

Integrated Sports Medicine & Performance Center

Feasibility Snapshot (Anonymized Case Study)

Project Context

DCCS Athletic Partners recently led a feasibility and development analysis for a proposed sports medicine and performance facility in a high-growth U.S. market.

The project brought together a physician-led orthopedic group, a regional health system, and a university with established human performance and research capabilities.

The objective was to evaluate whether an integrated model – combining clinical care, performance training, and research – could be delivered in a way that was both financially viable and operationally aligned.

The engagement included program refinement, cost analysis, operational modeling, and evaluation of ownership and development structures.

The Core Challenge

The initial concept included a large-format indoor training environment (fieldhouse-style) integrated within a multi-story building, creating significant structural complexity and driving both construction costs and long-term operating exposure.

At the same time, each stakeholder had different priorities:

- Clinical partners focused on growth, efficiency, and return
- Academic partners prioritized research integration and program visibility
- Operators required a model that could sustain consistent daily utilization

Without alignment and program discipline, the project was trending toward an overbuilt solution with elevated construction costs and an operating model that would be difficult to sustain.

Key Findings

Through iterative programming, cost analysis, and operational modeling, several critical conclusions emerged:

- **A right-sized performance component** (approximately 8,000–12,000 square feet), designed for daily training, rehabilitation, and structured programming, outperformed larger event-driven concepts in both utilization and financial stability
- **Resizing the indoor training environment** and reducing the open-volume structural requirements materially decreased project complexity and resulted in a significant reduction in projected construction costs (on the order of \$20M+ relative to the initial concept)
- **A diversified programming model** – including sports performance training, adult fitness, and sport-specific training such as baseball, softball, and golf – supports higher daily utilization, expands revenue streams, and reduces reliance on any single user group
- **These complementary uses allow the facility** to operate consistently throughout the day, with peak activity in afternoons and evenings supplemented by daytime programming including adult fitness, rehabilitation, and individual training
- **Clinical uses, including orthopedics, physical therapy,** and specialty services, function as the primary economic drivers of the project
- **The performance component is most effective** when positioned as an integrated, engagement-driven element – capable of operating at or near break-even while supporting patient acquisition, retention, and overall facility value
- **The revised concept maintains the intended** user experience and program functionality while significantly improving both financial viability and execution risk

Preliminary Financial Framing

Based on the revised program and current market assumptions:

- **The project supports** a yield on cost consistent with new construction medical facilities in the range of approximately 7%–8%
- **Total project costs** were reduced materially through program and design adjustments, improving overall feasibility and reducing capital exposure
- **Medical and clinical tenants** generate the majority of stabilized revenue
- **The performance component contributes** indirectly by driving traffic, utilization, and differentiation rather than serving as a primary profit center
- **Multiple ownership structures** remain viable, including health system-led, physician-led, and hybrid development models

- **The revised program and cost structure** materially improve the project's feasibility relative to the initial concept, reducing both development risk and long-term operating exposure

What This Confirms

This analysis demonstrates that an integrated sports medicine and performance facility can be delivered as a financially viable and strategically differentiated project – but only when program, cost, and operations are tightly aligned.

The model succeeds not because of the individual components, but because of how they are structured and integrated.

When clinical services, performance programming, and research operate in coordination, the facility becomes more valuable, more utilized, and more defensible over time.

Critical Success Factors

- **Alignment** among stakeholders around vision, roles, and long-term objectives
- **Clear ownership** and governance structure to support decision-making and execution
- **Intentional integration** between clinical, performance, and research components
- **Disciplined program** and design decisions to avoid overbuilding and ensure sustained utilization

Role of Healthletic Partners

DCCS Healthletic Partners led feasibility, programming alignment, and development strategy for this effort.

This included coordinating stakeholders, refining the facility concept, aligning program with market demand, and structuring a path from feasibility through development and implementation.

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