



MANAGEMENT | DEVELOPMENT | PRE-DEVELOPMENT

TOWN OF RIVERHEAD, NY

DRAFT PRO FORMA REVIEW

PREPARED FOR:



Town of
Riverhead
New York

GOALS

- Overview of Process
- Scope and Project Background
- Review Pro Forma Model
 - Facility Program
 - Development Cost
 - Financial Performance
 - Economic Impact
- Opportunities and Challenges
- Potential Next Steps



SCOPE OF WORK

- STEP 1: Kick-Off Call
- STEP 2: Existing Data Review & Market Analysis
- STEP 3: Development Planning Session
- ***STEP 4: Detailed Financial Forecast (Pro Forma)***
- ***STEP 5: Economic Impact Analysis***
- STEP 6: Feasibility Report



SFC'S PROCESS



DEFINING SUCCESS

- ***Capitalize on the continued growth in sports tourism*** to develop a premier sports tourism complex that attracts, hosts, and retains sports tournaments and events
- ***Create a significant driver of economic impact***, that supports existing local businesses by generating new room nights, fosters opportunities for expanding the local lodging industry and ancillary development to accommodate demand, and supports the community generating spending from non-local visitors
- ***Serve as a community asset*** that enhances the sense of place and quality of life for local residents by creating access to top quality sports and recreation assets for all
- ***Feature diverse and flexible programming capabilities***, sports, community, civic, school, and activities, to serve a wide variety of potential partners and stakeholders.





FACILITY OVERVIEW

INDOOR FACILITY

Indoor Facility

- Hard Structure – 237,159 SF
 - Basketball Courts (8)
 - Volleyball Courts (16)
 - Pickleball Courts (24)
 - Ice Rink (2)
 - FEC – 15,000 SF
 - Sports Performance – 9,600 SF
 - Flex Space
 - Offices
 - Kitchen/Café/Concessions
 - Meeting/Banquet Space
 - Medical Leased Space
 - Ice Pro Shop
 - Mezzanine
 - Total Building Acreage – 4.76 Acres

Space	Indoor Programming Product/Service	Count	Dimensions L (')	W (')	Approx. SF each	Total SF	% of Footprint
Courts	Basketball Courts (actual courts 84' x 50')	7	104	80	8,320	58,240	24.6%
	Basketball Courts (w/Championship Seating)	1	104	95	9,880	9,880	4.2%
	Pickleball Courts	24	44	20	Over Basketball Courts		
	Volleyball Courts	16	60	30	Over Basketball Courts		
	Telescopic Bleacher System: 500 Seats	1	-	-	Championship Court		
	Total Courts Sq. Ft.					68,120	28.7%
Ice	Primary Ice Rink (600 Seats)	1	220	115	25,300	25,300	10.7%
	Secondary Ice Rink (600 Seats)	1	220	115	25,300	25,300	10.7%
	Locker Rooms	8	25	20	500	4,000	1.7%
	Ref Locker Rooms	4	20	15	300	1,200	0.5%
	Zamboni Storage	1	25	40	1,000	1,000	0.4%
	Ice Plant Room	1	25	50	1,250	1,250	0.5%
Total Ice Sq. Ft.					58,050	24.5%	
FEC	Family Entertainment Center		1	-	-	15,000	15,000
	Total FEC/Adventure Sq. Ft.					15,000	6.3%
Sports Performance	Sports Performance Turf Area		1	120	60	7,200	7,200
	Sports Performance Training Area		1	40	60	2,400	2,400
	Total Sports Performance Sq. Ft.					9,600	4.0%
Flex Space	Lobby/Welcome Area	1	-	-	2,000	2,000	0.8%
	Control Room	1	15	10	150	150	0.1%
	Ticket Office	1	10	10	100	100	0.0%
	Manager's Offices	6	10	10	100	600	0.3%
	Office Area	1	-	-	1,800	1,800	0.8%
	Kitchen	1	40	30	1,200	1,200	0.5%
	Café Seating Area	1	50	50	2,500	2,500	1.1%
	Secondary Concessions	1	30	20	600	600	0.3%
	Meeting/Banquet Room	1	-	-	3,600	3,600	1.5%
	Flex/Team Rooms	5	60	25	1,500	7,500	3.2%
	Ref Rooms	2	15	10	150	300	0.1%
	Training Room	1	20	15	300	300	0.1%
	Restrooms	4	35	25	875	3,500	1.5%
	Skate Rental	1	12	30	360	360	0.2%
	Skate Storage	1	15	30	450	450	0.2%
	Leased Space - Ice Pro Shop	1	-	-	1,000	1,000	0.4%
	Leased Space - Medical	1	-	-	10,000	10,000	4.2%
	Mezzanine	1	416	16	6,656	6,656	2.8%
Total Flex Space Sq. Ft.					42,616	18.0%	
					Required SF for Products and Services	193,386	81.5%
					Mechanical, Electrical, Storage, etc.	18,239	7.7%
					Common Area, Stairs, Circulation, etc.	25,534	10.8%
					Total Estimated Indoor Athletic Facility SF		237,159
					Estimated Building Footprint		207,452
					Total Building Acreage		4.76

OUTDOOR FACILITY

Outdoor Facility Model

- Outdoor Athletic Facilities
 - MP Field (12)
 - Support Buildings (3)
 - Maintenance Building
- RV Spots
- Restroom/Shower/Laundry Facility
- Pavilion
- Total Outdoor Acreage –
 - 29.6 Acres

Outdoor Athletic Facilities

Space	Outdoor Programming Product/Service	Count	Dimensions L (') W (')		Approx. SF each	Total SF	% of Footprint
Multi Purpose Fields	Synthetic Turf Field - (With 12' Apron)	12	384	249	95,616	1,147,392	99.5%
	<i>Total Outdoor Multi-Purpose Fields Sq. Ft.</i>					1,147,392	99.5%
Support Buildings	Secondary Support Buildings	3	40	40	1,600	4,800	0.4%
	<i>Total Support Buildings Sq. Ft.</i>					4,800	0.4%
Maint.	Maintenance Buildings	1	30	30	900	900	0.1%
	<i>Total Maintenance Sq. Ft.</i>					900	0.1%
Total Estimated Outdoor Athletic Facilities SF						1,153,092	100%
Total Outdoor Athletic Facility Acreage						26.47	

Outdoor Amenities

Space	Programming Product/Service	Count	Dimensions L (') W (')		Approx. SF each	Total SF	% of Footprint
Outdoor Amenities	RV Spots	125	50	20	1,000	125,000	91.7%
	Restroom/Shower/Laundry Facility Structures	15	-	-	350	5,250	3.8%
	Pavilion	5	35	35	1,225	6,125	4.5%
<i>Total Outdoor Amenities Sq. Ft.</i>						136,375	100.0%
Total Estimated Outdoor Adventure SF						136,375	100.0%
Total Outdoor Adventure Acreage						3.13	

SITE DEVELOPMENT

Site Development

		Quantity	Dimensions		Approx. SF each	Total SF	% of Total			
Parking Spaces Total	Parking Spaces Total (10'x18') (20' x 20' Inc. aisles)	1,911	L (')	W (')	400	764,400	42.6%			
	Go-Kart Track (2,365 Ft. - Existing Site)	1	-	-	143,333	143,333	8.0%			
	Setbacks, Green Space, Trails, etc.	25% Indoor/Parking, 50% Outdoor SF			887,697	887,697	49.4%			
Total Estimated Site Development SF						1,795,430	100%			
Total Site Development Acreage						41.22				
Total Complex Acreage						75.58				

OPINION OF COST

USES OF FUNDS	LOW	MID	HIGH
Land Cost	TBD	TBD	TBD
Hard Cost	\$81,020,886	\$90,023,206	\$99,025,527
Field and Sport Equipment Cost	\$23,771,059	\$26,412,288	\$29,053,517
Furniture, Fixtures, and Equipment	\$4,451,499	\$4,946,110	\$5,440,721
Soft Costs Construction	\$9,314,178	\$10,349,086	\$11,383,995
Soft Costs Operations	\$2,573,311	\$2,573,311	\$2,573,311
Escalation	\$9,574,405	\$10,638,228	\$11,702,051
Working Capital Reserve	TBD	TBD	TBD
Total Uses of Funds	\$130,705,337	\$144,942,229	\$159,179,121



FINANCIAL PERFORMANCE

TOTAL REVENUE

Revenue	Year 1	Year 2	Year 3	Year 4	Year 5
Rental Basketball Tournaments	\$34,000	\$40,000	\$59,400	\$81,400	\$97,020
Rental Volleyball Tournaments	\$154,000	\$154,000	\$198,000	\$231,000	\$242,550
Court Rental Events	\$28,000	\$40,000	\$52,800	\$57,200	\$60,060
Meetings and Non-Sport Events	\$87,900	\$90,537	\$102,578	\$105,656	\$114,267
Basketball	\$193,666	\$229,326	\$286,095	\$312,168	\$341,258
Volleyball	\$126,450	\$149,355	\$185,834	\$202,491	\$221,042
Court Rentals	\$215,850	\$222,326	\$240,445	\$247,658	\$267,843
Rental Hockey Tournaments	\$126,000	\$144,000	\$198,000	\$217,800	\$249,480
In-House Hockey	\$126,781	\$156,464	\$203,802	\$227,470	\$254,639
In-House Ice Programs	\$307,319	\$342,949	\$418,202	\$460,022	\$527,031
Ice Rental	\$331,055	\$364,160	\$382,368	\$393,839	\$405,654
FEC/Adventure	\$938,769	\$1,098,075	\$1,338,149	\$1,557,657	\$1,739,485
Fitness and Training	\$227,888	\$273,466	\$315,853	\$331,646	\$348,228
Outdoor Rental Multi-Purpose Field Tournaments	\$58,800	\$82,800	\$113,520	\$150,480	\$178,794
Outdoor Soccer	\$58,120	\$68,589	\$85,267	\$92,867	\$101,326
Outdoor Football	\$17,050	\$20,002	\$24,711	\$26,827	\$29,173
Outdoor Lacrosse	\$19,125	\$24,463	\$33,076	\$37,661	\$43,049
Outdoor Field Rental	\$91,056	\$95,609	\$110,428	\$115,950	\$121,747
Outdoor Amenities	\$547,475	\$741,360	\$922,141	\$1,154,280	\$1,323,953
Birthday Parties	\$33,600	\$40,320	\$46,570	\$48,898	\$53,910
Youth Programming	\$137,300	\$151,030	\$174,440	\$183,162	\$201,936
Parking Fees	\$66,150	\$93,150	\$116,100	\$153,900	\$174,150
Facility Fees	\$152,160	\$166,720	\$204,640	\$238,880	\$249,600
Food & Beverage	\$825,086	\$955,116	\$1,131,968	\$1,326,359	\$1,420,971
Hotel Rebates	\$105,654	\$128,274	\$159,292	\$197,225	\$213,016
Retail	\$36,051	\$41,980	\$49,298	\$58,277	\$62,239
Tenant Revenue	\$324,000	\$324,000	\$324,000	\$324,000	\$324,000
Sponsorship/Advertisement Revenue	\$235,000	\$235,000	\$285,000	\$285,000	\$315,000
Total Revenue	\$5,604,304	\$6,473,070	\$7,761,976	\$8,819,770	\$9,681,420

TOTAL EXPENSE

Cost of Goods Sold	Year 1	Year 2	Year 3	Year 4	Year 5
Rental Basketball Tournaments	\$3,400	\$4,000	\$5,940	\$8,140	\$9,702
Rental Volleyball Tournaments	\$15,400	\$15,400	\$19,800	\$23,100	\$24,255
Court Rental Events	\$2,800	\$4,000	\$5,280	\$5,720	\$6,006
Meetings and Non-Sport Events	\$35,160	\$36,215	\$41,031	\$42,262	\$45,707
Basketball	\$88,003	\$104,207	\$124,080	\$135,388	\$144,641
Volleyball	\$45,487	\$53,726	\$65,480	\$71,349	\$77,111
Court Rentals	\$10,793	\$11,116	\$12,022	\$12,383	\$13,392
Rental Hockey Tournaments	\$18,900	\$21,600	\$29,700	\$32,670	\$37,422
In-House Hockey	\$39,200	\$48,378	\$60,652	\$67,696	\$74,376
In-House Ice Programs	\$64,289	\$71,721	\$87,440	\$96,184	\$110,209
Ice Rental	\$54,624	\$60,086	\$63,091	\$64,983	\$66,933
FEC/Adventure	\$341,834	\$400,247	\$487,743	\$567,751	\$634,200
Fitness and Training	\$124,833	\$149,799	\$173,018	\$181,669	\$190,753
Outdoor Rental Multi-Purpose Field Tournaments	\$5,880	\$8,280	\$11,352	\$15,048	\$17,879
Outdoor Soccer	\$19,241	\$22,707	\$26,563	\$28,931	\$30,624
Outdoor Football	\$5,467	\$6,414	\$7,460	\$8,099	\$8,546
Outdoor Lacrosse	\$4,211	\$5,387	\$6,906	\$7,863	\$8,754
Outdoor Field Rental	\$4,553	\$4,780	\$5,521	\$5,797	\$6,087
Outdoor Amenities	\$136,869	\$185,340	\$230,535	\$288,570	\$330,988
Birthday Parties	\$9,264	\$11,117	\$12,477	\$13,101	\$14,244
Youth Programming	\$57,607	\$63,367	\$72,958	\$76,606	\$84,331
Parking Fees	\$14,884	\$20,959	\$26,123	\$34,628	\$39,184
Facility Fees	\$0	\$0	\$0	\$0	\$0
Food & Beverage	\$453,797	\$525,314	\$622,582	\$729,498	\$781,534
Hotel Rebates	\$0	\$0	\$0	\$0	\$0
Retail	\$25,236	\$29,386	\$34,509	\$40,794	\$43,567
Tenant Expense	\$0	\$0	\$0	\$0	\$0
Sponsorship/Advertisement Expense	\$58,750	\$58,750	\$71,250	\$71,250	\$78,750
Total Cost of Goods Sold	\$1,640,479	\$1,922,296	\$2,303,514	\$2,629,479	\$2,879,195
Gross Margin	\$3,963,825	\$4,550,774	\$5,458,462	\$6,190,290	\$6,802,225
% of Revenue	71%	70%	70%	70%	70%
Facility Expenses	\$1,091,131	\$1,101,890	\$1,122,756	\$1,145,464	\$1,164,650
Operating Expense	\$941,941	\$935,354	\$1,000,403	\$1,058,596	\$1,108,142
Management Payroll	\$1,247,000	\$1,350,880	\$1,527,915	\$1,643,032	\$1,762,753
Payroll Taxes/Benefits/Bonus	\$450,965	\$501,568	\$581,844	\$642,453	\$695,939
Total Operating Expenses	\$3,731,036	\$3,889,691	\$4,232,917	\$4,489,545	\$4,731,484

SUMMARY PERFORMANCE

Financial Performance Summary - Full Athletic Facility

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Revenue	\$5,604,304	\$6,473,070	\$7,761,976	\$8,819,770	\$9,681,420
Total Cost of Goods Sold	\$1,640,479	\$1,922,296	\$2,303,514	\$2,629,479	\$2,879,195
Gross Margin	\$3,963,825	\$4,550,774	\$5,458,462	\$6,190,290	\$6,802,225
<i>% of Revenue</i>	71%	70%	70%	70%	70%
Total Operating Expenses	\$3,731,036	\$3,889,691	\$4,232,917	\$4,489,545	\$4,731,484
EBITDA	\$232,789	\$661,083	\$1,225,544	\$1,700,745	\$2,070,741
<i>% of Revenue</i>	4%	10%	16%	19%	21%

AVERAGE DAILY EXPENDITURE

Per Person Spending By Category

	Year 1	Year 2	Year 3	Year 4	Year 5
Lodging/Accommodations	\$50.00	\$50.75	\$51.51	\$52.28	\$53.07
Dining/Groceries	\$51.75	\$52.53	\$53.31	\$54.11	\$54.93
Transportation	\$8.80	\$8.93	\$9.06	\$9.20	\$9.34
Entertainment/Attractions	\$4.14	\$4.20	\$4.27	\$4.33	\$4.39
Retail	\$24.32	\$24.69	\$25.06	\$25.43	\$25.82
Miscellaneous	\$13.97	\$14.18	\$14.39	\$14.61	\$14.83
Total	\$152.98	\$155.28	\$157.61	\$159.97	\$162.37

ECONOMIC IMPACT

Number of Events Per Year

	Year 1	Year 2	Year 3	Year 4	Year 5
Basketball Tournaments	6	7	9	12	14
Volleyball Tournaments	10	10	12	14	14
Ice Events/Ice Hockey Tournaments	7	8	10	11	12
Other Tournaments/Events	5	7	8	9	9
Multi-Purpose Field Tournaments	6	7	8	10	11
Total Events Per Year	34	39	47	56	60

Economic Impact Drivers

	Year 1	Year 2	Year 3	Year 4	Year 5
Non-Local Days in Market - Overnight	139,328	169,407	210,122	260,369	281,172
Room Nights	33,541	40,722	50,569	62,611	67,624

Economic Impact

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Direct Spending - Overnight	\$21,314,669	\$26,305,051	\$33,116,492	\$41,651,277	\$45,653,912
Total Indirect Spending	\$0	\$0	\$0	\$0	\$0
Total Economic Impact	\$21,314,669	\$26,305,051	\$33,116,492	\$41,651,277	\$45,653,912



Next Steps

OPPORTUNITIES

- Facility represents a best-in-class tournament capable facility with diverse assets such as:
 - Large court space to host tournaments and events (sport or non-sport)
 - FEC is a guest differentiator and revenue driver
 - Developing turf fields in the region allows for longer playability
 - Sports Performance Area with indoor turf training space
 - Medical Lease space is additional revenue for the facility with no added expense
 - Designated Go-Kart Track and RV Spots
- Drive new revenue/programs and grow local sports/recreation programs
- Creates strong economic development, economic impact, and tax revenue generation drivers to increase non-local visitation and spending – approximately \$45.6 million at maturity
- Operationally self-sustaining model from Year 1 – Year 5 at maturity

NEXT STEPS

- Review Pro Forma and make updates
- Explore strategic partnerships
 - Private sector
 - Tournament rights holders
 - Schools/Universities
 - Local sports organizations
- Explore potential upfront and operational funding mechanisms
 - Hotel/motel taxes
 - Sales tax
 - Development incentives
 - Grants
- SFC: update Pro Forma and create & send final report



THE SPORTS FACILITIES COMPANIES

Q & A

NEXT STEPS

DRAFT PRO FORMA