

## **Tourism officials: UW Health Sports Factory helping region reclaim amateur sports market**

**By Ken DeCoster / Staff writer**

Posted Jun 2, 2018 at 2:13 PM

Updated Jun 2, 2018 at 11:53 PM

ROCKFORD — More sports tournaments are coming to the Rockford area and more visitors are booking hotel rooms in the region, two years after the debut of the UW Health Sports Factory, an old riverfront manufacturing complex that underwent a \$24.4 million makeover to become a centerpiece of the region's lucrative sports tourism business.

But the indoor athletic center is losing money, according to the Rockford Park District, which is responsible for its day-to-day operations. The Sports Factory's operating deficit was \$367,321 in 2017. It lost \$281,761 in 2016.

"It's incredibly difficult to profit in facilities like this while making sure the fees are affordable for local families," park district Executive Director Jay Sandine said. "Sports Factory was anticipated to take around five years to grow tournaments since we are brand new to hard court. We've only been in the turf side of sports."

The park district's two main revenue sources are property taxes and fee revenue, Sandine said. "If fees don't cover the expenses, then taxes subsidize the gap," he said. "All of our facilities have a subsidy of some level. It's why you don't see privately run facilities in Rockford like outdoor pools, rinks, equestrian, animal parks, etc."

Nearly a decade ago tourism leaders were alarmed as they watched amateur athletes flock to newer and better sports facilities outside the region. An 11 percent decline in soccer tournaments and a 12 percent drop in softball tournaments cost the city \$1.4 million in visitor spending between 2007 and 2010, tourism officials say.

They set out to create new sports complexes and improve existing facilities with the goal of recapturing lost tournaments and reviving tourism tied to amateur sports.

Today, the people behind the effort known as Reclaiming First say they're meeting and, in some cases, exceeding their own expectations.

The number of amateur sports tournaments in the area grew from 72 in 2010, when tourism officials began sounding the alarm, to 163 in 2017, according to figures from the Rockford Area Convention & Visitors Bureau. Attendance at amateur sports tournaments in the area rose from 149,845 in 2010 to 293,320 last year.

Visitors booked 723,641 hotel room nights in the county last year — a nearly 22 percent increase from 594,126 rooms booked in 2007.

An integral component of Reclaiming First was the conversion of an empty industrial building, at 305 S. Madison St., into the UW Health Sports Factory. The 105,000-square-foot multisport complex marked the end of its second full year of operation on Friday.

“What was always important from the get-go was that (the Sports Factory) would be a facility that would be used by residents and that would appeal to and draw nonlocal overnight visitors,” visitors bureau President John Groh said. “I think that is certainly happening.”

“Of course, our goal was for sports tourism and special events to come into play,” Rockford Park District Operations Director Danielle Potter said. “We found a balance with having community events to make sure our local kids have access to the Sports Factory.”

The site contains eight indoor basketball courts that can be turned into 16 volleyball courts or wrestling mats, 42 pickleball courts and areas for other indoor sports. The building can accommodate trade shows and conferences, too. And Owly Oop Sports Pub on the upper level of the Sports Factory is open to the public seven days a week.

The Sports Factory hosted 11 tournaments in 2016 after opening in the summer of that year. It hosted 30 tournaments in 2017, Potter said. Twenty-seven tournaments have been held or are booked at the Sports Factory this year and 24 have been booked for 2019.

Tournament bookings range from basketball, gymnastics and volleyball to table tennis, wrestling and wheelchair rugby, which will debut at the Sports Factory next year.

The Sports Factory's tournament bookings to date have surpassed initial projections, which indicated the facility wouldn't reach 24 tournaments annually until its' fifth year of operation.

The park district and the visitors bureau collaborate to book tournaments for the facility.

"Competition is always stiff," said Nick Povalitis, the visitors bureau's director of sports development. "But I think we always knew, like the operations people within the Sports Factory, that it was going to be tough. From a sales perspective, we knew just building relationships and getting to the point where you can bid on business takes time."

The Sports Factory will host its largest tournament to date, the AAU Girls Basketball Nationals, at the end of June. Fifty teams have registered for the tournament so far. That's ahead of last year's pace. An additional 20 to 30 teams are expected to compete, Povalitis said.

The visitors bureau estimates the five-day tournament will result in 3,310 hotel room night bookings and generate close to \$600,000 in economic impact for the region.

Managing a fledgling sports complex also presents such challenges as how to use the complex on weekdays during the school year when children and teens are otherwise occupied.

"We found a big niche in our pickleball community," Potter said. "When we opened the facility, there was talk. Should we put pickleball court lines down? We did and we were a little apprehensive. Would people come? They sure came."

October through March, our pickleball courts are pretty much full three or four days a week during the morning.”

The Sports Factory hosts periodic open gyms on Friday nights, Potter said. “We’re seeing 200 to 400 people on a Friday night coming to our facility and paying a \$5 drop-in fee to play volleyball or basketball. So, we put four courts of volleyball, a couple of courts of basketball and pickleball and everybody has an opportunity to play and have a good time.”

The UW Health Sports Factory cost \$24.4 million, including land acquisition. The cost of the complex was paid by the city of Rockford, the Rockford Park District, a series of grants and a 2 percentage-point increase in the Winnebago County hotel tax. Proceeds from the hotel tax increase also funded improvements at Sportscore One, Mercyhealth Sportscore Two and the Indoor Sports Center.

The sale of the naming rights to the Sports Factory is providing the park district with a significant revenue stream. A 10-year naming rights agreement cost UW Health \$175,000 in the first year, with the fee rising 2.25 percent a year over the length of the deal, park district officials said.

“The main strategy and intent of Reclaiming First was economic impact and economic development,” Sandine said. “That’s why the city, county, Loves Park, and the hotels all participated financially. They make money through the economic impact from the sports tournaments and families that come to our town. We do not.”

The scheduled 2020 opening of the Hilton Embassy Suites Hotel and Conference Center, along South Main Street, will benefit the Sports Factory and downtown in general, Groh said.

“I think what is going to happen is that hotel is going to pave the way for the redevelopment of Davis Park. That will enhance the (Sports Factory) because of the hotel — I think there will be more entertainment and more retail. It will become a magnet,” he said.

The Sports Factory, coupled with the general resurgence of downtown Rockford, is proving skeptics wrong, Groh said.

“I would welcome the skeptics to continue to hold our feet to the fire to do what we said we would do as an organization,” he said. “This facility needs to benefit our region, it needs to benefit our residents and it needs to benefit downtown. So, we are learning. We’re not done yet.”

The Sports Factory is unquestionably a world-class facility, Groh said.

“People will come back or not come back based on the experience they’ve had in the facility, customer service, the organization running the tournaments and the experience downtown,” he said. “So, as our downtown continues to grow, as the waterfront continues to be revitalized, that will strengthen.”

*Ken DeCoster: 815-987-1391; [kdecoster@rrstar.com](mailto:kdecoster@rrstar.com); [@DeCosterKen](https://www.instagram.com/DeCosterKen)*