



MANAGEMENT | DEVELOPMENT | PRE-DEVELOPMENT

CITY OF MACOMB, IL

EXECUTIVE SUMMARY PRESENTATION

PREPARED FOR:



AGENDA FOR OUR TIME

Here's what we'll cover:

- Company Overview
- Process Overview
- Facility Program
- Opinion of Cost
- Financial Performance
- Economic Impact
- Key Insights and Next Steps



FOUNDED IN 2003

THE SF NETWORK SPORTS FACILITIES COMPANIES

OUR MISSION

IMPROVE THE
HEALTH & ECONOMIC
VITALITY OF THE
COMMUNITIES
WE SERVE

3,000 COMMUNITIES
SERVED

\$15 BILLION
IN PLANNED & FUNDED FACILITIES

25 MILLION
ANNUAL VISITS TO SFM FACILITIES

2,500+
TEAM MEMBERS
AND GROWING

PLANNING
OPTIMIZATION



DEVELOPMENT
MANAGEMENT

THE VOICE OF THE INDUSTRY

ICMA

INTERNATIONAL CITY/COUNTY
MANAGEMENT ASSOCIATION

community
PLAYMAKER

THE ASPEN INSTITUTE
PROJECT PLAY

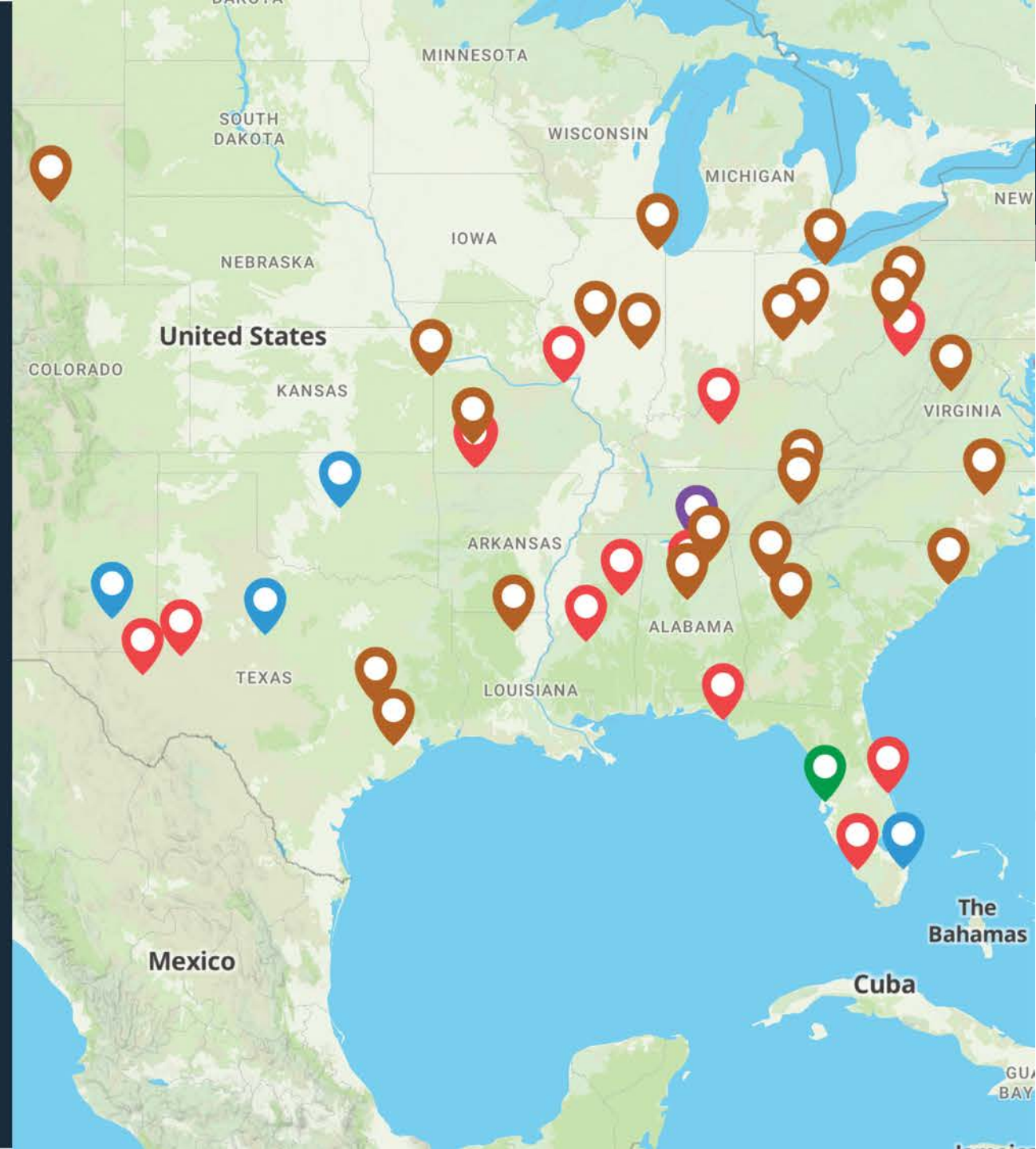
THE SF NETWORK

THE SINGLE LARGEST & FASTEST GROWING SPORTS FACILITY NETWORK

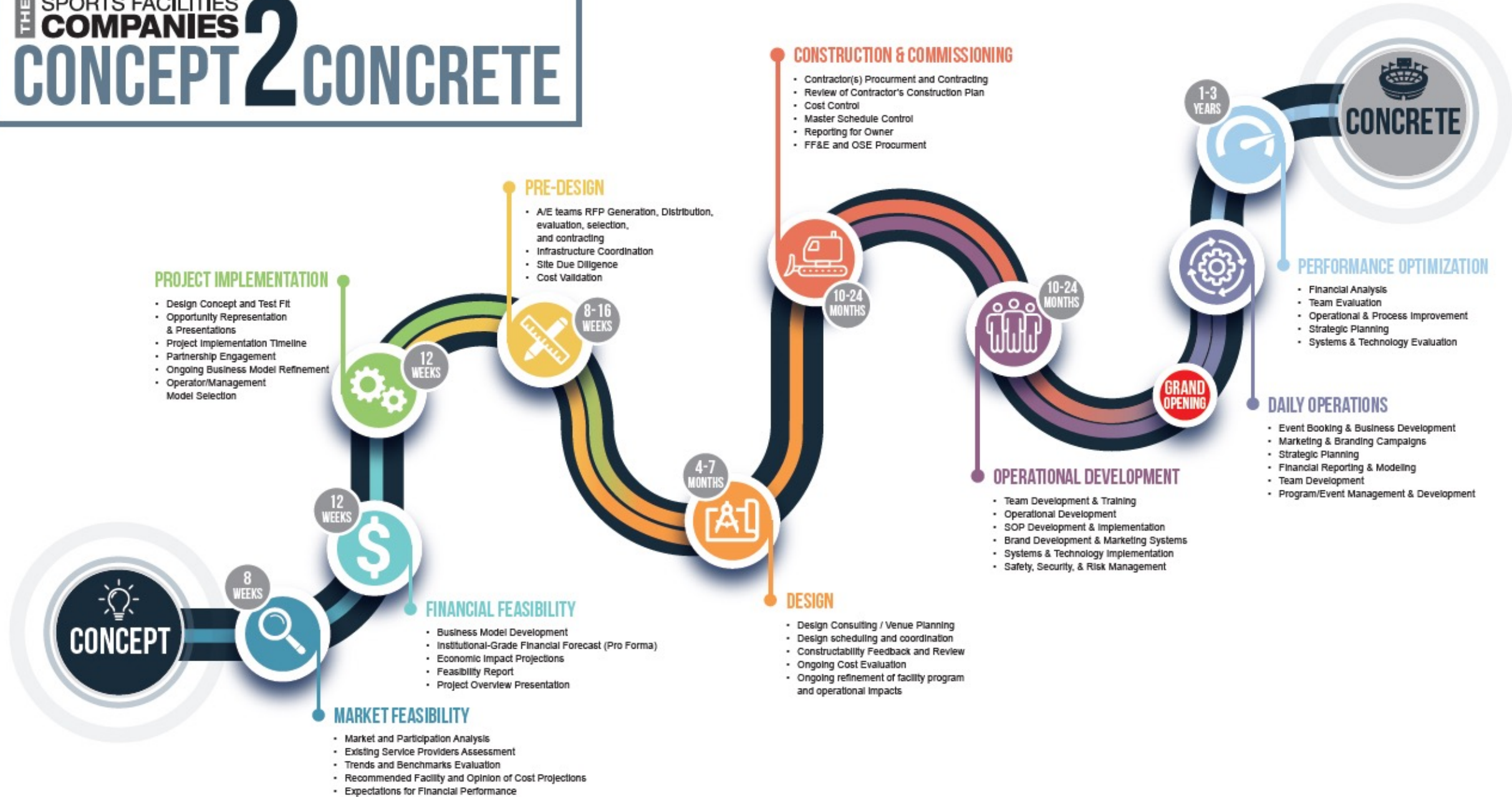
WWW.THESFNETWORK.COM

**FROM ONTARIO, CA
TO NAPLES, FL
AND EVERYWHERE
IN BETWEEN**

WE OPERATE 50+ PROPERTIES IN 18 STATES.



THE SPORTS FACILITIES COMPANIES CONCEPT 2 CONCRETE



PROCESS OVERVIEW



FORECAST & RECOMMENDATIONS

Process Overview

Definitions of Success

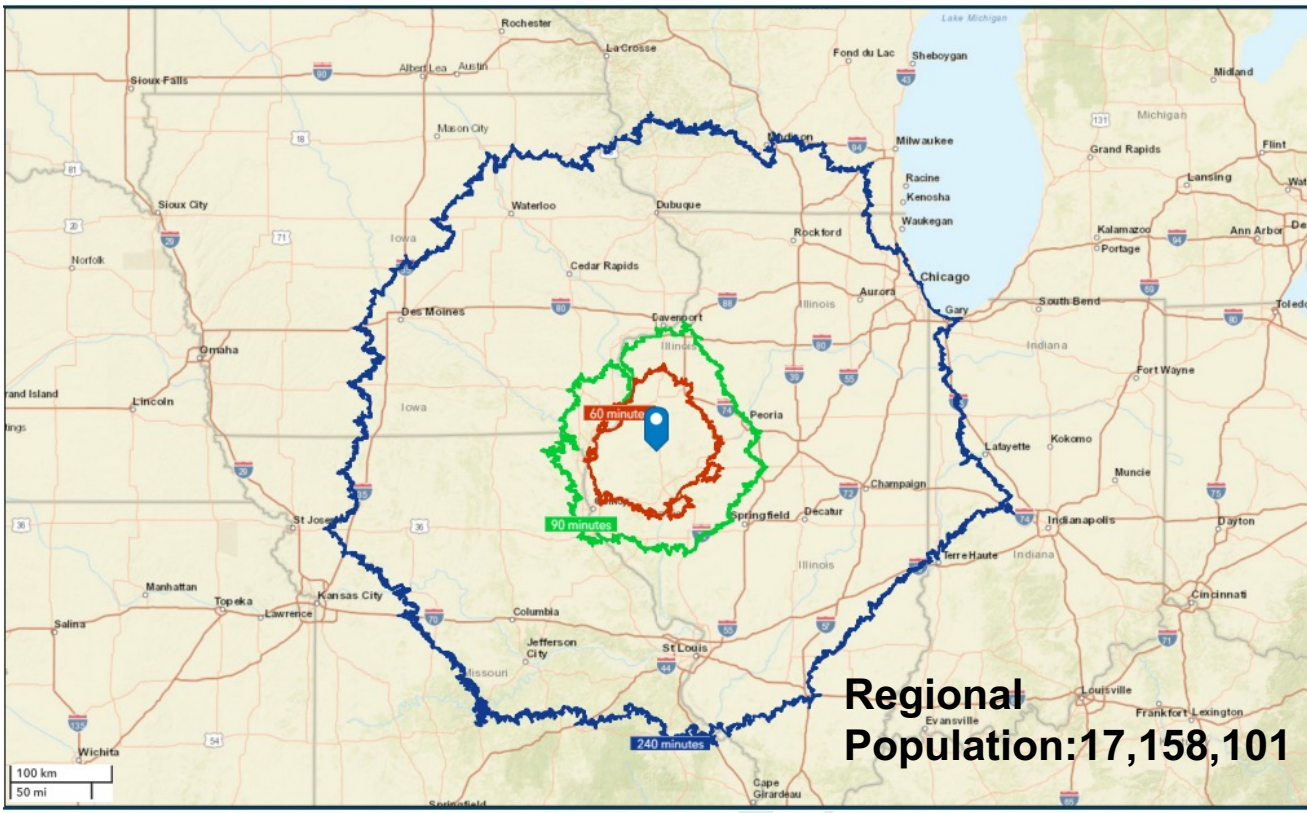


FORECAST & RECOMMENDATIONS

- Capitalize on sports tourism to generate non-local visitation, tax revenue, and economic impact through tournaments and events
- Establish a regional sports tourism destination that also serves the local community by promoting local recreation and sport growth through new and existing facilities
- Catalyze ancillary and mixed-use development that contributes to the growth of the community through traffic driven to the site from sport and recreation programs
- Maximize revenue generating opportunities to create an operationally sustainable business model

Process Overview

Target Markets



FORECAST & RECOMMENDATIONS

Process Overview

Target Markets



Category	10 minutes	15 minutes	30 minutes	60 minutes	90 minutes	240 minutes
Population	16,199	18,854	32,584	206,870	649,855	17,158,101
Growth Projections – Next 5 Years	-3.60%	-3.40%	-3.25%	-3.10%	-2.70%	-0.80%
Median Age (U.S. Median: 39)	31.3	33.5	38.9	42.5	42.4	39.5
Median HH Income (U.S. Median: \$77,719)	\$44,275	\$49,592	\$54,236	\$55,862	\$62,114	\$78,311
Median HH Income % Above/Below Adjusted Cost of Living (Index: 86)	-30.97%	-22.68%	-15.44%			
Spending Rec. Lessons (U.S. Avg.: \$172) (State Avg.: \$164.28)	\$86.24	\$87.36	\$84.25	\$83.76	\$94.66	\$149.79

FORECAST & RECOMMENDATIONS

Process Overview

Participation Rates



Potential Participants by Traditional Sport (Sample)							
Sport	Core Participation	Participants (10 Minutes)	Participants (15 Minutes)	Participants (30 Minutes)	Participants (60 Minutes)	Participants (90 Minutes)	Participants (240 Minutes)
Basketball	6.74%	1,091	1,270	2,195	13,938	43,786	1,156,074
Soccer	3.54%	573	667	1,152	7,317	22,985	606,871
Baseball	3.23%	524	609	1,053	6,687	21,008	554,663
Volleyball	2.71%	439	511	884	5,611	17,626	465,369
Pickleball	2.59%	419	488	844	5,356	16,825	444,234
Softball	2.24%	362	422	729	4,627	14,535	383,757
Tackle Football	1.50%	243	283	489	3,106	9,758	257,631
Flag Football	1.33%	216	251	435	2,759	8,667	228,832
Gymnastics	1.20%	194	226	390	2,477	7,783	205,482
Futsal	0.81%	132	153	265	1,684	5,289	139,644
Cheerleading	0.75%	122	142	245	1,556	4,888	129,067
Wrestling	0.62%	101	118	204	1,292	4,059	107,171
Lacrosse	0.56%	90	105	182	1,154	3,625	95,720
Ultimate Frisbee	0.18%	30	35	60	379	1,192	31,473

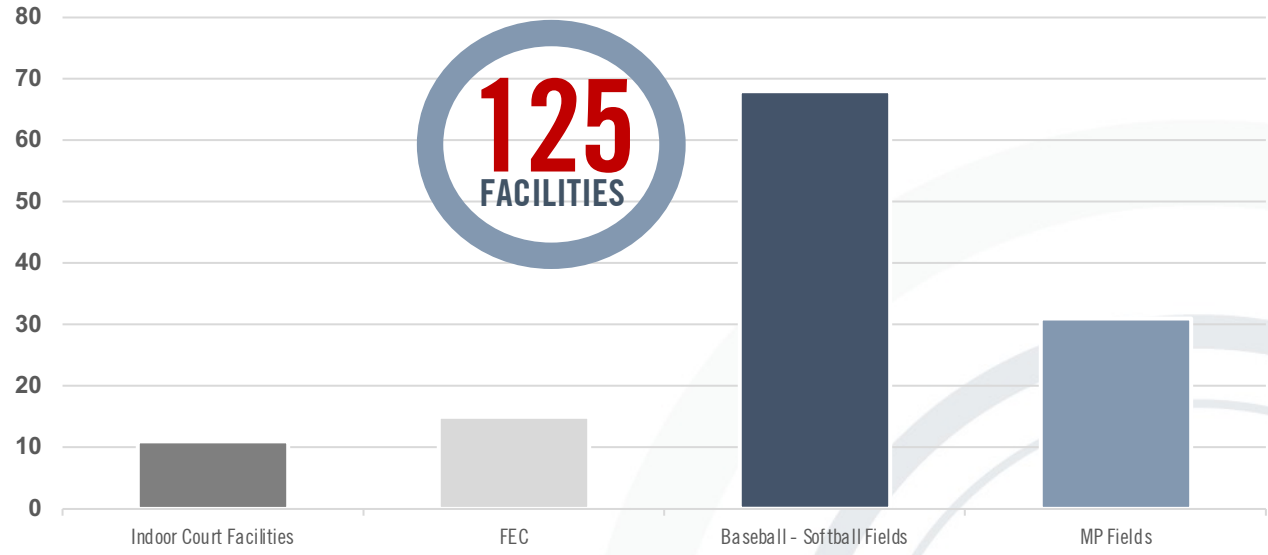
FORECAST & RECOMMENDATIONS

Process Overview

Competition – Local



EXISTING SERVICE PROVIDERS



FORECAST & RECOMMENDATIONS

Process Overview

Competition - Regional

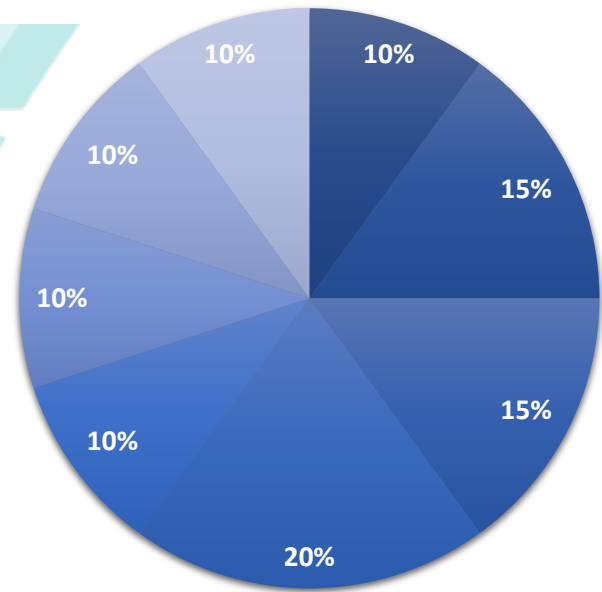


Indoor Court Facilities	City	Drivetime (Minutes)	Assets/Amenities
TBK Bank Sports Complex	Bettendorf, IA	91	8 BB Courts, 8 VB Courts, full indoor turf field, training area, fitness center, restaurant and sand volleyball courts, and full outdoor complex
Springfield Scheels Sports Park at Legacy Pointe - In Development 2025	Springfield, IL	106	190,000sf indoor sports dome - courts and turf with outdoor sports tourism complex
Horton Field House	Normal, IL	117	4 BB/4 VB courts (concrete)
Illini Elite VBC	Bloomington, IL	121	5 VB courts (sport) Fall 2018 moved to 34,000 SF facility (6 competition courts)
Center St. Louis	St. Louis, MO	176	6 BB/10 VB courts
Chesterfield Sports Complex	Chesterfield, MO	177	97,000sf 9BB court/18VB and mezzanine viewing space
Columbia Sports Fieldhouse	Columbia, MO	182	4BB Courts/5VB with various spectator bleachers and meeting rooms
UW Health Sports Factory	Rockford, IL	187	8 BB, 16 VB courts
Fusion Sports Center	Loves Park, IL	193	3 BB, 7 VB courts
Emerald Acres Sports Connection	Mattoon, IL	193	150-acre development, 8BB/16VB, 7 outdoor MP fields - flexible arrangement and walkable retail

FORECAST & RECOMMENDATIONS

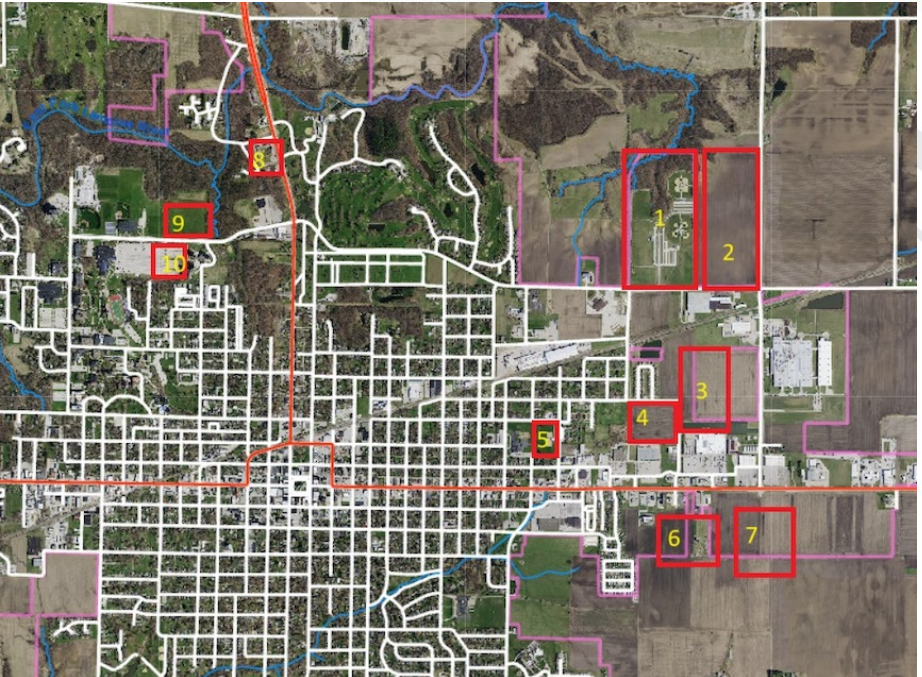
Process Overview

Site Selection



- Cost
- Location
- Cultural Fit
- Site
- Market Factors
- Flexibility/Growth
- Timing
- Delivery Risk

Site	Score	Weighted Score
Land East of Veterans Park (2)	64	8.1
South of Jackson-Walton South (6)	63	7.6
South of Jackson - Bower Rd Extended South (7)	63	7.6
North of Walmart/East of Walton Way (3)	57	7.2
North of Hi-vee/West of Walton Way (4)	49	6.0
Western Illinois University - Vince Grady Field (9)	49	6.2
Western Illinois University - Q Lot (10)	49	6.2



FORECAST & RECOMMENDATIONS

FACILITY PROGRAM & OPINION OF COST

Here's what we'll cover:

- Facility Model
- Opinion of Cost
- Site Development

Facility Program

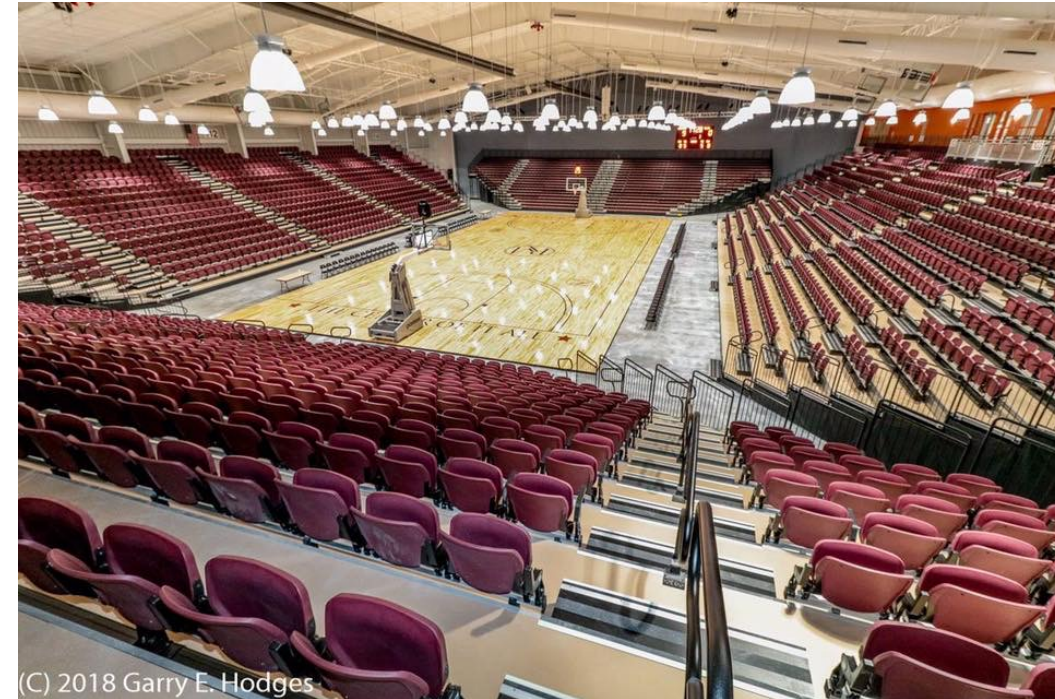
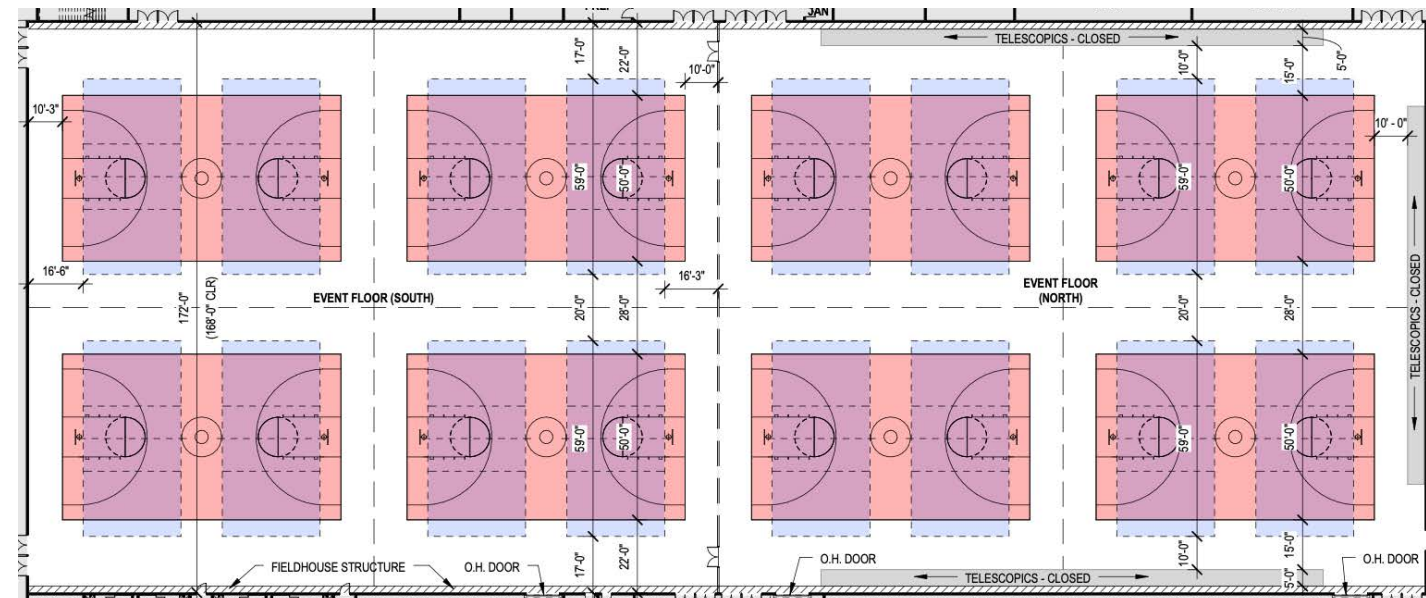
Indoor Facility

Indoor Athletic Facility

Space	Indoor Programming Product/Service	Count	Dimensions		Approx. SF each	Total SF	% of Footprint
			L (')	W (')			
Courts	Basketball Courts (actual courts 84' x 50')	4	104	80	8,320	33,280	26.9%
	Basketball Courts (w/Event Seating)	4	104	95	9,880	39,520	31.9%
	Volleyball Courts	16	60	30	Over Basketball Courts		0.0%
	Telescopic Bleacher System: 4000 Seats	1	-	-	Event/Court Floor		0.0%
<i>Total Courts Sq. Ft.</i>						72,800	58.8%
FEC	Arcade	1	-	-	4,000	4,000	3.2%
	Redemption Store	1	-	-	400	400	0.3%
	Virtual Reality/Golf Simulators	2	-	-	400	800	0.6%
	Play Climb/Adventure/Ropes Course	1	-	-	2,000	2,000	1.6%
<i>Total FEC/Adventure Sq. Ft.</i>						7,200	5.8%
Flex Space	Lobby/Welcome Area	1	-	-	1,500	1,500	1.2%
	Control Room	1	15	10	150	150	0.1%
	Ticket Office	1	10	10	100	100	0.1%
	Manager's Offices	3	10	10	100	300	0.2%
	Office Area	1	-	-	900	900	0.7%
	Kitchen	1	40	30	1,200	1,200	1.0%
	Café Seating Area	1	50	50	2,500	2,500	2.0%
	Flex/Team Rooms	4	60	25	1,500	6,000	4.8%
	Ref Rooms	2	15	10	150	300	0.2%
	Training Room	1	20	15	300	300	0.2%
	Restrooms	2	35	25	875	1,750	1.4%
Leased Space - Medical	1	-	-	5,000	5,000	4.0%	
<i>Total Flex Space Sq. Ft.</i>						20,000	16.2%
Required SF for Products and Services						100,000	80.8%
Mechanical, Electrical, Storage, etc. 10% of P&S SF (Excl. Leased Space)						9,500	7.7%
Common Area, Stairs, Circulation, etc. 15% of P&S SF (Excl. Leased Space)						14,250	11.5%
Total Estimated Indoor Athletic Facility SF						123,750	100%
Estimated Building Footprint						111,375	
Total Building Acreage						2.56	

Facility Program

Indoor Facility Layout Example



Facility Program

Site Development

Site Development

		Quantity	Dimensions		Approx. SF each	Total SF	% of Total
			L (')	W (')			
Parking Spaces Total	Parking Spaces Total (10'x18') (20' x 20' Inc. aisles)	434	20	20	400	173,600	70.9%
	Setbacks, Green Space, Trails, etc.				25% Indoor/Parking, 50% Outdoor	71,244	29.1%
Total Estimated Site Development SF						244,844	100%
Total Site Development Acreage						5.62	
Total Complex Acreage						8.18	

Uses of Funds

USES OF FUNDS	LOW	MID	HIGH
Land Cost	TBD	TBD	TBD
Hard Cost	\$33,261,118	\$36,956,798	\$40,652,478
Field and Sport Equipment Cost	\$3,835,219	\$4,261,354	\$4,687,489
Furniture, Fixtures, and Equipment	\$5,960,525	\$6,622,806	\$7,285,087
Soft Costs Construction	\$4,385,882	\$4,873,203	\$5,360,523
Soft Costs Operations	\$1,533,810	\$1,533,810	\$1,533,810
Escalation	\$3,765,112	\$4,183,458	\$4,601,804
Working Capital Reserve	TBD	TBD	TBD
Total Uses of Funds	\$52,741,667	\$58,431,429	\$64,121,191

FINANCIAL PERFORMANCE

Here's what we'll cover:

- Total Revenue
- Total Cost of Goods Sold
- Gross Margin
- Total Operating Expenses
- EBITDA
- Net Income
- Economic Impact

Financial Performance

Total Revenue

Revenue	Year 1	Year 2	Year 3	Year 4	Year 5
Rental Basketball Tournaments	\$32,000	\$42,000	\$48,400	\$66,000	\$76,230
Rental Volleyball Tournaments	\$28,800	\$52,800	\$73,920	\$81,840	\$85,932
Seated Court Events	\$16,000	\$20,000	\$26,400	\$26,400	\$27,720
Court Rental Events	\$56,000	\$56,000	\$61,600	\$61,600	\$64,680
Basketball	\$36,526	\$44,100	\$56,144	\$61,773	\$68,122
Volleyball	\$25,237	\$31,571	\$41,707	\$46,798	\$52,680
Court Rentals	\$35,280	\$36,338	\$39,300	\$40,479	\$43,778
FEC/Adventure	\$213,716	\$272,481	\$320,568	\$350,937	\$375,703
Birthday Parties	\$28,800	\$34,560	\$39,917	\$41,913	\$46,209
Youth Programming	\$37,560	\$41,316	\$47,720	\$50,106	\$55,242
Facility Fees	\$99,520	\$136,240	\$158,880	\$176,800	\$180,640
Food & Beverage	\$356,240	\$471,587	\$538,905	\$601,713	\$616,755
Hotel Rebates	\$27,249	\$39,755	\$47,309	\$53,962	\$55,847
Retail	\$11,929	\$15,331	\$16,917	\$19,120	\$19,525
Tenant Revenue	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Sponsorship/Advertisement Revenue	\$56,250	\$56,250	\$67,500	\$67,500	\$75,000
Total Revenue	\$1,161,107	\$1,450,329	\$1,685,188	\$1,846,941	\$1,944,062

Financial Performance

Total Expenses

Cost of Goods Sold	Year 1	Year 2	Year 3	Year 4	Year 5
Rental Basketball Tournaments	\$3,200	\$4,200	\$4,840	\$6,600	\$7,623
Rental Volleyball Tournaments	\$2,880	\$5,280	\$7,392	\$8,184	\$8,593
Seated Court Events	\$1,600	\$2,000	\$2,640	\$2,640	\$2,772
Court Rental Events	\$5,600	\$5,600	\$6,160	\$6,160	\$6,468
Basketball	\$15,215	\$18,370	\$22,268	\$24,501	\$26,373
Volleyball	\$8,078	\$10,105	\$13,109	\$14,709	\$16,413
Court Rentals	\$1,764	\$1,817	\$1,965	\$2,024	\$2,189
FEC/Adventure	\$74,801	\$95,368	\$112,199	\$122,828	\$131,496
Birthday Parties	\$8,352	\$10,022	\$11,213	\$11,774	\$12,780
Youth Programming	\$15,932	\$17,525	\$20,158	\$21,166	\$23,290
Facility Fees	\$0	\$0	\$0	\$0	\$0
Food & Beverage	\$195,932	\$259,373	\$296,398	\$330,942	\$339,215
Hotel Rebates	\$0	\$0	\$0	\$0	\$0
Retail	\$8,350	\$10,731	\$11,842	\$13,384	\$13,668
Tenant Expense	\$0	\$0	\$0	\$0	\$0
Sponsorship/Advertisement Expense	\$14,063	\$14,063	\$16,875	\$16,875	\$18,750
Total Cost of Goods Sold	\$355,766	\$454,454	\$527,060	\$581,787	\$609,631
Gross Margin	\$805,342	\$995,875	\$1,158,128	\$1,265,154	\$1,334,431
<i>% of Revenue</i>	69%	69%	69%	68%	69%
Facility Expenses	\$337,956	\$345,864	\$355,113	\$362,074	\$367,348
Operating Expense	\$453,439	\$458,337	\$476,908	\$493,260	\$506,990
Management Payroll	\$603,500	\$627,640	\$652,746	\$678,855	\$706,010
Payroll Taxes/Benefits/Bonus	\$168,569	\$185,621	\$199,471	\$211,594	\$220,446
Total Operating Expenses	\$1,563,463	\$1,617,461	\$1,684,237	\$1,745,783	\$1,800,793

Financial Performance

Summary Performance

Financial Performance Summary - Indoor Athletic Facility

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Revenue	\$1,161,107	\$1,450,329	\$1,685,188	\$1,846,941	\$1,944,062
Total Cost of Goods Sold	\$355,766	\$454,454	\$527,060	\$581,787	\$609,631
Gross Margin	\$805,342	\$995,875	\$1,158,128	\$1,265,154	\$1,334,431
<i>% of Revenue</i>	69%	69%	69%	68%	69%
Total Operating Expenses	\$1,563,463	\$1,617,461	\$1,684,237	\$1,745,783	\$1,800,793
EBITDA	(\$758,122)	(\$621,586)	(\$526,109)	(\$480,629)	(\$466,362)
<i>% of Revenue</i>	-65%	-43%	-31%	-26%	-24%

ECONOMIC IMPACT

Here's what we'll cover:

- Per Person Spending by Category
- Number of Events Per Year
- Economic Impact Drivers

Economic Impact

Per Person Spending By Category

Per Person Spending By Category

	Year 1	Year 2	Year 3	Year 4	Year 5
Lodging/Accommodations	\$36.67	\$37.22	\$37.77	\$38.34	\$38.92
Dining/Groceries	\$51.00	\$51.77	\$52.54	\$53.33	\$54.13
Transportation	\$8.67	\$8.80	\$8.93	\$9.07	\$9.20
Entertainment/Attractions	\$4.08	\$4.14	\$4.20	\$4.27	\$4.33
Retail	\$23.97	\$24.33	\$24.69	\$25.06	\$25.44
Miscellaneous	\$13.77	\$13.98	\$14.19	\$14.40	\$14.61
Total	\$138.16	\$140.23	\$142.33	\$144.47	\$146.63

Economic Impact

Events Per Year

Number of Events Per Year

	Year 1	Year 2	Year 3	Year 4	Year 5
Basketball Tournaments	6	7	7	9	9
Volleyball Tournaments	5	8	9	10	10
Seated Court Events	3	4	5	5	5
Other Tournaments/Events	10	10	10	10	10
Total Events Per Year	24	29	31	34	34

Economic Impact

Economic Impact Drivers

Economic Impact Drivers

	Year 1	Year 2	Year 3	Year 4	Year 5
Non-Local Days in Market - Overnight	53,982	76,875	90,312	102,840	106,080
Room Nights	11,796	17,210	20,480	23,360	24,176

Economic Impact

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Direct Spending - Overnight	\$7,457,973	\$10,780,106	\$12,854,328	\$14,857,031	\$15,554,982
Total Indirect Spending	\$0	\$0	\$0	\$0	\$0
Total Economic Impact	\$7,457,973	\$10,780,106	\$12,854,328	\$14,857,031	\$15,554,982

KEY INSIGHTS & NEXT STEPS

Here's what we'll cover:

- Key Insights
- Next Steps

Key Insights

- Various revenue streams such as the family entertainment center, medical leased space, and court spaces improve the financial performance and requires less operational subsidy than outdoor field assets
- The facility will be a driver of economic impact, that will bring over 24,000 new room nights and approximately \$15.5 million of direct spending per year at maturity
- With limited court-based assets in the local market, the facility represents a best-in-class tournament capable facility that would be able to compete in the region and offer differentiated assets
- Significant capital cost for development ranging from \$52.7M - \$64.1M



Next Steps

- Explore strategic partnerships
 - Public sector
 - Tournament rights holders
 - Schools/Universities
 - Existing facilities
 - Local Sports organizations
- Explore potential upfront and operational funding mechanisms
 - Hotel/motel taxes
 - Sales tax
 - Development incentives
 - Grants



EFH SPORTS FACILITIES
COMPANIES

Q & A

DISCUSSION

EXECUTIVE SUMMARY PRESENTATION