



New Rockford Sports Complex

Market and Feasibility Analysis Study Results Presentation



Rockford Sports Complex – October 28, 2009



Agenda

- Welcome/Intro – Amateur Sports Local Impact
- Study Results – Market & Feasibility Analysis
- Follow Up – What's Next?

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Realizing a Vision Starts with our History...

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Why Are We Here Today?

A History of Amateur Sports Successes:

- 2009 – RACVB/Rockford honored as one of the "50+ Planners & Places to Watch in 2009" by SportsEvents Magazine
- 2009 – Aldeen Golf Club Top IL Municipal Course by Golf Digest Magazine
- 2008 – Aldeen rated 4 1/2 stars by Golf Digest Magazine's Places to Play
- 2007 – Distinguished Agency Award/IL Association of Park Districts/IL Park and Recreation Association
- 2005 – Sportscore Two: Sports Complex of the Year, Sports Turf Managers Association
- 2004 – Aldeen rated by GOLF Magazine one of the Thrifty Fifty (top 50 courses in the country under \$50)
- 2004 – Ingersoll selected by Tiger Woods Foundation for "In the City" Clinics
- 2004 – Sports Illustrated and NRPA select Rockford "Sportstown USA" for IL
- 2002 – 2009 – ISC site for Olympic Development Program (ODP)
- 2004 – 2008 – NFL Punt, Pass & Kick (one of 5 state locations)
- 2000 – 2002 – NBA 2-Ball (RPD asked to host at United Center for two years)
- 2001 – Ingersoll Golf Course: Selected as host site for the Tiger Woods Golf Foundation two-day clinics (one of 4 sites in nation)




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Why Are We Here Today?

2008 Sports Sites Resident & Visitor Attendance:

Sportscore Complexes/Indoor Sports Center	2,290,700
Rock Cut State Park	1,051,959
MetroCentre/Rockford IceHogs/Wrestling	560,830
Bowling Centers	431,600
Ice Facilities – Carlson & Riverview	306,742
Forest Hills Baseball Diamonds	300,000
Winnebago County & RPD Golf Courses	289,313
Rockford RiverHawks/Road Ranger Stadium	134,728
Youth Baseball	114,300
Guilford Tennis Center	110,456
Head of the Rock Regatta	7,100
Total	5,597,720




5,597,720 Yearly Sports Visitors & Participants!

Rockford Sports Complex – October 28, 2009 Source: RACVB

Amateur Sports Success = Increased Revenue for Our Community

Revenue Benefits

- Improvements to Roads & Infrastructure
 - Example: \$30 million Highway 5/Riverside Project
- Increase in Retail Sales for Area Businesses
 - New restaurants and other retail businesses
- Visitor Dollars Contributing to Our Local Economy
 - Visitors spend money in our community

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Amateur Sports Success = Average Annual Revenue for Our Community

By the Numbers:

- 50,200 - Sports Hotel Room Nights
- \$3.5 Million - Sports Hotel Room Revenue
- \$9.04 Million - Sports Visitor Revenue
- \$309,400 - Sports Visitor Hotel Property Tax Revenue
- \$620,100 - Sports Visitor Other Local Tax Revenue
- \$1,855,100 - Sports Visitor State Tax Revenue

Information compiled by the U.S. Travel Association

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Amateur Sports Success = Local Job Opportunities

Various Business Segments

- Hotels & Motels
- Retail Businesses
- Food & Beverage Retailers
- Facility Staff & Management
- Construction
- Finance

Tourism accounts for nearly 3,000 jobs across all business sectors in our area

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RACVB 6/30/09 Report

Amateur Sports Success = High Quality Facilities Here at Home

Local Residents Enjoy Top-Notch Facilities:

- ISC/Sportscore Complexes (Soccer Fields & Softball Diamonds)
- Golf Courses
- Skate Parks
- Ice Skating Facilities
- Youth Baseball Facilities
- BMX Track
- RiverHawks/Road Ranger Stadium
- Bowling Centers



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Amateur Sports Success = High Quality Facilities Here at Home

Providing Activities for Youth

- Keeps Kids Busy and Off the Streets
- Teaches Lifetime Leisure Sports Skills
- Partners With and Supports Local Schools
- Quality Facilities Help Improve Local Youth Skills
- Allows Families to Spend Quality Time Together



"The golf courses in Rockford prepare players very well...the Park District has some of the best courses in the Midwest to prepare young people."

NIU Women's Golf Coach, Pam Tyska

Rockford Register Star, Oct. 1, 2009

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Amateur Sports Success = Partnerships Key to Leveraging Dollars

Partnerships are Key

- Public/private partnerships result in providing quality facilities with limited tax investment from our Citizens
- RPD's Projects in Progress: \$2 million invested in capital improvements will produce over \$30 million in projects - high ROI

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Amateur Sports Success = Benefits for Our Community

Summary of Benefits

- Infrastructure Improvements
- Visitor Dollars Contributing to our Local Economy
- Tax Revenue for our Community
- Job Opportunities
- Quality Facilities Our Local Community Can Enjoy
- Activities Enjoyed by Youth and Families
- Public/Private Partnerships Leverage Dollars

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Scope of Report & Consultants

- Project Management & Coordination - Buckley
- Feasibility of Program – CJ Johnson
- Operating Revenue from Program – CJ Johnson
- Site Location and Facility Requirements – Buckley
- Public Finance Planning –Nicolosi
- Community Economic Impact – CH Johnson



What was the Goal of the Report?

- To determine whether the construction of a new indoor sports facility was feasible, and, if so, under what conditions it is feasible.
- Key Findings:
 - The construction of a new indoor sports facility is feasible, and sufficient demand exists.
 - In addition to the revenue from the Park District programming, a new revenue stream will be needed to cover the debt service on the investment.



Feasibility Steps

- Does Demand Exist?
- What Direct & Indirect Revenue will this Demand Generate?
- What Costs are Associated with the new Facility?
- Is there sufficient revenue from the Park District programming to cover the expenses?
- If there is not sufficient RPD Revenue, can revenue be obtained from another source?



Market Review

- Rockford MSA desirable location – 13M persons within 100 miles, 5.3M under age 24
 - Estimated that nearly 300,000 persons in the Rockford Area DMA participate in sports.
 - Assuming a 5% Market Penetration, over 14,800 participants would use the facility for the uses planned by the Park District per year.

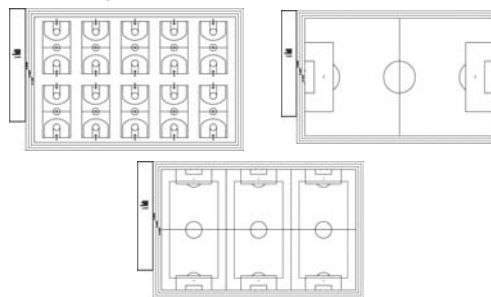


Program Attributes - RPD

- 9 months of Park District Programming
 - New Indoor Facility with 1 full outdoor Regulation size Soccer Field that can be Converted into 3 Practice Size soccer fields
 - League, Clinic, small Tournament, Walk-in and Tradeshow Use
 - ISC converted to multi-surface for volleyball, basketball, wrestling, and other hard surface sports.
 - Will address need for excess demand currently in the system and absorb the loss from AllStarz facility.



Court Layout – Conversion Options



Facility Size & Costs

- **Size** - approximately 93,000 square feet
- **Cost** - approximately \$16.6M to construct.
 - Debt Service on The Facility will be approximately \$2M per year.



How will the \$2M Annual debt Payment be Made?

- These payments will need to come from:
 - Facility programming & Lease fees
 - Lease fees from Summer Camp Tenant
 - Supplement from constituency who benefit from Facility activity
 - Hotel/motel taxes
 - Sales taxes



Program Attributes – Summer Tenant

- 3 months of use by Summer Tenant
 - Will provide lease payment to RPD
 - Application of Cooperstown Dreams Park Model
 - 10-13 weeks of weeklong tournaments (depending on location), bringing 64 to 128 teams to the Rockford MSA (depending on location), as well as spectators.
 - Tournament is all-inclusive: meals, lodging, souvenirs, etc.
 - Should a Summer Tenant fitting the above requirements be found, dormitories and a cafeteria will be needed.
 - The Summer Tenant will also need a large arena space for opening and closing ceremonies (MetroCentre is a possibility)



Is a Summer Tenant program feasible?

- There are many Summer Camp Models but the one evaluated in this Study is Basketball.
- Basketball Analysis shows large market
 - 24 million players under age of 24
 - Assuming 1/5 the penetration rate of the Cooperstown program, the Summer Tenant should be able to attract 14,000 participants per year.
- Based on preliminary projections, the project should generate sufficient revenue to provide most, if not all, of the \$2M annual debt service.



Where will the Facility be located?

- **Option 1: Sportscore II (SCII)**
 - Would need to construct dormitories and cafeteria if a Summer Camp Tenant is found.
- **Option 2: Rockford College campus (RC)**
 - Identified as a possibility during the study because of the availability of its existing dormitories and cafeteria facility during the summer months.



What are the pros/cons for each site?

- **Sports Core II (SCII)**
 - Benefits: Integration with existing facility, plenty of land available for expansion, retail possibilities
 - Disadvantages: High construction cost because new Dorms & Cafeteria facilities would be needed
- **Rockford College (RC)**
 - Benefits: Existing unused dorm and cafeteria during summer months
 - Disadvantages: More limited space without additional private land, shorter program time available (reduction from 13 weeks to 10 weeks).



Site Locations and Phasing

Construction Cost Comparison – Phase I*			
	Sports Core II	Rockford College	Variance
Court Structure	\$16.6M	\$16.6M	-
Dorm Facility	\$5.7M	-	\$5.8M
Cafeteria Facility	\$1.0M	-	\$1.0M
Parking	\$2.0M	-	\$2.0M
TOTAL	\$25.3M	\$16.6M	\$8.8M

* Does not include furniture, fixtures and equipment costs.



Site Locations and Phasing (cont'd)

Construction Cost Comparison – Phase II* Added			
	Sports Core II	Rockford College	Variance
Court Structure	\$5.6M	\$5.6M	-
Dorm Facility	\$5.7M	\$2.0M	\$3.7M
Cafeteria Facility	\$1.0M	-	\$1.0M
Parking	\$2.0M	\$1.25M	\$0.75M
TOTAL	\$14.3M	\$7.6M	\$5.45M

* Does not include furniture, fixtures and equipment costs.



How does this project benefit our region?

■ Added Tax Revenues*: \$3.8M

- Sales Tax Revenue per Year: \$3.1M
 - General Sales Tax: \$1.7M
 - Food and Beverage Tax: \$600k
 - Hotel/Motel Tax: \$764k
 - Auto Rental Tax: \$30k
- Property Tax Revenue: \$730k
 - Personal Income: \$292k
 - Corporate Income: \$438k

* Figures are on an annual basis at full stabilization of the project.



How does this project benefit our region?

■ Total Spending*: \$45.7M

- Direct Spending: \$26.7M
- Indirect Spending: \$8.1M
- Induced Spending: \$10.9M
- Spending Breakdown:
 - Hotel Room Night Income: \$7.0M
 - Other Direct Spending: \$19.7M

* Figures are on an annual basis at full stabilization of the project.



Who will own the project?

- The Park District will construct and own the Court Structure, and the Summer Tenant (private entity) will pay the Park District for use of the Court Structure
- Depending on the location selected, either the Park District will construct a new Dorm and Cafeteria Facility and receive payment from the Summer Tenant for its use, or a payment will be made to Rockford College to use the existing Dorms and Cafeteria.



What other revenue sources are available?

- The Park District or other governmental agencies could utilize the following to assist with Project Costs:
 - Tax Increment Financing District (more likely at RC)
 - Business Development District (more likely at RC)
 - Special Taxing District
 - Build America Bonds (need to be from County if at SCII)
 - Economic Recovery Bonds (need to be from County if at SCII)
 - Tax Abatement
 - Public Private Partnership



What Happens Now?

- Refine costs for each site (RC and SCII)
 - Make site determination
- RFP Process to identify Summer Tenant(s)
 - Select Tenant
- Determine revenue from alternative financing sources and develop financing model

Timeline: 3-4 months

How can I be involved?

- The report is available on the Park District's website, www.rockfordparkdistrict.org
- Any comments or ideas can be submitted through the Park District's website.
- Continue to support the Park District's mission, through donations, volunteering, or visiting our facilities.