

# Proven Financing Approaches to Sports Facilities and Recreation Assets

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ICMA Conference Presenter

#ICMA2018

**ICMA**  
conference

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today's  
**presenters**



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Founder & CEO  
Sports Facilities  
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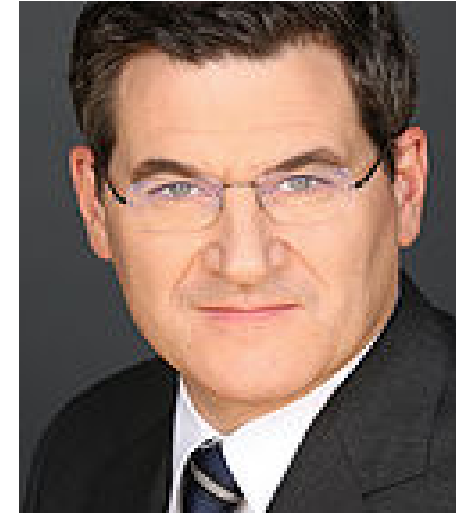
Founding Partner  
Sports Facilities  
Management



**Evan Eleff**

COO  
Sports Facilities Advisory  
Partner

Sports Facilities Advisory &  
Sports Facilities  
Management



**Dan Gilman**

Managing Director  
Hammond Hanlon  
Camp LLC

# today's *topics*

Presenter Introductions

State of the Sports Tourism Industry

Overview: Financing Strategies and Mechanisms

Examples: Funded Sports Tourism Facilities





# our *mission*

TO IMPROVE THE  
HEALTH AND ECONOMIC  
VITALITY OF THE  
COMMUNITIES  
WE SERVE.

## History

- Founded in 2003
- 2,000 Projects

## Clients

- Public
- Private
- Public-Private Partnerships

## Results & Reach

- \$10 Billion + in Development Projects
- 50 Million+ Visits Since 2015
- Nine Facilities Opened in 2017
- The Largest Youth & Amateur Sports Network
- Improving the Health & Economic Vitality of Communities



THE ASPEN INSTITUTE  
**PROJECT PLAY**  
 — 2020 —



RALPH C. WILSON, JR.  
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AMERICAN COLLEGE  
 of SPORTS MEDICINE



PGA



CENTERS FOR DISEASE CONTROL & PREVENTION | KETCHUM SPORTS & ENTERTAINMENT  
 TECHNICAL ADVISORS



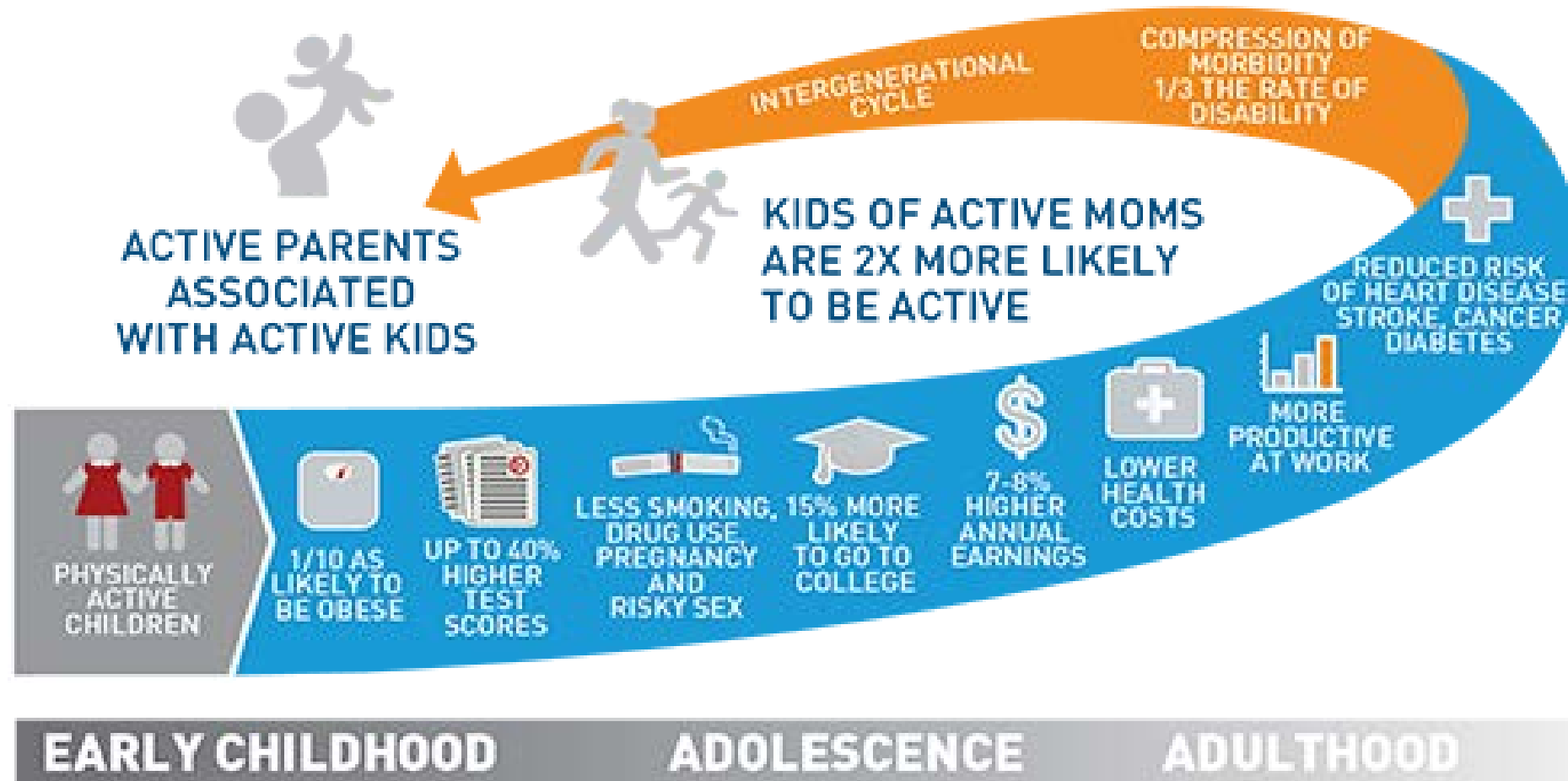


# Youth Sports Market *A Complex* *Dichotomy*

1. Sports participation rates are down
2. Sports tourism spending is up and stable
3. Youth sports forecast to grow by 20% per year
4. Fewer kids' playing sport
5. Those that are playing are playing and spending more
6. Demand for action sports rising

# ACTIVE KIDS DO BETTER IN LIFE

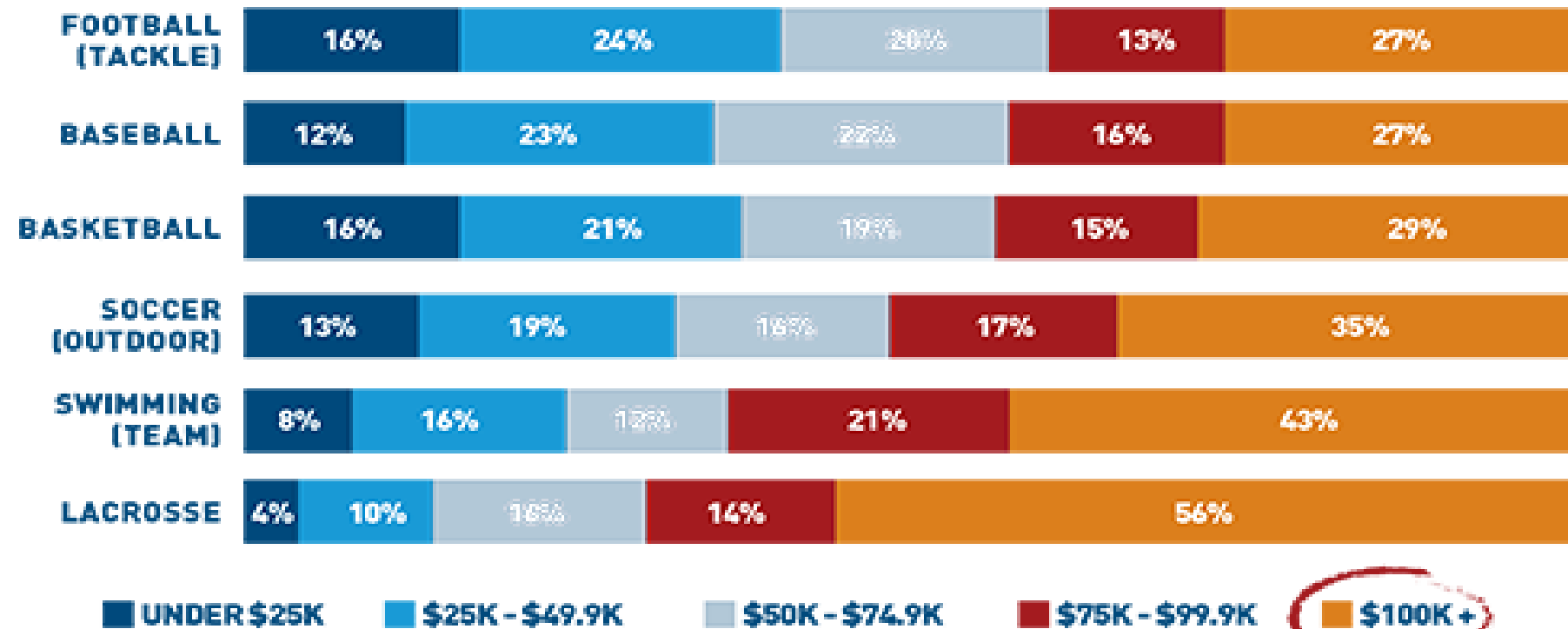
## WHAT THE RESEARCH SHOWS ON THE COMPOUNDING BENEFITS



**SPORT MATTERS**  
Sport is now more closely aligned with health and social outcomes and is therefore poised for continued growth

trend:  
***increasing cost to play***

**INCOME IMPACTS SPORT PARTICIPATION**  
PERCENTAGE OF CORE PARTICIPANTS, BY HOUSEHOLD INCOME



*Families that can afford more, play more.*

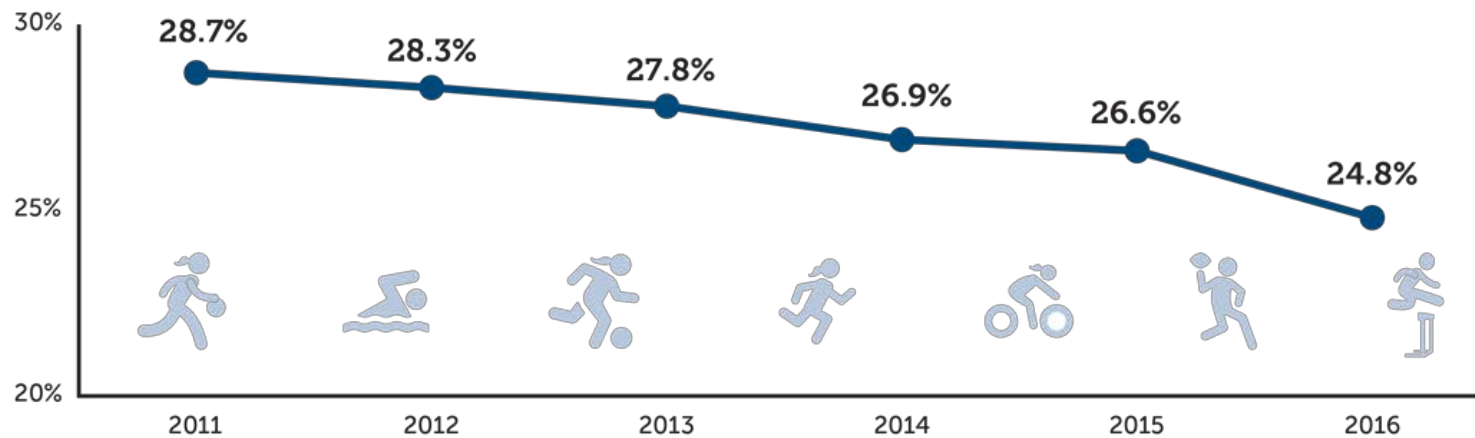
source: the Aspen Institute, State of Play



# trend: *inactivity among kids*

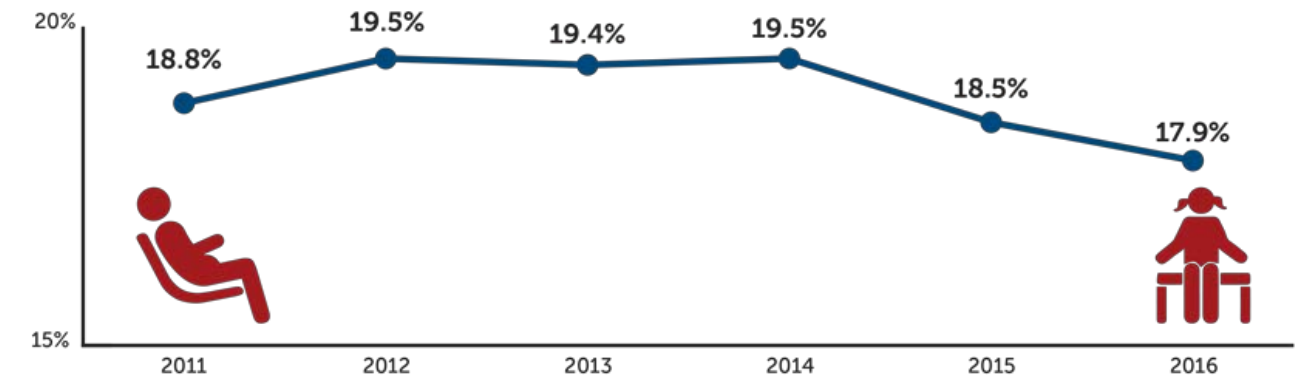
## ACTIVE TO A HEALTHY LEVEL

Percentage of kids who regularly participated in high-calorie-burning sports



## PHYSICALLY INACTIVE CHILDREN

Percentage of kids ages 6 to 12 who engaged in no sport activity during the year

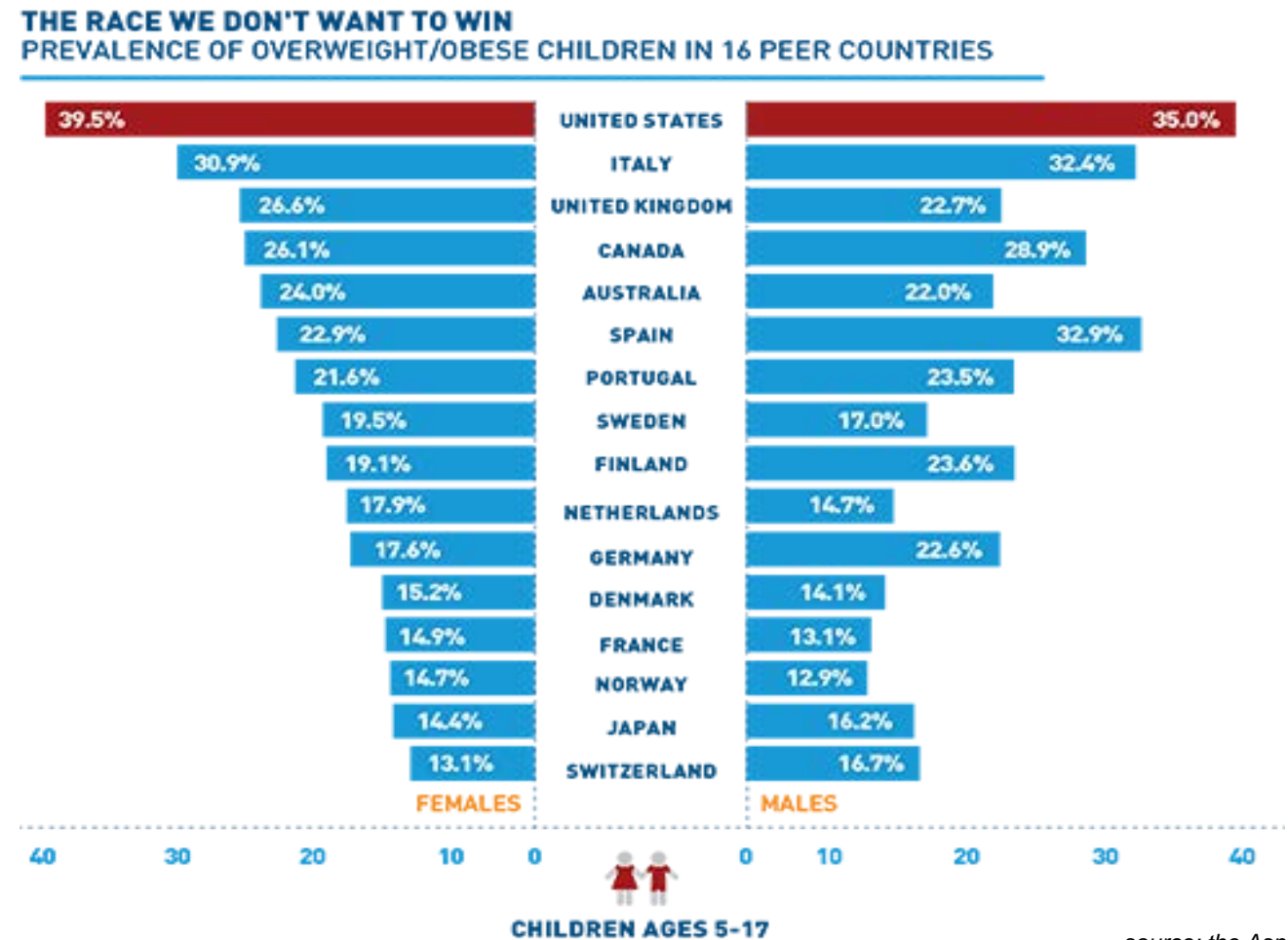


	2011	2012	2013	2014	2015	2016
AVERAGE	18.8%	19.5%	19.4%	19.5%	18.5%	17.9%
BY HOUSEHOLD INCOME						
UNDER \$25,000	29.5%	27.9%	26.4%	28.0%	28.1%	29.9%
\$25,000 TO \$49,999	23.8%	23.1%	23.5%	23.1%	24.3%	24.9%
\$50,000 TO \$74,999	16.4%	16.7%	17.4%	20.2%	19.1%	20.0%
\$75,000 TO \$99,999	13.5%	14.7%	16.1%	16.2%	16.0%	16.1%
\$100,000+	10.1%	11.4%	12.5%	13.3%	12.2%	11.5%

source: the Aspen Institute, State of Play

trend:  
**obesity epidemic**

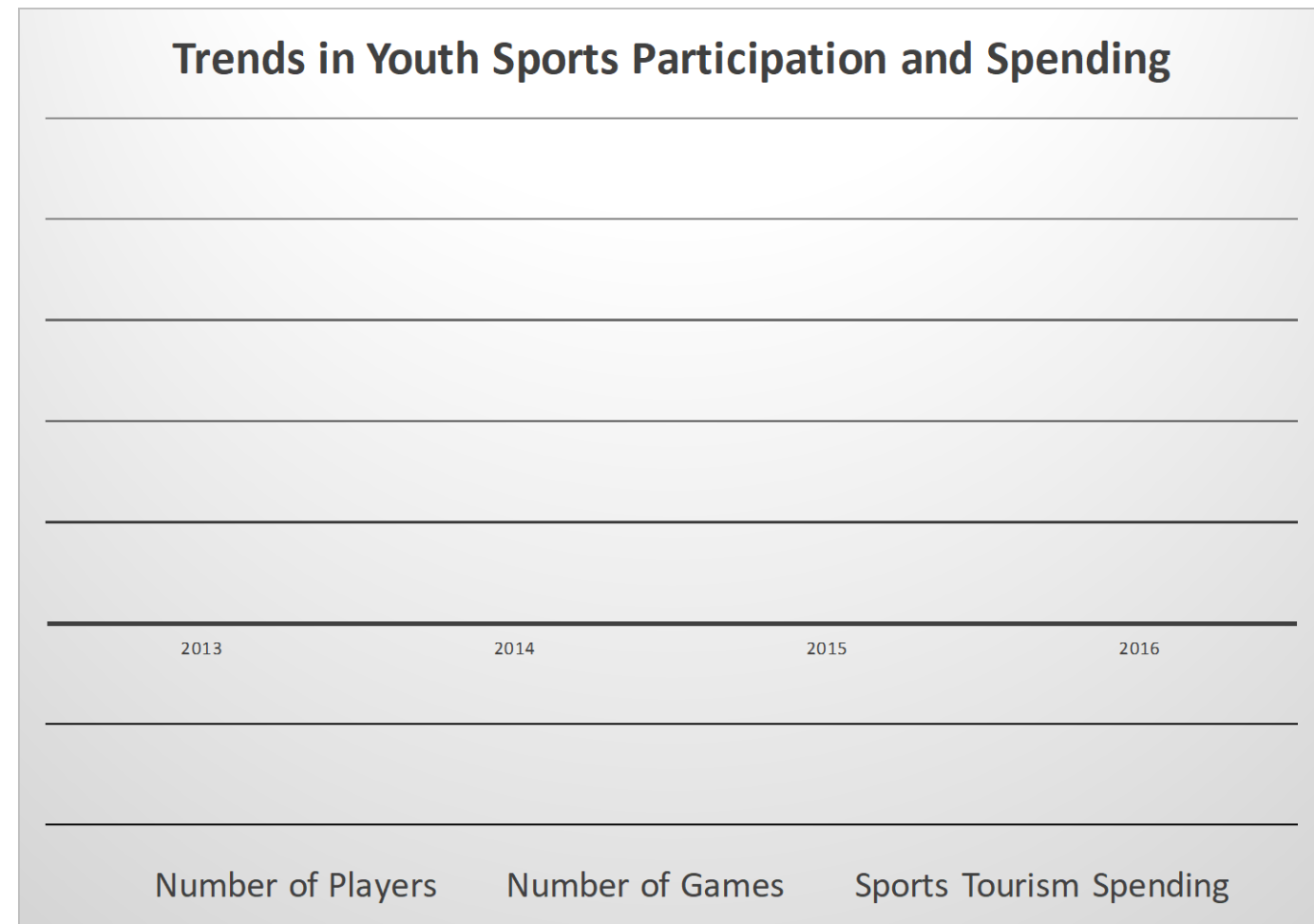
- The U.S. ranks lowest against peer countries in children's weight metrics
- Almost 40% of girls in the U.S. are overweight
- 35% of boys in the U.S. are overweight



source: the Aspen Institute, State of Play

# state of the *sports tourism industry*

- Sports tourism is **recession resistant**
  - Only segment with **no decline in any quarter** of the recession
- **Youth and amateur sports** is the fastest growing segment of the sports tourism industry
  - **NASC: \$10B+ Industry**
  - **Wintergreen Research, Inc.: \$15B+ spent on youth sports tourism**
  - **Next 7-10 Years: \$30B+**





result of sports tourism  
***sports tourism:***  
*at existing venues*

**Orange County Convention Center**  
SPG: “A Venue for All Sports Events”

**Hawaii Convention Center**  
Multi-Year Contracts with NGBs

**Community Fields, Schools, and Gyms**  
Dedicated Use for Non-Locals



# Youth Sports Market *What does it all mean?*

1. Planning can no longer rely on past models alone
2. Traditional development rules apply
3. Operating costs are make/break
4. Partnerships are more frequent requirement to successful developments

# development *Overview*



1) EARLY CONCEPT



4) FUNDING STRATEGY



7) FACILITY & OPERATIONAL  
DEVELOPMENT



2) FEASIBILITY &  
FINANCEABILITY



5) FUNDING  
PRESENTATIONS



8) GRAND OPENING



3) DEVELOPING  
PARTNERSHIPS



6) FUNDING  
COMMITMENT



9) STABILIZATION

# ***Project Financing & Partnerships***



**Partnership - School/University**

**Partnership - Medical Sector**

**Partnerships -Regional Sports Orgs./Rights Holders**

**Partnership – Public/Public**

**Dedicated Sales/Use Taxes/Bed Tax**

**Local, State, and/or Federal Incentives**

**Public Sector Capital – Liquidation**

**Private Equity/Traditional Lending**

**Municipal Bonds**



**Public Public County and City  
School Partnerships**

**Dedicated Sales/Use Taxes**

**Municipal Bonds**







**Health Sector Partnership**

**Local Sports and/or Wellness Orgs.**

**Local, State, and/or Federal Incentives**

**Private Equity/Traditional Lending**



**Public Public – State Conventions Center Funds**

**School/University Partnerships**

**Regional Sports Orgs./Rights Holders**

**Dedicated Sales/Use Taxes**

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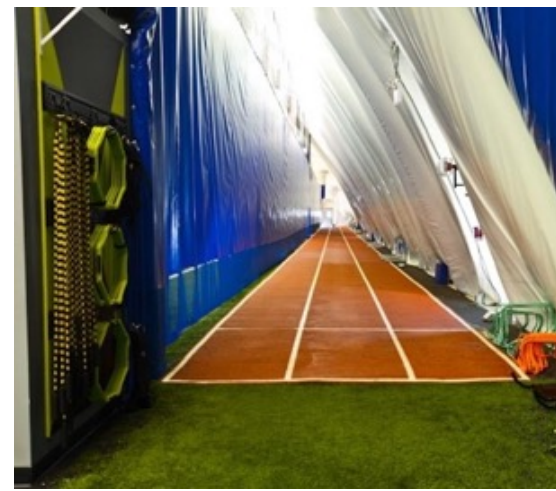
**Health Sector Partnership**

**Local Sports and/or Wellness Orgs.**

**Local, State, and/or Federal Incentives**

**Private Equity/Traditional Lending**

*B Jackson's*  
**ELITE SPORTS**  
TRAINING ATHLETES INSIDE-OUT



**School/University Partnerships**

**Local Sports and/or Wellness Orgs.**

**Public Sector Capital**

**Private Equity/Traditional Lending**



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**School/University Partnerships**

**Dedicated Sales/Use Taxes**

**Local, State, and/or Federal Incentives**



# ROCKY MOUNT EVENT CENTER



**Health Sector Partnership**

**Regional Sports Orgs./Rights Holders**

**Local, State, and/or Federal Incentives**

**Public Sector Capital**

**Municipal Bonds**

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# *QUESTIONS & ANSWERS*

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