



Cary Tennis Park

Town of Cary Parks, Recreation & Cultural Resources

Facility Analysis



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Executive Summary

The 30-court Cary Tennis Park is situated in a 24 acre park setting. Amenities include a stadium court, a second feature court, locker rooms, snack bar, practice wall and pro shop. These amenities make the Cary Tennis Park one on the largest and most aesthetic facilities in the country.

Tennis as an industry has three distinct market segments: individual tennis player, tennis leagues and tournaments/events. The Town of Cary is a fast growing community with household incomes above the national average. In order to reach all three of the distinct tennis market segments, the facility provides a wide variety of tennis services to all age groups. The numerous tournaments and events the Cary Tennis Park hosts each year contribute to the local economy as well as provide the tennis opportunity for those tennis players looking for the competitive option. Racquet stringing services and pro shop offerings provide a convenient location for patrons to take care of their tennis equipment needs.

In the community there are other tennis facilities; however, most are private, and membership based. The closest large public facility is Millbrook Exchange Park in Raleigh. Additionally, the programming offered at the Cary Tennis Park currently has unique aspects not offered at local facilities. Competition faced for some of the tournaments and events sought after involves a much broader geographic area including facilities in places such as Mobile, Alabama and Surprise, Arizona.

In my opinion, this is one of the leanest and most impressively managed sports venues in the state of North Carolina. We all joke in the field that Cary has public recreation facilities like no other system but choosing to analyze it as my class project only makes me appreciate the manner in which they operate and allows the figures in this document to speak for themselves.

Strengths

- Quality of Courts / Venue
- Town Vision / Support
- Community Actively Involved
- Growth Potential

Weaknesses

- Facility Brand
- Growth Potential
- Indoor / Covered Courts
- Diverse Court Surfaces

(CTP Business Plan 2008)



Company Profile

Cary Tennis Park History

To fulfill land dedication ordinance requirements, a developer gave the Town a parcel of land adjacent to property he sold to Wake County Public Schools for the construction of Green Hope High School. The Town saw this as an opportunity to maximize efficiency, facility usage and tax dollars by working with the school system to build a joint use facility.

- Phase I completed in 2002 included eight courts and a comfort station - cost of \$818,000. The Phase I courts and comfort station were constructed on Wake County Public School System property, but the construction costs, management and maintenance were covered by the Town of Cary. In the joint use agreement, the school was given priority use of courts for their PE classes and varsity tennis teams (boys and girls) practices and matches.
- Phase II completed in July 2002 included 22 courts, main building, second comfort station, practice wall and parking lots - cost of \$5,415,231, bringing the total project cost to \$6,233,231.

Vision Statement

The Cary Tennis Park's vision is to be a national leader in providing tennis facilities, events, programming and related services.

- The Town will invest in quality staff and provide a great place to work.
- Staff will nurture a tennis community by fostering an environment where tennis players will look forward to coming to learn, play and enjoy the game of tennis.
- Organizational improvement will incorporate player engagement in program planning, add new and improve current services such as the pro shop and concessions, and involve thoughtful planning of court use to allow for all types of play.

Cary Tennis Park Goals and Initiatives

- To enhance the quality of life for the residents of the Town of Cary and surrounding area by providing a first class tennis facility and tennis programs that address the community's recreation needs while providing opportunities for major tournaments and events.
- To create and execute a management and operating philosophy which is consistent with the Mission Statement, Statement of Values and Goals of the Town of Cary.
- To staff, manage, operate, and maintain the Cary Tennis Park to the highest industry standards in the best interest of the Town of Cary and the general public.
- To develop Town-wide programs that serve diverse age groups for all levels of play that maximize facility use and revenue
- To protect and maintain the facility's condition so as to preserve and improve the Town's capital investment.
- To provide the highest level of courteous, accurate and responsive customer service.
- To maximize revenues and provide convenient services such as concessions, retail sales, rentals and/or other opportunities.
- To promote the facility and tennis services in such a manner that enhances the reputation of the Town of Cary in the provision of recreation opportunities.
- To include input from the local tennis community in developing operations and programming.



Economic Issues

The racquet sports industry faces many of the same economic issues as they collaboratively try to build a healthy roadmap for the future of tennis. As an attractive, affordable, healthy activity and sport, tennis has a lifelong leisure appeal (Francesconi 2009, 2013).

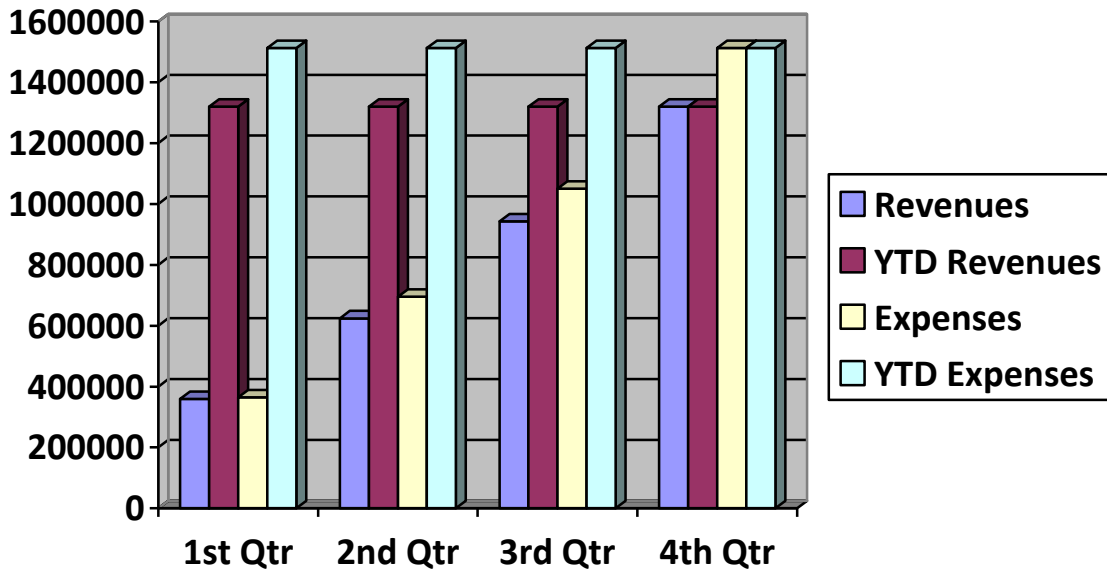
Issues/solutions facing the racquet sport industry:

- Building tennis infrastructure in the US
 - Continue the recreational approach of connecting consumers to the game
- Utilize new technology services
 - Use apps, websites to find places to play, people to play with, programs to learn in
 - Help specialty stores and tennis shops take advantage of the on-line community
- Show health benefits of racquet sports through research and benchmarking
 - Market that research to baby boomers who are demanding physical activity outlets
 - Increase participation
- Continue unified industry built on collaboration
 - Keep children active and learning how to play the game correctly (USTA 10 & under)
 - Provide youth tennis coaching on-line courses to increase instructional knowledge
 - Engage every segment of the industry: equipment sales, lessons, court contractors, tournaments, facilities for new growth
- Succession plan to address staffing/teaching professionals
 - Knowledgeable personnel is essential to grow and retain customer base
- Aging of industry
 - Facility maintenance planning
 - Marketing campaign to attract consumers to tennis



Revenue & Expenditure Summary FY13

Cary Tennis Park provides a Town-wide program that serves diverse ages for all levels of play that maximizes facility use and generates revenue through open court use, individual reserved court use, team and league play, challenge ladder play, group and individual instruction, private lessons, programs (youth camps, special clinics and special events) and tournaments (local, state and national). The generated revenue for the fiscal year 2013 led to an astonishing 87% cost recovery for Cary Tennis Park, a public recreation facility.



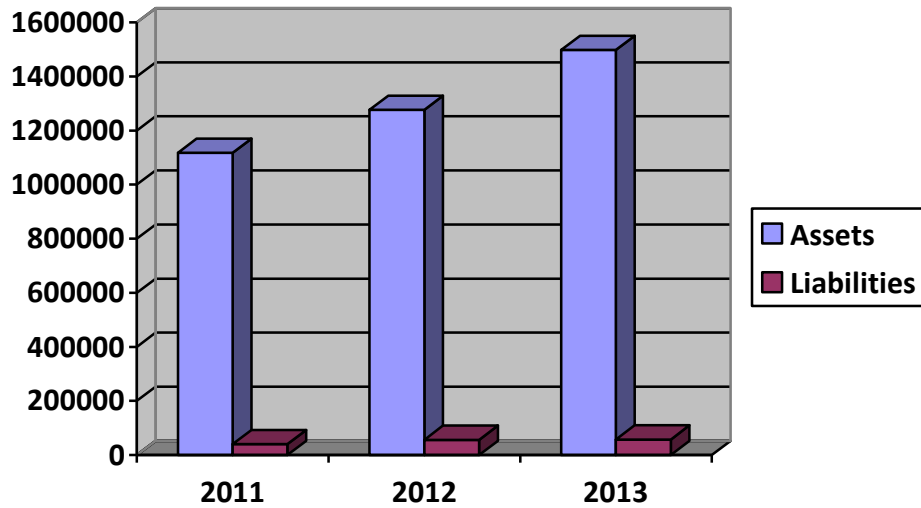
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Revenues	359103	624239	942932	1319860
YTD Revenues	1319860	1319860	1319860	1319860
Expenses	364655	695365	1050410	1512665
YTD Expenses	1512665	1512665	1512665	1512665

(Comprehensive Annual Financial Report 2013)



Assets & Liabilities Summary

Cary Tennis Park assets were derived from equity in pooled cash and investments and are calculated on a yearly basis. Liabilities are calculated through accounts payables with fund balance remaining. With assets increasing steadily over the three year period so have payables.



	2011	2012	2013
Assets	1,117,687	1,276,743	1,498,365
Liabilities	39,978	56,027	57,244

(Comprehensive Annual Financial Report 2013)



Financial Analysis/Ratios

Current Ratio:

Current Assets / Current Liabilities

The current ratio is the ability to meet short-term debt obligations: the higher the ratio, the more liquid the company is. For FY11, current assets were 28 times the value of current liabilities, declined in FY12 to 23 times and rebounded in FY13 at 26 times the value of current liabilities. CTP has excellent short-term financial strength.

$$\text{FY11: } 1,117,687 / 39,978 = 27.98 \text{ times}$$

$$\text{FY12: } 1,276,743 / 56,027 = 22.72 \text{ times}$$

$$\text{FY13: } 1,498,365 / 57,244 = 26.17 \text{ times}$$

Total Debt Ratio:

Total Assets – Total Equity / Total Assets

The Debt Ratio ranges from 0.00 – 1.00. Lower value of debt ratio is favorable and the higher values below indicate that higher portions of CTP's debt are offset by the general fund balance.

$$\text{FY11: } 1,117,687 - 39,978 / 1,117,687 = .96 \text{ times}$$

$$\text{FY12: } 1,276,743 - 56,027 / 1,276,743 = .96 \text{ times}$$

$$\text{FY13: } 1,498,365 - 57,244 / 1,498,365 = .96 \text{ times}$$



Financial Analysis/Ratios

Cost Recovery Ratio:

Revenue / Total Operating Expense

The generated revenue vs expenses for the fiscal year 2013 led to an astonishing 87% cost recovery for Cary Tennis Park, a public recreation facility.

FY11: 1,192,361 / 1,516,223 = 79%

FY12: 1,388,926 / 1,643,884 = 84%

FY13: 1,317,665 / 1,512,664 = 87%

(Comprehensive Annual Financial Report 2013)

Economic Impact Formula for Sporting Events:

Total Room Nights (TRN) x Average Daily Spending (#) + Event Type

The estimated economic impact is usually calculated by the calendar year rather than the fiscal year since a tournament "season" runs from early spring through late fall. These figures are based on the Greater Raleigh Sports Alliance formulas that do not include multipliers and only include spending from visitors outside the market. Resource provided in support documents.

FY11: 1,400,000

FY12: 1,400,000

Projected FY13: 1,400,000

(L. Smith, personal communication, November 15, 2013)



Future Trends

The viability of the Cary Tennis Park is and continues to be an extraordinary economic benefit to the community. The vision to be a national leader in providing tennis facilities, events and programs will keep them at the top of their game. Below is a list of strategic recommendation for future sustainability:

- Attract national “signature” event
- Indoor training facility for elite athletes and other programming
- Indoor, covered and additional courts with surface diversity
- Attract hotel in close proximity to CTP
- Staff retention / attraction of key personnel
- Major facility maintenance planning for aging complex
- Remain current with tennis programming and offerings

Resources:

Cary Tennis Park Business Plan (2008). Retrieved November 15, 2013 from:

<ftp://199.72.17.76/Parks,%20Recreation%20&%20Cultural%20Resources/PRCR%20Master%20Plan/Materials%20Request/Business%20Plans/Sports%20Venues/CTP%20business%20plan%20008.pdf>

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