

## STAFF REPORT

**DATE:** February 21, 2017

**TO:** City Council

**FROM:** Dale Summersille, Parks and Community Services Director  
Mike Webb, Assistant City Manager

**SUBJECT:** Sports Complex Task Force Update and Next Steps

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### **Recommendation**

- A. Review the final recommendations of the Sports Complex Task Force contained herein; and
- B. Concur with the final Sports Complex Task Force recommendations and direct staff to undertake the following:
  - a. support local sports organizations' efforts to form a 501c3 by assisting in organizing a meeting of the sports groups; and
  - b. work with the local sports organization noted above, once formed<sup>1</sup>, to formulate a Request for Expressions of Interest (RFEI) to solicit interest in sponsor(s) to support a sports complex effort through land and/or other means and return to City Council prior to release of the RFEI; and
  - c. Solicit feedback from the local sports organization, once formed, to identify areas of City support needed (such as: fiscal and economic analysis, land use and CEQA analysis, provision of facilitation assistance, etc...). Requests for assistance in this effort by the local sports group organization would come before the City Council for consideration; and
- C. Receive the attached analysis prepared by USC graduate students as informational; and
- D. Adopt the attached Resolution dissolving the Sports Complex Task Force.

### **Council Goal**

The following City Council goals are related to this effort:

Council Goal 2 – Drive Innovation and Economic Vitality – Objective 5 Support Expansion of Tourism and Hospitality Industry; Specific task Objective B, Support programming to attract visitors, support development of increased sports facilities.

Council Goal 6 – Fund, Maintain and Improve the Infrastructure – Objective E – Based on report from the SCTF, support the development of community led 501c3 to further the sports complex exploration. Support appropriate timing for economic analysis and create an RFP for feasibility study.

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<sup>1</sup> For purposes of this recommendation, “formation” of the 501c3 is defined as filing Articles of Incorporation and adoption of bylaws defining governance structure, voting and decision-making structure, public noticing and access to meetings, and adopting a methodology for resolution of any potential conflicts that may arise amongst members.

### **Fiscal Impact**

Staff time towards the Task Force effort has been absorbed within departmental budgets. Estimated costs incurred, to date, on this effort is 126 total staff hours and \$11,465.

### **Background and Analysis**

The Sports Complex Task Force (SCTF) was established at the direction of the City Council to assess the needs of the estimated 6,000 + children and adults actively participating in sports organizations in the City of Davis. The Task Force met from February through July 2016. During this time, the Task Force reached out to every formal and informal sports team organization in the city; administered a detailed survey to better understand what sports teams existed in the city and where they practiced and played, and heard testimony from regional and local experts on the subject.

The SCTF identified significant deficiencies in the existing facilities needed for games, tournaments and practices. Other facilities needs, such as lighted fields, were identified for a number of wide variety of sports organizations. As a community, we have outgrown the number and type of sports fields that were built decades ago. Further sports participation growth is expected over the next five years as surveys have indicated.

The short-term solution would be to reconfigure and/or improve existing maintenance of a select number of existing fields to facilitate flexibility in their use with the goal of supporting a wide range of underserved and growing sports. However, any such adjustments to existing facilities must be done while being mindful of neighborhood impacts and the multiple users that current facilities were designed to accommodate.

The City Council concurred with the Sports Task Force recommendations and findings at the July 19, 2016 City Council meeting. Since the City Council presentation on July 19, 2016, the following has occurred:

- At the City Council Goal Setting workshop on September 10, 2016, the Council indicated support for establishing a partnership with the community-based organization to pursue the development of a new sports complex, and therefore will work to encourage the creation of a non-profit entity that would undertake an effort to build and operate a new sports facilities identified in the report of the Sports Complex Task Force. This is reflected in the current City Council goals noted earlier in this report. The City Council reinforced the importance of this being a community led effort.
- On September 14, 2016, Yolo County Board of Supervisor Don Saylor invited Council Member Will Arnold (former Chair of the SCTF), and Parks and Community Services Director Dale Summersille to attend a Binning Farms Neighborhood meeting to present the SCTF report and findings. The primary purpose of the meeting was to ensure clear understanding of the status of the SCTF efforts and recommendations.
- As part of the Recreation and Park Commission meeting on September 15, 2016, the Sports Complex Task Force held a public forum and presented their recommendations and findings. After the presentation, public hearing and receiving community input related to the Sports Complex Task Force preliminary report the

Commission voted unanimously to concur with the Task Force findings and recommendations.

- City Staff submitted a proposal the University of Southern California (USC) Price School of Public Policy to consider conducting an “Economic analysis for the building of a sports complex in the City of Davis”. The proposal was accepted and a team of three graduate students researched and analyzed various issues surrounding financing, management and economic impacts associated with development of a new sports complex, as well as constraints and challenges likely to be encountered by the City of Davis during the planning and implementation process. The consultants interviewed a number of SCTF members, city staff and other sports complex facilities during the fall. On November 2, two of the students attended the final SCTF meeting and received their feedback on the issues surrounding the Sports Complex. Attachment 1 provides a copy of their final report and analysis, and attachment 2 provides the communication briefer, which is a synopsis of their report. The following are the 5 recommendations from their analysis:

1. Commence an IMPLAN full economic input-output model to assess the impact the sports complex will have on the Davis economy.
2. Preparation of a regional input-output model should be considered. The regional model makes the Annual and Benchmark Input-Output accounts and customizes them to a particular region’s industry mix. Tailoring the input-output accounts and multipliers to a specific region helps increase the validity of the model.
3. Prioritize civic engagement to generate and maintain adequate funding for a sports complex. It will require the organization to create an internal structure that is thoughtful about community participation, specifically, as a financial resource.
4. Key people should conduct a stakeholder analysis to identify a board, volunteer network and donor base.
5. Identify a champion within the community to lead the formation of the structure and operate the sports complex.

- At their final meeting on November 2, 2016, the SCTF made the following recommendations:
  1. Recommend that City Council direct city staff to organize and invite all community organizations and solicit their participation to a meeting in order to form a 501c3.
  2. Recommend that City Council direct city staff to prepare and send out a Request Expression of Interest (REI) to local landowners for site interest.
  3. Recommend that city staff assist with the transition from a Sports Complex City led effort to a community led effort with City support.

#### **Recommendations and Next Steps:**

Staff recommends the following next steps:

1. Transition the City led effort to a community led effort with City staff support as needed, and as authorized by the City Council.

2. Support local sports organizations' efforts to form a 501c3 by assisting in organizing a meeting of the sports groups.
3. Direct staff to work with the local sports organization noted above, once formed, and return to City Council prior to release of a Request for Expressions of Interest (RFEI) as an effort in partnership with the local sports group organization.
4. Direct staff to work with the local sports organization, once formed, to assist as necessary in conducting an economic analysis. Any request for City funding assistance in this effort by the local sports group organization would come before the City Council for consideration.

City staff appreciates all of the time and work that the Sports Complex Task Members have given to research, deliberate and present this issue to the community and City Council. The SCTF efforts as a City Council appointed body would hereby conclude as they have completed the charge and tasks as assigned by the City Council.

**Attachments:**

1. USC Capstone Project – Feasibility Analysis of a Sports Complex
2. USC Capstone Project – Communication Briefer
3. Resolution – Dissolving the Sports Complex Task Force

# FEASIBILITY ANALYSIS OF A SPORTS COMPLEX IN THE CITY OF DAVIS



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## Executive Summary

With the emergence of sports tourism (Cook, 2014), and rising youth participation rates in both recreational and competitive sports (Schumacher, 2012), the City of Davis, California believes that it lacks the infrastructure needed to satisfy the growing demand for state of the art municipal sports facilities for Davis residents. Also, competitive sports clubs often must travel outside of their home city to participate in hosted sporting events and tournaments. Since the City of Davis lacks adequate field capacity, parking, lighting, and support facilities, youth sports organizations in Davis are unable to effectively host large scale events or provide sufficient resources for activities like practices and games (at both the recreational and competitive levels) (Staff Reports, 2010 and 2016). Moreover, the areas neighboring the existing sports facilities lack adequate infrastructure (such as hotels and restaurants) to accommodate the anticipated increase in tourist visitation that would come as a result of hosted athletic events (Staff Reports, 2010 and 2016). The unrealized economic benefits combined with the dissatisfaction expressed by Davis residents and sports teams served as the impetus for the local government to consider the construction of a new amateur sports complex in Davis.

The University of Southern California Capstone Team (the team) researched and analyzed the following general issues associated with the development of a new municipal sports complex: management and operation, as well as economic impact. The team also identified the constraints and challenges likely to be encountered by the City of Davis during the planning and implementation process. Specifically, the team evaluated the most effective and sustainable methods of financing the construction of a sports complex, investigated the best/smart practices for managing such a complex, and projected the economic impact the City of Davis may expect from a new municipal sports complex.

The team performed a thorough review of academic, government and practitioner-based literature; conducted a comprehensive evaluation of best practices; conducted interviews with municipal officials and subject matter experts; performed a matrix analysis; and conducted an organizational assessment to examine and analyze the issues surrounding the financing, management/operation, and economic impact of a new municipal sports complex. Additionally, the team performed cursory economic impact modeling to provide further support for the conclusions and recommendations provided in this report.

Our inquiry resulted in several compelling findings and recommendations. First, based on an evaluation of applicable successful funding approaches as well as an evaluation of the charitable giving in the City of Davis, the team found that individual contributions to a new nonprofit entity would likely be the most effective, efficient, and sustainable funding mechanism for a new municipal sports complex. Second, the team found that a *public-nonprofit partnership* was an ideal configuration for managing and operating a municipal sports complex. Finally, the team found that a new municipal sports complex in Davis could generate as much as \$27 million dollars in local direct spending on an annual basis. The following report will discuss the research methodology, findings, and recommendations in much greater detail.



## Issue Statement

The City of Davis has an estimated population of 67,666, and approximately 18% of the population is eighteen years of age or younger (Census Bureau, 2010.). Nearly 6,000 Davis residents actively participate in individual and team sports (The Sports Complex Task Force, 2016). A chief issue facing the Davis Parks and Community Services Department ("PCS"), and City of Davis, is the lack of existing facilities to support the array of sports organizations in which its residents participate (The Sports Complex Task Force, 2016).

Realizing that the lack of adequate sporting facilities was an issue, the Davis City Council commissioned a Sports Complex Task Force ("SCTF") to "assess the needs of the estimated 6,000 children and adults actively participating in sports teams in the City of Davis" (The Sports Complex Task Force, 2016). The SCTF met from February 2016 to June 2016 and identified the following issues:

1. The current facilities are severely lacking and do not have the requisite amenities needed to host games and tournaments (The Sports Complex Task Force, 2016).
2. The Davis population has exceeded the capacity of the current facilities and is continuing to grow (The Sports Complex Task Force, 2016).
3. The existing facilities are not in close enough proximity to one another (The Sports Complex Task Force, 2016).
4. A significant number of Davis residents do not participate in sports activities because the necessary facilities do not exist (The Sports Complex Task Force, 2016).

To rectify these issues, the SCTF recommended that the City of Davis play a supportive role in the development of a new sports complex and help establish a community-based nonprofit organization to manage said complex (The Sports Complex Task Force, 2016). The SCTF also recommended that the City of Davis use existing funds to renovate "a select number of existing fields to facilitate flexibility in their use with the goal of supporting a broad range of underserved and growing sports" (The Sports Complex Task Force, 2016).

As a public institution, the City of Davis would like to expand resources available to its citizens in a manner that creates the most public value. While the definition of public value varies by source, generally, "creating public value means producing enterprises, policies, programs, projects, [and] services...that advance the public interest and the common good at a reasonable cost" (Bryson, 2011). The City of Davis can create public value in a number of ways, including provision of public goods and services that the private markets have not or will not provide and doing so in a cost-effective manner, and it can create public value by maintaining a healthy economy with acceptable levels of growth and debt (Bryson, 2011).

On an organizational level, the City of Davis utilizes a Council-Manager local government structure (City of Davis, 2016). In this structure, the City Manager implements and

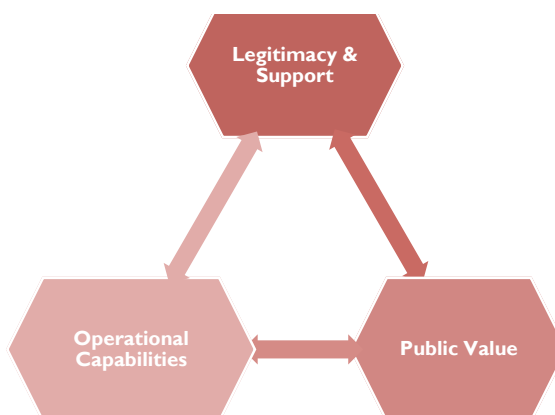
oversees the policies enacted by the City Council (ICMA, 2016). The five-person Davis City Council hires the City Manager and assesses his or her performance (City of Davis, 2016). While the Council-Manager structure is representative and encourages civic participation in government, it does place some limitations on the Davis City Manager's Office. Because the City Manager's office cannot create policy, the options it has to finance the construction and operation of a new municipal sports complex are limited. If the City Manager's office believed that creating a new tax or issuing bonds was the best funding structure, it could not implement these strategies unilaterally. Rather, the City Manager must recommend these actions to the City Council, which would ultimately be responsible for approval. Similarly, the City Council, rather than the City Manager, is tasked with approval of the construction of the complex as well as allocating the necessary funds. In order to get said approval, the City Manager must provide a recommendation based on substantial, evidence-based research, which is the impetus behind the need for this project.

When considering a proposed municipal sports complex, the City of Davis finds itself in the position of needing to create public value by satisfying the needs of its citizens via the provision of adequate sports facilities. At the same time, it must provide these services within the financial strictures established by the Davis City Council and the citizens. Furthermore, the City of Davis aims to meet the citizens' needs in a manner that is transparent and provides accountability to its wide-range of stakeholders (Moore, M. & Khagram, S., 2004).

### Strategic Triangle

To reconcile these competing demands and assess which policy decision produces the most public value for the City of Davis, the team used the strategic triangle as an analytical framework to address the problem. The strategic triangle is composed of three parts:

*Figure 1: Relationship Between Legitimacy & Support, Public Value, and Operational Capabilities (Moore & Khagram, 2004)*



community to initiate and sustain the construction of the new complex (Moore & Khagram, 2004).

1. **Public Value-** the increase in common good and public interest the City of Davis seeks to produce (Moore & Khagram, 2004).
2. **Operational Capabilities-** the innovations/investments and infrastructure the City of Davis would need to build the new Sports Complex (Moore & Khagram, 2004).
3. **Legitimacy & Support-** the support, both vocal and financial, needed from stakeholders in the

The following analysis will explore the various issues surrounding financing, management, and economic impacts associated with the development of a new municipal sports complex, as well as constraints and challenges likely to be encountered by the City of Davis during the planning and implementation process. By evaluating aspects of financing, management issues, and the economic impact the City of Davis may expect from the construction of a new sports complex, this report combined with the SCTF report will give the Davis City Manager's Office the information it needs to determine whether the new sports complex will produce public value at a reasonable cost.

## **Purpose and Methodology**

The purpose of this study is to give the City of Davis relevant information about the financing, management, and economic impact of a new municipal sports complex in Davis. Ideally, the findings of this study will help the Davis local government make an informed decision regarding certain aspects of the construction of a municipal sports complex. To realize the purpose of this study, the following researchable questions were developed:

1. What are the most effective and efficient financial mechanisms to support a sports complex in Davis?
2. What are the best and smart practices for the management and operation of a municipal sports complex?
3. What is the projected economic impact of a municipal sports complex located in the City of Davis?

### **Financial Mechanisms for a Sports Complex in the Davis Area**

The City of Davis seeks to improve its recreational facilities and find the means to build a municipal sports complex in order to accommodate an increasing number of players and sports-related visitors. To effectively evaluate the most sustainable financing mechanisms, three research methods were conducted: literature review, semi-structured/open-ended interviews, and data/matrix analysis.

### **Literature Review**

When investigating the ideal funding mechanism for the sports complex, the purpose of conducting an integrative review of the literature was to learn about the financial structure of existing sports complexes and sports organizations, and to acquire the financial tools necessary to establish a sports complex. Google Scholar, Google search engine and the University of Southern California's online database were the primary tools used to source the appropriate literature for review. The purpose of this search was three-fold: 1) to collect and catalogue prevailing knowledge on the topic of sports complex financing, 2) to locate comparable case studies, and 3) to find documentation to support theory and interviewee statements. Journal articles helped identify the key factors of a sports facility capital project. Government and financial documents helped identify funding sources used by exemplary organizations, and the websites of various sports complexes provided

information to develop a strategic approach to amassing the funds needed to build a municipal sports complex.

#### *Evaluative Criteria*

Initial review of the SCTF 2016 report and our first conversation with City of Davis staff assisted in outlining parameters for what type of literature should be reviewed for this study. Additional key terms were identified throughout the research process including interviews and discussions with subject matter experts. The following key terms were used to identify relevant literature for the review: Sports Complex, civic engagement, capital campaign, fundraising, financial structure, community-based organization, municipal, finance, public value, fundraising, community engagement, economic impact, donation, sports clubs, budget.

The literature found using these key terms were further scrutinized using the following standards: 1) the documents had to be published in academic journals, books, periodicals, and government records; 2) the documents had to be published no earlier than 2004 (in order to help ensure relevance and applicability); and 3) the case studies were limited to local and national cases. In the end, 91 records met these standards and were included in the review (See Exhibit 1).

*Exhibit 1- RQ1 Literature Review Matrix*

Number of Articles	RQ 1 Literature Review						
	Financial Structure	Economic Impact	Donation	Partnerships	Capital Campaign	Best Practice	Sports Club
<b>46</b>	6	7	5	3	10	8	4
	Sports Complex	Civic Engagement	Capital Campaign	Fundraising	CBO	Public Value	Budget
<b>45</b>	13	3	4	11	3	5	6

#### *Limitations*

While literature reviews can be quite beneficial, this approach does have limitations. Typically, literature reviews require the scrutiny of a substantial amount of information. The sheer amount of information can overwhelm a researcher, and the most important information may be overlooked (Portland State University, n.d.). Further, literature reviews leave the researcher vulnerable to unintentional and intentional bias in the selection, interpretation, and organization of content (Neill, 2006). Lastly, literature reviews rely on secondary data and do not present any new, primary scholarship (University of California, Santa Cruz, n.d.). Interviews with subject matter experts helped narrow down the scope of the research to target needed information.

#### **Semi-Structured Interviews**

To further investigate potential funding mechanisms, semi-structured interviews were conducted with City of Davis staff, City officials, SCTF members, and experts from local

organizations. Beginning with the following experts, a snowball sample strategy (where new study subjects also of research interest are recruited from existing subjects) was used to help identify other potential interviewees (Handcock & Krista, (2011).

#### *Evaluative Criteria*

1. **Will Arnold**, Chair, co-author of the SCTF 2016 report, Recreation & Park Commission member and now City of Davis Council member.
2. **Dan Carson**, Co-author of the SCTF 2016 report and a member of the Finance & Budget Commission.
3. **Dale Sumersille**, Parks and Community Service Director

Interviews with subject-matter experts outside the City of Davis and local organizations dedicated to improving recreational space in Davis were critical in the development of the findings and recommendations included in this report. Representatives from two organizations, the Art Van Sports Complex and The Blue and White Foundation were selected as interview targets. These individuals were selected because 1) their ventures are well documented, 2) they are associated with nonprofit or Private-Public Partnerships and 3) the organizations with which they are affiliated exhibit financial sustainability and thus serve as successful models for the City of Davis. The experiences of these interviewees contributed to the collection of best practices for establishing an organization that is independent and financially sound.

The Davis High School Blue & White Foundation (BWF) officially formed in 2002 (DHS Blue and White Foundation, n.d.) (Appendix A). The group was initially driven to "create positive opportunities for [the] community" (DHS Blue and White Foundation, n.d., para 1). BWF has grown its database to 20,000 DHS alumni, developed the Hall of Fame program as a way to engage the DHS community, and led a major fundraising effort to modernize the DHS stadium. The new DHS stadium received acknowledgment by the SCTF in its report for its strong financial structure. The financing mechanisms used by BWF are primarily from donors and fundraising activities. The BWF financial structure will serve as a reference for the comparative analysis of this study.

The Art Van Sports Complex is in Rockford, Michigan a rural town near Grand Rapids in Kern County (Appendix B) (Unknown, 2015). Rockford has a population of approximately 5,700. The median income for a Rockford household was \$53,113, and the median income for a family was \$71,700 in 2010 per the U.S. Census Bureau. The facility serves residents throughout Western Michigan, precisely four (4) counties totaling a population of over 1 million people (Michigan Government, n.d.).

The Art Van Sports Complex is a product of a Public-Private Partnership (PPP) between the West Michigan Sports Commission and Kern County. The Sports Commission's goal was to build new infrastructure to increase participation in amateur sports and attract more sports-related tourism. The PPP's capital fundraising campaign strategy was not to spend any tax dollars. Between 2010 and 2012, the commission raised more than \$5 million for the facility through private, corporate, and nonprofit donations. The Art Van Sports Complex has been lauded for its financing approach (Evans, 2014).

### *Limitations*

It is difficult for researchers to eliminate bias when conducting interviews due to the researchers' previous knowledge of the subject as well as accrual of relevant knowledge during the interview process. The information an interviewer already knows may influence which questions will be asked and how the questions will be asked (Leech, 2002). Other limitations of interviews include incorrect recall of interviewee answers by experts, and interviewees may inaccurately attribute successes and failures of the work. Recollection affects the validity of the information collected in the interview (USC Libraries, n.d.; Hermosillo, 2016). With telephone interviews, there is a reduction of social cues. The interviewer does not see the interviewee, so body language cannot serve as a source of extra information (Opdenakker, 2006).

Preparation by the researchers before the interviews was essential to reduce these limitations (Toolbox, 2010). Prior to an interview, the interviewees were profiled about their current relationships to the project and roles. This useful background information influenced the design of the interview questions. Documents were requested after a discussion to support statements made by any of the experts and to verify the historical correctness of the data.

### **Coding and Comparative Analysis**

The data collected from the semi-structured interviews, academic articles, government documents, and previous research of financial structures of multiple sports complexes established the parameters for comparative analysis. Keywords from conversations with SCTF members during interviews were open-coded, in which the data is labeled with a title that reflects what is happening (Gallicano, 2013). The axial coding (a process to identify the relationship between open codes) was then used to group codes into four (4) themes that provide perspectives about priorities, fiscal and fundraising preferences, challenges, and opportunities (Gallicano, 2013). The results of the analysis were compared to documented experiences of sports complexes throughout the country.

### **Matrix Analysis**

Data, facts, and information collected through interviews and documents that reviewed fundraising activities, specifically financial makeup, outcomes, and vision and strategy were systematically organized in a matrix. Theories and concepts were placed in a concept-centric matrix to help outline the ideas that were evaluated and discussed in this project (Webster & Watson, 2002). A Threats, Weakness, Opportunities, and Strengths (TOWS) Matrix is intended to analyze the external environment of an organization to review the strategy of the agency and then evaluate options that directly improve efforts to attain the mission. The completion of a matrix will assist in considering how to leverage the external environment, and diagnose strategic opportunities for financial mechanisms for a sports facility (Mind tools, n.d.). Structured information makes it easier to highlight trends, similarities, and differences, as well as opportunities.

The following questions guided the input process to complete the TOWS Matrix (Mind Tools, n.d.):

- **Strengths and Opportunities (SO)** – How can you use your strengths to take advantage of these opportunities?
- **Strengths and Threats (ST)** – How can you take advantage of your strengths to avoid real and potential threats?
- **Weaknesses and Opportunities (WO)** – How can you use your opportunities to overcome the weaknesses you are experiencing?
- **Weaknesses and Threats (WT)** – How can you minimize your weaknesses and avoid threats?

#### *Limitations*

A TOWS matrix typically does not demonstrate how to implement strategies or how to identify “interrelationships among the key internal and external factors” (MBA Lectures, 2011, para 10). However, in this study, case studies and their logic models are provided to show implementation strategies with a description of the socio-economic environment at the time to provide a holistic approach for the City of Davis.

### Managing and Operating a Sports Complex in the Davis Area

The City of Davis had stated that it prefers to serve in a supporting role rather than manage and operate the new complex itself (Staff Interviewees, 2016). However, we investigated the various best/smart practices for managing and operating an amateur/municipal sports complex (Schmieder, J. (2015), Bretschneider, S. (2004) utilizing literature reviews and semi-structured interviews were conducted to identify and evaluate the best/smart management practices available.

#### Literature Review

"Literature review surveys scholarly articles, books and other sources (e.g. dissertations, conference proceedings) relevant to a particular issue, area of research, or theory, providing a description, summary, and critical evaluation of each work. The purpose is to offer an overview of significant literature published on a topic" (University of California-Santa Cruz, n.d.). Research regarding best practices for building a youth or municipal sports complex, sports tourism, youth recreation and competitive sports was examined to provide valuable background information. Government documents and academic literature were used to identify the prominent issues associated with sports complex management, operations, and organizational framework. In addition, publication date and cases study geography helped identify relevant literature. These evaluative criteria helped isolate the preeminent theories and concepts from a substantial amount of information. These theories were then logged in a concept-centric matrix for further study. Ultimately, 125 documents met these standards and were included in our review.

*Exhibit 2- RQ 2 Literature Review Matrix*

<b>Total Number of Articles</b>	<b>RQ 2 - Management and Operating Organization to Oversee the Sports Complex</b>					
	Management Structure	Operations	Private Partnership	Community	Sports Commission	Best Practices
<b>125</b>	46	4	10	35	12	18

### *Limitations*

The limitations of literature reviews previously discussed apply to this literature review as well.

### **Semi-Structured, Open-Ended Interviews**

Interviews of directly-involved individuals can be used to more fully understand processes identified during the literature review. Open-ended interviews were conducted to further understand the best/smart management and operation practices for municipal sports complexes. The flexibility of this method will allow the team to secure the most revealing results (Hammer & Wildavsky, 1983).

The 2016 Task Force was primarily composed of representatives from various sports organizations operating in Davis. This group, along with select City Staff and City Councilmembers, served as our initial interview targets. Additionally, the team reached out to individuals in other municipalities to inquire about their best management practices. Due to time constraints and limitations on availability, not all of the targeted interviewees were interviewed. Overall, a total of fourteen (14) interviews were conducted to research the best practices for management and operational structure to oversee the sports complex. Exhibit 3 shows a breakdown of all interviewees, and a detailed list can be found in Appendix B.

The evaluative criteria utilized a criterion and stratified purposive sampling approach, as well as a snowball sampling approach as defined previously. According to Bryman (2012),

“Purposive sampling is a non-probability form of sampling. The researcher does not seek to sample research participants on a random basis. The goal of purposive sampling is to sample cases/participants in a strategic way, so that those sampled are relevant to the research questions that are being posed ... Purposive sampling does not allow the researcher to generalize to a population.

Criterion sampling involves sampling all units (cases or individuals) that meet a particular criterion. Stratified purposive sampling is a sampling of usually typical cases or individuals within subgroups of interest.



*Exhibit 3 - RQ2 Interviewee Breakdown*

Stakeholder Group	Number of Individuals Interviewed	Number of Non-responses
Municipal	5	1
Staff	3	0
Interest Group-Sports	3	2
Interest Group-Others	3	1
Industry Experts	0	2

Our qualitative research included two industry experts; namely Big League Dreams and Rink Smart Development. However, due to both time and schedule constraints, we were unable to secure an interview date. Responses from interviewees provided additional insight and perspectives associated with the operation, implementation of partnerships, and monitoring the social impact of a sports complex. Our interview questions specifically asked organizations about the practices that worked well for them (Bardach, 2012).

#### *Limitations*

The limitations of interviews previously discussed apply to these interviews as well.

#### **Best (Smart) Practice Research**

Bardach's (2016) best (smart) practice research was utilized as a framework to analyze data and to inform the findings for managing and operating a sports complex. According to Bardach (2012), smart practice research is a method that finds and analyzes solutions that have been implemented by organizations and can be applied to other agencies. "The primary mechanism is its means of directly accomplishing useful work in a cost-effective manner. The secondary mechanisms include implementing features, supportive features, and optional features. Implementing features directly embody the basic mechanism; supportive features are the primary resources used to bring implementation into being, and optional features are features of interest only to the organization which necessarily may not be of value elsewhere" (Bardach & Patashnik, 2016).

The team examined an array of managing and operating structures at the various municipalities included in this study. The focus was to understand exactly how and why the practices may have worked, and evaluate their applicability or transferability to the City of Davis" (Bardach & Patashnik, 2016).

Two primary evaluative criteria were used to assess the best practices researched: trustworthiness and authenticity (Guba & Lincoln, 1994); thus, the focus was on organizations that have:

1. Satisfactorily resolved internal validity and reliability problems
2. Successfully managed and operated their sports facilities

We then observed these organizations and identified the practices that worked well for them (Bardach, 2012).

### *Limitations*

Limitations of best practices include relying on anecdotes and very limited empirical observations for one's ideas (Bardach & Patashnik, 2016). Smart (Best) Practices also come with potential vulnerabilities namely, poor general management capacity, which makes it more difficult to implement effectively, and weaknesses inherent to the practice itself (Bardach, 2012). Using multiple methods will help mitigate these limitations.

### **SWOT and PESTLE Analysis**

We also included a SWOT (see Exhibit 10) and PESTLE analyses (see Exhibit 11). A SWOT matrix helps to identify the organization's partnership strengths and weaknesses (S-W), as well as broader opportunities and threats (O-T). It can offer helpful perspectives at any stage of an effort and might be used to "make decisions about the best path for proposed initiatives, identifying opportunities for success in context of threats to success as well as for clarifying directions and choices" (Community Toolbox, n.d.). **PESTLE** is a framework used to scan the organization's external macro environment. The letters stand for **Political, Economic, Socio-cultural, Technological, Legal and Environmental**.

- **Political factors** refer to the stability of the political environment and the attitudes and approaches of political parties or interest groups and may represent influences, restrictions or opportunities, but they are not mandatory.
- **Economic factors** represent the wider economy and may include economic growth rates, levels of employment and unemployment, costs of raw materials, interest rates, monetary policies, and inflation rates.
- **Socio-cultural factors** represent the culture of the City of Davis. They may include demographics, age distribution, population growth rates, level of education, distribution of wealth and social classes, living conditions and lifestyle.
- **Technological factors** refer to the rate of new inventions and development, changes in information and mobile technology, changes in internet and e-commerce or even mobile commerce, and government spending on research.
- **Legal factors** refer to factors such as national employment laws, the various trade regulations, restrictions, and rules, and consumer protection. Legal factors are those which have become law and regulations and needs to be complied with.
- **Environmental impacts** can include issues such as limited natural resources, waste disposal and recycling procedures.

## Findings and Data Analysis

As discussed previously, multiple types of data sources and methods were used to develop multiple supporting lines of evidence (referred to as triangulation) regarding effective and efficient financial sources for a sports complex in the Davis area. Triangulation can establish validity and increase the utility of the work (Diehl, Guion, et. al., n.d.). Triangulation is especially suitable for this project due to a paucity of literature of CBO's that oversee a sports program or that has raised funds for a relevant sports-related issue. Also, in this case, the absence of an organization also means that there are no secured resources or financial structure requiring assumptions to serve as placeholders in the comparison process.

### The Economic Impact of a Sports Complex in the Davis Area

Before the City of Davis expends the time and resources necessary to facilitate the construction of a new municipal sports complex, it must understand the impact the complex may have on the local economy. In order to do this, a cursory economic impact analysis methodology, developed at Indiana University, was implemented to project the direct spending a new municipal sports complex could generate for the City of Davis.

### Economic Analysis

The intent of the economic impact analysis is to measure the extent of the economic benefits the Sports Complex would bring to the Davis Community (Crompton, 1995). In the context of the Davis Sports Complex, the economic impact is defined as the net economic change that is generated from spending associated with the Davis Sports Complex (Crompton, 1995). Sports complexes like the one proposed in Davis generate a large percentage of revenue from sports travel tourism (Crompton & Lee, 2000). In fact, between 75-90% of all competitors in these amateur tournaments are nonlocal residents (Brewer & Freeman, 2015).

Several methods can be used to examine the economic impact of an infrastructure project. While an input-output model is probably the most comprehensive method, such an extensive method is outside the scope of this report (Wright, 2009). Instead, the team used an economic impact analysis methodology developed by the University of Indiana ("IU model"). The use of IU model is appropriate because it was specifically designed for sports tourism programs (Brewer & Freeman, 2015). By estimating the number of tourists, average spending per visitor, sales multiplier, and capture rate, the IU model can assess the economic impact of a diverse sports tourism program that encompasses numerous event types (Brewer & Freeman, 2015).

### *Limitations*

While the IU model is a sound methodology, it does have a few limitations. First, it was originally used for a complex that had already been constructed, and the assumptions are based on a complex that has reached maturity. Because the Davis' complex has not been

built and design has not been finalized, we used an "ideal complex design," based on the descriptions found the SCTF report, for our model. If the actual complex design varies significantly from this ideal design, the projections will vary accordingly.

## Findings and Analysis

The methods described in the previous section produced a number of compelling findings and discoveries. The following section depicts the results of our literature reviews, interviews, and various analyses. An in-depth discussion of the outcomes is followed by relevant recommendations.

### Financing a Sports Complex

A coding framework was created to determine the ideal financing structure for an amateur sports complex in Davis. The framework was designed to condense information from interviews with SCTF members. During our discussions with the SCTF members about a new sports complex in Davis, four common themes emerged. The following discussion reviews each theme and considers how it relates to financing the construction of a new complex.

#### *The City's financial infrastructure is limited*

All interviewees directly working on the project highlighted the urgent need to keep the process of developing a sports facility moving forward. This stance was a direct response to the multiple unsuccessful attempts by the City of Davis to build a new sports complex starting in 2004. According to City of Davis Assistant City Manager, Mike Webb, the historic 2008 economic downturn heavily influenced the City's decision to not move forward with the project. Also, the 2014 political opposition to increasing the park parcel tax influenced the 2016 SCTF's recommendation that a CBO serves as the central administrative and financing vehicle for the new sports complex.

#### *Individual Contributions*

According to interviewees, individual contributions were noted to occur more so with local organizations in the form of volunteerism, purchase of items, participation at fundraising events, and individual donations in the construction stage of a capital project. According to the SCTF

report approximately 80% of current users of recreational facilities are willing to volunteer in fundraising and grant application processes to help cover the financial costs associated with a Sports Complex (Sports Complex Task Force, 2016). In 2011, individual givers in this country "comprise more than 75 percent of total gifts annually" followed by foundations at 12% (List, 2011, p. 160). An indicator that the number of donations can increase is directly correlated with increasing number of volunteers (List, 2011). Both literature and experiences from interviewees coincide that volunteerism and financial contributions are feasible in local fundraising campaigns.

#### INTERVIEWEE:

"THERE IS WILLINGNESS FOR ECONOMIC COLLABORATION IN TOWN"

### *Reference to local agencies as exemplars*

When asked for examples of Davis residents' willingness to raise funds, the Blue and

#### INTERVIEWEE:

“THEIR PHILOSOPHY IS NO  
EXPANSION, NO BIG BOX STORES,  
NO OUTSIDERS. THE USER-PAY  
PRACTICE CAN'T DO IT ALL FOR  
RECREATIONAL PROGRAMS.”

White Foundation (“BWF”), and Davis Soccer Youth Soccer League (“Legacy”) were referenced by multiple interviewees. Responses listed leadership, clear objectives, and consistent progress as factors that encouraged donations. These donations ranged from participation in fundraising activities to volunteerism and sponsorship. The Gates Family Foundation’s (2012) standards for capital

projects consist of organizational readiness that entails a strategic plan with short and long-term goals, driven by community need, assessment of organizational capacity, and a committee within the organization that is focused on the mission.

### *The Community: The Stakeholder*

Community engagement in Davis and its importance to the direction of the new sports complex came up in multiple interviews. Discussions with interviewees about potential competition over the limited funds available for a sports complex often led to a discussion of Davis' stumped economic development due to residents' philosophy of voting "no expansion" or no tax increases that would bolster the municipal fund. In this context, the Davis community was referred to as a third party, as a group not connected to the bigger picture - providing good recreational space for Davis residents. In 2014, Godbe Research conducted a study among Davis residents. Residents were asked whether they would be more or less likely to vote for a measure to raise the park parcel tax. The study revealed that Davis residents would rather be taxed for maintenance than the development of a new sports complex (Greenwald, 2016). Consequently, the Davis City Council did not support the proposed park parcel tax. Conversely, when interviewees were asked if multiple organizations fundraising for a similar cause could theoretically deter reception of funds from local donors to the sports complex efforts, responses were optimistic. The community was associated as willing partners in "economic collaboration" driven by the goal of a project directly receiving donations or fees or payments. Sports organizations do not have the same financial resources as other types of entities, yet they receive a combination of "public, voluntary and market resources" (Feiler, et.al, 2014, p.1221). Most sports organizations sustain a nonprofit status which is associated with trust, and the entity filling a need for a community, influencing the intake of donations. Accordingly, when a nonprofit sports club promotes common core values and is fulfilling a government void, it generates higher revenues from donations (Feiler, et.al, 2014).

*Exhibit 4 - Research Coding*

<b>Axial Code</b>	<b>Open Code</b>
<b>The City's financial infrastructure is limited</b>	<ul style="list-style-type: none"> <li>- Low property taxes</li> <li>- No big developments</li> <li>- Old Parcel Tax</li> <li>- Change in retirement pension</li> <li>- Economic Development</li> <li>- Land Tax</li> <li>- Community influences decision makers</li> </ul>
<b>Individual Contributions</b>	<ul style="list-style-type: none"> <li>- Sales or purchase of items</li> <li>- Member fees</li> <li>- Generous Town</li> <li>- Family support for Sports Clubs</li> <li>- Individual donations</li> <li>- Volunteers</li> </ul>
<b>Reference to local agencies as exemplars (For their capital fundraising)</b>	<ul style="list-style-type: none"> <li>- Blue and White Foundation</li> <li>- Sports Leagues and Clubs</li> <li>- Neighboring City's</li> </ul>
<b>Community: The Stakeholder</b>	<ul style="list-style-type: none"> <li>- Healthy Community/ Healthy Kids</li> <li>- Need a group to activate the plan</li> <li>- Community expectations</li> <li>- Those that give money make decisions</li> <li>- Taxpayer</li> <li>- Coalition of the being</li> <li>- The City of Davis</li> <li>- Sense of Community - Community is an asset</li> <li>- Community Orientated</li> <li>- Community approach</li> </ul>

**Matrix Analysis**

The purpose of the TOWS matrix is to generate strategic options based on the opportunities available to the organization and to bring attention to weaknesses and potential threats the organization may face (Mind Tools, n.d.). In this case, the SCTF and the group's current dynamics were examined. We used documents provided to the team from the City and SCTF and interviewee responses to complete the matrix. Exhibit 5 summarizes possible strategies as a result of four (4) combinations. The common strategy found in Exhibit 5 is to utilize existing resources - leaders, volunteers, and sports club members - to create opportunities with the greatest potential to achieve the mission and vision of the project while accounting for potential losses (Mind Tools, n.d.). Having an early understanding of what internal and external factors surround an organization committed to the construction, and successful operation of a complex helped inform the research needed for this project.

*Exhibit 5 - TOWS of 2016 SCTF Strategic Alternatives Matrix*

	External Opportunities 1. <b>Parcel Tax Increase</b> 2. <b>Relationship w/ Government Entities</b> 3. <b>Potential Land Donation</b>	External Threats 1. <b>Political Votes</b> 2. <b>"Not in my backyard."</b> 3. <b>Lack of donors beyond Davis</b> 4. <b>Market Competition</b>
Internal Strengths 1. <b>Community Leaders</b> 2. <b>Access to Sports Club Members</b> 3. <b>Access to Volunteers</b> 4. <b>Group decision-making</b> 5. <b>Experience</b>	Strategies that use strength and opportunities: - Build momentum towards increasing parcel tax - Resources to create opportunities: Leaders, volunteers, Park users - Expertise to tailor financial activities	Strategies that use strengths to minimize threats: - Create campaign in which Community leaders, participants, experts, volunteers counter negative views and assess outreach beyond Davis
Internal Weaknesses 1. <b>No Budget</b> 2. <b>Limited Staff</b> 3. <b>No building location, no design, no cost</b>	Strategies that minimize weaknesses: - Experts create leadership structure, organizational and financial structure - Leaders & Experts recruit staff	Strategies that minimize weaknesses and avoid threats: - Publicize public value of Complex - Establish an organization with a "board" that reflects target population and can gather funds

*Public Support: A Constant Funding Source for Local Sports Organizations*

In the future, an organization in the Davis community may develop the capacity to identify, seek, and attain the diverse funding sources needed to meet the financial benchmarks for this project. However, to determine the most effective and efficient financing mechanisms under the current conditions, the team conducted the following comparative analysis of Form 990 Balance Sheets for local sports organizations in Davis. Subsequently, a logic model of existing sports facilities was completed to categorize the key inputs and financial activities that resulted in a successful outcome.

The nonprofits listed in Exhibit 6 receive an average of 96% public support, primarily from membership fees and fundraising activities. None of the available Balance Sheets



itemize monetary contributions from individuals. However, it is evident that members of sports clubs and the community are principal investors.

*Exhibit 6 - Public Support according to 2014 Tax Form 990 Balance Sheet*

Organization	Fundraising Activities	2014 Public Support % Contributions
<b>Blue and White Foundation</b>	Online, Golf Tournament, Sales	93%
<b>Davis Soccer Youth Soccer League (Legacy)</b>	Tournaments, clinics, camps	97%
<b>Davis Youth Baseball Association</b>	Grants, member fees	98%

The high percentage of public support for the listed organizations can also be contributed to the link between a stakeholder and funds. For example, BWF logic model (Exhibit 7) shows that its investors are primarily from the local area. The relationship directly correlates with the fundraising activities that financed the renovation of the high school stadium (output). Similarly, local corporate sponsors and community members in West Michigan raised the majority, if not all, of the capital for the Art Van Sports Complex.

*Exhibit 7 - Comparison of Multiple Logic model*

	Inputs	Activities	Outputs	Economic Outcomes	Impact
<b>BWF Davis High School</b>	Board of Directors Alumni Community Parents DHS students Benefactors Faculty/staff	Grants Capital fundraising tactics (i.e. sponsorships, naming rights, sales) Golf tournament Student Activity Grant fundraiser Database Facebook Website	Renovation of Stadium		The DHS stadium hosts home games  A modern athletic field that creates pride among the DHS students, families, and community members
<b>Art Van Sports Complex</b>	8+ Community Leaders  Community	"Everyone Wins Campaign"	Parking for 400 cars  8 baseball and softball fields	Total economic impact of \$20 million for the West	Safe outdoor and indoor sports complex



	West Michigan Sports Commission	Tailored multimedia campaign	Miracle Field for children with disabilities.	Michigan economy	Financial growth of local businesses
	County	Purchased 79 acres		\$5 million in lodging revenue	
	Board Members	The committee also delivered this message by "going door to door" and telling the story	Raised more than \$5 million by 2012 for the facility through private, corporate, and nonprofit donations		Community access to sports and recreational activities
	20 Volunteer Organizers				
	West Michigan Miracle League	Fundraising activities for smaller donors	18 tournaments in its first 14 months of operation		
		Each Corporate Leader \$10,000 to \$300,000	About a \$500,000 budget with \$600,000 in revenue		
		Sales of items			

Capital fundraising for Art Van Sports Complex took place during a time of economic hardship for many municipalities throughout the country. As a result, the strategy of not relying on taxes to finance the construction of the Art Van Sports building was deliberate. The strategy of tailoring fundraising activities to the targeted donor pool was quite effective. For example, corporate leaders were asked to donate between \$10,000 to \$300,000. In comparison, sales of bricks to be laid at the sports complex were sold online at a reasonable price for individuals. Despite the segmentation, all contributors were tied to the "Everyone Wins" vision that fostered a sense of connectivity and trust. By coordinating individuals and groups to a bigger picture Art Van Complex could generate many donations (Otte and Dicke, 2012; Brook, 2014). The Art Van Sports Complex case study shows that community support is essential to financing and funding continued growth (Rockey, et. al, 2016). Moreover, it serves as an example of how a local organization tailor capital fundraising campaign methods to mobilize its largest funding source – its community.

## Effective and Efficient Funding Sources for Sports Complex

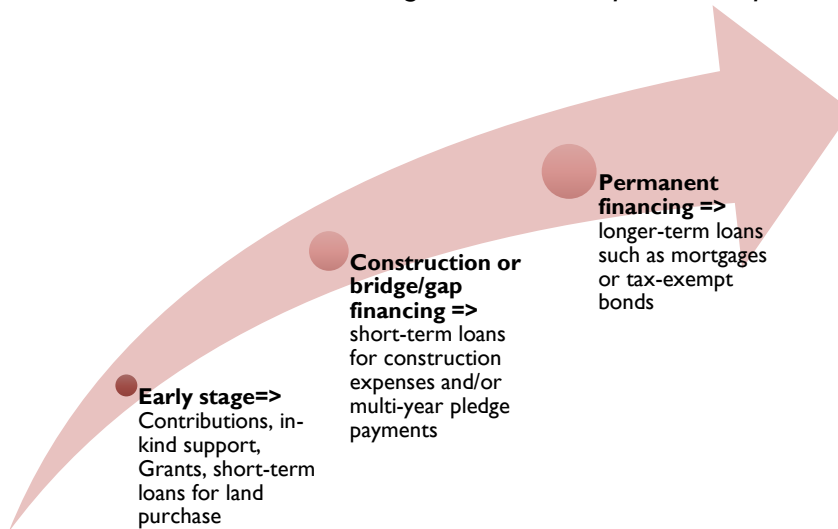


Figure 2 - The Gates Family Foundation Project Financing Option (Gates Family Foundation, 2012)

Sports organizations researched in this study obtained the largest source of monies through fundraising activities for construction and sustained operations through tournament proceeds. EPS (2004) outlines common financial sources for Sports complexes (See Exhibit 8). However, it is important to note that financing that requires repayment were not consistently found

among literature discussing financial structures for nonprofits or PPPs dedicated to building and operating a sports complex. This is slightly contrary to The Gates Family Foundation (2012) project planning financing options are formatted in the context of the immediate future as well as long term (See Figure 2). Instead, sports complexes placed a greater emphasis on the organization's ability to raise capital from individual and corporate donors. Strategic capital fundraising planners typically apply the 20-80 rule - 20% of the donor base will raise a minimum of 80% of the necessary funds (The Gates Family Foundation, 2012). While the percentage of the rule may differ according to individual organizations, the rule is a consistent method to establish individual contributions as an efficient funding source from construction to maintenance of a sports facility. The collective knowledge of financial structures within sports complexes is beneficial for references. However, the previously mentioned logic models imply that what makes a funding mechanism effective and efficient is the organizational configuration that implements the strategy. The organizational structure and operations will be directly influenced by the objectives, activities, and essential stakeholders needed to build a Sports Complex in Davis. Campaign planning experts stress that tailored components and activities must be organized into an entities strategic plan to intentionally strengthen its capabilities (Gates Family Foundation, 2012). Concise vision and mission statements are essential because each element underlines the need for a fundraising campaign and details how the funds will be used (Poderis, n.d.). Leadership and effective volunteers anchor a capital campaign with expertise and willingness to tap into a network to maintain a pulse for progress and mobilize a target population (Poderis, n.d.). Organizations listed in the previously mentioned logic model embraced these elements as resources that contributed to the progress of a project.

*Exhibit 8 - Funding Sources for Sports Complexes.*

Funding Source	Best Used For	
	Construction	Maintenance
Fund-raising by Sports Groups	X	X
Tournaments		X
Concessions		X
Grants	X	
Developer Contributions	X	X
Business Association/Sponsorships	X	

*Maximize contributions by increasing civic engagement*

When working backward from a fiscal goal to the necessary organizational resources, stakeholders must be defined (W.K. Kellogg Foundation, 2004). Studies have found that demographics, economic characteristics, religion, and geography have statistically significant effects on charitable giving (Association of Fundraising Professionals, 2010, p. 21). With the aforesaid characteristics in mind, the mean charitable contribution for Davis residents ranged from \$2,000 to 9,000 dollars with most individuals averaging under 3,000 dollars (See Exhibit 9). In the City of Davis, this resulted in a giving ratio range of 2% to 3% (Meyers, Narayanswamy, & Oh, 2012). According to several interviewees, the City of Davis has been described as a “generous community.” Legacy’s and BWF’s public financial support, approximately 96%, is above the national average of 75%. In addition, 80% of respondents to the 2008 survey stated their willingness to volunteer for fundraising purposes. The above average of volunteerism in Davis and the prioritization of a sports complex from the community suggests an optimistic approach for an intimate fundraising method. (PCS Community assessment, 2014). Activating the network of volunteers and donors will require strategic planning and the inclusion of all relevant stakeholders at multiple levels of the future organization.

*Exhibit 9 - Comparison of Giving Ratio by Metropolitan Region (Meyers, Narayanswamy, & Oh, 2012)*

Metropolitan area	Giving Ratio	Population	Unemployment
Bartholomew, IN	3.26%	1.8 million	3.30%
Grand Rapids, MI	4.24%	800,000	4.40%
Houma-Bayou, LA	1.81%	208,000	6.00%
Sacramento, CA	<b>2.63%</b>	<b>2.2 million</b>	<b>4.70%</b>
Provo-Orem, UT	8.87%	527,000	2.80%
USC	3.86%	44,000	5.70%

To put into perspective, the resources and focus required to campaign for a local sports complex metropolitan regions were compared. The Art Van Sports Complex research noted that the facility is in proximity to a city that has a high contribution rate of approximately eight (8) percent. In our interviews, the City of Davis was also referred to as a generous community. Chart 1 show the median resident contribution by metropolitan area. Exemplar sports complexes with County entities as partners in this study sought potential contributors within the immediate region because there is a high probability that users would be traveling to the facility. Meyers, Narayanswamy, and Soo Oh (2012)

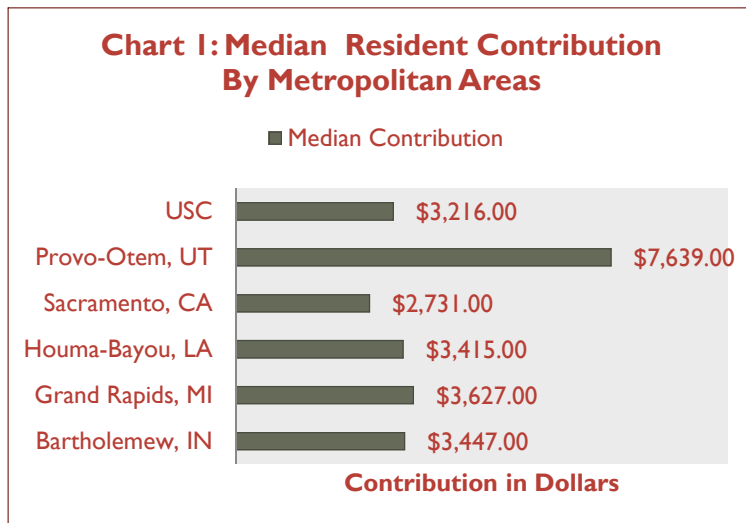


Chart 1 - Median Resident Contribution by Metropolitan Areas  
(Meyers, Narayanswamy, & Oh, 2012)

created an interactive tool to show *How America Gives*. The team used this tool to compare median contribution by metropolitan areas. According to Chart 1, individual contribution in the Sacramento-Davis area is approximately \$900 less in comparison to Grand Rapids-Wyoming metropolitan area and the range of \$485.00 to \$4,908.00 less than the other areas in Exhibit 9. The Davis area may not be the most generous community in America but understanding what the individual contribution amount is that generated six

million dollars in the Grand Rapids metropolitan region for a sports facility, that caused three million dollars in direct spending in the inaugural season, sets a bar that an organization can take and set as a benchmark (Evans, 2015, b) (See Appendix A).

The BWF and the Art Van Sports Complex campaigns list sample fundraising activities that are feasible to accomplish by donors and volunteers that furthered the organization's credibility while effectively communicating the campaign's mission within a community's network. A combination of appropriate individual and group activities helped the organizations build trust in the community and execute successful fundraising efforts (See Exhibit 7). Eleanor Brown and James M. Ferris (2007) analyzed the relationship between individual giving and networks. Their research concluded that "the civic life of a community in terms of trusting others is important in encouraging gifts of money for secular causes and volunteering time" (p. 17). These results highlight the invaluable role of civic engagement, at various stages, in building successful organizational relationships. Adler and Goggin (2005) define civic engagement as "the ways in which citizens participate in the life of a community to improve conditions for others or to help shape the community's future" (p. 1). Individuals are motivated to make a community better. In this manner, public value is demonstrated subsequently strengthening trust and reputation to

the cause allowing “access to resources like social services, volunteers, or funding” (Schneider, 2009, p. 17).

CBO leaders can motivate the Davis community-donor network to give larger amounts or encourage more individuals to contribute. Organizing experts suggest the preceding steps to best exhaust a network:

1. Outreach to group leadership
2. Educate leadership the importance of a sports complex and introduce the ask
3. Map out group to identify potential donors
4. Leaders reach out to potential donors within network and ask
5. Sports Complex organizer facilitates follow-up meeting with the group to exhaust the possibility for additional contributions in immediate network and identify a similar network

The activities necessary to produce ideal outcomes requires follow through of tasks that build on each other to compose a campaign with the mission to meet the needs of the Davis Community.

#### *Additional Funding Options*

Contributions are a major funding source for sports facilities. Often sports organizations look for partners to provide donations or land as the “first steps to develop any funding plan” as well as grants (Brailsford & Dunlavey, 2012, p. 2.5). Private and public partners may also offer opportunities for varied funding. The following are descriptions of possible funding sources provided by Brailsford and Dunlavey, Inc. (2012).

- Public sources are generally dependent on by the entity and the arrangement of the project. General obligation bonds are a “debt instrument that pledges the full faith and credit of the issuer to re-pay the debt” (Brailsford & Dunlavey, 2012, p. 2.0).

Advantage: Reduced rates and improved borrowing power due to the full faith and credit pledge. A portion could be tax-exempt which allows for lower interest rates.

Challenge: Competing needs between other local projects.

- Revenue bonds are “repaid through revenues realized out of a specified revenue stream in place of ad valorem taxes” (Brailsford & Dunlavey, 2012, p. 7.21).

Advantage: Payments are delayed until revenue is generated.

Challenges: Higher interest rates due to the absence of full faith and credit pledge. A tax stream would likely be needed to repay debt.

- Federal and State offices offer numerous funds for projects, such as economic development related to tourism and recreation, in addition to maintenance. The following are examples (Brailsford & Dunlavey, 2012, p. 7.21):
  - The Office of Grants and Local Services (OGALS) administer grant programs funding local, state and nonprofit organization projects.
  - Land and Water Conservation Fund Program (“LWCF”) is a federally administrated program that provides 50% matching grants to outdoor park, recreation and conservation projects for counties and school districts. LWCF funding can be earmarked for land acquisition and facility development (National Parks Service, n.d., para 1).

In 2016 the City of Davis increased the Transient Occupancy Tax (“TOT”), imposed on occupants of short-term rentals such as hotel rooms, from 10% to 12%, and apply TOT to total rent paid by a guest for the short-term rental, including online travel companies, which is anticipated to raise \$240,000 annually (City of Davis, 2016, b). According to Brailsford and Dunlavey (2012), lodging taxes (both local and state) can be financing mechanisms for sports complexes due to the effect on room night operations.

Agreements between government entities can arrange additional funding sources primarily through county and municipal taxes, and/or land or arrange public services for the project.

Private sources range from naming rights to private foundations and member dues. Naming rights may be permanent or cyclical to financially support the construction and/or operations of a sports park. Grant programs are popular among sports complexes, as well as, dividing sport group member fees between facility development and operations.

According to Brailsford and Dunlavey, Inc. (2012) the following grants are applicable to municipalities, counties or nonprofit organizations.

- Finish Line Legacy Grant is available to nonprofit organization that are renovating existing buildings, grounds and property. The grant amount can range from \$10,000 to \$75,000 and applications are accepted on a quarterly basis.
- General Mills Champions for Healthy Kids Grant is in partnership with the Dietetic Association Foundation and the President’s Council on Physical Fitness and Sport. The program looks to help youth develop good nutrition and fitness habits. Each year at least \$20 million in grants are given in \$10,000 increments.
- MLB and MLB Player’s Association Baseball Tomorrow Fund gives to programs, fields, and equipment purchases. The program issues grants to nonprofit group at an average of \$39,000.
- U.S. Soccer Foundation contributes to nonprofits that have a minimum 10-year land use agreement. The donation ranges between \$8,000 and \$200,000.

## **Managing and Operating a Sports Complex in Davis**

To address this research question, the team used the previously discussed methodologies and the Sports Facility Operations Management book (Schwarz, E., Hall, S. and Shibil, S., 2010) to identify the best (smart) practices for managing and operating a sports complex. The following discussion is an in-depth review of our findings.

According to Schwarz et al (2010), the mission of the organization must first be defined because it often influences the management and operations of the sports complex. Mission provides the sense of purpose; clarifies an organization's purpose, or why it should be doing what it does (Bryson, 2011). For all the facilities researched, the key drivers were either sports tourism, economic development, or community service and the organizations' missions reflected the key drivers. Our findings revealed that the top hierarchy of the organization is responsible for management of the sports complex. Management includes overall organizational, human resources, legal, marketing, risks, and facilities management. These tasks ensure the safe and secure production and distribution of products and services to users. On the other hand, operations relate to the day-to-day running of the complex itself and includes facilities maintenance, lighting, bathrooms, elevators if any, field maintenance, front-end security, parking lots etc.

Each best practice surveyed comes with its distinguishing features and functions (Bardach and Patashnik, 2016) as stated above in the methodology. Our focus was on learning each municipality's basic mechanism of practice in managing its facilities and accomplishing its operations. Placer Valley Sports Complex was financed through hotel assessments. It is managed by the Placer Valley Tourism and its operations has various hotel general managers from the three cities it represents on its board of directors.

Managing and operations of the structure that will oversee the sports complex facility will vary depending on the ownership and governance structure in place. The structure of the sport facility ownership varies from being a public entity, a non-profit business, or a commercial enterprise, and the governance structure can be either a public entity, a private entity, a public-private partnerships, or a volunteer-based structure (Schwarz, Hall, and Shibil, 2010). While the three-sport facility ownerships structures are generic in nature, the methods employed to govern these structures can vary. According to Schwarz et al (2010), the four primary governance structures are:

1. **Public governance.** Usually operated under governmental or quasi-governmental ownership. The government is either through federal, regional, or local jurisdictions.
2. **Private governance.** This is the fastest growing structure for governing sport facilities of all types. The privately-managed sport facilities have evolved to meet the needs of communities and can run as independent business(es) under any number of ownership structures. The main goal of private governance is profit.
3. **Non-profit/Voluntary governance.** Non-profit sports facilities are those managed by volunteer executives, and these executives hire paid staff to carry

out day-to-day operations. The goal of these facilities is a public benefit rather than profit.

4. **Governance via Trusts.** Under this structure, a benefactor places an asset (a sports facility) into a trust, and this trust is managed by an assigned party (trust manager) to ensure the customers (beneficiaries) benefit from the services of the sports facility. These trusts can be operated as a charitable organization, a non-profit without charity status, or a public interest company.

These governance structures can be applied individually or can be applied in combination with each other, such as public–private governance (Schwarz, Hall, & Shibil, 2010) or public-nonprofit governance or private-public-nonprofit governance. Of the four governance structures listed above, only the first three were used by the municipalities interviewed. In the United States, governance by trust is a unique, rarely used governance structure. Our findings are divided into the following sections:

- public management and operations,
- private management and operations,
- nonprofit management and operations,
- public-private management and operations, and
- public-nonprofit management and operations.

### **Public Management and Operations**

Public management and operations are the responsibility of the elected body of the governmental jurisdiction. Under this option, the municipality owns the land, builds the sports complex, and runs the day-to-day operations of the facility. Typically, the facility has been constructed to offer social benefits to the residents of the municipalities (Schwarz et al., 2010). The local governments believe that sports facilities are important engines of economic development (Schwarz et al., 2010). Publicly-operated facilities are typically funded through the municipal government's general fund and other dedicated public sector funds (Convention Sports & Leisure, 2015). Additionally, these facilities rely on an annual financial operating subsidy provided by the public-sector owner (Convention Sports & Leisure, 2015).

Sixty percent of the municipalities interviewed confirmed that economic benefit was the driver for building their sports complexes. However, "in down economic times, municipalities often view the sports facility as the first area to cut funding resulting in the deterioration of the asset/investment" (Interviewee, 2016). The public/governmental authority provides both management and operations of the facility. This is usually the responsibility of municipality's Parks and Recreation Department. The City of Folsom was the only municipality that manages and operates its facility using local government staff.

#### **INTERVIEWEE:**

"Mentality should be keeping the facility at a high quality. In down economic times, municipalities see it as a less and they cut funding to the facility; assets start collecting mold and deteriorates, and it loses its impact as well."

However, the facility was built by a



resident developer (private) who ran the facility for two years before turning it over to the City. The City paid at a cost to the developer and now wholly-manages and operates the facility.

### **Private Management and Operations**

Under private management and operations, the governmental body opts to outsource the management of municipal sport complex by hiring a private management group to manage the day-to-day operations of the sports facility and provide reports back to the governmental agency (Schwarz et al., 2010). "These private managed sports facilities run as an independent business under any number of ownerships structures listed above and can be either commercial or non-profit. The owners can exercise their power and authority over the entire governance structure of the sports facility, including the development of the mission and vision, determining who the users of the facility are, and the regulatory power for anything that happens within the sports facility" (Schwarz et al., 2010). According to Convention Sports and Leisure (2015), this operational model is designed for profit. Examples of private sports facilities management organizations are SMG, Spectra, Goodsports Enterprises, and Sports Facilities Management. The City of Manteca's Sports complex falls under this option. The complex was built and is managed and operated, by Big League Dreams. The benefits of outsourcing to a private management organization include (1) reduction of operational costs and risks, (2) improved productivity, and (3) allocation of government resources to core functions.

#### **INTERVIEWEE:**

"ECONOMIC DEVELOPMENT DRIVES TO BUILD THE BIGGEST AND THE BEST, BUT SERVICING AND MAINTAINING STRUCTURE REQUIRES MONEY ... THERE IS OFTEN A DISCONNECT BETWEEN DESIRE AND REALITY."

### **Nonprofit Management and Operations**

Except for one, all the municipalities and stakeholders researched fell under this category. This information confirms that nonprofit organizations have become an integral part of the sports business (Schwarz et al., 2010). Under this option, "Involvement of individuals in the day-to-day operation of these sports facilities is usually voluntary in nature, although there may be some compensated employees within the organization" (Schwarz et al., 2010).

- The sports organizations interviewed are managed and operated by volunteers both at the local, area, regional and national levels.
- The municipalities are either managed and operated by paid commissions or other nonprofit staff.

Since nonprofit management and operations are non-paid, stakeholders stated the following key word/phrases as the driving force for their volunteerism:

- Giving Back to the Community

- Economic Development
- Sports Tourism
- Youth / Providing Kids with Opportunities
- Passion
- Community Involvement, and
- Dedication

The disadvantages of this type of management/operating option are the "heavy reliance on volunteers, and the organization struggles with finding people to help; often the same limited number of people help all the time" (Interviewees, 2016).

### **Public-Private Model Management/Operations**

Under this model, the City of Davis has, and maintains, ownership of the land and leases the land to a third private party entity responsible for operating and maintaining the complex. According to Conventions Sports & Leisure (2015), the goals and objectives of this model can vary widely but the goal will be to attempt to balance objectives of (a) economic impact, (b) local community use opportunities, and (c) operational self-sufficiency.

Under municipality best practices approach, these issues are negotiated and agreed upon by the parties in advance and memorialized within the lease/management agreement. Similar to the private model, many facilities under this model tend to be more specialized and cater to a narrower segment of the marketplace than the public model or the public/non-profit model. Some facilities under this model are operationally self-sufficient and do not require annual subsidy or external funding support, while some still require annual financial operating support by the public sector facility owner.

While the Public/Private Option eliminates the community involvement that the City desires, it does prevent the bias and inequity, which was a great concern to stakeholders interviewed, that might be associated with having the interest groups or sports organizations manage the facility. With this option, the City also has to determine whether the lease/contractual agreement would be a short-, medium-, or long-term basis, at the end of which management and operation reverts wholly to the City of Davis. Our findings revealed that the City of Manteca's facility is operated under this model.

### **Public-Nonprofit Model Management/Operations**

The Public/Nonprofit Model is largely popular among municipalities. "Under this model, the land and facility are generally owned by a public entity and the complex is leased and operated by a 501(c)3 non-profit (Staff Interviewee and Municipal Interviewee, 2016). The non-profit operator often utilizes relationships with local sports organizations to generate strategic partnerships, serving to share operating/maintenance responsibilities and expand revenue-generating and use opportunities ...In addition, this model generally relies on public funding, volunteers who are generous with both their time and wallets, as well as the access that non-profit organizations have to a number of applicable grant programs that can either contribute to offset operating expenses" (Convention and Leisure Center, 2015).

The above option is not without its challenges. Respondents' (Interviewees, 2016) concerns under the public-nonprofit option include:

"Is the City better off having neutral residents to form the nonprofit organization whereby there is no allegiance to any organization or interest group?"

"Will there always be constant stream and availability of volunteers, on the capacity of a sports complex, who are willing and available to maintain the facility regularly?"

In addition, "since citizen participants are not paid for their time, committees may be dominated by strongly partisan participants — whose livelihood or values are strongly affected by the decisions being made — or by those who live comfortably enough to allow them to participate regularly. Also, citizen participation processes allow special-interest views to dominate the decision-making" (Irvin & Stansbury, n.d.).

The City of Davis has stressed the need for a collaboration with a nonprofit organization (Staff Interviewees, 2016), rather than a collaboration with a private organization as, private-collaboration, among other things drives up various costs (e.g. tournament fees, event entry fees, etc.) (Interviewee, 2016). Multiple stakeholders (Interviewees, 2016) also reiterated the need for the community involvement. Consequently, this option appears to be the best alternative for the City of Davis.

Below is a comparison table of the different municipalities interviewed regarding the research question (See Exhibit 10):

Exhibit 10 - Comparison Table of Best Practices

<b>SPORTS COMPLEX</b>	<b>Art Van Sports Complex</b>	<b>Mather Sports Complex</b>	<b>Big League Dreams Sports Park</b>	<b>Folsom Sports Complex</b>	<b>Placer Valley Sports Complex</b>
<b>City</b>	Grand Rapids MI	Mather CA	Manteca CA	Folsom CA	Roseville CA
<b>Year Built</b>	2014	2009	2006	2004	2017
<b>Phases?</b>	Yes	Yes	No	Maybe	NA
<b>What phase is structure?</b>	1		NA	1	NA
<b>Management Mechanism / Structure</b>	West Michigan Sports Commission	Cordova Rec & Park District	Big League Dreams	City of Folsom Parks and Recreation Department	Placer Valley Tourism Board of Directors
<b>Mission</b>	To promote Michigan's West Coast as the premier venue for hosting a diverse level of youth and amateur sporting events, enhancing the economy and quality of life in the region	Lead the region in recreation and parks through excellence and transparency in serving the needs of our diverse and growing community.	To build and operate a family recreational facility that would give the average youth or adult player the chance to have the feeling of playing in the "big leagues"	Committed to establishing and maintaining facilities, parks and services that enhance the quality of life for all ages, cultural origins, and abilities.	To generate incremental room nights in hotels within Placer Valley Tourism's geographic footprint . . . the cities of Roseville, Rocklin, and Lincoln, California
<b>Driver</b>	Sports tourism and giving back	Economic development	Sports tourism and economic development	Giving back	Economic development and sports tourism
<b>Operating Mechanism / Structure</b>	West Michigan Sports Commission	Cordova Rec & Park District	Private Partnership (35-year lease)	City of Folsom Sports Division	Hire GM for Operations, maintenance, and ground-keeping
<b>Number of Fields</b>	9	5	6	7	10
<b>Financing Mechanism / Structure</b>	Private and corporate donations	Developer fees, State Grant, Commercial loan, and donations	PPO - Private Developer / Redevelopment Agency Funds	Built by a private developer/re sident and donated to City	20-30 structured bond financed through hotel assessment

<b>Cost</b>	\$6.8 million	\$16.5 million	\$29 million	\$500,000	\$38 million
<b>Other Phases to be built?</b>	Yes	NA	NA	Most likely	NA
<b>When?</b>	NFD	NA	NA	NFD	NA
<b>Per capita income</b>	\$26,094	\$24,462	\$23,806	\$38,472	\$34,514

Respondents, and all stakeholders, of best practices also echoed several concerns, constraints, and challenges. These included:

- equity both in use of the facility and concerning access to other sports organizations
- the cost of a facility, including a cost of maintenance
- safety
- ambiance
- implementation of decisions, concerning the sports complex, made now by existing council members when new council members are elected

We present below a Strengths, Weaknesses, Opportunities, and Threats matrix (SWOT) (see Exhibit 11) and PESTLE matrix (see Exhibit 12) for the public-nonprofit management/operations partnership. The following strategies can be used to overcome the identified weaknesses and threats.

1. Link people effectively by involving influential and diverse stakeholders and getting support from the City of Davis' decision makers and Council members.
2. Bring in new resources to expand knowledge bases by joining forces with existing network groups. This helps increase power and effectiveness of the partnership. Examples of organizations include National Association of Sports Commissions (<https://www.sportscommissions.org>), International Association of Facilities Management ([www.ifma.org](http://www.ifma.org)), National Council of Nonprofits ([www.councilofnonprofits.org](http://www.councilofnonprofits.org)); to name a few.
3. Transform the ground rules. Nonprofits have the influence and capability to change existing laws, or lobby for new legislation from local zoning ordinances to national laws, that affect not only their own locality but also communities nationwide. For example, ground rules can be laid for, or lobbied, to convert affected agricultural land open-space land for urban sprawl (Interviewee, 2016).
4. Staying focused and flexible by starting with the tasks that all can agree on. This way, even mutually antagonistic groups can find common ground.

Exhibit 11 - SWOT for Public-Nonprofit Model for RQ 2

Strengths	Weaknesses	Opportunities	Threats
<p>Involves residents who are familiar with the City, thus producing better decisions and thus more efficiency benefits to stakeholders (Irvin &amp; Stansbury, n.d.).</p> <p>Potential for sports organizations and other stakeholders to transfer their skills and experience for benefits of youths.</p> <p>Diversity of highly skilled people from a wide variety of professions and trades working together</p>	<p>Inclusivity. Only a handful of overall stakeholders are presently involved in process</p> <p>Dependency on volunteers; Volunteering might not rise up to level expected of managing and operating a sports complex on a daily basis</p>	<p>The organization has an opportunity to develop programs and events that can be enjoyed by a greater cross section of the population</p> <p>Nonprofit organization have the potential to seek both public and private funding opportunities not available to other forms of management/operating models</p> <p>Leverage City of Davis on the youth sports and sports tourism radars</p> <p>Legacy – social benefit</p> <p>Collaboration with multitude of stakeholders and municipalities</p> <p>Potential all-round economic and spill-over benefits</p> <p>Inclusion of all who desire to be involved</p>	<p>Lack of adequate financial capacity</p> <p>Access Equity</p> <p>Transparency</p> <p>Politicking / partisan politics</p> <p>Potential social and economic costs of community participation (Irvin &amp; Stansbury, n.d.).</p> <p>Procedural delays due to extensive federal, state, local, environmental laws and regulations</p> <p>Resistance from more powerful parties or interest groups</p>

Exhibit 12 - PESTLE for Public-Nonprofit Model for RQ 2

Political	Economic	Social	Technological	Legal	Environmental
<b>Cyclical changes in administration</b>	Economy of the State of California with its resultant effect on municipalities	Increased social and organizational complexity  Concern for quality of life likely to increase	Currently not applicable, but might be numerous and evident once organization is formed and commences operation and/or sports complex building is commenced	Contractual paperwork getting started can be daunting	Open Space issue  Loss of ambiance
<b>Steering vs. rowing. Current vision to move away from reliance on the City of Davis will lead to increased reliance/interaction on the nonprofit sector to do the actual "rowing".</b>	Budget	Pride of ownership from citizen involvement  Diversity of the interest groups / stakeholders		Procedural delays due to extensive federal, state or local (obstructive) laws and regulations	Safety
<b>Potential "Turf" wars</b>	Limited public sector growth	Ready "customer" base  Citizenry			Security

### The Economic Impact of a Sports Complex in Davis

Using the IU Model, we found that a new Sports Complex would generate an additional \$27,528,445 for the Davis economy each year. Because the design of the Davis Sports Complex has not been determined, we used a "model complex" as the basis for our projections. This model complex has the amenities most requested in the Sports Complex Task Force's final report.

The composition of the ideal Davis Sports Complex is as follows:

- Baseball/Softball- 9 Fields (24.75 acres)
- Soccer- 12 Fields (24 acres)
- Aquatics- 1 50-meter pool and 1 25-yard pool

With such a composition, it is estimated that the Davis Sports Complex would be able to hold eighteen (18) baseball/softball tournaments, eighteen (18) multipurpose field tournaments, and twelve (12) swim meets annually at maturity (The Sports Facilities Advisory, 2013). As the local soccer organizations hold approximately 14 tournaments each year and the local swim clubs hold approximately 12 swim meets each year, these projections are well within the realms of possibility (Sports Complex Task Force, 2016). Using these event projections, we calculated the total number of participants (see Exhibit 13).

*Exhibit 13 - Segmentation of Davis Sports Tourism Events*

Event Type	Events	Participants
<b>Soccer</b>	18	31,104
<b>Baseball/Softball</b>	18	18,144
<b>Swimming</b>	12	4,800
<b>Totals</b>	48	54,048

Using the number of events and participants, we estimated the travel party figures. Travel parties include the actual participant and any accompanying spectators and coaches. In tournaments like these, there are usually between 1.5-3 associated spectator per participant (The Sports Facilities Advisory, 2013). To err on the side of conservatism, we used the number of participants as a proxy for the number of travel parties. Only individuals whose primary motivation for visiting Davis is to attend the event should be included in the economic impact analysis (Crompton & Lee, 2000). Accordingly, we used data from Crompton and Lee (2000) and Brewer and Freedman (2015) to calculate that the total number of tourists visiting Davis would be 48,410 (see Exhibit 14).

*Exhibit 14 - Assessing the Number of Nonlocal Parties*

Event Type	Events	Travel Parties	Percent Nonlocal	Nonlocal Parties
<b>Soccer</b>	18	31,104	89.48%	27,832
<b>Baseball/Softball</b>	18	18,144	89.15%	16,176
<b>Swimming</b>	12	4,800	91.70%	4,402
<b>Totals</b>	48	54,048		48,410

As the IU Model was developed in Indiana, the average spending per party was calculated using the cost of living in Bartholomew County, Indiana. To account for the cost of living differences between Columbus, Indiana, and Davis, California, we used the after-tax required living wage for a two adult, two children household in Bartholomew County, Indiana and Yolo County, California. The living wage for Yolo County was \$55,930.00 while the living wage for Bartholomew County was \$50,503.00 (MIT, 2016). Thus, the living wage in Davis is 110 percent of the living wage in Columbus. We used this proportion to calculate the adjusted Daily Spending per Party found in Table 3. By multiplying the daily travel party spend by the number of "travel-party days" (# of nonlocal travel parties\* event duration), we derived the total direct spending of \$28,613,817.60 (see Exhibit 15).



*Exhibit 15 - Calculating Total Direct Visitor Spending*

<b>Event Type</b>	<b>Travel-Party Days</b>	<b>Daily Spending per Party</b>	<b>Total Direct Spending</b>
<b>Soccer</b>	77,930	\$223.82	\$17,442,292.60
<b>Baseball/Softball</b>	41,790	\$214.12	\$8,948,074.80
<b>Swimming</b>	11,005	\$202.04	\$2,223,450.20
<b>Totals</b>	130,725		\$28,613,817.60

Lastly, we calculated the revenue multiplier and capture rates to determine the estimate economic impact of the Davis Sports Complex. The revenue multiplier can be calculated using a region's population and population density (Chang, 2001). Using Chang's equation, we calculated the revenue multiplier in Davis to be 1.480. Since capture rates are typically between 60-70 percent, we multiplied the total direct spending by the revenue multiplier (1.480) and the capture rates (.6 and .7) to determine the lower bound economic impact and upper bound economic impact (Brewer & Freeman, 2015). Finally, we averaged these two figures to determine that the estimated economic impact of the Davis Sports Complex would be \$27,528,445 (see Exhibit 16).

*Exhibit 16 - Economic Impact of Amateur Sports Tourism in Davis, CA*

<b>Number of Events</b>	<b>Direct Spending</b>	<b>Economic Impact: Lower Bound</b>	<b>Economic Impact: Upper Bound</b>	<b>Estimated Economic Impact</b>
<b>48</b>	\$28,613,817.60	\$25,410,872	\$29,646,018	\$27,528,445

## **Recommendations**

### **1. Conduct an Input-Output Model for More Comprehensive Economic Impact Analysis**

While the IU model provides a cost-effective, straightforward procedure for estimating economic impact, it is not comprehensive. We recommend that the City of Davis commence an IMPLAN input-output model to assess the impact the sports complex will have on the Davis economy. An input-output economic model is more comprehensive because it tracks the movement of money through the major industries of an economy while also accounting for government and household spending (Wright, 2009). Specifically, the City of Davis should use a regional input-output model. The regional model takes the Annual and Benchmark Input-Output accounts and customizes them to a particular region's industry mix (Wright, 2009). Tailoring the input-output accounts and multipliers to a specific region helps increase the validity of the model.

### **2. Conduct a Stakeholder Analysis to Identify Key Stakeholders**

According to the findings of this study, the Davis community understands the value of and is willing to invest resources to construct a local sports complex. The Davis community can drive the economic collaborative between all stakeholders. It will require the future organization to create an internal structure that is thoughtful about community participation, specifically, as a financial resource. It is recommended that a stakeholder analysis is conducted. A Stakeholder Analysis is the technique used to identify the key people or groups who can contribute to the success of an organization (Mind Tools, n.d.). The results of a stakeholder analysis should offer a pool of potential board members, and a network of volunteers and donors.

### **3. Identify Activities to Sustain Civic Engagement to Maintain Effective Funding**

Two outcomes should result from maintaining an engaged community in the development of a sports complex: 1) a steady flow of funds from the construction to the operations phases and 2) a change of public opinion that encourages donations. Achieving a consistent receipt of contributions is an outcome linked to trust created between the Davis Community and fundraising outreach. The design of fundraising activities to sustain civic engagement will be influenced by the recruited participants from the community. Organizing experts suggest that activities begin with "one on one" recruitment conversation with potential participants that results in a network map of their group that contributes to the donor and volunteer base. However, it is recommended that a discussion with local fundraising experts is had to identify successful financial activities specific to the Davis community. Fundraising experts in the Davis area were not accessible during the research process of this study.

The team has designed a sample overview of a campaign plan (See Appendix E) with community engagement in mind based on resources and ideas gathered in the research process for this study.

#### **4. Identify a Champion to lead the Organization that will oversee the Operations and Management of the Sports Complex**

Stakeholders strongly preferred community involvement in partnership with the City regarding management and operations of the proposed sports complex. This is commendable and provides the engine on which the recommended model should run smoothly as “citizen participation is often a transformative tool for social change” (Irvin & Stansbury, n.d.). However, because smart practices are internally complex, sensitive, and capable of being used by different parties to pursue slightly different goals (Bardach and Patashnik, 2016), given the City of Davis’ distinctive features and functions, there’s a need to identify a champion within its community who will lead the formation of the structure to manage and operate the sports complex. The next step, as echoed by the recommendations of the SCTF at their final meeting, will be to again invite ALL stakeholders (i.e., sports organizations – soccer, baseball, softball, basketball, aquatics, etc. and other interested groups) with a view to finding who the champion(s)/leader(s) could be.

Once the champion/leader(s) have been identified, we recommend a memorandum of collaboration be entered into by the City of Davis and those identified to lead the organization structure. This is an idealized social contract that lays out interrelated responsibilities for the key parties (Fawcett, S., Francisco, V, Paine-Andrews, A. and Schultz, J., 2000).

## **Conclusion**

The purpose of this report was to give the City of Davis the information it needs to make an informed decision regarding the construction of a new sports complex. Our report thoroughly researched the ideal financing strategy, the best management/operational practices, and the potential economic impact. This multi-faceted research approach included a literature review of 171+ scholarly articles and government documents, interviews with stakeholders and subject-matter experts, economic data examination, economic modeling, and relevant case study assessment. These approaches were analyzed using an array of analysis methods which included matrix, TOWS, comparative, SWOT, PESTLE, and economic analyses. The team then synthesized our analysis into relevant and palatable findings. Lastly, we refined our findings into a list of recommendations that will help the City of Davis build and maintain the complex in the manner that creates the most public value. While not all-encompassing, these recommendations lay the foundation for the next step in the decision-making process.

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## APPENDICES

### APPENDIX A - OVERVIEW OF ART VAN SPORTS COMPLEX

#### **Goals and Economic Impact**

According to Evans (2014) in the article *Sports Complex forecasts \$20 million economic impact* the Art Van Sports Complex is future home to a multi-field baseball/softball facility. The complex is a product of the Private Public Partnership between West Michigan Sports Commission and Kern County. The sports commission board's goal was to build up infrastructure to heighten participation in amateur sports and bring in more sports tourism. The board decided to buy county-owned property, 79 acres. The commission did not intend to spend any tax dollars.

It is projected that the Art Van Sports Complex will generate an estimated total economic impact of \$20 million for the West Michigan economy, including nearly \$5 million in lodging revenue, in the first five years of Phase I operation (Sports Planning Guide, n.d.). Phase 1 kicked off in 2010 which resulted in accommodations for 400 cars, eight baseball and softball fields, including the Miracle Field for children with disabilities. By 2012, the commission had raised more than \$5 million for the facility through private, corporate and nonprofit donations. The second phase included construction plans for Quad C, warm-up areas, boulevard landscaping, a play structure, picnic shelters and parking for over 800 cars.

#### **Capital Fundraising Campaign**

The Sports Planning Guide (n.d.) states that the sports commission board created the Everyone Wins Campaign, a tailored multimedia campaign utilizing brochures, PowerPoint, in-person presentation packets and fact cards. The message asserted that everyone would win through the impact of economic tourism. In addition, it was communicated that a sports complex would attract youth amateur sports dollars; promote Michigan's west coast as the ideal venue for youth and amateur sporting events; and overall enhance the region's economy and quality of life. The committee also delivered this message by "going door to door" and telling the story.

Tailored fundraising tactics also incorporated Community leaders and outreach to the community for a specific and appropriate amount. Efforts involved community leaders Richard DeVos, owner of the Orlando Magic NBA basketball team; Peter Secchia, former U.S. Ambassador to Italy and fund-raiser tycoon; Daniel DeVos, Amway cofounder and president and CEO of DP Fox Ventures, LLC; and Arend Lubbers, former president of Grand Valley State University. These community leaders, in collaboration with the board, asked corporate leaders to donate anywhere from \$10,000 to \$300,000 (Evans, 2014).

Michigan-headquartered Art Van Furniture contributed a lead gift, securing naming rights of the complex. For smaller donations, the Everyone Wins Campaign website provided several gift levels to "honor a loved one, recognize a business or make a lasting gift to someone special." Options for donors include a commemorative brick (\$150), brass baseball (\$250), brass softball (\$500) or brass bat (\$1,000).

Currently the complex is running at about a \$500,000 budget with \$600,000 in revenue (Evans, 2014). The facility has three full-time employees operating a 60-acre, \$7.8 million facility with eight baseball and softball diamonds. Art Van Sports Complex hosted 18 tournaments in its first 14 months of operation, attracting more than 27,000 participants and spectators. The commission says those visitors booked 7,658 hotel room nights and directly spent more than \$3 million.

## APPENDIX B - ROSTER OF INTERVIEWEES

#	Name	Organization	Stakeholder Group	Email	Type	Completed (Y/N)	Contact Date	Date Completed
1.	Mike Guswiler	West Michigan Sports Commission	Municipal	mguswiler@westmisports.com	Phone	Y	October 17	October 19
2.	Dale Summersille	City of Davis	Staff	dsumersille@cityofdavis.org	Phone	Y	October 17	October 19
3.	Kristina McClellin	City of Davis	Staff	KMcClellin@cityofdavis.org	Phone	Y	October 17	October 19
4.	Laura Taylor	Cordova Parks & Recreation District (CPRD)	Municipal	ltaylor@crpd.com	Phone	Y	October 20	October 20
5.	Bruce Gallaudet	Davis Enterprise	Interest Group - Other	bgallaudet@davisenterprise.net	In Person	Y	October 20 & Nov 3	November 8
6.	Josh Lutzker	Davis Legacy	Interest Group - Sports	jlutzker24@yahoo.com	Email	N	October 20 & Nov 3	NA
7.	Mike Webb	City of Davis	Staff	MWebb@cityofdavis.org	Phone	Y	October 25	October 27
8.	Kevin Fant *	City of Manteca	Municipal	kfant@ci.manteca.ca.us	Phone/Email	N	October 25 & Nov 4	November 8
9.	Fred Main	Davis AYSO	Interest Group - Sports	davisref218@gmail.com	Phone	Y	October 25	October 27
10.	Kelly McCrory		Interest Group - Sports	kmccrory@pacbell.net	Email	N	October 25 & Nov 3	NA
11.	Jen Boschee-Danzer	Davis AYSO	Interest Group - Sports	jbdanzer@yolocasa.org; jbdanzer@gmail.com	Phone	Y	October 31	November 3
12.	Jeff Lorensen	Davis Unified School District	Interest Group - Other	jlorenson@djusd.net	Phone	Y	November 3	November 8
13.	K Stevens	City of Ripon CA	Municipal	kstevens@cityofripon.org	Email	N	November 4	NA
14.	David Attaway	Placer Valley Tourism	Municipal	dattaway@placertourism.com	Phone	Y	November 8	November 10
15.	Kevin Blue *	University of Davis	Interest Group - Other	kblue@ucdavis.edu	Email	N	November 8	November 9
16.	Laura Hall	Penn State University (previously at UC Davis)	Interest Group - Other	lmh78@psu.edu	Email	N	November 8	NA
17.	Derik Perez	City of Folsom	Municipal	dperez@folsom.ca.us	Phone	Y	November 8	November 8
18.	John Giambi	Big League Dreams	Organizational Expert	info@bigleaguedreams.com	Phone/Email	N	November 8	NA
19.	Rochelle Swanson	BWF	Board Member	rswanson@cityofdavis.org	Phone/Email	N	November 21	November 21
20.	Gilbert Ramirez	Community Organizer			Phone	Y	November 26	November 26
21.	Will Arnold	City Council Member	SCTF Member		In person	Y	November 2	November 2
22.	Dan Carson	SCTF Member	SCTF Member		In person	Y	November 3	November 3
23.	Travie Westlund	Recreation and Park Commission Group	Interest group		Phone	Y	October 25	October 25

- No interview completed; interviewee responded by email stating they had little or no information as recently appointed to office

## APPENDIX C- ACRONYM TABLE

<b>Acronym</b>	<b>Term</b>
<b>BWF</b>	Davis High School Blue & White Foundation
<b>IMPLAN</b>	Impact Analysis for Planning
<b>LEGACY</b>	Davis Soccer Youth Soccer League
<b>PCS</b>	Davis Parks and Community Services Department
<b>PESTLE</b>	Political, Economic, Social, Technological, Legal and Environmental Matrix
<b>PPP</b>	Public-Private Partnership
<b>SCTF</b>	Sport Complex Task Force
<b>TOWS</b>	Threats, Weaknesses, Opportunities, and Strengths Matrix

## APPENDIX D: INTERVIEW PROTOCOL

Thank you for taking the time to participate in this discussion about financing a capital project. One of the goals in this study is to identify effective and efficient financial mechanisms for a Sports Complex in the Davis area. May I record this conversation? I will also be taking notes.

I first wanted to learn of your experience then transition over to your thoughts on what strategy, tactics, activities make sense to transfer over to the sports complex project.

What is/was your role with \_\_\_\_\_?

What was \_\_\_\_\_ capital campaign strategy?

What was/is the financial goal?

What was the message to different audiences?

From a fiscal perspective what role did partners play? i.e. school district.

What role did Alumni play?

What role did Board play?

What role did community play?

Can you please describe the donor base for the construction and operating stage?

What were/are the funding sources for the construction? And operating stage?

What was/is the market like? Was/is there competition to fund raise from donors or corporations?

If yes, how was it overcome?

How did the organization shift strategy?

In your opinion, what made the financial sources effective?

What is left to raise? For what purpose?

How will civic engagement help achieve the goal?

Ideally the Sports Complex will be under the management of a collaborative based organization. With that in mind, and your experience with \_\_\_\_ and the Davis Community...

What are key funding sources to pursue for construction? For operations?

What are external factors to consider? i.e. political, other fundraising campaigns.

What is the best role that the community can play? i.e. individual donors, volunteers, in-kind?

Are there any other history or ideas to share?

May I follow up at a later time with questions?

Thank you for your time.

## APPENDIX E: ECONOMIC MODEL UNDERLYING ASSUMPTIONS

Baseball/Softball	
Number of Events	18
Players Per Team	14
Teams Per Field	8
Average Tournament Length	2.5 Days
Total Participants	18,144
Percentage of Non-Local Participants	89.15%
Number of Non-Local Participants	16,716
Average Daily Spend	\$214.12
Travel Party Days	41,790
Total Direct Spending	\$8,948,074.80

Soccer	
Number of Events	18
Players Per Team	18
Teams Per Field	8
Average Tournament Length	2.8 Days
Total Participants	31,104
Percentage of Non-Local Participants	89.48%
Number of Non-Local Participants	27,832
Average Daily Spend	\$223.82
Travel Party Days	77,930
Total Direct Spending	\$17,442,292.60

Swimming	
Number of Events	12
Participants Per Meet	400
Average Meet Length	2.5 Days
Total Participants	4,800
Percentage of Non-Local Participants	91.70%
Number of Non-Local Participants	4,402
Average Daily Spend	\$202.04
Travel Party Days	11,005
Total Direct Spending	\$2,223,450.20

### **ADJUSTED LIVING WAGE**

- YOLO COUNTY LIVING WAGE (2 ADULTS, 2 CHILDREN) = **\$55,930.00**
- BARTHOLOMEW COUNTY LIVING WAGE= **\$50,503.00**
- ADJUSTED LIVING WAGE RATIO= **1.107**



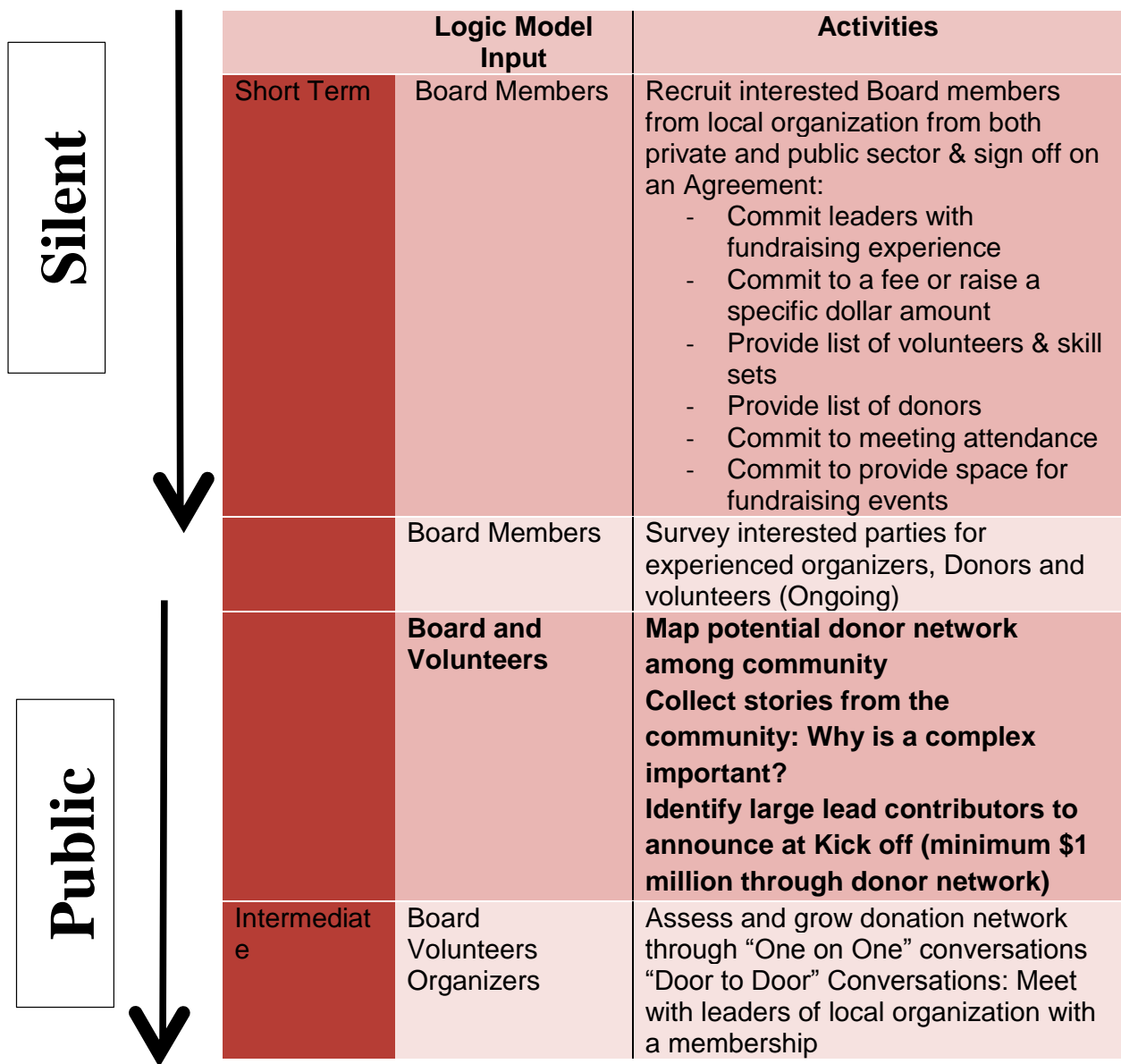
### **Revenue Multiplier**


REVENUE MULTIPLIER EQUATION:  $1.566 + 0.053 \times \ln(\text{POPULATION}) - 0.009 \times \text{POPULATION DENSITY}$

- YOLO COUNTY POPULATION= 204,593
- YOLO COUNTY SQ. MILEAGE= 1,024
- POPULATION DENSITY= 199.80
- REVENUE MULTIPLIER= 1.480105
- CAPTURE RATES= .6 AND .7
- FINAL DEMAND MULTIPLIER (LOWER):  $1.480105 \times .6 = .8881$
- FINAL DEMAND MULTIPLIER (UPPER):  $1.480105 \times .7 = 1.0361$

## APPENDIX F: SAMPLE CAMPAIGN PLAN WITH A FOCUS ON CIVIC ENGAGEMENT

<b>Goal: Build and maintain a Sports Complex in the Davis Area</b>	
<b>Strategy: Target individual donors to meet the 20-80 rule</b>	
<b>Objective 1:</b> Build capacity for fundraising outreach among Davis Community	<b>Indicator 1:</b> Benchmark specific number of committed individual donors in timeline
<b>Objective 2:</b> Raise approximately 80% of the total cost for constructing a sports facility with 20% of Donor base.	<b>Indicator 2:</b> Benchmark specific amount that must be met per timeline





	Media	Announce Capital Campaign with stories from sports groups/players: Press release, blog postings, radio announcements
Long Term	Board Members, Donors, Volunteers/Organizers	Kick off Online Donation Platform Community Fundraising Activities: “Taste of the America’s”, Start Online Silent Auctions a week before, Sport related activities
	Board	Evaluate (On going): How much more is needed? What is the public opinion? Is a different strategy needed?

---

#### Available Resources:

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Individual Median Contributions: \$2,570.00</li> <li>• BWF &amp; Legacy: Capital Campaign Expertise</li> <li>• Potential Large Contributors: <ul style="list-style-type: none"> <li>- 5 Large Employers</li> <li>- Endowment &amp; Foundations in the region</li> <li>- Celebrity Athletes</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Sports Group Member Fees</li> <li>• Sports Group Volunteer base</li> <li>• Ease access to media</li> </ul> |
|--|---|

#### Pending:

- **Community activity to collect input for Sports Complex Design**
- **Community activity to collect input for physical Location**



# ...The Time Is Now!

December, 2016

## Feasibility Analysis of a Sports Complex in the Davis Area



### University of Southern California Sol Price School

#### Practicum Project

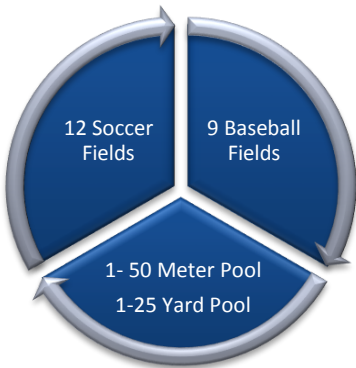
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Nearly 6,000 Davis residents actively participate in individual and team sports (The Sports Complex Task Force, 2016). A chief issue facing the Davis Parks and Community Services department, and City of Davis, is the lack of facilities needed to support the array of sports organizations in which its residents participate (The Sports Complex Task Force, 2016).

Youth sports in the United States is a \$7 billion dollar per year industry, so the influx of traveling teams and tourism could create a substantial financial windfall for local hotels, restaurants, and businesses (Cook, 2014). In fact, cities of comparable size to Davis have found that hosting youth tournaments can result in an economic impact as high as \$10 million/year.

### POTENTIAL ECONOMIC IMPACT

Using the IU Model, we found that a new Sports Complex would generate an additional \$27,528,445 for the Davis economy each year. Because the design of the Davis Sport Complex has not been determined, we used a “model complex” as the basis for our projections.



This model complex has the amenities most requested in the Sports Complex Task Force’s final report.

Baseball/Softball	Soccer	Swimming
		
•18 Events	•18 Events	•12 Events
•18,144 Participants	•31,104 Participants	•4,800
•\$8,948,074.80	•\$17,442,292.60	•\$2,223,450.20

### Research Objectives – Identify for the City of Davis:

- The most effective, efficient and sustainable approaches to finance a sports complex
- The best /smart practices of organization structure to oversee management and operations of a sports complex
- The projected economic impact of a sports complex

### Methodology:

- ✓ Semi-structured, open interviews
- ✓ Matrix Analysis
- ✓ TOWS Analysis
- ✓ Case Studies
- ✓ Economic Analysis
- ✓ SWOT and PESTLE Analyses
- ✓ Comparative Analysis

### Tournaments mean \$\$\$ for City of Davis!

IU Model	18	
54,048 participants	18	
	12	
48,410 tourists		
\$28,613,818		

Using the number of events and participants, approximately 48,410 people will be tourists visiting Davis. We derived that the total direct tourist spending would be \$28,613,817.60.

### MANAGING & OPERATING A SPORTS COMPLEX

We used literature reviews, best practice analysis, and semi-structured interviews to identify the best (smart) practices for managing and operating a sports complex. Each best practice surveyed had its distinguishing features. Our focus was on learning each municipality's basic mechanism of practice in managing its facilities and accomplishing its operations.

#### Highlights From Review of Model Complexes

##### Art Van Sports Complex (Grand Rapids, MI)

- 9-field-complex, Phase 1, constructed in 2014; Cost \$6.8 million
- Additional 3 million will be raised to complete Phase 2
- Utilizes the public-nonprofit model of management/operations.
- Managed and operated by West Michigan Sports Commission (a 501(c)3 organization).
- Construction largely financed through private and corporate donations

##### Big League Dreams Sports Park (Manteca, CA)

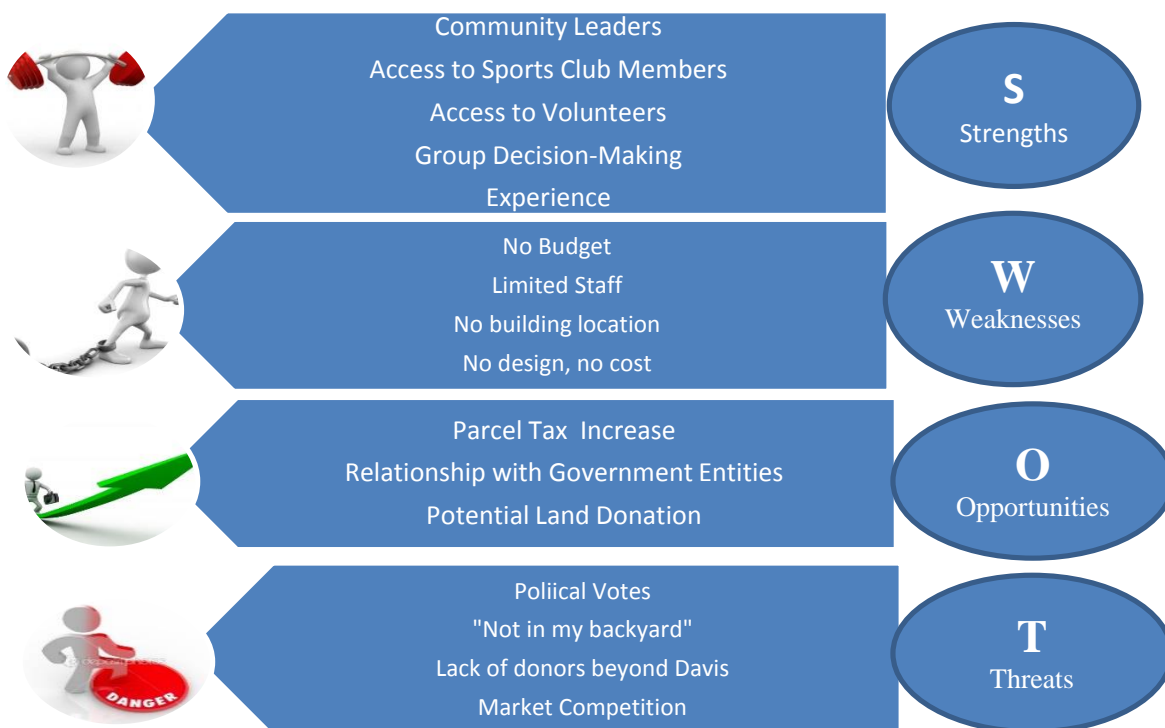
- 6-field-complex was built in 2006; Cost \$29 million
- Utilizes the private-public model of management/operations
- Managed by a private company that has a 35-year lease.
- Construction financed through private development and Redevelopment Agency Funds.

##### Placer Valley Sports Complex (Rosewood, CA)

- 10-field-complex is scheduled to open in 2017; Cost \$38 million
- Utilizes the public model of management/operations
- Managed by the Placer Valley Tourism Board of Directors
- Construction financed through sale of municipal bonds.

## FINANCING THE CONSTRUCTION OF A SPORTS COMPLEX

We used a SWOT Analysis to assess the strategic options available to City of Davis. The common strategy found in the SWOT matrix is to utilize existing resources - leaders, volunteers, and sports club members - to create opportunities with the greatest potential to achieve the mission and vision of the project while accounting for potential losses (Mind Tools, n.d.).



## SUMMARY OF FINDINGS

Our research and analysis produced several compelling findings. First, based on an evaluation of applicable successful funding approaches as well as an evaluation of the City of Davis in terms of charitable giving, we found that *individual contributions* to a new nonprofit entity would be the most effective, efficient, and sustainable funding mechanism for a new municipal sports complex. Second, we found that a *public-nonprofit partnership* was the ideal configuration for managing and operating a municipal sports complex. Finally, we found that a new municipal sports complex in Davis could generate as much as \$27 million dollars in direct spending.

## RECOMMENDATIONS

While our research and analysis produced a great deal of information, there are still more aspects to review. Thus, our recommendations incorporate the results of our research while identifying areas for further investigation.

### FURTHER ECONOMIC ANALYSIS

- ✚ We recommend that the City of Davis commence an IMPLAN full input-output model to assess the impact the sports complex will have on the Davis economy.
- ✚ Specifically, the City of Davis should use a regional input-output model. The regional model takes the Annual and Benchmark Input-Output accounts and customizes them to a particular region's industry mix (Wright, 2009). Tailoring the input-output accounts and multipliers to a specific region helps increase the validity of the model.



### PRIORITIZE CIVIC ENGAGEMENT

- ✚ We recommend that the City of Davis prioritize civic engagement to generate and maintain adequate funding. It will require the organization to create an internal structure that is thoughtful about community participation, specifically, as a financial resource.
- ✚ Key people conduct a stakeholder analysis to identify a board, volunteer network and donor base.



### NEED A CHAMPION/LEADER

- ✚ Identify a champion within its community to lead the formation of the structure to manage and operate the sports complex.



#### Citations

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**RESOLUTION NO. 17XXX, SERIES 2017**

**RESOLUTION DISSOLVING THE SPORTS COMPLEX TASK FORCE.**

WHEREAS, on October 13, 2015, the City Council of the City of Davis adopted Resolution 15-143 Series 2015 forming a Sports Complex Task Force; and

WHEREAS, the purpose of the Sports Complex Task Force was to define need for sports complex; explore desirable locational characteristics of a facility or facilities; explore and identify potential candidate sites or general geographic areas of interests; explore and make recommendations on amounts and funding options/mechanisms for capital and maintenance and make recommendations to the City Council on the next steps of implementation of recommendations; and

WHEREAS, the Sports Complex Task Force worked tirelessly for 6 months to provide the City Council with information and recommendations related to their charge; and

WHEREAS, the Sports Complex Task Force identified and interviewed persons with specific expertise in the implementation of sports complexes; identified potential partnership and funding models which the City may wish to pursue in implementing a sports complex; conducted a public forum and performed two community surveys to solicit community input; and

WHEREAS, the Sports Complex Task Force has made 4 recommendations and next steps as a smart and strategic approach that could benefit the large numbers of children and adults in participating in local sports teams, provide practical field expansion solutions for a city government mindful of its fiscal status and improve the overall quality of life for city; and

WHEREAS, the Sports Complex Task Force has reached the end of its charge and the Mayor of the City of Davis signed a proclamation on February 7, 2017 thanking the following members for their time, expertise and efforts: Will Arnold, Jason Bone, Dan Carson, Bill Donaldson, Bruce Gallaudet, Laura Hall, Steve Hampton, Alan Humason, Jeff Lorensen, Josh Lutzker, Fred Main, Kelly McCrory, Kevin Waterson and Carson Wilcox.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Davis hereby resolves to dissolve the Sports Complex Task Force, effective immediately.

PASSED AND ADOPTED by the City Council of the City of Davis on this 21<sup>st</sup> day of February, 2017 by the following vote:

AYES:

NOES:

ABSENT:

Robb Davis  
Mayor

ATTEST:

Zoe S. Mirabile, CMC  
City Clerk