

Court Resurfacing Project for Chabot Canyon Racquet Club Informational Meeting Presentation

Presented by:

Capital Improvement Committee

Updated December 7, 2018

Agenda

- Make-up of the Capital Improvement Committee (CIC)
- Why court resurfacing now?
- Our court resurfacing recommendation
- Why Plexicushion 2000 compared to other cushioned surfaces?
- Why Install a Slipsheet?
- Why use Vintage Contractors?
- Quick review of the All Member Survey results and conclusions
- Quick review of Harbor Point Survey results and conclusions
- Important Considerations
- Financial Plan for Plexicushion 2000 w/ slipsheet as developed by consultant, Joan Martin, Deal Matters
- Quotes to Remember

Appendix 1: Estimated 2019 Costs for Court Resurfacing by Vintage Contractors

Appendix 2: Vintage Contractor's Website Information: Plexicushion 2000 and Plexipave

Appendix 3: Financial Plan for Plexipave w/ slipsheet as developed by consultant, Joan Martin, Deal Matters

Members of the Capital Improvement Committee

Originally formed in October 2016 to address long-term capital improvements with particular focus on court resurfacing, court lights, and clubhouse remodeling projects

- David Steinberg (chairperson)
- Peter Franzese
- Phil Mitchell
- Julie Simon
- Kathleen Maynard
- Steve Squire

Note: Carl Gardeman resigned from committee mid-2017 and was replaced by Peter Franzese. Sue Andrews resigned from the committee mid-2018. Julie and Kathleen replaced her. Also, Ted Frey was our original Board liaison and was replaced in that role by Melissa Kennedy in May 2017. Steve Squire recently replaced Melissa in that role in September 2018.

Consultants:

- Nigel Pugh: Court lighting and court resurfacing

Why Resurfacing Now?

- Courts currently have cracks and dead spots
- Our courts have asphalt underlay surface that has lifespan of 30 years
- Our courts have not had major resurfacing since club inception almost 40 years ago; we have done patch and paint every 4 to 5 years or so
- Club should invest in its greatest asset

Recommendations by the Capital Improvement Committee

- Install Plexicushion 2000 (most cushioned hard court that is most similar to the play of our current surface)
- Install underlay surface referred to as a Slipsheet to prevent long-term cracking and dead spots
- Use Vintage Contractors at approximately a total cost of \$300,000 or \$50,000 per court
- Recommend that project begins mid to late May 2019, likely to be 10 weeks, with 3 courts at a time

Why Plexicushion 2000 Compared to Other Cushioned Surfaces?

Of the cushioned courts we reviewed, plexicushion 2000 is most similar play to our current court surface

Reviewed:

- Australian clay (sand with artificial grass): too different, more maintenance
- Premier: too cushiony and no bounce
- Rebound Ace: too bouncy and too cushiony
- NOVA Extreme: weird bounce and sound, plus now a new version being introduced to the market
- Plexicushion Prestige: less cushion than Plexicushion 2000 but similar in price

Why Install a Slipsheet?

- Prevents cracking and dead spots over the long-run
- Lower cost alternative to completely replacing asphalt underlay

Reviewed:

- Berkeley Tennis Club (BTC): installed in 1989
- Margaret Hayward Public Courts (SF):
Installed in 2000

Why Use Vintage Contractors?

Vintage

- Highly reputable and highly recommended
- Chabot highly satisfied with new light pole installed (pole shipped from Texas)
- Sole installer and expert in regards to slipsheet technology

Saviano:

- Rebound Ace seems to be their area of expertise
- Install extra asphalt to prevent future cracking
- Not as customer friendly as Vintage

First Serve:

- NOVA extreme seems to be their area of expertise
- Bid for plexipave with slipsheet the same as Vintage

Conclusions of All Member Survey

Survey sent to all members in December 2017 / January 2018:

- All member survey had good response rate of 42% as compared to typical survey response rate of 37% (per survey monkey).
- What is #1 priority for club resurfacing?:
 - 74% preferred cushioned courts
 - 14% preferred hard courts
 - 9% preferred patch and paint
 - 3% no response
- Slightly higher dues increase is preferable to a smaller dues increase plus an assessment. 3% are likely to not renew with higher dues increase as compared to 8% non-renewal with a special assessment.
- 65% of respondents are willing to donate something for court resurfacing project. If we were to extrapolate results to whole membership, we believe we could raise between \$15,000 to \$20,000. (Equivalent to a \$5 or \$6 increase in dues)

Final Survey Results from 30 Members Visiting Harbor Point Tennis Courts with Plexicushion 2000 with Slipsheet

- 30 of 30 responded to survey (100% response rate)

Average Scores of Survey of Court Surface at Harbor Point (Scale of 1 to 5)					
Play/ Bounce of the Ball	Speed of the Court	Comfort and Feel of the Court	Less Aches and Pains After Playing	Court Colors	Overall Satisfaction
4.0	3.9	4.5	4.5	4.7	4.4

- Good Summary Comment: "I've got very bad knees and normally feel lots of stiffness just after and next morning. I think (not sure if it is the placebo effect) that I felt much better the next morning. I would love to have this as our surface at Chabot. The courts in Marin also had a very even surface. Currently, our courts are a patchwork and have very noticeable poor bounces near lines and there are dead spots on court 6."
- Overall Satisfaction Comments: "Love the courts", "I really liked the courts" "I liked the courts" "Big improvement over existing courts at Chabot", "The courts played well overall" "I can say that this is the best court surface I have ever played on" "super fun to play on this surface." "I really wanted to love this cushion court but I had some issues with the way that ball bounced on the court." "really enjoyed playing on it!"
- Court Speed and Play / Ball Bounce Comments: "slower court surface than our current courts", "slows down ball", "the balls move slower, don't bounce as high." "Speed of the courts was slower than Chabot because of the worn surface at Chabot courts." "easy to run down drop shots and lobs" "The higher bounce and slower speed will take some getting used to but it's a great overall surface." "One major concern is the grittiness of this surface." "the slowness resulted in better and longer points" "I didn't like the way the ball bounced..." "Frankly, I think these courts would contribute to creating better players." "Played like Hartru courts that I used to play on in San Antonio."
- Comfort Comments: "The court surface was good to play on but the texture was sticky. This created stiffness in my knees...", "Not sure about abrupt stopping on this surface... but overall quite positive", "surface nice under foot but tricky. Worry about impact on joints, ligaments, and jarring", "The surface (sandy) was really nice giving a grip to foot movement and stability." "I felt sure-footed when running to get the ball".
- Aches and Pain Comments: "I don't feel I played long enough on the courts to honestly answer the aches and pain question... But felt nice the time I did spend on the court." "everyone who plays frequently will benefit..." "It was easy on my knees, legs, and hips."

Conclusions from Harbor Point Survey

- High satisfaction score with an overall satisfaction rating of 4.4 on a scale of 1 to 5.
- Some differences of opinion do exist. But, in the end, there was a high average of ratings on all qualities surveyed. Five of the six qualities surveyed scored a rating between 4 and 5.
- The slow speed of the courts scored the lowest at 3.9 but this quality can be adjusted at the time of the court resurfacing. This particular quality experienced the greatest difference of opinion. Harbor Point opted for slower courts because the manager notes that the newly surfaced courts will speed up over time. Speed of the court can be specified at the time of court resurfacing on a scale of 1 to 3.
- The purple and green colors of the courts was the most liked quality with the highest rating of 4.7. (same colors as Indian Wells tourney)
- “Comfort / feel of the courts” and “feeling less aches and pains **after** playing” were very well liked as both qualities scored highly with each rated at 4.5.

Important Considerations

- Cushioned type of surfaces are latest trend locally and nationally (expertise from our tennis surface consultant, Nigel Pugh)
- Cushioned surface benefits members with any knee, joint, neck, or back issues.
- Given club's demographics, cushioned courts will benefit older members and members aging gracefully
- Will be only club in the East Bay with all cushioned courts
- 74% of respondents to our All Member Survey agree with cushioned courts with slipsheet as the #1 priority
- In Harbor Point survey, five out of the six court quality measures, e.g., play/bounce of the ball, comfort /feel of the courts, for plexicushion 2000 surface scored between 4 and 5 on a scale of 1 to 5.
- Chabot is currently financially strong with large cash reserves that can be used for court resurfacing project. Cushioned court alternative, however, will require dues increases over the next few years. Proposed dues increases include the following potential options:
 - a \$4 per month increase every year for next few years, or
 - a \$7 per month increase initially, and then a \$5 increase in 3 years, and \$5 thereafter, or
 - a \$10 per month increase initially, and then a \$4 increase in 3 years, and \$4 thereafter.

Financial Plan for Plexcushion 2000 w/ Slipsheet as Developed by Joan Martin, Deal Matters

Assumptions:

- Cost of the project is \$300,000
- Maintain minimum cash reserves of \$50,000 in any given year
- Use cash reserves of \$150,000
- Secure loan of \$150,000 at 6% for 10 years but pay it off sooner, in year 8.
- If club raises dues in out years through year 10, club ends up with cash reserves of between \$411,000 - \$449,000 in year 2027/28. therefore club would not likely impose dues increases as early as year 6 (2024/5) or thereafter.

Dues Increase Scenarios for Plexicushion 2000 w/ Slipsheet

Scenario: \$4 Dues Increase Every Year

<u>Year:</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>
Non-equity	\$106	\$110	\$114	\$118	\$122	\$126	\$130	\$134	\$138	\$142
Equity	\$90	\$94	\$98	\$102	\$106	\$110	\$114	\$118	\$122	\$126

Scenario: \$7 Initially, then 3 Years Later \$5 Increase Every Year

<u>Year:</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>
Non-equity	\$106	\$113	\$113	\$113	\$118	\$123	\$128	\$133	\$138	\$142
Equity	\$90	\$97	\$97	\$97	\$102	\$107	\$112	\$117	\$121	\$125

Scenario: \$10 Initially, then 3 Years Later \$4 Increase Every Year

<u>Year:</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>
Non-equity	\$106	\$116	\$116	\$116	\$120	\$124	\$128	\$132	\$136	\$140
Equity	\$90	\$100	\$100	\$100	\$104	\$108	\$112	\$116	\$120	\$124

Quotes

Nadal Quote from Many Years Ago:

The 26-year-old Nadal said hard courts were "too tough" on players' bodies and made it difficult to avoid injuries. Tennis is the only major sport where players have to play on cement, said the greatest clay-court player of the Open era.

"This is not a subject for the players, it's a matter for doctors," he said. "The ATP has to start thinking about ways to lengthen the players' careers. I can't imagine soccer players playing on cement, I can't imagine any other sport involving aggressive movements such as tennis being played on such aggressive surfaces such as ours. We are the only sport in the world making this mistake, and it won't change."

From Patrick Kaliski, Tennis Club Manager at Harbor Point Tennis Club in Mill Valley:

"Some of our senior members have told me how they probably would not be playing tennis any more if we didn't have the Plexicushion. It has saved a lot of knees and ankles, and you can't put a price tag on that, I think... It is worth it! "

Appendix 1: Estimated 2019 Costs for Court Resurfacing by Vintage Contractors

Estimated 2019 Cost for Court Resurfacing by Vintage Contractors

Court Surface	Plexipave (Hard Court - No Cushion Surface) (\$000's)	Plexicushion 2000 (Cushioned Court) (\$000's)
Court's Top Layer Surface	\$45.38	\$134.00
Price per court	\$7.56	\$22.33
Slipsheet (Underlay surface)	\$157.50	\$157.50
Price per court	\$26.25	\$26.25
Sub-Total Price	\$202.88	\$291.50
Price per court	\$33.81	\$48.58
2019 Inflation*	\$7.12	\$8.50
Total Cost	\$210.00	\$300.00
Price per court	\$35.00	\$50.00

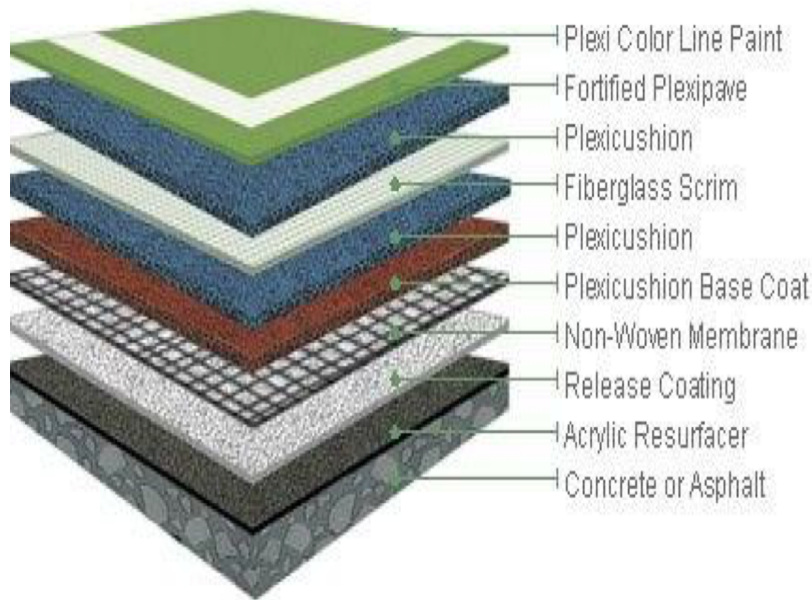
*Note: Per conversation with Chip, he estimated the costs for plexicushion 2000 with slipsheet would increase \$8,000 to \$10,000 for 2019. We estimated the inflationary increase for the plexipave with slipsheet. Rounded numbers so cost per court was a nice rounded number and reflected original difference in cost per court of \$15,000.

Appendix 2: Vintage Contractor's Website Information

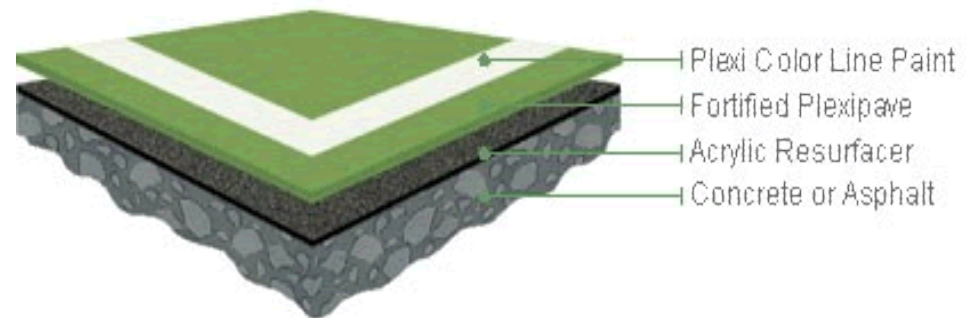
Vintage Contractor's General Website:

<http://www.vintagecontractors.com>

PLEXICUSHION 2000



PLEXIPAVE



Appendix 3: Financial Plan for Plexipave w/ Slipsheet as Developed by Joan Martin, Deal Matters

Assumptions:

- Cost of the project is \$203,000 (No inflation / rounding adjustment assumed as in Appendix 1)
- Maintain minimum cash reserves of \$25,000 in any given year
- Use cash reserves of \$203,000
- Club does not need to raise dues in the short-term. If club wants cash reserves above \$25,000 in some years, however, dues increase may be needed. In out years if club wants larger than \$25,000 in cash reserves for future resurfacing or other capital projects, a dues increase may be needed.

Pleixpiave with Slipsheet: No Dues Increase Needed in the Short-Term

Scenario: No Dues Increase in the Short-Term

<u>Year:</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>
Non-equity	\$106	\$106	\$106	\$106	\$106	\$106	\$106	\$106	\$106	\$106
Equity	\$90	\$90	\$90	\$90	\$90	\$90	\$90	\$90	\$90	\$90