

CEDAR POINT SPORTS CENTER

CASE STUDY



SF SPORTS FACILITIES
COMPANIES

Cedar Point[®]

SPORTS CENTER

Cedar Fair Entertainment Company began their relationship with industry leader, The Sports Facilities Companies in 2017 when they engaged our firm to conduct strategic planning for an indoor sports and event center to be located near their attractions in Sandusky, OH. Along with capitalizing on the burgeoning sports tourism, event, and trade show industries, Cedar Fair's primary goals for the facility were to increase hotel stays in the region during the off season (October-April) and enhance attendance at Cedar Point during peak times (May-September). Additionally, Cedar Fair desired to broaden their positive impact on local communities and develop new ways to contribute to the wellness of families.

The SF Companies guided Cedar Fair through all aspects of sports facility development. The highlights of their work will be discussed in detail in the following sections and included:

- Pro Forma (financial forecast) Development
- Site Evaluation
- Financing Strategy Development
- Economic Impact Analysis
- Venue Planning
- FFE/OSE Procurement
- Start-up Operational Development
- Marketing and Brand Development
- Full-time Management



PROJECT TIMELINE

This timeline shows the sequence of events that brought the Cedar Point Sports Center from a concept to the facility that opened its doors in 2020. It provides insight into the steps leading to the grand opening as well as the time frame for a project of this scope. The following pages will provide the context behind each of these steps. It is our hope that the case study will provide deeper understanding of how award-winning venues are planned and developed.



2017

STRATEGIC PLANNING

SITE EVALUATION

PRO FORMA

FINANCING STRATEGY DEVELOPMENT



2018

GROUNDBREAKING - SUMMER

BRAND DEVELOPMENT

CONSTRUCTION BEGINS

START-UP OPERATIONAL DEVELOPMENT



2019

VENUE PLANNING

FF&E PROCUREMENT

START-UP OPERATIONAL DEVELOPMENT CONTINUES

CONSTRUCTION CONTINUES



2020

GRAND OPENING



BACKGROUND

FROM LAKEFRONT PARK TO ROLLER COASTER CAPITAL OF THE WORLD

Cedar Fair Entertainment Company's journey to becoming the "Roller Coaster Capital of the World" started on the shores of Lake Erie over 150 years ago with a park dotted with bath houses along the beach. As word grew about the recreational destination, a number of features were added to attract new guests, including an entertainment venue and a large hotel. Later, the first "roller coaster" was added. The Switchback Railway dazzled guests at speeds of up to 10 miles per hour.

Despite World Wars, the Great Depression, and varying interests in theme parks, the company and its attractions continued to grow in size and enduring success. Along the way, they staked their claim as a must-see destination for roller coaster-loving thrill seekers with the installation of rides such as the Corkscrew and the Gemini in the 1970's and later the Magnum XL-200 and the Millennium Force, all located at their flagship destination, Cedar Point. And Cedar Point itself has become the centerpiece of an amusement park empire, attracting 3.6 million visitors each year.

CHALLENGE

HOW DOES A SEASONAL DESTINATION GET HEADS IN BEDS IN THE OFF-SEASON?

Cedar Point's season runs from early May until the Labor Day weekend. In 2008, Cedar Fair began considering strategies to drive people to its location during the winter months- both as a way to generate offseason revenue and as an additional vehicle for driving attendance at Cedar Point during the season. The primary idea considered was developing an indoor/outdoor youth sports complex. The youth sports tourism industry generates over \$15 billion in annual revenue and tournaments can prove to be a strong driver of attendance to Cedar Point.

Along with driving offseason revenue, Cedar Fair leadership also wanted to increase community engagement. "Kids in the areas in this region tend to stick to their own schools. We felt that this could bring the region together and provide access to an awesome facility that they would not have otherwise," said Lisa Brady, Director of Business Development at Cedar Fair Entertainment Company.

SOLUTION

FROM ROLLER COASTERS TO BASKETBALL TOURNAMENTS - THE MAKING OF A SPORTS TOURISM DESTINATION

After much consideration and going through the feasibility process, Cedar Fair pursued the funding and development of an outdoor complex prior to construction of the indoor venue. Sports Force Parks at Cedar Point opened in March of 2017 and achieved early success with hosted events drawing more than half of their participants from outside of Ohio. Based on this success, it was determined that it was time to build an indoor facility as well.

A Pro Forma was developed by the SF Companies and provided funding entities with essential information for assessing the project's potential. This included a 5-year cash flow forecast and a 20-year financial outlook, an estimate of construction and start-up costs, projected revenues and operating expenses, among many other items. The SF Companies also produced a market opportunity report, an economic impact report, and a feasibility study. Each of these reports provided a clear picture of the "right-sized" program model that would help Cedar Fair reach their stated goals.

The SF Companies created a financing strategy that aligned with Cedar Fair's definitions of success and used innovative approaches to partner development in order to obtain funding for the project. The financing strategy included the identification of funding partners and presentation materials development, among other items.

Ultimately, the funding component of the Cedar Point Sports Center project was fulfilled through a Public-Private partnership (P3) between Cedar Fair Entertainment Company, Erie County, Lake Erie Shores & Islands Convention and Visitors Bureau, and Firelands Regional Health System, which now has a facility at the new sports complex. These partners have several shared interests for the region and all benefit from positive outcomes generated from the venue.

“We all saw the value of youth sports for bringing in people year around. This is what led us to establish the partnership and build first the Sports Force park and then Cedar Point Sports Center”, said Chris Lewis, Sports Tourism Manager, Lake Erie Shores & Islands Convention and Visitors Bureau. “Additionally, with an indoor facility, we can bring people to the area every weekend. This is great for our hotels and great for our guests because they can enjoy amenities there like indoor water parks. It also supports shops in the local communities, including Sandusky, Port Clinton, and Huron.”

During the development phase on this project, Sports Facility Development (SFD) collaborated with architecture firm OSPORTS to guide the design of sports-specific elements of the venue and procure equipment for the family entertainment center (FEC). It was in this role, where SFD’s experience and expertise made a tremendous impact on the final product. “They had a great understanding of what was going to work and what wasn’t in this space. They understood what choices would drive ROI, including storage and space layout, said Geoff Aiken, Division Director for OSPORTS.

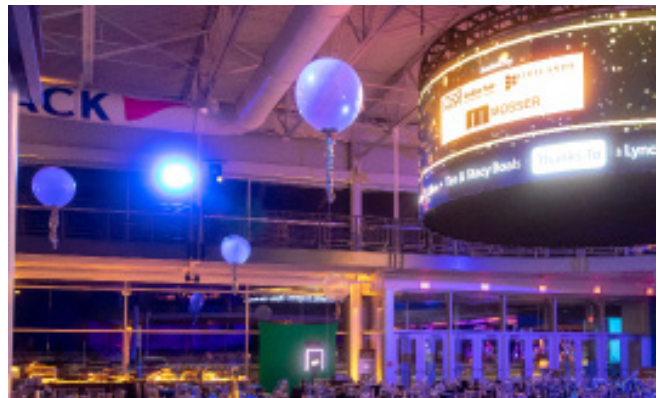
During the development phase of the project, SFD led the procurement process for several items, including FEC equipment, sports equipment, and bleachers. They also assisted with the procurement of wood flooring for the court spaces. The later activity involved utilizing their status as a volume purchaser of sports facility equipment to help Cedar Fair realize a significant savings.

Concurrent to the development phase of the project, SFM was selected to provide start-up operational development and outsourced facility management services, which launched in 2018.

Start-up operational development is a 12-18-month long phase in which the SF Companies team create processes that are essential to a new venue opening and running successfully. Throughout this time, they aided in the hiring of facility leadership, the development and training of staff, brand development, the creation of operational procedures, and the development of legal, HR, financial, and maintenance systems. Their work also included creating a business development strategy, and planning for the grand opening celebration.

As part of their outsourced management services, Sports Facilities Management utilized best practices honed from experience in many of the nation’s elite venues to execute daily operational processes, marketing, branding, and business development strategies, and legal and financial procedures. SFM developed a staff on site at Cedar Point Sports Center and supported them with a team of subject matter experts at their home office in Clearwater, FL.

Additionally, Cedar Point Sports Center is now a part of the SFM Network, the largest network of tournament-style youth sports venues in the nation. Through their association, Cedar Point Sports Center is connected to thousands of event rights holders, subject matter experts, and the highest level of support.



RESULTS

BEFORE AND AFTER THE RIBBON CUTTING: THE BENEFITS OF GREAT DEVELOPMENT AND MANAGEMENT PARTNERS

THE LONG-TERM ECONOMIC IMPACT OF CEDAR POINT SPORTS CENTER

Today, Cedar Point Sports Center (CPSC) is a state-of-the-art indoor sports facility designed to host a wide array of national tournaments, athlete showcases, and events. A profoundly positive economic impact is expected both in the short term and in the coming years. Economic projections indicate that the venue will infuse \$20.2M per year into the local economy and drive over 25,000 room nights per year by its fifth year of operation.

COST SAVINGS DURING CONSTRUCTION

In terms of facility development, Cedar Point's FF&E budget was \$2.4M for all court spaces, FEC spaces, food & beverage components, furnishings, and technology scopes. SFD was able to save over \$800,000 from the budget for these scopes with the largest portion being installed, athletic equipment and active entertainment scopes. SFD also led the bidding, evaluation, negotiation, and coordination processes for the delivery, installation, and assembly of equipment in these areas while ensuring that it met or exceeded all of the operational needs of the facility and its programming. This step alone saved hundreds of hours of work for the lead contractor and the Cedar Point team.

PERSISTENCE IN THE FACE OF A PANDEMIC

Despite the emergence of the Coronavirus pandemic, the CPSC staff continued to work diligently to build strategies for generating revenue during the quarantine. They've also worked to establish best practices that will facilitate success now that they have re-opened to the public. Many of these best practices have become industry standards and include policies on cleaning, maintaining social distance, and staff training. These best practices have helped them host safe and successful events since their re-opening.

SF Companies' best practices related to COVID-19 impact can be felt outside the venue. Data from facilities utilizing these practices was provided to state leadership in Ohio and was a key part of moving the state to the next phase of re-opening.

INDUSTRY RECOGNITION

Despite opening during an exceedingly challenging time, Cedar Point Sports Center has persevered, and their efforts are being recognized among their peers. Recently, the venue was named a 2020 All-Star Indoor Sports Venue by SportsEvents Magazine.

WHAT'S NEXT FOR CEDAR POINT SPORTS CENTER?

In 2021, Cedar Point Sports Center will delight guests with an exciting slate of events and programming. Adhering to safety protocols set forth by the Centers for Disease Control and Prevention and the state of Ohio, CPSC's programming will include youth basketball leagues, volleyball clinics, and summer camps. CPSC will also offer an amazing of experience for the whole family with ninja courses, climbing walls, and a family entertainment center.

There are several prominent events on the horizon including the Nike Memorial Showdown, the Under Armour C2K Spring Slam, and 5 on Futsal.

Beyond facility development and management, the SF Companies has worked to be an adaptable partner during this project. One who understands their client's needs and establishes practices to meet them. "They are a great partner and they have really worked to understand our goals and tailor an experience around that. Right down to how the contract was developed. They were more than willing to look at things differently in working with us. We want to develop our own tournaments for revenue and crafting the customer experience and they were more than willing to take that on," said Brady.

