

CONFIDENTIAL

4SIGHT STEAM + SPORTSPLEX

BUSINESS PLAN

Prepared July 2020



CONTACT INFORMATION

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4Sight STEAM + Sportsplex



Provide science education, activity, and advocacy for disadvantaged youth in high-poverty, low-income areas of Irondale & Birmingham, AL

Our Opportunity

Problem worth solving

Can new development occur to provide opportunities for more inclusive shopping, outdoor recreation, restaurants, sports, entertainment venues and places for social interaction for all residents and benefit high-risk children?



Market size: \$18M

Target market

- Sports Tourism 50% (\$9M)
- At Risk Children 50% (\$9M)

Our solutions

1. Giving our kids a competitive advantage
2. Ensure high-need students are prepared
3. Create an "educational pipeline"
4. Develop inclusive sport tourism
5. Promote Esports

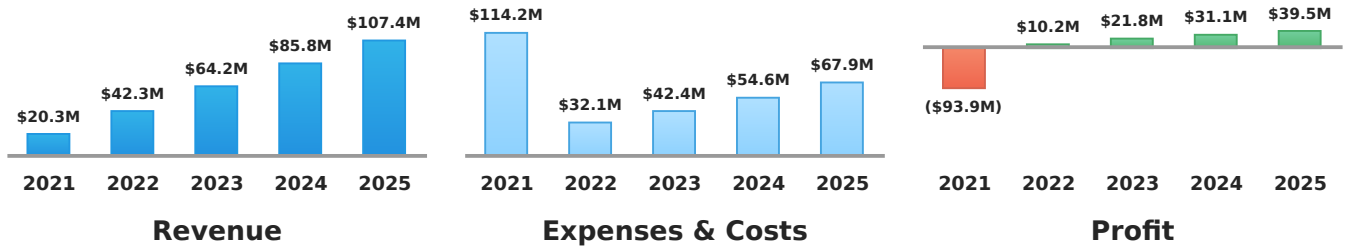
Competitors	How our solution is better
Hoover Sports	Serves at-need population
Boo Williams Sports	Geographically eliminated
Upward Star Center	Geographically Eliminated
Myrtle Beach Sports	Geographically Eliminated
Round Rock Sports	Geographically Eliminated

Funding needed

\$ **150M**

These funds will secure the location and enable all soft and hard costs with operating funds for the first fiscal year.

Financial Projections



Presented by

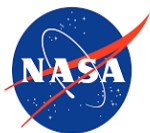


Dr. Karnie Smith Sr

CEO Organizer

KCarl leads the organization's efforts to inspire disadvantaged youth to excel in STEAM and computer science related courses and careers.

Partners and Resources



DEVELOPMENT TIMELINE

What does it take to develop your 'big idea' for a new sports and recreation facility into a spectacular grand opening that's on time, on budget, and filled with happy, healthy guests for years to come?

PRE-FEASIBILITY

Is this project a good idea?
It's time to do your homework.
Research should include market planning, demographics, competition benchmarking, sports participation, anticipated development costs, financing approach, and revenue generating opportunities.



BUSINESS PLANNING

It's time to lay ground work for the entire project by defining and outlining the major details, goals, and financial outcomes. Be sure to include:

- Mission & Purpose
- Vision & Goals
- Financial Forecast
- Program Requirements



FINANCING DOCUMENTATION

It all comes down to these two documents: the institutional grade financial pro forma and the feasibility report. Is your plan financeable?



On Average: 30% no., 30% yes., 40% yes, if...

GO OR NO-GO DECISION TIME

PROJECT FUNDING

No project can get started without first securing proper funding. Today's lending and investment communities seek safe and credible projects led by experienced teams, proven operations, credit worthy partners and operational use tenants. With this information in hand, strategize the right mix of debt, equity, and other project finance opportunities.



CONSTRUCTION

From design to dirt, you're likely going to need over 400 days to get the project finished in time for the Grand Opening.



FACILITY DESIGN
SITE WORK
CERTIFICATES

ORGANIZATIONAL DEVELOPMENT

A job that never really ends, it's critical to find and attract top-notch talent in your leadership positions. Determine internal versus external staff needs, finalize your organizational chart, then start hiring your general manager and director level positions.



OPERATIONS DEVELOPMENT

From finance GL codes to P.O.S. systems, you'll need to specify every detail of the operation.



What's the policy on party rentals?
Who mows the lawn?
What's our weekly report and meeting agenda?

SALES & MARKETING DEVELOPMENT

How potential customers perceive your new venue depends on your sales & marketing efforts:



PROGRAM DEVELOPMENT

Programs are the lifeblood of any successful sports and recreation venue. Don't forget to address:



- Scheduling
- Pricing
- Collections Procedures
- Play Format
- Marketing Calendar
- Officials
- Coaches
- Code of Conduct

FACILITY PREP FOR OPERATIONS

The project is taking on a life of its own now and it's time to start preparing the facility for the Grand Opening: Give yourself 3 weeks to whip it into shape.



FACILITIES TRAINING
FACILITIES STOCK
IN-HOUSE MARKETING

SOFT OPENING

In preparation for the grand opening, schedule a soft opening event two weeks prior to the grand opening to provide an opportunity for staff to 'practice' their new roles and make adjustments. This provides a great opportunity to welcome community partners for low-to-no-cost events.



★ GRAND OPENING ★

Executive Summary

Opportunity

In the fall of 1961 German rocket scientist, Wernher Von Braun, secured \$3 million dollars for what is now the University of Alabama in Huntsville. During his 1961 address to the Alabama Legislature, he pointedly said: *"It's the university climate that brings the business. Let us be honest with ourselves. It is not water, or real estate, or labor or cheap taxes that brings industry to a state or city. It's brainpower."* Fast forwarding to 2020, **Huntsville currently brings in an estimated \$30 to \$40 billion dollars in government contracts every year.** Not bad for a \$3 million dollar investment in 1961!

In order to drive economic growth in Irondale and Birmingham **low-income communities and unleash their economic potential**, the answer Von Braun gave to the state legislators more than a half century ago works today.

It provides a framework for guiding public and private decisions that will affect new development as well as reinvestment in existing neighborhoods and business areas. A Comprehensive Plan is based on ALL the residents' vision of how they want their city to grow in the future— it is a long-term vision.

- How can all children reap the benefits especially the most needed?
- How can we create more jobs to Irondale to boost the city's economy?
- What range of housing types and lifestyle options will become available to accommodate people at various stages in their lives?
- Can new development occur to provide opportunities for more inclusive shopping, outdoor recreation, restaurants, sports, entertainment venues and places for social interaction for all residents?

A great way for organizations to stand against racism is by supporting successful programs that provide disadvantaged students in grades K-12 access to high-quality STEAM education.

Empowering disadvantaged children with a pathway to success, our community-based, not-for-profit organization, has a demonstrated track record of using a STEAM based platform to educate, empower and create generational wealth—socially and economically.

Solution 1 of 2

STEAM-centered curriculum using youth technology teams/E-Sports teams and robotics competitions to mentor a new generation of technological leaders.

Frederick Douglass was right, “It’s easier to build strong children than to repair broken men.” Education is the surest path out of poverty. It is the vehicle that prepares and equips children to face and overcome the world’s challenges of today and tomorrow.

The positive impact STEAM programs are making was stated best by a 4th grader who said, “When I build a robot, I am rebuilding my life. I am a transformer. I’m Megatron.”

With the growing role of technology driving the American economy, we look to equip urban and rural children to play a role—giving them a competitive advantage and using their gifts and talents. Our mission is three-fold: (1) Ensure that high-need students in grades K-12 throughout the state of Alabama (urban and rural underrepresented populations) are prepared to compete and excel in lucrative and important STEAM and computer science fields; and (2) Create an “educational pipeline” from Pre-K to PhD. Given the ever-increasing need for a STEAM-ready workforce in Alabama and nationally, we will not have the untapped potential of African-American youth and adults go to waste. (3) Develop a sport tourism destination inclusive of our African-American youth.

Based on the maturity and accessibility of the technical expertise within the United States, several manufacturing capabilities are available for globally competitive products facilitated through a strong Research and Development program. The manufacturing capabilities of each of these products will be transferred from the laboratory location to the manufacturing facilities using a systematic set of scaling steps. These steps will follow **ISO 9000** procedures so that the end products turn globally superb for the consumers.

The estimated cost to materialize the proposed Research and Development facility involving beginning level and long-term instruments comprises initial investment estimated recently as about **\$40.5 million**. This amount is exclusively for the *state-of-the-art* instruments without overheads, maintenance, building construction, land-procurement, furniture, small tools, other supplies, and consumable items such as energy, materials' supplies, transportation

outside the premises, etc. The laboratory instruments designed for acquisition from several sources satisfying competitive qualities and pricing. **The cost of the instruments is subject to continuous fluctuations in the global markets. This fluctuation is primarily due to the current economic situation in the global market. The exact cost may escalate further as it does without notice.**

Solution 2 of 2

Sports Tourism

To Enhance collaboration between the residential / business community and local schools in Irondale we aim to drive tourism and inclusion through Sports Tourism.

Of the \$15 billion youth sports travel market, 36% is spent on equipment and facilities.

Communities in the U.S. have projects underway to extend & upgrade youth facilities.

Police departments estimate a crime reduction of 33% in areas with youth sports participation.

Sports tourism is an industry founded on out-of-town visitors traveling to and spending on watching or playing sports. The sub-section of youth and amateur travel sports is the fastest-growing sector in the industry, cited at \$10 billion in 2017 by the National Association of Sports Commissions. Athletes and their families travel with their competitive club teams to destinations in the region and across the United States.

The dedication to this activity is so high in fact, that during and since the recession, many families have made decisions to reduce spending on vacations and other travel activities in favor of spending on travel sports.

Our market

The residential population of Irondale is slightly older than most sports tourism markets by 1 year. The median age is 38.0 in markets with our population estimated at 39.8 in 2014.

The racial composition of Irondale is growing more diverse. According to the 2010 estimates Irondale consisted of 58.9% of residents reported as White, 32.5% Black or African American, 8% Hispanic.

Median household has increased from \$39,329 in 1990, to \$46,203 in 200 to an estimated \$52,077 in 2014, a 32% increase since 1990.

Since 2010 Irondale residents have experienced a median household income increase of 4% while Jefferson County has decreased by 5% and the State of Alabama has essentially remain unchanged. This increase is due in part to comparably higher wages jobs, high rates of economic mobility/opportunity and low unemployment.

Competition

We have analyzed existing and planned indoor sports centers located in the comparative markets that were identified by the Sports Marketing Unit as primary competitors for amateur sports events. Selection criteria for the facilities we reviewed were:

- At least 80,000 square feet building footprint
- At least six (6) basketball courts
- Opened within the past 10 years

In addition, we also reviewed three other indoor facilities (located in Round Rock, Texas; Spartanburg, South Carolina; and Gatlinburg, Tennessee) that all opened in 2014 and may also be viewed as potential comparable venues for a new indoor sports center in Irondale. In total, we analyzed the following six (6) indoor sports centers

Unless otherwise noted, the sources of comparable venue information on the following pages were facility management:

- Hoover Sports Complex - Hoover, Alabama
- Boo Williams Sportsplex - Hampton, Virginia
- Upward Star Center -Spartanburg, South Carolina
- Myrtle Beach Sports Center - Myrtle Beach, South Carolina
- Round Rock Sports Center - Round Rock, Texas
- Rocky Top Sports World- Gatlinburg, Tennessee

Size and Configuration

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The comparable indoor sports centers reviewed in this section, as shown below, range from 82,000 to 155,000 square feet, and include 6 to 9 basketball courts (convertible to 12 to 16 volleyball courts). Two of the venues also include additional indoor features such as indoor turf or an indoor track.

Tournaments & Visitors

The comparable indoor facilities we analyzed are all expected to host anywhere from 25 to 40 weekend tournaments each year, with up to 200,000 annual visitors (including athletes, coaches, spectators, etc.), and upwards of 15,000 hotel nights generated each year.

Facility	City, State	Year Open	Square Feet	Construction Cost (\$M)	Number of Fields/Courts			
					Basketball Config.	Volleyball Config.	Indoor Turf	Indoor Track
Hoover Sports Complex	Birmingham, AL	2017	155,000	76.0 ⁽¹⁾	9	12	1	-
Boo Williams Sportsplex	Hampton, VA	2008	135,000	13.5	8	12	-	1
Upward Star Center	Spartanburg, SC	2014	120,000	19.0	6	12	-	-
Myrtle Beach Sports Center	Myrtle Beach, SC	2015	100,000	12.4	8	16	-	-
Rocky Top Sports World	Gatlinburg, TN	2014	86,000	20.0 ⁽²⁾	6	12	-	-
Round Rock Sports Center	Round Rock, TX	2014	82,000	14.5	6	12	-	-

Note: Sorted by Square Feet in descending order

(1) Construction cost for Hoover Sports Complex includes both an outdoor field complex and indoor sports center on 120 acres

(2) Construction cost for Rocky Top Sports World includes both an outdoor field complex and indoor sports center on 80 acres

Source: Sports Center Administrators, Victus Research

Why Us?

Rigorous science, technology, engineering and mathematics (STEM) programs are nonexistent for disadvantaged youth living in or around public housing.

According to established research, disadvantaged students can lose up to half a grade due to the unavailability of adequate summer academic programs in urban communities.

The AESI STEM program, in Huntsville, Alabama, is in its eighth year of operation—having established robotics focused STEM curriculums at six Title 1 schools:

- (1) Mae Jemison High School
- (2) Ronald E. McNair Junior High School
- (3) James I. Dawson Elementary
- (4) Lakewood Elementary
- (5) Martin Luther King Jr. Elementary

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(6) Rolling Hills Elementary School.

AESI-Huntsville operates from a building located in the Butler Terrace Public Housing neighborhood—a 1,000 square foot office. The lack of space is a major issue due to rising student interest and increasing community and school support. AESI has an average of 200 disadvantaged youth participating in its STEM programs.

More space is needed to expand—having the capacity to accommodate a long waiting list of more than 100 students—hoping to secure one of the sought-after spots creates our statement of need.

Expectations

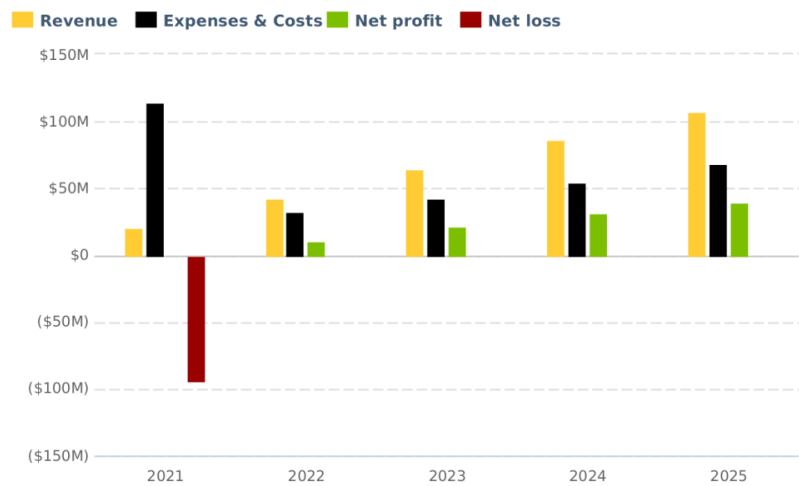
Forecast

A new Urban Community STEAM + Sportsplex Center will help us to:

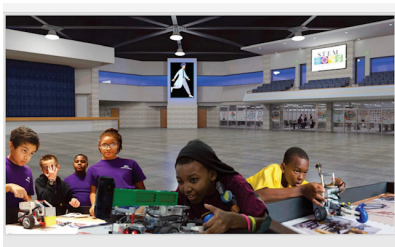
- (1) Build a cutting-edge robotics lab
- (2) Construct an aquaponics STEM greenhouse
- (3) Close the technical skills and academic achievement gaps of disadvantaged youth through robotics competition.
- (4) Create an inclusive sports environment for our children that profits the community.

A new STEM + Sportsplex Center will serve as a prototype for additional Urban Community STEAM Centers in Alabama.

Financial Highlights by Year



Financing Needed



An investment of \$150,000,000 is needed to acquire the property and build-out the 105- acres. The 65,000 square foot Zamora Shrine Temple will be converted into a state-of-the-art STEAM center. There will be the addition of an indoor sports complex as well as a short term stay hotel.

Opportunity

Problem & Solution

Problem Worth Solving

Downtown Irondale has faced vacancy rates and a poor mix of retail tenants. The way a downtown looks and functions does matter to economic development. These days, an attractive, viable downtown is necessary to garner more visitor and resident dollars and send the message to potential businesses, industries, investors and residents who may locate in Irondale that the city values its downtown as the commercial, social and cultural center of the city. Hence, there is a need to make Downtown Irondale more attractive and to transition it from a daytime place of some activity into a 24/7 live, work, play environment.

The US 78 / Crestwood Boulevard Corridor has continued to suffer under economic competition. Irondale is surrounded by nearby municipalities that have more modernized retail shopping venues that are easily accessible via a fairly efficient transportation infrastructure. A significant portion of Irondale residents' retail shopping is occurring outside of Irondale. The losses of big-box retailers have been damaging to the city's retail infrastructure. Even if residents prefer to shop for some common categories of goods in the Irondale community, no retailers are located within the community to meet those residents' needs. Further, Irondale shoppers are spending a significant portion of their incomes making retail purchases in surrounding municipalities and making substantial contributions through sales taxes to Jefferson County and those communities rather than to the City of Irondale.

Due to their large size, any redevelopment efforts will require collaboration between the City and the private sector.

STEAM Center

The government-contracting arena offers a rich opportunity for technological driven organizations. The available funds available are well over \$100,000,000 USD.

The Research Center will first focus on becoming participants in the government set a side program. A great advantage is the minority status of the Research Center. In addition, the Mentor-Protege program is a vital program to participate. The Research Center will target the

education and training services which will enhance the research and development sector by developing a consistent flow of in-house skilled workforce.

The Research Center will also leverage the intellectual property and develop a commercial product line to match and support the government sector, which will continue to see growth for the foreseeable future.

R&D Equipment Package for the Laboratory: Estimated Cost

The laboratory equipment package consists of a number of instruments satisfyingful/**automation** via computer-controlled, wherever necessary, for operation, testing and evaluation (**TtEv**), random quality characterization (**RQC**), etc. Each of these instruments has a fixed annual (per year basis) overhead maintenance, repair, consumable items, etc. besides wear and tear, loss or damage. The maintenance and repair cost of each instrument usually ranges between **20%** and **35%** of the original price per year. In addition, there are consumable items for each instrument which is based on the supply needed on the daily consumption basis. The consumable items for several of the instruments are estimated on a daily basis as **15%** per month of the original cost of the instrument. However, this estimation can vary on a daily basis and depend on the volume usage per day.

Several manufacturing instruments are not readily available in the world-market because they are costly. These instruments are assembled upon receiving orders from the buyers. The vendors usually collect advance money for the high-tech instruments that ranges between **25%** and **50%** of the total price before shipping the instrument at the destination. The delivery time, thus, vary from vendor to vendor. On several occasions customized instruments are desired to satisfy ratings and test standards to meet the product specification.

Thus, the price of the instruments is not steady almost on a daily basis and depends on the fluctuation of the daily rating of the U.S. Dollar. **The price indicated below for the instruments do not include maintenance, overhead, repair, furniture, small tools, supplies, consumables, etc.** Almost all the initial instruments come with at least **ONE-YEAR WARRANTY**. Subsequent annual coverage is essential to meet the breakdown cost. The competitive pricing of the **laboratory instruments** without overhead and annual maintenance cost including supplies and daily basis consumables are given below. The number in the parenthesis indicates the quantity of the corresponding instrument.

Ion Beam Accelerator (1) **\$1,500,000**

Plastic 3D Printers (20) **\$100,000**

Sintering Tunnel Kiln (1) \$ 1,500,000

CNC Tooling \$250,000

3D Printers (4) \$ 250,000

Ceramic 3D Printers (4) \$250,000

Sintering Tunnel Ki n (1) \$1,500,00

Salalaries (1) \$500,000

Intellectual Property Fund \$ 5,000,000

Sintering Tunnel Kiln (1) \$1,500,00

X-ray Photoelectron Spectroscopy - XPS (1) \$1,500,000

Transmission Electron Microscopy - TEM (1) \$ 1,500,000

Sintering Tunnel Kiln (1) \$1,500,00

Atomic Force Microscopy with 1-, 2-, and 4-Probe -AFM (1) \$ 1,400,000

Customized Box Furnace (2) \$ 500,000

Scanning Electron Microscopy - SEM (1) \$500,000

Vacuum Coating Unit - VCU (1) \$300,000

Electron Beam Unit - EB U (1) \$400,000

Non-Destructive Acoustic Emission Spectroscopy - AES (1) \$300,000

Auger Spectroscopy - AS (1) \$ 200,000

Customized Attritor -Ball Milling Plus Containers (1) \$150,000

Customized Blender /Mixer/Disperser (2) \$250,000

Customized High Temperature Static Calciner (1) \$200,000

Customized Spray-Drier (2) \$400,000

Pressing Machine (2) \$300,00

Grinder / Lapper (2) \$200,000

Passivating Coating System (1) \$200,000

De-Ionized Water Source (2) \$400,000

Low Temperature Annealing Furnace (2) \$200,000

Metallization and Plasma Electroding (2) \$200,000

Customized Surge Impulse Tester (2) \$200,00

Particle -Size Analyzer - Laser and X-Ray Based (2) \$300,00

Optical an Acoustical Scrutiny (2) \$150,000

Surface Area Analyzer (2) \$150,000

ph Meter - Precision and Regular (2) \$100,00

Zeta Potential Meter (1) \$100,000

Viscometer/Viscosity-Meter (2) \$100,000

High-Precision Wire Bonder (2) \$100,000

High-Precision Soldering (2) \$100,000

X-ray Diffractometer - XRD (1) \$200,000

Customized Dilatometer - 1700C (1) \$300,000

Cusotmized High Current (Artificial lighting) (1) \$300,00

Customized Accelerated Life Testing Facility (1) \$200,00

Inductively Coupled Plasma Atomic Emission Spectroscopy (1) \$250,000

Deep-Level Transient Spectroscopy DLTS (1) \$150,000

Thermal Conductivity - TC (1) \$150,000

Optical Spectrometer - OS (1) \$100,000

Profilometer (1) \$100,000

Customized Current -Voltage - 1 -V (2) \$100,000

Impedance Analyzers/Accessories: 10⁻³ Hz - 10⁹ Hz range (1) \$100,00

High-Precision Wire Bonder (2) \$100,000

High -Precision Soldering (2) \$100,000

Capacitance-Voltage : C-V (2) \$100,000

Hall Effect - Van Der Pauw Resistivity (1) \$100,000

Precision Power Supplies, Multi-meters, Electro-meters, Oscilloscopes, Function Generators, Data Recorders, et \$200,000

Accessories and Fixtures (for aforementioned instruments) \$800,000

Moisture Analyzer (2) \$50,000

Computerized Optical Microscope - OM (4) \$50,000

Mass Weighing Machine (2) \$50,000

Ultra-Low Precision Mass Weighing Machine (2) \$50,000

Weibull and Charpie Test ing (2) \$50,000

Seebeck Coefficient Unit- SCU (1) \$50,000

Peltier Coefficient Unit - PCU (1) \$50,000

Computers, Laptops, Printers, Pertinent Accessories, etc. (50) \$50,000

Grand Total (Tentative/Estimated) \$40,500,000

Sportsplex

Sports Tourism

To Enhance collaboration between the residential / business community and local schools in Irondale we aim to drive tourism and inclusion through Sports Tourism.

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Police departments estimate a crime reduction of 33% in areas with youth sports participation.

Sports tourism is an industry founded on out-of-town visitors traveling to and spending on watching or playing sports. The sub-section of youth and amateur travel sports is the fastest-growing sector in the industry, cited at \$10 billion in 2017 by the National Association of Sports Commissions. Athletes and their families travel with their competitive club teams to destinations in the region and across the United States. The dedication to this activity is so high in fact, that during and since the recession, many families have made decisions to reduce spending on vacations and other travel activities in favor of spending on travel sports.

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It's important to understand these sports tourism facilities differ significantly from a traditional community recreation center in several ways. Sports Tourism facilities are built primarily for non-local players with a goal to bring in out-of-town visitors who will benefit the economy by purchasing hotel rooms, spending on local retail, and enjoying local restaurants. It's imperative that communities run these facilities like a savvy business owner to create long-term success and sustainability. This is in conflict with the traditional approach of parks and recreation which provides local residents with places to play and activities to enjoy, generally at a subsidy to the tax payers.

The Benefits of Sports Tourism Complex to the Community

- Family Priority – Sports tourism is the only segment of the tourism industry that did not decline in a single quarter of the Great Recession.
- 153 new venues under construction \$33MM to \$85 MM as of 2017.

STEAM CENTER

Land Procurement

The land is under contract for \$3,500,000 and is scheduled to close on or before October 31, 2020.

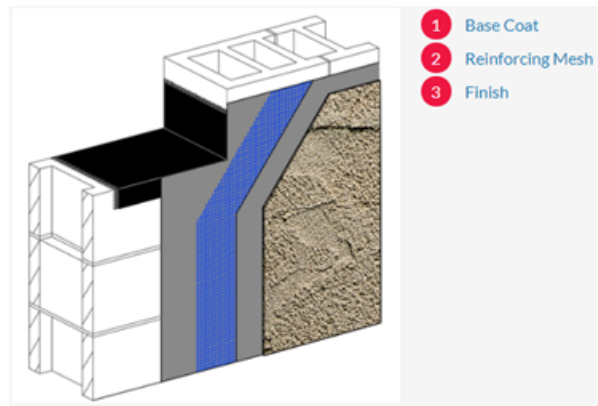
Building Construction



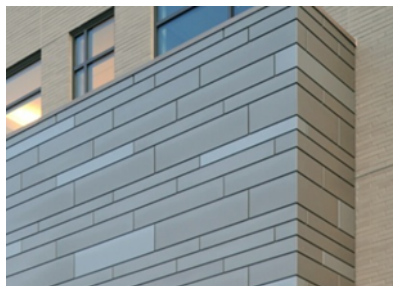
Primary Exterior Finishes:

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- Stucco Finish System (Dryvit TAFs Finishing System)



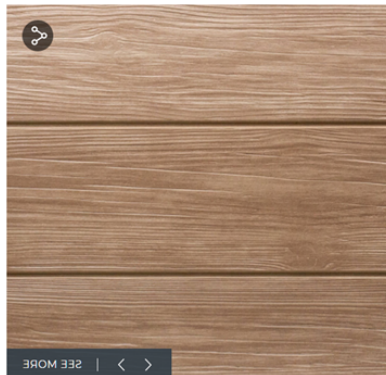
- Metal Panel Cladding (Dri-Design Painted Aluminum)



- Stone (Cultured Stone – Pro-Fit Modera Ledgestone)



- Wood Plank Siding (Nichiha – Vintage Wood)





Target Market

Integrating Sports Tourism Assets with Local Recreation

In most communities, assets that are designed as tournament and event facilities yield a phenomenal opportunity to serve and impact local residents. There are two primary reasons for this:

- Tournaments and events typically mirror the school schedule; with the exception of long weekends, holiday weeks, and summer break, tournaments and events start no earlier than Friday afternoon and are complete by Sunday evening. Furthermore, even the most successful facilities have open weekends throughout the year. This means that sports tourism facilities have unfilled inventory one weekdays after school/work and on some weekend days.
- In order to meet the capacity requirements for a tournament or event under one roof or within one complex, most facilities exceed local capacity needs. This means that sports tourism facilities can serve a majority of local programs at times that are convenient and desirable for local residents.

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In addition to schedule and capacity, most sports tourism facilities have the opportunity to benefit the local community because they are built to event standards. Many tournament-capable facilities have upgraded playing surfaces and equipment, enhanced supporting amenities (concessions, restrooms, etc.), sufficient parking, and convenient and comfortable seating options, making the player and spectator experience at tournament-based facilities better than traditional recreation assets.

In order to serve local recreation needs and maximize the athletic, social, and educational impact of sports and recreation, we assert that sports tourism assets should be made available to local residents as often as possible through in-house programs and partnerships with local service providers.

In addition to meetings and interviews, we also conducted online surveys with 278 parents, participants, coaches, and other such members of the amateur sports market in Alabama.

Survey topics included:

- General demographic information
- Sports and recreation facilities frequented in the area
- General attitudes toward amateur sports in the area
- Ideal features of amateur sports host cities and facilities
- Interest in utilizing a potential new Birmingham multi-use facility

KEY COMMENTS SURVEY RESULTS

"An indoor field would be wonderful, as well as more turf fields."

"Need more local access to practice fields."

"All of the fields need to be the new safe turf to accommodate games in the rain as we suffer an inordinate amount of cancellation due to wet fields."

"Need more turf fields or they need grass fields to drain better. Games get cancelled too easily."

"Lack of turf fields often causes events to be cancelled during rain or in aftermath of rain to prevent damage to grass fields."

"It would be nice to have more turf fields available for practices/games."

"More rectangular fields are needed to support various sports. Hoover has them but they are not available to program. More would allow additional community use and potential travel tournaments."

Competition

Current alternatives

We analyzed existing and planned indoor sports centers located in the comparative markets that were identified by the Sports Marketing Unit as primary competitors for amateur sports events. Selection criteria for the facilities we reviewed were:

At least 80,000 square feet building footprint

At least six (6) basketball courts

Opened within the past 10 years

In addition, we also reviewed three other indoor facilities (located in Round Rock, Texas; Spartanburg, South Carolina; and Gatlinburg, Tennessee) that all opened in 2014 and may also be viewed as potential comparable venues for a new indoor sports center in Virginia Beach. In total, we analyzed the following six (6) indoor sports centers. Unless otherwise noted, the sources of information on the following pages were facility management:

- Hoover Sports Complex Hoover, Alabama
- Boo Williams Sportsplex Hampton, Virginia
- Upward Star Center Spartanburg, South Carolina
- Myrtle Beach Sports Center Myrtle Beach, South Carolina

- Round Rock Sports Center Round Rock, Texas

Comparative Markets Selection Criteria

Based upon feedback from the Sports Marketing Unit regarding the markets that they most often compete against for amateur sports events, we compared Birmingham (Irondale) demographic and socioeconomic characteristics to the following competitive set. Additionally, in later sections of this report, we have compared Birmingham (Irondale) to this same competitive set in terms of sports marketing/branding best practices and organizational approach:

- Charlotte, North Carolina
- Knoxville, Tennessee
- Louisville, Kentucky
- Myrtle Beach, South Carolina
- Raleigh, North Carolina
- Richmond, Virginia

<u>City, State</u>	<u>MSA</u>	<u>MSA Population</u>
Charlotte, NC	Charlotte-Concord-Gastonia	2,366,607
Virginia Beach, VA	Hampton Roads	1,726,131
Richmond, VA	Richmond	1,261,374
Louisville, KY	Louisville/Jefferson County	1,260,980
Raleigh, NC	Raleigh	1,241,532
Birmingham, AL	Birmingham-Hoover	1,151,476
Knoxville, TN	Knoxville	862,269
Myrtle Beach, SC	Myrtle Beach-Conway-North Myrtle Beach	415,646
Average		1,285,752
Median		1,251,256

Note: Sorted by MSA Population in descending order

Source: [Esri](#)

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<u>City, State</u>	<u>MSA</u>	<u>Annualized Pop. Growth (2000-2015)</u>	<u>Proj. Annual Pop. Growth (2015-2020)</u>
Myrtle Beach, SC	Myrtle Beach-Conway-North Myrtle Beach	2.9%	2.1%
Raleigh, NC	Raleigh	3.0%	2.0%
Charlotte, NC	Charlotte-Concord-Gastonia	2.2%	1.6%
Richmond, VA	Richmond	1.2%	1.0%
Virginia Beach, VA	Hampton Roads	0.6%	0.6%
Knoxville, TN	Knoxville	1.0%	0.6%
Louisville, KY	Louisville/Jefferson County	0.8%	0.6%
Birmingham, AL	Birmingham-Hoover	0.6%	0.5%
Average		1.5%	1.1%
Median		1.1%	0.8%

Note: Sorted by Projected Annual Population Growth in descending order

Source: [Esri](#)

<u>City, State</u>	<u>MSA</u>	<u>MSA Median Age</u>
Raleigh, NC	Raleigh	35.8
Virginia Beach, VA	Hampton Roads	36.1
Charlotte, NC	Charlotte-Concord-Gastonia	37.1
Birmingham, AL	Birmingham-Hoover	38.5
Richmond, VA	Richmond	38.6
Louisville, KY	Louisville/Jefferson County	39.3
Knoxville, TN	Knoxville	41.0
Myrtle Beach, SC	Myrtle Beach-Conway-North Myrtle Beach	44.3
Average		38.8
Median		38.6

Note: Sorted by MSA Median Age in ascending order

Source: [Esri](#)

<u>City, State</u>	<u>MSA</u>	<u>Total Households</u>	<u>Households w/ Children Under 18</u>	<u>% of Households w/ Children</u>
Virginia Beach, VA	Hampton Roads	653,184	442,196	68%
Charlotte, NC	Charlotte-Concord-Gastonia	906,072	611,546	67%
Birmingham, AL	Birmingham-Hoover	451,974	303,279	67%
Raleigh, NC	Raleigh	471,065	313,184	66%
Richmond, VA	Richmond	490,333	322,076	66%
Knoxville, TN	Knoxville	350,408	229,802	66%
Myrtle Beach, SC	Myrtle Beach-Conway-North Myrtle Beach	175,807	114,851	65%
Louisville, KY	Louisville/Jefferson County	508,316	329,555	65%
Average		500,895	333,311	66.3%
Median		480,699	317,630	66.1%

Note: Sorted by % of Households w/ Children in descending order

Source: [Esri](#)

Hoover Sports Complex

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Footprint:

- - 120 acre indoor/outdoor complex (\$76M total cost)
 - Indoor facility: 155,000 sq. ft.
 - Outdoor fields: 6 multi-use, 8 baseball/softball

Owner: City of Hoover

Operator: Sports Facilities Management (Private)

Configurations (Indoor Facility):

- 12 regulation volleyball courts
- 9 regulation basketball courts
- 6 tennis courts
- 1 artificial turf field

Anticipated Indoor Events:

- Camps and clinics year-round for multiple sports
- Adult and youth sports leagues
- Non-sports events such as banquets, trade shows, meetings, and graduation ceremonies

Economic Impact:

- City officials project an annual economic impact of up to \$33 million for both the indoor and outdoor facilities.

Boo Williams Sportsplex



Opened: 2008

Cost: \$13.5 Million

Footprint: 135,000 sq. ft.

Owned/Operated: Public/Private Partnership

Features:

- 12 regulation volleyball courts
- 8 regulation basketball courts
- 8 regulation indoor hockey fields
- 6-lane indoor track
- Training rooms

- Concessions area and banquet room
- Speed and conditioning center
- Retractable seating for up to 4,000 spectators

Events & Economic Impact:

- Hosts approximately 40 multi-day weekend basketball tournaments per year
- Adult and youth sports leagues
- State high school championships
- Regional/national tournaments for basketball, volleyball, cheer, track and field, and wrestling, etc.
- According to 2015 study for the City, Sportsplex generates 15,245 annual room nights in Hampton

Myrtle Beach Sports Center



Opened: 2015

Cost: \$12.4 Million

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Footprint: 100,000 sq. ft.

Owner: City of Myrtle Beach

Operator: Sports Facilities Management (Private)

Features:

- 8 regulation basketball courts (converts to 16 volleyball)
- 4 flex rooms (for locker rooms, etc.)
- Snack bar

Events:

- National and regional tournaments for basketball, volleyball, pickleball, wrestling, and gymnastics, etc.
- Initial targets for the facility, which opened in spring 2015, included up to 35 planned tournaments from March through October. In the past year, facility management reports that they have hosted 32 tournaments and cheer competitions, most occurring on (or overlapping) weekends, with approximately 115,000 total visitors.

Economic Impact:

- City officials attribute \$22 million of \$167 million in total economic impact from sports tourism in 2015 to the new Sports Center
- Facility staff estimates that more than 58,000 room nights were generated in the first 19 months

Round Rock Texas



Round Rock Sports Center

Opened: 2014

Cost: \$14.9 Million

Footprint: 82,000 sq. ft.

Owner/Operator: City of Round Rock

Features:

12 regulation volleyball courts

- 6 regulation basketball courts
- 3 flex rooms (for locker rooms, etc.)
- Snack Concessions

Events:

- Hosts over 35 weekend National and regional tournaments per year for

basketball, volleyball, wrestling, and gymnastics, etc.

- The Sports Center drew 48,000 athletes and an estimated 80,000 or more additional tournament spectators last year.

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Upward Star Center



Opened: 2014 Spartanburg, South Carolina

Cost: \$19 Million

Footprint: 120,000 sq. ft.

Owner/Operator: Private

Features:

12 regulation volleyball courts

- 6 regulation basketball courts
- 4 batting cages
- Running track
- Training and conditioning room
- Flex rooms for coaches, lockers, etc.
- Café and retail shop

Events:

– Operators project over 100,000 total visitors per year and expect to host weekend basketball, volleyball, and cheerleading tournaments year round.

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Rocky Top Sports



GATLINBURG, TENNESSEE

- Opened: 2014
- Cost: \$20 Million
- Footprint:
 - Located one hour outside Knoxville (Great Smoky Mountains)
 - 80 acre indoor/outdoor complex
 - Indoor facility: 86,000 sq. ft.
 - Outdoor complex: 7 multi-use fields
- Owners: Sevier County & the City of Gatlinburg
- Operator: Sports Facilities Management (Private)
- Indoor Sports Center Features:
 - - 12 regulation volleyball courts
 - 6 regulation basketball courts
 - 3 flex rooms

- Café and grill
- Events & Economic Impacts: (note: includes indoor/outdoor sports)
 - The facility hosted over 50 multi-sport tournaments, camps, and clinics for fiscal year 2015-16
 - The facility generated approximately 15,000 hotel nights in its first year of operations
 - Facility management estimates that they generated a \$27.5 million gross economic impact in the most recent fiscal year

Summary of Indoor Sports Venues

SIZE & CONFIGURATIONS

The comparable indoor sports centers reviewed in this section, as shown below, range from 82,000 to 155,000 square feet, and include 6 to 9 basketball courts (convertible to 12 to 16 volleyball courts). Two of the venues also include additional indoor features such as indoor turf or an indoor track.

TOURNAMENTS & VISITORS

The comparable indoor facilities we analyzed are all expected to host anywhere from 25 to 40 weekend tournaments each year, with up to 200,000 annual visitors (including athletes, coaches, spectators, etc.), and upwards of 15,000 hotel nights generated each year.

Our advantage

To maximize success, the project needs to be designed, developed, collectively managed and operated in a manner that optimizes the use by the STEAM Center, as well as various community-based needs.

Therefore, we have the following structure :

- 509 (a)(3) qualified not-for-profit managed by a board of qualified, invested members
- Supported by a broad-based Community Council

- Appeals to foundations, corporate sponsors, educators

Location

Preliminary Site Analysis

Location

The subject property consists of land and improvements which are currently utilized for the Zamora Shrine Temple, located at:

Zamora Shrine Temple 3521 Ratliff Road Irondale, Alabama 35210

Location Description

Project is located in the eastern most city limits of Irondale. The city limits is along the eastern boundary of the site. This area is between the city of Leeds to the east, city of Birmingham and Vestavia Hills to the south and the city of Trussville to the northeast. Each has their own city governments. Each of these municipalities limits meanders through the area between these municipalities as some property owners have chosen to be annexed and some remain outside of any municipality.

The subject is on Ratliff Road. Properties surrounding the subject include residential developments, golf courses, industrial developments and large land tracts being held for future development.

Even though the subject pocket is primarily in the Irondale and Birmingham city limits, its personality is influenced by these surrounding cities and the access from the interstate system to the northwest and southwest, less than 1 mile away. Leeds and Irondale are primarily older, low to middle income residential neighborhoods. Trussville is a newly developed residential community for middle-upper income residents. Liberty Park, to the south in Vestavia Hills, has been and continues to be developed for higher end residents. Liberty Park also includes a golf course and country club. Each were and are primarily developed for residential support for industries and businesses in the Birmingham area.

A few industrial facilities have located north of I-20 and along I-459. Access to these developments have been from Alton Road and Derby Parkway. This area has seen slow development over the last 20 years, taking advantage of the larger land tracts available. There

are also similar type facilities of various sizes to the east along Amber Hills Road, Queenstown Road and Floyd Bradford Road. These roads and facilities are spread out over a 4+ - mile area. The topography in the area is rolling, at best. Each site has had to be cut and/or filled for any construction or utility. However, the main draw to this area is the access to the interstate system.

There has been little new development at the intersection of Alton Road and Highway 78. However, the intersection of Grants Mill Road and I-459 has had significant new development of car dealerships over the past 10 years. This intersection is considered to be closer to affluent buyers of high end cars. This includes Mountain Brook, Vestavia Hills and Hoover.

Development throughout this area has been slow but steady. Many industries weigh the costs of site preparation to the availability of access. While there has been very little new development along Floyd Bradford Road and Alton Road, newer facilities have been constructed closer to the accesses of the interstate system at Alton- Queenstown Road and Derby Parkway and I-459. There is a fairly heavy concentration of small and large facilities at and near this intersection with the interstate.

Because of the light traffic patterns in the immediate area, there are few traffic signals in the area. All roads in the area are paved asphalt. All have ditches on either side for adequate storm drainage.

This area of Birmingham is an older multi purpose community. As surrounding communities have been developed for residential support, properties in Irondale have primarily been developed for industrial purposes. Access to the area and existing facilities is good via the north - south thoroughfares and the interstate system nearby.

All roads in the area are paved asphalt. All have ditches for storm drainage system for removal of surface water.

The subject's use and appearance as an event type facility conforms to the overall utility and appearance of the area.

All police, fire and municipal services are well provided by the city of Irondale.

The subject's use and appearance as a regional type facility works well for this location near a main interchange with the interstate system. This temple/event center was designed and located in a place to provide easy access for the multiple purposes for this facility. This use is considered to conform with the overall utility and appearance of the area.

According to the Jefferson County public records, the subject site consists of 105+ acres being used for the Shriner's campus. The site is an irregular shape with access from Ratliff Road. Accessibility and visibility of this parcel is considered to be good and it has access to all public utilities.

Further, the site has adequate road frontage and potential visibility in relation to its size and use. The prepared physical contour lends itself to many types of uses. Most types of commercial foundation structures could be built on the prepared site area.

The subject property is currently on a private septic system. However, the county is in the process of extending the public sanitary system down Ratliff Road past the subject property. As a part of this extension, they are allowing the Shriner's or another owner of the property, 2 taps into the new system.

The property is currently zoned for Institutional use. It will have to be rezoned for an event center. The appraiser assumes that the city of Irondale will rezone the property for the tax revenue and potential other revenues to the city.

Preliminary Cost Estimates

Preliminary Cost Estimate: Based on recent construction costs for comparable sports centers, preliminarily estimates of a new indoor sports center in Irondale could be constructed for a cost ranging from approximately \$100 to \$175 per square foot, depending on level of finish. This range represents approximately \$17.5 to \$30.6 million in estimated total construction costs for a 175,000 sq. ft. venue.

As a point of comparison, the average cost per square foot among comparable indoor sports centers, as shown below, was approximately \$140 per square foot. Therefore, for purposes of our economic impact analysis we have assumed construction costs of approximately \$140 per square foot, which represents total estimated construction costs of approximately \$24.5 million for a new 175,000 square foot indoor sports center.

Ultimately, it is recommended that detailed square footages and construction cost estimates should be developed by project architects and cost engineers.

Facility	City, State	Year Open	Square Feet	Construction Cost	Cost per Sq. Ft.
Boo Williams Sportsplex	Hampton, VA	2008	135,000	\$13,500,000	\$100
Upward Star Center	Spartanburg, SC	2014	120,000	\$19,000,000	\$158
Myrtle Beach Sports Center	Myrtle Beach, SC	2015	100,000	\$12,400,000	\$124
Round Rock Sports Center	Round Rock, TX	2014	82,000	\$14,500,000	\$177
Average:		2013	109,250	\$14,850,000	\$140
Median:		2014	110,000	\$14,000,000	\$141

CPTED Crime prevention through environmental design

Crime Prevention Through Environmental Design (CPTED) is a multi-disciplinary approach of crime prevention that uses urban and architectural design and the management of built and natural environments. CPTED strategies aim to reduce victimization, deter offender decisions that precede criminal acts, and build a sense of community among inhabitants so they can gain territorial control of areas, reduce crime, and minimize fear of crime. CPTED is pronounced 'sep-ted' and it is also known around the world as Designing Out Crime, defensible space, and other similar terms.

Natural surveillance increases the perceived risk of attempting deviant actions by improving visibility of potential offenders to the general public. Natural surveillance occurs by designing the placement of physical features, activities and people in such a way as to maximize visibility of the space and its users, fostering positive social interaction among legitimate users of private and public space. Potential offenders feel increased scrutiny, and thus inherently perceive an increase in risk. This perceived increase in risk extends to the perceived lack of viable and covert escape routes.

Natural access control limits the opportunity for crime by taking steps to clearly differentiate between public space and private space. By selectively placing entrances and exits, fencing, lighting and landscape to limit access or control flow, natural access control occurs.

Territorial reinforcement promotes social control through increased definition of space and improved proprietary concern. An environment designed to clearly delineate private space does two things. First, it creates a sense of ownership. Owners have a vested interest and are more likely to challenge intruders or report them to the police. Second, the sense of owned space creates an environment where "strangers" or "intruders" stand out and are more easily identified. By using buildings, fences, pavement, signs, lighting and landscape to express ownership and define public, semi-public and private space, natural territorial reinforcement

occurs. Additionally, these objectives can be achieved by assignment of space to designated users in previously unassigned locations.

Maintenance is an expression of ownership of property. Deterioration indicates less control by the intended users of a site and indicate a greater tolerance of disorder. The Broken Windows Theory is a valuable tool in understanding the importance of maintenance in deterring crime. Broken Windows theory proponents support a zero tolerance approach to property maintenance, observing that the presence of a broken window will entice vandals to break more windows in the vicinity. The sooner broken windows are fixed, the less likely it is that such vandalism will occur in the future. Vandalism falls into the broken windows category as well. The faster the graffiti is painted over, the less likely one is to repeat because no one saw what has been done. Having a positive image in the community shows a sense of pride and self-worth that no one can take away from the owner of the property.

Activity support increases the use of a built environment for safe activities with the intent of increasing the risk of detection of criminal and undesirable activities. Natural surveillance by the intended users is casual and there is no specific plan for people to watch out for criminal activity. By placing signs such as caution children playing and signs for certain activities in the area, the citizens of that area will be more involved in what is happening around them. They will be more tuned in to who is and who isn't supposed to be there and what looks suspicious on a day-to-day life.

Building program Recommendations

1. Approximate Space Requirements: Based upon industry experience, as well as preliminary input gathered from sports architects, it is estimated that the building program described above would require approximately 263,000 square feet, as follows:
 - Basketball/Volleyball Courts – 65,000 sq. ft.
 - Indoor Artificial Turf – 90,000 sq. ft.
 - Support Areas/Amenities – 20,000 sq. ft
 - Hotel and conference Center – 23,000 sq ft
 - STEAM Center – 65,000 sq ft

At \$146 per sq ft produces construction costs of \$38,398,000

Information

MUNICIPALITY City of Irondale

COUNTY Jefferson County

CENSUS TRACT 127.01

SITE SIZE 105.00 + Acres 4,573,800 + Sq. Ft.

Site size based on public records

SHAPE Irregular

DIMENSIONS (See Tax Map, Survey and/or Plot Plan) North Ratliff
Road Unknown South 2,640+ - ' East 2,640+ - ' West I-459

TOPOGRAPHY

Site prepared for building, drives & parking

Remainder of site is rolling to sloping

Panel No.

01073C0417G

UTILITIES

Water Birmingham

Sewer Jefferson County

Electricity Alabama Power

Gas Alagasco

Telephone AT&T

ZONING

INST, Institutional District

Primary Use Allowed

Schools & Churches

Economic Impact

City of Irondale

Economic impact estimates start with calculations of the amount visitors spend during their stay. Visitors can be characterized as day trippers or overnight stays. Although day trippers do not pay for hotel rooms and may not stay for dinner, they will purchase lunch and/or refreshments, buy gasoline, spend money in retail stores or on parking. Overnight visitors add hotel stays and more meals.

A six court facility is large enough to accommodate 64 teams in a round robin format.

If all 64 teams are from out of market and stay overnight the following could occur:

- 64 teams (boys in this example) could bring with them a total of 35 people (coaches, players, parents, family and friends. So, $64 \times 35 = 2,176$ visitors
- If each visitor spends \$70/day (a share in the room cost, meals, shopping, admissions to area attractions, etc.), each day 2,176 people will spend \$152,320.
- If the event lasts two nights, the total rises to \$304,640
- It is reasonable to project 10 weekend events in the first year (events will be scheduled during construction)
- 10 weekends of two night stays could produce \$3.05 million in estimated direct visitor spending
- Because volleyball and other events will take many additional weekends these projections are held at 10 in year one
- During the summer break, basketball events could run four nights
- Each four night event would produce double each weekend event, or \$609,280
- Four weeks of summer tournaments might total an estimated \$2.437 million (other weeks will be taken by volleyball and/or other events)
- Total for basketball (15 weekend events and four summer events) = \$3.05 million plus \$2.437 million, or \$5.48 million in estimated direct visitor spending

It is very clear how valuable volleyball could be to the success of the project.

We will not project all 120 teams at the events. The projections will be made on the basis of 15 weekend events for 75 teams and four summer events at 100 teams. Some will be larger and some smaller, as before.

If all 75 teams are from out of market:

- 75 teams could bring a total of 40 people, so $75 \times 40 = 3,000$ visitors
- If each person spends \$80/day for two days, the total would be \$480,000
- It is also reasonable to project 10 weekend events (coupled with basketball there will still be 32 week-ends available)
- 10 weekends of two night stays could produce \$4.8 million in estimated direct visitor spending
- During the summer break, volleyball events could last four nights
- Each four night event will produce double each week-end event, so each event could produce about \$1.92 million
- Three events (there are more than seven weeks total in the summer, but we are projecting three here and a total of seven, not more) would be \$5.76 million
- Total for volleyball (10 weekend events and three summer events) = \$4.8 million plus \$5.76 million, or \$10.56 million in estimated direct visitor spending

The grand total for basketball and volleyball would be:

Basketball..... \$7.0 million Volleyball... \$10.56 million Total \$17.56 million

It must be observed that these estimates are based upon 100% travel teams. It is reasonable to assume about 15% of the teams could be local, and that would reduce the total amount of direct visitor spending to an estimated \$14.93 million.

Using a multiplier of 1.7 to demonstrate how this can work, about \$15–17 million in direct spending could produce an estimated total economic impact of about \$25.5 million per year. The one-time construction and on-going operations of a new STEAM and indoor sports center in Irondale are estimated to generate significant incremental (or "net new") direct spending within the City by outside businesses and visitors. Over the course of the estimated useful life of this STEAM sports facility (30 years), it has been estimated that the cumulative incremental economic/fiscal benefits within the City could include nearly \$477 million in total economic output, 141 sustainable annual jobs, over \$171 million in wages, more than \$30 million in City tax revenues, and upwards of 638,000 hotel nights.

Notes on these estimates

It is impossible to know the precise number of events and visitors that will be produced each year. What is possible is to utilize thirty-five years of experience and countless case histories to make reasonable projections as to what can happen, assuming the following:

- Stable or improving ecumenic conditions
- An experienced staff, known in the sport tourism industry and able to create and locate events
- Excellent maintenance
- A "customer first" attitude
- Continual focus on court and building rentals
- A focus on active youth excellence

Design

Sports Complex

Recommendation

We will develop a multi-sport, indoor sports center for use by currently underserved indoor sports, including basketball, volleyball, etc. Key components of this facility should include:

- Up to 10 regulation basketball courts, convertible to at least 12 volleyball courts
- Indoor artificial turf with configurations for simultaneous use by up to 2 user groups
- Flexible court layout and use of multi-purpose flooring/mat options so other sports may use the venue (such as gymnastics, wrestling tournaments, etc.).
- Team rooms, concessions, administrative offices, etc.
- The sports center should be located conveniently to the on-site hotel in order to maximize multi-day tournament potential.

RATIONALE:

Basketball was identified as the least developed in terms of tournament facilities in Irondale . There is no centralized facility with more than four (4) hardwood courts in the Irondale/Birmingham area.

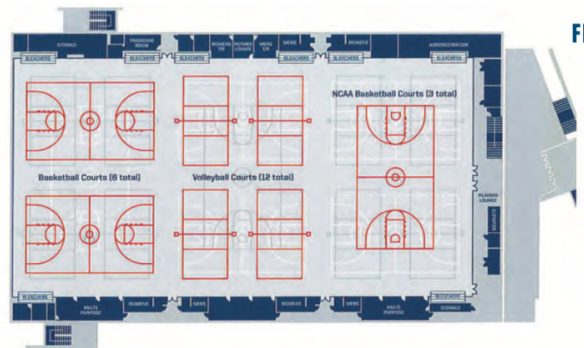
Volleyball is considered by the local community to be a very popular and successful sports in the larger area, despite lack of a suitable year-round venue for tournaments and leagues.

A flexible indoor facility, including artificial turf field space, could also accommodate numerous other sports that currently lack appropriate indoor space for practices/games.

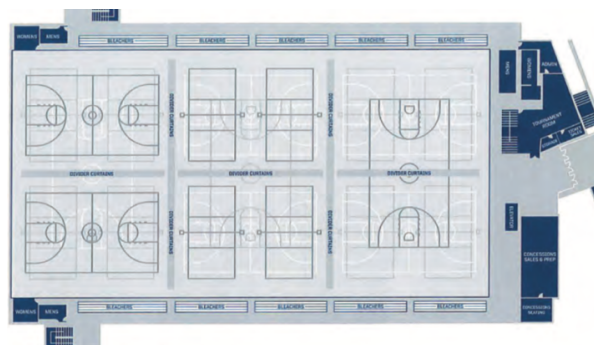
October through April has the lowest occupancy rates for Irondale hotels. An indoor facility could attract more events during the winter months to increase hotel occupancy.

Basketball courts

The first floor has a hardwood courts area that can include ten high school size courts (the size most preferred for tournaments), twelve volleyball courts (and pickleball courts) and/or three college size courts. Temporary tape can be applied to outline an NBA court when and if needed.



This floor also includes storage, a training room, bleacher space for teams playing the next games, restrooms for women and men, a referee lounge, three multi-purpose rooms (primarily for team meetings) and an administrative area. There are three stairwells and an elevator.



The separation between courts and spectators becomes evident. The bleachers accommodate about 1200 people. There are multiple power outlets along both sets of bleachers and the Wi-Fi system has enough capacity for everyone. Restrooms, a tournament room, concessions and concession preparation, ticket sales and a lobby complete the layout.

Lobby & Entrance

- Open design with natural light and bright primary colors.
- Music and sound will set the mood of a typical sports environment .
- Current dance/pop music will be mixed with sports environment background and crowd sound effects.
- The lobby area will contain giant action photos from the world of mascots.
- The lobby walls can also feature funny quotes and quips such as “Old mascots never die...they just smell that way”.
- Six foot mascot bobble heads will line both sides of the lobby and will serve as great photo opportunities.
- The entrance to the Sportsplex experience will be large life-size version of the the project logo which visitors will be able to walk through as they leave the lobby and enter the complex.

Infrastructure

Consult with BroadbandUSA which is a new initiative of the US Commerce Department National Telecommunications and Informations Administration (NTIA).

Research provisions to include fiber optic conduit or cable in the suite of infrastructure improvements that currently include water, sewer, electric utilities , etc..

EXISTING REGULATIONS AND ZONING ORDINANCE MAY NOT INCLUDE BROADBAND INFRASTRUCTURE.

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Company

Team

Management team

KCarl Smith - The President and CEO of The Douglass Initiative, KCarl leads the organization's efforts to inspire disadvantaged youth by leveraging the life and writings of America's ultimate American Dream Story—Frederick Douglass. In 2015, The Douglass Initiative joined forces with 4SIGHT, Inc. to help unleash the untapped potential of high-need students and inspire them to excel in STEAM and computer science related courses and careers. Frederick Douglass' rags-to-riches story is the best way to engage disadvantaged youth about success because no American today can out-victimized him.

A retired U.S. Army field-grade officer, KCarl completed the Army's Airborne and Air Assault Schools. He is a graduate of Alabama A&M University.

Karnie holds degrees in Electrical Engineering from Alabama A & M University, a Master of Divinity from Vanderbilt Divinity School, and a Doctor of Ministry from United Theological Seminary.

Advisors

We are currently interviewing for local advisors.

Financial Plan

Forecast

Key assumptions

This Sports Complex has numerous revenue sources to draw from to support operational and management costs that include long term capital replacement costs. The following are funding options to consider in operations of the site.

- User fees: User fees to access or use the sports complex. Fees can range from \$35 dollars for the maintenance cost per player to \$400 per team in a sports league.
- Concessions: Concessions can be leased out to a private operator for a percentage of gross profits. Typically, 15%-18% of gross profits for concessions of a profit operator, or a managing agency over the site could manage concessions. In this case, it would be the City of New Braunfels.
- Parking Fees: During major special and tournaments to the City could charge a \$5 parking fee for soccer, basketball, volleyball or football tournament.
- Field Permits: We can issue field permits for practice or games. Permits should cover the operational cost of each field and management costs. If a private operator desires to rent the site for a sporting tournament for private gain,
- Admission Fee: An admissionfee to an event in the park can be utilized. Sports complexes similar to this include an admission fee and a parking fee for major sports tournaments. High School sports tournaments typically include an admission fee.
- Tournament Fees: Tournament fees for soccer, basketball, volleyball or football can be assessed for each team who enters a tournament and can range from \$150-\$400a team and can vary based on the number of games guaranteed.
- Official Drink, Food and Equipment Sponsors: Official drink and food sponsors can be utilized for each complex. Each official drink and food sponsor pays back to the site a set percentage of gross. Typically this is 5%-10% of costs for being the official product and receiving exclusive pouring and food rights to the complex. Likewise official equipment sponsors work well for trucks, mowers, and tractors.

- Scoreboard Sponsors: Scoreboard sponsors pay for the cost of the scoreboards for the life of the board, which is usually 15 years.
- Official Product Sponsors: Official product sponsors for balls, shoes, hats, gloves, etc. can be used for the site. The sponsor prices can vary by how much exposure is received and the amount of sales created.
- Advertising Revenue: Advertising revenue can come from the sale of ads on banners in the park. The advertising could include sports fields, score boards, dugouts, and sun umbrellas over picnic tables, and in restrooms.
- Wi-Fi Revenue: The project can set up a Wi-Fi area whereby a Wi-Fi vendor is able to sell the advertising on the Wi-Fi access banner to guests targeting the users of the site. This revenue has amounted to \$20,000-\$50,000 in revenue for similar sites.
- Cell Tower: Cell tower leases on top of sports lights can be used. This revenue source would support \$35,000-\$50,000 annually for the site if cell towers are needed in the area.
- Program Fees: Program Fees to support existing programs at each attraction can be employed in the form of lessons, clinics, camps, life skill programs, and wellness and fitness. These types program would help support the operations of each facility and the project as a whole.
- Capital Improvement Fee: A Capital Improvement Fee on all programs and events can be added. A park like the sports complex site will require an on-going maintenance endowment to keep the park and amenities updated and positioned for the future. A capital asset fee of \$2-\$3 on each person who participates in a class, event, or program can be incorporated into the cost of the program or event.
- Batting Cages: Batting cages could be incorporated into the facility. The can have a monthly pass available for youth and adults, as well as an individual use fee. This will generate money to support operating and managing the batting facility.
- Volunteerism: The revenue source is an indirect revenue source in that persons donate time to assist the complex in providing a product or service on an hourly basis. This reduces the City's cost in providing the service plus it builds advocacy into the project.
- Special Fundraiser: Many agencies hold special fundraisers on an annual basis to help cover specific programs and capital projects to be dedicated to the project.
- Private Management of Elements the Sports Complex: we will consider outsourcing elements of the complex to save operating money where appropriate

Utilization Estimates

It is estimated that basketball would account for the majority of utilization at over 50%

Sport Facility Hours

Basketball 6,255

Volleyball 2,970

Soccer 1,630

Other Sports 1,370

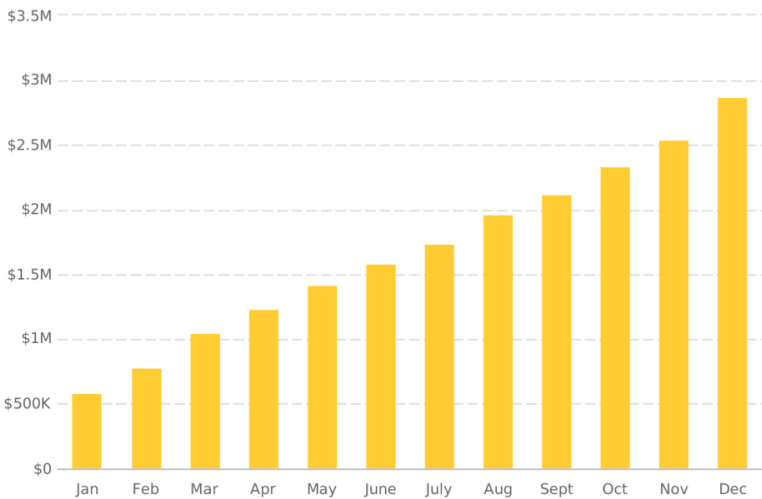
TOTAL 12,225

Total Estimated Annual Visits: 189,150 which includes athletes, officials coaches, spectators, etc. Represents 141,862 unique daily visits, plus 47,288 out-of-town tournament visitors

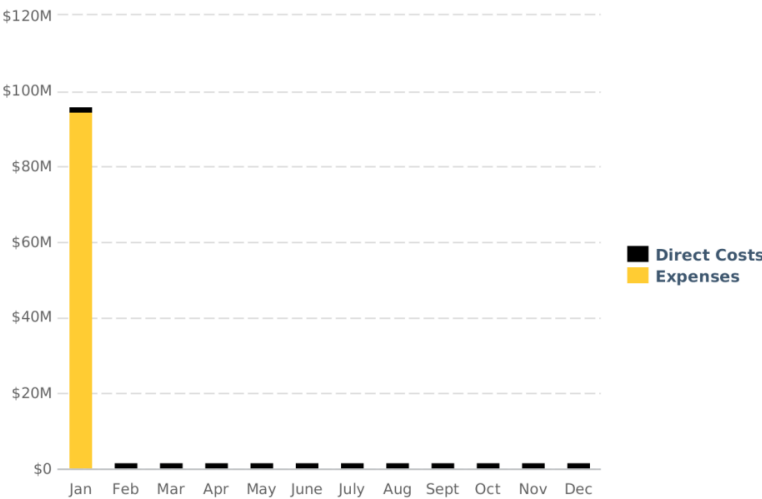
Estimated Annual Utilization By Type: It is estimated that the facility could host approximately 36 annual tournaments and competitions (26 court usage and 10 field usage), accounting for over one-quarter of the facility's usage hours.

Estimated Seasonality: It is expected that peak usage at the sports center would be during the winter months, with a considerable decrease in utilization during the summer months. This seasonal usage pattern could be ideally suited for attracting tournament activity to Virginia Beach, as local hotel inventory has significantly lower occupancy and ADR from October to April.

Revenue by Month

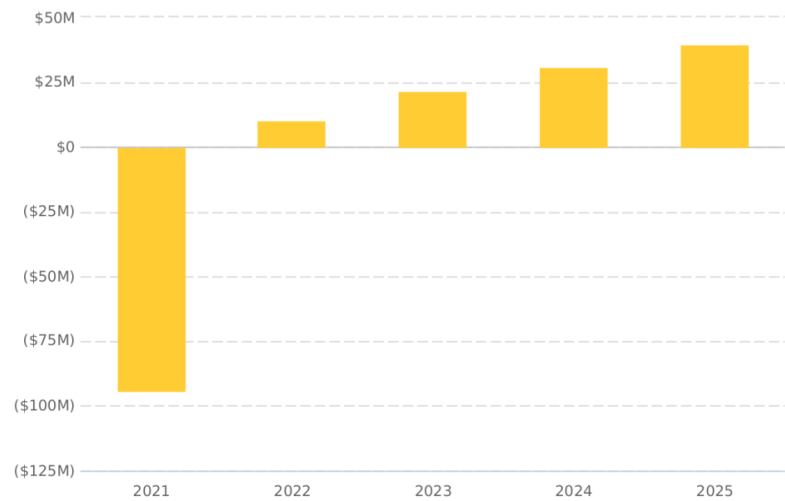


Expenses by Month



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Net Profit (or Loss) by Year



Statements

Projected Profit and Loss

	2021	2022	2023	2024	2025
Revenue	\$20,251,219	\$42,300,030	\$64,154,670	\$85,792,260	\$107,403,324
Direct Costs	\$15,427,008	\$27,546,835	\$37,701,164	\$49,800,183	\$60,600,534
Gross Margin	\$4,824,211	\$14,753,195	\$26,453,506	\$35,992,078	\$46,802,790
Gross Margin %	24%	35%	41%	42%	44%
Operating Expenses					
Salaries & Wages	\$246,996	\$251,936	\$256,975	\$262,114	\$267,356
Utilities	\$294,000	\$328,765	\$369,021	\$443,987	\$530,822
League Operations / Programming	\$310,800	\$310,800	\$310,800	\$310,800	\$310,800
Repairs and maintenance	\$136,992	\$136,992	\$136,992	\$136,992	\$136,992
Materials and Supplies	\$118,920	\$212,000	\$264,000	\$301,000	\$327,948
General & Administrative	\$192,000	\$225,032	\$284,922	\$327,987	\$399,846
Insurance	\$318,000	\$318,000	\$318,000	\$318,000	\$318,000
Land Aquisition	\$3,500,000				
STEAM Equipment	\$40,000,000				
Sportplex Construction w 10% contingency	\$38,398,000				

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Hotel Construction 150 Guest Rooms, 4 Stories, 4 Floors	\$12,500,000				
Total Operating Expenses	\$96,015,708	\$1,783,525	\$1,940,710	\$2,100,880	\$2,291,764
Operating Income	(\$91,191,497)	\$12,969,670	\$24,512,796	\$33,891,198	\$44,511,025
Interest Incurred					
Depreciation and Amortization	\$2,745,745	\$2,745,746	\$2,745,745	\$2,745,746	\$2,745,745
Gain or Loss from Sale of Assets					
Income Taxes	\$0	\$0	\$0	\$0	\$2,302,538
Total Expenses	\$114,188,461	\$32,076,106	\$42,387,620	\$54,646,807	\$67,940,582
Net Profit	(\$93,937,242)	\$10,223,924	\$21,767,051	\$31,145,452	\$39,462,742
Net Profit / Sales	(464%)	24%	34%	36%	37%

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Projected Balance Sheet

	Starting Balances	2021	2022	2023	2024	2025
Cash		(\$16,690,988)	(\$3,721,823)	\$20,791,401	\$54,682,910	\$99,193,986
Accounts Receivable		\$0	\$0	\$0	\$0	\$0
Inventory						
Other Current Assets						
Total Current Assets		(\$16,690,988)	(\$3,721,823)	\$20,791,401	\$54,682,910	\$99,193,986
Long-Term Assets		\$75,508,000	\$75,508,000	\$75,508,000	\$75,508,000	\$75,508,000
Accumulated Depreciation		(\$2,745,745)	(\$5,491,491)	(\$8,237,236)	(\$10,982,982)	(\$13,728,727)
Total Long- Term Assets		\$72,762,255	\$70,016,509	\$67,270,764	\$64,525,018	\$61,779,273
Total Assets		\$56,071,267	\$66,294,686	\$88,062,165	\$119,207,928	\$160,973,259
Accounts Payable		\$0	\$0	\$0	\$0	\$0
Income Taxes Payable		\$0	\$0	\$0	\$0	\$2,302,538
Sales Taxes Payable		\$8,509	\$8,004	\$8,432	\$8,743	\$8,794
Short-Term Debt						
Prepaid Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Total Current Liabilities	\$0	\$8,509	\$8,004	\$8,432	\$8,743	\$2,311,332
Long-Term Debt						
Long-Term Liabilities						

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Total Liabilities	\$0	\$8,509	\$8,004	\$8,432	\$8,743	\$2,311,332
Paid-In Capital	\$150,000,000	\$150,000,000	\$150,000,000	\$150,000,000	\$150,000,000	\$150,000,000
Retained Earnings	\$0	\$0	(\$93,937,242)	(\$83,713,318)	(\$61,946,267)	(\$30,800,815)
Earnings	(\$93,937,242)	\$10,223,925	\$21,767,050	\$31,145,452	\$39,462,742	
Total Owner's Equity	\$0	\$56,062,758	\$66,286,682	\$88,053,733	\$119,199,185	\$158,661,927
Total Liabilities & Equity	\$0	\$56,071,267	\$66,294,686	\$88,062,165	\$119,207,928	\$160,973,259

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Projected Cash Flow Statement

	2021	2022	2023	2024	2025
Net Cash Flow from Operations					
Net Profit	(\$93,937,242)	\$10,223,924	\$21,767,051	\$31,145,452	\$39,462,742
Depreciation & Amortization	\$2,745,745	\$2,745,745	\$2,745,745	\$2,745,745	\$2,745,745
Change in Accounts Receivable	\$0	\$0	\$0	\$0	\$0
Change in Inventory					
Change in Accounts Payable	\$0	\$0	\$0	\$0	\$0
Change in Income Tax Payable	\$0	\$0	\$0	\$0	\$2,302,538
Change in Sales Tax Payable	\$8,509	(\$505)	\$428	\$311	\$51
Change in Prepaid Revenue	\$0	\$0	\$0	\$0	\$0
Net Cash Flow from Operations	(\$91,182,988)	\$12,969,165	\$24,513,224	\$33,891,509	\$44,511,077
Investing & Financing					
Assets Purchased or Sold	(\$75,508,000)				
Net Cash from Investing	(\$75,508,000)				
Investments Received	\$150,000,000				
Dividends & Distributions					

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Change in Short-Term Debt					
Change in Long-Term Debt					
Net Cash from Financing	\$150,000,000				
Cash at Beginning of Period	\$0	(\$16,690,988)	(\$3,721,823)	\$20,791,401	\$54,682,910
Net Change in Cash	(\$16,690,988)	\$12,969,165	\$24,513,224	\$33,891,509	\$44,511,077
Cash at End of Period	(\$16,690,988)	(\$3,721,823)	\$20,791,401	\$54,682,910	\$99,193,986

Funding Options

Funding Mechanisms & Strategies

Sources

With the strength of the sports tourism industry and all of the benefits that tournaments events, and programs bring to a community, the funding mechanisms for sports tourism facilities have evolved significantly over the last decade. Most new facilities are funded from a combination of sources and funding mechanisms.

While the funding strategy for a new facility must be tailored to each community, some of the most common sources of funds are:

Corporate Partnerships

- Dedicated Development Fees/Taxes
- General Obligation Bonds
- Non-Profit Partnerships
- Private Equity
- Private Philanthropic
- Special Taxing Districts
- State and/or Federal Grant Programs
- State and/or Federal Development Incentive Programs • Traditional Tax Revenue

Financing & Investment Tools

Financing tools do not generate new revenue, but allow leveraging of existing resources to accelerate the construction of projects.

ALABAMA SPECIAL IMPROVEMENT DISTRICTS

Alabama has a number of special districts in the Code of Alabama that may be useful in

financing the development within a municipality or county. They do rely on existing forms of taxation and the value generated is in some cases dependent upon the bonding authority of the government entity involved in the process. Typical eligible costs include roads, water, sewer, storm sewers, drainage, curb and gutter, docks, harbors, flood control, dams, berms, sidewalks, parks, schools, athletic facilities, fire and police protection facilities, mass transit facilities, air transport, business and industrial recruitment, hospitals and medical facilities, and planning activities are also permissible within some districts.

Capital Improvement Cooperative Districts (CICD) {Code of Alabama: §11.99B}

A Capital Improvement Cooperative Districts {CICD} is formed through a combination of public entities. It is intended to encourage and facilitate cooperative efforts by public entities to provide projects for their own use and for the use and benefit of their citizens and users. The public entities bring with them their individual authorities. In one county, the county combined the industrial development authority (that could build industrial parks) with the water authority (that could levy water rates) and they raised the capital to build an industrial park that provide employment base for the county. On its own the county would have lost the opportunity because they did not have the funding to proceed with the development of the industrial park. All obligations created or assumed and all bonds issued or assumed by the district shall be solely and exclusively an obligation of the district and shall not create an obligation or debt of any member of the district.

Alabama Improvement District (AID) (Code of Alabama: §11.99A)

An Alabama Improvement District (AID) is where property owners in a designated geographic area can make improvements to the property, issue bonds and secure the bonds through liens on the property. Developments may be residential, commercial, or industrial. Generally private roads will not qualify for tax exempt financing. The municipality assesses the lots to pay principal and interest on the bonds. Assessments are payable over the term of bonds. No 10-year limit as under prior law. A district may borrow money by the issuance of bonds, which bonds shall be revenue obligations, payable exclusively out of assessments levied on land within the district, and the bonds shall not be supported by the full faith and credit of the appointing government. However, the bonds may be secured by additional revenues, guarantees, pledges, letters of credit, or other credit enhancements as may be provided by the district or the owner of any property within the district.

Tax Increment District (TID) (Code of Alabama: §11.99)

Tax Increment District (TID) is a procedure whereby a municipality can issue bonds to provide infrastructure for private development projects. The incremental increase in tax revenues from the higher property base resulting from private development is pledged to the payment

of municipal bonds. Tax Increment Districts are permitted under Alabama law, Code of Alabama 11-99. The local governing body may issue tax increment obligations payable out of positive tax increments. Such tax increment obligations shall not be included in the computation of the constitutional debt limitation of the public entity unless they are also secured by a pledge of the full faith and credit of the public entity. Tax increment obligations may not be issued in an amount exceeding the aggregate project costs of a project.

Commercial Development Authority (CDA) (Code of Alabama: §11.54.170 through §11.54.192)

It is the intent of the Alabama State Legislature to authorize the incorporation in any municipality of commercial development authorities to acquire, own, and lease projects for the purpose of promoting trade and commerce by inducing commercial enterprises to locate new facilities in any municipality and expand existing facilities in any municipality. It is intended that each project be self-liquidating. It is not the intent of the State Legislature to authorize any authority itself to operate any commercial enterprise. This article shall be liberally construed in conformity with the intent. All bonds issued by an authority shall be payable solely out of the revenues and receipts derived from the leasing or sale by the board of its projects or of any thereof as may be designated in the proceedings of the board under which the bonds shall be authorized to be issued.

Redevelopment Projects and Urban Renewal Projects (Code of Alabama: §24.2 & §24.3)

The powers conferred in these two sections of the code have been used since 1979 to justify design standards and design review committees.

MAXIMIZING STATE AND FEDERAL GRANT FUNDING WITH A STRATEGY TO FUND MATCH REQUIREMENTS

INFRASTRUCTURE TAX CREDITS

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Infrastructure tax credits provide a tax incentive for builders and developers to invest in neighborhoods with either existing or planned infrastructure in a designated growth center. The credit is applied for neighborhood infrastructure projects such as improved outdated sewer or roads.

TAX ABATEMENT PROGRAMS

In an abatement program, property taxes can be reduced or eliminated for a number of years, followed by gradual increases in taxes until a certain period in time. Such abatement programs are locally mandated. Sales and Use Tax Abatement guidelines are found in Code of Alabama 40-23-et al. Qualifying industries may abate all state and the local non-educational portion of construction related transaction (sales and use) taxes associated with constructing and equipping a project.

(Mortgage and recording taxes can also be abated, but only when title is conveying into or out of a public authority, county government, or city government.) The local granting authority must grant the abatement for the qualifying project before the abatement can be used.

Statutory Requirement(s): The qualifying project must constitute an "industrial, warehousing, or research activity" defined as any trade or business described in the 1987 Standard Industrial Classification (SIC) code, as: Major Groups 20 to 39, inclusive, 50 or 51, Industrial Group Number 737, or Industry Numbers 0724, 4613, 8731, 8733, or 8734. Expansion projects may qualify for an abatement under a major addition provided the project meets an additional investment threshold requirement of: the lesser of 30% of the original cost of the industrial development property, or \$2 million.

Local Funding Sources

Local governments in the Birmingham MPO area utilize locally generated revenues such as sales taxes, property taxes, franchise fees, business taxes, etc. to assist them in funding for local transportation improvements. These funds typically go directly into the local government general fund and transportation improvements are funded from this overall pot of money. Revenues generated are utilized mostly for local roadway resurfacing projects, and to a lesser degree to provide match to federal funds for intersection and signal improvements road widening, and routine maintenance.

Below are some examples of potential local funding sources: :

General Obligation Bonds

Using debt to build infrastructure and make other necessary capital improvements is standard practice and an integral part of municipal fiscal sustainability. This is particularly the case when the assets will be used by both current and future residents and businesses. That is, those paying for the improvements will enjoy and benefit from the capital improvements. General obligation bonds and revenue bonds are the most common options, and can be used for specific projects or to fund activities in a special district. General obligation bonds are paid back from general tax revenues and require voter approval, and revenue bonds are paid back from specific revenues, such as utility rates or user fees.

Appendix

Profit and Loss Statement (With monthly detail)

2021	Jan '21	Feb '21	Mar '21	Apr '21	May '21	June '21	July '21	Aug '21	Sept '21	Oct '21	Nov '21	Dec '21
Total Revenue	\$583,600	\$782,922	\$1,050,393	\$1,235,548	\$1,423,378	\$1,587,856	\$1,739,626	\$1,967,146	\$2,121,094	\$2,338,678	\$2,547,766	\$2,873,212
Total Direct Costs	\$1,277,624	\$1,277,624	\$1,277,624	\$1,277,744	\$1,278,824	\$1,277,864	\$1,280,024	\$1,289,624	\$1,281,584	\$1,305,224	\$1,301,624	\$1,301,624
Gross Margin	(\$694,024)	(\$494,702)	(\$227,231)	(\$42,196)	\$144,554	\$309,992	\$459,602	\$677,522	\$839,510	\$1,033,454	\$1,246,142	\$1,571,588
Gross Margin %	(119%)	(63%)	(22%)	(3%)	10%	20%	26%	34%	40%	44%	49%	55%
Operating Expenses												
Salaries and Wages	\$20,583	\$20,583	\$20,583	\$20,583	\$20,583	\$20,583	\$20,583	\$20,583	\$20,583	\$20,583	\$20,583	\$20,583
Employee Related Expenses												
Utilities	\$24,500	\$24,500	\$24,500	\$24,500	\$24,500	\$24,500	\$24,500	\$24,500	\$24,500	\$24,500	\$24,500	\$24,500
League Operations / Programming	\$25,900	\$25,900	\$25,900	\$25,900	\$25,900	\$25,900	\$25,900	\$25,900	\$25,900	\$25,900	\$25,900	\$25,900
Repairs and maintenance	\$11,416	\$11,416	\$11,416	\$11,416	\$11,416	\$11,416	\$11,416	\$11,416	\$11,416	\$11,416	\$11,416	\$11,416
Materials and Supplies	\$9,910	\$9,910	\$9,910	\$9,910	\$9,910	\$9,910	\$9,910	\$9,910	\$9,910	\$9,910	\$9,910	\$9,910
General & Administrative	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000
Insurance	\$26,500	\$26,500	\$26,500	\$26,500	\$26,500	\$26,500	\$26,500	\$26,500	\$26,500	\$26,500	\$26,500	\$26,500

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Interest Incurred					
Depreciation and Amortization	\$2,745,745	\$2,745,746	\$2,745,745	\$2,745,746	\$2,745,745
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Income Taxes	\$0	\$0	\$0	\$0	\$2,302,538
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Net Profit / Sales	(464%)	24%	34%	36%	37%

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Balance Sheet (With Monthly Detail)

	Starting Balances	Jan '21	Feb '21	Mar '21	Apr '21	May '21	June '21	July '21	Aug '21	Sept '21	Oct '21	Nov '21	Dec '21
Cash		(\$20,733,137)	(\$21,360,693)	(\$21,720,713)	(\$21,901,343)	(\$21,889,422)	(\$21,712,038)	(\$21,391,402)	(\$20,846,358)	(\$20,139,170)	(\$19,244,915)	(\$18,130,733)	(\$16,690,988)
Accounts Receivable		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Inventory													
Other Current Assets													
Total Current Assets		(\$20,733,137)	(\$21,360,693)	(\$21,720,713)	(\$21,901,343)	(\$21,889,422)	(\$21,712,038)	(\$21,391,402)	(\$20,846,358)	(\$20,139,170)	(\$19,244,915)	(\$18,130,733)	(\$16,690,988)
Long-Term Assets		\$75,508,000	\$75,508,000	\$75,508,000	\$75,508,000	\$75,508,000	\$75,508,000	\$75,508,000	\$75,508,000	\$75,508,000	\$75,508,000	\$75,508,000	\$75,508,000
Accumulated Depreciation		(\$228,812)	(\$457,624)	(\$686,436)	(\$915,248)	(\$1,144,061)	(\$1,372,873)	(\$1,601,685)	(\$1,830,497)	(\$2,059,309)	(\$2,288,121)	(\$2,516,933)	(\$2,745,745)
Total Long- Term Assets		\$75,279,188	\$75,050,376	\$74,821,564	\$74,592,752	\$74,363,939	\$74,135,127	\$73,906,315	\$73,677,503	\$73,448,691	\$73,219,879	\$72,991,067	\$72,762,255
Total Assets		\$54,546,051	\$53,689,683	\$53,100,851	\$52,691,409	\$52,474,518	\$52,423,089	\$52,514,913	\$52,831,145	\$53,309,521	\$53,974,964	\$54,860,334	\$56,071,267
Accounts Payable		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Income Taxes Payable		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Taxes Payable		\$1,696	\$3,651	\$5,671	\$2,046	\$4,222	\$6,423	\$2,266	\$4,597	\$7,084	\$2,694	\$5,543	\$8,509
Short-Term Debt													
Prepaid Revenue		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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Total													
Current Liabilities	\$0	\$1,696	\$3,651	\$5,671	\$2,046	\$4,222	\$6,423	\$2,266	\$4,597	\$7,084	\$2,694	\$5,543	\$8,509
Long-Term Debt													
Long-Term Liabilities													
Total Liabilities	\$0	\$1,696	\$3,651	\$5,671	\$2,046	\$4,222	\$6,423	\$2,266	\$4,597	\$7,084	\$2,694	\$5,543	\$8,509
Paid-In Capital													
Retained Earnings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Earnings		(\$95,455,645)	(\$96,313,968)	(\$96,904,820)	(\$97,310,637)	(\$97,529,704)	(\$97,583,334)	(\$97,487,353)	(\$97,173,452)	(\$96,697,563)	(\$96,027,730)	(\$95,145,209)	(\$93,937,242)
Total Owner's Equity	\$0	\$54,544,355	\$53,686,032	\$53,095,180	\$52,689,363	\$52,470,296	\$52,416,666	\$52,512,647	\$52,826,548	\$53,302,437	\$53,972,270	\$54,854,791	\$56,062,758
Total Liabilities & Equity	\$0	\$54,546,051	\$53,689,683	\$53,100,851	\$52,691,409	\$52,474,518	\$52,423,089	\$52,514,913	\$52,831,145	\$53,309,521	\$53,974,964	\$54,860,334	\$56,071,267

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Starting Balances					
	2021	2022	2023	2024	2025
Cash	(\$16,690,988)	(\$3,721,823)	\$20,791,401	\$54,682,910	\$99,193,986
Accounts Receivable	\$0	\$0	\$0	\$0	\$0
Inventory					
Other Current Assets					
Total Current Assets	(\$16,690,988)	(\$3,721,823)	\$20,791,401	\$54,682,910	\$99,193,986
Long-Term Assets	\$75,508,000	\$75,508,000	\$75,508,000	\$75,508,000	\$75,508,000
Accumulated Depreciation	(\$2,745,745)	(\$5,491,491)	(\$8,237,236)	(\$10,982,982)	(\$13,728,727)
Total Long-Term Assets	\$72,762,255	\$70,016,509	\$67,270,764	\$64,525,018	\$61,779,273
Total Assets	\$56,071,267	\$66,294,686	\$88,062,165	\$119,207,928	\$160,973,259
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Income Taxes Payable	\$0	\$0	\$0	\$0	\$2,302,538
Sales Taxes Payable	\$8,509	\$8,004	\$8,432	\$8,743	\$8,794
Short-Term Debt					
Prepaid Revenue	\$0	\$0	\$0	\$0	\$0
Total Current Liabilities	\$0	\$8,004	\$8,432	\$8,743	\$2,311,332
Long-Term Debt					
Long-Term Liabilities					
Total Liabilities	\$0	\$8,509	\$8,432	\$8,743	\$2,311,332
Paid-In Capital	\$150,000,000	\$150,000,000	\$150,000,000	\$150,000,000	\$150,000,000
Retained Earnings	\$0	(\$93,937,242)	(\$83,713,318)	(\$61,946,267)	(\$30,800,815)
Earnings	(\$93,937,242)	\$10,223,925	\$21,767,050	\$31,145,452	\$39,462,742
Total Owner's Equity	\$0	\$56,062,758	\$86,053,733	\$119,199,185	\$158,661,927
Total Liabilities & Equity	\$0	\$56,071,267	\$66,294,686	\$88,062,165	\$160,973,259

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Cash Flow Statement (With Monthly Detail)

[illegible]

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	2021	2022	2023	2024	2025
Net Cash Flow from Operations					
Net Profit	(\$93,937,242)	\$10,223,924	\$21,767,051	\$31,145,452	\$39,462,742
Depreciation & Amortization	\$2,745,745	\$2,745,745	\$2,745,745	\$2,745,745	\$2,745,745
Change in Accounts Receivable	\$0	\$0	\$0	\$0	\$0
Change in Inventory					
Change in Accounts Payable	\$0	\$0	\$0	\$0	\$0
Change in Income Tax Payable	\$0	\$0	\$0	\$0	\$2,302,538
Change in Sales Tax Payable	\$8,509	(\$505)	\$428	\$311	\$51
Change in Prepaid Revenue	\$0	\$0	\$0	\$0	\$0
Net Cash Flow from Operations	(\$91,182,988)	\$12,969,165	\$24,513,224	\$33,891,509	\$44,511,077
Investing & Financing					
Assets Purchased or Sold	(\$75,508,000)				
Net Cash from Investing	(\$75,508,000)				
Investments Received	\$150,000,000				
Dividends & Distributions					
Change in Short-Term Debt					
Change in Long-Term Debt					
Net Cash from Financing	\$150,000,000				
Cash at Beginning of Period	\$0	(\$16,690,988)	(\$3,721,823)	\$20,791,401	\$54,682,910
Net Change in Cash	(\$16,690,988)	\$12,969,165	\$24,513,224	\$33,891,509	\$44,511,077
Cash at End of Period	(\$16,690,988)	(\$3,721,823)	\$20,791,401	\$54,682,910	\$99,193,986

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