

# The next youth sports arms race

Massive sports complexes are latest front in war for visitors, dollars

By Roman Stubbs

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WESTFIELD, Ind. — Andy Card sat inside his favorite Mexican restaurant in an Indianapolis suburb after his son's high school basketball game a decade ago and, over a burrito, began to draw his first design of a youth sports facility on a napkin. He had traveled the country for his sons' sports for years, visiting one discombobulated tournament after another, often watching his kids compete in auxiliary gyms without air conditioning, always transfixed by the thousands of athletes and their parents who would pay for events time and time again.

"This has got to be a business," Card told himself after one particularly hellish trip to Las Vegas that saw him racing his sons from one end of the city to another to play in different gyms.

A lifelong entrepreneur who steered his trucking and pizza companies through the Great Recession, he came home after that trip and decided to sell both. Two years later, he had raised roughly \$9 million to help build an indoor basketball facility on the edge of Grand Park Sports Campus in Westfield, a 400-acre complex that will draw an estimated 2.5 million visitors this year with its 26 baseball and softball diamonds and 31 fields for soccer, football and lacrosse.

Nearly 60 percent of the country's youth play organized sports, according to some estimates. Families spend more than a combined \$30 billion per year on their kids to participate, according to the Aspen Institute, with travel costs exceeding registration, equipment and private coaching, underscoring the increasing gap between elite competition and traditional recreation programs. The youth sports industry grew by a reported 55 percent from 2010 to 2017 and is worth an estimated \$19 billion — more than the revenue of the NFL or NBA. It's an increasingly professionalized landscape where parents and their kids are looking to cash in on their own brands and mom-and-pop sports clubs are operating as big businesses, leaving them ripe for abuse and financial malfeasance.

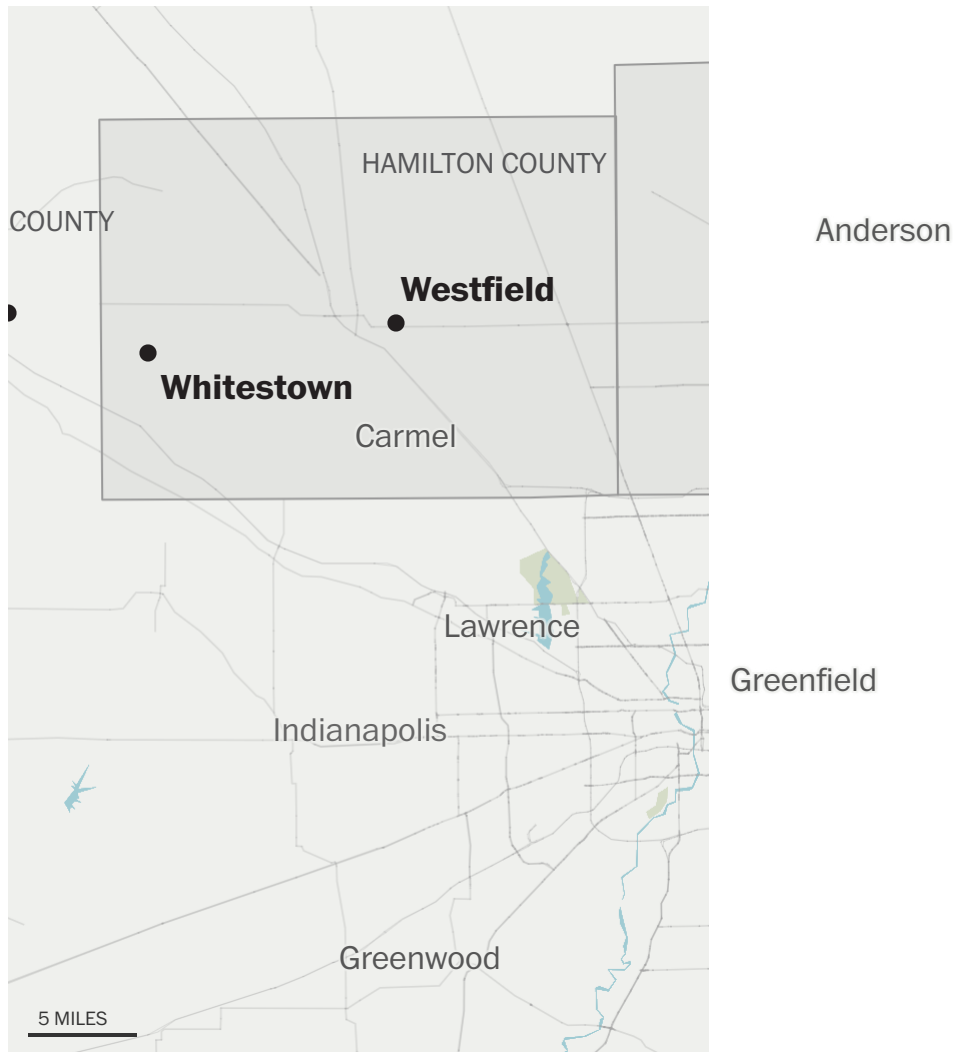
The competition often plays out at state-of-the-art facilities that have been built in the past decade. Grand Park, located about 20 miles north of Indianapolis, is a high-priced example of how the explosion of youth sports affects not just teams and players but communities and government leaders deciding how to spend tax dollars.

"This movement toward privatization of youth sport is really only going to increase that disparity in youth sport," said Cassandra Coble, an associate professor at Indiana University who researches youth sports. "We're seeing this recognition of the potential, but there is a definite dark side to that potential for communities investing in this."

When Grand Park opened in 2014, it accelerated an arms race among developers such as Card to team up with towns across the country to capitalize on youth sports as an investment, convincing community leaders and their

citizens to invest millions into facilities that would be orbited by restaurants, hotels and other infrastructure that could promise economic vitality.

Less than a half-hour drive from Grand Park, two small towns separated by just 10 miles in the Indianapolis suburbs — Lebanon and Whitestown — have announced plans to build their own complexes, projects that will cost more than \$100 million each and could break ground in the coming months. While community leaders believe there is more than enough demand to go around, those developments have invited questions about how sustainable the close-proximity projects might be in the shadow of Grand Park and whether youth sports can truly bolster their economies for years to come.



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Card is no longer sketching dreams onto napkins. He now has plans to build and operate more than a dozen youth sports complexes across the country.

“There’s competition everywhere. The barrier of entry to build these facilities now — like just starting, like any other new city would, it’s almost impossible,” said Card, who is developing the Lebanon project. “The whole business plan to have set up for these things to be sustainable — it’s very tricky. They don’t make money very quick. You just have to have the sustainability and power.”

**‘It is not making money’**

## IT IS NOT MAKING MONEY

In early May, Westfield city council member Troy Patton delivered a presentation to the city's finance committee on Grand Park's expenses. He had reiterated what had long been celebrated: Grand Park, which had been built with \$49 million in part from taxpayer dollars, had helped shape the economy of Westfield and — in growing from a population of roughly 15,000 in 2000 to more than 50,000 today — had transformed the town into one of the country's premier sports tourism attractions.

But Westfield has since launched a redevelopment commission and is soliciting bids for a new operator or owner for Grand Park, raising questions about how much the complex is worth and how it is run — but also how much risk some communities might be taking by following its example. Patton highlighted the challenges facing the campus. The city still has roughly \$80 million in debt, which cannot be assumed by any other buyer. Patton also pointed out that while Grand Park made \$6.14 million in 2021 with \$3.37 million in expenses, that didn't factor in \$2.9 million of depreciation of assets.

"Folks, I don't care whether we make money or not. ... It is meant to be an economic driver, and that it's doing," Patton told the finance committee members. "So not even talking about depreciation of \$2.9 million ... it is not making money. And that's okay, but this is for the taxpayers to understand: that Grand Park does not make money."

Make the drive into Grand Park's campus, and there are visible signs of the revenue it is creating for Westfield: lines of vehicles full of teenagers snaking around a Dairy Queen and Portillo's drive-through. Visitors pack a brewery and miniature golf sports bar. Hotel parking lots are full, forcing many families to find rooms in nearby towns.

Still, community leaders believe Grand Park must evolve or be left behind by an industry that is only becoming more competitive. More than \$9 billion have been spent on youth sports facilities since 2017, according to research conducted by Sports Business Journal, with many of those competing for the same athletes and tournaments each weekend. That includes a massive, 320-acre, \$280 million facility in Mesa, Ariz., that opened in January and is being operated by a nonprofit division of Legacy Sports USA.

"I don't know of a community in America that is not looking at their recreation and sport assets right now and trying not to think about what optimization looks like for them," said Jason Clement, CEO of Sports Facilities Companies, the largest network of tournament and community-based sports facilities in the country, which has produced at least \$15 billion in development and has another \$3 billion in complexes planned.

On a Thursday morning in early July, Grand Park was buzzing: High school baseball teams from across the country competed on several diamonds, with kids and their parents mingling at concession stands between games. A golf cart wove through the visitors, with the driver, Grand Park director Matt Trnian, waving to patrons.

Eight years ago, when Grand Park opened, Trnian was cleaning these golf carts as an intern. Today, he oversees grounds flooded with thousands of athletes and their parents each week.

It is only becoming more expensive to run the place with rising costs because of inflation. Land and facility costs have only risen, and it would cost nearly double to build Grand Park today, Trnian said. He often receives emails from leaders of other communities seeking advice on potentially operating smaller youth sports campuses, a periodic reminder that his field is only becoming more competitive.

"There are more facilities popping up, and for a community of youth sports, that's great. We're now allowing those kids to have that avenue to play at better facilities," he said. "From an internal competition standpoint, it's not something we shy away from."

# Competition down the road

Card's first development in Westfield welcomes more than 70,000 people a month, hosting youth tournaments that were once held in major cities such as Chicago and Cincinnati.

He has since built two more facilities in Indiana and has more than a dozen more in the pipeline across the country, including a "super facility" in Las Vegas and two developments in Jacksonville, Fla. The centerpiece of his Lebanon project will be a sports facility that is expected to cost about \$30 million and sits just 20 miles from Grand Park. Card is also bidding to buy Grand Park, and the 58-year-old is confident he will win the contract against more than a dozen other bidders.

"I think the city has done all they can ... but the city has taken it about as far as they have taken it," Card said. "It's time now for someone like myself that's going to inject other stuff that they haven't been able to attract."

When Card announced plans for the new field house in Lebanon in October, the moment promised to bring further momentum to the second-fastest-growing county in Indiana.

For years, Lebanon's leaders had pondered what to do with an old 95-acre lot off Interstate 65 — it had once considered an RV park and a shopping mall. As the pandemic wore on in the summer of 2020, the city opted for something better: a 270,000-square-foot multisport facility with plans for later construction of medical office buildings, restaurants, retail and resident uses. In July, the city council approved nearly \$25 million in bonds to be used for the field house.

"We really tried to keep this under wraps because we're going to kick the butts of our buddies down south here," Card told the Lebanon Reporter during the announcement last year. "Didn't want the kimono to get open too early. Now that it's open, buddy, look out!"

Card was referring to a nearby development planned in Whitestown, which sits about 10 miles from Lebanon on the edge of northwest Indianapolis and also had pledged during the pandemic to move forward with its own development on a former junkyard called Wrecks Inc. It has sat dormant for decades. The project includes a nearly 220,000-square-foot facility with at least one outdoor field, as well as residential, retail and hospitality components, with officials touting it as the next step in the exponential growth of Whitestown over the past decade — from roughly 2,800 residents in 2010 to more than 11,000 today.

Whitestown was founded in 1851 and served as a train depot between Lafayette and Indianapolis. Since that time, it has become a support system for manufacturers and a rural farming community. Thanks to I-65 and the economic development in different places of Indianapolis, logistical companies have moved in to invest, including Amazon and Wal-Mart, and city leaders have aimed to diversify its economy by attracting industries that include e-commerce, blood collection diagnostics and now youth sports. Little League relocated its Midwest headquarters to the city in 2021, building its facility on vacant farmland across from the old junkyard.

"We want to make this a place people want to come to. ... When we started to do feasibility studies and run the numbers, what really started to come to us is that the best we could do for the community is invest in youth sports," said the town's council president, Clinton Bohm. "We saw a lot of our parents, a lot of our community members are in these travel leagues — be it lacrosse or baseball or basketball — they're traveling around the state, let alone states away, to go to these tournaments and spending so much time away from our community."

How complexes in Lebanon and Whitestown and other smaller facilities across the region might coexist in such proximity to Grand Park is another question. Nathan Messer, Whitestown's director of operations and economic development, often takes his boys to Grand Park to play lacrosse because that's the closest facility. Because of turf

shortages, Messer and other families from west Indianapolis often drive 30-plus miles each way, multiple times per week, for access to practice fields.

“The demand is definitely there ... which is great for the private sector and being able to run turf space,” he said, “but there are more kids playing sports than there are facilities.”

Leaders on both projects believe there is enough demand to go around and have vowed to serve both the travel industry and those local athletes who can't afford to play with recreational programming. Both have promised quirks to their developments such as medical office buildings and trampoline parks. But some wonder, in the shadow of Grand Park, whether two such facilities will oversaturate the market.

“They're going to have to find some unique aspect to pull some of these tournaments because, at the end of the day, there are only a limited number of tournaments to be played,” said Coble, the Indiana professor. “So they're constantly competing with each other to try to be the next, new big thing. If these facilities aren't being built to benefit the community, then they're going to have to be marketed and built to compete with all the other surrounding towns that are trying to do the same thing they are.”

## ‘No better business’

The development in Lebanon is the first “super facility” that Card will build, with basketball courts and indoor turf, and he has worked closely with the mayor, Matt Gentry, for more than two years to structure the funding and planning.

“The facility, for us, is a means to an end,” Gentry said.

A tenet of Card's pitch for a public-private partnership: The facility will produce at least 1 million visitors, Card said, and there will be roughly \$425 million in development around the facility, including more than 400 high-end apartments, multiple hotels and restaurants, gas stations and a carwash. How much direct economic impact the actual facility might have — whether it is profitable or not — is less clear. Card projects the facility alone will generate about \$32 million in revenue, but that is contingent on attracting and managing events.

“There's no guarantee anybody is going to show up to Lebanon. We think it's going to happen,” Card said. “We've done all the homework like everywhere else, but I'm going to put up a \$30 million building and we haven't put one team or anything in there yet. So there is risk on that point. But I'm so confident in how we run our facilities.”

Unlike Grand Park, where about two dozen employees run the campus, Card's company handles operations at each of his facilities, aiming to host high-profile tournaments and provide programming for local athletes who might not compete on traveling teams. He calls his operations the company's “secret sauce”; it's what has enabled him to win contracts to build massive facilities in Las Vegas, Jacksonville and Lebanon, he said, while aiming to provide smaller complexes across Indiana.

“I'm trying to give the experience to youth sports that the elite kids get — because those are who are really supporting the sport. It's the kids who are never going to go to college, probably not going to play in high school,” he said.

It's also why he believes he will convince the city of Westfield to accept his bid to buy the Grand Park campus. Card has big plans for the complex. He wants to add an 8,000-seat stadium and a hockey arena as well as expand the events center and add more courts for basketball tournaments.

“It's just different when a private owner runs a facility or a business than when a city does,” he said. “The problem

It's just different when a private owner runs a facility or a business than when a city does," he said. "The problem with the city is that they don't have the resources to bring it to the next level."

On the second weekend of July, after watching a baseball game at one of Grand Park's fields, he drove to his facility to see how his high school girls' AAU tournament was running.

Hundreds of athletes and their parents packed the pavilion, which was dotted with college coaches. Card sauntered around in shorts, flip flops and a polo. He checked on his concession stands, which were stocked with salads and wraps — "Our food service is totally different with the girls than it would be for a boys' tournament," he said — and for a moment he took in the games on courts he had first sketched on a napkin a decade ago.

"Do you know how fun it is to come to work today in shorts ... and be around all of these kids and just watch them have a blast?" he said. "Dude, there's no better business, I'm telling you."