

Palace of Fine Arts RFCP

Summary of Proposal for Bladium Sports and Fitness Clubs

Official Title of Proposal:

Bladium Sports and Fitness Club Proposal for the Palace of Fine Arts RFCP

Official Name of the Sponsor of the Proposal:

Bladium Sports and Fitness Club

Overview of the Features of the Proposal:

Bladium Sports & Fitness Club proposes to transform the Palace of Fine Arts into a vibrant hub of recreational activities that will include indoor soccer, basketball, lacrosse, volleyball, flag football, Little Kickers Soccer, Little Sluggers Baseball, group fitness, kids camps, kids birthday parties, Kids Club, and community events. We envision a light, bright, safe, and welcoming environment that promotes healthy activities to children, young adults, couples, families, seniors, and others in the community.

Part of the transformation will include the construction of 3 to 4 indoor multipurpose sports fields, each enclosed within professional-grade walls or “boards”, topped by protective safety glass and netting. Additionally, open “flex space” will accommodate uses such as group fitness, kids activities, community events, etc. To support these uses, changing rooms, a small cafe, observation areas, and a child care facility are proposed.

Creating inspired spaces for sports, fitness, and active recreation has been our business and passion since we opened our first facility in San Francisco, in 1995, dedicated to the then-booming sport of inline hockey. In the ensuing 20 years, Bladium has evolved to serve a much broader market, welcoming soccer, volleyball, basketball, lacrosse, rock climbing, and boxing enthusiasts, as well as offering kids camps, kids birthday parties, fitness, group exercise, CrossFit, and martial arts programs. In many ways, we have become the equivalent of a privately operated, publicly-minded, highly-diversified yet specialized, community recreation center. We are extremely enthused about the possibility of returning to San Francisco, energized by the opportunity to revitalize and reintroduce the Palace of Fine Arts as a recreational gathering spot for the community.

How the Capital Improvements are to be Financed:

Bladium has had excellent relationships with its lenders over the past 20 years, has an excellent history of profitability, and has sufficient internal and personal equity available. Bladium has borrowed in excess of \$10mm over this time, and has an excellent repayment and credit record. Bladium anticipates funding the large initial investments through a combination of internal equity, bank financing and rent credits.

BANK FINANCING:	\$9,000,000
BLADIUM EQUITY:	\$2,233,007
TOTAL BUDGET:	\$11,233,007

RENT CREDITS: Bladium is proposing a lease rate of \$0.45 per foot, equating to \$556,740 per year. To cover the funding of the EHDD required improvements we propose that 80% of this be classified as rent credits to Bladium each month. This would leave the SF Park and Rec Department with a net rent of \$111,348 per year, until the EHDD Required Improvements are fully amortized.