

# **Presentation to the MLS/AAA Baseball Task Force**

## **Overview of Baseball Team Proforma**

**February 10, 2009**



**Convention, Sports & Entertainment  
Facilities Consulting**

- Total Revenues
- Total Expenses
- Conclusions
- Summary of Ticket Tax
- Supporting Information
  - Research
  - Ticket Sales and Pricing
  - Concessions
  - Merchandise
  - Exhibitions
  - Sponsorships and Naming Rights
  - Other Events

- General admission and club seat ticket sales
- Suite sales
- Concessions net
- Merchandise net
- Exhibitions revenues
- Parking
- Advertising net of fulfillment
- Other events revenues

	2011	2012	2013	2014	2015
General & Club Tickets	\$3,933,479	\$3,741,084	\$3,565,762	\$3,672,543	\$3,730,952
Suites	544,267	560,595	577,413	594,735	612,577
Concessions	967,208	899,120	835,873	873,709	902,949
Merchandise	85,633	81,814	78,307	81,440	84,028
Pre/Post/Exhibitions	192,937	189,070	185,772	191,840	196,557
Parking	283,081	270,459	258,865	269,220	277,781
Advertising and Sponsorships	1,421,323	1,463,963	1,507,882	1,553,118	1,599,712
Naming Rights	650,000	669,500	689,585	710,273	731,581
Other Event Revenues	275,258	283,901	292,748	304,062	315,084
Other Non-BP Revenues	35,086	36,489	37,949	39,467	41,045
<b>Total Revenues</b>	<b>\$8,388,271</b>	<b>\$8,195,996</b>	<b>\$8,029,969</b>	<b>\$8,290,405</b>	<b>\$8,451,222</b>

- Team operations
- Sales and advertising
- General & administrative

- Ballpark operations
- Stadium rent paid to city



# Projected Team & Ballpark Expenses

	2011	2012	2013	2014	2015
Team Expenses					
Team Operations	\$595,380	\$613,242	\$631,639	\$650,583	\$670,106
Sales and Advertising	3,051,154	2,514,151	2,589,575	2,667,263	2,747,280
G&A	864,478	785,177	808,732	832,994	857,984
Total Team Expenses	\$4,511,012	\$3,912,570	\$4,029,946	\$4,140,840	\$4,275,370
Ballpark Expenses					
Ballpark Operations	\$1,988,255	\$2,047,903	\$2,109,340	\$2,172,620	\$2,237,798
Stadium Rent	625,000	650,000	675,000	700,000	725,000
Total Stadium Operations	\$2,613,255	\$2,697,903	\$2,784,340	\$ 2,872,620	\$2,962,798
Total Expenses	\$7,124,267	\$6,610,473	\$6,814,286	\$7,023,460	\$7,238,168
EBITDA	\$1,264,004	\$1,585,524	\$1,215,682	\$1,266,682	\$1,254,099

HVS Convention Sports & Entertainment

205 West Randolph

Chicago Illinois, 60610

Site selection and final stadium design will impact Proforma

Second highest MSA population in AAA baseball cities

Average fan attendance in 2008 below average for AAA baseball

2011 general admission and club seat revenues increased 95% over 2008 level

2011 suite revenues increased 12% over 2008 level

Concession per caps are on the high side but supported by historical data

Merchandise per caps are reasonable

Parking spaces may not be available depending on site

Exhibition income not under long-term contract

Advertising and naming rights not under long-term contract

Other income not under long-term contract

Operating income and earning appear reasonable based on Forbes 2007 survey of top 15 AAA ballparks

	2011	2012	2013	2014	2015
General & Club	\$251,349	\$239,055	\$227,840	\$234,675	\$238,408
Suite Premium	\$32,656	\$33,636	\$34,645	\$35,684	\$36,775
Exhibition					
Other Events					

## Background Information

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Albuquerque	593,606	Lehigh Valley	602,033	Richmond	289,570
Buffalo	590,386	Louisville	638,777	Rochester	490,806
Charlotte	312,290	Memphis	569,172	Round Rock	668,623
Colorado Springs	303,048	Nashville	354,662	Sacramento	744,299
Columbus	537,889	New Orleans	355,395	Salt Lake	510,859
Durham	514,281	Norfolk	433,767	Scranton/WB	496,658
Fresno	526,754	Oklahoma	493,548	Syracuse	392,028
Indianapolis	606,166	Omaha	349,376	Tacoma	327,871
Iowa	493,513	Pawtucket	643,049	Toledo	584,596
Las Vegas	374,780	Portland	392,512	Tucson	245,121
Richmond moving to Gwinnett County in 2009 and Tucson moving to Reno in 2009					
Average Fans 464,716					
Source: AAA Baseball					

Albuquerque	11,124	Lehigh Valley	10,000	Richmond	
Buffalo	19,500	Louisville	13,000	Rochester	10,868
Charlotte	10,000	Memphis	14,320	Round Rock	9,200
Colorado Springs	9,000	Nashville	15,500	Sacramento	11,602
Columbus	15,000	New Orleans	10,000	Salt Lake	15,500
Durham	10,000	Norfolk	12,059	Scranton/WB	14,680
Fresno	12,500	Oklahoma	13,066	Syracuse	11,602
Indianapolis	15,500	Omaha	22,000	Tacoma	9,600
Iowa	10,800	Pawtucket	10,000	Toledo	10,025
Las Vegas	9,334	Portland	19,800	Tucson	

Richmond moving to Gwinnett County in 2009 and Tucson moving to Reno in 2009

Source: AAA Baseball

# 2008 AAA Baseball Season Ticket Prices

Albuquerque	\$530-\$1,300	Lehigh Valley	\$648-\$1,008	Richmond	\$216-\$432
Buffalo	\$455-\$495	Louisville	\$438-\$596	Rochester	\$295-\$390
Charlotte	\$415-\$490	Memphis	\$650-\$1,300	Round Rock	\$768
Colorado Springs	\$425	Nashville	\$500	Sacramento	NA
Columbus	\$450	New Orleans	\$425-\$525	Salt Lake	\$504-\$1,296
Durham	\$500-\$572	Norfolk	\$500	Scranton/WB	NA
Fresno	\$432-\$850\$	Oklahoma	\$199-\$935	Syracuse	\$275-\$325
Indianapolis	\$450-\$525	Omaha	\$30-\$400	Tacoma	NA
Iowa	\$400-\$475	Pawtucket	\$585	Toledo	\$540-\$576
Las Vegas	\$360-\$720	Portland (1)	\$792-\$1,368	Tucson	\$425

(1) Effectively club seats rather than general admission due to low demand

Source: Survey Atlanta Journal Constitution



## 2007 Forbes Most Valuable AAA Baseball Teams

Team	Value	Revenue	Operating Income	Stadium Cost	Year Built
Sacramento	\$29.8 million	\$15.6 million	\$8.5 million	\$30 million	2000
Memphis	\$26.1 million	\$13.4 million	\$6.9 million	\$46 million	2000
Round Rock	\$24.2 million	\$10.9 million	\$4.4 million	\$25 million	2000
Indianapolis	\$22.2 million	\$9.0 million	\$1.9 million	\$20 million	1996
Louisville	\$21.8 million	\$8.8 million	\$.9 million	\$39 million	2000
Scranton	\$21.7 million	\$10.1 million	\$3.1 million	\$25 million	1989
Toledo	\$21.5 million	\$9.7 million	\$2.0 million	\$39 million	2002
Albuquerque	\$21.3 million	\$10.1 million	\$2.8 million	\$25 million	2003
Oklahoma	\$21 million	\$10.2 million	\$2.9 million	\$34 million	1998
Iowa	\$20.8 million	\$9.3 million	\$1.8 million	\$12 million	1992
Buffalo	\$20.7 million	\$9.2 million	\$1.8 million	\$42 million	1998
Salt Lake	\$19.9 million	\$10.5 million	\$3.0 million	\$22 million	1994
Fresno	\$19.6 million	\$9.2 million	\$3.0 million	\$46 million	2002
Pawtucket	\$19.4 million	\$7.1 million	\$0.2 million	\$20 million	1996
Durham	\$17.2 million	\$6.8 million	\$0.7 million	\$16 million	1995
Average		\$9.99 million	\$2.92 million		

All earning before interest, taxes and depreciation

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Albuquerque	712,738	Lehigh Valley	740,395	Richmond	996,512
Buffalo	1,170,111	Louisville	1,025,598	Rochester	1,098,201
Charlotte	1,499,293	Memphis	1,135,614	Round Rock	1,249,763
Colorado Springs	516,929	Nashville	1,231,311	Sacramento	1,796,857
Columbus	1,540,157	New Orleans	1,337,726	Salt Lake	1,333,914
Durham	1,187,941	Norfolk	1,569,541	Scranton/WB	624,776
Fresno	922,516	Oklahoma	1,083,346	Syracuse	732,117
Indianapolis	1,607,486	Omaha	716,998	Tacoma	3,554,760
Iowa	456,022	Pawtucket	1,188,613	Toledo	618,203
Las Vegas	1,563,282	Portland	2,265,223	Tucson	843,746
Richmond moving to Gwinnett County in 2009 and Tucson moving to Reno in 2009					
Average Population MSA 1.210,656					
Source: AAA Baseball					

## Assumed Suite Features & Amenities

Tickets to all ticketed stadium events including concerts, sporting events, and other community events

Stadium Club Membership

Access to Suites for business meetings, kick-off events, private parties, etc., on non-event days

Priority reservations for stadium use for private functions such as business meetings, holiday parties, awards banquets, etc

In-Suite catering including a private host/hostess

VIP parking

Premium stadium location

Private entrance

## Assumed Club Seat Features & Amenities

Tickets to all MLS home and playoff games

Priority rights to purchased tickets for all other events

Stadium Club access for all MLS games

In-Seat dining service

VIP parking with one space for every 2 seats

Midfield stadium location

Private entrance

Superior and larger seating

Invitation to certain special events

## Detailed Team Proforma

- Level of general admission ticket sales
- Level of premium seating sales
- General admissions & premium seating pricing
- Exhibition Events Premium Seating Sales
- Other events premium seating sales

	2011	2012	2013	2014	2015
General Admission					
Ticket Sales per Game	3,660	3,294	2,965	2,965	2,965
Season	236,520	237,168	231,451	231,451	231,451
Club Seats					
Ticket Sales per Game	600	600	600	600	570
Season	43,200	43,200	43,200	43,200	41,040
Suites					
Ticket Sales per Game	240	240	240	240	240
Season	17,280	17,280	17,280	17,280	17,280

	2011	2012	2013	2014	2015
General Admission	\$12.91	\$13.30	\$13.70	\$14.11	\$14.53
Club Seats	\$24.04	\$24.76	\$25.50	\$26.27	\$27.06
Suites	\$33.39	\$34.39	\$35.42	\$36.48	\$37.58
<b>Annual Price Increase</b>					
General Admission		3%	3%	3%	3%
Club Seats		3%	3%	3%	3%
Suites		3%	3%	3%	3%



## Projected General Admission and Club Seat Ticket Revenues

	2011	2012	2013	2014	2015
Ticket Sales	236,520	237,168	231,451	231,451	231,451
General Admission Ticket Price	\$12.91	\$13.30	\$13.70	\$14.11	\$14.53
General Admission Revenues	\$3,402,043	\$3,153,694	\$2,923,474	\$3,011,179	\$3,101,514
Ticket Sales	43,200	43,200	43,200	43,200	41,040
Club Seat Ticket Price	\$24.04	\$24.76	\$25.50	\$26.27	\$27.06
Club Seat Revenues	\$1,038,462	\$1,069,615	\$1,101,704	\$1,134,755	\$1,110,358
General & Club Revenues	\$4,440,505	\$4,223,309	\$4,025,178	\$4,145,934	\$4,221,872
Less Admissions Tax	(251,349)	(239,055)	(227,840)	(234,675)	(238,408)
Less NA Ticket Tax	(255,676)	(234,170)	(231,762)	(238,715)	(242,512)
Net Revenues	\$3,933,479	\$3,741,084	\$3,565,762	\$3,672,543	\$3,730,952

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	2011	2012	2013	2014	2015
Suites Tickets	17,280	17,280	17,280	17,280	17,280
Ticket Price	\$33.39	\$34.39	\$35.42	\$36.48	\$37.58
Suites Revenues	\$576,923	\$594,231	\$612,058	\$630,419	\$649,332
Admission Tax	\$32,656	\$33,636	\$34,645	\$35,684	\$36,775
Net Suite Revenues	\$544,267	\$560,595	\$577,413	\$594,735	\$612,577

- Total ticket sales
- Day-of Game attendance
- Averages concession sales per person
- Net commission rate retained by team
- 2011 concession sales increase 43% over 2008 levels

	2011	2012	2013	2014	2015
Ticket Sales	324,000	297,648	273,931	273,931	271,771
Attending Event	90%	90%	90%	90%	90%
Turnstile	291,600	267,833	246,538	246,538	244,594
Per Cap concessions	\$10.27	\$10.68	\$11.11	\$11.55	\$12.01
Per Caps Suites	\$24.13	\$25.09	\$26.10	\$27.14	\$28.23
Gross Concessions	\$3,209,528	\$3,084,661	\$2,971,008	\$3,088,848	\$3,190,092
Blended Commission	31.69%	29.15%	28.13%	28.28%	28.30%
Net Commission	\$967,208	\$899,120	\$835,873	\$873,709	\$902,949

- Total Ticket Sales
- Day-of-Game attendance
- Averages merchandise sales per person
- Net commission rate retained by team

	2011	2012	2013	2014	2015
Ticket Sales	324,000	297,648	273,931	273,931	271,771
Turnstile	291,600	267,833	246,538	246,538	244,594
Per Cap	\$1.47	\$1.53	\$1.59	\$1.65	\$1.72
Gross Merchandise	\$428,163	\$409,072	\$391,536	\$407,198	\$420,146
Blended Commission	20%	20%	20%	20%	20%
Net Commission	\$85,633	\$81,814	\$78,307	\$81,440	\$84,028

- Number of events
- Ticket sales per event
- Ticket price
- Premium seating sales
- Concessions sales
- Merchandise sales

	2011	2012	2013	2014	2015
Number of Events	.5	.5	.5	.5	.5
Total	\$192,937	\$189,070	\$185,772	\$191,840	\$196,557

- Baseball advertising sales
- Naming rights to facility

	2011	2012	2013	2014	2015
Team Sponsorships	\$1,421,323	\$1,463,963	\$1,507,882	\$1,553,118	\$1,599,712
Naming Rights	\$650,000	\$669,500	\$689,585	\$710,273	\$731,581

- Number of events
- Ticket sales per event
- Ticket pricing
- Premium seating sales
- Concessions sales
- Merchandise sales

	2011	2012	2013	2014	2015
Concert events	3	3	3	3	3
Company parties	3	3	3	3	3
Total Revenue	\$275,258	\$283,901	\$292,748	\$304,062	\$315,084

	2011	2012	2013	2014	2015
Exhibitions	.5	.5	.5	.5	.5
Attendance					
Total Attendance					
Ticket Price					
Ticket Revenues					
Ticket Tax (6%)					
Concerts	3	3	3	3	3
Attendance					
Total Attendance					
Ticket Price					
Ticket Revenues					
Ticket Tax (6%)					