Business of Mega Recreational Sport Complexes

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Market Trends - Mega Sports Complexes

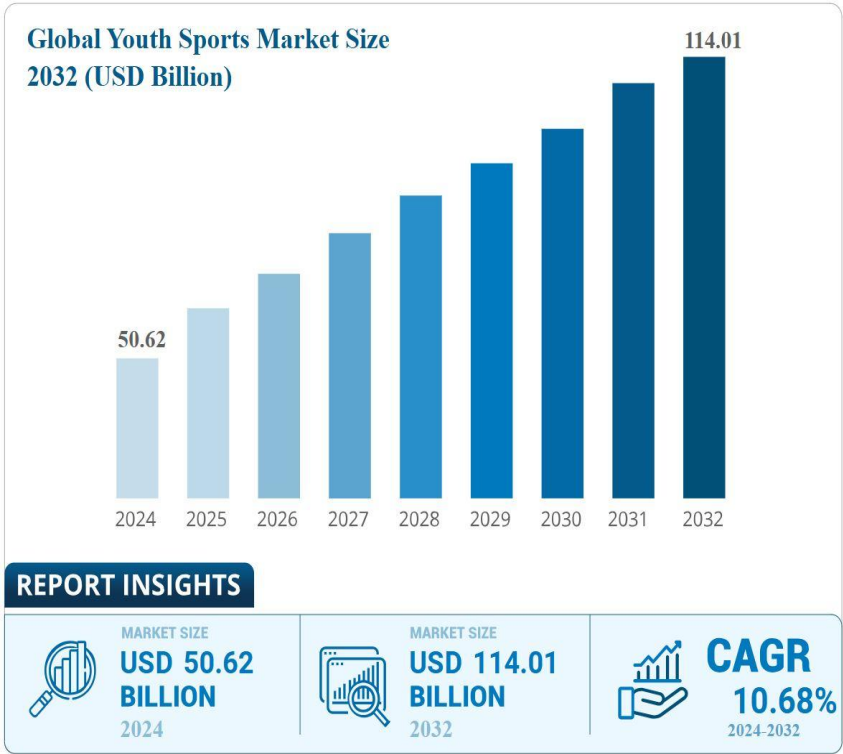
Growing Popularity of Youth and Amateur Sports

- The youth sports industry is booming, with families investing heavily in travel sports and training

Expansion of Multi Sport Complexes

- Since 2017, more than $9 billion has been invested in venues that cater to youth and amateur sports (Broughton, 2022).

- Facilities shifting from single-sport venues to multi-sport complexes to maximize revenue and attract a broader audience.



Revenue Streams and Profitability

How long to become profitable?

- Break even point = typically within 3-5 years
  - Varies depending on location, size, management, services offered, etc.

Key Tips for Accelerating Profitability:

- ***Master sports facility management:** Efficiently manage facility bookings, maintenance, and staffing to reduce overhead costs and improve user experience.*
- ***Focus on community engagement:** Build strong relationships with local sports teams, schools, and clubs to secure regular bookings and increase facility utilization rates.*
- ***Invest in marketing:** Utilize digital platforms and community events to raise awareness and attract diverse clientele to the sports complex.*

(Sheykin, 2024)

Revenue Streams and Profitability cont.

Core Revenue Streams:

- Tournament & Event Hosting
- Membership & Training Programs
- Facility Rentals
- Corporate Sponsors
- Concessions

Tips to Maximize Revenue

- Diversify Offerings
  - Ex. Tiered memberships
- Enhance Facility Utilization
- Leverage Technology
  - Ex. Advanced booking systems, operational efficiency

Challenges

1. Initial Capital Investment
    a. Land Acquisition
    b. Equipment Costs
    c. Infrastructure
    d. Operational Setup
2. Fluctuation of Revenue Streams
    a. Season
    b. Popularity of sport
    c. Economic conditions



Challenges cont.

Key Tips for Mitigating Financial Risks in a Multi Sport Complex

- ***Implement rigorous financial planning:** Develop a comprehensive business plan that includes detailed financial projections and risk assessments.*
- ***Diversify revenue sources:** Enhance revenue diversification in sports complexes by offering a mixture of services such as fitness classes, merchandise, food and beverage services, and special event hosting.*
- ***Focus on community engagement:** Build strong relationships with local schools, clubs, and organizations to secure regular bookings and sponsorships, which can provide more consistent income.*

(Sheykin, 2024)

IMG Academy

- 450-acre facility, $200 million dollar to construct
- Purchased by IMG in 1987 (global sport agency)
- $90,000 annual tuition
- Sold into 2023 to Merrill Wealth Management - $1.25 billion (private equity group)





ESPN Wide World of Sports at Disney

- 220-acre state-of-the-art mega sports complex located in Orlando, Florida on the campus of Walt Disney World
- Accommodates 70 different sports
- State-of-the-art indoor arena with a capacity of 9,500 seats
- 17 multiuse fields
- 2 field houses

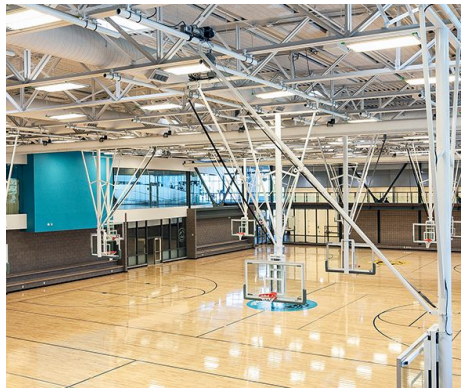




Local YMCA/Recreational Complexes

- Fitness & Wellness Clubs
  - $38 billion dollar industry
  - 70% of revenue
- Provide a wide variety of venues for sports
  - Swimming, basketball, track & field, pickleball, racquetball, etc.
- Worthwhile Investment?
  - Initial capital funds to construct
  - Net negative revenue concerns





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