

Mayor Nanette K. Johnston opened the work session at 6:05 p.m. on August 19, 2014. In attendance were Aldermen Greg Plumb, Kendall Welch, Jim Werner, Diane Driver, Kari Lamer, Dave Rittman, David Jones and Marc Sportsman.

The following staff was also present:

Lauren Palmer, City Administrator
Sean Ackerson, Assistant City Administrator/Community Development Director
Kevin Chrisman, Police Chief
Melissa McChesney, City Clerk
Stephen Chinn, City Attorney

1. GENERAL AGENDA

A. Final report of the market feasibility and economic impact study for the intersection of Interstate 435 and Highway 45

Adam Kerns, Convention, Sports & Leisure (CSL), provided an overview of the feasibility study; the presentation is appended hereto as Exhibit A. CSL previously worked with Sporting KC, the cities of Olathe and Lawrence, Kansas, and the University of Kansas. CSL toured the community and the site and engaged in discussions with local and regional stakeholders to understand the vision. The analysis included national trends for potential sports that could be accommodated at the facility, determining what the market would support, and assessing the competitive market.

Kerns noted the analysis included a review of the sports complex concept. As a result it was determined there was a shortage of soccer fields in the northland region, but there was concern the market would become oversaturated with sports complexes in the metropolitan area. The report concluded the best concept was an eight-field (turf) soccer complex with supporting parking, concessions and administrative space and was estimated at \$12 million to \$14 million depending on the number of fields. Unfortunately, the project was not viable under the current conditions. The report did, however, determine alternatives for the site included upscale multi-family apartments to meet a need in Parkville's housing market and generate support for future retail or commercial development; an outdoor amphitheater; large-lot residences; or a storage facility.

Pete DiSalvo, DiSalvo Development Advisors, provided an overview of the hotel and retail analysis. He noted the local market was strong but the interchange lacked traveler services and corporate businesses for a hotel, and the traffic and population would not support retail on the site. Downtown Parkville was cited as a more viable location for a hotel. The study recommended the area be rezoned to competitively bring in developers for higher density projects.

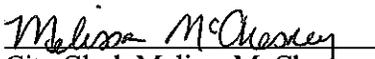
Further discussion focused on the type of field, large-lot residential, the price of the homes based on the price of the lots, and the economic and fiscal impacts of the recommended development.

City Administrator Lauren Palmer noted staff had ongoing discussions with the property owners and developers in the area and requested guidance from the Board to (1) abandon the sports park concept and (2) consider public incentives for other development proposals. The consensus of the Board was for staff to continue to review all viable options, including multi-family residential.

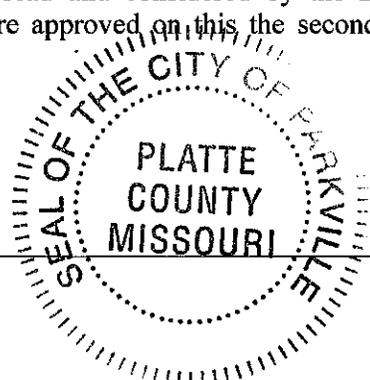
The work session ended at 7:04 p.m.

The work session minutes for August 19, 2014, having been read and considered by the Board of Aldermen, and having been found to be correct as written, were approved on this the second day of September 2014.

Submitted by:


City Clerk Melissa McChesney

2014-082





Market Feasibility & Economic Impact Analysis for a Sports Complex and/or Commercial Development

August 19, 2014





Firm Background

CSL International

- Industry-leading sports & entertainment facility feasibility advisor
- Founded in 1988 by former Partners, Directors & Consultants with Coopers & Lybrand (now PwC) Sports Practice
- Based in Dallas, TX
- Over 150 years of collective experience
- Over 1,000 feasibility studies completed
- Extensive sports complex experience
- Proven track record with credibility in the marketplace
- Independent, unbiased research and analysis
- Collaborated with DDA for over 10 years

EXPERTISE:

Market Analysis

Facility Program

Financial Feasibility

Economic Impacts

Marketing Strategies

Operational Reviews

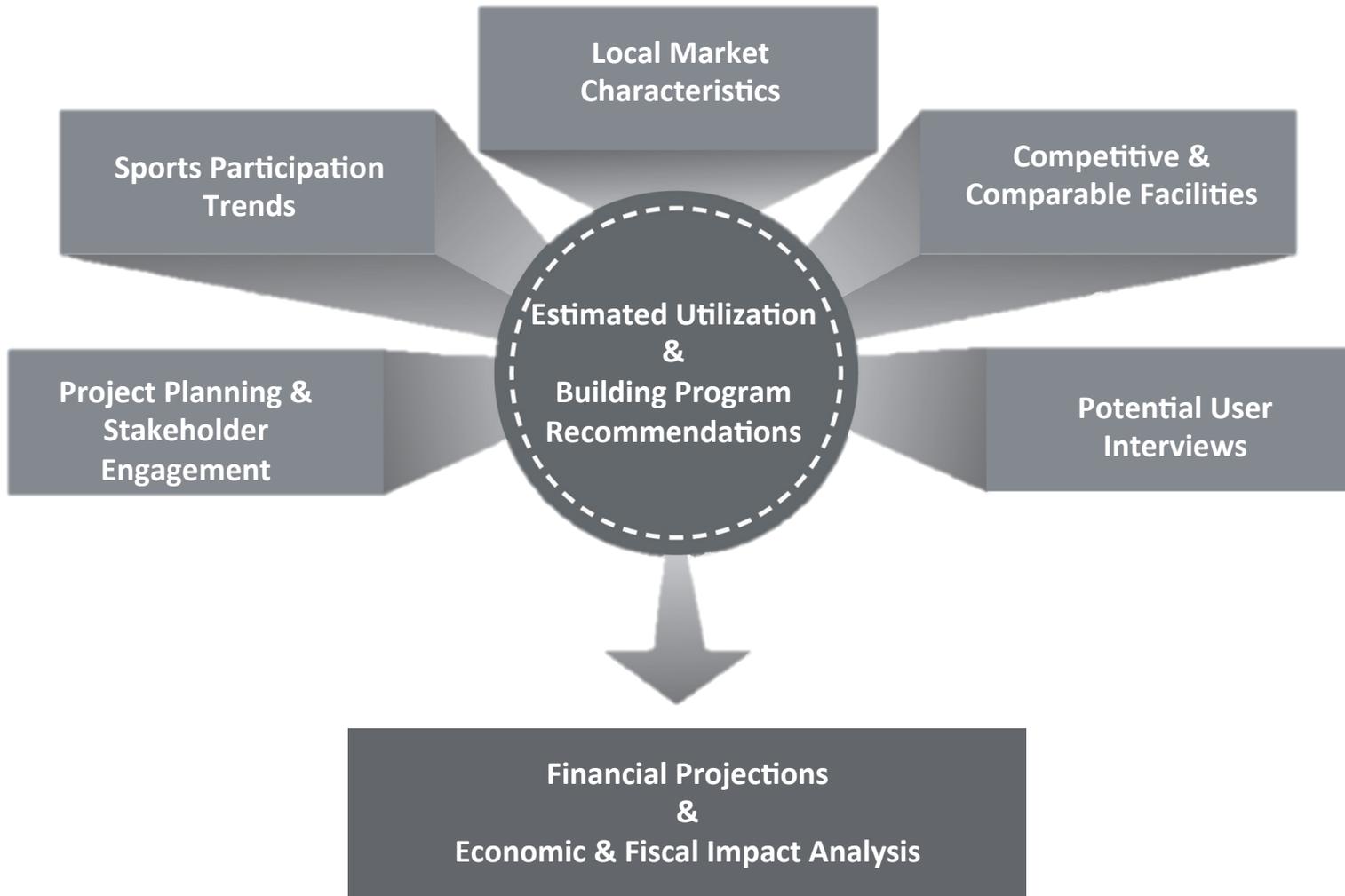
Funding Plans

Valuations

Business Plans



Study Methodology



Sports Complex

Stakeholder Engagement

- Parkville is attractive for families due to top-performing school district
- Hotel & meeting room space is limited
- Shortage of quality soccer fields in Northlands
- Concerned that market may become over-saturated with sports complexes
- Village West & Zona Rosa are positive amenities but 435 corridor is isolated
- Sports complex may not be highest and best use at Interstate 435 & Highway 45
- Property taxes could generate more benefits than sales tax



Local & Regional Market Characteristics



Local & Regional Market Demographic Summary					
Demographic Variable	Primary Market		Secondary Market		U.S. Total
	City of Parkville	Northland Region	Kansas City CBSA	4-Hour Drive Time Radius	
Population:					
2010 Population	5,554	311,261	2,009,342	10,667,531	308,745,538
2014 Population	5,710	321,431	2,042,935	10,872,752	314,467,933
2019 Population	6,055	339,837	2,110,685	11,241,592	325,843,774
Historical annual growth rate (2010 to 2013)	0.2%	0.2%	0.1%	0.1%	0.1%
Projected annual growth rate (2013 to 2018)	1.2%	1.1%	0.7%	0.7%	0.7%
Age:					
Median Age	38.0	37.8	37.0	37.1	37.6
Age Distribution:					
Under 20	27.8%	27.2%	27.4%	26.8%	26.1%
Household Income:					
Median Household Income	\$70,628	\$59,913	\$44,286	\$56,887	\$51,314

Source: ESRI

- Growing local population
- High local income levels
- 10.9 million residents within 4 hours
- Lack of visitor-related infrastructure
- Significant sports complex competition
 - Overland Park Soccer Complex
 - National Training & Coaching Center
 - Swope Park Soccer Village
 - Planned Complexes (i.e. Lee's Summit, Olathe)



Estimated Utilization & Building Program



- Interviews with local, regional & national sports organizations
- Multi-field soccer complex best meets needs in local & regional area
- Focus on accommodating needs of Northland-based soccer clubs
- Market itself to attract local & regional tournaments
- Current & expected competition in the marketplace, as well as limited visitor infrastructure and location will limit regional & national tournament activity
- Could be enhanced as I-435 & Highway 45 corridor develops

Proposed Parkville Sports Complex Construction Cost Summary		
	\$12 Million Complex	\$14 Million Complex
Soccer Field Construction	\$4,102,000	\$4,785,000
Ancillary Building Construction	1,768,000	2,063,000
Site Construction - On-Site	1,774,000	2,070,000
Site Construction - Off-Site	3,422,000	3,992,000
Engineering / Landscape Architecture	283,000	330,000
Development Fee	106,000	124,000
Hard Construction Cost Contingency	332,000	387,000
Soft Construction Cost Contingency	221,000	258,000
TOTAL	\$12,008,000	\$14,009,000
Note: Presented in 2016 dollars.		

- 8 lighted, multi-use soccer fields
- Synthetic turf fields
- Restroom & concession facilities
- Pavilion building
- Warm-up areas
- Park entrance signage
- Paved parking lot



Financial Projections

- 8 full-size, lighted fields with synthetic turf
- Host 10 local & regional tournaments, as well as practices and league play
- Limited interest by local & regional soccer organizations to make a financial investment towards facility construction
- Assumed complex would be owned by City or other public entity & exempt from property taxes
- City would rent facility to experienced league & tournament organizers that would attract teams, collect registration fees, operate events

Financial Operation Summary Proposed Parkville Soccer Complex Stabilized Year of Operations	
	8-Field Soccer Complex
OPERATING REVENUES	
Tournaments	\$89,000
Games	104,000
Practices	156,000
Food & Beverages	156,000
Parking	153,000
Advertising & Sponsorship	75,000
Camps & Clinics	25,000
TOTAL OPERATING REVENUES	\$758,000
OPERATING EXPENSES	
Salaries, Wages & Benefits	\$271,000
Utilities	160,000
General & Administrative	60,000
Repairs & Maintenance	36,000
Insurance	35,000
Food & Beverage Costs	133,000
Parking Costs	23,000
TOTAL OPERATING EXPENSES	\$718,000
NET OPERATING INCOME / (LOSS)	\$40,000
NON-OPERATING EXPENSES	
Capital Reserve	\$65,000
NID Assessment (70-acre site)	\$350,000
TOTAL NET INCOME / (LOSS)	(\$375,000)



Hotel & Commercial Development

Hotel Analysis

A market exists to support a 65-room, mid-priced hotel in Parkville, but *NOT* in the study area.

- Hoteliers require sites with nearby traveler services.
- The Highway 45/I-435 interchange lacks the dynamics of a conventional interstate.
- There are very few houses west of I-435.
- Lack of corporate businesses in the immediate area.
- At best, the soccer complex would account for 10% of the overall demand.

A more feasible location in Parkville would be adjacent the downtown and Park University.

Hotel Market Analysis Key Findings Parkville, Missouri
FORT LEAVENWORTH Demand for 42,000 room nights off post \$106 per diem rate New hotels coming on line: 268 total rooms KCI Expo Center hosts Army events
KANSAS CITY INTERNATIONAL AIRPORT Year-End Occupancy Rate (2013) - 64.3% Nearly half of hotels built in the 1970s/1980s Increase in airport passengers: 2.4% Historic May 2014 - 82.8% Occupancy; \$88.83 ADR
VILLAGE WEST/SPEEDWAY Year-End Occupancy Rate (2013) - 58.5% Multiple Destination Retailers/Venues 40% of hotels built in last 10 years May 2014 - 68.8% Occupancy; \$103.20 ADR
RIVERSIDE Demand from Argosy Overflow from Downtown KC and Fairfax

Retail Analysis

Any commercial development in the study area is still ahead of the timing of the prevailing market.

- Average Daily Traffic (ADT) volumes are low.
- This population base is considered limited for retailers.
- The planned retail at Highways 45 and K, West Pointe Plaza, will drain support for retail in the study area.
- The Highway 45/I-435 interchange lacks the dynamics of a conventional interstate.

Significant development incentives are likely required to develop the retail space in the near term.

Retail Market Analysis Key Findings Parkville, Missouri

RETAIL CONDITIONS

Vacancies below 8%, healthy retail market
More than 500,000 SF of shopping center space
Prevailing lease rates: Mid- to high-teens

2-Mile Radius of I-435 and Highway 45

Population: 4,121 (2014 est.)
Households: 1,358
Median disposable income: \$86,553
Largest share of support for The Station

AVERAGE DAILY TRAFFIC COUNTS (MDOT)

I-435/Highway 45: 5,096 vehicles
Parkville Commons: 15,025 vehicles



Alternative Development

Upscale Multifamily Rental Development

- Opportunity for up to 300 upscale rental units.
- Amenity-rich development (walking trails, fitness center, media room, etc.).
- A higher density zoning would encourage development.
- Economic tool to attract young professionals.
- Military stationed at Fort Leavenworth and employees in the region will be attracted.



Other Near-Term Uses

- Outdoor amphitheater, large-lot residential, storage facility

Economic & Fiscal Impacts

Economic Impacts



Economic Impacts Proposed Parkville Soccer Complex				
	Scenario 1 8-Field Complex and Specialty Food Store		Scenario 2 Multi-Family Housing (300 Units) Food & Beverage Business	
	Net New to Parkville	Net New to Platte County	Net New to Parkville	Net New to Platte County
Net New Construction Impacts:				
Direct Spending	\$1,449,000	\$3,688,000	\$5,068,000	\$12,900,000
Total Output	\$2,215,000	\$5,638,000	\$7,560,000	\$19,245,000
Jobs (FTEs)	16	41	47	119
Earnings	\$905,000	\$2,304,000	\$2,512,000	\$6,321,000
Net New Annual Operations Impacts:				
Direct Spending	\$2,933,000	\$5,116,000	\$3,878,000	\$4,311,000
Total Output	\$4,419,000	\$7,686,000	\$5,181,000	\$5,772,000
Jobs (FTEs)	74	119	60	74
Earnings	\$1,751,000	\$3,005,000	\$1,253,000	\$1,489,000
Cumulative Construction and 30-Year Operations Impacts				
Direct Spending	\$135,102,000	\$243,473,000	\$184,496,000	\$205,096,000
Total Output	\$203,169,000	\$365,746,000	\$246,479,000	\$274,604,000
Jobs (FTEs) ⁽¹⁾	106	181	90	111
Earnings	\$80,565,000	\$142,992,000	\$59,622,000	\$70,827,000

(1) Average FTEs over construction and operations.
 Note: Impacts to Parkville and Platte County are not additive.
 Note: Based on stabilized year of operations.



Fiscal Impacts



Fiscal Impacts Proposed Parkville Soccer Complex				
	Scenario 1 8-Field Complex and Specialty Food Store		Scenario 2 Multi-Family Housing (300 Units) Food & Beverage Business	
	Net New to Parkville	Net New to Platte County	Net New to Parkville	Net New to Platte County
Net New Annual Operations Impacts:				
Tax Revenue	\$37,000	\$72,000	\$129,000	\$95,000
30-Year Operations Impacts:				
Tax Revenue	\$1,752,000	\$3,439,000	\$4,885,000	\$3,813,000
<p>Note: Estimated tax revenues depicted are based on the amount generated in each jurisdiction, and are exclusive of each other.</p> <p>Note: Tax revenues depicted herein include only those generated to the City/County governments and do not include those generated to the school district or other taxing jurisdictions.</p>				

- Sales Tax
- Hotel / Motel Tax
- Property Tax

