

# Memorandum



Date: September 20, 2013

To: Honorable Members of the Quality of Life and Environment Committee:  
Dwayne R. Caraway (Chair), Sandy Greyson (Vice Chair), Adam Medrano,  
Rick Callahan, Carolyn R. Davis, Lee M. Kleinman

Subject: Elm Fork Athletic Complex Management Contract Update

Attached is the Elm Fork Athletic Complex Management Contract Update, which will be presented to the Committee on Monday, September 23, 2013.

Please contact me if you have questions.



Joey Zapata  
Assistant City Manager

## Attachment

c: Honorable Mayor and Members of the City Council  
A.C. Gonzalez, Interim City Manager  
Warren M.S. Ernst, Interim City Attorney  
Daniel F. Solis, Administrative Judge  
Rosa A. Rios, City Secretary  
Craig D. Kinton, City Auditor  
Ryan S. Evans, Interim First Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Forest E. Turner, Assistant City Manager  
Charles M. Cato, Interim Assistant City Manager  
Theresa O'Donnell, Interim Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Frank Libro, Public Information Officer  
Elsa Cantu, Assistant to the City Manager - Mayor and Council



*ELM FORK*

# Elm Fork Athletic Complex Management Contract Update

Quality of Life Committee  
September 23, 2013



# Project Vision

- The Complex was proposed to be a premier soccer venue and to be marketed for regional, national and international tournaments, including
  - Dallas Cup
  - COPA ESPN



# Comparable Soccer and Tournament Complexes in Texas

- Elm Fork Athletic Complex (Dallas)
  - 14 adult fields and 5 youth fields
  - 10 of the 14 adult fields are lighted
- FC Dallas Complex (Frisco)
  - 17 adult fields (3 are artificial turf) with lights
  - FC Dallas Stadium (20,000 seating capacity)
  - Offices, bathrooms, and training space
- South Texas Area Regional (STAR) Soccer Complex (San Antonio)
  - 13 adult fields



# Comparable Soccer and Tournament Complexes in Texas

- Houston Sports Park (Houston)
  - 7 adult fields (1 artificial turf) with lights
  - 11 additional fields in Phase 2
- City of Dallas has the opportunity to work with a Management Team that is incredibly experienced and ideally suited to successfully operate the Elm Fork Athletic Complex



# Commitment to Serving Local Teams and Players

- FCD Management is committed to serving local teams and players through a combination of league play, camps/clinics and tournaments
  - FCD Management will work with DPR recreation centers to organize soccer recreational leagues
  - FCD Management intends to engage a local premier youth soccer league that will include Dallas youth
  - FCD Management plans on organizing an adult soccer league that will include local adult soccer players



# Commitment to Serving Local Teams and Players

- Open registration for camps and clinics historically results in substantial local resident participation
- In addition to national and international teams, FCD Management will seek premier soccer teams from Dallas
- FC Dallas Foundation will provide soccer equipment and soccer clinics to DPR recreation center youth participants conducted by professional soccer players and coaches



# FC Dallas Reservations

- Bookings at the FC Dallas Complex are at capacity
  - No impact on booking opportunities at the Elm Fork Athletic Complex as the FC Dallas Complex has no additional booking hours available in Frisco
  - Leagues and tournaments at FC Dallas Complex can book multiple years, generally three years on average
  - FCD Management expects to reach full capacity at the Elm Fork Athletic Complex





# Parking

- The Elm Fork Athletic Complex has ample parking with 610 parking spaces available
  - An additional 350 parking spaces are currently planned for Phase II
- Should tournament play exceed the parking capacity, FCD Management will make efforts to work with tournament organizers and host hotels for parking shuttles as necessary including possible service from the Walnut Hill DART Station



# Marketing Standards

- FCD Management will link FC Dallas logo and imaging to Elm Fork Athletic Complex for all events, unless DPR or a tournament organizer opts out
  - Signage
  - Clinics
  - Camps
  - Tournaments



**3v3 HEAT  
SOCCER  
TOURNAMENT**

**June 15-16, 2013**

All games will be held at the Complex at

Each team receives 5 tickets to  
**FC Dallas v. Sporting Kansas City**  
June 22nd at 7:30 pm

Apply online at  
[www.fcdallas.com/tournaments](http://www.fcdallas.com/tournaments)

Application Deadline is May 31st

TOURNAMENT DIRECTOR: JESSE MCNEIL



**ELM FORK**  
ATHLETIC COMPLEX

**FC DALLAS**  
1943

FC Dallas Youth  
5200 World Cup Way, Ste. 202  
Frisco, TX 75033  
[www.fcdayouth.com](http://www.fcdayouth.com)

Phone: 469.365.0001  
E-mail: [jmoneil@fcdallas.net](mailto:jmoneil@fcdallas.net)

# Performance Standards

- Each year FCD Management and DPR will establish financial performance standards for the complex
- Revenue calculations are part of establishing the performance standards
  - Rentable hours per field
  - Number of fields available
  - Percentage of field rentals that will be achieved
  - Proposed fee schedule
  - Type of field use: tournament, league, etc.



# Performance Standards

- Results are tracked quarterly and reviewed at the end of each year
- FCD Management must provide:
  - Reports supporting the number of leagues, tournaments and clinics held to measure the percent of field rentals achieved
  - Reports of the percentage of field rentals achieved at similar soccer venues
- Failure to meet the projected annual performance standards may result in the contract being terminated for cause



# Management Fee Contract

- Contract format is a standard management fee contract
  - Used to achieve a high quality product and retain close oversight of contracted management team
    - Similar to Kay Bailey Hutchison Convention Center food and beverage contract
  - Establishes the fee for management oversight of the complex for the term of the contract
    - The management fee will not increase over the ten year term
    - Significantly lower than the cost of the City hiring comparable management staff
  - Allows the City to retain oversight of the operating expenses since it is reimbursing the contractor



# Management Fee Contract

- Management Fee Contract is comprised of four parts:
  - Management Fee
    - Paid to the contractor for management expertise and specific duties associated with the contract
  - Gross Revenue
    - City receives all of the revenue generated at the facility
  - Allowable Expenses
    - City pays, through reimbursements to the contractor, all of the expenses required to operate the facility
  - Incentive Payment
    - City pays the contractor a percentage of net revenue (revenue minus expenses) as an incentive to generate revenue and keeps costs low



# Financial Management

- Financial Performance Projections
  - Year 2 is first full year of operation

	Year 2	Year 3	Year 4
Gross Revenue (Field rentals, net naming rights and tournament and league fees)	\$952,000	\$999,600	\$1,049,580
Gross Expenses (Allowable expenses and management fee)	<u>\$921,705</u>	<u>\$936,228</u>	<u>\$951,156</u>
Net Revenue	\$30,296	\$63,372	\$98,424
25% incentive payment to FCD (of net revenue)	\$7,574	\$15,843	\$24,606
75% retained by City (of net revenue)	\$22,722	\$47,523	\$73,818
City – Operating Reserve	\$500,000	\$500,000	\$500,000
City – Utilities	\$318,000	\$318,000	\$318,000

# Funding History

- Funding for the Elm Fork Athletic Complex was authorized in the 1998, 2003 and 2006 Bond Programs
- Additional funding provided through Texas Parks & Wildlife Grant in 2011
- Design contract was approved by Park Board and City Council in May 2008
- Construction contract was approved by Park Board and City Council in June 2011





# Funding History

- City bonds issued for the complex total \$34 million
  - \$15M Land Acquisition
  - \$19M Design and Construction
- City will pay an average of 3.97% for debt service on those bonds
- City's average length of debt service is 20 years
- Estimated cost of debt service for the complex is \$13.8M



# Elm Fork Athletic Complex

