

Introduction

In August, 2012 Ripken Design was contracted by Mather Sports Village, Inc. to perform a business plan assessment for a multi-sport project in Sacramento County known as *Mather Sports Village*. Located just south of the Mather Golf Course, *Mather Sports Village* is intended to be a multi-sport destination capable of attracting teams and individual athletes from throughout the world. Its emphasis would be along three core lines: Sports Tournaments, Sports Camps & High-Level Instruction, and a Sports Academy.

The *Mather Sports Village* project appears to make a series of sound assumptions regarding market conditions, revenue/expense ratios, capital costs and business structure. This suggests that contained within the plan is a fully feasible and economically viable project that will not only realize an adequate return on investment for investors, but will also generate substantial economic impact for the surrounding community.

Local Supply of Facilities

Key to an evaluation of the *Mather Sports Village* is an understanding of the sports field supply in the Sacramento Area. Field supply is critical to determining, on a by-sport basis, whether there is a relative surplus or deficit of competitive sports fields in the market. Through the course of this evaluation, it is essential to understand the differences between a sports field and a *competitive* sports field. There is often an abundance of the former. Parks & Recreation associations will have softball fields in neighborhood parks, or dual-purpose baseball diamonds to host soccer in the outfields during the fall and spring “shoulder” seasons. While fields of this type are certainly part of the local recreation infrastructure, they are ill-suited for hosting competitive sports tournaments, and often lack the quality, infrastructure, access or surrounding amenities to attract teams from around the region for competitive play.

Therefore, it is necessary that the supply evaluation identify the *competitive* fields in the area – those facilities that can be used for competitive tournament play. Fortunately, there is a simple way to make this distinction. Facilities that are tournament capable are those that are currently used for tournament play. If this seems overly simplistic, consider: the market for any sport is constrained by two things: supply and demand, and the two work in tandem. The demand for tournament play is constrained by the supply of existing local

facilities. Any facilities not suitable for tournament play in the current environment would not be suitable in a regional or national market.

A venture like *Mather Sports Village* is a supply-side program. It assumes that the creation of new high-quality field supply will be enough to capture existing regional market demand. The primary assumption necessary to make projects like *Mather Sports Village* a success is that *of the existing demand for tournament/competitive sports*, there is inadequate high-quality supply. As such, teams are forced to participate in events that are:

- In poor locations
- At poor quality facilities
- Spread across multiple sites
- Decentralized to population centers
- Inconvenient
- Uncomfortable

In other words, there is such a surplus of tournament events at substandard facilities, that the presence of a high-quality facility would easily and capably attract teams from throughout the region.

This thesis has been borne out at facilities across the country. Some of the national facilities most capable of attracting a regional crowd include:

- Ripken Experience Maryland (MD)
- Ripken Experience Myrtle Beach (SC)
- Cooperstown Dreams Park (NY)
- Disney's Wide World of Sports (FL)
- East Cobb Baseball Complex (GA)
- Baseball USA "The Yard" (TX)
- First Tennessee Fields (TN)

Each of these facilities has included some or all of the following elements:

1. Provide 1st Class Playing Facilities and Amenities
2. Be proximate to high-quality family entertainment options
3. Have sufficient capacity to host large events on-site

There are two natural consequences to building a new facility contingent on these factors. One is that other new facilities that offer these items will further dilute the market and diminish a complex's regional competitiveness. This is not always the case. Sometimes, the addition of otherwise competitive facilities will have the opposite effect and create a true regional "destination" market. Cooperstown Dreams Park set the market in Cooperstown, NY and was followed by Cooperstown All-Star Village. The two have specialized to capture two slightly different segments of the market while making "Cooperstown" a must-visit location. First Tennessee Fields is located

extremely close to a huge complex in South Haven, MS creating two large tournament facilities in the same market. In that case, each facility came to specialize by sanctioning body. First Tennessee is home to the area's *Super Series* and *Triple Crown* tournaments, while South Haven uses *USSSA*.

The second consequence is that over time, if not successful in establishing a successful brand and not active in staying on the cutting edge of the youth sports market, a complex can fall out of favor as other, newer sports facilities enter the market.

All that said, in areas with inadequate supply for tournament programming, the circumstances certainly support the saying: if you build it, they will come.

Supply Summary

Throughout the Sacramento area, there are very few softball complexes with more than five (5) fields in one location. Even with this supply restraint, there is very strong demonstrated demand for existing facilities. A new facility could capitalize on that demand by tapping into the existing softball networks and hosting new tournaments, or serving as the "home" complex for these major events.

There is graphical evidence to support the need for baseball fields in the area as well. *Ripken Design's* proprietary internal business modeling software is designed to identify the areas with the largest potential pool of tournament baseball teams. This data combines national and regional data from the *Sporting Goods Manufacturer's Association* with demographic data about tournament participants including, income, family size, age, and other characteristics.

Basketball, Volleyball and Court Sports

The indoor basketball complex is designed to accommodate fourteen basketball courts for tournament play. This size of facility appears to fill a potential gap in the market – it is smaller than the major facilities that can host 30+ courts in the area, but large enough to be able to host self-sufficient tournaments and events throughout the year. In other locations across the country, such as Hampton Roads, VA,¹ facilities like this have successfully operated facilities of this size, using the complex for tournaments, camps and also as practice space for area high schools through a deal made with the local school district.

¹ The Boo Williams Sports Complex – 8 Courts

Development Costs

Development Costs broadly split into three categories: Infrastructure, Common Area and Sports facilities. Mather Sports Village, Inc. has provided an excellent level of detail on the development costs, and Ripken Design has no reason to question their due diligence on either the infrastructure of common area development.

One the partners in Mather Sports Village Inc. has spent his career designing and constructing sports facilities, from golf courses to soccer fields to baseball diamonds. He is a “grass and dirt guy” who knows far more about building fields in California than Ripken Design does, and this despite building a handful of fields in California ourselves.

Mather Sports Village is feasible and sustainable and will create huge economic impact for the County of Sacramento, the local communities, and the Sacramento Region. Its planned location and scope will make it one of the best complexes of its kind and it will also meet or exceed the County of Sacramento’s objectives of land use, community benefit, funding, and economic impact.

Mather Sports Village will become a destination venue for all sports enthusiasts and participants because of the quality and magnitude of its facilities, tournaments, camps, clinics, and other events.

Summary

This is a complex project, and achieving the financial benchmarks will require utilizing professionals with intimate knowledge of the sports landscape for *each* sport, experienced park/sports facility operators and a well-trained sales and operations staff. It will also require that the venture itself be well-capitalized, as sports facilities often take 3-5 years to reach maturity in operations.

The model for competitive sports facilities, especially tournament operations and, to a lesser degree camps, is well-established and easily replicable. The determinants of success are essentially limited to the local and regional demographic profiles, the quality of the facilities and the degree to which the facility utilizes professional marketing, sales and customer retention techniques. There is no reason to believe that *Mather Sports Village* will not be able to satisfy these factors.