



COLUMBIA SPORTS COMMUNITY ASSESSMENT:
EXECUTIVE SUMMARY FOR CITY COUNCIL

NOVEMBER 3, 2014





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CONSULTANT BIO: BRIAN CONNOLLY

- **Brian Connolly, Managing Principal**
- Independent advisor specializing in sports & entertainment venues:

- Market Demand Analysis
- Financial Feasibility Studies
- Economic Impact Analysis
- Operational Reviews



- **Brian's recent municipal venue consulting experience:**

- City of Albuquerque, NM
- City of Allentown, PA
- City of Amarillo, TX
- City of Fort Wayne, IN
- City of Laredo, TX
- City of Lone Tree, CO
- City of Sugar Land, TX
- City of Va. Beach, VA
- City of Weatherford, TX
- City of Whiting, IN
- Event Facilities Fort Worth (TX)
- Lafayette (LA) Economic Development Authority
- Louisville (KY) Arena Authority
- Oakland-Alameda (CA) Coliseum Authority



CONSULTANT BIO: JEFF GOLDSCHER

- **Jeff Goldscher, Executive Vice President**
- Co-founders have nearly 40 years experience in sports & entertainment marketing:
 - Marketing Strategy Consulting
 - Brand & Creative Development
 - Sponsorship Consulting & Activation
 - Athlete Marketing Representation
- Jeff has developed similar types of youth sports or sports tourism marketing assessments for:



- City of Fort Wayne, IN
- NFL PREP 100
- Ripken Baseball
- Pro Football Hall of Fame
- Choice Hotels
- M&T Bank





COLUMBIA PROJECT GOALS

- Assess the current state of the Columbia amateur sports community via public engagement and comparative analysis.
- Identify opportunities to increase the market for a wide variety of amateur sporting events.
- Develop a realistic road map for the Columbia community to become a primary destination for youth and adult sports.
- Quantify the economic/fiscal impacts that could be associated with sports tourism development.
- Deliver marketing/branding recommendations to help strengthen Columbia as a sports tourism market.
- Evaluate the feasibility of creating a Sports Commission.



COLUMBIA SPORTS COMMUNITY ASSESSMENT



Project Phase:	Week:	1	2	3	4	5	6	7	8	9	10	11	12	13	14
I. Kick-off Meetings & Planning		X													
II. Facility/Market Assessment:															
Local Market Analysis			X	X											
Comparative Market Analysis					X	X									
Community Interviews & Surveys			X	X	X	X	X	X							
Marketing/Branding Analysis					X	X	X	X							
Sports Advisory Board Analysis					X	X	X	X							
III. Research Summary - Prep. & Delivery									X	X					
IV. Market Potential Study:															
Facility Recommendations										X	X				
Economic/Fiscal Impacts												X	X		
Sports Advisory Board Recs.										X	X	X	X		
Marketing/Branding Recs.										X	X	X	X		
V. Final Recs. - Prep. & Delivery													X	X	X



SUMMARY OF KEY FINDINGS

- **CURRENT STATE:** Due in large part to the strength of the City's Parks & Recreation department, and its ability to meet the needs of a wide variety of recreational activities, Columbia has an ample supply of recreational fields and venues.
- **FACILITY RECOMMENDATIONS:** Therefore, our recommendations identify the best opportunities for Columbia to make significant investments in competitive infrastructure that can both: a) support the growing local demand for the most popular sports, and b) also generate economic benefit for the community through competitive regional events:
 - Competitive Sports Field Complex with Artificial Turf
 - Multi-Sport Indoor Fieldhouse
 - Aquatics Center
- **FUNDING:** The primary funding mechanism for these facility investments could come through an increase in the current hotel/motel tax (4%) to one more competitive with surrounding and comparable communities (up to 7%).
- **SPORTS COMMISSION:** We recommend establishing a Sports Commission that is affiliated with the current CVB and guided by an advisory board of local sports and tourism industry professionals. Goals would include: a) to generate incremental sports tourism in Columbia; b) to serve as an advocate for the sports community both inside/outside of the City; and c) to promote community health and wellness; among other key goals/tasks.



FACILITY RECOMMENDATIONS

RECOMMENDATION #1: COMPETITIVE SPORTS FIELD COMPLEX

- In conjunction with Boone County, redevelop land on/adjacent to the current Central Missouri Events Center (CMEC) to become a sports field complex that can accommodate practices, games, and tournaments for a variety of competitive sports.
- Key components should include:
 - Finish the Atkins Baseball Complex to include at least 6-8 competitive-caliber fields, including one “showcase” field with seating capacity of approx. 1,500 people.
 - Develop at least 12 competitive-caliber soccer fields with artificial turf on current CMEC/Atkins land that is under-utilized.
 - Install lights for night-time play, and concessions/restrooms/lockers as necessary.

RECOMMENDATION #2: MULTI-SPORT INDOOR FIELDHOUSE

- The City of Columbia should develop a multi-sport, indoor fieldhouse for use by currently underserved indoor sports, including basketball, volleyball, gymnastics, etc.
- Key components should include:
 - Regulation basketball courts (at least 8).
 - Flexible layout and multi-purpose flooring options to accommodate a variety of events.
 - Locker rooms, concessions, administrative offices, etc.
- This fieldhouse could be considered as an additional component of the City-County sports field complex proposed above, or built on other available land within the City of Columbia.



RECOMMENDATION #3: AQUATIC CENTER

- Demand exists for a new aquatic center, however the City should carefully examine the financial feasibility of a swimming/diving venue (to host practices and local/regional meets) with the following caveats in mind:
 - Development of a state-of-the art aquatic center is very expensive on a square-foot basis. Typical amenities can include: 50-meter pool, movable bulkhead, instructional and therapy pools, diving wells, spectator seating, locker rooms, offices, etc.
 - On-going operating costs of aquatic centers can be prohibitive, due to insurance costs, additional staffing costs for lifeguards/safety, maintenance of water quality, etc. As a result, most municipal aquatic centers require on-going public subsidies.
 - The City may consider a partnership with the school district, or with hospitals or health systems for therapeutic uses, in order to mitigate development and operational costs.

REVIEWED, BUT NOT RECOMMENDED FOR LARGE-SCALE CAPITAL INVESTMENT:

- During our research, we identified several niche sports in Columbia with passionate participants, such as: Horse/Equine Events, Ice Hockey, Archery, and Disc Golf. These niche sports have limited participation relative to other sports (such as soccer, baseball, softball, basketball, and swimming) that have developed large followings and sophisticated competitive organizations. As such, our facility recommendations have focused on the local sports that can support significant capital investment and maximize the City's ROI.



POTENTIAL PROJECT COSTS

Note: The preliminary cost estimates shown below are based solely upon industry standards.

FIELD SPORTS COMPLEX:

- Completion of Atkins Baseball Complex (4 fields with lights @ \$500,000 per field + 1,500 bleacher seats for “showcase” field): approximately \$2.5M
- Addition of artificial turf soccer fields with lights (12 fields @ \$1M per field): approx. \$12M
- Additional support facilities (restrooms, concessions, operations, etc.): approx. \$2M
- Total preliminary estimate for complex: **approximately \$16.5M**

INDOOR FIELDHOUSE:

- 80,000 square foot facility at \$125 per square foot: **approximately \$10M**

AQUATICS CENTER:

- 80,000 square foot, state-of-the-art, aquatic center capable of hosting competitive swimming and diving events: **approximately \$20M** (80,000 sq. ft. at \$250/sq. ft.).
- Annual water costs alone (chemicals, utilities, etc.) for an Olympic-regulation pool can exceed \$250,000.



FUNDING SOURCES & POTENTIAL IMPACTS

- In order to fund sports facility development and drive incremental sports tourism, the Hotel/Motel Tax Rate in Columbia could be raised from 4% to as much as 7%, equal to the lodging tax rates in nearby Jefferson City and comparable markets such as Athens, Georgia, and Lawrence, Kansas.

Est. Total Value of Incremental Revenues (30 Years)		
Hotel/Motel Tax Rate	Cumulative Total (30 Years)	Net Present Value (NPV) in \$2016
5.0%	\$36,008,000	\$18,369,000
6.0%	\$72,016,000	\$36,738,000
7.0%	\$108,024,000	\$55,107,000

- The construction and ongoing operations of amateur sports facilities could generate significant, incremental economic activity for the City of Columbia and Boone County.

SCENARIO		NET PRESENT VALUE (NPV) OF INCREMENTAL IMPACTS OVER 30 YEARS*					
		ECONOMIC IMPACTS			FISCAL IMPACTS		
Construction Spending	Incremental Events	Total Output	Employment**	Labor Income	City Lodging Tax (7.00%)	City Sales Tax (2.00%)	County Sales Tax (1.75%)
\$10,000,000	10	\$35,151,000	16	\$11,720,000	\$629,000	\$418,000	\$363,000
\$20,000,000	25	\$84,670,000	41	\$27,914,000	\$1,535,000	\$987,000	\$875,000
\$30,000,000	50	\$162,975,000	81	\$55,439,000	\$3,095,000	\$1,958,000	\$1,716,000

*Assumptions include 3.0% annual inflation and 4.0% discount rate.

** Represents new full- and part-time jobs sustained on an annual basis.



ESTABLISHMENT OF A SPORTS COMMISSION

- Columbia Sports Commission (CSC) should be incorporated as a non-profit organization, governed by/affiliated with the CVB, with its own separate identity:
 - Electronic Identity (website, emails, social media channels, etc.)
 - Graphic Identity (logo, letterhead, mascot, etc.)
 - Operating Budget & Marketing Strategy/Spend
- The CSC would share resources with the CVB where appropriate, including office space, administrative support and overhead costs.
- The Board of Directors for the CSC should be a volunteer advisory board committed to playing an active role in the vision, growth, and success of the CSC:
 - 12 to 15 members recommended, separate from the existing CVB Board.
 - Include local leaders from: sports community, businesses that would benefit from sports tourism, and public sector (CVB, Parks & Rec., County).
 - Emphasis should be placed on appointing Board members that have both immediate community influence, as well as long-term willingness to support the CSC with both their personal time/effort and financial means.
 - Note: This advisory board would not have legal or fiduciary responsibilities.



PROPOSED MISSION STATEMENT:

The Mission of the City of Columbia's Sports Commission is to use the power of sports to attract local, regional, and national sporting events; generate economic impact for our businesses; and maximize the positive influence that sports can have on the physical and mental health of our community.

ATTRACT EVENTS
GENERATE ECONOMIC IMPACT
PROMOTE COMMUNITY HEALTH



SPORTS COMMISSION ROAD MAP

“Incubator Approach” to Development of Columbia Sports Commission

Years 1 and 2 (2015-16)

- Establish the Columbia Sports Commission.
- Assemble a Board of Directors (advisory).
- Hire a full-time Executive Director.
- Rely primarily on administrative support and funding from CVB.
- Primary focus on attracting events with existing assets.
- Become more active with national trade shows, meetings, relationships, etc.
- Achieve modest fundraising goals.



Years 3 to 5 (2017-19)

- Become less reliant on administrative support and funding from CVB.
- Effectively begin to operate like a self-supporting business.
- Set and achieve more aggressive fundraising goals.
- Become more relevant at national trade shows, meetings, etc.
- Demonstrate success with attracting new regional sporting events.



Years 6+ (“2020 Vision”)

- Completely self-funded.
- Three-to-four person full-time staff.
- Larger operating budget.
- Ability to participate in “bidding” for events.
- New sports facilities are constructed and operating effectively.
- Ramp up regional/national marketing of specific new facilities.
- Become more entrepreneurial by creating CSC-owned and operated fundraising events.



APPENDIX:
ADDITIONAL RATIONALE AND SUPPORT





RATIONALE:

- Investment and support from both City and County, and operational expertise from the City, should increase the feasibility of the project and produce long-term benefits for both.
- The CMEC is currently a financial burden for the County, and the adjacent Atkins Complex has shown that the City and County can work together to successfully utilize that land.
- The County has already considered potential redevelopment of the existing CMEC space (80-acre Atkins Tract and 134-acre Fairgrounds) with additional baseball and soccer fields.
- There is an immediate demand in Columbia for a 6-8 field, tournament-caliber, baseball complex. Several regional baseball organizers also expressed interest in a “showcase” field for key events (such as Semifinals or Finals match-ups).
- Soccer is among the most popular sports in Columbia, and there is a severe lack of both practice fields and tournament-caliber venues for a wide variety of field sports.
- There is little-to-no artificial turf available in Columbia (more durable, lower ongoing maintenance costs, extended daily hours, extended seasonal availability, multi-sport use).
- Installation of artificial turf can cost nearly two times that of natural grass, however on-going maintenance/upkeep costs are typically only a quarter of those necessary to maintain grass fields, and potential weekly usage of an artificial turf field can comfortably be more than two times that of a natural grass field.



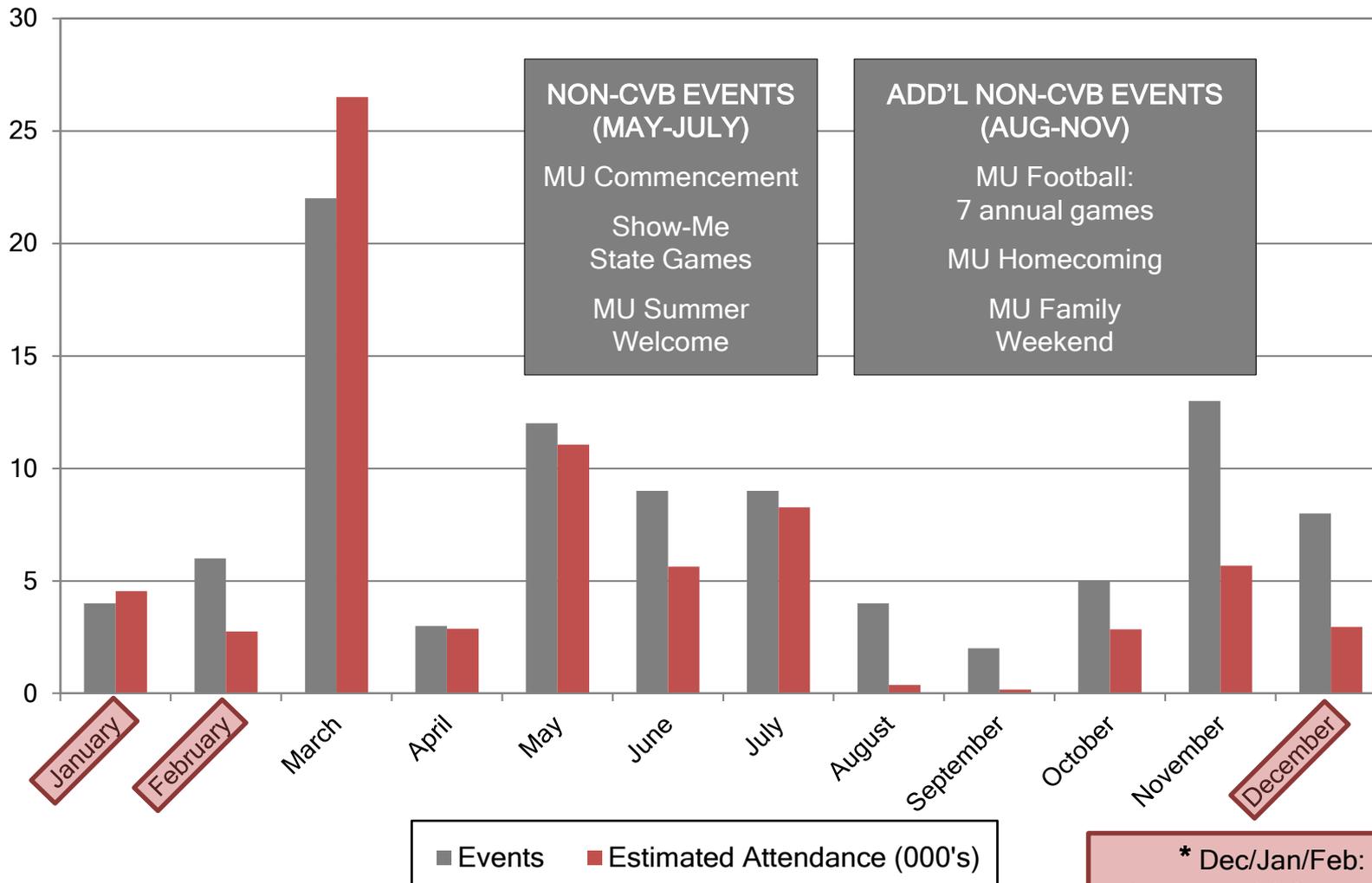
RATIONALE:

- Basketball is a frequent driver of travel outside of Columbia by youth sports teams/athletes.
- Basketball is considered by the local community to be one of the three most popular and successful sports in the area, despite lacking a suitable venue for tournaments, leagues, etc. on a year-round basis.
- If designed correctly, a flexible indoor facility could also accommodate numerous other sports that currently lack appropriate space for large events and tournaments.
- Dec/Jan/Feb is the quietest period for Columbia sports tourism (*see Seasonality chart on the next page*), and an indoor fieldhouse could attract numerous events during this time.



COLUMBIA SPORTS TOURISM SEASONALITY

AMATEUR SPORTING EVENTS SERVICED BY COLUMBIA CVB: 2009-2013



Source: Columbia CVB



RATIONALE:

- Swimming is historically popular in Columbia, and the local community considers it a successful local sport despite the perception that it has been underserved.
- Swimming/diving are primary drivers of out-of-town sports travel by Columbia residents, with frequent travel as far as Topeka and Lawrence, Kansas.
- There is a severe lack of pool time in Columbia, and no competitive-caliber venue other than Mizzou Aquatics Center, where available time for non-University usage is both limited and expensive.
- The current primary aquatic center in Columbia (at Hickman High School) was built in 1955 and is outdated and not suitable for large competitions.
- Swimming/diving events could help fill open tourism dates in the winter months of December, January, and February.



RATIONALE:

- Columbia is entering “transition phase” in their approach to sports tourism; shifting focus from local recreation to regional tournaments/competition (*see Development Phases chart below*).
- Operational & financial strength of existing CVB ideally positions it to serve as “incubator” for a new sports commission.
- Private sector in Columbia is small and unaccustomed to providing major sports tourism support (such as private facilities, event sponsorship, etc.).
- Public sector is most likely to support sports tourism through proven channels (CVB and Parks & Recreation).

COLUMBIA SPORTS FACILITY DEVELOPMENT PHASES





HOTEL/MOTEL TAX IN COMPARATIVE MARKETS

<u>City</u>	<u>State</u>	<u>Local Hotel/Motel Tax Rate</u>
Ames	Iowa	7.0%
Athens	Georgia	7.0%
Jefferson City	Missouri	7.0%
Lawrence	Kansas	6.0%
Champaign-Urbana	Illinois	6.0%
Bloomington	Indiana	5.0%
Springfield	Missouri	5.0%
Joplin	Missouri	4.0%
<i>Columbia</i>	<i>Missouri</i>	<i>4.0%</i>
<u>Average Hotel/Motel Tax Rate:</u>		5.7%
<u>Median Hotel/Motel Tax Rate:</u>		6.0%

Note: Sorted by tax rate, in descending order.



EST. INCREMENTAL REVENUE FROM LODGING TAX

Year	Projected Increment: 5.0% Tax	Projected Increment: 6.0% Tax	Projected Increment: 7.0% Tax
2016	\$610,744	\$1,221,489	\$1,832,233
2017	\$636,993	\$1,273,985	\$1,910,978
2018	\$664,369	\$1,328,738	\$1,993,107
2019	\$692,922	\$1,385,844	\$2,078,765
2020	\$722,702	\$1,445,404	\$2,168,105
2021	\$753,762	\$1,507,523	\$2,261,285
2022	\$786,156	\$1,572,313	\$2,358,469
2023	\$819,943	\$1,639,887	\$2,459,830
2024	\$855,182	\$1,710,365	\$2,565,547
2025	\$891,936	\$1,783,872	\$2,675,808
2026	\$930,269	\$1,860,538	\$2,790,808
2027	\$970,250	\$1,940,500	\$2,910,749
2028	\$1,011,949	\$2,023,897	\$3,035,846
2029	\$1,055,440	\$2,110,879	\$3,166,319
2030	\$1,100,800	\$2,201,600	\$3,302,399
2031	\$1,148,109	\$2,296,219	\$3,444,328
2032	\$1,197,452	\$2,394,904	\$3,592,356
2033	\$1,248,916	\$2,497,831	\$3,746,747
2034	\$1,302,591	\$2,605,182	\$3,907,772
2035	\$1,358,573	\$2,717,146	\$4,075,719
2036	\$1,416,961	\$2,833,922	\$4,250,883
2037	\$1,477,858	\$2,955,716	\$4,433,575
2038	\$1,541,373	\$3,082,746	\$4,624,119
2039	\$1,607,617	\$3,215,234	\$4,822,851
2040	\$1,676,708	\$3,353,417	\$5,030,125
2041	\$1,748,769	\$3,497,538	\$5,246,307
2042	\$1,823,927	\$3,647,853	\$5,471,780
2043	\$1,902,314	\$3,804,629	\$5,706,943
2044	\$1,984,071	\$3,968,142	\$5,952,213
2045	\$2,069,341	\$4,138,683	\$6,208,024

Total Value of Incremental Revenues (30 Years)		
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5.0%	\$36,008,000	\$18,369,000
6.0%	\$72,016,000	\$36,738,000
7.0%	\$108,024,000	\$55,107,000

Notes: - Incremental revenues calculated using 4.3% CAGR.
 - Projections do not include potential growth that could be associated with increased sports tourism.
 - NPV assumes 4.0% discount rate.