













ARTHUR W. PERDUE STADIUM
STADIUM ENHANCEMENTS

March 6, 2014

Crossroads
CONSULTING SERVICES
POPULOUS

March 6, 2014

Mr. Al Tyler
Senior Project Manager
Maryland Stadium Authority
351 W. Camden St., Suite 500
Baltimore, MD 21201

Dear Mr. Tyler:

Crossroads Consulting Services LLC, in association with Populous, has completed its economic analysis and modernization study related to potential future capital improvements/stadium enhancements at Arthur W. Perdue Stadium in Wicomico County, Maryland. In accordance with our agreement, this report summarizes our research and analysis.

The information contained in the report is based on estimates, assumptions, and information developed from market research, knowledge of the sports and entertainment industries as well as other factors including data provided by the management at the Maryland Stadium Authority, Wicomico County and the Delmarva Shorebirds. Although we have utilized sources that are deemed to be reliable, we cannot guarantee their accuracy. All information provided to us by others was not audited or verified and was assumed to be correct. Because the 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 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 that occur after the date of this report. The accompanying report is restricted to internal use by the Maryland Stadium Authority and Wicomico County and may not be relied upon by any third party for any purpose including financing. Notwithstanding these limitations, it is understood that this document may be subject to public information laws and as such can be made available to the public upon request.

We have enjoyed serving you on this engagement and look forward to providing you with continued service in the future.

Sincerely,

Crossroads Consulting Services LLC

4427 W. Kennedy Boulevard · Suite 200 · Tampa, Florida 33609 · Phone 813.281.1222 · Fax 813.315.6040
www.crossroads-fl.com

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Introduction

Project Background

Situated in Salisbury, Maryland, Arthur W. Perdue Stadium (Perdue Stadium) is home to the Baltimore Orioles Class A affiliate Delmarva Shorebirds as well as various other sports, entertainment and civic events. Named for the founder of Perdue Farms and opened in 1996, the stadium has a seating capacity of approximately 5,200 excluding the berm and picnic areas. The facility features six suites and several hospitality areas including the fully enclosed Executive Club, the Hard Ball Café which is located directly behind home plate, and an outdoor picnic pavilion area along the right field line. The Eastern Shore Baseball Hall of Fame is also located at the stadium.

The stadium and the team are both important assets to the community. Perdue Stadium is owned by Wicomico County and operated by 7th Inning Stretch LP, which has owned the Shorebirds since 2007. The current lease between the two parties expires in May 2015. As part of their long-term planning strategy, it is our understanding that both entities would like to explore options for renovations/enhancements to Perdue Stadium in order to improve its marketability, competitiveness and economic impact to the community.

Purpose of the Study

Given this backdrop, the project team of Crossroads Consulting Services LLC (Crossroads) and Populous was retained to prepare an economic analysis and stadium enhancement study related to future capital improvements at Perdue Stadium.

It is our understanding that the driving forces of any potential stadium enhancements are to maintain the financial investment and value of the existing asset, enhance investments made by both the public and private sector, accommodate diverse community usage, and maximize economic and fiscal impacts to the community. As such, this study is meant to serve as a tool to assist in identifying and prioritizing short and long-term improvements/enhancements to the stadium.

The primary objectives of this analysis are to:

- Develop a list of potential capital improvements/stadium enhancements in terms of programming options.
- Prepare an order of magnitude cost estimate for potential capital improvements/stadium enhancements.
- Prioritize potential capital improvements/stadium enhancements in terms of physical need, cost, marketability, and potential revenue generation.
- Prepare an estimate of the economic and fiscal benefits to the County and State associated with the current operations of the stadium as well as at an enhanced stadium.

No environmental assessment, noise analysis, traffic study, nor detailed cost estimate of the conceptual design are provided as part of this study effort.

Work Plan

Specific research tasks completed as part of this analysis include, but were not limited to:

- Conducted meetings with client representatives and stakeholders including MSA, Wicomico County and 7th Inning Stretch LP to obtain an understanding of the background, history and key issues related to the study as well as to obtain their perspectives on required and desired potential future capital improvements at the stadium.
- Reviewed the existing lease between Wicomico County and 7th Inning Stretch LP.
- Profiled key market attributes including demographic/economic statistics, area employment, accessibility, the hotel market, and tourism statistics.
- Analyzed historical trend data regarding event activity and financial operations at the stadium for both the Shorebirds and other sports/entertainment/civic events.
- Analyzed data on comparable minor league baseball (MiLB) stadiums.
- Developed preliminary program elements and potential phasing strategies.
- Prepared an order-of-magnitude cost estimate of potential future capital improvements/stadium enhancements.
- Prioritized potential future capital improvements/stadium enhancements based on factors such as physical need, cost, marketability, revenue generation potential, etc.
- Prepared conceptual master plan for proposed capital improvements/stadium enhancements.
- Estimated the incremental economic and fiscal benefits that could potentially result to the County and the State from the proposed capital improvements/stadium enhancements.
- Summarized our research, analysis and findings into a written report.

General Market Overview

Located on Maryland's Eastern Shore approximately midway along the Delmarva Peninsula, Wicomico County was named one of "America's 100 Best Communities for Young People" and has a reputation as an ideal place to live, work, play and raise children. It is also a destination point for visitors as attested by the traffic at the Welcome Center which is one of the busiest in Maryland.



Because general market conditions impact the stadium's operations, this section profiles select market characteristics including demographic/economic statistics, employment base, accessibility, tourism statistics, and area facilities.

Demographic/Economic Statistics

The rings shown in the map below represent the 15, 30, and 60-mile radii from Perdue Stadium. For purposes of this analysis, the primary market, where the majority of attendance and corporate support is anticipated to be derived, is defined as a 30-mile radius surrounding the stadium. Given its geographic location and the lack of minor league baseball teams in close proximity, Shorebirds management indicated that the team often draws from a larger radius (i.e., 60 miles) which is considered the secondary market.



As a point of reference, a recent survey of a sample of attendees provided by the Shorebirds indicates that approximately 94% of survey respondents come from four states: Maryland (59%), Delaware (28%), Virginia (4%) and Pennsylvania (3%).

The adjacent table summarizes key demographic and economic statistics for both the primary (i.e., 30-mile radius) and the secondary (i.e., 60-mile radius) markets.

Population serves as a base from which events can draw attendance and other forms of supports. Salisbury's primary market has a population of approximately 340,000 people. Both the 30 and 60 mile radii have and are projected to experience minimal population growth over the next five years. Attendance at Shorebirds' games is augmented by the area's tourism base attracted to the Eastern Shore in the summer.

Analysis by age group is helpful since certain events are targeted toward consumers who fall within specific age categories. Minor league baseball is usually marketed as affordable, family entertainment and as such typically targets young families and working age adults. Approximately 47% of the population is between the ages of 18 and 54 years old. The median age for the primary market is 41.9 years old which is slightly older than that for the secondary market.

Income offers a broad measurement of spending potential for a specific population because it indicates the general ability of individuals or households to purchase a variety of goods and services including admission to events. The median household income of the secondary market is $55,600 which is 13% higher than that for the primary market ($48,600) and 11% higher than for the U.S. ($49,300).

Demographic/Economic Characteristics		
Category	**30 mile radius**	**60 mile radius**
Population		
2000 Population	334,400	753,500
2013 Population	339,700	890,200
2018 Projection	349,400	919,200
Average Annual Growth Rate (2000-2013)	0.1%	1.4%
Average Annual Growth Rate (2013-2018)	0.6%	0.7%
Age Distribution		
Under 18 Years Old	20.7%	21.9%
18 - 34 Years Old	21.8%	21.0%
35 - 54 Years Old	24.7%	25.6%
55+ Years Old	32.9%	31.6%
Median Age	41.9	41.3
Household Income Distribution		
Less than $25,000	23.7%	21.3%
$25,000 to $49,999	27.7%	24.3%
$50,000 to $99,999	32.4%	33.2%
$100,000 to $149,999	10.7%	13.3%
$150,000 or more	5.4%	7.9%
Median Household Income	$48,600	$55,600

Source: Claritas

Employment Base

The area employment base also provides a potential target market for events and financial support for the stadium. Area employers may utilize the facility for various events such as meetings/seminars/training, job fairs, product launches, banquets/receptions, holiday parties, group outings, or other similar functions. In addition, advertising/sponsorship opportunities, premium seating sales and ticket sales are typically dependent on the size and composition of the area employment base.

A broad workforce distribution helps lessen a community's dependency on support from any one single industry segment. Industry diversification also assists a local economy withstand economic downturns due to dependency upon one industry; should one industry fail, there are others upon which the local economy can rely.

As of 2011, the latest date for which annual data is available, Wicomico County employed nearly 44,000 workers. As shown in the adjacent table, the area's economy is comprised of a diverse set of industries including trade, transportation and utilities; education/health services; government; leisure/ hospitality; professional/business services; and manufacturing.

The U.S. Bureau of Labor Statistics (BLS) reported that the unemployment rate for Wicomico County was 8.2% in November 2013 which was higher than both the State of Maryland (6.0%) and the U.S. (6.6%).

Average Annual Employment by Industry for Wicomico County (2011)

Industry	Total Jobs	% of Total
Government		
Local Government	4,655	10.7%
State Government	2,615	6.0%
Federal Government	309	0.7%
Private Sector		
Trade, Transportation and Utilities	9,344	21.4%
Education & Health Services	8,166	18.7%
Leisure & Hospitality	4,199	9.6%
Professional & Business Services	4,128	9.5%
Manufacturing	3,840	8.8%
Construction	1,996	4.6%
Financial Activities	1,667	3.8%
Other Services	1,587	3.6%
Information	732	1.7%
Natural Resources & Mining	367	0.8%
Total	**43,605**	**100%**

Note: Sorted in descending order by total jobs.
Source: MD Dept. of Labor, Licensing, and Regulation, Dept. of Labor Market Analysis.

Based on information provided by the State's Department of Economic Development, the five largest employers in the County are Peninsula Regional Medical Center, Perdue Farms, Salisbury University, Labinal Salisbury, and Wal-Mart/Sam's Club.

As a point of reference, the Maryland Department of Labor, surrounding Maryland counties (i.e., Dorchester, Somerset, and Worcester) are home to 16 employers with 250 or more employees. Major employers in Sussex County such as the Beebe Medical Center, Bayhealth Medical Center, Mountaire Farms, Allen Harim Foods, PATS Aircraft, and Merck Animal Health also provide a target market for group functions/special functions and varying forms of financial support.

Accessibility

Accessibility is a key factor to the overall success of stadiums, particularly in suburban settings. In addition, the location and accessibility of a facility relative to the population base can impact its marketability for certain types of events.

Perdue Stadium is easily accessible from all directions and approximately two to three hours from several major metropolitan markets including Philadelphia, Baltimore, Washington, D.C. and Norfolk. U.S. 13 (north-south) and U.S. 50 (east-west) intersect in Salisbury making it the hub of vehicular traffic on the Delmarva Peninsula and linking the peninsula to the northeast industrial corridor In addition, Salisbury is only 30 minutes from coastal destinations along the Atlantic Ocean placing it in a good geographic location to capture visitor traffic.

Tourism Statistics

Tourism is a significant economic generator for the State of Maryland. In 2011, travelers in Maryland spent nearly $14.3 billion on items such as lodging, retail, eating/drinking and entertainment/recreation establishments which generated close to $2 billion in State and local taxes.

The Maryland Office of Tourism (MOT) segregates the State into five primary marketing regions. Wicomico County falls into the Eastern Shore region along with Caroline, Cecil, Dorchester, Kent, Queen Anne's, Somerset, Talbot, and Worcester Counties. In 2011, the Eastern Shore attracted 22% of visitors to Maryland, or nearly 7.6 million visitors.

The *Fiscal Year 2012 Tourism Development Annual Report* cited that the Eastern Shore region generated more than $40 million in tourism expenditures, of which Wicomico County generated nearly $5.1 million ranking second among the nine-county region behind Worcester County where Ocean City is located.

Area Facilities

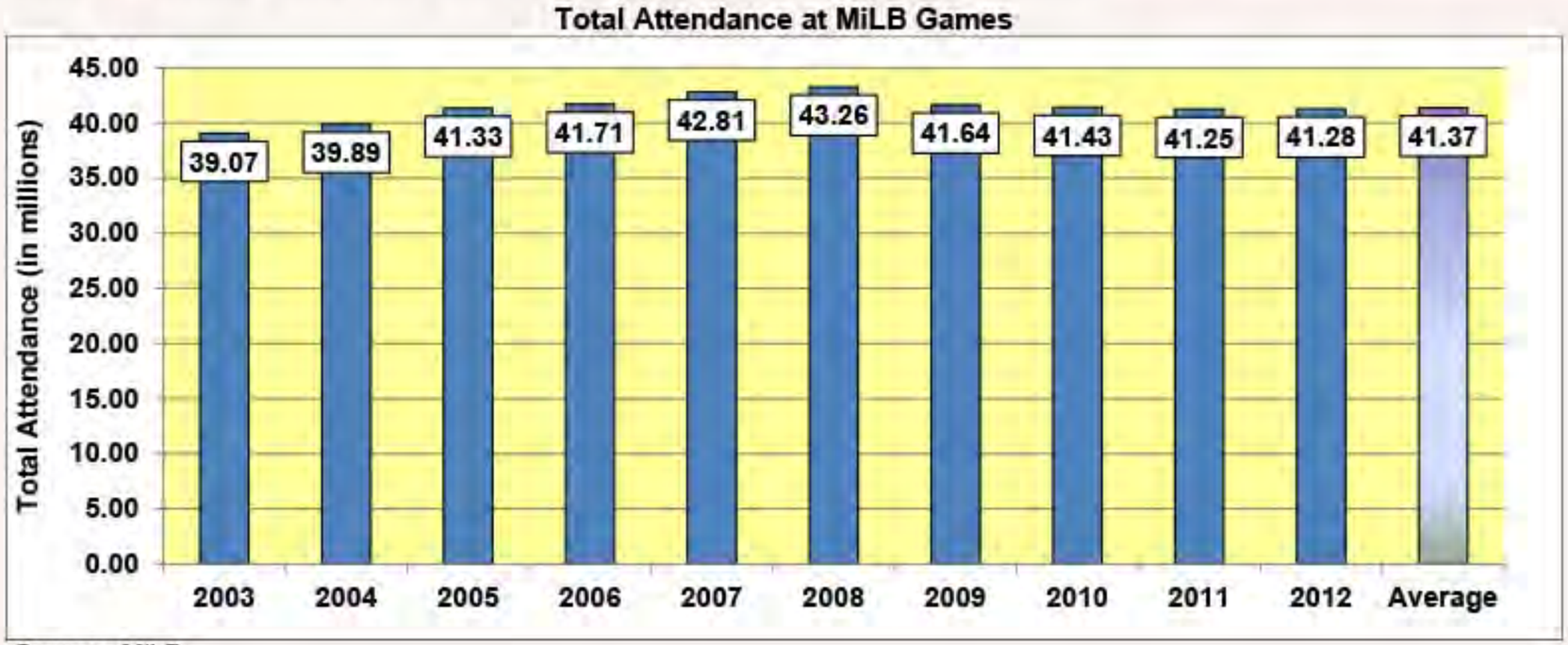
There are relatively few sports and entertainment facilities in the area that compete with Perdue Stadium for events and fans given their configuration and/or market focus. Area facilities include the Wicomico Youth and Civic Center, which is also owned by the County, the Crown Sports Center, the Henry S. Parker Athletic Complex, athletic facilities at Salisbury University (e.g., the ballfields, the indoor and outdoor tennis center, Maggs Center, Sea Gull Stadium, the soccer complex, and the track & field complex) as well as Winter Place Park.

In addition, a proposed new covered amphitheater is currently under construction at Heron Ponds in Delmar as part of a larger development that is slated to include single-family homes, age-targeted housing, athletic fields and a restaurant.

Although there are several professional minor league baseball stadiums in the State, none are in close proximity to Salisbury. As such, team management indicated that the Shorebirds draw from a larger radius than some other teams.

Trends in Attendance - Minor League Baseball

From a macro level, minor league baseball has proven to be an extremely stable product over the long term. One reason is because minor league baseball is one of the most affordable forms of professional sports entertainment. As shown below, total attendance at minor league baseball games increased each year between 2003 and 2008 before experiencing a 4% decline in 2009 which was likely attributable to the recession. Since then, total attendance has remained relatively consistent.



Source: MiLB.

The stability and increase in total attendance indicates that minor league baseball's growth is not limited to a specific geographic area or location but rather it spans across teams in all areas and in all leagues.

Demographic/Economic Attributes for South Atlantic League Markets

The Shorebirds play in the South Atlantic League, which was founded in 1980. As noted previously, the Shorebirds' primary market, where the majority of attendance and corporate support is anticipated to be derived, is defined as a 30-mile radius surrounding the stadium. The following table compares various demographic and economic attributes of Salisbury's primary market (i.e., 30-mile radius surrounding the stadium) to other markets hosting South Atlantic League teams.

Comparison of Select Demographic/Economic Attributes for South Atlantic League Markets - 30-Mile Radius

Club	Location	Population	Rank	Median Household Income	Rank	Median Age	Rank
Lakewood BlueClaws	Township of Lakewood, NJ	1,766,200	1	$73,500	1	41.3	4
Kannapolis Intimidators	Kannapolis, NC	1,426,100	2	$44,400	7	36.4	13
Greensboro Grasshoppers	Greensboro, NC	1,226,700	3	$38,300	12	37.9	8
Greenville Drive	Greenville, SC	1,038,400	4	$41,700	10	38.0	7
Hagerstown Suns	Hagerstown, MD	742,800	5	$60,100	2	39.3	6
Lexington Legends	Lexington, KY	675,100	6	$44,000	8	36.5	12
Charleston RiverDogs	Charleston, SC	660,100	7	$49,500	3	35.8	14
Hickory Crawdads	Hickory, NC	586,600	8	$36,700	14	41.0	5
Augusta GreenJackets	Augusta, GA	556,000	9	$45,400	6	36.9	11
Asheville Tourists	Asheville, NC	497,000	10	$39,200	11	43.5	1
Savannah Sand Gnats	Savannah, GA	478,800	11	$48,400	5	37.1	10
Rome Braves	Rome, GA	387,900	12	$37,600	13	37.2	9
Delmarva Shorebirds	**Salisbury, MD**	**339,700**	**13**	**$48,600**	**4**	**41.9**	**3**
West Virginia Power	Charleston, WV	324,000	14	$44,000	8	42.4	2
Average (Excluding Salisbury)		**797,400**		**$46,400**		**39.0**	
Median (Excluding Salisbury)		**660,100**		**$44,000**		**38.0**	

Note: Sorted in descending order by 30-mile radius population.
Source: Claritas.

Although the Shorebirds play in the second smallest market in the South Atlantic League with the third oldest median age, it has the fourth highest median household income.

Overview of Stadiums in the South Atlantic League

The following table profiles characteristics of stadiums that host South Atlantic League teams. Perdue Stadium's seating capacity is consistent with the average of all South Atlantic League stadiums. Newer stadiums built since 2005 average 5,900 seats and 16 suites. However, a relationship typically exists between seating capacity and market size as well as the number of suites and corporate base.

Profile of South Atlantic League Stadiums

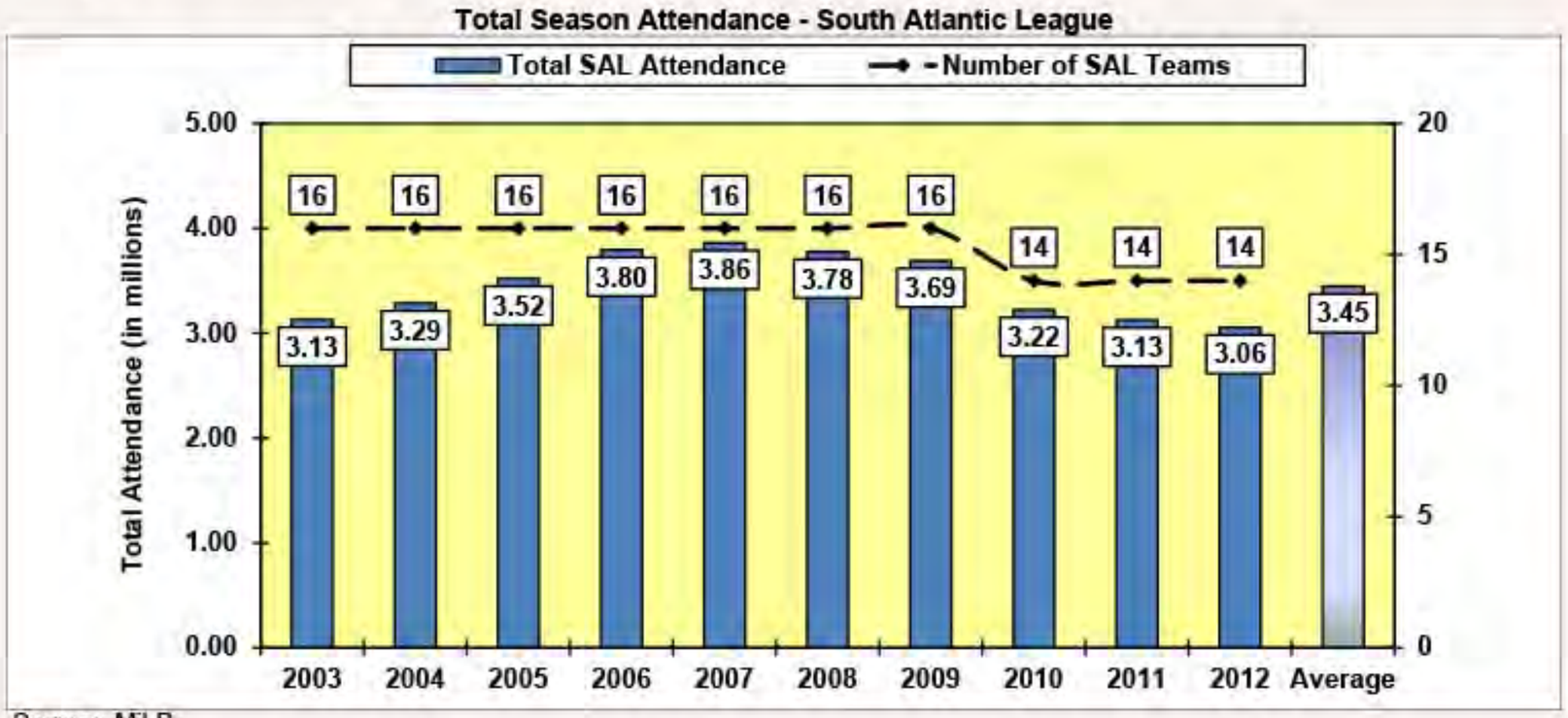
Club	Stadium	Location	Owner	Year Opened	Seating Capacity	Suites
Greensboro Grasshoppers	New Bridge Bank Park	Greensboro, NC	Team	2005	7,500	16
Lakewood BlueClaws	FirstEnergy Park	Township of Lakewood, NJ	Township of Lakewood	2001	6,600	20
Lexington Legends	Whitaker Bank Ballpark	Lexington, KY	Team	2001	6,500	26
Charleston RiverDogs	Joseph P. Riley, Jr. Park	Charleston, SC	City of Charleston	1997	6,000	8
Greenville Drive	Fluor Field at West End	Greenville, SC	Team	2006	5,700	18
Delmarva Shorebirds	**Arthur W. Perdue Stadium**	**Salisbury, MD**	**Wicomico County**	**1996**	**5,200**	**6**
Rome Braves	State Mutual Stadium	Rome, GA	Floyd County	2003	5,100	14
Hickory Crawdads	L.P. Frans Stadium	Hickory, NC	City of Hickory	1993	5,100	4
Augusta GreenJackets	Lake Olmstead Stadium	Augusta, GA	Richmond Stadium Authority	1995	4,800	0
Kannapolis Intimidators	CMC-NorthEast Stadium	Kannapolis, NC	Rowan County	1995	4,700	6
Hagerstown Suns	Municipal Stadium	Hagerstown, MD	City of Hagerstown	1930	4,600	0
West Virginia Power	Appalachian Power Park	Charleston, WV	City of Charleston	2005	4,500	14
Savannah Sand Gnats	Grayson Stadium	Savannah, GA	City of Savannah	1926	4,000	0
Asheville Tourists	McCormick Field	Asheville, NC	Buncombe County	1924	4,000	0
Average					**5,300**	**9**

Notes: Sorted in descending order by seating capacity.
Several stadiums have been renovated since their original construction.
Seating capacity excludes berm seating and picnic areas.
Sources: Individual facilities; other secondary research.

Trends in Attendance – South Atlantic League

Total League Attendance

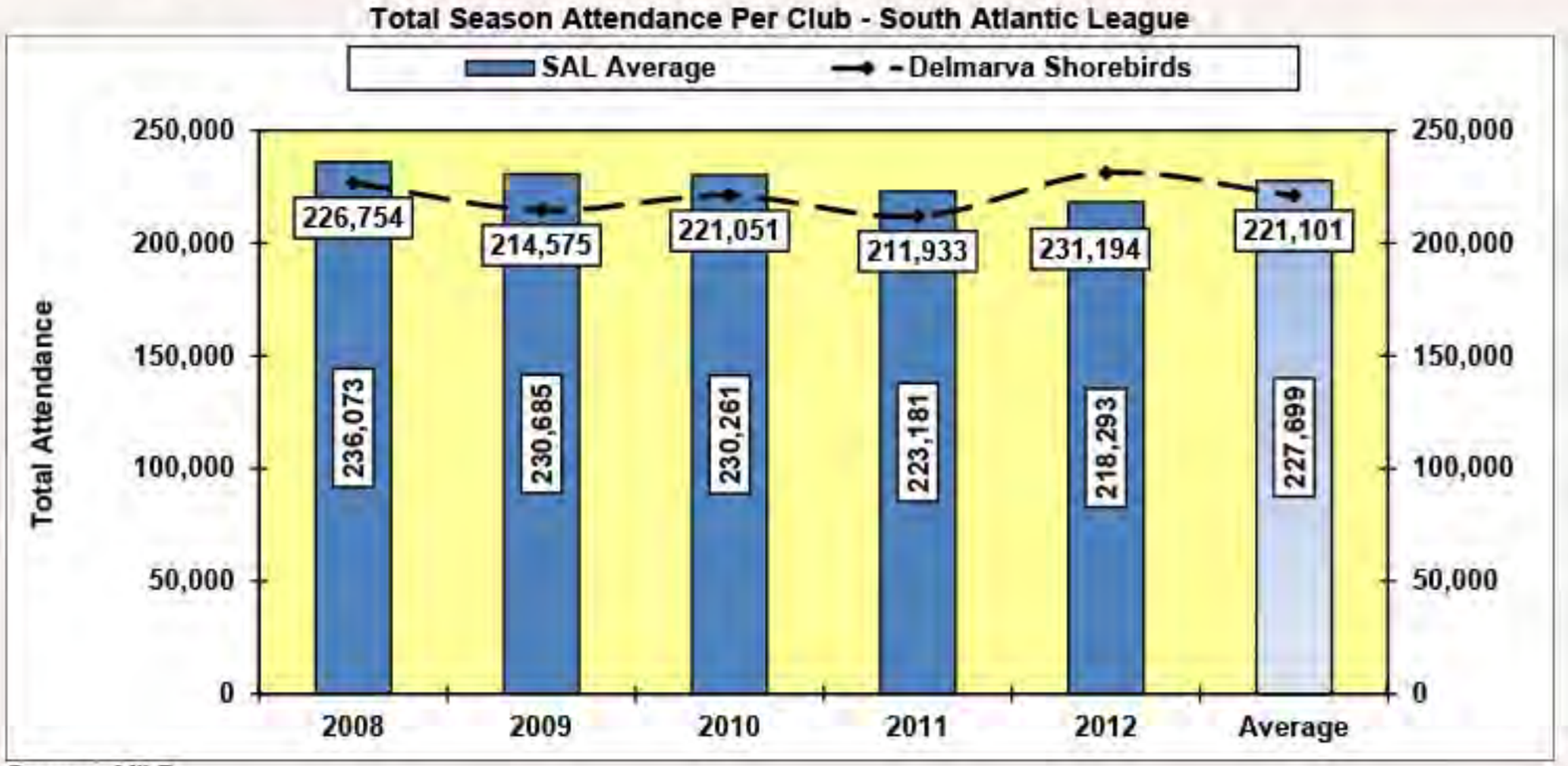
Between 2003 and 2012, the South Atlantic League averaged 3.45 million fans per year. In 2010, the number of teams in the South Atlantic League decreased from 16 to 14 which negatively impacted its total attendance.



Source: MiLB.

Total Season Attendance Per Club

South Atlantic League teams play 70 regular season games between April and September. Over the last five years, the Shorebirds' total season attendance has generally been consistent with that of the South Atlantic League.

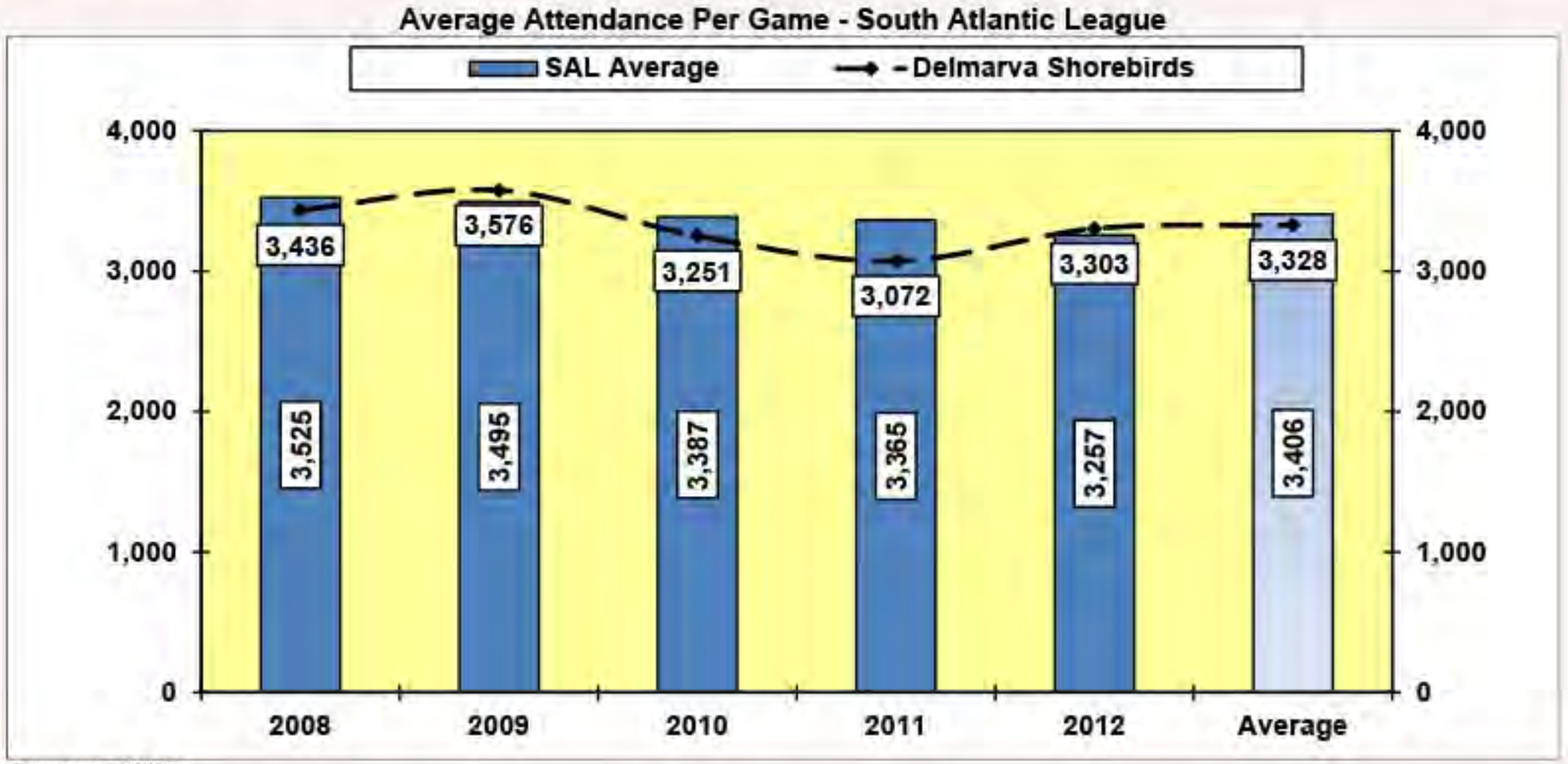


Source: MiLB.

It is important to recognize that MiLB teams tend to distribute a large number of complimentary tickets and utilize tickets for trade/barter/sponsorship. In addition, all people who are season ticketholders, bought tickets in advance, or received complimentary tickets do not attend every game. As such, reported attendance numbers do not necessarily reflect turnstile amount. These factors have a direct impact on the average ticket price and concessions per capita amounts attained.

Average Attendance Per Game

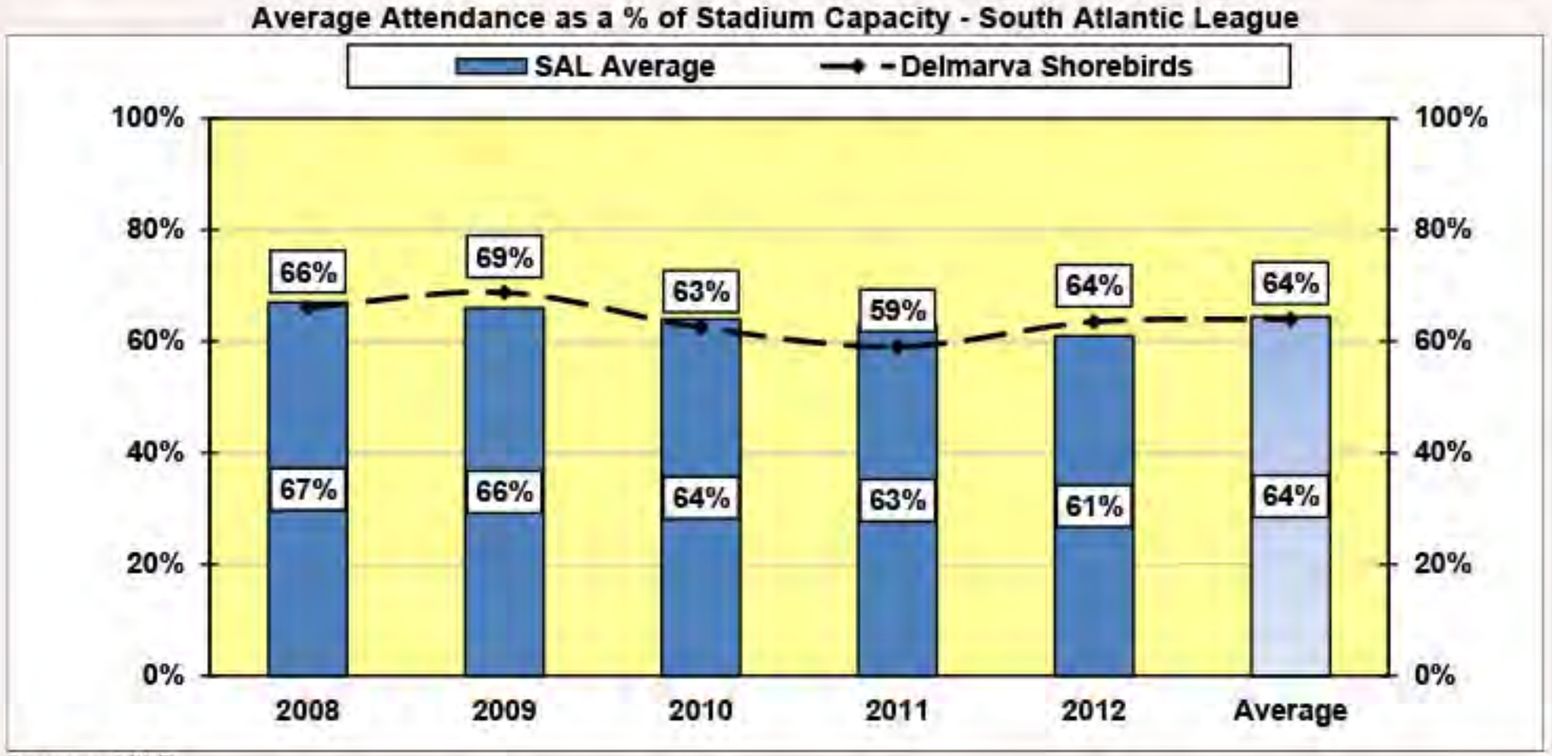
As with total season attendance, the Shorebirds' average attendance per game has generally been consistent with that of the league average for the last five years.



Source: MiLB.

Average Attendance as a Percentage of Stadium Capacity

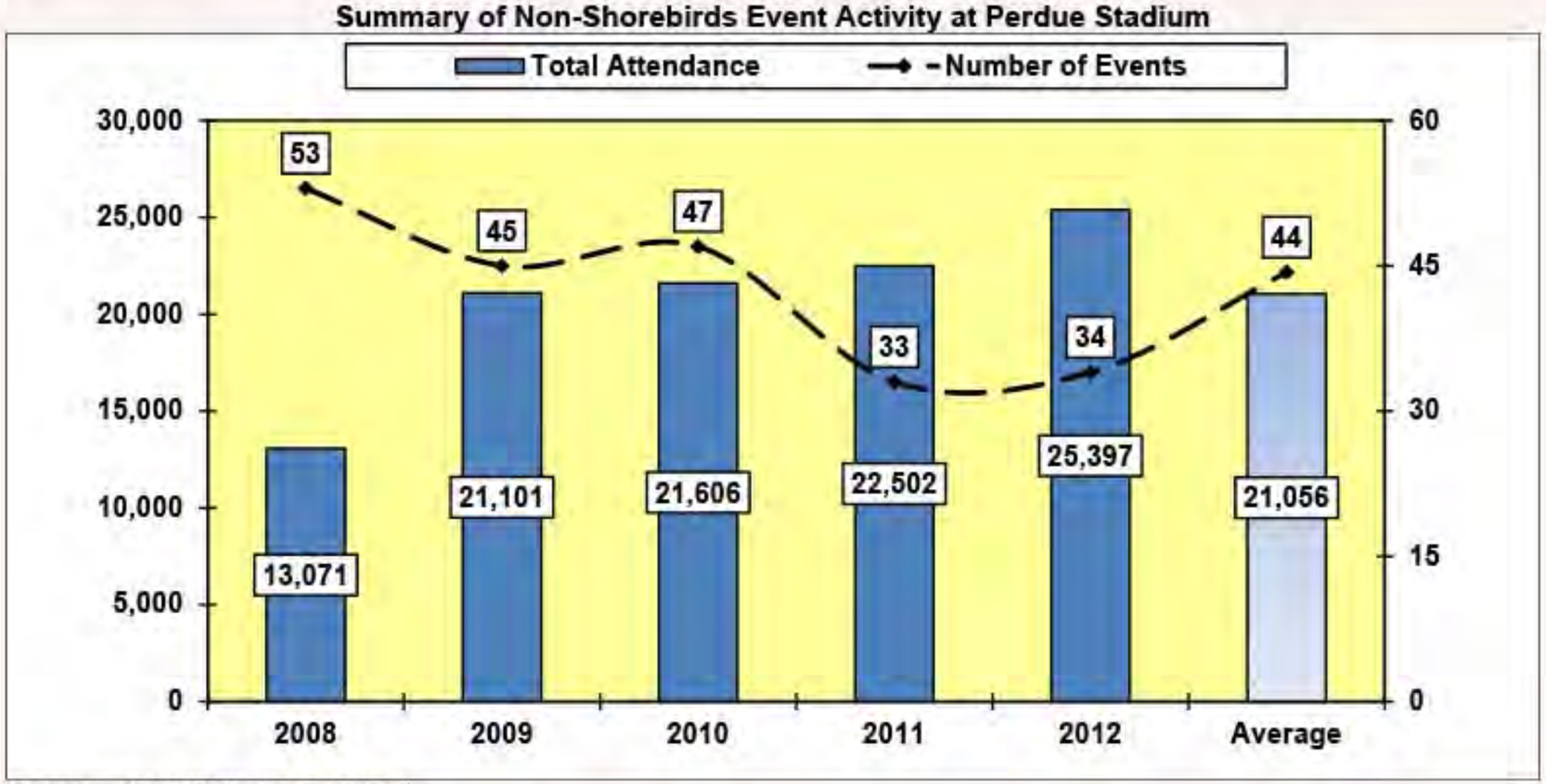
Over the last five years, average attendance at Shorebirds' games has ranged from a low of 3,100 fans in 2011 to 3,600 fans in 2009 which equates to between 59% and 69% of the stadium's capacity (excluding the berm and picnic area). While these figures are similar to the average for the South Atlantic League, they indicate an opportunity to increase attendance with stadium enhancements.



Source: MiLB.

Non-Shorebirds Event Activity

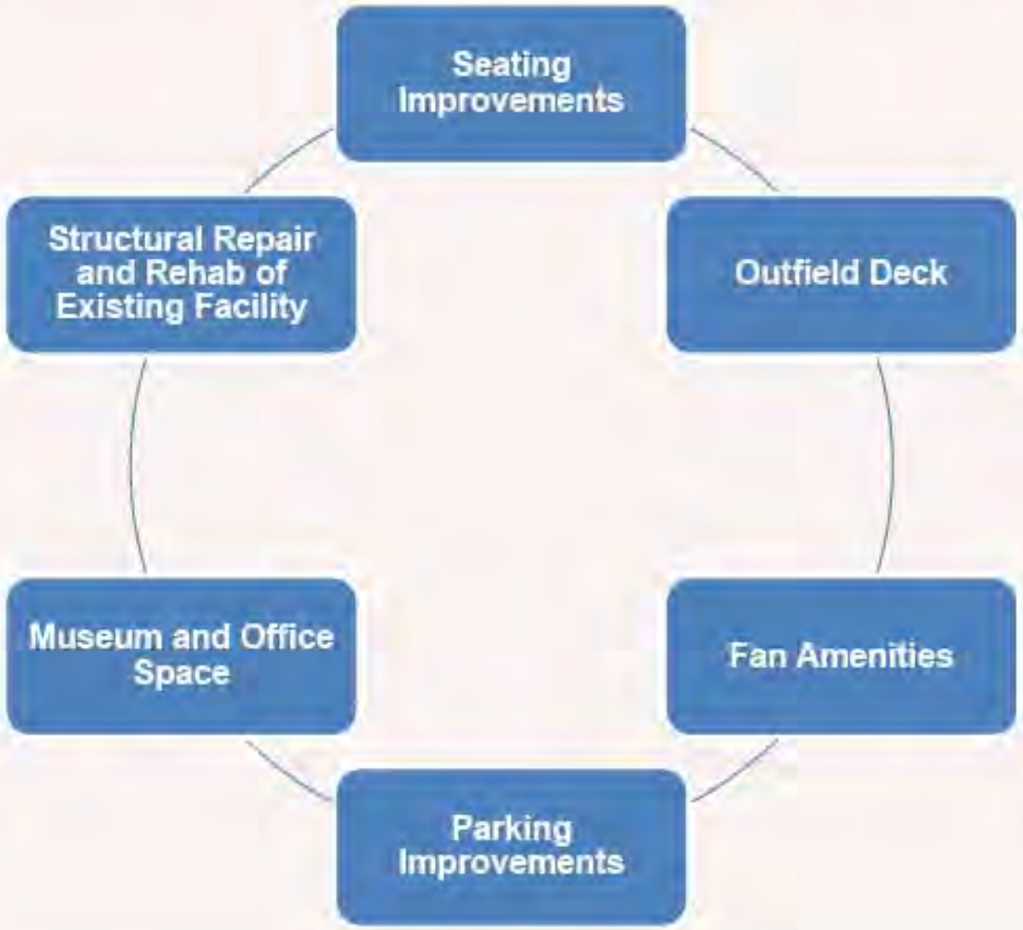
Over the last five years, Perdue Stadium has averaged 44 non-Shorebirds events that generated over 21,000 people. Although the number of events has been decreasing, total attendance has increased each of the last four years.



Source: Shorebirds management.

Proposed Stadium Enhancements

Based on our research and experience, our project team developed a list of recommended enhancements from both a physical facility perspective and a competitive market perspective. It is important to recognize that this study provides a 'menu' of potential enhancements with multiple choices that need to be fully vetted and prioritized by the State, the County and the team as it is unlikely that all of the potential options outlined in the report will be able to be funded based on the traditional formula used in similar projects throughout the State. These recommended stadium enhancements were grouped into the following major categories:



The following provides a general overview of the type of enhancements included in these major categories.

Seating Improvements

Seating improvements provide a significant opportunity to improve overall stadium marketability and revenue generation potential, particularly in terms of ticket revenues. The amount and type of seats in a stadium can impact the amount of ticket revenue. The current distribution of seats at Perdue Stadium is as follows:

Perdue Stadium Layout		
Seating Type	**Number**	**% of Total**
General Admission*	3,200	62%
Reserved Box	1,090	21%
Field Box	318	6%
Hardball Café	175	3%
Sky Suite (6)	150	3%
Luxury Level Box	134	3%
Executive Club	134	3%
Total	**5,201**	**101%**

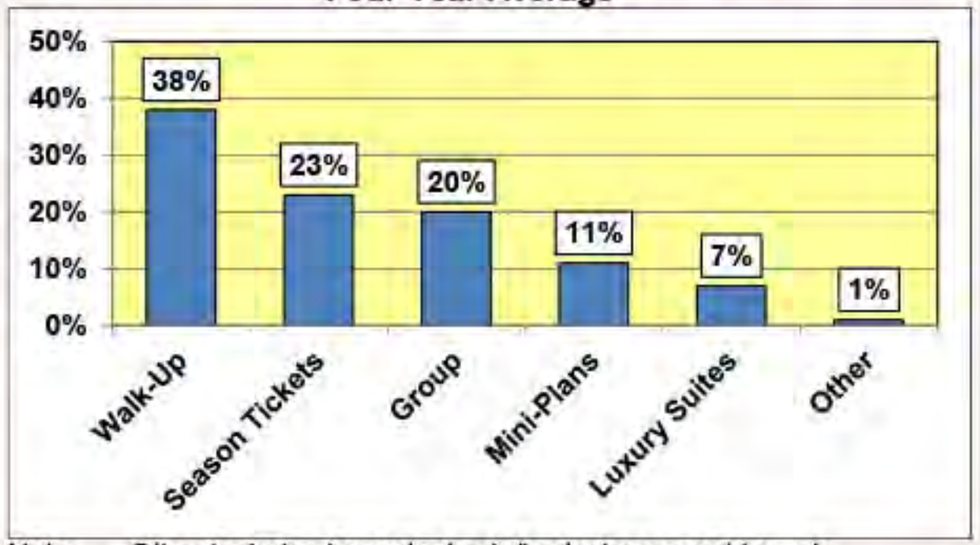
Notes: * denotes estimate by team management.
Excludes berm and picnic deck areas.
Source: Shorebirds management.

The number of general admission seats shown in the table above provided by Shorebirds' management (3,200) differs from that measured during on-site fieldwork by Populous (3,492). Using management's estimate, 62% of seats are currently general admission.

Approximately 38% of ticket revenue has been generated from walk-up business compared to 23% from season tickets and 20% from group business. In addition, ticket revenue generated from walk-up sales has been trending upward whereas season ticket sales have been trending downward.

Ticket revenue generated from group sales, mini-plans, luxury suites and other sources have remained relatively consistent over the last four years.

Distribution of Ticket Revenue by Type of Ticket
Four-Year Average



Note: Other includes buyouts, trade/barter/sponsorships, etc.
Source: Shorebirds management.

The proposed seating improvements include replacing existing seating including the bench seating with a combination of new standard stadium chairs and padded back and seat stadium chairs, particularly in key locations.

Based on historical attendance, the total number of available seats at the stadium is not an issue – it is the type of available seating and the relatively high percentage of general admission seating. As such, the total seat count for recommended seating improvements outlined later in the report remains the same in two scenarios and decreases in two scenarios.

This category also includes re-grading the berm to provide better seating with a less steep slope and adding various types of terrace seating that provide flexible alternatives for different size groups.

These improvements should favorably impact overall marketability and attendance resulting in increased ticket sales, concession sales and parking revenue.

Outfield Deck

This enhancement calls for a 360 degree circulation deck/boardwalk concept that could serve as a connector between left and right fields. This improvement serves to increase circulation in the stadium and improve the overall fan experience. Adding portable concessions stands could potentially increase revenues.

Fan Amenities

Fan amenities include expanding the Hard Ball Café Area and increasing the amount and diversity of seating in this desirable location behind home plate; adding drink rails throughout the stadium; expanding concessions areas; adding bird netting; and other miscellaneous improvements such as improving the façade of the facility to be more appealing to fans and potentially sponsors.

All of these enhancements should positively impact the 'fan experience' potentially attracting new fans and increasing repeat visitation.

Parking Improvements

On-site parking is another area that needs to augmented and improved. The current parking capacity is 1,142 parking spaces at the paved lot, 150 gravel spaces at the unimproved lot, and 50 +/- grass spaces at the adjacent lot. Overflow parking is available on three adjoining parcels. Assuming an industry standard of 2.5 people per car for a maximum capacity of 7,243, the stadium should offer 2,898 on-site parking spaces. Several options for addressing the on-site parking deficiency are presented in the next section.

Museum and Office Space

These improvements relate to making improvements to the interior and exterior of the Eastern Shore Baseball Hall of Fame; expanding/consolidating ticket windows; expanding administrative areas; and screening the maintenance area which is currently visible to fans. These are considered a low priority relative to marketability and revenue generation with the exception of potentially enhancing the ticket windows.

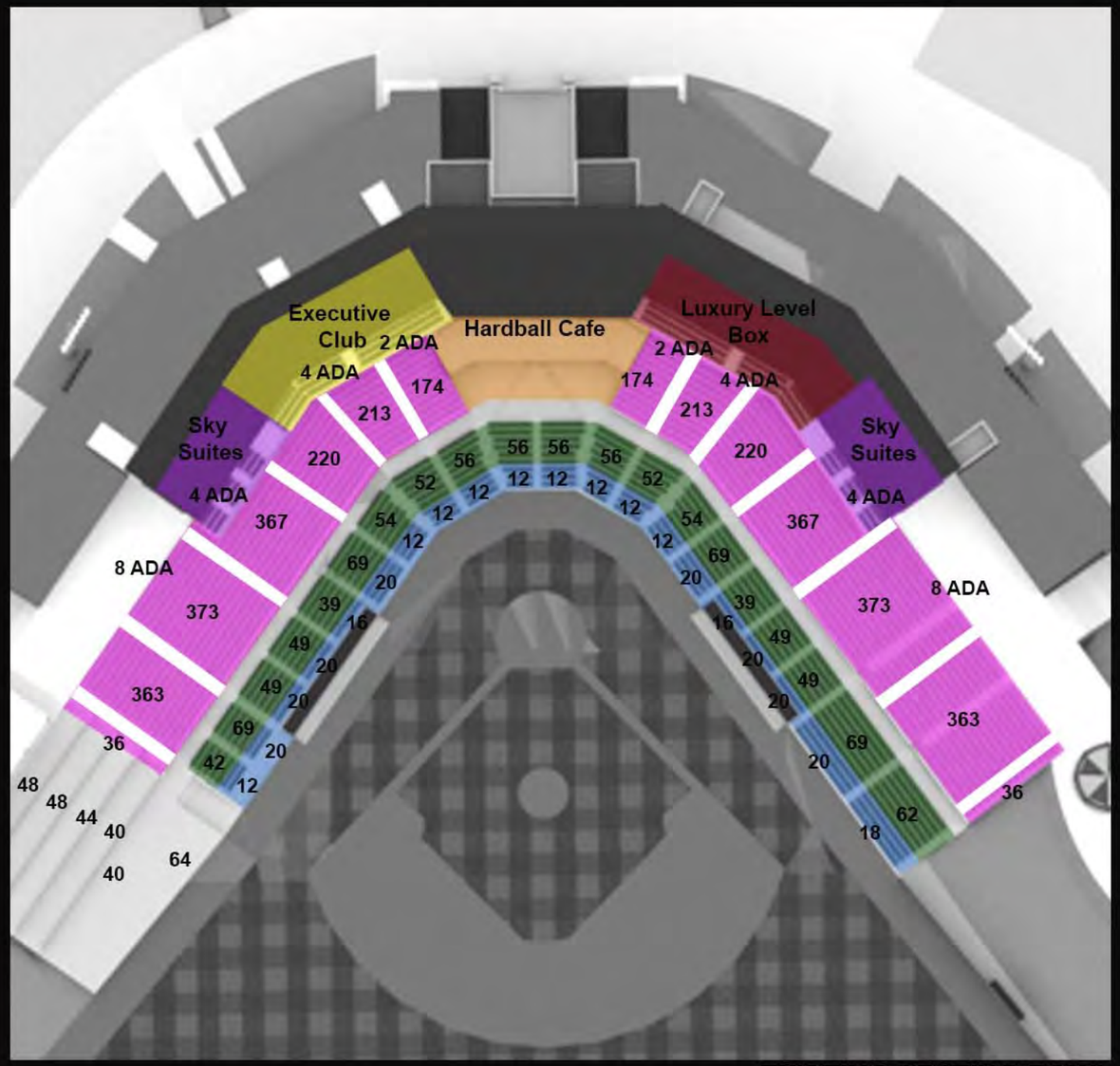
Structural Repair and Rehab of Existing Facility

At the request of Wicomico County, a structural engineering assessment was prepared by Davis, Bowen & Friedel, Inc. under separate cover that categorized recommended repairs to the stadium in terms of priority: short-term (i.e., within three months), mid-term (i.e., within two years) and long-term (i.e., within seven years). Most of these capital improvements are required to maintain the quality, structural integrity and aesthetics of the stadium.

While implementing these recommendations will likely result in a decrease in stadium maintenance costs, many will not be conspicuous to patrons and will not have a significant impact on marketability or revenue generation.



DESIGN IMAGES



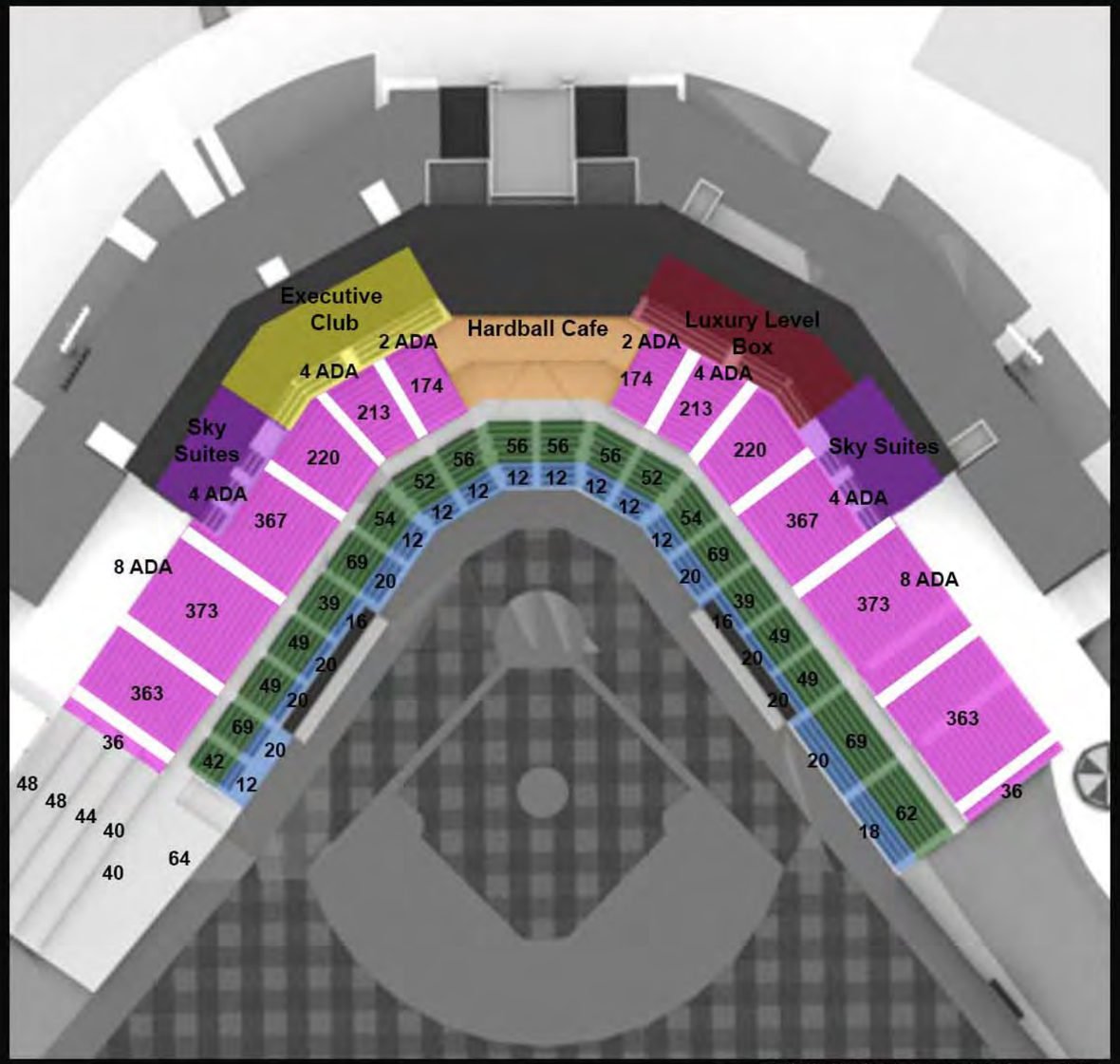
EXISTING SEATING BOWL

Existing Seating Capacity		
General Admission	3,492	Benches with Backs
Reserved Box	1,090	Standard Stadium Chairs
Field Box	318	Standard Stadium Chairs (front 2 rows)
Hardball Cafe	175	Tables and Chairs
Sky Suite (6)	150	Standard Stadium Chairs
Luxury Level Box	134	Standard Stadium Chairs with Tables and Chairs
Executive Club	134	Standard Stadium Chairs with Tables and Chairs
TOTAL	5,493	



PROPOSED SEATING BOWL/SCHEME 1

Proposed Seating Capacity		
General Admission	798	Benches with Backs
Reserved Box	698	Standard Stadium Chairs
Field Box	710	Padded Stadium Chairs
Hardball Cafe	175	Tables and Chairs
Sky Suite (6)	150	Standard Stadium Chairs
Luxury Level Box	134	Standard Stadium Chairs with Tables and Chairs
Executive Club	134	Standard Stadium Chairs with Tables and Chairs
Infield Reserved	2694	Standard Stadium Chairs
TOTAL	5,493	



EXISTING SEATING BOWL

Existing Seating Capacity

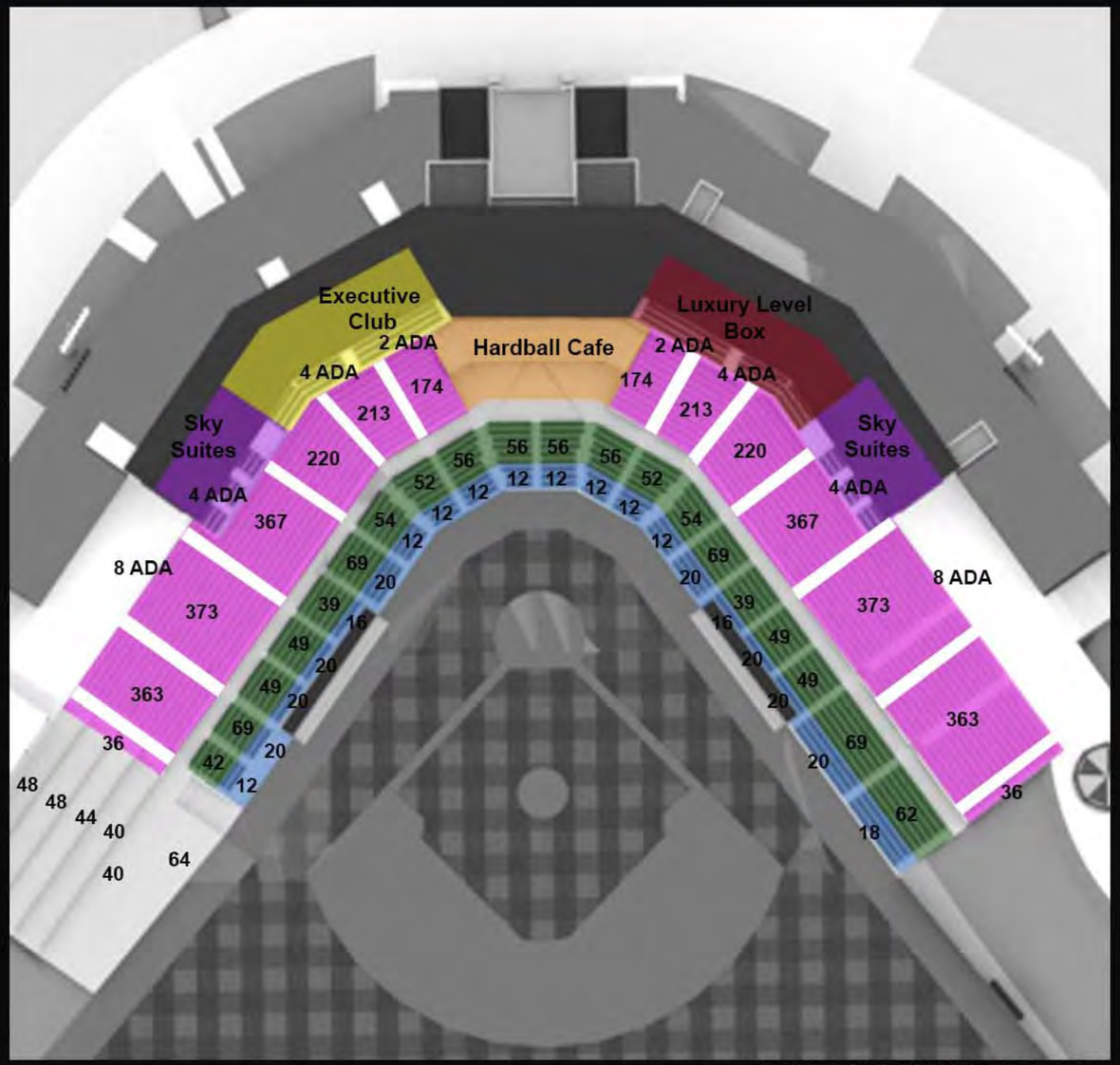
General Admission	3,492	Benches with Backs
Reserved Box	1,090	Standard Stadium Chairs
Field Box	318	Standard Stadium Chairs (front 2 rows)
Hardball Cafe	175	Tables and Chairs
Sky Suite (6)	150	Standard Stadium Chairs
Luxury Level Box	134	Standard Stadium Chairs with Tables and Chairs
Executive Club	134	Standard Stadium Chairs with Tables and Chairs
TOTAL	5,493	



PROPOSED SEATING BOWL/SCHEME 2

Proposed Seating Capacity

Reserved Box	698	Standard Stadium Chairs
Field Box	710	Padded Stadium Chairs
Hardball Cafe	175	Tables and Chairs
Sky Suite (6)	150	Standard Stadium Chairs
Luxury Level Box	134	Standard Stadium Chairs with Tables and Chairs
Executive Club	134	Standard Stadium Chairs with Tables and Chairs
Infield Reserved	3,492	Standard Stadium Chairs
TOTAL	5,493	



EXISTING SEATING BOWL

Existing Seating Capacity

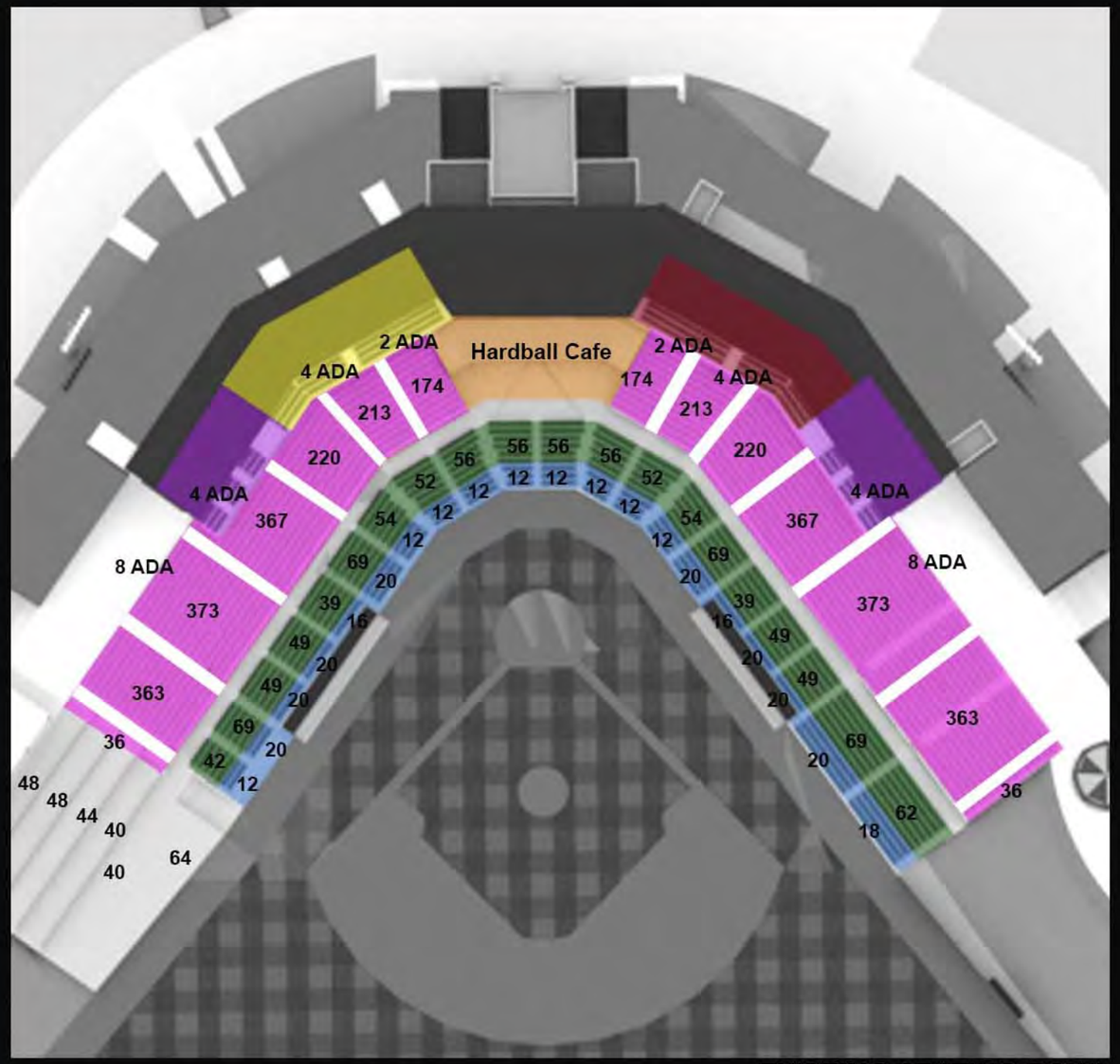
General Admission	3,492	Benches with Backs
Reserved Box	1,090	Standard Stadium Chairs
Field Box	318	Standard Stadium Chairs (front 2 rows)
Hardball Cafe	175	Tables and Chairs
Sky Suite (6)	150	Standard Stadium Chairs
Luxury Level Box	134	Standard Stadium Chairs with Tables and Chairs
Executive Club	134	Standard Stadium Chairs with Tables and Chairs
TOTAL	5,493	



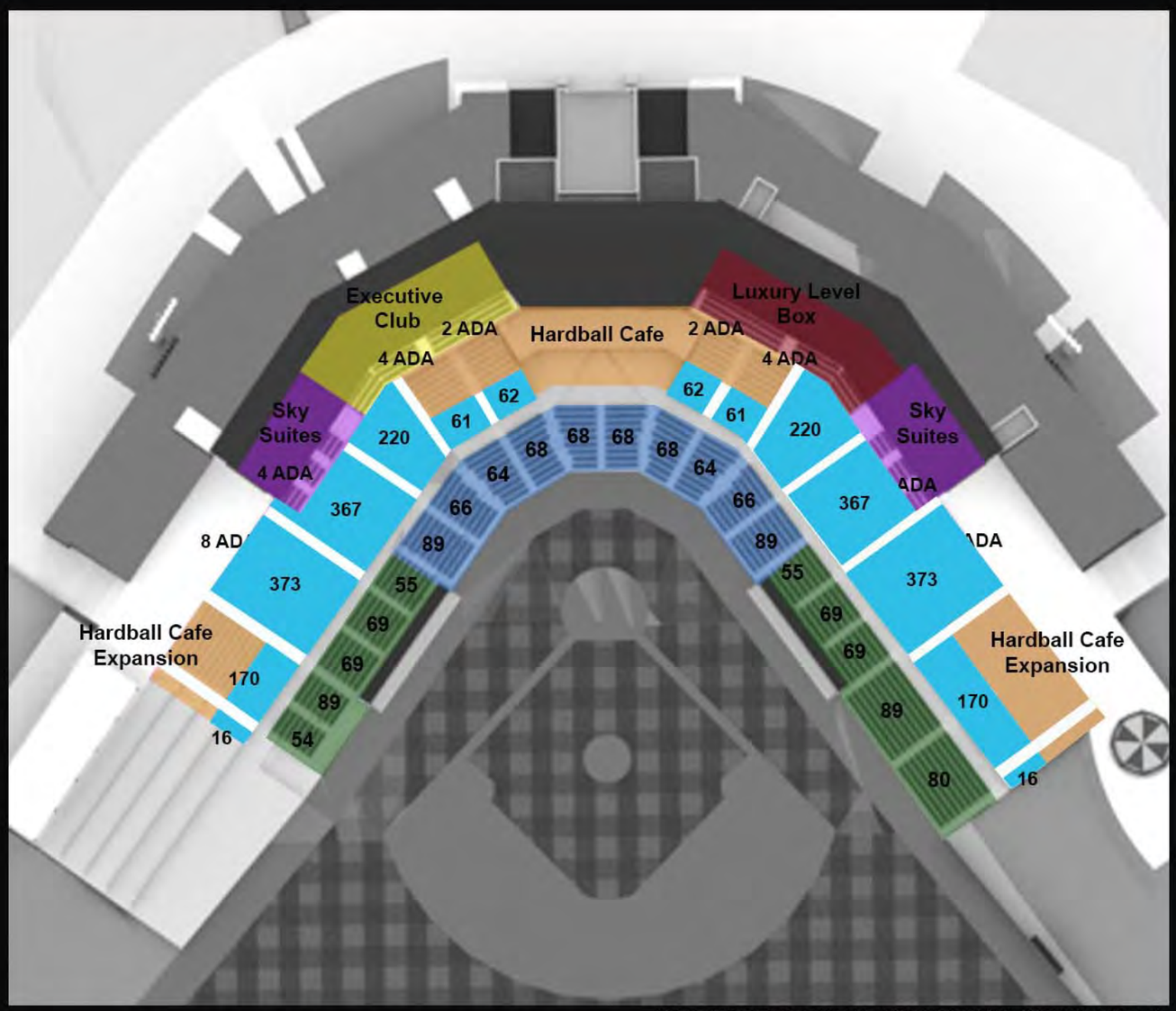
PROPOSED SEATING BOWL/SCHEME 3

Proposed Seating Capacity

Reserved Box	698	Standard Stadium Chairs
Field Box	710	Padded Stadium Chairs
Hardball Cafe	275	Tables and Chairs
Sky Suite (6)	150	Standard Stadium Chairs
Luxury Level Box	134	Standard Stadium Chairs with Tables and Chairs
Executive Club	134	Standard Stadium Chairs with Tables and Chairs
Infield Reserved	2,964	Standard Stadium Chairs
TOTAL	5,065	



EXISTING SEATING BOWL



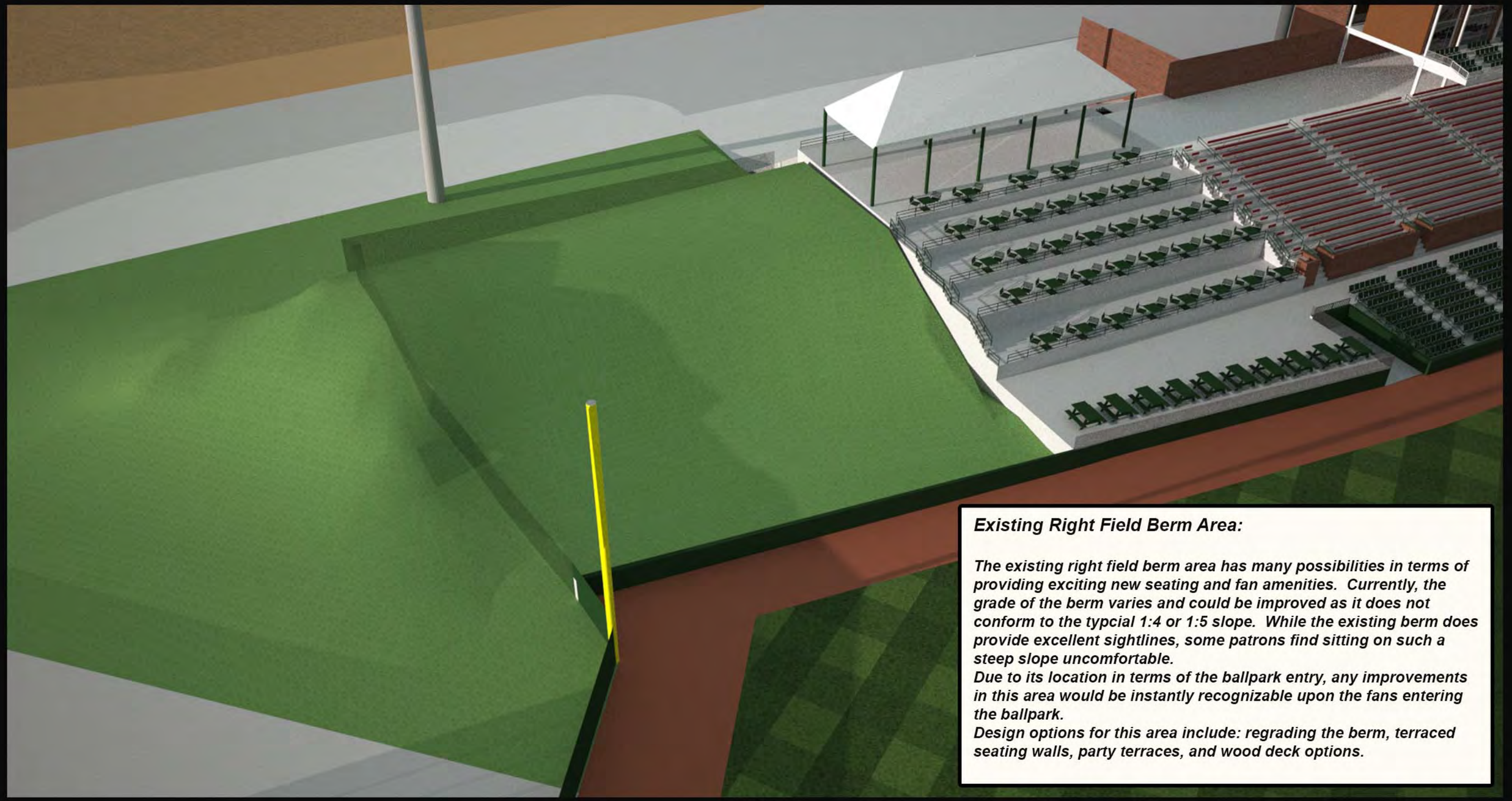
PROPOSED SEATING BOWL/SCHEME 4

Existing Seating Capacity

General Admission	3,492	Benches with Backs
Reserved Box	1,090	Standard Stadium Chairs
Field Box	318	Standard Stadium Chairs (front 2 rows)
Hardball Cafe	175	Tables and Chairs
Sky Suite (6)	150	Standard Stadium Chairs
Luxury Level Box	134	Standard Stadium Chairs with Tables and Chairs
Executive Club	134	Standard Stadium Chairs with Tables and Chairs
TOTAL	5,493	

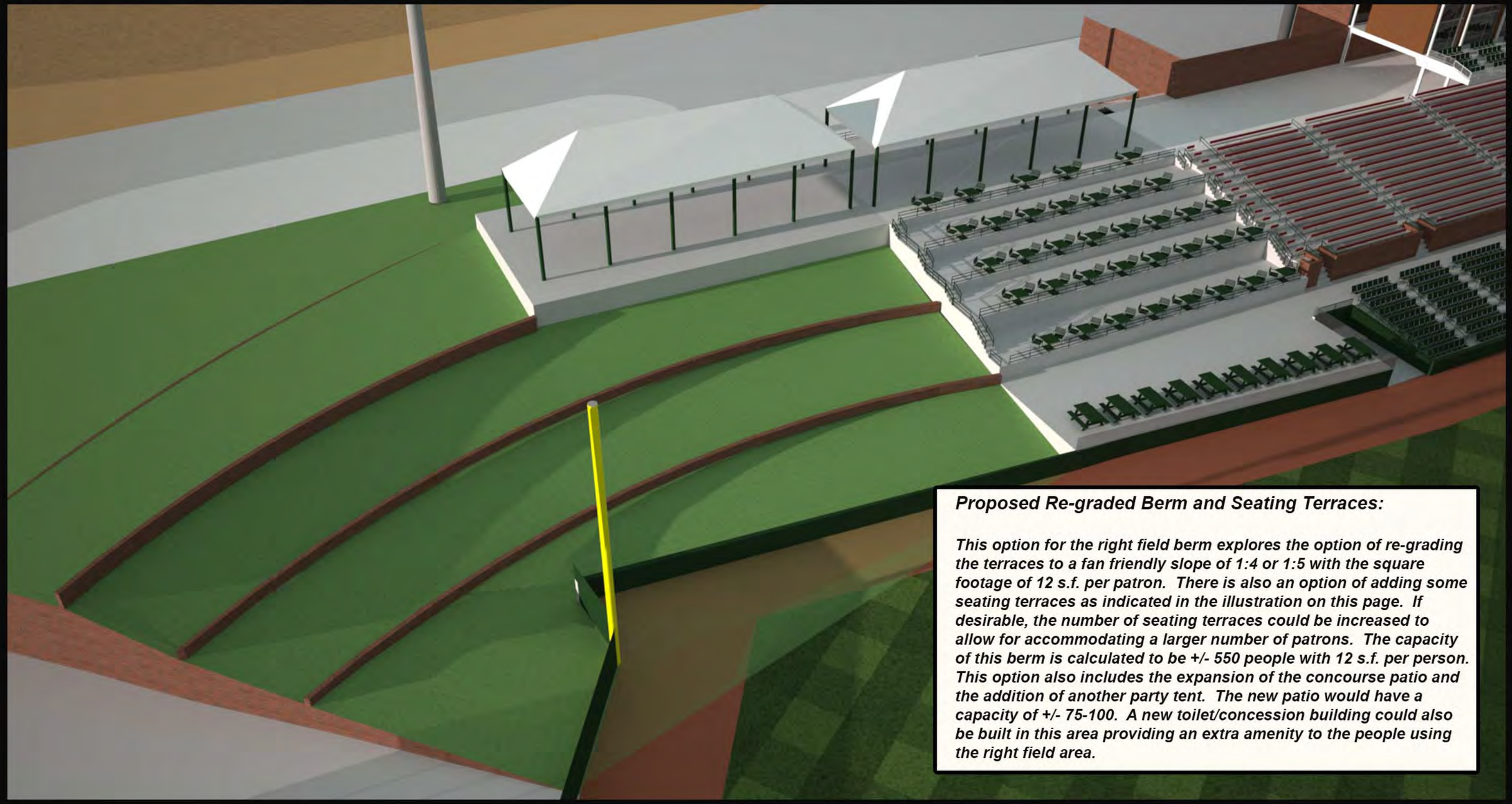
Proposed Seating Capacity

Reserved Box	698	Standard Stadium Chairs
Field Box	710	Padded Stadium Chairs
Hardball Cafe	450	Tables and Chairs
Sky Suite (6)	150	Standard Stadium Chairs
Luxury Level Box	134	Standard Stadium Chairs with Tables and Chairs
Executive Club	134	Standard Stadium Chairs with Tables and Chairs
Infield Reserved	2,538	Standard Stadium Chairs
TOTAL	4,814	



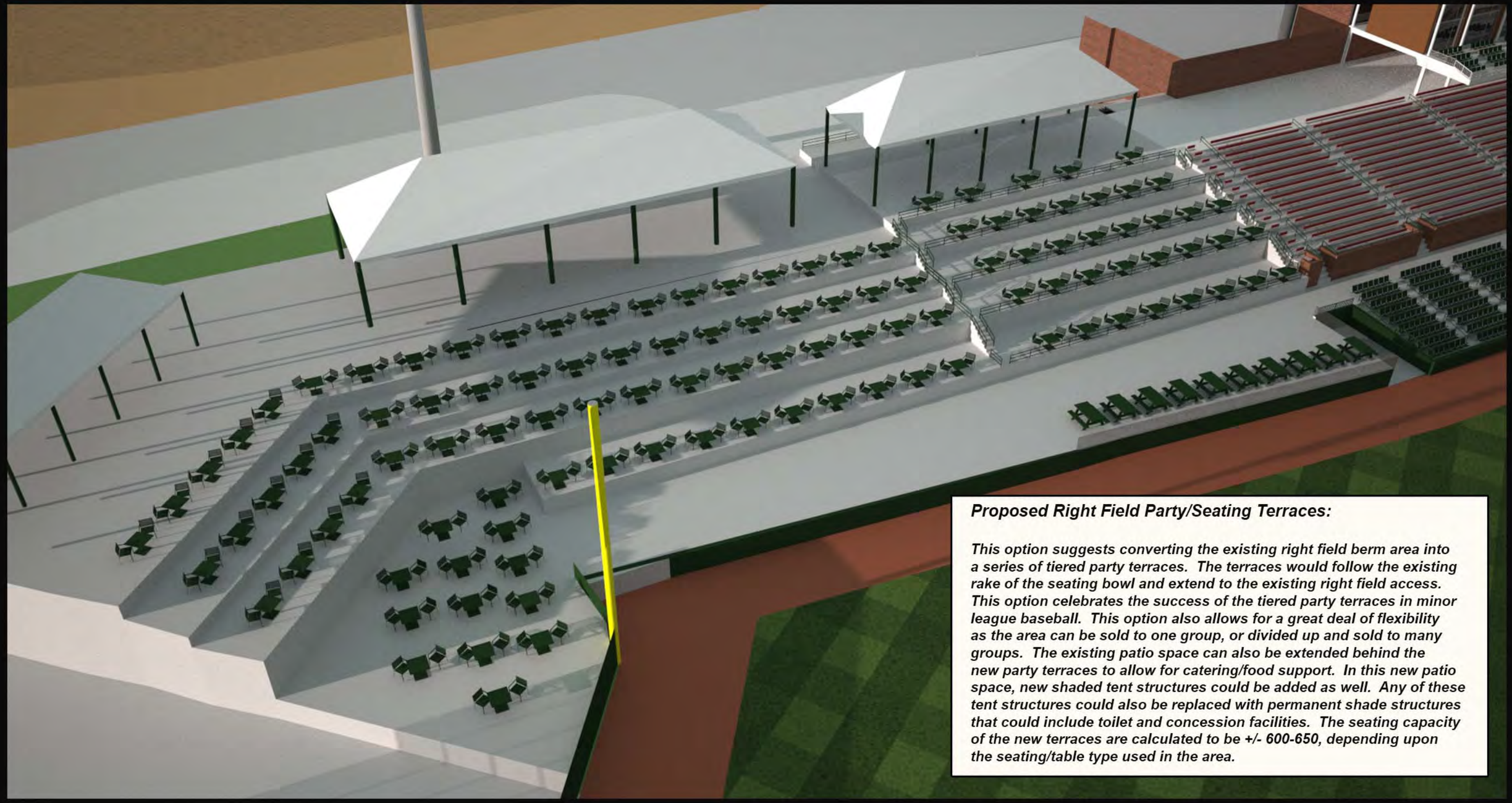
Existing Right Field Berm Area:

The existing right field berm area has many possibilities in terms of providing exciting new seating and fan amenities. Currently, the grade of the berm varies and could be improved as it does not conform to the typcial 1:4 or 1:5 slope. While the existing berm does provide excellent sightlines, some patrons find sitting on such a steep slope uncomfortable.
Due to its location in terms of the ballpark entry, any improvements in this area would be instantly recognizable upon the fans entering the ballpark.
Design options for this area include: regrading the berm, terraced seating walls, party terraces, and wood deck options.



Proposed Re-graded Berm and Seating Terraces:

This option for the right field berm explores the option of re-grading the terraces to a fan friendly slope of 1:4 or 1:5 with the square footage of 12 s.f. per patron. There is also an option of adding some seating terraces as indicated in the illustration on this page. If desirable, the number of seating terraces could be increased to allow for accommodating a larger number of patrons. The capacity of this berm is calculated to be +/- 550 people with 12 s.f. per person. This option also includes the expansion of the concourse patio and the addition of another party tent. The new patio would have a capacity of +/- 75-100. A new toilet/concession building could also be built in this area providing an extra amenity to the people using the right field area.



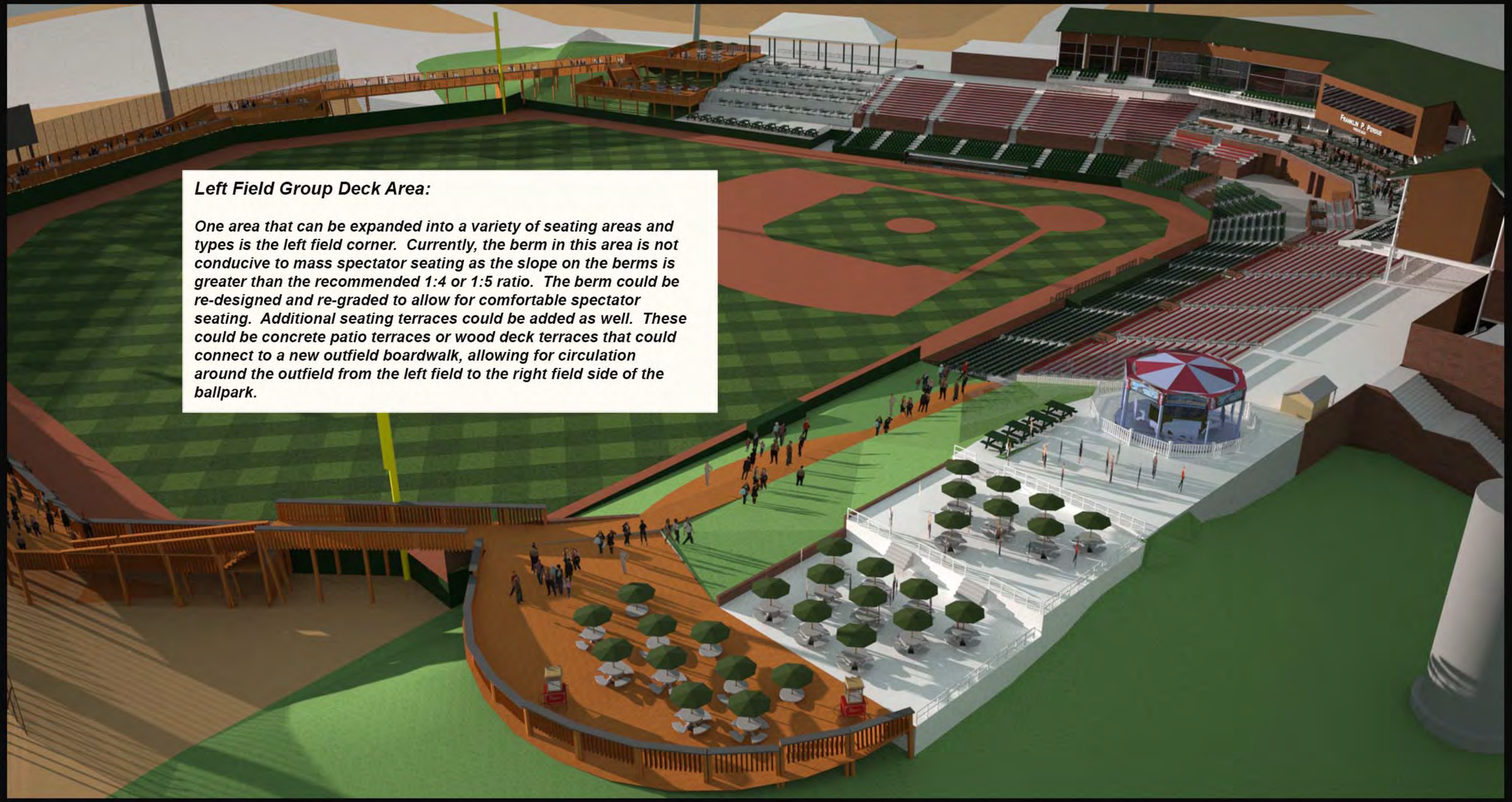
Proposed Right Field Party/Seating Terraces:

This option suggests converting the existing right field berm area into a series of tiered party terraces. The terraces would follow the existing rake of the seating bowl and extend to the existing right field access. This option celebrates the success of the tiered party terraces in minor league baseball. This option also allows for a great deal of flexibility as the area can be sold to one group, or divided up and sold to many groups. The existing patio space can also be extended behind the new party terraces to allow for catering/food support. In this new patio space, new shaded tent structures could be added as well. Any of these tent structures could also be replaced with permanent shade structures that could include toilet and concession facilities. The seating capacity of the new terraces are calculated to be +/- 600-650, depending upon the seating/table type used in the area.



Right Field Deck View:

This view illustrates the potential for a group deck area in right field. This deck could act as a "connector" between the existing party terraces in right field and a possible new 360 degree circulation piece between right and left fields. This area could host a series of different seating types ranging from tables with umbrellas (shown) or drink rails, 4 Topps, etc.



Left Field Group Deck Area:

One area that can be expanded into a variety of seating areas and types is the left field corner. Currently, the berm in this area is not conducive to mass spectator seating as the slope on the berms is greater than the recommended 1:4 or 1:5 ratio. The berm could be re-designed and re-graded to allow for comfortable spectator seating. Additional seating terraces could be added as well. These could be concrete patio terraces or wood deck terraces that could connect to a new outfield boardwalk, allowing for circulation around the outfield from the left field to the right field side of the ballpark.



Left Field Group Deck Area:

This illustration highlights a design option for the left field side of the ballpark which includes the addition of two new party terraces and the addition of a new party deck. The new wood party deck could also connect to a new 360 degree circualation around the outfield of the ballpark as can be seen by the bridge in the lower right hand corner. This bridge would be set at an elevation that would allow for the existing field access to remain intact and be used.The existing merry-go-round could remain and add to the excitement in this area or be relocated to one of the new terraces. Also, if desired, a new kids' area could be incorporated into the design of this area.

Left Field Group Area View:

This view highlights the potential for a group area in left field. This area could not only be used to connect the existing group/ merry-go-round area in left field to a boardwalk in the outfield, but it could also be a great place for concession portables. This area would also boast great sightlines to the field as evident from this view. This area could also be subdivided into numerous smaller group areas depending upon the demand and quantities.





Coca-Cola Park, Allentown, PA



Coca-Cola Park, Allentown, PA



Coca-Cola Park, Allentown, PA



Goodyear Spring Training Facility, Goodyear, AZ



Dow Diamond, Midland, MI



Dow Diamond, Midland, MI



Coca-Cola Park, Allentown, PA



Midland Rockhounds, Midland, TX



Dow Diamond/ Midland, MI



Dow Diamond/ Midland, MI



OneOK Field, Tulsa, OK



Durham Bulls Athletic Park, Durham, NC

360 Degree Circulation/Boardwalk Concept:

The existing layout and site of Perdue Stadium allows for the master planning of a 360 degree connection between right and left fields. Each side could have a series of terraced decks that could then be connected by a boardwalk that would be approximately 5' tall and allow for fans to circulate freely in the outfield. The boardwalk could also allow for a series of different seating types and drink rails, not to mention a great place for portable concession carts.





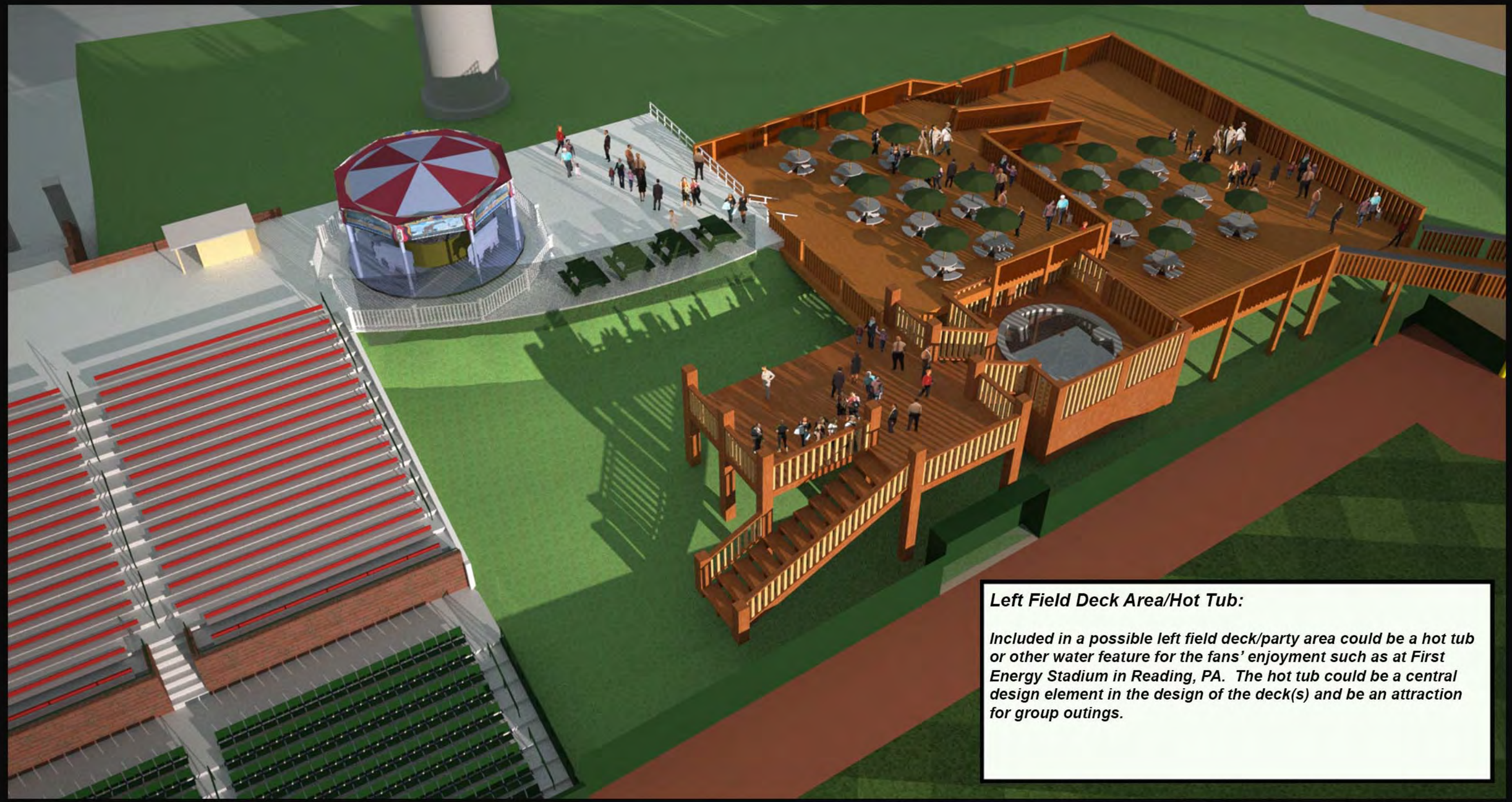
Charlotte Sports Park, Port Charlotte, FL



Charlotte Sports Park, Port Charlotte, FL



Charlotte Sports Park, Port Charlotte, FL



Left Field Deck Area/Hot Tub:

Included in a possible left field deck/party area could be a hot tub or other water feature for the fans' enjoyment such as at First Energy Stadium in Reading, PA. The hot tub could be a central design element in the design of the deck(s) and be an attraction for group outings.



Dow Diamond, Midland, MI



Coca-Cola Park, Allentown, PA



Parkview Field, Fort Wayne, IN

Seating Varieties for Group Areas:
Possible Design Options for Left and Right Field Areas

The attached photos illustrate different seating types from different minor league ballparks. These seating types could be combined and/or modified for Perdue Stadium.



Kino Sports Complex, Tucson, AZ



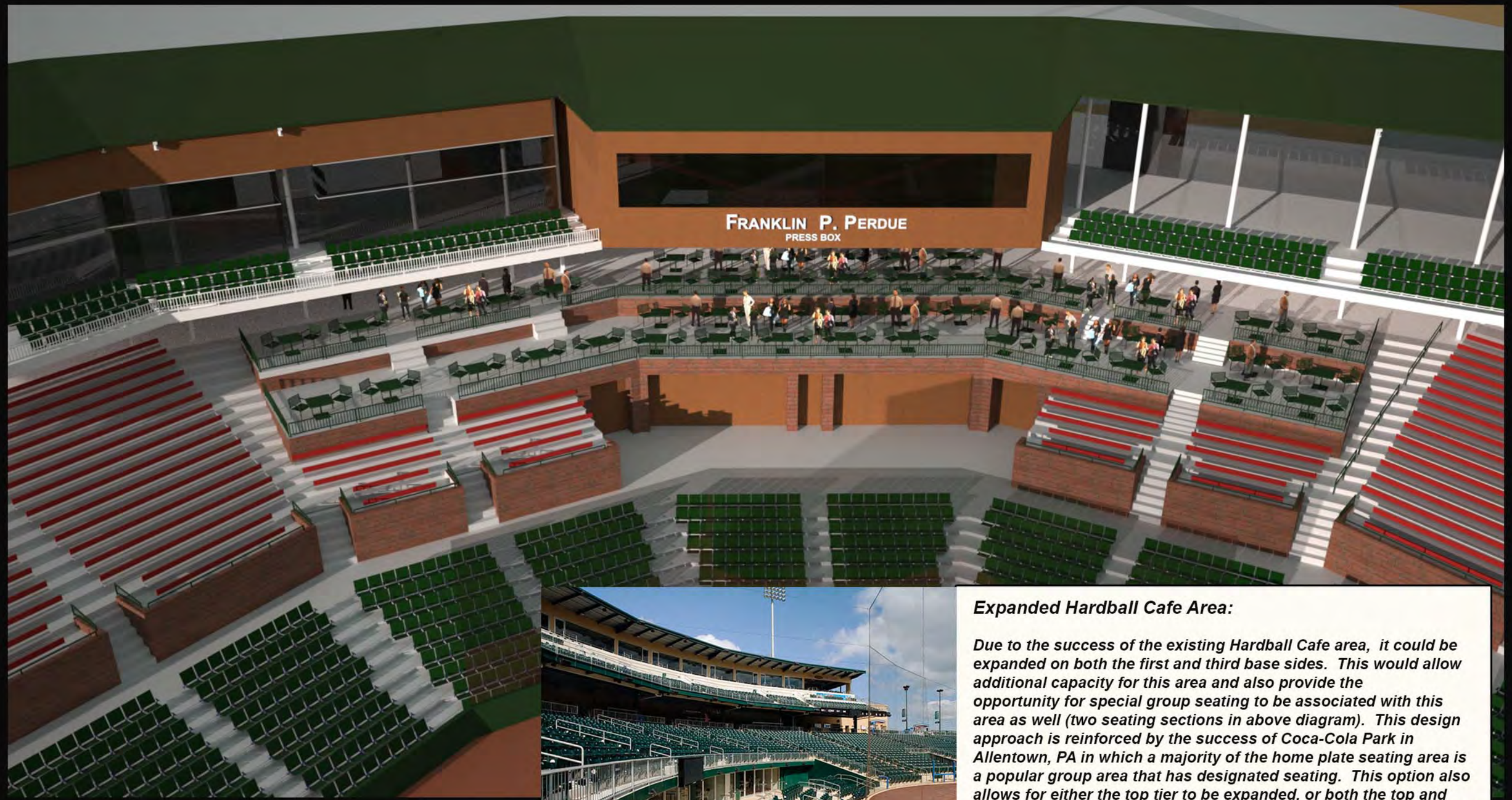
Hohokam Stadium, Mesa, AZ



Russ Chandler Stadium, Georgia Tech University, Atlanta, GA



Scharbauer Sports Complex, Midland, TX

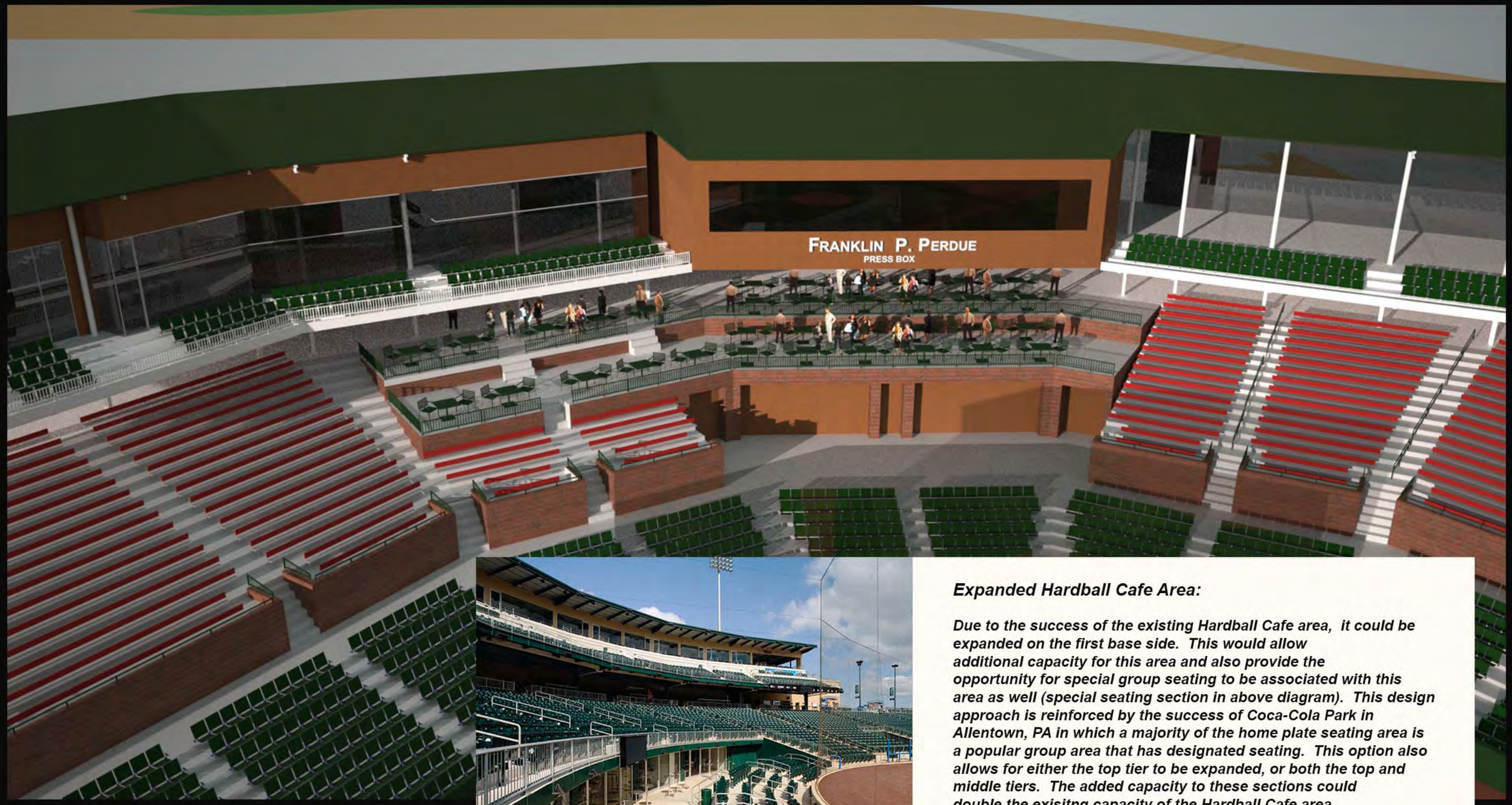


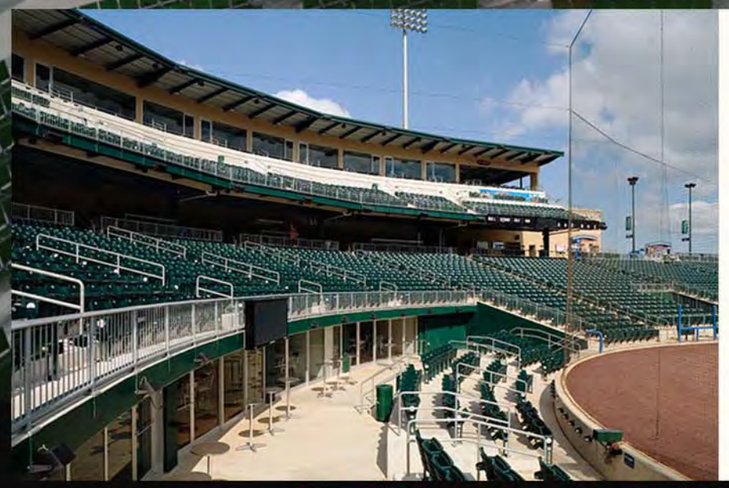


COCA-COLA PARK, ALLENTOWN, PA

Expanded Hardball Cafe Area:

Due to the success of the existing Hardball Cafe area, it could be expanded on both the first and third base sides. This would allow additional capacity for this area and also provide the opportunity for special group seating to be associated with this area as well (two seating sections in above diagram). This design approach is reinforced by the success of Coca-Cola Park in Allentown, PA in which a majority of the home plate seating area is a popular group area that has designated seating. This option also allows for either the top tier to be expanded, or both the top and middle tiers. The added capacity to these sections would more than double the existing capacity of the Hardball Cafe area.

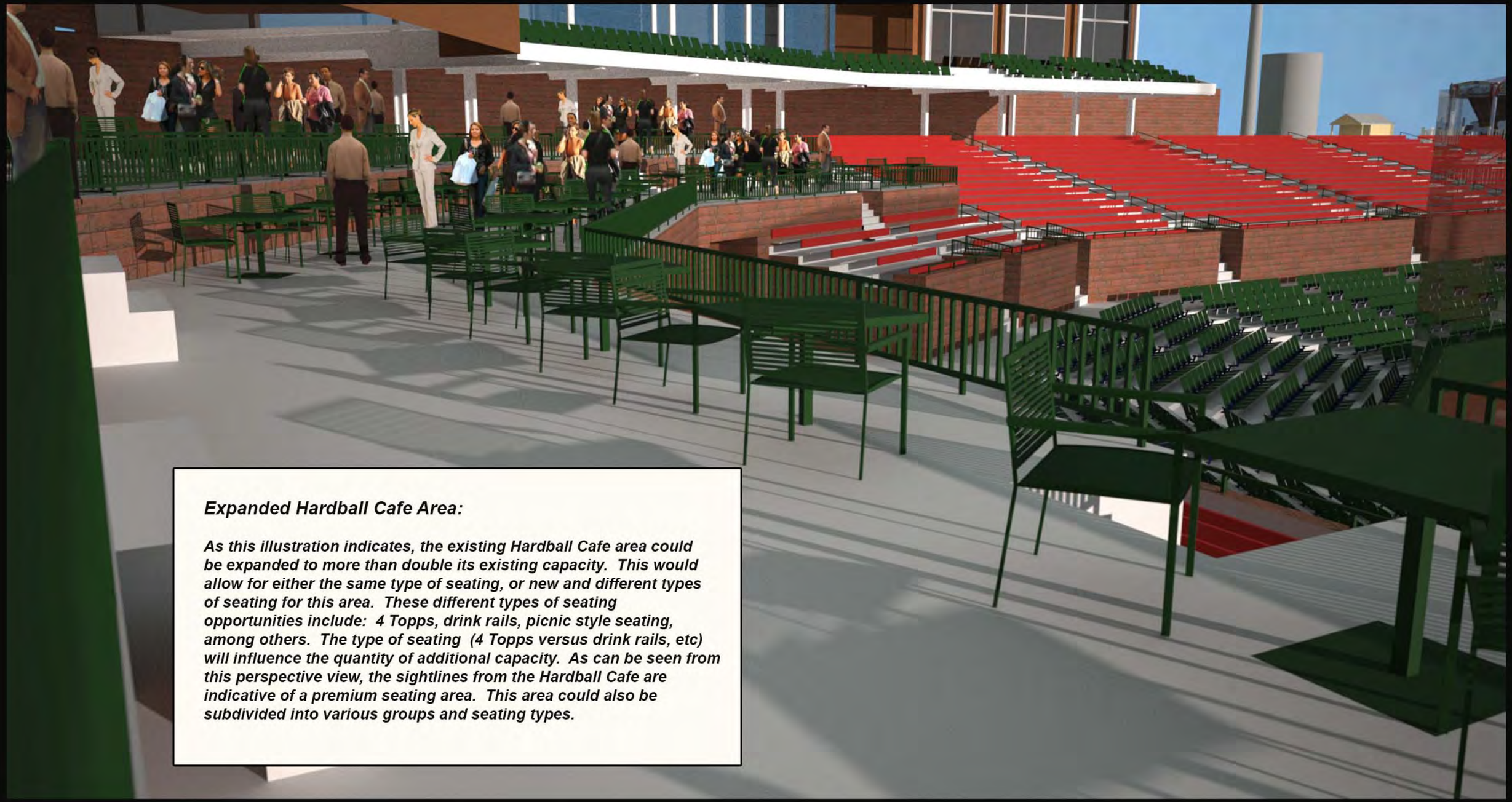




Coca-Cola Park, Allentown, PA

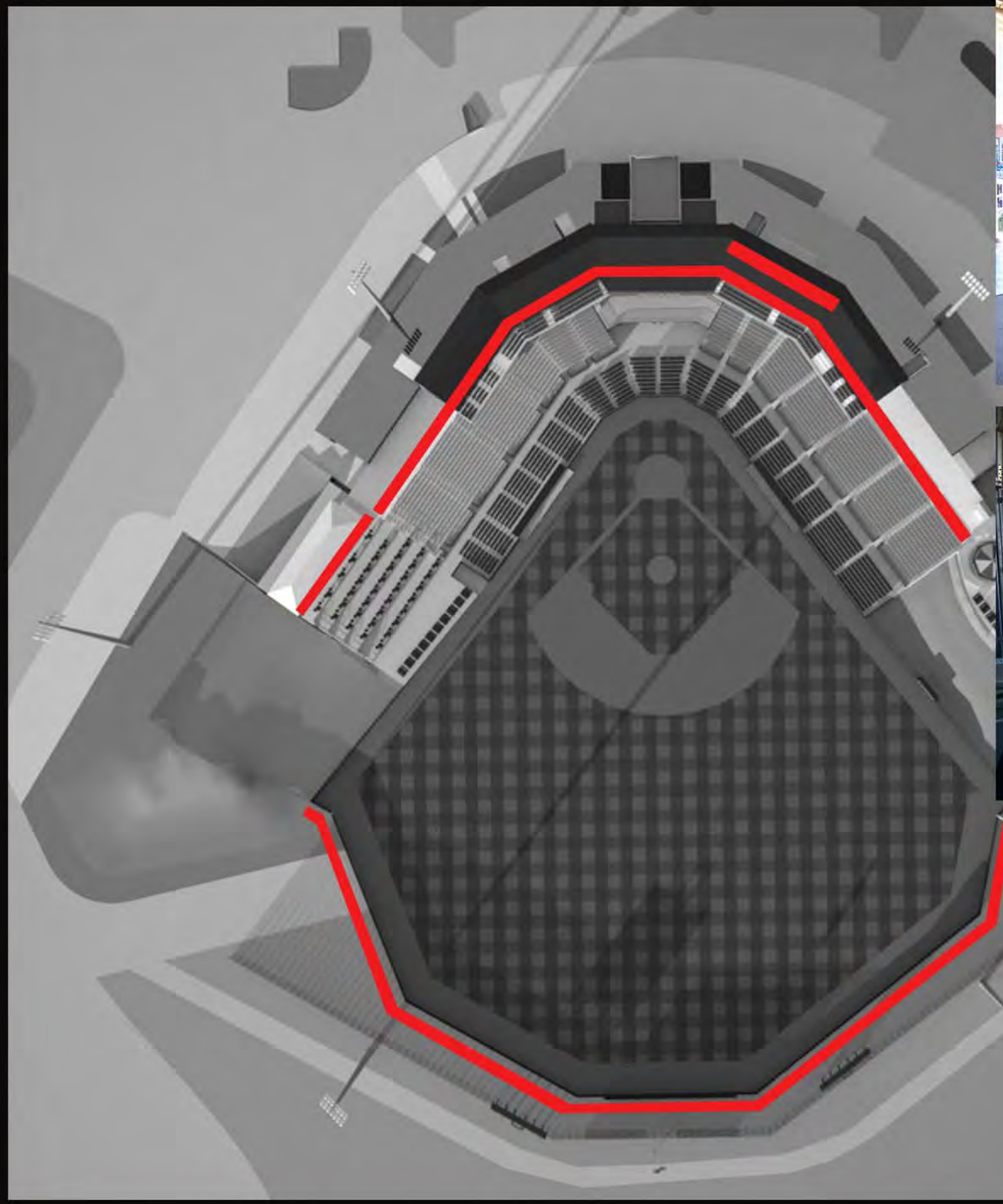
Expanded Hardball Cafe Area:

Due to the success of the existing Hardball Cafe area, it could be expanded on the first base side. This would allow additional capacity for this area and also provide the opportunity for special group seating to be associated with this area as well (special seating section in above diagram). This design approach is reinforced by the success of Coca-Cola Park in Allentown, PA in which a majority of the home plate seating area is a popular group area that has designated seating. This option also allows for either the top tier to be expanded, or both the top and middle tiers. The added capacity to these sections could double the exisitng capacity of the Hardball Cafe area.



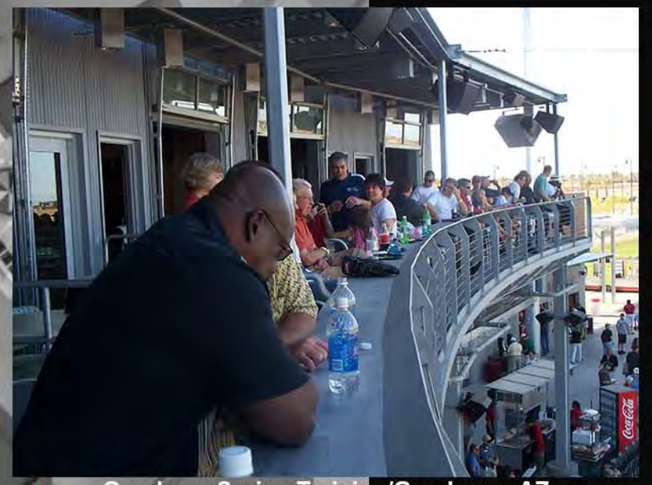
Expanded Hardball Cafe Area:

As this illustration indicates, the existing Hardball Cafe area could be expanded to more than double its existing capacity. This would allow for either the same type of seating, or new and different types of seating for this area. These different types of seating opportunities include: 4 Topps, drink rails, picnic style seating, among others. The type of seating (4 Topps versus drink rails, etc) will influence the quantity of additional capacity. As can be seen from this perspective view, the sightlines from the Hardball Cafe are indicative of a premium seating area. This area could also be subdivided into various groups and seating types.











Goodyear Spring Training/Good year, AZ

Ballpark Drink Rails:

As we consider design elements to upgrade Perdue Stadium, one simple design element that could provide great value is drink rails. The drink rail has become a design staple in the modern day minor league ballpark and allows the fan a place to "pause" or "nest" along the concourse, outfield, and group areas. Drink rails could be added to all the wide variety of spaces at Perdue Stadium whether it be the existing concourse or luxury levels, or in any of the new areas planned for the facility. The drink rail is an excellent way to increase overall capacity as "standing room only." The red highlighted areas on the diagram to the left illustrates the possible locations for new drink rails. Depending upon the design improvements to right and left field, drink rails could also be added in those locations as well.



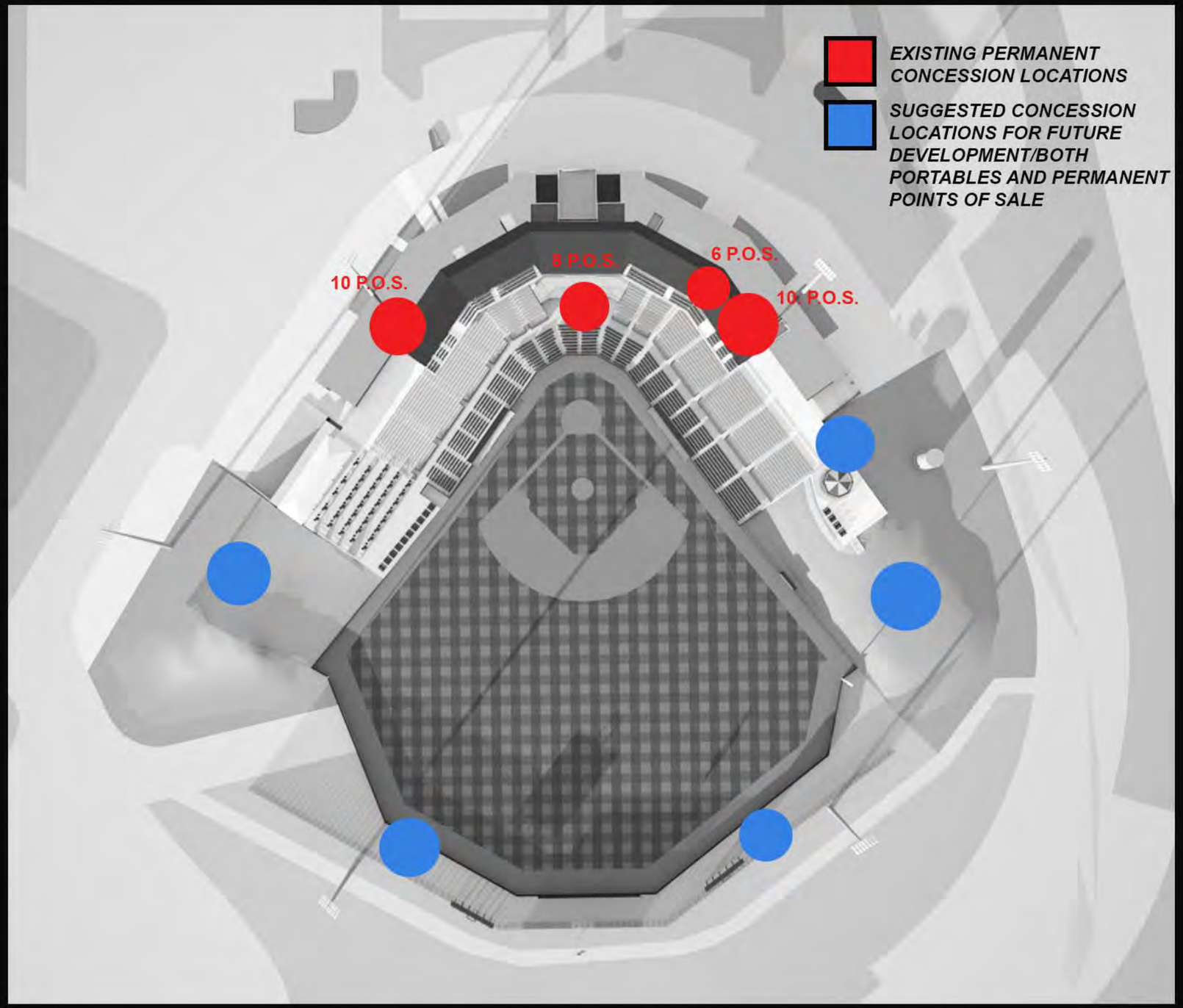
Cheney Stadium, Tacoma, WA



Cheney Stadium, Tacoma, WA



Cheney Stadium, Tacoma, WA







Kauffman Stadium, Kansas City, MO

EXISTING AND PROPOSED CONCESSIONS:

Currently, Perdue Stadium supports a point of sale ratio of 1:150 to 1:250 depending upon the portable support/supplementation. As the design team progresses through the master plan study, there are a vast number of areas available for additional concession stands and portables. These areas include the right and left field expansion areas and the new 360 degree circulation and boardwalk concept.



Perdue Stadium Entry/Facade Improvements:

As with many minor league ballparks across the country, Perdue Stadium has stood the test of time with its' traditional ballpark materials and classical elements. Building upon these strengths, some master plan improvements to the facade/entry could include the following:

1. *Updated/back-lit graphics. This could be very colorful, exciting graphics that could help excite the baseball fan upon arrival.*
2. *Potential sponsorship of Stadium. While retaining the "Arthur W. Perdue Stadium" name, a potential sponsor could be included to assist with ballpark revenue.*
3. *Addition of entry canopies. These design elements provide welcoming pieces to the many fans coming through the gates. These also provide areas for sponsorship graphics.*
4. *New Home Plate Plaza. This could include the addition of new landscaping and potential colorful pavers. Areas for sitting in this area could be created as well. A newly designed entry plaza could be an area for pre-game functions.*
5. *Any facade improvements done in this area could also be coordinated with new facade improvements for the existing hall of fame. Additional plaza improvements could also extend into that area.*
6. *Flexible graphics on glazing. These graphics could be colorful, seasonal and potentially be changed out each year to allow for variety.*



Baseball Grounds of Jacksonville, Jacksonville, FL



OneOK Field, Tulsa, OK



OneOK Field, Tulsa, OK



Parkview Field, Fort Wayne, IN



Arvest Ballpark, Springdale, AR



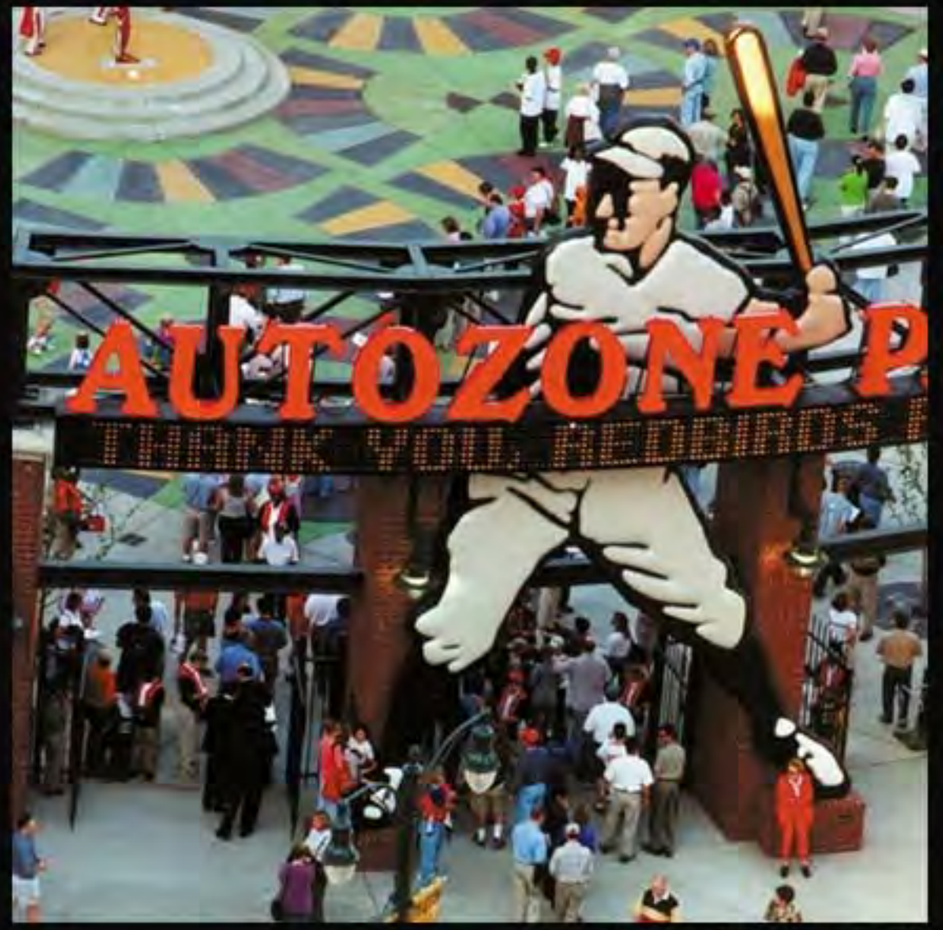
OneOK Field, Tulsa, OK



Coca-Cola Park, Allentown, PA



Ozzie Smith Sports Complex, O'Fallon, MO



Autozone Park, Memphis, TN



Baseball Grounds of Jacksonville, Jacksonville, FL



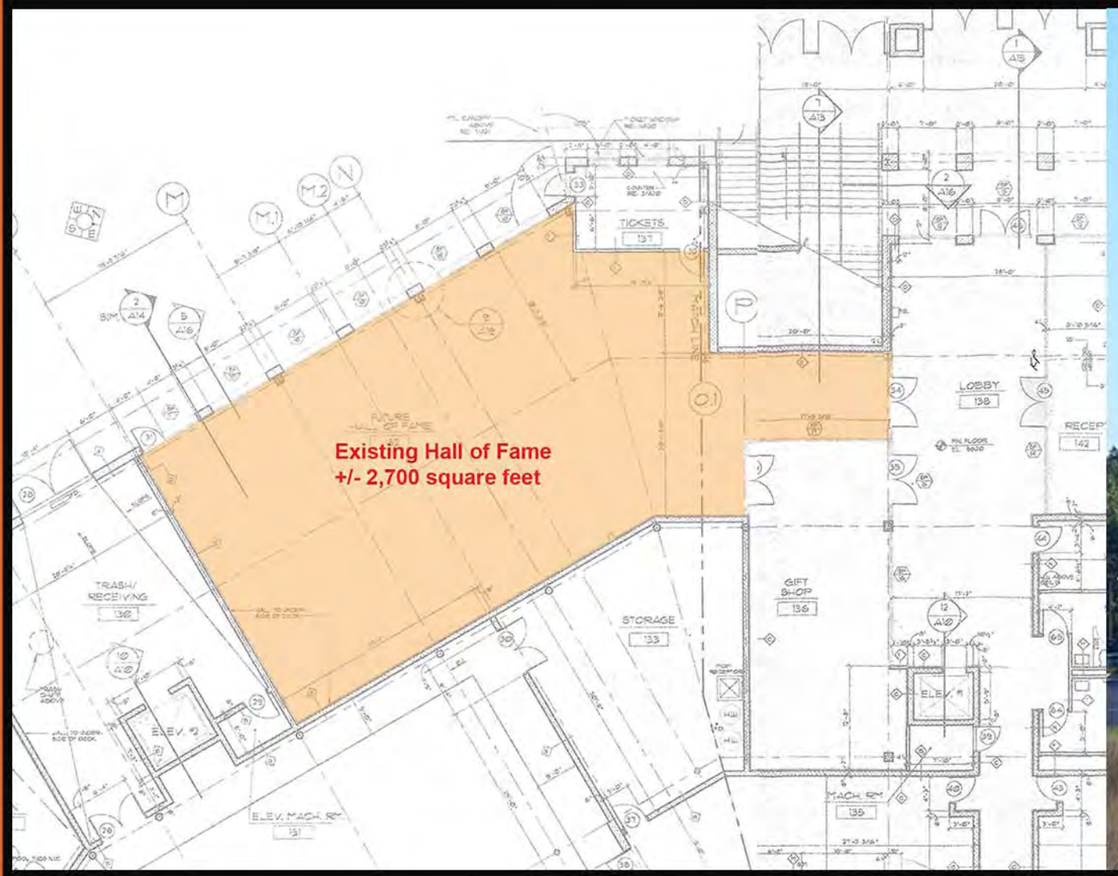
Site Parking:

The existing paved parking lots on the west and north sides of the stadium are in good condition having been recently reconditioned and new striping applied. The current parking capacity of the two paved lot is 1,142 spaces, which consist of 1,040 standard parking spaces, 21 ADA van parking spaces, and 81 standard ADA parking spaces. An additional 150 gravel parking spaces are accommodated on the unimproved lot further to the west and another 50 +/- grass parking spaces to the south adjacent to the forested acreage and irrigation pond (Parcel A - 0.62 AC). The existing fenced utility yard adjacent to the gravel parking will need to remain in place. The total on-site parking capacity equates to 1,342 spaces.

With the proposed stadium seating capacity increasing to 7,243 (5,493 seating bowl +1,500 berm/terrace seating @ 750 per baseline, + 250 Standing Room Only SRO on outfield deck) the parking provisions should equate to 2.5 passengers per vehicle which would require a total of 2,898 spaces. This leaves the parking accommodations short by approximately 1,556 spaces.

The adjoining 2.15 forested acres of the facility owned Parcel A if cleared could only add another 215 parking spaces leaving the overall facility parking accommodations short by approximately 1,341 spaces.

Overflow parking is currently accommodated on two adjoining parcels of land owned by the County where a total of 1,330 grass parking spaces are provided on Parcel B with +/- 960 spaces, and Parcel C with +/- 370 spaces. Additional overflow parking is available per a mutual agreement with the church property across Hobbs Road to the south where another +/- 220 grass parking spaces are available to meet the demand for an additional 1,550 spaces.





Existing Hall of Fame:

The existing Perdue Stadium Hall of Fame is currently in an excellent location for both visual and physical access. Located on the first base side of the home plate entry, the Hall of Fame is easily recongizable for any approaching fan. One exterior improvement that could be considered for this area is the addition of bold new graphics that could be colorful and backlit to provide additional interest and "POP." This would also allow for the County and Team to offer naming rights to potential sponsors for additional annual revenue.
Currently, the Hall of Fame is +/- 2,700 s.f. which is one of the biggest Hall of Fames in all of minor league baseball. This is a huge asset to the ballpark. As part of the ballpark analysis, it is recommended that all of the exhibits be cataloged and tagged (if not already done so) and new exhibits be designed and themed to add to the fan experience of the ballpark. New exhibits could include interactive exhibits, as well as colorful accent lighting. Based upon the size of the collection, the Hall of Fame could also be expanded to include different things related to the County, City and Team.













Royals Hall of Fame, Kansas City, MO

Expanded Hall of Fame:

The images to the left detail some of the possibilities for a new re-designed hall of fame. The spaces are lively, colorful, and express the excitement and love for the sport of baseball. The spaces also showcase interactive displays and videos which enliven the fan's experience. These displays can be changed and modified from season to season to draw fans into the hall of fame on a regular/on-going basis. The connection to the gift shop can also be strengthened to potentially increase merchandise sales.



University of Kansas, Lawrence, KS





Kauffman Stadium, Kansas City, MO



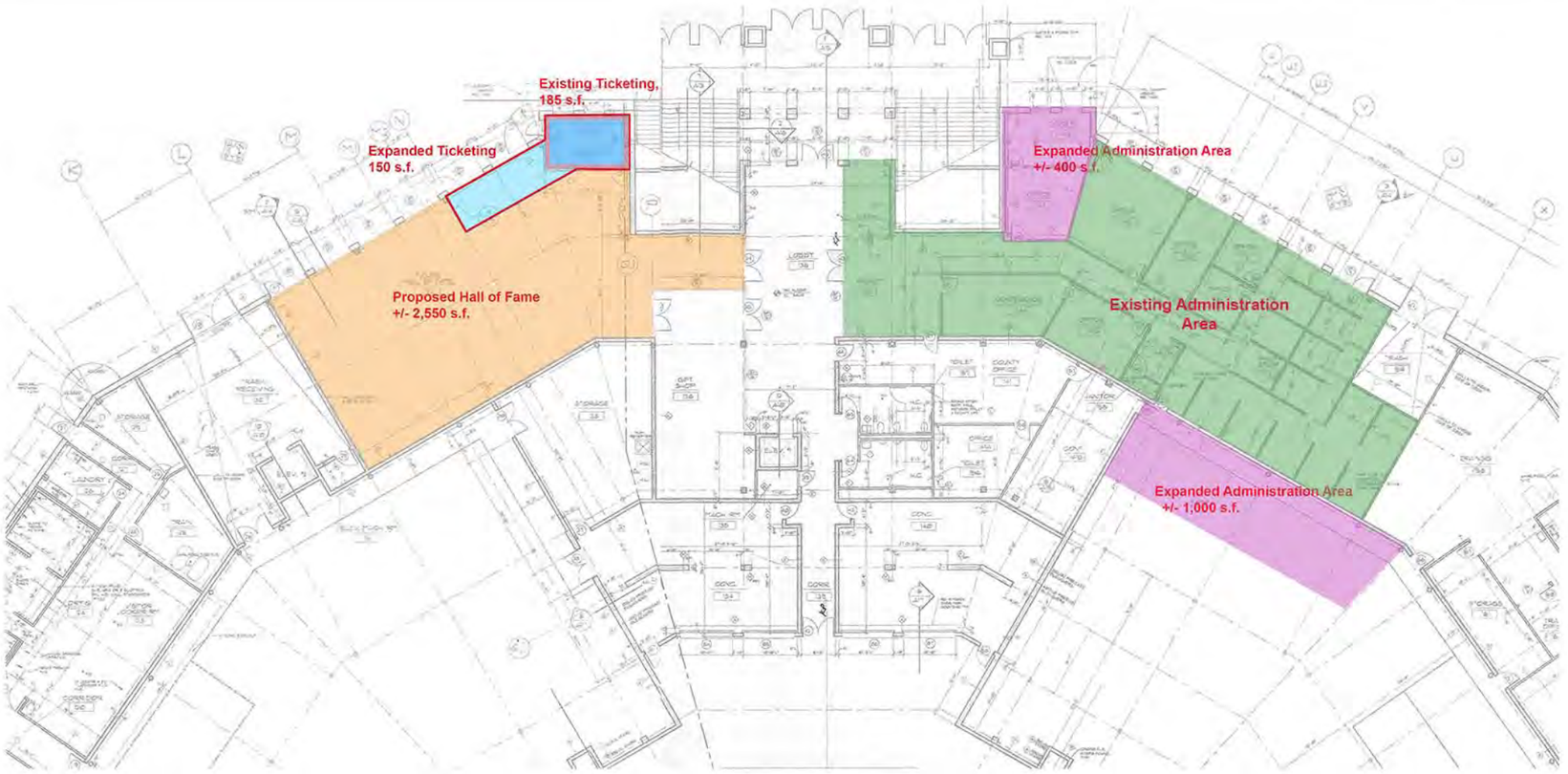
New York Mets

Expanded Hall of Fame/Facade Upgrades

The images on this page illustrate that the potential for the existing Perdue Stadium's Hall of Fame is endless. The existing facade can be energized in such a way as to attract and ignite the die-hard baseball fan. Such upgrades could include expanding the facade glazing as the photo on the left illustrates. Another option could be the inclusion of "super graphics" to frame a new entry into the Hall of Fame.

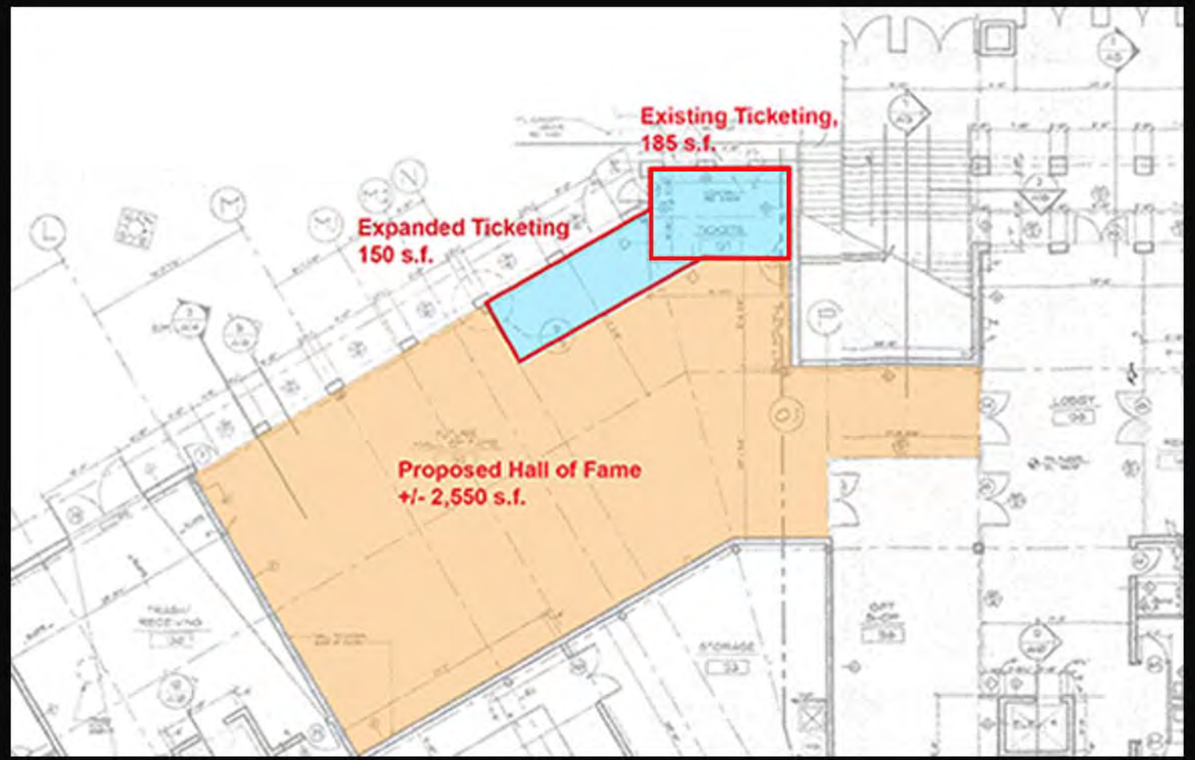


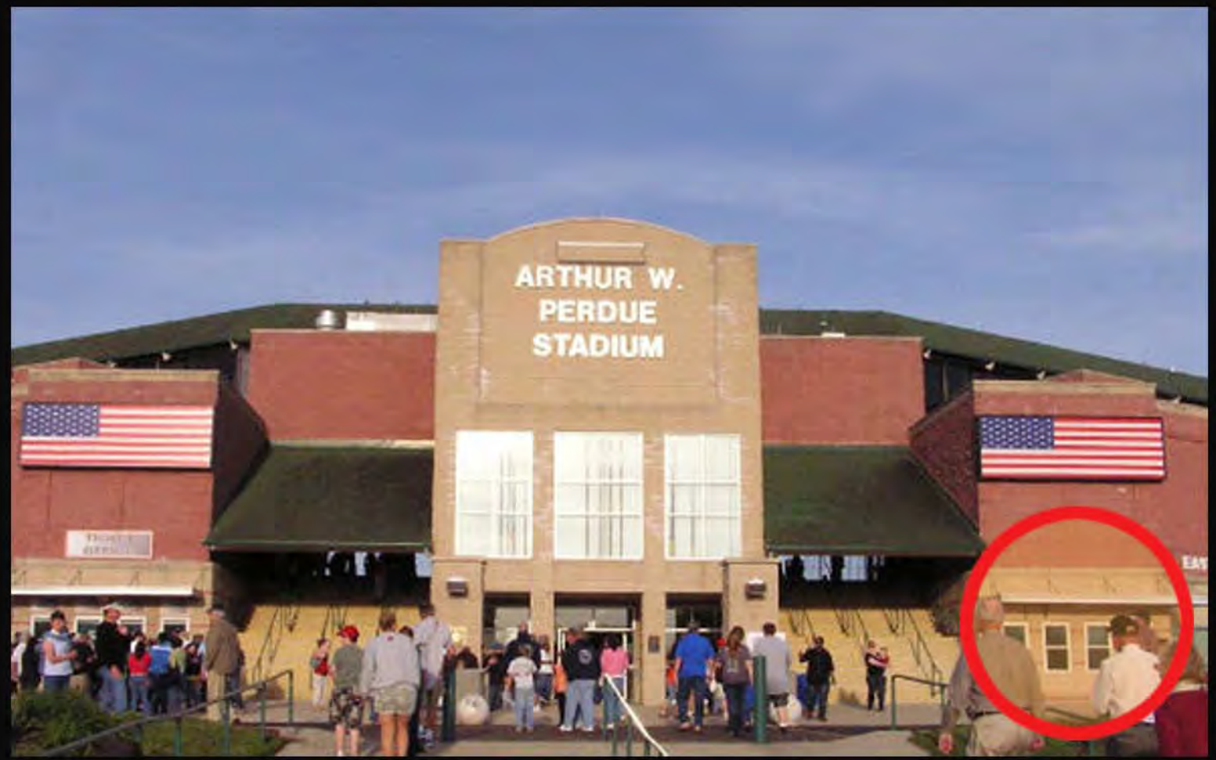
New York Mets



Administration Expansion:

While the current adminstration square footage is comparable to many minor league ballparks, the team could consider a couple of different options in expanding their administrative areas. One option could be to consolidate the ticketing into the Hall of Fame and team shop area, and then use the ticketing space to expand. Another option could be to consolidate the ticketing into the administrative area, which would open up the ticketing area on the first base side to be used for either Hall of Fame area, or an exterior remote team store which could be open on game days. Another area which could be viable for additional administrative areas would be to expand toward the seating bowl as shown on the diagram to the left. This could potentially add up to 1,000 s.f. of additional administrative area.





Expansion of the first base ticketing



CONSOLIDATED TICKET WINDOWS AT COCA-COLA PARK

Existing Ticket Windows/Expansion/Consolidation

In analyzing the ticket windows at Perdue Stadium, a number of design options could be master planned. While the number of ticket windows in the home plate area should be sufficient for operations, ticket windows that are so close together are usually grouped together for efficiency. If this was considered, the ticket windows could be consolidated on the first base side as indicated in the plan sketch in the upper left hand corner and the area on the other side of the entry could be allocated for future administration expansion. Also, if the right field area is developed, a remote ticket booth could be located in this area to allow for patrons to have easy access to this side of the ballpark.



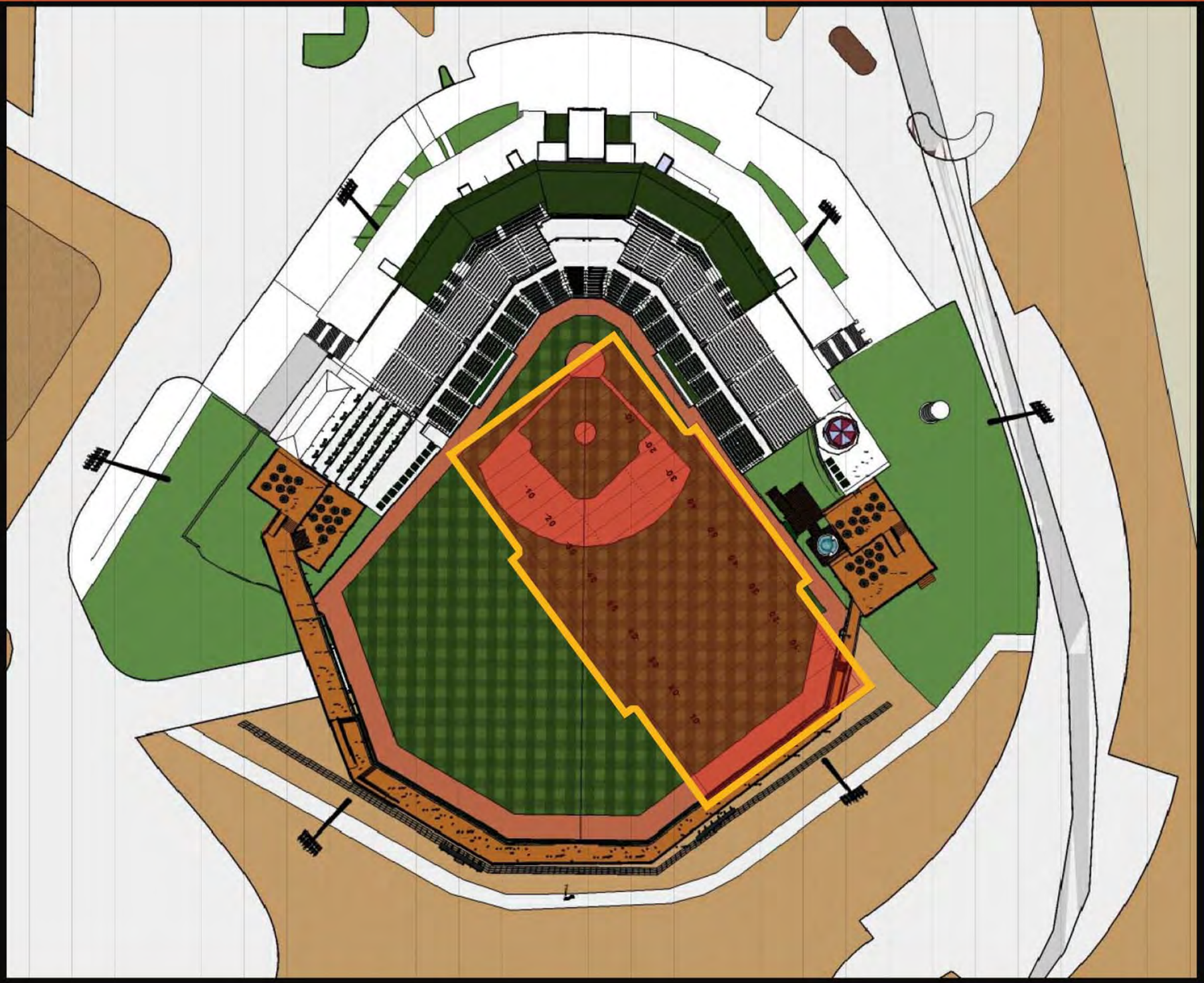


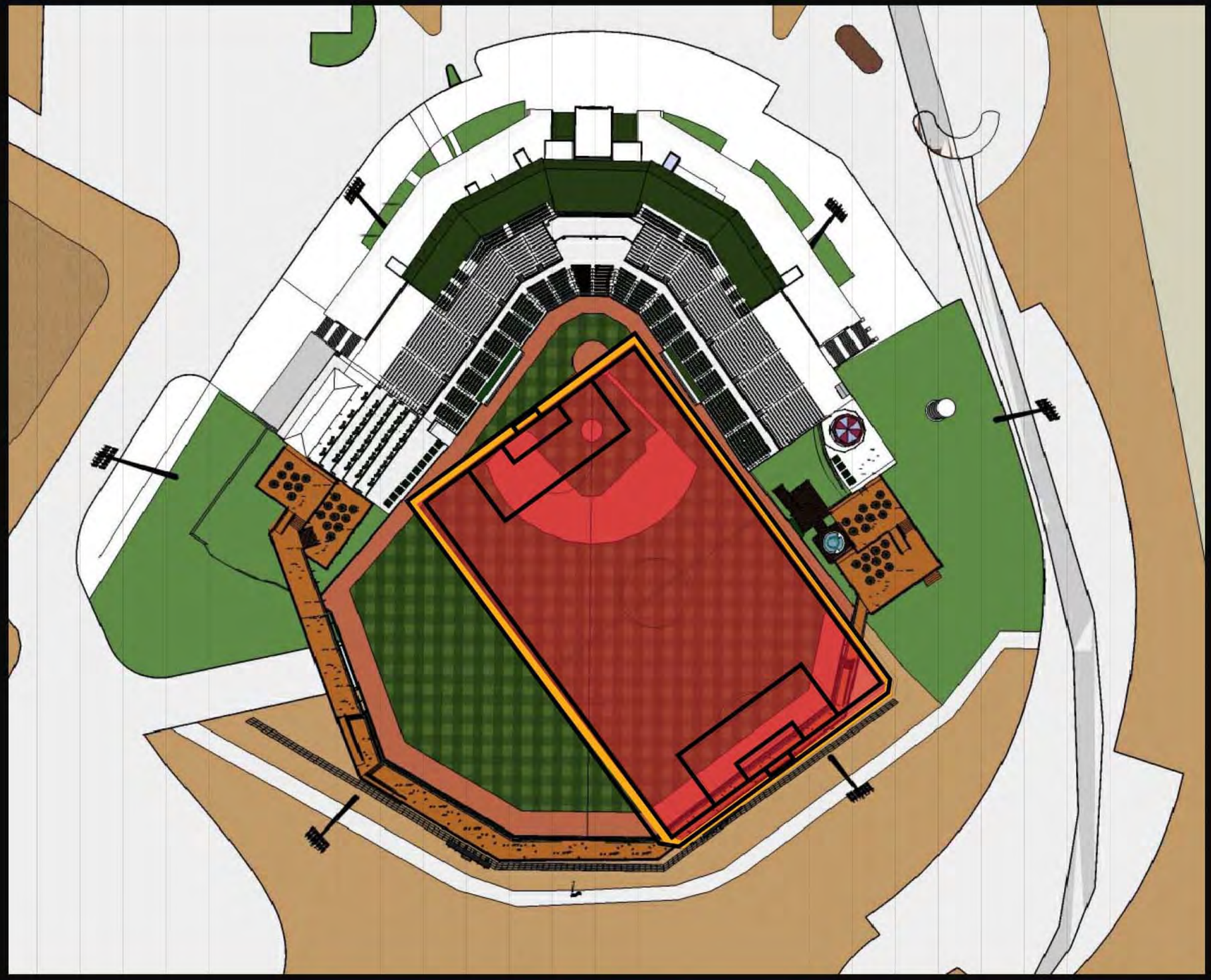


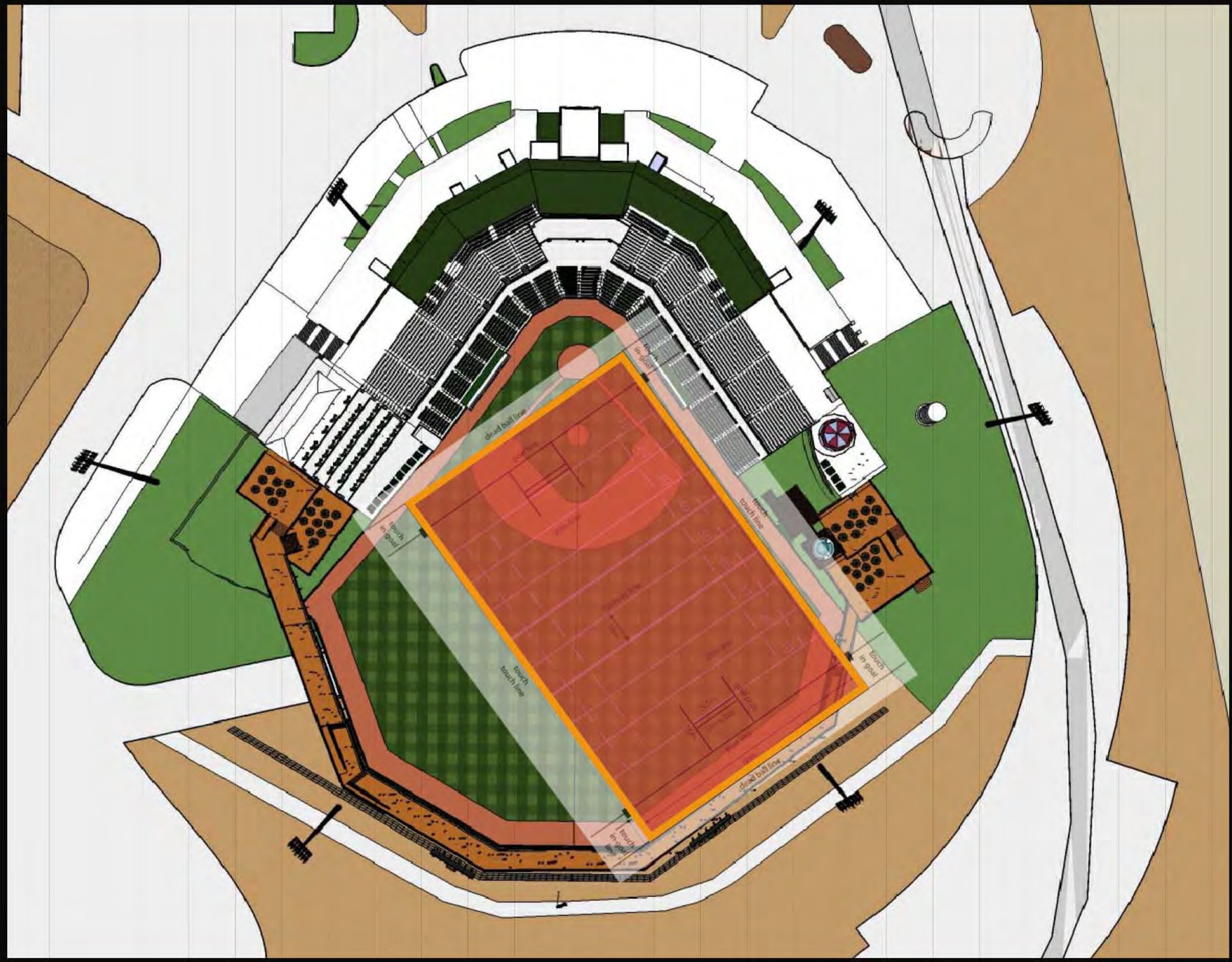


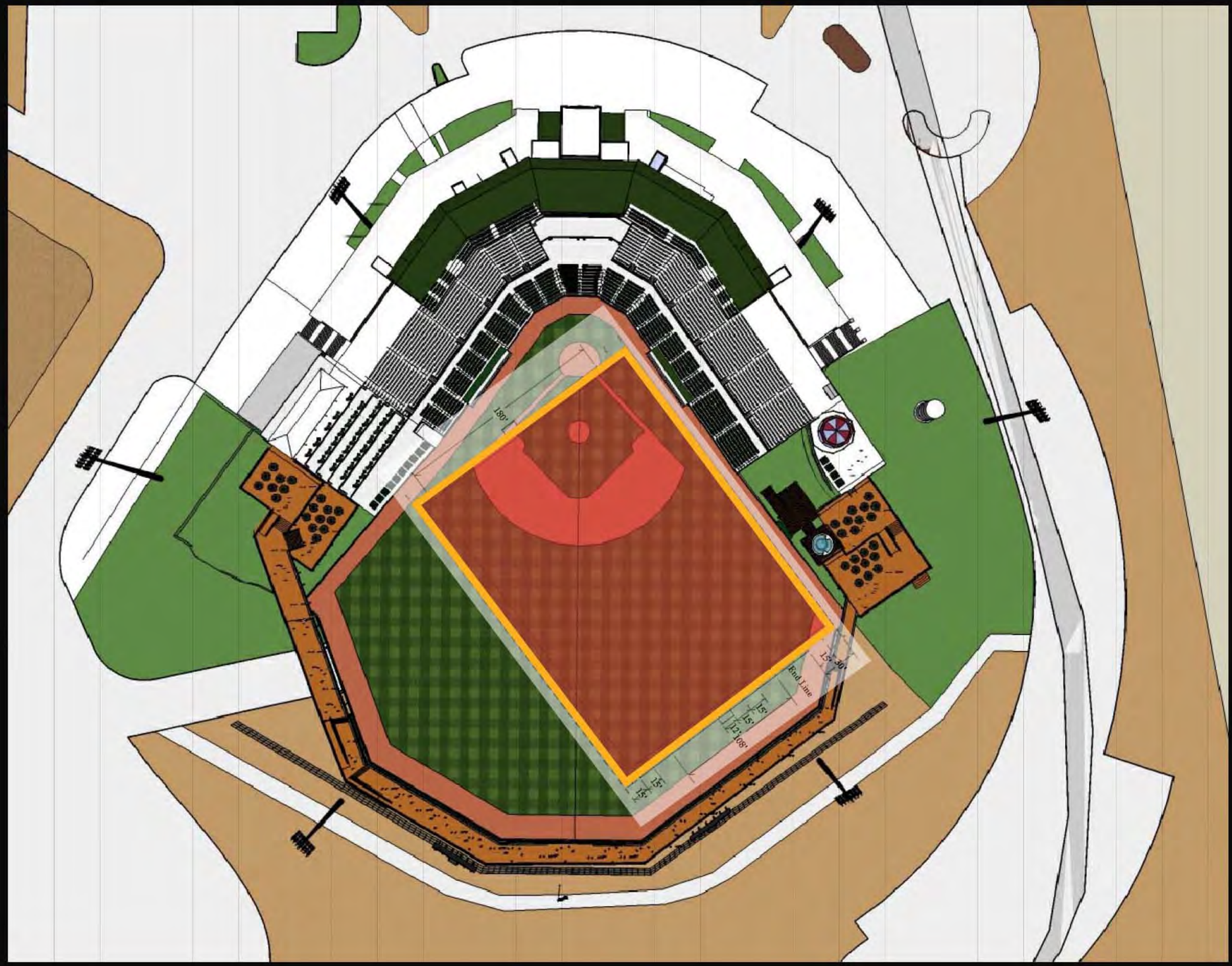
Maintenance Area:

Currently, the trash and maintenance yard of the ballpark is in a very prominent position on the first base side of the ballpark. This space can be seen by approaching spectators as they enter the ballpark in their cars, as well as their pedestrian approach. Some possible design intiatives for this area include the addition of 8' high gates with windscreen or graphics that would screen the area from spectators while still allowing the usage of the area for trash and garbage.






dead ball line
touch
touch line
touch in goal
dead ball line
touch
touch line
touch in goal
dead ball line


180'
Rnd Line
15'
15'
12'
108'
15'
15'
15'
15'
30'

Preliminary Cost Range for Stadium Enhancements

Project cost estimates for this report were developed from industry data and averages from similar related projects from around the country. The conceptual, order-of-magnitude nature of this report precludes the development of detailed cost estimates as would be expected for an actual construction project. The cost estimates included herein are compatible with the nature and scope of this study.

While it is recommended to develop more detailed cost estimates prior to the implementation of any of the recommended enhancements in this study, the costs shown represent a reasonable estimate of the order-of-magnitude costs to be expected from such undertakings. Although construction cost escalation has been very low in recent years, escalation should be expected if a significant amount of time passes between the completion of this study and the commencement of a renovation/enhancement project.

The table below summarizes the estimated project costs associated with the recommended enhancement categories – all of which are independent of each other.

Preliminary Project Cost Summary - Arthur W. Perdue Stadium Enhancements				
Category		**Range**		
Structural Repair and Rehab of Existing Facility		$5,474,000	-	$6,062,000
Seating Improvements		$1,896,000	-	$2,156,000
Outfield Deck		$521,000	-	$625,000
Fan Amenities		$1,831,000	-	$2,266,000
Parking - Parcel A	270 spaces	$2,082,000	-	$3,332,000
Parking - Parcel B	960 spaces	$7,404,000	-	$11,846,000
Parking - Parcel C	370 spaces	$2,853,000	-	$4,566,000
Museum and Office Space		$1,854,000	-	$2,224,000

Note: Preliminary project cost estimates include direct and indirect construction costs as well as owner project costs.
Sources: Barton Malow; Sports Venue Padding by Artistic Coverings; Musco Lighting; Millennium Sports; other secondary sources.

Relative Ranking of Proposed Stadium Enhancements

The project team of Crossroads and Populous was retained to evaluate options for enhancements to Perdue Stadium in order to improve its marketability, competitiveness and economic impact to the community. It is our understanding that the driving forces of any potential stadium enhancements are to maintain the financial investment and value of the existing asset, enhance investments made by both the public and private sector, accommodate diverse community usage, and maximize economic and fiscal impacts to the community. Based on these parameters, the following table provides a relative ranking of the proposed stadium enhancements in terms of marketability and revenue enhancement. It is important to reiterate that the study provided a 'menu' of potential enhancements – some with several choices (e.g., materials) - that need to be fully vetted and prioritized by the State, the County and the team as it is unlikely that the traditional approach to funding similar projects exists to pursue all of the potential options outlined in this report.

Enhancement Category	Marketability	Revenue Enhancement Potential
Structure and Rehab of Existing Facility	Low	Low
Seating Improvements	High	High
Outfield Deck	Moderate	Moderate
Fan Amenities	Moderate	Moderate
Parking Improvements	Moderate	Moderate
Museum and Office Space	Low	Low

As stated earlier, most of the capital improvements outlined in the structural engineering assessment prepared by Davis, Bowen & Friedel, Inc. under separate cover and shown in the Structure and Rehab of Existing Facility line item above are required to maintain the quality, structural integrity and aesthetics of the stadium. While implementing these recommendations will likely result in a decrease in stadium maintenance costs, many will not be conspicuous to patrons and will not have a significant impact on marketability or revenue generation. However, these enhancements/improvements are considered a top priority. This line item also includes cost estimates for improved lighting, a new scoreboard, field wall padding, dugout rubber flooring and replacement of the existing playing surface.

Economic and Fiscal Impact Analysis

One of the primary objectives of this study is estimate the economic and fiscal benefits associated with the proposed enhancements to Perdue Stadium.

The City, County and State would continue to benefit from Perdue Stadium's enhanced operations in a number of ways, including such tangible and intangible benefits as:

- Enhancing the area's image as a sports/entertainment destination
- Receiving increased media exposure
- Providing a first-class venue for area residents and out-of-town visitors
- Enhancing the overall quality of life and livability of the area
- Providing a catalyst for further development initiatives including private sector investment
- Maintaining and generating additional economic activity
- Maintaining and generating additional fiscal revenues for local and State governments

Each of these benefits is important in assessing the overall impact of an enhanced stadium to the County. While the value of most of these benefits is difficult to measure, the estimated economic activity generated can be quantified. This analysis quantifies the direct, indirect and induced benefits associated with operations of an enhanced stadium including the associated tax revenues.

Although some of the estimated event activity is occurring at the existing stadium, an enhanced facility will likely maintain and grow existing business as well as attract new events that cannot currently be accommodated.

The number of events and attendance, event mix, origin of attendees, team/stadium financial operations, industry trends, economic conditions, direct spending categories used, per person spending amounts, distribution of spending, multipliers, and specific taxes quantified are all variables that influence the economic and fiscal impact estimates. Amounts are presented in current dollars and rounded to the nearest thousand.

General Methodology Overview

Regional input-output models are typically used by economists as a tool to understand the flow of goods and services among regions and measure the complex interactions among them given an initial spending estimate. As such, estimating direct spending is the first step in calculating economic impact. Direct spending represents the initial change in spending that occurs as a direct result of the stadium enhancements. This spending occurs both inside and outside of the facility.

Spending related to these categories is adjusted to reflect leakage (spending which occurs outside of the local economy) and displacement (spending which would have occurred elsewhere in the economy without the presence of an enhanced stadium).

In preparation for new spending in the economy, several other economic sectors are impacted and jobs are created. Indirect effects reflect the re-spending of the initial or direct expenditures or the business-to-business transactions required to satisfy the direct effect. Induced effects reflect changes in local spending on goods and services that result from income changes in the directly and indirectly affected industry sectors.

The model generates estimates of these impacts through a series of relationships using average wages, prices and transportation data, taking into account commute patterns and the relative interdependence of the economy on outside regions for goods and services.

In order to quantify total output, this analysis uses IMPLAN software and databases which are developed under exclusive rights by the Minnesota IMPLAN Group, Inc. IMPLAN, which stands for *Impact Analysis for Planning,* is a computer software package that consists of procedures for estimating local input-output models and associated databases. The IMPLAN software package allows the estimation of the multiplier effects of changes in final demand for one industry on all other industries within a defined economic area. Its proprietary methodology includes a matrix of production and distribution data among all counties in the U.S.

As such, the advantages of this model are that it is sensitive to both location and type of spending and has the ability to provide indirect/induced spending, employment and earnings information by specific industry category while taking into account the leakages associated with the purchase of certain goods and services outside the economy under consideration.
Once the direct spending amounts are assigned to a logical category, the IMPLAN model estimates the economic multiplier effects for each type of direct new spending attracted to or retained in the local area and the State resulting from operations of an enhanced stadium.

The following industry multipliers are used in this analysis:

Summary of Wicomico County Multipliers			
Category	**Spending**	**Employment***	**Earnings**
Hotels	1.6324	14.2	0.5157
Spectator Sports	1.8945	37.8	0.7870
Entertainment	1.6499	32.3	0.4344
Eating & Drinking Places	1.5596	23.2	0.4838
Retail Trade	1.5815	20.6	0.6281
Transportation	1.5653	14.6	0.5104
Business Services	1.5618	9.9	0.4765

Note: *Indicates the number of jobs per $1 million in spending.

Source: IMPLAN.

These multipliers reflect IMPLAN's latest available economic data reflecting 2011 transactions and the complex interactions among regions.

The calculated multiplier effect is then added to the direct impact to quantify the total economic impact in terms of spending, employment and earnings which are defined as follows:

- *Spending (output)* represents the total direct and indirect/induced spending effects generated by stadium enhancements. This calculation measures the total dollar change in spending (output) that occurs in the local economy for each dollar of output delivered to final demand.
- *Employment (jobs)* represents the number of full and part-time jobs supported by stadium enhancements.
- *Personal Earnings* represent the wages and salaries earned by employees of businesses associated with or impacted by stadium enhancements.

The following graphically illustrates the multiplier effect for calculating total economic impact.

Direct Spending - intial changes in spending

Indirect Spending - re-spending of the initial or direct expenditures

Induced Spending - changes in local spending on goods/services resulting from income changes

Total Economic Impact - spending (output), employment (jobs), personal earnings

The estimated spending generated from stadium enhancements also creates incremental new tax revenues for the County and the State. Although other taxes may also be positively impacted by the stadium enhancements, this analysis estimates the incremental new revenues generated from State sales and use tax and personal income tax, and corporate income tax as well as the admissions and amusement tax, local personal income tax and hotel/motel tax. This analysis assumes that all tax rates remain at their current levels.

Economic and Fiscal Impact Estimates

The following table compares the estimated economic and fiscal impacts at the existing stadium to those at an enhanced stadium with the difference yielding the incremental new amount.

Estimate of Annual Economic and Fiscal Benefits								
Category	**Existing Stadium**	**Enhanced Stadium**			**Incremental New**			
Economic Impacts								
Spending								
Direct Spending	$8,410,000	$9,357,000	-	$9,780,000	$947,000	-	$1,370,000	
Indirect/Induced Spending	5,000,000	5,581,000	-	5,833,000	581,000	-	833,000	
Total Spending	$13,410,000	$14,938,000	-	$15,613,000	$1,528,000	-	$2,203,000	
Total Jobs	170	190	-	200	20	-	30	
Total Earnings	$4,586,000	$5,115,000	-	$5,348,000	$529,000	-	$762,000	
Fiscal Impacts								
Wicomico County								
Admissions and Amusements Tax	$83,000	$99,000	-	$103,000	$16,000	-	$20,000	
Local Personal Income Tax	71,000	79,000	-	83,000	$8,000	-	$12,000	
Hotel/Motel Tax	29,000	32,000	-	34,000	$3,000	-	$5,000	
Subtotal	$183,000	$210,000	-	$220,000	$27,000	-	$37,000	
State of Maryland								
Sales and Use Tax	$531,000	$591,000	-	$620,000	$60,000	-	$89,000	
Personal Income Tax	127,000	142,000	-	148,000	$15,000	-	$21,000	
Corporate Income Tax	35,000	39,000	-	40,000	$4,000	-	$5,000	
Subtotal	$693,000	$772,000	-	$808,000	$79,000	-	$115,000	
Total Annual Fiscal Benefits	**$876,000**	**$982,000**	-	**$1,028,000**	**$106,000**	-	**$152,000**	
Total 20-Year Fiscal Benefits	**$17,520,000**	**$19,640,000**	-	**$20,560,000**	**$2,120,000**	-	**$3,040,000**	

Note: Incremental new benefits reflect a stabilized year.

Although not quantified in this analysis, project costs associated with implementing the stadium renovations/enhancements would provide additional economic and fiscal impacts to the County and State during the construction period.

Estimated Debt Service

As a point of reference, a 4% interest rate over 15 years would yield a present value of $1.2 million to $1.7 million based on the total incremental fiscal benefits estimate. Historically, the approach used for similar projects has been to share the debt service for improvements equally between the State, the County and the team.

Should the State and the County choose to move forward with enhancements/improvements, it would be an expectation that any future lease would include specific terms and conditions related to the Shorebirds' on-going responsibility for preventative maintenance in order to safeguard the significant capital investment.

Economic Impact Assumptions

As mentioned previously, the first step in calculating economic impact is estimating the direct spending. The benefits generated at the local level result from direct spending by attendees and activities held at the enhanced stadium. The primary types of spending quantified in this analysis include team/stadium revenues and attendee spending outside the stadium.

Attendance at Shorebirds games and non-baseball events is estimated to increase by 10% to 15% over the historical three-year average to range from 269,000 to 281,200 in total attendance in a stabilized year. It is important to recognize that attendance and related financial performance at the enhanced stadium will likely fluctuate over time.

Based on the recommended stadium enhancements, specific team/stadium related revenues such as ticket sales, concessions, and advertising are increased based on historical operating data on the Shorebirds/Perdue Stadium and on other comparable MiLB teams/stadiums.

Based on data provided by secondary sources, daily spending amounts were assigned to a percentage of attendees estimated to be high impact (i.e., those who stay overnight in a hotel) and low impact (i.e., those who likely originate from the area or only travel in for the day).

Based on these assumptions, incremental direct spending related to the recommended stadium enhancements is estimated to range from $947,000 to $1.4 million annually.

Direct spending amounts were assigned logical industry categories and relevant multipliers were then applied to these amounts in order to calculate estimates for total spending, jobs and earnings. Outputs from the IMPLAN model indicate that incremental total (i.e., direct, indirect and induced) spending related to the stadium enhancements is estimated to range from $1.5 million to $2.2 million annually. Dividing the total impacts by the direct impacts yields an economic multiplier of approximately 1.6. Thus, every dollar of direct spending generated $1.60 in total economic activity.

Based on the IMPLAN model, the economic activity associated with the proposed stadium enhancements was estimated to support 20 to 30 incremental new total jobs that create approximately $529,000 to $762,000 in personal earnings annually.

Fiscal Impact Assumptions – Wicomico County

Admissions and Amusement Tax - The admissions and amusement tax is a local tax collected by the State Comptroller's Office for local municipalities. The entire amount of the tax collected, less administrative expenses, is returned to the municipalities and counties imposing the local tax. The tax, which differs among local municipalities, is generally levied on the admission or amusement cost for activities such as ticketed entertainment acts, movies, amusements, athletic events, golf and the sale of refreshments at a nightclub or other similar entertainment venue. Wicomico County applies a 6% tax on the admission or amusement cost for activities such as entertainment acts, movies, athletic events and golf and a 10% tax on the gross receipts derived from charges for admissions to activities conducted at the professional baseball stadium. As such, the 10% tax rate is applied to the incremental new ticket sales generated by an enhanced stadium and the 6% tax rate is applied to the estimated direct entertainment spending outside the facility.

Local Personal Income Tax – Wicomico County imposes a local personal income tax of 3.10% which is calculated as a percentage of taxable income. For purposes of this analysis and based on information provided by the Comptroller of Maryland, an effective tax rate of 2.06% was calculated based on the federal adjusted gross income and the total personal income tax paid to the County in 2011. This effective tax rate is applied to incremental earnings estimated to be generated from an enhanced stadium. Local personal income tax is based on where you live, not where you work. This analysis assumes that 75% of incremental earnings generated by team/stadium operations occur in the County.

Hotel/Motel Tax – Wicomico County taxes the furnishings of lodging within the County. The hotel/motel tax does not include State sales tax. The current hotel/motel tax rate is 6.0%. This rate is applied to 100% of the estimated incremental direct hotel spending.

Fiscal Impact Assumptions – State of Maryland

Sales and Use Tax – The State of Maryland collects a sales and use tax from sales and leases of tangible personal property and services throughout the State. Sales and use tax is uniform throughout the State at 6.0%. For purposes of this analysis, the tax rate is applied to total taxable incremental direct spending as well as a percentage of indirect/induced spending generated by an enhanced stadium.

Personal Income Tax – The State of Maryland imposes a personal income tax assessed against personal income earned in the State. The State income tax is a graduated rate ranging from 2.0% to 5.75% of taxable income. Non-residents are subject to a special non-resident tax rate of 1.25% in addition to the State income tax rate. For purposes of this analysis and based on information provided by the Comptroller of Maryland, an effective tax rate was calculated based on the federal adjusted gross income and the total personal income tax paid to the State in 2011 (the most recent year for which data was available). This effective tax rate is applied to incremental earnings estimated to be generated by an enhanced stadium.

Corporate Income Tax – A corporate income tax of 8.25% on the corporate federal taxable income adjusted by State modifications is also levied by the State of Maryland on corporations. For purposes of this analysis and based on information provided by the Comptroller of Maryland, an effective tax rate was calculated based on the Gross State Product and the total corporate income tax paid to the State in 2011. This effective tax rate is applied to incremental total spending estimated to be generated by an enhanced stadium.

Potential Next Steps

This study is an initial step in this capital planning process. Enhancing Perdue Stadium will require additional strategic planning to maximize operational opportunities and mitigate potential site planning and physical programmatic issues during the season. Potential next steps include:

- Prioritizing potential stadium enhancements.
- Securing funding to conduct more detailed site and architectural planning studies that could include, but not be limited to, developing a more detailed spatial program and further refining preliminary cost estimates.
- Identifying potential financing strategy and related timeline.
- Finalizing contract negotiations between the County and the Team.
- Developing a strategic plan for future land needs in surrounding lots to accommodate stadium-related needs that may include further development of supporting amenities.