



FINAL REPORT
FEASIBILITY STUDY & MARKET SURVEY
FOR SOUTHWEST ATHLETIC COMPLEX

September 1, 2023



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Please Note: This report relies on a variety of information and assumptions to develop market, financial, and economic projections. Sources of information and assumptions include, but may not be limited to, information provided by Herriman City, input and opinions provided by relevant third parties, 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 the projections contained herein, and we express no assurances of any kind related to any projected information. Differences between projections and actual events may be material.



EXECUTIVE SUMMARY

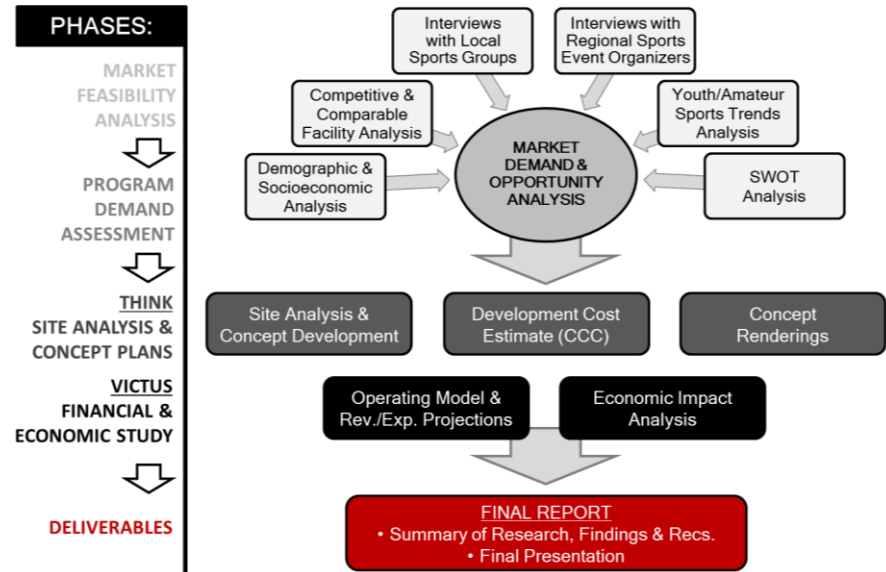
Project Background -

Victus Advisors and Think Architecture were engaged by Herriman City (or the “City”) in October 2022 to conduct a Feasibility Study & Market Survey for Southwest Athletic Complex. Our primary project goals for this study included, but were not limited to:

- 1) Market Demand & Opportunity Analysis - Identify any market gaps/opportunities or potential benefits/challenges of the project.
- 2) Financial Operating Analysis - Develop a custom financial operating model for the proposed complex.
- 3) Economic & Fiscal Impact Analysis - Develop estimates of the economic and fiscal impacts that could be generated by a new outdoor sports complex in Herriman.
- 4) Concept Plans - Preliminary conceptual building/site plans and construction cost estimate for the proposed project.

The flow chart at right shows a more detailed visualization of our study methodology.

Study Methodology -



Please Note: This Executive Summary section only contains select highlights from our research and analysis, and our full report should be read in its entirety in order to understand all of our research, recommendations, analysis, and conclusions.

Demographic & Socioeconomic Analysis -

- Herriman City has a current estimated population of 61,290.
- Herriman City has about 37% of its population under the age of 18, which is significantly higher than the national average. This bodes well for youth/amateur sports and recreation demand.
- Herriman City and Salt Lake County have lower median ages than the United States average. A lower median age tends to represent a large presence of working-age populations, which can be a positive indicator for youth/amateur sports demand.
- Herriman City's projected population growth rate is significantly higher than the U.S. national average.
- Herriman City and Salt Lake County have a higher percentage of households with children than the national average. A high percentage of households with children is a positive indicator for youth sports demand in the region.
- When adjusted for cost of living, the median household income in Herriman City is higher than the U.S. median income. Higher household income levels can often indicate an ability for a household to spend disposable income on both youth sports and adult recreation.

Weekday Usage Driving Zone -

Based upon Victus Advisors' experience, primary weekday attendance for sports complexes (typically in the late afternoons and evenings) is usually drawn from within a 15-minute drive radius. Additional secondary weekday demand could be drawn from up to 30-minutes. There is a population of over 226,000 people within a 15-minute drive time of the project site in Herriman and over 1.1 million people within a 30-minute drive time of the project site.

Weekend Tournament Driving Zone -

There is a population of over 3.1 million people within a 2.5-hour drive time of Herriman, and over 4.5 million people within a 5-hour drive time of Herriman, to potentially draw from for sports tourism events. It should be noted that an additional 6.9 million people live within an 8-hour drive time when including the Las Vegas, Denver, Colorado Springs, and Fort Collins markets.

Hotel Inventory -

Convenient, affordable, family-friendly lodging (preferably no more than a 10- minute drive from a venue, if not closer) is an important component of attracting and hosting multi-day tournament activity that requires overnight stays for people traveling from beyond a 2.5-hour drive time range. Victus Advisors found only one (1) hotel option (minimum 2-star hotel class) within a 10-minute drive of the project site in Herriman. Furthermore the hotel is located within South Jordan City limits.

COMPETITIVE & COMPARABLE SPORTS COMPLEX ANALYSIS

Comparable Regional Sports Complexes -

Facilities	Driving Distance (miles)
1 Lakeside Sports Park	32
2 Regional Athletic Complex	33
3 Spanish Fork Sports Park	43
4 Mesquite Regional Sports & Event Complex	334
5 Kellogg Sports Complex	415
6 Bettye Wilson Soccer Complex	416

Victus Advisors identified the above outdoor rectangular sports field complexes as comparable regional facilities that frequently attract tournament participants from Herriman sports organizations.

Regional Field Inventory -

Facility	Location	Owner/Operator	Rectangular Fields
Bettye Wilson Soccer Complex	Las Vegas, NV	City of Las Vegas	10
Kellogg Sports Complex	Las Vegas, NV	City of Las Vegas	11
Lakeside Sports Park	Orem, UT	Orem City	8
Mesquite Regional Sports & Event Complex	Mesquite, NV	City of Mesquite	5
Regional Athletic Complex	Salt Lake City, UT	Salt Lake City	16
Spanish Fork Sports Park	Spanish Fork, UT	Spanish Fork City	8
AVERAGE			10
MEDIAN			9

Source: Victus Advisors Research.
Note: Sorted by Facility in alphabetical order

The Regional Athletic Complex in Salt Lake City has the most rectangular fields at 16. All but one (1) of these comparable facilities has at least eight (8) rectangular fields, with the Mesquite Regional Sports & Event Complex being the exception with five (5) fields. All of these comparable facilities are publicly owned and operated.

Annual Tournaments -

Facility	Location	Annual Tournaments
Mesquite Regional Sports & Event Complex	Mesquite, NV	29
Regional Athletic Complex	Salt Lake City, UT	26
Kellogg Sports Complex	Las Vegas, NV	22
Bettye Wilson Soccer Complex	Las Vegas, NV	13
Lakeside Sports Park	Orem, UT	10
AVERAGE		20
MEDIAN		22

Source: Victus Advisors Research.
Notes: (1) Sorted by Annual Tournaments in descending order

Despite only having five (5) fields, the Mesquite Regional Sports & Event Complex typically hosts the most annual tournaments amongst comparable facilities.

Construction Costs -

Facility	Location	Year Built	Est. 2022 Construction Cost	Est. 2022 Construction Cost Per Field
Kellogg Sports Complex	Las Vegas, NV	2002	\$76,821,325	\$4,801,333
Regional Athletic Complex	Salt Lake City, UT	2015	\$32,205,302	\$2,012,831
Bettye Wilson Soccer Complex	Las Vegas, NV	1999	\$16,357,895	\$1,635,789
AVERAGE		2005	\$41,794,841	\$2,816,651
MEDIAN		2002	\$32,205,302	\$2,012,831

Sources: Victus research, Turner Building Cost Index - Q4 2022.
Notes: (1) Sorted by Est. 2022 Construction Cost Per Field in descending order (2) Construction costs were not publicly available for all facilities profiled in this section

Construction costs of the three (3) comparable facilities that were able to provide data, when adjusted to Q4 2022 dollars (the most recent available construction cost data in the Turner Building Cost Index), were built for a median cost of approximately \$2.0 million per field or an average cost of approximately \$2.8 million per field.

Overview -

In December 2022, Herriman City identified participants for a series of telephone interviews for Victus Advisors. The goals of these interviews were to gather feedback regarding the market potential for the Southwest Athletic Complex. The set of topics and questions included demand for additional outdoor sports fields in the region and other feedback concerning the potential new complex. Victus Advisors conducted telephone interviews with representatives from 20 groups.

Key Takeaways -

- All football groups felt that there is demand for additional rectangular fields in Herriman. They suggested that the proposed venue would be a great complement to W&M Butterfield Park and could potentially become the main venue for their practices and games. The soccer groups felt that there is significant demand for more field space due to the high cost of using indoor fields.
- Football groups indicated that four (4) to six (6) fields would be ideal at the proposed complex. Additional recommended amenities include lights, bathrooms, some stadium seating, concession stand or food truck space, and additional green space for warm-ups. Feedback was split on natural grass or artificial turf.
- Soccer groups' demand range between two (2) and 15 fields at the proposed complex. Several groups indicated that some or all fields should be lit. Most groups preferred natural grass fields over artificial turf fields, but one group preferred all turf fields to maximize usage.

Key Takeaways (Cont.) -

- The County is very supportive of the project in Herriman and would be interested in being funding partners with the City and other potential contributors. In addition, the County expressed a desire to operate the proposed complex. They believe they have the expertise and experience to be able to manage the facility for both local use and tournament activity.

Demand Summary -

Group/Organization	Sport	Likelihood of Usage	Ideal # of Fields	Activity Type	Number of Annual Events
Copper Mountain Soccer	Soccer	Definitely Use	6	Practices, Games, Events	1
Herriman High School Lacrosse	Lacrosse	Likely Use	2	Practices	-
Herriman High School Soccer	Soccer	Likely Use	2	Practices	-
Herriman Rugby	Rugby	Definitely Use	4	Practices, Games, Events	1
JL Sorenson Recreation Center	Multi	Definitely Use	4	Recreation Programs	-
La Roca Futbol Club	Soccer	Definitely Use	6	Practices, Games	-
Mountain Football Conference	Football	Definitely Use	4	Games	-
Mountain Ridge Lacrosse	Lacrosse	Definitely Use	2	Practices, Games, Events	1
Mountain Ridge Rugby	Rugby	Definitely Use	4	Practices, Games, Events	1
Providence Hall High School	Soccer	Possibly Use	4	Practices	-
Real Salt Lake	Soccer	Definitely Use	15	Events	6
Salt Lake City FC	Soccer	Definitely Use	8	Practices, Games	-
USA Ultimate	Ultimate	Definitely Use	6	Events	2
Utah Girls Tackle Football	Football	Definitely Use	4	Practices, Games	-
Utah High School Activity Association	Multi	Would Not Use	-	-	-
Utah Jr. Warriors	Rugby	Definitely Use	4	Practices, Games, Events	3
Utah Ultimate Disc Association	Ultimate	Definitely Use	15	Games, Events	5
Utah Youth Rugby	Rugby	Definitely Use	4	Practices, Games, Events	4
Utah Youth Soccer	Soccer	Definitely Use	6	Games	-
Ute Conference Football	Football	Definitely Use	6	Practices, Games	-

Source: Victus research

Notes: (1) Sorted by Group/Organization in alphabetical order. (2) This is a representative sample of potential users, and the potential usage shown above is based solely on the interviewees contacted by Victus Advisors.

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- All but one (1) group (UHSA) expressed interest in using the Southwest Athletic Complex.
- 16 of the 20 groups indicated they would “Definitely Use” the complex.
- The majority of respondents indicated they would be interested in using 4 to 6 fields on a regular basis.
- Overall, we found initial interest for up to 24 annual tournaments/weekend events.

What Is Sports Tourism -

- “Sports Tourism” is regional or national travel to observe or participate in a sporting event.
- The typical sports tourism traveler is a family traveling via car within a 3-to-6 hour drive range for youth/amateur sports tournaments.
- Visitor spending via sports tourism is typically captured via room nights/hotel spending, restaurants, retail, and local entertainment and cultural attractions.
- In 2019, US sports tourism exceeded \$45.1 billion in annual spending by sports travelers, event organizers.

Sports Tourism Site Selection Factors -

According to SportsETA*, tournament organizers focus on four (4) key factors when making their site selections:

- 1) Quality of Sports Venues
- 2) Proximity and Access
- 3) Hotels and Amenities
- 4) Reputation and Brand

How Is Herriman Currently Positioned To Attract New Sports Tourism Markets? -



1. OUTDOOR SPORTS TOURISM VENUES

Herriman City operates 12 total multi-use fields for local practices, games, and leagues, however none of these parks have more than two (2) multi-use fields, which is far below what is necessary to host tournaments for soccer, lacrosse, rugby, flag football, etc.



2. PROXIMITY & ACCESS

There is a population of over 3.1 million people within a 2.5-hour drive time of Herriman, and over 4.5 million people within a 5-hour drive time of Herriman, to potentially draw from for sports tourism events. It should be noted that an additional 6.9 million people live within an 8-hour drive time which includes the Las Vegas, Denver, Colorado Springs, and Fort Collins markets.



3. LODGING

Victus Advisors found only one (1) hotel option (minimum 2-star hotel class) within a 10-minute drive of the project site in Herriman. Furthermore, the hotel is located within South Jordan City limits. It should be noted that there are plans for two (2) hotels to be developed in Herriman - one in Academy Village and the other near Main Street and Herriman Boulevard.



4. REPUTATION

Herriman is part of the Salt Lake County market that has a national reputation as a family-friendly travel destination that provides entertainment options such as museums, restaurants, skiing, biking, hiking, and other outdoor activities.

Key Sports Tourism Facility Trends -

Victus has found that many tournament organizers prefer at least eight (8) rectangular fields to host regional events, and upwards of 20 fields to host larger multi-state and national tournaments. These events tend to attract a hundred or more teams which can equate to thousands of room nights per multi-day event and thus spur significant economic impact for the host community. Additionally, organizers prefer a venue where all the games can be held at one site, rather than have participants travel between multiple venues in the same market.

SWOT Analysis -



Estimated Current Field Demand -

Victus estimates that a 16-18 field complex would be able to capture the current existing local and tournament usage demand, however based on continued growth in Herriman and south Salt Lake County, it is likely that 20-22 fields could be utilized within the next 5-10 years. Estimated usage of fields will peak during the spring and summer. October and March are likely to be the busiest months for local usage, whereas weekend tournament usage would be heaviest between April and September, with peak usage in May.

Southwest Athletic Complex Recommendations -

- **Demand Assessment:** Current demand exists for up to 16-18 rectangular fields for both local (weekday) and regional tournament (weekend) usage. The primary sports user groups are likely to be soccer, lacrosse, rugby, and football. Within the next five to 10 years, it is estimated that regional population growth could increase demand for up to 20-22 total fields.
- **Field Size:** In order to accommodate all of the sports user groups noted above, it is recommended that the fields be at least 130 yards by 70 yards to be truly multi-use for a wide variety of field sports.
- **Field Type:** Most outdoor sports field user groups prefer well-maintained grass fields. However, given the expected heavy usage of the complex for both locals (weekday) and tournaments (weekend), it is not likely that natural grass fields could be maintained at a high level of quality. Therefore, durable artificial turf fields are recommended, plus lights on each field to allow extended usage hours (especially in the late fall, winter, and early spring when the sun sets earlier).
- **Site/Concept Analysis:** Given that the Phase 1 site owned by the City is only 43 acres, Think Architecture has estimated that Phase 1 could only include up to six (6) full-sized fields, with necessary parking, concessions, and restrooms. The first priority should be maximizing the number of fields, while also including at least one (1) concessions/restrooms pavilion and approximately 75 to 100 parking spots per field (or 450 to 600 spots for a 6-field complex). Future phases of development (to reach up to 22 total fields) would require expansion of the project site to the immediate west.

CONCEPTUAL PLAN DEVELOPMENT & PRELIMINARY COST ESTIMATE

Athletic Complex Master Plan - Think Architecture has developed the athletic complex master plan shown below, with up to 22 total fields at full build-out. From east to west, Phase 1 includes six (6) full-sized fields, with necessary support amenities (parking, concessions, and restrooms); Phase 2 includes eight (8) additional fields with support amenities; and Phase 3 includes another eight (8) additional fields with support amenities.



HERRIMAN ATHLETIC COMPLEX MASTER PLAN

HERRIMAN, UT

OVE

Development Cost Estimate By Phase - Construction Control Corporation estimated current project costs for the proposed Southwest Athletic Complex are \$35.9 million for Phase 1, \$40.5 million for Phase 2, and \$44.6 million for Phase 3.

PROJECT ESTIMATE		CONSTRUCTION CONTROL CORPORATION		
PROJECT NAME.....HERRIMAN ATHLETIC COMPLEX				
LOCATION.....HERRIMAN, UT				
ARCHITECT.....THINK ARCHITECTURE				
STAGE OF DESIGN.....MASTERPLANNING				
CSI #	DESCRIPTION	PHASE 1	PHASE 2	PHASE 3
BUILDING COST SUMMARY				
02	EXISTING CONDITIONS	\$ 378,490	\$ 422,355	\$ 480,961
03	CONCRETE	\$ -	\$ -	\$ -
04	MASONRY	\$ -	\$ -	\$ -
05	METALS	\$ -	\$ -	\$ -
06	WOODS & PLASTICS	\$ -	\$ -	\$ -
07	THERMAL & MOISTURE PROTECTION	\$ -	\$ -	\$ -
08	DOORS & WINDOWS	\$ -	\$ -	\$ -
09	FINISHES	\$ -	\$ -	\$ -
11	EQUIPMENT	\$ -	\$ -	\$ -
12	FURNISHINGS	\$ -	\$ -	\$ -
13	SPECIAL CONSTRUCTION	\$ 2,149,900	\$ 389,600	\$ 1,352,070
14	CONVEYING SYSTEMS	\$ -	\$ -	\$ -
21	FIRE SUPPRESSION	\$ -	\$ -	\$ -
22	PLUMBING	\$ -	\$ -	\$ -
23	HVAC	\$ -	\$ -	\$ -
26	ELECTRICAL	\$ 1,855,469	\$ 3,254,127	\$ 3,605,765
27	COMMUNICATION	\$ -	\$ -	\$ -
28	ELECTRONIC SAFETY & SECURITY	\$ -	\$ -	\$ -
31	EARTHWORK	\$ 5,845,564	\$ 6,523,031	\$ 7,428,172
32	EXTERIOR IMPROVEMENTS	\$ 13,975,185	\$ 15,916,562	\$ 17,694,321
33	UTILITIES	\$ 3,477,918	\$ 4,678,836	\$ 3,847,686
SUBTOTAL		\$ 27,682,526	\$ 31,184,510	\$ 34,408,974
GENERAL CONDITIONS		9% \$ 2,491,427	\$ 2,806,606	\$ 3,096,808
BONDS & INSURANCE		1.7% \$ 503,905	\$ 567,652	\$ 626,347
OVERHEAD & PROFIT		3.5% \$ 1,073,725	\$ 1,209,557	\$ 1,334,624
DESIGN CONTINGENCY		15% \$ 4,152,379	\$ 4,677,676	\$ 5,161,346
TOTAL CONSTRUCTION COST		\$ 35,903,962	\$ 40,446,001	\$ 44,628,098

Ownership & Operations Combinations -

		OWNER	
		Public	Private
OPERATOR	Public	✓	✗
	Private	✓	✓

As a first step, it should be noted that the ownership of the proposed complex will determine what operation options are available. The chart above summarizes the different combinations available for ownership and operation of the proposed new Southwest Athletic Complex in Herriman. If Herriman City is the ultimate owner of the sports complex, the City would have the option of public management (via the City or the County) or private management by a third-party contractor (either for-profit or non-profit). Whereas, if the complex is owned by a private party, then public management is not typically an option, as the facility will either be managed by employees/staff of the facility owner or a separately contracted private entity.

Ownership & Management Recommendations For Herriman -

Victus Advisors recommends that the two (2) primary athletic complex management options to be considered by Herriman City should be:

- Public Management Via The County:** Herriman City should consider Salt Lake County as the potential operator of the proposed Southwest Athletic Complex. Salt Lake County has experience operating a wide variety of sports and recreation facilities across the County, and their leadership has expressed desire to assist with both funding and operations of the proposed complex. They believe they have the expertise and experience to be able to manage the complex for both local use and tournament activity. This option may be the most feasible if Salt Lake County is a financial partner in the project and has joint ownership of the complex.
- Private Contract Management:** If Herriman City is the sole owner of the proposed complex (no partnership with Salt Lake County), the City should consider hiring a third-party management firm, since it currently does not have an existing infrastructure or staff to operate a facility of this proposed size and scale. An experienced third-party sports management firm would bring specialized expertise in the sports industry and would not require the City to ramp up its staffing. That said, annual management fees for a sports tournament-caliber facility can often range from \$10,000 to \$20,000 per month, which would be an annual financial burden on the public sector in addition to any long-term capital maintenance.

Financial Pro Forma (Phase 1 & 2) -

	Phase 1	Phase 2
Operating Revenues:		
Rental Income (Tournaments, Practices, etc.)	\$646,000	\$1,254,000
Programming	\$127,000	\$200,000
Concessions (Net)	\$141,000	\$294,000
Advertising & Sponsorship	\$16,000	\$22,000
Other	\$5,000	\$10,000
Total Revenues:	\$935,000	\$1,780,000
Operating Expenses:		
Salaries, Wages, & Benefits	\$591,000	\$837,000
Utilities	\$92,000	\$214,700
Program Expenses	\$88,900	\$140,000
Advertising, Marketing, & Promotion	\$35,000	\$60,000
General, Administrative, & Other	\$50,000	\$75,000
Maintenance/Repair	\$40,300	\$93,900
Materials/Supplies	\$40,300	\$93,900
Total Expenses:	\$937,500	\$1,514,500
EBITDA	-\$2,500	\$265,500
OPERATING MARGIN	0%	15%

Notes:

(1) Presented in 2023 dollars. Stabilized year of operations typically occurs by Year 3.

(2) EBITDA represents "earnings before interest, taxes, depreciation, and amortization"

In a stabilized year of operations, it is estimated by Victus Advisors that the operations of the proposed Southwest Athletic Complex (Phase 1) could operate at approximately break-even. In a stabilized year of operations, it is estimated by Victus Advisors that the operations of the proposed Southwest Athletic Complex (Phase 2) could operate at an approximately 15% operating margin.

Financial Pro Forma (Phase 3) -

	Stabilized Year
Operating Revenues:	
Rental Income (Tournaments, Practices, etc.)	\$1,503,000
Programming	\$200,000
Concessions (Net)	\$331,000
Advertising & Sponsorship	\$31,000
Other	\$15,000
Total Revenues:	\$2,080,000
Operating Expenses:	
Salaries, Wages, & Benefits	\$862,000
Utilities	\$337,300
Program Expenses	\$140,000
Advertising, Marketing, & Promotion	\$75,000
General, Administrative, & Other	\$100,000
Maintenance/Repair	\$147,500
Materials/Supplies	\$147,500
Total Expenses:	\$1,809,300
EBITDA	\$270,700
OPERATING MARGIN	13%

Notes:

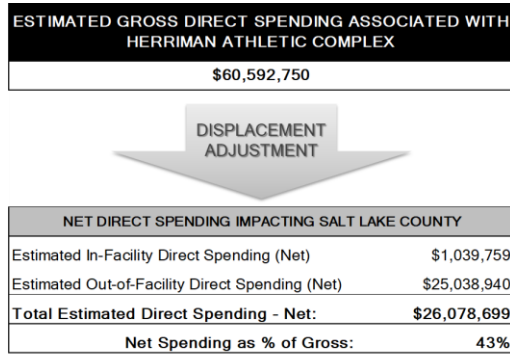
(1) Presented in 2023 dollars. Stabilized year of operations typically occurs by Year 3.

(2) EBITDA represents "earnings before interest, taxes, depreciation, and amortization"

In a stabilized year of operations, it is estimated by Victus Advisors that the operations of the proposed Southwest Athletic Complex (Phase 3) could operate at an approximately 13% operating margin.

Annual Economic Impacts (Phase 3):

After adjusting estimates of gross direct spending for displacement, it is estimated that approximately 43% (or \$29.3 million) of direct spending associated with the annual operations of the proposed Southwest Athletic Complex and would have a net impact on Salt Lake County.



Note: "Net" Direct Spending only accounts for spending occurring in Salt Lake County by outside visitors to the County.

** Note: Represents annual spending, presented in 2023 dollars.*

Annual Fiscal Impacts (Phase 3) -

Tax Type	Tax Rate	Est. Tax Revenue
Salt Lake County Sales Tax	0.35%	\$66,000
Salt Lake County Room Tax	4.25%	\$267,000
Salt Lake County Tourism Tax	0.50%	\$31,000
Salt Lake County Restaurant Tax	1.00%	\$277,000
Total Annual Tax Revenue - Salt Lake County:		\$641,000

Note: Taxes based on direct spending only

It is estimated that the proposed Southwest Athletic Complex could generate \$790,000 annually in incremental tax revenue for Salt Lake County.

Annual Hotel Impacts (Phase 3) -

Estimated Incremental Annual Hotel Impacts - Salt Lake County	
Total Visitors Staying in Salt Lake County Hotel/Motel:	147,186
Estimated People Per Room:	3.0
Total Rooms Utilized:	49,062
Average Nights per Room:	1.0
Total - Incremental Annual Room Nights in County:	49,062
Average Daily Room Rate (ADR):	\$128.00
Total - Incremental Hotel Room Spending:	\$6,279,936

Victus estimates that sports tourism associated with the Southwest Athletic Complex at full build-out could create 49,000 incremental annual hotel nights in Salt Lake County, as shown above.

Summary Of Net Impacts Over Time (Phase 3) - Over a 30-year period, the proposed Southwest Athletic Complex is estimated to have a total net impact of over \$1.1 billion in direct spending, over 1.4 million incremental hotel nights, and over \$17.5 million in Salt Lake County tax revenues.

Scenario Analysis for a Combined SAC/RAC Tournament - Victus was also tasked with assessing the potential economic and fiscal impacts that could be generated within the County if the Southwest Athletic Complex (SAC) in Herriman and the Regional Athletic Complex (RAC) in Salt Lake City partnered to host a large national tournament. We estimated that if 38 fields were utilized by a large national soccer tournament with 500 teams competing over 3 days, the impacts generated within Salt Lake County could include:

- \$6.5 million in net new directing spending within the County
- \$108,000 in net new County tax revenues
- 15,000 hotel nights



1. INTRODUCTION

Victus Advisors and Think Architecture were engaged by Herriman City (or the “City”) in October 2022 to conduct a **Feasibility Study & Market Survey for Southwest Athletic Complex**. Our primary project goals for this study included, but were not limited to:

- 1) **Market Demand & Opportunity Analysis** - Identify any market gaps/opportunities or potential benefits/challenges of the project.
- 2) **Financial Operating Analysis** - Develop a custom financial operating model for the proposed complex.
- 3) **Economic & Fiscal Impact Analysis** - Develop estimates of the economic and fiscal impacts that could be generated by a new outdoor sports complex in Herriman.
- 4) **Concept Plans** - Preliminary conceptual building/site plans and construction cost estimate for the proposed project.

The flow chart on the next page shows a more detailed visualization of our study methodology.

PHASES:

MARKET
FEASIBILITY
ANALYSIS



PROGRAM
DEMAND
ASSESSMENT

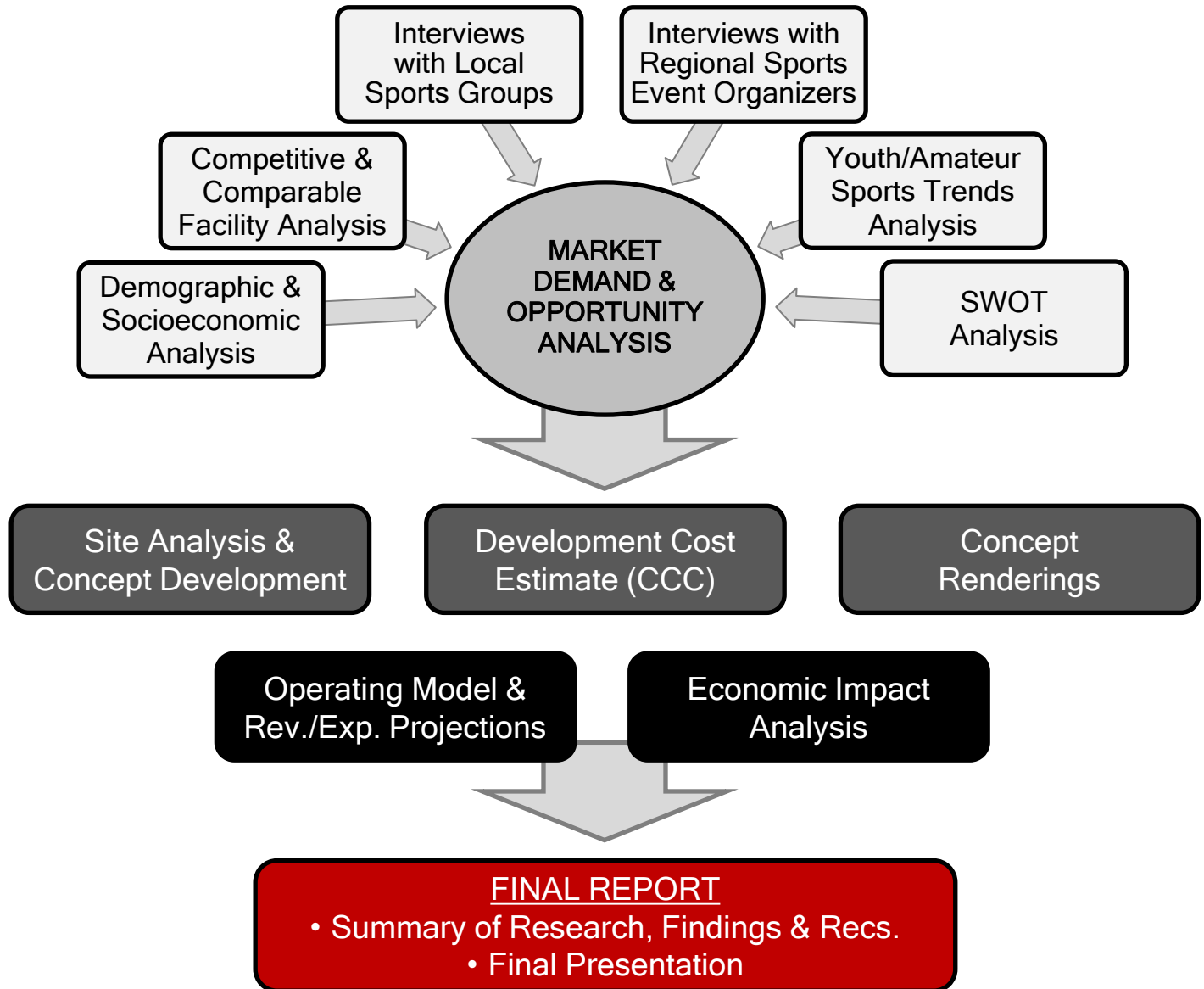


THINK
SITE ANALYSIS &
CONCEPT PLANS

VICTUS
FINANCIAL &
ECONOMIC STUDY

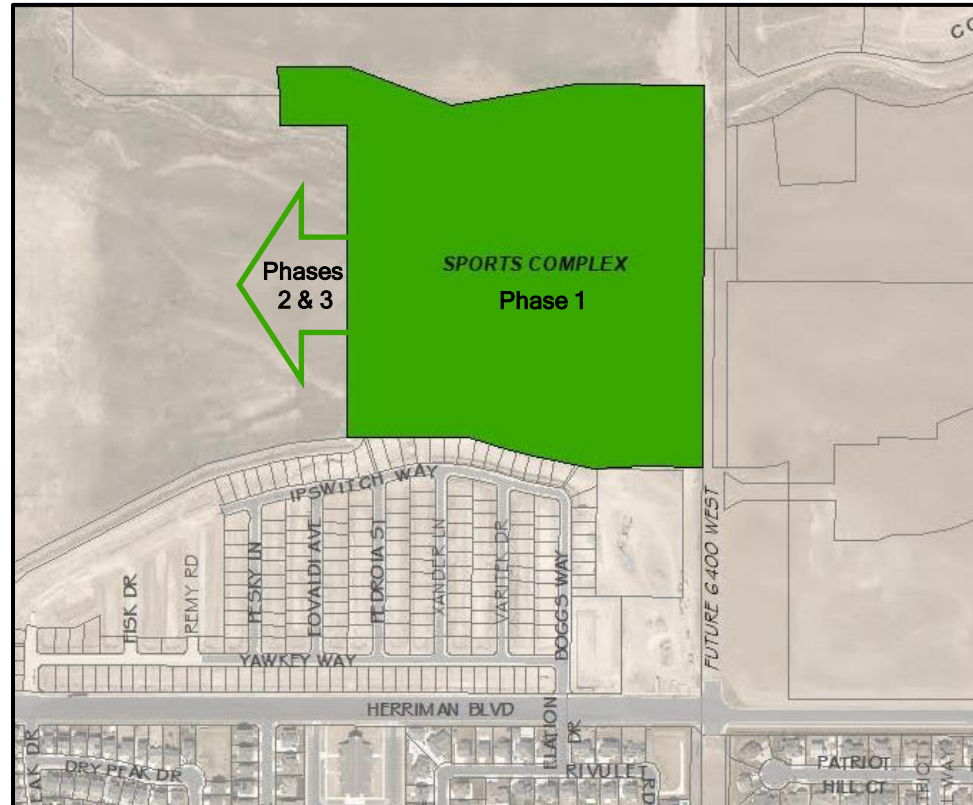


DELIVERABLES



As shown at right, the project location that is initially under consideration in this report is approximately 43 acres (Phase 1) located near the corner of Herriman Boulevard and Future 6400 West in Herriman City.

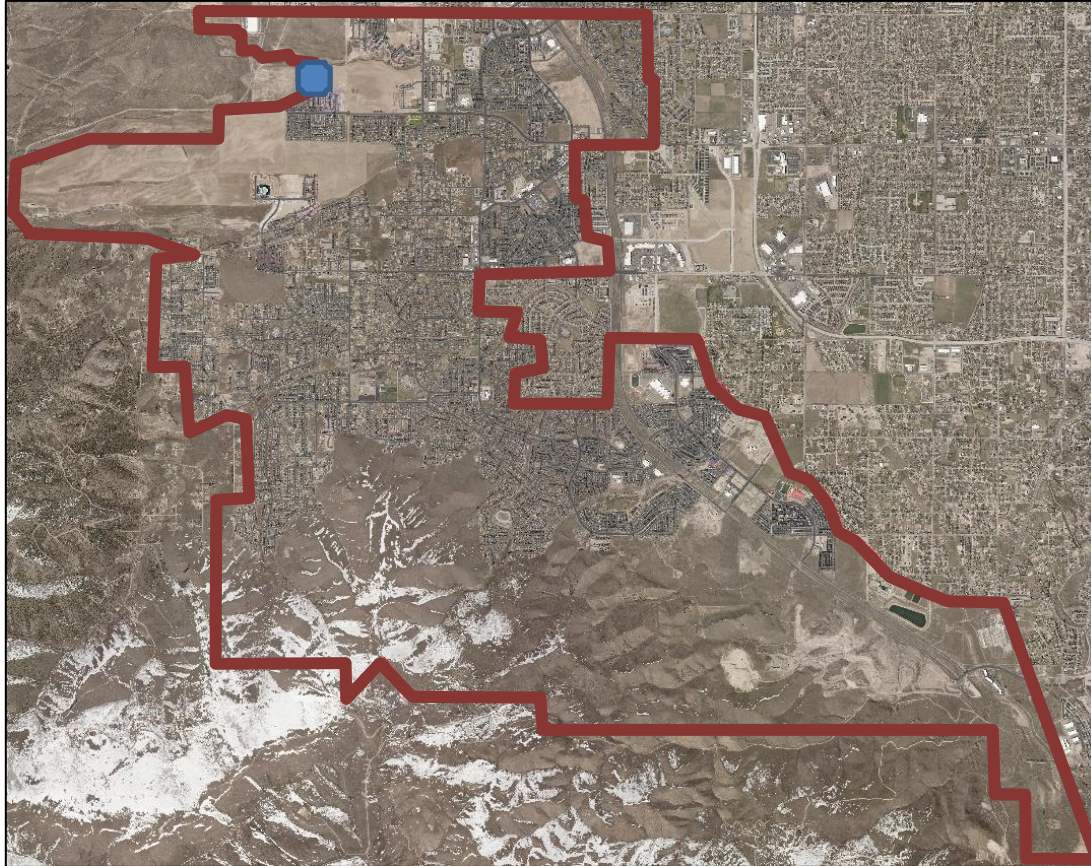
It should be noted that the concept plans shown later in this study also include opportunities for potential site expansion to the west of this 43 acre site (Phases 2 & 3).



Source: Herriman City



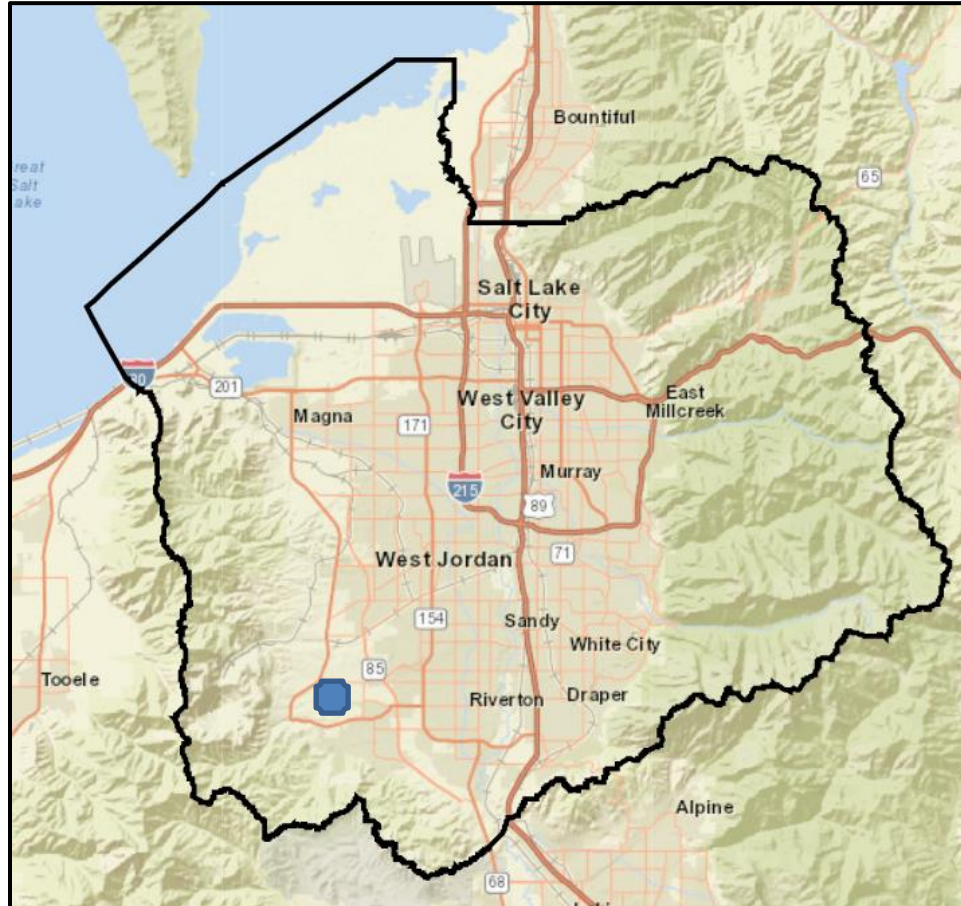
2. DEMOGRAPHIC & SOCIOECONOMIC ANALYSIS



Source: City of Herriman, Esri

Note:  Denotes project site marker for the remainder of the report.

Herriman City, shown above, is in Salt Lake County and has a current estimated population of 61,290.



Source: Esri

Salt Lake County, shown above, has a current estimated population of 1.2 million.

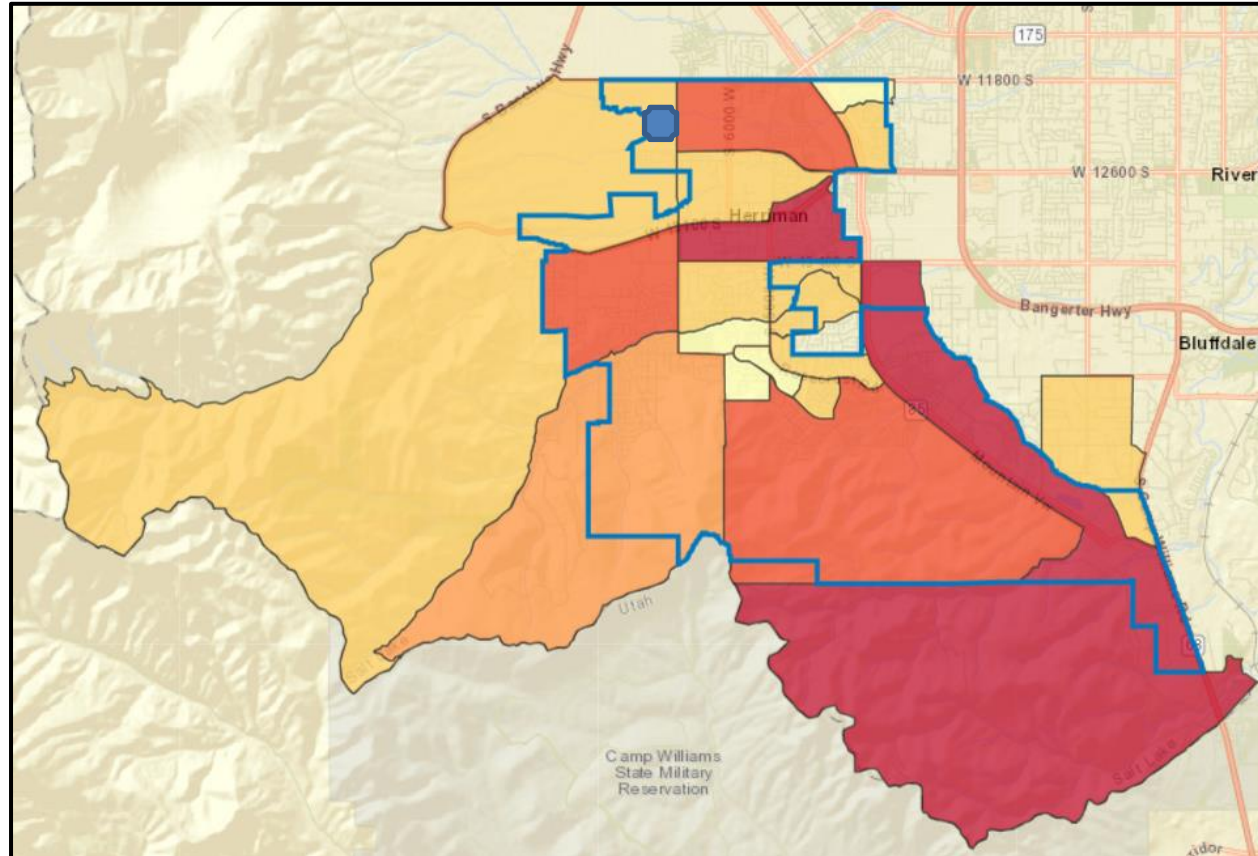
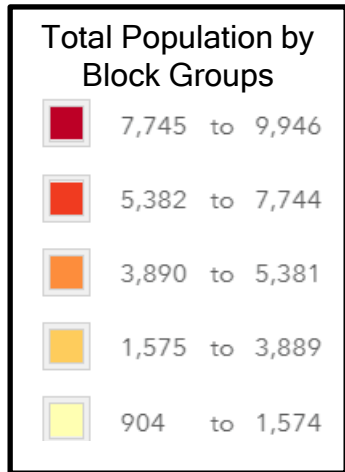
	Herriman City	Salt Lake County	United States
Population	61,290	1,225,168	335,707,897
Population Under 18	22,609	338,089	72,900,044
Percentage of Population Under 18	36.9%	27.6%	21.7%
Population Growth:			
Annual Pop. Growth (2000 to 2022)	13.6%	1.4%	0.8%
Annual Pop. Growth (5-year Projection)	2.0%	0.7%	0.2%
Projected Population (2027)	67,755	1,269,661	339,902,796
Median Age	29.4	33	38.9

Source: Esri

Herriman City has about 37% of its population under the age of 18, which is significantly higher than the national average. This bodes well for youth/amateur sports and recreation demand.

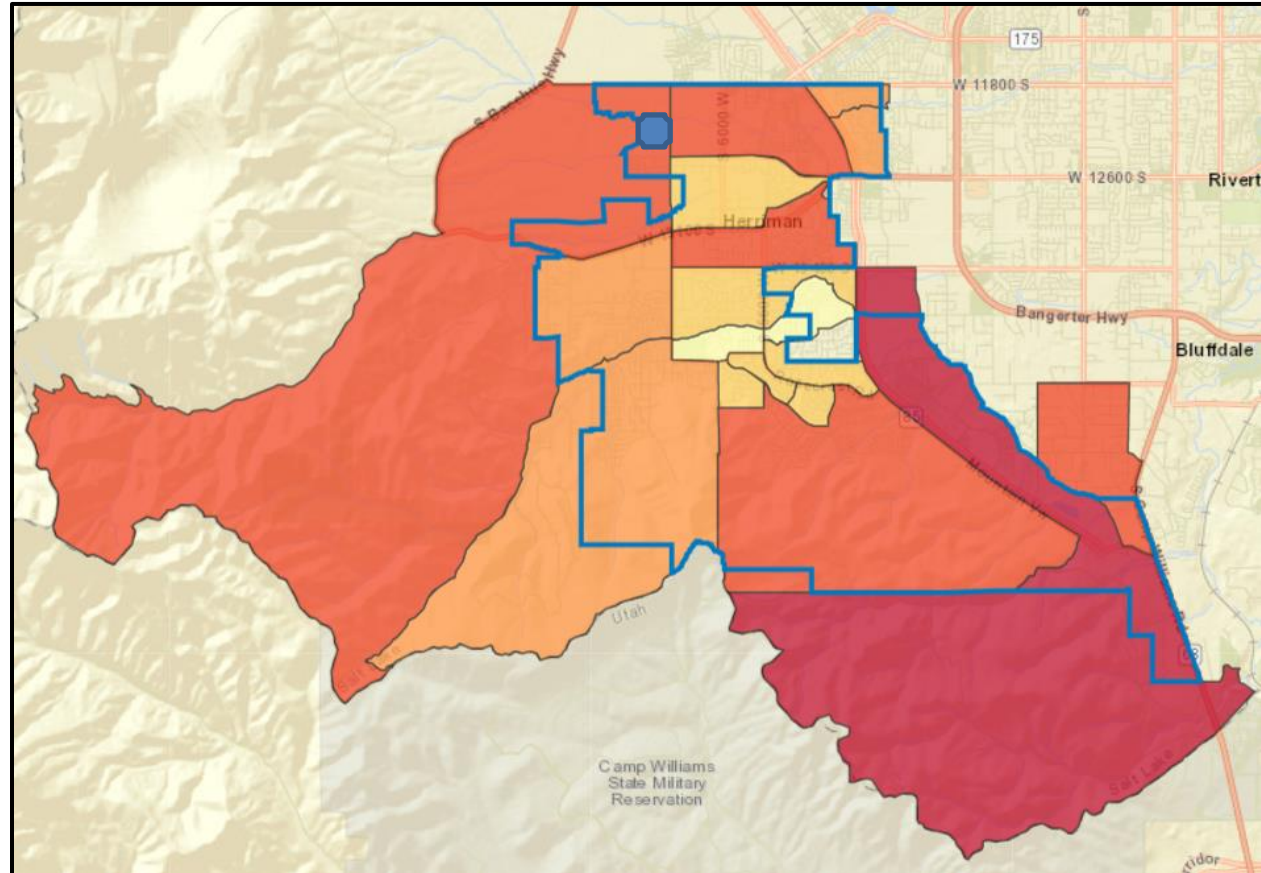
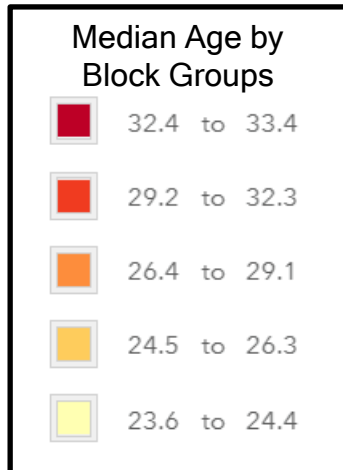
Herriman City and Salt Lake County have lower median ages than the United States average. A lower median age tends to represent a large presence of working-age populations, which can be a positive indicator for youth/amateur sports demand.

Herriman City's projected population growth rate is significantly higher than the U.S. national average.



Source: Esri

Population density in Herriman City is highest along the Mountain View Corridor and near City Hall.



Source: Esri

Age density appears to be lowest near the middle of the City.

	Herriman City	Salt Lake County	United States
Total Households	17,245	420,281	128,657,669
Households With Children Under 18	14,462	292,430	83,407,414
Percentage of Households With Children	83.9%	69.6%	64.8%

Source: Esri

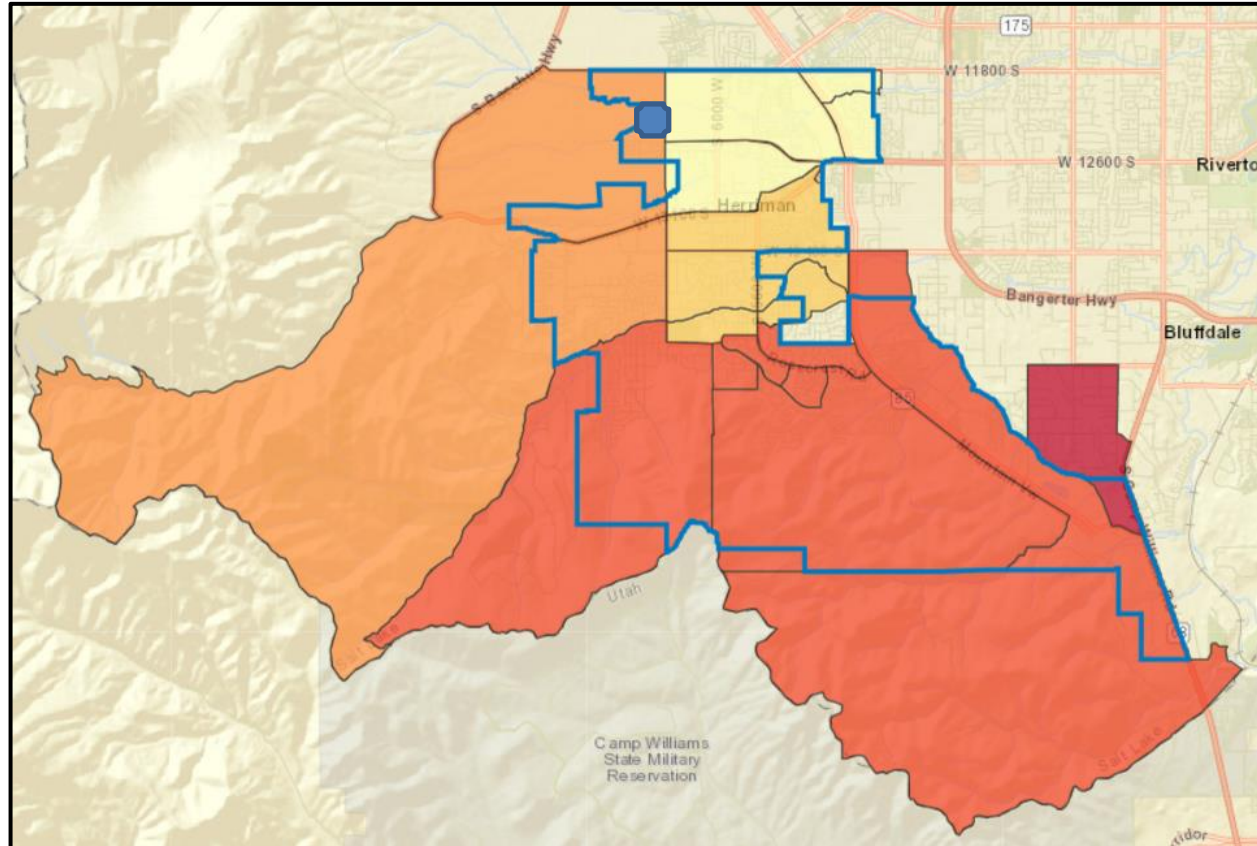
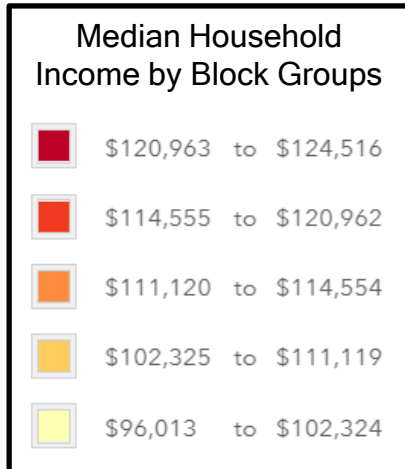
	Herriman City	Salt Lake County	United States
Median Household Income	\$109,826	\$85,944	\$72,414
Adjusted Median Household Income (1)	\$84,742	\$70,852	

Sources: Esri, Sperling

Note: (1) Adjusted for cost of living according to Sperling

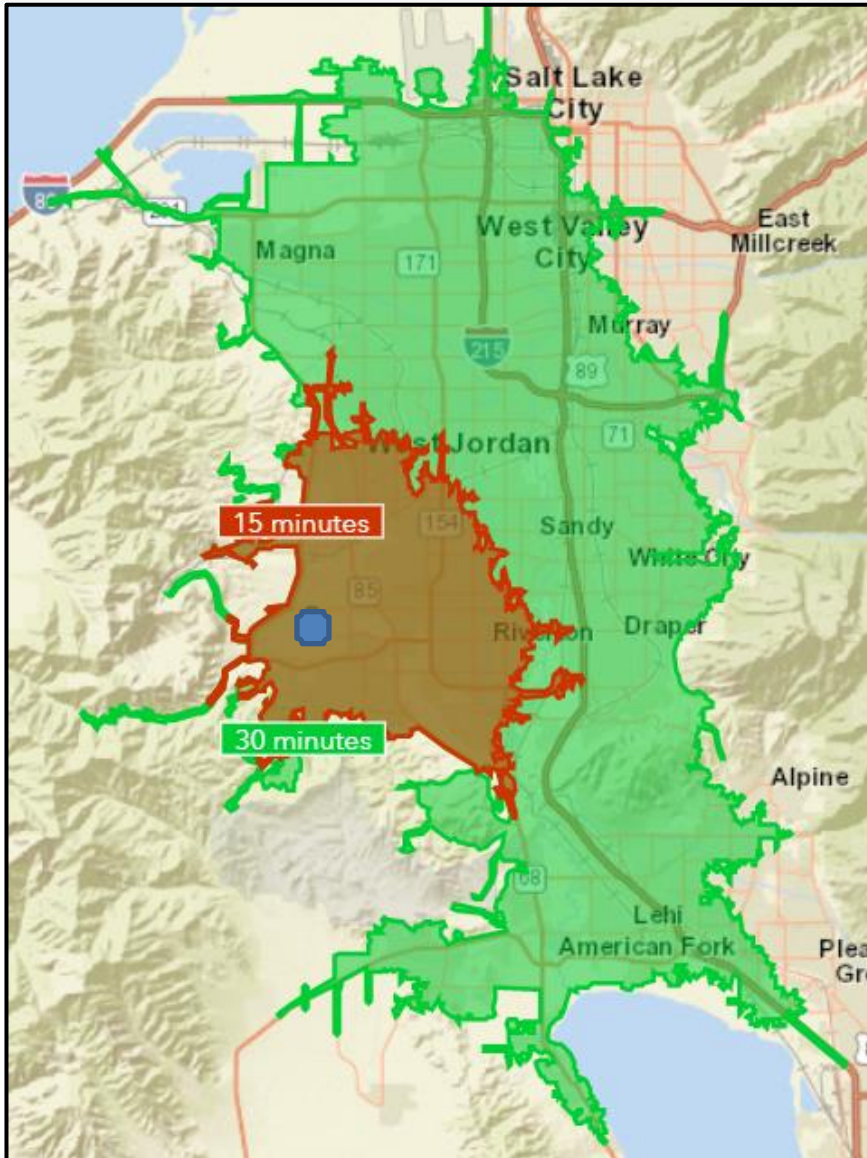
Herriman City and Salt Lake County have a higher percentage of households with children than the national average. A high percentage of households with children is a positive indicator for youth sports demand in the region.

When adjusted for cost of living, the median household income in Herriman City is higher than the U.S. median income. Higher household income levels can often indicate an ability for a household to spend disposable income on both youth sports and adult recreation.



Source: Esri

Median Household Income in Herriman City tends to be highest in the southern half of the City.

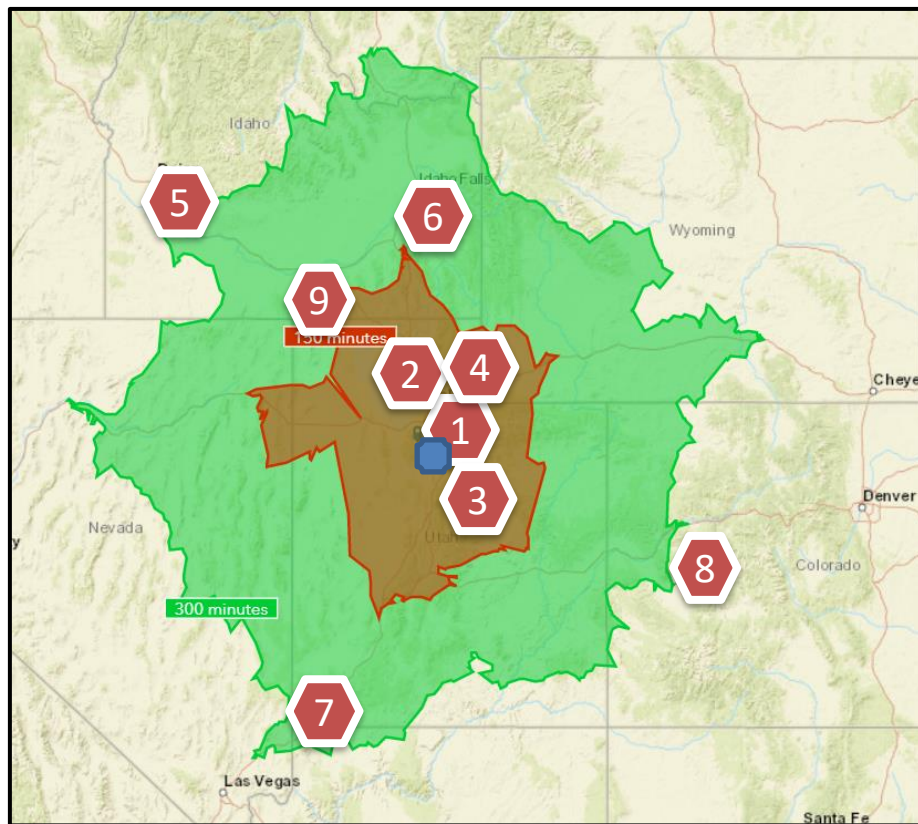


Source: Esri

Based upon Victus Advisors' experience, primary weekday attendance for sports complexes (typically in the late afternoons and evenings) is usually drawn from within a 15-minute drive radius. Additional secondary weekday demand could be drawn from up to 30-minutes.

There is a population of over 226,000 people within a 15-minute drive time of the project site in Herriman and over 1.1 million people within a 30-minute drive time of the project site.

Note: Regional, multi-day, and weekend tournament attendance will typically be drawn from a much wider drive radius, as noted on the next page.



Source: Esri

MSA/μSAs with 100k+ Population Within a 2.5-hour Drive

- 1 Salt Lake City, UT MSA
1,302,051
- 2 Ogden, UT MSA
719,384
- 3 Provo, UT MSA
712,779
- 4 Logan, UT MSA
153,499

MSA/μSAs with 100k+ Population Within a 5-hour Drive (Cont.)

- 5 Boise, ID MSA
809,876
- 6 Idaho Falls, ID MSA
164,358
- 7 St. George, UT MSA
192,620
- 8 Grand Junction, CO MSA
157,309
- 9 Twin Falls, ID MSA
118,583

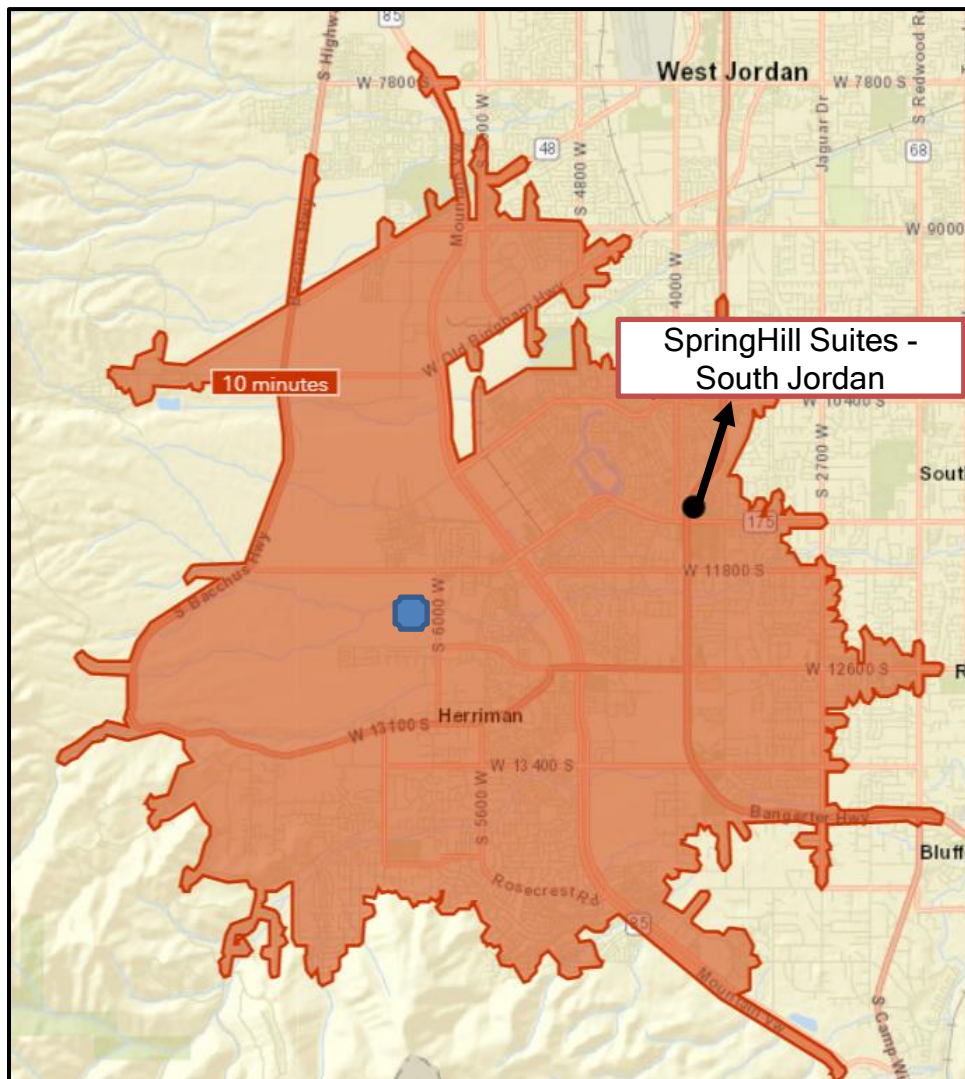
METROPOLITAN STATISTICAL AREA (MSA)

MSA's are defined by U.S. Office of Management & Budget as adjacent counties with a high degree of social/economic integration with an urban core of 50,000 people or more.

MICROPOLITAN STATISTICAL AREA (μSA)

μSA's are defined by U.S. Office of Management & Budget as adjacent counties with a high degree of social/economic integration with an urban core of at least 10,000 people but less than 50,000 people.

There is a population of over 3.1 million people within a 2.5-hour drive time of Herriman, and over 4.5 million people within a 5-hour drive time of Herriman, to potentially draw from for sports tourism events. It should be noted that an additional 6.9 million people live within an 8-hour drive time when including the Las Vegas, Denver, Colorado Springs, and Fort Collins markets.



Source: Esri

Convenient, affordable, family-friendly lodging (preferably no more than a 10-minute drive from a venue, if not closer) is an important component of attracting and hosting multi-day tournament activity that requires overnight stays for people traveling from beyond a 2.5-hour drive time range.

Victus Advisors found only one (1) hotel option (minimum 2-star hotel class) within a 10-minute drive of the project site in Herriman. Furthermore the hotel is located within South Jordan City limits.

It should be noted that there are plans for two (2) hotels to be developed in Herriman: one in Academy Village and the other near Main Street and Herriman Blvd.

Facility	Programming	Typical Usage	Multi-Use Fields
Copper Creek Park	Soccer, lacrosse leagues	March - November	2
L&L Hamilton Park	Multiple sports leagues	April - October	1
Prairie Oaks Park	Multiple sports leagues	April - October	1
Rosalina Park	Soccer, lacrosse leagues	March - November	1
Rose Creek Ranches Park	Multiple sports leagues	March - November	1
Rose Crest Park	Soccer leagues	March - November	1
Soccer Field (Real Salt Lake Facility)	Soccer, rugby	April - October	1
Tuscany Park	Soccer leagues	March - November	1
Umbria Splash Pad Park	Soccer leagues	March - November	1
W&M Butterfield Park	Football leagues	March - November	2
TOTAL			12

Source: Herriman City; Note: Sorted by facility in descending order

LOCAL FIELD INVENTORY NOTES

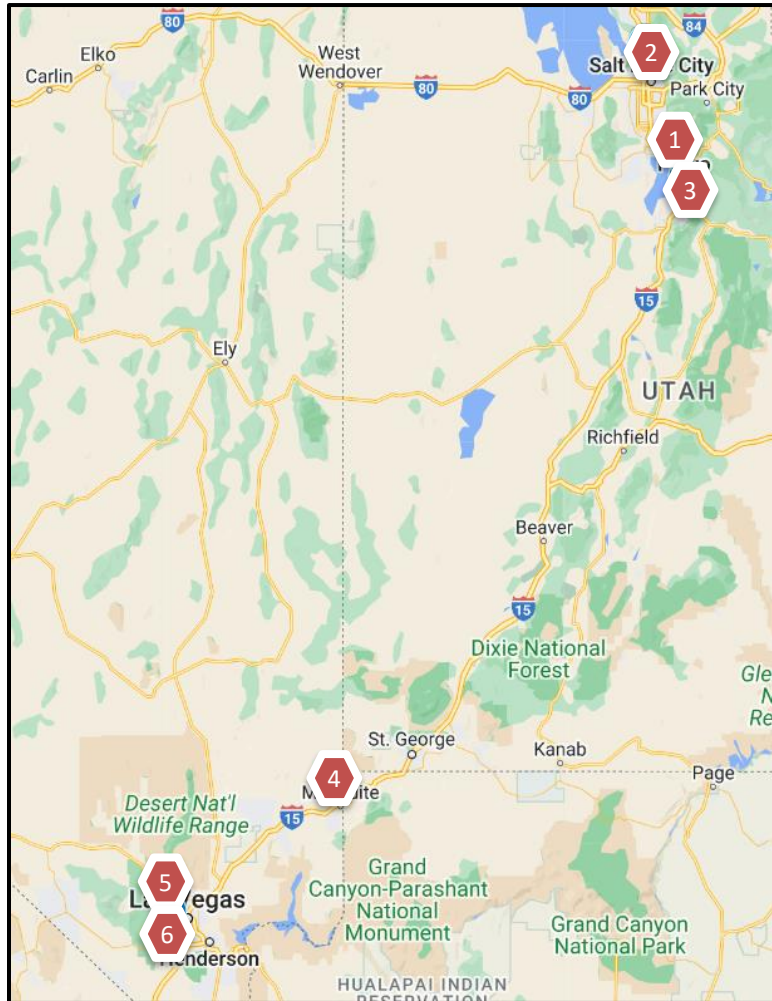
As shown above, Herriman City operates 12 total multi-use fields for local practices, games, and leagues, however no park has more than two (2) multi-use fields.

RENTAL RATE RANGE

- **Contract Rate:** League \$10-\$15 per day per field (Monday-Friday); \$20-\$30 per day per field (Saturday)
- **Practice:** \$10-\$30 per hour (Resident); \$15-\$40 per hour (Non-Resident)
- **Game/Tournament:** \$15-\$40 per hour (Resident); \$20-\$50 per hour (Non-Resident)



3. COMPETITIVE & COMPARABLE SPORTS COMPLEX ANALYSIS



Facilities	Driving Distance (miles)
1 Lakeside Sports Park	32
2 Regional Athletic Complex	33
3 Spanish Fork Sports Park	43
4 Mesquite Regional Sports & Event Complex	334
5 Kellogg Sports Complex	415
6 Bettye Wilson Soccer Complex	416

Victus Advisors identified the above outdoor rectangular sports field complexes as comparable regional facilities that frequently attract tournament participants from Herriman sports organizations.

Source: Google Maps

Notes: (1) Facilities sorted by Driving Distance (miles) from Herriman in descending order (2) This list is not intended to be comprehensive, but rather a sample of facilities can be potential comparable and competitive facilities for the proposed Southwest Athletic Complex.

Orem

- Opened: 2001
- Owner/Operator: City of Orem
- Footprint: 55 acres
- Features:
 - 5 baseball fields
 - 8 multi-use rectangular fields
 - 1-mile jogging/walking path
 - Playground
- Annual Events:
 - Soccer and adult softball leagues
 - About 7 softball tournaments and 10 soccer tournaments per year
- Additional Notes:
 - Facility operators stated that they could easily host more tournament activity based on demand, but the city's current model prioritizes local league play.



RENTAL RATES

- Baseball & Multi-Use Fields: \$125-\$145 per 4-hour block per field

Salt Lake City

- Opened: 2015; Construction Cost: \$22.8M (\$32.2M in Q4 2022 Dollars*)
- Owner/Operator: Salt Lake City; Footprint: 140 acres
- Features:
 - 16 full-sized soccer fields including a championship stadium
 - Concession stand
- Annual Events:
 - Soccer, lacrosse & rugby tournaments for youth and adults
- Additional Notes:
 - The facility hosted 26 tournaments in 2022.



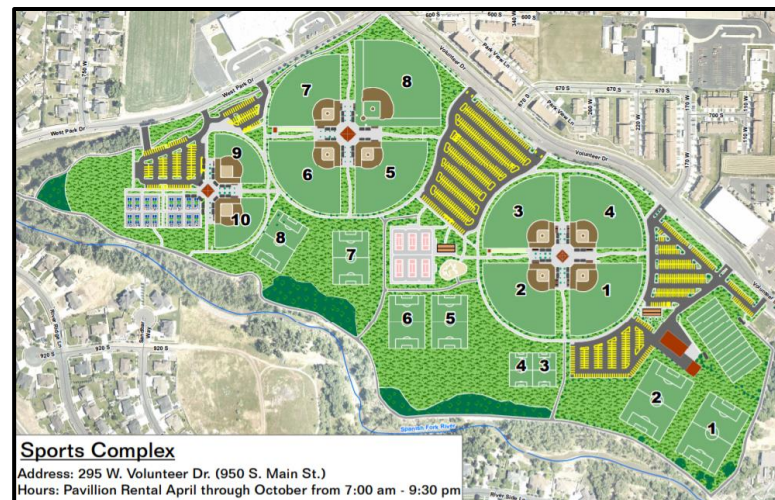
RENTAL RATES

- Youth Resident Field Rental: \$52 per hour per field (weekday); \$62 per hour per field (weekend)
 - Youth Non-Resident Field Rental: \$72 per hour per field (weekday); \$83 per hour per field (weekend)
- Adult Resident Field Rental: \$72 per hour per field (weekday); \$83 per hour per field (weekend)
- Adult Non-Resident Field Rental: \$83 per hour per field (weekday); \$93 per hour per field (weekend)
 - Resident Stadium Field Rental: \$155 per hour per field (weekday); \$171 per hour per field (weekend)
 - Non-Resident Stadium Field Rental: \$171 per hour per field (weekday); \$188 per hour per field (weekend)

Spanish Fork

- Opened: 1994 (subsequent expansions in 2006 and 2018)
- Owner/Operator: Spanish Fork City
- Footprint: 73 acres
- Features:
 - 10 baseball/softball fields
 - 8 multi-use rectangular fields (various sizes)
 - 6 tennis courts
 - ½-mile walking path
 - Playground
- Annual Events:
 - High School softball and baseball state tournaments
 - Soccer leagues and smaller tournaments

SPANISH FORK
PRIDE & PROGRESS



RENTAL RATES

- Rectangular Fields: \$15-\$25 per hour per field (depending on size of field)

Mesquite, NV

- Owner/Operator: City of Mesquite
- Features:
 - 5 full-sized soccer fields (3 synthetic, 2 natural)
 - 3 pavilions
 - Concession stand
 - Splash pad
- Annual Events:
 - Soccer tournaments, football camps and youth leagues, rugby tournaments
 - About 30 tournaments per year.



RENTAL RATES

- \$350 per day per field (more than 6 hours)
- \$250 per half-day per field (less than 6 hours)

Las Vegas, NV

- Opened: 1999
- Construction Cost: : \$7M (\$16.4M in Q4 2022 Dollars*)
- Owner/Operator: City of Las Vegas
- Footprint: 58 acres
- Features:
 - 10 full-sized soccer fields
 - Playground and Concession stand
- Annual Events:
 - Soccer leagues and tournaments
 - About 13 tournaments per year
- Additional Notes:
 - The complex was built as a youth facility and only permits game play (no practices), which includes leagues and tournaments. This concept is to ensure the turf stays healthy throughout the entire season. The complex is not available for use July through mid-October for over-seeding.



RENTAL RATES

- \$70 per hour per field (additional \$10 per hour per field rate for lights).

Las Vegas, NV

- Opened: 2002
- Construction Cost: : \$35.7M (\$76.8M in Q4 2022 Dollars*)
- Owner/Operator: City of Las Vegas
- Footprint: 100 acres
- Features:
 - 11 full-sized soccer fields
 - 3 dog runs & 2 playgrounds
 - Covered picnic areas
 - Multi-use 2.44 mile track surrounding the park
 - Concession stand
- Annual Events:
 - Soccer, lacrosse & rugby tournaments for youth and adults
 - About 22 tournaments per year



RENTAL RATES

- \$70 per hour per field (additional \$10 per hour per field rate for lights).

<u>Facility</u>	<u>Location</u>	<u>Owner/Operator</u>	<u>Rectangular Fields</u>
Bettye Wilson Soccer Complex	Las Vegas, NV	City of Las Vegas	10
Kellogg Sports Complex	Las Vegas, NV	City of Las Vegas	11
Lakeside Sports Park	Orem, UT	Orem City	8
Mesquite Regional Sports & Event Complex	Mesquite, NV	City of Mesquite	5
Regional Athletic Complex	Salt Lake City, UT	Salt Lake City	16
Spanish Fork Sports Park	Spanish Fork, UT	Spanish Fork City	8
AVERAGE			10
MEDIAN			9

Source: Victus Advisors Research.

Note: Sorted by Facility in alphabetical order

REGIONAL FIELD INVENTORY NOTES

The Regional Athletic Complex in Salt Lake City has the most rectangular fields at 16. All but one (1) of these comparable facilities has at least eight (8) rectangular fields, with the Mesquite Regional Sports & Event Complex being the exception with five (5) fields. All of these comparable facilities are publicly owned and operated.

Facility	Location	Hourly Rate per Field	
		Low	High
Bettye Wilson Soccer Complex	Las Vegas, NV	\$70	to \$70
Kellogg Sports Complex	Las Vegas, NV	\$70	to \$70
Lakeside Sports Park	Orem, UT	\$31	to \$36
Regional Athletic Complex	Salt Lake City, UT	\$52	to \$93
Spanish Fork Sports Park	Spanish Fork, UT	\$15	to \$25
Average - ALL:		\$48	to \$59
Average - UTAH ONLY:		\$33	to \$51

Source: Victus Advisors Research.

Notes: (1) Facilities in alphabetical order (2) Only facilities that provided rental rates were included

FIELD RENTAL RATES NOTES

Average hourly field rental rates for all of the comparable complexes are \$48 to \$59 per hour (typically depending on peak vs. off-peak times).

Whereas, the Utah complexes have average hourly field rental rates from \$33 to \$51 per hour.

<u>Facility</u>	<u>Location</u>	<u>Annual Tournaments</u>
Mesquite Regional Sports & Event Complex	Mesquite, NV	29
Regional Athletic Complex	Salt Lake City, UT	26
Kellogg Sports Complex	Las Vegas, NV	22
Betty Wilson Soccer Complex	Las Vegas, NV	13
Lakeside Sports Park	Orem, UT	10
AVERAGE		20
MEDIAN		22

Source: Victus Advisors Research.

Notes: (1) Sorted by Annual Tournaments in descending order

ANNUAL TOURNAMENTS NOTES

Despite only having five (5) fields, the Mesquite Regional Sports & Event Complex typically hosts the most annual tournaments amongst comparable facilities.

<u>Facility</u>	<u>Location</u>	<u>Year Built</u>	<u>Est. 2022 Construction Cost</u>	<u>Est. 2022 Construction Cost Per Field</u>
Kellogg Sports Complex	Las Vegas, NV	2002	\$76,821,325	\$4,801,333
Regional Athletic Complex	Salt Lake City, UT	2015	\$32,205,302	\$2,012,831
Bettye Wilson Soccer Complex	Las Vegas, NV	1999	\$16,357,895	\$1,635,789
AVERAGE		2005	\$41,794,841	\$2,816,651
MEDIAN		2002	\$32,205,302	\$2,012,831

Sources: Victus research. Turner Building Cost Index - Q4 2022.

Notes: (1) Sorted by Est. 2022 Construction Cost Per Field in descending order (2) Construction costs were not publicly available for all facilities profiled in this section

CONSTRUCTION COST NOTES

Construction costs of the three (3) comparable facilities that were able to provide data, when adjusted to Q4 2022 dollars (the most recent available construction cost data in the Turner Building Cost Index), were built for a median cost of approximately \$2.0 million per field or an average cost of approximately \$2.8 million per field.



4. STAKEHOLDER & SPORTS GROUP INTERVIEWS

In December 2022, Herriman City identified participants for a series of telephone interviews for Victus Advisors. The goals of these interviews were to gather feedback regarding the market potential for the Southwest Athletic Complex. The set of topics and questions included demand for additional outdoor sports fields in the region and other feedback concerning the potential new complex.

USER & EVENT INTERVIEWS - Victus Advisors conducted telephone interviews with representatives from the following 20 groups (in alphabetical order):

- Copper Mountain Soccer
- Herriman High School Lacrosse
- Herriman High School Soccer
- Herriman Rugby
- JL Sorenson Recreation Center
- La Roca Futbol Club
- Mountain Football Conference
- Mountain Ridge Lacrosse
- Mountain Ridge Rugby
- Real Salt Lake
- Salt Lake City FC
- Salt Lake County Parks & Recreation
- USA Ultimate
- Utah Girls Tackle Football
- Utah High School Activity Association
- Utah Jr. Warriors
- Utah Ultimate Disc Association
- Utah Warriors
- Utah Youth Rugby
- Utah Youth Soccer
- Ute Conference Football

Key highlights of these interviews are summarized in the following pages. Please note that the highlights presented tend to focus on the topics and sentiments that were raised by multiple interviewees, unless otherwise noted.

DEMAND FOR ADDITIONAL SPORTS FIELDS IN HERRIMAN/SURROUNDING AREA

- FOOTBALL

- **Venues Used:** Locally, football groups indicated that they primarily use W&M Butterfield Park in Herriman for practices and games. Occasionally, they also have used some school fields in Herriman that are part of the Jordan School District. Outside of Herriman these groups have used other Jordan School District facilities and city parks in cities like Riverton and South Jordan.
- **Additional Demand:** All football groups felt that there is demand for additional rectangular fields in Herriman. They suggested that the proposed venue would be a great complement to W&M Butterfield Park and could potentially become the main venue for their practices and games.

- HIGH SCHOOL

- **Venues Used:** Locally, the high school stated that they primarily use their facilities for their varsity sports.
- **Additional Demand:** The high school indicated that additional fields would be welcome and help alleviate the demand for using school fields from outside groups. One high school governing body felt there is demand for more outdoor venues that could potentially host state championships.

DEMAND FOR ADDITIONAL SPORTS FIELDS IN HERRIMAN/SURROUNDING AREA (CONT.)

- LACROSSE

- **Venues Used:** Locally, one lacrosse group stated that they primarily use Copper Creek Park in Herriman for practices and games. They also have used some elementary schools in Herriman that are part of the Jordan School District.
- **Additional Demand:** The lacrosse group was excited about the prospect about additional outdoor fields in Herriman and felt it can help meet demand for their growing lacrosse club.

- RUGBY

- **Venues Used:** Locally, rugby groups indicated that they primarily use Jordan School District fields for practices and games. Outside of Herriman these groups have used the Regional Athletic Complex in Salt Lake City, Murray City Park (well-known rugby field), and other school facilities throughout the Wasatch Front for away games.
- **Additional Demand:** All rugby groups strongly felt that there is demand for more fields in the southwest Salt Lake County. One group stated that this area has the highest rugby participation rate in the Wasatch Front, but the least amount of field space to use.

DEMAND FOR ADDITIONAL SPORTS FIELDS IN HERRIMAN/SURROUNDING AREA (CONT.)

- **SOCCER**

- **Venues Used:** Locally, soccer groups indicated that they have rented space at the Zions Bank Real Academy (indoor) for practices, and L&L Hamilton Park and Rosaline Park in Herriman for games. Outside of Herriman, the groups have used city parks in Riverton and South Jordan and Jordan School District fields in Bluffdale. For tournaments, the groups have used Lakeside Park in Orem, the Regional Athletic Complex in Salt Lake City, and several complexes in Las Vegas.
- **Additional Demand:** The soccer groups felt that there is significant demand for more field space due to the high cost of using indoor fields.

- **ULTIMATE**

- **Venues Used:** Both ultimate groups indicated that they have frequently used the Regional Athletic Complex in Salt Lake City for games and tournaments. One local group has also used the Legacy Events Center in Farmington, Lakeside Park in Orem, and other public parks and school fields throughout the Wasatch Front.
- **Additional Demand:** Both ultimate groups felt there is demand for an additional complex similar in size as the Regional Athletic Complex in Salt Lake City.

IDEAL AMENITIES FOR THE SOUTHWEST ATHLETIC COMPLEX

- **FOOTBALL**

- Football groups indicated that four (4) to six (6) fields would be ideal at the proposed complex. Additional recommended amenities include lights, bathrooms, some stadium seating, concession stand or food truck space, and additional green space for warm-ups. Feedback was split on natural grass or artificial turf.

- **HIGH SCHOOL**

- The local high school indicated that two (2) fields could be used at the proposed complex for practices for their soccer and lacrosse teams, whereas the State of Utah's high school athletics governing body was not interested in utilizing a multi-field tournament facility. Their primary interest was in a stadium venue that could host at least 10,000 people for 4A to 6A state championships, or 6,000 people for 1A to 3A state championships, neither of which are currently in the scope of this proposed complex in Herriman.

- **LACROSSE:**

- The lacrosse group indicated that two (2) lacrosse-dedicated fields would be ideal. Additional recommended amenities include lights, bathrooms, ample parking, and a playground for children. They did not have a preference for either natural grass or artificial turf fields.

IDEAL AMENITIES FOR THE SOUTHWEST ATHLETIC COMPLEX (CONT.)

- **RUGBY**

- Rugby groups indicated that up to four (4) fields would be ideal at the proposed complex. Additional recommended amenities include bathrooms, ample parking, scoreboards, a press box, and bleacher seating on one side of a field. Rugby groups expressed the importance of having more distance between fans and officials and participants citing increasing cases of verbal and physical abuse between referees and parents/spectators. Furthermore, one rugby group suggested investing in multi-sport goals that can be used for both rugby and soccer. Lastly, rugby groups prefer natural grass fields over artificial turf fields.

- **SOCCER**

- Soccer groups' demand range between two (2) and 15 fields at the proposed complex. Several groups indicated that some or all fields should be lit. Most groups preferred natural grass fields over artificial turf fields, but one group preferred all turf fields to maximize usage.

- **ULTIMATE**

- Ideally, one ultimate group would like to have another 10 to 15 full-sized fields (soccer regulation) in the market to be able to draw more national events. A national ultimate group indicated that a smaller venue (about six (6) or so fields) could still potentially draw some college and club events.

POTENTIAL PARTNERSHIP

- **SALT LAKE COUNTY PARKS & RECREATION**

- In 2015, Salt Lake County commissioned a parks & recreation facilities master plan. It identified the Southwest Planning Area (Bluffdale City, Copperton Township, Herriman City, Riverton City, South Jordan City) as the fastest-growing region in Salt Lake County with a total projected growth rate of over 68% between 2014 and 2030.
- The representative indicated that the plan also called for over 20 additional multi-purpose fields to be developed due growing population. Given the significant population growth since the master plan was commissioned, that demand has increased. They feel that a 20-field complex in Herriman could meet the demand in the Southwest Planning Area.
- The representative also shared that the County is very supportive of the project in Herriman and would be interested in being funding partners with the City and other potential contributors. In addition, the County expressed a desire to operate the proposed complex. They believe they have the expertise and experience to be able to manage the facility for both local use and tournament activity.

<u>Group/Organization</u>	<u>Sport</u>	<u>Likelihood of Usage</u>	<u>Ideal # of Fields</u>	<u>Activity Type</u>	<u>Number of Annual Events</u>
Copper Mountain Soccer	Soccer	Definitely Use	6	Practices, Games, Events	1
Herriman High School Lacrosse	Lacrosse	Likely Use	2	Practices	-
Herriman High School Soccer	Soccer	Likely Use	2	Practices	-
Herriman Rugby	Rugby	Definitely Use	4	Practices, Games, Events	1
JL Sorenson Recreation Center	Multi	Definitely Use	4	Recreation Programs	-
La Roca Futbol Club	Soccer	Definitely Use	6	Practices, Games	-
Mountain Football Conference	Football	Definitely Use	4	Games	-
Mountain Ridge Lacrosse	Lacrosse	Definitely Use	2	Practices, Games, Events	1
Mountain Ridge Rugby	Rugby	Definitely Use	4	Practices, Games, Events	1
Providence Hall High School	Soccer	Possibly Use	4	Practices	-
Real Salt Lake	Soccer	Definitely Use	15	Events	6
Salt Lake City FC	Soccer	Definitely Use	8	Practices, Games	-
USA Ultimate	Ultimate	Definitely Use	6	Events	2
Utah Girls Tackle Football	Football	Definitely Use	4	Practices, Games	-
Utah High School Activity Association	Multi	Would Not Use	-	-	-
Utah Jr. Warriors	Rugby	Definitely Use	4	Practices, Games, Events	3
Utah Ultimate Disc Association	Ultimate	Definitely Use	15	Games, Events	5
Utah Youth Rugby	Rugby	Definitely Use	4	Practices, Games, Events	4
Utah Youth Soccer	Soccer	Definitely Use	6	Games	-
Ute Conference Football	Football	Definitely Use	6	Practices, Games	-

Source: Victus research

Notes: (1) Sorted by Group/Organization in alphabetical order. (2) This is a representative sample of potential users, and the potential usage shown above is based solely on the interviewees contacted by Victus Advisors.

24

DEMAND SUMMARY NOTES

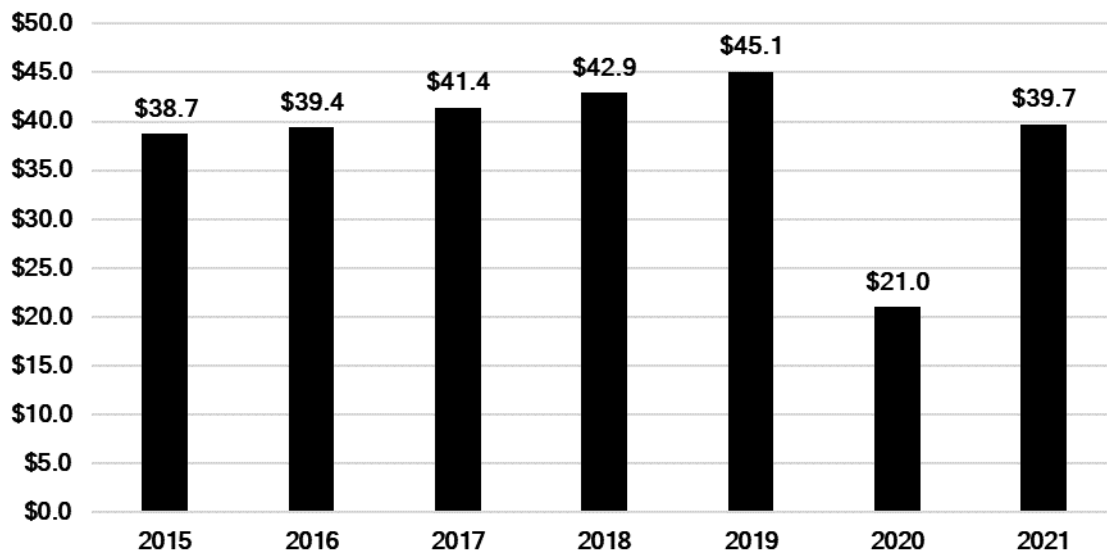
- All but one (1) group (UHSA) expressed interest in using the Southwest Athletic Complex.
 - 16 of the 20 groups indicated they would “Definitely Use” the complex.
- The majority of respondents indicated they would be interested in using 4 to 6 fields on a regular basis.
 - Overall, we found initial interest for up to 24 annual tournaments/weekend events.



5. SPORTS COMPLEX TRENDS ANALYSIS

- “Sports Tourism” is regional or national travel to observe or participate in a sporting event.
- The typical sports tourism traveler is a family traveling via car within a 3-to-6 hour drive range for youth/amateur sports tournaments.
- Visitor spending via sports tourism is typically captured via room nights/hotel spending, restaurants, retail, and local entertainment and cultural attractions.
- In 2019, US sports tourism exceeded \$45.1 billion in annual spending by sports travelers, event organizers, and venues as shown below:

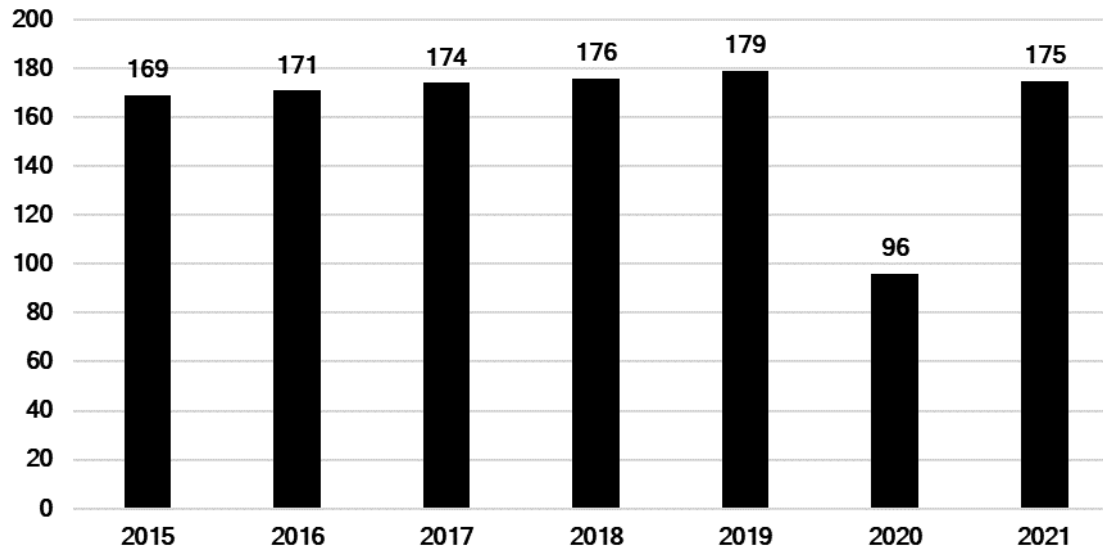
Annual Sports Tourism Spending in the U.S. (Billions)



Sports-related travel spending reached \$45.1 billion in 2019, a 5% increase from 2018 and 17% increase since 2015. 2021 saw a significant recovery from 2020 (impacted by the COVID-19 pandemic), and trends we are monitoring for 2022 indicate that sports tourism spending has likely returned to pre-pandemic levels.

Source: Sports ETA

Annual Sports Tourism Travelers in the U.S. (Millions)



Source: Sports ETA

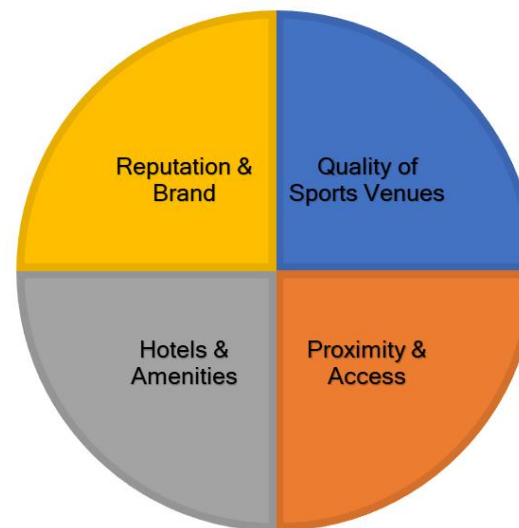
Sports-related travel reached 179 million people in 2019.

2021 sports tourism travelers rebounded to 2017-18 levels after 2020 was negatively impacted by the COVID-19 pandemic.

Sports Tourism Site Selection Factors

According to SportsETA*, tournament organizers focus on four (4) key factors when making their site selections:

- #1 ... Quality of Sports Venues
- #2 ... Proximity and Access
- #3 ... Hotels and Amenities
- #4 ... Reputation and Brand



In regard to these factors, it should be noted that most tournament operators will not even consider a location that does not have a venue with the capacity they require (#1). Furthermore, locating a new sports complex on a site with convenient highway access (#2) and hospitality amenities (#3) would also be attractive for sports events. Lastly, the facility's reputation and brand (#4) within the sports tourism industry could continue be developed over time, once a sports complex is in place, by developing a track record of attracting and servicing successful sports events.

* Source: Sports Events & Tourism Association



1. OUTDOOR SPORTS TOURISM VENUES

Herriman City operates 12 total multi-use fields for local practices, games, and leagues, however none of these parks have more than two (2) multi-use fields, which is far below what is necessary to host tournaments for soccer, lacrosse, rugby, flag football, etc.



2. PROXIMITY & ACCESS

There is a population of over 3.1 million people within a 2.5-hour drive time of Herriman, and over 4.5 million people within a 5-hour drive time of Herriman, to potentially draw from for sports tourism events. It should be noted that an additional 6.9 million people live within an 8-hour drive time which includes the Las Vegas, Denver, Colorado Springs, and Fort Collins markets.



3. LODGING

Victus Advisors found only one (1) hotel option (minimum 2-star hotel class) within a 10-minute drive of the project site in Herriman. Furthermore, the hotel is located within South Jordan City limits. It should be noted that there are plans for two (2) hotels to be developed in Herriman - one in Academy Village and the other near Main Street and Herriman Boulevard.



4. REPUTATION

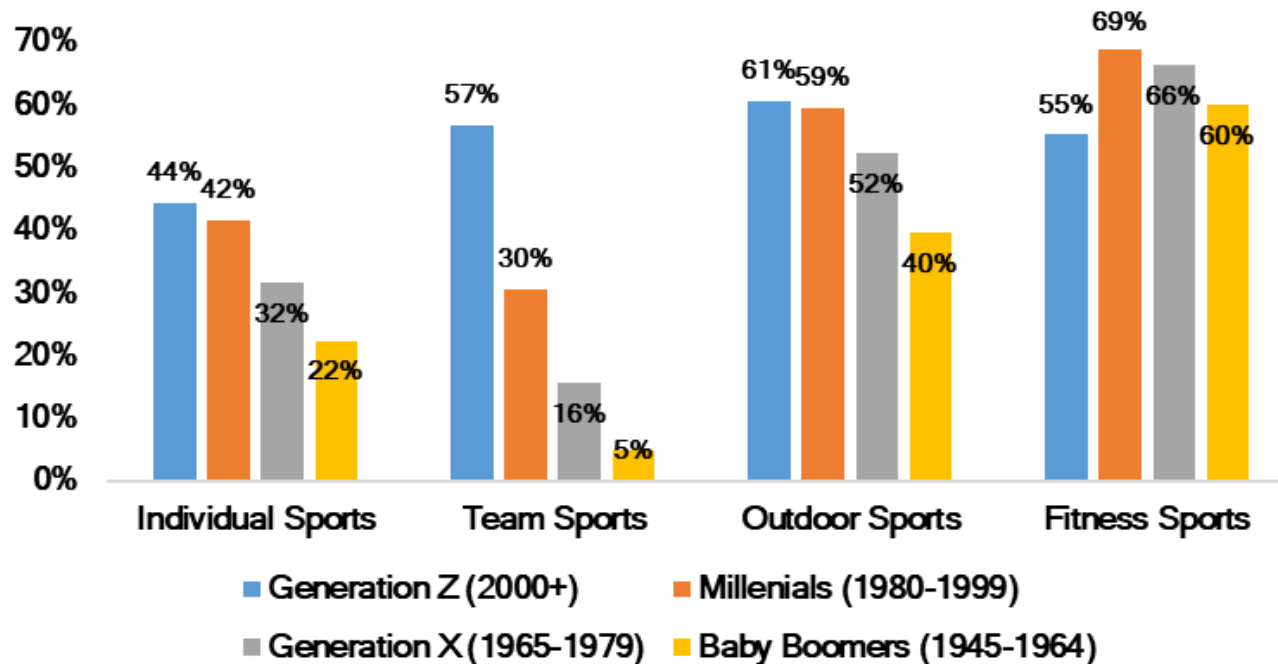
Herriman is part of the Salt Lake County market that has a national reputation as a family-friendly travel destination that provides entertainment options such as museums, restaurants, skiing, biking, hiking, and other outdoor activities.

Reason for Choosing Best Sports Community	Percent Chosen
Quality of Sports Facilities	73%
Community Interest/Support for Amateur Sports Events	8%
Accessibility (Ease of Travel/Transportation Access)	6%
Nearby Family Entertainment Options	6%
Nearby Hotel/Lodging Options	2%
Nearby Restaurant/Dining Options	2%
Climate/Weather	1%

Victus Advisors has collected thousands of online survey responses in various communities across the country regarding sports tourism participation.

Primary Consideration: Generally speaking, about 73% of online survey respondents cited **Quality of sports facilities** as the primary reason in determining the best overall job as an amateur host.

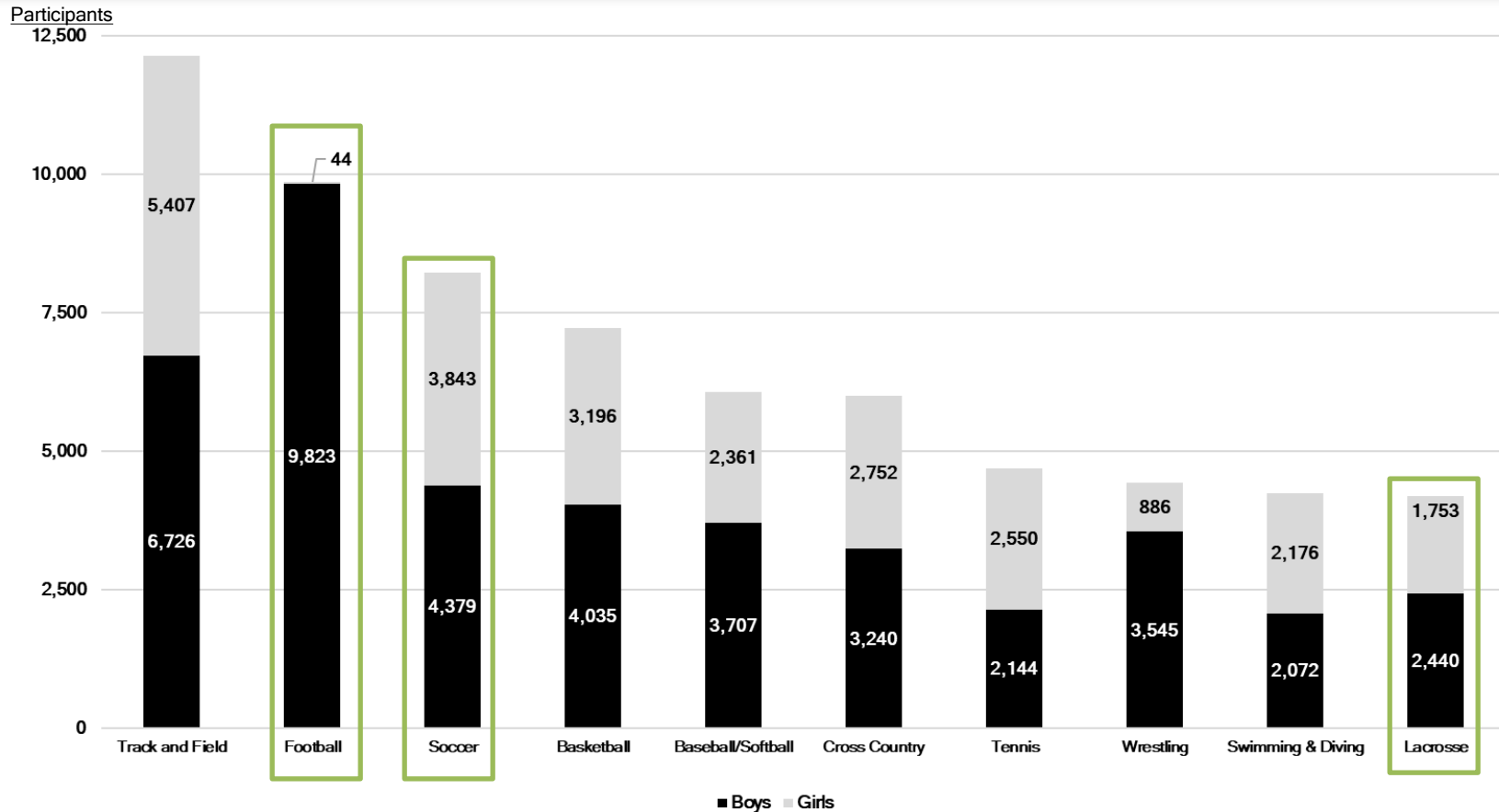
Secondary Considerations: Respondents also cited **Community Interest/Support for Sports, Travel Accessibility, and Nearby Entertainment/Hotels/Restaurants** as critical factors in not only choosing the best sports community, but also the reasons why they would come back again in future years.



Source: 2021 Participation Report by the Physical Activity Council

Note: Ages 6+

In terms of participation by generation, Generation Z leads all other generations in terms of individual, team, and outdoor sports participation. Whereas fitness sports are more popular among Millennials and older age groups.



Source: National Federation of High School Associations, 2021-2022 Report

Notes: (1) Sorted by total participants in descending order (2) Only sports that had at least 4,000 participants were listed.

Three (3) of the top 10 sports in Utah high schools use rectangular fields: football, soccer, and lacrosse.

NATIONAL YOUTH TEAM SPORTS PARTICIPATION TRENDS

Sport	Participants (millions)
1 Basketball	7,866,023
2 Baseball	5,650,563
3 Football (Flag & Tackle)	3,683,542
4 Soccer (Outdoor)	3,564,135
5 Tennis	3,341,015
6 Golf	3,100,000
7 Volleyball	1,837,997
8 Track & Field	1,349,284
9 Cheerleading	1,145,536
10 Gymnastics	1,141,196
11 Swimming (Team)	796,312
12 Softball (Fast Pitch)	717,873
13 Lacrosse	596,113
14 Ice Hockey	514,322
15 Wrestling	362,985

Source: 2021 Sports & Fitness Industry Association

Note: (1) Sorted by Participants, defined as participating on a regular basis. (2) Youth defined as 6 to 17 years-old.

As highlighted in the chart to the left, three (3) of the leading national team sports by participation (**Football, Soccer, Lacrosse**) are activities that could use the potential Southwest Athletic Complex.

It should also be noted that **Rugby** (although not on the chart) is popular in Utah. According to USA Rugby, Utah/Colorado and New England have the highest rugby participation rates in the U.S. on a per capita basis. And according to local rugby groups, southwest Salt Lake County is among the highest rugby participation rates in Utah.

QUANTITY OF RECTANGULAR FIELDS: Victus has found that many tournament organizers prefer at least eight (8) rectangular fields to host regional events, and upwards of 20 fields to host larger multi-state and national tournaments. These events tend to attract a hundred or more teams which can equate to thousands of room nights per multi-day event and thus spur significant economic impact for the host community. Additionally, organizers prefer a venue where all the games can be held at one site, rather than have participants travel between multiple venues in the same market.

LOCATION: The majority of tournament and event organizers Victus has spoken with for numerous studies cite the venue's proximity to highways, hotels, restaurants, retail, and family attractions as some of the most important factors in deciding where to host an event.

QUALITY OF VENUES: Victus has found that the quantity and quality of sports facilities tends to be a primary factor for sports tournaments in initially determining which destinations to book for sports events, whereas other hospitality/tourism factors tend to be key factors when it comes to renewal/retention of these events. Quality of venues not only include the field/turf inventory and quality, but also desired on-site amenities that include food/beverage areas, shade structures, clean restrooms, ample parking, recreational play areas (often for siblings), and modern technology (see below).

TECHNOLOGY: It is also increasingly important that facilities feature modern technology for use by event organizers, participants, and families, including free Wi-Fi access, modern sound systems and video displays, live streaming solutions, social media interactivity via Facebook, Instagram, Twitter, etc.



6. SWOT ANALYSIS & MARKET DEMAND ASESMENT

Our analysis of strengths/weakness/opportunities/threats (SWOT) and overall assessment of facility demand are based primarily upon the following primary and secondary research conducted by Victus Advisors over the course of this study:

- Analysis of Herriman City's unique market characteristics.
- Review of comparative and competitive facilities.
- Community feedback via interviews.
- Interviews conducted with event organizers and operators.

Based on customized research and our extensive industry experience, we have identified that community demand exists for an outdoor sports complex in Herriman. The following page summarizes our SWOT analysis and market demand assessment.

KEY STRENGTHS OF HERRIMAN CITY AS A SPORTS TOURISM DESTINATION:

YOUNGER POPULATION

- Herriman City has about 37% of it's population under the age of 18, which is significantly higher than the national average. This bodes well for youth/amateur sports and recreation demand. Herriman City also has a lower median age than the United States average. A lower median age tends to represent a large presence of working-age populations, which can be a positive indicator for youth/amateur sports demand.

POPULATION GROWTH

- Herriman City's projected population growth rate is significantly higher than the U.S. national average.

HOUSEHOLD INCOME

- When adjusted for cost of living, the median household income in Herriman City is higher than the U.S. median income. Higher household income levels can often indicate an ability for a household to spend disposable income on competitive youth sports.

KEY WEAKNESSES OF HERRIMAN CITY AS A SPORTS TOURISM DESTINATION:

CURRENT LACK OF A SPORTS TOURISM-CALIBER RECTANGULAR FIELD COMPLEX

- Herriman City operates 12 total multi-use fields for local practices, games, and leagues, however none of parks have more than two (2) multi-use fields, which is far below what is necessary to host tournaments for soccer, lacrosse, rugby, flag football, etc.

LACK OF HOTELS IN HERRIMAN

- Victus Advisors found one (1) lodging option (minimum 2-star hotel class) within a 10-minute drive of the project site in Herriman. Furthermore, the hotel is located within South Jordan City limits. However, it should be noted that there are plans for two (2) hotels to be developed in Herriman - one in Academy Village and the other near Main Street and Herriman Boulevard.

KEY OPPORTUNITIES FOR HERRIMAN CITY AS A SPORTS TOURISM DESTINATION:

LOCAL & REGIONAL DEMAND FOR OUTDOOR RECTANGULAR FIELD COMPLEX

- All but one (1) group we interviewed expressed interest in using the Southwest Athletic Complex.
- 16 of the 19 groups indicated they would “Definitely Use” the complex.
- We identified initial demand for approximately 24 tournament events.

ATTRACT VISITORS FROM REGIONAL DRIVE MARKETS

- There is a population of over 3.1 million people within a 2.5-hour drive time of Herriman, and over 4.5 million people within a 5-hour drive time of Herriman, to potentially draw from for sports tourism events.
- Given the customary drive time ranges in the Mountain West, there is an additional population of 6.9 million people within a 5-8 hour drive range that Herriman could potentially draw from for larger multi-state and national tournaments if the complex had 20 or more fields.

ABILITY TO ACCOMMODATE LEADING & EMERGING OUTDOOR TEAM SPORTS

- Three (3) of the leading national team sports by participation (football, soccer, and lacrosse) are activities that could use the potential Southwest Athletic Complex.
- In addition, rugby is popular in Utah, and according to local rugby groups, southwest Salt Lake County has a high rate of rugby participants.

KEY THREATS FOR HERRIMAN CITY AS A SPORTS TOURISM DESTINATION:

ECONOMIC IMPACT LEAKAGE

- Without any hotels currently within Herriman City, it is likely that any multi-day sports tournaments held at the proposed complex would have significant economic impact leakage (i.e. visitor spending occurring outside of Herriman City limits) until new hotels are built within the City.

FUTURE REGIONAL FACILITY COMPETITION

- Other similarly-sized communities in Utah, specifically along the Wasatch Front, could compete with a new Southwest Athletic Complex for weekend/tournament events if they built a large regional sports complex.
- That said, core local demand for a Southwest Athletic Complex is so significant that the complex is not likely to suffer significant negative usage impacts for local practices/games and locally-hosted tournaments based on future regional facilities.

Strengths

1. Young Population
2. Rapid Population Growth
3. High Levels of Household Income

Weaknesses

1. Lack of a Multi-Field Rectangular Sports Complex
2. Lack of Hotels in Herriman

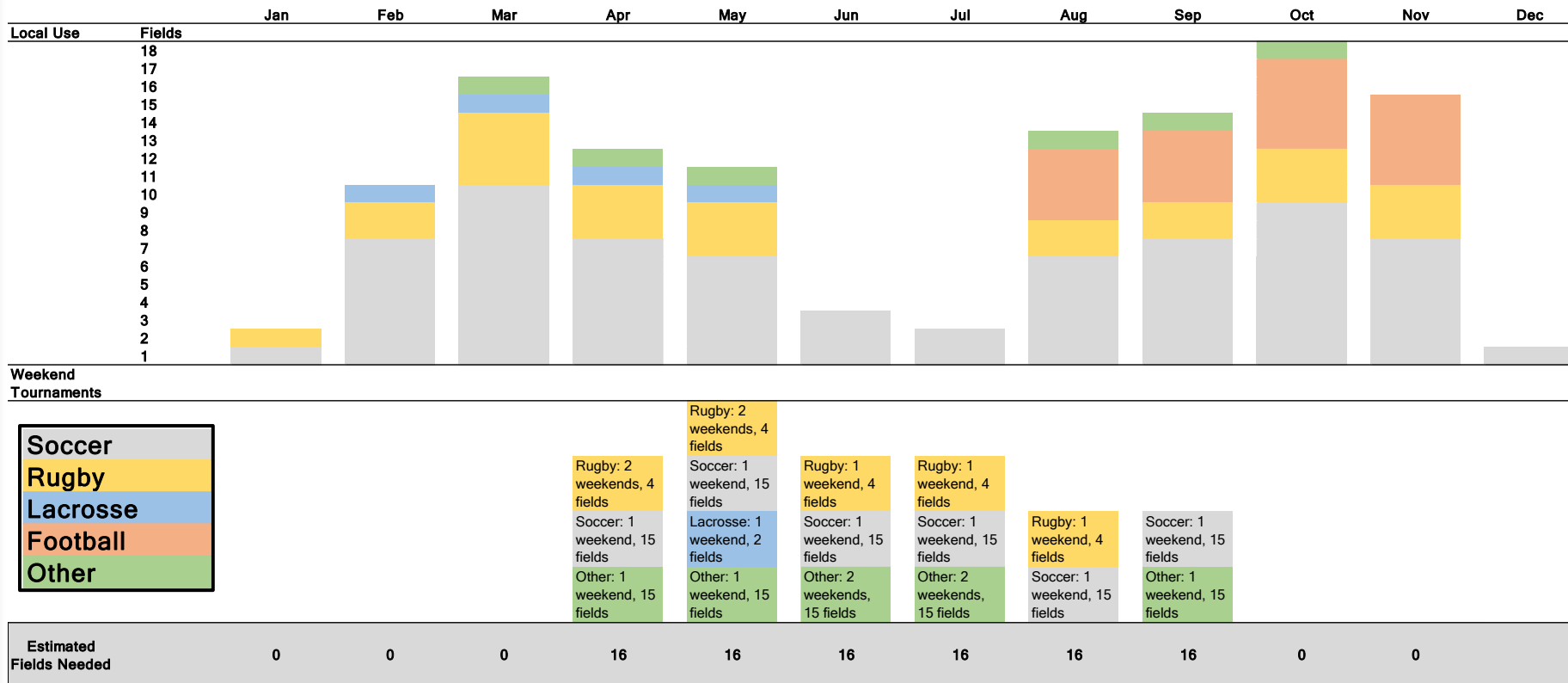


Opportunities

1. Local & Regional Demand For Outdoor Multi-Use Field Complex
2. Attract Visitors From Regional Drive Markets
3. Ability to Accommodate Leading & Emerging Outdoor Team Sports

Threats

1. Economic Impact Leakage
2. Future Regional Facility Competition



Source: Victus research

Victus estimates that a 16-18 field complex would be able to capture the current existing local and tournament usage demand, however based on continued growth in Herriman and south Salt Lake County, it is likely that 20-22 fields could be utilized within the next 5-10 years.

Estimated usage of fields will peak during the spring and summer. October and March are likely to be the busiest months for local usage, whereas weekend tournament usage would be heaviest between April and September, with peak usage in May.

- **DEMAND ASSESSMENT** - Current demand exists for up to 16-18 rectangular fields for both local (weekday) and regional tournament (weekend) usage. The primary sports user groups are likely to be soccer, lacrosse, rugby, and football. Within the next five to 10 years, it is estimated that regional population growth could increase demand for up to 20-22 total fields. 20 or more fields could also put Herriman in the mix for larger multi-state and even national tournaments.
- **FIELD SIZE** - In order to accommodate all of the sports user groups noted above, it is recommended that the fields be at least 130 yards by 70 yards to be truly multi-use for a wide variety of field sports.
- **FIELD TYPE** - Most outdoor sports field user groups prefer well-maintained grass fields. However, given the expected heavy usage of the complex for both locals (weekday) and tournaments (weekend), it is not likely that natural grass fields could be maintained at a high level of quality. Therefore, durable artificial turf fields are recommended, plus lights on each field to allow extended usage hours (especially in the late fall, winter, and early spring when the sun sets earlier).
- **SITE/CONCEPT ANALYSIS** - Given that the Phase 1 site owned by the City is only 43 acres, Think Architecture has estimated that Phase 1 could only include up to six (6) full-sized fields, with necessary parking, concessions, and restrooms. The first priority should be maximizing the number of fields, while also including at least one (1) concessions/restrooms pavilion and approximately 75 to 100 parking spots per field (or 450 to 600 spots for a 6-field complex). Future phases of development (to reach up to 22 total fields) would require expansion of the project site to the immediate west, as shown in the concept plans presented in the next section of this report.



7. CONCEPTUAL PLAN DEVELOPMENT & PRELIMINARY COST ESTIMATE



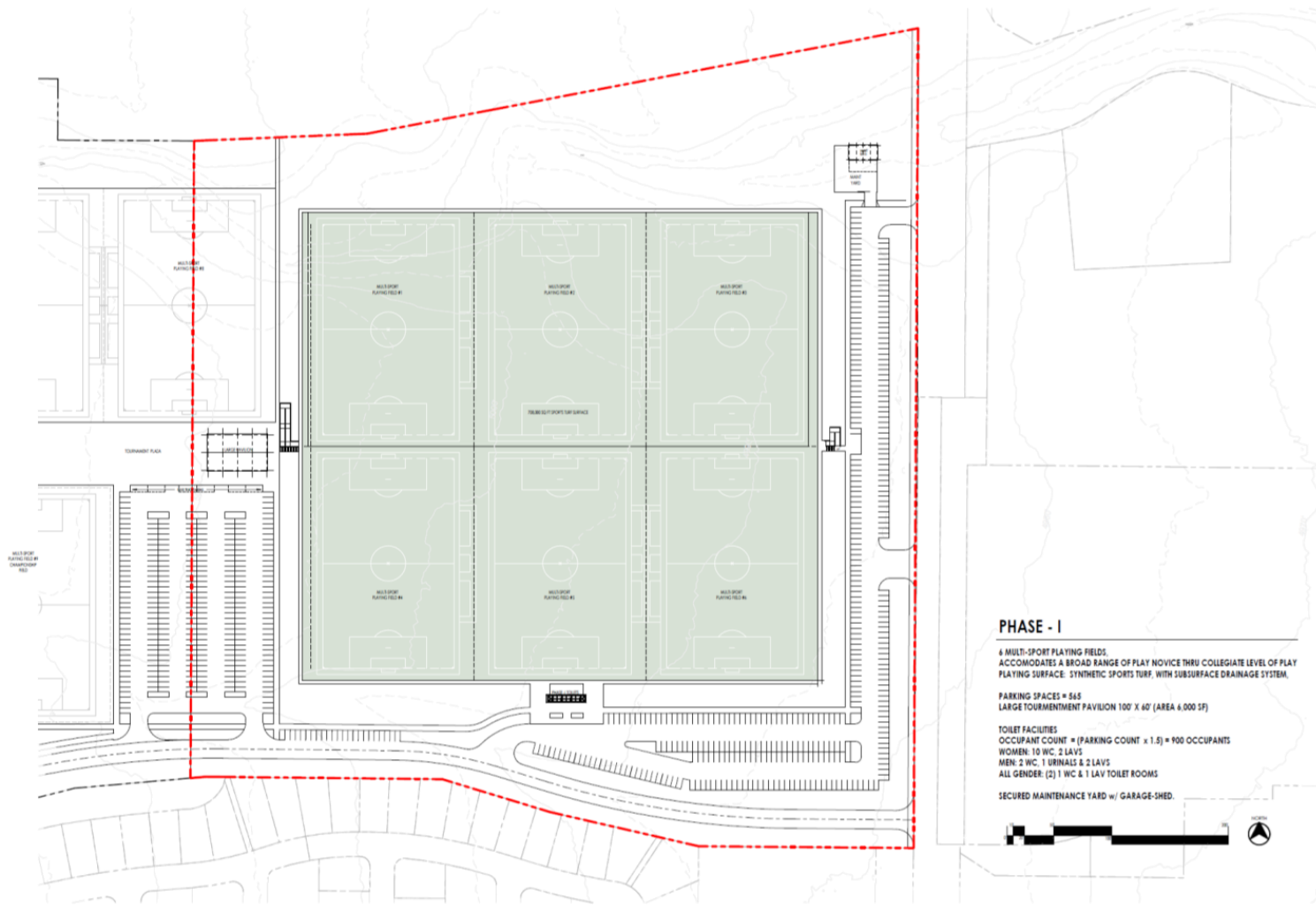
Based upon the market demand study results presented earlier in this report, Victus Advisors engaged Think Architecture to develop initial conceptual plans for the Southwest Athletic Complex in Herriman.

The remainder of this section includes:

- Overall Complex Master Plan - 22 Fields
- Phase 1 Detail - 6 Fields
- Phase 2 Detail - 8 Fields
- Phase 3 Detail - 8 Fields
- Project Renderings

DISCLAIMER: The architectural concept plans contained herein are preliminary in nature and subject to change. Not all amenities, features, layouts, and configurations depicted herein may be constructed in accordance with the conceptual renderings.





PHASE - I

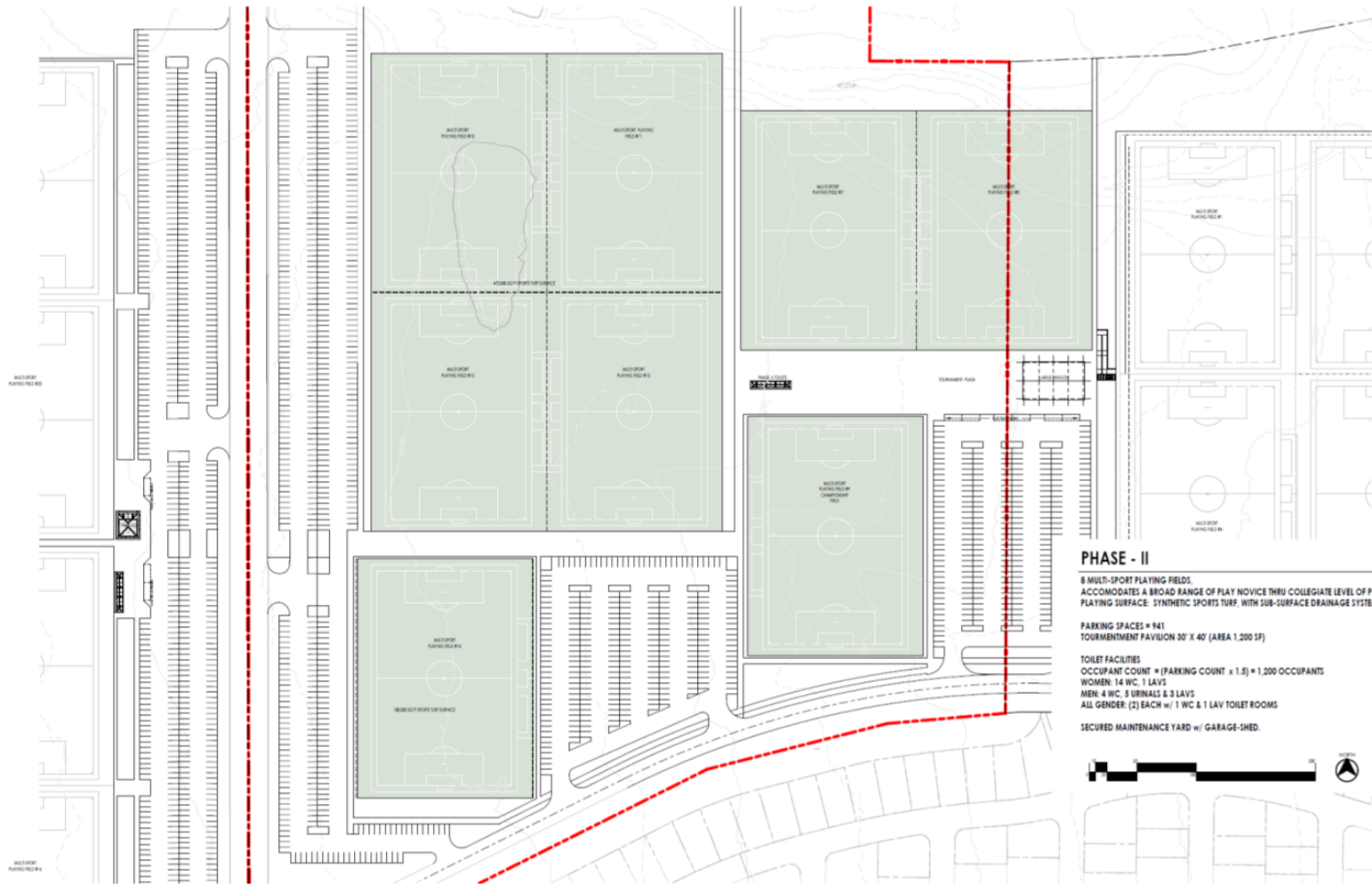
6 MULTI-SPORT PLAYING FIELDS.
ACCOMMODATES A BROAD RANGE OF PLAY NOVICE THRU COLLEGIATE LEVEL OF PLAY
PLAYING SURFACE: SYNTHETIC SPORTS TURF, WITH SUBSURFACE DRAINAGE SYSTEM.

PARKING SPACES = 565
LARGE TOURNAMENT PAVILION 100' X 40' (AREA 4,000 SF)

TOILET FACILITIES
OCCUPANT COUNT = (PARKING COUNT x 1.5) = 900 OCCUPANTS
WOMEN: 10 WC, 2 LAVS
MEN: 2 WC, 1 URINALS & 2 LAVS
ALL GENDER: (2) 1 WC & 1 LAV TOILET ROOMS

SECURED MAINTENANCE YARD w/ GARAGE-SHED.





PHASE - II

8 MULTI-SPORT PLAYING FIELDS.
ACCOMMODATES A BROAD RANGE OF PLAY NOVICE THRU COLLEGIATE LEVEL OF PLAY
PLAYING SURFACE: SYNTHETIC SPORTS TURF, WITH SUB-SURFACE DRAINAGE SYSTEM.

PARKING SPACES = 941
TOURNAMENT PAVILION 30' X 40' (AREA 1,200 SF)

TOILET FACILITIES
OCCUPANT COUNT = (PARKING COUNT x 1.5) = 1,200 OCCUPANTS
WOMEN: 14 WC, 1 LAVS
MEN: 4 WC, 5 URINALS & 3 LAVS
ALL GENDER: (2) EACH w/ 1 WC & 1 LAV TOILET ROOMS

SECURED MAINTENANCE YARD w/ GARAGE-SHED.





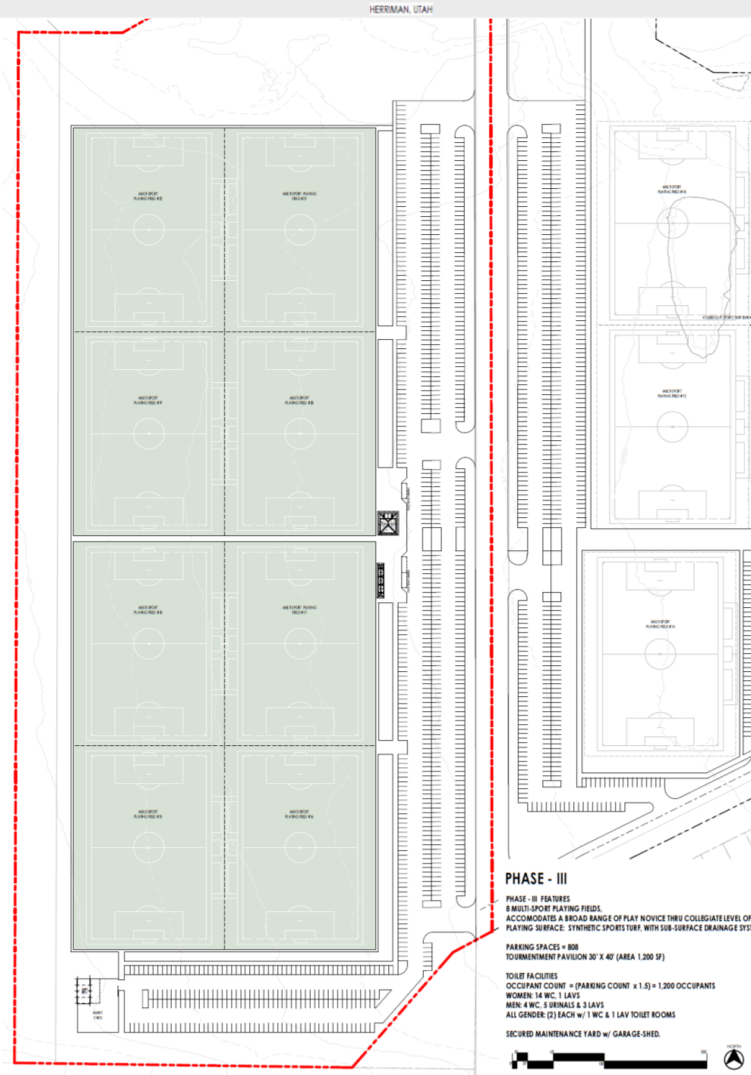
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SOUTHWEST ATHLETIC COMPLEX MASTER PLAN

PHASE - III SITE PLAN

MP103

03.16.2023











Victus Advisors engaged Construction Control Corporation (CCC) to prepare a preliminary opinion of probable cost specific to Victus' feasibility results and the concept plans developed by Think for the proposed Southwest Athletic Complex.

CCC is headquartered in Salt Lake City and is the premier construction cost consulting firm in Utah. Over the past 35 years, CCC has provided cost consulting and estimating services on over 4,000 construction projects in the Intermountain West. These projects range up to \$200 million in construction costs and cover a wide variety of building types, including Recreation, Higher Education, K-12 Education, Civic, Performing Arts, Office, Bio Medical, Healthcare, Laboratories, and Manufacturing.

CCC's cost analysis includes both hard and soft costs, such as site preparation and infrastructure costs, building construction costs, equipment, major systems, design, land-use fees, building permit fees, other soft costs, and ultimately a total capital project cost estimate for the proposed Southwest Athletic Complex.

DEVELOPMENT COST ESTIMATE BY PHASE

PROJECT ESTIMATE		CONSTRUCTION CONTROL CORPORATION		
PROJECT NAME..... SOUTHWEST ATHLETIC COMPLEX MASTER PLAN				
LOCATION.....HERRIMAN, UT				
ARCHITECT.....THINK ARCHITECTURE				
STAGE OF DESIGN.....MASTERPLANNING				
CSI #	DESCRIPTION	PHASE 1	PHASE 2	PHASE 3
BUILDING COST SUMMARY				
02	EXISTING CONDITIONS	\$ 378,490	\$ 422,355	\$ 480,961
03	CONCRETE	\$ -	\$ -	\$ -
04	MASONRY	\$ -	\$ -	\$ -
05	METALS	\$ -	\$ -	\$ -
06	WOODS & PLASTICS	\$ -	\$ -	\$ -
07	THERMAL & MOISTURE PROTECTION	\$ -	\$ -	\$ -
08	DOORS & WINDOWS	\$ -	\$ -	\$ -
09	FINISHES	\$ -	\$ -	\$ -
10	SPECIALTIES	\$ -	\$ -	\$ -
11	EQUIPMENT	\$ -	\$ -	\$ -
12	FURNISHINGS	\$ -	\$ -	\$ -
13	SPECIAL CONSTRUCTION	\$ 2,149,900	\$ 389,600	\$ 1,352,070
14	CONVEYING SYSTEMS	\$ -	\$ -	\$ -
21	FIRE SUPPRESSION	\$ -	\$ -	\$ -
22	PLUMBING	\$ -	\$ -	\$ -
23	HVAC	\$ -	\$ -	\$ -
26	ELECTRICAL	\$ 1,855,469	\$ 3,254,127	\$ 3,605,765
27	COMMUNICATION	\$ -	\$ -	\$ -
28	ELECTRONIC SAFETY & SECURITY	\$ -	\$ -	\$ -
31	EARTHWORK	\$ 5,845,564	\$ 6,523,031	\$ 7,428,172
32	EXTERIOR IMPROVEMENTS	\$ 13,975,185	\$ 15,916,562	\$ 17,694,321
33	UTILITIES	\$ 3,477,918	\$ 4,678,836	\$ 3,847,686
SUBTOTAL		\$ 27,682,526	\$ 31,184,510	\$ 34,408,974
	GENERAL CONDITIONS 9%	\$ 2,491,427	\$ 2,806,606	\$ 3,096,808
	BONDS & INSURANCE 1.7%	\$ 503,905	\$ 567,652	\$ 626,347
	OVERHEAD & PROFIT 3.5%	\$ 1,073,725	\$ 1,209,557	\$ 1,334,624
	DESIGN CONTINGENCY 15%	\$ 4,152,379	\$ 4,677,676	\$ 5,161,346
TOTAL CONSTRUCTION COST		\$ 35,903,962	\$ 40,446,001	\$ 44,628,098

CCC's estimated current project cost for the proposed Southwest Athletic Complex is \$35.9 million for Phase 1, \$40.5 million for Phase 2, and \$44.6 million for Phase 3.



8. OPERATING MODEL ANALYSIS

The purpose of this section is to present an overview of various options regarding the management and operations of the proposed Southwest Athletic Complex.

Each management structure for the proposed complex has its own unique advantages and disadvantages, which should be considered when making decisions regarding the management of the venue. The following section provides an overview of each potential facility management structure.

FACILITY MANAGEMENT OPTIONS:

- **Ownership & Operations Overview**
- **Public Management**
- **Private Contract Management**
- **Private Tenant Operations**

OWNERSHIP & OPERATIONS COMBINATIONS

As a first step, it should be noted that the ownership of the proposed complex will determine what operation options are available. The chart below summarizes the different combinations available for ownership and operation of the proposed new athletic complex in Herriman.

		OWNER	
		Public	Private
OPERATOR	Public	✓	✗
	Private	✓	✓

If Herriman City is the ultimate owner of the sports complex, the City would have the option of public management (via the City or the County) or private management by a third-party contractor (either for-profit or non-profit). Whereas, if the complex is owned by a private party, then public management is not typically an option, as the facility will either be managed by employees/staff of the facility owner or a separately contracted private entity.

The following pages detail these different potential operating models from a management perspective.

PUBLIC OPERATIONS

Publicly-owned facilities have the option of either being operated by the public entity that owns the facility (or an affiliated public entity) or contracting out operations to a private entity. Both options have associated advantages and disadvantages.

Public management of sports complexes was the typical model prior to the early 2000's. Facility operational control within a government is typically done either by creating a separate department that is responsible for facility management or by designating responsibility to an existing department within the government. In many cases a government will already have other existing public assembly facilities such as arenas, auditoriums, expo centers, or theaters under their control prior to the development of a new sports venue, and in these cases the governmental departments currently overseeing the other public assembly facilities could operate a new sports venue as well. However, it should be noted that this is not the case in Herriman which would need to create a new operating entity, or the City could partner with the County which currently operates numerous recreation and event facilities County-wide.

Advantages of public management include owner control, financial support, and sharing of staff and support functions, among other factors. Within this structure, the management's primary responsibility is to the governmental agency goals. The ability to combine the purchase of goods and services with other governmental departments provides a distinct advantage in maximizing purchasing power. The ability to use governmental employees from other departments can also be advantageous. Lastly, under public management, the need to pay additional fees to a private management contractor is not required.

Disadvantages of public management can include a lack of private sector financial participation, civic service constraints, and changing political policies. The primary disadvantages relate to the additional burden placed on governmental departments and the additional level of bureaucracy sometimes required to facilitate operating decisions. The decisions made regarding the operation of a facility may also be slowed due to the nature of the particular governmental department in terms of requirements for approvals and other regulations and procedures. Lastly, with public management (especially by a parks and recreation department), local-use programming for residents can often be given priority over sports tournaments and other such economic impact-generating events, unless the facility's charter clearly dictates that the operating goals should include economic impact and that staff should include sports tournament operating expertise.

A summary of advantages and disadvantages to the public sector associated with public management is shown at right:

ADVANTAGES	DISADVANTAGES
<ul style="list-style-type: none"> • Owner control • Financial support • Coordinating/sharing of staff/support functions • Bulk-price purchasing • No management fees 	<ul style="list-style-type: none"> • Lack of outside/private sector financial support • Civic service constraints • Contract approval requirements • Changing political policies • Limited flexibility • Possible lack of expertise and access in sports industry • Local resident programs often given priority over sports tournaments/economic impact.

CONTRACT MANAGEMENT BY A PROFESSIONAL OPERATING FIRM

Facilities that are publicly-owned also have the option to utilize a private facility operator. Intense and increasing levels of competition among facilities coupled with increased pressure from governmental entities for facilities to break even operationally has caused some governments to consider changes in the fundamental process of managing sports venues. As a result, numerous venues across the country have contracted day-to-day operations to a private management company under fee-based management agreements. However, it should be noted that some communities still prefer to utilize a public management team that focuses on community usage and local benefit rather than having facility operating decisions made by a private operator based upon profit incentives.

Under typical private management, the facility owner retains all of the rights and privileges of ownership while the private management firm performs assigned management functions. The public owner sets policies while the private management firm establishes procedures in order to implement the policies. The private management firm is often compensated with a flat annual fee plus incentive payments designed to reward the contractor for producing desired results. Incentives could be based on achieving specific revenue goals, attendance, events, room night generation, or other such targets. Operating contracts usually stipulate that operating budgets must be submitted by the management company to the public owner of the facility for approval. It is important to note however that the public owner is still responsible for providing the funds necessary to operate the facility, including funding of any operating deficits.

Private management firms are typically responsible for various key operational and fiscal factors such as policies and directives, organizational structure, job classifications, competition, scheduling and booking, facility and event accounting, and routine maintenance/repairs. However, the public owner is typically responsible for any annual operating deficits and long-term capital needs, including capital maintenance and working capital. In addition to the day-to-day operations of the venue, a number of private management firms also offer project services such as pre-opening management services and event marketing support as alternatives to full facility management.

A summary of key advantages and disadvantages associated with private management is shown below:

ADVANTAGES

- Incentives for efficiency or performance
- Network of relationships to leverage event bookings
- Internal network of facility knowledge/experience
- More independence in negotiations
- Greater staffing resources
- More objective criteria for accountability
- More efficient procurement process
- Design support and pre-opening services
- Less financial risk for owner

DISADVANTAGES

- Potential loss of direct control by owner
- Potential misaligned purpose and goals between community-focused owner and profit-focused management firm
- Less access for affordable public use
- Annual facility management fees
- Management personnel turnover
- Corporate resources spread among several facilities
- City still responsible for management fee, any annual operating deficits, and long-term capital upkeep/investment

PRIVATE MANAGEMENT BY A LOCAL SPORTS CLUB

Another potential operator could be a local sports club, often a non-profit youth soccer club, however it should be noted that this often limits access to members of that particular club. Local clubs typically negotiate a long-term usage agreement with a government on an annual basis and sometimes pay a small fixed annual fee. In exchange, the club will typically have exclusive or priority access to the complex throughout the year, which means other clubs/programs will typically have limited access. The tenant club is responsible for most operational expenses including maintenance and staffing, however they also receive most revenue streams, such as concessions, merchandise, sponsorships/advertising, parking fees, etc., whereas the government is still often responsible for long-term capital maintenance. A summary of key advantages and disadvantages associated with tenant operations is shown below:

ADVANTAGES

- Consistent, predictable usage for owner, without having to pay management fees or handle day-to-day operations/maintenance
- Network of relationships to leverage tournament usage/bookings
- Internal sports knowledge and experience
- More independence in negotiations

DISADVANTAGES

- Loss of direct control by owner
- Tenant operators tend to limit access to outside groups that are not part of their club/program
- Club income motive versus community benefit motive... i.e. potential misaligned purpose and goals between community-focused owner and private club focused on income and growth
- Less access for affordable or free public use
- Owner still responsible for long-term, capital maintenance

Victus Advisors recommends that the two (2) primary athletic complex management options to be considered by Herriman City should be:

- **Public Management via the County:** Herriman City should consider Salt Lake County as the potential operator of the proposed Southwest Athletic Complex. Salt Lake County has experience operating a wide variety of sports and recreation facilities across the County, and their leadership has expressed desire to assist with both funding and operations of the proposed complex. They believe they have the expertise and experience to be able to manage the complex for both local use and tournament activity. This option may be the most feasible if Salt Lake County is a financial partner in the project and has joint ownership of the complex.
- **Private Contract Management:** If Herriman City is the sole owner of the proposed complex (no partnership with Salt Lake County), the City should consider hiring a third-party management firm, since it currently does not have an existing infrastructure or staff to operate a facility of this proposed size and scale. An experienced third-party sports management firm would bring specialized expertise in the sports industry and would not require the City to ramp up its staffing. That said, annual management fees for a sports tournament-caliber facility can often range from \$10,000 to \$20,000 per month, which would be an annual financial burden on the public sector in addition to any long-term capital maintenance.



9. USAGE PROJECTIONS & OPERATING PRO FORMA

In this section, Victus Advisors will project both the sustainable daily usage (local group usage) and the number of special or recurring events and attendance (sports tourism events) at the proposed Southwest Athletic Complex. We have created the following three (3) models for analysis and comparison:

- **Phase 1:**
 - **Fields:** Six (6) full-sized, lighted, rectangular multi-use fields.
 - **Usage:** Local and **small** tournament usage for rectangular field sports such as soccer, lacrosse, and rugby, etc.

- **Phase 2:**
 - **Fields:** 14 full-sized, lighted, rectangular multi-use fields.
 - **Usage:** Local and **larger** tournament usage for rectangular field sports such as soccer, lacrosse, and rugby, etc.

- **Phase 3:**
 - **Fields:** 22 full-sized, lighted, rectangular multi-use fields.
 - **Usage:** Local and **largest** tournament usage for rectangular field sports such as soccer, lacrosse, and rugby, etc.

The following key assumptions were utilized by Victus Advisors in order to develop operating and financial projections for the proposed Southwest Athletic Complex:

- Financial projections are based on estimated programs, practice, league, and tournament usage developed via the market research presented in this report.
- Our projections represent a stabilized year of operations which is expected occur by the third year of operations.
- The complex will be publicly owned by Herriman and/or Salt Lake County and exempt from property taxes.
- The complex will be designed to compete against other regional sports complexes in attracting tournament usage and sports tourism.
- In this model it is preliminarily assumed that the complex could be operated and maintained in a partnership with Salt Lake County Parks & Recreation, therefore there are no management fees shown.
- It is assumed that the fields would be rented at competitive market rates with other regional, competitive-caliber athletic complexes, and that the operator will market the complex to both local club teams and regional tournaments.
- These projections are based on current market circumstances, and thus assume that there will be no other major changes to the available sports field inventory within Salt Lake County.
- The financial projections displayed on the following pages utilize a variety of additional assumptions, including data gathered from third-party sources, information provided by Herriman City, and Victus Advisors' industry experience. There will be differences between these projections and actual events, and these differences may be significant.



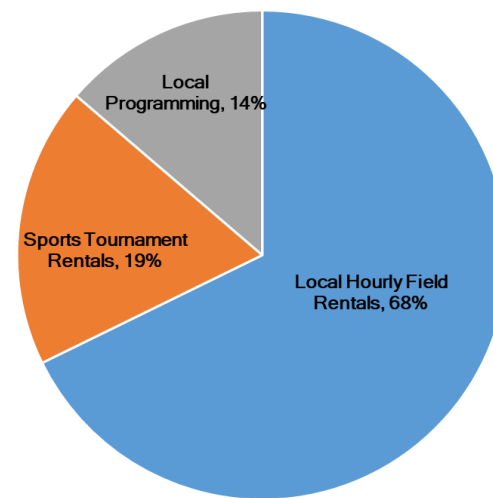
9. USAGE PROJECTIONS & OPERATING PRO FORMA: A. PHASE 1 - 6 FIELDS

ESTIMATED ANNUAL UTILIZATION: PHASE 1

It is estimated that the proposed Southwest Athletic Complex could host approximately 10 annual sports tournaments, primarily on the weekends or during holidays. While weekend tournaments and events would draw athletes, spectators, and participants from outside of Salt Lake County (Friday through Sunday), it should be noted that local use (local programming, practices, etc.) would primarily be Herriman and other Salt Lake County residents (typically Monday through Thursday).

<u>Event</u>	<u>Facility Hours</u>
Local Hourly Field Rentals	8,400
Sports Tournament Rentals	2,300
Local Programming	1,700
TOTAL	12,400

Note: Sorted by Facility Hours in descending order

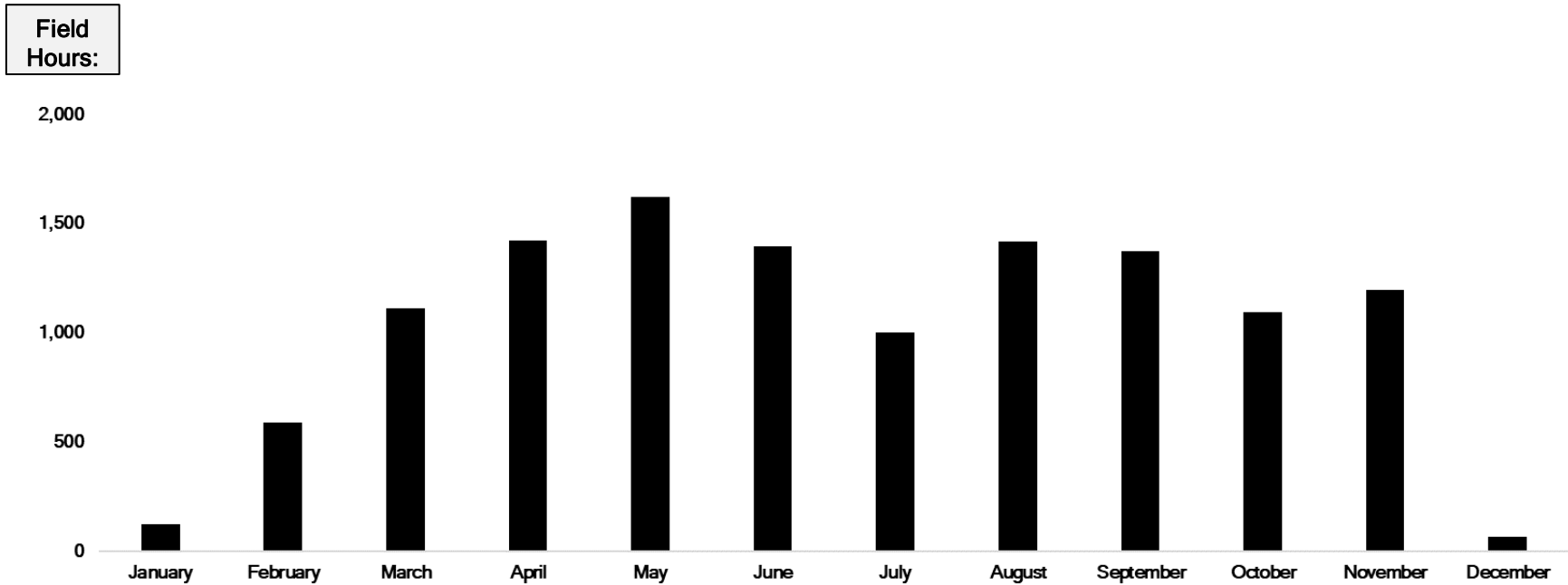


Estimated Annual Rugby Tournaments: 4
Estimated Annual Soccer Tournaments: 4
Estimated Annual Lacrosse Tournament: 2

Total Estimated Annual Visits: 368,500**

Notes: () Tournament days a calendar day in which tournament activity is held in the facility. (**) Includes estimated **athletes, officials, coaches, parents/family, spectators, etc.** (**) Represents unique daily visits. For example, if an athlete participated in practices on a Tuesday and a Thursday one week, that would count as two (2) unique visits that week.*

ESTIMATED ANNUAL UTILIZATION BY MONTH: PHASE 1



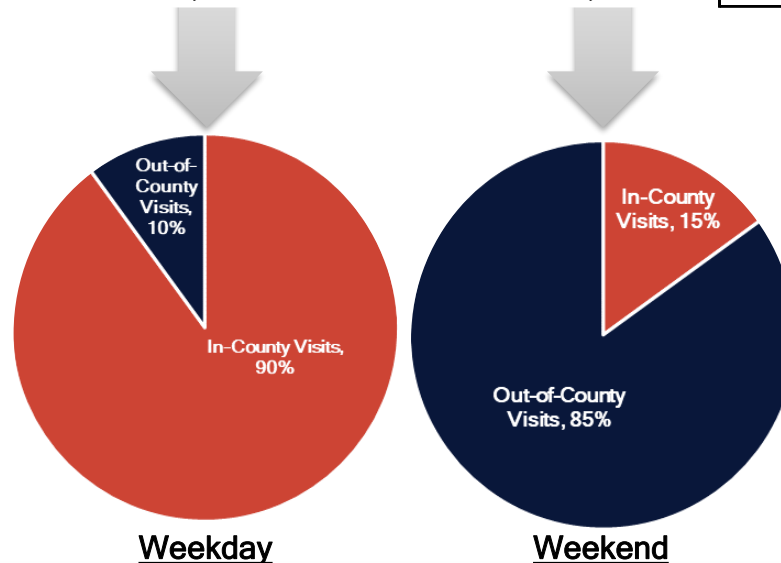
Victus Advisors estimates that monthly usage at the Southwest Athletic Complex (Phase 1 with six fields) would peak in May.

TOTAL ESTIMATED OUT-OF-COUNTY VISITATION: PHASE 1

It is estimated that visitors from outside of Salt Lake County could account for about 34% of annual attendance at the Southwest Athletic Complex (Phase 1) in Salt Lake County.

It is assumed that weekday usage would primarily be regional programming, including youth and adult sports. Whereas weekend use would primarily be dedicated to youth/amateur sports tournaments.

	<u>Weekday</u>	<u>Weekend</u>	<u>TOTAL</u>
In-County Visits	227,200	17,400	244,600
Out-of-County Visits	25,300	98,600	123,900
TOTAL VISITORS	252,500	116,000	368,500



**Notes: (1) "Out-of-town" refers to visitors from outside Salt Lake County. (2) Visitors include estimated athletes, officials, coaches, parents/family, spectators, etc. Visitors also represent unique daily visits. For example, if an athlete participated in practices on a Tuesday and a Thursday one week, that would count as two (2) unique visits that week.*

FINANCIAL PRO FORMA: PHASE 1

In a stabilized year of operations, it is estimated by Victus Advisors that the operations of the proposed Southwest Athletic Complex (Phase 1) could operate at approximately break-even.

	Stabilized Year
Operating Revenues:	
Rental Income (Tournaments, Practices, etc.)	\$646,000
Programming	\$127,000
Concessions (Net)	\$141,000
Advertising & Sponsorship	\$16,000
Other	\$5,000
Total Revenues:	\$935,000
Operating Expenses:	
Salaries, Wages, & Benefits	\$591,000
Utilities	\$92,000
Program Expenses	\$88,900
Advertising, Marketing, & Promotion	\$35,000
General, Administrative, & Other	\$50,000
Maintenance/Repair	\$40,300
Materials/Supplies	\$40,300
Total Expenses:	\$937,500
EBITDA	-\$2,500
OPERATING MARGIN	0%

Notes:

(1) Presented in 2023 dollars. Stabilized year of operations typically occurs by Year 3.

(2) EBITDA represents "earnings before interest, taxes, depreciation, and amortization"



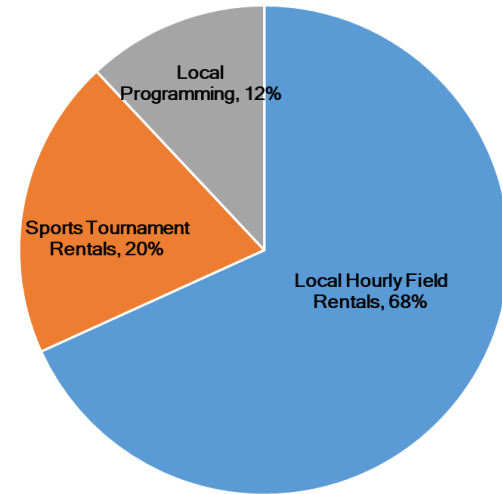
9. USAGE PROJECTIONS &
OPERATING PRO FORMA:
B. PHASE 2 - 14 TOTAL FIELDS

ESTIMATED ANNUAL UTILIZATION: PHASE 2

It is estimated that the proposed Southwest Athletic Complex could host approximately 20 annual sports tournaments, primarily on the weekends or during holidays. While weekend tournaments and events would draw athletes, spectators, and participants from outside of Salt Lake County (Friday through Sunday), it should be noted that local use (local programming, practices, etc.) would primarily be Herriman and other Salt Lake County residents (typically Monday through Thursday).

<u>Event</u>	<u>Facility Hours</u>
Local Hourly Field Rentals	16,100
Sports Tournament Rentals	4,900
Local Programming	2,600
TOTAL	23,600

Note: Sorted by Facility Hours in descending order

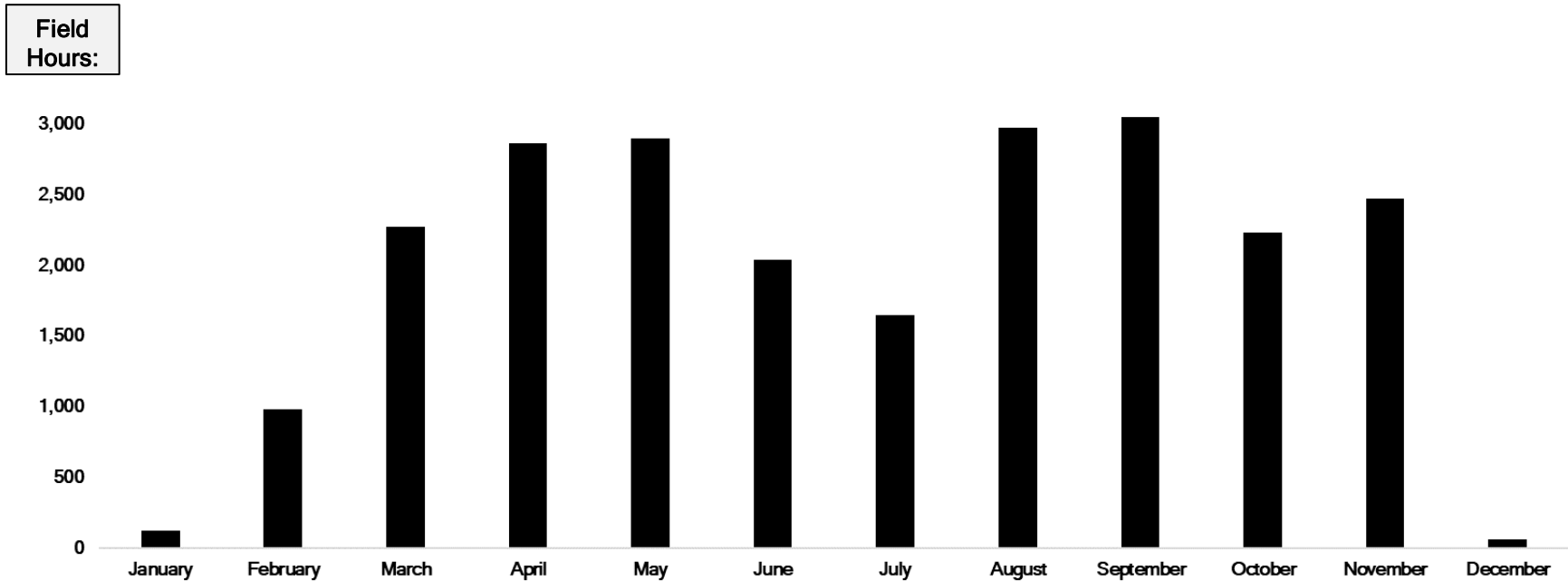


Estimated Annual Rugby Tournaments: 10
Estimated Annual Soccer Tournaments: 6
Estimated Annual Lacrosse & Other Sports Tournaments: 4

Total Estimated Annual Visits: 713,900**

Notes: () Tournament days a calendar day in which tournament activity is held in the facility. (**) Includes estimated **athletes, officials, coaches, parents/family, spectators, etc.** (**) Represents unique daily visits. For example, if an athlete participated in practices on a Tuesday and a Thursday one week, that would count as two (2) unique visits that week.*

ESTIMATED ANNUAL UTILIZATION BY MONTH: PHASE 2



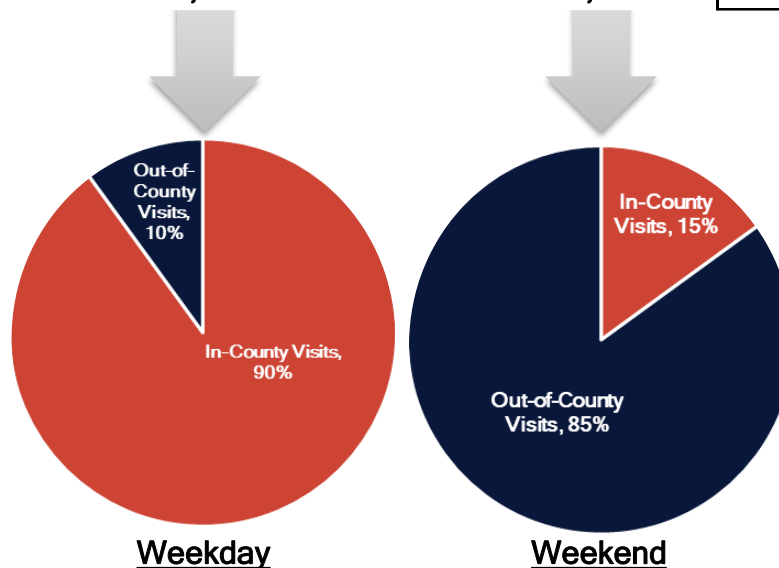
Victus Advisors estimates that monthly usage at the Southwest Athletic Complex (Phase 2 with 14 fields) would peak in April, May, August, and September.

TOTAL ESTIMATED OUT-OF-COUNTY VISITATION: PHASE 2

It is estimated that visitors from outside of Salt Lake County could account for about 36% of annual attendance at the Southwest Athletic Complex (Phase 2) in Salt Lake County.

It is assumed that weekday usage would primarily be regional programming, including youth and adult sports. Whereas weekend use would primarily be dedicated to youth/amateur sports tournaments.

	<u>Weekday</u>	<u>Weekend</u>	<u>TOTAL</u>
In-County Visits	420,700	37,000	457,700
Out-of-County Visits	46,700	209,500	256,200
TOTAL VISITORS	467,400	246,500	713,900



**Notes: (1) "Out-of-town" refers to visitors from outside Salt Lake County. (2) Visitors include estimated athletes, officials, coaches, parents/family, spectators, etc. Visitors also represent unique daily visits. For example, if an athlete participated in practices on a Tuesday and a Thursday one week, that would count as two (2) unique visits that week.*

In a stabilized year of operations, it is estimated by Victus Advisors that the operations of the proposed Southwest Athletic Complex (Phase 2) could operate at an approximately 15% operating margin.

It should be noted that in Phase 2 the majority of current local programming and rental demand would be captured.

	Stabilized Year
Operating Revenues:	
Rental Income (Tournaments, Practices, etc.)	\$1,254,000
Programming	\$200,000
Concessions (Net)	\$294,000
Advertising & Sponsorship	\$22,000
Other	\$10,000
Total Revenues:	\$1,780,000
Operating Expenses:	
Salaries, Wages, & Benefits	\$837,000
Utilities	\$214,700
Program Expenses	\$140,000
Advertising, Marketing, & Promotion	\$60,000
General, Administrative, & Other	\$75,000
Maintenance/Repair	\$93,900
Materials/Supplies	\$93,900
Total Expenses:	\$1,514,500
EBITDA	\$265,500
OPERATING MARGIN	15%

Notes:

(1) Presented in 2023 dollars. Stabilized year of operations typically occurs by Year 3.

(2) EBITDA represents "earnings before interest, taxes, depreciation, and amortization"



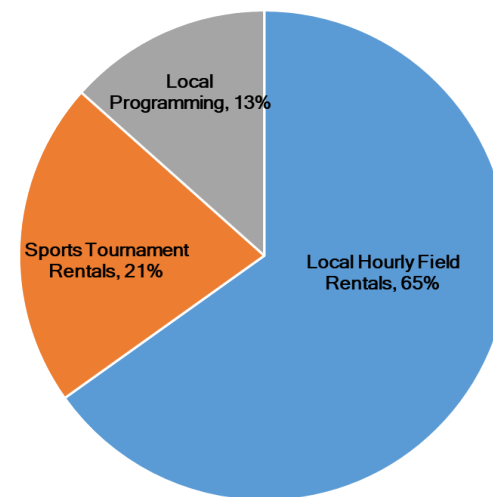
9. USAGE PROJECTIONS &
OPERATING PRO FORMA:
C. PHASE 3 - 22 TOTAL FIELDS

ESTIMATED ANNUAL UTILIZATION: PHASE 3

It is estimated that the proposed Southwest Athletic Complex could host approximately 24 annual sports tournaments, primarily on the weekends or during holidays. While weekend tournaments and events would draw athletes, spectators, and participants from outside of Salt Lake County (Friday through Sunday), it should be noted that local use (local programming, practices, etc.) would primarily be Herriman and other Salt Lake County residents (typically Monday through Thursday).

<u>Event</u>	<u>Facility Hours</u>
Local Hourly Field Rentals	17,000
Sports Tournament Rentals	5,600
Local Programming	3,500
TOTAL	26,100

Note: Sorted by Facility Hours in descending order

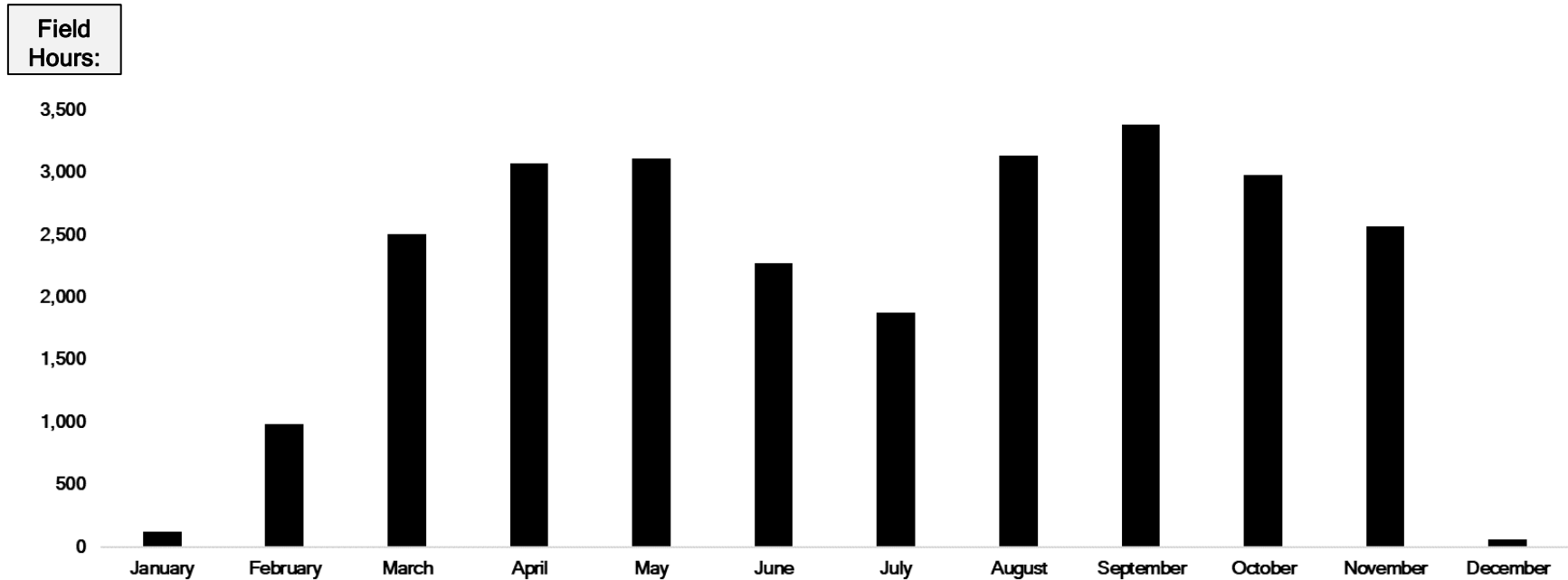


Estimated Annual Rugby Tournaments: 11
Estimated Annual Soccer Tournaments: 7
Estimated Annual Lacrosse & Other Sports Tournaments: 6

Total Estimated Annual Visits: 791,700**

Notes: () Tournament days a calendar day in which tournament activity is held in the facility. (**) Includes estimated **athletes, officials, coaches, parents/family, spectators, etc.** (**) Represents unique daily visits. For example, if an athlete participated in practices on a Tuesday and a Thursday one week, that would count as two (2) unique visits that week.*

ESTIMATED ANNUAL UTILIZATION BY MONTH: PHASE 3



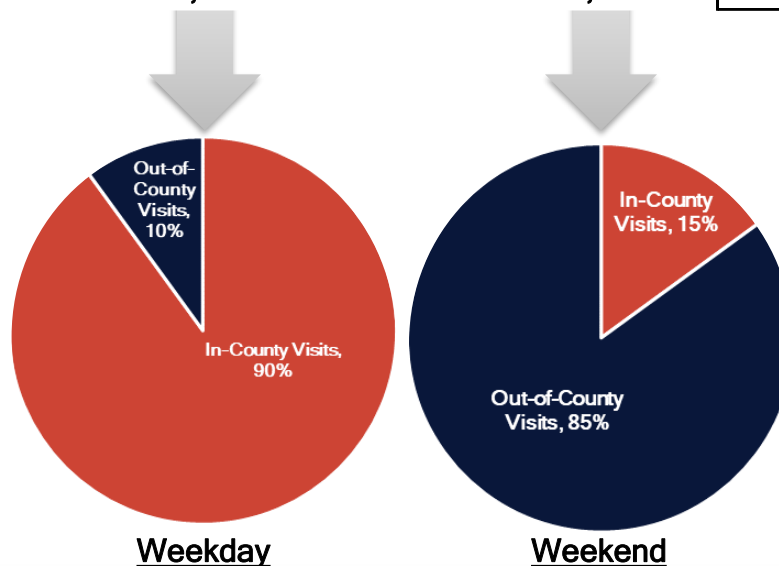
Victus Advisors estimates that monthly usage at the Southwest Athletic Complex (Phase 3 with 22 fields) would peak in September with additional high usage in April, May, August, and October.

TOTAL ESTIMATED OUT-OF-COUNTY VISITATION: PHASE 3

It is estimated that visitors from outside of Salt Lake County could account for about 37% of annual attendance at the Southwest Athletic Complex (Phase 3) in Salt Lake County.

It is assumed that weekday usage would primarily be regional programming, including youth and adult sports. Whereas weekend use would primarily be dedicated to youth/amateur sports tournaments.

	<u>Weekday</u>	<u>Weekend</u>	<u>TOTAL</u>
In-County Visits	461,200	41,900	503,100
Out-of-County Visits	51,300	237,300	288,600
TOTAL VISITORS	512,500	279,200	791,700



**Notes: (1) "Out-of-town" refers to visitors from outside Salt Lake County. (2) Visitors include estimated athletes, officials, coaches, parents/family, spectators, etc. Visitors also represent unique daily visits. For example, if an athlete participated in practices on a Tuesday and a Thursday one week, that would count as two (2) unique visits that week.*

In a stabilized year of operations, it is estimated by Victus Advisors that the operations of the proposed Southwest Athletic Complex (Phase 3) could operate at an approximately 13% operating margin.

It should be noted that the majority of current local programming and rental demand would be met in Phase 2, therefore larger tournaments would likely account for the primary increase in revenues at full (22 field) build-out.

	Stabilized Year
Operating Revenues:	
Rental Income (Tournaments, Practices, etc.)	\$1,503,000
Programming	\$200,000
Concessions (Net)	\$331,000
Advertising & Sponsorship	\$31,000
Other	\$15,000
Total Revenues:	\$2,080,000
Operating Expenses:	
Salaries, Wages, & Benefits	\$862,000
Utilities	\$337,300
Program Expenses	\$140,000
Advertising, Marketing, & Promotion	\$75,000
General, Administrative, & Other	\$100,000
Maintenance/Repair	\$147,500
Materials/Supplies	\$147,500
Total Expenses:	\$1,809,300
EBITDA	\$270,700
OPERATING MARGIN	13%

Notes:

(1) Presented in 2023 dollars. Stabilized year of operations typically occurs by Year 3.

(2) EBITDA represents "earnings before interest, taxes, depreciation, and amortization"



9. USAGE PROJECTIONS & OPERATING PRO FORMA: D. OVERALL PRO FORMA

	Phase 1	Phase 2 Increment	Phase 3 Increment	Combined Operations
Operating Revenues:				
Rental Income (Tournaments, Practices, etc.)	\$646,000	\$608,000	\$249,000	\$1,503,000
Programming	\$127,000	\$73,000	\$0	\$200,000
Concessions (Net)	\$141,000	\$153,000	\$37,000	\$331,000
Advertising & Sponsorship	\$16,000	\$6,000	\$9,000	\$31,000
Other	\$5,000	\$5,000	\$5,000	\$15,000
Total Revenues:	935,000	845,000	300,000	2,080,000
Operating Expenses:				
Salaries, Wages, & Benefits	\$591,000	\$246,000	\$25,000	\$862,000
Utilities	\$92,000	\$122,700	\$122,600	\$337,300
Program Expenses	\$88,900	\$51,100	\$0	\$140,000
Advertising, Marketing, & Promotion	\$35,000	\$25,000	\$15,000	\$75,000
General, Administrative, & Other	\$50,000	\$25,000	\$25,000	\$100,000
Maintenance/Repair	\$40,300	\$53,600	\$53,600	\$147,500
Materials/Supplies	\$40,300	\$53,600	\$53,600	\$147,500
Total Expenses:	937,500	577,000	294,800	1,809,300
EBITDA	(\$2,500)	\$268,000	\$5,200	\$270,700
OPERATING MARGIN	0%	32%	2%	13%

Notes:

(1) Presented in 2023 dollars. Stabilized year of operations typically occurs by Year 3.

(2) EBITDA represents "earnings before interest, taxes, depreciation, and amortization"

At full build-out, it is estimated that the operations of the proposed Southwest Athletic Complex could operate at an approximately 13% operating margin. With each additional phase new revenue streams would be added while generating smaller incremental expenses due to the ability to share overhead expenses between phases. It should be noted that the majority of local programming and rental revenue would be captured after Phase 2, while principally larger tournaments would account for increase in revenues at full build-out.

Revenues generated by the proposed Southwest Athletic Complex is expected to consist primarily of rental income, program revenue, concessions, and advertising. A brief description of each potential revenue source is provided below.

Rental Income:

Facility rent is typically one of the largest revenue sources for a multi-events facility. Rentals typically occur for practices and league play (primarily local-use within Salt Lake County) and tournaments/meets (regional usage). We have assumed, based on competitive rental rates within the market for artificial turf fields, that average rental rates for the facility would be approximately **\$60 per hour per field**. Lastly, we have assumed a tournament rate of up to **\$10,000 per day for the entire complex (in Phase 3)**.

Parks & Rec Programming (Leagues, Camps, etc.):

Programming revenue consists of an estimate of revenue from Salt Lake County Parks & Recreation programs and leagues that would be conducted at the Southwest Athletic Complex. These estimates are based upon the Salt Lake County's current fees for recreational programming and leagues.

Concessions (Net of COGS):

Concessions revenue consists of sales of various food and beverage items at various points-of-sale throughout the facility. Revenue assumptions are based on estimated usage and attendance, and comparable per capita spending from facilities across the country (approximately \$1 to \$3 per visitor per day) and is shown after cost of goods sold (COGS) of approximately 30%.

Advertising & Sponsorship:

Sponsorship and advertising revenues are assumed to be derived from the sale of wall and board banners (\$225 per banner), permanent signage (\$225 per sign), scoreboard signage (\$350 per scoreboard), and presenting/founding level partnerships (\$5,000 per founding partner). Overall, we have conservatively assumed that approximately 80% of the available inventory would be sold.

It should be noted that we have not included an overall complex naming rights agreement, however this could be an additional source of annual operating revenue (or upfront construction capital) for the complex, as shown by the comparable sports complex naming rights agreements shown below:

SAMPLE OF ACTIVE NAMING RIGHTS DEALS FOR YOUTH & AMATEUR SPORTS COMPLEXES

Youth/Amateur Sports Complex	Location	Naming Rights Buyer	Total Price	Term	Annual Average
Great Park presented by UCI Health	Irvine, CA	UCI Health	\$5,700,000	10	\$570,000
UW Health Sports Factory	Rockford, IL	UW Health	\$1,940,000	10	\$194,000
TCO Sports Garden	Vadnais Heights, MN	Twin Cities Orthopedics	\$1,950,000	15	\$130,000
Scheels Overland Park Sports Complex	Overland Park, KS	Scheels Sporting Goods	\$625,000	5	\$125,000
Woodman's Indoor Athletic & Conference Center	Janesville, WI	Woodman's Food Markets	\$2,000,000	Life	\$100,000
Kaiser Permanente Sports Village	Bakersfield, CA	Kaiser Permanente	\$500,000	5	\$100,000
Parkway Bank Sports Complex	Rosemont, IL	Parkway Bank & Trust	\$300,000	3	\$100,000
Citynet Center	Bridgeport, WV	CityNet	\$1,000,000	10	\$100,000
Art Van Sports Complex*	Grand Rapids, MI	Art Van Furniture	\$1,800,000	Life	\$90,000
Tarina Homes Sports Complex	Bakersfield, CA	Tarina Homes, Inc.	\$200,000	3	\$66,667
St. Luke's Proctor Sports & Events Center	Duluth, MN	St. Luke's Health System	\$300,000	10	\$30,000
Average			\$1,483,182	10	\$145,970
Median			\$1,000,000	10	\$100,000

*Note: for naming rights agreements with a lifetime term, we have assumed 20 years is the primary period over which the naming benefits will be earned

Parking:

We have assumed that parking would be free for both local/weekday use and weekend tournaments. That said, some sports complex operators will charge a \$5 to \$10 fee per car per day during regional weekend tournaments that are attracting significant out-of-town visitors, and this could be an additional potential revenue stream for the sports complex operator if needed.

Other Revenue:

Other revenue opportunities would primarily consist of any equipment rental fees or other special service charges. We have conservatively projected up to \$10,000 in annual other revenues (in Phase 3).

Operating expenses expected to be generated by the proposed Southwest Athletic Complex include salaries, wages, and benefits, operations/programming costs, utilities, and other expenses. A brief description of each potential major source of expense is provided below.

Salaries, Wages & Benefits:

Based upon comparable venues, we have assumed that the Southwest Athletic Complex would have at least nine (9) full-time equivalent (FTE) employees at Phase 3. This includes general management, event management, sales/marketing, accounting, facility maintenance, and custodial staff. Estimated salary ranges for FTE's range between \$40,000 and \$100,000. It is also assumed that benefit costs would be an additional 35% of salaries. Lastly, we have assumed up to \$200,000 a year (in Phase 3) in part-time/seasonal hours.

Program Expenses:

Direct expenses from operating programs at the facility (such as part-time program staff, referees, jerseys for league play, and other direct program expenses) have been assumed to be approximately 70% of facility program revenues, based on costs at comparable facilities. Please note, this does not include the overhead costs included in Salaries, Wages & Benefits for any full-time staff whose responsibilities might include administrative tasks related to programming.

Utilities:

Utilities often represent one of the largest expenses incurred by facility operators. Cost estimates for utilities include use of electricity, gas, water, and steam, and are based upon comparable utility costs per acre at similar facilities.

Other Expenses:

Other expenses expected to be incurred include general and administrative expenses, repairs and maintenance, materials and supplies, marketing/advertising costs, insurance, and other such expenses, as described below:

- Maintenance and repairs for structures, equipment, grounds, etc.
- Materials and supplies for administration and operations of the facility such as office supplies, sports equipment, janitorial supplies, etc.
- General liability insurance to cover the grounds, restrooms, and other such areas (Note: events and users are typically required to carry their own liability insurance specific to their activities at the facility)
- Office and administrative expenses, including but not limited to marketing and advertising, telecommunications, travel costs, permits, bad debt, bank service charges, licenses, dues/subscriptions service fees, and other such operating expenses.

These expenses have been estimated based upon expenses at comparable venues.



10. ECONOMIC & FISCAL IMPACT ANALYSIS

1. ESTIMATE GROSS DIRECT SPENDING

The first step in projecting the potential economic and fiscal impacts of the Southwest Athletic Complex is estimating the Gross Direct Spending activity that could occur throughout Salt Lake County due to the ongoing annual operations of the complex.

Gross Direct Spending represents all of the annual direct spending that could be associated with the complex, regardless of income source or spending location within Salt Lake County.

Primary Sources of Direct Spending from the Proposed Southwest Athletic Complex

Ongoing Venue Operations

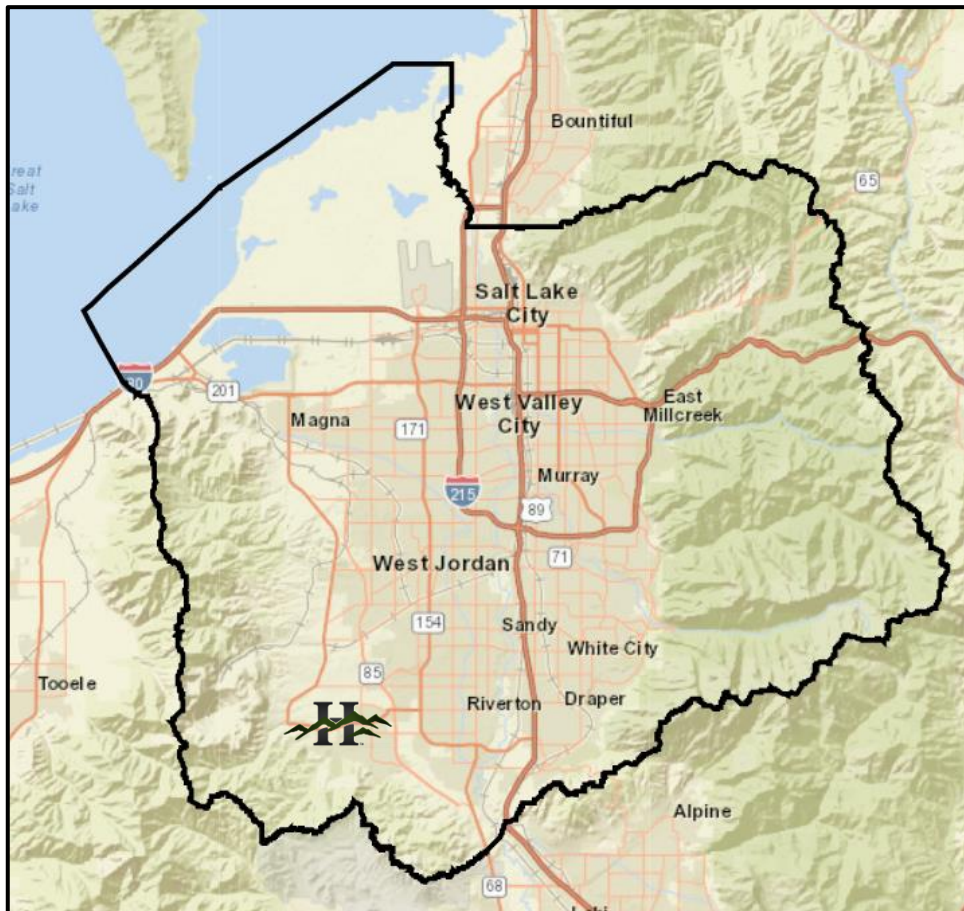
In-Facility Revenues:

- Rental Fees
- Programming Revenue
- Concessions Sales
- Sponsorships/Advertising

County-Wide Visitor Spending:

- Hotel & Lodging
- Restaurant
- Retail
- Entertainment
- Transportation

2. IDENTIFY “LOCAL” ECONOMY



Source: Esri

For purposes of this study, Victus Advisors has been tasked with identifying the potential economic and fiscal impacts on Salt Lake County. Therefore, the local economy studied in this analysis is the physical area solely within the Salt Lake County limits (as shown at left).

As described on the next page, “Net” Direct Spending only occurs when the spending source originates outside of County limits and occurs within the County’s limits, which most often occurs during tournaments, as well as during some league games. Local practices typically do not drive significant net economic impacts.

After estimating the “Gross” economic activity associated with the proposed Southwest Athletic Complex in Salt Lake County, Victus Advisors estimated the portion of Gross Direct Spending that could represent incremental (or “Net”) spending within the County’s economy. Net Direct Spending accounts for the phenomenon of “displacement”, as described below.

DISPLACEMENT is the economic principle that assumes a household (or business) sports and recreation budget would be spent within the local economy with or without development of a sports complex. For purposes of this study, we have assumed that local usage spending would be displaced (i.e. spent elsewhere within the Salt County economy) without the presence of a new sports complex. Therefore...

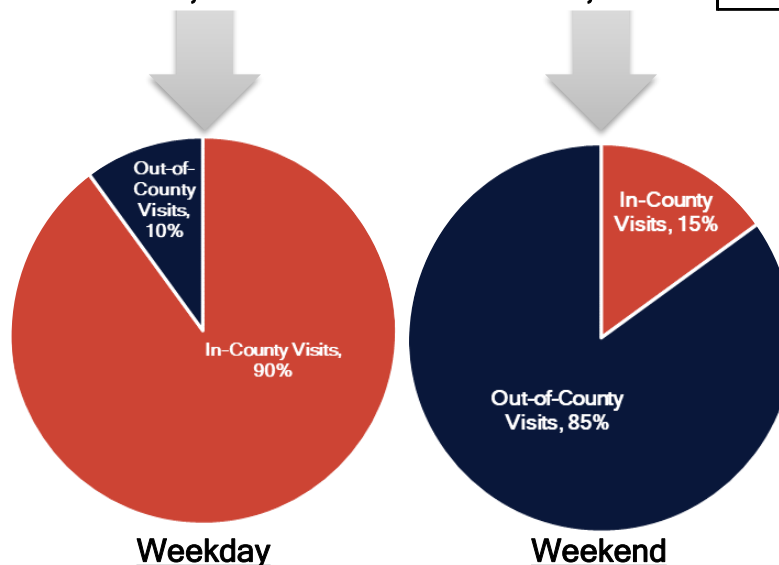
NET IMPACTS estimated by Victus Advisors will only include the estimated dollars spent within Salt Lake County limits by visitors who come to the County because of the presence of the Southwest Athletic Complex, thus injecting new incremental dollars into the County’s economy.

TOTAL ANNUAL VISITOR ASSUMPTIONS

It is estimated that visitors from outside of Salt Lake County could account for about 37% of annual attendance at the Southwest Athletic Complex (in Phase 3) in Salt Lake County.

It is assumed that weekday usage would primarily be regional programming, including youth and adult sports. Whereas weekend use would primarily be dedicated to youth/amateur sports tournaments.

	<u>Weekday</u>	<u>Weekend</u>	<u>TOTAL</u>
In-County Visits	461,200	41,900	503,100
Out-of-County Visits	51,300	237,300	288,600
TOTAL VISITORS	512,500	279,200	791,700



**Notes: (1) "Out-of-town" refers to visitors from outside Salt Lake County. (2) Visitors include estimated athletes, officials, coaches, parents/family, spectators, etc. Visitors also represent unique daily visits. For example, if an athlete participated in practices on a Tuesday and a Thursday one week, that would count as two (2) unique visits that week.*

ANNUAL ECONOMIC IMPACTS - PHASE 3: NET DIRECT SPENDING

ONGOING IMPACTS OF OPERATIONS - ANNUAL IMPACTS:

After adjusting estimates of gross direct spending for displacement, it is estimated that approximately 43% (or \$29.3 million) of direct spending associated with the annual operations of the proposed Southwest Athletic Complex and would have a net impact on Salt Lake County.

ESTIMATED GROSS DIRECT SPENDING ASSOCIATED WITH SOUTHWEST ATHLETIC COMPLEX

\$60,592,750

DISPLACEMENT
ADJUSTMENT

NET DIRECT SPENDING IMPACTING SALT LAKE COUNTY

Estimated In-Facility Direct Spending (Net)	\$1,039,759
Estimated Out-of-Facility Direct Spending (Net)	\$25,038,940
Total Estimated Direct Spending - Net:	\$26,078,699
Net Spending as % of Gross:	43%

Note: "Net" Direct Spending only accounts for spending occurring in Salt Lake County by outside visitors to the County.

** Note: Represents annual spending, presented in 2023 dollars.*

ANNUAL ECONOMIC IMPACTS - PHASE 3: BY INDUSTRY

It is estimated that the Food & Beverage industry in Salt Lake County would benefit the most from the annual visitation impacts of the proposed Southwest Athletic Complex (39% of incremental direct spending), followed by lodging (24%), shopping (17%), and entertainment (11%).

TOTAL NET DIRECT SPENDING (BY INDUSTRY):

Sports	\$1,040,000	4%
Lodging	\$6,280,000	24%
Food & Beverage	\$10,101,000	39%
Shopping	\$4,329,000	17%
Entertainment	\$2,886,000	11%
Transportation	\$1,443,000	6%
TOTAL:	\$26,079,000	100%

Note: Represents annual impacts. Presented in 2023 dollars.

It is estimated that the proposed Southwest Athletic Complex could generate \$641,000 annually in incremental tax revenue for Salt Lake County.

FISCAL IMPACTS OF OPERATIONS: NET ANNUAL COUNTY TAX REVENUE

Tax Type	Tax Rate	Est. Tax Revenue
Salt Lake County Sales Tax	0.35%	\$66,000
Salt Lake County Room Tax	4.25%	\$267,000
Salt Lake County Tourism Tax	0.50%	\$31,000
Salt Lake County Restaurant Tax	1.00%	\$277,000
Total Annual Tax Revenue - Salt Lake County:		\$641,000

Note: Taxes based on direct spending only

Victus Advisors estimates that sports tourism associated with the proposed Southwest Athletic Complex at full build-out could generate approximately 49,000 incremental annual hotel nights in Salt Lake County, as shown below.

Estimated Incremental Annual Hotel Impacts - Salt Lake County	
Total Visitors Staying in Salt Lake County Hotel/Motel:	147,186
Estimated People Per Room:	3.0
Total Rooms Utilized:	49,062
Average Nights per Room:	1.0
Total - Incremental Annual Room Nights in County:	49,062
Average Daily Room Rate (ADR):	\$128.00
Total - Incremental Hotel Room Spending:	\$6,279,936

Notes:

- (1) *Overnight Visitors estimate developed by Victus Advisors as part of our Utilization & Attendance Estimates*
- (2) *Total Hotel Room Spending represents direct hotel room spending only in 2023 dollars, and does not include indirect or induced impacts*

Year	Direct Spending	Hotel Nights	County Tax Revenues			
			Sales Taxes	Room Taxes	Tourism Taxes	Restaurant Taxes
1	\$15,023,400	29,400	\$39,600	\$160,200	\$18,600	\$18,600
2	20,031,200	39,200	52,800	213,600	24,800	24,800
3	25,039,000	49,000	66,000	267,000	31,000	31,000
4	25,790,170	49,000	67,980	275,010	31,930	31,930
5	26,563,875	49,000	70,019	283,260	32,888	32,888
6	27,360,791	49,000	72,120	291,758	33,875	33,875
7	28,181,615	49,000	74,284	300,511	34,891	34,891
8	29,027,064	49,000	76,512	309,526	35,937	35,937
9	29,897,875	49,000	78,807	318,812	37,016	37,016
10	30,794,812	49,000	81,172	328,376	38,126	38,126
11	31,718,656	49,000	83,607	338,228	39,270	39,270
12	32,670,216	49,000	86,115	348,374	40,448	40,448
13	33,650,322	49,000	88,698	358,826	41,661	41,661
14	34,659,832	49,000	91,359	369,590	42,911	42,911
15	35,699,627	49,000	94,100	380,678	44,199	44,199
16	36,770,616	49,000	96,923	392,099	45,525	45,525
17	37,873,734	49,000	99,831	403,861	46,890	46,890
18	39,009,946	49,000	102,826	415,977	48,297	48,297
19	40,180,245	49,000	105,911	428,457	49,746	49,746
20	41,385,652	49,000	109,088	441,310	51,238	51,238
21	42,627,221	49,000	112,361	454,550	52,775	52,775
22	43,906,038	49,000	115,731	468,186	54,359	54,359
23	45,223,219	49,000	119,203	482,232	55,989	55,989
24	46,579,916	49,000	122,779	496,699	57,669	57,669
25	47,977,313	49,000	126,463	511,600	59,399	59,399
26	49,416,633	49,000	130,257	526,948	61,181	61,181
27	50,899,132	49,000	134,164	542,756	63,017	63,017
28	52,426,106	49,000	138,189	559,039	64,907	64,907
29	53,998,889	49,000	142,335	575,810	66,854	66,854
30	55,618,855	49,000	146,605	593,084	68,860	68,860
Cumulative Total:	\$1,110,002,000	1,441,000	\$2,926,000	\$11,836,000	\$1,374,000	\$1,374,000
Net Present Value:	\$442,344,000	n/a	\$1,166,000	\$4,717,000	\$548,000	\$548,000

TOTAL IMPACTS (NET) AT FULL BUILD-OUT

Over a 30-year period, proposed Southwest Athletic Complex is estimated to have a total net impact of over \$1.1 billion in direct spending, over 1.4 million incremental hotel nights, and over \$17.5 million in Salt Lake County tax revenues.

It should be noted that we have assumed that a stabilized year of operations will occur by year 3, at which point the venue's annual usage and event activity is assumed to hold stable for the remainder of the venue's useful life.

Notes: Assumes 3% annual inflation. NPV was calculated based upon a 6% discount rate. Operational stabilization is assumed to occur by Year 3.

Victus Advisors was also tasked with assessing the potential economic and fiscal impacts that could be generated within Salt Lake County if the Southwest Athletic Complex (SAC) in Herriman and the Regional Athletic Complex (RAC) in Salt Lake City partnered to host a large national tournament.

For purposes of this analysis we have utilized the following key assumptions:

- The two athletic complexes could provide up to 38 soccer fields to a tournament organizer
- We have assumed that a large national soccer tournament could include:
 - 500 teams
 - 20 players/coaches + 40 spectators per teams
 - 30,000 total visitors (95% originating from outside of Salt Lake County)
 - 3 days of tournament play

SCENARIO ANALYSIS: ECONOMIC IMPACTS OF A COMBINED SAC/RAC TOURNAMENT (CONT.)

It is estimated that a 3-day / 500-team national soccer tournament utilizing 38 fields in Salt Lake County could generate nearly \$6.5 million in net new directing spending within the County, as shown below.

**ESTIMATED NET DIRECT SPENDING IN SALT LAKE COUNTY
ASSOCIATED WITH A LARGE NATIONAL SOCCER TOURNAMENT
HOSTED BY THE COMBINED SAC/RAC***

<u>Industry</u>	<u>Esitimated Net Direct Spending</u>	<u>% of Total</u>
Sports	\$2,710,000	42%
Lodging	\$1,915,000	30%
Food & Beverage	\$998,000	15%
Shopping	\$428,000	7%
Entertainment	\$285,000	4%
Transportation	\$143,000	2%
TOTAL:	\$6,479,000	100%

*Key assumptions include 38 fields, 500 teams for 3 days, and 95% of visitors from outside Salt Lake County

SCENARIO ANALYSIS: ECONOMIC IMPACTS OF A COMBINED SAC/RAC TOURNAMENT (CONT.)

It is estimated that a 3-day / 500-team national soccer tournament utilizing 38 fields in Salt Lake County could generate \$108,000 in net new County tax revenues, as shown below.

ESTIMATED NET COUNTY TAX REVENUE GENERATED BY A LARGE SOCCER TOURNAMENT AT THE SAC/RAC

Tax Type	Tax Rate	Est. Tax Revenue
Salt Lake County Sales Tax	0.35%	\$6,000
Salt Lake County Room Tax	4.25%	\$81,000
Salt Lake County Tourism Tax	0.50%	\$10,000
Salt Lake County Restaurant Tax	1.00%	\$11,000
Total Annual Tax Revenue - Salt Lake County:		\$108,000

SCENARIO ANALYSIS: ECONOMIC IMPACTS OF A COMBINED SAC/RAC TOURNAMENT (CONT.)

It is estimated that a 3-day / 500-team national soccer tournament utilizing 38 fields in Salt Lake County could generate nearly 15,000 hotel nights, as shown below.

Estimated Hotel Impacts of Large National Soccer Tournament at the SAC/RAC in Salt Lake County	
Total Visitors Staying in Salt Lake County Hotel/Motel:	17,955
Estimated People Per Room:	3.0
Total Rooms Utilized:	5,985
Average Nights per Room:	2.5
Total - Incremental Annual Room Nights in County:	14,963
Average Daily Room Rate (ADR):	\$128.00
Total - Incremental Hotel Room Spending:	\$1,915,200



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