



## **APTA Grant Application**

March 2013

Launching Platform Tennis in Charlotte, NC

### **Olde Providence Racquet Club**

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Olde Providence Racquet Club (“OPRC”) is seeking to partner with the American Platform Tennis Association to bring the first Platform Tennis courts to the Charlotte, NC area and grow the sport in the region. In pursuit of these goals, OPRC is seeking a \$20,000 grant from the APTA to complete financing for the purchase of two refurbished courts.

### **About OPRC**

- Olde Providence Racquet Club is located in Charlotte, NC, approximately nine miles south of the downtown area
- It is situated on 55 acres and features a 16,500-foot clubhouse and fitness facility, 32 outdoor tennis courts (28 clay and four hard courts), five indoor tennis courts, and a junior Olympic pool and pool house; OPRC is the third largest tennis facility in the Southeastern United States
- Approximately 910 households maintain some level of membership; the current mix is 580 resident memberships, 150 senior memberships, and 180 swim-only memberships; OPRC’s membership base includes over 2,500 people who have access to our facilities
- Founded in 1962; OPRC began hosting tennis tournaments and exhibitions in 1965, including two Davis Cups (1972, 1992), the U.S. Mens Clay Court Championships (1991-1993), World Team Tennis, and the Federation Cup (2002)
- Anyone can join OPRC; the club has five categories of membership giving potential members greater flexibility in customizing their experience to their interests and to what is affordable to them



## **Why Build a Platform Tennis (“PT”) Program in Charlotte?**

1. Charlotte, with a population of 750,000, is the 17<sup>th</sup> largest U.S. city; it's the largest city in North Carolina and is nearly twice the size of Raleigh, the second largest city<sup>1</sup>
2. Demographic data implies the Charlotte area continues to grow through migration of people from traditional Platform Tennis markets in the North
  - For the past 40 years, the U.S. population has been migrating out of the Northeast and Midwest (traditional Platform Tennis regions) and into the South and West; the South has been the primary beneficiary averaging 82% share of the gains over those 40 years and averaging 95-99% during 1995-2010<sup>2</sup>
  - Amongst the list of top 15 states from which people moved to North Carolina during 2009-2011 are eight traditional Platform Tennis states: New York (#4), Pennsylvania (#8), New Jersey (#9), Ohio (#10), Maryland (#11), Michigan (#12), Massachusetts (#14), and Illinois (#15)<sup>3</sup>
  - Charlotte, NC is located in Mecklenburg County, which was the second-fastest-growing county in the state in both total growth and growth from migration for 2011 (#1 is smaller Wake County including Chapel Hill); total population grew 2.3%, which is nearly twice the state average<sup>4</sup>; the same is true for 2000-2009 when total population grew 30.4%<sup>5</sup>
  - Charlotte is home to several multinational companies, which are recruiting and moving people to the city from those traditional Platform Tennis markets
    - The Charlotte area ranked #8 in 2011 in terms of cities with the most Fortune 500 company headquarters with eight: Bank of America, Lowe's, Nucor, Duke Energy, Family Dollar, Sonic Automotive, Domtar, and SPX; only two Platform Tennis market cities rank better (New York #1, Atlanta #3)<sup>6</sup>
    - 264 of the 2011 Fortune 500 companies have operations in the Charlotte area<sup>7</sup>

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<sup>1</sup> “Annual Estimates of the Resident Population for Incorporated Places over 50,000, Ranked by July 1, 2011 Population: April 1, 2010 to July 1, 2011.” U.S. Census Bureau, July 2011.  
(<http://www.census.gov/popest/data/cities/totals/2011>)

<sup>2</sup> Ihrke, David K & Faber, Carol S, “Geographical Mobility: 2005-2010.” Page 7. U.S. Census Bureau, December 2012. (<http://www.census.gov/prod/2012pubs/p20-567.pdf>)

<sup>3</sup> “State-to-State Migration Flows.” U.S. Census Bureau, 2009-2011.  
(<http://www.census.gov/hhes/migration/data/acs/state-to-state.html>)

<sup>4</sup> “2011 Certified County Population Estimates – Fastest Growing.” North Carolina Office of State Budget & Management.  
([http://www.osbm.state.nc.us/ncosbm/facts\\_and\\_figures/socioeconomic\\_data/population\\_estimates/demog/count\\_ygrowth\\_fastest\\_2011.html](http://www.osbm.state.nc.us/ncosbm/facts_and_figures/socioeconomic_data/population_estimates/demog/count_ygrowth_fastest_2011.html))

<sup>5</sup> “2009 Revised County Population Estimates.” North Carolina Office of State Budget & Management.  
([http://www.osbm.state.nc.us/ncosbm/facts\\_and\\_figures/socioeconomic\\_data/population\\_estimates/demog/count\\_ygrowth\\_2009.html](http://www.osbm.state.nc.us/ncosbm/facts_and_figures/socioeconomic_data/population_estimates/demog/count_ygrowth_2009.html))

<sup>6</sup> “Business Community Profile: Fortune 500 Companies.” Charlotte Chamber of Commerce.  
(<http://charlottechamber.com/business-profile/fortune-500-companies/>)

<sup>7</sup> “Business Community Profile: Fortune 500 Companies.” Charlotte Chamber of Commerce.  
(<http://charlottechamber.com/business-profile/fortune-500-companies/>)



3. Charlotte is a significant and growing market for tennis, which provides a target population for attracting new players to the game of Platform Tennis; from 2004-2009, Greater Charlotte Area USTA membership grew 36%, significantly outpacing the national growth rate, and USTA league participation in the area increased 52%<sup>8</sup>
4. Charlotte is well-situated between several Platform Tennis programs, which provides numerous opportunities for not only establishing a program in Charlotte, but growing the sport in the region
  - Winston-Salem, NC: 1.5hrs / 80 miles north of Charlotte
  - Lake Lure, NC: 2hrs / 90 miles west of Charlotte
  - Chapel Hill, NC: 2.5hrs / 140 miles northeast of Charlotte
  - Charleston, SC: 3.5hrs / 210 miles south of Charlotte
  - Atlanta, GA: 4hrs / 245 miles southwest of Charlotte
5. Charlotte's climate is suitable for play
  - December through March, normal lows are in the 30s; December through February, normal daily averages are below 45<sup>9</sup>
  - With the introduction of a summer ball by Viking and Wilson, the season can be extended year-round

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<sup>8</sup> "New to Charlotte Tennis?" Charlotte USTA.

([http://www.charlotte.usta.com/New\\_to\\_Charlotte\\_Tennis\\_/GET\\_IN\\_ON\\_THE\\_ACTION/](http://www.charlotte.usta.com/New_to_Charlotte_Tennis_/GET_IN_ON_THE_ACTION/))

<sup>9</sup> "Charlotte Area Detailed Climate Information." NOAA. (<http://www.erh.noaa.gov/gsp/climate/cltcli.htm>)



### **Why Partner with OPRC to Build a Charlotte PT Program?**

1. OPRC is the premier tennis facility in the Charlotte area due to its engagement with the community as host to leagues and tournaments, its facilities, its programming, and its active membership; as such, OPRC is best positioned to introduce Platform Tennis to the traditional tennis players in Charlotte who have not experienced the game
2. OPRC has attracted significant interest from Platform Tennis players in the area
  - 26 existing OPRC members have pledged to financially support the project
  - Nine non-members have pledged to join OPRC for Platform Tennis
  - 210 of 262 members who voted were in favor of adding Platform Tennis courts (80% support)
  - OPRC has generated additional interest in the community via a Facebook site and is coordinated with a third-party website ([www.charlottepaddle.org](http://www.charlottepaddle.org)), which has attracted over 10,000 visits
3. OPRC is committed to building a Platform Tennis program
  - The Board of Directors has made Platform Tennis one of its strategic priorities; Platform Tennis differentiates OPRC from its competition, increases membership value, and will help reduce attrition
  - OPRC intends to build a strong program, which it expects will drive demand for additional courts in the future
  - OPRC intends to foster greater demand in the community such that other courts are eventually built in the Charlotte allowing for intra-city league play
  - OPRC has had conversations and meetings with the managements of other North Carolina clubs offering Platform Tennis (Chapel Hill Tennis Club in Carrboro, Forsyth Country Club in Winston-Salem, and Old Town Country Club in Winston-Salem) in an effort to thoroughly evaluate the viability of a program, identify the requirements for building a successful program, and establish a working relationship for growing the sport
4. OPRC's professional staff includes a former Platform Tennis instructor, who will seek PPTA certification, teach lessons, and build awareness of the sport
5. OPRC will be an APTA Member Club and encourage all of its PT players to join the APTA as well; in addition, league play at OPRC will only be open to APTA Members



## **OPRC's Installation Plan**

1. Board of Director approval in February 2013 and Member approval in March 2013
2. Move forward with court manufacturer in March 2013; target end of summer 2013 for completed installation
3. 2013 installation costs
  - Court manufacturer
    - \$83,700 for two refurbished Precision-brand Combo courts, installed with lights and two sets of stairs
    - \$1,900 for an aluminum walkway between / connecting the two courts
    - \$2,000 for an additional two sets of stairs to the other two court doors
    - \$6,050 for undercarriage enclosure
  - Local contractor
    - \$1,200 for permitting
    - \$1,200 for electrical connection of lights to power source
4. Financing
  - Manufacturer's installment payment plan (0% interest)
    - 60% / \$56,190 due at installation
    - 20% / \$18,730 due at the first anniversary of installation
    - 20% / \$18,730 due at the second anniversary
  - APTA grant: \$20,000 (APTA may pay manufacturer directly)
  - Private financing from members and non-members
    - \$28,500 in donations
    - \$45,500 in back-stop loans, if needed
5. Court installation will be in an area which provides growth to three courts and is adjacent to OPRC's indoor tennis court building with restrooms and a viewing room overlooking the Platform Tennis courts; additional expansion space is available nearby



### **OPRC's PT Financial Projections**

- Manufacturer's installment plan allows OPRC to spread its funding requirements comfortably over two years
- Year 1 installation costs (\$58,600) will be funded through the donations (\$28,500) and new member initiation fees and dues (9 commitments; \$9,600) with the balance coming from an APTA grant and a draw on the back-stop loans
- Year 2 manufacturer installment (\$18,730) will be funded through new member initiation fees (budgeting net 8; \$5,800) and member dues (17 total; \$7,900) with the balance coming from a draw on the back-stop loans
- Year 3 manufacturer installment (\$18,730) will be funded through new member initiation fees (budgeting net 9; \$7,500) and member dues (26 total; \$12,000) with the balance coming from a draw on the back-stop loans
- OPRC has not budgeted for other expected revenues (instruction, pro shop, etc)
- Interest and principal repayment on any back-stop loan draw will be repaid last from any Platform Tennis funds available (Platform Tennis membership fees less manufacturer debt service less Platform Tennis operating expenses)
- OPRC expects the Platform Tennis program to be debt-free by year four and well on its way to acquiring a third court within six years



### **Items of Interest to the APTA Growth Committee**

1. Without APTA assistance, installation would likely not occur
  - OPRC has a significant amount of bank debt and is operating below target membership levels (93% capacity)
  - A recent, modest assessment (\$500/member) primarily for overdue maintenance led to a sudden and sharp loss of 5% of the member base
  - As such, the OPRC board and membership required Platform Tennis to be self-financing
  - Private fundraising was robust, but has not fully financed the project; we believe a grant, rather than additional loans, is the only way to achieve viability for the project
  - OPRC is not in a position to seek additional bank financing nor guarantee the private back-stop loans
  - OPRC's board requires that the APTA grant be submitted, the private donations and loan commitments be secured, and five Platform Tennis members join the club before it will move forward with the manufacturer; our goal is to meet these conditions by March 31, 2013
  - Should an APTA grant not be awarded and/or membership growth not occur, OPRC's board will review the PT program's viability and consider selling the courts if necessary to repay the private loans
2. An APTA grant of \$20,000 represents a fraction (20%) of the total project costs, with private funding (30%) and new member fees (50%) providing the bulk of the financing





3. Dues structure is affordable, open to the general public, and membership is diverse
  - OPRC is introducing two new membership categories to provide a lower-cost point of access
    - “Platform Tennis-Only” membership
      - Initiation fee: \$600
      - Annual dues: \$500
      - Privileges: access to Platform Tennis courts and reservation system, access to the Indoor Court restrooms and observation room adjacent to the Platform Tennis courts, and attendance at all PT social events
    - “Athletic” membership
      - Initiation fee: \$1,500
      - Annual dues: \$900
      - Privileges: access to the Platform Tennis courts and reservation system, access to the Indoor Court restrooms and observation room adjacent to the Platform Tennis courts, access to the swim facilities and fitness facilities, and attendance at all OPRC social events
    - These two new categories are in addition to three existing membership categories, Swim-Only, Full Club, and Senior
  - OPRC has approximately 730 households which are Full Club Members or Senior Members, who will have access to the Platform Tennis courts; Swim-Only Members will not have access to the PT courts unless they upgrade to an Athletic Membership
  - Anyone can join OPRC through one of these memberships
4. The Charlotte area is home to a significant number of players and potential players alike
  - 26 existing OPRC members have pledged to financially support the project
  - Nine non-members have pledged to join OPRC for Platform Tennis
  - OPRC has generated additional interest in the community via a Facebook site and is coordinated with a third-party website ([www.charlottepaddle.org](http://www.charlottepaddle.org)), which has attracted over 10,000 visits
  - OPRC is considering several opportunities to showcase the sport and the club in an effort to grow the number of players and membership, which may include public open houses, free guest passes, public clinics, trial memberships, etc
  - OPRC intends to publicize its court installation through the local media, social networking sites, and word of mouth



5. OPRC and its Platform Tennis committee will be a strong sponsor
  - Certain members began exploring Platform Tennis in 2010; an exploratory committee was established in 2011 with the support of the Board of Directors; Platform Tennis will maintain its own Committee and be represented by a member on OPRC's Board of Directors
  - 26 OPRC members and five non-members have made personal commitments to finance the project and will have a vested interest in growing the sport in Charlotte; included in the OPRC contingent are five current OPRC Board Members and six OPRC Past Club Presidents
  - The OPRC Board of Directors has made Platform Tennis one of its strategic priorities
  - OPRC has established dialogue with three other North Carolina clubs and will continue to work with these and other clubs for the purpose of growing a successful program in Charlotte and the region
  - OPRC will be an APTA Member Club and encourage all of its PT players to join the APTA as well; in addition, league play at OPRC will only be open to APTA Members
  - OPRC would like to host an APTA clinic or exhibition early autumn 2013, following the installation
6. OPRC's objective is to establish a strong program, including full debt repayment, within three to five years
  - OPRC has conservatively budgeted membership growth; from nine commitments for 2013 to 26 members by 2015 and 53 by 2017
  - With an APTA grant, OPRC expects the Platform Tennis program to be debt-free within four years and well on its way to acquiring a third court within six years
  - OPRC hopes its aforementioned plans to publicize the courts and provide affordable access will allow it to exceed its membership growth budget, repay manufacturer and private lenders ahead of plan, and acquire additional courts earlier the expected



7. OPRC received and evaluated six total bids from two court manufacturers; figures below are for one court
- Reilly Green Mountain
    - \$55,850 new traditional Reilly-brand court
    - \$47,850 refurbished traditional Reilly-brand court
    - \$41,850 refurbished traditional Precision-brand court
    - \$23,850 new on-ground Reilly-brand court
  - Total Platform Tennis
    - \$65,800 new traditional court
    - \$42,300 new on-ground court
  - In addition, we attempted to reach Advantage / BulletWorks and learned they have suspended operations



**Appendix 1: Platform Tennis Budget**

	2013	2014	2015	2016	2017
<b>MEMBERSHIP</b>					
PT Only					
New	8	8	10	12	15
Attrition	<u>0</u>	<u>2</u>	<u>3</u>	<u>3</u>	<u>4</u>
Net	8	14	21	30	41
Athletic					
New	1	2	3	4	5
Attrition	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>1</u>
Net	<u>1</u>	<u>3</u>	<u>5</u>	<u>8</u>	<u>12</u>
<b>Total New PT Members</b>	<b>9</b>	<b>17</b>	<b>26</b>	<b>38</b>	<b>53</b>

<b>SOURCES OF CASH</b>						
PT Only Initiation Fees	\$ 600	\$ 4,800	\$ 4,800	\$ 6,000	\$ 7,200	\$ 9,000
PT Only Annual Dues	\$ 500	\$ 4,000	\$ 7,000	\$ 10,500	\$ 15,000	\$ 20,500
Athletic Initiation Fees (33%)	\$ 1,500	\$ 500	\$ 1,000	\$ 1,500	\$ 2,000	\$ 2,500
Athletic Annual Dues (33%)	\$ 900	\$ 300	\$ 900	\$ 1,500	\$ 2,400	\$ 3,600
Donations		\$ 28,500	\$ -	\$ -	\$ -	\$ -
Loan Borrow	\$ 45,500	\$ 600	\$ 6,000	\$ 300	\$ -	\$ -
APTA Grant		\$ 20,000	\$ -	\$ -	\$ -	\$ -
Instruction		\$ -	\$ -	\$ -	\$ -	\$ -
Pro Shop		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Sources of Cash</b>		<b>\$ 58,700</b>	<b>\$ 19,700</b>	<b>\$ 19,800</b>	<b>\$ 26,600</b>	<b>\$ 35,600</b>

<b>USES OF CASH</b>						
Court Manufacturer	\$ 93,650	\$ 56,190	\$ 18,730	\$ 18,730	\$ -	\$ -
Local Contractor		\$ 2,400	\$ -	\$ -	\$ -	\$ -
Court Maintenance		\$ -	\$ -	\$ -	\$ -	\$ 7,000
Interest Expense	15%	\$ 90	\$ 990	\$ 1,035	\$ 1,035	\$ -
Loan Repayment		\$ -	\$ -	\$ -	\$ 6,900	\$ -
<b>Total Uses of Cash</b>		<b>\$ 58,680</b>	<b>\$ 19,720</b>	<b>\$ 19,765</b>	<b>\$ 7,935</b>	<b>\$ 7,000</b>
<b>Net Cash Flow</b>		<b>\$ 20</b>	<b>\$ (20)</b>	<b>\$ 35</b>	<b>\$ 18,665</b>	<b>\$ 28,600</b>

PT Program Cash	\$ -	\$ 20	\$ -	\$ 35	\$ 18,700	\$ 47,300
Loan Balance	\$ -	\$ 600	\$ 6,600	\$ 6,900	\$ -	\$ -



## Appendix 2: Court Location

The court location will be in close proximity to OPRC's Indoor Facility, which includes a dedicated parking lot, indoor bathrooms, and an 800 square foot club room



### Appendix 3



#### Letter from OPRC General Manager

As the general manager of Olde Providence Racquet Club I am very excited about the addition of paddle tennis courts to our facility this summer. Our active membership includes many families whom have relocated to Charlotte from the northeast, where they enjoyed playing paddle tennis at their previous clubs. These members have been unanimous in their support of bringing PT to our Club and plan to play regularly once the courts are installed.

With word spreading that Olde Providence will soon feature Charlotte's first (and only) platform tennis courts I am pleased to say we are receiving phone calls about membership options. Also, one of our OP tennis pros previously worked at a club in Philadelphia and taught platform tennis there. He has already begun to plan out clinics and leagues for our members for the fall season.

I am certain the addition of platform tennis will prove to be a very popular amenity at our Club, and I foresee the sport growing rapidly in Charlotte once tennis players are given a chance to play. With our location between Raleigh and Atlanta, Charlotte could grow into a hub of PT activity and become the host site for numerous competitions between the three cities. The support of an APTA grant would help greatly in turning this vision into reality.

All the best,

Kim Perino

General Manager

#### **Olde Providence Racquet Club**

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