

COUNTY OF YORK

MEMORANDUM

DATE: May 10, 2024

TO: York County Board of Supervisors

FROM: Mark L. Bellamy, Jr., County Administrator

SUBJECT: Historical Triangle Recreational Facilities Authority (HTRFA) - Progress Update

I am writing to provide an update on the latest developments within the Historical Triangle Recreational Facilities Authority (HTRFA) and various important aspects of our ongoing work.

- The HTRFA has approved an agreement with MEB General Contractors for construction, and site work should begin in the next few weeks.
- The Authority authorized the HTRFA Chair to hire a part-time, temporary executive to oversee its day-to-day operations and business. As construction begins, the workload will ramp up, and the chair has been performing these administrative duties for the Authority.
- The Authority has approved an operations agreement with Kemper Sports Management to operate and manage the facility.
- Attached to this memo is a promotional piece that summarizes the facility and the project's history. It will allow the story to be shared in various media forms and detail this project's history.

I will continue to update you on the project's progress. Should you have any questions or require further information, please feel free to contact either myself or Brian Fuller.

Fuller/3504

Attachment:

- The Regional Sports Center: A Primer

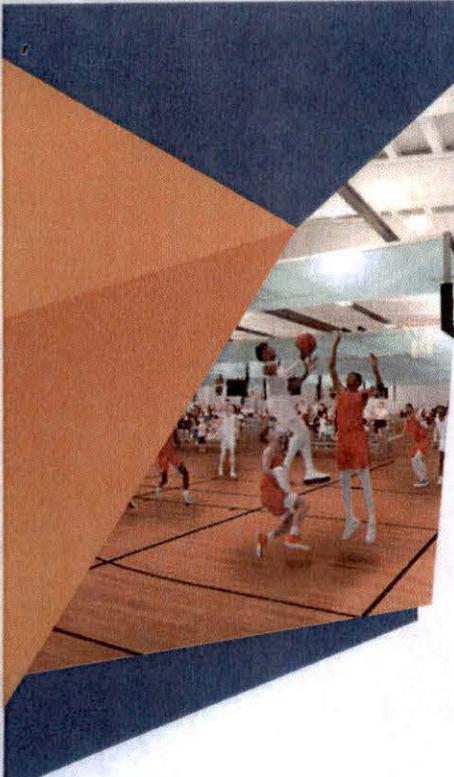
THE REGIONAL INDOOR **SPORTS CENTER** **A PRIMER**

The City of Williamsburg, James City County and York County have partnered to build and operate a regional sports center through the Historic Triangle Recreational Facilities Authority on property adjacent to the Colonial Williamsburg Visitor Center in the City of Williamsburg. It is projected to open in 2026.

The Historic Triangle localities have pursued a regional indoor sports center since 2014. In December 2023, the regional sports center's design and funding strategy received approval from the localities' governing boards.

The sports center is designed to offer an outstanding venue for sports tourism, a multibillion-dollar industry, generating new visitors, longer stays, and return visits. But the venue is also designed to address our local recreational needs. The sports center will be used for local programs Mondays through Thursdays and will be open to regional and national tournaments Fridays through Saturdays.





The approximately 200,000-square-foot sports center design includes:

- 12 basketball courts that convert to 24 volleyball courts and 36 pickleball courts
- Ceiling-mounted basketball goals, volleyball systems and scoreboards
- Conversion turf system the length of one regulation football field that fits three indoor soccer fields
- Climbing equipment
- Climbing wall
- Additional gym equipment
- Tip & roll bleachers
- Curtain dividers
- Meeting rooms
- Food & beverage area

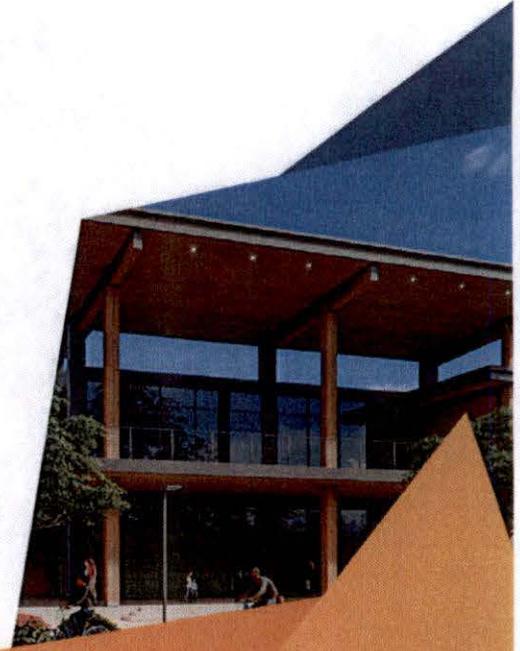
Why build a sports center?

Sports tourism in Virginia had a direct spending impact of \$2.7 billion in 2022, which then generated a total economic impact of \$4.5 billion in the state economy, according to a 2022 Sports Tourism in Virginia economic impact study from Virginia Tourism Corporation and Tourism Economics.

The Coastal Region, which includes Greater Williamsburg, represented a 27% share of sports spending in Virginia in 2022, generating a total economic impact of \$1.2 billion. This economic impact included:

- \$364.3 million in total labor income.
- supported 11,136 part-time and full-time jobs.
- generated \$94.7 million in state and local tax revenues.

With a regional sports center in the Historic Triangle, the localities can not only capture more of the market share but also increase the economic impact for the Coastal Region.





How is the sports center funded?

The three Historic Triangle localities, along with the Historic Triangle Recreational Facilities Authority (HTRFA), are all contributing funds to the regional sports center project.

Property tax revenue is not being used to pay for the project's construction or operating costs. Instead, all three localities are committing revenue from tourism-related taxes.

Construction Costs

The City of Williamsburg and HTRFA will cover the cost of construction. Both are using revenue generated by the 1% Historic Triangle Regional Sales Tax to pay for their portions of the construction cost, which will initially be funded through debt.

Construction: \$80 million

- City of Williamsburg: 64%, or approximately \$2.5 million annually
- HTRFA: 36%, or approximately \$1.5 million annually

The 1% Historic Triangle Regional Sales Tax is a retail sales tax levied in the City of Williamsburg, James City County, and York County, the revenue of which must be used on tourism-related projects and marketing per state law. The City of Williamsburg has decided its regional sales tax revenue will help fund the construction costs for the sports center.

The law also requires the Historic Triangle localities to dedicate the same amount of funding for tourism as they did before the law was passed, which equates to \$1.5 million for the Historic Triangle Recreational Facilities Authority each year.

Operating Costs

James City County and York County will share the cost of an operating subsidy using the revenue from tourism-related taxes, such as sales, meals, and lodging taxes. Their shared funding agreement will consider local usage.

Operating Subsidy:

- James City County & York County
- Year 1: \$400,000 each
- Years 2-5: \$800,000 each
- Years 6-30: Between \$300,000 and \$800,000 annually depending on the facility's need

TOURISM-RELATED TAXES

**1% HISTORIC TRIANGLE
REGIONAL SALES TAX**

**0.5%
TOURISM
COUNCIL**

For marketing
the Historic
Triangle

**0.5% CITY OF WILLIAMSBURG,
JAMES CITY COUNTY, YORK COUNTY**

Split based
on where the
tax was
collected

\$2.5 MILLION ANNUALLY

The City's
portion of the 1%
Historic Triangle
Regional Sales
Tax will help pay
construction
costs

**\$1.45 MILLION
MAINTENANCE OF EFFORT**

Per state law, the
localities must put
the same amount
of money toward
tourism as they did
before the HT
Regional Sales Tax
passed. This money
will help pay for
construction costs.

**SALES, LODGING
& MEALS TAXES**

**OPERATING SUBSIDY JAMES CITY
& YORK COUNTIES**

Year 1: \$400,000 each
Years 2-5: \$800,000 each
Years 6-8: Between
\$300,000 & \$800,000
annually depending on
performance of the facility

**HISTORIC TRIANGLE RECREATIONAL
FACILITIES AUTHORITY**

**REGIONAL SPORTS CENTER &
ANY FUTURE HTRFA PROJECTS**

What is the Historic Triangle Recreational Facilities Authority?

The Historic Triangle Recreational Facilities Authority (HTRFA) was formed to oversee the construction and management of regional recreational facilities as part of the redevelopment of approximately 160 acres alongside the Colonial Williamsburg Visitor Center.

The Authority is tasked with studying the feasibility of a facility, leasing the property, procuring the construction and financing for the project, and managing the operations once a facility is constructed.

As a regional partnership among the City of Williamsburg, James City County and York County, the Authority comprises six members, including the chief administrator and one additional staff member of each participating locality.



How Did We Get Here?

After years of discussion among the localities and local tourism organizations, the Williamsburg City Council approved a grant application in 2019 from the Williamsburg Hotel & Motel Association that served as a catalyst for project advancement.

The grant, funded through the City's Tourism Development Fund, put \$250,000 toward further study and design of an indoor sports center. The resulting economic impact and sports tourism market study were presented to the Williamsburg City Council, James City County Board of Supervisors, and York County Board of Supervisors, all three of which agreed to form the Historic Triangle Recreational Facilities Authority to oversee the regional indoor sports center project and any other regional venture that may be planned for the land adjacent to the Colonial Williamsburg Visitor Center.

HTRFA convened for the first time in January 2021. In public meetings over the next two years, the Authority:

- funded additional economic impact and sports tourism market studies.
- selected team of design experts to design and build the sports center, led by MEB as the general contractor, Clark Nexsen as the lead design firm, and architecture firm Guernsey Tingle.
- approved a financing plan.
- gained approval of the Williamsburg City Council, James City County Board of Supervisors and York County Board of Supervisors on the design and financing plan.
- facilitated the City of Williamsburg's site plan review process.

Site work and construction of the regional sports center will begin by summer 2024 with a projected completion date in 2026.



Where can I find more information?

This document and more information, including the economic impact and sports tourism market studies, can be found at htrfa.org.