

Rancho Santa Margarita

RANCHO SANTA MARGARITA CHIQUITA RIDGE
SPORTS FACILITY MARKET, FEASIBILITY AND
IMPACT ANALYSIS

JUNE 2017



June 15, 2017

FINAL REPORT

City of Rancho Santa Margarita

Cheryl Kuta

Development Services Director

22112 El Paseo

Rancho Santa Margarita, CA 92688

Dear Mrs. Kuta,

The City of Rancho Santa Margarita (RSM or City) engaged the Hunden Strategic Partners Team (HSP or HSP Team) including David Greusel of Convergence Design, to conduct a market and financial study of a proposed 23-acre sports complex as part of the Chiquita Ridge development. The study profiled existing recreation facilities in the local market in order to understand the current demand and future opportunity. The objective of the study is to determine the feasibility of constructing a sports park and what type in accordance with the 2009 settlement agreement with Orange County. The attached is our FINAL report.

This deliverable has been prepared under the following general assumptions and limiting conditions:

- The findings presented herein reflect analysis of primary and secondary sources of information that are assumed to be correct. HSP utilized sources deemed to be reliable, but cannot guarantee their accuracy.
- No responsibility is taken for changes in market conditions after the date of this report and no obligation is assumed to revise this report to reflect events or conditions occurring after the date of this report.
- HSP has no control over construction costs or timing of construction and opening.
- Macroeconomic events affecting travel and the economy cannot be predicted and may impact the development and performance of the project.

We have enjoyed serving you on this engagement and look forward to providing you with continuing service.

Sincerely yours,

FINAL REPORT

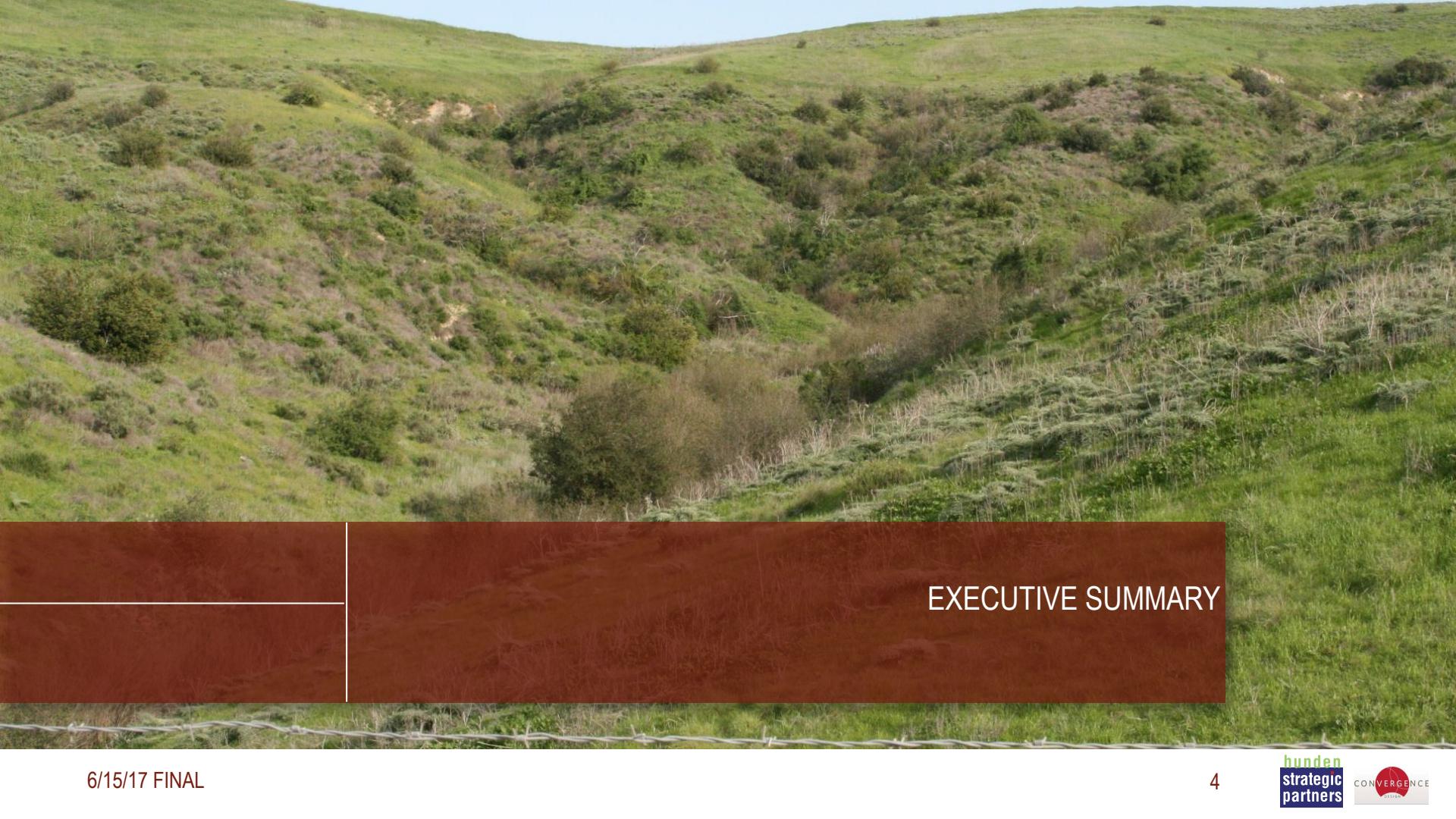
Hunden Strategic Partners



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The Hunden Strategic Partners Team, including sports architects from Convergence Design, were retained to assess the market demand, financial feasibility and economic and fiscal impact of a proposed 23-acre active sports park as part of the potential development of Chiquita Ridge Property (Property). The City is considering the development of the site to meet the current and future needs of the community, to support athletic programs and to generate new tournament-oriented spending from visiting teams. The site is required to be developed with a minimum 23-acre active sports park pursuant of a 2009 Settlement Agreement with Orange County. If any development occurs on the property, the 23-acre sports park must be constructed first or concurrently with any other development.

The Agreement detailed the components of the Chiquita Ridge Property, including:

- **Usable Acreage** – 55 acres. If the Property is developed, there *must* be an active sports park that is a minimum of 23 acres. Approximately 32 acres remain to be developed for other potential uses. The Property is currently zoned as Open Space. The City will have to comply with all land use entitlement procedures, including zoning, CEQA, and permitting through outside agencies.
- **Disturbed Acreage** – Any portion of the remaining 37 acres may be disturbed and temporarily used for construction activities. The Settlement Agreement contains requirements for restoration and mitigation of disturbed acreage. The Settlement Agreement contains further provisions regarding fuel modification requirements relating to the use of the 55 acres.
- **Preserved Acreage** – This consists of any portion of the 92-acre Property that is not part of the usable acreage or disturbed acreage. The City has a duty to preserve and protect habitat value from third party encroachment.

HSP has completed a prior analysis of the potential development of the 32 acres for non-sports uses. This study focuses on the development of the active sports park.

HSP assessed the market demand for various active sports uses as well as the existing supply of facilities and fields to accommodate the local demand. The priorities associated with the development are a balance of several factors: identify and accommodate local sports demand, fiscal considerations and inducing (or retaining) economic impact to the community by drawing tournaments.

The following pages show a summary of each chapter of our report.

Economic, Demographic & Tourism Analysis

- RSM has experienced a population growth rate of more than 300 percentage points from 1990 through 2000, when RSM incorporated as a city. Presently, RSM is reaching full build-out with a population of approximately 50,000, which has experienced limited growth over the past five years.
- Regionally, RSM is within a 45-minute drive of more than 3.2 million people and more than 1 million households.

Local Sports Facility Assessment & Demand Analysis

- Locally, there is lack of indoor facilities, specifically for volleyball, basketball, cheer and dance. One dedicated volleyball facility exists in RSM, but is limited to use by the Laguna Beach Volleyball Club. In RSM, indoor and outdoor facilities are used primarily for recreational purposes with minimal tournament usage.
- Most facilities lack lights, which limits usage, and local user groups indicated demand for lighted facilities.
- From HSP research, lacrosse has the highest outdoor tournament demand, followed by baseball and softball.
- HSP identified interest from local and regional groups in bringing or relocating tournaments to RSM, particularly with an indoor facility or a baseball/softball complex with at least six diamonds.
- There is little to no demand for new recreational outdoor facilities; however, utilization of existing facilities is reaching capacity at a majority of the sports parks.
- Of the 257 citizens who participated in the survey, 61.9 percent indicated members of their household participate in sports programs, whether in RSM or elsewhere in the region and approximately 50 percent indicated their household members engage in activities at sports and recreation facilities a few times per week. Nearly 63 percent indicated there is no need for indoor or outdoor sports facilities and nearly 24 percent indicated a need for both indoor and outdoor facilities.

Regional and State Sports Facility Analysis

- Regionally, indoor and outdoor facilities are well represented. However, there is a lack of indoor facilities in southern Orange County (particularly publicly owned and operated), and outdoor baseball/softball complexes that feature more than four diamonds, which is the minimum size for tournament play.
- All competitive indoor facilities are privately owned though operate under different models, such as a rental facility only or a training and tournament facility. The competitive outdoor facilities offer more acreage than available at Chiquita Ridge.

Sports Tourism & Opportunity Analysis

- A new multisport indoor or outdoor athletic complex in RSM would likely host tournaments of regional size in the immediate future and various clubs/teams have expressed interest in a new development in the area.
- A facility in RSM is expected to attract teams from Southern California and regionally.

Case Studies

- HSP identified four case studies that are similar to what could potentially be constructed at Chiquita Ridge. The facilities are Orange Beach Sportsplex in Orange Beach, AL, FieldhouseUSA in Frisco, TX, UW Health Sports Factory in Rockford, IL and Eagle Stadium at Etiwanda High School in Rancho Cucamonga, CA.
- While differences are found between each facility, each complex's business model includes tournaments as well as local usage. An emphasis is placed on tournaments while local groups are offered usage based on calendar availability after tournaments are scheduled.
- In addition, HSP analyzed a high school football stadium that is a result of a successful public-private partnership. In this case, the school needs were met by having the new facility and the city has access as needed.

Hotel and Restaurant Supply Analysis

- Available hotel room occupancy provides room for tournaments on the weekend, and the average daily rates also are ideal for tournament and participants.
- The addition of a potential mixed use development on the Property, which could include a hotel and a variety of restaurants, can also bolster the demand and attractiveness for a youth sports development, which is a great advantage when soliciting event organizers. While there is a lack of restaurant offerings surrounding the Property, this provides an opportunity for a restaurant node to serve demand generated by the youth sports development.

Scenarios and Recommendations

HSP identified four scenarios for potential development of the 23 acres at Chiquita Ridge. Each scenario addresses various benefits that city could capture from sports facility development, such as generation of room nights and/or increased facilities for local usage. The four scenarios are summarized below.

- **Scenario One: Indoor Athletic Facility** - Six to eight hardwood courts and an indoor multipurpose field.
- **Scenario Two: Outdoor Athletic Complex** - Six to eight baseball/softball diamonds designed primarily for tournaments.
- **Scenario Three: Stadium** – 5,000-seat high school football stadium and an adjacent multipurpose turf field.
- **Scenario Four Outdoor Recreational Complex**: Six to eight baseball/softball diamonds designed for local recreational use.

From the perspective of pure local demand versus supply, there does not appear to be a lack of facilities and fields for numerous types of sports, although the lack of indoor facilities is more pronounced. Topographically, the site is easier to develop for an indoor facility than an outdoor complex due to the hills and slopes on the site, which would require significant grading and leveling for any outdoor development concept. Such grading would also impact the inherent aesthetic and environmental qualities of the site, which many in the community appreciate.

From a fiscal perspective, any indoor or outdoor active sports complex will generate an operating deficit. A third alternative, which has the least impact on local sports accommodation, is the development of a football and multipurpose field/stadium and one adjoining multipurpose field for local high school use. From a fiscal perspective, the high school stadium development costs would be negotiated through public-private partnership, with the high school maintaining the facilities. However, it would also be the least available to the general public for use and would provide the least amount of facilities for local active sports usage.

From an economic impact perspective, the concepts can be thought of as attractors of economic activity, especially if tournaments are held on site. Currently, economic leakage is occurring with many types of sports, as local teams and leagues are having to leave RSM in order to play their sport. Simply by providing a local facility for local sports, local spending will be retained that is currently leaving. This also has a positive impact on the quality of life for RSM residents, especially as it relates to time driving to and from practices and games. With a local facility, traffic time is reduced, quality sports and recreation time is gained, and local spending stays local. Finally, the indoor and outdoor scenarios provide an opportunity for weekend tournaments, which would induce new spending to RSM, especially in hotels, restaurants and general retail stores. Given the lack of hotels in RSM currently, any tournament opportunity would help support the feasibility of a new hotel or hotels on the adjacent 32 acres studied previously at Chiquita Ridge. Hotels were shown as a need and opportunity in the prior study to support local businesses as well as social and leisure demand for visiting family and friends.

For these four scenarios, we estimated development costs and annual operating revenues and expenses. The table below summarizes the estimated development costs and revenue and expenses for a tenth year of operations.

Scenarios	Chiquita Ridge Sports Facility Cash Flow Summary				
	Development Cost	Operating Revenue (Year 10)	Operating Expense (Year 10)	Facility Reserve (Year 10)	Annual Operating Revenue (Deficit)
Scenario 1: Indoor Tournament Sports Facility	\$37,700,000	\$785,000	\$1,047,000	\$8,000	(\$270,000)
Scenario 2: Baseball/Softball Tournament Sports Facility	\$20,940,000	\$718,000	\$958,000	\$34,000	(\$274,000)
Scenario 3: High School Stadium	\$43,400,000	--	--	--	--
Scenario 4: Outdoor Recreational Sports Facility	\$19,000,000	\$326,000	\$671,000	\$11,000	(\$356,000)

Source: Convergence Design, Hunden Strategic Partners

After considering all of the options and factors, HSP recommends the development of an indoor sports facility with adequate parking, and should consider an active running and walking trail that take advantage of Chiquita Ridge's topography. Scenario one is preferred by HSP, because the indoor facility will fill a gap in the local and regional market and provide an indoor facility for local and regional sports programs for practices, league and tournament play. It would also allow RSM to capture new room nights, assuming that a hotel is built on the adjacent 32 acres.

A conceptual site plan of scenario one is shown to the right.



DEMAND AND FINANCIAL PROJECTIONS

The following table shows a summary of event and financial performance (year 10) for the four scenarios.

RSM Chiquita Ridge Sports Complex Scenarios - Year 10 Event Summary				
	Scenario One	Scenario Two	Scenario Three	Scenario Four
Summary of Usage	Tournaments: 29, 75,000 attendees & 3,840 rental hours	Tournaments: 31, 51,000 attendees & 151 events	SMCHS athletics & other	Local events: 147 & 42,000 attendees
Revenue (000s)	\$785	\$718	\$0	\$326
Expenses (000s)	\$1,047	\$958	\$0	\$671
Net Operating Income (000s)	(\$270)	(\$274)	\$0	(\$356)

Source: Hunden Strategic Partners

Scenario one (indoor facility) and scenario two (outdoor tournament facility) are the two scenarios expected to have tournament impact. Scenario three (stadium) is assumed to be operated by Santa Margarita Catholic High School, who would capture the revenue and expenses of the facility. Scenario four (outdoor recreational facility) is expected to generate events, event days and attendance on a local level.

ECONOMIC, FISCAL & EMPLOYMENT IMPACT ANALYSIS

The following table provides a summary of impacts for the four scenarios.

RSM Sports Facility Scenarios - Summary of 20-Year Impacts				
Net New	Scenario One	Scenario Two	Scenario Three	Scenario Four
Hotel Room Nights	26,889	39,267	0	0
Total Spending (millions)	\$61	\$46	\$0	\$0
Total Earnings (millions)	\$15	\$12	\$0	\$0
FTE Jobs	17	11	0	0
RSM Taxes Collected				
Sales Tax (1.0%)	\$407,769	\$329,649	\$0	\$0
Hotel Occupancy Tax (8.0%)	\$33,863	\$49,983	\$0	\$0
Total Taxes Collected	\$441,632	\$379,542	\$0	\$0

Source: Hunden Strategic Partners

Based on the projected number of events and attendance for scenario one, the indoor facility is expected to generate nearly 27,000 room nights and more than \$441,000 in collected taxes, over the 20-year period. The outdoor tournament facility (scenario two) is projecting nearly 40,000 room nights and nearly \$380,000 in taxes during the period. Scenario three (stadium) and scenario four (outdoor recreational facility) 20-year impact numbers are zero due to the programming of the facilities are attracting local residents and are not generating any room nights from events at the facilities.

CHIQUITA RIDGE OVERVIEW

Located south of RSM's commercial core, the Property lies between Antonio Parkway and the State Road 241 Toll Road. Tijeras Creek Golf Club is also located just to the west of the Property across Antonio Parkway.

In 2002, RSM discovered that this Property was not signed over by the County even though all county-owned land within RSM's city limits was to be transferred to the City. RSM began a legal action against the County of Orange in 2005 for ownership and control of the Property, which at the time enveloped hundreds of acres of land. The Settlement Agreement reached between RSM and the County in 2009 states the available uses for certain amounts of the land. The Agreement detailed the components of the Chiquita Ridge Property, including:

- **Usable Acreage** – 55 acres. If the Property is developed, there *must* be an active sports park that is a minimum of 23 acres. Approximately 32 acres remain to be developed for other potential uses. The Property is currently zoned as Open Space. The City will have to comply with all land use entitlement procedures, including zoning, CEQA, and permitting through outside agencies.
- **Disturbed Acreage** – Any portion of the remaining 37 acres may be disturbed and temporarily used for construction activities. The Settlement Agreement contains requirements for restoration and mitigation of disturbed acreage. The Settlement Agreement contains further provisions regarding fuel modification requirements relating to the use of the 55 acres.
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The figure on the next page shows an overhead view of the Property.

CHIQUITA RIDGE DEVELOPMENT OVERVIEW

The green line designates the Chiquita Ridge Property, which borders Cañada Vista Park and the City Boundary. Cañada Vista Park has two lighted baseball diamonds, a City operated Skate Park and a City operated dog park. There is also a six-acre parcel of land on the Property owned and utilized by the Santa Margarita Water District, which has an active water tank and access drive bifurcating the Chiquita Ridge Property.



ECONOMIC, DEMOGRAPHIC & TOURISM ANALYSIS

Local market area characteristics such as population, a diversified economy, education, access and tourist attractions influence the potential demand for hotels. This section profiles Rancho Santa Margarita and the surrounding area, including an overview of the economic characteristics of the market and the area.

Rancho Santa Margarita and the site are both settled along the eastern and southeastern edge of suburban development, somewhat inland from the Pacific coast, and have developed around and in the small canyons of the Santa Ana mountain range foothills. The city is largely separated from the rest of the developed areas by the deep and rugged Trabuco Canyon, over which three bridges cross in the area of Rancho Santa Margarita.

Regional Access

Because of its convenient location adjacent to Los Angeles, Orange County and Rancho Santa Margarita are easily accessible via numerous means of transportation. The Greater Los Angeles area is served by a vast network of freeways within its metro area, including some with the highest average daily traffic in the nation. However, Southern California is rather isolated from other large American cities in the more densely populated eastern half of the United States. San Diego (90 minutes), Las Vegas (four hours), and Phoenix, AZ (5.5 hours) and the San Francisco Bay Area/Silicon Valley (6.5 hours) are the only major MSAs within a day's highway commute. Beyond those cities, there are no major cities closer than Salt Lake City, Portland or Denver, at 650 miles, 980 miles, and 1,000 miles away respectively.

The next page includes a discussion on the major access roads.

Rancho Santa Margarita Regional Map



The unfinished Foothill Transportation Corridor is a four-lane toll highway that connects, and currently ends in Rancho Santa Margarita at Oso Parkway near the Property. The Foothill Transportation Corridor (SR 241), threads through the more recent developments of Rancho Santa Margarita from the northern portions of Orange County and Foothill Ranch. There are no limited access highways that connect Rancho Santa Margarita to the west or I-5. The best route to the west from Rancho Santa Margarita is along a network of six-lane boulevards, particularly Alicia Parkway and Oso Parkway.

The Property, the subject of this study, is located along the east side of Antonio Parkway north of Oso Parkway.

The Orange County tourist attractions and regional draws of Disneyland, California Adventure, Angel Stadium, Honda Center, Anaheim Garden Walk, World Trade Business Center, UC-Irvine Hospitals, The Outlets at Orange, and Main Place Mall, all are located within a mile of the convergence of the Santa Ana (I-5), Orange and Garden Grove Freeways.

Airport Access

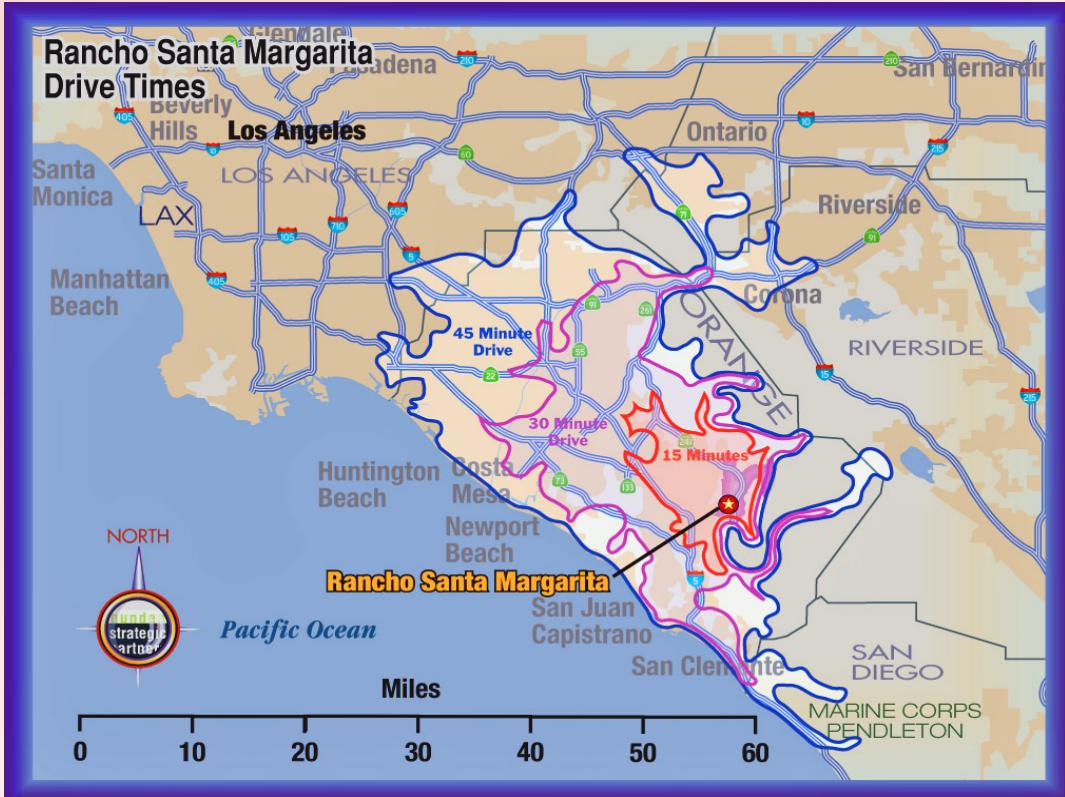
- The Greater Los Angeles area is served by several passenger commercial airports, the largest hub being Los Angeles International Airport, commonly referred to as LAX. In 2015, LAX handled 74,936,256 passengers, an increase of six percent from the previous year, making it the seventh busiest airport by passenger traffic in the world. The airport holds the claim for “the world’s busiest origin and destination airport” and has for many years.
- John Wayne International Airport (SNA) is the most convenient commercial airport for Orange County. A record 10,180,285 passengers boarded or arrived at the airport in 2015, making it the area’s second busiest airport after LAX. Southwest Airlines, American, United, Alaska, and Delta, in that order, are the most used airlines.
- San Diego International Airport (SAN) is only 84 miles south of Rancho Santa Margarita and is a popular alternative airport for those in southern Orange County. The airport has 465 outgoing and incoming flights daily, hosting between 44,000 and 48,000 passengers daily. San Diego is the largest metro area in the U.S. that is not an airline hub or secondary hub, however, it is a focus city for Alaska Airlines and Southwest Airlines. Despite the lack of numerous connections that is the hallmark of hub airports, San Diego International Airport still managed a record 20,081,258 travelers through its gates in 2015. Southwest is by far the busiest airline at the airport.

POPULATION GROWTH

- The population increase for Rancho Santa Margarita and Orange County from 2000 through 2015 was 4.5% and 11.4% respectively
- Rancho Santa Margarita incorporated in 2000 and experienced a more than 300 percent population growth from 1990 through 2000
- RSM is reaching full build-out, which has limited growth over the past five years

	Population and Growth Rates				
	1990	2000	2010	2015 Estimate	Percent Change 2000-2015
United States	248,709,873	281,421,906	308,745,538	321,418,820	14.2%
California	29,760,021	33,871,648	37,253,956	39,144,818	15.6%
Los Angeles-Long Beach-Anaheim MSA	14,531,529	12,365,627	12,828,837	13,340,068	7.9%
Orange County	2,410,556	2,846,289	3,010,232	3,169,776	11.4%
City of Rancho Santa Margarita	11,390	47,214	47,853	49,324	4.5%
City Pop. As % of Metro Area	0.1%	0.4%	0.4%	0.4%	--

Source: U.S. Census Bureau, Hunden Strategic Partners



RSM DRIVE TIME & POPULATION

Rancho Santa Margarita - 2016 Population by Drive Time Radius

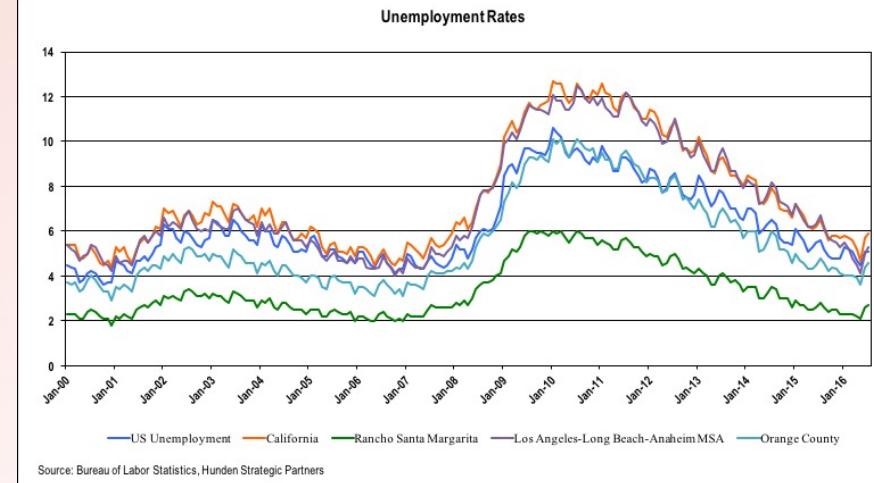
Category	15 minutes	30 minutes	45 minutes
Population	278,428	1,310,312	3,241,650
Households	96,874	458,138	1,043,128

Source: Esri

- Nearly 280,000 people live within a 15-minute drive of the Chiquita Ridge site, which accounts for nearly 97,000 households
- More than 1.3 million people and more than 458,000 households are within a 30-minute drive
- More than 3.2 million people and more than 1 million households are within a 45-minute drive

UNEMPLOYMENT RATES

- Local unemployment rates have trended below the county, MSA, state and national rate since January 2000.
- Presently, the unemployment rates of Orange County and Rancho Santa Margarita are below the national rate while the rates of the MSA and the state are slightly above.



Educational Attainment

Age 25+ Population	Rancho Santa Margarita	Orange County	California	United States
Did not complete high school	4.3%	15.9%	18.5%	13.6%
Completed high school	14.8%	17.8%	20.7%	27.8%
Some college	22.0%	21.1%	22.0%	21.1%
Associates Degree	10.0%	7.8%	7.8%	8.1%
Bachelors Degree	32.1%	24.2%	19.6%	18.4%
Graduate Degree	17.0%	13.1%	11.4%	11.2%

Source: US Census Bureau, Decision Date, Hunden Strategic Partners

EDUCATIONAL ATTAINMENT

- Residents of Rancho Santa Margarita with Bachelors degrees amount to 32.1 percent of the population, which is nearly eight percentage points higher than the state average and nearly 13 percentage points higher than the national average.

LARGEST EMPLOYERS

- Applied Medical is the largest employer in the area, employing 2,700 people.
- Thousands more are employed in other Orange County companies outside of the immediate area, and a strong network of highways and boulevards are important to the ability of residents in Rancho Santa Margarita to live in their community, but commute easily to their jobs in other major Orange County business and office centers.

Area Top Employers

Company	Industry	Number of Employees
Applied Medical	Medical Supply Manufacturing	2,700
Control Components	Valve Manufacturing	200
PADI International	Diving Instructor Training	180
Santa Margarita Catholic High School	Private Education	175
Serra Catholic School	Private Education	140
Pavillions	Grocery Store	136
St John's Episcopal School	Private Education	130
Lowe's	Home Improvement Store	129
Melissa Data	Data Services and Mailing Lists	105
Dove Canyon Country Club	Golf Course	100

Source: City of Rancho Santa Margarita

Orange County Attractions

Attraction	Category
Angel Stadium	Stadium
Beaches	Natural
Bowers Museum	Museum
Discovery Cube Orange County	Activity Center
Disneyland and Disneyland Resorts	Theme Park
International Surfing Museum	Museum
Knott's Berry Farm	Theme Park
Mission San Juan Capistrano	Historic District
The Grove of Anaheim	Music Venue

Source: Orange County CVB

TOURISM ANALYSIS

Tourist attractions provide visitors with activities while in town and if compelling enough, induce visitation. The more tourist attractions, the better a community can lure events such as tournaments. The most commonly-visited attractions of this area include the beaches along the Pacific Ocean to the west, as well as the world-famous Disneyland.

A discussion of the lesser-known attractions in the area are detailed on the following pages.

CITY NATIONAL GROVE OF ANAHEIM

The City National Grove of Anaheim is an indoor live music venue owned by the City of Anaheim and operated by Nederlander Concerts. The venue was built in 1998 originally as an award show-themed restaurant. It was converted to a concert venue in 2002 with a concert capacity of 1,700. Some of the artists that have performed at the venue include Air Supply, Boz Skaggs, Merle Haggard, Seal, Jamie Foxx and George Lopez.



MISSION SAN JUAN CAPISTRANO

Mission San Juan Capistrano was originally founded in 1776 and is owned by the Diocese of Orange County but is operated under a separate non-profit and receives no funding from the church or government. The entire Mission is on approximately ten acres. The site offers self-guided audio tours and has a museum.



INTERNATIONAL SURFING MUSEUM

The International Surfing Museum is located in Huntington Beach and opened in 1987. The non-profit museum preserves the history of surfing from around the world. The museum features displays of historic surfboards, information about famous surfers and shows classic surfer movies.



DISCOVERY CUBE ORANGE COUNTY

The Discovery Cube Orange County is a science museum in Santa Ana that opened in 1998. The museum has over 100 hands-on experiments to engage children. The venue is a visual landmark because of the ten-story solar array cube outside of the museum.



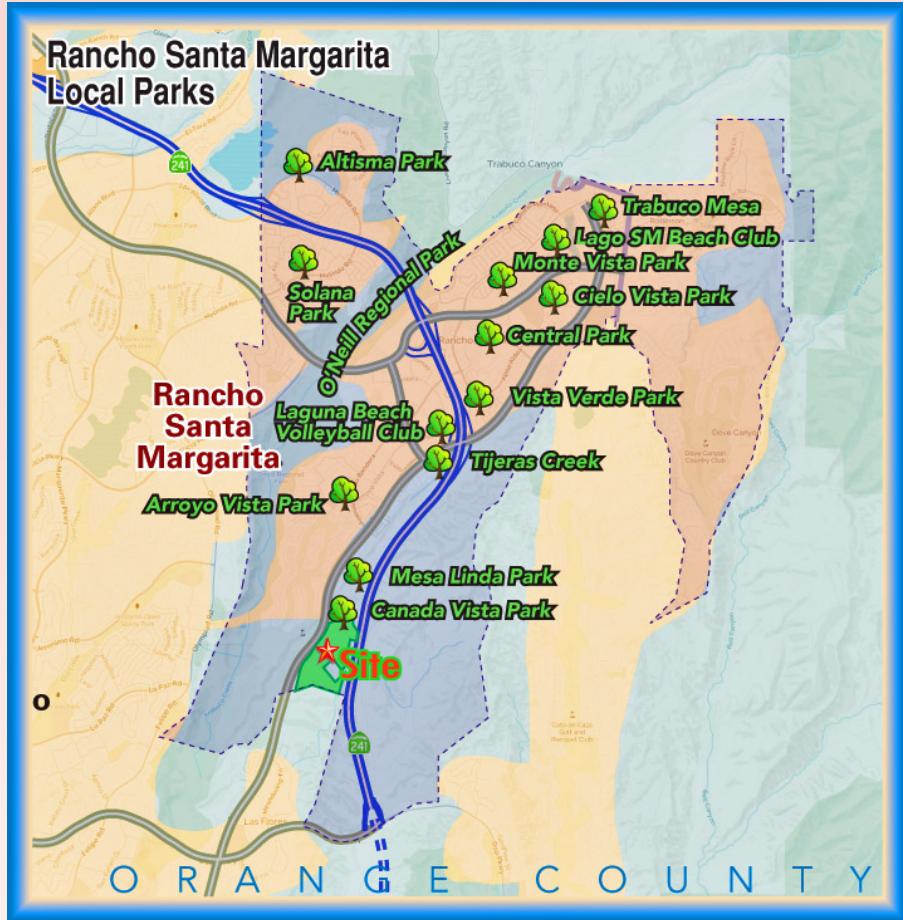
BOWERS MUSEUM

The Bowers Museum is located in Santa Ana and was founded in 1936. The museum offers more than 97,000 square feet of exhibition space, which includes a 30,000-square foot expansion from 2007, and features artifacts from the cultures of Mexico, Native America, Southeast Asia and Oceania.



IMPLICATIONS

RSM has experienced a growth rate of more than 300 percentage points from 1990 through 2000, when RSM incorporated as a city. Presently, RSM is reaching full build-out, which has limited growth over the past five years. RSM's convenient location adjacent to Los Angeles would allow for mid-sized tournaments to be attracted to a sports development at the Chiquita Ridge site due to the more than 3.2 million people that are within a 45-minute drive of RSM.



RSM LOCAL SPORTS FACILITY SUPPLY MAP

- 13 sports facilities locally in RSM.
- Majority of sports facilities are owned and operated by SAMLARC.
- All parks have easy access to SR-241.
- All parks are natural grass and the majority of parks do not have lights.
- In addition, local school facilities and other non-SAMLARC facilities also add to the supply in RSM.

RSM Local Athletic Facility Supply

Facility	Acres	Parking Spaces	Distance from Chiquita Ridge	Facility Supply							Total	Other
				Baseball/Softball	Basketball	Swimming Pool	Multipurpose	Tennis	Volleyball	Total		
Canada Vista Park*	6	116	0.3	--	2	--	2	--	0	4		Picnic Area
Mesa Linda Park**	2.1	0	3	--	--	--	--	2	1	3		Playground, Picnic and BBQ areas
Arroyo Vista Park*	8.4	76	3.5	--	2	1	2	3	1	9		Playground, Picnic and BBQ areas
Tijeras Creek*	4	0	3.8	--	3	--	1	--	--	4		Playground, Tot Lot, Picnic and BBQ areas
Laguna Beach Volleyball Club**	--	--	4.1	--	--	--	--	--	8	8		--
RSM Honda	--	75	4.6	1	--	--	--	--	--	1		Car Dealership
Vista Verde Park*	3.5	18	4.8	--	1	--	1	--	--	2		--
Central Park	8.5	10	5.4	--	--	--	1	--	--	1		Playgrounds, Tot Lots, Children's Pentaweb, Picnic and BBQ areas
Cielo Vista Park	2.5	22	5.5	--	--	--	--	2	--	2		Playground, Picnic and BBQ areas
Monte Vista Park	6.9	32	5.6	1	--	1	2	2	--	6		Playground, Picnic and BBQ areas
Santa Margarita Catholic High School	--	500	5.7	1	3	2	1	6	1	14		High School Campus
Solana Park	11.9	75	6.3	.5	2	1	2	--	--	5		Playground, Tot Lot, Picnic and BBQ areas
Lago Santa Margarita Beach Club	16	40	6.3	--	--	--	--	--	2	2		Fiesta Room, Boat Rentals, Picnic areas, Patios, Concession Stand, BBQ areas
Trabuco Mesa	11.9	27	6.4	1	3	--	2	3	--	9		Playground, Tot Lot, Picnic and BBQ areas
Estrella Vista Park	--	0	6.8	--	--	--	1	--	--	1		Playgrounds
Altisima Park*	11.3	99	7.2	1	2	1	2	2	--	8		Playground, Tot Lot, Picnic and BBQ areas
Average	7.8	73	5	1	2	1	2	3	2	5		--
Total	93	1,090	--	5	18	6	17	20	13	79		--

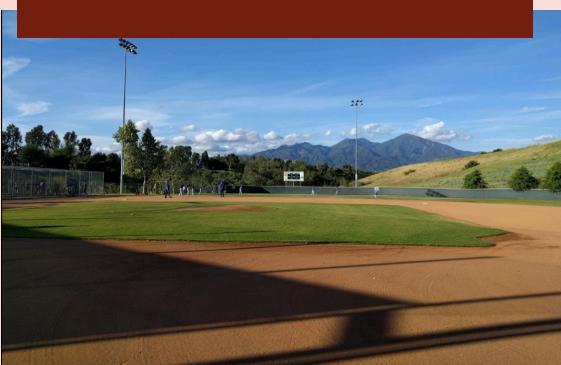
*Multipurpose fields are outlays in the outfield of baseball/softball diamonds

**Laguna Beach Volleyball Club has eight indoor volleyball courts

Source: Hunden Strategic Partners

- Lack of indoor athletic facility within the RSM area.
- All parks were built for local use and the supply includes no facilities built for tournaments in RSM. However, a few tournaments are programmed at facilities in RSM.
- Multipurpose fields and baseball/softball diamonds account for nearly 50 percent of the total athletic facilities in RSM. However, the majority of multipurpose fields are overlays in the outfields of the diamonds, which only allows one sport to be programmed at a facility at a time.

CANADA VISTA PARK



Located: Adjacent to Chiquita Ridge site

Size: 6 acres

Parking: 116 spaces

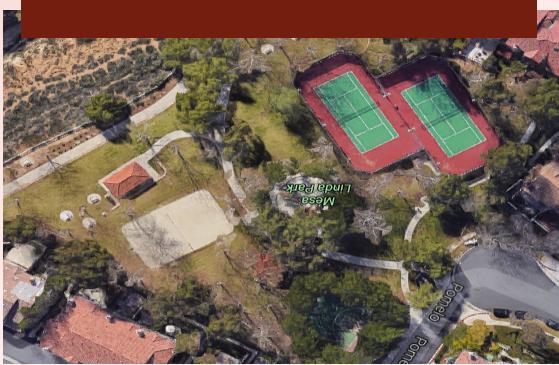
Owner / Operator: SAMLARC

Includes:
2 lighted baseball/softball diamonds
2 multipurpose fields (overlays)

Notable users: AYSO, RSMLL, TCLL

Utilization: High demand from local users with minimal tournament utilization

MESA LINDA PARK



Located: 3 miles from Chiquita Ridge site

Size: 2.1 acres

Parking: No spaces

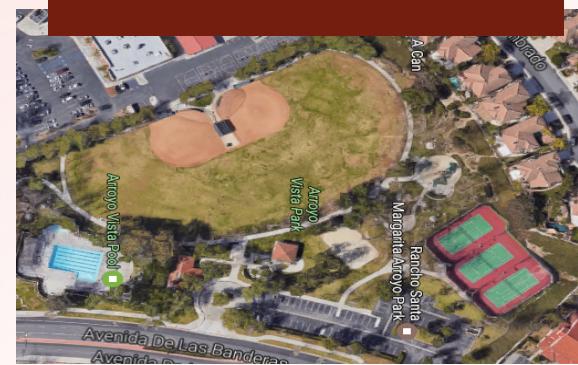
Owner / Operator: SAMLARC

Includes:
2 outdoor tennis courts
1 sand volleyball court (outdoor)

Notable users: Local tennis and volleyball programs

Utilization: Moderate demand from local users with minimal tournament utilization

ARROYO VISTA PARK



Located: 3.5 miles from Chiquita Ridge site

Acres: 8.4

Parking: 76 spaces

Owner / Operator: SAMLARC

Includes:
2 baseball/softball diamonds
2 multipurpose fields (overlays)
1 heated swimming pool
3 outdoor tennis courts
1 sand volleyball court (outdoor)

Notable users: AYSO, RSMLL, TCLL, SMPWF

Utilization: High demand from local users with minimal tournament utilization

TIJERAS CREEK



Located: 3.8 miles from Chiquita Ridge site

Size: 4 acres **Parking:** No spaces
(parking available at adjacent school)

Owner / Operator: SAMLARC

Includes: 3 lighted baseball/softball diamonds
1 multipurpose fields (overlay)

Notable users: AYSO, RSMLL, TCLL

Utilization: High demand from local users with minimal tournament utilization

LAGUNA BEACH VOLLEYBALL CLUB



Located: 4.1 miles from Chiquita Ridge site

Size: 36,590SF **Parking:** Shared Parking

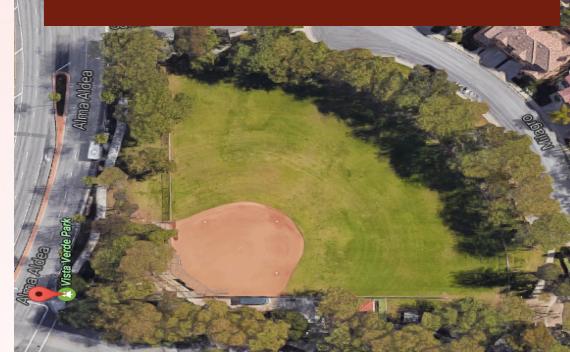
Owner / Operator: Laguna Beach Volleyball Club

Includes: 8 volleyball courts (indoor)

Notable users: Laguna Beach Volleyball Club

Utilization: High demand from local users with tournament usage throughout the year

VISTA VERDE PARK



Located: 4.8 miles from Chiquita Ridge site

Size: 3.5 acres **Parking:** 18 spaces

Owner / Operator: SAMLARC

Includes: 1 baseball/softball diamonds

Notable users: RTGSA, SMPWF

Utilization: Moderate demand from local users with minimal tournament utilization

CENTRAL PARK



Located: 5.4 miles from Chiquita Ridge site

Size: 8.5 acres **Parking:** 10 spaces

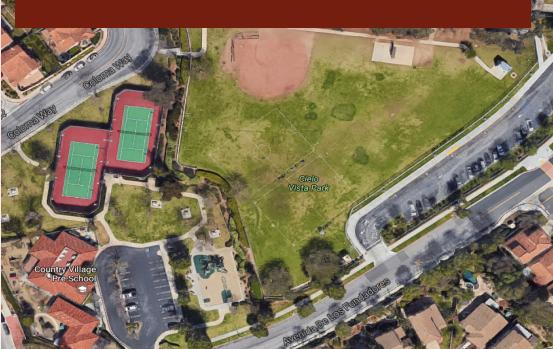
Owner / Operator: SAMLARC

Includes:
1 amphitheater
Soccer arena
Tot lot

Notable users: AYSO, RSMAS, SMPWF

Utilization: High demand from local users with minimal tournament utilization

CIELO VISTA PARK



Located: 5.5 miles from Chiquita Ridge site

Size: 2.5 acres **Parking:** 22 spaces

Owner / Operator: SAMLARC

Includes:
2 tennis courts
Tot lot

Notable users: Local community and recreational usage

Utilization: Moderate demand from local users with minimal tournament utilization

MONTE VISTA PARK



Located: 5.6 miles from Chiquita Ridge site

Size: 6.9 acres **Parking:** 32 spaces

Owner / Operator: SAMLARC

Includes:
1 basketball court
2 tennis courts
1 multipurpose fields
1 swimming pool

Notable users: Local community use, AYSO

Utilization: High demand from local users with minimal tournament utilization

SOLANA PARK



Notable users: AYSO, RSMLL, TCLL, SMPWF

Utilization: High demand from local users with moderate tournament utilization

Notable users: AYSO & RTGSA

Utilization: High demand from local users with moderate tournament utilization

Located: 6.3 miles from Chiquita Ridge site

Owner / Operator: SAMLARC

Size: 11.9 acres

Parking: 75 spaces

Includes: 2 multipurpose fields
2 baseball/softball diamonds
1 swimming pool
½ basketball court (outdoor)

LAGO SANTA MARGARITA BEACH CLUB

Located: 6.3 miles from Chiquita Ridge site

Owner / Operator: SAMLARC

Size: 16 acres

Parking: 40 spaces

Includes:
1 swimming lagoon
2 sand volleyball courts
(outdoor)



Notable users: Local community

Utilization: High demand from local users

Includes: 2 multipurpose fields
4 baseball/softball diamonds
1 swimming pool
1 basketball court (outdoor)

Size: 11.9 acres

Parking: 27 spaces

Owner / Operator: SAMLARC

Located: 6.4 miles from Chiquita Ridge site

Notable users: AYSO, RSMLL, TCLL, SMPWF

Utilization: High demand from local users with moderate tournament utilization



TRABUCO MESA

Located: 7.2 miles from Chiquita Ridge site

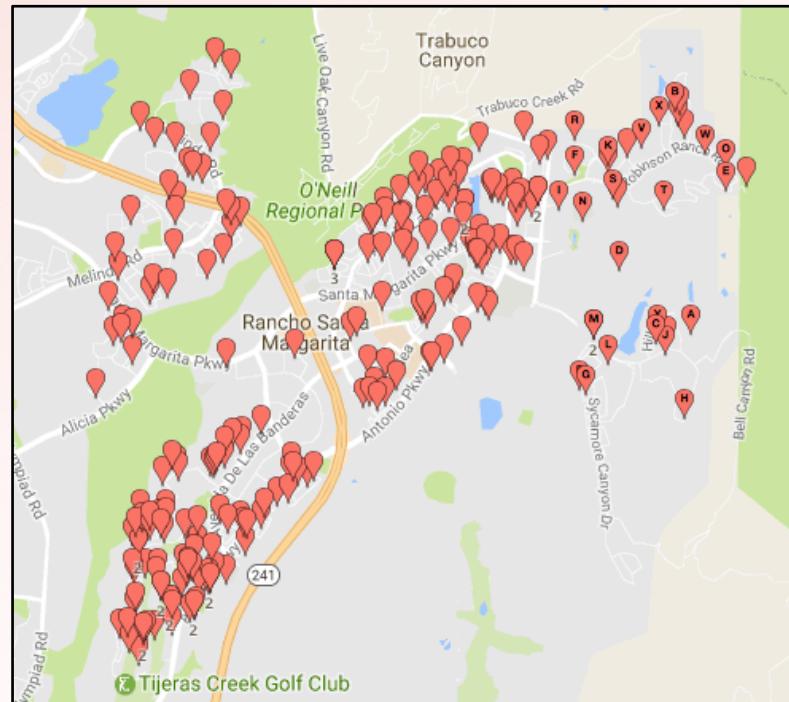
ALTISIMA PARK

CHIQUITA RIDGE DEVELOPMENT SURVEY

HSP collaborated with the City of Rancho Santa Margarita to conduct an online survey of the local community.

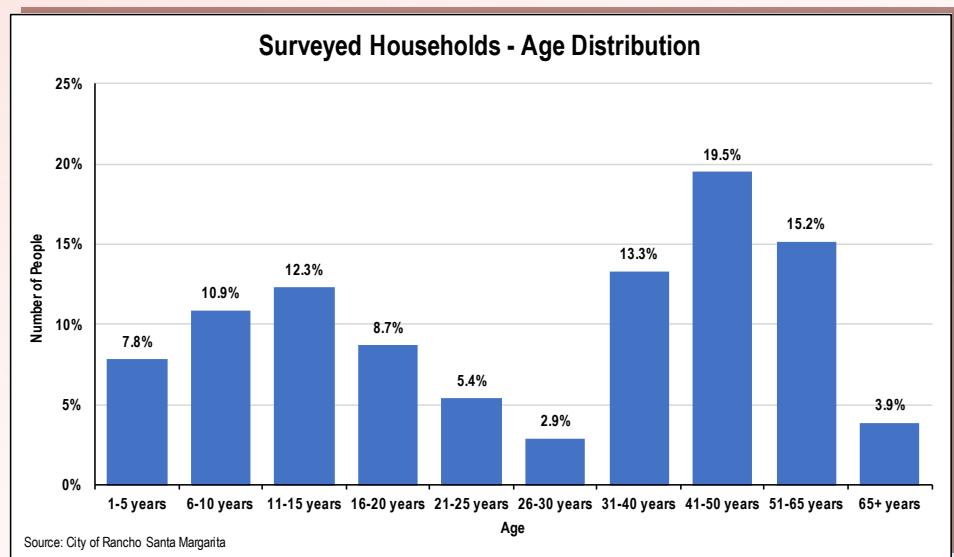
The City of Rancho Santa Margarita was interested in the community's thoughts and opinions about a potential Sports Park at the City-owned Chiquita Ridge property located at the southern end of the City, on the east side of Antonio Parkway, just south of Cañada Vista Park. To date, the City has conducted feasibility studies to determine the best use of the City-owned 92-acre site. Pursuant to a Settlement agreement with various parties including the County of Orange, if developed, 37 acres must remain open space with 55 acres to be developed. Of that 55 acres, 23 acres is required to be an active sports park, and 32 acres would be available for other development. The purpose of the survey was to elicit residents' opinions and thoughts about the 23-acre active Sports Park to help determine the needs of the residents.

The figure to the right shows the location in RSM for each resident that took part in the online survey.



AGE OF RESPONDENTS' FAMILY MEMBERS

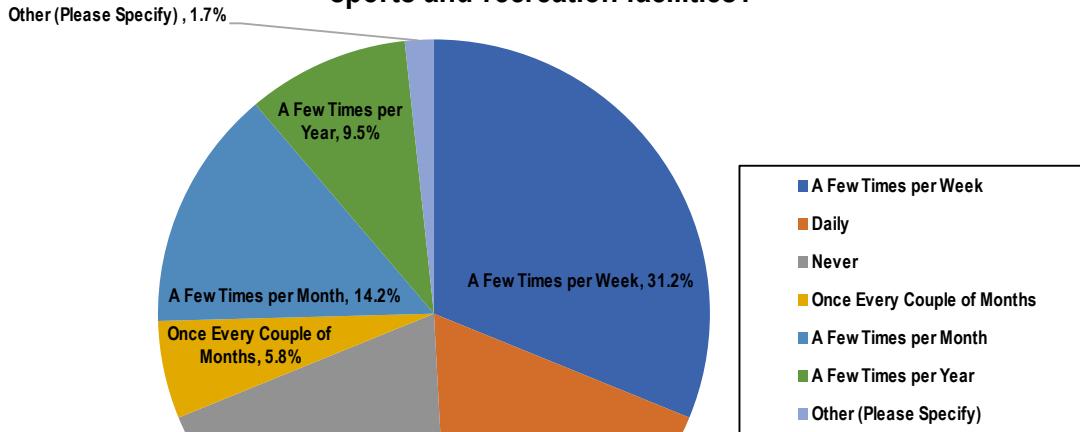
- Nearly 50 percent of the respondents households include family members that are 31 to 65 years old, followed by six to 15 years old at 23 percent



FREQUENCY OF PARTICIPATION

- Nearly 50 percent indicated their household members engage in activities at sports and recreation facilities a few times per week or daily
- A summary of the Other results are:
 - Utilize soccer and football fields in other cities
 - Actively hike
 - Participate and/or members of a fitness facility

How often do members of your household engage in activities at sports and recreation facilities?



Source: City of Rancho Santa Margarita

ACTIVITIES FAMILY MEMBERS WOULD PARTICIPATE IN

When asked, "Are there any activities your household does not currently participate in, but would participate in if they were available nearby?" a summary of the top surveyed responses are as followed:

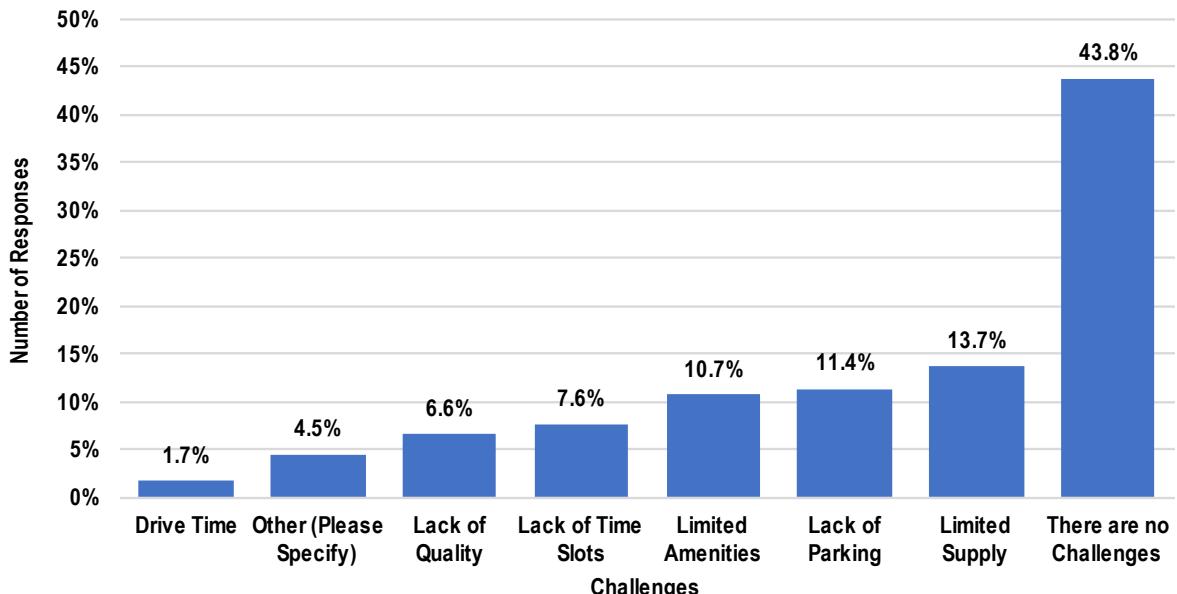
- Hiking – 7.3 percent
- Track – 3.6 percent
- Basketball – 2.7 percent
- Hockey – 2.7 percent
- Mountain Biking – 2.7 percent
- BMX – 1.8 percent
- Dog Park – 1.8 percent
- Frisbee – 1.8 percent
- Roller Hockey – 1.8 percent
- Tennis – 1.8 percent
- Volleyball – 1.8 percent

Additionally, 50 percent of the respondents indicated that there are no activities their household does not participate in, but would participate in if they were available.

RECREATION FACILITY CHALLENGES

- More than 43 percent indicated there are no challenges with utilizing current sports and recreation facilities in RSM
- Limited Supply, Lack of Parking and Limited Amenities had the highest percentage of respondents indicating challenges at current facilities, with 13.7 percent, 11.4 percent and 10.7 percent respectively
- Respondents who selected Other indicated the following challenges:
 - High traffic at sports/recreational facilities
 - Availability of facilities to non-SAMLARC residents

What are the challenges with utilizing the current sports and recreation facilities in RSM?

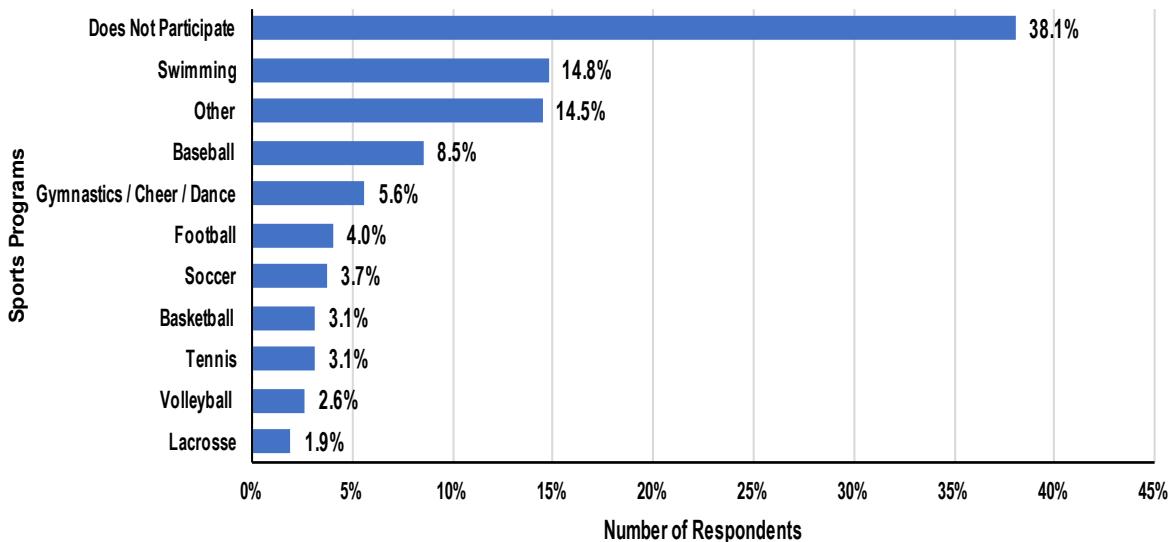


Source: City of Rancho Santa Margarita

SPORTS PROGRAM UTILIZATION

- More than 36 percent indicated their family members participate in outdoor sports programs (baseball, football, lacrosse, soccer, swimming and tennis)
- Indoor sports:
 - Gymnastics / Cheer / Dance – 5.6 percent
 - Basketball – 3.1 percent
 - Volleyball – 2.6 percent
- Percentage of respondents who selected Other indicated the following sports programs:
 - Biking / Cycling / BMX – 32 percent
 - Hockey – 14 percent
 - Fitness, water polo, Pilates / yoga, track and walk / jog / run – 5 percent (each)

In what sports programs do members of your household currently participate, whether in RSM or elsewhere in the region? (Select all that apply)

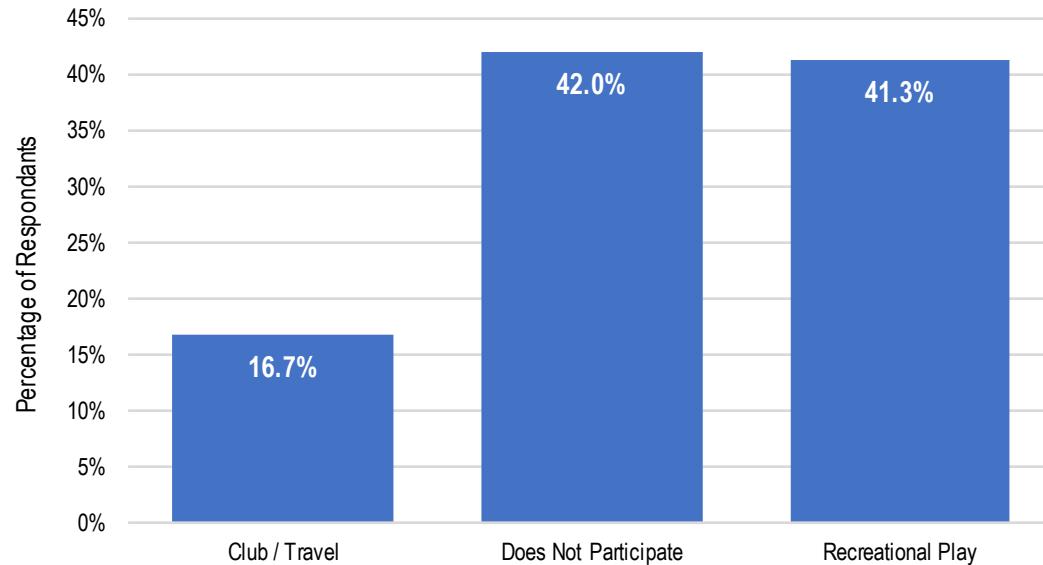


Source: City of Rancho Santa Margarita

SPORTS PROGRAM LEVEL OF PLAY

- Of those surveyed who participate in sports programs, 41 percent participate at a recreational level and nearly 17 percent at club / travel level

Local Level of Participation

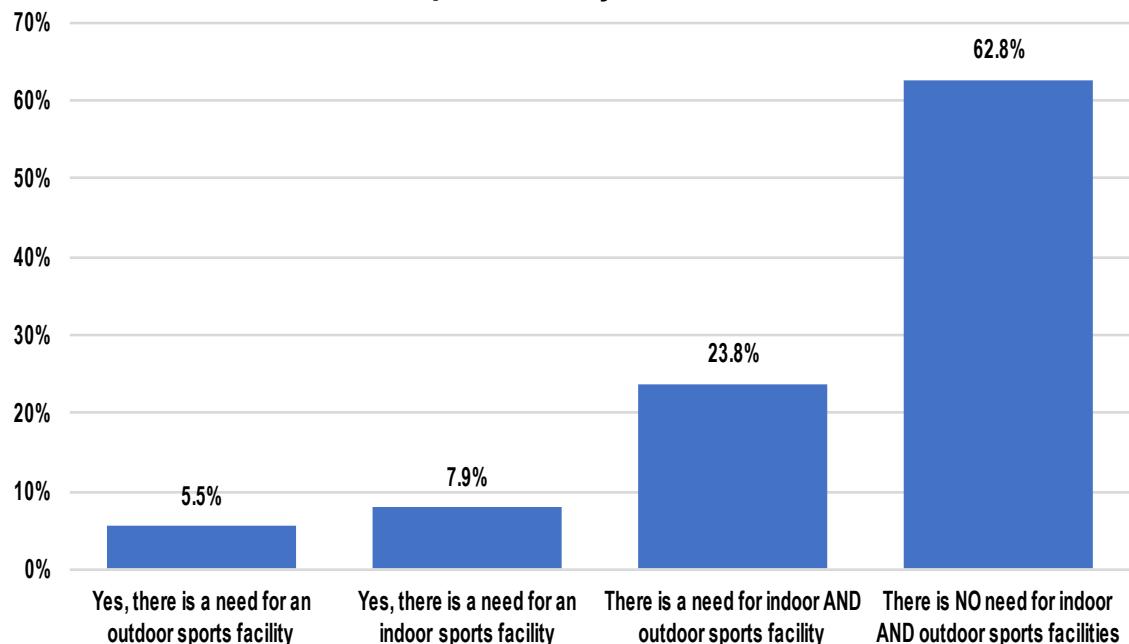


Source: City of Rancho Santa Margarita

SPORTS FACILITY NEEDS

- Nearly 63 percent indicated there is no need for indoor or outdoor sports facilities, nearly 24 percent indicated a need for both indoor and outdoor facilities
- Nearly 8 percent indicate there is a need for an indoor facility in RSM

Do you believe that there is a need for an indoor and/or outdoor sports facility in RSM?



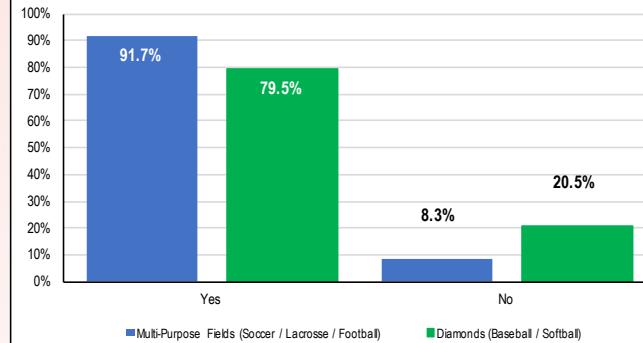
Source: City of Rancho Santa Margarita

SPORTS FACILITY DEVELOPMENT NEEDS

- More than 90 percent indicated that multipurpose fields should be developed as part of any outdoor development, while more than two-thirds indicated baseball and softball diamonds should be developed
- Survey respondents recommended the following outdoor sports/activities to consider:
 - Walking / jogging / running track – 5 responses
 - Bike / cycling / BMX or hockey – 4 responses each
 - Basketball, skateboarding, tennis or volleyball (including beach volleyball) - 3 responses each
 - Archery, pickleball or rugby – 2 responses each
- Nearly three quarters of respondents indicated that basketball/volleyball courts should be developed as part of an indoor facility
- Survey respondents recommended the following indoor sports/activities to consider:
 - Handball – 5 responses
 - Fitness / exercise facility – 4 responses
 - Gymnastics / dance, swimming or racquetball – 3 responses each
 - Volleyball, hockey (in-line / roller hockey) or squash – 2 responses each

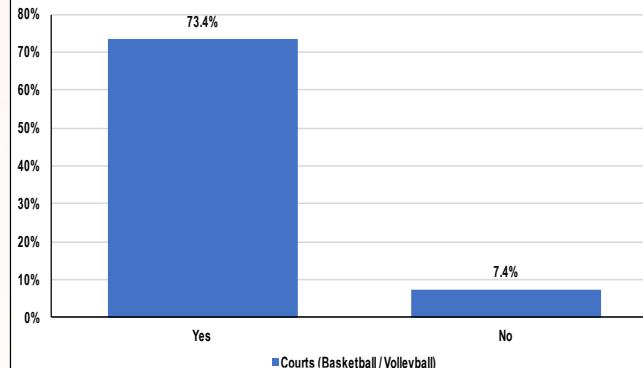
Respondents were given the option to choose whether or not multipurpose fields should be included in the development and/or if diamonds should be included.

If an outdoor sports facility were to be developed, what should be included in the development?



Source: City of Rancho Santa Margarita

If an indoor sports facility were to be developed, what should be included in the development?



Source: City of Rancho Santa Margarita

NRPA PARK FACILITY STUDY

The National Recreation and Park Association's (NRPA) 2016 NRPA Field Report, is a comprehensive resource of data and insights for parks and recreation agencies in the United States. This study provides recreation agencies a better understanding of residents per park (by population), acres of land per 1,000 residents (by population) and number of residents per sports/athletic facilities, among other key insights. The following table shows the study results of the number of residents per park by population.

NRPA - Number of Residents per Park & Park Acres per 1,000 Residents

Population Size	Residents/Park	Park Acres/ 1,000 Residents
All Populations	2,277	9.5
Less than 20,000	1,335	10.6
20,000 to 49,999	1,894	9.7
50,000 to 99,999	2,396	9.2
100,000 to 250,000	3,559	7.4
Over 250,000	6,250	12.5

Source: NRPA, Hunden Strategic Partners

Also located in city limits of RSM is O'Neil Regional Park and RSM Lake. The 4,500-acre O'Neil Regional Park is a county operated park that has approximately 1,600 acres in RSM. RSM Lake has approximately 11.5 surface acres in addition to the 16-acre Beach Club (existing park). Although O'Neil Regional Park and RSM Lake are not included as RSM parks, they are in the city limits and available for use by RSM residents.

According to the report, RSM falls slightly below the desired number of parks per residents and is significantly below the desired park acres per 1,000 residents. Additional park facilities are needed in RSM to better serve the community and move closer to fall-in-line with similar recreation agencies offerings across the United States.

At a population of 49,324, RSM falls in the 20,000 to 49,999 population line, which shows a resident to park ratio of 1,894. At this ratio, the desired number of parks supported in RSM is 26. This number includes all recreation and community parks, such as sports parks, skate parks, or dog parks. As of 2017, RSM has a total of 22 parks, which includes sports and recreation parks, a skate park, and a dog park.

The report findings for park acres per 1,000 residents indicates that RSM's population can support 9.7 acres per 1,000 residents. At 49,324 residents, RSM's desired park acres per 1,000 residents is 478.4 acres. RSM has a total of 152 park acres, across the current 22 parks.

The following table shows the NRPA field report's number of residents per sports facility, RSM's desired number of facilities based on the report and RSM's actual number of sports facilities.

NRPA - Number of Residents per Sports Facility				
Facility	Residents/Facility	NRPA Desired Facilities (RSM)	RSM # of Facilities (Actual)	Difference
Basketball Courts	7,000	7	5.5 (Outdoor)	(2)
Adult Softball Diamonds	12,463	4	0	(4)
Tennis Courts (outdoor only)	4,295	11	11	(0)
Youth Softball Diamonds	9,687	5	6	1
Youth Baseball Diamonds	6,599	7	10	3
Swimming Pools (outdoor only)	34,686	1	7	6
Multipurpose Fields	8,060	6	15	9
Adult Baseball Diamond	19,694	3	1	(2)
Football Fields	25,532	2	0	(2)
Youth Soccer Fields	6,671	7	14	7
Adult Soccer Fields	12,365	4	1	(3)
Tee-Ball Diamonds	12,771	4	2	(2)
Basketball/Volleyball Courts	13,736	4	0	(4)
Ice Rink (outdoor only)	16,572	3	0	(3)
Lacrosse Fields	26,639	2	0	(2)
Cricket Fields	199,199	0	0	(0)
Multipurpose Synthetic Fields	34,915	1	0	(1)
Field Hockey Fields	22,767	2	0	(2)
Overlay Fields	7,257	7	17	10
Recreation Centers	26,650	2	0	(2)
Gyms	26,418	2	0	(2)
Community Centers	30,000	2	1	(1)
Senior Centers	49,500	1	0	(1)
Fitness Center	39,765	1	0	(1)
Playground	3,560	14	17	3

Source: Various Sources, Hunden Strategic Partners

The facilities listed in the table to the left, show facilities which may be included as a part of another facility. For example, a fitness center may be a part of a recreation center. Of the 25 facilities listed, RSM falls below the desired number of facilities (based on NRPA's field report) in 16 facility categories (highlighted in red).

Based on the residents per facility, RSM can support four adult softball diamonds and basketball/volleyball courts each to serve community needs. While RSM does offer 5.5 basketball courts, all are outdoor courts and usage is limited to community use or the occasional practice facility for local basketball programs.

While RSM shows more than the desired number of youth soccer fields and multipurpose fields, the majority of these fields are overlays in the outfields of baseball/softball diamonds. While these overlay fields are in use, the actual number of baseball and softball diamonds is decreased by the number of overlay fields in use. This ultimately puts either the baseball/softball diamonds or the multipurpose/soccer fields below the NRPA desired number of diamonds and fields.

Overall, RSM does have an adequate amount of facilities; however, RSM has a void in indoor recreational facilities. To stay current with similarly-sized recreation agencies and better serve the community, basketball/volleyball (indoor) courts/gyms and recreation centers are needed in RSM. Additional baseball/softball diamonds or multipurpose/soccer fields would also help to serve the community.

LOCAL DEMAND ANALYSIS

For any sports complex, the majority of high impact usage will be from tournaments or organizations hosting state, regional and national events that attract out-of-state visitors. HSP contacted various groups and stakeholders in the RSM community that represent competitive and recreational sports organizations, state association representatives, event organizers and other local demand generators. In addition, this section includes information gathered about the current issues, challenges and suggestions for how potential new or expanded sports facilities may be envisioned and utilized.

HSP conducted a number of interviews with critical stakeholders for utilization of a new tournament focused athletic facility in RSM. These interviews helped determine the potential need and inducement potential of a new venue, as demand currently exists for a majority of sports today. This section summarizes findings and suggestions based on interviews and other primary and secondary research. The findings drive the implications and the recommendations for new facilities and provide an understanding of the local demand. Even with the variety of facilities in RSM and the surrounding area, interviews with local stakeholders and sports leaders indicate that demand exists that exceeds supply.

A review of the demand for each sport, and from various stakeholders, is outlined on the following pages.

SOCCER

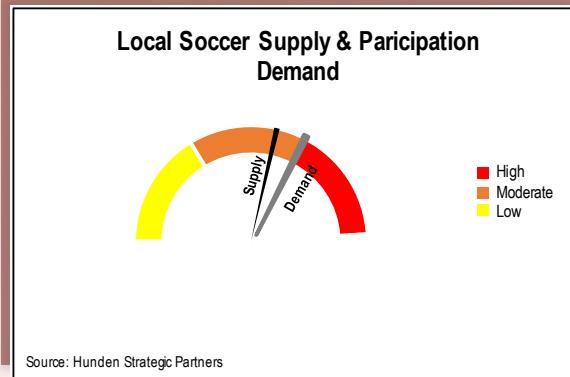
HSP interviewed stakeholders at the American Youth Soccer Organization (AYSO) to better understand the local and tournament soccer demand in RSM. The feedback from this conversation is below.

AYSO

- Participation has been declining – Fall has 1,700 Kids and Spring has 800 kids. 12 to 15 players per team.
- Serve five communities throughout RSM area.
- Utilize seven parks including outfields at Wagon Wheel (outside of RSM). More than 17 fields in total.
- Player fees range from \$100 to \$135 per player.
- Programs include recreational play, All Stars, AYSO Extra and Pacific Soccer Club.
- Play games on Saturdays for both girls and boys from U5 to U19.
- Fall program is in need of more fields.
- Ideal facility would include four to eight multipurpose fields, all of which are turf and lighted.
- Lighted multipurpose fields to turf fields would help utilization throughout year.

AYSO Number of Games per Park - Fall 2016				
Park	September	October	November	Total
Trabuco Mesa	15	15	15	45
Vista Verde	9	9	9	27
Arroyo Vista	17	17	17	51
Altisima	9	9	9	27
Solana	6	6	6	18
Trabuco Highlands	3	3	3	9
Wagon Wheel Front	3	3	3	9
Average	9	9	9	27
Total	62	62	62	186

Source: AYSO, Hunden Strategic Partners



SOCER IMPLICATIONS

- The supply of soccer fields in RSM is moderate-to-moderately high.
- The majority of fields lack lights, which limits the utilization per day, and other field sports also create demand at the 16 fields. Installing lights at all the fields would help accommodate the soccer demand.
- However, soccer programs are currently utilizing outfields of diamonds for practices and games due to a lack of available multipurpose fields in RSM. AYSO is reaching capacity during the Fall season and is fully accommodated by the supply in the Spring season.
- The user group demand by local users, leagues and tournaments is moderate.
- The need for additional facilities for soccer is moderate, as the participation for soccer has declined over the past few years.
- A new athletic facility with quality soccer fields would fill a gap in the local market and accommodate local groups in the area that are in need of additional fields to grow programs. However, with the supply of quality soccer complexes in the region, any development for soccer in RSM would have minimal tournament impact.

BASEBALL

HSP interviewed stakeholders at the Santa Margarita Little League (SMLL) to better understand the local and tournament baseball demand in RSM. The feedback from this conversation is below.

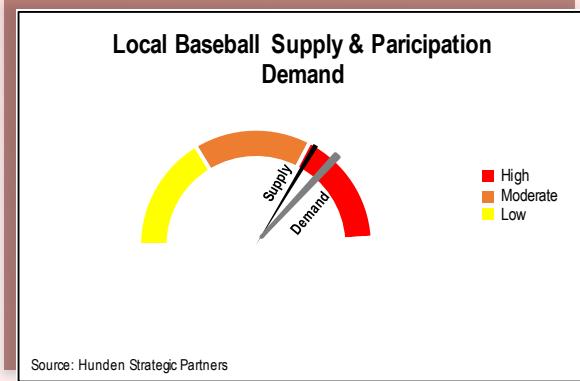
SMLL

- Participation is stable – 680 kids and a challenger program for kids with disabilities. Program offers 12 divisions of baseball.
- Utilize five parks throughout RSM area. Need more field time throughout the year, which could potentially be accommodated with the addition of lights at all the diamonds.
- SMLL has 375 games and practices throughout six parks in the Spring season alone. Tijeras Creek is most utilized park in RSM with more than 210 games and practices during the Spring season.
- Little League tournaments are in July. Potential for RSM to attract small-sized tournaments to the area, or partner with surrounding communities to bring in larger tournaments.
- High demand for adult baseball and softball fields, which are not accommodated in RSM, programs are going outside the city for practices and league play.
- Ideal scenario for SMLL would include turf and lighted diamonds
- Any development that includes diamonds should include turf, lighted fields and 350'+ fields for Adult softball.

SMLL Number of Games/Practices per Park - Spring 2016

Park	March	April	May	Total
Canada Vista	15	8	--	23
Tijeras Creek	80	90	41	211
Altisima	15	17	24	56
Arroyo	27	20	3	50
CV Juniors	8	--	--	8
Upper Solana	9	5	--	14
Lower Solana	8	5	--	13
Average	23	24	23	54
Total	162	145	68	375

Source: SMLL, Hunden Strategic Partners



BASEBALL IMPLICATIONS

- The supply of baseball diamonds in RSM is moderately high, as local participation has grown.
- However, multiple diamonds lack lights, which limits the utilization per day.
- Baseball demand exists from younger age groups to older traveling teams that are looking for facilities for practices, camps and tournaments. Little League and other youth baseball leagues are reaching capacity and need additional fields.
- Overall, baseball participation demand is high for local users. Demand by local users, leagues and tournaments presents a need for a new facility for baseball.
- Stakeholders indicated the potential to attract small-to-mid-sized tournaments to a tournament-quality diamond complex with turf and lights in RSM.

SOFTBALL

HSP interviewed stakeholders at the Rancho Trabuco Girls Softball Association (RTGSA) to better understand the local and tournament softball demand in RSM. The feedback from this conversation is below.

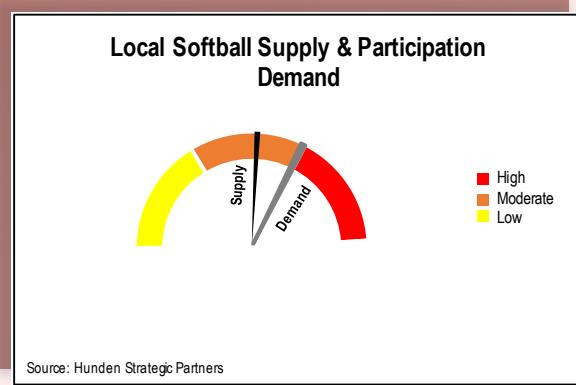
Rancho Trabuco Girls Softball Association

- Softball association serves girl athletes from age five to 15.
- Participation is steady - 325 kids throughout the year – fall season has 175 participants, while spring and summer have 150 participants
- Utilize four main fields and Wagon Wheel, which is outside of RSM (all do not have lights). Any rain closes parks.
- Programs the Rancho Roundup All Star Tournament for 8U, 10U and 12U Division - \$425 entry fee – Held at Trabuco Mesa Quad and Wagon Wheel Triplex – tournament had 77 teams in 2016
- Ideal facility needs to include turf fields/diamonds and lights for all sports. Include a 300'+ field for Adult softball. Installing turf and lights at current fields will help with utilization.

RTGSA - 2016 Racho Roundup Participation

Age Group	No. of Teams
8U (Gold & Silver)	24
10U (Gold & Silver)	29
12U (Gold & Silver)	24
Average	26
Total	77

Source: RTGSA, Hunden Strategic Partners



SOFTBALL IMPLICATIONS

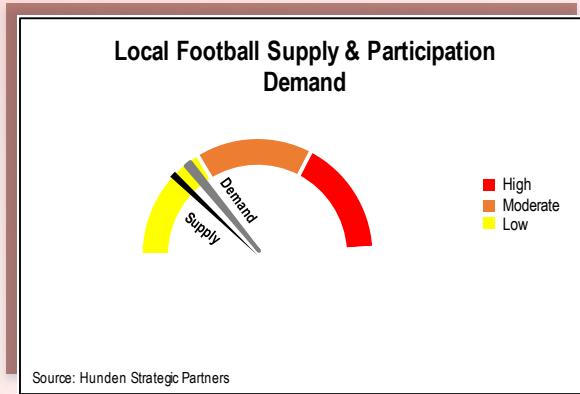
- The supply of softball diamonds in RSM is moderate, as majority of diamonds lack lights.
- Softball participation demand is moderate-to-high for local and tournament use.
- Local user groups, leagues and tournament participation with the current supply of softball diamonds has created a strong need for additional softball diamonds in the area. Local tournaments are spread among multiple facilities in and outside of RSM and need additional quality diamonds to grow participation.
- The high level of demand generated by programs and tournaments in softball support the need for additional softball diamonds in the area.

FOOTBALL / CHEERLEADING

HSP interviewed stakeholders at the Santa Margarita Pop Warner Boys Football & Girls Cheerleading to better understand the local and tournament football and cheerleading demand in RSM. The feedback from this conversation is below.

SANTA MARGARITA POP WARNER BOYS FOOTBALL

- Participation is stable – 560 football players and 100 Cheerleaders. Program serves football and cheerleaders from age five to 15. Football teams have 35 players per team and 24 cheerleaders per squad.
- Season starts beginning of August – 8 to 10 regular season games plus playoffs. Games are played every Saturday and program utilizes five high schools throughout RSM area.
- Conference covers Orange County and parts of Los Angeles County.
- Registration fees:
 - Flag Football - \$50
 - Tackle Football - \$225 to \$450
 - Cheer - \$75
 - Challenger Football is FREE



FOOTBALL

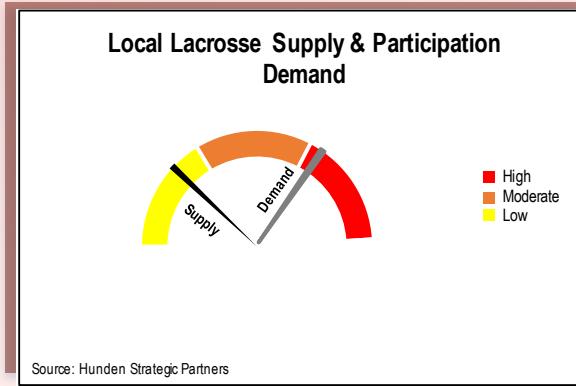
- The supply of football fields available for use in RSM is low, as the available fields for use are at school facilities. However, SMPWF has needed to utilize four SAMLARC parks for program needs, in addition to the school facilities.
- Local football participation demand is low-to-moderate; the majority of use is by local and league play with minimal tournament usage.
- Demand by local users and leagues is moderate, and a new football facility would accommodate local user group demand. However, the football demand by tournaments is low.
- Although participation demand exceeds the field supply, the demand for additional facilities for football is low, as additional fields will only accommodate local use with very minimal tournament use.
- Any development in RSM that features multipurpose fields for football use will be to enhance the quality of life for the residents of RSM with very minimal youth sports tourism impact.

LACROSSE

HSP interviewed stakeholders at the OC Rebels Lacrosse to better understand the local and tournament lacrosse demand in RSM. The feedback from this conversation is below.

OC REBELS LACROSSE

- Programs for grades 5th through 12th.
- Participation is building back up in area (highest demand of all sports in RSM).
- Teams average 15 to 18 players per team
- Season: (Indoor and Outdoor)
 - September – November: Preseason and clinics
 - November – February: Primary season for youth programs
 - March – May : Youth only, HS season
 - June – July: Tournaments, clinics and camps
- Few select travel teams in area
- Utilize SAMLARC Arena, Lake Forest Sports Park (3hrs - 2x/week) & Wagon Wheel
- OC Rebels - 80 team tournaments utilizing 10 fields throughout area
- Summer/Winter big tournament time for Lacrosse
- Lacrosse is in need of quality coaches in spring and field space in Winter. Girls lacrosse is in need of more field space
- Ideal facility would include lighted turf multipurpose fields and one or two indoor multipurpose fields.



LACROSSE IMPLICATIONS

- The supply of lacrosse fields available for use in RSM is low, as the majority of fields are shared with soccer programs.
- Lacrosse participation demand is high for local use and is experiencing steady growth.
- The need for additional lacrosse facilities in RSM exists, as the local user group and league demand is reaching capacity and in need of dedicated field space. The tournament demand for lacrosse in the RSM area is also high, particularly during the winter and summer.
- This high local and tournament demand presents an opportunity for RSM to capitalize on. However, the demand for lacrosse is seasonal and would require additional field sport usage to program a new facility on a year-round basis.

BASKETBALL

HSP interviewed stakeholders at the National Junior Basketball (NJB), Mercadel Basketball and Team Nikos Basketball Academy to better understand the local and tournament basketball demand in RSM. The feedback from these conversations is below.

National Junior Basketball (NJB)

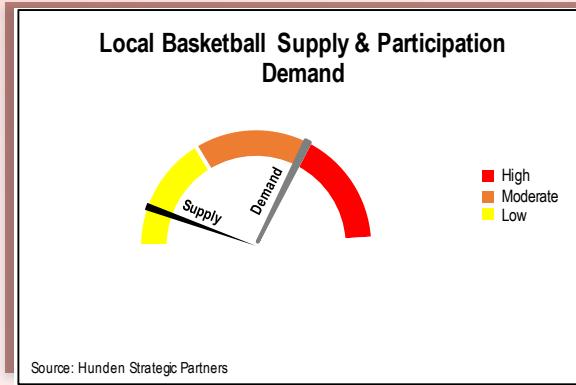
- Boys and girls basketball programs
- Kindergarten through 8th grade
- 600 participants on approximately 60 teams
- Gyms used:
 - Tesoro High School
 - Santa Margarita Catholic High School
 - Trabuco Hills High School
- Practices held at outdoor local school campuses- Not enough indoor gyms at schools

Mercadel Basketball

- Non-profit youth basketball organization
- Use the Mercadel Gym (RSM Honda)
- Youth and High School programs (AAU Programs)
- Programmed 25 tournaments since 2016 with more than 1,100 teams
- Tournaments are programmed at high schools in the following areas:
 - Orange County
 - Los Angeles County
 - Inland Empire
 - San Diego County

Team Nikos Basketball Academy

- Youth basketball program with more than 200 athletes on 23 teams
- Tenant user at Ladera Sports Center
 - Eight basketball courts
 - Opened in 2016
- 12 traveling basketball teams
- Basketball demand in mainly in northern Orange County near Anaheim
- Teams go to northern Orange County often
- Rent facility out to other groups based on availability- basketball and volleyball
- Offers programs for children Second Grade through High School
 - Leagues
 - Academies
 - Training
 - Camps
 - Club Teams
 - Tournaments



BASKETBALL IMPLICATIONS

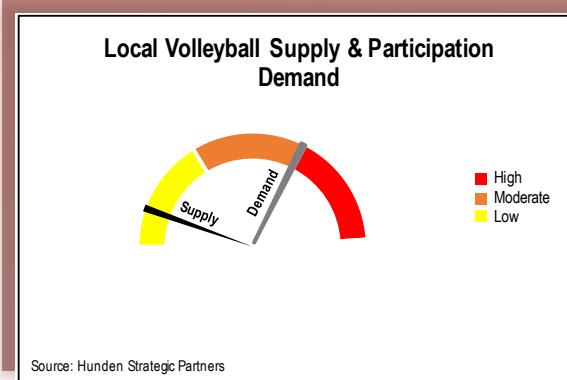
- The supply of basketball courts in RSM is low, as the majority of facilities feature fewer than four courts.
- Local basketball participation demand is high, as local recreational programs have limited capacity due to lack of supply, and local programs are utilizing multiple facilities for practice, league play and tournaments.
- The limited court space is reaching maximum utilization, creating unaccommodated demand. This has local participants going outside of the city for programs, games and tournaments. The demand for a tournament-quality facility in the RSM area is high, with particularly high demand for recreational and league play from multiple communities in the region. However, there are a handful of tournament-quality indoor facilities in the region that are tournament-focused.
- The development of an indoor facility to accommodate basketball in RSM would serve the local and regional communities and user groups as well as provide a quality facility to attract tournaments to the area.

VOLLEYBALL

HSP interviewed stakeholders at the Southern California Volleyball Association (SCVA) to better understand the local and tournament volleyball demand in the RSM area. The feedback from this conversation is below.

SCVA

- Participation is growing in southern California, the state and regionally.
- There is a lack of quality indoor volleyball facilities in southern California, specifically in southern Orange County.
- 25 girls and 19 boys SCVA clubs in the RSM area competing for limited facility space.
- SCVA programs league, tournament and events in southern California and utilizes multiple school facilities as well as volleyball facilities and large event centers.
- High demand for indoor facilities in southern Orange County, many participants in southern Orange County are traveling great distances for practice, league play and tournaments.
- A new indoor facility in the RSM area would help serve local demand as well as small-to-mid sized tournaments.



VOLLEYBALL IMPLICATIONS

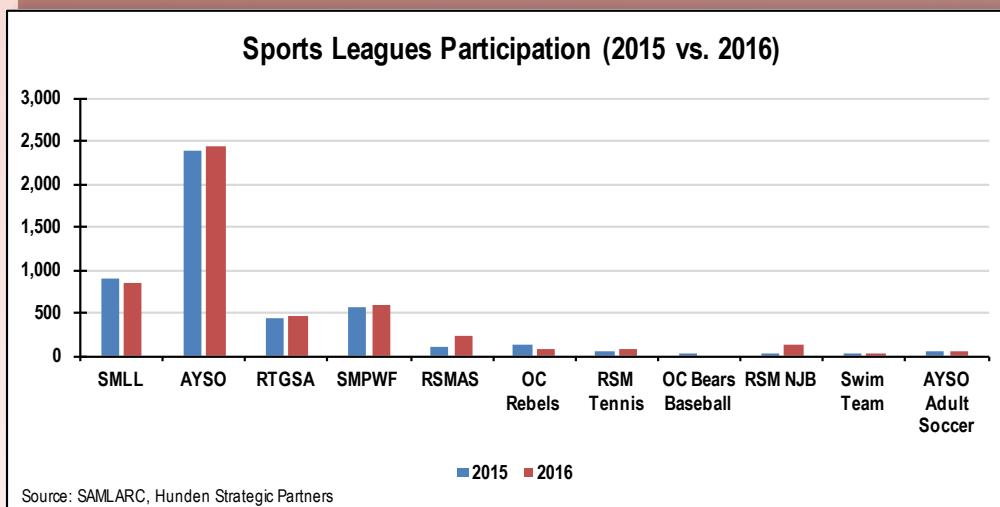
- The supply of volleyball courts in RSM is low, as the majority of facilities feature fewer than four courts. The Laguna Beach Volleyball Club does have a eight-court facility, but outside use of the facility is limited.
- Local volleyball participation demand is moderate-to-high and growing, and many local participants are going outside the city for practices, leagues and tournaments.
- The lack of an indoor volleyball facility in southern Orange County has left local and regional programs fighting for space. This has caused local programs and participants to explore options outside of the area for volleyball needs.
- The user group, league and tournament demand has created the need for additional volleyball facilities in RSM.
- With continued growth in the sport locally and regionally, additional tournament-quality facilities will be needed to accommodate the demand and attract tournaments to the area.

SAMLARC

HSP interviewed stakeholders at SAMLARC to better understand the local sports demand in RSM. The feedback from this conversation is below.

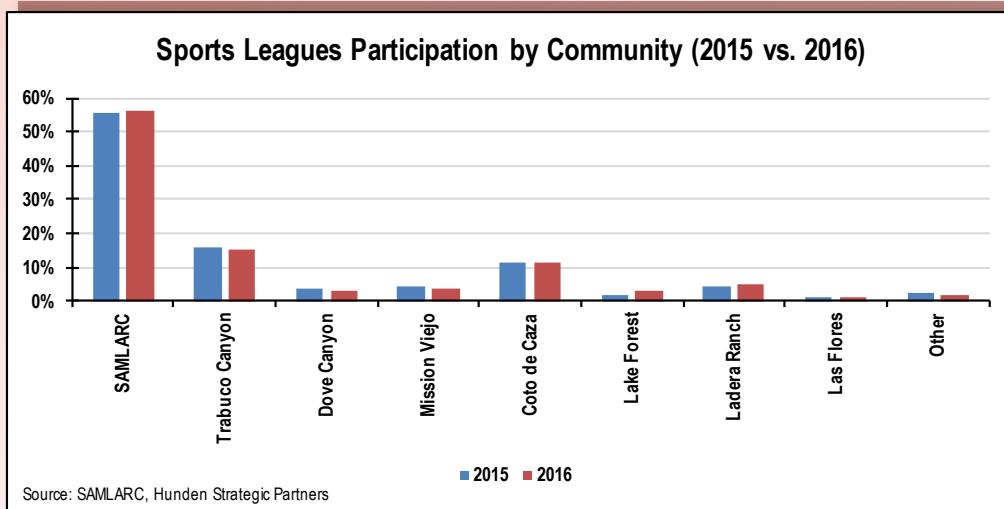
- 17 Athletic fields and 13 ball diamonds at 13 parks
- The majority of the fields do not have lights- limited to day light hours (Tijeras Creek and Canada Vista both are lighted facilities)
- No space for adult softball since kids programs are using the fields
- Youth sports programs
 - Softball- 400 kids
 - Little League- 700 kids
 - Pop Warner Football- 350 kids
 - Soccer- two AYSO seasons through the year- 1,800 and 800 kids per season
 - Lacrosse is growing quickly and needs more field space
- Two adult soccer leagues
- Individual leagues run their own tournaments- Baseball and Softball
- Soccer does not host tournaments but runs camps through the year
- Soccer and lacrosse do not have enough field space
- Sees the large travel programs for softball, baseball and soccer as potential users of a new facility
- Adding lights at the existing outdoor facilities would help accommodate demand; however, the addition of outdoor facilities would help with the complex scheduling of existing facilities, and keep the participation of local sports programs (majority of participation is from RSM residents) in RSM
- Recommends lights on the fields at the new facility to allow more use time
- An indoor facility with courts and community fitness and multipurpose rooms would provide residents of RSM with a quality indoor facility for use, as well as provide local indoor sports programs with a facility for use
- Community is requesting converting tennis courts to pickle ball courts

The following figure shows the participation numbers of the local sports leagues in RSM for 2015 and 2016 (participation numbers were reported to SAMLARC by each sport league).



AYSO accounts for nearly 50 percent of the total participation of all sports leagues in RSM. AYSO, RTGSA, SMPWF, RSMAS, RSM Tennis and RSM NJB have all experienced an increase in participation in 2016. According to key personnel in SAMLARC, RSM NJB utilizes the 5.5 outdoor basketball courts for practices and training and is in need of more indoor basketball space. Additionally, SAMLARC representatives indicated to HSP that there are no capacity for adult softball programs, as the existing diamonds are not 300 feet. This lack of 300-foot diamonds as local programs and participants going outside of RSM for program and league needs.

The following figure shows the 2015 and 2016 total participation numbers by community of the local sports leagues in RSM.



The majority of the sports leagues have participation throughout multiple communities, with more than 50 percent of the sports leagues participation are from SAMLARC and more than 60 percent are within the RSM boundaries. The addition of lights at the existing facilities and/or adding fields and diamonds to the supply will allow for these leagues to grow participation throughout the communities.

The following page shows a matrix of the local sports leagues usage at the existing sports facilities by week.

Source: SAMLARC, Hunden Strategic Partners

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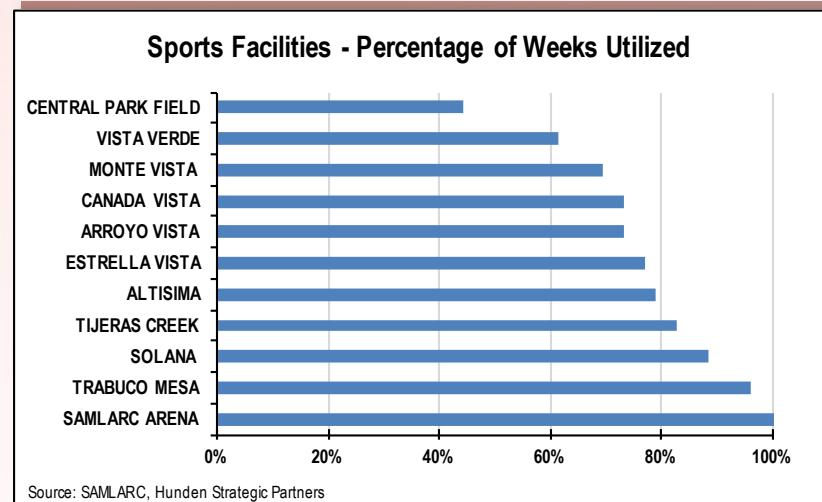
As shown in the figure on the previous page, scheduling the sports leagues throughout the facilities has its challenges as the majority of the facilities are limited to one sport league use per day/week. For example, from February through June Altisima Park is utilized by RSMLL from 4:00pm till dusk (M-F), 8:00am till dusk (Saturday), and 9:00am till 5:00pm (Sunday), which eliminates the facility to be utilized by other leagues. RSMLL also utilizes Canada Vista Park, Tijeras Creek Park and Solana Park during this time frame as well. The addition of lights at the existing fields would allow for extended usage per day and the ability to program more of one sport league at each park. Adding lights would also accommodate scheduling challenges and demand for field hours; however, any growth from local sports leagues would push facilities utilization at or near capacity.

The figure to the right shows the percentage of weeks utilized by sports facility in RSM.

The utilization by week of the parks throughout the year ranges from a low of 44 percent (Central Park) to a high of 100 percent (SAMLARC Arena).

Although the majority of the parks utilization by week are below 80 percent, eight are utilized weekly 70 percent of the year. Trabuco Mesa, Solana, and Tijeras Creek parks are all above 80 percent. With high weekly utilization at the majority of the park, specifically the parks that have the ability to program tournaments, the availability of the parks for tournaments is minimal.

As previously mentioned, installing lights at all the existing fields would help accommodate the utilization rates; however, any growth in participation in any sports leagues would push utilization up. Adding more diamonds or fields to the existing supply will help accommodate the utilization demand and allow for RSM to attract tournaments to the area. Additionally, new diamonds that feature 300-foot fences, would accommodate the adult softball demand in RSM. The addition of an indoor facility with hardwood courts, would provide local indoor programs a facility to program practice, league and tournament play, and would allow for new local indoor programs to be established, in addition to providing the community a quality indoor facility.



SANTA MARGARITA CATHOLIC HIGH SCHOOL

HSP interviewed stakeholders at Santa Margarita Catholic High School to better understand the high school and local sports demand in RSM. The feedback from this conversation is below.

- 42-acre campus with 4,700 students – 24 sports on campus (girls and boys)
- Football program is in need of a new stadium – looking for new home stadium.
- School currently pays \$6,200/home game to Saddleback College in rent for football games. College owns concessions at football games.
- School is interested in working with city to build a new multipurpose stadium.
- Ideal facility would include a 5,000-seat stadium
- New stadium would be utilized by school football program, soccer girls/boys programs and other local users within RSM.

LAGUNA NIGUEL

HSP interviewed stakeholders at the Laguna Niguel Parks Department to better understand the sports demand in Laguna Niguel, RSM and regionally. The feedback from this conversation is below.

- 14 multi-use fields, 5 synthetic- spread throughout the community
- 17 ball diamonds- 2 to 5 fields per location
- Fields are in parks and at schools
- City does not have a sports complex
- Youth sports programs
 - Soccer- 3,000 kids
 - AYSO- 100 kids
 - 2 Little League programs- 2,000 kids each
 - Number of participants was strongest 5 years ago and has been declining
 - Numbers are more manageable now than in the past
- United Soccer hosts a soccer tournament at the end of summer- uses 10 fields for 2 days
- Strikers and So Cal Blues host tournaments during the summer
- Requests from adults in the community for bocce courts
- 8 pickle ball courts
- Basketball programs use school gyms or the YMCA- no two court facilities

SAN CLEMENTE PARKS AND RECREATIONS

HSP interviewed stakeholders at the San Clemente Parks and Recreation to better understand Vista Hermosa Sports Park, the sports demand in RSM and regionally. The feedback from this conversation is below.

- Vista Hermosa Sports Park has events planned on average for 52 weekends each year, of which six to eight are tournaments with the rest being local events
 - Six soccer tournaments at the park with 20 to 30 teams per tournament (all tournaments are affiliated with local soccer programs) – participation is 90 percent local and 10 percent out of town
- Jim Johnson Memorial complex is a new development in the area and includes three multipurpose fields (one turf and two natural grass fields)
- Rugby utilizes outfields of baseball fields – growing demand for sport and for additional facility space
- Any multipurpose development in the area should include at least four fields (ideally six fields)
- Steed Park in San Clemente is a four diamond facility – tournaments are programmed every weekend – San Clemente only allows 50 weekends to be planned in order to allow recovery for the diamonds (However, tournament demand could program the entire year)
 - 25 to 30 teams per baseball tournament with the majority of participation coming from outside San Clemente
- Minimal adult tournaments in the area – three to four tournaments per year, all of which are one day tournaments
- Any diamond development should consider ideally six diamonds - allowing for play from 9U up to 14U
- Regionally, basketball and volleyball are in high demand – lack of facility space has made basketball registration hard to capture as many players are going outside the area
- Huge demand for a city operated gymnasium with multiple courts in the area – would allow for not only local use but rentals from surrounding communities parks and recreation departments, residents and sports programs
- Ideal development for RSM and region would include eight baseball/softball diamonds and an indoor gymnasium with at least eight to ten courts
 - Very few baseball/softball diamonds with more than four diamonds in the region
 - Majority of indoor sports are going to northern Orange County (towards Los Angeles) due to lack of available public indoor facilities

IMPLICATIONS

Local Supply Implications

- Limited indoor facilities – volleyball / basketball / cheer / dance
 - Indoor facilities are scattered – few and far between
 - One dedicated indoor facility – Laguna Beach Volleyball Club
- Indoor and outdoor RSM facilities are used for recreational purposes – very minimal sports tourism usage throughout RSM facilities
- Majority of fields and diamonds do not have lights, which limits the utilization by local users; adding lights to the existing facilities would help accommodate facility utilization rates
- Additional facilities are needed to accommodate growth from local user groups

Demand Implications

- Lacrosse has the highest tournament demand in RSM area; however, baseball and softball have tournament potential as well. Indoor sports have the highest demand for facilities in the RSM area for practices, league and tournament play.
- Local and small regional events are possible to attract to RSM.
- Local organizations would relocate or create new tournaments in RSM area.
- Outdoor tournament impact on any sports development at Chiquita Ridge will be low due to quantity of facilities needed for majority of tournaments. However, an indoor facility with six to eight courts provides more opportunities for tournament impact within RSM.
- Opportunity for RSM to capitalize on lack of an indoor facility in southern Orange County as well as a baseball/softball diamond complex with at least six diamonds.

HSP evaluated the regional supply of youth sports facilities (in a 60-mile radius of RSM) to determine the level of competition in southern California and the surrounding region to better understand the necessary components that would position RSM competitively for local and regional tournaments and events. The various sports complexes located in southern California and throughout the surrounding region compete to host regional tournaments while also appealing to the local and regional users as destinations for practices, leagues, neutral game sites and tournaments. These facilities, depending on their location, are likely to compete with new RSM facilities on a regional and local level.

The athletic complexes throughout the region that will be competitive with a new RSM facilities vary in size, amenities and in quantity depending on the sport. The primary facilities that will compete with a potential facility built in RSM are complexes currently hosting small-to-mid sized youth tournaments.

While subtle differences are found from facility to facility, each complex's business model includes the scheduling of youth sports tournaments. Tournaments can attract a significant number of non-local attendees, which will have a direct impact on the local hotel market by generating room nights. The competitive facilities also maintain local leagues to help supplement each facility's usage and financials.

Scheduling priorities are a challenge for nearly every facility. Some facilities place emphasis on tournaments while local groups are offered usage based on calendar availability only after tournaments are scheduled (tournaments are typically held on weekends, which provides availability for local usage during the week). Other facilities have demonstrated the ability to attract more than just sporting events, thus further enhancing usage opportunities and financial performance. The success of any sports complex will depend on how well the facility's schedules and staff can meet the standards set by these regional facilities.

The map on the following page shows the proximity of the regional sports facilities to RSM.

RSM REGIONAL SPORTS FACILITIES

HSP identified competitive and comparable sports facilities within a 60-mile radius of RSM. In total, HSP identified nine facilities that are competitive and comparable to current sports facilities in RSM and/or a new sports facility in RSM. Four of the nine are outdoor facilities while the remainder are indoor facilities.

As shown on the map to the right, the majority of the facilities are north of RSM while two are located south including the SoCal Sports Complex and Ladera Sports Center. The location of these facilities coincides with population densities in and around Los Angeles and Orange County.

The table on the next page summarizes the nine facilities identified by HSP as competitive and comparable state and regional sports facilities.



RSM Local Athletic Facility Supply

Facility Name	Type	Ownership	City	Miles from Chiquita Ridge								Total
				Acreage	Sq. Ft.	Baseball	Softball	Soccer	Basketball	Volleyball		
American Sports Center	Indoor	Private	Anaheim	23	6	242,000	--	--	9	25	34	68
Players Edge Sport Complex	Indoor	Private	Corona	35	1	17,840	--	--	--	4	--	4
Next Level Sports Complex	Indoor	Private	Garden Grove	34	3	100,000	--	--	3	11	14	28
MAP Sports Facility	Indoor	Private	Garden Grove	34	2	65,000	--	--	--	8	8	16
Ladera Sports Center	Indoor	Private	Ladera Ranch	7	4	60,000	--	--	--	8	8	16
Blizzard Sports Center	Indoor	Private	Lake Forest	6	2	32,000	--	--	--	4	5	9
Heartwell Park	Outdoor	City	Long Beach	41	123	--	10	6	11	--	--	27
Lake Forest Sports Park	Outdoor	City	Lake Forest	8	54	27,000	5	--	5	2	--	12
SoCal Sports Complex	Outdoor	Private	Oceanside	48	54	--	--	--	20	--	--	20
Fountain Valley Sports Park	Outdoor	City	Fountain Valley	28	65	--	9	6	3	6	--	24
Vista Hermosa Sports Park	Outdoor	City	San Clemente	12	42	--	3	--	3	--	--	6
Average - Indoor				3	86,140	--	--	6	10	14		21
Average - Outdoor				68	--	7	6	8	4	--		230

Source: Various facilities, Hunden Strategic Partners

RSM REGIONAL SPORTS FACILITIES

The nine facilities identified by HSP range from six miles to nearly 50 miles from RSM. Of the listed facilities in the table above, the smaller facilities generally have a one or two sport focus while the larger facilities tend to offer an array of playing surfaces. The tendencies for these facilities are to establish a reputation as a premier, and ultimately the destination, facility for a particular sport in order to host events on a weekly basis. These facilities carve a niche in the market in order to compete with comparable facilities, large destination facilities and to differentiate from community park facilities.

The large destination facilities strive to offer a one-site venue that has facilities capable of accommodating large regional, state and national tournaments. For this reason, these facilities become attractive venues due to the number of fields, diamonds or courts they offer. These facilities were once sport specific, but are now being developed with facilities for multiple sports.

HSP analyzed, and provided profiles, in the section below for the competitive and comparable supply of outdoor and indoor youth sports facilities in the capturable region.

AMERICAN SPORTS CENTERS

Owned/Operated by: American Sports Centers

Opened: 2004

Located: in Anaheim next to Disneyland (28 miles from RSM)

Size: 242,000SF (5.5 Acres)

Parking: 950 spots

Features:

34 volleyball courts

25 basketball courts

9 multipurpose fields

Tenants / Tournaments:

USA Volleyball (men's & women's national teams)

Southern California Volleyball Association (SCVA)

Open Gym Premier Basketball Academy & Tournaments

Queen's court High School Volleyball Tournament

Billed as the largest indoor sports court facility in the United States, the ASC's indoor facility opened in March 2004. Overall, the indoor facility spans 242,000 square feet and is home to a number of volleyball and basketball organizations. The flooring is state-of-the art Hardwood and the facility includes food court and pro shop. The location of this facility was chosen due to access to California's freeways and the already developed cluster of hotel properties, as well as the variety of entertainment options. Recently, the facility expanded by 92,000 square feet.



SOCAL SPORTS COMPLEX

Owned by: SoCal Sports

Operated by: SoCal Sports

Located: in Oceanside (48 miles from RSM) **Opened:** 2014

Size: 52 Acres

Parking: 3,000 spaces

Features:

21 multipurpose fields

Tenants / Tournaments:

San Diego Surf Cup

America's Cup

Attack Summer Classic

SoCal Cup

Man City Cup

With more than 20 multipurpose fields, the SoCal Sports Complex offers some of the most comprehensive athletic facilities in the region. The facility opened in 2014 and is situated on more than 52 acres. Notably, the venue plays host to the San Diego Surf Cup which draws more than 10,000 participants and more than 125,000 spectators annually. In addition to soccer tournaments, the facility also plays host to lacrosse and ultimate Frisbee events as well as auto and RV shows. The facility was developed by Sudberry Properties and future phases call for the development of on-site restaurants and hotels.



LAKE FOREST SPORTS PARK

Owned/Operated by: City of Lake Forest

Opened: 2014

Located: in Lake Forest (8 miles from RSM)

Size: 86 acres (27,000SF gymnasium)

Parking: 500 spaces

Features:

5 diamonds

5 multipurpose fields (2 synthetic turf)

2 basketball courts

1 Gymnasium

Tenants / Tournaments:

Local adult recreational leagues

Turkey Trot Rings NIT

Lake Forest Little League

The community park opened in November 2014 and is situated on 86 acres with 57 acres dedicated to sports. In its first year of operations, the facility hosted more than ten tournaments. In addition to the outdoor facilities, the sports park also boasts a 27,000 square foot gymnasium, two playgrounds and eight gazebo picnic structures as well as more than 500 parking spaces. According to management, the facility had a difficult time maintaining the fields in 2016, going over its maintenance budget by more than \$500,000.



LADERA SPORTS CENTER

Owned by: SmartStop Asset Management

Operated by: Ladera Sports Center

Located: Ladera Ranch (7 miles from RSM)

Size: 63,000SF (4 Acres)

Opened: 2016

Parking: 300 spaces

Features:

8 basketball courts

8 volleyball courts

Tenants / Tournaments:

Ladera Ranch National Junior Basketball

Team Nikos Basketball Academy

San Clemente Volleyball Club

Prime Volleyball Club

The 63,000 square foot facility opened in 2016, providing a local gymnasium option to those who live in Ladera Ranch, Aliso Viejo, Laguna Niguel and San Clemente. Prior to opening, families living in Southern Orange County were forced to drive to Anaheim or Irvine. The venue includes modern amenities like noise-reducing systems, wood flooring, ceiling-mounted volleyball nets and TV monitors on each court. Additionally, the facility includes a café and student study rooms.



VISTA HERMOSA SPORTS PARK

Owned by / Operated by: City of San Clemente

Located: San Clemente, CA (12 miles from RSM)

Size: 45 Acres

Opened: 2012

Parking: 750 spaces

Features:

3 baseball diamonds

3 multipurpose/soccer fields

Aquatics Center

Tenants / Tournaments:

AAU Baseball

AYSO

Triton Baseball

San Clemente Parks and Recreation

Victory Lacrosse

2017 West Coast Showcase

2017 Southern Section Girls Lacrosse Championship

The 45-acre Vista Hermosa Sports Park opened in 2012 by the City of San Clemente. The sports park offers diamonds, multipurpose fields and an aquatics center to the local community and high schools as well as local, regional and national sports programs/organizations for league and tournament play. The park has operated at a \$900,000 annual cost of operation and upkeep, which has been subsidized by the sale of city land across the street to Target. The sports park has 6 soccer tournaments each year that range from 20 to 30 teams per tournament. The diamonds are programmed with leagues and tournaments for 50 weekends per year.



Next Level Sports Complex



Located: Garden Grove, CA (34 miles from RSM)

Owner / Operator: Next Level Sports Complex

Parking: 380 spaces

Opened: 2012

Includes:

14 volleyball courts

11 basketball courts

3 multipurpose fields

Notable users: Lil Kickers, NLSC Skills Academy, NLSC Club Volleyball, NLCS Youth Soccer

Size: 100,000 SF facility (2.5 Acres)

Map Sports Facility



Located: Garden Grove, CA (34 miles from RSM)

Owner / Operator: Map Sports Facility

Parking: More than 250 spaces **Opened:** 2012

Includes:

8 basketball courts

8 volleyball courts

Notable users: OC Volleyball Academy, NOC Basketball Program, Hoops Unlimited, JR Hoops Basketball, OC Pride, KABA Hoops, RSP Basketball, Hawks Hoops, The Volleyball Factory

Size: 65,000 SF facility (1.5 Acres)

Blizzard Sports Center



(Formerly the Saddleback Valley Sports Center)

Located: Lake Forest, CA (6 miles from RSM)

Owner / Operator: Blizzard Sports Center

Parking: 150 spaces

Opened: 2011

Includes:

5 volleyball courts

4 basketball courts

4 futsal courts

8 table tennis courts

Notable users: Regional Mini Camps, Coach Camps, in-house volleyball and basketball camps

Size: 65,000 SF (1.5 Acres)

HEARTWELL PARK



Located: Long Beach, CA (41 miles from RSM)

Owner / Operator: City of Long Beach

Parking: No dedicated Parking **Opened:** 1939

Includes:

11 multipurpose fields

10 baseball diamonds

6 softball diamonds

Notable users: Heartwell Baseball Inc, AYSO, Pregame Baseball, youth recreation, adult leagues and classes

Size: 122.5 Acres

PLAYERS EDGE SPORTS COMPLEX



Located: Corona, CA (35 miles from RSM)

Owner / Operator: Players Edge

Parking: More than 100 spaces **Opened:** 2015

Includes:

4 basketball courts

Notable users: AAU Basketball & In-house programming & tournaments

Size: 17,480 SF Facility (1 Acre)

FOUNTAIN VALLEY SPORTS PARK



Located: Fountain Valley, CA (28 miles from RSM)

Owner / Operator: City of Fountain Valley

Parking: 1,100 spaces **Opened:** 2015

Includes:

9 baseball diamonds 6 softball diamonds

6 basketball courts 3 multipurpose fields

Notable users: Xtreme Diamond Sports, AYSO, CA Southern Baseball, Big West Baseball Stars and Stripes

Size: 150 Acres

IMPLICATIONS

- Both indoor and outdoor facilities are well represented – however, there is a lack of indoor facilities in southern Orange County (especially publicly owned and operated)
- All competitive indoor facilities are privately owned though operate under different models
 - Rental house: American Sports Center
 - Training and tournament facility: Ladera Sports Center
- Competitive outdoor facilities offer more acreage than available at Chiquita Ridge
- Considering land constraints, indoor facilities offer greater impact with smaller footprint.



Chapter 5

SPORTS TOURNAMENTS & OPPORTUNITY ANALYSIS

TOURNAMENT MARKET ANALYSIS

One of the most significant sources of economic impact from sports facilities is a tournament. This chapter analyzes various sports governing bodies and event organizers that may consider hosting tournaments and/or events in RSM. An objective of a tournament-caliber venue is to program events that can be catalysts for economic activity in the immediate area and within RSM.

SPORTS COMPLEX INDUSTRY BACKGROUND

In the United States, several types of sports facilities and complexes exist for youth and adults, and recreational, competitive, interscholastic and intercollegiate sports and fitness activities. High schools, colleges and universities have facilities for the students of their schools, and these facilities often allow non-students to use the sports and recreational facilities for a fee. Municipalities and other local government entities own and operate recreational facilities with a wide range of services. Private sports and fitness facilities provide the public with fee-based sports and recreation opportunities. The advent of large, multi-sport youth and recreation complexes has been driven by several factors including the increase in travel sport programs and the recognition by communities that such relatively inexpensive complexes can generate significant economic impacts in the form of room nights and related travel spending.

To examine the sports complex industry, one must first consider the sports and recreation that occurs at these facilities. The trends pertaining to sports complexes follow the broader sports and recreation trends of the public, as facilities try to meet the growing needs and demands of those taking part in sports and recreational activities within a community.

SPORTS PARTICIPATION

Sports participation will also provide insight into the types of programs and services that would be best offered by sports and recreation facilities. The figures in the following table are a result of a national survey conducted by the Sports and Fitness Industry Association. A combination of detailed reports from major trade associations in US sports, fitness and leisure industries as well as interviews and surveys has led to annual reports on the growth and decline of various sports.

Tennis, baseball and soccer have consistently been the outdoor sports with the highest participation between 2011 and 2015; however, all three have seen slight declines in five-year annual average growth. Basketball participation has been consistent with between 23 and 24.7 million participants from 2011 to 2015, which more than doubles any other indoor sport's participation. The second-highest indoor sport is ice skating, with 10.4 million participants in 2015.

Overall, approximately 164 million people participated in an indoor and/or outdoor sport in 2015 and this represents 48 percent of the United States population. Sports with lower overall participation including lacrosse, rugby, swimming, cheerleading, and roller hockey have all experienced growth, as more people begin to participate at some level of activity.

United States Sports Participation Age 6 and Older (000s)								
Outdoor Sport	2011	2012	2013	2014	2015	1-year Change	1-year	2-year AAG
							5-year AAG	5-year AAG
Tennis	17,772	17,020	17,678	17,904	17,963	0.3%	0.8%	-0.8%
Baseball	13,561	12,976	13,284	13,152	13,711	4.3%	1.6%	-0.6%
Soccer (outdoor)	13,667	12,944	12,726	12,592	12,646	0.4%	-0.3%	-1.8%
Softball (Slow-Pitch)	7,809	7,411	6,868	7,077	7,114	0.5%	1.8%	-3.3%
Touch Football	7,684	7,295	7,140	6,586	6,487	-1.5%	-4.6%	-5.6%
Skateboarding	6,318	6,227	6,350	6,582	6,436	-2.2%	0.7%	-1.8%
Tackle Football	6,448	6,220	6,165	5,978	6,222	4.1%	0.5%	-1.8%
Flag Football	6,325	5,865	5,610	5,508	5,829	5.8%	2.0%	-2.5%
Volleyball (Beach)	4,451	4,505	4,769	4,651	4,785	2.9%	0.2%	0.2%
Ultimate Frisbee	4,868	5,131	5,077	4,530	4,409	-2.7%	-6.7%	-0.5%
Track and Field	4,341	4,257	4,071	4,105	4,222	2.9%	1.8%	-0.7%
Volleyball (Grass)	4,211	4,088	4,098	3,911	3,888	-0.6%	-2.6%	-3.7%
Softball (Fast-Pitch)	2,400	2,624	2,498	2,424	2,460	1.5%	-0.7%	-0.3%
Lacrosse	1,501	1,607	1,813	2,011	2,094	4.1%	7.5%	8.1%
Field Hockey	1,147	1,237	1,474	1,557	1,565	0.5%	3.1%	6.0%
Rugby	850	887	1,183	1,276	1,349	5.7%	6.8%	8.3%
Total	103,353	100,294	100,804	99,844	101,180	1.3%	0.2%	-1.5%
Indoor Sport	2011	2012	2013	2014	2015	1-year Change	1-year	2-year AAG
							5-year AAG	5-year AAG
Basketball	24,790	23,708	23,669	23,067	23,410	1.5%	-0.5%	-1.4%
Ice Skating	11,626	11,214	10,679	10,649	10,485	-1.5%	-0.9%	-1.8%
Volleyball (Indoor)	6,662	6,384	6,433	6,304	6,423	1.9%	-0.1%	-2.5%
Soccer (Indoor)	4,631	4,617	4,803	4,530	4,813	6.2%	0.3%	-0.3%
Gymnastics	4,824	5,115	4,972	4,621	4,679	1.3%	-2.9%	1.3%
Cheerleading	3,049	3,244	3,235	3,456	3,608	4.4%	5.6%	2.9%
Swimming	2,363	2,502	2,638	2,710	2,892	6.7%	6.7%	6.7%
Ice Hockey	2,131	2,363	2,393	2,421	2,546	5.2%	3.2%	3.6%
Wrestling	1,971	1,922	1,829	1,891	1,978	4.6%	4.0%	-4.3%
Roller Hockey	1,237	1,367	1,298	1,736	1,907	9.9%	21.8%	7.8%
Total	63,284	62,436	61,949	61,385	62,741	2.2%	0.6%	0.1%
Indoor and Outdoor Sport Total	166,637	162,730	162,753	161,229	163,921	1.7%	0.4%	-0.9%

*AAG - Annual Average Growth

Source: Sports & Fitness Industry Association

TRAVEL TEAMS

A major and growing trend in youth sports is the growth of elite or travel teams throughout the United States. This trend began as a way to play a chosen sport in the summer months for high school team sports participants, and it has increasingly become less tied to high school programs, therefore attracting and including younger players. In some sports, such as basketball and baseball, independent travel teams have become the most important forum for college recruiting and scouting. This has placed more and more emphasis on travel team sports for those players seeking college scholarships, and even in a few instances going directly to professional sports after high school.

The formation of travel teams give youth participants the ability to play sports at a higher level and against better competition. While each team sport has travel teams throughout the United States, the most organized and one of the earliest to become popular was the national governing body of non-scholastic youth basketball, the Amateur Athletic Union, or AAU.

The AAU established the now-universal model of having youth athletes compete in specific age levels against each other, the “U18, U17, U16...” teams, as well as establishing national tournaments for each age group. Basketball was the sport in which the AAU had the most success. By 1989 the AAU had national championships for thirteen age groups, both boys and girls. Recently, more and more teams are becoming “elite” or “all-star” teams that promise better instruction, higher levels of competition and greater visibility.

Youth sports dominated by girls, such as softball and volleyball, do not have as many travel teams and elite tournament opportunities when compared to boys; however, they are growing in number. The current trend is that girls’ youth sports are organizing more travel teams. Sports with lower participation, such as lacrosse and rugby, have had travel teams for some time, because most localities do not have enough participants to create leagues. These teams travel regionally to find competition. Current trends show that formerly overlooked sports are also beginning to develop elite tournaments at the state, regional and national levels.

Youth sports travel is one of the fastest growing segments of the travel industry, overall outpacing leisure travel. A growing number of families are finding their summer weekends filled with trips to tournaments and competitions. Although tournaments are being held year-round, there are a limited number of top-tier travel weekends families regularly travel long distances on.

Primary Travel Weekends

Weekend	Month
Labor Day	September
Columbus Day	October
Thanksgiving	November
Xmas/New Years	December
MLK Weekend	January
Presidents Day	February
Easter	March
Memorial Day	May
Independence Day	July
Mothers Day	May

Source: Clancy's Sports, HSP

Nationally, the primary tournament dates are scheduled over extended holiday weekends. The month of August has very few events because travel seasons are ending and students are returning to school.

Overall, the increased participation by youth athletes in traveling athletic programs can be attributed to several factors including the appeal of sponsorship dollars, increased exposure and higher competition. However, the criticism of some aspects of travel teams, along with the growing cost and time commitment, may force a slowdown of the participation in traveling youth sports programs. Presently, travel teams are a large part of the existing youth sports culture and those teams will continue to be a major aspect of youth sports into the foreseeable future.

TOURNAMENT MARKET ANALYSIS

With the advent of travel teams came the growth of regional, statewide or multi-state tournaments. This trend has led to the youth sport participants involvement in a single sport, particularly as the participant ages and moves into higher skill levels above age 12 or 13. This trend has resulted in localities wanting to better understand how to best capitalize on this movement. Therefore, more localities are developing athletic complexes with the intention of programming facilities with regional and national tournaments as opposed to local use. This programming has resulted in economic benefits such as the generation of hotel room nights, restaurant and retail spending.

Demands on youth sports facilities are increasing due to increased competition. In order to attract national, and even regional tournaments, athletic complexes are adding amenities such as championship-quality fields/courts, arena-type venues for playoffs and improved amenity quality such as bathrooms and concessions. These demands drive costs at the facilities higher.

Localities that construct these facilities can benefit from travel teams such as basketball, volleyball and baseball. However, specific areas could become saturated with multi-use facilities. Supply will eventually overtake demand and to remain competitive, facilities will have to provide more services at a lower cost. The convention center industry is a recent victim of oversupply, due to communities attempting to race to the top in terms of larger facilities and amenities beyond what the economics of the industry could support.

Large events, like tournaments, are instrumental in generating revenue for athletic complexes, but determining the ideal balance between tournaments, league and open use are essential when managing a facility's calendar. It is also important to identify the requirements and expectations of governing bodies and event organizers to better understand the events a facility can attract.

The following details organizations by sport that have tournament demand in California, and specifically in Southern California. These organizations are interested in programming tournaments in destinations such as Rancho Santa Margarita.

BASKETBALL

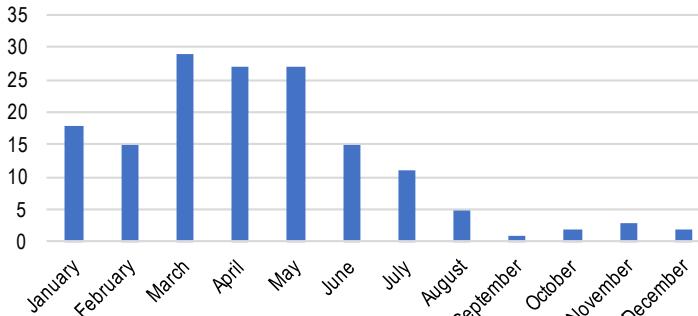
A number of basketball teams and organizations operate in California, including the Amateur Athletic Union (AAU). HSP profiled organizations that are interested in hosting tournaments and events at a new athletic facility in Southern Orange County.

AMATEUR ATHLETIC UNION (AAU) - BASKETBALL

The Amateur Athletic Union (AAU) is one of the largest non-profit volunteer athletic organizations in the United States. The AAU is a multi-sport organization dedicated to the promotion and development of amateur sport programs. The AAU focuses on providing sports programs for all participants of all ages beginning at the local and regional levels. The AAU is divided into 56 distinct districts, which annually sanction 34 sports programs, 250 national championships, and over 30,000 age division events. AAU events have more than 500,000 participants and 50,000 volunteers.

Rancho Santa Margarita is in the Southern Pacific AAU district, which encompasses Los Angeles, Orange, Riverside, San Bernardino, San Luis Obispo, Santa Barbara and Ventura Counties in Southern California. The district organizes regional tournaments for teams to qualify for the AAU national championships. All of the AAU events in the Southern Pacific AAU district are secured through a competitive bid process conducted by the individual sport committees. Events are awarded to venues that can provide the necessary facilities, amenities and competitive rental package. Currently, many events in the Southern Pacific AAU district are using multiple facilities, which isn't ideal for event management. The majority of facilities are at area high schools. Event organizers will schedule one age group at one high school and another age group at another high school. In some instances, there are sanctioned events using more than four venues to accommodate events.

Number of Basketball Tournaments in Southern California by Month



Source: Exposure, Hunden Strategic Partners

In 2017, 150 basketball tournaments are scheduled in Southern California. More than 90 percent of the tournaments are held from January to July, with March through May accounting for nearly 55 percent of the tournaments. Tournament fees range greatly for these tournaments. The majority of fees are in the \$200 to \$250 per team range. These tournaments are sponsored by various groups throughout the area.

AAU Basketball Tournaments in Southern California

Event	Participation	Date	Location	Cost	City
New Year's Jamboree	5 Girls Divisions	January	Oxnard College	--	Oxnard
MLK - Living The Dream Invitational	7 Boys & Girls divisions	January	--	\$250	Corona
Roundball Classic	11 Boys & Girls divisions	March	Players Edge	\$200-\$275	Corona
So Cal Spring Classic	9 Boys divisions	April	Ladera Sports Center	--	Ladera Ranch
Spring Tip Off - Indihoops Ranking Tournament	10 Boys & 9 Girls divisions	April	Eleanor Roosevelt High School	\$225-\$250	Corona
Spring Showcase	11 Boys & 5 Girls	April	Rancho Mirage High School	\$30/ Game	Rancho Mirage
Cinco De Mayo Invitational	11 Boys & 9 Girls divisions	May	Players Edge	\$250	Corona
Mother's Day Shootout	11 Boys & 9 Girls divisions	May	Players Edge	\$125	Corona
SPAAU District Championship	12 Boys divisions	May	Sports Academy	\$300	Thousand Oaks
King of the Court Classic	11 Boys & 9 Girls divisions	June	Players Edge	\$250	Corona
West Coast DII/DIII Nationals	5 Boys divisions	June	Ladera Sports Center	\$550	Ladera Ranch
Summer Sizzle Classic	11 Boys & 9 Girls divisions	July	Players Edge	\$250	Corona

Source: Exposure, Hunden Strategic Partners

In Southern California, there are 12 AAU-sanctioned tournaments in 2017. Seven of the tournaments are at the eight-court Players Edge facility in Corona. Ladera Sports Center in Ladera Ranch, approximately seven miles south of Rancho Santa Margarita, has eight courts and hosts two of these tournaments.

Team Nikos Basketball 2017 Tournaments

Event	Date	Location
Ladera Sports Center	January	Ladera Sports Center
Aces	January	American Sports Center
Edge	January	Next Level Sports Complex, MAP Sports Facility
JW	January	Next Level Sports Complex, MAP Sports Facility
AVAC	January	Next Level Sports Complex, MAP Sports Facility, AIM Sportsplex
Jr Hoops	February	TBA
FBA	February	Ladera Sports Center
SGV	February	American Sports Center, Next Level Sports Complex, MAP Sports Facility
JW	February	Next Level Sports Complex
Determined	February	TBA
Ladera Sports Center	September	Ladera Sports Center
OGP	September	American Sports Center, MAP Sports Facility
AVAC/SPK	October	Next Level Sports Complex, AIM Sportsplex
SGV	October	American Sports Center, Next Level Sports Complex, MAP Sports Facility
AVAC/PCH Hoops	October	Ladera Sports Center
SoCal Elite	October	Ladera Sports Center
OGP	October	American Sports Center
Ladera Sports Center	November	Ladera Sports Center
FB Sports Fall Extraxaganza	November	Next Level Sports Complex
JW	November	Ladera Sports Center
CAVS	December	Next Level Sports Complex
Edge	December	TBA
Jr Hoops	December	Next Level Sports Complex, MAP Sports Facility
OGP	December	American Sports Center, MAP Sports Facility

Source: Team Nikos, Hunden Strategic Partners

Team Nikos is a basketball academy in Southern California that runs several leagues for boys and girls with different skill levels and various ages. To the left shows the tournament schedule for Team Nikos. Its tournament season runs from September to February. The academy goes to tournaments in the Southern California area and hosts nearly a third of the tournaments at their home courts at the Ladera Sports Complex.

Mercadel Basketball is a basketball academy in Orange County for boys and girls of all skill levels. The organization hosts 20 tournaments throughout Southern California at high schools and sports complexes.

Mercadel Basketball 2017 Tournaments				
Event	Date	Location	City	
OC VS IE Showcase	January	Players Edge Gym	Corona	
Super 64 Showcase	February	Saddleback Sports Center	Lake Forest	
Heart Awareness Showcase	February	Lynwood High School	Lynwood	
March Madness	March	Whittier High School	Whittier	
RoundBall Classic	March	Get It Done Sports Arena	Corona	
Above the Rim Classic	April	Whittier High School	Whittier	
IE Desert Wars	April	--	Grand Terrace	
Spring Fling Showcase	April	Whittier High School	Whittier	
Easter Showcase	April	--	Los Angeles	
PlayGround Showdown	May	Fullerton Jr College	Fullerton	
Mayfest Stroke Awareness Showcase	May	Fullerton Jr College	Fullerton	
Cali Swag Showcase	June	Westminster High School	Orange County	
Summerfest	June	Westminster High School	Orange County	
Summer TimeMadness by the Beach	June	Westminster High School	Westminster	
End of the Season Showcase	July	Lynwood High School	Lynwood	
Heat Wave Classic	July	Lynwood High School	Lynwood	
October Jamfest	October	Next Level Sports Complex	Garden Grove	
Trick or Treat Classic	October	Orange Coast College	Costa Mesa	
Let's Give Thanks	November	Lynwood High School	Lynwood	
West Coast Christmas Classic	December	Lynwood High School	Lynwood	

Source: Exposure, Hunden Strategic Partners

IMPLICATIONS

AAU member teams and organizations, such as Mercadel Basketball and Team Nikos, would likely be a user group of an indoor facility, particularly if it has multiple basketball courts. The Southern Pacific AAU district regularly has challenges when scheduling multiple locations for tournaments and events. The district is continually seeking additional facilities for events where the majority of the tournament programming can be at one facility. AAU would be interested in expanding its tournament facility inventory to a new facility in Rancho Santa Margarita as it may offer another site for events beyond just basketball. A new facility would also add a better quality facility to the supply of tournament facilities.

VOLLEYBALL

USA VOLLEYBALL / SRVA

USA Volleyball (USAV) is non-profit organization and serves as the National Governing Body for volleyball in the United States and is recognized as such by the Federation International de Volleyball and the United States Olympic Committee (USOC). USAV also fosters the development of the sport within the United States through involvement with its 40 Regional Volleyball Associations (RVAs). USAV responsibilities include supporting a yearlong training schedule for the Olympic Teams; USA Youth Volleyball (ages 7-12); the Junior Olympic Volleyball program (ages 12-18); U.S. Open Championships by age groups; the USA Coaching Accreditation Program; establishing rules of play in the U.S. and certifying referees and scorekeepers.

The tournaments addressed will focus on the junior levels of competition. Tournaments for juniors are held year-round and vary in duration, lasting one day or as long as four days. Tournaments include the USAV National Championships and SCVA Regional Tournaments.

The USAV National Championships are the highest level of competition. The USAV National Championships are held each year for junior girls, junior boys and adults. The adult open championships include competitive divisions based on age, men's, women's, coed, sitting and Special Olympic teams.

The large size of USAV national events automatically eliminates numerous cities from hosting. Each of the events requires a minimum of 300,000 to 350,000 square feet of convention center space. Cities have to go through a bid process to host an event. Cities must demonstrate that they have the space and dates available and are evaluated based on criteria such as hotel availability and proximity to the venue, restaurant selections, downtown environment, public transportation, geographic location and cost of travel. In addition, the national tournament requirements include:

- Approximately 50 courts for boys' events and 100 courts for girls' events
- Ability to host as many as 1,200 teams
- Room blocks at 25 hotels for girls' events and ten to 15 hotels for boys' events
- Ceiling height of at least 30 feet

USAV Regional Tournaments are the qualifier tournaments managed by the 40 RVAs. The SCVA's section extends from Santa Barbara/San Luis Obispo in the west, Bakersfield in the north, Las Vegas in the east to San Diego in the south. In 2016, the SCVA registered approximately 1400 junior girls teams, and over 16,000 junior girls.

The USA Volleyball National Championships are programmed for three levels, the Girls' Juniors, Boys' Juniors and Opens. Championships for each level are held in different cities and rotated to a new city each year. Since 2011, the number of teams for the Opens and Boys' Junior levels have remained below 600 teams. However, the number of teams for the Girls' Junior level increased from 816 teams in 2011 to more than 1,400 teams in 2016.

SCVA has nearly 54 facilities in Southern California that are used for volleyball leagues, practices, events and tournaments. The facilities include high school and college gyms plus sport complexes throughout the area. Many leagues, tournaments and events have utilized multiple facilities within the area to program volleyball events. Although there are 20 sports complexes that offer more than one court, the majority of these facilities are not tournament-quality and lack amenities desired by larger tournament organizers.

Carson, Fullerton, Torrance and Whittier have three facilities each. Anaheim, Huntington Beach, Irvine, Long Beach, San Bernardino, San Diego, San Juan Capistrano and San Marcos each have two facilities. The remaining 26 facilities are in communities with one facility each.

SCVA junior girls have 65 tournaments scheduled for the 2016/2017 season. These tournaments are in Southern California with the exception of two tournaments in Las Vegas and the Junior National Championships in Dallas and Minneapolis.

VOLLEYBALL IMPLICATIONS

A new indoor facility that can accommodate volleyball use would provide new inventory to the area that would fill the lack of an indoor facility in the RSM area. The volleyball clubs in the Southern California area have developed programs that are in need of more facilities to support both local play and tournaments of all sizes. The majority of the tournaments are programmed in Anaheim and Fullerton. A new indoor facility with approximately 8 to 10 volleyball courts would help accommodate local and regional recreational groups, while providing additional courts to accommodate growth and large volleyball events.

SOFTBALL

A number of softball teams and organizations operate in Southern California, including USSA/ASA and NSA. HSP profiled organizations that are likely to host tournaments and events at a new athletic facility in RSM.

AMATEUR SOFTBALL ASSOCIATION (ASA)

The Amateur Softball Association (ASA) is a not-for-profit organization based in Oklahoma City. The ASA is the National Governing Body of softball in the United States. The ASA has become one of the nation's largest and fastest-growing sports organizations and now sanctions competitions in every state through a network of 10 regions and 83 local associations. Rancho Santa Margarita falls into ASA Region 10, Pacific Coast, which includes all of Arizona, California, Hawaii and Nevada. The ASA has grown to more than 250,000 teams, representing a membership of more than four million.

The ASA awards its tournaments to host facilities through a formal bid process that is two years in advance of the targeted tournament date. A proposal needs to be prepared in collaboration with and receive approval from the Regional Commissioner before submission to the ASA National Office. The criteria the ASA follows when assessing a facility's proposal to host a tournament include, but are not limited to the following:

- Number of facilities – multiple facilities are acceptable. No specifications have been given on a maximum amount.
- Number of fields – generally for weeklong tournaments, one field for every ten youth teams and one field for every 15 adult slow pitch teams is required. Regional tournaments can feature 20 to 60 teams while national tournaments can feature up to 175 teams. Fields must have a minimum fence distance of 200 feet for youth competitions and 300 feet for adult competitions.

- Facility features – facility staff must be able to properly maintain and reset fields between games to ensure they are in safe playing condition. Additional features that can add to the experience include lighted fields, an umpire changing area, a scorekeeper's location, space for vendors and seating. Portable outfield fences will allow a facility to be more flexible. The features need to be well maintained and in very good condition.
- Amenities – the surrounding local market is evaluated to determine if sufficient restaurants, hotels and entertainment options are available to participants and spectators.
- Access – access and distance to/from major roads and airports is a key factor.

Annually, the ASA conducts more than 90 national championships in each of its major disciplines of the sport - slow, fast and modified pitch. In order to qualify for an ASA National Championship, each team competes through a network of qualifying tournaments.

USA Softball of Southern California is the state district of ASA/USA Softball that Rancho Santa Margarita falls in. Throughout the year, USA Softball of Southern California programs more than 15 tournaments and events at various parks throughout the state. The Southern California Region has two National Qualifying Tournaments, both of which are in Lake Elsinore in June.

In 2017, USA Softball of Southern California has 16 tournaments scheduled throughout the year that average two events days per tournament. Of the 16 tournaments, only one is a one-day event. However, nearly 95 percent of the scheduled events are two-to-five-day events, which will bring economic impact to the host area.

NATIONAL SOFTBALL ASSOCIATION (NSA)

The National Softball Association (NSA) was established in 1982 and is based in Lexington, Kentucky. The NSA is a full-service organization and offers youth through adult competition in a number of divisions. The NSA has a Southern California region and any facility in Rancho Santa Margarita will compete to host tournaments in this region. Unique to the NSA is that it is a no-bid organization.

The NSA programs youth softball games throughout the season in California beginning in September and through the following August. Tournaments generally last one day and take place in cities throughout California. For 2016-2017, Southern California NSA has more than 425 tournaments scheduled. In addition to youth softball, the NSA also programs multiple adult softball tournaments and events, and multiple slow-pitch softball tournaments and events.

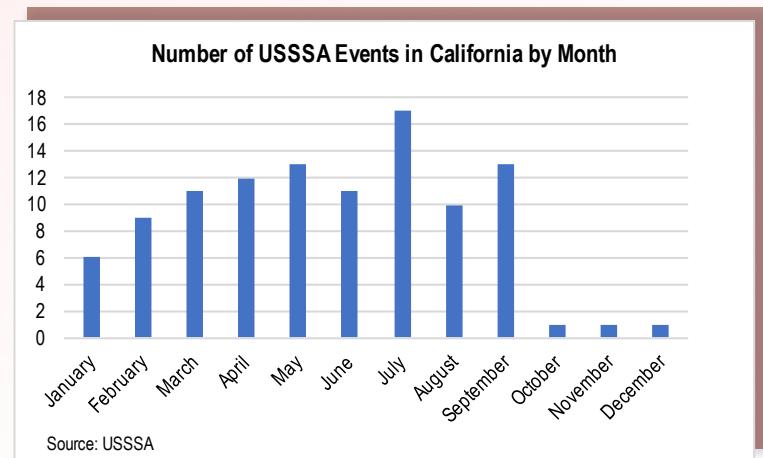
IMPLICATIONS

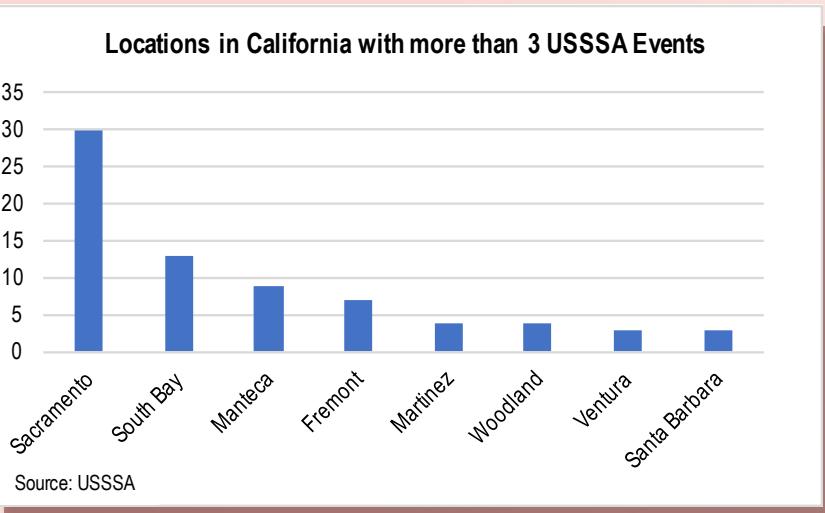
As with the rest of the nation, softball is a popular sport in California. Organizations such as the ASA and NSA are looking to increase the number of sanctioned tournaments. Key stakeholders in both organizations expressed interest in gaining more exposure in Southern California. A new facility in Rancho Santa Margarita would be an attractive destination for sports tourism.

UNITED STATES SPECIALTY SPORTS ASSOCIATION

The United States Specialty Sports Association (USSSA) is a non-profit organization of volunteers that serves as a sport's governing body. The organization was founded in 1968 in Petersburg, Virginia and has since relocated to Kissimmee, Florida, operating from Disney's Wide World of Sports complex. USSSA started as a slow-pitch softball association, but in 1998 expanded to offer more sports programs. Currently USSSA governs 13 sports and has a membership of more than 3.7 million. USSSA programs tournaments and events for softball and baseball in California throughout the year. Rancho Santa Margarita is part of the California USSSA region.

As shown in the figure to the right, California USSSA programs approximately 100 events in California each year. More than 80 percent of the events are programmed from March through September and include the USSSA state championship events. The USSSA tournament schedule runs from January through September and averages approximately nine events per month, with only one tournament per month from October through December.





Sacramento has the most USSSA events programmed in 2017 with 30 tournaments, which is more than twice the South Bay's 13 events. Only six cities have three to eight events scheduled in 2017. Of the cities in this list, only Ventura and Santa Barbara are located in Southern California. The majority of the USSSA events are in Northern California.

IMPLICATIONS

National organizations such as USSSA are continuing to expand their tournaments and events into new locations. Softball organizers appreciate being able to use the same facilities year after year, in order to make scheduling and planning easier for all involved in the process. A new facility in Rancho Santa Margarita could be used to bring more of these events to Southern California.

IMPLICATIONS

Based on the analysis on the previous pages, a new multisport indoor or outdoor athletic complex in Rancho Santa Margarita would likely host tournaments of regional size in the immediate future and could be established as an annual host site. High utilization of local sports facilities by highly reputable clubs/teams, additional space is needed to alleviate the utilization at the existing facilities and support any growth from the local clubs/teams growth and tournaments. Various clubs/teams have expressed interest in a new development in the area. Any development of an indoor or outdoor complex in Rancho Santa Margarita should establish partnerships with one or more clubs/teams or state organizations. A facility in RSM is expected to attract teams from Southern California and regionally. In addition, a new facility in RSM is expected to compete with the premier regional facilities for state and regional tournaments. A facility that could accommodate larger tournaments could also benefit other smaller venues by generating overflow use or a need for practice facilities during an event.

OUTDOOR CASE STUDY – ORANGE BEACH SPORTSPLEX

Opened: 2001

Owned by: City of Orange Beach

Operated by: Orange Beach Parks & Recreations Department

Located: Orange Beach, Alabama **Size:** 102.5 Acres

Features:

9 baseball / softball diamonds

2 multipurpose fields (1,500-seat Championship Field)

Tenants / Tournaments:

Island Cup Soccer Tournament Gulf Coast Classic Baseball I, II & III

USSSA World Series / All State Tournament

Publix Soccer Cup

SEC Soccer Championship

NAIA Soccer Tournaments

Local recreational leagues

Featuring nine baseball/softball diamonds, the Orange Beach Sportsplex is one of the most desired complexes by organizations such as USSSA. Field conditions are above average, as the fields are maintained five days per week. Peak usage at the facility comes in the spring and summer, between March and August. In 2016, USSSA held more than 15 events at the Sportsplex, with each event requiring more than 2,600 guest rooms on average. The facility has a \$250/field/day rental fee for the baseball/softball fields. The OB Sportsplex lacks shading structures throughout the facility and additional support amenities (such as playgrounds), as well as has parking challenges during high-traffic events.



The OB Sportsplex spends \$500,000 per year for renovations and maintenance to the baseball/softball diamonds, and recently spent \$400,000 for renovations to the multipurpose fields. The maintenance crew is part of the public works department and salaries are included in the public works budget. Throughout the year, local recreation leagues rent the facilities for practice, league play and other events. The events that bring in room nights are secured and scheduled at multiple parks in the area by the Gulf Shores Orange Beach Sports Commission (GSOB). GSOB secures more than 140 room night generating events each year to the area, and more than 90,000 room nights each year. Of the 90,000 room nights, USSSA accounts for more than 61 percent.

Fieldhouse USA Key Data Points

Location	Frisco, Texas
Ownership	City of Frisco
Operator	Sports Village Holdings, LLC
Year Opened	2009
Facilities	12 full-sized hardwood basketball / volleyball courts Regulation indoor soccer turf 5 pitching / batting cages
Cost	\$17.5 million
Funding	Private / Public

Source: Fieldhouse USA, CASE Commercial Real Estate Partners, City of Frisco, HSP

Fieldhouse USA development has three locations:

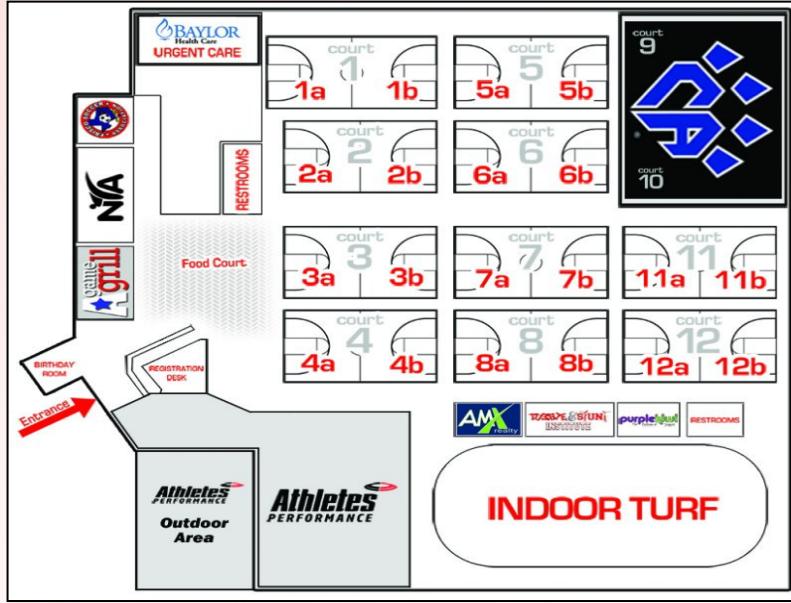
- Frisco, Texas
- Grapevine, Texas
- Mansfield, Texas

INDOOR CASE STUDY





- 144,000 SF facility that includes 600 parking spaces
- 13,200 SF food court
- 10,000 SF training facility
- EXOS Sports Nutrition, Training and PT – formerly Athletes Performance
- 1.5 million visitors annually
- More than 31 tournaments and 25,000 participants per year
- Has generated more than 62,000 room nights since opening

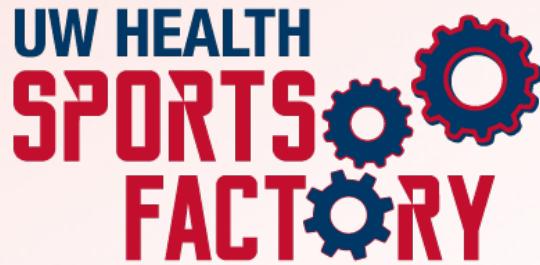


Implications

The Fieldhouse USA is an example of a venue that has incorporated supplemental tenants and operations that provide synergies with the core sports business and activities. The facility was designed to accommodate uses beyond court sports, including turf, training facilities, cheer and others. Accommodating leagues and other activities intended for area residents is an important component for the facility. However, tournaments are still a priority for the venue to drive economic impact in the community. The Sports Village USA mixed-use development will help create a complete hospitality package that will allow guests to eat, sleep and play all in short and walkable distance from each other.

INDOOR CASE STUDY – UW HEALTH SPORTS FACTORY

- Location: Rockford, IL
- Opened: May 2016
- Cost: \$24.4 Million
- Size: 108,000SF
- Owned / Operated by: City of Rockford / Rockford Parks District
- Sports Facility Features:
 - 7 basketball courts or
 - 14 volleyball courts



The City of Rockford, Illinois is actively taking steps to re-establish its downtown as a destination for economic activity, and as a catalyst to improve the community's economic health, quality of life and grow the identity of Rockford. In addition to other development projects such as a downtown hotel, downtown residential units and retail/restaurant storefronts, the City purchased a former Ingersoll manufacturing building in 2002 for approximately \$2 million and later identified it as a venue to repurpose into an indoor sports complex. The sports complex was anticipated to be a catalyst in the revitalization along the east bank of the Rock River.

The UW Health Sports Factory offers 96,000 square feet of hard court surface, which includes 16 volleyball courts (two being championship courts), eight basketball courts (one being a championship court), 16 wrestling mats, 42 pickleball courts, seating for up to 3,700 spectators, five meetings rooms and trade show space. Also included in the 108,000 square feet is an event plaza, restaurant/bar and a riverfront boardwalk.

The UW Health Sports Factory is intended to accommodate local use, while offering tournament-level facilities to host and attract larger regional and national tournaments. Prior to opening in May 2016, UW Health Sports Factory staff had pre-booked more than 25 event days from the middle of May through the end of 2016. Rockford Hoops, which offers youth basketball tournaments, had more than 5,600 teams from ten states and three countries last year and will be using UW Health Sports Factory as the home for all of its tournaments. In addition to these tournaments, the Rockford Park District offers adult and youth volleyball leagues, lessons and camps year around and will be using the UW Health Sports Factory.



FOOTBALL STADIUM CASE STUDY

- Location: Rancho Cucamonga, CA
- Opened: February 2016
- Cost: \$17.5 million
- Capacity: 5,000 seats
- Owned by: Chaffey Joint Union High School District
- Operated by: Etiwanda High School
- Stadium Features:
 - 5,000 seats
 - 3,000-seat home side with press box
 - 2,000-seat visitor side
 - Artificial field
 - Nine lane synthetic track
 - Field lighting, scoreboard and PA system
 - 7,000 square foot entry including restrooms, ticket area, concession stands and a team room building



EAGLE STADIUM AT
ETIWANDA HIGH SCHOOL

HSP spoke with key stakeholders in Chaffey Joint Union High School District to better understand the development and management of the Etiwanda High School football stadium, as well as understand their thoughts on stadiums owned publicly and operated by a private school. A summary of the conversation is below.

- Owned and operated by Etiwanda High School. Etiwanda High School was previously sharing a stadium with another high school. The high schools are happy they do not have to share football stadiums anymore.
- The majority of utilization at the stadium is by high school athletic programs and events. However, the city could rent if they want. The school operates and keeps revenue from the concession stands at the stadium.
- If RSM develops a stadium, they should make sure they pick good quality turf, as Etiwanda high school had some issues with initial turf, which was Astroturf. Also, RSM should pay attention to the accessibility onto the field, such as concerns about ingress/egress for people but also for equipment. This was an oversight at Eagle Stadium.
- RSM should have no issues with a private school running the stadium.
- Once the architects are done, a solid management company should be hired to run construction. Public Works gave rights to 3rd party contractors to develop the stadium, which was managed by Tilton and Coli Constructors.

IMPLICATIONS

This chapter presented a range of youth sports complexes that all have similar characteristics to the potential sports complex in RSM. While differences are found between each facility, each complex's business model includes tournaments as well as local usage. These tournaments attract a significant number of non-local attendees and have a direct impact on the local hotel market through room nights generated.

Scheduling priorities are a feature in all comparable facilities. An emphasis is placed on tournaments while local groups are offered usage based on calendar availability after tournaments are scheduled. Some facilities have demonstrated the ability to attract more than just baseball and volleyball events, further enhancing usage opportunities and financial performance.

In addition, HSP analyzed a high school football stadium that is a result of a successful public-private partnership. In this case, the school needs were met by having the new facility and the city has access as needed.

HOTEL MARKET AND TRENDS ANALYSIS

This chapter includes a review of national hotel trends as well as an in-depth analysis of the hotels in the RSM area.

NATIONAL HOTEL MARKET TRENDS

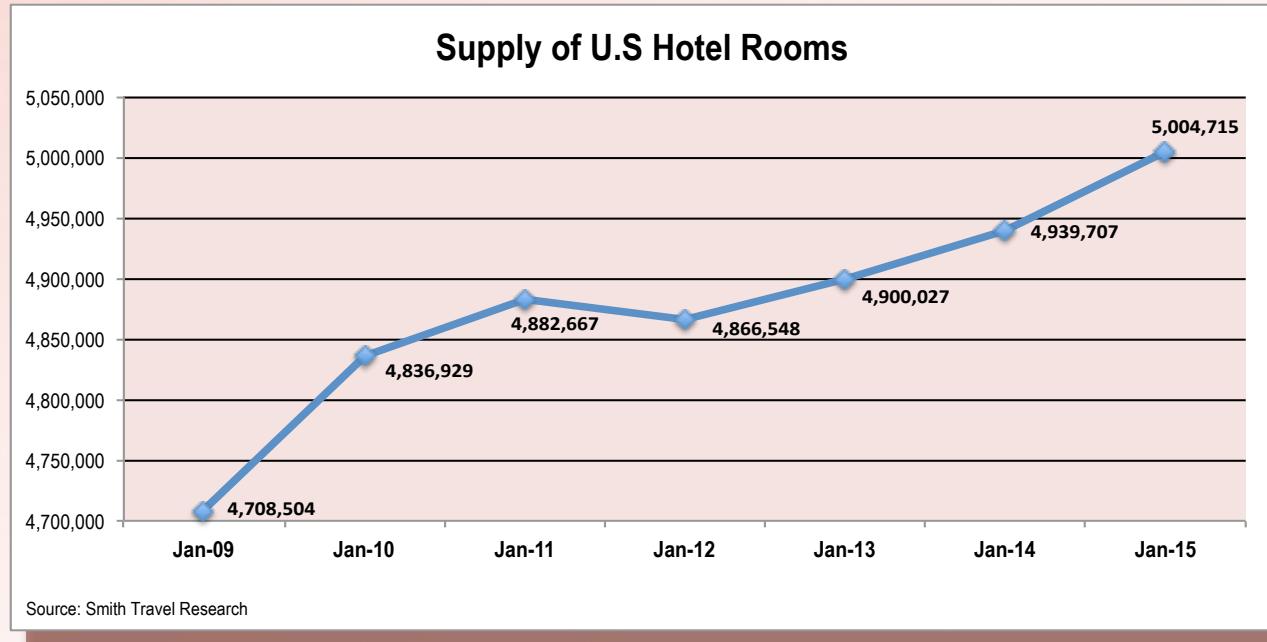
National hotel market trends are important to the development of any youth sports development, whether it involves macro supply and demand issues, amenity trends, financing or other trends impacting the industry.

- The latest recession, which started in 2008, was the most severe recorded in the hotel industry post-depression.
- Following the recession occupancy peaked at an all-time industry high of 66.7 percent in 2016, steadily increasing from the period low of 54.5 percent in 2009.
- Average Daily Rate (ADR) also steadily increased from \$98.08 in 2010 to a high of \$124 in 2016.
- 2016 showed improvement in all categories over 2015 levels. Revenue per Available Room (RevPAR) increased the most by 5.5 percent to \$83.

National Lodging Industry Annual Summary						
Year	Occupancy	Change	Average Daily Rate	Change	Revenue per Available Room	Change
1992	61.9%	--	\$59.62	--	\$36.90	--
1993	63.1%	1.9%	\$61.30	2.8%	\$38.68	4.8%
1994	64.7%	2.5%	\$64.24	4.8%	\$41.56	7.4%
1995	65.1%	0.6%	\$67.17	4.6%	\$43.73	5.2%
1996	65.0%	-0.2%	\$70.81	5.4%	\$46.03	5.3%
1997	64.5%	-0.8%	\$75.31	6.4%	\$48.57	5.5%
1998	63.8%	-1.1%	\$78.15	3.8%	\$49.86	2.7%
1999	63.1%	-1.1%	\$81.29	4.0%	\$51.29	2.9%
2000	63.5%	0.6%	\$85.24	4.9%	\$54.13	5.5%
2001	59.8%	-5.8%	\$84.45	-0.9%	\$50.50	-6.7%
2002	59.0%	-1.3%	\$83.20	-1.5%	\$49.09	-2.8%
2003	59.2%	0.3%	\$83.28	0.1%	\$49.30	0.4%
2004	61.3%	3.5%	\$86.70	4.1%	\$53.15	7.8%
2005	63.1%	2.9%	\$91.29	5.3%	\$57.61	8.4%
2006	64.2%	1.7%	\$96.77	6.0%	\$62.13	7.8%
2007	64.1%	-0.2%	\$102.38	5.8%	\$65.63	5.6%
2008	60.4%	-5.8%	\$106.55	4.1%	\$65.61	0.0%
2009	54.5%	-9.8%	\$98.20	-7.8%	\$53.55	-18.4%
2010	57.6%	5.7%	\$98.08	-0.1%	\$56.47	5.5%
2011	60.1%	4.3%	\$101.64	3.6%	\$61.06	8.1%
2012	61.4%	2.2%	\$106.10	4.4%	\$65.17	6.7%
2013	62.3%	1.5%	\$110.35	4.0%	\$68.69	5.4%
2014	65.0%	4.3%	\$115.26	4.4%	\$75.66	10.1%
2015	65.6%	0.9%	\$120.01	4.1%	\$78.67	4.0%
2016	66.7%	1.7%	\$124.00	3.3%	\$83.00	5.5%
Avg. Annual Growth Rate		0.4%		3.1%		3.6%

Source: Smith Travel Research, HSP

As demonstrated, the U.S. supply of hotel rooms has increased from approximately 4.7 million rooms in January 2009 to more than five million rooms in January 2015. Of the seven years shown, the only decrease in hotel rooms in the U.S. hotel market was between 2011 and 2012. This growth rate from 2011 and 2012 was less than one percent per year, which was outpaced by demand growth, which is why occupancy has increased and rates have followed.



LOCAL HOTEL MARKET

The RSM hotel market is characterized by a collection of small- and medium-sized limited-service and select-service establishments. Newer properties have been developed at a higher quality, while older properties are typically lower quality.

Lodging Summary: Within 10 Miles of Rancho Santa Margarita						
Chain Scale	Rooms	% of Total Rooms	Hotels	Rooms per Hotel	Avg. Opening Year	Avg. Age in Years
Upper Upscale	174	5%	1	174	Jul-08	8
Upscale	1,504	39%	10	150	Nov-99	16
Upper Midscale	988	26%	9	110	Aug-97	19
Midscale	612	16%	5	122	Jul-88	28
Economy	301	8%	3	100	Apr-94	22
Independent	278	7%	3	93	Aug-85	31
Total / Average	3,857	100%	31	124	Apr-95	21

Source: Smith Travel Research, Hunden Strategic Partners

- No properties in RSM
- 31 properties totaling nearly 4,000 rooms in the RSM area
- Average hotel age in the area is 21 years
- Seven hotels have been added to the inventory in the last ten years, one hotel is currently under construction as well
- Nearly 1,450 new hotel rooms are in the application process or under development

Rancho Santa Margarita Area Hotels				
Property Name	Distance	Rooms	Chain Scale	Open Date
Ayres Hotel & Spa Mission Viejo	3.2	90	Upper Midscale	May-09
Ayres Suites Mission Viejo	3.2	115	Upper Midscale	May-00
Ascend Collection The Hills Hotel	3.3	148	Upscale	Jan-77
Fairfield Inn Mission Viejo Orange County	3.4	146	Upper Midscale	May-87
Prominence Hotel & Suites	4.5	60	Independent	Oct-02
Courtyard Foothill Ranch Irvine East Lake Forest	4.6	156	Upscale	Feb-04
Extended Stay America Orange County Lake Forest	4.7	119	Economy	Sep-97
Hilton Garden Inn Irvine East Lake Forest	4.8	103	Upscale	Mar-04
Hampton Inn Irvine East Lake Forest	4.8	84	Upper Midscale	Aug-98
Laguna Hills Lodge	5.1	121	Independent	Jun-68
Hampton Inn & Suites Mission Viejo	5.1	101	Upper Midscale	UIC
Staybridge Suites Irvine East Lake Forest	5.2	128	Upscale	Mar-06
Americas Best Value Inn Laguna Inn & Suites	5.3	33	Economy	Jun-87
Best Western Plus Irvine Suites Hotel	5.5	90	Upper Midscale	Nov-88
Candlewood Suites Orange County Irvine East	5.6	122	Midscale	Oct-97
Holiday Inn & Suites Irvine Spectrum	5.6	148	Upper Midscale	Sep-09
Quality Inn & Suites Irvine Spectrum	5.6	112	Midscale	Nov-86
Courtyard Laguna Hills Irvine Spectrum	5.7	136	Upscale	Jul-90
Comfort Inn Laguna Hills @ Irvine Spectrum	6	76	Upper Midscale	Jun-85
Residence Inn Irvine Spectrum	6.1	112	Upscale	May-89
Ayres Hotel Laguna Woods	6.2	138	Upper Midscale	Apr-01
Homewood Suites Aliso Viejo Laguna Beach	6.5	129	Upscale	Feb-16
Renaissance ClubSport Aliso Viejo Laguna Beach Hotel	6.5	174	Upper Upscale	Jul-08
Extended Stay America Orange County Irvine Spectrum	7.4	149	Economy	Oct-97
Best Western Capistrano Inn	7.6	108	Midscale	Jun-72
Courtyard Irvine Spectrum	8	210	Upscale	Jul-14
Doubletree Irvine Spectrum	8.4	252	Upscale	Jul-99
La Quinta Inns & Suites Orange County Irvine Spectrum	9.1	148	Midscale	Dec-86
Candlewood Suites Orange County Irvine Spectrum	9.3	122	Midscale	Sep-98
The Ranch @ Laguna Beach	9.8	97	Independent	Jun-63
Residence Inn Dana Point San Juan Capistrano	9.9	130	Upscale	Feb-12
Total/Average		3,630		Dec-95

Source: Smith Travel Research



- Majority of hotels are clustered around the Irvine Spectrum shopping center and the Irvine Business Center
- Access from Chiquita Ridge site to area hotels could present challenges for tournament organizers

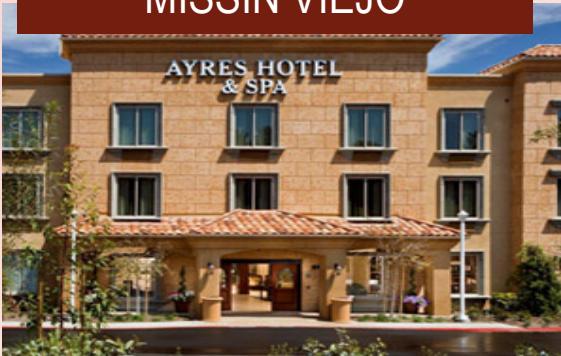
RSM COMPETITIVE SUPPLY & MAP

Rancho Santa Margarita Competitive Hotel Properties				
Property Name	Distance	Rooms	Chain Scale	Open Date
Ayres Hotel & Spa Mission Viejo	1.6	90	Upper Midscale	May-09
Ayres Suites Mission Viejo	1.7	115	Upper Midscale	May-00
Courtyard Foothill Ranch Irvine East Lake Forest	3.5	156	Upscale	Feb-04
Hampton Inn Irvine East Lake Forest	3.8	84	Upper Midscale	Aug-98
Hilton Garden Inn Irvine East Lake Forest	3.8	103	Upscale	Mar-04
Staybridge Suites Irvine East Lake Forest	4.4	128	Upscale	Mar-06
Fairfield Inn Mission Viejo Orange County	5.8	146	Upper Midscale	May-87
Residence Inn Irvine Spectrum	6.5	112	Upscale	May-89
Best Western Plus Irvine Suites Hotel	6.6	90	Upper Midscale	Nov-88
Holiday Inn & Suites Irvine Spectrum	6.6	148	Upper Midscale	Sep-09
Courtyard Laguna Hills Irvine Spectrum	6.8	136	Upscale	Jul-90
Comfort Inn Laguna Hills @ Irvine Spectrum	7.0	76	Upper Midscale	Jun-85
Average/Total	4.8	1,384	--	Oct-97

Source: Smith Travel Research, Hunden Strategic Partners

- 12 properties with 1,384 rooms
- Set includes Upscale and Upper Midscale properties
- Average age of set is 19 years

AYRES HOTEL & SPA MISSIN VIEJO



Opened: 2009 (Renovated in 2015)

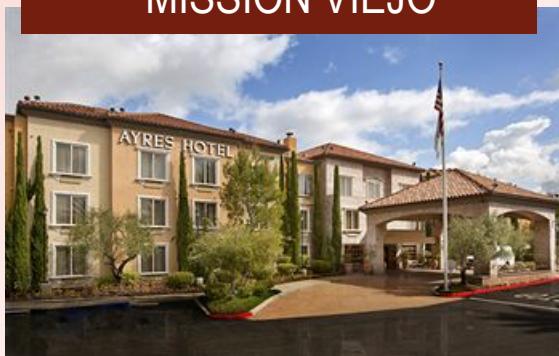
Distance from Chiquita Ridge: 6 mi.

Rooms: 90 guest rooms

Overview:

- Complimentary breakfast
- Two meetings rooms with 1,800SF
- Offers outdoor pool, hot tub, local shuttle service and a garden courtyard

AYERS SUITES MISSION VIEJO



Opened: 2000 (Renovated in 2013)

Distance from Chiquita Ridge: 6.5 mi.

Rooms: 115 guest rooms

Overview:

- Complimentary breakfast
- Two meeting room with 1,200SF
- Offers gym, pool and hotel tub

COURTYARD FOOTHILL RANCH IRVINE EAST LAKE FOREST



Opened: 2004 (Renovated in 2013)

Distance from Chiquita Ridge: 7 mi.

Rooms: 156 guest rooms

Overview:

- Three meeting room with 1,289SF
- Offers business center, outdoor pool with hot tub, exercise room and a restaurant

HAMPTON INN IRVINE EAST LAKE FOREST



Opened: 1998

Distance from Chiquita Ridge: 7.5 mi.

Rooms: 84 guest rooms

Overview:

- Complimentary breakfast (incl. to-go breakfast)
- One meeting rooms with 522SF
- Offers business center, a pool with a hot tub and an exercise center

HILTON GARDEN INN IRVINE EAST LAKE FOREST



Opened: 2004

Distance from Chiquita Ridge: 8 mi.

Rooms: 103 guest rooms

Overview:

- One meeting rooms with 1,840SF
- Offers exercise center, pool with hot tub, business center, convenience store and the Great America Grill

STAYBRIDGE SUITES IRVINE EAST LAKE FOREST



Opened: 2006

Distance from Chiquita Ridge: 9.5 mi.

Rooms: 128 guest rooms

Overview:

- Complimentary breakfast
- One meeting rooms with 684SF
- Offers fitness and business centers, a pool and laundry facilities

FAIRFIELD INN MISSION VIEJO ORANGE COUNTY



Opened: 1987

Distance from Chiquita Ridge: 7 mi.

Rooms: 146 guest rooms

Overview:

- Complimentary breakfast
- One meeting rooms with 220SF
- Offers business center, a pool with a hot tub, shuttle service and an exercise center

RESIDENCE INN IRVINE SPECTRUM



Opened: 1989 (Renovated in 2009)

Distance from Chiquita Ridge: 12 mi.

Rooms: 112 guest rooms

Overview:

- Complimentary breakfast
- Offers exercise center, pool with hot tub, tennis and volleyball courts, convenience store and grocery-shopping service

BEST WESTERN PLUS IRVINE SUITES HOTEL



Opened: 1988

Distance from Chiquita Ridge: 11 mi.

Rooms: 90 guest rooms

Overview:

- Complimentary breakfast
- Offers exercise facilities, business center, a pool with hot tub and guest laundry

HOLIDAY INN & SUITES IRVINE SPECTRUM



Opened: 2009

Distance from Chiquita Ridge: 13 mi.

Rooms: 148 guest rooms

Overview:

- Two meeting rooms with 1,200SF
- Offers fitness center, pool, and a business center,

COURTYARD LAGUNA HILLS IRVINE SPECTRUM



Opened: 1990 (Renovated in 2001)

Distance from Chiquita Ridge: 12 mi.

Rooms: 136 guest rooms

Overview:

- Complimentary breakfast
- Two meeting rooms with 1,083SF
- Offers a pool, whirlpool, exercise facility, a business center with workstations and printers and a restaurant, The Bistro.

COMFORT INN LAGUNA HILLS AT IRVINE SPECTRUM



Opened: 1985

Distance from Chiquita Ridge: 12 mi.

Rooms: 76 guest rooms

Overview:

- Complimentary breakfast
- Offers a business center, pool, hot tub and computers for guests to use

Historical Supply, Demand, Occupancy, ADR, and RevPar for Competitive Hotels											
Year	Annual Avg. Available Rooms	Available Room Nights	% Change	Room Nights Sold	% Change	% Occupancy	% Change	ADR	% Change	RevPar	% Change
2011	1,180	430,700	--	294,008	--	68.3	--	\$105.81	--	\$72.23	--
2012	1,180	430,700	0.0%	296,399	0.8%	68.8	0.8%	\$110.62	4.5%	\$76.13	5.4%
2013	1,179	430,335	-0.1%	313,253	5.7%	72.8	5.8%	\$116.10	5.0%	\$84.51	11.0%
2014	1,179	430,335	0.0%	329,758	5.3%	76.6	5.3%	\$119.44	2.9%	\$91.53	8.3%
2015	1,179	430,335	0.0%	335,610	1.8%	78.0	1.8%	\$127.43	6.7%	\$99.38	8.6%
2016 YTD (August)	1,184	286,497	3.8%	219,648	3.5%	76.7	-0.3%	\$137.09	2.1%	\$105.10	1.8%
CAGR* (2011-2015)	0.0%	0.0%	--	3.5%	--	3.6%	--	5.1%	--	9.4%	--

*Compound Annual Growth Rate
Sources: Smith Travel Research, Hunden Strategic Partners

- Room-night demand has increased over the last five years
- Number of room nights sold peaked in 2015 at over 335,000, and occupancy increased from 68.3 percent in 2011 to 78 percent in 2015
- ADR increased in this period from \$105.81 in 2011 to \$127.43 in 2015
- RevPAR increased from \$72.23 in 2011 to its peak of \$99.38 in 2015

SEASONALITY OF OCCUPANCY

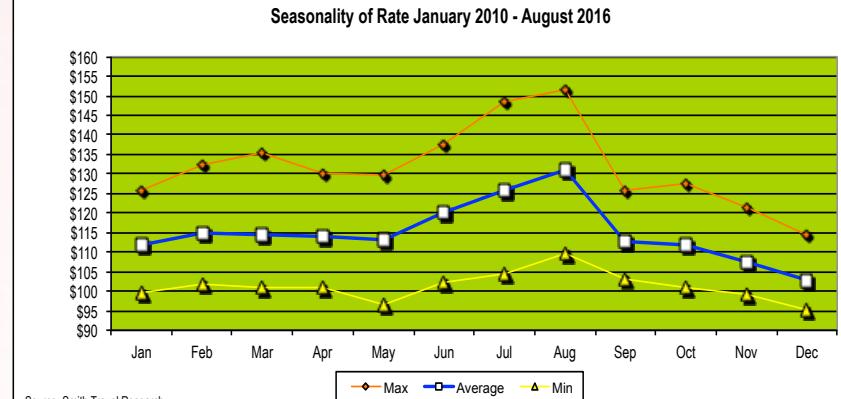
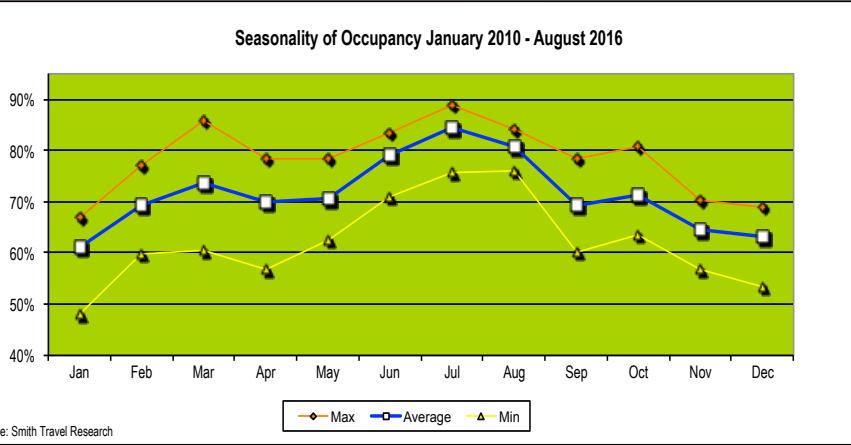
In terms of occupancy, June, July and August are the busiest months (averaging nearly and more than 80 percent), followed by March and October. January and December are the slowest months. Occupancy averages more than 70 percent most of the year, though late fall and winter months are between 60 and 70 percent. These are slower months for groups and youth sports, as well as for leisure travelers to Southern California.

Source: Smith Travel Research

SEASONALITY OF RATE

Average daily rate is relatively flat throughout the year, but does spike during summer months due to youth sports and Saddleback Church annual events occurring in August. It is unusual that July has the lowest rates on average. August has the highest average rates at \$130, while most other months are between \$110 and \$115.

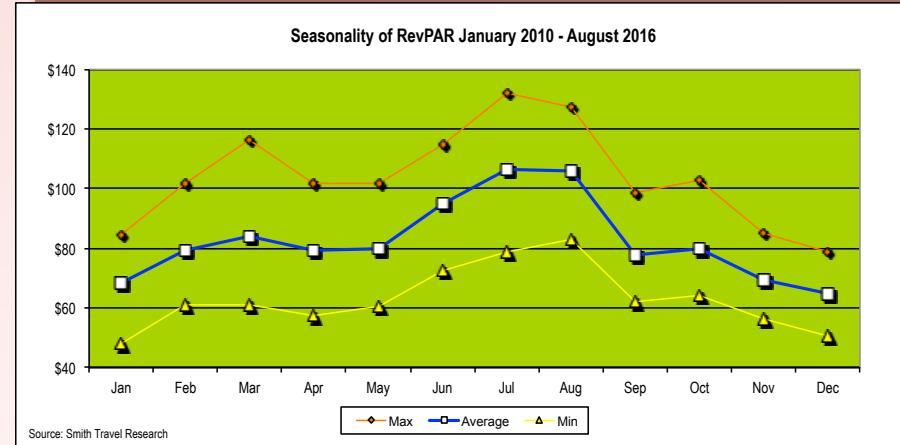
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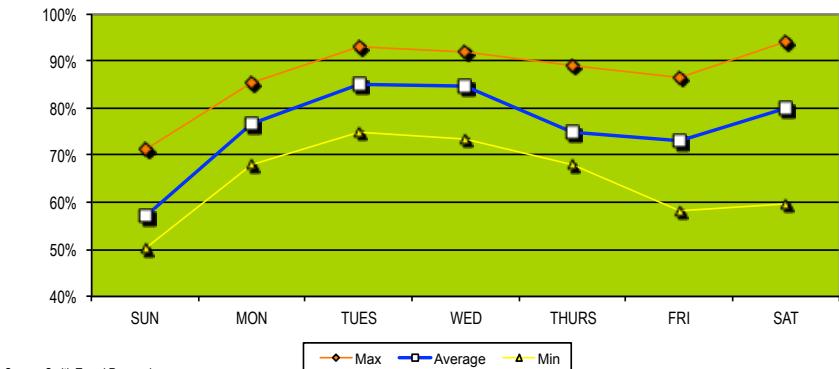
HOTEL & RESTAURANT SUPPLY ANALYSIS 112

SEASONALITY OF REVPAR

The revenue per available room (RevPAR) is highest from June through August when both the rate and the occupancy are high and reaches its peak in August.



Occupancy by Day of Week September 2015 - August 2016

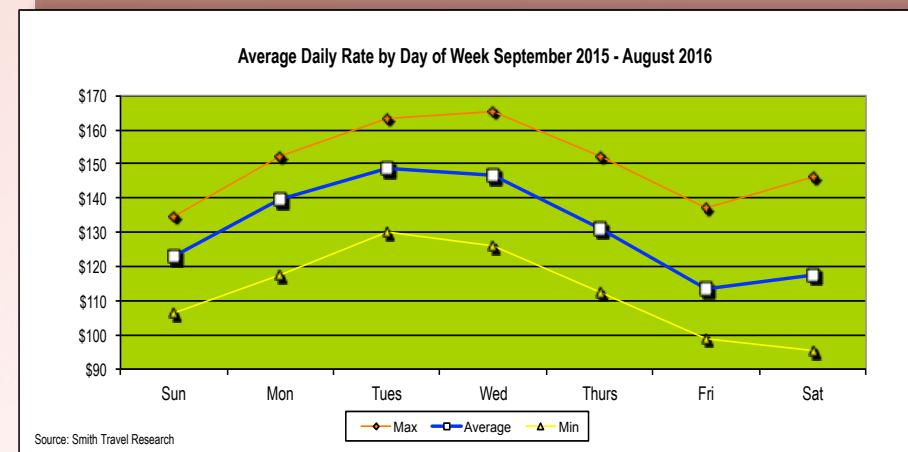


OCCUPANCY BY DAY OF WEEK

Occupancy is highest on Tuesday, Wednesday and Saturday, suggesting a strong corporate market and reinforcing the youth sports market in the area. The low occupancy on Friday shows there is a less prevalent leisure travel market, which demonstrates that communities surrounding RSM have yet to develop a reputation as leisure destination markets. Sunday nights typically have the lowest occupancy in all markets.

AVERAGE DAILY RATE BY DAY OF WEEK

Rates are considerably lower on Friday and Saturday nights, with the lowest rates of the week (between \$110 and \$120). This may be attributed to the price sensitivity for youth sports. Monday through Thursday is above \$130, peaking on Tuesday at \$149.



UNACCOMMODATED DEMAND

Unaccommodated demand is defined as demand that would have been captured by the market but for a lack of available or quality rooms. This demand is therefore deferred to later dates, accepts lesser-preferred accommodations, moves just outside the competitive set, moves its business to another area, or cancels plans altogether. Therefore, as new properties are added to the market, it is expected that this demand will be accommodated by the new supply, suggesting that when new hotels are added, they do not cannibalize existing market demand, but accommodate previously unaccommodated demand. While it is not possible to accurately predict all unaccommodated demand, an estimated figure can be inferred from occupancy data.

OCCUPANCY PERCENT BY DAY OF WEEK BY MONTH

As shown, there were many days, Monday through Wednesday, in most months when occupancy was higher than 75 and 80 percent. Tuesdays and Wednesdays, January through October, had greater than 80 percent occupancy. These same days experienced high rates of unaccommodated demand, which is when rooms are likely not available in preferred hotels and guests have to settle for their second or third choice of hotels. As with other indicators in this market, Sunday nights have the lowest occupancy of all the days of the week at 57 percent for the year on average. Weekend occupancy provides room for tournament participants.



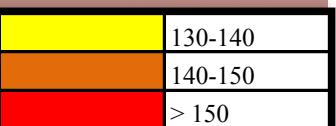
Occupancy Percent by Day of Week by Month - September 2015 - August 2016

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Avg
Sep - 15	63.5%	73.1%	84.1%	84.1%	73.4%	78.0%	90.4%	78.5%
Oct - 15	58.4%	83.7%	91.5%	91.8%	78.6%	74.7%	86.5%	80.7%
Nov - 15	51.1%	71.9%	77.8%	80.0%	74.6%	69.0%	68.7%	69.8%
Dec - 15	53.5%	67.9%	75.1%	73.3%	74.3%	63.5%	64.6%	68.1%
Jan - 16	50.5%	72.3%	81.0%	82.1%	68.1%	58.3%	59.7%	66.3%
Feb - 16	57.1%	76.0%	86.1%	85.5%	69.8%	67.5%	72.4%	73.6%
Mar - 16	55.7%	80.3%	86.1%	85.0%	74.7%	77.5%	79.6%	77.5%
Apr - 16	50.3%	74.1%	82.8%	82.8%	70.7%	71.3%	76.9%	72.8%
May - 16	54.1%	72.0%	82.5%	84.8%	67.9%	68.7%	80.9%	72.6%
Jun - 16	57.6%	84.0%	92.9%	88.0%	78.5%	81.0%	89.9%	81.8%
Jul - 16	71.3%	85.5%	90.5%	92.1%	89.1%	86.6%	94.2%	86.7%
Aug - 16	61.9%	79.1%	88.6%	86.2%	79.6%	80.4%	94.1%	81.7%
Average	57.0%	76.5%	84.8%	84.5%	75.1%	73.0%	79.8%	

Sources: Smith Travel Research

ADR BY DAY OF WEEK BY MONTH

The highest average daily rates occur on Tuesdays and Wednesdays in July and August, at more than \$162.00. The day of the week with the lowest ADR is Friday with an average of \$113.42, with seven months having an average under \$110. These weekend rates shown are ideal for tournament participants and families.



ADR by Day of Week by Month - July 2015 - June 2016

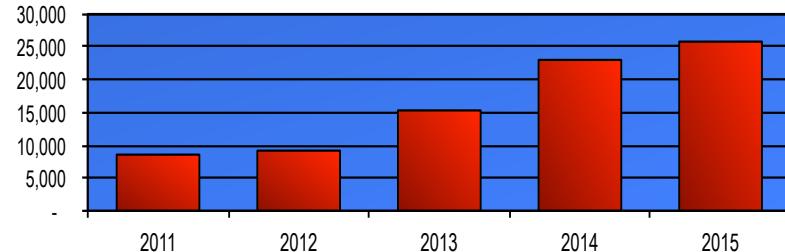
	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Avg
Sep - 15	118.69	132.87	139.76	136.49	122.01	107.58	114.58	125.70
Oct - 15	121.98	136.99	146.00	146.63	124.48	106.78	111.07	127.36
Nov - 15	115.86	133.30	136.91	133.84	120.44	102.10	101.22	121.65
Dec - 15	106.57	117.66	130.13	126.10	112.60	98.69	95.43	114.32
Jan - 16	119.42	138.40	145.80	144.77	128.48	100.74	99.32	125.93
Feb - 16	120.58	141.59	154.52	150.69	129.80	104.79	108.95	132.26
Mar - 16	125.88	142.14	151.81	148.98	136.20	114.69	114.12	135.39
Apr - 16	124.05	140.12	149.06	148.70	133.69	110.76	109.55	130.29
May - 16	120.90	137.71	146.21	144.54	129.33	105.59	113.61	129.89
Jun - 16	128.67	145.00	153.55	148.33	131.86	120.35	128.42	137.57
Jul - 16	133.45	150.06	162.86	165.29	151.18	136.26	143.79	148.50
Aug - 16	134.68	152.26	163.13	162.55	152.12	137.35	145.97	151.35
Average	123.03	139.60	148.56	146.70	131.08	113.42	117.46	

Sources: Smith Travel Research

ESTIMATED UNACCOMMODATED ROOM NIGHTS

The number of estimated unaccommodated room nights is determined in any month when occupancy is higher than 66 percent, which occurred on several occasions over the past five years. When rooms sell out or nearly do so, rates can be increased and the viability of new hotels is more likely. Based on HSP estimates, the number of unaccommodated room nights for the competitive set has increased from 8,600 in 2011 to 25,800 in 2016.

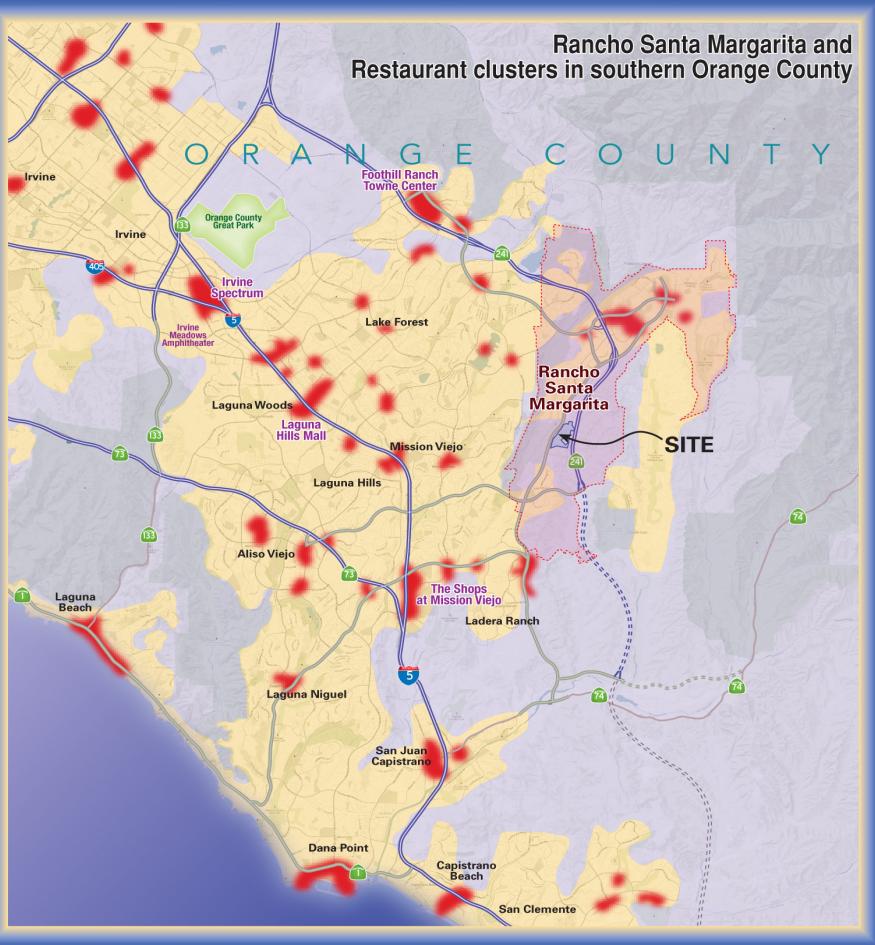
Estimated Unaccommodated Room Nights



Source: Hunden Strategic Partners

RESTAURANTS

The hospitality package is critical to the attractiveness of a tournament-focused youth sports complex and can impact the likelihood of securing events. Tournament groups and organizers have specific hospitality needs and demands that must be met in order to attract a tournament to the area. In addition to the number of hotels and a specific ADR range, the number and distance of food and beverage options within the area is a critical aspect to the success of any facility. HSP researched the number and location of restaurants in Rancho Santa Margarita. The majority of the restaurants are typically part of shopping centers in the area.



RSM RESTAURANT NODE MAP & SUPPLY

Rancho Santa Margarita Area Restaurant Nodes

Center	City	Distance from Site
Plaza Empresa	Rancho Santa Margarita	2.5
Santa Margarita Marketplace	Rancho Santa Margarita	3.0
Santa Margarita Pkwy & Los Flores	Rancho Santa Margarita	3.2
Rancho Santa Margarita Town Center	Rancho Santa Margarita	3.3
Plaza El Paseo	Rancho Santa Margarita	3.4
Plaza Antonio	Rancho Santa Margarita	3.5
Mercado Del Lago	Rancho Santa Margarita	4.3
Dove Canyon Plaza	Rancho Santa Margarita	4.3
Alicia Pkwy & Olympiad Rd	Mission Viejo	4.5
Santa Margarita Parkway	Mission Viejo	5.4
Mercantile West Shopping Center	Ladera Ranch	6.0
Market on the Lake Shopping Center	Mission Viejo	6.1
Mercantile East Shopping Center	Ladera Ranch	6.1
Los Alisos Boulevard	Mission Viejo	7.0
Jeronimo Rd & Alicia Pkwy	Mission Viejo	7.6
Foothill Ranch Towne Center	Foothill Ranch	8.1
El Toro Rd & Trubuco Rd	Lake Forest	8.5
The Shops at Mission Viejo	Mission Viejo	8.8
Lake Forest Community Association	Lake Forest	10.2
MarketPlace/Laguna Niguel	Laguna Niguel	10.2
Five Lagunas	Laguna Hills	10.9

Source: Various Sites, Hunden Strategic Partners

RSM RESTAURANT NODE SUMMARY

- Majority of options are currently outside of RSM, however more restaurants are throughout RSM. The nodes shown on the previous page show the areas with a high number of restaurants.
- The restaurant options range from two miles to nearly 11 miles, which is within the 15-mile radius tournament participants generally will travel.
- Additional restaurant development is supported from the findings from the previous study, and would be supported by the impact from the development of the 23-acre sports complex.

IMPLICATIONS

Room night in the RSM area is stronger on weeknights, available hotel room occupancy provides room for tournaments on the weekend. The average daily rates also are ideal for tournament and participants. The addition of a potential mixed use development on the Property, which could include a hotel and a variety of restaurants, can also bolster the demand and attractiveness for a youth sports development, which is a great advantage when soliciting event organizers. While there is a lack of restaurant offerings surrounding the Property, this provides an opportunity for a restaurant node to serve demand generated by the youth sports development.

SWOT ANALYSIS & RECOMMENDATIONS

DISCUSSION OF STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS

HSP used a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis to evaluate the potential athletic facility project as it relates to overall market feasibility as well as the ability to create economic impact for the City. The analysis draws from the details of the proposed scenarios, characteristics of RSM and the surrounding community, the facilities and activities that may be considered as competitors in the region, and facilities throughout California and the United States that would be considered comparable examples to the proposed concept.

The application of this analysis is as follows:

STRENGTHS

- **Climate for Optimal Playing Conditions.** RSM, like most Southern California, has a Mediterranean climate, with hot summers and mild winters that rarely fall below freezing. Precipitation occurs generally during the winter months. This climate provides a long season and allows for outdoor events to occur earlier in the spring and later into the fall, and potentially year-round.
- **High Facility Utilization.** Existing users are programming existing facilities, regardless of the current physical condition. These users are committed to offering and growing athletic programs in the community, and have demonstrated consistent demand throughout the years. The high utilization of existing facilities from user groups, despite the existing facility limitations, is a positive signal for the community and any new athletic development.
- **Identified Site.** RSM has an identified site set aside for a development of a 23-acre sports park. One of the biggest hurdles of youth sports developments center around identifying and securing a site within the city/county limits. With a dedicated site that is owned by the city, RSM is able to focus resources to identifying the most feasible and impactful youth sports development on the site.
- **Adjacent Mixed-Use Development.** A positive aspect for a youth sports facility is the presence of the adjacent 32 acres to be developed as a mixed-use project. Any development on the 32 acres that includes hotel, dining, shopping and entertainment options would make the youth sports complex more attractive for tournaments.

WEAKNESSES

- **Difficult Business Models.** The business models for both indoor and outdoor athletic facilities are difficult to make work without ongoing operating subsidies. Athletic facilities have the best opportunity to generate operating income when a robust tournament schedule on the weekends and consistent league and local use during the week is developed. In comparable cases for privately-owned facilities, the public sector often contributed to development through incentives, infrastructure costs and other funding mechanisms in order to help sustain a new complex.
- **Topography of Site.** The Chiquita Ridge site presents challenges in grading for the development of a youth sports facility. These challenges will limit the usable acres of the site from 23 acres to 15 to 18 acres. At this size, the number of fields, diamonds or courts that are able to be developed is limited and will impact tournament opportunities.

OPPORTUNITIES

- **Development of Leagues and Tournaments.** Developing partnerships with local teams or leagues, state organizations and national organizations such as SCVA, AAU, USSSA, NSA, ASA, NJB, RTGSA, SMLL will increase the ability to develop, manage and conduct several regional tournaments per year that will bring participants and spectators from around the region and the United States.
- **Economic Development of Surrounding Areas.** Because of the potential for regional and national tournaments, as well as the visitors and participants from leagues and other events, a new sports complex has the opportunity to become a catalytic development for support amenities and other amenities surrounding the complex and the City.

THREATS

- **Market Saturation.** Many tournaments around the state already exist and the clubs and teams that sponsor and manage those tournaments make profits from the tournaments for their organizations. Governing bodies like the AAU may not want to sanction tournaments at a new RSM sports complex on weekends that another sanctioned tournament is occurring in the area. Tournaments in the surrounding area will want to continue with their tournaments even though a new sports complex may wish to hold a tournament on the same weekend.
- **Scheduling Conflicts.** The intentions of the a new athletic facility are to provide an environment for the community to participate in an active lifestyle. A new athletic facility will also want to host larger-scale state and regional tournaments that will create economic opportunities and growth. The schedule of the facilities could become difficult due to these two conflicting goals. In the case of a tenant team or club, these groups will ultimately impact and limit the flexibility of the proposed facility's schedules. This may limit access to a segment of the local population.
- **Competitive Developments.** The sports complex concept has become very popular in economic development circles and many communities are considering developing similar projects in order to generate economic impact. Regionally and nationally, many communities are considering sports developments, and building them.
- **Cost.** The cost of the project could be higher than existing resources to fund it, and that could threaten the possibility of development. As such, various development options and scenarios are suggested.

RECOMMENDATIONS

A new sports complex is intended to optimize RSM's ability to attract tournaments and support local organizations simultaneously, while being accommodated on one site. HSP considered various elements when recommending a potential new athletic facility in RSM. The factors considered included:

- The demand and needs for indoor and outdoor facilities.
- The supply of athletic facilities for various sports.
- Regional and national youth and recreational sports facility/complex development trends.
- Regional and national comparable sports facilities.
- The community's surveyed response to a new athletic development at Chiquita Ridge.
- The number of athletic facilities needed to recapture, attract and support more events.
- Programming the site in order to maintain a synergistic relationship with surrounding businesses, hotels and services.
- Increasing the amount of quality athletic facilities to attract and support more destination events.

The goal is to integrate critical elements that will optimize a local athletic facility that also increases economic activity from beyond the local area. HSP collaborated with the Client, Convergence Design and community stakeholders to obtain data and/or develop a concept plan for the recommended facilities. These recommendations are targeted to provide a new athletic facility that can provide numerous athletic opportunities and economic impact for the local community and be a platform for local and regional events, while operating facilities with minimal public subsidy.

The following table shows a summary of the four HSP scenarios.

Chiquita Ridge Sports Facility Cash Flow Summary	
Scenarios	Development Cost
Scenario 1: Indoor Tournament Sports Facility	\$37,700,000
Scenario 2: Baseball/Softball Tournament Sports Facility	\$20,940,000
Scenario 3: High School Stadium	\$43,400,000
Scenario 4: Outdoor Recreational Sports Facility	\$19,000,000

Source: Convergence Design, Hunden Strategic Partners

Based on the findings, results from the online community survey and conversations with sports programs and City stakeholders, HSP selected Scenario 1 as the preferred scenario. Overall, this scenario provides the most economic and community impact and will support the previous study's recommended development of the 32 acres as well as enhance the quality of life for RSM residents. While all scenarios are feasible options for development, each scenario has positives and negatives for residents of RSM, the City and development on the adjacent 32 acres. The HSP Team also provided an optional (additional) scenario for consideration of utilizing the 32-acre site for the development of an indoor athletic facility and an outdoor sports complex.

The following pages detail the recommendations for each scenario as well as the strengths and weaknesses for all four scenarios.

SCENARIO ONE: INDOOR ATHLETIC FACILITY (PREFERRED SCENARIO)

From conversations with local sports programs, city stakeholders and state and national organizations, as well as results from the online community survey, it was determined that southern Orange County is in need of additional quality indoor sports facilities. This void has led to many sports organizations and athletes that live in Southern Orange County to have to travel farther distances for league play and tournaments. Indoor sports programs expressed the desire to have an indoor facility developed in Southern Orange County that would accommodate multiple sports and events. Additionally, the development of an indoor sports facility will allow RSM to recapture the lost demand from local indoor sports programs and participants that are going elsewhere now, as well as provide a quality indoor facility for the community's use.

HSP recommends that the RSM community develop the following program. HSP also provides a conceptual budget for this scenario.

Indoor Athletic Facility Recommendation:

- Six to eight hardwood courts. This will maximize the potential usage within the building for local and tournament play and generate more revenue to offset operating expenses. Two volleyball courts can be programmed per each basketball court.
- One multipurpose indoor field. This offers a field for both league and tournament play, as well as recreational use. This also offers the ability to generate room-night generating events for lacrosse, soccer and other sports in the winter.
- Active running and walking trails that take advantage of Chiquita Ridge's topography. The demand for an active running and walking trail is high in the community.

100 parking spaces per field/court are recommended. Based on an indoor facility with eight hardwood courts and a multipurpose field, it is recommended that a minimum of 800 spaces be provided.

The following page shows a conceptual drawing of an indoor sports facility at Chiquita Ridge.

RSM Athletic Complex - Indoor Facility Budget			
Item	Quantity	Cost	
Multipurpose Field	1	\$ 1,300,000	
Parking	800	\$ 2,000,000	
Grading	1	\$ 4,000,000	
Structures	1	\$ 23,760,000	
Construction Total		\$ 31,100,000	
Contingency		\$ 3,110,000	
Fees		\$ 3,421,000	
Soft Costs Total		\$ 6,540,000	
Indoor Facility Costs		\$ 37,700,000	

Source: Convergence Design

Strengths:

- An indoor sports facility would fill a gap in the local and regional market.
- It would provide local and regional sports programs and tournaments with a publicly-owned indoor facility to program practices, league and tournament play.
- It would be expected to provide RSM with room nights (based on the recommended hotel development in the previous study) and visitor spending from tournaments, as well as daily visitor usage and spending from rentals for leagues and practices by local and regional recreational sports programs.

Weaknesses:

- The supply of privately-owned indoor facilities in the region will impact the ability to attract tournaments to a new indoor sports facility in RSM.
- Weekends with tournaments will limit the facility for community use.
- Minimal room night impact by the indoor sports facility if the recommended hotel and assumed eight percent hotel tax (from previous study) is not developed on the adjacent 32 acres at Chiquita Ridge.

HSP's Analysis:

This scenario is expected to provide RSM with a high-quality, publicly-owned facility that will enhance the quality of life for residents of RSM, while also providing a supply of hardwood courts and a multipurpose indoor field for local and regional sports programs. The development of this scenario will support and complement the recommended development of the 32 acres from the previous study, and will provide economic and community impacts from tournaments. The local and regional demand for an indoor sports facility in the RSM area has led HSP to recommend this scenario as the preferred scenario.



SCENARIO TWO: OUTDOOR ATHLETIC COMPLEX

Locally and regionally, there is a lack of a baseball/softball facilities that feature more than four diamonds at one site. Currently, tournaments and leagues have to utilize multiple facilities in order to program events, which is not ideal for groups and organizations. Based on interviews with local and regional sports users groups, baseball and softball in the region is growing both at a local and tournament level. The majority of the current supply is at or reaching capacity from a local recreational level and reaching maximization for tournaments. Locally, RSM baseball and softball programs have strong participation and desire to bring tournaments to the area. A new baseball/softball diamond facility in RSM will allow the current programs to grow local participation and attract tournaments to the area.

HSP recommends the following program for an outdoor sports complex that features baseball/softball diamonds.

Outdoor Athletic Facility Recommendation:

- Six to eight baseball/softball diamonds. A standard rule of thumb for softball tournament size is one field for every ten youth teams and one field for every 15 adult teams. Regional tournaments can range from 10 teams to 60 teams.
 - One high school regulation-sized diamond with grass infield
 - Six youth-sized diamonds
 - Four with dirt infield (allows for softball use)
 - Two with grass infield (designed for baseball use only)
 - Lights at all diamonds

As with an indoor facility, the parking ratio for outdoor complexes is 100 spaces per field. HSP recommends 700 parking spaces be included in the development of a baseball/softball complex.

RSM Athletic Complex - Baseball/Softball Budget		
Item	Quantity	Cost
Fields	7	\$ 9,100,000
Parking	700	\$ 1,750,000
Grading	1	\$ 4,000,000
Structures	3	\$ 2,400,000
Construction Total		\$ 17,300,000
Contingency		\$ 1,730,000
Fees		\$ 1,903,000
Soft Costs Total		\$ 3,640,000
Baseball/Softball Project Cost Total		\$ 20,940,000

Source: Convergence Design

The following is conceptual drawing of the baseball/softball complex and the strengths, weaknesses and community impact of this scenario.

Strengths:

- The complex will add baseball/softball diamonds in RSM, which will help accommodate local demand from growing programs, while also offering field for regional and tournament use throughout the year.
- With six to eight baseball/softball diamonds (various field sizes), the complex would provide the market with a facility with more than four diamonds.
- Provides RSM an opportunity to attract and secure local and regional baseball and softball events from youth to adults, which would generate room nights impacts for RSM.

Weaknesses:

- Tournament demand is currently being accommodated by the existing supply of regional baseball/softball facilities; however, tournaments have to be programmed at multiple facilities rather than at one site.
- The events that will generate room nights are expected to be low, as the complex continues to grow its reputation as a tournament facility and relationships are developed with tournament organizers.

HSP's Analysis:

Scenario 2 is a viable scenario for RSM to consider, as the local programs are growing in participation and local demand exists to support additional supply. With six to eight diamonds, this complex would provide tournament organizers the ability to program the majority of tournament play at one facility. The market features a large supply of diamonds; however, many facilities offer fewer than four diamonds, which has led to tournaments being programmed at multiple facilities. This scenario has the ability to support any development on the 32 acres, if tournaments are a focus for weekend scheduling.



SCENARIO THREE: STADIUM

The third scenario was proposed by Santa Margarita Catholic High School (SMCHS). SMCHS recently played home games at Saddleback College and is in need of a new football stadium, as Saddleback College's football stadium is being renovated. Stakeholders at SMCHS expressed interest in partnering with the City on a development of a new football stadium to be used by the high school. The proposed scenario is a public-private partnership, with the contract and terms of the partnership to be negotiated.

HSP collaborated with the City and stakeholders from SMCHS and provides the following option for the City to consider, if the RSM decides to develop this scenario.

Stadium Recommendation:

- 5,000-seat stadium to be utilized by Santa Margarita Catholic High School
- Additional multipurpose field adjacent to the stadium
- 1,667 parking spaces are recommended based on the ratio of one space per every three seats

RSM Athletic Complex - Stadium Budget

Item	Quantity	Cost
Fields	2	\$ 2,600,000
Parking	1,667	\$ 4,166,667
Grading	1	\$ 4,000,000
Structures	5,000	\$ 25,000,000
Construction Total		\$ 35,800,000
Contingency		\$ 3,580,000
Fees		\$ 3,938,000
Soft Costs Total		\$ 7,520,000
Total Stadium Costs		\$ 43,400,000

Source: Convergence Design

Strengths:

- Development costs of the stadium development would be negotiated through a public-private partnership with a local high school.
- Provides the City with the ability to allow the high school to manage and operate the stadium on its behalf.

Weaknesses:

- Minimal community impact and usage outside of utilization by SMCHS.
- Loss of control by the City of the stadium and schedule, which limits the ability for the City to program events.
- Development would feature two multipurpose fields, which can help to accommodate demand from local programs in RSM, but utilization from local user groups will be secondary to the high school's utilization.

HSP's Analysis:

The stadium scenario provides RSM the opportunity to support the growth and athletic needs of the SMCHS football program. However, the impact and usage by the community would be limited, as the high school would operate the stadium.

Although the ability to share development costs with the high school and allow the high school to operate the facility may be attractive to RSM, the community impact and usage in this scenario is minimal and does not enhance the quality of life for residents of RSM at a large scale.



SCENARIO FOUR: OUTDOOR RECREATIONAL SPORTS COMPLEX

This scenario features an outdoor recreational sports complex, with no room night-generating events. Based on the results from the online community survey, conversations with local sports programs and City stakeholders, there is desire for a sports development that accommodates local use only. This scenario can include a mix of multipurpose fields and diamonds on the 23 acres at Chiquita Ridge. However, due to the topography and grading required at this site, the amount of fields and diamonds that can be built is reduced. In this scenario, HSP recommends development of multipurpose fields or diamonds at the facility, and based on the findings and conversations with local user groups, the demand for a baseball/softball complex has priority over the demand for a multipurpose field complex.

HSP provided the following recommendation for the City to consider in this scenario, which is the same program as scenario two. However, the costs for this scenario is less than scenario two, as facility will be developed with less amenities and parking spots to accommodate just local recreational use.

Outdoor Recreational Sports Complex Recommendation:

- Six to eight baseball/softball diamonds.
 - One high school regulation-sized diamond with grass infield
 - Six youth-sized diamonds
 - Four with dirt infield (allows for softball use)
 - Two with grass infield (designed for baseball use only)
 - Lights at all diamonds

Parking is determined on a ratio of 75 spaces per field, which will accommodate local recreational usage. Additionally, the structures at the complex are scaled back from a tournament facility.

The following page details the strengths, weaknesses and community impact for this scenario.

RSM Athletic Complex - Recreational Complex Costs		
Item	Quantity	Cost
Fields	7	\$ 9,100,000
Parking	525	\$ 1,312,500
Grading	1	\$ 4,000,000
Structures	3	\$ 1,200,000
Construction Total		\$ 15,700,000
Contingency		\$ 1,570,000
Fees		\$ 1,727,000
Soft Costs Total		\$ 3,300,000
Recreational Complex Project Cost Total		\$ 19,000,000

Source: Convergence Design

Strengths:

- Provides the most impact for community use and enhances the greatest and broadest quality of life for residents of RSM
- Adds to the supply of diamonds in RSM to accommodate the growth of local softball and baseball programs.

Weaknesses:

- Minimal usage by sports programs from outside of RSM.
- Development is built specifically for recreational use and lacks the upgraded amenities sought by tournament organizers, which will limit tournament usage.
- This scenario would have difficulty supporting any development on the adjacent 32 acres at Chiquita Ridge, which is important to success and attractiveness for any development on the 32 acres.

HSP's Analysis:

The scenario of developing an outdoor sports complex that is geared towards local recreational use is an option that would enhance the quality of life for residents as well as add to the supply of facilities for local sports programs. However, this scenario would not support or complement the recommended development (from the previous study) on the 32 acres at Chiquita Ridge. HSP does not recommend development of this scenario.

OPTIONAL SCENARIO: INDOOR/OUTDOOR SPORTS COMPLEX

In addition to the four scenarios, HSP has provided a fifth scenario for RSM that involves developing the youth sports complex on the adjacent 32-acre site at Chiquita Ridge. The high demand locally and regionally for a quality indoor sports facility and a baseball/softball sports complex can support a youth sports development that includes an indoor and outdoor sports facility. RSM could capitalize on the development of the 32 acres to be a larger youth sports complex that would accommodate local sports demand as well as provide opportunity for securing tournaments to the RSM area. HSP has provided the following program for RSM to consider, if pursuing a youth sports development on the 32 acres is appropriate.

Indoor/Outdoor Recommendation:

- 6 to 8 hardwood courts to accommodate primarily basketball and volleyball events.
- 6 to 8 baseball/softball diamonds to accommodate baseball and softball events.
- 1,000 parking spaces, which assumes that not all diamonds and courts will be occupied at once.

RSM Athletic Complex - Indoor/Outdoor Facility Costs

Item	Quantity	Cost
Diamonds	7	\$ 9,100,000
Parking	1,000	\$ 2,500,000
Grading	1	\$ 5,600,000
Structures	4	\$ 25,360,000
Construction Total		\$ 42,600,000
Contingency		\$ 4,260,000
Fees		\$ 4,686,000
Soft Costs Total		\$ 8,950,000
Indoor & Outdoor Facility Costs		\$ 51,600,000

Source: Convergence Design

INDOOR/OUTDOOR CONCEPTUAL SITE PLAN



Other Recommendations

- Offer sufficient space for vendors/concessionaires to operate during events.
- A common challenge expressed among tournament organizers is that facilities do not have enough parking. Parking should be provided for the facility whether it is accommodating sports tournaments and league play, as well as other public usage.
- Concessions. An efficient concessions operation should be considered for both indoor and outdoor facilities. Given that events can often be full day or several days, the concession options should go beyond the basics and provide more robust options, especially if nearby walkable restaurants are limited. Concessions can be a significant revenue source for venues if events and food and beverage policies are properly implemented. Venues and events are restricting outside food and beverages in an effort to maximize onsite spending during events.
- Beyond the concessions that should be a part of the announcer/scorekeeper's booth for the ballfield facilities, an additional set of concessions should be developed for the multipurpose fields. Because of the size of soccer fields, additional concession/amenity building should be considered for these fields. An indoor facility is recommended to have a concession or food and beverage outlet that can accommodate large groups as well as simultaneous events.
- Changing/Locker Rooms. Changing/locker rooms should be provided, two for each sport, and these could be designed into the concession and restroom buildings for the outdoor facilities. Changing/locker rooms should also be provided for the court, indoor turf and ice facilities.
- Restrooms. These should be provided, at least one for each sport and designed in concert with locker rooms and concessions.
- Seating. Seating expectations for youth sports as well as non-sporting events are based on feedback from user groups and event organizers. There are no seating expectations for tournaments for youth sports such as volleyball and basketball. The two typical seating arrangements are folding chairs around the court (approx. 90 seats) or the use of three to five row portable bleachers. Sporting events such as wrestling, cheer, dance and gymnastics prefer and, in some cases, require spectator seating that can accommodate as many as 2,500 people. Seating requirements for outdoor multipurpose fields are limited. Seating and/or grass berm seating is recommended for a championship field. Ball fields are expected to have modest seating on each baseline for spectators.

Other Recommendations

- Areas for event organizers and staff. Event organizers need locations for event headquarters to conduct their business and meetings. Also, tournament officials and referees regularly do not have a base location to change or operate from. Two small meeting or multipurpose rooms, with bathrooms, should be provided for each sport. Facilities tend to program multipurpose rooms in the most centralized concession/restroom building to create a central headquarters for the facility and events.
- Result/Scoreboards. Provide space for scorekeepers and a visible scoreboard for fields, one per field, court or rink.
- Internet. Event organizers lose capacity and effectiveness when they do not have access to sufficient Internet. The facility should host a specific Internet connection (preferably wireless) at the Sports Complex.
- It is recommended that governing bodies be consulted for their facility assistance resources in the design and layout process. Governing bodies such as USYSA offer free services to optimize the highest and best use for each particular sports facility design and layout, in accordance with their facility specifications. Additionally, many offer opportunities for grants that can be used to help offset design and potentially construction costs.

DEMAND AND FINANCIAL PROJECTIONS

In this chapter, HSP provides estimates of two scenarios outlined in Chapter 8: indoor sports facility and outdoor sports complex. The projection model assumes the indoor sports complex will primarily cater to basketball and volleyball, and that the outdoor sports complex facility will primarily cater to diamond sports. The facilities have been assumed to not only accommodate, but also attract area clubs, organizations and regional tournaments for each sport.

The assumed programming for the athletic facilities includes uses such as leagues, practices, camps and small-to-mid sized tournaments. The analysis assumed tournaments would receive priority for weekend programming, while local programs and uses would utilize the facilities during weekdays and non-tournament weekends. Conversations with local leagues and organizations, as well as national sports governing bodies have all suggested that additional facilities that can accommodate tournaments are needed in the RSM area. Southern Orange County is considered to be areas with growth opportunities in sports participation.

The following table shows a summary of the event and financial performance for each of the scenarios, at year 10.

Scenarios	Chiquita Ridge Sports Facility Cash Flow Summary				
	Development Cost	Operating Revenue (Year 10)	Operating Expense (Year 10)	Facility Reserve (Year 10)	Annual Operating Revenue (Deficit)
Scenario 1: Indoor Tournament Sports Facility	\$37,700,000	\$785,000	\$1,047,000	\$8,000	(\$270,000)
Scenario 2: Baseball/Softball Tournament Sports Facility	\$20,940,000	\$718,000	\$958,000	\$34,000	(\$274,000)
Scenario 3: High School Stadium*	\$43,400,000	--	--	--	--
Scenario 4: Outdoor Recreational Sports Facility	\$19,000,000	\$326,000	\$671,000	\$11,000	(\$356,000)

*Assumes SMCHS funds the development of the stadium and parking

Source: Convergence Design, Hunden Strategic Partners

INDOOR SPORTS COMPLEX

The following table shows the number of annual events assumed for each category.

Indoor Sports Complex - Projected Schedule of Events by Category and Year										
Category	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Volleyball Tournaments	2	3	4	5	5	5	5	5	5	5
Basketball Tournaments	1	2	3	4	5	5	5	5	5	5
Other Sporting Events	1	2	3	5	5	5	5	5	5	5
Public Events	1	1	2	2	3	3	3	3	3	3
Banquets/Special Events	4	4	8	8	8	8	8	8	8	8
Other Non-Sporting Events	1	1	2	2	3	3	3	3	3	3
<i>Total</i>	10	13	22	26	29	29	29	29	29	29
Court Rental Hours	3,840	3,955	4,074	4,196	4,322	4,452	4,585	4,723	4,864	5,010

Source: Hunden Strategic Partners

As shown, there are projected to be 29 events in the stabilized years. It is also assumed there will be approximately 3,840 court rental hours during the first year and increasing to more than 5,000 hours by year ten. The court rental hours assumed 8 courts rented 3 days per week for five hours, totaling approximately 15 hours per court, per week.

Based on the number of average days per event type, the following number of event-days was projected.

RSM can expect more than 45 event-days per year by stabilization. The facility is expected to host additional use in the form of hourly use, open gym, recreation and educational programs. It is likely to expect that multiple groups will be using the facilities simultaneously, especially on weekends and evenings. However, this does not include rental hours.

Category	Days Per Event	Indoor Sports Complex - Projected Schedule of Event Days by Category and Year									
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Volleyball Tournaments	2	4	6	8	10	10	10	10	10	10	10
Basketball Tournaments	2	2	4	6	8	10	10	10	10	10	10
Other Sporting Events	1.5	2	3	5	8	8	8	8	8	8	8
Public Events	2.5	3	3	5	5	8	8	8	8	8	8
Banquets/Special Events	1	4	4	8	8	8	8	8	8	8	8
Other Non-Sporting Events	1	1	1	2	2	3	3	3	3	3	3
<i>Total</i>		15	21	34	41	46	46	46	46	46	46

Source: Hunden Strategic Partners

Total attendance is projected to increase from 25,000 to more than 75,500 by stabilization, depending on the number of tournaments held. A large portion of the attendance is expected to be generated from teams coming for tournaments. For local use, each player playing each league game or attending during hourly use is not included in the total attendance projections.

Category	Avg. Event Attendance	Indoor Sports Complex - Projected Attendance by Category and Year									
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Volleyball Tournaments	4,224	16,900	25,300	33,800	42,200	42,200	42,200	42,200	42,200	42,200	42,200
Basketball Tournaments	1,472	2,900	5,900	8,800	11,800	14,700	14,700	14,700	14,700	14,700	14,700
Other Sporting Events	720	1,100	2,200	3,200	5,400	5,400	5,400	5,400	5,400	5,400	5,400
Public Events	1,500	3,800	3,800	7,500	7,500	11,300	11,300	11,300	11,300	11,300	11,300
Banquets/Special Events	50	200	200	400	400	400	400	400	400	400	400
Other Non-Sporting Events	500	500	500	1,000	1,000	1,500	1,500	1,500	1,500	1,500	1,500
<i>Total</i>		25,400	37,900	54,700	68,300	75,500	75,500	75,500	75,500	75,500	75,500

Source: Hunden Strategic Partners

FINANCIAL PROJECTION

The table show on the right is a consolidated estimate of revenue and expense for the indoor facility.

The model assumes events will pay daily, hourly or facility rental fees to use the facility, based on fees charged at comparable facilities.

As shown, rental fees are projected to be the largest revenue source, stabilizing at more than \$450,000. Other revenue, which consists of mostly parking, net concessions, net merchandise, and advertising/sponsorships make up other significant revenue sources.

Net parking revenue is expected to reach approximately \$33,000 in year one and increase to \$98,000 by stabilization (year 5). The parking fee is assumed to be \$5 and charged to each car that enters the facility for tournament and other high-profile events. The parking related expenses are assumed to be 20 percent of expected gross parking revenues.

Similar to sponsorships, parking revenue is still a relatively new revenue source that facilities are beginning to explore as a way to offset operating costs and assist with capital improvements. Other communities have taken the opposite approach by making policy decisions that community assets such as sports complexes will not levy gate or parking fees. This will be a decision for community leadership to decide.

Item	Fiscal Year										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Operating Revenue											
Rent	\$296	\$330	\$375	\$420	\$452	\$465	\$479	\$494	\$509	\$524	
Concessions	\$11	\$17	\$25	\$32	\$37	\$38	\$39	\$40	\$41	\$43	
Merchandise	\$3	\$5	\$6	\$9	\$9	\$9	\$10	\$10	\$10	\$11	
Parking	\$33	\$50	\$71	\$89	\$98	\$98	\$98	\$98	\$98	\$98	
Advertising and Sponsorship	\$48	\$50	\$56	\$62	\$64	\$66	\$68	\$70	\$72	\$74	
Other Revenue	\$10	\$13	\$23	\$28	\$31	\$32	\$33	\$34	\$35	\$36	
Total Revenue	\$400	\$465	\$557	\$640	\$691	\$709	\$727	\$746	\$765	\$785	
Operating Expense											
Fixed											
Salary - Permanent Staff	\$145	\$149	\$154	\$158	\$163	\$168	\$173	\$178	\$184	\$189	
Benefits - Permanent Staff	\$48	\$49	\$51	\$52	\$54	\$55	\$57	\$59	\$61	\$62	
Wages - Part-Time Staff	\$105	\$108	\$111	\$115	\$118	\$122	\$125	\$129	\$133	\$137	
General and Administrative	\$105	\$108	\$111	\$114	\$118	\$121	\$125	\$129	\$132	\$136	
Utilities	\$250	\$258	\$265	\$273	\$281	\$290	\$299	\$307	\$317	\$326	
Repairs and Maintenance	\$50	\$52	\$53	\$55	\$56	\$58	\$60	\$61	\$63	\$65	
Insurance	\$40	\$41	\$42	\$44	\$45	\$46	\$48	\$49	\$51	\$52	
Communications	\$5	\$5	\$5	\$5	\$6	\$6	\$6	\$6	\$6	\$7	
Advertising	\$45	\$46	\$48	\$49	\$51	\$52	\$54	\$55	\$57	\$59	
Misc.	\$10	\$10	\$11	\$11	\$11	\$12	\$12	\$12	\$13	\$13	
Total Expenses	\$802	\$826	\$851	\$877	\$903	\$930	\$958	\$987	\$1,016	\$1,047	
Deposit to Maintenance Reserve	\$4	\$5	\$6	\$6	\$7	\$7	\$7	\$7	\$8	\$8	
Net Operating Income (Deficit)	(\$406)	(\$367)	(\$300)	(\$243)	(\$219)	(\$228)	(\$238)	(\$248)	(\$259)	(\$269)	

Source: Hunden Strategic Partners

For concessions and merchandise, the facility shares a percentage of gross sales. Many facilities do not allow outside food in order to drive onsite food and beverage sales and minimize post-event cleaning and maintenance. The leagues and tournament organizers would take the risk for and receive the majority of revenue for merchandise. Advertising and sponsorship opportunities should be available, given the size and programming of the indoor sports complex. The assumptions for these figures were based on similar facilities. Given the potential revenue amounts associated with advertising, sponsorship and potential naming rights, these are key factors to a successful fiscally sound operation.

On the expense side, staffing, utilities and maintenance are the three largest items. Other costs include general and administrative, security and insurance. In total, the facility is expected to experience a net deficit of \$406,000 in the first year, and then will operate at a deficit between \$219,000 and \$367,000 on an annual basis, assuming the facility institutes a parking fee. However, the facility would be expected to operate with a net deficit between \$317,000 and \$439,000 without instituting a parking fee and applying the revenue to operations. The assumptions for the expense line items are explained as follows:

- Fixed expense metrics were taken from comparable facilities, taking into consideration rates specific to RSM.
- The salaries for permanent and part-time/seasonal staff were assumed based on positions in similar facilities as well as compensation amounts published by the local governments. Benefits are assumed to be 33 percent of the permanent staff's salaries.
- The expenses associated with general and administrative needs were assumed to be comparable to similar facilities analyzed. Expenses considered in the assumption were rentals, travel, supplies, building services, legal and other operating expenses.
- The facility's utility expenses would follow the commodity charges for commercial, industrial and public authority and mixed use purposes.
- Maintenance needs are assumed to meet the standards of comparable facilities. It is expected that field upkeep and maintenance will be a large expense for the facility.

The table on the right shows the full-time employees projected for the facility.

The Manager, Facility Operations will be the highest compensated staff member, followed by the Assistant Manager, Facility Operations. Full-time staff is projected to cost nearly \$145,000 plus benefit costs of approximately 33 percent of salaries. Seven part-time staff are expected to consist of maintenance and program/service staff, in addition to the full-time positions.

Indoor Sports Complex Salary Assumptions		
Position	Full-Time	Total Compensation
Manager, Facility Operations	1.0	\$65,000
Asst. Manager, Facility Operations	1.0	\$45,000
Maintenance Specialists	1.0	\$35,000
	3.0	\$145,000

Source: Hunden Strategic Partners

The following table shows the rental and per cap spending assumptions.

RSM Indoor Sports Complex Rental Revenue Assumptions

	Facility Rental Rate
Volleyball Tournaments	\$4,500
Basketball Tournaments	\$4,500
Other Sporting Events	\$4,500
Public Events	\$2,000
Banquets/Special Events	\$400
Other Non-Sporting Events	\$3,500

Source: Hunden Strategic Partners

Daily and event rates will likely be determined on a case-by-case basis based on the number courts and amenities requested as well as if the event will be a full facility rental. The projected fee schedule is based on current comparable facilities' rental fees. Additionally, it would be expected that organizations or entities that partner with the facility are likely to receive discounted rental rates or pay a monthly fixed fee for their use. The average hourly rental rate considered this and the likelihood of multi-court rentals in the pro forma.

SCENARIO TWO: OUTDOOR SPORTS COMPLEX

The table to the right shows the number of annual events assumed for each user group.

As shown, there are projected to be nearly 180 events in the stabilized year, including approximately 31 tournaments. Each season, practice and league event is considered one event occasion. A 12-week season would account for 12 events.

Rancho Santa Margarita events are community events that would be programmed at the new facility in addition to the current community events already in existence.

Projected Number of Events - RSM Chiquita Ridge Sports Complex										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Baseball										
Competitive Existing Tournament	0	0	0	0	0	0	0	0	0	0
Competitive New Tournament	2	3	4	6	8	8	8	8	8	8
Local New Tournament	1	2	3	3	4	4	4	4	4	4
Youth Baseball Leagues (Spring & Fall)	24	24	24	24	24	24	24	24	24	24
Camps/Programs	2	3	4	4	4	4	4	4	4	4
Practices	28	28	28	28	28	28	28	28	28	28
High School Regional/State Baseball Events*	1	2	2	3	4	4	4	4	4	4
Total	58	62	65	68	72	72	72	72	72	72
Softball										
Competitive Existing Tournament	2	2	2	2	2	2	2	2	2	2
Competitive New Tournament	2	3	4	6	6	6	6	6	6	6
Local New Tournament	1	2	3	3	4	4	4	4	4	4
Youth Softball Leagues (Spring & Fall)	24	24	24	24	24	24	24	24	24	24
Camps/Programs	6	8	10	10	10	10	10	10	10	10
Practices	28	28	28	28	28	28	28	28	28	28
Adult Softball Leagues (Spring & Fall)	20	20	20	20	20	20	20	20	20	20
High School Regional/State Softball Events*	2	2	2	2	3	3	3	3	3	3
Total	85	89	93	95	97	97	97	97	97	97
Other										
Other Sporting Events	2	3	4	4	4	4	4	4	4	4
Rancho Santa Margarita Events	1	1	2	2	3	3	4	4	4	4
Other Non-Sport Events	2	2	3	3	4	4	5	5	5	5
Total	5	6	9	9	11	11	13	13	13	13
Total Events	148	157	167	172	180	180	182	182	182	182
*Tournament Events	11	16	20	25	31	31	31	31	31	31

Source: Various Sports Organizations, Hunden Strategic Partners

Based on the number of average days per event type, the following number of event-days was projected.

As shown on the right, RSM can expect nearly 355 event-days per year by stabilization. Tournaments will account for approximately 63 event days by stabilization. This is an average of nearly 1 event per day, although it is most likely that multiple groups will be using the new sports complex simultaneously, especially on weekends. It was assumed there will be days and weekends where both the multipurpose fields and diamonds are used at the same time.

Projected Event Days - RSM Chiquita Ridge Sports Complex											
	Days per Event	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Baseball											
Competitive Existing Tournament	3	0	0	0	0	0	0	0	0	0	0
Competitive New Tournament	2.5	5	8	10	15	20	20	20	20	20	20
Local New Tournament	2	2	4	6	6	8	8	8	8	8	8
Youth Baseball Leagues (Spring & Fall)	2	48	48	48	48	48	48	48	48	48	48
Camps/Programs	4	8	12	16	16	16	16	16	16	16	16
Practices	2	56	56	56	56	56	56	56	56	56	56
High School Regional/State Baseball Events*	1	1	2	2	3	4	4	4	4	4	4
Total		120	130	138	144	152	152	152	152	152	152
Softball											
Competitive Existing Tournament	2.5	5	5	5	5	5	5	5	5	5	5
Competitive New Tournament	2.5	5	8	10	15	15	15	15	15	15	15
Local New Tournament	2	2	4	6	6	8	8	8	8	8	8
Youth Softball Leagues (Spring & Fall)	2	48	48	48	48	48	48	48	48	48	48
Camps/Programs	4	24	32	40	40	40	40	40	40	40	40
Practices	2	56	56	56	56	56	56	56	56	56	56
Adult Softball Leagues (Spring & Fall)	1	20	20	20	20	20	20	20	20	20	20
Total		160	173	185	190	192	192	192	192	192	192
Other											
Other Sporting Events	1	2	3	4	4	4	4	4	4	4	4
Rancho Santa Margarita Events	1.5	1	1	2	2	3	3	4	4	4	4
Other Non-Sport Events	1	2	2	3	3	4	4	5	5	5	5
Total		5	6	9	9	11	11	13	13	13	13
Total Event Days		285	308	332	343	355	355	357	357	357	357
*Tournament Event Days		22	32	41	52	63	63	63	63	63	63

Source: Various Sports Organizations, Hunden Strategic Partners

Based on the assumptions, it is projected that the facility will have more than 68,000 participants per year by the stabilized year. For local teams, each player playing each league game counts as one participant (so one player playing spring soccer would be counted twelve times if there are twelve weeks in the season). More than 17,500 participants are projected for tournaments by stabilization.

Projected Teams & Participation - RSM Chiquita Ridge Sports Complex													
	Youth/ Coaches/												
	Teams	Team	Team	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Baseball													
Competitive Existing Tournament	40	14.5	2.5	17	0	0	0	0	0	0	0	0	0
Competitive New Tournament	30	13.5	2.5	16	960	1,483	2,037	3,147	4,322	4,452	4,585	4,723	4,864
Local New Tournament	30	13.5	2	15.5	465	958	1,480	1,524	2,093	2,156	2,221	2,288	2,356
Youth Baseball Leagues (Spring & Fall)	30	12	2	14	10,080	10,080	10,080	10,080	10,080	10,080	10,080	10,080	10,080
Camps/Programs	1	125	9	134	268	406	547	552	558	563	569	575	580
Practices	15	12.5	2	14.5	6,090	6,090	6,090	6,090	6,090	6,090	6,090	6,090	6,090
High School Regional/State Baseball Events*	4	18	3	21	84	168	168	252	336	336	336	336	336
Total					17,947	19,185	20,402	21,646	23,479	23,677	23,881	24,091	24,307
Softball													
Competitive Existing Tournament	80	14.5	2.5	17	2,720	2,774	2,830	2,886	2,944	3,003	3,063	3,124	3,187
Competitive New Tournament	45	13.5	2.5	16	1,440	2,225	3,055	4,721	4,862	5,008	5,158	5,313	5,472
Local New Tournament	40	13.5	2	15.5	620	1,277	1,973	2,032	2,791	2,875	2,961	3,050	3,142
Youth Softball Leagues (Spring & Fall)	30	14.5	2	16.5	11,880	11,880	11,880	11,880	11,880	11,880	11,880	11,880	11,880
Camps/Programs	1	125	9	134	804	1,083	1,367	1,381	1,394	1,408	1,422	1,437	1,451
Practices	15	14.5	2	16.5	6,930	6,930	6,930	6,930	6,930	6,930	6,930	6,930	6,930
Adult Softball Leagues (Spring & Fall)	36	14	1	15	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800
High School Regional/State Softball Events*	4	16.5	3	19.5	156	156	156	156	234	234	234	234	234
Total					35,194	36,969	38,835	40,630	41,602	41,905	42,215	42,534	42,862
Other													
Other Sporting Events	4	16	3	19	152	233	316	323	329	336	342	349	356
Rancho Santa Margarita Events	1	500	0	500	500	500	1,000	1,000	1,500	1,500	2,000	2,000	2,000
Other Non-Sport Events	1	300	0	300	600	600	900	900	1,200	1,200	1,500	1,500	1,500
Total					1,252	1,333	2,216	2,223	3,029	3,036	3,842	3,849	3,856
Total Participation					54,393	57,487	61,453	64,498	68,110	68,617	69,939	70,474	71,025
*Tournament Participation													
Source: Various Sports Organizations, Hunden Strategic Partners													

The next table shows the expected number of spectators (family and friends) coming to the sports complex annually for various events.

Family and friends accompany most of the participants. While local league play is expected to only draw one to two family members per event, tournaments are assumed to bring nearly two family members per event. Trends show that the younger the participant, the more family and friends accompany the participant to the event.

Based on the assumptions, HSP projects more than 130,000 family and friends will attend events annually by the tenth year. Of these, 68,000 are due to tournaments.

Projection of Spectators - RSM Chiquita Ridge Sports Complex										
Others/ Participant	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Baseball										
Competitive Existing Tournament	1.5	0	0	0	0	0	0	0	0	0
Competitive New Tournament	1.5	1,440	2,225	3,055	4,721	6,483	6,677	6,878	7,084	7,297
Local New Tournament	1.5	698	1,437	2,220	2,287	3,140	3,234	3,331	3,431	3,534
Youth Baseball Leagues (Spring & Fall)	1.3	13,104	13,104	13,104	13,104	13,104	13,104	13,104	13,104	13,104
Camps/Programs	0.1	27	41	55	55	56	56	57	57	59
Practices	0.1	609	609	609	609	609	609	609	609	609
High School Regional/State Baseball Events*	1.3	109	218	218	328	437	437	437	437	437
Total	15,987	17,634	19,261	21,103	23,829	24,118	24,416	24,723	25,039	25,364
Softball										
Competitive Existing Tournament	1.6	4,352	4,439	4,528	4,618	4,711	4,805	4,901	4,999	5,099
Competitive New Tournament	1.6	2,304	3,560	4,889	7,553	7,780	8,013	8,253	8,501	8,756
Local New Tournament	1.6	992	2,044	3,157	3,252	4,466	4,600	4,738	4,880	5,027
Youth Softball Leagues (Spring & Fall)	1.4	16,632	16,632	16,632	16,632	16,632	16,632	16,632	16,632	16,632
Camps/Programs	0.1	80	108	137	138	139	141	142	144	147
Practices	0.1	693	693	693	693	693	693	693	693	693
Adult Softball Leagues (Spring & Fall)	0.6	6,480	6,480	6,480	6,480	6,480	6,480	6,480	6,480	6,480
High School Regional/State Softball Events*	1.3	203	203	203	203	304	304	304	304	304
Total	31,533	33,956	36,515	39,366	40,901	41,364	41,840	42,329	42,832	43,349
Other										
Other Sporting Events	0.1	213	326	443	452	461	470	479	489	499
Rancho Santa Margarita Events	2.1	1,050	1,050	2,100	2,100	3,150	3,150	4,200	4,200	4,200
Other Non-Sport Events	1	600	600	900	900	1,200	1,200	1,500	1,500	1,500
Total	1,863	1,976	3,443	3,452	4,811	4,820	6,179	6,189	6,199	6,209
Total Spectators	49,383	53,565	59,220	63,921	69,540	70,302	72,435	73,240	74,069	74,921
<i>*Tournament Spectators</i>	10,098	14,125	18,270	22,961	27,320	28,071	28,842	29,637	30,453	31,294
Source: Various Sports Organizations, Hunden Strategic Partners										

The next table shows the total number of visitors (participants and spectators) expected at the sports complex.

Total attendance is projected to increase from more than 104,000 to more than 147,000 by stabilization, depending on the number of tournaments held. More than 51,000 attendees are projected from tournaments by the tenth year.

Projected Total Visitors (Players, Coaches, Families) - RSM Chiquita Ridge Sports Complex

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Baseball										
Competitive Existing Tournament	0	0	0	0	0	0	0	0	0	0
Competitive New Tournament	2,400	3,708	5,092	7,868	10,805	11,129	11,463	11,807	12,161	12,526
Local New Tournament	1,163	2,395	3,700	3,811	5,234	5,391	5,552	5,719	5,890	6,067
Youth Baseball Leagues (Spring & Fall)	23,184	23,184	23,184	23,184	23,184	23,184	23,184	23,184	23,184	23,184
Camps/Programs	295	447	601	607	614	620	626	632	638	645
Practices	6,699	6,699	6,699	6,699	6,699	6,699	6,699	6,699	6,699	6,699
High School Regional/State Baseball Events*	193	386	386	580	773	773	773	773	773	773
Total	33,934	36,819	39,663	42,749	47,308	47,795	48,297	48,814	49,346	49,894
Softball										
Competitive Existing Tournament	7,072	7,213	7,358	7,505	7,655	7,808	7,964	8,124	8,286	8,452
Competitive New Tournament	3,744	5,784	7,944	12,274	12,642	13,021	13,412	13,814	14,228	14,655
Local New Tournament	1,612	3,321	5,131	5,284	7,257	7,475	7,699	7,930	8,168	8,413
Youth Softball Leagues (Spring & Fall)	28,512	28,512	28,512	28,512	28,512	28,512	28,512	28,512	28,512	28,512
Camps/Programs	884	1,191	1,504	1,519	1,534	1,549	1,565	1,580	1,596	1,612
Practices	7,623	7,623	7,623	7,623	7,623	7,623	7,623	7,623	7,623	7,623
Adult Softball Leagues (Spring & Fall)	17,280	17,280	17,280	17,280	17,280	17,280	17,280	17,280	17,280	17,280
High School Regional/State Softball Events*	359	359	359	359	538	83,806	84,593	85,401	86,232	87,085
Total	67,086	71,283	75,710	80,355	83,041	83,806	84,593	85,401	86,232	87,085
Other										
Other Sporting Events	365	558	759	774	790	806	822	838	855	872
Rancho Santa Margarita Events	1,550	1,550	3,100	3,100	4,650	4,650	6,200	6,200	6,200	6,200
Other Non-Sport Events	1,200	1,200	1,800	1,800	2,400	2,400	3,000	3,000	3,000	3,000
Total	3,115	3,308	5,659	5,674	7,840	7,856	10,022	10,038	10,055	10,072
Total Visitation	104,135	111,410	121,032	128,778	138,189	139,457	142,912	144,253	145,632	147,051
*Total Tournament Visitation	16,543	23,167	29,970	37,680	44,903	46,135	47,401	48,704	50,045	51,424

Source: Various Sports Organizations, Hunden Strategic Partners

FINANCIAL PROJECTION

The table to the right is a consolidated estimate of revenue and expense for the outdoor sports complex.

As shown, rental fees are projected to be the largest revenue source, stabilizing at approximately \$467,000. Net concessions, net merchandise and advertising/sponsorships make up other significant revenue sources. The proforma assumes a parking fee charged to spectators visiting the facility for tournaments and other high profile events. Parking revenue could be a critical element to offset incremental expenses to attract elite staff and operational expenses associated to collecting the parking fee.

In general, revenue and expense assumptions described for the indoor athletic facility apply to the outdoor sports complex.

In total, the facility is expected to experience a net deficit of \$379,000 in the first year, and then will operate at a deficit of \$244,000 to \$340,000 by stabilization, on an annual basis.

RSM Chiquita Ridge Sports Complex - Financial Projections (thousands of inflated dollars)

Item	Fiscal Year									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Operating Revenue										
Rental Fees	\$310	\$351	\$397	\$431	\$467	\$481	\$499	\$514	\$529	\$545
Net Concessions	\$12	\$16	\$21	\$26	\$32	\$34	\$37	\$38	\$40	\$43
Net Novelties	\$1	\$1	\$1	\$2	\$2	\$2	\$3	\$3	\$3	\$3
Advertising and Sponsorship	\$48	\$67	\$103	\$106	\$109	\$113	\$116	\$119	\$123	\$127
Total Revenue	\$371	\$435	\$522	\$565	\$611	\$630	\$654	\$674	\$696	\$718
Operating Expense										
Fixed										
Salary - Permanent Staff	\$135	\$139	\$143	\$148	\$152	\$157	\$161	\$166	\$171	\$176
Salary - Part-Time/Seasonal Staff	\$100	\$103	\$106	\$109	\$113	\$116	\$119	\$123	\$127	\$130
Benefits - Permanent Staff	\$45	\$46	\$47	\$49	\$50	\$52	\$53	\$55	\$56	\$58
General and Administrative/Other	\$92	\$95	\$98	\$101	\$104	\$107	\$110	\$113	\$117	\$120
Marketing Advertising	\$45	\$46	\$48	\$49	\$51	\$52	\$54	\$55	\$57	\$59
Utilities	\$135	\$139	\$143	\$148	\$152	\$157	\$161	\$166	\$171	\$176
Facility Maintenance	\$113	\$116	\$119	\$123	\$127	\$130	\$134	\$138	\$143	\$147
Security	\$25	\$26	\$27	\$27	\$28	\$29	\$30	\$31	\$32	\$33
Insurance	\$45	\$46	\$48	\$49	\$51	\$52	\$54	\$55	\$57	\$59
Operating Expenses	\$734	\$756	\$779	\$802	\$826	\$851	\$876	\$903	\$930	\$958
Facility Reserve	\$17	\$20	\$24	\$26	\$29	\$30	\$31	\$32	\$33	\$34
Net Operating Income (Deficit)	(\$379)	(\$340)	(\$280)	(\$263)	(\$244)	(\$251)	(\$254)	(\$261)	(\$267)	(\$274)

Source: Hunden Strategic Partners

The following table shows the rental assumptions.

As shown, there are hourly and daily fees that drive the rental revenue. The projected fee schedule is based on current comparable facilities' rental fees, local facility fees and organizations' participation fees.

RSM Chiquita Ridge Sports ComplexFee Schedule

Event	Facility Rental*	Rental Period
Baseball		
Competitive Existing Tournament	\$250	Field per day
Competitive New Tournament	\$250	Field per day
Local New Tournament	\$250	Field per day
Youth Baseball Leagues (Spring & Fall)	\$40	Per hour
Camps/Programs	\$40	Per hour
Practices	\$40	Per hour
Softball		
Competitive Existing Tournament	\$250	Field per day
Competitive New Tournament	\$250	Field per day
Local New Tournament	\$250	Field per day
Youth Softball Leagues (Spring & Fall)	\$40	Per hour
Practices	\$40	Per hour
Practices	\$40	Per hour
Adult Softball Leagues (Spring & Fall)	\$40	Per hour
Other		
Other Sporting Events	\$40	Per hour
Rancho Santa Margarita Events	\$1,500	Per day
Other Non-Sport Events	\$750	Per day

*Rates include lights until 10pm

Source: Various Organizations, Hunden Strategic Partners

SCENARIO FOUR: OUTDOOR RECREATIONAL SPORTS COMPLEX

The table to the right shows the number of annual events assumed for each user group.

As shown, there are projected to be nearly 162 events in the stabilized year (year 5). Each season, practice and league event is considered one event occasion. Baseball and Softball leagues are projected to have 28 games and 30 tournaments each year.

Projected Number of Events - RSM Chiquita Ridge Recreational Sports Complex										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Baseball										
Youth Baseball Leagues (Spring & Fall)	28	28	28	28	28	28	28	28	28	28
Camps/Programs	2	3	4	4	4	4	4	4	4	4
Practices	30	30	30	30	30	30	30	30	30	30
High School Regional/State Baseball Events	1	1	2	2	3	3	3	3	3	3
Total	61	62	64	64	65	65	65	65	65	65
Softball										
Youth Softball Leagues (Spring & Fall)	28	28	28	28	28	28	28	28	28	28
Camps/Programs	2	3	4	4	4	4	4	4	4	4
Practices	30	30	30	30	30	30	30	30	30	30
Adult Softball Leagues (Spring & Fall)	22	22	22	22	22	22	22	22	22	22
High School Regional/State Softball Events	1	1	2	2	3	3	3	3	3	3
Total	83	84	86	86	87	87	87	87	87	87
Other										
Other Sporting Events	1	2	3	3	3	3	3	3	3	3
Rancho Santa Margarita Events	1	1	2	2	3	3	4	4	4	4
Other Non-Sport Events	1	3	3	3	4	4	5	5	5	5
Total	3	6	8	8	10	10	12	12	12	12
Total Events	147	152	158	158	162	162	164	164	164	164

Source: Various Sports Organizations, Hunden Strategic Partners

Based on the number of average days per event type, the following number of event-days was projected.

As shown on the right, RSM can expect nearly 300 event-days per year by stabilization (year 5). This is an average of nearly 6 events per week, although it is most likely that multiple groups will be using the new sports complex simultaneously, especially on weekends. It was assumed there will be days and weekends where both the multipurpose fields and diamonds are used at the same time.

Projected Event Days - RSM Chiquita Ridge Recreational Sports Complex

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Baseball										
Youth Baseball Leagues (Spring & Fall)	56	56	56	56	56	56	56	56	56	56
Camps/Programs	8	12	16	16	16	16	16	16	16	16
Practices	60	60	60	60	60	60	60	60	60	60
High School Regional/State Baseball Events	1	1	2	2	3	3	3	3	3	3
Total	125	129	134	134	135	135	135	135	135	135
Softball										
Youth Softball Leagues (Spring & Fall)	56	56	56	56	56	56	56	56	56	56
Camps/Programs	8	12	16	16	16	16	16	16	16	16
Practices	60	60	60	60	60	60	60	60	60	60
Adult Softball Leagues (Spring & Fall)	22	22	22	22	22	22	22	22	22	22
Total	146	150	154							
Other										
Other Sporting Events	1	2	3	3	3	3	3	3	3	3
Rancho Santa Margarita Events	1	1	2	2	3	3	4	4	4	4
Other Non-Sport Events	1	3	3	3	4	4	5	5	5	5
Total	3	6	8	8	10	10	12	12	12	12
Total Event Days	274	285	296	296	299	299	301	301	301	301

Source: Various Sports Organizations, Hunden Strategic Partners

Based on the assumptions, it is projected that the facility will have more than 55,000 participants per year by the stabilized year. For local teams, each player playing each league game counts as one participant (so one player playing spring soccer would be counted twelve times if there are twelve weeks in the season).

Projected Teams & Participation - RSM Chiquita Ridge Recreational Sports Complex														
	Youth/ Coaches/													
	Teams	Team	Team	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Baseball														
Youth Baseball Leagues (Spring & Fall)	30	12	2	14	11,760	11,760	11,760	11,760	11,760	11,760	11,760	11,760	11,760	
Camps/Programs	1	125	9	134	268	406	547	552	558	563	569	575	580	586
Practices	15	12.5	2	14.5	6,525	6,525	6,525	6,525	6,525	6,525	6,525	6,525	6,525	
High School Regional/State Baseball Events	4	18	3	21	84	84	168	168	252	252	252	252	252	
Total					18,637	18,775	19,000	19,005	19,095	19,100	19,106	19,112	19,117	19,123
Softball														
Youth Softball Leagues (Spring & Fall)	30	14.5	2	16.5	13,860	13,860	13,860	13,860	13,860	13,860	13,860	13,860	13,860	
Camps/Programs	1	125	9	134	268	406	547	552	558	563	569	575	580	586
Practices	15	14.5	2	16.5	7,425	7,425	7,425	7,425	7,425	7,425	7,425	7,425	7,425	
Adult Softball Leagues (Spring & Fall)	36	14	1	15	11,880	11,880	11,880	11,880	11,880	11,880	11,880	11,880	11,880	
High School Regional/State Softball Events	4	16.5	3	19.5	78	78	156	156	234	234	234	234	234	
Total					33,433	33,571	33,712	33,717	33,723	33,728	33,734	33,740	33,745	33,751
Other														
Other Sporting Events	4	16	3	19	76	155	237	242	247	252	257	262	267	272
Rancho Santa Margarita Events	1	500	0	500	500	500	1,000	1,000	1,500	1,500	2,000	2,000	2,000	2,000
Other Non-Sport Events	1	300	0	300	300	900	900	900	1,200	1,200	1,500	1,500	1,500	1,500
Total					876	1,555	2,137	2,142	2,947	2,952	3,757	3,762	3,767	3,772
Total Participation					52,946	53,901	54,849	54,864	55,764	55,780	56,597	56,613	56,630	56,647

Source: Various Sports Organizations, Hunden Strategic Partners

The next table shows the expected number of spectators (family and friends) coming to the sports complex annually for various events.

Family and friends accompany most of the participants. While local league play is expected to only draw one to two family members per event, tournaments are assumed to bring nearly two family members per event. Trends show that the younger the participant, the more family and friends accompany the participant to the event.

Based on the assumptions, HSP projects more than 142,000 family and friends will attend events annually by the tenth year.

Projection of Spectators - RSM Chiquita Ridge Recreational Sports Complex											
	Others/ Participant	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Baseball											
Youth Baseball Leagues (Spring & Fall)	1.1	12,936	12,936	12,936	12,936	12,936	12,936	12,936	12,936	12,936	12,936
Camps/Programs	0.1	27	41	55	55	56	56	57	57	58	59
Practices	0.1	653	653	653	653	653	653	653	653	653	653
High School Regional/State Baseball Events	1.3	109	109	218	218	328	328	328	328	328	328
Total		13,725	13,738	13,862	13,862	13,972	13,972	13,973	13,974	13,974	13,975
Softball											
Youth Softball Leagues (Spring & Fall)	1.1	15,246	15,246	15,246	15,246	15,246	15,246	15,246	15,246	15,246	15,246
Camps/Programs	0.1	27	41	55	55	56	56	57	57	58	59
Practices	0.1	743	743	743	743	743	743	743	743	743	743
Adult Softball Leagues (Spring & Fall)	0.5	5,940	5,940	5,940	5,940	5,940	5,940	5,940	5,940	5,940	5,940
High School Regional/State Softball Events	1.3	101	101	203	203	304	304	304	304	304	304
Total		21,955	21,969	21,983	21,984	21,984	21,985	21,985	21,986	21,987	21,987
Other											
Other Sporting Events	0.1	106	217	332	339	346	352	359	367	374	381
Rancho Santa Margarita Events	2.1	1,050	1,050	2,100	2,100	3,150	3,150	4,200	4,200	4,200	4,200
Other Non-Sport Events	1	300	900	900	900	1,200	1,200	1,500	1,500	1,500	1,500
Total		1,456	2,167	3,332	3,339	4,696	4,702	6,059	6,067	6,074	6,081
Total Spectators		37,136	37,874	39,177	39,185	40,652	40,660	42,018	42,026	42,035	42,043

Source: Various Sports Organizations, Hunden Strategic Partners

The next table shows the total number of visitors (participants and spectators) expected at the sports complex.

Projected Total Visitors (Players, Coaches, Families) - RSM Chiquita Ridge Recreational Sports Complex										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Baseball										
Youth Baseball Leagues (Spring & Fall)	24,696	24,696	24,696	24,696	24,696	24,696	24,696	24,696	24,696	24,696
Camps/Programs	295	447	601	607	614	620	626	632	638	645
Practices	7,178	7,178	7,178	7,178	7,178	7,178	7,178	7,178	7,178	7,178
High School Regional/State Baseball Events	193	193	386	386	580	580	580	580	580	580
Total	32,362	32,513	32,861	32,867	33,067	33,073	33,079	33,085	33,092	33,098
Softball										
Youth Softball Leagues (Spring & Fall)	29,106	29,106	29,106	29,106	29,106	29,106	29,106	29,106	29,106	29,106
Camps/Programs	295	447	601	607	614	620	626	632	638	645
Practices	8,168	8,168	8,168	8,168	8,168	8,168	8,168	8,168	8,168	8,168
Adult Softball Leagues (Spring & Fall)	17,820	17,820	17,820	17,820	17,820	17,820	17,820	17,820	17,820	17,820
High School Regional/State Softball Events	179	179	359	359	538	56,251	56,258	56,264	56,270	56,277
Total	55,568	55,720	56,054	56,060	56,245	56,251	56,258	56,264	56,270	56,277
Other										
Other Sporting Events	182	372	569	581	592	604	616	629	641	654
Rancho Santa Margarita Events	1,550	1,550	3,100	3,100	4,650	4,650	6,200	6,200	6,200	6,200
Other Non-Sport Events	600	1,800	1,800	1,800	2,400	2,400	3,000	3,000	3,000	3,000
Total	2,332	3,722	5,469	5,481	7,642	7,654	9,816	9,829	9,841	9,854
Total Visitation	90,262	91,955	94,384	94,408	96,954	96,978	99,153	99,178	99,203	99,228

Source: Various Sports Organizations, Hunden Strategic Partners

FINANCIAL PROJECTION

The table to the right is a consolidated estimate of revenue and expense for the outdoor sports complex.

As shown, rental fees are projected to be the largest revenue source, reaching approximately \$326,000 in year 10. Net concessions, net merchandise and advertising/sponsorships make up other significant revenue sources. The proforma assumes a parking fee charged to spectators visiting the facility for tournaments and other high profile events.

In general, revenue, expense and rental fee assumptions described for scenario three apply to this scenario as well.

In total, the facility is expected to experience a net deficit of \$295,000 in the first year, and then will operate at a deficit between \$296,000 and \$356,000.

RSM Chiquita Ridge Recreational Sports Complex - Financial Projections (thousands of inflated dollars)

Item	Fiscal Year									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Operating Revenue										
Rental Fees	\$222	\$237	\$252	\$259	\$270	\$278	\$289	\$298	\$307	\$316
Net Concessions	\$4	\$4	\$5	\$5	\$6	\$7	\$8	\$8	\$8	\$9
Net Novelties	\$0.21	\$0.40	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
Total Revenue	\$226	\$241	\$257	\$265	\$277	\$285	\$298	\$307	\$316	\$326
Operating Expense										
Fixed										
Salary - Permanent Staff	\$100	\$103	\$106	\$109	\$113	\$116	\$119	\$123	\$127	\$130
Benefits - Permanent Staff	\$33	\$34	\$35	\$36	\$37	\$38	\$39	\$41	\$42	\$43
General and Administrative/Other	\$64	\$65	\$67	\$69	\$71	\$74	\$76	\$78	\$80	\$83
Marketing Advertising	\$15	\$15	\$16	\$16	\$17	\$17	\$18	\$18	\$19	\$20
Utilities	\$135	\$139	\$143	\$148	\$152	\$157	\$161	\$166	\$171	\$176
Facility Maintenance	\$113	\$116	\$119	\$123	\$127	\$130	\$134	\$138	\$143	\$147
Security	\$25	\$26	\$27	\$27	\$28	\$29	\$30	\$31	\$32	\$33
Insurance	\$30	\$31	\$32	\$33	\$34	\$35	\$36	\$37	\$38	\$39
Operating Expenses	\$514	\$529	\$545	\$562	\$579	\$596	\$614	\$632	\$651	\$671
Facility Reserve	\$7	\$7	\$8	\$8	\$9	\$9	\$10	\$10	\$10	\$11
Net Operating Income (Deficit)	(\$295)	(\$296)	(\$296)	(\$305)	(\$310)	(\$320)	(\$325)	(\$335)	(\$345)	(\$356)

Source: Hunden Strategic Partners

ECONOMIC, FISCAL & EMPLOYMENT IMPACT ANALYSIS

While many facilities that draw tourists and visitors only break even or even lose money from operations (such as convention centers, sports facilities, etc.), the impact of the visitors on the community can be significant. The impact from spending on hotels, restaurants, stores and gas stations can generate hundreds of jobs and large tax benefits from local use taxes. While the gross operations of each facility will generate sales tax and hotel occupancy tax, and will support new jobs onsite, the critical analysis is to determine the amount of net new spending generated by each facility and what that supports in net earnings, jobs and what it generates in net new taxes. In this chapter, the net new RSM impacts are assessed.

The basis for the impacts will be visitor days at the facility. A visitor day is defined as the aggregate number of visits to the facility annually. For example, if someone visits the facility each day of a two-day event, two visitor days will be counted rather than counting the one visitor attending an event, regardless the number of event days. Additionally, the net new room nights generated due to each scenario as well as the incremental spending associated with existing visitors who spend more because of their visit to the new facility will inform the impact projections. The net new visitors may be staying in other hotels as well as the recommended hotel from the previous study. like sports teams that now are coming to RSM because tournaments can now happen as well as elsewhere that otherwise would not have occurred.

The impacts are based on the assumption that RSM develops hotel properties to capture room nights from the proposed youth sports complex. The assumptions also include an eight percent hotel occupancy tax rate. As previously shown in HSP's previous study, demand for a hotel exists in RSM; however, without the development of a tournament sports facility at the Property, it will be difficult to develop a hotel based on current demand only.

The table to the right provides a summary of impacts for the two recommendations.

HSP modeled each scenario and based on the projection of the proforma, additional impact data was derived. The key components of visitation and spending are generated by overnight stays as well as day trips. HSP uses the IMPLAN input-output multiplier model, which determines the level of additional activity in the RSM economy due to additional inputs. For example, for every dollar of direct new spending in RSM, the IMPLAN model provides multipliers for the indirect and induced spending that will result.

Net New	Scenario 1: Indoor Facility		Outdoor Complex
Hotel Room Nights	26,889		39,267
Total Spending (millions)	\$61		\$46
Total Earnings (millions)	\$15		\$12
FTE Jobs	17		11
RSM Taxes Collected			
Sales Tax (1.0%)	\$407,769		\$329,649
Hotel Occupancy Tax (8.0%)	\$33,863		\$49,983
Total Taxes Collected	\$441,632		\$379,542

Source: Hunden Strategic Partners

SCENARIO ONE: INDOOR SPORTS COMPLEX

ROOM NIGHTS AND VISITATION

The table to the right shows the number of room nights generated from each user group.

As shown, there are projected to be more than 14,500 room nights generated by the fifth year. Most are assumed to be generated by volleyball and basketball tournaments. These room nights include all room nights whether they are captured in RSM or elsewhere. Later tables identify rooms that captured in RSM only.

Category	% Overnight	People/ Room	Projected Room Nights Generated - Indoor Sports Complex											
			Nights		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
			Overnight	per Event										
Volleyball Tournaments	50%	2.3	2	3,674	5,500	7,348	9,174	9,174	9,174	9,174	9,174	9,174	9,174	9,174
Other Sporting Events	50%	2.1	1.5	262	524	762	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286
Public Events	5%	1.4	2.5	136	136	268	268	404	404	404	404	404	404	404
Banquets/Special Events	15%	1.4	1	21	21	43	43	43	43	43	43	43	43	43
Other Non-Sporting Events	10%	1.4	1	36	36	71	71	107	107	107	107	107	107	107
Total				4,819	7,621	10,587	13,651	14,513						

Source: Various Sports Organizations, Hunden Strategic Partners

The table to the right shows the number of day trips generated by the facility.

Nearly 42,000 visitor days are expected by the fifth year and approximately 75 percent are expected to be residents from the RSM area, which are not included as new impact.

Category	% Day Trip	Days per Event	Projected Day Trips Generated - Indoor Sports Complex											
			Days		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
			Year	Day										
Volleyball Tournaments	50%	2	8,450	12,650	16,900	21,100	21,100	21,100	21,100	21,100	21,100	21,100	21,100	21,100
Basketball Tournaments	50%	2	1,450	2,950	4,400	5,900	7,350	7,350	7,350	7,350	7,350	7,350	7,350	7,350
Other Sporting Events	50%	1.5	550	1,100	1,600	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700
Public Events	95%	2.5	3,610	3,610	7,125	7,125	10,735	10,735	10,735	10,735	10,735	10,735	10,735	10,735
Banquets/Special Events	85%	1	170	170	340	340	340	340	340	340	340	340	340	340
Other Non-Sporting Events	90%	1	450	450	900	900	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350
Total			14,060	20,310	30,025	36,825	41,885							

Source: Various Sports Organizations, Hunden Strategic Partners

This section analyzes the economic, fiscal and employment benefits that would accrue to the RSM area by the activities at the facility. It also reviews the potential economic and fiscal impacts induced through the construction of the project.

HSP only counts net new spending to the community, not recycled spending by local users. The basis for counting spending is based on new overnight and new day trip visitor days.

The assumptions for each type of spending create the total incremental spending associated with facility. The following table shows the net new visitor days and overnights as well as the resulting new hotel room nights, which serve as the basis for the impact model. In order to estimate net new impacts, we reduce the gross impacts previously shown by subtracting local usage and hotel rooms not captured by RSM.

Net New Visitors and Room Nights - Indoor Sports Complex									
Category	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Total
New Daytrip Visitor Days	2,892	4,455	6,265	7,965	8,735	8,735	8,735	8,735	161,329
New Overnight Visitor Days	10,640	16,890	23,275	30,075	31,715	31,715	31,715	31,715	588,320
New Hotel Room Nights (Local)	482	762	1,059	1,365	1,451	1,451	1,451	1,451	26,889

Source: Hunden Strategic Partners

Over the next twenty-year period, more than 161,000 new day trip visitor days and more than 588,000 overnight visitor days are expected in area. This should result in nearly 27,000 new hotel room nights in the RSM area over the period. Approximately 10 percent of room nights generated are expected to be captured in RSM, with the development of hotel properties in RSM.

ECONOMIC, EARNINGS, EMPLOYMENT AND FISCAL IMPACT

The net new and recaptured direct spending discussed earlier in the chapter is considered to be the **Direct Impact**.

From the direct spending figures, further impact analyses will be completed.

- **Direct impacts** - are an expression of the spending that occurs as a direct result of the events and activities that occur due to the indoor facility. For example, a hotel guest's expenditures on hotel rooms and meals are a direct economic impact.
- **Indirect impacts** - consist of re-spending of the initial or direct expenditures, or, the supply of goods and services resulting from the initial direct spending due to the facility. For example, a guest's direct expenditure on a restaurant meal causes the restaurant to purchase food and other items from suppliers. The portion of these restaurant purchases that are within the local, regional, or state economies is counted as an indirect economic impact.
- **Induced impacts** – represent changes in local consumption due to the personal spending by employees whose incomes are affected by direct and indirect spending. For example, a waiter at the restaurant may have more personal income as a result of the guest's visit. The amount of the increased income the waiter spends in the local economy is considered an induced impact.
- **Personal income** – measures increased employee and worker compensation related to the hotel operations being analyzed. This figure represents increased payroll expenditures, including benefits paid to workers locally. It also expresses how the employees of local businesses share in the increased outputs.
- **Employment impact** – measures the number of jobs supported in the study area related to the spending generated as a result of the events occurring in the facility. Employment impact is stated in job-years.

The total impacts of this scenario are expressed through the net new spending to the RSM area. The direct spending is broken down into food and beverage, lodging, retail, transportation and other spending. Spending assumptions are assigned per day per person for either a day trip or an overnight.

DIRECT, INDIRECT AND INDUCED IMPACTS

The table on the right shows the direct net new spending, based on the analysis.

Most spending occurs at hotels and restaurants. Over the twenty-year period, more than 400,000 is expected to be spent on hotels in RSM by net new visitation and more than \$19.8 million from food and beverage spending.

Transportation and retail spending will also be impacted locally, with more than \$7.7 million and more than \$4.6 million additional dollars spent over the period, respectively. Other spending on visitation to other attractions and other spending is projected to total more than \$8.1 million over 20 years.

Direct Net New Spending (000s) - Indoor Sports Complex									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Total
Food & Beverage	\$262	\$427	\$608	\$808	\$882	\$1,022	\$1,185	\$1,373	\$19,874
Lodging	\$6	\$9	\$13	\$17	\$19	\$22	\$25	\$29	\$423
Retail	\$61	\$99	\$141	\$187	\$205	\$237	\$275	\$319	\$4,612
Transportation	\$102	\$166	\$236	\$314	\$343	\$397	\$460	\$534	\$7,723
Other	\$107	\$175	\$249	\$330	\$361	\$419	\$486	\$563	\$8,145
Total	\$538	\$876	\$1,247	\$1,656	\$1,809	\$2,097	\$2,431	\$2,818	\$40,777

Source: Hunden Strategic Partners

The table to the right shows the spinoff impact economic spending and activity in the market from the direct spending, as described in the definitions earlier in the chapter.

Direct, Indirect & Induced Net New Spending (000s) - Indoor Sports Complex									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Total
Net New Spending									
Direct	\$538	\$876	\$1,247	\$1,656	\$1,809	\$2,097	\$2,431	\$2,818	\$40,777
Indirect	\$176	\$286	\$408	\$541	\$591	\$685	\$795	\$921	\$13,328
Induced	\$95	\$155	\$221	\$294	\$321	\$372	\$431	\$500	\$7,231
Total	\$809	\$1,318	\$1,876	\$2,491	\$2,721	\$3,154	\$3,656	\$4,239	\$61,335

Source: Hunden Strategic Partners

The table to the right shows the net new earnings derived from the new spending. Earnings are the portion of new spending that ends up as wages for employees in businesses in RSM.

New earnings in the facility from the new spending will total \$201,000 in the first year, increasing to more than \$1 million by the end of the period. Throughout the period more than \$15.2 million in new earnings will be new due to the facility.

Net New Earnings from Direct, Indirect & Induced Spending (000s) - Indoor Sports Complex									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Total
Net New Earnings									
From Direct	\$171	\$278	\$396	\$526	\$575	\$666	\$772	\$895	\$12,952
From Indirect	\$24	\$39	\$55	\$73	\$80	\$93	\$108	\$125	\$1,804
From Induced	\$7	\$11	\$15	\$20	\$22	\$26	\$30	\$35	\$500
<i>Total</i>	<i>\$201</i>	<i>\$328</i>	<i>\$467</i>	<i>\$620</i>	<i>\$677</i>	<i>\$784</i>	<i>\$909</i>	<i>\$1,054</i>	<i>\$15,256</i>

Source: Hunden Strategic Partners

The table to the right shows the net new full-time equivalent jobs supported by the new spending. These new positions will be supported throughout the economy, not just in visitor-related jobs, although these will be most likely.

In the stabilized year, an additional 17 full-time equivalent jobs will be created and supported in the local economy by the direct, indirect and induced spending in the economy that will be new due to the hundreds of thousands of new attendees.

Net New Full-Time Equivalent Jobs from Direct, Indirect & Induced Earnings (000s) Indoor Sports Complex								
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20
Net New FTE Jobs								
From Direct	3	5	6	8	9	9	9	9
From Indirect	2	3	4	5	5	5	5	5
From Induced	0	2	2	3	3	3	3	3
<i>Total</i>	<i>5</i>	<i>9</i>	<i>12</i>	<i>16</i>	<i>17</i>	<i>17</i>	<i>17</i>	<i>17</i>

Source: Hunden Strategic Partners

FISCAL IMPACT ANALYSIS

Fiscal impacts are tax and assessment revenues that result from the spending and income related to the activities at the facility. This analysis estimates fiscal impacts for the governmental units that levy taxes and assessments.

The fiscal impacts are the public sector's return on investment. The following table summarizes the fiscal impact estimates from the applicable taxes, which are the taxes levied in RSM.

Fiscal Impact - Tax Impacts from Net New Spending (000s) - Indoor Sports Complex									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Total
Taxes Collected									
Sales Tax (1.0%)	\$5,381	\$8,761	\$12,471	\$16,561	\$18,088	\$20,969	\$24,309	\$28,180	\$407,769
Hotel Occupancy Tax (8.0%)	\$443	\$722	\$1,033	\$1,372	\$1,503	\$1,742	\$2,020	\$2,341	\$33,863
Total	\$5,824	\$9,483	\$13,505	\$17,934	\$19,591	\$22,711	\$26,328	\$30,522	\$441,632

Source: Hunden Strategic Partners

As the table shows, the new spending in RSM is projected to generate more than \$441,000 in new tax revenue over the period. The assumption of the hotel occupancy tax rate is based on the recommendations of the development of a hotel and implementing an eight percent hotel tax from the previous study.

CONSTRUCTION IMPACT

In addition to the ongoing impacts from the operation of the facilities, the facility would create a one-time influx of spending. The construction spending also results in employment in many sectors of the local economy.

A ratio of 60 percent labor, 40 percent materials is used to determine the spending and employment and income impacts. Labor costs will generate direct labor impacts and materials will generate other new income in the area. Approximately 60 percent of construction materials and labor are expected to be purchased locally.

The table to the right shows the total direct spending and the estimated indirect and induced impacts that the expansion of the development would generate to the local economy.

Based on an estimated \$37 million development of an indoor sports complex with hardwood courts, the construction activity from the facility is expected to generate more than \$12.8 million in direct economic spending from materials spending and \$13.3 million in local labor spending. This will support 62 job-years, or essentially 62 jobs for a one-year period.

Construction Impact Indoor Sports Complex	
New Daytrip Visitor Days	Impact
Direct Materials Spending - Local	\$8,880,000
Indirect Spending - Local	\$2,437,683
Induced Spending - Local	\$1,497,500
Total	\$12,815,183
Direct Labor Spending	\$13,320,000
Employment (Job Years)	62

Source: Hunden Strategic Partners

SUMMARY OF IMPACTS

The table below shows the summary of impacts from new spending and visits to the RSM area.

In total, this scenario is estimated to generate approximately \$61 million in total spending over 20 years. New earnings are projected to total \$15 million over the period, supporting 17 full-time equivalent positions during that time. The local taxes collected over the period are projected to total more than \$440,000 in RSM. The construction impact totals more than \$12.8 million in impact from materials spending locally and more than \$13.3 million in spending from earnings as well as 62 construction job-years.

Summary of Impacts Indoor Sports Complex		
	20-Years	Stabilized Year
Net New Spending	(millions)	
Direct	\$41	\$2.0
Indirect	\$13	\$0.6
Induced	\$7	\$0.4
Total	\$61	\$3
Net New Earnings	(millions)	
From Direct	\$13	\$0.6
From Indirect	\$2	\$0.1
From Induced	\$1	\$0.0
Total	\$15	\$0.7
Net New FTE Jobs	Actual	
From Direct	9	9
From Indirect	5	5
From Induced	3	3
Total	17	17
Taxes Collected		
Sales Tax (1.0%)	\$407,769	\$19,765
Hotel Occupancy Tax (8.0%)	\$33,863	\$1,642
Total	\$441,632	\$21,407
Construction Impact	(000s)	
Total Spending	\$12,815	
Direct Labor Spending	\$13,320	
Job-Years, Actual		62

Source: Hunden Strategic Partners

SCENARIO TWO: OUTDOOR SPORTS COMPLEX

ROOM NIGHTS AND VISITATION

The table to the right shows the number of room nights generated from each user group.

As shown, there are projected to be nearly 22,000 room nights generated by the tenth year. Most are assumed to be generated by baseball and softball events.

Projected Room Nights Generated - RSM Chiquita Ridge Sports Complex													
	% Overnight	People/ Room	Nights per Event	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Baseball													
Competitive Existing Tournament	50%	2.9	3	0	0	0	0	0	0	0	0	0	0
Competitive New Tournament	50%	2.9	2.5	1,034	1,598	2,195	3,391	4,657	4,797	4,941	5,089	5,242	5,399
Local New Tournament	50%	2.3	2	505	1,041	1,609	1,657	2,275	2,344	2,414	2,486	2,561	2,638
High School Regional/State Baseball Events*	0%	2.9	1	0	0	0	0	0	0	0	0	0	0
Total				1,540	2,639	3,804	5,048	6,933	7,141	7,355	7,576	7,803	8,037
Softball													
Competitive Existing Tournament	50%	2.9	2.5	3,048	3,109	3,171	3,235	3,300	3,366	3,433	3,502	3,572	3,643
Competitive New Tournament	50%	2.9	2.5	1,614	2,493	3,424	5,290	5,449	5,612	5,781	5,954	6,133	6,317
Local New Tournament	50%	2.3	2	701	1,444	2,231	2,298	3,155	3,250	3,347	3,448	3,551	3,658
High School Regional/State Softball Events*	0%	2.9	1	0	0	0	0	0	0	0	0	0	0
Total				5,363	7,046	8,826	10,823	11,904	12,228	12,561	12,904	13,256	13,618
Other													
Other Sporting Events	0%	2.1	1	0	0	0	0	0	0	0	0	0	0
Rancho Santa Margarita Events	10%	2.6	1.5	89	89	179	179	268	268	358	358	358	358
Other Non-Sport Events	20%	2.9	1	83	83	124	124	166	166	207	207	207	207
Total				172	172	303	303	434	434	565	565	565	565
				7,075	9,858	12,933	16,174	19,270	19,803	20,481	21,044	21,623	22,219

Source: Various Sports Organizations, Hunden Strategic Partners

The table to the right shows the number of day trips generated by the facility.

Nearly 230,000 visitor days are expected by the tenth year and more than 75 percent are expected to be residents from the RSM area, which are not included as new impact.

Projected Day Trips Generated - RSM Chiquita Ridge Sports Complex												
	% Day Trip	Days per Even										
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Baseball												
Competitive Existing Tournament	50%	3	0	0	0	0	0	0	0	0	0	0
Competitive New Tournament	50%	2.5	3,000	4,635	6,365	9,835	13,506	13,911	14,329	14,758	15,201	15,657
Local New Tournament	50%	2	1,163	2,395	3,700	3,811	5,234	5,391	5,552	5,719	5,890	6,067
Youth Baseball Leagues (Spring & Fall)	100%	2	46,368	46,368	46,368	46,368	46,368	46,368	46,368	46,368	46,368	46,368
Camps/Programs	100%	4	1,179	1,786	2,406	2,430	2,454	2,479	2,503	2,529	2,554	2,579
Practices	100%	2	13,398	13,398	13,398	13,398	13,398	13,398	13,398	13,398	13,398	13,398
High School Regional/State Baseball Events*	100%	1	193	386	386	580	773	773	773	773	773	773
Total			65,108	68,582	72,237	75,841	80,960	81,547	82,150	82,772	83,412	84,070
Softball												
Competitive Existing Tournament	50%	2.5	8,840	9,017	9,197	9,381	9,569	9,760	9,955	10,154	10,357	10,565
Competitive New Tournament	50%	2.5	4,680	7,231	9,930	15,342	15,802	16,276	16,764	17,267	17,785	18,319
Local New Tournament	50%	2	1,612	3,321	5,131	5,284	7,257	7,475	7,699	7,930	8,168	8,413
Youth Softball Leagues (Spring & Fall)	100%	2	57,024	57,024	57,024	57,024	57,024	57,024	57,024	57,024	57,024	57,024
Camps/Programs	100%	4	3,538	4,764	6,015	6,075	6,135	6,197	6,259	6,321	6,385	6,448
Practices	100%	2	15,246	15,246	15,246	15,246	15,246	15,246	15,246	15,246	15,246	15,246
Adult Softball Leagues (Spring & Fall)	100%	1	17,280	17,280	17,280	17,280	17,280	17,280	17,280	17,280	17,280	17,280
High School Regional/State Softball Events*	100%	1	359	359	359	359	538	538	538	538	538	538
Total			108,578	114,241	120,181	125,991	128,852	129,796	130,766	131,762	132,784	133,833
Other												
Other Sporting Events	100%	1	365	558	759	774	790	806	822	838	855	872
Rancho Santa Margarita Events	90%	1.5	2,093	2,093	4,185	4,185	6,278	6,278	8,370	8,370	8,370	8,370
Other Non-Sport Events	80%	1	960	960	1,440	1,440	1,920	1,920	2,400	2,400	2,400	2,400
Total			3,417	3,611	6,384	6,399	8,987	9,003	11,592	11,608	11,625	11,642
			177,103	186,434	198,802	208,231	218,799	220,346	224,508	226,142	227,820	229,545

Source: Various Sports Organizations, Hunden Strategic Partners

This section analyzes the economic, fiscal and employment benefits that would accrue to the RSM area by the activities at the facility. It also reviews the potential economic and fiscal impacts induced through the construction of the project. As previously shown in the analysis of impacts of the indoor facility, the following table shows the net visitation and room night impacts to RSM.

Net New Visitors and Room Nights										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Total	
New Daytrip Visitor Days	34,279	36,436	39,454	41,680	44,183	46,825	46,825	46,825	893,627	
New Overnight Visitor Days	1,769	2,464	3,233	4,043	4,818	5,555	5,555	5,555	98,168	
New Hotel Room Nights (Local)	708	986	1,293	1,617	1,927	2,222	2,222	2,222	39,267	

Source: Hunden Strategic Partners

Over the next twenty-year period, more than 893,000 new day trip visitor days and more than 98,000 overnight visitor days are expected in area. This should result in nearly 40,000 new hotel room nights in the RSM area over the period. Approximately 10 percent of room nights generated are expected to be captured in RSM.

DIRECT, INDIRECT AND INDUCED IMPACTS

The table on the right shows the direct net new spending, based on the analysis.

Most spending occurs at hotels and restaurants. Over the twenty-year period, nearly \$624,000 is expected to be spent on hotels in RSM by net new visitation and more than \$18 million from food and beverage spending. Transportation and retail spending will also be impacted locally, with more than \$4.5 million and more than \$3.5 million additional dollars spent over the period, respectively. Other spending on visitation to other attractions and other spending is projected to total more than \$6.1 million over 20 years.

Direct Net New Spending (000s)								
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 20	Total
Food & Beverage	\$468	\$526	\$599	\$667	\$741	\$923	\$1,240	\$18,136
Lodging	\$8	\$12	\$16	\$20	\$25	\$33	\$45	\$624
Retail	\$90	\$101	\$116	\$129	\$144	\$180	\$241	\$3,525
Transportation	\$112	\$128	\$147	\$166	\$186	\$233	\$313	\$4,559
Other	\$156	\$176	\$201	\$224	\$250	\$312	\$419	\$6,122
Total	\$834	\$942	\$1,079	\$1,206	\$1,345	\$1,680	\$2,258	\$32,965

Source: Hunden Strategic Partners

The table to the right shows the spinoff impact economic spending and activity in the market from the direct spending, as described in the definitions earlier in the chapter.

Direct spending, as shown previously, is projected to total nearly \$33 million over the period, while indirect and induced spending will add more than \$7.2 million and nearly \$6 million, respectively. The total over the period is projected to be nearly \$46.2 million, ranging from \$1.1 million in Year 1 and increasing to \$3.1 million by the twentieth year.

Direct, Indirect & Induced Net New Spending (000s)								
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 20	Total
Net New Spending								
Direct	\$834	\$942	\$1,079	\$1,206	\$1,345	\$1,680	\$2,258	\$32,965
Indirect	\$183	\$207	\$237	\$266	\$297	\$372	\$499	\$7,284
Induced	\$152	\$171	\$196	\$219	\$245	\$306	\$411	\$5,994
Total	\$1,169	\$1,320	\$1,512	\$1,691	\$1,887	\$2,357	\$3,168	\$46,243

Source: Hunden Strategic Partners

The table to the right shows the net new earnings derived from the new spending. Earnings are the portion of new spending that ends up as wages for employees in businesses in RSM.

Throughout the period more than \$11.5 million in new earnings will be new due to the facility.

Net New Earnings from Direct, Indirect & Induced Spending (000s)								
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 20	Total
Net New Earnings								
From Direct	\$268	\$302	\$346	\$387	\$432	\$539	\$725	\$10,577
From Indirect	\$15	\$17	\$20	\$22	\$25	\$31	\$41	\$601
From Induced	\$10	\$11	\$13	\$14	\$16	\$20	\$27	\$387
<i>Total</i>	\$293	\$330	\$378	\$423	\$472	\$590	\$792	\$11,566

Source: Hunden Strategic Partners

The table to the right shows the net new full-time equivalent jobs supported by the new spending. These new positions will be supported throughout the economy, not just in visitor-related jobs, although these will be most likely.

In the stabilized year, an additional 11 full-time equivalent jobs will be created and supported in the local economy by the direct, indirect and induced spending in the economy that will be new due to the hundreds of thousands of new attendees.

Net New Full-Time Equivalent Jobs from Direct, Indirect & Induced Earnings (000s)							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 20
Net New FTE Jobs							
From Direct	4	5	6	6	7	7	7
From Indirect	0	1	1	1	1	1	1
From Induced	0	2	2	2	2	2	2
<i>Total</i>	5	7	8	9	10	11	11

Source: Hunden Strategic Partners

FISCAL IMPACT ANALYSIS

The following table summarizes the fiscal impact estimates from the applicable taxes, which are the taxes levied in the City of Rancho Santa Margarita.

Fiscal Impact - Tax Impacts from Net New Spending								
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 20	Total
Rancho Santa Margarita Taxes Collected								
Sales Tax (1%)	\$8,342	\$9,418	\$10,787	\$12,061	\$13,451	\$16,803	\$22,582	\$329,649
Hotel Tax (8%)	\$651	\$934	\$1,262	\$1,626	\$1,995	\$2,667	\$3,584	\$49,893
RSM total	\$8,993	\$10,352	\$12,049	\$13,687	\$15,447	\$19,470	\$26,167	\$379,542

Source: Hunden Strategic Partners

As the table shows, the new spending in RSM is projected to generate nearly \$380,000 in new tax revenue over the period.

CONSTRUCTION IMPACT

The following table shows the total direct spending and the estimated indirect and induced impacts that the expansion of the development would generate to the local economy. Similar to the indoor facility, we assume a ratio of 60 percent labor to 40 percent materials for construction costs and that 60 percent of construction materials and labor will be purchased locally.

Based on an estimated \$21 million outdoor sports complex, the construction activity from the facility is expected to generate more than \$6.5 million in direct economic spending from materials spending and \$7.5 million in local labor spending. This will support 41 job-years, or essentially 41 jobs for a one-year period.

Construction Impact - RSM Sports Complex

	Impact
Direct Materials Spending - Local	\$5,026,000
Indirect Spending - Local	\$902,851
Induced Spending - Local	\$731,000
Total	\$6,659,851
Direct Labor Spending	\$7,538,000
Employment (Job Years)	41

Source: Hunden Strategic Partners

SUMMARY OF IMPACTS

The table below shows the summary of impacts from new spending and visits to the RSM area.

In total, this outdoor sports complex scenario is estimated to generate \$46 million in total spending over 20 years. New earnings are projected to total \$12 million over the period, supporting 11 full-time equivalent positions during that time. The local taxes collected over the period are projected to total nearly \$380,000 in RSM. The construction impact totals more than \$6 million in impact from materials spending locally and more than \$7.5 million in spending from earnings as well as 41 construction job-years.

Summary of Impacts		
	20-Years	Stabilized Year
Net New Spending	(millions)	
Direct	\$33	\$1.5
Indirect	\$7	\$0.3
Induced	\$6	\$0.3
Total	\$46	\$2
Net New Earnings	(millions)	
From Direct	\$11	\$0.5
From Indirect	\$1	\$0.0
From Induced	\$0	\$0.0
Total	\$12	\$0.5
Net New FTE Jobs	Actual	
From Direct	7	7
From Indirect	1	1
From Induced	2	2
Total	11	10
Rancho Santa Margarita Taxes Collected		
Sales Tax (1%)	\$329,649	\$15,441
Hotel Tax (8%)	\$49,893	\$2,381
RSM total	\$379,542	\$17,822
Construction Impact	(000s)	
Total Spending	\$6,660	
Direct Labor Spending	\$7,538	
Job-Years, Actual	41	

Source: Hunden Strategic Partners