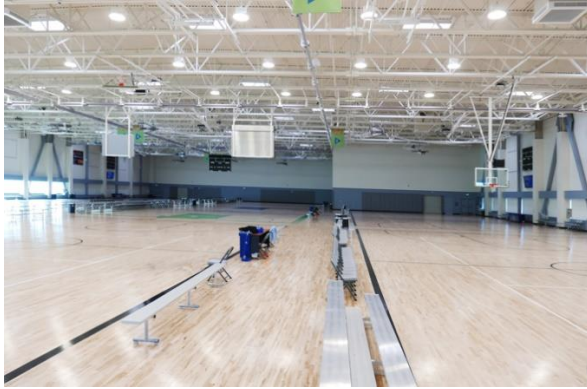


Market And Economic Analysis for an Indoor Fieldhouse And Outdoor Field Complex in Ocean City, Maryland



Presented to:
Maryland Stadium Authority

Presented by:
 **CROSSROADS**
CONSULTING

Final Report

Original Completion Date: January 2020
Report Release Date: November 2021*

*Although the research and analysis conducted for this study was completed prior to January 2020, issuance of the final deliverable was delayed by the Town of Ocean City until November 2021 due to the COVID-19 pandemic. As such, this report does not reflect any market changes that occurred after January 2020, including impacts associated with COVID-19.

January 31, 2020

Mr. Al Tyler, Vice President, Economic Development
Maryland Stadium Authority
Capital Projects Development Group
351 West Camden Street, Suite 300
Baltimore, Maryland 21201

Dear Mr. Tyler:

Crossroads Consulting Services LLC has completed its market and economic analysis related to a proposed new outdoor field complex and indoor fieldhouse in or near the Town of Ocean City, Maryland. This report summarizes our findings and principal conclusions from the research and analysis completed prior to the date of this report letter.

The findings contained in the report reflect analysis of information provided by secondary sources including, but not limited to, data obtained from the Town of Ocean City. We have utilized sources that are deemed to be reliable but cannot guarantee their accuracy. All information provided to us by others was not audited or verified and was assumed to be correct. We have no obligation, unless subsequently engaged, to update our report or revise the information contained therein to reflect events and transactions occurring after the date of this report.

In accordance with the terms of our engagement letter, the accompanying report is restricted to internal use by Maryland Stadium Authority management and may not be relied upon by any party for any purpose, including financing. Notwithstanding these limitations, it is understood that this document may be subject to public information laws and, as such, can be made available to the public upon request.

Although you have authorized reports to be sent electronically for your convenience, only the final hard copy report should be viewed as our work product.

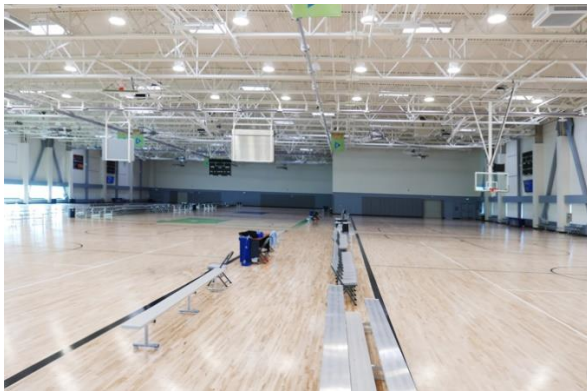
We have enjoyed serving you on this engagement and look forward to the opportunity to provide you with continued services.

Sincerely,

Crossroads Consulting Services LLC

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1. INTRODUCTION



PROJECT BACKGROUND

Located in Worcester County, Maryland, the Town of Ocean City (TOC) is widely considered a tourist destination due to the many events and amenities it offers, including approximately 10 miles of public beaches.

In 2017, MGH Advertising Inc. (MGH) conducted research for the TOC to better understand the TOC's visitor vacation habits and preferences as well as perceptions of the TOC. There were more than 6,780 qualified responses (defined as respondents who said they have visited the TOC who are not residents) to the online survey. The study found that most respondents have been coming to the TOC for more than 20 years and are likely to visit several times per year. Although summer is the most popular season, more respondents indicated that they visit during the off-season (particularly in the fall) compared to two years ago. Most visitors stay at a hotel, motel or bed & breakfast, and many rent condos or houses as opposed to staying at a camping/RV park or with family or friends. Survey results also indicated that 50% of respondents with children involved in organized sports say their children's sports tournaments may impact when and where they go on vacation. Results also indicated that most respondents perceived the TOC as a fun and safe destination with activities for all generations. In addition to the beach, respondents indicated that festivals and fairs were the primary reason to visit the TOC. A smaller percentage of respondents cited motor, arts, golf and fishing events as well as youth sports tournaments as other reasons to visit the TOC. In addition to clean beaches, respondents indicated that affordable accommodations were a deciding factor when choosing their vacation destination. Respondents ranked Myrtle Beach as the most popular alternative beach vacation destination.

As stated in the Ocean City Tourism Strategic Plan, Ocean City Tourism's mission includes promoting the TOC as a premiere vacation destination, increasing visitors and generating positive economic impact. The four goals identified in the 2019 update are: 1) Stay centered: protect and preserve Ocean City's core values; 2) Become Maryland's amateur sports destination; 3) Enhance the Ocean City experience; and 4) Expand tourism.

Sports tourism is one of the fastest growing sectors in tourism. In general, sports tourism is defined as a person traveling to a location specifically to participate or watch a sporting event. The Sports Events & Tourism Association estimated that direct visitor spending associated with non-professional sports event and tourism was \$11.4 billion in 2017.

The growth of elite or travel teams in the U.S. is a major trend in youth sports. The opportunity for youth to play sports at a higher competitive level than recreational play is appealing to many parents, particularly those seeking college scholarships for their children as travel teams can serve as a source of scouting and recruiting for colleges. As such, families are willing to invest time and money to travel long distances for regional and national competitions. Tournacations, a term that merges "tournament" and "vacation", are an increasing trend in sports tourism, particularly with youth sports.

Communities throughout the U.S. have recognized the economic benefits associated with hosting sports competitions/tournaments. In recent years, multiple indoor and outdoor sports complexes have been developed throughout the country with the use of public funds due, in part, to the ability of these venues to generate economic activity at area businesses and tax revenues for local and State entities. To maximize resources, communities are increasingly seeking projects that better respond to the anticipated long-term needs of area residents and attract out-of-town visitors. As such, many communities choose to pursue sports complexes.

Within the TOC, most sports tournament activity currently occurs at the Ocean City Convention Center (OCCC) and the Northside Park Recreation Complex (Northside Park). The OCCC offers a total of 214,000 square feet (SF) of indoor space throughout several exhibit halls, a ballroom and 21 meeting rooms. The OCCC also features a 1,200-seat Performing Arts Center which hosts a variety of concert/entertainment events. The OCCC is set to undergo an expansion that will add 30,000 SF of exhibit space, restrooms and meeting spaces. Sporting events/competitions currently held at the OCCC include, but are not limited to, cheerleading, dance, volleyball and gymnastics. Based on information from management, the OCCC hosted 10 sport events/competitions in FY 2019 that attracted approximately 122,200 total attendees.

Northside Park is the TOC's largest park facility. The 58-acre complex houses a Community Center with a 14,200 SF gymnasium as well as a kitchen, community room and conference room. In addition, the center features a 21,000 SF multi-sports arena. The Park also includes three outdoor lighted softball/baseball fields, a lighted soccer field, a multi-purpose field, concession stands, playgrounds and walking/jogging paths. The Park hosts a variety of indoor and outdoor sporting events such as soccer, volleyball, martial arts, basketball, flag football, softball and baseball. In 2019, the Park was scheduled to host approximately 50 sporting events encompassing 94 event days. These events were estimated to draw approximately 32,500 participants.

Various stakeholders have identified market demand opportunities for additional sports activity in the TOC that cannot currently be accommodated due to space and/or date availability. Consistent with its strategic planning efforts and broader industry trends, it is our understanding that the TOC wants to explore the merits of developing an outdoor field complex and an indoor fieldhouse in order to expand sports-related tourism and enhance the TOC's reputation as Maryland's amateur sports destination.

PURPOSE OF THE STUDY

Given this backdrop, the Maryland Stadium Authority (MSA) and the TOC retained Crossroads Consulting Services LLC (Crossroads Consulting) to conduct a market and economic analysis that assesses the merits of developing and operating a new outdoor field complex and a new indoor fieldhouse to enhance sports tourism.

Crossroads Consulting completed a market and economic analysis for a proposed new outdoor field complex in Worcester County (County) in 2017. Market research conducted as part of that study effort indicated demand for a new outdoor sports complex that offers minimum of eight tournament-quality, multi-purpose, rectangular fields with associated patron amenities and supporting infrastructure. The study also noted the increasing supply of similar facilities in the region as a potential threat. The study was non-site specific other than being in the County.

Based on the timing of that study, the portion of this market and economic analysis related to the proposed new outdoor field complex is intended to serve as an update that reflects changes in market conditions such as the competitive supply of facilities as well as the shift in potential site location to in or near the TOC.

Although these projects could potentially be located proximate to each other, this analysis is non-site specific. Further, while several research tasks were conducted simultaneously, the proposed outdoor field complex and indoor fieldhouse were evaluated separately.

The analysis contained within this study does not include any architectural-related services (e.g. environmental assessments, noise analysis, transportation/traffic impact analysis, etc.). In addition, this study does not include any detailed programming, design planning services, site development/planning services (e.g. geotechnical engineering, testing, surveying, etc.) or project cost budgeting/phasing.

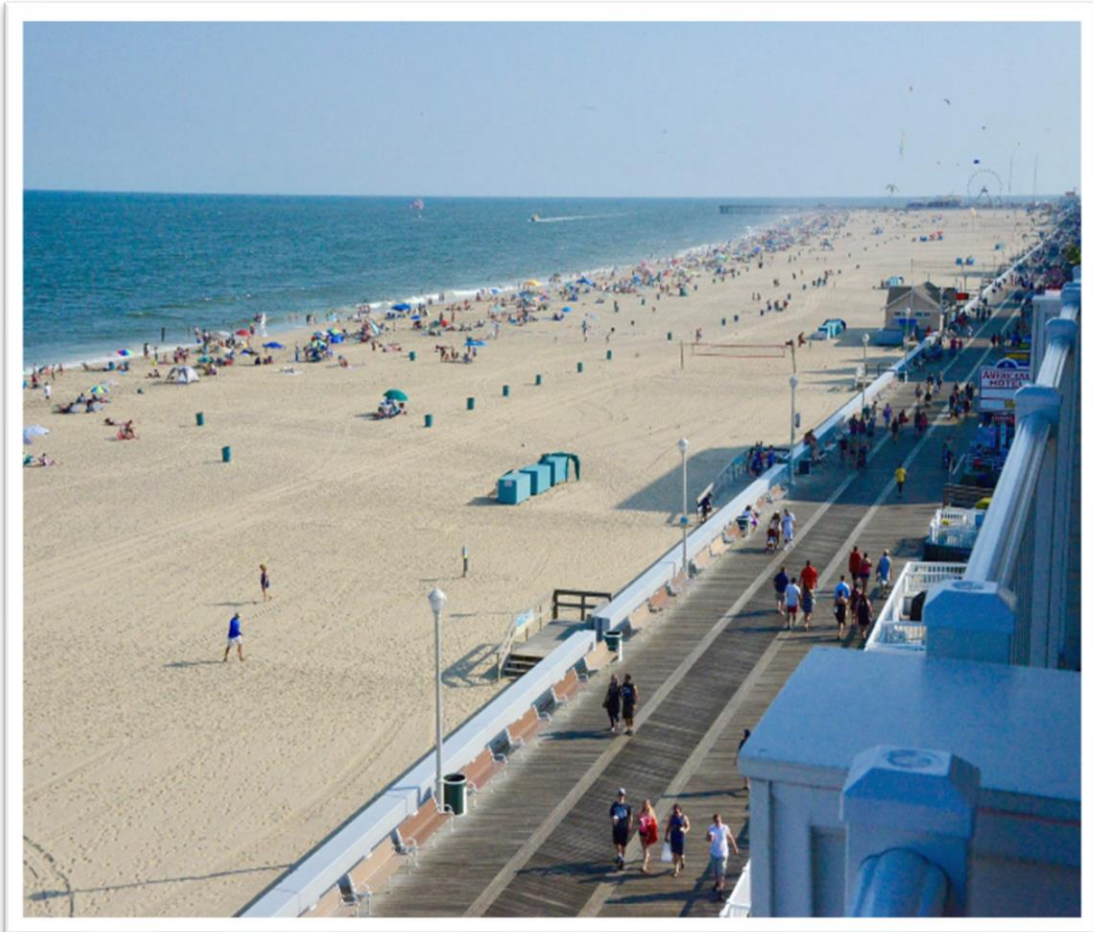
The conclusions outlined in this study are only one factor that the MSA and the TOC should consider in their strategic planning efforts. The research and analysis contained in this report are intended to allow the MSA and the TOC to draw their own informed conclusions regarding the viability associated with future development of a new outdoor field complex and a new indoor fieldhouse.

WORK PLAN

Research tasks completed as part of this study effort included, but were not limited to, the following:

- Met with client representatives to develop an understanding of the background, history and key issues related to the study; confirm the study scope and objectives; review existing data related to the project; and discuss the project schedule.
- Obtained feedback from area stakeholders regarding potential market opportunities and potential challenges to development and sustainability of the proposed sports facilities.
- Analyzed local market attributes including demographic and socioeconomic metrics, area employment, accessibility, hotel statistics, area amenities and tourism statistics.
- Profiled the supply of existing and planned facilities in the area.
- Analyzed information from secondary sources regarding historical sports activity occurring in the TOC and the surrounding area.
- Summarized sports participation trends based on a national database.
- Conducted market surveys and interviews with area scholastic and collegiate programs; State, regional and national youth and adult amateur sports organizations; and event producers of various unique athletic events.
- Analyzed building program attributes and operating data from a select number of comparable/competitive facilities.
- Identified market-related strengths/opportunities and challenges/threats associated with the proposed outdoor field complex and indoor fieldhouse.
- Developed preliminary building program recommendations for the proposed indoor fieldhouse as well as an order-of-magnitude estimate of the required size (i.e. acreage for the outdoor field complex and square footage/acreage for the indoor fieldhouse).
- Developed an estimate of potential usage/event activity, economic impacts and tax revenues associated with ongoing operations of the proposed outdoor field complex and indoor fieldhouse.

2. EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

This section provides a summary of key findings related to the proposed new outdoor field complex and indoor fieldhouse based on the research and analysis conducted as part of this study effort. The information presented in this executive summary is extracted from the more detailed report. As such, it is important for the reader to review this report in its entirety to gain a better understanding of the research, methodology and assumptions used.

PROPOSED NEW OUTDOOR FIELD COMPLEX

Consistent with the study completed in 2017, market research suggests that demand exists for a new outdoor field complex in/near the TOC that offers a critical mass of tournament quality, multi-purpose rectangular fields with associated patron amenities and supporting infrastructure. If developed, this facility would allow the TOC to attract new sports tournaments/competitions that generate significant economic and fiscal impacts to the area. The proposed outdoor field complex could serve a diverse set of demand generators at varying levels of competition. Offering multi-purpose fields will allow the facility to host multiple sports such as soccer, lacrosse, rugby and ultimate (also and originally known as ultimate frisbee) that mitigates the reliance on any one sport. The proposed outdoor field complex also creates the opportunity for local and State organizations such as Maryland Sports to develop new sports tournament activity.

With that said, the supply of comparable facilities is continuing to increase both regionally and nationally. The Mid-Atlantic Youth Sportsplex (MAYS) is contemplating the expansion of its current facilities to create a 25-field complex, which may include both diamonds and rectangular fields. If the TOC decides to move forward with the proposed new outdoor field complex, timing of development will be important. The growing supply of similar outdoor sports facilities in the region needs to be closely monitored to avoid market saturation. In addition, site location will be an important factor relative to attracting tournaments/competitions that generate non-local attendees and related economic activity.

Based on the market research conducted as part of this analysis, the following summarizes key recommended preliminary program elements for the proposed new outdoor field complex. A more comprehensive recommended building program is in Section 4 of this report.

- A minimum of 8 to 10 tournament-quality, multi-purpose fields to accommodate competitive field sport events such as soccer, lacrosse, rugby, ultimate, etc.
 - A combination of natural-grass and turf fields should be considered
- Open space for team gathering and warm-up areas for players
- Designated space designed for a “tournament central” area
- Support areas and amenities including concessions, restrooms, Wi-Fi access that can support streaming, administrative office space for staff and tournament promoters, maintenance facility, on-site storage space, on-site parking, etc.

Based on industry experience, it is estimated that the program outlined above would require a minimum of approximately 36 to 45 acres (approximately 4.5 acres per field needed for fields/support space).

Based on market research, the proposed outdoor field complex is estimated to host 18 to 22 tournaments annually that generate between 204,750 and 250,250 total attendee days from sports such as soccer, lacrosse, ultimate, field hockey, rugby, etc. in a stabilized year of operations. Approximately 90% of event activity is estimated to be net new to the TOC and 70% is estimated to be net new to the State. Further, annual net new hotel room nights generated from tournament activity are estimated to range from 39,300 to 48,000 in the TOC, of which 34,400 to 42,000 are estimated to be net new in the State.

Ongoing operations of the proposed outdoor field complex are estimated to generate the following annual new economic impacts in a stabilized year of operations:

Proposed Outdoor Field Complex in the Town of Ocean City Estimate of Annual New Economic Impacts From Ongoing Operations (Stabilized Year)					
Category	Town of Ocean City			State of Maryland	
	Range			Range	
Output					
Direct Spending	\$22,100,000	-	\$27,000,000	\$19,400,000	- \$23,700,000
Indirect & Induced Spending	\$10,100,000	-	\$12,300,000	\$14,300,000	- \$17,500,000
Total Output	\$32,200,000	-	\$39,300,000	\$33,700,000	- \$41,200,000
Total Jobs (Full-Time & Part-Time)	380	-	460	340	- 420
Total Earnings	\$11,500,000	-	\$14,000,000	\$12,500,000	- \$15,200,000

Notes: Local and State amounts are not additive.

Total jobs represent full-time and part-time positions sustained on an annual basis as defined on page 71.

Annual new tax revenues generated from ongoing operations of the proposed new outdoor field complex are estimated to range from \$0.5 million to \$0.6 million at the local level and from \$2.0 million to \$2.4 million at the State level.

PROPOSED NEW INDOOR FIELDHOUSE

The market analysis indicates relatively strong demand exists for a new indoor fieldhouse in/near the TOC. Market research, including input from potential users, suggests that a first-class facility with a minimum of eight (8) full basketball courts and other related supporting infrastructure should place the TOC in a favorable position to attract new indoor sporting tournaments/competitions that increase visitation in non-peak months. Despite certain market shortcomings such as the lack of direct interstate access and direct flights at the Salisbury-Ocean City Wicomico Regional Airport, the TOC is considered an established, highly desirable destination by many event promoters given its beach location and the amount and diversity of overnight accommodations.

As with the proposed outdoor field complex, a new indoor fieldhouse would face several market challenges such as direct competition from local indoor sports facilities such as Crown Sports Center as well as regional facilities including Spooky Nook Sports, Maryland SoccerPlex & Discovery Sports Center, Boo Williams Sportsplex, Virginia Beach Fieldhouse and the Virginia Beach Sports Center when it opens. Given the increasing supply of indoor facilities focusing on sports tourism, it will be important for the TOC to offer a facility that seeks to differentiate itself from competitors with its building program, design elements, supporting amenities and infrastructure as well as service levels.

Based on the market research conducted as part of this analysis, the following summarizes key recommended building program elements for the proposed new indoor fieldhouse. A more comprehensive recommended building program is in Section 5 of this report.

- A critical mass of competitive floor space for various sports to accommodate a minimum of eight (8) to 10 tournament-quality basketball courts (or 16 to 20 volleyball courts)
 - Space for team gathering areas and warm-ups
 - A minimum ceiling height of 30 feet
- Flexible design that is divisible (including court dividers) and can accommodate multiple, simultaneous events
- Spectator seating ranging between 1,000 and 3,000 for a championship court setting attained through a combination of retractable seats and temporary bleachers
- Consistent lighting for all floor spaces/courts
- Sufficient and convenient on-site parking
- Scoreboards and timing systems on each court
- Support areas and amenities including lobby, meeting/team rooms, offices, mechanical/electrical rooms, concessions, restrooms, storage, circulation, merchandise areas, locker rooms, lounges, Wi-Fi service that can support streaming and public address system throughout the facility

Based on industry experience as well as building programs at comparable facilities, it is estimated that the building program outlined above would require approximately 105,000 SF to 125,000 SF of gross enclosed space. Including adequate parking, it is estimated that development of the indoor fieldhouse would require approximately seven (7) to 10 acres of land depending on the actual building concept developed.

Based on market research, the proposed indoor fieldhouse is estimated to host 32 to 38 tournaments annually that generate between 183,525 and 216,225 total attendee days from sports such as volleyball, basketball, wrestling, martial arts, cheer, dance, etc. in a stabilized year of operations. Approximately 90% of this event activity is estimated to be net new to the TOC and 70% is estimated to be net new to the State. Annual net new hotel room nights generated from tournament activity are estimated to range from 35,200 to 41,500 in the TOC, of which between 30,800 and 36,300 are estimated to be net new in the State.

Ongoing operations of the proposed indoor fieldhouse are estimated to generate the following annual new economic impacts in a stabilized year of operations:

Proposed Indoor Fieldhouse in the Town of Ocean City Estimate of Annual New Economic Impacts Generated from Ongoing Operations (Stabilized Year)					
Category	Town of Ocean City			State of Maryland	
	Range			Range	
Output					
Direct Spending	\$20,200,000	-	\$23,800,000	\$17,800,000	- \$21,000,000
Indirect & Induced Spending	9,200,000	-	10,800,000	13,300,000	- 15,500,000
Total Output	<u>\$29,400,000</u>	-	<u>\$34,600,000</u>	<u>\$31,100,000</u>	- <u>\$36,500,000</u>
Total Jobs (Full-Time & Part-Time)	340	-	400	310	- 370
Total Earnings	\$10,400,000	-	\$12,300,000	\$11,500,000	- \$13,500,000

Notes: Local and State amounts are not additive.

Total jobs represent full-time and part-time positions sustained on an annual basis as defined on page 71.

Annual new tax revenues generated from ongoing operations of the proposed new indoor fieldhouse are estimated to range from \$0.5 million to \$0.6 million at the local level and from \$1.8 million to \$2.1 million at the State level.

KEY ASSUMPTIONS USED TO DEVELOP ESTIMATES OF USAGE AND ECONOMIC AND FISCAL IMPACTS FOR BOTH PROPOSED FACILITIES

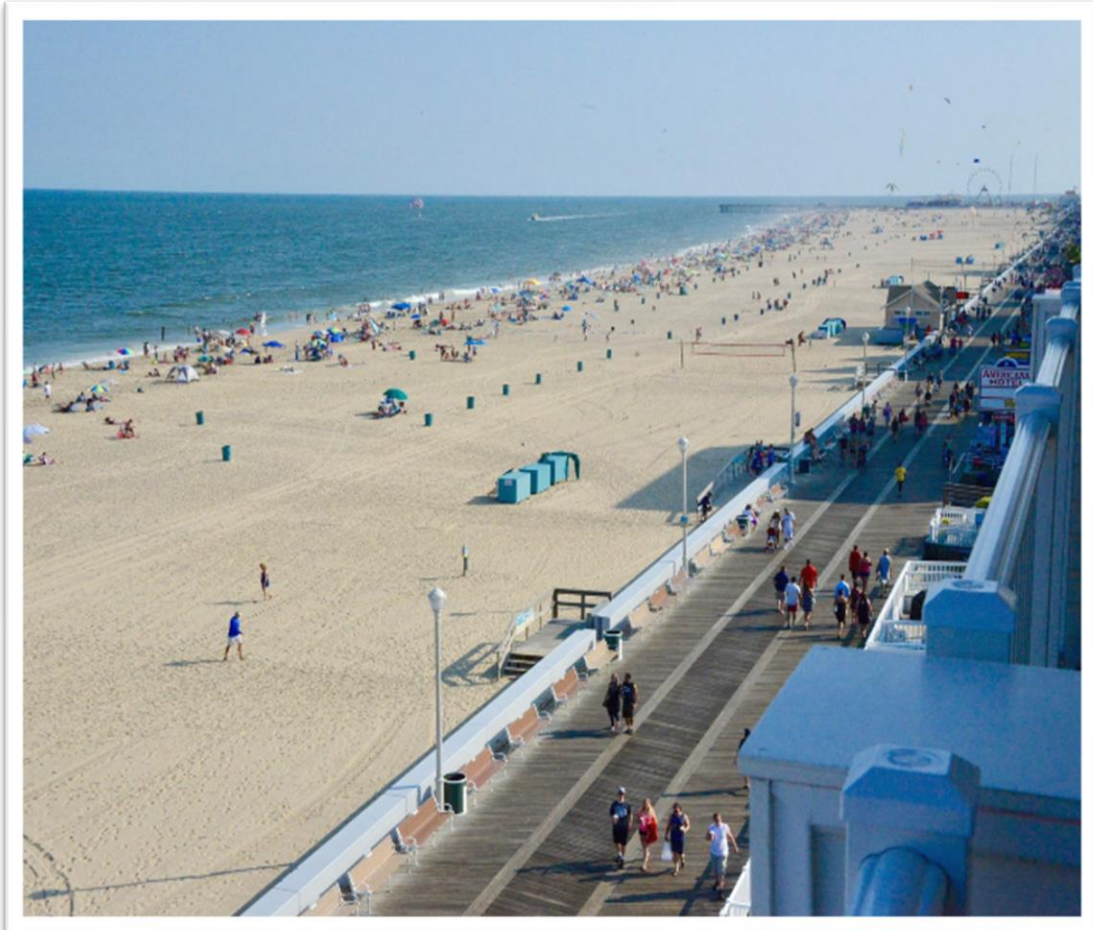
- The facility is developed in the TOC and is proximate to amenities such as hotels, restaurants, retail, entertainment, etc.
- The facility meets the recommended building program outlined in this report.
- The facility is designed and constructed to be a high-quality tournament facility that is competitive with industry leading facilities.
- The selected site is adequate in terms of visibility, ingress and egress, parking, safety and other similar issues.
- The facility is owned by the TOC and staffed with personnel who specialize in managing similar facilities and a high level of customer service is provided.
- Booking is primarily focused on events that generate room nights and economic impact.
- The facility is aggressively marketed by established tourism agencies at the local and State levels.
- Cooperative coordination will occur amongst facility management and tourism/hospitality stakeholders at the local and State levels.
 - Hotels will actively support sports tourism initiatives by providing access to room blocks to support participants year-round, including summer; adjusting the required minimum stay lengths to accommodate tournament participant needs; and working with promoters that utilize a stay-to-play model.
- No other similar, competitive facility is built or expanded in the region other than those noted in the study.

POTENTIAL NEXT STEPS FOR EITHER OR BOTH PROPOSED FACILITIES

Should the TOC decide to move forward with either or both proposed projects, typical next steps in the development planning process include:

- Selecting and obtaining a site that can accommodate the required programmatic elements
- Preparing a detailed building program, development costs, and development schedule as well as conceptual floor and site plans based on the selected site location
- Updating estimates of economic and fiscal impacts to reflect the selected site location
- Solidifying an operating strategy for the facility that includes a management team with extensive experience booking, marketing and servicing the target market as well as a well-defined mission statement, booking policy and rate structure
- Developing a solid, sustainable financial plan that addresses both ongoing operational needs and long-term capital improvement needs
- Creating a funding plan that covers development costs, which may include both public and private sector partners

3. LOCAL MARKET CONDITIONS



LOCAL MARKET CONDITIONS

It is important to understand the market in which the proposed new sports facilities would operate. Multiple factors such as demographic and socioeconomic conditions, the vibrancy of the area immediately surrounding a facility and overall destination appeal to both event planners/promoters and attendees can impact a facility's overall competitiveness within the broader marketplace. This section profiles demographic and socioeconomic statistics, area employment, transportation access, hotel statistics, area amenities, tourism statistics and climate characteristics.

DEMOGRAPHIC AND SOCIOECONOMIC STATISTICS

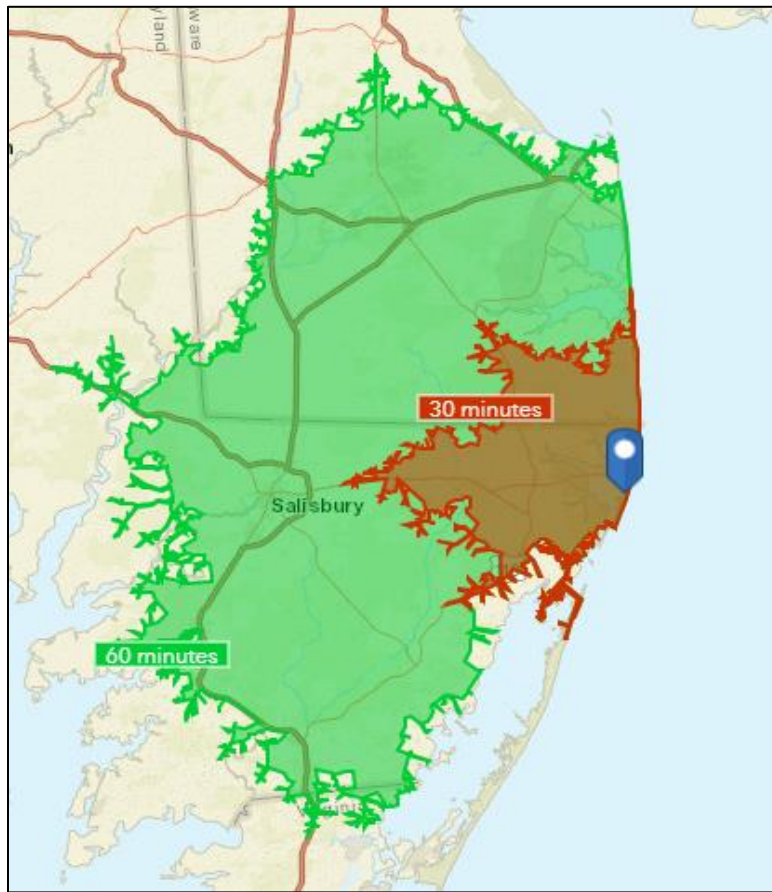
Demographic and socioeconomic indicators are pertinent to assessing demand for participant and spectator-oriented sports activities for several reasons. Event activity at the proposed new facilities is anticipated to be diverse and include multiple sports. Depending on the scope and nature of the event, attendees will include residents, daytrippers and people staying overnight. Sports tournament producers typically consider both market characteristics and facility elements when deciding where to host their events. Having active area youth and adult amateur sports clubs that commonly participate in tournaments as well as other factors such as population, age distribution and income characteristics can be important when selecting markets to host their events.

Demographic data, including population, households, age distribution and income characteristics, is shown for multiple areas including a 30-, 60-, 120- and 180-minute drive time (collectively referred to as "target markets"). In addition, for comparative purposes, demographic data is shown for Worcester County, the State of Maryland and the U.S. It is likely that individuals within a 30-minute drive time would participate in league games, practices and other related sports activity, while individuals participating in tournaments/competitions are likely to travel from further distances. Industry research indicates that many sports participants are willing to drive three or more hours to compete in regional and national tournaments.

The following pages provide analysis of key demographic/socioeconomic attributes within each of the profiled markets as well as maps of the 30-, 60-, 120- and 180-minute drive times to illustrate the range of these potential target market areas. A 180-minute drive time from the TOC includes portions of major markets including Baltimore, Washington, D.C. and Philadelphia, and illustrates the breadth of the potential broader sports market. These profiled markets are not intended to directly correlate to potential market demand but rather to illustrate the characteristics of the market within which the proposed outdoor field complex and indoor fieldhouse would operate.

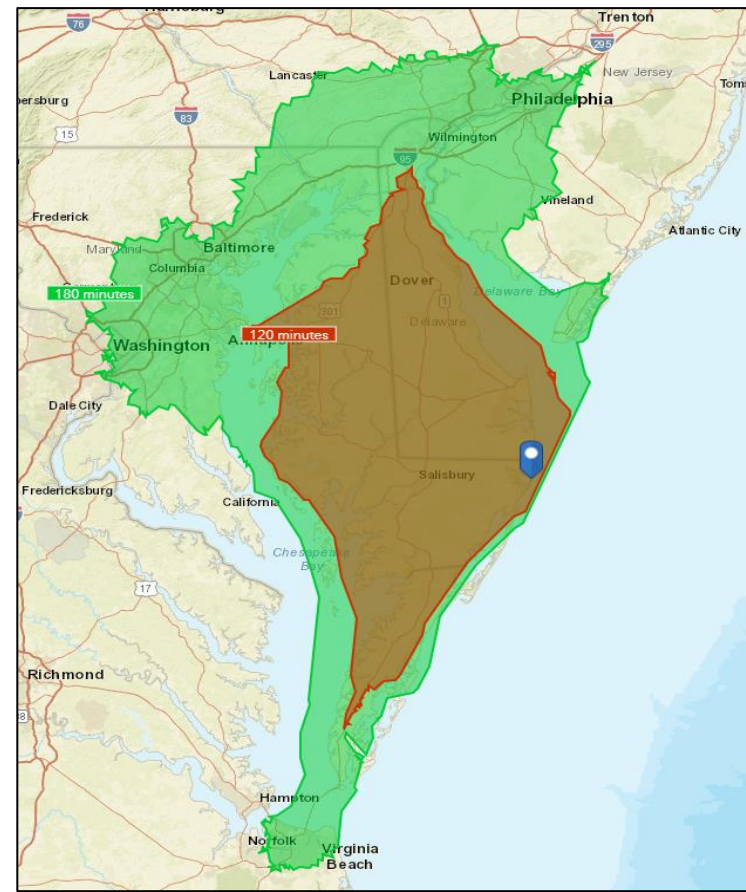
As a point of reference, Worcester County is part of the Salisbury, MD-DE Metropolitan Statistical Area (MSA) which also consists of Wicomico County in Maryland and Sussex County in Delaware. An MSA contains at least one core urban area of 50,000 or more inhabitants. Each metropolitan area consists of one or more counties and includes the counties containing the core urban area, as well as any adjacent counties that have a high degree of social and economic integration with the urban core.

Map of 30- and 60-Minute Drive Time



Source: Esri.

Map of 120- and 180-Minute Drive Time



Population

Population serves as a base from which the proposed outdoor field complex and indoor fieldhouse could draw attendance and other forms of support. In 2019, the 30-, 60- and 120-minute drive times had populations of 64,500; 367,070; and 850,912, respectively. As a point of reference, the Salisbury MSA had a population of 428,067 in 2019, which is relatively similar to that for the 60-minute drive time. The 180-minute drive time had a population of approximately 9.2 million and, as previously mentioned, reaches outside the State of Maryland. The large population within this market area provides an opportunity to draw out-of-town visitors to larger tournaments/competitions. Population within each of the profiled drive-time markets is expected to increase from 2019 to 2024. The 2019-2024 projected annual growth rates of the 30-, 60- and 120-minute drive times are expected to outpace that for the State and the U.S., while the projected growth rate within the 180-minute drive time is expected to outpace the State but increase at a slightly slower rate than the U.S. The County's projected annual growth rate from 2019 to 2024 is minimal (0.06%).

Total Population							
Population Summary	Worcester County	30-Minute Drive Time	60-Minute Drive Time	120-Minute Drive Time	180-Minute Drive Time	State of Maryland	U.S.
2000 Total Population	46,543	50,910	269,045	626,222	8,154,816	5,296,486	281,421,906
2010 Total Population	51,454	59,524	321,306	759,189	8,656,157	5,773,552	308,745,538
2019 Total Population	51,781	64,500	367,070	850,912	9,203,482	6,120,651	332,417,793
2024 Total Population	51,934	67,395	391,484	903,270	9,489,431	6,299,601	345,487,602
2000-2010 Annual Growth Rate	1.06%	1.69%	1.94%	2.12%	0.61%	0.90%	0.97%
2010-2019 Annual Growth Rate	0.07%	0.93%	1.58%	1.34%	0.70%	0.67%	0.85%
2019-2024 Annual Growth Rate (Projected)	0.06%	0.88%	1.30%	1.20%	0.61%	0.58%	0.77%

Source: Esri.

Number of Households

The table below illustrates the number of households within each of the profiled market areas. Other than the 180-minute drive time, the projected 2019 to 2024 annual growth rate in households for the other three target markets is expected to outpace that for the State and the U.S. The projected annual growth rate within the 180-minute drive time is slightly higher than that for the State but slightly lower than that for the U.S. As with population, the County's projected annual growth rate from 2019 to 2024 is minimal (0.06%).

Number of Households							
Household Summary	Worcester County	30-Minute Drive Time	60-Minute Drive Time	120-Minute Drive Time	180-Minute Drive Time	State of Maryland	U.S.
2000 Total Households	19,694	22,236	105,667	241,612	3,106,770	1,980,859	105,480,101
2010 Total Households	22,229	26,437	127,106	292,174	3,327,246	2,156,411	116,716,292
2019 Total Households	22,374	28,517	145,271	326,342	3,528,069	2,271,649	125,168,557
2024 Total Households	22,440	29,768	155,044	345,998	3,635,791	2,332,895	129,922,162
2000 -2010 Annual Growth Rate	1.29%	1.89%	2.03%	2.09%	0.71%	0.89%	1.07%
2010 -2019 Annual Growth Rate	0.07%	0.87%	1.59%	1.30%	0.67%	0.59%	0.80%
2019 -2024 Annual Growth Rate (Projected)	0.06%	0.86%	1.31%	1.18%	0.60%	0.53%	0.75%

Source: Esri.

Age Distribution

The distribution of the population by age is useful to understand as different events are targeted toward attendees within specific age groups. Individuals under the age of 18 years old are a popular target market for participants in sports tournaments/competitions. Approximately 21% of the population within a 120- and 180-minute drive time is under the age of 18 years old.

Age Distribution							
2019 Population by Age	Worcester County	30-Minute Drive Time	60-Minute Drive Time	120-Minute Drive Time	180-Minute Drive Time	State of Maryland	U.S.
Age 0-4	4.0%	3.8%	5.0%	5.5%	5.7%	5.6%	6.0%
Age 5-9	4.4%	4.2%	5.2%	5.8%	5.9%	6.0%	6.1%
Age 10 - 14	4.8%	4.5%	5.3%	5.9%	6.1%	6.4%	6.3%
Age 15 - 24	8.9%	7.7%	11.8%	11.8%	13.0%	12.5%	13.0%
Age 25-34	10.2%	9.2%	11.8%	12.3%	14.8%	13.8%	14.0%
Age 35-44	9.7%	9.5%	10.7%	11.4%	12.8%	12.8%	12.6%
Age 45-54	12.8%	12.0%	11.8%	12.4%	12.5%	13.2%	12.5%
Age 55 - 64	16.8%	17.1%	14.9%	14.3%	13.1%	13.5%	13.1%
Age 65-74	16.4%	18.9%	13.8%	12.1%	9.4%	9.5%	9.7%
Age 75-84	9.0%	10.0%	7.1%	6.2%	4.7%	4.6%	4.7%
Age 85+	3.0%	3.0%	2.5%	2.2%	2.1%	2.0%	2.0%
Age 18+	83.8%	84.9%	81.5%	79.4%	79.0%	78.4%	78.0%
Age < 18	16.2%	15.1%	18.5%	20.6%	21.0%	21.6%	22.0%
2019 Median Age	51.4	54.3	45.1	42.5	38.4	39.2	38.5

Source: Esri.

The median age within the 30-minute drive time is the oldest of the profiled markets. As previously mentioned, it is likely that individuals within the 30-minute drive time would participate in league games, practices and other related local sports activity. The older median age within this target market, resulting in large part from only approximately 9,740 individuals being under the age of 18, suggests there may not be a large supply of potential youth sports participants for these activities. With that said, the median age decreases and number of individuals under the age of 18 increases as the drive time increases, indicating there is a larger supply of potential participants for tournament activity. The median age within the 180-minute drive time (38.4 years old) is consistent with that for the U.S. (38.5 years old).

Income Distribution

Household income levels offers a broad measurement of spending potential for a specific population because it indicates the general ability of individuals or households to purchase goods and services including participation in, or attendance at, competitive sporting events. Median household income within the 30-minute drive time (\$64,354) is higher than that for the U.S. (\$60,548), while the median household income within the 60-minute drive time (\$57,711) and 120-minute drive time (\$59,420) is slightly below that for the U.S. The median household income in the 180-minute drive time (\$72,115) is significantly higher than that for the U.S.

Household Income Distribution							
2019 Household Income Distribution	Worcester County	30-Minute Drive Time	60-Minute Drive Time	120-Minute Drive Time	180-Minute Drive Time	State of Maryland	U.S.
Less than \$15,000	7.5%	6.9%	10.1%	9.9%	10.6%	7.4%	10.7%
\$15,000 to \$24,999	11.8%	10.0%	9.3%	9.1%	7.1%	5.9%	9.0%
\$25,000 to \$34,999	9.6%	9.7%	9.7%	9.8%	7.3%	6.7%	8.9%
\$35,000 to \$49,999	10.7%	10.8%	13.3%	12.2%	10.3%	10.2%	12.4%
\$50,000 to \$74,999	17.5%	18.8%	19.2%	18.9%	16.0%	15.8%	17.5%
\$75,000 to \$99,999	13.2%	13.8%	13.0%	13.5%	12.7%	12.8%	12.6%
\$100,000 to \$149,999	16.9%	15.7%	14.1%	14.6%	17.3%	19.1%	15.1%
\$150,000 to \$199,000	7.0%	7.1%	5.7%	6.2%	8.8%	10.3%	6.5%
\$200,000+	5.8%	7.1%	5.7%	5.8%	9.9%	11.8%	7.3%
2019 Median Household Income	\$62,688	\$64,354	\$57,711	\$59,420	\$72,115	\$81,440	\$60,548
2024 Median Household Income (Projected)	\$69,296	\$70,080	\$62,212	\$64,687	\$80,559	\$89,547	\$69,180
2019-2024 Annual Growth Rate (Projected)	2.1%	1.8%	1.6%	1.8%	2.3%	2.0%	2.9%
2019 Average Household Income	\$85,804	\$90,688	\$81,474	\$82,389	\$100,760	\$111,406	\$87,398
2024 Average Household Income (Projected)	\$95,959	\$100,870	\$91,505	\$92,600	\$113,669	\$124,025	\$99,638
2019-2024 Annual Growth Rate (Projected)	2.4%	2.2%	2.5%	2.5%	2.6%	2.3%	2.8%

Source: Esri.

The higher median household income within the 30-minute and 180-minute drive times indicates more disposable income available to spend on sports related activity relative to the other target market areas.

AREA EMPLOYMENT

The composition of an area's employment by industry is a factor in targeting various events and/or seeking advertising and sponsorship opportunities at the proposed new sports facilities. A broad workforce distribution helps lessen a community's dependency on support from any single industry segment. Employment diversification helps a local economy withstand economic downturns due to dependency upon one industry; should one fail, there are others upon which the local economy can rely.

The Salisbury MSA offers employment in various industries. As of July 2019, the Leisure and Hospitality industry comprised approximately 22.4% of the workforce followed by the Trade, Transportation and Utilities industry (18.6%) and the Education and Health Services industry (15.4%). There were approximately 175,100 total jobs in the Salisbury MSA as of July 2019.

Employment by Industry in the Salisbury MSA		
Industry	Total Jobs	% of Total
Leisure and Hospitality	39,200	22.4%
Trade, Transportation, and Utilities	32,500	18.6%
Education and Health Services	26,900	15.4%
Government	22,900	13.1%
Professional and Business Services	15,500	8.9%
Manufacturing	14,800	8.5%
Mining, Logging and Construction	9,700	5.5%
Financial Activities	6,500	3.7%
Other Services	5,900	3.4%
Information	1,200	0.7%
Total	175,100	100.0%

Note: Sorted in descending order by total jobs as of July 2019.

Source: U.S. Bureau of Labor Statistics.

Based on data from the U.S. Bureau of Labor Statistics, Worcester County's unemployment rate was 5.1% in July 2019 which was higher than that for the MSA, the State and the U.S.

Area employers provide a target market for potential users and/or sponsorship/advertising opportunities and partnerships at the proposed new sports facilities. The table below provides a list of principal employers in the TOC for the quarter ended June 30, 2019. With 1,098 employees, the Harrison Group was the TOC's largest employer. In aggregate, these companies employed 3,911 people, which was approximately 16% of the County's total employment. In general, the TOC offers a relatively limited corporate base.

Principal Employers - Town of Ocean City	
Employer	Employees
Harrison Group	1,098
Bayshore Development	557
O.C. Seacrets	509
Clarion Resort Fontainebleau	380
Fagers Island, Ltd.	292
KTG LLC	284
Castle in the Sand, Inc.	210
Trimpers Rides, Inc	200
91st Street Joint Venture, LLC	191
Phillips	190
Total	3,911

Notes: Sorted in descending order by number of employees for the quarter ended June 30, 2019.

Worcester County's total employment was 24,816.

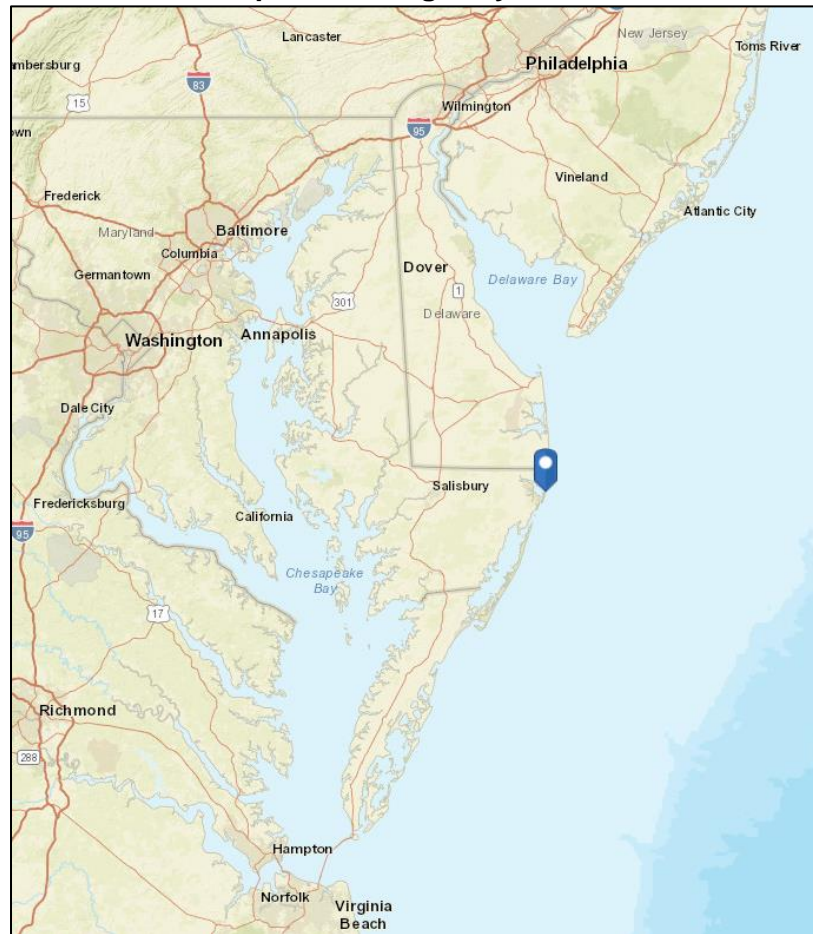
Source: Town of Ocean City 2019 CAFR.

TRANSPORTATION ACCESS

The method that competitive sporting event promoters/producers use to select venues to host their event is partially based on ease of access to a market for attendees. In addition, the location and accessibility of a facility relative to the population base can impact its marketability for events. As shown on the map on the following page, north/south highway access is provided by U.S. Route 113. East/west highway access is provided by U.S. Route 50. The lack of direct interstate access to the TOC and location on the Delmarva (i.e. Delaware-Maryland-Virginia) Peninsula may be considered disadvantages for some event organizers. In addition, traffic congestion for spectators/participants traveling to the TOC can be an issue, particularly during the summer months.

The Salisbury-Ocean City Wicomico Regional Airport is the only Federal Aviation Administration (FAA) certificated air carrier airport on the entire Delmarva Peninsula. In 2018, there were approximately 64,400 enplanements at this airport, an increase of approximately 12% from 2017. The area is also serviced by the Baltimore/Washington International Airport and the Philadelphia International Airport, which had approximately 13.4 million and 15.3 million enplanements, respectively, in 2018. The FAA defines passenger enplanements as domestic, territorial and international passengers who board an aircraft in scheduled and non-scheduled service. The drive time to/from the TOC to these two major airports is approximately three hours. Proximate and convenient air access can be beneficial in accommodating the needs of sporting event promoters/producers, athletes/teams or their VIPs, particularly for national competitions.

Map of Area Highway Access



Source: Esri.

HOTEL STATISTICS

The diversity, supply and availability of hotel rooms proximate to sports facilities can play a role in attracting tournaments/competitions that draw overnight attendees. Research suggests that participants/spectators tend to travel further and stay longer when their choice of hotel property is readily available.

Hotel Supply

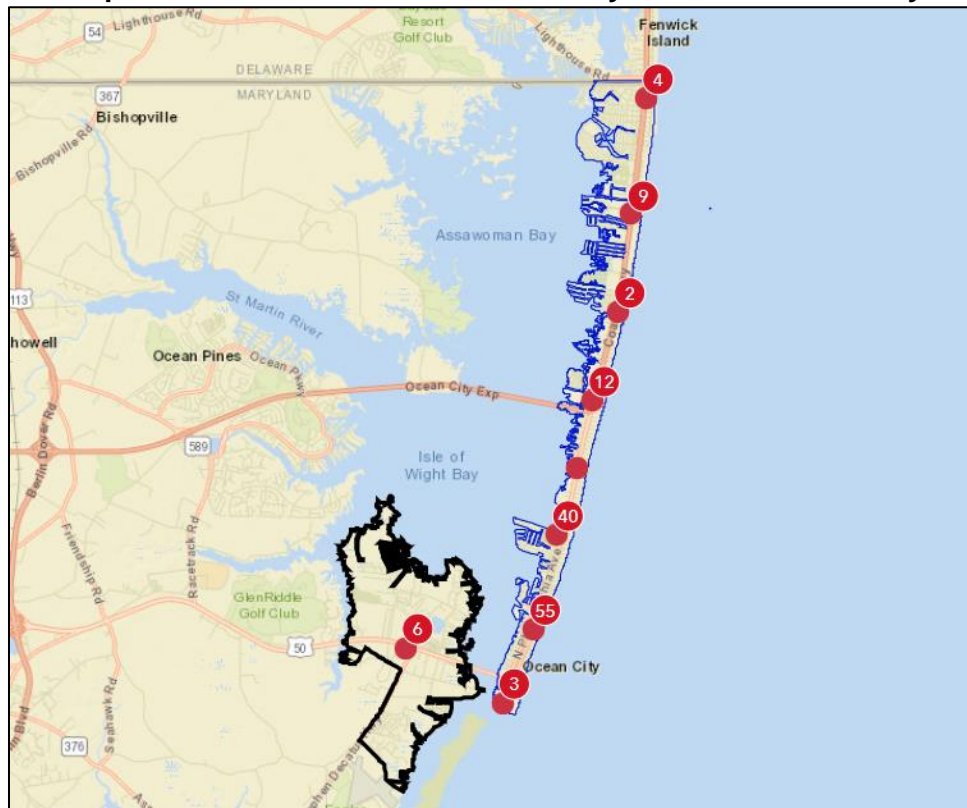
There are approximately 10,100 existing hotel rooms in the TOC which is expected to increase to more than 11,000 by the end of 2020. These properties include chain-affiliated hotels, all-suite, boutique and independent properties. In addition, overnight visitors can stay in one of approximately 20,000+ condominiums or rental accommodations in the TOC. The number and diversity of hotel rooms and accommodations in the TOC is significant and should be advantageous to attracting sports groups with a substantial number of overnight attendees.

In addition, with the recent opening of Hampton Inn, West Ocean City has approximately 600 hotel rooms, of which approximately 240 hotel rooms have opened in the last five years.

Hotel Supply in the Town of Ocean City			
Property	Number of Rooms	Property	Number of Rooms
Princess Royal Hotel	335	Fairfield Inn & Suites Ocean City	108
Carousel Oceanfront Hotel & Condos	259	Hyatt Place Ocean City Oceanfront	105
Grand Hotel Ocean City	251	La Quinta Inns & Suites Ocean City	101
Clarion Resort Fontainebleau Hotel Oceanfront	250	Bonita Beach Hotel	100
Francis Scott Key Motel	240	Coastal Palms Inn & Suites	100
Hilton Suites Ocean City Oceanfront	225	Home2 Suites by Hilton Ocean City Bayside	100
Holiday Inn Ocean City	216	Spinnaker Motel	100
Holiday Inn & Suites Ocean City	210	Econo Lodge Oceanfront Ocean City	98
Comfort Inn Gold Coast	201	Harrison Hall Hotel	97
Atlantic Hotel	200	Beach Plaza Hotel	96
Fenwick Inn	200	Beachmark Motel	96
Princess Bayside Beach Hotel	194	Americana Hotel	94
Days Inn Ocean City Oceanfront	178	Flagship Oceanfront Hotel	93
Quality Inn Boardwalk Ocean City	175	Best Western Plus Ocean City	92
Castle In The Sand Hotel	173	Courtyard Ocean City Oceanfront	91
Dunes Manor Hotel	170	Howard Johnson Plaza Hotel Ocean City Oceanfront	90
Sahara Motel	161	Park Place Hotel	90
Residence Inn Ocean City	150	Paradise Plaza Inn	89
Tidelands Caribbean Hotel	133	Quality Inn & Suites Oceanblock Ocean City	87
Quality Inn Oceanfront Ocean City	130	Coconut Malorie Resort	85
Holiday Inn Express & Suites Ocean City	122	Comfort Suites Ocean City	85
aloft Hotel Ocean City	120	Howard Johnson Inn Ocean City Oceanfront	85
The Admiral Hotel	114	Ascend Collection Gateway Hotel & Suites	84
Hampton Inn Ocean City Bayfront Convention Center	113	Comfort Inn Boardwalk Ocean City	84
Flamingo Motel	112	Holiday Inn Express & Suites West Ocean City	84
DoubleTree by Hilton Hotel Ocean City Oceanfront	111	Hampton Inn & Suites Ocean City West	83
The Dunes Motel	111	All Other Hotels	2,711
Commander Hotel	109	Total Hotel Rooms	10,091

Notes: Sorted in descending order by number of rooms.
 "All Other Hotels" includes hotel properties with under 80 rooms.
 Source: TOC Department of Tourism.

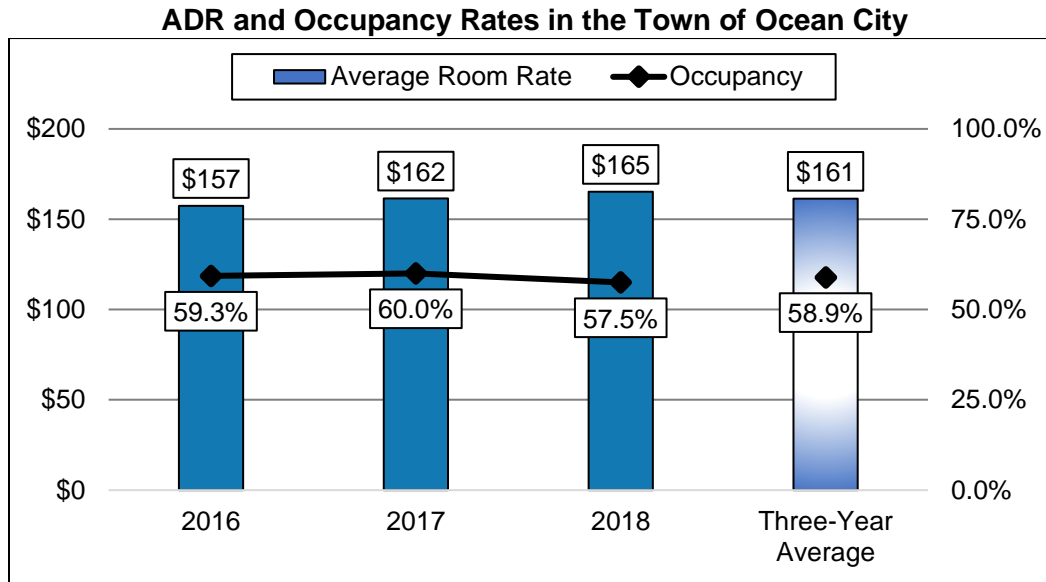
Map of Hotels in the Town of Ocean City and West Ocean City



Notes: Number in the circles reflect the number of hotels in that area.
 TOC has the blue border and West Ocean City has the black border.
 Source: Esri.

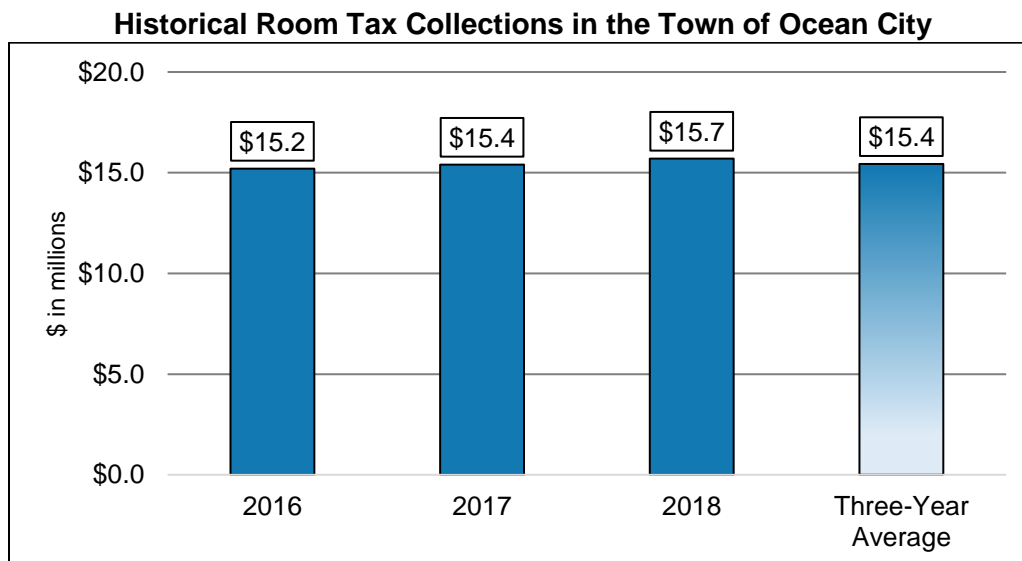
Hotel Demand

The following graph illustrates recent trends in average daily rate (ADR) and occupancy at TOC hotels. As shown, average room rate increased each year from 2016 to 2018 and averaged \$161 over the profiled three-year period. Occupancy rates remain relatively consistent from 2016 to 2017 before decreasing in 2018. Occupancy rates averaged 58.9% over the three-year period.



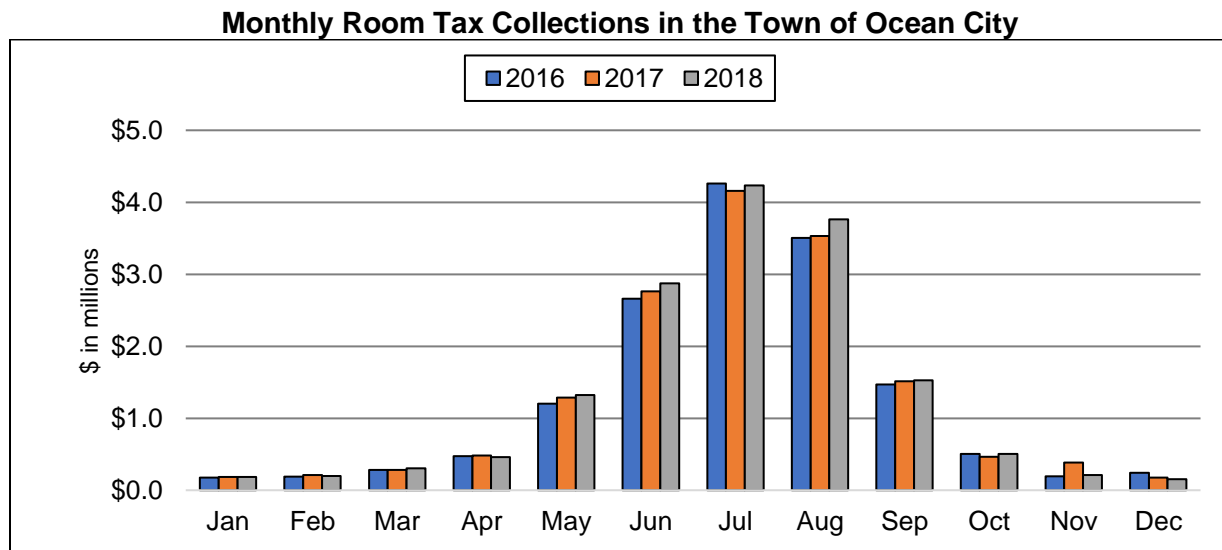
Source: TOC Department of Tourism.

Rental of hotel or motel rooms, apartments, rooms, condominiums, cottages, mobile homes or any other sleeping accommodation shorter than four months and one day in the TOC was previously subject to a 4.5% room tax. Over the last three years, room tax collections in the TOC have remained relatively consistent, averaging \$15.4 million over the profiled three-year period. In January 2020, the room tax increased to 5.0%.



Source: Town of Ocean City.

As one would expect, room tax collections have been significantly higher in the summer months.



Source: Ocean City, Maryland Tourism Metric Reports.

AREA AMENITIES

The availability of cultural, recreational, retail and entertainment options is another factor that event organizers consider when selecting a destination for their event and is important for periods when attendees are not at event-related functions. The variety of attractions can also be an important consideration for attendees when deciding whether to bring additional family/friends and how long to stay. As mentioned earlier, results of a recent visitor survey conducted by MGH Advertising Inc. indicated that most respondents perceived the TOC as a fun and safe destination with activities for all generations

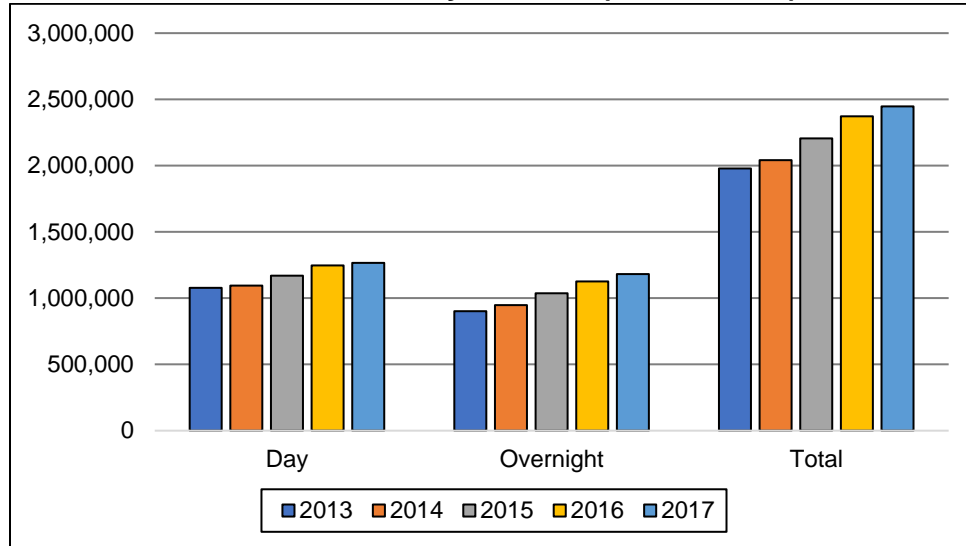
As with hotels, the supply of retail outlets, dining options and entertainment/attractions is a factor that promoters of sports tournaments/competitions consider when deciding where to host an event as families are commonly looking for a tournament destination that can simultaneously serve as a vacation. Based on industry experience, promoters prefer these types of establishments within a 10- to 15-minute drive time of the event venue, on average. As a result, many sports facilities are being developed near these destination attributes, or as part of a larger development incorporating restaurants, hotels, etc.

The TOC currently offers a relatively wide variety and supply of retail outlets and dining options. In addition to the 10 miles of beach, the TOC also offers entertainment options such as the Ocean City Boardwalk, miniature golf and the Ocean Downs Casino. The TOC's location on the east coast provides visitors the opportunity to engage in water-related activities such as boating and fishing, among others.

TOURISM STATISTICS

Tourism is a major economic generator for the TOC. Visitors spending money on items such as lodging, retail, eating/drinking and entertainment/recreational establishments supplements local resident spending at area businesses and increases tax revenues to both local and State governments. As shown in the following graph, visitation to Worcester County steadily increased from 2013 to 2017. In 2017, approximately 2.45 million people visited Worcester County, of which approximately 1.27 million (52%) were day visitors and 1.18 million (48%) were overnight visitors.

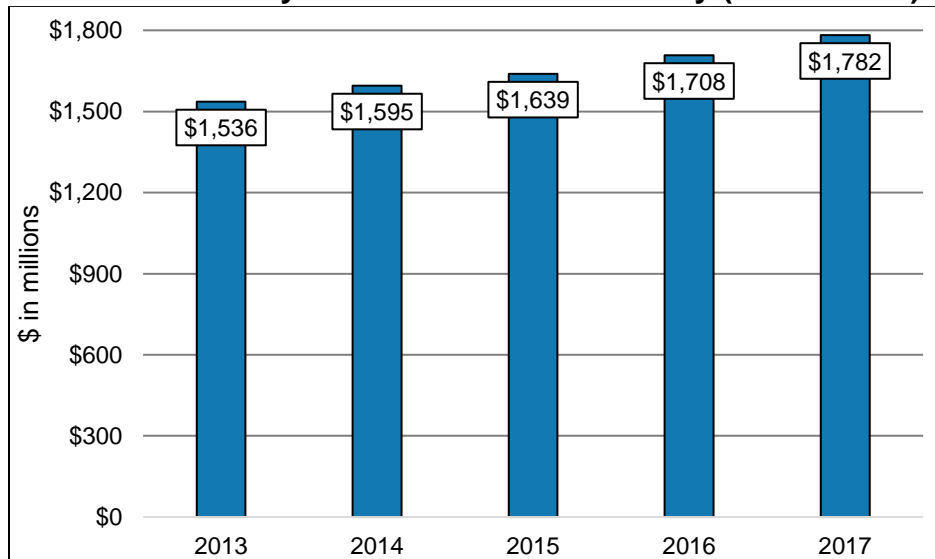
Worcester County Visitors (2013 – 2017)



Source: Tourism Economics.

Tourism industry sales steadily increased between 2013 and 2017. Tourism industry sales reached approximately \$1.78 billion in 2017.

Tourism Industry Sales in Worcester County (2013 – 2017)

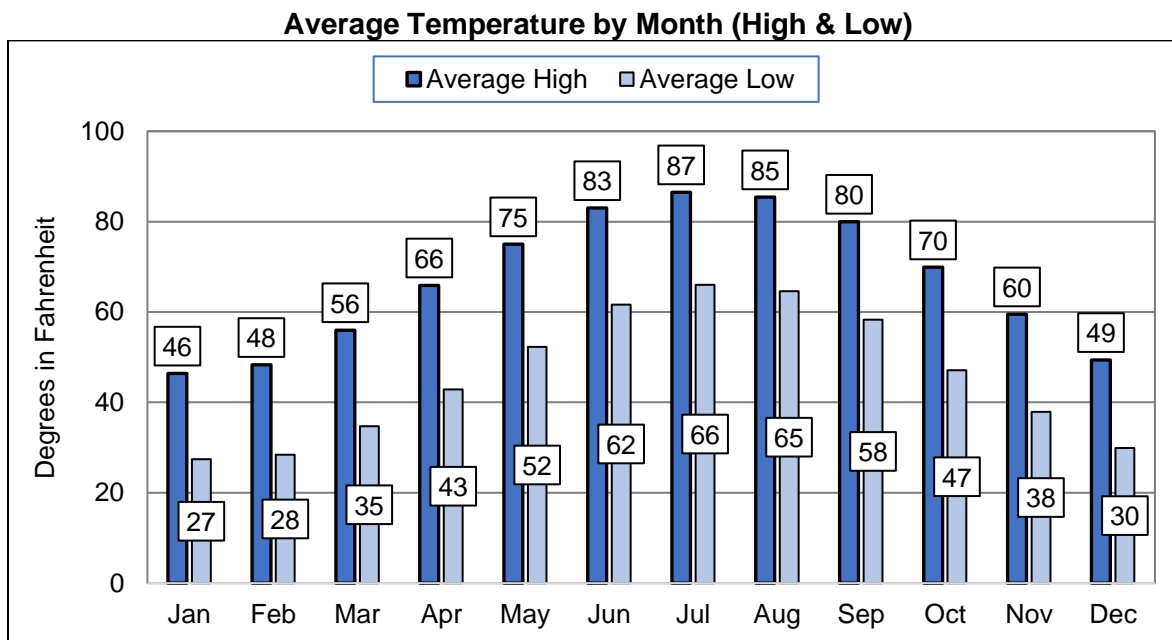


Source: Tourism Economics.

CLIMATE

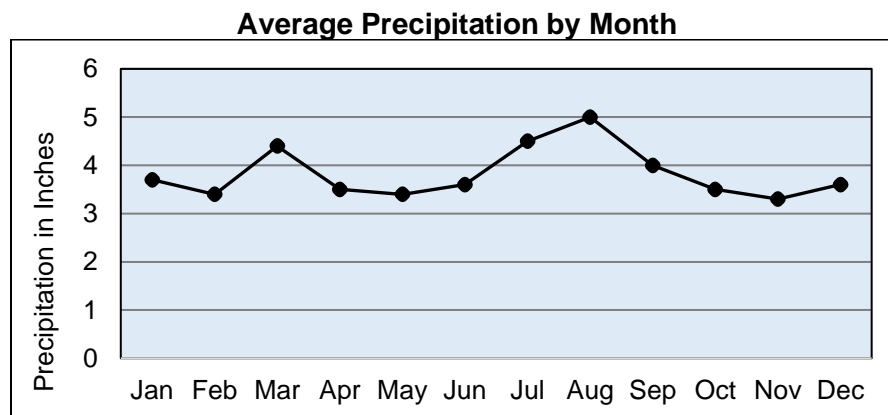
In addition to the previously mentioned factors that tournament promoters consider when deciding where to host their event(s), promoters representing outdoor sports activity also consider the climate of the area as it can impact playing surface as well as overall comfortability.

The following chart illustrates the average high and low temperature by month in the TOC. As shown, the TOC has nine (9) months where the average high temperature is above 50 degrees. Typically, promoters representing outdoor sports utilize fields during the warmer months, as colder temperatures are commonly found to be unappealing to attendees.



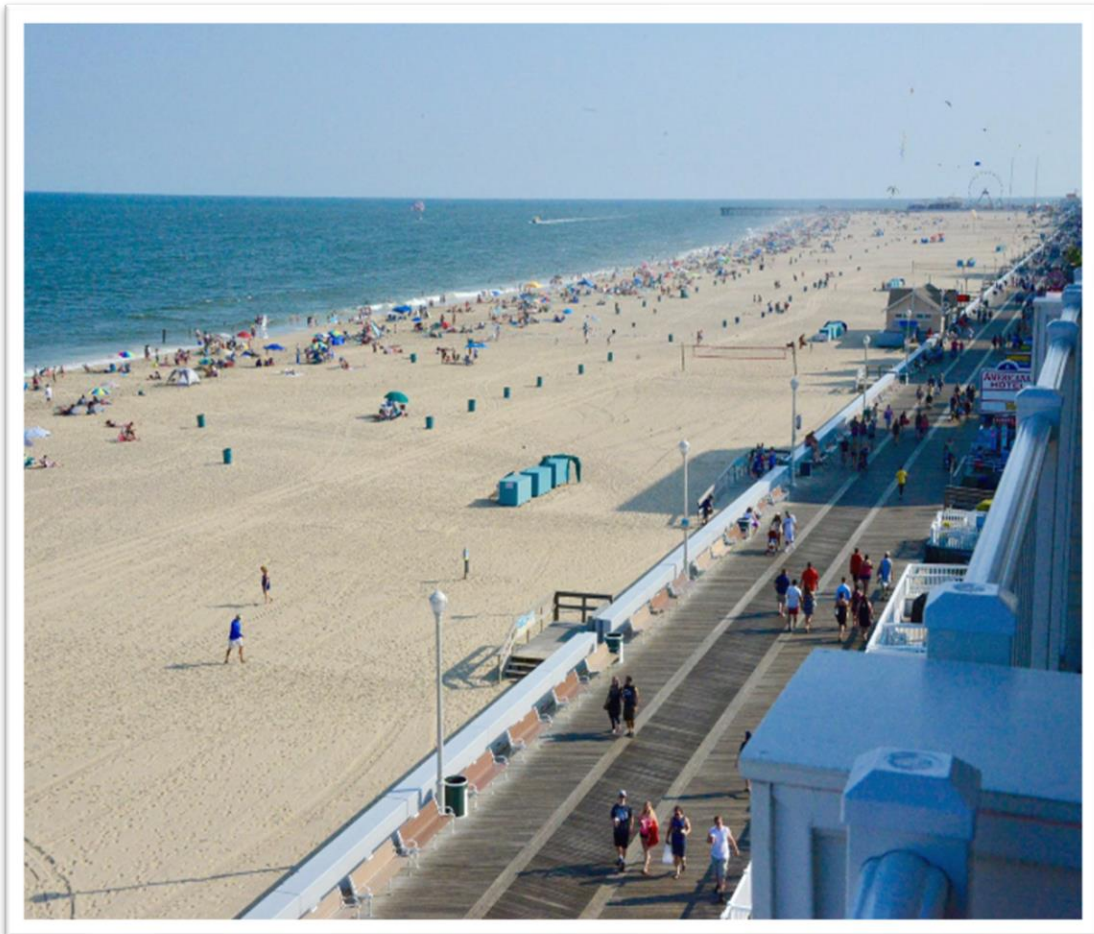
Source: Weatherbase.com.

Months with high precipitation could negatively impact outdoor tournaments, particularly on natural grass fields, which are more susceptible to weather conditions than turf fields. On average, precipitation in the TOC gradually increases from May to July and peaks in August.



Source: Weatherbase.com.

4. MARKET ANALYSIS UPDATE – OUTDOOR FIELD COMPLEX



MARKET ANALYSIS UPDATE – OUTDOOR FIELD COMPLEX

As previously mentioned, this study provides an update to the market analysis conducted in 2017 for a proposed new outdoor field complex in Worcester County. As such, this section of the report provides an update in terms of changes in the competitive landscape, sports participation trends/rates and potential demand generators. For purposes of this analysis, it is assumed that the previously recommended building program for the outdoor field complex, including a minimum of eight (8) tournament-quality, multi-purpose, rectangular fields with associated patron amenities and supporting infrastructure remains unchanged.

It is our understanding that one key objective of the proposed outdoor field complex is to host events that generate net new economic activity related to sports tourism. The degree that existing facilities meet the needs of the target market is important to consider when evaluating the merits of new facilities. Facility size, program elements, configuration, age, market focus and date availability impact how competitive area facilities are to the proposed outdoor field complex. While this section provides an overview of select outdoor field complexes, it is not meant to be an all-inclusive inventory of facilities that can accommodate sports competitions/tournaments.

SUPPLY OF LOCAL OUTDOOR SPORTS COMPLEXES

The following provides an overview of local outdoor sports complexes, defined as those located within the Salisbury MSA, which offer tournament-quality fields as of January 2020. For purposes of this analysis, only facilities with four or more fields of the same type (i.e. diamond, rectangular) are profiled. Based on this criterion, the Northside Recreation Complex is not profiled.

The TOC, Worcester County and Wicomico County are members of the Mid-Atlantic Amateur Sports Alliance (MAASA). These three entities work closely with Maryland Sports to jointly market and leverage their combined assets to attract, retain and build sports marketing events in order to establish a national reputation in amateur athletics and increase economic impact to the region. As such, these regional synergies may allow certain larger sports competitions/tournaments to utilize multiple facilities in these geographic areas.

Worcester County

The following table profiles three outdoor field complexes in Worcester County considered to be tournament quality. In aggregate, these facilities have 18 diamonds and 12 rectangular fields. John Walter Smith Park offers the most total fields (12) followed by Northern Worcester Athletic Complex and Newtown Park which both have nine (9). John Walter Smith Park also offers four (4) lighted rectangular fields, which is the most among the profiled facilities. All the profiled facilities offer grass rectangular fields and no turf fields. In addition, the profiled facilities are all owned and operated by Worcester County Department of Recreation & Parks (WCRP).

Worcester County - Attributes of Outdoor Tournament Quality Complexes											
Complex	Location	Diamonds					Rectangular Fields				Total Fields
		Baseball	Softball	Youth	Total	Lighted	Grass	Turf	Total	Lighted	
John Walter Smith Park	Snow Hill	1	2	4	7	0	5	0	5	4	12
Northern Worcester Athletic Complex	Berlin	1	0	4	5	1	4	0	4	2	9
Newtown Park	Pocomoke	1	2	3	6	3	3	0	3	2	9
Total		3	4	11	18	4	12	0	12	8	30

Notes: Only includes complexes that offer a minimum of four of the same type of field (e.g., diamonds, rectangular fields).

The football field at Northern Worcester Athletic Complex is excluded from this analysis.

Sorted in descending order by number of total rectangular fields.

Sources: Maryland Sports; MAASA; Worcester County Recreation & Parks; Individual Facilities; Secondary Research.

This section profiles historical outdoor sports activity in Worcester County from 2016 through 2018 which is grouped as follows: County programs, non-County affiliated organizations and tournaments.

The following table summarizes outdoor sports activity associated with County programs, which are organized by Worcester County and include sports such as soccer, field hockey, flag football and baseball.

Worcester County Department of Recreation & Parks					
2016 Athletic Field Usage Information - County Programs					
County Programs	Date	Sport	# of fields per season	# of Estimated Participants	Location
Spring Soccer	April 3 - May 22, 2016	Soccer	3	247	JWS
Flag Football	April 6 - June 8, 2016	Flag Football	1	90	JWS
Field Hockey	April 7 - May 12, 2016	Field Hockey	1	12	JWS
Men's Soccer League	April 7 - June 16, 2016	Soccer	1	90	JWS
Church League	April 19 - July 12, 2016	Softball	2	133	Showell
High School Soccer	June 14 - Aug. 4, 2016	Soccer	1	90	JWS
Field Hockey	September 8 - October 13, 2016	Field Hockey	1	15	NWAC
Outdoor Soccer - Fall	September 10 - October 29, 2016	Soccer	2	305	NWAC
Outdoor Soccer - Fall	September 10 - October 29, 2016	Soccer	3		JWS
Outdoor Soccer - Fall	September 10 - October 29, 2016	Soccer	2		Newtown
2017 Athletic Field Usage Information - County Programs					
County Programs	Date	Sport	# of fields per season	# of Estimated Participants	Location
Spring Soccer	April 2 - May 28, 2017	Soccer	3	247	JWS
Flag Football	April 5 - June 14, 2017	Flag Football	1	90	JWS
Field Hockey	April 6 - May 11, 2017	Field Hockey	1	12	JWS
4v4 Soccer	April 6 - June 8, 2017	Soccer	1	90	JWS
High School Soccer	June 12 - July 27, 2017	Soccer	1	90	JWS
Outdoor Soccer - Fall	September 9 - October 28, 2017	Soccer	2	305	NWAC
Outdoor Soccer - Fall	September 9 - October 28, 2017	Soccer	3		JWS
Outdoor Soccer - Fall	September 9 - October 28, 2017	Soccer	2		Newtown
Field Hockey	September 12 - October 26, 2017	Field Hockey	1	15	NWAC
2018 Athletic Field Usage Information - County Programs					
County Programs	Date	Sport	# of fields per season	# of Estimated Participants	Location
Flag Football	April 4 - June 20, 2018	Flag Football	1	90	JWS
4v4 Soccer	April 5 - June 7, 2018	Soccer	1	90	JWS
Spring Soccer	April 8 - June 17, 2018	Soccer	3	242	JWS
Men's Softball League	April 17 - June 28, 2018	Softball	2	150	Newtown
Men's Fall Softball	August 21 - October 30, 2018	Softball	2	150	Newtown
Outdoor Soccer - Fall	September 8 - October 27, 2018	Soccer	2	315	NWAC
Outdoor Soccer - Fall	September 8 - October 27, 2018	Soccer	3		JWS
Outdoor Soccer - Fall	September 8 - October 27, 2018	Soccer	2		Newtown
After School Baseball	September 21 - October 26, 2018	Baseball	1	30	JWS

Note: Sorted by program start date.

Source: Worcester County Department of Recreation & Parks.

The table below summarizes outdoor sports activity associated with non-County affiliated organizations including league play for sports such as baseball, softball, lacrosse, football, soccer and ultimate.

Worcester County Department of Recreation & Parks					
2016 Athletic Field Usage Information - Non-County Affiliated Organizations					
Non-County Affiliated Organization	Date	Sport	# of fields per season	# of Estimated Participants	Location
Berlin Little League	February 29 - June 19, 2016	Baseball/Softball	8	400	NWAC
Pocomoke Little League	February 29 - June 19, 2016	Baseball/Softball	4	125	Newtown
Snow Hill Little League	February 29 - June 19, 2016	Baseball/Softball	7	125	JWS
Snow Hill High School	March 1 - May 16, 2016	Baseball/Softball	2	60	JWS
Beach Lacrosse	March 1 - May 22, 2016	Lacrosse	4	400	NWAC
American Legion	April 17 - July 19, 2016	Baseball	1	12	NWAC
Most Blessed Catholic School	April 21 - May 17, 2016	Softball	1	15	Showell
Pop Warner Football	August 1 - October 29, 2016	Football	2	200	NWAC
Snow Hill High School	August 10 - November 19, 2016	Soccer	2	60	JWS
Snow Hill High School	August 10 - November 19, 2016	Football	1	45	JWS
Ultimate Frisbee	September 29 - December 1, 2016	Ultimate	1	30	NWAC
2017 Athletic Field Usage Information - Non-County Affiliated Organizations					
Non-County Affiliated Organization	Date	Sport	# of fields per season	# of Estimated Participants	Location
Snow Hill High School	March 1 - May 15, 2017	Baseball/Softball	2	60	JWS
Beach Lacrosse	March 6 - May 28, 2017	Lacrosse	4	400	NWAC
Berlin Little League	March 6 - June 25, 2017	Baseball/Softball	8	400	NWAC
Pocomoke Little League	March 6 - June 25, 2017	Baseball/Softball	4	125	Newtown
Snow Hill Little League	March 6 - June 25, 2017	Baseball/Softball	7	125	JWS
Most Blessed Catholic School	March 29 - May 9, 2017	Softball	1	15	Showell
American Legion	May 31 - July 17, 2017	Baseball	1	12	NWAC
Pop Warner Football	August 1 - October 29, 2017	Football	2	200	NWAC
Snow Hill High School	August 9 - November 19, 2017	Soccer	2	60	JWS
Snow Hill High School	August 9 - November 19, 2017	Football	1	45	JWS
Ultimate Frisbee	October 19 - November 23, 2017	Ultimate	1	30	NWAC
Salvation Army	October 30 - November 17, 2017	Ultimate	1	30	NWAC
2018 Athletic Field Usage Information - Non-County Affiliated Organizations					
Non-County Affiliated Organization	Date	Sport	# of fields per season	# of Estimated Participants	Location
Beach Lacrosse	February 28 - May 26, 2018	Lacrosse	4	400	NWAC
Berlin Little League	March 24 - June 23, 2018	Baseball/Softball	8	400	NWAC
Pocomoke Little League	March 24 - June 23, 2018	Baseball/Softball	4	125	Newtown
Snow Hill Little League	March 24 - June 23, 2018	Baseball/Softball	7	125	JWS
Most Blessed Catholic School	April 18 - May 16, 2018	Softball	1	15	Showell
American Legion	May 29 - July 12, 2018	Baseball	1	12	NWAC
Eastern Shore Baseball League	June 8 - July 18, 2018	Baseball	1	12	NWAC
Pop Warner Football	August 1 - October 27, 2018	Football	2	200	NWAC
Ultimate Frisbee	October 19 - November 23, 2018	Ultimate	1	30	NWAC

Note: Sorted by start date.

Source: Worcester County Department of Recreation & Parks.

Outdoor tournaments held in Worcester County over the profiled three-year period are summarized in the following table. Tournaments are generally multi-day competitions that typically attract teams from outside of Worcester County. These activities use multiple fields and sometimes use several locations. Tournaments held in Worcester County during the profiled period include sports such as baseball, softball and lacrosse. No soccer tournaments were held at facilities owned by WCRP during the profiled period.

As shown, the County hosted significantly more softball and baseball tournaments compared to lacrosse. During the profiled period, the County hosted an average of 11 softball tournaments and 9,360 participants. On average, lacrosse tournaments have accounted for approximately 9% of total tournaments annually. Lacrosse also averaged the longest event length (2.5 days) among the three sports.

Overall, total tournaments, event days and participants were relatively consistent during the profiled three-year period. Total event days and participants were the highest in 2017, which was in large part due to an increase in event days and participants associated with softball tournaments.

Summary of Outdoor Tournament Activity				
Sport/Characteristics	2016	2017	2018	Average
Baseball				
Number of Tournaments	9	10	10	10
Total Event Days	19	21	20	20
Average Event Length	2.1	2.1	2.0	2.1
Total Number of Participants	3,870	3,960	4,500	4,110
Average Number of Fields Used	3	3	3	3
Average Participants/Tournament	430	396	450	425
Softball				
Number of Tournaments	11	11	11	11
Total Event Days	20	23	21	21
Average Event Length	1.8	2.1	1.9	1.9
Total Number of Participants	8,190	11,430	8,460	9,360
Average Number of Fields Used	5	4	4	4
Average Participants/Tournament	745	1,039	769	851
Lacrosse				
Number of Tournaments	2	2	3	2
Total Event Days	5	6	6	6
Average Event Length	2.5	3.0	2.0	2.5
Total Number of Participants	1,620	1,620	2,340	1,860
Average Number of Fields Used	4	4	4	4
Average Participants/Tournament	810	810	780	797
Total Tournaments	22	23	24	23
Total Event Days	44	50	47	47
Total Participants	13,680	17,010	15,300	15,330

Source: Worcester County Department of Recreation & Parks.

Wicomico County

The table below profiles outdoor field complexes in Wicomico County. In aggregate, these facilities offer 36 diamonds (14 lighted) and 39 rectangular fields (3 lighted). Five (5) of the ten profiled the facilities offer at least four (4) outdoor rectangular fields. Previously, Henry S. Parker Athletic Complex featured both diamonds and rectangular fields but recently underwent an expansion which eliminated the rectangular fields and created eight diamonds. Only two (2) of these profiled facilities offer rectangular turf fields.

Wicomico County - Attributes of Outdoor Tournament Quality Complexes										
Complex	Location	Diamonds					Rectangular Fields			
		Baseball	Softball	Youth	Total	Lighted	Grass	Turf	Total	Lighted
Fruitland Falcons Sports Complex	Fruitland	0	0	0	0	0	11	0	11	1
Salisbury University	Salisbury	1	1	0	2	0	5	4	9	1
Mid-Atlantic Youth Sportsplex	Pittsville	0	0	0	0	0	7	0	7	0
Crown Sports Center	Eden	0	0	0	0	0	6	0	6	0
Fruitland Recreational Park and Annex	Fruitland	4	3	1	8	0	3	1	4	1
East Wicomico Little League Park/Winter Place Park	Salisbury	4	2	0	6	0	2	0	2	0
Henry S. Parker Athletic Complex	Salisbury	8	0	0	8	6	0	0	0	0
Gordy Park	Delmar	2	0	2	4	4	0	0	0	0
Mason Dixon Sports Complex	Delmar	4	0	0	4	4	0	0	0	0
Eastside Sports Complex and Willards Park	Willards	4	0	0	4	0	0	0	0	0
Total		27	6	3	36	14	34	5	39	3

Note: Only includes complexes that offer a minimum of four of the same type of field (e.g., diamonds, rectangular fields).

Sources: Maryland Sports; MAASA; Wicomico County Recreation, Parks & Tourism; Individual Facilities; Secondary Research.

Salisbury University currently features two (2) diamonds and nine (9) rectangular fields. The University is in the process of implementing their 2014-2023 Facilities Master Plan which includes plans for the development of several new athletic facilities such as a field house, sports stadium, intramural fields, practice fields, competition soccer fields as well as baseball and softball fields. The primary focus of these fields is to serve the University's athletic programs and student activity. As such, these facilities are not considered directly competitive with the proposed new outdoor field complex in/near the TOC.

The Mid-Atlantic Youth Sportsplex (MAYS) is approximately a 30-minute drive from the TOC. MAYS currently offers seven (7) rectangular, tournament-quality fields. Based on information obtained from MAYS management, it is our understanding that the facility is considering expansion that would result in a 25-field complex, which may include a mix of both diamonds and rectangular fields. Although there may be opportunities for the proposed outdoor field complex and MAYS to jointly accommodate larger events, the proposed outdoor field complex would face competition from an expanded MAYS based on its large supply of fields in one location.

Sussex County

Sussex County, Delaware offers three (3) tournament-quality field complexes which are described below.

- *Sports at the Beach*: Located in Georgetown, Delaware and founded in 2002, the Sports at the Beach complex encompasses approximately 100 acres of land and is located near Rehoboth Beach. The complex features 16 natural grass baseball fields, three of which are lighted. According to secondary sources, the complex hosted approximately 40 youth baseball tournaments in 2019.
- *Lower Sussex Little League Complex*: Located in Roxana, the Lower Sussex Little League Complex has nine (9) fields for baseball, softball and tee-ball.
- *River Soccer Club Complex*: Located in Frankford on 45 acres of farmland, the River Soccer Club complex consists of seven (7) soccer specific fields. The complex features two fully lighted fields as well as one partially lighted field. The fields were designed to be flexible to be able to modify both the size and direction. There are currently plans for the development of an indoor soccer arena.

In addition to these complexes, a proposed new facility named Sussex Sports Center, also referred to as Sandhill Fields, is currently in the development process, according to secondary sources. The all-grass facility will be in the heart of Sussex County on 56 acres of farmland, just outside of Georgetown, and will be owned by the Sussex Sports Center Foundation. It is anticipated that the public complex will feature eight (8) regulation sized soccer/lacrosse fields and six (6) pickleball courts as well as a cross country course, walking trail, playground, pavilions and 350 parking spaces. Planned funding for the complex is through a public-private partnership, with the County loaning \$1.5 million towards the \$4.4 million project with the option to eventually take over ownership. According to secondary sources, the complex is expected to open in spring of 2020. The complex is anticipated to be free to the general public and is envisioned to host several local youth and adult athletic clubs such as Henlopen Soccer and Saltwater Lacrosse as well as tournaments, receptions and summer sports camps. It is also envisioned that the proposed facility will complement other existing facilities such as the DE Turf Sports Complex.

SUPPLY OF REGIONAL OUTDOOR SPORTS COMPLEXES

The table that follows profiles attributes of existing outdoor sports complexes in the region, defined as a 150-mile radius from the TOC, which host similar sporting events/competitions to those anticipated to be held at the proposed outdoor field complex and have a minimum of eight (8) fields of the same type. This list represents existing outdoor sports complexes in the region as of January 2020 and is not meant to be an all-inclusive inventory of facilities.

Attributes of Select Regional Outdoor Sports Complexes							
Facility	Location	Operator	Diamonds		Rectangular		Stadium Seating
			Total Fields	Lighted	Total Fields	Lighted	
Maryland SoccerPlex & Discovery Sports Center	Boyd's, MD	Private	0	0	24	6	3,200
Hampton Roads Soccer Complex	Virginia Beach, VA	Non-Profit	0	0	21	2	n/a
Kirkwood Soccer Complex	New Castle, DE	Private	0	0	14	0	n/a
Warhill Sports Complex	Williamsburg, VA	County	8	4	14	6	n/a
Cedar Lane Regional Park	Bel Air, MD	Private	1	0	13	0	900
Carsins Run	Aberdeen, MD	Private	0	0	12	0	n/a
Calvert Regional Park	North East, MD	County	0	0	12	1	n/a
DE Turf Sports Complex	Frederica, DE	Non-Profit	0	0	12	5	700
River City Sportsplex	Midlothian, VA	County	0	0	12	12	n/a
Striker Park	Glen Allen, VA	Private	0	0	11	2	n/a
West Creek Complex	Richmond, VA	Private	0	0	10	0	n/a
Baron Cameron Park	Reston, VA	County	1	1	9	0	n/a
The Harford Polo Grounds	Jarrettsville, MD	Private	0	0	9	0	n/a
Bob Lucido Fields at Covenant Park	Ellicott, MD	Private	0	0	9	4	n/a
Princess Anne Athletic Complex	Virginia Beach, VA	City	8	8	8	8	n/a
Publix Virginia Soccer Training Center	Fredericksburg, VA	Non-Profit	0	0	8	2	n/a
Embrey Mill Park	Stafford, VA	County	0	0	8	8	n/a
Philip A. Bolen Memorial Park	Leesburg, VA	County	9	9	8	8	n/a
Legacy Park	Ruther Glen, VA	Private	8	8	0	0	n/a
The Ripken Experience	Aberdeen, MD	Private	9	2	0	0	6,300

Notes: Complexes sorted by total number of rectangular fields.

Philip A. Bolen Memorial Park was announced to be the new home for the DC United Headquarters, training facility, and minor league soccer team stadium.

Publix Virginia Soccer Training Center is in the process of developing a championship stadium.

n/a denotes data not available.

Sources: Maryland Sports; MAASA; Individual Facilities; Secondary Research.

Half of the profiled facilities are privately operated. The Ripken Experience and Philip A. Bolen Memorial Park offer the largest supply of diamonds with nine (9) each. The Ripken Experience includes the 6,300 seat Ripken Stadium which is home to the Aberdeen IronBirds of the Minor League Baseball (MiLB) Class A Short Season New York-Penn League. The complex annually hosts amateur and youth baseball tournaments as well as a variety of camps focused on player development.

All the profiled complexes other than The Ripken Experience and Legacy Park offer rectangular fields. The Maryland SoccerPlex & Discovery Sports Center has the most rectangular fields (24) including Championship Stadium. Championship Stadium is home to the Washington Spirit of the National Women's Soccer League (NWSL) and has previously hosted events such as a U.S. Olympic qualifier, Major League Soccer (MLS) Open Cup matches and the U.S. Youth Soccer National Championship.

In addition to the profiled facilities, several colleges/universities in the region offer outdoor sports fields/complexes that can accommodate sports tournaments. However, due to their primary market focus, which is to host their athletic programs and student activities, these facilities are not profiled as part of this analysis. Although deemed to be not directly competitive on a regular basis, it should be noted that these facilities may be competitive for certain events such as NCAA tournaments/competitions.

COMPARABLE FACILITY CASE STUDIES

The 2017 study included a summary of case studies on select outdoor sports facilities in terms of ownership/management structure, building program elements, event activity, financial operations and operating strategies. The profiled facilities were chosen based on their similarity in terms of facility type/market focus to the proposed new outdoor field complex in Worcester County. Given the limited nature of this study as it relates to the proposed outdoor field complex, this update does not include case studies of comparable outdoor sports complexes.

SPORTS PARTICIPATION TRENDS

Potential demand associated with any sports facility is somewhat dependent on the attributes of the industry as well as specific target market segments. The competitive youth and adult amateur sports industry continues to be a significant market opportunity with multiple sports, age groups and demand segments. Demand for sports tourism events is typically less impacted by economic fluctuations as participants and family/friends are willing to travel significant distances for their preferred sport. In recent years, more communities are developing stand-alone sports tourism-focused facilities to accommodate multiple games/competitions due to their value as a tourism generator. Research indicates that it is important for successful destinations to have a strong volunteer base and elite level leagues to support and promote tournament activity that generates overnight stays.

Generally, sports participation rates are an indicator of demand for sports facilities. Typically, as participation increases, so does the demand for sports facilities. As such, the following pages profile trends in the annual number of participants in various outdoor sports and the frequency of participation. It also includes data for individual sports or activities by geographic region, market size, as well as distribution by age and household income. For purposes of this analysis, this section focuses on statistics related to outdoor sports including soccer; baseball; softball; touch, tackle and flag football; and lacrosse. Similar data on rugby and ultimate was not available.

Data used in this analysis was obtained from Sports Business Research Network (SBRnet), a leading provider of sports marketing research in the United States. SBRnet offers an all-encompassing perspective on the sports business, drawing upon syndicated and custom proprietary market research, industry reports and licensed industry articles. SBRnet provides nationwide analysis of statistical trends in each major segment of the sports market and the extent to which they interrelate. The source of the data is the recent Sports Participation in the United States study which is an online survey conducted by the National Sporting Goods Association (NSGA). The study results are based on approximately 34,000 individuals who are ages 7 and older. To ensure responses were representative of the U.S., the data was weighted to represent the demographic composition of the U.S. based on the following characteristics: state of residence, household income, population density and presence of children in the household.

As it relates to the sports included in this analysis, a participant is defined as an individual seven years of age or older who participates in a sport/activity more than once per year. The definition of “frequent” participant varies for each sport and is noted by sport in the following tables.

Total and Frequent Participation Rates

Soccer, baseball and softball, respectively, had the highest total participation in 2018. Tackle football had the highest frequent participation rate in 2018, followed by soccer, baseball, softball, lacrosse, flag football and touch football, respectively. Overall, total and frequent participation within the profiled sports remained relatively consistent throughout the last five years.

Summary of Total and Frequent Participation - Outdoor Sports and Recreation (000s)					
Sport	2014	2015	2016	2017	2018
Soccer - Total	13,444	14,112	14,053	14,320	13,801
Soccer - Frequent	4,106	3,571	3,429	3,833	3,912
% Frequent (40+ days/year)	31%	25%	24%	27%	28%
Baseball - Total	11,335	11,786	12,179	12,100	12,138
Baseball - Frequent	2,951	2,079	2,232	2,559	2,334
% Frequent (50+ days/year)	26%	18%	18%	21%	19%
Softball - Total	9,501	9,751	9,634	9,783	9,708
Softball - Frequent	2,204	1,375	1,472	1,586	1,570
% Frequent (40+ days/year)	23%	14%	15%	16%	16%
Football (Touch) - Total	8,866	9,164	9,219	9,500	9,237
Football (Touch) - Frequent	676	589	655	551	495
% Frequent (50+ days/year)	8%	6%	7%	6%	5%
Football (Tackle) - Total	7,530	7,830	7,899	7,500	7,412
Football (Tackle) - Frequent	2,702	2,126	1,942	2,062	2,221
% Frequent (50+ days/year)	36%	27%	25%	27%	30%
Football (Flag) - Total	6,304	6,601	6,624	6,464	6,319
Football (Flag) - Frequent	476	656	645	328	469
% Frequent (50+ days/year)	8%	10%	10%	5%	7%
Lacrosse - Total	2,791	2,940	2,947	2,900	2,758
Lacrosse - Frequent	480	522	323	372	311
% Frequent (60+ days/year)	17%	18%	11%	13%	11%
Total	59,771	62,184	62,555	62,567	61,373
Frequent	13,595	10,918	10,698	11,291	11,312
% Frequent	23%	18%	17%	18%	18%

Note: Sorted in descending order by 2018 total participation.

Source: Sports Business Research Network.

Participation by Geographic Region

The table below provides an overview of the percentage of total sports participants in each of the geographic regions within the U.S. in 2018. Maryland is located within the South Atlantic region, which had the highest number of soccer, softball, touch football, tackle football, flag football and lacrosse participants compared to other regions. As such, these sports offer an opportunity for programming at the proposed outdoor field complex.

2018 Outdoor Sports Participation by Geographic Region (% of Participants)							
Geographic Region	Soccer	Baseball	Softball	Football-Touch	Football-Tackle	Football-Flag	Lacrosse
New England	4.9%	5.7%	7.9%	5.4%	4.5%	4.5%	2.7%
Middle Atlantic	8.5%	15.8%	11.5%	10.7%	10.5%	11.7%	7.5%
East North Central	13.2%	16.1%	15.8%	20.6%	16.9%	7.8%	16.6%
West North Central	7.1%	5.1%	6.3%	6.2%	9.0%	5.9%	13.7%
South Atlantic	23.0%	15.1%	19.1%	24.5%	24.9%	22.6%	27.1%
East South Central	4.1%	5.8%	4.8%	4.7%	3.5%	4.7%	2.4%
West South Central	11.8%	9.7%	9.7%	6.6%	13.0%	11.9%	9.7%
Mountain	7.0%	7.6%	7.0%	7.5%	7.2%	10.5%	7.1%
Pacific	20.4%	19.1%	17.9%	13.7%	10.5%	20.3%	13.1%

Note: Sports Business Research Network classifies Maryland into the South Atlantic Region.

Source: Sports Business Research Network.

Participation by Market Size

Relative to the profiled outdoor sports, markets similar in size to the Salisbury MSA had the highest portion of their population participating in tackle football in 2018.

2018 Outdoor Sport Participation by Market Size (% of Participants)							
Market Size	Soccer	Baseball	Softball	Football (Touch)	Football (Tackle)	Football (Flag)	Lacrosse
Non-MSA & MSA < 100,000	10.9%	13.2%	11.9%	13.0%	15.2%	10.6%	8.8%
100,000 - 499,999	11.9%	13.0%	15.2%	15.8%	20.1%	17.4%	16.0%
500,000 - 1,999,999	18.6%	17.0%	19.2%	23.4%	16.3%	24.2%	16.6%
2,000,000 +	58.6%	56.8%	53.7%	47.8%	48.4%	47.8%	58.7%

Note: Shading represents the market size of the Salisbury Metro Area.

Source: Sports Business Research Network.

Participation by Age

For the profiled outdoor sports, tackle football had the greatest percentage of players under the age of 18 (56.4%) in 2018, followed by lacrosse (53.7%).

2018 Outdoor Sport Participation by Age Group (% of Participants)							
Age Group	Soccer	Baseball	Softball	Football (Touch)	Football (Tackle)	Football (Flag)	Lacrosse
7-11	28.5%	23.0%	16.8%	19.3%	15.8%	27.4%	17.6%
12-17	23.2%	23.8%	23.0%	23.6%	40.6%	23.2%	36.1%
18-24	13.9%	10.2%	9.1%	12.8%	17.4%	13.0%	14.8%
25-34	17.9%	17.5%	16.7%	21.1%	14.1%	19.8%	15.8%
35-44	11.4%	13.7%	12.1%	11.3%	9.8%	9.9%	7.3%
45-54	3.5%	6.8%	11.6%	7.5%	1.7%	6.0%	6.8%
55-64	1.4%	3.7%	7.2%	3.6%	0.6%	0.7%	1.6%
65-74	0.3%	1.3%	3.4%	0.8%	0.0%	0.0%	0.0%
75+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Under 18 Years Old	51.7%	46.8%	39.8%	42.9%	56.4%	50.6%	53.7%

Source: Sports Business Research Network.

Participation by Household Income

For informational purposes, the following table provides an overview of outdoor participation by household income in 2018.

2018 Outdoor Sports Participation by Household Income (% of Participants)							
Household Income	Soccer	Baseball	Softball	Football-Touch	Football-Tackle	Football-Flag	Lacrosse
Under \$15,000	4.0%	4.5%	3.6%	7.5%	7.4%	2.8%	2.5%
\$15,000 - \$24,999	4.7%	3.9%	4.8%	4.9%	5.9%	6.5%	0.8%
\$25,000 - \$34,999	5.5%	7.5%	4.5%	10.2%	14.5%	12.4%	5.9%
\$35,000 - \$49,999	7.9%	9.8%	9.6%	6.7%	8.5%	10.4%	4.6%
\$50,000 - \$74,999	18.5%	15.5%	14.9%	24.0%	23.9%	18.0%	20.2%
\$75,000 +	59.4%	58.7%	62.7%	46.7%	39.8%	49.9%	65.9%

Source: Sports Business Research Network.

Potential Sports Participants

One measure to estimate potential demand for the proposed outdoor field complex is to extrapolate the national frequent sports participation rates to the previously presented population statistics for the potential target market areas. As previously mentioned, industry research indicates that many sports participants are willing to drive three or more hours to compete in regional and national tournaments.

The following table illustrates the estimated frequent outdoor sports participants by age group using the previously described methodology.

Potential Outdoor Sports Participants - Frequent												
Sport	30-Minute Drive Time	60-Minute Drive Time	120-Minute Drive Time	180-Minute Drive Time	30-Minute Drive Time	60-Minute Drive Time	120-Minute Drive Time	180-Minute Drive Time	30-Minute Drive Time	60-Minute Drive Time	120-Minute Drive Time	180-Minute Drive Time
	Ages 7-17				Age 18+				All Ages			
Soccer	403	2,277	5,279	57,095	377	2,127	4,932	53,341	780	4,404	10,211	110,436
Baseball	213	1,202	2,788	30,149	242	1,367	3,169	34,272	455	2,569	5,957	64,421
Softball	130	730	1,694	18,314	196	1,105	2,562	27,701	326	1,835	4,256	46,015
Football (Touch)	28	158	365	3,948	37	210	486	5,255	65	368	851	9,203
Football (Tackle)	257	1,449	3,360	36,334	198	1,120	2,597	28,088	455	2,569	5,957	64,422
Football-Flag	33	186	430	4,657	32	181	420	4,546	65	367	850	9,203
Lacrosse	34	197	457	4,942	30	170	394	4,261	64	367	851	9,203
Total	1,098	6,199	14,373	155,439	1,112	6,280	14,560	157,464	2,210	12,479	28,933	312,903

When considering potential sports participants of all ages, it is estimated that 2,210 people within the 30-minute drive frequently participate in the profiled sports, while there are an estimated 312,903 frequent participants within the 180-minute drive time. When excluding sports that utilize diamonds, the number of potential frequent sports participants decreases to 1,429 and 202,467 in these areas, respectively. Soccer has the highest number of potential sports participants within each of the target markets.

To augment these statistics and estimates, the following provides a summary of input obtained from potential users in terms of their interest in hosting a tournament/competition at the proposed outdoor field complex in/near the TOC as well as their program requirements and event attributes.

INPUT FROM POTENTIAL DEMAND GENERATORS

A key aspect of the market analysis update is to assist the TOC and MSA in assessing potential market opportunities for the proposed new outdoor field complex. As such, a limited number of potential users were contacted to serve as an update to the outreach conducted as part of the 2017 study effort. Direct input was obtained from representatives from multiple sports organizations that represent outdoor local, regional, national and international outdoor tournament activity.

More than 30 different potential user groups representing outdoor sports such as soccer, lacrosse, ultimate, field hockey and rugby were contacted. A total of 19 outdoor sport surveys were completed. It should be noted that for purposes of this analysis, “interest” is defined as having answered “Definitely Yes” or “Likely” to hosting an event at the outdoor field complex.

The following provides a list of organizations contacted as part of our outreach.

AAU Soccer	Men's Collegiate Lacrosse Association
Aloha Tournaments	Mid-Atlantic Conference (Rugby)
American Youth Soccer Organization	National College Lacrosse League
Baltimore Lax	Salisbury University
Baltimore Ravens	Sport-11 Tournaments
Chesapeake Bayhawks	Top of the Bay Sports
Corrigan Sports Enterprises	USA Field Hockey
Elite Lax	USA Rugby
Elite Tournaments	USA Ultimate
Hogan Lacrosse	U.S. Adult Soccer Association
Inside Lacrosse	U.S. Club Soccer
Laxpalooza Lacrosse Tournaments	U.S. Lacrosse
Maryland Interscholastic Athletic Association	U.S. Youth Soccer
Maryland Public Secondary Schools Athletic Association	USSSA Soccer
Maryland State Soccer Association	We Build You Play
Maryland State Youth Soccer Association	Women's Collegiate Lacrosse Association
Matrix Soccer	3D Lacrosse

Consistent with findings presented in the 2017 study, input from potential outdoor sports tournament/competition organizers indicated moderate to strong demand for an outdoor field complex located in/near the TOC. Approximately 63% of survey respondents expressed interest in hosting an event at the proposed complex. Other key findings include the following:

- Although demand exists for the proposed outdoor field complex, existing facilities throughout the region present significant competition for attracting tournaments/competitions.
- Those expressing interest in utilizing the proposed outdoor field complex cited hotels, restaurants and the beach as attractive attributes of the TOC as an event destination.
- Potential challenges expressed by survey respondents included the lack of proximity to a major airport, traffic congestion, highway accessibility, high room rates and the lack of local teams in the area.
- Of those survey respondents that expressed interest:
 - 67% represented regional (multi-state) tournaments/competitions and approximately 17% represented State and 17% represented national tournaments/competitions.
 - 35% host events in the summer, followed by fall (31%), spring (27%) and winter (8%).
 - 50% indicated that either natural grass or artificial turf would meet their needs; 42% preferred artificial turf and 8% preferred natural grass. According to many organizers/promoters, players prefer natural grass and the surface temperature is more manageable compared to artificial turf. However, artificial turf offers more flexibility and is more resistant to weather (e.g. rain) than natural grass. As such, many organizers/promoters prefer a mix of artificial turf and natural grass fields.
- Events represented by those interested:
 - Require a minimum of eight (8) fields, on average. The highest number of required fields was 12.
 - Typically require three (3) total usage days.

MARKET ASSESSMENT

Based on market research, the following summarizes relative market-related strengths/opportunities and challenges/threats related to the proposed outdoor field complex. Some of these are similar to those in the 2017 study and many overlap with those for the proposed new indoor fieldhouse.

Relative Market Strengths/Opportunities

- Amenities in the TOC that serve as a draw for tournament promoters/organizers (e.g. beach, hotel supply, restaurants, retail, etc.)
- Supply and diversity of lodging options
- Well-developed, mature tourism and hospitality industry in place
- Established local, regional and State entities with significant experience attracting and/or creating/hosting sports tournaments/competitions that can assist with marketing the facility
- Growing population within target markets and relatively high median household income within certain target markets
- Interest expressed from tournament promoters/organizers representing multiple sports
- Supports TOC's objective of increasing tourism and enhancing the area's reputation as a sports tournament destination
- Support of facility concept from State sports organizations as an asset in attracting/expanding sporting events in Maryland
- Mid-Atlantic provides a large target market of participants
- Youth sports have historically fared well during economic downturns
- Proposed facility would increase the TOC's ability to host large tournaments/competitions that cannot currently be accommodated
- Regional synergies exist to potentially accommodate large-scale tournaments/competitions requiring an abundance of fields
- Potential to capitalize on shoulder seasons for hosting tournaments to increase demand for hotels during non-peak months
- A new outdoor field complex with a critical mass of multi-purpose rectangular fields at one location could address a supply gap in the immediate market, barring no changes in the existing supply
- Potential to generate incremental new economic and fiscal impacts

Relative Market Challenges/Threats

- Potential expansion of local facilities, specifically MAYS
- Competition from existing outdoor facilities in the region and the U.S.
- Potential future oversaturation of similar outdoor sports facilities
- Drive time from urban areas such as Washington, D.C., Philadelphia and Baltimore given limited direct interstate access

- Traffic congestion, particularly during peak summer months
- Lack of a major airport with direct flight options, particularly for some regional and national tournaments/competitions
- Limited hotel availability and affordable pricing during peak summer months
- Geographic location could be a limitation for attracting certain events requiring a central location within the U.S.
- Local population base may not provide large numbers of youth/adult sports participants relative to other major markets, due to:
 - Relatively small year-round population
 - Relatively high median age
 - Relatively low population base under the age of 18 years old
- Relatively limited corporate base
- Beach is not considered a draw by some during winter months
- Coordinating partnership efforts between the TOC and Worcester County
- Funding/financing for such a facility
- Potential changes in general macro-economic conditions

Overall Summary

Consistent with the study completed in 2017, market research suggests that demand exists for a new outdoor field complex in/near the TOC that offers a critical mass of tournament quality, multi-purpose rectangular fields with associated patron amenities and supporting infrastructure. If developed, this facility would allow the TOC to attract new sports tournaments/competitions that generate significant economic and fiscal impacts to the area. The proposed outdoor field complex could serve a diverse set of demand generators at varying levels of competition. Offering multi-purpose fields will allow the facility to host multiple sports such as soccer, lacrosse, rugby and ultimate that mitigates the reliance on any one sport. The proposed outdoor field complex also creates the opportunity for local and State organizations such as Maryland Sports to develop new sports tournament activity.

With that said, the supply of comparable facilities is continuing to increase both regionally and nationally. As previously mentioned, it is our understanding that MAYS is contemplating the expansion of its current facilities to create a 25-field complex, which may include both diamonds and rectangular fields. If the TOC decides to move forward with the project, timing of development will be important. The growing supply of similar outdoor sports facilities will need to be closely monitored to avoid market saturation. In addition, site location will be an important factor relative to attracting tournaments/competitions that generate non-local attendees and related economic activity.

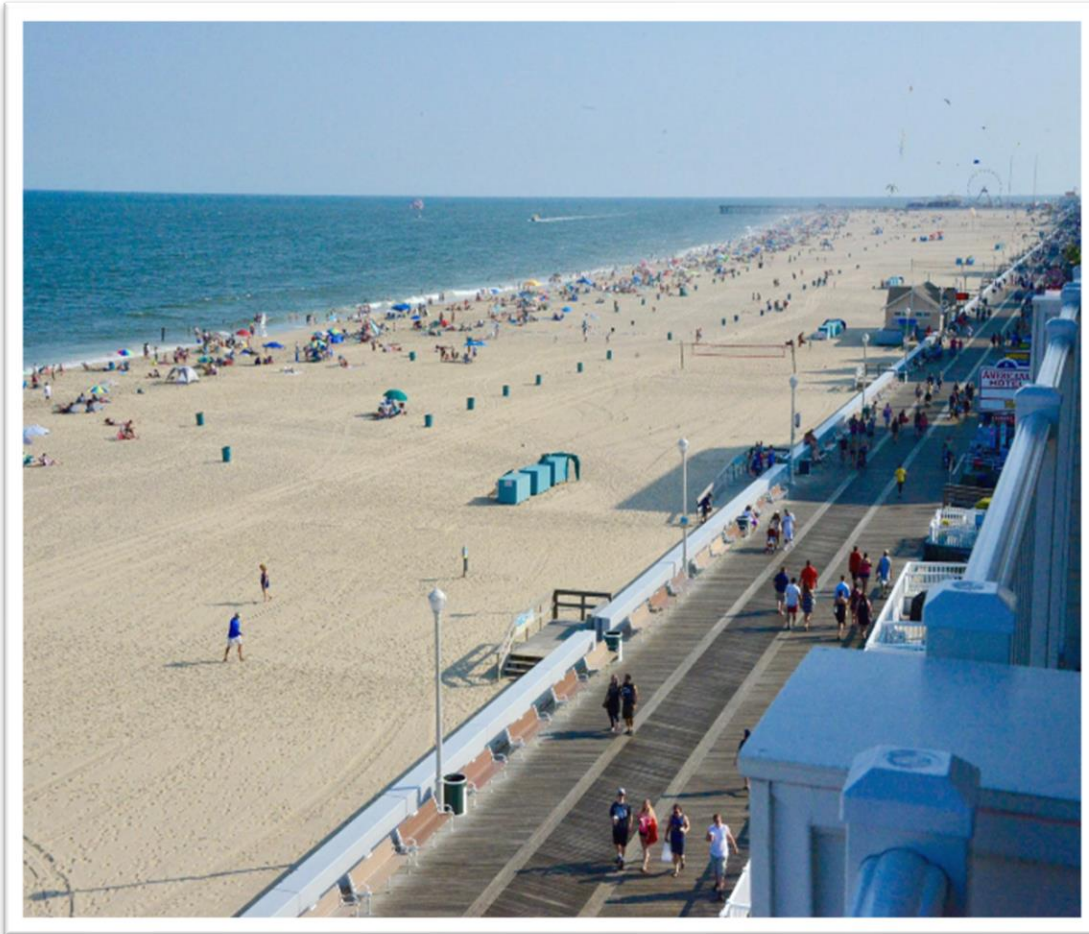
RECOMMENDED BUILDING PROGRAM – OUTDOOR FIELD COMPLEX

Based on the market research conducted as part of this analysis, the following summarizes recommended preliminary program elements, supporting infrastructure and patron amenities for the new outdoor field complex. The recommended building program is generally consistent with that outlined in the 2017 study with minimal adjustments that reflect changes in requirements from potential users, industry trends and changes in the competitive landscape.

- A minimum of 8 to 10 tournament-quality, multi-purpose fields to accommodate competitive field sport events such as soccer, lacrosse, rugby, ultimate, etc.
 - A combination of natural-grass and turf fields should be considered
- Open space for team gathering and warm-up areas for players
- Designated space designed for a “tournament central” area
- Concessions, restrooms and robust Wi-Fi service throughout the complex that can support streaming
- Support space including administrative office space for staff and tournament promoters, a maintenance building and on-site storage for promoters and equipment
- Sufficient and convenient on-site parking
- Supporting infrastructure including electrical connectivity at each field and in the sponsor activation area, etc.
- Strategic space planning to accommodate future expansion, as warranted by demand

Based on industry experience, it is estimated that the program outlined above would require a minimum of approximately 36 to 45 acres of land (assuming 4.5 acres per field needed for fields/support space) depending on the number of fields installed.

5. MARKET ANALYSIS – INDOOR FIELDHOUSE



MARKET ANALYSIS – INDOOR FIELDHOUSE

This section provides an overview of market conditions that may impact the demand for the proposed indoor fieldhouse in/near TOC such as the supply of local and regional indoor sports facilities and trends in indoor sports participation. In addition, this section provides comparable/competitive facility case studies and analyses of the respective markets they operate in as well as an overview of select planned/recently opened indoor sports facilities. These facilities offer a frame of reference in terms of operating characteristics, programmatic elements and other various attributes. While analysis of these facilities can provide significant data, they still only serve as a guide.

Further, this section summarizes input obtained from potential tournament/competition promoters regarding their interest in hosting an event at the proposed indoor fieldhouse as well as their event requirements and attributes.

As noted with the proposed outdoor field complex, the TOC's involvement in the MAASA should create opportunities for the proposed indoor fieldhouse to host larger sports competitions/tournaments in conjunction with other facilities in Worcester and Wicomico counties.

SUPPLY OF LOCAL INDOOR SPORTS FACILITIES

The table below profiles attributes of existing local indoor facilities, defined as those located within the Salisbury MSA, that host similar events to those anticipated to be hosted at the proposed new indoor fieldhouse. Collegiate facilities, such as the William P. Hytche Athletic Center at the University of Maryland Eastern Shore and the Maggs Physical Activities Center at Salisbury University, are not profiled as their primary focus is to accommodate the institution's needs and not sports tourism events.

Attributes of Local Indoor Facilities				
Facility	Location	Fixed Seats	Owner/Operator	Primary Uses
Wicomico Youth & Civic Center	Salisbury	5,600	Wicomico County	Concerts, sporting events, community events, special events
Crown Sports Center	Eden	n/a	Private	Outdoor/Indoor Sports, roller skating, entertainment
Ocean City Convention Center	Ocean City	n/a	Town of Ocean City	Conventions, tradeshow, consumer shows
Northside Park Recreation Complex	Ocean City	n/a	Town of Ocean City	Indoor/Outdoor sports, community events
Worcester County Recreation Center	Snow Hill	520	Worcester County	Indoor/Outdoor sports, tournaments, community events

Sources: Individual Facilities; Secondary Research.

The following pages provide a description of the facilities listed above except for the OCCC and Northside Park Recreation Complex, which were profiled earlier in the report.



Wicomico Youth & Civic Center

Located in Salisbury, Maryland, the Wicomico Youth & Civic Center (WYCC) is a multi-purpose event facility owned by Wicomico County and operated by the Wicomico Department of Recreation, Parks and Tourism. The building hosts a wide range of events throughout the following spaces.

Source: Facility website.

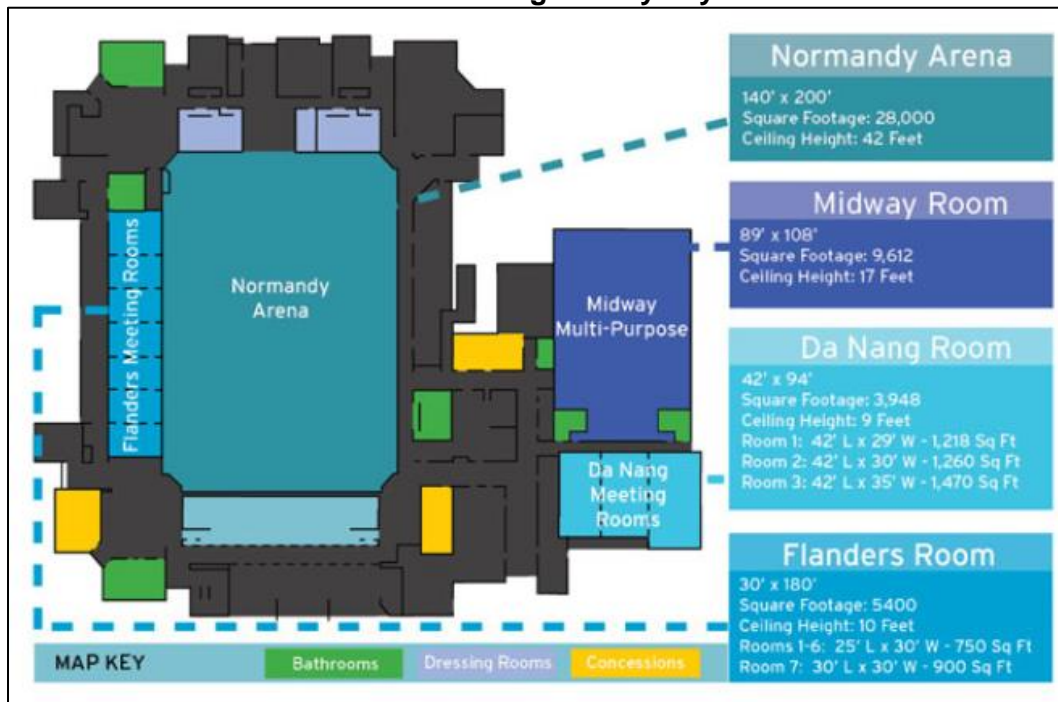
- *Normandy Arena:* The 5,600-seat Normandy Arena offers 28,000 square feet (SF) of space and hosts diverse events such as sporting events, concerts, tradeshow, family shows and other entertainment. The arena features a portable stage with flexible size and height variances as well as full theatrical sound and lighting capabilities. The column-free arena floor allows for flexible seating configurations accommodating 2,500 people for banquets, 3,000 people for theater and up to 6,000 people for concerts.
- *Midway Room:* The Midway Room features 9,612 SF of open space for events such as trade shows, weddings, craft shows and other social gatherings. The Midway Room also offers an auditorium-style stage equipped with full theatrical sound and lighting capabilities. The space accommodates 1,000 people in theater configuration and up to 600 people for banquets.
- *Flanders Room:* The Flanders Room offers 5,400 SF that can be converted into seven separate rooms. The space commonly is utilized for meetings, seminars, weddings and pre-show entertainment events. This space can accommodate 300 people for banquets and 430 people in theater configuration. The Flanders Room is located adjacent to the Normandy Arena.
- *Da Nang Meeting Room:* The Da Nang Meeting Room offers 3,948 SF and can accommodate a variety of events such as meetings, seminars and parties. The space is equipped with two built in room dividers which allows it to be converted into three individual rooms. An outdoor courtyard is directly accessible from the Da Nang Meeting Room, offering additional space for social gatherings and wedding ceremonies. The room seats 150 people for banquets and 240 people in theater configuration.

Based on information from facility management, the WYCC averaged approximately 370 billable events and 166,000 in total attendance from FY 2014-15 to FY 2018-19. Over the same five-year period, the facility averaged 20 sporting events which drew approximately 32,200 in total attendance.

Wicomico County is currently exploring the merits of expanding the facility with the addition of approximately 28,500 SF adjacent to the Midway Room. The current facility configuration can accommodate three (3) basketball courts or six (6) volleyball courts. If expanded, the facility would double its supply to six (6) basketball courts or 12 volleyball courts. It is envisioned that this expansion would allow the facility to attract new sporting events that generate new economic activity, as well as better accommodate existing events.

The graphic on the following page depicts the existing layout of the WYCC.

WYCC - Existing Facility Layout



Source: WYCC website.



Source: Facility website.

Crown Sports Center

Located in Eden, Crown Sports Center features 10.5 acres of outdoor Bermuda grass fields as well as an 82,000 SF climate-controlled indoor facility that offers five (5) turf fields, a multi-surface court, batting cages and two (2) volleyball courts.

In 2020, the indoor facility is scheduled to host tournaments in flag football, soccer, kickball and futsal, among others. In addition, the Crown Sports Center offers the Early Learning Center which houses a 20,000 SF roller-skating arena, two-story laser tag maze, arcade, rock climbing wall and party rooms. Facility ownership has plans to expand the Early Learning Center to double its current capacity.



Source: Facility website.

Worcester County Recreation Center

The Worcester County Recreation Center is located within John Walter Smith Park in Snow Hill. This facility includes a 47,000 SF, climate-controlled, indoor, multi-purpose arena; offices; two (2) multi-purpose courts; six (6) basketball hoops; indoor soccer/lacrosse courts; and a four-lane walking/jogging track.

While the primary purpose of the center is to accommodate local athletic activity, it also hosts practices and tournaments. As such, there may be potential for the center to complement the proposed new indoor fieldhouse.

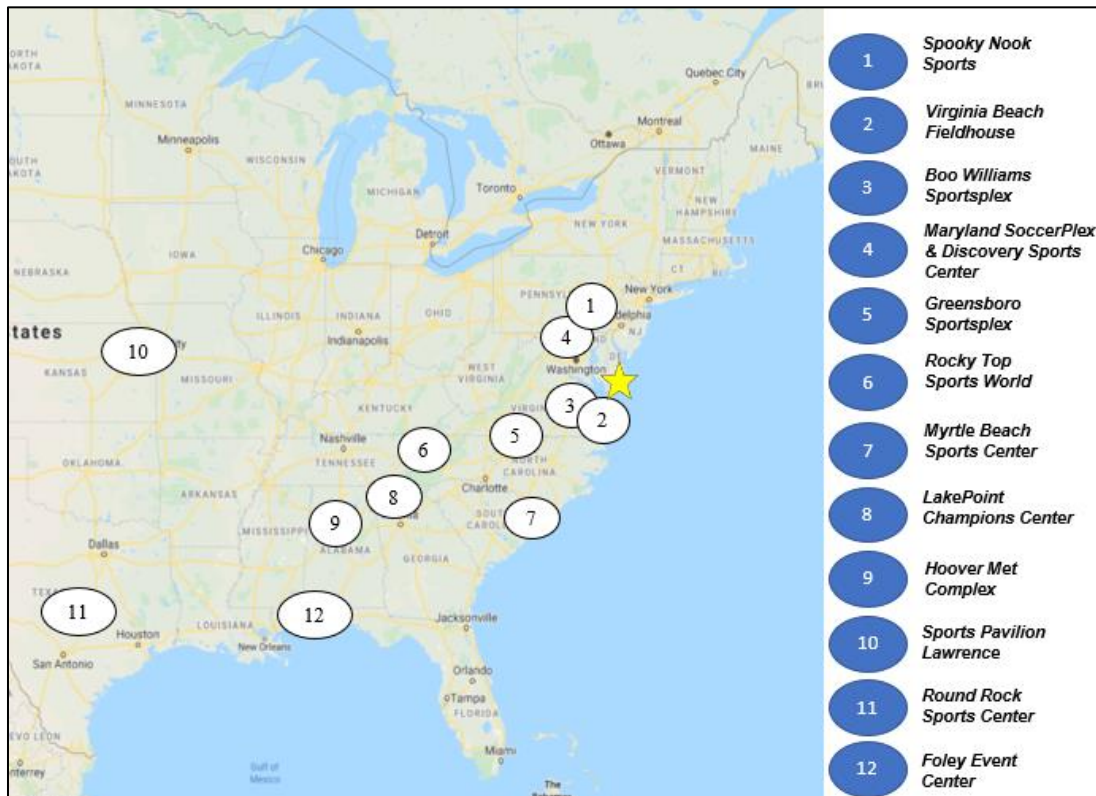
SUPPLY OF REGIONAL INDOOR SPORTS FACILITIES

The existing and planned supply of indoor sports facilities in the region is an important factor to consider when evaluating the merits of the proposed new indoor fieldhouse, as they are likely to compete for tournaments/competitions. Given the objective of the proposed indoor fieldhouse, certain facilities, such as those focused on recreation activity, are not profiled as part of this analysis.

The Virginia Beach Fieldhouse, Spooky Nook Sports, Maryland SoccerPlex & Discovery Sports Center and Boo Williams Sportsplex host similar large sporting events/competitions to those anticipated at the proposed new indoor fieldhouse. From a geographic perspective, these facilities present direct competition for the proposed indoor fieldhouse in/near the TOC. While each of these facilities are located on the outer portion of a 150-mile radius, they are proximate to international airports. A more detailed description of these facilities is provided on the pages that follow.

COMPARABLE/COMPETITIVE FACILITY CASE STUDIES

This section provides case studies on select comparable/competitive indoor sports facilities in terms of ownership/management structure, building program elements, event activity and operating strategies. Information related to these profiled facilities was obtained from direct interviews with management as well as secondary sources. While this section provides an overview of select comparable/competitive facilities, it is not meant to be an all-inclusive inventory. The following facilities were chosen based on their similarity in terms of facility type and/or market focus to that of the proposed indoor fieldhouse.



Note: Star indicates the Town of Ocean City.

Source: Google Maps.



Source: Facility website.

Spooky Nook Sports

Spooky Nook Sports (Spooky Nook), which features 700,000 SF under one roof and over 50 acres of outdoor facilities, opened in 2013 in Manheim, Pennsylvania. As a result of the facility's size, it has the unique ability to simultaneously host clubs, leagues, tournaments and championship events. The facility offers 10 hardwood basketball courts, four (4) field hockey courts, 10 volleyball courts, six (6) soccer fields, a 200-meter track and a full-sized baseball infield. In addition, the facility offers a 135-room on-site hotel for visitors.

According to secondary sources, the facility draws between 8,000 to 20,000 visitors per day on Friday, Saturday and Sunday. Monday through Thursday it averages approximately 2,000 visitors per day.

Spooky Nook recently acquired LANCO Fieldhouse, a 62,000 SF indoor sports facility consisting of four (4) indoor turf fields, seating for 700 spectators, batting cages and parking for 240 cars, among other amenities. LANCO Fieldhouse now operates under the name of Spooky Nook Sports LANCO and serves as an extension of the main facility's programming. Spooky Nook Sports LANCO is located approximately five miles from the main facility.

In addition, there are currently plans for the development of a new indoor sports facility named Spooky Nook Sports at Champion Mill which will be in Hamilton, Ohio. An old paper mill will be repurposed to develop the new indoor facility. In addition to the sports facility, there are plans for the broader complex to feature a fitness center, hotel, restaurants, brewery, meeting and event space as well as other entertainment venues. The indoor facility is anticipated to open in 2021 and, according to secondary sources, is planned to be the largest indoor sports facility in North America.

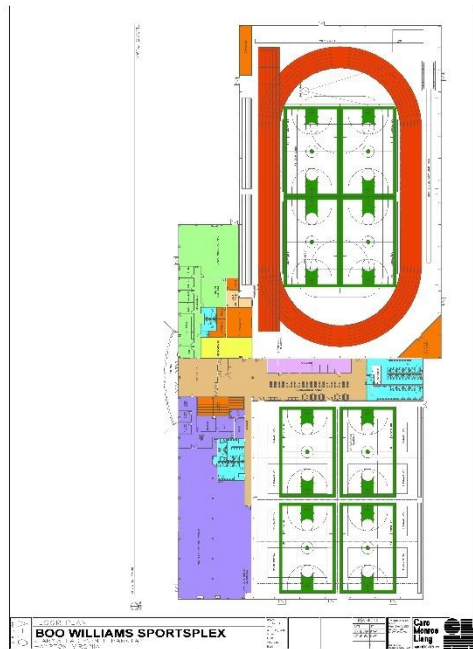


Source: Facility website.

Virginia Beach Fieldhouse

The Virginia Beach Fieldhouse is a 175,000 SF indoor sports facility. The area surrounding the facility features beaches, hotels, restaurants, local shops and other entertainment/attractions. The facility offers four (4) large turf fields, two (2) small carpet turf fields, four (4) basketball courts, eight (8) volleyball courts and eight (8) outdoor sand volleyball courts.

In 2019, the facility hosted various event activity including leagues, camps, clinics and tournaments in soccer, flag football, basketball, volleyball, indoor baseball/softball, field hockey, lacrosse and dodgeball. The venue also includes multiple party rooms, an arcade and an indoor fun zone to accommodate team building events and parties. The facility is privately owned and operated by Eastern Sports Management.



Source: Facility website.

Boo Williams Sportsplex

Located in Hampton, Virginia, Boo Williams Sportsplex (BWSP) is a full-service 135,000 SF, multi-sport indoor facility that was developed by Boo Williams, a prominent local athlete, coach and youth sports advocate, in partnership with a group of private investors and in conjunction with the City of Hampton. The BWSP was developed on approximately 10 acres of land owned by the City of Hampton under a long-term (100 year) Ground Lease Agreement. The BWSP officially opened in March 2008 with program elements including eight (8) basketball courts or 12 volleyball courts, a regulation size indoor track and field setup, seating for 4,000 spectators, a concession area, meeting/banquet space, training rooms, a merchandise area and 15,000 SF of rental space. Wi-Fi is available throughout the complex. Originally privately owned, the City purchased the facility in 2017. The facility is privately operated.

Historically, the venue has hosted approximately 30 basketball tournaments annually with paid admissions averaging approximately 45,000 people per year. The BWSP hosts an average of 1,840 basketball teams annually, of which approximately 65% are from out-of-state. The BWSP also hosts a number of track meets as well as competitions involving other indoor sports such as volleyball, martial arts, cheerleading, gymnastics, etc.

The success of the BWSP business model is based on management's ability to attract events and host them in a first-class manner that generates both repeat and new business annually. The primary revenue streams are ticket sales for admission, court and space rental fees, concession sales, merchandise sales, sponsorships and commissions on sales. The primary activities are youth sports. The peak season typically occurs between December and July, which encompasses both indoor track & field and the Amateur Athletic Union (AAU) basketball season.

The BWSP management team has a strong working relationship with the Hampton Convention and Visitors Bureau (Hampton CVB) which includes a Sports Commission under its umbrella organization. Representatives from both the venue and the Hampton CVB meet bi-weekly to review their upcoming events; potential bid opportunities; and how they can best position the BWSP and Hampton for potential economic-generating events. The venue considers their relationship with the Hampton CVB a critical success factor in terms of long-term planning, marketing for events and promoting Hampton's visitor amenities to BWSP attendees. The Hampton CVB helps with the preparation of RFP responses and supplemental funding for event-related costs such as rent on a case-by-case basis. There is no formal agreement between the two organizations regarding event subsidies, but consideration is typically given for events that generate economic impact for the City and have not previously been held there.

According to BWSP representatives, having a management team with connections in the sports industry as well as a marketing partner such as a destination marketing organization or sports commission are best practices. Other lessons learned include choosing events wisely because some are not profitable due to limited attendance or limited potential overnight stays. Having a leadership team well-versed in the industry can help to avoid costly mistakes in the initial operation of a new venue.



Source: Facility website.

Maryland SoccerPlex & Discovery Sports Center

Located in Boyds, Maryland, the Maryland SoccerPlex & Discovery Sports Center is owned by the Maryland-National Capital Park and Planning Commission (M-NCPPC), a bi-county agency. The indoor/outdoor sports complex was built by the non-profit Maryland Soccer Foundation (MSF) on approximately 162 acres of County-owned land. The MSF has a 40-year lease agreement with the County and is responsible for operating and maintaining the complex at the MSF's sole expense.

As previously noted, the outdoor SoccerPlex includes 24 outdoor fields that are primarily used for soccer and lacrosse, one of which is a 3,200-seat championship stadium. The Maryland SoccerPlex & Discovery Sports Center also includes the 66,000 SF indoor venue (Discovery Sports Center) which opened in 2000. The indoor facility features office space, restrooms, concessions, meeting rooms and eight (8) convertible basketball/volleyball courts that are also able to accommodate indoor futsal, lacrosse and rugby as well as trade shows and special events.

In FY 2018, Discovery Sports Center hosted approximately 26 tournaments in basketball and volleyball. The indoor venue does not offer spectator seating which, according to management, has hindered its ability to host many tournaments.

The complex's development was driven by growing residential demand for amateur and youth sports venues. The MSF's annual operating expenses are approximately \$5.1 million. The MSF's revenue streams include, but are not limited to, field rental charges, rentals of the indoor venue, hotel rebates and a portion of concessions from the contracted vendor. The complex is operated by 11 full-time staff and up to 120 seasonal, part-time staff.

The MSF has a booking priority that gives preference to organizations that support children from Maryland with most games allocated to Montgomery County children, specifically those living in Upper County. According to management, approximately 650,000 attendees (including participants and spectators) utilize the complex each year.



Greensboro Sportsplex

The Greensboro Sportsplex (Sportsplex) is a 106,000 SF indoor, multi-sport complex that offers eight (8) hardwood basketball courts, five (5) sport courts, one (1) inline roller hockey rink, four (4) indoor soccer fields and a 5,000 square-foot fitness center. The facility, which is in Greensboro, North Carolina, was originally developed by a private developer in 2001. The City of Greensboro purchased the complex in 2003. The eight basketball courts and five sport courts allow for 11 total volleyball courts.

Source: Facility website.

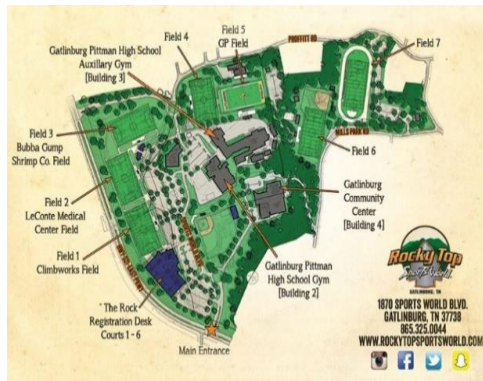
In an effort to reduce operational costs and become a break-even operation, the City has privatized many of its sports offerings, concessions and fitness centers with a focus on reducing City staff positions and expenditures. In 2003, the City started to consolidate its publicly offered youth and adult recreation programs with private programs. Soccer and basketball programs were merged with club-managed programs. In FY 2019, the Sportsplex had total expenditures of approximately \$589,000. The Sportsplex is operated through the Parks and Recreation Department and funded by the City's general fund. There are three full-time staff and up to 25 part-time, seasonal employees used on an as-needed basis. Other City departments handle outdoor maintenance and landscaping responsibilities, so this does not impact the Sportsplex's budget.

In recent years, the City engaged in a competitive bid process to solicit proposals from organizations interested in offering sports programming at the Sportsplex. Through this process, the department has entered into revenue generating contracts with the Piedmont Volleyball Club and Soccer OP!. Piedmont Volleyball Club offers volleyball programming such as camps, clinics, leagues and Junior Olympic Club operations, among other event activity. The Piedmont Volleyball Club was the result of two club programs merging to form one lead club for the area.

Soccer OP! offers multiple indoor soccer tournaments as well as activity such as camps, leagues and private training. Soccer OP! began as a winter programming soccer company in 2003 before growing into a year-round academy training program in Greensboro and then eventually expanding into Winston Salem, Burlington, High Point and Jamestown.

The clubs lease the Sportsplex and both have multi-year agreements with two optional one-year renewal terms. The City is guaranteed annual revenue for their operation through these agreements and does not absorb the costs associated with managing and operating sports programs. The facility offers programming through third-party event promoters including the North Carolina Basketball Academy Camps, which also offers one-on-one classes and group classes. The Sportsplex has hosted tournament activity such as the NCAA-USSSA Showcase Tournament, USSSA Girls Tournaments and 3-on-3 Summer Round Ball Tournament.

In 2013, the City revised its vision for the Sportsplex by focusing on tournament play and special events. In FY 2018, the Sportsplex hosted 46 tournaments including volleyball, basketball, soccer and in-line hockey events.



Source: Facility website.

Rocky Top Sports World

Located in Gatlinburg, Tennessee, the 80-acre Rocky Top Sports World (Complex) opened in 2014 and is a joint development of the City of Gatlinburg and Sevier County. The City contributed approximately 70% of the development cost by issuing bonds and the County contributed the balance utilizing bonds and grants. The facility is managed by Sports Facilities Management (SFM).

The Complex includes seven (7) outdoor fields with one being a championship stadium and an indoor court complex referred to as “The Rock”. The Rock has 53,000 SF of hardwood court space in an 86,000 SF facility. The configuration allows for six (6) basketball courts or 12 volleyball courts in addition to team rooms, referee locker rooms, a full-service indoor/outdoor café, office space for coaches and a balcony viewing area. There is a separate facility in an adjacent location that can accommodate four (4) additional basketball courts and five (5) additional volleyball courts.

Any teams that are based in Sevier County or affiliated with a Sevier County School qualify for the opportunity to use the Rocky Top facilities for free. Specific times are allocated during the week for this free use.

The Complex was created to encourage sports tourism in the City and County. Local officials indicate that having a booking policy clearly outlining the objectives of the complex is important for long-term success. Marketing of the Complex is part of the private management team’s annual budget but is significantly augmented by the City’s overall tourism marketing budget. The Complex management team works closely with the City, State, Gatlinburg CVB, school officials and hoteliers to maximize bookings, particularly during the slower winter months when tourism surrounding the Smoky Mountains is not as robust.

According to the City’s 2018 Comprehensive Annual Financial Report, Rocky Top Sports World generated \$1.1 million in operating revenues and of \$1.6 million in operating expenses in 2018, excluding depreciation. Operating revenues primarily consisted of food services, events, sponsorships and building and outdoor rentals. Operating expenses primarily consisted of personnel costs, occupancy and contractual services.

In FY 2017-18, the complex hosted 190 events, including 61 multi-day events in both traditional and non-traditional sports and drew over 120,000 athletes and spectators to the complex, according to facility management.



Source: Facility website.

Myrtle Beach Sports Center

Located in South Carolina, the Myrtle Beach Sports Center (Sports Center) is located adjacent to the Myrtle Beach Convention Center. Opened in March 2015, the 100,000 SF indoor sports facility includes eight (8) basketball courts and 16 volleyball courts spread over 72,000 SF of column-free hardwood space. The venue was designed to host court sports, wrestling, gymnastics, table tennis, pickleball and other sporting events as well as trade shows.

To service the event space, there are multiple team rooms, telescopic bleachers, a private mezzanine for elevated viewing and a café with indoor/outdoor seating. The Sports Center was publicly funded by the City of Myrtle Beach who also owns the facility. The City contracts with a third party to manage the venue.

The Sports Center was designed to attract sports competitions that draw out-of-town visitors and therefore does not regularly host local league play. The venue is operated as part of the City's broader sports tourism division. In FY 2017-18, the facility had expenses of approximately \$567,000. Community organizations market the many visitor amenities Myrtle Beach has to offer for sporting event participants and their friends/family including its beaches, golf and other family-friendly attractions.

The Sports Center hosts approximately 30 to 35 events annually. As part of the City's strategic objectives for 2019-20, the City and facility management are working together to identify events that would improve the Sports Center's economic impact between the months of August and January in future years.



Source: Facility website.

LakePoint Champions Center

LakePoint Champions Center opened in 2016 in Emerson, Georgia. The 170,000 SF facility offers 12 hardwood basketball courts or 24 volleyball courts as well as meeting space, locker rooms and a food court. The facility is part of the broader 1,300-acre LakePoint Sports campus, which also includes a 10-court beach volleyball pavilion; eight (8) major league-sized baseball fields; three (3) multi-use fields for soccer, lacrosse, rugby and football; and a wakeboarding facility. The LakePoint Champions Center is located proximate to LakePoint Station which includes restaurants, a rock-climbing wall, laser maze, arcade and a miniature golf course.

There are currently plans for a 200-room hotel to be built adjacent to the LakePoint Champions Center. It is anticipated that the hotel will open in 2021. Other developments such as additional hotels, restaurants and entertainment are also being considered.

According to secondary sources, the campus hosted more than 1.25 million visitor days in 2018. The LakePoint Champions Center host approximately 30 events annually including regional and national tournaments/competitions in basketball, volleyball, gymnastics, wrestling and cheerleading, among others. The facility is the official home to the training camp of the Harlem Globetrotters. The LakePoint Champions Center is privately owned and operated.

It should be noted that ownership filed for Chapter 11 bankruptcy in 2018 in order to restructure and create opportunity for future growth. The filing included most of the complex but did not include the indoor LakePoint Champions Center.



Hoover Met Complex

Opened in 2017 in Hoover, Alabama, the Hoover Met Complex is home to the Finley Center, which is a state-of-the-art 155,000 SF sports complex and event venue. The center features 83,000 SF of continuous space and hosts a variety of event activity including sports tournaments, banquets, tradeshow, recreation programs and community meetings. The center features capacity for 11 basketball courts or 17 volleyball courts and seats up to 1,800 spectators. In addition, the facility offers three (3) meeting rooms available for coaches, trainers and athletes during tournament play. The center has hosted tournaments such as Blue Chips Basketball, Worldwide Spirit Association Cheer, Amateur Athletic Union Super Regional Volleyball Tournament and Future 150 Basketball.

Source: Facility website.

In addition to the Finley Center, the complex as a whole features multiple outdoor fields, including five (5) NCAA regulation-size baseball/softball fields, five (5) multipurpose fields and a 16-court tennis complex; Hoover Met Stadium, which is home to the SEC Baseball Tournament as well as other programming such as football and soccer games, beach volleyball tournaments, concerts, clinics and other competitions; and Hoover Climbing and Adventure, an area consisting of multiple rock climbing walls. The complex offers more than 4,000 parking spaces and 170 RV spaces equipped with water, sewage and power hookups.

Hoover Met Complex is owned by the City and operated by SFM. The City contributes about \$3.2 million towards operations and \$2.8 million in annual debt payments. In 2019, management reported that more than 135,000 people from local sports groups used the complex including more than 75,000 at the indoor Finley Center. In addition to local users, the complex drew approximately 162,700 people to the SEC Baseball Tournament and more than 182,000 people to other events.



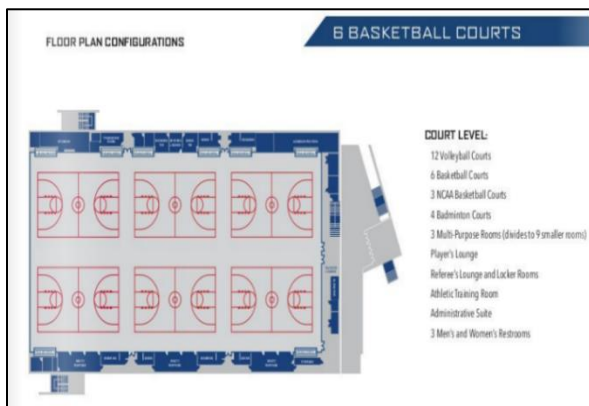
Sports Pavilion Lawrence

Opened in October 2014, Sports Pavilion Lawrence is a 181,000 SF indoor sports venue located in Lawrence, Kansas. The facility is owned and operated by the City of Lawrence. The facility was constructed within Rock Chalk Park, which consists of approximately 89 acres and is adjacent to 46 acres of City-owned land. The City purchased 26 acres for the construction of Sports Pavilion Lawrence.

The facility features eight (8) full-size basketball courts or 16 full-size volleyball courts as well as indoor turf areas; rooms for gymnastics and aerobics/fitness; and cardio and weights areas. In addition, there is a 1/8-mile indoor walking/jogging track, meeting rooms, offices and event support areas.

Source: Facility website.

The facility averages 35 to 40 weekend events annually. According to facility management, the facility was estimated to generate \$585,000 in revenues and \$968,000 in expenses in 2019. In 2018, approximately 600,000 people visited the facility. Admission to the facility is free for Douglas County residents. The daily fee for a non-resident is \$5.00. The facility has eight full-time positions and 30 part-time positions.



Round Rock Sports Center

The City of Round Rock, Texas owns and operates the Round Rock Sports Center (Center) which opened in January 2014. The Center is an indoor sports facility with six (6) basketball courts or 12 volleyball courts and a seating capacity of 1,300 spectators. The facility sits on 24 acres, offers total court space of approximately 47,800 SF and a gross building area of 82,800 SF.

Source: Facility website.

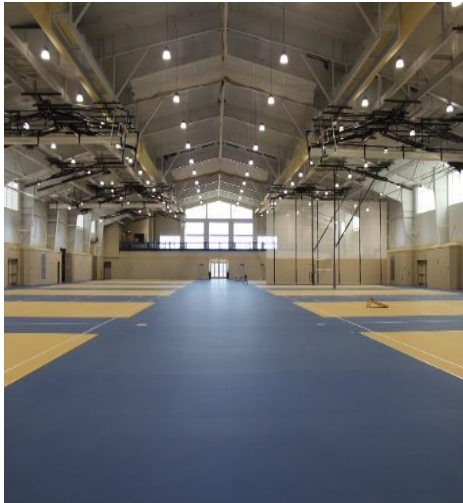
The primary purpose of the Center is to draw tournaments and events as part of the City's sports tourism program. The Center is not a walk-in facility but services the community by hosting club sports team practices during the week and tournaments on the weekends.

The Center is designed with the courts on a lower level and all seating is on the mezzanine level. Originally, seating was designed on the court level, however, if the seating is in place, it does not allow enough space around the courts for an adequate competition surface for volleyball. The court level spectator bleachers, which can accommodate up to 500 spectators, are brought in for wrestling as the sport has a smaller competition area. The facility hosts college showcase tournaments and is designed to accommodate NCAA rules governing college coaches' access.

There are locker rooms to support club programs during the week, however, these are not utilized during weekend tournaments. There is a referee's lounge, referee's locker rooms, a training room and three multi-purpose rooms. There are approximately 500 paved parking spots. After initial construction, the facility added a climate-controlled, 4,600 square-foot outdoor storage space to accommodate their floor coverings and concession supplies.

Peak usage occurs January through July. Representatives indicated that the facility is typically booked at 95% usage rate during peak weekday periods between 5:00 pm and 10:00 pm and all day on the weekends. The facility offers "Peak hour" as well as "Off-peak hour" rental rates.

The facility averages approximately 35 multi-day tournaments/events and 13 single-day tournaments with 6,900 total court bookings annually. This activity annually generates approximately \$2.6 million in total revenues and \$2.2 million in total expenses which includes debt service of approximately \$370,000. The facility has 11 full-time equivalent positions.



Source: Facility website.

Foley Event Center

Opened in 2017 in Foley, Alabama, the Foley Event Center is owned by the City of Foley and operated by the Foley Recreation Department. The 90,000 SF facility offers six (6) basketball courts or 12 volleyball courts. The facility also offers five (5) meeting rooms, three (3) concession/vending areas and two (2) mezzanines overlooking the main floor. Foley Event Center is part of Foley Sports Tourism which also includes an outdoor sports complex with 16 multi-purpose fields including a 1,000-seat championship field. The fields annually host tournament activity in lacrosse, soccer and football, among other sports.

Foley Event Center is adjacent to OWA, which is a 520-acre entertainment destination that offers a large supply of retail and dining options. The OWA is also home to an amusement park and amphitheater. The facility is also proximate to the Tanger Outlets, which consist of over 100 stores, and several beaches.

According to facility management, the Foley Event Center host between 40 and 60 sporting events annually. Sporting events hosted at the facility include volleyball, basketball, archery, gymnastics, cheerleading and more. The facility also hosts non-sporting events such as meetings, graduations and exhibits.

Summary of Comparable/Competitive Facilities

The following table summarizes comparable/competitive facilities in terms of building program elements and owner/operator. As shown, the profiled facilities range in size from 66,000 SF to 700,000 SF. Excluding Spooky Nook Sports, these facilities average approximately 122,000 SF. In addition, these facilities offer an average of eight (8) basketball courts and 13 volleyball courts. Nine (or 75%) of the profiled facilities are owned by a governmental entity; however, only four (or 33%) are operated by one. Most of the profiled facilities are privately operated.

Summary of Comparable/Competitive Facilities								
Facility	Location	Year Opened	Square Feet	Owner	Operator	Number of Courts		
						Basketball	Volleyball	
Spooky Nook Sports	Manheim, PA	2013	700,000	Private	Private	10	10	
Sports Pavilion Lawrence	Lawrence, KS	2014	181,000	City	City	8	16	
Virginia Beach Fieldhouse	Virginia Beach, VA	2010	175,000	Private	Private	4	8	
LakePoint Champions Center	Emerson, GA	2016	170,000	Private	Private	12	24	
Hoover Met Complex	Hoover, AL	2017	155,000	City	Private	11	17	
Boo Williams Sportsplex	Hampton, VA	2008	135,000	City	Private	8	12	
Greensboro Sportsplex	Greensboro, NC	2001	106,000	City	City	8	11	
Myrtle Beach Sports Center	Myrtle Beach, SC	2015	100,000	City	Private	8	16	
Foley Event Center	Foley, AL	2017	90,000	City	City	6	12	
Rocky Top Sports World	Gatlinburg, TN	2014	86,000	County	Private	6	12	
Round Rock Sports Center	Round Rock, TX	2014	82,800	City	City	6	12	
Maryland SoccerPlex & Discovery Sports Center	Boyd's, MD	2000	66,000	Bi-County Agency	Non-Profit	8	8	
Average		2012	170,600			8	13	

Notes: Sorted in descending order by square feet.

Sources: Individual facilities; secondary sources.

These profiled indoor sports facilities generally host between 25 to 50 tournaments annually. Some complexes, such as Rocky Top Sports World, host more events because they offer outdoor fields in addition to an indoor sports facility. Based on information obtained from secondary sources, annual event activity hosted at these profiled facilities generates significant economic impact to the surrounding areas.

In addition to these profiled facilities, the 76ers Fieldhouse and The St. James also pose a certain degree of competition for the proposed new indoor fieldhouse. Although not a singular market focus, each of these facilities host several tournaments in various sports.

Opened in 2019, the 76ers Fieldhouse is located in Wilmington, Delaware and is home to the NBA Philadelphia 76ers G league team (the Delaware Blue Coats), Nemours Sports Medicine and Titus Sports Academy. The 161,000 SF facility offers an indoor and outdoor turf field and three (3) full-sized NBA regulated basketball courts that can transfer into one arena for the Delaware Blue Coats and other championship games. The arena has a capacity of 2,500 people.

The St. James is a 450,000 SF private sports/health facility located in Springfield, Virginia that features a 140,000 SF Field House containing a regulation sized turf field and seating for 950 spectators; a 32,000 SF Court House containing four (4) basketball courts or nine (9) volleyball courts with retractable seating for 1,000 people; a 65,950 SF Ice House containing two (2) NHL-sized hockey rinks; a 10,000 SF Performance House for gymnastics; a Pool House with an indoor 52 meter Olympic-sized training and competition pool; a 14,000 SF Squash and Golf House featuring eight (8) squash courts; and a 8,125 SF Hitting House with turf flooring and pitching machines; meeting space; and other lifestyle amenities. The facility is available through various types of memberships, while the public can sign up for various sports programs. While much of the facility is focused on training, leagues, camps, clinics and overall health and wellness, it also accommodates tournaments in basketball, volleyball and futsal, among others. The facility opened in 2018 and is privately owned and operated.

COMPARABLE/COMPETITIVE FACILITY MARKETS

This section compares market attributes associated with the previously profiled comparable/competitive facilities to those for the proposed indoor fieldhouse in/near the TOC. Comparatively speaking, reviewing target markets for comparable/competitive facilities can offer insight into the markets from which the proposed indoor fieldhouse in/near the TOC would draw participants/attendees. As such, the subsequent pages analyze several market characteristics including population, age, households, income and spending.

Population

For comparative purposes, the following table provides an overview of populations within the target markets for each of the previously profiled comparable/competitive facilities as well as the target markets in which the proposed new indoor fieldhouse would operate in. As shown, the 30-, 60- and 120-minute drive time populations associated with the proposed indoor fieldhouse are significantly below the average and median of all markets associated with comparable/competitive facilities. The 180-minute drive time is relatively consistent with both the average and median of all target markets associated with profiled comparable/competitive facilities.

The target markets for the proposed indoor fieldhouse are most like Rocky Top Sports World, which has a reputation for being a first-class facility and accommodating event promoters' needs with exceptional customer service and amenities. As such, Rocky Top Sports World can attract many large indoor events that draw attendees from a broader market area, such as the 180-minute drive time.

Population - 2019					
Facility	Location	30-Minute Drive Time	60-Minute Drive Time	120-Minute Drive Time	180-Minute Drive Time
Round Rock Sports Center	Round Rock, TX	1,262,537	2,615,634	5,743,879	16,760,684
Virginia Beach Fieldhouse	Virginia Beach, VA	864,778	1,484,946	2,502,099	4,792,052
Greensboro Sportsplex	Greensboro, NC	701,919	2,134,313	7,755,924	12,055,754
LakePoint Champions Center	Emerson, GA	668,205	3,092,685	8,147,367	13,344,459
Hoover Met Complex	Birmingham, AL	642,901	1,321,443	3,421,333	10,605,176
Boo Williams SportsPlex	Hampton, VA	624,729	1,745,406	3,463,116	6,569,343
Spooky Nook Sports	Manheim, PA	573,338	2,109,887	12,706,581	28,362,806
Maryland SoccerPlex & Discovery Sports Center	Boyd's, MD	566,014	4,003,231	10,437,156	17,644,900
Myrtle Beach Sports Center	Myrtle Beach, SC	285,193	478,696	1,678,226	4,904,448
Sports Pavilion Lawrence	Lawrence, KS	284,859	1,963,876	3,176,953	5,060,421
Foley Event Center	Foley, AL	122,417	694,185	1,819,766	3,526,950
Proposed Indoor Fieldhouse	Ocean City, MD	64,500	367,070	850,912	9,203,482
Rocky Top Sports World	Gatlinburg, TN	24,329	170,010	1,980,214	5,366,360
Average (excludes Proposed Indoor Fieldhouse)		551,768	1,817,859	5,236,051	10,749,446
Median (excludes Proposed Indoor Fieldhouse)		599,034	1,854,641	3,442,225	8,587,260
Rank (Out of 13)		12	12	13	7

Note: Sorted in descending order by 30-Minute Drive Population.

Source: Esri.

Projected Population Growth (2019 – 2024)

The following table provides the projected 2019 to 2024 annual growth rate of each of the target markets associated with the profiled comparable/competitive facilities. The projected annual growth rate within the 30-minute drive time associated with the proposed indoor fieldhouse is lower than the average of target markets associated with comparable/competitive facilities. Both the 60- and 120-minute drive time markets are expected to grow at a faster rate than the average. The 180-minute drive time population is projected to grow at a slower rate than the average and ranks in the lower portion of target markets for comparable/competitive facilities.

Projected Annual Growth Rate (2019 to 2024)					
Facility	Location	30-Minute Drive Time	60-Minute Drive Time	120-Minute Drive Time	180-Minute Drive Time
Round Rock Sports Center	Round Rock, TX	2.56%	2.44%	1.89%	1.78%
Myrtle Beach Sports Center	Myrtle Beach, SC	2.45%	2.14%	1.26%	1.13%
Foley Event Center	Foley, AL	1.96%	1.03%	0.90%	0.75%
LakePoint Champions Center	Emerson, GA	1.58%	1.37%	1.26%	1.06%
Maryland SoccerPlex & Discovery Sports Center	Boyd's, MD	0.97%	1.02%	0.87%	0.75%
Greensboro Sportsplex	Greensboro, NC	0.88%	0.83%	1.24%	1.01%
Proposed Indoor Fieldhouse	Ocean City, MD	0.88%	1.30%	1.20%	0.61%
Rocky Top Sports World	Gatlinburg, TN	0.79%	0.62%	0.74%	0.73%
Spooky Nook Sports	Manheim, PA	0.61%	0.57%	0.44%	0.54%
Hoover Met Complex	Birmingham, AL	0.56%	0.53%	0.39%	0.79%
Virginia Beach Fieldhouse	Virginia Beach, VA	0.53%	0.50%	0.52%	0.66%
Sports Pavilion Lawrence	Lawrence, KS	0.51%	0.81%	0.61%	0.48%
Boo Williams SportsPlex	Hampton, VA	0.27%	0.56%	0.68%	0.72%
Average (excludes Proposed Indoor Fieldhouse)		1.14%	1.04%	0.90%	0.87%
Median (excludes Proposed Indoor Fieldhouse)		0.84%	0.82%	0.81%	0.75%
Rank (Out of 13)		6	4	5	11

Note: Sorted in descending order by 30-Minute Drive Projected Annual Growth Rate.

Source: Esri.

Total Number of Households

The number of households within each of the proposed indoor fieldhouse's target markets is lower than the average of target markets for comparable/competitive facilities.

Number of Households - 2019					
Facility	Location	30-Minute Drive Time	60-Minute Drive Time	120-Minute Drive Time	180-Minute Drive Time
Round Rock Sports Center	Round Rock, TX	478,345	978,431	2,122,108	6,004,809
Virginia Beach Fieldhouse	Virginia Beach, VA	325,468	554,963	947,263	1,831,591
Greensboro Sportsplex	Greensboro, NC	282,546	852,701	3,028,083	4,707,794
Hoover Met Complex	Birmingham, AL	257,781	517,636	1,338,971	4,095,358
LakePoint Champions Center	Emerson, GA	240,172	1,192,680	3,016,902	5,064,757
Boo Williams SportsPlex	Hampton, VA	233,368	654,092	1,318,830	2,463,300
Spooky Nook Sports	Manheim, PA	221,206	806,981	4,840,471	10,653,550
Maryland SoccerPlex & Discovery Sports Center	Boyd's, MD	201,495	1,489,271	3,919,951	6,684,736
Myrtle Beach Sports Center	Myrtle Beach, SC	120,673	199,040	670,376	1,898,713
Sports Pavilion Lawrence	Lawrence, KS	115,171	782,243	1,245,687	1,984,735
Foley Event Center	Foley, AL	49,647	274,131	701,775	1,371,968
Proposed Indoor Fieldhouse	Ocean City, MD	28,517	145,271	326,342	3,528,069
Rocky Top Sports World	Gatlinburg, TN	9,873	67,287	812,657	2,162,833
Average (excludes Proposed Indoor Fieldhouse)		211,312	697,455	1,996,923	4,077,012
Median (excludes Proposed Indoor Fieldhouse)		227,287	718,168	1,328,901	3,279,329
Rank (Out of 13)		12	12	13	7

Note: Sorted in descending order by 30-Minute Drive number of households.

Source: Esri.

Median Age

As previously mentioned, a younger median age indicates that a market may have more potential demand to support an indoor sports facility in terms of participation. The median age within target markets for the proposed indoor fieldhouse is older than the average for the profiled comparable/competitive facilities, except for the 180-minute drive time.

Median Age - 2019					
Facility	Location	30-Minute Drive Time	60-Minute Drive Time	120-Minute Drive Time	180-Minute Drive Time
Round Rock Sports Center	Round Rock, TX	34.0	33.9	34.7	34.9
Sports Pavilion Lawrence	Lawrence, KS	34.8	37.3	37.5	37.8
Boo Williams SportsPlex	Hampton, VA	35.2	37.0	38.5	38.5
Virginia Beach Fieldhouse	Virginia Beach, VA	36.6	36.2	38.1	38.9
LakePoint Champions Center	Emerson, GA	36.8	36.4	37.2	38.0
Hoover Met Complex	Birmingham, AL	38.4	38.2	39.2	37.9
Greensboro Sportsplex	Greensboro, NC	38.7	39.3	38.4	39.0
Maryland SoccerPlex & Discovery Sports Center	Boyd's, MD	39.5	37.9	38.5	38.9
Spooky Nook Sports	Manheim, PA	40.6	40.6	39.8	39.6
Foley Event Center	Foley, AL	42.9	39.7	39.3	39.2
Myrtle Beach Sports Center	Myrtle Beach, SC	44.0	45.0	41.5	38.1
Rocky Top Sports World	Gatlinburg, TN	44.6	44.2	43.0	42.5
Proposed Indoor Fieldhouse	Ocean City, MD	54.3	45.1	42.5	38.4
Average (excludes Proposed Indoor Fieldhouse)		38.8	38.8	38.8	38.6
Median (excludes Proposed Indoor Fieldhouse)		38.6	38.1	38.5	38.7
Rank (Out of 13)		13	13	12	6

Note: Sorted in ascending order by 30-Minute Drive Median Age.

Source: Esri.

Youth (Under the Age of 18)

The following table compares the number of people under the age of 18 within each target market for the proposed indoor fieldhouse and profiled comparable/competitive facilities. As previously mentioned, this age demographic is a popular target market for participants in sports tournaments/competitions. As shown, population under the age of 18 in the proposed indoor fieldhouse's target market areas ranks low relative to that for the profiled comparable/ competitive facilities. As with total population, the target markets for the proposed new indoor fieldhouse are most like Rocky Top Sports World in terms of population under the age of 18. Given the relatively low supply of individuals under the age of 18 in the 30- and 60-minute drive time markets, it is reasonable to assume that the proposed indoor fieldhouse in/near the TOC may host less local sports activity such as leagues, practices and camps in comparison to other profiled comparable/competitive facilities.

Population Under the Age of 18 - 2019					
Facility	Location	30-Minute Drive Time	60-Minute Drive Time	120-Minute Drive Time	180-Minute Drive Time
Round Rock Sports Center	Round Rock, TX	310,584	646,062	1,367,043	4,156,650
Virginia Beach Fieldhouse	Virginia Beach, VA	191,981	323,718	527,943	1,011,123
LakePoint Champions Center	Emerson, GA	161,037	711,318	1,898,337	3,002,503
Greensboro Sportsplex	Greensboro, NC	147,403	450,340	1,737,327	2,628,154
Hoover Met Complex	Birmingham, AL	142,081	286,753	739,008	2,375,559
Boo Williams SportsPlex	Hampton, VA	133,692	375,262	734,181	1,418,978
Maryland SoccerPlex & Discovery Sports Center	Boyd's, MD	132,447	876,708	2,275,300	3,793,654
Spooky Nook Sports	Manheim, PA	122,121	462,065	2,706,502	6,041,278
Sports Pavilion Lawrence	Lawrence, KS	59,251	457,583	730,699	1,158,836
Myrtle Beach Sports Center	Myrtle Beach, SC	50,764	87,601	344,036	1,078,979
Foley Event Center	Foley, AL	25,585	147,167	394,889	765,348
Proposed Indoor Fieldhouse	Ocean City, MD	9,740	67,908	175,288	1,932,731
Rocky Top Sports World	Gatlinburg, TN	4,525	33,152	386,142	1,073,272
Average (excludes Proposed Indoor Fieldhouse)		123,456	404,811	1,153,451	2,375,361
Median (excludes Proposed Indoor Fieldhouse)		133,070	412,801	736,595	1,897,269
Rank (Out of 13)		12	12	13	7

Note: Sorted in descending order by 30-Minute Drive.

Source: Esri.

Household Income/Spending

As previously mentioned, a higher median household income indicates that households have more disposable income to spend on participation in, or attendance at, competitive sports events. As shown in the table below, both the 30- and 180-minute drive time markets for the proposed indoor fieldhouse have a relatively high median household income compared to target markets associated with the profiled comparable/competitive facilities. Median household income within the 60- and 120-minute drive time markets is relatively consistent with the average of all target markets associated with comparable/competitive facilities.

Median Household Income - 2019					
Facility	Location	30-Minute Drive Time	60-Minute Drive Time	120-Minute Drive Time	180-Minute Drive Time
Maryland SoccerPlex & Discovery Sports Center	Boyd's, MD	\$108,976	\$104,884	\$87,491	\$77,302
Round Rock Sports Center	Round Rock, TX	\$77,015	\$71,570	\$60,538	\$61,874
LakePoint Champions Center	Emerson, GA	\$74,607	\$67,800	\$60,869	\$56,486
Virginia Beach Fieldhouse	Virginia Beach, VA	\$67,998	\$64,323	\$60,999	\$60,833
Proposed Indoor Fieldhouse	Ocean City, MD	\$64,354	\$57,711	\$59,420	\$72,115
Spooky Nook Sports	Manheim, PA	\$63,595	\$65,242	\$67,367	\$75,937
Boo Williams SportsPlex	Hampton, VA	\$60,346	\$65,774	\$64,600	\$67,910
Hoover Met Complex	Birmingham, AL	\$57,091	\$54,362	\$50,362	\$54,058
Foley Event Center	Foley, AL	\$54,819	\$49,525	\$52,103	\$49,251
Sports Pavilion Lawrence	Lawrence, KS	\$54,036	\$61,589	\$59,462	\$56,034
Greensboro Sportsplex	Greensboro, NC	\$52,981	\$51,360	\$56,726	\$53,527
Myrtle Beach Sports Center	Myrtle Beach, SC	\$46,796	\$46,396	\$46,905	\$50,173
Rocky Top Sports World	Gatlinburg, TN	\$46,072	\$47,327	\$49,643	\$47,114
Average (excludes Proposed Indoor Fieldhouse)		\$63,694	\$62,513	\$59,755	\$59,208
Median (excludes Proposed Indoor Fieldhouse)		\$58,719	\$62,956	\$60,000	\$56,260
Rank (Out of 13)		5	8	8	3

Note: Sorted in descending order by 30-Minute Drive Median Household Income.

Source: Esri.

To further support the relationship between median household income and spending on entertainment/recreation, the average amount spent annually on various goods/services by households in each of these markets spend was analyzed. As shown, average annual spending on entertainment/recreation in households within the 30- and 180-minute drive time markets associated with the proposed indoor fieldhouse ranks 3rd among the profiled comparable/competitive facility markets. The average annual spending on entertainment/recreation in households within the 60- and 120-minute drive times ranks 8th and 6th, respectively.

Average Household Spending on Entertainment/Recreation - 2019					
Facility	Location	30-Minute Drive Time	60-Minute Drive Time	120-Minute Drive Time	180-Minute Drive Time
Maryland SoccerPlex & Discovery Sports Center	Boyd's, MD	\$5,412	\$5,213	\$4,411	\$3,978
Round Rock Sports Center	Round Rock, TX	\$3,801	\$3,634	\$3,204	\$3,314
Proposed Indoor Fieldhouse	Ocean City, MD	\$3,519	\$3,137	\$3,156	\$3,718
LakePoint Champions Center	Emerson, GA	\$3,514	\$3,664	\$3,271	\$3,063
Virginia Beach Fieldhouse	Virginia Beach, VA	\$3,309	\$3,145	\$3,061	\$3,153
Hoover Met Complex	Birmingham, AL	\$3,227	\$2,932	\$2,716	\$2,958
Spooky Nook Sports	Manheim, PA	\$3,120	\$3,183	\$3,513	\$3,946
Boo Williams SportsPlex	Hampton, VA	\$2,928	\$3,220	\$3,262	\$3,498
Foley Event Center	Foley, AL	\$2,828	\$2,597	\$2,698	\$2,627
Greensboro Sportsplex	Greensboro, NC	\$2,760	\$2,788	\$3,069	\$2,903
Sports Pavilion Lawrence	Lawrence, KS	\$2,686	\$3,206	\$3,092	\$2,931
Myrtle Beach Sports Center	Myrtle Beach, SC	\$2,535	\$2,525	\$2,672	\$2,674
Rocky Top Sports World	Gatlinburg, TN	\$2,435	\$2,418	\$2,694	\$2,608
Average (excludes Proposed Indoor Fieldhouse)		\$3,213	\$3,210	\$3,139	\$3,138
Median (excludes Proposed Indoor Fieldhouse)		\$3,024	\$3,164	\$3,081	\$3,011
Rank (Out of 13)		3	8	6	3

Note: Sorted in descending order by 30-Minute Drive average household spending on entertainment/recreation.

Source: Esri.

PLANNED/RECENTLY OPENED FACILITY CASE STUDIES

The following pages profile select planned/recently opened indoor sports facilities in terms of building program and ownership/management structure to illustrate changes in the competitive landscape.

The following facilities are either planned, in the construction phase or recently opened:

- Virginia Beach Sports Center
- Rock Hill Sports & Event Center
- Cedar Point Sports Center
- Spokane Sportsplex

In addition, although not profiled, markets including, but not limited to, Fairfax, Little Rock, Memphis, Panama City Beach and Pensacola are contemplating development of similar indoor facilities focused on increasing sports tourism.



Source: Visit Virginia Beach.

Virginia Beach Sports Center

The City of Virginia Beach is currently moving forward with the construction of a new indoor fieldhouse named the Virginia Beach Sports Center. The City recently reported that the facility will feature 195,000 SF of programmable space, including 12 basketball courts, 24 volleyball courts, seating for 5,000 spectators and a 200 meter hydraulically banked track.

The facility will be located across the street from the Virginia Beach Convention Center, which has a 150,000 SF column-free exhibit hall, and approximately 10 miles from the existing Virginia Beach Fieldhouse. Virginia Beach offers approximately 11,000 hotel rooms. Based on information from secondary sources, the facility will be owned by the City and operated by Eastern Sports Management - the same private management company that currently operates the Virginia Beach Fieldhouse. The City plans to have oversight of bookings to ensure that the center is used for sports that draw tourists to the area. According to secondary sources, tourism taxes are funding the facility. The facility is scheduled to open in November 2020 and would be a direct competitor with a new indoor fieldhouse in/near the TOC.



Source: City of Rock Hill website.

Rock Hill Sports & Event Center

The Rock Hill Sports & Event Center, located in the City of Rock Hill, South Carolina, has hosted several tournaments since opening in December 2019. The new indoor sports facility covers 170,000 total SF and includes a 72,000 SF main court with permanent seating for 700; a 12,500 SF championship court with seating for 1,200; a walking track; locker rooms; concessions; and other amenities. The main court offers eight (8) basketball courts (or 16 volleyball courts) and the championship court offers one main court or two side courts.

The facility is in the Knowledge Park corridor of the City and is part of a mixed-use site connecting Winthrop University to Old Town Rock Hill, restaurants, hotels, outdoor venues, office space, apartments and more.

It is anticipated that the facility will host city athletic programs, special events, conferences/conventions, concerts and a variety of sports tournaments/competitions.

A partnership between the City and Southern Intercollegiate Athletic Conference leaders was recently announced and there are plans for the facility to host basketball/volleyball college conference championships in 2020. The City owns and operates the Center, which was funded through a hospitality tax revenue bond in 2018. The City's Sports Commission reported that the new facility is expected to attract approximately 172,000 visitors annually.



Source: Facility website.

Cedar Point Sports Center

Located in Sandusky, Ohio, Cedar Point Sports Center is part of a larger complex which also includes Sports Force Parks. The center is the result of a partnership between Cedar Point, The Sports Force, Lake Erie Shores & Island, the City of Sandusky and Erie County.

Sports Force Parks opened in spring of 2017 and includes one championship soccer field, one field dedicated to baseball and softball, seven (7) multi-purpose fields and an ADA-accessible community use field. The park hosts various youth sports tournaments annually.

Cedar Point Sports Center opened in January of 2020. The facility offers over 145,000 SF of space with 10 basketball courts (or 20 volleyball courts), one of which is a championship arena with retractable seating. The facility also offers a 9,500 SF entertainment center, a walking track, an on-site medicine center, meeting space, a café and concessions. Cedar Point contributed a portion of the facility cost plus the land and the County is paying the remaining cost via hotel bed tax. According to secondary sources the entire complex is estimated to attract 70,000 new visitors to the region, with many coming in the non-summer months. The Cedar Point Sports Center is operated by SFM.



Source: Facility website.

Spokane Sportsplex

The Spokane Sportsplex will be located on public land on Spokane River's North Bank in downtown Spokane, Washington. The facility is projected to open in 2021. Once open, the 180,000 SF facility will offer up to 10 basketball courts, 17 volleyball courts and a 200-meter track, among other amenities.

The facility is anticipated to host large sports tournaments as well as local sports group practices and competitions and community events. According to secondary sources, the project will largely be funded by a Washington State sales tax rebate and Spokane Public Facilities District (SPFD) reserves. According to secondary sources, the new facility is estimated to generate 18,000 to 23,000 additional out-of-town visitors; 26,000 to 46,000 additional hotel stays; \$19 to \$33 million in additional tourism spending; and \$1.0 to \$1.7 million in additional general tax revenues. Facility operations are estimated to generate gross revenues ranging from \$1.4 to \$2.0 million and expenses ranging from \$1.3 to \$1.5 million. The facility will be owned and operated by the SPFD.

OVERALL SUPPLY OF INDOOR SPORTS FACILITIES

For informational purposes, the following graphic depicts the number of indoor sports facilities in regions throughout the U.S., including the Mid-Atlantic region which contains Maryland. According to IBISWorld, a leading publisher of business intelligence specializing in industry and procurement research, the Mid-Atlantic region contains 18.2% of the nation's indoor sports establishments, which are categorized as indoor basketball complexes, ice rinks, soccer complexes, swimming complexes, tennis courts and other indoor sports facilities. Most of the nation's indoor sports establishments are in the Southeast (23.3%). IBISWorld reports that the distribution and location of these establishments are highly correlated to population as the more populated regions tend to have more establishments.



Source: IBISWorld.

The number of indoor sports facilities throughout the U.S. is expected to increase at an annualized growth rate of approximately 1.6% from 9,736 in 2019 to 10,525 in 2024. As such, competition within the industry is anticipated to increase and larger facilities that can accommodate multiple sports are expected to have a competitive advantage.

These types of facilities are increasingly being developed nationally to accommodate large tournaments/competitions that generate economic impact to the surrounding area. Market research shows that, on average, these facilities offer a minimum of eight (8) basketball courts (or 16 volleyball courts) among other amenities such as turf areas, walking tracks, lobbies, locker rooms and other flexible spaces.

SPORTS PARTICIPATION TRENDS

As previously mentioned, potential demand associated with any sports facility is somewhat dependent on the attributes of the industry as well as specific target market segments. The following pages profile trends in the annual number of participants in various indoor sports as well as the frequency of participation. Data utilized in this analysis was obtained from SBRnet. As stated earlier, sports participation rates are an indicator of potential demand for sports facilities. In general, as participation increases, so does the demand for sports facilities.

The following pages profile statistics for indoor sports including basketball, volleyball, cheerleading, gymnastics, martial arts and wrestling. As it relates to the sports included in this analysis, a participant is defined as an individual seven years of age or older who participates in a sport more than once per year. The definition of “frequent” participants varies for each sport and is noted by sport in the following tables.

Total and Frequent Participation

Basketball had the highest total participation in 2018, followed by volleyball. In 2018, volleyball had the highest frequent participation rate, followed by gymnastics and martial arts. Overall, total and frequent participation within the profiled sports has remained relatively consistent over the last five years. From 2017 to 2018, the number of frequent participants within each of the profiled sports increased, other than gymnastics which experienced a 4.3% decline.

Summary of Total and Frequent Participation - Indoor Sports and Recreation (000s)					
Sport	2014	2015	2016	2017	2018
Basketball - Total	23,709	24,812	24,762	24,600	24,864
Basketball - Frequent	5,289	4,918	4,682	4,724	5,102
% Frequent (50+ days/year)	22%	20%	19%	19%	21%
Volleyball - Total	10,171	10,699	10,697	10,500	10,083
Volleyball - Frequent	3,897	3,270	3,131	3,427	3,438
% Frequent (20+ days/year)	38%	31%	29%	33%	34%
Gymnastics - Total	5,448	5,769	6,115	6,020	6,028
Gymnastics - Frequent	1,900	1,691	1,699	1,700	1,627
% Frequent (40+ days/year)	35%	29%	28%	28%	27%
Martial Arts - Total	6,268	6,584	6,235	6,000	5,996
Martial Arts - Frequent	2,267	1,513	1,403	1,435	1,440
% Frequent (40+ days/year)	36%	23%	23%	24%	24%
Cheerleading - Total	3,647	3,739	3,709	3,500	3,584
Cheerleading - Frequent	710	824	727	726	741
% Frequent (70+ days/year)	19%	22%	20%	21%	21%
Wrestling - Total	2,864	3,045	2,984	3,200	3,236
Wrestling - Frequent	605	546	416	445	467
% Frequent (50+ days/year)	21%	18%	14%	14%	14%
Total	52,107	54,648	54,502	53,820	53,791
Frequent	14,668	12,762	12,058	12,457	12,815
% Frequent	28%	23%	22%	23%	24%

Notes: Martial Arts includes MMA and Tae Kwon Do.

Sorted in descending order by 2018 total participation.

Source: Sports Business Research Network.

Participation by Geographic Region

The following table provides an overview of the percentage of total sports participants in each of the geographic regions within the U.S. in 2018.

The South Atlantic region (which includes Maryland) had the highest percentage of basketball, cheerleading, martial arts and wrestling participants compared to other regions. The South Atlantic region also had a high number of participants in gymnastics and volleyball. Given that the profiled sports have a strong base of participants within the South Atlantic region, these sports represent programming opportunities for the proposed indoor fieldhouse.

2018 Indoor Sports Participation by Geographic Region (% of Participants)						
Geographic Region	Basketball	Cheerleading	Gymnastics	Martial Arts	Volleyball	Wrestling
New England	4.0%	4.8%	6.7%	6.6%	3.7%	2.1%
Middle Atlantic	12.4%	12.4%	17.2%	12.3%	10.4%	17.9%
East North Central	15.7%	16.5%	14.1%	12.0%	17.7%	14.0%
West North Central	6.2%	9.5%	5.3%	5.3%	8.0%	10.8%
South Atlantic	20.2%	24.6%	16.9%	19.7%	16.3%	20.5%
East South Central	5.4%	5.6%	7.3%	4.6%	4.7%	2.5%
West South Central	10.9%	8.6%	15.0%	15.8%	14.3%	6.3%
Mountain	9.0%	9.5%	7.0%	9.6%	6.5%	6.8%
Pacific	16.2%	8.4%	10.4%	14.2%	18.4%	19.0%

Note: Sports Business Research Network classifies Maryland into the South Atlantic Region.

Source: Sports Business Research Network.

Participation by Market Size

Relative to the profiled indoor sports, markets similar in size to the Salisbury MSA had the highest portion of their population participating in cheerleading followed by wrestling, gymnastics, volleyball, martial arts and basketball, respectively, in 2018.

2018 Indoor Sport Participation by Market Size (% of Participants)						
Market Size	Basketball	Cheerleading	Gymnastics	Martial Arts	Volleyball	Wrestling
Non-MSA & MSA < 100,000	12.2%	12.6%	11.0%	10.5%	16.1%	12.2%
100,000 - 499,999	13.1%	20.3%	15.3%	14.1%	14.3%	17.1%
500,000 - 1,999,999	22.3%	18.4%	19.2%	17.9%	17.3%	11.4%
2,000,000 +	52.3%	48.7%	54.5%	57.5%	52.3%	59.3%

Note: Shading represents the market size of the Salisbury Metro Area.

Source: Sports Business Research Network.

Participation by Age

For the profiled indoor sports, cheerleading had the greatest percentage of players under the age of 18 (70.6%) followed by gymnastics (59.5%) in 2018.

2018 Indoor Sport Participation by Total Age Group (% of Participants)						
Age Group	Basketball	Cheerleading	Gymnastics	Martial Arts	Volleyball	Wrestling
7-11	14.4%	34.5%	38.6%	18.9%	14.7%	18.6%
12-17	21.1%	36.1%	20.9%	13.8%	26.3%	29.7%
18-24	17.1%	11.7%	10.6%	15.3%	15.3%	16.1%
25-34	18.6%	10.3%	13.3%	19.0%	18.8%	20.4%
35-44	16.1%	4.7%	5.1%	14.8%	12.2%	8.5%
45-54	6.9%	2.5%	4.2%	9.3%	7.9%	5.7%
55-64	4.1%	0.0%	3.9%	5.8%	3.4%	1.0%
65-74	1.7%	0.0%	2.9%	3.2%	1.4%	0.0%
75+	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%
Total Under 18 Years Old	35.5%	70.6%	59.5%	32.7%	41.0%	48.3%

Source: Sports Business Research Network.

Participation by Household Income

As a point of reference, the following table provides an overview of indoor sports participation by household income in 2018.

2018 Indoor Sports Participation by Household Income (% of Participants)						
Household Income	Basketball	Cheerleading	Gymnastics	Martial Arts	Volleyball	Wrestling
Under \$15,000	8.2%	9.8%	7.8%	7.2%	4.1%	8.8%
\$15,000 - \$24,999	6.1%	7.6%	6.5%	8.4%	8.2%	4.4%
\$25,000 - \$34,999	8.5%	6.0%	6.1%	5.6%	7.6%	6.4%
\$35,000 - \$49,999	12.2%	4.6%	7.5%	10.6%	10.0%	12.7%
\$50,000 - \$74,999	18.3%	16.1%	16.6%	19.6%	18.3%	23.9%
\$75,000 +	46.6%	55.8%	55.5%	48.5%	51.8%	43.8%

Source: Sports Business Research Network.

Potential Sports Participants

As with the proposed outdoor field complex, one measure to estimate potential demand for the proposed indoor fieldhouse is to extrapolate the national frequent sports participation rates to the previously presented population statistics for the potential target market areas. The following table illustrates the estimated sports participants by age group for indoor sports using the above methodology.

Sport	Potential Sports Participants - Frequent											
	30-Minute Drive Time	60-Minute Drive Time	120-Minute Drive Time	180-Minute Drive Time	30-Minute Drive Time	60-Minute Drive Time	120-Minute Drive Time	180-Minute Drive Time	30-Minute Drive Time	60-Minute Drive Time	120-Minute Drive Time	180-Minute Drive Time
	Ages 7-17				Age 18+				All Ages			
Basketball	346	1,955	4,531	49,005	629	3,551	8,233	89,039	975	5,506	12,764	138,044
Cheerleading	92	518	1,201	12,995	38	216	500	5,411	130	734	1,701	18,406
Gymnastics	193	1,092	2,531	27,379	132	743	1,723	18,636	325	1,835	4,254	46,015
Martial Arts	85	480	1,113	12,037	175	988	2,291	24,774	260	1,468	3,404	36,811
Volleyball	267	1,504	3,489	37,732	384	2,165	5,021	54,298	651	3,669	8,510	92,030
Wrestling	31	177	411	4,445	34	190	440	4,758	65	367	851	9,203
Total	1,014	5,726	13,276	143,593	1,392	7,853	18,208	196,916	2,406	13,579	31,484	340,509

It is estimated that a total of 2,406 people of all ages in the 30-minute drive time market frequently participate in the profiled sports, while there are an estimated 340,509 frequent participants in the 180-minute drive time market. Basketball has the highest number of potential sports participants in each of the target markets, followed by volleyball.

As with the outdoor field complex, potential users of the proposed indoor fieldhouse were contacted to gauge their level of interest as well as to develop an understanding of their event requirements and attributes. The pages that follow summarize our outreach with these potential user groups.

INPUT FROM POTENTIAL DEMAND GENERATORS

To help identify potential market opportunities for the proposed indoor fieldhouse, direct input was obtained from representatives at a variety of sports organizations that host indoor local, regional, national and international tournament activity.

More than 50 different potential user groups representing indoor sports such as wrestling, basketball, volleyball, gymnastics, archery, cheer, dance, weightlifting, pickleball, etc. were contacted. In addition, several current users of existing indoor facilities in the TOC were surveyed to receive input related to their events, specifically their potential to expand with the development of the proposed indoor fieldhouse. Of those potential users contacted, a total of 26 indoor surveys were completed, many of which represent multiple events.









The following provides a list of organizations contacted as part of our outreach.

Adidas Gauntlet	Salisbury University
Baltimore Ravens	Shoe Wars
Beach Bound Basketball	Spirit Brands Cheer
Big Shots	Star Talent Productions
Chesapeake Region Volleyball Association	Stephen Decatur High Wrestling
Cool Hockey Events	The Jam! Brand
Crossfit	United States Twirling Association
Dynamic Volleyball Academy	U.S. Futsal Federation
Hoopz Showcase	USA Archery
International Association of Independent	USA Badminton
Gymnastics Clubs	USA Basketball
Maryland AAU	USA Boxing
Maryland Interscholastic Athletic Association	USA Fencing
Maryland Public Secondary Schools Athletic	USA Gymnastics
Association	USA Judo
Maryland USA Gymnastics	USA Jump Rope
Matrix Soccer	USA Karate
May Super Shoot Out	USA Pickleball
National Archery in the Schools	USA Rhythmic Gymnastics
National Association of Intercollegiate	USA Table Tennis Association
Gymnastics Club	USA Taekwondo
National Collegiate Table Tennis	USA Team Handball
National Collegiate Wrestling Association	USA Volleyball
National Horseshoe Pitchers Association	USA Weightlifting
National Travel Basketball Association	USA Wrestling
Ocean City Basketball Classic	USSSA National
Ocean City Classic Martial Arts Championship	Varsity Cheer
Overseas Basketball Combines	We Build You Play
Premier 1 Events	World Table Hockey Association
Premier Basketball Tournaments	Youth Basketball of America

Input from potential indoor sports tournament/competition organizers indicated relatively strong demand for an indoor fieldhouse in/near the TOC. Of those respondents who completed a survey, 73% expressed interest in hosting an event at the proposed indoor fieldhouse. Other key findings include the following:

- Although relatively strong interest was expressed by potential user groups, several users noted that the proposed indoor fieldhouse would face significant competition from existing indoor sports facilities in the region/nation.
- Those expressing interest in using the proposed new fieldhouse mentioned hotels, restaurants and the beach as attractive characteristics of the TOC as an event destination.
- Event promoters, especially those representing national and international events, indicated that they primarily seek a destination with a major airport, hotels, entertainment and a safe family environment when considering site locations. Those not interested cited the lack of a major airport as the primary reason along with the lack of club programs in the area and lack of destination appeal during the winter months.

The following graphic summarizes key input from users that expressed interest in hosting an event at the proposed indoor fieldhouse in/near the TOC.

 42% Represent regional events (32% national, 16% state & 11% international)	 32% Host events in the spring (26% summer, 16% winter, 16% year-round & 11% fall)	 50% Prefer hardwood courts (28% either hardwood or sport-court, 17% other, 6% sport-court)	 7 Average number of courts required (Several considered 10 courts to be ideal)
 3 - 4 Typical number of total use days	 570 Average number of participants	 1,080 Average number of spectators	 1,000 – 3,000 Seating capacity required by the majority

- As previously shown, the TOC experiences peak visitation in the summer. In aggregate, approximately 75% of potential users host events in either the spring, fall, winter and/or year-round. As such, these events provide an opportunity for the TOC to draw visitors during non-peak months.
- Longer events typically have greater potential to increase economic impacts. Events hosted by those interested typically take place over three to four total usage days.
- These events attract approximately 1.9 spectators per participant.

In addition, input obtained from existing users, such as We Build You Play, indicated that events hosted in the TOC have demand to expand but currently lack the facilities needed to do so. Several existing users who were interviewed estimated that they could add 36 to 100 more teams if additional space was available. These users indicated the ideal amount of courts for a new facility is eight (8) to 12 basketball courts and a minimum of 16 volleyball courts.

MARKET ASSESSMENT

Based on market research, the following pages provide an overview of relative market strengths/opportunities and challenges/threats associated with the proposed indoor fieldhouse. Many of these overlap with those shown previously for the proposed outdoor field complex.

Relative Market Strengths/Opportunities

- The TOC is an established destination for indoor sporting events
- Amenities in the TOC that serve as a draw for tournament promoters/organizers (e.g. beach, hotel supply, restaurants, retail, etc.)
- Supply and diversity of lodging options
- Well-developed, mature tourism and hospitality industry in place
- Established local, regional and State entities with significant experience attracting and/or creating/hosting large-scale tournaments/competitions that can also help market the facility
- Growing population within target markets and relatively high median household income within certain target markets
- Strong interest expressed by tournament promoters/organizers representing multiple indoor sports
- Desire and potential of existing users to grow their events
- Supports TOC's objective of increasing tourism and enhancing the area's reputation as a sports tournament destination
- Mid-Atlantic provides a large target market of participants
- Youth sports have historically fared well during economic downturns
- Proposed facility would increase the TOC's ability to host large tournaments/competitions that cannot currently be accommodated in existing facilities like the OCCC
- Well-developed, mature tourism and hospitality industry in place
- Regional synergies exist to potentially accommodate large-scale tournaments/competitions requiring a significant number of courts
- Proposed facility offers ability to host tournaments/competitions year-round and capitalize on shoulder seasons to increase tourism and demand for hotels during non-peak months
- A new indoor fieldhouse with a critical mass of courts could address a supply gap in the immediate market
- A new indoor fieldhouse would be complementary and create date availability at existing TOC-owned indoor facilities
- Potential to generate incremental new economic and fiscal impacts

Relative Market Challenges/Threats

- Competition from existing regional and national indoor sports facilities
- Potential future oversaturation of similar indoor sports facilities
- Drive time from urban areas such as Washington, D.C., Philadelphia and Baltimore given limited direct interstate access

- Traffic congestion, particularly during peak summer months
- Lack of a major airport with direct flight options, particularly for some regional and national tournaments/competitions
- Limited hotel availability and affordable pricing during peak summer months
- Geographic location could be a limitation for attracting certain events requiring a central location within the U.S.
- Local population base may not provide large numbers of youth/adult sports participants relative to other major markets, due to the relatively small year-round population, relatively high median age, and relatively low population base under the age of 18 years old
- Relatively limited corporate base
- Beach is not considered a draw by some during winter months
- Coordinating partnership efforts between the TOC and Worcester County
- Funding/financing for such a facility
- Potential changes in general macro-economic conditions

Overall Summary

The market analysis indicates relatively strong demand exists for a new indoor fieldhouse in/near the TOC. Market research, including input from potential users, suggests that a first-class facility with a minimum of eight (8) full basketball courts and other related supporting infrastructure should place the TOC in a favorable position to attract new indoor sporting tournaments/competitions that increase visitation in non-peak months. In addition, a new indoor fieldhouse would create date availability at OCCC for other events such as conventions/tradeshows that generate economic and fiscal impacts.

As with the proposed outdoor field complex, a new indoor fieldhouse would face several market challenges such as direct competition from local indoor sports facilities such as the Crown Sports Center as well as regional facilities including Spooky Nook Sports, Maryland SoccerPlex & Discovery Sports Center, Boo Williams Sportsplex, Virginia Beach Fieldhouse and Virginia Beach Sports Center when it opens.

Further, given the increasing supply of indoor sports facilities, it will be important for the TOC to offer a facility that seeks to differentiate itself from competitors with its building program, design elements, supporting amenities and infrastructure as well as service levels. Market research did not indicate strong demand for indoor turf fields or an indoor track, particularly in the short term since these building program elements are, or will be, offered at local and/or regional competitive facilities such as Crown Sports Center and Virginia Beach Sports Center.

The relatively small year-round population, particularly under the age of 18 years old, does not provide a significant base for league activity. If developed, the TOC may want to consider purchasing a turf surface that can overlay on the hardwood courts. This approach could increase the facility's year-round usage for recreational uses during non-peak times as well as fee-based activity including practice, training and playing time for outdoor sports participants. More research would need to be conducted to better understand the cost/benefit of this option. Strategic programming and pricing as well as storage of the turf would also need to be considered.

Despite certain market shortcomings such as the lack of direct interstate access and direct flights at the Salisbury-Ocean City Wicomico Regional Airport, the TOC is considered an established, highly desirable destination by many event promoters given its beach location as well as the amount and diversity of overnight accommodations.

RECOMMENDED BUILDING PROGRAM – INDOOR FIELDHOUSE

Based on the market research conducted as part of this analysis, the following summarizes recommended building program elements, patron amenities and other related supporting infrastructure for the proposed new indoor fieldhouse.

- A critical mass of competitive floor space for various sports to accommodate a minimum of eight (8) to 10 tournament-quality basketball courts (or 16 to 20 volleyball courts)
 - Space for team gathering areas and warm-ups
 - A minimum ceiling height of 30 feet
- Flexible design that is divisible (including court dividers) and can accommodate diverse, simultaneous events
- Spectator seating ranging between 1,000 and 3,000 for a championship court setting attained through a combination of retractable seats and temporary bleachers
- Consistent lighting for all floor spaces/courts
- Sufficient and convenient on-site parking
- Scoreboards and timing systems on each court
- Support areas and amenities including lobby, meeting/team rooms, offices, mechanical/electrical rooms, concessions, restrooms, storage, circulation, merchandise areas, locker rooms, lounges, robust Wi-Fi service that can support streaming and a public address system throughout the facility

Based on industry experience as well as building programs at comparable facilities, it is estimated that the building program outlined above would require approximately 105,000 to 125,000 gross SF of enclosed space including:

- Basketball/Volleyball Courts: 70,000 – 80,000 SF
- Flex space & Support Areas: 35,000 – 45,000 SF

Including parking, it is estimated that development of the indoor fieldhouse would require approximately seven (7) to 10 acres of land depending on the actual building concept developed.

6. ECONOMIC AND FISCAL IMPACT ANALYSIS



ECONOMIC AND FISCAL IMPACT ANALYSIS

One of the primary objectives of this study is to estimate the economic and fiscal benefits associated with the proposed outdoor field complex and indoor fieldhouse. If built, the local and State economies would benefit from ongoing operations of the proposed sports facilities in several ways, including the following tangible and intangible benefits.

- Enhancing the overall quality of life and livability of the area
- Attracting a critical mass of visitors annually that supports area businesses
- Increasing the development of elite-level sport participants in the area
- Offering an attractive venue to residents and visitors that hosts diverse event activity
- Enhancing the area's image as a destination
- Capitalizing on existing tourism efforts
- Broadening market reach to new visitors
- Attracting visitors during off-peak months
- Receiving increased State, regional and national media exposure through hosting tournament activity
- Serving as a catalyst for future economic development in the area
- Broadening the area's economic base
- Producing economic and fiscal impacts
- Generating private sector development and/or funding

Each of these benefits is important in assessing the impacts that the proposed facilities may have on the area. While the value of many of these benefits is difficult to measure, the economic activity generated can be quantified. This analysis estimates the direct, indirect and induced benefits associated with the ongoing operations of each proposed facility, including the associated tax revenues. This economic and fiscal impact analysis reflects the competitive landscape as of January 2020.

While several assumptions may apply to both the proposed outdoor field complex and the indoor fieldhouse, each facility was evaluated separately. In addition, while this analysis is non-site specific, it is assumed that both projects will be located proximate to amenities such as hotels, restaurants, beaches, etc. and, therefore, it should be noted that a site location differing from this assumption would likely adversely impact the estimates of economic and fiscal impacts outlined in this report.

GENERAL METHODOLOGY

This analysis estimates the new economic and fiscal impacts that could potentially be generated from each of the proposed sports facilities. Regional input-output models are typically used by economists as a tool to understand the flow of goods and services among regions and measure the complex interactions among them given an initial spending estimate.

Annual impacts start with the initial direct spending on facility operations as well as spending by attendees outside of the sports facilities on items such as lodging, restaurants, retail, entertainment and transportation. For instance, an out-of-town attendee spends money staying at a local hotel and eating at a local restaurant.

Once the amount for direct spending is quantified, a calculated multiplier is applied to generate the indirect and induced effects. The sum of direct, indirect and induced effects equals total economic impact, which is expressed in terms of total output, employment (jobs) and earnings. This analysis also estimates the tax revenues generated from ongoing operations of both the proposed outdoor field complex and indoor fieldhouse.

The amount and type of activity, origin of attendees, facility financial operations, industry trends, economic conditions, spending estimates, distribution of spending, multipliers and specific taxes quantified are variables that influence the economic and fiscal impact estimates.

Although not quantified in this analysis, construction costs associated with development of a new outdoor field complex and/or indoor fieldhouse would provide additional economic and fiscal impacts to the local area and the State during the construction period. These benefits would include the creation of jobs which produce earnings for area residents as well as increased tax revenues from the purchase of materials and supplies.

Direct Spending

Estimating direct spending is the first step in calculating economic impact. Direct spending represents the initial change in spending that occurs as a direct result of ongoing operations of the proposed facilities. Direct spending occurs from facility operations as well as from attendee spending before and after events. Based on the estimated mix of event activity, attendees were categorized as either non-local daytrippers who travel to and from the TOC for the event on the same day or non-local overnight attendees who generate room nights. Estimated spending by local attendees was excluded. Each group was assigned different per capita spending amounts based on data provided by the TOC, the Maryland Office of Tourism Development and other secondary industry research. In order to estimate the net new economic impact to the area, adjustments were made to gross direct spending to account for displacement (i.e. spending that would likely have occurred elsewhere in the economy without the presence of the proposed outdoor field complex/indoor fieldhouse) and leakage (i.e. spending that occurs outside of the area). The economic impacts shown in this section reflect the estimated net new impacts associated with the proposed sports facilities.

Multiplier Effect

Additional economic impacts are produced through the re-spending of net new direct spending. To quantify the inputs needed to produce the total output, economists have developed multiplier models. The estimation of multipliers relies on input-output models, a technique for quantifying interactions between firms, industries and social institutions within a local economy. This analysis uses IMPLAN software and databases which are developed under exclusive rights by IMPLAN Group LLC. IMPLAN, which stands for Impact Analysis for Planning, is a computer software package that consists of procedures for estimating local input-output models and associated databases. The IMPLAN software package allows the estimation of the multiplier effects of changes in final demand for one industry on all other industries within a defined economic area. Its proprietary methodology includes a matrix of production and distribution data among all counties in the U.S. As such, the advantages of this model are that it is sensitive to both location and type of spending and can provide indirect and induced spending, employment and earnings information by specific industry category while considering the leakages associated with the purchase of certain goods and services outside the economy under consideration.

Once the direct spending amounts are assigned to an appropriate industry category, the IMPLAN model estimates the economic multiplier effects for each type of direct new spending attracted to or retained in the area resulting from ongoing operations of the proposed new facilities. The total output multiplier is used to estimate the aggregate total spending that occurs beginning with direct spending and continuing through successive rounds of re-spending which are generally referred to as indirect and induced effects on the area economy.

Indirect and Induced Impacts

Indirect impacts reflect the re-spending of the initial or direct expenditures, or the business-to-business transactions required to satisfy the direct effect (e.g. impacts from non-wage expenditures). For example, an attendee's direct expenditures at a restaurant require the restaurant owner to purchase food and items from suppliers. The portion of these restaurant purchases that are spent within the area economy are indirect impacts.

Induced impacts reflect changes in local spending by households on goods and services that result from income changes in the directly and indirectly affected industry sectors (e.g. impacts from wage expenditures). For instance, a server at a restaurant could have more personal income due to an attendee's visit to the restaurant. The amount of increased income that the employee spends in the community is an induced impact.

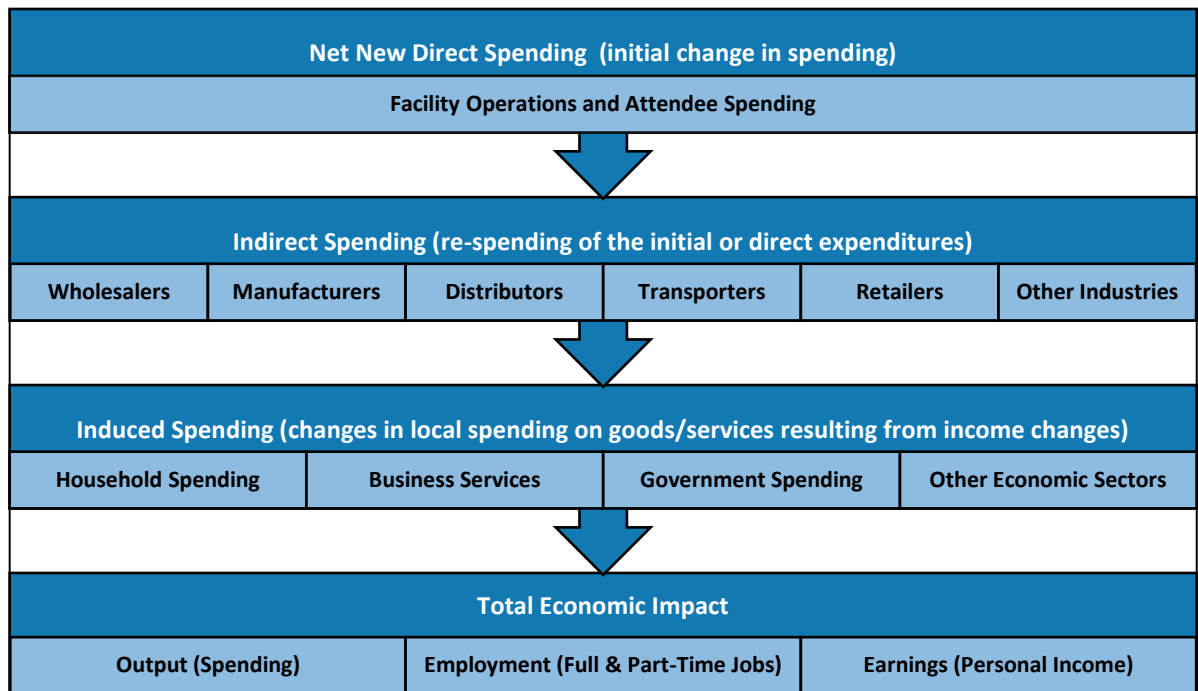
The model generates estimates of these impacts through a series of relationships using average wages, prices and transportation data, considering commute patterns and the relative interdependence of the economy on outside regions for goods and services.

Total Economic Impact

The calculated multiplier effect is then added to the direct impact to quantify the total economic impact in terms of total output, employment and earnings, which are defined below.

- *Total Output* represents the sum of direct, indirect and induced spending effects generated from operations of the proposed new outdoor field complex and indoor fieldhouse. This calculation measures the total dollar change in output that occurs in the local economy for each dollar of output delivered to final demand.
- *Employment (Jobs)* represents the number of full-time and part-time jobs supported by operations of the proposed new outdoor field complex and indoor fieldhouse. The employment multiplier measures the total change in the number of jobs supported in the local economy for each additional \$1.0 million of output delivered to final demand. It should be noted that a person can hold more than one job, so total jobs are not necessarily the same as the count of employed persons. Further, the total number of jobs does not reflect employees working at the proposed facilities but rather the total number of jobs that are directly and indirectly supported on an annual basis in multiple sectors of the economy due to the on-going operations of the proposed new outdoor field complex and indoor fieldhouse.
- *Earnings (Personal Income)* represent the wages and salaries earned by employees of businesses associated with or impacted by operations of the proposed new outdoor field complex and indoor fieldhouse. In other words, the multiplier measures the total dollar change in earnings of households employed by the affected industries for each additional dollar of output delivered to final demand.

The following graphic illustrates the multiplier effects for calculating total economic impact.



Tax Revenues

The estimated spending generated from ongoing operations of the proposed outdoor field complex and indoor fieldhouse also creates tax revenues for the local and State economies. Experience in other markets suggests that while a significant portion of the direct spending likely occurs near the facility, additional spending occurs in other surrounding economies. Major tax sources impacted by the proposed facilities were identified and taxable amounts were estimated to apply to each respective tax rate. This analysis estimates the revenues generated from room tax; admissions and amusement tax; personal income tax; and food and beverage tax at the local level as well as sales and use tax; personal income tax; corporate income tax; and motor vehicle rental tax at the State level. While other taxes may be positively impacted by operations of the proposed new outdoor field complex and indoor fieldhouse, they are not quantified in this analysis.

The following provides a description of the taxes estimated in this analysis.

Local Taxes

Room Tax – Prior to January 2020, the rental of hotel or motel rooms, apartments, condominiums, cottages, mobile homes and any other sleeping accommodation to an individual for less than four months and one day in the TOC was subject to a 4.5% room tax. In January 2020, the room tax rate increased to 5.0%. As such, estimates used in this report reflect the increased rate of 5.0%.

Admissions and Amusement Tax – The admissions and amusement tax is a local tax collected by the Comptroller's Office for Maryland's counties and Baltimore City, incorporated cities and towns and the MSA. The tax is imposed on the gross receipts from admissions, the use or rental of recreational or sports equipment and the sale of merchandise, refreshments or services at a nightclub or similar place where entertainment is provided. The admissions and amusement tax rate varies by locality and by activity and is 3.0% in the TOC. For purposes of this analysis, the tax rate was applied to the estimated direct spending on entertainment as well as estimated facility/field rental revenue.

Local Personal Income Tax – Worcester County imposes a personal income tax of 2.25% which is calculated as a percentage of taxable income. For purposes of this analysis and based on public information obtained online from the Comptroller of Maryland's office, an effective tax rate was calculated and applied to a portion of County-level earnings estimated to be generated from operations of the two proposed sports facilities. Because local income tax is based on where a person lives, not where they work, only a portion of personal income taxes generated from the operations of the proposed new outdoor field complex and indoor fieldhouse occurs in the County.

Food and Beverage Tax – A 0.5% local sales tax on food and beverages is imposed in the TOC for the purpose of paying the principal and interest on bonds issued to finance the construction, reconstruction, repair, renovation and equipment of the OCCC. The tax is applicable to most food and beverage sales except those for consumption off premises or vending machine sales. This tax revenue will be dependent on the site location of the proposed new sports facilities.

State of Maryland Taxes

In general terms, all State tax proceeds are collected in the State's General Fund and then allocated to a variety of program areas, such as education, transportation and public safety, among others. As such, individual revenue sources, such as the sales and use tax, are not designated to fund specific programs. As a result of this process, municipalities and counties may benefit from a variety of State and locally administered programs. For purposes of this analysis, only collections have been quantified, without regard as to how these funds are ultimately spent through the individual State departments/funds. The following describes the State-level taxes quantified in this analysis.

Sales and Use Tax – The State of Maryland collects 6% sales and use tax from sales and leases of tangible personal property and services throughout the State and a 9% tax on alcoholic beverages. For purposes of this analysis, the 6% tax rate is applied to estimated taxable spending at the State level generated from the proposed new outdoor field complex and indoor fieldhouse operations, which represents a conservative estimate relative to the sale of alcoholic beverages.

Personal Income Tax – The State of Maryland imposes a personal income tax assessed against personal income earned in the State. The State income tax is a graduated rate ranging from 2.0% to 5.75% of taxable income. Effective January 2020, nonresidents are subject to a special tax rate of 2.25% in addition to the State income tax rate. For purposes of this analysis and based on public information obtained online from the Comptroller of Maryland's office, an effective tax rate was calculated and applied to a portion of State-level earnings estimated to be generated by the proposed new outdoor field complex and indoor fieldhouse operations.

Corporate Income Tax – A corporate income tax of 8.25% of corporate federal taxable income adjusted by State modifications is also levied by the State of Maryland on corporations. For purposes of this analysis and based on public information obtained online from the Comptroller of Maryland's office, an effective tax rate was calculated and applied to State-level output estimated to be generated by the proposed new outdoor field complex and indoor fieldhouse operations.

Motor Vehicle Rental Tax – The State imposes an 11.5% tax on short-term passenger car and recreational vehicle rentals. This tax rate was applied to a portion of direct transportation spending in the State.

KEY ASSUMPTIONS

The following key assumptions were used to develop the updated estimates of event usage and economic and fiscal impacts for the proposed outdoor field complex and the proposed indoor fieldhouse. It should be noted that these assumptions are preliminary and should continue to be refined as decisions related to the building program, site location and other operating characteristics evolve.

- The facility is in the TOC and is proximate to amenities such as hotels, restaurants, retail, entertainment, etc.
- The facility meets the recommended building program outlined earlier in this report.
- The facility is designed and constructed to be a high-quality tournament facility that is competitive with industry leading facilities.
- The selected site is adequate in terms of visibility, ingress and egress, parking, safety and other similar issues.
- The facility is owned by the TOC and staffed with personnel who specialize in managing similar facilities.
- Booking is primarily focused on events that generate room nights and economic impact.
- The facility is aggressively marketed by established tourism agencies at the local and State levels.
- A high level of quality customer service will be provided by management and local tourism and hospitality agencies/organizations/companies.
- Cooperative coordination will occur amongst facility management and tourism/hospitality stakeholders at the local and State levels.
- Hotels will actively support sports tourism initiatives (and potentially modify some existing policies) by:
 - Providing access to room blocks to support participants year-round, including summer.
 - Adjusting the required minimum stay lengths to accommodate tournament participant needs.
 - Working with promoters that utilize a stay-to-play model.
- No other similar, competitive facility is built or expanded in the region other than those noted in the study.
- This analysis reflects the competitive landscape as of January 2020 including both the previously described supply of existing and planned facilities as well as changes in the broader industry.
- No major economic fluctuations, acts of nature or cataclysmic events occur that could adversely impact the dynamics of the project.

ECONOMIC AND FISCAL IMPACTS – OUTDOOR FIELD COMPLEX

Based on the previously outlined general methodology and key assumptions, the following pages provide estimated economic and fiscal impacts from ongoing operations of the proposed outdoor field complex.

Usage Assumptions

Event activity at new facilities typically experiences a “ramp up” period to a stabilized level which occurs for several reasons. For instance, some groups that book their event years in advance may not want to risk that a complex’s construction is delayed and not completed in time for their event. In addition, some groups may choose to let management “fine tune” its operations before hosting an event at the facility. The length and time for new sports facilities to reach stabilized operations varies but typically ranges from three to five years.

Overall utilization at any complex is typically dependent on multiple factors (e.g. market size; accessibility; nearby amenities; size; configuration and quality of the facilities offered; effectiveness of the management team in booking the facility; date availability; cost; etc.) and is rarely consistent.

The following table summarizes the total estimated usage for the proposed outdoor field complex. Operating strategy, building program elements, location and the supply/availability of existing sports facilities/complexes in the market will impact the type and amount of tournament usage at the proposed outdoor field complex.

Proposed Outdoor Field Complex in the Town of Ocean City Estimate of Annual Event Usage (Stabilized Year)			
Category	Range		
Tournament Activity			
Total Events	18	-	22
Total Event Days	45	-	55
Number of Participants	25,200	-	30,800
Number of Spectators	56,700	-	69,300
Average Length of Stay (Days)	2.5	-	2.5
Total Attendee Days	204,750	-	250,250

As shown, the proposed outdoor field complex is estimated to host 18 to 22 tournaments annually that generate between 204,750 and 250,250 total attendee days from multiple sports such as soccer, lacrosse, ultimate, field hockey, rugby, etc. An attendee day is defined as total attendance multiplied by the event length. For example, a three-day tournament with 200 attendees equates to 600 attendee days which reflects that the same attendees return to the event each of the three days. Based on market research, it is estimated that approximately 90% of this event activity would be net new to the TOC and 70% would be net new to the State.

Although this analysis does not include estimates related to league activity, it is likely that the TOC and the County will work together to host leagues, camps and other local sports activity.

While the average tournament length is estimated to be 2.5 days, the average length of stay for overnight attendees is estimated to be 2.0 nights. Based on these and other assumptions, the number of net new hotel room nights generated from activities at the proposed outdoor field complex in a stabilized year of operations is estimated to range between 39,300 and 48,000 in the TOC, of which between 34,400 and 42,000 are estimated to be net new in the State. Although not accounted for in this analysis, the proposed outdoor field complex's geographic location in the TOC provides an opportunity to capture additional overnight stays either from attendees extending their stay or returning for a separate vacation.

Estimated Annual New Economic Impacts

The table below summarizes the estimated annual new economic impacts generated from ongoing operations of the proposed new outdoor field complex in a stabilized year of operations in terms of output (i.e. direct, indirect and induced spending), total jobs and total earnings.

Proposed Outdoor Field Complex in the Town of Ocean City Estimate of Annual New Economic Impacts From Ongoing Operations (Stabilized Year)					
Category	Town of Ocean City			State of Maryland	
	Range			Range	
Output					
Direct Spending	\$22,100,000	-	\$27,000,000	\$19,400,000	- \$23,700,000
Indirect & Induced Spending	\$10,100,000	-	\$12,300,000	\$14,300,000	- \$17,500,000
Total Output	\$32,200,000	-	\$39,300,000	\$33,700,000	- \$41,200,000
Total Jobs (Full-Time & Part-Time)	380	-	460	340	- 420
Total Earnings	\$11,500,000	-	\$14,000,000	\$12,500,000	- \$15,200,000

Notes: Local and State amounts are not additive.

Total jobs represent full-time and part-time positions sustained on an annual basis as defined on page 71.

As shown, net new direct spending associated with ongoing operations of the proposed outdoor field complex in a stabilized year of operations is estimated to range from \$22.1 million to \$27.0 million annually in the TOC and from \$19.4 million to \$23.7 million annually in the State. Total output (i.e. direct, indirect and induced spending) is estimated to range from \$32.2 million to \$39.3 million annually in the TOC and from \$33.7 million to \$41.2 million annually in the State.

Outputs from the IMPLAN model indicate that this new spending is estimated to support between 380 and 460 new full-time and part-time jobs and between \$11.5 million and \$14.0 million in earnings annually within the TOC and between 340 and 420 new full-time and part-time jobs and \$12.5 million and \$15.2 million in earnings within the State. It should be noted that a person can hold more than one job, so total jobs are not necessarily the same as the count of employed persons.

Estimated Annual New Tax Revenues

As shown in the table below, new tax revenues generated from ongoing operations of the proposed outdoor field complex are estimated to range from \$0.5 million to \$0.6 million at the local level and \$2.0 million to \$2.4 million at the State level in a stabilized year of operations.

Proposed Outdoor Field Complex in the Town of Ocean City Estimate of Annual New Tax Revenues Generated from Ongoing Operations (Stabilized Year)			
Entity	Range		
Town of Ocean City/Worcester County	\$500,000	-	\$600,000
State of Maryland	\$2,000,000	-	\$2,400,000
Grand Total	\$2,500,000	-	\$3,000,000

ECONOMIC AND FISCAL IMPACTS – INDOOR FIELDHOUSE

Based on the previously outlined general methodology and key assumptions, the following pages provide estimated economic and fiscal impacts from ongoing operations of the proposed indoor fieldhouse.

Usage Assumptions

The table below summarizes the total estimated usage for the proposed indoor fieldhouse for a stabilized year of operations. As with the proposed outdoor field complex, operating strategy, building program elements, location and the supply/availability of existing sports facilities in the market will impact the type and amount of tournament activity at the proposed indoor fieldhouse.

Proposed Indoor Fieldhouse in the Town of Ocean City Estimate of Annual Usage (Stabilized Year)			
Category	Range		
Tournament Activity			
Total Events	32	-	38
Total Event Days	80	-	95
Total Number of Participants	24,470	-	28,830
Total Number of Spectators	48,940	-	57,660
Average Length of Stay (Days)	2.5	-	2.5
Total Attendee Days	183,525	-	216,225
Leagues & Camps/Clinics			
Total Participant Days	97,900	-	97,900
Grand Total Attendee Days	281,425	-	314,125

As shown, the proposed indoor fieldhouse is estimated to host 32 to 38 tournaments annually that generate between 183,525 and 216,225 total attendee days from multiple sports such as volleyball, basketball, wrestling, martial arts, pickleball, cheer, dance, etc. Based on market research, it is estimated that approximately 90% of this event activity would be new to the TOC and 70% would be new to the State.

In addition, the proposed new indoor fieldhouse is estimated to host 97,900 participant days related to leagues, camps and clinics. Activity related to leagues, camps and clinics is assumed to be local and therefore excluded from the economic and fiscal impact analysis.

Although not estimated as part of this study effort, programming at the proposed indoor fieldhouse could also include events such as meetings, banquets and other community activities and serve as a complementary asset to the OCCC.

Based on market research, the average tournament length is 2.5 days and the average length of stay for overnight attendees is estimated to be 2.0 nights. Based on these assumptions, the number of net new hotel room nights generated from activities at the proposed indoor fieldhouse in a stabilized year of operations is estimated to range between 35,200 and 41,500 in the TOC, of which between 30,800 and 36,300 is estimated to be net new in the State. As with the proposed outdoor field complex, the geographic location of the proposed indoor fieldhouse in the TOC provides an opportunity to capture additional overnight stays from attendees extending their stay or returning for a separate vacation.

Estimated Annual New Economic Impacts

The table below summarizes the estimated annual new economic impacts generated from ongoing operations of the proposed indoor fieldhouse in a stabilized year of operations in terms of output (i.e. direct, indirect and induced spending), total jobs and total earnings.

Proposed Indoor Fieldhouse in the Town of Ocean City Estimate of Annual New Economic Impacts Generated from Ongoing Operations (Stabilized Year)					
Category	Town of Ocean City			State of Maryland	
	Range			Range	
Output					
Direct Spending	\$20,200,000	-	\$23,800,000	\$17,800,000	- \$21,000,000
Indirect & Induced Spending	9,200,000	-	10,800,000	13,300,000	- 15,500,000
Total Output	\$29,400,000	-	\$34,600,000	\$31,100,000	- \$36,500,000
Total Jobs (Full-Time & Part-Time)	340	-	400	310	- 370
Total Earnings	\$10,400,000	-	\$12,300,000	\$11,500,000	- \$13,500,000

Notes: Local and State amounts are not additive.

Total jobs represent full-time and part-time positions sustained on an annual basis as defined on page 71.

As shown in the table, net new direct spending associated with ongoing operations of the proposed indoor fieldhouse in a stabilized year of operations is estimated to range from \$20.2 million to \$23.8 million annually in the TOC and from \$17.8 million to \$21.0 million annually in the State. Total output (i.e. direct, indirect and induced spending) is estimated to range from \$29.4 million to \$34.6 million annually in the TOC and from \$31.1 million to \$36.5 million annually in the State.

Outputs from the IMPLAN model indicate that this new spending is estimated to support between 340 and 400 new full-time and part-time jobs and between \$10.4 million and \$12.3 million in earnings annually within the TOC and between 310 and 370 new full-time and part-time jobs and \$11.5 million and \$13.5 million in earnings annually within the State. As previously mentioned, a person can hold more than one job, so total jobs are not necessarily the same as the count of employed persons.

Estimated Annual New Tax Revenues

As shown in the table below, annual new tax revenues generated from ongoing operations of the proposed new indoor fieldhouse are estimated to range from \$0.5 million to \$0.6 million at the local level and from \$1.8 million to \$2.1 million at the State level in a stabilized year of operations.

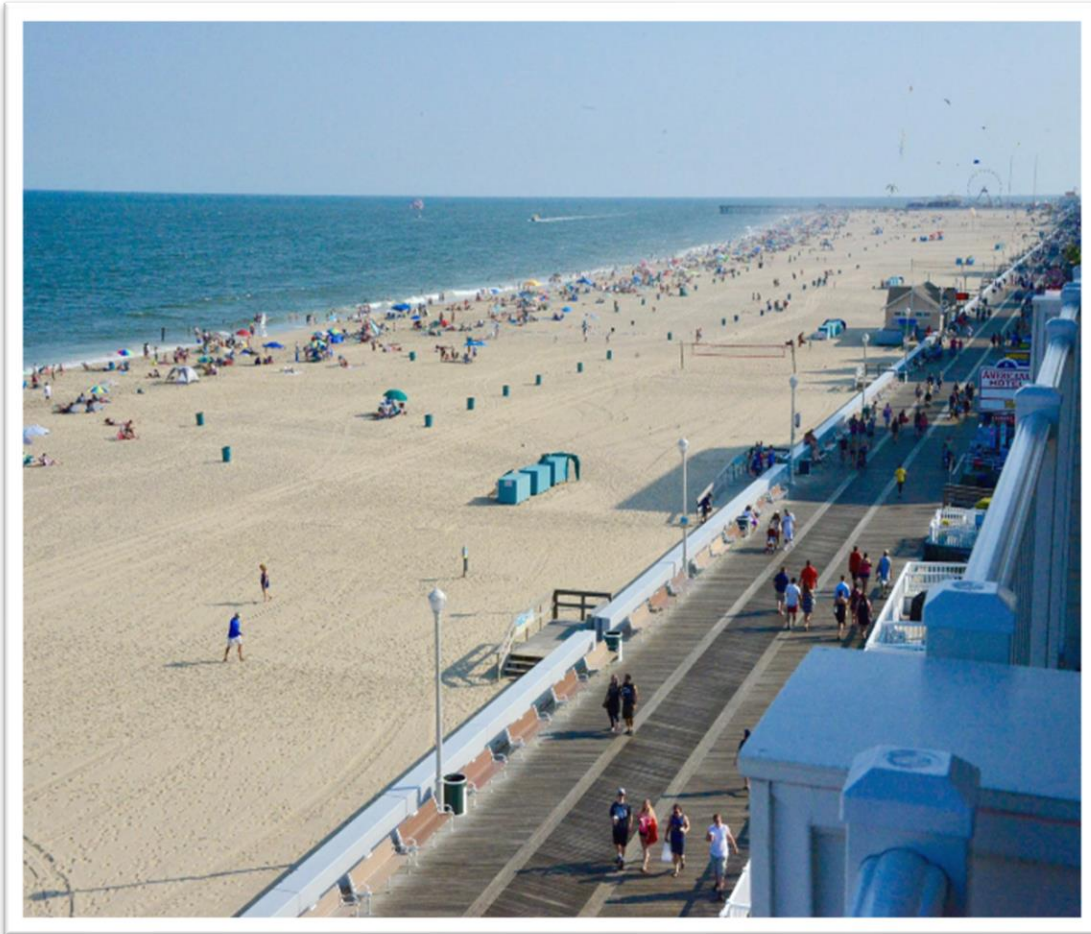
Proposed Indoor Fieldhouse in the Town of Ocean City Estimate of Annual New Tax Revenues Generated from Ongoing Operations (Stabilized Year)			
Entity	Range		
Town of Ocean City/Worcester County	\$500,000	-	\$600,000
State of Maryland	\$1,800,000	-	\$2,100,000
Grand Total	\$2,300,000	-	\$2,700,000

POTENTIAL NEXT STEPS FOR EITHER OR BOTH PROPOSED FACILITIES

Should the TOC decide to move forward with either or both proposed projects, typical next steps in the development planning process include:

- Selecting and obtaining a site that can accommodate the required programmatic elements
- Preparing a detailed building program, development costs, and development schedule as well as conceptual floor and site plans based on the selected site location
- Updating estimates of economic and fiscal impacts to reflect the selected site location
- Solidifying an operating strategy for the facility that includes a management team with extensive experience booking, marketing and servicing the target market as well as a well-defined mission statement, booking policy and rate structure
- Developing a solid, sustainable financial plan that addresses both ongoing operational needs and long-term capital improvement needs
- Creating a funding plan that covers development costs, which may include both public and private sector partners

7. LIMITING CONDITIONS AND ASSUMPTIONS



LIMITING CONDITIONS AND ASSUMPTIONS

This analysis is subject to our contractual terms as well as the following limiting conditions and assumptions:

- This analysis has been prepared for the Maryland Stadium Authority (Client) on behalf of the Town of Ocean City (TOC) for its internal decision-making purposes associated with a proposed outdoor field complex and indoor fieldhouse and should not be used for any other purposes without the prior written consent of Crossroads Consulting Services LLC.
- This report should only be used for its intended purpose by the entities to whom it is addressed. Reproduction or publication by other parties is strictly prohibited.
- The findings and assumptions contained in the report reflect analysis of primary and secondary sources. We have utilized sources that are deemed to be accurate but cannot guarantee their accuracy. No information provided to us by others was audited or verified and was assumed to be correct.
- Although the analysis includes findings and recommendations, all decisions relating to the implementation of such findings and recommendations shall be the Client's responsibility.
- Estimates and analysis regarding the proposed new sports facilities are based on trends and assumptions and, therefore, there will usually be differences between the projected and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.
- Although this analysis utilizes various mathematical calculations, the final estimates are subjective and may be influenced by our experience and other factors not explicitly stated.
- We have no obligation, unless subsequently engaged, to update this report or revise this analysis as presented due to events or circumstances occurring after the date of this report.
- The quality of ownership and management of a new outdoor field complex and/or indoor fieldhouse can have a direct impact on economic performance. This analysis assumes responsible and competent ownership and management. Any departure from this assumption may have a significant impact on the findings outlined in this report.
- Multiple external factors influence current and anticipated market conditions. Although we have not knowingly withheld any pertinent facts, we do not guarantee that we have knowledge of all factors which might influence the operating potential of the proposed sports facilities. Due to quick changes in the external factors, actual results may vary significantly from estimates presented in this report.
- The analysis performed was limited in nature and, as such, Crossroads Consulting Services LLC does not express an opinion or any other form of assurance on the information presented in this report.
- The analysis is intended to be read and used in its entirety. Separation of any portion from the main body of the report is prohibited and negates the analysis.
- In accordance with the terms of our engagement letter, the accompanying report is restricted to internal use by the Client and may not be relied upon by any party for any purpose including any matter pertaining to financing.