



# **INDOOR TRACK DELAWARE**

## **FEASIBILITY STUDY FOR A NEW INDOOR TRACK & SPORTS EVENTS CENTER IN DELAWARE**

SUMMARY PRESENTATION // MARCH 24, 2021



**Victus Advisors** was engaged by **Indoor Track Delaware** (“ITD”) to conduct a market feasibility study for a new indoor track and sports events center in the State of Delaware.

Indoor Track Delaware is a non-profit comprised of coaches, parents, and concerned citizens. Some of ITD’s initial goals for the proposed venue include:

- Meet the unmet demand of high school indoor track athletes and local college indoor track teams, since there is **currently no indoor, banked track in the State of Delaware.**
  - In fact, the **DIAA State Indoor Track & Field Championships are held in Maryland**, due to the lack of a viable indoor track in Delaware;
- Arena seating capacity to **host world-class indoor track meets** (typically at least 3,500 seats per the NCAA);
- Via multi-use venue configurations, attract sports tourism dollars and **economic impacts from the Mid-Atlantic region for a wide variety of indoor sports** and events (such as basketball, volleyball, wrestling, cheer, etc.).

**PHASES:**

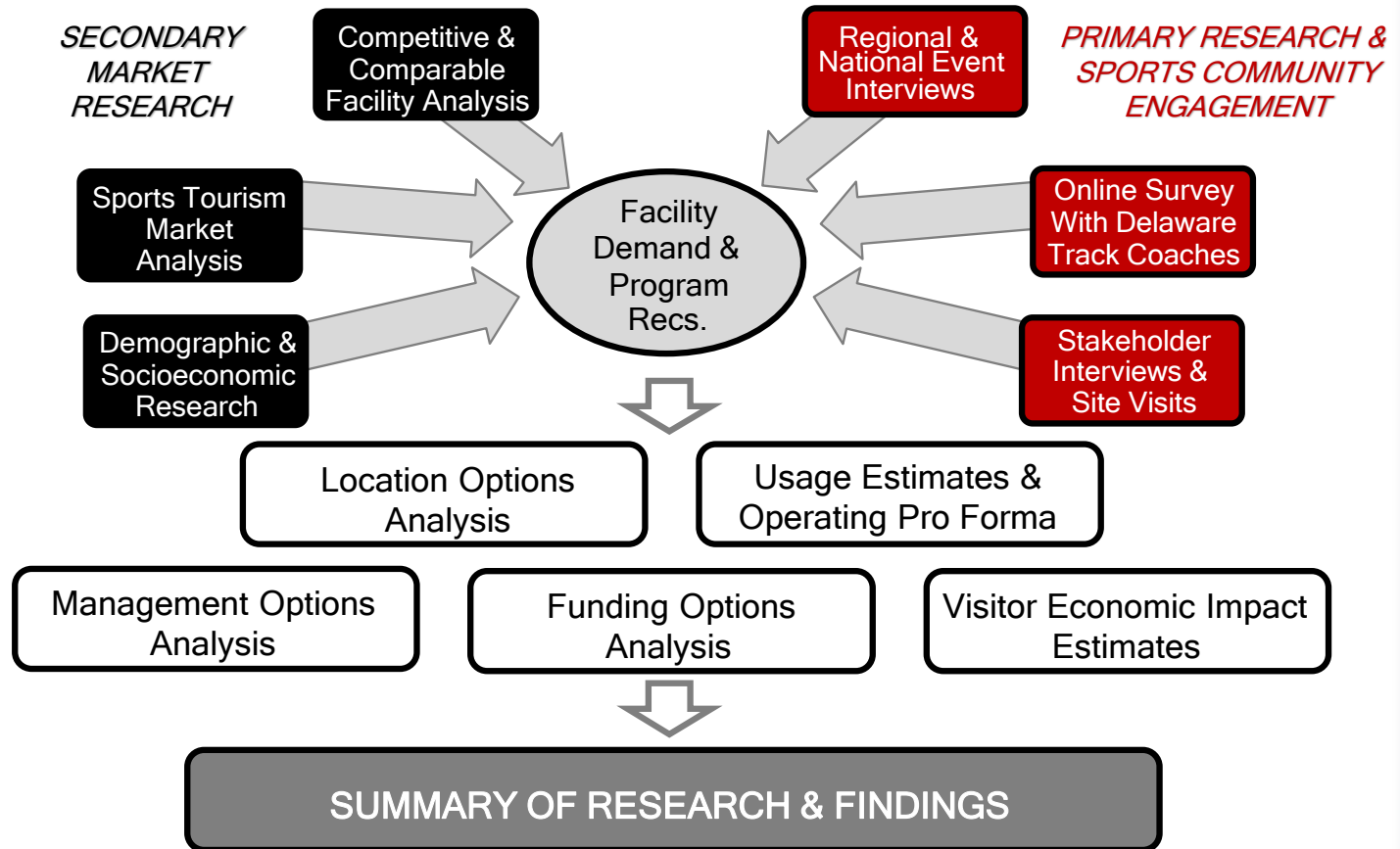
**1. MARKET  
DEMAND  
ANALYSIS**



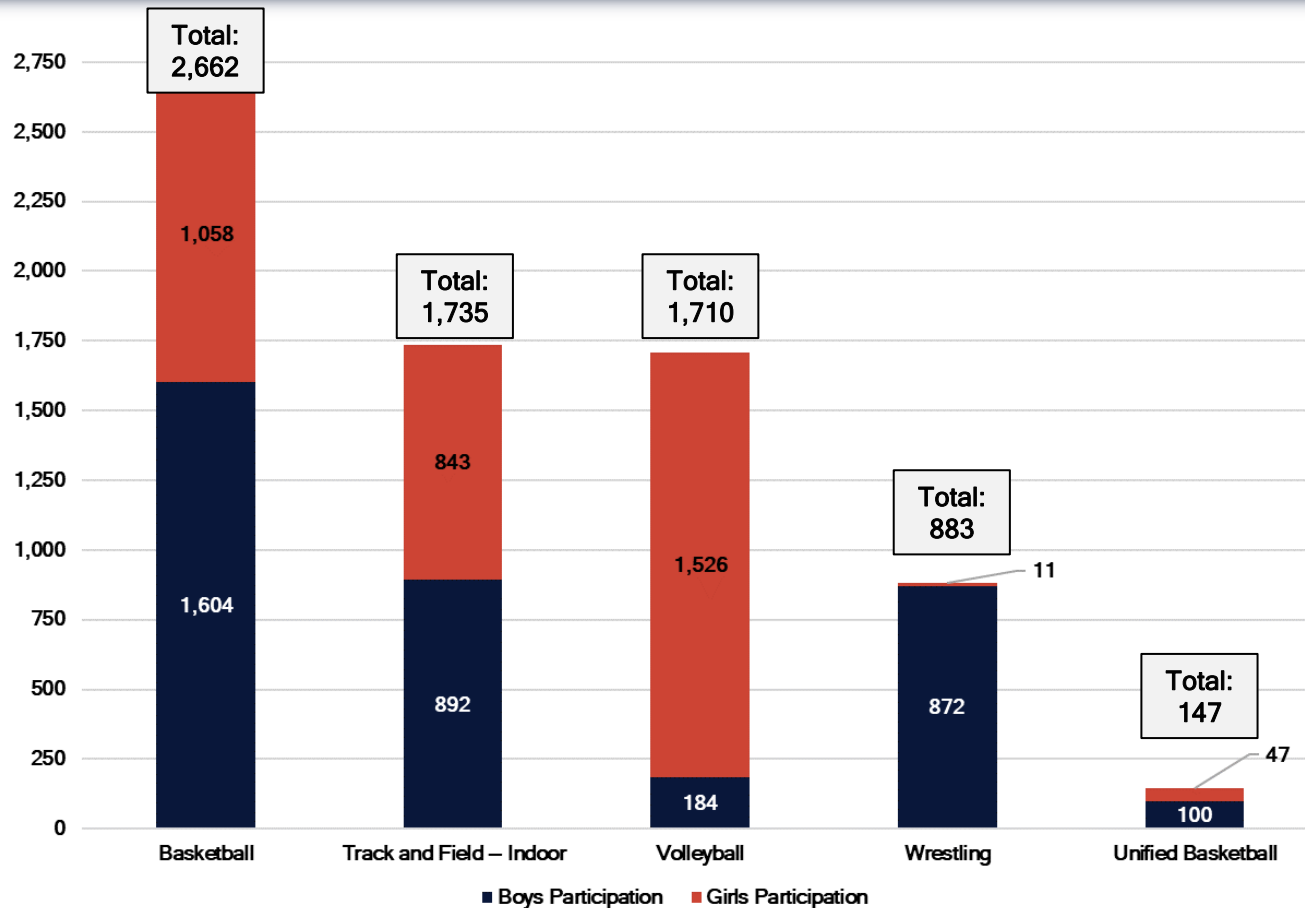
**2. FINANCIAL,  
OPERATIONAL &  
ECONOMIC ANALYSIS**



**3. FINAL REPORT  
& PRESENTATION  
OF FINDINGS**



# DELAWARE HIGH SCHOOLS: INDOOR SPORTS PARTICIPATION



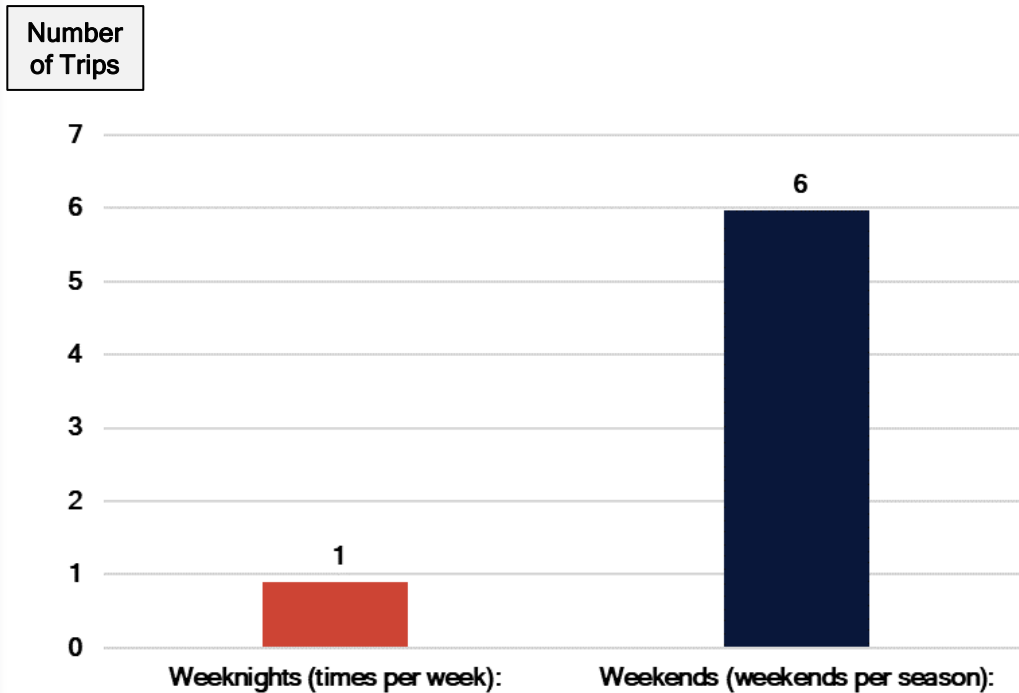
Source: National Federation of High School Associations, 2018-2019 Report

Note: Sorted by total participants in descending order

- **Indoor Track** has the second highest high school participation of any indoor sport in Delaware.
- **Basketball** has the highest number of high school boy participants in Delaware, while **Volleyball** has the highest number of high school girl participants.
- **Wrestling** has the 3<sup>rd</sup> highest high school boy participation, and it should also be noted that the Beast of the East wrestling tournament brings an additional 900 wrestlers to Delaware annually.

# FREQUENCY OF OUT-OF-STATE TRAVEL BY DELAWARE INDOOR TRACK TEAMS

*“On average, how often does your indoor track team travel outside of the State of Delaware during a typical indoor track season to utilize an indoor track...?”*



**Weekend Travel:** On average, Delaware indoor track teams travel out-of-state six (6) weekends per season for regional meets.

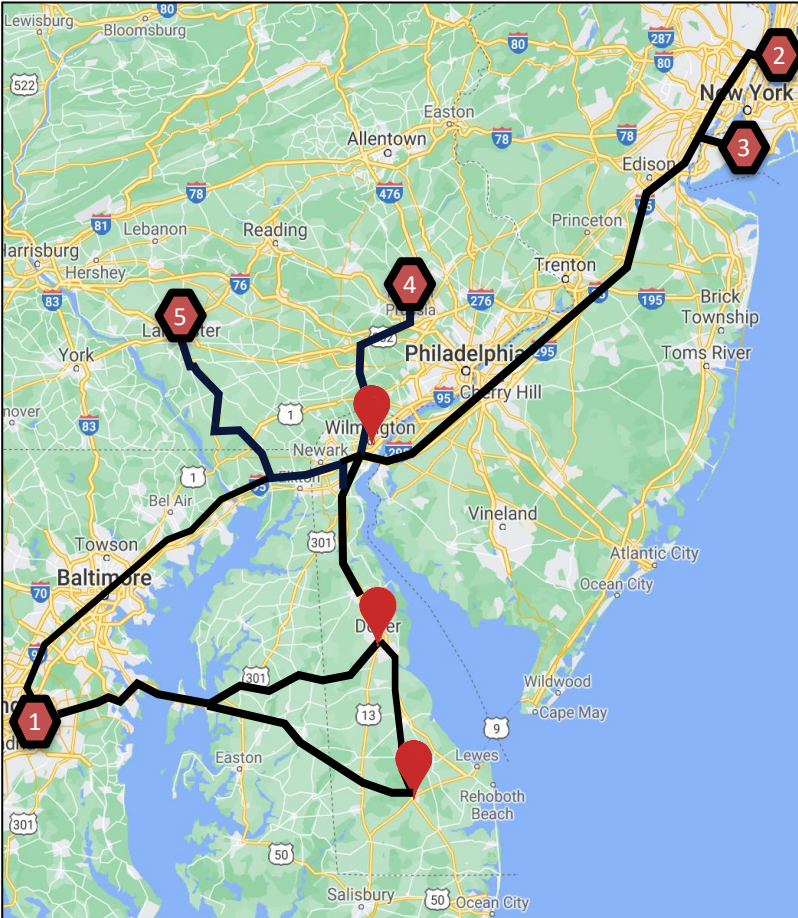
**Weeknight Travel:** Delaware indoor track teams also travel out-of-state on a weeknight at least once a week (on average) throughout the season for training and smaller meets.

**Overall Travel Hours:** Delaware indoor track teams average 40 hours per season of travel time to/from indoor track events held out-of-state.

*Source: Victus Advisors survey of Delaware high school track coaches*

# DRIVING TIME TO THE MOST FREQUENTLY VISITED INDOOR TRACK VENUES

The five out-of-state venues most often utilized by Delaware indoor track teams are in Maryland (Prince George's Sports & Learning Complex), New York (Armory, Ocean Breeze), and Pennsylvania (Bakes Center at Ursinus College, Schrader Field House at Franklin & Marshall), with drive times from 1 to 3.5 hours.\*



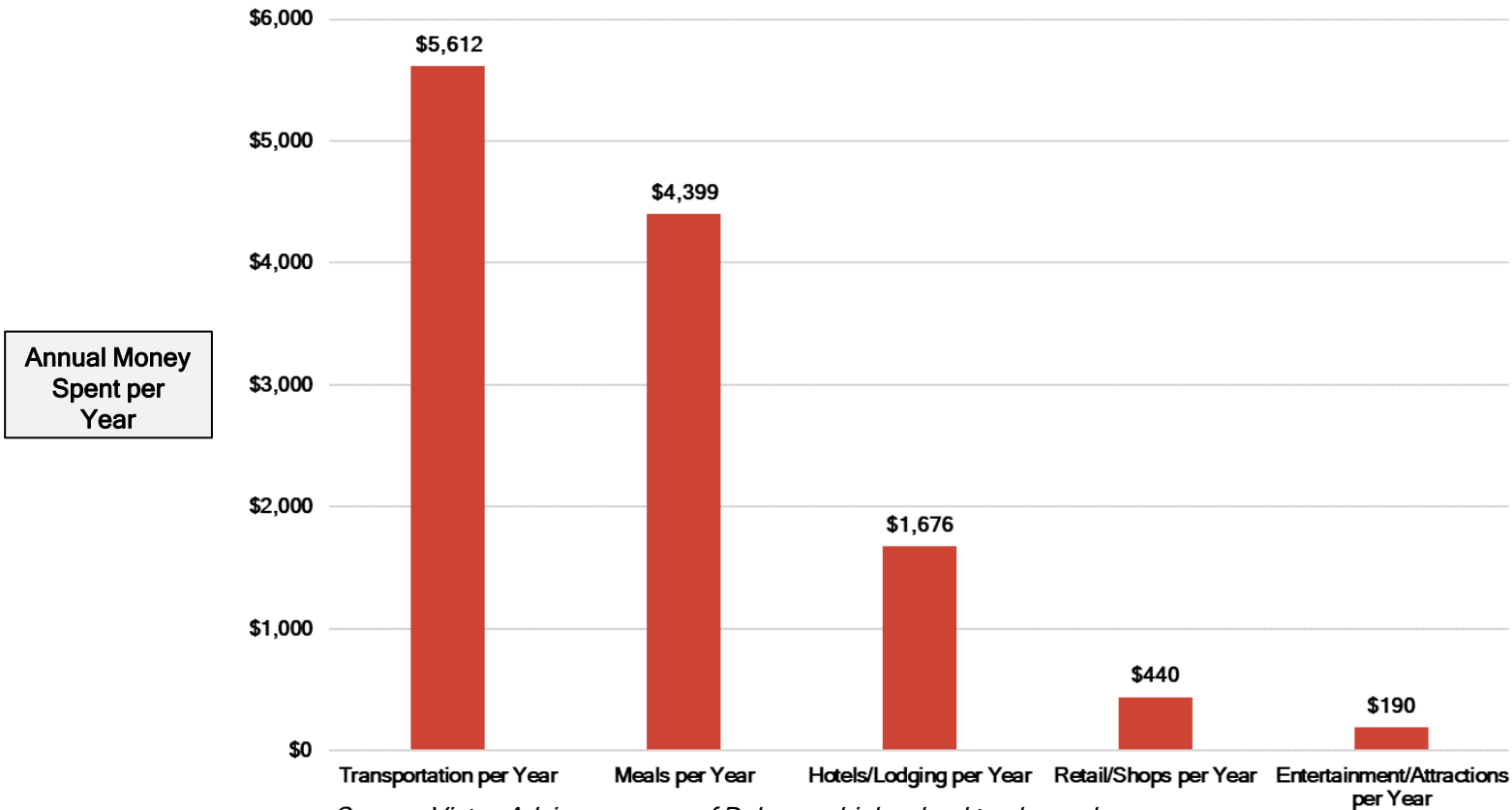
	Estimated Drive Time (Hrs:Min)		
	Wilmington	Dover	Georgetown
1 Prince George's Sports & Learning Complex	1:48	1:35	1:46
2 The Armory	2:07	2:43	3:19
3 Ocean Breeze Athletic Complex	1:52	2:29	3:05
4 Floy Lewis Bakes Center	1:02	1:49	2:19
5 Schnader Field House	1:29	2:00	2:34

*\*It should be noted that downstate teams also regularly travel to Snow Hill, MD, and University of Maryland Eastern Shore, with trip times of over 1 to 1.5 hours, although these facilities were not in the top five of our frequently-visited indoor tracks survey.*

Source: Google Maps

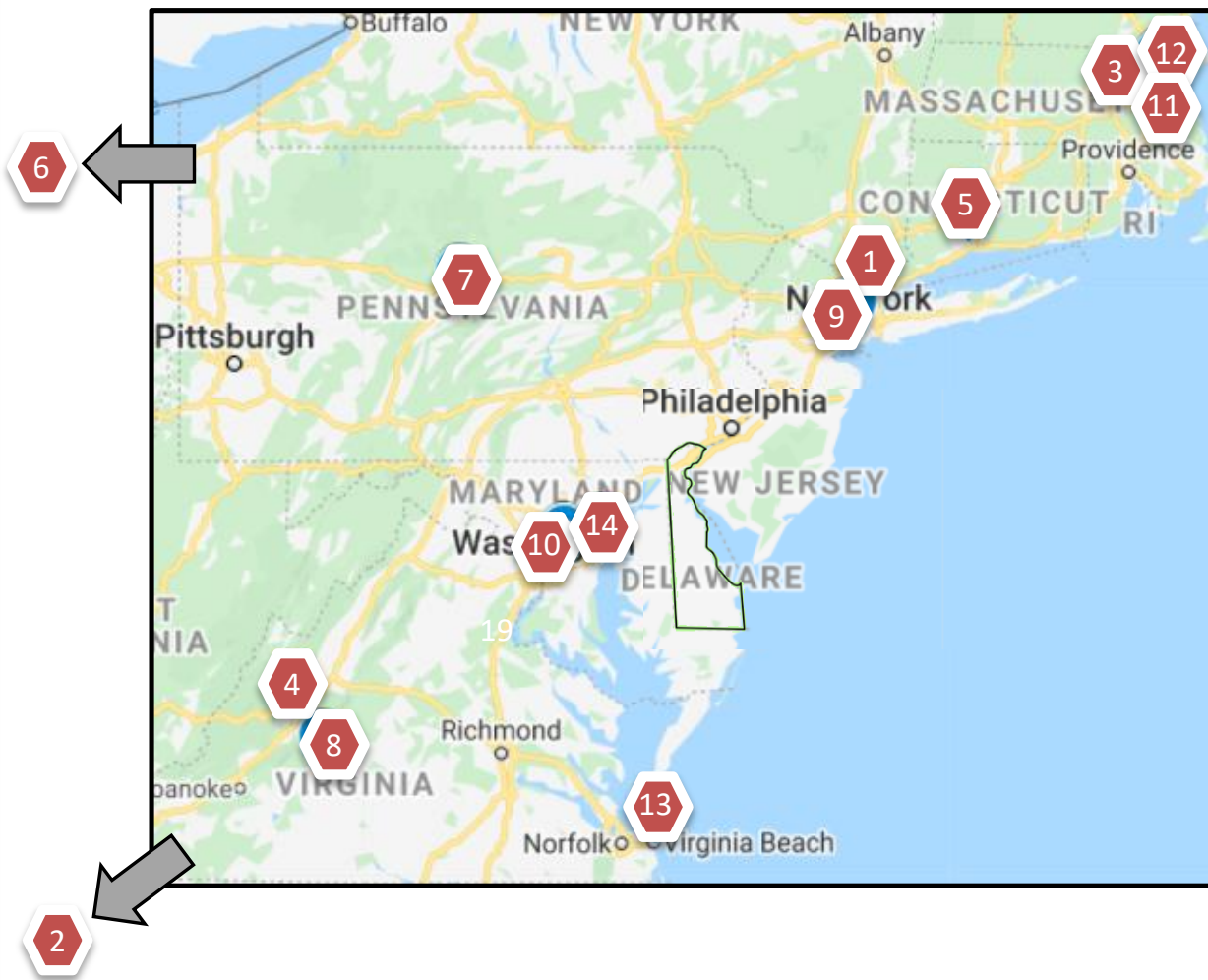
# ANNUAL TRAVEL SPENDING PER DELAWARE INDOOR TRACK TEAM

*How much does your indoor track team spend annually while traveling outside of the State of Delaware to utilize indoor tracks?*



*Source: Victus Advisors survey of Delaware high school track coaches*

**On average, Delaware indoor track teams spend \$12,317 per year on travel costs while utilizing indoor tracks outside of Delaware.**



Facilities (Alphabetical Order)
1 Armory Track
2 Birmingham CrossPlex
3 Boston University Track & Tennis Center
4 Corps Indoor Training Facility
5 Coxe Cage
6 Gately Indoor Track & Field
7 Horace Ashenfelter III Indoor Track
8 Liberty Indoor Track Complex
9 Ocean Breeze Track & Field Complex
10 Prince George's Sports & Learning Complex*
11 Reggie Lewis Center
12 The Track at New Balance
13 Virginia Beach Sports Center
14 Wesley A. Brown Fieldhouse

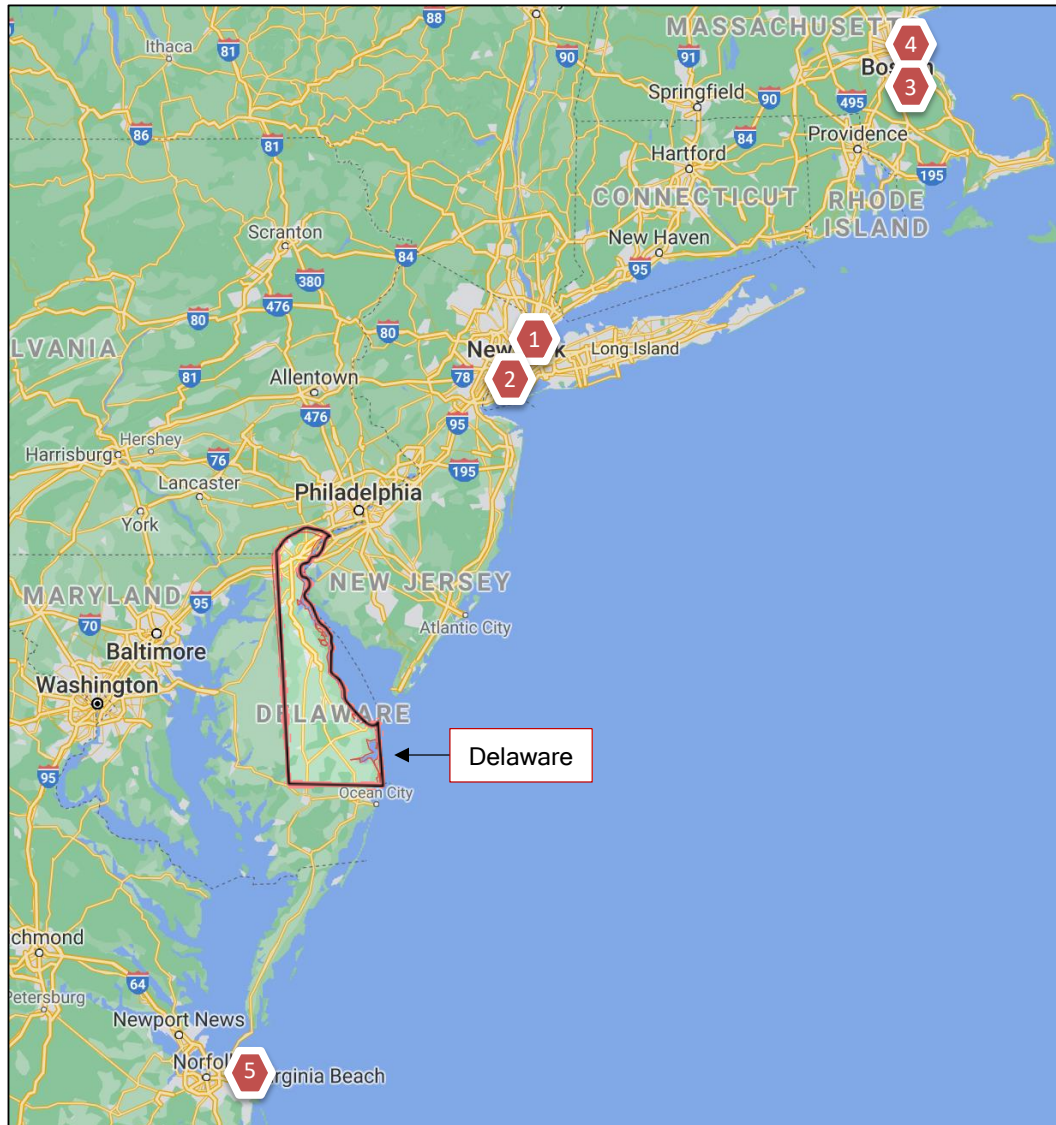
Regional user groups, including NCAA events, identified thirteen (13) regional indoor track facilities with a banked track, however none are located within the State of Delaware.

Source: Google Maps Notes: (1) Facilities in alphabetical order (\*) We also profiled Prince George's Sports & Learning Center (flat track) because it is the current venue of the Delaware Interscholastic Athletic Association (DIAA) State Indoor Track & Field Championships.





# REGIONAL INDOOR BANKED TRACK INVENTORY: PRIMARY COMPARABLE FACILITIES



Of the regional banked track facilities shown on the previous page, only five (5) have a banked track with at least 2,500 seats located within a 6-hour drive of Delaware:

1. Armory Track - New York, NY
2. Ocean Breeze Track & Field Complex - Staten Island, NY
3. Reggie Lewis Center - Roxbury, MA
4. The Track at New Balance - Boston, MA
5. Virginia Beach Sports Center - Virginia Beach, VA

Source: Google Maps Note: Facilities are listed in alphabetical order.

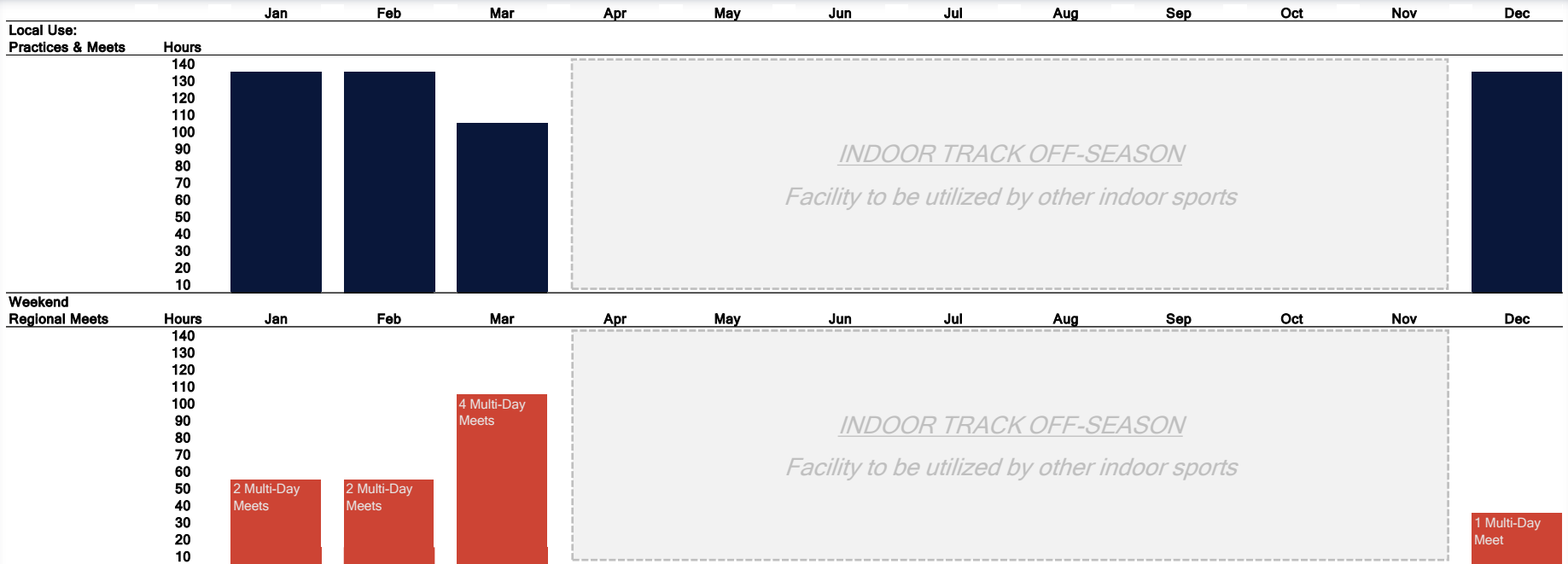
# INDOOR BANKED TRACKS: SAMPLE EVENT TYPES BY FACILITY

Type of Events	Armory Track	Birmingham CrossPlex	Gately Indoor Track & Field	Ocean Breeze Track Complex	Reggie Lewis Center	The Track at New Balance	Virginia Beach Sports Center
AAU Events	✓	✓	✓		✓	✓	✓
Conference Championships		✓	✓		✓	✓	✓
High School Events	✓		✓	✓	✓	✓	
NCAA National Championships		✓	✓		✓	✓	✓
Professional Events	✓		✓	✓	✓	✓	
University Athletic Events	✓				✓	✓	
USA Track & Field Events	✓	✓	✓	✓	✓	✓	✓

Sources: Facility staff, User feedback, Victus research

Notes: Sorted by Type of Events in alphabetical order. Prince George's is included even though it is a flat track, because it currently hosts the DIAA state championship.

Banked track facilities are able to host a much larger mix of events than a flat track, including a wide variety of multi-day AAU, NCAA, and USATF events that attract larger overnight visitation.

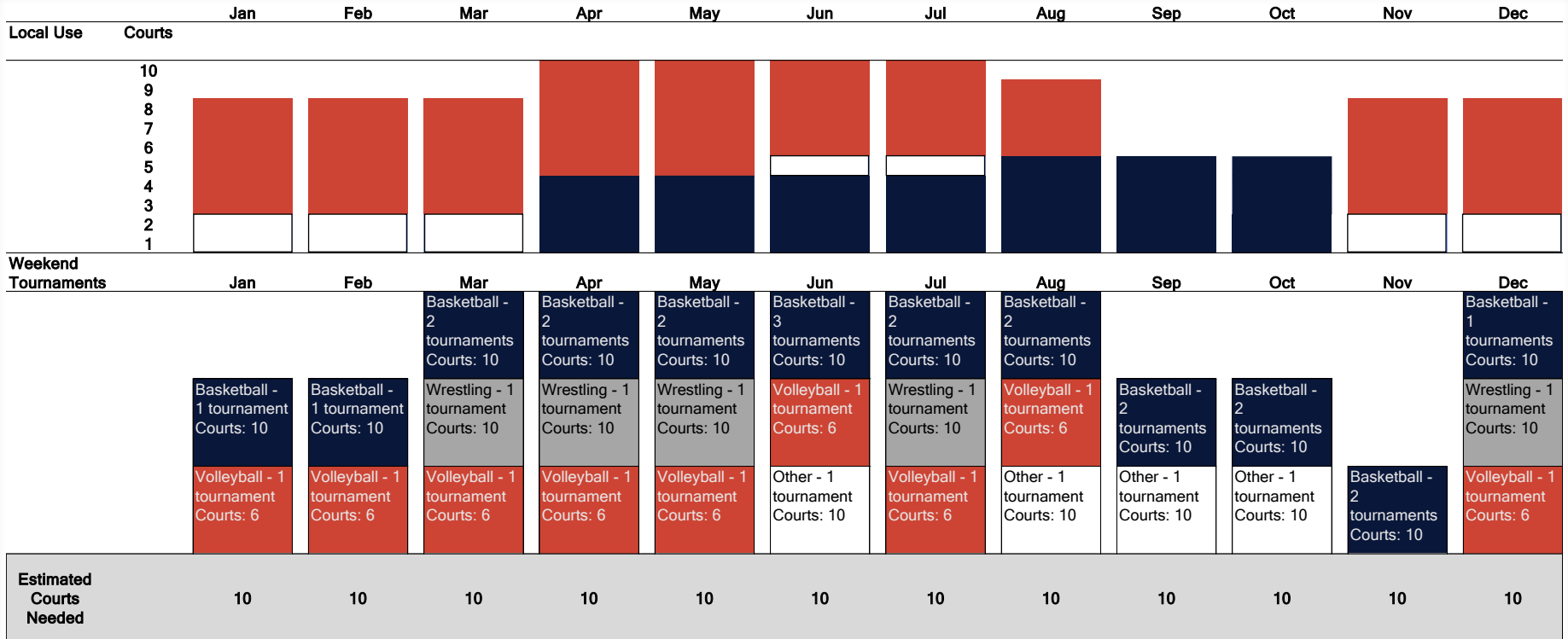


Source: Victus research

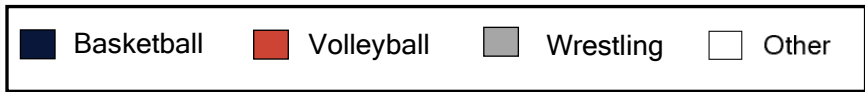
## DEMAND ASSESSMENT - INDOOR TRACK:

Victus Advisors estimates that demand for indoor track usage in Delaware will occur **between December and March**, with approximately 9 large, multi-day, Regional Weekend Meets\* per indoor track season, and daily Local Use training, practices, and meets during the week.

\*Please note that any weekends not used for a larger regional meet are still assumed to be utilized for Local Use track and field activity.



Source: Victus research. Note: Sorted by User Group in alphabetical order.



## DEMAND ASSESSMENT - OTHER INDOOR SPORTS:

In addition to indoor track demand, Victus Advisors estimates that there is demand in Delaware for usage of up to 10 courts throughout the calendar year for both local team/league rentals and regional tournaments.

Based upon the results of our market and facility analysis, Victus Advisors has identified demand for the following key elements in a new indoor track and sports events center in Delaware:

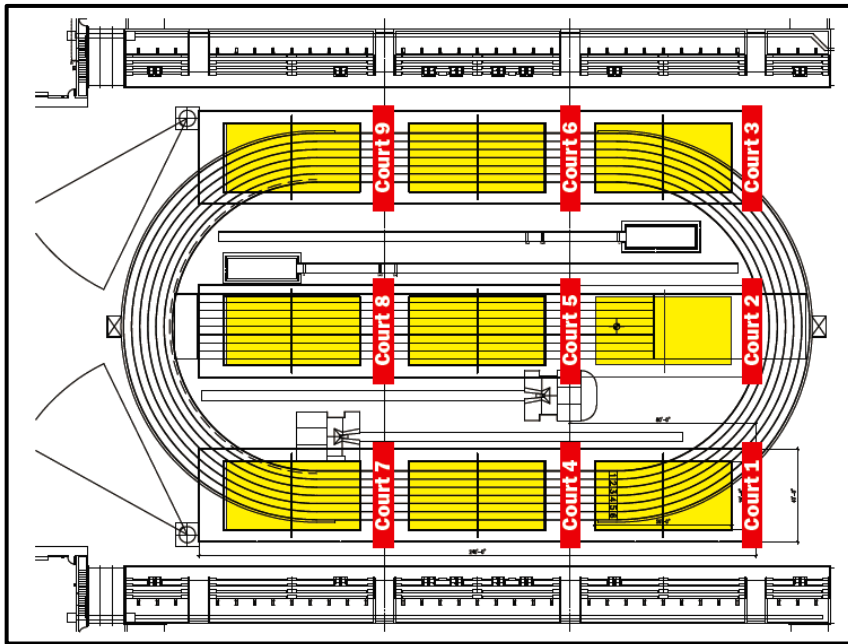
- **Indoor Banked Track:**
  - 200-meter hydraulic banked track with six (6) lanes
  - Sprint lanes, jump pits, and throwing cages
  - Seating capacity of at least 3,500 to 4,000 fixed seats to accommodate NCAA events
  
- **Hardwood Courts:**
  - Up to 10 basketball courts, typically convertible to at least 1.5x volleyball courts
  - Hardwood court surfaces could also be used by wrestling (potentially hold up to 20 mats), esports, cheer, field hockey, futsal, etc.
  - Primarily used during the week for local practices and games, with weekends dedicated to attracting sports tournament activity

Victus recommends that ITD should consider two (2) potential building models:

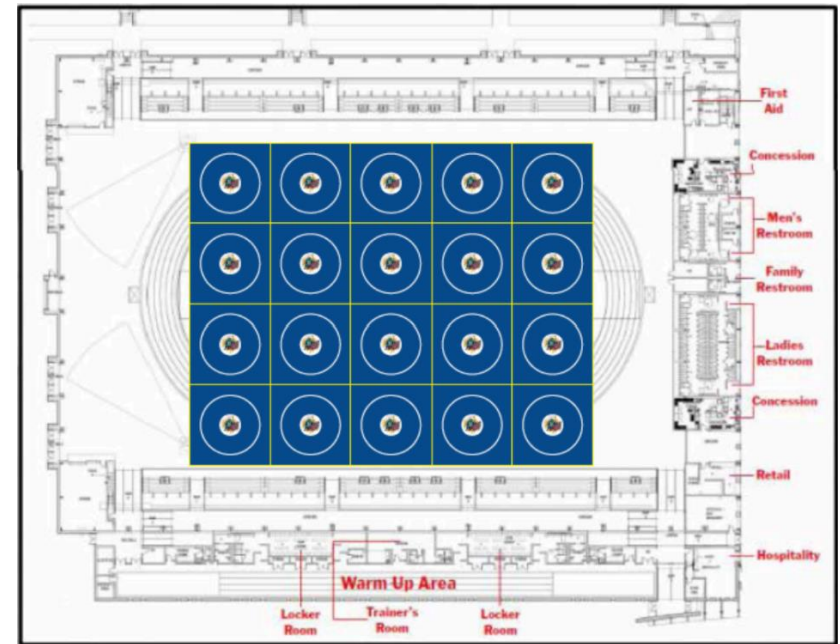
- **Venue Option 1 - Single Multi-Use Events Space:** The event space would be utilized for indoor track between December and March, and used for multi-use sports the rest of the year.
  
- **Venue Option 2 - Separate Dedicated Court Space:** This larger facility model would feature separate court and indoor track spaces, allowing for multiple event types to be held at the same time under one roof.

## Birmingham Crossplex

Volleyball Overlay (9 courts)



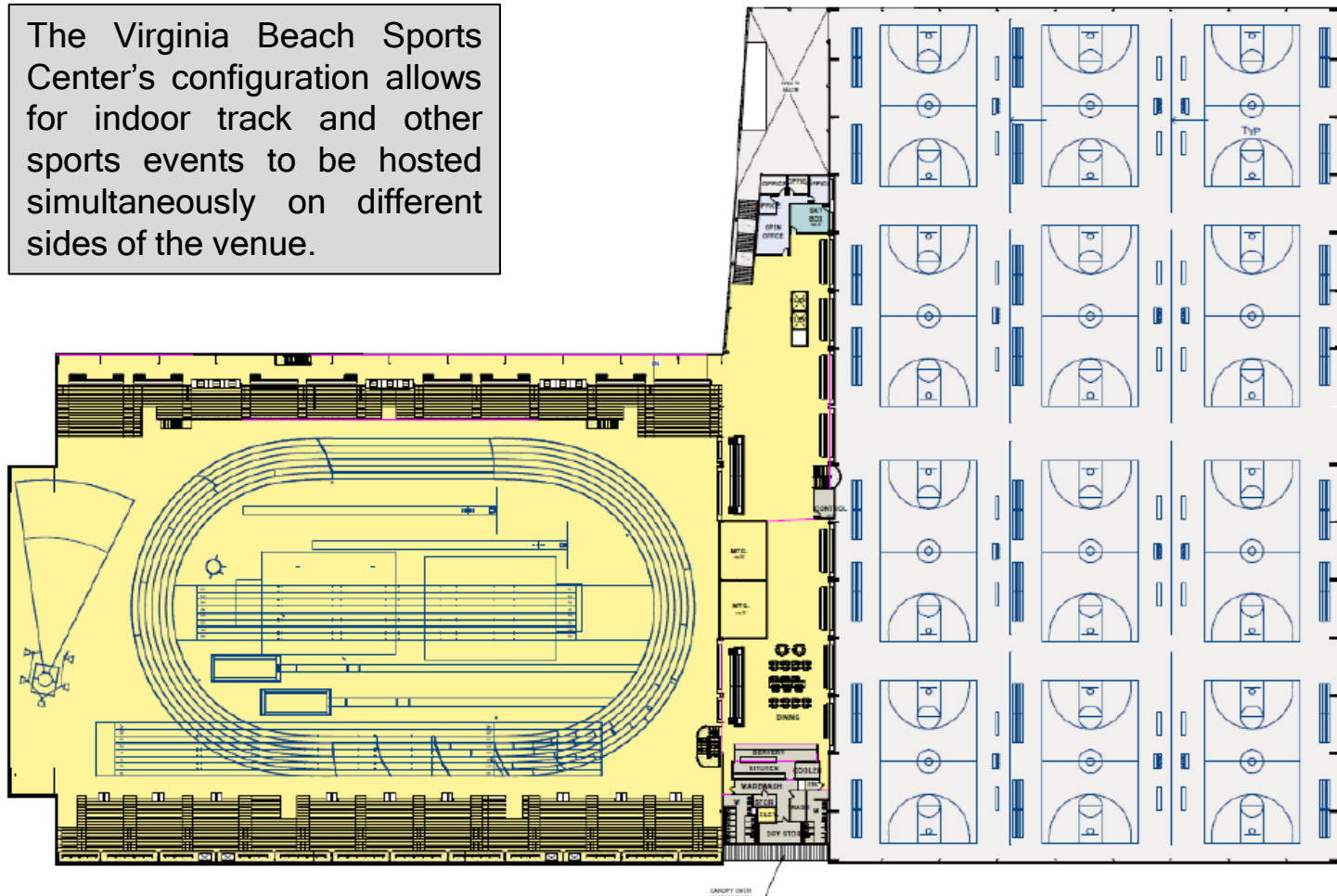
Wrestling Overlay (20 mats)



The indoor track facility at the Birmingham Crossplex can hold nine (9) volleyball courts or twenty (20) wrestling mats when the banked track is down.

## Virginia Beach Sports Center

The Virginia Beach Sports Center's configuration allows for indoor track and other sports events to be hosted simultaneously on different sides of the venue.



# LOCATION OPTIONS ANALYSIS

	Potential Locations		
	New Castle County	Kent County	Sussex County
<b>Local Use Population &amp; High School Teams</b>	2.5m people within 45-minute drive of Wilmington. 43 high school track teams.	403k people within 45-minute drive of Dover. 9 high school track teams.	490k pop. within 45-minute drive of Georgetown. 13 high school track teams.
<b>Regional Tournament Population</b>	38.4m people within 3-hour drive of Wilmington.	26.6 million people within 3-hour drive of Dover.	19m people within 3-hour drive of Georgetown.
<b>Proximity to Hotels</b>	Significant hotel inventory in New Castle County between Wilmington and Newark along I-95.	Significant hotel inventory in Dover, but limited hotel inventory in the rest of Kent County.	Significant hotel inventory throughout Sussex County, but principally near the beach.
<b>Hotel Availability &amp; Affordability</b>	ADR ranged from \$106 (winter) to \$130 (summer) per night, with occupancy ranging from approximately 49% (winter) to 72% (summer).	ADR ranged from \$80 (winter) to \$151 (summer) per night, with occupancy ranging from approximately 40% (winter) to 70% (summer).	Sussex County has highest variance between summer/winter hotel data. ADR ranged from \$80 (winter) to \$204 (summer), with occupancy ranging from 32% (winter) to 82% (summer).
<b>Highway Access</b>	I-95 is the busiest interstate in the eastern US: North to Philadelphia and New York. South to Baltimore and Washington D.C.	Main traffic flows on US-1 and US-13. Dover is junction between north/south Delaware.	US-1 is primary beach access highway in DE.
<b>Airport/Train/Ferry Access</b>	Philadelphia International Airport is 21 miles from Wilmington. Wilmington Station (Amtrak).	Philadelphia International Airport is 71 miles from Dover.	Baltimore/Washington International (BWI) Airport is 92 miles from Georgetown. Cape May-Lewes Ferry (DE to NJ).
<b>Proximity to Family Entertainment &amp; Attractions</b>	Museums, historical landmarks/sites, and tax-free shopping at Christiana Mall.	Dover Downs and Dover International Speedway.	The beaches and tax-free shopping at the outlets.

Delaware is positioned well for a successful regional indoor track and sports center, regardless of County. ITD's next steps will be a **site selection survey** (estimated 15-20 acres) and **venue conceptual drawings**.

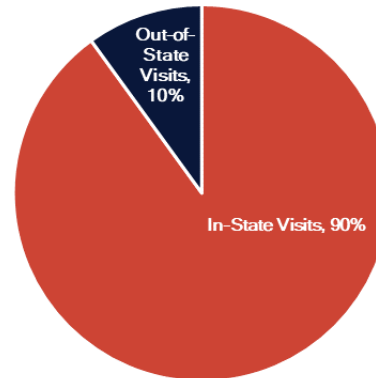


## Option 1:

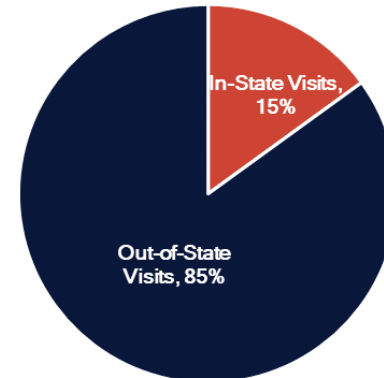
	<u>Weekday</u>	<u>Weekend</u>	<u>TOTAL</u>
In-State Visits	106,300	36,800	143,100
Out-of-State Visits	11,800	208,400	220,200
<b>TOTAL VISITORS</b>	<b>118,100</b>	<b>245,200</b>	<b>363,300</b>

A new indoor track and sports events center in Delaware could generate as many as 530,000 annual visitors, providing both significant local use and out-of-state economic impact.

Weekday



Weekend



## Option 2:

	<u>Weekday</u>	<u>Weekend</u>	<u>TOTAL</u>
In-State Visits	171,100	51,000	222,100
Out-of-State Visits	19,000	289,200	308,200
<b>TOTAL VISITORS</b>	<b>190,100</b>	<b>340,200</b>	<b>530,300</b>

# ESTIMATED NET ANNUAL ECONOMIC IMPACTS: BY ECONOMIC SECTOR

## OPTION 1

## OPTION 2

### TOTAL OUTPUT:

Sports	\$1,795,000	4%
Lodging	\$9,550,000	23%
Food & Beverage	\$15,038,000	36%
Shopping	\$6,626,000	16%
Entertainment	\$4,302,000	10%
Transportation	\$4,010,000	10%
<b>TOTAL:</b>	<b>\$41,321,000</b>	<b>100%</b>

### TOTAL OUTPUT:

Sports	\$3,142,000	5%
Lodging	\$13,254,000	23%
Food & Beverage	\$20,871,000	36%
Shopping	\$9,196,000	16%
Entertainment	\$5,971,000	10%
Transportation	\$5,565,000	10%
<b>TOTAL:</b>	<b>\$57,999,000</b>	<b>100%</b>

### EMPLOYMENT:

Sports	33	6%
Lodging	80	15%
Food & Beverage	180	33%
Shopping	108	20%
Entertainment	79	14%
Transportation	70	13%
<b>TOTAL:</b>	<b>550</b>	<b>100%</b>

### EMPLOYMENT:

Sports	58	7%
Lodging	111	14%
Food & Beverage	249	32%
Shopping	149	19%
Entertainment	110	14%
Transportation	97	13%
<b>TOTAL:</b>	<b>775</b>	<b>100%</b>

### LABOR INCOME:

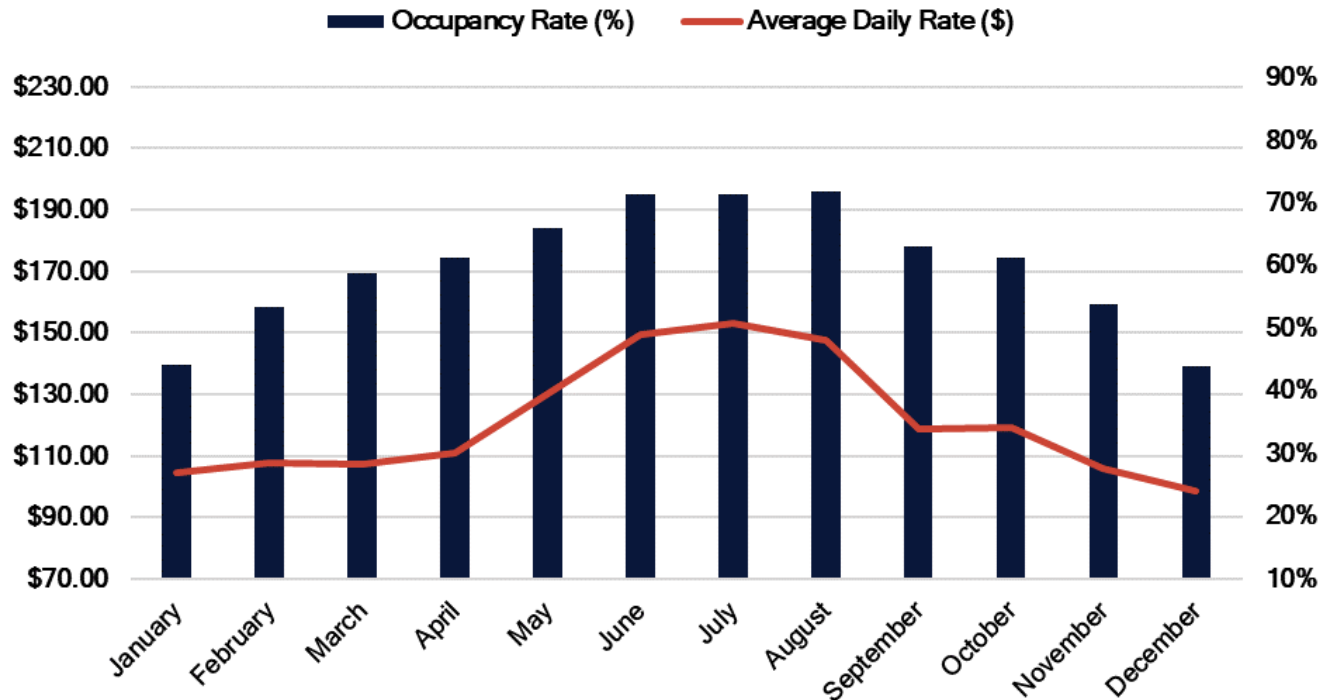
Sports	\$652,000	4%
Lodging	\$3,310,000	21%
Food & Beverage	\$5,660,000	36%
Shopping	\$2,794,000	18%
Entertainment	\$1,563,000	10%
Transportation	\$1,697,000	11%
<b>TOTAL:</b>	<b>\$15,676,000</b>	<b>100%</b>

### LABOR INCOME:

Sports	\$1,141,000	5%
Lodging	\$4,594,000	21%
Food & Beverage	\$7,856,000	36%
Shopping	\$3,878,000	18%
Entertainment	\$2,169,000	10%
Transportation	\$2,355,000	11%
<b>TOTAL:</b>	<b>\$21,993,000</b>	<b>100%</b>

It is estimated that nearly 60% of the incremental economic output generated by a new indoor track and sports events center in Delaware would benefit the hospitality industry (lodging, food/beverage).

# 2019 HOTEL DATA: STATE OF DELAWARE

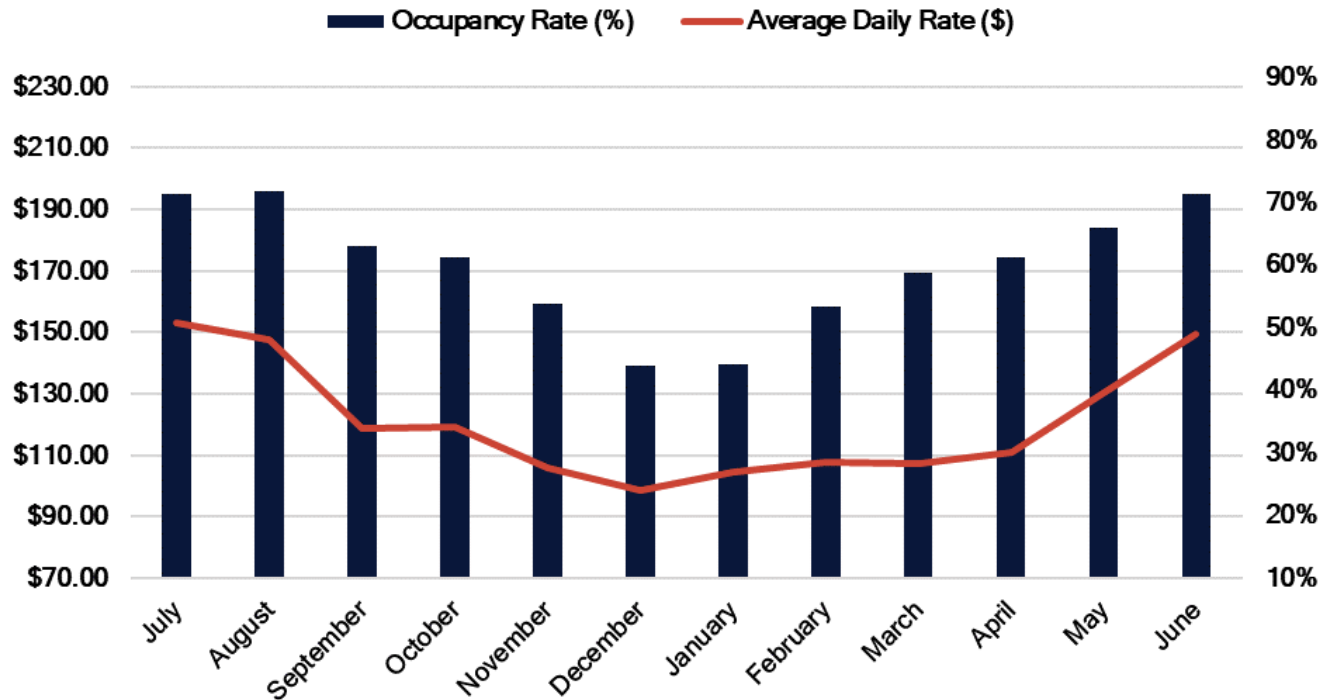


Source: Delaware Hotel & Lodging Association, University of Delaware

The weaker levels of hotel occupancy in Delaware (November through February) coincide with the indoor track season.

In December and January in particular, overall occupancy rates in the State can reach as low as 44%.

# 2019 HOTEL DATA: STATE OF DELAWARE (CONT.)



Source: Delaware Hotel & Lodging Association, University of Delaware

Presented above, as a fiscal year (June through July), the same data shows a significant dip in hotel ADR and occupancy in the winter months.

# ESTIMATED NET ANNUAL FISCAL IMPACTS IN THE STATE OF DELAWARE

Facility Option	HOTEL IMPACTS	ANNUAL FISCAL IMPACTS			
	Estimated Annual Hotel Nights	State Gross Receipts Tax (0.327%-0.747%) (1)	State Income Tax (2.2%-6.6%) (2)	State Lodging Tax (8.00%) (3)	Local Lodging Tax (3.00%) (3)
Option 1	50,000	\$310,000	\$862,000	\$484,000	\$181,000
Option 2	69,000	\$430,000	\$1,210,000	\$671,000	\$252,000

*Notes:*

*(1) State Gross Receipts Tax include Grocery Tax (0.327%), Restaurant Retailers Tax (0.647%), and General Retailers (.747%)*

*(2) State Income Tax can range between 2.2% and 6.6% depending on income level.*

*(3) Assumes 1.5 nights per out-of-state visitor, and average daily room rate of \$121.*

It is estimated that the operations of a new indoor track and sports events center could generate the following impacts within the State of Delaware on an annual basis:

- 50,000 (Option 1) or 69,000 (Option 2) in incremental annual hotel nights
- \$1.8 million (Option 1) to \$2.6 million (Option 2) in incremental annual income tax, gross receipts tax, and State and local lodging taxes

# SUMMARY OF NET IMPACTS OVER 30 YEARS IN THE STATE OF DELAWARE

Facility Option	NET PRESENT VALUE (NPV) OF INCREMENTAL IMPACTS OVER 30 YEARS (1)						
	ECONOMIC IMPACTS			FISCAL IMPACTS			
	Total Output	Employment (2)	Labor Income	State Gross Receipts Tax (0.327%-0.747%) (3)	State Income Tax (2.2%-6.6%) (4)	State Lodging Tax (8.00%)	Local Lodging Tax (3.00%)
Option 1	\$974,913,000	550	\$370,764,000	\$7,223,000	\$20,388,000	\$11,234,000	\$4,213,000
Option 2	\$1,377,091,000	775	\$523,998,000	\$10,051,000	\$28,829,000	\$15,592,000	\$5,847,000

Notes: (1) Assumptions include 3.0% annual inflation and 4.0% discount rate.

(2) Represents new full- and part-time jobs sustained on an annual basis.

(3) State Gross Receipts Tax include Grocery Tax (0.327%), Restaurant Retailers Tax (0.647%), and General Retailers (.747%)

(4) State Income Tax can range between 2.2% and 6.6% depending on income level.

Over a 30-year period, it is estimated that a new indoor track and sports events center could generate overall long-term impacts within the State of Delaware with a net present value (NPV) of:

- \$975 million (Option 1) or \$1.4 billion (Option 2) in **total economic output**
- 550 (Option 1) or 775 (Option 2) sustainable **annual jobs**
- \$370.8 million (Option 1) or \$524.0 million (Option 2) in **total labor income**
- \$43.1 million (Option 1) or \$60.3 million (Option 2) in **total incremental income tax, gross receipts tax, and State and local lodging taxes**

In addition to the potential economic and fiscal impacts of a new indoor track and sports events center in Delaware, there would also be health and wellness benefits for community users of the facility:

- The Annie E. Casey Foundation's Kids Count Data Center states, *"Neighborhood amenities such as parks, recreation centers, sidewalks and libraries make it safer for children to engage in physical activity and serve as a vehicle for socializing, increased time outdoors and enhanced quality of life."*
- According to a Centers for Disease Control and Prevention (CDC) survey, between 20 and 25% of high school students in Delaware were physically active at least 60 minutes per day on all seven (7) days (report detailed 2007 through 2017). *A new indoor track and sports events center in Delaware could encourage an increase in frequent participation and activity for high school students.*
- One-third of Delaware adults reported a Body Mass Index (BMI) considered "obese" in the 2018 Delaware Behavioral Risk Factor Survey (BRFS). The CDC recommends that adults should engage in at least 30 minutes of moderate or vigorous physical activity or exercise every day. *A new indoor track and sports events center in Delaware could be a catalyst in improving obesity rates amongst adults in Delaware.*
- According to America's Health Rankings in 2019, 26.6% of adults in Delaware reported doing no physical activity or exercise other than their regular job in the past 30 days. While that percentage has decreased since 2017 (31%), *a new indoor track and sports events center in Delaware could provide an additional indoor space and programs for adults in Delaware to remain physically active.*



## VICTUS ADVISORS LLC

2720 Homestead Road, Suite 130  
Park City, Utah 84098

Phone: (435) 604-0874

Email: [info@victusadvisors.com](mailto:info@victusadvisors.com)

Website: [www.victusadvisors.com](http://www.victusadvisors.com)