

# Centre Region Tennis Center



## 2016-2020 Strategic Business Plan

**This plan, submitted on May 8, 2014,  
supercedes the prior submittals.**

**CRCTA Board Contacts:**

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Vice President – Stephan Goetz

Treasurer – Laura Rush

Secretary – Yosef Bodovoski

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## **Executive Summary**

### **Organization Description**

The Centre Region Community Tennis Association (CRCTA) functions as a local representative entity of the United States Tennis Association (USTA). It operates under the name “Centre Tennis.” The organization is managed by its board, which includes President Helen Marie Graves, Vice President Stephan Goetz, Secretary Yosef Bodovski, Treasurer Laura Rush, and Program Director Carol Oliver. The CRCTA is currently pursuing status as a 501(c)3 organization with the Internal Revenue Service and expects to obtain that status in late Spring 2014. Centre Tennis proposes to build a year-round indoor community tennis center to serve the Centre County, PA area. The Centre Region Tennis and Welcome Center will be located in the Whitehall Road Regional Park in Ferguson Township, State College, PA, at the intersection of Whitehall Road and Blue Course Drive.

### **Mission**

The mission of the Centre Region Community Tennis Association is to promote the “lifetime sport” of tennis in the Centre Region by providing year-round information, organization, and accessibility of programs and facilities to all State College and surrounding residents, regardless of age, ability, social, or economic status. The organization’s driving intention is “accessible, competitive, instructional, and recreational play for Centre County.”

### **Facility Purpose**

The primary focus of the Centre Region Tennis and Welcome Center at Whitehall Road Regional Park is to provide affordable, year-round, high quality tennis to the Centre Region. In order to do that, an indoor facility is needed in addition to the six adjacent outdoor courts planned for the Whitehall Road Regional Park. The facility will offer reasonably priced court time, as well as group clinics and private lessons by a tennis professional, and after-school tennis programs for area students. With six indoor and six outdoor courts, it will also be able to host United States Tennis Association (USTA) sanctioned tournaments and leagues. The indoor courts will be scalable in size to accommodate the needs of both younger and older tennis players, and the court surface is also appropriate for volleyball. Restrooms and changing areas will be available year-round.

The facility will also serve as a welcome center for the park. Roughly 40,000 square feet in size, the building will consist of two levels. The lower level will contain six USTA-regulation size tennis courts as well as a welcome desk and locker rooms. The second-

floor viewing area is large enough to accommodate general fitness classes such as Zumba and yoga, and can be lined to offer three youth QuickStart courts. The facility will have state-of-the-art indoor court surfaces and lighting to provide a high-quality tennis experience. In addition to the indoor courts, the facility will also have six outdoor courts, available to the public for no cost during the warmer months (April through October). Customers will be able to schedule court time, clinics, and lessons using an online system as well as over the phone. The facility would also have an information center and calendar for events in the rest of the park.

### **The Need for the Facility**

Currently, Centre Region Parks and Recreation has one park with four outdoor courts, four parks with two courts and three parks with one court. The USTA recommends a minimum of four, and ideally, six contiguous courts for effective community programming. Parks and Recreation has used the seven varsity high school courts at Community Field for summer daytime youth programming, but that availability has been limited due to the high school tennis coach's use of the courts. Parks and Recreation classes are limited to the four courts at Spring Creek Park, and therefore must be restricted in size. Lighting is an issue when programming evening classes (only two courts are lit), and weather has frequently forced the cancellation of classes.

Tennis has been called the "sport of a lifetime," but it is also a year-round sport. In the Centre Region, the utility of outdoor courts usually runs roughly half the year from April until October, or until weather conditions make play impossible. Centre County's weather can be harsh and erratic: Average high temperatures in the winter months are around 34°F, and the county experiences high levels of rain (39.76 inches) and snow (47.1 inches) each year.

During the remaining months of the year, from October until April, outdoor courts typically sit unused until conditions improve. Indoor courts, on the other hand, are available for play year-round. These courts are protected from environmental wear and have longer lifespans than their outdoor counterparts, reducing long-term maintenance costs.

There is currently no community tennis facility in Centre County, so the overall threat of competition for the Centre Region Tennis and Welcome Center is low. The three largest competitors are the Penn State Tennis Center, which offers only limited and expensive court time to the community, The Summit Tennis and Athletic Center in Altoona, which is nearly an hour drive from Centre County, and outdoor tennis at local parks and high schools, which cannot be used during the winter months. Both facilities operate similar to private tennis clubs, with an initial fee for membership and charges for play on a court-

time basis. Lessons are offered by professionals, and the facilities host leagues throughout the year. Pro shops, lockers, showers, and changing rooms are also available. At this time, there are no known plans for any private enterprise to build a for-profit indoor tennis facility in Centre County.

### **User Affordability**

A major factor to consider when determining the need for an indoor tennis center in Centre County is affordability. According to 2010 census data, the median household income is \$48,262 and the median family income is \$67,349 in Centre County<sup>4</sup>. While the vast majority of people in the region live comfortably above the poverty line, they are not wealthy enough to afford to join a private tennis club. Indoor court time at the Penn State facility is limited and expensive, with court time in the winter largely monopolized by the university's varsity teams (approximately 5 hours a day). Therefore, many families would be eager to utilize a community facility that offers inexpensive court time, availability and programming. The Centre Region Community Tennis Association is committed to providing affordable tennis opportunities to the community. Proposed usage fees are \$20 per hour.

As an example, the Penn State Tennis Center at the Penn State University Park campus charges the following rates:

	Lessons	Court Time	Membership Fee
Students	\$40/lesson	\$38.50/hour	\$266/year
Residents	\$48/lesson	\$38.50/hour	\$395/year

Penn State Tennis Center Pricing

By comparison, the Racquet Club West Tennis Center in Lancaster charges the following rates:

	Lessons	Court Time	Membership Fee
Students	\$22/hour	\$26-30/hour	\$99/year
Residents	\$22/hour	\$26-30/hour	\$99/year

Lancaster Racquet Club West Tennis Center Pricing

Following are the rates found at the Camp Hill Tennis Center in Harrisburg, the Pittsburgh Indoor Tennis Center in Pittsburgh, and the Penn Tennis Center in Philadelphia:

	Lessons	Court Time	Membership Fees
Camp Hill Tennis Center	\$20/lesson	\$26-\$34/hour	\$175/year
Pittsburgh Indoor	\$20/lesson	\$28-\$40/hour	none
Philadelphia Penn Tennis	\$50/lesson	\$32-40/hour	\$95/year

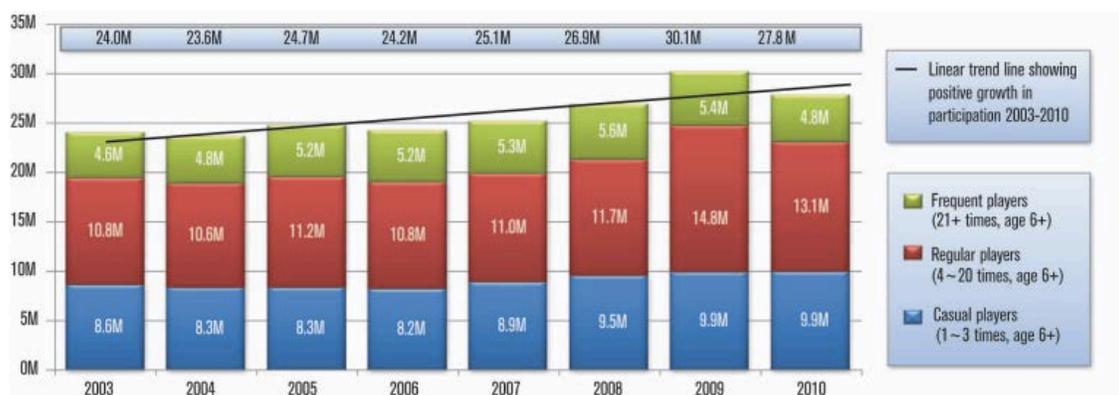
Major City Tennis Center Pricing

### Industry Analysis and Trends

The tennis industry has grown steadily in recent years, as tennis has become the most popular “lifetime sport” in the nation. The need for high-quality indoor tennis facilities has grown in tandem with the tennis industry. The industry has remained strong through the recent economic downturn in the United States, proving that the industry is able to resist changes in the economy.

According to the Tennis Industry Association, tennis participation from 2000–2010 has increased by a historic 46%. According to the United States Tennis Association (USTA), participation in the sport has been increasing by a significant 4% annually, reaching a total of more than 30 million players nationally.

Tennis Participation (Millions) by Play Frequency



## **Target Market**

The Centre Region Tennis and Welcome Center expects to draw players almost entirely from Centre County, PA.

The target market for this facility includes the nearly 200,000 health-conscious people that live in the Centre Region. The largest segment within this target market is fitness-minded parents of children between the ages of 5 and 18. Nationwide, youth tennis has seen tremendous growth, with youth competitions up 320% in 2011. This growth is mirrored in Centre County. Since the CRCTA and CRPR began offering tennis programming, 876 children (and 346 adults) have participated. Many parents would be willing to register their children and teenagers in affordable tennis clinics, leagues, and after school programs, especially if these programs were available in a consistent location and free from weather constraints. Local high schools tennis teams could also rent courts at an indoor facility for practice in the winter months and during inclement weather.

A second target market segment is active adults of all ages and skill levels. This facility will offer services for experienced tennis players, in the form of court time and clinics, and will offer instruction and clinics to adults new to tennis. It will organize adult leagues and tournaments, and provide a resource for anyone looking for opportunities to increase their fitness.

A third market that is poorly served by other sports facilities is older adults. Tennis is popular among adults over 65, and by modifying play and equipment, even those with joint and mobility problems can participate. This makes an indoor tennis facility an attractive option for active seniors and those looking to promote lifetime fitness.

## **Development**

Phase 1 of development for the Whitehall Road Regional Park, which will include ground leveling and other basic construction, is scheduled to begin in Summer 2014. Presently, the Tennis and Welcome Center is slated for construction during the second phase of the park's development, which is when the other outdoor sports facilities will begin to be constructed. The CRCTA believes that, because the facility will function as a welcome center for the entire park, it would be sensible to move its construction to the end of the Phase 1. Ideally, the Centre Region Tennis and Welcome Center will be open to the public on January 1, 2016.

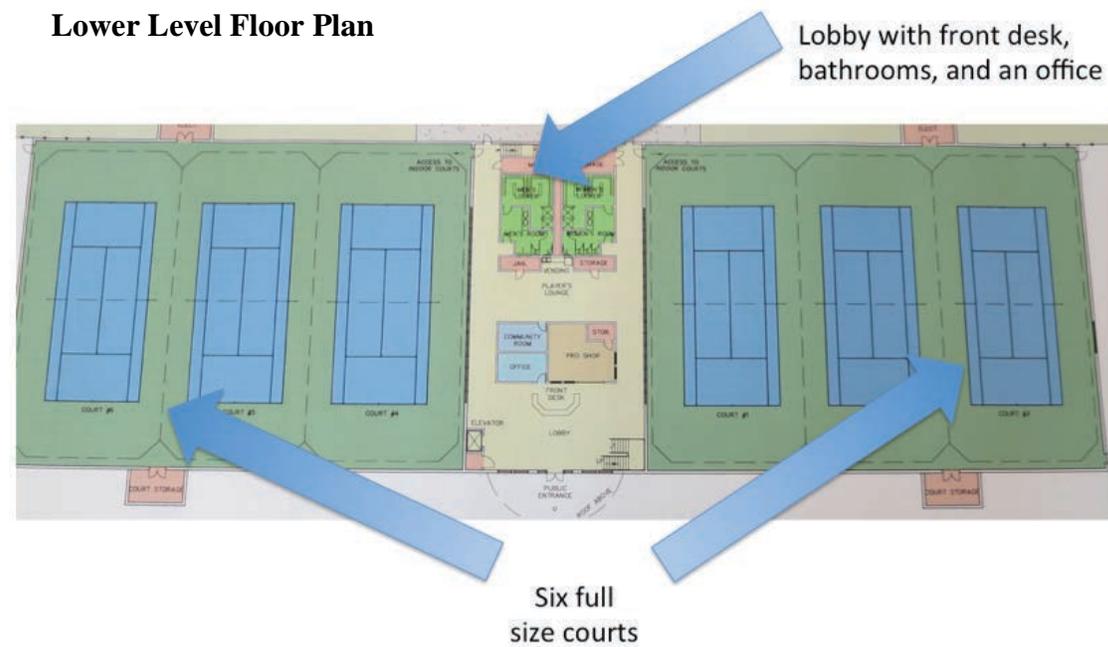
## **Building Specifications and Costs**

The Tennis and Welcome Center will have two levels totaling about 40,401 square feet. A parking lot will be located across the street for the use of the entire park. The maximum capacity of the building will be 1,600 people by legal fire standards<sup>12</sup>. With an

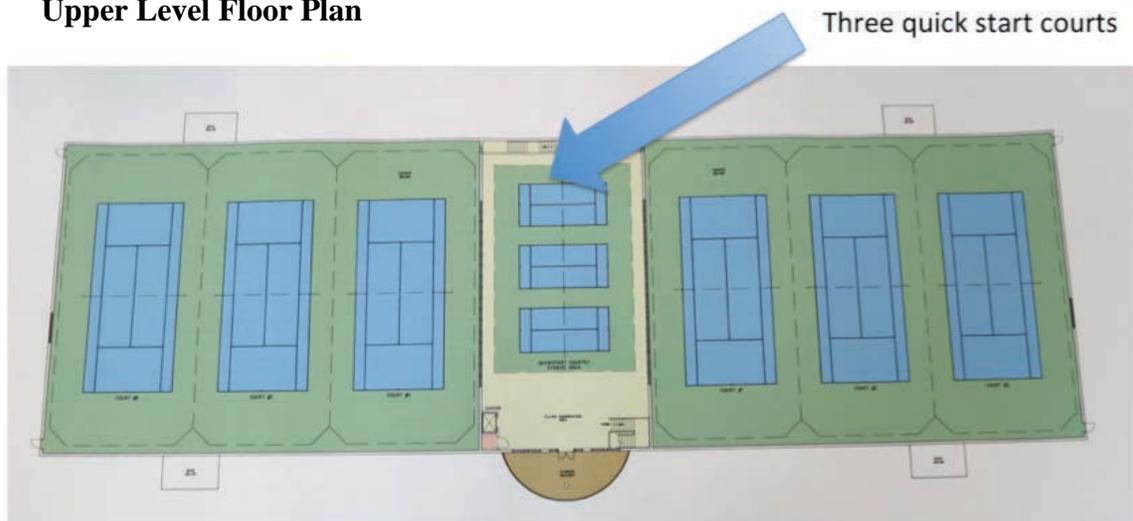
estimated construction cost of \$60.00 to \$76.50 per square foot, it will cost between \$2.143–\$2.978 million to build. Approximately \$1.897 million would be needed as a contingency fund in the case of unexpected costs.

The lower level will have six regulation-size tennis courts, three on each side of a lobby and restroom area. The upper level will have a large central area suitable for exercise classes and lined for three “Quick Start” courts for young players as well as a viewing area with bleacher-style seating.

The two levels of the facility will be laid out as follows:



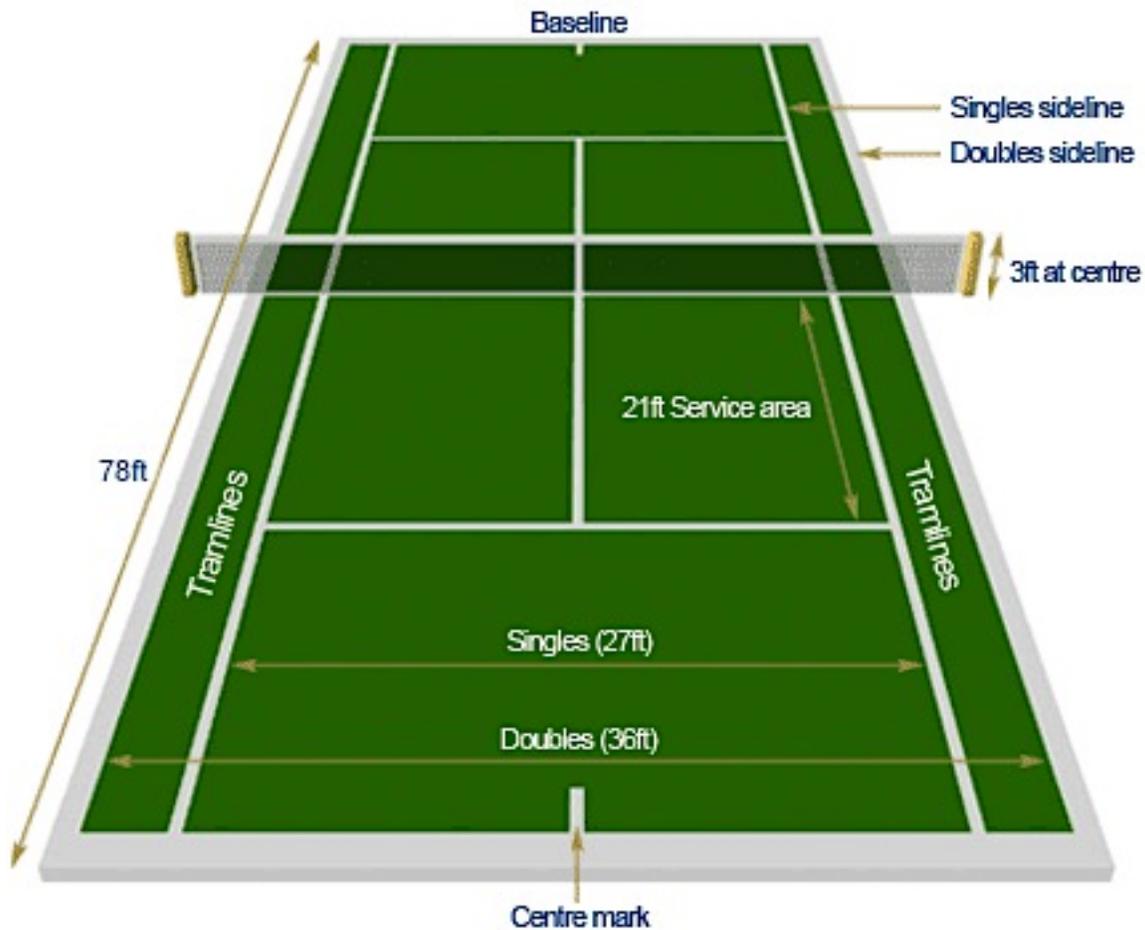
## Upper Level Floor Plan



## Courts

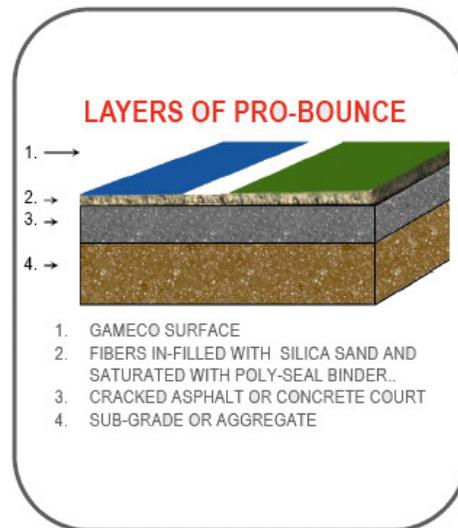
Standard International Tennis Federation-regulated court dimensions are 36 feet wide by 78 feet long, and the courts at the Tennis and Welcome Center would be constructed to those dimensions. At least six courts of these dimensions are required for all USTA-sanctioned tournaments and recreational play for adults. Overlaying boundary line sets will adapt the courts for alternative purposes such as QuickStart, other children's tennis lessons and pickleball. Other fitness activities that can take place on tennis courts, such as volleyball, may reduce court size to different dimensions in the same manner.

United States Tennis Association certification for potential tournaments held at the Tennis Center would attract competitors from throughout the state and region looking to increase their ranked standing. For this reason, it is essential the courts are ITF-regulation size.



### Court Surface

General Acrylics' leading line of court surfaces is the Nova'Pro-Bounce, which features durable, all-weather, densely fibered turf with a waterproof backing that results in reduced stress upon the joints of players. What sets Pro-Bounce apart, however, is the "true" feel to the bounce of the tennis ball when played on this surface. General Acrylics claims that players will always be satisfied with the bounce of the ball being "just right."



General Acrylics' Nova'Pro-Bounce Layers

### **Centre Tennis Court Surface Recommendation**

We recommend Nova'Pro-Bounce as the court turf system of choice for the Centre Region Tennis and Welcome Center. Because the courts will be inside, and therefore protected from weather wear, this surface is expected to last 25+ years without replacement. These courts are environmentally friendly and easier on the joints than traditional surfaces. Nova'Pro-Bounce courts come with a 5-year warranty, and extended warranties are available. Installation is estimated to cost \$4.50 per square foot, or roughly \$180,000 for the entire Tennis and Welcome Center.

### **Lighting**

Advances in lighting technologies in tennis centers and stadiums have enabled businesses to cut utility costs while operating facilities fit for a wide range of competition, from the amateur to the professional level. Technological advances have produced stadium lighting equipment with adjustable brightness, ensuring the required lighting can always match the corresponding events.

CourtLite Sports Lighting Solutions offers a fixed, LED flat-panel assembly. While it must be mounted onto the roof or walls of a facility, this setup is more energy efficient and features dimmable settings, ideal for different types of competitive and recreational play. CourtLite has two lighting systems for tennis facilities: CourtLite Rec and CourtLite Pro. CourtLite Rec is the most energy efficient (5,616 watts per court) and offers recreational light levels for everyday club play. CourtLite Pro is the highest performance system available providing excellent tournament lighting. It is still extremely efficient at 8,420 watts per court. According to a representative for CourtLite, the total watts per court

for the Recreational System is 5,616. That is equal to 5.6KW. Depending on the local utility rate for electricity it will be somewhere between \$.28 and \$.56 per hour to operate the lights on one court. That is the range between \$.05 and \$.10 per kw hour rate.

**Centre Tennis Lighting Recommendation**

Centre Tennis recommends the use of the Courtlite Lighting system. It is the most energy efficient, and would produce the truest lighting and glare reduction. The quotation attached shows projected costs for both the Pro Direct and Rec Direct systems.

Courtlite estimated that the cost of installation (by our own contractor or installer) would run about \$5,000.



P.O. Box 1406  
 Tualatin OR 97062  
 Phone (503) 810-6943 Fax (503) 612-6766

**Quotation**

**DATE** 4/23/2014  
**Quotation #** CRCTA-01  
**Quotation For:** Carol Oliver  
 Centre Regional Tennis Association  
 119 Merry Hill Road  
 State College PA  
 814-234-6896  
*Quotation valid until:*  
*Prepared by:*

P.O. NUMBER	EST. LEAD TIME	SHIP VIA	F.O.B. POINT	TERMS
6 court new const.	3-4 weeks	Best	Origin	See Below

QUANTITY	UNIT PRICE	TAXABLE?	AMOUNT
48	Court-lite® Pro Direct Side	\$414.00	\$19,872.00
48	Court-lite® Pro Direct Center	\$715.50	\$34,344.00
<b>Pro Direct system total</b>		<b>\$54,216.00</b>	
48	Court-lite® REC Direct Side	\$333.23	\$15,995.04
48	Court-lite® REC Direct Center	\$574.20	\$27,561.60
<b>Rec Direct system total</b>		<b>43,556.64</b>	
SUBTOTAL			
TAX RATE			
SALES TAX			
OTHER			
<b>TOTAL</b>		<b>-\$</b>	

**Terms:** 50% Deposit due on acceptance, balance net 10. 5% late fee for all past due balances

#### DESCRIPTION

**Notes:** Freight included if paid within terms. All local tax is the responsibility of the purchaser for sales outside the state of WA.

**Fixtures include lamps and are ready for 120-277V 60hz.**

## Operational Expenses

### Equipment

The Tennis and Welcome Center will need ball hoppers, tennis balls, portable bleachers, furniture for the waiting area, and tennis court cleaning equipment. The total equipment costs for the first year of operation are estimated to be \$6,467.88.

### Labor Requirements

The Tennis and Welcome Center will employ one full-time certified tennis professional who will be in charge of coordinating events and programming at the facility and managing daily operations. Salaries for a tennis pro range from \$24,000 to \$75,000, with a median salary of \$43,630 and an average salary of \$43,551. Since the tennis pro would also be manager of the facility, a competitive wage would have to be offered, most likely somewhere around or slightly above that of the median and average. Cost of benefits would equal forty percent of the employee's salary.

The Tennis and Welcome Center will also employ several part-time workers, primarily high school and college students, at minimum wage. They will be in charge of duties such as working the front desk and scheduling court time and clinics. An additional \$32,000 per year would cover the cost of a minimum wage worker, or split among multiple workers (12 hours per day, every day, at the current minimum wage of \$7.25).

Once the facility becomes profitable, it would be feasible to hire a Director of Tennis Operations. This would alleviate some of the duties assigned to the tennis pro and allow him or her to focus more on the programming, while the Director of Tennis Operations deals with administrative duties. This is very likely to be the only position ever added to the facility, as it requires few people to run.

### **Software Requirements**

The Tennis and Welcome Center's software needs concern scheduling and upkeep. Programs are needed that will allow easy booking of court time and lessons, the calculation of finances, and inventory and database management. Intuit's QuickBooks Online Plus with Payroll program can handle the tracking of revenues and expenses, employee payroll, billing, and inventory. The cost of the program is \$63.16 per month. There are simpler iterations of the program but the Online Plus with Payroll offers all of the desired functions.

Scheduling of court time and lessons can be managed through the ActiveNet software currently used by Centre Region Parks and Recreation. Customers can self-schedule, pay, and have reminder emails sent to them via the Internet. The program can also be used for internal scheduling. Uses can also include scheduling for other events within the park.

### **Hardware Requirements**

The Tennis and Welcome Center's technology hardware needs are relatively simple. Given the nature of the industry, the providing of services rather than the manufacturing and selling of products, the hardware needs of the facility are simply to successfully facilitate the use of the Internet and Microsoft Office and other software programs employed to help run the business. A computer is required on which employees can access the scheduling and management programs as well as other sites online. An all-in-one printer, including a fax machine, copier, and scanner, can accomplish many of the remaining in-house office activities.

### **Telecommunications Requirements**

The Tennis and Welcome Center requires Internet capability in order to access the online scheduling and management programs, to manage and make updates to their social media presences, and to communicate with customers via email. Additionally, phone service is needed to receive and return calls from customers and other parties. Comcast offers a phone line and Internet access through its Business Class division for \$89.90 per month.

The chart below provides a summary of the approximate costs of the technology needs of the Tennis and Welcome Center:

Intuit QuickBooks Online Plus with Payroll	\$63.16 per month
Full Dell OptiPlex 7010 Mini Tower/ Monitor	\$796.74
Dell V725w Wireless Multi-Function Printer	\$224.78
Comcast Business Class Full Featured Phone Line and Internet	\$89.90 per month

#### Technology Costs of the Tennis Center

### Utilities and Maintenance

The average monthly utility cost, which includes electricity, Internet service, and phone service, is estimated to be \$4,516.67 for the first year. (Based on estimates from other facilities, heating and cooling costs are expected to be negligible.) This is expected to increase 5% per year. The monthly utility cost also varies slightly seasonally, as it will be higher in the summer months due to air conditioning. The lighting is designed for minimal court spillover, making it very energy efficient.

The average monthly maintenance cost by Year 5 is estimated to be \$447, which includes janitorial work and general repairs. This cost varies, as it may be higher in a month in which a major repair (e.g., burst pipe, flood damage) is necessary.

### Programming Revenue

In keeping with Centre Tennis's stated goals of providing year-round courts that are accessible and affordable to the community, the proposed indoor court rental costs would be \$20 per court hour, year-round. The facility would not feature a membership system, and therefore, not provide unfair advantages to certain users.

Additional revenue would be realized from hosting USTA-certified tournaments and national competitions.

### Estimation of Revenue from Tennis Programming

Total revenue is calculated using the minimum allowed number of program participants per weekly/daily programs on a 48-week year, unless otherwise noted. The minimum number of program participants (the least number of participants needed to hold a program) and the maximum number allowed in a program are noted in parentheses. The final column shows the range of revenue that can be realized from each program or event.

**Junior Programs**

Pee Wee (8/12)	\$8/class	\$6,144/\$9,216
USTA Quick Start (10/18)	\$10/class	\$9,600/\$17,280
Beginner Stroke Development (10/18)	\$10/class	\$9,600/\$17,280
Beginner Stroke Development II (10/18)	\$10/class	\$9,600/\$17,280
Beginner Stroke Development III (10/18)	\$10/class	\$9,600/\$17,280
Intermediate I (10/18)	\$15/class	\$14,400/\$25,920
Intermediate II (10/18)	\$15/class	\$14,400/\$25,920
Advanced (10/18)	\$15/class	\$14,400/\$25,920
Tournament Training (7/12)	\$20/class	\$20,160/\$34,560
USTA Jr. Team Tennis (24+)	\$ /session	
USTA Rallyball (24+)	\$ /session	

**Adult Programs**

Morning Ladies Clinic (10/18)	\$10/class	\$9,600/\$17,280
Beginner Clinic (10/18)	\$15/class	\$14,400/\$25,920
Advanced Clinic (10/18)	\$15/class	\$14,400/\$25,920
USTA CardioTennis (12)	\$8/class	\$23,040
Weekly Mixer (12)	\$10/match	\$5,760
Round Robins (12)	\$10/match	\$3,600

**Leagues**

Sunrise League A & B (24 ttl)	\$15 reg, \$6/match	\$5,400
Junior Ladder A & B (24 ttl)	\$15 reg, \$8/match	\$6,840
Men's Singles Ladder A & B (24 ttl)	\$15 reg, \$8/match	\$6,840
Women's Singles Ladder A & B (24 ttl)	\$15 reg, \$8/match	\$6,840
Men's Doubles League (32 ttl)	\$15 reg, \$7.50/match	\$8,640
Women's Doubles League (32 ttl)	\$15 reg, \$7.50/match	\$8,640
USTA leagues ( )		
Special Olympics ( )	\$20/hr	
USTA Adaptive Tennis ( )	\$20/hr	
Wheelchair ( )	\$ /match	

**Tournaments**

Local Junior	\$3,600
Local Adult	\$1,800
USTA Junior d-8, S-5	\$12,000–\$16,000/yr
USTA Adult	\$4,500–\$7,500/yr
Wheelchair	

**Centre Tennis Management and Ownership Recommendation**

Centre Tennis believes that the Centre Region Council of Government Parks and the Parks and Recreation Commission should be the owners and operators of the Tennis and Welcome Center. Centre Tennis is prepared to act in an advisory capacity on all matters pertaining to tennis operations and programming, and to take an active role as needed.