

Increasing Tourism through Sports:

**An Assessment of Loudoun County's Market Position to
Attract and Retain Non-Local Sports Tournaments**

Sportsimpacts

St.Louis/Los Angeles

Sportsimpacts Bio

Sportsimpacts is a consulting firm that specializes in conducting economic impact and market research studies for sporting events, teams, leagues, and athletic departments. Past clients include local/regional sports commissions, convention and visitor bureaus, city councils, law firms, professional sports teams and leagues, and college athletic departments.

Founded in 2000, Sportsimpacts has conducted over 70 studies. Some of the more prominent projects/clients have included Super Bowls XL (2006) and XLV (2011) , Men's and Women's Final Four, Major League Baseball All-Star Game, the Ryder Cup, the Cotton Bowl, Ohio State athletics, University of Texas athletics, and over 20 Division I NCAA Championships.

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With numerous academic publications to his credit, Dr. Rishe was a guest speaker in 2011 and 2012 at Harvard University, as well as 2011 at the University of British Columbia, on topics relating to the sports business industry. Since writing for Forbes.com beginning in May 2010, Dr. Rishe has published over 350 articles on the Sports Business industry.

Reader's Note

During the course of our engagement with Visit Loudoun which began in April 2012, Sportsimpacts has interviewed Youth and Amateur Sports Professionals from Virginia, Maryland, Florida, and Missouri who collectively have over 75 years of experience in recruiting events, organizing events, generating resources to help facilitate events, and working with community resources to enhance the degree of local collaboration from civic, political, and business leaders. Through these interviews, we were also able to obtain information regarding recent regional trends within Virginia and surrounding states regarding which sports are the most popular regionally.

Additionally, Sportsimpacts interviewed executives from Sports Fields Inc and Sports Facility Advisory to ascertain updated cost estimates associated with the construction of new sports facilities. We also reviewed numerous studies which analyzed recent trends in youth sports participation rates by sport.

Lastly, we used survey data obtained at the recently contested 2012 ASA Girls Softball Tournament in Loudoun County along with our past research experiences with numerous other amateur sporting events to estimate Spending and Economic Impact forecasts for both the ASA event as well as what is likely to be true for the typical Non-Local Sports Teams that compete in events within Loudoun County.

TABLE OF CONTENTS

Introduction.....	Page 5
Current Market Identity of Loudoun County.....	Pages 6-16
Demand Trends in Youth Sports Participation.....	Pages 17-22
Competing Regional Sports Facilities.....	Pages 23-28
Facility Cost Estimates.....	Pages 29-36
Economic Impact of Youth Sports Tournaments.....	Pages 37-52
SWOT Analysis.....	Pages 53-59
Concluding Assessments and Recommendations.....	Pages 60-67
Appendix A – Understanding Economic Impact Analysis.....	Pages 68-77

Loudoun County's Market Position for Sports

I. Introduction

Upon first engaging Sportsimpacts, Visit Loudoun expressed a desire to be more competitive regionally in attracting Sports Tournaments for the purpose of boosting tourism spending and economic impact for their region. To that end, we engaged in a rigorous analytical process to ascertain answers to the following questions:

- a) What type of economic benefits does the region currently enjoy annually from attracting Non-Local Travel Sports Teams to Loudoun County?
- b) What comparative strengths and weaknesses exist for Loudoun County relative to other communities within a 250-mile radius?
- c) Is Visit Loudoun currently pursuing the best mix of sporting events to its region, and if not, how can this mix be strategically improved to attract greater visitor dollars to the region?
- d) Do the existing sports facilities within Loudoun County offer the appropriate degree of *commercial flexibility* to attract the optimal mix of sporting events? If not, what would be the added cost of structural facility upgrades or new facility construction? Lastly, would these added costs be justifiable in light of the added benefits yielded from these facility improvements?

In examining these issues, we looked at (1) Loudoun County's Current Market Identity, (2) Demand Trends in Youth Sports Participation, (3) Competing Regional Sports Facilities, (4) Facility Cost Estimates, (5) Economic Impact Projections of Youth Sports, (6) Regional SWOT Analysis, and (7) Concluding Assessments and Recommendations.

II. Current Market Identity

Loudoun County's Market Position for Sports

A. Available Sports Facilities within Loudoun County

Below is a list of both public and private facilities that the region has promoted in the past in an effort to attract youth and amateur sports tournaments. Of the 22 sports venues listed, 12 are softball/baseball complexes. This may explain why between 62-97% of "Room Night Bookings" annually between 2008 and 2011 stem from either Softball or Baseball (as the table below will show).

Regarding indoor facilities, only 4 of the 22 venues are listed as capable of hosting popular sports such as basketball and volleyball. Furthermore, among those 4 facilities, only 2 of the 4 have adequate bleacher seating.

The full table of facilities is below, including a separate list of county golf courses. These are included because Visit Loudoun has seen greater success in attracting visitor spending through golf tournaments in 2010 and especially 2011.

Loudoun County's Market Position for Sports



Sports Venues*	Baseball	Basketball/Volleyball	Disc Golf (No. of Holes)	Ice Skating/Hockey	Paintball	Soccer/Lacrosse/Football	Softball	Tennis	Seating	Lighted Fields/Courts	Concessions Onsite	Restrooms Onsite	Clubhouse/Rec Center	Meeting Facilities
Algonkian Regional Park	-	-	-	-	2	-	-	N	N	Y	Y	Y	Y	Y
Ashburn Ice House	-	-	2	-	-	-	-	Y	Y	Y	Y	Y	N	N
Brambleton Fields Site	4/300'	-	-	-	-	2/200'	-	Y	N	N	N	N	Y	Y
Claude Moore Park	4/300'	1	-	-	2	3/200'	-	Y	Y	Y	Y	Y	Y	Y
The Dog Yard (Opening 2013)	1/320'	-	1	-	1	-	-	Y	Y	Y	Y	Y	Y	Y
Dulles Indoor Sportsplex	-	3	3	-	3 indoor	-	-	N	Y	Y	Y	N	N	N
Edgar Tillet Memorial Park	2/300'	-	-	-	-	2/200'	-	Y	Y	N	N	N	N	N
Firemans Field	1/390'	-	-	-	1	-	-	Y	Y	Y	Y	N	N	N
Flexx Sports & Entertainment Center	-	2	-	-	indoor	-	4	N	Y	Y	Y	Y	N	N
Franklin Park	3/300'	-	18 inline	-	5	2/200'	-	Y	Y	Y	Y	N	N	N
Freedom Park	4	-	-	-	1	4/200'	-	Y	Y	Y	P	N	N	N
Hogback Mountain Paintball	-	-	-	14	-	-	-	N	N	Y	Y	N	N	N
Ida Lee Park & Recreation Center	-	2	-	-	2	-	7	Y	Y	N	Y	Y	Y	Y
Mickie Gordon Memorial Park	3/380'	-	-	-	3	5/200'	2	Y	Y	N	P	N	N	N
Morven Park (2012-2014)	-	-	-	-	11	-	-	N	N	Y	Y	N	Y	Y
Pev's Paintball Park	-	-	-	14	-	-	-	N	Y	Y	Y	N	N	N
Philip A Bolen Memorial Park	5/300'	-	-	-	8	4/300'	-	Y	Y	N	Y	N	N	N
Potomack Lakes Sportsplex	4/300'	-	-	-	6	4/300'	-	Y	Y	Y	Y	N	Y	Y
Robinson Park	1/300'	-	-	-	1	1/200'	-	Y	N	N	N	N	N	N
Sully Elementary	-	-	-	-	-	3/200'	-	Y	Y	Y	N	N	N	N
Trailside Park	3/300'	-	-	inline	-	2/200'	-	Y	Y	Y	Y	N	N	N
Woodgrove Park	1/300'	-	-	-	1	2/200'	-	Y	Y	N	N	N	N	N

*This list highlights key facilities in Loudoun. More facilities may be available for booking or overflow for your event.

GOLF	Number of Holes	Driving Range	Lighted Course/Driving Range	Onsite Instruction	Pro Shop	Seating	Concessions Onsite	Restrooms Onsite	Clubhouse	Meeting Facilities
1757 Golf Club	18	Y	Y	Y	Y	N	Y	Y	Y	Y
Algonkian Regional Park	18	Y	N	Y	Y	N	Y	Y	Y	Y
Brambleton Regional Park	18	Y	N	Y	Y	Y	N	Y	Y	Y
The Golf Club at Lansdowne	45	Y	N	Y	Y	N	Y	Y	Y	Y
Goose Creek Golf Club	18	N	N	Y	Y	N	Y	Y	Y	Y
Raspberry Falls Golf and Hunt Club	18	Y	N	Y	Y	N	Y	Y	Y	Y
River Creek Golf Course	18	Y	Y	Y	Y	N	Y	Y	Y	Y
South Riding Golf Club	18	Y	N	Y	Y	N	Y	Y	Y	N
Westpark Golf Club	18	Y	N	Y	Y	N	Y	Y	Y	Y

Loudoun County's Market Position for Sports

B. Details Regarding "Room-Night" Bookings in Loudoun County

According to information received from Visit Loudoun, marketing to sport tournament directors started approximately 10 years ago. As new facilities have been developed while improvements have been made to older facilities, Visit Loudoun has enjoyed greater success in attracting sports-related tourism activity since 2005. Table A below estimates the Sports Room Nights booked in Loudoun County since 2005. These estimates were provided to Sportsimpacts by Visit Loudoun.

TABLE A: Sports "Room Nights" Booked in Loudoun County Since 2005

Fiscal Year	Room Nights
2005	4,057
2006	2,827
2007	6,885
2008	14,032
2009	14,723
2010	12,198
2011	10,173

This data clearly shows a stark improvement in attracting sports-related tourism when comparing the 2005-2007 period (annual average of 4,590 room-nights) to the 2008-2011 period (annual average of 12,782 room-nights).

Loudoun County's Market Position for Sports

As it relates to segmenting Loudoun County's sports-related tourism across individual sports, softball and baseball have historically been the most successful sports in terms of attracting Tourism through Sports Tournaments. Furthermore, it should be noted that Running Races and Golf have gained momentum in terms of attracting Non-Local Tourists. Table B below offers a breakdown of (1) the number of events booked by sport in each of the last 4 calendar years, (2) what percentage of "Room-Nights" for the calendar year stemmed from that sport, and where applicable, (3) how many event bids were lost that year in that sport.

TABLE B: "Room Nights" by Sport and Year in Loudoun County Since 2008

<u>Sport</u>	<u>CY 2008</u>	<u>CY2009</u>	<u>CY2010</u>	<u>CY2011</u>
Softball	15 Bookings	7 Bookings	8 Bookings	9 Bookings
	45% of RN's Booked	73% of RN's Booked	73% of RN's Booked	56% of RN's Booked
	8 Lost		1 Lost	
Baseball	1 Booking	5 Bookings	1 Booking	1 Booking
	52% of RN's Booked	21% of RN's Booked	5% of RN's Booked	6% of RN's Booked
	*State Little League Finals	1 Lost		
Equine	3 Bookings	1 Booking	1 Booking	1 Booking
	2% of RN's Booked	1% of RN's Booked	1% of RN's Booked	1% of RN's Booked
Running	1 Booking		2 Bookings	3 Bookings
	1% of RN's Booked		1% of RN's Booked	17% of RN's Booked
Golf	1 Lost		1 Booking	1 Booking
			2% of RN's Booked	15% of RN's Booked
Lacrosse	1 Lost			
Frisbee		1 Lost		
Paintball		1 Lost	2 Bookings	2 Bookings
			15% of RN's Booked	4% of RN's Booked
				1 Lost
Football		1 Lost		
Wrestling		1 Lost		
Soccer		1 Lost	1 Booking	
			3% of RN's Booked	
Canine		1 Booking		
		1% of RN's Booked		
Basketball		1 Booking		
		4% of RN's Booked		
Chess			2 Lost	
Social Games			1 Lost	
Figure Skating				1 Booking
				1% of RN's Booked

Loudoun County's Market Position for Sports

The data clearly shows that softball has been a driving force behind Loudoun County Sports Tourism from 2008 through 2011. Baseball has also attracted fans through this time frame. Golf and Running Races spiked significantly in 2011 in terms of their comparative contribution to local Tourism activity.

C. Loudoun County Demographic and Economic Profile

Table 1 below depicts demographic and economic information about Loudoun County relative to the state of Virginia.

TABLE 1: Loudoun County and Virginia Demographic and Economic Profile

COUNTY DATA	Loudoun County	Virginia
Population (2011 estimate)	325,405	8,096,604
Male (2011)	49.5%	49.1%
Female (2011)	50.5%	50.9%
White persons (2011)	72.8%	71.3%
Black persons (2011)	8.0%	19.8%
Asian persons (2011)	15.3%	5.8%
Hispanic or Latino (2011)	12.6%	8.2%
Bachelor's Degree or Higher (age 25+)	57.2%	33.8%
Homeownership Rate	80.8%	68.9%
Median Value of Owner-Occupied Housing Units (2006-2010)	\$495,000	\$255,100
Per Capita Income in past 12 Months (2006-2010)	\$45,356	\$32,145
Median Household Income (2006-2010, in 2010 dollars)	\$115,574	\$61,406
Persons Below Poverty Level (2006-2010)	3.2%	10.3%

As Table 1 reveals, Loudoun County compares favorably in relation to the rest of Virginia when it comes to:

- Level of educational attainment
- Homeownership rates
- Affluence.

Loudoun County's Market Position for Sports

Expanding the focus to neighboring states, Table 2 shows the largest 60 cities within Virginia, Maryland, Pennsylvania, and the District of Columbia. Leesburg, the county seat of Loudoun County, is the 34th largest city among this group.

TABLE 2: 60 Largest Cities within Virginia, Maryland, Pennsylvania and DC

<u>RANK</u>	<u>LOCATION</u>	<u>STATE</u>	<u>POPL</u>	<u>RANK</u>	<u>LOCATION</u>	<u>STATE</u>	<u>POPL</u>
1	Philadelphia	PA	1,547,297	31	Blacksburg	VA	42,881
2	Baltimore	MD	637,418	32	Charlottesville	VA	42,218
3	Washington	DC	601,723	33	Wilkes-Barre	PA	40,964
4	Virginia Beach	VA	433,575	34	Leesburg	VA	40,927
5	Pittsburgh	PA	311,647	35	York	PA	40,434
6	Norfolk	VA	233,333	36	Hagerstown	MD	39,996
7	Chesapeake	VA	222,455	37	State College	PA	39,898
8	Arlington	VA	217,483	38	Chester	PA	37,101
9	Richmon	VA	204,451	39	Annapolis	MD	36,879
10	Newport News	VA	193,172	40	Manassas	VA	36,514
11	Alexandria	VA	150,006	41	Petersburg	VA	32,986
12	Hampton	VA	144,236	42	Norristown	PA	31,989
13	Allentown	PA	107,815	43	Bethel Park	PA	31,545
14	Erie	PA	103,571	44	Willamsport	PA	29,304
15	Portsmouth	VA	99,321	45	Salisbury	MD	28,327
16	Roanoke	VA	94,482	46	Monroeville	PA	27,643
17	Suffolk	VA	83,659	47	College Park	MD	27,286
18	Reading	PA	81,000	48	Easton	PA	26,361
19	Lynchburg	VA	73,933	49	Winchester	VA	26,322
20	Bethlehem	PA	73,088	50	Plum	PA	26,249
21	Scranton	PA	71,944	51	Salem	VA	25,462
22	Rockville	MD	62,105	52	Fairfax	VA	24,665
23	Gaithersburg	MD	59,986	53	Lebanon	PA	24,254
24	Frederick	MD	59,644	54	New Castle	PA	24,060
25	Lancaster	PA	55,439	55	Laurel	MD	22,672
26	Bowie	MD	53,417	56	Greenbelt	MD	21,439
27	Harrisburg	PA	47,418	57	Cumberland	MD	20,449
28	Altoona	PA	46,287	58	Takoma Park	MD	18,027
29	Harrisonburg	VA	45,137	59	Westminster	MD	17,996
30	Danville	VA	44,400	60	Hyattsville	MD	15,604

Loudoun County's Market Position for Sports

Table 3 below shows the largest 40 counties within Virginia, Maryland, and Pennsylvania. Loudoun County is the 22nd largest county within this geographic region.

TABLE 3: 40 Largest Counties within Virginia, Maryland, and Pennsylvania

<u>RANK</u>	<u>LOCATION</u>	<u>STATE</u>	<u>POPL</u>		<u>RANK</u>	<u>LOCATION</u>	<u>STATE</u>	<u>POPL</u>
1	.Philadelphia County	PA	1,526,006		21	.Chesterfield County	VA	316,236
2	.Allegheny County	PA	1,223,348		22	.Loudoun County	VA	312,311
3	.Fairfax County	VA	1,081,726		23	.Henrico County	VA	306,935
4	.Montgomery County	MD	971,777		24	.Northampton County	PA	297,735
5	.Prince George's County	MD	863,420		25	.Howard County	MD	287,085
6	.Baltimore County	MD	805,029		26	.Erie County	PA	280,566
7	.Montgomery County	PA	799,874		27	.Dauphin County	PA	268,100
8	.Bucks County	PA	625,249		28	.Harford County	MD	244,826
9	.Baltimore city	MD	620,961		29	.Norfolk city	VA	242,803
10	.Delaware County	PA	558,979		30	.Frederick County	MD	233,385
11	.Anne Arundel County	MD	537,656		31	.Chesapeake city	VA	222,209
12	.Lancaster County	PA	519,445		32	.Arlington County	VA	207,627
13	.Chester County	PA	498,886		33	.Richmond city	VA	204,214
14	.Virginia Beach city	VA	437,994		34	.Newport News city	VA	180,719
15	.York County	PA	434,972		35	.Carroll County	MD	167,134
16	.Berks County	PA	411,442		36	.Washington County	MD	147,430
17	.Prince William County	VA	402,002		37	.Charles County	MD	146,551
18	.Westmoreland County	PA	365,169		38	.Alexandria city	VA	139,966
19	.Lehigh County	PA	349,497		39	.Hampton city	VA	137,436
20	.Luzerne County	PA	320,918		40	.Stafford County	VA	128,961

Though not the largest county in the region identified above, the Census data revealed that Loudoun County was the most affluent as demonstrated in Table 4 below. In fact, Loudoun County is 1 of only 3 counties in the entire region where the median household income exceeds \$100,000. Perhaps not surprisingly, many of the most affluent counties within the region are in close proximity of Washington, D.C. For example, among the 12 wealthiest counties listed below, only Chester County, PA is located more than 100 miles from D.C.

For maps of these counties, visit <http://www.digital-topo-maps.com/county-map/>.

Loudoun County's Market Position for Sports

TABLE 4: 20 Wealthiest Counties within Virginia, Maryland, and Pennsylvania

<u>RANK</u>	<u>LOCATION</u>	<u>STATE</u>	<u>POPL</u>	<u>MEDIAN INCOME</u>
1	.Loudoun County	VA	312,311	\$ 115,574
2	.Fairfax County	VA	1,081,726	\$ 105,416
3	.Howard County	MD	287,085	\$ 103,273
4	.Arlington County	VA	207,627	\$ 94,880
5	.Montgomery County	MD	971,777	\$ 93,373
6	.Stafford County	VA	128,961	\$ 93,065
7	.Prince William County	VA	402,002	\$ 91,098
8	.Calvert County	MD	88,737	\$ 90,838
9	.Charles County	MD	146,551	\$ 88,825
10	.Chester County	PA	498,886	\$ 84,741
11	.Anne Arundel County	MD	537,656	\$ 83,456
12	.Frederick County	MD	233,385	\$ 81,686
13	.Carroll County	MD	167,134	\$ 81,621
14	.Alexandria city	VA	139,966	\$ 80,847
15	.St. Mary's County	MD	105,151	\$ 80,053
16	.Harford County	MD	244,826	\$ 77,010
17	.Spotsylvania County	VA	122,397	\$ 76,574
18	.Montgomery County	PA	799,874	\$ 76,380
19	.Bucks County	PA	625,249	\$ 74,828
20	.Chesterfield County	VA	316,236	\$ 71,321

This comparative affluence of Loudoun County can be impactful in attracting Non-Local sporting events for many reasons. Such affluence would likely aid fundraising efforts, and those funds could be used for marketing, travel, or other budgetary purposes that would better facilitate the county for attracting and operating such events.

Aside from being the wealthiest county within the region, Loudoun County has other travel amenities that give the region a comparative advantage with respect to attracting tourism such as:

Loudoun County's Market Position for Sports

- Dulles International Airport
 - o Located 17 miles from Leesburg, the county seat of Loudoun County;
- Lodging
 - o There are over 50 hotels, motels, and resorts between Leesburg, Lansdowne, Sterling, and Dulles International Airport, most of which are within a 20 mile drive of sports destinations within Loudoun County;
 - o Additionally, Passkey (a housing bureau service) helps minimize the time and effort exerted by traveling families with booking their local travel accommodations.
- Commuting
 - o There are numerous interstates (e.g. Interstate Routes 66, 95, 270) that lead towards the D.C. region, and there are regional routes (e.g. Dulles Greenway, Harry Byrd Highway, Sully Road) that allow commuters to avoid having to drive through or near Washington, D.C. to get to Loudoun County facilities.
- Tourism
 - o Within easy commuting distance of Washington, DC, a popular tourist destination.

In short, Loudoun County offers convenience for Non-Local visitors traveling to the region for Sporting Events. Additionally, there are numerous hotels, motels, resorts, and inns within Leesburg, Lansdowne, Sterling, and near Dulles International Airport to accommodate large-scale sporting events. Lastly, being situated close to one of America's top destination cities for tourists (Washington, DC) is a further inducement for families to consider Loudoun County as a destination for participating in sports.

Loudoun County's Market Position for Sports

Regarding local industries within the county, 2010 IMPLAN data presented in Tables 5A through 5C below identifies which industries generate the most output, employ the most people, and generate the most labor income within Loudoun County.

TABLE 5A: 10 Largest Industries in Loudoun County – Measured in Output

<i><u>Industry</u></i>	<i><u>Output</u></i>
Telecommunications	\$3,953,493,000
Imputed rental activity for owner-occupied dwellings	\$1,566,560,000
Real estate establishments	\$991,231,400
Wholesale trade businesses	\$980,936,300
Transport by air	\$889,129,000
Construction of other new nonresidential structures	\$855,778,900
* Employment and payroll only (state & local govt, education)	\$737,160,100
Computer systems design services	\$638,461,700
Food services and drinking places	\$637,589,100
Custom computer programming services	\$512,250,800

TABLE 5B: 10 Largest Industries in Loudoun County – Measured in Employment

Loudoun County's Market Position for Sports

<i>Industry</i>	<i>Employment</i>
Food services and drinking places	10,565
* Employment and payroll only (state & local govt, education)	10,279
Computer systems design services	7,376
Wholesale trade businesses	6,492
Real estate establishments	6,388
Telecommunications	5,973
* Employment and payroll only (state & local govt, non-education)	5,883
Construction of other new nonresidential structures	5,479
Services to buildings and dwellings	5,428
Offices of physicians, dentists, and other health practitioners	4,032

TABLE 5C: 10 Largest Industries in Loudoun County – Measured in Labor Income

<i>Industry</i>	<i>Labor Income</i>
Telecommunications	\$878,763,700
Computer systems design services	\$725,748,900
* Employment and payroll only (state & local govt, education)	\$653,683,100
Construction of other new nonresidential structures	\$390,140,000
Custom computer programming services	\$377,707,800
* Employment and payroll only (state & local govt, non-education)	\$374,781,900
Wholesale trade businesses	\$342,166,300
* Employment and payroll only (federal govt, non-military)	\$309,352,000
Architectural, engineering, and related services	\$294,630,300
Offices of physicians, dentists, and other health practitioners	\$290,467,800

As Table 5A and Table 5C show above, Telecommunications is the largest industry in Loudoun County in both Output produced (\$3.95 billion) and Labor Income paid (\$879

Loudoun County's Market Position for Sports

million). Table 5B shows that Telecommunications is the 6th largest in terms of employment at 5,973 workers.

In terms of Output produced, Rental Activity, Real Estate, and Wholesale Trade generate the 2nd, 3rd, and 4th largest output within the county.

In terms of Employment, the largest number of employees work in either the Food/Drinking industry or in Education.

In terms of Labor Income, Computer Systems Design ranks just behind Telecommunications.

III. Demand Trends in Youth Sports Participation

There have been several studies authored within recent years that analyzed youth sports participation trends at the national level. These studies, supplemented by interviews we conducted with regional youth sports professionals, offer useful perspective as to which sports are the most popular at present.

(1) 2009 SGMA Report

The Sporting Goods Manufacturers Association (SGMA) released a comprehensive report in the summer of 2009 which analyzed various aspects of the youth sports industry. Their data was compiled from 41,000 surveys taken in January 2009, and produced some of the following conclusions:

- Basketball was still the most popular team sport among children, while lacrosse was the fastest growing;
 - o 26.2 million children ages 6 and older played basketball in 2008;

Loudoun County's Market Position for Sports

- Basketball, which has topped the survey since SGMA started compiling data in the late 1980s, benefits more than any other sport from the number of informal pickup games and the relatively low cost of equipment.
- Finishing a distant second and third were baseball with 15 million and outdoor soccer with 14.2 million;
- Lacrosse has grown steadily since the turn of the millennium, more than doubling from 518,000 participants in 2000 to 1.1 million in 2008.
 - The only other sports measured by SGMA that posted substantial increases over the same span were paintball and cheerleading.
- Regarding other “growth sports”:
 - Ultimate Frisbee showed the second-largest year-over-year gain, a 21 percent increase from 4 million to 4.9 million participants. It was followed in percentage growth by indoor court volleyball (17 percent, from 7.0 million to 8.2 million);
 - Rugby and indoor soccer each increased 12 percent from 2007;

Additional remarks from the 2009 SGMA study include:

- The team sports that fell the furthest in participation numbers between 2000 and 2008 were roller hockey (down 60 percent), slow-pitch softball (down 28 percent) and ice hockey, beach volleyball and gymnastics (each down approximately 20 percent);
- For team sports that have seen growth, the growth over the last five years has primarily come from increased female participation. However, SGMA found women are still 40 percent less likely to play team sports than the general population;

Loudoun County's Market Position for Sports

- Fred Engh, founder of the National Alliance for Youth Sports, was quoted in a August 2009 Sports Business Journal article as saying that soccer and lacrosse are widely viewed as the sports with the most growth potential over the next five years. Accordingly, Mr. Engh expects outdoor soccer to overtake baseball as the second most popular sport among kids. Furthermore, Jeff Hennion, chief marketing officer at Dick's Sporting Goods, was quoted in the same article as saying that he expects soccer and lacrosse equipment to lead sales of equipment for youth team sports.

<http://www.sportsbusinessdaily.com/Journal/Issues/2009/08/20090817/SBJ-In-Depth/Basketball-Still-Tops-In-Youth-Participation.aspx>

(2) 2008 WSF Report

The Women's Sports Foundation (WSF) investigated the participation of American youth in exercise and organized team sports. The findings were that 72% were participating or had participated in a sport during the past 12 months, while 12% had dropped out of sport and 15% had never played sports. Perhaps more revealing were the statistics showing that gender, race, and location of kids significantly affected their likely sport participation. Using gender as an example, boys were more likely to be involved in sport at every age and more likely to play multiple sports, and a higher percentage of boys tended to be avid sport participants. Girls tended to enter sport later than boys (7.4 years compared to 6.8 years for boys), and girls also dropped out sooner and in greater numbers.

Perhaps more germane to the Loudoun discussion is the WSF data on youth participation rates. As Table 6.2 details below, over 50% of girls participated at some point during their youth in dancing, swimming, basketball, or running. Volleyball,

Loudoun County's Market Position for Sports

soccer, and softball were among the next tier of sports that experienced high participation rates. For boys, over 50% participated in basketball, football, or soccer. Less common among boys were activities such as running, baseball, and weight training. However, each of these second-tier male activities still had between 40-49% participation rates.

TABLE 6.2 Most Frequent Physical Activities (Girls)

Physical activity	% participation
GIRLS	
Dancing	61
Swimming/diving	56
Basketball	55
Jogging/running	53
Volleyball	47
Bowling	47
Soccer	40
Baseball/softball	38
In-line skating	33
Camping/hiking	29
Ultimate Frisbee	29
BOYS	
Basketball	71
Football	65
Soccer	51
Jogging/running	49
Swimming/diving	48
Baseball/softball	48
Bowling	48
Weight training	42
Cycling/mountain biking	33
Skateboarding	29
Ultimate Frisbee	29

<http://www.humankinetics.com/excerpts/excerpts/a-closer-look-at-some-trends-in-youth-sport-participation>

Loudoun County's Market Position for Sports

(3) Consideration of Regional Effects

When one considers regional interest and demands for various youth sporting events, there is no reason to suspect that the sports which are the most popular nationally among youths (e.g. soccer, football, basketball, baseball) aren't also popular both within Loudoun County and within a 300-mile radius of Loudoun County. That said, youth baseball has been on the decline nationally. Furthermore, the data regarding "room nights booked" by Visit Loudoun shows baseball's diminishing influence regionally within the last 2 years.

As the 2009 SGMA report noted, lacrosse has been the fastest growing youth sport, and Loudoun County is extremely close to – if not already a part of – the geographic region of the country where lacrosse is the most popular. Baltimore in particular is a hotbed for youth lacrosse activity, and is a mere 75 mile drive from Leesburg.

Soccer has a long history within the region, buttressed partially by the long-term success of the University of Virginia program as well as other successful programs within the ACC and Big East Conferences of the NCAA. The success of these programs has reinforced the popularity of the sport regionally.

What is interesting upon review of the "room nights booked" data reported earlier is that:

- Girls fast-pitch softball seems to be the dominant youth sport driving amateur sports tourism dollars into Loudoun County;
- There have been few basketball tournaments that have driven room-nights, which seems odd given the popularity of youth basketball;
 - o As the report will conclude, we believe this can be explained by the lack of quality youth basketball facilities within Loudoun County suitable for hosting large tournaments.

Loudoun County's Market Position for Sports

- Visit Loudoun has also failed to book soccer and lacrosse tournaments, despite being geographically located where those sports are comparatively popular among youths.

Some additional observations regarding regional sports interests and past trends

- It is most unusual that, despite soccer and lacrosse being among the most popular sports in Northern Virginia, the region has had a poor history in attracting such events (see Table B, page 9)...making one wonder if this is a by-product of inferior facilities, poor regional branding, or both;
- Two sports cited by the 2009 SGMA report, Ultimate Frisbee and Indoor Volleyball, have seen growth in youth participation nationally. Has Visit Loudoun targeted Non-Local events/tournaments in these sports in the recent past?
- Through our involvement with multiple AAU Junior Olympic Games, it is clear that sports like dance, baton, and cheerleading have grown in interest as well. Have these sports being targeted by Visit Loudoun in the recent past?
- For the most recent calendar year (2011) based on Visit Loudoun data, 36% of youth sports-related room night bookings were from running, golfing, and paintball events. This, despite the fact that none of these sports generated significant room nights prior to 2010. What factors explain the recent success of attracting these events/tournament to Loudoun County?

IV. Competing Regional Sports Facilities

Upon a review of sports facilities within a 300-mile radius of Loudoun County, below is a list of some of the facilities that have had success in attracting Non-Local Sports Tournaments. For each facility, we provide web links to facilitate further examination regarding facility specifications.

(1) Williamsburg Indoor Sports Complex (Williamsburg, VA...156 miles to Dulles Int'l)

- Opened in 2000;
- 77,000 square feet;
- Home to a turf indoor field, a fully equipped Fitness Center, a first class Gymnastics and Cheer Center, Kid's Club – a superior Pre-School – and a Before & After School Center, a premier laser tag facility – Galaxy Tag, the WISC Bounce Zone, Marmon Sports Performance and Fitness and the Venom Baseball facility.
- Founder and President, Chris Haywood: "With the unpredictable nature of the weather, it made perfect sense to construct a covered sports center – where kids and adults could enjoy a wide variety of sports, recreation and fitness – all under one roof."
- http://www.thewisc.com/about/index_E.html

(2) Maryland Sportsplex (Millersville, MD...61 miles to Dulles Int'l)

- Popular destination for Indoor Soccer, Futsal, and Indoor Lacrosse
- <http://www.mdsportsplex.com/>

Loudoun County's Market Position for Sports

(3) Maryland SoccerPlex and Discover Sports Center (Germantown, MD; 40 mi to Dulles Int'l)

- MSP;

- Opened in 2000;
- 19 full sized irrigated soccer fields. Each field measures 115 x 75 yards. The fields are organized in clusters of four or five fields with parking and a comfort station for each cluster. The parking was built at 75 spaces per field to ensure that teams coming for the next game would have ample parking.
- http://www.mdsoccerplex.org/soccerplex/overview/index_E.html

- DSC

- 66,000 square feet;
- 8 basketball and/or volleyball courts on a lined urethane surface from March to November;
- In November, two synthetic turf fields are rolled out complete with netting for indoor soccer, lacrosse, field hockey, baseball, and rugby;
- Includes a Café, arcade, meeting/conference rooms, fully equipped men's and women's locker rooms and family bathrooms.
- http://www.mdsoccerplex.org/dsc/overview/index_E.html

Loudoun County's Market Position for Sports

(4) Northern Virginia Sportsplex (Chantilly, VA...8 miles from Dulles Int'l)

- 50,000 square feet in open venue space;
- 7 Full size Hardwood Basketball Courts;
- 35,000 square foot Retractable Indoor Turf;
- Complete Weight and Fitness Area;
- 1,000 square foot Fitness/Multi-Purpose Room;
- http://northernvirginiaspportsplex.com/?page_id=7

(5) Boo Williams SportsPlex (Hampton, VA...171 miles from Dulles Int'l)

- Opened in 2008;
- 135,000 square feet;
- See fact sheet here
(<http://www.boowilliamssportsplex.com/files/BooWilliams%20%20FactSheet%20revised.pdf>)

(6) Sports Network and Fitness (Manassas, VA...17 miles from Dulles Int'l)

- 28,000 square feet;
- Only 2 fields, but can be used for multiple sports;
- More pertinent for local youth participation than Non-Local Tournaments;
- <http://www.sports-network.com/index.aspx?page=aboutus>

Loudoun County's Market Position for Sports

(7) Virginia Beach Field House (Virginia Beach, VA...217 miles from Dulles Int'l)

- Opened in 2010;
- 175,000 square feet;
- Play host to soccer, flag football, volleyball, basketball, arena (indoor) baseball and softball, field hockey, lacrosse, dodgeball;
- Can host birthday and team parties, corporate events;
- 6 turf fields, 8 regulation volleyball courts, 4 basketball courts, multiple party rooms, an arcade, and an indoor Fun Zone.
- Full locker rooms with day lockers and showers;
- 40 flat screen TV's throughout the building, and four 110' giant screen TV's
- http://beachfieldhouse.com/about/index_E.html

(8) Greenbelt Sportsplex (Glenn Dale, MD...41 miles from Dulles Int'l)

- Opened in 2010;
- 2 large turf fields (142' x 90') for soccer, lacrosse, football and field hockey, and 4 smaller fields (112' x 62') for the youngest of players;
- Use a synthetic GTR playing surface placed on grade instead of concrete;
- http://www.greenbeltsportsplex.com/index.php?option=com_content&view=article&id=19&Itemid=35

(9) Ripken Baseball Facilities (Aberdeen, MD...92 miles from Dulles Int'l)

- Seen as one of the premiere baseball facilities in the country;
- http://www.ripkentournaments.com/filemanager_v4/ripkenbaseball_v4a/1/67/items/6A9CFA23-C4AF-BDEC-D601AC40D05F8D36.pdf

Loudoun County's Market Position for Sports

(10) Bachman Softball Complex (Glen Burnie, MD...63 miles from Dulles)

- Currently, the complex contains 6 lighted softball fields, 1 lighted baseball field, and 1 lighted multi-purpose field. The dimensions of the softball fields are a universal 300 feet. The dimensions of the baseball field are 340 feet down the lines, 380 feet to the power alleys, and 400 feet to center.
- The Bachman Sports Complex and Randazzo Softball Park are the sites of many softball tournaments hosted by national organizations, such as NSA, ISA, USSSA, Senior Softball Association, and other national organizations. In addition, this is the site of the MPSSAA girls' fast pitch semi-final tournament.
- http://www.aacounty.org/RecParks/athletic_facilities/bachman/index.cfm

(11) Moyer SportsPlex (Salem, VA...226 miles from Dulles Int'l)

- Baseball/softball complex which has had great success attracting Non-Local Tournaments;
- See dimensions/layout here http://www.salemva.gov/depts/parks_rec/complex.html

(12) Virginia SportsPlex (Ruther Glen, VA...81 miles from Dulles Int'l)

- Has flexibility to host both outdoor and indoor youth sporting events;
- See dimensions/layout here <http://www.vasportscomplex.com/facilities.asp>

(13) United Sports (Chester County, PA near Philadelphia...145 miles from Dulles)

- 127,000 square feet including facilities catering to both indoor and outdoor sports;
- <http://unitedsports.net/about/facilities/>

Loudoun County's Market Position for Sports

- (14) The Sports Booth Athletic Center (Fredericksburg, VA...50 miles from Dulles)
- 80,000 square feet;
 - 4 basketball courts, one indoor soccer field, mixed-use turf fields for football and lacrosse, mixed-use studio for dance and martial arts;
 - <http://www.thesportsbooth.com/facility.htm>

In sum, it is clear from a review of the numerous quality regional facilities within 250 miles of Loudoun County that there is considerable competition among communities for hosting Sports Tournaments as a vehicle for enhancing local economic development.

V. Facility Cost Estimates

A. Cost Assessments: Outdoor Facilities

Sports Fields Inc. is an industry leading sports facility construction and development company. We had an opportunity to speak with President Brian Storm to gauge the marketplace for construction costs associated with outdoor sports facilities and key components of such facilities such as lighting and fencing.

Field types are categorized into 4 groups:

(1) Entry Level Fields

Existing site soils are laser graded to provide the field base. This option only works when the existing site soils are free of rock materials, or if those rock materials can be removed. No subsurface drainage is installed. This “field type” is best when the field is subject to only occasional play. It would not be suitable for multiple games on any given day throughout the season, and playability would degrade rapidly under those conditions.

(2) Mid-Grade Fields – Natural Turf with Sand-Capped Soil Base

Existing site soils are tilled, laser graded, and then topped with a thin layer of USGA-type sand which is also laser graded. This option works best when the underlying existing site soils are reasonably well drained. Limited subsurface drainage is installed to facilitate drainage. Automatic irrigation systems are installed to provide even and efficient watering. This “field type” is best when the field is subject to only occasional play. It would not be suitable for multiple games on any given day throughout the season, and playability would degrade rapidly under those conditions.

Loudoun County's Market Position for Sports

(3) High End Fields of Distinction – Natural Turf with USGA Sand Rootzone

This type of field can be built without regard to existing soil conditions because existing soils are replaced with an imported blend soil that is both well drained and has excellent recovery potential between events. It is the field of choice for professional athletics and most major collegiate athletics where playing conditions are paramount. The field consists of a compacted sub-grade with a subsurface drainage system consisting of collector lines at the perimeter of the field, and lateral panel drains at regular spacing across the field. A permeable base drainage layer is at the bottom, and a USGA grade sand/organic root zone of 8-12 inch depth is installed over the top of the drainage gravel.

(4) Synthetic Field of Distinction

Synthetic fields are the fields of choice for groups that schedule multiple events per day for several days a week during the season. They are designed to be multiple sport fields where the markings for different sport will be present in different colors. These fields are the lowest cost to maintain and make the most efficient use of limited space. They play equally well in all types of weather and have the ability to drain rapidly. The field base includes a compacted sub-grade with a subsurface drainage system consisting of a perimeter collector line and lateral panel drains, an imported permeable graded aggregate layer, and an in-filled synthetic turf surfacing system. Turf can range from a grass-like appearing monofilament to a more synthetic appearing but perhaps better playing slit film type turf. A combination of these two types is also available. Turf is in-filled with crumb rubber or a mix of rubber and silica sand depending on the type of field and the desired "ball bounce". These fields typically last 8-12 years.

Loudoun County's Market Position for Sports

Table 7 below provides cost estimates per field by sport for different field types. The cost estimates below do not include rough grading or excavation, nor do they take into account extreme material costs due to remote locations from suppliers nor does it include prevailing or union wages. Unsuitable soils and poor sub-grade conditions may require soil treatment and stabilization which is not included in these cost estimates.

TABLE 7: Cost Estimates per Field for Outdoor Sports by 'Field Type'

FIELD TYPE	SIZE	COST PER FIELD	
<u>Entry Level Fields</u>	<u>Size (sq.ft.)</u>	<u>Low Cost</u>	<u>High Cost</u>
Football/Soccer	85,000	\$ 125,000	\$ 215,000
HS Softball	45,000	\$ 70,000	\$ 115,000
HS Baseball	110,000	\$ 165,000	\$ 275,000
Youth Baseball	50,000	\$ 75,000	\$ 125,000
<u>Mid-Grade Fields</u>			
Football/Soccer	85,000	\$ 175,000	\$ 250,000
HS Softball	45,000	\$ 110,000	\$ 165,000
HS Baseball	110,000	\$ 275,000	\$ 385,000
Youth Baseball	50,000	\$ 125,000	\$ 175,000
<u>High End Fields</u>			
Football/Soccer	85,000	\$ 550,000	\$ 640,000
HS Softball	45,000	\$ 315,000	\$ 360,000
HS Baseball	110,000	\$ 770,000	\$ 880,000
Youth Baseball	50,000	\$ 350,000	\$ 400,000
<u>Synthetic Fields</u>			
Football/Soccer	85,000	\$ 560,000	\$ 640,000
HS Softball	45,000	\$ 335,000	\$ 375,000
HS Baseball	110,000	\$ 770,000	\$ 880,000
Youth Baseball	50,000	\$ 350,000	\$ 400,000

Loudoun County's Market Position for Sports

Table 8 below simply calculates the mere Field Costs associated with 8-field and 16-field complexes, factoring in a volume discount factor of 15% for low-end cost estimates and 10% for high-end cost estimates.

TABLE 8: Cost Estimates for 8 & 16 Field Complexes by 'Field Type'

FIELD TYPE	SIZE	COST FOR 8-FIELD COMPLEX		COST FOR 16-FIELD COMPLEX	
<u>Entry Level Fields</u>	<u>Size (sq.ft.)</u>	<u>8 Comp Low</u>	<u>8 Comp High</u>	<u>16 Comp Low</u>	<u>16 Comp High</u>
Football/Soccer	85,000	\$ 850,000	\$ 1,548,000	\$ 1,700,000	\$ 3,096,000
HS Softball	45,000	\$ 476,000	\$ 828,000	\$ 952,000	\$ 1,656,000
HS Baseball	110,000	\$ 1,122,000	\$ 1,980,000	\$ 2,244,000	\$ 3,960,000
Youth Baseball	50,000	\$ 510,000	\$ 900,000	\$ 1,020,000	\$ 1,800,000
<u>Mid-Grade Fields</u>					
Football/Soccer	85,000	\$ 1,190,000	\$ 1,800,000	\$ 2,380,000	\$ 3,600,000
HS Softball	45,000	\$ 748,000	\$ 1,188,000	\$ 1,496,000	\$ 2,376,000
HS Baseball	110,000	\$ 1,870,000	\$ 2,772,000	\$ 3,740,000	\$ 5,544,000
Youth Baseball	50,000	\$ 850,000	\$ 1,260,000	\$ 1,700,000	\$ 2,520,000
<u>High End Fields</u>					
Football/Soccer	85,000	\$ 3,740,000	\$ 4,608,000	\$ 7,480,000	\$ 9,216,000
HS Softball	45,000	\$ 2,142,000	\$ 2,592,000	\$ 4,284,000	\$ 5,184,000
HS Baseball	110,000	\$ 5,236,000	\$ 6,336,000	\$ 10,472,000	\$ 12,672,000
Youth Baseball	50,000	\$ 2,380,000	\$ 2,880,000	\$ 4,760,000	\$ 5,760,000
<u>Synthetic Fields</u>					
Football/Soccer	85,000	\$ 3,808,000	\$ 4,608,000	\$ 7,616,000	\$ 9,216,000
HS Softball	45,000	\$ 2,278,000	\$ 2,700,000	\$ 4,556,000	\$ 5,400,000
HS Baseball	110,000	\$ 5,236,000	\$ 6,336,000	\$ 10,472,000	\$ 12,672,000
Youth Baseball	50,000	\$ 2,380,000	\$ 2,880,000	\$ 4,760,000	\$ 5,760,000

Loudoun County's Market Position for Sports

Sports Fields Inc. also provided component costs associated with various sports. For example, cost estimates for lighting, fencing, foul poles, dugouts, and the like. This data is summarized in Table 9 below.

TABLE 9: Additional Cost Components Per Field

Additional Components (per field)	Low Cost	High Cost
Football Goal Posts	\$ 12,000	\$ 15,000
Soccer Goals	\$ 3,000	\$ 5,500
Foulpoles	\$ 3,500	\$ 7,000
Softball Backstop/Fencing	\$ 35,000	\$ 45,000
Baseball Backstop/Fencing	\$ 45,000	\$ 65,000
Ongrade Dugouts w/Mental Roof	\$ 14,000	\$ 20,000
Sunken Dugout	\$ 70,000	\$ 90,000
Lighting on Softball	\$ 125,000	\$ 175,000
Lighting on Baseball	\$ 150,000	\$ 200,000
Lighting on Football/Soccer	\$ 150,000	\$ 200,000

When extrapolated to 8-field and 16-field complexes as in Table 10 below, the itemized additional costs are as follows:

TABLE 10: Additional Cost Estimates for 8 & 16 Field Complexes

Additional Components (per field)	COST FOR 8-FIELD COMPLEX		COST FOR 16-FIELD COMPLEX	
	8 Comp Low	8 Comp High	16 Comp Low	16 Comp High
Football Goal Posts	\$ 81,600	\$ 108,000	\$ 163,200	\$ 216,000
Soccer Goals	\$ 20,400	\$ 39,600	\$ 40,800	\$ 79,200
Foulpoles	\$ 23,800	\$ 50,400	\$ 47,600	\$ 100,800
Softball Backstop/Fencing	\$ 238,000	\$ 324,000	\$ 476,000	\$ 648,000
Baseball Backstop/Fencing	\$ 306,000	\$ 468,000	\$ 612,000	\$ 936,000
Ongrade Dugouts w/Mental Roof	\$ 95,200	\$ 144,000	\$ 190,400	\$ 288,000
Sunken Dugout	\$ 476,000	\$ 648,000	\$ 952,000	\$ 1,296,000
Lighting on Softball	\$ 850,000	\$ 1,260,000	\$ 1,700,000	\$ 2,520,000
Lighting on Baseball	\$ 1,020,000	\$ 1,440,000	\$ 2,040,000	\$ 2,880,000
Lighting on Football/Soccer	\$ 1,020,000	\$ 1,440,000	\$ 2,040,000	\$ 2,880,000

Loudoun County's Market Position for Sports

When adding the Field Cost data from Table 8 to the Components data from Table 10, Table 11 below offers Total Cost Estimates for both 8-field and 16-field complexes. In sum, the facility construction costs depend largely upon the number of fields built, the quality of the fields built, and the types of components/amenities associated with the complex. For example, if the focus is on youth athletic competitions attracting participants ranging in age from 5-18, then:

- Building a football/soccer complex would cost between \$1.9 – 3.0 M for 8 entry level fields, or as high as between \$9.7 - \$12.2 M for 16 synthetic fields;
- Building a softball/baseball complex would cost between \$1.7 – 2.6 M for 8 entry level fields (or 2 quad diamond designs), or as high as between \$7.7 - \$10.0 M for 16 high end fields (or 4 quad diamond designs).

TABLE 11: Total Cost Estimates for 8 & 16 Field Complexes

FIELD TYPE	FIELD COSTS + LIGHTS + ESSENTIALS			
Entry Level Fields	8 Comp Low	8 Comp High	16 Comp Low	16 Comp High
Football/Soccer	\$ 1,890,400	\$ 3,027,600	\$ 3,780,800	\$ 6,055,200
HS Softball	\$ 1,683,000	\$ 2,606,400	\$ 3,366,000	\$ 5,212,800
HS Baseball	\$ 2,567,000	\$ 4,082,400	\$ 5,134,000	\$ 8,164,800
Youth Baseball	\$ 1,955,000	\$ 3,002,400	\$ 3,910,000	\$ 6,004,800
Mid-Grade Fields	8 Comp Low	8 Comp High	16 Comp Low	16 Comp High
Football/Soccer	\$ 2,230,400	\$ 3,279,600	\$ 4,460,800	\$ 6,559,200
HS Softball	\$ 1,955,000	\$ 2,966,400	\$ 3,910,000	\$ 5,932,800
HS Baseball	\$ 3,315,000	\$ 4,874,400	\$ 6,630,000	\$ 9,748,800
Youth Baseball	\$ 2,295,000	\$ 3,362,400	\$ 4,590,000	\$ 6,724,800
High End Fields	8 Comp Low	8 Comp High	16 Comp Low	16 Comp High
Football/Soccer	\$ 4,780,400	\$ 6,087,600	\$ 9,560,800	\$ 12,175,200
HS Softball	\$ 3,349,000	\$ 4,370,400	\$ 6,698,000	\$ 8,740,800
HS Baseball	\$ 6,681,000	\$ 8,438,400	\$ 13,362,000	\$ 16,876,800
Youth Baseball	\$ 3,825,000	\$ 4,982,400	\$ 7,650,000	\$ 9,964,800
Synthetic Fields	8 Comp Low	8 Comp High	16 Comp Low	16 Comp High
Football/Soccer	\$ 4,848,400	\$ 6,087,600	\$ 9,696,800	\$ 12,175,200
HS Softball	\$ 3,485,000	\$ 4,478,400	\$ 6,970,000	\$ 8,956,800
HS Baseball	\$ 6,681,000	\$ 8,438,400	\$ 13,362,000	\$ 16,876,800
Youth Baseball	\$ 3,825,000	\$ 4,982,400	\$ 7,650,000	\$ 9,964,800

Loudoun County's Market Position for Sports

B. Cost Assessments: Indoor Facilities

Sports Facility Advisors (SFA) is one of the world's leading resources for new and existing sports complexes and recreation centers. As recreation and sports planning advisors, sports management consultants and sports asset managers, they serve private developers, government agencies, educational institutions, resort destinations, faith-based organizations, hospitals and medical professionals, retired professional athletes, and a wide range of retail and real estate developers (www.sportadvisory.com).

We spoke with Jason Clement, a co-owner and Chief Operating Officer for SFA, to gauge the costs associated with building a multi-purpose indoor sports facility that could host a variety of sports such as basketball, volleyball, indoor soccer, cheer/dance, and the like.

According to Mr. Clement:

- The typical cost per square foot for the "bare shell" of such a complex is between \$65-80, and this cost rises to between \$95-110 per square foot once all sports assets have been implemented;
- Historically, the typical size of facilities which SFA has consulted with is between 50,000-110,000 square feet. The smallest sized project in their past experience was a facility of 30,000 square feet, and the largest sized project in their past experience was a facility of 600,000 square feet;
- A 50,000 square foot facility would be large enough to house 4 basketball courts, whereas a facility closer to 110,000 could house 8-10 courts.

Loudoun County's Market Position for Sports

Hence, as Table 12 shows below, the estimated cost of a multi-purpose indoor sports facility can range between \$2.8 million and \$12.1 million if sized between 30,000 and 110,000 square feet, presuming that cost per square foot after incorporating all sports assets is between \$95 and \$110.

TABLE 12: Total Cost Estimates for Multi-purpose Indoor Facilities

<u>BASIC COSTS</u>	<u>COST/SQFT (LOW)</u>	<u>COST/SQFT (HIGH)</u>
BARE SHELL	\$65	\$80
INCLUDING SPORTS ASSETS	\$95	\$110
<u>BUILDING SIZE (SQFT)</u>	<u>COST/SQFT (LOW)</u>	<u>COST/SQFT (HIGH)</u>
30,000	\$2,850,000	\$3,300,000
50,000	\$4,750,000	\$5,500,000
110,000	\$10,450,000	\$12,100,000

VI. Estimating Economic Impact of Sports Tournaments

The economic benefits associated with hosting a sports tournament depend upon a number of factors, including:

- Number of Event Attendees;
- Whether Event Attendees are Local or Non-Local;
- Whether Event Attendees require Lodging or are Day-Commuters;
- Volume of spending by visitors, which can differ by Sport since the demographics of sport participants vary across different sports.

In this section, we first examine the Economic Impact of the recently held ASA Girls' Softball Tournament (August 2012). We then use that data to make retrofitted Economic Impact assessments of how Visit Loudoun has done over the last several years in terms of creating Economic Impact from Sports-Related Tourism. Next, we use the same data to offer a prediction interval that provides some insights as to what the typical Non-Local Youth Sports travel team generates for Loudoun County in terms of new Economic Impact. Lastly, we show how that data can be used to formulate future recruitment and retention strategies by identifying "Team Targets" required to finance any potential construction costs from the infusion of new money into Loudoun County through a variety of Youth Sports Tournaments. In Appendix A, we discuss the standard methodology for calculating and interpreting economic impact in more general terms in order to educate and hopefully assist local professionals in addressing such calculations in the future.

Loudoun County's Market Position for Sports

A. Economic Impact of the Girls ASA Softball Tournament (August 2012)

During the first week of August, Sportsimpacts surveyed event attendees at the 2012 ASA Girls Softball Tournament held in Loudoun County. This tournament was comprised of 39 teams originating from Virginia (8 teams, with 3 teams from Loudoun County itself), New York (7), Ohio (7), Maryland (6), Pennsylvania (5), New Jersey (2), Massachusetts (1), Michigan (1), North Carolina (1), and West Virginia (1). In short, this tournament attracted a large percentage (92.3%) of Non-Local Teams (i.e. teams not from Loudoun County).

Generally speaking, the 3 key aspects befitting any Economic Impact analysis are (1) Measuring Direct Spending, (2) Consideration of Local Multipliers, and (3) Separating Spending Impacts from Economic Impacts. As it relates to the calculation of Direct Spending, it is standard to account for direct spending by non-local event attendees (i.e. fans or spectators), event participants (i.e. athletes, coaches, etc...), operational and infrastructure expenses, and any other non-local source of spending.

For the purposes of this study, the focus is strictly on the spending by event attendees who largely were comprised of the family and friends of competing softball players. For most youth sports tournaments, the economic impacts arising from the other sources of spending are rather negligible, and thus, were assumed to be so here in the absence of any information we had received before or since the tournament to the contrary.

Loudoun County's Market Position for Sports

Spending patterns by visitors tend to vary depending upon whether they require local lodging, whether they stay with local family or friends, or if they are day-commuters. Therefore, we break down spending for each group separately. Regarding the composition of event attendees, we found the following through our survey research:

- 80.1% of survey respondents drove to Loudoun County and stayed at a local hotel;
- 13.2% day-commuted from their homes located outside of Loudoun County;
- 4.4% drove to Loudoun County but stayed with local friends or family;
- 2.2% were from Loudoun County.

Excluding the local teams from consideration (which is standard practice in Economic Impact analyses), Table 13 below highlights how spending can differ across various “travel types”. Values reflect 10% trimmed means to exclude outlying responses.

TABLE 13: SPENDING ESTIMATES BY GROUP (PER DAY, PER PARTY)

<u>ITEM</u>	<u>NL/HOTEL</u>	<u>DAY-COM</u>	<u>NL/FF</u>
EAT/DRINK	\$95.62	\$46.88	\$26.67
GAS	\$39.96	\$35.63	\$25.83
CLOTHING	\$26.34	\$18.44	\$8.33
DAY ENT	\$9.54	\$0.00	\$10.00
NIGHT ENT	\$10.10	\$2.50	\$10.00
PARK	\$1.34	\$0.00	\$0.83
RETAIL	\$26.58	\$26.88	\$25.17
MISC	\$17.59	\$14.38	\$27.50
<u>CONCESS</u>	\$14.78	\$19.38	\$17.17

Loudoun County's Market Position for Sports

Separately, and just for those visitors that required local hotel accommodations, we found these descriptive statistics (which also reflect 10% trimmed mean responses):

- The average room rate was \$103.52 per night;
- The average party size was 3.4 people and they required an average of 1.8 rooms per group;
- Groups stayed an average of 3.4 nights;
- 78% of those requiring local hotels stayed in Sterling, while 6.7% stayed in Leesburg and another 5% stayed in Dulles Plaza near Dulles International Airport. The rest of those requiring hotels were scattered about the region or did not report where they stayed.

In order to extrapolate the spending estimates from Table 13 onto the entire population, one must multiply (1) the Spending Estimates (measured per day, per party), *times* (2) the number of parties pertaining to each group identified (recall that there are 3 groups of non-locals...those that required hotel accommodations, those that stayed with local family/friends), *times* (3) the average length of stay for each group.

To complete the extrapolation, some simplifying assumptions are employed. There were 39 teams in the tournament, and we excluded the 3 teams that were from Loudoun County. Next, we assumed 16 players and coaches per team. This produces 576 participants. As we have in the past for similar events where the event spectators are almost entirely related to competing athletes (such is the case for the AAU Junior Olympic Games), we treat each participant as their own travel party. Hence, of the 576 Non-Local travel parties, and using the sample percentages on "travel type" from above, we conclude there are approximately 461 parties that required hotel accommodations within Loudoun County, 76 parties day-commuted in and out of

Loudoun County's Market Position for Sports

Loudoun County, and 25 parties stayed with local family or friends residing in Loudoun County.

These assumptions, along with the data from Table 13 and the calculation techniques described above, yields the following Direct Spending Estimates in Table 14 below:

TABLE 14: DIRECT SPENDING ESTIMATES BY GROUP (PER DAY, PER PARTY)

<u>ITEM</u>	<u>NL/HOTEL</u>	<u>DAY-COM</u>	<u>NL/FF</u>	<u>TOTAL</u>
EAT/DRINK	\$180,876	\$9,266	\$2,028	\$192,170
GAS	\$75,588	\$7,042	\$1,964	\$84,594
CLOTHING	\$49,826	\$3,645	\$634	\$54,105
DAY ENT	\$18,039	\$0	\$760	\$18,799
NIGHT ENT	\$19,111	\$494	\$760	\$20,366
PARK	\$2,535	\$0	\$63	\$2,599
RETAIL	\$50,275	\$5,313	\$1,913	\$57,501
MISC	\$33,269	\$2,842	\$2,091	\$38,202
<u>CONCESS</u>	<u>\$27,965</u>	<u>\$3,830</u>	<u>\$1,305</u>	<u>\$33,100</u>
TOTAL	\$457,485	\$32,432	\$11,519	\$501,436

Thus, excluding hotel expenditures, we estimate that Direct Spending by Non-Local visitors within Loudoun County during the ASA Girls Softball Tournament was \$501,436. This is the sum of spending by Non-Locals that either required hotel accommodations (NL/HOTEL), day-commuted to and from their home (DAY-COM), or stayed with local family or friends (NL/FF).

Regarding hotel expenditures, and of the 576 estimated non-local parties in town for the ASA Tournament, our estimates for lodging expenditures were based on 80% of survey respondents saying they required a local hotel, and that the 10% trimmed mean values for hotel rates, rooms required, and nights stayed being \$103.52, 1.8 rooms per party and 3.4 nights per party.

Loudoun County's Market Position for Sports

Subsequently:

- We estimate that 461 of 576 Non-Local Parties required hotel accommodations;
- Room-nights per party (i.e. per athlete) was 6.1, yielding a total number of room-nights of 2,821;
- $\$103.52 \text{ per room per night} \times 2,821 \text{ room nights} = \$292,029$ in Direct Hotel Spending within Loudoun County during the ASA Softball Tournament.

Adding the hotel expenditures to the spending totals from Table 14, we conclude that Loudoun County received \$793,465 in Direct Spending from hosting this Youth Softball Event.

The next step is to calculate Total Spending and Total Economic Impacts from the Direct Spending estimates presented above. This is done by applying regional spending and income multipliers for Loudoun County to the Direct Spending estimates. A detailed description and interpretation of these multipliers is presented in Appendix A, but we offer a brief synopsis below.

When visitors initially spend money within a region, additional spin-off spending takes place. Local business-to-business activity may increase, as will spending by employees that work at companies impacted by visitor spending because those employees now have greater income. Spending multipliers capture these spin-off spending impacts. However, some money leaks out of the community as quickly as it is spent for a variety of reasons. The income multipliers, therefore, measure what percentage of new spending (including both direct and spin-off spending) is retained locally (in this case, within Loudoun County) as new household income, corporate income, or tax revenue.

Loudoun County's Market Position for Sports

MIG, Inc (formerly **Minnesota IMPLAN Group, Inc.**) is the sole-source provider of the IMPLAN (**IM**pact analysis for **PLAN**ning) economic impact modeling system. IMPLAN is used to create complete, extremely detailed Social Accounting Matrices and Multiplier Models of local economies. MIG, Inc. provides region-specific data to enable users to make in-depth examinations of state, multi-county, county, sub-county, and metropolitan regional economies. MIG, Inc. has been developing complex localized databases since 1993.

Table 15 below provides 2010 IMPLAN estimates of Spending and Income Multipliers for Loudoun County. These multipliers help measure the true economic impact that stems from Direct Spending by Visitors.

TABLE 15: Spending and Income Multipliers for Loudoun County

<u>MULTIPLIER</u>	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	<u>Total</u>
Spending	1.00	0.27	0.26	1.53
Income				0.62
	Household			0.568
	Taxes			0.117
	Corporate			0.315

Appendix A offers a more detailed interpretation of these multipliers, but the essence is that every \$100 of Direct Spending yields \$153 in Total Spending, and of that \$153 only 62% (\$94.86) is retained as either local household, corporate, or tax income for Loudoun County. Thus, the Total Spending Impact is \$153 and the Total Economic Impact is \$94.86. The Total Economic Impact is considered to be a better measure of Long-Term Economic Impact because it reflects the percentage of Spending Impacts that is actually retained within the host community as new income.

Loudoun County's Market Position for Sports

For a simplified calculation of Total Spending and Total Economic Impacts for Loudoun County arising from hosting the ASA Softball Tournament, we apply the multipliers presented in Table 15 to the Direct Spending estimate above of \$793,465. This yields the following impacts in Table 16:

TABLE 16: TOTAL SPENDING AND ECONOMIC IMPACT POINT ESTIMATES

<u>MULTIPLIER</u>	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	<u>Total</u>
Spending	\$793,465	\$214,236	\$206,301	\$1,214,001
Income				\$752,681
	Household			\$427,523
	Taxes			\$88,064
	Corporate			\$237,094

The impact interpretations from the sample results from the Girls ASA Tournament are as follows:

- The Direct Spending Impact is \$793,465;
- The Total Spending Impact after accounting for multiplier effects was \$1.2 million;
- The Total Income Impact after accounting for monetary leakages was \$752,681;
 - o \$427,523 accrued as new household income for employees who reside within Loudoun County;
 - o \$88,064 accrued as new tax revenue for Loudoun County;
 - o \$237,094 accrued as new corporate income for businesses operated within Loudoun County.

Loudoun County's Market Position for Sports

Because any research based on sample data is imperfect, we allow for a 10% margin of sampling error (i.e. 5% on either side of the estimates above). This yields the following range of Spending and Economic Impact estimates in Table 17 below:

TABLE 17: TOTAL SPENDING AND ECONOMIC IMPACT RANGES...ASA TOURNEY

<u>IMPACTS</u>		<u>Low</u>	<u>High</u>
Spending		\$1,153,301	\$1,274,702
Income		\$715,047	\$790,315
	Household	\$406,147	\$448,899
	Taxes	\$83,660	\$92,467
	Corporate	\$225,240	\$248,949

Interpretations:

- The ASA Girls Softball Tournament had a Total Economic Impact upon Loudoun County of between \$715,047 and \$790,315;
 - o Between \$406,147 and \$448,899 of this impact accrued to local households as employee earnings and wages;
 - o Between \$83,660 and \$92,467 of this impact accrued as new tax revenue within Loudoun County;
 - o Between \$225,240 and \$248,949 of this impact accrued to local businesses as new corporate income.

Loudoun County's Market Position for Sports

B. Retrofitted Economic Impact Estimates for Loudoun County (2005-2011)

Table A (Page 8) represents room-night data as reported by Visit Loudoun for sporting events hosted within the county from 2005 through 2011. Based on the research recently conducted at the 2012 ASA Girls Softball Tournament which analyzed how visitors spend money while in the region for a sporting event, we can use this data to make educated projections of the level of economic impact the region has previously enjoyed from hosting sporting events.

Because the data in Table A merely provided room-nights, we will focus our analysis on just the economic impact generated from those visitors that require hotel accommodations. We acknowledge that this might understate the true degree of economic impact because we are excluding Non-Local day-commuters and Non-Locals that stay with Local family or friends.

Based on the 2012 ASA Softball event:

- Non-Local attendees that required local hotel accommodations spent \$292,029 on hotel expenses and another \$457,485 on all other expenditures for Direct Spending of \$749,514;
- There was an estimated 2,821 room-nights generated from the event;
- Dividing Direct Spending by Room-Nights yields approximately \$266 in Direct Spending per Room-Night for Non-Local visitors.

Loudoun County's Market Position for Sports

Spending trends differ across different sporting events based upon our past research and experience, but if we allow for a 20% margin of error (i.e. 10% on either side of the \$266 estimate above), and then apply the same local multipliers used previously in Table 15, we can project the likely Spending and Economic Impact ranges for past years stemming from visitor spending. This is done in Table 18 below:

TABLE 18: ECONOMIC IMPACT RANGES FOR SPORTS-RELATED TOURISM

<u>Year</u>	<u>Room Nights</u>	<u>Low</u>	<u>High</u>
2005	4,057	\$972,508	\$1,074,878
2006	2,827	\$677,664	\$748,997
2007	6,885	\$1,650,412	\$1,824,139
2008	14,032	\$3,363,628	\$3,717,694
2009	14,723	\$3,529,268	\$3,900,770
2010	12,198	\$2,923,997	\$3,231,787
2011	10,173	\$2,438,582	\$2,695,275

This data suggests that the Economic Impact associated with Room-Nights originating from sports-related Tourism has generated between \$2.4 million and \$3.9 million in Economic Impact annually for Loudoun County since 2008.

Loudoun County's Market Position for Sports

C. Estimating Economic Impact Per Non-Local Youth Sports Team

Non-Local Sports teams differ from each other in many ways. Roster sizes differ across different sports. The socioeconomic characteristics of the families involved differ by sport, which will influence spending patterns per group, the number of people that travel within a particular party, and so forth. Also, the organizational structure of different tournaments may dictate different requirements in terms of length of stay. In short, it is difficult to use the Spending and Economic Impacts from one tournament (like the 2012 ASA Girls Softball tournament) to perfectly predict the level of Economic Impact a community can expect from other tournaments and youth sports teams.

That said, it is possible to use the data from the 2012 ASA tournament in conjunction with an allowance for prediction error to gain some insight as to what could reasonably be expected in terms of Economic Impact “per Non-Local Sports Team”. In particular, we will focus on those teams which require local hotel accommodations.

Based on our survey research at the 2012 ASA Softball Tournament, it appears that 31 of the 39 teams required local hotel accommodations (recall that 3 teams were local to Loudoun County, implying that another 5 teams were Non-Local but within close enough driving proximity that they likely day-commuted to and from Loudoun County. Hence:

- Direct Spending by Non-Local attendees that required local hotel accommodations was \$749,514 (as calculated on Page 46);
- Dividing Direct Spending by 31 yields approximately \$24,178 in Direct Spending per Non-Local team requiring local hotel accommodations.

Loudoun County's Market Position for Sports

In light of our earlier caveat that Non-Local Youth Sports teams and tournaments themselves can differ in so many ways that would cause Spending and Economic Impact estimates to vary wildly across teams and tournaments, we allow for a 50% margin of error (i.e. 25% on either side of the \$24,178 estimate above). Then, we apply the same local multipliers used previously in Table 15 to project the likely Spending and Economic Impact ranges per Non-Local Youth Sports Team that requires local hotel accommodations within Loudoun County during their stay. The results are summarized in Table 19 below:

TABLE 19: SPENDING AND ECONOMIC IMPACT RANGES PER NON-LOCAL TEAM

<u>IMPACT PER NON-LOCAL TEAM</u>		<u>Low</u>	<u>High</u>
Spending		\$27,744	\$46,240
Income		\$17,201	\$28,669
	Household	\$9,770	\$16,284
	Taxes	\$2,013	\$3,354
	Corporate	\$5,418	\$9,031

Interpretations:

- It is highly likely that the any given Non-Local Youth Sports Team requiring local hotel accommodations within Loudoun County will generate between \$17,201 and \$28,669 in Economic Impact for the county;
 - o Between \$9,770 and \$16,284 of this impact accrued to local households as employee earnings and wages;
 - o Between \$2,013 and \$3,354 of this impact accrued as new tax revenue within Loudoun County;
 - o Between \$5,418 and \$9,031 of this impact accrued to local businesses as new corporate income.

Loudoun County's Market Position for Sports

D. Establishing Recruitment and Retention Targets

Table 19 is extremely valuable for strategic planning purposes because it provides some insight as to what Loudoun County can expect in terms of Economic Impact from hosting Non-Local Sports Tournaments. Table 20 below uses the data from Table 19 to project the likely Economic Impact and Tax Impact scenarios of attracting different numbers of Non-Local Sports Teams that require hotel accommodations.

TABLE 20: SPENDING AND ECONOMIC IMPACT RANGES PER NON-LOCAL TEAM

<u># OF NON-LOCAL TEAMS</u>	<u>ECON IMPACT</u>	<u>Low</u>	<u>High</u>
20		\$344,029	\$573,381
40		\$688,058	\$1,146,763
60		\$1,032,086	\$1,720,144
80		\$1,376,115	\$2,293,525
100		\$1,720,144	\$2,866,906
120		\$2,064,173	\$3,440,288

<u># OF NON-LOCAL TEAMS</u>	<u>TAX IMPACT</u>	<u>Low</u>	<u>High</u>
20		\$40,251	\$67,086
40		\$80,503	\$134,171
60		\$120,754	\$201,257
80		\$161,005	\$268,342
100		\$201,257	\$335,428
120		\$241,508	\$402,514

This data suggests that Visit Loudoun could boost the Economic Impact that Loudoun County currently enjoys from Tourism associated with Sports Tournaments by:

- Between \$344-573 K if it attracted 20 more Non-Local teams that required local hotel accommodations annually;
- Between \$1.03-\$1.72 million if it attracted 60 more such teams annually;
- Between \$2.06-\$3.44 million if it attracted 120 more such teams annually.

Loudoun County's Market Position for Sports

As it relates to Tax Impacts, Visit Loudoun could boost Tax Revenues from Tourism associated with Sports Tournaments by:

- Between \$40-67 K if it attracted 20 more Non-Local teams that required local hotel accommodations annually;
- Between \$121-201 K if it attracted 60 more such teams annually;
- Between \$241-402 K if it attracted 120 more such teams annually.

Recall that Table 12 offered cost projections of building different sized multi-purpose indoor sports facilities, with the cost range for typically sized facilities (i.e. facilities between 50,000-110,000 square feet) costing between \$4.75 million and \$12.1 million.

With the “per team” Spending and Economic Impact estimates provided in Tables 19 and 20, Visit Loudoun can estimate how many Non-Local Teams needing local hotel accommodations would be required to finance facility construction costs completely through increased Tourism.

For example:

- If Loudoun County decided to build a indoor facility costing \$5 million (excluding land costs and interest), and using the Tax Impact Per Team data from Table 19, one can deduce that the county would need to attract between 1,491 and 2,484 Non-Local Sports Teams to finance this cost strictly from the projected Tax Revenues these teams would generate;
 - o Which would require an annual average of between 75 and 124 new Non-Local Sports Teams over the course of 20 years;

Loudoun County's Market Position for Sports

When you consider that such a facility could play host to a plethora of different sports, this “team target” is not altogether daunting.

That said, any facility built will need to secure a steady stream of revenues from local recreation leagues and conference/meeting room rental fees to ensure sound financial footing over a sustained period of time.

VII. SWOT Analysis

Given the information considered to this point, we now look at the strengths, weaknesses, opportunities, and threats facing Loudoun County as it looks to move forward in the Sports marketplace.

A. An Overview

Based upon our review of information that we researched and were provided by Visit Loudoun, our SWOT overview for Loudoun County assesses the region's current attractiveness and future potential for hosting Non-Local Sports Tournaments. Some of the points below have been discussed above, and some will be discussed in further detail later within this report.

(1) Strengths

- Wealthiest County within VA, MD, PA, and DC;
- Centrally located within this region, which allows greater market reach to more potential tourists;
- Close proximity to major airport;
- Ease of access by car from all directions;
- Plentiful lodging options both within the county and in nearby counties;
- Close proximity to one of America's most popular tourist destinations.

Loudoun County's Market Position for Sports

(2) Weaknesses

- Lack a quality multi-purpose indoor sports facility that would attract Non-Local Tournament Organizers to the region;
- Too few resources (with a primary focus on staff size) dedicated to attracting and operating events;
- Lack of alternate non-school parks and recreation facilities (which creates logistical issues since schools can 'bump' events when scheduling conflicts arise);

(3) Opportunities

- Because Loudoun County is centrally located in a densely populated region, there is great potential in terms of the sheer volume of youth sports organizations that the region could market to ONCE local facilities were upgraded substantially to more effectively attract Non-Local teams.

(4) Threats

- Because there are already some high-caliber sports facilities within a reasonably close driving proximity to Loudoun County, then there are no assurances that building a new facility will necessarily attract a flood of new Non-Local tournaments. It would still be incumbent upon community leadership and local sports organizations to be diligent in aggressively recruiting events.

With this overview in mind, we now turn to discuss the key factors in promoting visitor satisfaction associated with sports, and whether Visit Loudoun is successfully addressing these factors.

Loudoun County's Market Position for Sports

B. 4 Factors Required to Promote Athlete and Parental Satisfaction

Based upon our industry experience from visiting hundreds of sports facilities within the United States, it is our professional judgment that athlete and parental satisfaction with both their tournament and local experience are the main factors which determine whether a community can successfully attract and retain Non-Local Sporting Events.

Accordingly, it is our professional assessment that athlete and parental satisfaction at tournaments is a function of 4 primary factors: (1) Facility Quality, (2) Facility and Tournament Operations, (3) Degree of Community Collaboration, and (4) Regional Transportation and Travel Amenities.

1) Facility Quality

- For outdoor facilities, “quality” entails:
 - Whether the fields are in good condition;
 - Lighting which allows for extended play;
 - Adequate visitor parking;
 - Adequate visitor seating for spectators, where the spectators are often times either family or friends to the participating athletes;
 - Concession facilities;
 - Adequate bathroom facilities;
 - Locker Room or Changing Rooms.
- For indoor facilities, “quality” entails many of the same issues, though there is an added emphasis on maximizing the commercial flexibility of the facility (i.e. the facility’s ability to play host to multiple sporting events).

2) Facility and Tournament Operations

Loudoun County's Market Position for Sports

- Is the facility and tournament adequately staffed?
- Are the events running on time?
- Are there issues with officiating?
- Does the event have enough volunteers?

3) Degree of Community Collaboration

- Are the local tourism agency and local parks and recreation agency able to effectively collaborate in order to attract and operate events?
 - o Are there constraints upon their ability to collaborate, and if so, how can those constraints be resolved?
- Are local businesses willing to offer financial enticements to attract greater business volume to their region, such as discounts at various regional lodging, dining, or entertainment establishments?
- Are visitors provided with destination information regarding local entertainment amenities?
- Are there shuttle services provided for visitors, either from their hotels to the game-sites or from hotels to popular local tourist destinations?

4) Regional Transportation and Travel Amenities

- Is there a large mass of people within reasonable driving proximity to the region in question?
- Are there convenient modes of transportation (either by car or air) into and within the region?
- Are there an adequate number of hotels within reasonable proximity to regional sports facilities?

Loudoun County's Market Position for Sports

C. Assessing Loudoun County Against These 4 "Satisfaction Parameters"

(1) Facility Quality

As it relates to "facility quality", and based upon (1) information obtained through direct conversations with sports tourism professionals from both within and outside of Loudoun County, (2) our extensive review of comparative facilities within a 250-mile radius of Loudoun County, and (3) a review of Visit Loudoun data regarding recent history of attracting sporting events to the region, we draw these conclusions:

- Loudoun County's comparative strength is attracting Softball and Baseball tournaments;
 - o Bolen Park and Fireman's Field are the primary facilities used, though the Potomac Sportsplex and Claude Moore Park allow for additional play;
- Loudoun County's comparative weakness is the lack of a multi-purpose indoor facility attractive enough to lure Non-Local teams in indoor soccer, futsal, basketball, indoor lacrosse, volleyball, and such to the region;
 - o Based on feedback we received, the Dulles Sportsplex is the closest thing the county has to a "go-to" multi-purpose indoor facility. However, there is no concession area within the complex, there isn't bleacher seating for all courts, and parking can be an issue as the parking lot is housed within a business office park.

Loudoun County's Market Position for Sports

(2) Facility and Tournament Operations

As it relates to “facility and tournament operations”, and based upon information obtained through direct conversations with sports tourism professionals from both within and outside of Loudoun County, we draw these conclusions:

- For the events held within Loudoun County, there was no significant negative feedback about how the tournaments were run or operated;
- However, it appears as though the logistics of attracting events are hindered by various local resource constraints;
 - o Because the local Parks and Recreation Department's primary function is the day-to-day provision and operation of recreational activities for local residents, their organization may not have the resources to support as many Non-Local tournaments as would be ideally desired if the primary goal was to maximize Tourism dollars to the region;
 - By resources, this can refer to things such as staffing or volunteers required to ensure the efficient management and operation of events;
 - o Similarly, it is a common practice that tournaments involving Non-Local teams must have a local organization within Loudoun County act as an event sponsor. Due to time, resource, or budgetary constraints, local organizations are not always available to provide this sort of assistance, and thus, Visit Loudoun may miss out on attracting an event it otherwise would have pursued.

(3) Degree of Community Collaboration

Loudoun County's Market Position for Sports

As it relates to “community collaboration”, and based upon information obtained through direct conversations with tourism professionals within Loudoun County, we draw these conclusions:

- There is community collaboration between Visit Loudoun and the Department of Parks and Recreation in terms of identifying events to target, as well as which events can be operated most efficiently and effectively;
- There is community collaboration between Visit Loudoun and local sports organizations in terms of helping to identify, promote, and staff Non-Local tournaments;
- There is community collaboration between Visit Loudoun and local businesses in attracting events.

(4) Regional Transportation and Travel Amenities

As it relates to “transportation and travel amenities”, and based upon information gathered through the course of this engagement, we draw these conclusions:

- Dulles International Airport is within 20 miles of all key sports facilities within Loudoun County;
- Numerous interstates and 4-lane highways make commuting by car relatively accessible from all directions;
- There are numerous lodging accommodations throughout the county within reasonable proximity to the sports facilities;
- Passkey (a housing bureau service) helps minimize the time and effort exerted by traveling families with booking their local travel accommodations.

Loudoun County's Market Position for Sports

VIII. Concluding Assessments and Recommendations

A. Overall Assessment

Loudoun County is the wealthiest county within a region comprised of Virginia, Maryland, Pennsylvania, and the District of Columbia. Furthermore, it is situated quite centrally within this geographic area, with favorable proximity to a major airport, major interstates and 4-lane highways, and one of America's oft-visited travel destinations in Washington, D.C. All of these assets contribute to making Loudoun County an attractive region for families who are considering a destination for their children to compete in regional or national sporting tournaments.

However, Loudoun County currently is at a competitive disadvantage in regards to (1) the quality of its sports facilities and (2) the human resources required to recruit and operate sporting events. Specifically, the region's primary multi-purpose indoor facility pales in comparison to some of the finer facilities within the region. Concurrently, this disadvantage is exacerbated by the fact that Visit Loudoun has limited staff charged with the full-time responsibility to recruit events, or help coordinate local efforts with Parks and Recreation and local sports clubs in an effort to ease the logistics associated with operating events.

In short, though Visit Loudoun has had success attracting softball and baseball tournaments in the past, and though the county has recently seen greater success in attracting running races and golf tournaments, the positive assets affiliated with the region's ability to attract Non-Local Sporting Events is nullified when it comes to indoor sports because of the region's comparative deficiency in this area combined with too few human resources dedicated to the task of recruiting and operating such events.

Loudoun County's Market Position for Sports

B. Strategic Scenarios to Consider

Based upon the market research we have conducted within the region, it appears that Loudoun County could pursue one of 3 strategic paths going forward.

Option 1: Maintain Status Quo

- Though the county would incur no construction or human resource expenses under this scenario, it would likely mean that the region (1) would only be able to successfully attract events in the sports it has historically hosted (e.g. softball, baseball, and more recently running and golf), and (2) would most likely fall further behind regional competitors in terms of attracting tourists as other newer facilities gain more traction and favorable word-of-mouth from athletes and parents alike.

Option 2: Increase Visit Loudoun Staff dedicated to Recruiting and Operating Tournaments

- As it relates to staffing issues, we learned through this engagement that there is only 1 full-time staff member at Visit Loudoun dedicated to recruiting Sports Tournaments;
- Furthermore, the local Parks and Recreation staff merely operates Non-Local events. They are seldom involved with the recruitment of events. This is because their primary responsibility is to ensure recreational opportunities and programs for local residents;

Loudoun County's Market Position for Sports

- Without a larger staff that is both (1) properly incentivized internally (i.e. commissions for each event retained) and (2) well-connected into sports circles along the East Coast, this makes the task of attracting new events to the region even more challenging;
- Furthermore, the absence of additional staffing makes it harder to aggressively recruit local volunteer assistance to help manage Non-Local sporting events. Providing this assistance may alleviate the burden on the Parks and Recreation Department, thereby allowing a more aggressive recruitment of events by all interested parties within the county.
- In my professional judgment, and based on salary data received from sources within the county, making a \$100,000-\$150,000 investment in staffing annually could greatly enhance the region's ability to attract, recruit, and staff Non-Local Sports Tournaments...even in the absence of facility upgrades;
 - o Based on the afore-mentioned salary information, such an investment would enable, in our estimation, between 2-3 additional full-time staff to be employed for the purpose of (1) expanding regional contacts with sports organizers, and (2) assisting with managing and operating events to alleviate the burden upon other local organizations.

Though increasing the human resources dedicated to recruitment of events, networking with tournament organizers, and operating/managing events will clearly increase the likelihood that Loudoun County will attract more Non-Local Tourism through Sports, the county would still only be scratching the surface of its maximum potential without updating their current array of sports facilities.

Loudoun County's Market Position for Sports

Option 3: Build a Multi-purpose Indoor Sports Facility

Based upon our research conducted during the course of this engagement, and with the presumption that Visit Loudoun's primary long-run goal is to increase the frequency and efficiency of hosting Non-Local Sports Tournaments that can attract new dollars into the region, the county must seriously consider either (A) the construction of a new multi-purpose indoor sports facility that has the commercial flexibility to host numerous regionally popular Non-Local Sports Tournaments such as indoor soccer, indoor lacrosse, basketball, volleyball (not to mention other popular Youth Sports like dance or cheer), or (B) significant upgrades must be made to existing facilities in order to enhance their degree of *commercial flexibility* in order to attract the afore-mentioned sports.

What is the rationale for specifically suggesting an indoor facility?

- Historical room-night data shows that Visit Loudoun has enjoyed very little success in generating room nights for popular indoor sports;
- Yet these sports are among the most popular youth sports nationally, and more importantly, regionally;
- Unlike a new or upgraded outdoor facility (e.g. soccer or softball complex), a new or upgraded indoor facility can host numerous events year-round (if designed properly). This maximizes return on investment to facility improvements;
- By having the *commercial flexibility* to host tournaments across numerous sports, this will enable the region to more rapidly recoup the construction and/or refurbishment costs;
- And unlike outdoor grass surfaces, the maintenance of indoor surfaces is not as expensive.

Loudoun County's Market Position for Sports

Though Loudoun County would unquestionably become more attractive to Non-Local Tournament Organizers if such a facility were built, this scenario is also the most risky from a cost-efficacy standpoint. Our research revealed that the typical cost of such facilities ranges between \$5-12 million (excluding land costs). Given the plethora of competing facilities within an hour's drive of Loudoun County, simply building a first-class indoor facility won't guarantee that the community will recoup these costs expeditiously.

In short, building a new multi-purpose indoor facility is a necessary yet insufficient condition for Loudoun County to realize its maximum potential as a Tourist Destination for Non-Local Sports Participants for both Youth and Adult Tournaments. To ensure the greatest likelihood for successfully boosting Tourism through sports, the county would also have to (1) Increase Visit Loudoun staff size dedicated to recruiting and operating tournaments, and (2) Improve collaboration between Visit Loudoun and County Businesses in order to maximize Athlete/Parent satisfaction levels with their local visit.

And though much of this report has focused upon the procurement of youth tournaments, it is quite clear that updated facilities would also positively impact the region's ability to attract adult tournaments as well. Though the overall market place for adult tournaments is not as voluminous as youth tournaments, there is no reason for Visit Loudoun to not pursue such events if they can yield a reasonable economic contribution to the community.

C. Best Practices from Other Communities

Based upon both our direct knowledge of industry practices in other communities and feedback from Amateur Sports Professionals interviewed during the course of this engagement, we offer in closing some “Best Practices” utilized within other communities that have enhanced a region’s Tourism activity through Youth Sports.

(1) Exhaust All Avenues to either Raise Local Funds or Reduce Costs in order to Enhance the Cost-Effectiveness of Operating and Managing Events

- Identification of Tax Districts;
 - In such instances, the areas benefitting from an event agree to tax itself on sales receipts during the time period during which a particular event is taking place, and then these revenues can be dispersed among the Visit Loudoun, Parks and Rec, local youth clubs sponsoring the event, or the Non-Local Event Rights Holder as an added inducement to bring their event to Loudoun County;
- Push for County-Wide Legislation to Earmark Sales Taxes Towards Event Operations/Management;
 - E.g. Major Events Trust Fund (Texas);
 - This legislation would allow the Event Producer (i.e. Loudoun County’s local organizing committee, comprised presumably of Visit Loudoun, Parks and Rec, sponsoring local youth club) to

Loudoun County's Market Position for Sports

share in a portion of the expected sales tax generated from sporting events that attract Non-Local Teams;

- This revenue could be used to either defray costs incurred by the Loudoun County LOC or passed on to the event rights holder through expense savings or revenue sharing to sweeten the financial inducement for that tournament to come to Loudoun.
- Waive Taxes
 - If applicable, Loudoun County could either waive or reduce any ticket taxes associated with the event to further entice a Non-Local event to come to Loudoun;
- Share Facility Fees
 - If local competition venues charge facility fees on ticket sales, the venues could share that fee with the Local Organizing Committee to further entice a Non-Local event to come to Loudoun;
- Development and Utilization of Fundraising Campaigns Targeting Youth Sports Development;
 - Especially given the comparative affluence of Loudoun County, it would behoove the organization to aggressively pursue such campaigns;
 - For example, for those that give at certain dollar levels, this could earn them a seat on an Advisory Board related to Sports Development within Loudoun County;
 - The development of such fundraising efforts would be another reason to justify an increase in the size of the Visit Loudoun's

Loudoun County's Market Position for Sports

sports-specific staff (i.e. one staff person could be used to further local fundraising efforts).

Other "Best Practices":

- (2) As it relates to event operations and management, bolster volunteer pool by establishing better relationships with local/regional universities that have sports management programs;
 - From our experience, such programs are always looking to give their students co-op experiences in sports operations or sport management;
 - Utilizing these students can alleviate some of the staffing and volunteer shortages that are faced by Parks and Recreation, as well as local sports clubs;
- (3) Engage local Hotels and Restaurants regarding Rebates/Discounts for Travel Parties associated with Sports Tournaments;
- (4) Offer Sports Teams Rebates/Discounts at select Recreation/Entertainment destinations.

Appendix A: Understanding Economic Impact Analysis

One of the requests of Visit Loudoun was for us to outline the process associated with conducting Economic Impact Studies so that the Visit Loudoun may be more educated and equipped to tackle such tasks in the future. To that end, what follows is a Question/Answer format which summarizes various definitions, key terms, and methods for addressing the Economic Impact issue.

A. What is economic impact?

The simplest answer is that the economic impact of a sporting event, facility, or team reflects the percentage of *new* visitor spending which is retained within the local region.

B. What is meant by "new"?

New money means money that comes from out-of-town sources. Those sources include but are not limited to:

- Spending by non-local event attendees (e.g. spectators);
- Spending by non-local event participants (e.g athletes, competitors, coaches, media, competition officials/referees, tournament organizers and their staff);

Loudoun County's Market Position for Sports

- Spending upon operational or infrastructural expenses by non-local entities (e.g. the NCAA – based in Indianapolis – spends promotional dollars in St Louis to promote the event locally, or it spends money on a banquet hall in St Louis to throw a party for the competitors).

C. What is meant by “non-local”?

This is subjective, and is usually determined jointly by the researcher or client depending upon the dynamics of the study at hand. It can be the primary county in which most visitor spending takes place, or it can cover bordering counties as well if visitor spending is widespread.

D. Why is the “designated impact region” so important?

The defined impact region is important because it identifies and separates “local monies” from “non-local monies”. The standard practice in economic impact research is to exclude monies that originate from within the impact region. The argument for this being that local monies would likely be re-spent locally if not spent at the event in question.

There are exceptions, but accounting for these exceptions should only be done if you have questionnaire research that supports your methodological approach. For example, suppose I’m a die-hard college wrestling fan and I always travel out-of-town to attend the NCAA Wrestling Championships. The fact that the 2012 event is in St Louis as opposed to Minneapolis means that my local money is “blocked” from leaving the region. Had I traveled to Minneapolis, I would have spent money on airfare, hotel for 3

Loudoun County's Market Position for Sports

nights, dining, retail, and the like...all of which represent a leakage of local money from the St Louis MSA.

Long story short, and in the spirit of being conservative, local monies are typically excluded from economic impact consideration. It is understood that some local monies may have leaked out of the community *had the local event not blocked this leakage*. That said, allowing some small portion of local monies to count towards economic impact should only be done if you conduct questionnaire research to ascertain how much "local spending" (5%, 10%, etc...) would have *leaked* had the event in question been held out of town.

E. What is the difference between "spending impacts" and "income impacts", and which is a better measure of economic impact?

The short answer is that spending impacts do not account for money leakages, and thus, are an inferior measure of economic impact because they fail to consider how much of the new money is actually retained locally. Unfortunately, many commissioned economic impact studies report the spending impacts because the numbers are larger.

Income impacts, conversely, measure how much new money flows into the impact region and then is actually retained within the region (either as household, proprietor, or tax income).

Spending impacts are the sum of direct, indirect, and induced spending. *Direct spending* would be, for example, fans from Oklahoma City spending money on hotels, dining, retail, and parking while in St Louis for an event like the 2012 NCAA Wrestling Championships. *Indirect spending* reflects increased business-to-business activity that stems from increased visitor activity (e.g. if local St Louis hotels outsource their laundering and catering services to St Louis-based firms, this naturally creates more business activity in St Louis). *Induced spending* is when the employees of all of the above local firms spend their incrementally higher incomes resulting from visitor activity throughout the local economy at malls, movie theaters, restaurants, and the like.

However, monetary leakages abound. When you subtract these leakages from the spending impacts, you're left with the income impacts. Examples of leakages include (1) National restaurant and retail chains with local offices sending a portion of their proceeds back to corporate headquarters, (2) Local citizens spending money, received from visitors' sports spending, on trips outside of their local community, (3) A non-local supplier or events rights holder takes visitor spending right out of the community. For example, the ticket revenue and in-venue NCAA merchandise sales for the aforementioned Wrestling Championships go to the NCAA largely and their non-local vendors. The sales tax on such sales may remain local, as might a small cut of these revenues. But the large majority of these monies leak out of the MSA.

F. What is the distinction between gross and net income impacts?

Simply, the difference is that the net income impact of an event rightfully accounts for *displacement effects*...whereas gross impacts do not.

For example, a classic case of displacement would be if the 2012 NCAA Wrestling Championships in St Louis (which are held in mid-March annually) forced a convention - that annually holds its event in St Louis on the same weekend - to choose a different host city in 2012 because it was displaced from St Louis due to the wrestling event.

In this instance, though the wrestling event attracts over 10,000 visitors to the St Louis MSA, this would have to be compared to the number of visitors *lost* due to the displacement of the afore-mentioned convention. Ultimately, it's all about the *net change* in visitors and the *net change* in non-local monies infused into the region.

Estimating displacement is probably the most challenging part of economic impact analysis. That said, displacement is less likely to be a factor for smaller communities that have less competition for hotel and facility space. Also, sports tournaments in small-town USA are not likely to be hampered by displacement effects.

In short, sporting events can be a hidden gem for helping smaller communities attract tourists to their regions and be a source of economic development

Loudoun County's Market Position for Sports

(http://www.msnbc.msn.com/id/31192931/ns/us_news-the_elkhart_project/t/amid-downturn-rally-save-youth-sports/#.UDpWAKO4ryJ).

G. How Do Local Spending and Income Multipliers Work?

When money is directly spent locally by visitors, spin-off spending takes place. Local business-to-business activity may increase, as will spending by employees that work at companies impacted by visitor spending because those employees now have greater income. Spending multipliers capture these spin-off spending impacts.

However, some money leaks out of the community as quickly as it is spent. The income multipliers, therefore, measure what percentage of new spending is retained locally as new household income, corporate income, or tax revenue.

Table 21 below provides 2010 IMPLAN estimates of Spending and Income Multipliers for Loudoun County. These multipliers help measure the true economic impact that stems from Direct Spending by Visitors.

TABLE 21: Spending and Income Multipliers for Loudoun County

Loudoun County's Market Position for Sports

<u>MULTIPLIER</u>	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	<u>Total</u>
Spending	1.00	0.27	0.26	1.53
Income				0.62
	Household			0.568
	Taxes			0.117
	Corporate			0.315

To understand what these multipliers denote, suppose that \$1,000 of Direct Spending was spent within Loudoun County by a Non-Local party. Using the multipliers above, it follows that:

- \$270 ($\1000×0.27) of Indirect Spending (local business-to-business activity) would occur as a result of the Direct Spending;
- \$260 ($\1000×0.26) of Induced Spending (spending by local employees from proceeds received from visitor spending) would occur as a result of the Direct Spending;
- In total, the Spending Effect would be Direct + Multiplied Spending, OR:
 - o $\$1000 + (270 + 260) = \$1,530$ in Total Spending within Loudoun County;
- However, there are various ways in which monetary leakages occur such that the ***Spending Impact is not the best gauge of the Economic Impact of Tourism;***
- The Income Multiplier (0.62) means that only 62 cents of every \$1 of Spending Impact is retained within Loudoun County as Income;
- Hence, going back to our example above, if the Total Spending Impact is \$1,530, the Total Income Impact would be \$949.
 - o Note that the Total Income Impact is less than the Direct Spending Impact of \$1,000. This denotes that the deflating effects of Monetary Leakages are larger than the boosting effects of the spending multipliers;

Loudoun County's Market Position for Sports

- This is not uncommon for regions that do not have a major city within the county;
- Of the \$949 in Total Income Impact:
 - \$539 ($949 * 0.568$) will accrue as Labor Income for employees within Loudoun County;
 - \$111 ($949 * 0.117$) will accrue as Tax Revenue for Loudoun County;
 - \$299 ($949 * 0.315$) will accrue as Corporate Income within Loudoun County.

H. Summary

- Direct gross spending is money stemming from non-local entities which is spent within the defined impact region;
- When factoring in the multiplier effects of indirect and induced spending, and then adding to direct gross spending, we have the total gross impact on spending;
- Next, you must deflate the total gross impact on spending by accounting for both monetary leakages and displacement;
- Once leakages and displacement have been accounted for, you've gone from a total gross impact on spending to a total net impact on local income.

The net impact on local income is the best measure of “economic impact” because it captures new monies spent and retained within the host community *above and beyond* historical norms for that period in time.

I. What are the best ways to conduct a study?

Every study is unique. Every event attracts a unique demographic with differing socioeconomic backgrounds which lead to different levels of spending on X, Y, and Z. Furthermore, every event has its own unique characteristics that may influence tourist spending behavior, every community has a different set of economic multipliers, and every event experiences a different level of displacement.

As such, the ideal way to conduct a study is to hire a professional consulting firm and/or university expert who are versed in the subjective peculiarities associated with impact studies. That said, such studies for singular events can range in price from \$5,000 to \$50,000 depending upon the scope and complexity of the project.

One way to have the best of both worlds is to collect on-site questionnaire data yourself and then hire a consultant to come in after the fact and simply analyze the data. That said:

a) Make sure the questionnaire is legitimate and without flaw. A flawed survey instrument will yield poor feedback and thus sample results. Make sure the survey design gets at the heart of the answers you seek, make sure your questions don't lead the respondents towards a particular reply, and make the questions as unambiguous as possible to ensure consistency in responses.

Loudoun County's Market Position for Sports

b) Make sure that the sampling process is randomized to the best of your ability. A skewed sample of event attendees will not embody a true reflection of the population of visitors attending an event. In this regard, employing a poor sampling procedure is just as bad as a flawed questionnaire in terms of producing useful research.

As the next best alternative, use an organization like the National Association of Sports Commissions as a resource. Members of the NASC have access to an economic impact template which offers members a chance to roughly approximate the economic impact from potential events they wish to bid on.

The worst thing an organization can do is blindly inflate numbers based on how the event did the previous year in another city. Sadly, this happens all too often.

For example, suppose the St Louis Sports Commission does their due diligence and finds that the net economic impact of the NCAA Wrestling Championships for St Louis is \$10 M. Suppose Oklahoma City is hosting the 2013 event, and without conducting any due diligence, they blindly report that the impact for the 2013 event will be \$15 M. This is not a desirable practice.

Why do organizations do this? (1) Financial motives to attract new donors or appease current ones. (2) Political motives to attract more public support for event bids. (3) Or simply used as a public relations ploy.

Whatever the reason, if you inflate numbers in this fashion and get *called out* for it, you:

- Will give the rights holder (in this case, the NCAA) the ammunition to charge a higher bid fee next time around;

Loudoun County's Market Position for Sports

- Lose credibility with local boosters, government officials, and the media for reporting falsified, unverifiable numbers.

So when it comes to estimating economic impact for sporting events, it is best to show caution and restraint, and ultimately attempt to verify any public statements with market research vis-a-vis on-site data collection so that you have a leg to stand on when reporting such figures. Otherwise, your organization's financial, political, and public relations motives could ultimately backfire if your findings are unsubstantiated with careless economic impact estimation techniques.