

**May 29, 2013**

City of Bowie  
15901 Excalibur Road  
Bowie, MD 20716

In March 2013, The Sports Facilities Advisory (SFA) was engaged by the City of Bowie to analyze the feasibility and financial viability of new indoor sports facilities. The purpose of the SFA analysis was to evaluate demand/need, funding and operating models, and to provide recommendations to the City regarding the development of new indoor sports facilities.

This letter is meant to serve as a summary of The Sports Facilities Advisory findings. Accompanying this summary letter are the full feasibility study, full financial forecasts, and public session presentation materials.

SFA is pleased to present the feasibility study and a pro forma for each potential facility analyzed for the Bowie Indoor Sports Facility project.

### **Summary of Project Scope**

On March 11-13, 2013, Sports Facilities Advisory CEO Dev Pathik, Management Advisor Evan Eleff, and Business Analyst Dan Morton along with Waldon Studio Architects Vice President Mike Morgan and Staff Architect Andrew Beyea met with City of Bowie officials to more fully understand the project, objectives, and constraints. SFA also completed a regional tour of existing operations, visited potential future locations for an indoor multi-sport complex, and organized and conducted stakeholder meetings with over 90 key representatives from local sports organizations.

Following the on-site meetings, tours, and interviews, SFA developed an online community survey that was advertised on the City website and announced through stakeholder groups and other advertising forums. The community survey yielded 924 responses.

To complete the in-depth market research, SFA also analyzed a wide variety of factors, including population and sports participation demographics, drive time analysis, site research, interviews with key City officials, stakeholder surveys, and stakeholder interviews.

The results of the market research justified the financial analysis of four unique facility models: aquatic, court, ice, and turf. This analysis included right-sizing the facility concepts to the market demand, developing preliminary construction cost estimates, and creating detailed revenue and expense projections for each model.

Based upon the above steps, SFA identified basic program requirements as outlined below.

- **Court**
  - 61,373 square feet
  - Five (5) hardwood basketball courts (84' x 50')
  - Six (6) volleyball (overlying the basketball courts)
- **Aquatic**
  - 34,596 square feet
  - One (1) 50-meter competition pool
- **Ice**
  - 70,045 square feet
  - One (1) NHL regulation ice rink (200' x 85')
  - One (1) Olympic regulation ice rink (200' x 100')
- **Turf**
  - 52,461 square feet
  - Two (2) unboarded turf fields (200' x 100')
  - Four (4) batting cages (suspended and lowered over turf fields)

Finally, SFA created a recommended development strategy based on three primary factors:

1. The need for each facility
2. The construction and start-up costs associated with developing each facility
3. The ongoing operational costs associated with each facility

### **Summary of Financial Analysis**

The SFA study indicates clear demand for each of the facilities analyzed. This demand was assessed through stakeholder interviews, surveys, and an analysis of current facility utilization.

SFA also noted that there is a conflict, in some activities, between the demand expressed for indoor sports facilities and the willingness/ability/expectation of user groups to pay a rate sufficient to cover the cost of meeting that demand. SFA's analysis, interviews, and surveys also revealed a clear agreement from both residents and City officials that while these facilities are in high demand, there is little interest in raising City taxes to fund large operating losses that might be required if new complexes are funded and operated using the City's historic funding, pricing, and operating models.

The analysis has revealed that none of the analyzed facilities will have the ability to become self-sustaining without a change in the project funding, pricing, and/or operating model. In order to become self-sustaining, user groups will need to pay more for the use of new facilities and, where possible, user groups and/or other private entities will need to contribute to working capital or construction costs.

As such, SFA has recommended that the City begin discussions with user groups to evaluate the potential for new facilities to be developed as public/private partnerships. SFA has extensive experience in these areas and has begun conversations with City officials about some of the models which might be applicable or worthy of investigation.

In a public/private partnership, the City of Bowie would offer one or a combination of:

- Land
- Site work and site infrastructure
- Capital toward construction and start-up costs
- Working capital reserve to support ongoing operational costs

In exchange, a private entity or entities would pay for a portion of the cost of development and sign long-term use or lease agreements at a pre-negotiated rate. In doing so, inventory for all user groups could be increased at a lower expense to the City while inventory for the contributing private group could be guaranteed during preferred times.

There are several other financing models that have been discussed – including bond financing, donations, use of existing reserves, fundraising, tax increases, public/public partnerships, and user fees – and some combination of these would still be included in the overall financing package.

It should be noted that an alternate financing structure could change the recommendations that follow if the contribution is large enough to overcome comparative deficits in either need or ongoing operational costs.

### **Recommendation**

In accordance with the information provided throughout this study, SFA evaluated each facility type in each of the three primary factors. The elements considered in each factor are as follows:

- **Need:** Bowie resident participation, non-Bowie resident participation, need as reported by stakeholders, need as reported by individuals in the community, need currently being met, intended utilization
- **Construction Cost:** cost to build relative to other facility types
- **Operational Cost:** cost to operate on an ongoing annual basis relative to other facility types

Based on these factors and considering all of the information in the feasibility study and financial forecasts, SFA's recommended priority for development is as follows:

1. Court
2. Aquatic
3. Ice
4. Turf



600 Cleveland Street, Suite 910 • Clearwater, FL 33755 • O: 727.474.3845 • F: 727.361.1480

[www.sportadvisory.com](http://www.sportadvisory.com)

SFA strives to develop and maintain client relationships that are built on honesty, professionalism, integrity, collaboration, and assistance at every turn. To this point, it bears repeating that our working relationship with the City of Bowie has been outstanding. We truly appreciate and value our relationship with the City of Bowie and have developed tremendous respect for the public officials that are overseeing this analysis.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dev K. Pathik'. The signature is fluid and cursive.

**Dev Pathik**

*Founder and CEO*

The Sports Facilities Advisory

600 Cleveland Street, Suite 910 | Clearwater, FL 33755

Office: 727.474.3845, ext. 105 | Fax: 727.361.1480

[Dev@sportadvisory.com](mailto:Dev@sportadvisory.com) | [www.sportadvisory.com](http://www.sportadvisory.com)