chapel	78	Wesley Chapel	3.09
Saddlebrook	800	Wesley Chapel	3.12
Holiday Inn Express & Suites*	100	Tampa	4.53
SpringHill Suites Tampa North*	127	Tampa	5
Wingate by Wyndam New Tampa*	85	Tampa	5.23
Courtyard Tampa North*	81	Tampa	8.76
Hampton Inn & Suites Tampa-North *	126	Tampa	8.79
Holiday Inn Express & Suites Tampa North*	92	Tampa	9.01
Hilton Garden Tampa North	148	Temple Terrace	9.01
Ramada *	122	Temple Terrace	9.72
Vista Inn*	155	Tampa	9.86
Embassy Suites*	247	Tampa	10.52
Wingate by Wyndam Tampa @ USF*	86	Tampa	10.64
La Quinta Inn & Suites USF*	109	Tampa	10.7
Days Inn North Busch Gardens*	224	Tampa	10.86
Clarion Hotel and Conference Center*	406	Tampa	10.94
Hyatt Place*	128	Tampa	10.96
Holiday Inn Hotel & Suites*	116	Tampa	11
Total Rooms (within 11 miles)	3,474		
Hotels in Pasco County			
Hotels outside of Pasco County*			

Sources: Mpoint and Hotel Websites

The table displays that within a five mile radius of Wiregrass Park the number of hotel rooms available in Pasco County (1,122), far exceeds the number of hotel rooms located in Hillsborough County (227) within that same radius. If the radius is expanded to eleven miles, however, the number of hotel rooms available in Pasco County remains at 1,122 rooms, but the number of hotel rooms available in Hillsborough County increases 2,352. It is important to note that 800 of the rooms accounted for in Pasco County are located at the Saddlebrook Resort, an unlikely lodging option for participants of youth sports tourism events.

PORTFOLIO OF SPECIAL EVENTS

The County plays host to several special events and festivals throughout the year that provide social and entertainment activities to both local residents and regional visitors, including:

- DICK'S Sporting Goods Tournament of Champions (NDP Lacrosse)
- Chasco Fiesta

- Pasco Paddlepalooza
- 5K Bare Dare
- Savage Race
- Pasco EcoFest
- Annual Kumquat Festival and
- The Annual Pasco County Fair

RECENT AND PLANNED DEVELOPMENTS & INFRASTRUCTURE

The following new real estate developments are planned for Pasco County:

- **TAMPA PREMIUM OUTLETS:** 441,000 square foot mall will feature 110 stores around a central food pavilion and its anchor tenant Saks “Off 5th” outlet store. The multimillion dollar development is slated to open in October 2015 and given its proximity to the Wiregrass Ranch site, it is certain to provide a significant entertainment need for potential attendees at the sports complex.
- **RAYMOND JAMES CORPORATE DEVELOPMENT:** A proposed one million square feet of office space with the primary tenant being Raymond James Financial, Inc.
- **FLORIDA HOSPITAL WESLEY CHAPEL:** The hospital, which is located directly adjacent to the proposed Wiregrass Park, is in the midst of expanding their footprint, less than three years after opening its operation. Discussions with management at the hospital were optimistic about the growing opportunity of sports medicine, given their existing state of the art health and wellness center on location in Wesley Chapel, which has over 5,000 memberships. Recognizing this growth and opportunity, Florida Hospital has recently placed athletic trainers at every Pasco County high school. If such growth continues there may be significant opportunities in the medical tourism space for Pasco County.
- **FLORIDA HOSPITAL CENTER ICE:** The Florida Hospital Center Ice Arena – currently under construction – is a 150,000 square foot complex that will include four Olympic-sized ice rinks. Located in Wesley Chapel, the rinks at the Florida Hospital Center are able to be converted to multi-purpose courts used for basketball, indoor-soccer, and volleyball.
- **HOTELS:** As mentioned earlier, for the Wiregrass Park development to benefit Pasco County as much as possible it is important to generate tourism within the county. Pasco County recognizes this stipulation and it has projected that 70 new hotel rooms will be created annually. We have been informed that multiple developers have submitted proposals for hotels in strategic locations, one being in close proximity to Wiregrass Park, and another near the future site of Florida Hospital Center Ice.

- **S.R. 56 EXTENSION:** Pasco County is currently working with Florida’s Department of Transportation to develop and create funding strategies for an estimated \$60 million project, which would involve a 6.7 mile extension of State Road 56 connecting it with US 301.
- **CRYSTAL LAGOON:** A man-made lake that will be developed on eight acres of land will be transformed into a “beach paradise” with white sand beaches and crystal blue waters. The complex is a part of a chain of worldwide locations. The Pasco County location will be the first Crystal Lagoon operation in the United States and will strengthen the County’s campaign to be a premier county in Florida.
- **SEMINOLE COUNTY SPORTS COMPLEX:** 15 fields for baseball, softball, soccer, football, and lacrosse are currently being developed in Sanford. The development broke ground in April of 2015 and is estimated to cost \$27 million.
- **SUNWEST PARK:** Scheduled to open during the 4th of July weekend of 2015, the 70-acre lake will be another addition to Pasco County’s portfolio of sport and recreation complexes. The park includes a state-of-the-art wakeboarding park, 40 sand volleyball courts and one mile of beach surrounding the lake.
- **WIREGRASS RANCH PROPOSED DOWNTOWN DISTRICT:** This is still in planning stages but it will be located in Town Center (M2) which is adjacent to the development site. Any potential development at Wiregrass Park will have synergies with this proposed downtown development.

IMPLICATIONS

Pasco County has many key characteristics and requirements to support a multi-use sports facility – namely solid population growth, access to regional, national, and international transportation, and county household incomes projected to increase at an above average rate. Based on the objective finding, we are recommending a multi-use sports facility as the best use for the given site at Wiregrass Park.

Examining further into the county, we see that Wesley Chapel is boasting a rapid population growth, a high proportion of residents ages 5-34, and a median household income greater than that of the United States. This combination of a growing and young population that possesses a greater proportion of disposable income is a great opportunity for the development of the County as a whole. These local characteristic strengths are critical as any proposed sports facility would serve the local sports and recreation needs as well as serve as economic demand generator for the County. Along with this consistent economic growth, it can be speculated that an expansion of the Florida Hospital, an extension of S.R. 56, and the construction of the Raymond James commercial property, will bring economic stability to the County, attract skilled laborers to the County’s workforce, and present even more future opportunities for growth and advancement.

SECTION IV
PARTICIPATORY SPORTS TRENDS

PARTICIPATORY SPORTS TRENDS

Over the last two decades, sports facilities have become destination tourism generators, while also servicing the local recreation needs if necessary. Whereas two decades ago the common tactic was to develop single-purpose facilities with the intent to serve as a local community resource, today's facilities are often developed with the intent of attracting a multipurpose niche of visitors to an area. As a result, they are portrayed based on their ability to induce economic activity through an increasingly diversified demand. As this has occurred, society has also become more mobile and time constraints for families much greater, which has translated to the rise of short duration, purpose-driven trips that coincide with tournament and competition lengths.

For communities, entertainment and sports marketing has led to changes in development strategies and the emergence of facilities and attractions that offer either niche focused venues or multipurpose venues, and fee-for-service amenities that appeal to everyone. In addition to the factors mentioned above, the following characteristics have also contributed to this evolution:

- Heightened expectations that facilities or programs demonstrate some degree of “return.” Historically, facilities were built by Parks and Recreation and other municipal departments for civic and social service. For sports facilities that are typically not self-supporting, the rationale for development is often infused with discussion of the value it creates for the community through increased visitation, and thus, fiscal return based on increased lodging, restaurants, or retail spending. In this instance, sports facilities are positioned or portrayed as an economic development vehicle, rather than a community resource.
- Increasing expectation by elected officials that selected public sector functions can be operated as enterprise accounts (e.g. use fees to minimize operating support). This trend is most notable in sports facility operations where recent fiscal constraints have led to increased reliance on revenue self-generation for programs ranging from leagues to tournaments to skills training sessions.
- The changing dynamics of the sectors that use these facilities, as well as the changed expectations of participants. Tournament and league organizers are looking to maximize the yield for staging events and, as such, look for the facility that offers the best mix of concessions, rental rates, capacity, and hotel packages.
- A more competitive environment has been fueled by an increased range of facility types. As the development of private recreation offerings has increased so to have the range of options available to the users. In the instance of sports, the community recreation center or YMCA were once the only options, today there may be numerous options. As such, each facility works hard to distinguish itself in a region, and often relies on the continual addition (or subtraction) of amenities such as multiple fields and courts, high-end locker rooms, increased seating or concessions to maintain appeal.

- Increased specialization and sophistication in design and makeup of the facilities has also changed. Facilities are now designed with the specific mission of the building in mind and create an atmosphere with amenities that drive the specialized business of the facility, such as “Championship Stadiums” that target national and regional tournament play.

For Pasco County, the challenge in developing a new sports complex is to design specialized facilities that will accommodate enough demand (e.g. attract visitors and events) to justify development while ensuring that these facilities are distinct in relation to other regional offerings. This also must be done in a way that attracts sports tourism while also satisfying the needs of local sports/recreation leagues who will utilize the facility during the week when there are no tournaments. In analyzing the potential for a multipurpose facility, Johnson Consulting considered the following framework questions:

1. Is there sufficient national and local market demand to support these uses?
2. What are the demand trends associated with sports tourism and local recreation?
3. What physical program should be developed?
4. Is there a baseline venue starting point that can be embellished over time?

This section of our report addresses questions 1 and 2, and provides a basis for addressing questions 3 and 4.

TEAM SPORTS PARTICIPATION

The following analysis of team sports participation is based upon data presented in the 2014 Sports and Fitness Industry Association (SFIA) Trends in Team Sports report (the most recent issue). The analysis defines participants, participation, and participation rates as follows:

Figure 4-1



Since the recession, several team sports have experienced a steady decline throughout the U.S. As shown in the following table, only a handful of team sports were able to grow during the recession, while several experienced sharp declines in participation rates. The largest increase in Average Annual Growth (2008-2013) was Rugby (13.8 percent), followed by Lacrosse (10.8 percent), Field Hockey (5.9 percent) and Sand/Beach Volleyball (3.6 percent). The largest decline was recorded in Wrestling (-10.9 percent), followed by Touch Football (-7.3 percent, Paintball (-6.8 percent), Slow-pitch Softball (-6.6 percent), Flag Football (-5.1 percent) and Tackle Football (-4.6 percent). Sports such as Basketball, Indoor/Outdoor Soccer, Fast-pitch Softball and Cheerleading saw minor increases or decreases over the same time frame.

Table 4-1

Participation in Selected Team Sports (2008-2013)		
Sport	Total % Growth (2008-2013)	Average Annual Growth (2008-2013)
Rugby	81.0%	13.8%
Lacrosse	65.9%	10.8%
Field Hockey	31.4%	5.9%
Ice Hockey	27.9%	5.1%
Gymnastics	25.1%	4.7%
Volleyball (Sand/Beach)	18.5%	3.6%
Ultimate Frisbee	13.9%	2.7%
Softball (Fast Pitch)	7.2%	1.6%
Soccer (Indoor)	7.0%	1.5%
Cheerleading	1.3%	0.3%
Soccer (Outdoor)	-8.9%	-1.8%
Basketball	-9.3%	-1.9%
Track and Field	-11.6%	-2.4%
Baseball	-14.5%	-3.0%
Volleyball (Court)	-15.2%	-3.2%
Roller Hockey	-17.2%	-3.4%
Volleyball (Grass)	-18.2%	-3.9%
Football (Tackle)	-21.2%	-4.6%
Football (Flag)	-23.3%	-5.1%
Softball (Slow-Pitch)	-28.9%	-6.6%
Paintball	-30.4%	-6.8%
Football (Touch)	-32.0%	-7.3%
Wrestling	-45.2%	-10.9%
Swimming on a Team	*11.7%	*5.7%

* Only reported since 2011

Source: SFIA, Johnson Consulting

TEAM SPORTS PARTICIPATION GROWTH AND DECLINE

In order to understand how sports are currently trending – up or down – in terms of participation within specified age groups, Table 4-2 provides a look at the top three team sports that are growing and declining in participation per age group. Lacrosse appears as a growing sport in each age group from ages 6-44 – reflecting the growing popularity of the sport – while Wrestling and various forms of Football (Tackle, Touch, Flag) highlight the top declining sports. This table shows the growing need for facilities for unconventional sports such as Lacrosse and Rugby.

Table 4-2

Greatest Average Annual Growth and Decline by Age Group				
Growing		Age Group	Declining	
Rugby	30.5%	6-12	Football (Touch)	-6.7%
Lacrosse	28.9%		Softball (Slow Pitch)	-6.5%
Ice Hockey	27.0%		Football (Tackle)	-5.8%
Rugby	16.2%	13-17	Wrestling	-14.4%
Roller Hockey	12.4%		Football (Flag)	-10.3%
Lacrosse	11.8%		Paintball	-9.6%
Lacrosse	15.6%	18-24	Wrestling	-17.5%
Cheerleading	7.6%		Paintball	-9.9%
Rugby	6.9%		Football (Touch)	-7.3%
Rugby	36.8%	25-34	Volleyball (Grass)	-7.6%
Lacrosse	20.9%		Softball (Slow Pitch)	-6.3%
Field Hockey	16.1%		Football (Touch)	-5.5%
Field Hockey	43.8%	35-44	Softball (Slow Pitch)	-5.1%
Rugby	39.8%		Football (Touch)	-4.6%
Lacrosse	21.1%		Soccer (Outdoor)	-3.4%
Roller Hockey	14.1%	45-54	Paintball	-10.1%
Rugby	12.4%		Softball (Slow Pitch)	-9.7%
Ice Hockey	8.3%		Wrestling	-9.2%

source: SFIA, Johnson Consulting

CORE PARTICIPATION GROWTH

Table 4-3 shows the two-year and five-year average growth among core participants, and also defines core participation for each sport. Core participation rose for 9 of 24 sports from 2008 to 2013 (Five Year Avg. Growth). The greatest gainers were niche sports, including Rugby (7.8%), Lacrosse (7.6%), and Field Hockey (6.0%). Core participation also rose in Soccer (Indoor), Volleyball (Sand/Beach), Ice Hockey, Softball (Fast Pitch), Gymnastics and Ultimate Frisbee. Traditional team sports such as Basketball (-1.3%), Baseball (-3.5%) and Volleyball (Court) (-3.2%) saw core participation rates slightly decline.

Table 4-3

Core Participation Overall Trends			
Sport	Definition	2 Year Avg Growth	5 Year Avg Growth
Rugby	8+ times	18.3%	7.8%
Field Hockey	8+ times	10.6%	6.0%
Lacrosse	13+ times	6.1%	7.6%
Soccer (Indoor)	13+ times	6.3%	2.8%
Swimming on a Team*	50+ times	-1.2%	-
Volleyball (Sand/Beach)	13+ times	8.3%	5.0%
Basketball	13+ times	0.0%	-1.3%
Ice Hockey	13+ times	5.3%	2.6%
Baseball	13+ times	-1.4%	-3.5%
Softball (Fast Pitch)	26+ times	9.2%	2.0%
Soccer (Outdoor)	26+times	-1.3%	-0.7%
Paintball	8+ times	1.1%	-12.2%
Football (Tackle)	26+ times	-2.6%	-3.3%
Football (Touch)	13+ times	2.0%	-5.5%
Volleyball (Court)	13+ times	-2.5%	-3.2%
Football (Flag)	13+ times	-0.4%	-5.5%
Volleyball (Grass)	13+ times	-7.4%	-5.7%
Gymnastics	50+ times	-1.8%	1.6%
Track and Field	26+ times	-5.0%	-1.9%
Roller Hockey	13+ times	7.4%	-4.7%
Wrestling	26+ times	-8.6%	-9.7%
Ultimate Frisbee	13+ times	-3.8%	0.5%
Softball (Slow Pitch)	13+ times	-3.8%	-6.8%
Cheerleading	26+ times	0.7%	-3.9%

* Only reported since 2011

Source: SFIA, Johnson Consulting

CORE PARTICIPATION BY INCOME

The following table provides a breakdown of national core participation rates broken down by income. Not surprisingly, some of the highest participation rates in each sport come from the highest income group. This makes sense because of the cost of participating in leagues and paying for children to participate in club sports. Excluding the \$100,000+ income group, participation rates fluctuate among the four other income levels.

Table 4-4

Core Participation Overall Trends					
Sport	Under \$25,000	\$25,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000+
Baseball	12%	23%	22%	16%	27%
Basketball	15%	21%	19%	15%	29%
Cheerleading	17%	20%	17%	12%	34%
Field Hockey	15%	27%	12%	13%	34%
Football (Flag)	21%	26%	18%	14%	22%
Football (Tackle)	17%	24%	20%	13%	27%
Football (Touch)	27%	24%	18%	12%	19%
Gymnastics	16%	24%	19%	12%	28%
Ice Hockey	8%	15%	22%	19%	36%
Lacrosse	6%	10%	16%	16%	51%
Paintball	25%	29%	14%	9%	23%
Roller Hockey	2%	13%	18%	26%	42%
Rugby	14%	27%	22%	12%	25%
Soccer (Indoor)	14%	22%	17%	14%	33%
Soccer (Outdoor)	13%	19%	16%	17%	35%
Softball (Fast Pitch)	12%	16%	16%	23%	33%
Softball (Slow Pitch)	13%	20%	18%	22%	27%
Swimming on a Team*	8%	16%	12%	21%	43%
Track and Field	12%	24%	12%	13%	40%
Ultimate Frisbee	27%	20%	17%	12%	25%
Volleyball (Court)	23%	19%	18%	12%	28%
Volleyball (Grass)	16%	17%	15%	14%	38%
Volleyball (Sand/Beach)	20%	27%	17%	17%	18%
Wrestling	12%	27%	14%	15%	32%

* Only reported since 2011

Source: SFIA, Johnson Consulting

CORE VS CASUAL PARTICIPATION BY AGE

The following table compares total participation among casual vs core participants, focusing on participants between 6-17 years of age (Definition of core participant provided in Table 4-3). Team sports participation has been trending down over the past decade, however, participation in team sports among children age 6-17 has increased slightly from 50% in 2012 to 51% in 2013. Overall, total participation is similar between the two age groups shown below (Ages 6-12; Ages 13-17), but older children are more likely to be core participants than younger children (Core participation for each sport is defined in Table 4-3).

Table 4-5

Participation by Year of Age 6-17 (2012-2013) - U.S.		
	Ages 6-12	Ages 13-17
Casual	11.3%	7.1%
Core	40.0%	43.6%
Total Participation	51.3%	50.7%

Source: SFIA, Johnson Consulting

OBSERVATIONS

The sports industry has seen participation rates for individual sports decline over the past several years, mainly due to the increase of specialization in sports. As club sports grew in popularity, so too did the year-round commitment to play that prevented athletes from participating in multiple sports. Additionally, the decline in participation in traditional sports like basketball, baseball and volleyball (court) can be attributed to the emergence of niche sports like lacrosse, soccer (indoor) and rugby.

As a result of the emerging niche sports, and specialization across traditional sports, the competition for facilities has increased. Thus, it will be critical for a facility in Pasco County to target sports where current demand is unmet by existing facilities to help to ensure the new sports complex would capture a sufficient number of event days and, in turn, supplement use of the facility outside of national and regional tournaments. This becomes especially necessary as traditional sports continue to see participation rates decline. Facilities with the flexibility to host a variety of sports will have the greatest chance of success over the long-term as national participation rates fluctuate.

SECTION V
COMPARABLE MARKET & FACILITY ANALYSIS

COMPARATIVE MARKET & FACILITY ANALYSIS

Johnson Consulting undertook a comprehensive review of conditions of similar markets and compiled case studies of comparable facilities in the region. Benchmarking Pasco County against these markets and profiling a variety of sports facilities can help properly assess the current marketability of Pasco County and help determine whether a multi-purpose sports complex will be supported in this market.

COMPARATIVE MARKET ANALYSIS

In the following figures (Figure 5-1 through Figure 5-6) Pasco County will be compared against 11 other surrounding Florida Counties.

Figure 5-1

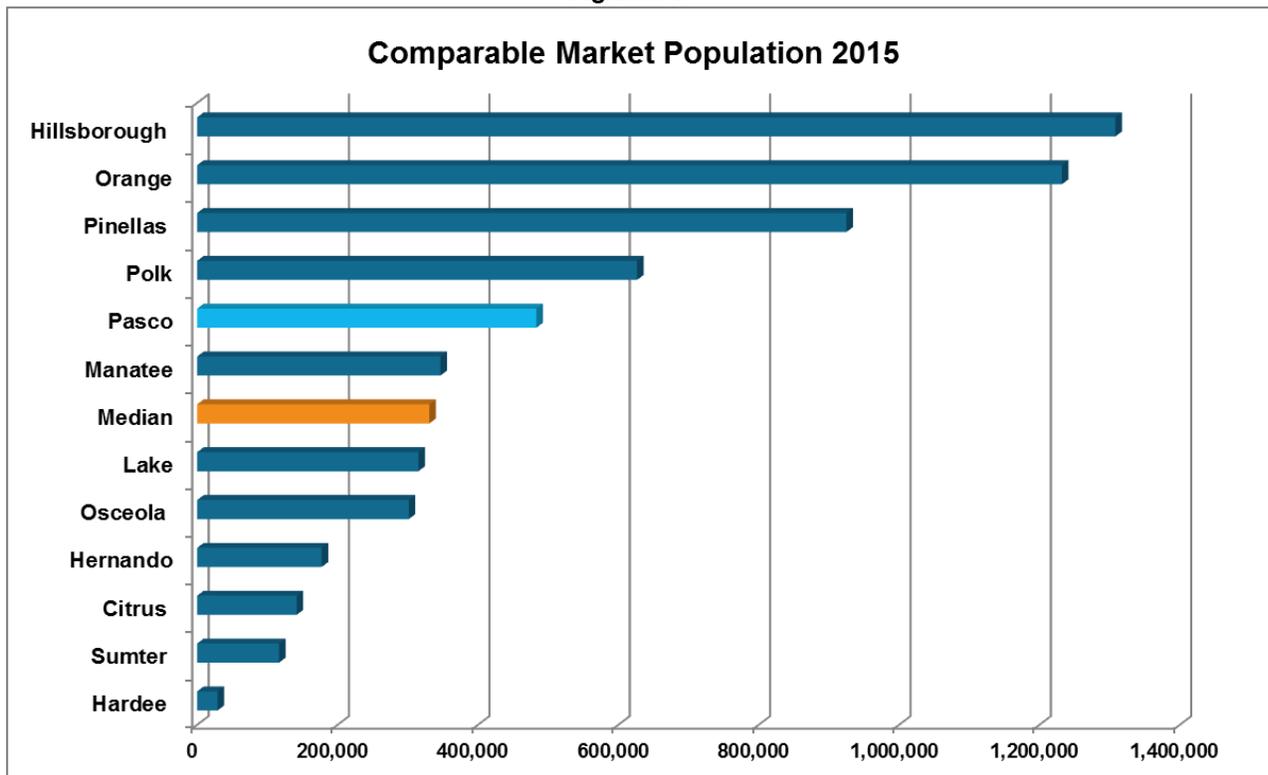


Figure 5-2

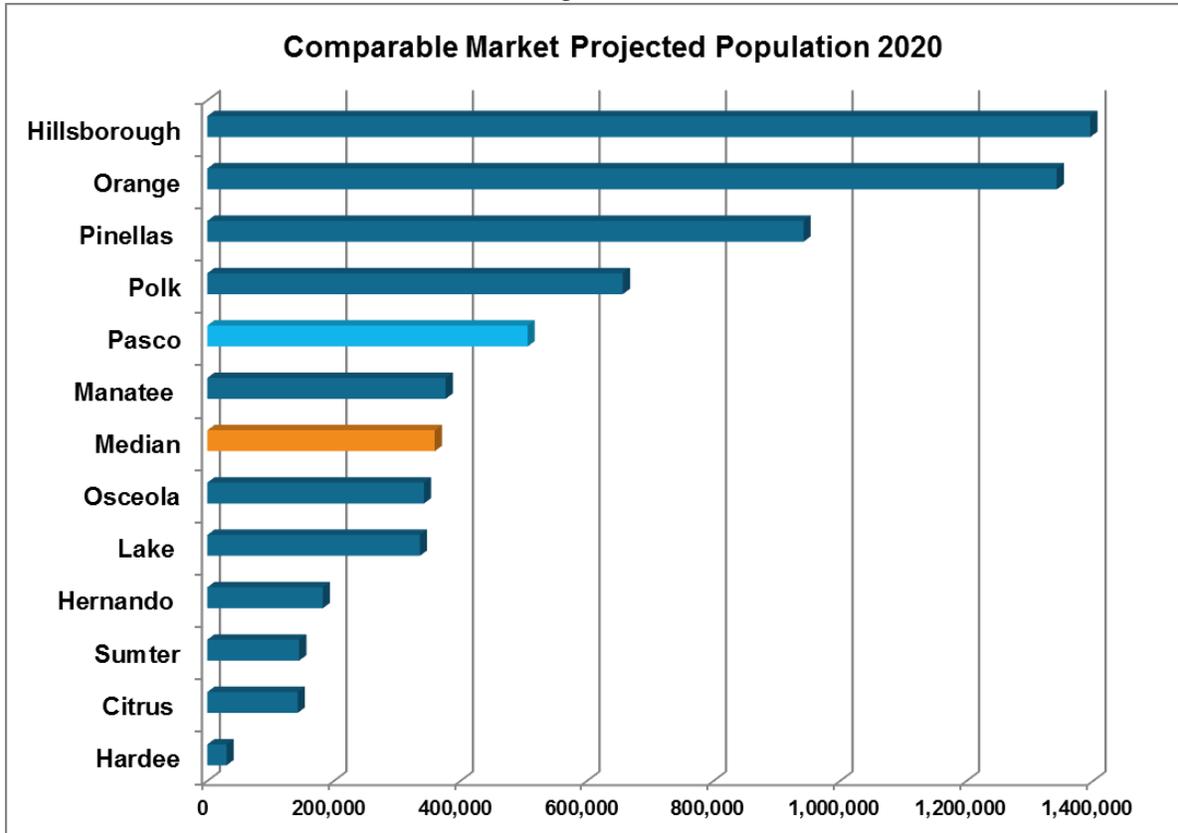


Figure 5-3

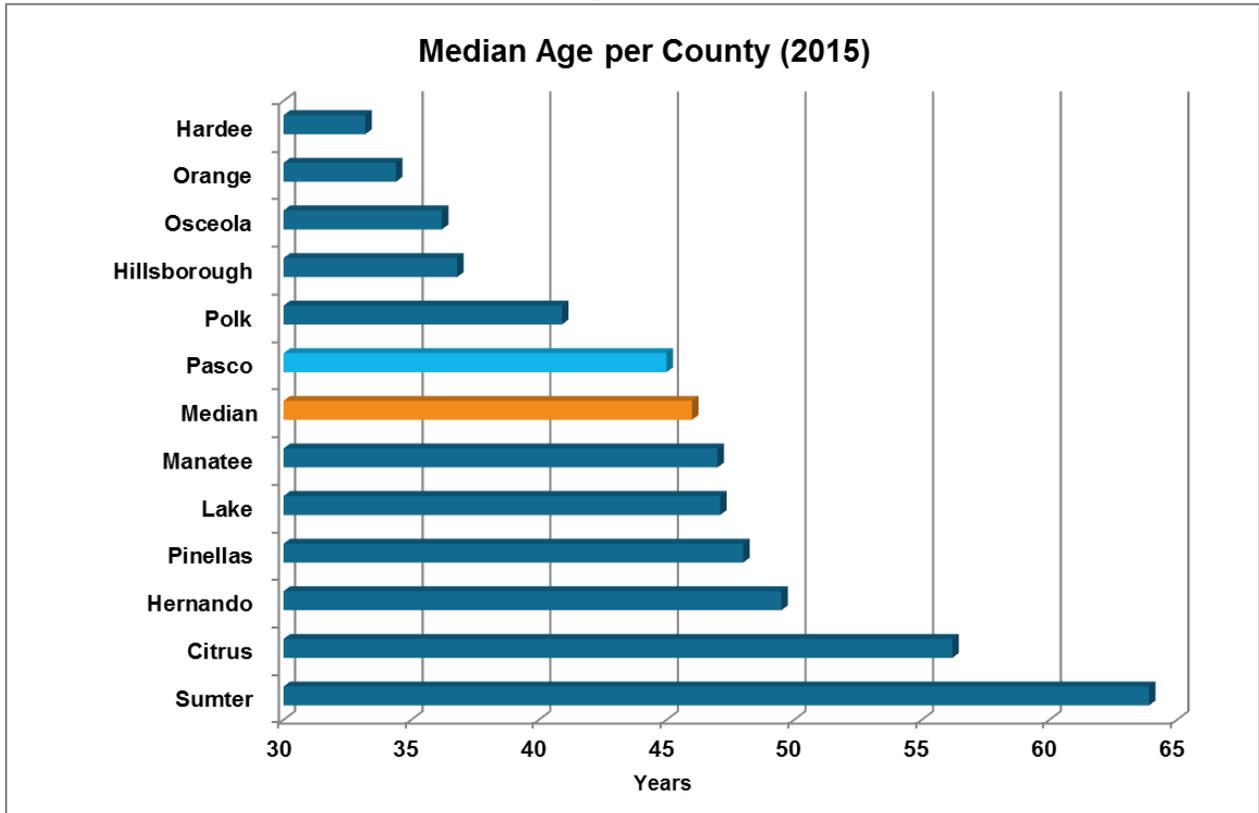


Figure 5-4

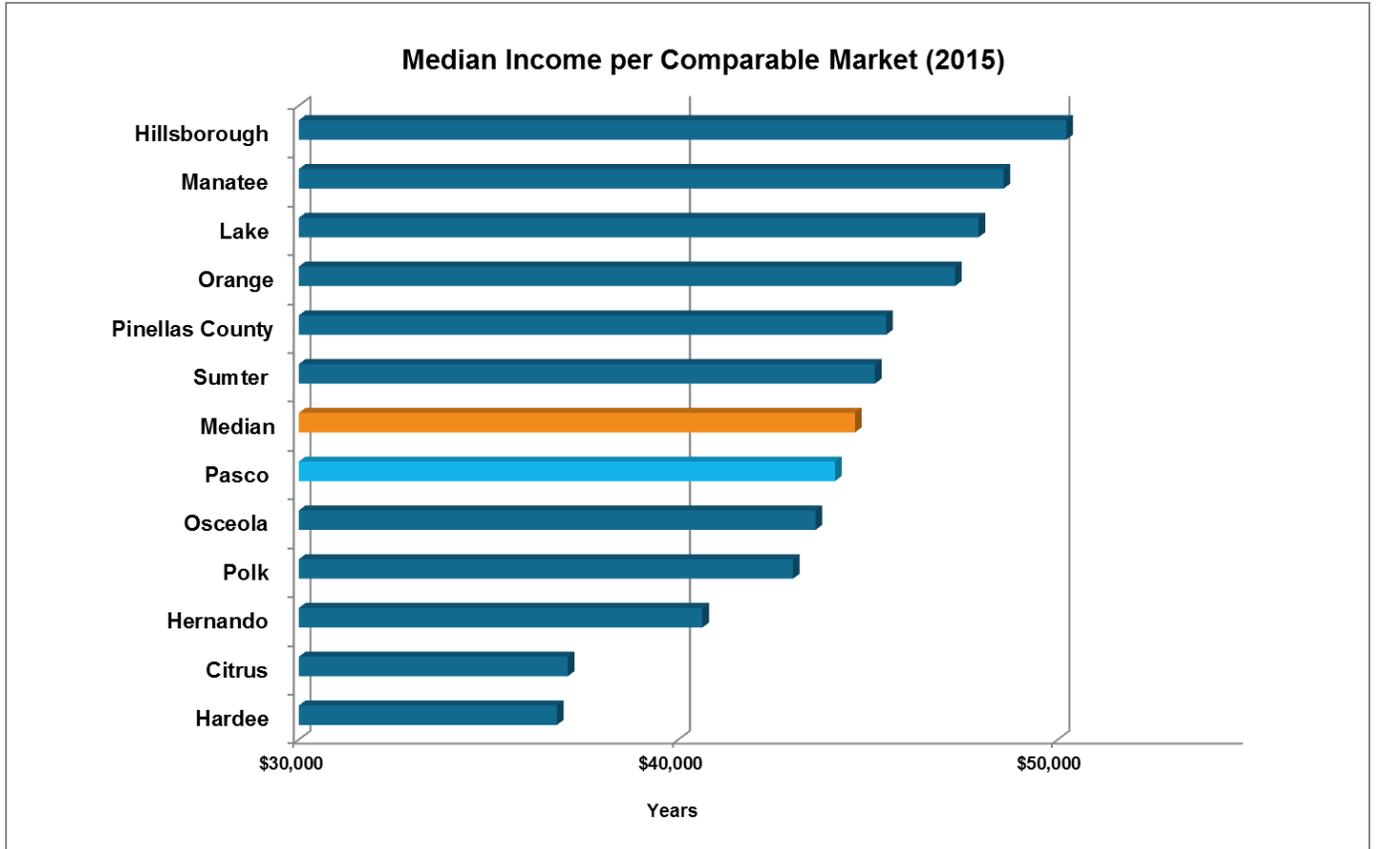
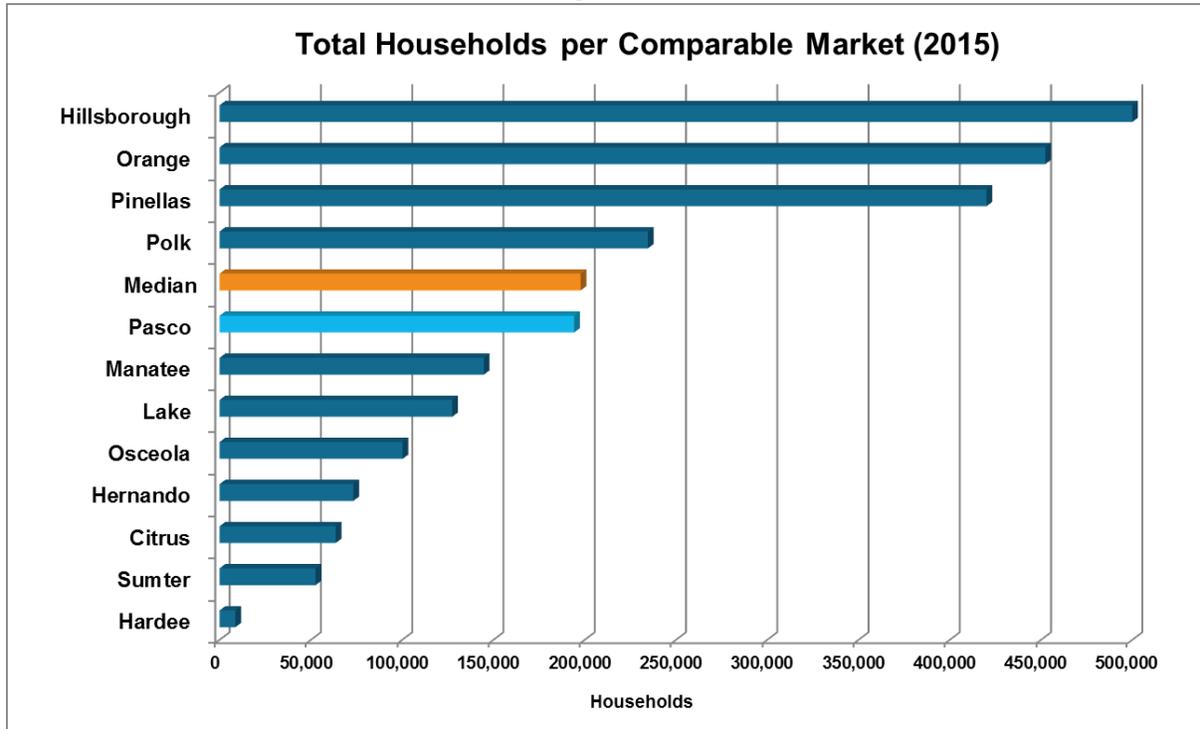


Figure 5-5



COMPARATIVE MARKET OBSERVATIONS

The previous charts display that Pasco County is near or above the median in the majority of the compared categories. Pasco County is in the top five in 2015 population and projected 2020 population and, although it was noted in Section 3 that the County’s median resident age (45) is above the state and national average, Pasco County is close to the median age of the comparable markets (44.85), which is likely skewed by the youngest and smallest county (Hardee).

Out-of-county opportunities can also be viewed from these charts. Pasco County shares borders with Hillsborough, Pinellas and Polk Counties. These nearby Counties are at or near the top in population, median income, and total households. Pasco County should consider these Counties as viable markets for attracting local users and regional participants or establishing a regional partnership. This regional partnership may be fruitful as our research shows that Hillsborough County is seeking an outdoor sports complex, however it suffers from a lack of available land. This may be a possible opportunity for both Counties to enter into a mutually beneficial collaboration on a sports development.

FACILITY ANALYSIS

While there is no exact model that defines what a sports complex is, each complex described below has characteristics that are relevant to the planning and programming of a portfolio of multipurpose sports facility offerings for Pasco County. Each of the case study facilities utilizes different business models to generate revenue; however they are all active participants in the indoor/outdoor facility market. The success of these facilities, operating in similar demographic markets, creates the initial validation for similar development in Pasco County. Table 5-2 below includes national comparable facilities.

Table 5-2

Key Characteristics of Comparable Facilities and Markets						
	Proposed Wiregrass Park	Rocky Top Sports World	Round Rock Sports Center	Foley Sports Tourism Complex and Events Center	Myrtle Beach Sports Center	Orlando Sports Center
Location	Pasco County, FL	Sevier County, TN	Williamson County, TX	Baldwin County, AL	Horry County, SC	Orlando, FL
Demographic Characteristics (2015)						
Population	483,188	95,024	482,085	200,388	296,443	1,232,123
25 mile radius population	1,943,742	223,044	1,506,060	275,030	317,401	2,095,040
50 mile radius population	3,870,979	1,294,620	2,397,989	1,101,635	541,951	3,605,223
75 mile radius population	6,824,303	2,315,914	2,971,804	1,524,414	1,223,050	6,267,475
Median Household Income	\$44,131	\$42,765	\$79,053	\$53,083	\$40,853	\$47,295
Hotel Rooms within 10 mile radius	3,474*	7,791	4,045	2,257	13,320	33,014**
Facilities						
Total Approximate Cost (millions)	-	\$20	\$14.9	\$27	\$12.4	\$6.5
Outdoor (acres)	80	80	-	89	-	-
Indoor Facilities (sq. ft.)	60,000-85,000***	86,000	82,800	104,000	100,000	92,000
Baseball	-	✓	-	-	-	-
Softball	-	✓	-	-	-	-
Football	✓	✓	✓	✓	-	-
Basketball	✓	✓	✓	✓	✓	✓
Cheerleading	✓	-	✓	✓	✓	-
Gymnastics	✓	-	✓	✓	✓	-
Lacrosse	✓	✓	-	-	-	-
Soccer	✓	✓	✓	✓	-	-
Volleyball	✓	✓	✓	✓	✓	✓
Wrestling	✓	-	✓	✓	✓	-
Martial Arts	✓	✓	✓	✓	✓	-

*11 Mile Radius 2,352 Rooms are outside of Pasco County**

*Within 5 mile radius***

*Proposed in Executive Summary****

Source: Esri BAO, Demographics Now, MPoint, Johnson Consulting, Facility websites



ROCKY TOP SPORTS WORLD GATLINBURG, TENNESSEE

LOCATION

Rocky Top Sports World is located in Gatlinburg, Tennessee which has a population of 4,387.

FACILITIES

The indoor/outdoor complex will offer the following indoor facilities:

- 86,000 square foot multi-sport facility
 - 6 basketball courts
 - 12 volleyball courts
 - Championship Court capable of hosting basketball, volleyball, wrestling, martial arts and table tennis
 - Indoor Climbing Wall

Rocky Top Sports World	
Location	Gatlinburg, TN
Acres	80
Multi-purpose Field	7
Courts*	6/12
Diamonds	1
Indoor Sq. Ft.	86,000
Hotel Rooms**	7,791
Total Cost	Approx. \$20 million
Ownership	City of Gatlinburg
*Basketball/Volleyball	
**within 10 mile radius	
Source: facility, Johnson Consulting	

The outdoor facility offers the following:

- 7 synthetic turf fields
- Championship Field with a press box and seating for 1,500 capable of hosting football, lacrosse, soccer, ultimate Frisbee and marching band
- Track and Field facilities

Rocky Top Sports World also offers 40,000 square feet of column free space capable of hosting up to 1,000 people for special events, such as ceremonies, parties and banquets.

DEMAND SCHEDULE

Since it's opening in June of 2014, Rock Top has averaged one tournament/event a week and has hosted upwards of four events during a week and had to meet the demand of over 7,500 athletes. Basketball and Volleyball have been the complex's main sports with Indoor Soccer and Lacrosse tournaments making up a majority of the remaining events. Operators of the facility have stated that in the complex's first full year of operation, it has exceeded expectations in number of visitors and number of events held.

OPERATIONS

Construction of Rocky Top Sports World began in March 2013 and was completed in the spring of 2014. Rocky Top is operated by The Sports Facilities Advisory (SFA). The construction process was headed by The Sports Facilities Advisory, Blaine Construction, and Barber McMurry Architects.



FUNDING

Rocky Top cost an estimated \$20 million and was funded by the City of Gatlinburg and Sevier County.

OBSERVATIONS

Since opening in the summer of 2014, Rocky Top Sports World has become one of the premier youth sports complexes in the country. The developers were cognizant to select a centrally located market that typically receives millions of visitors each year. Utilizing their existing hospitality industry should allow them to quickly ramp up activity at the complex.

ROUND ROCK SPORTS CENTER ROUND ROCK, TEXAS

LOCATION

Round Rock Sports Complex is located in Round Rock, Texas, which is 20 miles north of Austin and is in the process of branding itself the “Sports Capital of Texas.”

FACILITY

The complex is an 82,800 sq. ft. facility that includes 6 basketball/12 volleyball courts, 9 multi-purpose rooms, a full concession stand operated in-house, and can seat up to 1,700 spectators. The complex has a 586 space parking lot.

Round Rock Sports Center	
Location	Round Rock, TX
Courts*	6/12
Indoor Sq. Ft.	82,800
Hotel Rooms**	4,045
Total Cost	Approx. \$14.9 million
Ownership	City of Round Rock
*Basketball/Volleyball	
**within 10 mile radius	
Source: facility, Johnson Consulting	

DEMAND

The Round Rock representatives estimated that 70-80 days a year the facility is operating at full utilization, including 25 weekend long tournaments and 15 single day tournaments. During the busiest of these tournaments the complex has held 3,000 participants and spectators. Regional basketball and volleyball tournaments have made up a majority of these events. The complex also hosts tournaments and events for other indoor sports such as; wrestling, badminton, cheerleading, gymnastics, martial arts, and weightlifting and expos and community events, such as the 4-day Wedding Cake Expo that attracted 2,500 visitors per day. Operators of the facility noted that including holidays the facility has zero utilization 6-8 days a year.



OPERATIONS

The center is owned and managed by the City of Round Rock. There are 10 employees that work full-time at the facility and anywhere from 20-40 part-time workers on staff, depending on whether it is busy season (December-August). The complex earned \$1.3 million in its first full year of operations and is currently profitable.

FUNDING

The Sports Complex cost \$14.9 million dollars, most of which was funded by the city of Round Rock’s Hotel Occupancy Tax.

OBSERVATION

The City of Round Rock has done a great deal to increase its Sports Tourism and in creating its own brand in the “Sports Capital of Texas.” In a market that may seem oversaturated, the recent addition of the Round Rock Sports Center has provided courts for 30 volleyball club teams, 10 basketball AAU teams, 5 local school teams, and upwards of 20 YMCA teams during weeknights, year round. These numbers do not take into account the over 80 teams that they host on average at each weekend tournament. This mix-use strategy of trying to meet local demand during the week, while still having the ability to attract regional and national events during the weekend is a plan that should be considered when discussing the proposed facility at Wiregrass Park. The Sports Center has leveraged the high levels of foot traffic and spectators into numerous Corporate Sponsorship opportunities. The City of Round Rock is currently developing a \$7.5 million expansion to the complex. The expansion will include outdoor multi-purpose fields and sand volleyball courts and is scheduled to open in the winter of 2015.

FOLEY SPORTS TOURISM COMPLEX AND EVENTS CENTER FOLEY, ALABAMA

LOCATION

998 W Section Ave, Foley, AL

PHASE ONE FACILITIES

- Outdoor Complex
 - Opening in the late fall of 2015
 - 15 multi-purpose fields, designed for year-round play
 - 1 Championship field, which has seating for 2,000 and can expand to accommodate 10,000 spectators

- Foley Events Center (Indoor Facility)
 - 104,000 sq. ft.
 - 6 Basketball / 12 Volleyball courts

Foley Sports Tourism Complex and Events Center	
Location	Foley, AL
Acres	89
Multi-purpose Fields	16
Courts*	6/12
Indoor Sq. Ft.	104,000
Hotel Rooms**	2,257
Total Cost	Approx. \$27 million
Ownership	City of Foley
*Basketball/Volleyball	
**within 10 mile radius	
Source: facility, Johnson Consulting	

- Accommodation for concert seating, banquet space, and exhibits/trade shows
- Hilton Garden Inn
 - 150 rooms
 - 17,500 sq. ft. convention center



OPERATIONS

The City of Foley and Blue Collar Entertainment have entered into a joint venture to build a \$75 million development on a 520-acre site in southwest Alabama. The development is a multi-phase project. Phase I of the project includes the development of an outdoor and indoor sports complex, as well as a Hotel/Convention Center. Phase II of the project will include 94 specialty retail shops, 6 themed restaurants, and “county fair” with 15 rides. At the center of the Phase II development will be a 17-acre lake. In January of 2015, the City of Foley purchased the land intended for the Indoor and Outdoor complexes from Blue Collar Entertainment and broke ground shortly after. It has been projected that 65 permanent jobs will be created from the Phase I complexes. This workforce will be supplemented by local volunteers.

FUNDING

The development of the Indoor and Outdoor Sports complexes has been estimated at \$27 million. The City of Foley has pledged the full amount for these complexes, as it has categorized it as one of its sport tourism

projects. The project was also awarded \$10 million from the State of Alabama to develop the infrastructure leading to the site.

OBSERVATION

The outdoor complex has scheduled to open November 7th, 2015 by hosting the Third Coast Classic Lacrosse tournament. In March of 2015, Blue Collar Entertainment announced that they were moving ahead with Phase II and anticipate its completion in 2-3 years.

MYRTLE BEACH SPORTS CENTER MYRTLE BEACH, SOUTH CAROLINA

LOCATION

The complex is located in Myrtle Beach, South Carolina, a popular vacation destination. The venue sports the fact that it is state-of-the-art complex with extreme proximity to world-class beaches, the Boardwalk at Broadway, and several other tourist attractions.

FACILITY

The Sport Center has over 100,000 sq. ft. in total space, includes the following features and amenities;

- 72,000 sq. ft. of open, convertible court space,
- 8 high school / 4 NBA size basketball courts,
- 16 volleyball courts,
- 4 “Flex” Rooms, and 1 multi-purpose room

Myrtle Beach Sports Center	
Location	Myrtle Beach, SC
Courts*	8/4/16
Indoor Sq. Ft.	100,000
Hotel Rooms**	13,320
Total Cost	Approx.\$12.4 million
Ownership	City of Myrtle Beach
*High School Basketball/ NBA / Volleyball	
**within 10 mile radius	
Source: facility, Johnson Consulting	

DEMAND

The facility currently caters to strictly regional and national basketball and volleyball tournaments and events. The facility is projecting to host 35 tournaments during their first peak season (Start of Spring through end of Fall) since opening in March 2015. Management notes that there is a notable drop off in demand during the off peak vacation months (Late Fall until early Spring).

OPERATIONS

The facility is publically owned by the City of Myrtle Beach. The current revenue stream for the facility is the city renting the complex to event and tournament promoters. The second largest revenue stream can be attributed to Sponsorships, which they received \$250,000 before opening in March of 2015. The complex has five full-time employees and a large staff of rotating paid-interns who provide administrative support

when events and tournaments are held. Management anticipates the complex to be profitable by its third year of operations.



FUNDING

The \$12.4 million complex was publically funded by the City of Myrtle Beach.

OBSERVATION

The Myrtle Beach Sports Center is a state-of-the-art facility located in a popular vacation destination. In contrast with the increase in events during Myrtle Beach's peak season, management is projecting that the facility will have low demand for these events during the off-season months. The Sports Center has had success attracting regional and national events, which has been its only objective thus far. MBSC currently has no intention of trying to capture local demand and portrays that by not hosting local leagues or open gyms. Management suggested that if they find, in the coming months, that there is not enough court space in the area to satisfy the demand of local sports or if there is such a drastic lull in business during their first off-season, they would consider re-positioning the facility to also serve local sports.

ORLANDO SPORTS CENTER ORLANDO, FLORIDA

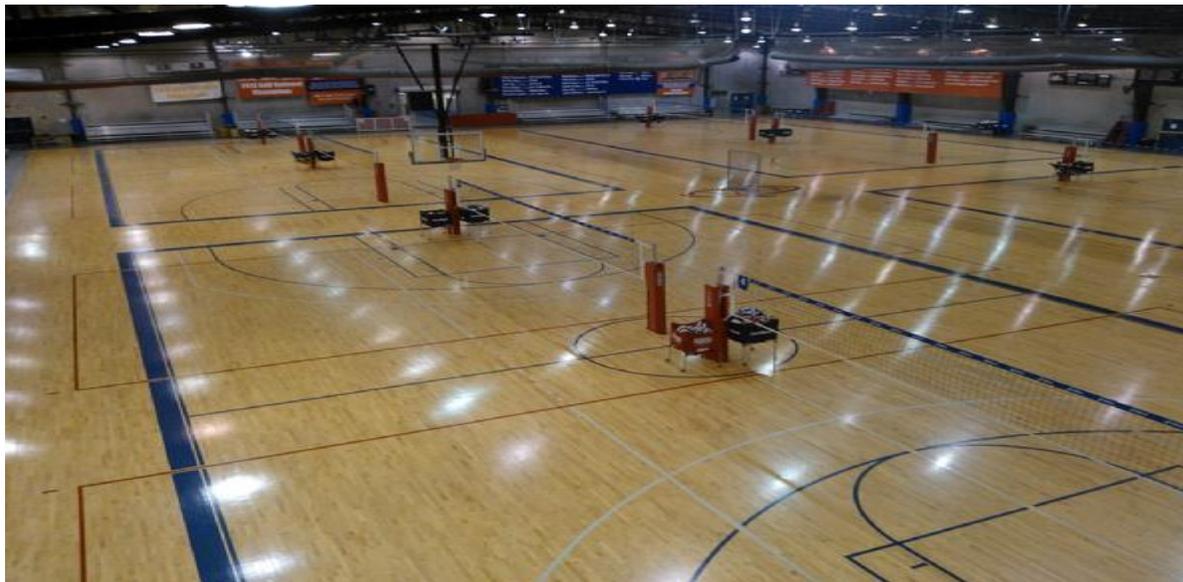
LOCATION

The Orlando Sports Center is located ten miles south of downtown Orlando, near the junction of Florida State Roads 435 and 482.

FACILITIES

The Orlando Sports Center offers facilities for baseball, softball, volleyball, basketball, football, and soccer. They can host leagues and regional/national tournaments, as well as private coaching and instruction. The facility provides over 92,000 gross square feet of indoor space, including an 18,000 square foot multipurpose room. The Sports Center is home to a local volleyball club, the Orlando Volleyball Academy. The indoor space can accommodate six basketball courts or twelve volleyball courts. A performance training facility with personal trainers is on-site, along with meeting rooms and conference space. The facility also includes ten outdoor sand volleyball courts and an outdoor training area. In 2013, the Orlando Volleyball Academy opened a second facility 25 miles north of it's the Orlando Sports Center, strictly for volleyball events.

Orlando Sports Center	
Location	Orlando, FL
Courts*	6/12
Indoor Sq. Ft.	100,000
Hotel Rooms**	33,104
Total Cost	Approx. \$6.5 million
Ownership	Privately Owned
*Basketball/Volleyball	
**within 5 mile radius	
Source: facility, Johnson Consulting	



DEMAND SCHEDULE

In addition to being the home of the Orlando Volleyball Academy, The Orlando Sports Center hosts a number of camps and smaller-scale tournaments. In 2012, the facility hosted approximately 14 basketball and

volleyball tournaments, several camps, high school games and practices, and recruiting showcases. In 2015, management noted that since 2012 the center has averaged nearly 30 events per year these events are mostly made up of weekend long basketball and volleyball tournaments.

OPERATIONS

The facility is privately owned and operated.

FUNDING

The cost of the facility was \$6.5 million and was privately funded.

OBSERVATIONS

The Orlando Sports Center demonstrates how a similar facility can positively impact the Pasco County and Wesley Chapel communities. The indoor facility provides value for local residents and has more of a regional scope as opposed to facilities that attract national tournaments. While the facility does not cater to large national tournaments it is capable of hosting smaller regional events and offers local residents civic and social indoor space. This could be an initial strategy adopted by management as they look to grow demand and establish their new facility. Wesley Chapel and Pasco County residents would be able to supplement the youth sports leagues use of the facility as a way to make the facility profitable.

LOCAL AND STATEWIDE FACILITIES

When composing our recommendations it is not only important to assess the current market demand for a potential development at Wiregrass Park, but also if the demand is already met or could be sufficiently met by other facilities located in County and State.

LOCAL FACILITIES

Sports Facilities in Pasco County		
Complex/Facility	Amenities	Indoor/Outdoor
J Ben Harill Recreation Complex (Holiday Recreation Complex)	Basketball Courts (Indoor & 2 Outdoor), 2 Soccer Fields, 1 Adult / 3 Youth Baseball Fields, 2 Softball Fields, Volleyball Courts (Indoor)	Both
Land O' Lakes Recreation Complex	Basketball Courts (Indoor & 4 Outdoor), 4 Multi-purpose Fields, 1 Adult / 2 Youth Baseball Fields, 1 Softball Field, Volleyball Courts (Indoor)	Both
Veterans Memorial Park	1 Basketball Court (indoor), 2 Volleyball Courts, softball fields, soccer fields, tennis, basketball courts (outdoors)	Both
James P. Gills YMCA	1 Basketball Court (indoor), Aquatic Center, Climbing Wall	Both
New Port Richey Recreation and Aquatic Center	2 Basketball Courts (indoors), 2 Basketball Courts (outdoors) Multi-purpose rooms	Both
Sports and Field Athletic Club	1 Basketball Court (indoors), 2 Volleyball Courts, 1 Multi-purpose Half-Field	Both
Arthur F Engle Memorial Park	1 Adult / 2 Youth Baseball Field, 1 Softball, 1 Full- size Soccer Field, 5 Multipurpose Fields	Outdoor
Oak Ridge	2 Softball Fields	Outdoor
Sam Pasco Park	1 Adult / 3 Youth baseball field, 1 Softball field, and 4 Soccer/ Multi-purpose Fields	Outdoor
*Wesley Chapel District Park	6 Baseball/Softball Fields, 8 Soccer/Multi-purpose fields, 4 Basketball Courts,	Outdoor
W.H. Jack Mitchell JR. Park	3 Full , 3 Mid, and 6 Half-sized Soccer Fields, 3 Softball Fields, 1 Basketball Court	Outdoor

* Facility of Tournament Quality

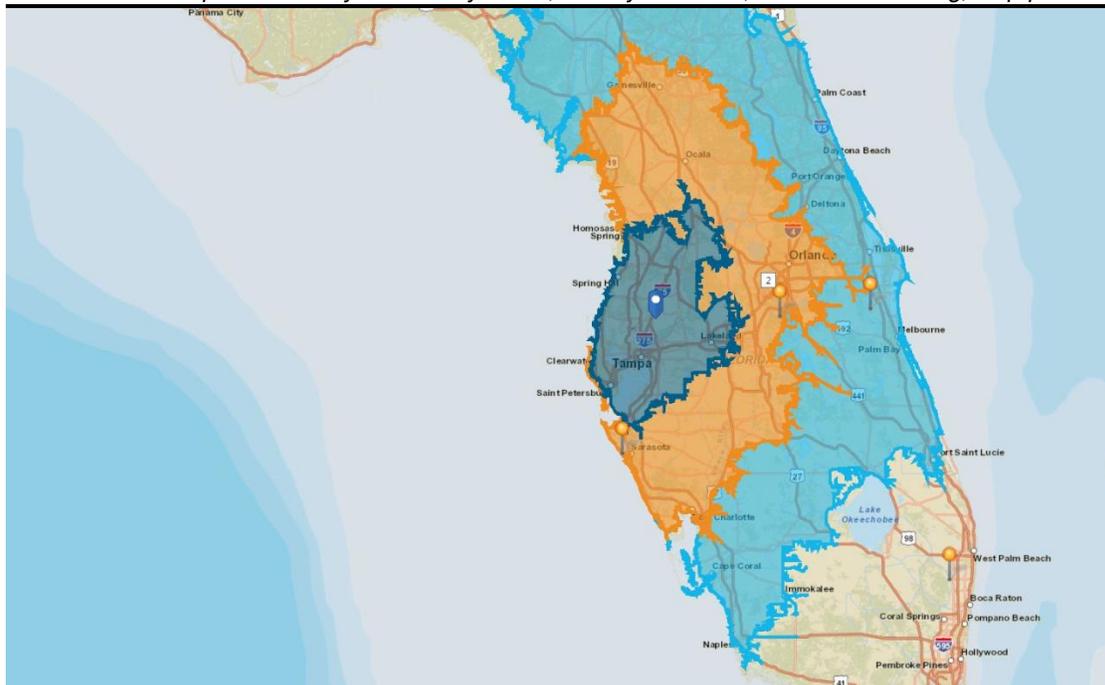
Sources: Pasco County Website, Johnson Consulting



STATEWIDE FACILITIES

Tournament Quality Sport Facilities Statewide Indoor/Outdoor		
Sports Facility	Town/City	Proximity (miles)
IMG Academy	Bradenton	60
ESPN Worldwide of Sports Complex	Orlando	75
Osceola County Heritage Park	Kissimmee	80
Cocoa Expo Sports Center	Cocoa	125
Wellington Village Park	Wellington	220

Sources: Florida Sports Directory and Facility Guide, Facility Websites, Johnson Consulting, Mapquest



Sources: Ersi BAO and Johnson Consulting (60,120,180 minute drive-times)

CORAL SPRINGS GYMNASIUM PROFILE

LOCATION

The Gymnasium is located at 2501 Coral Springs Drive in Coral Springs, FL, which is on Florida's Atlantic Coast approximately 15 miles north of Fort Lauderdale and 40 miles north of Miami.

FACILITIES

The indoor facility opened in 2000 and offers 36,000 square feet of space to accommodate basketball, volleyball, soccer, cheerleading, gymnastics and wrestling. Amenities at the gymnasium include:

- (3) High School Size Basketball Courts
- Seating for over 1,000 spectators
- Additional 500 seats for championship court configuration
- (4) meeting/class rooms

DEMAND

According to the Coral Springs Parks and Recreation Department – responsible for operating the facility – in 2014, the facility hosted events 48 out of 52 weekends, with some weekends hosting multiple events. The facility is closed for one week per year for court maintenance. Events at the facility include:

- 45 total tournaments (31 basketball)
- Over 50 leagues for basketball, volleyball and soccer
- Special Events – Haunted House, Senior Health Fair, MLK Teen Event
- Birthday Parties
- Travel and Charter School team practices
- Over 120 fitness classes attended by over 10,200 participants
- Day camps for winter/spring break and after school programming
- 9 weeks of summer camp for over 1,600 kids

The table below provides a list of gymnasium fees charged by the facility to non-profit and for-profit groups.

Coral Springs Gymnasium Fees				
	Stadium Court	Class Rooms	Sports Groups*	Drop-in Play
Non-Profit Group	\$75/hour	\$22/hour	\$40/hour per court	\$2
Profit Group	\$125/hour	\$43/hour	\$65/hour per court	\$2

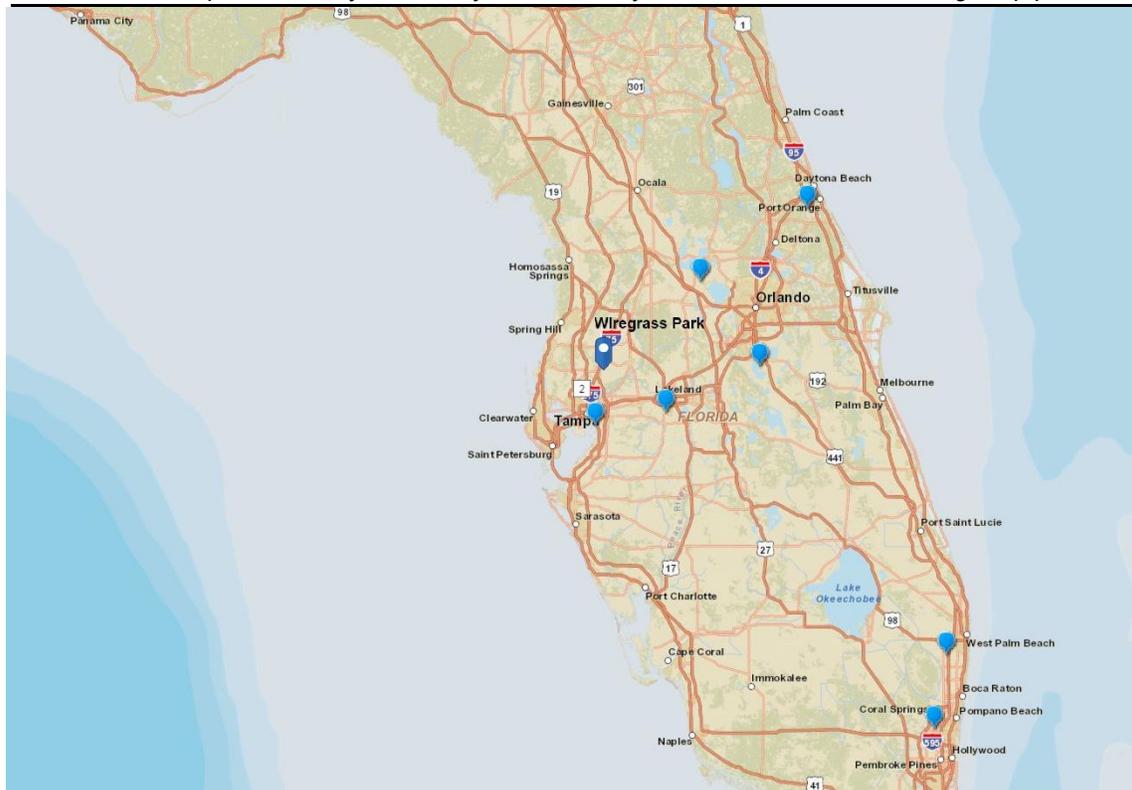
*Notes: *\$25 permit fee required*

Source: Play Coral Springs, Johnson Consulting

In 2014 the facility attracted over 500,000 users and spectators generating \$129,000 in revenues for tournaments, \$261,000 in revenues for classes and \$20,000 in revenue for open court. Total revenues generated by the facility reached approximately \$468,000 in 2014, with expenses of approximately \$380,000.

Tournament Quality Sport Facilities Statewide Indoor		
Sports Facility	Town/City	Proximity (miles)
Florida State Fairgrounds	Tampa	20
Tampa Convention Center	Tampa	25
Lakeland Center	Lakeland	40
The Big House	Tavares	70
Orlando Sports Center	Orlando	90
Daytona SportsPlex	Daytona Beach	130
South Florida Fairgrounds & Expo Center	West Palm Beach	220
Coral Springs Gymnasium	Coral Springs	250

Sources: Florida Sports Directory and Facility Guide, Facility Websites, Johnson Consulting, Mapquest



Sources: Ersi BAO and Johnson Consulting

Tournament Quality Sport Outdoor Facilities Statewide		
Sports Facility	Town/City	Proximity (miles)
Ed Radice Sports Complex	Tampa	20
JC Handley Sports Complex	Brandon	25
Keith Waller Park	Dover	25
Lake Parker Sports Complex	Lakeland	40
Pinellas Park Soccer Complex	Pinellas Park	40
Eddie C. Moore Complex	Clearwater	40
Lake Myrtle Sports Park	Auburndale	50
Auburndale Softball Complex	Auburndale	50
Viera Regional Park	Melbourne	55
The Premier Sports Campus	Lakewood Ranch	60
Ed Smith & Buck O'Neil Complex*	Sarasota	70
Sarasota Youth Athletic Complex and Babe Ruth Park	Sarasota	70
17th Street Park, Miss Sarasota Softball, and Fruitville Park Complex	Sarasota	70
Chain of Lakes Complex- Titusville	Winter Haven	70
Rotary Sportsplex	Ocala	75
Big Sun Soccer Complex	Ocala	80
Osceola County Stadium at Osceola Heritage Park*	Kissimmee	80
Austin-Tindall Regional Park	Kissimmee	80
South Summerfield Soccer Park	Riverview	80
Osceola County Softball Complex	Kissimmee	80
Sylvan Lake Park National Training Center	Sanford	100
North Charlotte Regional Park	Port Charlotte	100
Seminole Soccer Complex	Sanford	100
Dewey O'Boster Sports Complex	Deltona	115
Champions Park of Newberry	Newberry	120
Jonesville Park	Gainesville	120
Diamond Sports Park	Gainesville	120
Mitchell Ellington Park	Merritt Island	130
Cape Coral Sports Complex	Cape Coral	140
Space Coast Stadium *	Melbourne	140
Ormond Beach Sports Complex	Ormond Beach	145
Southside Recreation Complex	Lake City	150
Lee County Sports Complex*	Fort Meyers	150
JetBlue Park*	Fort Meyers	150
City of Palms Park	Fort Meyers	150
Dodgertown	Vero Beach	155
Indian Trails Sports Complex	Palm Coast	160
Dennis Violet Soccer Complex	Fleming Island	165
Lawnwood Sports Complex	Fort Pierce	165
McChensey Park	Port St. Lucie	175
Davis Park Field	Pointe Vedra Beach	190
Patton Park	Jacksonville	200
Roger Dean Stadium	Jupiter	200
Weston Regional Park	Weston	240
Messer Sports Complex	Tallahassee	245
Tom Brown Park	Tallahassee	245
Meadows Soccer Complex	Tallahassee	245
Pine Island Park	Plantation	250
Ansin Sports Complex	Miramar	260
Frank Brown Park	Panama City Beach	350
Santa Rosa Soccer Complex	Milton	430
Santa Rosa SportsPlex	Pace	430
Ashton Brosnahan Park	Pensacola	440
Southwest Escambia Sportsplex	Pensacola	450

*Primarily used for MLB Spring Training

Sources: Florida Sports Directory and Facility Guide, Facility Websites, Johnson Consulting, Mapquest



Sources: Ersi BAO and Johnson Consulting

CONCLUSION

Pasco County is land locked with three of the leading surrounding counties: Polk, Hillsborough, and Pinellas Counties. When compared to these surrounding counties Pasco County finds itself near the market average and median for the majority of examined categories. It is possible the counties can supplement the local support for a sports complex which will be anchored by a rapidly growing Wesley Chapel.

In the facility comparison report we have seen that at each operation, a regional/national sports tourism draw paired with consistently reliable revenue sources will be required to maximize the productivity and benefits of a facility in Pasco County. Four out of five of the profiled facilities have been opened within the past two years and have proven that there is currently a high national demand for multi-purpose sports complexes and that if positioned, marketed and managed correctly as a complex can thrive and be beneficial to a community. Rocky Top executed a strategy to use an existing service and hospitality presence in the Gatlinburg area to attract youth tournaments. A high number of hotels, restaurants and entertainment options enabled Rocky Top to sell itself as a sports tourism destination. Similarly, Myrtle Beach Sports Center was built for young athletes and families who would also be attracted by a vacation destination.

While these are examples of locations with existing tourism infrastructure, if Pasco County follows its strategic plan of becoming the premier county in Florida and develops a comparable infrastructure to support its growing tourism industry, it is likely that it will achieve similar success. Even if Pasco County does not

choose to develop its tourism infrastructure to the scale of Myrtle Beach or Gatlinburg, it can still attract regional and national events and corporate sponsorships, as seen at Round Rock Sports Center and the new development in Foley, AL. Round Rock also demonstrated that a facility can consistently operate at full utilization and market its facility to other non-sports events, such as expositions and community events. And even though the Coral Springs Gymnasium is smaller than typical tournament facilities, the facility has been successful at hosting tournaments of medium sized and turning a profit. This bodes well for an indoor facility in Pasco County if programmed and marketed appropriately. When constructing a facility and developing a program it is vital that Pasco County consider these comparable facilities and the strategies they have used that have led to their success.

SECTION VI

PROGRAM RECOMMENDATIONS & OPERATIONAL APPROACH



PROGRAM RECOMMENDATIONS AND OPERATIONAL APPROACH

In order to properly estimate potential demand for a new indoor multipurpose sports complex in Pasco County, we first developed recommendations regarding the facility's physical program (e.g. number of playing courts, multipurpose rooms, concession areas, and other amenities). Based upon a market driven program and the envisioned operational model described below, demand projections were prepared for the first ten years of operations. The projections reflect an assessment of the market potential, industry considerations, and the characteristics of the Pasco County market area.

As the preceding market review and competitive analysis indicated, Pasco County, as well as the greater Tampa region, is in need of a quality multipurpose indoor facility that will leverage its centralized location within the State for regional indoor sports tournaments and service the needs of the rapidly growing local and regional population base.

PROGRAMMING

The Wiregrass Ranch site, as well as the development of the Florida Hospital Center Ice, presents a considerable opportunity for Pasco County to enter the rapidly growing market of participatory sports tournaments with a competitive marquis destination. State-of-the-art sports facilities coupled with support amenities, such as the proposed retail center, hotel, and outdoor recreational areas, will allow Pasco County's amateur and youth sports organizations to pursue those key regional and national events that will bring participants and their families to the region. In addition, Pasco County's amateur and youth sports organizations will be able to expand their clinic and camp programs, and will enjoy increased practice flexibility with the addition of some much needed facility inventory.

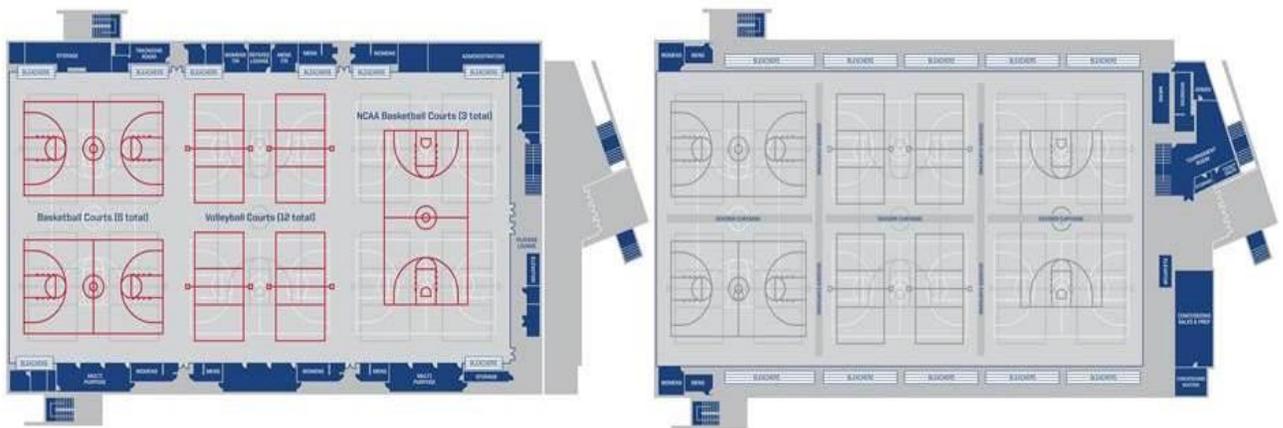
Johnson Consulting has identified the need for the following key elements at the Wiregrass Ranch Site. The phases of development and range of facility sizes are recommended as a reflection of the needs in the local and regional marketplace, as well as types of facilities that would leverage existing assets in Pasco County – both public and private – in positioning the County as a sports tourism destination. The recommended acreage for each Phase of development and the allowance for future expansion should be vetted in further detail with an architectural/urban planning expert.

PHASE 1 (5-7 ACRES)

- Multi-purpose Indoor Complex: ranging between 85,000 – 100,000 square feet, with ability to expand in the future
 - 6-8 basketball courts, which convert to 12-16 volleyball courts
 - Elevated seating area or retractable seating for 500
 - Concessions – offering two points of sale, with one positioned at an elevated seating area above the courts
 - Locker rooms
 - 4-6 Multi-purpose rooms
 - Sports Orthopedic/Healthcare partnership

Figure 1 below is the Round Rock Sports Center (Round Rock, TX), which would be an ideal floorplan for a new indoor facility in Pasco County.

Figure 6-1





PHASE 2 (5-15 ACRES)

- Multi-purpose Outdoor Rectangular Fields
 - 3-4 fields, with 2 lighted fields
 - Championship seating
- Additional outdoor amenities
 - Concession Stand
 - Interactive playground / splash pads

PHASE 3 (10-15 ACRES)

- Alternative Entertainment Zone
 - iFLY (indoor skydiving)
 - Zip-lines/Ropes Obstacle Course
 - Driving Range (Virtual Interactive Golf)

ADDITIONAL SUPPORTIVE DEVELOPMENTS (25- 35 ACREAS)

- Hotel Development
- Themed Retail
- Community Center
- Active & Passive Green Space for Community
- Walking/running/biking trails



DESCRIPTION OF FUNCTIONAL ELEMENTS

This subsection provides a brief description of each of the major spaces required for the indicated sports complex, as listed above. These short narratives explain the basic functional requirements for each type of space and the necessary relationships to adjacent spaces.

INDOOR MULTIPURPOSE FACILITY

This flexible competition space will offer 6 to 8 courts specifically designed for basketball, with the ability to convert to 12 to 16 volleyball courts. In addition, as a multi-use facility, wrestling, martial arts and cheerleading events can also take place inside the facility. Seating for 1,500 in a championship form should be provided, preferably in the form of removable telescopic bleachers that can be stored when not in use. The facility should include a front lobby comprising concessions, ticket windows, restrooms, and a small retail space. A training room, locker facilities, team meeting/multipurpose rooms, and a referee room should also be provided.

FLAT FLOOR SPACE

In designing the indoor facility it is important to ensure that the indoor courts can be opened up to use as one contiguous space. This will allow the facility to host various trade and consumer shows, festivals, team building programs, and other community events. While the mission of the sports complex is to host regional athletic competitions, these flat floor events can help backfill non-peak periods at the facility, especially during shoulder seasons. As the demand projections show below, we anticipate several consumer shows such as golf, boat, and arts and crafts shows.

MULTIPURPOSE OUTDOOR FIELDS

The outdoor fields could consist of 3 to 4 multipurpose fields, including a minimum of one artificial turf field (to ensure year-round play), with international soccer dimensions (75 yards by 115 yards) and provide convertible infrastructure for a variety of sports besides soccer, including football, lacrosse, rugby, archery, and field hockey. At least two fields should be equipped with lights for night play. The design concept should allow the fields to be used for separate events that can be contested simultaneously, or combined for the same tournament. The multipurpose fields should be located near the indoor facility in order to share infrastructure such as locker rooms, training facilities, and team meeting space. Some minimal seating should also be provided around each individual field.



OWNERSHIP/OPERATIONAL MODEL

It is critical to identify the ownership as well as the operational model prior to developing the project concept and financial projections. The four typical operational models include: Public, Private, Public/Private, and Public/Non-Profit. Each model varies in terms of operational goals and financial performance. Prior to this study, it was speculated that the proposed development at the Wiregrass Ranch Site would have to be some form of Public/Private Partnership. After evaluating the operational models as they relate to the proposed development, Johnson Consulting concurs that the most appropriate model for Wiregrass Ranch is indeed a Public/Private model. Also, important to the analysis will be the role of the operator in development of ownership and operation of tournaments. For Wiregrass, it will initially make sense to rent out the facility to event owners who will put on the tournaments. However, once the facility is established on the sports market, larger revenues will be generated if the operator of the facility puts on its own tournaments.

Figure 6-2 below illustrates the difference between each of the four models.

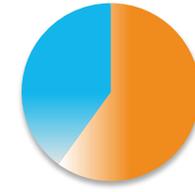
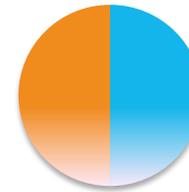
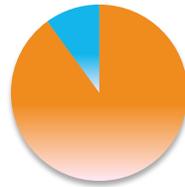


Figure 6-1

Pasco Indoor Sports Complex Ownership/Operating Models

	PUBLIC	PRIVATE	PUBLIC/ PRIVATE	PUBLIC/ NON PROFIT
Ownership/Operational Goals	Public Amenity	Revenue Generation	Varies	Community Interest & Social Responsibility
Public Access *	10	1	5	6
Financial Outcomes	Deficit	Profit	Varies	Break-Even

** Scale 1-10, 10 Being Highest*



■ Public Usage
■ Revenue Generating Usage

Source: Johnson Consulting



OWNER/OPERATOR MODEL TYPES

PUBLIC MODEL

In this model the land and facility are owned and operated by a public entity, such as the County's parks and recreation department, similar to Wesley Chapel District Park. The primary goal is to provide unlimited community access to the local residents, with facilities that operate under this model generally attracting more local attendance than regional and national attendance. Publicly operated facilities are typically funded through the City/County's general obligation fund and an array of taxes. Additionally, these facilities generally rely on government subsidy to offset any operational shortfalls. The Round Rock Sports Center in Round Rock, TX is an excellent example of a successful public facility.

PRIVATE MODEL

Both the land and the complex are privately developed, maintained and operated. This operational model is designed for profit and hinders the ability to allow much community access for leagues and tournaments. The funding for such facilities usually comes from private equity and revenue generated through successfully programmed tournaments, camps and league play. This model has been successful at numerous facilities throughout the US, such as the Orlando Sports Center.

PUBLIC/ PRIVATE MODEL

The model varies greatly in communities throughout the U.S. in terms of ownership/operational goals and objectives, which are generally stimulated and negotiated in the lease agreement between the public and private entities. This owner/operator model has become an increasingly popular approach as municipalities seek private partnerships to spur economic development initiatives across the US. Typically, the land and facility is owned by a public entity and leased to a third party private entity responsible for operating and maintaining the complex. In other arrangements, for example, the building could be privately owned and privately operated on publically owned land. The public/private model was used successfully at the Fieldhouse USA complex in Frisco, TX.

PUBLIC/NON-PROFIT

In this model the land is generally owned by a public entity and the complex is leased and operated by a 501(c)3 that utilizes relationships with local sports organizations to generate strategic partnerships. The non-profit entity typically gives first priority to its partnerships, with public use given a secondary priority. This model generally serves as more of a public utility than that of a Public/Private model and relies on public funding, as well as the access that non-profit organizations have to several large grant programs that can either contribute to the construction of the complex or offset any operational deficits.

RECOMMENDED MODEL

As we concluded in prior sections, the market for a multipurpose indoor sport complex is ripe for Pasco County. The proposed indoor will not only service the needs of the local and regional indoor sports clubs and participants, but it will also service the overall goal and objectives of the County to provide an asset that would generate economic impacts with year round activities, including attracting regional and national events to the market place. The proposed concept would also allow for partnership opportunities between this complex and the Florida Hospital Ice Center, which is under construction as of the writing of this report. If combined strategically, these facilities would offer a significant amount of convertible indoor space capable of hosting larger regional and national events.

Additionally, several policy decisions must be made prior to the development of such a sports complex – the most important of which is the operational/ ownership model. As discussed above, there are four different operational/ ownership models that exist today. The most appealing of those models to Pasco County would be the Public/Private model. While the Private model may seem most appealing to the County by taking most of the risk and cost out of the County’s budget, the public /private partnership approach to sports facility development has been a rapidly growing and successful approach nationally since the benefits and risks are shared by both entities. The most important aspect of this approach is to identify and partner with a private sector management company that has had proven success in operating and marketing this type of complex. It would also be beneficial to identify operators that can create and promote tournaments, as opposed to renting out the facility to event owners.

SECTION VII

DEMAND & FINANCIAL OPERATING PROJECTIONS



DEMAND AND FINANCIAL OPERATING PROJECTIONS

DEMAND ESTIMATES

It will take time for a facility in Pasco County to reach maximum utilization, but as the development at Wiregrass Park evolves and the complex is integrated into the network of facilities available regionally and nationally, it will become a prominent addition to the national sports marketplace. Given the proximity to I-75, Tampa International Airport and a large selection of hotels, and the tourist amenities in Central Florida, a sports complex that offers much needed indoor surfaces will attract out of state visitors to the area, as well as local and regional users. While the majority of the current hotel supply is located in Hillsborough County, in time the supply of hotels in Pasco will increase to meet demand created by the sports complex. This will keep more of the hotel revenues in the County.

With this development, the demand profile at the complex will, over time, increase in volume and improve in quality as it relates to event scale and economic impacts. For this reason, we have recommended utilizing a phased approach for the development of this facility. After a five or ten year period, demand could satisfy the need to expand the facility to include an additional 15,000-20,000 square feet or more, increasing the total size by approximately 100,000 square feet or more. The expansion would allow for additional hard court surfaces, or possibly indoor turf, thus creating a suitable facility for attracting a larger scale and wider variety of indoor sporting events.

For the first phase of development the following demand sectors can be expected:

- **Tournaments** – Based upon interviews with local and regional youth sports organizations, there is a shortage of indoor facilities in the area to host local and regional tournaments particularly for basketball and volleyball. The addition of a new facility with greater capacity and amenities is perceived to have the ability to attract national and regional youth sports associations. In addition, the facility would have the potential to become the venue for high school/college tournaments and adult recreational tournaments.
- **League Play/Practice** – The complex will be a natural fit for local youth, high school or college league play and practice, as well as adult rec league games which will generate weekday demand for the facilities that may not otherwise be filled through tournament play. Both youth and adult leagues are suitable for the complex, and in order to ensure a seamless integration into the market, the complex should not necessarily target leagues that already exist at other local facilities, but rather, should work to expand existing leagues and create its own leagues.
- **Camps/Clinics/Lessons** – Similar to tournaments and leagues, camps/clinics can either be held by outside promoters that rent the complex's facilities to hold the event, or held in-house with participants charged an entrance fee. Camps are currently offered by some local facilities, but there



could be an opportunity for camps or clinics as a way to increase visibility for local athletics programs. This type of event is expected to last three-to-four days and should look to draw professional athletes and coaches from the area as instructors to market the event.

- **Skills Training** – Another type of event that could be used to maximize use of the facility is skills training sessions. Skills training would draw demand from those already using the facility for other events. This event type would likely be hourly sessions, or even one-to-two day programs and draw local amateur and professional athletes as instructors.
- **Family Festivals and Other Special Events** – In addition to the above events, the facility could also serve as a venue for indoor business events, parties, consumer shows and trade show events. With the provision of proper acoustics and floor space, the indoor facility would be able to further maximize the number of event days by hosting other non-sports related events to fully utilize the facility during off-season periods of the year. Expos for local charity run/walks, as well as registration and post-event programming can also be hosted at the complex.

Table 7-1 presents a projected event demand calendar for the sports complex's first ten years of operation. As is common with these types of facilities, demand is expected to ramp up and reach stabilization in Year Five. The primary driver of events will be new demand currently unable to be accommodated at existing facilities.



Table 7-1

Pasco County Indoor Sports Complex Operating Proforma												
Number of Events - First 10 years of Operation												
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 5 (Stabilization)	
											Participant Attendance	Spectator Attendance
Tournaments-Regional/National												
Basketball/Volleyball/Adapted	9	10	13	14	16	16	16	16	16	16	8,820	22,050
Wrestling/Cheerleading/Martial Arts	4	5	6	7	8	8	8	8	8	8	2,955	7,388
Tournaments-Local												
Basketball/Volleyball/Adapted	13	16	19	22	24	24	24	24	24	24	8,640	21,600
Wrestling/Cheerleading/Martial Arts	8	10	12	14	15	15	15	15	15	15	1,770	4,425
Leagues												
Basketball/Volleyball/Adapted	7	8	10	11	12	12	12	12	12	12	1,152	1,152
Camps/Clinics/Lessons												
Basketball/Volleyball/Adapted	13	16	19	22	24	24	24	24	24	24	2,400	1,200
Wrestling/Cheerleading/Martial Arts	9	11	14	15	17	17	17	17	17	17	1,615	808
Baseball/Softball	2	3	3	4	4	4	4	4	4	4	400	200
Special Events												
Family Events/Concerts/Special Events	4	5	6	6	7	7	7	7	7	7		7,000
Total	69	84	102	115	127	127	127	127	127	127	27,752	65,822

Source: Johnson Consulting



The 127 annual events, projected after the five-year demand stabilization period, were conservatively developed based on the standard peaks and lulls in the amateur sports market both regionally and nationally. The following assumptions were made:

- All tournaments (national, regional and local) are held Friday through Sunday.
- Each month has four available tournament weekends.
- The indoor facility will operate at or near capacity during the peak tournament months of May through January.
- The indoor courts would not be available for approximately twelve weeks out of the year to accommodate routine maintenance and special events/trade shows. The courts would be available for the remaining 40 weeks.
- Since this facility is intended to be a tournament-driven sports complex, league play is assumed to be lower than typical facilities of this type. Leagues are assumed to last eight weeks and will take place on Monday through Thursday evenings.
- Camps and clinics take place after school, and during the summer months and school breaks.



OPERATING PRO FORMA

In order to illustrate the potential of the complex to be financially viable, Johnson Consulting has prepared financial projections, based upon programs and events hosted at the facility, with the assumption that the private operational model be applied to overall operations at the Pasco County indoor sports complex. However, if the operational model was to change the demand and financial projections provided below would vary greatly. We have assumed that the facility receives programming income from outside rentals, and facility programming. We have also assumed the facility will generate concession revenue on a per capita basis.

As mentioned previously, Johnson Consulting has identified the need for the following key elements:

- 85,000 square feet of indoor space
- Six basketball courts, which convert to approximately twelve volleyball courts
- Temporary seating for up to 500 spectators on a mezzanine
- Concessions – offering two points of sale
- Locker rooms
- A Recreation room for team meetings/birthday parties/special events
- Temporary batting cages

Table 7-2 provides a breakdown of the projected utilization of the proposed facility as well as key revenue assumptions.

Table 7-2

Pasco County Indoor Sports Complex Operating Proforma

Courts Usage

Surface	# of Surfaces	# of Hrs/Week	Total Hrs/Wk	Total Hours/Yr	
Year 1 Indoor Courts	6	51	304	12,144	Yr 1: 55% Stablization
Year 3 Indoor Courts	6	60	359	14,352	Yr 3: 65% Stablization
Year 5 Indoor Courts	6	78	469	18,768	Yr 5: 85% Stablization

Indoor Courts Use	Wks/Year:	40
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Courts Rental Revenues

Surface	Avg Cost Per/Hr	Avg Hrs Per Day	Total Rental Fees:	
Year 1 Indoor Courts	\$45	13	\$546,480	Yr 1: 55% Stablization
Year 3 Indoor Courts	\$55	13	\$789,360	Yr 3: 65% Stablization
Year 5 Indoor Courts	\$65	13	\$1,219,920	Yr 5: 85% Stablization

Concession Revenues

Per Capita	Players	Spectators	Year 1
\$2.50	15,264	36,203	\$86,207
Per Capita	Players	Spectators	Year 3
\$2.50	22,202	52,658	\$125,391
Per Capita	Players	Spectators	Year 5
\$3.00	27,752	65,822	\$188,084

Advertising

Inventory	% sold	Annual
\$75,000	75%	\$56,250

Tournament Fees

Sports	Facility Rental Fee	Avg Team/Tourn	Avg Events/Yr.	Annual
Basketball/Volleyball/Adapted	\$1,750	21	22	\$38,500
Wrestling/Cheerleading/Martial Arts	\$1,750	15	13	\$22,138
			Total	\$60,638
Basketball/Volleyball/Adapted	\$2,000	30	32	\$64,000
Wrestling/Cheerleading/Martial Arts	\$2,000	22	18	\$36,800
			Total	\$100,800
Basketball/Volleyball/Adapted	\$2,500	38	40	\$100,000
Cheerleading/Martial Arts	\$2,500	27	23	\$57,500
			Total	\$157,500

Source: Johnson Consulting



The usage of courts at the proposed complex have been projected based upon the number of surfaces and their utilization per week based on an average hourly rate consistent with comparable local facilities. As previously mentioned, we have recommended six hardwood flat courts for basketball, volleyball, wrestling, martial arts, cheer and dance to name only a few sports. The courts could also utilize drop down netting and batting cages for baseball/softball training sessions.

For each sport and surface, we assumed a total number of weeks per year that the facility would be utilized. We estimated 40 weeks of utilization per year for the hard court surfaces. These are conservative estimates as each indoor surface could very well be utilized on a nearly year-round basis less time for maintenance and repairs and if they program fewer special events.

In an effort to remain conservative, Johnson Consulting has estimated the hours of utilization of the proposed complex to be approximately 55 percent utilization in Year 1, 65 percent utilization in Year 3, and 85 percent utilization in Year 5. We assumed the facility would be open for an average of 13 hours per day (Weekday hours for the facility are 9am-10pm; Saturday hours are 8am-11pm; Sunday hours are 8am-8pm). This will equate to approximately 51 hours per week for Year 1, 60 hours per week for Year 3, and 78 hours per week in Year 5. In Year 1 this equates to a total of 12,144 hours per year at the facility. By Year 5, when the facility reaches stabilization, the facility will be open for approximately 18,768 hours per year.

The table on the following page shows the projected proforma for the first ten years of operations at the facility based on our conservative assumptions.

The pro forma below represents “base line” projections for the sports complex in Pasco County. There may be opportunities for Pasco County – derived from best practices of other, similar facilities – to enhance identified revenue sources and to generate other revenue sources not identified in the pro forma. Such opportunities include, but are not limited to, Pasco County hosting their own tournaments at the facility rather than renting out the facility to event owners, membership fees, parking fees, increased sponsorship and/or advertising, etc.



Table 7-3

Pasco County Indoor Sports Complex Operating Proforma											
REF		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Operating Revenues											
1	Rental Income	\$496,800	\$607,200	\$728,640	\$861,120	\$1,004,640	\$1,165,074	\$1,194,201	\$1,224,056	\$1,254,658	\$1,286,024
2	Tournament Rental Fees	59,500	77,700	102,000	127,600	160,000	185,551	190,190	194,944	199,818	204,814
3	Food & Beverage Rent	76,214	80,073	82,074	84,126	86,230	88,385	90,595	92,860	95,181	97,561
4	Advertising	56,250	59,098	60,575	62,089	63,642	65,233	66,864	68,535	70,249	72,005
5	Total Revenues	\$688,764	\$824,070	\$973,290	\$1,134,936	\$1,314,511	\$1,504,243	\$1,541,849	\$1,580,396	\$1,619,906	\$1,660,403
Operating Expenses											
8	Staff	400,000	420,250	430,756	441,525	452,563	463,877	475,474	487,361	499,545	512,034
9	Utilities	215,000	225,884	231,531	237,320	243,253	249,334	255,567	261,957	268,506	275,218
10	Maintenance & Repairs	75,000	80,767	82,786	84,856	86,977	89,151	91,380	93,665	96,006	98,406
11	General Administrative	255,500	268,435	275,146	282,024	289,075	296,302	303,709	311,302	319,084	327,062
12	Advertising	30,000	31,519	32,307	33,114	33,942	34,791	35,661	36,552	37,466	38,403
13	Insurances	75,000	78,797	80,767	82,786	84,856	86,977	89,151	91,380	93,665	96,006
14	Total Expenses	1,050,500	1,105,651	1,133,293	1,161,625	1,190,666	1,220,432	1,250,943	1,282,217	1,314,272	1,347,129
15	Reserve for Replacement				(56,747)	(65,726)	(75,212)	(77,092)	(79,020)	(80,995)	(83,020)
16	Net Operating Income(NOI)	(\$361,736)	(\$281,581)	(\$160,003)	(\$83,436)	\$58,120	\$208,599	\$213,814	\$219,159	\$224,638	\$230,254

Source: Johnson Consulting

Note: The pro forma represents "base line" projections. There may be opportunities for enhanced revenues and/or to generate revenue sources not identified in the pro forma.



Each revenue and expense item in the above table is explained in further detail below. For the purpose of this study, Johnson Consulting has assumed both revenues and expenses would grow at an inflation rate of 2.5 percent each year.

- **Rental Income** - As the main source of the income for the facility, based upon the information from comparable venues and local organization interviews, it is projected that use of the indoor courts will account for 73 percent of total revenues. The ability to have a large amount of flat floor space also creates opportunities for unconventional sports and non-sport related uses. The average hourly rental rate for the indoor courts is assumed to be \$45 per hour in Year 1, increasing to \$65 by Year 5. With six courts accessible at one time the projected revenue for Year 1 of the indoor courts is \$546,480.
- **Tournament Fees** - To project fees from tournament usage, Johnson Consulting assumed that all tournaments held at the proposed facility would be outside promoted events and would pay a per day rental rate to the facility. Between Years 1 and 4, we have assumed the following ramp up percentages: Year 1 is 55%, Year 3 is 80%, and Year 5 is 100% stabilization. In terms of daily rental fees, an average rental fee was applied that is consistent with current market averages for sports tournaments. Total revenues from tournaments in Year 1 are projected to be approximately \$60,638, growing to \$100,800 in Year 3, and stabilizing at approximately \$157,500 in Year 5.
- **Concessions Revenues** – The concession revenues at the complex were projected on a per capita basis. As shown in Table 7-1, total attendance figures for Year 1 are estimated at approximately 15,264 players and 36,203 spectators. Johnson Consulting assumed a conservative \$2.50 per capita spending for each player and spectator. Total revenues from concessions are projected at approximately \$86,207 in Year 1, after accounting for the standard 67 percent Cost of Goods. Concessions revenues are projected to increase to approximately \$188,084 in Year 5 assuming a per cap of \$3.00.
- **Advertising** - Includes revenues from corporate partners and sponsorships, and sales of signage both within and outside the building. Gross advertising revenue of \$75,000 is assumed to be available for sale, with 75 percent assumed sold, which will result in revenues of \$56,250 to the Facility in Year 1.

Total revenue for Year 1 at the proposed facility is projected at \$749,575 increasing to \$2.07 million in Year 10. One additional revenue source that is not shown above is a sub-tenant lease agreement. Due to the preliminary status of this study and the unknowns of potential funding partners, lease agreements have not been accounted for in the projections above. Also, revenues could increase if the management company would change the tournament model from renting the facility to creating and owning events. Additionally, there may be an opportunity for larger advertising revenues through naming rights partnerships in the amount of approximately \$150,000-\$200,000 annually, which could be applied as upfront construction costs or annual operational subsidy. West Tennessee Healthcare Sportsplex in Jackson, Tennessee is one example



of a sports complex that was able to secure a ten-year naming rights agreement in the amount of \$150,000 per year.

Johnson Consulting has also projected estimated expenditures for the proposed Pasco County Sports Complex, based upon comparable facilities, as well as our expert knowledge of the industry. Annual expenses are explained in detail below:

- **Staff** - Including salaries and benefits for staff this expense is estimated at \$400,000 in Year 1. The Sports complex will need to hire or partner with a management company that would provide a Tournament Director, whose sole purpose will be to recruit regional and national tournaments to the facility. The complex will be staffed by two full time employees, including a general manager, and an assistant general manager. We have included the salaries and benefits for three members of maintenance staff under the Maintenance and Repair line item.
- **Utilities** – Utility expenditures include gas, electric, water, internet and cable, and are estimated at \$215,000 in Year 1, increasing to \$262,084 in Year 10. The utility expenditure for comparable and newer facilities is at a similar level to that projected for the facility. Johnson Consulting recommends that the project development team purchase equipment that will limit their energy exposure, although this will be a more expensive upfront investment.
- **Field Maintenance/Building Reserves** – Maintenance & Repairs costs are estimated at \$75,000 in Year 1, which is in line with comparable facilities. The costs increase to \$86,977 in Year 5 and \$98,406 in year 10.
- **General and Administrative** – Other administrative expenses include any general office expenditures related to day-to-day operations of the Sports Complex, including, but not limited to: supplies, communication equipment, professional services, and various employee-related fees. A total of \$200,000 in Year 1, increasing to approximately \$243,799 in Year 10 has been projected. With efficient management, it is possible that this figure could decrease.
- **Advertising and Marketing** – All advertising and marketing will be done in-house, through separate fees. At facilities such as this one, it is highly important to constantly market and sell to the community and complex. The total expense associated with this item is \$30,000 in Year 1.
- **Insurance** – Based upon recent comparable projects, insurance is estimated at approximately ten percent of total revenues. Insurance in Year 1 will be \$75,000.

The sub-total for all operating expenses in Year 1 is \$995,000, increasing to \$1.2 million in Year 10. The complex shows a net operating deficit of approximately \$245,425 in Year 1. In Year 3, a reserve replacement



fund is set at 4 percent of total revenue income to allow for long-term capital replacement of the Sports Complex.

SUMMARY

Johnson Consulting believes that there is a need for a multipurpose indoor facility in Pasco County based on the current inventory of facilities in the marketplace. Throughout our focus groups and conversations with various stakeholders we were told of the lack of quality indoor space in the area. With an abundance of outdoor fields available throughout the Southeastern United States – especially in Florida – Pasco County has an opportunity to enter an underserved market, while also satisfying the demands of a growing community. Further, the Florida baseball complex market is reaching a saturation point, especially with the proposed \$27 million baseball complex in Seminole County that will offer as many as 15 fields.

It will be highly important to the bottom line to successfully market the facility as a regional sports facility. The proposed indoor sports complex must be filled with events and, if possible, a sub-tenant who will guarantee a certain amount of usage throughout the year. In our judgment, with the right marketing plan and proper management, we feel the projections in this report are achievable given the Pasco County and sports tourism markets.

Due to the nature of the large development at Wiregrass Park, the sports complex could be among the first facilities to open and Pasco County might not be able to accommodate all of the sports tourists. As a result, some hotels and retail establishments in Hillsborough County will benefit from the overflow in the early days of the complex. Once the facility can establish itself on the sports tournament marketplace, however, hotel and retail developments can follow adjacent to the complex with proper land use planning. Thus, Pasco County will begin to collect more of the tax revenues.

Additionally, because of the expected growth of Wiregrass Park and the strong existing sports market in Florida, it would be natural to assume that Pasco County should build a larger complex in order to compete with existing facilities. Johnson Consulting, however, recommends a phased approach to protect the County from overbuilding before it fully understands its market. This phased approach will protect the County by limiting initial expenses in the first five to ten years of operations while focusing on growing sports tourism demand. Once the facility has been established on the regional/national tournament market the County can consider expanding the facility to meet demand.

SECTION VIII

FUNDING STRATEGIES & PUBLIC/PRIVATE DEAL STRUCTURES

FUNDING STRATEGIES & PUBLIC/PRIVATE DEAL STRUCTURES

Based upon our projections presented in this report, the proposed indoor sports complex would need to be subsidized through the first few years of ramp up.

FINANCING MECHANISMS

There are four typical financing tools used to fund public assembly facilities:

1. **Pay-As-You-Go Financing:** Projects that are relatively small or that are financed in municipalities with rapidly growing tax bases are sometimes paid for directly out of appropriated funds. However, the majority of facilities are financed with long-term debt so that payment of capital costs corresponds to the period over which the facility is used and its economic benefits are realized.
2. **General Obligation Bond Financing:** Long-term bonding using the general obligation of the City, County and/ or State, either directly as part of a capital outlay program or as guaranteed debt of an authority that would provide strong credit and relatively low borrowing costs for the project. General obligation bonding is typically reserved for projects perceived to benefit the population as a whole, such as educational, environmental, transportation, or correctional facilities.
3. **Revenue Bond Financing:** Revenue bonds are another source of finance that can be used to build, own, and operate utilities, airports, transportation systems, and public purpose facilities that have no power to tax. They derive their revenues from user fees and other sources, and must finance general and capital expenditures out of these receipts and whatever amount they are permitted to borrow, which can be tailored to fit the specific requirements of the involved local and state governments.
4. **Private Sector Financing:** The funding of public assembly facilities may be accomplished with commercial sources of equity and debt, including banks, pension funds and insurance companies through long term, public/private partnership (P3) agreements. Government entities are engaging in P3 arrangements with private companies through the use of legal instruments such as ground lease agreements (of government- owned land to private companies) and/or facility lease agreements (of privately owned facilities to government entities) in order to accomplish public purpose projects with privately-raised dollars. Where private companies own and operate such facilities on government-owned land, they are permitted to pledge operating revenues derived from end users and sponsors to secure funding (debt and equity) to complete and sustain the project. In cases where the private company owns the facilities and the government entity is responsible for its operation, the private company pledges the facility lease payments from the government entity to secure project funding.

POTENTIAL DEAL STRUCTURES

There are several ways to structure a Public-Private Partnership. The figures below illustrate common relationships for public-private sports facilities, including Performance Based structure (Figure 8-1), Lease-Leaseback structure (Figure 8-2) and Ground Lease structure (Figure 8-3).

Figure 8-1

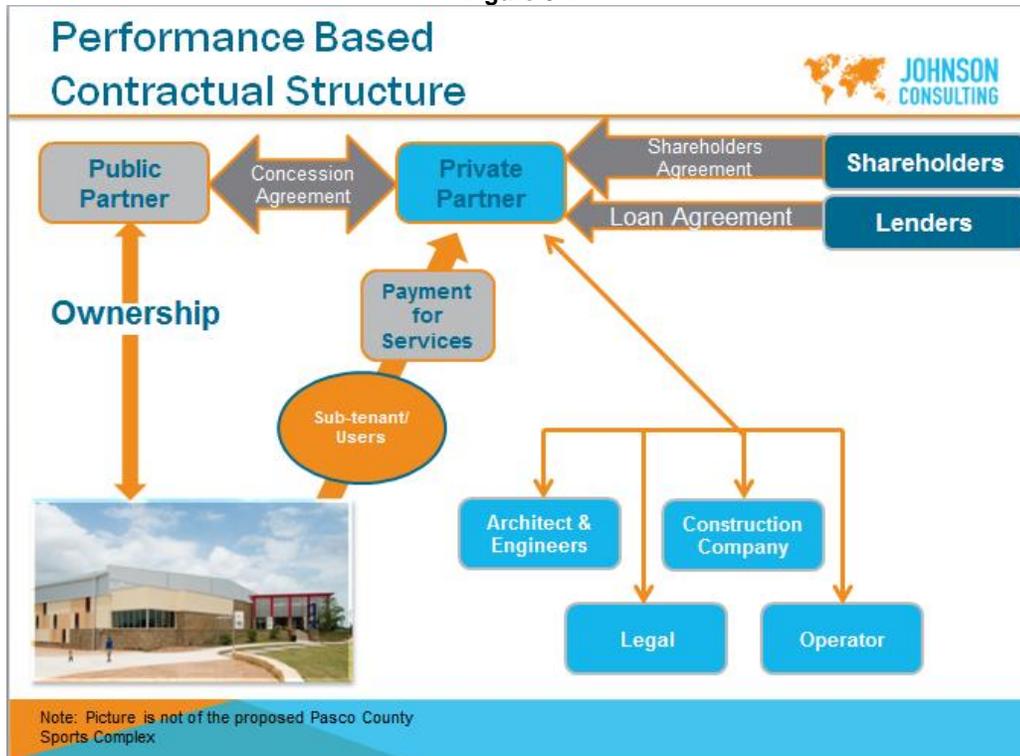


Figure 8-2

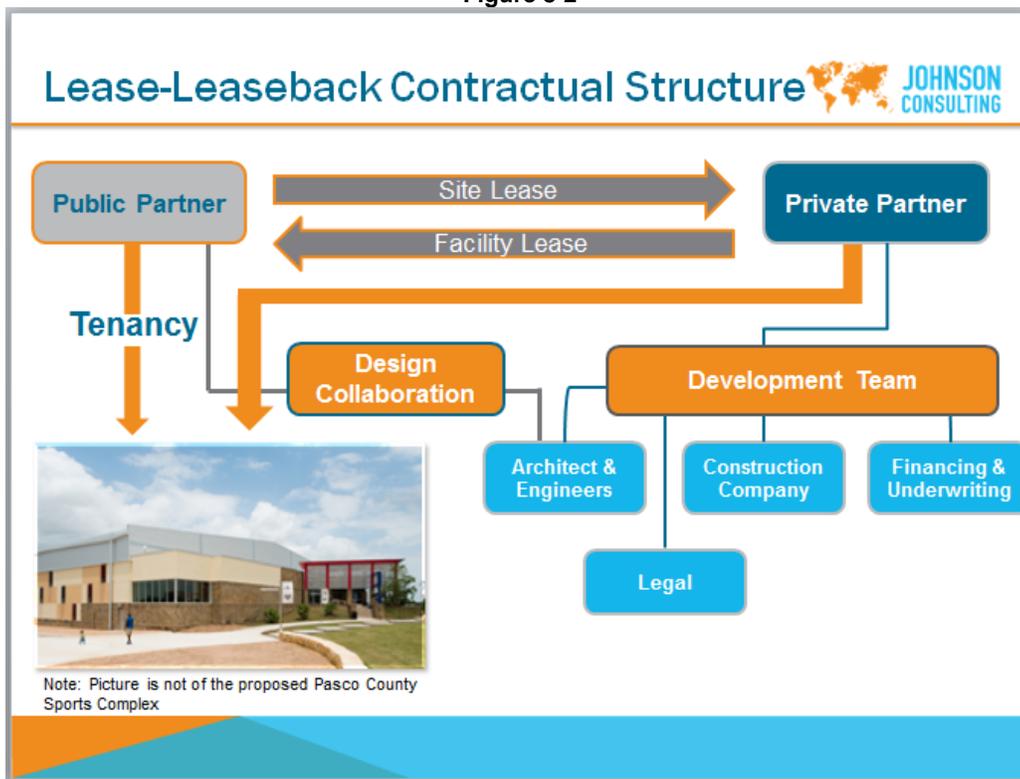
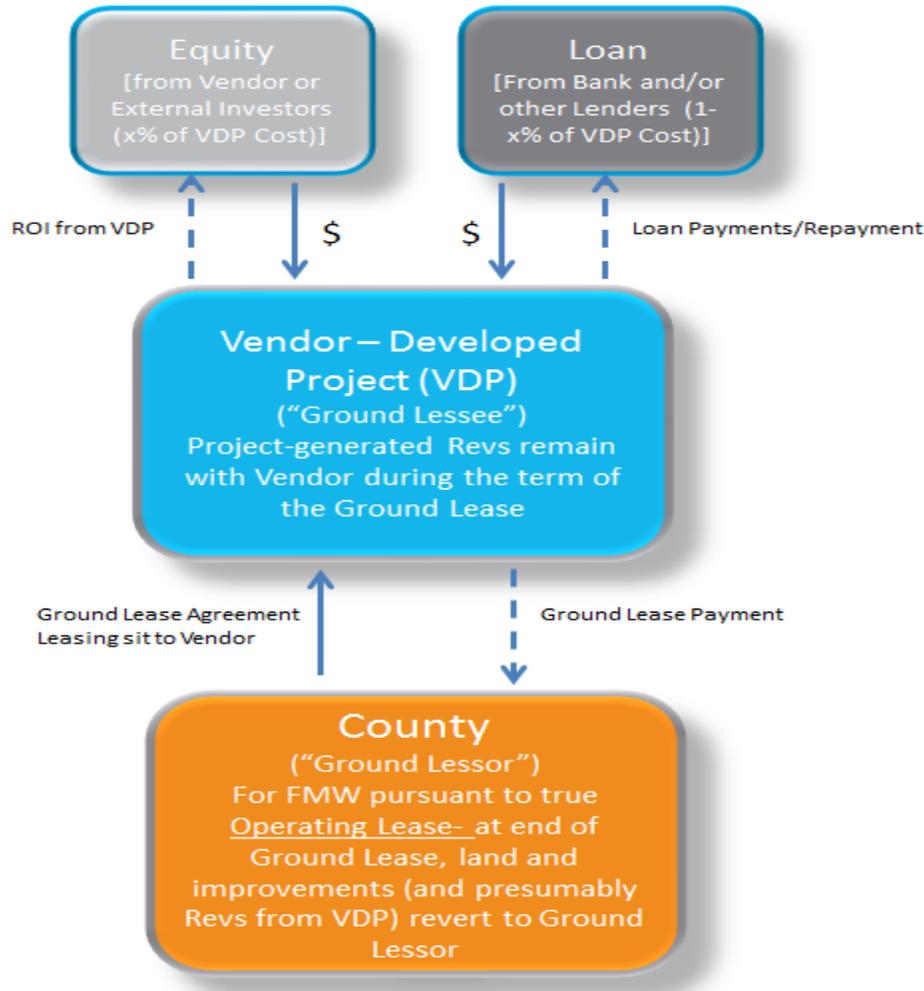


Figure 8-3



CONCLUSION

In a traditional ground lease agreement, the County leases the subject property (i.e. land) to the selected developer/operator (VDP) for the design, financing, construction, ownership and operation of the agreed to facilities. The terms and conditions of operations are memorialized in the ground lease agreement, including permissible activities, fees and charges, hours of operation, public accessibility, etc.

While all three options should be considered by the County, after speaking with the County’s financial advisor, the option that makes the most sense for Pasco County is the traditional Ground Lease. Under this arrangement, the County may agree to finance and own certain public, infrastructure improvements to accommodate the privately developed facilities. In exchange, the County (lessor) will receive a to-be-negotiated ground lease payment (usually a percentage of gross revenues from operations) from the lessee. At the end of the lease, the facilities owned by the lessee revert to the County at no cost.