

## FEASIBILITY STUDY

# EXECUTIVE SUMMARY

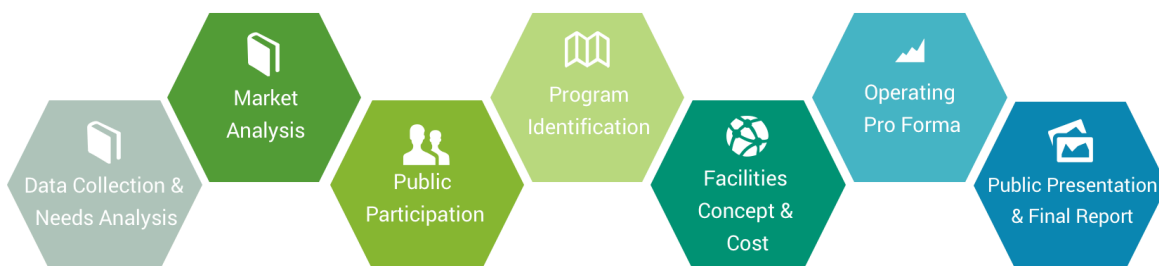


### GUIDING PRINCIPLES

The purpose of this study was to validate the feasibility of a sports complex in Butte County. The Sports Force uses three basic criteria as part of evaluating feasibility of a sports complex for a community:

1. It must create a positive economic impact by generating incremental revenue from non-local athletes, families and guests;
2. It must create a set of assets that enhance local residents' and local sports organizations access to high-quality, year-around sports facilities;
3. It must be optimized operationally so as to limit the amount of ongoing financial support required while maximizing the opportunity to attract and host non-local users.

As demonstrated throughout the Feasibility Report, analysis and financial forecasts, a large-scale sports complex in Butte County can be supported through a combination of local programming and regional tournaments/events meeting the above criteria.



### SUPPLY & DEMAND

The Sports Force examined the local market, existing facilities inventory, participation rates, conducted individual and user group interviews, identified tournament providers and existing tournaments for the supply and demand analysis. EBHB is an advocate of providing access to all and also requested an assessment on adaptive sports facilities and opportunities.

The supply and demand analysis supports the assumptions expressed by many stakeholders interviewed that there is a clear need for additional sports and recreational facilities in the Butte County region

1. The Sports Force estimates there is a local demand of over 1,500 programmable hours across sports that are not being met. Even with new facilities being contemplated by Chico Area Regional District<sup>1</sup> (CARD) as part of their comprehensive master plan, there will still be a substantial unmet demand for sports and recreational facilities. Both CARD and EBHB are working towards addressing the unmet demand. This is a perfect opportunity for collaboration and joint planning to maximize utilization limited of space.
2. The Sports Force identified there are very few facilities accessible to disabled youth and adults not only locally but regionally. And even those few facilities that could be used for adaptive sports must compete for programming time. Because of the lack of facilities regionally, and the growing demand for space and programming time, there is unique opportunity to fill this gap at a complex.

The Sports Force estimates 100-140 tournament events across more than a dozen sports if the necessary facilities were constructed.

**VISITOR PROJECTIONS (5-YEAR)**

Total	Year 1	Year 2	Year 3	Year 4	Year 5
Complex Teams	1,472	1,866	2,397	2,657	2,808
Complex Participants	20,878	26,236	33,484	37,017	44,112
Complex Guests	41,006	51,572	65,917	72,909	87,098
Complex Visitors	61,884	77,808	99,401	109,926	131,210
Complex Visits	134,567	167,743	211,503	232,553	281,448
Room Nights	17,428	21,618	27,117	29,756	34,347

**RECOMMENDATIONS**

The caveat to the feasibility lies with developing the right facilities in a timely manner. The Sports Force understands EBHB and its future partners may not be able to build a

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<sup>1</sup> Chico Area Recreation District (CARD) is the largest recreation district in Butte County.

large-scale facility at one time. The facility recommendations below, outlined in Phases, would create a complex capable of attracting and supporting regional tournaments and filling the gap for local sports programming:

Facility Phased Development Summary Recommendations <sup>2</sup>			
Complex	Phase 1 (Year 1)	Phase 2 (Years 5-7)	Phase 3 (Year 10-12)
<b>OUTDOOR SPORTS</b>	<ul style="list-style-type: none"> <li>▪ Six (6) Baseball, Softball Fields</li> <li>▪ Four (4) Rectangle Fields</li> <li>▪ Field Lighting</li> <li>▪ Bike Park</li> <li>▪ Archery Course</li> </ul>	<ul style="list-style-type: none"> <li>▪ Velodrome</li> <li>▪ Skate Park/BMX Park</li> <li>▪ 4 Bocce Ball Courts</li> </ul>	<ul style="list-style-type: none"> <li>▪ Eight (8) Tennis/Pickle Ball Courts</li> <li>▪ Baseball Stadium</li> <li>▪ Additional Facilities as Demand Dictates</li> </ul>
<b>INDOOR SPORTS</b>	<ul style="list-style-type: none"> <li>• Six(6) Basketball Courts</li> <li>• Twelve (12) Volleyball Courts (Overlay on Basketball Courts)</li> <li>• Health &amp; Exercise Center</li> </ul>		<ul style="list-style-type: none"> <li>▪ Additional Facilities as Demand Dictates</li> </ul>
<b>AQUATICS</b>		<ul style="list-style-type: none"> <li>▪ Recreation &amp; Warm Up Pool</li> <li>▪ 50m Competitive Pool</li> <li>▪ Pool Building &amp; Locker Rooms</li> </ul>	
<b>ADAPTIVE SPORTS</b>	<ul style="list-style-type: none"> <li>• Adaptive Use Housing</li> <li>• Wake Park</li> </ul>		
<b>SUPPORT FACILITIES</b>	<ul style="list-style-type: none"> <li>• Maintenance Building</li> <li>• Central Administrative Building</li> <li>• Two (2) Central Concession POS</li> <li>• Three (3) Central Restroom Buildings</li> <li>• Entertainment Amenities</li> <li>• 1000-2000 Parking Spaces</li> </ul>	<ul style="list-style-type: none"> <li>▪ One (1) Central Concessions POS &amp; Auxiliary Concessions Units</li> <li>▪ Auxiliary Restrooms</li> <li>▪ Additional Parking Capacity</li> </ul>	

<sup>2</sup> Section 4.2 Sports Complex Facilities Development, Appendix D. Facility Recommendations

A financial analysis, with the goal of the facilities being operationally sustainable was prepared. The Sports Force believes, based on the analysis, recommended facilities and programming, the indoor and outdoor sports complexes can achieve a sustainable operations model. An aquatics facility is unlikely to reach profitability and may require an operating subsidy, which is typical across the nation for aquatics.

**ECONOMIC IMPACT**

The proposed complex, based on facility, programming and operational assumptions, has the potential to generate an economic impact of \$18 million in its start-up years and more than \$38 million annually after growth and stabilization (Year 5).

**ECONOMIC IMPACT: YEAR 1**

Year 1	Direct Spending	Economic Impact	Earnings Impact	Jobs Impact
Hotel	\$1,651,680	\$2,315,821	\$633,089	17
Entertainment	\$2,758,181	\$4,219,190	\$1,198,430	47
Food & Beverage	\$4,687,106	\$6,878,327	\$2,017,799	80
Retail	\$2,109,197	\$2,968,695	\$872,997	32
Transportation	\$901,366	\$1,398,290	\$533,789	23
Event Related	\$640,538	\$998,407	\$332,695	8
<b>Total</b>	<b>\$12,748,069</b>	<b>\$18,778,730</b>	<b>\$5,588,799</b>	<b>208</b>

**ECONOMIC IMPACT: YEAR 5**

Year 5	Direct Spending	Economic Impact	Earnings Impact	Jobs Impact
Hotel	\$3,255,079	\$4,563,947	\$1,247,672	34
Entertainment	\$5,768,768	\$8,824,484	\$2,506,530	98
Food & Beverage	\$9,803,135	\$14,386,100	\$4,220,250	168
Retail	\$4,411,411	\$6,209,061	\$1,825,883	67
Transportation	\$1,885,218	\$2,924,539	\$1,116,426	49
Event Related	\$1,339,692	\$2,088,179	\$695,836	17
<b>Total</b>	<b>\$26,463,303</b>	<b>\$38,996,309</b>	<b>\$11,612,596</b>	<b>434</b>

## CONCLUSIONS

The Sports Force reached the following professional conclusions and recommendations, with supporting detail and documentation throughout this report and the appendices:

1. **Supply & Demand.** There is a **clear need** for additional sports and recreational facilities including adaptive sports in the Chico/Butte region.
2. **Tournaments.** Opportunity in the regional market to host over 100 tournaments and tournament related events per years if the necessary facilities are constructed
3. **Feasibility.** A large-scale sports complex in Butte County is feasible through a combination of local programming and regional events, if the right mix of facilities were constructed
4. **Economic Impact.** A complex with the recommended indoor, outdoor, aquatics facilities and an adaptive sports component has the potential to **generate an annual economic impact at start-up of \$18 million to \$38 million** after growth and stabilization with **208-434 direct and indirect jobs impact.**
5. **Visitor Projections.** As proposed the complex would generate over 61,000 visitors (17,000 room nights) at start-up to 131,000 visitors (34,000 room nights).<sup>3</sup>
6. Explore Butte County, Butte County tourism entity, can easily align and leverage tournaments and events to market Butte County's other assets to participants, visitors, guests to extend their stays.
7. **Beyond Sports.** Adding facilities aligned and complimentary to sports and recreation, such as health and education, will 1) increase usage at the complex, 2) support tourism for the passive sports participants and visitors/guests and 3) increase the economic impact effect.
8. **Site & Location:** The proposed site provides a unique setting for a sports complex, is ideally situated adjacent to Hwy 99, easy access for local and regional users, ample space for field and facility development and space for future.
9. **Development Phasing.** Recommended Phase 1 includes a 100,000 sf indoor sports facility, ten (10) field outdoor sports facilities, and support facilities. Phase 2 recommendations include a full competitive aquatics complex.<sup>4</sup>

Notes:

The Phase I individual facilities (outdoor, indoor) should be built in full in order to have enough inventory to attract tournaments and generate enough revenue to achieve

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<sup>3</sup> Section 7.1 Visitor Projections, Appendix E, Economic Impact, Visitor Spending Profile

<sup>4</sup> Appendix D, Page 4

sustainability. For example, building 3 baseball fields in Phase 1 and 3 more baseball fields in Phase 2 is not recommended, as the Phase 1 facility will not be able to support tournament programming.

The facilities will largely operate independently, meaning the order and phasing can be adjusted, however the quantity should not be reduced. Changes to the facility recommendations or phasing also changes the assumptions used for the economic impact projections.

10. **Programming.** The proposed programming plan estimates **more than 100 tournaments and events** across a variety of sports held throughout the year. Programming would also include extensive local use such as leagues, practices, clinics, camps, memberships and more.<sup>5</sup>
11. **Facility Financial Feasibility**<sup>6</sup>. Both the **indoor and outdoor sports have the potential to achieve sustainability** as the programming and complex matures and stabilizes. The aquatics complex is not expected to break even. If built, the operating partner could potential pursue grants to cover this operating gap, or a partnership with a public entity such as CARD to manage the facility.
12. **Operations Model.** It is too early in the planning to recommend an operations model. There is an opportunity to organize with a managing entity that oversees the entire development with individual facility partners<sup>7</sup> managing various facilities. The managing entity could be a public agency such as CARD or the TBID, a newly formed Sports Commission, or a private and/or non-profit entity. EBHB role is as master developer.
13. **Existing Relationships:** EBHB has made great headway in cultivating a variety of relationship with businesses, organizations, sports groups, legislative representatives and public entities (cities, county, recreation districts, educational institution, and health representative). Continuing with their philosophy of integrated collaboration should lead to key strategic partnerships that would be advantageous to facility development as well as the community and resident at large.

“The Sports Force formally endorses the project and deems it to be FEASIBLE, based on the assumptions contained in this Feasibility Report. Supporting detail and documentation are included in the appendices and throughout the report.”

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<sup>5</sup> Appendix E, Page 4-5

<sup>6</sup> Appendix E Programming Model, Operation Assumptions, Growth Rates, Financial Forecast

<sup>7</sup> Facility partners are those entities that build, own and operate their facilities, utilize shared-space within the complex, similar to homeowner association with CCRs.