

# Laurel Hill Park

## Sportsplex Planning Update



*Planning & Development Division*

*Special Projects*

February 27, 2008



## Agenda – Consideration for PAB's Position

- Full Build Scenario
- AC's Discussion Based on Full Build Scenario Financials
- Alternative PAB Position to Full Build Scenario
- Potential Initial Incremental Development on YCF
- Alternatives to Laurel Hill
- Position Recommendations
- Next Steps

## Full Build Scenario

- Full Build Scenario does not have sufficient revenue to support Capital Construction
- Revenue is sufficient to pay for operations, but supports only a small portion of required debt. Would require approximately \$120 million dollars of conventional funding.

## AC's Discussion Based on Full Build Financials

- Still Interested in a Sportsplex at Laurel Hill- Not many Sites in County Accommodate a Sports Complex
- Willing to be a Partner in Committing Resources
  - Relationships
  - Materials
  - Time
  - Fundraising, Etc.
- Must be a County-Wide Project for all User Groups to Garner Sufficient Support

## AC's Discussion Based on Full Build Financials

- Request for Additional Information and Presentations
  - Conventional Funding
    - What is the schedule impact?
    - What don't we get, if we have Sportsplex?
  - What are the restrictions on the land?
  - How does this site compare to other sites for field development?
  - What is the break down of construction costs?
  - Want more time to review and input
- Options for Incremental Development
- Will Discuss Next Steps for AC at March 19<sup>th</sup> Meeting

# Sportsplex Plan Update

## Potential Initial Incremental Development on YCF



### Components:

- 8 Rectangular Fields
- 1 Championship Field
- Concessions & Restrooms

### Model:

- Rental Driven Operating Paradigm
- Revenues from Rentals & Concessions
- Managed by Park Authority with Contracted or Potential In-House Operations

# Sportsplex Plan Update

## Potential Initial Incremental Development on YCF

- Why Consider this Scenario as PAB Position?
  - Initial Action to Get Needed Facilities
  - Allows expansion opportunity and/or phasing
  - Existing design, Master Plan, 2232
  - No SE needed
  - Supports tournament play
  - Generates revenue to support operation and some cash
  - Most user utility – users/field/hour
  - Development Budget, Operational Aspects & Revenue Potential Needs to be Vetted by Staff Team. Also needs to be shared with AC



8 Rectangles +  
1 Championship Field

## Sportsplex Plan Update

### Potential Initial Incremental Development on YCF - Revised Estimate

■	Hard Costs	
➤	Infrastructure	\$11,061,455
➤	Facilities	\$22,914,249
■	Soft Costs	\$6,775,391
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	Total	\$40,751,097

\*2008 Numbers Provided by VHB & EDAW, Development Budget Inflated to 2011

# Sportsplex Plan Update

## Potential Initial Incremental Development on YCF - Revised Estimate (cont.)

Fairfax County Park Authority, Virginia  
 Sportsplex  
 Minimal Scenario  
 Estimated Construction Cost, Net Operating Income, and Financing Capacity

### Construction Costs

Infrastructure	\$ 11,061,455
Facilities	\$ 22,914,249
Soft Costs	\$ 6,775,391
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<b>Inflation (9.5%)(2011)</b>	<b>\$ 40,751,097</b>

### Financing to Fund Construction Cost (1)

Actual Construction Cost	40,751,097
Annual Debt Service Coverage Requirement	<b>4,546,782</b>
Net Operating Income (NOI)	<b>2,230,992</b>
<b>Gap</b>	<b>(2,315,790)</b>

### Annual Net Operating Income

Annual Operating Revenues	\$ 2,749,275
Annual Operating Expenses	\$ 518,283
<b>Net Operating Income (NOI)</b>	<b>\$ 2,230,992</b>

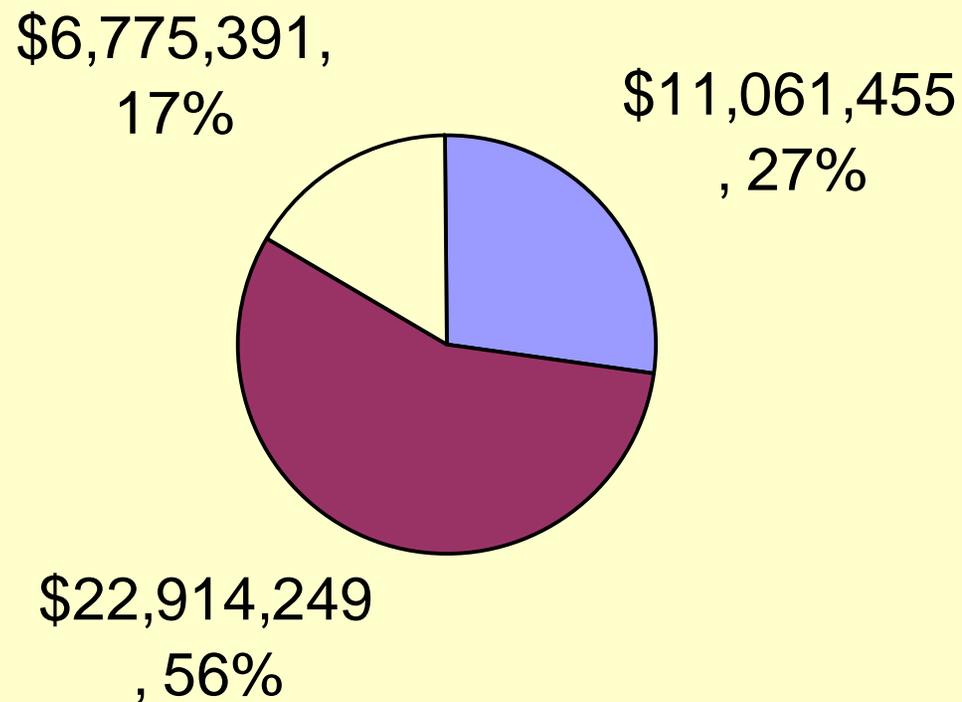
### Financing Constrained to NOI (1)

Feasible Construction Cost	20,756,894
Actual Construction Cost	40,751,097
<b>Gap</b>	<b>(19,994,203)</b>

(1) Assumes 5.0% interest cost (MMD AAA plus 120 bps as of 2/5/08), 1.1 times debt service coverage on average annual debt service

## Sportsplex Plan Update

### Potential Initial Incremental Development on YCF - Project Costs

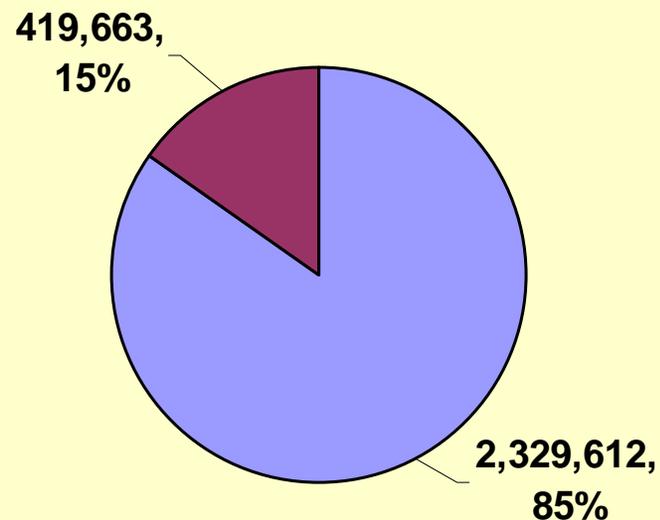


■ Infrastructure ■ Facilities □ Soft Costs

# Sportsplex Plan Update

## Potential Initial Incremental Development on YCF - Revenue

Rental Revenue	=	\$ 2,329,612*
Additional Revenue	=	\$ 419,663*



Based on Total Patron Visits of 925,327 Annually

\* Denotes 2011 Dollars

■ Rental Revenues ■ Additional Revenues

## Potential Initial Incremental Development on YCF— Outline Schedule

- All Activity Types Scheduled at Full Ramp-Up
  - Practice
  - League
  - Camp
  - Tournaments
- Championship Field Fully Scheduled, not just Tournaments
- Operating Paradigm is Rental Driven at “Market” Rates
- Revenue Projections may Require Adjustment if Conventional Funding is Provided to Satisfy Public Participation



### Potential Initial Incremental Development on YCF - Benefits

- There is Support to Move Forward from Stakeholders & County
- Project Complexity could be Managed by Park Authority with Option for Contractor Operations
- Incremental Construction Possible
- Reduced Initial Site Costs
- Discrete Smaller Projects
  - Conventional Funding could Support Existing PM Resources of PA
  - Alternative Funding Sources
  - 2012 Park Bond Could Fund Future Increments
- Revenue Supports Operation and Funds a Portion of Debt Service. Revenues will Decrease with Free / Subsidized Time

## Potential Initial Incremental Development on YCF - Benefits (cont.)

- Retain Ability to Solicit Partners
  - Possible Fill Dirt Opportunity in Exchange for Funds or Infrastructure
  - Shared Usage/ Fort Belvoir
  - Participation with Regional Organizations
  - Participation of Athletic User Groups
  - Naming Rights/Sponsorship
  - Athletic Development with Ground Lease for Private Development
  - Other County Funding for Infrastructure
- Site Allows for Future Development of Additional Fields and a Field House

# Potential Initial Incremental Development on YCF - Challenges

- Support is Strong, but Currently No Financial Backing
- Incremental Construction has a Longer Timeline – Cost Will Increase with Inflation
- All Athletic User Groups will Not be Included in First Phase
- Conventional Funding Could Require Trade-offs in County
- Expectation of Subsidized / Free Use If Conventional Funding is Used - Will Decrease Revenues

## Alternatives to Laurel Hill

- Patriot Park
  - Cost = \$20 million
  - Components
    - 3 Synthetic, Lit Rectangle Fields
    - 3 Grass, Lit (90') Diamond Fields
    - 1 Restroom Facility
  - High Infrastructure Costs
- Sully Woodlands- Quinn, Stephens
- Braddock Park, Lake Fairfax, Baron Cameron, South Run, EC Lawrence

### **PAB Position Recommendations - Potential Initial Incremental Development on YCF**

- 1<sup>st</sup> Choice - Construct the “Full-Build” Scenario by Conventionally Funding Approximately \$120 million because it Fully Meets Demands of the Community
- 2<sup>nd</sup> Choice – Construct the “Potential Initial Incremental Development on YCF” as the First Phase of a Future Build Out

## Sportsplex Plan Update

### **PAB Position Recommendations – Potential Initial Incremental Development on YCF**

- Initiates Action to Provide these Needed Facilities
- Meets Goals of BOS Request to Develop Laurel Hill Parkland
- One of the Few Locations in County Available for Field Complex w/ Field House
- Allows Expansion Opportunity for Future Field House and Related Facilities
- Approved Master Plan and 2232 for Construction
- No Special Exception Needed
- 9 Fields Help with Needs Assessment Shortages
- Demand Shown by Research
- Can Build and Manage Conventionally with Option for Contractor Operations
- Supports Tournament Play
- Generates Revenue to Support Operations and Return some Cash

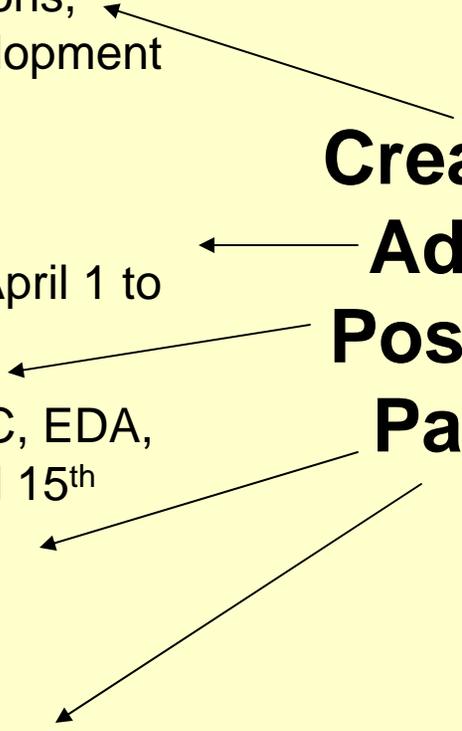
# Sportsplex Plan Update

## Next Steps

### ■ Ideal Steps for Project Completion

1. Vet Development Costs, Revenue Projections, Operating Structure / Costs for Initial Development with Project Team – Immediately
2. Complete Draft Report – End of March
3. Distribute for Review (Public Comment) - April 1 to May 1
4. Concurrently Conduct Additional Tasks (AC, EDA, Schumacher, Land Lease) - Now until April 15<sup>th</sup>
5. Gather Comments - May 1 to May 15<sup>th</sup>
6. Completion of Final Report - End of May
7. PAB Presentation of Final Report - June
8. BOS / County Management Staff Presentation - July

**Create &  
Adopt  
Position  
Paper**



# Sportsplex Plan Update

