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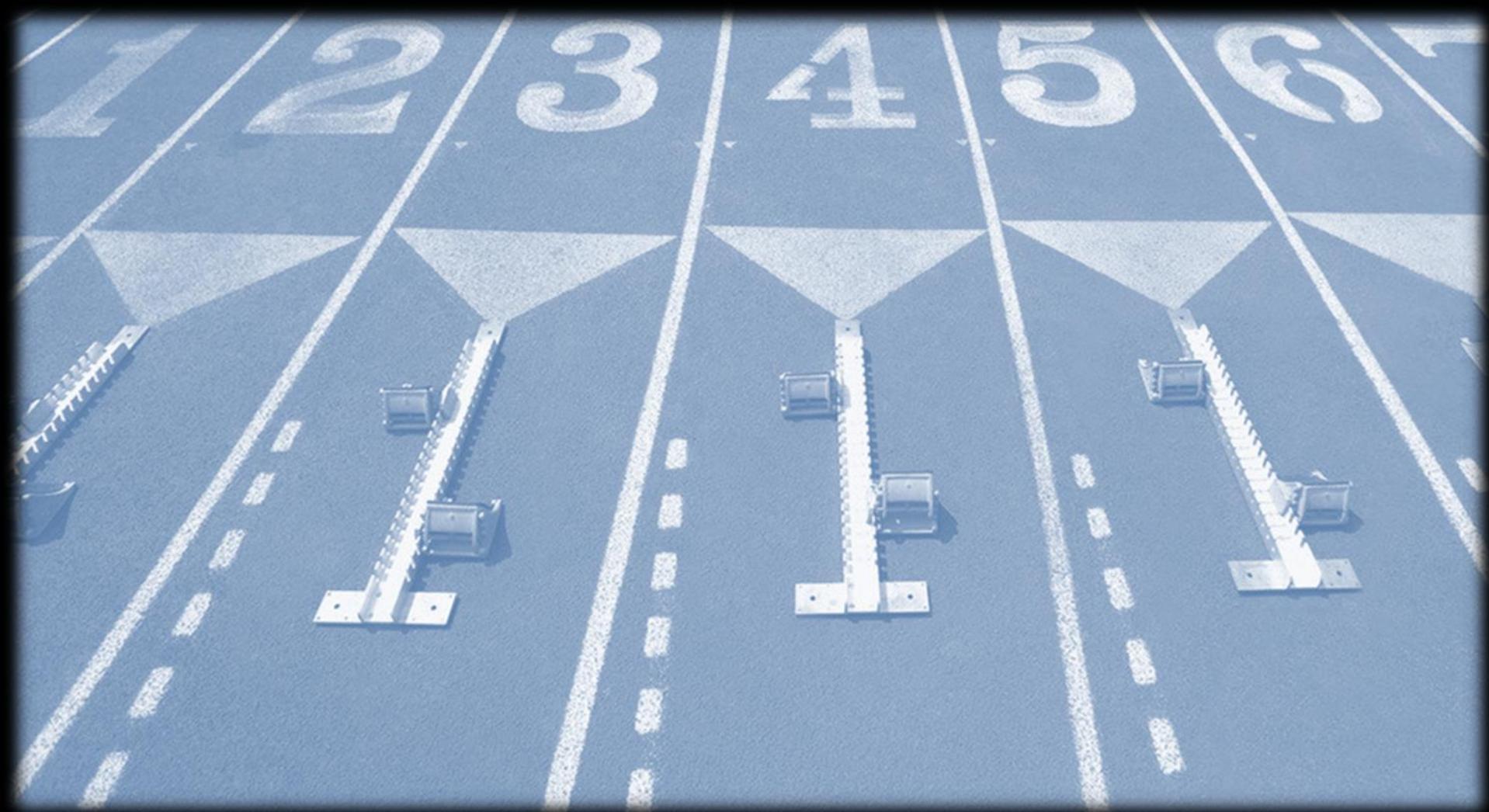
MARKET DEMAND ANALYSIS & VISITOR IMPACT
PROJECTIONS FOR A PROPOSED INDOOR
TRACK & FIELD FACILITY IN VIRGINIA BEACH



DRAFT SUBMITTED: MAY 26, 2017

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Disclaimer: This report relies on a variety of information and assumptions gathered from sources that include, but may not be limited to, information provided by the Client, input and opinions provided by relevant third parties and stakeholders, Victus Advisors' industry experience and previous studies, and publicly available data from various industry sources. Any such information collected by Victus Advisors has not been audited or verified and has been assumed to be correct. There will be differences between actual events and any projected information contained herein, and we express no assurances of any kind related to any recommendations contained herein. Any decisions made or actions taken as a result of our work shall be the sole responsibility of the parties directly involved in the decision.



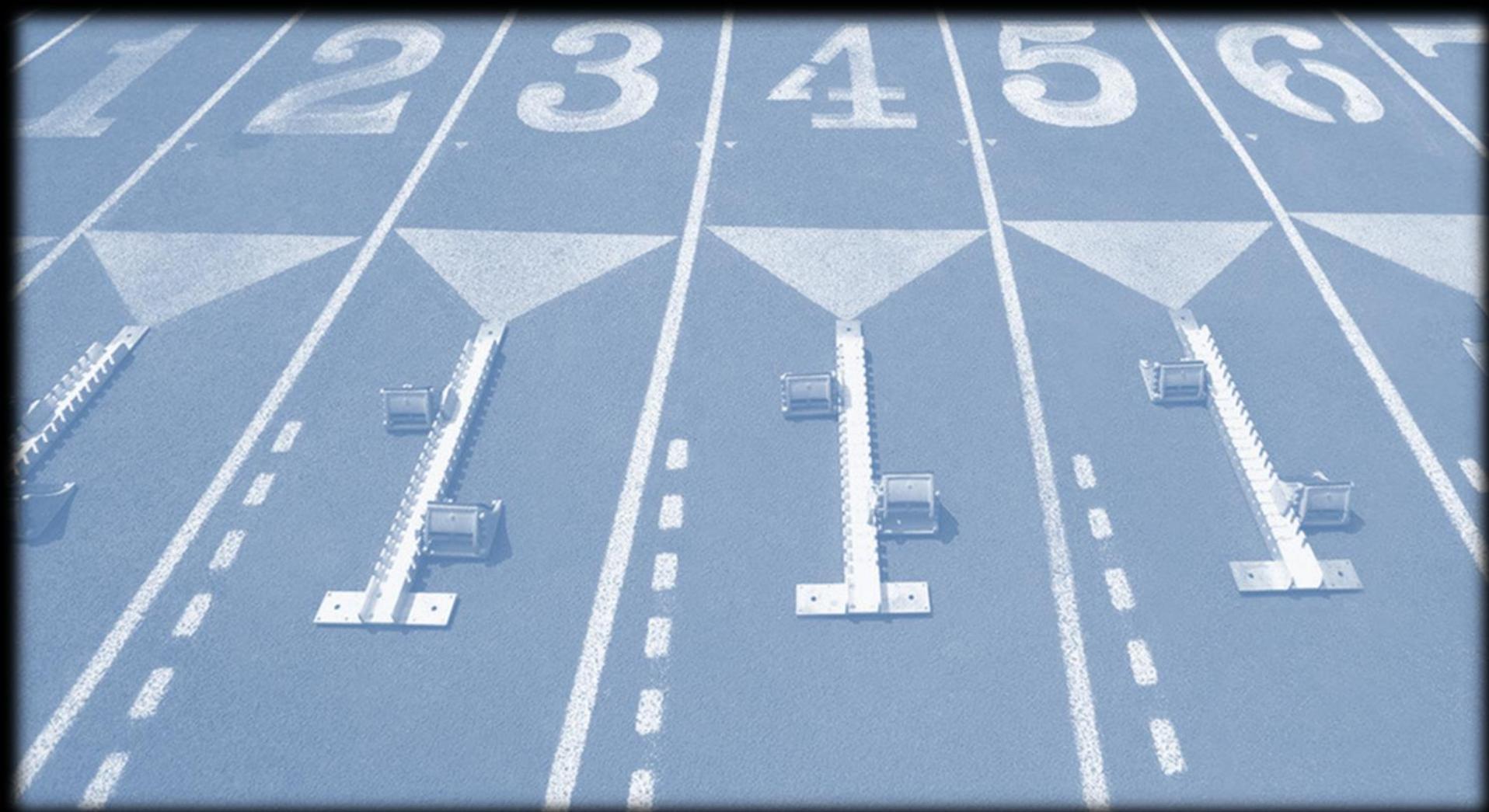
SECTION 1
INTRODUCTION



Victus Advisors was engaged by the City of Virginia Beach in 2017 to conduct additional work related to our prior Sports Tourism Venue Inventory & Market Assessment Report. The additional work was to conduct a Market Demand Analysis & Economic Impact Projections for a Proposed Indoor Track & Field Facility.

The primary goals of this study were to:

- Understand the additional sports tourism event activity that could be generated by a new sports center in Virginia Beach if a flat track, permanent banked track, or hydraulic banked track was added to the building program.
- Understand the impacts that a banked track (especially a hydraulic banked track) has had on comparable facilities across the country.
- Estimate the incremental annual events and attendance that could be generated at a new sports center in Virginia Beach by the addition of a flat or banked track.
- Estimate the incremental annual hotel nights, direct spending, other local economic outputs, and local tax revenues that could be generated by the addition of an indoor track and field facility.



SECTION 2
POTENTIAL USER
INTERVIEW SUMMARY

In April/May 2017, Victus Advisors held telephone interviews with indoor track and field organizers and operators locally, regionally, and nationally including:

- Ray Funkhouser, USA Track & Field Virginia
- William Moore, Virginia AAU
- Hannah Catherine Munro, VA High School League
- Jeff Mlynski, NCAA (Division I)
- Morgan DeSpain, NCAA (Division II)
- Liz Horvat, NCAA (Division III)
- Raynoid Dedeaux, Mid-Eastern Athletic Conference
- Brandon Neff, Atlantic Coast Conference
- Cass Ferguson, Atlantic 10 Conference
- Bobby Weygand, American Athletic Conference
- Clifton Douglass, Conference USA
- Matt VanSandt, Big South Conference
- Tyler Wingard, Christopher Newport University

The overall goal of these interviews was to understand potential facility users' thoughts on a potential new indoor track and field facility in Virginia Beach, including but not limited to:

- Minimum facility requirements and preferences to host events at a new indoor track and field facility in Virginia Beach
- Potential interest and usage of a new indoor track and field facility in Virginia Beach for respective groups and event organizers

Contact:

- Ray Funkhouser, President

Background:

- USA Track & Field - Virginia (USATF-VA) is the Virginia branch of USA Track & Field (USATF).
- USATF covers all levels of the sport:
 - Youth - Up to 18 years of age
 - Open - Ages 19 to 35
 - Masters - 35 years or older

Annual Events:

- They sanction and operate state championships.
- Will often work with cities like Virginia Beach to bid for national championships.
- Virginia Beach hosted the annual meetings for USATF in 2010 and 2011.
- A lot of marathons and races will also come to USATF-VA for sanctioning and insurance.
- Indoor track & field championships are actually being held in Winston-Salem and typically the end of February due to lack of indoor facilities in Virginia.



Demand For An Indoor Track & Field Facility in Virginia Beach:

- USATF-VA believes that there is a definite need for indoor track facilities in the state of Virginia, and he indicated that a hydraulic banked track would be “phenomenal”.

Facility Features/Requirements:

- 200 Meter track
 - 6 to 8 lanes
- Hydraulic banked track
- Space for indoor field events (long-jump, high-jump, triple-jump, pole vault, indoor throw)
- Bleacher seating (capacity to depend on event needs)

Potential Interest/Usage:

- USATF-VA feels that Virginia Beach is an excellent location and attractive because there are things to do for families during the non-competitive times. He also cited the availability of hotels and proximity to the airport.
- If the facility were built, USATF-VA would be very interested in hosting future events in Virginia Beach. They also indicated that some of the local youth clubs could be interested in hosting invitational meets.

Contact:

- William Moore, District Director

Background:

- Virginia AAU has about 1,200 athletes ranging in age from 5 until 18.

Annual Events:

- Sanction and help to operate five to six indoor track & field events per year between December and February on full weekends. These events are typically held at Boo William Sportsplex in Hampton.
- These events average around 500 athletes and 1,500 spectators.

Facility Features/Requirements:

- Virginia AAU believes a hydraulic banked track would be ideal because it would draw more national events.

Potential Interest/Usage:

- Virginia AAU is very interested in using the facility if it were built. They would like to have the indoor national championships there and at least one of the local AAU meets.



Contact:

- Hannah Catherine Munro, Director of Development

Background:

- The Virginia High School League (VHSL) holds both academic and athletic events in the state.



Annual Events:

- Sanction and operate the indoor track championships for five different group classifications: 2A, 3A, 4A, 5A, and 6A.
- The indoor track championships have been held at Boo Williams Sportsplex in Hampton. They also use facilities at George Mason University, Roanoke College, Virginia Tech, and Liberty University.
- The indoor track championships are the third weekend in February and take place on a Friday and Saturday.
- The 5A and 6A championships typically host about 250 participants and 2,500 spectators.

Facility Features/Requirements:

- VHSL did not specify exact requirements, but did cite the need for sufficient seating capacity similar to events they've held at Virginia Tech and other universities and colleges in the state.
- VHSL prefers banked tracks for their indoor championship events.

Potential Interest/Usage:

- VHSL would be very interested in hosting the 5A and 6A state championships in Virginia Beach if an indoor facility were built.
- They also had interest in hosting district and regional championships held at the facility.
- VHSL could potentially use the same facility every year depending on how things go with the initial events held there.
- VHSL also stressed the importance of having a local tournament director based in Virginia Beach, which could just be a volunteer from one of the local high schools.

Contacts:

- Jeff Mlynski, Assistant Director, Championships and Alliances, Division I
- Morgan DeSpain, Assistant Director, Championships and Alliances , Division II
- Liz Horvat, Assistant Director, Championships and Alliances , Division III



Background:

- Each Assistant Director oversees the indoor track championships for their division, works with sports committee of coaches/administrators from each institution, and lays the groundwork for championships (spec, select, host).
- The NCAA just announced their sites through 2022.

Annual Events:

- All three divisions host their national championships on the second weekend in March.
- The Division I Championship features up to 1,400 athletes, coaches, and officials. The event runs from Wednesday to Saturday.
- The Division II and III Championships both feature up to about 800 athletes, coaches, and officials. The events also run from Wednesday to Saturday.

Demand For An Indoor Track & Field Facility in Virginia Beach:

- Jeff stated that he has been to Virginia Beach and thinks the location near the Convention Center is great. He also mentioned that the Convention Center would meet their ancillary needs for packet pickup, coaches meetings, and banquet space for about 1,000 people.
- All of the NCAA contacts felt that there are a limited number of great indoor track and field facilities across the country.

Facility Features/Requirements:

- A banked track is required for Division I events, but it doesn't matter to them whether it is permanent or hydraulic. Banked tracks are also strongly preferred for Division II and III events, but not a requirement.
- Athletic training area for taping ankles, ice and heat treatment, etc.
- Bleacher seating:
 - 3,500 - 5,000 seat capacity for Division I; at least 3,000 for Divisions II and III
- All stressed the need for sufficient warm-up and flex training space.

Potential Interest/Usage:

- They don't foresee any issue bringing a Division I, II, or III championship to Virginia Beach if a facility were built. Virginia Beach would need to go through a formal bidding process.

Contact:

- Raynoid Dedeaux, Assistant Commissioner for Championships

Background:

- The Mid-Eastern Athletic Conference (MEAC) is a collegiate athletic conference headquartered in Norfolk, Virginia.



Annual Events:

- The indoor track and field championship is held on the third weekend in February and runs from Thursday to Saturday. 26 total teams compete (Men's and Women's) which amounts to just under 1,000 total athletes and coaches.
- The event has been hosted at the Prince George's Sports & Learning Complex in Hyattsville, Maryland for the last 11 years.

Facility Features/Requirements:

- The facility would have to meet the minimum requirements set by the NCAA. MEAC coaches have told the conference they would really like to use a hydraulic banked track.

Potential Interest/Usage:

- The MEAC is very interested in using the facility if it were built, and even stated that the MEAC would like to be the first NCAA conference to use it.

Contact:

- Ashley Champigny, Director, Championships



Background:

- The Atlantic Coast Conference (ACC) is a collegiate athletic conference headquartered in Greensboro, North Carolina.

Annual Events:

- The indoor track championships are the third weekend in February. They have been held at Notre Dame University, Virginia Tech, and Clemson University. 30 total teams compete (Men's and Women's) which amounts to just under 1,000 total athletes and coaches.
- Ashley estimates that each year the event hosts up to 3,000 spectators.

Facility Features/Requirements:

- The facility would have to meet the minimum requirements set by the NCAA for Division I Championships.
- The ACC would like to have a designated area for each team to gather and warm-up.

Potential Interest/Usage:

- The ACC indicated they could be interested in using the facility if it were built.

Contact:

- Cass Ferguson, Director, Championships

Background:

- The Atlantic 10 Conference (A-10) is a collegiate athletic conference headquartered in Newport News, Virginia.



Annual Events:

- The indoor track championships are held on the third weekend in February and are typically hosted at the University of Rhode Island or George Mason University. Both universities have indoor facilities but neither has a banked track, which the A-10 would prefer.
- 26 total teams compete (Men's and Women's) which amounts to just under 1,000 total athletes and coaches. In addition, there are typically 200 to 300 spectators, however this low number is currently due to Mackal Fieldhouse (at University of Rhode Island) not having bleacher seating.

Facility Features/Requirements:

- The A-10 stressed the need for a team warm up area, team camp area, and hospitality areas.

Potential Interest/Usage:

- The A-10 would "possibly" be interested in using the facility, although rental costs would be a major concern for them since they don't have to pay rent for a facility on-campus.

Contact:

- Bobby Weygand, Assistant Commissioner, Championships

Background:

- The American Athletic Conference (AAC) is a collegiate athletic conference headquartered in Providence, Rhode Island.



Annual Events:

- The indoor track championships are held on the fourth weekend in February and have been hosted at the Birmingham CrossPlex. The 2017 event featured 11 women's teams and seven men's teams.

Potential Interest/Usage:

- The conference has a multi-year deal with Birmingham CrossPlex through 2020, however the AAC would still be interested in learning more about the Virginia Beach facility if it is built.

Contact:

- Clifton Douglass, Assistant Commissioner, Sports Services



Background:

- Conference USA (C-USA) is a collegiate athletic conference headquartered in Irving, Texas.

Annual Events:

- The indoor track championships are held on the third weekend in February at the Birmingham CrossPlex in Birmingham, Alabama. The event has been hosted there for over four years, and C-USA has a contract to use the facility through 2018.
- The event hosts up to 900 athletes plus additional coaches, staff, and spectators.

Potential Interest/Usage:

- The C-USA is interested in possibly using a facility in Virginia Beach if it were built, but stated that a C-USA university would have to partner with the City to submit a joint bid. For example the University of Alabama at Birmingham is the host at the Birmingham CrossPlex and facilitates all the logistics and operations. Currently, Old Dominion University is the only C-USA member school located in the State of Virginia.

Contact:

- Matt VanSandt, Director of Championships



Background:

- The Big South Conference is a collegiate athletic conference headquartered in Charlotte, North Carolina.

Annual Events:

- The indoor track championships are held on the third weekend in February. This year's event was held at the JDL Fast Track in Winston Salem, North Carolina and next year's event will be held at Liberty University in Lynchburg.
- 15 total teams compete (Men's and Women's) which amounts to about 450 total athletes.

Facility Features/Requirements:

- A six-lane banked track would be ideal for Big South events. The Big South also identified warm up space, and seating for at least 3,500 spectators, as ideal features.

Potential Interest/Usage:

- Rental budget is the most important factor for the conference, and since they will not have to pay rent at Liberty University, it would be unlikely that they would host an event in Virginia Beach unless it could be made available rent-free.

Contact:

- Tyler Wingard, Head Track & Field Coach



Background:

- Christopher Newport University (CNU) is a public liberal arts university located in Newport News, Virginia.

Annual Events:

- The university hosts about six to seven meets a year, in addition to a few high school meets.
- The university also hosts the conference championships (Capital Athletic Conference) every year in February. The event hosts about 500 athletes and another 400 spectators.

Potential Interest/Usage:

- CNU feels that logistically and financially it makes sense for them to keep their events on campus.
- However, CNU also stated that hosting a national championship could be intriguing, and the university could submit a joint bid with Virginia Wesleyan University to bid for the National Division III Championship.

USER GROUP INTERVIEW SUMMARY

The following chart summarizes potential users groups' interest in using an indoor track and field facility in Virginia Beach if it were built. Two out of the three potential user groups that would be "Very Likely" to use the facility do not have a banked track requirement. However, it should be noted that the user groups expected to generate significant room nights require a banked track (especially NCAA).

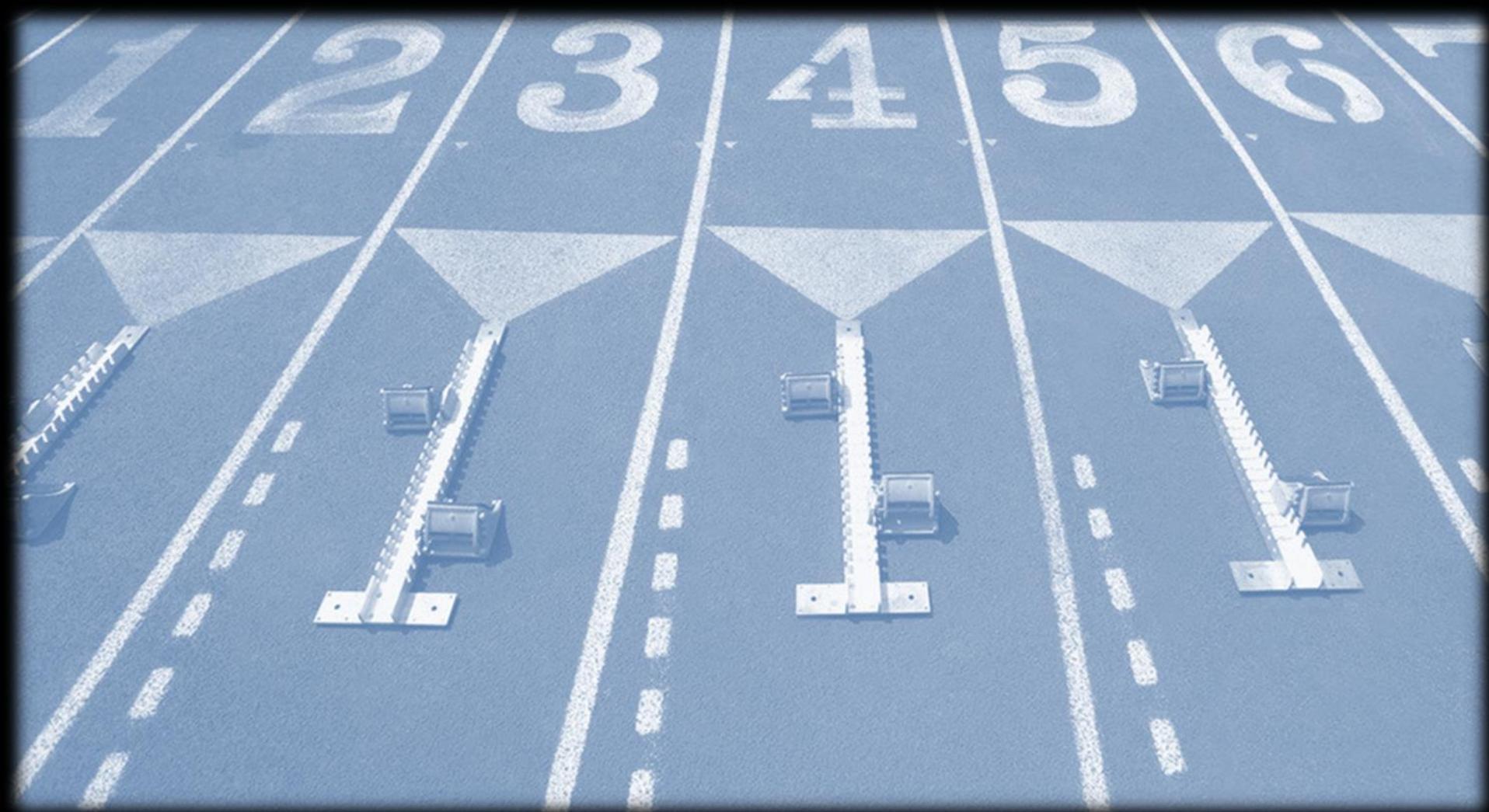
User Group	Average Annual Events	Average Days per Event	Average Total Visitors per Event	Likelihood of VA Beach Attracting Event	Minimum Track Requirement
VHSL	1	2	2,800	Very Likely	Flat
Virginia AAU	5	2	2,000	Very Likely	Flat
Mid-Eastern Athletic Conference	1	2	1,800	Very Likely	Banked
NCAA Division I	1	4	2,800	Likely	Banked
NCAA Division II	1	4	1,600	Likely	Banked
NCAA Division III	1	4	1,600	Likely	Banked
USATF Virginia	1	2	240	Likely	Banked
Atlantic 10 Conference	1	2	1,300	Possibly	Banked
Atlantic Coast Conference	1	2	4,000	Possibly	Banked
American Athletic Conference	1	2	2,000	Not Likely	Banked
Conference USA	1	2	1,800	Not Likely	Banked
Big South Conference	1	2	900	Not Likely	Banked

Note: Sorted by Likelihood of VA Beach Attracting Event

(1) Includes estimated athletes, officials, coaches, parents/family, spectators, etc.

(2) Based on user feedback and Victus Advisors professional judgement.

(3) Christopher Newport University and Virginia Wesleyan University would most likely submit a joint bid.



SECTION 3
COMPARABLE FACILITY
ANALYSIS



Victus Advisors analyzed indoor track and field facilities as potential comparable venues to a new facility in Virginia Beach. Selection criteria for the facilities we reviewed were:

- Have a hydraulic or permanent banked track
- Host major indoor track and field events

In total, we analyzed the following nine (9) indoor track and field facilities. Unless otherwise noted, the sources of information on the following pages were facility management:

- Armory Track - New York City, New York
- Birmingham CrossPlex - Birmingham, Alabama
- Boo Williams Sportsplex - Hampton, Virginia*
- Corps Indoor Training Facility (Virginia Military Institute) - Lexington, Virginia
- Horace Ashenfelter III Indoor Track (Penn State University) - State College, Pennsylvania
- Liberty Indoor Track Complex (Liberty University) - Lynchburg, Virginia
- Ocean Breeze Track & Field Complex - Staten Island, New York
- Sports Performance Center (Texas Tech University) - Lubbock, Texas
- Wesley A. Brown Fieldhouse (United States Naval Academy) - Annapolis, Maryland

**Note: Although the Boo Williams Sportsplex has a flat track, the facility was analyzed due to its proximity to Virginia Beach and the possibility that the proposed facility could compete with the existing facility for local and regional events.*

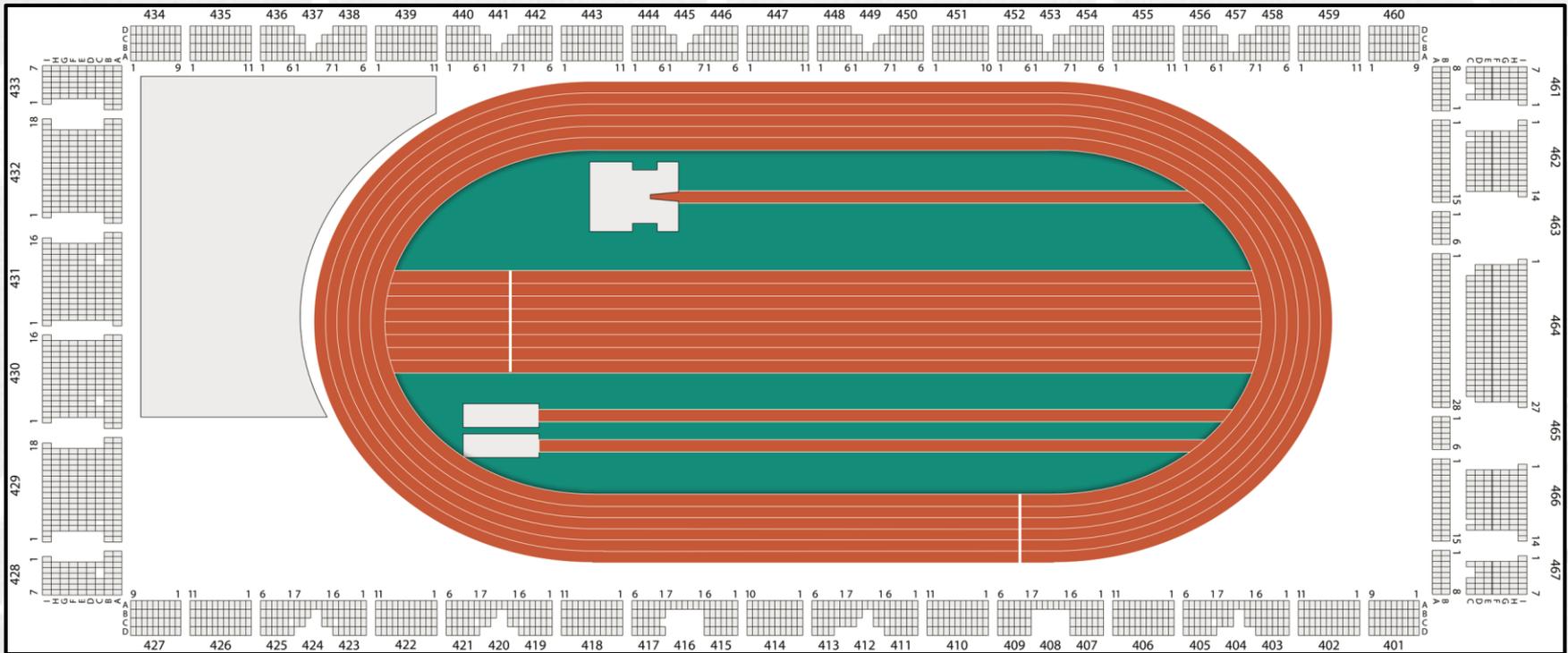
New York City, New York

- Opened: 1909
- Footprint: 66,000 sq. ft.
- Owner/Operator: Private
- Features:
 - 200 meter permanent banked track (Mondo surface)
 - 6 lanes
 - 3,200 seating capacity (can be expanded to 5,000)
 - Fully equipped media center
 - Inside of the track is a Mondo sport surface and has a throwing cage and long/triple jump surface
- Annual Events:
 - Hosts over 100 track and field events between November and March
 - 125,000 athletes and 500,000 visitors
 - 85% are high school events
 - About 10 college events, and just a few pro events
 - Major events include the AT&T Hall of Fame, Marine Core Classic, the Hispanic Games, the New Balance Games, Melrose, and the Armory Track Invitational
 - Also hosts special events such as banquets, fashion shows, etc.



ARMORY TRACK (CONT.)

The Armory Track is a 200 meter permanent banked track (installed approximately 15 years ago) with six lanes. The infield includes warm-up lanes and jumping/throwing event space (all Mondo surface).



Armory Track Floorplan

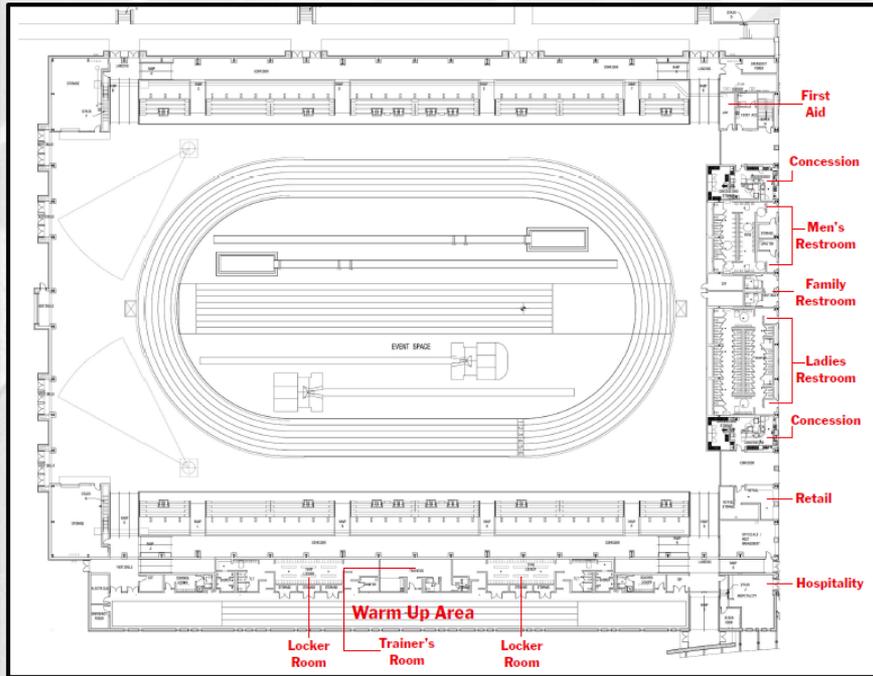
Birmingham, Alabama

- Opened: 2011
- Cost: \$17M - Indoor Track (estimated \$21.3M in 2017 dollars*)
- Building Footprint: 75,000 sq. ft. (Indoor Track facility only)
- Owner/Operator: City of Birmingham
- Indoor Track & Field Facility Features:
 - Birmingham CrossPlex is widely considered to be the “gold standard” for indoor track/field venues
 - All track and field components meet IAAF, NCAA and NFHS standards
 - 200 meter hydraulic banked track (Mondo surface)
 - Six lanes for oval track
 - Eight 60-meter lanes for dashes and hurdles
 - 4,000 seating capacity
 - When the hydraulic track is lowered, the surface area can fit nine (9) full-sized volleyball courts
 - Locker rooms and a trainer’s room
 - Warm-up room which includes:
 - Four 60-meter lanes
 - Stretching room
 - Fully equipped media center with broadcast box
 - Track interior has a Mondo sport surface and space for pole vault, jumping, and shot put events
 - The track/field facility also features seven (7) hospitality suites



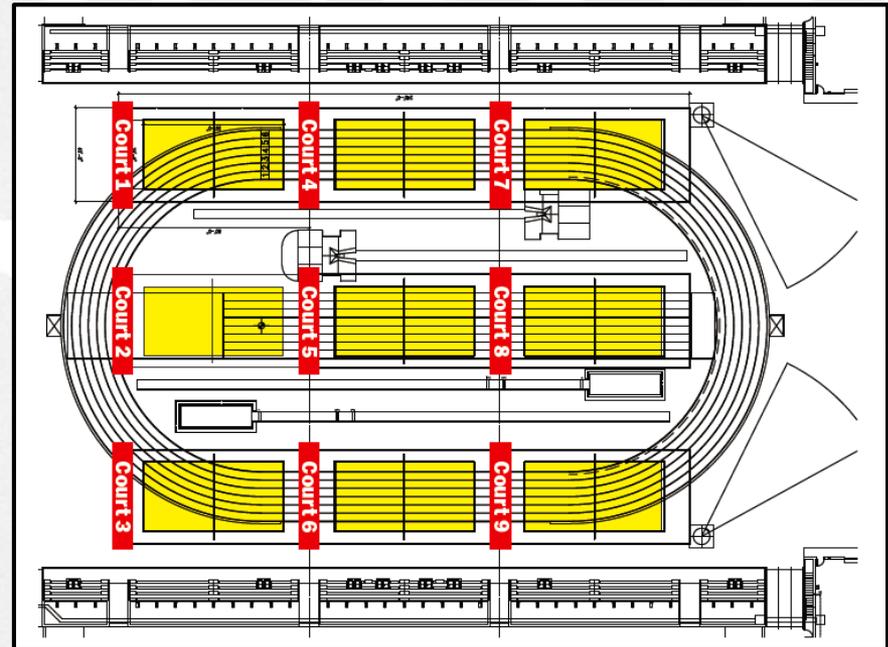
- Annual Events & Economic Impact:
 - Track and field events run from December through end of March.
 - Almost every day is booked with events and/or practices during that time period.
 - The CrossPlex facility also features an indoor 5,000-seat arena and a Natatorium, and hosts about 40 events each year that draw hotel visitors. Some of the events draw people from all 50 states.
 - According to facility staff, each event has grown 10-15% annually. Track and field has the most number of participants out of the annual 150,000 complex-wide visitors for all events. They estimate that probably half of the total visitors are for track and field events.
 - The CrossPlex will host 13 NCAA championship events from 2019 through 2022 with an estimated economic impact of more than \$23 million. The championships are estimated to bring about 5,300 student athletes, officials, coaches, trainers and administrators (not including spectators). These events are expected to account for more than 18,800 regional room nights.
- Facility Staff Feedback:
 - CrossPlex staff think a major track facility would be a “homerun” in Virginia Beach.
 - They stressed the benefit of a hydraulic banked track because the facility is more versatile and can host volleyball and other multi-use events via the use of portable flooring.
 - They strongly recommend not putting the grand stands at floor level. They believe the seating should be higher to maximize storage use underneath.
 - The staff cites the facility’s success due to its strong relationship with the Birmingham CVB and Starwood Properties. They stated that they win bids because of strong relationships and great management. They feel they provide a great facility and great hospitality.
 - Lastly the staff said that they would be happy to host Virginia Beach officials to tour the facility.

Track & Field Configuration



The CrossPlex has a 200 meter hydraulic banked track (Mondo surface) with six (6) lanes for the oval track and eight (8) - 60 meter lanes for dashes and hurdles.

Volleyball Configuration



The CrossPlex can be configured for nine (9) full-sized volleyball courts when the hydraulic banked track is lowered.

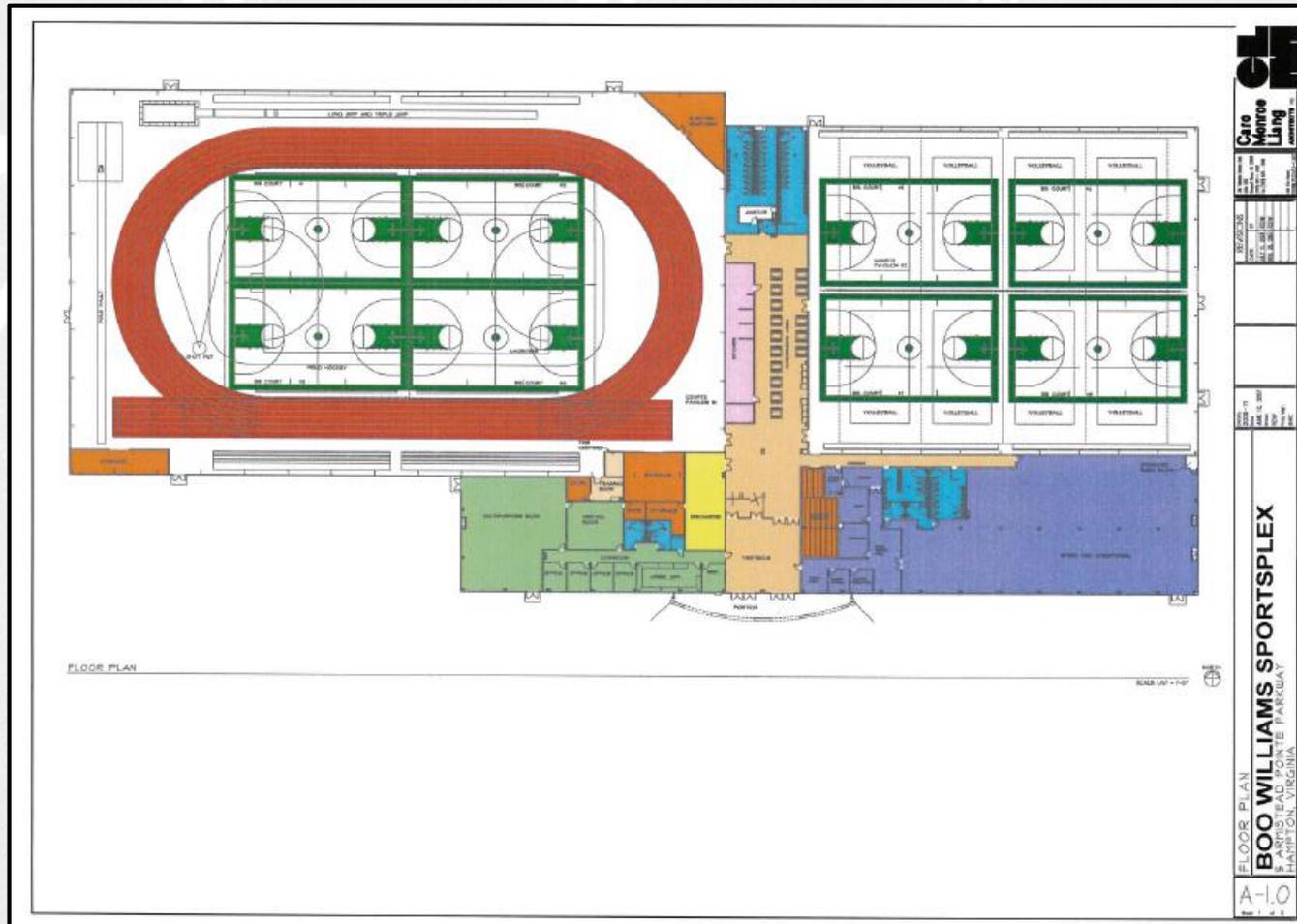
Hampton, Virginia

- Opened: 2008
- Cost: \$13.5M (estimated \$15.2M in 2017 dollars*)
- Footprint: 135,000 sq. ft.
- Owned/Operated: Public/Private Partnership
- Features:
 - 200 meter flat track
 - 6-lanes
 - 12 regulation volleyball courts
 - 8 regulation basketball courts
 - 8 regulation indoor hockey fields
 - 200 meter flat track with four basketball courts inside of it (facility cannot host field events)
 - Training rooms
 - Concessions area and banquet room
 - Speed and conditioning center
 - Retractable seating for up to 4,000 spectators
- Annual Events & Economic Impact:
 - In February 2017, the facility hosted VHSL track meets and championships for 1A to 6A groups.
 - Regional/national tournaments for basketball, volleyball, cheer, track, and wrestling, etc.
 - According to 2015 study for the City, Sportsplex generates 15,245 annual room nights in Hampton.



BOO WILLIAMS SPORTSPLEX (CONT.)

Boo Williams Sportsplex is a multi-use sports facility that can accommodate 12 regulation volleyball courts, eight (8) regulation basketball courts, eight (8) regulation indoor hockey fields, and a 200 meter, 6-lane flat track.



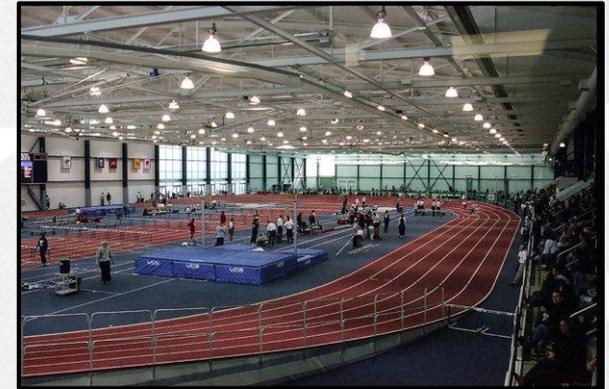
Lexington, Virginia

- Opened: 2016
- Cost: \$80M (estimated \$82.4M in 2017 dollars*)
- Footprint: 205,000 sq. ft.
- Owned/Operated: Virginia Military Institute (VMI)
- Features:
 - 200 meter hydraulic banked track (Beynon surface)
 - 6 oval lanes
 - 8 lanes for dashes and hurdles
 - Warm-up track on mezzanine level
 - Seating capacity for 1,400 spectators
 - Inside of the track is a Mondo sport surface and has space for pole vault, long/triple jump, and shot put events
 - 800 fixed seating capacity and expandable to more than 2,500 with bleachers
- Annual Events:
 - There are four (4) major track and field events lined up for next year. The facility will also host the Southern Conference Indoor Track Championship.
- Facility Feedback:
 - VMI opted for a banked track because it is quicker, faster, and safer for athletes. By opting to build a hydraulic banked track the facility has more flexibility for other programming and military training.



State College, Pennsylvania

- Opened: 1999
- Cost: \$14M (estimated \$25M in 2017 dollars*)
- Footprint: 132,000 sq. ft.
- Owned/Operated: Penn State University
- Features:
 - 200 meter hydraulic banked track (Mondo surface)
 - 6 oval lanes
 - 8 lanes for dashes and hurdles
 - Cardio and fitness rooms
 - Multi-purpose rooms
 - Inside of the track is a Mondo sport surface for pole vault, long/triple jump, and shot put events
 - 800 fixed seating capacity and expandable to more than 2,500 with bleachers
- Annual Events:
 - The facility hosts 10-12 main events, plus 3 high school meets in the evening.
 - Peak season is December through March for meets, with each meet averaging 1,000 athletes.
- Facility Feedback:
 - “We host the meets due to our banked track. Most of the collegiate schools are looking to race on banked tracks. We probably still would host some meets without it, but would have a hard time getting schools to come here to race. The high schools even use the banked track and try to run fast times on the track.”



Lynchburg, Virginia

- Opened: 2017
- Cost: \$27M
- Footprint: 170,000 sq. ft.
- Owner/Operator: Liberty University
- Features:
 - 200 meter hydraulic banked track (Beynon surface)
 - Six oval lanes
 - Eight 100-meter lanes
 - Locker rooms
 - Training room
 - Weight room
 - Coaches' hospitality room
 - Concessions area
 - Press box
 - Office space
 - 1,500 fixed seating capacity and expandable to more than 3,000 with bleachers
 - Inside of the track is a Beynon sport surface and has space for long/triple jump events
- Estimated Annual Events :
 - Expected to host about 15 events per year including college and high school meets.



Staten Island, New York

- Opened: 2015
- Cost: \$93M (estimated \$100.5M in 2017 dollars*)
- Footprint: 135,000 sq. ft.
- Owned/Operated: City of New York
- Features:
 - 200 meter hydraulic banked track (Mondo surface)
 - 6 lanes when banked, 8 lanes when flat
 - Cardio and fitness rooms
 - Multi-purpose rooms
 - 2,500 seating capacity
 - Inside of the track is a Mondo sport surface and has space for pole vault, long/triple jump, and shot put events
 - First facility in the United States to be recognized as a certified IAAF facility.
- Annual Events & Economic Impact:
 - In 2016 the facility held 81 track and field events and hosted over 240,000 total visitors.
 - According to facility staff, the largest events are created/operated in-house, such as three large high-school meets that host between 4,000 and 7,000 athletes each, plus spectators.
 - The facility also hosts the Hershey Youth Indoor Championships, which is USATF sanctioned event.

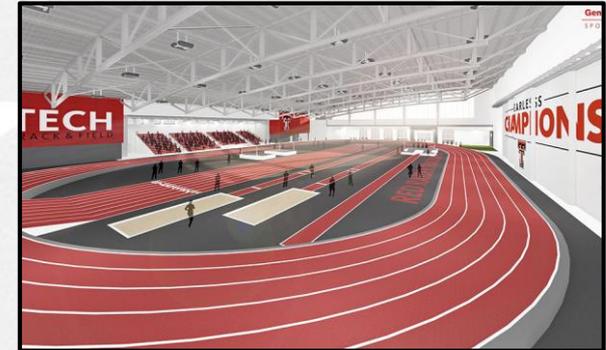


NYC Parks



Lubbock, Texas

- Opening: Fall 2017
- Cost: \$24M (Indoor Track facility)
- Footprint: 132,000 sq. ft.
- Owned/Operated: Texas Tech University
- Features:
 - 200 meter permanent banked track (Beynon surface)
 - 6 oval lanes
 - 8 lanes for dashes and hurdles
 - Cardio and fitness rooms
 - Multi-purpose rooms
 - Inside of the track is a Beynon sport surface and has space for pole vault, long/triple jump, and shot put events
 - Seating capacity for 2,000 spectators
- Estimated Annual Events:
 - The facility will host the Big 12 Conference Championships every other year.
 - The facility expects to host five to seven events every year between University/high school meets.
- Facility Feedback:
 - The extra cost for the hydraulic banked track was deemed not necessary for the University because they were not planning other programming that would require a flat surface.



Annapolis, Maryland

- Opened: 2008
- Cost: \$45M (estimated \$50.5M in 2017 dollars*)
- Footprint: 140,000 sq. ft.
- Owner/Operator: United States Naval Academy
- Features:
 - 200-meter hydraulic banked track (Mondo surface)
 - Six lanes for oval track
 - Eight 60-meter lanes for dashes and hurdles
 - Eight (8) locker rooms
 - Weight room
 - Inside of the track is a Mondo sport surface and has space for pole vault, long/triple jump, and shot put events
- Annual Events:
 - The facility is also the home to Navy Volleyball meets, wrestling meets, and other Academy practices.
 - Facility staff estimates that they probably host about two to three indoor competitive meets each year. Every fourth year the facility hosts the Patriot League track and field championships.



Flat Track:

- Boo Williams Sportsplex was designed primarily as a basketball facility, so the MEAC can't host events there for a Division 1 track meet since the infield area of the track is hardwood basketball courts. MEAC coaches would also prefer to use a banked track.
- The VHSL hosts events on flat and banked tracks, but prefer the latter.

Banked Track:

- The Virginia AAU thinks a banked track would be ideal because they could co-host national events.
- According to the NCAA, a banked track is necessary for Division I events, but it doesn't matter whether it is permanent or hydraulic. Banked tracks are also preferred for Division II and III events, but not a requirement.
- The Big South Conference's schools prefer banked tracks, but there was no preference for a permanent or a hydraulic banked track. It should be noted, however that Liberty Indoor Track (hydraulic banked track) will host the Big South Indoor Track & Field Championships starting next year.
- All the MEAC coaches want to be in a hydraulic banked track facility (adjustable for different events).
- USATF Virginia thinks a hydraulic banked track would be "phenomenal".
- Birmingham CrossPlex staff strongly advised against a flat track facility. They also recommended a hydraulic banked track for event versatility and also safety. They mentioned that the hydraulic banked track allows runners to run through at the end of a sprint, rather than run into a padded rail or wall where injuries can occur.

Banked Track (CONT.):

- Liberty University opted for a hydraulic banked track for its facility because they wanted different banks for different speed races. A higher bank is better for faster racing and a lower bank is better for slower racing. It can be anywhere between a 10% grade (this is the limit) and zero.
- The Naval Academy recognized the rare opportunity it is to build a new facility at Navy, so they did not want to leave anything out in regards to quality and technology. The track and field coaches had competed up at Horace Ashenfelter III Indoor Track and really liked it.
- Horace Ashenfelter III Indoor Track officials feel they would still attract the same events regardless of having a permanent or hydraulic banked track. They stated, “We host the meets due to our banked track. Most of the collegiate schools are looking to race on banked tracks. The high schools even use the banked track and try to run fast times on the track.”
- Texas Tech opted to not have a hydraulic banked track. The extra cost for the hydraulic banked track was not necessary for the University because they were not planning other programming that would require a flat surface.
- The Virginia Military Institute opted for a banked track because it is quicker, faster, and safer for athletes. By opting to build a hydraulic banked track the facility has more flexibility for other programming and military training purposes.
- The Ocean Breeze Track and Field Complex opted for a hydraulic banked track because they could use the space for other purposes. It’s a community recreation center as well, so the flexibility of a hydraulic banked track allows for other local programming.

As shown below, six (6) out of the eight (8) banked track facilities that were compared for analysis feature hydraulic banked tracks. According to the facility operators, their motivations for installing a hydraulic banked track (instead of permanent) included:

- **Safety** - A hydraulic banked track allows runners to run through at the end of a sprint, rather than run into a padded rail or wall where injuries can occur.
- **Performance** - A hydraulic track can be banked at different levels. A higher bank is better for faster racing and a lower bank is better for slower racing.
- **Opportunities for Multi-Use** - A hydraulic banked track gives a facility more flexibility for other programming.

Facility	City, State	Year Open	Est. 2017 Construction Cost (\$M) *	Track & Field Configuration	
				Permanent Banked Track	Hydraulic Banked Track
Armory Track	New York City, NY	1909	N/A	✓	
Birmingham CrossPlex	Birmingham, AL	2011	21.3		✓
Corps Indoor Training Facility	Lexington, VA	2016	82.4		✓
Horace Ashenfelter III Indoor Track	State College, PA	1999	25.0		✓
Liberty Indoor Track Complex	Lynchburg, VA	2017	27.0		✓
Ocean Breeze Track & Field Complex	Staten Island, NY	2015	100.5		✓
Sports Performance Center	Lubbock, TX	2017	24.0	✓	
Wesley A. Brown Fieldhouse	Annapolis, MD	2008	50.5		✓

Sources: Facility staff feedback, Victus research

Note: Sorted by Facility in alphabetical order. Boo Williams Sportsplex excluded because it has a flat track only.

As shown below, based on user and facility staff feedback, the Birmingham CrossPlex is the comparative facility that has been used the most for indoor track and field events. Banked tracks are able to host a much larger mix of events. Boo Williams Sportsplex has a flat track, and is only able to host AAU and High School track events, whereas banked track facilities such as the Armory and the Birmingham CrossPlex host a wide variety of multi-day AAU, NCAA, and USATF events that drive larger overnight visitation.

Type of Events	Armory Track	Birmingham CrossPlex	Boo Williams Sportsplex	Corps Indoor Training Facility	Horace Ashenfelter III Indoor Track	Liberty Indoor Track Complex	Ocean Breeze Track Complex	Sports Performance Center	Wesley A. Brown Fieldhouse *
AAU Events	✓	✓	✓						
Conference Championships		✓		✓		✓		✓	
High School Events	✓		✓		✓	✓	✓	✓	
NCAA National Championships		✓							
Professional Events	✓						✓		
University Athletic Events	✓			✓	✓	✓		✓	✓
USA Track & Field Events	✓	✓					✓		

Sources: Facility staff, user feedback, Victus research

Note: Sorted by Type of Events in alphabetical order

*Brown Fieldhouse only hosts Naval Academy events as an operational choice, although the banked track would be capable of hosting other events.

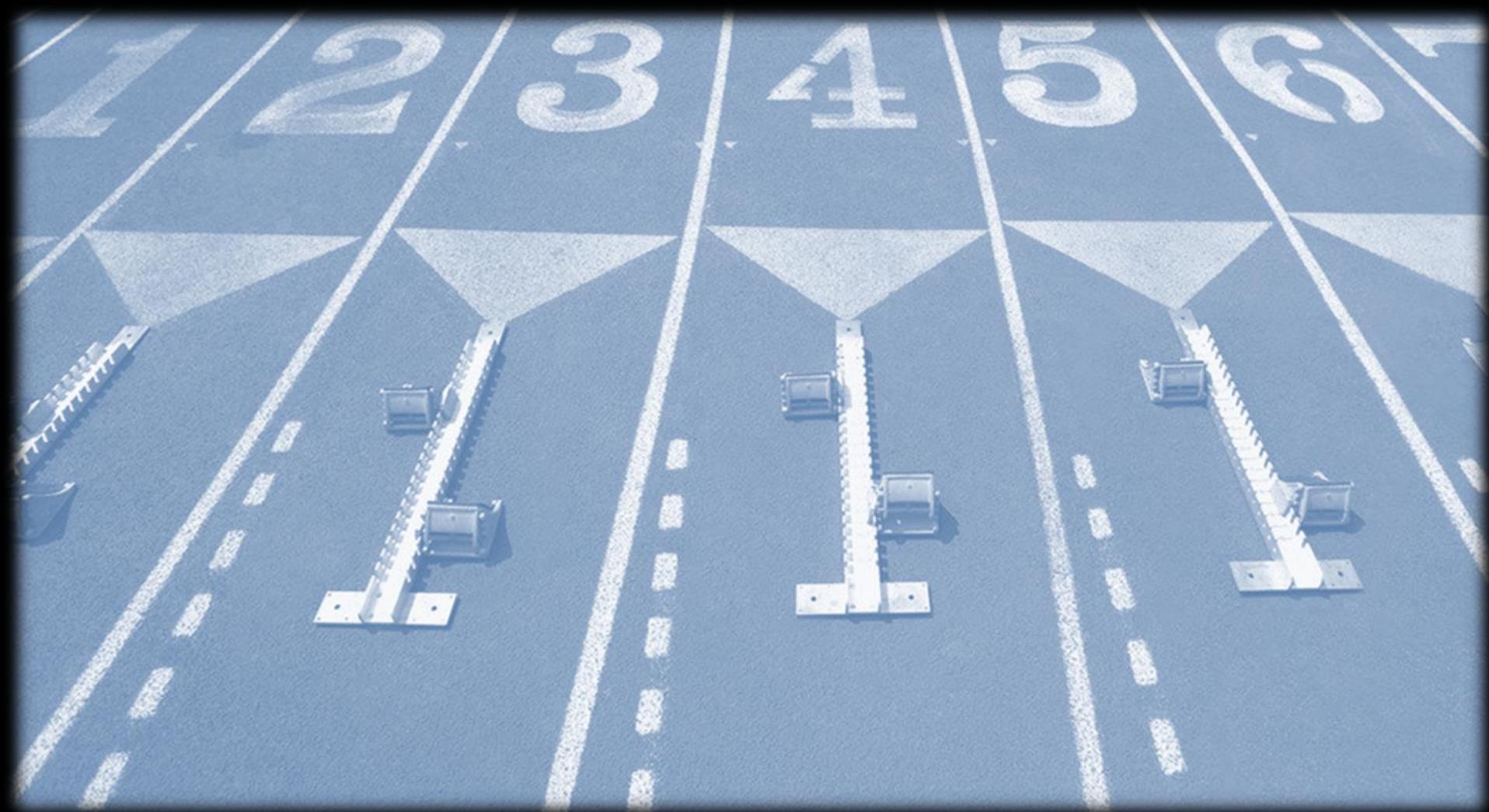
Seating Capacity:

- As shown at right, the Birmingham CrossPlex has the highest seating capacity at 4,000 people with the Brown Fieldhouse having the lowest at 750 people. It should be noted that the three facilities that focus on hosting large USATF, NCAA, and AAU events have seating capacities of at least 2,500 seats.
- The primary reason for permanent stands with capacity greater than 2,000 is the larger multi-day events (NCAA National Championships, Conference Championships) that require minimum seating capacities.

Facility	City, State	Seating Capacity
Birmingham CrossPlex	Birmingham, AL	4,000
Armory Track	New York City, NY	3,200
Ocean Breeze Track & Field Complex	Staten Island, NY	2,500
Sports Performance Center	Lubbock, TX	2,000
Liberty Indoor Track Complex	Lynchburg, VA	1,500
Corps Indoor Training Facility	Lexington, VA	1,400
Horace Ashenfelter III Indoor Track	State College, PA	800
Wesley A. Brown Fieldhouse	Annapolis, MD	750
AVERAGE		2,019
MEDIAN		1,736

Infield Materials & Uses:

- The infield should be designed for sprinting event and indoor field events, using a Mondo or Beynon sport surface. None of the comparable facilities have artificial turf inside the track. User groups did not indicate any need or desire for artificial turf.
- Another potential benefit of having a Mondo/Beynon sport surface for both the track and the infield is flexibility for multi-use. Birmingham CrossPlex staff stressed the benefit of a hydraulic banked track because the facility is more versatile and can host volleyball and other events. They will lay down “Sport Court” surfaces for basketball and volleyball events.



SECTION 4
DEMAND PROJECTIONS



USAGE ESTIMATE - FLAT TRACK ONLY

Based on potential user group feedback, Victus Advisors conservatively estimates that at least eight (8) indoor track and field events could be held in Virginia Beach per year if a flat indoor track were built. With a flat track, it is expected that these events would be primarily local/regional high school and AAU meets that would not drive significant overnight visitation. We have estimated that eight flat track events could amount to approximately 11 event days and 10,800 total athletes, coaches, and spectators.

User Group	Estimated Annual Events	Estimated Days per Event	Total Event Days	Average Total Visitors per Event	Estimated Total Fans & Athletes *
Local High Schools	5	1	5	800	4,000
VHSL	1	2	2	2,800	2,800
Virginia AAU	2	2	4	2,000	4,000
Total	8		11		10,800

Sources: User feedback, Victus research

Note: Sorted by User Group in alphabetical order

**Includes estimated athletes, officials, coaches, parents/family, spectators, etc.*

USAGE ESTIMATE - BANKED TRACK

With a hydraulic banked track that could accommodate both flat track and banked track events, Victus conservatively estimates that at least 14 total indoor track and field events could be held in Virginia Beach per year. Additionally, with a hydraulic banked track and the use of portable sports flooring, multi-use (non-track) events could also be programmed year-round to provide additional space for events utilizing the primary sports center facility (e.g. basketball, volleyball, etc.).

Flat Track User Groups	Estimated Annual Events	Estimated Days per Event	Total Event Days	Average Total Visitors per Event	Estimated Total Fans & Athletes *
Local High Schools	5	1	5	800	4,000
VHSL	1	2	2	2,800	2,800
Virginia AAU	2	2	4	2,000	4,000
Total	8		11		10,800
Banked Track User Groups	Estimated Annual Events	Estimated Days per Event	Total Event Days	Average Total Visitors per Event	Estimated Total Fans & Athletes *
Mid-Eastern Athletic Conference	1	2	2	2,700	2,700
NCAA Division I, II, or III Championship (1)	1	1	4	3,000	3,000
Other Conference Championship (2)	1	2	2	3,000	3,000
Regional/National AAU (3)	1	2	2	3,000	3,000
Regional/National USATF (4)	1	2	2	3,000	3,000
USATF Virginia	1	2	2	720	720
Total	6		14		15,420
Est. Total Events with a Banked Track:	14		25		26,220

Sources: User feedback, Victus research

Note: Sorted by User Group in alphabetical order. Analysis assumes that "Flat Track User Groups" would also use a banked track, if available.

*Includes estimated athletes, officials, coaches, parents/family, spectators, etc.

- (1) It is assumed that Virginia Beach would be able to host a NCAA National Championship. We have averaged the three division's average total visitors per event.
- (2) It is assumed that Virginia Beach would be able to attract additional Conference Championships such (e.g. ACC, A10). We have assumed an average of 3,000 total visitors.
- (3) It is assumed that Virginia Beach would be able to draw at least one regional/national AAU event. We have assumed that a regional/national event would draw about 3,000 total visitors.
- (4) It is assumed that Virginia Beach would be able to host at least one USA Track and Field event. We have assumed that a regional/national event would draw about 3,000 total visitors.

The typical season for smaller indoor track and field meets would be from December to February, culminating in larger regional and national VHSL, AAU, USATF, and NCAA championships in late February and early March. Peak usage for the proposed facility in Virginia Beach, with a focus on hosting larger regional/national championships that drive overnight visitation, would likely be in February/March.

User Group	January	February	March	April	May	June	July	August	September	October	November	December
Local High Schools	✓	✓										✓
Mid-Eastern Athletic Conference		✓										
NCAA Division I, II, or III			✓									
USATF Virginia		✓	✓	✓								
VHSL		✓										
Virginia AAU	✓	✓										

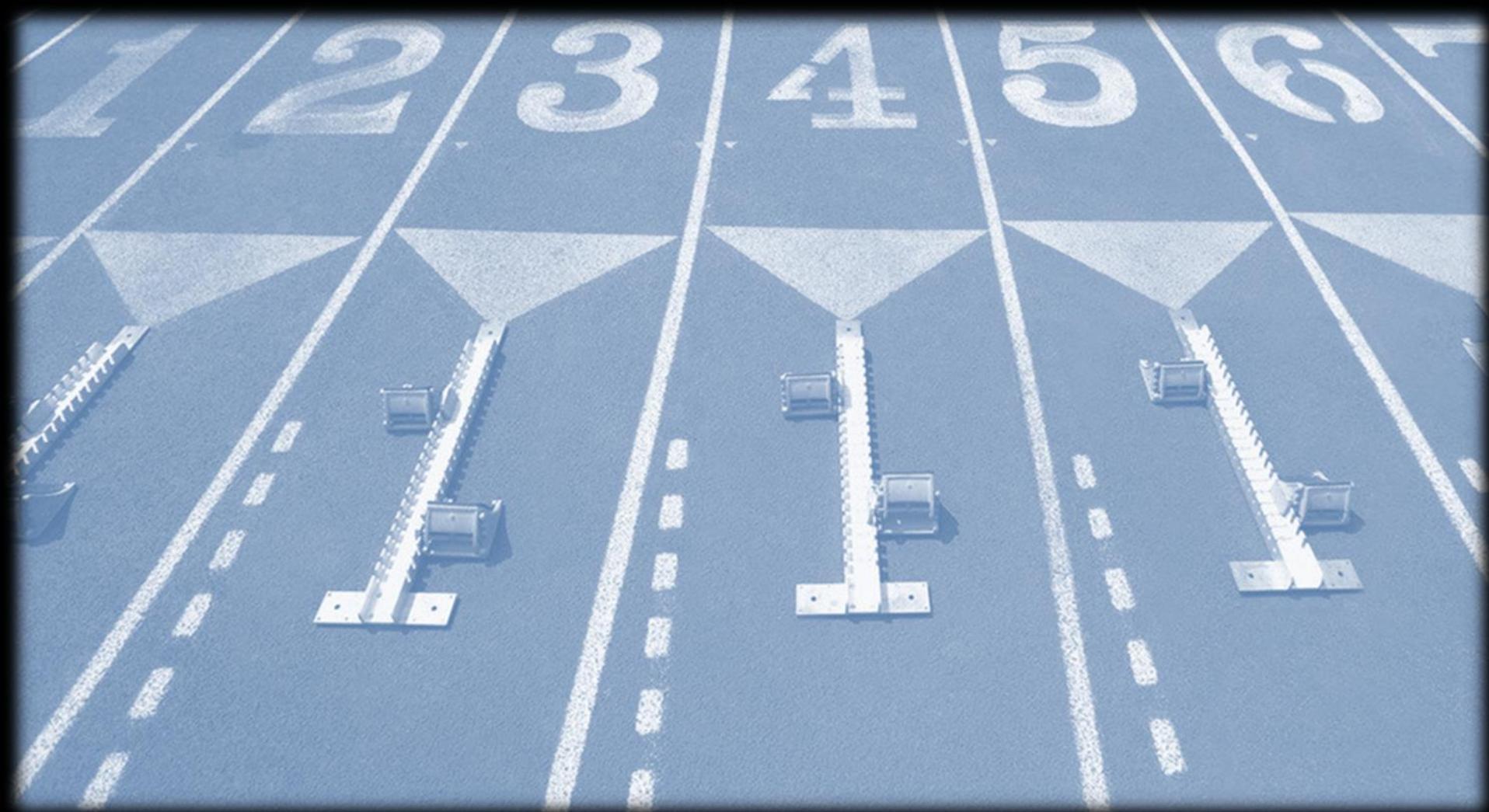
Sources: User feedback, Victus research

Note: Sorted by User Group in alphabetical order

In regards to potential overlapping of track and field events with volleyball and basketball tournaments, Victus found that the majority of basketball/volleyball tournaments are held at other times of the year. Boys and girls basketball tournaments (such as the Virginia Beach Classic and Neptune Memorial Day Classic) are typically held from the spring through the fall. Victus found the same typical schedule for volleyball tournaments.

It should also be noted that if an indoor track and field center was built as a connected building/addition to the proposed indoor sports center, it is likely that simultaneous events could be operated in the track/field venue and volleyball/basketball venue at the same time, assuming each venue had the requisite support/administrative space to accommodate both events simultaneously. For example, Birmingham CrossPlex frequently hosts track/field and aquatics in overlapping timeframes.

Furthermore, from March through November, the adjacent indoor track and field space in Virginia Beach could be used to expand the size of volleyball and basketball tournaments hosted by the City, by laying down portable sports surfaces to provide additional courts.



SECTION 5
ECONOMIC IMPACTS

It is estimated that out-of-town visitor spending resulting from the addition of just a flat track could generate less than \$250,000 in net annual economic output. Whereas, it is estimated that out-of-town visitor spending resulting from the addition of a banked track facility could generate more than \$4.8 million in net annual economic output.

FLAT TRACK ONLY NET ANNUAL IMPACTS

**DIRECT VISITOR SPENDING
IN VIRGINIA BEACH**
\$158,220

MULTIPLIER
EFFECT

TOTAL ECONOMIC OUTPUT
\$241,000

EMPLOYMENT
3

WAGES
\$84,000

BANKED TRACK NET ANNUAL IMPACTS

**DIRECT VISITOR SPENDING
IN VIRGINIA BEACH**
\$3,072,984

MULTIPLIER
EFFECT

TOTAL ECONOMIC OUTPUT
\$4,816,000

EMPLOYMENT
66

WAGES
\$1,678,000

ESTIMATED NET ANNUAL FISCAL IMPACTS

It is estimated that the addition of a flat track facility could provide more than \$17,000 annually in incremental City sales tax, hotel tax, tourist occupancy tax, and meals tax.

FLAT TRACK ONLY - NET ANNUAL IMPACTS

<u>Tax Type</u>	<u>Assessor</u>	<u>Tax Rate</u>	<u>Est. Tax Revenue</u>
Sales Tax	City	1.00%	\$2,310
Hotel Tax	City	8.00%	\$10,450
TOT	City	\$2.00	\$1,296
Meals Tax	City	5.50%	\$3,619
Total City Tax Revenue:			\$17,675

It is estimated that the addition of a banked track facility could provide more than \$343,000 annually in incremental City sales tax, hotel tax, TOT, and meals tax revenue.

BANKED TRACK - NET ANNUAL IMPACTS

<u>Tax Type</u>	<u>Assessor</u>	<u>Tax Rate</u>	<u>Est. Tax Revenue</u>
Sales Tax	City	1.00%	\$44,800
Hotel Tax	City	8.00%	\$202,960
TOT	City	\$2.00	\$25,171
Meals Tax	City	5.50%	\$70,291
Total City Tax Revenue:			\$343,223

Notes:

- Represents net annual tax revenues for Virginia Beach, presented in 2017 dollars. Sales tax based on direct, indirect & induced spending.

Current Indoor Sports Room Nights:

The Sports Marketing Unit has already been somewhat effective in generating hotel/motel room nights via indoor sports activity, despite the lack of a dedicated indoor sports center that is City-controlled. For example, in fiscal year 2015-16, the Sports Marketing Unit hosted 28 indoor sports events in Virginia Beach that generated 33,081 room nights (source: Virginia Beach CVB). Victus Advisors estimated in 2016 (in a previous sports market study for Virginia Beach) that the construction of a new indoor sports center (not including track and field) could generate approximately 21,279 incremental annual hotel nights, representing a combined sports marketing room night total of approximately 54,360 annual room nights.

Estimated Incremental Room Nights with the Addition of an Indoor Track & Field Center (Flat Track Only):

Victus Advisors estimates that the addition of an indoor track and field center with only a flat track could generate approximately 650 incremental annual hotel nights in Virginia Beach, based on the expected event types that would utilize a flat track-only facility. It is estimated that most athletes and fans for flat track events would not be traveling from long enough distances to require overnight stays at Virginia Beach hotels.

Estimated Incremental Impacts of the Addition of an Indoor Track and Field Center (Banked Track):

Victus Advisors estimates that the addition of an indoor track and field center with a hydraulic banked track could generate approximately 12,586 incremental annual hotel nights in Virginia Beach, as shown below, which could equal approximately 66,946 in total annual sports marketing room nights in Virginia Beach.

Estimated Incremental Annual Hotel Impacts - City of Virginia Beach	
Visitors Staying in Hotel/Motel:	15,103
Estimated People per Room:	3.0
Total Rooms Utilized:	5,034
Average Nights per Room:	2.5
Total - Incremental Annual Room Nights:	12,586
Average Daily Room Rate (ADR):	\$127.50
Total - Incremental Hotel Room Spending:	\$1,604,664

Notes:

- (1) *Overnight Visitors estimate developed by Victus Advisors as part of our Utilization & Attendance Estimates*
- (2) *People per Room and Nights per Room are based on post-event data for participatory sports events held in Virginia Beach within the past two years*
- (3) *ADR represents median monthly ADR for Virginia Beach according to the Virginia Beach CVB*
- (4) *Total Hotel Room Spending represents direct hotel room spending only in 2017 dollars, and does not include indirect or induced impacts*

TOTAL PROJECTED VIRGINIA BEACH ROOM NIGHTS FROM SPORTS EVENTS	Room Nights	
	VB Sports Marketing - Fiscal Year 15-16	
Projected Increment - Indoor Sports Center		21,279
Projected Increment - Banked Track		12,586
Total		66,946



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