





November 22, 2010

Ms. Melissa Dailey  
Executive Director  
Downtown Amarillo, Inc.  
801 South Fillmore  
Suite 205  
Amarillo, Texas 79102

Dear Ms. Dailey:

Conventions, Sports & Leisure International (“CSLI”) is pleased to present this report addressing the feasibility of minor league baseball franchise and a new ballpark in downtown Amarillo, Texas. The attached report summarizes our research and analyses and is intended to assist potential project stakeholders in making informed decisions regarding future ballpark development options in downtown Amarillo.

The information contained in this report is based on estimates, assumptions and other information developed from research of the market, knowledge of minor league baseball, knowledge of the sports facility industry and other factors, including certain information you, other project stakeholders and third parties have provided. All information provided to us by others was not audited or verified and was assumed to be correct. Because procedures were limited, we express no opinion or assurances of any kind on the achievability of any projected information contained herein and this report should not be relied upon for that purpose. Furthermore, there will be differences between projected and actual results. This is because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Ms. Melissa Dailey  
November 22, 2010  
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We sincerely appreciate the opportunity to assist you with this project, and would be pleased to be of further assistance in the interpretation and application of the study's findings.

Very truly yours,

A handwritten signature in cursive script that reads "CSL International".

CSL International

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# Executive Summary

## **Executive Summary**

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### **Situation**

Minor league baseball in Amarillo has a history that dates back to the 1950's. Since 1994, the City of Amarillo has been home to the Amarillo Dillas independent professional baseball franchise. The Dillas have been members since 2006 of the United League, which also owns and operates the franchise, and have played their home games at the 8,500-seat Potter County Memorial Stadium. During this time, the Dillas have been one of the United League's most successful franchises, including leading the league in attendance and winning three league championships. However, the United League has faced financial instability, including being evicted from Potter County Memorial Stadium in October 2010 due to unpaid rent. Whether or not the Dillas continue to operate in Amarillo, minor league baseball is a valued community attraction, as indicated by the inclusion of a new minor league ballpark in the Downtown Strategic Plan.

Downtown Amarillo, Inc. completed the Downtown Strategic Plan in March 2008, which outlined a broad vision for downtown Amarillo to become a vibrant urban area where people live, work, play and learn. The Plan featured specific recommendations for the 50-block area surrounding the Amarillo Civic Center and the state-of-the-art Globe-News Center for the Performing Arts, including a possible minor league ballpark and mixed-use development.

As an initial step in the planning process for a new downtown ballpark, Downtown Amarillo, Inc. retained Conventions, Sports & Leisure International ("CSL") to conduct a downtown ballpark feasibility study for the community of Amarillo. This study is intended to evaluate the potential physical and operational aspects of a new downtown ballpark, as well as develop an assessment of the various minor leagues that could be a long-term fit for the Amarillo community.

### **Market Analysis**

In order to determine the feasibility of a new downtown ballpark, the demographic and socioeconomic characteristics of the Amarillo marketplace were analyzed. The chart on the following page summarizes these characteristics for the Amarillo core-based statistical area (CBSA):

## Executive Summary

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### Demographic and Socioeconomic Characteristics Amarillo CBSA

	<u>Amarillo CBSA</u>
<b>Population:</b>	
2010	250,815
2015 (projected)	262,186
<b>Age:</b>	
Median	34.0
<b>Income:</b>	
Median Household Income	\$44,892
Median Effective Buying Income	\$38,445
<b>Corporate Base:</b>	
Headquarters - Annual Sales (millions)	
\$500.0 or above	1
\$250.0 - \$499.9	1
\$100.0 - \$249.9	6
\$50.0 - \$99.9	3
\$25.0 - \$49.9	11
\$10.0 - \$24.9	27
\$5.0 - \$9.9	39
\$2.5 - \$4.9	104
Total Headquarters	192
Branches	335
<hr/>	
Total Corporate Inventory <sup>(1)</sup>	527

(1) Includes branches with 10 or more employees and corporate headquarters with at least \$2.5 million in annual sales.

Note: Certain SIC codes such as governments, non-profits, educational institutions, etc. have been eliminated.

### Minor League Baseball Overview

An assessment of the various minor leagues was undertaken in order to determine which league could be a long-term fit for the Amarillo community. The following are key findings of the minor league baseball overview:

#### Affiliated Leagues

- Affiliated minor league baseball is comprised of franchises that are generally independently owned and operated, but are directly affiliated with one Major

## **Executive Summary**

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League Baseball (“MLB”) franchise through a standardized Player Development Contract (“PDC”). As part of the PDC, the MLB franchise pays the salaries and benefits of players and coaches, as well as some other required equipment, while the minor league franchise pays for in-season travel and other operational expenses.

- Geographically, the only affiliated minor leagues that operate within Amarillo’s region are Class AAA and Class AA. Class AAA markets have an average population of approximately 1.4 million people, while Class AA markets have an average population of approximately 994,000. The Amarillo CBSA population of 250,815 would rank lowest among Class AAA markets and among the lowest Class AA markets.
- It is not expected that Amarillo would be a viable option for a Class AAA franchise due to its small market size relative to other Class AAA markets and difficulty in obtaining MLB affiliation, among others. Although the Class AA Texas League could be a viable option from a geographical standpoint, relocation of an existing Texas League franchise is unlikely, as all of the Texas League franchises, with the exception of San Antonio, currently play in ballparks with a long-term lease. It is not likely that the San Antonio franchise would relocate to a smaller market such as Amarillo. Therefore, it is assumed that Class AA would not be a viable option for Amarillo.

### Independent Leagues

- Independent league franchises are not operated in conjunction with a MLB franchise. Unlike affiliated minor league franchises, independent league franchises are responsible for scouting and maintaining their player roster, as well as paying the salary of players, coaches and other player development personnel. In addition, independent league franchises must also market and promote the team without the assistance of the parent club. Independent leagues include the Atlantic, Frontier, Can-Am, Northern, American, Golden and United Leagues.
  - Based on the analysis of independent leagues presented in this section, it is believed that the American Association, the Atlantic League and the United League are the established independent leagues that could be interested in locating a franchise in a new ballpark in downtown Amarillo. The chart on the following page presents a comparison of the American Association, the Atlantic League and the United League:

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### Independent League Summary American Association, Atlantic League and United League

	American Association	Atlantic League	United League
<b>Administrative Information:</b>			
Year Formed	2006	1998	2006
# Teams	14	10	5
# Defunct Teams	2	7	3
# Games	90	140	92
# Owners	13	5	n/a
Geographic Focus	Central U.S.	Northeast U.S.	Texas
Franchise/Membership Fee	\$750,000	\$2,000,000	n/a
Player Salary Cap	\$100,000	\$250,000	\$80,000
Average Travel Budget <sup>(1)</sup>	n/a	n/a	\$35,000
<b>2010 Attendance:</b>			
High	5,063	6,038	2,912
Low	1,150	1,872	349
Average	2,677	3,991	1,879
# Teams in Top 25	5	6	1
<b>2010 Ticket Price:</b>			
High	\$12.48	\$12.69	\$7.50
Low	\$6.58	\$8.00	\$5.33
Average	\$9.53	\$10.34	\$6.42
<b>Ballpark Capacity:</b>			
High	9,725	6,425	8,500
Low	3,000	4,200	4,200
Average	5,722	5,678	5,600
<b>Ballpark Age:</b>			
Oldest	1934	1998	1949
Newest	2008	2008	2003
Average	1987	2002	1982
<b>Construction Cost (MM):</b>			
Range	\$15 - \$20	\$15 - \$45	\$1.0 - \$8.0
<b>2010 CBSA Population:</b>			
High	9,651,162	19,104,202	760,181
Low	143,797	432,130	108,279
Average	1,825,635	5,457,670	388,951
<b>Travel Distance: <sup>(2)</sup></b>			
Furthest	1,982	1,790	760
Closest	340	1,570	3
Average	770	1,670	520

(1) Representatives of the American Association and Atlantic League declined to provide information related to travel budget.

(2) An expansion team in Sugar Land, TX will be joining the Atlantic League in 2012. Sugar Land is approximately 1,700 miles away from Bridgeport, CT and approximately 610 miles from Amarillo.

Source: Claritas, Googlemaps, team websites, league interviews, CSL International research

## Executive Summary

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- The most appropriate league for an Amarillo-based independent league franchise appears to be the American Association, due to the financial stability of the league, presence of multiple franchises in Texas, future plans of expansion within the state and the number of markets with a population comparable to Amarillo, among others.

### Utilization

Based on the result of the market analysis, it is estimated that a new downtown ballpark could host 58 revenue-generating events and attract approximately 153,000 paid attendees in a stabilized year of operations. Please note that this analysis is focused on revenue-generating events and does not include free events or other potential public uses.

#### Estimated Demand and Paid Attendance Proposed Downtown Amarillo Ballpark

<u>Event Type</u>	<u>Events</u>	<u>Average Paid Attendance</u>	<u>Total Paid Attendance</u>
Independent League Baseball	48	3,000	144,000
High School Baseball	5	700	3,500
College Baseball	1	1,000	1,000
Concerts	1	3,000	3,000
Other	3	500	1,500
<b>Total</b>	<b>58</b>	<b>2,638</b>	<b>153,000</b>

Note: Represents a stabilized year of operations.

### Building Program & Cost

Based on the results of the market analysis, the following building program has been recommended for a downtown ballpark:

- 4,500 total seats;
- 12 private suites (two non-revenue suites); and,
- 1,500 parking spaces (on-site and off-site).

It is assumed that construction costs of a new downtown ballpark in Amarillo would total approximately \$20.0 million to \$30.0 million in 2010 dollars.

## Executive Summary

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### Financial Projections

The following is a partial list of key assumptions used to estimate the potential financial operations of a new downtown ballpark in Amarillo:

- An American Association franchise will serve as the primary tenant and manage a new downtown ballpark;
- A new downtown ballpark will be owned by the City of Amarillo, or some other public entity, and will be exempt from property taxes; and,
- All revenue generated is assumed to be retained by the ballpark due to the absence of lease terms stating revenue splits and annual rental payments between the franchise and the ballpark.

The following table presents the operating revenues and expenses estimated to be generated by a new downtown ballpark in Amarillo. All estimates are presented in 2013 dollars and represent a stabilized year of operations.

**Estimated Revenues and Expenses  
Stabilized Year of Operations - 2013 Dollars**

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<b>OPERATING REVENUES</b>	
Ticket receipts / rent	\$1,168,400
Premium seating, net	117,000
Food and beverage, net	355,000
Advertising and sponsorships	400,000
Naming rights	200,000
Merchandise, net	37,000
Parking, net	67,000
Other	50,000
<b>TOTAL REVENUES</b>	<b>2,394,400</b>
<b>OPERATING EXPENSES</b>	
Ballpark operations	800,000
Administration	500,000
Player salaries	100,000
Marketing and promotions	200,000
Game-day expenses	408,000
<b>TOTAL EXPENSES</b>	<b>2,008,000</b>
<b>Operating Income Before Lease/Debt Payments</b>	<b>\$386,400</b>
<i>Operating Margin</i>	<i>16%</i>

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## **Executive Summary**

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As shown on the previous page, it is estimated that a new downtown ballpark in Amarillo could generate approximately \$2.4 million in total annual revenue and incur approximately \$2.0 million in annual expenses, resulting in annual operating income of approximately \$386,000 before any lease payments or debt service.

### **Economic Impacts**

The ballpark could have a significant impact on downtown Amarillo and would generate new spending, create jobs and generate tax revenues to the City. The table on the following page presents a summary of the net new economic and fiscal impacts estimated to be generated within the City of Amarillo over a 30-year period by a new downtown ballpark, resulting from both construction and operations spending.

## Executive Summary

### Estimated Net New Economic and Fiscal Impacts Generated in City of Amarillo New Downtown Ballpark

Year	Economic Impacts				Fiscal Impacts
	Direct Spending	Total Output	Jobs	Personal Earnings	Sales Tax Revenue
1	\$14,235,000	\$20,789,000	180	\$6,946,000	\$191,000
2	\$2,688,300	\$3,896,490	70	\$1,447,150	\$111,240
3	\$2,768,949	\$4,013,385	70	\$1,490,565	\$114,577
4	\$2,852,017	\$4,133,786	70	\$1,535,281	\$118,015
5	\$2,937,578	\$4,257,800	70	\$1,581,340	\$121,555
6	\$3,025,705	\$4,385,534	70	\$1,628,780	\$125,202
7	\$3,116,476	\$4,517,100	70	\$1,677,643	\$128,958
8	\$3,209,971	\$4,652,613	70	\$1,727,973	\$132,826
9	\$3,306,270	\$4,792,191	70	\$1,779,812	\$136,811
10	\$3,405,458	\$4,935,957	70	\$1,833,206	\$140,916
11	\$3,507,622	\$5,084,036	70	\$1,888,203	\$145,143
12	\$3,612,850	\$5,236,557	70	\$1,944,849	\$149,497
13	\$3,721,236	\$5,393,653	70	\$2,003,194	\$153,982
14	\$3,832,873	\$5,555,463	70	\$2,063,290	\$158,602
15	\$3,947,859	\$5,722,127	70	\$2,125,189	\$163,360
16	\$4,066,295	\$5,893,791	70	\$2,188,944	\$168,260
17	\$4,188,284	\$6,070,604	70	\$2,254,613	\$173,308
18	\$4,313,932	\$6,252,723	70	\$2,322,251	\$178,508
19	\$4,443,350	\$6,440,304	70	\$2,391,918	\$183,863
20	\$4,576,651	\$6,633,513	70	\$2,463,676	\$189,379
21	\$4,713,950	\$6,832,519	70	\$2,537,586	\$195,060
22	\$4,855,369	\$7,037,494	70	\$2,613,714	\$200,912
23	\$5,001,030	\$7,248,619	70	\$2,692,125	\$206,939
24	\$5,151,061	\$7,466,078	70	\$2,772,889	\$213,147
25	\$5,305,593	\$7,690,060	70	\$2,856,076	\$219,542
26	\$5,464,760	\$7,920,762	70	\$2,941,758	\$226,128
27	\$5,628,703	\$8,158,385	70	\$3,030,011	\$232,912
28	\$5,797,564	\$8,403,136	70	\$3,120,911	\$239,899
29	\$5,971,491	\$8,655,230	70	\$3,214,538	\$247,096
30	\$6,150,636	\$8,914,887	70	\$3,310,975	\$254,509
<b>TOTAL</b>	<b>\$135,796,835</b>	<b>\$196,983,798</b>	<b>76</b>	<b>\$72,384,459</b>	<b>\$5,221,145</b>
<b>NPV</b>	<b>\$61,199,825</b>	<b>\$88,852,151</b>	<b>76</b>	<b>\$32,268,411</b>	<b>\$2,156,902</b>

Notes: Includes both construction and operations impacts.

Job estimates include both full and part-time jobs.

Total bottom-line job estimates based on the average number of jobs created per year.

Assumes three percent annual inflation rate and six percent discount rate.

## **Executive Summary**

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As shown on the previous page, over a span of 30 years it is estimated that a new downtown ballpark in Amarillo could generate approximately \$136 million in net new direct spending, \$197 million in net new output, an average of 76 annual jobs, \$72 million in net new personal earnings and \$5.2 million in net new tax revenues to the City of Amarillo.

The net present value of this total net new economic activity is estimated to be approximately \$61 million in net new direct spending, \$89 million in net new output, \$32 million in net new personal earnings and \$2.2 million in net new tax revenues to the City of Amarillo.

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This Executive Summary highlights the key findings from a report assessing the feasibility of downtown ballpark development in Amarillo. The study is designed to assist community leaders and project stakeholders in making informed decisions regarding ballpark development and the full report should be read in its entirety to obtain the background, methods and assumptions underlying the findings.

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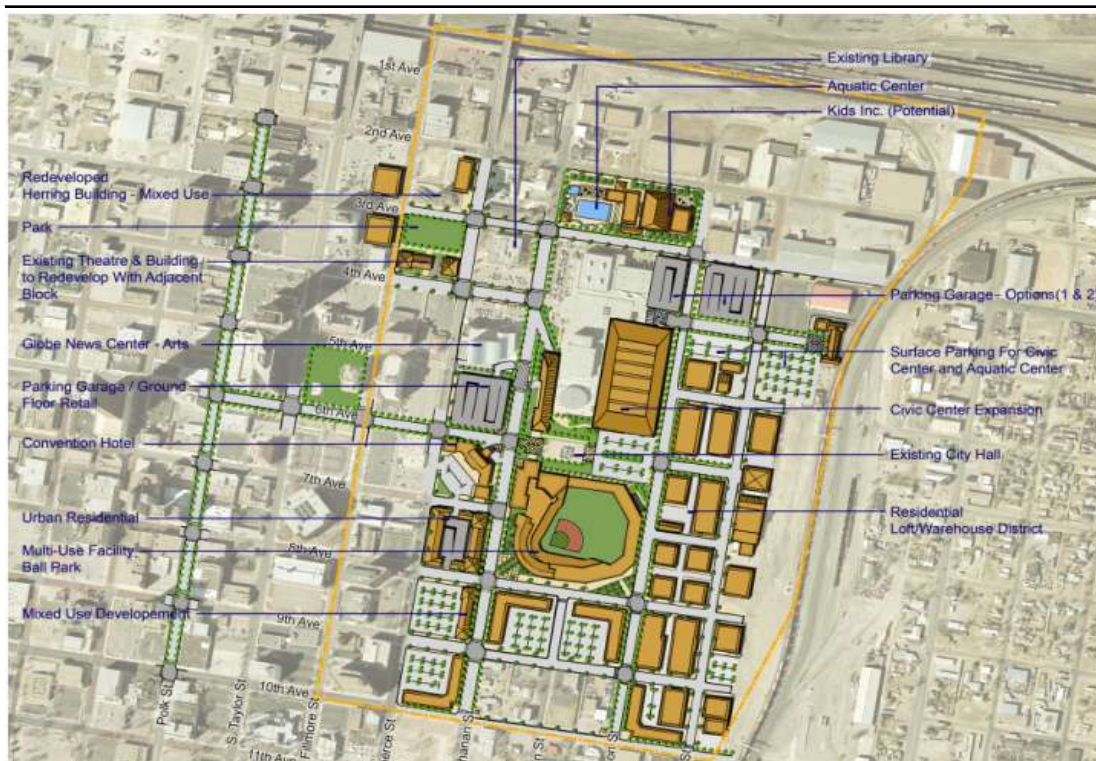
# 1. Introduction

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Minor league baseball in Amarillo has a history that dates back to the 1950's. Since 1994, the City of Amarillo has been home to the Amarillo Dillas independent professional baseball franchise. The Dillas have been members since 2006 of the United League, which also owns and operates the franchise, and have played their home games at the 8,500-seat Potter County Memorial Stadium. During this time, the Dillas have been one of the United League's most successful franchises, including leading the league in attendance and winning three league championships. However, the United League has faced financial instability, including being evicted from Potter County Memorial Stadium in October 2010 due to unpaid rent.

Whether or not the Dillas continue to operate in Amarillo, minor league baseball is a valued community attraction, as indicated by the inclusion of a new minor league ballpark in the Downtown Strategic Plan. The Plan was completed in March 2008 and outlined a broad vision for downtown Amarillo to become a vibrant urban area where people live, work, play and learn. The Plan featured specific recommendations for the 50-block area surrounding the Amarillo Civic Center and the state-of-the-art Globe-News Center for the Performing Arts, including a possible minor league ballpark and mixed-use development.

Civic Center Master Plan



Source: Downtown Amarillo, Inc.

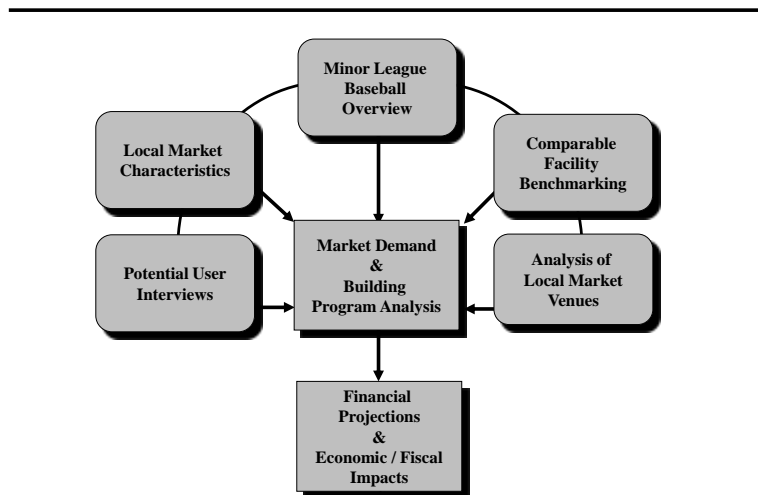
# 1. Introduction

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As shown on the previous page, a downtown ballpark is a focal point of the City’s Downtown Strategic Plan. In communities across the country such as Akron, Dayton, Greenville, Louisville, Memphis and Montgomery, minor league ballpark developments have been used as a catalyst to spur urban renewal. Ballparks can help spur private sector investment in an area by drawing a critical mass of people that spend money outside the ballpark in restaurants, bars, hotels, retail and entertainment establishments in connection with their game attendance.

As an initial step in the planning process for a new downtown ballpark, Downtown Amarillo, Inc. retained Conventions, Sports & Leisure International (“CSL”) to conduct a downtown ballpark feasibility study for the community of Amarillo. This study is intended to evaluate the potential physical and operational aspects of a new downtown ballpark, as well as develop an assessment of the various minor leagues that could be a long-term fit for the Amarillo community. The study methodology is summarized below.

Feasibility Study Methodology



In order to evaluate the feasibility of a new downtown ballpark, CSL reviewed the local market demographic and socioeconomic characteristics, analyzed industry trends, analyzed competitive and comparable facilities and interviewed potential ballpark users. Research results were used to estimate potential demand for a new ballpark, define general building program elements necessary to accommodate demand, estimate potential construction costs, estimate potential financial operating results and estimate potential economic and fiscal benefits.

## **1. Introduction**

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The study's findings are presented in the following sections:

1. Introduction
2. Demographic and Socioeconomic Market Data
3. Minor League Baseball Overview
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This report outlines the key findings of a feasibility study for a new downtown ballpark in Amarillo. This study is designed to assist project representatives in making informed decisions regarding future ballpark development in downtown. The report should be read in its entirety to obtain the background, methods and assumptions underlying the findings.

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## **2. Demographic & Socioeconomic Market Data**

## 2. Demographic and Socioeconomic Market Data

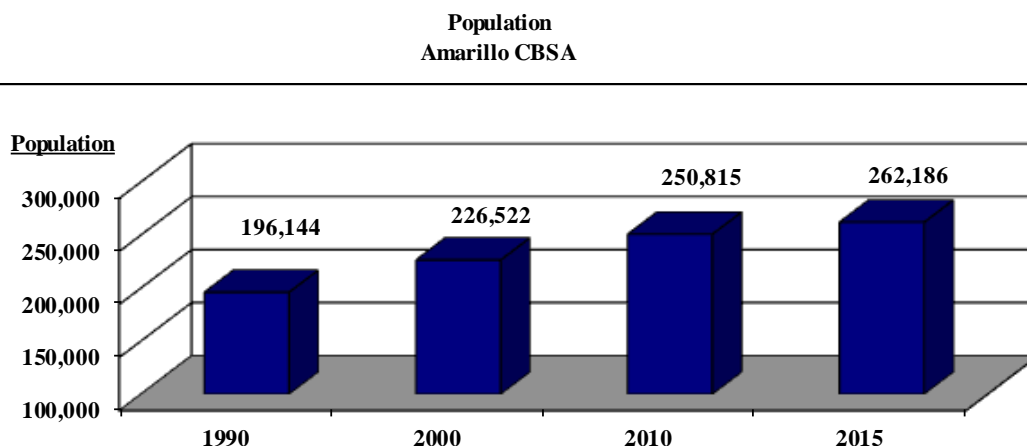
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An important component in assessing the potential success of a new ballpark is the demographic and socioeconomic profile of the local market. The strength of a market in terms of its ability to draw events and spectators is measured, in part, by the size and age of the market area population and its economic characteristics. Specific demographic and socioeconomic information that can provide an indication of the ability of a market to support a new ballpark includes population, age distribution, household income and corporate base, among other information.

The demographic and socioeconomic data presented in this report is based on the Core Based Statistical Area (CBSA). A CBSA is defined by the United States Census Bureau as “a core area containing a substantial population nucleus (of at least 10,000 people), together with adjacent communities having a high degree of economic and social integration with that core.” The Amarillo CBSA encompasses Armstrong, Carson, Potter and Randall counties, representing a total area of 3,682 square miles. For purposes of this analysis, the CBSA will be used as the primary method of analysis because the CBSA represents the core economic base from which baseball franchises attract the majority of attendance, season ticket sales, premium seating and advertising/sponsorship revenue.

### Population

The level of population from which to draw from has a direct impact of the potential viability of a minor league baseball franchise and its home ballpark. The following chart presents the historical, current and projected population of the Amarillo CBSA.



Source: Claritas

## 2. Demographic and Socioeconomic Market Data

The Amarillo CBSA is home to approximately 251,000 residents, ranking 180<sup>th</sup>- largest among 942 CBSAs in the United States. It is estimated that the population of the Amarillo CBSA will grow to approximately 262,000 residents by 2015, representing an expected compounded annual growth rate of approximately 0.9 percent, slightly higher than the expected national population growth rate of 0.8 percent over the same time period.

It is anticipated that the majority of attendance, ticket revenue and advertising/sponsorship revenue will come from within the Amarillo CBSA. However, given the location and market size of the Amarillo CBSA, it is estimated that a limited amount of revenue could be generated from areas outside of the Amarillo CBSA in the form of single-game tickets, especially on the weekends. The following map illustrates the area within a one hour drive-time of the proposed downtown ballpark in Amarillo.

**One Hour Drive-Time  
from Proposed Downtown Amarillo Ballpark**



Source: Microsoft Map Point

## **2. Demographic and Socioeconomic Market Data**

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As shown on the previous page, a one hour drive-time from the proposed downtown ballpark in Amarillo encompasses all or a portion of Briscoe, Castro, Deaf Smith, Donley, Gray, Hartley, Hutchinson, Moore, Oldham, Roberts and Swisher counties.

The following table presents a summary of the population of counties that can be reached within a one hour drive-time of the proposed downtown ballpark in Amarillo.

<b>One Hour Drive-Time Population Proposed Downtown Amarillo Ballpark</b>	
<b>County</b>	<b>Population</b>
Gray	22,074
Hutchinson	21,538
Moore	20,736
Deaf Smith	18,353
Parmer	9,290
Swisher	7,424
Castro	7,130
Hartley	4,968
Donley	3,664
Oldham	2,118
Briscoe	1,428
Roberts	878
<b>Total</b>	<b>119,601</b>

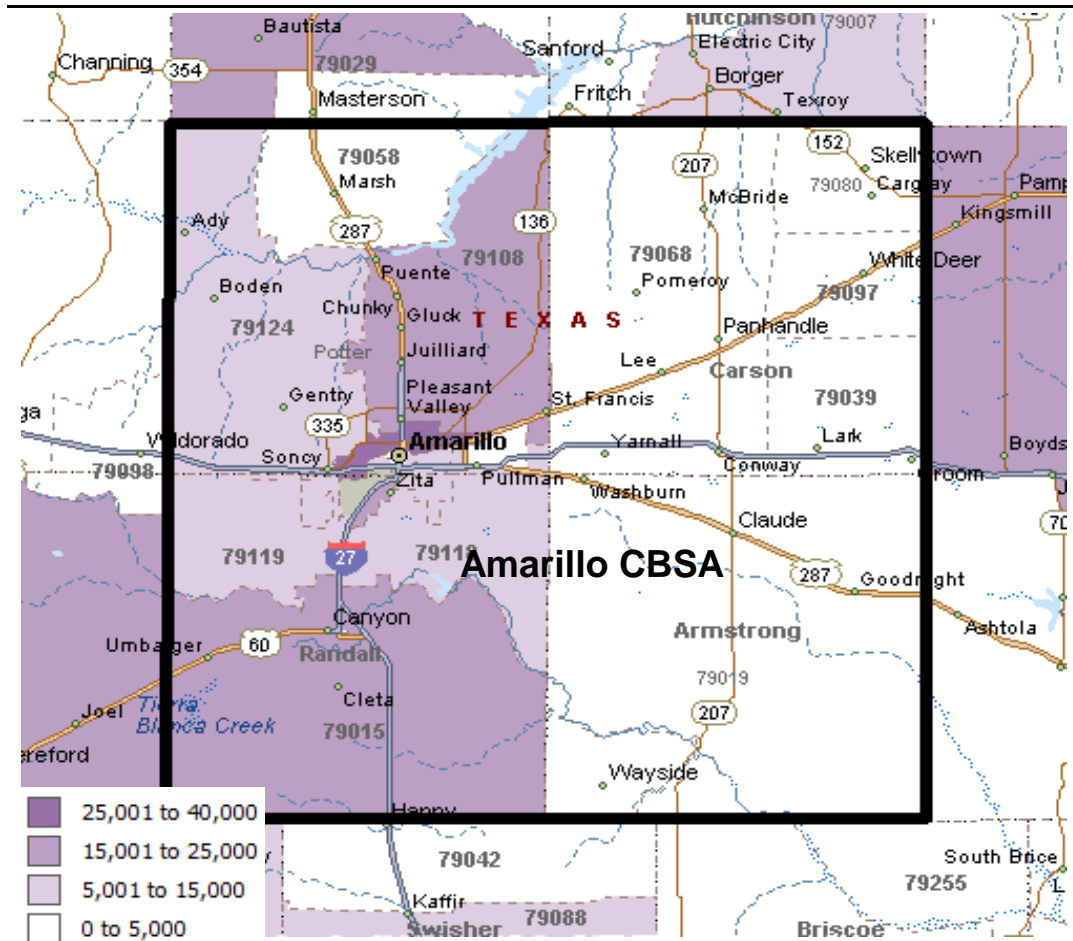
Source: U.S. Census Bureau

As shown, in addition to the CBSA, there are approximately 119,600 additional residents living in counties within a one hour drive-time of the proposed downtown ballpark in Amarillo.

The map on the following page illustrates the population density by zip code of the Amarillo CBSA and the surrounding regional area.

## 2. Demographic and Socioeconomic Market Data

### Population Density Amarillo CBSA



Source: Microsoft Mapoint North America.

The darker areas indicating zip codes with a higher population density are located in the northwest and southwest portions of the Amarillo CBSA. Specifically, the most densely populated areas include Amarillo, Pleasant Valley, Juilliard, Gluck, Puente, Canyon and Cleta.

### Age

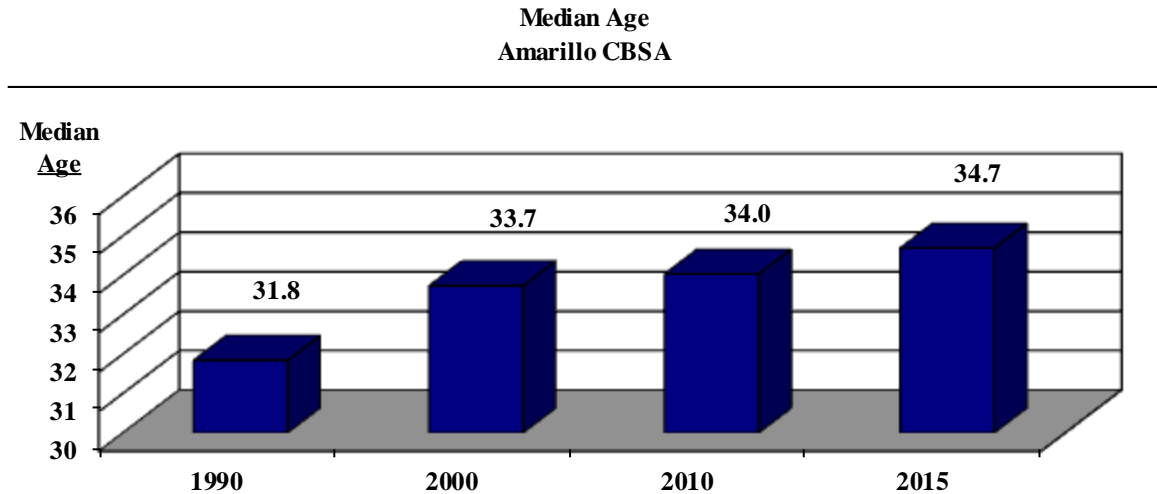
Another demographic characteristic that is important to the overall viability of a minor league baseball team and its ballpark is the age of the local population. Minor league baseball is generally marketed as an affordable family entertainment option and, as a result, is generally more successful in areas with younger populations. In general, the 18

## 2. Demographic and Socioeconomic Market Data

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to 54 year old age group is regarded in the spectator events industry as an age group that is most likely to attend events such as minor league baseball. This age group exhibits higher spending patterns than other age groups, and a young population can also be an indicator of a healthy local economy that retains young professionals.

The following table presents the historical, current and projected median age of residents within the Amarillo CBSA.



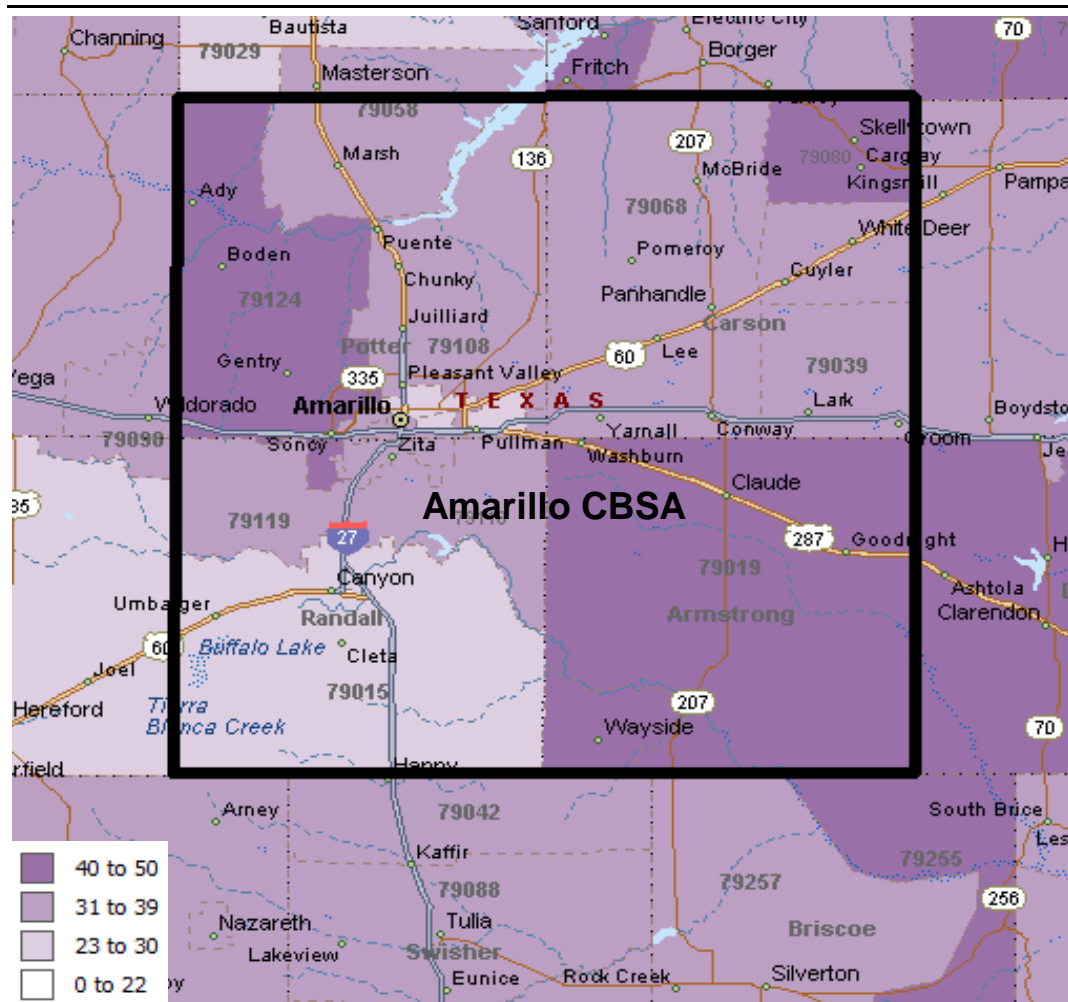
Source: Claritas

The median age of the Amarillo CBSA is 34.0 years, which is younger than the United States median age of 37.0 years. It is estimated that the median age of the Amarillo CBSA will increase slightly to 34.7 years in 2015.

The map on the following page illustrates the median age distribution of the Amarillo CBSA and the surrounding regional area.

## 2. Demographic and Socioeconomic Market Data

Median Age  
Amarillo CBSA



Source: Microsoft Mapoint North America.

Lighter areas in the map above indicate a younger median age compared to darker areas. Areas with a slightly older median age are located to the west and northwest of the City of Amarillo and in the southeastern portion of the Amarillo CBSA, while areas characterized as having a lower median age are located in the eastern portion of the City of Amarillo and in the southwestern portion of the Amarillo CBSA.

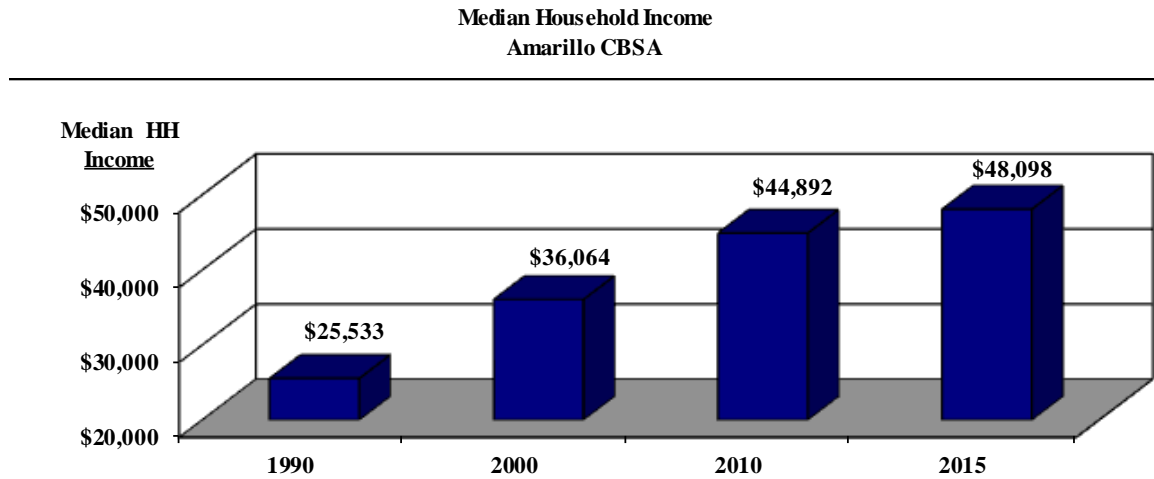
### Household Income

An important socioeconomic variable that can be indicative of the potential success of a minor league baseball franchise and its home ballpark is household income. Household income can be used as a measure of the ability to purchase tickets, concessions, novelties,

## 2. Demographic and Socioeconomic Market Data

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parking and other such items. The following table presents the historical, current and projected median household income of the Amarillo CBSA.



Source: Claritas

The median household income of the Amarillo CBSA is \$44,892, approximately 18 percent lower than the U.S. median household income of \$52,795. It is estimated that the median household income of the Amarillo CBSA will grow to \$48,098 in 2015, an increase of approximately seven percent.

It should be noted that any discussion of household income should consider the cost of living characteristic of an area. The cost of living indicates how expensive or inexpensive a city is, relative to the nation as a whole. The national average is 100 and Amarillo is 89.8, indicating that Amarillo is approximately 10 percent less expensive than the nation as a whole.

Household income can also be adjusted to calculate effective buying income, also known as disposable or after-tax income. Effective buying income is defined as personal income less personal tax and certain non-tax payments. This statistical figure is important when estimating consumers' propensity to spend personal income on entertainment. The median household effective buying income of the Amarillo CBSA is \$38,448, approximately 12 percent lower than the U.S. median household effective buying income of \$43,252.

### Corporate Base

Local corporations will play an important role in supporting a new downtown ballpark in Amarillo through the purchase of advertising/sponsorship opportunities, premium

## 2. Demographic and Socioeconomic Market Data

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seating, season tickets, group outings, etc. The following table presents the number of corporate headquarters with annual sales of at least \$2.5 million and corporate branches with at least 10 employees in the local market.

<b>Corporate Base Amarillo CBSA</b>	
<u>Annual Sales (in millions)</u>	<u>Number of Companies</u>
<i>Headquarters:</i>	
\$500.0 - \$749.9	1
\$250.0 - \$499.9	1
\$100.0 - \$249.9	6
\$50.0 - \$99.9	3
\$25.0 - \$49.9	11
\$10.0 - \$24.9	27
\$5.0 - \$9.9	39
\$2.5 - \$4.9	104
<i>Total Headquarters</i>	<i>192</i>
<i>Total Branches</i>	<i>335</i>
<b>Total Corporate Inventory <sup>(1)</sup></b>	<b>527</b>

(1) Includes branches with 10 or more employees and corporate headquarters with at least \$2.5 million in annual sales.

Note: Certain SIC codes such as governments, non-profits, educational institutions, etc. have been eliminated.

Source: Dun & Bradstreet

Amarillo has 527 companies with \$2.5 million or more in annual sales and at least 10 employees. These thresholds were established to identify companies that could have the financial wherewithal to purchase advertising and sponsorship opportunities, premium seating, season tickets, group outings, etc.

### Summary

The demographic and socioeconomic characteristics of a market are an important component in assessing the potential success of a new ballpark in downtown Amarillo. The ability of a minor league baseball franchise to attract spectators, develop corporate partners and generate revenues is predicated, somewhat, on the size of the regional market area population and its spending characteristics in the context of competition within the market.

## **2. Demographic and Socioeconomic Market Data**

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Overall, the Amarillo market has a younger population and a slightly higher estimated population growth over the next five years than the U.S. as a whole. However, the household income characteristics of the Amarillo market are lower than the national average.

While certain characteristics of the Amarillo market are lower than the national average, minor league baseball is marketed as an affordable, family-friendly entertainment option, which is reflected in the low cost of tickets and concessions. As such, it is important that ticket prices, concessions and other types of services would remain affordable in a new downtown ballpark.

These characteristics serve to indicate that Amarillo is a viable minor league baseball market, which is also apparent in the strong attendance drawn by the Amarillo Dillas in recent years.

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The demographic and socioeconomic characteristics of the Amarillo CBSA are considered together with an assessment of the local facilities in the marketplace, the historical operations of comparable facilities and interviews with potential facility users to estimate demand.

Executive Summary

1. Introduction
2. Demographic & Socioeconomic Market Data
3. Minor League Baseball Overview
4. Local Market Venues
5. New Ballpark Case Studies
6. Estimated Demand
7. Building Program Analysis
8. Financial Projections
9. Economic & Fiscal Impacts

## **3. Minor League Baseball Overview**

### **3. Minor League Baseball Overview**

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The Dillas have been one of the United League’s most successful franchises, including leading the league in attendance and winning three league championships. However, the United League has faced financial instability, including being evicted from Potter County Memorial Stadium in October 2010 due to unpaid rent. As such, this study is focused on the general viability of minor league baseball in Amarillo and the potential best fit in terms of league affiliation.

The purpose of this section is to provide a historical overview of minor league baseball and help set the framework for which classification(s) and league(s) are the most appropriate for the City of Amarillo. This section is presented in the following components:

- Affiliated Leagues;
- Independent Leagues; and,
- Conclusion.

#### **Affiliated Leagues**

Affiliated minor league baseball is comprised of franchises that are generally independently owned and operated, but are directly affiliated with one Major League Baseball (“MLB”) franchise through a standardized Player Development Contract (“PDC”). As part of the PDC, the MLB franchise pays the salaries and benefits of players and coaches, as well as some other required equipment, while the minor league franchise pays for in-season travel and other operational expenses. The purpose of affiliated minor league baseball is to develop the prospects of the parent MLB franchise and make them available to play for the MLB franchise at its discretion.

#### *Affiliated Minor League Classification System*

Professional baseball teams have been placed in various classifications since 1890. The current classification system was started in 1902 with the formation of the National Association of Professional Baseball Leagues (“NAPBL”), which recently changed its name to Minor League Baseball (“MiLB”). The following is a brief summary of the current minor league classification system:

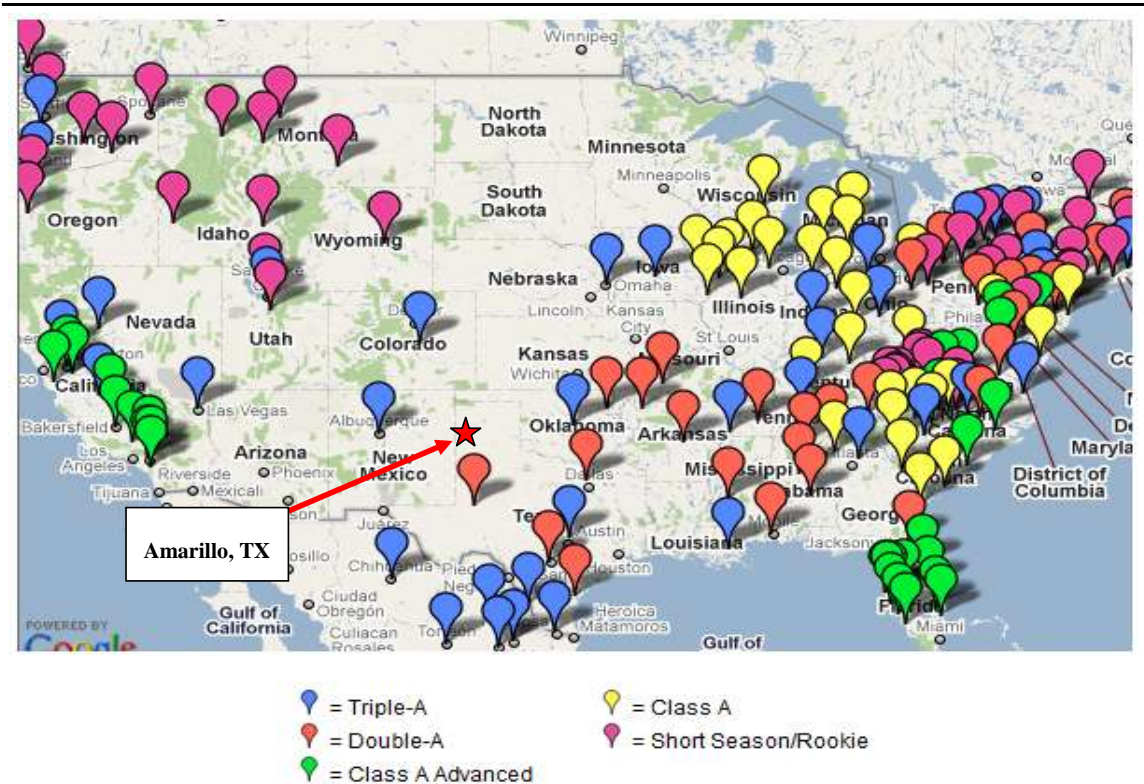
- **AAA** – “Triple A” is the highest classification of the affiliated minor leagues. It was established in 1945, and currently consists of three leagues including the International, Pacific Coast and Mexican Leagues.
- **AA** – “Double A” was established in 1912, and is the second tier of the affiliated minor leagues. There are currently three leagues classified as Class AA, including the Eastern, Southern and Texas Leagues.

### 3. Minor League Baseball Overview

- **A** – “Single A” was the highest classification for minor league teams in 1902. Under the present structure, Class A teams are the third tier of affiliated minor leagues, and consist of five regular season leagues, including the California, Carolina, Florida State, Midwest and South Atlantic Leagues, as well as two short-season leagues, including the New York-Penn and Northwest Leagues.
- **Rookie** – The rookie classification was established in 1963, and is currently the lowest classification of affiliated minor league baseball, consisting of four leagues made up of first year players, including the Arizona, Appalachian, Gulf Coast and Pioneer Leagues.

Travel costs will represent a significant operating expense for a minor league baseball franchise, therefore, it is essential that a new downtown ballpark in Amarillo be located in close proximity to other franchises when determining the appropriate minor league membership. The following map illustrates the location of Amarillo relative to all affiliated minor league baseball franchises and their classification.

Affiliated Minor League Baseball Franchise Locations



Source: Minor League Baseball, Googlemaps

Geographically, the only affiliated minor leagues that operate within Amarillo’s region are Class AAA and Class AA, as shown in the map above.

### 3. Minor League Baseball Overview

#### *Affiliated Minor League Summary*

The following table presents a summary of key characteristics of affiliated minor league classifications, including administrative information, attendance, ballpark capacity, ballpark age, and CBSA population.

**Affiliated Minor League Summary  
All Classifications**

	Class AAA	Class AA	Class A	Rookie League
<b>Administrative Information:</b>				
# Leagues	2	3	7	2
# Teams	30	30	83	18
# Games	144	140	75 - 140	68 - 75
<b>2010 CBSA Population:</b>				
High	5,569,195	6,493,230	19,104,202	561,831
Low	425,316	113,429	47,915	44,030
Average	1,431,034	994,163	1,448,125	177,019
<b>2010 Attendance:</b>				
High	9,227	7,886	8,534	3,494
Low	4,247	1,403	576	667
Average	6,651	4,455	3,054	1,463
<b>Ballpark Capacity:</b>				
High	19,566	11,000	11,123	8,262
Low	8,500	6,000	2,468	1,500
Average	11,910	7,880	5,661	3,364
<b>Ballpark Age:</b>				
Oldest	1926	1951	1906	1935
Newest	2009	2010	2010	2008
Average	1990	1996	1982	1979

Note: The Mexican League is also a member of Class AAA, but has been omitted from this analysis.

Note: The Arizona and Gulf Coast Leagues are instructional Rookie leagues and have been omitted from this analysis.

Source: Claritas, minor league baseball, CSL International research

Focusing on the two affiliated minor league classifications that operate within Amarillo's region of the United States, Class AAA markets have an average population of approximately 1.4 million people, while Class AA markets have an average population of approximately 994,000. The Amarillo CBSA population of 250,815 would rank lowest among Class AAA markets and among the lowest Class AA markets.

### **3. Minor League Baseball Overview**

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It is not expected that Amarillo would be a viable option for a Class AAA franchise due to its small market size relative to other Class AAA markets and difficulty in obtaining MLB affiliation, among others.

Although the Class AA Texas League could be a viable option from a geographical standpoint, relocation of an existing Texas League franchise is unlikely, as all of the Texas League franchises, with the exception of San Antonio, currently play in ballparks with a long-term lease. It is not likely that the San Antonio franchise would relocate to a smaller market such as Amarillo. Therefore, it is assumed that Class AA would not be a viable option for Amarillo.

#### **Independent Leagues**

Independent league franchises are not operated in conjunction with a MLB franchise. As such, they are not subject to the territorial rules by which an affiliated team must abide. Consequently, an independent league franchise may choose to be located in or near an MLB market without the consent of that MLB franchise. The freedom to choose a market regardless of the presence of an MLB franchise has resulted in a large variation among the size of each market inhabited by independent league teams.

Unlike affiliated minor league franchises, independent league franchises are responsible for scouting and maintaining their player roster, as well as paying the salary of players, coaches and other player development personnel. In addition, independent league franchises must also market and promote the team without the assistance of the parent club. Independent leagues include the Atlantic, Frontier, Can-Am, Northern, American, Golden and United Leagues. The table on the following page presents a summary of the various characteristics of current independent league franchises

### 3. Minor League Baseball Overview

#### Independent League Teams and Ballparks

Team	Location	CBSA			Year Opened	Capacity	2010
		Population	League	Ballpark			Average Attendance
Long Island Ducks	Central Islip, NY	19,104,202	Atlantic	Citibank Park	2000	6,002	6,038
Somerset Patriots	Bridgewater Township, NJ	19,104,202	Atlantic	TD Bank Ballpark	1999	6,100	5,363
New Jersey Jackals	Little Falls, NJ	19,104,202	Can-Am	Yogi Berra Stadium	1998	3,784	1,954
Newark Bears	Newark, NJ	19,104,202	Atlantic	Bears & Eagles Riverfront Stadium	1999	6,200	1,872
Sussex Skyhawks	Augusta, NJ	19,104,202	Can-Am	Skylands Park	1994	4,200	1,670
Orange County Flyers	Anaheim, CA	13,255,498	Golden	Goodwin Field	1992	3,500	1,362
Schaumburg Flyers	Schaumburg, IL	9,651,162	Northern	Alexian Field	1999	6,000	3,454
Joliet JackHammers	Joliet, IL	9,651,162	Northern	Silver Cross Field	2002	6,016	3,445
Gary SouthShore RailCats	Gary, IN	9,651,162	American	U.S. Steel Yard	2002	6,000	3,395
Lake County Fielders	Zion, IL	9,651,162	Northern	Zion Ballpark	2010	8,000	2,741
Windy City ThunderBolts	Crestwood, IL	9,651,162	Frontier	Standard Bank Stadium	1999	3,200	1,962
Ft. Worth Cats	Ft. Worth, TX	6,493,230	American	LaGrave Field	2002	4,100	2,977
Grand Prairie AirHogs	Grand Prairie, TX	6,493,230	American	QuikTrip Park	2008	5,445	2,707
Camden Riversharks	Camden, NJ	5,913,308	Atlantic	Campbell's Field	2001	6,425	3,598
Southern Maryland Blue Crabs	Waldorf, MD	5,438,913	Atlantic	Regency Furniture Stadium	2008	4,200	3,539
Brockton Rox	Brockton, MA	4,562,075	Can-Am	Campanelli Stadium	2002	4,750	2,175
Oakland County Cruisers	Waterford Township, MI	4,392,431	Frontier	Diamond at the Summit	2010	3,900	607
St. Paul Saints	St. Paul, MN	3,279,181	American	Midway Stadium	1982	6,069	5,063
Gateway Grizzlies	Sauget, IL	2,835,186	Frontier	GCS Ballpark	2002	6,000	3,722
River City Rascals	OFallon, MO	2,835,186	Frontier	T.R. Hughes Ballpark	1999	3,687	2,363
Washington Wild Things	Washington, PA	2,339,954	Frontier	CONSOL Energy Park	2002	5,000	2,431
Florence Freedom	Florence, KY	2,177,460	Frontier	Champion Window Field	2004	4,500	2,256
Lake Erie Crushers	Avon, OH	2,075,531	Frontier	All Pro Freight Stadium	2009	5,000	3,129
Kansas City T-Bones	Kansas City, KS	2,031,038	American	CommunityAmerica Ballpark	2003	6,537	5,507
Calgary Vipers	Calgary, Alberta	1,230,200	Golden	Foothills Stadium	1966	6,000	1,705
Edmonton Capitals	Edmonton, Alberta	1,155,400	Golden	Telus Field	1995	10,000	2,093
Tucson Toros	Tucson, AZ	1,033,016	Golden	Hi Corbett Field	1937	9,500	2,660
Bridgeport Bluefish	Bridgeport, CT	897,247	Atlantic	The Ballpark at Harbor Yard	1998	5,300	2,471
Worcester Tomatoes	Worcester, MA	786,749	Can-Am	Fitton Field	1905	3,000	1,966
El Paso Diablos	El Paso, TX	764,048	American	Cohen Stadium	1990	9,725	3,738
Edinburg Roadrunners	Edinburg, TX	760,181	United	Edinburg Field	2001	5,500	2,605
Quebec Capitales	Quebec City, Quebec	746,300	Can-Am	Stade Municipal	1938	4,800	3,288
Winnipeg Goldeyes	Winnipeg, Manitoba	742,400	American	Canwest Park	1999	7,481	5,654
Wichita Wingnuts	Wichita, KS	612,430	American	Lawrence-Dumont Stadium	1934	6,400	2,994
Lancaster Barnstormers	Lancaster, PA	508,187	Atlantic	Clipper Magazine Stadium	2005	6,000	4,895
Pensacola Pelicans	Pensacola, FL	459,930	American	Pelican Park	1981	3,000	1,150
York Revolution	York, PA	432,130	Atlantic	Sovereign Bank Stadium	2007	5,200	4,155
Coastal Bend Thunder	Robstown, TX	420,177	United	Fairgrounds Field	2003	5,300	349
Rio Grand Valley WhiteWings	Harlingen, TX	405,301	United	Harlingen Field	1950	4,500	1,195
Shreveport-Bossier Captains	Shreveport, LA	391,602	American	Fair Grounds Field	1986	4,200	1,588
Rockford RiverHawks	Loves Park, IL	360,502	Northern	Road Ranger Stadium	2006	4,246	2,873
Victoria Seals	Victoria, British Columbia	352,400	Golden	Royal Athletic Park	1967	4,247	2,597
Evansville Otters	Evansville, IN	351,391	Frontier	Bosse Field	1915	5,181	2,516
Kalamazoo Kings	Kalamazoo, MI	324,923	Frontier	Homer Stryker Field	1963	4,000	1,280
Lincoln SaltDogs	Lincoln, NE	300,735	American	Haymarket Park	2001	8,500	3,409
Amarillo Dillas	Amarillo, TX	250,815	United	Potter County Memorial Stadium	1956	8,500	2,912
Laredo Broncos	Laredo, TX	248,243	American	Veterans Field	1950	5,000	1,539
Sioux Falls Fighting Pheasants	Sioux Falls, SD	241,292	American	Sioux Falls Stadium	1941	4,500	1,922
Chico Outlaws	Chico, CA	222,294	Golden	Nettleton Stadium	1997	4,200	2,709
Yuma Scorpions	Yuma, AZ	204,195	Golden	Desert Sun Stadium	1969	10,500	1,350
Fargo-Moorhead RedHawks	Fargo, ND	199,797	American	Newman Outdoor Field	1996	4,513	3,662
Normal CornBelters	Normal, IL	167,733	Frontier	The Corn Crib	2010	7,000	2,646
St. George RoadRunners	St. George, UT	148,908	Golden	Bruce Hurst Field	1994	2,500	1,058
Na Koa Ikaika Maui	Maui, HI	146,193	Golden	Maehara Stadium	1973	1,500	1,227
Sioux City Explorers	Sioux City, IA	143,797	American	Lewis and Clark Park	1993	3,631	1,226
Traverse City Beach Bums	Traverse City, MI	143,366	Frontier	Wuerful Park	2006	3,518	3,650
Pittsfield Colonials	Pittsfield, MA	128,477	Can-Am	Wahconah Park	1919	4,500	702
San Angelo Colts	San Angelo, TX	108,279	United	Foster Field	2000	4,200	2,336
Southern Illinois Miners	Marion, IL	58,030	Frontier	Rent One Park	2007	7,000	4,253
Tijuana Cimarrones	Tijuana, Mexico	n/a	Golden	Estadio de Beisbol Calimax	1976	18,500	1,508
<b>Average</b>		<b>2,020,323</b>			<b>1986</b>	<b>5,604</b>	<b>2,687</b>
<b>Median</b>		<b>508,187</b>			<b>1999</b>	<b>5,091</b>	<b>2,601</b>

Note: Sorted by CBSA population.

Source: CSL research and individual team websites

### **3. Minor League Baseball Overview**

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As shown in the previous table, there are 59 franchises in 24 states, four Canadian provinces and Mexico that comprise independent league baseball. There are currently nine independent league franchises in Texas (operating in the American Association and the United League) and two expansion franchises planning to begin play within the next few years. Independent league markets have an average population of approximately 2.0 million residents and a median population of approximately 508,000 residents, ranging in size from a low of approximately 58,000 in Marion, Illinois, to a high of approximately 19.1 million in the New York City market. The Amarillo CBSA population of 250,815 ranks 36<sup>th</sup>-largest out of 50 independent league markets

The average independent league ballpark opened in 1986, with the oldest ballpark opened in 1905 and the newest ballpark opened in 2010. Independent league ballparks have an average capacity of approximately 5,600 seats, ranging from a low of 1,500 to a high of 18,500 seats. In 2010, independent league ballparks had an average attendance of approximately 2,700 per game, ranging from a low of approximately 350 in Robstown, Texas, to a high of approximately 6,000 in Central Islip, New York.

When evaluating the development of a minor league ballpark, it is critical to understand the viability of the league in which the proposed team will be playing. It is vital that any independent league maintain a minimum of six to eight viable and financially successful franchises. Unstable and financially unsound teams can ultimately impact the league as whole. Without the affiliation of a MLB franchise, the independent leagues have more risk than other leagues. However, there are multiple independent leagues that have operated successfully over the past decade due to the strength and support of the local market, the home ballpark, and the commitment and innovation of team ownership and administration.

It is expected that an independent league would be the most likely option for a franchise competing in a new ballpark in downtown Amarillo. As such, the following is a detailed summary of independent leagues and their member franchises. The leagues are presented in alphabetical order.

#### *American Association*

The American Association of Independent Professional Baseball (“American Association”) is based in Durham, North Carolina. The league was founded in October 2005 by four former Northern League franchises, five franchises from the now defunct Central League and one expansion franchise located in St. Joseph, Missouri. Following the 2010 season, the league expanded by four teams with the addition of the



### 3. Minor League Baseball Overview

Fargo-Moorhead RedHawks, Gary SouthShore RailCats, Kansas City T-Bones and Winnipeg Goldeyes from the Northern League. The 14 current franchises are located in Texas (three franchises), Nebraska, Florida, Kansas, Louisiana, Iowa, Indiana, North Dakota, South Dakota, Minnesota and the Canadian province of Manitoba. The league will feature three divisions (northern, central and southern) and has discussed expanding its regular season to 100 games. In 2012, a 15th franchise will be located in Laredo, Texas, following completion of a new ballpark. The league has also explored the possibility of a new franchise in the Houston, Texas area (Montgomery County).

The following map illustrates the geographic location of American Association franchises.

American Association Geographic Location



Source: American Association

As shown above, the American Association spans southern Canada, the Midwest and southern region of the U.S., including three current and two planned expansion franchises in the State of Texas.

### 3. Minor League Baseball Overview

The following table presents a summary of the franchises comprising the American Association as well as their respective market and ballpark.

**Independent League Franchises and Ballparks  
American Association**

Franchise	Location	CBSA Population	Ballpark	Year Opened	Seating Capacity	2010	Years of League Membership
						Average Reported Attendance	
Gary SouthShore RailCats	Gary, IN	9,651,162	U.S. Steel Yard	2002	6,000	3,395	n/a
Ft. Worth Cats	Ft. Worth, TX	6,493,230	LaGrave Field	2002	4,100	2,977	5
Grand Prairie AirHogs	Grand Prairie, TX	6,493,230	QuikTrip Park	2008	5,445	2,707	3
St. Paul Saints	St. Paul, MN	3,279,181	Midway Stadium	1982	6,069	5,063	5
Kansas City T-Bones	Kansas City, KS	2,031,038	CommunityAmerica Ballpark	2003	6,537	5,507	n/a
El Paso Diablos	El Paso, TX	764,048	Cohen Stadium	1990	9,725	3,738	5
Winnipeg Goldeyes	Winnipeg, Manitoba	742,400	Canwest Park	1999	7,481	5,654	n/a
Wichita Wingnuts	Wichita, KS	612,430	Lawrence-Dumont Stadium	1934	6,400	2,994	3
Pensacola Pelicans	Pensacola, FL	459,930	Pelican Park	1981	3,000	1,150	5
Shreveport-Bossier Captains	Shreveport, LA	391,602	Fairgrounds Field	1986	4,200	1,588	5
Lincoln Saltdogs	Lincoln, NE	300,735	Haymarket Park	2001	8,500	3,409	5
Laredo Broncos <sup>(1)</sup>	Laredo, TX	248,243	n/a	n/a	n/a	n/a	n/a
Sioux Falls Fighting Pheasants	Sioux Falls, SD	241,292	Sioux Falls Stadium	1941	4,500	1,922	5
Fargo-Moorhead RedHawks	Fargo, ND	199,797	Newman Outdoor Field	1996	4,513	3,662	n/a
Sioux City Explorers	Sioux City, IA	143,797	Lewis and Clark Park	1993	3,631	1,226	5
<b>Average</b>		<b>1,825,635</b>		<b>1987</b>	<b>5,722</b>	<b>2,677</b>	<b>5</b>
<b>Median</b>		<b>536,180</b>		<b>1995</b>	<b>5,723</b>	<b>2,842</b>	<b>5</b>

(1) The Laredo Broncos are expected to leave the United League and join the American Association in 2012 following completion of a new ballpark.

Note: Sorted by CBSA population.

Note: The Gary SouthShore RailCats, Kansas City T-Bones, Winnipeg Goldeyes and Fargo-Moorhead RedHawks will begin play for the 2011 season.

Source: Claritas, American Association

As shown above, markets hosting American Association franchises have an average population of approximately 1.8 million and a median population of approximately 536,000, ranging from a low of approximately 144,000 in Sioux City, Iowa, to a high of approximately 9.7 million in the Chicago market. The Amarillo CBSA population of 250,815 would rank 12th-largest out of 15 American Association markets.

The current American Association franchises play in ballparks that opened between 1934 and 2008, with the average ballpark opened in 1987 and the median ballpark opened in 1995. The average American Association ballpark has approximately 5,700 seats, ranging from a low of 3,000 in Pensacola, Florida, to a high of approximately 9,700 in El Paso, Texas.

In 2010, American Association franchises reported an average attendance of approximately 2,700, ranging from a low of approximately 1,200 in Pensacola, Florida, to a high of approximately 5,100 in St. Paul, Minnesota. In addition, three of the top six franchises with the highest attendance are located in Texas, including the El Paso Diablos, Fort Worth Cats and Grand Prairie AirHogs.

Eight of the 14 current franchises have been members of the American Association since it was formed in 2005, while six franchises have been added since 2008.

### **3. Minor League Baseball Overview**

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Based on conversations with American Association officials, the Amarillo market could be an appropriate fit for the league. The league added four franchises for the 2011 season and could eventually expand to as many as 24 franchises. Officials indicated they would definitely be interested in increasing the league's presence in Texas.

Generally, the American Association prefers markets with a population of 100,000 or more residents that can support a ballpark with at least 4,000 fixed seats. American Association franchises must also be located at least 20 miles away from each other to maintain the territorial rights of each franchise. Most importantly, the American Association looks to attract strong ownership groups that will hire the right people and operate the franchise with prudence in order to ensure its financial sustainability.

Since 2006, the American Association has seen franchises in Robstown, Texas, and St. Joseph, Missouri cease operations. However, the league announced plans to add four franchises for the 2011 season and a franchise in Laredo, Texas, for the 2012 season, following construction of a new ballpark.

#### *Atlantic League*

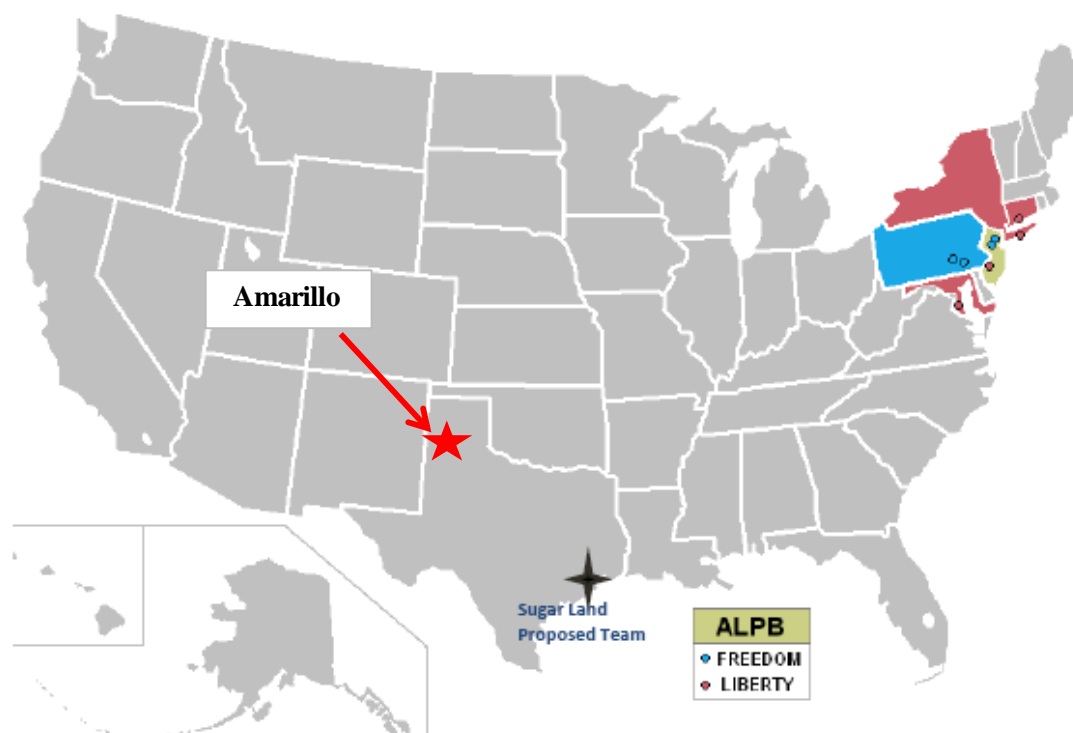
The Atlantic League of Professional Baseball ("Atlantic League") is based in Camden, New Jersey, and mainly operates throughout the Northeastern and Mid-Atlantic United States. The Atlantic League was formed in 1998 with six franchises. Since its inception, the league has seen various franchises come and go, but presently it is comprised of eight franchises from Connecticut, New York, New Jersey, Pennsylvania and Maryland. Currently, the league plans to add a franchise in the Washington D.C. market (Loudoun County, Virginia) for the 2011 season and hopes to form a western division with the addition of a franchise in the Houston market (Sugar Land, Texas) in 2012. Following an ownership change after the 2010 season, the Newark Bears relocated to the Can-Am League in order to ease the team's travel budget. In 2011, a traveling team, known as the Road Warriors, will serve as the eighth member of the Atlantic League.



The map on the following page illustrates the geographic location of Atlantic League franchises.

### 3. Minor League Baseball Overview

#### Atlantic League Geographic Location



Source: Atlantic League

As shown above, Atlantic League franchises are located in the northeast region of the U.S., although the league plans to add a western division, beginning with an expansion franchise in Sugar Land, Texas.

The following table presents a summary of the franchises comprising the Atlantic League as well as their respective market and ballpark.

Independent League Franchises and Ballparks  
Atlantic League

Franchise	Location	CBSA Population	Ballpark	Year Opened	Seating Capacity	2010 Average Reported Attendance	Years of League Membership
Long Island Ducks	Central Islip, NY	19,104,202	Citibank Park	2000	6,002	6,038	11
Somerset Patriots	Bridgewater, NJ	19,104,202	TD Bank Ballpark	1999	6,100	5,363	13
Camden Riversharks	Camden, NJ	5,913,308	Campbell's Field	2001	6,425	3,598	10
Sugar Land Franchise	Sugar Land, TX	5,909,705	n/a	n/a	n/a	n/a	n/a
Southern Maryland Blue Crabs	Waldorf, MD	5,438,913	Regency Furniture Stadium	2008	4,200	3,539	3
Loudon County Franchise	Rockville, MD	5,438,913	n/a	n/a	n/a	n/a	n/a
Bridgeport Bluefish	Bridgeport, CT	897,247	The Ballpark at Harbor Yard	1998	5,300	2,471	13
Lancaster Barnstormers	Lancaster, PA	508,187	Clipper Magazine Stadium	2005	6,000	4,895	6
York Revolution	York, PA	432,130	Sovereign Bank Stadium	2007	5,200	4,155	4
<b>Average</b>		<b>5,457,670</b>		<b>2003</b>	<b>5,604</b>	<b>4,294</b>	<b>9</b>
<b>Median</b>		<b>5,438,913</b>		<b>2001</b>	<b>6,000</b>	<b>4,155</b>	<b>10</b>

Note: Sorted by CBSA population.

Source: Claritas, Atlantic League



### **3. Minor League Baseball Overview**

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As shown in the previous table, markets hosting Atlantic League franchises have an average population of approximately 5.5 million and a median population of approximately 5.4 million, ranging from a low of approximately 432,000 in York, Pennsylvania, to a high of approximately 19.1 million in the New York City market. The Amarillo CBSA population of 250,815 would rank as the smallest Atlantic League market.

Current Atlantic League franchises play in ballparks that opened between 1998 and 2008, with the average ballpark opened in 2003. The average Atlantic League ballpark has approximately 5,600 seats, ranging from a low of 4,200 in Waldorf, Maryland, to a high of approximately 6,400 in Camden, New Jersey. Officials indicated that the majority of Atlantic League ballparks are built at a cost of between \$15.0 million and \$45.0 million, with a total seating capacity of approximately 6,000.

Due in large part to its location, with five teams operating in markets greater than 5.0 million residents and two additional teams planned in the D.C. and Houston markets, the Atlantic League draws higher attendance than most other independent leagues. In 2010, Atlantic League franchises reported an average attendance of approximately 4,000, ranging from a low of approximately 1,900 in Newark, New Jersey (franchise relocated to the Can-Am League for the 2011 season), to a high of approximately 6,000 in Central Islip, New York.

The average Atlantic League franchise has been a member of the league for nine years, including three franchises that joined when the league formed in 1998. In addition, it should be noted that the Atlantic League has had seven franchises fold since 1998 for various reasons, including financial operating difficulties, relocation to other independent leagues and issues with ballpark financing, among others.

Based on discussions with Atlantic League officials, the formation of a western division is a top league priority and could include upwards of four teams from Texas and/or Louisiana located within a five hour bus ride of each other. Amarillo is located approximately 10 hours northwest of Sugar Land, the only potential western division franchise at the time of this report. It is expected that the proposed Sugar Land franchise would incur higher expenses than a typical independent league team travelling to the East Coast to play other Atlantic League teams until additional expansion franchises are added to the planned western division.

Officials also stated that given their history of locating teams in large markets with a broad population base to draw attendees from, the strength of a potential market could prove to be a more important factor than geographic location. Officials indicated that an Atlantic League market must have a strong corporate base capable of supporting at least

### 3. Minor League Baseball Overview

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\$1.5 million in corporate sponsorship revenue on an annual basis, which could be difficult for Amarillo given its small corporate base.

#### *Can-Am League*

The Canadian-American Association of Professional Baseball (“Can-Am League”) is based in Durham, North Carolina. The league has origins as far back as 1936, but was established in its current format in October 2004. Like many of the other independent leagues, the Can-Am League has seen a number of franchises fold. Currently, the league is comprised of six franchises located in New Jersey, Massachusetts and Quebec. Following the 2010 season, the Newark Bears of the Atlantic League were sold and the new ownership group relocated the franchise to the Can-Am League in order to ease the team’s travel budget.



The following map presents a summary of the franchises comprising the Can-Am League as well as their respective market and ballpark.

Can-Am League Geographic Location



Source: Can-Am League

### 3. Minor League Baseball Overview

As shown on the previous page, Can-Am League franchises are located in the northeast region of the U.S. and in Canada.

The following table presents a summary of the franchises currently comprising the Can-Am League as well as their respective market and ballpark.

**Independent League Franchises and Ballparks  
Can-Am League**

Franchise	Location	CBSA Population	Ballpark	Year Opened	Seating Capacity	2010	Years of League Membership
						Average Reported Attendance	
New Jersey Jackals	Little Falls, NJ	19,104,202	Yogi Berra Stadium	1998	3,784	1,954	6
Sussex Skyhawks	Augusta, NJ	19,104,202	Skylands Park	1994	4,200	1,670	5
Newark Bears	Newark, NJ	19,104,202	Bears & Eagles Riverfront Stadium	1999	6,200	1,872	n/a
Brockton Rox	Brockton, MA	4,562,075	Campanelli Stadium	2002	4,750	2,175	8
Worcester Tornadoes	Worcester, MA	786,749	Fitton Field	1905	3,000	1,966	6
Quebec Capitales	Quebec City, Quebec	746,300	Stade Municipal	1938	4,800	3,288	6
Pittsfield Colonials	<sup>(1)</sup> Pittsfield, MA	128,477	Wahconah Park	1919	4,500	702	1
<b>Average</b>		<b>5,065,561</b>		<b>1965</b>	<b>4,462</b>	<b>1,959</b>	<b>5</b>
<b>Median</b>		<b>786,749</b>		<b>1994</b>	<b>4,500</b>	<b>1,960</b>	<b>6</b>

(1) Prior to 2010, the Pittsfield Colonials were known as the American Defenders of New Hampshire and played their home games at the 4,375-seat Holman Stadium in Nashua, NH.  
Note: Sorted by CBSA population.  
Source: Claritas, Statistics Canada, Can-Am League

As shown above, markets hosting Can-Am League franchises have an average population of approximately 5.1 million and a median population of approximately 787,000, ranging from a low of approximately 128,000 in Pittsfield, Massachusetts, to a high of approximately 19.1 million in the New York City market. The Amarillo CBSA population of 250,815 would rank fifth-largest out of seven Can-Am League markets.

Can-Am League franchises play in ballparks that opened between 1905 and 2002, with the average ballpark opened in 1965 and the median ballpark opened in 1994. The average Can-Am League ballpark has approximately 4,500 seats, ranging from a low of 3,000 in Worcester, Massachusetts, to a high of 6,200 in Newark, New Jersey.

In 2010, Can-Am League franchises reported an average attendance of approximately 2,000, ranging from a low of approximately 700 in Pittsfield, Massachusetts, to a high of approximately 3,300 in Quebec City, Quebec.

Founded in 2004, Can-Am League franchises have been members for an average of five years. The Brockton Rox are the one remaining founding member of the Can-Am League.

Given the location of the teams comprising the Can-Am League in Massachusetts, New Jersey and Canada, it is not expected that this would be the most appropriate independent league for a team playing in Amarillo.

### 3. Minor League Baseball Overview

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#### *Frontier League*

The Frontier League is based in Sauget, Illinois, and operates throughout the Midwestern United States and Western Pennsylvania. The league is comprised of 12 franchises located throughout Ohio, Kentucky, Michigan, Pennsylvania, Indiana, Illinois and Missouri.



The following map illustrates the geographic location of Frontier League franchises.

**Frontier League Geographic Location**



Source: Frontier League, CSL International research

As shown above, Frontier League franchises are located in the Midwest and Great Lakes regions of the U.S.

The table on the following page presents a summary of the franchises comprising the Frontier League as well as their respective market and ballpark.

### 3. Minor League Baseball Overview

#### Independent League Franchises and Ballparks Frontier League

Franchise	Location	CBSA Population	Ballpark	Year Opened	Seating Capacity	2010	Years of League Membership
						Average Reported Attendance	
Windy City ThunderBolts	Crestwood, IL	9,651,162	Standard Bank Stadium	1999	3,200	1,962	12
Oakland County Cruisers	Waterford Township, MI	4,392,431	Diamond at the Summit	2010	3,900	607	4
Gateway Grizzlies	Sauget, IL	2,835,186	GCS Ballpark	2002	6,000	3,722	10
River City Rascals	O'Fallon, MO	2,835,186	T.R. Hughes Ballpark	1999	3,687	2,363	12
Washington Wild Things	Washington, PA	2,339,954	CONSOL Energy Park	2002	5,000	2,431	9
Florence Freedom	Florence, KY	2,177,460	Champion Window Field	2004	4,500	2,256	8
Lake Erie Crushers	Avon, OH	2,075,531	All Pro Freight Stadium	2009	5,000	3,129	2
Evansville Otters	Evansville, IN	351,391	Bosse Field	1915	5,181	2,516	16
Kalamazoo Kings	Kalamazoo, MI	324,923	Homer Stryker Field	1963	4,000	1,280	10
Normal CornBelters	Normal, IL	167,733	The Corn Crib	2010	7,000	2,646	1
Traverse City Beach Bums	Traverse City, MI	143,366	Wuerful Park	2006	3,518	3,650	5
Southern Illinois Miners	Marion, IL	58,030	Rent One Park	2007	7,000	4,253	4
<b>Average</b>		<b>2,228,833</b>		<b>1994</b>	<b>4,832</b>	<b>2,568</b>	<b>8</b>
<b>Median</b>		<b>2,075,531</b>		<b>2003</b>	<b>4,750</b>	<b>2,474</b>	<b>9</b>

Note: Sorted by CBSA population.  
Source: Claritas, Frontier League

As shown above, markets hosting Frontier League franchises have an average population of approximately 2.2 million and a median population of approximately 2.1 million, ranging from a low of approximately 58,000 in Marion, Illinois, to a high of approximately 9.7 million in the Chicago CBSA. The Amarillo CBSA population of 250,815 would rank as the ninth-largest out of 12 Frontier League markets.

Frontier League franchises play in ballparks that opened between 1915 and 2010, with the average ballpark opened in 1994. The average Frontier League ballpark has approximately 4,800 seats, ranging from a low of 3,200 in Crestwood, Illinois, (Chicago market) to a high of 7,000 in Marion, Illinois, and Normal, Illinois.

In 2010, Frontier League franchises reported an average attendance of approximately 2,600, ranging from a low of approximately 600 in Waterford Township, Michigan, to a high of approximately 4,300 in Marion, Illinois.

The Frontier League was founded in 1993, and the average franchise has been a member of the league for eight years, including five that have been members for over 10 years.

It is not expected that the Frontier League would be a viable option for Amarillo given the location of its franchises in the Midwest and Great Lakes regions of the United States.

### 3. Minor League Baseball Overview

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#### *Golden League*

Founded in 2004, the Golden League is based in San Ramon, California and operates in the Western United States, Canada and Mexico. The 10 franchises that comprise the Golden League are based in Arizona, California, Hawaii, Utah, the Canadian provinces of Alberta and British Columbia and Tijuana, Mexico.



The following map illustrates the geographic location of Golden League franchises.

**Golden League Geographic Location**



Source: Golden League, CSL International research

As shown above, Golden League franchises are located in the western, northwest and southwest regions of the U.S., Hawaii and in Canada.

The table on the following page presents a summary of the franchises comprising the Golden League as well as their respective market and ballpark.

### 3. Minor League Baseball Overview

#### Independent League Franchises and Ballparks Golden League

Franchise	Location	CBSA		Year Opened	Seating Capacity	2010	Years of League Membership
		Population	Ballpark			Average Reported Attendance	
Orange County Flyers	Anaheim, CA	13,255,498	Goodwin Field	1992	3,500	1,362	6
Calgary Vipers	Calgary, Alberta	1,230,200	Foothills Stadium	1966	6,000	1,705	3
Edmonton Capitals	Edmonton, Alberta	1,155,400	Telus Field	1995	10,000	2,093	3
Tucson Toros	Tucson, AZ	1,033,016	Hi Corbett Field	1937	9,500	2,660	2
Victoria Seals	Victoria, British Columbia	352,400	Royal Athletic Park	1967	4,247	2,597	2
Chico Outlaws	Chico, CA	222,294	Nettleton Stadium	1997	4,200	2,709	6
Yuma Scorpions	Yuma, AZ	204,195	Desert Sun Stadium	1969	10,500	1,350	6
St. George RoadRunners	St. George, UT	148,908	Bruce Hurst Field	1994	2,500	1,058	4
Na Koa Ikaika Maui	Maui, HI	146,193	Maehara Stadium	1973	1,500	1,227	1
Tijuana Cimarrones	Tijuana, Mexico	n/a	Estadio de Beisbol Calimax	1976	18,500	1,508	1
<b>Average</b>		<b>1,972,012</b>		<b>1977</b>	<b>7,045</b>	<b>1,827</b>	<b>3</b>
<b>Median</b>		<b>352,400</b>		<b>1975</b>	<b>5,124</b>	<b>1,607</b>	<b>3</b>

Note: Sorted by CBSA population.

Source: Claritas, Statistics Canada, Golden League

As shown above, markets hosting Golden League franchises have an average population of approximately 2.0 million and a median population of approximately 352,000, ranging from a low of approximately 146,000 in Wailuku, Hawaii, to a high of approximately 13.3 million in the Los Angeles market. The Amarillo CBSA population of 250,815 would rank eighth-largest out of 11 Golden League markets.

Golden League franchises play in ballparks that opened between 1937 and 1997, with the average ballpark opened in 1977. The average Golden League ballpark has approximately 7,000 seats, ranging from a low of approximately 1,500 in Wailuku, Hawaii, to a high of 18,500 in Tijuana, Mexico.

In 2010, Golden League franchises reported an average attendance of approximately 1,800, ranging from a low of approximately 1,100 in St. George, Utah, to a high of approximately 2,700 in Chico, California.

The Golden League was founded in 2004, and the average franchise has been a member for three years, while only three of the league's original eight franchises remain.

Given the location of the teams comprising the Golden League in California, Hawaii, Arizona, Utah, Canada and Mexico, it is not expected that this would be the most appropriate independent league for a team playing in Amarillo.

### 3. Minor League Baseball Overview

#### *Northern League*

The Northern League is based in Chicago, Illinois, and operates in the Northern United States and Canada. Although the Northern League has roots dating back to 1902, the current incarnation of the league was founded in 1993 with six franchises and expanded to eight franchises in 1996. Following the 2010 season, the Fargo-Moorhead RedHawks, Gary SouthShore RailCats, Kansas City T-Bones and Winnipeg Goldeyes relocated to the American Association, leaving four franchises in the Chicago market.



The following map illustrates the geographic location of Northern League franchises.

Northern League Geographic Location



Source: Northern League

As shown above, Northern League franchises are located in the northern and northeast Illinois.

The table on the following page presents a summary of the franchises comprising the Northern League as well as their respective market and ballpark.

### 3. Minor League Baseball Overview

#### Independent League Franchises and Ballparks Northern League

Franchise	Location	CBSA Population	Ballpark	Year Opened	Seating Capacity	2010	Years of League Membership
						Average Reported Attendance	
Schaumburg Flyers	Schaumburg, IL	9,651,162	Alexian Field	1999	6,000	3,454	11
Joliet JackHammers	Joliet, IL	9,651,162	Silver Cross Field	2002	6,016	3,445	9
Lake County Fielders	Zion, IL	9,651,162	Zion Ballpark	2010	8,000	2,741	1
Rockford RiverHawks	Loves Park, IL	360,502	Road Ranger Stadium	2006	4,246	2,873	1
<b>Average</b>		<b>5,005,832</b>		<b>2004</b>	<b>6,066</b>	<b>3,128</b>	<b>6</b>
<b>Median</b>		<b>5,005,832</b>		<b>2004</b>	<b>6,008</b>	<b>3,159</b>	<b>5</b>

Note: Sorted by CBSA population.

Source: Claritas, Statistics Canada, Northern League

As shown above, markets hosting Northern League franchises have an average and median population of approximately 5.0 million, ranging from a low of approximately 361,000 in Loves Park, Illinois, to a high of approximately 9.7 million in the Chicago market. The Amarillo CBSA population of 250,815 would rank as the smallest among three Northern League markets.

Northern League franchises play in ballparks that opened between 1999 and 2010, with the average ballpark opened in 2004. The average Northern League ballpark has approximately 6,100 seats, ranging from a low of approximately 4,200 in Rockford, Illinois, to a high of 8,000 in Zion, Illinois (Chicago market).

In 2010, Northern League franchises reported an average attendance of approximately 3,800, ranging from a low of approximately 2,700 in Zion, Illinois, to a high of approximately 5,700 in Winnipeg, Manitoba (now a member of the American Association).

The Northern League was founded in 1993, and the average franchise has been a member for six years.

Given the uncertainty of the remaining members of the Northern League following the relocation of four franchises, it is not expected that this would be the most appropriate independent league for a team playing in Amarillo.

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#### *Pecos League*

Based in Houston, Texas, the Pecos League is a planned new independent league that would be based in the southwestern region of the United States. The Pecos League expects to begin play for the 2011 season with eight franchises, including four franchises located in Texas and the remaining four based in New Mexico.



Pecos League franchises are expected to play a 72-game regular season schedule with two rounds of playoffs to decide a league champion. The following table presents a summary of the franchises expected to comprise the Pecos League in its inaugural year, as well as their respective market and ballpark.

**Independent League Franchises and Ballparks  
Pecos League**

<u>Franchise</u>	<u>Location</u>	<u>CBSA Population</u>	<u>Ballpark</u>	<u>Year Opened</u>	<u>Seating Capacity</u>
El Paso Dragons	El Paso, TX	764,048	TBD	n/a	n/a
El Paso Suns	El Paso, TX	764,048	TBD	n/a	n/a
Las Cruces Vaqueros	Las Cruces, NM	207,056	Apodaca Park	n/a	1,500
White Sands Pupfish	Alamogordo, NM	62,744	TBD	n/a	n/a
Roswell Invaders	Roswell, NM	62,474	TBD	n/a	n/a
Del Rio Gunslingers	Del Rio, TX	48,145	TBD	n/a	n/a
Desert Valley Mountain Lions	Clovis, NM	45,513	--	<sup>(1)</sup> n/a	n/a
Alpine 06 Cowboys	Alpine, TX	9,481	Kokernot Field	1947	1,400
<b>Average</b>		<b>171,352</b>		--	--
<b>Median</b>		<b>62,474</b>		--	--

(1) The Desert Valley Mountain Lions will be a travel team with no home ballpark.

Note: Sorted by CBSA population.

Source: Claritas, Pecos League

As shown above, markets expected to host Pecos League franchises have an average population of approximately 171,000 and a median population of approximately 62,000, ranging from a low of approximately 9,500 in Alpine, Texas, to a high of approximately 764,000 in El Paso, Texas.

It should be noted that many of the details surrounding potential Pecos League markets have yet to be finalized, including the home ballpark of each potential franchise and

### **3. Minor League Baseball Overview**

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which franchises do not have a permanent home ballpark and thus, will act as travel franchises.

Although the potential Pecos League franchises are located in close proximity to Amarillo, it is not expected that the league would be a viable option for an independent league team playing in Amarillo. Amarillo is a market with a track record of supporting minor league baseball, and it is expected that several independent leagues with an established, stable operating history would be interested in locating a team in a new downtown ballpark. The Pecos League has multiple unknown factors such as league financial stability, expected membership fees, franchise operating costs, ownership structure and the ability of potential markets to support independent league baseball franchises, among others.

#### *United League*

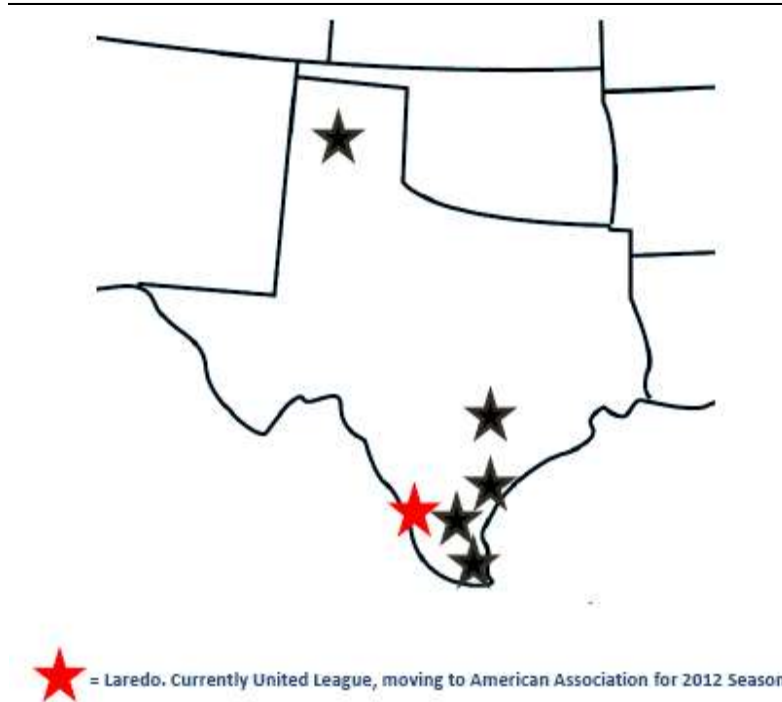
The United League was founded in 2006 and owns and operates franchises in the State of Texas. Although the league is still in operation, its parent company (Reunion Sports Group, LLC) filed for Chapter 11 Reorganization in January 2009 following allegations of financial mismanagement and was ultimately forced into Chapter 7 bankruptcy.



The map on the following page illustrates the geographic location of United League franchises.

### 3. Minor League Baseball Overview

United League Geographic Location



Source: United League

As shown above, United League franchises are all located within the State of Texas. However, the Laredo franchise is expected to relocate to the American Association for the 2012 season and league officials have indicated a desire to expand the league within Texas and into Louisiana.

The following table presents a summary of the franchises comprising the United League as well as their respective market and ballpark.

Independent League Franchises and Ballparks  
United League

Franchise	Location	CBSA Population	Ballpark	Year Opened	Seating Capacity	2010	Years of League Membership
						Average Reported Attendance	
Edinburg Roadrunners	Edinburg, TX	760,181	Edinburg Field	2001	5,500	2,605	5
Coastal Bend Thunder	Robstown, TX	420,177	Fairgrounds Field	2003	5,300	349	2
Rio Grand Valley WhiteWings	Harlingen, TX	405,301	Harlingen Field	1950	4,500	1,195	5
Amarillo Dillas	Amarillo, TX	250,815	Potter County Memorial Stadium	1956	8,500	2,912	5
San Angelo Colts	San Angelo, TX	108,279	Foster Field	2000	4,200	2,336	5
<b>Average</b>		<b>388,951</b>		<b>1982</b>	<b>5,600</b>	<b>1,879</b>	<b>4</b>
<b>Median</b>		<b>405,301</b>		<b>2000</b>	<b>5,300</b>	<b>2,336</b>	<b>5</b>

Note: Sorted by CBSA population.  
Source: Claritas, United League

### **3. Minor League Baseball Overview**

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As shown on the previous page, markets hosting United League franchises have an average population of approximately 389,000 and a median population of approximately 405,000, ranging from a low of approximately 108,000 in San Angelo, Texas, to a high of approximately 760,000 in the Edinburg, Texas.

United League franchises play in ballparks that opened between 1950 and 2001, with the average ballpark opened in 1982. The average United League ballpark has approximately 5,600 seats, ranging from a low of 4,200 in San Angelo, Texas, to a high of 8,500 at Potter County Memorial Stadium in Amarillo, Texas, home of the Amarillo Dillas.

In 2010, United League franchises reported an average attendance of approximately 1,900, ranging from a low of approximately 350 in Robstown, Texas, to a high of approximately 2,900 in Amarillo, Texas.

Founded in 2006, five of the six original franchises are currently playing in the United League with the exception of the Coastal Bend Thunder, which began play in 2009. The Laredo Broncos are expected to relocate to the American Association in 2012 following completion of their new ballpark.

League officials have indicated that previous financial instabilities have been rectified following the recent merger of Reunion Sports Group, LLC with Millennial, a public company acquired by league ownership in order to access funds to support current league franchises and expand the league's footprint within Texas and neighboring states. Officials stated that they plan to add two franchises per year over the next several years, which would be owned by Millennial.

Although the league claims to have rectified its financial instabilities, it is currently facing multiple financial difficulties in markets such as Amarillo, Edinburg, Laredo and Robstown, among others. In October 2010, the Amarillo Dillas, one of the league's most successful franchises, were evicted from Potter County Memorial Stadium following missed rental payments in the amount of \$100,000. In addition, Reunion Sports Group failed to make payments to ballpark vendors and team administration, which may also have contributed to their eviction from Potter County Memorial Stadium. Potter County has issued a Request for Proposal for a new ballpark tenant, however the status of professional baseball in Amarillo for 2011 will remain unclear until legal remediation proceedings between the County and Reunion Sports Group are resolved.

In addition to the issues in Amarillo, it is expected that the Laredo Broncos will relocate to the American Association for the 2012 season due to unpaid stadium rent. During the 2010 season, league officials also explored the relocation of the Coastal Bend Thunder to

### **3. Minor League Baseball Overview**

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Abilene, Texas, due to poor attendance and the Edinburg Roadrunners were in a dispute with the Edinburg City Council regarding outstanding rental payments.

It should be expected that a franchise in Amarillo would incur lower travel costs competing in the United League compared to all other independent leagues due to the location of member franchises in the State of Texas, however the recent eviction of the Amarillo Dillas from Potter County Stadium would indicate that the United League is not a viable option for an independent league franchise in Amarillo. In addition, recent league financial hardship, including the loss of two franchises since 2006 and the expected relocation of the Laredo franchise to the American Association in 2012, reiterates these concerns.

#### **Conclusion**

Based on the analysis of independent leagues presented in this section, it is believed that the American Association, the Atlantic League and the United League are the established independent leagues that could be interested in locating a franchise in a new ballpark in downtown Amarillo. The table on the following page presents a summary of key characteristics of the Atlantic League, American Association and United League, including administrative information, attendance, ticket pricing, capacity, ballpark age, ballpark construction costs, CBSA population and league travel distances.

### 3. Minor League Baseball Overview

#### Independent League Summary American Association, Atlantic League and United League

	American Association	Atlantic League	United League
<b>Administrative Information:</b>			
Year Formed	2006	1998	2006
# Teams	14	10	5
# Defunct Teams	2	8	3
# Games	90	140	92
# Owners	13	5	n/a
Geographic Focus	Central U.S.	Northeast U.S.	Texas
Franchise/Membership Fee	\$750,000	\$2,000,000	n/a
Player Salary Cap	\$100,000	\$250,000	\$80,000
Average Travel Budget <sup>(1)</sup>	n/a	n/a	\$35,000
<b>2010 Attendance:</b>			
High	5,063	6,038	2,912
Low	1,150	1,872	349
Average	2,677	3,991	1,879
# Teams in Top 25	5	6	1
<b>2010 Ticket Price:</b>			
High	\$12.48	\$12.69	\$7.50
Low	\$6.58	\$8.00	\$5.33
Average	\$9.53	\$10.34	\$6.42
<b>Ballpark Capacity:</b>			
High	9,725	6,425	8,500
Low	3,000	4,200	4,200
Average	5,722	5,604	5,600
<b>Ballpark Age:</b>			
Oldest	1934	1998	1949
Newest	2008	2008	2003
Average	1987	2003	1982
<b>Construction Cost (MM):</b>			
Range	\$15 - \$20	\$15 - \$45	\$1.0 - \$8.0
<b>2010 CBSA Population:</b>			
High	9,651,162	19,104,202	760,181
Low	143,797	432,130	108,279
Average	1,825,635	5,457,670	388,951
<b>Travel Distance: <sup>(2)</sup></b>			
Furthest	1,982	1,790	760
Closest	340	1,570	3
Average	770	1,664	520

(1) Representatives of the American Association and Atlantic League declined to provide information related to travel budget.

(2) An expansion team in Sugar Land, TX will be joining the Atlantic League in 2012. Sugar Land is approximately 1,700 miles away from Bridgeport, CT and approximately 610 miles from Amarillo.

Source: Claritas, Googlemaps, team websites, league interviews, CSL International research

### **3. Minor League Baseball Overview**

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Because the operating structure of most independent league teams is tight, travel expenses must be minimized to ensure the financial viability of the team. In order to keep travel expenses to a minimum, lower level leagues are typically organized according to geographical proximity. To this end, an Atlantic League franchise in Amarillo may not be sustainable due to the high costs associated with travel to the East Coast and the uncertainty of the league's planned western division.

Although the location of the franchises comprising the United League would appear to be an appropriate fit for Amarillo, it is unknown how stable the league will be over time due to recent financial struggles and the potential loss of the Laredo franchise. It is possible that if the league is successful, the location of a team playing in Amarillo would compliment the other teams in the league.

At this time, the most appropriate league for an Amarillo-based independent league franchise appears to be the American Association, due to the financial stability of the league, presence of multiple franchises in Texas, future plans of expansion within the state and the number of markets with a population comparable to Amarillo, among others.

Executive Summary

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8. Financial Projections
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## **4. Local Market Venues**

## **4. Local Market Venues**

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The operations of a new ballpark will be affected, to some degree, by the number and type of local and regional facilities that could compete for the limited supply of events, spectators, attendees and sponsorship dollars within the marketplace. Within the Amarillo area there are a variety of existing and planned sports and entertainment facilities. Some facilities in the local marketplace serve specific purposes or market segments and will compete directly to host the same events, while other facilities are not expected to represent significant direct competition in hosting the same events. Furthermore, joint ownership/management by the City of several of Amarillo's primary public assembly venues could provide synergies in terms of scheduling, hosting events that require multiple venues, shared operating costs and other such efficiencies.

Existing and planned sports and entertainment facilities within the local market include but may not be limited to:

### City-owned:

- Amarillo National Center;
- Amarillo Civic Center; and,
- Globe-News Center.

### Other Local Venues:

- Dick Bivins Stadium;
- Potter County Memorial Stadium;
- Buffalo Sports Park;
- First United Bank Center; and,
- Kimbrough Memorial Stadium.

The remainder of this section provides an overview of each local market venue.

### **City-Owned**

The potential exists for common ownership and operational synergies between City-owned facilities and a new downtown ballpark. Should the City decide to operate a new downtown ballpark in cooperation with existing City-owned facilities, benefits to the City could include the maximization of facility operating profit, staffing efficiencies and bulk buying, cooperative event planning and combined sponsorship packaging, among others.

## 4. Local Market Venues

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### *Amarillo Civic Center*



Opened in 1964, the Amarillo Civic Center is a multi-purpose convention center which includes a 2,848-seat auditorium, the 4,987-seat Cal Farley Coliseum, a 16,000 square foot Grand Plaza with seating for 1,100, two exhibit halls with approximately 51,000 square feet of combined exhibit space and three meeting rooms. The facility is owned and operated by the City of Amarillo.

The 340,000 square foot civic center is home to the Amarillo Bulls of the North American Hockey League and the Amarillo Venom of the Indoor Football League. The Civic Center was also host to an additional minor league hockey tenant, the Amarillo Gorillas of the Western Professional Hockey League, until 2010 when the team ceased operations. In addition to tenant events, the Civic Center also hosts conferences, conventions, trade shows, other sporting events, ice shows, religious events and various other community events.

On an annual basis, the facility hosts approximately 900 events, including sporting events, concerts, tradeshow, meetings and a wide variety of other community events. Approximately 640,000 people visit the facility each year. The facility does not have premium seating.

In 2000, Amarillo voters overwhelmingly approved a plan to expand the Civic Center along with the construction of the Amarillo National Center. An \$11.0 million expansion of the facility was completed in 2003 and was funded by the Joint Venue District through a City hotel tax.

### *Globe-News Center*



Opened in 2006, the Globe-News Center is a 1,300-seat performing arts center located in Amarillo. The Center includes a main auditorium, a rehearsal/education room, a multi-level lobby, numerous dressing rooms and a one-of-a-kind one-piece orchestra shell that retracts into an upstage garage area that includes a fully equipped road house capable of hosting events of all sizes. The City of Amarillo owns and operates the Center in partnership with the Amarillo Civic Center. In 2003, William S. Morris III, chairman and CEO of Morris Communications, the parent company of the Amarillo Globe-News, donated \$3.0 million to help fund construction of the Center.

#### **4. Local Market Venues**

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The facility is home to the Amarillo Opera, Amarillo Symphony, Lone Star Ballet and the Broadway Spotlight Series. Facility management indicated that there are approximately 140 concerts and performing arts events hosted between the Globe News Center and the Amarillo Civic Center on an annual basis. Total attendance at the Globe-News Center is approximately 90,000 annually.

The facility has an annual budget of approximately \$300,000 and operated at a deficit of approximately \$112,000 in 2009.

The facility was built at a total cost of approximately \$33.0 million, which consisted of approximately \$30.9 million in private donations and approximately \$2.1 million from the City of Amarillo. In order to assist in fundraising, the facility sold approximately 350 seat licenses that required a \$25,000 donation per seat.

##### *Amarillo National Center*



The Amarillo National Center opened in 2000 following overwhelming approval by Amarillo voters for construction of the center and an expansion of the Amarillo Civic Center. The indoor center serves as the home of the Tri-State Fair & Rodeo and is managed by the Tri-State Exposition, a private, non-profit corporation operated under the supervision of a volunteer board of directors.

The center has a total capacity of 10,000, including 5,000 fixed seats and 5,000 floor seats. The center also includes banquet seating for 125 people, 5,700 square feet of exhibit space, 5,700 square feet of office space, 55,000 square feet of multi-purpose space located in the adjacent Cactus Arena and 5,000 on-site parking spaces.

In addition to the Tri-State Fair & Rodeo, the center hosts other rodeo, cutting horse and equestrian events, concerts, trade shows, cook-offs and various other events.

## 4. Local Market Venues

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### Other Local Venues

#### *Dick Bivins Stadium*



Located in Amarillo and owned/operated by the Amarillo Independent School District (“AISD”), the 15,000-seat Dick Bivins Stadium opened in 1950 and is one of the largest high school football stadiums in the State of Texas. The stadium hosts home games of four high schools within the AISD including, Amarillo High School, Caprock High School, Tascosa High School and Palo Duro High School.

The stadium underwent a \$5.7 million renovation in 2005, including new home and visitor locker rooms, new scoreboard and video board, a three-story press box with elevator access, new east side concession area, new restroom and ticket facilities, three new parking areas and landscaping. The stadium has two VIP suites that are reserved for scoreboard sponsors and district administrators. The renovation was part of a larger \$108.0 million bond issue intended to renovate aging AISD facilities and included improvements to existing schools, construction of three new schools, expansion of a district gymnasium and improved campus security. The bond issue was funded by an AISD voter-approved 3.5-cent property tax increase.

It is not anticipated that a new downtown ballpark and Dick Bivins Stadium will compete directly to host the same events, however, competition for the entertainment budgets of area residents could exist during the high school football season.

#### *Potter County Memorial Stadium*



Potter County Memorial Stadium, known as the “Dilla Villa”, opened in 1956 at a cost of \$250,000 and is the home of the Amarillo Dillas of the independent United League. The stadium is owned by Potter County, and was operated by the Dillas until October 2010 when the United League was evicted due to unpaid rent. The 7,500-seat ballpark also served as the home of the West Texas A&M University baseball team through the 2010 season, however, the University will begin playing its home games at the new, on-campus Buffalo Sports Park in 2011.

Individual game tickets cost between \$5.00 and \$8.00. Season tickets cost between \$200 and \$275. The ballpark does not have premium seating, but does offer a Baseball BBQ Buffet, which includes a pregame all-you-can-eat barbeque dinner and club level box seat that costs \$17.00 per person.

## 4. Local Market Venues

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Potter County has funded approximately \$400,000 in maintenance spending over the past few years, but problems such as an insufficient electrical system continue to hinder stadium operations. In November 2009, Potter County Commissioners and the Dillas agreed to a two-year, \$200,000 lease agreement with an option for an additional two years. According to the lease agreement, the county is responsible for the lighting repairs and other maintenance, while the Dillas would be responsible for any additional upgrades.

In September 2010, Potter County Commissioners voted three to one to give the United League until the end of the month to pay \$100,000 in late rental fees or else the County would consider the lease null and void and hold an open bid for use of the ballpark. The league failed to make any of the rental payments, which resulted in the eviction of the Dillas from the ballpark in October. Potter County has issued a Request for Proposal for a new ballpark tenant, however the status of professional baseball in Amarillo for 2011 will remain unclear until legal remediation proceedings between the County and Reunion Sports Group are resolved.

With the construction of a new downtown ballpark and the relocation of West Texas A&M's baseball team to Buffalo Sports Park, it is assumed that Potter County Memorial Stadium would no longer serve as the primary venue in the marketplace for professional and collegiate baseball.

### *Buffalo Sports Park*



Located in Canyon, Texas, on the campus of West Texas A&M University, Buffalo Sports Park is a \$21.8 million project that will expand the athletic/intramural facilities at the University. The park will serve as the home of the University's baseball team, which will relocate their home games from Potter County Memorial Stadium.

The project includes the 600-seat David and Myrt Wilder Baseball Field, a competition softball field with seating, a competition combined soccer and track and field facility with seating, two combination football and soccer practice fields, a three-field intramural and recreational softball/flag football facility with lighting, two intramural basketball courts with lighting, two intramural tennis courts with lighting, a practice field for the University marching band, a grand lawn park activity area with lighting, a jogging trail with lighting and restroom, concession and ticket facilities. Playing fields are expected to be completed by Fall 2010, while concession and ticket facilities are expected to be completed by the end of 2010.

## 4. Local Market Venues

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It is anticipated that a competition ballpark at the Buffalo Sports Park could compete with a new downtown ballpark in Amarillo to host collegiate, high school and other amateur baseball games and other youth-oriented ballpark events, as well as compete for the entertainment dollars of area residents and the sponsorship/advertising dollars of area companies.

### *First United Bank Center*



First United Bank Center opened in 2002 in Canyon, Texas, on the campus of West Texas A&M University. The \$14 million arena seats 4,700 for sporting events and approximately 5,800 for concerts and commencements and is owned and operated by West Texas A&M University. The arena does not have premium seating, but offers a hospitality suite for basketball donors.

In addition to University basketball games, the arena hosts graduations, area high school basketball playoffs, trade shows and concerts. Since opening, the arena has hosted concerts by major recording artists such as Martina McBride, Willie Nelson, Merle Haggard and Pat Green. In 2002, the arena hosted the NCAA Division II National Championship Volleyball tournament.

It is expected that a new downtown ballpark could compete with First United Bank Center to host a limited number of concerts on an annual basis. However, seating capacity and configuration issues (which increase the cost to stage a concert) will likely restrict the number of concerts that can be held at a new ballpark. Competition for the entertainment dollars of area residents and the sponsorship/advertising dollars of area companies could also exist.

### *Kimbrough Memorial Stadium*



The 20,000-seat Kimbrough Memorial Stadium opened in 1959 in Canyon, Texas, on the campus of West Texas A&M University, and is the largest on-campus football stadium in NCAA Division II. Formerly known as the Buffalo Bowl, the stadium was renamed in 1971 in honor of the late West Texas State University football coach and athletic director Frank Kimbrough. The stadium is

owned by West Texas A&M University and has been operated by the Canyon Independent School District since 1991 as part of a 99-year, \$99.00 lease agreement.

## 4. Local Market Venues

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Construction of the stadium cost \$700,000 and was financed through donations from University boosters who wanted to replace the old 7,000-seat stadium. In 2003, Field Turf was installed to replace the original Bermuda-grass field.

In addition to approximately five Buffaloes' football games, the stadium is home to Canyon High School and Randall High School home football games, as well as numerous other high school football and soccer games, band competitions and other sporting events on an annual basis.

A new downtown ballpark and Kimbrough Memorial Stadium are not expected to compete directly to host the same events, however, competition for the entertainment dollars of area residents and the sponsorship/advertising dollars of area companies could exist.

### Other

Regionally, a new downtown ballpark could compete for discretionary spending with the 52,000-seat Jones AT&T Stadium and the 15,000-seat United Spirit Arena, both located approximately 120 miles away on the campus of Texas Tech University in Lubbock, Texas.

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The effects of local competition from existing and planned sports and entertainment venues are considered together with an assessment of demographic and socioeconomic data, new ballpark case studies and interviews with potential event users to estimated potential demand for a new ballpark.

Executive Summary

1. Introduction
2. Demographic & Socioeconomic Market Data
3. Minor League Baseball Overview
4. Local Market Venues
5. New Ballpark Case Studies
6. Estimated Demand
7. Building Program Analysis
8. Financial Projections
9. Economic & Fiscal Impacts

## **5. New Ballpark Case Studies**

## 5. New Ballpark Case Studies

The purpose of this section is to present an overview of comparable new ballparks to provide a benchmark from which to assess the potential for a new downtown ballpark. For purposes of this study, the physical, operational, financial and other characteristics of independent league ballparks opened since 2000 were analyzed. The following table presents a summary of new independent league ballparks opened since 2000 and highlights the ballparks with a CBSA population of 500,000 residents or less that were subject to case study analysis.

Independent League Ballparks Opened Since 2000

Rank	Team	League	Location	Ballpark	Year Opened	Seating Capacity	CBSA Population
1	Long Island Ducks	Atlantic	Central Islip, NY	Citibank Park	2000	6,002	19,104,202
2	Lake County Fielders	Northern	Zion, IL	Zion Ballpark	2010	8,000	9,651,162
3	Gary SouthShore RailCats	American	Gary, IN	U.S. Steel Yard	2002	6,000	9,651,162
4	Joliet JackHammers	Northern	Joliet, IL	Silver Cross Field	2002	6,016	9,651,162
5	Grand Prairie AirHogs	American	Grand Prairie, TX	QuickTrip Park	2008	5,445	6,493,230
6	Fort Worth Cats	American	Ft. Worth, TX	LaGrave Field	2002	4,100	6,493,230
7	Camden Riversharks	Atlantic	Camden, NJ	Campbell's Field	2001	6,425	5,913,308
8	Southern Maryland Blue Crabs	Atlantic	Waldorf, MD	Regency Furniture Stadium	2008	4,200	5,438,913
9	Brockton Rox	Can-Am	Brockton, MA	Campanelli Stadium	2002	4,750	4,562,075
10	Gateway Grizzlies	Frontier	Sauget, IL	GCS Ballpark	2002	6,000	2,835,186
11	Washington Wild Things	Frontier	Washington, PA	CONSOL Energy Park	2002	5,000	2,339,954
12	Florence Freedom	Frontier	Florence, KY	Champion Window Field	2004	4,500	2,177,460
13	Lake Erie Crushers	Frontier	Avon, OH	All Pro Freight Stadium	2009	5,000	2,075,531
14	Kansas City T-Bones	American	Kansas City, KS	CommunityAmerica Ballpark	2003	6,537	2,031,038
15	Edinburg Roadrunners	United	Edinburg, TX	Edinburg Stadium	2001	5,500	760,181
16	York Revolution	Atlantic	York, PA	Sovereign Bank Stadium	2007	5,200	432,130
17	Coastal Bend Thunder	United	Robstown, TX	Fairgrounds Field	2003	5,300	420,177
18	Rockford RiverHawks	Northern	Loves Park, IL	Road Ranger Stadium	2006	4,246	360,502
19	Lincoln Saltdogs	American	Lincoln, NE	Haymarket Park	2001	8,500	300,735
20	Normal Combelters	Frontier	Normal, IL	The Corn Crib	2010	7,000	167,733
21	Traverse City Beach Bums	Frontier	Traverse City, MI	Wuerfel Park	2006	3,518	143,366
22	San Angelo Colts	United	San Angelo, TX	Foster Field	2000	4,200	108,279
23	Southern Illinois Miners	Frontier	Marion, IL	Rent One Park	2007	7,000	58,030
<b>Average - All Ballparks</b>					<b>2004</b>	<b>5,584</b>	<b>3,268,660</b>
<b>Median - All Ballparks</b>					<b>2003</b>	<b>5,445</b>	<b>2,053,285</b>
<b>Average - Ballparks with CBSA population &lt; 500,000</b>					<b>2005</b>	<b>5,607</b>	<b>248,869</b>
<b>Median - Ballparks with CBSA population &lt; 500,000</b>					<b>2006</b>	<b>5,300</b>	<b>234,234</b>

Case Studies

Source: CSL research and individual team sites.

The remainder of this section provides an overview of new independent league ballparks in comparably-sized markets to Amarillo, including information such as physical attributes, event utilization, financial performance, construction funding sources and other such information. Supplemental information regarding other new ballparks in Texas and the regional area were also included as additional case studies.

## 5. New Ballpark Case Studies

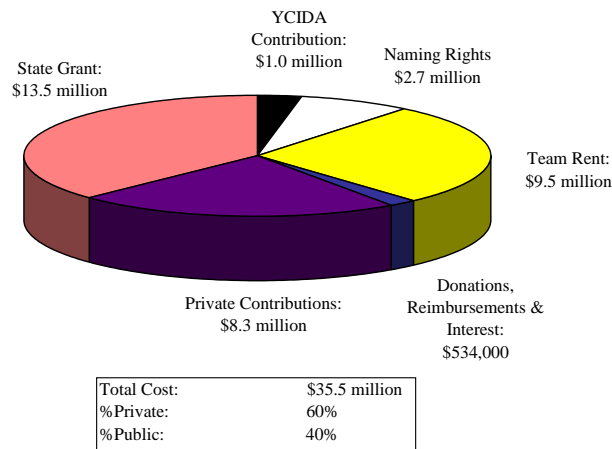
### Sovereign Bank Stadium



City, State:	York, PA
CBSA Population:	432,130
Year Opened:	2007
Seating Capacity:	6,700
Suites:	20
Club Seats:	0
Owner:	York County Economic Dev. Corp.
Operator:	Team
Cost:	\$35.5 million
Financing:	40% public / 60% private
2010 Attendance:	279,410 (4,155/game)

Sovereign Bank Stadium opened in 2007 and is home to the York Revolution of the Atlantic League. The ballpark is owned by the York County Economic Development Corporation and operated by Opening Day Partners, owners of the Revolution.

The ballpark was constructed at a total cost of \$35.5 million. Public sources of funding included a \$13.5 million state grant from the Commonwealth of Pennsylvania from its Capital Budget and a \$1.0 million contribution from the York County Industrial Development Authority. Private sources of funding included \$9.5 million in pre-paid rent from team ownership, \$8.3 million in private contributions from a small group of local donors, \$2.7 million from the 10-year naming rights deal with Sovereign Bank and \$534,000 from donations, reimbursements and interest.



The ballpark includes 5,200 reserved seats with arm rests and seat backs, as well as a grass berm located in center field with a capacity of approximately 1,500. Individual game tickets cost between \$7.00 and \$13.00. Full season ticket packages range from \$525 to \$630. The ballpark includes 200 on-site parking spaces reserved for media, skybox and season ticket holders. There are also 1,628 off-site parking spaces located

## 5. New Ballpark Case Studies

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within a reasonable distance of the ballpark that cost between \$3.00 and \$5.00 on game day.

The ballpark incorporates 20 skyboxes that are sold on 10-year contracts for \$25,000 annually. The suite price includes 25 tickets, six parking passes and premium amenities such as a private bathroom, climate controlled seating areas, television, refrigerator and a wet bar. The ballpark also contains five conference center rooms that are available year-round for event rental. The ballpark does not have club seats.

Approximately 300,000 patrons attend events at the ballpark on an annual basis, including 279,410 for Revolution games. The ballpark hosts approximately 140 events annually, including 67 Revolution games. Other events held at the ballpark include high school and college baseball games, meetings, charity events and community events.

### Fairgrounds Field



City, State:	Robstown, TX
CBSA Population:	420,177
Year Opened:	2003
Seating Capacity:	5,300
Suites:	15
Club Seats:	0
Owner:	County
Operator:	Team
Cost:	\$7.7 million
Financing:	100% public
2010 Attendance:	11,874 (349/game)

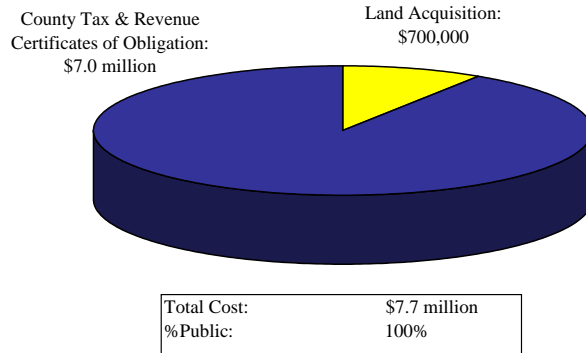
Fairgrounds Field opened in 2003 in Robstown, Texas, approximately 15 miles east of Corpus Christi, as the home of the Coastal Bend Thunder of the United League. The 5,300-seat ballpark includes 4,000 fixed seats and lawn seating for approximately 1,300 people and was built as the centerpiece of the Richard M. Borchard Regional Fairgrounds, which includes three pavilions with approximately 150,000 square feet of exhibit space, a conference center, an equestrian center and a 4,500-seat arena. The ballpark is owned by Nueces County and operated by the Thunder during the season.

Single-game tickets at the ballpark cost between \$4.00 and \$6.00. Season tickets cost between \$150 and \$170 and include one parking pass per two tickets purchased, complimentary playoff tickets and invitations to exclusive season ticket holder functions. Parking at the ballpark costs \$2.00 per car.

## 5. New Ballpark Case Studies

The ballpark has 15 luxury suites that can be rented on a per-game basis for \$200 and include tickets, a climate-controlled indoor lounge area and outdoor balcony seating. The ballpark does not offer club seats.

In 2010, the Thunder averaged 349 attendees over 34 home games, resulting in total attendance of 11,874. Following poor attendance at Thunder games, United League officials announced that the team would play a four-game series in Abilene, Texas, in order to determine local interest in the franchise and explore the potential of a permanent move to Abilene.



Fairgrounds Field was built at a cost of approximately \$7.7 million, including \$7.0 million for ballpark construction and \$700,000 for land acquisition. Nueces County issued \$7.0 million in tax and revenue certificates of obligation to pay for ballpark construction, which were secured by Solid Waste Collections Revenue, and the debt is being retired through the County debt service fund with property tax revenue. The County used \$700,000 in general funds to pay for land acquisition.

During the 2010 season, United League officials explored the relocation of the Thunder to Abilene, Texas, due to poor attendance. The Thunder face significant competition in the marketplace from the Class AA Corpus Christi Hooks, which play its home games approximately 20 miles away at Whataburger Field. From 2006 to 2010, the Hooks reported average attendance of approximately 6,700 per game and have established themselves as one of the most successful minor league baseball franchises.

### Road Ranger Stadium



City, State:	Loves Park, IL
CBSA Population:	360,502
Year Opened:	2006
Seating Capacity:	3,079
Suites:	8
Club Seats:	0
Owner:	Private
Operator:	Team
Cost:	\$6.0 million
Financing:	100% private
2010 Attendance:	126,432 (2,873/game)

## 5. New Ballpark Case Studies

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Road Ranger Stadium opened in 2006 and is the home of the Rockford RiverHawks. The 3,079-seat ballpark is located in Loves Park, Illinois, approximately 10 miles northeast of downtown Rockford. The team moved to the Northern League for the 2010 season following eight years in the Frontier League. The ballpark and the team are majority-owned by Kurt Carlson and various other minority owners. The team's ownership group retains all revenues generated by the ballpark and pays all expenses.

The ballpark hosts approximately 300,000 visitors on an annual basis, including 126,432 for RiverHawks' games. An average of 90 events are held at the ballpark annually, including 44 RiverHawks' games. Other events held at the ballpark include high school baseball games and tournaments.

Single-game tickets to RiverHawks' games cost between \$5.00 and \$15.00. Season ticket packages range in price from \$456 to \$648. The ballpark has approximately 1,200 on-site parking spaces that cost \$2.00 on game day.

Premium seating offerings include three festival suites that lease for \$12,000 on a one-year contract or approximately \$11,000 per year on a three-year contract. Festival suites are open-aired, partially enclosed permanent tent structures that seat 20 and include two complimentary parking passes, private catering service and first option to purchase tickets for concerts and other stadium events. The ballpark also contains five terrace boxes which are open-aired, covered boxes located on the first and third base lines. Terrace boxes can be leased on a one-year contract for \$7,000 or on a three-year contract for approximately \$6,000 per year. Terrace boxes include seating for 10, one complimentary parking pass and first option to purchase tickets for concerts and other stadium events.

The ballpark was built at a cost of approximately \$6.0 million through private sources of funding. The team's ownership group declined to provide detailed funding information. The team agreed to a 10-year ballpark naming rights deal with Road Ranger convenience stores, the value of which was not made public.

## 5. New Ballpark Case Studies

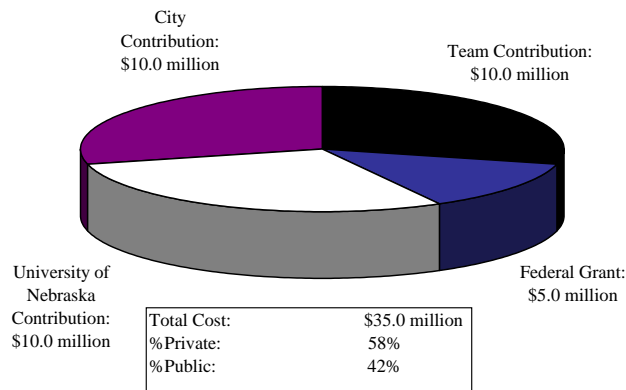
### Haymarket Park



City, State:	Lincoln, NE
CBSA Population:	300,735
Year Opened:	2001
Seating Capacity:	8,500 seats
Suites:	16
Club Seats:	355
Owner:	City
Operator:	Team
Cost:	\$35.0 million
Financing:	42% public/58% private
2010 Attendance:	163,676 (3,409/game)

Haymarket Park opened in 2001 in downtown Lincoln, Nebraska, and serves as the home of the Lincoln Saltdogs of the American Association and the University of Nebraska baseball team. The ballpark is owned by the City of Lincoln and operated by the Lincoln Saltdogs. The ballpark is part of a complex that also includes a softball field for the University. The complex obtained its name as a result of its location in the Haymarket District of Lincoln.

Haymarket Park was built as a joint project between the Lincoln Saltdogs, the City of Lincoln and the University of Nebraska. The total construction cost for the complex was approximately \$35.0 million, which included construction of the baseball and softball stadiums, street improvements, and a pedestrian bridge.



The complex was funded by contributions of \$10.0 million each from the Saltdogs, the University, and the City of Lincoln. A federal grant covered the \$5.0 million cost of the pedestrian bridge.

Full season ticket packages for Saltdogs' games cost between \$405 and \$440, while individual game tickets range in price from \$6.50 to \$15.50. The team controls approximately 1,700 parking spaces throughout three lots. There is no charge to park in any of the spots except for 200 VIP spots, which cost \$6.00 per space per game.

The ballpark contains 16 suites that hold up to 20 people each. The majority of the suites are included in corporate sponsorship or advertising agreements, which have an average value of \$33,600 per year. Four suites are sold on a game-by-game basis for \$700 per game, which includes six parking passes and 20 game tickets. The suites can also be combined into two separate 50-person suites that are sold for \$1,500 per game and

## 5. New Ballpark Case Studies

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include 12 parking passes. The ballpark incorporates 355 club seats that cost \$595 per season and include exclusive access to the Diamond View Lounge and first priority to purchase playoff and special event tickets.

Haymarket Park hosted approximately 307,000 visitors in 2010, including 163,676 for Saltdogs' games. A total of 95 events were held at the ballpark in 2010, including 48 Saltdogs' and 30 University of Nebraska games. Other events held at the ballpark include community events, the Nebraska State high school baseball tournament and one concert.

### The Corn Crib



City, State:	Normal, IL
CBSA Population:	167,733
Year Opened:	2010
Seating Capacity:	7,000
Suites:	12
Club Seats:	56
Owner:	Normal Baseball LLC
Operator:	Team
Cost:	\$12.0 million
Financing:	87% private/13% public
2010 Attendance:	132,309 (2,646)

The Corn Crib opened in 2010 on the campus of Heartland Community College in Normal Illinois, and is the home of the Normal CornBelts of the Frontier League and the Heartland Community College baseball, softball and soccer teams. The 7,000-seat ballpark includes 4,000 fixed seats and a grass berm with seating for approximately 3,000. The ballpark is owned and operated by Normal Baseball LLC, the team's ownership group. The team's ownership group retains all revenues generated by the ballpark and pays all expenses.

Single-game tickets to CornBelts' games cost between \$6.00 and \$11.00. Season ticket packages range in price from \$336 to \$450. There are approximately 1,200 on-site parking spaces that cost \$2.00 per car on game day.

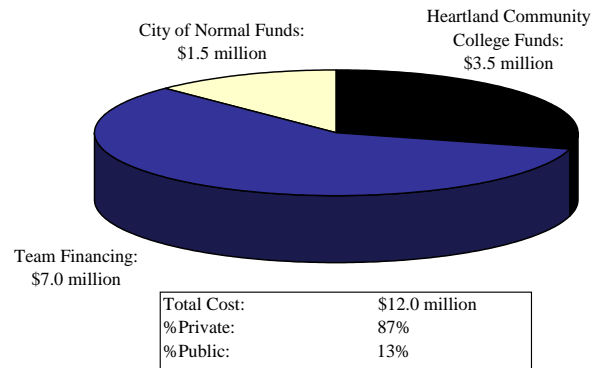
In 2010, the CornBelts reported total attendance of 132,309 over 50 games in their inaugural season in the Frontier League. In addition to approximately 50 CornBelts' games and 50 Heartland Community College athletic events, the ballpark hosts approximately 70 non-tenant events, including amateur baseball games, drive-in movies, concerts, festivals, camp-outs and other community events.

The ballpark has 12 suites, 11 of which are revenue-generating, that cost \$20,500 per year and include tickets, outdoor seating, VIP parking and wet bar. Suites can also be

## 5. New Ballpark Case Studies

rented on a per-game basis for between \$600 and \$1,200 depending on capacity. The ballpark also has 56 “Big League” Scout Seats that cost \$1,500 per year and require a three-year commitment, which include an extra-wide and padded seat, VIP parking and all-you-can-eat food and beverages.

The ballpark was built at a cost of approximately \$12.0 million. The City of Normal contributed approximately \$1.5 million in public improvements, which included a 1,200 space parking lot. Heartland Community College contributed \$3.5 million and will provide a long-term land lease for \$1.00 per year. The remaining \$7.0 million was privately financed by the team’s ownership group.



In 2009, the CornBelters agreed to a two-year naming rights deal with the Illinois Corn Marketing Board. Financial terms of the agreement were not disclosed.

### Wuerfel Park



City, State:	Traverse City, MI
CBSA Population:	143,366
Year Opened:	2006
Seating Capacity:	4,500
Suites:	27
Club Seats:	0
Owner:	Wuerfel Sports Dev. LLC
Operator:	Wuerfel Sports Dev. LLC
Cost:	\$8.0 million
Financing:	100% private
2010 Attendance:	204,440 (3,650/game)

Wuerfel Park opened in 2006 in Traverse City, Michigan, and is the home of the Traverse City Beach Bums of the Frontier League. Located approximately 10 miles south of downtown Traverse City, the ballpark has a total capacity of 4,500, including a grass berm with a capacity of approximately 750. The ballpark is owned and operated by

## 5. New Ballpark Case Studies

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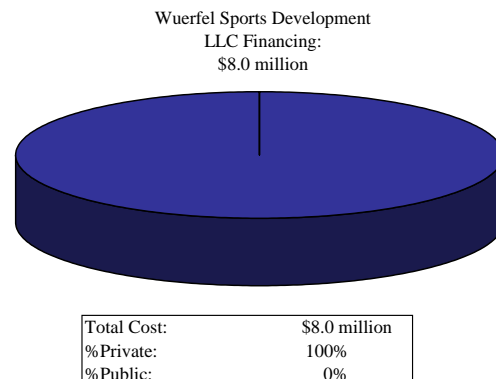
Wuerfel Sports Development LLC, owners of the Beach Bums. Wuerfel Sports Development LLC retains all revenue generated by the ballpark and pays all expenses.

Single-game tickets at the ballpark cost between \$6.00 and \$10.00. Chairback season tickets cost \$432. The ballpark also has 82 private tables with seating for four that cost \$3,240 per season, excluding the price of food and beverages. Private tables can also be purchased for \$80 per game. Parking at the ballpark costs \$2.00.

The ballpark has 27 luxury suites that can accommodate 10 guests each. Luxury suites can be leased on a one-year contract for \$10,000, on a two-year contract for \$8,750 per year or on a three-year contract for \$7,500 annually. Suite amenities include 10 game tickets, a private restroom, upscale food and beverage menu and first right to purchase suite tickets for postseason and special events.

Approximately 205,000 attendees visit the ballpark on an annual basis, including 204,440 for Beach Bums' games. Approximately 68 total events are held at the ballpark annually, including 56 Beach Bums' games. High school baseball games are the only other type of events held at the ballpark, although ballpark representatives indicated that the number of other events should be substantially higher because the ballpark's playing surface is field turf.

Wuerfel Park was built at a cost of approximately \$8.0 million, which was privately financed by Wuerfel Sports Development LLC. Team ownership utilized their extensive experience in building hotels and resorts to construct much of the stadium themselves and subcontract all remaining work. Team ownership also saved a considerable amount of money on architectural fees by drawing up the plans themselves and brokering many of the building materials at slightly above cost.



## 5. New Ballpark Case Studies

### Foster Field

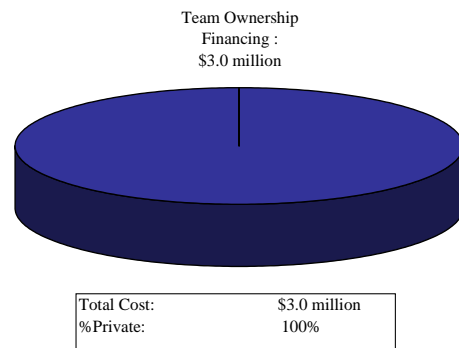


City, State:	San Angelo, TX
CBSA Population:	108,279
Year Opened:	2000
Seating Capacity:	4,200 seats
Suites:	0
Club Seats:	0
Owner:	Private
Operator:	Team
Cost:	\$3.0 million
Financing:	100% private
2010 Attendance:	112,164 (2,336/game)

Originally known as Colts Stadium, Foster Field opened in 2000 on the campus of Angelo State University in San Angelo, Texas, and is the home of the San Angelo Colts of the United League and the Angelo State University baseball team. The 4,200-seat ballpark was named in honor of Walton A. Foster, original radio broadcaster for the Colts franchise in the 1950s. The ballpark is privately owned and operated by the Colts.

Foster Field was built at a cost of approximately \$3.0 million and was privately financed by the Colts' ownership group. The ballpark was built on 25 acres of land owned by the Texas State University System and leased to the Colts. As part of the lease agreement, the University was granted the right to utilize the ballpark for its home games, while responsible for clean-up and paying utilities for all night games. In 2008, the Colts

filed for bankruptcy after team ownership failed to pay the \$6,000 per month payment on the loan, however financial instabilities have since been resolved and the Colts and Angelo State University continue to utilize the ballpark.



Full season ticket packages for Colts' games cost between \$250 and \$360 and include one season parking pass, first right of refusal for playoff games and non-tenant events and invitations to private events for season ticket holders. Individual game tickets range in price from \$6.00 to \$9.00. Parking at the ballpark costs \$2.00 per car on game day.

The ballpark offers various all-inclusive picnic packages that cost between \$150 and \$1,000 depending on the size of the group and food and beverage option. The ballpark does not have suites or club seats.

## 5. New Ballpark Case Studies

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Foster Field hosted approximately 128,000 visitors in 2010, including 112,164 for Colts' games. A total of 90 events were held at the ballpark, including 48 Colts' games and approximately 40 other events, including college and amateur baseball games and other University events.

### Rent One Park



City, State:	Marion, IL
CBSA Population:	58,030
Year Opened:	2007
Seating Capacity:	7,000
Suites:	14
Club Seats:	0
Owner:	Private
Operator:	Private
Cost:	\$16.0 million
Financing:	59% public / 41% private
2010 Attendance:	204,181 (4,253/game)

Rent One Park opened in 2007 in Marion, Illinois, and is the home of the Southern Illinois Miners of the Frontier League and the John A. Logan College baseball team. The 7,000-seat ballpark features the Budweiser Bullpen Bar-n-Grille, Rent One Picnic Garden, an open-air plaza and Golden Coral Fun Zone children's playground. The ballpark is owned and operated by the Southern Illinois Baseball Group, which also owns the Miners.

Single-game tickets at the ballpark cost between \$4.00 and \$8.00. Season tickets cost between \$264 and \$552 and include first right of refusal for all other ballpark events. Parking at the ballpark costs \$3.00.

The ballpark has 14 suites that can accommodate 10 guests each and cost \$18,000 per year. Suites can be leased on one, three and five-year contracts and include tickets, parking passes and an expanded concession menu. The ballpark also has two group areas which accommodate groups of 20 or more and cost between \$14.00 and \$24.00 per person depending on catering package. The ballpark does not have club seats.

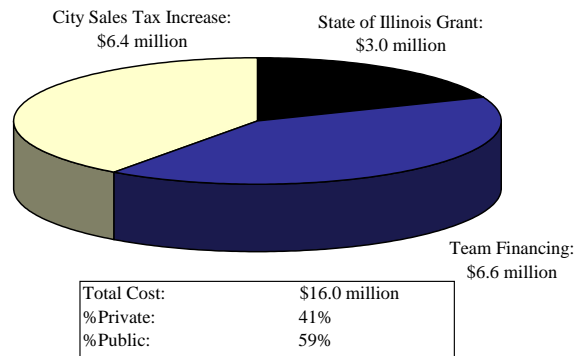
In 2010, the Miners' attendance totaled 204,181 over 48 home games, resulting in an average per-game attendance of 4,253. In addition to the Airhogs' games, the ballpark hosts approximately 30 other events on an annual basis, including high school and college baseball games and concerts.

Rent One Park was built at a cost of \$16.0 million. Public sources of funding included \$6.4 million from a one-eighth percent City sales tax increase and a \$3.0 million grant

## 5. New Ballpark Case Studies

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from the State of Illinois. The team's ownership group financed the remaining \$6.6 million privately.



The 30-acre ballpark is the centerpiece of a 120-acre mixed-use development, which also includes a 70-room Marriott hotel, Menards hardware superstore and a bank. In 2006, the Miners agreed to a 10-year, naming rights deal with Rent One, terms of which were undisclosed.

### Summary

Within this section, the physical and operational characteristics of new independent league ballparks opened since 2000 with a market population less than 500,000 residents were reviewed. The table on the following page summarize key characteristics of the comparable ballparks including their location, year opened, market characteristics, seating capacities, building cost, funding participation, premium seating and utilization.

## 5. New Ballpark Case Studies

Comparable Ballpark Summary

	Sovereign Bank Stadium	Fairgrounds Field	Road Ranger Stadium	Haymarket Park	The Corn Crib	Wuerfel Park	Foster Field	Rent One Park	Average
City, State	York, PA	Robstown, TX	Loves Park, IL	Lincoln, NE	Normal, IL	Traverse City, MI	San Angelo, TX	Marion, IL	
League	Atlantic	United	Northern	American Association	Frontier	Frontier	United	Frontier	
Year Opened	2007	2003	2006	2001	2010	2006	2000	2007	2005
Owner	County	County	Private	City	Private	Private	Private	Private	
Operator	Team	Team	Team	Team	Team	Team	Team	Team	
CBSA:									
Population	432,130	420,177	360,502	300,735	167,733	143,366	108,279	58,030	248,869
Median Household Income	\$56,561	\$44,091	\$49,847	\$51,743	\$56,993	\$48,322	\$41,897	\$31,744	\$47,650
2010 Attendance									
Total	279,410	11,874	126,432	163,676	132,309	204,440	112,164	204,181	154,311
Average	4,155	349	2,873	3,409	2,646	3,650	2,336	4,253	2,959
Ballpark Configuration:									
Seating Capacity:									
Fixed	5,200	4,000	3,079	4,500	4,000	3,750	4,200	5,000	4,216
Berm	1,500	1,300	0	4,000	3,000	750	0	2,000	1,569
Total	6,700	5,300	3,079	8,500	7,000	4,500	4,200	7,000	5,785
Luxury Suites	20	15	8	16	12	27	0	14	14
Average Annual Cost	\$25,000	\$9,000	\$9,500	\$33,600	\$20,500	\$10,000	n/a	\$18,000	\$17,943
Club Seats	0	0	0	355	56	0	0	0	206
Average Annual Cost	n/a	n/a	n/a	\$595	\$1,500	n/a	n/a	n/a	\$1,048
Annual Non-Tenant Events	70	n/a	50	20	70	10	10	5	34
Construction Cost	\$35.5	\$7.7	\$6.0	\$35.0	\$12.0	\$8.0	\$3.0	\$16.0	\$15.4
% Private Funding	60%	0%	100%	58%	87%	100%	100%	41%	68%
% Public Funding	40%	100%	0%	42%	13%	0%	0%	59%	32%

Note: Club seat average inventory and price only includes facilities with club seats.

## 5. New Ballpark Case Studies

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The following is a summary of the key findings of the analysis of comparable ballparks:

- Comparable independent league ballparks have an average total seating capacity (fixed and lawn seating) of approximately 5,800 seats, ranging from a low of approximately 3,100 seats to a high of 8,500 seats.
- On average, the level of private funding participation for comparable independent league ballparks has averaged 68 percent of the total costs while the remaining 32 percent of funding was derived from various public sources.
- Of the comparable ballparks, five are owned privately and the remaining three are owned by a public entity. All comparable ballparks are operated by the team.
- Generally, the minor league baseball team retains all or a large majority of revenue generated by the ballpark and pays all or the large majority of ballpark operating expenses. In many cases, the public sector was responsible for paying ballpark repairs and maintenance expenses.
- Comparable ballparks hosted an average of approximately 30 additional events each year above and beyond the home games of its independent league baseball tenant. Other events hosted at comparable ballparks included, but were not limited to amateur baseball (college, high school or youth), concerts, graduations, religious events, parking lot events and other events.
- All but one comparable ballpark contains private suites. The average number of private suites at comparable ballparks is 14. The average cost to lease a suite at comparable ballparks is approximately \$18,000 and the majority of comparable ballparks also lease suites on a per game basis.
- Club seats are less prevalent among comparable ballparks. Among comparable ballparks, two offer club seats and have an average inventory of approximately 210 club seats. The average club seat leases for approximately \$1,000 per year.

While comparisons with the facilities described in detail within this section may be useful, the physical characteristics and operational philosophy of a new downtown ballpark will depend on the specific needs and preferences of project stakeholders. In developing a building program, estimating potential demand and a utilization plan for a new downtown ballpark, the review of comparable facilities is considered together with an assessment of demographic and socioeconomic data, local market facilities and potential user interviews.

## 5. New Ballpark Case Studies

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### Other Regional Ballparks

The following provides an overview of several other regional minor league ballparks opened since 2000. Although not directly comparable to the proposed ballpark in downtown Amarillo (due to market size or tenant being affiliated with a MLB team), these supplemental case studies can provide project stakeholders with additional insight and information from which to draw upon when determining design and amenities associated with the proposed downtown Amarillo ballpark.

### ONEOK Field



Classification:	Class AA
City, State:	Tulsa, OK
CBSA Population:	918,012
Year Opened:	2010
Seating Capacity:	7,833
Suites:	23
Club Seats:	201
Owner:	Tulsa Stadium Trust
Operator:	Team
Cost:	\$39.2 million
Financing:	58% private / 42% public
2010 Attendance:	408,183 (6,184/game)

The 7,833-seat (6,323 fixed seat and 1,500 lawn seats) ONEOK Field opened in 2010 as the new home of the Tulsa Drillers of the Texas League. The Drillers played in the 10,997-seat Drillers Stadium, located on the Tulsa Fairgrounds, from 1981 to 2009. ONEOK Field is located adjacent to downtown Tulsa, west of the historic Greenwood District and adjacent to the Brady and Blue Dome entertainment districts.

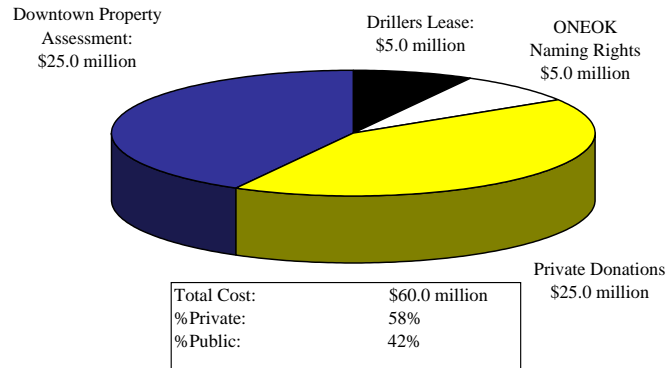
The ballpark has 23 suites, 21 that are sold for between \$30,000 and \$35,000 per year depending on location and two that are sold on a nightly basis for \$1,000 and include 20 tickets, four parking passes, buffet, VIP entrance and wait staff. The ballpark also has 201 club seats located behind home plate, which cost between \$1,400 and \$1,750 per year depending on contract length and include in-seat wait service, access to the Tycoon Bar, protection from the weather by the press box and one parking pass for every two seats purchased.

Season tickets cost between \$420 and \$630 per year. Single-game tickets cost between \$5.00 and \$15.00. Parking for Drillers' games is not controlled by the team, however, there are 3,509 parking spaces within a five-minute walk of the ballpark and a total of 5,534 parking spots within a 10-minute walk of the ballpark.

## 5. New Ballpark Case Studies

In 2010, the Drillers had an average reported attendance of 6,184 over 66 games at Drillers Stadium, resulting in a total attendance of 316,365. In addition to Drillers games, the ballpark is expected to host approximately 15 other events, including high school and college baseball games.

The \$60.0 million project (\$39.2 million for the ballpark and \$20.8 million for the land including future multi-use development) was funded through \$30.0 million in private donations, which included a \$5.0 million, 20-year naming rights agreement with ONEOK energy company. The Drillers contributed \$5.0 from their lease with the Tulsa Stadium Trust. The Tulsa Community Foundation financed the remaining \$25.0 million with a loan from the Bank of Oklahoma, which will be paid over 30 years from the downtown property assessment district.



The downtown property assessment is a six and a half-cent per square foot assessment on downtown property within the Inner Dispersal Loop. Of this amount, four cents goes toward the ballpark and two and a half cents funds downtown services. Once the ballpark debt is paid, the assessment is reduced to two and a half cents.

### QuikTrip Park



Classification:	Independent
City, State:	Grand Prairie, TX
CBSA Population:	6,493,230
Year Opened:	2008
Seating Capacity:	5,445
Suites:	13
Club Seats:	0
Owner:	City
Operator:	Team
Cost:	\$20.0 million
Financing:	100% public
2010 Attendance	124,539 (2,707/game)

## 5. New Ballpark Case Studies

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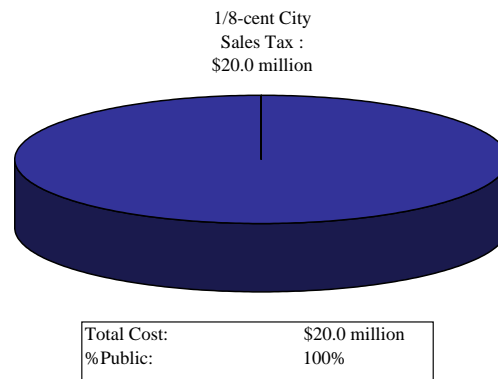
QuikTrip Park opened in 2008 in Grand Prairie, Texas as the home of the Grand Prairie AirHogs of the American Association. The 5,445-seat ballpark includes a 6,000-square foot sports bar and restaurant, adult party deck, cigar bar, swimming pool and a 17,000-square foot children's playground. The ballpark is owned by the City of Grand Prairie, a suburb of Dallas, and operated by the Airhogs.

The ballpark has 13 suites that seat 20 people and can be leased for \$27,500 per year and include tickets, a \$250 food and beverage credit per game, two VIP parking passes, access to a climate-controlled lounge, private wait service, use of suite for all other events, invitations to private parties and events and mid-season batting practice. Suites can also be leased on a per-game basis for \$1,250 and include a \$500 food and beverage credit, and private wait service. The ballpark does not have club seats.

Season tickets cost between \$240 and \$480 and season ticket holders receive first right of refusal for all other events held at the ballpark. Single-game tickets cost between \$6.00 and \$13.00. Parking for AirHogs' games is free.

In 2010, the AirHogs reported total attendance of 124,539 over their 46 game home schedule. In addition to the Airhogs' games, the ballpark hosts approximately 50 other events on an annual basis, including high school and amateur baseball games, other sporting events, concerts and other community events.

Construction of QuikTrip Park cost \$20.0 million and was funded by a voter-approved 1/8-cent City sales tax increase.



In 2008, the AirHogs agreed to a 10-year naming rights deal with QuikTrip convenience stores, the terms of which were not disclosed.

## 5. New Ballpark Case Studies

### Whataburger Field



Classification:	Class AA
City, State:	Corpus Christi, TX
CBSA Population:	417,481
Year Opened:	2005
Seating Capacity:	7,728 seats
Suites:	19
Club Seats:	0
Owner:	City
Operator:	Team
Cost:	\$30.3 million
Financing:	10% private / 90% public
2010 Attendance:	412,369 (5,976/game)

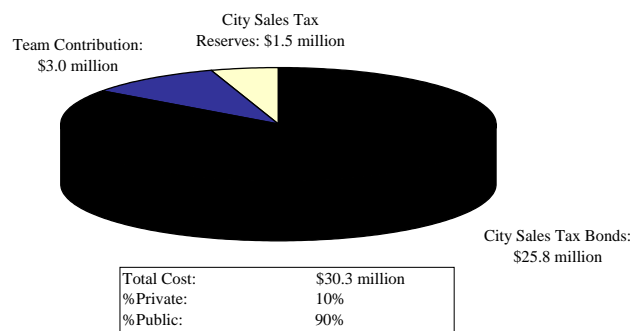
Whataburger Field opened in 2005 and is the home of the Corpus Christi Hooks of the Texas League. The downtown ballpark has a capacity of 7,728 seats, including 5,728 fixed seats and a grass berm with seating for approximately 2,000. The city-owned ballpark is operated by the team.

The ballpark includes 19 private suites, 18 of which are sold on multi-year contracts and leased for an average of \$30,000 per season, including 12 tickets and complementary parking passes. There is one single-game suite that costs between \$750 and \$1,200, which includes 18 to 26 tickets and a full-service buffet, depending on the package. While the ballpark does not have club seats, buffet meals and other upscale food and beverage offerings are available for purchase to all suite and full-season ticket holders in the Cotton Club.

Individual game tickets cost between \$5.00 and \$12.00. Season tickets cost \$495 and include a Hooks jersey and cap. Parking for Hooks' games costs \$4.00 per vehicle. The Hooks control approximately 2,200 parking spaces.

The Hooks reported a total attendance of 412,369 over 69 games in 2010, an average attendance of 5,976 per game. In addition to Hooks' games, the ballpark hosts approximately 40 non-tenant events on an annual basis.

The total development cost of the ballpark was \$30.3 million, which included \$22.4 million in hard construction costs, \$4.9 million in land acquisition and soft costs and \$3.0 million in furniture, fixtures and equipment. Corpus Christi voters approved a 1.25-cent increase in the City



## 5. New Ballpark Case Studies

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sales tax to fund ballpark construction as well as the development of affordable housing and other economic development projects in the City. The City issued general obligation bonds backed by the new sales tax revenue, with approximately \$25.8 million of the bond issue allocated toward ballpark funding. An additional \$1.5 million in reserves from previously collected sales taxes were also contributed by the City. The team agreed to cover \$3.0 million in furniture, fixtures and equipment (FF&E) costs.

The City owns the ballpark and is responsible for maintaining a capital reserve fund. The team operates the ballpark and retains all revenues and is responsible for all expenses associated with the day-to-day operations of the ballpark.

Whataburger Field was built to resemble a cotton warehouse, which occupied the land currently housing the ballpark, and a few sections of the old warehouse were incorporated into the outfield concourse. The ballpark offers scenic views of the Harbor Bridge and the multitude of large boats that occupy the harbor. The family-friendly ballpark includes a large picnic area in right field, a climbing wall, basketball court, jump castle and a full-sized Little League field. The ballpark also has a team store located at street level which is accessible on non-game days.

In 2010, the Corpus Christi City Council voiced overwhelming support for a mixed-use development around Whataburger Field and American Bank Center, an 8,156-seat arena. Developers have suggested a water park, boardwalk, restaurants, condominiums, shops and additional sports fields as possible additions to the area, although project details are still in the initial planning stages.

### Dr. Pepper Ballpark



Classification:	Class AA
City, State:	Frisco, TX
CBSA Population:	6,348,826
Year Opened:	2003
Seating Capacity:	10,120 seats
Suites:	27
Club Seats:	1,200
Owner:	City
Operator:	Team
Cost:	\$22.8 million
Financing:	53% private / 47% public
2010 Attendance:	544,152 (7,886/game)

Located in the Dallas suburb of Frisco, Texas, Dr. Pepper Ballpark opened in 2003 and is the home of the Frisco RoughRiders of the Texas League. The 10,120-seat (8,210 fixed seats and 2,000 lawn seats) ballpark is owned by the City of Frisco and is operated by the RoughRiders.

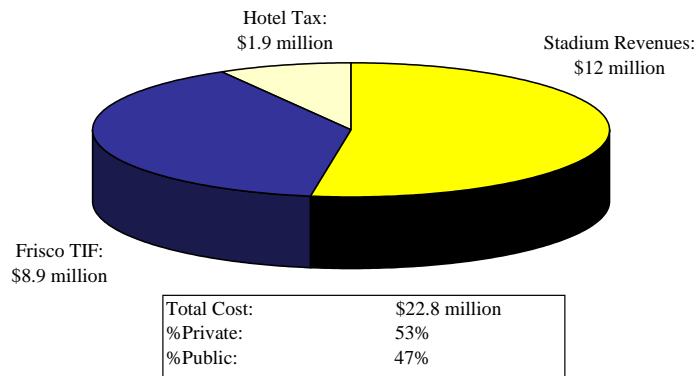
## 5. New Ballpark Case Studies

The ballpark has 27 suites which lease for between \$40,000 and \$70,000 annually, depending on location and capacity. The suites can accommodate between 16 and 40 and include food and beverages, four parking passes and climate-controlled seating. Suites can also be purchased on a per-game basis for between \$1,350 and \$2,700 depending on the number of guests. The ballpark also includes 1,200 club seats located behind home plate that cost \$2,485 per season and include a parking pass and access to a club restaurant.

Parking for RoughRiders' games costs \$10.00. Season tickets cost between \$639 and \$1,278. Individual game tickets cost between \$9.00 and \$18.00.

The RoughRiders reported the highest average attendance in Class AA in 2010 with 7,886 per game, totaling 544,152 attendees over 69 games. In addition to Roughriders' games, the ballpark hosts approximately 75 non-tenant events on an annual basis, which primarily consist of non-ticketed events such as meetings, corporate gatherings and private parties.

Construction of the ballpark cost approximately \$22.8 million. Approximately 53 percent, or \$12.0 million, of total project costs were funded privately through various stadium revenues. The public sector accounted for approximately 47 percent, or \$10.7 million, of project funding, including \$8.9 million in property taxes via tax-increment financing and \$1.9 million in hotel tax revenues.



The team pays \$800,000 in rent to the City each year. The team retains all revenues generated by the ballpark and is responsible for all expenses, including repairs and maintenance. The team receives \$500,000 annually from a 10-year, \$5.0 million naming rights agreement with Dr. Pepper/Snapple.

The design of Dr. Pepper Ballpark is unique among minor league ballparks because it is covered in vinyl siding rather than the standard brick façade. The ballpark also features an outdoor plaza located in center field that includes a large fountain. The most unique feature of the ballpark is the bullpens, which are built into the stands and offer a one-of-a-kind view of the pitchers warming up. The area surrounding Dr. Pepper Ballpark has continued to grow and includes a 330-room Embassy Suites, a 6,000-seat arena, a Dallas Stars' practice facility, a large shopping mall, numerous other shops and restaurants and residential and office space.

## 5. New Ballpark Case Studies

### Citibank Ballpark



Classification:	Class AA
City, State:	Midland, TX
CBSA Population:	129,641
Year Opened:	2002
Seating Capacity:	6,756 seats
Suites:	22
Club Seats:	300
Owner:	City
Operator:	Team
Cost:	\$23.0 million
Financing:	15% private / 85% public
2010 Attendance:	285,188 (4,193/game)

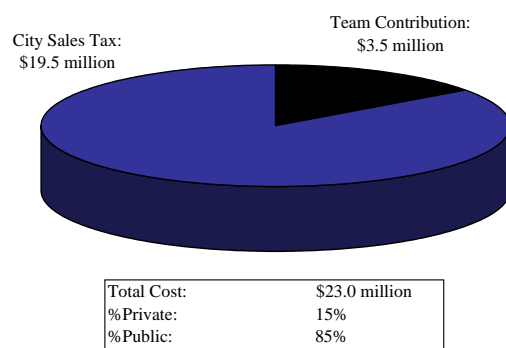
The 6,756-seat (4,756 fixed seats and 2,000 lawn seats) Citibank Ballpark opened in 2002 in Midland, Texas, and serves as the home of the Midland RockHounds of the Texas League. The ballpark is owned by the City of Midland and operated by the RockHounds. The ballpark is the host of the 2010 Texas League All-Star Game.

The ballpark has 22 suites that are leased on one, three or five-year contracts for \$25,000, \$22,000 and \$19,000, respectively. Suite leases include seating for 16, four covered parking passes, tickets to all other events held at the ballpark and an autographed baseball prior to each homestand. Suites can also be rented on a per-game basis for between \$600 and \$700 depending on the number of guests. The ballpark also includes 300 Diamond Club seats located behind home plate, which sell for \$605 per season and include access to an in-stadium restaurant.

Season tickets for RockHounds' games cost between \$430 and \$475. Single-game tickets cost between \$6.00 and \$9.00. There is no charge for parking for RockHounds' games.

A total of 285,188 fans attended the RockHounds' 68 home games in 2010, resulting in an average of 4,193 reported attendees per game. In addition to RockHounds' games, the ballpark hosts approximately 50 non-tenant events on an annual basis.

The ballpark was built to replace the 5,000-seat Christensen Stadium, the former home of the RockHounds, and cost approximately \$23.0 million. The RockHounds contributed \$3.5 million towards construction, accounting for 15 percent of the total project costs. The City of Midland funded the remaining 85 percent of project funding through a 0.4



## 5. New Ballpark Case Studies

cent sales tax increase. The sales tax increase also funded an adjacent 20,000-seat football/soccer stadium.

The team pays the City \$4,160 per month in rent, plus an additional \$50,000 per year and is responsible for all game day staffing. The team retains all ballpark revenues with the exception of scoreboard signage, which they split evenly with the City. The team is responsible for paying all operating expenses associated with the ballpark, while the City is responsible for paying all expenses related to maintenance and capital repairs.

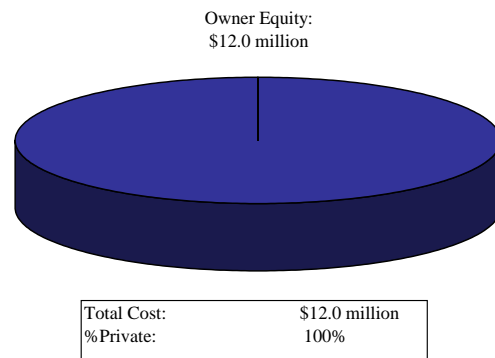
### LaGrave Field



Classification:	Independent
Location:	Ft. Worth, TX
CBSA Population:	6,493,230
Year Opened:	2002
Seating Capacity:	6,600
Suites:	2
Club Seats:	0
Owner:	BLG Development
Operator:	BLG Development
Cost:	\$12.0 million
Financing:	100% private
2010 Attendance:	122,062 (2,977/game)

LaGrave Field was originally built in 1926 in Ft. Worth, Texas, and served as the home of a Brooklyn Dodgers affiliate until 1964. The ballpark was not used for professional baseball until it was extensively renovated in 2002 and became the home of the Ft. Worth Cats of the American Association. The 6,600-seat ballpark is owned and operated by BLG Development. In 2002, ballpark renovations were solely funded by the team owner with no public entity contributions.

The ballpark has two dugout suites that cost \$400 per game and include 10 tickets, hot dogs, sodas and souvenir caps. The ballpark does not have club seats. Season ticket prices range from \$525 to \$615. Single-game ticket prices cost between \$4.00 and \$14.00. The ballpark has two parking lots that can be utilized during Cats games and cost between \$3.00 and \$5.00 depending on proximity to the ballpark. In 2010, the Cats averaged 2,977 over 41 home games, resulting in a total attendance of 122,062.



## 5. New Ballpark Case Studies

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### Dell Diamond



Classification:	Class AAA
City, State:	Round Rock, TX
CBSA Population:	1,703,994
Year Opened:	2000
Seating Capacity:	11,722 seats
Suites:	30
Club Seats:	92
Owner:	City
Operator:	Team
Cost:	\$25.0 million
Financing:	70% private / 30% public
2010 Attendance:	596,965 (8,408/game)

Dell Diamond opened in 2000 in Round Rock, Texas, as the home of the Round Rock Express of the Pacific Coast League. Originally constructed to host a Class AA franchise, the ballpark has a total seating capacity of 11,722 seats, including 8,722 fixed seats and a grass berm with seating for approximately 3,000. The ballpark also includes a 10,000 square foot conference center, picnic area with swimming pool, children's play area and a covered outdoor dining area known as Nolan Ryan's Grill. The city-owned ballpark is operated by the team.

The ballpark has 30 private suites that seat between 12 and 20 people and cost an average of \$30,000 per year, which includes tickets, parking, private entrance, expanded concession menu and access to the Intel Club. The ballpark also includes 92 club seats located outside of the Intel Club and behind home plate that cost \$1,500 per year and include tickets, private entrance, expanded concession menu and access to the Intel Club. Club seats can also be purchased for \$30.00 per game, if available.

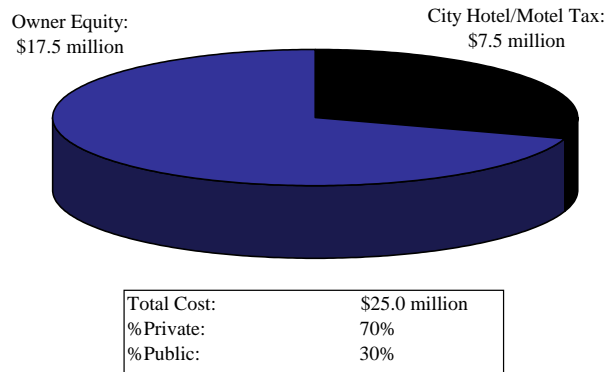
Individual game tickets cost between \$7.00 and \$14.00. Season tickets cost between \$360 and \$450. The ballpark includes over 4,000 on-site parking spaces which cost \$5.00 per car on game day.

The Express reported a total attendance of 596,965 over 71 games in 2010, an average attendance of 8,408 per game. In addition to Express games, the ballpark hosts approximately 75 non-tenant events on an annual basis, including amateur baseball games, weddings, meetings, tradeshows, fundraisers, arts and crafts shows and other community events.

The ballpark cost \$25.0 million and was funded by \$17.5 million in private financing secured by Express ownership and \$7.5 million from the City of Round Rock through revenues generated by a hotel/motel tax.

## 5. New Ballpark Case Studies

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In 2000, the Express agreed to a 15-year, \$2.5 million naming rights deal with Dell, Inc. The Express have a 38-year lease agreement with the City of Round Rock for the use of the ballpark.

### Edinburg Stadium



City, State:	Edinburg, TX
CBSA Population:	760,181
Year Opened:	2001
Seating Capacity:	5,500
Suites:	10
Club Seats:	0
Owner:	City
Operator:	City
Cost:	\$7.0 million
Financing:	100% public
2010 Attendance:	101,620 (2,605/game)

Opened in 2001, Edinburg Stadium is located in Edinburg, Texas, and serves as the home of the Edinburg Roadrunners of the United League and the University of Texas-Pan American baseball team. The 5,500-seat ballpark is owned and operated by the City of Edinburg.

Individual game tickets cost between \$6.00 and \$8.00. Full season ticket packages range from \$100 to \$250 and include one parking pass per two seats purchased, first right of refusal for playoff tickets and invitations to exclusive Roadrunners' events. The ballpark has an on-site preferred parking lot located adjacent to the ballpark which contains approximately 600 spaces and costs \$3.00 per car on game day. Parking is also available in lots across the street from the ballpark which cost \$2.00 per car on game day.

The ballpark has 10 suites that are sold on an annual basis for between \$10,000 and \$15,000 and include 20 tickets, prime seat location and an upscale catering menu. Suites can also be rented on a per-game basis for \$300. The ballpark does not have club seats.

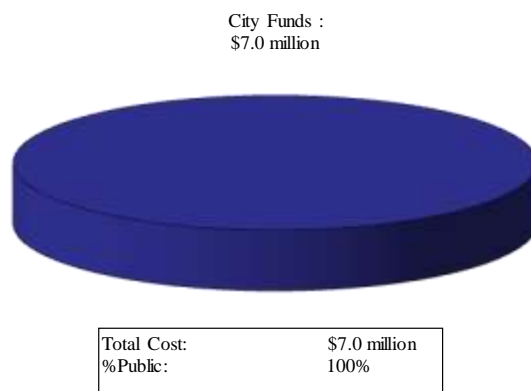
## 5. New Ballpark Case Studies

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In 2010, the Roadrunners reported total attendance of 101,620 over 39 games, resulting in an average of 2,605 per game. In addition to Roadrunners' games, the ballpark hosts approximately 40 University of Texas-Pan American baseball games and between 10 and 20 other events. Other events held at the ballpark include concerts, wrestling matches, boxing and other community events. The number of other events held at the ballpark varies depending on the weather and the amount of University events scheduled at the facility.

The ballpark was constructed at a total cost of \$7.0 million and was funded by the City of Edinburg.

The Edinburg Roadrunners have settled a dispute with the Edinburg City Council regarding \$100,000 in outstanding rental payments. According to the lease agreement, the team is required to pay the City \$25,000 per month or \$1.00 for every ticket sold, whichever is greater. Team officials indicated that they are ahead of ticket sales and sponsorship projections for the 2011 season and their lease agreement with the City for use of the ballpark will continue under the same terms as last season.



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## **6. Estimated Demand**

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The purpose of this section is to estimate the potential event mix and attendance levels that could be attracted to a new downtown ballpark in Amarillo. A variety of factors have been considered in order to gauge the ability of a new downtown ballpark to attract various events and patrons, including:

- analyzing the historical operations of independent league teams in new ballparks built since 2000 in markets comparable to Amarillo;
- interviewing various event organizers to obtain opinions and gauge interest in utilizing a new downtown ballpark;
- analyzing event levels and physical characteristics of comparable ballparks to gain an understanding of the types and number of events typically hosted by similar ballparks; and,
- analyzing local market venues in Amarillo and the regional market to gauge the level of competition present in the market and to identify strengths, niches and synergies that may give a new downtown ballpark an advantage over the competition in attracting events.

This information, along with our knowledge of potential event markets, industry trends, and previous experience was used to estimate the number of events and annual attendance that a new downtown ballpark could potentially attract. Potential events have been categorized into tenant and non-tenant events.

### **Tenant Events**

For purposes of this analysis, we have assumed that an American Association franchise could be a tenant of a new downtown ballpark. Historically, American Association franchises have hosted an average of 48 regular season home games each year. In order to assess the potential attendance levels that may be achieved by an American Association franchise in a new ballpark in downtown Amarillo, the following analyses were conducted:

- reviewed the season average per game attendance levels of the various independent leagues from 2006 to 2010;
- reviewed the historical season average per game attendance levels of the Amarillo Dillas since 1995;
- analyzed the impact that new ballparks have had on the attendance of other independent league teams in comparable markets; and,

## 6. Estimated Demand

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- analyzed the attendance penetrations of other independent league teams with new ballparks in comparable markets.

### *Historical Independent League Baseball Attendance*

The following table summarizes average and median reported attendance per game for the American Association, the Atlantic League and the United League from 2006 to 2010.

<b>Independent League Reported Attendance</b>						
<b>League</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>5-Year Average <sup>(1)</sup></b>
<b>American Association</b>						
Average	2,677	3,154	3,292	3,364	2,811	<b>3,060</b>
Median	2,842	3,254	3,307	3,512	2,271	<b>3,037</b>
<b>Atlantic League</b>						
Average	3,991	4,039	4,110	4,142	4,439	<b>4,144</b>
Median	3,877	3,878	3,941	3,709	4,676	<b>4,016</b>
<b>United League</b>						
Average	1,823	1,764	2,181	2,137	1,767	<b>1,934</b>
Median	1,938	1,605	2,104	2,087	n/a	<b>2,013</b>
<b>All Leagues</b>						
Average	<b>2,830</b>	<b>2,986</b>	<b>3,194</b>	<b>3,214</b>	<b>3,006</b>	<b>3,046</b>
Median	<b>2,842</b>	<b>3,254</b>	<b>3,307</b>	<b>3,512</b>	<b>3,473</b>	<b>3,278</b>

(1) Average represents only those years where data was available.

Source: Independent league baseball offices.

Combined, the American Association, the Atlantic League and the United League have drawn a reported average attendance of 2,831 fans per game over the past five years. The median per-game attendance for league franchises was 2,456 over the same time period.

American Association franchises reported an average attendance of 3,060 from 2006 to 2010, and a median attendance of 3,037 from 2006 to 2010.

Over the same time period, Atlantic League franchises reported an average and median attendance of 4,144 and 4,016 per game, respectively.

Over the past five years, United League franchises reported an average attendance of 1,934 per game and a median attendance of 2,013 per game over the same time period.

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### *Historical Amarillo Dillas Attendance*

The following table summarizes the historical attendance for the Amarillo Dillas from 1995 to 2010. It should be noted that the Dillas were members of the Texas-Louisiana League from 1995 to 2000 (now defunct), the Central Baseball League from 2001 to 2004 (now defunct) and the United League from 2006 to the present.

**Historical Amarillo Dillas Attendance  
1995 to 2010**

<u>Year</u>	<u>League</u>	<u>Games</u>	<u>Total Attendance</u>	<u>Average Attendance</u>
1995	Texas-Louisiana	50	156,926	3,139
1996	Texas-Louisiana	49	135,881	2,773
1997	Texas-Louisiana	38	113,380	2,984
1998	Texas-Louisiana	41	142,145	3,467
1999	Texas-Louisiana	41	151,222	3,688
2000	Texas-Louisiana	55	140,339	2,552
2001	Central	45	104,082	2,313
2002	Central	47	86,361	1,837
2003	Central	48	85,924	1,790
2004	Central	42	58,627	1,396
2005 <sup>(1)</sup>	n/a	n/a	n/a	n/a
2006	United	45	106,797	2,373
2007	United	45	146,745	3,261
2008	United	44	159,332	3,621
2009	United	37	121,617	3,287
2010	United	48	139,790	2,912
<b>Average</b>		<b>45</b>	<b>123,278</b>	<b>2,760</b>

(1) Amarillo did not have a franchise in 2005.

Source: Ballpark Digest, CSL International research.

Since 1995, the Dillas have averaged approximately 2,800 attendees per game.

### **Market Penetration**

A market penetration analysis was performed to evaluate the impact that a new downtown ballpark could have on the attendance levels attracted by an American Association franchise.

A market penetration analysis is a tool that compares relative attendance levels of teams to their market populations. The penetration analysis was conducted using the CBSA

## 6. Estimated Demand

population of small independent league markets with ballparks opened since 2000 and the average reported attendance per game experienced by each respective market's franchise since the new ballpark opened. For purposes of this analysis, only small independent league markets with a population of 500,000 or less were considered. The results of the penetration analysis are presented in the following chart.

**Penetration Analysis  
Ballparks Opened Since 2000  
Independent League Markets With Population Less than 500,000**

<u>Team</u>	<u>Market</u>	<u>CBSA Population <sup>(1)</sup></u>	<u>Reported Average Attendance per Game <sup>(2)</sup></u>	<u>Ratio of Reported Attendance to Population</u>
Southern Illinois Miners	Marion, IL	58,030	3,634	6.26%
Traverse City Beach Bums	Traverse City, MI	143,366	3,814	2.66%
San Angelo Colts	San Angelo, TX	108,279	2,293	2.12%
Normal CornBelters	Normal, IL	167,733	2,646	1.58%
Lincoln Saltdogs	Lincoln, NE	300,735	4,247	1.41%
York Revolution	York, PA	432,130	4,085	0.95%
Rockford RiverHawks	Loves Park, IL	360,502	2,655	0.74%
Coastal Bend Thunder	Robstown, TX	420,177	609	0.14%
<b>Average</b>		<b>248,869</b>	<b>2,998</b>	<b>1.20%</b>
<b>Median</b>		<b>234,234</b>	<b>3,145</b>	<b>1.34%</b>
<b>Downtown Ballpark (based on average)</b>	<b>Amarillo, TX</b>	<b>250,815</b>	<b>3,020</b>	<b>1.20%</b>
<b>Downtown Ballpark (based on median)</b>	<b>Amarillo, TX</b>	<b>250,815</b>	<b>3,370</b>	<b>1.34%</b>

(1) Population is based on the CBSA location of each respective ballpark.

(2) Represents the average per game attendance for each franchise in their current ballpark.

Note: Includes markets with ballparks opened since 2000 and a CBSA population less than 500,000 residents.

Source: Independent league websites and CSL International research.

As shown above, the median market attendance to market population penetration of independent league teams playing in new ballparks is 1.34 percent, while the average is 1.20 percent. If an American Association franchise were able to achieve the average population penetration of new independent league ballparks in small markets with a population less than 500,000 residents, its reported attendance could be approximately 3,400.

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### Estimated Independent League Franchise Attendance

The following table summarizes the estimated paid and turnstile attendance of an independent league franchise in a stabilized year of operations in a new downtown ballpark.

**Estimated Attendance  
Independent League Franchise  
Proposed Downtown Amarillo Ballpark**

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Games <sup>(1)</sup>	48
Average Paid Attendance	3,000
Total Annual Paid Attendance	144,000
Average Turnstile Attendance	2,550
Total Turnstile Attendance	122,400

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(1) Assumes an American Association franchise.

Note: Represents a stabilized year of operations.

Based on a review of historical independent league baseball attendance, it is estimated that an independent league franchise could achieve an average paid attendance of approximately 3,000 per game in a stabilized year of operations in a new downtown ballpark, while experiencing an average turnstile attendance of approximately 2,550 per game in a stabilized year of operations in a new downtown ballpark.

It is possible that an independent league franchise could exceed these estimates in the initial years in a new downtown ballpark based on the novelty of the ballpark. Subsequent to this honeymoon period, attendance will be predicated on a variety of factors including but not limited to ticket prices, team performance, quality of game-day entertainment/experience, marketing efforts, competition in the local marketplace, and other such factors.

### Non-Tenant Events

While the primary function of independent league ballparks is to accommodate the needs and uses of its minor league baseball tenant, ballparks often host other events. Other events that typically occur in independent league ballparks include amateur, high school, and collegiate baseball games, concerts, and other miscellaneous events including but not limited to graduations, automobile shows, religious events and other community events. The types and number of events held at independent league ballparks can vary

## 6. Estimated Demand

significantly depending on the facility's market focus and operating mission. The following table presents a summary of the number and types of events held at the comparable independent league ballparks identified in this study.

**Annual Event Levels  
Comparable Independent League Markets**

Franchise	Tenant Baseball <sup>(1)</sup>	Non-Tenant Events					Total Non-Tenant	Total Events
		Concerts	Youth Baseball	HS Baseball	College Baseball	Other <sup>(2)</sup>		
Normal CornBelters	48	3	30	10	50	29	122	170
York Revolution	70	0	0	8	7	55	70	140
Lincoln SaltDogs	48	1	0	5	30	12	48	96
Rockford RiverHawks	50	0	10	25	0	7	42	92
San Angelo Colts	45	0	0	5	30	5	40	85
Southern Illinois Miners	48	1	0	4	25	0	30	78
Traverse City Beach Bums	48	0	0	10	0	0	10	58
<b>High</b>	<b>70</b>	<b>3</b>	<b>30</b>	<b>25</b>	<b>50</b>	<b>55</b>	<b>122</b>	<b>170</b>
<b>Median</b>	<b>48</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>25</b>	<b>7</b>	<b>42</b>	<b>92</b>
<b>Low</b>	<b>45</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>58</b>

(1) Represents the number of home games stated by the league prior to the season.

(2) Other events include events such as graduations, automobile swaps, commercial filming, religious events, meetings and other community events.

Note: The United League is exploring the relocation of the Coastal Bend Thunder to Abilene, Texas. Team officials were unavailable for interview.

Source: Facility interviews

As shown above, comparable ballparks host between 58 and 170 total events per year, resulting in a median of 92 total events, consisting of approximately 50 tenant baseball games and the remaining 42 events consisting of concerts, amateur, high school and college baseball games, as well as other events.

In addition to event usage of comparable ballparks, potential users of a new downtown ballpark were contacted and asked specific questions regarding the type and number of events they currently organize in the Amarillo area, opinions regarding the physical and operational characteristics of area facilities, their interest in hosting future events at a new downtown ballpark and desired specifications of a new downtown ballpark. Based upon these interviews, it is expected that a new downtown ballpark could attract several types of baseball-related non-tenant events on an annual basis.

A representative of the Amarillo ISD indicated that they would likely use a new downtown ballpark in Amarillo as the site for a limited number of district baseball games on an annual basis. District rivalry games generally attract between 500 and 1,000 spectators, which could be effectively accommodated in a new downtown ballpark. The possibility also exists for a new downtown ballpark to host the Randy Keller Memorial Classic, an annual high school baseball tournament that attracts between eight and 12 teams over three days. However, the decision to host the tournament at a new downtown ballpark would be influenced by on the cost to rent the facility.

## **6. Estimated Demand**

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Officials with the Canyon ISD were also contacted regarding their potential interest in hosting baseball games at a new downtown ballpark in Amarillo. Representatives indicated that they are concerned about the location of the ballpark, which is located between 15 and 20 miles from Canyon and Randall High Schools, and could present logistical issues and increased transportation costs. The Canyon ISD hosts between one and two high school baseball tournaments on an annual basis that attract between eight and 12 teams and include between 18 and 24 games over a three-day period. Officials stated that a new downtown ballpark could effectively accommodate attendance, which can reach as much as 800 depending on the game. The decision to host some or all of the tournament games at a new downtown ballpark would depend on the cost to rent the facility and the ability to generate a profit.

Generally, ballparks host a limited number of concerts on an annual basis. To this end, representatives of Live Nation, the largest live entertainment company in the world, were contacted in order to assess the potential of a new downtown ballpark in Amarillo to host concerts. Representatives indicated that they could potentially host a country concert every few years in a new downtown ballpark, but would require proper staging, acoustics and ticketing system. It should be noted that there is currently not a facility solely dedicated to hosting outdoor concerts in the Amarillo area, however, representatives of local entertainment venues have stated that area facilities with the ability to host outdoor events have experienced a very limited amount of outdoor event programming over the past few years. In addition, the independent league baseball tenant will have scheduling priority throughout the majority of the outdoor live entertainment season, and hosting outdoor events during the baseball season could be difficult due to maintenance requirements of the playing surface.

Based on a review of event activity at comparable new ballparks, discussions with various potential users and the level of competition in the local marketplace for sports and entertainment venues, it is estimated that an average of 10 other revenue-generating events could be hosted at a new downtown ballpark on an annual basis.

### **Summary**

The following table presents a summary of the estimated annual revenue-generating events and paid attendance that could be attracted to a new downtown ballpark.

## 6. Estimated Demand

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### Estimated Demand and Paid Attendance Proposed Downtown Amarillo Ballpark

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<u>Event Type</u>	<u>Events</u>	<u>Average Paid Attendance</u>	<u>Total Paid Attendance</u>
Independent League Baseball	48	3,000	144,000
High School Baseball	5	700	3,500
College Baseball	1	1,000	1,000
Concerts	1	3,000	3,000
Other	3	500	1,500
<b>Total</b>	<b>58</b>	<b>2,638</b>	<b>153,000</b>

Note: Represents a stabilized year of operations.

It is estimated that a new downtown ballpark could host 58 revenue-generating events and attract approximately 153,000 paid attendees in a stabilized year of operations. Please note that this analysis is focused on revenue-generating events and does not include free events or other potential public uses of the ballpark.

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## **7. Building Program Analysis**

## **7. Building Program Analysis**

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In developing the appropriate building program for a new downtown ballpark, it is important to consider the general seating capacity and premium seating inventories that are supportable in the marketplace, as well as the level of amenities and support spaces that are needed to provide a high-quality facility for an independent league franchise and its fans.

The purpose of this section is to develop recommendations regarding key program elements that should be incorporated into a new downtown ballpark. The analysis of building program elements are presented in the following sections:

- Seating Capacity;
- Premium Seating;
- Parking;
- Other Ballpark Components; and,
- Estimated Cost.

It is important to note that the building program and cost analysis presented herein are considered preliminary in nature. Further work by design and construction professionals, outside the scope of this study, would be required to provide detailed building program specifications, conceptual designs and more detailed cost estimates.

### **Seating Capacity**

The primary consideration in determining an appropriate capacity for a new downtown ballpark is the anticipated future attendance level of the tenant franchise. The ballpark should be large enough to accommodate ticket demand for opening day, weekends, holidays, special promotional days and other such games that typically represent the most highly attended games at a minor league ballpark. However, the facility should be small enough to provide an intimate setting for minor league baseball and to maintain a perception of ticket scarcity. In evaluating the market supportable seating program for a new downtown ballpark, it is useful to understand the needs of the primary tenant and the seating capacities of ballparks located in comparable markets. American Association officials indicated that a new ballpark should incorporate approximately 4,000 fixed seats.

## 7. Building Program Analysis

### *Seating Capacities at Comparable Ballparks*

In order to assess potential fixed seating capacity at a new downtown ballpark, it is useful to review the fixed seating capacities of comparable independent league ballparks. The following table summarizes the fixed seating capacities of comparable independent league ballparks, as well as the number of residents available per seat in each market.

**Seating Capacity Analysis  
Comparable Independent League Markets**

Team	Fixed Capacity <sup>(1)</sup>	CBSA Population	Population Per Seat
Rockford RiverHawks	3,079	360,502	117
Coastal Bend Thunder	4,000	420,177	105
York Revolution	5,200	432,130	83
Lincoln Saltdogs	4,500	300,735	67
Normal Cornbelters	4,000	167,733	42
Traverse City Beach Bums	3,750	143,366	38
San Angelo Colts	4,200	108,279	26
Southern Illinois Miners	5,000	58,030	12
<b>Average</b>	<b>4,216</b>	<b>248,869</b>	<b>59</b>

<b>Downtown Amarillo Ballpark:</b>	
<b>Amarillo CBSA Population:</b>	<b>250,815</b>
<b>Average Population per Seat:</b>	<b>59</b>
<b>Potential Seating Capacity (Rounded)</b>	<b>4,200</b>

(1) Fixed capacity does not include lawn seating.

Source: Claritas and CSL International research.

The average fixed seating capacity among the comparable market ballparks analyzed is approximately 4,200. The average number of residents available per ballpark seat in comparable independent league markets with new ballparks is 59. Applying this ratio to the Amarillo CBSA population results in a potential ballpark fixed seating capacity of approximately 4,200 fixed seats in Amarillo.

### *Other Event Capacity Requirements*

In addition to independent league baseball games, it is estimated that a new downtown ballpark would host approximately 10 other events on an annual basis. Representatives from the Amarillo ISD, Canyon ISD and West Texas A&M University indicated that they experience average attendance levels of between 100 and 1,000 per game. Only an occasional concert may require the full baseball capacity of a new downtown ballpark.

## 7. Building Program Analysis

### *Seating Capacity Summary*

It is recommended that a new downtown ballpark include approximately 4,000 fixed seats. In addition, the ballpark could also feature between 500 and 1,000 lawn seats. The total lawn seating capacity will vary depending on the amount of available space, other ballpark amenities/attractions and other related facility configuration issues.

### **Premium Seating**

Premium seating serves as an important source of revenue for independent league baseball teams. Premium seating generally consists of private suites and club seats. In order to estimate potential demand for premium seating, existing premium seating options in the local marketplace as well as comparable independent league ballparks were analyzed.

### *Local Premium Seating*

The Amarillo market's existing sports and entertainment venues, including Globe-News Center, Potter County Memorial Stadium, Buffalo Sports Park, First United Bank Center, Amarillo National Center, Amarillo Civic Center, Kimbrough Memorial Stadium and Dick Bivins Stadium, offer a very limited number of premium seating options and in most cases do not offer any premium seating. The following table summarizes the premium seating inventories of the local and regional venues.

**Premium Seating  
Local Market Venues**

<b>Facility</b>	<b>Location</b>	<b>Year Opened</b>	<b>Suite Inventory</b>	<b>Average Annual Price</b>	<b>Club Seat Inventory</b>	<b>Average Annual Price</b>	<b>Potential Annual Revenue</b>
Globe-News Center	Amarillo, TX	2006	0	n/a	350 <sup>(1)</sup>	\$25,000	\$8,750,000
Potter County Memorial Stadium	Amarillo, TX	1956	0	n/a	0	n/a	n/a
Buffalo Sports Park	Canyon, TX	2010	0	n/a	0	n/a	n/a
First United Bank Center	Canyon, TX	2002	0	n/a	0	n/a	n/a
Amarillo National Center	Amarillo, TX	2000	0	n/a	0	n/a	n/a
Amarillo Civic Center	Amarillo, TX	1964	0	n/a	0	n/a	n/a
Kimbrough Memorial Stadium	Canyon, TX	1959	0	n/a	0	n/a	n/a
Dick Bivins Stadium	Amarillo, TX	1950	2 <sup>(2)</sup>	n/a	0	n/a	n/a

(1) The Globe-News Center sold 350 seat licenses that required a one-time donation of \$25,000.

(2) The stadium has two VIP suites that are reserved for scoreboard sponsors and district administration.

Sources: 2009 Revenues from Sports Venues, 2010 AudArena Guide, CSL research.

## 7. Building Program Analysis

The Globe-News Center is the only local market venue that has sold premium seating, consisting of approximately 350 seat licenses that were sold in order to raise money for construction in 2006 and required a \$25,000 one-time donation per seat. The facility generated approximately \$8.8 million through the sale of seat licenses. Dick Bivins Stadium has two VIP suites that are not sold for events, but rather, reserved for scoreboard sponsors, district administrators and special guests.

### *Premium Seating in Comparable Facilities*

In considering the appropriate level of premium seating that should be incorporated into a new downtown ballpark, it is important to understand the premium seating offerings at comparable independent league ballparks. The following table summarizes premium seating inventories and pricing at selected comparable independent league ballparks.

**Premium Seating  
Comparable Independent League Ballparks**

<b>Team</b>	<b>Suite Inventory</b>	<b>Average Annual Price</b>	<b>Club Seat Inventory</b>	<b>Average Annual Price</b>	<b>Total Potential Annual Revenue</b>
Lincoln Saltdogs	16	\$33,600	355	\$595	\$748,825
York Revolution	20	\$25,000	0	n/a	\$500,000
Normal Cornbelters	11 <sup>(1)</sup>	\$20,500	56	\$1,500	\$309,500
Traverse City Beach Bums	27	\$10,000	0	n/a	\$270,000
Southern Illinois Miners	14	\$18,000	0	n/a	\$252,000
Coastal Bend Thunder	15	\$9,000 <sup>(2)</sup>	0	n/a	\$135,000
Rockford RiverHawks	8	\$9,500	0	n/a	\$76,000
San Angelo Colts	0	n/a	0	n/a	n/a
<b>Average</b>	<b>14</b>	<b>\$17,943</b>	<b>206</b>	<b>\$1,048</b>	<b>\$327,332</b>
<b>Median</b>	<b>15</b>	<b>\$18,000</b>	<b>206</b>	<b>\$1,048</b>	<b>\$270,000</b>

(1) The Corn Crib has 12 suites, but only 11 are revenue-generating.

(2) Assumes all 15 suites are sold for \$200 per game over a 45-game season.

Note: Average club seat inventory and annual price includes only ballparks with club seats.

Source: Team and facility interviews.

Seven of the eight comparable independent league ballparks incorporate private suites, with inventories ranging from eight to 27 suites. The average ballpark incorporates 14 suites with an average annual price of approximately \$18,000.

## **7. Building Program Analysis**

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Only two of the eight ballparks included in the analysis incorporate club seating, with inventories ranging from 56 to 355 seats and averaging approximately 210 seats. The average club seat price among comparable ballparks is approximately \$1,000 per year.

In terms of total potential annual revenue, comparable ballparks range from approximately \$76,000 at Road Ranger Stadium (Rockford RiverHawks) to approximately \$749,000 at Haymarket Park (Lincoln Saltdogs), resulting in an average potential annual revenue of approximately \$327,000. The median annual premium seat revenue potential generated for comparable ballparks is \$270,000.

### *Penetration Analysis*

Due to the higher costs typically associated with private suites and club seats, corporations are often the main purchasers of premium seating. Therefore, an important indicator of the ability of a market to support various premium seating options is the number of corporations and branches available per suite and club seat. This ratio indicates a market's ability to penetrate its corporate market base through the sale of suites and club seats.

The table on the following page presents a penetration analysis of the corporate inventory in the CBSA of each comparable independent league ballpark to the number of suites in each ballpark. The corporate inventory is defined as corporate headquarters with at least 10 employees and \$2.5 million in annual sales, and corporate branches with at least 10 employees. It should be noted that all suites may not be revenue-generating, due to use by team ownership, ballpark ownership, naming sponsors and other such uses.

## 7. Building Program Analysis

### Suite Penetration Analysis Comparable Independent League Ballparks

<u>Team</u>	<u>Location</u>	<u>CBSA Population</u>	<u>Total Corporate Inventory</u>	<u>Suite Inventory</u>	<u>Corporations Per Suite</u>
Rockford RiverHawks	Loves Park, IL	360,502	864	8	108
Coastal Bend Thunder	Robstown, TX	420,177	821	15	55
York Revolution	York, PA	432,130	869	20	43
Lincoln Saltdogs	Lincoln, NE	300,735	597	16	37
Normal Cornbelters	Normal, IL	167,733	338	12	28
Traverse City Beach Bums	Traverse City, MI	143,366	303	27	11
Southern Illinois Miners	Marion, IL	58,030	119	14	9
<b>Average</b>		<b>268,953</b>	<b>559</b>	<b>16</b>	<b>42</b>
<b>Median</b>		<b>300,735</b>	<b>597</b>	<b>15</b>	<b>37</b>
<b>New Ballpark (average)</b>	<b>Amarillo, TX</b>	<b>250,815</b>	<b>517</b>	<b>12</b>	<b>42</b>
<b>New Ballpark (median)</b>	<b>Amarillo, TX</b>	<b>250,815</b>	<b>517</b>	<b>14</b>	<b>37</b>

Note: Corporate inventory is based on headquarters and single locations with \$2.5 million or more in sales and based on corporate branch locations with 10 or more employees. Based on corporate inventory of each metropolitan area as defined by Dun & Bradstreet.

Note: Foster Field in San Angelo, TX, does not have suites and has been omitted from this analysis.

Source: Dun & Bradstreet, Claritas.

The average ratio of corporations and branches to private suites in the comparable independent league markets analyzed is 42 corporations per suite. Applying this ratio to the Amarillo market's corporate inventory of 517 results in an estimated supportable inventory of approximately 12 to 14 suites.

#### *Premium Seating Summary*

Based on the preliminary premium seating analysis discussed herein, a premium seating program consisting of eight private suites with seating for 16 people and two party suites (to be sold on a per-game basis) with room to accommodate 32 people each are recommended for public sale. In addition, it is assumed that two suites will be non-revenue generating and used by team ownership and the ballpark naming sponsor.

## 7. Building Program Analysis

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### Parking

The availability of sufficient parking is critical to the success of an independent league ballpark. Industry standards indicate that approximately one parking space should be provided within walking distance for every three seats. Given the recommended total capacity of approximately 4,500, this would result in a recommended parking inventory of approximately 1,500.

For purposes of this analysis, it is expected that all or a majority of these spaces could be provided by existing (or planned with the overall Civic Center Master Plan project) surface or structured parking within walking distance of the ballpark.

### Other Ballpark Components

Other building components that are integral to the success of the ballpark include, but are not limited to:

- Sufficient concession points of sale should be provided to maximize per capita spending revenues. A minimum of five (5) lineal feet of counter space per 350 seats in total facility capacity should be provided. Each stand averages approximately 25 feet per stand.
- Sufficient restrooms should be provided to ensure an enjoyable patron experience. The following minimum plumbing fixture ratios are recommended:

Water closets:	1:125 Women
	1:450 Men
Lavatories (sinks):	1:150 Women
	1:150 Men
Urinals	1:125 Men

- Ticket or box office for walk-up ticket sales, will call and other ticketing needs. At least one ticket window for each 1,500 seats of total capacity should be provided.
- Sufficient number and quality of locker/dressing rooms including a home team locker room, visiting team locker room, two (2) to four (4) smaller dressing rooms for other event performers and officials.
- State-of-the-art audio, video and lighting equipment.
- Sufficient storage space for equipment, materials, supplies and other needs.

## **7. Building Program Analysis**

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- Administrative offices for full-time and season staff for team and ballpark personnel.

It should be noted that the general building program presented herein does not include space requirements for components such as dressing rooms, storage, administrative offices, box office, food service space and other such spaces as may be determined by project planners and architects.

As facility planning progresses, it will be important that project architects work closely with team and league officials to create a design that would maximize the market and revenue potential of the facility.

### **Estimated Cost**

For purposes of this analysis, it is assumed that construction costs of a new downtown ballpark in Amarillo would total approximately \$20.0 million to \$30.0 million. This estimate is based on discussions with the City and the American Association, as well as experience on similar projects, and should not be used as a replacement for a professional cost estimate that should be provided by an experienced construction manager based upon an architectural design program. The \$20.0 million to \$30.0 million estimate will be used in this report solely for purposes of projecting the potential economic impacts of ballpark construction later in the Section 9.

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## **8. Financial Projections**

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The purpose of this section is to present estimated operating revenues and expenses for a new downtown ballpark in Amarillo. Based on the analysis and conclusions in Section 2 of this report, it is assumed that an American Association franchise will be the primary tenant of a new downtown ballpark and is the basis for all financial operating assumptions used in this analysis, as well as the results of the market analysis, industry trends, knowledge of the marketplace, and financial results from comparable independent league ballparks/teams.

This presentation is designed to assist project representatives in estimating the financial attributes of a new downtown ballpark in Amarillo and cannot be considered to be a presentation of expected future results. Accordingly, this analysis may not be useful for any other purpose. The assumptions disclosed herein are not all inclusive, but are those deemed to be significant; however, there will be differences between estimated and actual results which may be material.

Key assumptions used to estimate the potential financial operations of a new downtown ballpark in Amarillo include, but are not limited to the following:

- A new downtown ballpark will have a capacity of approximately 4,000 fixed seats and up to 1,000 lawn seats;
- A new downtown ballpark will be developed as a quality, state-of-the-art venue and would accommodate the needs of various users;
- An American Association franchise will serve as the primary tenant and manage a new downtown ballpark;
- A new downtown ballpark will be owned by the City of Amarillo, or some other public entity, and will be exempt from property taxes;
- All revenue generated is assumed to be retained by the ballpark due to the absence of lease terms stating revenue splits and annual rental payments between the franchise and the ballpark;
- American Association baseball will continue to exist in its present format in terms of event utilization;
- The baseball franchise and a new downtown ballpark will be aggressively marketed;
- The market will generate spending on tickets, concessions, novelties, sponsorships/advertising and premium seating that is consistent with comparable independent league franchises in new ballparks;

## **8. Financial Projections**

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- Ample parking under control of the ballpark will be available to accommodate demand (on-site or off-site within walking distance);
- Free-admission events and other such public uses have not been included in this revenue analysis, as it is assumed that they would be operated at cost; and,
- There are no significant or material changes in the supply or quality of existing venues in the marketplace.

The presentation of estimated operating results is comprised of the following components:

- Financial Summary;
- Operating Revenues; and,
- Operating Expenses;

It should be noted that all dollars amounts are stated in 2013 dollars for a stabilized year of operations.

Additional physical development planning must be completed before more precise estimations of the ballpark operating costs can be made. Also, upon completion of preliminary planning, revenue and expense assumptions should be updated to reflect changes to the assumptions made herein. These changes could significantly affect the analysis of future operating results.

### **Ballpark Operating Summary**

The table on the following page presents the operating revenues and expenses estimated to be generated by a new downtown ballpark in Amarillo. All estimates are presented in 2013 dollars and represent a stabilized year of operations.

## 8. Financial Projections

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### Estimated Revenues and Expenses Stabilized Year of Operations - 2013 Dollars

<b>OPERATING REVENUES</b>	
Ticket receipts / rent	\$1,168,400
Premium seating, net	117,000
Food and beverage, net	355,000
Advertising and sponsorships	400,000
Naming rights	200,000
Merchandise, net	37,000
Parking, net	67,000
Other	50,000
<b>TOTAL REVENUES</b>	<b>2,394,400</b>
<b>OPERATING EXPENSES</b>	
Ballpark operations	800,000
Administration	500,000
Player salaries	100,000
Marketing and promotions	200,000
Game-day expenses	408,000
<b>TOTAL EXPENSES</b>	<b>2,008,000</b>
<b>Operating Income Before Lease/Debt Payments</b>	<b>\$386,400</b>
<i>Operating Margin</i>	<i>16%</i>

As shown above, it is estimated that a new downtown ballpark in Amarillo could generate approximately \$2.4 million in total annual revenue and incur approximately \$2.0 million in annual expenses, resulting in annual operating income of approximately \$386,000 before any lease payments or debt service.

The following is a detailed analysis of the specific revenues and expenses associated with the operation of a new downtown ballpark in Amarillo.

### Operating Revenues

Revenue generated by the operations of a new downtown ballpark in Amarillo will likely consist of ticket sales, premium seating, food and beverage, sponsorships, naming rights, merchandise, parking, other events and other revenue sources. A description of each revenue source is provided below.

## 8. Financial Projections

### *Gate Receipt / Rent*

Gate receipts for tenant baseball games and rent for other events will likely comprise one of the largest revenue sources for a new downtown ballpark in Amarillo. Ballpark rental agreements typically incorporate a flat rental rate versus a percentage of gate receipts generated by the event, whichever is greater. Therefore, estimated gate receipt/rent is a function of several assumptions including the number of events, attendance, ticket price and rental rates.

The following table summarizes the assumptions used to estimate gate receipts/rent revenue generated by a new downtown ballpark in Amarillo. Ticket price assumptions and rental rates were developed based on an analysis of the average ticket prices and the historical rental rates charged at American Association ballparks, as well as comparable independent league ballparks.

**Estimated Gate Receipts/Rental Income**  
Stabilized Year of Operations - 2013 Dollars

Events	Events	Ticket Revenue				Gross Ticket Revenue	Ballpark Share		Ballpark Ticket/Rent Revenue
		Average Paid Attendance	Annual Paid Attendance	Average Ticket Price	Ballpark Percentage of Tickets		Flat Fee		
Independent League Baseball	48	3,000	144,000	\$8.00	\$1,152,000	100%	\$0	\$1,152,000	
High School Baseball	5	700	3,500	\$3.00	10,500	0%	\$500	\$2,500	
College Baseball	1	1,000	1,000	\$4.00	4,000	0%	\$1,000	\$1,000	
Concerts	1	3,000	3,000	\$30.00	90,000	6%	\$2,500	\$5,400	
Other	3	500	1,500	\$5.00	7,500	10%	\$2,500	\$7,500	
<b>Total</b>	<b>58</b>		<b>153,000</b>		<b>\$1,264,000</b>			<b>\$1,168,400</b>	

Based on the estimated event and attendance levels, average ticket prices, and rental rates, it is estimated that a new downtown ballpark in Amarillo could generate approximately \$1.2 million in gate receipts/rent in a stabilized year of operations, of which approximately \$1.15 million is assumed to be tenant baseball ticket revenue.

### *Premium Seating*

Premium seating revenue is typically derived from the sale of private suites and club seats. The assumptions used to estimate premium seating revenue potential for the proposed ballpark were based on premium seating at comparable independent league facilities and premium seating offerings in the local marketplace. The table on the following page summarizes the estimated premium seating revenue potential for a new downtown ballpark in Amarillo.

## 8. Financial Projections

### Estimated Premium Seating Revenue Stabilized Year of Operations - 2013 Dollars

	Suites	Party Suites	Total
Inventory for sale	8	2	
# Sold	6	1	
Occupancy %	75%	50%	
Annual Price:			
Total	\$20,000	\$46,080 <sup>(1)</sup>	
<i>Less Ticket Value</i>	(\$6,144)	(\$12,288)	
Net Premium	\$13,856	\$33,792	
Total Annual Premiums	\$83,136	\$33,792	
% Retained by Ballpark	100%	100%	
<b>Net Premium Seating Revenue</b>	<b>\$83,136</b>	<b>\$33,792</b>	<b>\$116,928</b>

(1) Assumes a 32-person suite at \$30 per person over 48 home games.

As depicted above, it is estimated that a new downtown ballpark in Amarillo could have eight private suites and two party suites available for public sale. For purposes of conducting a conservative analysis, it has been assumed that 50 to 75 percent of the premium seating inventory would be leased and that the ballpark would retain all premiums associated with premium seating after deducting the value of tickets included in the annual price.

Based on the aforementioned assumptions, it is estimated that a new downtown ballpark in Amarillo could generate approximately \$117,000 in annual premium seating revenue (net of the cost of tickets).

#### *Food and Beverage, net*

Food and beverage revenue consists of sales of various food and beverage items at concession stands throughout the ballpark as well as catering offered in premium seating areas within the ballpark. Revenue assumptions are based on estimated event and attendance levels, concession spending at comparable independent league ballparks and discussions with event promoters and facility managers. The table on the following page summarizes the estimated food and beverage revenue that could be generated at a new downtown ballpark in Amarillo.

## 8. Financial Projections

**Estimated Food and Beverage Revenue  
Stabilized Year of Operations - 2013 Dollars**

<u>Events</u>	<u>Events</u>	<u>Average Turnstile Attendance</u>	<u>Annual Turnstile Attendance</u>	<u>Average F&amp;B Per Cap <sup>(1)</sup></u>	<u>Gross F&amp;B Revenue</u>	<u>Ballpark Share <sup>(2)</sup></u>	<u>Ballpark F&amp;B Revenue</u>
Independent League Baseball	48	2,550	122,400	\$7.00	\$856,800	40.0%	\$342,700
High School Baseball	5	700	3,500	\$2.00	7,000	40.0%	2,800
College Baseball	1	1,000	1,000	\$2.00	2,000	40.0%	800
Concerts	1	3,000	3,000	\$6.00	18,000	40.0%	7,200
Other	3	500	1,500	\$2.50	3,750	40.0%	1,500
<b>Total</b>	<b>58</b>		<b>131,400</b>		<b>\$887,550</b>		<b>\$355,000</b>

(1) Represents a blended average of concessions and catering spending from general seating and premium seating.

(2) Franchise share refers to amount of gross concession revenues retained after paying cost of goods sold, concessionaire profits and event revenue allocations.

Based on industry trends, the profit margin on food and beverage operations is generally in the range of 40 percent (weighted average of general concessions and premium seat catering) of gross sales, with the remaining percentage being allocated to cover the cost of labor, products and, if applicable, third-party concessionaire profits. In most ballparks, the team/facility retains all, or a very significant portion, of the net food and revenue after sharing agreements with the concessionaire/caterer. For purposes on this analysis, it was assumed that the ballpark would retain 100 percent of the net concessions revenue for all events.

As depicted above, it is estimated that a new downtown ballpark in Amarillo could generate net food and beverage revenue of approximately \$355,000 annually.

### *Advertising/Sponsorships*

Independent league ballparks typically provide a number of opportunities to generate advertising and sponsorship revenue. Typically, the outfield fence signs generate the largest amount of advertising revenue, while other advertising revenue is generated from entrance sponsorships, in-game promotions, scoreboard signage and electronic messages.

For purposes of this analysis, it has been assumed that a new downtown ballpark in Amarillo will provide a number of advertising mediums and will generate levels of advertising revenue consistent with other comparable independent league ballparks. As such, it is estimated that approximately \$350,000 in advertising and sponsorship revenue could be generated annually in a new downtown ballpark in Amarillo.

## 8. Financial Projections

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### *Naming Rights*

A new downtown ballpark is expected to generate revenue through the sale of facility naming rights. The following table presents a summary of naming rights terms for several independent league ballparks.

**Facility Naming Rights  
Independent League Ballparks**

<b>Facility Name</b>	<b>Location</b>	<b>Team</b>	<b>League</b>	<b>Total Price</b>	<b>Term Length</b>	<b>Annual Value</b>
Campbell's Field	Camden, NJ	Camden Riversharks	Atlantic	\$3,000,000	10	\$300,000
Newman Outdoor Field	Fargo, ND	Fargo-Moorhead Redhawks	Northern	1,500,000	5	300,000
Regency Furniture Stadium	Waldorf, MD	Southern Maryland Blue Crabs	Atlantic	2,880,000	10	288,000
Sovereign Bank Stadium	York, PA	York Revolution	Atlantic	2,700,000	10	270,000
Clipper Magazine Stadium	Lancaster, PA	Lancaster Barnstormers	Atlantic	2,500,000	10	250,000
Commerce Bank Ballpark	Somerset, NJ	Somerset Patriots	Atlantic	3,500,000	15	233,333
TD Bank Ballpark	Central Islip, NY	Long Island Ducks	Atlantic	2,300,000	10	230,000
U.S. Steel Yard	Gary, IN	Gary Southshore RailCats	Northern	2,300,000	10	230,000
Alexian Field	Schaumburg, IL	Schaumburg Flyers	Northern	2,000,000	10	200,000
Silver Cross Field	Joilet, IL	Joilet Jackhammers	Northern	2,250,000	15	150,000
GCS Ballpark	Sauget, IL	Gateway Grizzlies	Frontier	1,000,000	10	100,000
<b>Average</b>				<b>\$2,357,300</b>	<b>10</b>	<b>\$231,900</b>

Source: Industry publications, interviews

As shown above, recent naming rights agreements for independent league ballparks generate average annual revenue of approximately \$232,000 per over 10 years, ranging from a low of \$100,000 per year in Sauget, Illinois, to a high of \$300,000 per year in Camden, New Jersey (Philadelphia market).

For purposes of this analysis, it is estimated that a new downtown ballpark in Amarillo could generate net naming rights revenue of approximately \$200,000 per year.

### *Merchandise, net*

Merchandise sales consist of clothing, souvenirs, programs and other miscellaneous items sold during events at the ballpark. Revenue assumptions are based on estimated event and attendance levels, merchandise spending at comparable independent league ballparks and discussions with event promoters and facility managers. The table on the following page summarizes the estimated merchandise revenue that could be generated at a new downtown ballpark in Amarillo.

## 8. Financial Projections

Estimated Merchandise Revenue  
Stabilized Year of Operations - 2013 Dollars

Events	Events	Average Turnstile Attendance	Annual Turnstile Attendance	Average Merchandise Per Cap	Gross Merchandise Revenue	Profit Margin	Net Merchandise Revenue	Ballpark Share	Ballpark Merchandise Revenue
Independent League Baseball	48	2,550	122,400	\$1.50	\$183,600	20%	\$36,720	100%	\$36,720
High School Baseball	5	700	3,500	\$1.00	3,500	20%	700	0%	0
College Baseball	1	1,000	1,000	\$1.50	1,500	20%	300	0%	0
Concerts	1	3,000	3,000	\$5.00	15,000	20%	3,000	0%	0
Other	3	500	1,500	\$0.00	0	20%	0	0%	0
<b>Total</b>	<b>58</b>		<b>131,400</b>		<b>\$203,600</b>		<b>\$40,720</b>		<b>\$36,720</b>

For purposes of this analysis, a profit margin of 20 percent has been assumed for merchandise sales, which is consistent with industry averages. Net merchandise sales for non-tenant events are assumed to be allocated to the event promoter, as is common in the industry.

As shown above, it is estimated that a new downtown ballpark in Amarillo could generate approximately \$37,000 in annual merchandise revenue.

### *Parking (net)*

The following chart summarizes the estimated parking revenue that could be generated at a new downtown ballpark in Amarillo.

Estimated Parking Revenue  
Stabilized Year of Operations - 2013 Dollars

Events	Events	Average Turnstile Attendance <sup>(1)</sup>	Persons Per Car	Parking Demand Per Game	Non-Premium Parking Inventory (Spaces)	Parking Fee	Annual Parking Revenue	Profit Margin	Ballpark Parking Revenue
Independent League Baseball	48	2,532	3.0	844	1,500	\$2.00	\$81,000	80%	\$64,800
High School Baseball	5	700	3.0	233	1,500	\$0.00	\$0	80%	0
College Baseball	1	1,000	3.0	333	1,500	\$0.00	\$0	80%	0
Concerts	1	3,000	3.0	1,000	1,500	\$2.00	\$2,000	80%	1,600
Other	3	500	3.0	167	1,500	\$0.00	\$0	80%	0
<b>Total</b>	<b>58</b>								<b>\$66,400</b>

(1) Includes non-premium seating attendance only. Parking is assumed to be included in the premium for suites.

It is assumed that there will be a \$2.00 charge for parking for all tenant baseball games and concerts hosted at a new downtown ballpark in Amarillo. Assuming a profit margin of 80 percent on parking operations, it is estimated that a new downtown ballpark in Amarillo could generate approximately \$66,000 on an annual basis.

## 8. Financial Projections

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### *Other Revenues*

Other revenues may include fees charged for providing various services to facility users, equipment rentals, or ticketing charges, revenues from broadcasting, and other such sources. For a new downtown ballpark in Amarillo, other revenue is estimated to total approximately \$50,000 per year.

### **Operating Expenses**

Operating expenses include both expenses incurred through ballpark operations and team operations. Major expense categories include ballpark expenses, team administrative expenses, player salaries, marketing and promotional expenses, game-day expenses, and a capital reserve. A brief description of each major source of expense is provided below.

### *Ballpark Operations*

Ballpark expenses typically consist of salaries, wages & benefits, repairs and maintenance, materials and supplies, utilities, advertising, general and administrative, insurance, and other expenses.

- Salaries, Wages & Benefits - Estimated salaries and wages are assumed to account for full- and part-time operating staff for which expenses are not directly reimbursed by facility users. It is assumed that functions such as food and beverages, catering, parking operations, custodial and other such services would be outsourced.
- Repairs and Maintenance - General maintenance and service of a facility, equipment and surrounding areas are primarily the responsibility of facility operations personnel, and are often performed by in-house personnel. More specialized needs, such as HVAC system maintenance, electrical work, and maintenance of other mechanical systems often must be contracted out to specialized third parties.
- Materials and Supplies - Materials and supplies include items needed for administrative duties, cleaning and general maintenance throughout the facility. While event specific expenses are often billed directly to event organizers and promoters, general materials and supplies are necessary for day-to-day upkeep and operation of the facility.

## 8. Financial Projections

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- Utilities - Utilities often represent one of the largest expenses incurred by facility operators. Through an analysis of operations at comparable facilities, cost estimates for utilities including electricity, gas, water, steam, trash removal and other such costs have been prepared.
- Advertising - Advertising expenses for the proposed ballpark relate to advertising and promotions used to promote the ballpark and its events. This expense will vary depending on the number of events hosted each year, how aggressively the events and ballpark are promoted and whether the ballpark or the event promoter holds the primary advertising responsibility.
- General and Administrative - General and administrative expenses typically consist of various office and administrative expenses incurred as a result of day-to-day facility operations. Such expenses typically include travel, telephone, printing, audit fees, consulting fees, permits and other miscellaneous services.
- Insurance and Taxes - The insurance expense estimate includes property and liability insurance for the proposed facility. While each event is generally required to carry its own liability insurance, facilities often carry additional insurance to cover areas such as common areas, restrooms and other facility components. Insurance costs will vary in proportion to the number of events and total attendance at the facility.

Based on a review of historical ballpark operating expenses of other independent league teams operating in new ballparks, it is estimated that ballpark operating expenses could total approximately \$800,000 in a stabilized year of operations.

### *Team Administration*

Administrative expenses include salaries, wages and benefits for full-time personnel dedicated to team functions as well as other administrative expenses including travel, marketing and promotional expenses. Overall, it is estimated that team administrative expenses will approximate \$600,000 in a stabilized year of operations.

## **8. Financial Projections**

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### *Player Salaries*

Based on a review of player salaries for American Association franchises, it is estimated that the total cost of player salaries will be approximately \$100,000 in a stabilized year of operations.

### *Marketing and Promotions*

Marketing and promotions would be a key factor in the success of a new downtown ballpark in Amarillo. Based on expenses incurred by American Association franchises, marketing and promotions expenses are estimated to be approximately \$200,000 in a stabilized year of operations.

### *Game Day Expenses*

Game day expenses including costs associated with ushers, ticket takers, security, traffic control, EMT and other such costs. Annual game day costs are estimated to be approximately \$408,000 in a stabilized year of operations, representing a cost of approximately \$8,500 per game.

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## 9. Economic and Fiscal Impacts

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While many of the perceived benefits of a ballpark are intangible, including regional and national media exposure, entertainment opportunities for local residents and enhanced community pride, the construction and operation of a ballpark can also provide quantifiable benefits to an area. These quantifiable benefits often serve as the “return on investment” of public dollars that are contributed to develop these facilities. Quantifiable measurements of the effects that ballparks have on an economy are typically characterized in terms of *economic impacts and fiscal impacts*.

### Economic Impacts

Economic impacts are typically conveyed through measures of direct spending, total output, personal earnings and employment. Each of the measures of economic impact is further described below:




- *Direct spending* represents spending generated by the presence of the team and the ballpark in terms of *in-facility* expenditures on tickets, rent, food and beverage, merchandise and parking; *out-of-facility* spending on hotels, food and beverages, retail, transportation, and entertainment; and team-related spending on advertising, sponsorships, premium seating and broadcast revenues.
- *Total output* represents the total direct, indirect and induced spending effects generated due to the presence of the team and the ballpark.
- *Personal earnings* represent the wages and salaries earned by employees of businesses impacted by the team and the ballpark.
- *Employment* is expressed in terms of full- or part-time jobs.

#### *Direct Spending*

The *construction* phase of a ballpark represents a significant one-time impact on a local economy. This impact is determined by the volume and nature of the construction expenditures as well as the region in which they take place. Direct spending on construction typically consists primarily of a large number of purchases of materials and labor. Since these large purchases tend to take place in a relatively short timeframe, a distinct and visible impact on the community is typically created during the construction phase.

## 9. Economic and Fiscal Impacts

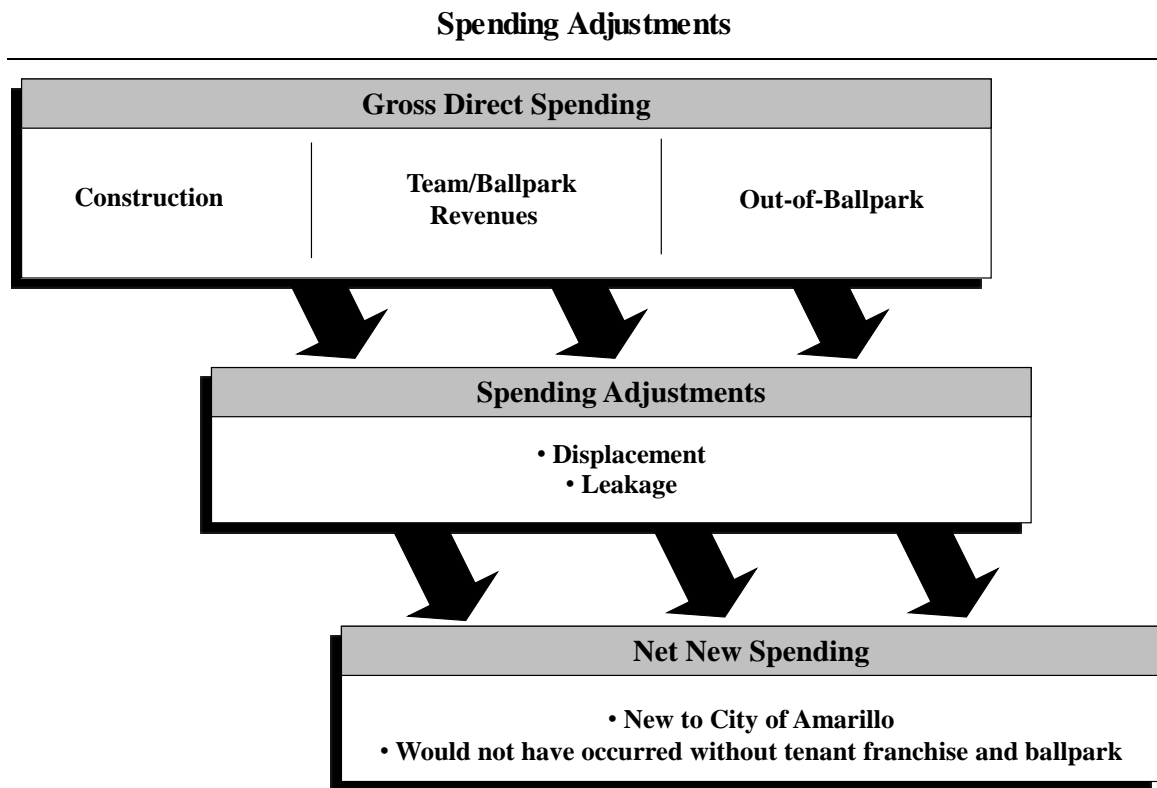
The on-going operations of a ballpark and its tenant can impact the local economy in a variety of ways. Direct spending is generated during events on tickets, concessions, merchandise and parking, as well as before and after events throughout local hotel, restaurant, retail and other establishments. In addition, the operations of a sports franchise can generate facility-related spending in areas such as advertising, premium seating, naming rights and sponsorships. The following table summarizes the primary sources of direct spending associated with the construction and operations of a ballpark.

<b>Sources of Direct Spending</b>		
		
<b>Construction</b>	<b>Ongoing</b>	
<p><b><u>Downtown Ballpark:</u></b></p> <ul style="list-style-type: none"> <li>• Materials</li> <li>• Supplies</li> <li>• Labor</li> <li>• Professional Fees</li> </ul>	<p><b><u>Team/Ballpark Revenues:</u></b></p> <ul style="list-style-type: none"> <li>• Tickets/Rentals</li> <li>• Concessions</li> <li>• Merchandise</li> <li>• Parking</li> <li>• Advertising/Sponsorship</li> <li>• Naming Rights</li> <li>• Other</li> </ul>	<p><b><u>Other:</u></b></p> <ul style="list-style-type: none"> <li>• Hotel</li> <li>• Restaurants</li> <li>• Bars</li> <li>• Retail</li> <li>• Entertainment</li> <li>• Transit</li> <li>• Other</li> </ul>

Direct spending represents the beginning of the calculation of economic impacts within the economy. For purposes of this report, impacts are presented as net new economic activity. Net new economic activity represents gross spending that has been adjusted to account for only the spending that originates that is new to an area and has not been displaced. The following graphic illustrates the spending adjustments associated with a new downtown ballpark.

## 9. Economic and Fiscal Impacts

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As shown above, net new spending is derived by adjusting gross direct spending for displacement and leakage.

### *Multiplier Effects*

Economic impacts are further increased through re-spending of the direct spending. The total impact is estimated by applying an economic multiplier to initial direct spending to account for the total economic impact. The total output multiplier is used to estimate the aggregate total spending that takes place beginning with direct spending and continuing through each successive round of re-spending. Successive rounds of re-spending are generally discussed in terms of their indirect and induced effects on the area economy. Each is discussed in more detail as follows:

*Indirect effects* consist of the re-spending of the initial or direct expenditures. These indirect impacts extend further as the dollars constituting the direct expenditures continue to change hands. This process, in principle, could continue indefinitely. However, recipients of these expenditures may spend all or part of it on goods and services outside the market area, put part of these earnings into savings, or pay taxes. This spending halts the process of subsequent expenditure flows and does not generate additional spending or impact within the community after a period of time. This progression is termed *leakage* and reduces the overall economic impact.

## 9. Economic and Fiscal Impacts

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Indirect impacts occur in a number of areas including the following:

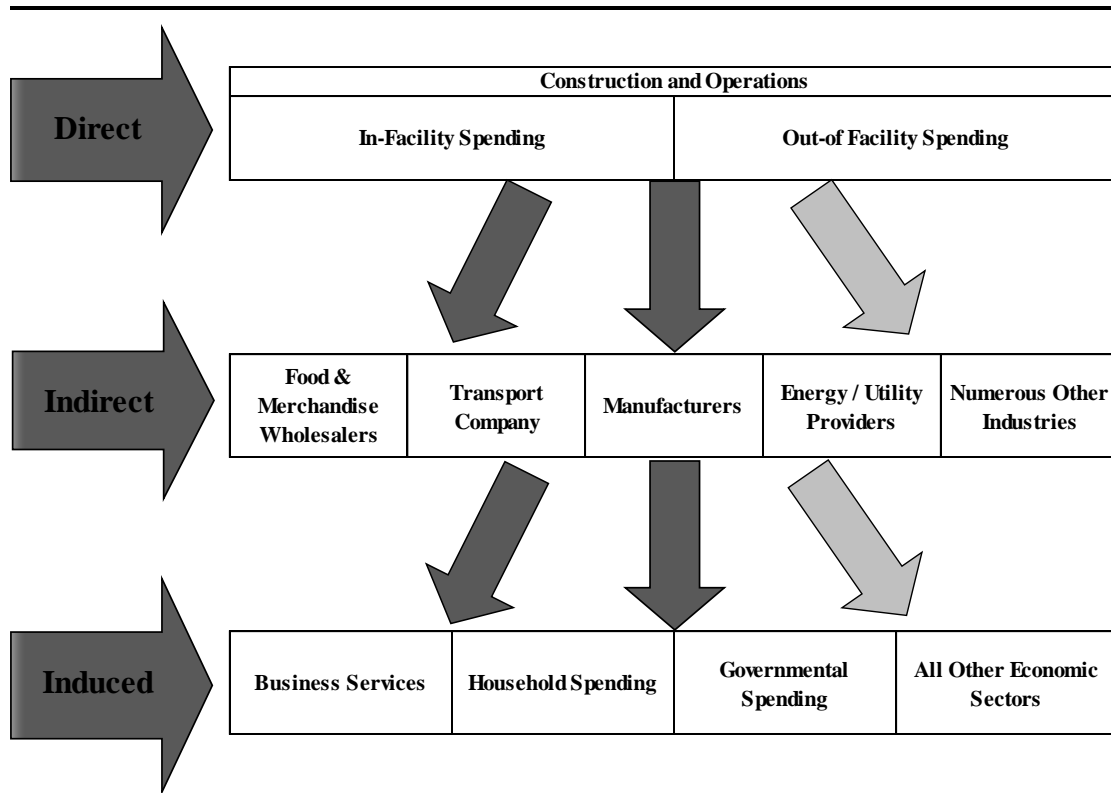
- wholesale industry as purchases of food and merchandise products are made;
- transportation industry as the products are shipped from purchaser to buyer;
- manufacturing industry as products used to service ballpark, sports franchise(s), vendors and others are produced;
- utility industry as the power to produce goods and services is consumed; and,
- other such industries.

*Induced effects* consist of the positive changes in spending, employment, earnings and tax collections generated by personal income associated with the operations of the franchise and facility. Specifically, as the economic impact process continues, wages and salaries are earned, increased employment and population are generated, and spending occurs in virtually all business, household and governmental sectors. This represents the induced spending impacts generated by direct expenditures.

The appropriate multipliers to be used are dependent upon certain regional characteristics and also the nature of the expenditure. An area which is capable of producing a wide range of goods and services within its border will have high multipliers, a positive correlation existing between the self-sufficiency of an area's economy and the higher probability of re-spending occurring within the region. If a high proportion of the expenditures must be imported from another geographical region, lower multipliers will result.

## 9. Economic and Fiscal Impacts

### Multiplier Effect



The multiplier estimates used in this analysis are based on the IMPLAN system, which is currently used by hundreds of universities and government entities throughout the country. IMPLAN is a microcomputer program that performs regional input-output analysis based on 440 industrial sectors. The following table presents a summary of multipliers specific to the Amarillo market.

### Amarillo Multipliers

<u>Industry</u>	<u>Output Multiplier</u>	<u>Earnings Multiplier</u>	<u>Employment Multiplier</u>
Commercial Sports	1.430943	0.643298	26.753000
Food & Beverage	1.451090	0.465683	22.784391
Retail	1.404834	0.648928	23.099388
Transit	1.402061	0.566504	24.128828
Hotel	1.464118	0.490036	18.179050
Entertainment	1.589751	0.358461	14.157853
Miscellaneous	1.416009	0.297018	11.729561

Source: IMPLAN

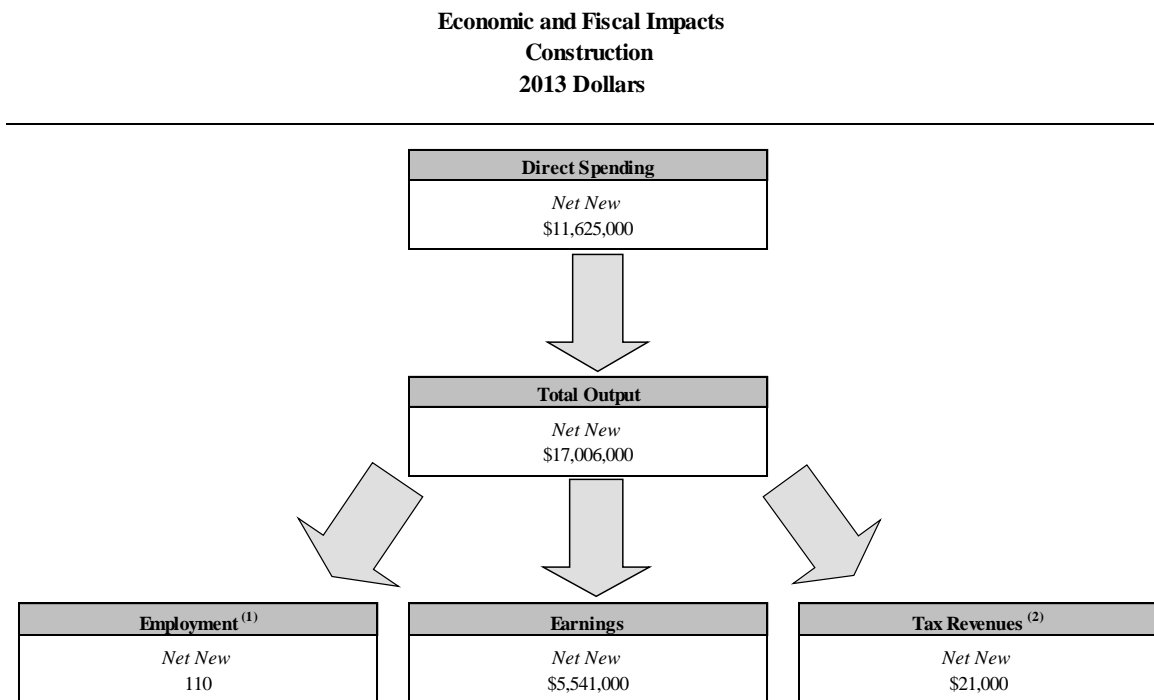
## 9. Economic and Fiscal Impacts

### Fiscal Impacts

In addition to the economic impacts generated by a ballpark, mixed-use development and its tenants throughout the market area, the public sector benefits from increased tax revenues. In preparing estimates of fiscal impacts, total tax revenues attributable to the *net new direct spending* were estimated. In addition, estimates of the effect of total output and earnings on the tax collections have been estimated. Tax revenues estimated herein include local sales taxes. Other taxes may apply, but have not been included in this report.

### Summary of Construction Impacts

The following table depicts the net new economic and fiscal impacts estimated to be generated to the local economy by a new downtown ballpark during construction. These impacts represent a one-time impact to the local economy.



(1) The estimate of FTEs includes full and part-time jobs.

(2) Sales tax revenues

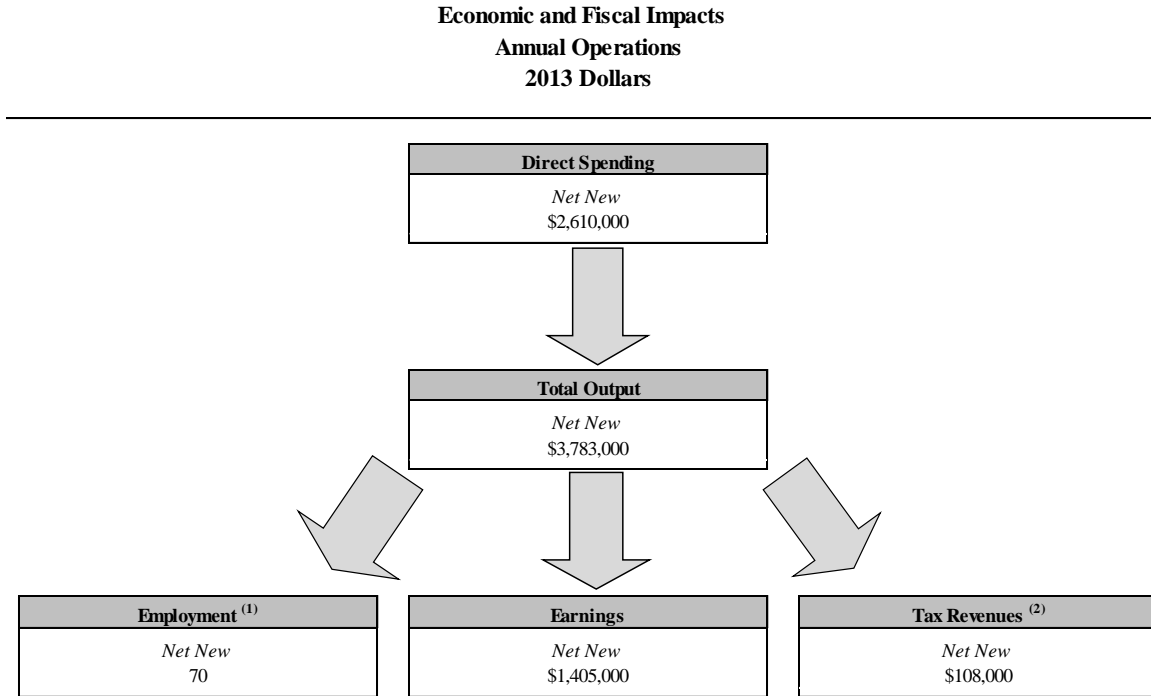
Note: Assumes ballpark construction costs of \$25 million.

Focusing on net new economic activity specific to Amarillo, the construction of a \$25.0 million, 4,000-fixed seat independent league ballpark is estimated to generate approximately \$11.6 million in net new direct spending, approximately \$17.0 million in net new output, 110 full and part-time jobs generating approximately \$5.5 million in net new earnings and approximately \$21,000 in net new taxes to the City of Amarillo.

## 9. Economic and Fiscal Impacts

### Summary of Operations Impacts - Annual

The following chart illustrates the annual net new economic and fiscal impacts estimated to be generated to by the operations of an American Association franchise and a new downtown ballpark in Amarillo. These impacts are expected to recur annually.



(1) The estimate of FTEs includes full and part-time jobs.

(2) Sales tax revenues.

Focusing on net new economic activity specific to Amarillo, an American Association franchise and a new ballpark are estimated to generate approximately \$2.6 million in net new annual direct spending, approximately \$3.8 million in net new annual output, 70 full and part-time jobs generating approximately \$1.4 million in net new annual earnings and \$108,000 in net new tax revenues to the City of Amarillo.

### 30-Year Summary of Economic and Fiscal Impacts

The table of the following page presents a summary of the net new economic and fiscal impacts estimated to be generated within the City of Amarillo over a 30-year period by a new downtown ballpark, resulting from both construction and operations spending.

## 9. Economic and Fiscal Impacts

### Estimated Net New Economic and Fiscal Impacts Generated in City of Amarillo New Downtown Ballpark

Year	Economic Impacts				Fiscal Impacts
	Direct Spending	Total Output	Jobs	Personal Earnings	Sales Tax Revenue
1	\$14,235,000	\$20,789,000	180	\$6,946,000	\$129,000
2	\$2,688,300	\$3,896,490	70	\$1,447,150	\$111,240
3	\$2,768,949	\$4,013,385	70	\$1,490,565	\$114,577
4	\$2,852,017	\$4,133,786	70	\$1,535,281	\$118,015
5	\$2,937,578	\$4,257,800	70	\$1,581,340	\$121,555
6	\$3,025,705	\$4,385,534	70	\$1,628,780	\$125,202
7	\$3,116,476	\$4,517,100	70	\$1,677,643	\$128,958
8	\$3,209,971	\$4,652,613	70	\$1,727,973	\$132,826
9	\$3,306,270	\$4,792,191	70	\$1,779,812	\$136,811
10	\$3,405,458	\$4,935,957	70	\$1,833,206	\$140,916
11	\$3,507,622	\$5,084,036	70	\$1,888,203	\$145,143
12	\$3,612,850	\$5,236,557	70	\$1,944,849	\$149,497
13	\$3,721,236	\$5,393,653	70	\$2,003,194	\$153,982
14	\$3,832,873	\$5,555,463	70	\$2,063,290	\$158,602
15	\$3,947,859	\$5,722,127	70	\$2,125,189	\$163,360
16	\$4,066,295	\$5,893,791	70	\$2,188,944	\$168,260
17	\$4,188,284	\$6,070,604	70	\$2,254,613	\$173,308
18	\$4,313,932	\$6,252,723	70	\$2,322,251	\$178,508
19	\$4,443,350	\$6,440,304	70	\$2,391,918	\$183,863
20	\$4,576,651	\$6,633,513	70	\$2,463,676	\$189,379
21	\$4,713,950	\$6,832,519	70	\$2,537,586	\$195,060
22	\$4,855,369	\$7,037,494	70	\$2,613,714	\$200,912
23	\$5,001,030	\$7,248,619	70	\$2,692,125	\$206,939
24	\$5,151,061	\$7,466,078	70	\$2,772,889	\$213,147
25	\$5,305,593	\$7,690,060	70	\$2,856,076	\$219,542
26	\$5,464,760	\$7,920,762	70	\$2,941,758	\$226,128
27	\$5,628,703	\$8,158,385	70	\$3,030,011	\$232,912
28	\$5,797,564	\$8,403,136	70	\$3,120,911	\$239,899
29	\$5,971,491	\$8,655,230	70	\$3,214,538	\$247,096
30	\$6,150,636	\$8,914,887	70	\$3,310,975	\$254,509
<b>TOTAL</b>	<b>\$135,796,835</b>	<b>\$196,983,798</b>	<b>76</b>	<b>\$72,384,459</b>	<b>\$5,159,145</b>
<b>NPV</b>	<b>\$61,199,825</b>	<b>\$88,852,151</b>	<b>76</b>	<b>\$32,268,411</b>	<b>\$2,098,412</b>

Note: Assumes three percent annual inflation rate and six percent discount rate.

## **9. Economic and Fiscal Impacts**

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As shown, total net new economic activity specific to Amarillo, an American Association franchise and a new ballpark are estimated to generate approximately \$136 million in net new direct spending, approximately \$197 million in net new output, 76 full and part-time jobs (180 full and part-time jobs in year of construction) generating approximately \$72 million in net new earnings and approximately \$5.2 million in net new tax revenues to the City of Amarillo, over a span of 30 years.

The net present value of this total net new economic activity is estimated to be approximately \$61 million in net new direct spending, approximately \$89 million in net new output, 76 full and part-time jobs (180 full and part-time jobs in year of construction) generating approximately \$32 million in net new earnings and approximately \$2.1 million in net new tax revenues to the City of Amarillo.

### **Non-Quantifiable Benefits**

In addition to the economic effects of money spent on facility construction and at ballpark events, the Amarillo community could generate additional benefits from the development of a new downtown ballpark through the development of restaurants, bars, hotels, and other establishments in the surrounding area. Numerous communities have found that the development of entertainment facilities can spur new business growth and revitalize the immediate area in which the new facility is developed.

The effects of attracting patrons to a concentrated area can impact numerous industries and enhance economic activity throughout the market area. Primary visitor industries including hotel, restaurant, retail and related industries could benefit directly from a new ballpark in downtown Amarillo. Indirect impacts can benefit support industries including transportation, wholesale, manufacturing, warehousing and other such industries.

In addition to the more quantifiable benefits generated from the construction and operations of a new ballpark in downtown Amarillo, some benefits cannot be quantitatively measured. Potential qualitative benefits for the local and regional market area could include:

- enhanced economic growth and ancillary private sector development spurred by the operation of a ballpark;
- diversified, affordable entertainment alternatives for families in the local area;
- new advertising opportunities for local businesses;
- enhanced community pride, self-image, exposure and reputation; and,
- other such benefits.