



DRAFT
Subject to Change

CITY COUNCIL PRESENTATION:
UPDATED SPORTS TOURISM FACILITY STUDY FOR
THE CITY OF WILLIAMSBURG, VIRGINIA

MARCH 8, 2021





STUDY GOALS



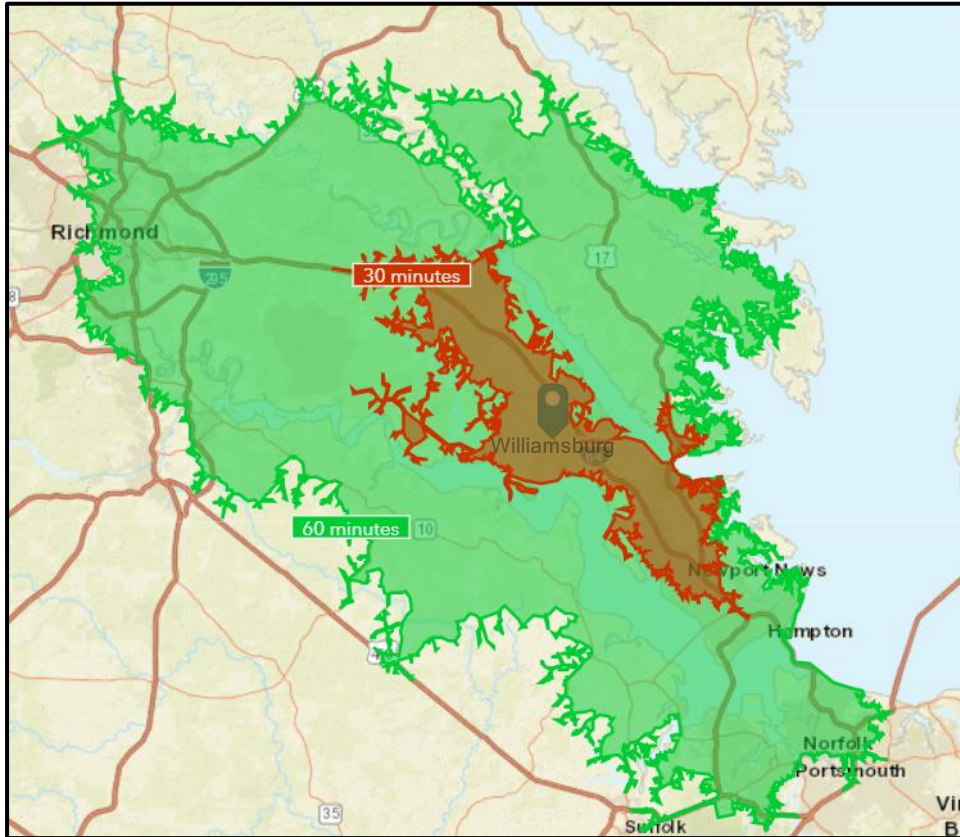
Victus Advisors was engaged by the City of Williamsburg in October 2020 as a sports tourism facility consultant, with key tasks including:

- **Updated Sports Facility Market Study** - Review, evaluate, and update the existing sports tourism market studies pertaining to a new regional indoor sports center in the City.
- **Facility Recommendations** - Develop facility recommendations to maximize sports tourism usage.
- **Regional Programming Plan** - Evaluate the applicability of a regional programming plan.
- **Sports Marketing Recommendations** - Provide a detailed summary of recruitment strategies to successfully attract sports tourism events to the facility annually.
- **Economic Impact Analysis** - Collaborate with a selected economist to update a previously completed economic impact analysis.

This presentation focuses on the Updated Sports Facility Market Study and Facility Recommendations.



WEEKDAY SPORTS USAGE DRIVE-TIME ZONES



Primary weekday attendance for sports centers (typically in the late afternoons and evenings) is usually drawn from within a 30-minute drive radius. Additional secondary weekday demand could be drawn from up to 60-minutes.

There is a population of over 283,000 people within a 30-minute drive time of Williamsburg and over 1.5 million people within a 60-minute drive time of the City.

Note: regional, multi-day, weekend tournament attendance will typically be drawn from a much wider drive radius, as noted later in this presentation.

Source: Esri



REPRESENTATIVE SAMPLE OF LOCAL/REGIONAL USER GROUPS



User Group	Sport	LIKELIHOOD OF HOSTING EVENTS			
		Definitely Use	Likely Use	Possibly Use	Would Not Use
Big Time Hoops	Basketball	✓	-	-	-
Bruton High School	Multiple	-	-	✓	-
Jamestown High School	Multiple	-	-	✓	-
Old Dominion Volleyball Academy	Volleyball	-	-	✓	-
Select Events	Basketball	✓	-	-	-
USBA	Basketball	✓	-	-	-
Virginia High School League	Multiple	-	-	✓	-
Virginia Venom	Basketball	✓	-	-	-
Virginia Wrestling Association	Wrestling	-	✓	-	-
Warhill High School	Multiple	-	✓	-	-
Williamsburg Volleyball Club	Volleyball	✓	-	-	-
Zero Gravity	Basketball	✓	-	-	-
TOTAL		6	2	4	0

Sources: Victus research. Notes: Sorted by User Group in alphabetical order

The interview sample was asked how interested they would be in hosting events at a new indoor sports center in Williamsburg. Interviewees could respond that they would definitely use, possibly use, likely use, or would not use a new indoor sports center in Williamsburg.

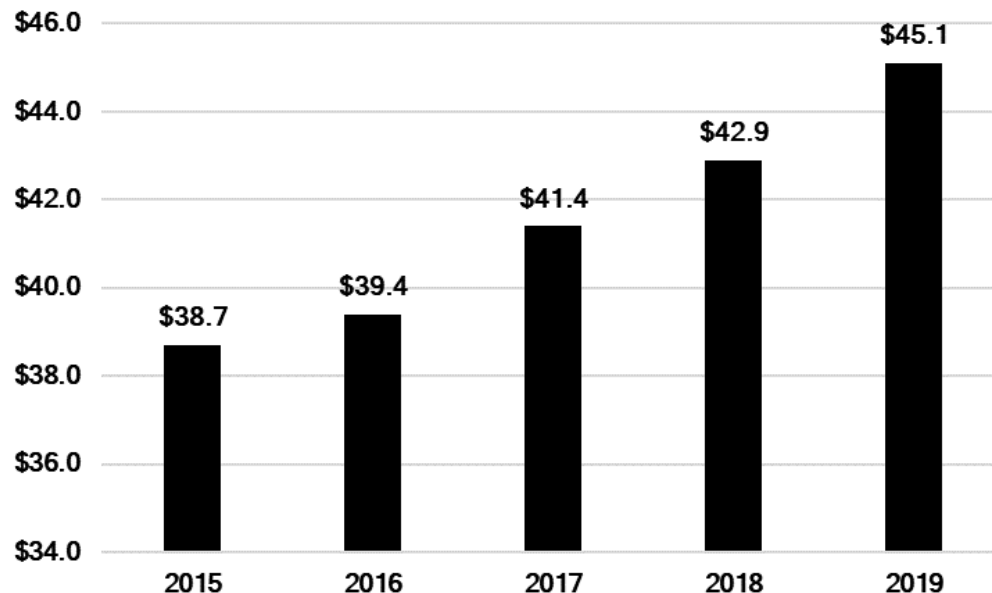
Note: potential usage included both tournament activity (on up to 12 basketball or at least 16 volleyball courts) and weekday rentals for local basketball and volleyball club practices (at least 2-3 courts rented on most weeknights).



WHAT IS THE SPORTS TOURISM MARKET?

- “Sports Tourism” is regional or national travel to observe or participate in a sporting event.
- The typical sports tourism traveler is a family traveling via car within a 3-to-6 hour drive range for youth/amateur sports tournaments.
- Visitor spending via sports tourism is typically captured via room nights/hotel spending, restaurants, retail, and local entertainment and cultural attractions.
- In 2019, US sports tourism exceeded \$45.1 billion in annual spending by sports travelers, event organizers, and venues as shown below:

Annual Sports Tourism Spending in the U.S. (Billions)



Source: Sports Events & Tourism Association

Sports-related travel volume & spending reached \$45.1 billion in 2019, a 5% increase from 2018 and 17% increase since 2015.



INDOOR SPORTS MARKET OPPORTUNITIES



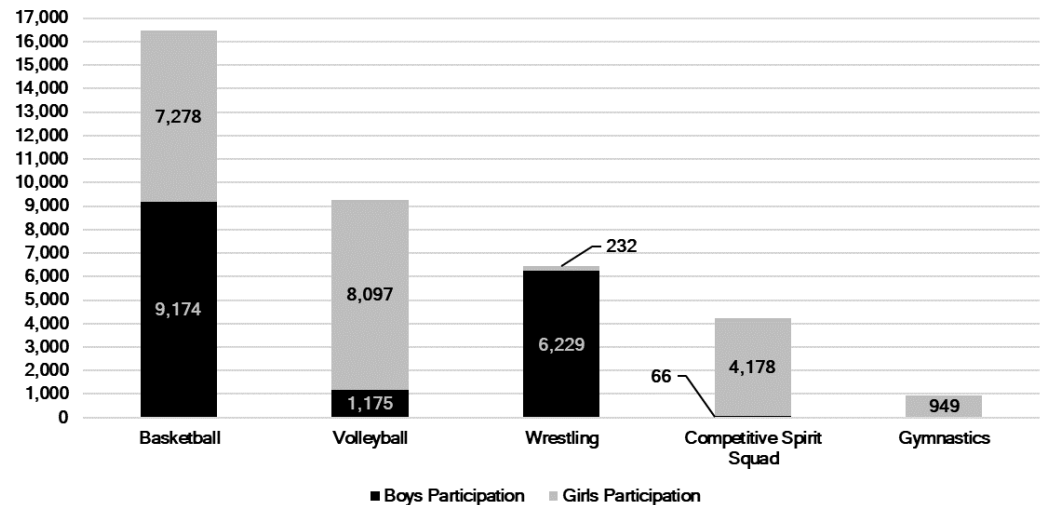
NATIONAL YOUTH SPORTS PARTICIPATION

	Sport	Participants (millions)
1	Basketball	23.4
2	Baseball	13.7
3	Soccer (Outdoor)	12.6
4	Football (Tackle & Flag)	12.0
5	Softball (Slow & Fast Pitch)	9.6
6	Volleyball (Court)	6.4
7	Gymnastics	4.7
8	Track and Field	4.2
9	Cheerleading	3.6
10	Pickleball	2.8

Note: Gray shading identifies indoor sports that could potentially utilize a new regional indoor sports complex in Williamsburg.

Source: Sports & Fitness Industry Association, Sports Marketing Surveys USA

VIRGINIA HIGH SCHOOL INDOOR SPORTS PARTICIPATION





WHAT DRIVES SPORTS TOURISM TO A MARKET?

KEY SPORTS TOURISM SITE SELECTION FACTORS

According to SportsETA*, tournament organizers focus on four (4) key factors when making their site selections:

- #1 ... Quality of Sports Venues
- #2 ... Proximity and Access
- #3 ... Hotels and Amenities
- #4 ... Reputation and Brand



* Sports Events & Tourism Association



HOW IS WILLIAMSBURG CURRENTLY POSITIONED TO ATTRACT INDOOR SPORTS TOURISM EVENTS?

1. INDOOR SPORTS TOURISM VENUES



Visit Williamsburg currently markets only to outdoor sports events (in particular baseball, softball, soccer, lacrosse, running, and cycling) since the Williamsburg area currently lacks an indoor sports tourism-caliber venue such as recommended in this study. The proposed facility, with 12 basketball courts convertible up to 24 volleyball courts, would allow Williamsburg to tap into an entirely new sports tourism market sector, which is detailed further in this section.

2. PROXIMITY & ACCESS



There is a population of over 5.5 million people within a 2.5-hour drive time of Williamsburg and over 25.6 million people within a 5-hour drive time of Williamsburg to potentially draw from for sports tourism events. Large markets within tournament drive range include Washington, Baltimore, Philadelphia, Charlotte, and Raleigh-Durham, among others.

3. LODGING & FAMILY TOURISM ATTRACTIONS



There are over 70 family-friendly lodging options within a 10-minute drive of the proposed project site, as well as hundreds of dining and retail options, including the Williamsburg Premium Outlets. Furthermore, Colonial Williamsburg is located conveniently adjacent to the site, as well as numerous other family attractions such as amusement parks, historical sites, etc.

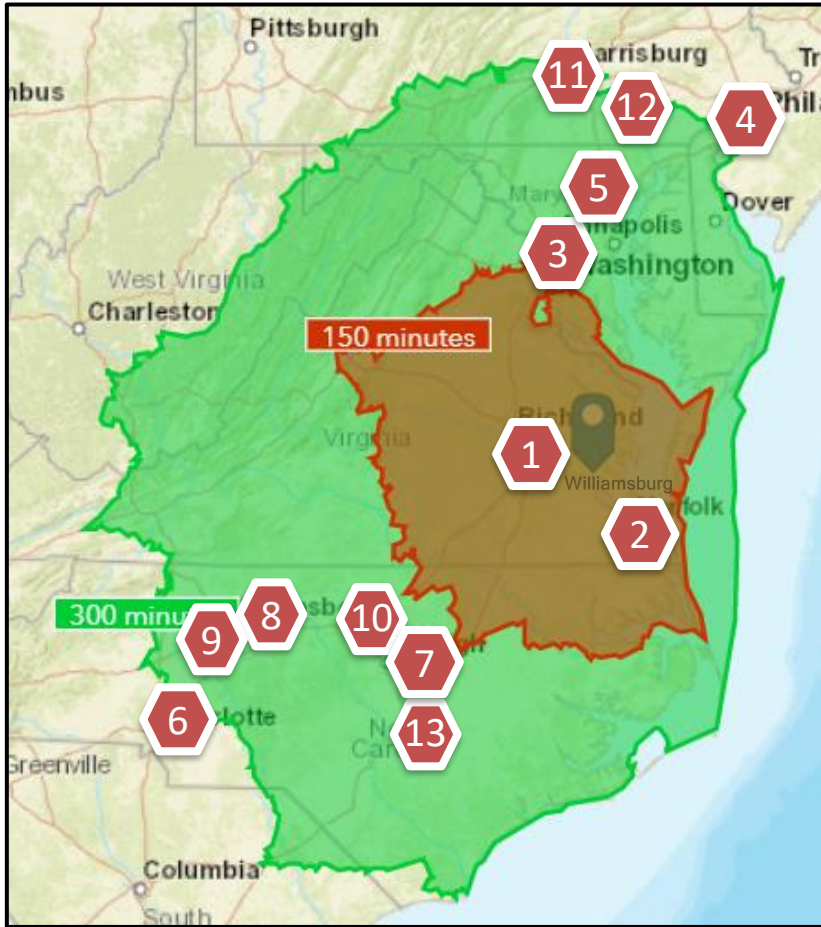
4. REPUTATION



Williamsburg has a national reputation as a family-friendly travel destination that provides entertainment options such as historical sites, museums, amusement parks and thrill attractions, restaurants and breweries, outlet shopping, spas and golf, biking, hiking, and other outdoor activities.



REGIONAL TOURNAMENT DRIVE-TIME ZONES



Source: Esri

*Metropolitan Statistical Area

MSAs* with 500k+ Population Within a 2.5-hour Drive

- 1 Virginia Beach, VA MSA
1, 802,762
- 2 Richmond, VA MSA
1,310,587

MSAs with 500k+ Population Within a 5-hour Drive

- 3 Washington DC MSA
6,298,330
- 4 Philadelphia, PA MSA
6,191,755
- 5 Baltimore, MD MSA
2,840,181
- 6 Charlotte, NC MSA
2,685,444
- 7 Raleigh, NC MSA
1,417,213
- 8 Greensboro, NC MSA
777,265
- 9 Winston-Salem, NC MSA
692,388

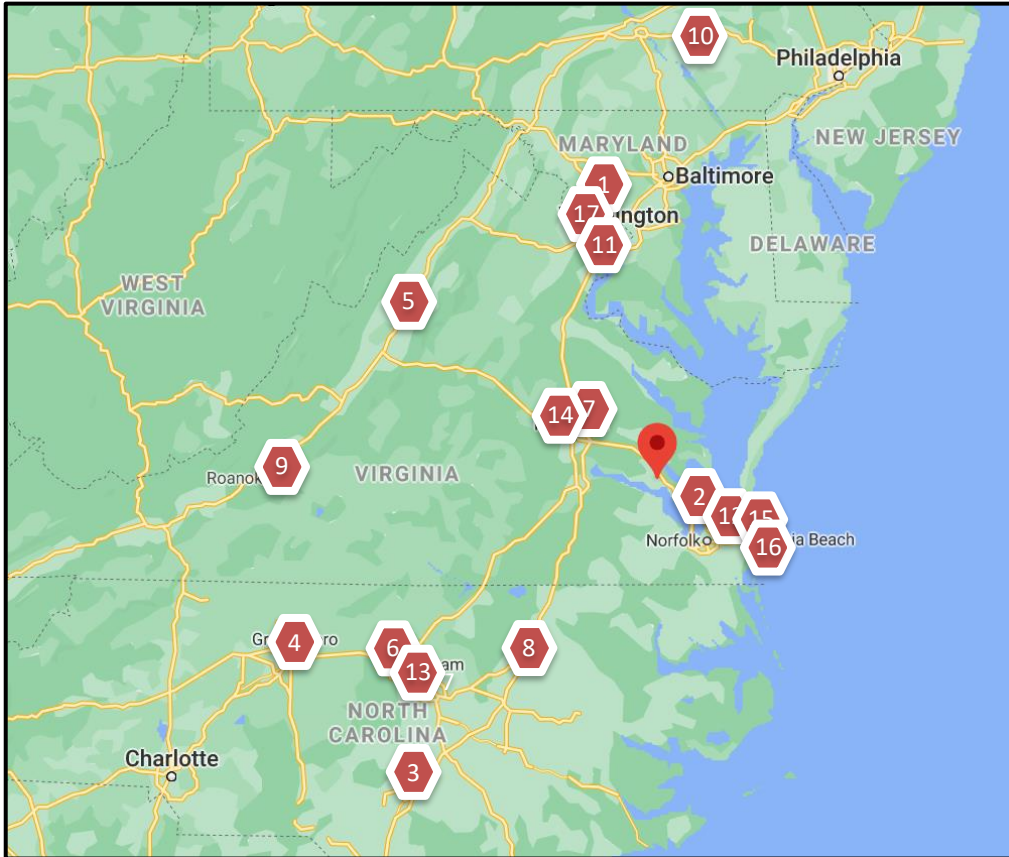
MSAs with 500k+ Population Within a 5-hour Drive (Cont.)

- 10 Durham-Chapel Hill, NC MSA
655,703
- 11 Harrisburg, PA MSA
583,441
- 12 Lancaster, PA MSA
552,587
- 13 Fayetteville, NC MSA
526,661

There is a population of over 5.5 million people within a 2.5-hour drive time of Williamsburg and over 25.6 million people within a 5-hour drive time of Williamsburg, to potentially draw from for sports tourism events.



REGIONAL SPORTS FACILITY MAP



FACILITIES

- | | |
|-------------------------------------|---|
| 1 Adventist HealthCare Fieldhouse | 10 Spooky Nook |
| 2 Boo Williams Sportsplex | 11 The St. James Sports, Wellness & Entertainment Complex |
| 3 Freedom Courts Sportsplex | 12 Tidewater Volleyball Association |
| 4 Greensboro Sportsplex | 13 Triangle Volleyball Club |
| 5 Horizons Edge Sports Campus | 14 U-Turn Sports Performance Academy |
| 6 North Carolina Volleyball Academy | 15 Virginia Beach Field House |
| 7 Richmond Volleyball Club (North) | 16 Virginia Beach Sports Center |
| 8 Rocky Mount Event Center | 17 Virginia Volleyball Center |
| 9 Spectrum Sports Academy | |

The map on the left shows the primary regional indoor sports and recreation facilities identified by both Victus Advisors and previous studies. All of these facilities are located within a 5-hour drive of Williamsburg.

Note: The map also shows the cluster of regional facilities in the Hampton and Virginia Beach area, however none of these facilities is located within 28 miles of Williamsburg.

Source: Google Maps Note: Facilities in alphabetical order



INDOOR SPORTS CENTER RECOMMENDATION



Based on the results of our market research, sports tourism analysis, and industry experience, Victus Advisors recommends the following key components for a new indoor sports center in Williamsburg:

- Victus recommends 12 basketball courts (convertible up to 24 volleyball courts).
- The facility (estimated at least 150,000 sq. ft.) should also have portable bleachers that normally will be spread out throughout the facility, but in a grouping of 800-1,000 seats could be configured for a “championship court”, wrestling meet, or other large events.
- **Hybrid Operating Model - Regional Programming & Sports Tourism:**
 - **Local Use (Weekdays):** An eight (8) basketball court facility would meet Williamsburg’s Parks & Recreation’s current weekday program demand. However, a facility with up to 12 basketball courts would also allow for additional weekday court rentals by local basketball and volleyball groups.
 - **Sports Tourism Use (Weekends):** Victus understands that the City desires to build a facility that will attract significant sports tourism activity, thus 12 basketball courts (convertible to 24 volleyball) is recommended for hosting the vast majority of the largest regional multi-day indoor tournaments. More than 12 courts is not recommended, as the additional cost would not produce significant incremental impacts.



POTENTIAL CONSTRUCTION COSTS



The chart below shows a sample of comparable indoor sports tourism venues identified by Victus Advisors with between 100,000 and 200,000 square feet that focus on multi-court sports tournament activity:

Facility (Location)	Year Open	Total Building Square Feet	Original Construction Cost	Estimated 2020 Construction Cost	Cost per SF in 2020 Dollars
Virginia Beach Field House (Virginia Beach, VA)	2010	175,000	\$15,000,000	\$22,096,000	\$126
Boo Williams Sportsplex (Hampton, VA)	2008	135,000	\$13,500,000	\$17,499,000	\$130
Myrtle Beach Sports Center (Myrtle Beach, SC)	2015	100,000	\$12,400,000	\$15,477,000	\$155
Upward Star Center (Spartanburg, SC)	2014	120,000	\$19,000,000	\$24,792,683	\$207
Cedar Point Sports Center (Sandusky, OH)	2020	145,000	\$32,000,000	\$32,000,000	\$221
LakePoint Champions Center (Emerson, GA)	2016	170,500	\$36,000,000	\$42,843,276	\$251
Average Cost per Square Foot:					\$182
Median Cost per Square Foot:					\$181

These comparable venues range from approximately \$15 million to \$43 million in Q4 2020 construction dollars. Based on an average cost of \$182 per square foot, a new 150,000 square foot sports center could be preliminarily estimated to cost at least \$27.2 million to build in 2020 dollars.*

**Note: This is a preliminary estimate only. As a next step, detailed cost estimates for specific design options should be developed by project architects and engineers.*



ESTIMATED ANNUAL UTILIZATION

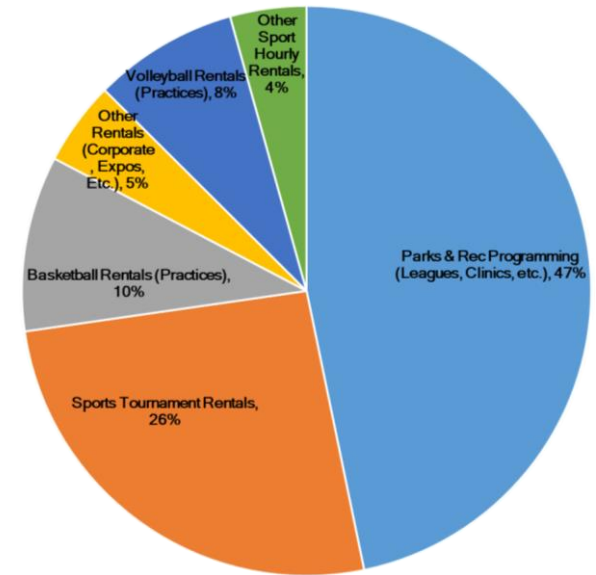


It is conservatively estimated that the potential regional indoor sports complex in Williamsburg could host approximately 38 annual sports and non-sports events, primarily on the weekends.

While weekend tournaments and events would draw athletes, spectators, and participants from outside of the Williamsburg Market Area (Friday through Sunday), it should be noted that local use (parks & recreation programming, practices, etc.) would primarily be Williamsburg Market Area residents (typically Monday through Thursday).

Event	Facility Hours
Parks & Rec Programming (Leagues, Clinics, etc.)	10,800
Sports Tournament Rentals	6,000
Basketball Rentals (Practices)	2,300
Volleyball Rentals (Practices)	1,900
Other Rentals (Corporate, Expos, Etc.)	1,100
Other Sport Hourly Rentals	1,000
TOTAL	23,100

Note: Sorted by Facility Hours in descending order



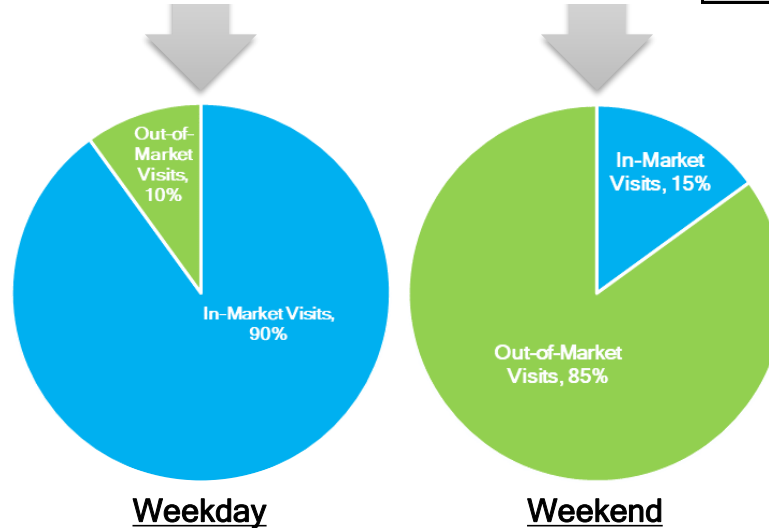


ESTIMATED OUT-OF-MARKET VISITATION

It is estimated that out-of-market visitors could account for more than 42% of annual attendance at the new regional indoor sports complex in Williamsburg. The majority of out-of-market visitation would be driven by weekend events (sports tournaments and other non-sports events).

It is assumed that weekday usage would primarily be local programming, including Parks & Recreation programming and youth basketball/volleyball practices. Whereas weekend use would primarily be dedicated to youth/amateur sports tournaments.

	<u>Weekday</u>	<u>Weekend</u>	<u>TOTAL</u>
In-Market Visits	287,100	35,700	322,800
Out-of-Market Visits	31,900	202,300	234,200
TOTAL VISITORS	319,000	238,000	557,000



**Notes: (1) "Out-of-market" refers to visitors from outside the Williamsburg Market (defined as the City of Williamsburg, James City County and York County in section 1 of this report). (2) Visitors include estimated athletes, officials, coaches, parents/family, spectators, etc. Visitors also represent unique daily visits. For example, if an athlete participated in practices on a Tuesday and a Thursday one week, that would count as two (2) unique visits that week.*



FINANCIAL PRO FORMA



In a stabilized year of operations, it is estimated by Victus Advisors that the operations of the new regional indoor sports complex in Williamsburg could operate at an approximately \$481,700 annual operating loss (prior to depreciation, amortization, or debt service), which represents annual operating cost recovery of approximately 76%.

Please note: this pro forma assumes public management, and therefore does not include a management fee.

	Stabilized Year
Operating Revenues:	
Rental Income (Tournaments, Other Events, etc.)	\$764,000
Programming (Leagues, Camps, Clinics, etc.)	\$307,200
Concessions & Merchandise (Net)	\$346,000
Advertising & Sponsorship	\$60,000
Other	\$20,000
Total Revenues:	\$1,497,200
Operating Expenses:	
Salaries, Wages, & Benefits	\$951,000
Program Expenses	\$122,900
Utilities	\$200,000
Advertising, Marketing & Business Development	\$150,000
Maintenance/Repair	\$150,000
Materials/Supplies	\$105,000
General, Administrative & Other Operating Expenses	\$300,000
Total Expenses:	\$1,978,900
NET INCOME FROM OPERATIONS	(\$481,700)
ESTIMATED OPERATING COST RECOVERY:	76%

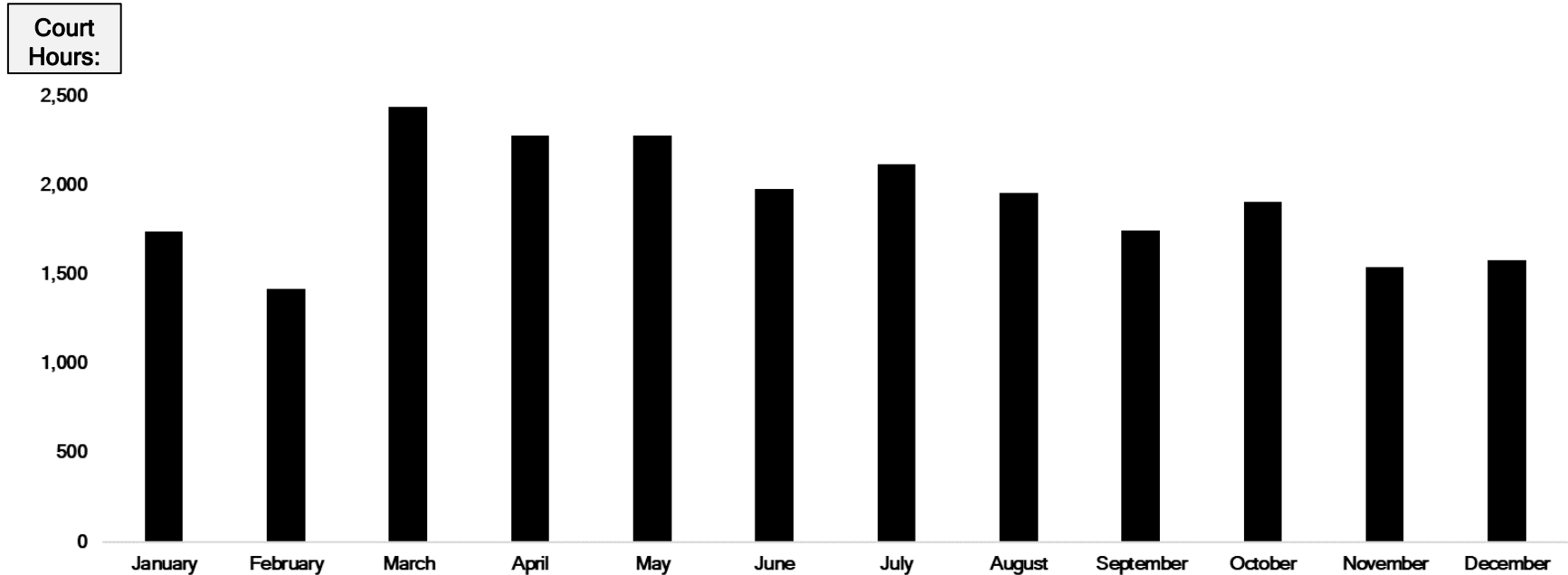
Notes:

(1) Presented in 2020 dollars. Stabilized year of operations typically occurs by Year 3.

(2) Net Income From Operations does not include depreciation, amortization, or debt service



ESTIMATED ANNUAL FACILITY USAGE BY MONTH



Victus Advisors estimates that usage at the new regional indoor sports complex would be fairly consistent year-round, with peaks March through May when the facility would potentially host the most weekend events. It is assumed that the levels of Williamsburg Parks & Recreation programming would be fairly consistent throughout the year.



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