

Draft

Westfield Family Sports Complex Phase 1 Report

Recommendation to
the Mayor

July 24, 2009



"Old Town Charm, New City Style"

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Letter of Transmittal

July 24, 2009

The Honorable Andy Cook
Mayor
130 Penn Street
Westfield, IN 46074

Dear Mr. Mayor,

Enclosed is the Phase I Report from Westfield Family Sports Commission (Commission). Thank you for allowing this commission to provide you and the City of Westfield (City) with our recommendation for the City’s consideration of a Family Sports Complex (Complex). Since forming the commission a couple of months ago at your direction, we have reviewed the information provided to us, talked to various stakeholders and discussed the business and financial viability of such a concept.

Hopefully you find this report, and specifically our recommendation, beneficial in your final decision to spend City resources and focus on further analyzing the viability of a Family Sport Complex. The commission recognizes the Complex represents an exciting opportunity for the City. We believe the viability of such will depend greatly on the scope of the Complex and the proper mix of a business model between private and public ownership. We look forward to working with you, the City Council and other stakeholders as you move forward in this process.

The Westfield Sports Complex Commission

cc: Mark Anderson, Commission Member
Mike Deck, Commission Member
John Dippel, Commission Member
Dr. Mark Keen, Commission Member
Ken Kingshill, Commission Member
William Knox, Commission Member
Dave Schmitz, Commission Member
Chris Stice, Commission Member
Melody Sweat, Commission Member
Kevin Teder, Commission Chairman
Nick Verhoff, Commission Member
Steve Warner, Commission Member

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Background and Purpose of Commission

The discussion of the need to enhance certain youth and family sports facilities and related infrastructure began a couple of years ago. Studies have shown that over 50,000 children between the ages of 5-17 currently live in Hamilton County, the population will continue to grow and a significant percentage of these children play youth sports competitively. The conversations started with representatives of Westfield Youth Soccer Association (WYSA) and Westfield Youth Sports Inc (WYSI), along with other stakeholders, communicating to City officials about their respective needs for facilities and infrastructure for certain sports. The conversations began smaller in scope, focusing primarily on “in-house” Westfield youth sports. Those conversations began to expand as other stakeholders, such as the Hamilton County Convention and Visitor’s Bureau (HCCVB), recognized the potential for more of a “destination” if the facility could be built to a certain size and championship quality and be surrounded by complementary business, entertainment and lodging. It was also clear that these facilities could benefit family members of all ages, as adult leagues could leverage these facilities. These conversations continued over the course of the next couple of years with various stakeholders. A joint vision was developed for Westfield to be the home of a multiple championship sports facility that meets the needs of Westfield and Hamilton County sports community. The facility would offer family health, recreation and sporting opportunities locally and provide a site for state, regional and national tournaments unlike any in the nation. The vision statement turned into an organization chart expressing an effort to leverage existing assets and create new assets towards this direction.

In addition to the youth and family aspects of this complex, the conversation continued to expand and include other ideas such as hosting an independent professional baseball team and serving as the new home for the Indianapolis professional tennis tournament, among other professional and semi-professional teams.

In certain cases, a Memorandum of Understanding and other agreements were entered with certain stakeholders to enable good collaboration on the concept. During 2007 and 2008, conversations varied in scope, size and purpose for such a facility. Over the course of this time, the City has partnered extensively with the HCCVB and other stakeholders to begin to identify scope, need, and funding sources for the facility. Formal and informal studies were performed accordingly. The scope and vision began to be formalized.

The City began to look at potential locations for such a facility. Differing degrees of discussions progressed with several land owners/developers, including properties owned by Beau Wilfong, The Estridge Group and others. The conversations have recently centered on a partnership with Estridge to leverage a portion of land slated for its project titled “Symphony” – a multi generational residential and commercial development. Symphony also considered ancillary sports related businesses such as the YMCA, as well as other businesses, restaurants and hotels.

During 2008, the City engaged Financial Solutions Group (FSG) to perform a study of the business and economic viability of such a concept, including potential revenue sources and capital costs for such a project. The City and other stakeholders began to get information on comparable projects in other cities to help evaluate the viability and ideas for the concept. The City also began to evaluate alternatives for taxing districts and other vehicles, including options specific to sporting venues. The City, HCCVB and others collaborated with legislators to position Westfield and this facility for certain taxing authorities to maximize City, County and State revenues. Outside legal counsel and other advisors summarized options. The City began the process to trademark “Family Sports Capital of America.”

In May 2009, the City and HCCVB formed a Commission to review the viability of the Family Sports Complex.

The Commission includes the following members:

Mark Anderson, Commission Member
Mike Deck, Commission Member
John Dippel, Commission Member
Dr. Mark Keen, Commission Member
Ken Kingshill, Commission Member
William Knox, Commission Member
Dave Schmitz, Commission Member
Chris Stice, Commission Member
Melody Sweat, Commission Member
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It was determined the Commission’s activities would be separated into **2 Phases**.

Phase 1

This Phase was estimated to be 2 months in length. The purpose for Phase 1 was for the Commission to confirm the needs and viability for a family sports complex concept before the City engages in a much more extensive and detailed review that would require additional resources and energy over a longer period of time. The Commission would evaluate the viability of a family sports complex in Westfield and base its evaluation on a high level review of information accumulated and discussions held by the City and other stakeholders to date. The commission would then recommend whether the city should proceed to Phase 2.

Phase 2

This Phase would likely be 9-12 months in length and occur if the Commission recommends moving forward to Phase 2. This Phase would be a much more detailed review and analysis of the viability of the Family Sports Complex concept and likely include detailed financial studies, agreements on scope and purpose of the Complex, evaluation of public/private ownership and many other activities. RFI’s (Request for Information) would likely be sent out to various vendors and other interested parties. The conclusion of Phase 2 would be a final recommendation for the City and include specifics as to scope, location, budget and ownership model. The City could move forward with the Project based upon the Phase 2 findings and detail.

This report summarizes the results of the Commission **Phase 1** activities.

Commission Phase 1 Activities

The Commission’s first meeting was May 12th, 2009. Since this initial meeting, the Commission has met every 1-2 weeks in person or on conference calls. At each meeting, the Commission reviewed information and studies compiled by the City, HCCVB and other stakeholders regarding the scope and viability of the Family Sports Complex concept. The Commission also engaged other stakeholders to gain their perspective about the City’s needs, vision and the related viability of the Complex. A summary of Commission’s activities are as follows:

- At the first meeting, each of the Commission members summarized their individual perspectives for the Complex. The Commission was intentionally formed to provide a balance of skills and insights from stakeholders, schools, the City, Parks, HCCVB, business, financial, development, and championship sports, among others. The Commission’s perspectives touched on such things as scope, background, opportunities and responsibilities of the City, risks, location, ownership model, stakeholders, and similar projects at other cities.
- The Mayor attended the second meeting and shared his perspectives and background on what led to the City’s consideration for a family sports complex. He also summarized his thoughts on the importance and purpose of the Commission.
- During the next series of meeting, the Commission reviewed various information accumulated by the City about the Complex. A significant amount of time was spent reviewing the study prepared by FSG. The Commission discussed the detail presented in the study, perspectives on the accuracy of the information, areas/gaps the study did not cover and how the scope of the Complex may have changed since the study was completed. The following areas were covered in this review:
 - Financial Viability
 - Scope of Sports to be Included in Complex
 - Destination/Theme Concepts
 - Location
 - Cost of Land and Acreage Assumptions
 - Viability to be a Family Sports Destination (hosting championship level tournaments for amateur/youth sports)
 - Viability of Professional Sports

- Financing Assumptions
- Taxing Authorities
- Ownership Models – Private vs. Public Ownership
- Operation of the Facility
- The City’s Needs for the Complex
- Cultural Fit
- The Commission also invited representatives from the Estridge Group and National Sports Services to speak at a meeting. With Symphony being a key location considered by the City, the Commission believed it was important to understand the Estridge Group’s vision for Symphony and how the Complex would fit into Symphony. National Sports Services educated the Commission on the viability of an independent professional baseball team and how it could fit into the scope of the Complex.
- The last groups of meetings were spent by the Commission summarizing findings, agreeing on a recommendation and preparing a final recommendations document for Phase 1.

Note the Commission’s recommendation and related insights were based upon the information provided to the Commission. The Commission did not complete additional detail or revise any information from the study based upon changes in scope or any perceived gaps – as this was not the purpose for Phase 1. The Commission’s recommendation has included suggestions for additional or more detailed analysis to be completed during Phase 2.

Commission Recommendation

Based upon the information provided to the Commission for its review, the Commission has confirmed that a family sports complex is viable for the City of Westfield and recommends the City of Westfield and HCCVB move forward to a Phase 2 set of activities that will further evaluate and conclude details of the project.

Keys to the Commission’s recommendation include the following:

- The City has a responsibility to provide the proper facilities for Westfield youth and family sports. Currently, several youth sports are lacking the facilities, either because of growth or because their current facilities may not be available in the long term. Thus, the City needs to collaborate with these youth programs to provide the needed facilities.
- There is a market demand for championship level facilities to host amateur tournaments and championships and the Complex can serve as a family sports destination. These tournaments and related revenue can help the City and Hamilton County fund the fixed costs that other cities have for youth sports. In summary, if done in a fiscally responsible way, the City has an opportunity to turn a traditional fixed city cost (youth sports facilities) into a revenue-generating economic development initiative.
- The City’s central geographic location (accessibility by visitors), availability of land and sports focus does provide other favorable aspects to this concept. This concept aligns with the economic development goals and objectives for the City.
- The City could also receive additional revenue to fund the Complex if leveraged by professional or semi-professional sports teams. Obviously, the City would want to ensure any additional infrastructure costs required by these professional teams would be offset by the additional revenue that could be generated accordingly.

The Commission also felt it was important to note that since the completion of the FSG study, various aspects about the Complex have changed, including

- (i) the scope of sports being considered for the Complex;
- (ii) championship level requirements;
- (iii) private/public ownership options and resulting operating models and profit;
- (iv) viable taxing authorities;
- (v) cost assumptions, including land;
- (vi) revenue/funding opportunities for the City;
- (vii) importance of a professional sports;

- (viii) location options;
- (ix) possible phasing of the complex over several years based upon City and stakeholder priorities, funding and timeline requirements;
- (x) various other assumptions used in the study.

While the Commission considered and discussed much of the data in the study in order to reach a final recommendation, the results and conclusions of the study were not considered because of the changes highlighted above. As a result, as this Project moves to Phase 2, a significant level of additional analysis and studies would need to be completed once more details are confirmed on the scope, size and costs to the complex.

Commission Guidance for Phase II

As the activities for the family sports complex moves into Phase 2, the Commission recommends the below areas be further analyzed. In each of these areas, decisions need to be made regarding the details of the Complex and those decisions need to be included in the assumptions of a more detailed study to be performed. In addition, the City will want to engage vendors and stakeholders to gather information necessary to make these decisions as to cost, operations and funding.

Public vs. Private Ownership and Operating Model

There are various options the City should consider, all with different investment requirements and risks. This City should consider what it has to offer to the Complex – compared to what the private sector has to offer – and how much control the City and other stakeholders would want on the operations. These considerations will all need to be balanced.

Location, Cost and Developer Capabilities

The City and Estridge have discussed Symphony as a potential location for the Complex. The City will want to consider various locations, developers and the scope of services it is requesting from those developers.

Scope of Sports

The Commission has concluded there are likely 3 segments of sports that both have a need for expanded facilities (or fit well with the demand for tournament sites) and/or fit will within the Complex model to ensure utilization of the complex for 12 months of the year:

- (i) field sports – including soccer, lacrosse, rugby and possibly others;
- (ii) baseball;
- (iii) an indoor facility for winter sports – including basketball, volleyball, gymnastics and other indoor sport activities.

The City will want to compare the infrastructure needs for Westfield youth sports for these sports, along with the viability of championship tournaments for each sport, to make the final decision as to scope of sports. These sports could also be ‘phased in’ over a multi year period, with the field sports being the scope for Phase I given specific

timing requirements from these sports and availability of funds. Leveraging the Complex for professional sports teams would also be considered in this review.

The Commission may also want to consider the needs of other cities within Hamilton County, including Carmel, Noblesville and others. In each case, these cities are also looking into the expansion of sports, most specifically field sports, for their respective youth and city needs.

Purpose of Complex vs. Cost of Facility

During Phase I, the Commission discussed the purpose of the Complex – and agreed there are 3 levels of purpose that should be considered:

Level 1 – Westfield Family Sports

- Build a facility to support Westfield youth and family sports. The scope of sports, the facility’s needs and related costs would be based upon the needs of the Westfield youth and adult sports programs.

Level 2 – Amateur Tournaments/ Family Destination

- In addition to Level 1 needs, the Complex would include facilities to support the hosting of championship level youth and amateur sports tournaments. Financial studies would need to be performed to ensure the additional costs required to reach Level 2 would be offset by additional revenues brought to the City and Hamilton County because of these tournament.

Level 3 – Professional Sports

- In addition to Levels 1 and 2, the Complex could serve as the ‘home’ for professional sports teams or events. Financial studies would need to be performed to ensure the additional infrastructure or operating costs required by a professional sports team would be offset by the additional revenues brought into the complex by such a team

Overall Financial Study

A more detailed financial study would need to be completed and include the assumptions on decisions made during the Phase 2 process around scope, size and revenue opportunities. This financial study would support a final

recommendation by the Commission as to whether to move forward with the project.

The Commission recognizes that during Phase 2, depending upon the progress and decisions made, there may need to be certain decisions and actions taken to keep the project moving in accordance with certain timelines required for certain youth sports.

We also recognize that the City and HCCVB may require cash outlay in order to complete certain activities/studies and/or engage outside consultant/advisors for the Phase 2 decision making. Phase 2 activities will be more extensive and in depth – and thus the Commission will look to engage other City functions, HCCVB and other possible Commission members so that the City can move this process forward efficiently and in a thoughtful manner. The Commission would likely develop “sub-committees” responsible for moving specific actions/initiatives forward during Phase 2.

Conclusion

In Conclusion, the Commission recommends the City and HCCVB move forward to Phase 2 and further evaluates, analyze and make final decisions regarding the Complex. Because the information reviewed by the Commission during Phase 1 was high level and not necessarily aligned with the scope of the Complex being anticipated, the Phase 2 efforts will require much more detailed reviews. We thank the Mayor and HCCVB for the opportunity to provide our recommendation and look forward participating in Phase 2 activities as the City and HCCVB determines appropriate.