

Economic Analysis for Indoor Sports Facility January 2023

A presentation on the proposed indoor sports facility by Evan Eleff of Sports Facilities Advisors has been recorded and is available for viewing: <https://youtu.be/3J2HZ5EC44g>. This presentation provides a general grounding of the economic and community benefits of multi-use indoor sports facilities and the projected economic impacts of a facility located on the Lane Events Center campus.

The proposed indoor sports facility has now assembled a solid set of estimates to better define the project for consideration by elected officials and the public:

1. Estimated cost to construct: \$80 million
2. Square footage: 135,000 (152,000 including mezzanine), with 75,000 sf of competition space accommodating a hydraulic, banked track that flattens to accommodate a wide range of activities, including:
 - 16 volleyball courts
 - 9 basketball courts
 - 21 wrestling mats
3. Flat floor able to accommodate a wide range of sports and non-sports events and support overall LEC campus events and operations.
4. Seating: 4,250, comprised of 3,000 fixed and 1,250 temporary seats.
5. Projected annual economic impact at maturity (3-5 years): \$20.6 million, growing higher if competitively bid events are secured. The first five years of operation will generate \$91.1 million in economic impact.

This impact number represents direct, first-time visitor spend, new money to the local economy. It does not include all spending generated by the facility, construction spending, or multiplied payroll.

6. Operating efficiency: The indoor sports facility will likely require an operating subsidy of \$40,000 annually with the potential to reach break-even in the future. The required subsidy in the first two years is much higher (\$227k, \$133k).
7. Incremental TLT Generated: Based on 31,000 room nights, using FY22 hotel data, incremental TLT will total \$527,875. Of that, Lane County will receive \$321,315. Eugene will receive \$147,515 and Springfield \$59,045. These are estimates based on current market share and average daily rate in each city.
8. Management: A range of options is available, from public operations as part of the LEC campus to contracting operations to a private operator, either for-profit or non-profit.

Operating efficiency varies amongst the range of possible scenarios. Breakeven on an annual basis is more easily achieved by an operator that provides community sports programs that draw additional local usage of the facility. This could occur through facility rental to local programs as well.