

**MARKET, DEMOGRAPHIC AND PROJECT
FEASIBILITY STUDY**

**PROPOSED
SOUTHWEST INDOOR TENNIS PROJECT
AT
THE SOUTHWEST ATHLETIC CENTER COMPLEX**

For
Friends of Southwest Indoor Tennis
2600 SW Thistle St. SW
Seattle, WA. 98126

By

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1. United States State of the Tennis Industry

- A. United States tennis participation was first studied in depth in the early 1970's by The A. C. Nielsen Company (Nielsen) in partnership with Tennis Planning Consultants, Inc. (TPC). Nielsen was then and remains today a leading American demographic survey organization. Mr. Arthur Nielsen was a tennis enthusiast and teamed with TPC co-founders, Alfred S. Alschuler, Jr. and Jack Kamrath to devise systems and procedures to monitor national tennis racket and tennis ball sales to arrive at estimated tennis player participation.

As shown on [Attachment 1](#), the broad number of United States tennis participation is between 25-30 million players in 2015. However, this figure includes players who may not have played in the last year but consider themselves to be tennis players. Enhanced tennis participation analysis procedures implemented by the Tennis Industry Association (TIA) in 2015 have determined that ***there are approximately 18 million Americans who consider themselves to be tennis players who play tennis at least ten times a year including youth and 'cardio' players.***

[Attachment 2](#) is the latest TIA summary of its latest tennis industry tennis participation, equipment, facility, court construction, media interest and related information.

A summation of the TIA's most recent tennis participation statistics reveal that the general health of United States tennis participation is very good and growing slightly year-to-year. The key findings of the 2015 tennis activity are as follows:

- Wholesale tennis ball shipments increased 1.8% in 2015,
- 'Core' tennis players (play more than ten times a year) increased 0.5%,
- Tennis court contractors are optimistic about future business with 78% of builders rating their court construction activity increasing in 2015,
- While tennis teaching pros' business dropped slightly in 2015, approximately 51% of teaching professionals rate their business as 'strong' or 'very strong' with costs of private lessons increasing 3.4% and the cost of group/clinic

lessons increasing 3.6%. In addition, private lessons increased 1.7% with group lessons increasing 4.4%, and

- The 4.6% drop in tennis racket sales is not surprising in view of the fact of the current, minimal U. S. Gross Domestic Product (GDP) growth rate of 1.1 percent combined with the fact that racket sales would not be expected to increase as rapidly as, for example, tennis ball sales.

B. Historically, United States tennis demographics show that the approximate percentage of tennis players in the \$50 – 100,000 median income range were 15-18% of the total population. TIA's current statistical analysis shows approximately 5.2 percent of the total United States population as 'Active' tennis players.

TIA has also determined that there is a national total of 12.04 million 'Intermittent' tennis players and latent demand of 14.62 million tennis players. For purposes of this report, TPC has not utilized these two categories in its evaluation of the west Seattle tennis market, the subject market for this report.

C. The general metropolitan Seattle tennis population is believed to be approximately 50% of the United States tennis population as a result of 155 days of measurable rain per year. This translates to a tennis population of 2-3% of general Seattle population that are active tennis players.

D. The realistic tennis market for the Chief Sealth High School tennis market has a population of 180,785 with a median income of \$69,643 (see [Attachment 3](#)). This tennis market was revised down from the broader fifteen minute drive time tennis market shown on Attachment 3 because of the following tennis market findings discovered by TPC in its field work in May and June, 2016:

- TPC interviewed the following tennis coaches/tennis professionals: Ryan Fike (Kennedy Catholic HS), Mark Frisby (Seattle Prep), Dave Kosciuk (Seattle Prep), Irvin McQuarry (Rainier Beach High School), Eric Webster (Chief Sealth High School), Johan Tan (Tennis Center at Sand Point), Adam Reeb (Seattle University), and Chris Russell (Assistant Tennis Coach, University of Washington). These interviews revealed that the average high school tennis tryout teams among both boys and girls teams in the west Seattle area averaged between 20 and 40 students for each team. In the experience of TPC, these tennis tryout numbers are below a general national average of 40-60 students for high school tennis tryouts with high schools having active tennis teams sometimes reaching tennis team tryout numbers of 60-100 students for each of boys or girls tennis teams.

E. Other relevant TPC tennis Seattle tennis market findings reveal that the Amy Yee Tennis Center (AYTC) is on the edge of the broad Chief Sealth Tennis Market.

AYTC is operating at 80-85% capacity in spring-fall seasons and at 97% capacity during winter months. These occupancy figures are found in the April 2015 MARKET ANALYSIS AND FINANCIAL ASSESSMENT study of AYTC by Berk, a Seattle, Washington analytical policy/planning firm (www.berkconsulting.com)

- F. The fast-growing Seattle population has resulted in significant street congestion in west Seattle and Seattle. The Texas A & M University Transportation Institute rates Seattle, Washington's urban area as the nation's seventh worst traffic congested metropolitan area in the United States. This fact makes it extremely difficult for west Seattle tennis players to reach the AYTC which is often a twenty to thirty minute drive time.
- G. Other conclusions of this AYTC 2015 Market/Financial report are as follows:
1. Publicly accessible indoor tennis facilities in the Seattle area are operating at near capacity,
 2. The majority of AYTC players play tennis two to three times a week,
 3. There is a wide geographic distribution of AYTC tennis players. Many of these players travel long distances to play at the other major public tennis center in the area, Tennis Center at Sand Point. The major reasons players choose Sand Point are convenience of location and the availability of heated tennis courts,
 4. Pro shop/retail and food and beverage availability are low on the list of reasons players choose to play tennis at Sand Point,
 5. Tennis players rate the AYTC features of location, parking, court fees and staff assistance as 'good' or 'excellent' but said that more courts were needed and that the quality of the physical courts needed improvement, particularly facility heating and court viewing, and
 6. Approximately a third of AYTC players feel that they cannot reserve a tennis court at a time they are seeking. Approximately 80% of AYTC players desire at least five more indoor tennis courts.
- H. Based on 1. A-F above the 180,785 west Seattle population translates to an active tennis population of approximately 4,500 tennis players who would be considered active or potential users of a new indoor tennis facility at the Chief Sealth High School location. **At a conservative player to court ratio of 250 players per court, this tennis population equates to a viable need for 18 indoor tennis courts in this market area.** The fact that there are presently 10 indoor tennis courts at the AYTC that are poorly lit and heated does not significantly impact this Chief Sealth indoor tennis market notwithstanding the possibility of the City of Seattle upgrading the

AYTC facilities with improved lighting and heating. The AYTC is on the outer limit of the tennis market of the proposed Southwest Indoor Tennis Center project.

The above findings do not take into account both intermittent and latent tennis players referred to in the TIA 2015 tennis participation report. It is believed by TPC that a new, state-of-the-art indoor tennis center will positively attract both intermittent and latent players in this Chief Sealth High School tennis market.

1. CONSTRUCTION COST ESTIMATE

- A. As detailed in its CONSTRUCTION AND PERMITTING FEASIBILITY STUDY of June 7, 2016 and reported to Friends of Southwest Indoor Tennis, TPC has met with City of Seattle building officials who confirm from preliminary TPC schematic drawings that the City would approve the construction of the six court indoor tennis structure.
- B. The following construction cost estimates were secured from actual pre-engineered building general contractors combined with TPC principal's direct ownership of Kamrath Construction Corporation, a Houston, Texas general contractor since 1976 For commercial and pre-engineered buildings.
- C. The following are the basic construction costs for the projected six court indoor tennis Project at the Chief Sealth High School, six outdoor tennis court location:
- Administrative Items:
 1. Building permits
 2. Builders Risk Insurance, general contractor's bond to complete the project
 3. Temporary Items: Job trailer, toilet, job cleaning (temp. power not included)
 - Pre-engineered steel building
 1. Two (2) each gable symmetrical buildings, 120' x 186' each, end-to-end, column and beam construction
 2. 20 ft. eave height, 35 ft. peak height
 3. Roof slope 4:12
 4. Approximately 44,640 sf of floor space
 5. Two (2) each court viewing balconies the entire length of each building
 - Design and Load Criteria
 1. The pre-engineered building and components will meet or exceed current requirements of the following:

American Institute of Steel Construction (AISC)
The Metal Building Manufacturers Association (MBMA)
The American Iron and Steel Institute (AISI) specification for design of cold-formed structural steel members
American Welding Society (AWS) codes
American Society for Testing and Metals (ASTM)

2. Design Criteria

Live roof load of 30 PSF, collateral load of 3 PSF for sprinklers
Wind load to be 110 MPH or City Code whichever is greater
Structural design to be in accordance with IBC Building Code, 2009

3. Structural Members

Structural framing members will be fabricated from structural plates and shapes, cleaned according to SSPC-2 and painted with one shop coat of red oxide primer
Purlins, girts, etc. shall be roll formed from coil material with a factory applied baked on red oxide primer

4. Roof Panels

Galvalume roll formed 'PBR' panels
26 Gauge, 80 KSI yield strength
Cadmium plated carbon steel self-tapping, long-life fasteners for both attachment of panels to structural members and for stitch screws
Fasteners will have separate steel and neoprene sealing washers for weather tightness

5. Wall Panels

Roll formed 'R' panels
26 gauge, 80 KSI yield strength
Galvalume material with a factory applied, baked on silicone polyester paint finish (color selected from manufacturer's standard selection)
Cadmium plated carbon steel self-tapping long-life fasteners for both attachment of panels to structural members and for stitch
Fasteners will have separate steel and neoprene sealing washers for weather tightness
Fasteners will be painted to match panels

6. Trim

Gutters, downspouts, flashing and trim fabricated from 26 gauge coil material to be furnished at the rake, corners, eaves, framed openings and wherever necessary to provide weather tightness and finished appearance. Die cut closure seals at eave and rake of building.

7. Electrical/Heating/Plumbing

Assume electrical service to be 3-phase, 4 wire, 277-480 volt aerial electrical service from a transformer bank installed by electrical service provider. Direct drop to building is included. Owner is responsible for ordering electrical service and for payment of temporary power during construction and for permanent power when construction completed.

800 Amp 277/480 volt weatherhead

Point of attachment

Required meter equipment

(1) 600 amp disconnect

(1) 50 amp disconnect for transformer

(1) 30 KVA, 480-120/208 transformer

(1) 225 amp, 277/480 volt MLO panel

(144) 240 watt fixtures indirect LED light fixtures (identical to

Tennis Center at Sand Point) by Sports Interiors Company

(6) 120 volt, 20 amp common circuit quad receptacles mounted on building columns

(6) exterior 'Wall Pack' security light fixtures

Electric heat

Fire Suppression System (Sprinkler system) and hose bibbs for each bldg.

8. Exhaust Fans

Eight (8) 4' exhaust fans, finished selected by architect

9. Doors

Four (4) each 3' x 7' 1 3/4" hollow metal flush exterior doors with three steel template hinges each, lever type lockset, automatic door closures thresholds and weather stripping. Painted with standard white primer.

Three (3) standard 10' x 10' overhead roll up doors with standard locking mechanisms

10. Interior Tennis Finishes

6" (R-19) insulation at roof deck covered with reflective SporTuff liner by Sports Interiors Company (identical to Tennis Center at Sand Point)

10' Divider netting between courts

10' Backdrop curtains - individual court entry doors by M. Putterman Co.
Acrylic Resurfacing of each tennis court: Plexipave or Decoralt by
California Products Corporation

11. Support Building (600 sf)

Construction to be concrete block exterior with metal studs and 3/4" gypboard walls and 9' drop ceiling interior (See Attachment 4)

D. CONSTRUCTION COST ESTIMATE SUMMARY

- Pre-Engineered Steel Building, 44,640 sf @ \$65/sf.....\$ 2,901,600
 - Conventional Support Building, 600 sf @ \$200/sf..... 120,000
 - Architectural, Engineering, Permits, FF & E @ 10%..... 300,000
- TOTAL.....\$ 3,321,600**

Allow approximately 180 days for delivery of pre-fabricated steel building after signing of construction contract, A & E and permits

Exclusions and Clarifications:

Site is assumed to not require storm water detention containment

3. PROJECTED INCOME AND OPERATING COSTS

A. Court Fees (Identical to Amy Yee Tennis Center):

Singles: 1 ¼ Hour.....\$32/hour; Doubles.....\$40.00/hour
 Ball Machine Rental: \$46/hour (includes court fee)

(Court fees the same for resident and non-residents)

Hours of Operation: Mon – Sun, 7:00 am – 10:00 pm

B. Projected Yearly Income and Operating Costs at 50% -100% Occupancy @ \$36/hour:

CALCULATION: 15 total hrs. minus 4 hrs./day for school team use and community outreach use equals 12.14 ‘billable’ court hours/day/ 1 ¼ (time slot) = 9.712 time slots/day x \$36/hr. = \$350 max. court fees per day x 365 days = \$127,750 max. income per court per year x 6 crts. = \$766,500 max. income per year

	COURT OCCUPANCY					
	50%	60%	70%	80%	90%	100%
INCOME FROM COURT FEES	383,250	459,900	536,550	613,200	689,850	766,500
EXPENSES (Annual)						
Court Reservationist (15 hrs. x \$15/hour)	82,125					
Insurance:						
Workers Comp	7,500					
Property/Liability	10,000					
Repairs/Maint./Janitorial	12,000					
Professional Fees	5,000					
Utilities:						
Electric	20,000					
Internet	4,000					
Water	1,500					
Telephone	2,000					
Advertising/Promotion	12,000					
Office Supplies	1,200					
TOTAL EXPENSES (Annual)	157,325	157,325	157,325	157,325	157,325	157,325
NET OPERATING INCOME	225,925	302,575	379,225	455,875	532,525	609,175

4. CONCLUSIONS AND RECOMMENDATION

A. Key Findings:

- The overall national tennis participation statistics are stable and growing,
- The overall tennis market in Seattle strongly favors playing tennis indoors with the Amy Yee Tennis Center (AYTC) operating at or near capacity,

- The tennis market for the Chief Sealth tennis site on SW Thistle Street stands at, conservatively, 4,500 tennis players who would be expected to utilize new indoor tennis courts at the proposed SW Thistle Street site,
 - A very conservative player to court ratio of 250:1 results in a need for eighteen new indoor tennis courts in the market area. This demand is only slightly affected by the Amy Yee Tennis Center's ten indoor courts due to the fair to poor quality of the AYTC indoor court environment and distance to the proposed Southwest Indoor Tennis Project that is the subject of this report,
 - The cost to design and build six indoor courts is approximately \$3,321,600, and
 - The projected annual operating net income of a new, six court, state-of-the-art indoor tennis facility is \$225,925 at fifty percent (50%) occupancy.
- B. *TPC's firm recommendation is for Friends of Southwest Indoor Tennis to proceed on designing and building a new, six court state-of-the-art indoor tennis facility at the Chief Sealth High School site on SW Thistle Street.***

5. APPENDIX

TENNIS PLANNING CONSULTANTS, INC. (TPC) – www.tennisplanningconsultants.com

Founded in 1970, TPC was the first tennis facility design and consulting company ever established to assist clients with factual, objective and completely independent tennis consulting expertise. Based on previous decades of tennis facility design and construction experience, TPC became the first and foremost organizer of tennis demographic, market and facility operational data to assist owners and prospective owners of indoor and outdoor tennis facilities in determining the market, size, scope and economic viability of a new or expanded

tennis facility.

THE A. C. NIELSEN COMPANY (NIELSEN) – www.nielsen.com

Between 1970-1975, Nielsen and Tennis Planning Consultants, Inc. (TPC) partnered to conduct the first and most complete tennis industry marketing studies ever attempted to an accuracy of .8%. Nielsen and TPC's demographic studies covered the number of tennis players by sex, age, income level, and tennis ball and racquet sales. It was determined that tennis ball sales were an excellent indicator of tennis participation with other indicators such as racket sales being secondary indicators. The TPC and Nielsen studies were used extensively by the USTA as the foremost statistical tennis market indicators from which to forecast tennis growth and trends in any market area in America.

PHYSICAL ACTIVITY COUNCIL (PAC) – www.physicalactivitycouncil.com

PAC is a research partnership to identify key trends in sports, fitness and recreation in the USA. In early 2010, PAC conducted over 40,000 online interviews with 15,067 individuals and 25,074 households to reflect the total US population aged 6 and above with the goal of accurately defining the sports participation activity in the country. The seven organizations that make up PAC are Sporting Goods Manufacturers Association, National Golf Foundation, Outdoor Industry Association, International Health, Racquet and Sportsclub Association, The United States Tennis Association, Tennis Industry Association and SnowSports Industries of America.

UNITED STATES TENNIS ASSOCIATION (USTA) – www.usta.com

The USTA has been instrumental not only in encouraging tennis growth through a multitude of programs. It assists the tennis industry and The Physical Activity Council in developing independent tennis participation studies that are vital to learning and understanding tennis participation levels and trends.

TENNIS INDUSTRY ASSOCIATION (TIA) – www.tennisindustry.org

TIA is the information source and clearing house for tennis industry statistics supplied to its members. TIA works closely with PAC and PAC's associates in the compilation and evaluation of tennis participation statistics.

SPORTING GOODS MANUFACTURERS ASSOCIATION (SGMA) – www.sgma.com

SGMA is the trade association of retailers, manufacturers and marketers of the American sporting goods industry. It was founded in 1906 and currently represents over 1,000 manufacturers, retailers and marketers at over 3,000 business locations. In the 1990's, SGMA began extensive studies and research on the sports industry and public policy. It began conducting exhaustive studies on various sports regarding participation, areas of growth and trends in all sports in order to assist its members and PAC in planning and servicing its customers more fully. SGMA is the leading trade association in America in establishing research leadership to the sporting goods industry and is recognized nationally as the foremost source of sporting goods industry information utilized by financial analysts, manufacturers, marketers, media and PAC.

TAYLOR RESEARCH AND CONSULTING GROUP (TRCG) – www.thetaylorgroup.com

TRCG provides qualitative and quantitative opinion and market research services to the business and sports industry worldwide. Founded in 1987, TRCG concentrates on rigorous data collection, sports participation criteria and the application of results to business strategy for their clients. TRCG has conducted annual tracking studies and services for the tennis industry since 2003 to measure and track levels of participation in the sport of tennis. TRCG produced the largest single-sports study ever undertaken in the tennis industry between 2003 and 2008 with over 25,500 annual interviews completed for the study. TRCG examined the demographic profile of each group (age, ethnicity, household income and size of home city/town) to provide a roadmap for tennis to develop the right products, programs and plans for future growth based on the most accurate and detailed information available.

LIMITING CONDITIONS

While Tennis Planning Consultants, Inc. has compiled, reviewed and analyzed the data in the enclosed report on a completely independent and objective basis, it is emphasized that tennis market and feasibility analysis is not an exact science. This report provides data and factors considered to be the most relevant to the study of a proposed indoor tennis facility in Seattle, Washington. The data has been obtained from methods, sources and persons believed to be reliable, but which cannot be guaranteed.