

# ANALYSIS OF POTENTIAL RE-USE OPPORTUNITIES FOR MEMORIAL STADIUM



**PRESENTED TO:**

**INDIANA UNIVERSITY-PURDUE UNIVERSITY FORT WAYNE**

**APRIL 16, 2007**





April 16, 2007

Mr. Walter Branson  
Vice Chancellor – Financial Affairs  
Indiana University-Purdue University Fort Wayne  
2101 East Coliseum Boulevard  
Fort Wayne, Indiana 46805-1499

Dear Mr. Branson:

We have completed the analysis related to potential re-uses for Memorial Stadium in Fort Wayne. The attached report summarizes the study's research and analyses, and is intended to assist the University and other stakeholders in the planning activities associated with the future of the Stadium and should not be used for any other purpose.

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

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

Very truly yours,

CSL International

## Table of Contents

---

INTRODUCTION.....	1
DEMOGRAPHIC ANALYSIS .....	3
COMPARABLE MARKET CASE STUDIES .....	10
POTENTIAL STADIUM EVENTS .....	15
FINANCIAL ANALYSIS .....	24

## **Introduction**

---

### **Introduction**

Memorial Stadium opened in 1993 and has served as the home of the Class A Fort Wayne Wizards baseball team since that time. In addition to Wizards games, the Stadium hosts a variety of amateur sports games, community events and other miscellaneous events on an annual basis.

In 2006, private developers, along with the City of Fort Wayne (“the City”) announced a plan to construct a mixed use development in downtown Fort Wayne. A new ballpark for the Wizards is envisioned to serve as the center piece of this development, which will also include a variety of retail, residential, office and other programming spaces. Should this development occur, Memorial Stadium would be left without a professional baseball tenant.

In order to plan for the future of Memorial Stadium after the loss of its anchor tenant, several constituencies, including the City, Allen County, the Allen County War Memorial Coliseum and Indiana University-Purdue University Fort Wayne (“IPFW”) are exploring potential re-use alternatives for the Stadium. IPFW retained Conventions, Sports and Leisure, International (“CSL”) to assist in the evaluation of the future of Memorial Stadium. Specific tasks completed by CSL included:

- Held discussions with project representatives and other key constituencies to assess the goals and objectives of those constituencies as it relates to the future operations of the Stadium;
- Reviewed historical event levels at Memorial Stadium and the Coliseum complex;
- Analyzed the key demographic and socioeconomic characteristics of the Fort Wayne market;
- Collected information from comparable markets that have replaced existing minor league ballparks to identify best practices and potential alternative uses for Memorial Stadium;
- Interviewed a variety of potential Stadium users, including concert and other event promoters, sports leagues and franchises, amateur and recreational sports organizations and other such potential user groups;
- Developed estimates related to potential annual event and attendance levels at Memorial Stadium following the departure of the Wizards; and,
- Developed a financial model to estimate the annual revenues and expenses that could result from Stadium operations under the event and attendance scenarios developed for this analysis.

## **Introduction**

---

The following report focuses on the study methods and results of the aforementioned research and analyses, and is presented to IPFW in order to assist in making informed decisions with regard to the future of Memorial Stadium. The report is divided into the following sections:

- Introduction
- Demographic Analysis
- Comparable Market Case Studies
- Potential Stadium Events
- Financial Analysis

## Demographic Analysis

---

### Demographic Analysis

An important component in assessing the potential ability of Memorial Stadium to attract events and attendees is the demographic and socioeconomic profile of the Fort Wayne market. The strength of a market in terms of its ability to attract events, draw patrons and generate revenues is measured, to some extent, by the size of the regional market area population and its income characteristics. Specific demographic and socioeconomic information that can provide insight into potential event markets that could represent opportunities for Memorial Stadium include population, median age and age distribution, household income and corporate base. Event promoters and other potential facility users often consider these factors when selecting the appropriate markets for their events.

The demographic data presented herein is based on the Fort Wayne Core-Based Statistical Area (“CBSA”). A CBSA, as defined by the United States Office of Management and Budget (“OMB”), is a geographical area consisting of a county or counties associated with at least one core (i.e. the City of Fort Wayne), plus adjacent counties having a high degree of economic and social integration with that core. The Fort Wayne CBSA consists of Allen, Wells and Whitley Counties:

### Population

The level of population from which it draws attendees can impact the number and types of events Memorial Stadium can attract, as well as potential attendance levels at those events. The following table presents the current and projected population of the Fort Wayne CBSA.

**Population Statistics**

<b>Year</b>	<b>Fort Wayne CBSA</b>	<b>U.S. Total</b>
2006	405,900	303,582,400
2011	419,100	323,785,800
Projected annual growth rate	0.6%	1.3%

Source: Claritas

## Demographic Analysis

---

The Fort Wayne CBSA has a population of approximately 405,900, ranking as the second largest market in Indiana. Fort Wayne CBSA is anticipated to grow at a rate of approximately 0.6 percent annually over the next five years, a slower growth rate than the projected national average of 1.3 percent per year.

The population of the Fort Wayne CBSA was compared to the populations of other markets that have developed new Class AA or Class A minor league baseball stadiums since 1995. The following table summarizes this analysis.

**Population - New Ballpark CBSA's**

<b>Class</b>	<b>Fort Wayne</b>	<b>Rank</b>	<b>High</b>	<b>Median</b>	<b>Average</b>	<b>Low</b>
Class A	<b>405,900</b>	<b>14 of 23</b>	18,811,600	490,300	2,104,600	85,100
Class AA	<b>405,900</b>	<b>10 of 19</b>	5,888,100	407,800	792,800	111,100

Source: Claritas

As summarized in the table, the Fort Wayne market's population is slightly below the median among markets with Class A ballparks opened since 1995 and is nearly equal to the median among recently built Class AA ballpark markets.

### Age

Another demographic characteristic that is important to the ongoing viability of Memorial Stadium is the age of the local population. The overall age distribution of the market can also be indicative of the types of events or acts that may be attracted to the market. Generally, the population group between the ages of 15 and 44 represents the majority of entertainment consumers.

The following table presents the median age and age distribution of the Fort Wayne CBSA compared to the U.S. population as a whole.

## Demographic Analysis

### Age Statistics

<b>Age</b>	<b>Fort Wayne CBSA</b>	<b>U.S. Total</b>
0 to 14	22.7%	20.4%
15 to 44	41.0%	42.0%
45 to 64	24.6%	25.0%
65 & Over	11.7%	12.5%
<b>Median Age</b>	<b>35.2</b>	<b>36.5</b>

Source: Claritas

As depicted in the exhibit, the age of the Fort Wayne CBSA skews slightly younger than the U.S. as a whole. Specifically, the median age of the CBSA is 35.2 years, more than one year younger than the national median of 36.5. In addition, the Fort Wayne CBSA has a relatively high percentage of the population under the age of 14 and a relatively low percentage of the population over the age of 45. The proportion of the Fort Wayne market population between the ages of 15 and 44 is comparable to the national average.

The following table compares the median age of the Fort Wayne market population with the respective median ages of markets with recently built Class A and AA ballparks.

### Median Age - New Ballpark CBSA's

<b>Class</b>	<b>Fort Wayne</b>	<b>Rank (1)</b>	<b>High</b>	<b>Median</b>	<b>Average</b>	<b>Low</b>
Class A	35.2	7 of 23	41.2	36.5	36.5	31.5
Class AA	35.2	5 of 19	41.1	36.3	36.7	33.1

(1) Ranked from youngest to oldest median age.

Source: Claritas

## Demographic Analysis

---

The median age of the Fort Wayne market is more than one year younger than the median age among new Class A and AA ballpark markets. The market would rank as the seventh youngest among Class A markets with ballparks built since 1995 and the fifth youngest among Class AA ballpark markets.

### Income

Another socioeconomic variable that could influence the potential ongoing success of Memorial Stadium is household income. Household income can be used as an indication of a market's ability to support the venue through the purchase of tickets, concessions, novelties and parking, particularly for major spectator events such as concerts. The exhibit below presents the household income distribution as well as median and average household incomes for the Fort Wayne CBSA.

Household Income Statistics		
HH Income	Fort Wayne CBSA	U.S. Total
\$0 to \$24,999	22.2%	22.6%
\$25,000 to \$49,999	30.0%	25.8%
\$50,000 to \$74,999	21.7%	19.5%
\$75,000 to \$99,000	12.3%	12.3%
\$100,000 to \$149,999	9.8%	12.1%
\$150,000 and over	4.1%	7.7%
<b>Median Household Income</b>	<b>\$48,109</b>	<b>\$51,546</b>
<b>Average Household Income</b>	<b>\$60,963</b>	<b>\$71,092</b>

Source: Claritas

The Fort Wayne CBSA exhibits slightly lower household income statistics in comparison with the U.S. as a whole. Specifically, the market's median household income of \$48,100 is approximately \$3,400 below the national median, while its average household income of \$61,000 is approximately \$10,000 lower than the national average. However, it should be noted that the cost of living index for the Fort Wayne market is 90.0, compared to the national average of 100. The lower cost of living in Fort Wayne reduces the impact of the market's lower than average household income levels. The Fort Wayne market is comprised primarily of middle class households, with higher than average proportions of its households falling into the \$25,000 to \$75,000 income ranges.

## Demographic Analysis

---

The following exhibit compares the median household income of the Fort Wayne market to the median income of markets hosting Class A or AA ballparks built since 1995.

**Median Household Income - New Ballpark CBSA's**

<b>Class</b>	<b>Fort Wayne</b>	<b>Rank</b>	<b>High</b>	<b>Median</b>	<b>Average</b>	<b>Low</b>
Class A	\$48,109	11 of 23	\$58,300	\$47,400	\$47,600	\$39,000
Class AA	\$48,109	7 of 19	\$61,000	\$43,800	\$46,500	\$37,800

Source: Claritas

In comparison with comparable Class A ballpark markets, Fort Wayne's median household income is slightly higher than the comparable market median. Fort Wayne would rank 11<sup>th</sup> among these 23 markets. The Fort Wayne market's median household income is approximately \$4,300 higher than the Class AA median, and would rank seventh among the 19 Class AA markets.

## Corporate Base

The local corporate base may play a role in the ongoing operations of Memorial Stadium through the purchase of special event tickets and/or advertising and sponsorships opportunities. The following exhibit presents the number of corporate headquarters and branches with at least 25 employees in the Fort Wayne CBSA.

## Demographic Analysis

---

### Corporate Base - Fort Wayne CBSA

#### Headquarters by Annual

#### Sales (in millions):

\$2,000 +	3
\$1,500 - \$1,999	1
\$1,000 - \$1,499	1
\$750 - \$999	1
\$500 - \$749	3
\$250 - \$499	5
\$100 - \$249	13
\$50 - \$99	18
\$25 - \$49	48
\$10 - \$24	120
\$5.0 - \$9.9	135
\$2.5 - \$4.9	190
\$1.0 - \$2.4	244
\$0.5 - \$0.9	102
\$0.2 - \$0.4	18
Under \$0.2	4
Unknown	2
<b>Total Headquarters (All)</b>	<b>908</b>
<b>Total HQ's (\$5 million +)</b>	<b>348</b>
<b>Branches</b>	<b>397</b>
<b>Total</b>	<b>1,305</b>

Note: Corporations, single locations, and branches with at least 25 employees.

Source: Dun & Bradstreet.

As shown in the exhibit, there are 908 corporate headquarters with at least 25 employees located within the primary market area. Approximately 348, or 38 percent of these headquarters have annual sales of \$5 million or more. Additionally, there are approximately 397 corporate branches with at least 25 employees within the primary market area.

## Demographic Analysis

---

The following table compares the inventory of corporate headquarters and branches with at least 25 employees in the Fort Wayne market to the corporate inventories of markets hosting recently built Class A and AA ballparks.

**Corporate Inventory - New Ballpark CBSA's**

<b>Class</b>	<b>Fort Wayne</b>	<b>Rank</b>	<b>High</b>	<b>Median</b>	<b>Average</b>	<b>Low</b>
Class A	<b>1,305</b>	<b>9 of 23</b>	19,900	1,100	3,200	200
Class AA	<b>1,305</b>	<b>7 of 19</b>	9,500	900	1,600	300

Source: Claritas

As shown, the Fort Wayne corporate inventory of 1,305 headquarters and branches with at least 25 employees is higher than the median among comparable Class A and AA markets. Fort Wayne would rank ninth and seventh among Class A and AA markets, respectively, in terms of corporate inventory.

## **Comparable Market Case Studies**

---

### **Comparable Market Case Studies**

As additional background information, it is helpful to understand the disposition of ballparks in similarly sized markets that have been replaced by newer ballparks. For purposes of this analysis, we have identified several Class A or Class AA minor league ballpark markets that have built ballparks in recent years that replaced older facilities. The remainder of this section summarizes the findings of this analysis.

#### **Class A Markets**

##### *Cedar Rapids, Iowa – Cedar Rapids Kernels*

The Cedar Rapids Kernels and the City of Cedar Rapids elected to build a new Veterans Memorial Stadium on the site of the existing Veterans Memorial Stadium. The new ballpark opened in 2002 and replaced the aging, original Veterans Memorial Stadium as the home of the Kernels.

##### *Augusta, Georgia – Augusta Greenjackets*

In 1995, Lake Olmstead Stadium replaced the original home of the Augusta Greenjackets, Heaton Stadium. Heaton Stadium was originally built in 1988 with parts from a former drag strip facility, including warped wooden bleachers. Lake Olmstead Stadium was built on the same site as the original Heaton Stadium.

##### *Charleston, West Virginia – West Virginia Power*

The West Virginia Power moved to the new Appalachian Power Park in 2005. The Power previously played at Watt Powell Park, which was originally built in 1949 and had a capacity of approximately 6,800 seats. Upon completion of the new facility, Watt Powell Park was demolished, with the land sold to the University of Charleston, which is currently building a new athletic complex on the site.

## **Comparable Market Case Studies**

---

### *Charleston, South Carolina – Charleston Riverdogs*

The Charleston Riverdogs moved to the new Riley Park upon its completion in 1997. The team's original home, College Park, was built in 1939 and had a capacity of approximately 4,000 seats. Riley Park was built on land owned by the Citadel, which traded that land for the rights to College Park and the land surrounding it. The Citadel currently uses College Park as a practice facility while occasionally renting it out for use for AAU tournaments and other such events. The Citadel noted that such additional rental generates minimal revenue for the facility.

### *Greenville, South Carolina – Greenville Drive*

Greenville Municipal Stadium was originally built in 1984 and had a capacity of approximately 7,000 seats. The facility served as the home of the Class AA Greenville Braves from 1984 through the end of the 2004 season, when the team moved to a new ballpark in Pearl, Mississippi. Similar to the case in Fort Wayne, the Braves had been seeking a new ballpark or significant upgrades to the Stadium in order to provide a more modern, fan-friendly experience during home games. After the departure of the Braves, the City reached an agreement with the franchise that is now the Class A Greenville Drive to develop West End Field, which opened in 2006. The City then sold the original Stadium and land to a private entity that operates a select development league at the facility.

### *Peoria, Illinois – Peoria Chiefs*

The Peoria Chiefs originally played their home games at Vonachen Stadium at Meinen Field, which was originally opened in 1984 and was renovated in 1992. Due to the limited amenities of the Stadium, the Chiefs elected to pursue the development of a new ballpark, which opened in 2002 as O'Brien Field. Upon the team's relocation to the new facility, Vonachen Stadium was sold to Bradley University, which has since converted the facility to a Division I men's soccer stadium. Costs to reconfigure the Stadium to a soccer configuration totaled approximately \$2.0 million, which included a new playing surface, demolition of the third base seating, renovation of the clubhouses and reconfiguration of the light standards.

## **Comparable Market Case Studies**

---

### *Salem, Virginia – Salem Avalanche*

The Salem Avalanche moved to Salem Memorial Stadium in 1995, leaving their original home, Kiwanis Field, vacant. Kiwanis Field was originally built in 1932 and has a capacity of approximately 5,000 seats. The City owns both ballparks, and currently uses Kiwanis Field for high school and middle school baseball, American Legion baseball, and Roanoke College baseball games and practices. In addition, both Kiwanis Field and Salem Memorial Stadium are used for various tournaments throughout the year, including the NCAA Division III National Championship Tournament, the ACC Baseball Tournament and approximately 47 other weekend tournaments throughout the year. According to City representatives, Kiwanis Field currently has an operating budget of approximately \$250,000 to \$300,000 per year. The representatives noted that the majority of these expenses are related to maintenance costs required to provide a quality playing surface that is necessary to attract events.

### *San Bernardino, California – Inland Empire 66ers*

The Inland Empire 66ers moved from their original facility, Fiscalini Field, to what is now called Arrowhead Credit Union Park when it opened in 1996. Fiscalini Field was originally built in 1934 and has a capacity of approximately 3,500 seats. Upon the departure of the 66ers, the City elected to continue using Fiscalini Field for a variety of uses, including Cal State San Bernardino (“CSSB”) baseball games and practices, adult baseball leagues, American Legion baseball, Valley Community College baseball and the occasional high school baseball tournament as well as occasional concerts or other such events. CSSB is responsible for the maintenance of the playing surface in exchange for playing rent-free at the facility. The City’s Parks and Rec Department is responsible for facility maintenance and event booking. The City could not provide a realistic estimate of operating expenses due to the sharing of expenses between the City and CSSB.

### *Greensboro, North Carolina – Greensboro Grasshoppers*

The Greensboro Grasshoppers moved to First Horizon Park when it opened in 2005. The team’s previous facility, War Memorial Stadium, which originally opened in 1926 and originally a capacity of approximately 5,500 seats, is owned and operated by the City’s Parks and Recreation Department. North Carolina A&T and Greensboro College both play their home baseball games at the Stadium. Due to the limited attendance of events at the facility, the capacity is being reduced to approximately 1,500 seats, which will also reduce the operating expenses for the Stadium (which are currently estimated at approximately \$175,000 per year).

## **Comparable Market Case Studies**

---

### **Class AA Markets**

#### *Jacksonville, Florida – Jacksonville Suns*

The Jacksonville Suns originally played at Wolfson Park, which was built in 1955 and had a capacity of approximately 8,200 seats. Due to the lack of modern amenities at the facility, the Suns and the City of Jacksonville agreed to develop a new ballpark, along with a new arena, as part of a larger downtown development program. The Baseball Grounds of Jacksonville opened in 2003 as the new home of the Suns, replacing Wolfson Park. Upon the team's move to the Baseball Grounds, Wolfson Park was demolished, with the land sold to the NFL Jacksonville Jaguars, who have since developed practice facilities and fields on the site.

#### *North Little Rock, Arkansas – Arkansas Travelers*

The Arkansas Travelers played at Ray Winder Field since its opening in 1932. However, due to the lack of amenities at the Field, the team and the City of North Little Rock developed Dickey-Stephens Park, which opened for the 2007 baseball season. The team's front office facilities are still located at Ray Winder Field, however these will eventually be moved to the new ballpark upon its full completion. The team is still maintaining the Field, however no teams are currently utilizing the playing surface. The City hopes to be able to use the Field for high school or other amateur baseball games and tournaments; however, a definite timetable for transfer of control over the facility has not been established at this time.

#### *Kodak, Tennessee – Tennessee Smokies*

The Tennessee Smokies played at Bill Meyer Stadium since its original opening in 1953 until their move to Smokies Park in 2000. Upon the team's move to Smokies Park, Bill Meyer Stadium, which had a capacity of approximately 6,400 seats, was demolished. The site now includes a baseball field with metal bleachers that is owned and operated by the Knoxville Parks and Recreation Department. The current field is used for a variety of events, including high school and other amateur baseball as well as youth and adult baseball leagues.

## **Comparable Market Case Studies**

---

### *Midland, Texas – Midland Rockhounds*

The Rockhounds moved to Citibank Park in 2002, leaving Max Christensen Stadium, which was originally built in 1972 and had a capacity of 5,000 seats. The Stadium is now used primarily by Midland Junior College (“MJC”), which also assumes responsibility for much of the ongoing maintenance of the playing surface. In addition to MJC, the Stadium is home to two high school baseball teams, an adult men’s league, two high school baseball tournaments and several high school playoff games, as well as a winter scouting clinic. The Stadium also hosts a limited number of corporate outings and concerts. Similar to the situation described in San Bernardino above, the costs for maintaining the Stadium and field are shared by the City and MJC.

### **Summary**

As shown throughout this section, markets that have replaced older ballparks with newer facilities have taken a variety of approaches in dealing with the replaced facility. In some cases, the older ballpark has been demolished and replaced with the new ballpark, or the land has been sold to another entity for other purposes. In other cases, the older ballpark has been retained, with the majority of such facilities used primarily for collegiate, high school or other amateur baseball usage.

Those facilities that were able to provide operating budgets indicated that expenses to maintain and operate the facilities ranged from approximately \$175,000 to \$300,000 per year, depending on the level of utilization and sharing of responsibilities. Several facilities split operating responsibilities between the collegiate baseball tenant and the City (primarily through the Parks and Recreation Department).

However, in each case in which the old ballpark has been retained, usage has generally been limited to baseball and similar uses, such as Vonachen Field in Peoria, which was converted to a collegiate soccer facility at a cost of approximately \$2.0 million. Based on discussions with project representatives in each market, the decision to maintain the previous facility was made to continue to provide an asset to the community overall, while recognizing that the public would likely be required to subsidize the on-going operations of the facility.

## **Potential Stadium Events**

---

### **Potential Stadium Events**

The purpose of this section is to identify potential sources of event utilization for Memorial Stadium and to develop estimates of the annual event and attendance levels the stadium may be able to achieve. The estimates presented herein are based on:

- Discussions with project representatives;
- Historical event levels at Memorial Stadium and other local venues;
- Event information collected from comparable facilities;
- Interviews with event promoters and organizers representing potential Stadium users; and,
- Other such research and analyses.

### **IPFW Baseball**

Based on conversations with University representatives, it is assumed that the IPFW baseball program would play its home games at Memorial Stadium following the departure of the Wizards franchise. The following is a summary of the research and analyses conducted to estimate annual event and attendance levels for IPFW baseball playing at Memorial Stadium.

- IPFW played 11 home games at Mastodon Stadium in 2006, drawing a total of 1,136 fans, for an average attendance of 103 per game.
- IPFW played one of its home games at Memorial Stadium in 2005, drawing attendance of 237 fans.
- Playing at Memorial Stadium could increase awareness of IPFW baseball in the market due to the Stadium's visibility as part of the Coliseum complex, the potential for cross marketing with other Coliseum events and other such factors. In addition, the additional revenue generating opportunities offered at Memorial Stadium could assist in attracting a higher level of opponent. These factors could result in slightly higher average attendance levels for IPFW baseball playing at Memorial Stadium in comparison with historical attendance levels at Mastodon Stadium.
- For purposes of this analysis, it is assumed that IPFW would play approximately 10 to 12 games per year at Memorial Stadium, with average attendance estimated at approximately 150 per game.

## Potential Stadium Events

---

### Other Tenant Sports

Along with IPFW baseball, other tenant sports franchises could provide Memorial Stadium with additional sources of regular utilization. Sports that could potentially be accommodated by Memorial Stadium in its current configuration and/or after renovating or reconfiguring the facility could include baseball, soccer, lacrosse, football and other such outdoor sports. The following is a summary of key findings related to additional potential Stadium tenants.

#### *Baseball*

- Minor league baseball, whether Major League Baseball-affiliated or independent, is not assumed to represent a source of a tenant franchise for Memorial Stadium, assuming the Wizards remain in the local market. No markets with populations comparable to Fort Wayne currently host multiple minor league baseball teams. In addition, as it is assumed that the Wizards will move into a new facility, they will maintain the territorial rights for the Fort Wayne area.
- An independent minor league or college wood bat league franchise could be attracted to play at Memorial Stadium. However, as noted above, markets of similar size typically do not host multiple professional or semi-professional baseball franchises. In addition, the presence of a second baseball franchise could have a negative impact on the Wizards and the new ballpark.
- Discussions with the Great Lakes League (college wood bat) indicate that the league would have some interest in bringing a franchise to the Fort Wayne market. The League previously had a franchise in the market, however that franchise ceased operations on short notice prior to the beginning of the season, leaving the League in a scheduling bind. While the League may be interested in bringing a franchise to the market (and to the Stadium in particular), the League would need assurances that any ownership group would have no affiliation with the previous ownership group. The League indicated that it does not view the Wizards, or Minor League Baseball in general, as competition. Rather, with the League's affiliations with Major League Baseball, they perceive a cooperative effort between the League and Wizards.
- While the League does not perceive the Wizards as competition, it is uncertain if a market the size of Fort Wayne can truly support two baseball products simultaneously. As tickets to both the Wizards and a League game would likely be priced similarly, it is considered likely that there would be at least some direct competition for ticket purchasers. In addition, both teams would likely be pursuing the same corporate partners for sponsorships and other agreements.

## Potential Stadium Events

---

- Common ownership between the Wizards and a college wood bat league franchise would help minimize the level of direct competition and would assist ownership in controlling the overall product provided by both franchises. If the City elects to continue utilizing the Stadium as a baseball facility, it is recommended that the viability of supporting a college wood bat franchise be studied in further detail.
- It is important to note that while hosting such a franchise would provide additional utilization for the Stadium, the revenues generated from these games would likely be relatively small, and would likely not be sufficient to offset the operating deficit that is likely to result from the ongoing operations of the Stadium.

### *Soccer*

- Minor league soccer could represent a potential tenant for the Stadium. Fort Wayne is currently home to the Fort Wayne Fever, which includes a men's team playing at the United Soccer League's ("USL") Player Development League ("PDL") level, and a women's team playing in the USL's W-League. Both Fever teams play their home games at Hefner Stadium, which is part of the Hefner Soccer Complex.
- Hefner Stadium is a soccer-specific facility and has a capacity of 2,000, which is more appropriate for the Fever than the larger capacity of Memorial Stadium. Therefore, for purposes of this analysis, it is assumed that the Fever will continue to play at Hefner Stadium rather than relocating to Memorial Stadium.
- The IPFW soccer program also plays its home games at Hefner Stadium. Based on conversations with University representatives, it is assumed that IPFW will continue to play its home soccer games at Hefner Stadium due to its soccer-specific configuration and appropriate seating capacity.
- Due to limited demand for an additional soccer stadium, modifying Memorial Stadium to a more soccer-friendly configuration may not be a cost effective means of attracting events to the Stadium.

## Potential Stadium Events

---

### *Football*

- The National Football League (“NFL”) is currently the only men’s professional outdoor football league operating in the U.S. The NFL’s franchises are generally located in major markets and play in stadiums with capacities in excess of 50,000 seats. Therefore, the NFL does not represent a potential tenant for Memorial Stadium.
- A second men’s outdoor professional football league, the All-American Football League (“AAFL”) is currently in the planning stages, although no timetable has been established for the League to begin operations. The League would play games during the spring, and is envisioned to place franchises in markets with major collegiate football programs, playing home games in the university’s stadium. Memorial Stadium would be unlikely to attract an AAFL franchise due to the lack of a major college football program in the market.
- Several women’s professional football leagues have been established in recent years. One such league, the National Women’s Football Association (“NWFA”) will field a team in Fort Wayne beginning in the summer of 2007. The Fort Wayne Flash will practice and play home games at the Homestead High School football stadium, paying \$450 per use to rent the field and locker rooms. Team representatives indicated that they believe the Homestead High School stadium will provide a suitable facility, as it offers a high quality field featuring Field Turf and permanent football markings. However, depending on the results of their first season, the team could consider relocating to Memorial Stadium for future seasons if it also offered a quality field (preferably Field Turf or a similar synthetic turf), and assuming a rental rate that is competitive with the rate being paid at Homestead High School.

### *Lacrosse*

- Two professional lacrosse leagues are currently operating in the U.S. The National Lacrosse League (“NLL”) plays exclusively at indoor venues in major markets. Major League Lacrosse (“MLL”) is an outdoor league, but plays only in major markets.
- According to MLL representatives, the Fort Wayne market is unlikely to attract a MLL team due to its small market size relative to existing league markets.

## Potential Stadium Events

---

### *Semi-Professional Sports*

- In addition to the professional sports leagues discussed previously, an opportunity may exist to host semi-professional sports at Memorial Stadium. Several semi-professional football leagues exist in the U.S., including the Upper Midwest/Great Lakes regions.
- Attendance at semi-professional games is likely to be limited. As a result, semi-professional teams are likely to pay only minimal facility rental fees and are not likely to generate significant additional revenues for their home facility.

### *Tenant Sports Summary*

- For purposes of this analysis, no professional or semi-professional sports tenants have been assumed to play at Memorial Stadium.
- While the Stadium could potentially host such a tenant, the caliber of tenants that would be likely to utilize the facility would be limited in terms of their ability to attract attendees and generate revenues. Therefore, these events would likely consist of stadium rentals with financial parameters similar to recreational sports events, which will be discussed later in this section.

## Concerts

- Concerts often provide facilities with some of their most visible, highly attended events, and could represent a source of special event utilization for Memorial Stadium.
- Based on conversations with event promoters, the market for outdoor concerts in the Fort Wayne area is likely to be limited. The majority of concert tours are routed through indoor venues, as these facilities remove the threat of inclement weather.
- While most concert tours play primarily indoor venues, some tours play outdoor venues during the summer months. Memorial Stadium could potentially capture some of these tours. However, concerts are not likely to represent a primary source of utilization for the Stadium.
- The Stadium could potentially be somewhat more attractive to concert promoters if the facility is renovated to improve its configuration as a concert venue. Such renovations could include improved acoustics, the installation of a permanent stage and other such improvements. However, because of the market for outdoor concerts is likely to be somewhat limited, these improvements would be unlikely to allow the Stadium to attract enough concert activity to cover the costs associated with a renovation.

## Potential Stadium Events

---

- The proposed new downtown ballpark will also seek to host concerts. However, due to concerns about damage to the playing surface, competition from the new ballpark will likely be limited.
- For purposes of this analysis, it is estimated that Memorial Stadium would not host any concerts under a moderate operating scenario. This is consistent with historical operations of the Stadium, where minimal concerts have been held since the Stadium opened. Under an aggressive scenario, the Stadium is estimated to host two concerts annually, with average attendance of 5,000 per performance.

## Motorsports

- Motorsports events, including monster truck shows, demolition derbies, motocross races and other such events could represent an additional source of special event utilization for Memorial Stadium.
- According to motorsports promoters, demand to hold motorsports events at the Stadium is likely to be limited. The majority of touring motorsports events are held in indoor venues. Promoters generally do not hold these events at outdoor venues for the following reasons:
  - Due to the high costs associated with staging motorsports events, primarily hauling in dirt to form a track or event surface, promoters seek to minimize risk by ensuring that events will be well attended. They prefer the guarantee of holding an event indoors, as opposed to subjecting the event to potential inclement weather at an outdoor venue.
  - An additional concern involves potential damage to a grass surface. Motorsports events require the venue surface to be covered in tons of dirt, which can kill the grass underneath. Promoters are generally responsible for replacing turf damaged by their event, which can present significant costs. In order to accept that risk, promoters seek to guarantee large crowds, thereby generating sufficient revenues to offset the potential cost. A facility with less than 10,000 seats is unlikely to generate enough revenues to allow promoters to take that risk.
- For purposes of this analysis, Memorial Stadium is not assumed to host any motorsports events.

## **Potential Stadium Events**

---

### **Amateur Sports**

- Amateur sports, including high school, collegiate, American Athletic Union (“AAU”) and other similar athletic organizations could potentially account for a significant portion of Memorial Stadium’s utilization.
- In 2005, Memorial Stadium hosted eight days of high school and other amateur baseball game, including doubleheaders and single games. Average attendance at these events was approximately 265 per game.
- Aside from a corporate softball game, no non-baseball sporting events were held at the Stadium.
- The departure of the Wizards could provide additional available dates for high school and other amateur sports utilization. In addition, if the Stadium is reconfigured to be more attractive for football, soccer or other sports, it could increase usage by those types of events.
- However, it should be noted that the Wizards have publicly stated their intent to attempt to attract some of these events to the new downtown ballpark. This new competitor in the market could have an adverse effect on the Stadium’s ability to host amateur sports events.
- According to representatives of the Indiana High School Athletic Association (“IHSAA”), the Stadium could potentially host occasional postseason high school baseball games. However, the majority of these games are currently played at high school-owned ballparks or facilities charging no rent or a nominal rental fee.
- IHSAA representatives indicated that the Stadium would be unlikely to be used for postseason football or soccer games, as schools prefer to host football games at their home stadiums, and soccer games are generally played at fields with significantly lower capacities than Memorial Stadium.
- For purposes of this analysis, it is estimated that the Stadium could host approximately 20 to 30 amateur sports events per year, with average attendance of approximately 200 per game.

### **Recreational Sports**

- In addition to amateur sports competitions, the Stadium could potentially host a variety of recreational athletic events, including camps, clinics and practices. The following are key assumptions related to potential recreational sports utilization.

## Potential Stadium Events

---

- The majority of recreational sports organizations seek facilities offering multiple fields, allowing for simultaneous games and practices by various age groups. The Memorial Stadium field is only large enough to accommodate one full size baseball, softball or soccer field, which may limit its attractiveness for recreational sports.
- Baseball clinics and tryouts could represent a potential source of utilization, as these activities can typically be accommodated by a single field. In 2005, Memorial Stadium hosted 14 clinics and tryouts with average attendance of 30 participants.
- The Stadium may be able to expand its offerings in these areas due to a reduction in utilization by the Wizards. However, it should be noted that the Wizards will likely continue to host clinics at a new downtown ballpark, which could negatively impact the number of these events hosted at Memorial Stadium.
- For purposes of this analysis, it is estimated that Memorial Stadium could host approximately 15 to 20 recreational sports events annually with average attendance of approximately 50 participants and spectators.

## Other Events

- Along with the sports, recreation and spectator events discussed to this point, Memorial Stadium could be utilized for a variety of community, corporate and other miscellaneous events.
- In 2005, the Stadium hosted approximately 15 of these miscellaneous events, including corporate sponsor batting practices, a cystic fibrosis walk, Boy Scouts and Girl Scouts events and a Fourth of July fireworks show.
- The Stadium's ability to host corporate events could be impacted significantly by the presence of a new downtown ballpark. The Wizards will likely use the new ballpark to entertain their sponsors. In addition, other corporations seeking a venue for a special outing may be drawn to the novelty of the new facility.
- Despite potential competition from the proposed downtown ballpark, it is assumed that Memorial Stadium could continue to achieve levels of miscellaneous events that are similar to historical levels due to the additional dates made available by the departure of the Wizards.
- For purposes of this analysis, it is estimated that Memorial Stadium could host approximately 10 to 15 miscellaneous events annually, with average attendance of approximately 100.

## Potential Stadium Events

---

### Summary

Based on the results of the analyses detailed herein, the following table summarizes estimated annual event and attendance levels for Memorial Stadium following the departure of the Wizards baseball franchise.

**Summary of Event and Attendance Estimates**

<b>Event Type</b>	<b>Annual Events</b>		<b>Average Attendance</b>	<b>Total Attendance</b>	
	<b>Moderate</b>	<b>Aggressive</b>		<b>Moderate</b>	<b>Aggressive</b>
IPFW Baseball	10	12	150	1,500	1,800
Concerts	0	2	5,000	0	10,000
Amateur Sports	20	30	200	4,000	6,000
Recreational Sports	15	20	50	750	1,000
Other Events	10	15	100	1,000	1,500
<b>Totals</b>	<b>55</b>	<b>79</b>		<b>7,250</b>	<b>20,300</b>

As shown, it is estimated that Memorial Stadium could host approximately 55 to 79 events annually, with total attendance of approximately 7,000 to 20,000 spectators and participants. In comparison, the Stadium hosted 38 non-Wizards events in 2005 with attendance totaling approximately 8,400. As shown in the table, the estimated concert activity provides the majority of the increase in estimated attendance under the aggressive scenario.

## Financial Analysis

### Financial Analysis

Based on the event and attendance estimates developed in the previous section, a financial analysis was conducted to estimate the annual operating revenues and expenses that could result from Memorial Stadium operations following the departure of the Wizards. The following table summarizes the key assumptions utilized for the financial analysis.

Summary of Financial Model Assumptions

Event Type	Annual Events		Average Attendance	Rent Per Event	Per Capita Spending	
	Moderate	Aggressive			Concessions	Parking <sup>(1)</sup>
IPFW Baseball	10	12	150	\$350	\$1.50	\$0.00
Concerts	0	2	5,000	5,000	4.00	5.00
Amateur Sports	20	30	200	350	1.50	0.00
Recreational Sports	15	20	50	350	1.50	0.00
Other Events	10	15	100	350	1.50	0.00
<b>Totals</b>	<b>55</b>	<b>79</b>				

(1) Represents assumed parking fee assessed per car.

- Stadium rent is generally assumed to be \$350 per event, with the exception of concerts, for which the rental fee is assumed to be \$5,000 per event. Both of these rental structures are consistent with the historical operations of the Stadium.
- Concessions and merchandise spending estimates are based on historical spending levels at Memorial Stadium and the Coliseum, industry trends and information received from comparable ballparks.
- Concessions spending per capita is estimated to range from \$1.50 for sports and other events to \$4.00 for concerts, consistent with historical operations of the Stadium and the Coliseum.
- It is assumed that \$5.00 per car would be charged for parking at concerts. No parking fee has been assumed for other events.

## Financial Analysis

---

Based on the assumptions detailed previously, the following table summarizes estimated annual revenues and expenses for Memorial Stadium.

**Summary of Estimated Financial Operations**

	<b>Moderate</b>	<b>Aggressive</b>
<b>Operating Revenue</b>		
Tickets/rent	\$19,300 -	\$37,000
Food and beverage (net)	4,400 -	22,200
Parking (net)	0 -	13,300
Advertising	25,000 -	30,000
<b>Total Operating Revenue</b>	<b>\$48,700 -</b>	<b>\$102,500</b>
<b>Operating Expenses</b>		
Wages and Salaries	\$81,300 -	\$97,100
Materials and Supplies	18,300 -	20,100
Bonding and Insurance	11,000	12,100
Utilities	69,300	76,200
Repairs and Maintenance	29,100 -	32,000
Other	3,700 -	4,100
<b>Total Operating Expenses</b>	<b>\$212,700 -</b>	<b>\$241,600</b>
<b>Net Profit (Loss)</b>	<b>(\$164,000) -</b>	<b>(\$139,100)</b>

- Revenue estimates are based on the attendance, rent and per capita spending estimates presented on the previous page.
- It is assumed that the Stadium would retain revenue from rent, food and beverage, parking and advertising. Merchandise revenue is assumed to be retained by the event organizer/promoter.
- Expense estimates are based on information provided by the Coliseum Authority. The wages and salaries expense is based on an assumed expense per event, multiplied by the number of events assumed to be hosted under each scenario. Other expenses are based on the Authority's estimates under the moderate scenario, and have been increased by 10 percent under the aggressive scenario.
- It is important to note that the above estimates reflect ongoing operations of the Stadium, including normal repairs and maintenance, but do not include major capital repairs, which will be discussed in the Summary section, below.

## **Financial Analysis**

---

### **Summary and Key Findings**

- Based on the analysis presented in this section, Memorial Stadium is estimated to sustain an annual operating loss ranging from approximately \$139,000 to \$164,000. This estimate does not include capital repairs costs, deferred maintenance costs or debt associated with a potential renovation or reconfiguration of the Stadium.
- It should be noted that the ability of the Stadium to reduce its required operating subsidy, as presented in the aggressive scenario, is largely dependent on the Stadium's ability to attract concerts. Specifically, approximately 40 percent of operating revenues are estimated to be generated by the two annual concerts assumed to be held at the Stadium in the aggressive scenario.
- It is possible that physical improvements could be made to the Stadium to make it more attractive to concert acts and promoters. However, the costs associated with these types of improvements are not known at this time. Therefore, it is unclear whether such improvements would result in a facility that would attract a sufficient number of concerts to help offset the added capital costs.
- Similarly, while it is assumed that the facility can be reconfigured to accommodate football and/or soccer, on a temporary basis, such reconfiguration would also require capital costs to remove and/or replace the scoreboard, reconfiguration of the outfield fence to accommodate a full football field or soccer pitch, and other such improvements. The cost for these items is estimated to range from \$100,000 to \$200,000, depending on the extent of the improvements. As noted above, while this could assist in attracting a limited number of events, primarily high school football and/or soccer, the revenues generated from such events are likely to be minimal.
- In any case, if the Stadium is to continue to be used as a sports facility, it is important that the Coliseum Authority maintain operational control. This operating structure enables the Authority to maintain control of scheduling over the entire Coliseum and Stadium complex, ensuring the facilities are managed in the most cooperative manner possible.
- If the decision is made to continue operating the Stadium as a sports facility, a college wood bat league franchise could potentially be attracted to the Stadium, providing approximately an additional 20 events per year. However, based on the limited scope of this analysis, it is uncertain if the Fort Wayne market can adequately support two baseball products at two facilities. Therefore, it is recommended that the potential viability of a college wood bat franchise at the Stadium be explored in further detail, if the Stadium will continue to be used as a sports facility.

## Financial Analysis

---

- Assuming the decision is made to continue operating the Stadium as a sports facility, it is understood that several significant capital improvements will likely need to take place over the next several years. These projects include a replacement of the field (with either natural or artificial turf), replacement of the seats in the grandstand, sealing of various joints in the concrete to prevent leakage, roof repairs, replacement of the Stadium light fixtures and standards, as well as updates to bring the facility into compliance with ADA regulations. Based on discussions with Stadium representatives, the cost to complete these and other improvements is estimated at approximately \$2.0 million or more.
- An additional consideration regarding concert levels at Memorial Stadium is potential competition from the new ballpark. Memorial Stadium would likely have more flexibility in terms of open dates on which to hold concerts during the baseball season. However, the higher level of amenities associated with the new ballpark may provide it with advantages in attracting concerts, depending on the extent to which the management of the new facility pursues these events. In addition, the Wizards have publicly stated their desire to host a wide variety of non-baseball events, and the City, County or Coliseum Authority may elect to mitigate the competition for the new ballpark by minimizing the usage of the Stadium for concerts or other such events.
- The addition of a synthetic turf such as FieldTurf could provide the Stadium with the ability to host a wider variety of events by eliminating the potential for damage and/or general wear and tear on the natural grass field. The installation of synthetic turf may also reduce operating costs associated with maintaining a natural grass surface. However, turf installation would require an upfront capital cost that could exceed \$1.0 million. While this would result in some reduction in operating costs, the reductions would likely not be sufficient to offset the capital cost to install the surface. In addition, it is uncertain if the addition of a synthetic surface would result in a significant increase in demand and utilization of the Stadium.
- As noted previously in this report, several similar ballparks that have been replaced by newer facilities have been demolished, while others have been maintained as a baseball facility or other such facility. Of those facilities continuing to operate as a baseball facility, several serve as the home of a collegiate baseball team as well as other uses, such as high school or other amateur baseball. While these facilities continue to operate, they typically operate at significant losses. In many cases, the collegiate tenant plays rent free in exchange for paying for the maintenance and upkeep of the field and, in some cases, the stadium itself. While IPFW may expect some increase in attendance playing at the Stadium the potential increase in revenues is considered minimal. It is considered unlikely that IPFW would be able to provide any additional operating subsidy to help offset the cost of operating the Stadium going forward.

## Financial Analysis

---

- In several other cases, the host city's Park and Recreation department is responsible for operating and maintaining the older baseball stadium. Based on discussions with the City's Park and Recreation Department, the Department could consider taking on the cost of maintaining the facility if the Department could fill a specific need through such operations. However, the Department indicated that its existing facilities are sufficient for its programming and could not identify a specific need for utilizing the Stadium for Department-sponsored events.
- In addition, it is understood that the City has considered the development of an endowment fund that would provide a source for operational costs for the Stadium going forward. As discussed previously, the annual subsidy is estimated to range from approximately \$139,000 to \$164,000. Assuming this subsidy inflates at five percent per year, and further assuming a discount rate of five percent and a remaining useful life of 20 years, the required endowment is estimated to range from approximately \$2.6 million to \$3.1 million in net present value.
- While there appears to be some potential demand for the ongoing use of the Stadium that could justify such a public commitment, such demand appears to be generally limited to amateur baseball events. As such events could also be hosted at the new ballpark, through providing such a subsidy, the City may effectively create additional competition for the proposed new ballpark.
- As an alternative to continuing to operate the Stadium following the departure of the Wizards, consideration should be given to demolishing the facility and identifying alternative uses for the land on which the ballpark sits. Potential advantages of this scenario include:
  - Eliminates scheduling conflicts between the Coliseum and the Stadium, which share a parking lot and therefore avoid scheduling major events simultaneously. Discussions with Coliseum representatives indicate that the ability to use the Stadium site for events, such as summer tent circus events, summer concert festivals, the Midway and other such events would likely result in increased overall utilization for these events, which typically generate significantly more revenues overall than non-Wizards Stadium events.
  - Using the Stadium site to provide additional surface parking for Coliseum events would create additional revenue to the Coliseum. In addition, the addition of several hundred parking spaces would enable the Coliseum to more aggressively book simultaneous events at the Coliseum and the Exhibition Hall.

## **Financial Analysis**

---

- Eliminates competition with the new ballpark, enabling the new ballpark to achieve its stated goal of attracting a wide variety of community-oriented, non-baseball events without impacting the financials of new ballpark/team and City by placing downward pressure on rental rates for concerts and other events.
  
- As shown, the Community has several options to consider regarding the future of Memorial Stadium. While there appears to be some demand for utilizing the stadium, including IPFW baseball as well as other local high school and other amateur baseball, football and soccer usage, this type of utilization generally results in minimal revenues while the facility operating costs remain relatively consistent. In addition, several capital projects will need to be undertaken in the next several years to ensure that the Stadium is maintained properly, which could cost up to \$2.0 million or more, again with limited revenues to offset such costs. Continuing the Stadium's use as a sports and entertainment venue would likely provide direct competition for the proposed new downtown ballpark, negatively impacting that facility's viability as a community asset. Similarly, the Coliseum could see additional benefits, including increase overall utilization and revenue generation, while reducing expenses, if the Stadium were to be demolished and replaced with parking or a less substantial facility than the current Stadium.