

Pasco County Sports Complex Feasibility Study



Prepared by:
C.H. Johnson Consulting, Inc.

September 22, 2015



About Johnson Consulting



- Discipline
- Integrity
- Best in Class
- Competency
- Knowledge
- Relationships
- Quality
- Thoroughness
- Creativity
- Protection

Johnson Consulting is nationally recognized for its independent market feasibility research and expertise for amateur/recreational sports facilities, sports tourism strategies and mixed-use real estate development consulting. We have extensive experience in analyzing all aspects of facilities, including strategies for financing, creating public- private partnerships, operational projections, increasing visitation and understanding economic development projects.

Local Experience

Work Experience:

- Citrus County
Strategic Sports Tourism
- Brevard County
Space Coast Stadium Best Use Analysis
- City of Ocala
Minor League Stadium -Market and Financial Feasibility Study
- City of Doral
Natatorium Market Study

Additional Projects in: Osceola, Dade, Daytona Beach (Volusia County)

Charles Johnson:

Born and raised in Orlando

Former Board Member of Tampa CVB

Process

- Toured County and proposed site
- Reviewed and analyzed all previous studies
- Interviewed Key Stakeholders
- Analyzed the market demographics
- Performed a facility audit both locally as well as statewide
- Analyzed Participatory Sport Trends
- Analyzed National Comparable Facilities
- Projected Demand & Financials
- Provided funding opportunities
- Next Steps

Scope of Work

Phase 1 – Market Needs Assessment

- Economic and Demographic Overview
- Sports Participation Trends
- Comparative Market Analysis
- Regional/ Statewide Facility Audit
- National Facilities – Case Studies

Phase 2 – Financial Analysis

- Recommended Program & Operational Approach
- Demand & Financial Projections
- Funding Strategies & PPP Structures

Key Stakeholder Interviews

- Johnson Consulting interviewed several stakeholders, including the following:
 - County Planning
 - County Development
 - County Legal
 - County Tourism
 - County Parks & Rec
 - County Economic Development
 - Florida Sports Foundation
 - Local hoteliers
 - Pasco IcePlex Ownership
 - Florida Hospital Representative
 - Pasco – Hernando State College
 - Citizen Interests group
 - Wesley Chapel Chamber of Commerce
 - BCC members
 - Various sports organizations and event owners

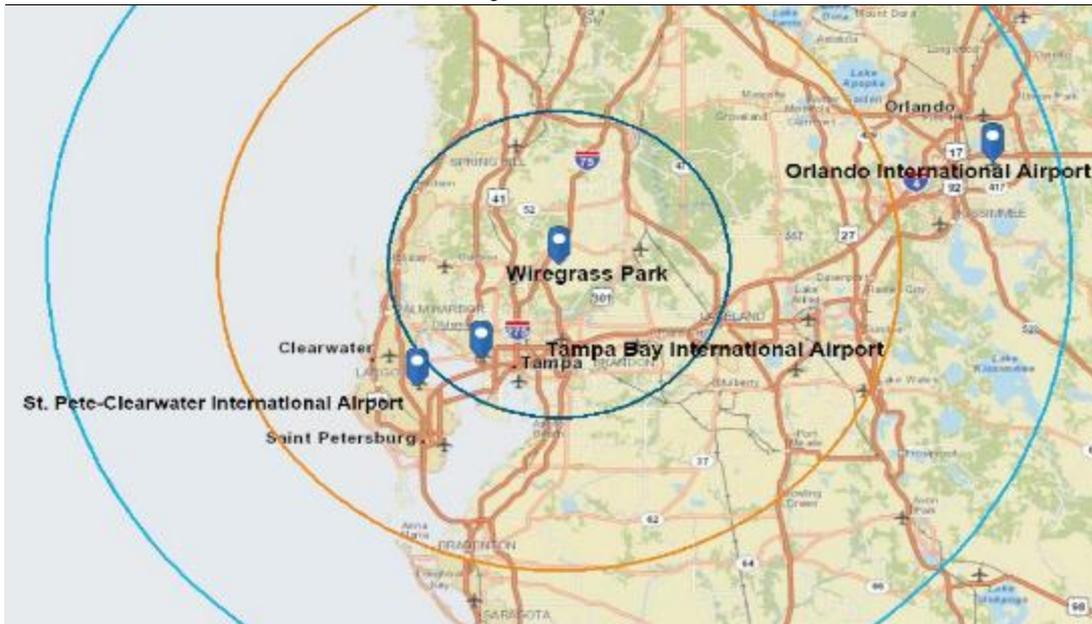
Economic & Demographic Highlights

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



Market Strengths:

- Rapid population growth
- Centralized location
- Younger population base is growing
- Wesley Chapel has an above average household income

Recent/Future Developments:

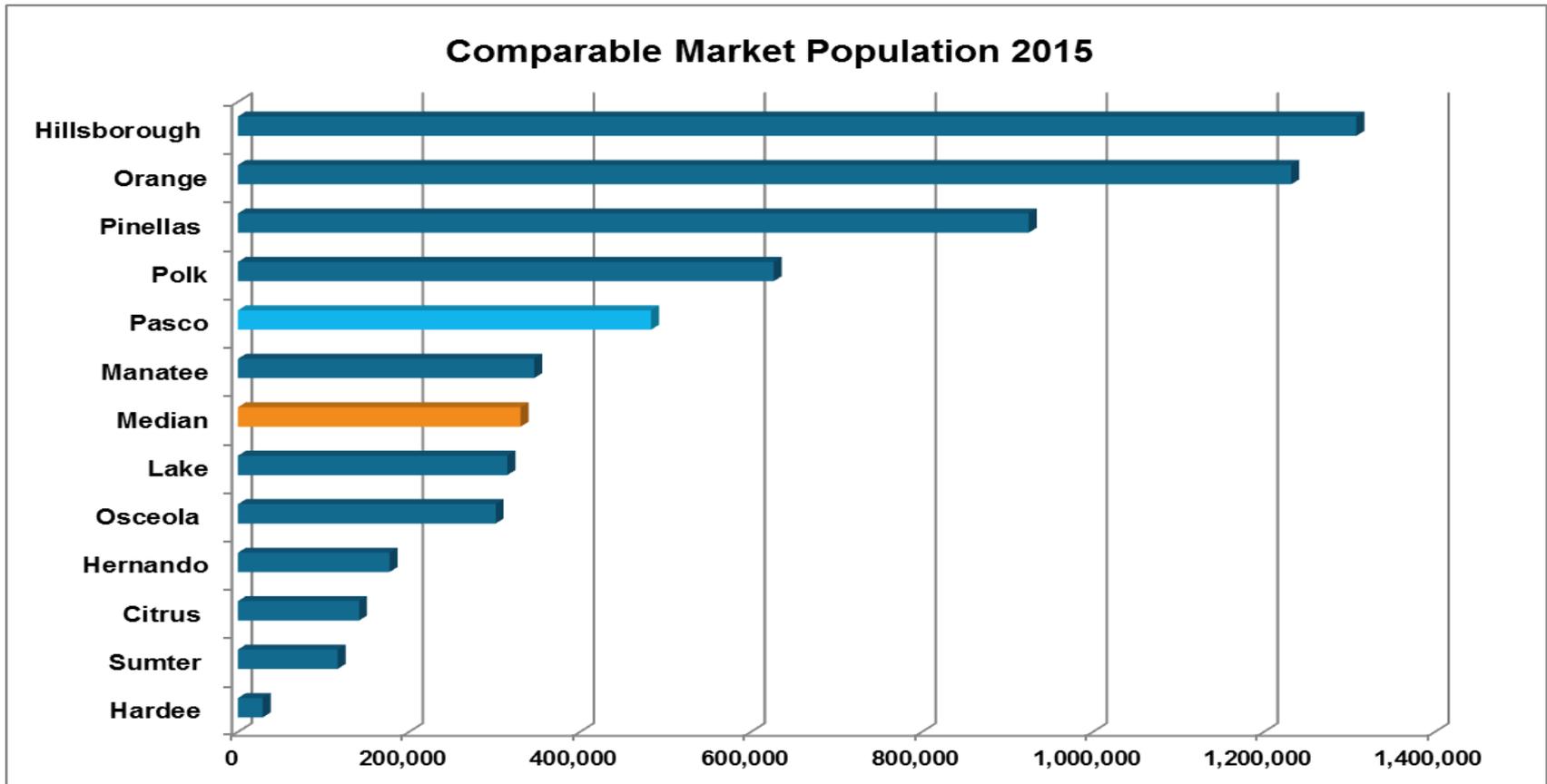
- Tampa Outlets Mall
- Expansion of Florida Hospital
- Extension of SR 56
- Raymond James commercial property

Comparative Market Analysis

- When compared to surrounding counties, Pasco is average or slightly above average as it relates to key demographic statistics that support sports facility development
- Demographics Data Sets are as follows:
 - Population
 - Projected Population
 - Median Age
 - Total Number of Households (Pop density)

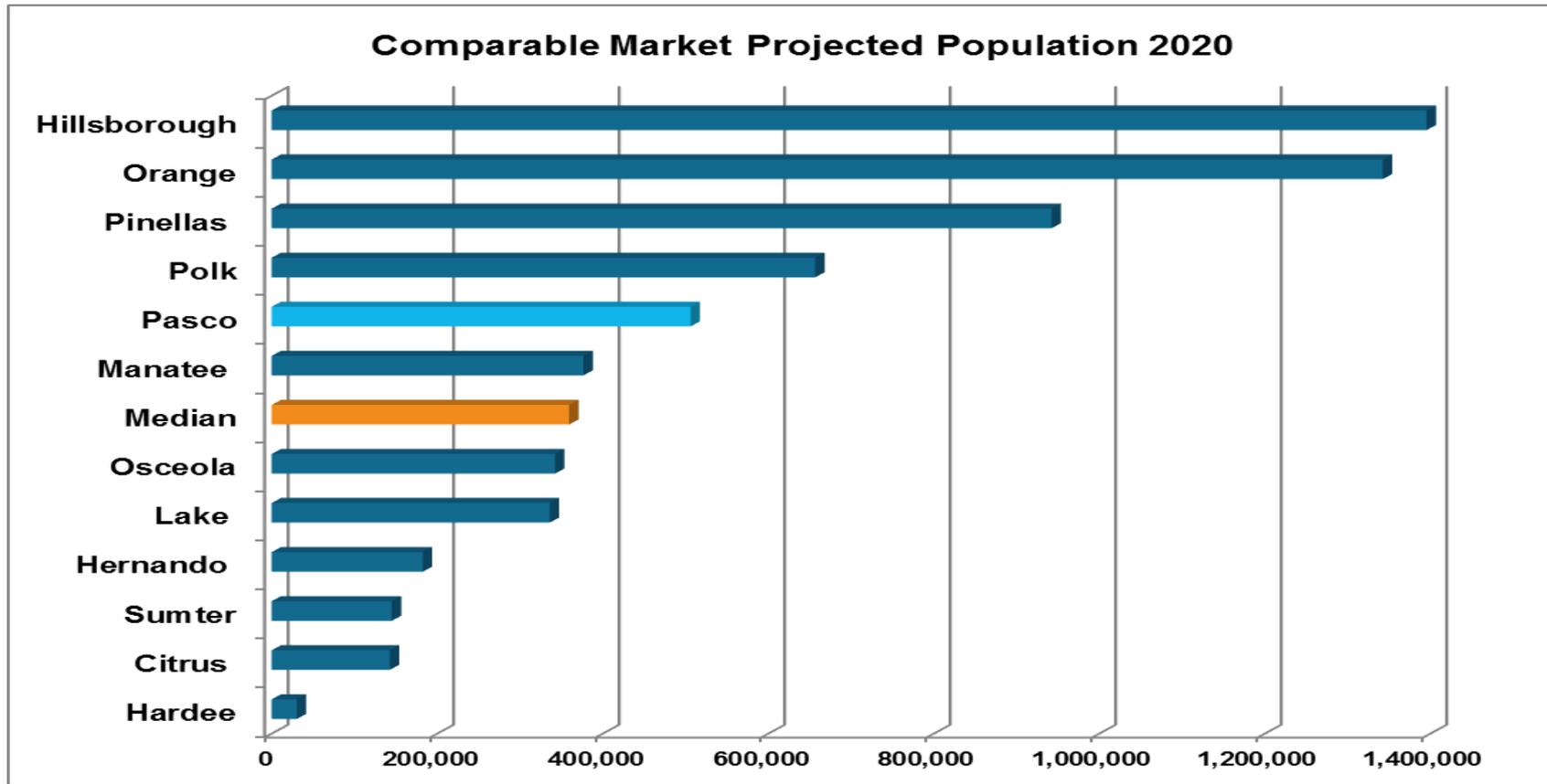
Comparative Market Analysis

Population: Rank 5 out of 12



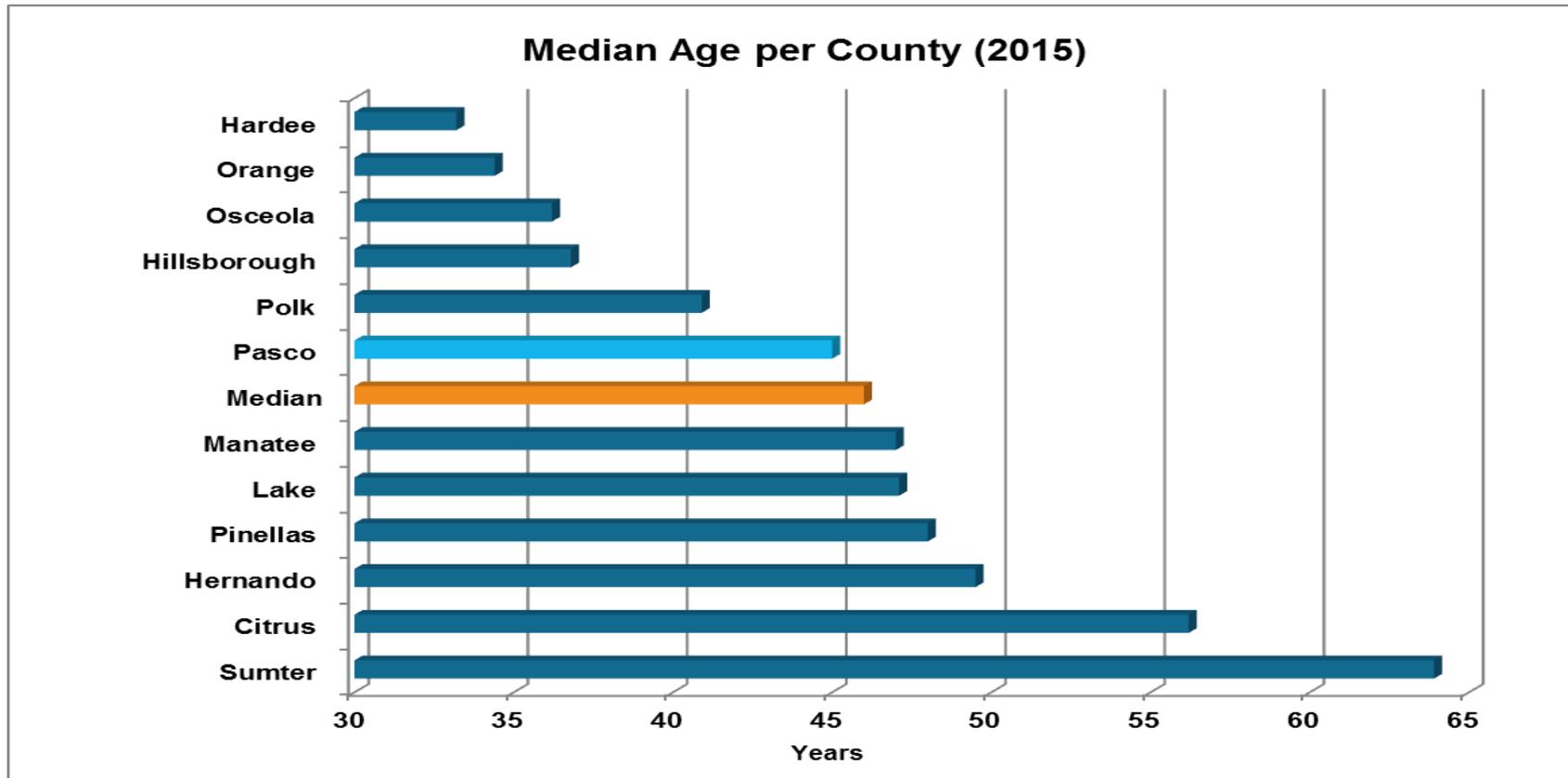
Comparative Market Analysis

Projected population 2020: Rank 5 out of 12



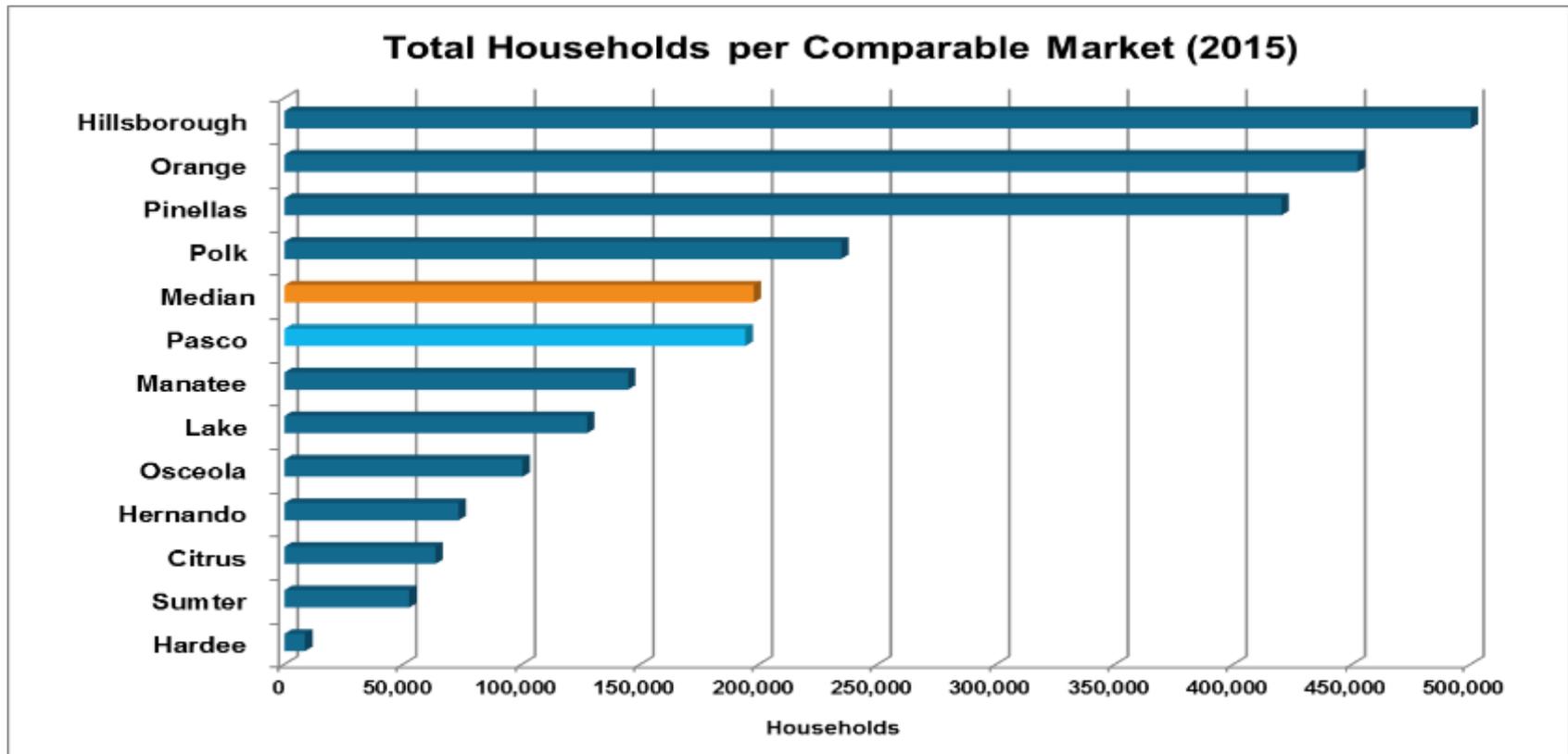
Comparative Market Analysis

Median Age: Rank 6 out of 12



Comparative Market Analysis

Total Households: Rank 5 out of 12



Local Facilities Audit

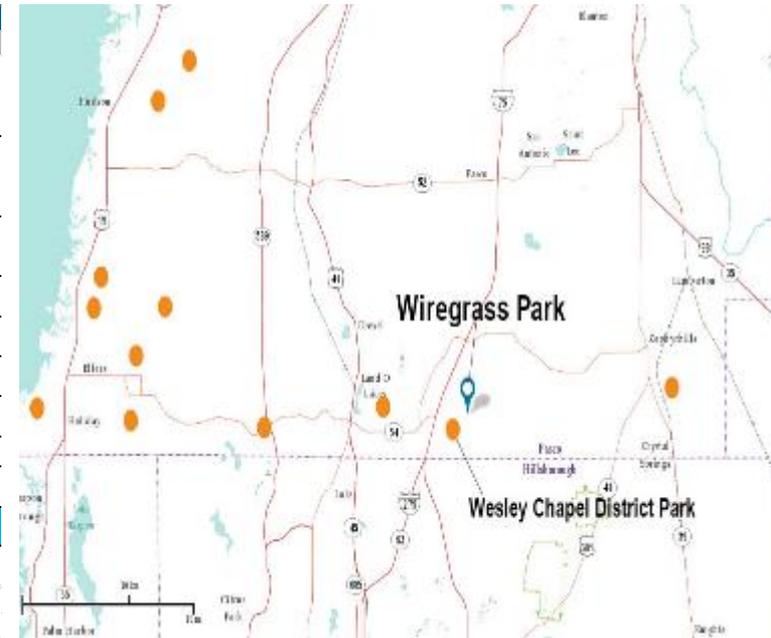
Local

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

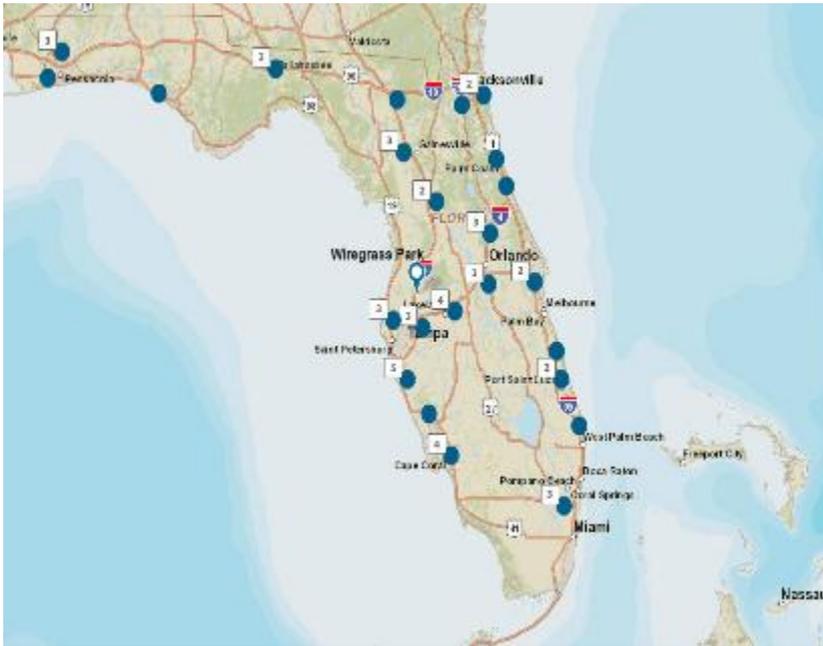
Sources: Pasco County Website, Johnson Consulting



Wesley Chapel District Park is currently the only tournament quality facility. The Florida Hospital Center Ice facility, which is currently under construction will also be of tournament quality

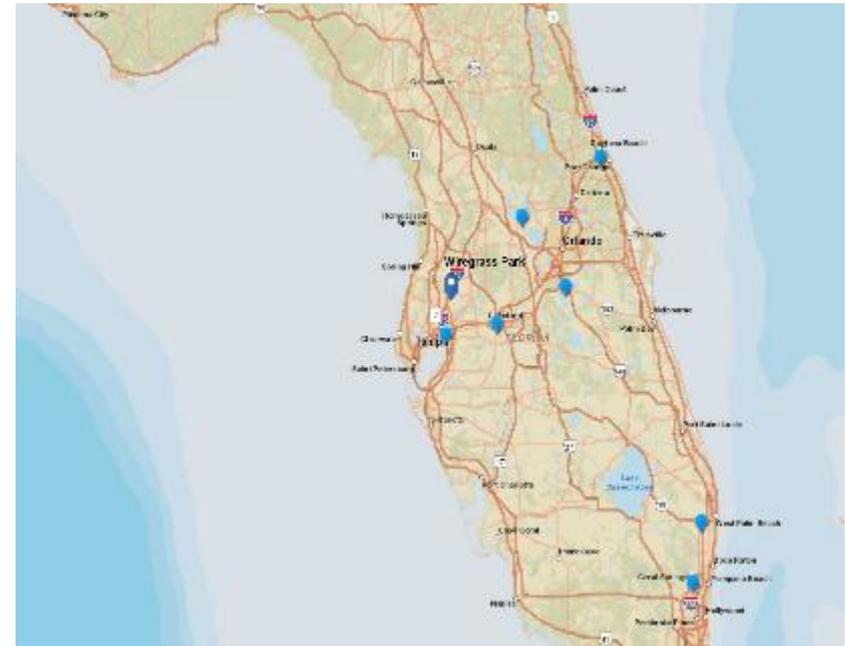
Statewide Facilities Audit

Statewide: Tournament Quality Facilities



Outdoor

Vs.



Indoor

SWOT Analysis

- **Strengths**
 - Rapidly Growing Population Base
 - Central Location
 - Easily Accessible
 - Attractive Climate
 - High disposable income (Wesley Chapel)
- **Weaknesses**
 - Lack of hotels
 - Limited entertainment options
 - No brand identity for Pasco County
 - Disconnect between local parks and tourism
- **Opportunities**
 - 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
- **Threats**
 - Speculated developments in Hillsborough County
 - Regional competition from other facilities
 - Summer heat/ lightning could limit outdoor event offerings
 - Other developments taking precedent

National Comparable Facilities

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

National Comparable Facilities



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	

National Comparable Facilities



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	

National Comparable Facilities



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	

National Comparable Facilities



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

National Comparable Facilities



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

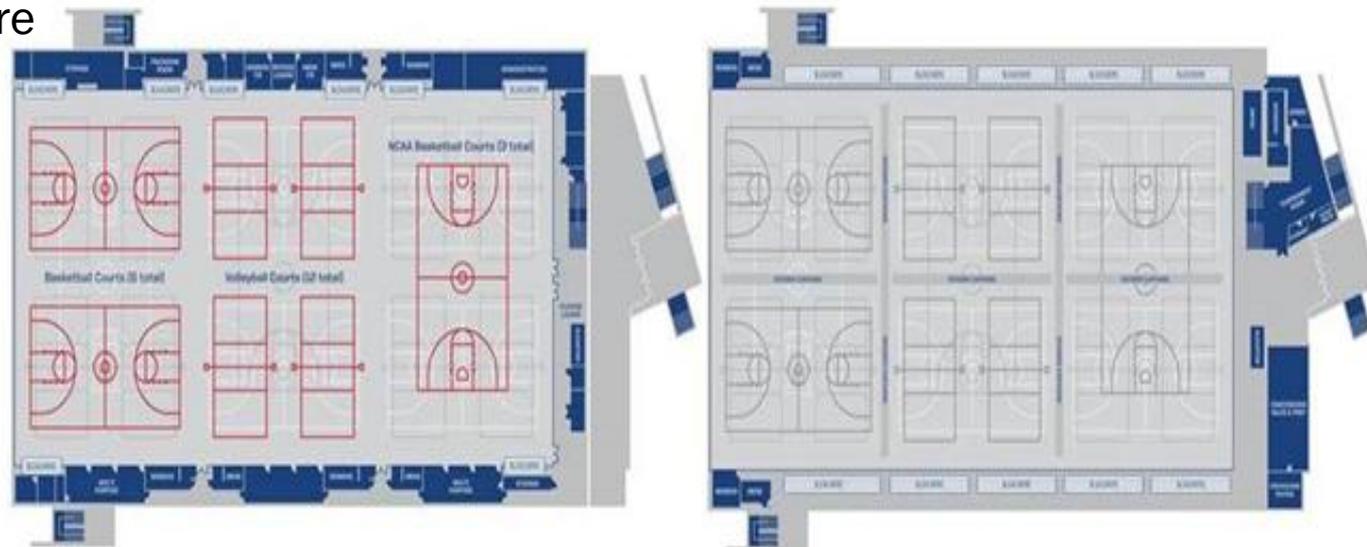
**within 5 mile radius

Source: facility, Johnson Consulting

Recommended Program

Phase-1 (5-7 Acres): Multi-purpose Indoor Complex between 85,000-100,000 sq ft that features;

- 6-8 basketball courts
- 4-6 Multi-purpose rooms
- Locker rooms
- Sports Orthopedic/Healthcare partnership



Recommended Program

Phase -2 (5-15 Acres) : Multi-purpose Outdoor Rectangular Fields including;

- 3-4 fields (2 with lighting)
- Championship area
- Interactive playground and splash pads

Phase -3 (10-15 Acres) :

Alternative Entertainment Zone featuring;

- Indoor Skydiving
- Zip-lines/Ropes Course
- Driving Range

Additional Supportive Developments (25- 35 Acres)

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

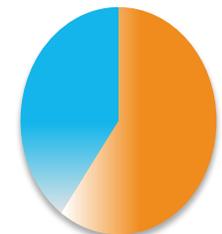
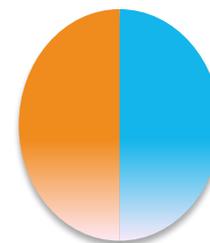
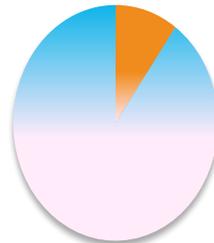
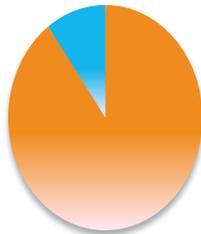
Recommended Operational Approach

Highly recommend private management in the form of a public/private partnership

Pasco Indoor Sports Complex Ownership/Operating Models

	<u>PUBLIC</u>	<u>PRIVATE</u>	<u>PUBLIC/ PRIVATE</u>	<u>PUBLIC/ NON PROFIT</u>
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

Projected Demand

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

Conservative estimates for attendance, many of the national comparable facilities average approximately 100,000 plus participants annually

Financial Assumptions

- Rental Based Proforma - 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 prepared a baseline Proforma with the intention that next steps would include the solicitation for private sectors developer/operator. It is intended that all prospective private sectors partners would build upon this baseline model to incorporate their unique business plans
- 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.
- Additional revenue opportunities include, but are not limited to, the facility hosting their own tournaments rather than renting out the facility to event owners, membership fees, parking fees, increased sponsorship and/or advertising, etc.

“Baseline” Proforma

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% Stabilization
Year 3 Indoor Courts	6	60	359	14,352	Yr 3: 65% Stabilization
Year 5 Indoor Courts	6	78	469	18,768	Yr 5: 85% Stabilization

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% Stabilization
Year 3 Indoor Courts	\$55	13	\$789,360	Yr 3: 65% Stabilization
Year 5 Indoor Courts	\$65	13	\$1,219,920	Yr 5: 85% Stabilization

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 Wrestling/Cheerleading/Martial Arts	\$1,750	21	22	\$38,500
	\$1,750	15	13	\$22,138
			Total	\$60,638
Basketball/Volleyball/Adapted Wrestling/Cheerleading/Martial Arts	\$2,000	30	32	\$64,000
	\$2,000	22	18	\$36,800
			Total	\$100,800
Basketball/Volleyball/Adapted Cheerleading/Martial Arts	\$2,500	38	40	\$100,000
	\$2,500	27	23	\$57,500
			Total	\$157,500

Source: Johnson Consulting

- Conservative assumptions, with utilization projected at 55% occupancy ramping up to 85% by Year 5
- Assumes rental business model for tournament, significant growth in revenue potential with self promoted tournament model
- 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 presented

“Baseline” Proforma

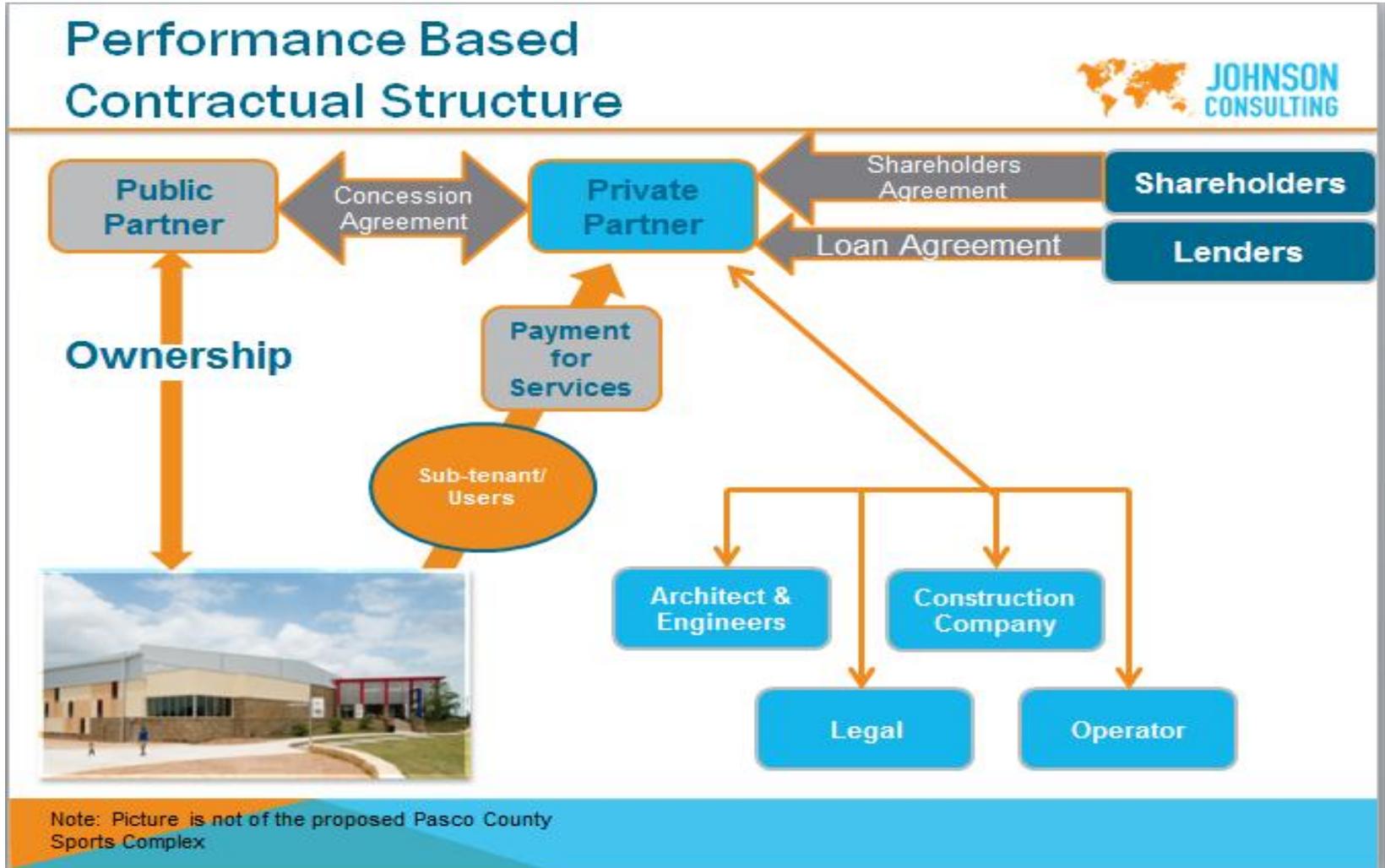
Pasco County Indoor Sports Complex Operating Proforma

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

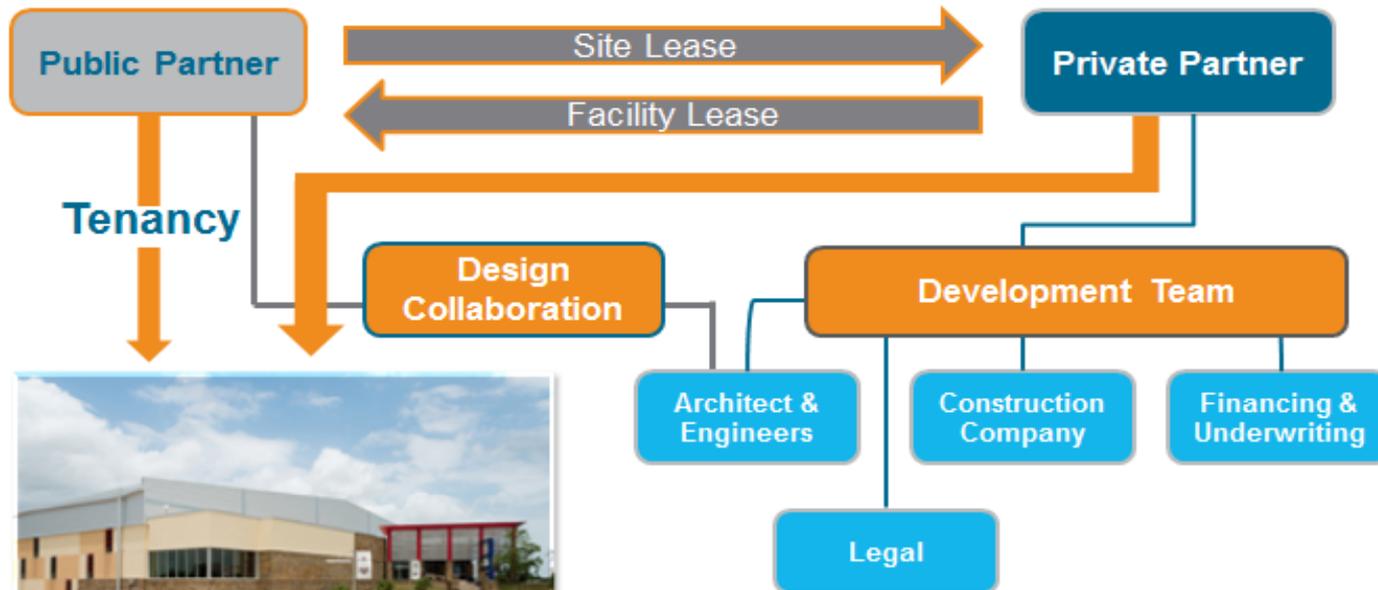
Note: The pro forma represents “base line” projections. There may be opportunities for enhanced revenues and/or to generate revenue sources not identified in the pro forma.

Funding Strategies



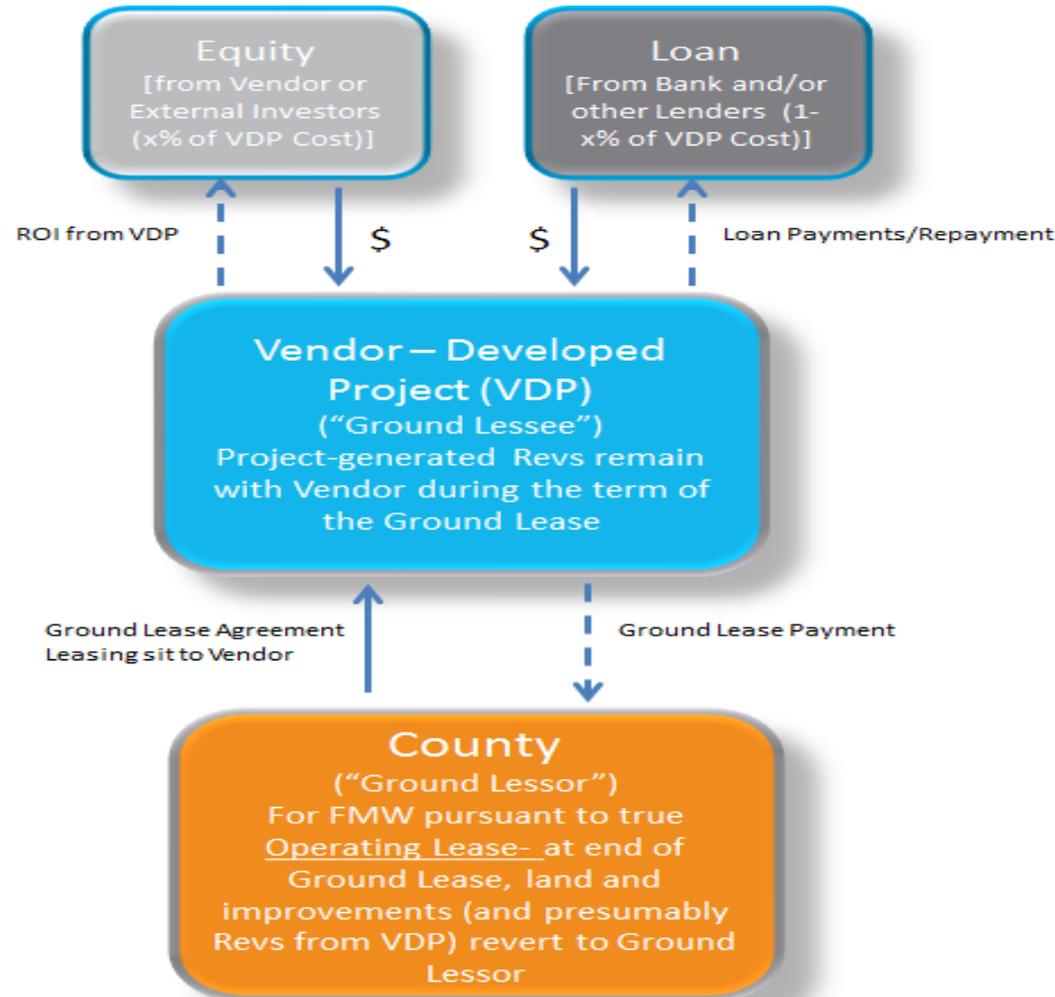
Funding Strategies

Lease-Leaseback Contractual Structure



Note: Picture is not of the proposed Pasco County Sports Complex

Funding Strategies



Next Steps

- Board approval of the proposed development
- Development of RFP/RFQ solicitation
- Disseminate RFQ/RFP
- Obtain and Analyze responses
- Short-list and Rank responses
- Commence Negotiation on deal structure
- Present selected partner to BCC