



OWA Pickleball Complex

Marshall Field Pickleball Courts - Phase II

*Enclosing the Courts with a
Steel Truss & Fabric Covering*



Committee Members

A Wealth of Experience & Expertise



- Don Friesen - lots of construction experience including building & operating Steel Truss & Fabric structures
- Ian Phillips - Fastest Englishman Cow Milker in Sask. - has build large barns with a farmers sense of the practical
- Julie Varrie - Senior Building Technologist - recently working on large structures such as Kal Tire Place expansion

Committee Members

A Wealth of Experience & Expertise



- Roger Worth - an engineer with Oil & Gas Project Management experience
- Wally Neumanns - recently Retired Architect - a career of building design in Vernon (many years working with Julie)
- Ken Wright - retired Chartered Accountant working with business clients

Committee Members

A Wealth of Experience & Expertise



- Rick Staub - the VPA Treasurer
- Myron Hocevar - VPA Secretary - Oil & Gas Strategic Planning & Business Development
- Rob Irving - VPA President - Airforce Project Management & retired Certified Financial Planner

Background

Lots of Sweat Equity



- Phase I - Surface Courts constructed during the Summers of 2017 & 2018
- Initial Vision was for an Enclosed Facility
- Current Foundation was Engineered & Permitted for Steel Truss & Fabric Cover - A Semi-Permanent (Big) Tent

12 Covered courts in Opelika, Alabama

Background



**Year Round
Use**

- The Objective of **Phase II** is to cover the courts to permit enhanced year-round use.
- With effective lighting, heating and ventilation the playing environment will be enhanced throughout the seasons
- No lighting required during daytime

A Very Pleasant Playing Environment



With

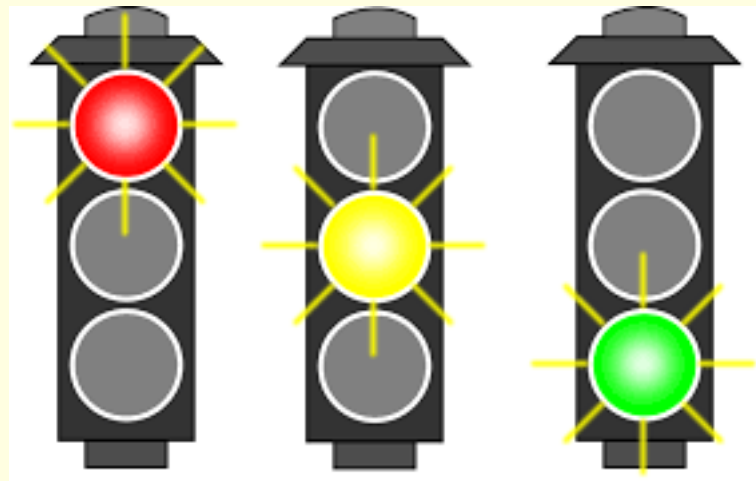
**No Rain Days, No Wind, No Sunburns, No Sun Glare,
No Mid-Afternoon Heat, No Darkness, No “Sit-One-Play-One”,
No PV Gym Mayhem! No Gym-Time Schedule Restrictions**

**Playing Pickleball in the Shade!!
In a 1st Class Facility**

The Need

- Fast-Paced VPA Membership Growth
 - Two Years ago - 300 members
 - May 2020 - 450 members
 - Fall 2020 - projected 500 (but with Covid - perhaps not?)
- Current Indoor Court Time Substantially Inadequate for Current and Future Demands
- Current Gym Space Marginally Suitable for Pickleball
- Current VPA Demand **88,000** player hours/year!!!

Pre-Conditions



Lessons Learned from Phase I

- A signed Agreement with the City **Essential** before the Project Green Light
- Draft MOU to be Reviewed at Council on Monday

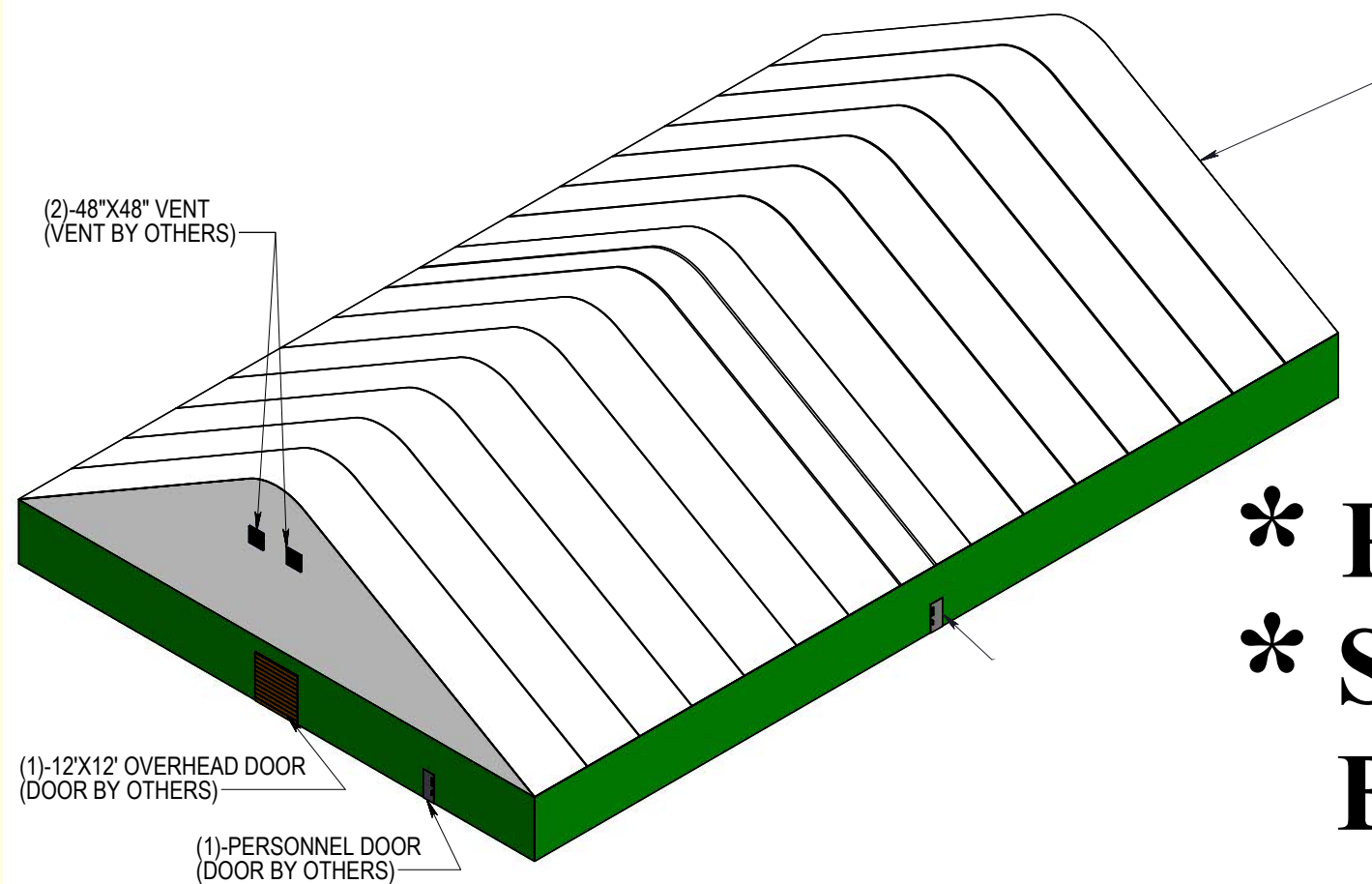
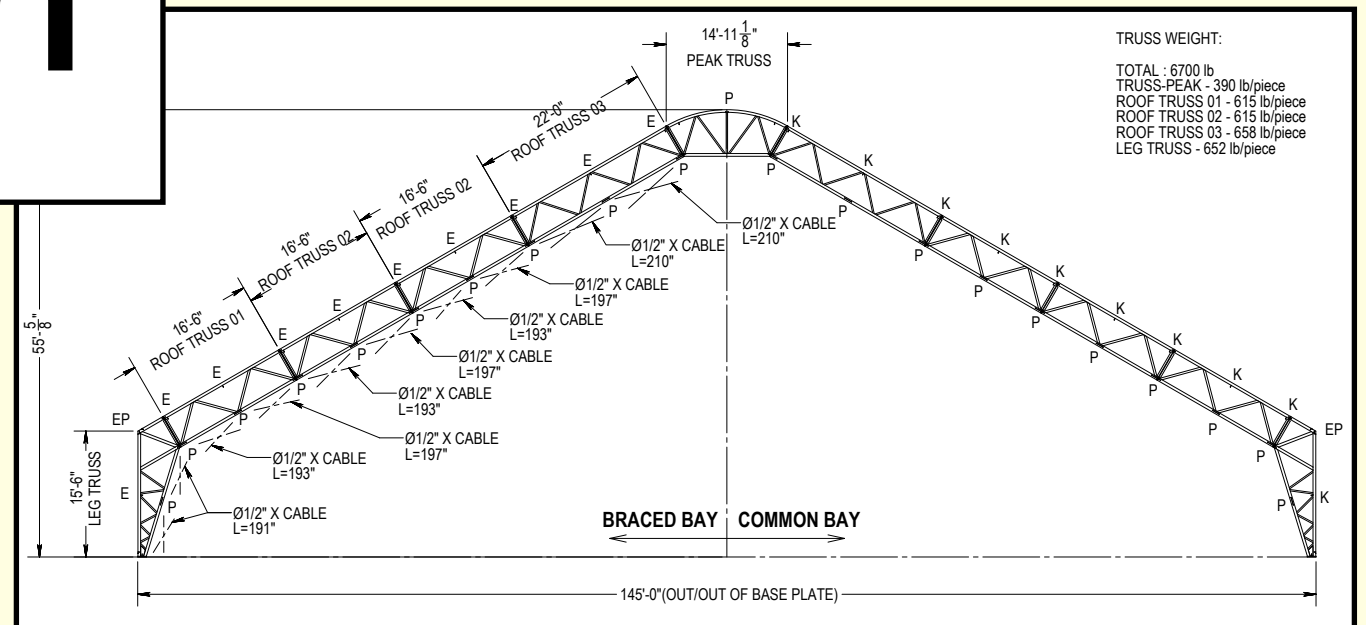
Pre-Conditions

Main Terms



- A Signed **Memorandum of Understanding (MOU)** Agreeing to:
 - 3 Five Year Terms added to our Lease (ending 2047)
 - Acknowledgement of Lease Terms - “VPA is Responsible for the Design, Construction, Operation and Maintenance”
 - VPA will provide a Schedule with Appropriate Public Access
 - All Players (including All Public) Pay User Fees
 - All Fees Retained by VPA to Pay Overhead
 - Affordable Development Cost Charges (DCCs) - its a Tent!

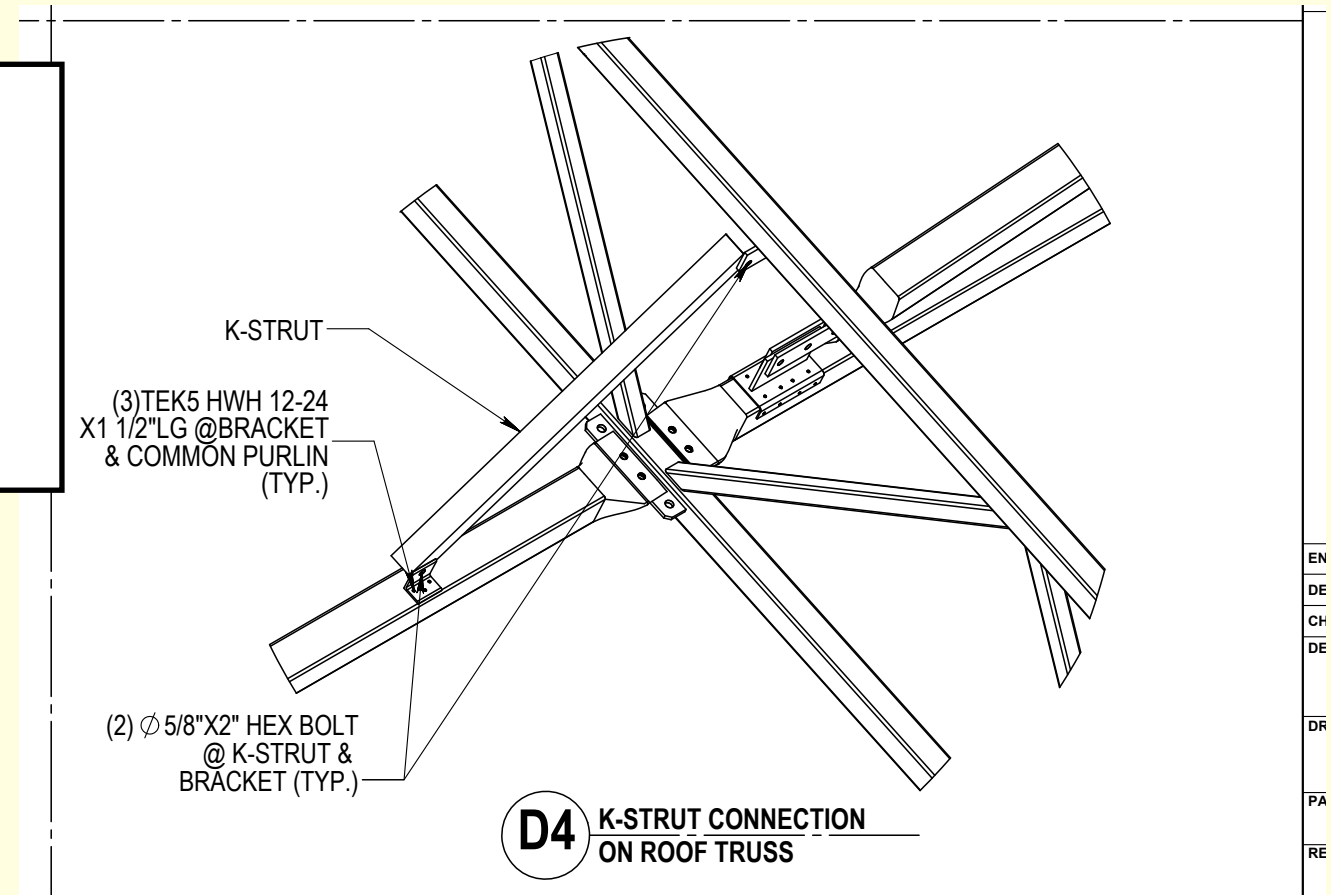
The Design



- * Proven Structure Type
- * Similar to the Soccer Building but Soft Sides

The Design

Ready to Go



- Structure Engineering Complete
- Building Code Variances Being Addressed
- Ventilation, Heating & Lighting Plans Completed
- Local “Friendly” Contractor In Place for Erecting the Roof (Lots of Prior Experience with These Structures)
- Cost Estimates Complete

The Building Cost



Installed Structure	\$805,000
Heating & Ventilation	\$100,000
Lighting	\$10,000
Other Structural Items	\$19,000
Security, WiFi, and Sound	\$20,000
Professional Fees	\$18,000
City Permits & DCCs	\$15,000
Taxes (PST) - GST is Refunded	\$60,000
Contingency	\$150,000
TOTAL	\$1,197,000

The Business Case



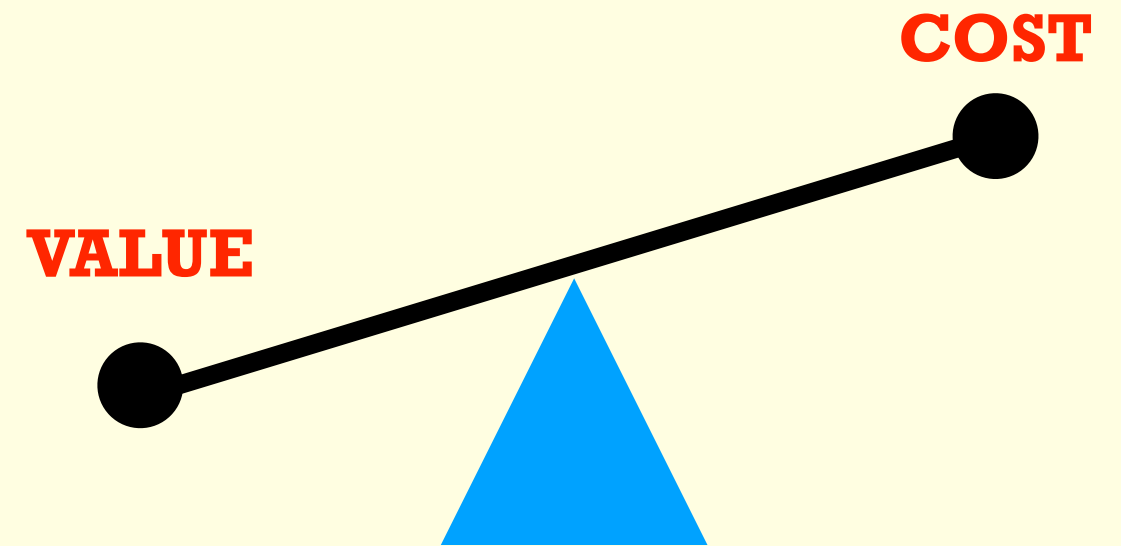
- We Find Ourselves Living in a “User Pay” Environment
- How Do We Pay for Our Needed Increase in Capacity & Quality?
- VPA Will Have to Make a Large Financial Commitment
- We Need a Corresponding Court Fee Commitment from All Players

The Business Case



- Large Membership = Strong Cash Flow
- Gym Membership Model - \$60 per month for Unlimited Usage (One “Opt-Out” period of 1 to 10 months per year)
- 10x Punch Pass Option \$80
- Public Usage - \$50+ per 2 hours of Court Time?
- Based on your survey replies - Current Estimate is 3,700 Member Player-Months / Year
- $3,700 \times \$60 = \$222,000$ / Year in VPA Monthly Pass Sales

Value Proposition



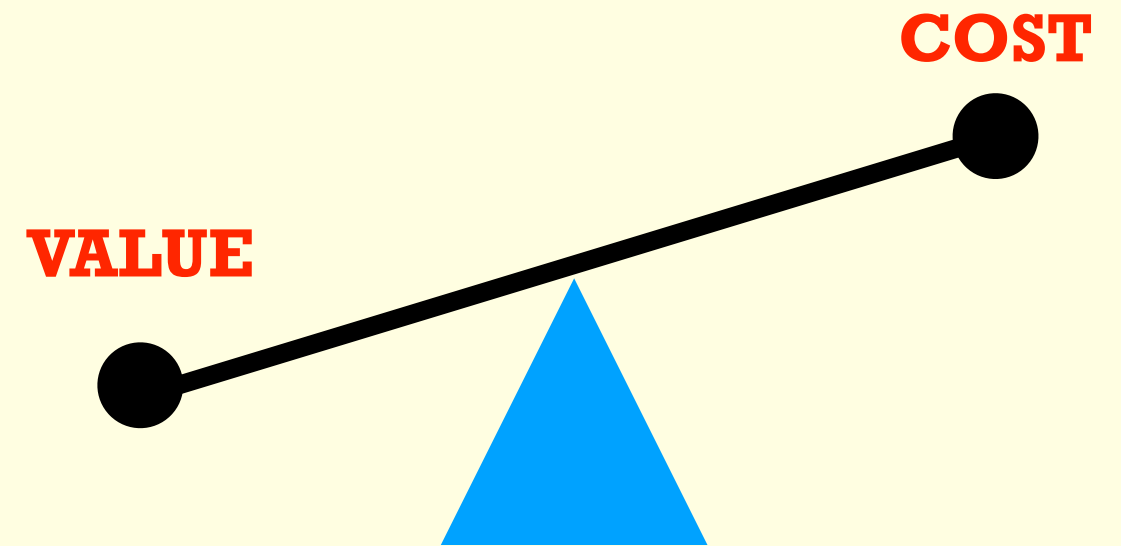
- For **Indoor Play**

- Most Members have been paying \$40 to \$50 per month for play in PV Gym and small school gyms
- Your Indoor play cost will go up (\$60 per month)

Offset by:

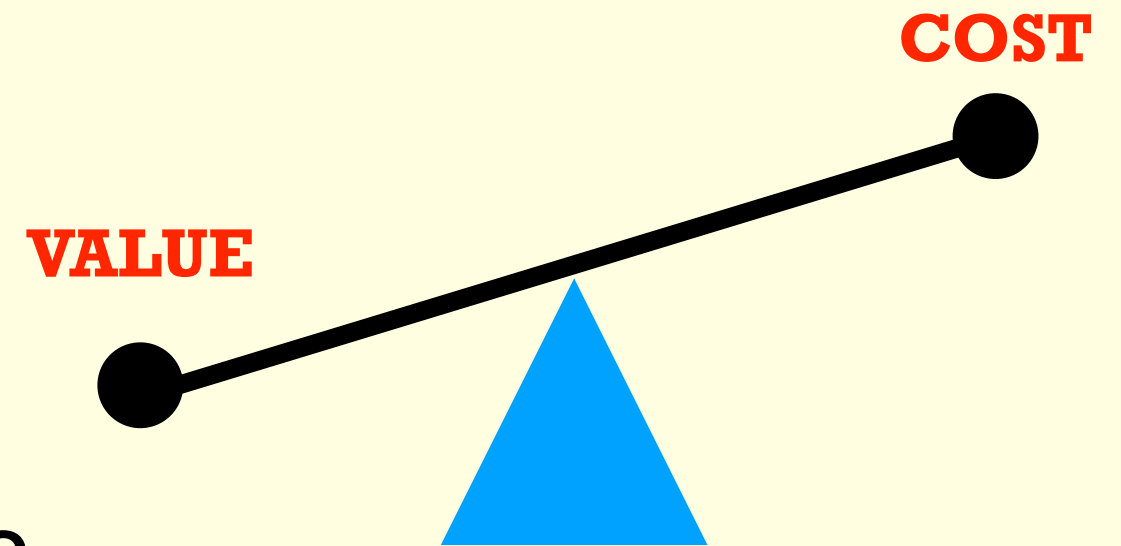
- Your Playing Experience and Court Availability will be Dramatically Improved
- **Is a session in a Premier Enclosed Facility worth more to you compared to a Sit-One-Play-One, Crowded, Noisy, Book-when-you-can, Session in PV Gym?**

Value Proposition



- For **Outdoor Play**
 - Currently Pay \$50 per season (Grossly Under Valued!!)
 - With Enclosed Facility - Cost Increased to \$60 per month
 - Value?
 - No Harmful Sun Exposure
 - No Wind, No “Run for Cover” Thunder Storms!
 - Play “in the shade” All Day
 - No Rain Out Days
 - No Setting Sun in the Eyes
 - Greatly Expanded **Prime** Court Availability

Value Proposition



- What do Other Sports Cost?
 - Curling: \$75 /mo for 2 hrs / week
 - Swimming Pass: \$69.15 per month
 - Gym Memberships: > \$50 per month
 - Golf Memberships: > \$400 per month
 - Predator Ridge PB: \$80 / Court / 2 hrs
 - Edmonton “The Paddle Room” - Indoor PB: \$99 per month (with only 2 cramped courts with temporary nets)

Show Me the Money !



Phase I - Surface Courts

	Phase I		
VPA Cash - Donations, Fees To Date & Sponsors	\$300,000		
RDNO Grant	\$300,000		
City Loans	\$145,000	Current Balance \$111,600	
TOTAL	\$745,000		

Show Me the Money !



Phase II & The Covid-19 Reality

	Phase I	Phase II	
VPA Cash - Donations, Fees To Date & Sponsors	\$300,000	\$1,200,000	
RDNO Grant	\$300,000	0	
City Loans	\$145,000	0	
TOTAL	\$745,000	\$1,200,000	

Show Me the Money !



Total Facility

	Phase I	Phase II	Total
VPA Cash - Donations, Fees To Date & Sponsors	\$300,000	\$1,200,00	\$1,500,000
RDNO Grant	\$300,000	\$0	\$300,000
City Loans	\$145,000	0	\$145,000
TOTAL	\$745,000	\$1,200,000	\$1,945,000

Show Me the Money !



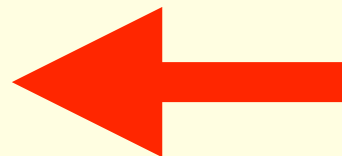
The 1.2 Million Dollar Question?

Answer: We do it ourselves!

Current Capital

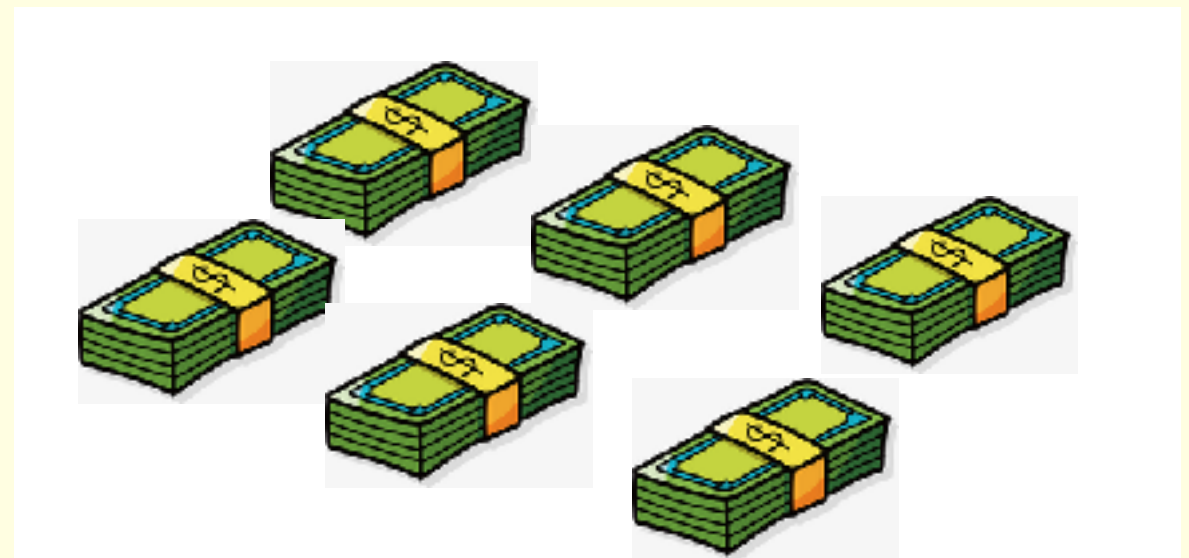


We Convert



Prudently

Strong Future Cash Flow



How Can We **All** Help?



3 Options - Designed to be Fair & Flexible

- 1. Donations - We have a \$100,000 Matching Pledge**
- 2. Member Debentures**
- 3. Pre-Payment of Future Monthly Play Fees**

To Achieve the Funding Goal - All Members Need to Determine How They Can Help In Their Own Way

How Can We **All** Help?



DONATIONS

- Suits Some Members' Financial Circumstances
- Awesome **Matching Pledge** in Place - up to \$100,000
- We Recognize & Appreciate that a Small Group Contributed a Lot via Donations for Phase I
- Any & All Donation Contributions Greatly Appreciated
- Donation Tax Receipts Available (for \$100 or more)

How Can We **All** Help?

Debentures



- What is a Debenture? It is just an Unsecured Loan
- Kal Country Club has used Debentures Successfully in the Past
- VPA Debenture Plan (for Members Only)
 - Issued in Units of **\$2,500** paying out **3% Interest** Annually
 - Interest Only Until 1 Oct 2023
 - Commitment to be Paid Back over 10 Year period with Best Effort for Much Sooner (Cash Flow Projections support “much sooner”)
 - Estate Payout Priority
 - Transferable

How Can We **All** Help?

Debentures



- To Be Successful, What is it going to Take?
- We Probably need to raise on the order of \$800,000 via Debentures. To reach \$800,000, we will need:
 - Lots of members subscribing to 1 or more units (\$2.5k)
 - Some members subscribing to large amounts (> \$50,000)
- Clear legal documents drafted

How Can We **All** Help?

Pre-Paid Play Fees



- Your Contribution is Held “On-Account” as a Credit
- As You Play Your Credit Draws Down by the Monthly Play Fee (\$60 plus GST)
 - For Example: \$2,000 pre-paid to Credit Account - Member is Playing in Vernon 9 months per year - the Credit would last 3.5 years
 - Credit Balance is Transferable and Estate Only Redeemable
 - 3% Annual Interest (in credit \$) paid on your 1 July balance.
 - Pre-Payment Limit \$10,000 per Member
- Clear Accounting Measures In Place

How Can We **All** Help?

Pre-Paid Play Fees

- To Be Successful, What is it going to Take?
- We Probably need to raise on the order of \$400,000 via Pre-Paid Play Fees. To reach \$400,000, we will need:
 - Lots of members depositing \$2,000 into their Playing Fees Credit Account (probably less than 200 members) - still need cash flow
 - Some members subscribing up to the Maximum (\$10,000)



Cash Flow Projections

Funding Scenario



- Funding Scenario dependant on Membership Response to the 3 Options
- For Illustration Purposes, the Following Conservative Cash Flow Projections Assume:
 - \$0 Donations
 - \$800,000 Debentures
 - \$400,000 Pre-Paid Fees
- No Membership Growth (assuming only 400 members)
- No Sponsorship Growth

— Just an Example Mix of 3 Options

Income & Expense

Year ending 31 Aug 2021

INCOME	Yr Ending	31 Aug 21	31 Aug 22	31 Aug 23	31 Aug 24	31 Aug 25
Play Passes & Fees		\$90,335				
Annual Dues		\$32,000				
Other Income		\$27,082				
Total Income		\$149,417				
			Play Passes minus Pre-Paid (For 8 months)			
EXPENSES						
Utilities						
Wages						
Other Expenses						
Total Expenses						
NET Operating Income						
CAPITAL PROJECT COSTS						
Loan #1 Payments						
Debenture Interest - 3%						
Debenture repayment						
Capital Reserve						
NET CASH						
Opening Balance						
Closing BALANCE						

Income & Expense

Year ending 31 Aug 2021

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Annual Dues		\$32,000				
Other Income		\$27,082				
Total Income		\$149,417				
EXPENSES						
Utilities		\$33,000				
Wages		\$26,666				
Other Expenses		\$23,551				
Total Expenses		\$83,217				
NET Operating Income		\$66,200	8 Months - Initial Part Year			
CAPITAL PROJECT COSTS						
Loan #1 Payments						
Debenture Interest - 3%						
Debenture repayment						
Capital Reserve						
NET CASH						
Opening Balance						
Closing BALANCE						

Income & Expense

Year ending 31 Aug 2021

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EXPENSES						
Utilities		\$33,000				
Wages		\$26,666				
Other Expenses		\$23,551				
Total Expenses		\$83,217				
NET Operating Income		\$66,200				
CAPITAL PROJECT COSTS						
Loan #1 Payments		-\$20,000				
Debenture Interest - 3%		-\$24,000				
Debenture repayment		\$0				
Capital Reserve		\$0				
NET CASH		\$22,200				
Opening Balance						
Closing BALANCE						

Current loan payment (400 members x \$50)

\$800,000 x 3%

Income & Expense

Year ending 31 Aug 2021

INCOME	Yr Ending	31 Aug 21	31 Aug 22	31 Aug 23	31 Aug 24	31 Aug 25
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Annual Dues		\$32,000				
Other Income		\$27,082				
Total Income		\$149,417				
EXPENSES						
Utilities		\$33,000				
Wages		\$26,666				
Other Expenses		\$23,551				
Total Expenses		\$83,217				
NET Operating Income		\$66,200				
CAPITAL PROJECT COSTS						
Loan #1 Payments		-\$20,000				
Debenture Interest - 3%		-\$24,000				
Debenture repayment		\$0				
Capital Reserve		\$0				
NET CASH		\$22,200				
Opening Balance		\$71,258				
Closing BALANCE		\$93,458				

Income & Expense

Years 2021 - 2025

INCOME	Yr Ending	31 Aug 21	31 Aug 22	31 Aug 23	31 Aug 24	31 Aug 25
Play Passes & Fees		\$90,335	\$112,000	\$145,333	\$162,000	\$197,166
Annual Dues		\$32,000	\$32,000	\$32,000	\$32,000	\$32,000
Other Income		\$27,082	\$41,414	\$41,753	\$42,099	\$42,453
Total Income		\$149,417	\$185,414	\$219,086	\$236,099	\$271,619
EXPENSES						
Utilities		\$33,000	\$50,000	\$51,100	\$52,224	\$53,373
Wages		\$26,666	\$40,000	\$40,880	\$41,779	\$42,699
Other Expenses		\$23,551	\$23,999	\$24,457	\$24,926	\$25,404
Total Expenses		\$83,217	\$113,999	\$116,437	\$118,929	\$121,476
NET Operating Income		\$66,200	\$71,414	\$102,648	\$117,170	\$150,143
CAPITAL PROJECT COSTS						
Loan #1 Payments		-\$20,000	-\$20,000	-\$20,000	-\$20,000	-\$20,000
Debenture Interest - 3%		-\$24,000	-\$24,000	-\$24,000	-\$21,600	-\$19,200
Debenture repayment		\$0	\$0	\$0	-\$80,000	-\$80,000
Capital Reserve		\$0	\$0	\$0	-\$25,000	-\$25,000
NET CASH		\$22,200	\$27,414	\$58,648	-\$29,430	\$5,943
Opening Balance		\$71,258	\$93,458	\$120,872	\$179,520	\$150,090
Closing BALANCE		\$93,458	\$120,872	\$179,520	\$150,090	\$156,033

Income & Expense

Years 2026 - 2030

INCOME	Yr Ending	31 Aug 26	31 Aug 27	31 Aug 28	31 Aug 29	31 Aug 30
Play Passes & Fees		203,000	203,000	203,000	203,000	203,000
Annual Dues		32,000	32,000	32,000	32,000	32,000
Other Income		43,123	43,808	44,508	45,223	45,954
Total Income		278,123	278,808	279,508	280,223	280,954
EXPENSES						
Utilities		54,547	55,747	56,974	58,227	59,508
Wages		43,638	44,598	45,579	46,582	47,607
Other Expenses		25,893	26,393	26,904	27,426	27,960
Total Expenses		124,079	126,739	129,457	132,235	135,075
NET Operating Income		154,045	152,070	150,051	147,988	145,879
CAPITAL PROJECT COSTS						
Loan #1 Payments		(11,600)	-0	-0	-0	-0
Debenture Interest - 3%		(16,800)	(14,400)	(12,000)	(9,600)	(7,200)
Debenture repayment		(80,000)	(80,000)	(80,000)	(80,000)	(80,000)
Capital Reserve		(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
				2030 Capital Reserve Balance		+\$150,000
NET CASH		20,645	32,670	33,051	33,388	33,679
Opening Balance		156,033	176,678	209,348	242,399	275,786
Closing BALANCE		176,678	209,348	242,399	275,786	309,466

Financial Risk Management



Financial Cushion?

- Annual “Cash Flow Positive” with Pessimistic Expense Estimates = Buffer for the Unexpected
- Strong Year-Over-Year Cash Balances = Operational Contingency \$\$
- Capital Reserve Balance = Further Financial Buffer
- Membership Growth - historically > net 50 per year
 - No provision for Member Growth in Projections
 - 50 new members = \$20,000 in extra cash flow
 - 50 New Members / year = +\$60,000 in Annual Cash flow in 3 years

Income & Expense

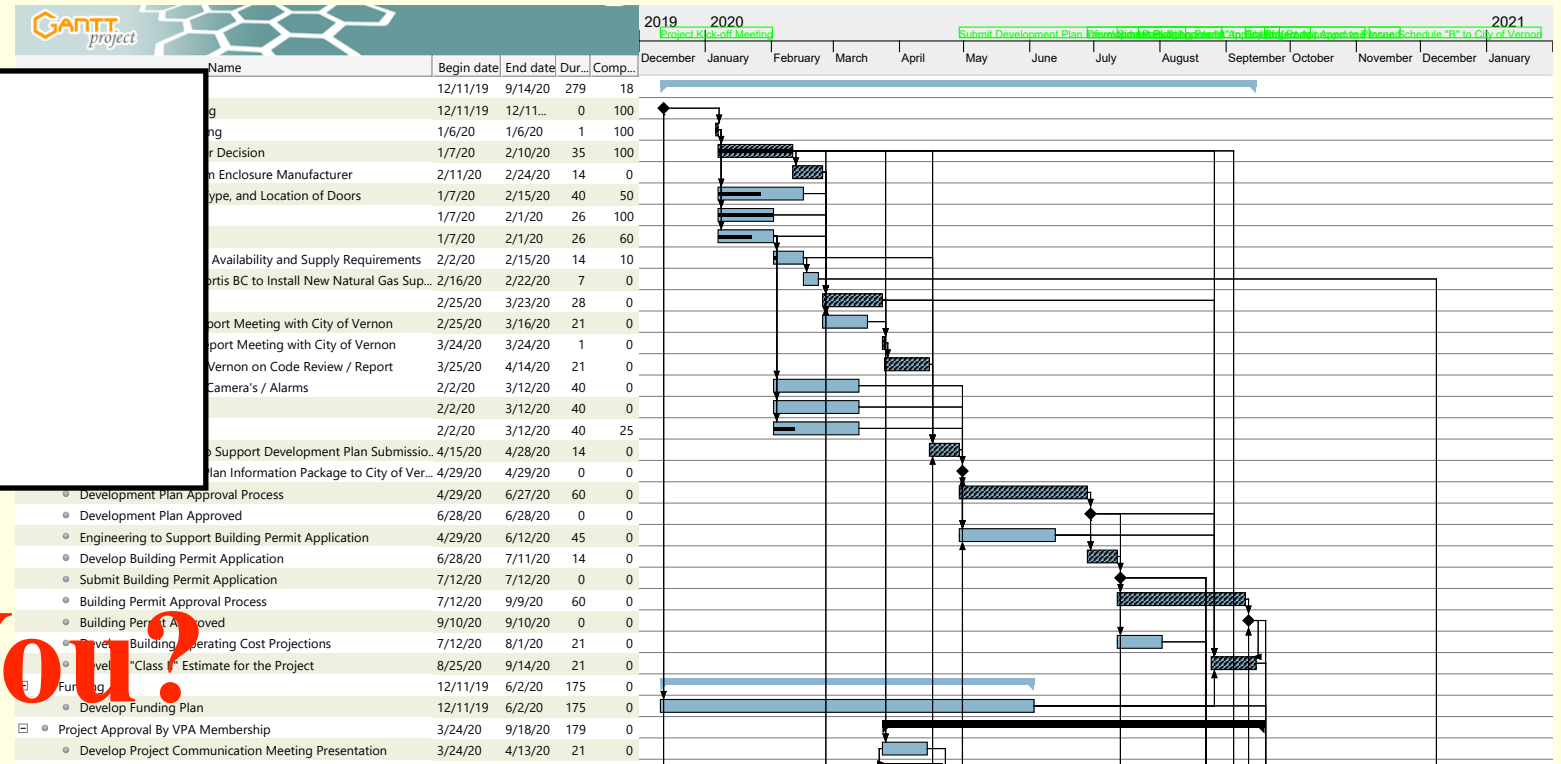
Years 2026 - 2030

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Other Income		43,123	43,808	44,508	45,223	45,954
Total Income		278,123	278,808	279,508	280,223	280,954
EXPENSES						
Utilities		54,547	55,717	56,071	58,227	59,508
Wages		43,633	43,808	44,508	46,582	47,607
Other Expenses		25,899	25,899	27,426	27,426	27,960
Total Expenses		124,079	125,424	128,005	132,235	135,075
NET Operating Income		154,045	152,070	150,051	147,988	145,879
CAPITAL PROJECT COSTS						
Loan #1 Payments		(11,600)	-0	-0	-0	-0
Debenture Interest - 3%		(16,800)	(14,400)	(12,000)	(9,600)	(7,200)
Debenture repayment		(80,000)	(80,000)	(80,000)	(80,000)	(80,000)
Capital Reserve		(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
2030 Capital Reserve Balance						+\$150,000
NET CASH		20,645	32,670	33,051	33,388	33,679
Opening Balance		156,033	176,678	209,348	242,399	275,786
Closing BALANCE		176,678	209,348	242,399	275,786	309,466

**in 2030 - over \$450,000 in "Buffer"
& then add in inevitable
Membership Growth**

Gantt Chart

Timeline

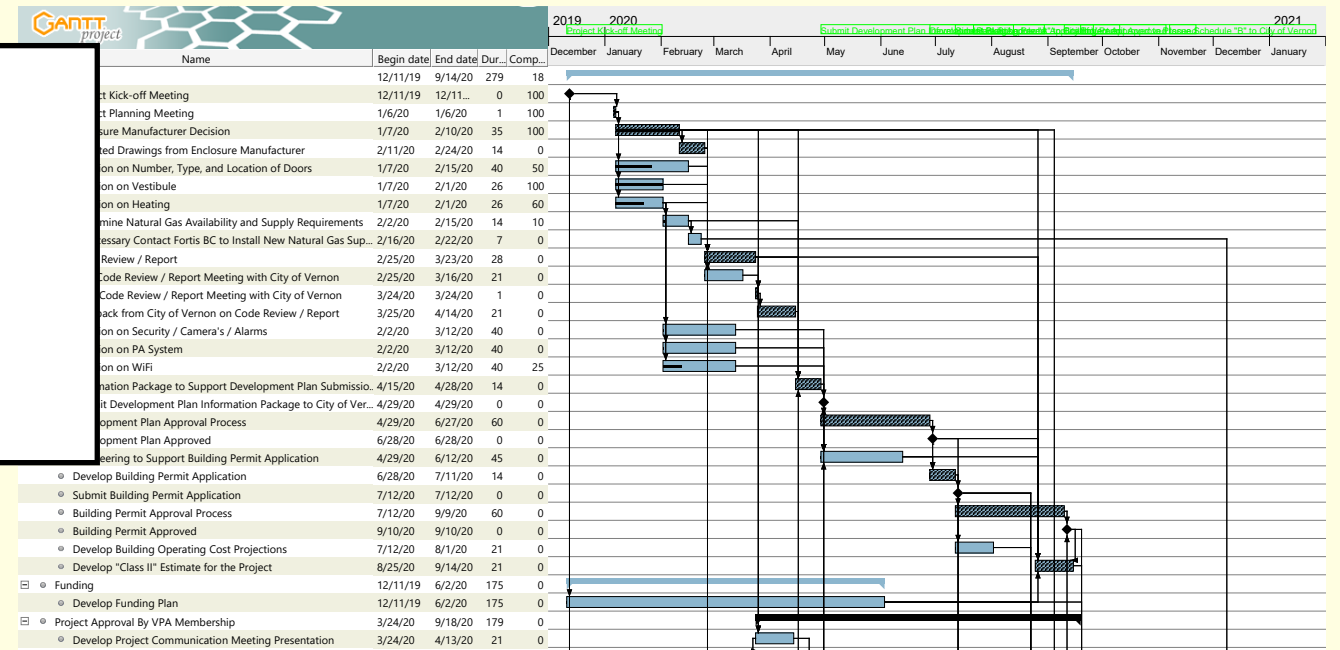


Is It Urgent for You?

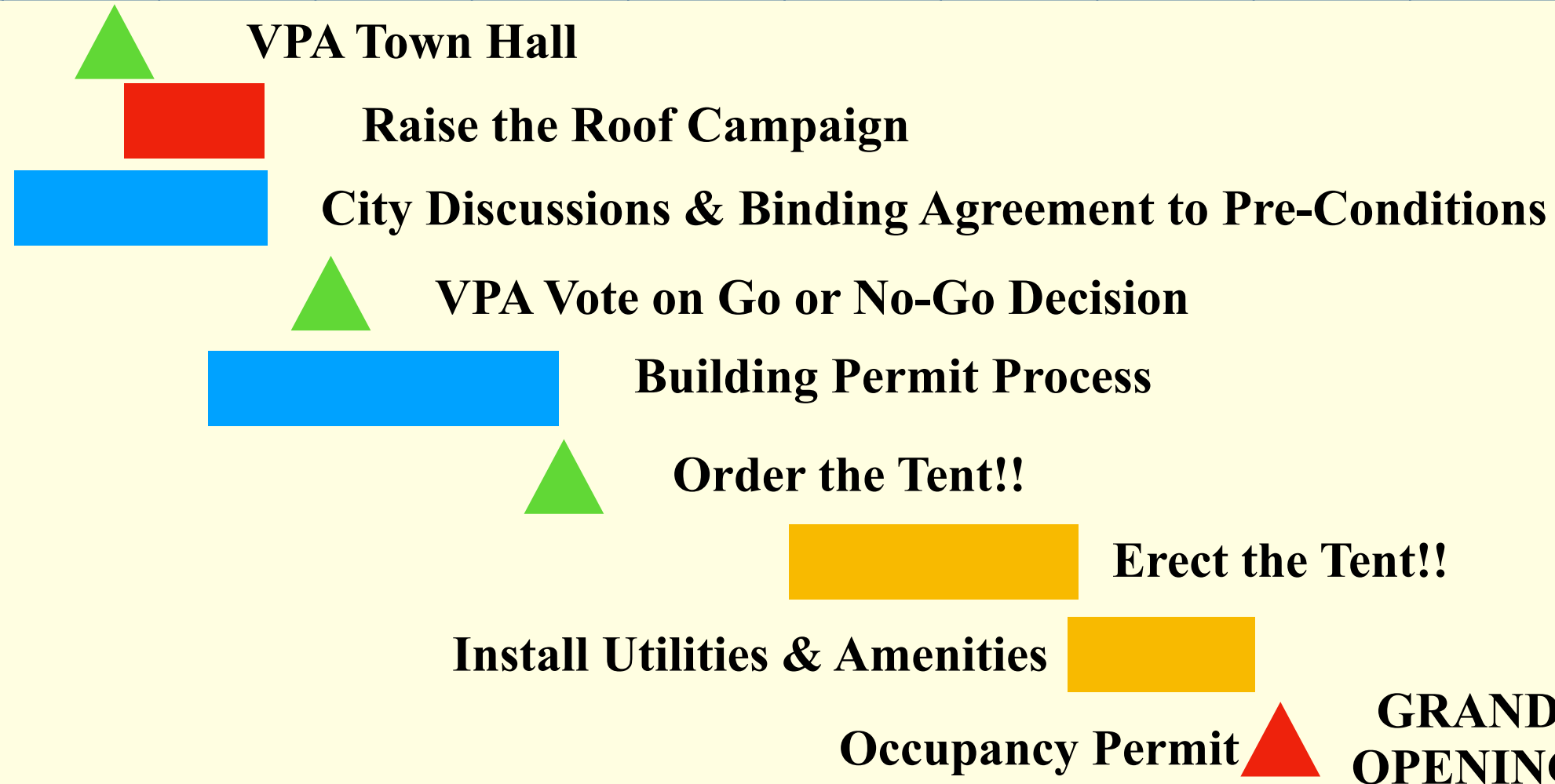
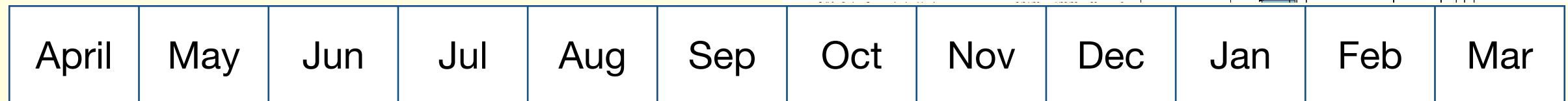
- Design Committee has mapped out the Tasks & Schedule in Detail
- The Biggest Schedule “Unknown” is the time to get through the Building Permit activities at City Hall - we have asked for “fast track” Assistance
- Time to “Erect the Tent” is only about 6 weeks.
- Additional Time for Installation of Heating, Fans & Lighting

Best Case Timeline

Gantt Chart



2020



Call to Action

Your Help is Needed!

- How Can We Meet the Challenge?
- We Can Do It If the **WHOLE** Club Gets Behind the Vision
- We Need Collective Enthusiasm and ACTION !!!!
- You All Need to Talk about this Amazing Opportunity
- Get the Conversations Started & Multiplying



THIS IS YOUR CALL TO ACTION

Call to Action



What Will It Take?

- It will take Members who did not have the Opportunity to Donate in Phase I to Donate within their Means Now - Remember Donations are Matched 1 to 1 !!
- It will take Members Subscribing to Multiple Debenture Units
 - Some Members wanting Large Amounts - (3% is a lot better than bank deposit rates)
- It will take Lots of Members making Significant Deposits into Pre-Paid Fee Credit Account (also Pays 3% in Credits)
- We Need Many Members to Utilized Multiple Options to Help

Call to Action

What Will It Take?

- We All Get the Conversations Going
- Think About How **YOU** Can Help (More Detail to Follow by Email)
- Lets **Invest** in Our Pickleball Healthy Lifestyle
- Lets **Own** Our VPA Pickleball Future



It Takes a Community to Raise a Roof



QUESTION TIME

- “Raise your Hand” for Verbal Questions & Comments, or
- Type in your Written Questions & Comments, or
- Later - send in your Questions via Email to:
robertairving@gmail.com