

Proposed Indoor Sports Facility in Lane County

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Travel Lane County has funded a series of reports on the benefits and costs of an indoor sports facility. These reports include economic impact estimates, operating pro forma, community benefits and construction cost estimates.

To build realistic and accurate estimates, we used an existing facility, The Podium, in Spokane, Washington. The Podium opened in fall of 2021 and is off to a very strong start. It is publicly owned and operated by the Spokane Public Facilities District. Sales, promotion, and events are managed by Spokane Sports, the area sports commission. The Podium is expected to operate in the black within five years, even though it was originally projected to need an ongoing annual operating subsidy.

Below is a summary of findings from the studies Travel Lane County has funded. This is shared as a follow-up to public discussions with the Lane County Board of Commissioners about potential tourism facilities that might be partially funded by transient lodging tax (TLT) at either the Lane Events Center (LEC) campus or on other County-owned property. This information has also been provided as an input to the LEC Master Plan process currently underway.

Travel Lane County's perspective is that facilities are needed to grow winter visitor demand to support area restaurants, retail, and hotels. An indoor sports facility does that while providing residents with much-needed sport tournament and activity space at the same time.

We are happy to share a benefits overview presentation from Evan Eleff of Sports Facilities Advisors (SFA). It is 24 minutes long and can be view here: <https://youtu.be/3J2HZ5EC44g>. It begins with a brief introduction of SFA. The project overview begins at 2:23. A look at comparable facilities at 5:12. At 9:00 is an overall State of the Sports Tourism Industry, and at 16:10 community impacts.

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 based on a construction estimate of \$76.9 million including contingencies of \$10M but not including design, permits, and System Development Charges. Some design efficiencies may be possible compared to the Spokane model used, according to the estimator.
2. Square footage: 135,000 (152,000 including outdoor decks and plaza), 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 is projected to require an operating subsidy of \$40,000 annually with the potential to reach break-even in the future. The projected subsidy in the first two start up years is much higher (\$227k, \$133k).
7. Incremental TLT Generated: Based on 31,000 room nights, using FY22 hotel data, incremental annual TLT will total \$527,875. Of that, Lane County will receive \$321,315. The City of Eugene will receive \$147,515 and the City of 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 out 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 projected by SFA to be 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. Spokane will achieve break-even or better with no community programming, and reserves usage only for events that contribute to the economy.



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