



City of Cleburne Multipurpose Stadium Economic Impact Analysis

SUBMITTED TO

Barron Stark & Swift Consulting Engineers, LP

SUBMITTED BY

C.H. Johnson Consulting, Incorporated

July 7, 2015



**JOHNSON
CONSULTING**

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

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SECTION I
TRANSMITTAL LETTER

July 7, 2015

Mr. Charles Stark, PE, RPLS
Managing Partner
Barron Stark & Swift Consulting Engineers, LP
6221 Southwest Blvd, Ste. 100
Fort Worth, TX 76132

Re: City of Cleburne Multipurpose Stadium Economic Impact Analysis

Dear Mr. Stark:

Johnson Consulting is pleased to submit this report to Barron Stark & Swift Consulting Engineers, LP (“Client”) that analyzes the market and financial feasibility of a proposed multipurpose stadium in Cleburne, TX. This report also quantifies the total economic and fiscal impact the proposed stadium will have on the local community.

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

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

Sincerely,

C.H. JOHNSON CONSULTING, INC.

SECTION II
INTRODUCTION & EXECUTIVE SUMMARY

INTRODUCTION

In preparation for a special Fall 2015 bond election, the City of Cleburne is seeking a firm to provide an independent, economic impact analysis for a proposed multi-use professional baseball stadium as well as a multipurpose indoor amateur sports facility. This study provides a straightforward analysis that outlines the market opportunity and economic impact of the project to utilize as a tool when discussing potential funding options with the City.

OBJECTIVES OF THE STUDY

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

- To analyze the market viability of a proposed multipurpose minor league stadium in Cleburne, TX that includes a mixed-use real estate development project as well.
- To quantify the total economic and fiscal impact the proposed multipurpose stadium will have on the local community, as well as the ability of the multipurpose stadium to be a catalyst for economic development.

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

- **Section 3** - Presents an economic and demographic overview of Cleburne, TX and the regional market. The information in this section is an essential component in understanding the economic and market framework that will support a new stadium and Independent League expansion franchise.
- **Section 4** – Provides an overview of Independent Baseball leagues and also provides a breakdown of attendance tiers throughout the American Association of Independent Professional Baseball.
- **Section 5** - Includes a case study analysis of two stadiums in the American Association, four Frontier League stadiums and multiple affiliated minor league stadiums. Each case study breaks down the history of the stadium, its funding sources, event demand and, when applicable, program recommendations for the proposed stadium in Cleburne, TX. The other case studies identify scenarios where a stadium was a catalyst for economic development in the immediate area, as is hoped for the proposed multipurpose stadium in Cleburne.
- **Section 6** – Provides projections of attendance, number of events based on market potential, capture rates, and a comparable performance for the Cleburne Railroaders. This section also includes projections of economic and fiscal impacts of a multipurpose stadium in Cleburne. Specifically, this section projects the impacts of a proposed mixed-use development that includes a stadium and ancillary retail and entertainment development.

APPROACH / METHODOLOGY

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

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

ABOUT THE CONSULTING TEAM

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

TERMS OF ASSIGNMENT

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

EXECUTIVE SUMMARY

The completion of the Chisolm Trail Parkway will be critical for the growth of Cleburne over the next several years. The City's strategic location just outside Dallas-Fort Worth could allow it to become associated with the larger markets to the north of the City and benefit from the spill-over effect from cities such as Fort Worth and Arlington with the proper mixed-use developments. The Cleburne Station Project would be just the type of development that is needed in Cleburne.

Once developments like this occur, and Cleburne expands its reach throughout the region, the demographics of the area should improve as it becomes a more attractive community to live in and visit. A mixed-use real estate development that includes a new multipurpose stadium in Cleburne will be most beneficial for local residents in that it will provide additional family entertainment options and employment opportunities, while also providing a facility for numerous special events within the city.

An independent baseball league is a professional baseball organization that is not affiliated with either a Major League Baseball team. Independent teams are allowed to be located close to major league markets without the consent of the major league franchise. In many markets near major league teams there is a void for affordable professional sports entertainment. While affiliated minor league teams are prohibited from being located near existing major league teams, Independent League teams are able to fill that void and place their franchise in an existing major league market.

Johnson Consulting recommends the Cleburne Railroaders pursue membership in the American Association of Professional Baseball because of the proximity to existing teams in the league compared to other Independent Leagues. The American Association of Independent Professional Baseball, based in Durham, North Carolina, is a professional baseball league founded in 2005 and independent of Major League Baseball (MLB). It operates in the states of Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, and Texas, along with the Canadian province of Manitoba, mostly in cities not served by MLB teams or their minor league affiliates. The new league began play in 2006, with a 96-game schedule.

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

In terms of attendance, an Independent League team in Cleburne can expect to draw from approximately 25 miles which includes a population of over 690,000 residents and over 245,000 households, good for the 5th largest market in the league. The size of the market is important for establishing a fan base and for attracting sponsors. The more people there are in a particular market makes partnerships with corporations more likely.

The planned stadium in Cleburne is expected to have a total capacity for approximately 3,000 fans for baseball games. The breakdown for seating is detailed below:

- Fixed Seats: 2,500
- Grass Berm Seating: 500
- Premium/ Semi-Premium Seating
 - Premium Suites: 6-8 (Capacity 10-15 per suite)
 - Party Suites: 1 (Capacity 25 people)
- Turf Field

By installing artificial turf the stadium will be able to accommodate more special events during the offseason which will help increase utilization of the stadium as well as increase revenues. Additionally, and will be designed to accommodate a larger capacity for outdoor concerts, among other special events.

Given the parameters we examined Johnson Consulting projects an average attendance for Cleburne Railroader games to be approximately 1,650 per game. The stadium will offer a number of opportunities for community-based events throughout the year, thanks to the synthetic turf and luxury suites. All told, once operations stabilize in Year 3, the stadium can expect to host approximately 88 events with a total attendance of approximately 87,750. This will benefit the city of Cleburne by ultimately creating a need for additional retail development in close proximity to the stadium to serve the needs of visitors.

Table 2-1

Cleburne Baseball Stadium Summary of Events and Attendance						
Event Category	Worst Case		Base Case		Best Case	
	Events	Attendance	Events	Attendance	Events	Attendance
Year 1						
Independent League Baseball	48	64,800	48	71,280	48	82,080
College Baseball	5	675	10	1,350	15	2,025
High School Baseball	10	900	15	1,350	20	1,800
Concerts	0	0	1	3,150	2	7,200
Miscellaneous	5	4,500	10	9,000	15	13,500
Total	68	70,875	84	86,130	100	106,605
Year 2						
Independent League Baseball	48	58,320	48	64,800	48	75,600
College Baseball	5	675	10	1,350	15	2,025
High School Baseball	10	900	15	1,350	20	1,800
Concerts	1	2,700	2	6,300	3	10,800
Miscellaneous	6	5,400	11	9,900	16	14,400
Total	70	67,995	86	83,700	102	104,625
Year 3						
Independent League Baseball	48	58,320	48	64,800	48	75,600
College Baseball	5	675	10	1,350	15	2,025
High School Baseball	10	900	15	1,350	20	1,800
Concerts	2	5,400	3	9,450	4	14,400
Miscellaneous	7	6,300	12	10,800	17	15,300
Total	72	71,595	88	87,750	104	109,125

Source: Johnson Consulting

Johnson Consulting feels strongly that the development of the proposed Cleburne Multipurpose stadium will be a successful if it built in conjunction with the Sports Complex. This development will likely serve as a catalyst to spur new development and entertainment in the City of Cleburne as it grows and expands. The synergies between the proposed stadium development and the proposed Sports Complex combined offers a unique opportunity for the City of Cleburne and its tourism base as it relates to the ever growing sports tourism market. Combined, the multipurpose stadium and sports complex could expect to generate an additional \$13.32 million in Total Spending with \$3.29 million in increased earnings.

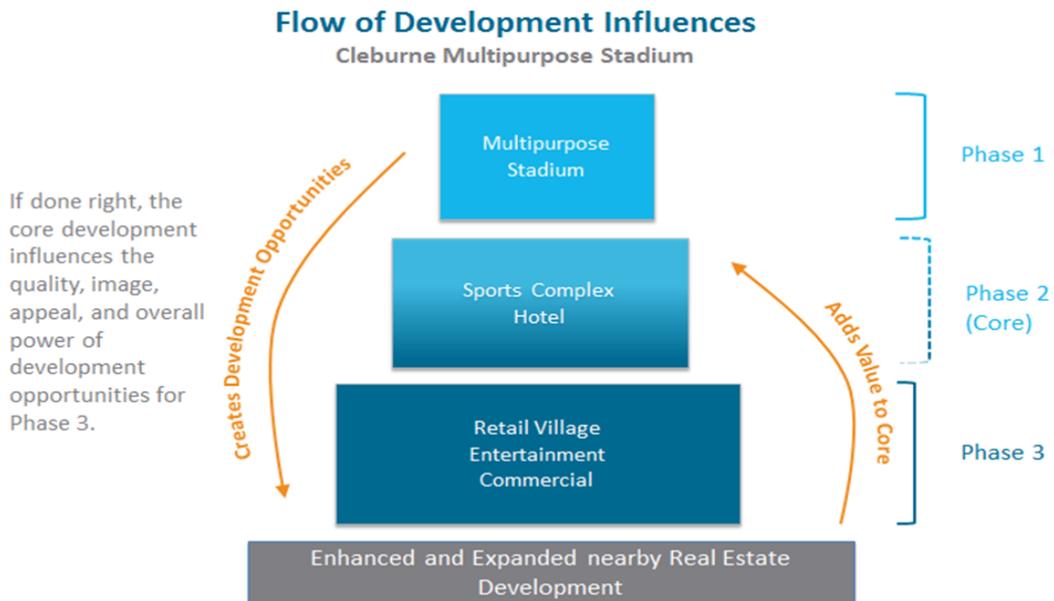
Table 2-2

Cleburne Multipurpose Stadium Development Combined Estimated Annual Economic Impact (\$Millions)			
	Multiplier*	Baseball Stadium	Combined
Direct Spending		\$8.20	\$9.87
Indirect Spending	0.20	1.64	1.97
Induced Spending	0.15	1.23	1.48
Total Spending		\$11.07	\$13.32
Increased Earnings	0.33	\$2.73	\$3.29

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

It should be noted that the impact figures in this section do not account for the additional revenues expected to be generated by the adjacent developments the Multipurpose Stadium and Sports Complex will likely attract, or the increase in local property values that would incur from such a development. Additionally, the supplemental nature of the two facilities were quantified in our analysis, as the two combined will leverage one another for additional and larger events at each, beginning to make the City of Cleburne a sports tourism destination.

Figure 2-1



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

SECTION III
ECONOMIC AND DEMOGRAPHIC ANALYSIS

ECONOMIC AND DEMOGRAPHIC ANALYSIS

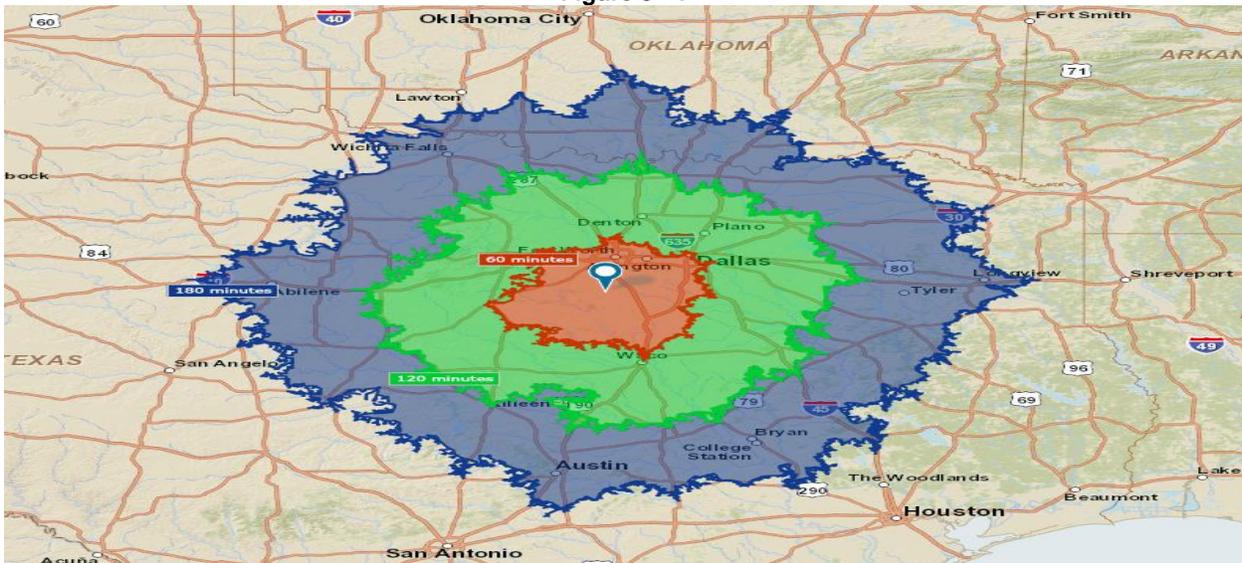
In order to analyze the market opportunity for the proposed Cleburne Station Project, Johnson Consulting undertook a comprehensive review of market conditions in the City of Cleburne relative to the Dallas-Fort Worth-Arlington Metropolitan Statistical Area (MSA), Johnson County, the State of Texas, and the United States. Additionally, we gathered information on specific drive-times from the proposed site of the multipurpose stadium and mixed-use development to better understand the demographics and population base within specific catchments of 10-miles, 25-miles and 45-miles. The key objectives of this analysis are to identify structural factors, opportunities and weaknesses that may affect the market's ongoing competitive situation, and to gauge the level of support that exists for the franchise.

While characteristics such as population, employment and income are not strict predictors of the performance of sports franchises, these metrics provide insight into the capacity of a market to provide ongoing support for an organization. We can also use these metrics to determine whether an area is able to capitalize on a new multipurpose stadium by adding new development, or revitalizing vacant retail/commercial locations. In addition, the size and role of a marketplace, its civic leadership, proximity to other metropolitan areas, transportation concentrations, economic deal structure and management expertise and the location of competing and/or complementary attractions, directly influence the scale and quality of what can be supported within that particular market.

MARKET OVERVIEW

Situated in northeast Texas, Cleburne has an area of 30.5 square miles. Cleburne is the county seat for Johnson County and the climate is characterized by hot, humid summers and generally mild to cool winters. It is strategically located within a 40-minute drive time of Fort Worth, a 50-minute drive time of Arlington, and a 60-minute drive time of Dallas. Figure 3-1 shows the location of Cleburne, TX and approximate drive-times of 60, 120 and 180 minutes.

Figure 3 - 1



SUBJECT SITE

The Cleburne Station Project, which includes a proposed multipurpose stadium and mixed-use development, is planned to be located at the cross-section of US-67 and Chisholm Trail Parkway. The site is comprised of approximately 74 acres and is located approximately 29 miles and 51 miles from the city centers of Fort Worth and Dallas, TX, respectively. The following figure shows the location of the proposed development.

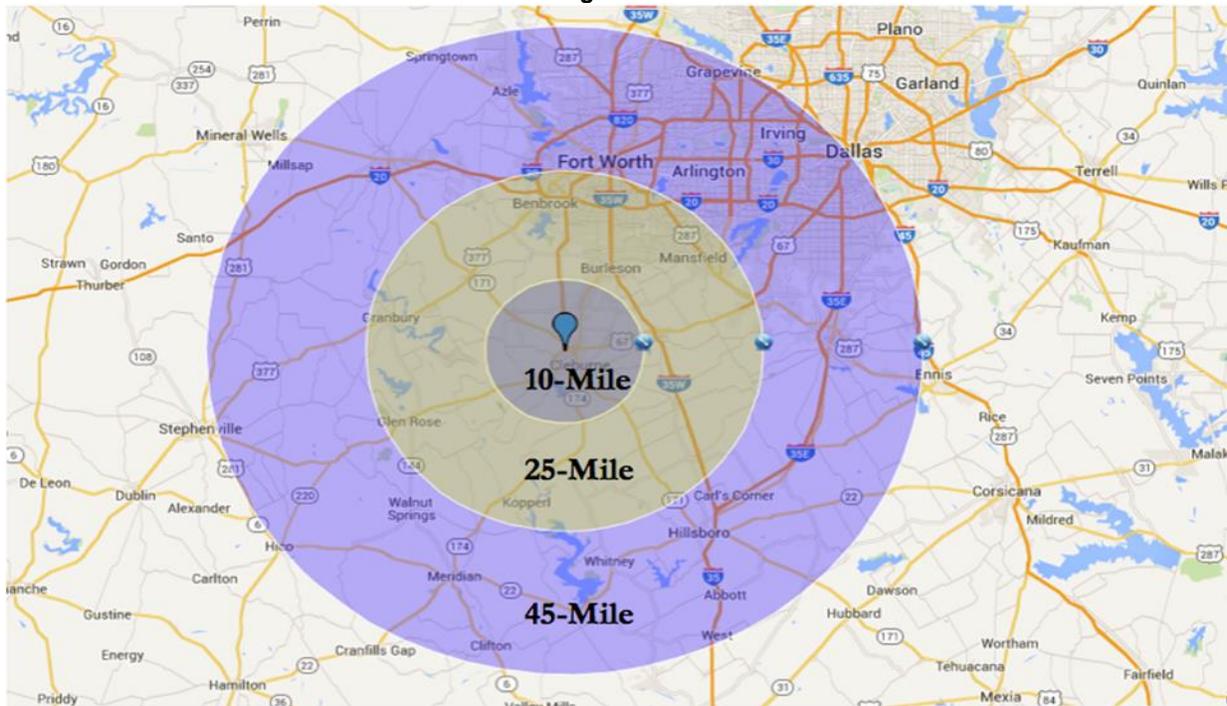
Figure 3 - 2



KEY INDICATORS

As noted above, the following economic and demographic analysis considers statistics for the City of Cleburne and Dallas-Fort Worth-Arlington MSA, relative to State and national averages, as well as in the region surrounding Cleburne City, measured at 10-, 25- and 45-mile radii. The following figure shows these defined catchment areas.

Figure 3–3



CURRENT POPULATION

In 2015, the City of Cleburne has an estimated resident population of 29,978 persons, representing 0.21 percent of the total population of the Dallas-Fort Worth-Arlington MSA, with a total of 6,888,007 people. Between 2010 and 2015, the population of Cleburne increased at an average annual rate of growth of 0.4 percent, which is lower than the rate of growth observed throughout the MSA (1.4 percent per annum), Texas (1.4 percent), Johnson County (1.3 percent) and the U.S. as a whole (0.6 percent). The following table shows historic and current population in the Cleburne City, Johnson County, the MSA, Texas and the U.S., along with those recorded within the proposed location defined catchment areas.

Table 3-1

Historic & Current Population - Cleburne, TX (2000-2015)								
	Cleburne	Johnson County	Dallas MSA	Texas	U.S.	Proximate Population*		
						10-Mile	25-Mile	45-Mile
2000	26,246	126,811	5,204,219	20,851,820	281,421,906	62,934	498,818	2,585,327
2010	29,337	150,934	6,426,214	25,145,561	308,745,538	69,914	651,894	3,128,718
2015	29,978	160,881	6,888,007	26,964,627	318,536,439	71,944	693,989	3,319,820
% Growth (2010-2015)	2.2%	6.6%	7.2%	7.2%	3.2%	2.9%	6.5%	6.1%
CAGR** (2010-2015)	0.4%	1.3%	1.4%	1.4%	0.6%	0.55%	1.20%	1.07%

*Measured from projected stadium location

**Compounded Annual Growth Rate

Sources: Esri ArcGIS BAO, Johnson Consulting

The 2015 estimated resident population within a 10-mile radius of the proposed location is 71,944 persons, increasing to 693,989 within 25-mile radius, and to 3,319,820 within a 45-mile radius. Between 2010 and 2015, the resident population of the 10-mile catchment area increased at an average annual rate of 0.55 percent, while the populations within the 25- and 45-mile catchment areas increased at an average annual rate of 1.20 and 1.07 percent per annum respectively.

PROJECTED POPULATION GROWTH

Going forward, the population for the City of Cleburne is projected to increase to 30,909 in 2020, which would be a 3.1 percent increase from 2015. This rate is lower than the expected growth rate in Johnson County (6.5 percent), MSA (8.1 percent), Texas (7.8 percent) and the U.S. (3.8 percent). In 2020, the population within a 10-mile catchment area is projected to increase to 74,940 (4.2 percent increase), while the 25-mile radius population is expected to reach 742,475 (7.0 percent increase) and the 45-mile radius population is projected to be 3,537,850 (6.6 percent increase). It is important to note, that both the MSA and Johnson County are projected to grow at a rate nearly double the national average of 3.8 percent. This type of development could help lure new residents to the City of Cleburne from surrounding areas. Additionally, this projected regional growth can become a major feeder to the proposed development, especially with the accessibility of the Chisholm Trail Parkway.

Table 3-2

Projected Population Growth - Cleburne, TX (2015-2020)								
	Cleburne	Johnson County	Dallas MSA	Texas	U.S.	Proximate Population*		
						10-Mile	25-Mile	45-Mile
2015	29,978	160,881	6,888,007	26,964,627	318,536,439	71,944	693,989	3,319,820
2020	30,909	171,395	7,448,063	29,078,165	330,622,575	74,940	742,475	3,537,850
% Growth (2015-2020)	3.1%	6.5%	8.1%	7.8%	3.8%	4.2%	7.0%	6.6%
CAGR** (2015-2020)	0.6%	1.3%	1.6%	1.5%	0.7%	0.82%	1.36%	1.28%

*Measured from projected stadium location

**Compounded Annual Growth Rate

Sources: Esri ArcGIS BAO, Johnson Consulting

AGE CHARACTERISTICS

The age characteristics of Cleburne are generally consistent with those of the State. Cleburne comprises a higher percentage of older residents aged 50 and above (31.0 percent) than Texas (29.5 percent) and the MSA (28.2 percent). The City of Cleburne also has a higher proportion of children aged less than 20 years, accounting for 29.7 percent of the population compared to 29.3 percent of the MSA population, 29.2 percent of the State, and 25.8 percent of the national population. Cleburne’s largest segments of the population is middle-age adults aged 25-49 (32.3 percent), although it is slightly lower than that of the Dallas MSA (35.4 percent), Texas (33.9 percent), and the nation (32.5).

Table 3-3

Age Distribution - Cleburne, TX (2015)					
	United States	Texas	Dallas-Ft. Worth- Arlington, TX MSA	Johnson County, TX	Cleburne City, TX
0-4	6.3%	7.5%	7.4%	6.8%	8.0%
5-9	6.5%	7.5%	7.5%	7.0%	7.7%
10-14	6.5%	7.3%	7.5%	7.4%	7.3%
15-19	6.5%	6.9%	6.9%	6.9%	6.7%
20-24	7.2%	7.5%	7.1%	6.4%	6.7%
25-29	6.8%	7.3%	7.2%	6.4%	7.1%
30-34	6.7%	7.2%	7.3%	6.5%	6.9%
35-39	6.2%	6.6%	7.0%	6.2%	6.1%
40-44	6.4%	6.6%	7.2%	6.6%	6.3%
45-49	6.4%	6.2%	6.7%	6.6%	5.9%
50-54	7.0%	6.5%	6.8%	7.2%	5.8%
55-59	6.9%	6.1%	6.1%	6.9%	5.7%
60-64	5.9%	5.1%	4.9%	5.7%	5.1%
65-69	5.0%	4.2%	3.9%	5.0%	4.7%
70-74	3.6%	2.9%	2.6%	3.4%	3.4%
75-79	2.5%	2.0%	1.7%	2.3%	2.5%
80-84	1.8%	1.4%	1.1%	1.4%	1.8%
85+	1.9%	1.3%	1.1%	1.2%	2.0%
Total	318,536,439	26,964,627	6,888,007	160,881	29,978

* Measured from proposed stadium site

Sources: Esri ArcGIS BAO, Johnson Consulting

MEDIAN AGE

The 2015 median age of residents of the City of Cleburne is 34.5 years, which is slightly older than figures recorded for the MSA (34.4 years) and Texas (34.3), but lower than Johnson County (37.1) and the U.S. (37.9). The table below shows median age characteristics of the defined study geographic, as well as 10-mile, 25-mile and 45-mile radius of the proposed multipurpose stadium site. The median age of residents of the City of Cleburne is expected to increase to 35.1 years by 2020.

The median age in Cleburne indicates a large number of middle-aged residents who are likely to have younger children. Minor League baseball is considered family-friendly entertainment, and these figures bode well for a new franchise, as well as mixed-use real estate that could include family entertainment and a sports complex.

Table 3 - 4

Median Age - Cleburne, TX (2010-2020)								
	Cleburne	Johnson County	Dallas MSA	Texas	U.S.	Proximate Population*		
						10-Mile	25-Mile	45-Mile
2010	34.0	36.2	33.6	33.6	37.1	36.4	34.8	33.5
2015	34.5	37.1	34.4	34.3	37.9	37.3	35.5	34.2
2020	35.1	37.5	34.8	34.9	38.6	38.1	35.9	34.6
Growth (2010-2015)	0.50	0.90	0.80	0.70	0.80	0.90	0.70	0.70
Growth (2015-2020)	0.60	0.40	0.40	0.60	0.70	0.80	0.40	0.40

*Measured from proposed stadium site

Sources: Esri ArcGIS BAO, Johnson Consulting

EDUCATIONAL ATTAINMENT

The higher educational attainment level in the City of Cleburne is lower than that of the comparable metrics we studied. Approximately 11.6 percent of Cleburne residents have a Bachelor's Degree, compared to 22.3 percent in the MSA, 18.6 percent in Texas and 18.6 in the U.S. Throughout the defined 10-, 25- and 45- mile catchment areas from the proposed stadium, educational attainment mirrors that in the City of Cleburne, with the highest proportions of residents having a high school degree and some college, but no college degree. The following table shows an overview of educational attainment levels within each of study geographies.

Table 3-5

Educational Attainment (Age 25+) - Cleburne, TX (2015)																
	Cleburne		Dallas MSA		Johnson County		Texas		U.S.		Proximate Population*					
											10-Mile	25-Mile	45-Mile			
Less than High School	1,768	9.3%	315,429	7.2%	6,322	6.0%	1,523,989	8.9%	12,199,528	5.7%	2,413	7.1%	13,694	5.2%	139,310	7.6%
9th-12th Grade	2,433	12.8%	346,096	7.9%	10,432	9.9%	1,523,989	8.8%	16,052,011	7.5%	3,977	11.7%	21,858	8.3%	163,140	8.9%
High School Graduate	4,657	24.5%	823,620	18.8%	27,291	25.9%	1,506,866	20.4%	50,510,328	23.6%	8,667	25.5%	65,838	25.0%	390,436	21.3%
GED/ Alternative Credential	1,502	7.9%	166,476	3.8%	7,587	7.2%	3,493,189	4.8%	8,775,099	4.1%	2,685	7.9%	15,538	5.9%	86,153	4.7%
Some College, No Degree	4,334	22.8%	981,334	22.4%	27,712	26.3%	821,927	22.5%	44,945,631	21.0%	8,531	25.1%	67,945	25.8%	450,926	24.6%
Associates Degree	1,388	7.3%	284,762	6.5%	7,376	7.0%	3,852,782	6.5%	17,550,199	8.2%	2,481	7.3%	18,698	7.1%	124,646	6.8%
Bachelor's Degree	2,205	11.6%	976,953	22.3%	13,171	12.5%	1,113,026	18.6%	39,808,987	18.6%	3,875	11.4%	41,083	15.6%	328,113	17.9%
Graduate/ Professional Degree	760	4.0%	486,286	11.1%	5,479	5.2%	3,184,966	9.5%	24,399,057	11.4%	1,326	3.9%	19,225	7.3%	150,309	8.2%
TOTAL	19,010		4,380,957		105,370		17,123,475		214,026,813		33,989		263,351		1,833,032	

*Measured from proposed stadium site

Sources: Esri ArcGIS BAO, Johnson Consulting

EMPLOYMENT

In 2014, which is the most recent year that data available, the prominent industry of employment in Johnson County was Service-Providing (38.8 percent), followed by Trade, Transportation and Utilities (12.4 percent), Good Producing (11.2 percent) and Professional and Business Services (6.6 percent). During the same period, the largest decreases in employment was recorded in Information (-6.5 percent) and Manufacturing (-3.4 percent). The following table provides employment information by sector in Johnson County, Texas.

Table 3 - 6

Non-Farm Employment by Industry - Johnson County (2013-2014)			
	2013	2014	Growth Rate 2013-2014
Goods Producing	596	617	3.5%
<i>% of Total</i>	11.1%	11.2%	
Natural Resources & Mining	87	86	(1.1%)
<i>% of Total</i>	1.6%	1.6%	
Construction	338	353	4.4%
<i>% of Total</i>	6.3%	6.4%	
Manufacturing	172.0	178.0	(3.4%)
<i>% of Total</i>	3.2%	3.2%	
Service Providing	2,095	2,142	2.2%
<i>% of Total</i>	38.9%	38.8%	
Trade Transportation Utilities	664	682	2.7%
<i>% of Total</i>	12.3%	12.4%	
Information	31	29	(6.5%)
<i>% of Total</i>	0.6%	0.5%	
Financial Activities	273	267	(2.2%)
<i>% of Total</i>	5.1%	4.8%	
Professional and business servic	354	362	2.3%
<i>% of Total</i>	6.6%	6.6%	
Education and health services	275	312	13.5%
<i>% of Total</i>	5.1%	5.7%	
Leisure & Hospitality	248	245	(1.2%)
<i>% of Total</i>	4.6%	4.4%	
Other Services	244	237	(2.9%)
<i>% of Total</i>	4.6%	4.4%	
Unclassified	7	9	28.6%
<i>% of Total</i>	0.1%	0.2%	
TOTAL	5,384	5,519	2.5%

Sources: Esri BAO, Johnson Consulting

UNEMPLOYMENT

The following table shows the annual unemployment rates for Cleburne, the MSA, Johnson County, Texas and the U.S., for the period of 2005 through 2014 (where available). Since 2010, Cleburne has similar rates of unemployment with Texas, as well as the MSA. In 2014, Cleburne had an unemployment rate of 5.1 percent, which is below the national rate, but slightly higher than that rate in Texas (4.6 percent). This continues the downward trend observed across the nation as the economy continues to rebound from the economic downturn.

Table 3 - 7

Unemployment Rate - Cleburne (2005-2014)										
	Cleburne		MSA		Johnson County		Texas		U.S	
2005	-	-	-	-	-	-	5.3%	-	5.1%	-
2006	-	-	-	-	-	-	4.4%	(0.9)	4.6%	(0.5)
2007	-	-	-	-	-	-	4.3%	(0.1)	4.6%	0.0
2008	-	-	-	-	-	-	5.8%	1.5	5.8%	1.2
2009	-	-	-	-	-	-	8.3%	2.5	9.3%	3.5
2010	8.8%	-	8.1%	-	8.7%	-	8.0%	(0.3)	9.6%	0.3
2011	7.8%	(1.0)	7.6%	(0.5)	7.7%	(1.0)	7.2%	(0.8)	8.9%	(0.7)
2012	6.6%	(1.2)	6.6%	(1.0)	6.6%	(1.1)	6.3%	(0.9)	8.1%	(0.8)
2013	6.1%	(0.5)	6.0%	(0.6)	6.1%	(0.5)	5.6%	(0.7)	7.4%	(0.7)
2014	5.1%	(1.0)	5.0%	(1.0)	5.4%	(0.7)	4.6%	(1.0)	6.2%	(1.2)

Sources: Bureau of Labor Statistics, Johnson Consulting

HOUSEHOLD INCOME

The 2015 median household income is estimated to be \$48,166 per annum, which is lower than the MSA (\$61,302), the County (\$60,042), the State (\$53,616) and the U.S (\$53,217). Within the defined catchment areas, the median household income range from a high of \$60,386 per annum within 25-mile radius, to \$54,235 with the 10- mile radius, which is generally in line with the national average.

Table 3 - 8

Median Household Income - Cleburne, TX (2015-2020)								
	Cleburne	Johnson County	Dallas MSA	Texas	U.S	Proximate Population*		
						10-Mile	25-Mile	45-Mile
2015	\$48,166	\$60,042	\$61,302	\$53,616	\$53,217	\$54,235	\$60,386	\$54,384
2020 (Projected)	\$53,638	\$69,739	\$72,696	\$61,681	\$60,683	\$61,474	\$71,173	\$62,429
CAGR** (2015-2020)	2.2%	3.0%	3.5%	2.8%	2.7%	2.5%	3.3%	2.8%

*Measured from proposed stadium site

**Compounded Annual Growth Rate

Source: Esri ArcGIS BAO, Johnson Consulting

Going forward, the median household income in Cleburne is projected to increase to \$53,638 by 2020, representing an average annual rate of increase of 2.2 percent over 2015. This rate of growth is generally in line with those projected throughout Texas (2.8 percent per annum) and the U.S. (2.7 percent), with the median household income in the Dallas MSA projected to grow at a significantly faster rate of 3.5 percent per annum, reaching \$79,696 in 2020. Growth within the catchment areas is projected to occur at rates that are consistent with the City, State and nation. The following table shows the median household income within each of the defined study geographies.

CORPORATE PRESENCE

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

The following table shows the largest private employers throughout the City of Cleburne as provided by the Cleburne Chamber of Commerce. As shown, the largest employers are concentrated within the education and retail industries.

Table 3-9

Largest Employers - Cleburne, TX		
Employer	Industry	Employees
Cleburne Independent School District	Education	964
Walmart Distribution Center	Retail	833
Johnson County	Government	601
Texas Health Resources Hospital	Healthcare	431
Walmart Supercenter	Retail	425
Johns Manville Group	Manufacturing	356
City of Cleburne	Government	348
Hill College	Education	225
Supreme Corp. of Texas & Supreme Armored	Vehicles	258
James Hardie Building Products	Building Products	256
LaSalle Southwest Corrections	Facility Management	225
Tuttle & Turtle Trucking	Trucking Services	175
Greenbrier Rail Services	Repair & Refurbish Railcars	220
Chesapeake Energy	Energy	125
HEB	Retail	120
Technical Chemical Company Automotive	Products Packaging	181
Techlight/Horizon Manufacturing, Inc	Commercial Lighting & Fixtures	130
Lowes Home Improvement Center	Retail Building Products Store	120

Sources: Cleburne Chamber and Johnson Consulting

LOCAL FACILITIES

- **Brazos Exhibit Hall:** The exhibit hall is the largest of the meeting rooms at the Cleburne Conference Center. It offers 10,300 square feet of usable space. The room is ideal for large banquets up to 680 people. Additionally, it can be set up theater style to accommodate 1,472 attendees for large seminars and general sessions for conferences, or booths for a trade show. The floor is sealed concrete and can be dress up or down depending on the event. The hall offers a prep kitchen, two overhead projectors and drop-down screens.
- **Cleburne Conference Center:** The newly constructed Cleburne Conference Center has 45,000 square feet and can host retreats, conferences, family reunions, wedding receptions, birthday parties and many other types of gatherings. The new venue includes a 297-seat performing arts center that can be used for general sessions or seminars. There is also a 5,250 sq. ft. senior center adjacent to the facility.
- **Cleburne Sports Complex:** The 90-acre site, located in Southeast Cleburne, is the largest single park in the City of Cleburne. The park consists of seven baseball / softball fields, 20 soccer fields, and two football fields. Added attractions include two playgrounds, batting cages, four pavilions, scoreboards, as well as lights on several fields.
- **Splash Station:** The waterpark offers three waterslides, a lazy river, whirlpool, a rock wall over the pool, free swim in the competition size pool, diving well, concession stand and gift shop.

UNIVERSITY AND COLLEGE PRESENCE

The following universities and colleges are located within the Cleburne area, as well as its surroundings which could offer unique partnerships for the proposed stadium:

- Hill College:** Hill College Johnson County campus is an extension of the main campus in Hillsboro, TX. Today, the Johnson County Campus consists of 32 acres of land overlooking Lake Cleburne and has more than 1,000 students enrolled in both day and night classes.

In addition to Hill College campus, there are several colleges and universities throughout the Dallas-Fort Worth-Arlington MSA. College students are a potentially large market for a multipurpose stadium as they could be attracted to games, as well as concerts. A sample of schools is shown in Table 3-10.

Table 3 - 10

Colleges and Universities Dallas-Fort Worth-Arlington Region	
Institution	City
Arlington Baptist College	Arlington
Criswell College	Dallas
Dallas Baptist University	Dallas
Mountain Lake College	Dallas
Northwood University	Irving
Parker University	Cedar Hill
Paul Quinn College	Dallas
Richland College	Dallas
Southern Methodist University	Dallas
Southwest Adventist University	Dallas
Texas Christian University	Keene
Texas Wesleyan University	Fort Worth
University of Dallas	Fort Worth
University of North Texas at Dallas	Dallas
University of Texas at Arlington	Arlington
*Measured from proposed stadium site	
Source: Johnson Consulting	

ACCESSIBILITY

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

- **Airport:** Cleburne Regional Airport is located approximately 3 miles northwest of the Central Business District of Cleburne City. The 520- acre airport is owned by city and can be used by the public. Another major airport located nearby the city is listed below:
 - **Dallas-Fort Worth International Airport:** The airport is the largest hub of American Airlines, as well as the primary international airport serving Dallas area. The City of Cleburne is located approximately 60 miles away from Dallas Fort Worth International Airport.
 - **Dallas Love Field:** Located approximately 55 miles from Cleburne, Love Field Love Field is served by Southwest Airlines, Virgin America Airlines, United Airlines, Seaport Airlines and Delta Airlines.
- **Road:** Cleburne is also readily accessible via Highway 67, 171 and 174. The newly built Chisholm Trail Parkway runs 27.6 miles and connects the business district of Fort Worth to US 67 in Cleburne.



HOTEL INVENTORY

There are 12 lodging properties within a five mile radius of the proposed site, offering a total of approximately 687 rooms, with a drive time of approximately five minutes. The La Quinta Inn & Suites is the closest hotel facility to the proposed location (2-miles), followed by the American Inn Cleburne (2.1-miles). There is also a hotel development planned as part of the mixed-use development. The largest lodging facilities are the 80-room Hampton Inn & Suites and Comfort Inn & Suites. The following table summarizes the inventory of hotel properties surrounding the proposed location.

Table 3-11

Lodging Inventory - Cleburne, TX (2015)			
Hotel	Guest Rooms	Meeting Space (SF)	Distance (miles)*
La Quinta Inn & Suites Cleburne	62	-	2
American Inn Cleburne	40	-	2.1
Days Inn & Suites	46	-	2.3
Sagamar Inn	28	-	2.3
Comfort Inn & Suites	80	726	2.4
Best Western Smithfield Inn	58	-	3.1
Motel 6	79	-	3.2
Delux Inn	42	-	3.2
Holiday Inn Express & Suites	74	806	3.3
Liberty Hotel	50	-	3.7
Best Way Inn	48	-	4.2
Hampton Inn & Suites Cleburne	80	1250	4.4
Total	687	2,782	

**Measured from proposed stadium site*

Source: Johnson Consulting

SUMMARY

The completion of the Chisolm Trail Parkway will be critical for the growth of Cleburne over the next several years. The City's strategic location just outside Dallas-Fort Worth could allow it to become associated with the larger markets to the north of the City and benefit from the spill-over effect from cities such as Fort Worth and Arlington with the proper mixed-use developments. The Cleburne Station Project would be just the type of development that is needed in Cleburne.

Once developments like this occur, and Cleburne expands its reach throughout the region, the demographics of the area should improve as it becomes a more attractive community to live in and visit. A mixed-use real estate development that includes a new multipurpose stadium in Cleburne will be most beneficial for local residents in that it will provide additional family entertainment options and employment opportunities, while also providing a facility for numerous special events within the city.

SECTION IV
COMPARATIVE MARKET ANALYSIS & DEMAND PROJECTIONS



COMPARATIVE MARKET ANALYSIS & DEMAND PROJECTIONS

Examining certain characteristics of a particular market can help to properly assess that market's ability to support a sports franchise. Those characteristics include: City population, number of households per seat, number of corporations per seat in the region, stadium size, attendance and median household income. These indicators will help understand if a market is large enough and has enough disposable income to attend a game. The number of corporations in the region is important to determine premium suites sales and sponsorship revenue.

INDEPENDENT LEAGUE OVERVIEW

An independent baseball league is a professional baseball organization that is not affiliated with either a Major League Baseball team. Independent teams are allowed to be located close to major league markets without the consent of the major league franchise. In many markets near major league teams there is a void for affordable professional sports entertainment. While affiliated minor league teams are prohibited from being located near existing major league teams, Independent League teams are able to fill that void and place their franchise in an existing major league market.

The Independent Professional Baseball Federation (IPBF) is an association of the four longest-running Independent Leagues: the American Association, Atlantic League, Can-Am League, and Frontier League. The IPBF was created to coordinate marketing and baseball operations between the four leagues, which have played a combined 58 seasons. The Frontier League began play in 1993, followed by the Atlantic League in 1998, the Can-Am League in 2005, and the American Association in 2006.

The leagues currently include 42 members in 18 states and three Canadian provinces. For the 2014 season, the leagues combined to draw over 6,000,000 fans and the four leagues have developed 31 new ballparks for Independent Baseball along with overseeing renovations at historic ballparks such as Evansville's Bosse Field (the 3rd oldest stadium in professional baseball) and Quebec's Le Stade Municipal (opened in 1939).

Table 4-1 provides a list of existing Independent Leagues and the organizations in each league.

Table 4-1

Independent Leagues & Teams		
Franchise	Location	Founded
American Association of Independent Professional Baseball		
Amarillo Thunderheads	Amarillo, TX	2010
Fargo - Moorehead Redhawks	Fargo, ND	1996
Gary Southshore Railcats	Gary, IN	2001
Grand Praire Airhogs	Grand Praire, TX	2007
Joplin Blasters*	Joplin, MO	2015
Kansas City T-Bones	Kansas City, KS	2003
Laredo Lemurs	Laredo, TX	2012
Lincoln Saltdogs	Lincoln, NE	2001
Sioux City Explorers	Sioux City, IA	1993
Sioux Falls Canaries	Sioux Falls, SD	1993
St. Paul Saints	St. Paul, MN	1993
Wichita Wingnuts	Wichita, KS	2008
Winnipeg Goldeyes	Winnipeg, CA-MB	1994
Atlantic League of Professional Baseball		
Lancaster Barnstormers	Lancaster, PA	2005
Southern Maryland Blue Crabs	Waldorf, MD	2008
Sugar Land Skeeters	Sugar Land, TX	2012
York Revolution	York, PA	2007
Bridgeport Bluefish	Bridgeport, CT	1998
Camden Riversharks	Camden, NJ	2001
Long Island Ducks	Central Islip, NY	2000
Somerset Patriots	Bridgewater, NJ	1998
Virginia Beach Neptunes	Virginia Beach NJ	2015
Canadian American Association of Professional Baseball		
New Jersey Jackals	Little Falls, NJ	1998
Ottawa Champions	Ottawa, ON	2015
Quebec Capitales	Quebec City, QC	1999
Rockland Boulders	Ramapo, NY	2011
Sussex County Miners	Augusta, NJ	2015
Troi-Rivieres Aigles	Troi-Rivieres, QC	2013
Frontier League		
Evansville Otters	Evansville, IN	1995
Florence Freedom	Florence, KY	2003
Frontier Greys*	n/a	2013
Gateway Grizzlies	Sauget, IL	2001
Joliet Slammers	Joliet, IL	2011
Lake Erie Crushers	Avon, OH	2009
Normal CornBelters	Normal, IL	2009
River City Rascals	O'Fallon, MO	1999
Rockford Aviators	Rockford, IL	2002
Schaumburg Boomers	Schaumburg, IL	2011
Southern Illinois Miners	Marion, IL	2007
Traverse City Beach Bums	Traverse City, MI	2006
Washington Wild Things	Washington, PA	2002
Windy City ThunderBolts	Crestwood, IL	1999

* Frontier Greys are a permanent travel team with no home stadium

Source: Johnson Consulting, League websites



AMERICAN ASSOCIATION OF INDEPENDENT PROFESSIONAL BASEBALL

The American Association of Independent Professional Baseball, based in Durham, North Carolina, is a professional baseball league founded in 2005 and independent of Major League Baseball (MLB). It operates in the states of Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, and Texas, along with the Canadian province of Manitoba, mostly in cities not served by MLB teams or their minor league affiliates. The new league began play in 2006, with a 96-game schedule.

ATLANTIC LEAGUE OF PROFESSIONAL BASEBALL

The Atlantic League of Professional Baseball is a professional, independent baseball organization located primarily in the Mid-Atlantic and Northeastern United States, especially the greater metropolitan areas of the Northeast megalopolis. It operates in cities not served by Major or Minor League Baseball teams and is not affiliated with either. The Atlantic League requires cities to have the market for a 4,000 to 7,500-seat ballpark and for the facility to be maintained at or above AAA standards.

CANADIAN AMERICAN ASSOCIATION OF PROFESSIONAL BASEBALL

The Canadian American Association of Professional Baseball (Can-Am League) is a professional, independent baseball league based in Durham, North Carolina. The league was founded in 2005 after the Northeast League, its predecessor, underwent a re-organization. The Can-Am League operates in cities not directly served by Major or Minor League teams and is not affiliated with either. As of 2015, six teams play in the Can-Am League and are located in Ottawa, Ontario; Quebec City, Quebec; Trois-Rivieres, Quebec; Pomona, New York; Little Falls, New Jersey; and Augusta, New Jersey.

FRONTIER LEAGUE

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

Due to the current layout and certain membership goals of the Atlantic League of Professional Baseball and the Can-Am League – namely that they operate in markets not served by existing major league or minor league teams and stadium size requirements – the Cleburne Railroaders should focus on the American Association of Independent Professional Baseball or the Frontier League. After viewing the market map for each franchise (Figures 4-1 and 4-2), as well as the distance chart for the American Association league (Table 4-2) Johnson Consulting recommends the Cleburne Railroaders pursue membership in the American Association of Professional Baseball. Proximity to other league franchises is a key expense component for minor league teams, especially Independent League teams with tight budgets. Traveling throughout the

Figure 4-2



Table 4-2

American Association League Mileage Chart														
	AMA	CLE	Fargo	Gary	GP	JOP	KC	LAR	LINC	SP	SC	SF	WICH	WIN
Amarillo	-	373	1,002	1,055	354	477	595	632	598	1,045	743	782	369	1,218
Cleburne	373	-	1,107	1,014	52	405	583	397	668	1,021	784	869	391	1,325
Fargo	1,002	1,107	-	674	1,085	758	599	1,465	477	247	331	243	727	219
Gary	1,055	1,014	674	-	979	586	533	1,396	539	433	545	606	714	892
Grand Prairie	354	52	1,085	979	-	363	547	443	637	954	753	841	364	1,297
Joplin	477	405	758	586	363	-	157	779	352	595	429	519	185	974
Kansas City	595	583	599	533	547	157	-	959	192	453	269	358	189	814
Laredo	632	397	1,465	1,396	443	779	959	-	1,053	1,410	1,180	1,245	781	1,682
Lincoln	598	668	477	539	637	352	192	1,053	-	438	155	240	279	690
St. Paul	1,045	1,021	247	433	954	595	453	1,410	438	-	300	270	640	463
Sioux City	743	784	331	545	753	429	269	1,180	155	300	-	85	398	546
Sioux Falls	782	869	243	606	841	519	358	1,245	240	270	85	-	489	458
Wichita	369	391	727	714	364	185	189	781	279	640	398	489	-	939
Winnipeg	1,218	1,325	219	892	1,297	974	814	1,682	690	463	546	458	939	-
Average	711	691	687	767	667	506	481	1,032	486	636	501	539	497	886

Source: Johnson Consulting, American Association of Independent Professional Baseball, Google Maps



Table 4-3

American Association League Stadiums & Markets								
Team	Stadium	Location	Founded	Capacity	City Population	25-mile Population	2014	
							Total Attendance	Average Attendance
 Amarillo Thunderheads	Amarillo National Bank Sox Stadium	Amarillo, TX	2010	8,500	200,179	254,799	81,834	1,903
 Fargo - Moorehead Redhawks	Newman Outdoor Field	Fargo, ND	1996	4,513	118,456	226,445	186,306	3,802
 Gary Southshore Railcats	U.S. Steel Yard	Gary, IN	2001	6,139	76,260	2,556,621	164,286	3,571
 Grand Prairie Airhogs	QuickTrip Park	Grand Prairie, TX	2007	5,445	186,524	4,680,901	60,747	1,321
 Joplin Blasters*	Joe Becker Stadium	Joplin, MO	2015	4,200	51,571	242,672	-	-
 Kansas City T-Bones	CommunityAmerica Ballpark	Kansas City, KS	2003	6,537	149,126	1,794,610	248,989	5,187
 Laredo Lemurs	Uni-Trade Stadium	Laredo, TX	2012	6,000	253,131	266,434	132,562	2,651
 Lincoln Saltdogs	Haymarket Park	Lincoln, NE	2001	8,000	270,141	339,439	166,503	3,543
 Sioux City Explorers	Lewis and Clark Park	Sioux City, IA	1993	3,631	83,018	158,643	50,746	1,057
 Sioux Falls Canaries	Sioux Falls Stadium	Sioux Falls, SD	1993	4,500	168,198	243,918	139,784	2,974
 St. Paul Saints	CHS Field	St. Paul, MN	1993	7,000	290,681	2,764,678	248,106	5,279
 Wichita Wingnuts	Lawrence-Dumont Stadium	Wichita, KS	2008	6,400	389,463	585,950	147,706	3,014
 Winnipeg Goldeyes	Shaw Park	Winnipeg, CA-MB	1994	7,481	782,640	n/a	258,429	5,618
League Average			2002	6,027	232,261	1,176,259	157,167	3,327
Cleburne Railroaders	TBD	Cleburne, TX	2016	2,500	29,667	693,989	TBD	TBD

*2015 Expansion Team

Source: Johnson Consulting, American Association League, Team Websites, Pointstreak



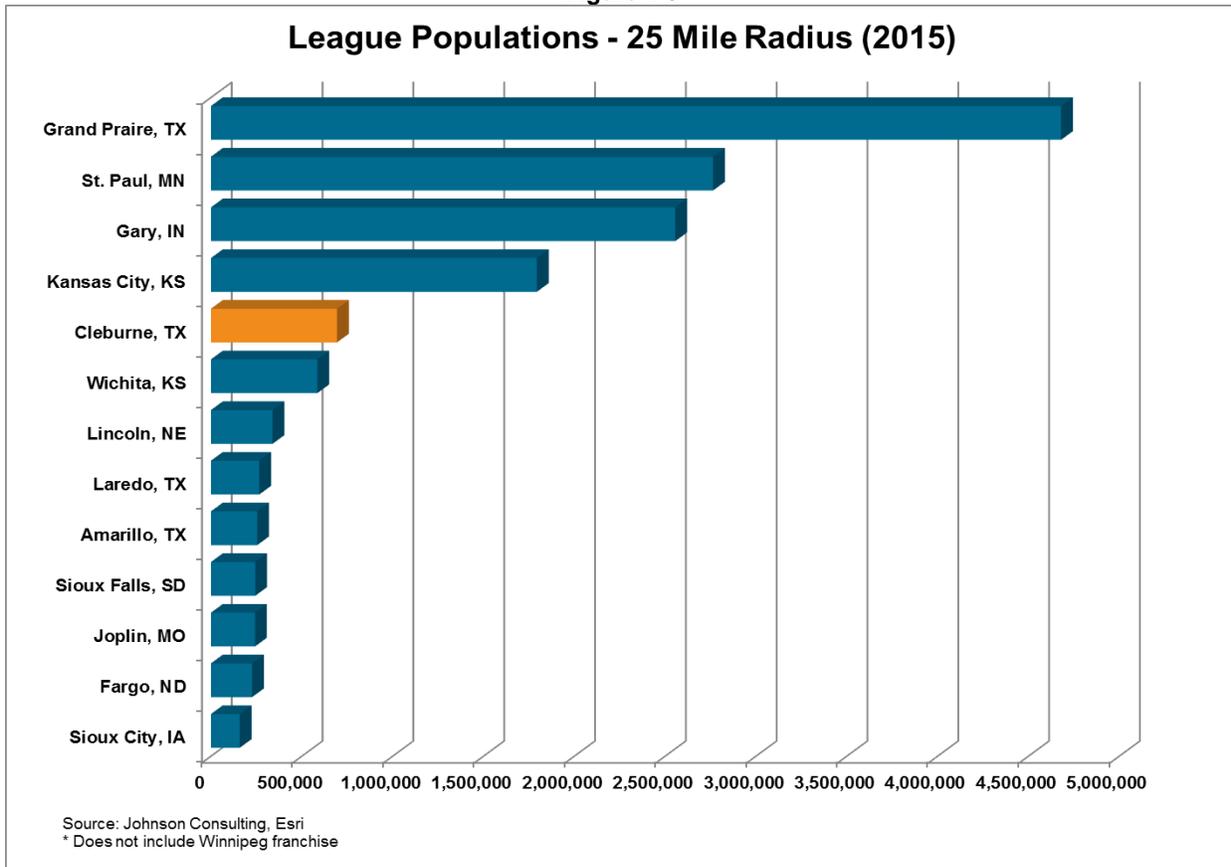
ATTENDANCE MEASUREMENTS

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

POPULATION

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

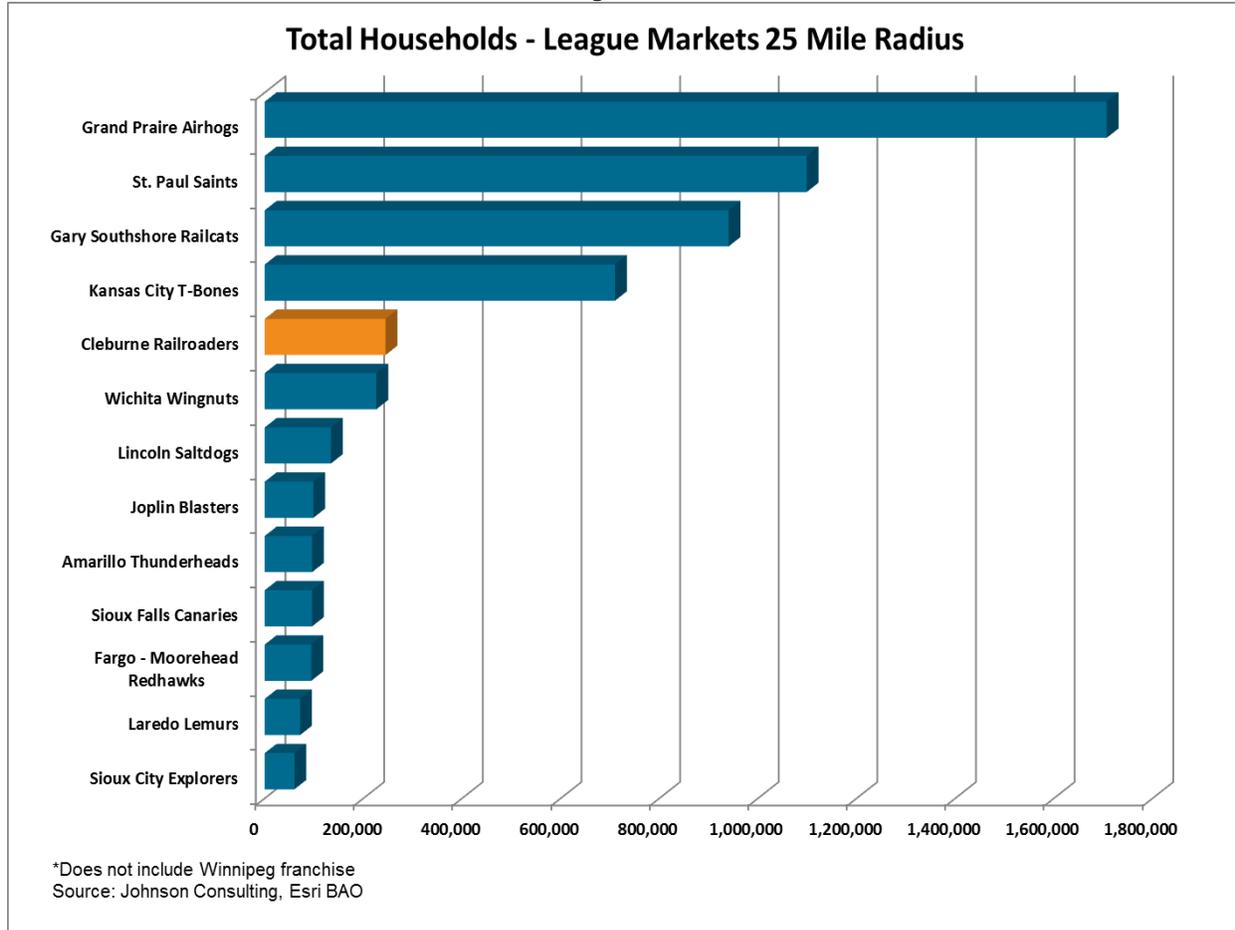
Figure 4-3





NUMBER OF TOTAL HOUSEHOLDS

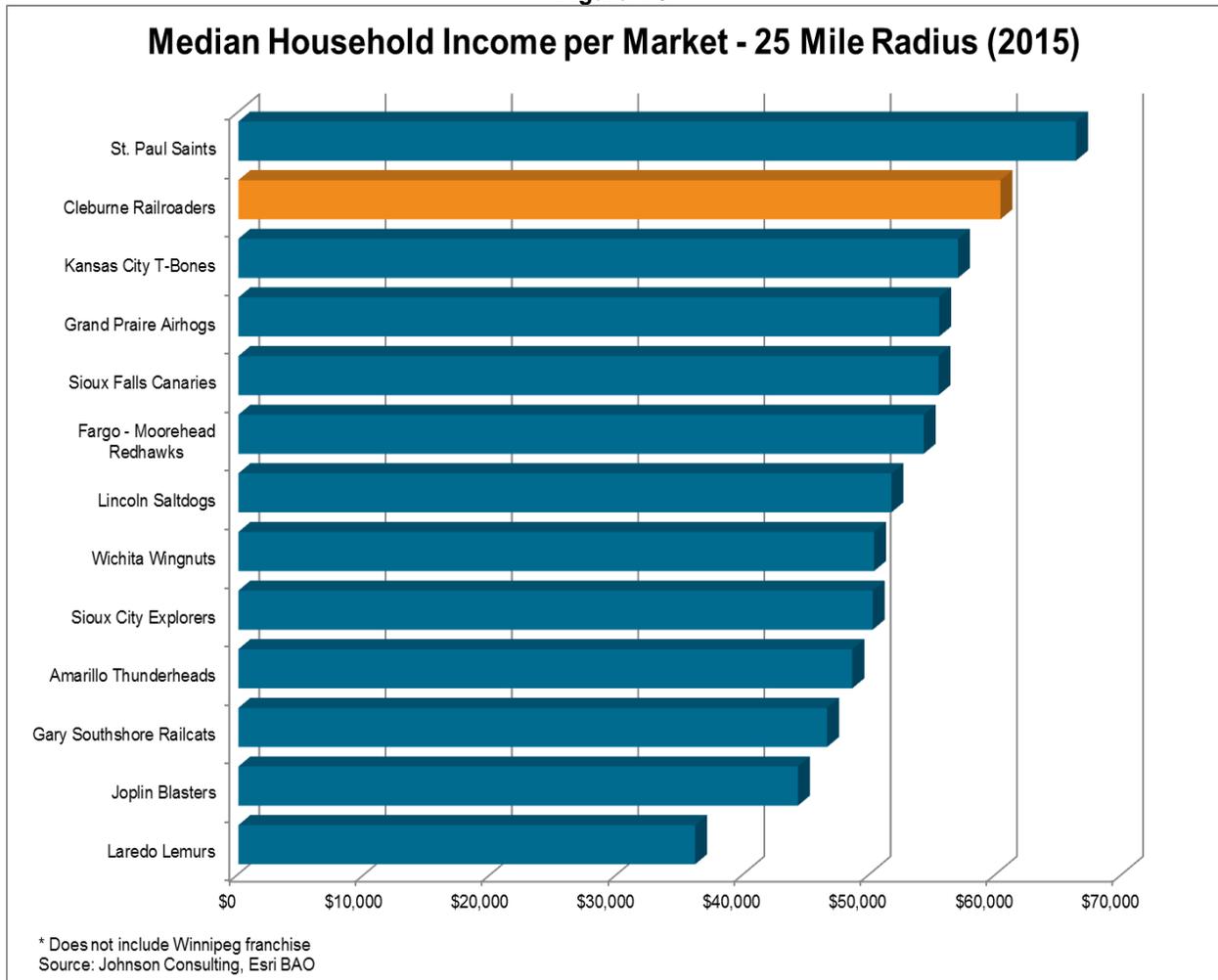
Figure 4-4





MEDIAN HOUSEHOLD INCOME

Figure 4-5



As shown in Figures 4-3 to 4-5, the Cleburne 25-mile radius measurables are consistently above average in comparison to peer markets in the American Association. Although demographic data is not a direct indicator for projected attendance, it can justify the potential range of capacity and economic stability a market has to support a sports franchise. A 25-mile radius surrounding the City of Cleburne shows a very strong presence in terms of number of households within the marketplace, and even more telling is the level of income within the marketplace. A median household income of over \$60,000 would rank second highest in the league. Much of this can be attributed to characteristics of the marketplace as shown in Section 3 of this report. The City of Cleburne, with its strong growth over the past decade, makes it attractive to families of a higher demographic class, thus resulting in the higher income levels.

CLEBURNE AND 25 MILE RADIUS DEMOGRAPHIC SUMMARY

Table 4-5

Demographic Variable	American Association League Markets (City)				
	Cleburne	Rank out of 13	Average	High	Low
Population	29,978	13	186,396	389,463	51,571
Total Households	10,686	13	70,269	154,533	21,498
Median Household Income	\$48,166	5	\$43,795	\$56,028	\$26,370
Total Spending - Sports Admissions	\$556,410	13	\$3,846,720	\$8,802,263	\$974,812
Corporate Inventory	1,780	13	7,810	17,047	2,368

Demographic Variable	American Association League Markets (25 _{mi} Radius)				
	Cleburne	Rank out of 14	Average	High	Low
Population	693,989	5	1,176,259	4,680,901	158,643
Total Households	245,024	5	444,442	1,706,996	60,167
Median Household Income	\$60,368	2	\$51,392	\$66,352	\$36,186
Total Spending - Sports Admissions	\$17,034,434	5	\$29,259,999	\$118,388,314	\$3,071,323
Corporate Inventory	21,406	6	47,169	189,841	7,275

Source: Esri BAO, Johnson Consulting

The median household income in the City of Cleburne is \$48,166 which would be 5th highest among American Association League markets and is above the league average of \$43,795. This is important to understand whether or not the residents of Cleburne have disposable income to spend on items such as tickets for a baseball game. Expanding the market to the 25 mile radius raises the median household income to \$60,368, which is also higher than the average of \$51,392 within a 25-mile radius of league markets. In addition to the increase in median household income, data suggest that residents within the 25-mile radius spend nearly \$17 million of disposable income on admissions to sporting events. This figure would be the 5th highest total in the league and has the potential to increase with the population growth that is expected in Cleburne.



In Table 4-4, Johnson Consulting has broken down the attendance levels at each of the teams in our data set into market tiers based on their average attendance per game in the most recent year. We have also provided the five-year average for attendance where available. Using Table 4-3 above as guidance and the demographic benchmarks in which the 25-mile radius from the Cleburne market has compared favorably with existing American Association markets. However, the demographic benchmarks across the league for Cities rank the City of Cleburne below average or bottom tier in each of the key characteristics. Thus, Johnson Consulting is recommending that the City of Cleburne build a 3,000 seat stadium with the ability to expand to the league average in capacity of 6,000 in the future. Based on the data above, as well as the initial capacity of the stadium, Johnson Consulting projects an average per game attendance for the Cleburne Railroaders to be approximately 1,650 as base case scenario.



Table 4-4

American Association Baseball Market Tiers by Average Attendance (2010-2014)									
Team	Location	Stadium Capacity*	City Population	25 Mile Population	5 Year Attendance Average (2010-2014)	5 year average as % of Capacity	5 year average as % of City Population	5 year average as % of 25 mile Population	2014 Total Attendance
Winnipeg Goldeyes	Winnipeg, CA-MB	7,481	782,640	782,640	5,736	77%	0.73%	0.73%	258,429
Kansas City T-Bones	Kansas City, KS	6,537	149,126	1,794,610	5,260	80%	3.53%	0.29%	248,989
St. Paul Saints**	St. Paul, MN	6,069	290,681	2,764,678	5,029	83%	1.73%	0.18%	248,106
Fargo - Moorehead Redhawks	Fargo, ND	4,513	118,456	226,445	3,755	83%	3.17%	1.66%	186,306
Top Market Average		6,150	335,226	1,392,093	4,945	81%	2.29%	0.72%	235,458
Lincoln Saltdogs	Lincoln, NE	8,000	270,141	339,439	3,433	43%	1.27%	1.01%	166,503
Gary Southshore Railcats	Gary, IN	6,139	76,260	2,556,621	3,372	55%	4.42%	0.13%	164,286
Laredo Lemurs	Laredo, TX	6,000	253,131	266,434	3,189	53%	1.26%	1.20%	132,562
Wichita Wingnuts	Wichita, KS	6,400	389,463	585,950	3,050	48%	0.78%	0.52%	147,706
Middle Market Average		6,635	247,249	937,111	3,261	50%	1.93%	0.72%	152,764
Sioux Falls Canaries	Sioux Falls, SD	4,500	168,198	243,918	2,496	55%	1.48%	1.02%	139,784
Amarillo Thunderheads	Amarillo, TX	8,500	200,179	254,799	2,439	29%	1.22%	0.96%	81,834
Grand Praire Airhogs	Grand Praire, TX	5,445	186,524	4,680,901	2,211	41%	1.19%	0.05%	60,747
Sioux City Explorers	Sioux City, IA	3,631	83,018	158,643	1,157	32%	1.39%	0.73%	50,746
Bottom Market Average		5,519	159,480	1,334,565	2,076	39%	1.32%	0.69%	83,278

*Joplin Blasters first season is 2015

**Stadium Capacity for St. Paul Saints reflects old stadium

Source: American Association, Esri BAO, Respective Teams, Johnson Consulting

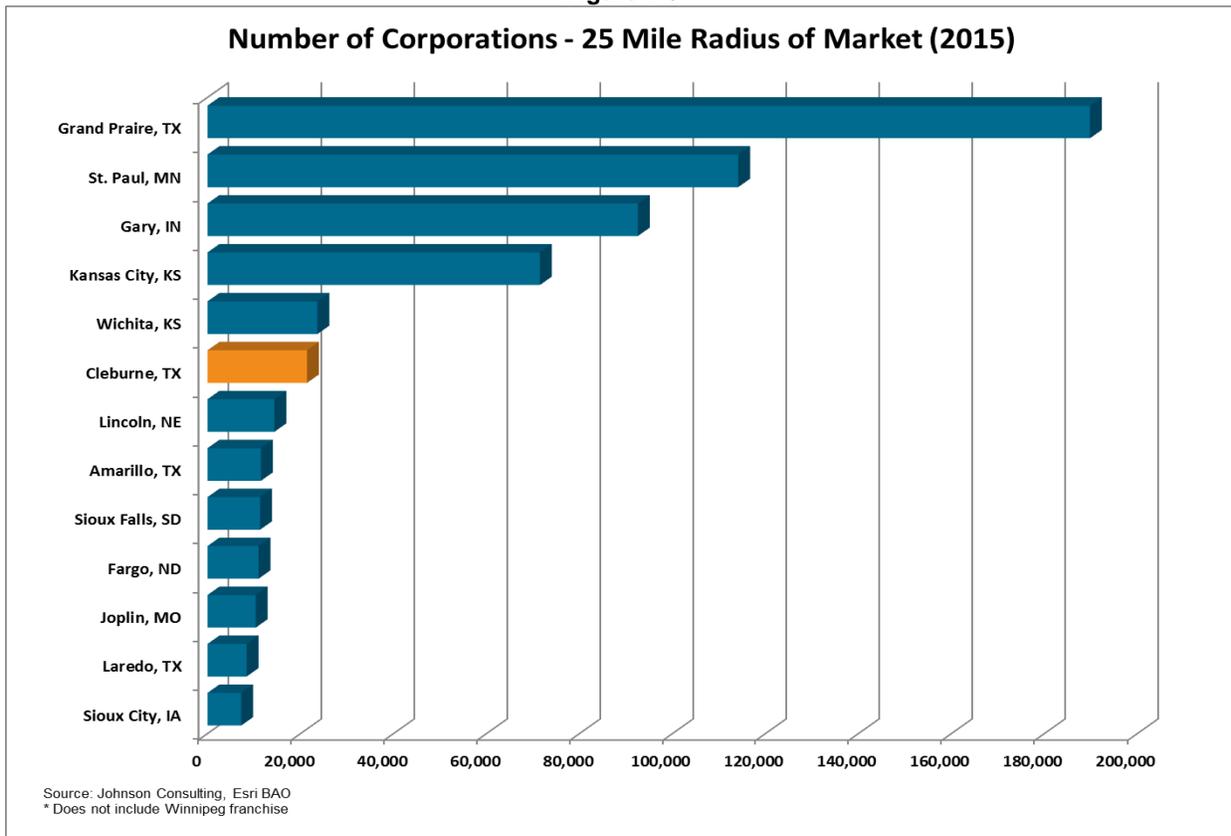


SPONSORSHIP MEASUREMENTS

Similar to understanding attendance levels, there are several parameters by which the level of sponsorship dollars can be indicated. There are several factors in measuring sponsorship levels that are exclusive of the market place such as: management of organization, quality of stadium, quality of the product (team), and available inventory of space. As part of this study process, Johnson Consulting toured the proposed site location for the new stadium and determined that the site is suitable for hosting an Independent League baseball team. Additionally, as with most minor league baseball stadiums, there should be several opportunities for sponsorship signage throughout the proposed stadium. Also, because of the potential development of a youth sports complex and mixed-use real estate adjacent to the stadium, potential sponsors will get exposure from stadium events, as well as the mixed-use development. The following market demographics allow us to understand the potential capacity of sponsorship dollars in Cleburne relative to existing markets within the American Association.

NUMBER OF CORPORATIONS

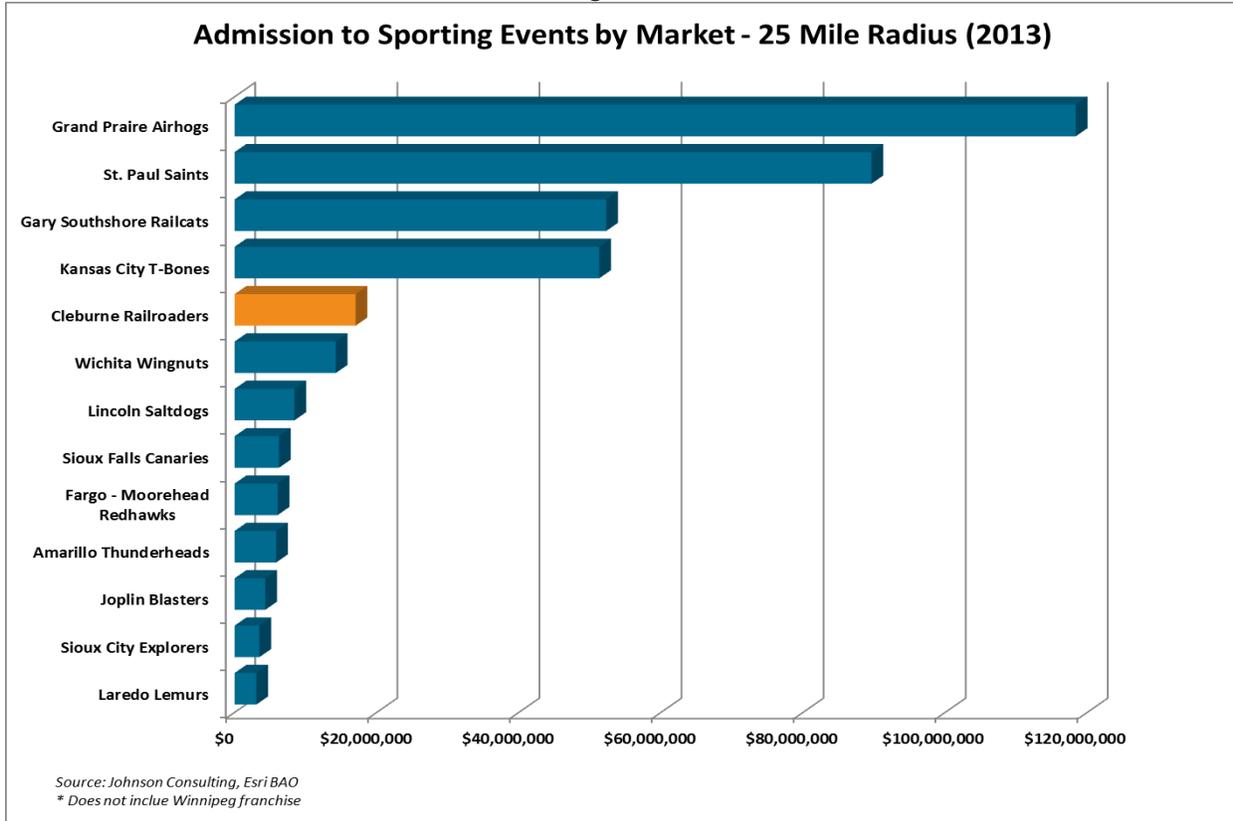
Figure 4-6





ENTERTAINMENT SPENDING – ADMISSION TO SPORTING EVENTS

Figure 4-7



Understanding the number of businesses and the amount of spending on admissions to sporting events in a marketplace is very critical in determining a market’s capacity to support sponsorship dollars. As shown in Figures 4-6 and 4-7 the 25-mile radius from Cleburne continues to compare favorably to existing American Association markets. While the Cleburne market is home to approximately 1,780 businesses, which would be the smallest number in the American Association, extending the marketplace to include a 25-mile radius of Cleburne shows a much stronger market with over 21,400 businesses, ranking 6th in the league. Additionally, the level of spending on sports admissions is approximately \$17 million within a 25 mile radius, ranking 5th in the league.



SUMMARY

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

In terms of attendance, an Independent League team in Cleburne can expect to draw from approximately 25 miles which includes a population of over 690,000 residents and over 245,000 households, good for the 5th largest market in the league. The size of the market is important for establishing a fan base and for attracting sponsors. The more people there are in a particular market makes partnerships with corporations more likely. Johnson Consulting recommends the ownership group for the Cleburne Railroaders pursue membership in the American Association of Independent Professional Baseball because of the proximity to existing teams in the league compared to other Independent Leagues. While the market is close to the Grand Prairie AirHogs, we believe a reasonable distance to draw for an Independent League team is approximately 25 miles which means Grand Prairie and Cleburne should only have minimal overlap, if any at all. As for the proximity to the Texas Rangers of Major League Baseball, it is important to note is that the cost of attending an Independent League game is considerably less than the cost of attending a Major League baseball game. The more affordable entertainment offered by the American Association League might be appealing to families who save up to attend only one or two Rangers games each year.

Based on data provided throughout this report, it is Johnson Consulting's opinion that the demographics of the Cleburne marketplace will not only successfully support the Cleburne Railroaders baseball team, but also fit well within the geographical footprint of the American Association League. Given the parameters we examined Johnson Consulting projects an average attendance for Cleburne Railroader games to be approximately 1,650 per game. The stadium will offer a number of opportunities for community-based events throughout the year, thanks to the synthetic turf and luxury suites. All told, the first year of operations the stadium can expect to host approximately 99 events with a total attendance of approximately 95,805. This will benefit the city of Cleburne by ultimately creating a need for additional retail development in close proximity to the stadium to serve the needs of visitors.

SECTION V

INDEPENDENT LEAGUE STADIUM AND MINOR LEAGUE CASE STUDIES

INDEPENDENT LEAGUE TEAM CASE STUDIES

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

INDEPENDENT LEAGUE TEAM & FACILITY COMPARABLES

The models here provide insights for Cleburne. The Independent League stadiums include:

- Amarillo ThunderHeads – Amarillo, TX
- Grand Prairie AirHogs – Grand Prairie, TX
- Normal Cornbelters – Normal, IL
- Gateway Grizzlies – Sauget, IL
- Washington Wild Things – Washington, PA

Table 5-1 provides background on the comparable facilities:

Table 5-1

Cleburne Multipurpose Stadium Summary of Comparable Independent Baseball League Facilities and Markets						
	Proposed Cleburne Stadium	Potter County Memorial Stadium	QuikTrip Park at Grand Prairie	GCS Ballpark	The Corn Crib	Consol Energy Park
Location	Cleburne, TX	Amarillo, TX	Grand Prairie, TX	Sauget, IL	Normal, IL	Washington, PA
Market Characteristics (25 mile radius)						
Population	693,989	254,799	4,680,901	2,067,418	219,633	1,045,935
Median Household Income	\$60,386	\$48,629	\$55,506	\$52,240	\$61,933	\$50,457
Number of Businesses	21,406	11,501	189,841	85,399	8,050	47,504
Total Spending on Sports Admissions	\$17,034,434	\$5,852,323	\$118,388,314	\$102,189,715	\$6,196,779	\$27,589,541
Facility Characteristics						
Year Built	2016 (projected)	2005*	2008	2002	2010	2002
Development Cost	\$15 million	\$250,000**	\$20 million	\$7 million	\$10 million	\$9 million
Anchor Tenant	Cleburne Railroaders	Amarillo Thunderheads	Grand Prairie Airhogs	Gateway Grizzlies	Normal Cornbelters	Washington Wild Things
League	-	American Assoc.	American Assoc.	Frontier League	Frontier League	Frontier League
Naming Rights	-	-	-	-	-	\$200,000
Luxury Suites	-	-	13	6	11	4
Fixed Seats	-	4,500	5,500	3,000	4,200	5,500
Total Stadium Capacity	-	8,500	8,000	5,000	8,200	3,400
IBL Avg. Attendance (2014)	-	1,903	1,321	3,201	2,291	1,879
HistoricEvent Demand						
Independent League	TBD	50	50	50	50	50
College***	TBD	-	-	40	60	60
High School ***	TBD	-	-	40	50	40
Concerts	TBD	0	5	0	3	0
Miscellaneous****	TBD	20	15	30	20	32
Total Events	-	70	70	160	183	182

* Most Recent Renovation

** Original Development Cost (1949)

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

Source: Respective facilities, Ersi BAO, Johnson Consulting

AMARILLO THUNDERHEADS AMARILLO, TEXAS

OVERVIEW

Formerly known as the Amarillo Sox, the Thunderheads are an Independent Baseball team that plays in the American Association of Independent Professional Baseball. The team is based out of Amarillo in Potter County, Texas. Situated off US Highway 40, Amarillo is the largest city between Oklahoma City and Albuquerque and the staple city within its own MSA. The organization moved from Pensacola, Florida in 2010 and has been playing in the South Division of the American Association ever since.

POTTER COUNTY MEMORIAL STADIUM OVERVIEW



COST AND FINANCING

Potter County Memorial Stadium was built in 1949. The stadium has had several renovations over its lifetime, with the largest coming in 2005 and totaling an estimated \$1,000,000. Since moving from Pensacola, the Sox/Thunderheads have been working to gain support and funding for either further renovations to the existing ballpark or a new stadium in downtown Amarillo. In November of 2014, the Thunderheads agreed to a three-year lease renewal with Potter County Stadium. In February 2015, the Thunderheads were approved for approximately \$150,000 in renovations that will take place over the next three years. The renovations will be funded by the American Association, which Potter County has agreed to accept as payment in lieu of rent. The project will include updates of the locker rooms, concession stands and dugouts.

ATTENDANCE



The Thunderheads have played in Potter County Memorial Stadium each year since moving from Florida in 2010. In their first season (2011), the club drew an average of 2,834 fans per game. Over the past three seasons (2012-2014) the Thunderheads have averaged approximately 2,300 fans per game, declining each year. Management anticipates that Potter County Memorial Stadium will host over 50 baseball specific events including 50 Thunderheads' games, as well as 20 other miscellaneous events over the course of 2015.

OBSERVATIONS

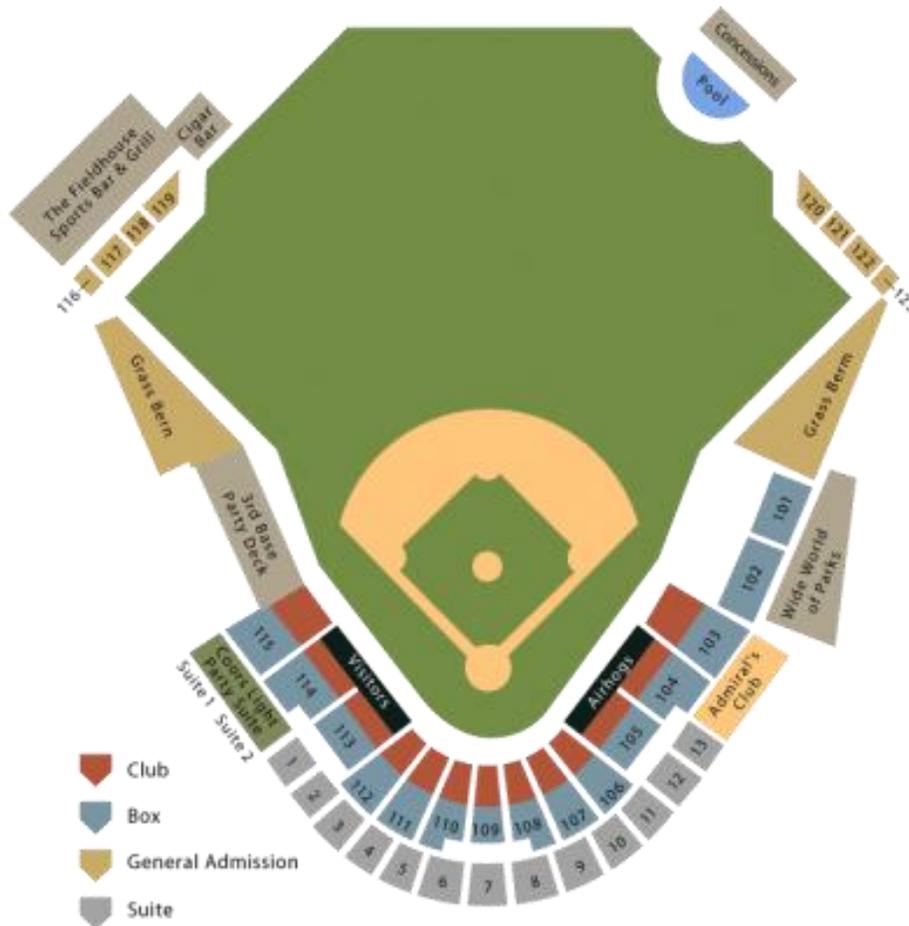
The Thunderheads were able to secure a lease to become the anchor tenants at Potter County Memorial Stadium. Despite efforts to keep the stadium current, the facility has been neglected of much needed updates and renovations over its 60 plus year lifespan. The team has also seen a decrease in ticket sales in each year since their inaugural season. Many local sources attribute this decline to the outdated conditions of the Stadium. The recent approval of renovations and partnership with Potter County and the American Association are a promising opportunities that could lead to an increase in tickets and concession numbers. Even if these renovations are a success, they should be only considered a short-term solution. As of June 2015, the Amarillo Economic Development Corporation has purchased a downtown site for \$8.5 million for a multi-purpose event center/ballpark, hotel, and convention center.

GRAND PRAIRIE AIRHOGS GRAND PRAIRIE, TEXAS

OVERVIEW

The Airhogs are an Independent League expansion team apart of the American Association. They are based out of Grand Prairie, Texas – a community located 15 miles west of Dallas that has a population nearing 190,000. The Airhogs played their first game in 2008. The team currently plays its home games at Quiktrip Park, which was built for the Airhogs and was opened in time for the team’s inaugural season in 2008. Quiktrip Park has a baseball capacity of 6,000 and offers 13 luxury suites. In 2015, Quiktrip and the Airhogs partnered with Green Mountain Energy Company to power the ballpark with 100% clean electricity in effort to make the stadium operation more sustainable and reduce the organization’s environmental footprint..

QUIKTRIP PARK AT GRAND PRAIRIE OVERVIEW



COST AND FINANCING

The cost of the recently developed ballpark was estimated at \$20 million dollars, \$16 million of which was publically funded by Grand Prairie issuing bonds. The municipal bonds are supported by a 1/8 cent increase in local sales tax. Grand Prairie anticipates making its final payment on the Ballpark by the end of 2015.

ATTENDANCE



Since its inaugural season in 2008, the Airhogs have observed a steady decline in average attendance numbers. The most drastic of these declines came between the 2013 and 2014 seasons, where the average attendance dropped from roughly 2,300 fans to 1,321 per game. Aside from the Airhogs, Quiktrip has served as the facility for high school and college baseball tournaments, held concerts for artist such as Bob Dylan, Willie Nelson and John Cougar Mellencamp, and in 2009 hosted the American Association All-Star game.

OBSERVATIONS

The Grand Prairie Airhogs are an excellent team to profile when examining a potential Independent League team in Cleburne. Both communities are a part of the greater Dallas-Fort Worth Metroplex and share similar markets. Despite their close proximity, there should not be much overlap in terms of potential spectators for each team. Additionally, the close proximity to the Texas Rangers should also not be cause for concern as Major League Baseball and Minor League Baseball have distinctly different markets as Minor League teams are often seen as the affordable family option to Major League Baseball.

NORMAL CORNBELTERS NORMAL, ILLINOIS

OVERVIEW

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

THE CORN CRIB OVERVIEW

Legend & Attractions:

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

-  Miller Lite Lounge
-  Leinenkugel Lodge
-  Grieder Landscaping Oasis



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

COST AND FINANCING

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



ATTENDANCE

The CornBelters played their inaugural season at the Corn Crib in 2010. Routinely drawing large crowds, over the past several seasons the team had an average per game attendance of 2,527 and an average total attendance of 119,628. In addition to baseball, the stadium has hosted approximately 60 Heartland CC events, 50-60 high school sporting events (baseball, soccer, softball), 10-15 events for a local men's baseball league, 10-12 civic events (Fun Run/Walk, Charity Run/Walk events) and 3 concerts, including a Tim McGraw

concert. Overall, the stadium hosted just fewer than 200 events in 2014 that attracted approximately 175,000 people.

LEASE AGREEMENT

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

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

OBSERVATIONS

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

GATEWAY GRIZZLIES SAUGET, ILLINOIS

OVERVIEW

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



GCS BALLPARK OVERVIEW

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

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



FINANCING

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

LEASE AGREEMENT

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

OBSERVATIONS

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

WASHINGTON WILD THINGS WASHINGTON, PENNSYLVANIA

OVERVIEW

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

CONSOL ENERGY PARK OVERVIEW



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

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

COST AND FINANCING

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

ATTENDANCE

The Wild Things played their inaugural season at Consol Energy Park in 2002, drawing a total of approximately 130,000 fans for the season. The team has enjoyed steady support from the local community since the stadium opened. Over the past three seasons the Wild Things have averaged approximately 1,900 fans per game. In a given year the stadium will host a total 60 college baseball games, 40 high school games and 32 miscellaneous special events accounted for an additional 132 events. All told, the stadium hosted 180 events drawing an approximate total attendance of over 107,900 people in 2014.



OBSERVATIONS

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

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

KEY OBSERVATIONS

The key attributes of success that the case studies have in common are as follows: stadium design, marketing and community partnerships. Through our interviews and discussions with the General Managers at their respective clubs, all offer the same sentiments and advice for any new Independent League stadium development.

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

AFFILIATED MINOR LEAGUE BALLPARKS

While each of these case studies involves an affiliated team in a higher level of minor league baseball, there are parallels across minor league baseball markets. Most notable is that, in general, minor league baseball games offer low-cost, family entertainment regardless of the level of play on the field. The identified national stadiums case studies include:

- Parkview Field – Fort Wayne, Indiana
- NewBridge Bank Park – Greensboro, North Carolina
- Fluor Field at the West End – Greenville, South Carolina
- Joseph P. Riley Jr. Park – Charleston, South Carolina

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

Table 5-5

Summary of Comparable Facilities and Markets - Affiliated Clubs					
	Proposed Cleburne Stadium	Parkview Field	NewBridge Bank Ballpark	Fluor Field	Joesph P. Riley Park
Location	Cleburne, TX	Fort Wayne, IN	Greensboro, NC	Greenville, SC	Charleston, SC
Market Characteristics (25 mile radius)					
Population	693,989	511,979	969,549	815,713	623,478
Median Household Income	\$60,386	\$50,689	\$43,548	\$47,949	\$52,854
Number of Businesses	21,406	19,580	40,286	31,397	27,171
Total Spending on Sports Admissions	\$17,034,434	\$12,111,013	\$21,374,340	\$17,885,845	\$15,910,768
Facility Characteristics					
Year Opened	-	2009	2005	2006	1997
Development Cost	-	\$31 million	\$21.5 million*	\$20.7 million*	\$19.5 million*
Anchor Tenant	-	Fort Wayne TinCaps	Greensboro Grasshoppers	Greenville Drive	Charleston RiverDogs
League	-	Class A Midwest League	Class A South Atlantic League	Class A South Atlantic League	Class A South Atlantic League
Naming Rights	-	Parkview Healthcare; \$3 million for 10 years	Undisclosed	Fluor Corp.; 10 years through 2018	None
Luxury Suites	-	16	16	18	8
Club Seats	-	135	-	-	-
Fixed Seats	-	6,516	5,000	4,500	-
Total Capacity	-	8,100	7,499	5,700	6,000
Event Demand (2013)					
League Games	TBD	70	66	63	66
College	TBD	2	15	40	30
High School	TBD	14	-	-	-
Miscellaneous**	TBD	366	36	35	7
Total	-	452	117	138	103

*Does not include land acquisition cost

**Includes festivals, concerts, charity events and meetings

Source: Esri BAO, Relevant Facilities, Johnson Consulting

PARKVIEW FIELD FT. WAYNE, INDIANA

OVERVIEW

The stadium opened in April of 2009 and is home to the Ft. Wayne TinCaps of the Midwest League. The TinCaps are the Single-A affiliate of the San Diego Padres and are owned by Hardball Capital, Inc. A naming rights deal was entered into with Parkview Healthcare for approximately \$3 million. The stadium is considered to be one of the best minor league ballparks in the country, offering numerous seating options and some of the best service in professional sports. The publically-owned stadium sits on land open to the public and the surrounding property offers retail and residential space, along with a public park and amphitheater for local residents to utilize year-round.



The stadium has a total capacity of approximately 8,100 seats, including approximately 6,500 fixed seats. The wide variety of seating options that accommodate individual-ticket holders, small groups and large party groups is what makes this stadium unique. Numerous club seating options are available on every side of the field. In addition to reserved seat-backs, the top three rows behind home plate, called the Legacy Seats, offer padded seats with additional legroom and drink/food service. Along the left field line, there are high top tables offering food/drink service that seat four. Berm seating is available on a first come, first served basis and include cement rows mixed with grass that offer a bleacher seating-effect. A select number of beach chairs are also available at the top row of the berm.

Additional group seating and picnic/grill options is available in the Treetops Rooftop Party Area, which offers an all-inclusive ticket (food and non-alcoholic beverages). The area features an indoor viewing area, as well as a large outdoor patio and rooftop bleacher seating to replicate rooftop bleachers at Wrigley Field. The upper deck of the stadium is lined with 16 luxury suites, 15 of which are leased out on long-term deals and one that is rented on a nightly basis.

The stadium also offers several meeting space options, including:

- **SUITE LEVEL LOUNGE** – Over 5,000 square feet of multi-purpose space room offers an upscale bar capable of hosting up to 200 guests for corporate and non-profit events, receptions and private parties.
- **LINCOLN FINANCIAL EVENT CENTER** – Located on the concourse level of the stadium, the year-round meeting space offers over 5,000 square feet of space that can be sub-divided for a multitude of functions. It is connected to a parking garage and can be used in conjunction with the Centerfield Amphitheater at Parkview Field.
- **400 CLUB** – Located in the batter's eye in centerfield, the 400 Club was added to the Parkview Field in 2013. It offers dining options for patrons during the game, along with seven flat-screen TVs and an outdoor patio connected to the structure.

COST AND FINANCING

Built in 2009 at a total development cost of approximately \$31 million, including land acquisition, the stadium was a public-private partnership between the city of Ft. Wayne and Hardball Capital, Inc. – the owners of the TinCaps. The TinCaps have made significant capital improvements to the stadium, including privately funding the 400 Club. At a cost of nearly \$1 million, the stadium club opened in 2013 and increased the team contribution to over \$3 million in stadium additions since opening in 2009.

ATTENDANCE

The TinCaps routinely draw large crowds, attracting over 400,000 in total attendance each year since the stadium opened. Special events at the stadium also draw an additional 150,000 the past three seasons. As part of the lease agreement, the stadium is open 365 days per year offering outdoor park space, 1/3 mile walking/running space, an amphitheater, and a picnic area for citizens and local employees. The stadium hosts several hundred special events each year, attracting over 100,000 people in addition to the TinCaps attendance. In 2013, 400 special events attracted over 150,000 people for charity events, run/walks, meetings, private functions and a Florida-Georgia Line concert.



OBSERVATIONS

Parkview Field was a project that accomplished its goal of building a first-class stadium that provides a public resource for the local community. As a public-private venture, the stadium offers several multi-purpose meeting spaces and public access throughout the year. In the short term, the stadium has been an absolute success and local businesses and residents are supporting the team through group sales and the purchase of season tickets and luxury suites. The stadium has proven itself as a successful special event venue as well. Combining the baseball operations with special events – hosting outdoor concert, charity events, social and networking functions, etc. – has made Parkview Field a model stadium throughout the sports world.

NEWBRIDGE BANK BALLPARK GREENSBORO, NORTH CAROLINA

MARKET OVERVIEW

NewBridge Bank Ballpark was built in 2005 and is the home of the Class A Greensboro Grasshoppers of the South Atlantic Baseball League. Located 75 miles west of Raleigh and 90 miles northeast of Charlotte, Greensboro is home to 279,560 people.



STADIUM OVERVIEW

Total capacity is listed at 7,599 seats, including 4,900 fixed seats. The layout also includes 16 upper-deck luxury suites, 2 grass berms in right and left field intended for family seating, and a party deck down the third-base line. The left field concourse features the Grandstand Bar. Lease terms for the luxury suites range from three to seven year contracts at \$17,000-\$30,000.



COST AND FINANCING

Negotiations for public funding ended when members of the Joseph M. Bryan foundation agreed to fund the entire \$25 million development. The city of Greensboro agreed to provide the land and infrastructure totaling \$4.5 million in. In exchange, the city was given 10 acres of private land to build a new social services building in Greensboro. At a total construction cost of \$21.5 million, The Joseph M. Bryan Foundation used \$11.5 million in reserve funds and borrowed \$10 million to complete the stadium.

ATTENDANCE

After averaging less than 200,000 in annual attendance for ten consecutive seasons, the Grasshoppers surpassed 400,000 in total attendance during their inaugural season at NewBridge Bank Ballpark. This was the 4th highest total annual attendance in Class A baseball that season. The team continues to rank among the top Class A teams in attendance, averaging almost 5,600 people each game during the past five seasons. The organization has also been able to develop an avid local fan base, with nearly 2,000 season ticket holders. Greensboro Baseball LLC has been aggressive in attracting outside baseball events to generate additional revenue and exposure. The Atlantic Coast Conference (ACC) has hosted their conference baseball tournament at NewBridge Bank Park in three of the last five years and the North Carolina State High School Baseball Championships in three of the last ten years. In 2014 alone, the ACC tournament attracted 55,000 people.

LEASE AGREEMENT

The intent from the beginning of the project was for the Grasshoppers organization to purchase the ballpark from the Bryan Foundation when they had the capital available and both parties were able to agree on a fair value of the stadium. This plan came to fruition in August 2012 when Greensboro Baseball LLC bought the stadium for \$12.8 million. Other key aspects of the lease agreement include the following:

- The Bryan Foundation agreed to a naming rights deal with First Horizon National Bank in 2005 for \$3,000,000 over a ten year span.
- In April 2013, Greensboro Baseball LLC and NewBridge Bank extended their agreement for an additional four years through 2021.
- The team is responsible for basic stadium operating costs, maintenance, insurance payments and utilities.
- Greensboro Baseball LLC owns the rights to all advertising and sponsorship agreements.

OBSERVATIONS

According to Jim Melvin, former Greensboro mayor and current President of the Bryan foundation, Greensboro was looking for a “win” in the community by building a new facility in Greensboro’s downtown area. Although development in the immediate vicinity of the park has been sluggish at times, recently finished and ongoing development projects demonstrate sustained economic growth:

- Greenway at Fisher Park is a 2-phase 196 luxury apartment development on Smith Street near the stadium. Construction on the second phase began on April 26, 2014 and features apartments with sight lines of the stadium, including a rooftop pool and bar. Bellemeade Development estimates a value of \$20 million for the apartment development when completed.



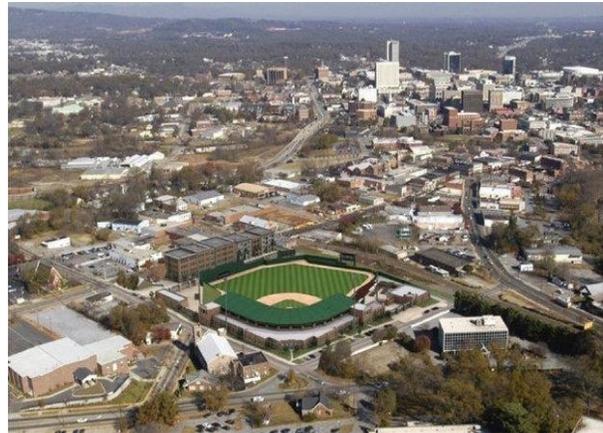
- Plans for a 40,000-square-foot mixed-use building at the intersection of Battleground Avenue and Smith Street by developers Philip Cook, Jim Molinaro and Oliver Lloyd.
- Roy Carroll, a developer, announced plans for a \$47 million mixed-use development on Eugene Street.
- The Steven Tanger Center for the Performing Arts is a \$65 million project set to open in 2016 on North Elm and East Lindsay Street.

FLUOR FIELD AT THE WEST END GREENVILLE, SOUTH CAROLINA

MARKET OVERVIEW

Fluor Field at the West End is home to the Greenville Drive and is located in downtown Greenville. With a population of 61,674 residents, Greenville is located at the foothills of the Blue Ridge Mountains in what is considered upstate South Carolina.

Over 250 international firms call Greenville home. Major businesses within the city includes: Perrigo Company of South Carolina, Greenville Hospital System, Fluor, Hubbell Lighting, Resurgent Capital Services, Bank of America, TD Bank, BB&T and Windstream.



STADIUM OVERVIEW

Total capacity is 5,700, including 4,400 fixed seats, with room for up to 2,000 additional fans in two berms along the left and right field lines. The stadium also features 18 luxury suites. Modeled after Fenway Park, the Red Sox affiliate decided to feature their own 30 ft. wall in left field and build similar dimensions in center and right field. Of the 18 luxury suites, three are rented on a nightly basis, while the other 15 are leased on three, five and seven year terms at an annual rate ranging \$20,000-\$27,000. Fluor Field also offers a field level dugout that is available for up to 20 fans and includes catering options for \$750 per game.

COST AND FINANCING

Greenville Drive, LLC funded the \$20.7 million stadium construction cost. In return, the city council approved \$8.5 million to purchase the land from the Greenville School District and to fund improvements to the infrastructure in the area. The total development cost was \$29.2 million.

After being named the 2006 “Ballpark of the Year” by Ballparks.com and breaking the attendance record for minor league baseball in Greenville, the organization made \$1.5 million in enhancements prior to the 2007 season. Taking advantage of Greenville’s corporate presence, the team added a playground sponsored by BI-LO, the Mountain Dew Dugout, Upper Deck area, Heritage Plaza and the 300 Picnic Plateau.



ATTENDANCE

Attendance has been strong since the team moved to Fluor Field at the West End. In the Drive's 2006 inaugural season at Fluor Field, the team raised its annual attendance by 215,000. Only the Lakewood Blueclaws and Greensboro Grasshoppers have averaged a higher attendance in the South Atlantic League over that time period. At a capacity of 5,700, Fluor Field continues to draw large crowds averaging 83.6 percent capacity during the 2013 season, the second highest average seating capacity in the South Atlantic League. Over the past five seasons the team has averaged 4,889 fans per game. In addition to the 70 scheduled home games for the Drive, Fluor Field hosts nearly 40 college baseball games each year. Fluor Field recently agreed to become the neutral site for the three game series between the University of South Carolina and Clemson University. A stadium record of 7,182 people attended in 2014 and both schools agreed to extend the three game series at Fluor Field through 2018.

OBSERVATIONS

Fluor field at the West End is owned by Greenville Drive LLC. The city of Greenville does not receive any income in rent from the team but the city has benefited from a 31 percent increase in property value in the West End since the field opened in 2006.

Since the opening of Fluor Field, the City has attributed 110 new businesses and 242 permits within a half mile of the stadium. The stadium site lies on a formerly contaminated construction site in the city's West End. The construction of Fluor Field became part of the West Side Comprehensive Plan, an initiative to coordinate housing, public transportation, and area development. Other developments in the area include River Place, a \$65 million mixed-use development consisting of a hotel, 73 apartments, retail and office space, and restaurants.



JOSEPH P. RILEY JR. FIELD CHARLESTON, SOUTH CAROLINA

MARKET OVERVIEW

Located on South Carolina's coastline, Charleston has become one of the premier travel destinations in the country. In addition to the tourism industry, the city of Charleston continues to rely on the Port of Charleston, the military, and the medical sector as its four economic drivers. The Port of Charleston represents the 10th largest container port in the United States.



STADIUM OVERVIEW

Joseph P. Riley Jr. Park is located on 5.5 acres along the Ashley River in the Northwest corner of Charleston, with the stadium itself measuring 174,000 square feet. "The Joe" opened at the beginning of the 1997 baseball season, and was funded by the City of Charleston for \$19.5 million and is home to both the Class A Charleston RiverDogs and The Citadel baseball team. Prior to their move to The Joe, The RiverDogs played their home games at College Park, a stadium built in 1939 and more centrally located in Charleston on the campus of The Citadel. The RiverDogs saw their average annual attendance increase from 129,100 during their final two seasons at College Park to 232,000 in the first two seasons at Riley Park. The RiverDogs are the Class A affiliate of the New York Yankees competing in the South Atlantic League, while The Citadel competes in the Division 1 Southern Conference. Stadium capacity is listed at 6,000. The park includes eight luxury suites, three themed patios, and a general admission grass berm in right field. Of the eight suites, six are rented on a three year basis for \$25,000 per year. The other two suites are rented on a nightly basis for \$1,200.

COST AND FINANCING

A unique agreement was formed to finance the \$19.5 million park. The 5.5 acres that the ballpark sits on was initially owned by The Citadel. In 1996, the city of Charleston purchased the proposed site from The Citadel for \$1. In return, the College will be allowed occupancy for the entirety of the stadium's existence. The city of Charleston is responsible for maintaining the stadium through an extension of the Parks Department.

ATTENDANCE

The Charleston RiverDogs averaged 4,309 people over 65 home games during the 2014 season. The five year average of RiverDogs home games is 3,991. Riley Park also hosts 30 home games for The Citadel Bulldogs, averaging between 300 and 500 people each game.

Outside of baseball, Riley Park attracts an extensive event mix each year. In 2014, the stadium hosted between 30 and 40 scheduled events, including a Florida-Georgia Line concert that attracted 13,000 people in June 2014.

OBSERVATIONS

Charleston has struck the perfect balance of creating a fan base through community engagement as-well as creating a brand that attracts visitors. Cleburne has the potential to make a similar impact in their community and create a national brand for itself. As Cleburne contemplates a proposal for a stadium, Riley Park serves as a successful template for strong attendance and community engagement.

SUMMARY

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

In the first year or two, the key is to make existing businesses do better. Officials in Fort Wayne, Greensboro and Greenville were creative in transforming blighted areas through their baseball stadiums. The combination of the concepts seen in these other markets will occur in Cleburne. Baseball stadiums drive ancillary development. Through proper planning, use of selected incentives, and community engagement that many of the cities described earlier in this section used, Cleburne can position the baseball stadium to entice additional development in the area.

SECTION VI

DEMAND PROJECTIONS AND ECONOMIC IMPACTS

DEMAND AND OPERATING PROJECTIONS

Johnson Consulting projected the demand of a new stadium in Cleburne for its first ten years of operation, based on comparable facilities' operations, characteristics of the local market area, and various assumptions that are described in this text, including conversations with Independent League baseball team owners. For the purpose of this analysis the “base case” demand projections were used and they begin in the 2017 calendar year, which is assumed to be the first full year that a proposed franchise would play in the facility along with other full-time stadium uses.

Table 6-1 summarizes the projected events and attendance for the stadium in its first three years of operations, by three different scenarios (Worst, Base and Best Case).

Table 6-1

Cleburne Baseball Stadium Summary of Events and Attendance							
Event Category	Worst Case		Base Case		Best Case		
	Events	Total Attendance	Events	Total Attendance	Events	Total Attendance	
Year 1	Independent League Baseball	48	64,800	48	71,280	48	82,080
	College Baseball	5	675	10	1,350	15	2,025
	High School Baseball	10	900	15	1,350	20	1,800
	Concerts	0	0	1	3,150	2	7,200
	Miscellaneous	5	4,500	10	9,000	15	13,500
	Total	68	70,875	84	86,130	100	106,605
Year 2	Independent League Baseball	48	58,320	48	64,800	48	75,600
	College Baseball	5	675	10	1,350	15	2,025
	High School Baseball	10	900	15	1,350	20	1,800
	Concerts	1	2,700	2	6,300	3	10,800
	Miscellaneous	6	5,400	11	9,900	16	14,400
	Total	70	67,995	86	83,700	102	104,625
Year 3	Independent League Baseball	48	58,320	48	64,800	48	75,600
	College Baseball	5	675	10	1,350	15	2,025
	High School Baseball	10	900	15	1,350	20	1,800
	Concerts	2	5,400	3	9,450	4	14,400
	Miscellaneous	7	6,300	12	10,800	17	15,300
	Total	72	71,595	88	87,750	104	109,125

Source: Johnson Consulting

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

Table 6-2

Cleburne Multipurpose Stadium										
Projected Schedule of Events by Category and Year										
Category	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Independent League Baseball	48	48	48	48	48	48	48	48	48	48
College Baseball	10	10	10	10	10	10	10	10	10	10
High School Baseball	15	15	15	15	15	15	15	15	15	15
Concerts	1	2	3	3	3	3	3	3	3	3
Miscellaneous	10	11	12	12	12	12	12	12	12	12
Total	84	86	88							

Source: Johnson Consulting

Table 6-2 shows that the stadium’s anchor tenant, the Cleburne Railroaders, will play its entire home schedule which consists of approximately 48 regular-season games at the facility (the total number of games played often fluctuates due to playoff games, rainouts and/or other weather-related events). Other baseball events include all non-Railroaders baseball games, such as high school and collegiate games/tournaments and championship games, clinics, and baseball camps. With the stadium design including synthetic turf, it lends itself to hosting a wide variety of potential special events, including concerts, charity run/walks, festivals and other community outdoor events. Additionally, any enclosed luxury suites can serve as meeting space for local corporations or community groups.

In 2017, the stadium’s expected first full year of operations, the facility is projected to host a total of 84 events. Of these events, 48 are Independent League regular-season home baseball games, 10 are college baseball events (includes tournaments), 15 high school baseball events (includes camps/clinics and tournaments), 1 concert and 10 “miscellaneous” events that include any other events that take place at the stadium. To remain conservative, Johnson Consulting has projected a ramp up period for concerts and miscellaneous events that will level off in year three. Each event category, and its projected demand over time, is explained in more detail in the following paragraphs.

Table 6-3 summarizes the projected turnstile attendance at the stadium by type of event, from 2017 through 2026.

Table 6-3

Cleburne Multipurpose Stadium										
Projected Event Attendance by Category and Year										
Category	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Independent League Baseball	71,280	64,800	64,800	64,800	64,800	64,800	64,800	64,800	64,800	64,800
College Baseball	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350
High School Baseball	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350
Concerts	3,150	6,300	9,450	9,450	9,450	9,450	9,450	9,450	9,450	9,450
Miscellaneous	9,000	9,900	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800
Total	86,130	83,700	87,750							

Source: Johnson Consulting

Total turnstile attendance at stadium events in 2017 is projected to be approximately 86,130. Due to the “novelty effect” wearing off, attendance will dip to approximately 83,700 in 2018, before rebounding and levelling off to approximately 87,750 for the next eight years. Turnstile attendance is a percentage of paid attendance (as high as 90 percent, depending on the type of event) and many of the projections, such as the economic impacts, are based on turnstile attendance. The largest share of attendance is projected for Independent League baseball games, with 71,280 projected attendees in Year 1. Each type of event is described in more detail below.

- **Independent League Baseball** games assume that the Cleburne Railroaders is a tenant in the new stadium beginning in 2017 and joins the American Association League as a member. American Association League teams play 96 regular-season games, 48 of which are scheduled for home games. In addition, the team’s playoff participation would extend its season and add more home dates, but these games are not included in the projections, as they are not certain to occur in any year.
 - To remain conservative in our approach, Johnson Consulting has assumed attendance will remain relatively consistent over a ten year period. Beginning in 2017, average turnstile attendance at regular Independent League baseball games is projected to be 1,650. Attendance projections are based largely on the recent historical average for the American Association League which is shown in Table 4-8. We arrived at our attendance projection by taking a five-year average attendance at American Association League games (2010-2014) as a percentage of each stadium’s capacity, which equaled approximately 55%. When applying this percentage to the proposed capacity (3,000 including berm seating) at the stadium in Cleburne, we get an expected average attendance of 1,650 fans. We feel the 25-mile radius population surrounding Cleburne and the proximity to Fort Worth will provide the Cleburne Railroaders an adequate population base to market their franchise.
 - Average American Association League attendance ranged from approximately 1,057 to 5,618 in 2014. Overall, in the last five seasons, average attendance in the American Association League has ranged from approximately 1,157 to 5,736. Additionally, the top four, or “Top Tier,” teams

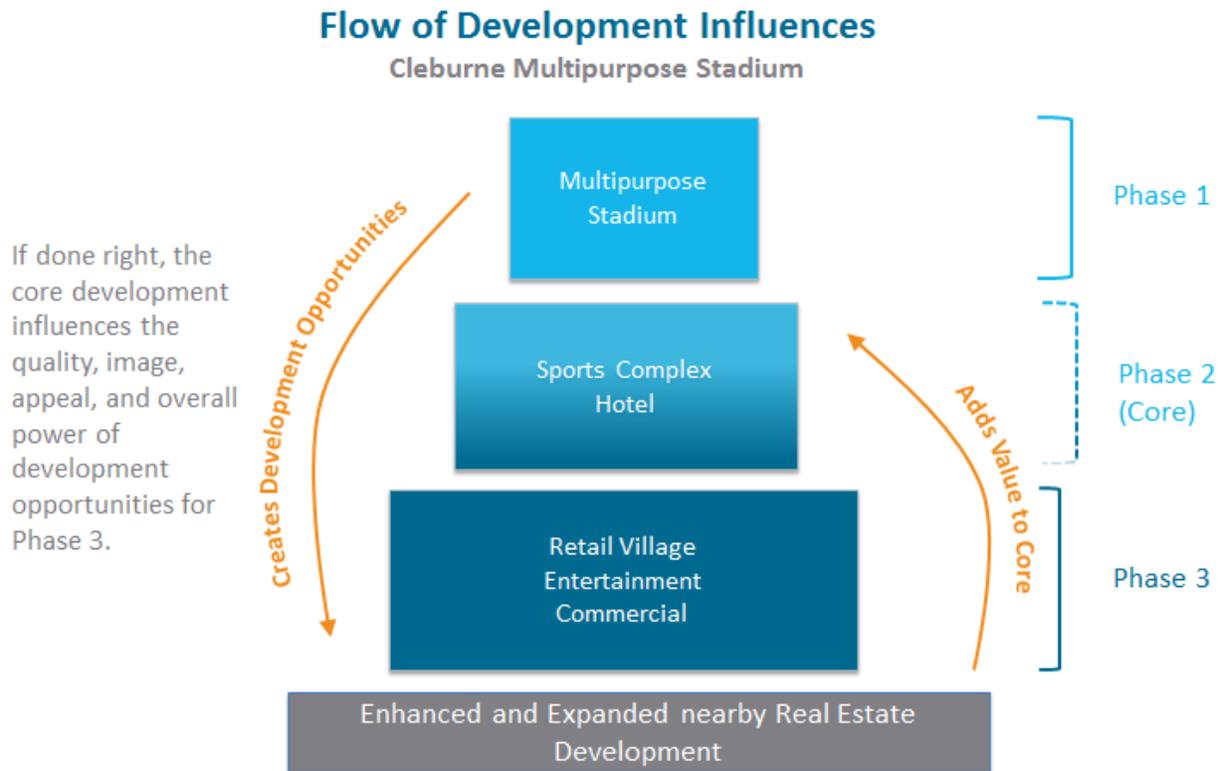
in the League averaged approximately 4,945 fans per game over the past five seasons. The projected per game attendance for the Cleburne Railroaders is below the league average, but given the smaller capacity of the stadium this is not surprising. Considering the location of the stadium and the local demographic data for Cleburne, we expect there to be a higher percentage of capacity sold compared to other stadiums. It is also likely that weekend games and special promotion nights will generate larger crowds than our projected average. Additionally, once the team is established in the market, the stadium can be expanded to accommodate larger crowds if necessary.

- **Other Baseball Events** are local and regional high school games and tournaments along with potential college baseball teams as sub-tenants, or part-time users of the stadium. This category of events also includes baseball camps and clinics.
 - A total of 25 such events are projected in 2017, with a total attendance of approximately 2,700. Not all of these events, such as a baseball camps, are expected to generate significant ticket sales and other related revenues. The number of other baseball events is projected to remain consistent at 25 through 2026. This number could increase given the potential to add one or more college baseball team as sub-tenant.
- **Concerts and Miscellaneous Events** are planned at the stadium as it will include synthetic turf and meeting space within the premium suites to allow for a large number of miscellaneous events. The initial projection estimates 1 concert and 10 miscellaneous events in 2017. The projected attendance for concerts will be approximately 3,150 in Year 1, before increasing to 9,450 in Years 3-10 as we expect additional concerts to be added. As for Miscellaneous events, Year 1 projected attendance is 9,000, with Year 2 projected attendance at 9,900, with attendance leveling off for Year 3-10 at 10,800. Miscellaneous Event demand is projected to be 10 events in Year 1, 11 events in Year 2 and 12 events in Years 3-10. This category of events also includes community events, including corporate meetings and banquets, fun runs/walks, charity softball events and festivals.

ECONOMIC AND FISCAL IMPACT ANALYSIS

This report section analyzes the total economic and fiscal benefits that would be generated by a proposed new minor league baseball stadium complex in Cleburne, TX. As visualized in Figure 6-1, there are all kinds of economic, social, economic development and image benefits that could happen if the core of this project is built and affects the development of Phase 3. If the vision is seen as a gateway project to the market, this project will have a major influence on the economy of Cleburne. Many of these influences are not quantifiable. For example, as businesses fill-in around the newly constructed Chisolm Trail Parkway they will strive for demand. If Cleburne builds this stadium, then it will enhance the regional role of the City and influence and adjacent development opportunities similar to the case studies found in Section 5 of this report. This is a structural shift in the market, not quantitatively captured in this analysis.

Figure 6-1



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



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

This analysis quantifies the effect of the spending of visitors to this project, as well as the new business operations of the team and facilities. This analysis also projects economic and fiscal impact that the proposed Sports Complex would have on the community and how the development of a stadium will influence the future economic impact of the Sports Complex.

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

METHODOLOGY AND DEFINITIONS

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

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

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

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

Furthermore, since the City of Cleburne is small, most of the visitors coming to the market are coming from outside town, bringing their dollars with them.

ECONOMIC IMPACT OF MULTIPURPOSE STADIUM & SPORTS COMPLEX

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

Table 6-4

Sports Complex Summary of Projected Events and Attendance				
Event Category	Events	Teams	Participants	Visitors
Leagues	10	140	2,100	3,150
Tournaments	15	360	5,400	8,100
Special Events	2			20,000
Total	27		7,500	31,250

Source: Johnson Consulting

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

Table 6-5

Cleburne Multipurpose Stadium Projected Attendance (Base Case Yr. 3)						
	# of Events	# of Attendance or Spectators	# of Players & Coaches per Game		# of Players, Coaches & Support Staff	Total # of Visitors
	(A)	(B)	(C)		(D)	(E)
Baseball Stadium						
Independent League Baseball	48	64,800	40	*	1,920	66,720
College Baseball	10	1,350	30	**	300	1,650
High School Baseball	15	1,350	20	***	300	1,650
Concerts	3	9,450	10	****	30	9,480
Miscellaneous	12	10,800	0		0	10,800
Total	88	87,750	100	0	2,550	90,300
Sports Complex + Stadium						
Sports Complex (projected)	27	31,250	0		0	31,250
Independent League Baseball	48	64,800	40	*	1,920	66,720
College Baseball	10	1,350	30	**	300	1,650
High School Baseball	15	1,350	20	***	300	1,650
Concerts	3	9,450	10	****	30	9,480
Miscellaneous	12	10,800	0		0	10,800
Total	115	119,000	100	0	2,550	121,550

Notes:

*Including baseball players, team staff, and sports reporters

**Including collegiate baseball players, team staff, and sports reporters

***Including high school baseball players, team staff

****Including production staff

Source: Johnson Consulting

As shown in the table, the Stadium is estimated to generate 88 events, 87,750 attendees, and 2,550 players, coaches and media annually while the Sports Complex is projected to generate approximately 27 events and 31,250 attendees. The combined stadium and sports complex is projected to generate 115 events and 119,000 attendees. The majority of attendees will spend on average \$56 daily, with the remaining staying overnight and spending on average \$130 daily, as shown in Table 6-6. The estimates for lodging, meals, and incidental expenses are based on per person, 2015 per diem rates for Cleburne, TX per U.S. General Services Administration for an October 2014-September 2015 period, which can be viewed as an average amount of spending across various hotels, restaurants, retail and other establishments. The ticket price is an estimate based on historical ticket prices for Independent League games.

Table 6-6

Cleburne Multipurpose Stadium Average Daily Spending		
	Most Visitors	Overnight Visitors
1 Lodging	\$0	\$74
2 Meals, Retail and Incidental Expenses	46	46
3 Tickets	10	10
4 Total	\$56	\$130

Notes:

Lines 1 and 2 - Based on GSA Per Diem rate for Cleburne. Adjusted to reflect avg spend per attendee at minor league ball parks

Lines 3 - Reflects weighted average of ticket price.

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

Conceptually, multiplying the number of total visitors with average daily spending will result in total direct spending. However, not all visitors will spend money on lodging. Therefore, assumptions on visitors who do and do not require lodging need to be developed first. Such estimates for each phase are shown in Table 6-7.

Table 6-7

Cleburne Multipurpose Stadium Estimated Day and Overnight Attendees								
	# of Person-Days			% Overnight Visitors		# of Room Nights		
	Of Attendees	Of Visiting Players & Coaches*	Total	Of Attendees	Of Visiting Players & Coaches*	Of Attendees	Of Visiting Players & Coaches*	Total
Baseball Stadium								
Independent League Baseball	64,800	1,920	66,720	5%	90%	3,240	1,730	4,970
College Baseball	1,350	300	1,650	2%	2%	30	10	40
High School Baseball	1,350	300	1,650	1%	1%	10	0	10
Concerts	9,450	30	9,480	2%	100%	190	30	220
Miscellaneous	10,800	0	10,800	1%	1%	110	0	110
Total	87,750	2,550	90,300			3,580	1,770	5,350
Sports Complex + Stadium								
Sports Complex (projected)	31,250	0	31,250	10%	0%	3,130	0	3,130
Independent League Baseball	64,800	1,920	66,720	5%	90%	3,240	1,730	4,970
College Baseball	1,350	300	1,650	2%	2%	30	10	40
High School Baseball	1,350	300	1,650	1%	1%	10	0	10
Concerts	9,450	30	9,480	2%	100%	190	30	220
Miscellaneous	10,800	0	10,800	1%	1%	110	0	110
Total	119,000	2,550	121,550			6,710	1,770	8,480

Notes:

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

*Accounts for production staff for concert events

Source: Johnson Consulting

The estimates conservatively assume that approximately 10 percent of the Sports Complex attendees will require lodging, but with the potential development of an adjacent hotel we suspect this percentage to actually be greater. Additionally, the estimates assume that 5 percent of Independent League attendees and 90 percent of visiting players and coaches will require lodging accommodation. Therefore, total new visitors to the Multipurpose Stadium as well as players and coaches combined, are estimated to generate 90,300 person-days and 5,350 room nights. For all other events, the estimates assume that 2 percent of College Baseball Events attendees, 1 percent of High School Baseball attendees, 2 percent of Concert attendees and 1 percent of Miscellaneous attendees will require lodging accommodations. Room nights for festivals could be larger, if such festivals blossom into major events. Combined, the Stadium and Sports Complex are estimated to generate 121,500 person-days and 8,480 room nights.

Based on the assumptions shown in Table 6-6 and Table 6-7, total direct spending by all visitors and team operations as estimated in Table 6-8.

Table 6-8

Cleburne Multipurpose Stadium Estimated Direct Spending from Attendees						
Calculations						Estimated Amount
Baseball Stadium						
On Lodging	\$74	x	5,350	room nights	=	\$395,900
Meals, Retail and Incidental Expenses	\$46	x	90,300	total person-days	=	4,153,800
On Tickets	\$10	x	64,800	ticketed attendees	=	648,000
Sub-Total						\$5,197,700
Team and Stadium Operations				2017Operations		\$3,000,000
Total						\$8,197,700
Sports Complex + Stadium						
On Lodging	\$74	x	8,480	room nights	=	\$627,520
Meals, Retail and Incidental Expenses	\$46	x	121,550	total person-days	=	\$5,591,300
On Tickets	\$10	x	64,800	ticketed attendees	=	\$648,000
Sub-Total						\$6,866,820
Team and Stadium Operations				2017Operations		\$3,000,000
Total						\$9,866,820

Source: Johnson Consulting

As shown in the table, all visitors to the proposed multipurpose stadium are projected to spend \$5.1 million annually during their visits and the operations of the minor league team and stadium are estimated to have a direct spend of approximately \$3 million, resulting in a total direct spending of \$8.1 million. Combined, all visitors to the proposed stadium and the Sports Complex are projected to spend \$6.8 million annually during their visits as well as the \$3 million for operations of the team and multipurpose stadium, resulting in the total direct spending of \$9.8 million.

Based on the calculations and assumptions described thus far, Table 6-9 summarizes the total estimated economic impacts for each Phase as described in the table below.

Table 6-9

Cleburne Multipurpose Stadium Development Combined Estimated Annual Economic Impact (\$Millions)			
	Multiplier*	Baseball Stadium	Combined
Direct Spending		\$8.20	\$9.87
Indirect Spending	0.20	1.64	1.97
Induced Spending	0.15	1.23	1.48
Total Spending		\$11.07	\$13.32
Increased Earnings	0.33	\$2.73	\$3.29

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

As shown in the table above, the proposed multipurpose stadium is estimated to generate \$11.07 million of total spending and \$2.73 million of increased earnings, annually. Combined with the sports complex, the development is estimated to generate \$13.32 million in total spending and \$3.29 million of increased earnings, annually.

FISCAL IMPACTS OF CLEBURNE MULTIPURPOSE STADIUM

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

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

Based on the spending estimates, Johnson Consulting projected the fiscal impacts from major categories of tax revenues that are directly affected by a visitor's activity: general sales tax, hotel/motel occupancy tax, and individual income tax. It should be noted that there is no Corporate Income Tax in Texas.

- **Sales Tax** – is 7.75 percent in Cleburne, consisting of 6.25 percent to the State, 1 percent to the City and .5 percent to the 4B Corporation (used for quality of life projects such as Sports Complex, Splash Station, Parks, Esquire Theater, Community Centers, Conference Center, and museums).
- **Room Tax (Hotel/Motel Tax)** – is 13.00 percent on spending on lodging. The City portion is 7 percent (with 5.5 percent remitted to the Chamber of Commerce), and the State portion is 6 percent.

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

Table 6-10 shows the estimated annual fiscal impact for each phase as described in the table below.

Table 6-10

Cleburne Multipurpose Stadium Estimated Annual Fiscal Impact Revenues						
	Tax Rate	Taxable Spending	Tax Revenues	Distribution		
				State	City	
Baseball Stadium						
Sales Tax - State*	7.75%	\$11,070,000	of total spending	\$858,000	\$691,935	\$166,065
Room Tax**	13.00%	\$395,900	of spending on lodging	51,000	23,538	27,462
Total				\$909,000	\$715,474	\$193,526
Sports Complex + Baseball Stadium						
Sales Tax - State*	7.75%	\$13,320,000	of total spending	\$1,032,000	\$832,258	\$199,742
Room Tax**	13.00%	\$627,520	of spending on lodging	82,000	37,846	44,154
Total				\$1,114,000	\$870,104	\$243,896

* State = 6.25%, 1.5% Local rate (of which 0.5% is a 4B tax)

** City portion is 7% (5.5% remitted to Cleburne Chamber of Commerce); State portion is 6%

Source: Johnson Consulting, Texas State Comptroller, City of Cleburne

As shown on the table, activities at the proposed multipurpose stadium in Cleburne are estimated to generate approximately \$909,000 of tax revenues annually, of which approximately \$715,474 goes to the State and \$193,526 to the City. Combined, the development is estimated to generate approximately \$1.1 million of tax revenue annually, of which \$870,104 goes to the State and \$243,896 goes to the City.

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

ONE-TIME IMPACT OF CLEBURNE STADIUM CONSTRUCTION

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

Typically, only hard construction costs are included in impact analysis. Estimates for the Cleburne Multipurpose Stadium, which were provided in the Stadium proposal, are approximately \$15 million (excluding land costs).

Table 6-11 shows the calculation of the construction impact, from construction hard costs to the resulted construction jobs as well as economic and fiscal impact.

Table 6-11

Cleburne Multipurpose Stadium Estimated One-Time Construction Impact		
	Multiplier or Tax Rate	Amount
Est. Hard Costs for Stadium Development		\$15,000,000
Impact on Construction Jobs		
% of Costs Spent on Labor		55.0%
Labor Costs		\$8,250,000
Average Construction Laborer Salary		\$30,000
# of On-Site Construction Jobs		280 ✓
Economic Impact		
% of Costs Spent on Material		45.0%
Material Costs		\$6,750,000
% Spent Locally		80.0%
Direct Construction Spending		\$5,400,000
Indirect Spending	0.20	1,080,000
Induced Spending	0.15	810,000
Total Spending		\$7,290,000 ✓
Increased Earnings	0.33	\$1,800,000 ✓
Fiscal Impact		
Sales Tax - State*	7.75%	\$560,000
Total		\$560,000 ✓

Source: Johnson Consulting

Construction jobs are estimated based on the amount spent on construction labor. In absence of an actual construction cost detailed rundown, labor costs are assumed to amount to 55 percent of construction hard costs, while the remaining 45 percent goes to material costs. In typical construction projects, labor costs



typically make up 55 percent to 60 percent of total hard costs; material costs make up the remaining 40 percent to 45 percent. Applying this ratio to the \$15 million construction hard cost amount, labor costs are estimated to amount to \$8.25 million (material costs are estimated to amount to \$6.75 million). As shown in the table, assuming an average construction laborer salary of \$30,000, the construction is estimated to generate 280 construction jobs. A capital budget strategy to reduce costs could be to form a public entity that would purchase the materials for the stadium. If that occurs, sales taxes could be materially reduced, serving as a defacto savings in the development budget for the project.

Economic and fiscal impact is estimated based on the amount spent on construction material and construction jobs. Clearly, not all of the construction material is purchased locally. In absence of an actual construction vendor/supplier list, which would indicate where each of the material is purchased from, this analysis conservatively assumes that 80 percent of material costs, or \$5.4 million, is spent locally. Applying the multipliers to this amount, such spending on material is estimated to generate \$7.29 million of total spending and \$1.8 million of increased earnings in the economy. Tax revenues are estimated to amount to \$560,000.

ECONOMIC IMPACTS SUMMARY

Johnson Consulting feels strongly that the development of the proposed Cleburne Multipurpose stadium will be a successful if it built in conjunction with the Sports Complex. This development will likely serve as a catalyst to spur new development and entertainment in the City of Cleburne as it grows and expands. The synergies between the proposed stadium development and the proposed Sports Complex combined offers a unique opportunity for the City of Cleburne and its tourism base as it relates to the ever growing sports tourism market.

It should be noted that the impact figures in this section do not account for the additional revenues expected to be generated by the adjacent developments the Multipurpose Stadium and Sports Complex will likely attract, or the increase in local property values that would incur from such a development. Additionally, the supplemental nature of the two facilities were quantified in our analysis, as the two combined will leverage one another for additional and larger events at each, beginning to make the City of Cleburne a sports tourism destination.