

Feasibility Study: Minor League Baseball in Bridgewater, VA

Prepared For:

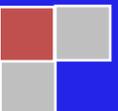
Town of Bridgewater, VA
Jay Litten, Esquire
Town Manager

January 6, 2018



GREAT CIRCLE MANAGEMENT COMPANY
Serving Professional Baseball Since 1982
© 2018 Great Circle Management

921 Childs Point Road • Annapolis, MD 21401 • (301) 412-1603 • pkirk@OpeningDayPartners.com



INTRODUCTION

On November 14, 2017 the Town of Bridgewater, VA retained Great Circle Management Company to assist in the evaluation of the feasibility, potential benefits, and potential costs associated with bringing a Minor League Baseball team to Bridgewater. The proposed home field for the Minor League team would be the Bridgewater College Baseball Field, which, although well located does not currently meet minimum standards for a professional Minor League Team.

We have reviewed the Minor Leagues in which Bridgewater could geographically fit. We believe that the Appalachian League is the most appropriate match both in terms of geography and of Bridgewater's market demographics as more fully discussed in this Report. We further believe that the League will be interested in exploring providing a team for Bridgewater - although no direct contact with the League has as yet occurred. Accordingly, we have focused attention on the Appalachian League for Bridgewater in this Report.

The analyses and conclusions expressed in this Report are based on Great Circle's research, interviews, familiarity with the industry and with other similar projects. While this Report expresses our best professional judgment we cannot guarantee that any results discussed will be achieved, specifically including, but not limited to cost and revenue projections which may vary widely due to changing designs, bids, market conditions, timing, and other factors.

We have organized this Report into four Sections as follows:

- SECTION 1 - EXECUTIVE SUMMARYpage 3
- SECTION 2 - MARKET ANALYSIS & ATTENDANCE ESTIMATESpage 7
- SECTION 3 - RENOVATION OF BRIDGEWATER COLLEGE FIELDpage 14
- SECTION 4 - OBTAINING A MINOR LEAGUE TEAMpage 22

ABOUT GREAT CIRCLE

Great Circle Management Company has been an adviser to communities and teams since 1982, and is a nationally recognized expert in the baseball industry. Additional information on Great Circle and its principals is provided in ATTACHMENT "A" to this Report.

SECTION 1 - EXECUTIVE SUMMARY

Market Analysis

We have examined the demographics of the Bridgewater Market Area and have compared these metrics to those of the markets of the ten existing Appalachian League teams. Based upon this analysis it is our considered opinion that the Bridgewater Market has the population, household demographics, discretionary income, family and business demographics, and other metrics to support an Appalachian League team. Our analysis indicates that an Appalachian League team in Bridgewater would have in its Market Area the largest population, highest median household income, and best family demographics of any other team in the League. The subject Market also has a strong business base, which is important for support of the Team through sponsorship, advertising, corporate outings, and the like. The Bridgewater area also has a large media presence including a daily newspaper, 21 FM and 13 AM radio stations, as well as all TV networks.

We project an average paid attendance at Minor League games to be in the range of 1,800 to 2,200, which would place a Bridgewater team within the top three performers in the Appalachian League.

Bringing Bridgewater College Field to Professional Standards

All MiLB ballparks are now required to comply with the *Minor League Facility Standards* which specify minimum specifications for players (field, lighting, clubhouses, dugouts, etc.), and also extensive requirements for fan amenities to assure a quality entertainment experience. Fan amenities addressed in the *Standards* include such items as seating, restrooms, food service, video screens, customer service, security, first-aid areas, and the like. We have provided a “proof of concept” design showing how these requirements could be met at Bridgewater College Field. After the renovation work the Stadium would be a state of the art facility having capacity for approximately 2,500 (2,000 armchair seats plus table seating “neighborhoods” in Terrace Boxes, and overflow areas), professional level field lighting, clubhouses for home and visiting teams, umpire room, a playground area for all ages, and full service food and beverage facilities. We estimate that the cost of this renovation work will be in the \$5 to \$5.5 million range. We further believe that it is reasonable to conclude that these costs can be recouped by a Stadium Naming Rights Agreement, Major Corporate Sponsorships, and by the operation of the Minor League team - all as more fully described in Section 3.

Appalachian League

The Appalachian League is one of sixteen domestic professional leagues¹ that make up The National Association of Professional Baseball Leagues, Inc. (also known as “Minor League Baseball” or “MiLB”). All MiLB teams are either affiliated with a Major League “parent” or owned directly by an MLB Club. Unlike most other MiLB leagues, all teams in the Appalachian League are required to be owned by an MLB Club, which may operate the club itself or license a third party to be the operator.

¹ MiLB also includes the Mexican League and several foreign summer leagues which are not part of the affiliation system, as well as two Rookie classification leagues below the level of the Appalachian League that operate from MLB spring training facilities and do not charge admission to games.

The Appalachian (or “Appy”) League currently has ten teams divided into two divisions (East and West) having five teams each. The League plays a 68 game schedule (34 home, 34 away) from mid to late June through August, followed by a 10 to 15 day playoff to determine the League Champion. The League is classified as “Rookie-Advanced”, with all players, coaches, and managers under contract to MLB Clubs. The players at this classification are some of the best young prospects in professional baseball. Bridgewater would logically fit into the East Division.

Obtaining an Appalachian League Team

Should Bridgewater determine to proceed, the following timeline would follow (see Section 4 for details):

- * The Town would write to the President of Minor League Baseball requesting that his office grant the Appalachian League permission to explore Bridgewater as a potential new home for a team;
- * The request would be reviewed internally by MiLB, MLB, and the Appalachian League and if approved a site visit would be arranged. The approval will specify conditions of the exploration including who can participate from the Baseball side, a time period, and rules governing public announcements;
- * Subsequent discussions would seek to have the parties agree on a non-binding Letter of Intent setting forth the basic terms of an understanding under which a team would be made available to Bridgewater;
- * A Due Diligence period would follow, during which time the Town would verify the renovation costs, secure commitments for Naming Rights and Major Sponsorships, and verify that financing is available on acceptable terms to the Town. Definitive binding documents among the Town, College, and the MLB Club team owner would also be negotiated;
- * Only after Definitive Documents are executed and delivered by all parties would a binding agreement exist. Until that time the Town and College would not be obligated to proceed.

Benefits

The proposed Team and professional quality Stadium would provide affordable, family entertainment for both baseball fans and non-fans. Minor League Baseball has become an especially attractive entertainment option for families. MiLB teams draw over 41 million spectators each year, which is more than the NFL and NBA combined. The Stadium could further add to the quality of life in Bridgewater and the surrounding market area by becoming a focal point for community activities including tournaments for amateur, high school, and semi-professional baseball and softball, as well as other community activities such as job fairs, festivals, and more. Having the Team and Stadium in Bridgewater would provide increased civic pride and identity, and have a positive influence on economic development.

There are numerous examples around the country in which a college stadium is successfully shared with a Minor League team. For example, the Greeneville team of the Appalachian League plays in a stadium on the campus of Tusculum College. Another nearby example is the University of West Virginia in Morgantown which hosts the West Virginia Black Bears of the NY-Penn League (Pirates affiliate) in addition to the University's baseball program. Other examples include Penn State University and the Citadel in Charleston, SC. These joint use arrangements have proven to be very beneficial to all parties, especially when the Minor League team is in a short season league such as the Appalachian League where there are few, if any scheduling conflicts.

Bridgewater College and its Baseball program would greatly benefit from having the year-round use of a professional level Stadium, subject only to the use rights of the Minor League team. Players and coaches would benefit from the interaction with professional players, coaches, and Major League Scouts. Recruiting would also be enhanced by having a professional level facility for the college players. Further, the Stadium would have the potential to be shared with the College's softball program, perhaps even including an optional third clubhouse to be used exclusively by the College's softball program.

Other local teams and leagues, from youth programs to the outstanding historic Rockingham County Baseball League and the college summer Valley League, would also be expected to benefit from having a Minor League team in Bridgewater. The ability to interact with and watch the professional team will have a positive influence on these programs. The increased community and media attention to Minor League baseball has been shown to increase interest and attendance at these other baseball programs. The Appalachian League is heavily scouted by Major League Baseball and this often leads to opportunities for local athletes to be seen by MLB.

Costs and Risks

A significant investment in renovating the existing Bridgewater College Field will need to be made, and long term contracts for Naming Rights and Major Sponsors obtained in order to assure a source of repayment of the investment. See Section 3 for details. As noted previously, construction would not be commenced until satisfactory revenue contracts are obtained as well as a lease with a Major League Club committed to fielding an Appalachian League team. In order to minimize risks, the term of the lease with the MLB Club should be for at least as long as the debt financing for the improvements.

Naming Rights and Major Sponsorships.

Obtaining a satisfactory Naming Rights Partner and additional Major Corporate Partners for this project are the key elements in financing the Stadium renovations. Such businesses would be facilitating obtaining a Minor League Team, benefiting Bridgewater College's athletic programs, and enhancing quality of life and economic development for the region. Naming Rights Partners seek recognition of their community support, advertising their brand, and other benefits such as signage, tickets, and use of the facility for corporate outings. Twenty years ago naming rights agreements for Minor League ballparks were rare. However, in the intervening years Naming Rights Agreements have become an essential part of the financing plan for nearly all ballparks at the full season classifications, and are now starting to be included at the short season level. Naming rights agreements for MiLB occupied ballparks since 2001 have averaged over \$250,000 per year, and the most recent agreements have been between \$400,000 and \$1 million.

We recommend that Bridgewater seek a naming rights partner at the \$175,000 to \$225,000 range, and 3 to 5 Major Corporate Partners contributing in the aggregate \$45,000 to \$75,000 per year. We further recommend that the larger and more community minded businesses in the region be approached promptly in order to test the market. See Section 3 for information related to this recommendation.

S

END SECTION 1 - EXECUTIVE SUMMARY

SECTION 2 - MARKET ANALYSIS

Bridgewater Market Area Definition

The Town of Bridgewater is within Rockingham County, VA, approximately 7 miles southwest of the City of Harrisonburg, VA. Bridgewater College Baseball Field, the proposed home field of a Minor League team is located on Route 257 less than 3 miles from the interchange with Interstate-81.

It is well established that generally more than 80 percent of the attendance at Minor League games and other stadium events will come from the population that is within a 30 minute drive time of the stadium. We have utilized this assumption along with additional factors such as road networks, traffic patterns, and driving tendencies in the community, including the strong influence of the Stadium being easily accessible from I-81 (the region's primary north-south artery) in order to calculate a primary "catchment" or "Market Area" for the proposed Team and Stadium. This Market Area is illustrated in Figure 2-1, which includes the Town of Bridgewater, Rockingham County, the City of Harrisonburg, portions of Augusta, Shenandoah, and Page Counties, and the city of Staunton.

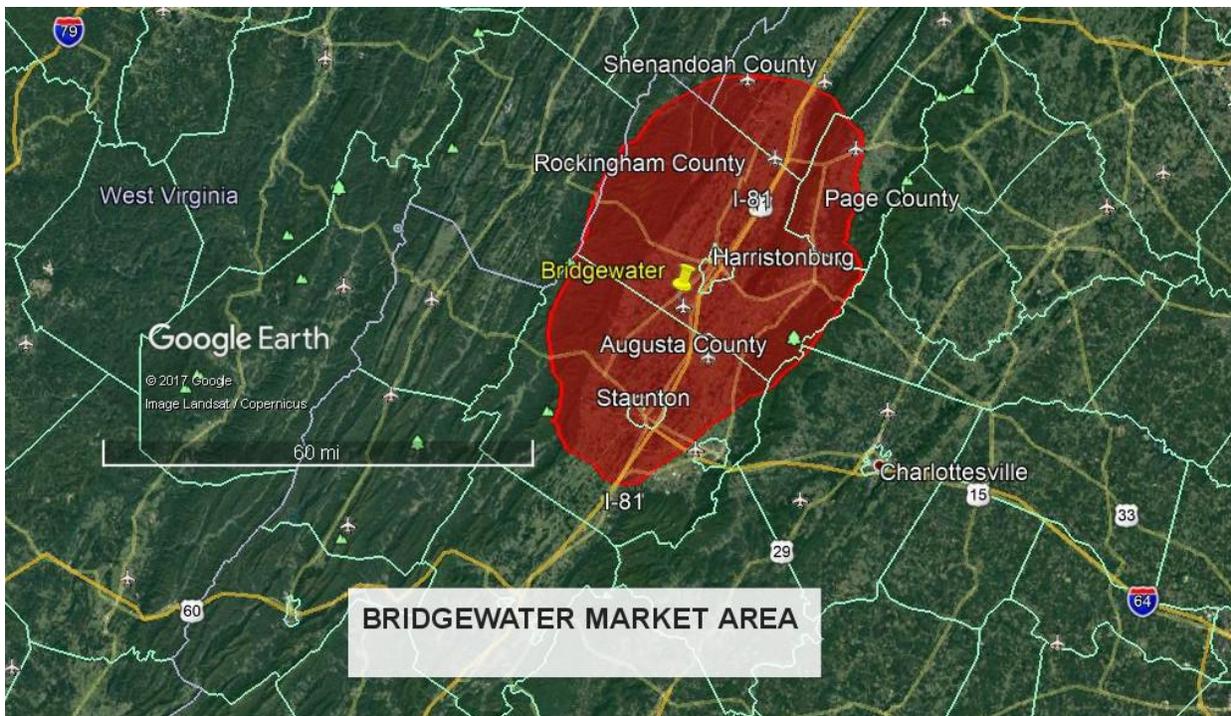


Figure 2-1. Bridgewater Primary Market Area

Analysis of Bridgewater Market Area

In order to evaluate Bridgewater’s primary market area we have examined numerous demographic metrics including population size and characteristics, growth history, number of households, household size, income, age distribution, retail spending, employment, education, number of businesses, employment, and other factors. These metrics provide insight into the Market Area and suggest useful guidelines as to the potential for support of a Minor League team.

Figure 2-2 summarizes the most important of these metrics for the Bridgewater Market and for comparison purposes, comparable metrics for the market areas of the existing ten Appalachian League teams.

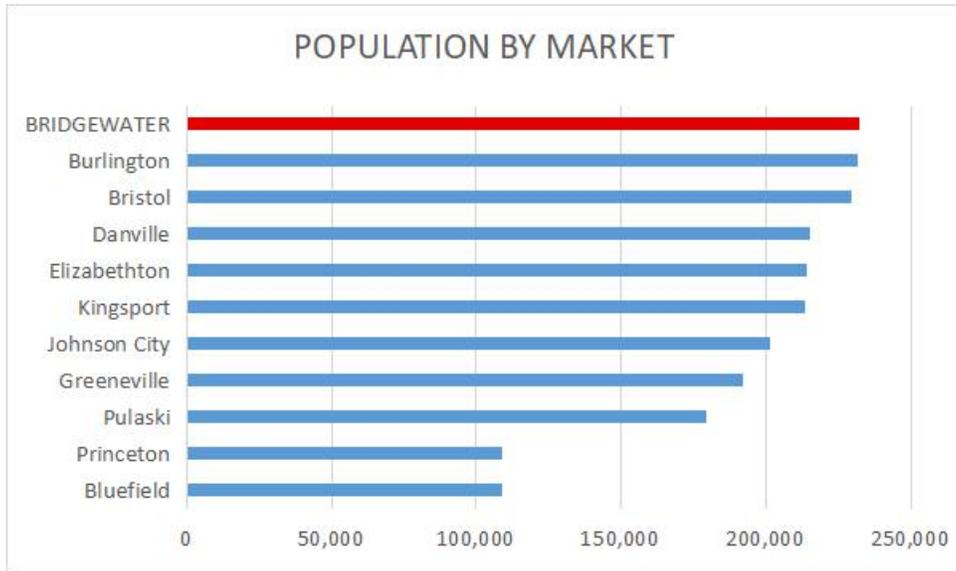
FIGURE 2-2 MARKET AREA DEMOGRAPHICS: Bridgewater and Current Appalachian League Teams										
	Team Market	League Division	2017 Average Attendance	Population	Growth Rate Since 2010	Median Household Income	Persons Per Household	Total Businesses	Total Retail Sales	
1	Pulaski	West	2,360	179,304	2.51%	\$46,943	2.66	3,500	\$2,644,540	
2	Johnson City	East	1,976	201,661	1.46%	\$40,424	2.31	3,742	\$2,572,252	
3	Greeneville	East	1,139	191,890	2.17%	\$41,785	2.35	3,889	\$2,697,758	
4	Danville	West	1,053	215,274	-2.29%	\$41,331	2.41	3,392	\$1,551,414	
5	Burlington	East	1,045	231,931	8.05%	\$47,909	2.46	4,514	\$2,691,425	
6	Kingsport	West	901	213,635	-0.19%	\$40,181	2.36	3,950	\$2,398,992	
7	Bluefield	East	697	109,131	-4.41%	\$38,235	2.39	2,359	\$1,767,563	
8	Bristol	West	671	229,517	-0.73%	\$41,238	2.33	4,500	\$3,266,209	
9	Elizabethton	East	586	214,181	-0.47%	\$38,914	2.33	4,046	\$2,527,061	
10	Princeton	West	536	109,131	-4.41%	\$38,235	2.39	2,359	\$1,767,563	
Bridgewater				232,182	4.26%	\$51,317	2.71	4,381	\$3,003,542	
Bridgewater Rank				#1 of 11	#2 of 11	#1 of 11	#1 of 11	#3 of 11	#2 of 11	

NOTES: 1. Bluefield and Princeton ballparks are 9 miles apart and share a common market
2. The West Divisions clubs are located in close proximity and have overlapping Market Areas
3. Sources: US Census, Great Circle

ANALYSIS OF MAJOR DEMOGRAPHIC METRICS

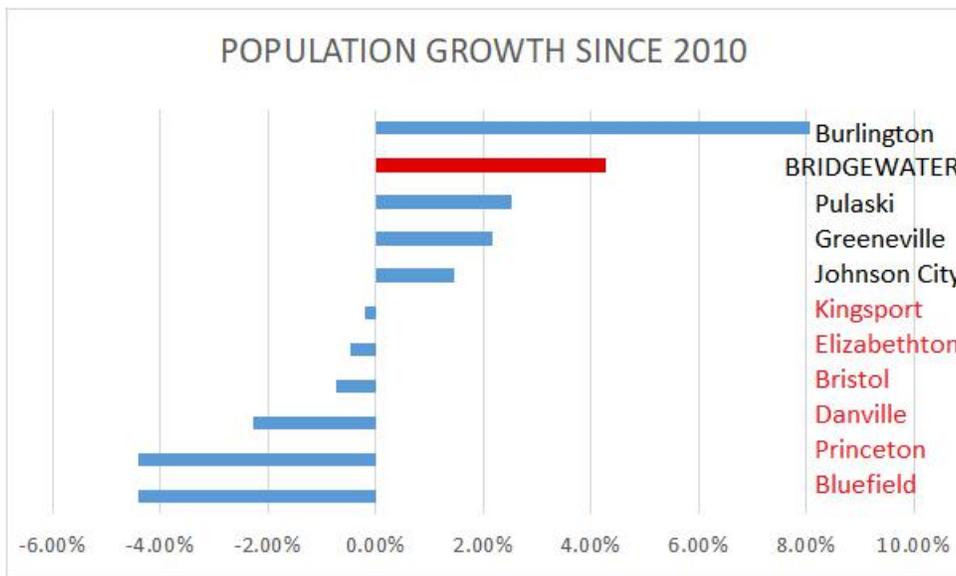
Population

Total population within the primary Market Area is an important element in evaluating the potential support for a Minor League Team. A comparison of the Bridgewater Market Area population to the populations of the current Appalachian League team markets is shown in the following Chart. The subject Market ranks #1 of the 11 markets.



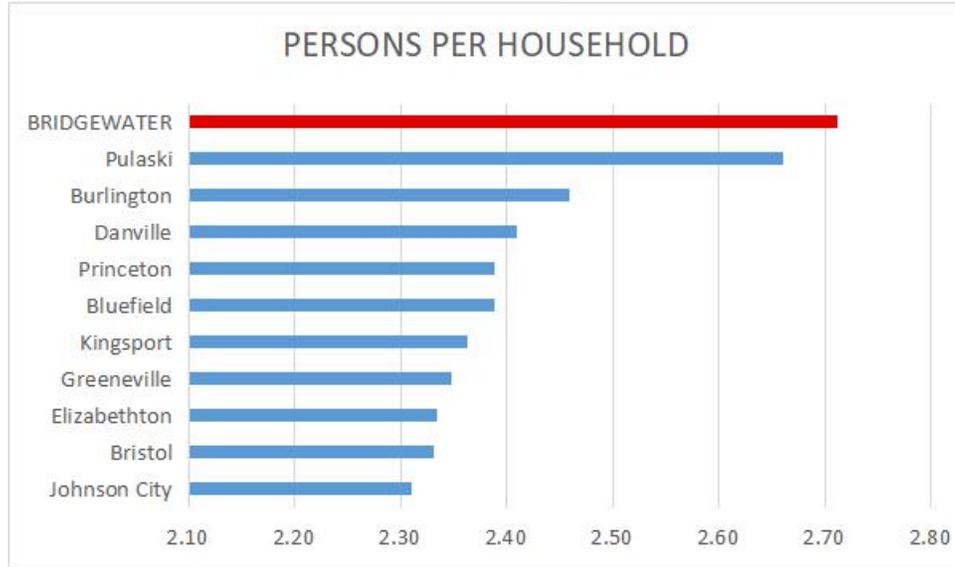
Population Growth Rate

Examining historic trending of population growth or decline is also an important metric correlated with ongoing success in the market area. Population growth since 2010 is a measure of the resilience of a community during the recent economic slowdown period. While not a predictor of future population growth, this metric examines the likely reaction of the market area to future down cycles in the economy, which impacts investment risk. The following chart summarizes the data on Population Growth. Bridgewater has shown a healthy growth rate over the past seven years, in line with the League attendance leaders. The subject Market ranks #2 of the 11 markets.



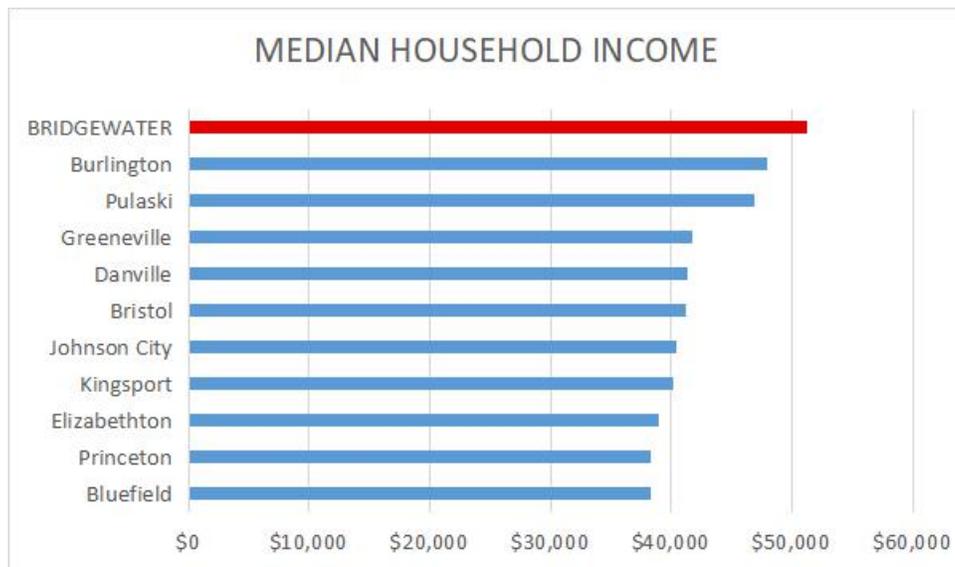
Household Demographics

The number of persons per household is indicative of the makeup of family units in a Market Area. Families with children are the principal target audience for minor league baseball. Higher numbers of persons per household are a strong metric correlating with attendance at MiLB games. The subject Market ranks #1 of 11 in Persons Per Household



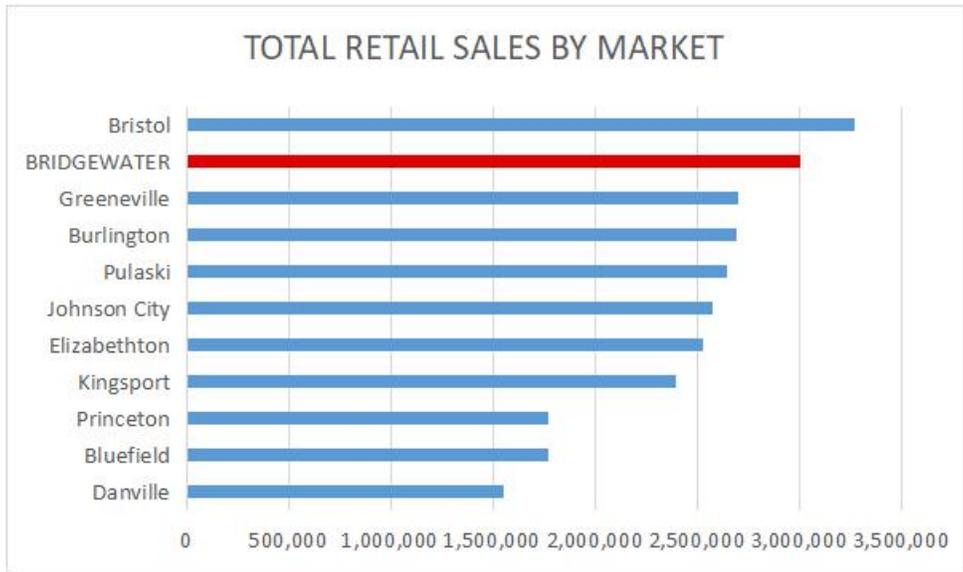
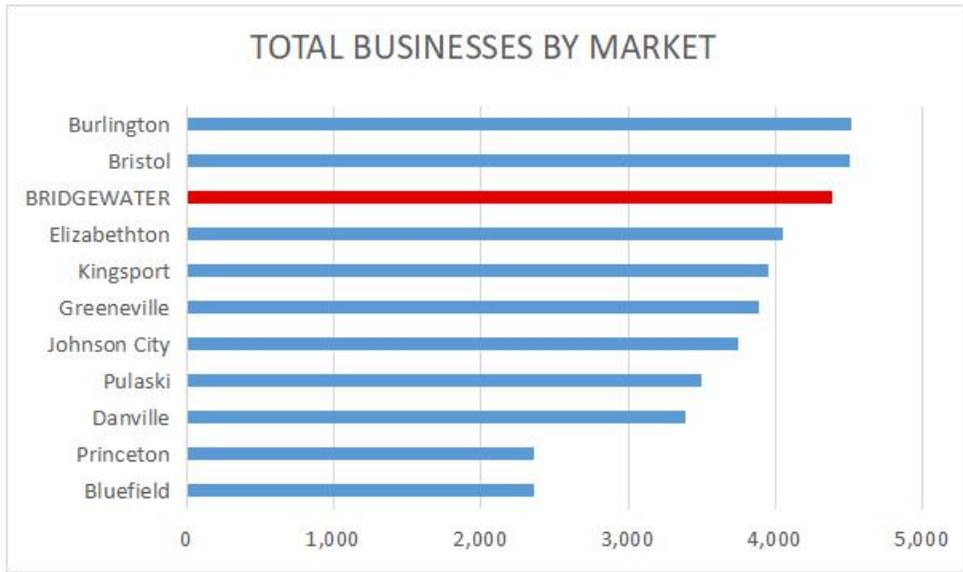
Median Household Income

Median Household Income in a Market Area is one of the strongest indicators of the ability of households to attend multiple events at the Stadium – both baseball and non-baseball. While the Team still must strive to deliver a quality product for the community in order that families decide to invest their time and money, having a very strong metric in Household Income is an indicator of potential success. The subject Market Area would be the most affluent in the Appalachian League, ranking #1 of the 11 markets.



Business Metrics

A significant percentage of the revenue of a Minor League team comes from support by the business community through advertising, sponsorship, corporate outings, and the like. It is therefore important to examine the metrics of the quantity and size of businesses, and retail spending within a Market Area - a measure of purchasing power. The subject Market Area shows strong Business metrics when compared with the existing Appalachian League teams, ranking #3 in total businesses and #2 in retail sales of the 11 markets:



Other Demographic Metrics

We have also examined other metrics in the subject Market Area including:

- Age, gender, and race distributions as reported by the US Census
- Owner occupied housing rates
- Education distributions
- Employment and unemployment rates, history and projections

No adverse factors for Bridgewater effecting the ability to support a Minor League team were identified.

SUMMARY OF MARKET ANALYSIS

Summarizing our analysis of the selected metrics in the Bridgewater Market Area as compared to the comparable metrics of the ten existing clubs in the Appalachian League is shown in the following Table:

SUMMARY OF DEMOGRAPHIC ANALYSIS Bridgewater Market Area vs. Existing Appalachian League Clubs	
Metric	Bridgewater Rank
Population	#1 of 11
Median Household Income	#1 of 11
Persons Per Household	#1 of 11
Population Growth Since 2010	#2 of 11
Total Retail Sales	#2 of 11
Total Businesses	#3 of 11

It is our considered opinion based on the analysis of the data that the subject market has the potential of being among the top teams in the Appalachian League in terms of attendance and business support.

ESTIMATE OF ATTENDANCE

The three primary factors influencing attendance at MiLB games are: (1) Market Demographics, (2) quality of the stadium to provide a first rate entertainment experience, and (3) quality of the operation of the Stadium to capitalize on the market and stadium. The importance of the stadium quality is highlighted by noting that after Pulaski's stadium was renovated in 2015 attendance more than doubled. Quality of the operation includes not only game day activities but also community outreach, marketing, promotions, and exceeding community expectations in all regards.

Based upon our review of the Bridgewater Market Area demographics and familiarity with other comparable markets, we project the average per game paid attendance for a Bridgewater Appalachian League team to be within the range of 1,800 to 2,200 per game, with a mid-point of 2,000 per game. This is the projected range for stabilized operations after an initial "honeymoon period". It also assumes a well run operation of the Team and Stadium with effective outreach programs in the community to maximize attendance by groups, corporate outings, reading programs in conjunction with school districts in the region, and providing meaningful fundraising opportunities for regional nonprofit and charitable organizations.

END SECTION 2

SECTION 3 - RENOVATION OF BRIDGEWATER COLLEGE FIELD

Required Improvements

The existing Bridgewater College Field appears to have an excellent playing surface (which will need to be verified) and has adequate parking available. However, in order to meet the *Minor League Facility Standards* under the Major League Rules considerable work will be required. For example, the facility currently lacks field lighting, clubhouses, required seating, administrative offices, concession stands and restrooms at the professional level, and other fan and player amenities. The *Facility Standards*, which now must be met by all new or renovated MiLB ballparks sets minimum standards to assure not only adequate player development facilities but also to assure that fans enjoy a quality entertainment experience.

We have examined Bridgewater College Field and have determined the necessary renovations needed to bring the facility into compliance with the *Facility Standards*. We then produced a “proof of concept” renovation design that incorporates the necessary improvements in a way that also meets best practice operational standards. The following renderings illustrate this design:

Highlights of the proposed renovation design include:

- * Total capacity of 2,500
- * A new grandstand seating bowl with approximately 2,000 armchair seats with cup-holders
- * Terrace Box table seating in the grandstand (3rd base side)
- * A new expanded pressbox accessed by elevator. The elevator also provides access to the top area of the grandstand which achieves full A.D.A. compliance
- * A full service concession stand in a patio area on the first base side. Fans can order food and enjoy it in this area or at their seats - without losing sight of the playing field
- * Clubhouses, umpire room, public restrooms, customer service, and a souvenir shop in a new building on first base side.
- * Field Lighting to professional standards
- * Playground for all ages and abilities (3rd base side)
- * Area adjacent to Playground for portable food stands and/or food trucks
- * Bullpens relocated off the playing field
- * Professional dugouts
- * Major League quality backstop netting for all spectators
- * High Definition LED Video board installed in the outfield and controlled from the Pressbox.

Renderings of Renovated Bridgewater College Stadium

The renderings and photographs (which are from existing Minor League ballparks) on the following pages illustrate the proposed renovation design:

Site Plans



Existing Facility



Renovated Stadium



Renovated Bridgewater College Field



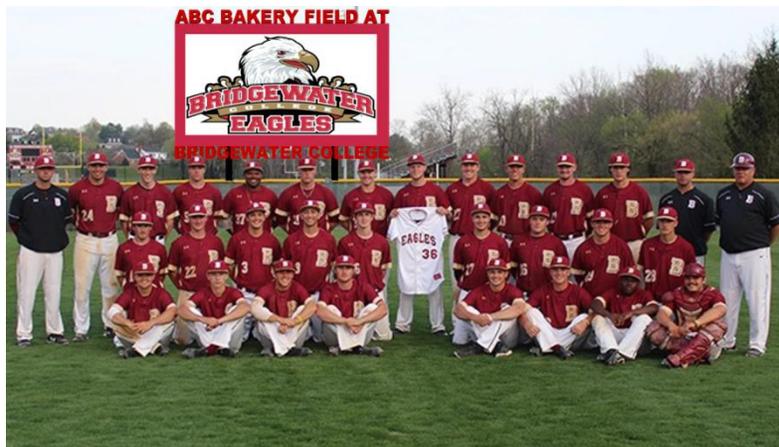
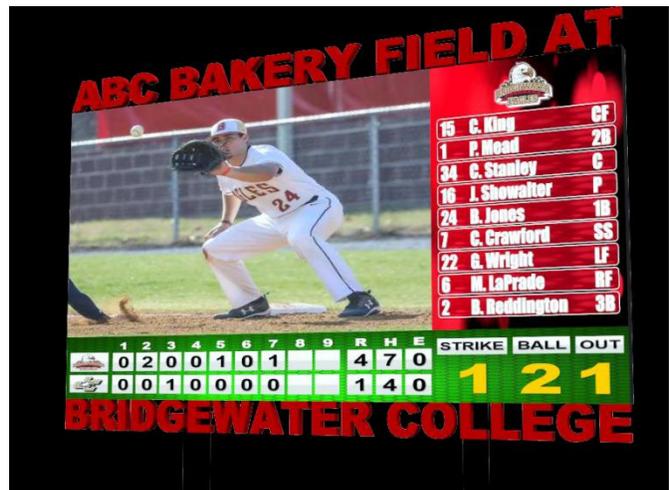
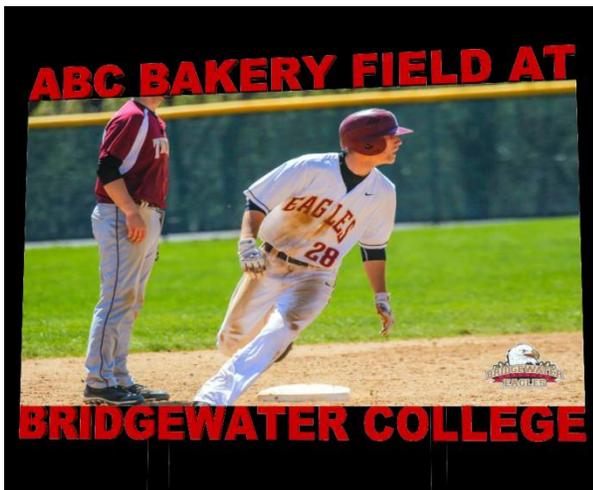
First Base side Concessions Area



Third Base Side Terrace Box Seating and Playground



Pressbox Control Center



High Definition Video Board Renderings
Courtesy Panasonic, Inc



Professional Level Clubhouse



Full Service Concessions



Playground Options



Off Field Bullpens



Optional Splash Pad

Photo credits: Great Circle Management

Renovation Cost Estimate

We have estimated the cost of renovating Bridgewater College Field based on the “proof of concept design” to meet the *Minor League Facility Standards*. A summary of the cost estimate is shown in the following Table.

BRIDGEWATER COLLEGE STADIUM RENOVATION Preliminary Project Cost Estimate			
SOFT COSTS			
Arch, M/E/P/Civil/Baseball	234,662		6% of total construction costs
Permits	25,000		lump sum est
Testing	15,000		lump sum est
TOTAL SOFT COSTS		\$274,662	
CONSTRUCTION COSTS			
DEMOLITION & SITEWORK			
Demolition	35,000		lump sum est
Paving (Entrance, Picnic, Patio)	30,000		lump sum est
Utilities	25,000		lump sum est
Security Fencing	15,000		lump sum est
Homerun Fence & Padding	85,000		lump sum est
TOTAL DEMOLITION & SITEWORK COSTS		\$190,000	
BUILDING CONSTRUCTION			
Grandstand & Armchair Seats	1,100,000		pre-engineered
Facilities Building (1st Base)	1,930,000		11,000sf new construction
Field Lights	125,000		lump sum est
Backstop/Safety Netting	50,000		lump sum est
Dugouts	32,000		lump sum est
Elevator	50,000		lump sum est
Relocate Batting Cages	15,000		lump sum est
TOTAL BUILDING CONSTRUCTION		\$3,302,000	
CONTRACTOR O&P @ 12%		\$419,040	
PURCHASED FF&E ITEMS			
Food Service Equipment Allowance	250,000		allowance
Tables/chairs	25,000		lump sum est
Video Board	450,000		lump sum est
Sound System	50,000		lump sum est
Play Equipment	50,000		lump sum est
TOTAL PURCHASED FF&E ITEMS		\$825,000	
TOTAL PROJECT ESTIMATE		\$5,010,702	

Notes and Qualifications

1. No Contingency is included; we recommend adding 10% until final designs are completed
2. No work on the playing field is included
3. Performance and Payment Bonds are not included
4. Estimate is based on 2017 costs
5. Assumes prevailing and/or union wage rates are not applicable
6. We believe that there are several value engineering items that may reduce costs

Naming Rights and Major Sponsorship Partners

Naming Rights and other Major Sponsorship Agreements have become common in financing plans for full season MiLB stadiums, and the trend is spreading to short season ballparks. Recent data, in summary includes:

- * Since 2001 the average MiLB naming rights agreement with corporate partners is over \$250,000 per year, with an average term of approximately 11 years. Most are full season ballparks but this includes at least two short season NY-Penn League teams in Brooklyn (\$500,000 per year) and Staten Island (\$400,000 per year)
- * Recent naming rights agreements for full season MiLB stadiums have been in the \$400,000 to \$1 million per year range
- * Banks, credit unions, and energy companies are the most predominant naming rights partners
- * Union Bank has recently entered into a Naming Rights Agreement with James Madison University for its basketball center, in which JMU receives an average of \$225,000 per year for 10 years.
- * West Virginia University's Monongahela County Ballpark (shared with a short season MiLB team in the NY-Penn League) is partially funded by tax deductible major gifts at the level of \$25,000 and above to the "Baseball Complex Enhancement project". These gifts are payable over a five (5) year period and can be recognized with naming opportunities within the facility.
- * Market rate for long-term sponsorship including signage on MiLB stadium's High Definition Video Board currently average in excess of \$75,000 in the aggregate

Sources: Industry publications, Great Circle, TeamServices

Based upon these factors and our experience with Naming Rights and Major Sponsorship Agreements, we believe that it is reasonable to assume that a Naming Rights Partner for Bridgewater could be obtained in the \$175,000 to \$225,000 per year range, and Major Sponsorship Partners obtained in the \$45,000 to \$75,000 range.

Revenue & Financing Estimates

As described in Section 2, we have projected average paid attendance for an Appalachian League team playing in a renovated Bridgewater College facility to be in the range of 1,800 to 2,200. As noted above, we believe that it is possible to obtain a significant long term Naming Rights Agreement for the facility. In addition, it is not unusual for businesses in the community to become Major Sponsors of the facility, receiving benefits such as permanent signage on the High Definition Video Board, tickets, and other recognition.

We have examined revenue estimates under three operating scenarios of attendance and range of sponsorships (Conservative, Moderate, and Aggressive), and project revenue available for servicing the stadium renovation debt as shown in the following Table:

BRIDGEWATER COLLEGE STADIUM RENOVATION			
Preliminary Project Revenue Estimate			
	Operating Scenario		
	Conservative	Moderate	Aggressive
Assumptions			
Number of Scheduled Games	34	34	34
Rainouts	2	2	2
Dates Played	32	32	32
Average Paid Attendance	1,800	2,000	2,200
Total Paid Attendance	61,200	68,000	74,800
Total Turnstile Attendance (85%)	52,020	57,800	63,580
Average Ticket Price	\$7.00	\$7.00	\$7.00
Concession Per Cap	\$6.00	\$6.00	\$6.00
Souvenir Per Cap	\$1.50	\$1.50	\$1.50
Annual Revenue Calculations			
Stadium Naming Rights	\$175,000	\$200,000	\$225,000
Major Sponsorships (3)	\$45,000	\$60,000	\$75,000
10% Admissions Tax	\$42,840	\$47,600	\$52,360
6% Meals Tax	\$18,727	\$20,808	\$22,889
Stadium Rent	\$35,000	\$50,000	\$75,000
Total Revenue For Debt Service	\$316,567	\$378,408	\$450,249

Assuming a \$5.5 million investment repaid over 25 years at 3%, annual debt service would be about \$312,000.

END SECTION 3

SECTION 4 - OBTAINING A MINOR LEAGUE TEAM

Appalachian League

The Appalachian League (also known as the “Appy League”) is one of the sixteen domestic professional leagues that make up the National Association of Professional Baseball Leagues, Inc., also known as “Minor League Baseball” or “MiLB”². The leagues and teams that comprise MiLB are joined with Major League Baseball through the Professional Baseball Agreement (“PBA”) which dates back to 1903. MiLB Leagues are divided into seven classifications designed to provide an orderly progression of player development from Rookie level to Triple-A. The classifications are: Triple A, Double A, Class A-Advanced, Class A, Class A-Short Season, Rookie-Advanced, and Rookie. MiLB clubs have been successful in providing far more than baseball, but family entertainment venues for their entire communities. In 2017, MiLB games were attended by over 41 million patrons - more than the NFL and NBA combined.

The Rookie-Advanced and Rookie classifications operate differently than the other MiLB leagues in several respects. At the lowest rung of the ladder, the two domestic Rookie Leagues (Arizona League and Gulf Coast League) are operated by MLB Clubs at their Spring Training facilities for initial player development of newly signed professionals who are believed not yet ready for the higher levels. These Rookie leagues do not charge admission.

The Rookie-Advanced classification which includes the Appalachian League, has a unique role in the player development system. Unlike the higher classification leagues, all Appalachian League clubs are owned by a Major League Club and not by private owners. The MLB Clubs that own the franchise rights may choose to operate the Appalachian League club themselves or contract with a third party operator - which may be a private entity, a community entity, or the Town or stadium owner. The growing trend in the Appalachian League is toward private operators contracted by the MLB Club who attempt to maximize attendance, revenues, community outreach, and profitability.

Neither the Town nor the College would have any operational responsibilities for the Minor League Team (the College would still operate the facility for its own use as it currently does).

Appy League Clubs operate from mid to late-June through August playing a 68 game schedule - 34 home and 34 away games - plus a two week post season playoff to determine a League Champion. All clubs charge admissions, and sell concessions and advertising. Some Appy League Clubs also conduct non-baseball activities for their communities both during the season as well as in the off-season including concerts, festivals, camps and clinics (some in conjunction with local colleges and amateur leagues), and other activities.

² MiLB also includes the Mexican League and several foreign summer leagues which are not part of the affiliation system

Unlike the higher classifications, not every MLB Club is required to have a team at the Rookie - Advanced level. At the current time the 10 Appalachian League clubs and 8 Pioneer League clubs (the other Rookie-Advanced League) are owned by only 16 of the 30 MLB Clubs. Cincinnati and Kansas City own clubs in both the Appalachian and Pioneer Leagues. Therefore, 14 Major League Clubs do not at present own teams at this classification.

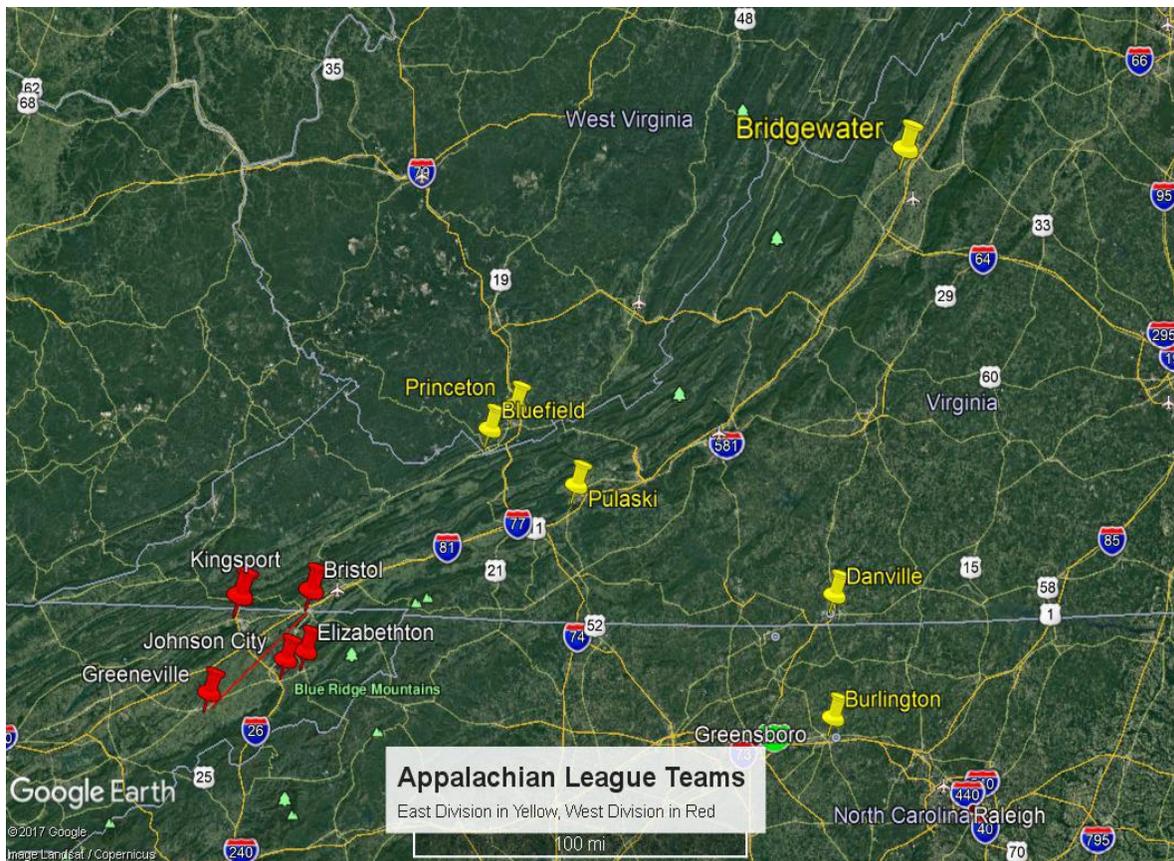
The Appalachian League is led by long time League President Lee Landers, who was named the 2017 “King of Baseball” at the annual Baseball Winter Meetings.

The ten clubs that currently comprise the Appalachian League are listed in FIGURE 4-1:

FIGURE 4-1 CURRENT APPALACHIAN LEAGUE TEAMS								
Team	Division	MLB Affiliate	Stadium Name	Stadium Capacity	Date Opened (Renovated)	Team Operated By	2017 Attendance (Total)	2017 Attendance (Average Per Date)
Pulaski	East	Yankees	Calfee Park	2,500	1935 (2015)	Private	77,880	2,360
Johnson City	West	St Louis	TVA Credit Union	3,800	1956	Private	65,202	1,976
Greeneville	West	Cincinnati	Pioneer Park	4,000	2004	Private	35,303	1,139
Danville	East	Atlanta	American Legion Field	2,588	1993	Atlanta	32,634	1,053
Burlington	East	Royals	Burlington Athletic Stadium	3,500	1960	Private	34,483	1,045
Kingsport	West	NY Mets	Hunter Wright	2,500	1995	NY Mets	29,742	901
Bluefield	East	Toronto	Bowen Field	3,000	1939 (1975)	Private	21,595	697
Bristol	West	Pittsburgh	Boyce Cox Field	2,000	1969	Volunteers	20,813	671
Elizabethton	West	Minneapolis	Joe O'Brien Field	2,000	1974	City	18,746	586
Princeton	East	Tampa	Hunnicut Field	1,700	1988 (1999)	Private	17,690	536

- Notes:**
1. Pulaski's stadium is privately owned and operated
 2. A new stadium is being considered by Bristol which would likely effect operator decision
 3. Elizabethton is currently exploring engaging a private operator
 4. 2018 will be the first year of operation for Cincinnati, who replaced the Houston Astros

The following map illustrates the locations of the ten current Appalachian League teams with Bridgewater also shown:



Bridgewater would logically fit into the East Division, which may require the addition of a second expansion team or a relocation of an existing team. Bridgewater's closest East Division club (Pulaski) is about 150 road miles away, about 2 hours 20 minutes on I-81. The longest trip for the Bridgewater team would be about 296 road miles to Greeneville (under 4 hours 30 minutes). For reference, Burlington's trip to Greeneville is about 265 miles (or just over 4 hours).

Obtaining An Appalachian League Team

Under Baseball Rules, no League or Club is permitted to explore an expansion or club relocation without first obtaining the prior written consent of Minor League Baseball. Factors considered by MiLB before granting such approval to explore include, but are not limited to (i) potential effect on any nearby MLB or MiLB clubs and leagues, (ii) whether player development would be enhanced, (iii) demographics of the proposed new location and whether the club would be financially successful, (iv) indication of preliminary governmental support for the exploration, and (v) preliminary information on quality of a home stadium that will comply with the *Minor League Facility Standards*,

In conformance with these Baseball Rules no conversations with any MiLB or MLB Club or League specifically related to a team in Bridgewater have as yet taken place. However, publicly available

information as well as general conversations with MiLB and the Appalachian League have indicated that the League may have an interest in exploring new possible locations for teams.

We have verified with Minor League Baseball that no territorial rights of any other Club or League would be effected by the establishment of a team in Bridgewater.

We further take note that earlier this year the Houston Astros announced that a change in their player development philosophy meant that they did not wish to continue with their Greeneville club in the Appalachian League. Immediately, at least five other MLB Clubs expressed an interest in replacing the Astros. A lottery was held by the Commissioner's Office in which the Cincinnati Reds were selected to be the replacement owner of the Greeneville club.

The significance of the foregoing for Bridgewater is that the high level of interest by multiple MLB Clubs to join the Appalachian League opens the possibility of the League expanding, thereby making at least two expansion franchises available. In addition, it is also possible that an existing Appalachian League club may be available for relocation to Bridgewater. Although under the rules of Baseball no Minor League Club is permitted to break its lease or contractual stadium obligations in order to relocate, our investigation has indicated that there are several Appalachian League clubs that will be unencumbered and therefore free to explore relocation within the next few years. We do not have any information at this time whether such clubs would have a desire to explore relocation.

Should Bridgewater desire to proceed with the exploration of obtaining a Minor League team, Bridgewater would write to the President of Minor League Baseball requesting his advice and assistance in obtaining a Minor League team. The letter would include information in support of the request, largely derived from this Report. This request would start the process of MiLB review with Major League Baseball and the Appalachian League. If the request is approved, a site visit would follow.

Although there is no fixed timetable for the internal Baseball process, typically permission to explore may be obtained in a 30 to 60 day period. However, in some cases the process may take longer and the permission to explore may include conditions such as setting a time window and/or limiting the individuals who may participate from the League and its current teams. It is also routine for all parties to be advised that publicity surrounding the exploration should be limited while negotiations are proceeding.

Once permission to explore is granted the parties would negotiate a non-binding Letter of Intent ("LOI") between the Town (and/or College) and the Appalachian League or a member Club. The LOI would set forth the intentions of the parties to have an Appalachian League team in Bridgewater playing in a renovated Bridgewater College Field and the business terms related thereto. The LOI would also specify the conditions that must be satisfied before the transaction would be finalized, including (a) obtaining all approvals from the Town of Bridgewater and Baseball authorities, (b) verifying the cost of the renovation, (c) obtaining financing, (d) securing the necessary Naming Rights and Sponsorship Agreements to repay the renovation costs, and (e) negotiation of Definitive Documents among the parties. Should Bridgewater not be satisfied that all conditions have been met the transaction would not be consummated and no construction would occur.

END SECTION 4

ATTACHMENT A BACKGROUND INFORMATION – GREAT CIRCLE MANAGEMENT

Great Circle Management Company (an affiliate of Opening Day Partners) has been providing consulting and development services to the Baseball industry since 1982. We have consulted with cities looking to obtain teams, Major League and Minor League Clubs, and the Office of Commissioner of Baseball – among other clients. In addition, Great Circle has developed fifteen minor league ballparks to date. Seven of these ballparks were developed for ODP teams and eight were developed for municipalities or other team Clients.

Great Circle ballparks bring award winning designs, but also the benefit of decades of real world hands-on experience in operating and maintaining (through our affiliate Opening Day Partners) – something no architectural firm, regardless of experience, can bring.

We also provide expertise in advising Clients on code issues, both to assure compliance with the *Baseball Facility Standards* as well as various building and life safety codes relating to Stadiums. Our extensive relationships with suppliers of baseball specific elements such as scoreboards, seats, sound systems, clubhouse equipment, screens and backstop netting, and other items can save the project hundreds of thousands of dollars in purchases, or more.

All work under this proposal will be directed by Peter Kirk, chairman of Great Circle. Phase 1 design services relating to the renovation of Bridgewater College Field will be provided by Trish England, R.A., who is an architect licensed to practice in Virginia. Other staff of Great Circle and ODP will participate as needed. Additional information is available on our website: www.OpeningDayPartners.com

GREAT CIRCLE PRINCIPALS



Peter Kirk, Chairman

Peter is one of the best-known executives in minor league baseball. After 30 years as an active owner/operator of minor league baseball teams and developer of minor league ballparks throughout the country, Peter, as chairman of Great Circle Management Company is providing consulting services to communities, land owners, and teams relating to stadiums and minor league baseball.

Peter served two terms as chairman of the Board of Trustees of the governing body of minor league baseball, and chaired its Finance and Double-A Expansion committees. He also served as a member of the 14-person Committee that governed Major League/Minor League Baseball in the absence of a Commissioner of Baseball following the departure of Commissioner Fay Vincent in 1993. He has consulted with numerous major and minor league clubs and for communities worldwide seeking to obtain minor league teams and stadiums.

Peter holds a master's degree in electrical engineering from Cornell University and a law degree from George Washington University. He has served on the Boards of Maryland Special Olympics and the Babe Ruth Museum. He also has experience in commercial real estate development, public transportation (including work on DFW's people mover system), and with Walt Disney Productions prior to his involvement in Baseball, which began in 1982.



Brooks Robinson, Partner and Member, Baseball Hall of Fame

Brooks loves minor league baseball and what it does for communities, fans, and players alike. He has been instrumental to Great Circle and Opening Day Partners in the areas of community relations and development as well as with baseball operations. Brooks Robinson Plaza at PeoplesBank Park in York, Pennsylvania (an ODP/Great Circle Stadium project) features a bronze statue of Brooks as a player for the York White Roses, the Orioles affiliate in York, PA, where Brooks made his professional debut in 1955.

For 23 years, from the time he first came up in the Orioles system in 1955 until he retired as a player in 1977, Brooks Robinson added a new dimension to the position he played with such skill and such flare and contributed so many priceless intangibles that gave a new meaning to Baltimore Orioles baseball. For a quarter of a century, the Orioles had the best record in all of baseball. It was no mere coincidence that the winning tradition AND the Brooks Robinson era began at just about the same time. His landslide election to baseball's prestigious Hall of Fame on the first ballot in 1983 was a vivid illustration that Brooks Robinson is not simply a Baltimore institution. He is, in truth, respected and beloved throughout this country and beyond. In 1999 Brooks Robinson was named to the All Century Team - honoring the best 25 players in baseball during the 20th century! Brooks currently serves as President of the Major League Baseball Players Alumni Association. Today, Brooks Robinson is a highly acclaimed motivational speaker. He makes numerous appearances around the country at corporate seminars and events. He also stays in close contact with the baseball community



Trish England, R.A, Sports Architect

Trish England has been practicing architecture for over thirty years. She began specializing in the design of baseball stadiums in 1992. Since then, she has directed the planning and design of fourteen stadiums, and currently provides specialized consulting services to sports clients. She offers expertise in the evaluation of the functional and aesthetic aspects of design, practical recommendations in the selection of appropriate architectural and engineering systems from the standpoint of cost, operation

and maintenance, as well as new and creative concepts to maximize the fan experience,.

Trish holds a Master of Architecture degree from Harvard University Graduate School of Design, and a B. A. in Mathematics and Art from Rosemont College. She is a registered architect in Virginia, Pennsylvania, Maryland, and Texas, as well as holding an NCARB Certification.

Professional awards include the Trailblazer Award, Agenda for Delaware Women and Entrepreneurial Woman of the Year, Delaware Business Review



Emily Merrill, Controller

Emily Merrill is responsible for accounting and contract administration for Great Circle. She is also responsible for maintaining cost accounting for project management assignments. Prior to joining Great Circle, Emily served as Controller for the Round Rock Express, the Double-A affiliate of the Houston Astros, and one of the most successful minor league teams in the country. Emily joined the Express prior to construction of their ballpark and was responsible for setting up and maintaining all financial and accounting operations.

Emily is a graduate of the University of Richmond and has been involved in accounting and administration in numerous industries before becoming involved in baseball.