



Blaine Athletic Complex (BAC)



Blaine Athletic Complex Proposal

Five Main Components

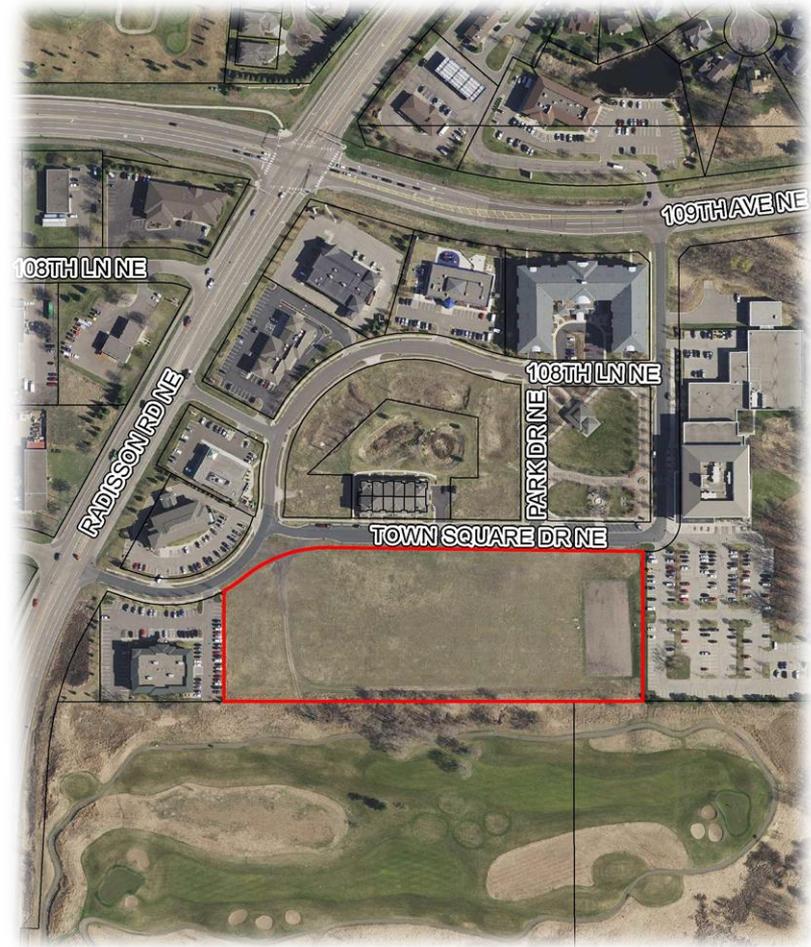
1. Programming and Operations – Presented by BAC Group
2. Physical Building – Presented by BAC Group
3. Financing of the Project
4. City Involvement
5. Other Factors





Project Financing

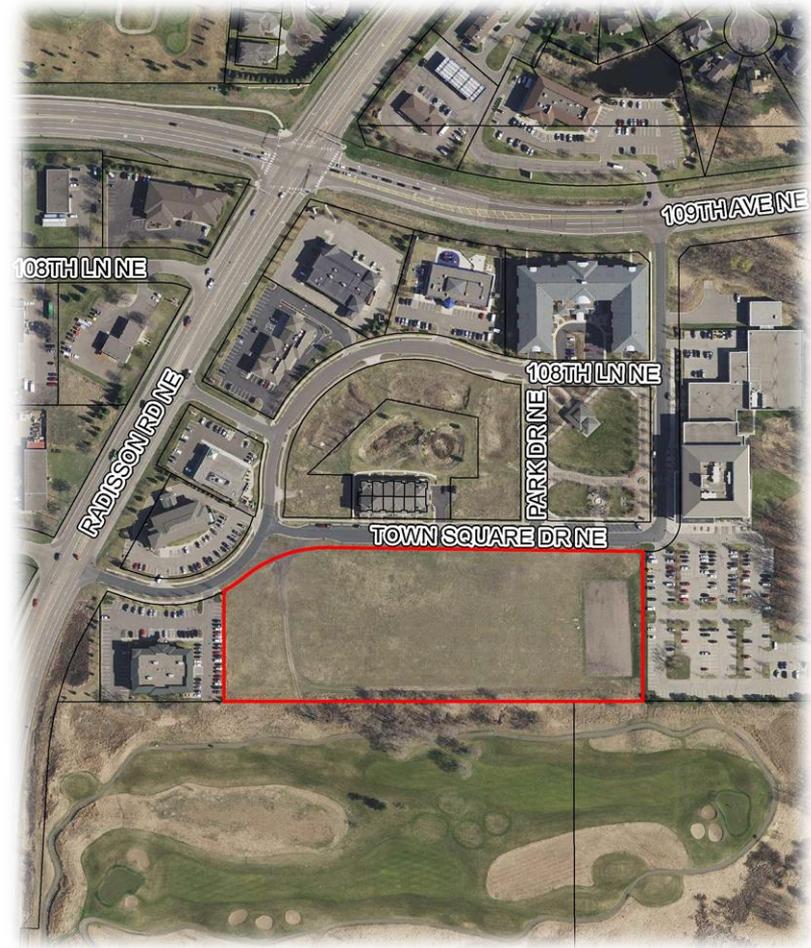
- Conduit Debt Financing From City
- Mechanism for Non-Profit Entities to Finance Projects through issuance of bonds which is typically at a lower rate
- Most recently has been used for senior housing projects such as Crest View and Dominion. Has been used for NSC expansions and Fogerty Arena
- No risk to the City. Financial agreement is between the lender and borrower.
- If default occurs, lender could foreclose on the building.





City Involvement

- Ground lease for \$1. Similar structure to what currently exists at Fogerty Arena.
- Eliminates additional debt service that would be taken on with a large land purchase (\$1mil +)
- Eliminates costs related to leasing a similar sized facility in Blaine (\$500k+annually)
- Difficult for pro-forma to work with costs outlined above.





Other Considerations

- What occurs if the facility fails? Who will take over the building?
- NSC is installing two hard court surfaces this spring for basketball and other court sports.
- NSC has other conceptual plans for a larger hard court facility. Is there a market for two similar facilities in Blaine?



OUR TEAM

Chad Johnson

Jess Lewis

Jim Buffo

**GENERAL
PROJECT
BACKGROUND**

130,000 square foot

Five (5) hard courts

One (1) turf surface

Office Space

Non Profit (BAC)

City Land

Community Asset



Strength of a Leader. Hand of a Friend.

City of Blaine
10801 Town Square Dr NE
Blaine, MN 55449

200 Coon Rapids Blvd
Coon Rapids, MN 55433
Ph 763-784-3533
Fx 763-792-3204

March 2, 2018

RE: Blaine Athletic Complex

To whom it may concern:

It is my understanding that the City of Blaine is seeking the Bank's opinion on the proposed Blaine Athletic Complex project. We would underwrite the proposed project based on Collateral, Industry Experience, Projections, and demand of end users (leases or LOI's). Due to the potential size and uniqueness of a project like this we will also require expert opinions, such as yours, and the various organizations that would be using or renting this facility.

Based on the supplied financial information it appears to be a viable project as presented. Much work must still be done to validate revenue numbers and expenses as this project moves forward. If this were a for profit endeavor we would require 25% down and personal guaranties, being this is presented as nonprofit ownership, the project would not work as a traditional bank loan due to the high leverage and lack of personal guaranties, which is why it appears this is expected to be financed with Bonds. A reduction in the proposed project cost, collection of naming rights fees and guaranties, may allow for Bank financing.

As presented the Bond Issuers/packagegers will have a larger say in the viability of this project as they will be the ones packaging, pricing and taking a project like this to market.

With all parties working together I believe we can be in a better position to determine the worthiness of this project. If you have any further questions or concerns please let me know. I can be reached directly at 763-792-3214 or sdh@northeastbank-mn.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Scott D Hudson".

Scott D Hudson
VP- Commercial Lender
Northeast Bank

LENDING FEASIBILITY

REVENUES

Revenue

Show Instructions

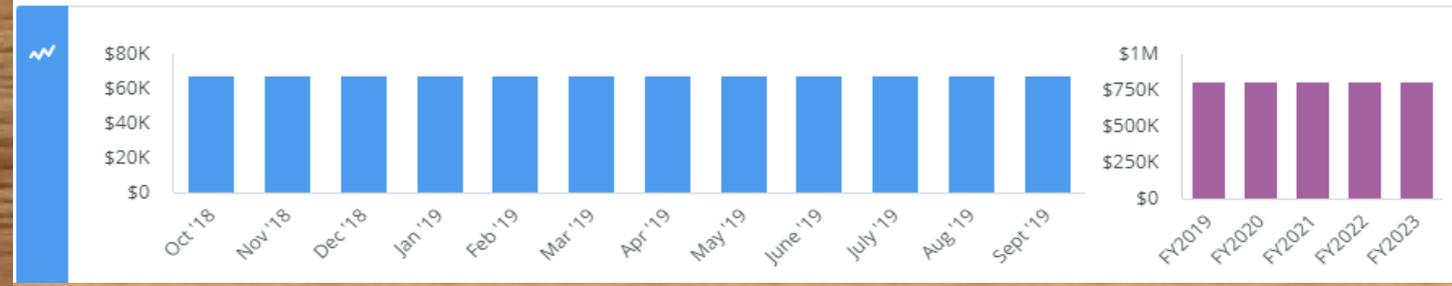


Revenue	FY2019	FY2020	FY2021	FY2022	FY2023
Medical Company Lease (Nami...	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000
▶ Hard Court Rental: Weekends- ...	\$83,400	\$83,400	\$83,400	\$83,400	\$83,400
Sponsorship/Advertising	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
▶ Hard Court Rental: Weekdays V...	\$103,680	\$103,680	\$103,680	\$103,680	\$103,680
▶ Turf Rental: Weekends: Soccer	\$85,400	\$85,400	\$85,400	\$85,400	\$85,400
▶ Turf Rental: Weekdays Soccer	\$269,500	\$255,500	\$255,500	\$255,500	\$255,500
▶ Batting Cages	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
▶ Summer Rental- Academy	\$94,000	\$110,000	\$122,000	\$130,000	\$140,000
▶ Workout Room - Fitness Center	\$27,008	\$62,557	\$95,057	\$110,537	\$111,737
▶ Concessions	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500
▶ Donations	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Admissions	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200
Soccer office space Lease	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000
▶ Hard Court Rental: Weekends- ...	\$3,800	\$3,800	\$3,800	\$3,800	\$3,800
▶ Hard Court Rentals: Weekend - ...	\$1,900	\$1,900	\$1,900	\$1,900	\$1,900
▶ Hard Court - Weeknights - Bask...	\$96,000	\$96,000	\$96,000	\$96,000	\$96,000
▶ Hard Court Adult Leagues	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000
▶ Hard Court Weekday: 8am - 6pm	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800
▶ Hard Court Weekday Evenings ...	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
▶ Turf Rental Available Weekends	\$135,300	\$135,300	\$135,000	\$135,000	\$135,000
▶ Turf Rental Available Weekdays...	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
▶ Hard Court Rental - Futsal	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
▶ Turf Rental: Baseball	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500
▶ Hard Court Available Weekends	\$110,750	\$110,750	\$110,750	\$110,750	\$110,750
▶ Hard Court Available Weeknights	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
▶ Tournaments	\$35,000	\$35,000	\$35,000	\$50,000	\$50,000
Lease to Food Company	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000
▶ Court Naming rights	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
▶ Naming Rights to Building	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000
Totals	\$1,635,738	\$1,673,287	\$1,717,487	\$1,755,967	\$1,767,167

EXPENSES

Expenses

[Show Instructions](#)



Expenses	FY2019	FY2020	FY2021	FY2022	FY2023
Excluding direct costs, personnel, etc.					
Mortgage- Principal	\$148,913	\$154,680	\$160,430	\$167,000	\$173,500
Utilities	\$96,000	\$96,000	\$96,000	\$96,000	\$96,000
Office Supplies	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Professional Services	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Marketing	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000
Grounds Maintenance	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Building Insurance	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000
Misc.	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000
Security System	\$900	\$900	\$900	\$900	\$900
IT Support	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Scheduling Software	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Website	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Payroll Service	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Payroll Tax	\$7,200	\$7,200	\$7,200	\$7,200	\$7,200
Garbage	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Phone	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Bank Fees/etc.	\$600	\$600	\$600	\$600	\$600
Mortgage - Interest	\$397,326	\$391,560	\$386,800	\$380,000	\$373,000
Totals	\$815,939	\$815,940	\$816,930	\$816,700	\$816,200

**SUPPORT &
COMMITTMENTS**

Twin Cities Orthopedics (TCO)

Blaine Soccer Club (BSC)

Blaine Youth Basketball (BYB)

**Blaine Area Traveling Baseball
Association (BATBA)**

MN Select Volleyball Club

Dan Johnson



BLAINE SOCCER CLUB

1700 105TH AVE. BLAINE, MN 55449 • 763-717-3888 • WWW.BLAINESOCCER.ORG

April 2nd, 2018

To whom it may concern:

We as the Blaine Soccer Club are excited to hear about the potential for a significant indoor athletic facility to be built in the city of Blaine, MN. This facility will allow the Blaine Soccer Club to improve and expand our year-round developmental programming for the youth of Blaine and beyond.

The northern metro area is in great need of an indoor soccer facility for year-round use in what is becoming a year-round sport in Minnesota. Currently, the indoor space we use to accommodate the bare minimum of our needs is distributed over six facilities across the area, many of which are not adequate to offer preferred programming. The ability to use indoor soccer space that meets the needs of our expanding club will allow Blaine Soccer Club to become one of the premier soccer clubs in the state.

A facility that contains an indoor soccer field would benefit a vast demographic range through multiple uses including:

- Recreational Soccer (ages 6-14)
- Competitive Soccer (ages 8-18)
- Adult Soccer (ages 18-50+)
- Toddler Soccer (ages 2-5)
- Social inclusion soccer activities (all ages)

Beyond that, we partner with Pursuit Fitness, a local sports and fitness company that, by moving into a new indoor athletic facility – one used by many sports and sporting organizations other than our own – would be able to serve the health and fitness needs of all of the individuals, teams, clubs, and sports using the facility.

With our soccer needs expanding, we will need an ever increasing amount of indoor space. The Blaine Soccer Club believes that this facility would be a great success, not only for satisfying our needs but the needs of the larger Blaine community as well. We would be excited to partner with a project of this magnitude.

Sincerely,

Blaine Soccer Club

BSC SUPPORT

LETTER OF INTENT

Memorandum

To: Youth Sport Coaches, Youth Sport Boards, Youth Trainers and the City of Blaine
From: Jim Buffo
CC: Chad Johnson, Al Stauffacher and Jess Lewis

Over the course of the last few months, and when the referendum did not pass to build a Community Center in Blaine, our group has come together to explore the possibility of building a **SOIC3 Youth Sports Complex** in the City of Blaine; near City Hall. As part, we have been in discussions with builders, architects and the City of Blaine to continue down the path of making this need in our Community a reality.

During our last meeting with the City of Blaine, they asked us for a few items that could be discussed at our next meeting. One item was a **Letter of Intent** from various Sports Organizations/Groups that they would commit to time in a facility like this for their respective teams, organizations, groups, etc. While not limited to just these sports, we feel the biggest need for space in our City right now are for our indoor court sports & turf sports. For example: Basketball, Volleyball, Soccer, Baseball & Softball to name a few.

With that as a quick backdrop, the purpose of this letter is to simply get 'Time Commitments' from various groups that we could then present back to the City to further demonstrate to them the willingness from our Community, and surrounding Communities, to support a Complex like this.

As you consider signing, please keep in mind a couple of items:

1. By signing, you are not committing to anything. You are simply saying you would consider utilizing space in a facility like this at the rates set forth.
2. Based on our research, we are currently exploring rates from \$45/hour-\$150/hour. These proposed hourly rates for usage of the space will vary on peak/non-peak hours along with usage of hard courts or turf for the various sports listed.

NAME OF GROUP/ORGANIZATION: Blaine Youth Basketball

SPORT/ACTIVITY OF INTEREST: Basketball

GENERAL TIME COMMITMENT PER WEEK: 40 hours

SIGNATURE/DATE: J. Nichol Koo to DATE: 11/2/17

BYB LETTER
OF INTENT

BATBA LETTER OF INTENT

LETTER OF INTENT

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From: Jim Buffo
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NAME OF GROUP/ORGANIZATION: Blaine Area Traveling Baseball Association (BATBA)

SPORT/ACTIVITY OF INTEREST: Baseball - Traveling (9u - 15u)

GENERAL TIME COMMITMENT PER WEEK: January → April: 20 hrs/week May → Dec: 10 hrs/week

SIGNATURE/DATE: Richard Fanning DATE: 9-1-17

Richard Fanning, BATBA President

MN SELECT VBC LETTER OF INTENT

LETTER OF INTENT

Memorandum

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NAME OF GROUP/ORGANIZATION: MINNESOTA SELECT VOLLEYBALL CLUB LLC

SPORT/ACTIVITY OF INTEREST: VOLLEYBALL

GENERAL TIME COMMITMENT PER WEEK: SIGNIFICANT - SEE ATTACHED

SIGNATURE/DATE: Scott Johnson DATE: 4/4/18

MN SELECT VBC SUPPORT

Scott Jackson <scottjackson@mselect.com> Buffo, Jim 1 11:38

Proposed Blaine Sports Facility

You forwarded this message on 4/4/2018 11:42 AM.

Letter of Intent for Proposed Blaine Sports Facility.pdf
679 KB

Jim,

Thanks for keeping me in the loop about your progress toward the Youth Sports Complex in Blaine.

Really, things haven't changed here for me. I remain really interested in having some form of MN Select Volleyball operations in Blaine at your facility. I doubt I would wish to move my entire operations there if things do not work in my current facility (which I am not expecting to have resolved until October or November more than likely). However, that may be a possibility (though again not a probability).

One possibility would be to host a number of our **JO teams out of your facility**. Obviously, the number of teams would depend on the amount of gym time we can secure and when (not only what months, but what days and times we could secure). Typically, we would need 4 hours of court-time/week/team hosted there. **I could see us successfully hosting 3-6 teams initially there and then grow from there.**

We could also be interested in running **Youth Volleyball Class Series** – think of a gymnastics or swimming programming model for elementary-age school girls and boys. We call these program VolleyTots and Youth Academy at our Maple Grove facility. These typically fit in nicely at the beginning of a weekday evening or perhaps in weekend time slots. These classes are 60-90 minutes in length. I think we'd want to offer them **2x/week – maybe two courts – one for two hours, the other for 90 minutes each week essentially year-round.**

A third possibility for your facility that we could help facilitate is **1-2 nights of adult open gym**. These are not as steady revenue generators – at least not initially. I could help you guys determine when an adult open gym may fit in the adult volleyball community weekly. I could also get you in touch with other volleyball groups – MVA and NCR that may be interested in renting your facility for adult volleyball tournaments.

Finally, we would certainly be interested in running **JO tournaments and playdates at your facility a handful of weekends** – at least five...probably more like **8-10 weekends – throughout the year**. These are good revenue streams for the facility. At the current rate, you would average \$90+/team for admissions daily as well as concessions revenue on top of rental revenue. There are other event hosting possibilities as well – we are starting a summer league this summer on Thursday evenings and there is an existing fall league on Saturday mornings until 2pm that I could see your facility being a good fit to assist in hosting as these products grow past through current capacities (which they are presently doing).

Thanks,
Scott Jackson
Director, MN Select VBC
C: 763-639-0322

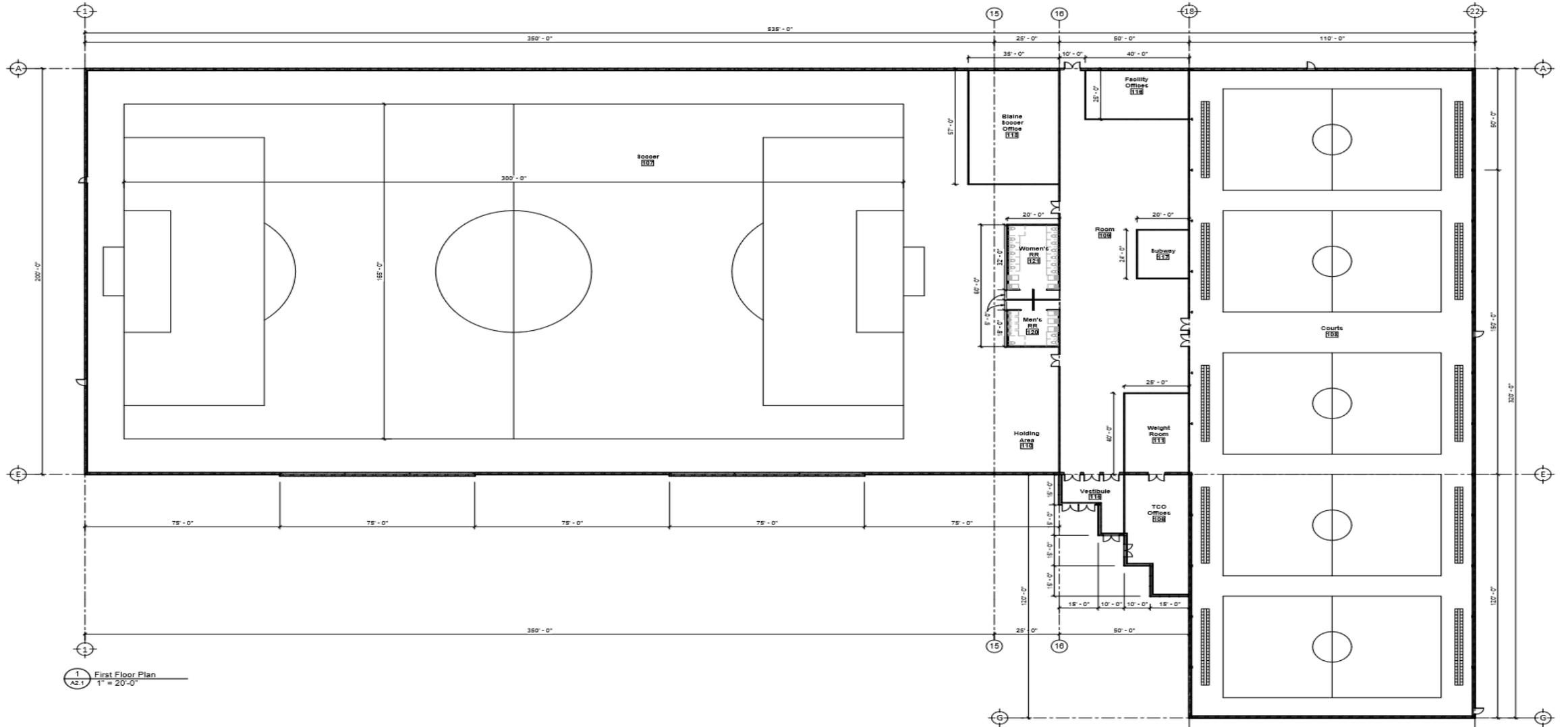
**BUILDING
COST &
LAYOUT**

\$8.9 Million

Kiehm Construction

Exhibit A = General Layout

EXHIBIT A



1 First Floor Plan
A2.1 1" = 20'-0"