

HEIDELBERG SPORTS VILLAGE

FEASIBILITY STUDY



POPULOUS[®]

HR&A
Analyze. Advise. Act.

bcra

CONVENTIONS
SPORTS
LEISURE
CSL

GOALS OF THE FEASIBILITY STUDY:

1. DEVELOP A STATE OF THE ART SOCCER SPECIFIC STADIUM WITH THE TACOMA DEFIANCE AS THE ANCHOR TENANT.
2. ASSESS THE POTENTIAL FOR MIXED USE DEVELOPMENT ON THE SITE FOR RENEWED ECONOMIC DEVELOPMENT OF CENTRAL TACOMA.
3. ANALYZE THE MARKET DEMAND FOR A NEW MULTI-FIELD SPORTS COMPLEX IN TACOMA.



DEVELOPMENT OF WORKSTREAMS:



WORKSTREAM 1:
SOCCER STADIUM



WORKSTREAM 2:
MIXED-USE DEVELOPMENT



WORKSTREAM 3:
**RECREATION SPORTS
FIELD COMPLEX**

WORKSTREAM 1: SOCCER STADIUM



TACOMA DEFIANCE

WORKSTREAM 1:

SOCCER STADIUM - ASSESSMENT

1. Strong **support** in the Tacoma marketplace for the Defiance.
2. Long term viability of professional soccer in Tacoma is dependent on creating a **soccer-specific stadium**.
3. State-of-the-art soccer stadium that meets minimum USL requirements, **connecting the two professional sports stadiums** and creating a destination (with Cheney Stadium).
4. Surveys indicated strong support for soccer stadium development within the community:
 - a. 80 percent have a positive attitude towards a new soccer stadium development.
 - b. 84 percent would be interested in attending matches at a new stadium.
 - c. Strong interest in attending other stadium events.






Event Category	Events	Average Paid Attendance	Annual Paid Attendance
Defiance			
Regular Season	17	3,550	60,357
Special Games	2	3,550	7,101
Playoffs	0	3,550	0
Subtotal - Defiance	19	3,550	67,458
Other Events:			
Seattle Reign	12	3,000	36,000
Other Sporting Events	8	3,000	24,000
Conferences & Events ⁽¹⁾	12	--	0
Subtotal - Other Events	32	1,875	60,000
Community Events:			
Open Community Event Days	100	--	--
TOTAL	151	2,499	127,458

(1) Assumes 100 attendees per conference/event

WORKSTREAM 1:

SOCCER STADIUM - ASSESSMENT

5. Stadium could host approximately 150 events annually and draw nearly 130,000 patrons.
6. Stadium capacity of 5,500 spectators and cost \$60M to develop (including hard and soft costs).
7. Metro Parks or the City would own the stadium and the Soccer Club of Tacoma (SCOT) would lease and manage the day-to-day operations.
8. Similar to other sports venue developments, this too would need to involve a variety of public and private funding sources.

<u>Building Program Summary</u>		
	STADIUM CAPACITY	5,500 Fixed Seats: 5,000 Berm/SRO: 500 <i>Concert Capacity: 9,000</i>
	SUPPORTERS SECTION	160
	CLUB SEATS	470 Centerline Club: 320 Sideline Club: 150
	SMALL GROUP PREMIUM <i>(4 seats per unit)</i>	30 ledge tables 10 loge boxes
	LUXURY SUITES <i>(16 seats per unit)</i>	8 Total Inventory: 10 (2 held for ownership)

WORKSTREAM 1:

SOCCER STADIUM - STADIUM DESIGN PROGRAM

	SUB-CATEGORY	UNITS	TOTAL GSF	COMMENTS
SPECTATORS FACILITIES	SPECTATORS		38,351 GSF	
	SPECTATOR AMENITIES		11,556 GSF	
	SUB-TOTAL - SPECTATORS		49,907 GSF	
PLAYER FACILITIES	SUB-TOTAL - PLAYER FACILITIES		8,136 GSF	
MEDIA FACILITIES	SUB-TOTAL MEDIA FACILITIES		2,757 GSF	
ADMIN/RETAIL/SUPPORT	SUB-TOTAL - ADMIN/RETAIL/ SUPPORT FACILITIES		5,045 GSF	
MEP/CIRCULATION FACILITIES	SUB-TOTAL - MEP/CIRCULATION		5,799 GSF	
FACILITIES - TOTAL			71,644 GSF	

WORKSTREAM 1:

SOCCER STADIUM - STADIUM DESIGN

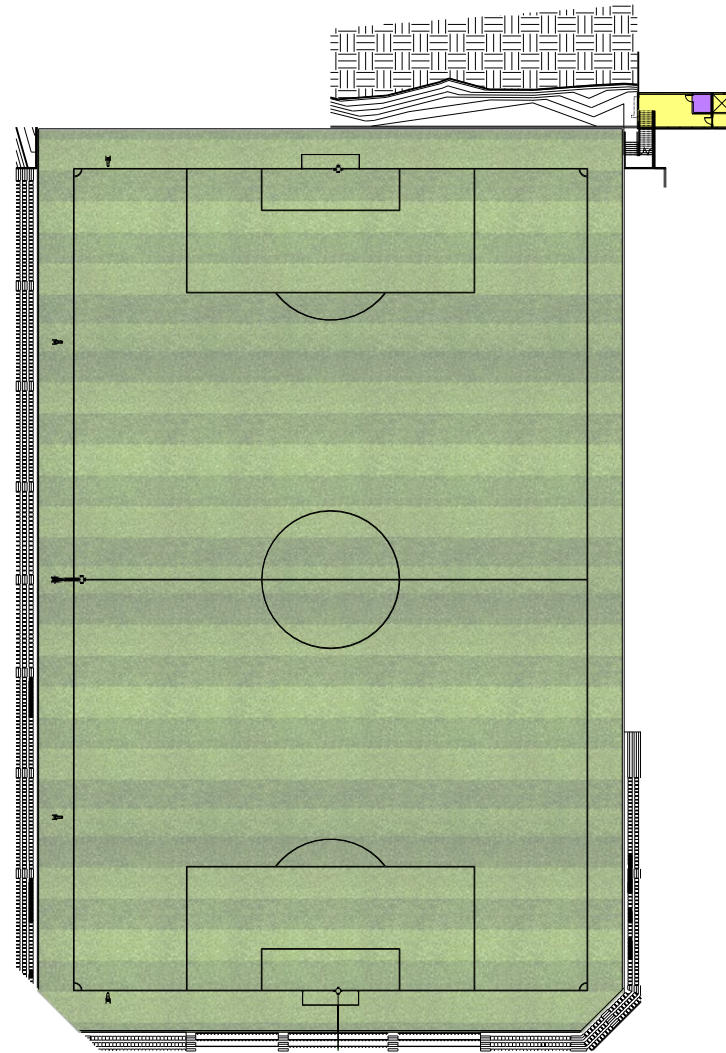
SITE PLAN



WORKSTREAM 1:

SOCCER STADIUM - STADIUM DESIGN

FLOOR PLAN - SERVICE LEVEL



PROGRAM AREAS

- CIRCULATION
- RETAIL / TEAM STORE
- ADMIN / OPERATIONS
- PUBLIC RESTROOMS
- CONCESSIONS
- CONCOURSE
- SERVICE / MEP
- OFFICIALS/STAFF
- HOME TEAM FACILITIES
- VISITING TEAM FACILITIES
- KITCHEN / COMMISARY
- LOADING / TRASH / RECYCLING
- CLUB SPACE
- MEDIA

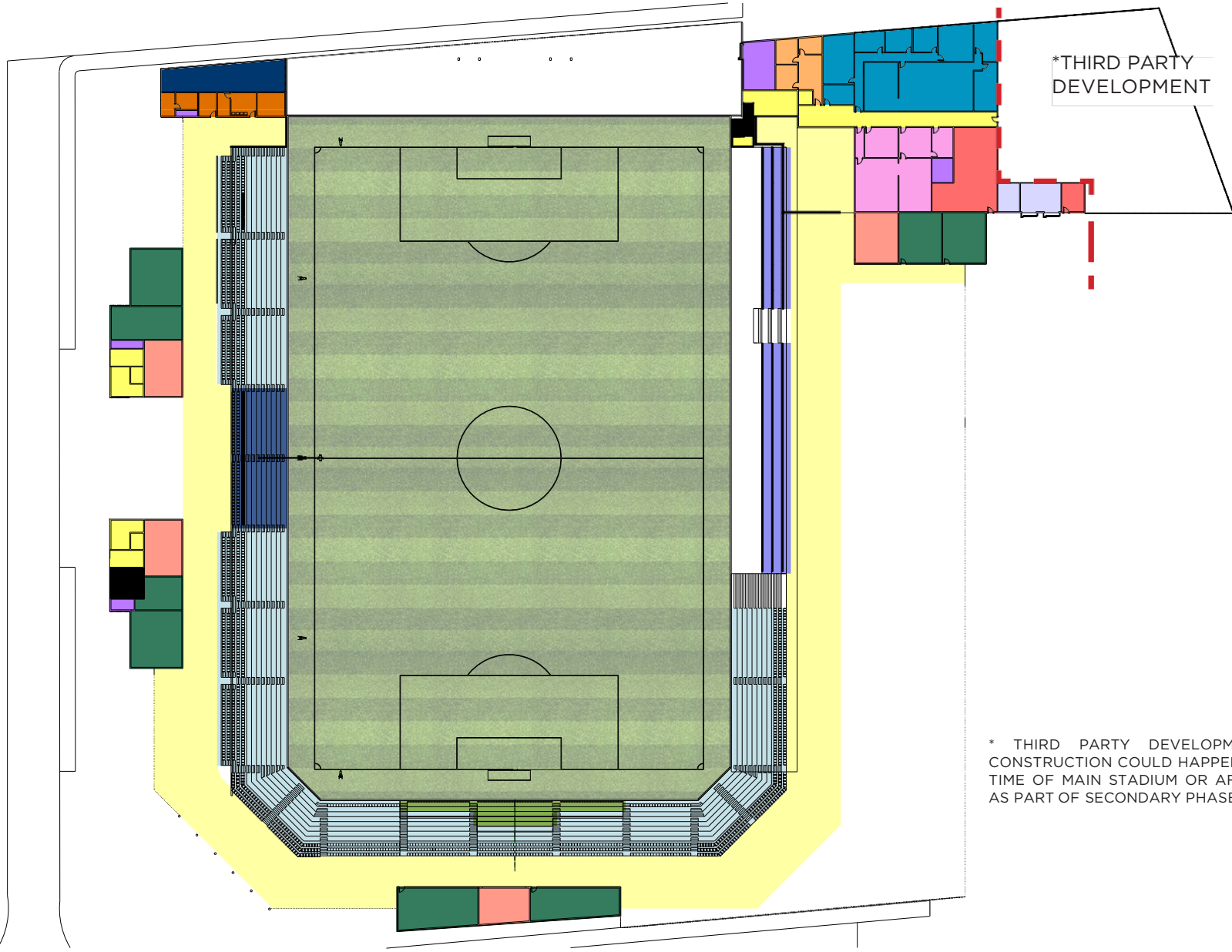
SPECTATOR SEATING

- GENERAL ADMISSION
- CLUB SEATS
- SUPPORTERS SECTION
- LEDGE SEATS
- FIELD CLUB
- SRO / ADA SEATING
- 10 PERSON SUITES

WORKSTREAM 1:

SOCCER STADIUM - STADIUM DESIGN

FLOOR PLAN - CONCOURSE LEVEL



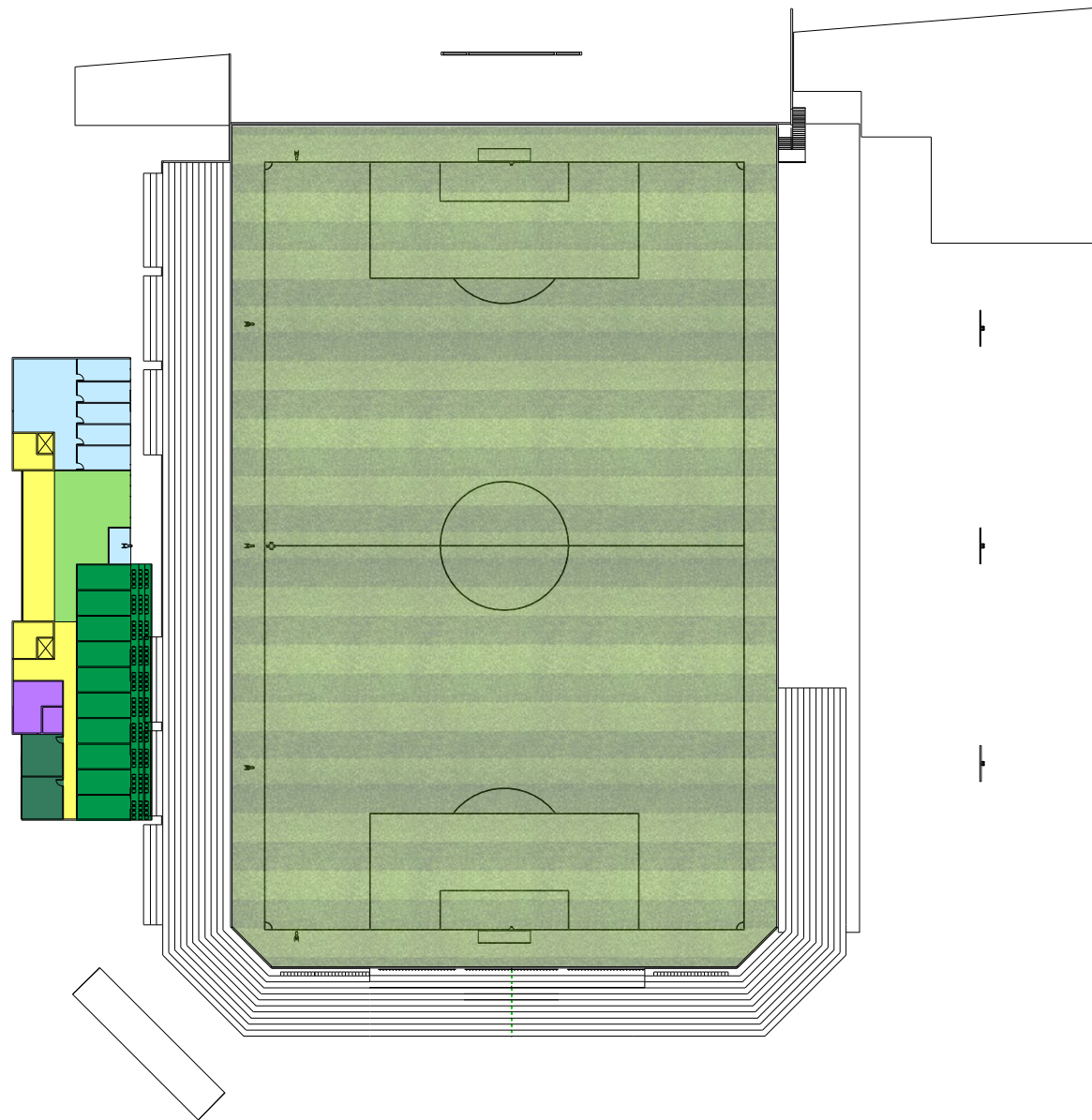
- PROGRAM AREAS**
- YELLOW: CIRCULATION
 - NAVY BLUE: RETAIL / TEAM STORE
 - BROWN: ADMIN / OPERATIONS
 - DARK GREEN: PUBLIC RESTROOMS
 - PINK: CONCESSIONS
 - YELLOW: CONCOURSE
 - PURPLE: SERVICE / MEP
 - ORANGE: OFFICIALS/STAFF
 - BRIGHT BLUE: HOME TEAM FACILITIES
 - PINK: VISITING TEAM FACILITIES
 - RED: KITCHEN / COMMISARY
 - LAVENDER: LOADING / TRASH / RECYCLING
 - LIGHT GREEN: CLUB SPACE
 - CYAN: MEDIA
- SPECTATOR SEATING**
- LIGHT BLUE: GENERAL ADMISSION
 - NAVY BLUE: CLUB SEATS
 - OLIVE GREEN: SUPPORTERS SECTION
 - PURPLE: LEDGE SEATS
 - PURPLE: FIELD CLUB
 - YELLOW: SRO / ADA SEATING
 - DARK GREEN: 10 PERSON SUITES

* THIRD PARTY DEVELOPMENT CONSTRUCTION COULD HAPPEN AT TIME OF MAIN STADIUM OR AFTER AS PART OF SECONDARY PHASE.

WORKSTREAM 1:

SOCCER STADIUM - STADIUM DESIGN

FLOOR PLAN - SUITE / PRESS LEVEL



PROGRAM AREAS

- CIRCULATION
- RETAIL / TEAM STORE
- ADMIN / OPERATIONS
- PUBLIC RESTROOMS
- CONCESSIONS
- CONCOURSE
- SERVICE / MEP
- OFFICIALS/STAFF
- HOME TEAM FACILITIES
- VISITING TEAM FACILITIES
- KITCHEN / COMMISARY
- LOADING / TRASH / RECYCLING
- CLUB SPACE
- MEDIA

SPECTATOR SEATING

- GENERAL ADMISSION
- CLUB SEATS
- SUPPORTERS SECTION
- LEDGE SEATS
- FIELD CLUB
- SRO / ADA SEATING
- 10 PERSON SUITES

VIEW SOUTHEAST (FROM 19TH STREET)



**VIEW NORTH
(FROM INSIDE STADIUM)**



VIEW NORTHEAST
(MAIN STADIUM ENTRY)

TACOMA DEFIANCE



WORKSTREAM 1:

SOCCKER STADIUM - STADIUM BUDGET

TOTAL PROJECT COSTS SUMMARY

Total Hard Costs (Stadium)	\$36,059,547
Total Hard Costs (Site)	\$4,927,237
Total Construction Costs	\$40,986,784
Escalation (2020)	\$2,049,339
Total Hard Costs	\$43,036,124
Estimated Soft Costs (38.2%)	\$16,453,403
TOTAL PROJECT COSTS	\$59,489,527

WORKSTREAM 1:

SOCCKER STADIUM - FINANCIAL PRO-FORMA

- A soccer-specific stadium will provide SCOT with the platform to achieve long-term, sustainable operations in Tacoma.
- It is anticipated that SCOT would operate the stadium, securing all revenues and paying all operating expenses
- It is anticipated that SCOT could operate profitably (approx. \$1.0M annually), prior to rent payments to support stadium construction debt (estimated to be \$700,000 annually).

OPERATING PRO FORMA HSV Stadium					
	2021	2022	2023	2024	2025
REVENUES					
Ticket Sales	\$1,469,000	\$1,513,000	\$1,558,000	\$1,605,000	\$1,653,000
Sponsorships	\$990,000	\$1,020,000	\$1,050,000	\$1,082,000	\$1,114,000
Club Seats	\$254,000	\$262,000	\$270,000	\$278,000	\$286,000
Suites	\$86,000	\$89,000	\$91,000	\$94,000	\$97,000
Loge Boxes	\$62,000	\$64,000	\$66,000	\$68,000	\$70,000
Ledge Tables	\$44,000	\$45,000	\$46,000	\$48,000	\$49,000
Event Rent	\$238,000	\$245,000	\$252,000	\$260,000	\$268,000
Facility Fees	\$319,000	\$319,000	\$319,000	\$319,000	\$319,000
General Concessions	\$250,000	\$257,000	\$265,000	\$273,000	\$281,000
Premium Concessions	\$38,000	\$39,000	\$40,000	\$42,000	\$43,000
Merchandise	\$135,000	\$139,000	\$143,000	\$147,000	\$152,000
Parking	\$164,000	\$167,000	\$172,000	\$176,000	\$181,000
Sub-Tenant Lease	\$720,000	\$720,000	\$720,000	\$720,000	\$738,000
Ticket Rebates	\$51,000	\$53,000	\$54,000	\$56,000	\$57,000
TOTAL REVENUES	\$4,820,000	\$4,932,000	\$5,046,000	\$5,168,000	\$5,308,000
EXPENSES					
Business Operations	\$1,875,000	\$1,922,000	\$1,970,000	\$2,019,000	\$2,070,000
Stadium Operations	\$2,000,000	\$2,048,000	\$2,097,000	\$2,147,000	\$2,198,000
TOTAL EXPENSES	\$3,875,000	\$3,970,000	\$4,067,000	\$4,166,000	\$4,268,000
SCOT OPERATING INCOME BEFORE CONTRIBUTION	\$945,000	\$962,000	\$979,000	\$1,002,000	\$1,040,000

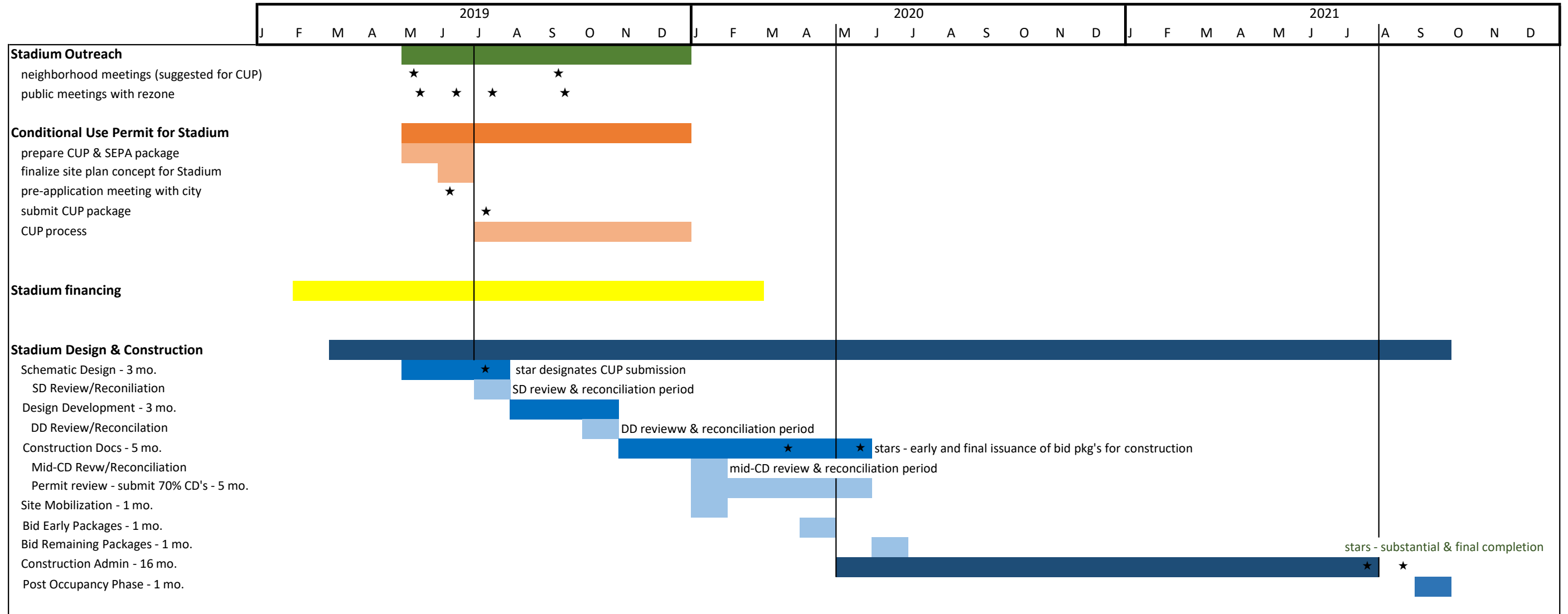
WORKSTREAM 1:

SOCCER STADIUM - STADIUM FUNDING

- Public-private partnerships have been used to fund the renovation of Cheney Stadium and other major sports venues in the Seattle area.
- Over ten (10) public and private funding sources were identified and quantified in the report and would be sufficient to pay for stadium development and construction.
- Project stakeholders will determine an appropriate funding plan that is mutually acceptable to each party.



WORKSTREAM 1: SOCCER STADIUM - SCHEDULE



WORKSTREAM 2: MIXED-USE DEVELOPMENT



WORKSTREAM 2: MIXED-USE DEVELOPMENT PROCESS

OBJECTIVE | HR&A evaluated the role and feasibility of mixed-use development at Heidelberg Sports Village.

Determine the “Highest and Best Use”: a well-positioned, thoughtful mixed-use development can support a project’s success by:

- **Activating the site during (and outside) of event times.**
- **Creating economic value to the City and MPT**



WORKSTREAM 2: **MIXED-USE DEVELOPMENT** ***PROCESS***

APPROACH | HR&A's analytical process provided the client team with a thorough, objective assessment.



Market Scan

- Regional growth trends
- Local and regional real estate data and knowledgeable

Review of Sports & Health-Focused Districts

Program Development and Feasibility

- Mixed-use program alternatives
- Financial feasibility of potential uses

Key Considerations for Project Implementation

WORKSTREAM 2: MIXED-USE DEVELOPMENT PROCESS

MARKET ANALYSIS | HR&A evaluated the potential for a range of land uses, focusing analytic efforts on those with meaningful market potential.



**Multifamily
Residential**



Retail



**Community
Facilities**



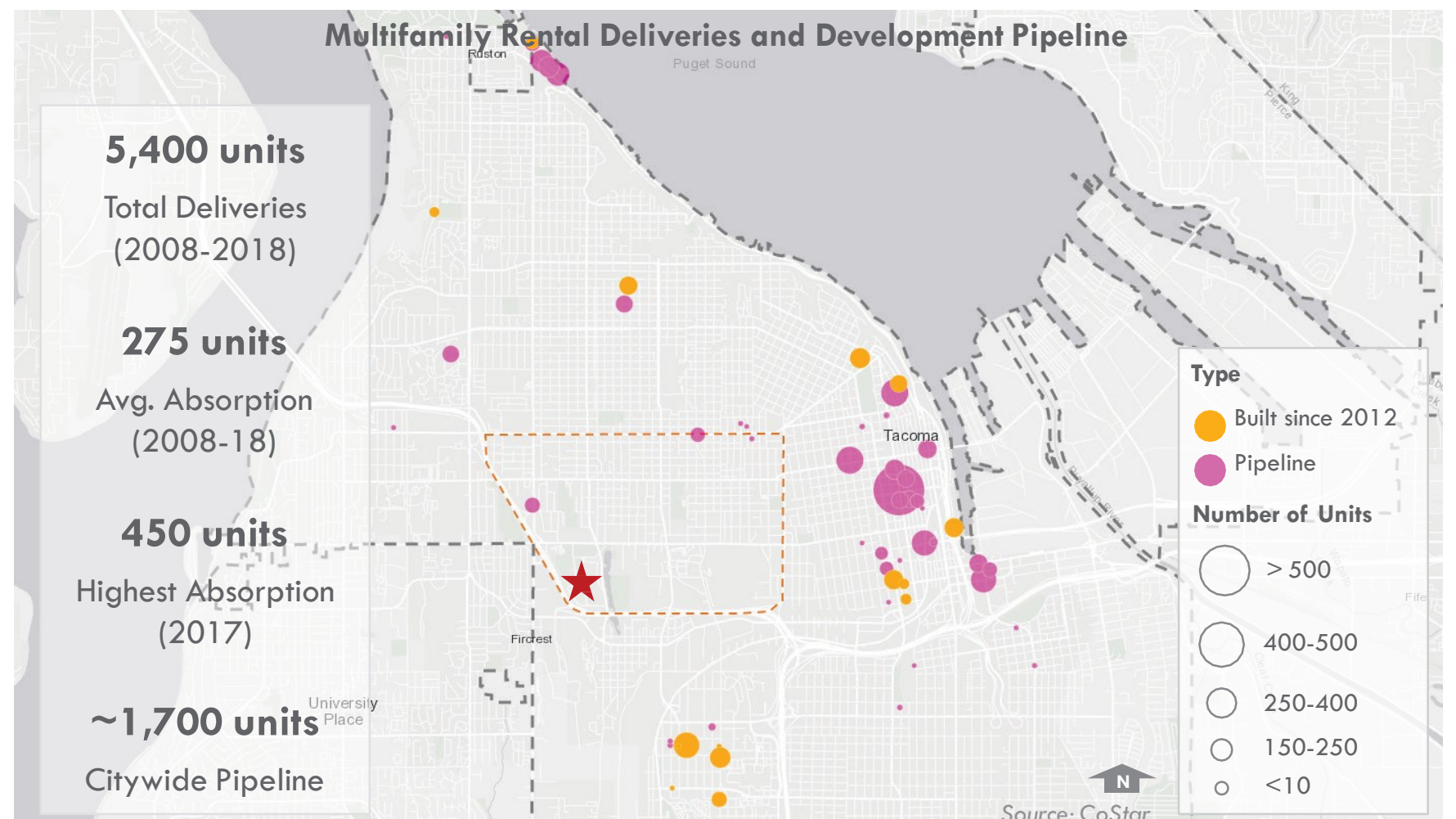
Office



Hospitality

WORKSTREAM 2: MIXED-USE DEVELOPMENT PROCESS

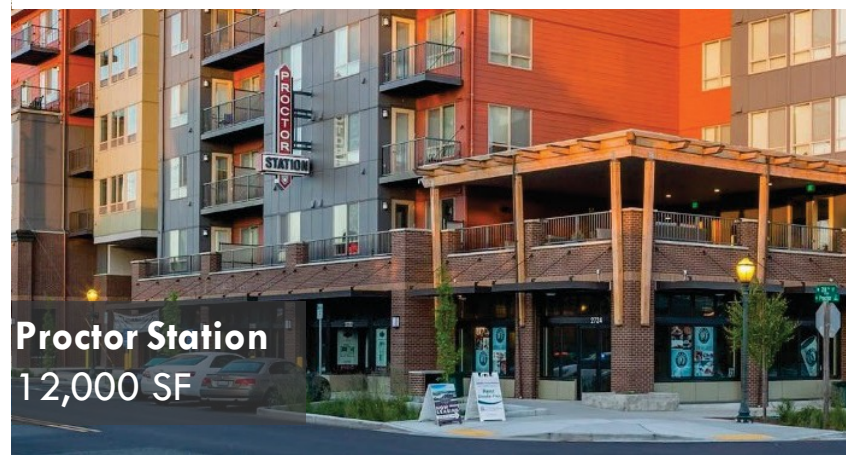
RESIDENTIAL | The multifamily market in Tacoma is gathering momentum, and the site has the potential to capture a share of the new market.



WORKSTREAM 2: MIXED-USE DEVELOPMENT PROCESS

RETAIL | Retail will play a strong role in shaping the identity of the site, either as an amenity to residential or as a destination.

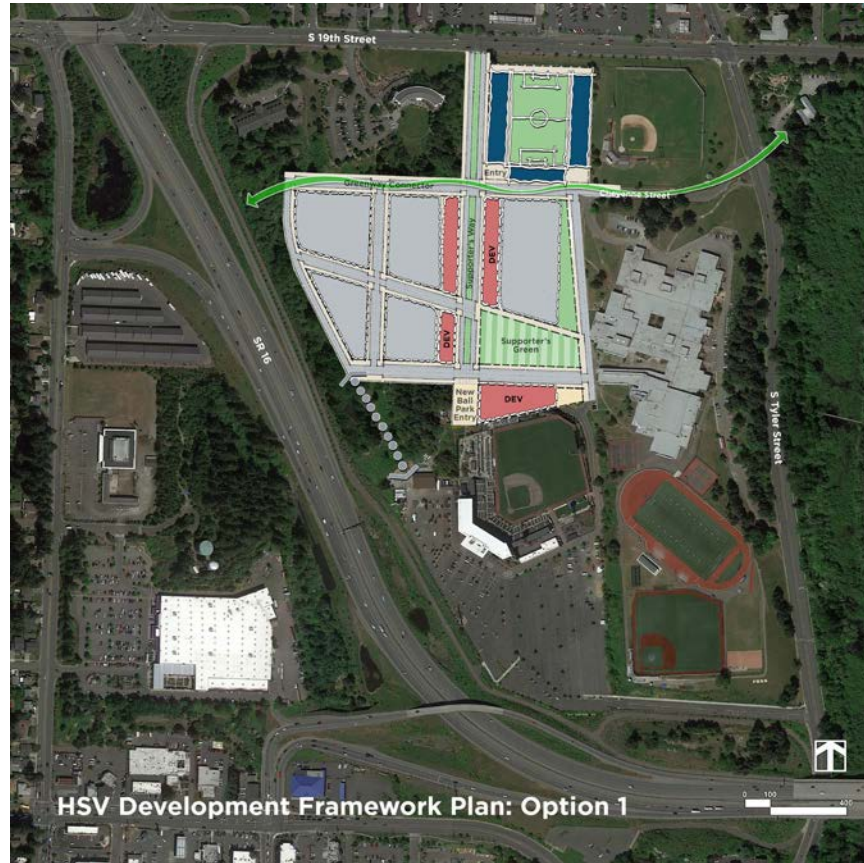
Residential Amenity



Destination Retail Cluster



WORKSTREAM 2: MIXED-USE DEVELOPMENT INITIAL ASSESSMENTS



WORKSTREAM 2: MIXED-USE DEVELOPMENT *RECOMMENDED DEVELOPMENT PLAN - PHASE 1*



Implementation of Phase I can create a catalytic energy for private development.

WORKSTREAM 2: MIXED-USE DEVELOPMENT *RECOMMENDED DEVELOPMENT PLAN - PHASE 2*



Private development will drive up to 80% of total revenue to the District and City.

WORKSTREAM 2: MIXED-USE DEVELOPMENT *RECOMMENDED DEVELOPMENT PLAN - PHASE 3*



Densities, size, scope and aesthetic of any mixed-use development will be subject to regulatory review.

WORKSTREAM 2: **MIXED-USE DEVELOPMENT** ***VISION AND PROGRAM***

The preferred program is **a phased large-scale, multifamily-focused program, one phase of which includes a meaningful amount of destination retail.** These phases total 575,000 SF, including 520 residential units and 70,000 SF of retail:

- **Mixed-Use Phase A:** 345,000 SF, including 283 residential units and 70,000 SF of retail.
- **Mixed-Use Phase B:** 230,000 SF, including 237 residential units and no additional retail.

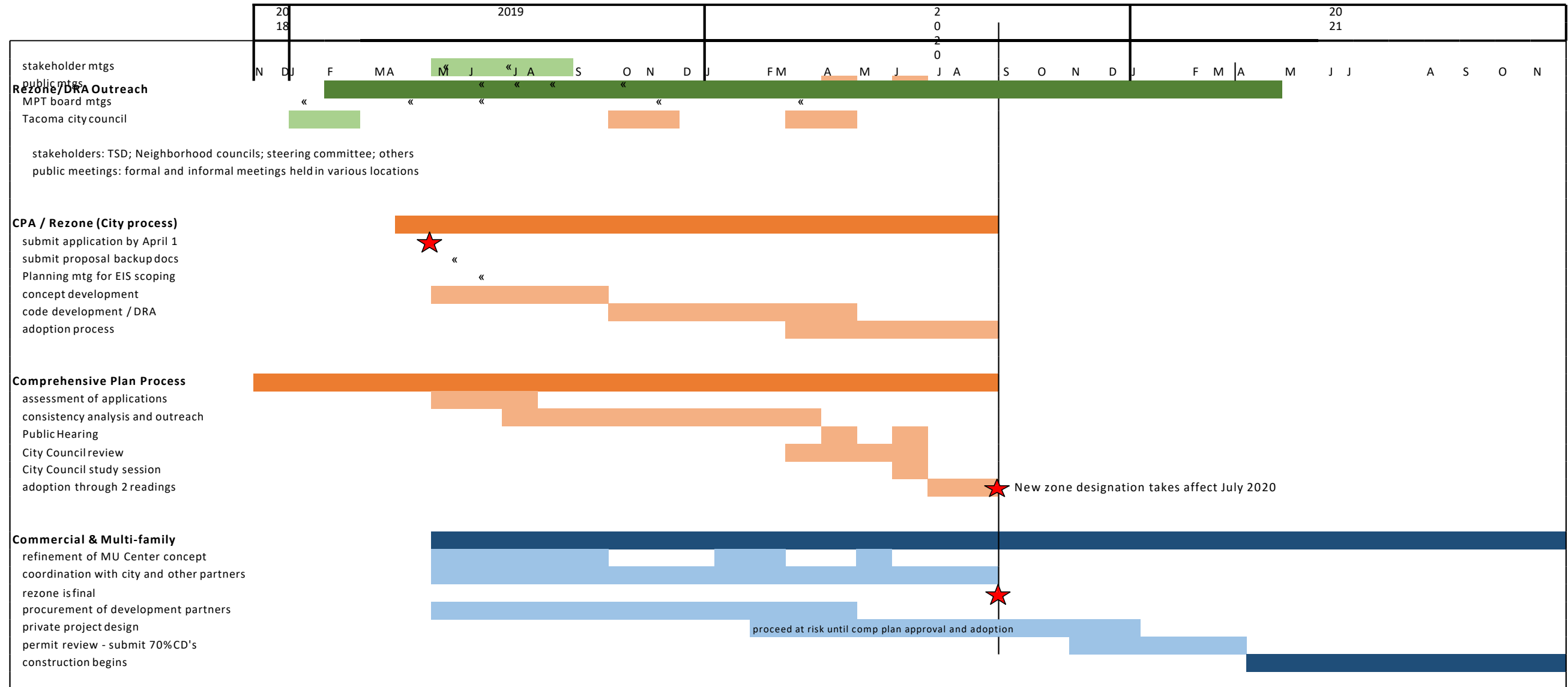
*Phase A is anticipated to include 705 parking spaces; Phase B is anticipated to include 355 parking spaces

WORKSTREAM 2:
MIXED-USE DEVELOPMENT
VISION AND PROGRAM

VISION FOR HEIDELBERG SPORTS VILLAGE

An **active, mixed-use** district
in the heart of Tacoma,
celebrating **sport,**
recreation & wellness.

WORKSTREAM 2: MIXED-USE DEVELOPMENT - SCHEDULE

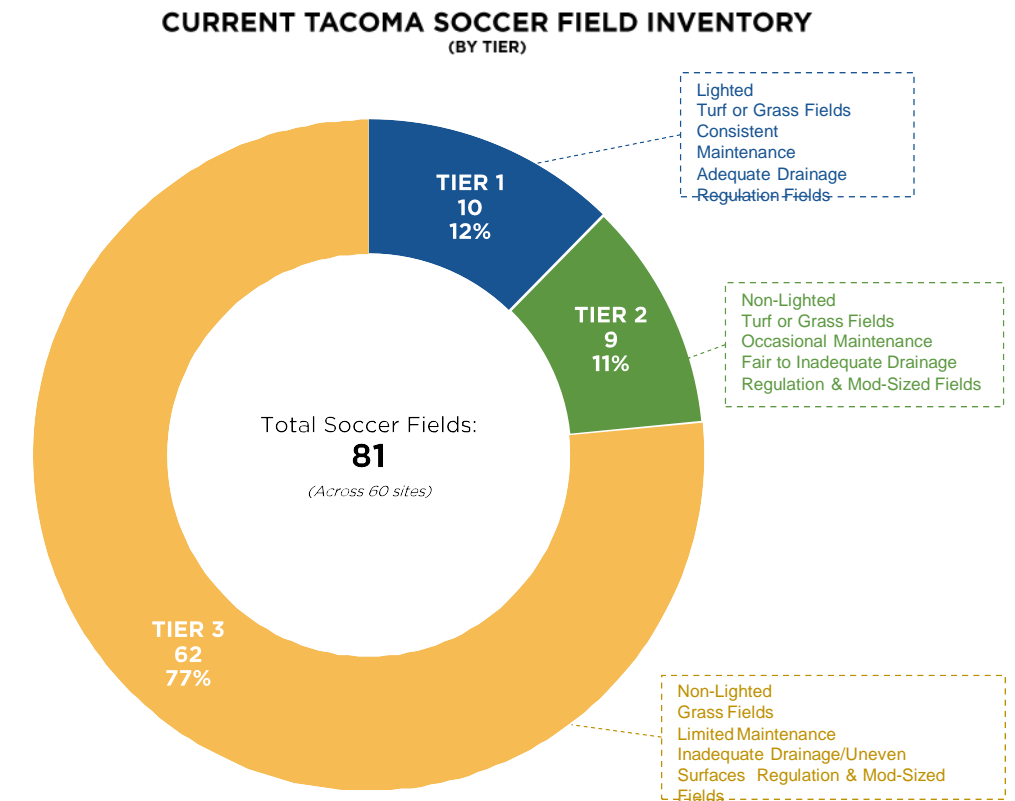


WORKSTREAM 3: RECREATIONAL SPORTS FIELD COMPLEX



WORKSTREAM 3: RECREATIONAL SPORTS FIELD COMPLEX ASSESSMENT

1. A study completed by MPT and the Tacoma Public Schools in 2016 identified **a need for a soccer complex** with 6 to 8 soccer fields centralized in the Tacoma community.
2. An independent evaluation by the consultant team produced the following key findings:
 - a. Soccer and baseball **participation in Tacoma has steadily grown** in recent years and future growth is constrained by the availability of quality fields for practices, games and camps.
 - b. Based upon inventory of existing fields in Tacoma, only **23%** are considered of a quality high enough for routine use (condition, playability, maintenance).



WORKSTREAM 3: RECREATIONAL SPORTS FIELD COMPLEX ASSESSMENT

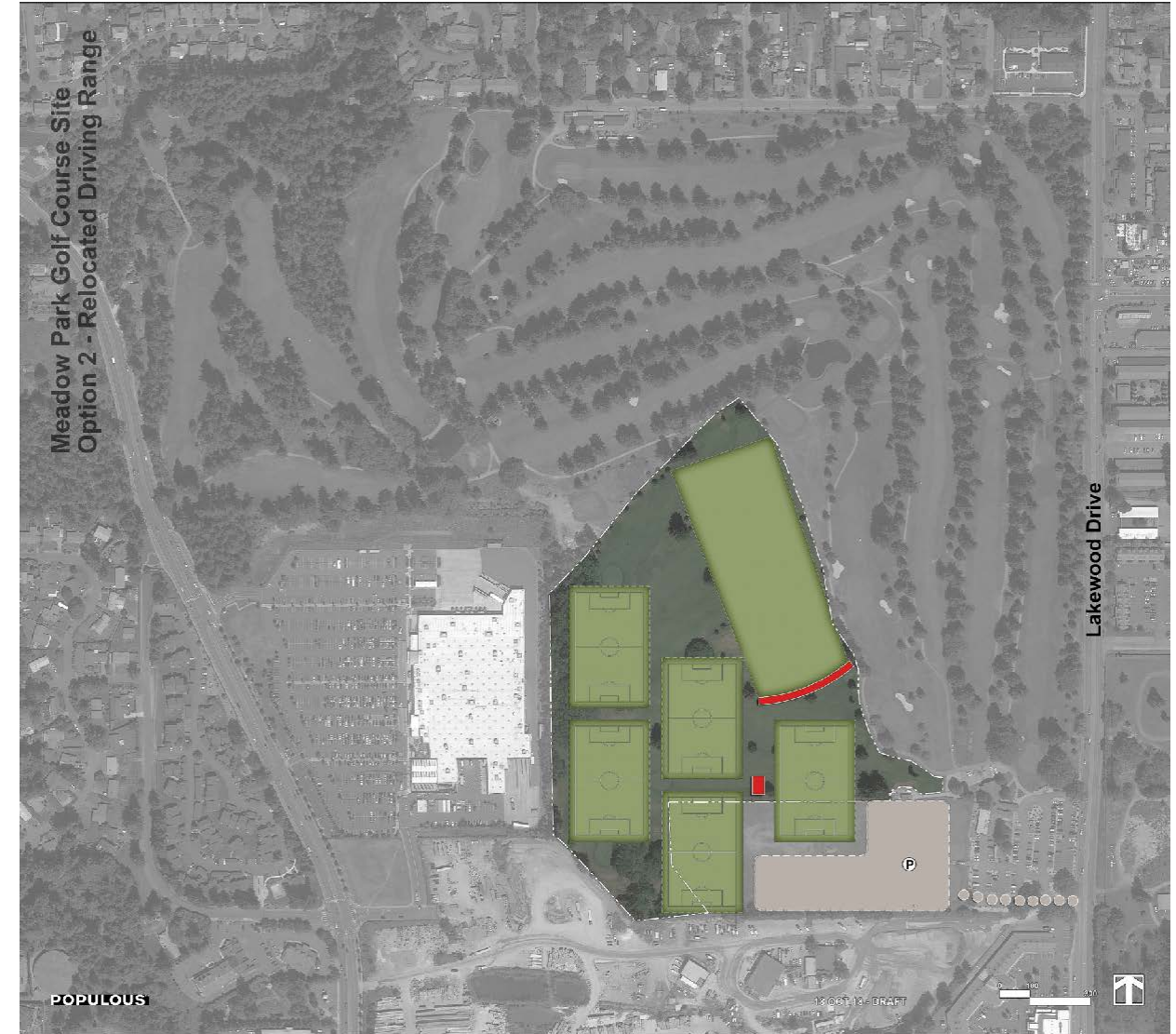
3. The recommendation is for eight (8) regulation synthetic turf soccer fields, designed to accommodate five (5) baseball/softball fields in the same footprint.
 - a. Synthetic surfaces are highly recommended.
4. Several potential sites were assessed.
5. The sports complex could attract over 450,000 annual participants/spectators for soccer, lacrosse, rugby, baseball and softball.
6. Total development costs are estimated at \$35M including hard and soft costs, lighting, support buildings and parking.

EVENT TYPE	SOCCER		BASEBALL		TOTAL	
	TOTAL EVENTS	TOTAL ATTENDEES	TOTAL EVENTS	TOTAL ATTENDEES	TOTAL EVENTS	TOTAL ATTENDEES
Practices	4,006	90,144	943	16,974	4,949	107,118
League Games	2,383	178,740	0	0	2,383	178,740
Tournaments	8	110,250	9	47,628	17	157,878
Camps	6	7,425	0	0	6	7,425
TOTAL		386,559		64,602		451,161

WORKSTREAM 3: RECREATIONAL SPORTS FIELD COMPLEX PLANNING - TACOMA CITY LANDFILL



WORKSTREAM 3: RECREATIONAL SPORTS FIELD COMPLEX PLANNING - MEADOW PARK GOLF COURSE



WORKSTREAM 3: RECREATIONAL SPORTS FIELD COMPLEX PLANNING - MOUNT TAHOMA HIGH SCHOOL



WORKSTREAM 3: RECREATIONAL SPORTS FIELD COMPLEX PLANNING - TACOMA COMMUNITY COLLEGE (*PREFERRED & MOST PROXIMATE LOCATION)



WORKSTREAM 3:
RECREATIONAL SPORTS FIELD COMPLEX
BUDGET

TOTAL PROJECT COSTS SUMMARY

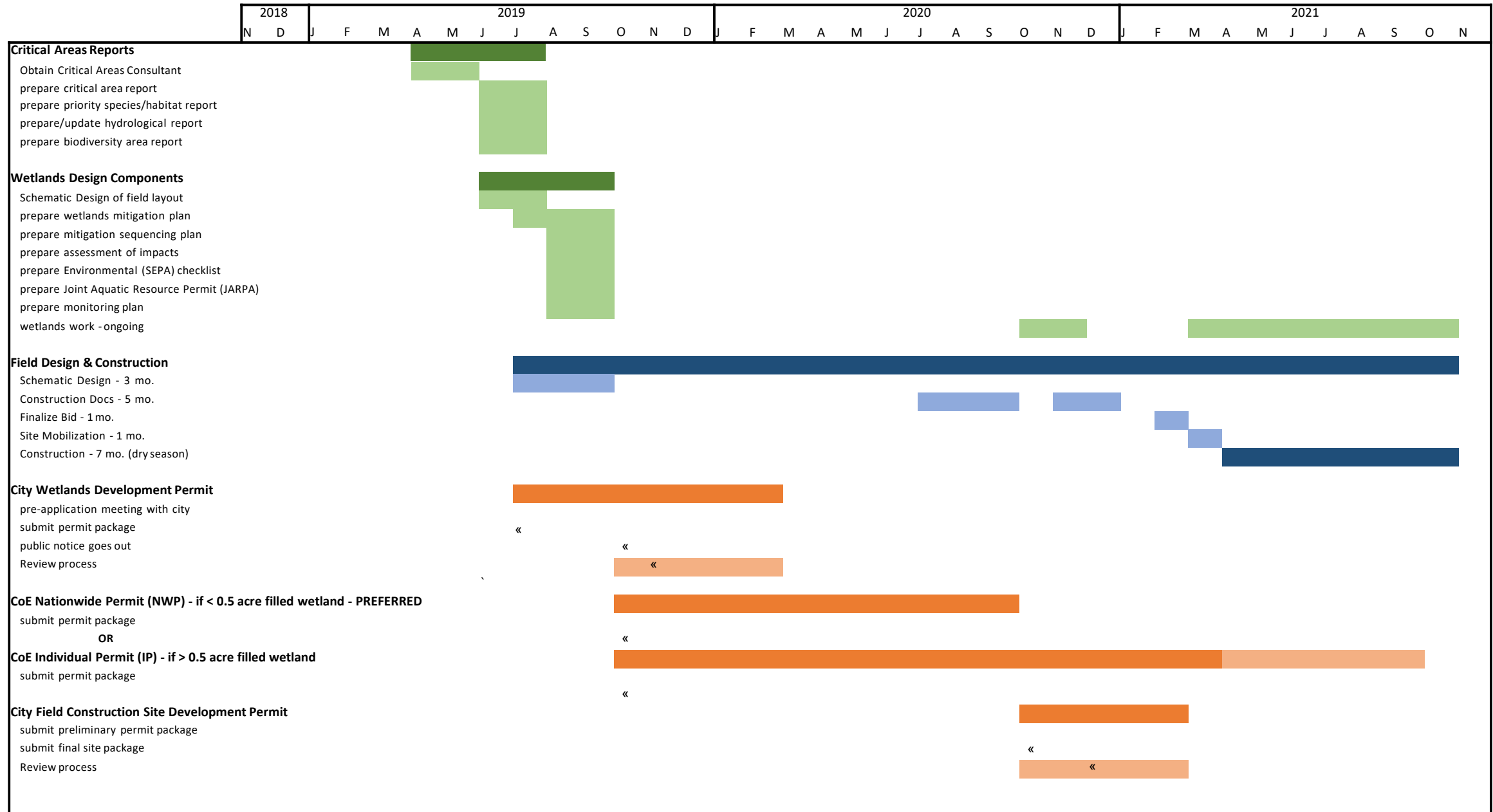
Total Construction Costs	\$22,923,201
Escalation (2020)	\$2,349,628
<hr/>	
Total Hard Costs	\$25,272,829
Estimated Soft Costs (27.3%)	\$9,506,137
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TOTAL PROJECT COSTS	\$34,778,965

WORKSTREAM 3: RECREATIONAL SPORTS FIELD COMPLEX

- Metro Parks would own and operate the sports complex
- Metro Parks could generate revenues sufficient to cover operating expenses, excluding debt service.
- It is anticipated that Metro Parks could fund the construction of the complex with available operating budget resources without raising taxes.
- A capital reserve would need to be established in order to replace the synthetic field surface every 10 years. Annual funding for this capital reserve would be approximately \$600,000.

OPERATING REVENUE/EXPENSE	2020	2021	2022	2023	2024
Operating Revenues					
League, Practice, and Camp Rentals	\$396,876	\$408,782	\$421,046	\$433,677	\$446,687
Tournament Rental Income	\$132,750	\$136,733	\$140,834	\$145,060	\$149,411
Parking Fees (Net)	\$146,880	\$151,286	\$155,825	\$160,500	\$165,315
Advertising & Sponsorship	\$150,000	\$154,500	\$159,135	\$163,909	\$168,826
Concessions (Net)	\$236,334	\$243,424	\$250,726	\$258,248	\$265,996
TOTAL OPERATING REVENUE	\$1,062,840	\$1,094,725	\$1,127,567	\$1,161,394	\$1,196,235
Operating Expenses					
Salaries & Wages	\$344,500	\$354,835	\$365,480	\$376,444	\$387,738
Repairs & Maintenance	\$88,000	\$90,640	\$93,359	\$96,160	\$99,045
Materials and Supplies	\$39,600	\$40,788	\$42,012	\$43,272	\$44,570
Insurance	\$32,000	\$32,960	\$33,949	\$34,967	\$36,016
Utilities	\$120,000	\$123,600	\$127,308	\$131,127	\$135,061
Tournament Expenses	\$53,100	\$54,693	\$56,334	\$58,024	\$59,765
General & Administrative	\$60,000	\$61,800	\$63,654	\$65,564	\$67,531
Other Miscellaneous	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765
TOTAL OPERATING EXPENSES	\$767,200	\$790,216	\$813,922	\$838,340	\$863,490
OPERATING INCOME	\$295,640	\$304,509	\$313,644	\$323,053	\$332,745

WORKSTREAM 3: RECREATIONAL SPORTS FIELD COMPLEX SCHEDULE



IN CONCLUSION



HEIDELBERG SPORTS VILLAGE

PUBLIC BENEFITS

- \$300M investment in stadium and mixed use development of which more than two-thirds are anticipated to be private investment.
- Total new spending estimated at \$640 million in net present value (including construction and the first 30 years of operations).
 - This spending would be supporting 360 full time and part time jobs (FTE's).
- Tax revenues of \$43M in net present value (from construction and continued operations) generated to MPT and the City.
- And other community benefits including: 100 rent-free days of stadium use / increased open space / recreational use opportunities / additional multifamily housing / expansion of medical services in Tacoma / grass-root youth sports participation growth, etc.

ECONOMIC AND FISCAL IMPACTS				
Heidelberg Sports Village				
32-Year NPV* to the Local Community				
Dollars in Millions				
	NET NEW IMPACTS			
	HSV Stadium	Mixed Use	Sports Complex	Net New 32-Year* NPV
ECONOMIC IMPACTS				
Direct Spending	\$81.1M	\$283.8M	\$71.0M	\$435.8M
Indirect and Induced Spending	\$39.4M	\$131.4M	\$37.2M	\$208.0M
Total Economic Output	\$120.5M	\$415.2M	\$108.2M	\$643.8M
Jobs	63	240	61	364
Earnings	\$47.8M	\$138.1M	\$47.9M	\$233.8M
FISCAL IMPACTS				
Sales Taxes	\$3.0M	\$11.7M	\$2.4M	\$17.2M
Property Taxes	--	\$24.3M	--	\$24.3M
Admissions Taxes	\$0.5M	--	--	\$0.5M
Tourism Taxes	\$0.2M	--	\$0.1M	\$0.2M
Business & Occupation Taxes	\$0.3M	--	--	\$0.3M
Total Fiscal Benefits	\$4.0M	\$36.0M	\$2.5M	\$42.6M

Note: Economic impacts specific to the City of Tacoma. Fiscal impacts include 3.60% local sales tax rate and 15.76 per \$1,000 of assessed value property tax rate.
 Note: Net present value calculated using a 4.5% discount rate.
 * 32-year NPV includes 18 months of stadium construction and 30 years of stadium/ancillary/complex operations.

