



Vaughan Pickleball Facility Overview

Attention: The Mayor Of Vaughan: Steven Del Duca

Submitted by: Richard Nicolson and Ed Alvarez

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Introduction

We are pleased to propose a private-public partnership for the construction of a state-of-the-art pickleball, padel and tennis facility in the City of Vaughan. With the popularity of these sports on the rise, the demand for dedicated facilities is greater than ever. Our proposed facility will feature 20 courts, catering to players of all ages and skill levels. Although the focus of this project will be on Pickleball, we believe there is an opportunity to address the unfulfilled demand for indoor tennis and the rising demand for padel in Vaughan.

Pickleball growth has been remarkable in Canada and North America with 8% of Canadian households reporting at least one family member playing the sport. As well, there has been a 26% increase in participation with players aged 18 to 34. There are now a reported 36 million people playing pickleball in the US. Both Pickleball and padel are considered to be the fastest growing leisure sports in history.

This facility will not only benefit the local community by providing a recreational space to play and enjoy pickleball, tennis and padel, but it will also have a positive impact on the city's economy by attracting tourists and visitors. The facility will be a unique addition to the city's recreational offerings, promoting a healthy and active lifestyle for all. With an aging population, indoor pickleball is a positive addition for this segment of the community.

We propose that the facility be constructed through a private-public partnership, with the City of Vaughan providing land and infrastructure and the operational management being handled by our team. This partnership will ensure that the facility is built to the highest standards and is well-maintained for years to come.

We believe that this proposed facility will be a valuable asset to the City of Vaughan and will greatly benefit the community. We look forward to discussing this proposal further and providing more detailed information. Thank you for your consideration.

1.0 About Us

Corte Holdings Inc: Richard Nicolson/Ed Alvarez

Ed Alvarez and Richard Nicolson have over 50+ years of combined experience in the industry, including working on municipal private/public partnerships, commercial start-ups and private clubs. Both began their careers as racquet teaching professionals and have since gained experience in every aspect of club management and ownership. They have also consulted on multiple third party projects and have strong relationships within the industry. They have a track record of successfully solving issues related to project development and ongoing operations, and are knowledgeable in best practices for sales and marketing in the commercial club sector. Selected contracts, consulting experience and projects include:

York Racquets Club

2008 – current

Rebuilt private club, which was suffering from operational losses in excess of \$250,000.

- Brought membership to capacity within three years
- Within 4 years a wait list was established
- Within 5 years an additional membership category was introduced to allow another 30 members into the club with restricted usage
- Within 5 years our capital reserve fund was built up to over a million dollars
- Oversaw ongoing renovations were executed in all areas of the club
- Moved club to a net positive operating position year-over-year

Rosedale Tennis Club

2002- current

- Grew annual membership revenue by 400% revenue
- Grew Program revenue by 250%
- Currently have a 250-member waitlist
- Partnered with Rosedale and Mooredale community to execute numerous program and charitable initiatives
- Largest host site for OTA sanctioned Junior and Senior events

Markham Tennis Club

2017-current

- Grew membership by 300%
- Grew Program revenue by 500%
- 2022 wait list established

Unionville Athletic Club

2015 to present

Took over Club Markham and increased its membership base from 1000 members to 1500.

- Rebranded club to Unionville Athletic Club
- Redeveloped all marketing strategies
- Managed renovation of club

99 Sudbury Sport, Social and Fitness Club

2000 to 2002

Consulted on high-concept fitness club in Toronto featured in Toronto Life Magazine

- Developed brand strategy and concept
- Managed set up of club including all operational systems
- Worked with sub tenants including indoor golf provider, restaurant and spa

GoodLife McCaul

1995-2000

- First franchise owner within GoodLife
- Managed operating systems set forth by GoodLife Canada
- Gained extensive knowledge of the commercial gym business

2.0 Proposed Location

We have discussed the Carville Community Centre at 655 Thomas Cook Ave. This location meets the space requirements and also set back from residential regarding noise issues associated with pickleball.



3.0 Summary of Business Plan

i) Overview

The objective of this project is to meet the increasing demand for dedicated indoor pickleball and padel courts, as well as indoor tennis in Vaughan. Our market research indicates a high demand for all three sports in Vaughan and the GTA. As the first of its kind in the region, this project offers a unique opportunity to provide these sports with little competition.

This demand will continue to grow. As well, avid players require indoor courts, proper court surfaces and the ability to advance book playing times.

ii) Competition And Market Analysis

Racquet sports are seeing a resurgence in popularity. There are substantial barriers to entry due to the lack of available courts in Vaughan and the GTA.

Pickleball

There are no commercial pickleball clubs in Vaughan or the GTA. Some hybrid courts are available. These courts do not allow for advance booking, are generally waitlisted and offer hybrid flooring and a subpar court using a gym space. Hybrid tennis courts pose two problems: Existing tennis courts often do not have enough setbacks from residential homes and the noise from Pickleball is intolerable for residents.

Tennis players are not welcoming to Pickleball players resulting in conflict.

These issues have resulted in Pickleball court lines being removed in many municipalities.

Padel

There are no padel courts in Ontario. There is enormous demand for the sport. The padel courts will likely be sold out within a short period after the pre-sale due to this demand.

Tennis

The demand for indoor tennis in the GTA continues to rise. Tennis in Canada is experiencing a significant upswing. There are a limited number of indoor tennis courts in Vaughan.

Available indoor courts:

Veneto Tennis Club

Tennis By Dennis

iii) Vision For The Space (CHANGE)

Our vision is to create a vibrant and inclusive community hub in Vaughan, where pickleball, padel and tennis enthusiasts of all ages and skill levels can come together to play, socialize, and

stay active. Our state-of-the-art facility will feature indoor and outdoor courts, a shaded court-side patio, and a cafe, as well as fitness areas and versatile spaces that can be used for events. We believe in the power of pickleball to bring people together and we are committed to providing a welcoming and accessible environment for all. We also attend to make the facility affordable and offer geared-to-income memberships along with programs for disadvantaged youth and seniors.

Programming:

Weekly in-house league for all racquet sports

A busy and high-energy night with competitive play and socializing between all the sports.

Weekday Morning Racquet Coffee and Racquet Social

A drop-in casual social aimed at retirees and anyone with a flexible schedule.

Junior Racquet Clinics

Available after school and on weekends

Kids will learn the basics of all racquet sports and be able to move to more advanced training in specific sports.

Saturday Night Date Night

Kids programming allows parents to play and enjoy dinner at a local restaurant.

Group Clinics

Clinics for all levels of play including the signature Racquet 101 Quick Start clinics for beginners.

Private Lessons

Private lessons will be available for keen players including hitting lessons for players simply wanting match play without instruction.

Partner Finder Concierge

Using technology players will be matched with playing groups to help integrate them into the club.

Major Championships

The club will bid for all city, provincial and national championships.

Friday Night Round Robin and Open House

This is a fun drop-in night, which allows members to bring a guest. This social night also acts as a membership recruitment tool. Friends can get a feel for the club culture and sports, which will encourage them to join.

In-house Tournaments including The Club Championships.

The club will host a variety of member tournaments including the annual Club Championships. Champions will be featured on the champions wall.

Multi-sport Championship

The club will also host an annual tournament to determine the best overall racquet player in the club.

iv) Financial

Our financial projections for the proposed pickleball, tennis and padel facility have been carefully analyzed and calculated to provide a comprehensive overview of the expected net operating revenue. The projections take into account various membership levels, as well as all relevant expenses, with the exception of occupancy costs, which will be further discussed. Our goal is to provide transparency and assurance that this facility will be financially sustainable in the long-term.

Non-dues Revenue

Along with membership fees, we will also maximize the following non-dues revenue streams:

- Food and beverage
- Retail pro shop
- Provincial Junior and Senior sanctioned tournaments
- Dynamic quick start to racquets programs
- Progressive tennis programming
- Private lessons
- Group clinics
- League fees
- In-house tournaments
- Corporate rentals
- Event rentals (regional and national championships)

v) Sales And Marketing Summary

The project will begin with an aggressive pre-sale campaign, anchored by a coming soon website with a paywall for early registration. The site will feature club renderings and offerings to entice founding members.

Outreach will include:

- A social media campaign directing people to the pre-sale website with an exclusive offer
- Paid online advertising
- SEO setup and management
- **Offer to our current Corte padel and pickleball email list collected during our ongoing soft pre-sale**
- Press releases and media outreach
- Direct Mailers to households within 5km of the site

- Open house nights with exhibitions and celebrity guests
- Engagement of municipal government
- Outreach to various community Pickleball groups
- Corporate outreach to local business regarding corporate membership packages

4.0 Project Rollout

Phase 1

- Finalize name, logo and brand direction
- Set up banking, billing and member management software
- Register company, HST and business number
- Set up website with paywall
- Set up social media accounts and online advertising
- Agree on final layout and design
- Set up several pickleball courts with pre-sale office onsite
- Order padel courts and gym equipment

Aggressive Pre-sale begins. Ongoing until grand opening

Phase 2

- Begin construction, and clean up of space
- Order furniture
- Begin providing weekly sales reports for stakeholders
- Monitor advertising and marketing
- Send out press releases to local media
- Formal announcement to all community pickleball groups

Phase 3

- Interview and hire key staff
- Prepare for soft launch
- Complete fit and finishing for space (internal signage)
- Finalize all operating manuals, procedures and systems
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5.0 Proposed Operating Hours and Staffing

Hours:

7am to 11pm daily

Staffing:

Operations manager, service staff (check-in/F and B), F and B, cleaner(s)

Floor staff will be increased or decreased based on demand during slow and busy periods

6.0 Next Steps

We propose to collaborate with the City of Vaughan on a project that will bring significant benefits to the community. The project aims to address the growing demand for racquet sports by constructing a state-of-the-art facility for pickleball, padel, and tennis. We believe that a private/public partnership is the most effective way to move forward with this project, and we would like to schedule a meeting to discuss the details of such a partnership. Together, we can create a facility that will serve the community for years to come.

7.0 Financial

Corte will complete this project in partnership with The City Of Vaughan, and thereafter operate it without any additional costs to the city. The expected annual operational expenses, detailed below, will be covered by both membership and non-dues revenue.

Expenses	
Utilities	\$ 110,000.00
Floor Staff (Maintenance, Front desk)	\$ 240,000.00
Operations Manager	\$ 120,000.00
Racquet Pro Base	\$ 60,000.00
IT, Phone, Cable, Web	\$ 8,000.00
Advertising	\$ 20,000.00
Supplies	\$ 36,000.00
Cost of non-dues Cafe (70%)	\$ 4,200.00
Cost of non-dues pro-shop (70%)	\$ 7,000.00
Cost of non-dues lessons, clinics (50%)	\$ 125,000.00
Bank fees	\$ 48,000.00
Repairs	\$ 40,000.00
Insurance	\$ 20,000.00
Professional fees, legal, bookkeeping, accounting	\$ 60,000.00
Total expenses	\$ 898,200.00

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