

A black and white photograph of a baseball on a field. The baseball is in the foreground, slightly to the left, and is in focus. The background is a blurred view of a baseball field, showing the infield and outfield. The lighting is bright, suggesting a sunny day.

City of Kannapolis Ballpark Planning Study

Phase II Presentation

July 11, 2016

Scope of Work

BALLPARK DEVELOPMENT PLANNING



1. Market Analysis
2. Outline Building Program
3. Development Budget
4. Project Economics
5. Construction Benefits
6. Operating Benefits

Market Analysis

CAN MILB BASEBALL WORK?

- ◆ Kannapolis Ranks Among the Best of the 30 Class A Markets
 - Population: 8th
 - Retail Sales: 8th
 - Average Household Income: 11th
- ◆ Among the 11 Most Comparable Markets:
 - Ranks 4th in Household Size
 - Ranks 2nd in Projected 5-Year Growth
 - Ranks 4th in Entertainment Spending
- ◆ Average Annual Attendance of 130,000 Ranks 26th out of 30 Class A Markets
 - Market Factor
 - Facility Factor
 - Operator Factor
- ◆ Potential Market Capacity to Support an Annual Attendance of 300,000 (2-Year Knights Average of 678,600)

Outline Building Program

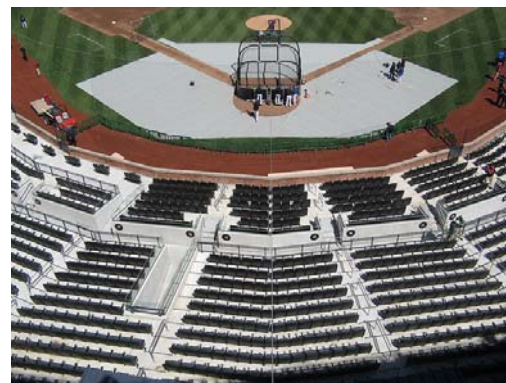
HOW CAN MiLB WORK?

- ◆ Includes all Assignable Spaces
- ◆ Assumes Functionality for Other Events
- ◆ Basis for Budget and Operations
- ◆ Capacity: 5,760
- ◆ 70% Fixed Seats (4,000)
- ◆ 8 Suites
- ◆ 100 Club Seats
- ◆ 40 Loge Seats
- ◆ Total SF: 152,000 SF



Outline Building Program

SEATING CATEGORIES



Comprehensive Development Budget

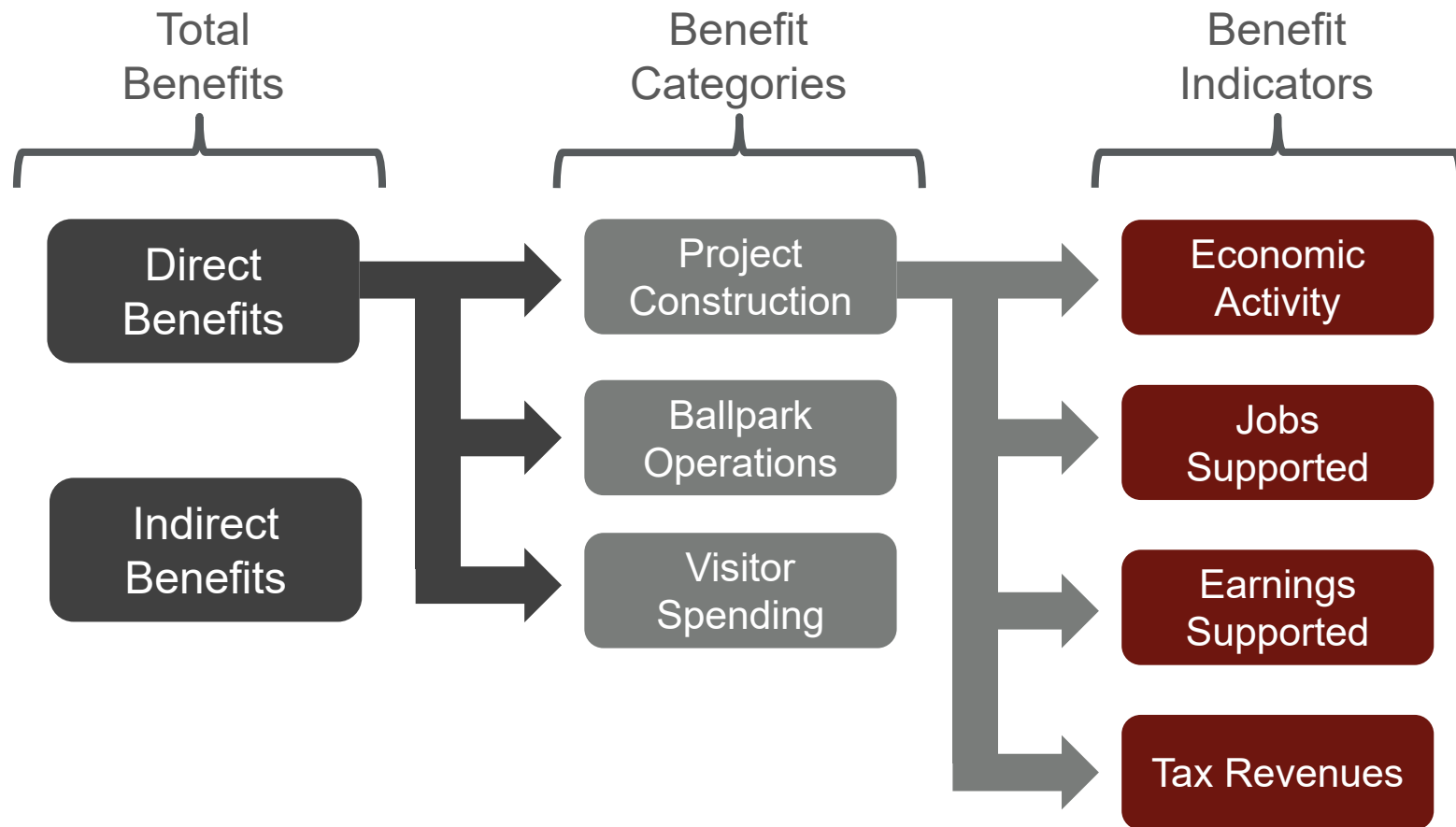
HOW MUCH WILL IT COST?

		Projected Budget	2020 Dollars
HARD COSTS			
Direct Work Subtotal:		\$ 22,887,000	\$ 25,008,000
Indirect Costs:	15.0%	\$ 3,433,000	\$ 3,751,000
Contingency:	5.0%	\$ 1,144,000	\$ 1,250,000
HARD COST SUBTOTAL:		\$ 27,464,000	\$ 30,009,000
SOFT COSTS			
A&E Services	6.0%	\$ 1,648,000	\$ 1,801,000
Financing	2.0%	\$ 549,000	\$ 600,000
Project Management	2.0%	\$ 549,000	\$ 600,000
Owners Contingency	15.0%	\$ 4,120,000	\$ 4,501,000
Legal / Accounting	2.0%	\$ 549,000	\$ 600,000
Permits / Inspections	0.5%	\$ 137,000	\$ 150,000
Project Administration	0.5%	\$ 137,000	\$ 150,000
LEED	0.5%	\$ 137,000	\$ 150,000
Environmental	1.0%	\$ 275,000	\$ 300,000
SOFT COST SUBTOTAL:		\$ 8,101,000	\$ 8,852,000
TOTAL PROJECT BUDGET:		\$ 35,565,000	\$ 38,861,000

- ◆ 2020 Dollars
- ◆ Hard Costs: \$30.0M
- ◆ Soft Costs: \$8.9M
- ◆ Includes 15% Owner's Contingency
- ◆ Does NOT Include Land Acquisition
- ◆ Does NOT Include Off-site Infrastructure / Parking
- ◆ "Budget" and not an "Estimate"

Benefits Analysis

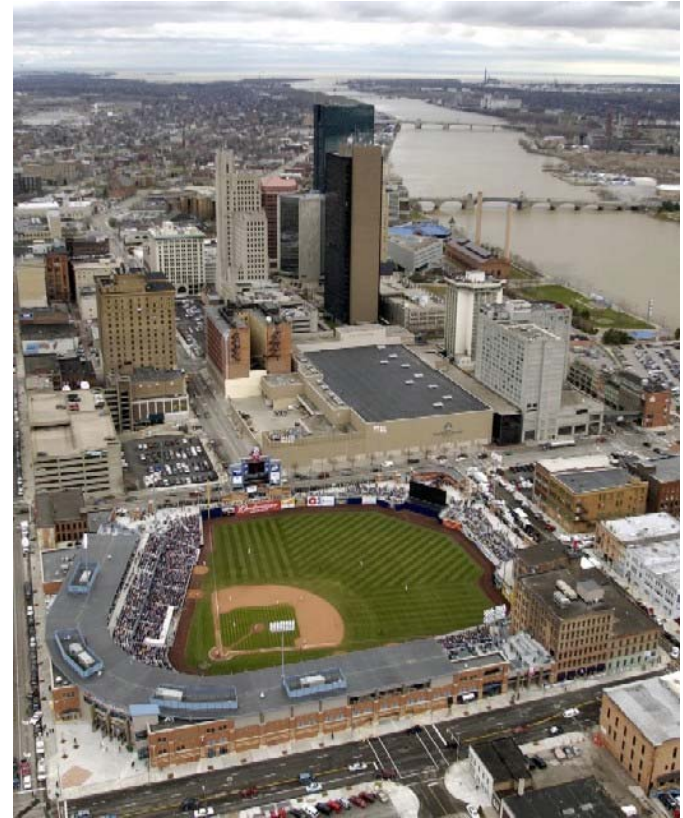
WHAT ARE THE BENEFITS?



Benefits Analysis

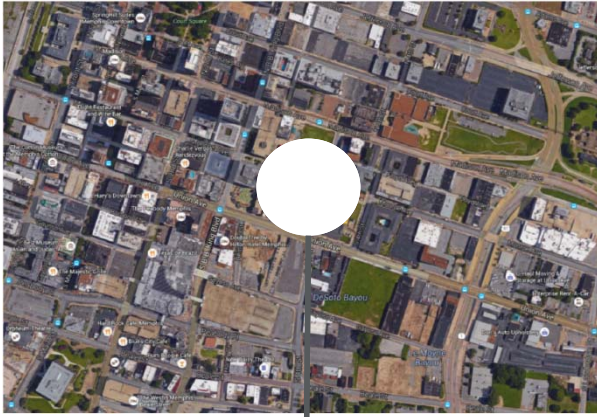
ASSUMPTIONS & APPROACH

- ◆ Reliance on Direct Benefits
- ◆ Specific Use of Appropriate Multipliers
- ◆ Use of Leakage Factors
- ◆ Applicable Taxes
 - Sales Tax (State and Local)
 - Hotel Tax (State and Local)
 - Meal Tax (State and Local)
 - Business Income
 - Personal Income
 - Personal Property



Benefits Categories

CONSTRUCTION



Material
Spending



Jobs
Supported

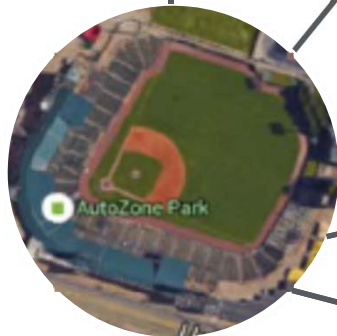


Earnings
Supported



Benefits Categories

BALLPARK OPERATIONS



COGS

Supplies

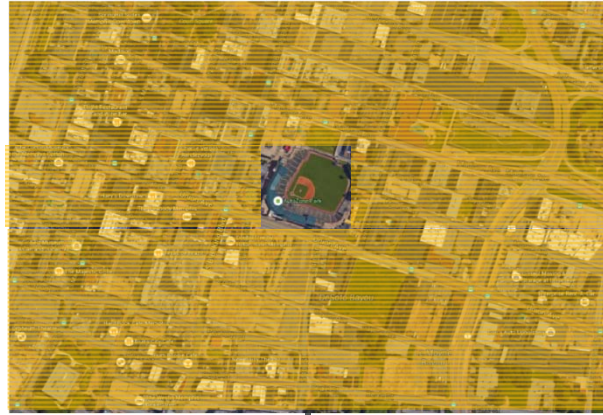
Patron Revenues

Visiting Team



Benefits Analysis

VISITOR SPENDING



Meal
Spending



Retail
Spending



Transportation
Spending

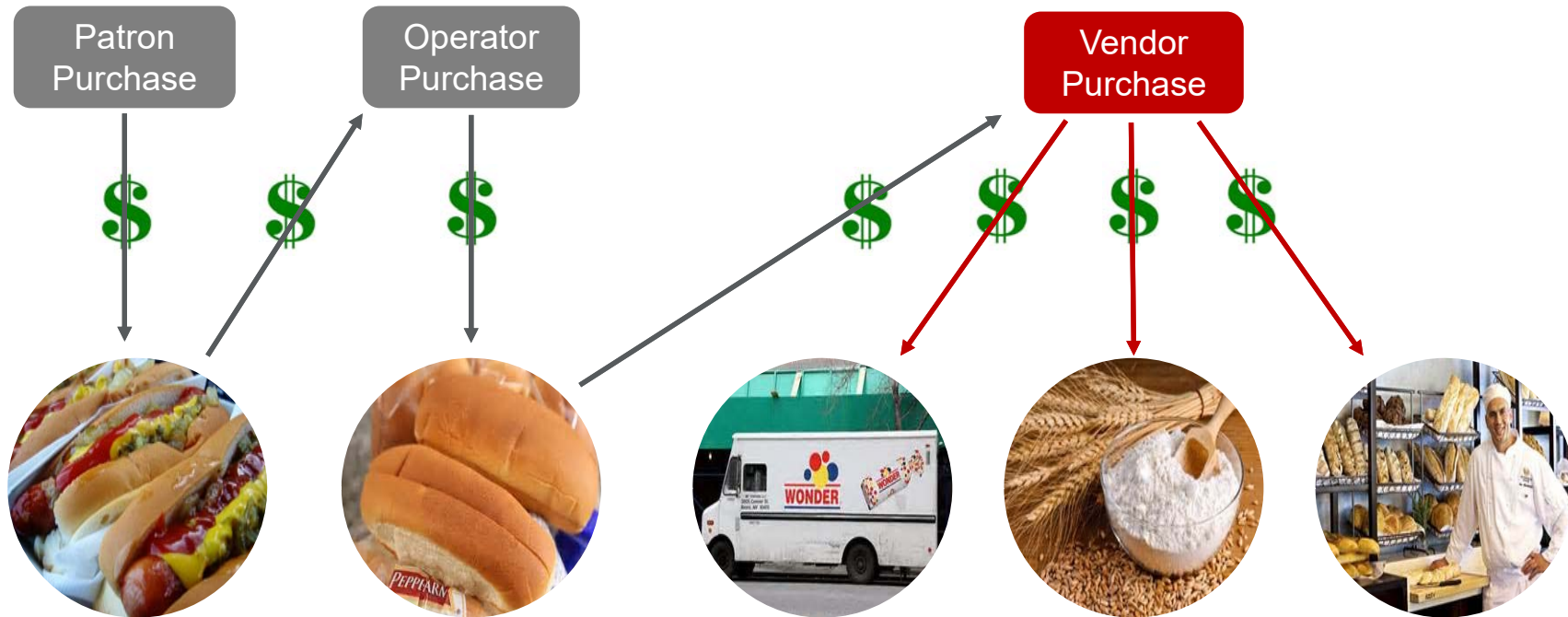


Hotel
Spending



Benefits Analysis

INDIRECT BENEFITS



Benefits Analysis

BALLPARK CONSTRUCTION PERIOD



Direct Benefits

◆ Economic Activity	\$7.9M
◆ Jobs Supported	118
◆ Earnings Supported	\$4.5M
◆ Tax Revenues	\$671,000

Indirect Benefits

◆ Economic Activity	\$1.2M
◆ Jobs Supported	71
◆ Earnings Supported	\$2.9M

Benefits Analysis

ANNUAL BALLPARK OPERATIONS



Direct Benefits

◆ Economic Activity	\$7.1M
◆ Jobs Supported	103
◆ Earnings Supported	\$3.7M
◆ Tax Revenues	\$1.2M

Indirect Benefits

◆ Economic Activity	\$2.2M
◆ Jobs Supported	145
◆ Earnings Supported	\$6.1M

Benefits Analysis

SUMMARY

- ◆ * 25-Year NPV of Tax Revenues: \$21.6M
 - Region: \$6.5M
 - State: \$15.1M
- ◆ Annual Jobs Supported: 248
- ◆ Annual Economic Benefits: \$19.0M
- ◆ Annual Room Nights: 8,600

* Not Inclusive of Property Taxes

Benefits Analysis

QUALITATIVE



- ◆ Affordable Family Entertainment
- ◆ Assembly Venue
- ◆ Conference & Meeting Venue
- ◆ Community Events
- ◆ Business Development
- ◆ Employee Rewards
- ◆ Talent Recruitment
- ◆ Publicity

A black and white photograph of a baseball on a field. The baseball is in the foreground, slightly to the left, and is in focus. The background is a blurred view of a baseball field, showing the infield and outfield. The lighting is bright, suggesting a sunny day.

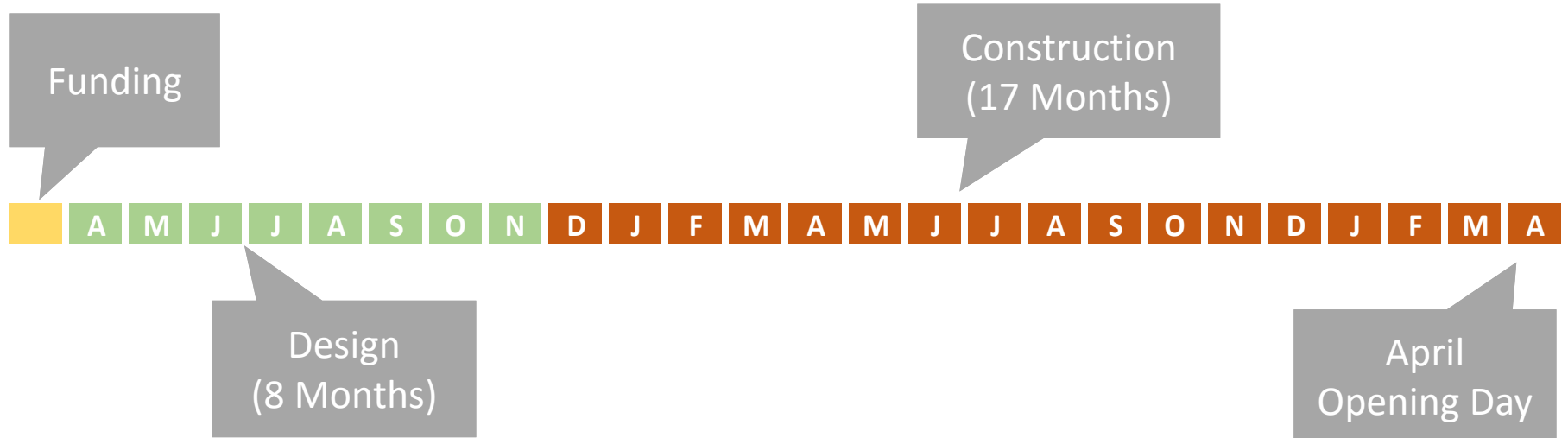
City of Kannapolis Ballpark Planning Study

Phase II Presentation

July 11, 2016

Suggested Next Steps

TYPICAL DELIVERY SCHEDULE



Suggested Next Steps

- ◆ Site Evaluation and Selection
- ◆ Establish / Initiate Pre-development Activities (4-6 Months)
 - Establish partnerships and funding strategy
 - Draft public approval schedule, strategy, and plan
 - Engage A&E for concept planning
 - Create comprehensive delivery schedule and cash flow projection
 - Initiate project agreement negotiations with tenant
 - Support and advise on necessary MiLB approvals

Benefits Analysis

SUMMARY

Construction

Labor	\$ 13,919,400
Materials	\$ 22,710,600
Total	\$ 36,630,000

Direct Benefits

Estimated Output	\$ 7,948,710	65%
Estimated Wages	\$ 4,487,175	65%
Estimated Employment	118	

Indirect & Induced Benefits

Estimated Output	\$ 1,216,153
Estimated Wages	\$ 2,948,971
Estimated Employment	71

Total Benefits

Estimated Output	\$ 9,164,863
Estimated Wages	\$ 7,436,146
Estimated Employment	189

Recurring Operations

Gross Activity	\$ 10,130,941
Gross Wages	\$ 4,932,111
Total	\$ 15,063,052

Direct Benefits

Estimated Output	\$ 7,076,104	70%
Estimated Wages	\$ 3,660,600	74%
Estimated Employment	103	

Indirect & Induced Benefits

Estimated Output	\$ 2,217,048
Estimated Wages	\$ 6,083,346
Estimated Employment	145

Total Benefits

Estimated Output	\$ 9,293,152
Estimated Wages	\$ 9,743,946
Estimated Employment	248

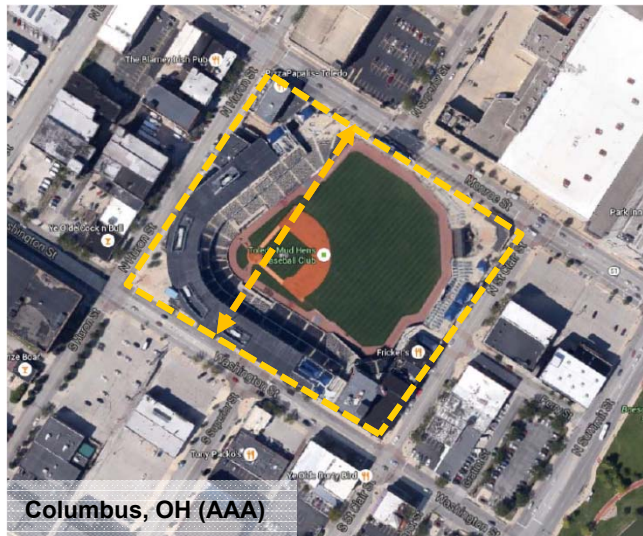
Benefits Analysis

SUMMARY

	Level	2016	2017	2018	2019
Construction					
Business Income Tax	State	\$ 2,654	\$ 18,577	\$ 5,308	\$ -
Sales Tax	State	\$ 37,756	\$ 264,295	\$ 75,513	\$ -
Sales Tax	Region	\$ 17,885	\$ 125,192	\$ 35,769	\$ -
Personal Income Tax	State	\$ 25,801	\$ 180,609	\$ 51,603	\$ -
Ballpark Taxes					
Personal Income Tax	State	\$ -	\$ -	\$ 200,557	\$ 206,574
Sales Tax	State	\$ -	\$ -	\$ 202,486	\$ 208,561
Sales Tax	Region	\$ -	\$ -	\$ 95,915	\$ 98,792
Meal Tax	State	\$ -	\$ -	\$ 130,435	\$ 134,348
Meal Tax	Region	\$ -	\$ -	\$ 61,785	\$ 63,639
Personal Property Tax	Region	\$ -	\$ -	\$ 723	\$ 744
Visitor Spending					
Personal Income Tax	State	\$ -	\$ -	\$ 74,592	\$ 76,830
Sales Tax	State	\$ -	\$ -	\$ 101,172	\$ 104,207
Sales Tax	Region	\$ -	\$ -	\$ 37,387	\$ 38,509
Hotel Tax	State	\$ -	\$ -	\$ 52,669	\$ 54,249
Hotel Tax	Region	\$ -	\$ -	\$ 19,662	\$ 20,252
Meal Tax	State	\$ -	\$ -	\$ 137,130	\$ 141,244
Meal Tax	Region	\$ -	\$ -	\$ 50,784	\$ 52,307
Annual Tax Benefit					
Region		\$ 17,885	\$ 125,192	\$ 302,025	\$ 274,243
State		\$ 66,211	\$ 463,480	\$ 1,031,464	\$ 926,012

Program Considerations

SITE REQUIREMENTS



- ◆ Site Area
 - 6.5 – 7.5 Acres
 - Columbus: 6.8 Acres
 - Toledo: 7.0 Acres
- ◆ Minimum Dimensions
 - 500 Feet
 - Columbus: 495 Feet
 - Toledo: 510 Feet

Program Considerations

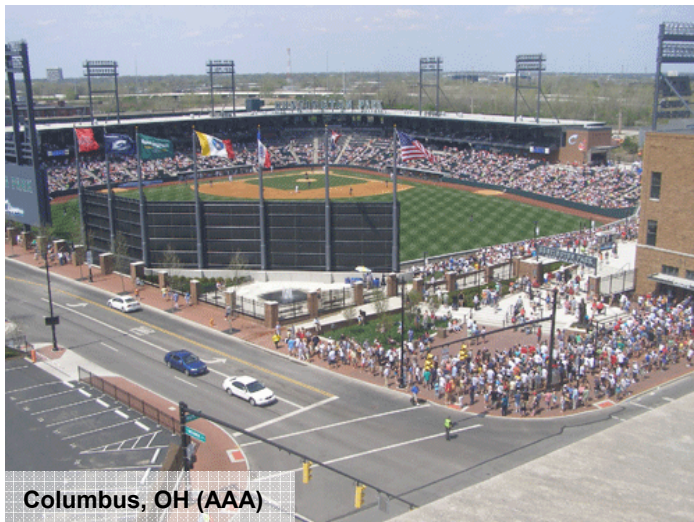
TRANSPARENCY



Columbus, OH (AAA)



Peoria, IL (A)



Columbus, OH (AAA)



Dayton, OH (A)

Program Considerations

PUBLIC SPACE



Akron, OH (AA)



San Diego, CA (MLB)



Fort Wayne, IN (A)



Proposed Summerlin, NV (AAA)

Program Considerations

RE-PURPOSING



Montgomery, AL (AA)



Charleston, WV (A)



Montgomery, AL (AA)



Charleston, WV (A)

Program Considerations

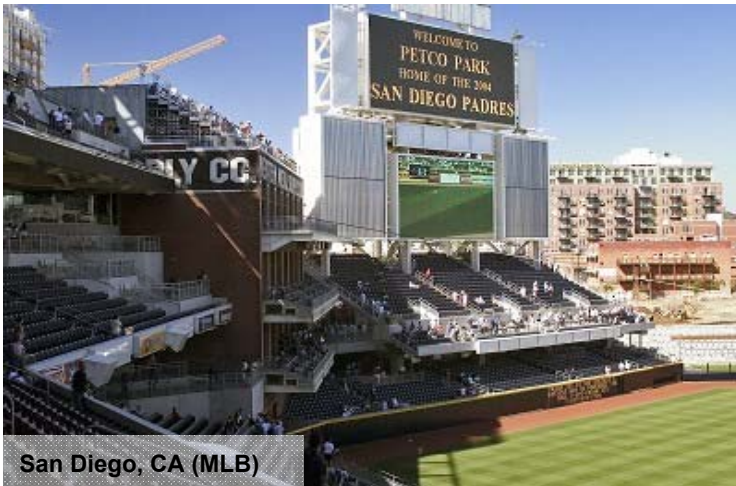
RE-PURPOSING



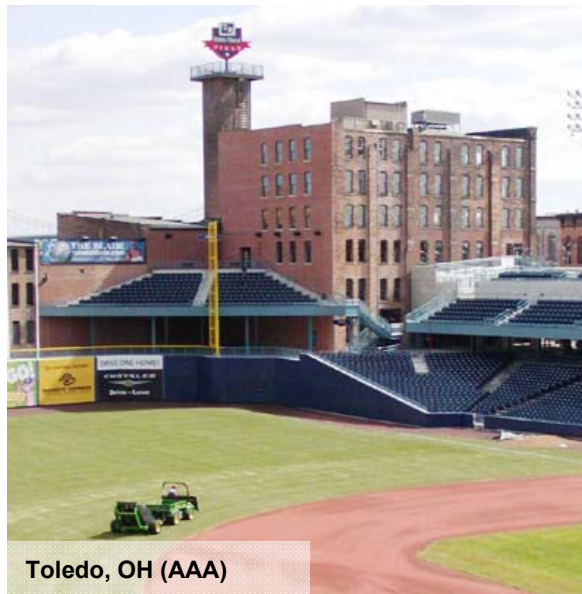
San Diego, CA (MLB)



Toledo, OH (AAA)



San Diego, CA (MLB)



Toledo, OH (AAA)