



CITY OF JERSEY VILLAGE

PROPOSED MULTI-USE BALLPARK

MARKET & FINANCIAL FEASIBILITY STUDY

JULY 8, 2022





July 8, 2022

Mr. Austin Bless
City Manager
City of Jersey Village
16501 Jersey Drive
Jersey Village, TX 77040-1999

Dear Mr. Bless:

Conventions, Sports & Leisure International (“CSL”) is pleased to present this draft market and financial feasibility analysis related to the development of a proposed multi-use ballpark in Jersey Village (“Ballpark”) that would serve as the home of an independent baseball league franchise and anchor the Village Center mixed-use development. The attached report summarizes our research and analyses and is intended to assist project stakeholders in making informed decisions regarding the proposed Ballpark at Village Center.

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

We sincerely appreciate the opportunity to assist you with this project and would be pleased to be of further assistance in the interpretation and application of the study’s findings.

Very truly yours,

CSL International

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INTRODUCTION



1. INTRODUCTION

The City of Jersey Village (“City”) was incorporated in 1956 and is located adjacent to U.S. 290 near the Jones Road intersection in the northwest Houston suburbs. As one of the major thoroughfares for commuting within the sprawling Houston metroplex, more than 150,000 cars drive through Jersey Village daily. The City, which had a population of approximately 8,000 residents as of the 2020 census, is primarily comprised of residential developments and is an ideal location to live within the metropolitan area. As such, a major goal of the City’s 2015 comprehensive plan was to determine new ways in which to diversify the City’s offerings in order to attract visitors to the area, increase the tax base, and identify other avenues of economic development.

The City identified approximately 274 acres, most of which is vacant, for future development. To attract private development to the area, the City Council approved a Tax Increment Reinvestment Zone (“TIRZ”) in 2017 that would allow the City to utilize incremental tax revenue generated within the TIRZ area for structural and infrastructure improvements within the TIRZ district. This TIRZ designation will be active for 30 years from the time of approval, or until 2047. The City Council also approved at that time property and sales tax abatements which are intended to incentivize businesses to build within Jersey Village.

Included in the TIRZ zone is a 43-acre area south of U.S. 290, commonly referred to as Village Center, which has been identified as the first area for targeted development. The City’s vision for a new development in this location was to create a “town square” which would include replacement of the nearly 50 year old City Hall as well as retail, restaurants, and entertainment that are family-friendly in nature to support residents within Jersey Village and the surrounding area.

In 2019, Houston-based developer Collaborate entered into an agreement with the City to invest \$145 million in this parcel to construct residential and retail space, as well as a hotel, a new City Hall, and an outdoor amphitheater. Their plan was based on a review of the northwest Houston suburbs that indicated a demand for a high density mixed-use master-planned development that are prevalent in other parts of the Houston area. Per the agreement, Collaborate would be required to complete the Village Center development on or before May 30, 2022. Several factors, including the COVID-19 pandemic, led to the termination of the agreement between Collaborate and the City in late 2021.



1. INTRODUCTION

In February of 2022, the City Council approved the City Manager to enter into a letter of intent with KHJR Real Estate Advisory Services (“KHJR”) to develop Village Center. This agreement is non-binding and allows for the City to approve the framework for negotiations at a date in the future. KHJR has a track record of mixed-use developments in the country that are aligned with the stated goals of Jersey Village.

KHJR reviewed the market surrounding Jersey Village and developed a master plan for Village Center to address the needs of the local area, including:

- 300 apartments (a total of 360,000 square feet);
- 140 senior living units (160,000 square feet);
- A 100-room hotel (66,000 square feet);
- City Hall (30,000 square feet);
- Office/retail (a total of 40,000 square feet);
- A nursing school (30,000 square feet);
- A minor league ballpark (163,000 square feet); and,
- A total of 1,469 surface parking stalls.

It is envisioned that a minor league ballpark could serve as the anchor of this development with a design that would be multi-purpose in nature. The games played by an tenant minor league baseball team as well as the capability to host a variety of other sporting and entertainment events would serve to attract attendees to the development throughout the year.

KHJR PROPOSED VILLAGE CENTER DEVELOPMENT



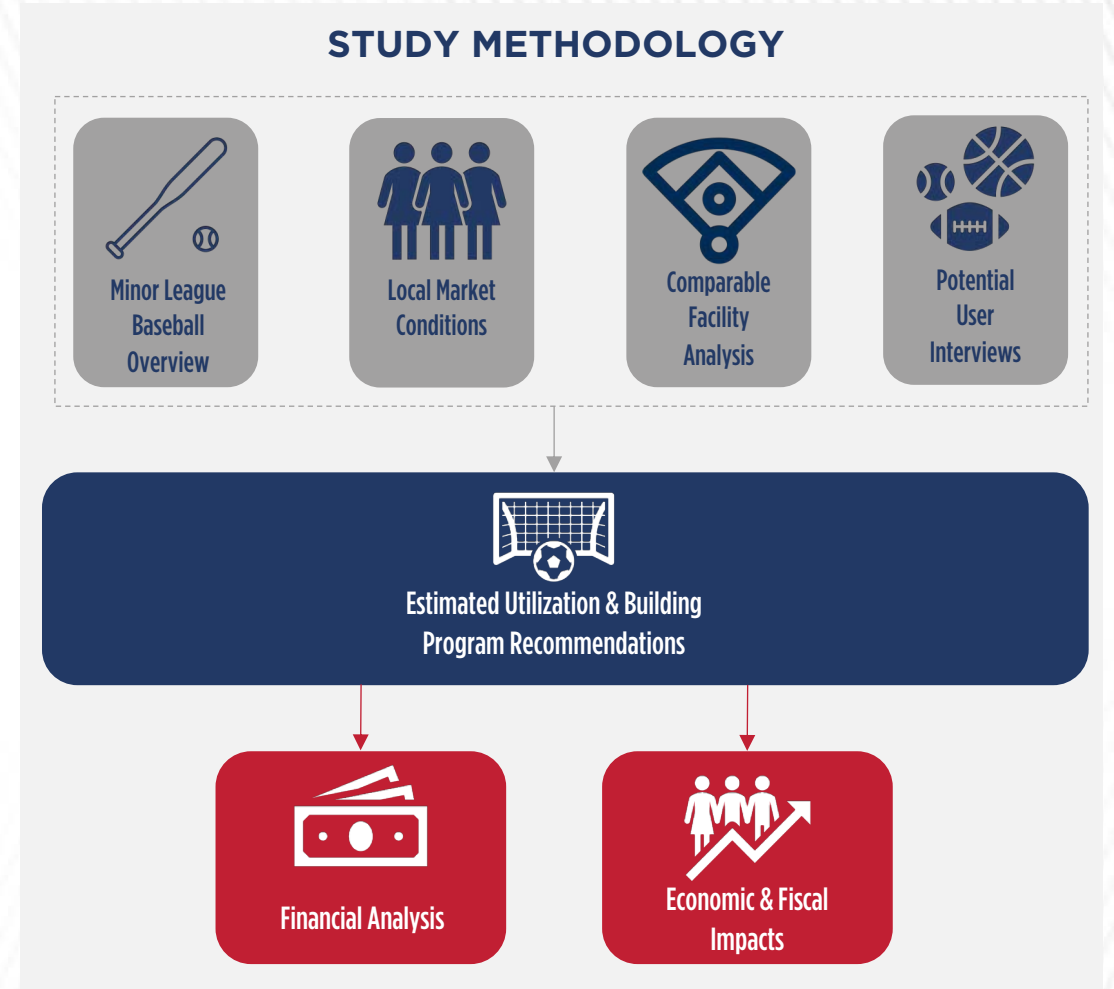
1. INTRODUCTION

To assess the viability of and demand for a new minor league ballpark in Jersey Village, the City engaged CSL to conduct a market, financial, and economic impact feasibility analysis.

As illustrated in the graphic to the right, as part of the feasibility analysis process, CSL examined the structure of minor league baseball, analyzed the demographic and socioeconomic characteristics of the regional area in the context of competitive facilities, benchmarked against recently developed ballparks, including those that anchored similar mixed-use developments as envisioned at Village Center, and conducted interviews with potential ballpark users and event promoters.

The results of this research were synthesized to develop estimates for ballpark utilization, including event attendance, and develop recommendations for a market-supportable building program, including fixed seating and premium seat offerings. Based on the estimated utilization and recommended building program, CSL developed a financial pro forma for the ballpark and tenant team and estimated economic and fiscal impacts related to the construction and operations of the facility.

The remainder of this report outlines the key findings of the feasibility analysis and is designed to assist project representatives in making informed decisions regarding a new ballpark in Jersey Village. The report should be read in its entirety to obtain the background, methods and assumptions underlying the findings.



2

MINOR LEAGUE BASEBALL OVERVIEW



2. MINOR LEAGUE BASEBALL OVERVIEW

AFFILIATED MINOR LEAGUE CLASSIFICATION SYSTEM

Minor League Baseball (“MiLB”) underwent a major realignment and restructuring in 2021, consolidating the number of teams and organizing into a standardized affiliate system in which each Major League Baseball (“MLB”) team has four affiliate teams, one in each of the four minor leagues:

- Class AAA - “Triple-A” is the highest classification of the affiliated minor leagues. It was established in 1945 and currently consists of the Pacific Coast League and the International League. With 2021’s realignment, there was some movement in Triple-A with three teams joining the league and three teams being demoted to lower-level classifications. The Pacific Coast League includes the Sugar Land Space Cowboys, which is the closest MiLB team to Jersey Village.
- Class AA - “Double-A” is the second-highest classification of the affiliated minor leagues. It was established in 1912 and currently consists of the Eastern, Southern, and Texas Leagues. As a result of the 2021 realignment, three teams in AA were replaced by three new teams.
- Class A-Advanced - “High-A” is the third tier of the affiliated minor leagues. It currently consists of the Midwest, Northwest, and South Atlantic Leagues. High-A, previously known as A+, experienced a significant amount of consolidation during 2021’s restructuring, as five leagues were combined into three divisions.
- Class A - “Single-A” is the lowest tier of the affiliated minor leagues. It currently consists of the California, Carolina, and Florida State Leagues.

Over 40 teams that were affiliated with an MLB franchise in 2020 are no longer in 2022. Many of these clubs will be part of the new MLB Draft League, a Collegiate Summer League intended to act as a showcase for top prospects in MLB’s annual draft, or have moved to various independent leagues, while some have ceased operations entirely.

Due to territorial restrictions with the Space Cowboys, MiLB would likely not be a fit for a new team in Jersey Village. Independent leagues, however, are not subject to the same territorial restrictions as MiLB, which presents an opportunity for a new team in Jersey Village. Additional information on independent league baseball can be found over the following pages.

2. MINOR LEAGUE BASEBALL OVERVIEW

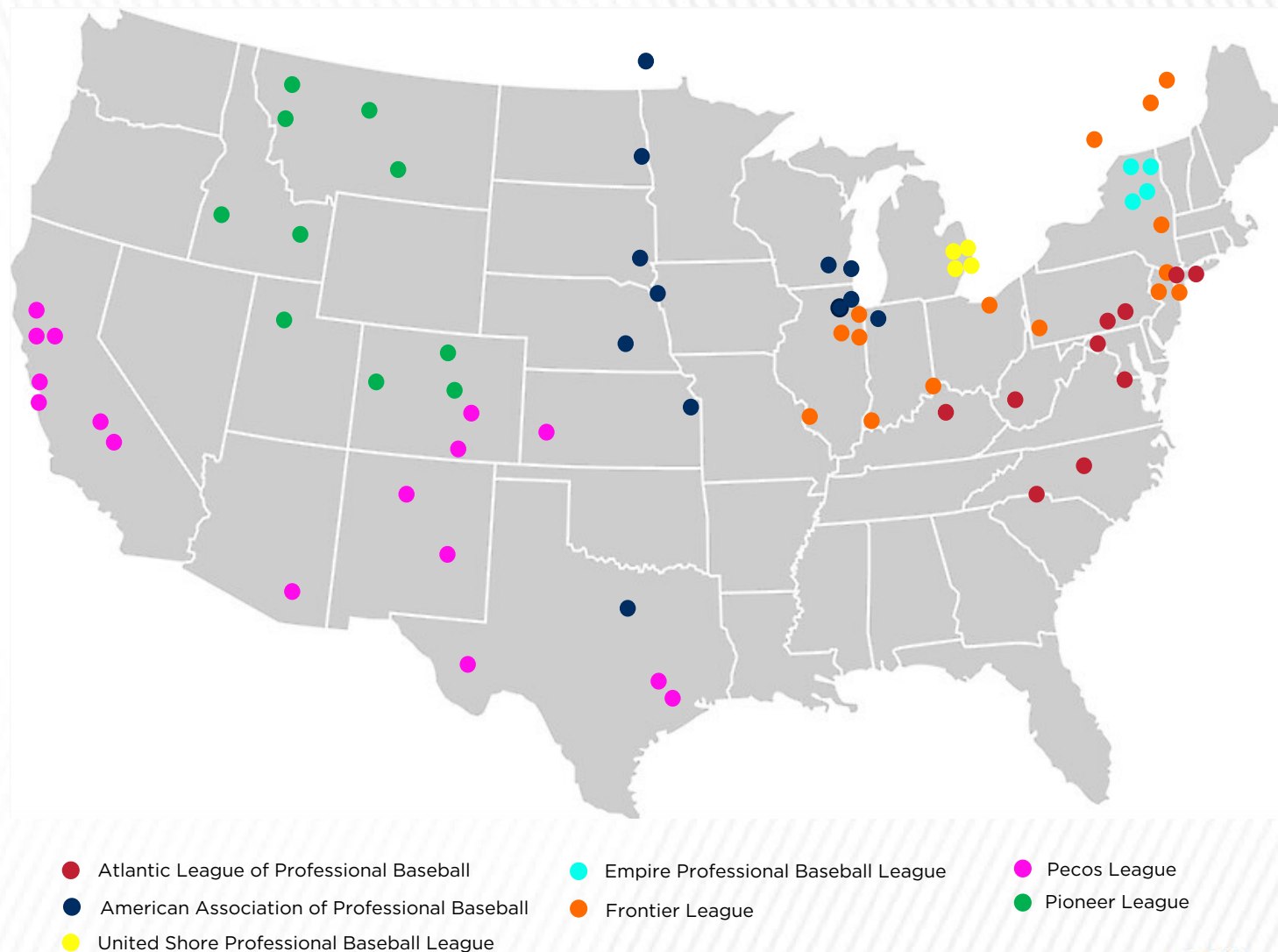
INDEPENDENT LEAGUE BASEBALL

An independent baseball league is a professional baseball organization in North America that is not overseen by Major League Baseball and is outside the minor league baseball clubs affiliated to it.

Independent leagues originally flourished in northeastern states where dense populations can often support multiple franchises. Independent leagues are not subject to the territorial limitations imposed on affiliated minor league teams, which allow clubs the ability to relocate as close to affiliated clubs as they want.

The map to the right shows the location of all independent league teams in the United States and Canada. As shown, there are currently four independent league teams in Texas; three in the Pecos League and one in the American Association of Professional Baseball.

Because the operating margin for most independent league teams is small, travel expenses must be minimized to ensure financial viability of the team. To keep travel expenses to a minimum, independent leagues are typically organized by geography. To that end, the following pages contain an overview of two independent leagues, the American Association of Professional Baseball and the Pecos League, which could provide the best fit for a new team in Jersey Village due to geography of the leagues.



2. MINOR LEAGUE BASEBALL OVERVIEW

AMERICAN ASSOCIATION OF PROFESSIONAL BASEBALL

The map below shows the 12 teams that compete in the American Association of Professional Baseball (“American Association”). Additional information on the league can be found on the following pages.



2. MINOR LEAGUE BASEBALL OVERVIEW

AMERICAN ASSOCIATION OF PROFESSIONAL BASEBALL

The American Association is an independent professional league that operates in the central United States and Canada. Teams in the American Association are mostly located in cities not served by a Major League Baseball team or their minor league affiliate.

The American Association was founded in October 2005 when the St. Paul Saints, Lincoln Saltdogs, Sioux City Explorers, and Sioux Falls Canaries announced they were leaving the Northern League (independent). Also in 2005, the Central Baseball League (independent) announced it was disbanding after four seasons. The Fort Worth Cats, Shreveport-Bossier Sports, Pensacola Pelicans, Coastal Bend Aviators, and El Paso Diablos joined the four former Northern League teams and the expansion St. Joe Blacksnakes to form the American Association as a 10-team league.

Currently, the American Association has 12 teams and play 100 games (50 home and away) with six teams advancing to the playoffs. As shown in the table to the right, the average team joined the league in 2013 and play in a ballpark with an average seating capacity of 5,914.

The League typically recruits college, ex-major league and ex-minor league players. Former affiliated-league players who get injured often join the American Association as an opportunity to get re-signed by major league organizations.

The fee for an expansion team in the American Association is approximately \$750,000.

Teams	Founded	Joined	Distance from Jersey Village	Location	Ballpark Name	Capacity	Cost
Kane County Cougars	1991	2021	1,082 mi	Geneva, IL	Northwestern Medicine Field	10,923	\$14.5 M
Lincoln Saltdogs	2001	2006	875 mi	Lincoln, NE	Haymarket Park	8,500	\$29.5 M
Kansas City Monarchs	2003	2010	791 mi	Kansas City, KS	Legends Field	7,500	\$12.0 M
Winnipeg Goldeyes	1994	2010	1,529 mi	Winnipeg, MB	Shaw Park	7,461	\$9.0 M
Chicago Dogs	2018	2018	1,083 mi	Rosemont, IL	Impact Field	6,300	\$60.0 M
Gary SouthShore RailCats	2002	2011	1,086 mi	Gary, IN	U.S. Steel Yard	6,139	\$45.0 M
Sioux Falls Canaries	1993	2006	1,074 mi	Sioux Falls, SD	Sioux Falls Stadium	4,500	\$5.8 M
Cleburne Railroaders	2017	2017	225 mi	Cleburne, TX	The Depot at Cleburne Station	4,200	\$27.2 M
Fargo-Moorhead RedHawks	1993	2011	1,313 mi	Fargo, ND	Newman Outdoor Field	4,172	\$5.4 M
Milwaukee Milkmen	2019	2019	1,149 mi	Franklin, WI	Franklin Field	4,000	\$15.0 M
Lake Country RockHounds	2022	2022	1,152 mi	Oconomowoc, WI	Wisconsin Brewing Company Park	3,641	\$11.0 M
Sioux City Explorers	1993	2006	989 mi	Sioux City, IA	Lewis and Clark Park	3,631	\$3.5 M
Average	2004	2013	1,029 mi			5,914	\$19.8 M
Median	2002	2011	1,083 mi			5,320	\$13.3 M

Sorted by seating capacity.

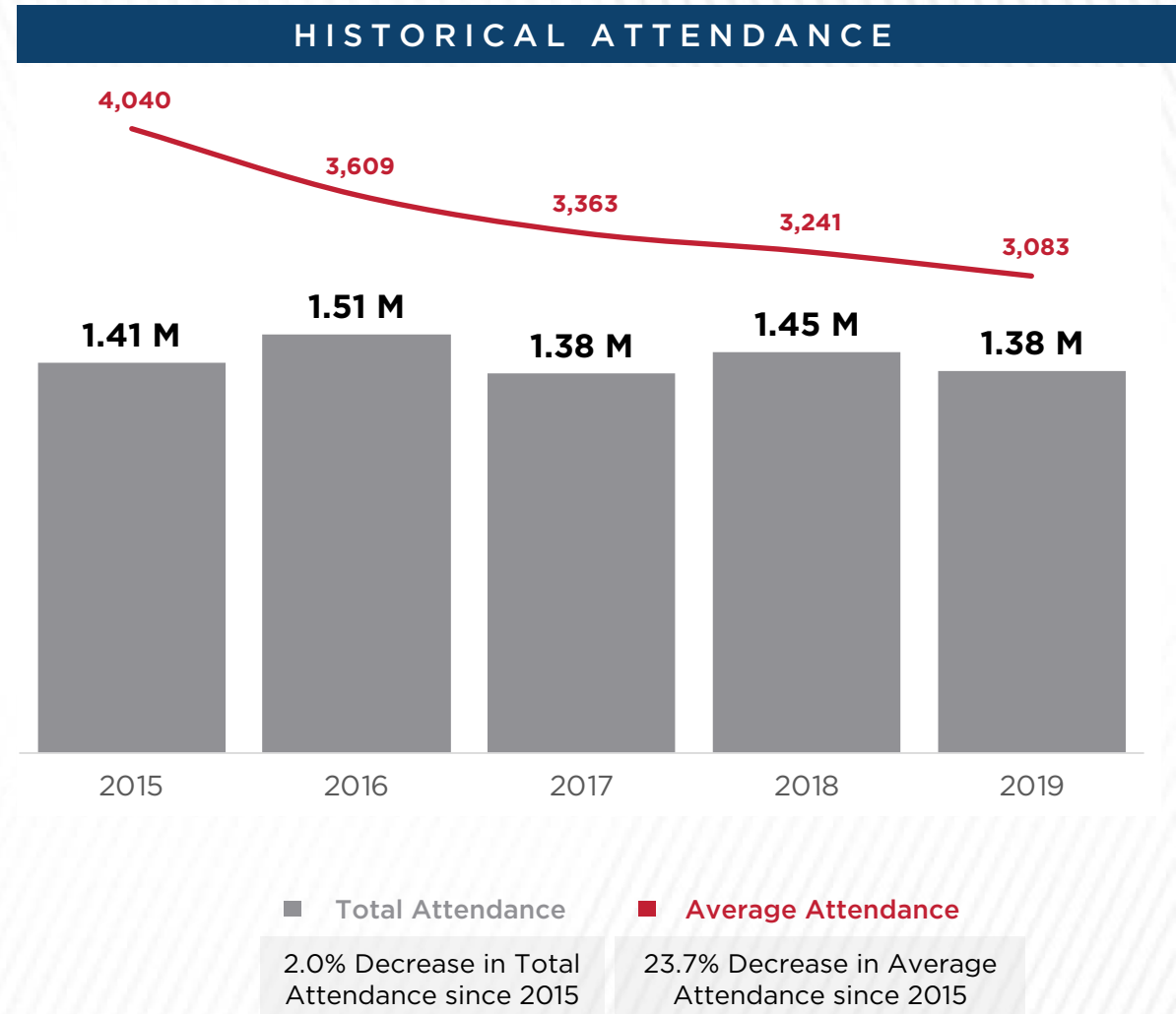
2. MINOR LEAGUE BASEBALL OVERVIEW

AMERICAN ASSOCIATION ATTENDANCE

The chart on the right presents a summary of league-wide American Association home attendance from 2015 to 2019, as reported by the league itself. Attendance in 2020 and 2021 was impacted by COVID-19, and thus not included in the analysis.

Attendance levels impact the magnitude of revenue that can be generated from the sale of tickets, food and beverage, merchandise, and parking. Attendance levels can also provide an indicator of the overall health of American Association and the general support for a team within its market.

As shown, total attendance has dropped from 1.41 million to 1.38 million from 2015 to 2019 and average attendance has dropped from 4,040 per game to 3,083 per game over that same time, despite the addition of two expansion teams (Cleburne Railroaders in 2017 and the Chicago Dogs in 2018). This includes only teams that are currently active in the American Association. This excludes the St. Paul Saints, which moved to the International League as the Triple-A affiliate of the Minnesota Twins, Texas AirHogs, and Wichita Wingnuts which are not currently active in the American Association.



2. MINOR LEAGUE BASEBALL OVERVIEW

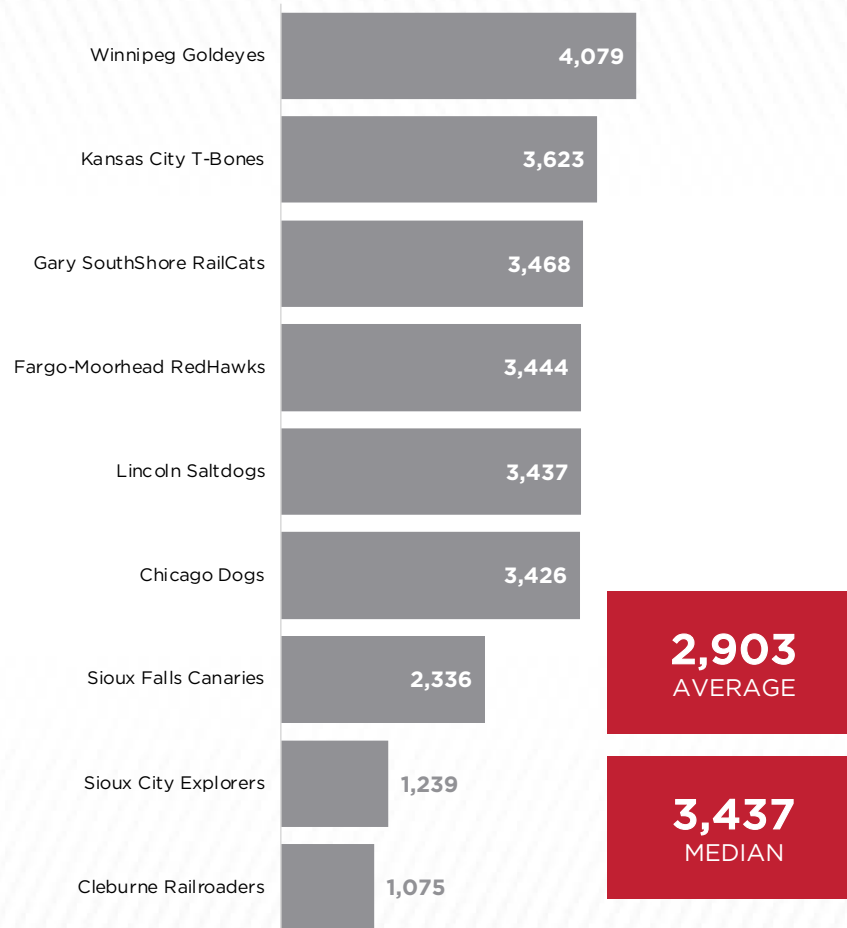
AMERICAN ASSOCIATION ATTENDANCE

The charts on the right presents the average attendance and attendance as a percentage of ballpark capacity among the active teams that played in 2019.

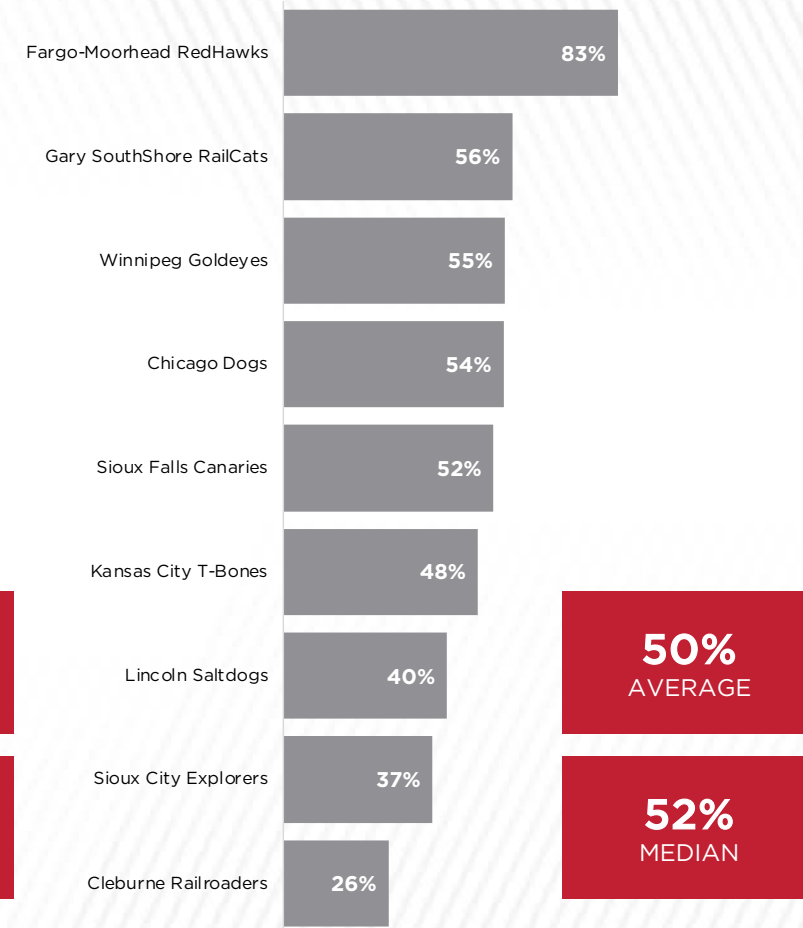
In 2019, active American Association home teams averaged a reported attendance of 2,903, ranging from a low of 1,075 for the Cleburne Railroaders to 4,079 for the Winnipeg Goldeyes.

On average, American Association teams utilized approximately 50 percent of available ballpark capacity. Attendance as a percentage of capacity ranges from a low of 26 percent for the Cleburne Railroaders to a high of 83 percent for the Fargo-Moorhead RedHawks.

2019 AVERAGE ATTENDANCE



2019 ATTENDANCE AS % CAPACITY



Note: Excludes Kane County Cougars and Lake Country DockHounds, which both joined after the 2019 season.

2. MINOR LEAGUE BASEBALL OVERVIEW

PECOS LEAGUE

The map below shows the 16 teams that compete in the Pecos League of Professional Baseball (“Pecos League”) throughout Texas, New Mexico, Arizona, California, Colorado and Kansas. Additional information on the league can be found on the following pages.



2. MINOR LEAGUE BASEBALL OVERVIEW

PECOS LEAGUE

The Pecos League is an independent professional baseball league headquartered in Houston, Texas, and operates in cities in desert mountain regions throughout California, New Mexico, Arizona, Colorado, Kansas, and Texas. The league plays in cities that do not have MiLB or minor league affiliates.

Founded in 2010, the Pecos League fielded six teams in 2011 and 2012 before expanding to eight teams in 2013. The League continued to expand and currently has 16 teams competing in two divisions across six states. As shown in the table to the right, the average team was founded in 2017 and plays in a ballpark with an average seating capacity of approximately 2,000.

The League plays 50 games each season (25 home and away) with eight teams advancing to the playoffs. It should be noted that the league does not track attendance data.

The Pecos League also operates a spring developmental league, which is a one-month showcase beginning in March for recent college graduates and free agents looking to sign with a full-season league.

Teams	Founded	Distance from Jersey Village	Location	Ballpark Name	Capacity
Tucson Saguaros	2016	1,037 mi	Tucson, AZ	Kino Veterans Memorial Stadium	11,000
Colorado Springs Snow Sox	2021	948 mi	Colorado Springs, CO	Spurgeon Field	4,100
Bakersfield Train Robbers	2013	1,650 mi	Bakersfield, CA	Sam Lynn Ballpark	2,700
Monterey Amberjacks	2017	1,857 mi	Monterey, CA	Frank E. Sollecito, Jr. Ballpark	2,500
Alpine Cowboys	2009	546 mi	Alpine, TX	Kokernot Field	1,400
San Rafael Pacifics	2020	1,930 mi	San Rafael, CA	Albert Park	1,200
Santa Fe Fuego	2012	863 mi	Santa Fe, NM	Fort Marcy Ballfield	1,100
Garden City Wind	2015	740 mi	Garden City, KS	Clint Lightner Field	1,000
Austin Weirdos	2022	156 mi	Austin, TX	Parque Zaragoza	1,000
Weimar Hormigas	2022	82 mi	Weimar, TX	Veteran's Memorial Park	1,000
Martinez Sturgeon	2020	1,914 mi	Martinez, CA	Waterfront Park	1,000
Trinidad Triggers	2012	821 mi	Trinidad, CO	Central Park	887
Wasco Reserve	2019	1,676 mi	Wasco, CA	Wasco Ballpark	750
Roswell Invaders	2011	646 mi	Roswell, NM	Joe Bauman Stadium	500
Santa Cruz Seaweed	2020	1,880 mi	Santa Cruz, CA	Harvey West Park	500
Santa Rosa Scuba Divers	2022	1,966 mi	Santa Rosa, CA	Doyle Park	n/a
Average	2017	1,116 mi			2,153
Median	2018	993 mi			1,000

Sorted by seating capacity.

2. MINOR LEAGUE BASEBALL OVERVIEW

SUMMARY

It is envisioned that a new ballpark in Jersey Village could become the home of a minor league baseball team. While it is possible the ballpark could attract an affiliated minor league team in the future as affiliated baseball evolves, it is unlikely given the existence of the Houston Astros (MLB) and the Sugar Land Space Cowboys (Triple-A), which are both located within approximately 20 miles of Jersey Village. Therefore, it is assumed that a new ballpark in Jersey Village could serve as the home of an independent league team.

Among independent leagues, the best fit for a potential team would likely be the American Association of Professional Baseball or the Pecos League due to the markets in which they operate, the average size of the ballpark, and the average attendance.

Independent league baseball trends are considered together with local market conditions, competition within the market, and the historical operations of comparable ballparks to estimate event utilization at a potential new ballpark.



3

LOCAL MARKET CONDITIONS



3. LOCAL MARKET CONDITIONS

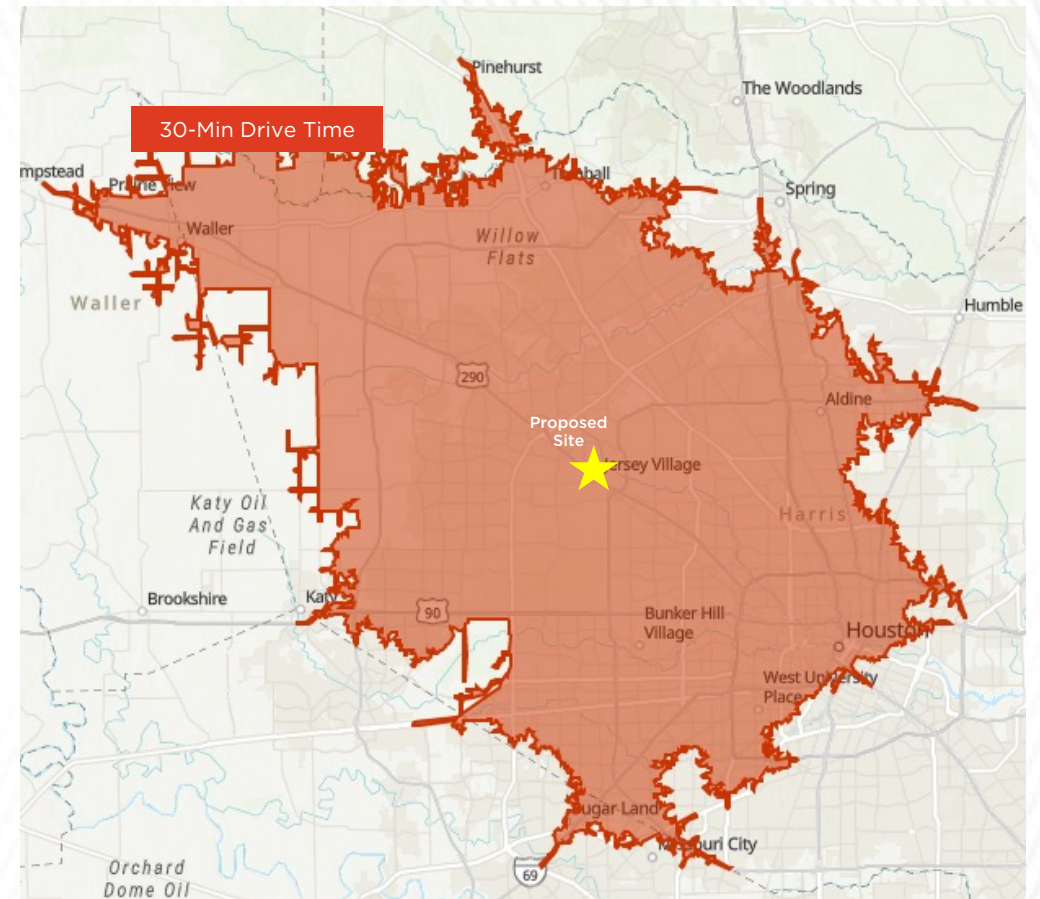
INTRODUCTION

The viability of a new ballpark in Jersey Village is dependent, to some degree, on the demographic and socioeconomic characteristics of the local and regional market. Key market characteristics that may have an impact on a new ballpark include:

- Population;
- Age;
- Income;
- Employment;
- Corporate Base; and,
- Other Characteristics.

For the purpose of this report, the primary market for a potential new ballpark is anticipated to include patrons within a 30-minute drive. This market area is based on ticketing trends across similar minor league baseball markets. This market area is anticipated to comprise the majority of attendees for events held at the ballpark, although for certain high-profile events, it is possible that patrons could be drawn from beyond this area.

The demographic and socioeconomic data presented in the remainder of this section is based on this anticipated market area, as illustrated in the map on the right.



3. LOCAL MARKET CONDITIONS

POPULATION

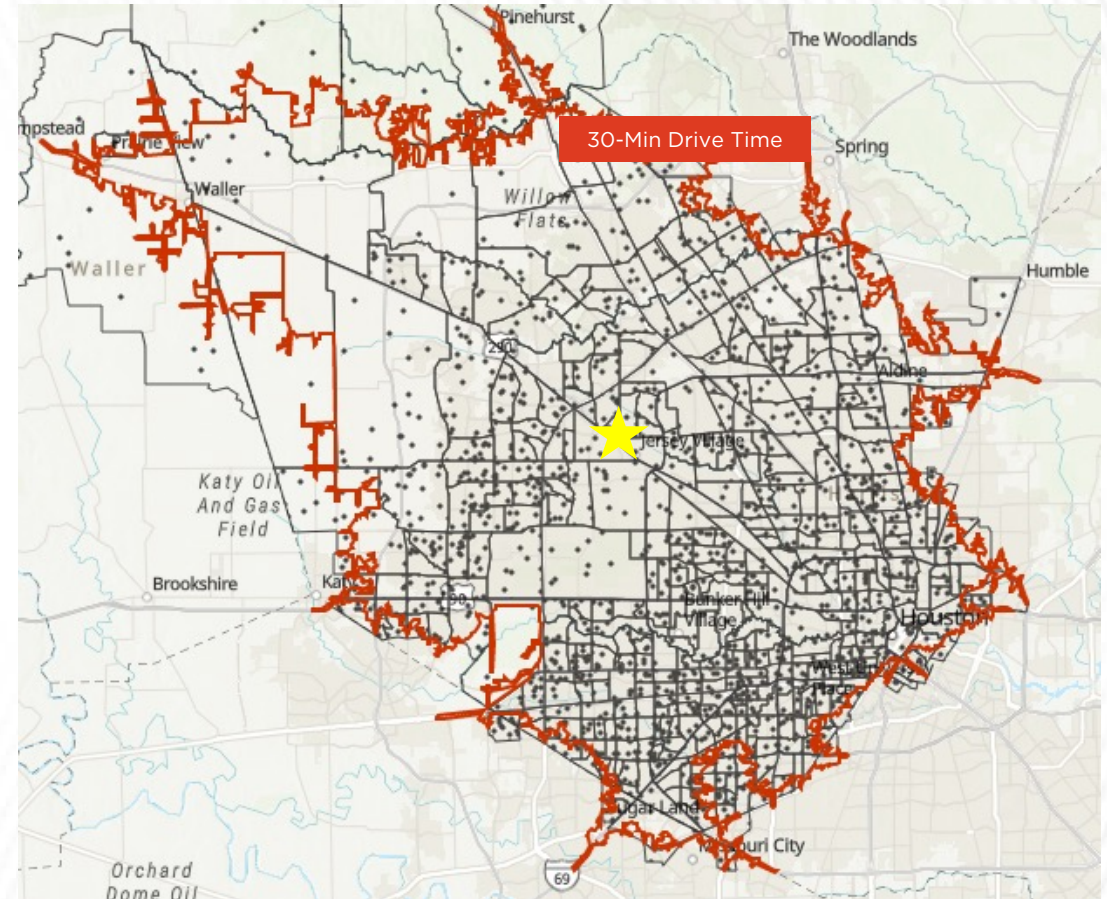
The ability of a venue to attract attendees to events is affected by the level of population within the primary market. As shown in the table below, approximately 3.9 million people reside within a 30-minute drive of the potential ballpark site.

Variable	Primary Market 30-Min Drive Time	United States
2011 Total Population	3,277,574	310,800,395
2021 Total Population	3,853,325	333,934,112
2026 Total Population	4,063,267	345,887,495
Historical Annual Growth Rate (2011-2021)	1.6%	0.8%
Projected Annual Growth Rate (2021-2026)	0.9%	0.7%

Source: ESRI.

The population of the primary market is projected to grow by 0.9 percent annually over the next five years, which is higher than the United States as a whole, which is anticipated to grow at 0.7 percent.

The map to the right shows the population density of the primary market. As shown, the areas closest to Houston are more densely populated, while the areas east and west are the most populated directly near the ballpark. It is likely that as a suburb of Houston, one of the fastest growing cities in the U.S., Jersey Village will continue to receive many new residents moving to the area.



• 1 = 1000 Residents

3. LOCAL MARKET CONDITIONS

AGE

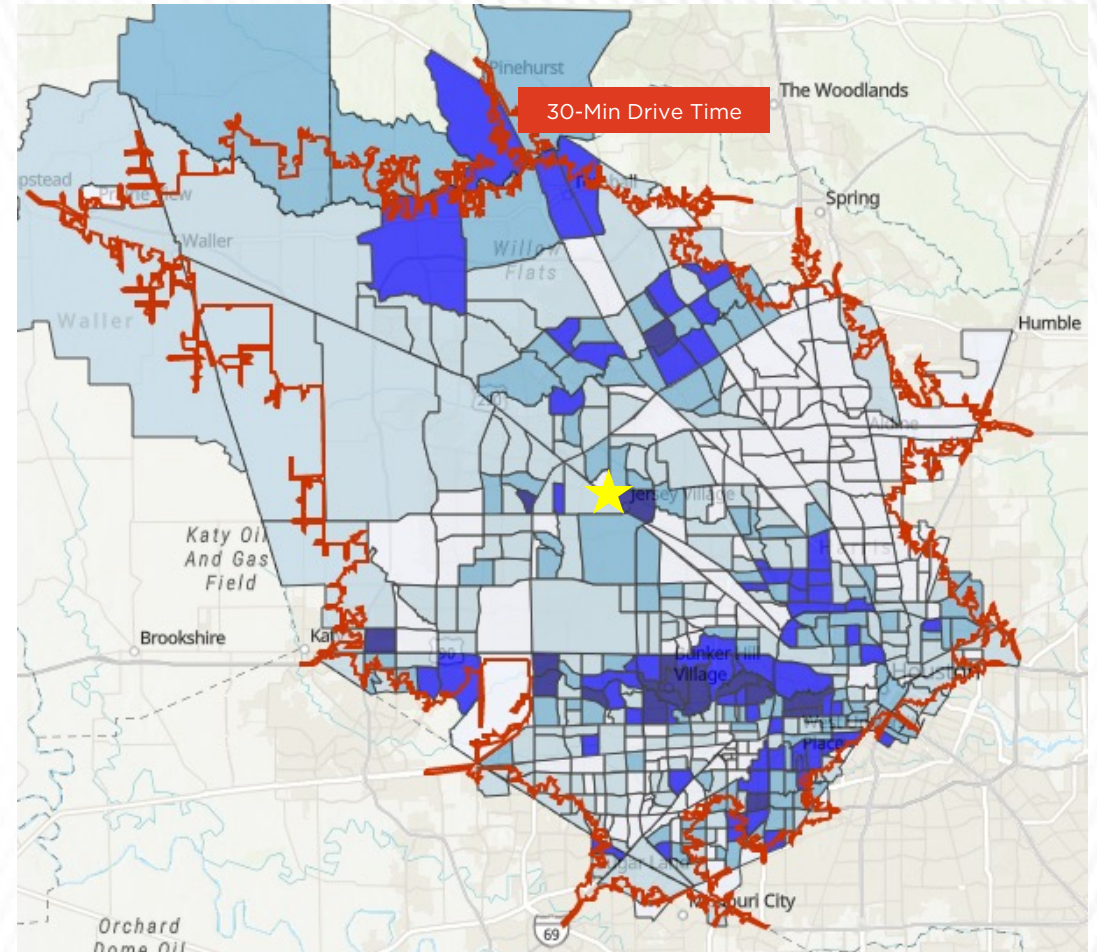
The age distribution of a market's population can provide insight into the types of programming that will be successful at the facility. The table below shows the ages of residents within the primary market compared to the United States as a whole.

Variable	Primary Market 30-Min Drive Time	United States
2021 Median Age	34.2	38.8
Age Distribution		
Under 15	21.3%	18.2%
15 to 24	13.2%	12.8%
25 to 34	16.7%	14.0%
35 to 44	14.5%	12.8%
45 to 54	11.8%	12.1%
55 to 64	10.8%	13.0%
65+	11.6%	17.3%

Source: ESRI.

The median age of the primary market for a potential new ballpark is 34.2, which is more than four years younger than the national median age of 38.8. Typically, sports and entertainment events attract the largest number of patrons from a younger age range. In the primary market, approximately 43 percent of residents are between the ages of 25 and 54, which is 11 percent higher than the national average of 38.8 percent.

The map to the right illustrates the median age distribution within the ballpark's primary market area. As shown, the older population is concentrated in the area's directly west of downtown Houston, while the area's surrounding the ballpark are mostly comprised of people in the 35 to 44 age group.



3. LOCAL MARKET CONDITIONS

HOUSEHOLD INCOME

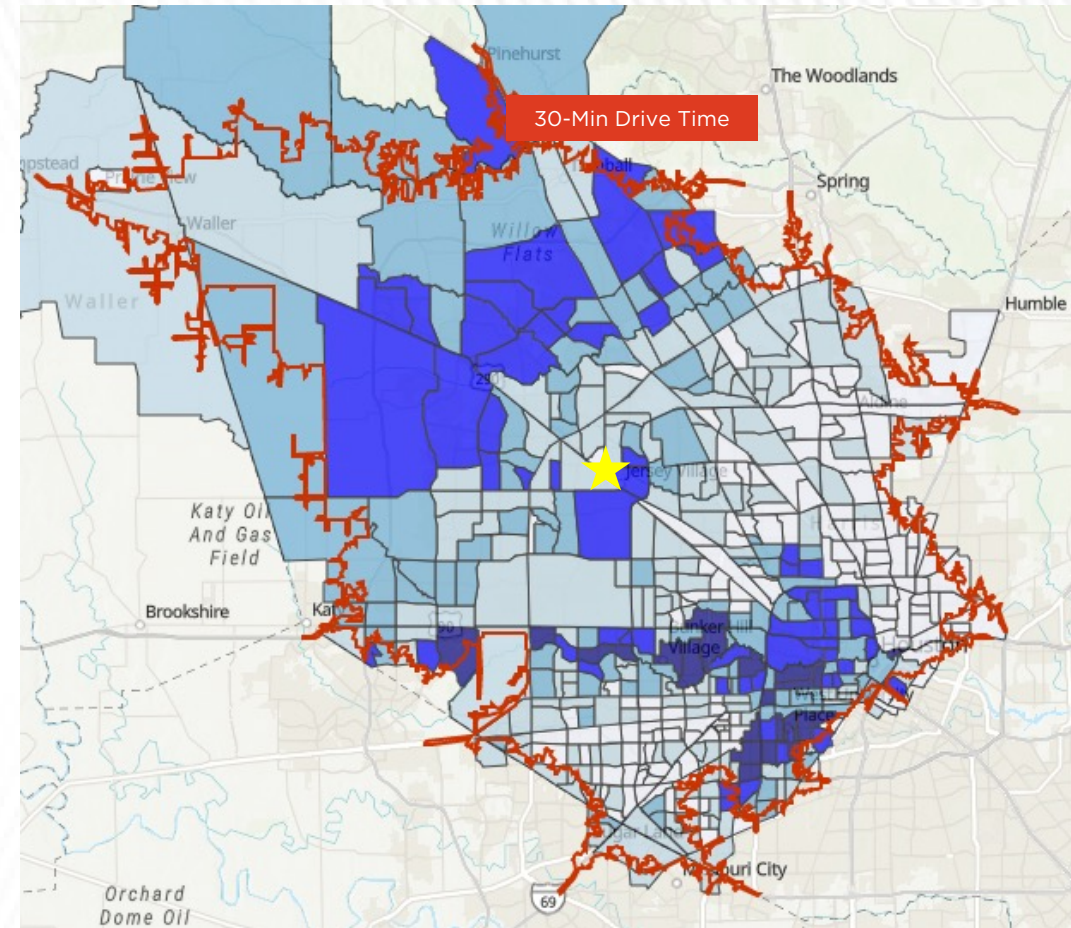
An important socioeconomic characteristic that provides insight into a market’s ability to support a venue through the purchase of tickets, food and beverages, merchandise, and parking is household income. The table below presents an overview of the income characteristics of residents within the primary market.

Variable	Primary Market 30-Min Drive Time	United States
2021 Median Household Income	\$63,126	\$64,730
Cost of Living	92.0	100.0
Adjusted Household Income	\$68,615	\$64,730
Income Distribution		
Less than \$25,000	17.9%	18.0%
\$25,000 to \$49,999	21.3%	20.3%
\$50,000 to \$74,999	17.4%	17.3%
\$75,000 to \$99,999	11.7%	12.8%
\$100,000 to \$149,999	13.8%	15.8%
\$150,000 or more	18.0%	15.7%

Source: ESRI.

The median household income within the primary market is \$63,126, which is comparable to the national average of \$64,730. To arrive at adjusted household income for Jersey Village, the cost of living was factored into median household income. The adjusted household income increases to \$68,615, which is six percent higher than the country as a whole. Approximately 43 percent of households within the primary market have an annual income over \$75,000, which is comparable to the nation as a whole, 44 percent.

The map to the right shows the median household income distribution within the potential ballpark’s primary market. As shown, areas directly east and south of the proposed ballpark have the highest median household income in the area, while areas southeast and directly north represent lower income households.



Lower Median Income Higher Median Income

3. LOCAL MARKET CONDITIONS

CORPORATE BASE

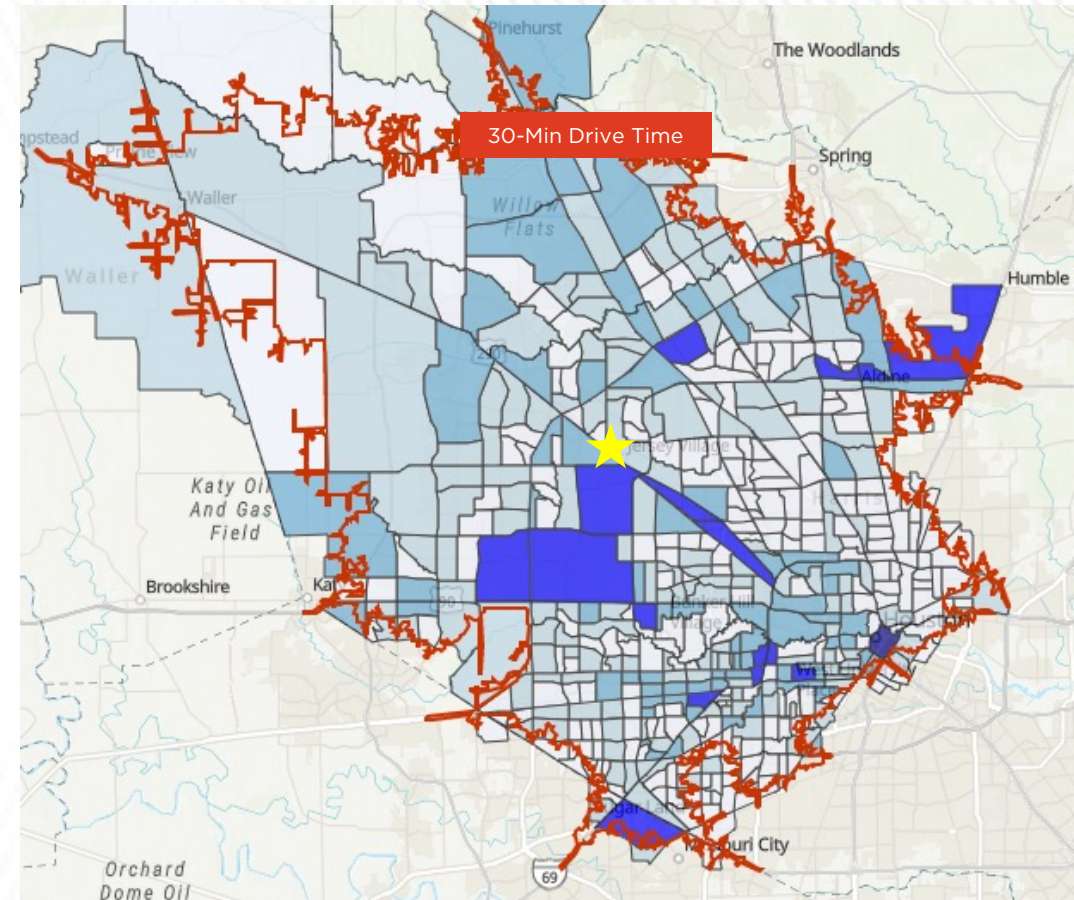
The corporate base within a market can play a crucial role in the success of a new ballpark. Through the purchase of tickets and premium seating, advertising and sponsorship opportunities, and the hosting of private corporate events. The table below shows an overview of the number and size of corporations within the primary market.

Variable	Primary Market 30-Min Drive Time	United States
Corporate Base	25,198	2,550,929
Corporate Distribution by Annual Sales		
Less than \$1.0M	51.2%	63.9%
\$1.0M to \$4.9M	26.2%	21.7%
\$5.0M to \$9.9M	8.2%	6.0%
\$10.0 to \$49.9M	9.5%	6.3%
\$50.0M to \$99.9M	1.8%	0.9%
\$100.0M or More	3.0%	1.3%

Source: Hoover's. Note: Corporate Base excludes certain industries such as religious, non-profit, membership, governmental, or educational organizations and private households.

Overall, there are approximately 25,000 companies within the primary market. This corporate base has a higher percentage of large corporations compared to the United States as a whole. The potential ballpark could provide corporations of all sizes the opportunity to have a presence, including the purchase of premium or general seating or partnerships including naming rights, founding partnerships, signage, program advertisements, and ticket backs, among others.

The map to the right shows the distribution of corporations within the primary market. As shown, the proposed ballpark is envisioned to be located close to the highest concentration of companies within the primary market.

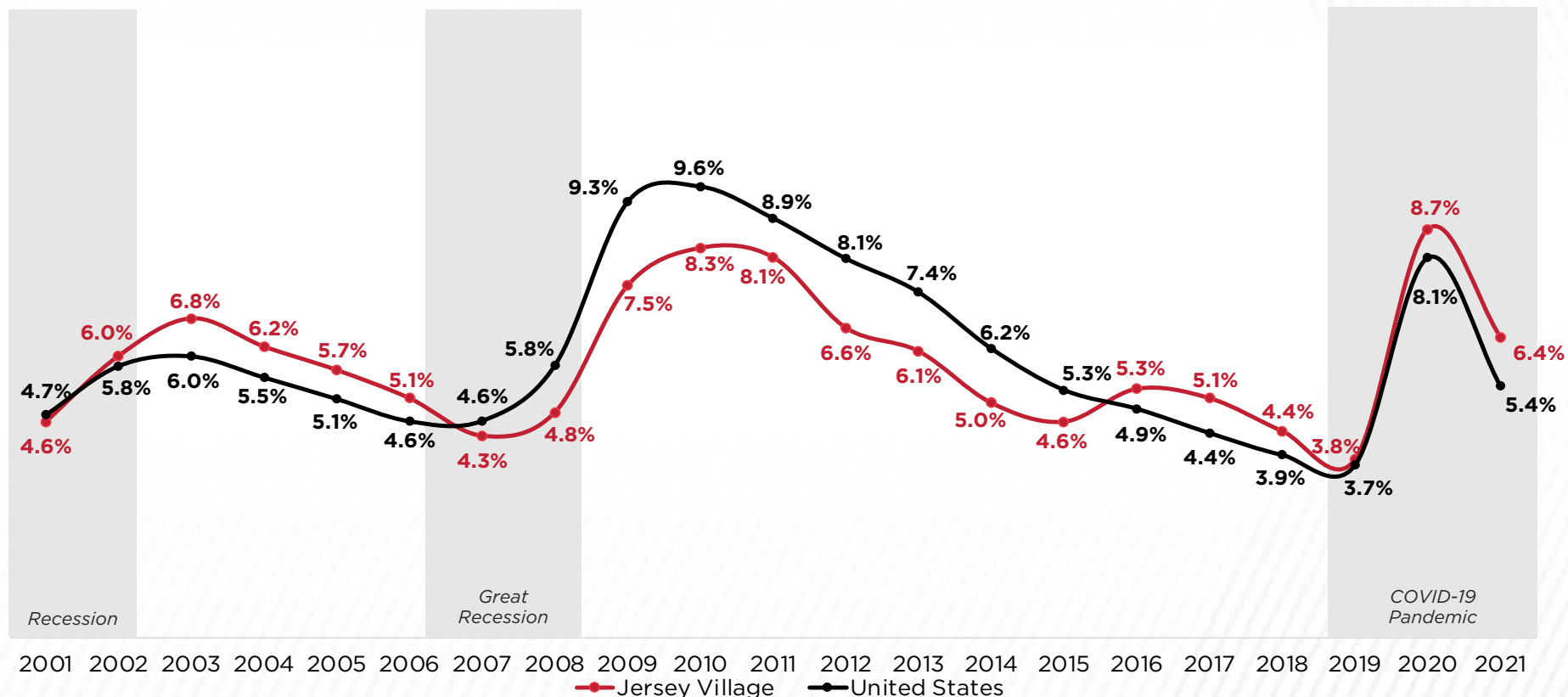


Less Business More Business

3. LOCAL MARKET CONDITIONS

EMPLOYMENT

A market's unemployment rate is an indicator of the relative strength of the local economy. The chart below provides an overview of the historical unemployment rate in the Jersey Village market area over the past 20 years compared to the United States as a whole. As shown, Jersey Village's unemployment rate, 5.9 percent over the past 20 years, has mirrored the national average, 6.1 percent. Following the economic fallout of the 2007-2009 Great Recession, as well as the COVID-19 pandemic, Jersey Village and outlying areas have relatively healthy local economies.



Source: Bureau of Labor Statistics.

3. LOCAL MARKET CONDITIONS

MARKET COMPETITION

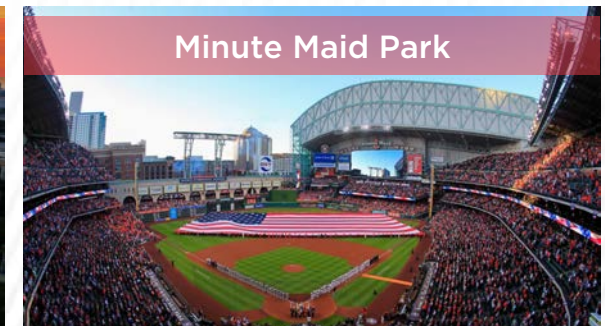
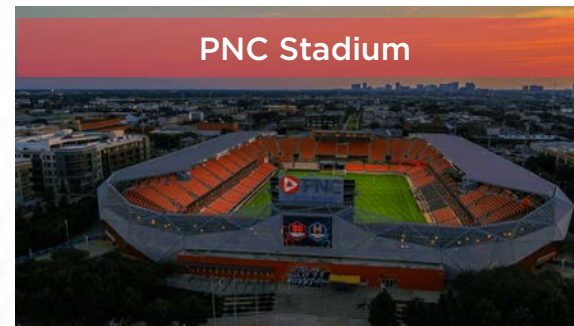
The operations of a new ballpark will be affected, to some degree, by the number and type of local facilities that could compete for the limited supply of events, participants, spectators, attendees, and sponsorship dollars within the marketplace. Within the greater Houston area, major ballparks, arenas, or stadiums include NRG Stadium (72,220 capacity), Minute Maid Park (41,168 capacity), PNC Stadium (22,039 capacity), Toyota Center (18,055 capacity), Constellation Field (7,500 capacity), and Aveva Stadium (4,000 capacity).

The chart below shows all the current venues and capacities within the greater Houston area with a capacity of at least 4,000, which are venues most likely to compete with a potential new ballpark for third-party events.

Active Houston Area Venues

Facility	Type	Tenant	Capacity	Competition
NRG Stadium	Stadium	Houston Texans	72,220	None
Minute Maid Park	Ballpark	Houston Astros	41,168	None
PNC Stadium	Stadium	Houston Dynamo FC, Houston Dash	22,039	None
Toyota Center	Arena	Houston Rockets	18,055	None
Constellation Field	Ballpark	Sugar Land Space Cowboys	7,500	Moderate
Aveva Stadium	Stadium	Houston SaberCats	4,000	Moderate

Constellation Field and Aveva Stadium would serve as moderate competition for hosting third-party events at a new ballpark in Jersey Village. The major league venues in the Houston market are significantly larger than a new ballpark in Jersey Village and would not be attracting the same scale of third-party events. Constellation Field and Aveva Stadium are both smaller, recently constructed venues that have the ability to host concerts, sporting events, community events, and corporate gatherings.



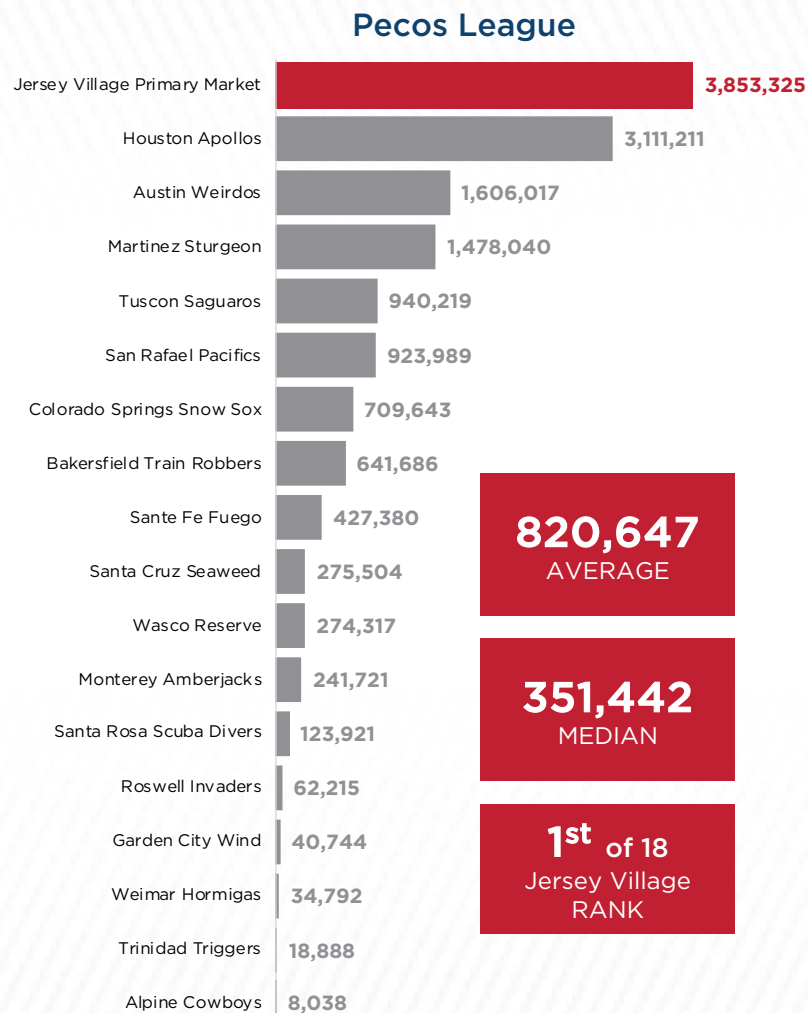
3. LOCAL MARKET CONDITIONS

INDEPENDENT LEAGUE MARKET COMPARISON Population

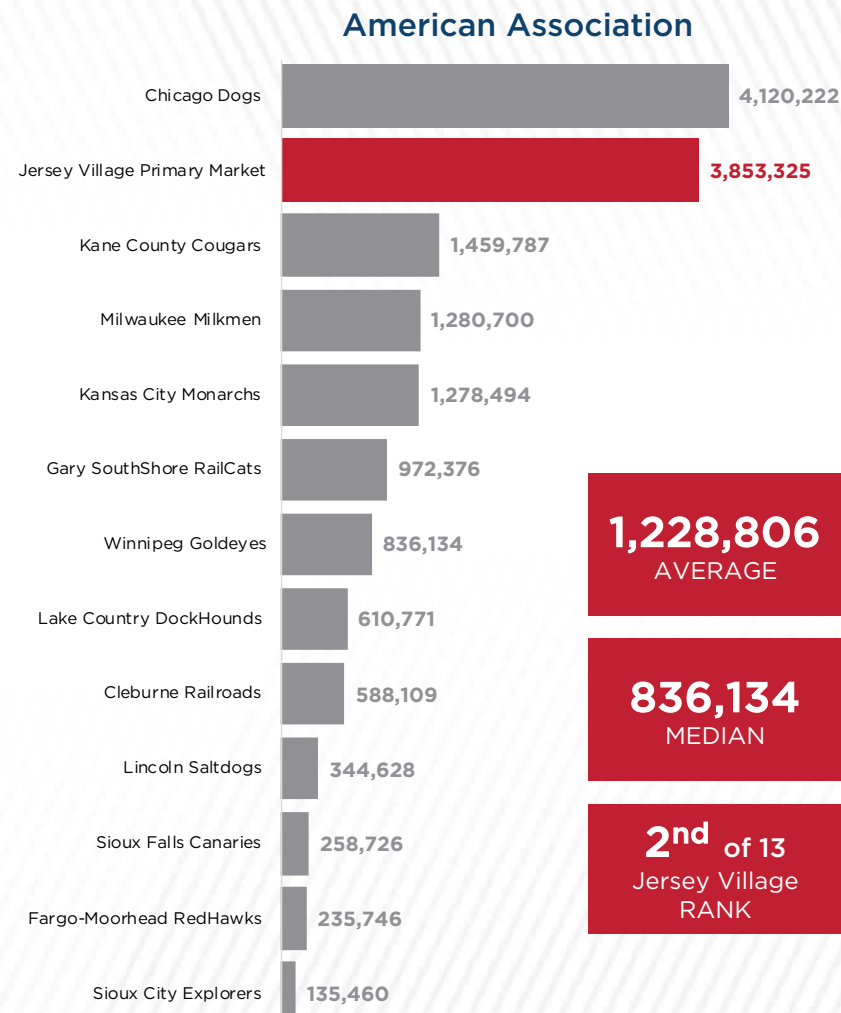
To gain an understanding of the relative strength of the primary market, it is useful to compare the area to various demographic and socioeconomic characteristics among other markets that currently support independent league franchises. Jersey Village will be compared to both the Pecos League and American Association as these are the two independent leagues with teams in Texas.

The level of population from which the ballpark will draw spectators can impact the events and attendance attracted to the facility. The chart on the right shows the total market population (30-minute drive time) for all Independent league markets.

The primary market's population of approximately 3.9 million ranks 1st among the Pecos League and 2nd among the American Association and is over double the league averages, 821,000 and 1.2 million respectively. The Pecos League has a wider range of market sizes with five teams playing in markets of less than 75,000 people.



Source: ESRI.

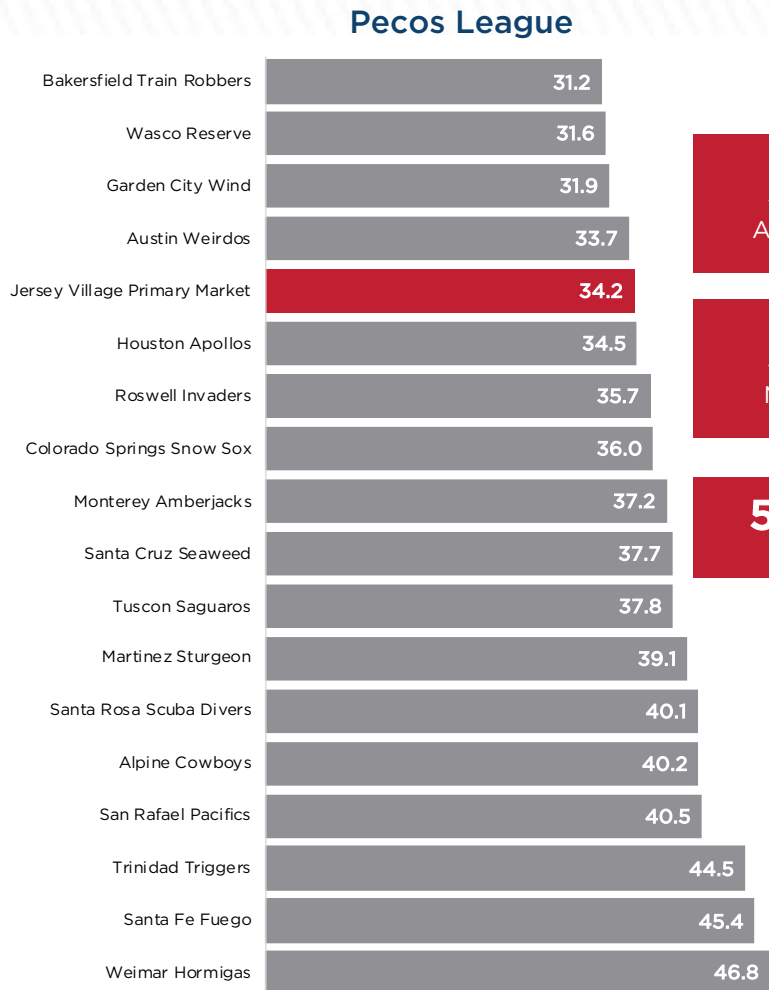


3. LOCAL MARKET CONDITIONS

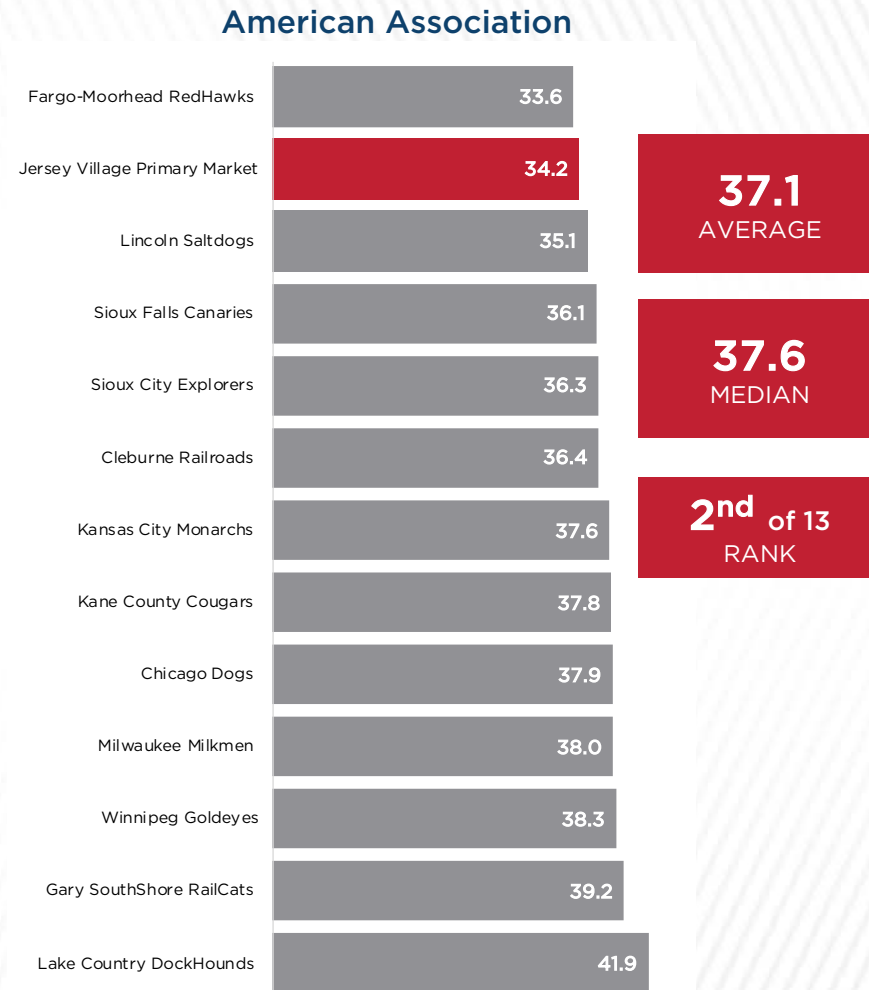
INDEPENDENT LEAGUE MARKET COMPARISON Median Age

The median age of a population informs the total base from which to draw attendees to the various sports and entertainment events that will be hosted at a new ballpark and can also serve to influence the type of programming offered at the ballpark.

The median age for residents in the Jersey Village area is 34.2, ranking 5th youngest among Pecos League markets, and 2nd youngest among American Association markets. The Jersey Village median age of 34.2 is younger than the average median age of both the Pecos League and American Association, (37.7 and 37.1, respectively). The median age of residents in independent league markets ranges from a low of 31.2 years in Bakersfield, California (Bakersfield Train Robbers) to a high of 46.8 years old in Weimar, Texas (Weimar Hormigas).



Source: ESRI.



3. LOCAL MARKET CONDITIONS

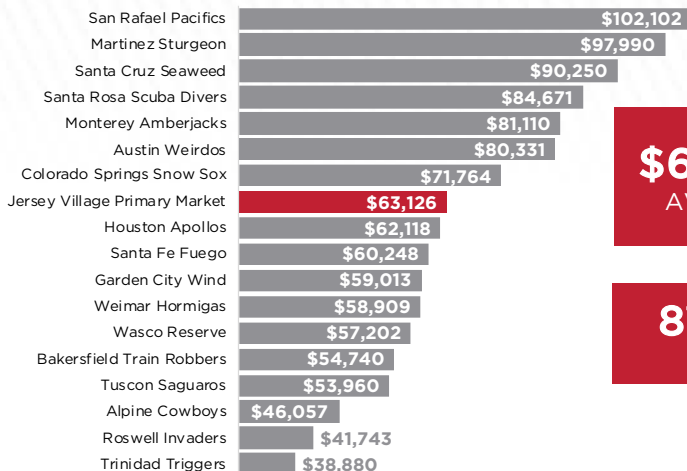
INDEPENDENT LEAGUE MARKET COMPARISON Household Income

A market's ability to allocate discretionary income to purchase tickets, concessions, merchandise, and other items at a new ballpark is contingent upon the income of its residents. The charts to the right present the median household income and adjusted median income among Double-A markets.

The primary market has a median household income \$63,126, which ranks 8th highest among both Pecos League and American Association markets. Jersey Village's median household income is slightly less than the median household income of both the Pecos League (\$66,901) and American Association (\$67,044).

When adjusted for cost of living, the median household income rises to \$68,615, ranking 4th highest among Pecos League markets and 7th highest among American Association markets. Jersey Village's adjusted median household income is greater than the adjusted median household income of both the Pecos League (\$62,764) and American Association (\$70,275).

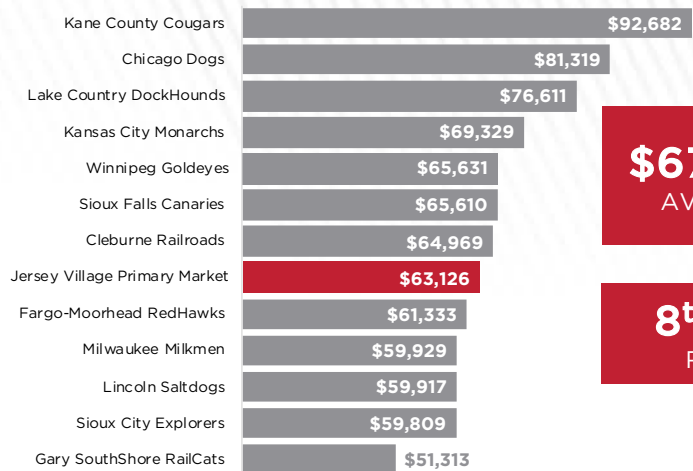
Pecos League



\$66,901
AVERAGE

8th of 18
RANK

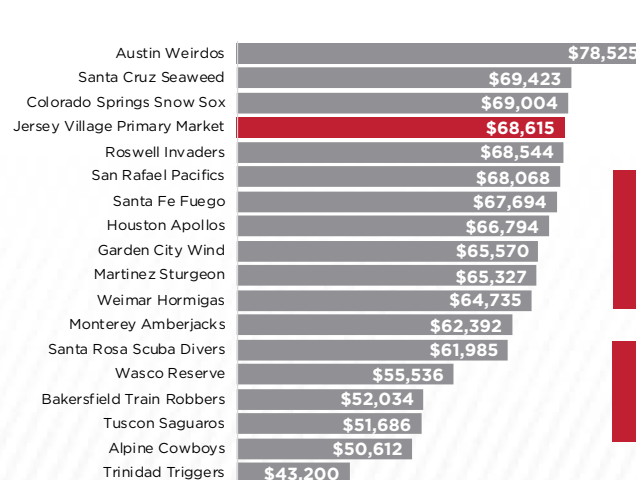
Household Income



\$67,044
AVERAGE

8th of 13
RANK

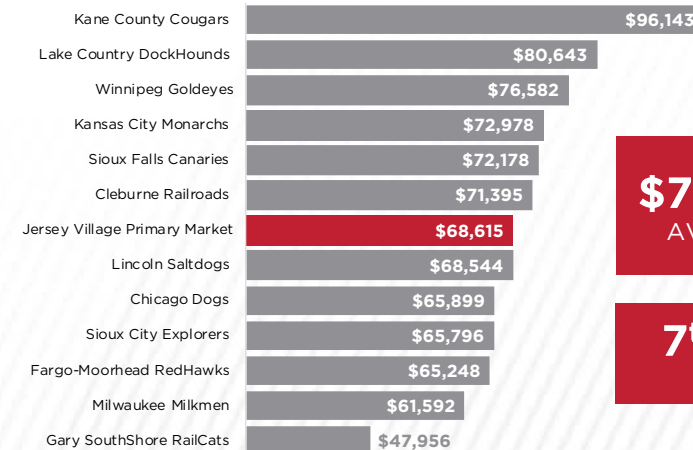
American Association



\$62,764
AVERAGE

4th of 18
RANK

Adjusted Household Income



\$70,275
AVERAGE

7th of 13
RANK

Source: ESRI.

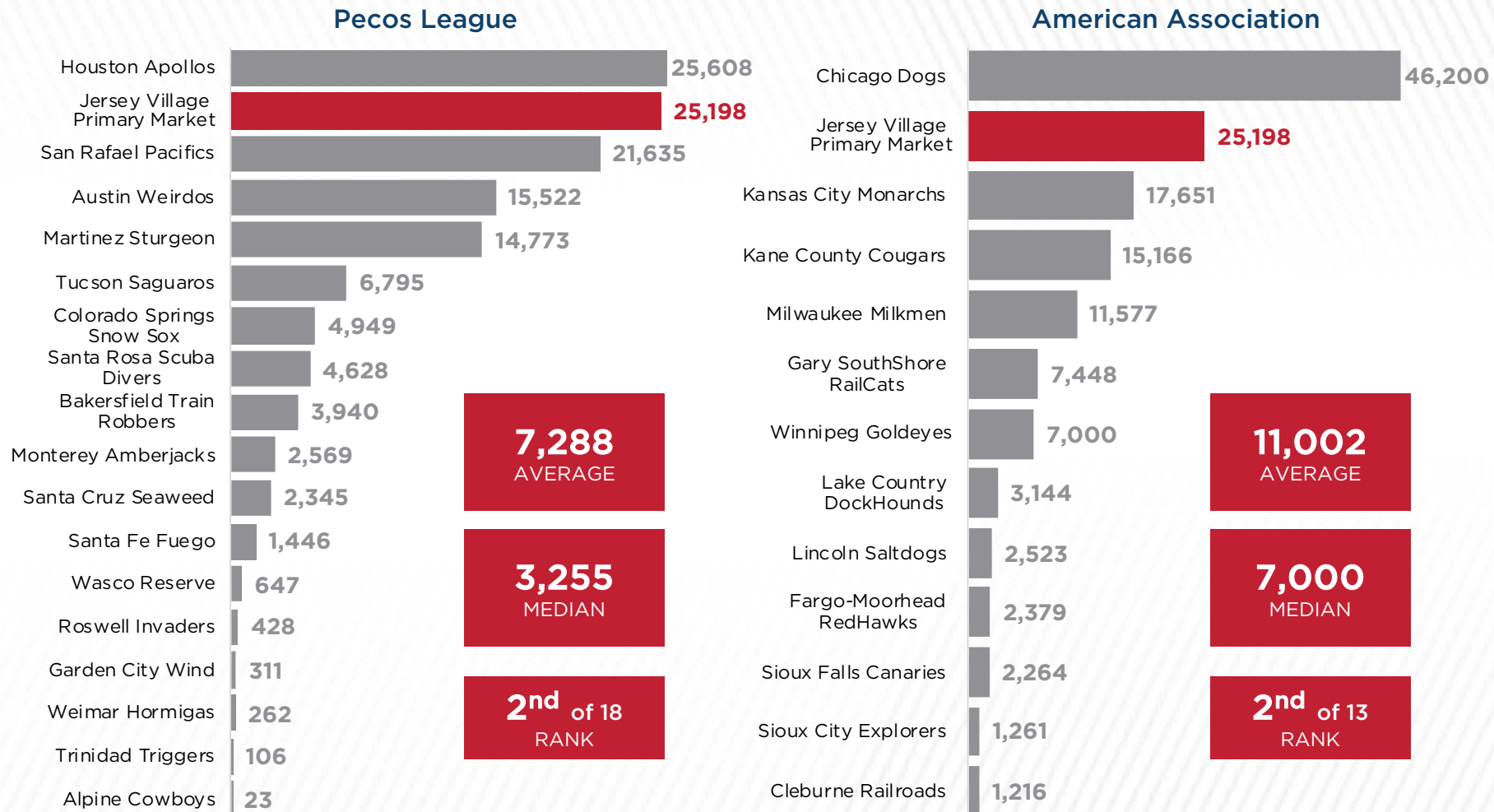
3. LOCAL MARKET CONDITIONS

INDEPENDENT LEAGUE MARKET COMPARISON Corporate Base

The corporate inventory in a market can serve as an indicator of potential support for a new facility through sponsorship, premium seating, and season ticket sales. The chart to the right summarizes the corporate inventories of independent baseball markets.

The primary market in Jersey Village has approximately 25,000 corporations with at least 10 employees. The corporations that fit this criteria exclude industries that are unlikely to purchase tickets and premium opportunities, such as education organizations, government entities, membership, religious, non-profit organizations, and private households.

The primary market's corporate base ranks 2nd among both Pecos League and American Association and is more than double the league average of 7,288 and 11,002, respectively.



Source: Hoover's. Note: Corporate base excludes corporations with less than 10 employees and certain industries such as religious, non-profit, membership, governmental, or educational organizations and private households.

3. LOCAL MARKET CONDITIONS

KEY TAKEAWAYS

The following are key takeaways from an analysis of local market conditions:



GROWING POPULATION BASE

The primary market population is larger than the majority of other independent league markets and forecasted to grow at a faster rate than the nation as a whole



YOUNGER AGE POPULATION

Jersey Village's median age is younger than the average median age of the country as a whole and the majority of other independent league baseball teams



STEADY ECONOMIC BASE

Jersey Village's strong corporate base and proximity to a major metropolitan city such as Houston provides a steady economic outlook for the future



HIGHER-THAN-AVERAGE INCOME

The primary market has higher-than-average adjusted median household income and a lower cost of living relative to the national average, which means individuals have more disposable income to spend on leisure



INDEPENDENT LEAGUE MARKET CONDITIONS

The Jersey Village market has an average rank of three among Independent League baseball markets when comparing a variety of demographic characteristics

4

COMPARABLE FACILITY ANALYSIS



4. COMPARABLE FACILITY ANALYSIS

IDENTIFIED COMPARABLE BALLPARKS

The purpose of this section is to provide an assessment of the physical and operational characteristics of comparable stadiums to serve as a benchmark from which to assess the viability of a new multi-use stadium in Jersey Village. Comparable stadiums were identified by meeting one or more of the following criteria:



(i) Part of larger mixed-use development;



(ii) Recently constructed with a project cost of approximately \$40 million or less;



(iii) Seating capacity of 5,000 seats or less; and,



(iv) Regionally relevant

The table to the right highlights the 11 identified comparable stadiums subject to further analysis.

Team	Location	Ballpark	Year Opened	Capacity	Ballpark Cost
Anchors a Mixed-Use Development					
Gastonia Honey Hunters	Gastonia, NC	CaroMont Health Park	2021	5,000	\$26.2 M
Milwaukee Milkmen	Franklin, WI	Franklin Field	2019	4,000	\$15.0 M
Fayetteville Woodpeckers	Fayetteville, NC	Segra Stadium	2019	5,252	\$37.8 M
Augusta GreenJackets	North Augusta, SC	SRP Park	2018	5,000	\$40.3 M
Cleburne Railroaders	Cleburne, TX	The Depot at Cleburne Station	2017	4,200	\$27.2 M
Recently Constructed Ballparks					
Fredericksburg Nationals	Fredericksburg, VA	Virginia Credit Union Stadium	2021	5,000	\$35.0 M
High Point Rockers	High Point, NC	Truist Point	2019	4,500	\$36.1 M
Sugar Land Space Cowboys	Sugar Land, TX	Constellation Field	2012	7,500	\$36.0 M
Cost Comparables					
USPBL	Utica, MI	Jimmy John's Field	2016	4,500	\$15.0 M
Hillsboro Hops	Hillsboro, OR	Ron Tonkin Field	2013	4,500	\$15.5 M
Pensacola Blue Wahoos	Pensacola, FL	Blue Wahoos Stadium	2012	5,038	\$36.1 M
AVERAGE			2017	4,954	\$29.1 M
MEDIAN			2018	5,000	\$35.0 M

4. CAROMONT HEALTH PARK

OVERVIEW

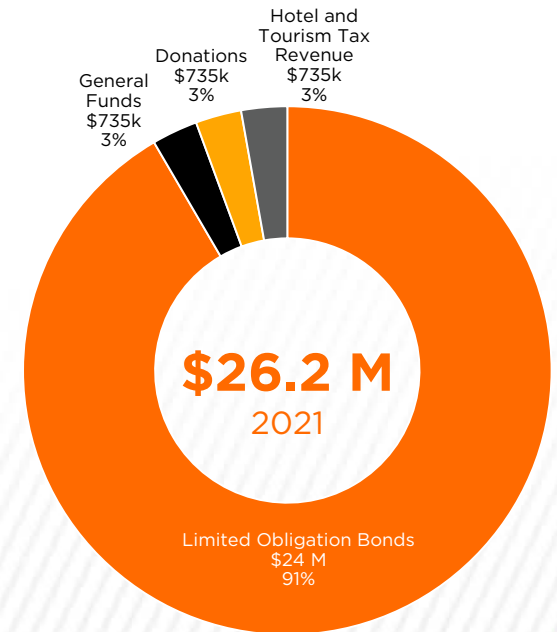


Tenant:	Gastonia Honey Hunters
League:	Atlantic League
Location:	Gastonia, NC
Population (30-min drive time):	655,852 83% less than Jersey Village market population
Year Opened:	2021
Project Cost:	\$26.2 M Public: 97% Private: 3%
Cost in Jersey Village in 2025:	\$29.7 M
Total Seating Capacity:	5,000
Total Fixed Seats:	3,923 (78%)
Owner:	City of Gastonia
Operator:	Velocity Companies



CaroMont Health Park opened in 2021 in Gastonia, North Carolina and serves as the home of the Gastonia Honey Hunters of the Atlantic League of Professional Baseball. The ballpark is part of a 16-acre downtown redevelopment plan known as the Franklin Urban Sports and Entertainment (“FUSE”) District.

The 5,000-seat ballpark, which cost \$26.2 million to construct, is owned by the City of Gastonia and operated by Velocity Companies. The ballpark was primarily funded through a \$24 million limited obligation bond issued by the City of Gastonia and backed by facility revenues. The remaining \$2.2 million to fund construction was split among remaining funds in the City’s general fund, philanthropic donations, and a portion of the City’s hotel and tourism tax revenue.



4. CAROMONT HEALTH PARK

MIXED-USE DEVELOPMENT

The FUSE District is a multi-phase mixed-use development that will leverage the new ballpark to stimulate demand and investment for adjacent development opportunities. The FUSE District connects Gastonia's downtown to the Loray Historic District along Franklin Boulevard, and is envisioned as a commercial district that will feature a variety of residential units, retail shops, restaurants, and office spaces

In Fall 2020, Lansing Melbourne, a Florida-based development group, broke ground on the redevelopment of the old Trenton Mill building into a new 89 loft apartment complex. The project is estimated to cost approximately \$25 million and was completed in spring 2022.

Another project that was launched in 2020 in the FUSE District is the redevelopment of a historic former Coca-Cola bottling plant. The 5,000 square foot space is now occupied by the Durham-based Dirty Bull Brewing Co., which became the first restaurant tenant of the District.

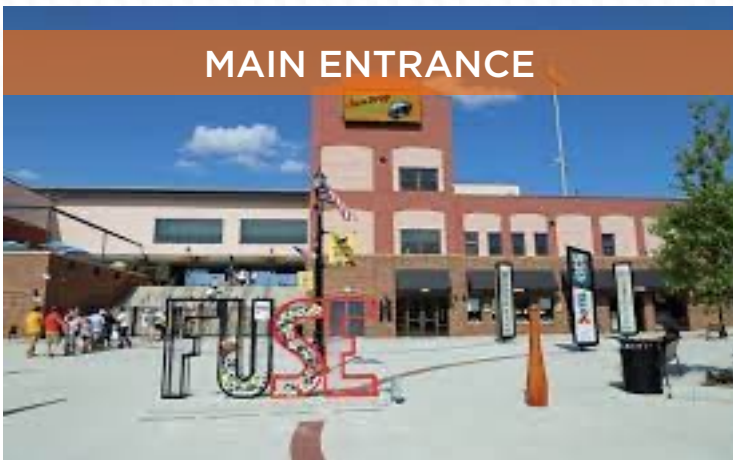
Along with the ballpark, the FUSE District is expected to generate investment of more than \$75 million.



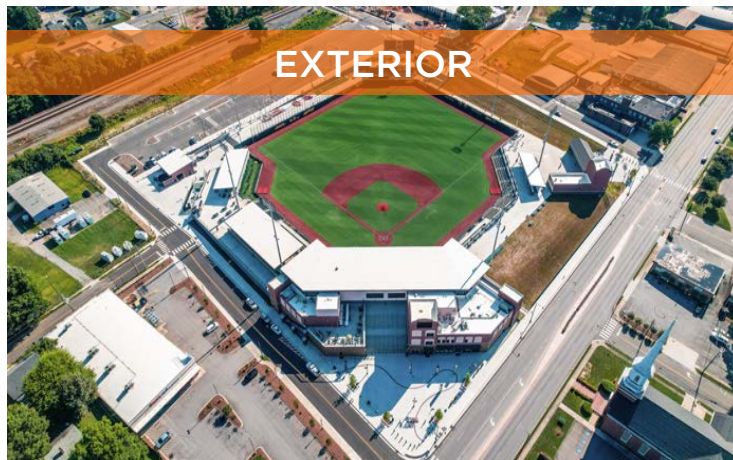
4. CAROMONT HEALTH PARK

BALLPARK IMAGERY

MAIN ENTRANCE



EXTERIOR



SEATING BOWL



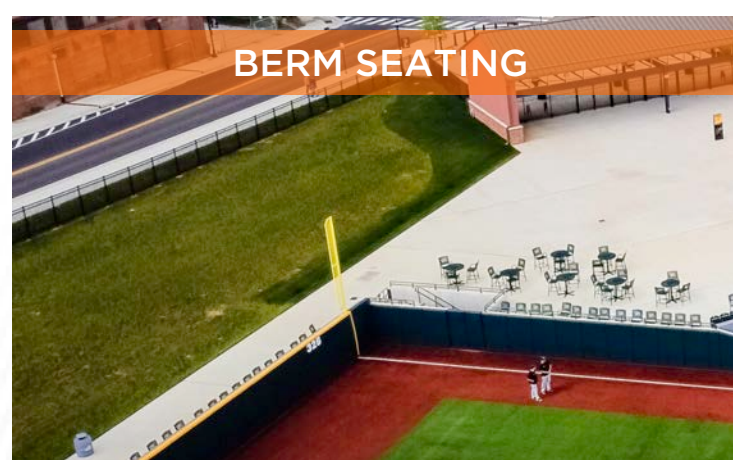
GAS HOUSE BAR & GRILL



TURF FIELD



BERM SEATING



4. CAROMONT HEALTH PARK

GENERAL SEATING



PREMIUM SEATING



Premium Club

Inventory: 185
 Sell-Thru: 85%
 Annual Price: \$1,050
 Price per Game: \$16.00



Cabana Suites

Inventory: 6
 Seating Capacity: 12
 Sell-Thru: 100%
 Annual Price: \$9,750
 Price per Game: \$148

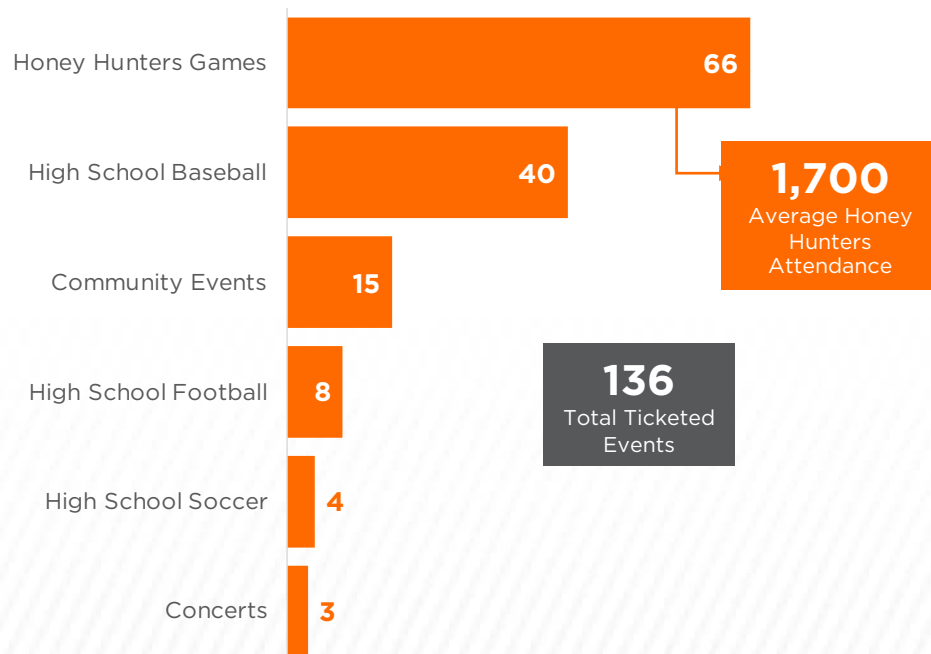
Seat Location	Single Game	Full Season
Homeplate	\$7	\$925 (\$14 per game)
Dugout	\$15	\$860 (\$13 per game)
Bullpen	\$11	\$469 (\$7 per game)
General Admission	\$8	--

4. CAROMONT HEALTH PARK

UTILIZATION

The chart below displays the expected ticketed events in 2022, which will be the first fully operational year of the ballpark, as the 2021 year was impacted by COVID-19. The ballpark expects to host more than 50 high school baseball, football and soccer games, 15 community events such as craft beer nights, and three concerts in addition to the 66 Honey Hunters games.

2022 Expected Ticketed Events



FINANCIAL OPERATIONS

The Honey Hunters entered into a 20-year lease agreement with the City of Gastonia in 2020 with an annual rent payment of \$35,808. In addition to base rent, the City will receive \$50,000 each year from the naming rights of the ballpark. The City also receives \$1.00 for each ticket sold after 145,000 from the previous season as a facility improvement charge. The Team will keep all revenue from ticket sales, concessions and sponsorships and are responsible for all team and game day expenses, while the City is responsible for routine maintenance and capital reserve funding.

LEASE TERMS		
Gastonia Honey Hunters		
Term		20 Years
Base Rent		\$35,808
Revenues:	Team	Public
Gate Receipts	100%	0%
Concessions	100%	0%
Parking	100%	0%
Sponsorships	100%	0%
Stadium Naming Rights	Above \$50k ⁽¹⁾	\$50k ⁽¹⁾
TV & Radio	100%	0%
Expenses:		
Team Expenses	100%	0%
Game Day Expenses	100%	0%
Routine Maintenance	0%	100%
Capital Improvements	0%	100%
Capital Reserve Funding	0%	100%

⁽¹⁾ City receives \$50,000 annually from naming rights, while Team keeps remaining naming rights revenue.

4. FRANKLIN FIELD

OVERVIEW

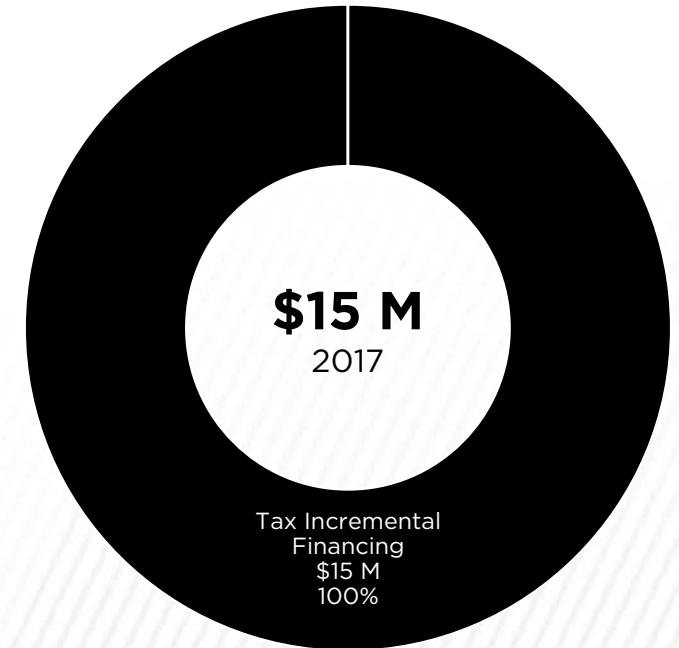


Tenant:	Milwaukee Milkmen
League:	American Association
Location:	Franklin, WI
Population (30-min drive time):	1,280,700 67% less than Jersey Village market population
Year Opened:	2019
Project Cost:	\$15 M Public: 100% Private: 0%
Cost in Jersey Village in 2025:	\$19 M
Total Seating Capacity:	4,000
Total Fixed Seats:	2,500 (78%)
Owner:	ROC Ventures
Operator:	ROC Ventures



Franklin Field opened in 2019 in Franklin, WI, approximately 10 miles southwest of downtown Milwaukee. The ballpark is home to the Milwaukee Milkmen of the American Association and the University of Wisconsin-Milwaukee baseball team. The ballpark has a capacity of 4,000, of which 2,000 seats are fixed and 1,500 seats are split between berm and SRO patio spaces. The ballpark is owned and operated by ROC Ventures, who own the Milkmen.

The cost to construct Franklin Field totaled \$15 million. The ballpark was funded by establishment of a tax incremental financing district around the stadium. After a seven-figure naming rights deal fell through in 2018 with Routine Baseball the Franklin Tourism Commission agreed to a naming-rights deal for \$150,000 per year.



4. FRANKLIN FIELD

MIXED-USE DEVELOPMENT

The mixed-use development surrounding Franklin Field, known as Ballpark Commons, has experienced great success since opening. With an original planned development cost of \$130 million, the owner of ROC Ventures, Mike Zimmerman, has led the development of Ballpark Commons and The Rock, another development opposite Rawson Avenue.

As of April 2022, vendors and tenants include:

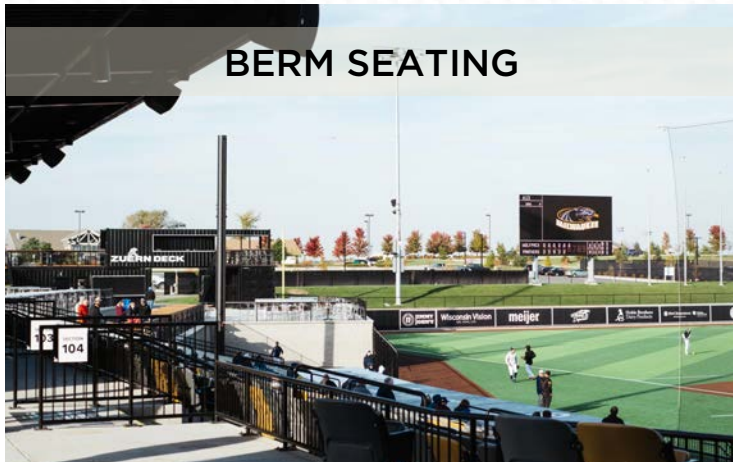
- Drive-in movie theater;
- 122,000 square foot indoor sports performance center;
- Three level, 57 bay, golf driving range;
- Retail and office space;
- 265 multi-family apartments;
- 149-unit senior housing; and,
- A 98-room hotel.

The Milky Way Drive-In Theater can accommodate up to 150 vehicles on days when the Milkmen have away games. The MOSH Performance Center has 45,000 square feet for sports medicine and orthopedic services and a 77,000 square foot sports training turf that will be used by SCW Soccer Club and Prospect Training Academy. The Luxe Golf Building is a three level driving range onto 215 yards of artificial turf. The facility, which has 57 golf bays, features three food and beverage brands in addition to an all-season beer garden. ROC Ventures occupies the upper offices of a building with Blend Coffee and Cocktails and Wheel & Sprocket in the bottom level. Velo Village, a multi-family apartment complex, will have 265 apartments as well as a 4,000 square foot club room, fitness facility, and outdoor lounge area. The senior living facility has 149 units in addition to a fitness center, dining room and café, pub, salon, movie theater, and dance hall. The combined hotel is a four-story, 55,100-square-foot building on a 3.6 acre site with 47 conventional hotel rooms and 51 suites for extended stays, with 111 surface parking spaces and a 600-square-foot patio.



4. FRANKLIN FIELD

BALLPARK IMAGERY



BERM SEATING



ASCENSION CLUB LEVEL



THIRD-PARTY EVENTS



4,000 CAPACITY



TURF FIELD



PATIO SEATING

4. FRANKLIN FIELD

GENERAL SEATING



PREMIUM SEATING



Ascension Club Seats

Inventory: 82
 \$3,250 Indoor | \$2,750 Outdoor
 Location: Upper Behind Home Plate



Leinenkugel's Hop Yard

Inventory: 325
 Annual Price: \$1,900
 Location: Third Baseline



Luxe Golf Bays

Inventory: 10
 Capacity: 6 Seats
 Annual Price: \$6,000
 Location: Upper Level

Seat Location	Single	Group	5-Pack	9-Pack	Season
Scout	\$16	\$16	\$80	\$144	\$800 (\$16 per game)
Mosh Dugout	\$15	\$12	\$60	\$108	\$600 (\$12 per game)
Combo Terrace	\$15	\$14	--	\$108	--
Combo Bleachers	\$13	\$12	--	\$108	--
The Pastures	\$9	--	--	--	--

4. SEGRA STADIUM

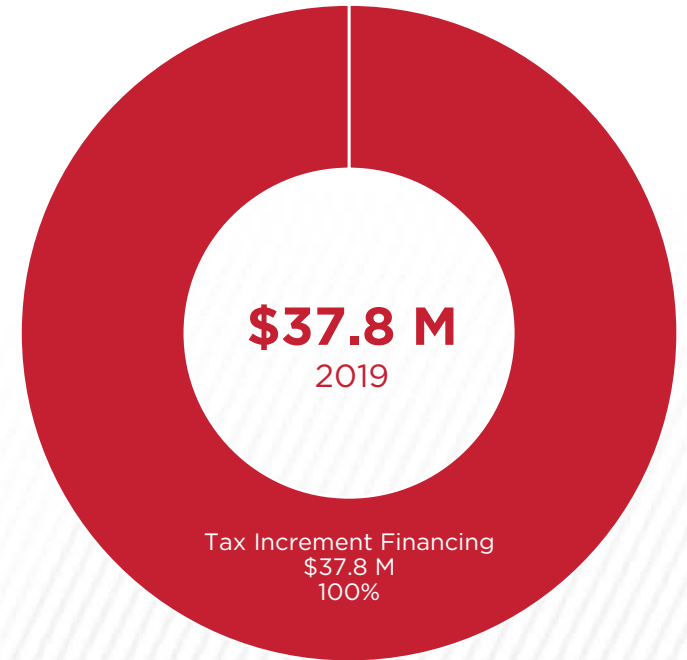
OVERVIEW



Tenant:	Fayetteville Woodpeckers
League:	Carolina League
Location:	Fayetteville, NC
Population (30-min drive time):	387,027 90% less than Jersey Village market population
Year Opened:	2019
Project Cost:	\$37.8 M Public: 100% Private: 0%
Cost in Jersey Village in 2025:	\$45.8 M
Total Seating Capacity:	5,252
Total Fixed Seats:	3,596 (68%)
Owner:	City of Fayetteville
Operator:	City of Fayetteville

The 5,252-seat Segra Stadium opened in 2019 in downtown Fayetteville and serves as the home of the Class A Fayetteville Woodpeckers of the Carolina League. The ballpark is owned and operated by the City of Fayetteville and anchors a mixed-use district designed to revitalize downtown.

The \$37.8 million ballpark itself was entirely funded by the City of Fayetteville through the implementation of a special tax district (i.e., tax increment financing) that encompasses the ballpark and the new mixed-use development. It is expected that 100 percent of the incremental taxes collected within the tax district will be dedicated to project funding for the first five years, decreasing to 75 percent over the next 15 years.



4. SEGRA STADIUM

MIXED-USE DEVELOPMENT

Outside Segra Field, in an area branded as the “Cool Spring District,” the Prince Charles Hotel was renovated into apartments, with the property taxes being allocated to repay the bonds that funded construction of the ballpark.

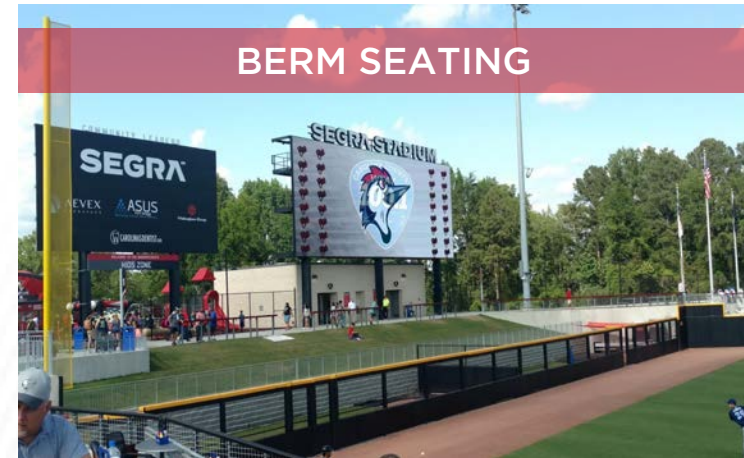
In addition to the new apartments, the ballpark was anticipated to anchor more than \$100 million in development revitalization to the downtown area. Prince Charles Holdings originally developed the plans for the surrounding development in 2018, which included a five-story Hyatt Place hotel, an office tower which would have become the tallest building in Fayetteville, renovations to the historic Prince Charles residential building, and a variety of restaurants and retail. While the development was expected to be completed in the fall of 2020, Prince Charles Holdings scrapped plans for the hotel and office tower due to the COVID-19 pandemic.

In April 2022, Prince Charles Holdings submitted a plan to construct apartments for more than 200 families on top of the Hay Street parking deck, adjacent to Segra Stadium. There are no current plans to construct the office tower or hotel in the district, which limits the amount of potential TIF revenue that can be generated to repay the bond for the ballpark. The City is responsible for repaying the bonds through its general fund if the development does not generate the TIF funding anticipated.



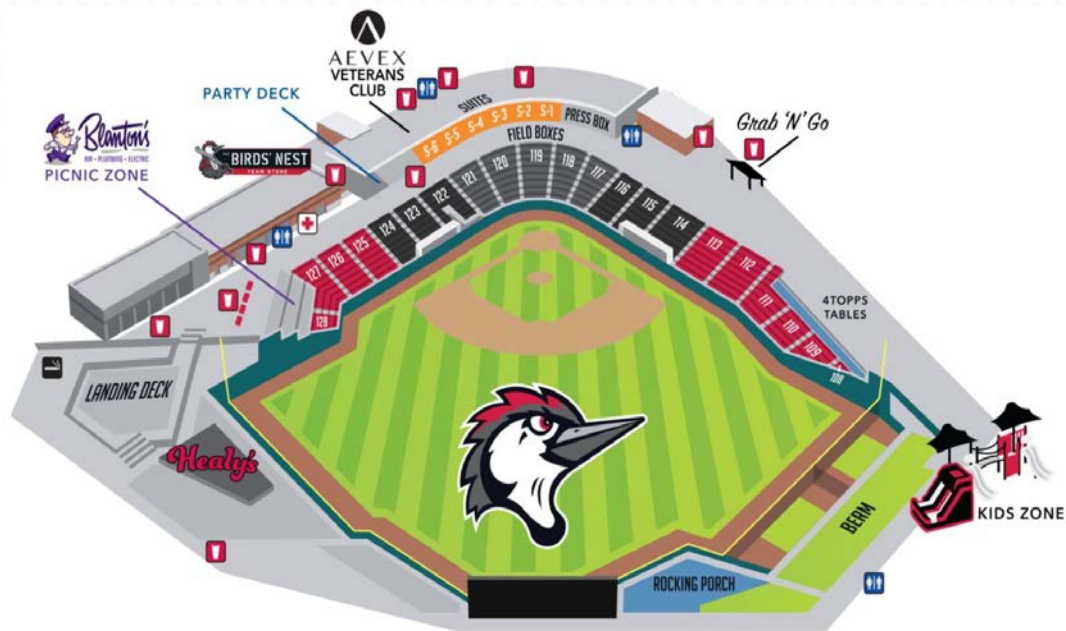
4. SEGRA STADIUM

BALLPARK IMAGERY



4. SEGRA STADIUM

GENERAL SEATING



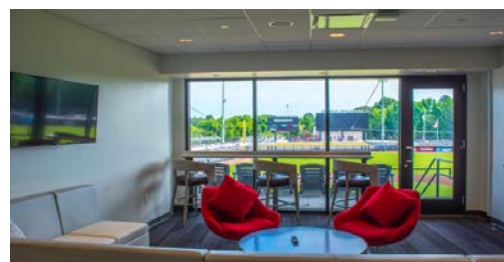
Seat Location	Single Game	Half Season	Season
Diamond	\$17	\$530 (\$15 per game)	\$920 (\$13 per game)
Premium	\$18	\$470 (\$13 per game)	\$825 (\$12 per game)
Rocking	\$15	\$470 (\$13 per game)	\$825 (\$12 per game)
Reserved	\$13	\$420 (\$12 per game)	\$740 (\$11 per game)
Berm GA	\$11	\$345 (\$10 per game)	\$610 (\$9 per game)

PREMIUM SEATING



Field Boxes

Inventory: 4 Boxes
 Capacity: 12
 Sold on Individual Game Basis
 \$480 per Box per Game



Luxury Suites

Inventory: 6 Suites
 Capacity: 20
 Sold on Individual Game Basis
 \$900 per Suite per Game



Party Deck

Capacity: 50 to 150 Guests
 Sold on Individual Game Basis
 \$45.00 per person
Note: includes all-you-can-eat buffet



Blanton's Picnic Zone

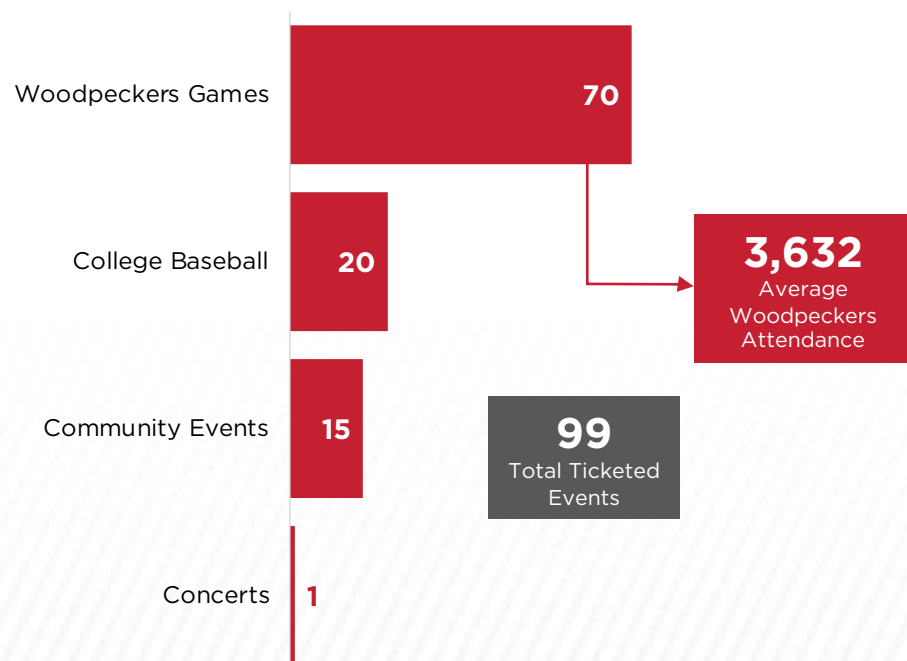
Capacity: 20 to 200 Guests
 Sold on Individual Game Basis
 \$35.00 per Person
Note: includes all-you-can-eat buffet

4. SEGRA STADIUM

UTILIZATION

In addition to 70 regular season Woodpeckers games, Segra Stadium also hosts 20 college baseball games including a showcase tournament in March and the Big South Conference tournament, 15 community events such as a beer fest, and a concert each year. In addition to these ticketed events, the ballpark also hosts upwards of 50 private events each year including weddings, graduations, and corporate events.

2019 Segra Stadium Ticketed Events



LEASE TERMS

In December 2018, the City of Fayetteville (“City”) entered into a 30-year lease agreement with the Fayetteville Baseball Club LLC (“Operator”). As stated in the agreement, the Operator pays \$250,000 in base rent, which increases by \$25,000 every five years.

The Operator keeps all ticket sales, advertising rights, broadcast rights, concessions and merchandise revenue while paying the City \$1.00 per attendee over 50,000 annually. The Operator is also responsible for all maintenance expenses related to the ballpark, as well as capital improvements and all team related expenses.

LEASE TERMS		
Fayetteville Woodpeckers		
Term		30
Base Rent ⁽¹⁾		\$250,000 ⁽¹⁾
Revenues:	Team	Public
Gate Receipts ⁽¹⁾	100%	0%
Concessions	100%	0%
Parking	100%	0%
Sponsorships	100%	0%
Stadium Naming Rights	100%	0%
TV & Radio	100%	0%
Expenses:		
Team Expenses	100%	0%
Game Day Expenses	100%	0%
Routine Maintenance	100%	0%
Capital Improvements	100%	0%
Capital Reserve Funding	100%	0%

⁽¹⁾ Rent increases by \$25,000 every five years.

Note: Team pays the City \$1.00 per attendee over 50,000 annually.

4. SRP PARK

OVERVIEW

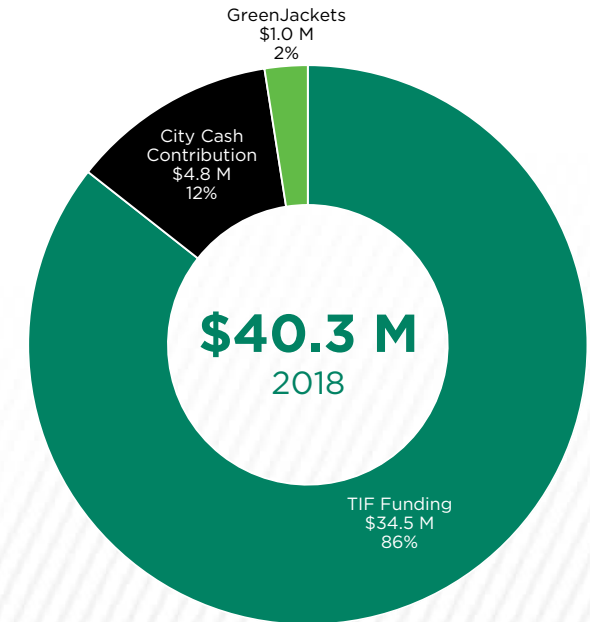


Tenant:	Augusta GreenJackets
League:	Carolina League
Location:	North Augusta, SC
Population (30-min drive time):	472,459 88% less than Jersey Village market population
Year Opened:	2018
Project Cost:	\$40.3 M Public: 98% Private: 2%
Cost in Jersey Village in 2025:	\$52.7 M
Total Seating Capacity:	5,000
Total Fixed Seats:	3,600 (72%)
Owner:	City of North Augusta
Operator:	Greenstone Development Services, LLC.



SRP Park is a 5,000-seat ballpark that opened in 2018 as part of Riverside Village, which overlooks the Savannah River and the City of Augusta. Of the 5,000-seat total capacity, 3,600 are fixed seats. The ballpark is home of the Augusta GreenJackets, the Single-A affiliate of the Atlanta Braves.

The cost to construct the ballpark was \$40.3 million, with the public sector contributing 98 percent of development costs. The City issued \$70 million in revenue bonds for the surrounding Riverside Village mixed-use development, \$34.5 million of which were allocated toward the construction of the ballpark and were backed by TIF revenues within the development. The City also contributed \$4.8 million from its general fund and team ownership also contributed \$1.0 million toward construction.



4. SRP PARK

MIXED-USE DEVELOPMENT

In 2012, community officials announced plans for “Project Jackson,” a multi-use riverfront project anchored by SRP Park, designed to attract investment and visitors to the area. In 2013, Aiken County approved tax increment financing for the project. In early 2017, the City had assembled the public financing and private development partners and general site work for the project began.

Funding for the \$230 million development came from \$70 million in City-issued revenue bonds, with the remaining \$160 million coming from private partners including Greenstone Properties, Ackerman Greenstone, and LIV.

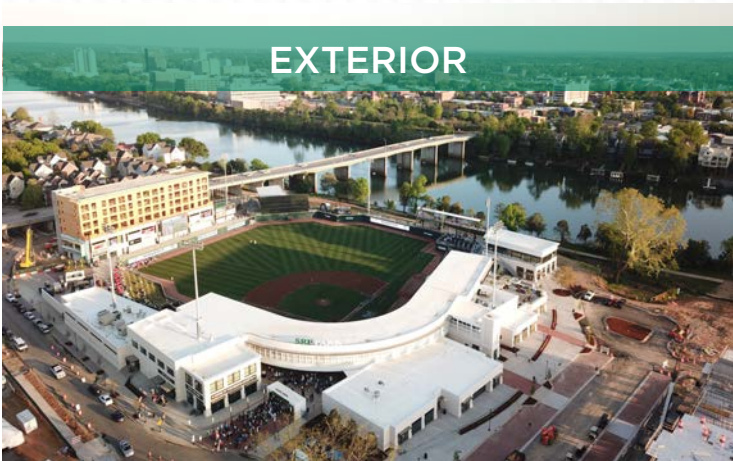
In addition to the ballpark, the development includes:

- A 180-room Crown Plaza Hotel;
- 590-space stadium parking garage and 968-space city parking decks;
- Approximately 7,000 square feet of conference space;
- Infrastructure improvements and improvements to Riverfront Park;
- Senior living facility;
- Development of 12 single family homes, 27 residential flats, and a 280-unit apartment building;
- Approximately 145,000 square feet of office space;
- Approximately 50,000 square feet of retail and restaurant space; and,
- A fitness facility.



4. SRP PARK

BALLPARK IMAGERY



4. SRP PARK

GENERAL SEATING

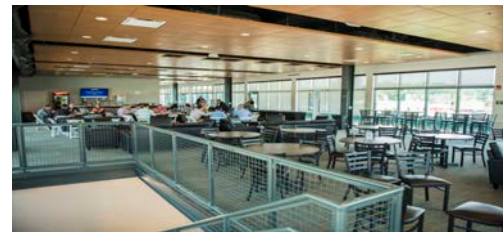


PREMIUM SEATING



WOW! Club

Inventory: 320
 Sell-Thru: 95%
 \$1,500 3-Years | \$1,190 5-Years | \$1,190 10-Years
 \$21 per Game | \$17 per Game | \$17 per Game



3rd Base Club

Inventory: 200
 Sell-Thru: 95%
 \$1,200 3-Years | \$980 5-Years | \$980 10-Years
 \$17 per Game | \$14 per Game | \$14 per Game



VIP Loge Box

Inventory: 18 Loge Boxes
 Sell-Thru: 100%
 \$850 1-Year | \$810 3-Years | \$800 5-Years
 \$50 per Game | \$12 per Game | \$11 per Game



Luxury Suites

Inventory: 10 Suites
 Seating Capacity: 16 Seats
 Sell-Thru: 100%
 Annual Price: \$42,000
 \$600 per Game

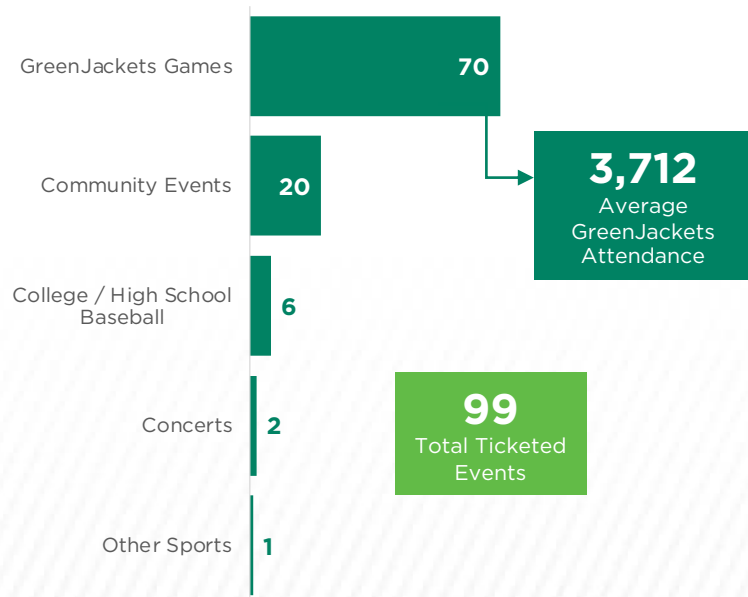
Seat Location	Single Game	Half Season	1 Year	3 Years	5 Years
SRP Premier Box	--	--	\$750 (\$11 per game)	\$710 (\$10 per game)	\$700 (\$9 per game)
Batter's Box	\$15	\$385 (\$11 per game)	\$720 (\$10 per game)	\$680 (\$10 per game)	\$670 (\$9 per game)
Dugout Reserved	\$12	\$315 (\$9 per game)	\$590 (8 per game)	\$550 (\$8 per game)	\$540 (\$7 per game)
Reserved	\$11	\$257 (\$7 per game)	\$475 (\$7 per game)	\$435 (\$6 per game)	\$425 (\$5 per game)

4. SRP PARK

UTILIZATION

Representatives indicated that SRP Park hosts approximately 100 ticketed events per year, on average. In 2019, SRP Park hosted 70 GreenJackets games, 20 community events such as beer, tequila or whiskey tastings, six high school or college baseball games, two concerts, and one other sporting event such as Nitro Circus. In addition to ticketed events, the ballpark hosts more than 100 private events annually including weddings, graduation parties, birthday parties, and corporate meetings. In total, SRP holds approximately 200 events per year, on average.

2019 SRP Park Ticketed Events



LEASE TERMS

As shown below, the GreenJackets signed a 20-year agreement to lease the City-owned ballpark. In addition to the rent terms shown in the table below, the City also receives \$0.25 per event attendee up to 240,000 per year, \$1.00 per event attendee in excess of 240,000 up to 300,000, and \$2.00 per event attendee in excess of 300,000.

LEASE TERMS		
Augusta GreenJackets		
Term	20 Years	
Base Rent ⁽¹⁾	\$350,000	
Revenues:	Team	Public
Gate Receipts	100%	0%
Concessions	100%	0%
Parking	100%	0%
Sponsorships ⁽²⁾	100%	0%
Stadium Naming Rights	Above \$100k	\$100k
TV & Radio	100%	0%
Expenses:		
Team Expenses	100%	0%
Game Day Expenses	100%	0%
Routine Maintenance	100%	0%
Capital Improvements	0%	100%
Capital Reserve Funding	\$200,000 annual City payment	
Real Estate Taxes	Exempt	

(1) Includes annual base rent of \$250,000 and annual rent of \$100,000 for stadium retail areas.

(2) For the initial naming rights term, the City receives \$100,000 per year.

4. THE DEPOT AT CLEBURNE STATION

OVERVIEW

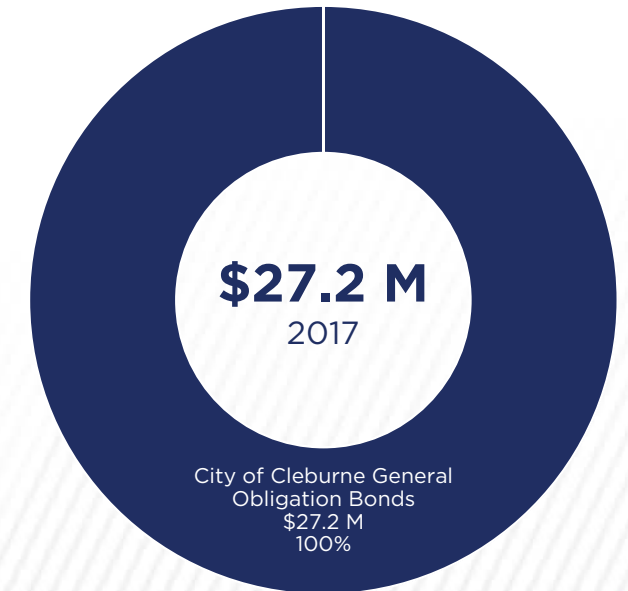


Tenant:	Cleburne Railroaders
League:	American Association
Location:	Cleburne, TX
Population (30-min drive time):	588,109 85% less than Jersey Village market population
Year Opened:	2017
Project Cost:	\$27.2 M Public: 100% Private: 0%
Cost in Jersey Village in 2025:	\$37.4 M
Total Seating Capacity:	4,200
Total Fixed Seats:	1,740 (41%)
Owner:	City of Cleburne
Operator:	Cleburne Railroaders Baseball



The Depot at Cleburne Station opened in 2017 in Cleburne, Texas, approximately 30 miles south of Fort Worth. The ballpark is home to the Cleburne Railroaders of the American Association of Professional Baseball. The ballpark has a capacity of 4,200, of which 2,460 is berm / patio seating. The ballpark is owned by the City of Cleburne and operated by the Railroaders.

The cost to construct The Depot at Cleburne Station totaled \$27.2 million, which was funded through a voter-approved half-cent sales-tax increase in the city of Cleburne.



4. THE DEPOT AT CLEBURNE STATION

MIXED-USE DEVELOPMENT

The Depot at Cleburne Station is part of a 75-acre mixed-use development which is planned to include:

- 400,000 square feet of retail space;
- 63,000 square foot movie theater;
- 68,000 square feet of office space; and,
- 71,400 square foot four-story hotel located directly behind the ballpark for views of the game.

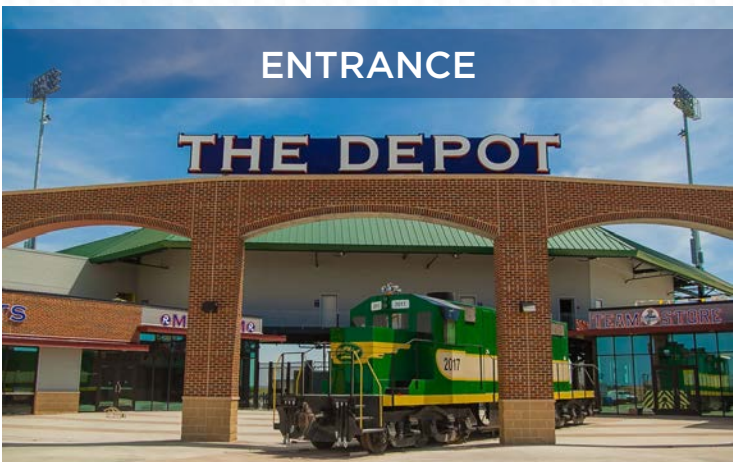
Champions DFW Commercial Realty, LLC was selected to market the new mixed-use development and New Era was selected as the master developer. There has been growing frustration among the Cleburne community with the ability of New Era to attract businesses to Cleburne Station as the only company that has committed at the time of this report to the site is 7-Eleven.

New Era CEO, Daryn Eudaly, has stated publicly that very few local, regional, or national retailers, restaurants, or other potential tenants have been willing to make a commitment to Cleburne over the last few years and that the mixed-use development was started earlier than the demand required when looking at growth in the local area. New Era is still committed towards the development of the Cleburne Station.



4. THE DEPOT AT CLEBURNE STATION

BALLPARK IMAGERY



ENTRANCE

THE DEPOT



4,200 CAPACITY



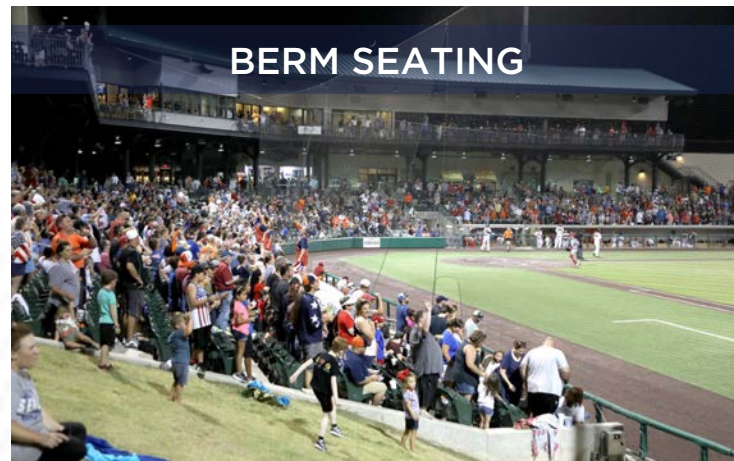
DEVELOPMENT SPACE



TEAM STORE



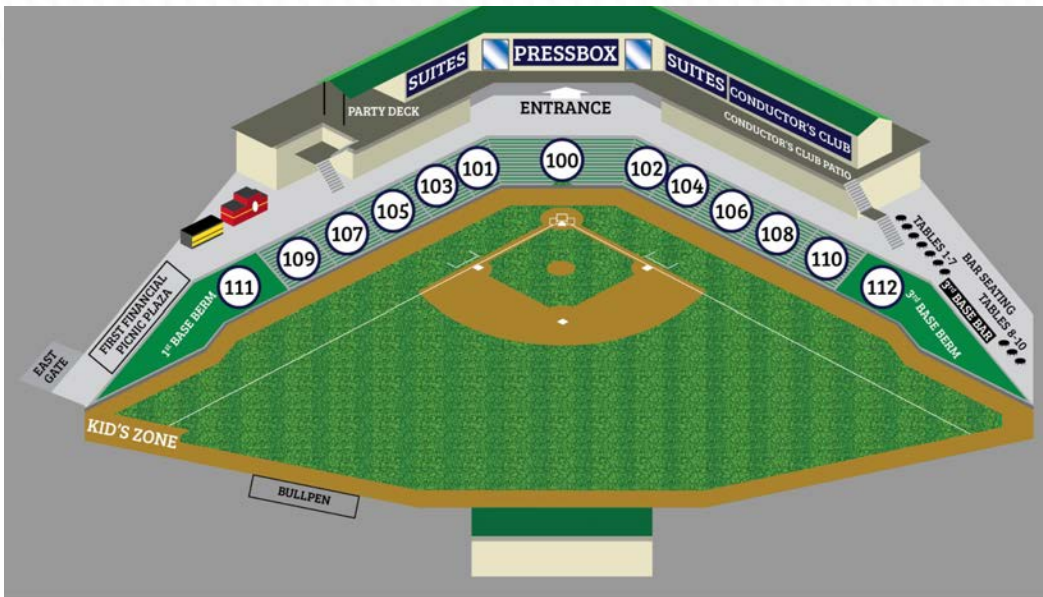
LUXURY SUITES



BERM SEATING

4. THE DEPOT AT CLEBURNE STATION

GENERAL SEATING



PREMIUM SEATING



Luxury Suites

Inventory: 6
 Seating Capacity: 20
 Annual Price: \$20,000
 Location: Upper Level



3rd Base Tables

Inventory: 10
 Seating Capacity: 4
 Annual Price: \$2,500
 Location: Third Baseline

Seat Location	Single	Half	Season
General Seating	\$16	\$375 (\$15 per game)	\$675 (\$14 per game)
Berm	\$10	--	--

4. THE DEPOT AT CLEBURNE STATION

LEASE TERMS

The City of Cleburne reached a 10-year lease agreement with Cleburne Railroaders Baseball which commenced on January 1, 2017 and expires December 31, 2027. The annual lease payment made to the City is an average of \$55,000 per year. The escalation breakdown of rent is provided below:

- \$0 annual rent for years 1-2;
- \$25,000 annual rent for year 3;
- \$50,000 annual rent for year 4;
- \$75,000 annual rent for year 5; and,
- \$100,000 annual rent for years 6 through the end of the term.

All proceeds from the sales of title naming rights and sponsorships are paid to the Railroaders. The Railroaders are charged for all utility services. The City has free use of the facility for six days per year, of which the City pays operating expenses for events held during those days.

Both the City and Railroaders each deposit \$25,000 annually into a capital improvement fund.

FINANCIAL OPERATIONS

Team representatives indicated that the Railroaders operate at a profit.

UTILIZATION

The Depot at Cleburne Station is heavily utilized outside of Railroaders games. There are approximately 280 event days at the ballpark including the 49 Railroader home games. The majority of third party events are youth and adult baseball, softball, and soccer games, while also hosting corporate events, concerts, and graduations.

LEASE TERMS		
Cleburne Railroaders		
Term		10
Base Rent		\$55,000
Revenues:	Team	Public
Gate Receipts	100%	0%
Concessions	100%	0%
Parking	100%	0%
Sponsorships	100%	0%
Stadium Naming Rights	100%	0%
TV & Radio	100%	0%
Expenses:		
Team Expenses	100%	0%
Game Day Expenses	100%	0%
Routine Maintenance	100%	0%
Capital Improvement Funding	50%	50%

4. VIRGINIA CREDIT UNION STADIUM

OVERVIEW



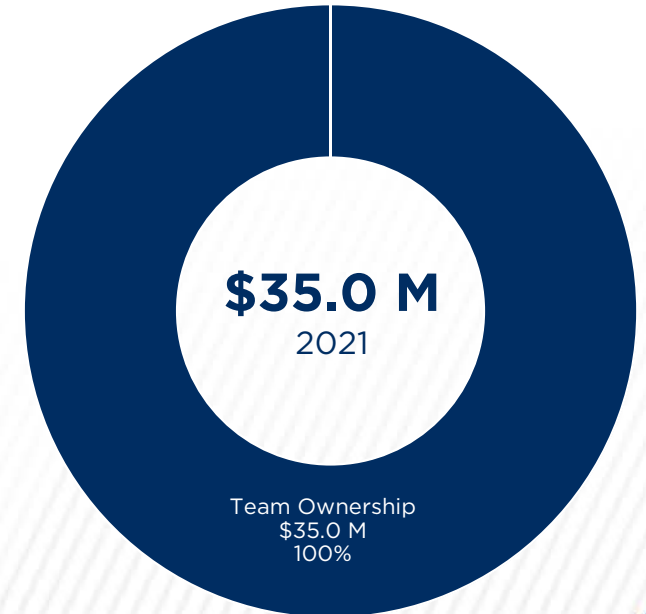
Tenant:	Fredericksburg Nationals
League:	Carolina League
Location:	Fredericksburg, VA
Population (30-min drive time):	302,538 92% less than Jersey Village market population
Year Opened:	2021
Project Cost:	\$35 M Public: 0% Private: 100%
Cost in Jersey Village in 2025:	\$39.5 M
Total Seating Capacity:	5,000
Total Fixed Seats:	5,000 (100%)
Owner:	Potomac Baseball, LLC
Operator:	Potomac Baseball, LLC



Virginia Credit Union Stadium is a 5,000-seat ballpark in Fredericksburg, Virginia and is home to the Fredericksburg Nationals, the Single-A affiliate of the Washington Nationals.

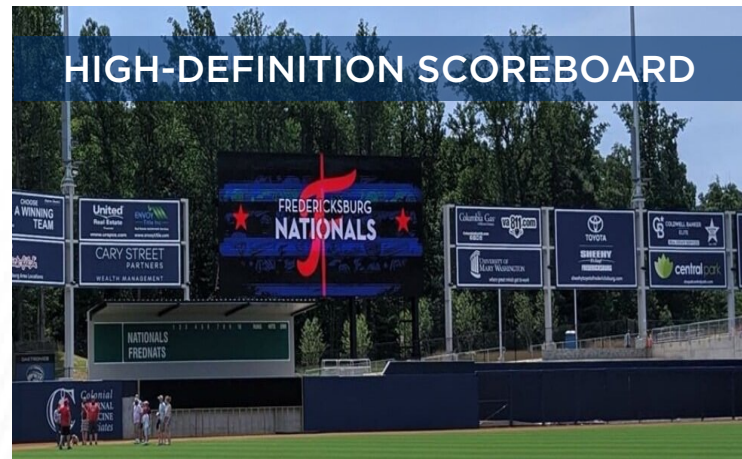
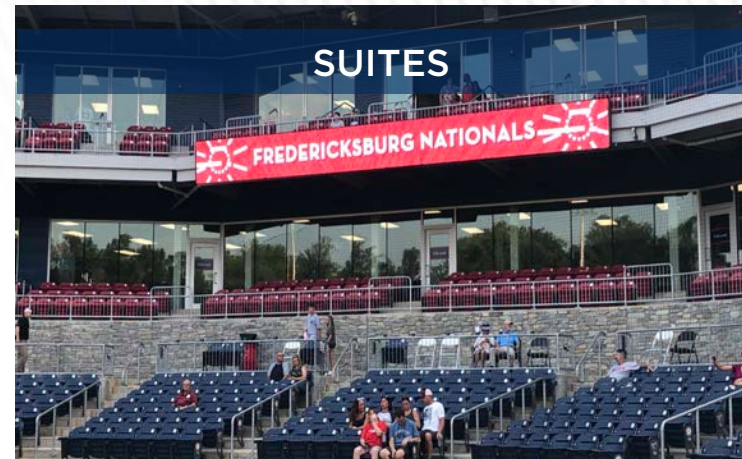
The ballpark, which officially opened to the public in 2021, was privately funded. In November 2018, the Fredericksburg City Council (“City”) gave final approval for the Silber family, doing business as Potomac Baseball, LLC, (“Team”) to finance, build, and maintain the \$35 million ballpark. The City also agreed to pay the club \$1.05 million per year from its general fund for 30 years to utilize the facility for 183 days per year as a secondary tenant.

In March 2022, it was announced Virginia Credit Union purchased naming rights to the ballpark. While the terms of the 10-year partnership were not officially disclosed, it is estimated to be worth approximately \$500,000 to \$750,000 annually.



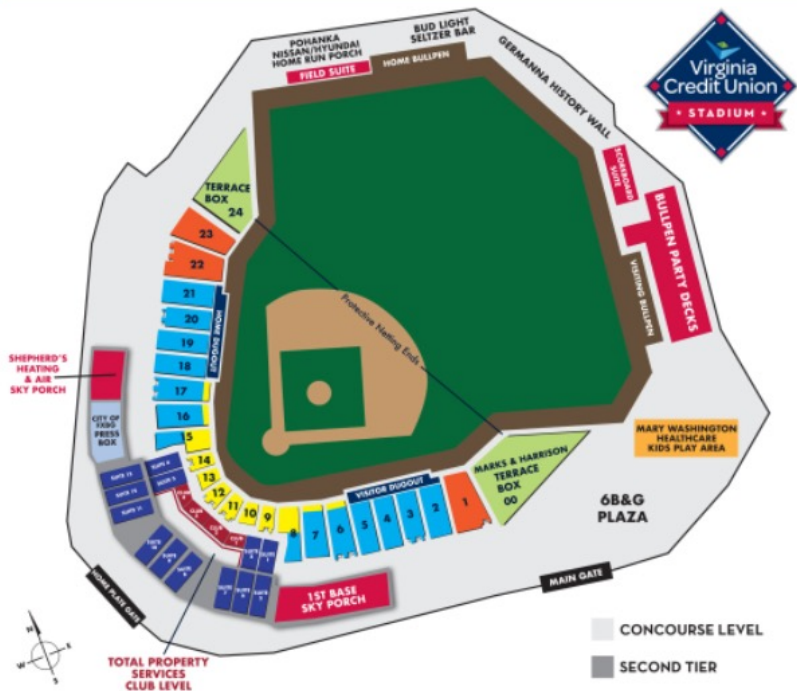
4. VIRGINIA CREDIT UNION STADIUM

BALLPARK IMAGERY



4. VIRGINIA CREDIT UNION STADIUM

GENERAL SEATING



Seat Location	Single Game	Half Season	1-Year	3-Years	5-Years
Diamond Box	\$20	\$630 (\$18 per game)	\$1,225 (\$18 per game)	\$1,085 (\$16 per game)	\$980 (\$14 per game)
Dugout Box	\$16	\$508 (\$15 per game)	\$770 (\$11 per game)	\$875 (\$13 per game)	\$980 (\$12 per game)
Field Seat	\$13	\$403 (\$12 per game)	\$630 (\$9 per game)	\$700 (\$10 per game)	\$770 (9 per game)

PREMIUM SEATING



Total Property Services Club Seats

Inventory: 192
 Sell-Thru: 95%
 Annual Price: \$3,850
 \$55.00 per Game

4-Seat Terrace Box

Inventory: 50 Tables
 Sell-Thru: 100%
 High-Top Pricing:
 \$4,920 1-Year | \$4,450 3-Years | \$4,050 5-Years
 \$70 per Game | \$64 per Game | \$58 per Game

Scoreboard Suite

Capacity: 50 Guests
 Sold on Individual Game Basis
 \$40 per Person
Note: Includes all-you-can-eat buffet

Pohanka Nissan/Hyundai Field Suite

Inventory: 2 (accommodates 30 guests)
 Sold on Individual Game Basis
 \$1,350 per Suite

4. VIRGINIA CREDIT UNION STADIUM

PREMIUM SEATING



Bullpen Party Decks

Inventory: 3 Decks (accommodates groups of 20 to 60)
 Sold on Individual Game Basis
\$34.00 per Person
Note: Includes all-you-can-eat buffet



1st Base Sky Porch

Capacity: 160 Guests
 Sold on Individual Game Basis
\$35.00 per Person
Note: Includes all-you-can-eat buffet



Shepherd's Heating & Air Sky Porch

Capacity: 65 Guests
 Sold on Individual Game Basis
\$35.00 per Person
Note: Includes all-you-can-eat buffet

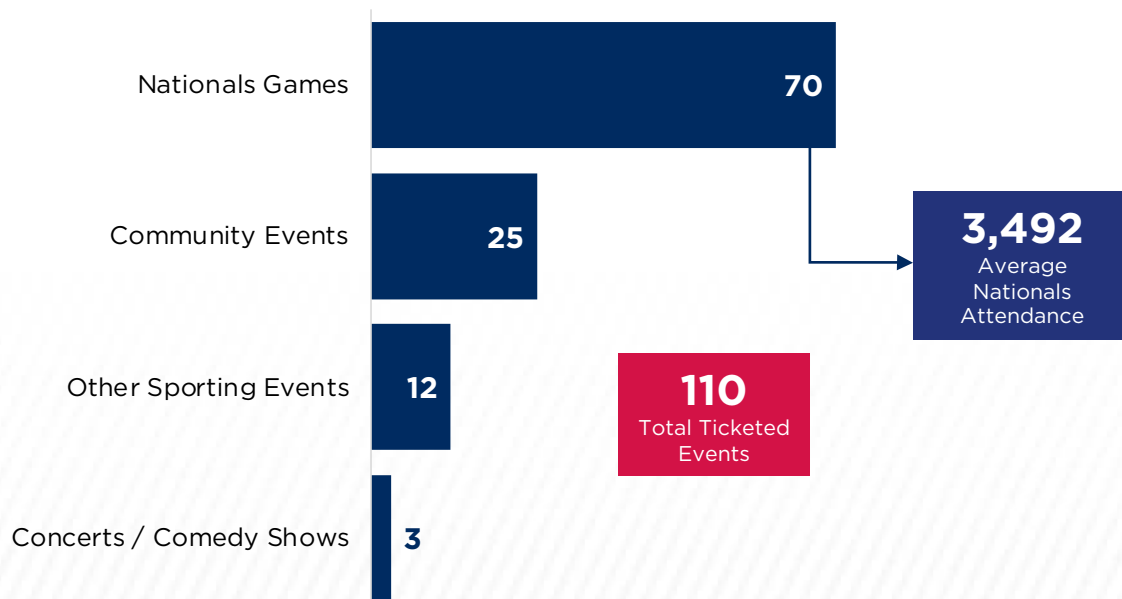


4. VIRGINIA CREDIT UNION STADIUM

UTILIZATION

While Virginia Credit Union Stadium opened in 2021 and has not had a full non-COVID impacted season, the ballpark expects to host approximately 25 community events such as food truck nights, other sporting events such as high school and college baseball and concerts each year. The ballpark also expects to host a robust number of private events such as weddings and corporate meetings, however the total number of these types is unknown at the time of this report.

2022 Expected Virginia Credit Union Stadium Ticketed Events



LEASE TERMS

As shown below, Potomac Baseball, LLC signed a 30-year agreement with the City of Fredericksburg. The City will pay the Team \$1.05 million annually for use of the ballpark as a secondary tenant for 183 days each year. The Team keeps all revenue including ticket sales, sponsorships, concessions, and parking, and is responsible for all ballpark and gameday expenses including capital improvements. The City will receive all revenue from City events except for concessions and parking, which will go to the Team.

LEASE TERMS		
Fredericksburg Nationals		
Term		30
Base Rent		\$1,050,000
Revenues:	Team	Public
Gate Receipts ⁽¹⁾	100%	0%
Concessions	100%	0%
Parking	100%	0%
Sponsorships	100%	0%
Stadium Naming Rights	100%	0%
TV & Radio	100%	0%
Expenses:		
Team Expenses	100%	0%
Game Day Expenses	100%	0%
Routine Maintenance	100%	0%
Capital Improvements	100%	0%
Capital Reserve Funding	100%	0%

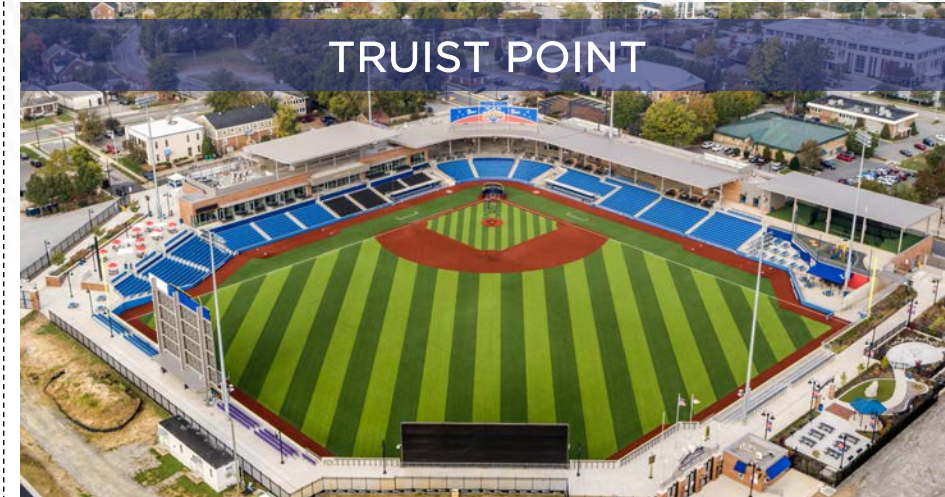
(1) City receives revenues generated from City Events except for concessions and parking.

4. TRUIST POINT

OVERVIEW

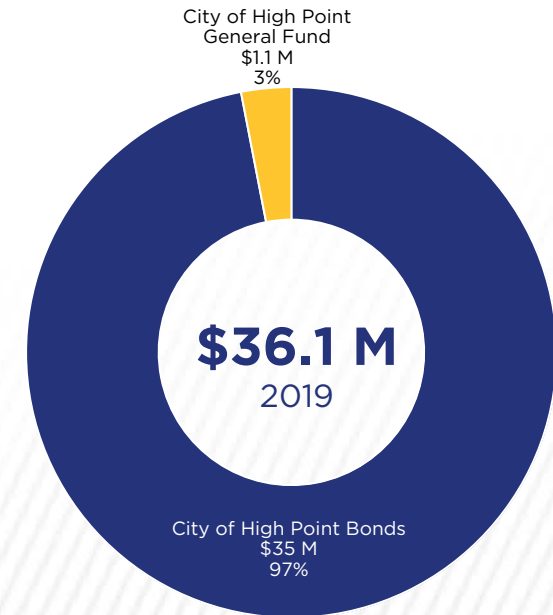


Tenant:	High Point Rockers
League:	Atlantic League
Location:	High Point, NC
Population (30-min drive time):	753,477 80% less than Jersey Village market population
Year Opened:	2019
Project Cost:	\$36.1 M Public: 100% Private: 0%
Cost in Jersey Village in 2025:	\$44.6 M
Total Seating Capacity:	4,000
Total Fixed Seats:	3,000 (75%)
Owner:	City of High Point
Operator:	High Point Baseball, Inc.



Located in High Point, North Carolina, Truist Point opened in 2019 and is home of the High Point Rockers of the Atlantic League of Professional Baseball. The 4,500-seat ballpark is owned by the City of High Point and operated by High Point Baseball, Inc.

Ballpark project costs totaled \$36.1 million, which primarily came from the issuance of \$35 million in taxable limited obligation bonds from the City of High Point in February 2018. The bonds are backed by various sources of revenue generated by the ballpark. The additional \$1.1 million comes from the City’s general fund. Naming rights were secured in 2018 from BB&T Bank for \$500,000 annually over 15 years. The ballpark was renamed Truist Point in 2020 after a merger between BB&T Bank and SunTrust to form Truist Financial Corporation.



4. TRUIST POINT

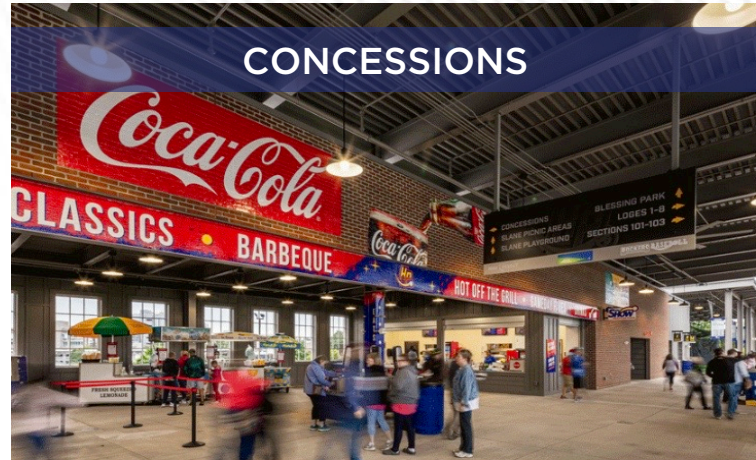
BALLPARK IMAGERY



SEATING BOWL



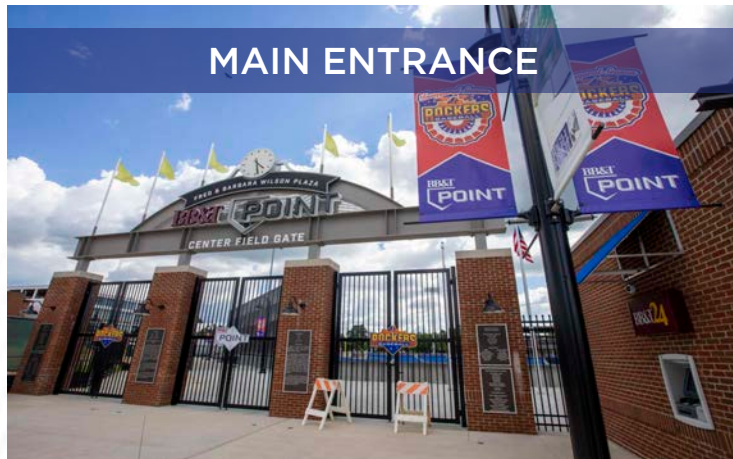
TURF FIELD



CONCESSIONS



KIDS PLAY LAND



MAIN ENTRANCE



HIGH-DEFINITION SCOREBOARD

4. TRUIST POINT

GENERAL SEATING



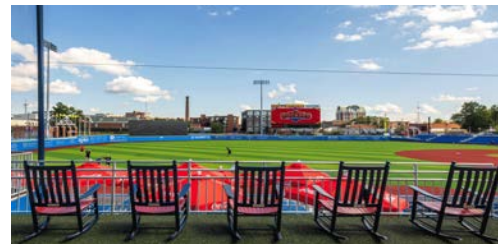
Seat Location	Single Game	Half Season	1 Year	2 Years	3 Years
Home Plate Box	\$15	\$400 (\$12 per game)	\$800 (12 per game)	\$730 (\$11 per game)	\$660 (\$10 per game)
Infield Box	\$12	\$365 (\$11 per game)	\$730 (\$11 per game)	\$660 (\$10 per game)	\$590 (\$9 per game)
Outfield Box	\$10	\$295 (\$9 per game)	\$590 (\$9 per game)	\$520 (\$8 per game)	\$450 (\$7 per game)
Home Run Reserve	\$8	--	--	--	--
Bleachers	\$8	--	--	--	--

PREMIUM SEATING



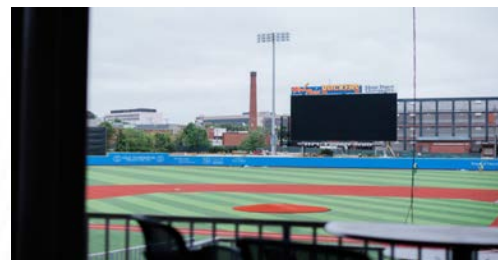
Catalyst Club

Inventory: 150
 Sell-Thru: 90%
 \$2,050 1-Year | \$1,990 2-Years | \$1,770 3-Years
 \$31 per Game | \$30 per Game | \$27 per Game



Loge Boxes

Inventory: 8 Boxes
 Capacity: 12 seats
 Sell-Thru: 100%
 Annual Price: \$30,000
 \$455 per Game



Luxury Suites

Inventory: 8 Suites
 Capacity: 20 to 48
 Annual Price: \$40,000
 \$1,111 per Game
 Note: 36-person "Rockers Suite" cost \$2,160 per game

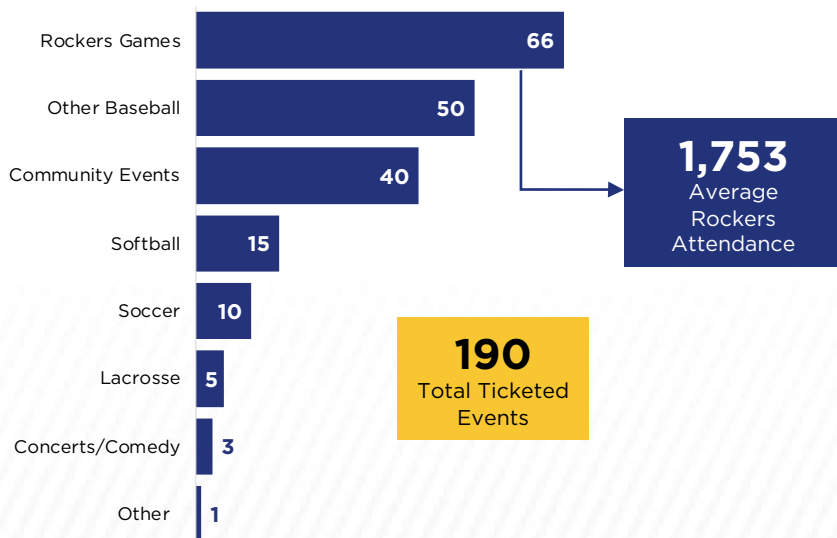
4. TRUIST POINT

UTILIZATION

Truist Point has a robust third-party event schedule, including college, high school and amateur baseball games, community events, softball, lacrosse, concerts, comedy shows, and other events such as professional wrestling. The ballpark is also currently in discussions to acquire a professional soccer team (either USL or MLS Next Pro) as a secondary tenant in the ballpark.

The ballpark also hosts more than 100 private events annually including weddings, funerals, graduations, birthday parties, and corporate meetings.

Truist Point Ticketed Events



LEASE TERMS

Lease terms for Truist Point were re-negotiated during COVID-19 to compensate for the missed season. The new agreement raised the base rent to \$400,000, with the Team being responsible for routine maintenance and minor upgrades of the ballpark, along with game day expenses, while the City is responsible for capital improvements. The Team receives all revenues except for naming rights, which all go to the City.

LEASE TERMS		
High Point Rockers		
Term		25
Base Rent		\$400,000
Revenues:	Team	Public
Gate Receipts	100%	0%
Concessions	100%	0%
Parking	100%	0%
Sponsorships	100%	0%
Stadium Naming Rights	0%	100%
TV & Radio	100%	0%
Expenses:		
Team Expenses	100%	0%
Game Day Expenses	100%	0%
Routine Maintenance	100%	0%
Capital Improvements	100%	0%
Capital Reserve Funding	100%	0%

4. CONSTELLATION FIELD

OVERVIEW

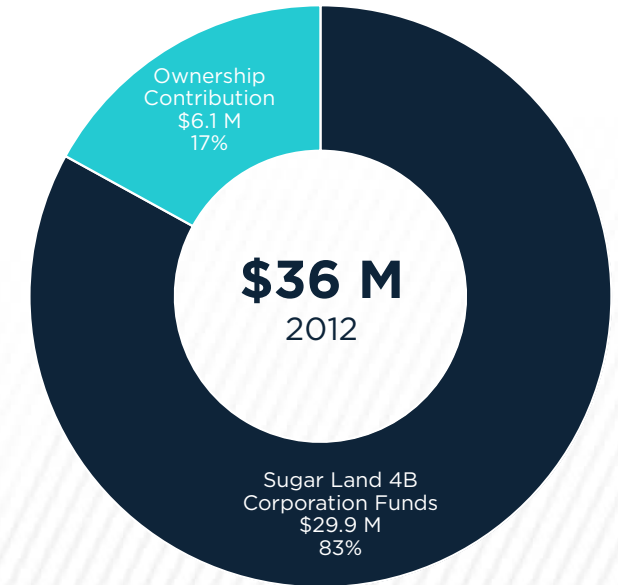


Tenant:	Sugar Land Space Cowboys
League:	Pacific Coast League
Location:	Sugar Land, TX
Population (30-min drive time):	2,449,590 36% less than Jersey Village market population
Year Opened:	2012
Project Cost:	\$36 M Public: 83% Private: 17%
Cost in Jersey Village in 2025:	\$53.9 M
Total Seating Capacity:	7,500
Total Fixed Seats:	7,000 (93%)
Owner:	City of Sugar Land
Operator:	SL Baseball, LLC



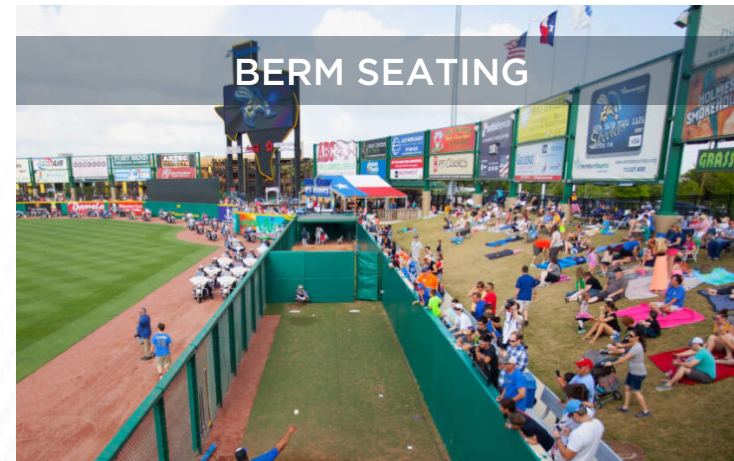
Constellation Field opened in 2012 in Sugar Land, Texas, approximately 20 miles southwest of downtown Houston. The ballpark is home to the Houston Astros Triple-A affiliate, Sugar Land Space Cowboys. The ballpark has a capacity of 7,500, of which 500 is berm seating. The ballpark is owned by the City of Sugar Land and operated by SL Baseball, LLC, who own the team.

The cost to construct Constellation Field totaled \$36 million. Public sector contributions constituted 83 percent of ballpark development costs, comprised of funds from the Sugar Land 4B Corporation. The corporation receives a ¼ cent sales tax that can be used only for economic development purposes, and it issued debt in anticipation of this revenue. The ballpark was built without general tax fund dollars. The private sector contributed the remaining 17 percent (\$6 million) of project costs, funded by the Space Cowboys ownership group. Constellation Energy signed a 10-year naming rights deal in 2010 and agreed to a long-term extension in 2021 for an undisclosed amount.



4. CONSTELLATION FIELD

BALLPARK IMAGERY



4. CONSTELLATION FIELD

GENERAL SEATING



Seat Location	Single	Season
Home Plate Box I	\$30	\$1,656 (\$22 per game)
Home Plate Box II	\$23	\$1,476 (\$20 per game)
Dugout Box I	\$22	\$1,260 (\$17 per game)
Dugout Box II	\$19	\$1,098 (\$15 per game)
Field Box I	\$20	\$972 (\$13 per game)
Field Box II	\$15	\$864 (\$12 per game)
Hot Corner	\$12	\$702 (\$9 per game)

PREMIUM SEATING



Regions Bank Club Seats

Inventory: 267
 Sell-Thru: 80%
 Annual Price: \$3,600
 Location: Upper Behind Home Plate



Kinetic Loge Boxes

Inventory: 2
 Capacity: 13 Seats
 Location: Third Baseline



Luxury Suites

Inventory: 21
 Capacity: 20 Seats
 Sell-Thru: 70%
 Annual Price: \$57,000
 Location: Upper Level

4. CONSTELLATION FIELD

UTILIZATION

Space Cowboys representatives indicated that Constellation Field is extremely active in terms of third-party event utilization. On non-game days the facility is utilized between 80 - 90 percent of the time, or approximately 240 days a year for third-party events. Specifically, it is used every weekend that the team does not play home games during the season and during the winter there is a two-month long holiday lights exhibit on the field. The majority of third-party events are corporate rentals.

LEASE TERMS

In 2010, the City of Sugar Land entered into a 25-year lease agreement with Sugar Land Baseball, LLC for Constellation Field. The team pays annual rent of \$80,000 to the City on January 1st each lease year. In addition to base rent, the City will receive participation rent equal to 40 percent of all gross revenues in excess of \$2.6 million. In 2018, the city received \$0 in addition to the base rent.

When the Houston Astros purchased the team a lease extension agreement was reached to continue playing at Constellation Field through the 2045 season.

LEASE TERMS		
Sugar Land Space Cowboys		
Term		25
Base Rent		\$80,000
Revenues:	Team	Public
Gate Receipts	100%	0%
Concessions	100%	0%
Parking	100%	0%
Sponsorships	100%	0%
Stadium Naming Rights	100%	0%
TV & Radio	100%	0%
Expenses:		
Team Expenses	100%	0%
Game Day Expenses	100%	0%
Routine Maintenance	100%	0%
Capital Improvements	100%	0%
Capital Maintenance Funding	100%	0%

4. JIMMY JOHN'S FIELD

OVERVIEW

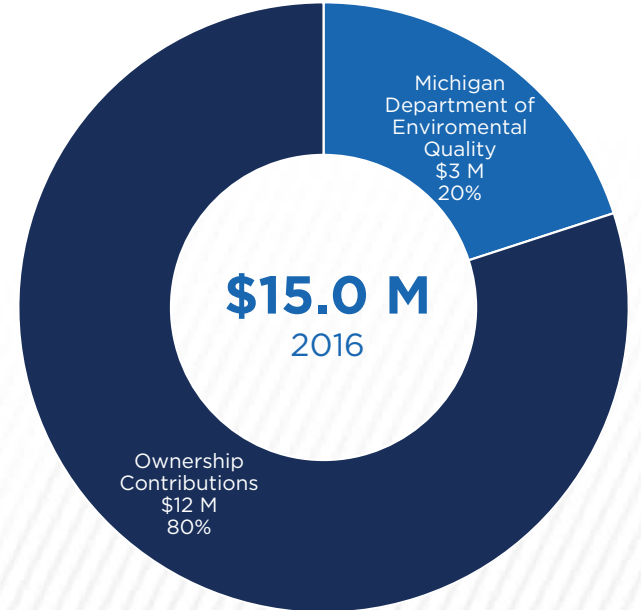


Tenant:	USPBL
League:	USPBL
Location:	Utica, MI
Population (30-min drive time):	1,919,416 50% less than Jersey Village market population
Year Opened:	2016
Project Cost:	\$15 M Public: 20% Private: 80%
Cost in Jersey Village in 2025:	\$20.6 M
Total Seating Capacity:	4,500
Total Fixed Seats:	3,800 (84%)
Owner:	General Sports & Entertainment
Operator:	General Sports & Entertainment



Jimmy John's Field opened in 2016 in Utica, Michigan, approximately 20 miles north of downtown Detroit. The ballpark is home to the United Shore Professional Baseball League ("USPBL"), an independent baseball league comprised of four teams. The ballpark has a capacity of 4,500, of which 700 is berm seating. The ballpark is owned and operated by General Sports and Entertainment ("GSE"), the owner of the USPBL.

The cost to construct Jimmy John's Field totaled \$15 million. Public sector contributions constituted 20 percent of ballpark development costs, comprised of bonds that were secured through the State of Michigan and the U.S. Environmental Protection Agency in order to address environmental and constructability issues associated with landfills. Private contributions totaled 80% of ballpark costs, generated through General Sports and Entertainment contributions. Naming rights were sold to the sandwich chain restaurant, Jimmy John's for an undisclosed amount in 2016.



4. JIMMY JOHN'S FIELD

BALLPARK IMAGERY



4,500 CAPACITY



EXTERIOR



CHEVROLET PATIO TABLES



WIFFLE BALL FIELD



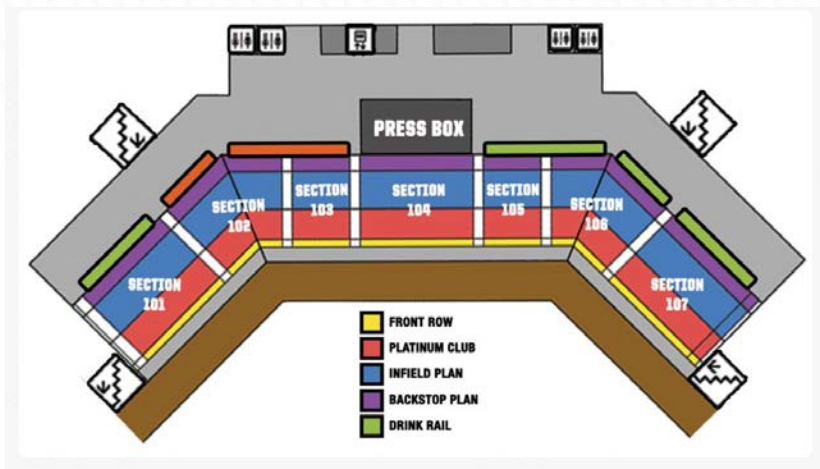
BERM SEATING



PLAYGROUND

4. JIMMY JOHN'S FIELD

GENERAL SEATING



Seat Location	Single	Season
Front Row	\$35	\$3,000 (\$51 per game)
Platinum Club	\$20	\$1,875 (\$32 per game)
Infield Plan	\$15	\$1,125 (\$19 per game)
Backstop	\$12	\$900 (\$15 per game)
Lawn	\$6	\$450 (\$8 per game)

PREMIUM SEATING



Dugout Suites

Inventory: 5
 Capacity: 16 Seats
 Annual Price: \$45,000
 Location: Field Level



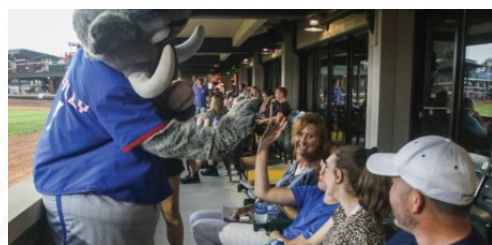
Cabana Suites

Inventory: 12
 Capacity: 16 Seats
 Annual Price: \$35,000
 Location: Field Level



Founders Suites

Inventory: 6
 Capacity: 16 Seats
 Annual Price: \$55,000
 Location: Upper Level



Diamond Tables

Inventory: 24
 Capacity: 4 Seats
 Annual Price: \$20,000
 Location: Field Level

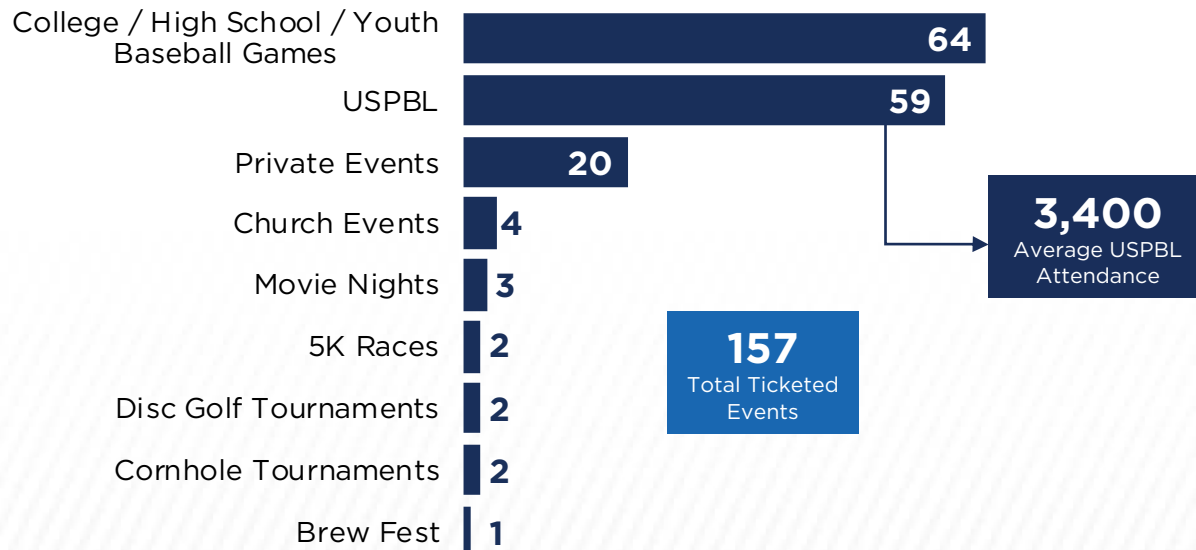
4. JIMMY JOHN'S FIELD

LEASE TERMS

While Jimmy John's Field is owned by GSE, Utica's Downtown Development Authority owns the land and leases it to GSE for \$1 per year for 30 years.

UTILIZATION

In addition to the 59-game USPBL schedule, there were 98 third-party events at Jimmy John's Field in 2018 including:



FINANCIAL OPERATIONS

Below is the income statement for Jimmy John's Field in 2018.

FINANCIAL OPERATIONS	
	2018
Revenues	
Operating Revenues	\$340,000
Investment Income	1,000
Total Revenues	\$341,000
Expenses	
Salaries, Wages, Benefits	\$212,600
Independent Contractors, Consultants	3,500
Rent, Property Taxes, Utilities	29,621
Repairs and Maintenance	20,343
Supplies	4,633
Dues and Subscriptions	3,400
Advertising	12,000
Depreciation	22,000
Interest	750
Miscellaneous	2,983
Loss on Disposal of Equipment	6,200
Total Expenses	\$318,030
Operating Income (Loss)	\$22,970

4. RON TONKIN FIELD

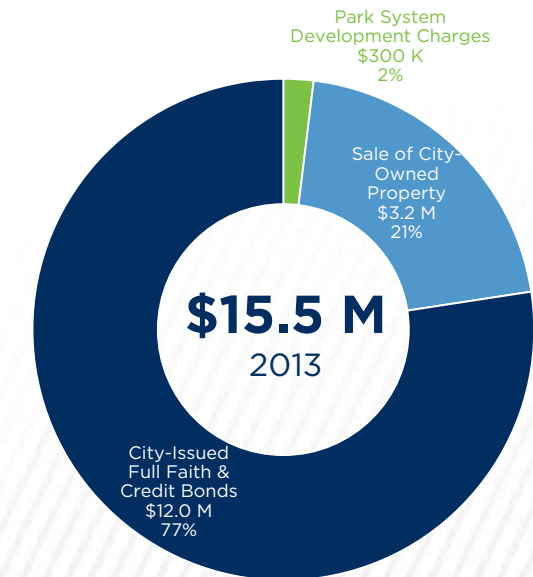
OVERVIEW



Tenant:	Hillsboro Hops
League:	Northwest League
Location:	Hillsboro, OR
Population (30-min drive time):	938,001 76% less than Jersey Village market population
Year Opened:	2013
Project Cost:	\$15.5 M Public: 100% Private: 0%
Cost in Jersey Village in 2025:	\$21.3 M
Total Seating Capacity:	4,500
Total Fixed Seats:	3,534 (79%)
Owner:	City of Hillsboro
Operator:	Hillsboro Hops

Ron Tonkin Field opened in 2013 in Hillsboro, OR, approximately 20 miles west of downtown Portland. The ballpark is home to the Hillsboro Hops, High-A affiliate for the Arizona Diamondbacks. The ballpark has a capacity of 4,500, of which 650 is berm seating and 316 is standing room only on a patio. The ballpark is owned by the City of Hillsboro and operated by the Hops during the season and the City for third-party events.

The cost to construct Ron Tonkin Field totaled \$15.5 million. Public sector contributions included \$12 million in City-issued full faith and credit bonds to be repaid over 20 years (no direct funding source, can be repaid through city's general fund and other discretionary money), \$3.2 million in cash from the sale of City-owned property, and \$300,000 from Park System Development Charges. In 2014, the Ron Tonkin Family of Dealerships purchased naming rights to the ballpark for \$150,000 per year for 10 years (\$1.5 million total).



4. RON TONKIN FIELD

BALLPARK IMAGERY



4. RON TONKIN FIELD

UTILIZATION

Approximately 132,000 fans attended Hops home games during the 2016 season, resulting in an average attendance of approximately 3,500 over the 38-game home slate. Beyond Hops games, Ron Tonkin Field is used approximately 300 times throughout the year for events such as youth soccer, football, lacrosse, high school band competitions, charitable events, and meetings.

LEASE TERMS

The Hillsboro Hops signed a 20-year agreement to lease the City-owned facility. The team pays annual rent of \$150,000 in the first year, escalating by three percent each year and a \$1.00 surcharge per paid ticket to the City. The city retains 100 percent of parking revenue, 70 percent of naming rights revenue, and can use the ballpark for City events when the team is not using the ballpark.

LEASE TERMS			
Hillsboro Hops			
Term			20
Base Rent	\$150,000 (3% escalator)		
Revenues:		Team	Public
Gate Receipts		100%	0%
Concessions		100%	0%
Parking		0%	100%
Sponsorships		100%	0%
Stadium Naming Rights		30%	70%
TV & Radio		100%	0%
Expenses:			
Team Expenses		100%	0%
Game Day Expenses		100%	0%
Routine Maintenance		0%	100%
Capital Improvement Funding		100%	0%

FINANCIAL OPERATIONS

Below are the financial operations of Ron Tonkin Field for the City of Hillsboro, Oregon.

FINANCIAL OPERATIONS			
	2015	2014	2013
Revenues			
Team Rent	\$159,135	\$154,500	\$150,000
Ticket Surcharge	141,276	136,344	126,807
Parking Revenue	206,643	192,650	183,496
Naming Rights Revenue	105,000	105,000	-
Hops' Cleaning Contribution	15,000	10,000	-
Total Revenues	\$627,054	\$598,494	\$460,303
Expenses			
Annual Debt Service	\$768,000	\$768,000	\$768,000
Facilities Maintenance Staff	20,193	n/a	n/a
Parks Maintenance FT Staff	43,860	63,761	56,628
Parks Maintenance PT Staff	5,805	51,027	39,368
Parks Maintenance Overtime	14,940	12,368	11,470
Cleaning Crew Contractor	37,500	-	-
Parks and Rec PT Event Staff	4,308	4,839	13,376
Parks and Rec FT Event Staff	40,160	51,263	47,691
Parking Operation Staff	54,231	43,518	41,420
Contractual Services	8,217	2,615	5,740
Utilities	27,109	32,611	34,515
Communication Services	10,809	5,514	5,918
Materials and Supplies	30,673	35,115	32,714
Total Expenses	\$1,065,805	\$1,070,631	\$1,056,840
Season Financial Impact to City	(\$438,751)	(\$472,137)	(\$596,537)

4. BLUE WAHOOS STADIUM

OVERVIEW

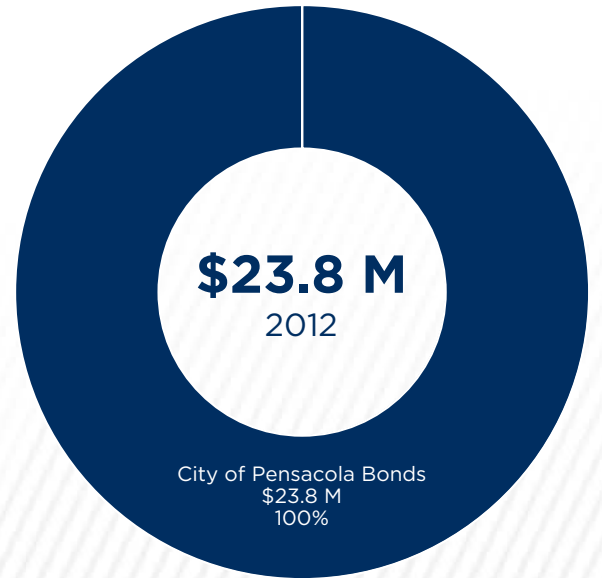


Tenant:	Pensacola Blue Wahoos
League:	Southern League
Location:	Pensacola, FL
Population (30-min drive time):	362,114 91% less than Jersey Village market population
Year Opened:	2012
Project Cost:	\$23.8 M Public: 100% Private: 0%
Cost in Jersey Village in 2025:	\$34.3 M
Total Seating Capacity:	5,038
Total Fixed Seats:	4,300 (85%)
Owner:	City of Pensacola
Operator:	Blue Wahoos



Blue Wahoos Stadium opened in 2012 in Pensacola, FL. The ballpark is home to the Miami Marlins Double-A affiliate, Pensacola Blue Wahoos. The ballpark has a capacity of 5,038, of which 738 is berm seating. The ballpark is owned by the City of Pensacola and operated by the Blue Wahoos during the season and the City for third-party events.

The cost to construct Blue Wahoos Stadium totaled \$23.8 million. Public sector contributions were comprised of bonds secured by property taxes. The property tax revenues are generated for the Community Redevelopment Agency, a group that manages redevelopment efforts within the downtown area. The taxes that are generated within the district are reinvested to further foster economic growth. The Blue Wahoos agreed to buy the naming rights to the stadium in 2015 for \$112,500 per year through 2022.

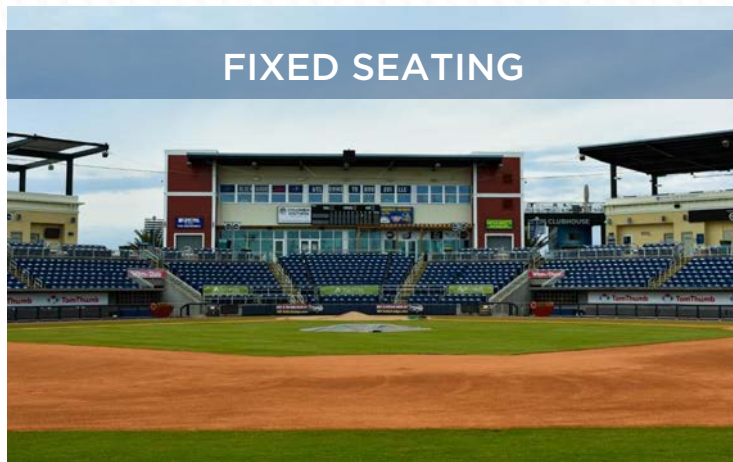


4. BLUE WAHOOS STADIUM

BALLPARK IMAGERY



EXTERIOR



FIXED SEATING



BERM SEATING



TABLE SEATING



PATIO SEATING



FOOTBALL CONFIGURATION

4. BLUE WAHOOS STADIUM

GENERAL SEATING



PREMIUM SEATING



Regions Bank Club Seats

Inventory: 74
 Annual Price: \$980
 Location: Behind home plate



Hancock Whitney Club Seats

Inventory: 112
 Annual Price: \$2,898
 Location: Upper third baseline

Seat Location	Single	Season
Box Seating	\$17	\$770 (\$11 per game)
Reserved Seating	\$17	\$630 (\$9 per game)
Standing Room	\$17	\$560 (\$8 per game)

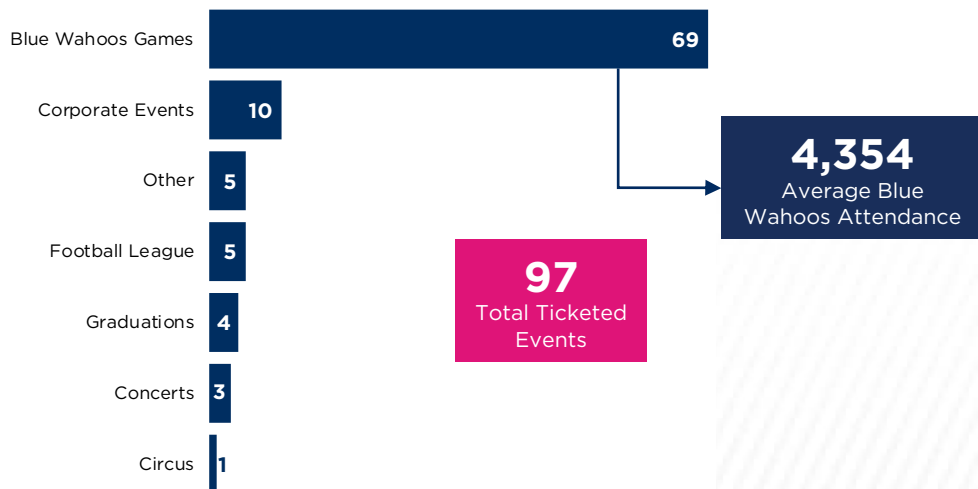
4. BLUE WAHOOS STADIUM

UTILIZATION

Blue Wahoos Stadium is very active in hosting third-party events. Representatives indicated on average the stadium hosts 20 to 60 events per year. During the season, when the team is playing away games for a week, there are typically four third-party events hosted at the stadium.

A wide variety of events are hosted including four graduations, three concerts, a circus, an inner-city youth football league, corporate events, and more.

Blue Wahoos Stadium Ticketed Events



LEASE TERMS

In 2011, the City of Pensacola, through the Community Maritime Park Associates, Inc. (“CMPA”) entered into an agreement with Northwest Florida Professional Baseball, LLC, the owner of the Blue Wahoos. The agreement was for 10 years with two optional five-year renewal periods and requires the Blue Wahoos to pay an annual use fee of \$175,000 to the CMPA. The team keeps all concession and parking revenues. The City of Pensacola recently agreed to give the Blue Wahoos \$2 million in exchange for a 10-year lease extension.

The team also pays a variable ticket sales surcharge and variable attendance surcharge based on the number and types of tickets sold. The annual minimum variable attendance surcharge is \$125,000 during the first 10 years of the agreement. The CMPA is required to maintain a capital maintenance fund from the proceeds of the variable ticket sales surcharge for future repairs and maintenance. For the period ended May 31, 2017 the CMPA recognized approximately \$50,000 for the variable attendance surcharge, and \$53,000 for the variable ticket sales surcharge.

LEASE TERMS		
Pensacola Blue Wahoos		
Term		10
Base Rent		\$175,000
Revenues:	Team	Public
Gate Receipts	100%	0%
Concessions	100%	0%
Parking	100%	0%
Sponsorships	100%	0%
Stadium Naming Rights	100%	0%
TV & Radio	100%	0%
Expenses:		
Team Expenses	100%	0%
Game Day Expenses	100%	0%
Routine Maintenance	100%	0%
Capital Improvements	100%	0%
Capital Maintenance Funding	0%	100%

4. COMPARABLE FACILITY ANALYSIS

KEY TAKEAWAYS



Comparable ballparks have a mix of fixed and berm seating to provide flexible seating capacities, which allow the ballpark to host a variety of event types.



Ballparks include a variety of seating options offered including bench and general seating, club seats, group hospitality areas and luxury suites.



Cost of construction is driven by proportion of seating dedicated to fixed seats, the premium seating program, the overall size of the ballpark, and other factors such as cost to acquire land.



All comparable ballparks are multi-purpose in nature and host a variety of events in addition to minor league baseball such as concerts, community events, and other sports, along with private rentals.



On average, teams are responsible for all costs associated with the ballpark and retain all revenue except for naming rights, where the revenue was generally split between the team and city.



5

MARKET SURVEYS



5. MARKET SURVEYS

INTRODUCTION

To determine local support for a new ballpark in Jersey Village that could be part of a larger mixed-use development, as well as to gauge interest in attending independent league baseball games and a variety of other events, a survey was conducted with area residents and corporations. A link to the survey was placed on the City's website and promoted through press releases, social media channels, targeted email messages, utility bill prints, and other channels to ensure broad distribution to the population in the area.

Approximately 600 surveys were completed in June 2022. Survey topics included:

- Support for a new ballpark and mixed-use development within Jersey Village;
- Perceived impact of the ballpark on the local and regional community;
- Attitude towards independent and affiliated baseball;
- Potential attendance and ticket purchases;
- Interest in corporate sponsorship/partnership or entertainment;
- Interest in premium seating options;
- Desire for various types of events that could be hosted at the ballpark; and,
- Other related topics.

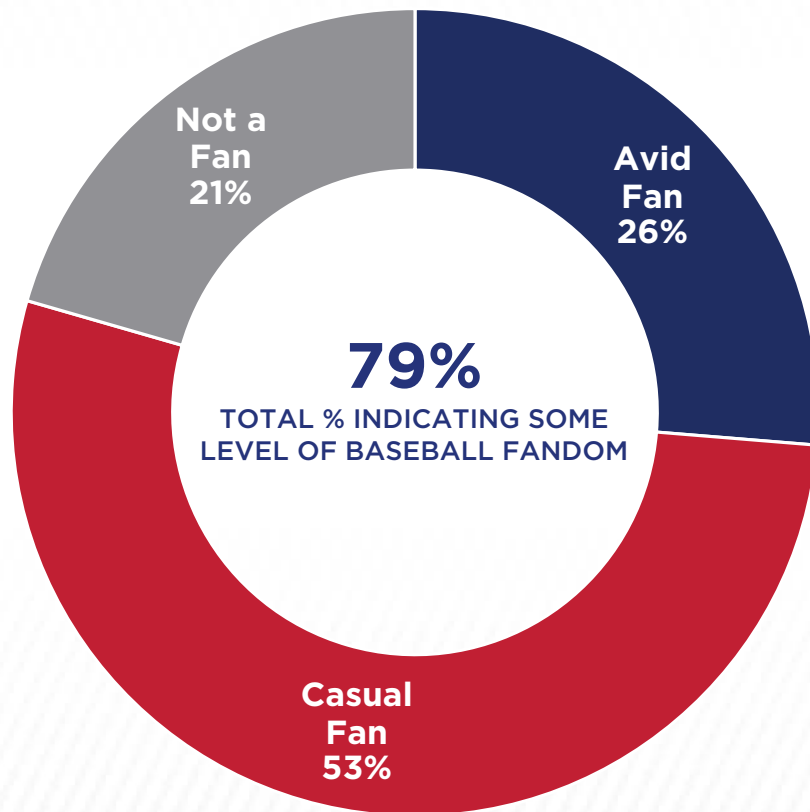
The remainder of this section highlights key data collected within the market survey process. It should be noted that the survey results are not statistically significant and reflect only the attitudes, opinions, and potential buying habits of those who responded to the survey. This data is intended to inform project stakeholders of the overall supportability of a new ballpark in Jersey Village within the local community.



5. MARKET SURVEYS

INTEREST IN BASEBALL

BASEBALL FANDOM



HOUSTON AREA BASEBALL ATTENDANCE



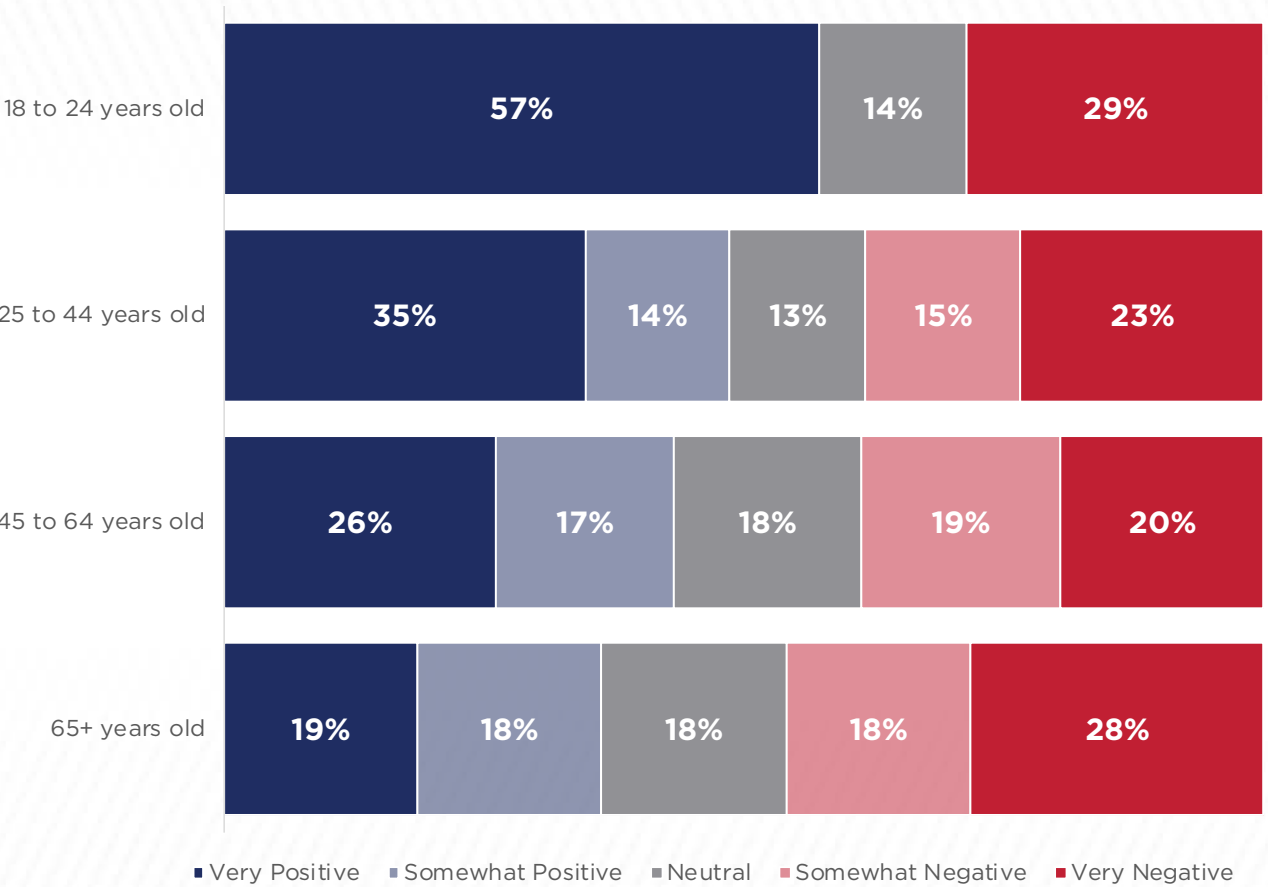
- 57% ATTEND ASTROS GAMES AT LEAST ONCE EACH SEASON
- 86% OF THOSE THAT ATTEND ASTROS GAMES PURCHASE TICKETS ON A SINGLE GAME BASIS
- 7% PURCHASE SOME TYPE OF SEASON TICKET (FULL SEASON, HALF SEASON, ETC.)



- 17% ATTEND SPACE COWBOYS GAMES AT LEAST ONCE EACH SEASON
- 87% OF THOSE THAT ATTEND SPACE COWBOYS GAMES PURCHASE TICKETS ON A SINGLE GAME BASIS
- 8% PURCHASE SOME TYPE OF SEASON TICKET (FULL SEASON, HALF SEASON, ETC.)

5. MARKET SURVEYS

ATTITUDE TOWARDS JERSEY VILLAGE BALLPARK



TOTAL POSITIVE ATTITUDE

57%

49%

43%

37%

TOTAL NEGATIVE ATTITUDE

29%

38%

39%

46%

REASONS FOR POSITIVE ATTITUDE

- Reasonably priced family entertainment
- Growth of the tax base and driver of economic activity
- Creation of jobs
- Differentiation of Jersey Village from other Houston-area cities

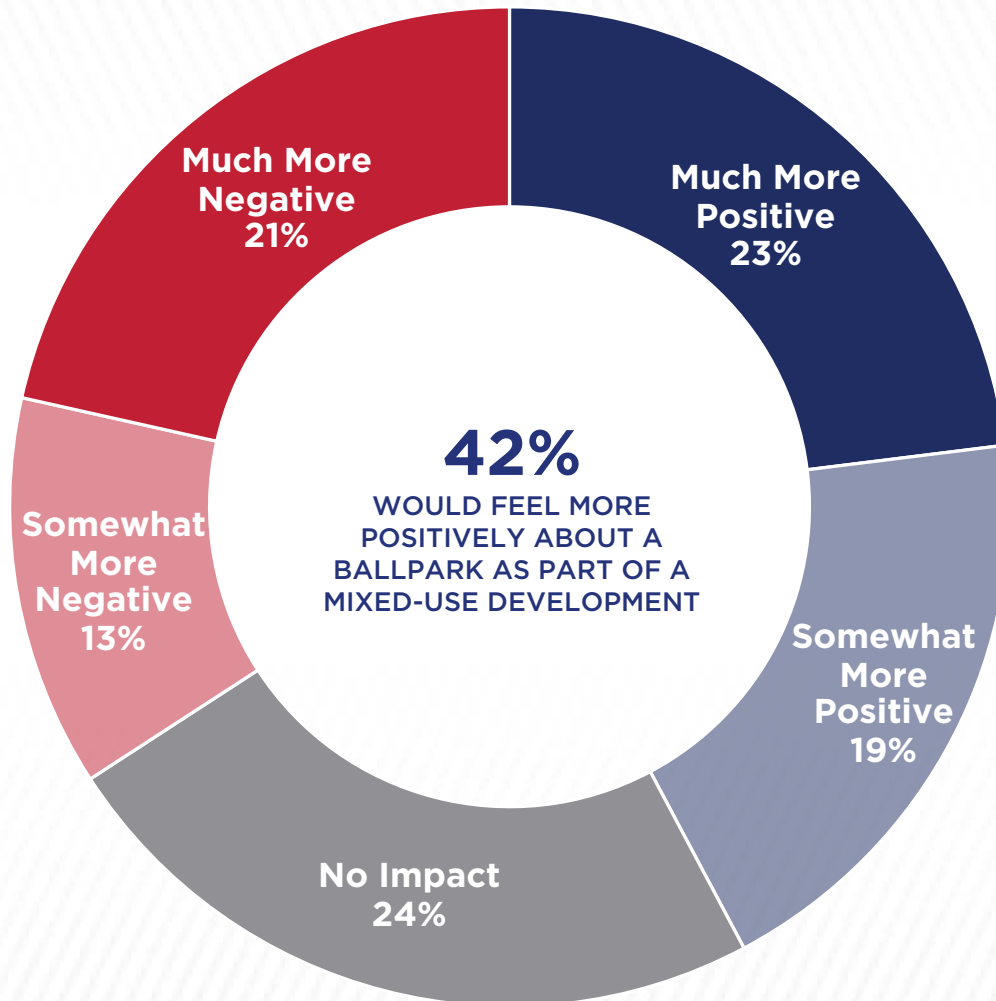
REASONS FOR NEGATIVE ATTITUDE

- Traffic congestion is already bad
- Public money can be better utilized on other projects
- Increased noise
- No infrastructure to support a ballpark
- Increased crime rates
- Devaluation of property values
- Ballpark could become a burden to taxpayers if operations/team fails
- Property more valuable as a land sale
- Other Houston-area ballparks struggle to make money

MARKET IS EVENLY SPLIT BETWEEN POSITIVE AND NEGATIVE SENTIMENT

5. MARKET SURVEYS

IMPACT OF MIXED-USE DEVELOPMENT



KEY MIXED-USE DEVELOPMENT FEEDBACK

- Provides opportunities for community engagement
- Important to have grocery and restaurants as part of development
- Perception of land across 290 as not being part of Jersey Village
- Important for citizens to have a vote on whether public money is utilized for the development
- Priority should be given to attracting business to currently empty storefronts in Jersey Village
- Private developer should be the leader of this type of project

5. MARKET SURVEYS

ATTITUDE TOWARDS NEW DEVELOPMENT

64%

STRONGLY AGREE
OR AGREE THAT...

“It is important that a new ballpark has a multi-purpose design capable of hosting a wide variety of events.”

51%

STRONGLY AGREE
OR AGREE THAT...

“A new ballpark that could host baseball games, concerts, festivals, community celebrations, etc. would enhance the quality of life for local residents.”

51%

STRONGLY AGREE
OR AGREE THAT...

“A new ballpark would help improve the community’s visitor attractions and would grow the visitor base to the area.”

50%

STRONGLY AGREE
OR AGREE THAT...

“The business activities associated with the construction and operations of a new mixed-use district, ballpark, and minor league baseball team will benefit all local residents by expanding the tax base and increasing tax revenues generated to the public sector.”

39%

STRONGLY AGREE
OR AGREE THAT...

“Jersey Village and the surrounding area can support a new ballpark and team.”

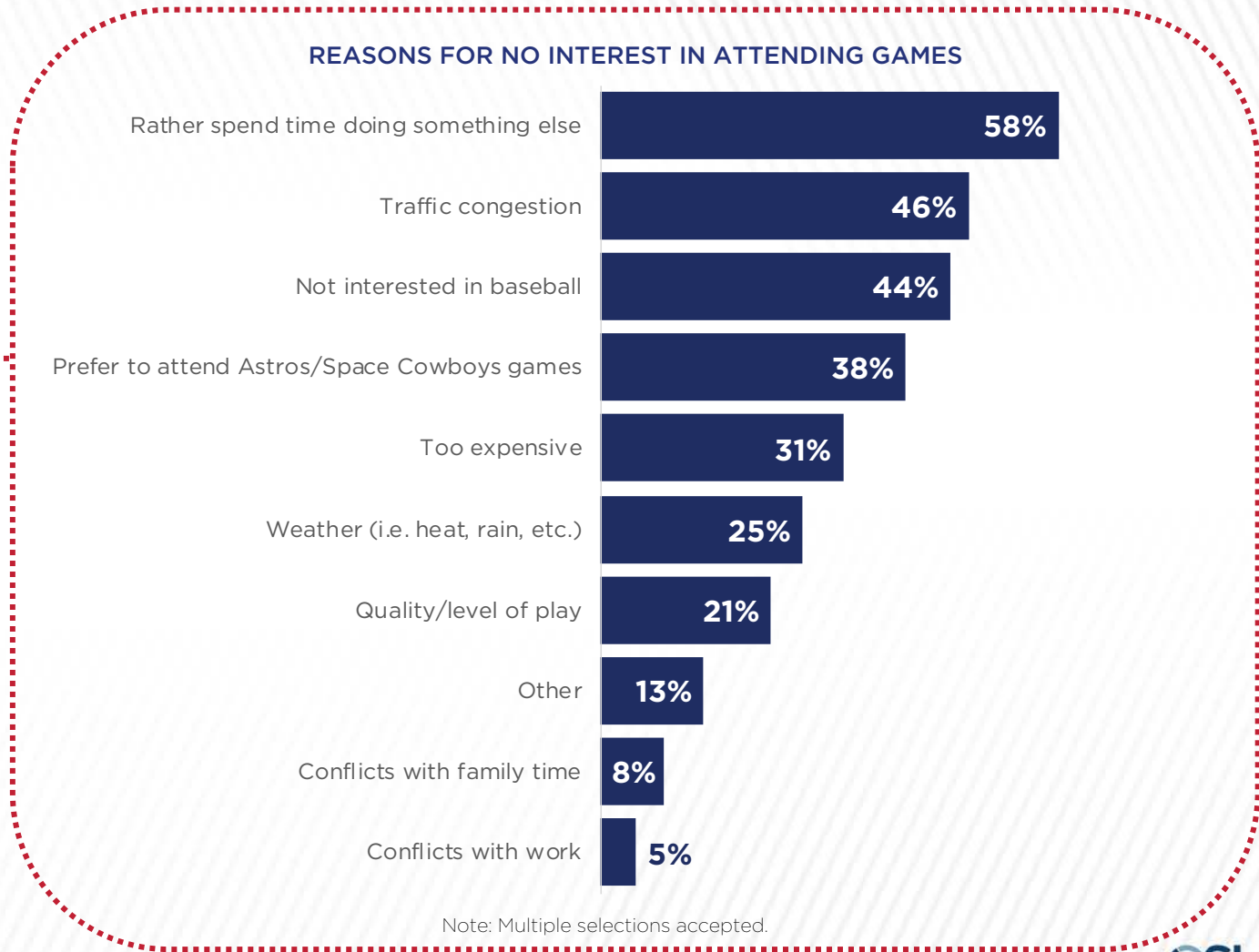
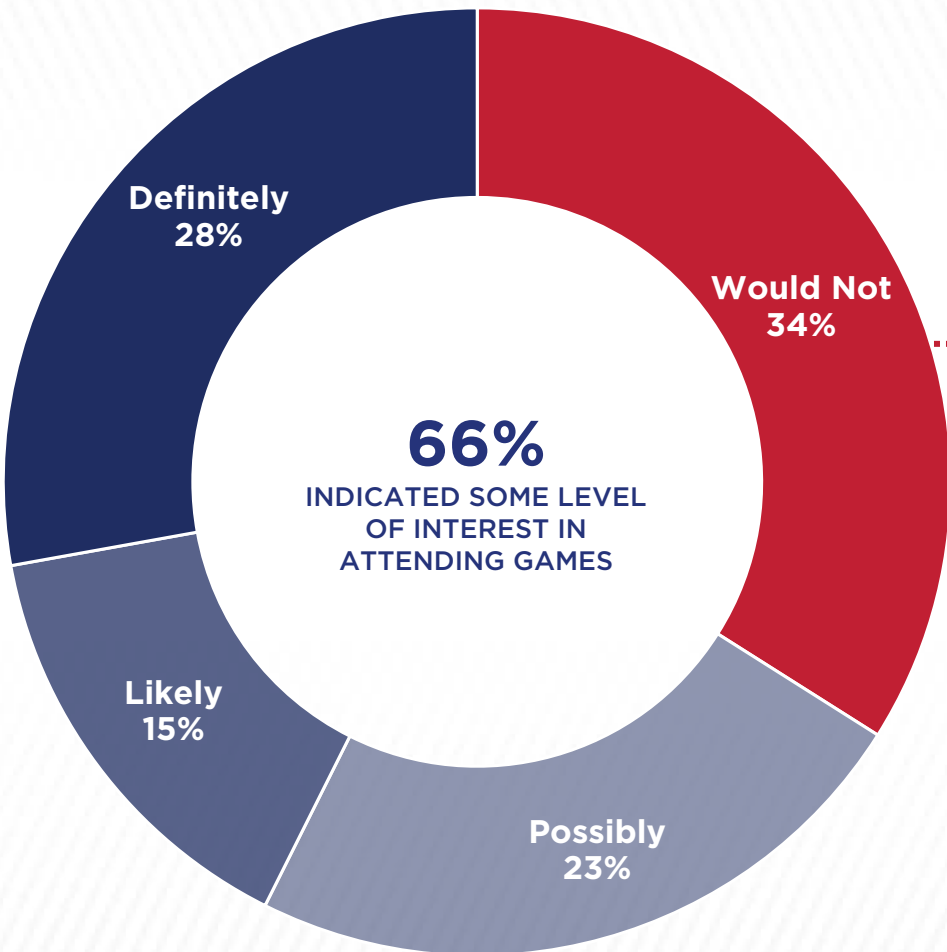
36%

STRONGLY AGREE
OR AGREE THAT...

“I would support public funding dedicated towards the development of a new ballpark.”

5. MARKET SURVEYS

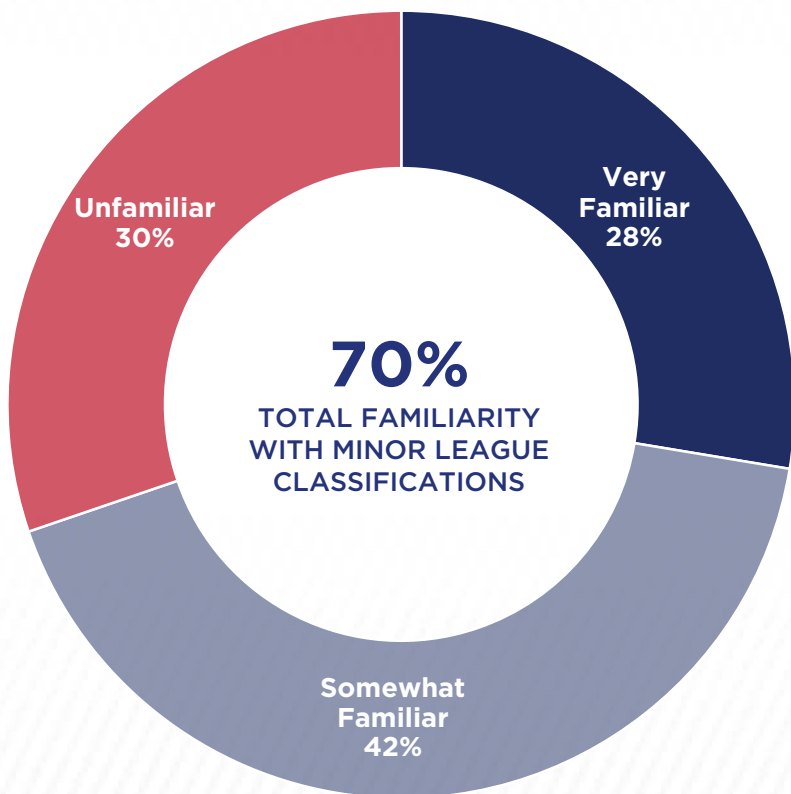
INTEREST IN ATTENDING GAMES IN NEW JERSEY VILLAGE BALLPARK



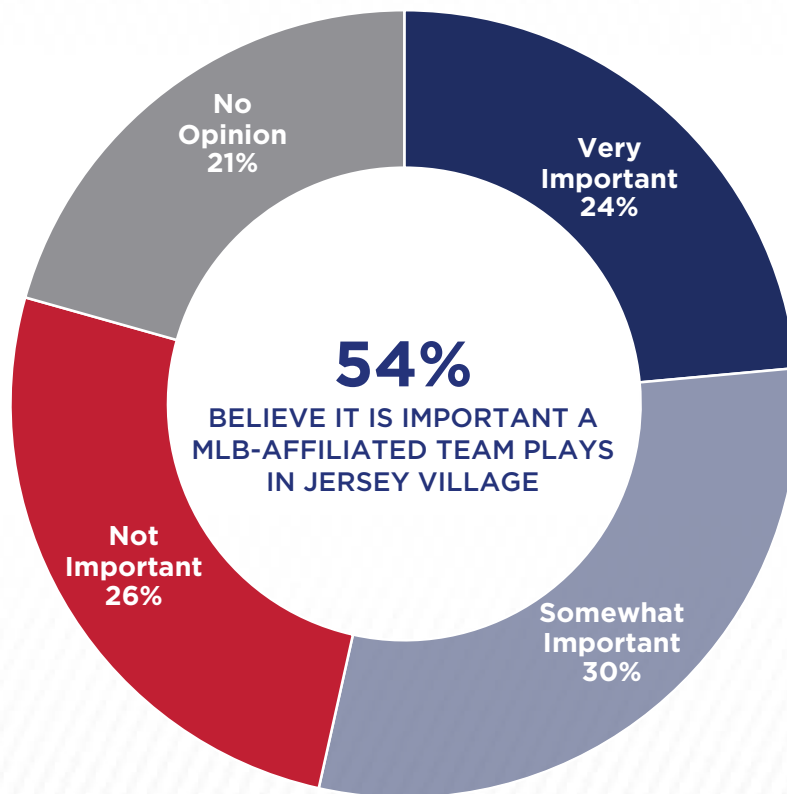
5. MARKET SURVEYS

MINOR LEAGUE BASEBALL TENANT

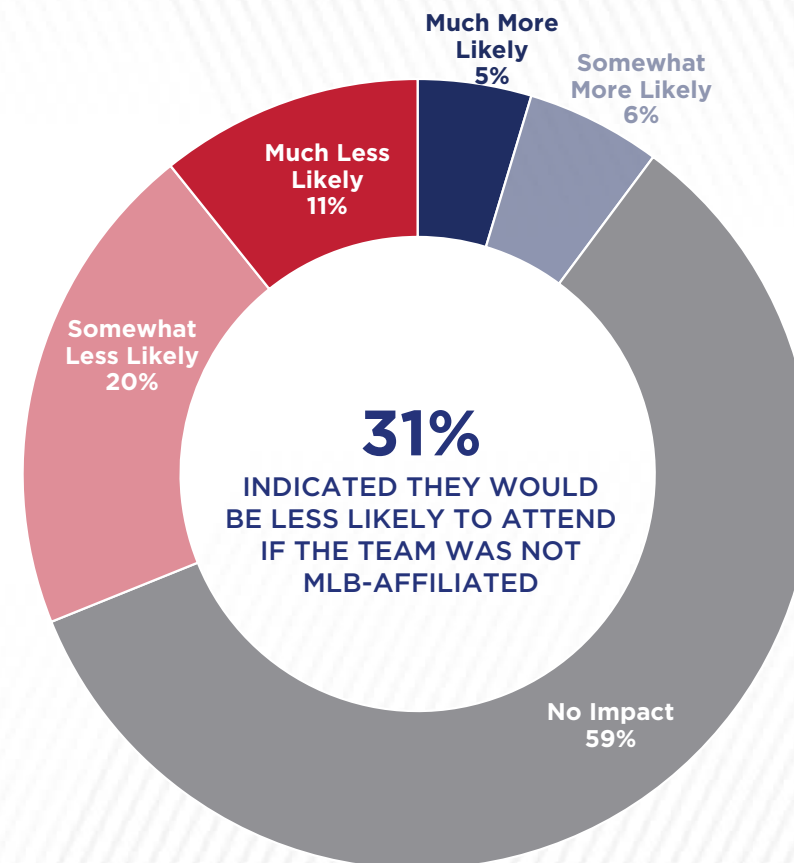
AWARENESS OF CLASSIFICATIONS



IMPORTANCE OF MLB-AFFILIATED TEAM



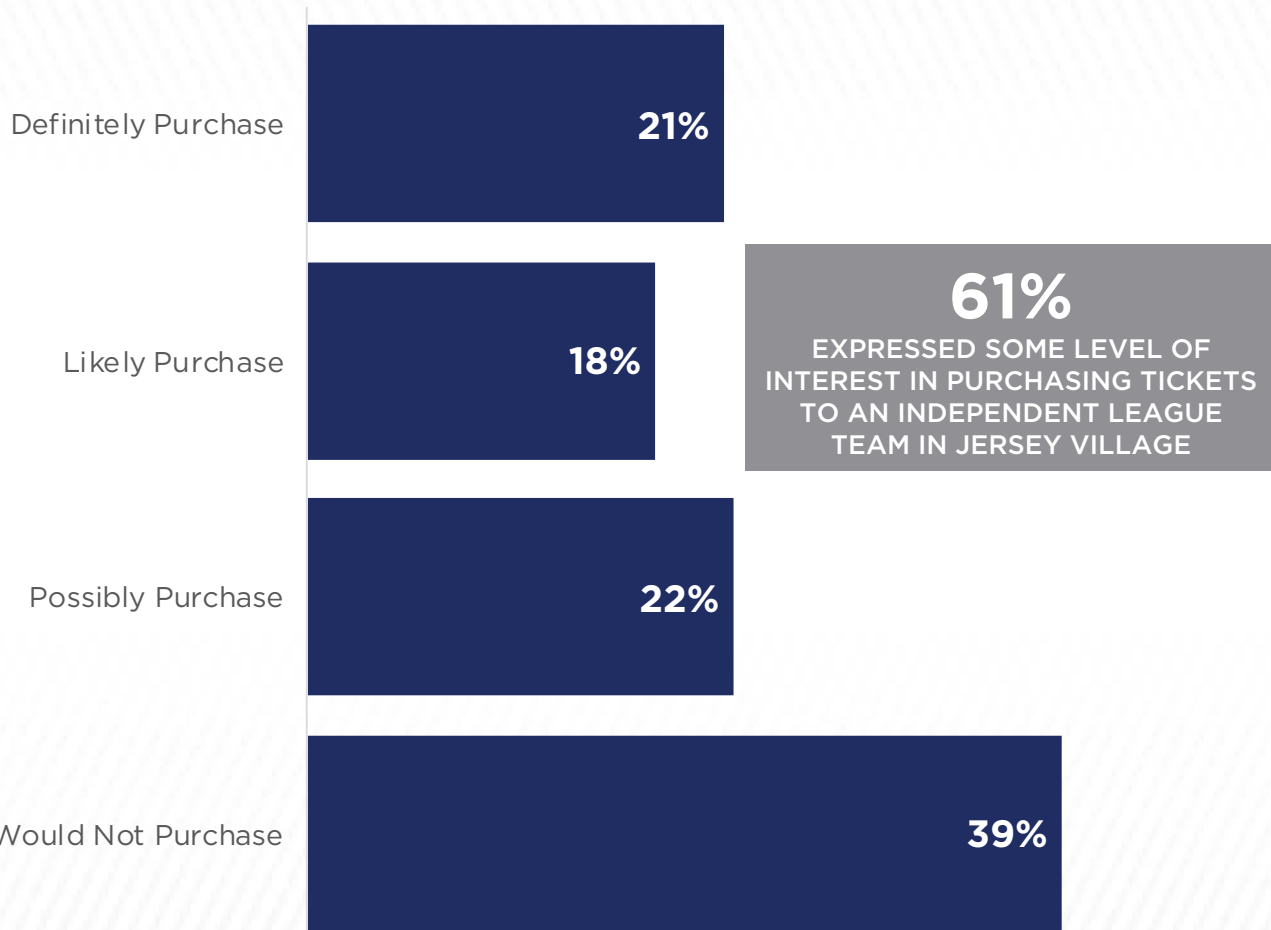
IMPACT ON ATTENDANCE
IF NON-AFFILIATED TEAM



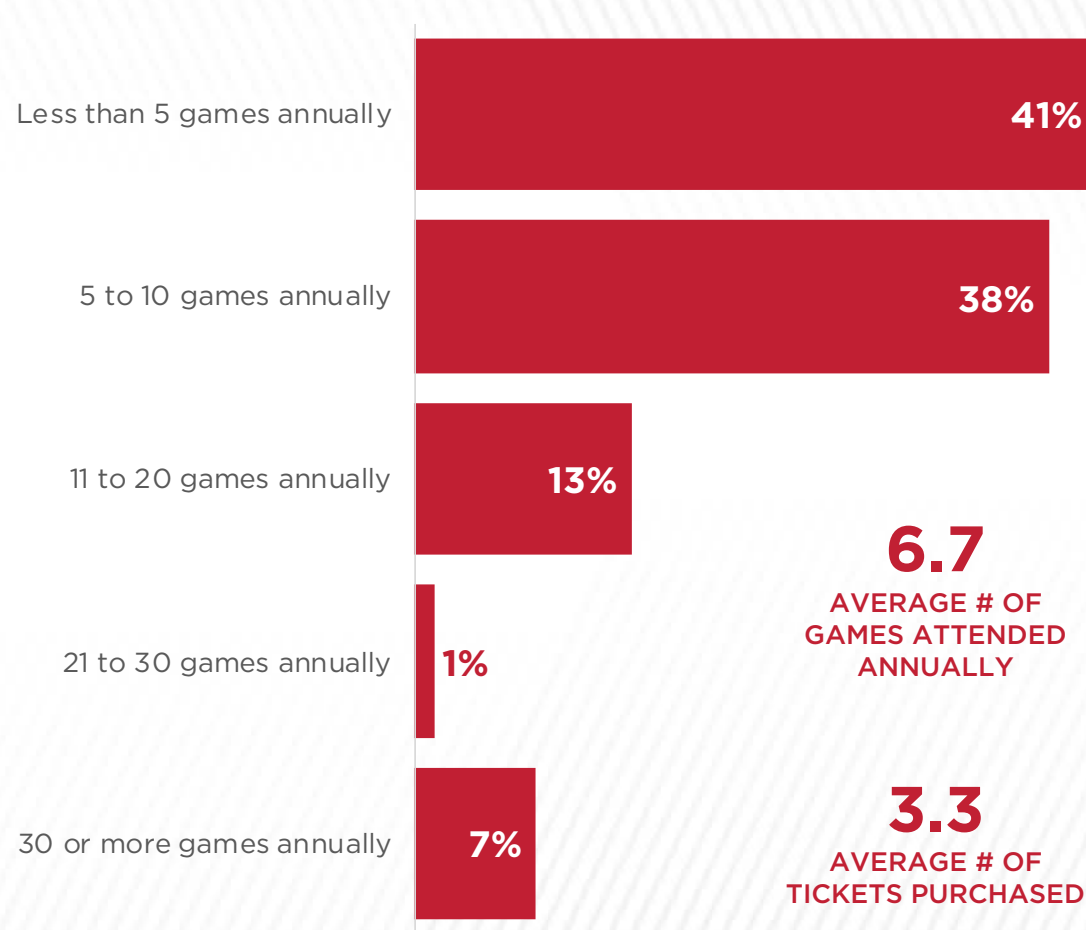
5. MARKET SURVEYS

ATTENDANCE & TICKET PURCHASE

INTEREST IN PURCHASING TICKETS

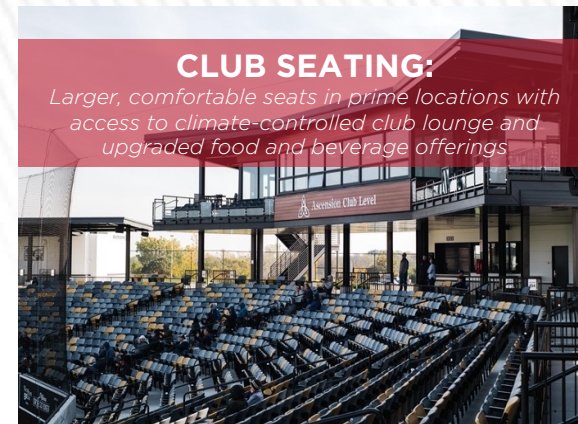
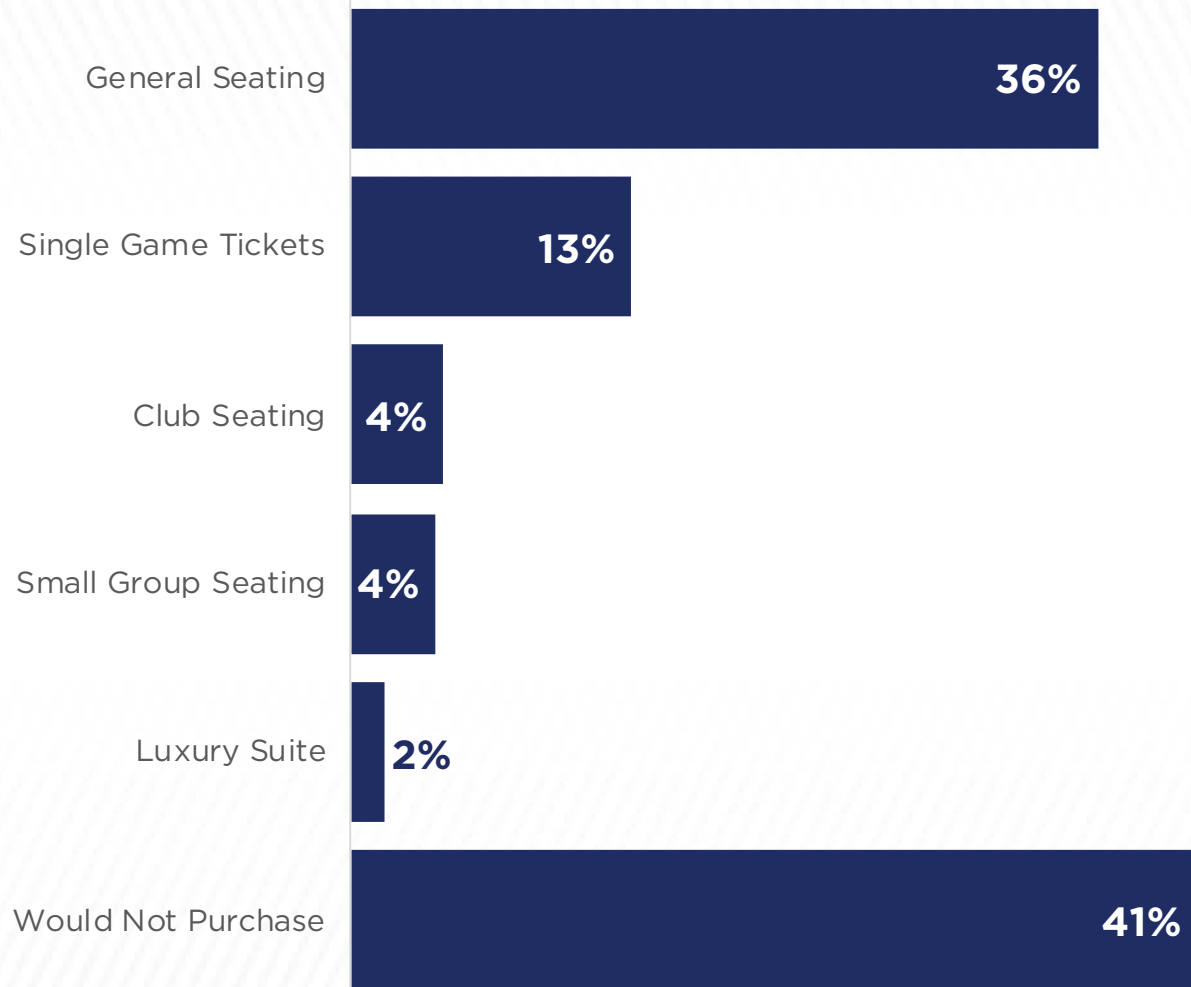


GAMES ATTENDED ANNUALLY



5. MARKET SURVEYS

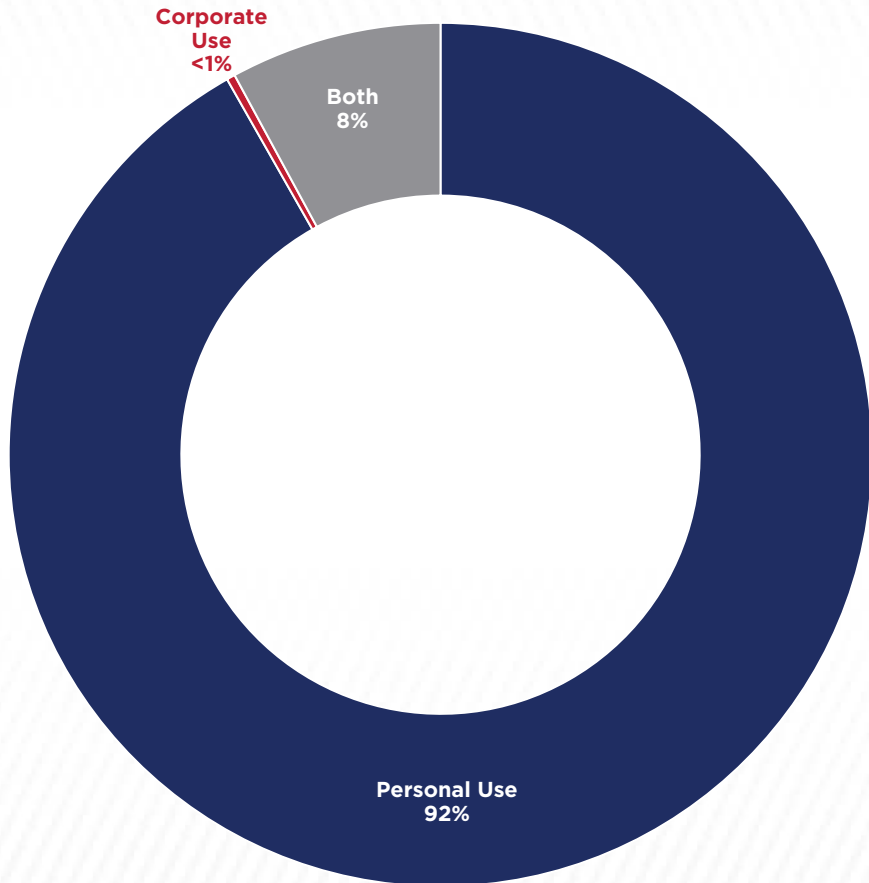
PREFERRED SEATING TYPE



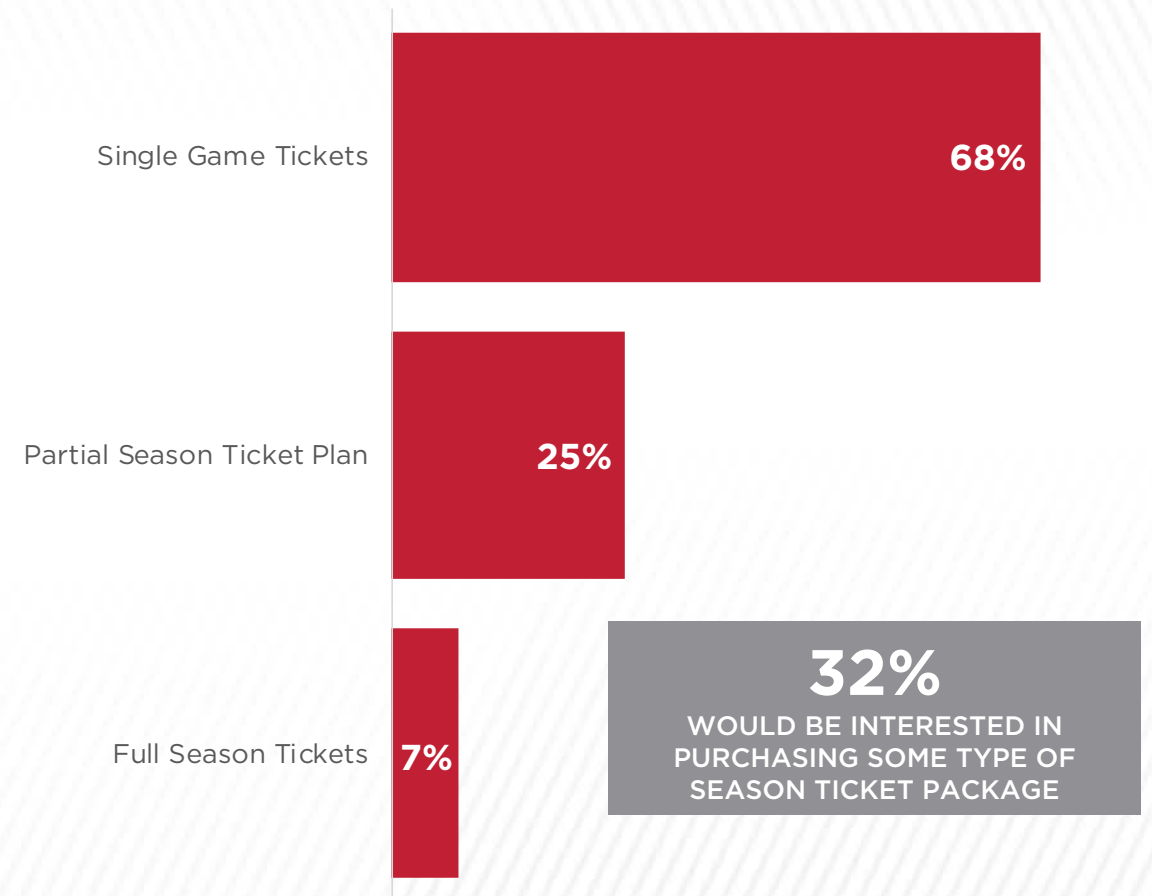
5. MARKET SURVEYS

TICKET PURCHASE

TICKET UTILIZATION



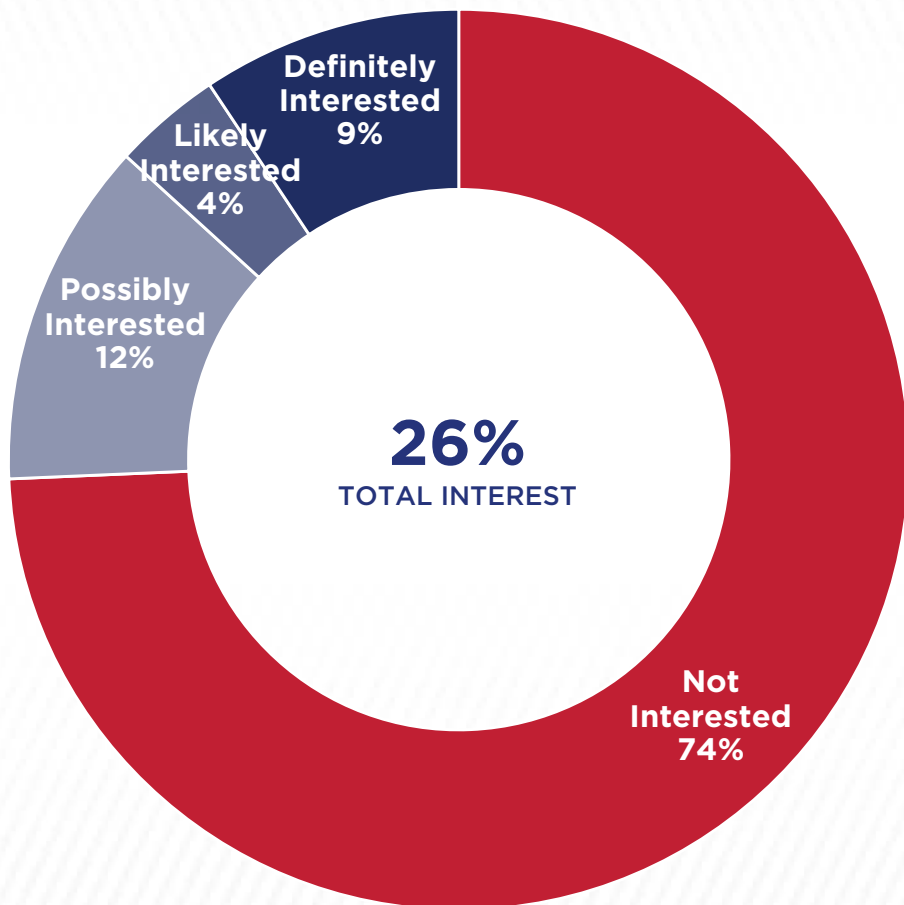
TICKET TYPE



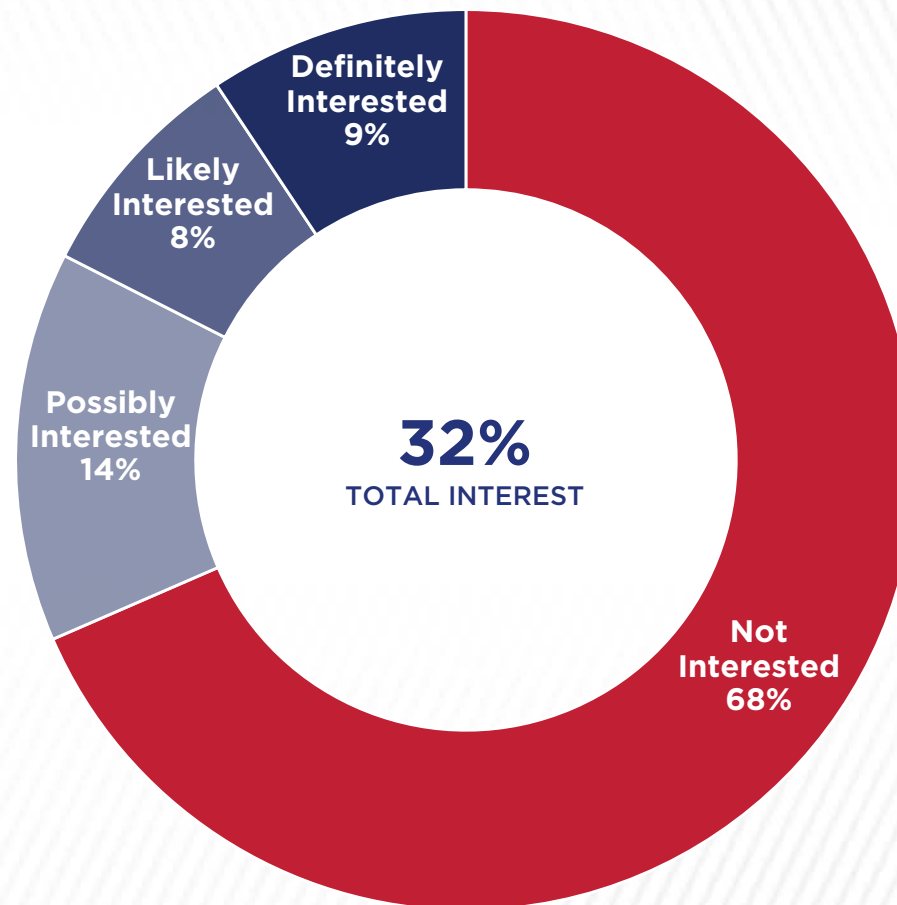
5. MARKET SURVEYS

CORPORATE ENGAGEMENT

CORPORATE SPONSORSHIP INTEREST



CORPORATE HOSPITALITY INTEREST

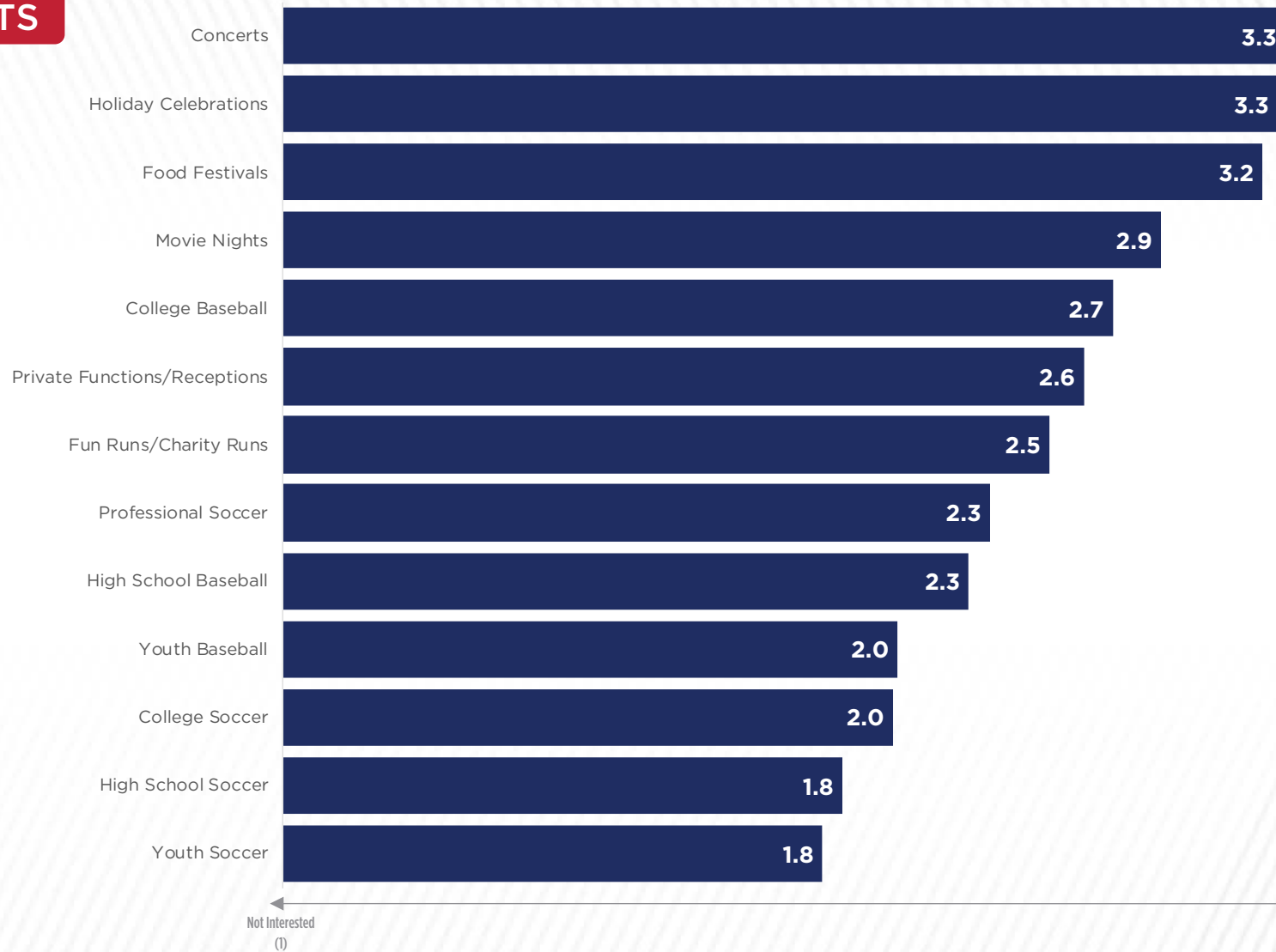


4.8
 AVERAGE # OF GAMES
 WOULD PURCHASE
 CORPORATE
 HOSPITALITY FOR

13.7
 AVERAGE
 GROUP SIZE

5. MARKET SURVEYS

OTHER EVENTS



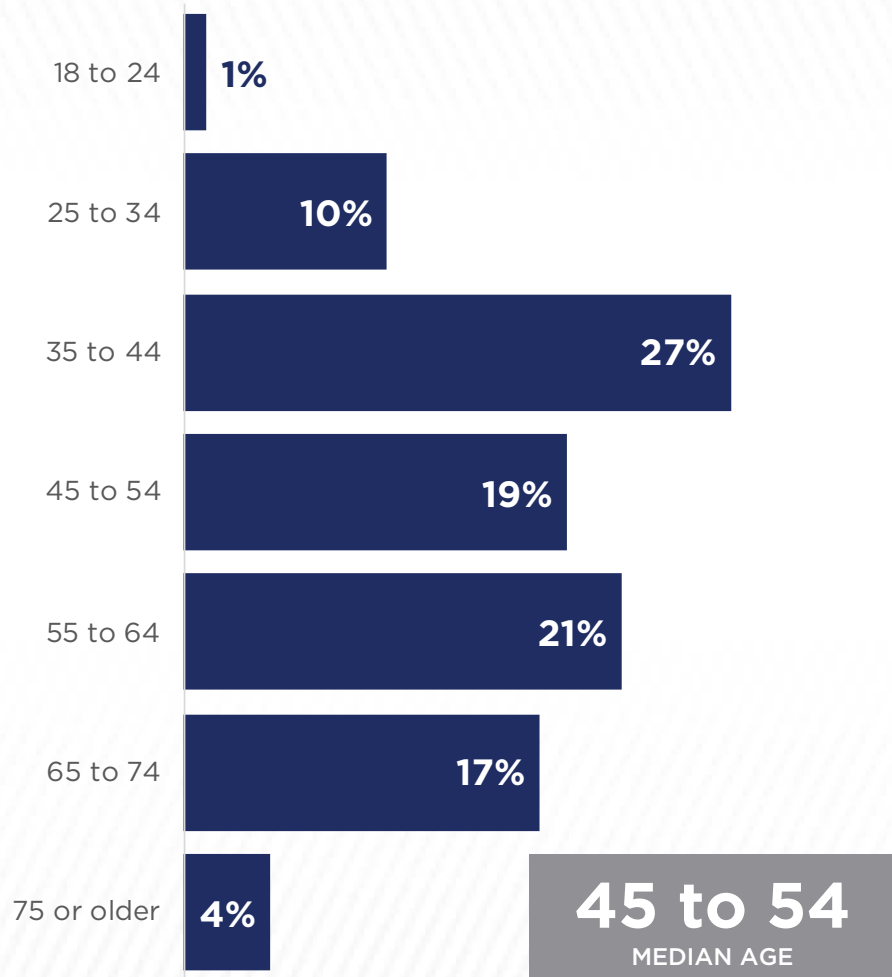
TOP EVENTS

- CONCERTS
- HOLIDAY CELEBRATIONS
- FOOD FESTIVALS

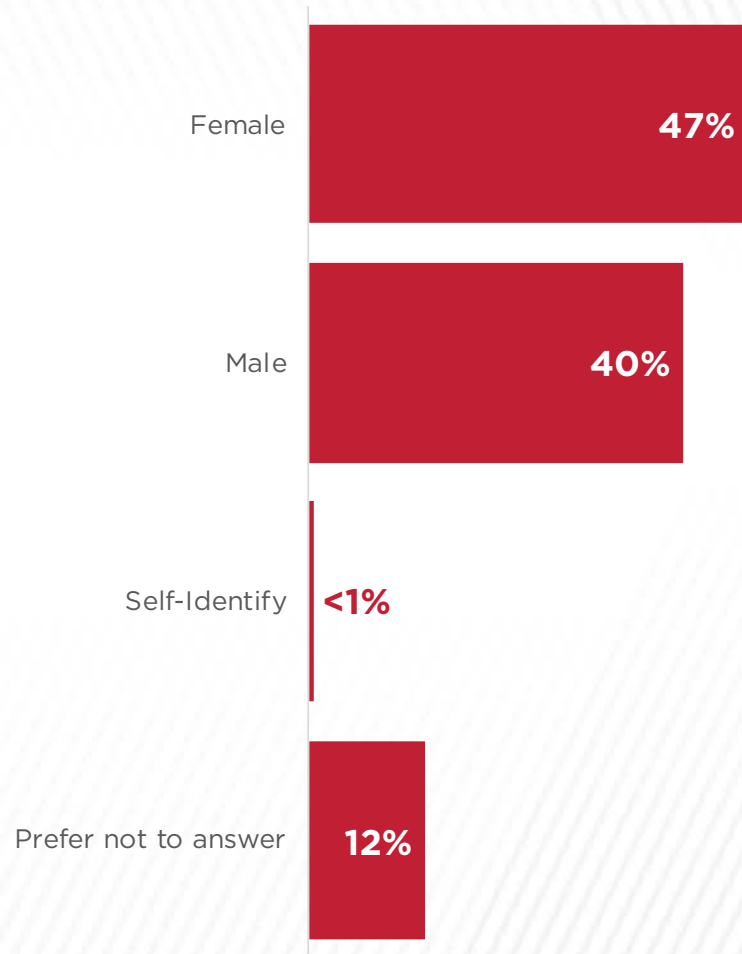
5. MARKET SURVEYS

RESPONDENT DEMOGRAPHICS

AGE



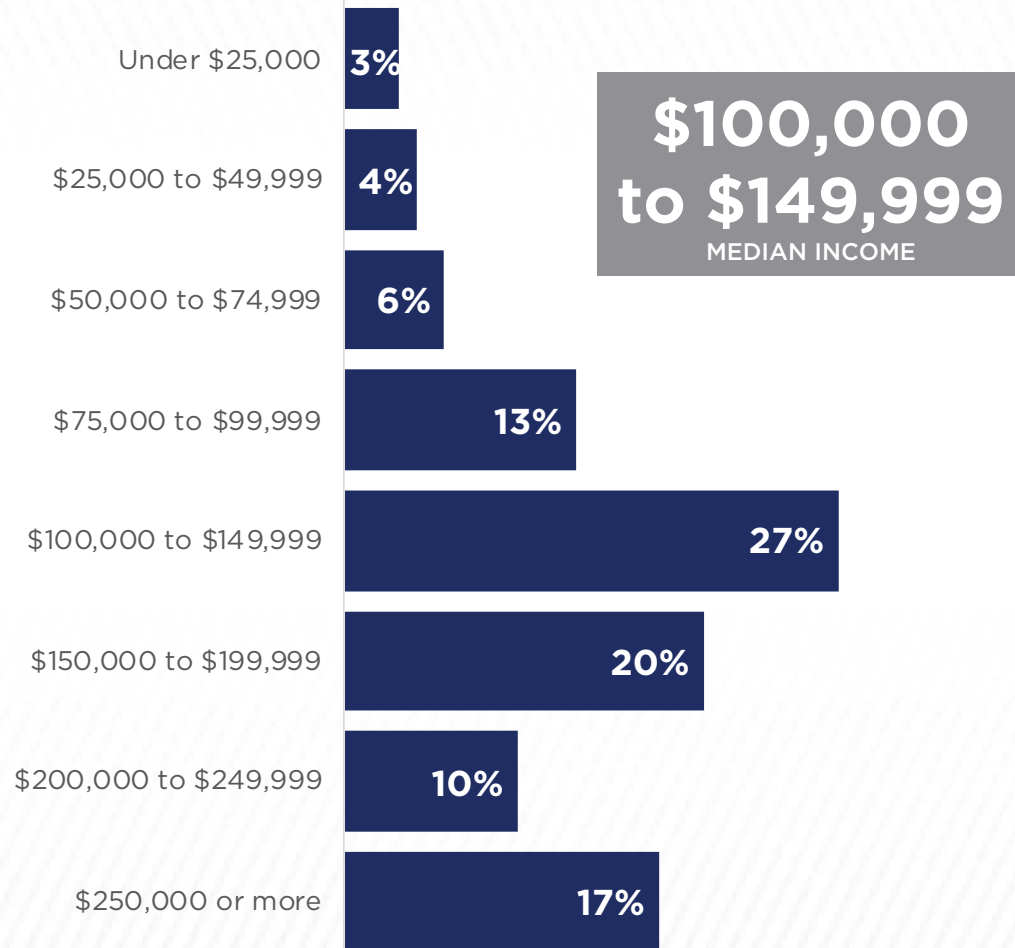
GENDER



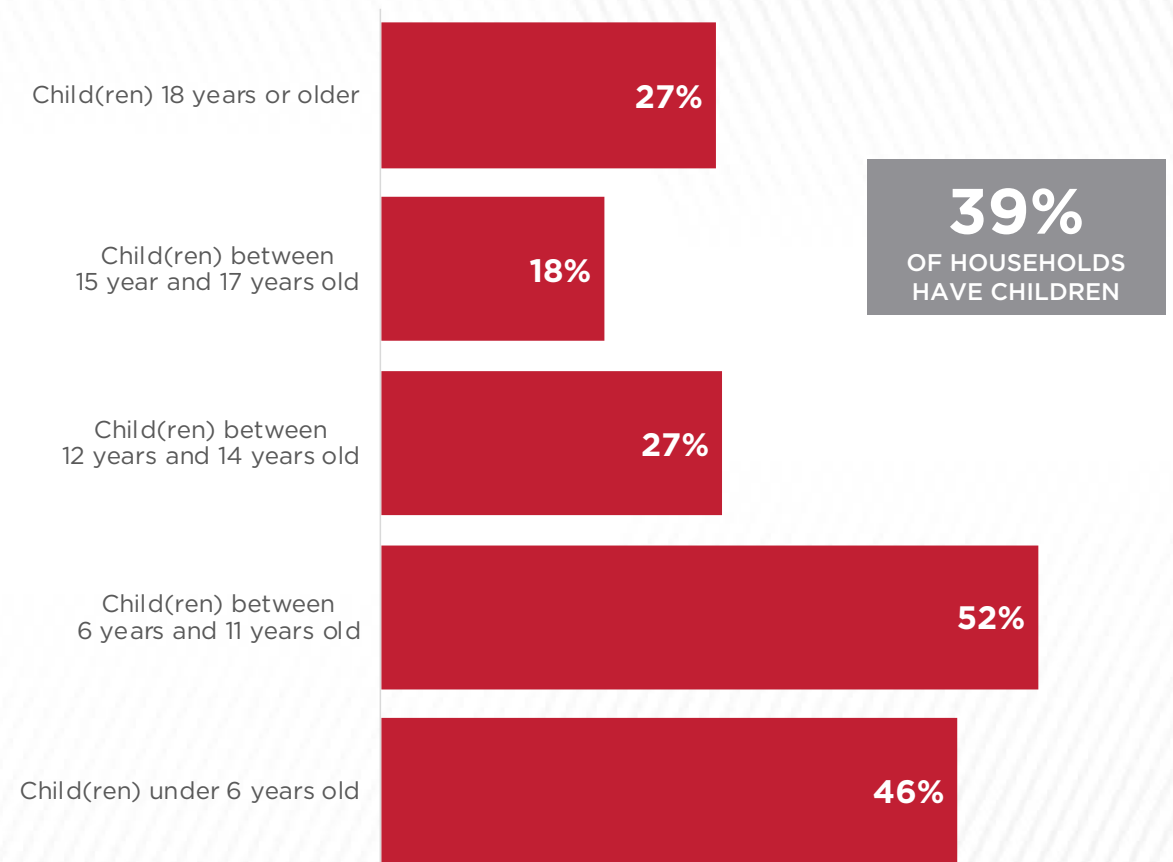
5. MARKET SURVEYS

RESPONDENT DEMOGRAPHICS

HOUSEHOLD INCOME



CHILDREN IN HOUSEHOLD



6

ESTIMATED DEMAND



6. ESTIMATED DEMAND

OVERVIEW

It is envisioned that a new ballpark in Jersey Village would be designed in such a way as to allow for a variety of uses of the facility throughout the year outside of tenant baseball games. To estimate utilization of the ballpark, CSL considered feedback from local and regional sports league and tournament organizers, community event planners, and other potential users in the context of comparable stadium benchmarking data presented previously.

Interviews with these organizations, who are responsible for booking events that could be hosted at the facility, provided insight into the number and type of events that could reasonably be held at a new ballpark in Jersey Village, including:

- Tenant Events;
- College Sports;
- High School/Youth Sports;
- Concerts;
- Festivals;
- Community Events;
- Other Utilization; and,
- Summary of Events and Attendance

Potential users contacted for interviews as part of this analysis include representatives from the organizations outlined to the right, as well as a number of local youth baseball clubs and tournament organizers. The following pages present summaries of these interviews providing qualitative feedback from which potential ballpark utilization can be considered.



6. ESTIMATED DEMAND

TENANT BASEBALL GAMES

As presented previously, there are two Independent Leagues that would be a geographical fit for a new ballpark in Jersey Village. Representatives from each league were interviewed in order to understand the operational and financial characteristics of a team in their league playing in the facility.

Pecos League

Currently, the Pecos League has a member team technically located in the Houston area (the Houston Apollos). However, the Apollos do not have a home ballpark and have spent some recent seasons as a full-time road team. Representatives from the Pecos League indicated interest in utilizing a new ballpark in Jersey Village as the home facility for the Apollos in the future.

Physical characteristics within the ballpark that would be required to host the Apollos would include a total seating capacity of 2,500 seats, including 1,600 fixed seats, four luxury suites, four restroom facilities, two locker rooms, and a closed restaurant or club lounge space that could be rented as a meeting space on non-game days.

Representatives envision the Apollos as the operator of a new ballpark in Jersey Village and would pay \$25,000 annually in rent to the City in a 15-year lease agreement. In exchange, the team would be responsible for booking third-party events in the facility and would retain all revenues and incur all expenses related to the operations of the annual ballpark operations. Generally, representatives indicated that Pecos League teams make approximately \$175,000 in revenue annually. However, there are few examples within current Pecos League ballpark facilities of ownership groups operating the home facility. Instead, most pay a per-game rental rate for the ability to play in a facility each season (i.e. high school or collegiate field).

Though the league does not publicly disclose attendance data, in the first year of operations in 2011, teams were reportedly averaging approximately 200 fans per game. In 2021, the league's All-Star game reportedly sold 600 tickets. The Santa Cruz Seaweed began play in the Pecos League in 2021 and averaged 90 fans per game, with team representatives stating publicly that they relied primarily on word-of-mouth and social media marketing to penetrate the market as the team operates on a low-overhead budget model.

Given the lack of experience in operating facilities within the league, the relatively low levels of reported attendance, and the financial operations of the Pecos League and its teams, it is estimated that the operations of a new ballpark in Jersey Village with a Pecos League tenant would not be financially viable.

6. ESTIMATED DEMAND

TENANT BASEBALL GAMES

American Association

The American Association is a MLB partner league, which means teams are operated independent of MLB but have an established marketing relationship with the major league. As an Independent League, the American Association is not subject to any mile radius or geographic restrictions that MLB places on affiliated baseball teams in relation to a parent MLB club. The league currently has one team located in Texas (the Cleburne Railroaders) with plans to increase this number to four within the next five years. Representatives from the league identified Houston as an ideal future market for one of those additional Texas teams.

Not only did league representatives express interest in the Houston area for a team, the league has identified at least four potential ownership groups that could have interest in operating the ballpark and an American Association tenant team playing within the facility. The league has established minimum financial requirements for potential ownership groups which includes at least one member of the potential ownership group that has a net-worth of at least \$20 million, including \$5.0 million in liquidity, and at least a 35 percent ownership stake in the team.

League representatives indicated that the caliber of play for an American Association team is similar to Class AA or Class AAA. This competitiveness on the field, combined with lower ticket pricing relative to other baseball teams within the market, has resulted in increased levels of attendance year-over-year for those American Association teams that play within areas that have affiliated minor league or MLB teams as they are able to penetrate the market. Given the overall population of the Houston area, the location of Jersey Village within the market, and the corporate base within the area, league representatives estimate that an American Association team playing in a new ballpark could operate a successful team.

To serve as the home of an American Association team, a new ballpark in Jersey Village would require a minimum total seating capacity of 4,500 seats with 3,500 of those as fixed seats. Additionally, the ballpark would need to have luxury suites or some other high-end executive premium experience offered within the ballpark. In addition to a home and visitors locker room, the American Association would require an umpire locker room as well as a women's locker room.

6. ESTIMATED DEMAND

TENANT BASEBALL GAMES

It is envisioned that an American Association team playing in a new ballpark in Jersey Village would serve as the operator of the facility. The team would play annual lease payments to the City and would retain all revenues and incur all expenses generated by the annual operations of the ballpark. League representatives indicated that member teams often are responsible for maintenance and replacement of equipment within the ballpark each year, while the City would be responsible for major capital improvement projects under a typical lease structure.

Representatives indicated that they utilize learnings and experiences in other markets to help program ballparks across the American Association league. For example, one team hosted a ‘Tacos and Tequila’ festival which was well attended. The concept was executed among other ballparks across the league the following year, with most teams generating a net profit on the event. By utilizing data amongst member teams, 10 out of the 12 teams are profitable each year, inclusive of ballpark and team operations. Additionally, member teams can leverage the fact that the league is a MLB partner league to provide higher value for corporate partners, sponsors, and naming rights holders, realizing an uplift in sponsorship revenue generated within the ballpark and team operations each season. To maximize these values with a team in Jersey Village, representatives recommend a team that is named as “Houston” in order to have broad market appeal to corporations in the area.

Of the two that are not profitable, one is that way by design; the team operates as a non-profit, investing all profit generated within the community in which they reside each year. The one team that is not currently profitable is due, in part, to an older ballpark that is not designed to host a variety of other profit-generating events within the facility. This team is currently in the planning stages of the construction of a new ballpark to solve these kinds of barriers to profitability.

Given the financial operations of the league, the identified ownership groups that would be interested in placing an American Association team within the Houston market, and the status of the American Association as a MLB partner league, it is recommended that the City pursue an agreement to have an American Association team serve as the primary tenant of a new ballpark in Jersey Village. The remainder of this report, which provides estimated financial operations as well as economic and fiscal impacts of the construction and operation of a team and ballpark in the City, is predicated on an American Association tenant team.

6. ESTIMATED DEMAND

TENANT BASEBALL GAMES

Historical American Association Attendance

The table to the right provides an overview of reported attendance per game for American Association teams over the last five full seasons, excluding those impacted by the COVID-19 pandemic. As shown, the American Association as a league drew an average reported attendance of 2,900 fans per game, ranging from a low of approximately 1,071 (Amarillo Thunderheads, which ceased operations in 2016) to a high of approximately 8,213 (which moved to a Class AAA affiliation in 2021).

There are currently four active teams that operate within a MLB market, a similar competitive landscape to how a new ballpark in Jersey Village will operate. On average, American Association teams in a MLB market attract approximately 3,100 fans per game. This reflects an approximate seven percent increase over other American Association team attendance.

AMERICAN ASSOCIATION HISTORICAL ATTENDANCE						
Team	2015	2016	2017	2018	2019	5-Year Average Attendance Per Game
St. Paul Saints	8,091	8,438	8,296	8,178	8,061	8,213
Winnipeg Goldeyes	5,284	4,817	4,391	4,477	4,079	4,610
Kansas City Monarchs	4,938	4,263	4,069	3,958	3,468	4,139
Kane County Cougars	--	--	--	--	3,554	3,554
Fargo-Moorhead RedHawks	3,742	3,607	3,594	3,402	3,444	3,558
Gary SouthShore RailCats	3,517	3,407	3,632	3,556	3,426	3,508
Lincoln Saltdogs	3,432	3,612	3,387	3,336	3,437	3,441
Chicago Dogs	--	--	--	2,954	3,623	3,289
Wichita Wingnuts	2,895	3,080	3,098	2,263	--	2,834
Sioux Falls Canaries	2,814	2,512	2,316	2,483	2,336	2,492
Texas AirHogs	1,108	984	3,322	1,671	1,239	1,665
Cleburne Railroaders	--	--	1,780	1,285	1,572	1,546
Milwaukee Milkmen	--	--	--	--	1,239	1,239
Sioux City Explorers	1,647	1,366	1,243	1,323	1,075	1,331
Laredo Lemurs	1,302	893	--	--	--	1,098
Joplin Blasters	1,545	646	--	--	--	1,096
Amarillo Thunderheads	1,071	--	--	--	--	1,071
LEAGUE AVERAGE	3,184	3,135	3,557	3,241	3,119	2,864
LEAGUE MEDIAN	2,895	3,244	3,387	3,145	3,437	2,834
AFFILIATED MARKET AVERAGE	4,938	4,263	2,925	2,732	3,054	3,132
AFFILIATED MARKET MEDIAN	4,938	4,263	2,925	2,954	3,511	3,421

Reflects markets where an American Association team operates within the same catchment area as a MLB team.

Note: The St. Paul Saints moved to a Class AAA affiliation in 2021.

6. ESTIMATED DEMAND

TENANT BASEBALL GAMES

Tenant Game Attendance Estimates

Based on a variety of considerations including historical attendance levels within the American Association league, the population within the market catchment area of a new ballpark in Jersey Village, discussions with American Association league representatives, and industry knowledge, it is estimated that the ballpark in Jersey Village could draw an average paid attendance of 3,500 per game (ranking 5th out of the 12 active teams in 2019) with a turnstile attendance of approximately 2,800 in a stabilized year of operations. Turnstile attendance estimates are 80 percent of paid attendance estimates, which is consistent with minor league industry trends. The table below summarizes the estimated paid and turnstile attendance of a new ballpark in Jersey Village.

ESTIMATED TENANT GAME ATTENDANCE	
# Regular Season Games	50
Average Paid Attendance	3,500
Total Annual Paid Attendance	175,000
Average Turnstile Attendance	2,811
Total Turnstile Attendance	140,570

It is possible that a new ballpark in Jersey Village could exceed these estimates in the initial years of operation based on the novelty of the facility, as well as the marketing efforts of the City and the stadium operator to attract attendees to the ballpark. Subsequent to this “honeymoon period”, attendance will be predicated on a variety of factors including, but not limited to, ticket prices, team performance, quality of game-day experience, condition of ballpark facilities, marketing efforts, competition in the marketplace, weather, and other such factors.

6. ESTIMATED DEMAND

COLLEGE SPORTS

While the primary function of a new ballpark in Jersey Village in hosting an American Association team is to accommodate the needs and uses of the tenant, these types of venues are usually multi-purpose in design in order to host other types of events. One such usage could be as a championship field for collegiate baseball within the Houston area.

Discussions with representatives from local junior college and university athletics programs indicated that there is need for a ballpark with a smaller capacity than Minute Maid Park (41,168 seats) and Constellation Field (7,500 seats) to host baseball games in the Houston area. These larger ballparks are cost prohibitive for most programs and have too many seats to provide an intimate, energetic atmosphere for their events, as the seating capacity is too large for the average number of attendees at each event.

Representatives indicated interest in potentially hosting collegiate baseball showcases or championship games at the ballpark. Additionally, it is possible that the new ballpark in Jersey Village could be an ideal venue to host junior college regional competitions. These competitions generally rotate hosting duties between various facilities every few years. In order for these programs to utilize the facility, they indicated that the rental fee would need to be reasonable relative to what they currently pay at venues within the area, which is approximately \$250 to \$300 per game. Collegiate programs would anticipate retaining all ticket revenue and merchandise sales of participating teams with the ballpark retaining all revenues generated by parking fees, facility fees, and concessions.

Based on these discussions, it is estimated that the new ballpark in Jersey Village could host two collegiate baseball events, on average, each year. It is estimated that collegiate baseball games would attract an average of 2,500 attendees per event.

6. ESTIMATED DEMAND

HIGH SCHOOL/YOUTH SPORTS

High School Sports

Representatives from Cy-Fair ISD athletics, which includes Jersey Village High School, were interviewed in order to determine the potential utilization of a new ballpark in Jersey Village to host high school sporting events. Currently, Cy-Fair ISD has several facilities across the district that can seat up to 1,500 to 2,000 patrons for baseball, softball, and soccer games. The district facilities are utilized solely for each school's athletics programming, including regular season games and some postseason games.

A new ballpark in Jersey Village could be potentially appealing for playoff or championship games for baseball, softball, and soccer games within the school district. However, representatives said that the experience would have to be one that they cannot currently offer in order to justify the costs to utilize the facility. That would include state-of-the-art videoboards, sound system, a larger seating capacity than current facilities in the district, and offerings within the mixed-use district that would provide a game day experience for the families of student athletes such as restaurants.

Ultimately, the decision of Cy-Fair ISD to utilize the ballpark would be predicated on the rental rates for the facility. Representatives indicated that they would be willing to pay between \$200 and \$250 per game to utilize the facility and would envision renting the facility for five to six games on one weekend day to host playoffs and a championship game. That equates to a rental rate of approximately \$1,200 to \$1,500 per event. It is estimated that high school baseball, softball, or soccer games could attract between 1,200 and 1,800 attendees per event.



6. ESTIMATED DEMAND

HIGH SCHOOL/YOUTH SPORTS

Youth Sports

A number of youth baseball tournament organizers were interviewed in order to assess the potential of the new ballpark in Jersey Village to be utilized to host various types of events, such as tournaments and showcases.

Generally, representatives of these organizations indicated that there is enough demand within the Houston area for the ballpark to be rented every weekend a tenant home game was not played throughout the typical baseball season (May to September). There are two or three large tournament organizers in the area that currently get priority to reserve field time. According to other tournament organizers, there is a lot of need for smaller tournament organizers to have access to quality fields and provide a unique experience for tournament participants by playing championship games in professional quality facilities. It can also be used as a differentiator to attract participants to register in their tournaments over others. On average, tournament championship games attract between

It is important that the field be turf instead of natural grass due to the weather conditions in Houston. A key component of tournament success is game assurances, meaning that games are less likely to be cancelled due to rain. A turf field allows for this and also provides the ballpark with revenue security as they will not have to refund rental fees as a result of inclement weather as often as they would if the playing surface was natural grass.

Representatives indicated that the location of the new ballpark in Jersey Village is easily accessible to most of the residents within the Houston area as it is off of two main thoroughfares. A mixed-use development with restaurants as well as a hotel attached to the ballpark, as is currently envisioned within the development, make the facility very appealing to tournament organizers. Because it is important to keep the costs of tournaments at a minimum, they indicated the appropriate rental rate for the ballpark for this type of event should be between \$3,000 and \$6,000, depending on the number of games that will be hosted at the facility as part of the tournament. This rate would be in line with the cost to rent similar ballparks within the Houston area, representatives said.

Based on these discussions, it is estimated that a new ballpark in Jersey Village could host 12 high school/youth sports events that would attract an average of 1,500 attendees per event. The limited number of these types of events is driven, in part, by the limitation of open weekends in the baseball season as a result of the tenant team.

6. ESTIMATED DEMAND

THIRD-PARTY ENTERTAINMENT

Concerts

Concert promoters who have booked events in the Houston area were contacted about their potential interest in booking a new ballpark in Jersey Village for these types of live entertainment events. Because of its overall population, Houston is a popular destination for a variety of touring shows. According to Pollstar, a live entertainment industry publication, Houston is the 10th most popular market for concert ticket sales. As such, there are a number of concert facilities within the area that a new ballpark in Jersey Village would have to compete against in order to attract concerts. Given the ballpark would not be designed to have permanent infrastructure to host these types of shows as the established arenas and amphitheaters within the Houston market, and the relationships tour promoters have with these venues, it is estimated that the number of concerts hosted at a new ballpark in Jersey Village would be limited. Based on this feedback, it is assumed that the ballpark would host one concert annually which would attract an average of 4,500 attendees.

Festivals

Festival organizers are always in search of a flexible space to host events. Because festivals are inclusive of a wide variety of entertainment, such as food tastings, movie screenings, cultural displays, music, and speeches and panels, among others, a ballpark can provide an ideal setting to host these events. The playing surface, variety of seating, berm areas, club lounge, and concourses offer festival organizers the spaces to host a variety of festivals. Additionally, the ballpark and surrounding mixed-use development will serve as the “front door” for Jersey Village and be a focal point within the community. City representatives indicated that the ballpark would be an ideal facility to host larger festivals that can draw attendees to Jersey Village and act as a showcase of the community, enhancing the City’s profile within Houston.

Based on the discussions with festival organizers, the results of the market survey conducted amongst Jersey Village residents, as well as feedback from City representatives, it is estimated that the ballpark could host five festivals annually that would attract approximately 3,000 attendees, on average, per event.

6. ESTIMATED DEMAND

COMMUNITY EVENTS

In addition to sporting events, concerts, and festivals, comparable ballparks are often utilized to host a variety of community events. These can include fun runs, 5K or 10K races, charity fundraisers, movie nights, yoga in the park, and other similar events. Discussions with City Parks and Recreation department representatives indicated that they could program the ballpark for a number of these types of events, if available, as a way to provide the community with additional entertainment offerings and engagement with the local government.

It is assumed that a new ballpark in Jersey Village will host 50 community events, some of which will be ticketed and some of which will be free to the public but will provide the ballpark the opportunity to generate food and beverage spending within the facility. On average, these types of events are estimated to attract approximately 150 people per community event.

OTHER UTILIZATION

A new ballpark in Jersey Village will have a variety of spaces that could be utilized as meeting spaces, such as a club lounge and concourse areas. If the ballpark is designed in such a way as to share some of these spaces with an attached hotel, this type of meeting room will offer a unique ambiance not currently offered within the area. Based on discussions with various entities contacted throughout this process, as well as interest in hosting corporate outings expressed by residents within the market survey, it is estimated that the ballpark could host approximately 25 such meetings and events in these rental spaces within the facility.

6. ESTIMATED DEMAND

ESTIMATED EVENTS AND ATTENDANCE

Based on the research presented herein, the table below presents a summary of the estimated annual events and attendance that could be attracted to a new ballpark in Jersey Village. It is important to note that these numbers are reflective of events hosted within the ballpark only and do not include any events which could be hosted within the broader mixed-use development.

EVENTS & ATTENDANCE					
	ANNUAL EVENTS	PAID ATTENDANCE		TURNSTILE ATTENDANCE	
		AVERAGE	TOTAL	AVERAGE	TOTAL
Tenant Events					
American Association Games	50	3,500	175,000	2,811	141,000
Non-Tenant Events					
High School/Youth Sports	12	1,500	18,000	1,350	16,000
NCAA/Collegiate Sports	2	2,500	5,000	2,254	5,000
Concerts	1	4,500	4,500	4,054	4,000
Festivals	5	3,000	15,000	2,704	14,000
Community Events	50	150	7,500	135	7,000
TOTAL	120		225,000		187,000

Overall, it is estimated that a new ballpark in Jersey Village could host approximately 120 events in its inaugural year of operations and draw approximately 225,000 paid attendees and approximately 187,000 turnstile attendees. These attendance levels are considered together with the demographic and socioeconomic characteristics of the regional market, operations of comparable ballparks, trends within minor league ballpark design, industry knowledge, and the results of the market survey conducted amongst Jersey Village residents to develop a recommended building program for an American Association team playing within a new ballpark in Jersey Village.

7 BUILDING PROGRAM RECOMMENDATIONS



7. BUILDING PROGRAM RECOMMENDATIONS

INTRODUCTION

A key factor in the success of a new ballpark in Jersey Village is a facility that has a seating capacity and premium seating inventory that are supportable within the marketplace, as well as amenities and support spaces that are needed to host a wide variety of events.

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

- Seating Capacity;
- Premium Seating;
- Other Amenities;
- Summary; and,
- Estimated Cost.

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



7. BUILDING PROGRAM RECOMMENDATIONS

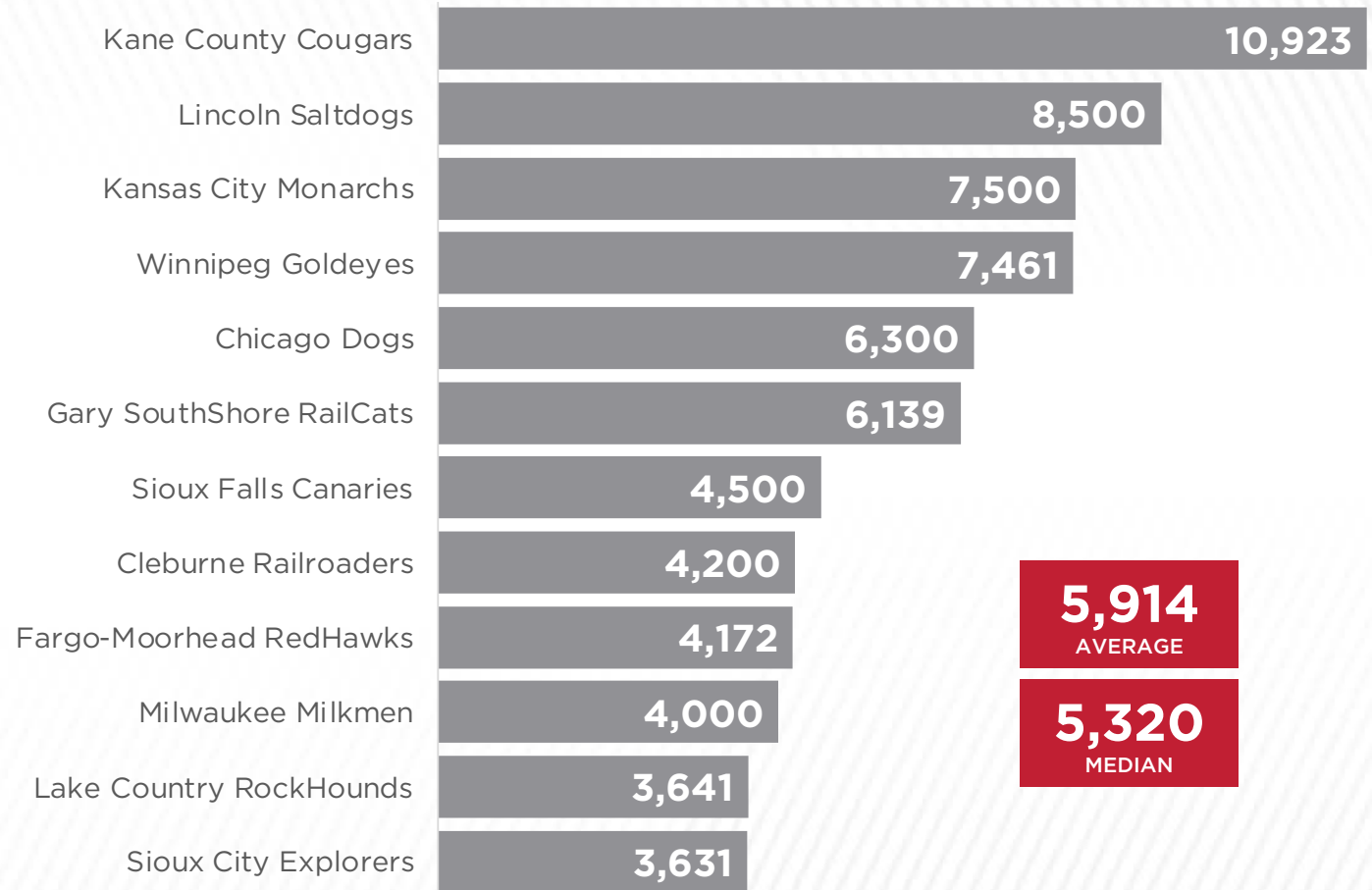
SEATING CAPACITY

The primary consideration in determining an appropriate seating capacity for a new ballpark in Jersey Village is the anticipated attendance level of an American Association tenant team. The ballpark should have a total seating capacity large enough to accommodate ticket demand for opening day, holidays, weekends, special promotion nights, and other such games that typically represent the most highly attended games at a minor league ballpark. However, the facility should be small enough to provide an intimate setting for minor league baseball and to maintain a perception of ticket scarcity.

In evaluating the market-supportable seating program for a new ballpark in Jersey Village, it is useful to understand the seating capacities of ballparks that currently host American Association teams. As shown in the chart to the right, ballparks that host American Association teams have a seating capacity that ranges from a low of 3,631 (Sioux City Explorers) to a high of 10,923 (Kane County Cougars), or an average seating capacity of approximately 5,900 seats.

American Association league representatives indicated that new ballparks require a minimum seating capacity of 4,500 seats. This requirement is considered when determining the appropriate seating capacity for a new ballpark in Jersey Village.

AMERICAN ASSOCIATION BALLPARK SEATING CAPACITY



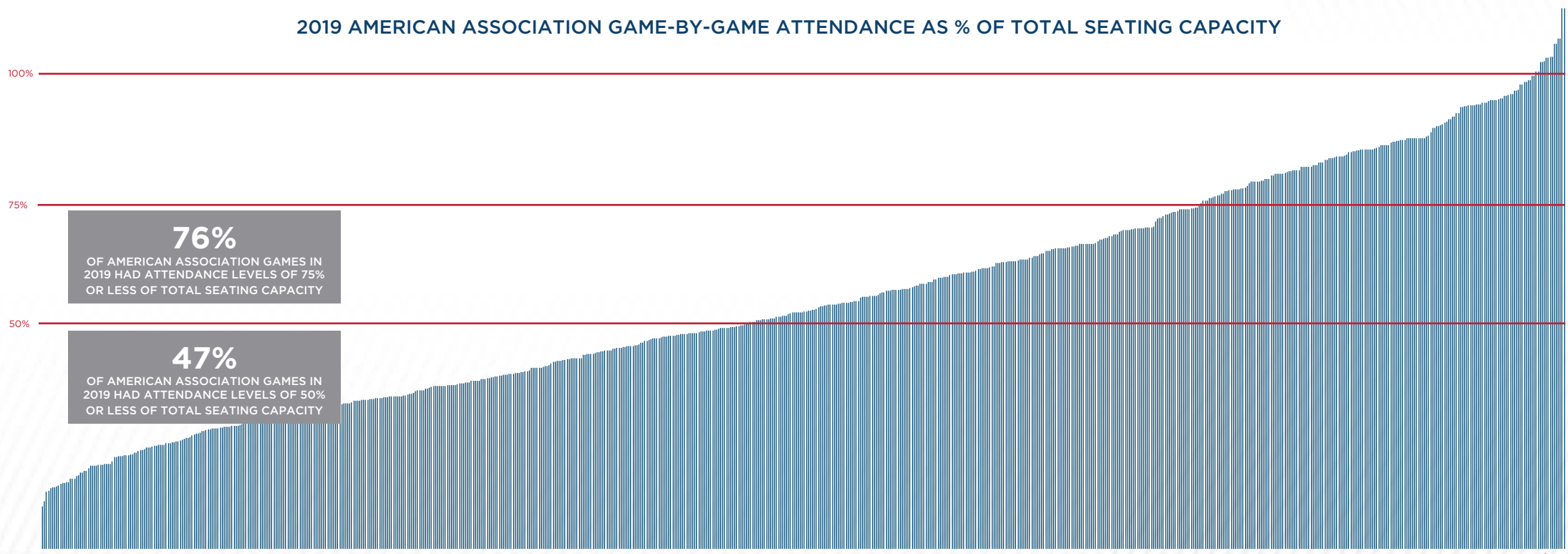
7. BUILDING PROGRAM RECOMMENDATIONS

SEATING CAPACITY

American Association Attendance as a Percent of Ballpark Capacity

In addition to analyzing the seating capacities of ballparks that currently host American Association teams, it is useful to consider the frequency at which these teams reach full capacity during regular season home games. The chart below provides an overview of game-by-game attendance in the league in 2019 as a percent of ballpark capacity. As shown, the vast majority (76 percent) of games did not meet or exceed total seating capacity levels. It will be important that a new ballpark in Jersey Village is sized appropriately for the market in order to accommodate large crowds on holidays, marquee games, and weekends while also maintaining an ideal game day atmosphere over the course of the season.

2019 AMERICAN ASSOCIATION GAME-BY-GAME ATTENDANCE AS % OF TOTAL SEATING CAPACITY



7. BUILDING PROGRAM RECOMMENDATIONS

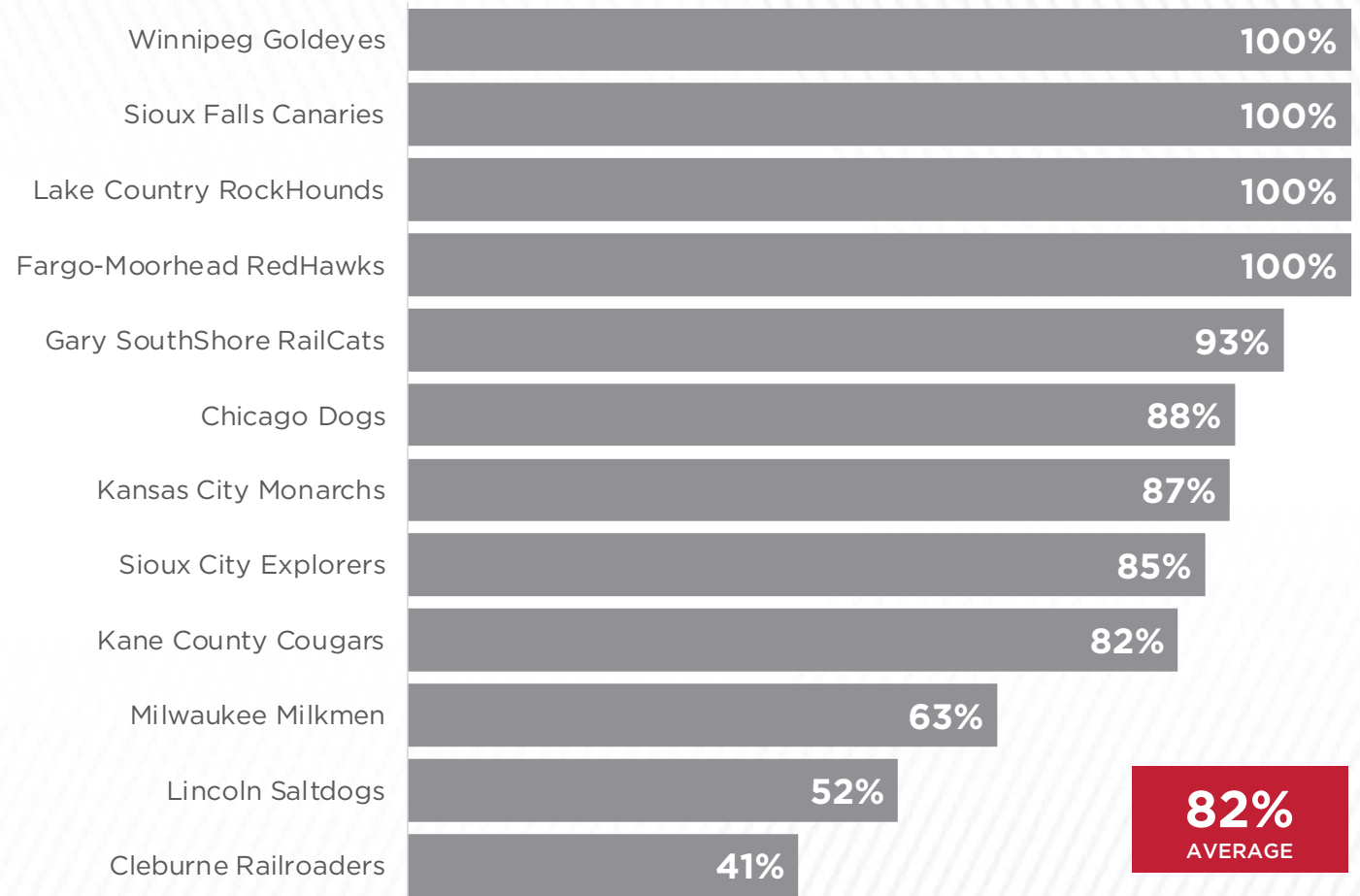
SEATING CAPACITY

Fixed Seating as a Percent of Ballpark Capacity

Current trends in minor league ballpark design includes a mix of fixed seating, berm seating, and/or other casual spaces that allows for the ballpark to provide an expanded seating capacity based on the event hosted and the demand for tickets. The chart to the right provides an overview of the percentage of total seating capacity that is fixed within ballparks that serve as the home of American Association teams.

On average, American Association ballparks have approximately 83 percent of seating capacity that is dedicated to fixed seats. According to American Association league representatives, new ballparks are required to have a minimum of 3,500 fixed seats out of the 4,500 minimum total seating capacity, which equates to approximately 78 percent of total seating capacity.

FIXED SEATING AS % OF TOTAL SEATING CAPACITY



7. BUILDING PROGRAM RECOMMENDATIONS

SEATING CAPACITY

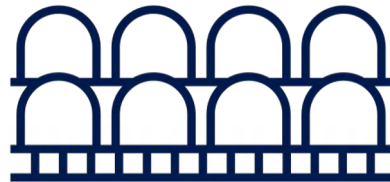
Seating Capacity Recommendation

Based on interest in attending minor league baseball games at a new ballpark in Jersey Village, ballparks currently serving as the home of an American Association team, the demographics of the Jersey Village market, discussions with American Association league representatives, and recent trends in minor league ballpark design, it is recommended that the facility would have a total seating capacity of approximately 4,500 seats.

Of this, approximately 3,500 seats should be fixed seats and 1,000 seats should be designed as berm and/or social spaces that provide flexibility for various events anticipated to be hosted at the ballpark. This seating capacity would also meet the minimum seating requirements necessary to host American Association home games, which requires a minimum of 3,500 fixed seats and a total seating capacity of at least 4,500, and would make the ballpark more attractive as a potential destination for an affiliated minor league team in the future if the opportunity arises.



4,500 seats
TOTAL SEATING CAPACITY



3,500
FIXED SEATS



1,000
BERM/FLEXIBLE SEATS

7. BUILDING PROGRAM RECOMMENDATIONS

PREMIUM SEATING

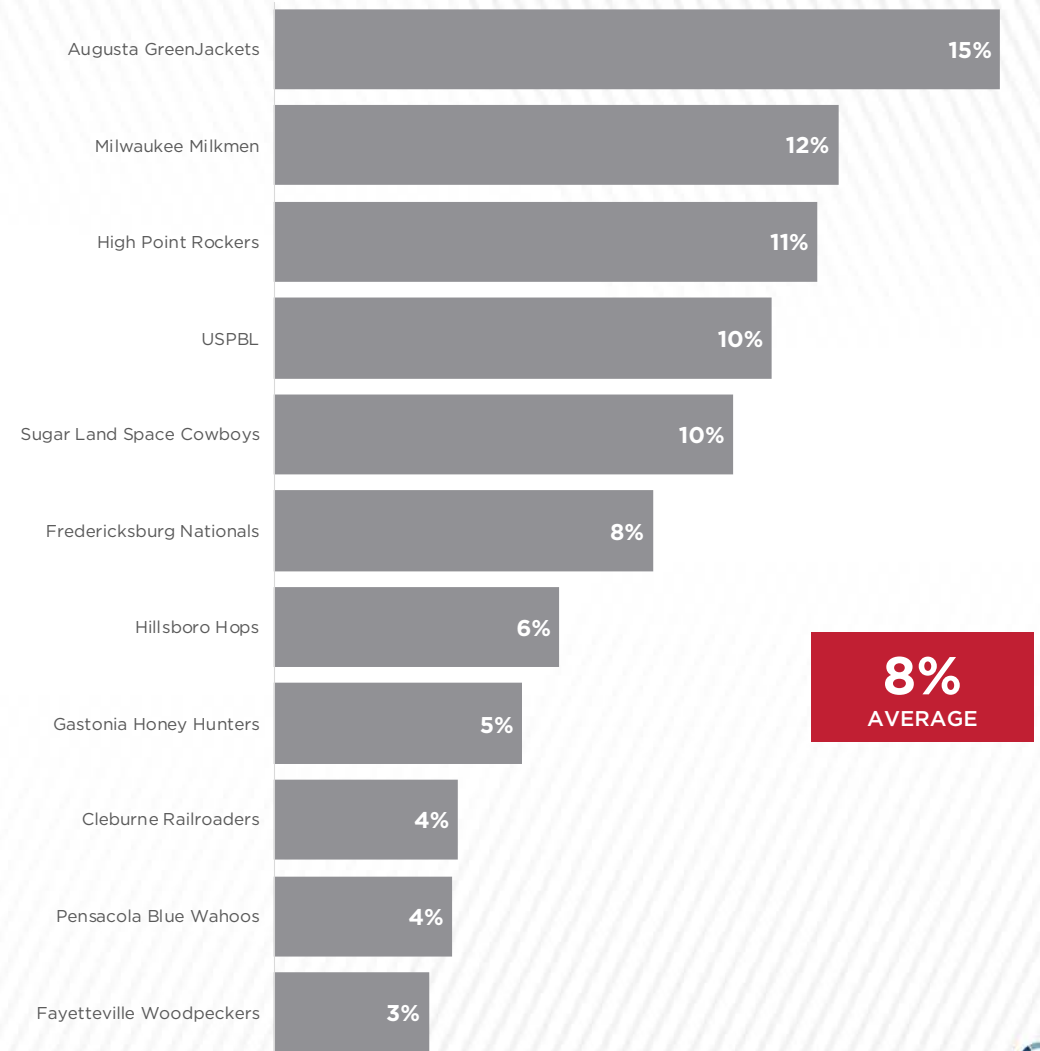
An important source of revenue for minor league baseball teams is the sale of premium seating, which generally consists of luxury suites, small group seating (semi-private space for four to eight people), and club seats, as well as party and hospitality spaces to provide an elevated experience for groups and corporations.

To assess potential demand for premium seating in a new ballpark in Jersey Village, the premium seating offerings within identified comparable ballparks was analyzed. These ballparks reflect recent trends in facility design with segmented premium offerings in addition to general fixed seating and berm seating areas.

The chart to the right provides an overview of the percentage of total seating capacity that is dedicated to premium seating among identified comparable facilities. As shown, premium seating within comparable ballparks account for eight percent of total seating capacity, on average, ranging from a low of three percent (Fayetteville Woodpeckers) to a high of 15 percent (Augusta GreenJackets).

Assuming a 4,500 seat capacity for a new ballpark in Jersey Village, and a premium seating program that is equal to the comparable average, a minimum of approximately 360 premium seats should be included in the ballpark design. The following pages present an analysis of the estimated mix of premium seating that could be included in a new ballpark in Jersey Village.

PREMIUM SEATING AS % OF TOTAL CAPACITY



7. BUILDING PROGRAM RECOMMENDATIONS

PREMIUM SEATING

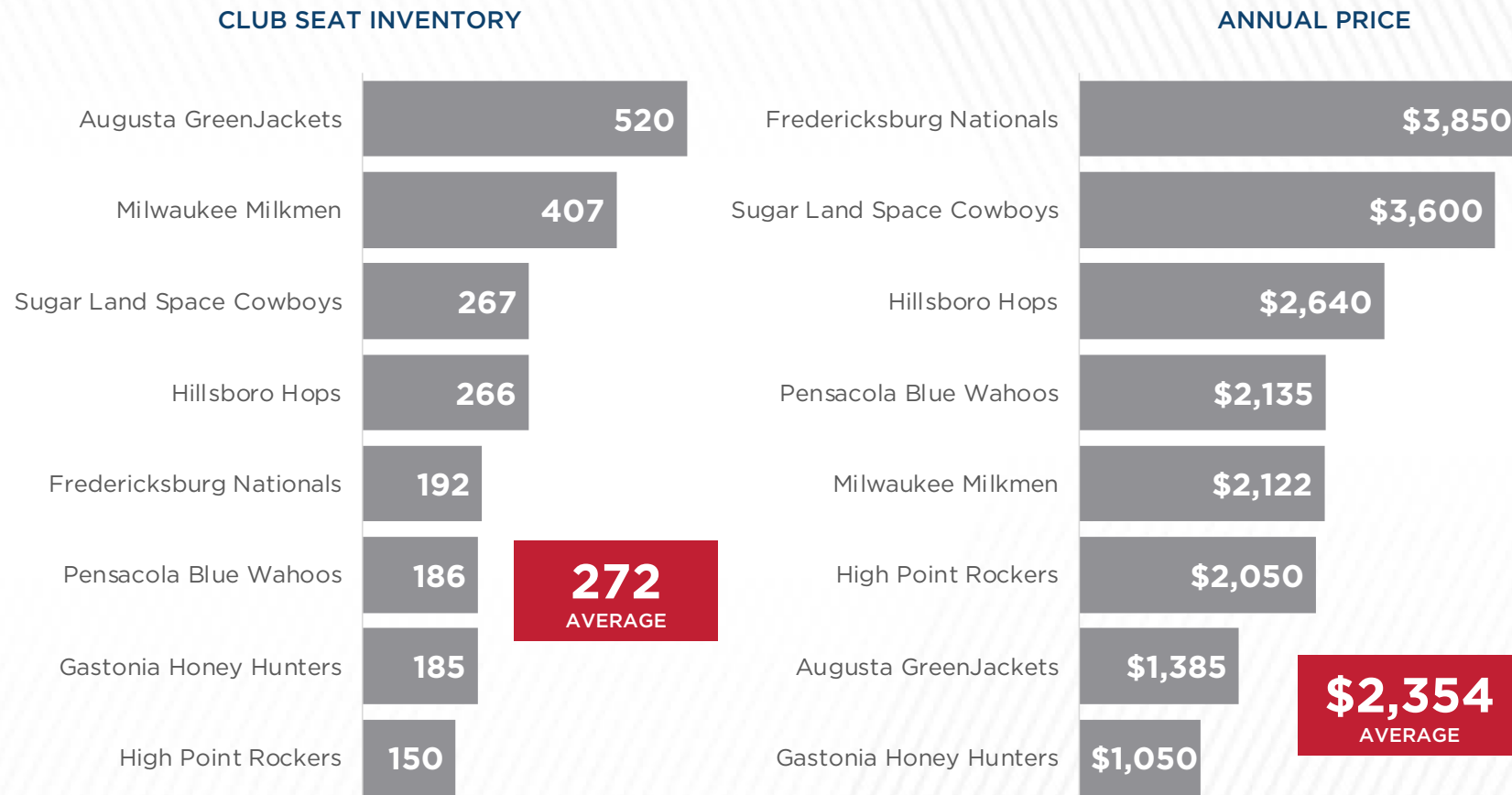
Club Seats

Club seats consist of individual seats that are wider, padded and provide more legroom as compared to general seating areas. Club seat holders typically have access to an upscale lounge located near their seats. These seats are generally appealing to higher net-worth individuals and mid-sized or larger companies.

The charts to the right summarizes club seat inventory in comparable ballparks which currently support premium seating programs as well as the annual price associated with this seating product.

On average, comparable ballparks have 272 club seats which are sold on a seasonal basis for \$2,354 per seat.

COMPARABLE BALLPARK CLUB SEATS



Note: Excludes comparable ballparks that do not have club seat inventory.

7. BUILDING PROGRAM RECOMMENDATIONS

PREMIUM SEATING

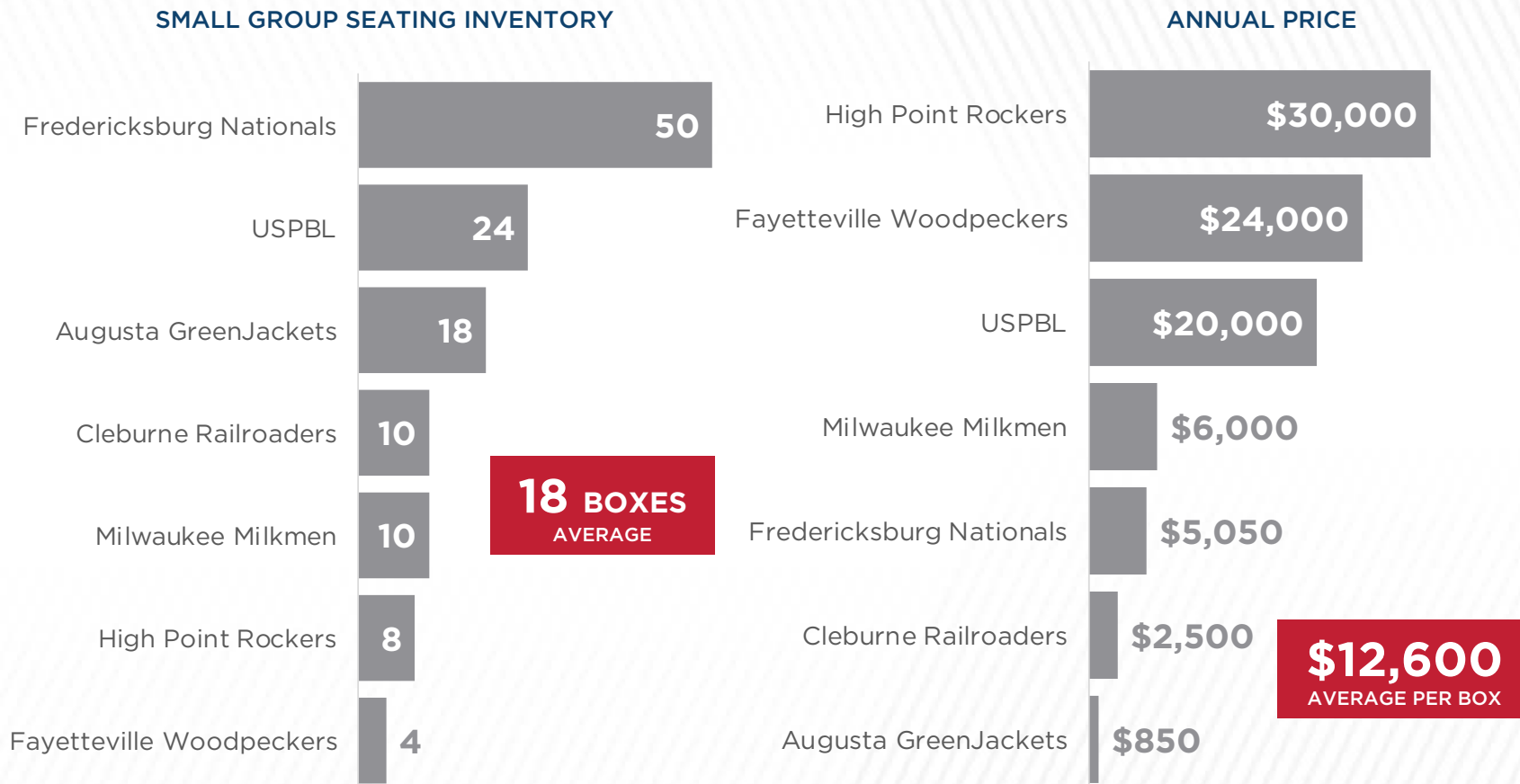
Small Group Seating

Recent trends in sports facility development have seen a number of small group seating options included in new venues, such as four-top tables, loge boxes, patio boxes, and theater boxes, among others, in order to diversify the premium seating experience. These four- to eight-seat private premium spaces are especially appealing to corporations that desire a premium experience without the larger inventory of seats typically associated with the purchase of a traditional luxury suite. This seating product has been included in several recently constructed comparable ballparks.

The charts to the right summarizes small group seating inventory in comparable ballparks which currently support premium seating programs as well as the annual price associated with this seating product.

On average, comparable ballparks have 18 small group seating products which are sold for an average of \$12,600 per box annually.

COMPARABLE BALLPARK SMALL GROUP SEATING



Note: Excludes comparable ballparks that do not have small group seating inventory.

7. BUILDING PROGRAM RECOMMENDATIONS

PREMIUM SEATING

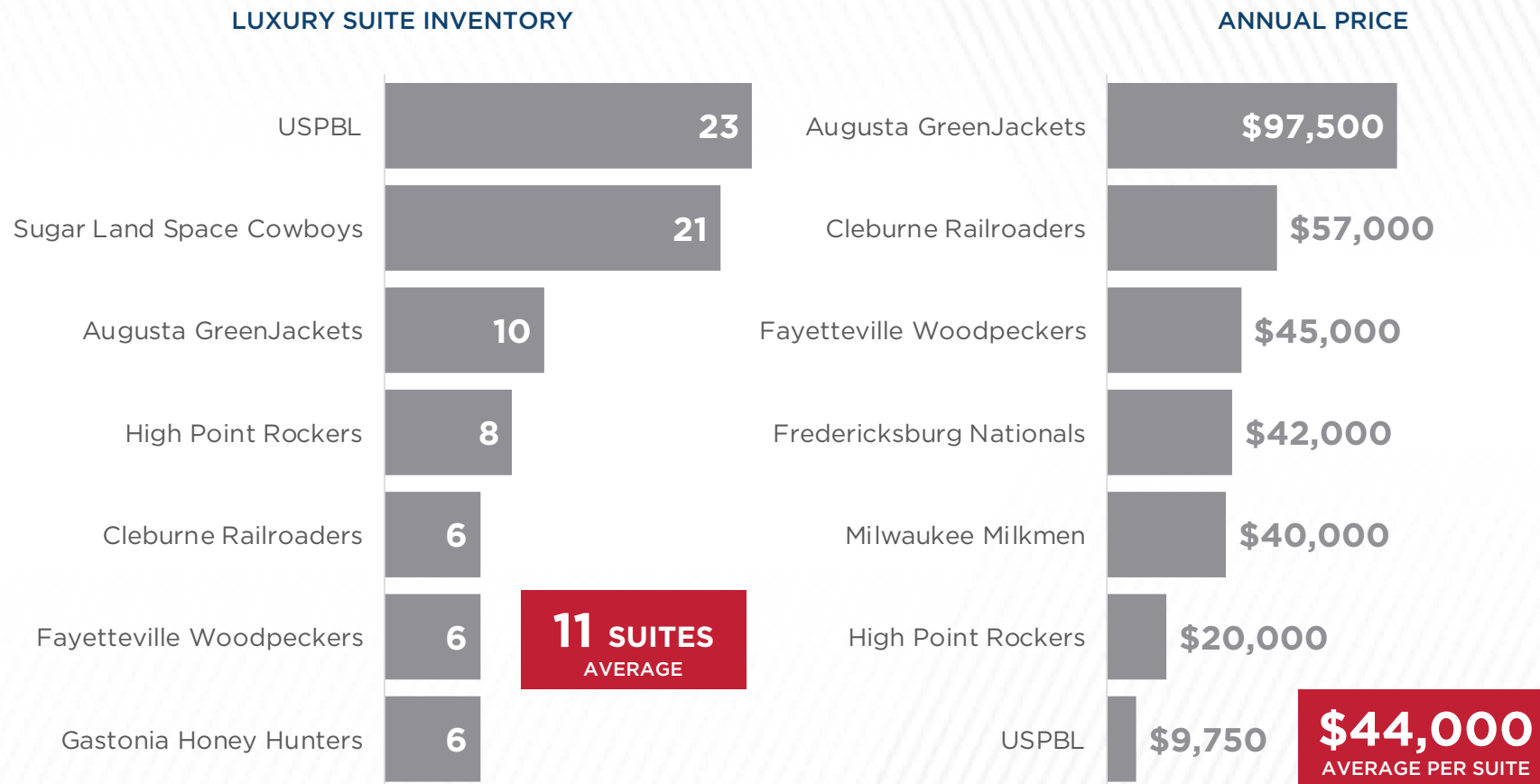
Luxury Suites

Although recent sports facility development trends have seen a lower inventory of traditional luxury suites, this premium product is part of the diversification strategy of many venues to appeal to a broad spectrum of potential customers. Luxury suites typically accommodate larger groups, ranging from 12 to 24 seats per suite, and include an exclusive social space directly behind the seating area. Luxury suite patrons often also get access to a communal club lounge. Because of the larger ticket inventory associated with this premium experience, larger corporations are the typical target market for this seating option.

The inventory of luxury suites and the annual price charged for this premium seating product among comparable ballparks is shown in the charts to the right.

On average, comparable ballparks have 11 suites that are sold for \$44,000 per suite annually.

COMPARABLE BALLPARK LUXURY SUITES



Note: Excludes comparable ballparks that do not have luxury suite inventory.

7. BUILDING PROGRAM RECOMMENDATIONS

PREMIUM SEATING

Premium Seating Recommendation

The graphic below provides an overview of the recommended premium seating program for a new ballpark in Jersey Village. This is based on the results of the various analyses presented herein, the demographics of the Jersey Village market, the proportion of residents surveyed that expressed interest in purchasing premium seating experiences, and recent trends in minor league ballpark design. Overall, it is recommended that a new ballpark would have 514 total premium seats across 12, 16-seat suites, 18, 4-seat small group seating boxes, and 250 club seats. Additionally, the ballpark should have two (2) party suites to accommodate various groups which will be sold on an individual game basis.

ANNUAL PREMIUM SEATING



12 suites

*Average seating capacity
of 16 seats per suite*



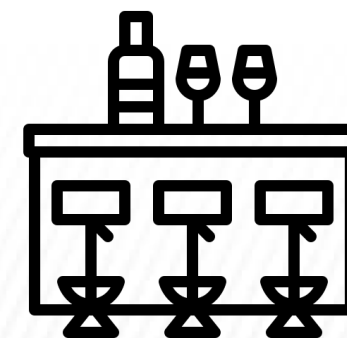
18 boxes

*Average seating capacity
of 4 seats per box*



250 club seats

SINGLE GAME HOSPITALITY



2 party suites

514 premium seats | 11% of total seating capacity

7. BUILDING PROGRAM RECOMMENDATIONS

OTHER AMENITIES



Patrons' experiences with parking and access represent their first and last impressions of a venue when attending an event. Therefore, the quantity and convenience of a venue's parking facilities can impact patrons' willingness to make return visits to future events. To ensure ease of patron ingress/egress, the ballpark should have sufficient parking within close proximity to the facility. Industry standards dictate that there should be approximately one parking space for every 3.5 seats. In a 4,500-seat ballpark, this would require approximately 1,285 paved and lighted parking spaces within walking distance of the ballpark.



Because of the humid weather often experienced in the Houston area, as well as the intensity of rainfall and storms that often occur during the typical baseball season, the field should be comprised of turf instead of natural grass. This will also reduce annual maintenance costs and utility usage, and will maximize the ability of the ballpark to host a wide variety of events.



The ballpark should include sufficient concession points of sale to maximize per capita revenues. Industry standards dictate that there should be approximately one concession point of sale for every 200 seats, or 23 points of sale in a 4,500-seat ballpark.



To ensure an enjoyable and comfortable patron experience, there should be sufficient restrooms within the stadium design. Industry standards dictate that there should be one water closet per 55 seats and one urinal per 100 seats, or 82 water closets and 45 urinals in a 4,500-seat ballpark.



The stadium should include one (1) home team locker room, one (1) visiting team locker room, one (1) umpire locker room, and one (1) women's officials locker room to meet the minimum requirements to host an Independent League baseball tenant.



Consideration could be given to a ballpark design that would include some type of shade structure over the seating area to ensure the best patron experience possible. However, shade structures can be cost prohibitive and the investment would not necessarily lead to additional utilization of the facility for third-party events. A return on investment analysis should be conducted in the design phase to assess the additional cost to include this amenity relative to the goals of the project.

7. BUILDING PROGRAM RECOMMENDATIONS

ESTIMATED COST

The table below presents the estimated cost to construct comparable ballparks in Jersey Village, adjusted to 2025 (the first year of assumed operations) and location. Based on a review of comparable ballparks, it is estimated that a new ballpark in Jersey Village would require approximately 58 square feet per seat for a total building size of approximately 260,000 square feet. Based on the average cost to construct comparable venues of \$131 per square foot, and the average cost to construct smaller comparable ballparks of \$114 per square foot, it is estimated that the total project costs (hard costs, soft costs, and contingencies) to construct a new ballpark in Jersey Village could range from \$29.6 million to \$34.1 million. This estimate assumes that the City will donate the land for ballpark development and, therefore, is not inclusive of land acquisition costs.

Team	Ballpark	Year Opened	Seating Capacity	Ballpark Square Feet	Square Feet Per Seat	Historical Project Cost	Cost to Build in Jersey Village in 2025	Estimated Cost Per SF to Build in Jersey Village	Estimated Cost Per Seat to Build in Jersey Village
Augusta GreenJackets	SRP Park	2018	5,000	297,000	59.4	\$40,300,000	\$53,900,000	\$181	\$10,780
High Point Rockers	Truist Point	2019	4,500	294,950	65.5	\$36,100,000	\$47,200,000	\$160	\$10,489
Cleburne Railroaders	The Depot at Cleburne Station	2017	4,200	267,000	63.6	\$27,200,000	\$40,700,000	\$152	\$9,690
Fayetteville Woodpeckers	Segra Stadium	2019	5,252	269,000	51.2	\$37,800,000	\$49,300,000	\$183	\$9,387
Fredericksburg Nationals	Virginia Credit Union Stadium	2021	5,000	300,000	60.0	\$35,000,000	\$39,500,000	\$132	\$7,900
Sugar Land Space Cowboys	Constellation Field	2012	7,500	305,000	40.7	\$36,000,000	\$56,800,000	\$186	\$7,573
Pensacola Blue Wahoos	Blue Wahoos Stadium	2012	5,038	250,000	49.6	\$23,800,000	\$36,900,000	\$148	\$7,324
Gastonia Honey Hunters	CaroMont Health Park	2021	5,000	300,000	60.0	\$26,200,000	\$30,800,000	\$103	\$6,160
Hillsboro Hops	Ron Tonkin Field	2013	4,500	265,000	58.9	\$15,500,000	\$19,600,000	\$74	\$4,356
USPBL	Jimmy John's Field	2016	4,500	285,000	63.3	\$15,000,000	\$18,900,000	\$66	\$4,200
Milwaukee Milkmen	Franklin Field	2019	4,000	282,000	70.5	\$15,000,000	\$16,600,000	\$59	\$4,150
AVERAGE		2017	4,954	283,177	58.4	\$27,990,909	\$37,290,909	\$131	\$7,455
SMALLER BALLPARKS (< 290,000 sq. ft.)		2016	4,582	269,667	59.5	\$22,383,333	\$30,333,333	\$114	\$6,518

It should be noted that this estimate considers the higher cost of materials and labor which is anticipated to be experienced globally over the next three years as a result of the COVID-19 pandemic. Should the timing of ballpark construction alter the assumed opening year of operations, it is possible that this cost estimate could be impacted significantly based on updated economic conditions. While the final project costs could vary based on changes to the building program, timing of the project, and other such factors, this cost estimate is useful in determining the appropriate amount of funding that may be required for the project.

7. BUILDING PROGRAM RECOMMENDATIONS

SUMMARY OF RECOMMENDATIONS

The graphic below provides a summary of the recommended building program for a new ballpark in Jersey Village based on a review of local market demographic and socioeconomic characteristics, comparable ballparks, industry and Independent League standards, the results of a survey conducted among Jersey Village residents and corporations, and the estimated utilization of the ballpark for baseball and other types of events. As facility planning progresses, it will be important that the architects experienced in minor league ballpark design work closely with tenant teams, event promoters and bookers, and facility management to create a design that would maximize the market and revenue potential of the facility.

SEATING CAPACITY



4,500 seats
TOTAL SEATING CAPACITY

3,500
TOTAL FIXED SEATS

1,000
BERM/SOCIAL AREAS

\$29.6 M TO \$34.1M
ESTIMATED PROJECT COST

PREMIUM SEATING



12, 16-seat suites



18, 4-seat boxes



250 club seats



2 party suites

OTHER AMENITIES



1,285
parking spaces within walking distance



23
concessions points of sale



82 water closets &
45 urinals



Turf Playing Surface

8

FINANCIAL PROJECTIONS



8. FINANCIAL PROJECTIONS

INTRODUCTION

The purpose of this analysis is to present estimated operating revenues and expenses for a new ballpark in Jersey Village, providing context to project stakeholders related to the long-term viability of venue operations. The assumptions used in this analysis, as determined by CSL, are based on those listed to the right, industry trends, knowledge of the marketplace, resident feedback from market surveys, and operational characteristics of comparable ballparks.

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

KEY ASSUMPTIONS



The primary tenant of the ballpark will be a team playing within the American Association, a MLB partner league.



The ballpark will have a total seating capacity of 4,500, including 250 club seats, 18 small group seating products, and 12 luxury suites (514 total seats, or 11 percent of capacity).



The market will generate spending that is consistent with the recent history of other American Association teams playing in new stadiums in the context of Jersey Village's market.



The ballpark will be conducive to providing a pleasant patron experience (e.g., efficient traffic ingress/egress, convenient and affordable parking, concessions, etc.).



The ballpark will cost approximately \$31.9* million to construct. *Note: Additional work by sports architects and construction professionals is necessary to determine final project costs.*



The ballpark will be publicly owned and thus exempt from property taxes.



The ballpark will be operated by the tenant team and will be aggressively marketed, providing competitive guarantees and, where applicable, rental rates.



There will be no significant or material changes in the supply or quality of existing venues in the marketplace or new preferred or exclusive booking agreements with event promoters at competitive venues.



There will be no significant or material changes to current trends in the sports and live entertainment industries, and unknown future economic conditions will not adversely affect the market and its response to stadium events (e.g., population levels, employment levels, etc.).



The ballpark will be developed as a quality venue and multi-purpose in nature to accommodate the needs of various users within the community and will be managed by a competent, professional management team.



Projections herein assume no future impact to capacity based on health and safety regulations because of COVID-19.

*Represents the mid-point of the estimated cost range of \$29.6 M to \$34.1 M.

8. FINANCIAL PROJECTIONS

OPERATING REVENUES

The following pages present a detailed summary of the revenue anticipated to be generated by the tenant American Association team and the new ballpark. Consolidated revenue is expected to consist of ticket sales, event rent, premium seating, naming rights, advertising and sponsorships, concessions, merchandise, ticketing fees, facility fees, and parking fees. A brief description of each revenue source is provided over the following pages.

EVENTS & ATTENDANCE

A primary source of revenue generation within a new ballpark in Jersey Village is the number and types of events held at the facility and the associated attendance levels with each.

As shown in the table to the right, an American Association tenant would host 50 home games. Ticketed non-tenant events hosted at the ballpark are anticipated to include a combination of concerts, amateur sporting events, collegiate sporting events, and a variety of community events. Approximately 225,000 attendees are estimated to visit the ballpark on an annual basis across 120 events hosted annually at the facility. It should be noted that these are estimates for in-ballpark ticketed events and do not include figures specific to corporate/special events inside the facility or exterior events and activities hosted within the mixed-use development.

EVENTS & ATTENDANCE			
	ANNUAL EVENTS	AVERAGE PAID ATTENDANCE	TOTAL PAID ATTENDANCE
Tenant Events			
American Association Games	50	3,500	175,000
Non-Tenant Events			
High School/Youth Sports	12	1,500	18,000
NCAA/Collegiate Sports	2	2,500	5,000
Concerts	1	4,500	4,500
Festivals	5	3,000	15,000
Community Events	50	150	7,500
TOTAL	120	1,875	225,000

8. FINANCIAL PROJECTIONS

OPERATING REVENUES

TICKET REVENUE

The table to the right details ticket revenue estimated to be generated by a tenant team playing in a new ballpark in Jersey Village during the first full year of operations. As shown, with an average paid attendance of 3,500 over 50 home games, it is estimated that an American Association tenant will generate approximately \$3.0 million annually in ticket revenue at an average ticket price of \$17.00 per game.

TICKET REVENUE	
	American Association Team
Average Paid Attendance Per Game	3,500
Average Ticket Price Per Game	\$17.00
Number of Games	50
TOTAL TICKET REVENUE	\$3,010,000

EVENT RENT

As shown in the table to the right, a new ballpark in Jersey Village would collect rent from facility users based on a flat rental rate per event, ranging from a low of \$1,000 for community events to a high of \$7,500 for concerts. It should be noted that this event rent does not include usage fees for corporate/special events located inside the ballpark as well as exterior stadium events and activities.

It is estimated that rental income from all non-tenant ticketed events held at the ballpark will total approximately \$111,000 in the first year of operations.

EVENT RENT REVENUE			
EVENT TYPE	NUMBER OF EVENTS	AVERAGE RENT	TOTAL REVENUE
High School/Youth Sports	12	\$1,500	\$18,000
NCAA/Collegiate Sports	2	\$5,000	10,000
Concerts	1	\$7,500	8,000
Festivals	5	\$5,000	25,000
Community Events	50	\$1,000	50,000
TOTAL BALLPARK RENT REVENUE	70	\$1,586	\$111,000

8. FINANCIAL PROJECTIONS

OPERATING REVENUES

PREMIUM SEATING

Premium seating revenue assumptions are based on the demographic and socioeconomic characteristics of the market, discussions with league representatives, industry trends, and comparable stadium benchmarking. The tables below present a calculation of premium seating revenue for the stadium in the first five years of operations for a tenant American Association team.

Club Seats

Annual premium seating at a new ballpark in Jersey Village is anticipated to include 250 club seats, which are estimated to be 95 percent sold at an annual cost of \$2,500 for American Association games. As shown, club seats are estimated to generate approximately \$238,000 in the first year of operations, increasing to approximately \$268,000 in the fifth year of operations.

CLUB SEAT REVENUE					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Number of Club Seats	250	250	250	250	250
% of Club Seats Sold Annually	95%	95%	95%	95%	95%
Club Seats Sold Annually	238	238	238	238	238
Annual Price per Club Seat	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814
NET ANNUAL CLUB SEAT REVENUE	\$238,000	\$245,200	\$252,500	\$260,100	\$267,900

Small Group Seating

It is assumed that the ballpark will offer 18 small group seating products (four seats), which will be 95 percent sold at an annual cost of \$12,000 for American Association games. Overall, it is estimated that the ballpark could generate approximately \$102,000 in the first year of operations, increasing to approximately \$115,000 in the fifth year of operations.

SMALL GROUP SEATING REVENUE					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Number of Small Group Boxes	18	18	18	18	18
% of Small Group Boxes Sold Annually	95%	95%	95%	95%	95%
Small Group Boxes Sold Annually	17	17	17	17	17
Annual Price per Box	\$12,000	\$12,360	\$12,731	\$13,113	\$13,506
Gross Annual Box Revenue	\$204,000	\$210,100	\$216,400	\$222,900	\$229,600
Less: Total Ticket Cost	(\$102,000)	(\$105,100)	(\$108,200)	(\$111,500)	(\$114,800)
NET ANNUAL BOX REVENUE	\$102,000	\$105,000	\$108,200	\$111,400	\$114,800

8. FINANCIAL PROJECTIONS

OPERATING REVENUES

Luxury Suites

It is assumed that a new ballpark in Jersey Village will offer 12, 16-person luxury suites, two of which will be non-revenue generating (held back for owner and building use). It is assumed that eight of the remaining 10 suites will be sold seasonally at an annual cost of \$40,000 for American Association games, while two suites will be sold on an individual basis for a full-season equivalent sell-thru rate of 90 percent. Overall, it is estimated that the ballpark could generate approximately \$144,000 in the first year of operations through the sale of luxury suites, increasing to approximately \$162,000 in the fifth year of operations.

LUXURY SUITE REVENUE					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Number of Suites	12	12	12	12	12
Number of Non-Revenue Suites	2	2	2	2	2
Total Suites Available for Sale	10	10	10	10	10
% of Suites Sold Annually	90%	90%	90%	90%	90%
Suites Sold Annually	9	9	9	9	9
Annual Price per Suite	\$40,000	\$41,200	\$42,436	\$43,709	\$45,020
Gross Luxury Suite Revenue	\$360,000	\$370,800	\$381,900	\$393,400	\$405,200
Less: Total Ticket Cost	(\$216,000)	(\$222,500)	(\$229,200)	(\$236,000)	(\$243,100)
NET ANNUAL SUITE REVENUE	\$144,000	\$148,300	\$152,700	\$157,400	\$162,100

Summary

In total, premium seating is estimated to generate approximately \$484,000 in the first year of operations, increasing to \$545,000 in the fifth year of operations. Food and beverage revenue associated with premium seating sales is estimated on the following page.

8. FINANCIAL PROJECTIONS

OPERATING REVENUES

FOOD & BEVERAGE

Concessions revenue consists of food and beverage sales during events hosted at the ballpark. Gross food and beverage sales are estimated based on projected general admission turnstile (or actual) attendance and per capita spending assumptions by event type. Per capita spending assumptions were based on an analysis of per capita spending at comparable facilities and available league data, adjusted to the Jersey Village market.

Average gross per capita concessions spending is estimated to range from approximately \$2.50 for high school or youth sporting events to \$12.50 for concerts. Additionally, for premium seating, per caps range from \$15.00 for club seats and small group seating to \$25.00 for suite seating.

Overall, it is estimated that the ballpark would generate net food and beverage operating income of approximately \$711,000, as shown in the table to the right.

FOOD & BEVERAGE REVENUE					
EVENT TYPE	NUMBER OF EVENTS	AVERAGE TURNSTILE	AVERAGE PER CAP SPENDING	PROFIT MARGIN	TOTAL REVENUE
General Admission					
Tenant Games	50	2,440	\$10.00	40%	\$488,000
High School/Youth Sports	12	1,350	\$2.50	40%	\$16,000
NCAA/Collegiate Sports	2	1,834	\$10.00	40%	\$15,000
Concerts	1	3,634	\$12.50	40%	\$18,000
Festivals	5	2,284	\$10.00	40%	\$46,000
Community Events	50	135	\$3.00	40%	\$8,000
Club Seats					
Tenant Games	50	190	\$15.00	35%	\$50,000
High School/Youth Sports	12	0	\$15.00	35%	\$0
NCAA/Collegiate Sports	2	171	\$15.00	35%	\$2,000
Concerts	1	171	\$15.00	35%	\$1,000
Festivals	5	171	\$15.00	35%	\$4,000
Community Events	50	0	\$15.00	35%	\$0
Small Group Seating					
Tenant Games	50	65	\$20.00	25%	\$16,000
High School/Youth Sports	12	0	\$20.00	25%	\$0
NCAA/Collegiate Sports	2	76	\$20.00	25%	\$1,000
Concerts	1	76	\$20.00	25%	\$0
Festivals	5	76	\$20.00	25%	\$2,000
Community Events	50	0	\$20.00	25%	\$0
Luxury Suites					
Tenant Games	50	115	\$25.00	25%	\$36,000
High School/Youth Sports	12	0	\$25.00	25%	\$0
NCAA/Collegiate Sports	2	173	\$25.00	25%	\$2,000
Concerts	1	173	\$25.00	25%	\$1,000
Festivals	5	173	\$25.00	25%	\$5,000
Community Events	50	0	\$25.00	25%	\$0
NET FOOD & BEVERAGE REVENUE					\$711,000

8. FINANCIAL PROJECTIONS

OPERATING REVENUES

MERCHANDISE

Merchandise revenue is generated through the sale of clothing, souvenirs, programs, and other novelty items. This revenue is estimated based on the number of events, average turnstile attendance, average per capita spending on novelties at comparable facilities (adjusted to Jersey Village), and the percentage of revenue allocated to the ballpark.

Gross per capita merchandise spending assumptions range from \$0.50 for collegiate events to \$5.00 for concerts. After accounting for labor costs, a 30 percent team/stadium commission has been assumed during tenant events, while a commission rate of 15 percent has been assumed during collegiate events. Net merchandise revenue generated during events by the ballpark is estimated to total approximately \$150,000, as shown in the chart on the right.

Additionally, the team is estimated to generate merchandise revenue from non-game day sales, including gross sales of \$50,000 from online sales and \$100,000 from sales at the team store. In total, net merchandise revenues is estimated to total approximately \$233,000.

MERCHANDISE REVENUE					
	ANNUAL EVENTS	AVERAGE TURNSTILE	AVERAGE PER CAP SPENDING	TEAM / STADIUM SHARE	TOTAL REVENUE
Tenant Events					
Tenant Games	50	2,810	\$3.50	30%	\$148,000
Non-Tenant Events					
High School/Youth Sports	12	1,350	\$0.00	15%	\$0
NCAA/Collegiate Sports	2	2,254	\$0.50	10%	\$200
Concerts	1	4,054	\$5.00	10%	\$2,000
Festivals	5	2,704	\$4.00	0%	\$0
Community Events	50	135	\$0.00	0%	\$0
Subtotal - Event Day Sales					\$150,200
NON-EVENT DAY SALES		GROSS SALES		TEAM / STADIUM SHARE	TOTAL REVENUE
Team Online Sales		\$50,000		55%	\$28,000
Team Store Sales		\$100,000		55%	\$55,000
Subtotal - Non-Event Day Sales					\$83,000
NET MERCHANDISE REVENUE					\$233,200

8. FINANCIAL PROJECTIONS

OPERATING REVENUES

ADVERTISING & SPONSORSHIP

Advertising and sponsorship revenue sources include naming rights, founding partnerships, and other team sponsorships. A review of estimated sponsorship revenues and fulfillment costs is shown in the table to the right.

With a location that is prominently situated along U.S. 290 and the volume of traffic that passes by the ballpark site daily, it is estimated that there will be a premium value placed on the naming rights for the facility relative to other ballparks that host an American Association tenant team. In the first year of operations at the ballpark, it is estimated that an American Association tenant could realize approximately \$1.0 million in total sponsorships, including \$500,000 in naming rights, \$400,000 from four (4) founding partnerships, and \$250,000 in other team sponsorships.

Naming rights, founding partnership, and other team sponsorship revenue is estimated to increase at three percent annually. Fulfillment costs can be substantial in the first year of a new contract term due to activation expenses incurred by the team / facility such as signage and other permanent branding fixtures to be installed. For the purposes of this analysis, fulfillment expenses in future years have been assumed to remain at a constant level relative to total gross sponsorship revenue.

NAMING RIGHTS, SPONSORSHIP & ADVERTISING REVENUE		
SPONSORSHIP REVENUE SOURCE	TOTAL REVENUE	PERCENT OF TOTAL
Naming Rights	\$500,000	43%
Founding Partners (4)	\$400,000	35%
Other Team Sponsorships	\$250,000	22%
GROSS ADVERTISING & SPONSORSHIP REVENUES	\$1,150,000	100%
Hospitality & Fulfillment Cost (NR & FPs)	(\$90,000)	(10%)
Hospitality & Fulfillment Cost (Other)	(\$25,000)	(10%)
YEAR 1 NET ADVERTISING & SPONSORSHIP REVENUES	\$1,035,000	(20%)

8. FINANCIAL PROJECTIONS

OPERATING REVENUES

TICKET FEES

Service Fees

Facilities often utilize a third-party ticketing service, such as Ticketmaster, to handle ticket sales for certain events at the venue. The ticketing service generally collects a convenience charge on each ticket sold, a portion of which is shared with the venue. Convenience charges were estimated based on a review of charges at regional facilities in the Houston area. It is assumed that a new ballpark in Jersey Village will utilize such a service for concerts and festivals hosted at the facility with the tenant team utilizing their own partner for their ticket sales.

It is estimated that the average convenience charge per ticket are \$3.63 for festivals and \$6.14 for concerts for each ticket sold by the venue's ticketing partner. The ballpark is estimated to retain 50 percent of the gross revenues generated by these convenience charges. Total ticket rebates generated by the ballpark are estimated to total approximately \$37,000, as shown in the chart below.

TICKET SERVICE FEE REVENUE						
EVENT TYPE	TOTAL PAID ATTENDANCE	% SOLD THROUGH TICKET SERVICE	TICKETS SOLD THROUGH TICKET SERVICE	PER TICKET FEE	TEAM / STADIUM SHARE	TOTAL REVENUE
Tenant Events						
Tenant Games	167,800	0%	0	\$0.00	50%	\$0
Non-Tenant Events						
NCAA/Collegiate Sports	5,000	0%	0	\$0.00	50%	\$0
Concerts	4,500	90%	4,050	\$6.15	50%	\$12,000
Festivals	15,000	90%	13,500	\$3.63	50%	\$25,000
Community Events	7,500	0%	0	\$0.00	0%	\$0
NET TICKET SERVICE FEE REVENUE						\$37,000

8. FINANCIAL PROJECTIONS

OPERATING REVENUES

Facility Fee

Facility fees are often added to the cost of every ticket sold for events hosted at the facility. Often, entities have utilized this revenue stream to bolster facility operations or provide a source of revenues to fund annual facility maintenance and repairs. It is assumed that a new ballpark in Jersey Village will charge a \$2.00 facility fee to each paid attendee for all ticketed events hosted at the facility.

As shown in the table to the right, it is estimated that approximately \$450,000 would be generated annually through facility fees. It is estimated that these revenues would provide enough in annual funding for repairs and maintenance to the ballpark, excluding major capital improvement projects.

FACILITY FEE REVENUE	
Total Annual Paid Attendance	225,000
Facility Fee Per Attendee	\$2.00
TOTAL FACILITY FEE REVENUE	\$450,000

Parking Fee

Because of the cost-prohibitive nature to construct parking garages and the fact that the land around the ballpark will be utilized to maximize the mixed-use development envisioned to surround the facility, it is assumed that there will be no direct parking spaces under control of the ballpark for events hosted at the facility. It is anticipated that patrons will utilize the surface parking built within the mixed-use development to park for events hosted at the ballpark. Therefore, it is recommended that a \$1.50 parking fee be added to each ticket sold. As shown in the table to the right, it is estimated that approximately \$338,000 could be generated annually through parking fees.

PARKING FEE REVENUE	
Total Annual Paid Attendance	225,000
Parking Fee Per Attendee	\$1.50
TOTAL PARKING FEE REVENUE	\$338,000

8. FINANCIAL PROJECTIONS

OPERATING REVENUES

CONFERENCES & EVENTS

Other revenue includes income generated from private events as shown in the table below. It is assumed that the ballpark could host private catered events utilizing interior spaces such as clubs, locker rooms, and concourses. It is assumed that the ballpark could host 50 events with an average attendance of 50 people.

Based on an average facility usage fee of \$1,500, food and beverage minimum of \$25.00 per capita, food and beverage cost of goods sold of 65 percent, it is estimated that private events will generate approximately \$116,000 in net revenue during the first year of operations, increasing to \$130,000 in the fifth year of operations.

CONFERENCE & EVENT REVENUE					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Conferences & Events	50	50	50	50	50
Average Conference & Event Attendance	50	50	50	50	50
Facility Usage Fee	\$1,500	\$1,545	\$1,591	\$1,639	\$1,688
Gross Facility Usage Revenue	\$75,000	\$77,250	\$79,568	\$81,955	\$84,413
Food & Beverage Per Cap Minimum	\$25.00	\$25.75	\$26.52	\$27.32	\$28.14
Gross Food & Beverage Revenue	\$62,500	\$64,375	\$66,306	\$68,295	\$70,344
Less: Food & Beverage COGS	65%	65%	65%	65%	65%
TOTAL CONFERENCE & EVENT REVENUES	\$116,000	\$119,000	\$123,000	\$126,000	\$130,000

8. FINANCIAL PROJECTIONS

OPERATING EXPENSES

STADIUM EXPENSES

Operating expenses at a new ballpark in Jersey Village will include a variety of venue, event day, and team-related expenses. Ballpark operating expenses typically consist of salaries, wages and benefits, general and administrative, utilities, repairs and maintenance, sales and marketing, insurance, and other such expenses. The table to the right presents a summary of the estimated operating costs at the ballpark, including capital reserve contribution.

As shown, it is estimated that it would cost approximately \$3.2 million to operate in the first year of operations, increasing to approximately \$3.6 million in the fifth year of operations.

These costs include \$160,000 in capital reserve costs, which would be used to annually fund a reserve for capital maintenance and future major capital projects at the ballpark. Based on industry standards, a capital reserve should be funded in an annual amount equal to 0.5 percent of the estimated facility's project cost of approximately \$31.9* million.

BALLPARK OPERATING EXPENSES					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Ballpark Operations					
Event Services & Expenses	(\$1,500,000)	(\$1,545,000)	(\$1,591,000)	(\$1,639,000)	(\$1,688,000)
Operations	(\$500,000)	(\$515,000)	(\$530,000)	(\$546,000)	(\$562,000)
Utilities	(\$300,000)	(\$309,000)	(\$318,000)	(\$328,000)	(\$338,000)
General & Administrative	(\$200,000)	(\$206,000)	(\$212,000)	(\$218,000)	(\$225,000)
Sales & Marketing	(\$350,000)	(\$361,000)	(\$372,000)	(\$383,000)	(\$394,000)
Insurance	(\$200,000)	(\$206,000)	(\$212,000)	(\$218,000)	(\$225,000)
Other Expenses					
Capital Reserve	(\$160,000)	(\$164,000)	(\$169,000)	(\$174,000)	(\$179,000)
TOTAL EXPENSES	(\$3,210,000)	(\$3,306,000)	(\$3,404,000)	(\$3,506,000)	(\$3,611,000)

*Represents the mid-point of the estimated cost range of \$29.6 M to \$34.1 M.

8. FINANCIAL PROJECTIONS

OPERATING EXPENSES

TEAM EXPENSES

Expenses incurred by tenant team playing in the new ballpark in Jersey Village typically include expenses related to general and administrative operations, team operations (coach salaries, equipment/supplies, travel, league fees, etc.), and advertising and marketing. Team expense estimates are in the table below.

Overall, it is estimated that an American Association team would incur approximately \$2.5 million in team expenses in the first year of operations, increasing to approximately \$2.7 million in the fifth year of operations. It should be noted that player salaries include wages, bonuses, benefits, and housing. Additionally, it is assumed that an American Association tenant would pay approximately \$250,000 for use of the ballpark in the first year of operations due to the number of home games played within the facility. The rental rate is assumed to escalate by three percent each year.

TEAM EXPENSES					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
General & Administrative	\$0	\$0	\$0	\$0	\$0
Team Operations	(\$2,500,000)	(\$2,575,000)	(\$2,652,250)	(\$2,652,250)	(\$2,652,250)
Advertising & Marketing	\$0	\$0	\$0	\$0	\$0
Rent	(\$250,000)	(\$257,500)	(\$265,225)	(\$265,225)	(\$265,225)
TOTAL TEAM EXPENSES	(\$2,750,000)	(\$2,832,500)	(\$2,917,500)	(\$2,917,500)	(\$2,917,500)

8. FINANCIAL PROJECTIONS

FINANCIAL PRO FORMA

The table to the right summarizes the estimated operating revenues and expenses associated with the first five years of operations for an American Association team in a new ballpark in Jersey Village.

As shown, in the first year of operations, the team and ballpark are estimated to generate approximately \$6.8 million in operating revenues and incur expenses of approximately \$6.0 million, for a net operating income of \$799,000, increasing to \$899,000 in year five.

CONSOLIDATED TEAM & BALLPARK PRO FORMA					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
REVENUE					
Ticket Sales	\$3,010,000	\$3,100,000	\$3,193,000	\$3,289,000	\$3,388,000
Event Rent	\$361,000	\$371,000	\$382,000	\$394,000	\$406,000
Facility Fees	\$450,000	\$464,000	\$477,000	\$492,000	\$506,000
Sponsorship, Net	\$1,035,000	\$1,066,000	\$1,098,000	\$1,131,000	\$1,165,000
Premium Seating, Net	\$593,000	\$611,000	\$629,000	\$647,000	\$667,000
Food & Beverage, Net	\$712,000	\$733,000	\$755,000	\$778,000	\$801,000
Merchandise, Net	\$150,000	\$154,000	\$159,000	\$163,000	\$169,000
Parking, Net	\$338,000	\$348,000	\$358,000	\$369,000	\$380,000
Convention & Events, Net F&B	\$72,000	\$74,000	\$76,000	\$79,000	\$81,000
Ticket Service Rebates	\$37,000	\$38,000	\$39,000	\$40,000	\$42,000
Total Revenue	\$6,758,000	\$6,959,000	\$7,166,000	\$7,382,000	\$7,605,000
EXPENSES					
Ballpark Expenses	(\$3,209,500)	(\$3,306,000)	(\$3,404,000)	(\$3,506,000)	(\$3,611,000)
Tenant Expenses	(2,750,000)	(2,832,500)	(2,917,475)	(3,004,999)	(3,095,149)
Total Expenses	(\$5,959,500)	(\$6,138,500)	(\$6,321,475)	(\$6,510,999)	(\$6,706,149)
NET INCOME FROM OPERATIONS	\$798,500	\$820,500	\$844,525	\$871,001	\$898,851

9

ECONOMIC & FISCAL IMPACTS



9. ECONOMIC & FISCAL IMPACTS

In addition to the annual financial operating results of an American Association tenant, along with a new ballpark in Jersey Village, it is important to understand the anticipated economic and fiscal impacts derived from facility and team operations. While many of the perceived benefits of the ballpark are considered intangible, including providing additional entertainment opportunities for local residents, a more diversified visitor infrastructure, more local exposure, a front door to Jersey Village as part of a marquee development, and enhanced community pride, the construction and operation of the ballpark will provide quantifiable benefits to the local economy as well. Quantifiable measurements of the effects that the ballpark could have on the local economy include economic and fiscal impacts, as summarized over the following pages.

DIRECT SPENDING

Direct spending represents the initial primary spending that would occur as a result of the construction and operations of the ballpark. Direct spending occurs in the following ways:

- **CONSTRUCTION SPENDING** - Construction materials, supplies, labor, professional fees and other soft cost spending will be generated during the planning and construction of the ballpark.
- **FACILITY OPERATIONS SPENDING** - Direct spending will be generated by tickets, concessions, and merchandise sales to patrons attending events at the ballpark. The operations of the ballpark will also generate direct spending through premium seating, naming rights, sponsorships, operations of the management company, spending on salaries, wages, and benefits, marketing, and other such sources.
- **ANCILLARY COMMUNITY SPENDING** - Direct spending will also be generated off-site but within the local area by ballpark patrons, event personnel, and others. Ancillary community spending will likely include spending on lodging, food and beverages, retail, entertainment, transportation and other items in connection with ballpark events.

The graphic on the following page illustrates the primary sources of direct spending anticipated to be associated with the construction and operations of a new ballpark in Jersey Village.

9. ECONOMIC & FISCAL IMPACTS

DIRECT SPENDING ADJUSTMENTS

DIRECT SPENDING SOURCES



CONSTRUCTION SPENDING

Construction Spending:

- Materials
- Supplies
- Labor
- Professional Fees



OPERATIONS SPENDING

Stadium Spending:

- Ticket Sales
- Premium Seats
- Concessions
- Merchandise
- Sponsorship
 - Parking
 - Fees
 - Other



Ancillary Community Spending:

- Lodging
 - Bars
 - Service
 - Retail
- Entertainment
 - Transit
 - Other

Gross direct spending will flow to various economic entities, including the Stadium, service providers, restaurants, hotel operators, retail businesses and other such entities. However, some of the spending that occurs in connection with the construction and ongoing operations of the ballpark will not fully impact the local economy. As such, reductions must be made to gross direct spending to reflect the amount of direct spending associated with the facility that is considered net new to the economy. These adjustments include:

- **Leakage** - Leakage represents the portion of gross spending estimated to occur outside the measured economy (i.e., City of Jersey Village, Harris County). Immediate leakage occurs when initial direct expenditures occur outside the local area, such as an out-of-town attendee who patronizes a hotel or restaurant located outside the measured economy's boundaries. Leakage also occurs when initial local spending is used immediately to pay for non-local goods, services, etc. Examples of this type of secondary leakage include ticket sales allocated to non-local promoters or artists, or concessionaire profits retained by companies based outside of the local area.
- **Displacement** - Displacement refers to spending that would have likely occurred anyway in the local market without the presence of the ballpark. Examples of displaced spending would include spending by local residents in connection with their attendance at the ballpark that would have been spent within the local area anyway on other items (movies, restaurants, shopping, etc.) if they did not patronize the facility. This concept of displacement is oftentimes referred to as the substitution effect.

9. ECONOMIC & FISCAL IMPACTS

DIRECT SPENDING ADJUSTMENTS

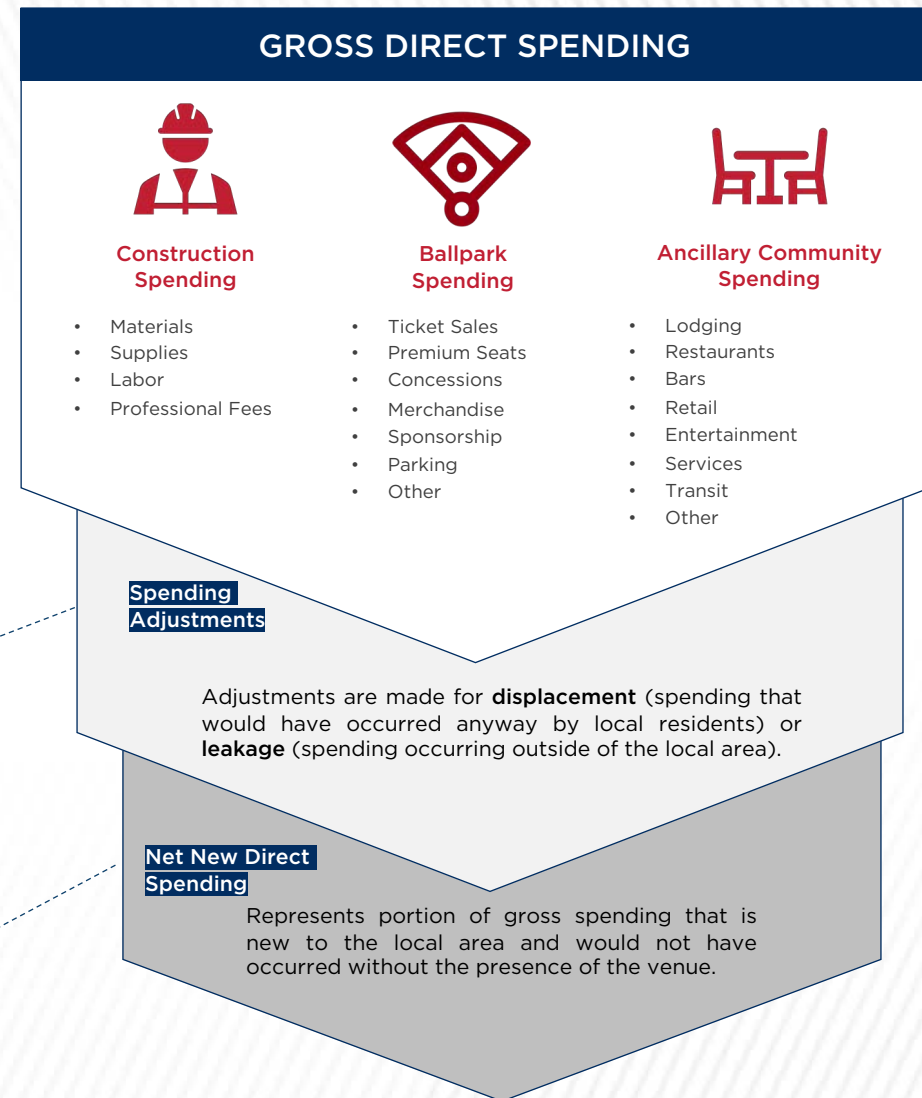
As illustrated in the graphic on the right, the flow of gross direct spending is adjusted to reflect only the spending that is considered net new to the local economy. The resulting spending after all adjustments, as previously discussed, is referred to throughout the remainder of this analysis as *net new direct spending*.

Gross Direct Spending is adjusted:

in order to estimate the *incremental* economic impact benefits generated to the local economy

“Net New” Direct Spending is:

calculated by applying spending adjustments for displacement and leakage to gross direct spending



9. ECONOMIC & FISCAL IMPACTS

MULTIPLIER EFFECT

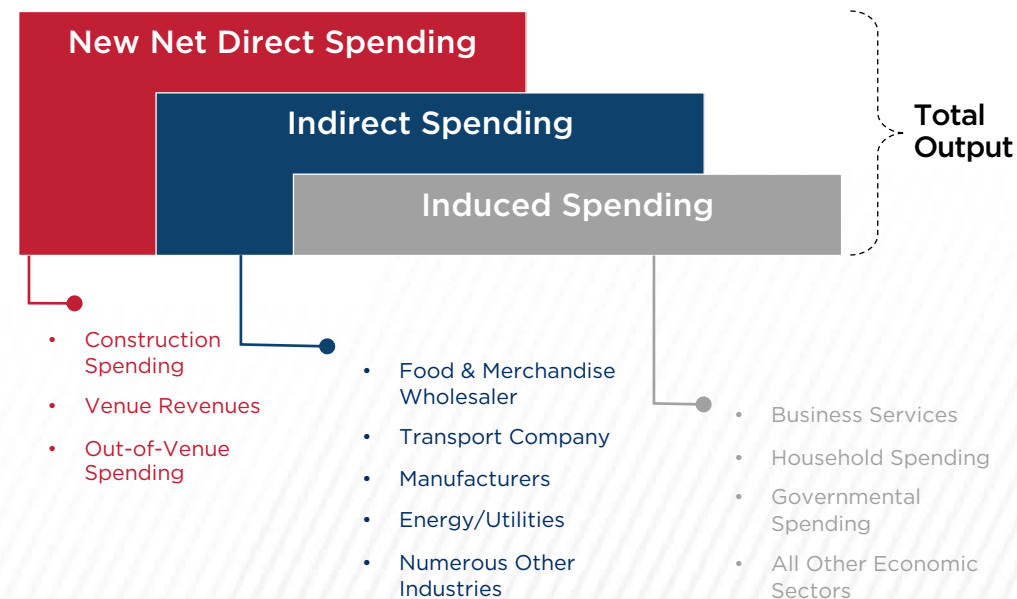
Economic impacts are further increased through re-spending of direct spending. The total impact is estimated by applying an economic multiplier to initial direct spending to account for the total economic impact. The total output multiplier is used to estimate the aggregate total spending that takes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

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

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

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

The graphic to the right illustrates the flow of direct spending through the successive rounds of re-spending, including the indirect and induced effects.



9. ECONOMIC & FISCAL IMPACTS

MULTIPLIER EFFECT

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

The multiplier estimates used in this analysis are based on the RIMS II system, which is a regional economic model developed by the Bureau of Economic Analysis that is used by investors, planners, and elected officials across the country to accurately assess economic impact, and are specific to Harris County, Texas. The specific multipliers used in this analysis are show in the chart below

Multipliers are applied to direct spending to calculate the following measures of economic impact:

- **Total Output** represents the total direct, indirect and induced spending effects generated by the ballpark. Total output is calculated by multiplying the appropriate total output multiplier by the estimated direct spending within each industry.
- **Employment** is expressed in terms of total full-time equivalent (FTE) jobs and includes both full- and part-time jobs. Employment is calculated by dividing the appropriate employment multiplier by one million, and then multiplying by the estimated direct spending within each industry.
- **Personal Earnings** represent the wages and salaries earned by employees of businesses impacted by the ballpark. Personal earnings are calculated by multiplying the appropriate personal earnings multiplier by the estimated direct spending within each industry.

ECONOMIC MULTIPLIERS (HARRIS COUNTY)			
	Total Output	Employment (FTE)	Personal Earnings
Commercial Sports	2.01	14.16	0.75
Construction	2.04	10.55	0.62
Entertainment	1.99	19.19	0.52
Food and Beverage	2.00	21.28	0.65
Lodging	1.83	12.43	0.45
Multifamily	1.13	6.17	0.26
Office	2.00	15.66	0.62
Other	1.91	20.91	0.66
Parking	2.26	26.51	0.52
Retail	1.91	15.13	0.54
Transportation	2.26	26.51	0.52

*Note: Total Output and Personal Earnings multipliers are applied one-to-one to dollars, whereas Employment multipliers are applied one-to-one to millions of dollars.
Source: RIMS II.*

9. ECONOMIC & FISCAL IMPACTS

TOTAL ECONOMIC IMPACT

The table to the right summarizes the net new economic impacts of a new ballpark as well as the proposed mixed-use development to the City of Jersey Village and Harris County.

As shown, over a period of construction and 30 years of operations, it is estimated that the project will generate approximately \$160.1 million in net new direct spending that will generate \$316.6 million in total output, 265 total jobs, and \$98.9 million in personal earnings to the City of Jersey Village.

Additionally, it is estimated that the project will generate approximately \$170.5 million in net new direct spending that will generate \$340.4 million in total output, 455 total jobs, and \$105.3 million in personal earnings to Harris County over the same time period.

It should be noted that economic impacts for operations of the project are necessarily higher for smaller measured economies. For example, the City has higher operational economic impacts than the County because some spending can be considered “net new” to the City but not “net new” to the County. For example, if someone who was looking to spend money on entertainment/sports, living in the County but outside of the City, attends a game and spends money on tickets and concessions, that revenue is “net new” to the City but not “net new” to the County. It should also be noted that economic impacts, for this reason, are not additive across catchment areas.

ECONOMIC IMPACT SUMMARY

Ballpark & Mixed-Use Development

Construction + 30-Year Operations Net Present Value

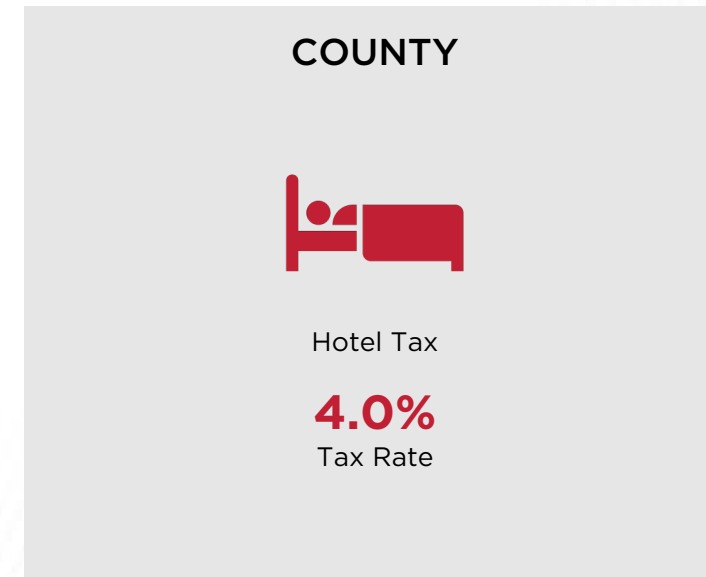
	City	County
Ballpark Impacts		
Direct Spending	\$88.1M	\$76.0M
Total Output	\$177.4M	\$153.3M
Jobs (FTEs)	85	105
Earnings	\$59.9M	\$50.9M
Mixed-Use District Impacts		
Direct Spending	\$72.0M	\$94.5M
Total Output	\$139.2M	\$187.1M
Jobs (FTEs)	180	350
Earnings	\$39.0M	\$54.3M
Total Impacts		
Direct Spending	\$160.1M	\$170.5M
Total Output	\$316.6M	\$340.4M
Jobs (FTEs)	265	455
Earnings	\$98.9M	\$105.3M

Note: Economic impacts are not additive across City and County.

9. ECONOMIC & FISCAL IMPACTS

APPLICABLE TAXES

In addition to the economic impacts expected to be generated by the construction and operations of the ballpark, the public sector will also benefit from increased tax revenues. In preparing estimates of fiscal impacts, tax revenues attributable to the net new direct, indirect, and induced spending generated by the ballpark were estimated. Tax revenues are based on the current applicable tax rates, so future changes in these rates would have an impact on the resulting tax collections. Taxes specific to the City of Jersey Village and Harris County are considered in this analysis and are shown below.



9. ECONOMIC & FISCAL IMPACTS

TOTAL FISCAL IMPACTS

The chart to the right depicts the estimated net new fiscal impacts of the ballpark and the surrounding mixed-use development to the City of Jersey Village and Harris County.

As shown, it is estimated that the ballpark and mixed-use development, over a period of construction and 30 years of operations, could generate \$26.6 million in fiscal impacts to the City of Jersey Village, of which \$19.9 million is attributable to property taxes, \$3.5 million is attributable to sales taxes, and \$3.2 million is attributable to hotel taxes.

Moreover, it is estimated that the ballpark and mixed-use development, over a period of construction and 30 years of operations, could generate \$63.1 million in fiscal impacts to Harris County, of which \$61.8 million is attributable to property taxes and \$1.3 million is attributable to hotel taxes.

FISCAL IMPACT SUMMARY		
<i>Construction + 30-Year Operations Net Present Value</i>		
	City	County
Ballpark Impacts		
Property Tax	--	--
Sales Tax	\$2.0M	--
Hotel Tax	\$0.3M	\$0.1M
Total	\$2.2M	\$0.1M
Mixed-Use Development Impacts		
Property Tax	\$19.9M	\$61.8M
Sales Tax	\$1.6M	--
Hotel Tax	\$3.0M	\$1.2M
Total	\$24.4M	\$63.0M
Total Impacts		
Property Tax	\$19.9M	\$61.8M
Sales Tax	\$3.5M	--
Hotel Tax	\$3.2M	\$1.3M
Total	\$26.6M	\$63.1M

Note: It is assumed that the ballpark is not subject to property tax due to public ownership.

9. ECONOMIC & FISCAL IMPACTS

NON-QUANTIFIABLE BENEFITS

In addition to the quantifiable benefits generated from the construction and operations of the Stadium, some benefits cannot be quantitatively measured. Potential qualitative benefits, among others, for the local area could include:



Expanding Jersey Village's ability to accommodate and attract various sports, entertainment, and other events



Additional entertainment options for local and regional residents, especially for young people who otherwise might leave the market



Providing the infrastructure to amplify voices of color and other socioeconomically-disadvantaged groups within the region through representation and ability to host a variety of community events



Enhancing community pride, self-image, exposure and reputation



Ability to participate in community-wide events and festivals



New premium seat offerings for area corporations to entertain clients and reward employees



Ability to market the Jersey Village area as a more global city



Additional opportunities for charitable endeavors by local businesses



New advertising opportunities for local businesses