MINOR LEAGUE BALLPARK COMPARABLES REPORT

























Executive Summary

The Winnipeg Goldeyes Baseball Club and Riverside Park Management Inc (Riverside) have engaged John Dittrich (consultant) to contact ten to twelve (10-12) minor league baseball teams to obtain details regarding their facility leases, expenses paid, and capital contributions towards construction. The information obtained is to be used to create a number of categories to compare the terms and payments of the Riverside lease with the City of Winnipeg to other like facilities in North America for the purpose of negotiating a fair and equitable lease extension.

More specifically, the consultant has been asked to:

- Conduct a high level analysis of ten to twelve (10-12) comparable major sporting facilities to Shaw Park, with detailed information including but not limited to:

- Lease Term, Rent, Realty Taxes, Capital Cost / Investment, Development & Maintenance, Size / Capacity, Parking, Concessions, Operating Costs, Utilities, Repairs, Cancellation Options, Ownership, etc.

- Determine a weighting standard for the raw data that is obtained, and provide a spectrum review of industry model / standard business practice for comparable major sporting facilities.

The analysis provided will include information from twelve (12) minor league cities:

- Gary, Indiana (American Association)
- Schaumburg, Illinois (Frontier League)
- Kansas City, Kansas (American Association)
- St. Paul, Minnesota (American Association)
- Lincoln, Nebraska (American Association)
- Ottawa, Ontario (Can Am League)
- Sugarland, Texas (Atlantic League)
- Avon (Lake Erie), Ohio (Frontier League)
- Chicago, Illinois (American Association)
- Crestwood (Windy City), Illinois (Frontier League)
- Richmond, Virginia (Eastern League)
- Winnipeg, Manitoba (American Association)

Analysis

The consultant has numerous contacts and relationships that have been formed throughout an extensive career in Baseball as outlined in Appendix A. A review was done of the Riverside/Shaw Park facility information to determine what parameters would be required and what other facilities would be approached to obtain similar information as it relates to Shaw Park. The list was narrowed down to facilities that were similar in nature to Shaw Park and had teams that played in minor independent baseball leagues comparable to the Winnipeg Goldeyes.

The comparables provided in Appendix B have a wide range of variables that have been analysed as it relates to the individual leases within each location. Figure 1 below shows how the average of the other eleven teams compares to that of Riverside.

Figure 1

	Comparables 11 teams	Riverside
Ballpark Capacity	7300	7397
Annual Rent	$ 128,818	$ 1
Lease Term	12-70 years	25 years
Utilities paid by Team	8 teams - 73%	100%
Building maintenance paid by team	3 teams - 27%	100%
Field maintenance paid by team	9 teams - 82%	100%
Property Taxes	$ -	$ 274,294
Business Taxes	$ -	$ 55,961
Parking stalls provided by City	1175	0
average rent plus taxes	$ 128,818	$ 330,256
Capital Contribution by teams	$ 2,245,455	$ 11,845,000

The overall comparison of teams to Riverside shows that Riverside is only 1 of 4 teams paying 100% of utilities plus building and field maintenance. Teams that pay rent generally have some form of utilities, building, or field maintance covered by the city. No other team in the comparison pays property or business taxes of any kind. When the total costs for rent and taxes are compared, Riverside pays on average $201,438 more in payments to the City than the other 11 teams average. Riverside contributed $9,599,545 more in capital towards construction than the average of the 11 teams. In every location, the Cities provide on average 1,175 parking stalls that they constructed to each team to allow patrons to park within close proximity and as a source of revenue generation to support the facilities.

Each and every team has a different situation as it relates to their facility and how rent and expenses are determined. Certain facility agreements can be grouped together and compared to Riverside based on the similarities in their lease.

The first comparison is based on Capital Contribution and rent. We see two teams besides the Winnipeg Goldeyes who have made a contribution toward the capital cost of construction and one team who was provided a ballpark and did $3,500,000 in leaseholds. Of the four teams considered, three pay zero rent. Only teams who have made no capital contributions to construct the facilities have an annual rent attached to their lease. Figure 2 breaks down the average of the St. Paul Saints, Lincoln Salt Dogs, and Richmond Flyers who have made a capital contribution or large leasehold improvement to construct their current facilities and then compares their lease costs to those of Riverside.

Figure 2

Teams who have contributed capital Towards construction comparison	**Comparables 3 teams**	**Riverside**
Ballpark Capacity	8500	7397
Annual Rent	$ 52,333	$ 1
Lease Term	33.3	25 years
Utilities paid by Team	3 teams - 100%	100%
Building maintenance paid by team	2 teams - 66%	100%
Field maintenance paid by team	3 teams - 100%	100%
Property Taxes	$ -	$ 274,294
Business Taxes	$ -	$ 55,961
Parking stalls provided by City	1500	0
average rent plus taxes	$ 52,333	$ 330,256
Capital Contribution by teams	$ 8,166,667	$ 11,845,000

When looking at Figure 2, it shows that the teams who have contributed capital towards construction generally pay very little in rent, no taxes and have lease terms ranging from 5 to 70 years. As a result of paying very little in rent, most of these teams are responsible for utilities and maintenance. Of note is that Lincoln made a similar capital contribution as Riverside and obtained a 70 year lease with zero paid in rent and taxes as a result. Richmond only received a 5 year lease but were provided with an already city built ballpark.

The second comparison consists of taking the teams that play in the American Association and comparing their agreements to Riverside as shown in Figure 3. Information was obtained from five other teams in the American Association who have similar size ballparks to Riverside and play in a larger metropolitan area such as Gary, Kansas City, St, Paul, Chicago and Lincoln.

Figure 3

American Association facility comparison	Comparables 5 teams	Riverside
Ballpark Capacity	7560	7397
Annual Rent	$ 76,000	$ 1
Lease Term	28.4	25 years
Utilities paid by Team*	4 teams - 80%	100%
Building maintenance paid by team	3 teams - 60%	100%
Field maintenance paid by team	4 teams - 80%	100%
Property Taxes	$ -	$ 274,294
Business Taxes	$ -	$ 55,961
Parking stalls provided by City	1112	0
average rent plus taxes	$ 76,000	$ 330,256
Capital Contribution by teams	$ 4,200,000	$ 11,845,000

When you look at the data from facilities in the American Association, the average rent and taxes paid is $254,256 less than what Riverside is currently paying to the City of Winnipeg. The lease term for these facilities ranges from 12 years to 70 years. Of the cities in figure 3, Gary Southshore Railcats pay rent of $150,000 but do not pay any of the expenses associated with the facility such as utilities, building and field maintenance or property and business taxes. The Chicago Dogs are in a position of paying rent similar to Gary but Chicago is responsible for paying utilities and field maintenance. Chicago is the newest facility on the list and they did not contribute any money to construct the facility which opened in 2018. The two organizations who contributed towards construction pay zero rent while the three teams who contributed zero in capital pay annual rent but no facility maintenance costs.

The third comparison that may be of interest to readers is a direct comparison of the Richmond Flying Squirrels to Riverside as they tick a lot of the same boxes as Riverside when it comes to the lease of their facility. This analysis is shown in figure 4 below.

Figure 4

Direct comparison of a facility who Contributed capital and pays rent	Richmond	Riverside
Ballpark Capacity	9500	7397
Annual Rent	$ 157,000	$ 1
Lease Term	5 years	25 years
Utilities paid by Team	100%	100%
Building maintenance paid by team	0%	100%
Field maintenance paid by team	100%	100%
Property Taxes	$ -	$ 274,294
Business Taxes	$ -	$ 55,96
Parking stalls provided by City	1000	0
average rent plus taxes	$ 157,000	$ 330,256
Capital Contribution by teams	$ 3,500,000	$ 11,845,000

The direct comparison with Richmond show that Riverside is paying $173,256 more in taxes and rent on an annual basis under the current agreement. The total cost for Richmond is skewed as Richmond was provided with a completely constructed ballpark from the City and spent $3,500,000 on improvements and upgrades. Richmond is also exempt from paying building maintenance as the City covers all costs associated with the facility.

The next comparison is made directly between Riverside and Ottawa as both facilities are in Canadian jurisdictions. Figure 5 shows how the lease term and financial information in Ottawa compares to the lease in Winnipeg.

Figure 5

Financial cost comparison	**Ottawa**	**Riverside**
Ballpark Capacity	10000	7397
Annual Rent	$ 400,000	$ 1
Lease Term	10 years	25 years
Utilities paid by Team*	$ -	$ 287,047
Building maintenance paid by team*	$ -	$ 209,793
Field maintenance paid by team*	$ -	$ 124,507
Property Taxes	$ -	$ 274,294
Business Taxes	$ -	$ 55,961
Parking stalls provided by City	800	0
Total comparable payments	$ 400,000	$ 951,603
Capital Contribution by teams	$ -	$ 11,845,000

* 5 year average supplied by team

Based on the figures in Figure 5, Ottawa pays more in rent and property taxes than Riverside but does not pay any operating or maintenance costs for the facility. Ottawa did not contribute any capital towards construction. Based on information obtained from Riverside, an average of $287,000 in utility costs and $334,000 in building and field maintenance are paid each year based on the last 5 years. When these numbers are taken into consideration and compared to Ottawa's costs, Riverside is paying $951,603 in costs compared to Ottawa's $400,000.

The comparison in Figure 6 looks at the American Association team facilities where capital was contributed towards construction and breaks down the contribution by each team and City as a percentage of the overall cost.

Figure 6 Capital cost comparison	Lincoln	St. Paul	Winnipeg
Ballpark Capacity	8000	8000	7397
Construction cost	35,000,000	63,000,000	21,008,528
Team contribution	10,000,000	11,000,000	11,845,000
Team % of cost	28.6%	17.5%	56.4%
City Contribution	10,000,000	24,000,000	2,000,000
City % of cost	28.6%	38.1%	9.5%

As you can see from the following table, Winnipeg contributed a similar amount to Lincoln but on a percentage basis it is nearly double what Lincoln contributed to the final costs. When it comes to City contribution, the cities of St. Paul and Lincoln contributed both significantly more dollars and percentage of cost that that of Winnipeg.

Figure 7 City Tax Analysis		Inves-tor's Field		Estimated Bell MTS Place		Master Lease Shaw Park	High Line Parking
Assessed value		0		* 43,935,000		10,599,000	2,733,000
portioned		-	10%	4,393,500	65%	6,889,350	1,776,450
	Rates ^					-	
school tax	0.014762	0		64,857		101,701	26,244
support levy	0.010073	0		44,256		69,396	17,894
municipal taxes	0.012987	0		57,058		89,472	23,071
						-	
School and Property taxes		0		166,171		260,569	67,189
less municipal credit		0		-	-	42,090	-
						-	
Total taxes paid		**0**		**166,171**		**218,479**	67,189
Business taxes Paid		0		?		**55,368**	593

The final comparison requested was an analysis of property taxes paid by the three major sporting venues within Winnipeg. Investor's Group Field is home to the Canadian Football League's Winnipeg Blue Bombers and is located on exempt land at the University of Manitoba. The Winnipeg Jets and Manitoba Moose play at Bell MTS Place which has an assessed value of $43,935,000 but is classified as a recreation property and portioned at 10% resulting in approximately $101,314 in municipal taxes. It is not know by the consultant as to whether Bell MTS is granted a municipal credit similar to Shaw Park. Lastly, Shaw Park is assessed at $10,599,000 (master lease rolls) and is not classified as a recreational property and therefore portioned at 65% resulting in $158,868 in municipal taxes. Shaw Park does receive a municipal credit of $42,090 for allowing amateur baseball and other not for profit groups access to use the field. In addition to the Master Lease lands, Shaw Park has use of parking lands around the CN High Line and pays an additional $40,965 in property tax.

Business tax numbers were not available for Investor's Group Field or Bell MTS Place. Shaw Park reports that $55,368 in business tax is paid to the City of Winnipeg.

Based on the information supplied, Shaw park pays more in property taxes than the other two venues and is the only minor league facility in the comparables report to pay any property or business tax of any kind.

Conclusion

The scope of work was to obtain comparables for a number of facilities/teams in North America as it relates to Riverside Park and the Winnipeg Goldeyes. The data was then summarized and compared to Riverside using four different weighing standards. The conclusion reached based on the data received is that although each ballpark deal is different in structure and term, the current Riverside lease has a higher cost attached to it no matter how you compare it and who you compare it to.

Appendix A



JOHN DITTRICH

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Over 40 years as an executive at all levels of professional baseball, including Minor League Baseball HQ and the MLB Texas Rangers.

1974	Assistant to the President - Bobby Bragan - Texas League - Fort Worth, TX (Class AA)
1975-76	General Manager - Alexandria Aces - Alexandria, LA (San Diego Padres, Class AA)
1976-Present	General Manager- Amarillo Gold Sox - Amarillo, TX (San Diego Padres, Class AA)
1977-78	Assistant to the President - Bobby Bragan – National Association of Pro Baseball Leagues (MiLB) - St. Petersburg, FL
1979-82	Owner/General Manager - Amarillo Gold Sox - Amarillo, TX (San Diego Padres, Class AA)
1983-86	Player Development - Texas Rangers - Arlington, TX (American League)
1987-88	General Manager - Calgary Cannons - Calgary, AB, Canada (Seattle Mariners, Class AAA)
1989-90	General Manager - Greensboro Hornets - Greensboro, NC (Cincinnati Reds/NY Yankees, Class A)
1991-95	VP/General Manager - Columbus RedStixx - Columbus, GA (Cleveland Indians, Class A)
1996-98	VP/General Manager - Fargo-Moorhead RedHawks - Fargo, ND (Northern League, Independent)
1998-00	VP/General Manager - Schaumburg Flyers - Schaumburg, IL (Northern League, Independent)
2001-09	President/Chief Operating Officer – Fort Worth Cats – Fort Worth, TX (American Assoc., Independent)
2010-13	Executive VP – Joliet Slammers– Joliet, IL (Frontier League, Independent)
2014	General Manager – Pulaski Mariners – Pulaski, VA (Seattle Mariners – Rookie)

ACTIVITIES

Board of Directors, Alexandria, LA Jaycees (1975)
Board of Directors, St. Petersburg, FL Jaycees (1977-78)
President, St. Petersburg, FL Jaycees (1978)
Board of Directors, St. Mary's School, Amarillo, TX (1980-82)
Board of Directors, Goodwill Industries, Amarillo, TX (1979-82)
Community Advisory Board, Jr. Achievement, Ft. Worth, TX (1983-86)
Board of Directors, Association of the U.S. Army, Ft. Benning, GA (1992-95)
Rotary International, Amarillo, Calgary, Columbus, Fargo, Schaumburg (1980 - 2000)
Board of Directors, Fargo, ND Rotary Club (1997)
Community Advisory Board, Daily Bread, Fargo, ND (1998)
Executive Committee, North Dakota Special Olympics (1998)
Leadership Council, American Diabetes Association, Fort Worth, TX (2004-2009)
Breakfast Club of Fort Worth (2004 – 2009)
President, Breakfast Club of Fort Worth (2008)
Board of Directors, Cassata High School, Fort Worth (2007-2009)
Board of Directors, Bobby Bragan Youth Foundation, Fort Worth (2005-present)
Board President, Bobby Bragan Youth Foundation (2007-2009)
Board of Directors, Pitch & Hit Club of Chicago (1998-present)
Past President, Pitch & Hit Club of Chicago (2010-2011)

PROFESSIONAL

Texas League, Champions, Amarillo (1976)
Pacific Coast League, Northern Division Champions, Calgary (1987)
South Atlantic League, three-time Southern Division Champions, Columbus (1992, 1994, 1995)
Northern League, two-time Western Division Champions, Fargo (1996, 1997)
Northern League, Champions, Fargo (1998)
Northern League, Eastern Division Champions, Schaumburg (1999)
Pacific Coast League, two-time Attendance Champions, Calgary (1987, 1988)
South Atlantic League, two-time Attendance Champions, Greensboro (1989, 1990)
South Atlantic League, Best Playing Facility Award, Columbus (1992)
South Atlantic League, two-time Club Merit Award-Most Professional Operation, Columbus (1994, 1995)
Fargo Jaycees, Boss of the Year, Fargo (1997)
South Atlantic League, two-time Executive of the Year, Greensboro (1989), Columbus (1995)
Northern League, two-time Executive of the Year, Fargo (1997), Schaumburg (1999)
Minor League, two-time Executive of the Year, Chicago Pitch & Hit Club (1999, 2006)
Central League, four-time Best Playing Facility Award, Fort Worth (2002, 2003, 2004, 2005)
Central League, three-time Attendance Champions, Fort Worth (2002, 2003, 2004)
Central League, Champions, Fort Worth (2005)
American Association, Two-time Champions, Fort Worth (2006-2007)
American Association, Organization of the Year, Fort Worth (2008)
Frontier League, Champions, Joliet (2011)
Frontier League, Executive of the Year, Joliet (2011)
Frequent guest lecturer / speaker at numerous colleges and universities

APPENDIX B

Ballpark Leases

BALLPARK	BALLPARK CAPACITY	ANNUAL RENT	LEASE TERM & OPTIONS	UTILITIES PAID BY	MAINTENANCE BUILDING/ FIELD	PROPERTY/ BUSINESS TAXES	PARKING PROVIDED BY	CAPITAL CONTRIBUTION BY TENANT	CONCESSIONS OPERATOR TEAM SHARE	NAMING RIGHTS
Gary Southshore Railcats AA	8,500	$ 150,000.00	15 year term 2/5 year options	City	City City	$0 $0	City 600-900	ZERO	ZERO to City	
Schaumburg Boomers Frontier League	7,500	$ 75,000.00	7 year term 2/5 year options	City	City Tenant	$0 $0	City 2,500	ZERO	Self-Operate ZERO to City	60/40 Share Not Sold
Kansas City T-Bones AA	7,000	$ 55,000.00	12 year term	Tenant	City Tenant	$0 $0	City 1,100	ZERO $0		
St Paul Saints AA	8,000 Plus	$ -	25 year term Plus Renewal	Tenant	Tenant pays ordinary maintenance	$0 $0	Public Parking Lots	YES $3,000,000 $8,000,000 City loan	Levy ZERO to City	Team keeps $$ for inventory (signage, etc.) City $ after threshold
Lincoln Salt Dogs AA	8,000	$ -	70 year term	Tenant	Tenant Tenant	$0 $0	City 2,000	YES $10,000,000	Levy ZERO to City	None - But if sold, team keeps $
Ottawa Champions Can Am League	10,000	$ 400,000.00	10 year lease w/options	City	City City City-pays for grounds crew	$0 $0	City 800	ZERO	Outside Vendor City gets 10% after $1.2 M sales	$200,000 If more that $200K split 50/50 w/ City
Sugarland Skeeters Atlantic League	7,500	$ 80,000.00	20 Year Term	Tenant	Tenant Tenant	$0 $0	City 2,000	ZERO		
Lake Erie Crushers Frontier League	5,000	$ 250,000.00	15 year term	Tenant	City pays all maintenace over $10,000	$0 $0	City 1,300	ZERO		
Chicago Dogs AA	6,300	$175,000	20 Years	Tenant	Building - City Field - Tenant	$0 $0	City 600	Minimal	Levy ZERO to City	$1 M -Yr. (12 Years) 60(team)/40 split
Windy City Thunderbolts Frontier League	3,000	$75,000	2 Years Rem.	Tenant Only Dur. Seas.	Building - City Field - Tenant (Turf)	$0 $0	City 1,500	Team Pd. For Turf $200,000	Self Operate ZERO to City	60/40(team) split $100,000 yr.
Richmond Flying Squirrels Eastern League	9,500	$157,000	5 Years 5 Year Tm. Option	Tenant	Building -City Field - Tenant	$0 $0	Tenant ($5) 1,000	Team Pd. $3.5 M improvements	Self Op - ZERO to City 3 outside vendors	Team Keeps Not Sold
Winnipeg Goldeyes AA	7397	$ 1.00 Land Lease	25 year	Tenant	Tenant Tenant	$207,105+$67,189 $55,368+$593 $330,255	Tenant 0	$11,845,500	Team 100%	Team