

Franklin Baseball Stadium Market Feasibility Study

SUBMITTED TO

Zimmerman Ventures & City of Franklin Stadium Task Force

SUBMITTED BY

C.H. Johnson Consulting, Incorporated

March 21, 2014

DRAFT



Experts in Convention, Hospitality,
Sport and Real Estate Consulting.

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TRANSMITTAL LETTER

March 21, 2014

Mr. Michael Zimmerman, President, Zimmerman Ventures
&
City of Franklin Stadium Task Force

Re: Feasibility Study for a Proposed Minor League Baseball Stadium

Dear Mr. Zimmerman and Task Force Members:

Johnson Consulting is pleased to submit this DRAFT report to Zimmerman Ventures (“Client”) that analyzes the market and financial feasibility of a proposed minor league baseball stadium in Franklin, WI. This report also quantifies the total economic and fiscal impact the proposed stadium will have on the local community.

Johnson Consulting has no responsibility to update this report for events and circumstances occurring after the date of this report. The findings presented herein reflect analyses of primary and secondary sources of information. Johnson Consulting used sources deemed to be reliable, but cannot guarantee their accuracy. Moreover, some of the estimates and analyses presented in this study are based on trends and assumptions, which can result in differences between the projected results and the actual results. Because events and circumstances frequently do not occur as expected, those differences may be material.

We have enjoyed serving you on this engagement and look forward to providing you with continuing service.

Sincerely,

DRAFT

C.H. JOHNSON CONSULTING, INC.

SECTION II
INTRODUCTION

INTRODUCTION

Johnson Consulting was retained by Zimmerman Ventures to provide market feasibility and an economic and fiscal impact study for a proposed minor league baseball stadium. The Client has a vision to bring a Class A independent Frontier League team to Franklin, WI to develop a new minor league baseball stadium that could act as a catalyst for economic development in the area. This study provides a straightforward analysis that outlines the market opportunity and economic impact of the project to utilize as a tool when discussing potential funding options with the City and/or County.

OBJECTIVES OF THE STUDY

Johnson Consulting has undertaken a program of services designed to accomplish the following major objectives:

- To analyze the market viability of a proposed minor league stadium in Franklin, WI.
- To quantify the total economic and fiscal impact the proposed stadium will have on the local community, as well as the ability of the stadium to be a catalyst for economic development.

In addition to this introduction and methodology review, the report contains the following sections:

- **Section 3** - Presents an economic and demographic overview of Franklin, WI and the regional market. The information in this section is an essential component in understanding the economic and market framework that will support a new stadium and expansion Frontier League franchise.
- **Section 4** – Provides projections of attendance, number of events based on market potential, capture rate and comparable performance. This section further provides a breakdown of attendance tiers throughout the Frontier League.
- **Section 5** - Includes a case study analysis of four Frontier League stadiums and five affiliated minor league stadiums. The Corn Crib in Normal, IL; Boomers Stadium in Schaumburg, IL; and GCS Ballpark in Sauget, IL. Each Frontier League case study breaks down the history of the stadium, its funding sources, event demand and, when applicable, program recommendations for the proposed stadium in Franklin, WI. The other case studies identify scenarios where a stadium was a catalyst for economic development in the immediate area, as is hoped for the stadium in Franklin.
- **Section 6** – Provides the economic and fiscal impacts of a baseball stadium in Franklin. Specifically, this section provides the current impacts of the The Rock Sports Complex and also projects the impacts of a second phase of development that includes a stadium and ancillary little league fields. Finally, this section projects the increased impacts of The Rock Sports Complex after a stadium is built.

- **Section 7** - Offers multiple options for funding the construction of the stadium for the client and the city to consider.

APPROACH / METHODOLOGY

In order to accomplish these objectives, the program of analysis conducted by Johnson Consulting has undertaken the following research tasks:

- Interviewed stakeholders to gather information, obtain work performed to date, and understand the expectations and objectives of this development
- Examined regional economic and demographic data and projected regional economic trends relevant to supporting the proposed development.
- Interviewed industry participants and those familiar with the local market to identify specific market opportunities
- Conducted an assessment of programming and utilization at peer facilities
- Prepared an economic and fiscal impact analysis based on projected demand

ABOUT THE CONSULTING TEAM

C.H. Johnson Consulting (Johnson Consulting) is a nationally recognized authority on sports venues, stadiums, arenas, and mixed-use development projects. The firm works nationally and internationally for cities, counties, universities and private sector developers. Some of our previous work includes the minor league/spring training stadium at Osceola County Heritage Park; the new Atlanta Braves Ballpark in Pearl, MS; the redevelopment of the Jerry Uht Ballpark in Erie, PA; a minor league stadium in Ocala, FL for the New York Yankees Class A-Advanced affiliate; and an economic analysis for a Class AA baseball stadium in Biloxi, MS. Our strength is the ability to be creative and effectively help structure clear business plans for complex projects. We are able to integrate information from multiple parties into a single tool for use by private developers and governmental agencies to help execute complex real estate projects.

TERMS OF ASSIGNMENT

This report is based on estimates, assumptions, actual operating data and other information obtained from our research, our prior experience with similar assignments, and information received from the Client and other sources. The sources of information and basis of estimates and assumptions are stated herein. Findings found presented within this report are based on Johnson Consulting's assessment of various data, market characteristics, discussions with project stakeholders, and documented assumptions. We cannot represent our projections as results that will actually be achieved.










FRONTIER LEAGUE OVERVIEW

The Frontier League is an independent minor league baseball league based in the Midwest. The league has been in existence since 1993 and currently has 14 teams (one of which does not have a home stadium) that play at the A minor league level. The Frontier League aims to attract players who have not signed with a major league or affiliated minor league franchise.

Table 2-1, provides an overview of the Frontier League teams, stadiums, population, attendance, and average tickets prices. It is important to note, that the Frontier Greys franchise has not been included in any of the comparisons throughout this report since they play all of their games on the road and do not play in a home stadium. Also, sponsorship data for each team was requested but was not received. As described in further detail throughout this report, the Franklin market is above average in many of the key attributes that relate to successful markets for Frontier League franchises.



Table 2-1

Comparison of Frontier League Stadiums & Markets								
Team*	Stadium	Location	Year Built	Capacity	2013 City Population	25 mile Population	2013	
							Total Attendance	Average Attendance
 Evansville Otters	Historic Bosse Field	Evansville, IN	1915	5,145	118,148	351,009	140,786	3,200
 Florence Freedom	University of Cincinnati Medical Center Stadium	Florence, KY	2005	4,500	30,033	1,380,058	112,270	2,495
 Gateway Grizzlies	GCS Ballpark	Sauget, IL	2001	4,500	155	2,001,793	162,572	3,188
 Joliet Slammers	SilverCross Field	Joliet, IL	2002	6,500	148,385	3,111,497	93,875	1,997
 Lake Erie Crushers	All Pro Freight Stadium	Avon, OH	2009	3,500	21,367	1,440,926	122,097	2,394
 Normal CornBelters	The Corn Crib	Normal, IL	2010	4,000	53,716	207,833	126,367	2,579
 River City Rascals	T.R. Hughes Ballpark	O'Fallon, MO	1999	2,500	82,725	1,029,828	92,652	1,971
 Rockford Aviators	Aviators Stadium	Rockford, IL	2006	3,279	150,939	506,997	87,612	1,864
 Schaumburg Boomers	Schaumburg Baseball Stadium	Schaumburg, IL	1999	7,365	75,271	5,708,993	150,254	3,005
 Southern Illinois Miners	Rent One Park	Marion, IL	2007	4,000	17,219	196,065	126,084	2,573
 Traverse City Beach Bums	Wuerfel Park	Traverse City, MI	2006	4,550	15,116	139,108	164,915	3,171
 Washington Wild Things	CONSOL Energy Park	Washington, PA	2002	3,400	13,656	952,331	87,076	1,707
 Windy City ThunderBolts	Standard Bank Stadium	Crestwood, IL	1999	3,200	10,857	5,579,046	74,609	1,523
League Average			1997	4,341	56,737	1,738,883	118,551	2,436
Franklin Expansion Team			N/A	Franklin, WI	2014	3,100	35,538	1,703,399
							TBD	TBD

*Table does not include the Frontier Greys who do not play any home games.

Source: Johnson Consulting, Frontier League, Team Websites, Pointstreak

PROPOSED DEVELOPMENT

The planned stadium in Franklin is expected to have a total capacity for approximately 3,100 fans for baseball games. The breakdown for seating is detailed below:

- Fixed Seats: 1,800
- Grass Berm Seating: 500
- Premium/ Semi-Premium Seating
 - Premium Suites: 6 (Capacity 12 per suite)
 - 2 Party Suites (Capacity 12 per suite)
 - Umbrella Bar Group Seating (Capacity 250)
- Overflow/Standing Room: 500 Kid's fun zone & playground
- Bullpen Perch: 160 linear feet of drink rail above the RF bullpens for fan viewing
- Field Dimensions: LF 310, CF 400, RF 325
- Retail Store: 500 SF fixed concession points of sale (10 cash registers)
- Vendor Carts: 4 (with specialty food items)

Additionally, the proposed stadium will include artificial turf and will be designed to accommodate a larger capacity for outdoor concerts, among other special events. This phase of development at The Rock Sports Complex will also include two ancillary little league baseball fields. The estimated cost of the proposed stadium is approximately \$10.5 million. Additional costs include team acquisition fees and team operating costs that will total approximately \$4 million.

RISK MITIGATION

The City asked ways to help hedge risk. Reasons why these venues fail are:

- Poorly capitalized owners
- Non-local owner
- Over-capitalized stadium
- Poor market

In our judgment, the City has a proven developer with a vested interest in the community. He has shown a willingness to be fair and has existing visitors to the site that he is willing to leverage to the benefit of the stadium.

Other tools that can be used to hedge risk are:

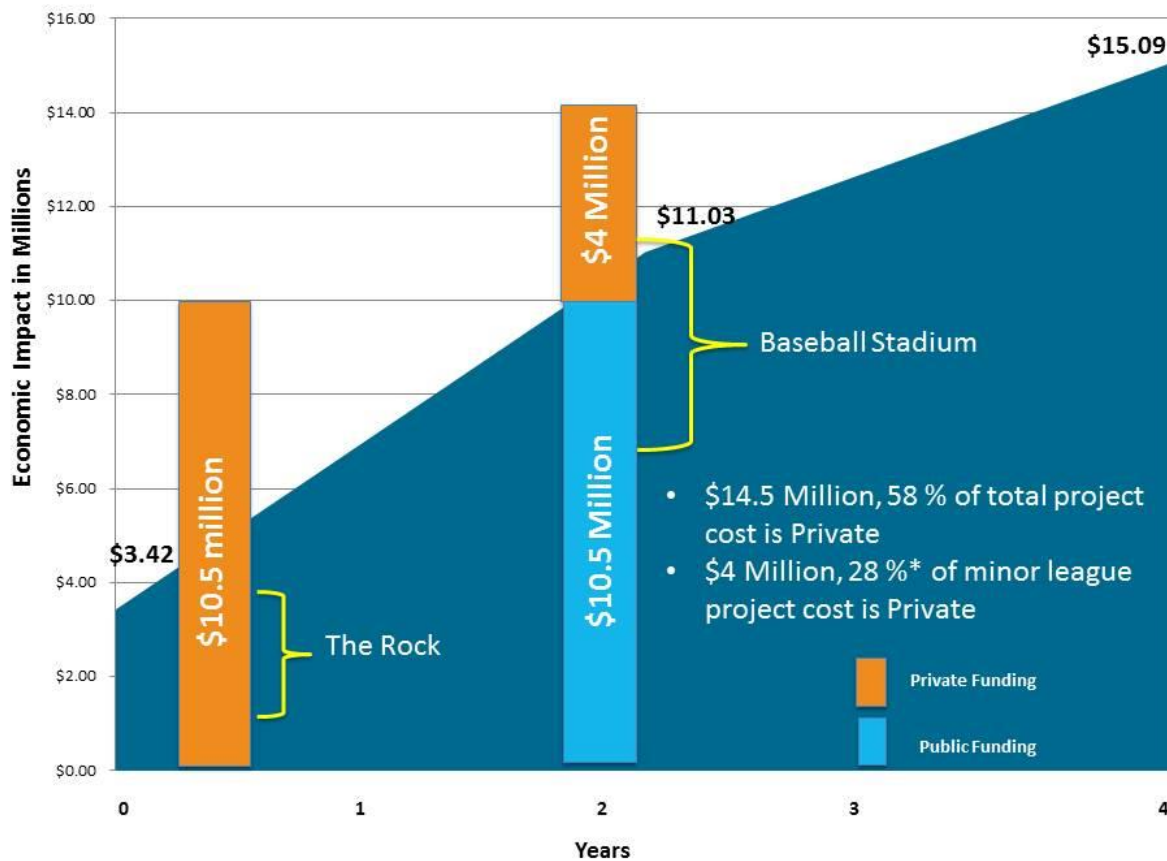
- Be very careful in the project's capital budget. The proposed cost is low, so it seems responsible.
- Negotiate a risk sharing agreement, where the contractor, developer share any cost over runs.
- Dedicate revenues to the project cost and reserve funds, and use the adjacent real estate for sources of capital.
- Negotiate lease payment as well as potential user fee/ticket surcharge

PUBLIC/ PRIVATE INVESTMENT & ASSOCIATED BENEFITS

As shown in Figure 2-1 below, the City investment would fully leverage the existing development for equal the private value, and every year, over time spending far exceeds the City's investment annually, with approximately \$15 million annually. The graphic can be viewed one of two ways: 1) \$14.5 million of the overall \$25 million project (sports complex plus stadium), or 58%, will be privately funded, or 2) \$4 million of the \$14.5 million stadium project, or 28%, will be privately funded.

With regard to the stadium project, it is important to realize that the private investment has potential to grow as the \$4 million is only accounting for the initial team acquisition fees and first year operating budget. Once a lease agreement is negotiated the private contribution could rise significantly to include rent, ticket surcharges, revenue sharing, etc. Either way you look at it, the private contribution to this project will be considerably higher than typical stadium deals have been over the past decade, which have been approximately 80% public/20% private funds.

Figure 2-1



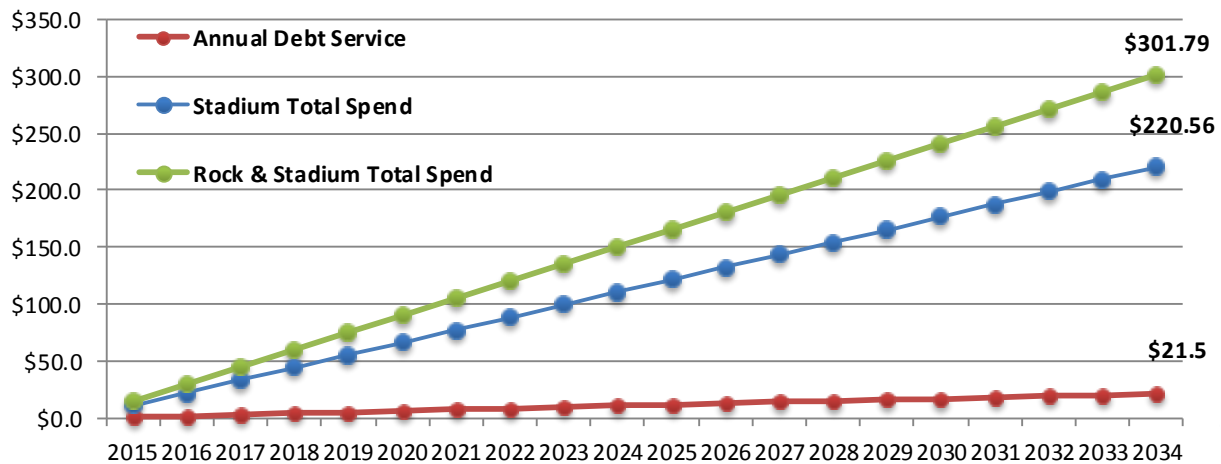
* Percentage may increase with any form of additional revenue sharing

RETURN ON INVESTMENT

Table 2-2 below shows the 20 year accumulation of the total spending that is estimated to be generated by the stadium as well as the stadium and sports complex combined; and how each relates to the accumulation of annual debt service payments over that same 20 year period.

Table 2-2

**Franklin Baseball Stadium
Estimated 20 YR Accumulated Total Spend vs Debt Service**



Source: Johnson Consulting

The annual debt service payment for the \$10.5 million would be approximately \$1.1 million over a 20 year period, resulting in a 20 year total of \$21.5 million. While, the total spending estimated to be generated by the stadium alone is approximately \$11.03 million annually, resulting in a 20 year total of \$220.56 million. Combined, the Rock Sports Complex and the stadium are estimated to generate approximately \$15.09 annually, resulting in a total of \$301.79 million.

EXECUTIVE SUMMARY

Franklin is a very robust market due to the strong growth and diverse employment base. The population, median household income, rebounding employment figures and expanding list of companies indicate that Franklin is capable of supporting a Frontier League franchise, despite the close proximity to the Milwaukee Brewers. The Brewers have enjoyed a resurgence of popularity and support within the Milwaukee Metro Market over the last several years, but the Frontier League does not compete directly with Major League Baseball. A Frontier League franchise in Franklin will offer an affordable family entertainment option for local and regional residents alike.

There is strong demand for family, outdoor entertainment in Wisconsin during the summer months, and at the moment, there is an opportunity for a new product in the region. Additionally, given the success of The Rock Sports Complex, a Frontier League franchise should be able to partner with existing youth and/or adult baseball leagues for promotional events and could turn the complex into a destination within the region. This

should also bring about economic development in the immediate area to support the influx of residents and visitors to the area, as well as raise property values within Franklin.

A Frontier League franchise in Franklin will ultimately rely upon the support of corporations within the area, as well as local residents, whose involvement will be critical to the team's ability to attract sponsorship support from the local business community. A Frontier League franchise in Franklin will be most beneficial for local residents in that it will provide additional family entertainment options, seasonal employment and volunteer opportunities while also providing residents a facility for numerous special events outside of baseball.

Franklin, Wisconsin measures above average in several key demographics when compared to other Frontier League markets, especially when the market is expanded to include a 25 mile radius, or the expected radius from which the team will attract the majority of its fans. That radius includes a population of 1.7 million residents and nearly 680,000 households, good for the 5th largest market in the league. The size of the market is important for establishing a fan base and for attracting sponsors. The more people there are in a particular market makes partnerships with corporations more likely. In terms of corporations within each Frontier League market, Franklin again matches up well with approximately 56,500 businesses within a 25 miles radius. Given these parameters we project average attendance for Frontier League games to be approximately 2,100 per game.

The stadium will also offer a number of opportunities for community-based events throughout the year, thanks to the synthetic turf and luxury suites. All told, the first year of operations the stadium can expect to host approximately 99 events with a total attendance of approximately 124,335. This will, no doubt, benefit the City of Franklin by ultimately creating a need for additional or reinvigorated retail developments, such as those found along 76th and Rawson.

As it relates to the economic impacts, the proposed stadium development coupled with the existing Rock Sports Complex are estimated to generate approximately \$11.18 million in direct spending, \$2.24 million in indirect spending, and \$1.68 million in induced spending, resulting in a total spending of approximately \$15 million. Additionally, the increased earnings are estimated to be approximately \$3.73 million. The stadium project alone is estimated to generate approximately \$8.17 million in direct spending, \$1.63 million in indirect spending, and \$1.23 million in induced spending, resulting in a total spending of approximately \$11.03 million. Finally, the increase earnings are estimated to be approximately \$ 2.72 million.

Redevelopment projects can be tipping points for many communities. Through such catalyst developments, many communities find themselves with increased attractions and amenities that add to the quality of life for residents. Hence, the importance of the baseball stadium cannot be overlooked. It can change the course of Franklin and add vitality to attract visitors and residents.

In the first year or two, the key is to make existing businesses do better, such as those found on 76th and Rawson. Experiences in Pensacola, FL and other markets supports that they will. Officials in Tulsa, OK; Norfolk, VA; and Birmingham, AL were creative in transforming blighted areas through their baseball stadiums. Officials in Pearl, MS and Pensacola, FL worked collaboratively with private developers in an attempt to realize their area vision. Additionally, the Frontier League stadium in Washington, PA, home of the Washington Wild Things, has been noted by City officials as being the catalyst in which spurred approximately \$100 million in adjacent real estate development.

The combination of the concepts seen in these other markets will occur in Franklin. Baseball stadiums drive ancillary development. Through proper planning, use of selected incentives, and community engagement that many of the cities described later in this report used, Franklin can position the baseball stadium to entice additional development and revitalization in the area.

Johnson Consulting feels strongly that the development of the proposed Franklin stadium will be a successful investment on behalf of the City, which will likely serve as a catalyst to spur new development and entertainment in the City of Franklin. The synergies between the proposed development and the existing Rock Sports Complex combined offers a unique opportunity for the City of Franklin and its tourism base as it relates to the ever growing sports tourism market.

SECTION III

ECONOMIC AND DEMOGRAPHIC ANALYSIS

ECONOMIC AND DEMOGRAPHIC ANALYSIS

In order to analyze the market opportunity for a proposed Frontier League franchise, Johnson Consulting undertook a comprehensive review of market conditions in the City of Franklin, relative to the County, as well as state and national averages. We then compared this data to other Frontier League markets. The key objectives of this analysis are to identify structural factors, opportunities and weaknesses that may affect the market's ongoing competitive situation, and to gauge the level of support that exists for the franchise.

While characteristics such as population, employment and income are not strict predictors of the performance of sports franchises, these metrics provide insight into the capacity of a market to provide ongoing support for an organization. We can also use these metrics to determine whether an area is able to capitalize on a new baseball stadium by adding new development, or revitalizing vacant retail/commercial locations.

In addition, the size and role of a marketplace, its civic leadership, proximity to other metropolitan areas, transportation concentrations, economic deal structure and management expertise and the location of competing and/or complementary attractions, directly influence the scale and quality of what can be supported within that particular market.

MARKET OVERVIEW

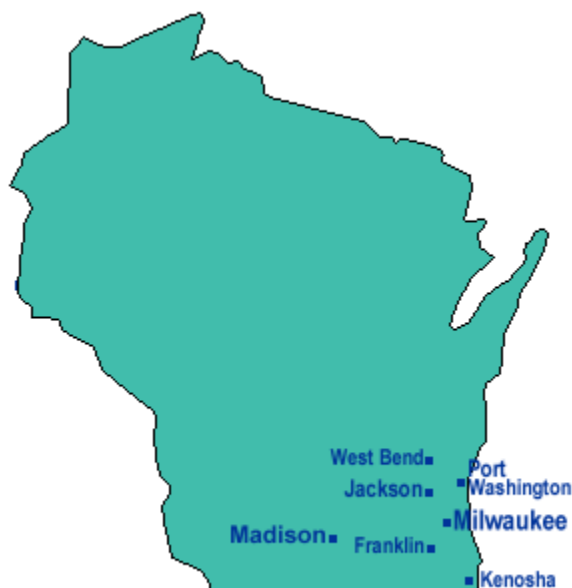
Strategically located in south-eastern Wisconsin, Franklin is located just 10 miles south of downtown Milwaukee, WI and approximately 80 miles from Chicago. As part of Milwaukee County, the City covers an area of 36 square miles. Named for Benjamin Franklin, it was bounded by Greenfield to the north, Oak Creek to the east, and Racine and Waukesha Counties to the south and west.

Franklin is a growing suburban community of 35,520 in the Chicago-Milwaukee I-94 corridor. Situated in southwestern Milwaukee County within a metropolitan population of 1.5 million, Franklin provides a strategic business location within easy driving distance of Milwaukee to the north, Chicago to the south, and Madison to the west. In 2007 and again in 2011, Money Magazine recognized Franklin as a Top 100 "Best Places to Live." Furthermore, the Financial Times FDI magazine designated Franklin a "City of the Future" in 2007, partly due to Franklin's participation in the Metropolitan Milwaukee Technology Zone, with high-speed fiber optic infrastructure, wireless internet service, and reliable and affordable electricity.

Franklin has offices for Northwestern Mutual Life Insurance and Wheaton Franciscan Healthcare Medical Center, and also established three Tax Incremental Finance (TIF) Districts for business development, including the Franklin Business Park and the South 27th Street Corridor.

Figure 3-1 provides a map of Franklin and the surrounding region.

Figure 3 - 1



CURRENT POPULATION

In 2013 the City of Franklin had an estimated resident population of 35,538 persons, representing 2.3 percent of the total population of the Milwaukee metropolitan area, with a total of 1,573,881 people. These population figures do not include the transient student population at the University of Wisconsin-Milwaukee, Marquette University, or the other colleges/ universities in the Milwaukee MSA. Between 2000 and 2013, the population of Franklin increased at an average annual rate of nearly 1.4 percent, which was higher than the rate of growth observed throughout the Milwaukee MSA (0.4 percent per annum), Wisconsin (0.5 percent) and the U.S. as a whole (0.9 percent).

Table 3 - 1

Historic & Current Population - City of Franklin (2000-2013)						
	2000	2010	2013	% Growth 2000-2010	% Growth 2010-2013	CAGR* 2000-2013
U.S.	281,302,576	308,725,722	316,199,485	9.7%	2.4%	0.9%
Wisconsin	5,362,176	5,686,986	5,749,117	6.1%	1.1%	0.5%
Milwaukee MSA	1,500,754	1,555,908	1,573,881	3.7%	1.2%	0.4%
City of Franklin	29,493	35,451	35,538	20.2%	0.2%	1.4%

* Compounded Annual Growth Rate

Source: DemographicsNow, Johnson Consulting

Since 2000, the population of Franklin has grown 20.4 percent which is far greater than the rates of growth experienced over the same time frame in the MSA (4.9 percent), Wisconsin (7.2 percent) and the U.S. (12.1 percent).

PROJECTED POPULATION GROWTH

Population projections indicate that the population of the City of Franklin will reach 38,227 persons in 2018. Between 2013 and 2018, the population of the City is projected to grow at an average annual rate of 1.5 percent, for a total growth of 7.6 percent. These rates are higher than the rate of population growth forecast throughout the Milwaukee MSA, Wisconsin and the U.S. as a whole.

Table 3 - 2

Population Projection - City of Franklin (2013-2018)				
	2013	2018	% Growth 2013-2018	CAGR* 2013-2018
U.S.	316,199,485	328,268,483	3.8%	0.8%
Wisconsin	5,749,117	5,928,447	3.1%	0.6%
Milwaukee MSA	1,573,881	1,604,637	2.0%	0.4%
City of Franklin	35,538	38,227	7.6%	1.5%

* Compounded Annual Growth Rate

Source: *DemographicsNow, Johnson Consulting*

AGE CHARACTERISTICS

The age characteristics of Franklin are generally consistent with those of the Milwaukee MSA, Wisconsin, and the U.S. as a whole. Franklin comprises a higher percentage of older residents aged 55 years and above (28.2 percent) than the MSA (25.1 percent), Wisconsin (26.7 percent), and the U.S. (25.5 percent) and also a lower proportion of children aged less than 15 years, accounting for 17.5 percent of the population of the City compared to 20.1 percent of the metropolitan population, 19.2 percent of the State, and 19.6 percent of the national population. Franklin also comprises a higher proportion of middle-aged adults aged 25-54, accounting for 41.7 percent of the City's population, compared to 41.1 percent in the Milwaukee MSA, 40.4 percent in Wisconsin, and 40.9 percent throughout the U.S.

Table 3 - 3

Table 6 - 6

Age Distribution - City of Franklin (2013)								
Age Group (Years)	Franklin		Milwaukee MSA		Wisconsin		U.S.	
	No.	%	No.	%	No.	%	No.	%
0-4	1,894	5.3%	104,212	6.6%	356,486	6.2%	20,439,779	6.5%
05-14	4,319	12.2%	212,674	13.5%	745,084	13.0%	41,598,358	13.2%
15-19	2,518	7.1%	110,125	7.0%	399,701	7.0%	21,914,074	6.9%
20-24	1,957	5.5%	105,734	6.7%	391,380	6.8%	22,473,367	7.1%
25-34	4,293	12.1%	216,054	13.7%	737,470	12.8%	42,525,241	13.4%
35-44	4,592	12.9%	198,445	12.6%	713,549	12.4%	41,281,045	13.1%
45-54	5,943	16.7%	232,356	14.8%	869,343	15.1%	45,370,043	14.3%
55-64	5,288	14.9%	194,072	12.3%	738,206	12.8%	38,616,038	12.2%
65-74	2,439	6.9%	100,371	6.4%	415,213	7.2%	22,835,611	7.2%
75-84	1,672	4.7%	67,138	4.3%	259,889	4.5%	13,333,170	4.2%
85+	624	1.8%	32,700	2.1%	122,796	2.1%	5,812,759	1.8%
TOTAL	35,538		1,573,881		5,749,117		316,199,485	

Source: DemographicsNow, Johnson Consulting

MEDIAN AGE

In 2013 the median age of residents of the City of Franklin was 41.5 years, which was substantially higher than figures recorded for the Milwaukee MSA (37.0 years), Wisconsin (38.7 years), and the U.S. as a whole (37.3). Between 2000 and 2013, the median age of residents of Franklin has increased by 3.7 years, reflecting the overall shift towards an aging population. The median age in Franklin indicates a large number of middle-aged residents who are likely to have younger children. These families would be the prime target audience for a Frontier League expansion team that would provide family entertainment for the area.

Table 3 - 4

Median Age - City of Franklin (2000-2013)				
	2000	2010	2013	Growth 2000-2013
U.S.	35.3	37.1	37.3	2.0
Wisconsin	36.0	38.4	38.7	2.7
Milwaukee MSA	35.4	36.8	37.0	1.6
City of Franklin	37.8	41.6	41.5	3.7

Source: DemographicsNow, Johnson Consulting

EDUCATIONAL ATTAINMENT

The City of Franklin is a highly educated community, with 23.8 percent of residents aged 25 years and older, holding a bachelor's degree. This is higher than the percentage throughout the Milwaukee MSA where 20.9 percent of residents aged 25 years and older have a bachelor's degree, and far exceeds the state and national level, where only 17.5 percent and 17.9 percent respectively have attained a bachelor's degree.

Table 3 - 5

Table 3-3

Educational Attainment - City of Franklin (2013) Age 25+ Population								
	City of Franklin		Milwaukee MSA		Wisconsin		U.S.	
	No.	%	No.	%	No.	%	No.	%
K-8	351	1.4%	26,220	2.5%	99,966	2.6%	9,973,391	4.8%
9-12	1,276	5.1%	71,587	6.9%	246,404	6.4%	17,367,226	8.3%
High School Graduate	6,540	26.3%	290,154	27.9%	1,273,097	33.0%	59,369,464	28.3%
Some College, No Degree	5,440	21.9%	224,521	21.6%	815,452	21.1%	44,575,546	21.2%
Associates Degree	2,785	11.2%	82,377	7.9%	362,730	9.4%	16,071,922	7.7%
Bachelors Degree	5,909	23.8%	217,714	20.9%	674,794	17.5%	37,477,232	17.9%
Graduate Degree	2,427	9.8%	117,998	11.3%	352,402	9.1%	22,154,416	10.6%
No Schooling Completed	123	0.5%	10,565	1.0%	31,621	0.8%	2,784,710	1.3%
TOTAL	24,851		1,041,136		3,856,466		209,773,907	

Source: DemographicsNow, Johnson Consulting

EMPLOYMENT

In 2012, which is the most recent year that data is available, the prominent industry of employment in Milwaukee County was Services (40.3 percent of employed residents aged 16 years and older), followed by Manufacturing (13.9 percent), Government (12.7 percent), and Retail Trade (10.8 percent). Employment in the County declined from 2008 to 2010, which was mostly due to declines in the manufacturing and construction industries. The total employment levels have shown growth in 2011 and 2012 as the employment levels trend towards 2008 totals.

Table 3 - 6

Non-Farm Employment - Milwaukee County (2008-2012)						
	2008	2009	2010	2011	2012	CAGR*
Construction	186	168	156	154	153	-4.8%
% of total	5.4%	5.0%	4.7%	4.6%	4.5%	-
FIRE**	284	287	284	292	298	1.2%
% of total	8.2%	8.6%	8.6%	8.7%	8.8%	-
Government	432	436	438	434	432	0.0%
% of total	12.5%	13.1%	13.3%	12.9%	12.7%	-
Manufacturing	508	452	445	460	471	-1.8%
% of total	14.7%	13.6%	13.5%	13.7%	13.9%	-
Information	58	55	54	54	54	-1.5%
% of total	1.7%	1.6%	1.6%	1.6%	1.6%	-
Retail Trade	387	374	364	368	368	-1.2%
% of total	11.2%	11.2%	11.0%	11.0%	10.8%	-
Services	1,335	1,308	1,319	1,342	1,368	0.6%
% of total	38.7%	39.3%	39.9%	40.0%	40.3%	-
Transport & Utilities	129	124	121	124	124	-0.9%
% of total	3.7%	3.7%	3.7%	3.7%	3.7%	-
Wholesale Trade	133	126	123	125	128	-1.0%
% of total	3.9%	3.8%	3.7%	3.7%	3.8%	-
TOTAL	3,452	3,330	3,302	3,353	3,398	-0.4%
% Growth Rate	-	-3.5%	-0.8%	1.5%	1.3%	-

* Compounded Annual Growth Rate (2008-2012)

** Finance, Insurance & Real Estate

Source: Bureau of Economic Analysis, Johnson Consulting

UNEMPLOYMENT

The following table shows the annual unemployment rates for Milwaukee County, the Milwaukee MSA (only 2008-2012 data available), Wisconsin, and the U.S. from 2004 to 2013 according to the Bureau of Labor Statistics. The Milwaukee MSA, Wisconsin, and the U.S. have experienced similar fluctuations in unemployment, with the greatest increase occurring in 2009 with a 3.0 percent increase in the County, 4.0 percent for the MSA, 2.6 percent for Wisconsin, and 2.6 percent for the U.S. as a whole. However, the unemployment rate in the MSA (7.6 percent average) from 2008-2012 was consistently healthier than that of Milwaukee County (8.5 percent average) over the same time period.

Table 3 - 7

Unemployment Rate - Milwaukee County (2004-2013)								
	Milwaukee County		Milwaukee MSA		Wisconsin		U.S.	
	Rate	Change	Rate	Change	Rate	Change	Rate	Change
2004	6.3%	-	-	-	4.9%	-	5.4%	-
2005	5.8%	(0.5)	-	-	4.8%	(0.1)	4.9%	(0.5)
2006	5.6%	(0.2)	-	-	4.8%	0.0	4.4%	(0.5)
2007	5.7%	0.1	-	-	4.5%	(0.3)	5.0%	0.6
2008	5.6%	(0.1)	4.9%	-	6.5%	2.0	7.3%	2.3
2009	9.6%	3.0	8.9%	4.0	9.1%	2.6	9.9%	2.6
2010	9.9%	0.3	8.9%	0.0	7.8%	(1.3)	9.4%	(0.5)
2011	9.0%	(0.9)	8.0%	(0.9)	7.1%	(0.7)	8.5%	(0.9)
2012	8.4%	(0.6)	7.4%	(0.6)	6.7%	(0.4)	7.9%	(0.6)
2013*	7.2%	(1.2)	-	-	6.2%	(0.5)	6.7%	(1.2)

*December 2013 is most recent data available

Source: Bureau of Labor Statistics, Johnson Consulting

HOUSEHOLD INCOME

Income characteristics of the local market are a key indicator of the overall health and vibrancy of a market. In general, higher income levels lead to greater amounts of disposable income that can be spent on non-essential items, such as recreation and sports entertainment. In 2013, median household income in the City of Franklin is estimated at \$73,966 per year. This is significantly higher than estimated figures for the MSA (\$53,135 per year), Wisconsin (\$52,326 per year) and the U.S. as a whole (\$52,018 per year). This variance is consistent with that of the year 2000, and is projected to continue into 2018 with median household income in the City reaching \$82,313, compared to the \$ 61,218 for the MSA, \$60,390 throughout Wisconsin, and \$59,911 for the U.S. as a whole.

Table 3 - 8

Median Household Income - City of Franklin (2000-2018)						
	2000	2010	2013	2018	CAGR* 2000-2013	CAGR* 2013-2018
U.S.	\$42,253	\$51,362	\$52,018	\$59,911	1.6%	2.9%
Wisconsin	\$43,926	\$50,608	\$52,326	\$60,390	1.4%	2.9%
Milwaukee MSA	\$45,957	\$52,589	\$53,135	\$61,218	1.1%	2.9%
City of Franklin	\$65,144	\$74,052	\$73,966	\$82,313	1.0%	2.2%

* Compounded Annual Growth Rate

Source: DemographicsNow, Johnson Consulting

CORPORATE PRESENCE

A strong corporate and business presence can be an important factor in the success of sports organizations because local businesses can attract residents and visitors to an area, provide disposable income, and support facilities and/or teams through donations, advertising, and the leasing of premium suites, party decks or VIP seating areas.

The following table shows the largest private employers throughout Metro Milwaukee as provided by the Metropolitan Milwaukee Association of Commerce. As shown, the largest employers are concentrated within the healthcare and banking industries.

Table 3 - 9

Largest Employers - Metro Milwaukee		
Employer	Industry	Employees
Aurora Health Care	Health Care	21,100
Wheaton Franciscan Healthcare	Health Care	12,000
Froedert & Community	Health Care	8,600
Kohl's Corp.	Department Stores	7,700
Roundy's	Food Distributor & Retailer	6,800
GE Healthcare Technologies	Medical Diagnostics	6,000
Quad/Graphics Inc.	Commercial Printer	5,600
Columbia-St. Mary's Health	Health Care	5,400
Medical College of Wisconsin	Medical School	5,200
ProHealth Care Inc.	Health Care	5,000
Northwestern Mutual	Insurance	5,000
Wisconsin Energy Corp.	Utilities	4,700
BMO Harris Bank	Banking	4,500
Children's Hospital & Health System	Health Care	4,400
Rockwell Automation	Industrial Automation	4,300
AT&T Wisconsin	Telecommunications	3,700
Wells Fargo	Banking	3,500
US Bank	Banking	3,300
FIS	Financial Data & Processing	3,100
Harley-Davidson Inc.	Motorcycles	2,800
Johnson Controls	Control Systems	2,800
Marquette University	Education	2,800
Potawatomi Bingo Casino	Casino	2,500
Bon-Ton Department Stores	Department Stores	2,500
Briggs & Stratton Corp.	Small Engines	2,300

Source: Metropolitan Milwaukee Association of Commerce, Johnson Consulting

UNIVERSITY AND COLLEGE PRESENCE

The following universities and colleges are located within the Milwaukee area could offer unique partnerships for a Frontier League expansion team, and/or the baseball stadium:

- University of Wisconsin-Milwaukee:** The University of Wisconsin-Milwaukee is the second-largest university in the state, and includes 12 different schools and colleges, from a college of nursing to a school of the arts.
- Marquette University:** Marquette University, the fourth largest in the state, is a private Catholic Jesuit school, and includes 12 different schools and colleges, from the school of dentistry to law school.

- **Milwaukee School of Engineering (MSOE):** MSOE is a private college with a strong science focus. Fields of study fall under seven different academic departments, from architectural engineering and building construction to nursing.
- **Cardinal Stritch University:** Cardinal Stritch University is a private Catholic school, and includes 4 different colleges, including arts and sciences, evening business and management programs, working adults, education and leadership, and nursing.
- **Concordia University:** Concordia University is a private Lutheran school with a focus on liberal arts. Featuring many undergraduate majors and graduate disciplines, highlights include religious and business studies, and the new school of pharmacy.

COMPETITIVE FACILITIES

Milwaukee County is home to two competitive facilities that could challenge a Frontier League franchise for spectators and sponsorship dollars:

- **Miller Park:** Opened in 2001, Miller Park is home to the Milwaukee Brewers of Major League Baseball. It was built at a total cost of approximately \$400 million and seats 41,900 fans. In addition to Brewers games the ballpark has hosted numerous concerts and a professional bowling event.
- **Kapco Park:** Kapco Park is a state-of-the-art, 3.4 million dollar baseball facility that opened in April, 2012. It is located on the campus of Concordia University in Mequon, approximately 13 miles north of Franklin. It is the home field for Concordia baseball and the Lakeshore Chinooks of the Northwoods League, while also serving the local community. Kapco Park has the maximum capacity for 3,000 fans in various seating areas throughout the facility including reserved seats, fan decks, general admission and grass seating. This ballpark has a synthetic turf field, except the pitcher's mound, and it also has a fully functioning press box, dugouts, concession area and restrooms. Kapco Park is a combined effort between Concordia University, private companies and members of the local community.

ACCESSIBILITY

Franklin is easily accessible via numerous modes of transportation, and as such can draw visitors from a wide catchment area:

- **Airport:** Franklin is well-positioned less than ten minutes from General Mitchell International Airport, serving 9.8 million passengers per year. With about 460 daily arrivals and departures, approximately 90 cities are served by nonstop or direct flights from Mitchell International.
- **Road:** Franklin also benefits from a superb highway transportation network, including four freeway interchanges for Interstate I-94, running parallel to the City's eastern boundary. Eight freeway

interchanges for Interstate I-43 and I-894 are located within two miles to the north. Transportation within Franklin is facilitated by U.S. Highway 45; Wisconsin State Highways 36, 100, and 241 (South 27th Street); and seven Milwaukee County highways, including West Rawson Avenue (BB) and South 76th Street (U).

Figure 3-2



HOTEL INVENTORY

There are 99 lodging properties within a 20 mile radius of Franklin offering a total of approximately 12,000 rooms. There are 67 properties within the same radius offering at least 100 rooms – the largest properties are the 729-room Hilton Milwaukee City Center Hotel, and the 508-room Milwaukee Airport Hotel. The average size for properties with at least 100 rooms is 167 rooms. It should also be mentioned that there is additional space at the site of the proposed stadium for retail and hotel development in the future.

Table 3-10 lists a sample of the properties with at least 100 rooms within the closest proximity to the proposed stadium site at The Rock Sports Complex in Franklin.

Table 3-10

Sample of Hotels with 100+ Rooms - Milwaukee Metro (2014)			
Property	Distance from The Rock Sports Complex (Miles)	# Guest Rooms	Meeting Space (sq.ft)
Holiday Inn Express Hotel & Suites Milwaukee Airport	5.3	115	1,250
Fairfield Inn & Suites Milwaukee Airport	5.4	119	795
Ramada Plaza Milwaukee Airport Hotel & Conf. Center	5.5	160	11,000
Comfort Suites Milwaukee Airport	5.5	138	2,350
Red Roof Inn Milwaukee	5.5	108	-
Crowne Plaza Milwaukee Airport	5.6	194	24,335
Hampton Inn Milwaukee Airport	5.7	102	-
Days Inn Oak Creek/Milwaukee Airport	5.7	107	235
Holiday Inn Hotel & Suites Milwaukee Airport	6.4	130	-
Staybridge Suites Milwaukee Airport South	6.9	118	868
Hilton Garden Inn Milwaukee Airport	7.3	143	11,027
Holiday Inn Express Milwaukee-New Berlin	7.7	101	1,612
Clarion Hotel & Suites Conference Center - Milwaukee	7.8	180	18,000
Super 8 Milwaukee - Airport	7.9	116	-
Best Western Milwaukee Airport Hotel & Conf. Center	8.0	139	12,000
Milwaukee Airport Hotel	8.5	508	55,000
Super 8 Wauwatosa/Med Center/Mil West	9.9	120	-
Brookfield Suites Hotel and Convention Center	12.9	203	8,128
Best Western Midway Hotel	12.9	125	7,500
Country Inn & Suites - Brookfield	13.0	149	4,000
Total	-	3,075	158,100

Note: Hotels within 20 mile radius of The Rock Sports Complex (proposed site for stadium)

Source: *mpoint, Johnson Consulting*

CONCLUSION

Franklin is a very robust market due to the strong growth and diverse employment base. The population, median household income, rebounding employment figures and expanding list of companies indicate that Franklin is capable of supporting a Frontier League franchise, despite the close proximity to the Milwaukee Brewers. The Brewers have enjoyed a resurgence of popularity and support within the Milwaukee Metro Market over the last several years, but the Frontier League does not compete directly with Major League Baseball. A franchise in Franklin will offer an alternative family entertainment option for local residents who either cannot afford the prices of attending a Major League Baseball game, or choose not to make the trip into Downtown Milwaukee for a Brewers game. There has always been a strong demand for family, outdoor entertainment in Wisconsin during the summer months, and at the moment, there is an opportunity for a new product in the region. Additionally, given the success of The Rock Sports Complex, a Frontier League franchise should be able to partner with existing youth and/or adult baseball leagues for promotional events and could turn the complex into a destination within the region. This should also bring about economic



development in the immediate area to support the influx of residents and visitors to the area, as well as raise property values within Franklin.

A Frontier League franchise in Franklin will ultimately rely upon the support of corporations within the area, as well as local residents, whose involvement will be critical to the team's ability to attract sponsorship support from the local business community. A Frontier League franchise in Franklin will be most beneficial for local residents in that it will provide additional family entertainment options, seasonal employment and volunteer opportunities while also providing residents a facility for numerous special events outside of baseball.

SECTION IV

COMPARATIVE MARKET ANALYSIS & DEMAND PROJECTIONS



COMPARATIVE MARKET ANALYSIS & DEMAND PROJECTIONS














Examining certain characteristics of a particular market can help to properly assess that market's ability to support a sports franchise. Those characteristics include: City/MSA population, number of households per seat, number of corporations per seat in the region, stadium size, attendance and median household income. These indicators will help understand if a market is large enough and has enough disposable income to attend a game. The number of corporations in the region is important to determine premium suites sales and sponsorship revenue. Johnson Consulting investigated each of the Frontier League markets and assessed the various benchmarks for several key demographic measurements, leveraging such data to project the attendance and corporation appetite range for the Franklin marketplace as it relates to prospective peer Frontier League locales.

FRONTIER LEAGUE OVERVIEW

The Frontier League is a professional, independent baseball league based in Sauget, Illinois. As an independent league, no team is affiliated with a Major League Baseball Franchise. It currently has thirteen teams located throughout the Midwest. The league was formed in 1993, and is the oldest currently running independent league. The season runs from May-September and consists of a total of 96 regular season games. The playoffs are held in September, and include a Wild Card round, Divisional Series and Championship Series. Table 4-1 provides a list of Frontier League teams.



Table 4-1

Comparison of Frontier League Stadiums & Markets								
Team*	Stadium	Location	Year Built	Capacity	2013 City Population	25 mile Population	2013	
							Total Attendance	Average Attendance
 Evansville Otters	Historic Bosse Field	Evansville, IN	1915	5,145	118,148	351,009	140,786	3,200
 Florence Freedom	University of Cincinnati Medical Center Stadium	Florence, KY	2005	4,500	30,033	1,380,058	112,270	2,495
 Gateway Grizzlies	GCS Ballpark	Sauget, IL	2001	4,500	155	2,001,793	162,572	3,188
 Joliet Slammers	SilverCross Field	Joliet, IL	2002	6,500	148,385	3,111,497	93,875	1,997
 Lake Erie Crushers	All Pro Freight Stadium	Avon, OH	2009	3,500	21,367	1,440,926	122,097	2,394
 Normal CornBelters	The Corn Crib	Normal, IL	2010	4,000	53,716	207,833	126,367	2,579
 River City Rascals	T.R. Hughes Ballpark	O'Fallon, MO	1999	2,500	82,725	1,029,828	92,652	1,971
 Rockford Aviators	Aviators Stadium	Rockford, IL	2006	3,279	150,939	506,997	87,612	1,864
 Schaumburg Boomers	Schaumburg Baseball Stadium	Schaumburg, IL	1999	7,365	75,271	5,708,993	150,254	3,005
 Southern Illinois Miners	Rent One Park	Marion, IL	2007	4,000	17,219	196,065	126,084	2,573
 Traverse City Beach Bums	Wuerfel Park	Traverse City, MI	2006	4,550	15,116	139,108	164,915	3,171
 Washington Wild Things	CONSOL Energy Park	Washington, PA	2002	3,400	13,656	952,331	87,076	1,707
 Windy City ThunderBolts	Standard Bank Stadium	Crestwood, IL	1999	3,200	10,857	5,579,046	74,609	1,523
League Average			1997	4,341	56,737	1,738,883	118,551	2,436
Franklin Expansion Team			2014	3,100	35,538	1,703,399	TBD	TBD

*Table does not include the Frontier Greys who do not play any home games.

Source: Johnson Consulting, Frontier League, Team Websites, Pointstreak

ATTENDANCE MEASUREMENTS

There are several variables that affect attendance at games. For the purpose of this analysis, Johnson Consulting assumed that aggressive and enlightened management and ticket pricing for games would remain consistent with top peer Frontier League team operations. This analysis uses key demographic characteristics that support the capacity of demand in a marketplace. The following series of tables and charts present data and are described subsequently. It is important to note that each market analyzed in this report is the City in which the baseball stadium is located.

POPULATION

Population is a base condition for demand, but all markets are different. In this instance we have presented the population within a 25-mile radius from each Frontier League Stadium. While the proposed stadium for the expansion team would be located in Franklin, it is reasonable to assume that the catchment area for fans will include areas outside of the City of Franklin, which is consistent for all stadiums throughout the Frontier League.

Table 4-2

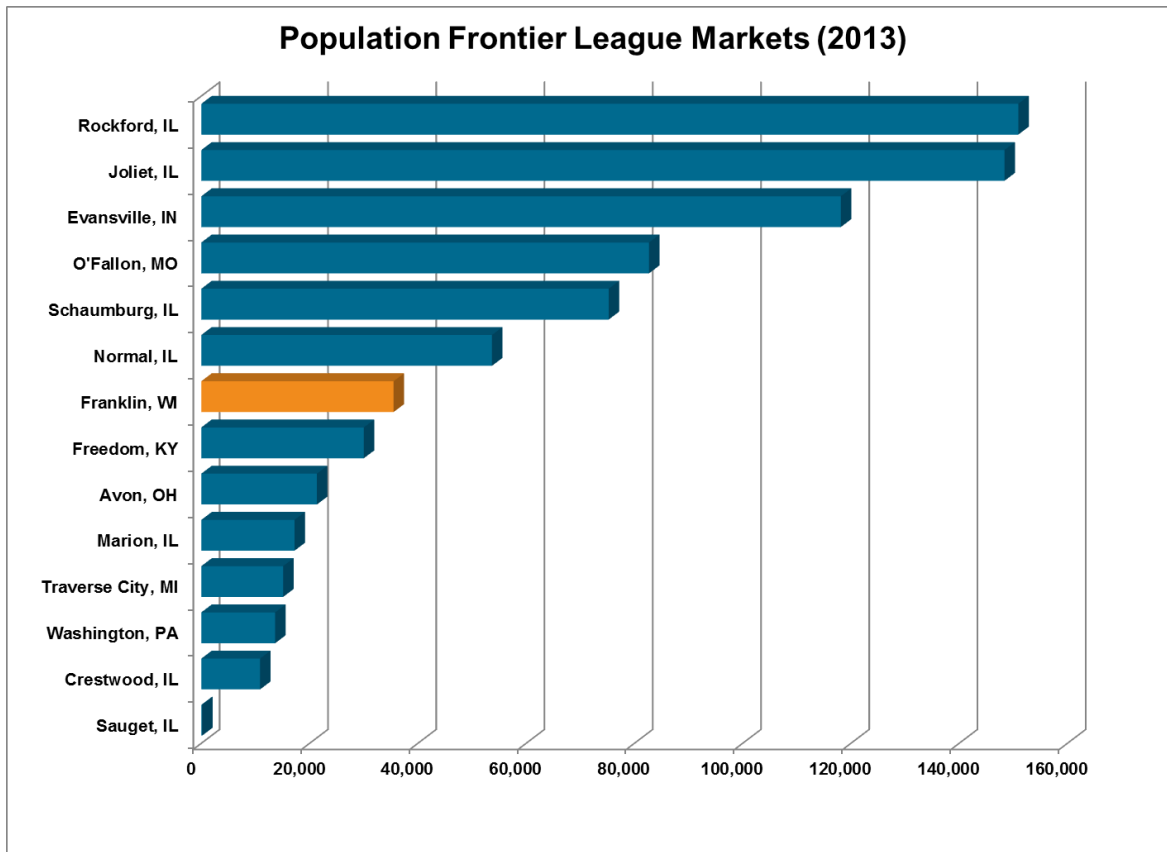
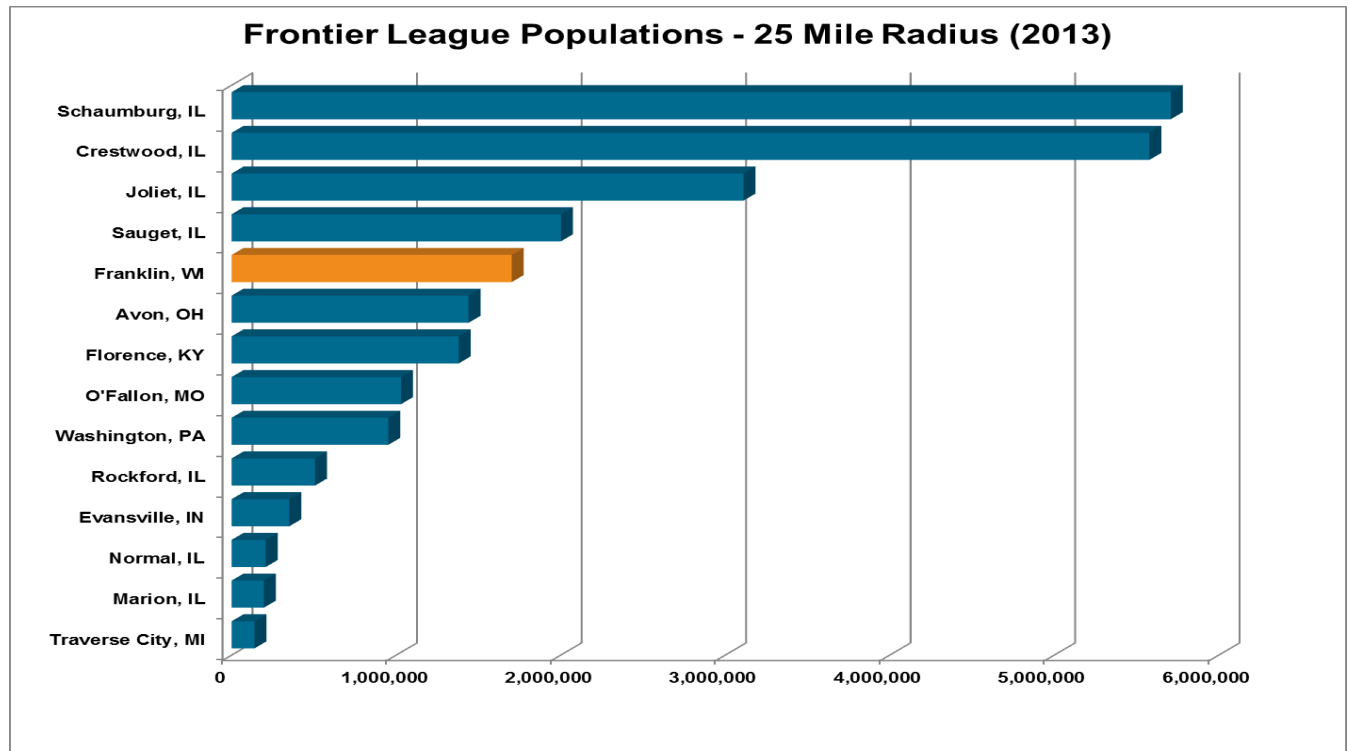


Table 4-3



Number of Total Households

Table 4-4

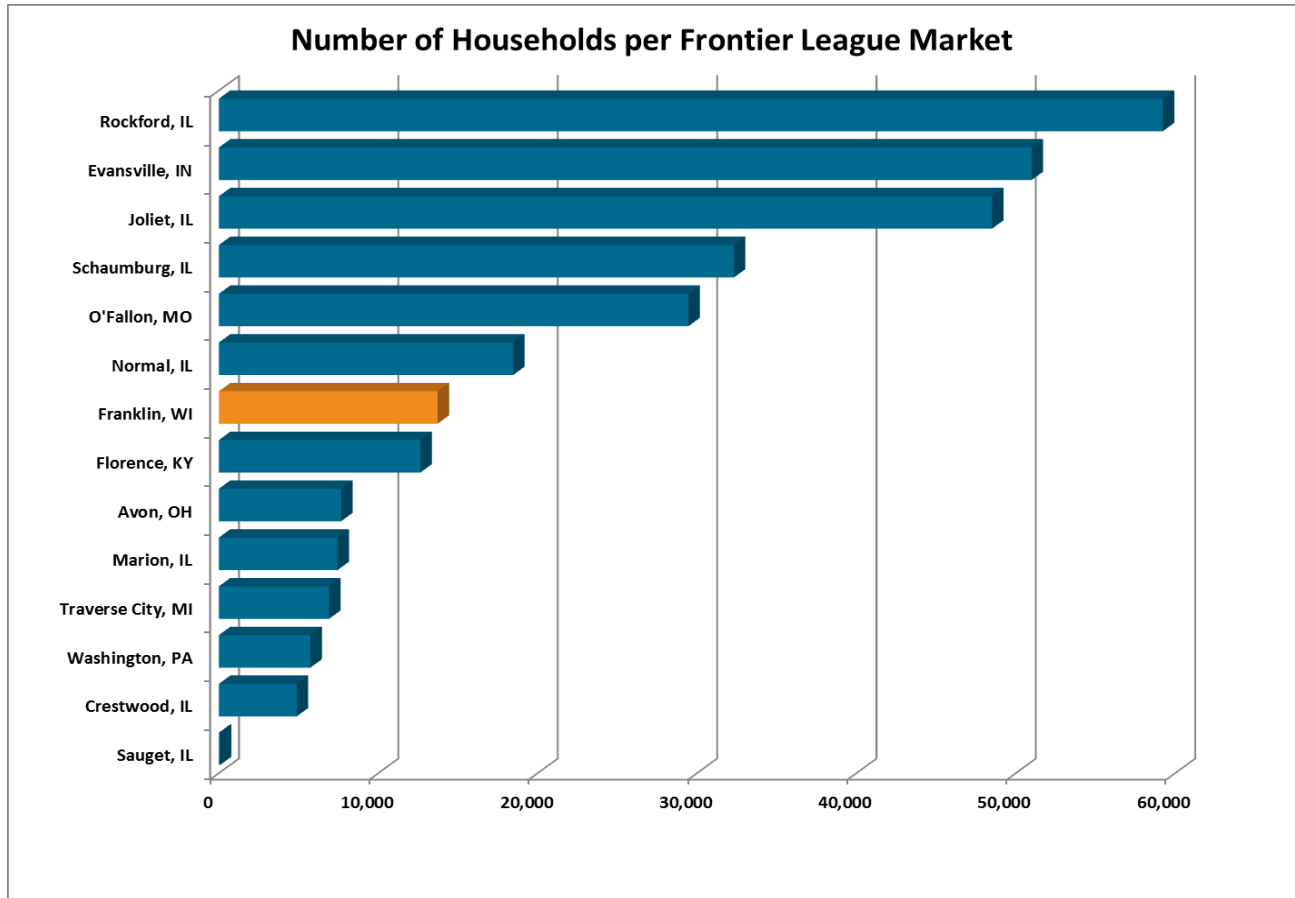
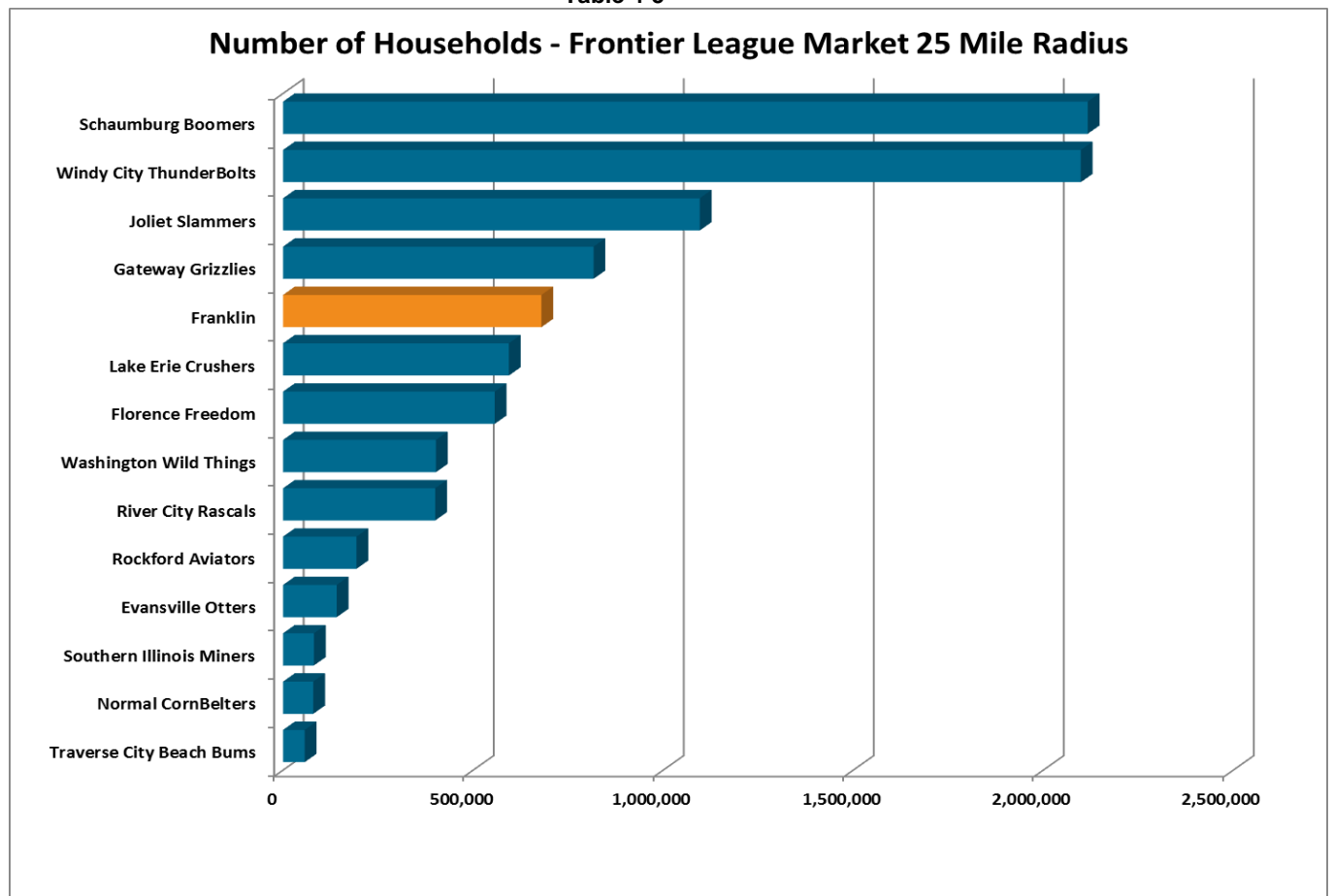


Table 4-5



Median Household Income

Table 4-6

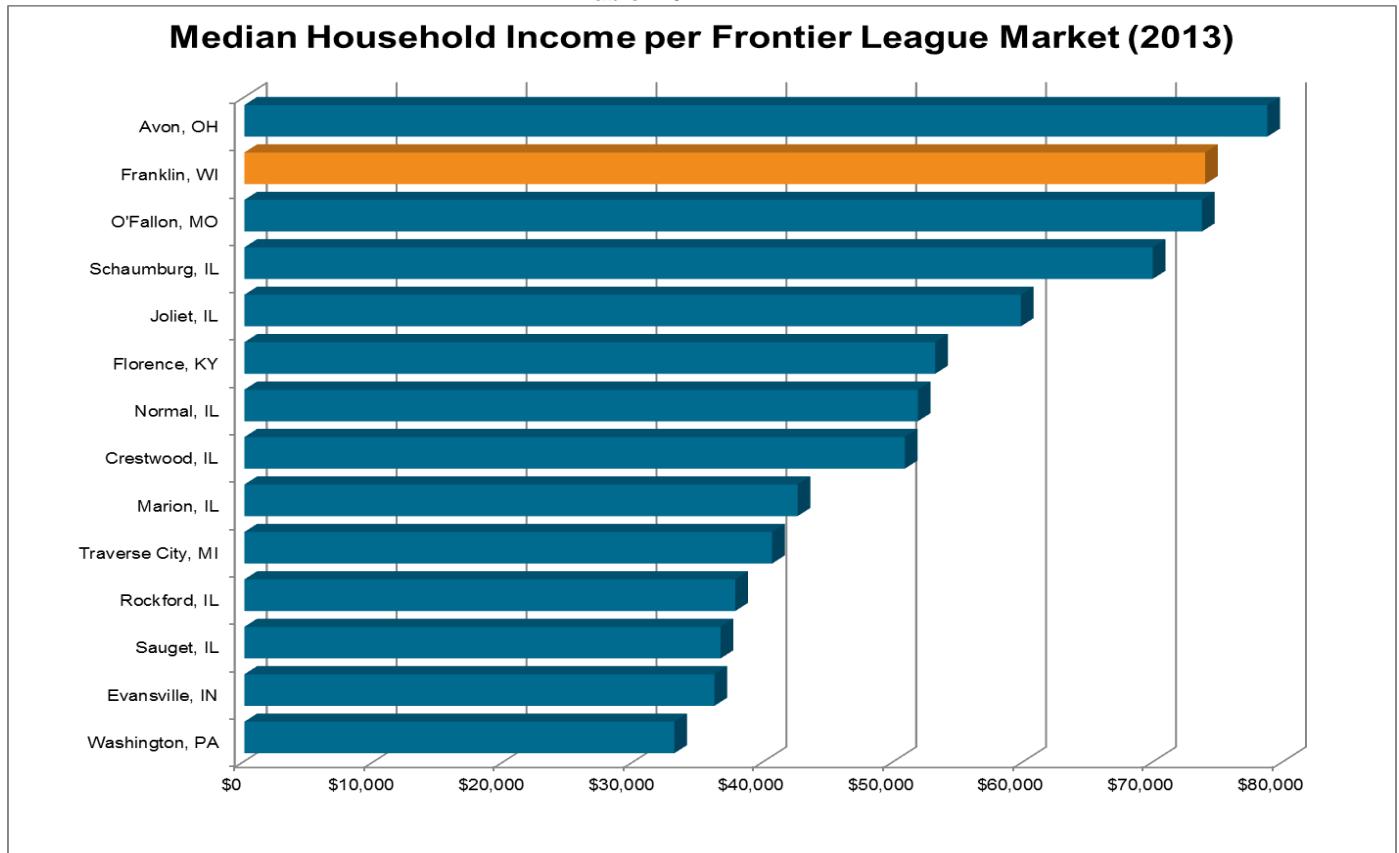
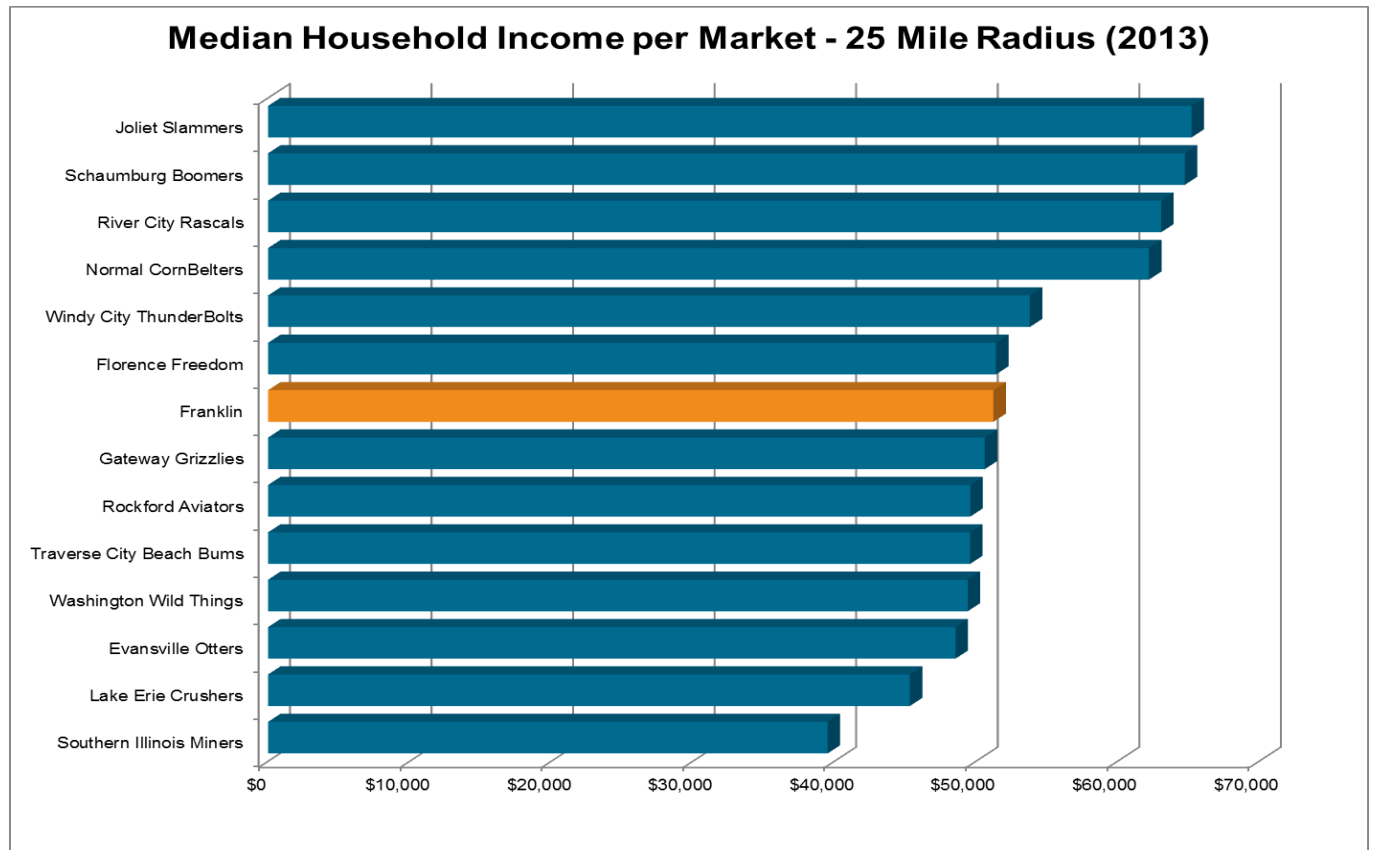


Table 4-7



As shown in Tables 4-2 to 4-7, the City of Franklin is consistently average, or above average in comparison to its peer Cities in the Frontier League. Although demographic data is not a direct indicator for projected attendance, it can justify the potential capacity and economic stability a market has to support a sports franchise. The City of Franklin shows a very strong presence in terms of number of households within the marketplace, and even more telling is the level of income within the marketplace. A median household income of nearly \$74,000 ranks second highest in terms of average income within the league. Much of this can be attributed to characteristics of the marketplace as shown in Section 3 of this report. The City of Franklin, with its strong growth over the past decade, makes it attractive to families of a higher demographic class, thus resulting in the higher income levels.

When we expand the marketplace to include a 25 mile radius from Franklin it compares even better to the same radii for existing Frontier League markets. The 25 mile radius marketplace improves Franklin's standing relative other league markets in terms of population and total households, while the median household income drops to the middle of the pack. Overall, this is promising data in terms of the likelihood of success within the Franklin Market. Even if the team only draws from within the City of Franklin limits, a virtual impossibility, the team would have average market demographics in comparison to its peers in the Frontier League. When we factor in the likely radius the expansion team would draw from, however, the market becomes even more robust.

In Table 4-8, Johnson Consulting has broken down the attendance levels at each of the 13 teams in our data set into market tiers based on their average attendance per game in the most recent year. We have also provided the three-year average for attendance where available. Using the table above as guidance and the demographic benchmarks in which the Franklin market has out-performed many of the existing Frontier League markets, Johnson Consulting is of the opinion that a Frontier League team in the City of Franklin will perform at an above average level in terms of attendance per game. Based on the data above, Johnson Consulting projects an average per game attendance for a Frontier League team in Franklin, WI to be approximately 2,100 as base case scenario.



Table 4-8

Frontier League Market Tiers by Average Attendance									
Team	Location	Stadium Capacity	25 Mile Population	2013 Average Attendance	2013 Average as % of Capacity	3 Year Average 2011-2013	3 year average as % of Capacity	3 year average as % of 25 mile Population	2013 Total Attendance
Evansville Otters	Evansville, IN	5,145	351,009	3,200	62%	2,684	52%	0.91%	140,786
Gateway Grizzlies	Sauget, IL	4,500	2,001,793	3,188	71%	3,335	74%	0.16%	162,572
Traverse City Beach Bums	Traverse City, MI	4,550	139,108	3,171	70%	3,429	75%	2.28%	164,915
Schaumburg Boomers**	Schaumburg, IL	7,365	5,708,993	3,005	41%	2,760	37%	0.05%	150,254
Top Market Average		5,390	2,050,226	3,141	61%	3,052	60%	0.15%	154,632
Normal CornBelters	Normal, IL	4,000	207,833	2,579	64%	2,527	63%	1.24%	126,367
Southern Illinois Miners	Marion, IL	4,000	196,065	2,573	64%	3,087	77%	1.31%	126,084
Florence Freedom	Florence, KY	4,500	1,380,058	2,495	55%	2,126	47%	0.18%	112,270
Lake Erie Crushers	Avon, OH	3,500	1,440,926	2,394	68%	2,556	73%	0.17%	122,097
Joliet Slammers	Joliet, IL	6,500	3,111,497	1,997	31%	2,174	33%	0.06%	93,875
Middle Market Average		4,500	1,267,276	2,408	57%	2,494	59%	0.19%	116,139
River City Rascals	O'Fallon, MO	2,500	1,029,828	1,971	79%	1,898	76%	0.19%	92,652
Rockford Aviators*	Rockford, IL	3,279	506,997	1,864	57%	1,979	60%	0.37%	87,612
Washington Wild Things	Washington, PA	3,400	952,331	1,707	50%	1,891	56%	0.18%	87,076
Windy City ThunderBolts	Crestwood, IL	3,200	5,579,046	1,523	48%	1,760	55%	0.03%	74,609
Bottom Market Average		3,095	2,017,051	1,766	58%	1,882	62%	0.09%	85,487

*Played as the Rockford RiverHawks prior to 2013

** 2012 was the first season for the Schaumburg Boomers

Source: Frontier League, Demographics Now, Respective Teams, Johnson Consulting



SPONSORSHIP MEASUREMENTS

Similar to understanding attendance levels, there are several parameters by which the level of sponsorship dollars can be indicated. There are several factors in measuring sponsorship levels that are exclusive of the market place such as: management of organization, quality of stadium, quality of the product (team), and available inventory of space. As part of this study process, Johnson Consulting toured the proposed site location at The Rock and determined that the site is suitable for hosting a Frontier League team. Additionally, as with most minor league baseball stadiums, there should be several opportunities for sponsorship signage throughout the proposed stadium in Franklin. Also, because of the proximity of the proposed stadium to The Rock complex, any potential sponsors will get exposure from Frontier League events, as well as other patrons of The Rock's numerous facilities. The following market demographics allow us to understand the potential capacity of sponsorship dollars in Franklin relative to its peer markets within the Frontier League.

NUMBER OF CORPORATIONS

Table 4-9

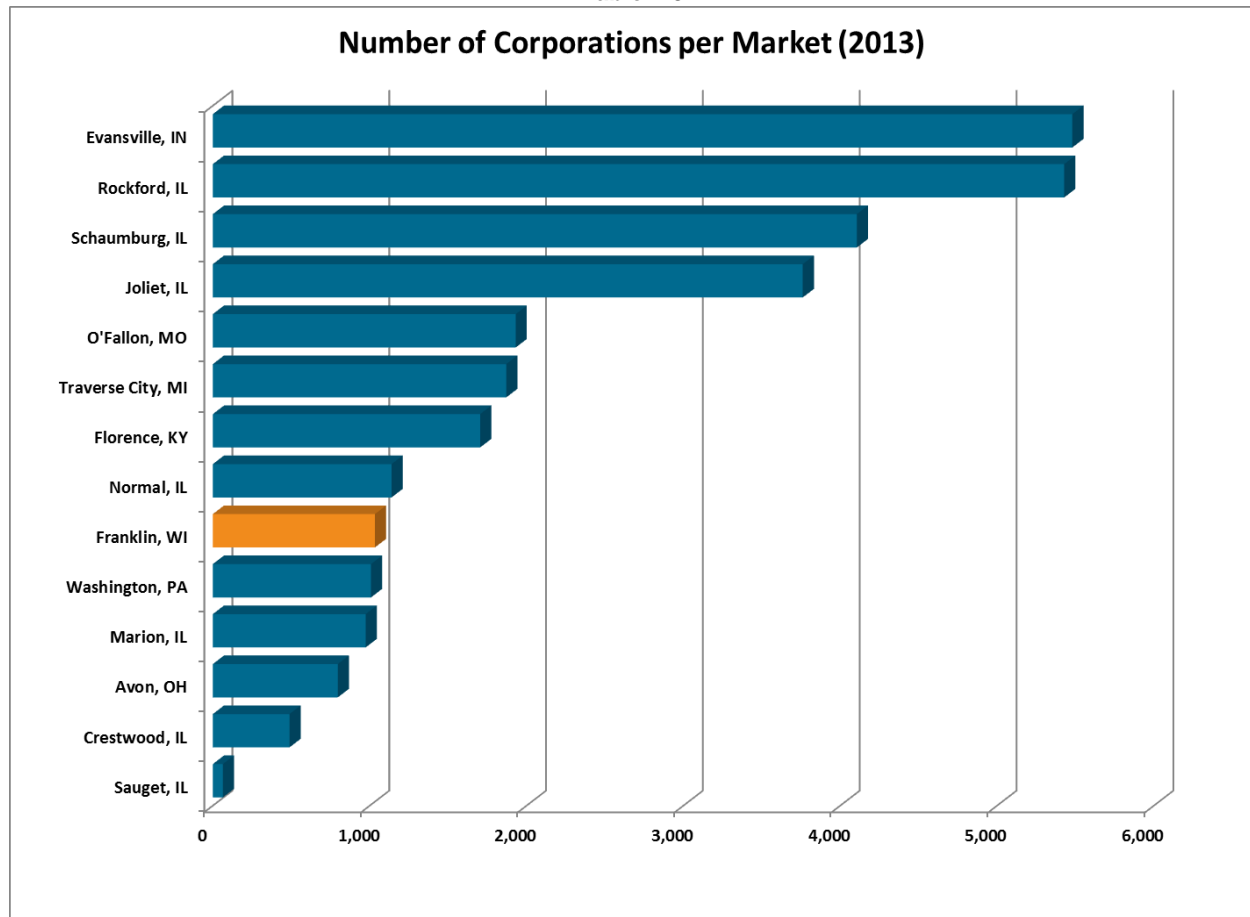
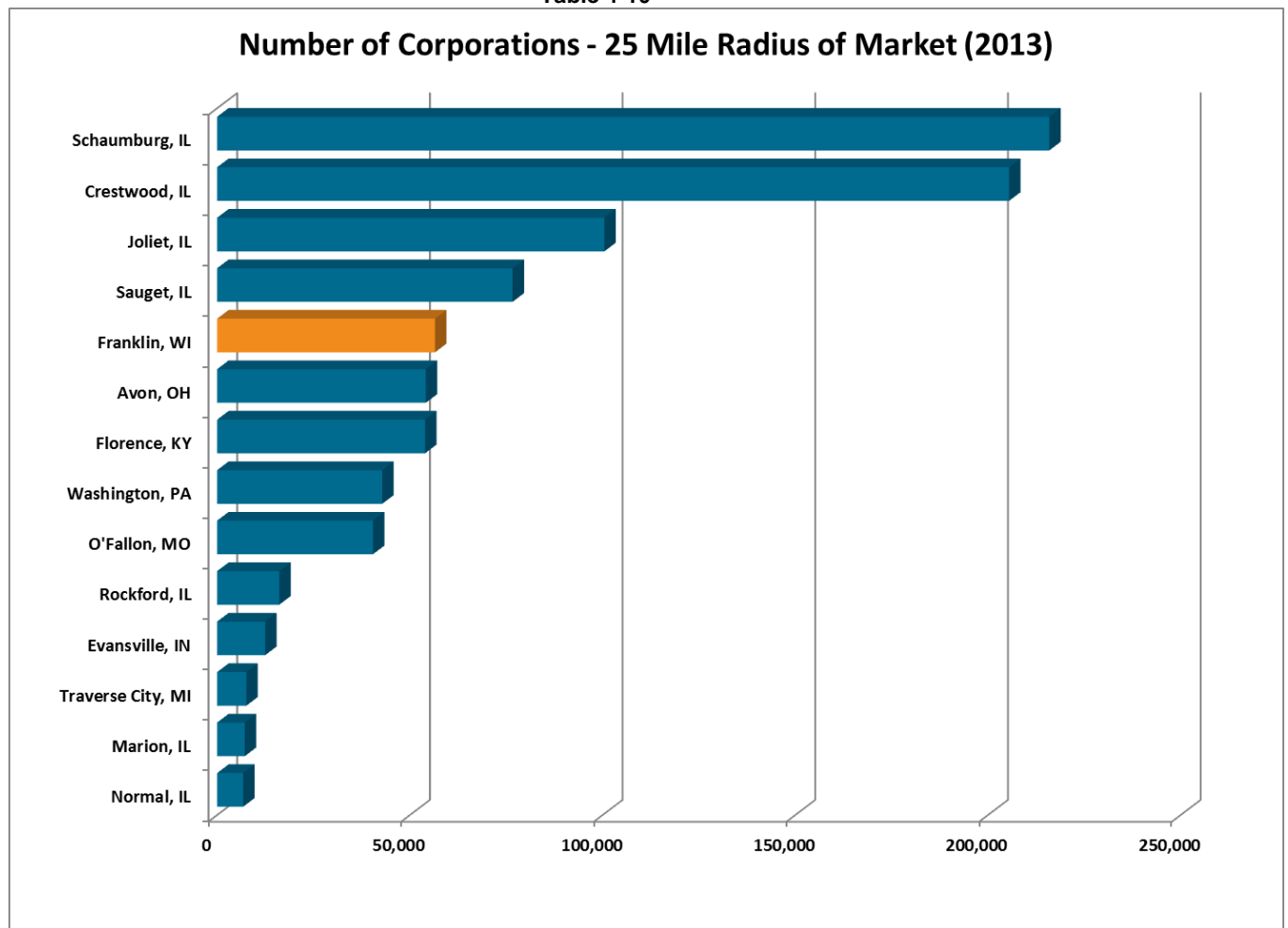


Table 4-10



ENTERTAINMENT SPENDING – ADMISSION TO SPORTING EVENTS

Table 4-11

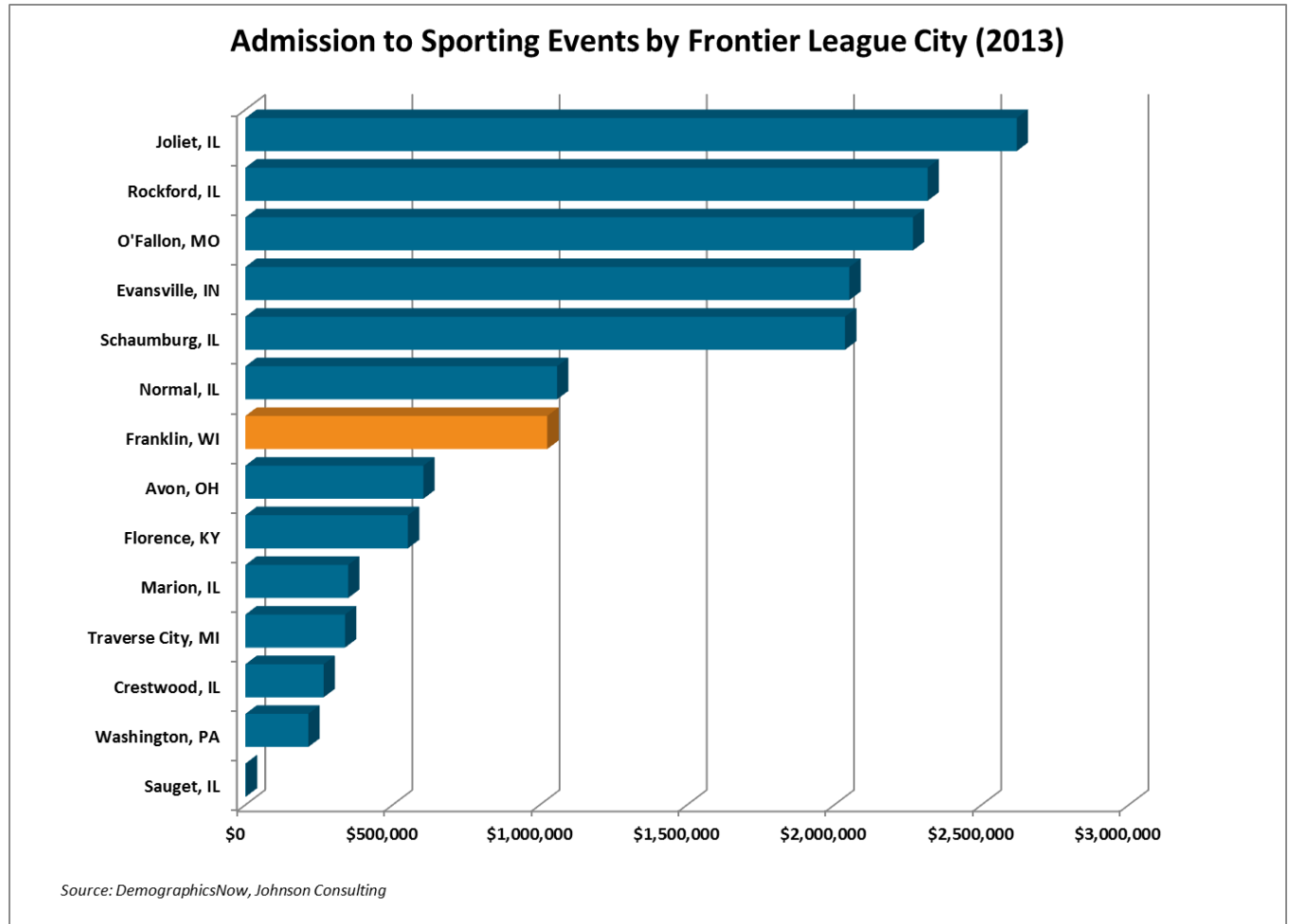
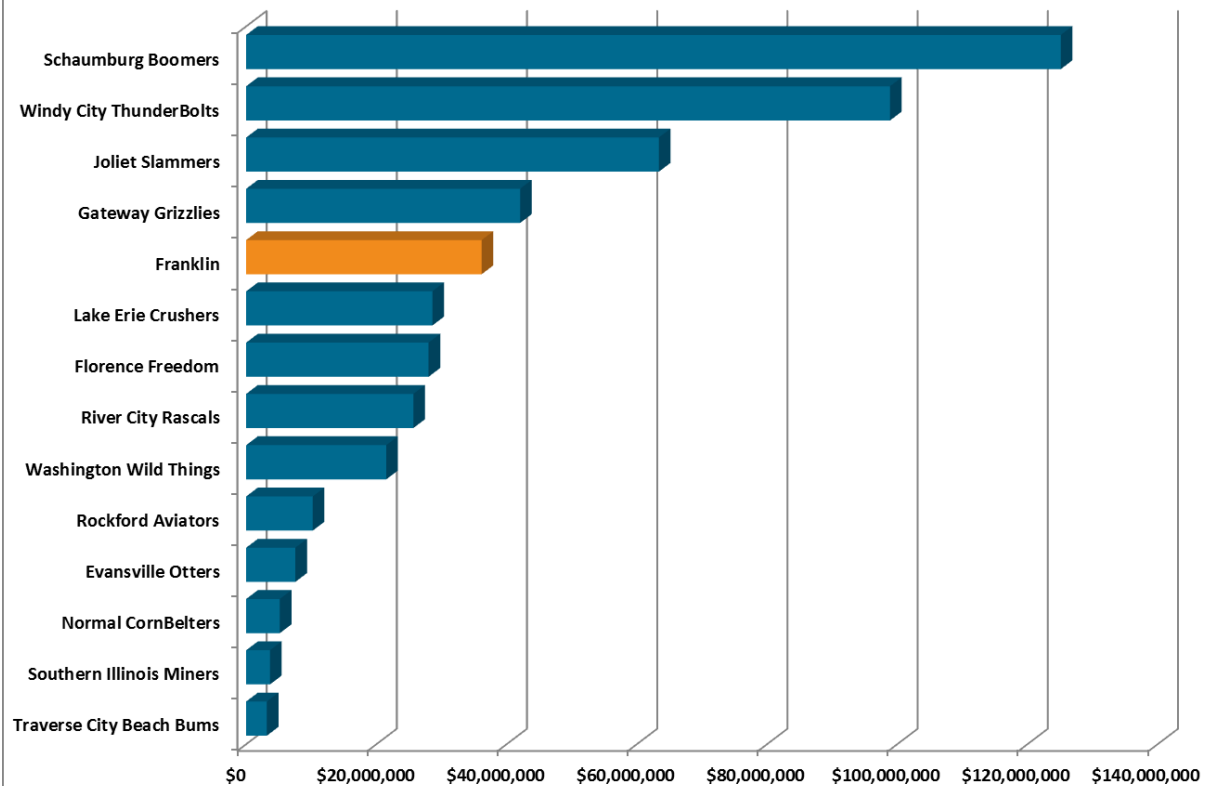


Table 4-12

Admission to Sporting Events by Market - 25 Mile Radius (2013)

Source: DemographicsNow, Johnson Consulting

Understanding the number of businesses and the amount of spending on admissions to sporting events in a marketplace is very critical in determining a market's capacity to support sponsorship dollars. As shown in Tables 4-9 through Table 4-12 the City of Franklin continues to compare favorably to other Frontier League markets. While the City of Franklin is home to approximately 1,034 businesses, it ranks 9th in league markets. Extending the marketplace to include a 25 mile radius of Franklin, however, shows a much stronger market with over 56,000 businesses, ranking 5th in the league. Additionally, the level of spending on sports admissions in the City of Franklin was just over \$1 million in 2013, and approximately \$36 million within a 25 mile radius, ranking 5th in the league.

FRANKLIN AND 25 MILE RADIUS DEMOGRAPHIC SUMMARY**Table 4-13**

Demographic Variable	Frontier League Markets (City)				
	Franklin	Rank out of 14	Average	High	Low
Population	35,538	7	55,223	150,939	155
Total Households	13,724	7	12,646	51,001	68
Median Household Income	\$73,966	2	\$52,783	\$78,750	\$33,094
Total Spending - Sports Admissions	\$1,025,260	7	\$1,193,307	\$2,619,920	\$213,713
Corporate Inventory	1,034	9	2,128	5,481	64

Demographic Variable	Frontier League Markets (25_{mi} Radius)				
	Franklin	Rank out of 14	Average	High	Low
Population	1,703,399	5	1,736,349	5,708,993	139,108
Total Households	679,929	5	665,650	2,117,140	57,225
Median Household Income	\$51,243	7	\$53,178	\$65,234	\$39,531
Total Spending - Sports Admissions	\$36,172,044	5	\$35,662,172	\$125,123,300	\$3,171,935
Corporate Inventory	56,541	5	64,046	215,950	6,778

Source: Demographics Now, Johnson Consulting

The median household income in the City of Franklin is \$73,966 which would be 2nd highest among Frontier League markets and easily beats the league average of \$52,783. This is important to understand whether or not the residents of Franklin have disposable income to spend on items such as tickets for a baseball game. Expanding the market to the 25 mile radius reduces the median household income to \$51,243, but this is nearly equal to the league average of \$53,178 within a 25 mile radius of league markets. Despite the dip in median household income, data suggest that residents within the 25 mile radius spend nearly \$36.2 of disposable income on admissions to sporting events. This figure would be the 5th highest total in the league and has the potential to increase with the addition of an expansion franchise in Franklin.

DEMAND PROJECTIONS

Johnson Consulting projected the demand of a new stadium in Franklin for its first ten years of operation, based on comparable facilities' operations, characteristics of the local market area, and various assumptions that are described in this text, including conversations with Frontier League baseball team owners. For the purpose of this analysis the "base case" demand projections were used and they begin in the 2015 calendar year, which is assumed to be the first full year that a proposed franchise would play in the facility along with other full-time stadium uses.

Table 4-14 summarizes the projected events and attendance for the stadium in its first three years of operations, by three different scenarios (Worst, Base and Best Case).

Table 4-14

Franklin Baseball Stadium Summary of Events and Attendance						
Event Category	Worst Case		Base Case		Best Case	
	Events	Total Attendance	Events	Total Attendance	Events	Total Attendance
Year 1						
Frontier Baseball	48	90,720	48	99,360	48	112,320
College Baseball	10	1,350	15	2,025	20	2,700
High School Baseball	15	1,350	15	1,350	20	1,800
Concerts	0	0	1	3,600	1	4,050
Miscellaneous	15	13,500	20	18,000	25	22,500
Total	88	106,920	99	124,335	114	143,370
Year 2						
Frontier Baseball	48	82,080	48	90,720	48	103,680
College Baseball	10	1,350	15	2,025	20	2,700
High School Baseball	15	1,350	15	1,350	20	1,800
Concerts	0	0	1	3,600	1	4,050
Miscellaneous	16	14,400	21	18,900	26	23,400
Total	89	99,180	100	116,595	115	135,630
Year 3						
Frontier Baseball	48	82,080	48	90,720	48	103,680
College Baseball	10	1,350	15	2,025	20	2,700
High School Baseball	15	1,350	15	1,350	20	1,800
Concerts	1	3,150	2	7,200	2	8,100
Miscellaneous	17	15,300	22	19,800	27	24,300
Total	91	103,230	102	121,095	117	140,580

Source: Johnson Consulting

As shown in the Table above, Johnson Consulting believes that there will be a slight ramp up in terms of number events for each “Case” in the first three years of operation at the new stadium, with the exception of Frontier League games that are set according to the league schedule. As with any new stadium, there will be a “novelty effect,” that will produce higher numbers early on in the lifespan of the stadium. Once that novelty wears off, the attendance and demand numbers will level off.

Table 4-15

Franklin Baseball Stadium										
Projected Schedule of Events by Category and Year										
Category	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Frontier Baseball	48	48	48	48	48	48	48	48	48	48
College Baseball	15	15	15	15	15	15	15	15	15	15
High School Baseball	15	15	15	15	15	15	15	15	15	15
Concerts	1	1	2	2	2	2	2	2	2	2
Miscellaneous	20	21	22	22	22	22	22	22	22	22
Total	99	100	102	102	102	102	102	102	102	102

Source: Johnson Consulting

Table 4-15 shows that the stadium’s anchor tenant, the Frontier League franchise, will play its entire home schedule which consists of approximately 48 regular-season games at the facility (the total number of games played often fluctuates due to playoff games, rainouts and/or other weather-related events). Other baseball events include all non-Frontier League baseball games, such as high school and collegiate games/tournaments and championship games, clinics, and baseball camps. With the stadium design including synthetic turf, it lends itself to hosting a wide variety of potential special events, including concerts, charity run/walks, festivals and other community outdoor events. Additionally, any enclosed luxury suites can serve as meeting space for local corporations or community groups.

In 2015, the stadium’s first full year of operations, the facility is projected to host a total of 99 events. Of these events, 48 are regular-season home baseball games, 15 are college baseball events (includes tournaments), 15 high school baseball events (includes camps/clinics and tournaments), 1 concert and 20 “miscellaneous” events that include any other events that take place at the stadium. To remain conservative, Johnson Consulting has projected a ramp up period for concerts and miscellaneous events that will level off in year three. Each event category, and its projected demand over time, is explained in more detail in the following paragraphs.

Table 4-16 summarizes the projected turnstile attendance at the stadium by type of event, from 2015 through 2024.

Table 4-16

Franklin Baseball Stadium										
Projected Event Attendance by Category and Year										
Category	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Frontier Baseball	99,360	90,720	90,720	90,720	90,720	90,720	90,720	90,720	90,720	90,720
College Baseball	2,025	2,025	2,025	2,025	2,025	2,025	2,025	2,025	2,025	2,025
High School Baseball	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350
Concerts	3,600	3,600	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200
Miscellaneous	18,000	18,900	19,800	19,800	19,800	19,800	19,800	19,800	19,800	19,800
Total	124,335	116,595	121,095	121,095	121,095	121,095	121,095	121,095	121,095	121,095

Source: Johnson Consulting

Total turnstile attendance at stadium events in 2015 is projected to be approximately 124,335. Due to the “novelty effect” wearing off, attendance will dip to approximately 116,595 in 2016, before rebounding and levelling off to approximately 121,095 for the next eight years. Turnstile attendance is a percentage of paid attendance (as high as 90 percent, depending on the type of event) and many of the projections, such as the economic impacts, are based on turnstile attendance. The largest share of attendance is projected for Frontier League baseball games, with 99,360 projected attendees in Year 1. Each type of event is described in more detail below.

- **Frontier League Baseball** games assume that a Frontier League baseball franchise is a tenant in the new stadium and plays its entire home schedule in the facility. A Frontier League team’s schedule consists of 96 regular-season games, 48 of which are scheduled for home games. In addition, the team’s playoff participation would extend its season and add more home dates, but these games are not included in the projections, as they are not certain to occur in any year.
- To remain conservative in our approach, Johnson Consulting has assumed attendance will remain relatively consistent over a ten year period. Beginning in 2015, average turnstile attendance at regular Frontier League baseball games is projected to be 2,100. Attendance projections are based largely on the recent historical average for the Frontier League which is shown in Table 4-8. We arrived at our attendance projection by taking three-year average attendance at Frontier League games (2011-2013) as a percentage of each stadium’s capacity, which equaled 60%. When applying this percentage to the proposed capacity at the stadium in Franklin, we get an expected average attendance of 1,800 fans. However, because of the demographics of Franklin, which put the community in the top half of the league, we projected their attendance to be above average and fall within the middle market average attendance of the Frontier League. The Lake Erie Crushers would serve as a similar case model in terms of stadium size and market, which has an average attendance of approximately 2,000.
- Average Frontier League attendance ranged from approximately 1,523 to 3,200 in 2013. Overall, in the last three seasons, average attendance in the Frontier League has ranged from approximately 1,760 to 3,429. Additionally, the top four, or “Top Tier,” teams in the Frontier League averaged

approximately 3,052 fans per game over the past three seasons. The projected per game attendance for Franklin is below the league average, but given the smaller capacity of the stadium this is not surprising. Considering the location of the stadium and the local demographic data for Franklin, we expect there to be a higher percentage of capacity sold compared to other stadiums. It is also likely that weekend games and special promotion nights will generate larger crowds than our projected average.

- **Other Baseball Events** are local and regional high school games and tournaments along with potential college baseball teams as sub-tenants, or part-time users of the stadium. This category of events also includes baseball camps and clinics.
- A total of 30 such events are projected in 2015, with a total attendance of approximately 3,375. Not all of these events, such as a baseball camps, are expected to generate significant ticket sales and other related revenues. The number of other baseball events is projected to remain consistent at 30 through in 2024; however the potential to add one or more college baseball team as sub-tenant would increase this number.
- **Concerts and Miscellaneous Events** are planned at the stadium as it will include synthetic turf and meeting space within the premium suites to allow for a large number of miscellaneous events. The initial projection estimates 1 concert and 20 miscellaneous events in 2015. The projected attendance for concerts will be approximately 3,600 in Years 1 and 2, before increasing to 7,200 for the remaining years as we expect an additional concert to be added. As for Miscellaneous events, Year 1 projected attendance is 18,000, with Year 2 projected attendance at 18,900, with attendance leveling off for Year 3-10 at 19,800. Miscellaneous Event demand is projected to hold steady at 22 through 2024. This category of events also includes community events, including corporate meetings and banquets, fun runs/walks, charity softball events and festivals.

KEY OBSERVATIONS & RECOMMENDATIONS

Franklin, Wisconsin measures above average in several key demographics when compared to other Frontier League markets, especially when the market is expanded to include a 25 mile radius. Included in those measurements are population, households per market, median household income, number of businesses and spending on admissions to sporting events.

In terms of attendance, Franklin can expect to draw from approximately 25 miles which includes a population of 1.7 million residents and nearly 680,000 households, good for the 5th largest market in the league. The size of the market is important for establishing a fan base and for attracting sponsors. The more people there are in a particular market makes partnerships with corporations more likely. In terms of corporations within each Frontier League market, Franklin again matches up well with approximately 56,500 businesses within a 25

miles radius. Given these parameters we project average attendance for Frontier League games to be approximately 2,100 per game.

Also important to note is that the cost of attending a Frontier League game is considerably less than the cost of attending a Major League baseball game. If, for instance, a family of four could not previously afford to attend a Brewers game, perhaps they could afford to attend a Frontier League game. Additionally, the more affordable entertainment offered by the Frontier League might be appealing to families who save up to attend only one or two Brewers games each year.

Based on data provided throughout this report, it is Johnson Consulting's opinion that the demographics of the Franklin marketplace will not only successfully support a Frontier League baseball team, but also fit well within the footprint of the Frontier League. The stadium will offer a number of opportunities for community-based events throughout the year, thanks to the synthetic turf and luxury suites. All told, the first year of operations the stadium can expect to host approximately 99 events with a total attendance of approximately 124,335. This will, no doubt, benefit the city of Franklin by ultimately creating a need for additional retail developments in close proximity to The Rock to serve the needs of visitors.

SECTION V

FRONTIER LEAGUE STADIUM AND MINOR LEAGUE CASE STUDIES

MINOR LEAGUE BALLPARK CASE STUDIES

In the following section, Johnson Consulting has analyzed four current Frontier League markets with similar demographics and characteristics of the proposed stadium in Franklin, as well as five additional minor league ballparks that spurred economic development in their surrounding area, just as is expected of the stadium in Franklin. Each of these facilities is different in terms of size, attendance, and lease agreements; however they are all examples for the City of Franklin to consider for the proposed team. It is hoped that with the proposed site, combined with the promotional efforts of the sports complex, Franklin will become a very attractive location for tourism, baseball, special events and new retail and residential development.

FRONTIER LEAGUE CASE STUDIES

The models here provide insights for Franklin. The identified Frontier League stadiums include:

- Normal Cornbelters – Normal, IL
- Schaumburg Boomers – Schaumburg, IL
- Gateway Grizzlies – Sauget, IL
- Washington Wild Things – Washington, PA

Table 5-1 provides background on the comparable facilities:

Table 5-1

Franklin Stadium Project Summary of Comparable Frontier League Facilities and Markets					
	Proposed Franklin Stadium	The Corn Crib	Boomers Stadium*	Gateway Stadium	Consol Energy Park
Location	Franklin, WI	Normal, IL	Schaumburg, IL	Sauget, IL	Washington, PA
Market Characteristics (25 mile radius)					
Population	1,703,399	207,833	5,708,993	2,001,793	850,655
Median Household Income	\$51,243	\$62,233	\$64,762	\$50,631	\$51,111
Number of Businesses	56,541	6,778	215,950	76,667	38,596
Total Spending on Sports Admissions	\$36,172,044	\$5,171,782	\$125,123,300	\$42,071,383	\$19,818,317
Facility Characteristics					
Year Opened	2015 (projected)	2010	1999	2002	2002
Development Cost	\$10.5 million (est.)	\$10 million	\$17 million	\$7 million	\$9 million
Anchor Tenant	TBD	Normal CornBelters	Schaumburg Boomers	Gateway Grizzlies	Washington Wild Things
Luxury Suites	8 ***	11	16	3	4
Fixed Seats	1,800	4,200	5,500	3,000	
Total Capacity	3,100	8,200	7,500	5,000	3,400
Event Demand (2013)					
Frontier League	-	50	50	50	48
College	-	60	20	40	60
High School	-	55	20	40	40
Concerts	-	3	1	0	0
Miscellaneous**	-	20	10	30	32
Total Events	-	188	101	160	180

* Stadium was built for AA Schaumburg Flyers. Stadium was taken over by Boomers in 2010

** Miscellaneous events include, charity events, run/walks, festivals, etc.

***6 Premium Suites and 2 Party Suites

Source: Respective facilities, DemographicsNow, Johnson Consulting, Revenues From Sports Venues 2012 Edition

THE CORN CRIB NORMAL, ILLINOIS

OVERVIEW

The stadium broke ground in March of 2009 and was completed in time for the Cornbelters' inaugural 2010 season. The stadium became known as the Corn Crib through a naming rights partnership between the team and the Illinois Corn Marketing Board (ICMB), which has an automatic renewal every two years. The Corn Crib is home to the Frontier League's Normal Cornbelters and is located adjacent to Heartland Community College in Normal, IL. The stadium also serves as a home to Heartland's baseball, softball and soccer programs as the College was a funding partner in the construction of the new stadium along with the team and the City.

STADIUM OVERVIEW

Legend & Attractions:

-  "Big League" Scout Seats
-  Luxury Indoor Suites
-  Come Rock with Us
-  Box Seats
-  Reserved Bleachers with Backs
-  Lawn
-  ADA Seating
-  ADA Parking
-  Concessions
-  Restrooms
-  Backstop Netting



Miller Lite Lounge



Leinenkugel Lodge



Grieder Landscaping Oasis



The stadium offers 4,200 fixed seats as well as berm seating along the outfield wall area for approximately 4,000. The stadium also includes 11 luxury suites which seat 25 people each and 1 double suite that serves as a party suite. The suites were generally sold on 5, 7 and 10 year terms at approximately \$25,000 annually. Seven of the eleven suites are sold, while the remaining four suites serve as party suites and are sold on a game by game basis. Management for the Cornbelters had suggested any new stadium in the Frontier League should offer a more limited amount of luxury suites. The stadium has an artificial turf field to allow for year-round events with minimal wear-and-tear.

COST AND FINANCING

Built in 2010 at a total cost of approximately \$10 million the stadium was funded through a number of sources, including \$3.5 million from Heartland College, \$1.5 million from the City of Normal and the remaining \$5 million from the Normal CornBelters. The CornBelters raised \$1 million of their \$5 million investment through an ownership shares sale, while the other \$4 million was financed. The project came together because Heartland College was looking for athletic facilities and had already raised funds, allowing for the project to move along at an accelerated rate once a partnership was reached.



ATTENDANCE

The CornBelters played their inaugural season at the Corn Crib in 2010. Routinely drawing large crowds, over the past three seasons (2011-2013) the team had an average per game attendance of 2,527 and an average total attendance of 119,628. In addition to baseball, the stadium has hosted approximately 60 Heartland CC events, 50-60 high school sporting events (baseball, soccer, softball), 10-15 events for a local men's baseball league,

10-12 civic events (Fun Run/Walk, Charity Run/Walk events) and 3 concerts, including a Tim McGraw concert that is expected to draw 15,000 fans. Overall, the stadium will host just fewer than 200 events in 2014 that will attract approximately 175,000 people.

LEASE AGREEMENT

Some key features of the lease agreement for the Corn Crib are:

- The stadium is owned by the team
- A long-term lease of 20 years with a 20-year team option is in place
- The City is responsible for capital improvements to the stadium

OBSERVATIONS

The Corn Crib was a project that accomplished its goal of building a first-class stadium with flexibility in mind. In the short term, the stadium has been an absolute success and local businesses and residents are supporting the team through season ticket, luxury suites and group sales. A conversation with a representative of the team made it clear that group sales are the backbone for the team. Group sales have a higher attendance rate than season ticket holders and also have a higher per cap of approximately \$34. In addition to the success of the CornBelters, the stadium has also provided a public utility for residents. The stadium has proven itself as an outdoor concert venue, attracting several top acts, and also provides a suitable venue for charity runs and at the same time provides a top-rate stadium for Heartland Community College.

Table 5-2

Frontier League Baseball Stadium Event Demand			
	# of Events	Average Attendance per Event	Total Attendance
The CornCrib			
Frontier League Games	50	2,579	128,950
College Baseball	60	100	6,000
High School Baseball	55	150	8,250
Concerts*	3	7,000	21,000
Miscellaneous	20	2,000	40,000
Total	188	-	204,200

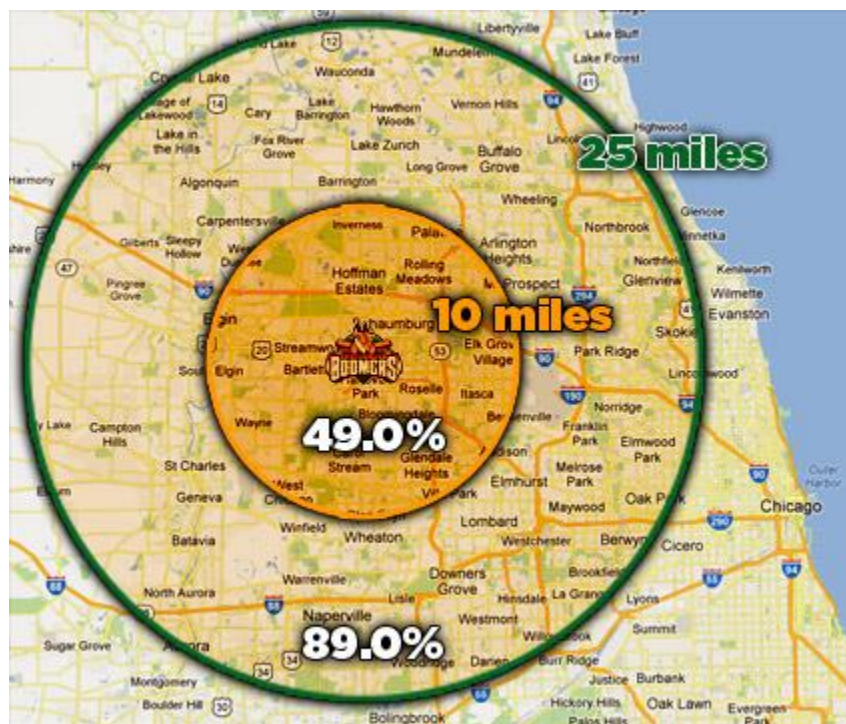
**Expected attendance for Tim McGraw concert in September is 15,000*

Source: Johnson Consulting, Normal CornBelters

BOOMERS STADIUM SCHAUMBURG, ILLINOIS

MARKET OVERVIEW

Boomers Stadium is home to the Schaumburg Boomers of the Frontier League and is located in Schaumburg, Illinois. With a population of 75,217 and a 25-mile radius population of over 5.7 million residents, Schaumburg is the largest market in the league. The team was founded in 2012 and won the Frontier League Championship in 2013. Approximately 49 percent of their market is within 10 miles of the stadium; while the vast majority, or 89 percent of their market, comes from a 25 mile radius. The remaining 11 percent comes for outside the 25 mile radius.



STADIUM OVERVIEW

The ballpark, co-owned by the Village of Schaumburg and the Schaumburg Park District, was originally built in 1999 for the Schaumburg Flyers, a now defunct unaffiliated minor league baseball team. With a capacity of 7,365 fans with 5,665 fixed seats, the largest ballpark in the Frontier League also includes 16 luxury suites, 200 outfield bleacher seats and lawn seating for 900 fans along the foul lines. The Schaumburg Club, available year-round for private parties and banquets, features restaurant style seating complete with a full bar and glass-enclosed viewing of the game.

COST AND FINANCING

The ballpark was built in 1999 at a total cost of approximately \$18 million. The ballpark is the result of the Village of Schaumburg's goal of creating a more enjoyable village and draw tourists to the area. The Village of Schaumburg entered into an agreement with the Schaumburg Park District to issue fifteen year general obligation bonds to pay for the development of the ballpark. The Village of Schaumburg issued the bonds and entered into an intergovernmental agreement with the park district for reimbursement each year of fifty percent of the debt payment.

ATTENDANCE

The Boomers have experienced very strong attendance in their first two seasons. During the 2012 and 2013 seasons the team has averaged over 2,760 fans per game, the 4th highest in the league during that time. The team expects to see an increase in attendance for the 2014 season as a result of their 2013 Championship. Including Frontier League games, the stadium hosted approximately 100 events in 2013, including high school, college and adult baseball leagues. Other special events include celebrity softball games, charity run/walk events, a concert and numerous festivals. The Boomers also utilize their parking lot to host a number of special events that involve motor vehicles. Overall total attendance for the stadium was approximately 175,000 in 2013.



LEASE AGREEMENT

The ongoing operations of the ballpark and capital improvements are the responsibility of both the Village and the Park District, while the team pays rent and has other day-to-day responsibilities for upkeep and maintenance of the facility. The team does not charge for parking in any lots.

OBSERVATIONS

Speaking with the general manager of the Schaumburg Boomers made it clear that the financial success of the stadium depends on group sales. Being located in a suburb of Chicago, the Boomers have plenty of competition for fans during the baseball season. The team understands that groups are the key to driving revenue, but they also understand that it is difficult to make a large profit in this particular industry. The team will not always be highly profitable, but it will be greatly beneficial for the community.

Table 5-3

Frontier League Baseball Stadium Event Demand			
	# of Events	Average Attendance per Event	Total Attendance
Boomers Stadium			
Frontier League Games	50	3,005	150,250
College Baseball	20	150	3,000
High School Baseball	20	150	3,000
Concerts*	1	5,000	5,000
Miscellaneous	10	1,400	14,000
Total	101	-	175,250

Source: Johnson Consulting, Schaumburg Boomers

GCS BALLPARK SAUGET, ILLINOIS

OVERVIEW

The Village of Sauget is located on the east shore of the Mississippi River in Western Illinois, just across from St. Louis, Missouri. Considered part of Greater St. Louis, the Village has a total area of 4.59 square miles with a population of approximately 155. The Grizzlies not only face competition from the St. Louis Cardinals, but also the River City Rascals, another Frontier League team located approximately 40 miles away in O'Fallon, MO. The arrangement works out well for both clubs, as the River City Rascals serve mainly the west suburbs of St. Louis, while the Gateway Grizzlies serve the eastern half.



STADIUM OVERVIEW

The Grizzlies' ballpark was built in time for the start of the 2002 season, under the original name of GMC Stadium. GCS Ballpark features reserved box seating, lawn seating, party suites, two hot tubs, and a section of bleacher seating. With the bleacher section added in 2004, the stadium's capacity has increased to 6,000 fans (8,000 expanded). ProGrass synthetic turf was installed at GCS Ballpark in 2012, affording the organization much more opportunities to involve the community with out of season events.

GCS Ballpark is home for Webster University and Lindenwood University – Belleville baseball teams. It also hosts a number of special events each year, including the 2008 NCAA Division II Baseball Championship, the annual wood-bat college baseball game between Saint Louis University and Southern Illinois University, concerts, 5K runs, swap-meets, softball tournaments and leagues. In 2014, the ballpark will also host the Frontier League All-Star Game.



FINANCING

GCS Ballpark was built at a cost of \$7 million, but has undergone several capital improvement projects since that time. The stadium is in a TIF District that was created to fund the stadium through a food and beverage tax. According to a team official, over the past seven years the ballpark has had approximately \$2.5 million in improvements, including the installation of turf, locker rooms upgrades, awnings, a kid zone, and batting cages. An additional \$500,000 will be spent in 2014 to upgrade the stadium. The stadium was entirely financed through the Village.

Lease Agreement

The ballpark is owned by the Village of Sauget. The Grizzlies lease the park for \$200,000 per year. For the naming rights deal, the current value of which is estimated at \$100,000 per year, 20 percent goes to the Village. The Gateway Grizzlies sublease the stadium to Webster University and Lindenwood University for \$50,000 each per year.

OBSERVATIONS

GCS Ballpark is a good case study for Franklin because it is located in a Metro area in close proximity to a major league franchise. Additionally, it is a stadium that, much like the Corn Crib and Boomers Stadium, has maximized its mixed-use potential to attract events outside of Frontier League baseball. In 2013, GCS hosted approximately 160 events, including Grizzlies games, 40 college baseball games, 40 high school games, high school baseball super-sectionals, charity run/walks, and swap-meets. In 2014 the stadium will begin hosting soccer events that will bring 30-40 additional events to the stadium. Another big decision for the ownership group was to install synthetic turf. While the initial cost of \$1 million to install the turf is high, there is virtually no maintenance cost associated with the turf and it allows for special events outside of baseball games. The proposed stadium in Franklin is already slated to be constructed with synthetic turf and would be wise to not alter those plans.

Table 5-4

Frontier League Baseball Stadium 2013 Event Demand			
	# of Events	Average Attendance per Event	Total Attendance
GCS Ballpark			
Frontier League Games	50	3,188	159,400
College Baseball	40	200	8,000
High School Baseball	40	150	6,000
Concerts*	0	0	0
Miscellaneous	30	1,000	30,000
Total	160	-	203,400

Source: Johnson Consulting, Gateway Grizzlies

CONSOL ENERGY PARK WASHINGTON, PENNSYLVANIA

OVERVIEW

The ballpark opened in 2002 at a total construction cost of approximately \$9 million. It is home to the Washington Wild Things and is located along I-70. The stadium was originally known as Falconi Field, named after a private donor who helped fund the stadium. A ten-year naming rights deal was made in 2007 with Consol Energy, a local coal-mining company.

STADIUM OVERVIEW



The stadium offers a total capacity of approximately 3,400 seats, including fixed seats, a party pavilion, picnic area and 4 luxury suites. The party deck, picnic area and luxury suites appeal to the group sales, offering all-inclusive deals ranging from \$25 per person to \$40 per person.

In addition to the Washington Wild Things, Consol Energy Park is also home to the Division II California University of Pennsylvania baseball team. It has also been able to attract several festivals and major concerts, including Bob Dylan, John Mellencamp and Willie Nelson.

COST AND FINANCING

The total construction cost for the stadium was approximately \$9 million. It was funded with a combination of public and private funds, approximately 80% private and 20% public. Taxpayers provided approximately \$2 million, while private donations covered the remainder.

ATTENDANCE

The Wild Things played their inaugural season at Consol Energy Park in 2002, drawing a total of approximately 130,000 fans for the season. The team has enjoyed steady support from the local community since the stadium opened. Over the past three seasons (2011-2013) the Wild Things have averaged approximately 1,900 fans per game. In 2013, the Wild Things averaged approximately 1,707 fans per game, while the stadium also hosted a number of non-Frontier League events. A total 60 college baseball games, 40 high school games and 32 miscellaneous special events accounted for an additional 132 events. All told, the stadium hosted 180 events drawing an approximate total attendance of over 107,900 people.



OBSERVATIONS

Consol Energy Park was built with the hope of generating some economic development in the area surrounding the stadium. So far, it has attracted approximately \$100 million in developments. Immediately adjacent to the park is the Washington Crown Center, a revitalized shopping mall. Additionally, the ballpark was the first phase of a sports complex that now includes the 12,000 square-foot Pony Baseball and Softball International Headquarters and museum. Also nearby are Ross Memorial Park and Alexandre Stadium, a multi-use facility for Washington and Jefferson College's soccer, lacrosse and baseball teams. In terms of retail development, two restaurants have opened near the stadium, along with two hotels with a combined 100 rooms. Lastly, the stadium has attracted multiple commercial developments, including two medical offices and an advanced surgical/urgent care center.

This is an example that Franklin can draw upon to envision the potential retail and commercial development that can result from building a baseball stadium.

Table 5-5

Frontier League Baseball Stadium 2013 Event Demand			
	# of Events	Average Attendance per Event	Total Attendance
Consol Energy Park			
Frontier League Games	48	1,707	81,936
College Baseball	60	100	6,000
High School Baseball	40	300	12,000
Concerts*	0	0	0
Miscellaneous	32	250	8,000
Total	180	-	107,936

Source: Johnson Consulting, Washington Wild Things

KEY OBSERVATIONS

The key attributes of success that the four case studies found above have in common are the following: stadium design, marketing and community partnerships. Through our interviews and discussions with the General Managers at their respective clubs, all offer the same sentiments and advice for any newer Frontier League stadium to be built. The list is as follows:

- SIZE & FUNCTIONALITY** – Each team official expressed the importance of not over building. The key is to avoid designing a stadium that is too large as well as a stadium that lacks flexibility to host events outside of baseball games. Management at the Schaumburg Boomers had stressed that they would have cherished the ability to be involved in the initial development of the stadium because as it sits now it is difficult to support a Frontier League team. Newer stadiums should also consider the design of the proposed stadium to be flexible to host not only baseball but soccer events as well.
- MARKETING/PROMOTIONS** – It is imperative that any new stadium offer luxury suites and party terraces or reserved areas for group sales. Each General Manager had expressed that group sales and the ability to offer selected areas to their perspective group sales clients is critical to the success of the ball club, since much of their ticket revenue relies heavily on group sales purchases.
- COMMUNITY PARTNERSHIPS** – Partnerships with the local community is always an appropriate plan of action for any form of new business that will rely on the local and regional population base. However, each General Manager stressed that if there can be any partnership with a local or regional College or University, which would also utilize the facility as their home stadium as well, it is considerably advantageous to the bottom line operations at the Stadium and for the ball club. Such partners could also be stadium funding partners similar to the Normal CornBelters and Heartland Community College agreement in Normal, IL.

MINOR LEAGUE BALLPARKS/ECONOMIC DEVELOPMENT CASE STUDIES

It is impossible to predict the amount of new retail that will be attracted by the stadium in Franklin; however, each case study in the following section will provide an example of a stadium acting as a catalyst for economic development and redevelopment. While each of these case studies involves an affiliated team in a higher level of minor league baseball, there are parallels across minor league baseball market. Most notable is that, in general, minor league baseball games offer low-cost, family entertainment regardless of the level of play on the field. The identified national stadiums case studies include:

- Pensacola Blue Wahoos – Pensacola, FL
- Tulsa Drillers – Tulsa, OK
- Birmingham Barons – Birmingham, AL
- Mississippi Braves – Pearl, MS
- Norfolk Tides – Norfolk, VA

Table 5-5 provides background on the demographics within a 25-mile radius of each stadium:

Table 5-5

Franklin Stadium Project Summary of Comparable Frontier League Facilities and Markets						
	Proposed Franklin Stadium	Pensacola Bayfront Stadium	OneOK Field	Regions Field	Trustmark Park	Harbor Park
Location	Franklin, WI	Pensacola, FL	Tulsa, OK	Birmingham, AL	Pearl, MS	Norfolk, VA
Market Characteristics (25 mile radius)						
Population	1,703,399	470,052	817,979	886,104	490,109	1,423,034
Median Household Income	\$51,243	\$45,854	\$48,902	\$47,934	\$46,428	\$56,561
Number of Businesses	56,541	20,163	34,907	36,621	22,269	50,606
Total Spending on Sports Admissions	\$36,172,044	\$6,613,284	\$12,229,070	\$12,469,265	\$5,977,448	\$20,214,173

Source: DemographicsNow, Johnson Consulting

PENSACOLA BAYFRONT STADIUM PENSACOLA, FLORIDA

OVERVIEW

Pensacola Bayfront Stadium is home to the Southern AA League Pensacola Blue Wahoos and is located along Pensacola Bay. The City of Pensacola is rich in history and tradition, dating back 450 years as the first European settlement in North America. Since then, the city has grown to 52,375 residents, and is one of the premier cities in the Gulf Coast Region. In addition to the Blue Wahoos, Pensacola is a major training base for the US Navy and home to the Blue Angels Naval aerobatics team.

STADIUM OVERVIEW

The site for the stadium is bounded by Main Street on the north and the Pensacola Bay on the south, with City Hall almost right across Main Street. Prior to the stadium being built, the land was used as a trading post as far back as the 1780's. The site evolved throughout the years along with the City of Pensacola and eventually became a petroleum depot and sea-to-rail transfer station. The site sat vacant for over 30 years until the City acquired the 32-acre site in 2006. After years of neglect, and because of the site's history for storing petroleum, \$20 million was spent on site cleanup prior to construction.



The stadium was designed as a mixed-use facility to host baseball, football, concerts and other public events with the hope of driving economic development. One of the strategies implemented by the team to push fans to experience area establishments before and after games is limiting parking. Instead of parking at the stadium, most fans park at a number of other locations and are offered free transportation to the stadium via shuttle or bike “pedi-cabs.” The stadium is too new to conclude how many apartment, hotel or other developments will materialize, but development is expected to occur.

Given the time and budget limitations for this study, we were not able to survey businesses in Pensacola to verify the increase in sales. We did, however, conduct a survey in Greenville, South Carolina regarding its arena – the BI-LO Center. Ten of the fifteen participants, or 66 percent, responded that they would attribute approximately two to five percent of their business directly to events at the BI-LO Center.

COST AND FINANCING

Built in 2012 at a total cost of approximately \$24 million (not including \$20 million for site cleanup), the stadium was part of a \$54 million redevelopment project that is now known as Community Maritime Park –



including an amphitheater and where there is land for other commercial development, such as a marina or museum. The stadium was financed through Community Redevelopment Agency (CRA) funds.

ATTENDANCE

The Blue Wahoos played their inaugural season at Pensacola Bayfront Stadium in 2012. Routinely selling out games, they led the league in total attendance attracting over 328,000 fans for the season, or an average of 4,826 fans per game. Because of the initial strong attendance figures for Blue Wahoos games and the unique design of the stadium, Pensacola Bayfront was awarded the 2012 Ballpark of the Year award from baseballpark.com, beating out Miami Marlins stadium and JetBlue Park (Boston Red Sox Spring Training facility) in Fort Myers, Florida.

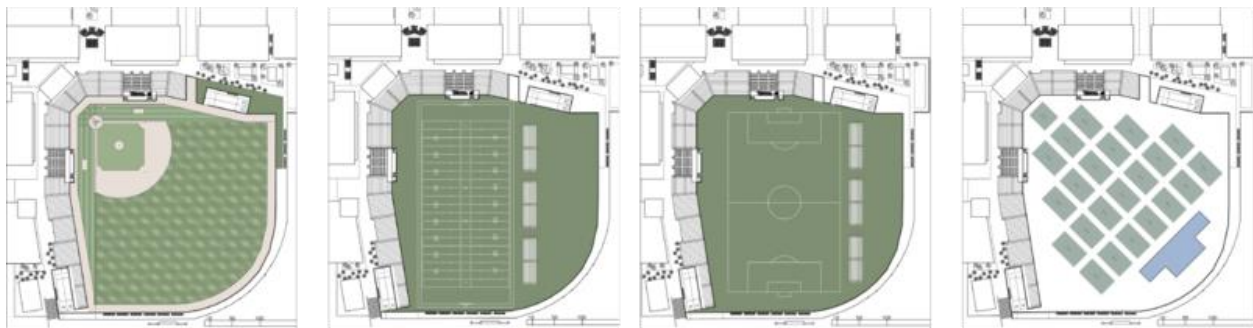
LEASE AGREEMENT

Some key features of the lease agreement for the Pensacola Bayfront Stadium are:

- The agreement is between the City of Pensacola and the Blue Wahoos for a period of only ten years rather than the typical 20-year guaranteed lease term (Blue Wahoos have two options to extend the lease for additional five-year periods).
- The annual rent paid by the baseball team is \$175,000.
- The Blue Wahoos keep all concession revenues, parking revenues and fifty percent of naming rights deals.

- The team is not responsible for basic stadium operating costs, maintenance, insurance payments and utilities.

In order to fund the development the City borrowed more than \$54 million using property tax revenues as collateral. The property tax revenues are generated for the CRA, a group that manages redevelopment efforts within the Pensacola area. Taxes generated within the district will be re-invested to foster economic growth. This is a somewhat risky situation as taxpayers are responsible for making annual debt payments of approximately \$4 million, if property taxes do not materialize. Also, the City does not collect the Hotel Tax, which goes to the county, nor does it collect sales tax, which goes to the state. Finally, Florida does not have a meals/hospitality tax, so property taxes are the only available resource to fund the project.



OBSERVATIONS

The City of Pensacola accomplished its goal of building a unique, first-class stadium. The City has structured a tight deal. Time will tell how the economics of the stadium financing work out. In the short term, the stadium has been an absolute success and local businesses are experiencing large increases in sales on game days. Pensacola may experience additional development in its downtown core, but due to the newness of the stadium, and the nature of the site location, none has transpired yet. This project is part of an overall entertainment district that includes the civic center, stadium, historic theater and a very attractive New Orleans style development. This concentration of assets should engender hotel and residential development in the greater Pensacola area.

ONEOK FIELD TULSA, OKLAHOMA

MARKET OVERVIEW

OneOK Field is home to the Texas AA League Tulsa Drillers. With a population of 397,477 residents, the City of Tulsa is home to several of the largest companies in several key industries, including aerospace, energy, healthcare, technology, manufacturing and transportation. Tulsa is generally viewed upon favorably due to a pro-business approach, its central location in the United States and its ability to remain mostly isolated from the effects of the recession.



STADIUM OVERVIEW

The ballpark sits on a formerly vacant, city-owned property in the Tulsa neighborhood of Greenwood and just blocks from Tulsa's nightlife. Greenwood, an oil-boom district, was once known as the "Black Wall Street." Later, it became the site of one of the bloodiest race riots in U.S. history, which destroyed 35 city



blocks through fire. Although the district was rebuilt over time, it never regained the prominence it once held. The construction of OneOK Field was an attempt to spur economic growth within the district.

Three blocks south of OneOK Field is the Blue Dome District, featuring restaurants and music venues, including the famous Jazz Depot. Three blocks west of the stadium is Brady Village, consisting of more restaurants and nightclubs, as well as the historic Cain's Ballroom and Brady Theater. Seating 5,900 fans, the

ballpark was built to further a rejuvenation project that included upgrades to the Tulsa Convention Center and construction of the BOK Center.

COST AND FINANCING

The ballpark was built in 2010 at a total cost of approximately \$39.2 million (entire land development project was approximately \$60 million) and funded by 26 private donors and sponsors totaling \$25 million, a \$5 million naming rights deal with OneOK (20-year naming rights agreement) and \$25 million generated through a 30-year property assessment district. The Drillers are responsible for funding the remaining \$5 million.

ATTENDANCE

The Drillers have experienced very strong attendance figures since moving into OneOK Field. Over the past three seasons the team has averaged over 5,600 fans per game. The team set attendance records in 2010 with a total of 408,183 fans for the season, and set the record for second highest attendance total in 2012 with 372,614 fans. Since its opening, OneOK Field has also hosted over 148,000 people at special events.

LEASE AGREEMENT

The Tulsa Drillers entered into a 30-year lease agreement with the Tulsa Stadium Trust. Some key features of the lease agreement are:

- The Drillers pay \$150,000 in annual rent and manage the facility.
- If total paid attendance is above 400,000 a season, the team will pay the Trust 50 cents per ticket above the 400,000.
- The team contributes \$50,000 each year to a Capital Fund; if attendance exceeds 300,000 in a season, the team will contribute an additional 50 cents per ticket into the Fund.
- The team will collect all concession revenues for games and will pay 10 percent of net revenues from other events (concerts, special events) booked by the team to the Trust.
- The team has signage and sponsorship rights to the ballpark, but the Trust can sell sponsors for its events. The team gets all sponsorship revenue for baseball activities and pays 10 percent of net sponsorship revenues for other events to the Trust (Conversely, if the Trust sells sponsorship for any of its events, they pay 10 percent of net revenues to the Drillers).

OBSERVATIONS

The location of OneOK Field was deemed critical to the success of this project. Developers believed it was important for a community to put their entertainment facilities in a mass location so they can benefit from ancillary development like restaurants, hotels and the other projects that drive economic growth. Since

OneOK Field was built in 2010, Tulsa has announced projects totaling \$710 million and has seen 30 property sales that many believe were attributed to an increase in property values in the area. Some of the new projects that have been completed or are under construction include:

- One Place, a new \$100 million mixed-use project with office buildings and parking garage.
- \$75 million spent improving the bridges and highways surrounding downtown Tulsa.
- \$36 million to renovate and expand First Presbyterian Church.
- Mayo 420 Lofts, a \$30 million project to convert Mayo office building to 67 residential loft apartments, including office and retail.
- \$25 million in renovations to Oklahoma St. University Medical Center.
- Conversion of the former Tulsa City Hall into an Aloft Hotel featuring 67 hotel rooms and meeting space at a cost of \$25 million.
- \$18.2 million to renovate an old hotel and re-brand as Holiday Inn Tulsa Center.
- \$18 million to convert Mathews historical warehouse into the Philbrook Satellite Museum and the Zarrow Center for Art and Education.
- \$11.8 million in new construction for the KOTV-Channel 6 station compound.

While the construction of OneOK Field cannot necessarily be credited for generating all of the economic development that has occurred in Tulsa, it proved that the right combination of public and private investment can support a ballpark project that leads to additional projects in a specific area. The ballpark has been successful in attracting fans to a previously under-utilized district, but most importantly, it helped provide momentum for additional projects in Tulsa.

TRUSTMARK PARK PEARL, MISSISSIPPI

OVERVIEW

As recent as the late 1990s, the City of Pearl, Mississippi, along with the rest of Rankin County, had very little commercial activity. By the mid-2000s, the area saw significant population growth. Many attribute this to the quality of life the area provides, with quality education, low taxes, and low crime rates. Over the past several years, the area has ranked high in state-wide success in terms of average household income growth and low unemployment.



To complement the quality of life a growing population demands, local officials have taken great strides in encouraging commercial activity. Large retail and mixed-use complexes now exist where a few years before was untouched land. The Bloomfield project in Pearl is a clear example of the new development efforts in the area. Along with retail components, the Bloomfield project includes a minor league baseball stadium, which lured the Atlanta Braves' Class AA affiliates to relocate from Greenville, South Carolina.

FACILITY

Built at a cost of \$28 million, Trustmark Park is home to the Mississippi Braves. Situated on 30 acres near the junction of Interstates 20 and 55, the stadium opened in 2005 after an 11-month construction period. Trustmark Park seats 7,200 and offers 22 luxury skyboxes. In 2012, the Mississippi Braves recorded a total attendance for the season of 204,269, averaging 2,904 attendees per game. Trustmark Park is owned by Bloomfield Equities, LLC.

FINANCING

Both the City of Pearl and Rankin County collaborated in the financing of the Bloomfield project. In 2004, the City issued urban renewal revenue bonds totaling \$72 million in addition to \$6 million in general obligation bonds. In addition, the City and County formed a Regional Economic Development Alliance (REDA) to be responsible for issuing refunding bonds for the project. Specifically for the baseball stadium, the City of Pearl received a \$7.5 million loan from the Mississippi Development Bank. This was used to help purchase land associated with the baseball stadium and parking lot. The County agreed to pledge \$320,000 over the course of 20 years to repay the loan.

ANCILLARY DEVELOPMENT

Trustmark Park is an element of a larger \$200 million Bloomfield development project, which spans over 101 acres. The first phase of the project included the baseball stadium and adjacent Bass Pro Shops, the only one in the state. The second phase is the Outlets of Mississippi, which is scheduled to open in November 2013. The third phase plans for a vibrant entertainment attraction, completing the family entertainment destination

with shopping, entertainment, and dining options for all. The table below provides a review of the three phases.

Table 5-6

Bloomfield Project Summary Phase I and II		
Development	Size	Opened
Phase I		
Bass Pro Shop	130,000 SF	December 2005
Trustmark Park	30 acres	April 2005
Holiday Inn & Alumni House Sports Grill	120 rooms	August 2008
Sam's Club	135,000 SF	August 2009
Phase II		
The Outlets of Mississippi	325,000 SF	November 2013
Phase III		
Entertainment Component		TBD
<i>Source: Bloomfield Equities</i>		

The accessibility of the project site generates high-traffic volume. In 2011, a total of 2.9 million visitors were recorded at the Bass Pro Shop, Sam's Club, Holiday Inn, and Trustmark Park. With the opening of the Outlets of Mississippi, the existing establishments, including the Mississippi Braves, are expecting higher business volume. As of August 2013, nearly 80 retailers have signed leases to the mall, including upscale brands like Saks Fifth Avenue Off 5th, J. Crew, Coach Factory & Coach Men's Factory, Crabtree and Evelyn, and Michael Kors. The image below shows the location of the first two phases of the Bloomfield development project.

Figure 5-1

Source: Spectrum Capital

IMPLICATIONS

Trustmark Park and the overall Bloomfield development benefited from a Tourism Sales Tax Rebate created for tourism projects. Big picture, the sales tax from the retail and the hotel subsidized those assets individually, but also facilitated payment of debt service on the stadium. As a result of this development, the City retains 18.5 percent of all sales tax earned by the retail, and there is a two percent tax imposed on the gross proceeds of sales at restaurants in the West Pearl Restaurant District. This levy is in addition to all other taxes imposed, and commenced in November 1, 2005. In part because of this investment, Pearl is experiencing population growth. Local officials also knew that in order to sustain its momentum more amenities were needed. The limited entertainment and retail options in the area could be a hindrance. As such, the City of Pearl and Rankin County not only worked together but with private developers to encourage commercial activity. The result is a state-of-the-art stadium district at Trustmark Park, providing quality, family-friendly entertainment for the region.

REGIONS FIELD BIRMINGHAM, ALABAMA

OVERVIEW

In 2009, after approximately two decades without baseball, the City of Birmingham began to investigate the merits of bringing the Barons back home and developing a new baseball stadium adjacent to the Railroad Park. The Birmingham Barons are a Double-AA affiliate of the Chicago White Sox major-league club, who play in the Southern League. The existence of the Barons in Birmingham dates back to 1885 when the Birmingham Barons were established as one of the charter members of the Southern League.



FACILITY

The stadium broke ground in February 2012 and was open for operation by April 2013. The total cost of the 8,500 seat stadium, which included approximately 26 private suites and 400 club seats, was approximately \$64 million. The new facility hosts all Baron home games as well as hosts a variety of NCAA baseball games, concerts, high school football games, and various other events.

The stadium is owned by the City of Birmingham, and operated by Birmingham Baseball Club, Inc.

FINANCING

The City is paying approximately \$3.6 million in annual debt service on the stadium bonds. The bonds were backed by a 3.5 percent increase in the City's lodging tax. Additionally, the City receives half of the ballpark naming rights, which was made with Regions Financial Corporation for approximately \$10 million over a 20-year period or \$500,000 annually. The City receives \$2,500 per suite leased during the regular season (estimated at \$65,000 per year); \$1 per attendee in excess of 200,000 fans per year; and 10 percent of annual revenue from tickets sales of all Barons special events except University of Alabama at Birmingham baseball games.

ANCILLARY DEVELOPMENT

Although the new stadium is in the midst of completing its first season in Birmingham, a master plan for the adjacent area had been in the works all along with the development of the new stadium. The team owners have plans for the new stadium to serve as the cornerstone of the Parkside District, a proposed mixed-use redevelopment district. It is envisioned that the \$375 million Parkside District master plan will include Regions Field, approximately 800,000 square feet of office space, 200,000 square feet of retail space and 800 new multi-family housing units. The photo below provides visual of the Regions Field site prior to construction.

Figure 5-2



According to recent press, there is a group of private developers who will be redeveloping the historic buildings all along the block of Second Avenue or right behind the Region's Field scoreboard. The \$4-5 million dollar redevelopment will include office space, a restaurant, a brewpub and loft with balconies facing Regions Field.

IMPLICATIONS

Time will tell if the development of this new baseball stadium will serve as a catalyst in redeveloping Birmingham, however history of other stadiums and the early existence of private sector development already happening within its first year of operations are signs that the construction of the new baseball stadium will spur economic development.

HARBOR PARK NORFOLK, VIRGINIA

OVERVIEW

In the late 1980s, Norfolk City Council wanted to diversify its economy, which has a strong military presence. In an attempt to attract businesses in the professional services sector, the City wanted to build a business park. The most convenient location, with great road access, was the site of Metropolitan Park, which was the home to the triple-A Norfolk Tides baseball team. When the City moved forward with building the Lake Wright Executive Center, it also decided that a new baseball stadium would be built along the Elizabeth River in Norfolk. Many residents and fans expressed concern about this location. Like many cities during that time, there were perceptions of crime and limited entertainment in the area. Many wondered if the fans would continue to attend Tides games, especially night games.



The concerns proved unwarranted, as the Tides, in their first year at Harbor Park in 1993, set a new attendance record of 541,000. Not only were fans attending games, but employees working in nearby downtown offices were coming to watch games during lunch hours and after work.

FACILITY

Built in 1993 at a cost of \$16 million, Harbor Park sits on 36 acres and hosts a variety of NCAA baseball games, concerts, high school football games, and various other events. It seats 12,067 and offers 20 luxury suites. The stadium continues to be the home of the Norfolk Tides, a triple-A affiliate of the Baltimore Orioles. In 2012 the Norfolk Tides recorded a total attendance of 389,188, with each game averaging 5,560 attendees. The stadium is owned by the City of Norfolk, Virginia and operated by Maryland Baseball Holding.

FINANCING

To finance the facility, the City issued revenue bonds and the Norfolk Tides guaranteed \$1 million a year, which escalated by \$50,000 every four years. In return, the team received credits against the \$1 million from revenue it directly generated, such as parking fees, admissions taxes, and food taxes. The City is also responsible for repairs to the facility.

ANCILLARY DEVELOPMENT

Harbor Park has been a catalyst for development. Not only did it attract local fans, but it also drew a regional fan base, with over half of attendees coming from neighboring Virginia Beach. This increased visibility of the area added new life to existing cultural venues like the Norfolk Scope and Chrysler Hall and sparked subsequent developments, including the Hampton Roads Naval Museum and MacArthur Center—a premier

regional mall located a mile from the stadium. Granby Street, the main artery of downtown, also added more than 10 restaurants and entertainment options timed very near to the opening of the stadium.

Many of the restaurants and entertainment activities are being supported by a new residential base, which had not existed prior to Harbor Park. The addition of the residential base phased in starting nearly a decade after Harbor Park's opening. Now there are thousands of new apartments and condominiums constructed within 1.5 miles of the stadium.

The figure below shows the current amenities located nearby Harbor Park.

Figure 5-3



R - Restaurants
S - Shopping

Source: Downtown Norfolk, Johnson Consulting

Harbor Park has truly become a focal point for the City. While the land itself around the stadium has not been built up yet, the presence of the stadium was one impetus to all of the development. The Norfolk's 2030 Plan calls for continued planning for a multi-modal transportation center at Harbor Park, which would be a connection mode for passenger rail, light rail, regional bus, and ferry services.

IMPLICATIONS

The success of Harbor Park did not come overnight, nor did the success of Norfolk. The stadium drew visitors in the 1990's and it was these visitors who demanded additional restaurant and entertainment options from the area. In part due to the addition of these amenities residents moved to areas closer to the stadium. Today, over 20 years after the opening of Harbor Park, the area been transformed to a true live, work, and play district. The ingenuity, consistency and willingness of Norfolk's local officials to execute public-private partnerships were instrumental to this success.

IMPLICATIONS FOR FRANKLIN

Redevelopment projects can be tipping points for many communities. Through such catalyst developments, many communities find themselves with increased attractions and amenities that add to the quality of life for residents. Hence, the importance of the baseball stadium cannot be overlooked. It can change the course of Franklin and add vitality to attract visitors and residents.

In the first year or two, the key is to make existing businesses do better. Our experiences in Pensacola, Greenville and other markets supports that they will. Officials in Tulsa, Norfolk, and Birmingham were creative in transforming blighted areas through their baseball stadiums. Officials in Pearl and Pensacola worked collaboratively with private developers in an attempt to realize their area vision. The combination of the concepts seen in these other markets will occur in Franklin. Baseball stadiums drive ancillary development. Through proper planning, use of selected incentives, and community engagement that many of the cities described earlier in this section used, Franklin can position the baseball stadium to entice additional development and revitalization in the area.

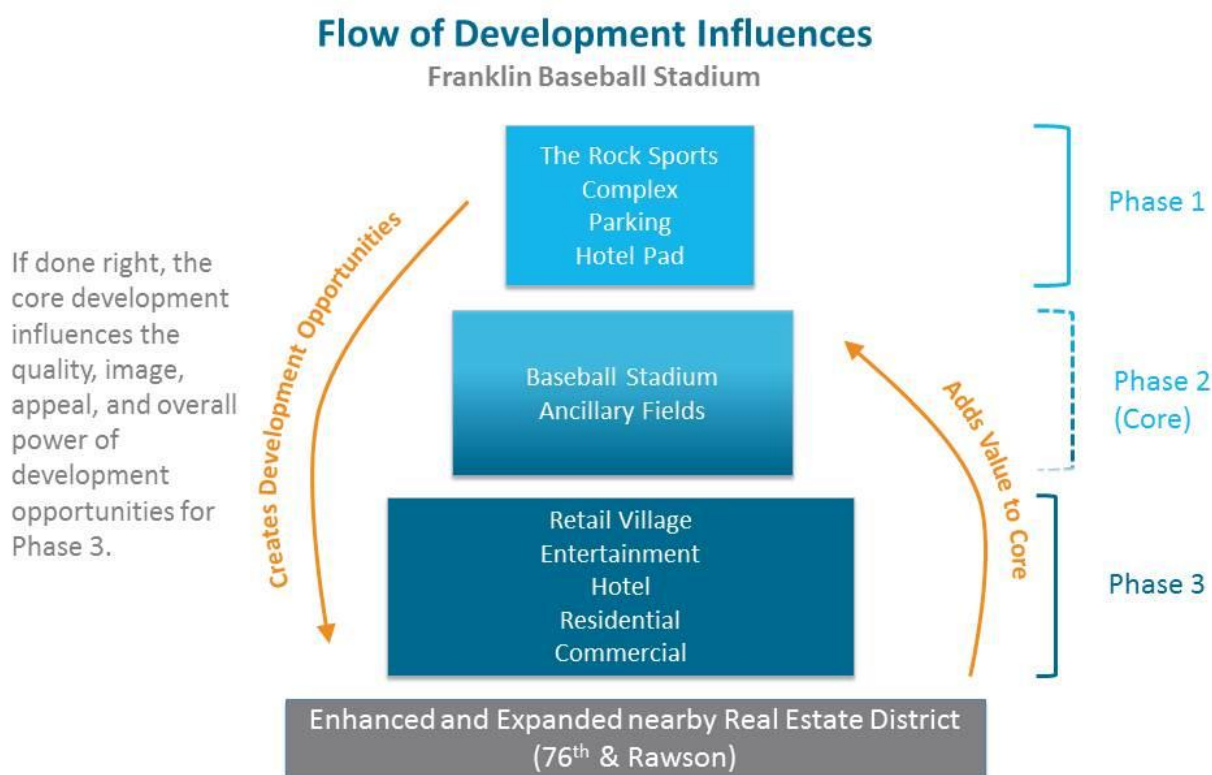
SECTION VI

ECONOMIC AND FISCAL IMPACTS ANALYSIS

ECONOMIC AND FISCAL IMPACT ANALYSIS

This report section analyzes the total economic and fiscal benefits that would be generated by a proposed new minor league baseball stadium complex in Franklin, WI. As visualized in Figure 6-1, there are all kinds of economic, social, economic development and image benefits that could happen if the core of this project is built and affects the development of Phase 3. If the vision is seen as a gateway project to the market, this project will have a major influence on the economy of Franklin and Milwaukee County. Many of these influences are not quantifiable. For example, the businesses along 76th and Rawson strive for demand. If Franklin causes the stadium to occur, then it has caused its regional role in the several county markets to be enhanced, as well influence and enhance adjacent development opportunities similar to the several case studies found in Section 5 of this report. This is a structural shift in the market, not quantitatively captured in this analysis.

Figure 6-1



The challenge is commencing the development of the limited-cash producing core, which leads to the value in Phase 3

While these are mathematical calculations, which are based on experience seen in numerous other settings, perhaps the most important thing to visualize is what will happen to Franklin as a community. The development of a minor league stadium will provide an affordable entertainment activity in the local area. Using the proposed stadium and The Rock Sports Complex as a hub, it will provide a venue where the promotional talents of the area can be used, and spur economic growth via ancillary private sector development in the local area. By leveraging the \$4 million investment by the team ownership for team acquisition and initial operations, as well as the \$10.5 million investment already made into the Rock Sports Complex and the likely adjacent entertainment the proposed Stadium will attract, investments made will attract people from outside the region to Franklin, increase the identity of the market by promoting to those visitors, and develop an ever expanding portfolio of repeat events. Such a venue will play host to tens of thousands of residents and visitors to the region annually.

This analysis quantifies the effect of the spending of visitors to this project, as well as the new business operation of the team and facilities. This analysis also quantifies the historical economic and fiscal impact at the Rock Sports Complex has on the community and how the development of a stadium and “Phase 2” will influence the future economic impact of the Sports Complex.

The bases for the estimates are the recommendations and demand projections of the “Base Case Yr. 3” as described in other sections of this report. Additionally, Johnson Consulting’s prior development of economic analyses for other stadiums, sports complexes, arenas, and event centers, and specific knowledge of the Franklin marketplace and State of Wisconsin contributed to the analysis.

METHODOLOGY AND DEFINITIONS

Johnson Consulting entered direct spending into the nationally recognized input-output model “Impact analysis for planning” (IMPLAN) to estimate economic impacts. The model produces estimates of:

- Economic spending, which is defined as the total value of industry production that results from an activity. It includes both gross domestic product and spending to produce intermediate goods.
- Employee compensation, which is defined as the total payroll cost paid by an employer, including wages, all benefits, and employer paid payroll taxes.
- Jobs, which are defined differently for one-time construction and ongoing activities. One-time construction jobs represent the amount of work completed by one person in one year. Ongoing jobs represent full-time equivalent employees on an annual basis.

Economic impact is defined as incremental new spending in an economy that is the direct result of certain activities, facilities, or events. For the purpose of this analysis, impact totals are discussed in terms of the Franklin economy. The levels of impacts are described as follows:

- **Direct Spending** – is an expression of the spending that occurs as a direct result of the games and events that occur in the stadium. For example, a baseball game attendee’s expenditures on hotel rooms, shopping, and meals are direct spending.
- **Indirect Spending** – consists of re-spending of the initial or direct expenditures, or, the supply of goods and services resulting from the initial direct spending in the stadium. For example, a baseball game patron’s direct expenditure on a restaurant meal causes the restaurant to purchase food and other items from suppliers. The portion of these restaurant purchases that are within the local, regional, or state economies is counted as an indirect spending.
- **Induced Spending** – represent changes in local consumption due to the personal spending by employees whose incomes are affected by direct and indirect spending. For example, a waiter at the restaurant may have more personal income as a result of the ball game attendee’s visit. The amount of the increased income the waiter spends in the local economy is called induced spending.
- **Increased Earnings** – measures increased employee and worker compensation related to the project being analyzed. This figure represents increased payroll expenditures, including benefits paid to workers locally. It also expressed how the employees of local businesses share in the increased outputs.
- **Employment** – measures the number of jobs supported in the study area related to the spending generated as a result of the game and events occurring in the stadium. Employment impact is stated in a number of full-time equivalent jobs.

Furthermore, the City of Franklin is small, meaning that most of the visitors coming to the market are coming from outside the region, bringing their dollars with them.

ECONOMIC IMPACT OF THE FRANKLIN BASEBALL STADIUM & SPORTS COMPLEX

Economic and fiscal impact analysis for the baseball stadium is based on demand and attendance levels as projected in Section 4 of this report. The demand and attendance levels at the Rock Sports Complex reflect Tables 6-1 and 6-2 below, which show the historical and projected demand profile for the Rock Sports Complex after the development of the proposed baseball stadium. On ticketed events, attendees refer to those going to see the baseball game, concerts or festivals, but not yet including the players (coaches, trainers, and other staff), members of the production teams, media, and others.

Table 6-1

The Rock Sports Complex Summary of Events and Attendance				
Event Category	Events	Teams	Participants	Visitors
Leagues	7	98	1,470	2,205
Tournaments	8	192	2,880	4,320
Ski Hill				40,000
BMX Track				25,000
BMX Races	2		1,500	2,250
Special Events	1			10,000
Total	18		5,850	83,775

Source: Johnson Consulting, Rock Management

Table 6-2

The Rock Sports Complex Summary of Projected Events and Attendance				
Event Category	Events	Teams	Participants	Visitors
Leagues	10	140	2,100	3,150
Tournaments	15	360	5,400	8,100
Ski Hill				40,000
BMX Track				25,000
BMX Races	3		2,250	3,375
Special Events	2			20,000
Total	30		9,750	99,625

Source: Johnson Consulting

As seen nationally the development of a stadium as well as the additional ancillary fields will have a direct impact on the volume of events and attendance the existing Rock Sports Complex as shown in Table 6-2.

Combined, these additional event participants are defined in the “Current (Phase 1)” and “Sports Complex + Stadium” in the table below. The following table illustrates the projected attendance and demand for each Phase, as well as a combined look at both developments.

Table 6-3

Franklin Baseball Stadium Projected Attendance (Base Case Yr. 3)						
	# of Events	# of Attendance or Spectators	# of Players & Coaches per Game		# of Players, Coaches & Support Staff	Total # of Visitors
	(A)	(B)	(C)		(D)	(E)
	Current (Phase 1)					
The Rock Sports Complex	18	83,775	0		0	83,775
Total	18	83,775				83,775
	Baseball Stadium (Phase 2)					
Frontier Baseball	48	90,720	40	*	1,920	92,640
College Baseball	15	2,025	30	**	450	2,475
High School Baseball	15	1,350	20	***	300	1,650
Concerts	2	7,200	10	****	20	7,220
Miscellaneous	22	19,800	0		0	19,800
Total	102	121,095	100	0	2,690	123,785
	Sports Complex + Stadium					
The Rock (Projected)	30	99,625	0		0	99,625
Frontier Baseball	48	90,720	40	*	1,920	92,640
College Baseball	15	2,025	30	**	450	2,475
High School Baseball	15	1,350	20	***	300	1,650
Concerts	2	7,200	10	****	20	7,220
Miscellaneous	22	19,800	0		0	19,800
Total	132	220,720	100	0	2,690	223,410

*Notes:***Including baseball players, team staff, and sports reporters****Including collegiate baseball players, team staff, and sports reporters*****Including high school baseball players, team staff******Including production staff**Source: Johnson Consulting*

As shown in the table, the Rock Sports Complex generates approximately 18 events, 83,775 attendees; the Stadium is estimated to generate 102 events, 123,785 attendees, and 2,690 players, coaches and media annually and the projected increase attendance at the Rock as well as the baseball stadium is projected to generate 132 events and 223,410 attendees. The majority of attendees will spend on average \$35 daily, with the remaining staying overnight and spending on average \$128 daily, as shown in Table 6-2. The estimates for lodging, meals, and incidental expenses are based on per person, per diem rates for Franklin per U.S. General Services Administration for an October 2012-September 2013 period, which can be viewed as an average amount of spending across various hotels, restaurants, retail and other establishments. The estimate for spending on tickets corresponds to the weighted average ticket price presented in the Stadium proposal.

Table 6-4

Franklin Baseball Stadium Average Daily Spending		
	Most Visitors	Overnight Visitors
1 Lodging	\$0	\$93
2 Meals, Retail and Incidental Expenses	25	25
3 Tickets	10	10
4 Total	\$35	\$128

Notes:

**Refers to visitors who will also visit and play at the casinos (est. 5% of all visitors).*

Lines 1 and 2 - Based on GSA Per Diem rate for Franklin.

Lines 3 - Reflects weighted average of ticket price based on Stadium proposal.

Source: U.S. General Services Administration, Johnson Consulting

Conceptually, multiplying the number of total visitors with average daily spending will result in total direct spending. However, not all visitors will spend money on lodging. Therefore, assumptions on visitors who do and do not require lodging need to be developed first. Such estimates for each phase are shown in Table 6-3.

Table 6-5

Franklin Baseball Stadium Estimated Day and Overnight Attendees								
	# of Person-Days			% Overnight Visitors		# of Room Nights		
	Of Attendees	Of Visiting Players & Coaches*	Total	Of Attendees	Of Visiting Players & Coaches*	Of Attendees	Of Visiting Players & Coaches*	Total
Current (Phase 1)								
The Rock Sports Complex	83,775	0	83,775	5%	0%	4,190	0	4,190
Total	83,775	0	83,775			4,190	0	4,190
Baseball Stadium (Phase 2)								
Frontier Baseball	90,720	1,920	92,640	10%	90%	9,070	1,730	10,800
College Baseball	2,025	450	2,475	2%	2%	40	10	50
High School Baseball	1,350	300	1,650	1%	1%	10	0	10
Concerts	7,200	20	7,220	2%	100%	140	20	160
Miscellaneous	19,800	0	19,800	1%	1%	200	0	200
Total	121,095	2,690	123,785			9,460	1,760	11,220
Sports Complex + Stadium								
The Rock (Projected)	99,625	0	99,625	5%	0%	4,980	0	4,980
Frontier Baseball	90,720	1,920	92,640	10%	90%	9,070	1,730	10,800
College Baseball	2,025	450	2,475	2%	2%	40	10	50
High School Baseball	1,350	300	1,650	1%	1%	10	0	10
Concerts	7,200	20	7,220	2%	100%	140	20	160
Miscellaneous	19,800	0	19,800	1%	1%	200	0	200
Total	220,720	2,690	223,410			14,440	1,760	16,200

Notes:

% Overnight Visitors indicate out-of-town visitors who stay overnight in hotels and thus are generating room nights.

*Accounts for production staff for concert events

Source: Johnson Consulting

The estimates conservatively assume that approximately 5 percent of the Rock attendees will require lodging, however with the recent development of an adjacent hotel we suspect this percentage to actually be greater. Additionally, the estimates assume that 10 percent of Frontier Baseball attendees and 90 percent of visiting players and coaches will require lodging accommodation. Therefore, total new visitors to the Stadium as well as players and coaches combined, are estimated to generate 92,640 person-days and 10,800 room nights. College Baseball events, the estimates assume that 2 percent of College Baseball Events attendees, 1 percent of High School Baseball attendees, 2 percent of Concert attendees and 1 percent of Miscellaneous attendees will require lodging accommodation. Room nights for festivals could be larger, if such festivals blossom into

major events. Combined, the Stadium and Rock Sports complex are estimated to generate 223,410 person-days and 16,200 room nights.

Based on the assumptions shown in Table 6-4 and Table 6-5, total direct spending by all visitors and team operations as estimated in Table 6-6.

Table 6-6

Franklin Baseball Stadium Estimated Direct Spending from Attendees						
Calculations						Estimated Amount
Current (Phase 1)						
On Lodging	\$104	x	4,190	room nights	=	\$435,760
Meals, Retail and Incidental Expenses	\$25	x	83,775	total person-days	=	\$2,094,375
Total						\$2,530,135
Baseball Stadium (Phase 2)						
On Lodging	\$104	x	11,220	room nights	=	\$1,166,880
Meals, Retail and Incidental Expenses	\$25	x	123,785	total person-days	=	3,094,625
On Tickets	\$10	x	90,720	ticketed attendees	=	907,200
Sub-Total						\$5,168,705
Team and Stadium Operations	2017Operations					\$3,000,000
Total						\$8,168,705
Sports Complex + Stadium						
On Lodging	\$104	x	16,200	room nights	=	\$1,684,800
Meals, Retail and Incidental Expenses	\$25	x	223,410	total person-days	=	\$5,585,250
On Tickets	\$10	x	90,720	ticketed attendees	=	\$907,200
Sub-Total						\$8,177,250
Team and Stadium Operations	2017Operations					\$3,000,000
Total						\$11,177,250

Source: Johnson Consulting

As shown in the table, all visitors to the proposed stadium are projected to spend \$5.1 million annually during their visits and the operations of the minor team and stadium are estimated to have a direct spend of approximately \$3 million, resulting in a total direct spending of \$8.1 million. Combined, all visitors to the proposed stadium and the Rock Sports Complex are projected to spend \$8.1 million annually during their visits as well as the \$3 million for operations of the team and stadium, resulting in the total direct spending of \$11.1 million.

Based on the calculations and assumptions described thus far, Table 6-7 summarizes the total estimated economic impacts for each Phase as described in the table below.

Table 6-7

Franklin Baseball Stadium Development Combined Estimated Annual Economic Impact (\$Millions)				
	Multiplier*	Current (Phase 1)	Baseball Stadium	Combined
Direct Spending		\$2.53	\$8.17	\$11.18
Indirect Spending	0.20	0.51	1.63	2.24
Induced Spending	0.15	0.38	1.23	1.68
Total Spending		\$3.42	\$11.03	\$15.09
Increased Earnings	0.33	\$0.84	\$2.72	\$3.73

**Reflects the impact for each \$1 million of direct spending.
Source: Johnson Consulting, Implan*

As shown in the table above, the current Rock Sports Complex is estimated to have generated \$3.42 million of total spending and \$840,000 of increased earnings, annually. The proposed Franklin Stadium is estimated to generate \$11.03 million of total spending and \$2.72 million of increased earnings, annually. Combined, the development is estimated to generate \$15.09 million in total spending and \$3.73 million of increased earnings, annually.

FISCAL IMPACTS OF FRANKLIN STADIUM

Fiscal impacts are tax revenues that result from the spending and income related to the activities at the proposed Franklin Stadium. This analysis estimates fiscal impacts for the governmental units that levy taxes in the jurisdiction.

The fiscal impacts are the public sector's return on investment. Fiscal impacts provide a partial offset to the capital and operating expenditures required to support the development of the facility. Although the incremental tax revenues cannot be expected to pay for a publicly-funded project in full, fiscal impacts are important because they improve the ability of the public sector to pay for the project. The overall economic impacts, including the fiscal impacts, provide a rationale for public participation in a project.

Based on the spending estimates, Johnson Consulting projected the fiscal impacts from major categories of tax revenues that are directly affected by a visitor's activity: general sales tax, hotel/motel occupancy tax, corporate income tax, and individual income tax.

- **Sales Tax** – is 5.6 percent in Franklin, 5 percent to the State, .5 percent to the County and .1 percent to the Stadium
- **Room Tax (Hotel/Motel Tax)** – is 6.00 percent on spending on lodging,
- **Corporate Income Tax** – is 7.90 percent in Wisconsin.

The fiscal impacts represent only a fraction of the overall spending impact to the economy, as they are only the public sector's increase in tax revenue resulting from the overall increased spending in the economy. The presence of the proposed Stadium would increase values of commercial establishments in areas surrounding the new facility and beyond, which result in increased property tax supported by the project.

Table 6-8 shows the estimated annual fiscal impact for each phase as described in the table below.

Table 6-8

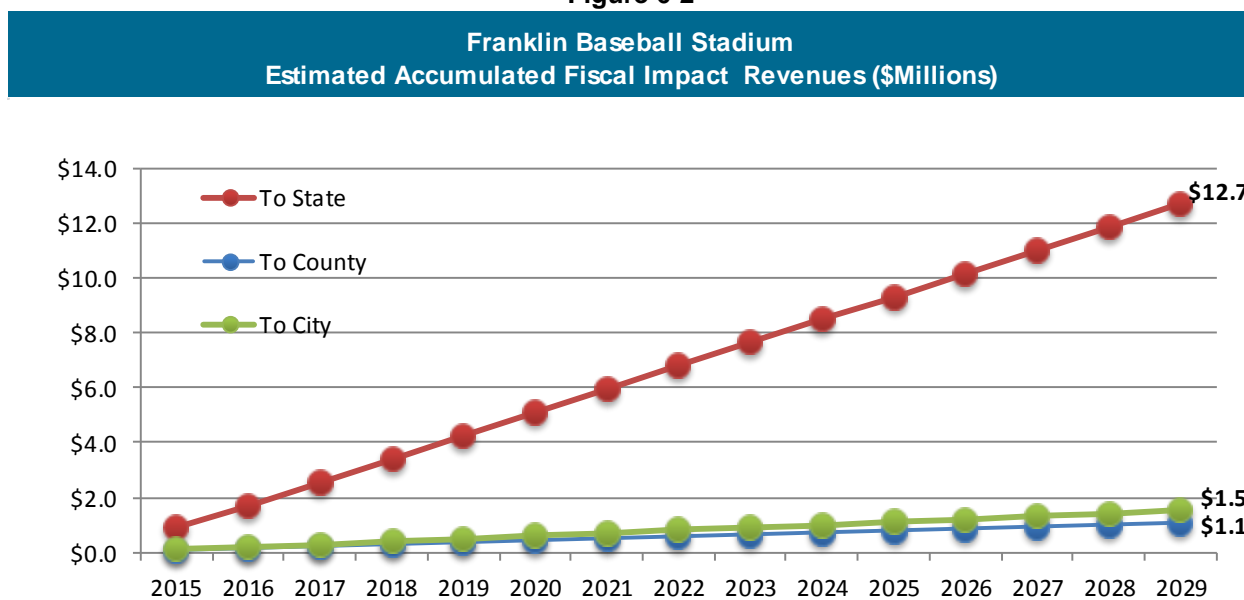
Franklin Baseball Stadium Estimated Annual Fiscal Impact Revenues							
	Tax Rate	Taxable Spending		Tax Revenues	Distribution		
					State	County	City
Current (Phase 1)							
Sales Tax - State*	5.60%	\$3,420,000	of total spending	\$192,000	\$174,829	\$17,171	
Room Tax	6.00%	\$435,760	of spending on lodging	\$26,000	-	-	26,000
Corporate Income Tax	7.90%	\$342,000	or 10% of total spending**	\$27,000	27,000	-	
Total				\$245,000	\$201,829	\$17,171	\$26,000
Baseball Stadium (Phase 2)							
Sales Tax - State*	5.60%	\$10,350,000	of total spending	\$580,000	\$528,130	\$ 51,870	-
Room Tax	6.00%	\$1,166,880	of spending on lodging	70,000	-	-	70,000
Corporate Income Tax	7.90%	\$1,035,000	or 10% of total spending**	82,000	82,000	-	-
Total				\$732,000	\$610,130	\$51,870	\$70,000
Sports Complex + Baseball Stadium							
Sales Tax - State*	5.60%	\$14,410,000	of total spending	\$807,000	\$734,829	\$72,171	-
Room Tax	6.00%	\$1,684,800	of spending on lodging	101,000	-	-	101,000
Corporate Income Tax	7.90%	\$1,441,000	or 10% of total spending**	114,000	114,000	-	-
Total				\$1,022,000	\$848,829	\$72,171	\$101,000

* State = 5%, .5% County, .1% Stadium Tax

**Assuming that 10% of total spending goes to taxable corporate income of vendors.

Source: Johnson Consulting

As shown on the table, activities at the proposed Franklin Baseball Stadium are estimated to generate approximately \$732,000 of tax revenues annually, of which approximately \$610,000 goes to the State, \$51,000 to County, and \$70,000 to City. Combined, the development is estimated to generate approximately \$1 million of tax revenue annually, of which \$848,000 goes to the State, \$72,000 to the County and \$101,000 to the City. Figure 6-2 below shows the accumulation of the fiscal impacts to the State, County, and City as it relates to the first 15-year projections.

Figure 6-2

Source: Johnson Consulting

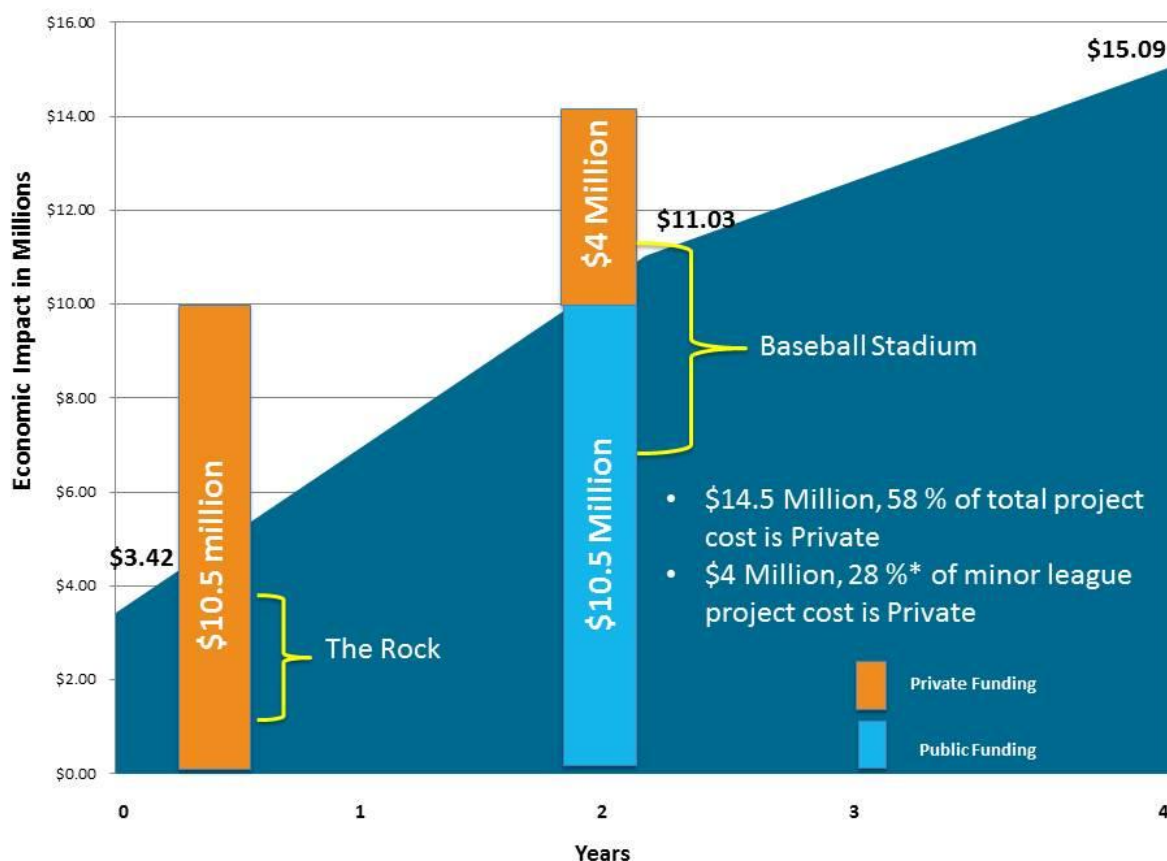
As shown above, in 15 years, accumulated tax benefit to State is estimated to reach \$12.7 million and accumulated tax benefit to the City is estimated to reach \$1.5 million. The County is estimated to receive \$1.1 million. The figure above does not account for the additional revenues expected to be generated by the adjacent developments the Stadium will likely attract as well as the increase in local property values that would incur from such a development. Additionally, the supplemental nature of the proposed stadium and the Rock Sports Complex were quantified in our analysis, as the two combined will leverage one another for additional and larger events at each, beginning to make the City of Franklin a sports tourism destination.

Outside of the indicated fiscal benefits, the City of Franklin is likely to incur some minimal expenses related to providing services to the improved facilities that are not estimated in this analysis. These expenses include increases in police, fire protection, emergency medical services, traffic control, street maintenance, sanitation, and other ongoing operating expenses required to maintain the environment around the facility. These expenses can easily be mitigated by agreements made with large event promoters and the team owners. In addition it will also influence programming, promotions, and advertising as a cost to be associated with an increase to expenses.

In Figure 6-3 below, the City investment fully leverages the existing development for equal the private value, and every year, over time spending far exceeds city investment annually, with approximately \$15 million annually. The graphic can be viewed one of two ways: 1) \$14.5 million of the overall \$25 million project

(sports complex plus stadium), or 58%, will be privately funded, or 2) \$4 million of the \$14.5 million stadium project, or 28%, will be privately funded.

Figure 6-3



* Percentage may increase with any form of additional revenue sharing

With regard to the stadium project, it is important to realize that the private investment could grow as the \$4 million is only accounting for team acquisition fees and first year operating budget. Once a lease agreement is negotiated the private contribution could rise significantly to include rent, ticket surcharges, revenue sharing, etc. Either way you look at it, the private contribution to this project will be considerably higher than typical stadium deals have been over the past decade, which have been approximately 80% public/20% private funds.

ONE-TIME IMPACT OF FRANKLIN STADIUM CONSTRUCTION

In addition to the on-going impacts from the operation of the facilities, the construction of the Franklin Stadium would create a one-time influx of spending. This construction spending results in a one-time economic and fiscal impact.

Typically, only hard construction costs are included in impact analysis. Estimates for Franklin Stadium, which were provided in the Stadium proposal, are approximately \$10 million.

Table 6-9 shows the calculation of the construction impact, from construction hard costs to the resulted construction jobs as well as economic and fiscal impact.

Table 6-9

Franklin Baseball Stadium Estimated One-Time Construction Impact		
	Multiplier or Tax Rate	Amount
Est. Hard Costs for Stadium Development		\$10,000,000
Impact on Construction Jobs		
% of Costs Spent on Labor		55.0%
Labor Costs		\$5,500,000
Average Construction Laborer Salary		\$30,000
# of On-Site Construction Jobs		180 ✓
Economic Impact		
% of Costs Spent on Material		45.0%
Material Costs		\$4,500,000
% Spent Locally		80.0%
Direct Construction Spending		\$3,600,000
Indirect Spending	0.20	720,000
Induced Spending	0.15	540,000
Total Spending		\$4,860,000 ✓
Increased Earnings	0.33	\$1,200,000 ✓
Fiscal Impact		
Sales Tax - State*	5.60%	\$270,000
Corporate Income Tax	7.90%	9,000
Total		\$279,000 ✓
*Assuming that 10% of total spending goes to taxable corporate income of vendors.		
Source: Johnson Consulting		

Construction jobs are estimated based on the amount spent on construction labor. In absence of an actual construction cost detailed rundown, labor costs are assumed to amount to 55 percent of construction hard costs, while the remaining 45 percent goes to material costs. In typical construction projects, labor costs typically make up 55 percent to 60 percent of total hard costs; material costs make up the remaining 40 percent to 45 percent. Applying this ratio to the \$10 million construction hard cost amount, labor costs are estimated to amount to \$5.5 million (material costs are estimated to amount to \$4.5 million). As shown in the table, assuming an average construction laborer salary of \$30,000, the construction is estimated to generate 180 construction jobs. A capital budget strategy to reduce costs could be to form a public entity that would purchase the materials for the stadium. If that occurs, sales taxes could be materially reduced, serving as a defacto savings in the development budget for the project.

Economic and fiscal impact is estimated based on the amount spent on construction material and construction jobs. Clearly, not all of the construction material is purchased locally. In absence of an actual construction vendor/supplier list, which would indicate where each of the material is purchased from, this analysis conservatively assumes that 80 percent of material costs, or \$3.6 million, is spent locally. Applying the multipliers to this amount, such spending on material is estimated to generate \$4.8 million of total spending and \$1.2 million of increased earnings in the economy. Tax revenues are estimated to amount to \$279,000.

SUMMARY OF TOTAL ECONOMIC AND FISCAL IMPACT

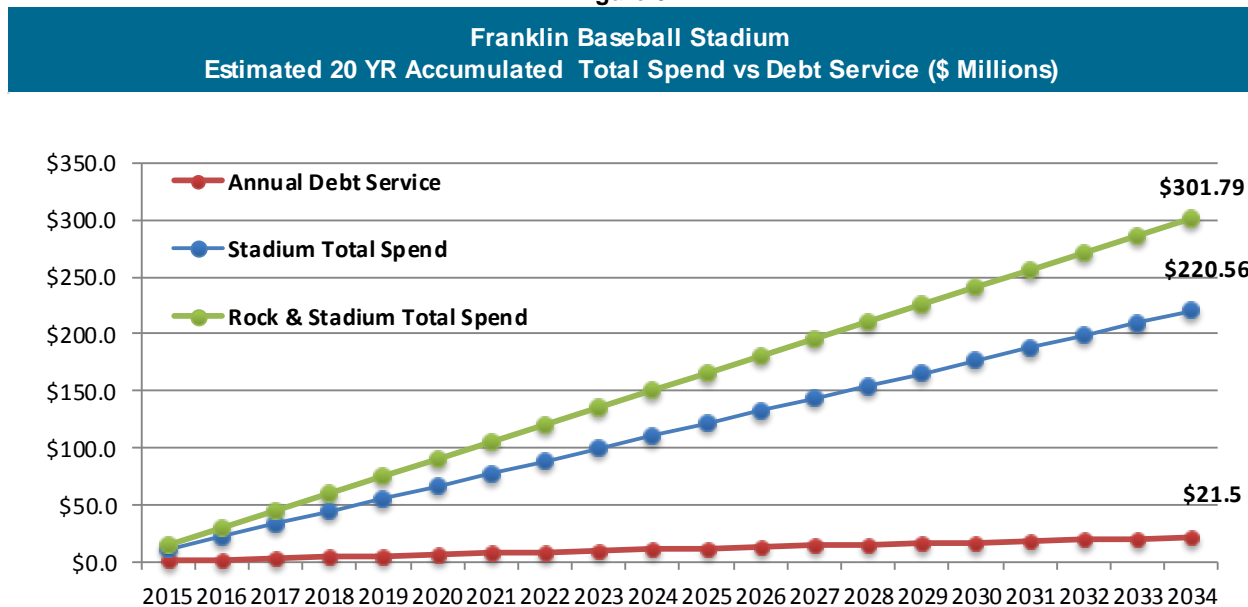
Table 6-10 summarizes the annual economic and fiscal impact of the planned Franklin Stadium, including one-time impact of construction and annual impact of facility operations.

Table 6-10

Franklin Baseball Stadium Summary of Economic and Fiscal Impact		
	ONE-TIME Impact of Construction	ANNUAL Impact of Facility Operations
On-Site Construction Jobs (FTE)	180	na
Economic Impact		
Direct Spending	\$3,600,000	\$8,140,000
Indirect Spending	720,000	1,630,000
Induced Spending	540,000	1,220,000
Total Spending	\$4,860,000	\$10,990,000
Increased Earnings	\$1,200,000	\$2,710,000
Fiscal Impact		
Sales Tax	\$270,000	\$615,000
Room Tax	na	70,000
Corporate Income Tax	9,000	87,000
Total	\$279,000	\$772,000

Source: Johnson Consulting

Figure 6-4



Source: Johnson Consulting



In figure 6-4 above, the estimated 20-year accumulated total spend is compared to the debt service over the same time period. While total debt service will be an estimated \$21.5 million by 2034, the total spend at the stadium will be approximately \$220.56 million, while the stadium combined with the Rock will generate an approximate total spend of \$301.76 million by 2034.

CONCLUSION

Johnson Consulting feels strongly that the development of the proposed Franklin stadium will be a successful investment on behalf of the City, which will likely serve as a catalyst to spur new development and entertainment in the City of Franklin. The synergies between the proposed development and the existing Rock Sports Complex combined offers a unique opportunity for the City of Franklin and its tourism base as it relates to the ever growing sports tourism market. Finally, as mentioned previously in the report, the analysis above does not account for the additional tax revenues that will be generated by the adjacent developments the stadium is likely to attract.

SECTION VII
STADIUM FUNDING OPTIONS

STADIUM FUNDING OUTLOOK

Funding a baseball stadium is a complex venture. It is a large capital outlay that often is considered a non-essential investment. But is that true? On one front yes, but on others, creating economic and recreational opportunities for residents, especially in a growing market like Franklin, is a duty of community leadership. Further, if such a facility is built and operated properly, coupled with the existing Rock Sports Complex, it creates a concentration of attractions in Franklin, pulling more distant regional residents to the core of the market, which in turn helps all of the City's and County's businesses do better.

Another issue relates to a perception that baseball team owners make tremendous profit from a stadium's operation. At the minor league level, this is simply not true. While there is an opportunity for a profit to be made if a team is run right, the team operation is an overhead expense to the parent team, or if independent, the operation is responsible for player expenses and travel costs.

As a rule for Single A minor league venues, a team plays in a publicly funded stadium and pays a negotiated lease payment. There is no way sufficient profit is made to support a team /tenant in a way that can fund the cost of the stadium out of team operations.

Due to the critical nature of financing such facilities often times the public and private sectors have partnered to develop a funding package that works for all parties. The average public contribution has historically been approximately 80 percent for such facilities. Noting that while the teams may be feasible, team-generated revenue alone will not be sufficient to pay down the debt on the stadium alone and have been primarily underwritten by the public as an economic development and quality of life investment. In the recent development of a new minor league stadium in Biloxi, MS, the \$36 million capital cost of the Stadium is being funded by \$21 million in City general obligation bonds and \$15 million from the State in the form of BP Oil spill dollars.

In a perfect world, stadium funding sources should, as closely as possible, match funding to its beneficiaries. This is rarely done perfectly because some tools require enabling legislation, which are subsequent to referendum, or are only generated after the project is up and running. As such, certain tools may be used to construct the project and there can be agreements made to replenish various funds used for the project in the short-term, but paid back by a more appropriate funding source once it becomes available. If such a direct correlation cannot be drawn, politics, leadership and governance can use an indirect source of funding to execute a project for the greater good of the community. Often a combination of these scenarios will facilitate a project.

For this project, we see a collaborative funding approach. Some could be project based, but also from the public sector. As noted in the preceding section, due to the tax structure in Wisconsin, most direct tax

revenues go to the state. Spending by patrons occurs in the City and County, however. So the City has to justify its investment by the value of taxes it gets from the Rock project overall, including the stadium. It also has to realize that the project will enhance the downtrodden real estate today, existing and proposed hotel development and development on the site itself (retail, and hotel), and taxes that do come to the City and County from the project.

Our work indicates the following broad funding structure for annual revenue sources:

- Ticket fee from events held at the stadium. Half of this number would be dedicated to a facility capital reserve fund
- Developer annual capital contribution based on fees on other attendees at the Rock (approximately 83,000 people per year), and any other sources the developer chooses
- Any grants and annual amounts provided from adjacent communities, the County and the State.
- Balance paid by the City, either from dedicated incremental existing or new taxes earned in a district formed around the project and annual appropriations.

These potential revenue sources could be included in the lease agreement and the ownership group is prepared to begin negotiating the specific terms of the lease with the City.

The following Appendix 1, which was done by Stern Brothers & Co., will address three different strategies for financing the debt associated with the stadium development.

APPENDIX I

STERN BROS. FINANCING OPTIONS



City of Franklin, WI Series 2014

Stern Brothers & Co.

underwriting • private placement • financial advisory • debt capacity &
analysis • remarketing services

Recognized for consistently having the lowest class A TEBS remarketing rates, Freddie Mac
#6, US Municipal Book Runner Minority Owned Firm, Thompson Reuters

WBE Certified
Member SPIC

Project Overview

- Zimmerman Ventures seeks to develop a minor league baseball stadium in Franklin, WI (the “Project”) using an existing Community Development Authority.
- The projected capital cost of the Project is expected to be approximately \$10 - \$11 million and financed with a combination of equity and debt.
 - The Project will be supported by the City of Franklin, WI, a financially secure and highly-rated municipality, interested in the successful completion of the Project, who will enter into a long term lease of the facility from the Community Development Authority, and sublease the stadium to the team.
 - The annual lease payments will be structured in an amount necessary to pay annual debt service and possibly some portion of necessary annual maintenance on the facility. (The level of annual lease payments will depend on the financing methods employed to build the facility.)
- The Project is expected to come online in late 2014 allowing the team to start the 2015 season in the new facility.
- Currently Zimmerman ventures is evaluating various options for the acquisition of the minor league team and the construction of the anticipated minor league ballpark..
- Stern Brothers & Co. (“Stern”) presents the following financing scenarios:
 - A taxable bond offering
 - A letter of credit-backed variable rate demand note (“VRDN”)



Financing Strategy

Negotiated Publicly Offered Community Development Authority (CDA) Taxable Lease Revenue Bonds.

CDA would:

- Be the “Issuer” of the Taxable Lease Revenue Bonds;
- Take title to the property or enter into a long term ground lease (at least 50 years) with the County;
- Lease the property and the project to the City of Franklin pursuant to a “quiet enjoyment” lease;
- Use Rental payments, ticket subsidies and other resources to pay debt service on the Bonds;
- Quiet Enjoyment lease is sufficient contingent liability – not general obligation debt of the CDA or the City.
- NO TAXES ARE INCREASED or ATTACHED TO LEASE REVENUE BONDS
- “ARE MY TAXES GOING UP?” THE ANSWER IS “NO”

The City of Franklin would:

- In the event that the ultimate end-user/sub-tenant defaults in its payment, the City would be responsible for payment of rental payments to the CDA



Rating Considerations

- Lease vs General Obligation Bonds
- Non Appropriation vs Full Term
- One Grading Level Drop & Pricing Considerations Aa2 vs Aa1
- Quiet Enjoyment Clause Termination



Taxable Bond Offering Scenario

- The CDA would issue bonds secured by the lease to the City of Franklin, WI, and rated based on the credit strength of Franklin, WI.
 - Due to the lease revenue structure, we expect that the rating would be one level below the GO rating of Franklin, WI. We estimate Aa2.
- The lease-backed, revenue bonds would be sold in a limited private or public offering and would be DTC Eligible.
 - Sold at a long-term fixed rate to investor(s) in \$5,000 minimum denominations
 - Bonds would be tradable in the secondary market
- The bond proceeds would be held at a trustee which would have the responsibility to manage the Project's funds and would manage the relationship with the bond holders.
- Bondholders would require a Debt Service Reserve Fund to be raised at financial close with the bond proceeds.
- The bonds would be structured as multiple serials to a term bond or multiple term bonds with annual principal payments / sinking funds.
- The bonds would be ruled by a set of covenants negotiated and established at the outset of the transaction.
 - Bonds would likely have call protection, either a make whole call or a 10 year "muni" call



Taxable Bond Offering Scenario

Marketing Process

- The primary marketing tools that will be used to market the transaction will be an offering circular (preliminary and final) and a data room.
 - The marketing period for the transaction will be approximately 2 weeks
 - The marketing efforts will promote the strong credit quality of the deal to investors (creditworthiness of lease agreement, creditworthiness of Franklin, WI, etc.)
- The bonds will be placed to investors on a committed underwritten basis by Stern.

Expectations

- The tenor of the term bonds will match the length of the lease, expected to be 20 to 30 years.
- Subject to the credit quality of the lease arrangement, the long-term bonds can be expected to have a fixed rate, all inclusive cost of approximately 5.60% -6.20%
 - Based on our current knowledge of the Project, we have assumed a Net Interest Cost of approximately 5.40% - 6.00%
 - The approximate cost of issuance would be 2.5% of the total uses of funds



Taxable Bond Offering Scenario

Advantages include:

- A fixed / certain cost of financing
- Limited covenants and no quarterly influence exerted
- Limited ongoing disclosure

Challenges include:

- The small size of the transaction will limit the buyer universe
- Bonds may offer limited liquidity in the secondary market



Letter of Credit-Backed VRDN Scenario

- The Project would obtain a Letter of Credit from a highly-rated bank with a 3-to-5 year commitment with a rolling renewal.
- Stern would underwrite and issue a rated VRDN.
 - The VRDN would be taxable, and would be sold to money market funds
- The VRDN would have a long-term, straight-line amortization over the length of the lease.
- The interest rate on the VRDN would be a floating rate that would be reset weekly.
 - Stern would remarket (i.e., set rate) based on the SIFMA benchmark rate



Letter of Credit-Backed VRDN Scenario

Marketing Process

- The majority of the time early in the process would be spent obtaining the Letter of Credit from a highly-rated bank.
- To obtain the Letter of Credit, Stern would solicit multiple banks (both regional and local to the Project) and pursue multiple term sheets.
- The marketing process would last approximately 2 weeks after the Letter of Credit was secured.

Expectations

- An approximate Letter of Credit fee to be negotiated as a percentage of the entire VRDN amount.
- The VRDN would price at a slight spread to the SIFMA rate, which is currently 0.05%.
- There is a possibility of swapping all or part of the VRDN to a fixed rate (up to 20 years) and there is a possibility of purchasing an interest rate cap.
- The estimated approximate origination cost would be 2.0% and there would be an annual remarketing fee of 0.125%.



Letter of Credit-Backed VRDN Scenario

Advantages include:

- Lowest overall interest cost
- Bank as a financing partner
- Flexibility regarding variable to fixed rate post construction or at a future time

Challenges include:

- Few highly-rated banks that can provide the Letter of Credit
- Uncertainty regarding Letter of Credit renewals
- Possible future interest rate risk if no swap or cap is deployed



Financing Overview: 20 Year Maturity

\$12,735,000

City of Franklin, WI (Aa2)

Lease Revenue Bonds (Taxable)

Series 2014

Sources & Uses

Dated 06/01/2014 | Delivered 06/01/2014

Sources Of Funds

Par Amount of Bonds	\$12,735,000.00
Reoffering Premium	121,850.65
Total Sources	\$12,856,850.65

Uses Of Funds

Costs of Issuance	318,375.00
Deposit to Debt Service Reserve Fund (DSRF)	1,096,087.50
Deposit to Capitalized Interest (CIF) Fund	641,087.50
Deposit to Project Construction Fund	10,500,000.00
Capital Expenditure Reserve and Replacement Fund	300,000.00
Rounding Amount	1,300.65
Total Uses	\$12,856,850.65

Financing Overview: 20 Year Maturity

\$12,735,000

City of Franklin, WI (Aa2)

Lease Revenue Bonds (Taxable)

Series 2014

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/01/2014	-	-	-	-
06/01/2015	-	-	641,087.50	641,087.50
06/01/2016	455,000.00	2.000%	641,087.50	1,096,087.50
06/01/2017	460,000.00	2.000%	631,987.50	1,091,987.50
06/01/2018	470,000.00	3.000%	622,787.50	1,092,787.50
06/01/2019	485,000.00	3.000%	608,687.50	1,093,687.50
06/01/2020	500,000.00	4.000%	594,137.50	1,094,137.50
06/01/2021	520,000.00	4.000%	574,137.50	1,094,137.50
06/01/2022	540,000.00	5.000%	553,337.50	1,093,337.50
06/01/2023	565,000.00	5.000%	526,337.50	1,091,337.50
06/01/2024	595,000.00	5.000%	498,087.50	1,093,087.50
06/01/2025	625,000.00	5.750%	468,337.50	1,093,337.50
06/01/2026	660,000.00	5.750%	432,400.00	1,092,400.00
06/01/2027	700,000.00	5.750%	394,450.00	1,094,450.00
06/01/2028	740,000.00	5.750%	354,200.00	1,094,200.00
06/01/2029	780,000.00	5.750%	311,650.00	1,091,650.00
06/01/2030	825,000.00	5.750%	266,800.00	1,091,800.00
06/01/2031	875,000.00	5.750%	219,362.50	1,094,362.50
06/01/2032	925,000.00	5.750%	169,050.00	1,094,050.00
06/01/2033	980,000.00	5.750%	115,862.50	1,095,862.50
06/01/2034	1,035,000.00	5.750%	59,512.50	1,094,512.50
Total	\$12,735,000.00	-	\$8,683,300.00	\$21,418,300.00



Financing Overview: 20 Year Maturity

\$12,735,000

City of Franklin, WI (Aa2)

Lease Revenue Bonds (Taxable)

Series 2014

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
06/01/2016	Serial Coupon	2.000%	1.600%	455,000.00	100.784%	458,567.20
06/01/2017	Serial Coupon	2.000%	2.000%	460,000.00	100.000%	460,000.00
06/01/2018	Serial Coupon	3.000%	2.650%	470,000.00	101.320%	476,204.00
06/01/2019	Serial Coupon	3.000%	2.920%	485,000.00	100.369%	486,789.65
06/01/2020	Serial Coupon	4.000%	3.450%	500,000.00	102.957%	514,785.00
06/01/2021	Serial Coupon	4.000%	3.900%	520,000.00	100.607%	523,156.40
06/01/2022	Serial Coupon	5.000%	4.050%	540,000.00	106.436%	574,754.40
06/01/2023	Serial Coupon	5.000%	4.250%	565,000.00	105.560%	596,414.00
06/01/2024	Serial Coupon	5.000%	4.450%	595,000.00	104.400%	621,180.00
06/01/2034	Term 1 Coupon	5.750%	5.750%	8,145,000.00	100.000%	8,145,000.00
Total	-	-	-	\$12,735,000.00	-	\$12,856,850.65



Financing Overview: 25 Year Maturity

\$12,725,000

City of Franklin, WI (Aa2)

Lease Revenue Bonds (Taxable)

Series 2014

Sources & Uses

Dated 06/01/2014 | Delivered 06/01/2014

Sources Of Funds

Par Amount of Bonds	\$12,725,000.00
Reoffering Premium	81,386.95
Total Sources	\$12,806,386.95

Uses Of Funds

Costs of Issuance	318,125.00
Deposit to Debt Service Reserve Fund (DSRF)	994,120.00
Deposit to Capitalized Interest (CIF) Fund	690,120.00
Deposit to Project Construction Fund	10,500,000.00
Capital Expenditure Reserve and Replacement Fund	300,000.00
Rounding Amount	4,021.95
Total Uses	\$12,806,386.95



Financing Overview: 25 Year Maturity

\$12,725,000

City of Franklin, WI (Aa2)

Lease Revenue Bonds (Taxable)

Series 2014

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/01/2014	-	-	-	-
06/01/2015	-	-	690,120.00	690,120.00
06/01/2016	300,000.00	2.000%	690,120.00	990,120.00
06/01/2017	310,000.00	2.000%	684,120.00	994,120.00
06/01/2018	315,000.00	3.000%	677,920.00	992,920.00
06/01/2019	325,000.00	3.000%	668,470.00	993,470.00
06/01/2020	335,000.00	4.000%	658,720.00	993,720.00
06/01/2021	345,000.00	4.000%	645,320.00	990,320.00
06/01/2022	360,000.00	5.000%	631,520.00	991,520.00
06/01/2023	380,000.00	5.000%	613,520.00	993,520.00
06/01/2024	395,000.00	5.000%	594,520.00	989,520.00
06/01/2025	415,000.00	5.950%	574,770.00	989,770.00
06/01/2026	440,000.00	5.950%	550,077.50	990,077.50
06/01/2027	470,000.00	5.950%	523,897.50	993,897.50
06/01/2028	495,000.00	5.950%	495,932.50	990,932.50
06/01/2029	525,000.00	5.950%	466,480.00	991,480.00
06/01/2030	555,000.00	5.950%	435,242.50	990,242.50
06/01/2031	590,000.00	5.950%	402,220.00	992,220.00
06/01/2032	625,000.00	5.950%	367,115.00	992,115.00
06/01/2033	660,000.00	5.950%	329,927.50	989,927.50
06/01/2034	700,000.00	5.950%	290,657.50	990,657.50
06/01/2035	745,000.00	5.950%	249,007.50	994,007.50
06/01/2036	785,000.00	5.950%	204,680.00	989,680.00
06/01/2037	835,000.00	5.950%	157,972.50	992,972.50
06/01/2038	885,000.00	5.950%	108,290.00	993,290.00
06/01/2039	935,000.00	5.950%	55,632.50	990,632.50
Total	\$12,725,000.00	-	\$11,766,252.50	\$24,491,252.50



Financing Overview: 25 Year Maturity

\$12,725,000

City of Franklin, WI (Aa2)

Lease Revenue Bonds (Taxable)

Series 2014

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
06/01/2016	Serial Coupon	2.000%	1.600%	300,000.00	100.784%	302,352.00
06/01/2017	Serial Coupon	2.000%	2.000%	310,000.00	100.000%	310,000.00
06/01/2018	Serial Coupon	3.000%	2.650%	315,000.00	101.320%	319,158.00
06/01/2019	Serial Coupon	3.000%	2.920%	325,000.00	100.369%	326,199.25
06/01/2020	Serial Coupon	4.000%	3.450%	335,000.00	102.957%	344,905.95
06/01/2021	Serial Coupon	4.000%	3.900%	345,000.00	100.607%	347,094.15
06/01/2022	Serial Coupon	5.000%	4.050%	360,000.00	106.436%	383,169.60
06/01/2023	Serial Coupon	5.000%	4.250%	380,000.00	105.560%	401,128.00
06/01/2024	Serial Coupon	5.000%	4.450%	395,000.00	104.400%	412,380.00
06/01/2039	Term 1 Coupon	5.950%	5.950%	9,660,000.00	100.000%	9,660,000.00
Total	-	-	-	\$12,725,000.00	-	\$12,806,386.95



Financing Overview: 30 Year Maturity

\$12,740,000

City of Franklin, WI (Aa2)

Lease Revenue Bonds (Taxable)

Series 2014

Sources & Uses

Dated 06/01/2014 | Delivered 06/01/2014

Sources Of Funds

Par Amount of Bonds	\$12,740,000.00
Reoffering Premium	55,588.75

Total Sources	\$12,795,588.75
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Uses Of Funds

Costs of Issuance	318,500.00
Deposit to Debt Service Reserve Fund (DSRF)	942,590.00
Deposit to Capitalized Interest (CIF) Fund	733,675.00
Deposit to Project Construction Fund	10,500,000.00
Capital Expenditure Reserve and Replacement Fund	300,000.00
Rounding Amount	823.75

Total Uses	\$12,795,588.75
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Financing Overview: 30 Year Maturity

\$12,740,000

City of Franklin, WI (Aa2)

Lease Revenue Bonds (Taxable)

Series 2014

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/01/2014	-	-	-	-
06/01/2015	-	-	733,675.00	733,675.00
06/01/2016	205,000.00	2.000%	733,675.00	938,675.00
06/01/2017	210,000.00	2.000%	729,575.00	939,575.00
06/01/2018	215,000.00	3.000%	725,375.00	940,375.00
06/01/2019	220,000.00	3.000%	718,925.00	938,925.00
06/01/2020	230,000.00	4.000%	712,325.00	942,325.00
06/01/2021	235,000.00	4.000%	703,125.00	938,125.00
06/01/2022	245,000.00	5.000%	693,725.00	938,725.00
06/01/2023	260,000.00	5.000%	681,475.00	941,475.00
06/01/2024	270,000.00	5.000%	668,475.00	938,475.00
06/01/2025	285,000.00	6.150%	654,975.00	939,975.00
06/01/2026	300,000.00	6.150%	637,447.50	937,447.50
06/01/2027	320,000.00	6.150%	618,997.50	938,997.50
06/01/2028	340,000.00	6.150%	599,317.50	939,317.50
06/01/2029	360,000.00	6.150%	578,407.50	938,407.50
06/01/2030	385,000.00	6.150%	556,267.50	941,267.50
06/01/2031	410,000.00	6.150%	532,590.00	942,590.00
06/01/2032	435,000.00	6.150%	507,375.00	942,375.00
06/01/2033	460,000.00	6.150%	480,622.50	940,622.50
06/01/2034	490,000.00	6.150%	452,332.50	942,332.50
06/01/2035	515,000.00	6.150%	422,197.50	937,197.50
06/01/2036	550,000.00	6.150%	390,525.00	940,525.00
06/01/2037	585,000.00	6.150%	356,700.00	941,700.00
06/01/2038	620,000.00	6.150%	320,722.50	940,722.50
06/01/2039	655,000.00	6.150%	282,592.50	937,592.50
06/01/2040	695,000.00	6.150%	242,310.00	937,310.00
06/01/2041	740,000.00	6.150%	199,567.50	939,567.50
06/01/2042	785,000.00	6.150%	154,057.50	939,057.50
06/01/2043	835,000.00	6.150%	105,780.00	940,780.00
06/01/2044	885,000.00	6.150%	54,427.50	939,427.50
Total	\$12,740,000.00	-	\$15,247,562.50	\$27,987,562.50



Financing Overview: 30 Year Maturity

\$12,740,000

City of Franklin, WI (Aa2)

Lease Revenue Bonds (Taxable)

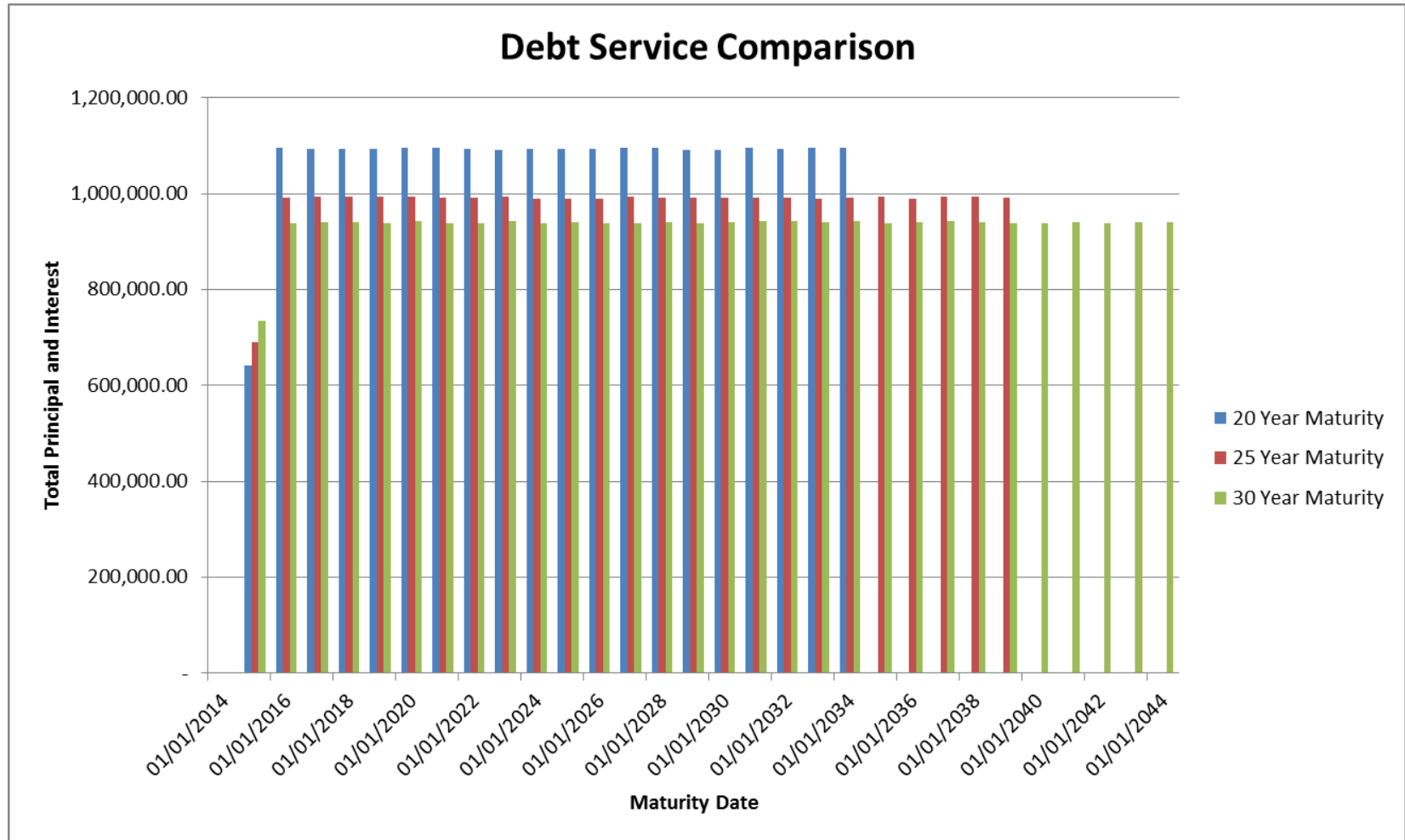
Series 2014

Pricing Summary

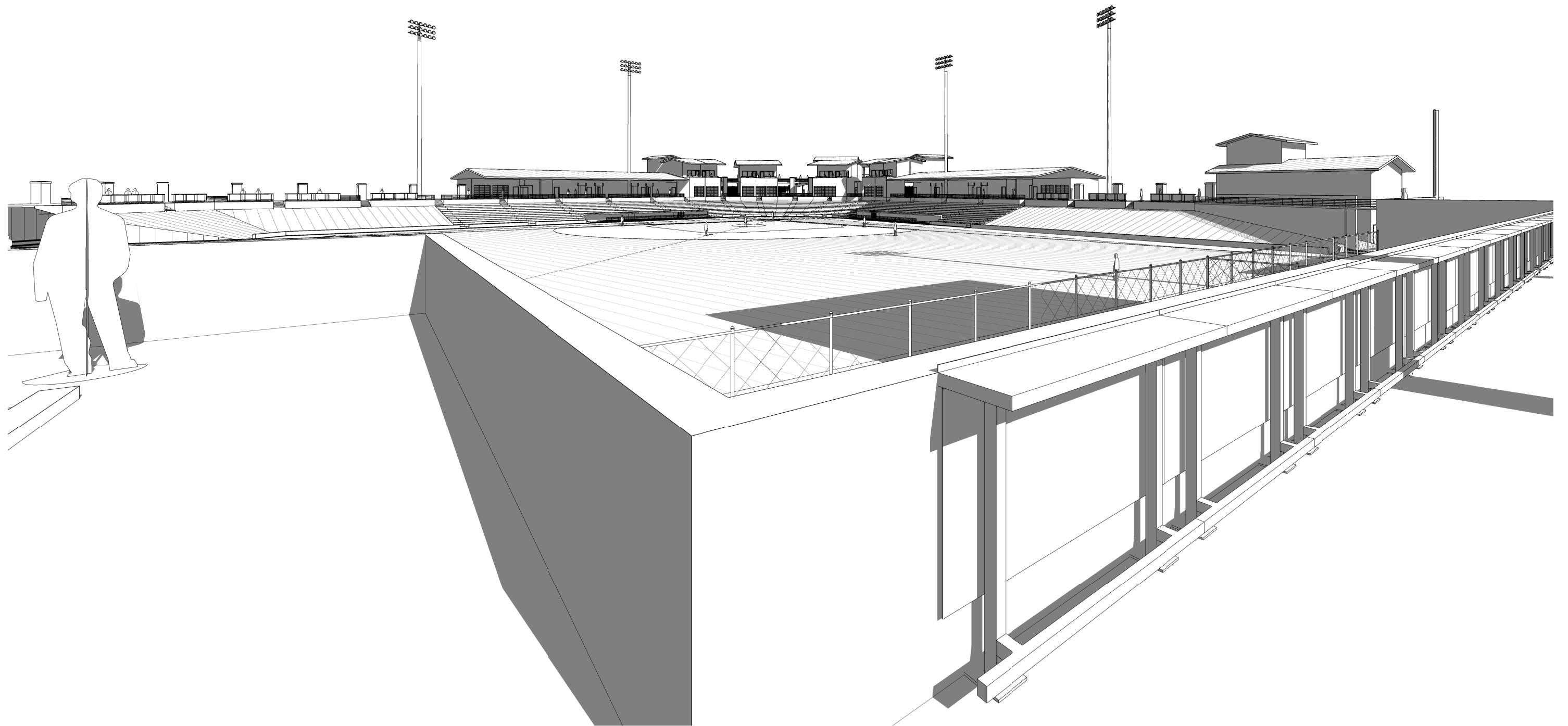
Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
06/01/2016	Serial Coupon	2.000%	1.600%	205,000.00	100.784%	206,607.20
06/01/2017	Serial Coupon	2.000%	2.000%	210,000.00	100.000%	210,000.00
06/01/2018	Serial Coupon	3.000%	2.650%	215,000.00	101.320%	217,838.00
06/01/2019	Serial Coupon	3.000%	2.920%	220,000.00	100.369%	220,811.80
06/01/2020	Serial Coupon	4.000%	3.450%	230,000.00	102.957%	236,801.10
06/01/2021	Serial Coupon	4.000%	3.900%	235,000.00	100.607%	236,426.45
06/01/2022	Serial Coupon	5.000%	4.050%	245,000.00	106.436%	260,768.20
06/01/2023	Serial Coupon	5.000%	4.250%	260,000.00	105.560%	274,456.00
06/01/2024	Serial Coupon	5.000%	4.450%	270,000.00	104.400%	281,880.00
06/01/2044	Term 1 Coupon	6.150%	6.150%	10,650,000.00	100.000%	10,650,000.00
Total	-	-	-	\$12,740,000.00	-	\$12,795,588.75

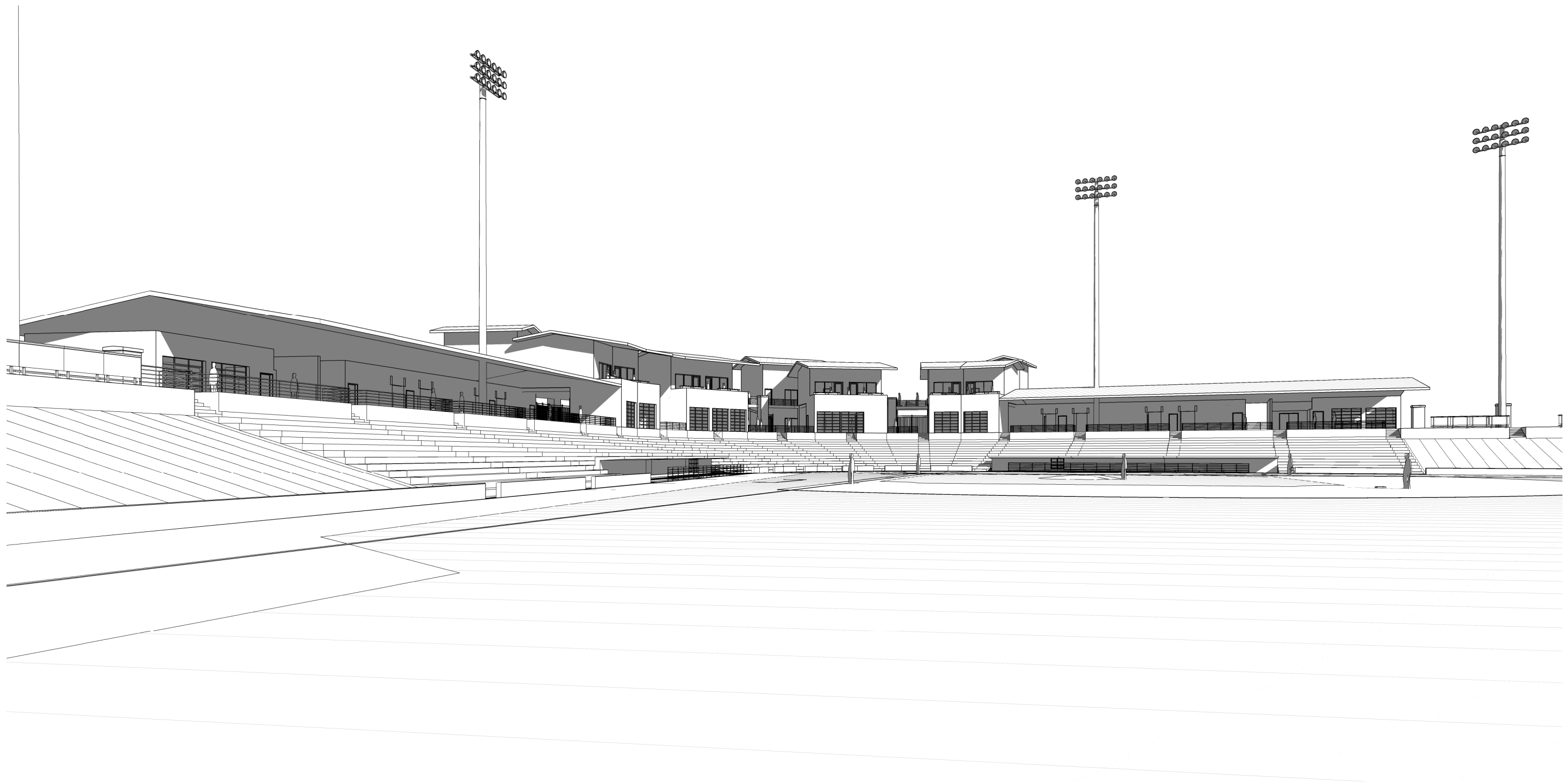


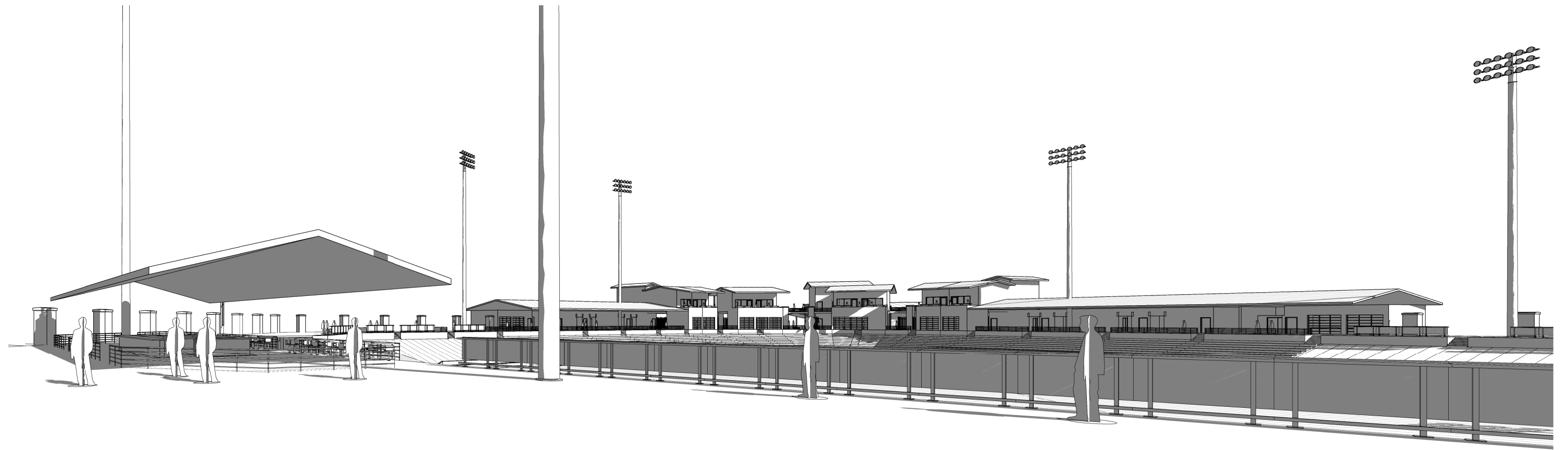
Financing Overview

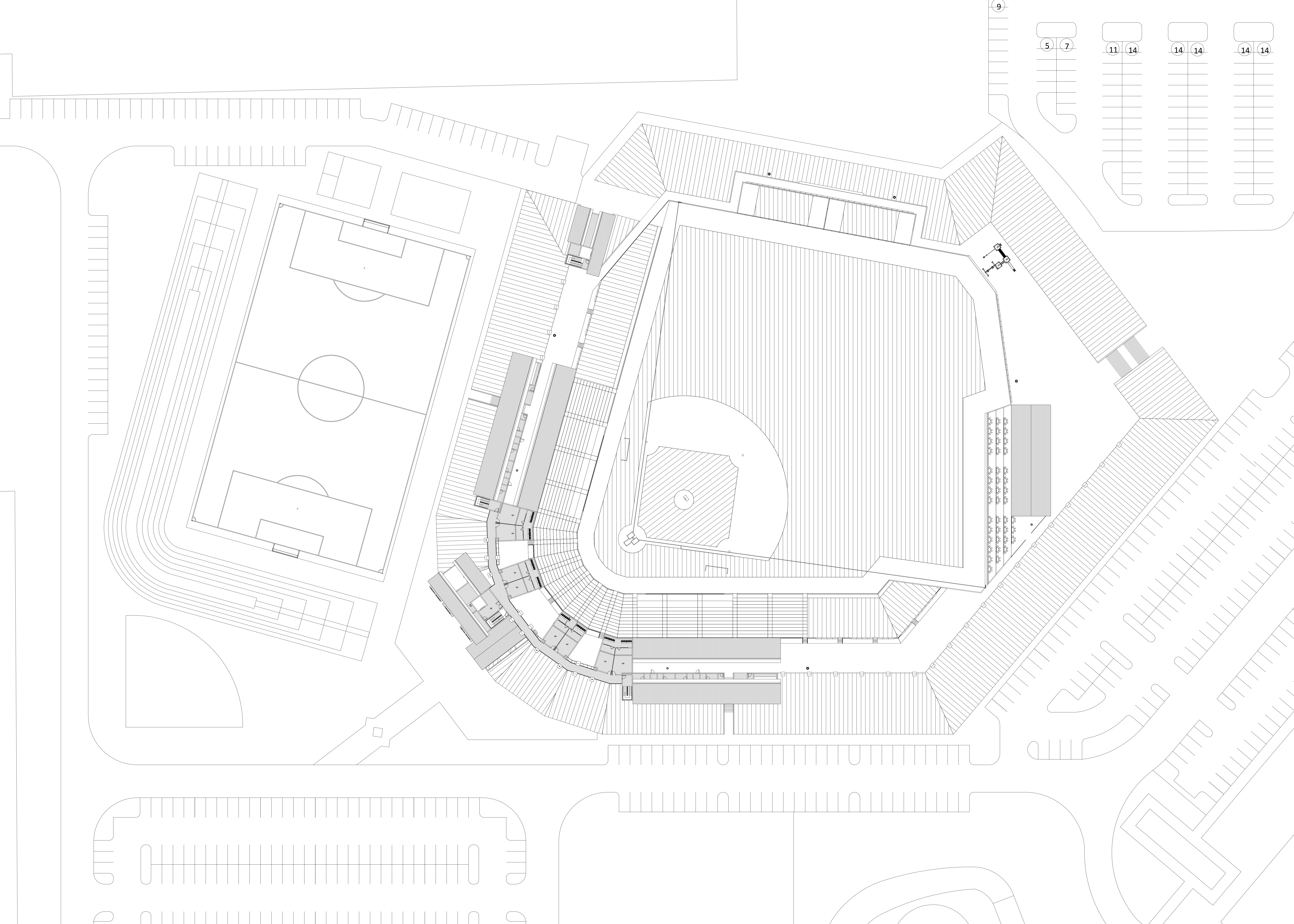


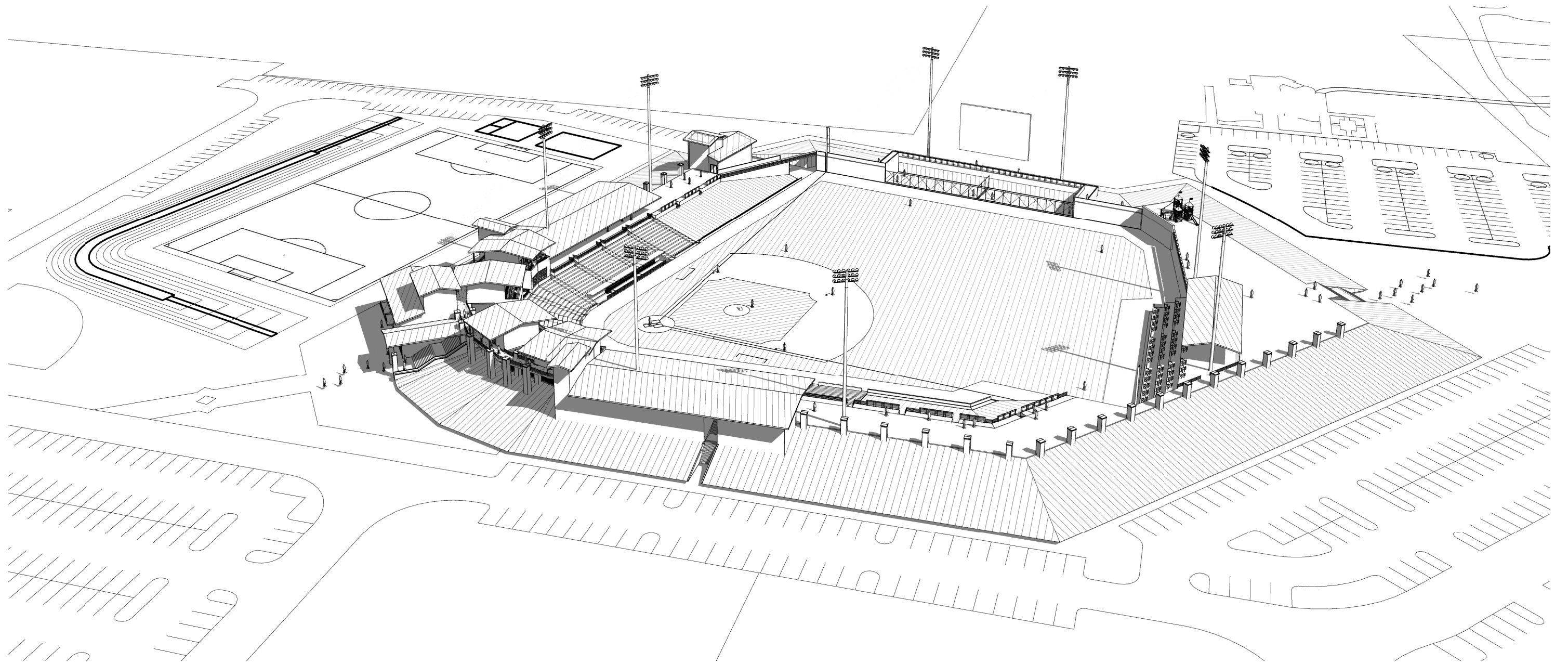
APPENDIX II
PRELIMINARY STADIUM DESIGN

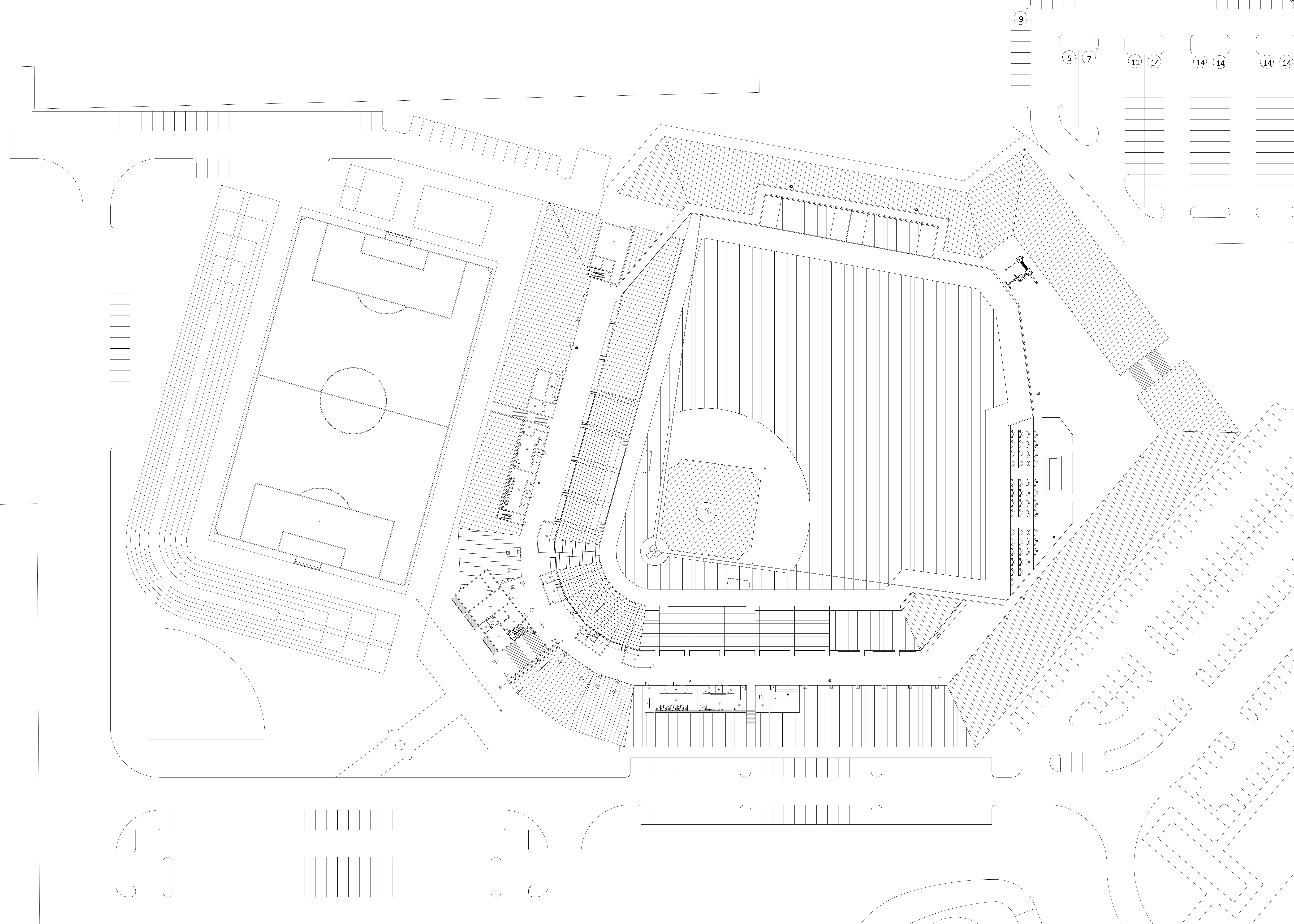












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