CITY OF KANNAPOLIS, NC

BALLPARK PLANNING STUDY

FINAL REPORT
March 2015

BRAILSFORD & DUNLAVEY

PREFACE

In May 2014, the City of Kannapolis, North Carolina ("the City" or "Kannapolis") engaged B&D VENUES ("B&D", the "Project Team") to complete a Ballpark Planning Study ("Study") with a particular focus on the ability of the Kannapolis and Kannapolis regional market to support Minor League Baseball ("MiLB"). To accomplish these objectives, B&D completed an analysis of comparable and regional markets as defined below. This document represents B&D's findings for the commissioned ballpark planning study.

- Markets currently supporting Class A MiLB teams;
- Comparably sized and profiled national markets that support MiLB teams, regardless of classification; and
- Larger regional markets that support two MiLB teams operating within a 60-minute drive-time area.

QUALIFICATIONS

The findings of this Study constitute the professional opinions of B&D personnel based on the assumptions and conditions detailed throughout. B&D analysts have conducted research using both primary and secondary sources which are deemed reliable, but whose accuracy B&D cannot guarantee. All revenue projections contained herein are based on the recommended program – should the design and/or final construction not mirror B&D's recommendations, revenue projections are likely to differ. Further, due to variations in the national and global economic conditions, actual expenses and revenues may vary from projections, and these variances may be material.

The B&D team that produced the Study was comprised of the following individuals:

- Jason Thompson, Regional Vice President
- Richard Rieth, Assistant Project Manager
- Marcy Flegle, Project Analyst

MARKET ANALYSIS

OBJECTIVE

The market analysis is designed to measure and evaluate the Kannapolis market and its ability to continue to or expand upon its support for Minor League Baseball ("MiLB"). Essential to this exercise is establishing a comparable market context with other MiLB markets and evaluating the City's position within that framework. This comparable analysis considers a series of MiLB markets, including the following:

- Markets currently supporting Class A MiLB teams;
- Comparably sized and profiled national markets that support MiLB teams, regardless of classification; and
- Larger regional markets that support two MiLB teams operating within a 60-minute drive-time area.

METHODOLOGY

Utilizing primary and secondary sources, B&D completed a series of related exercises to gain an understanding of the demographic and economic environment of the Kannapolis market. A drive-time analysis was utilized to measure and evaluate Kannapolis within the framework of other Class A and comparably sized markets. Rather than relying on metropolitan statistical areas that are defined by the federal government and restricted to county boundaries, B&D utilized drive-time demographic data, which is a more accurate representation of the potential market. As an example, the drive-time map for Kannapolis is included on the following page. Unless otherwise noted, all presented demographic data is from a 30-minute drive-time area. Comparable markets were identified as markets that most closely resemble Kannapolis in terms of population, disposable income, and retail sales and host a MiLB team. These categories are common indicators to measure the fundamental size, wealth, and economic activity of a market. Following is a detailed description of the three comparable market segments:

Class A MiLB Markets

- All markets currently supporting Class A MiLB teams, regardless of location or league.

Comparable MiLB Markets

- Considers all markets currently supporting MiLB, regardless of classification or location; and
- Markets that most closely resemble Kannapolis in terms of size, wealth, and economic activity.

Comparable Regional Markets

- Identified as regional markets with two full-season MiLB teams operating within 60-minute drive-time;
- Like the Charlotte regional market, the comparable markets must include at least one major league (NFL, NBA, NHL, MLS) team or large NCAA program within the market;
- The markets do not include a MLB franchise; and
- Total regional population is over 1,500,000 within a 60-minute drive-time.

Detailed demographic and attendance tables can be found in Exhibits A (Class A Markets), B (Comparable MiLB Markets), and C (Comparable Regional Markets).

FIGURE 2.1: Kannapolis, NC Drive-time Map

CLASS A MARKET ANALYSIS

Among the 30 Class A MiLB markets, Kannapolis has a higher total population and level of economic activity than approximately 75% of the existing markets, and has an average household income that ranks in the top third of all studied markets. Kannapolis has a 30-minute drive-time population that is 29% higher than the average Class A market, retail expenditures that are 21% higher, and an average household income that is one percent higher. Kannapolis ranks eighth, eighth, and eleventh highest, respectively, among the Class A markets, as seen in Figure 2.2.

As a Class A MiLB market, Kannapolis has a size and level of economic activity that is in the top 25% nationally and a level of wealth that ranks in the top third.

Market	Total Population	Market	Retail Expenditures [1]	Market	Average Household Income
Geneva, IL	2,069,662	Geneva, IL	$21,100	Geneva, IL	$97,154
Eastlake, OH	1,168,941	Eastlake, OH	$10,500	Lakewood, NJ	$92,575
Lakewood, NJ	989,061	Lakewood, NJ	$10,500	Hagerstown, MD	$72,240
Dayton, OH	986,606	Dayton, OH	$8,620	Cedar Rapids, IA	$70,882
Greensboro, NC	799,307	Greensboro, NC	$6,830	Peoria, IL	$69,440
Comstock Park, MI	734,060	Comstock Park, MI	$6,140	Charleston, SC	$68,516
Greenville, SC	678,949	Greenville, SC	$5,760	Appleton, WI	$67,921
Kannapolis, NC	**671,478**	**Kannapolis, NC**	**$5,690**	Salisbury, MD	$67,726
Charleston, SC	538,216	Charleston, SC	$4,930	Lexington, KY	$66,957
Lexington, KY	536,907	Lexington, KY	$4,890	Comstock Park, MI	$66,103
South Bend, IN	521,872	South Bend, IN	$4,110	**Kannapolis, NC**	**$66,029**
Augusta, GA	472,185	Hagerstown, MD	$4,050	Davenport, IA	$65,057
Beloit, WI	464,995	Augusta, GA	$3,940	Charleston, WV	$64,126
Fort Wayne, IN	460,338	Lansing, MI	$3,940	Greenville, SC	$63,625
Lansing, MI	457,339	Beloit, WI	$3,890	Savannah, GA	$63,030
Hagerstown, MD	441,445	Fort Wayne, IN	$3,820	Augusta, GA	$62,757
Appleton, WI	408,025	Appleton, WI	$3,710	Dayton, OH	$62,306
Asheville, NC	349,912	Peoria, IL	$3,220	Beloit, WI	$62,186
Davenport, IA	349,640	Davenport, IA	$3,150	Lansing, MI	$62,116
Peoria, IL	347,554	Asheville, NC	$3,110	Eastlake, OH	$61,622
Savannah, GA	337,744	Cedar Rapids, IA	$2,960	Clinton, IA	$61,601
Hickory, NC	331,977	Savannah, GA	$2,830	Fort Wayne, IN	$61,587
Midland, MI	318,330	Midland, MI	$2,740	Greensboro, NC	$61,370
Cedar Rapids, IA	311,279	Hickory, NC	$2,590	Midland, MI	$60,681
Rome, GA	240,174	Charleston, WV	$2,170	Asheville, NC	$59,778
Salisbury, MD	235,506	Salisbury, MD	$2,050	South Bend, IN	$58,035
Charleston, WV	231,031	Rome, GA	$1,730	Bowling Green, KY	$56,665
Bowling Green, KY	166,242	Bowling Green, KY	$1,300	Burlington, IA	$56,167
Clinton, IA	80,918	Clinton, IA	$715	Rome, GA	$54,874
Burlington, IA	73,464	Burlington, IA	$609	Hickory, NC	$53,801

NOTES:
[1] - 1,000,000 of dollars
Source: SitesUSA

FIGURE 2.2: Class A MiLB Market Information

MARKET ANALYSIS

Kannapolis compares favorably to other Class A MiLB markets across numerous metrics that are significant to the modern business of MiLB. As MiLB has shifted from a baseball-centric event to an affordable family entertainment option, market profiles including household size, household income, and target market age ranges work to identify the number and size of families in the market place and the availability of disposable entertainment income. As seen in Figure 2.3, Kannapolis ranks in the top third in nearly all indicative demographic metrics (signified in red boxes).

Additionally, over the next five years the market is projected to maintain its comparable ranking while improving in the total number of households and the average household income.

Metric	League Average	Kannapolis	Rank
Total Population	520,748	**671,478**	8th / 30
Total Households	204,124	**255,512**	8th / 30
Household Size	2.55	**2.63**	5th / 30
2018 Projected Population	540,213	**706,001**	8th / 30
2013 - 2018 Population Change	3.7%	**5.1%**	6th / 30
2018 Projected Households	212,643	**269,863**	8th / 30
2013 - 2018 Household Change	4.2%	**5.6%**	8th / 30
Ages 0 - 19	25.9%	**28.1%**	4th / 30
Ages 20 - 24	7.2%	**7.3%**	12th / 30
Ages 25 - 34	13.0%	**14.1%**	6th / 30
Ages 35 - 44	12.4%	**14.7%**	1st / 30
Ages 45 - 54	13.8%	**13.8%**	15th / 30
Ages 55 - 64	12.8%	**10.9%**	30th / 30
Ages 65+	15.0%	**11.1%**	30th / 30
% of Market Age 20 - 44	20.2%	**21.4%**	9th / 30
Target Market Population	105,029	**143,696**	7th / 30
Average Household Income	$65,203	**$66,029**	11th / 30
Household Net Worth	$422,770	**$462,806**	4th / 30
Income $0 - $14,999	12.1%	**11.9%**	19th / 30
Income $15,000 - $24,999	10.5%	**9.2%**	25th / 30
Income $25,000 - $49,999	28.7%	**27.7%**	21st / 30
Income $50,000 - $99,999	29.8%	**31.4%**	9th / 30
Income $100,000+	18.8%	**19.8%**	8th / 30
2018 Projected Household Income	$69,827	**$70,565**	11th / 30
2013 - 2018 Household Income Change	7.1%	**6.9%**	17th / 30
Total Expenditures ($M)	$11,041	**$13,400**	8th / 30
Retail Expenditures ($M)	$4,686	**$5,690**	8th / 30
Entertainment Expenditures ($M)	$618	**$749**	8th / 30
Entertainment Spend / Household	$3,026	**$2,931**	11th / 30

NOTES:
Source: SitesUSA

FIGURE 2.3: Kannapolis Class A Market Rankings

ATTENDANCE CAPTURE ANALYSIS

The attendance capture rate is calculated using average annual ballpark attendance (from 2011 – 2013) as a percentage of the market's population. Among Class A MiLB markets, the average attendance capture rate is 58% and in the South Atlantic League the attendance capture rate averages 51%. Kannapolis is currently capturing 19% of the market. Applying the South Atlantic League's average attendance capture rate to the Kannapolis population within the 30-minute drive-time area, the market has the potential capacity to support an annual attendance of 340,000.

Considering the performance of other Class A MiLB markets and the Kannapolis demographics, it is projected that a team in Kannapolis operating with a market-appropriate facility could increase the current attendance levels by up to 200,000 per year.

Market	League	Population	2011 - 2013 Average Attendance	Population Capture Rate
Appleton, WI	Midwest	408,025	241,148	59.1%
Asheville, NC	South Atlantic	349,912	158,874	45.4%
Augusta, GA	South Atlantic	472,185	186,334	39.5%
Beloit, WI	Midwest	464,995	65,631	14.1%
Bowling Green, KY	Midwest	166,242	228,860	137.7%
Burlington, IA	Midwest	73,464	58,470	79.6%
Cedar Rapids, IA	Midwest	311,279	169,917	54.6%
Charleston, SC	South Atlantic	538,216	267,580	49.7%
Charleston, WV	South Atlantic	231,031	157,673	68.2%
Clinton, IA	Midwest	80,918	113,631	140.4%
Comstock Park, MI	Midwest	734,060	371,019	50.5%
Davenport, IA	Midwest	349,640	229,715	65.7%
Dayton, OH	Midwest	986,606	580,174	58.8%
Eastlake, OH	Midwest	1,168,941	239,671	20.5%
Fort Wayne, IN	Midwest	460,338	392,050	85.2%
Geneva, IL	Midwest	2,069,662	402,505	19.4%
Greensboro, NC	South Atlantic	799,307	372,523	46.6%
Greenville, SC	South Atlantic	678,949	325,001	47.9%
Hagerstown, MD	South Atlantic	441,445	92,209	20.9%
Hickory, NC	South Atlantic	331,977	135,661	40.9%
Lakewood, NJ	South Atlantic	989,061	397,494	40.2%
Lansing, MI	Midwest	457,339	341,886	74.8%
Lexington, KY	South Atlantic	536,907	294,364	54.8%
Midland, MI	Midwest	318,330	251,683	79.1%
Peoria, IL	Midwest	347,554	195,592	56.3%
Rome, GA	South Atlantic	240,174	179,785	74.9%
Salisbury, MD	South Atlantic	235,506	216,653	92.0%
Savannah, GA	South Atlantic	337,744	128,183	38.0%
South Bend, IN	Midwest	521,872	179,939	34.5%
Midwest League Average		**557,454**	**253,868**	**64.4%**
South Atlantic League Average		**475,570**	**224,026**	**50.7%**
Class A Average		**520,748**	**240,491**	**58.2%**
Kannapolis, NC - Current	**South Atlantic**	**671,478**	**132,264**	**18.7%**
Kannapolis, NC - Potential			**340,323**	**50.7%**
	Net New Potential Attendance		**208,059**	
Current Comparable Rank (South Atlantic)			**12th / 14**	**14th / 14**
Current Comparable Rank (Class A)			**25th / 30**	**28th / 30**
Potential Comparable Rank (South Atlantic)			**3rd / 14**	**5th / 14**
Potential Comparable Rank (Class A)			**8th / 30**	**16th / 30**

NOTES:
Source: Minor League Baseball (www.milb.com)

FIGURE 2.4: Class A MiLB Attendance Capture Rate Analysis

COMPARABLE MiLB MARKET ANALYSIS

COMPARABLE MARKET IDENTIFICATION

B&D narrowed its analysis of the 167 markets currently supporting a MiLB team, regardless of classification or affiliation, to the ten markets most closely resembling Kannapolis in total population, retail expenditures, and average household income, as seen in Figure 2.5. It should be noted that nearly all the comparable markets rank within the top 25% to 50% of MiLB markets in population size, retail expenditures, and average household income. Among the comparable markets, Kannapolis ranks third in population, sixth in retail expenditures, and eighth in average household income. All data represents a 30-minute drive-time from the market's respective MiLB ballpark and a full review of all market data can be found in the attachments to this report.

Market	Total Population
Greensboro, NC	799,307
Comstock Park, MI	734,060
Greenville, SC	678,949
Kannapolis, NC	**671,478**
Metairie, LA	666,769
Zebulon, NC	659,649
Fort Myers, FL	654,013
Modesto, CA	642,220
Colorado Springs, CO	622,460
Reading, PA	610,583
Syracuse, NY	544,863

Market	Retail Expenditures [1]
Greensboro, NC	$6,830
Fort Myers, FL	$6,200
Comstock Park, MI	$6,140
Metairie, LA	$6,100
Greenville, SC	$5,760
Kannapolis, NC	**$5,690**
Zebulon, NC	$5,600
Colorado Springs, CO	$5,600
Reading, PA	$5,400
Syracuse, NY	$5,100
Modesto, CA	$4,600

Market	Average Household Income
Colorado Springs, CO	$71,474
Reading, PA	$71,089
Syracuse, NY	$68,946
Modesto, CA	$67,781
Metairie, LA	$66,198
Fort Myers, FL	$66,117
Comstock Park, MI	$66,103
Kannapolis, NC	**$66,029**
Zebulon, NC	$65,266
Greenville, SC	$63,625
Greensboro, NC	$61,370

NOTES:
Source: SitesUSA

FIGURE 2.5: MiLB Comparable Markets

Market	League	Rank: Total Population	Rank: Retail Expenditures	Rank: Average Household Income	Rank: Weighted Average
Jupiter, FL	A-Advanced	2	1	1	1.4
Allentown, PA	AAA	6	3	2	3.9
Papillion, NE	AAA	5	4	3	4.1
Rochester, NY	AAA	3	2	8	4.2
Harrisburg, PA	AA	13	9	4	9.1
Tulsa, OK	AA	9	7	12	9.3
Fresno, CA	AAA	1	11	19	9.4
Winston-Salem, NC	A-Advanced	4	5	25	10.6
Albuquerque, NM	AAA	7	8	20	11.2
Bradenton, FL	A-Advanced	10	6	23	12.7
Stockton, CA	A-Advanced	12	20	7	12.9
Comstock Park, MI	A	11	13	17	13.4
Greensboro, NC	A	8	10	27	14.3
Colorado Springs, CO	AAA	20	18	5	14.9
Metairie, LA	AAA	16	14	15	15.1
Fort Myers, FL	A-Advanced	18	12	16	15.6
Kannapolis, NC	**A**	**15**	**16**	**18**	**16.2**
Reading, PA	AA	22	19	6	16.3
Greenville, SC	A	14	15	24	17.3
Syracuse, NY	AAA	23	21	9	18.2
Modesto, CA	A-Advanced	19	25	11	18.4
Zebulon, NC	A-Advanced	17	17	22	18.5
Charleston, SC	A	24	22	10	19.2
Bakersfield, CA	A-Advanced	21	26	14	20.4
Lexington, KY	A	25	23	13	20.8
North Little Rock, AR	AA	26	24	21	23.9
Beloit, WI	A	27	27	26	26.7
Weight / Ranking		**10.0**	**7.5**	**7.5**	**25.0**

FIGURE 2.6: MiLB Comparable Markets

MARKET AND HOUSEHOLD SIZE

Among the comparable markets, Kannapolis ranks sixth in both the total population and number of households within a 30-minute drive-time. More importantly, Kannapolis has the fourth largest household size, which indicates an appropriate, family market for baseball.

The larger than average household size in the Kannapolis market presents a clear target and market for MiLB.

Market	Total Population	Total Households	Household Size
Colorado Springs, CO	617,319	235,847	2.62
Comstock Park, MI	734,060	275,629	2.66
Fort Myers, FL	695,167	296,975	2.34
Greensboro, NC	799,307	322,864	2.48
Greenville, SC	678,949	264,566	2.57
Metairie, LA	689,234	284,118	2.43
Modesto, CA	640,134	201,855	3.17
Reading, PA	569,561	216,948	2.63
Syracuse, NY	545,315	223,093	2.44
Zebulon, NC	543,785	204,969	2.65
Average	**655,057**	**254,557**	**2.57**
Kannapolis, NC	**671,478**	**255,512**	**2.63**
Comparable Rank	**6th / 11**	**6th / 11**	**4th / 11**

NOTES:

Source: SitesUSA

FIGURE 2.7: Market and Household Size

POPULATION AND HOUSEHOLD PROJECTIONS

While the current demographics in the Kannapolis area are important to consider, it is also useful to consider how the market demographics are projected to change over the next five years. The population in the Kannapolis market is projected to increase by 5% (approximately 34,500 residents) by 2018, ranking it third among the comparable markets, behind only Zebulon, NC and Colorado Springs, CO. Meanwhile, the number of households is projected to also increase over 5% by 2018, ranking it fourth among the comparable markets as seen in Figure 2.8.

The population and number of households in the Kannapolis market is expected to grow by 5% over the next five years, equating to a significant increase in the size of the market that outpaces the average of other MiLB markets.

Market	Total Population			Total Households		
	2013	2018 (Projected)	% Change	2013	2018 (Projected)	% Change
Colorado Springs, CO	617,319	649,537	5.2%	235,847	250,534	6.2%
Comstock Park, MI	734,060	753,180	2.6%	275,629	285,567	3.6%
Fort Myers, FL	695,167	729,152	4.9%	296,975	311,174	4.8%
Greensboro, NC	799,307	835,992	4.6%	322,864	341,149	5.7%
Greenville, SC	678,949	711,797	4.8%	264,566	277,671	5.0%
Metairie, LA	689,234	720,065	4.5%	284,118	297,983	4.9%
Modesto, CA	640,134	655,638	2.4%	201,855	208,169	3.1%
Reading, PA	569,561	586,318	2.9%	216,948	223,841	3.2%
Syracuse, NY	545,315	559,527	2.6%	223,093	231,218	3.6%
Zebulon, NC	543,785	578,035	6.3%	204,969	219,798	7.2%
Kannapolis, NC	671,478	706,001	5.1%	255,512	268,869	5.2%
Average	**655,057**	**681,078**	**4.0%**	**254,557**	**266,286**	**4.6%**
Kannapolis, NC	**671,478**	**706,001**	**5.1%**	**255,512**	**268,869**	**5.2%**
Comparable Rank	**6th / 11**	**6th / 11**	**3rd / 11**	**6th / 11**	**6th / 11**	**4th / 11**

NOTES:
Source: SitesUSA

FIGURE 2.8: Population and Household Projections

CONSUMER SPENDING PROFILE

The Kannapolis market ranks sixth in total expenditures, retail expenditures, and entertainment expenditures among the comparable market set. As a percentage of total expenditures, the population in the Kannapolis market spends almost 6% of their income on entertainment expenses, ranking fourth in the set. As seen in Figure 2.9, the percentage of total expenditures allocated toward retail expenditures in Kannapolis (13%) ranks fourth, trailing only Colorado Springs, CO, Reading, PA, and Modesto, CA.

While household spending can be considered an important metric to evaluate a MiLB market, the portion of that spending directed at entertainment is the most accurate measure of potential market spending that can support a MiLB operation. The Kannapolis market is comparable to other similar MiLB market in spending, but more importantly directs a higher percentage of that spending to entertainment.

Market	Expenditures [1]			Entertainment as % of Total	Entertainment as % of Retail	Entertainment Spend / Household
	Total	Retail	Entertainment			
Colorado Springs, CO	$13,100	$5,530	$732	5.59%	13.24%	$3,104
Comstock Park, MI	$14,500	$6,140	$808	5.57%	13.16%	$2,931
Fort Myers, FL	$16,400	$6,960	$914	5.57%	13.13%	$3,078
Greensboro, NC	$16,100	$6,830	$893	5.55%	13.07%	$2,766
Greenville, SC	$13,500	$5,760	$755	5.59%	13.11%	$2,854
Metairie, LA	$14,800	$6,300	$824	5.57%	13.08%	$2,900
Modesto, CA	$10,800	$4,570	$603	5.58%	13.19%	$2,987
Reading, PA	$11,800	$5,020	$663	5.62%	13.21%	$3,056
Syracuse, NY	$12,000	$5,100	$671	5.59%	13.16%	$3,008
Zebulon, NC	$10,500	$4,460	$586	5.58%	13.14%	$2,859
Average	**$12,233**	**$5,202**	**$684**	**5.59%**	**13.14%**	**$2,686**
Kannapolis, NC	**$13,400**	**$5,690**	**$749**	**5.59%**	**13.16%**	**$2,931**
Comparable Rank	**6th / 11**	**6th / 11**	**6th / 11**	**4th / 11**	**4th / 11**	**7th / 11**

NOTES:
[1] - 1,000,000 of dollars
Source: SitesUSA

FIGURE 2.9: Consumer Spending

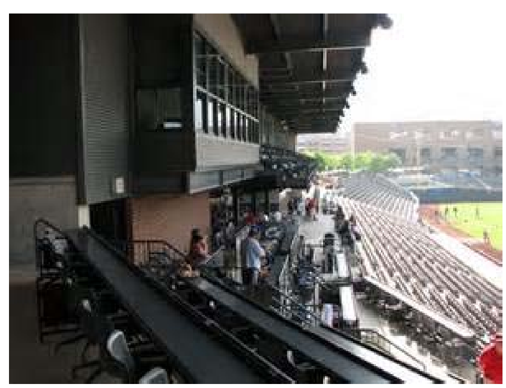
PREMIUM SEATING MARKET SHARE ANALYSIS

To identify the capacity for the market to absorb additional premium seating, B&D completed a premium seating share analysis for Kannapolis and select comparable markets. The share analysis considers the ratio of businesses to total premium seats in other markets and applies the data to Kannapolis to identify a comparable-based determination of capacity. For this particular exercise, B&D utilized comparable markets that host a MiLB team. It is important to note that the capture analysis considers all premium seats in the market, including university facilities and professional facilities. Following is a summary of traditional premium seating options:

Luxury Suites: Typically the most expensive premium seating option, suites (or luxury suites) are often enclosed spaces with in-suite food and beverage service, lounge-style seating, and capacity for 12-24 spectators. Suites are primarily leased by corporate users with a multi-year term.

Club Seats: Club seats provide spectators with an enhanced seating option in an open-air environment that provides greater access to the atmosphere of the facility. Spectators in club seats are often provided access to a club lounge with food and beverage options not available to those seated in the remainder of the facility.

Loge Seats / Boxes: Loge seats are the most recent development in premium seating options. Typically clustered in groups of 4-10, loge seats offer the type of group seating provided in suites, but in an open air environment similar to club seating.



The analysis shown in Figure 2.10 does not include the Metairie, LA or Zebulon, NC, markets due to the presence of an NFL team in Metairie (New Orleans Saints) and two large venues in Zebulon (PNC Arena – Carolina Hurricanes, Carter-Finley Stadium – NC State Wolfpack). The analysis indicates that the Kannapolis market could support up to 250 premium seats, which is approximately 175 more than currently exist in at CMC-NorthEast Stadium. It is important to note that this analysis is not intended to suggest that a new facility should include 175 net new premium seats, but instead simply identifies the market capacity to potentially support new and additional premium seating.

The data driven analysis identifies the capacity for the Kannapolis market to support additional premium seats with the proper program and amenities typical of other MiLB ballparks.

Market	Total Premium Seats	Total Businesses [2]	Businesses per Premium Seat
Colorado Springs, CO	288	18,560	64.4
Comstock Park, MI	1,496	19,233	12.9
Fort Myers, FL	973	17,245	17.7
Greensboro, NC	288	15,974	55.5
Greenville, SC	2,184	18,757	8.6
Metairie, LA	4,869	28,804	5.9
Modesto, CA	1,084	12,234	11.3
Reading, PA	981	10,372	10.6
Syracuse, NY	1,410	19,082	13.5
Zebulon, NC	4,981	1,407	0.3
Comparable Average [4]	**1,088**	**16,432**	**24.3**
Kannapolis, NC - Current	**72**	**6,029**	**83.7**
Kannapolis, NC - Potential	**248**		**24.3**
Net New Premium Seats	**176**		

NOTES:
[1] - Within 15 Minute Drive Time
[2] - Excluding Metairie, LA and Zebulon, NC

FIGURE 2.10: Premium Seating Share Analysis

ATTENDANCE CAPTURE ANALYSIS

Like the analysis completed for all Class A MiLB markets, the population and attendance data for the comparable sized markets was reviewed to again calculate an attendance capture rate. Excluding Fort Myers, FL and Modesto, CA, which operate within larger metropolitan areas, the attendance capture rate averages 54% and Kannapolis is capturing 19% of the market. Kannapolis' potential attendance of 363,940 is projected by applying the comparable market set's average population capture rate to the population within the 30-minute drive-time. The Kannapolis potential attendance of 363,940 would rank fourth among the comparable markets, and would rank seventh in Class A baseball and third in the South Atlantic League.

Again, the results of this analysis, not unlike that completed for the Class A MiLB markets, indicates the potential for the Kannapolis market to attract more than 350,000 attendees per year with the proper marketing activities and quality of facility.

Market	Class	2011 - 2013 Average Attendance	Population Capture Rate
Colorado Springs, CO	AAA	333,209	54.0%
Comstock Park, MI	A	371,019	50.5%
Fort Myers, FL	A-Advanced	121,871	17.5%
Greensboro, NC	A	372,523	46.6%
Greenville, SC	A	325,001	47.9%
Metairie, LA	AAA	348,986	50.6%
Modesto, CA	A-Advanced	178,134	27.8%
Reading, PA	AA	439,905	77.2%
Syracuse, NY	AAA	356,251	65.3%
Zebulon, NC	A-Advanced	225,157	41.4%
Average [1]		**346,506**	**54.2%**
Kannapolis, NC - Current		**132,264**	**18.7%**
Kannapolis, NC - Potential		**363,940**	**54.2%**
Potential Net New Attendance		**231,676**	

NOTES:
[1] - Excluding Fort Myers, FL and Modesto, CA
Source: Minor League Baseball (www.milb.com)

FIGURE 2.11: Attendance Capture Rate Analysis

COMPARABLE REGIONAL MARKET ANALYSIS

COMPARABLE REGIONAL MARKET IDENTIFICATION

In addition to the analysis of the Class A MiLB markets and all demographically comparable MiLB markets, B&D analyzed the market profiles for regional areas that support multiple MiLB teams. The objective of this analysis is to specifically consider the impact of a MiLB team operating in Charlotte upon that of another MiLB team operating in Kannapolis. To best define markets that would support this analysis, B&D narrowed its analysis to four specific markets – Columbus / Dayton, OH, Raleigh-Durham / Zebulon, NC, Lansing / Comstock Park, MI, and Nashville, TN / Bowling Green, KY – that met the criteria listed below. All data is generated from a 60-minute drive-time from a point approximately equidistant between the two MiLB ballparks.

- Identified as regional markets with two full-season MiLB teams operating within 60-minute drive-time;
- Like the Charlotte regional market, the comparable markets must include at least one major league (NFL, NBA, NHL, MLS) team or large NCAA program within the market;
- The markets do not include a MLB franchise; and
- Total regional population is over 1,500,000 within a 60-minute drive-time.

Market	Population	MiLB Team A	MiLB Team B	Distance to Team B (minutes)	NFL	NBA	NHL	MLS
Charlotte / Kannapolis, NC	**2,335,358**	**AAA**	**A**	**30**	**X**	**X**		
Hagerstown / Frederick, MD	258,294	A	A	30				
Portland / Keizer, OR	2,314,554	A (S-S)	A (S-S)	45		X		X
Raleigh-Durham / Zebulon, NC	1,214,516	AAA	A	45		Duke/UNC	X	
Sacramento / Stockton, CA	2,215,770	AAA	A - A	45		X		
Salt Lake City / Orem, UT	1,140,483	AAA	A (S-S)	45		X		X
Columbus / Dayton, OH	1,967,066	AAA	A	60	Ohio State		X	X
Knoxville / Greeneville, TN	852,715	AA	A (S-S)	60	U-Tennessee			
Lansing / Comstock Park, MI	1,016,603	A	A	60	Michigan St.			
Nashville, TN / Bowling Green, KY	1,757,912	AAA	A	60	X		X	
Buffalo / Rochester, NY	1,134,115	AAA	AAA	75	X		X	
Louisville / Lexington, KY	1,262,261	AAA	A	75				
Birmingham / Montgomery, AL	1,140,300	AA	AA	90				
Memphis, TN / Jackson, MS	1,341,746	AAA	AA	90		X		
Norfolk / Richmond, VA	1,707,369	AAA	AA	90				
Oklahoma City / Tulsa, OK	1,319,677	AAA	AA	90		X		
San Antonio / Round Rock, TX	2,277,550	AA	AAA	90		X		

FIGURE 2.12: Comparable Regional Market Identification

Overall, the Charlotte / Kannapolis market ranks near the top in nearly every demographic metric within the market set, indicating the demographic and economic strength of the region. As seen in Figure 2.13, the Charlotte / Kannapolis market ranks second in total population, retail expenditures, and average household income.

Market	Total Population
Columbus / Dayton, OH	2,907,147
Charlotte / Kannapolis, NC	**2,061,996**
Raleigh-Durham / Zebulon, NC	1,886,658
Lansing / Comstock Park, MI	1,693,272
Nashville, TN / Bowling Green, KY	1,685,232

Market	Retail Expenditures
Columbus / Dayton, OH	$26,300
Charlotte / Kannapolis, NC	**$19,000**
Raleigh-Durham / Zebulon, NC	$17,800
Nashville, TN / Bowling Green, KY	$15,200
Lansing / Comstock Park, MI	$14,000

Market	Average Household Income
Raleigh-Durham / Zebulon, NC	$75,077
Charlotte / Kannapolis, NC	**$73,608**
Nashville, TN / Bowling Green, KY	$70,070
Columbus / Dayton, OH	$67,788
Lansing / Comstock Park, MI	$62,531

Market	Total Population	0 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65+	% of Market Age 20 - 34	Target Market Population
Columbus / Dayton, OH	2,907,147	26.6%	7.1%	13.9%	13.0%	13.9%	12.3%	13.2%	21.0%	610,501
Lansing / Comstock Park, MI	1,693,272	27.2%	5.9%	12.7%	14.1%	15.2%	12.7%	13.5%	18.6%	314,949
Nashville, TN / Bowling Green, KY	1,693,272	26.7%	8.3%	13.4%	12.2%	13.7%	12.5%	13.2%	21.7%	367,440
Raleigh-Durham / Zebulon, NC	1,685,232	26.9%	7.0%	14.9%	13.9%	13.8%	11.7%	11.8%	21.9%	369,066
Average	**2,103,969**	**26.9%**	**7.1%**	**13.7%**	**13.3%**	**14.2%**	**12.3%**	**12.9%**	**20.8%**	**437,626**
Charlotte / Kannapolis, NC	**2,514,934**	**27.2%**	**6.3%**	**13.1%**	**14.4%**	**14.5%**	**11.8%**	**12.7%**	**19.4%**	**487,897**
Comparable Rank	**2nd / 5**	**1st / 5**	**4th / 5**	**4th / 5**	**1st / 5**	**2nd / 5**	**4th / 5**	**4th / 5**	**4th / 5**	**2nd / 5**

FIGURE 2.13: Comparable Regional Market Data

ATTENDANCE CAPTURE RATE ANALYSIS

Like the attendance capture analyses completed for the other two data sets, the same analysis was completed for the regional market analysis. The 2014 projected attendance capture rate ranges from 31.4% (Lansing / Comstock Park) to 41.6% (Nashville / Bowling Green), and averages 36.5% as seen in Figure 2.14. The Charlotte / Kannapolis' potential attendance of 917,524 is projected by applying the comparable regional market set's average population capture rate to the population. Due to the 2014 opening of the Knights ballpark (BB&T Ballpark) in the Uptown area of Charlotte and strong attendance figures, the difference between the potential attendance and current attendance is attributed in full to the Kannapolis MiLB team. The Kannapolis potential attendance of 391,083 would rank fifth in Class A and second in the South Atlantic League.

Like the other capture analyses, the review of data and market demographics indicates that a MiLB team in Kannapolis could attract over 350,000 visitors per year, again assuming the proper marketing and facilities.

Market	Class	2014 [2]		2014 Projected [3]	2014 Projected Population Capture Rate
		Attendance	Average	Attendance	
Columbus / Dayton, OH	AAA / A	531,042	8,298	1,145,814	39.4%
Columbus Clippers	AAA	268,106	8,124	560,556	19.3%
Dayton Dragons	A	262,936	8,482	585,258	20.1%
Lansing / Comstock Park, MI	A / A	279,591	3,994	531,603	31.4%
Lansing Lugnuts	A	135,890	3,883	252,395	14.9%
West Michigan Whitecaps	A	143,701	4,106	279,208	16.5%
Nashville, TN / Bowling Green, KY	AAA / A	225,104	3,310	701,439	41.6%
Nashville Sounds [1]	AAA	138,732	3,964	526,100	31.2%
Bowling Green Hot Rods	A	86,372	2,617	175,339	10.4%
Raleigh-Durham / Zebulon, NC	AAA / A	345,907	5,241	713,641	33.5%
Durham Bulls	AAA	255,826	7,309	518,939	24.4%
Carolina Mudcats	A	90,081	2,906	194,702	9.1%
Comparable Regional Market Average		**316,920**	**4,780**	**773,124**	**36.5%**
Charlotte / Kannapolis, NC - Current	**AAA / A**	**368,947**	**6,253**	**652,772**	**26.0%**
Charlotte Knights	**AAA**	**318,902**	**9,664**	**525,722**	**20.9%**
Kannapolis Intimidators	**A**	**50,045**	**1,925**	**127,050**	**5.1%**
Charlotte / Kannapolis, NC - Potential	**AAA**	**-**	-	**917,524**	**36.5%**
	Kannapolis, NC Potential Net New Attendance			**264,753**	

NOTES:

[1] - 2014 Projected Attendance assumes opening of First Tennessee Park in 2014, actual opening in 2015.

[2] - Attendance data as of 6/14/2014.

[3] - Average attendance [2] X average number of openings 2011 - 2013. 2014 Charlotte Knights attendance reduced by 20% to align with typical new ballpark attendance figures.

Source: Minor League Baseball (www.milb.com)

FIGURE 2.14: Attendance Capture Rate Analysis

NEXT STEPS

The included report and analyses are specifically focused on the Kannapolis market and an evaluation of the market's ability to continue supporting MiLB and the capacity to attract additional fans and operating support. While the potential market capacity exists - even with the new Charlotte ballpark – to support MiLB, it is important to understand that the market can only be captured with the right facility and amenities. It is understood that a renovation of the existing ballpark, the construction of a new ballpark, and the possible development of a downtown entertainment district are all being considered. As evaluation of this project moves forward, we would suggest the completion of the following exercises:

- Develop a market-responsive building program that identifies the amenities, spaces, seating program, and other features that would be required of a renovated or new facility to meet market demands;
- Consider the potential to develop a new downtown facility and the projected market created for ancillary development;
- Complete a comprehensive financial analysis that models the potential operation of the MiLB franchise;
- Based upon the building program, develop a comprehensive project budget that includes the hard and soft costs for renovation and / or construction of a new ballpark, inclusive of all related land development and infrastructure costs;
- Outline a proposed sources and uses document that begins to identify project funding sources, including but not limited to new lease terms with the tenant; and
- Complete an analysis of the benefits associated with construction and operation of the ballpark, including but not limited to jobs supported, economic activity, tax impacts, and quality of life benefits;