

Minor League Baseball



A play for downtown development

Staff Briefing: Economic Development & Housing Committee

Date: December 18, 2006



Briefing Purpose

- Provide context in reviewing a possible sports related development proposal for the central business district

Dallas Area Sports Culture

- One the most attractive sports markets in the nation
 - Home to key major league franchises
 - Dallas Cowboys
 - Dallas Mavericks
 - Dallas Stars
 - Texas Rangers
 - Home to other significant sports related teams, events, or venues
 - Dallas Desperados Arena Football
 - Texas Tornados Hockey NAHL
 - FC Dallas Soccer (formerly the Dallas Burn)
 - Frisco Rough Riders (Affiliate Baseball)
 - NASCAR-Texas Motor Speedway
 - Byron Nelson Golf Classic
 - MasterCard Colonial Golf Tournament
 - Lone Star Park (Horse Racing)
 - World Cup

Sports/development connection

- Venues
 - Reunion Arena, American Airlines Center, Cotton Bowl
- Events
 - Cotton Bowl Game, Texas/OU, & Grambling/Prairie View
 - Olympic Bid
- Impact: Enhanced
 - Consumer spending
 - Development investment
 - Sense of activity and excitement

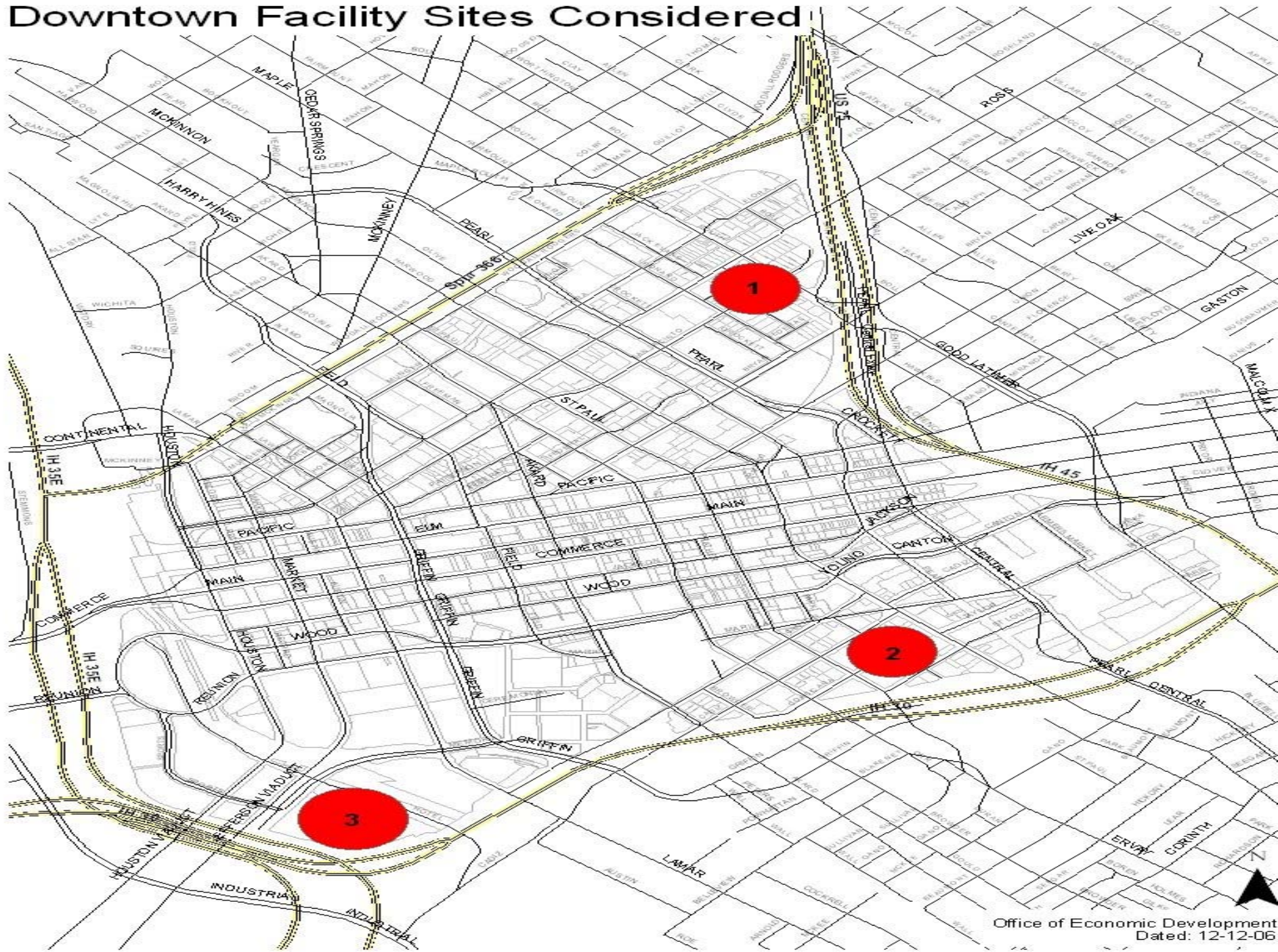
Downtown Development Challenge

- Goal is to enhance the urban experience with activities and venues beyond work
 - Housing choices
 - Rental/Home ownership
 - Various Income levels
 - Retail choices
 - Major shopping
 - Everyday needs
 - Entertainment choices
 - Night life
 - Restaurants
 - Special experiences

The Opportunity

- Enhance current downtown revitalization efforts with the infusion of mixed use development that would be driven by the location of a sports related venue that could...
 - Provide numerous game dates,
 - Host additional events,
 - Create synergy between patrons & business
 - Support connectivity between downtown districts
 - Work in conjunction with the commitments made between the City and the American Airlines Center

Downtown Facility Sites Considered



From Major Leagues to Minor Leagues

Texas Rangers'

Team	Affiliation	Location
Texas Rangers	Major League Baseball	Arlington, Texas

Texas Rangers' Affiliate Teams

Red Hawks	AAA Affiliate	Oklahoma City, OK
Rough Riders	AA Affiliate	Frisco, TX
Blaze	A Adv. Affiliate	Bakersfield, CA
Lumber Kings	A Affiliate	Clinton, IW
Indians	SS Affiliate	Spokane, WA
Rangers	Rookie Affiliate	Surprise, AZ

*Foot Note: Affiliate teams are subject to the rules, regulations, and location restrictions of the Texas Rangers and MLB

From Major Leagues to Minor Leagues

Independent Baseball Leagues

Cats	American Association Baseball League	Fort Worth, TX
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Why not Major League Baseball?

- The Texas Rangers' MLB franchise agreement prohibits the location of another MLB or MLB affiliate in the DFW area without the permission of the Texas Rangers'.

Why Independent Minor League Ball?

- Independent Minor League Baseball is free from all rules, regulations, and location restrictions of MLB
- Independent MiLB has targeted markets where a MLB franchise may not be permitted

Minor League Baseball

- The success of affiliate MiLB coupled with its limits on expansion has fostered surge in the expansion of Independent teams near MLB franchises like Chicago, New York, St. Louis, Baltimore, & Philadelphia. This is due to Independent team's freedom to locate.

Independent Team Characteristics

- 7 leagues with 60 plus teams independent of any affiliation, rules, or regulations of MLB
- Team location is free from MLB restrictions
- Team ownership via franchise or league
- 22 player roster- former MLB, MiLB, Rookies
- Team Salary Cap: Less than \$100,000 per season
- Geographic Playing Area: mixed with some league opponents in close proximity and others at a greater distance
- Stadium Capacity: 2,500-10,000

Independent Baseball Leagues

- American Association Baseball League (Mid-West US)
- Atlantic Baseball League (North-East US)
- Canadian-American Baseball League (Canada & North-East US)
- Frontier Baseball League (North-West US)
- Golden Baseball League (West US)
- Northern Baseball League (Canada & North-West US)
- United Baseball League (South-West US)
- See Appendix A for teams in each league

A Local Example,

- Cats, Fort Worth, TX
 - League: American Association of Independent Baseball
 - 2006 Attendance
 - Total to Date: 177,894
 - Openings: 46
 - Average: 3,867
 - Stadium Capacity: 5,100

Independent's Interest in Dallas

- Realizing the market potential of the Dallas area the City has received one proposal from the American Association of Baseball and interest expressed from the United Baseball League.
- In response to this activity staff has encouraged interested parties to:
 - Put together a proposal which would not only include an entertainment venue, but associated mixed use development investment
 - Contact the American Airlines Center to initiate discussion on how the venues might work together

Nature of the Proposals

- Both of the proposals...
 - Consider Independent Minor League Baseball
 - Require City Funding and/or participation for significant portion of the stadium development
 - Prefer a location downtown
- Staff has further asked both parties to:
 - Identify partners who could provide multiuse development beyond sports venue
 - Develop a proforma highlighting feasibility and track record for league success
 - Provide financial statements and revenues
 - Identify possible locations downtown

American Association Proposal

- Initially approached the City 18 months ago
- Have since provided a formal proposal Dallas franchised team to play in 2008
- Official Dallas franchise awarded to the league 05/2006
- Included substantial residential & retail development
- Retained project design and construction management firm
- Potential residential and retail properties under consideration and/or option to purchase
- Proposes a 7,000 seat stadium
- Requests City investment for stadium construction and land acquisition

United Baseball League Interest

- Approached the City 3 months ago
- Has expressed interest in placing 1-2 teams in Dallas by 2007
- Proposes a 4,999 to 12,000 seat stadium
- Considering securing private funding for stadium construction
- Requesting the City's assistance in site acquisition
- Considering ancillary residential and retail development based on stadium site and size of site

Options for Council consideration

1. Develop proposals with the two interested parties, the American Association Baseball League and the United Baseball League, for a minor league baseball stadium and ancillary development
2. Issue an RFP soliciting ideas for a minor league baseball stadium and ancillary development

Recommendation

- Develop proposals with the American Association Baseball League and the United Baseball League for a minor league baseball stadium and ancillary development based on the following evaluation criteria.

Proposal Evaluation Criteria

- Evaluation of proposals to determine feasibility of the best suited project should be based on criteria to include but not limited to:
 - Financial proforma
 - Ticket Sales
 - Actual attendance
 - Revenues
 - Concessions
 - Ancillary Event Revenues and ticket sales
 - League Creditability relative to court proceedings, judgments, etc.
 - Successful Track record for team start-ups
 - League structure, tenure, longevity, financial capability, etc.
 - Suitability with the *Forward Dallas* Comprehensive Plan
 - Suitability with the Inside the Loop Committee Report
 - Impact of AAC agreement non-compete clause
 - Impact on any other existing development agreements
 - Impact on other planned public improvements
 - Naming Rights
 - Financial impact of ancillary development

Next Steps

Activity	Status
– Select review team	Now- 12/31/07
– Review Proposals	Now- 01/31/07
– Prepare Feasibility Report	02/01/07-02/15/07
– Feasibility Brief	02/15/07
– Feasibility Brief-ED&H Comm.	03/07
– Concept Brief for City Council	03/07
– Financing	2007-2008 Budget Process

Q & A

- Questions
- Answers
- Follow-Up

Appendix A

- Independent Leagues and their Teams

American Association Teams

- Teams & Locations
 - Costal Bend Aviators, Robstown, TX
 - El Paso Diablo's, El Paso, TX
 - Fort Worth Cats, Fort Worth, TX
 - Lincoln Salt Dogs, Lincoln, NE
 - Pensacola Pelicans, Gulf Breeze, FL
 - Shreveport Sports, Shreveport, LA
 - Sioux City Explorers, Sioux City, IA
 - Sioux Fall Canaries, Sioux Fall, SD
 - St. Joe Blacksnakes, St. Joseph, MO
 - St. Paul Saints, St. Paul, MN

Atlantic Baseball Teams

- Teams & Locations
 - Bluefish, Bridgeport, CT
 - River Sharks, Camden, NJ
 - Barnstormers, Lancaster, PA
 - Ducks, Long Island, NY
 - Bears, Newark, NJ
 - Road Warriors, Camden, NJ
 - Somerset Patriots, Bridgewater, NJ
 - York Revolution, York, PA

Canadian-American League Teams

- Teams & Locations
 - Surf, Atlantic City, NJ
 - Rox, Brockton, MA
 - Grays, League Road Team
 - Pride, Nashua, NH
 - Cutters, West Haven, CT
 - Jackals, Little Falls, NJ
 - Spirit, Lynn, MA
 - Les Capitales, Quebec, Canada
 - Skyhawks, Augusta, NJ
 - Tornadoes, Worchester, MA

Frontier League Teams

- Teams & Locations

- Chillicothe Paints, Chillicothe, OH
- Evansville Otters, Evansville, Indiana
- Florence Freedom, Florence, KY
- Gateway Grizzlies, Sauget, IL
- Kalamazoo Kings, Kalamazoo, MI
- River City Rascals, O'Fallon, MO
- Rockford River Hawks, Loves Park, IL
- Slippery Rock Expansion 2007, Slippery Rock, PA
- Southern Illinois Miners, Marion, IL
- Traverse City Beach Bums, Traverse City, MI
- Washington Wild Things, Washington, PA
- Windy City Thunder Bolts, Crestwood, IL

Golden League Teams

- Teams & Locations
 - Outlaw, Chico, CA
 - Flyers, Fullerton, CA
 - Armada, Long Beach, CA
 - Silver Socks, Reno, NV
 - Surf Dawgs, San Diego
 - Road Runners, St. George, UT 2007 Exp.
 - Scorpions, Yuma, AZ

Northern League Teams

- Teams & Locations
 - Red Hawks, Fargo-Moorhead
 - Calgary Vipers, Alberta, Canada
 - T-Bones, Kansas City, KS
 - Rail Casts, Gary, IN
 - Gold Eyes, Winnipeg, Canada
 - Flyers, Schaumburg
 - Jackhammers, Joliet, IL
 - Cracker Cats, Edmonton, Canada

United League Teams

- Teams & Locations
 - Aces, Alexandria, LA
 - Dillas, Amarillo, TX
 - Colts, San Angelo, TX
 - White Wings, Rio Grande Valley, TX
 - Broncos, Laredo, TX
 - Coyotes, Edinburg, TX



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