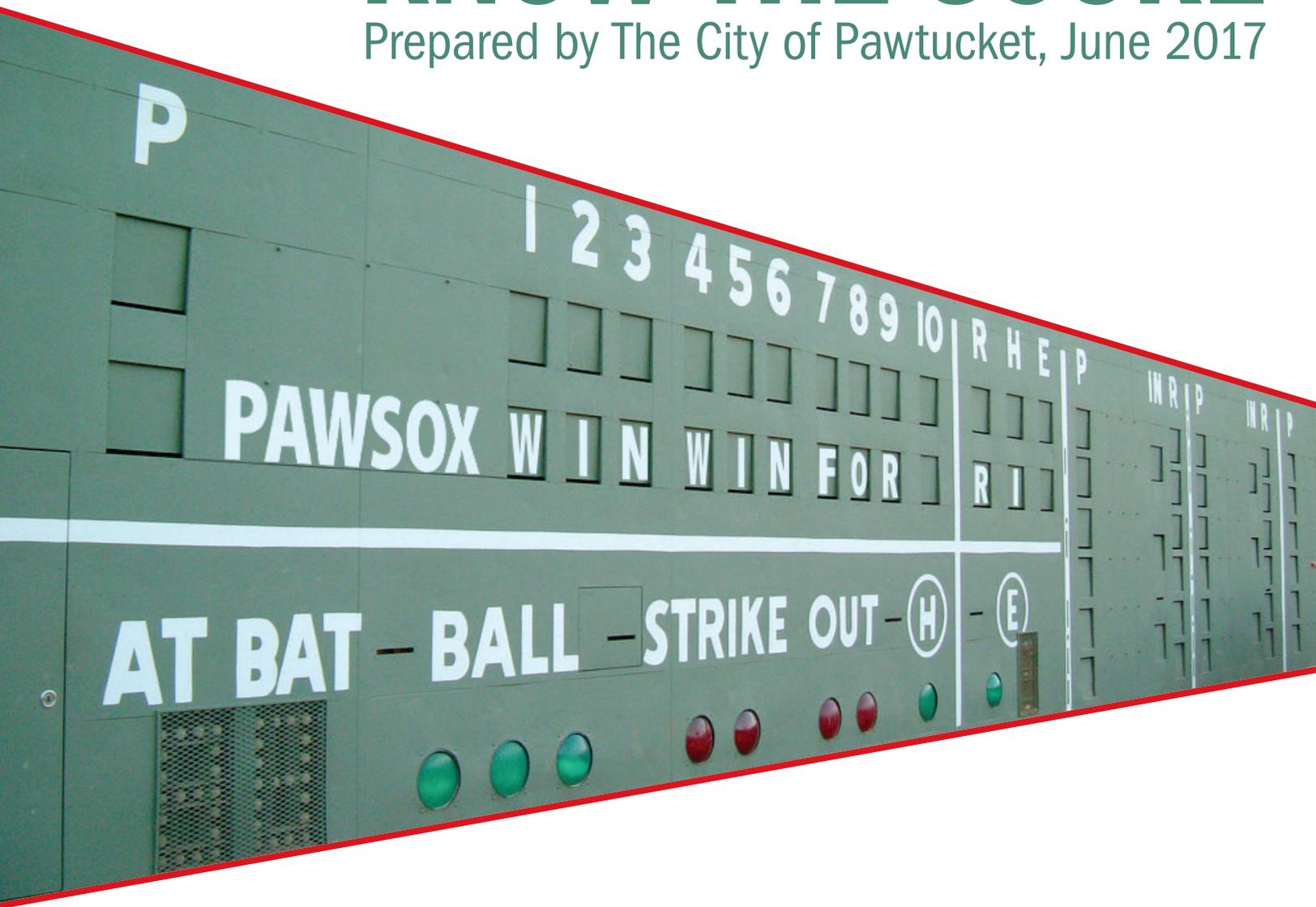


THE BALLPARK AT SLATER MILL:

KNOW THE SCORE

Prepared by The City of Pawtucket, June 2017



In perspective:

“This project has to be the most misunderstood project in Rhode Island history. Pawtucket and the Blackstone Valley have an opportunity to build the Ballpark at Slater Mill at NO expense to the taxpayers. The PawSox will put up the majority of the money to pay for construction. The public portion will be entirely self supporting from revenues generated from the Ballpark and will not require any new or additional tax burdens on the taxpayers of Rhode Island. The total cost to the State averages out at \$1.4 million per year, while the state already receives \$1.9 per year in revenue from our existing facility- let alone what will be generated from a brand new ballpark in a much better location. If we allow the PawSox to leave, we immediately would lose almost \$2 million per year in state revenues and further, allow for the continued economic decline affecting our great City. I’m respectfully asking everyone to ‘know the score’ - this is a huge win for all Rhode Islanders, and we cannot let it slip away.”

— Mayor Donald R. Grebien



THE BALLPARK AT SLATER MILL:

Know the Score

? WHAT IS BEING PROPOSED?

- ◆ The 10,000 capacity Ballpark at Slater Mill will have the same playing field dimensions as iconic Fenway Park.
- ◆ The Ballpark will be a 'Park in the Park' that is accessible year round to the public. The publicly-owned Ballpark will serve as an outdoor convention center that will host a range of community events, including ice skating, college football, farmers' markets and concerts.
- ◆ The PawSox' \$45 million contribution will be the largest single private investment in the history of Pawtucket.

? HOW MUCH WILL IT COST?

- ◆ The total Project budget is \$83 million, consisting of the Ballpark (\$73 million), land acquisition and site costs (\$10 million).
- ◆ The PawSox will be entirely responsible for Ballpark construction cost overruns. The City of Pawtucket (the "City") will be responsible for land acquisition.

? WHO WILL PAY FOR IT?

- ◆ The PawSox will fund the majority of the Ballpark costs through its \$45 million investment (54% of the total Project cost).
 - \$12 million of the \$45 million PawSox investment will come directly from PawSox owner equity contributions.
 - \$33 million of the \$45 million PawSox investment will be in the form of rent and naming rights, paid to fund debt service on bonds issued by the Pawtucket Redevelopment Agency ("PRA"). Payments by the PawSox will average \$2.1 million per year.
- ◆ The State will fund \$23 million of Ballpark costs (28% of the total Project cost) through PRA bonds.
 - Payments for this bond will come from taxes generated by the Ballpark. The average annual payment will be \$1.4 million. This payment is well below the existing revenues sent to the State from McCoy Stadium today, and substantially lower than the tax revenues a new Ballpark would generate.

? WHO WILL PAY FOR IT? (CONTINUED)

- ◆ The City will fund \$15 million total: \$5 million for the Ballpark and \$10 million for site costs (18% of the total Project budget). This amount will be financed through PRA bonds.
 - The City and State have agreed that the City's \$950,000 annual average debt service will be funded by Ballpark related taxes and Mixed Use Project tax incremental revenues.

? WHO WILL OWN IT? WHO WILL OPERATE IT?

- ◆ The City will own the Ballpark, as it does now.
- ◆ The State will lease the Ballpark from the City, as it does now.
- ◆ The State will sublease the Ballpark to the PawSox, who will run the Ballpark on a year-round basis, as it does now.
 - The PawSox will sign a 30 year sublease agreement that keeps the PawSox in Pawtucket through the year 2050.
 - The PawSox will pay for all Ballpark expenses, other than costs related to City events and certain security and firefighting costs, to be shared with the City.

? IS THERE ANY RISK?

- ◆ The risk is minimal. The PawSox have been successfully operating for 43 years and presently bring in more revenue to the State than what is being requested to build the new Ballpark. Plus every city that has built a new ballpark in the International League over the past decade has seen major growth.
- ◆ The greatest risk in these projects are construction overruns, and they are being fully guaranteed by the PawSox.

? IS THERE ANYTHING ELSE?

- ◆ The PawSox, through the newly formed Prospect Development Group, intend to undertake new development around the Ballpark and have pledged capital to this effort.
- ◆ The area includes the entire 23.5 acre Ballpark/ Division Street waterfront parcels.

38 Studios was a Strikeout for Rhode Island

A Ballpark at Slater Mill is a HOME RUN:

Know the Difference

	38 STUDIOS	A BALLPARK AT SLATER MILL
Project	Relocation of a 3 year old start-up company in a volatile industry	Replacement of a bricks and mortar public asset, to be built with sizeable private investment, to stabilize and make sustainable long term the 100+ year history of Triple-A baseball. (New public facility will replace 75 year old McCoy Stadium, the oldest in all of Triple-A baseball.)
People/Partners	Inexperienced former baseball player entering the high-risk video game industry	Experienced Major League Baseball executives and a prominent Rhode Island ownership group trying to secure the PawSox in Rhode Island for another 30 years
Ownership	Privately-owned company	Ballpark would be publicly owned by the City
Process/Review	Almost none; behind closed doors	18 months of extensive State, City, and Team collaboration; extensive public debate in advance
State Risk	Extremely high	Minimal, as the project will be revenue positive from the start and feature multiple layers of protection for taxpayers. PawSox have successful 43 year track record in Rhode Island and baseball is a well-established and stable industry.
Protections Against Special Risk	None	PawSox will pay for any ballpark construction cost overruns
State Investment	Full \$75 million loan guarantee; with no tangible asset at the end or security up front	\$23 million investment, with an average debt service of \$1.4 million per year over 30 years that is more than paid for by annual state tax revenues from the Ballpark operations alone
Jobs	Existing 170 Promised <u>370</u> 540 jobs	Construction 438 Annual 481 Ancillary Development <u>832</u> 1,751 jobs
Catalytic Effect	Long-shot opportunity to bring a video game business into Rhode Island	A real opportunity to revitalize the Pawtucket downtown and waterfront. A true gateway to the Blackstone Valley.
Perspective	<p>“I appreciate fiscal conservatism. Therefore, it seems to me important for someone like me to explain why I favor public cooperation in building a ballpark. The reason is simple. Government has no business going into business. Government does have, and for two centuries in this country has had, a vital role in providing the infrastructure that makes business possible. No one in the world objects to the fact that a city builds an airport so that private entities – American, United, Delta, Southwest Airlines – can serve that city. The same is true with the ballpark. All that is being provided is the basic physical infrastructure that will become productive through a private business, generating tax revenues to make the community flourish.”</p> <p style="text-align: center;">– George F. Will, author and commentator, in July, 1999 interview [Reaffirmed in May 2017]</p>	

BALLPARK COMPARISON:

2015 PROVIDENCE PROPOSAL vs. 2017 PAWTUCKET PROPOSAL:

Know the Difference

The City of Pawtucket, the Pawtucket Red Sox, and the Rhode Island Commerce Corporation, following extensive meetings and negotiations over the last five months, have agreed on a proposed framework to finance a new ballpark at Slater Mill in Pawtucket that is vastly better for the public than the 2015 Providence proposal.

2015 – PROVIDENCE	CATEGORY	2017 – PAWTUCKET
\$85 million	Ballpark & Land Budget	\$83 million
Private	Ballpark Ownership	Public
To Be Shared	Risk of Construction Overruns	Team
\$17 million	Team Contributions	\$45 million
Team 20% (\$17 million) State: 80% (\$68 million) City: 0% (\$0)	Ballpark Funding Ratio	Team: 54% (\$45 million) State: 28% (\$23 million) City: 18% (\$15 million)
Revenue negative to the State	State Net Revenue Impact	Revenue positive to the State
Team use and select other sporting events	Uses	Public park open to the public, with year-round event calendar
State	Bond Issuing Entity	City (through the Pawtucket Redevelopment Agency)
Ballpark was part of already-existing mixed use development plan; no new commitments from the Team	Ancillary Development	Ballpark is the catalyst for mixed use development, with the Team leading development efforts
Unilaterally proposed by the Team	Process	Product of extensive and collaborative discussions with the City and Commerce Corporation