Fairfax County Department of economic initiatives
NAVIGATING WHAT'S NEXT

Recreational & Entertainment Authority

Economic Initiatives Committee
March 25, 2025

Meeting Purpose

Agenda

- Board of Supervisors inquiry on Public Recreational Facilities Authorities Act

- Review findings from interviews with Virginia jurisdictions

Goal

- Provide feedback on examples provided and considerations for implementation

Tourism Impacts

Sports, recreational, and entertainment tourism is a significant economic sector across Virginia

Virginia tourism generated **$46.1 billion** in total economic impact (2022)

- **$4.5 billion** from sports tourism (2022)

Fairfax County tourism generated **$3.6 billion** in total economic impact (2023)

- **$1.2 billion** in the Northern Virginia region from sports tourism (2022)

Fairfax County study in 2020 projected potential **$3.3 billion** in increased sports related tourism economic output over 20 years with additional facility investments

Board Guidance

June 2024

The Board of Supervisors directed staff to review and study the creation of a recreational facilities authority to determine if it would enhance current sports, recreational, and entertainment tourism efforts in the county

Key Findings

Staff interviews with sports, recreational, and entertainment entities revealed key considerations for implementation:

1. Clear objective and **mission** focused on tourism
2. Dedicated **funding** mechanism(s)
3. Tailored to an initial **purpose** and partnership
4. Ability to enter into **agreements** for land acquisition, facility access and management, and revenue-sharing

Case Study: Henrico County Sports & Entertainment Authority

Structure Independent Authority

Established in 2022 to manage a portfolio of public and private investments in Henrico County

Goals

- Promote county as a sports tourism and entertainment destination
- Maximize tourism potential and oversee facilities with third-party operating agreements
- Provide avenue for public-private partnerships

Resources

- Revenue from a portion of 8% lodging tax and 2% Tourism Improvement District
- $1.6M annual budget, 7 staff members (FY2025)
- $72M in annual economic impact (2023)

Case Study: Historic Triangle Recreational Facilities Authority

Structure Independent Authority

Established in 2021 by City of Williamsburg, James City County, and York County

Goals

- Oversee construction and management of regional recreation and entertainment facilities
- Manage leasing, construction and operation of venues

Resources

- Revenue from a portion of 5% lodging tax, $2.00 per room night fee, 1% Tourism Improvement District, 1% sales tax for Tourism Development Fund
- $3.5M annual budget for operations and debt service (FY2025)
- Bond issuance authority; $80M issued in 2024

Case Study: Chesterfield Sports, Visitation and Entertainment Department

Structure County Department

Established in 2023

Goals

- Catalyst for public facility development for community cohesion and economic development
- Advertise and promote tourism and related events

Resources

- Revenue from a portion of 8% lodging tax and 2% Tourism Improvement District
- $10M annual budget for Tourism Improvement Fund, 3 staff members (FY2025)
- Facilities support local athletes (66% local usage)

Comparison with Fairfax County

Similarities

- Recognition of economic opportunity in strategic sports and entertainment tourism programming
- Need for an integrated mechanism to enhance efforts and partnerships
- Established to capitalize on existing opportunities and market

Differences

- Fairfax has an established Park Authority, others have park departments
- Jurisdictions had acquired private assets/land for tourism purposes
- Jurisdictions leverage tax revenue from lodging or tourism related funding to augment capital and operations

Recommendations

Key Elements Required Prior to Creation

Scope

Focus on tourism-related sports and entertainment programs

Negotiate and award contracts with operators and event partners

Governance

Engagement from the Park Authority, Visit Fairfax, and economic development entities

Dependent on specific facility and stakeholder requirements

Funding

Public investment, if required, to come from tourism related revenues (lodging tax)

Explore creation of revenue sources aligned with goals

Discussion

Questions / Comments

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