



DRAFT

PHASE I EXECUTIVE SUMMARY:

MARKET FEASIBILITY STUDY FOR A PROPOSED
INDOOR SPORTS COMPLEX

Draft Submitted to the City of Hagerstown - July 18, 2018





INTRODUCTION & MARKET ANALYSIS



Project Background - Victus Advisors was engaged by the City of Hagerstown, Maryland ("Hagerstown" or the "City") in April 2018 to conduct an independent Market Feasibility Study for a proposed indoor youth/amateur sports complex. Victus Advisors assessed the local sports community in the City and Washington County (the "County"), as well as relevant regional sports tourism event markets, to identify opportunities for increasing Hagerstown's market potential for youth and amateur sports activity.

Project Goals - Our primary project goals for the initial phase of this study (as presented in this Interim Report) include:

- Engaging local sports community stakeholders and regional sports facility user groups to assess the strengths and weaknesses of the Hagerstown sports market.
- Identifying and recommending potential improvements to Hagerstown's current participatory sports facility and venue inventory, and more specifically, recommending the type and location for a new indoor sports complex in Hagerstown.

Demographic & Socioeconomic Analysis - The City of Hagerstown is the county seat of Washington County. Hagerstown is the sixth most populated city in Maryland, with an estimated population of 41,515, and Washington County is the tenth largest county in Maryland, with a current estimated population of 151,388 people.

The Hagerstown-Martinsburg MD-WV Metropolitan Statistical Area ("Hagerstown MSA") as a whole has had recent and projected population growth rates higher than the national average, much of which has been driven by population growth in Berkeley County, West Virginia. Berkeley County has been the fastest growing county in West Virginia over the past decade, with it's population expected to double between 2000 and 2023. It is believed that much of the population growth within the Hagerstown MSA is driven by an influx of residents and retirees from the Baltimore-Washington area. Population growth is typically a positive indicator for future amateur sports and recreation demand.

The City of Hagerstown has a relatively low percentage of households with children. However, Washington County and the Hagerstown MSA have percentages slightly above the U.S. average. A high percentage of households with children is a positive indicator for youth sports demand in the region.

Convenient access to hotels, restaurants, and retail outlets is also an important component of hosting sports tournament activity. Victus found that lodging (minimum 2-star rating) in Hagerstown is primarily concentrated in the eastern part of the town along Route 40 and near the junction of Interstates 70 and 81. Numerous food/restaurant options are clustered near downtown Hagerstown, along route 40 to the east, and near I-70/I-81; however there are limited retail options in the downtown Hagerstown area.



LOCAL SPORTS PROGRAM & FACILITY INVENTORY



Local Facility Inventory - As part of our community survey process, which is detailed later in this report, Victus Advisors gathered feedback from respondents regarding their satisfaction with the current amateur sports facilities in Hagerstown and Washington County. The ARCC at Hagerstown Community College had the highest facility satisfaction rating. The ARCC and Fairgrounds Park were the only facilities to receive an “above average” score, with all other facilities rated below average. It is also worth noting that Softball Fields at City Park and Funkhouser Park were the lowest rated sports facilities.

Limited Indoor Court/Gym Access - Indoor sports groups such as basketball and volleyball have had to rely on private schools and elementary/middle schools for gym access, due to the limited availability of multi-court indoor facilities.

Local Youth & Amateur Sports Needs - Many people associated with youth/amateur sports organizations in Hagerstown and Washington County expressed strong demand to Victus Advisors for immediate utilization of new sports facilities, such as:

- **Basketball & Volleyball** - Basketball and volleyball groups in the area have very fragmented facility usage across schools and churches. There is demand for a true multi-court indoor facility outside of the ARCC and St. James School (a private school that rents gym space to a limited number of outside users).

- **Artificial Turf (Indoor & Outdoor)** - There is a need for indoor space for indoor soccer games/leagues and indoor lacrosse practice space in the winter months, as well as practice space during inclement weather for all field sports. Many field sports users have also expressed the need for artificial turf fields outdoors that can be used even when it rains or snows.
- **Multi-Use Outdoor Fields** - Many non-soccer users complained about the inability to access City soccer fields that are controlled by individual soccer groups. Lacrosse and football users in particular have a significant need for additional outdoor field access. Lighted outdoor fields was another common request from all user groups, especially for adult recreation leagues.
- **Ice Hockey & Skating** - Ice groups cite the need for an additional ice sheet and other updates to the Sports & Ice Complex. An expansion to two ice sheets would allow the Complex to bid for sports tourism events, such as hockey tournaments and figure skating competitions, and also provide more local ice time.
- **Baseball & Softball** - Many baseball and softball representatives felt that the local outdoor facilities were adequate for current demand, but baseball and softball groups did indicate that they could also utilize indoor training space in the early spring, if available.



COMPARABLE FACILITY ANALYSIS



Comparable Facilities - Victus Advisors analyzed existing sports facilities located in the comparative markets that were identified by local stakeholders and survey respondents as frequent travel destinations for Hagerstown-area sports groups.

- Frederick Indoor Sports Center - Frederick, MD
- Maryland Soccerplex - Boyds, MD
- Body Renew Fitness and Family Sports Center - Winchester, VA
- Rockville Sportsplex - Rockville, MD
- Carroll Indoor Sports Center - Westminster, MD
- Dulles Sportsplex - Sterling, VA
- Prince George's Sports and Learning Complex - Landover, MD
- In the Net - Palmyra, PA
- Spooky Nook - Manheim, PA

Many of these competitive facilities are located southeast of Hagerstown towards the Washington, D.C. area along I-70 and I-270.

The comparative facilities have the following sports amenities:

Facility	City, State	Number of Fields/Courts	
		Soccer/Multi-Use Fields	Basketball Courts
Body Renew Fitness & Family Sports Center	Winchester, VA	1	1
Carroll Indoor Sports Center	Westminster, MD	3	1
Dulles Sportsplex	Sterling, VA	4	3
Frederick Indoor Sports Center	Frederick, MD	2	1
In The Net	Palmyra, PA	6	-
Maryland Soccerplex	Boys, MD	24	8
Prince George's Sports & Learning Complex	Landover, MD	-	-
Rockville Sportsplex	Rockville, MD	3	3
Spooky Nook	Manheim, PA	5	10
AVERAGE		6	4
MEDIAN		4	3

Sources: Facility operators; Victus Advisors research

Note: Sorted by Facility in alphabetical order

The majority of the multi-field and multi-court facilities reviewed in this section, as shown above, feature two (2) to six (6) multi-use fields, and/or three (3) to ten (10) basketball courts (which are also typically convertible to a higher number of volleyball courts).



INTERVIEWS SUMMARY



Overview - In May and June 2018, the City of Hagerstown identified participants and scheduled a series of one-on-one interviews (in-person and telephone) and group interviews for Victus Advisors. The goals of these interviews were to gather feedback from key stakeholders and sports community leaders regarding the amateur sports market and facilities in Hagerstown and Washington County. In all, Victus Advisors engaged with more than 40 local, regional, and national organizations. In addition, the City of Hagerstown invited key local sports community leaders to participate in focus group sessions, with twenty (20) individual participants ultimately attending.

Key Takeaways:

- The Maryland Sports Commission believes they could drive significant activity to a new indoor sports center in Hagerstown with basketball/volleyball courts, a convertible multi-use floor, and up to 1,500 retractable bleacher seats.
- A second sheet of ice at the Hagerstown Ice & Sports Complex would allow the Maryland Sports Commission to start marketing the facility as a regional hockey tournament destination.
- A representative from the County said they would like to see a 70,000 to 80,000 square foot indoor facility built with both indoor courts/fields and outdoor field space. They also felt that a County-City partnership would make the project more feasible and able to benefit a larger constituency.

Potential Interest in New Facilities:

- A local lacrosse club stated they would be able to add a summer indoor league, more practices, and a local tournament if a proper indoor soccer/lacrosse field is built.
- A volleyball representative indicated that Hagerstown could be a viable destination for a volleyball tournament if the event was large enough and had a good facility. She recommended building a venue with around 5 basketball/volleyball courts that was also able to house other sports as well (outdoor and indoor). As volleyball has increased in size, there are clubs always looking for more court space.

Demand for New Facilities:

- There is high demand for basketball and volleyball court space in Hagerstown. Multiple groups expressed difficulty in finding gym space for practices and games, let alone multi-court facilities for hosting tournament activity.
- Many soccer representatives stated they travel out of the area to Frederick or other locations to participate in indoor soccer. Indoor practice space, artificial turf fields, and futsal were mentioned as activities lacking in the Hagerstown and Washington County area. The lack of artificial turf or indoor facilities forces spring soccer to have a later start if it snows in March/April.
- Lacrosse groups expressed interest in more access to both outdoor fields and new indoor space for indoor practices and box lacrosse.



SPORTS COMMUNITY SURVEY RESULTS



Overview - In addition to meetings and interviews, in June 2018, Victus Advisors also conducted online surveys with 716 local parents, participants, coaches, and other such members of the amateur sports community in the Hagerstown and Washington County area. The survey link was distributed by the City of Hagerstown via City-controlled email databases and social media accounts. Survey topics included: general demographic information, sports and recreation facilities frequented in the Hagerstown and Washington County area, general attitudes toward amateur sports in Hagerstown and Washington County, and ideal features of amateur sports host cities and facilities.

Survey Respondent Profile:

- 28% Hagerstown residents; 59% other Washington County residents; 13% other MD, WV, PA
- 42% Male, 58% Female
- 91% between the ages of 25 and 64 (51% age 25 to 44, 41% age 45 to 64)
- 89% White, 5% African-American, 2% Hispanic, 3% Multiracial, 1% Other, <1% Asian
- Median Household Income: \$100,000 - \$125,000
- 73% live in a household with children under 18 (median # of children in household: 2)
- 88% live in a household where at least one member has participated in amateur sports in Hagerstown or Washington County

Survey Results:

- 66% of the respondents were parents of youth sports participants, and more than 40% were either coaches or adult sports participants.
- Soccer, Basketball, Baseball, and Volleyball were the sports that survey respondents were most involved with in Hagerstown and Washington County.
- Fairgrounds Park, the ARCC, and the YMCA were cited as the venues most visited in the County.
- Soccer and Baseball were identified as the most established sports in Hagerstown and Washington County. It is worth noting that Basketball and Volleyball are also relatively established in the area despite a significant lack of indoor gym space.
- Lacrosse, Basketball, and Volleyball were identified as the sports with the most potential in Hagerstown and Washington County. Increased field access for lacrosse, and increased court access for basketball and volleyball, would be significant drivers in Hagerstown for incremental sports participation and tournament opportunities.
- 24% of respondents chose Frederick as the city that does the best overall job as an amateur sports host. 18% of respondents also recognized Central Pennsylvania (Hershey, Manheim, Lancaster area) as one of the best sports destinations.
- 73% of respondents cited Quality of Sports Facilities as the primary reason in determining their favorite amateur sports destination. The finding that the #1 sports tourism driver is providing a high-quality sports facility is consistent with Victus Advisors' findings on similar projects across the country.



SPORTS FACILITY PROGRAM RECOMMENDATIONS



Strengths of the Hagerstown Market as a Sports Destination:

- Hagerstown is a highway transportation hub along the I-81 corridor, drawing visitors from up and down the east coast.
- The broader Hagerstown MSA (including Berkeley County, WV) has had recent population growth rates higher than the national average. Regional growth provides opportunities to attract economic impacts to Hagerstown via new sports and entertainment assets.
- Availability of clean, family-friendly, affordably-priced lodging, especially on the east side of the City along Route 40, and near the junction of Interstates 70 and 81.

Weaknesses of the Hagerstown Market as a Sports Destination:

- Indoor court/turf space is extremely limited in the greater Hagerstown area. There is only one notable indoor facility with basketball and volleyball courts, the ARCC, which has limited available time for outside access.
- Hagerstown and Washington County both had annual population growth rates below the U.S. national average over the last 18 years, and both have 5-year projected annual growth rates below the national average. Household income levels within Hagerstown and Washington County are also below the national average.
- Visit Hagerstown does not have a dedicated sports marketing professional (although it should be noted that the area also lacks sports tourism-caliber facilities that could justify the addition of a dedicated sports marketer).

Facility Concept Recommendations:

The City of Hagerstown should consider the development of an indoor, multi-court, tournament-caliber sports facility. Based upon the results of our market and facility analysis, Victus Advisors recommends that a new indoor sports center in Hagerstown should have:

- **Recommendation:** At least four (4) to six (6) basketball courts, which could be convertible to eight (8) or more volleyball courts. Column-free hard court surfaces could also be used by futsal, field hockey, etc. During the week, these courts could be used primarily for local practices and games, with weekends dedicated to attracting sports tournament activity. **Rationale:** Victus found that indoor, multi-court facilities are significantly lacking in the Hagerstown area. An indoor, multi-court, basketball/volleyball facility could balance the seasonality of the City's current sports tourism calendar and drive economic impacts in the winter and early spring.
- **Recommendation:** Depending on budget, at least one (1) to two (2) indoor artificial turf fields should also be considered. Each field could be utilized as one (1) full-length soccer or lacrosse field, or two (2) shorter fields for youth soccer games, various field sport practices, batting cages, etc. It is expected that the primary users of indoor turf would be local. **Rationale:** Access to indoor field space would benefit outdoor field groups that could train and practice during the winter months, as well as indoor soccer groups that currently travel to Frederick for their practices and games.



SPORTS FACILITY LOCATION ANALYSIS

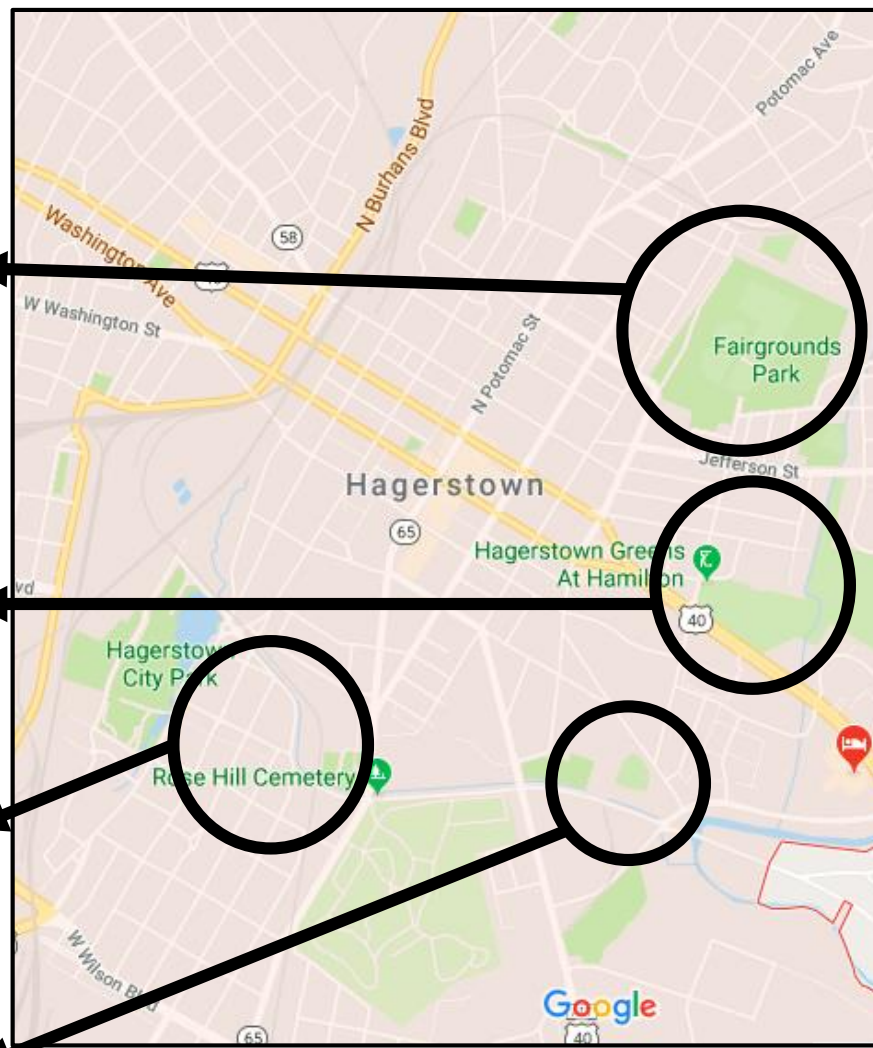
Victus Advisors was also tasked with recommending potential locations for an indoor sports center to maximize the City's ability to capture economic impacts via sports tourism (typically via nearby hotels, retail, and restaurants located within a 5-minute drive). Four areas were mentioned the most in our research:

Fairgrounds Park - To build an indoor sports center at the Park, the City could consider: a) removing existing grandstands on the west side of the Park, or b) building on open land to the south of the Ice Complex. A new sports center at the Park would create a single indoor/outdoor sports destination located conveniently between downtown Hagerstown and east side hotels to capture economic impact. That said, Victus recommends the grandstand site for a new indoor court/turf facility, with the Ice Complex site preferred for a 2nd ice sheet.

The Greens at Hamilton Run - Several stakeholders felt this underutilized 9-hole golf course would be a good sports center location, with proximity to both Fairgrounds Park and east side hotels, restaurants, and retail, to capture economic impact. Many also cited that the golf course operates at an annual deficit of over \$200,000.

Downtown Hagerstown - Downtown redevelopment was often noted as a key goal for the City, however based upon Victus' sports industry experience, site-constrained urban parcels with limited on-site parking may not be ideal for a youth sports venue. Several user groups also cited a perception that downtown may not be as safe as other areas.

Municipal Stadium - Sites near Municipal Stadium may not be ideal for a youth sports tourism venue, as many surrounding uses are industrial and the area is known to be flood-prone. Additionally the site does not have nearby access to hotels, retail, and dining.





ADDITIONAL SPORTS TOURISM OPPORTUNITIES



Victus Advisors also recommends that the City of Hagerstown consider the following sports tourism facility upgrades, in addition to a new indoor sports center with courts/fields:

Outdoor Field Upgrades and/or Expansion at Fairgrounds Park:

- The City should consider adding lights to the softball and multi-use fields. Lights could extend usage both daily and seasonally, which could potentially provide more access for all groups.
- The City should also consider adding an additional softball field to create a 4-plex, which the Maryland Sports Commission indicated could be appealing to regional tournaments.
- Lastly, the City should consider adding more multi-use rectangular fields adjacent to Fairgrounds Park, if possible. Based upon preliminary discussions with City staff, the City could potentially gain access to undeveloped land to the east of Fairgrounds Park. If budgets allow, the City also consider both artificial turf and lights for any new multi-use fields.

Expansion of Hagerstown Ice & Sports Complex to add a 2nd Sheet of Ice:

- A 2-sheet ice arena in Hagerstown could not only provide more ice access to local users, but also draw new regional tournament activity. According to the Maryland Sports Commission, they cannot currently market the Ice & Sports Complex as a sports tourism facility, because regional hockey tournaments and figure skating competitions require at least two sheets of ice.
- It should be noted that the Ice Complex's Board is currently exploring options for a second ice sheet that also include turf and/or courts on a second level above the ice, however Victus Advisors is not familiar with any comparable facility models and is concerned there may be potential moisture issues by combining cold/warm uses in one building. It is recommended that project architects/engineers analyze the feasibility of combining ice with fields/turf in future project phases.



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