



Future Phases of Cleveland Velodrome

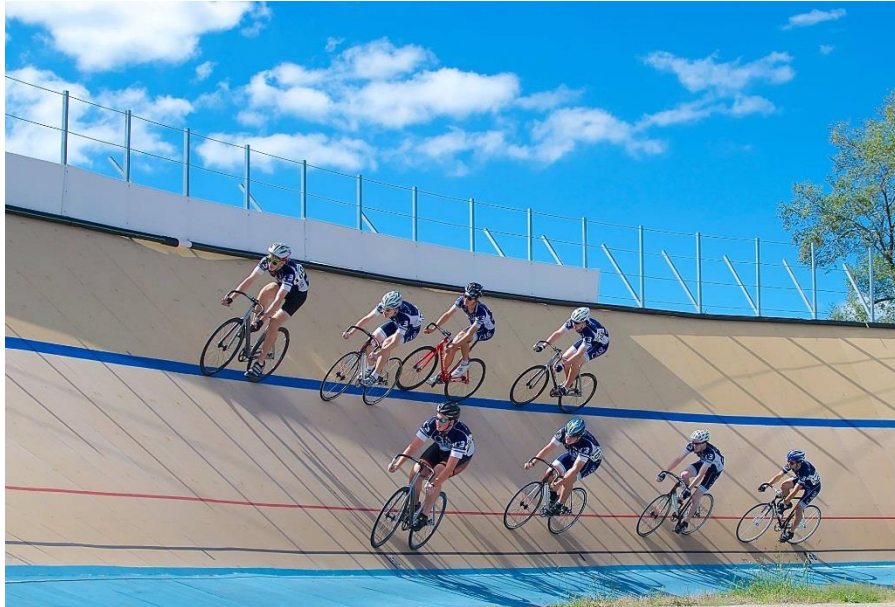
February 2017



What is a Velodrome?

- A banked oval track for recreational bicycle riding and racing.
- Features single-speed bicycles for an exciting and safe form of riding and racing.
- Men and women of all abilities and all ages – age 6 to 76.
- Track racing is an Olympic sport – Rio 2016 and Tokyo 2020 – spectator friendly.
- Worldwide there are 940 velodromes in 89 countries including 80 permanent indoor velodromes in 30 countries.
- However, there are only 29 velodromes in the U.S. and only two indoor facilities (Carson, CA and Colorado Springs).
- Cleveland Velodrome is the only velodrome in Ohio.

The mission of the Cleveland Velodrome is to promote cycling for its health, wellness, sport and recreational benefits.



All ages, all abilities, all backgrounds.

Overview

- Located in Slavic Village on 8.9 acres – leased from City for \$1.00/year.
- Centrally located, excellent freeway access, minutes from downtown.
- Fast Track Cycling - a 501c3 nonprofit - developed, owns and operates.
- Capital campaign in 2012 - raised \$300,000 – 205 unique donors - \$5 to \$50k.
- Constructed by hundreds of volunteers in 90 days.
- Phase 1 opened in Summer of 2012 - an outdoor 166 meter track.
- Open 6 months per year from May thru October - 7 days per week.
- Free for youth aged 18 and under (bike rental, track time and coaching).
- Our learn to ride class - Track 101 - is free for adults, includes bike rental.
- Strong participation growth - over 10,000 visitors since inception.
- Strong revenue growth - \$60,000 annual budget.
- From 2012 thru 2014 we were 100% volunteer run.
- First paid employees in 2015 and 2016.
- Planning next phase – indoor facility - opening as early as Fall of 2017.
- Indoor velodromes being built in Detroit and proposed in New Haven (CT), Philadelphia and Minneapolis.

Participation & Attendance

	12 Months Ended December 31,					
	2012	2013	2014	2015	2016	TOTAL
Youth Riders-Total	55	94	132	150	155	586
Adult Riders-Total	394	525	700	919	1,295	3,833
Racing - Participants	75	260	336	381	439	1,491
Racing - Spectators	100	150	360	575	685	1,870
Other Visitors	400	500	600	700	750	2,950
TOTAL VISITORS	1,024	1,529	2,128	2,725	3,324	10,729
% Growth		49%	39%	28%	22%	

2016 Highlights:

- 3,324 total visitors – up 22% from 2015
- 155 Junior Riders (100 unique)
- 1,295 Adult Riders (361 unique)
- 75 “Members” plus “drop in” participants
- 21% of Members are female
- 1,500 Race & Event Spectators
- 439 race participants (250 unique)

Programs

1. Free Adult Programs

- Track 101 – Learn to Ride
- Women Only Wednesdays

2. Free Youth Programs

- Open Youth Riding (18 and Under)
- Structured Youth Programs
 - Boys & Girls Club
 - University Settlement
 - Monday Night Youth Development
 - Sunday High School League

3. Paid Riding-Memberships/Drop In

- Unlimited riding Membership
- “Pay as you go” for less frequent riders
- Open Riding & Structured Training

4. Paid Classes & Clinics

- Track 201, Track 301, Motorpacing
- 2 Day Women’s Clinic
- Specialty Clinics (Madison, TT, etc.)

5. Track Racing

- Friday / Saturday Evening Race Series
- Sunday Time Trial Series
- State Championship Race
- NEOCycle p/b GC Sports Commission
- Spectator friendly - ticket sales

6. Other Racing & Events

- Cyclocross Races
- Running Races
- Mountain bike races
- Group cycling events
- Venue rental

Operations

- Diverse and growing revenue base
 - Multiple revenue streams including Memberships, daily fees, paid classes, race entries, spectator ticket sales, concessions, merchandising, sponsors/advertising, and annual fund
 - 2016 revenue projected at \$60,000 – 30% increase over 2015
 - 2017 budgeted revenue of \$75,000
- Keeping up with demand
 - Retained a marketing consultant – Rocit Studios/Lou Reyes
 - Hired first paid staff person – summer of 2015 and 2016 – Program Coordinator
 - Second paid staff person for summer of 2017 – Youth Coordinator
 - 12 month paid Program Coordinator in 2017/2018
 - Continue to invest in facilities, grounds and maintenance, concessions, seating.
- Planning for future phases
 - Obtain “site control” commensurate for a project of this scale
 - Continue to identify and secure funding sources and revenue sources
 - Expand our base of strategic partners

Strategic Partners

Current Partners



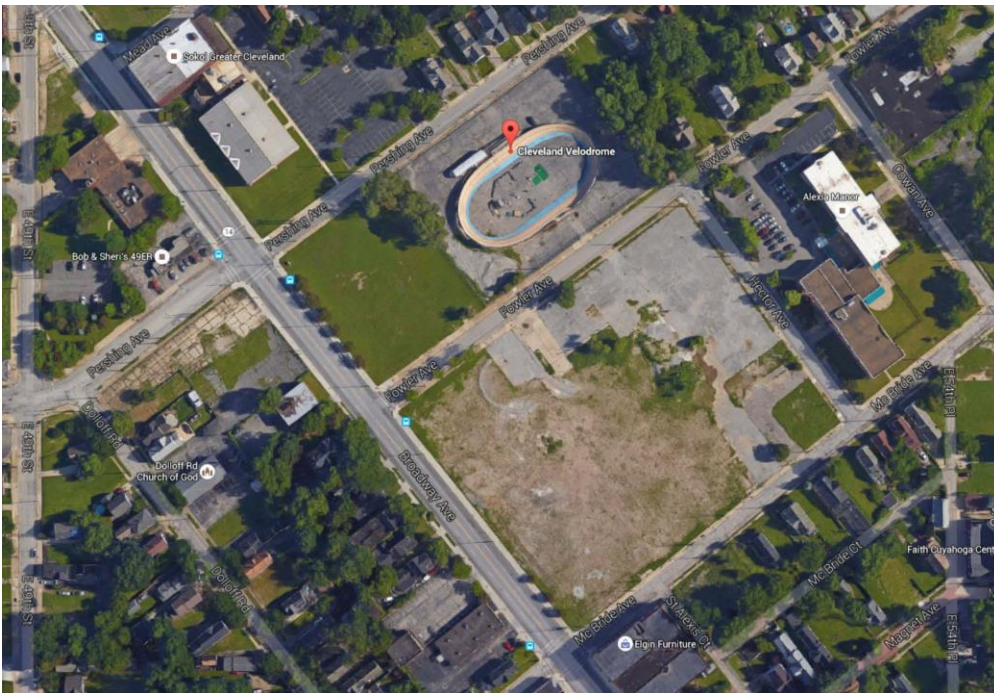
Future Partners

Our success to date is attributable to the strength of our strategic partnerships. Future phases will depend on the support from these and other strategic partners.

What's Next?

Vision is to create a special venue where fitness, wellness and recreational events happen all year in a safe and fun setting.

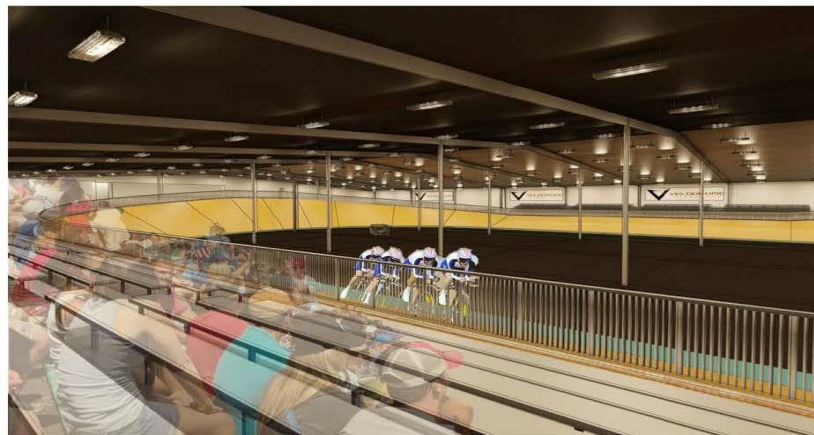
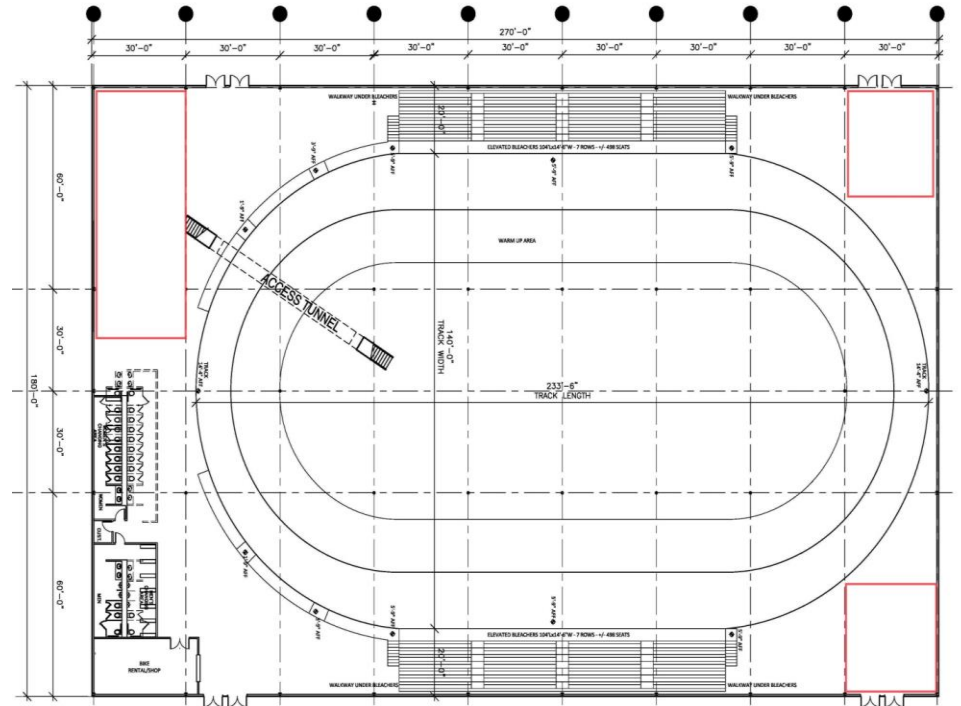
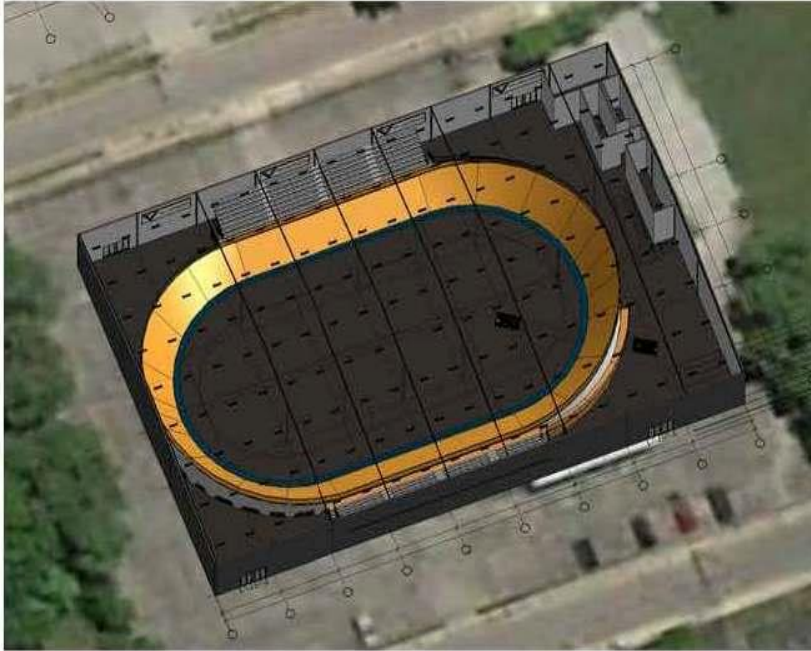
Phase 1 - Current



Phase 2 - Proposed



Phase 2



Phase 2 – Features & Amenities

- Either a 166m or 200m indoor track for riding and racing.
- 50,000 to 65,000 sq. ft. pre-engineered steel building or air supported dome that would enclose the velodrome track.
- Adjacent parcel would have 4 acres of outdoor natural grass fields (2 full size soccer fields) plus lights, drainage, irrigation, fence, parking and other landscaping.
- Optional indoor walking track - free for the community.
- Building will feature seating for 1,500 spectators, concession area, bathrooms, changing areas, bike storage, reception area and a small office.
- Building will feature a tavern/sports bar (2,200 sq. ft.) with views of the cycling track, outdoor seating facing Broadway and outdoor beach volleyball.
- Two other 900 sq. ft. corner suites would accommodate spinning, yoga, rock climbing, cross fit, etc.
- Underground pedestrian tunnel for convenient infield access during riding/racing and other events.
- Over 250 onsite parking spaces with 110 additional spaces at Sokol

Phase 2 – Project Feasibility

- Estimated project costs between \$3.5 to \$6.0 million
 - Includes land, site work, vertical construction, athletic fields, FF&E, soft costs, etc.
 - Range based on size of building and construction type (air dome vs. pre-engineered steel) and size of track (166m or 200m).
 - Similar project being built in Detroit and contemplated in New Haven, and Philadelphia.
- Funding Strategy
 - Identify a “build to suit” partner
 - Phase 1 donors - \$500k
 - New Donors - \$500k
 - Foundation Grants - \$500k
 - City of Cleveland (Donated Land) - \$300k
 - Debt of \$1.7 million to \$4.2 million (by “build to suit” partner)
 - Village Capital
 - New Markets Tax Credits
 - Traditional bank debt

Phase 2 – Project Feasibility

- The indoor facility's projected operating costs are between \$300,000 to \$400,000
 - Includes payroll, utilities, repair & maintenance, insurance, marketing, event production, debt service, etc.
- To date, we have identified the following sources of operating revenue:

	Annual		
	Amount	Cumulative	Status
Phase 1 Base Line Revenue	\$60,000	\$60,000	In Place
Multiplier for 12 Month Indoor Facility at 1.0x	\$60,000	\$120,000	Assumption
Lease for Tavern/Sports Bar	\$26,000	\$146,000	Signed LOI
Ground Lease for Athletic Fields	\$30,000	\$176,000	Signed LOI
Rental Agreement with Professional League	\$75,000	\$251,000	LOI Pending
Corporate Naming Rights	\$25,000	\$276,000	Available
Lease Agreement for corner suites	\$20,000	\$296,000	Available
Pre-Sale of Memberships (Minimum)	\$100,000	\$396,000	Launch in 2017
Total	\$396,000		

Phase 2 - Economic Impact

Cleveland Velodrome					
Phase 2 Economic Impact Analysis					
INDOOR VELODROME		JOB CREATION			
Event Dates	45				
Average Racers Per Event	25	Permanent Jobs		Annual	Per
Average Spectators Per Event	500		FTE	Payroll	Employee
Total Event Attendance	23,625				
		Cycling Operations	5.5	\$ 125,000	\$ 22,727
Velodrome Members	500	Athletic Field Operations	2.5	\$ 60,000	\$ 24,000
Average Visits Per Month	8	Tavern/Sports Bar	3.5	\$ 75,000	\$ 21,429
Rider Attendance	48,000	Fitness Suites	4	\$ 50,000	\$ 12,500
		TOTAL	15.5	\$ 310,000	\$ 20,000
Revenue from Drop In, Classes and Groups	\$25,000				
Avg. Cost Per Visit	\$20				
Drop In, Classes, Groups Attendance	1,250				
Annual Fitness Classes (Spin, Yoga, Cross Fit, Etc.)	720				
Average Participants Per Class	15				
Total Fitness Class Attendance	10,800				
Velodrome Visitors	83,675				
Athletic Fields Visitors (7k per month for 8 months)	56,000				
Total Visitors	139,675				
LOCAL vs. REGIONAL					
	Local	Non-Local	Total		
Indoor Velodrome Visitors	50,205	33,470	83,675		
Percent	60.0%	40.0%	100.0%		
Athletic Field Visitors	56,000	-	56,000		
Percent	100.0%	0.0%	100.0%		
TOTAL VISITORS	106,205	33,470	139,675		
Percent	76.0%	24.0%	100.0%		
AVERAGE VISITOR SPENDING-DIRECT					
		Local	Non-Local		
Indoor Velodrome Visitors-Avg. Spending Per Visitor		\$15.00	\$115.00		
Cleveland Plays Visitors-Avg. Spending Per Visitor		\$15.00	\$115.00		
TOTAL DIRECT SPENDING					
		Local	Non-Local	Total	
Indoor Velodrome Visitors-Avg. Spending Per Visitor		\$753,075	\$3,849,050	\$4,602,125	
Cleveland Plays Visitors-Avg. Spending Per Visitor		\$840,000	\$0	\$840,000	
TOTAL		\$1,593,075	\$3,849,050	\$5,442,125	

- Phase 2 will generate nearly 140,000 annual visitors
- \$5.4 million in direct spending
- 15.5 Permanent jobs (FTE)
- Construction jobs

Phase 3

- Covert one of the fields to artificial sport turf.
- Cover with an 80,000 sq. ft. air supported dome - same size as Cleveland State air dome.
- Incremental cost of \$3.5 to \$4.0 million.
- Timing would be 7 to 10 years after the completion of Phase 2.
- Capital structure would be 33% private funding, 33% bank financing and 33% donations and foundation support.
- Have identified a management company that will provide the private capital, secure the bank financing, and operate the facility.
- They are proven operator in the indoor multi sport recreational facility space.

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Phase 1 - Grassroots Support

\$1,000 Donations

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Dave Steiner	Jim Peters	Porter Vergon	
Dave Yohe	Jim Solether	Ray Gurnich	

Phase 1 – Large Donors - \$5,000 to \$50,000

Matt Litzler



Mike & Carol Sherwin



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The Clarke Family

Len Pagon

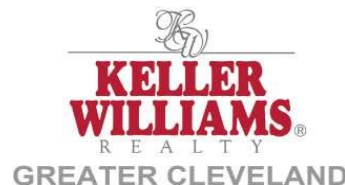


Drummond Road Capital

The Gori Family



Jim Peters



**Corlett Movers
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