
SENATE COMMITTEE ON FINANCE

NOTICE OF MEETING

DATE: Wednesday, October 11, 2017
TIME: 6:00 PM
PLACE: Media Presentation Theatre
New England Institute of Technology
1 New England Tech Blvd., E. Greenwich, RI 02818

SCHEDULED FOR HEARING

Senate Bill No. 990

BY Conley, Nesselbush, Crowley, Doyle

ENTITLED, AN ACT RELATING TO TOWNS AND CITIES -- REDEVELOPMENT AGENCIES AND PROJECTS {LC2858/1} (Permits redevelopment agencies to finance the construction of projects for residential, recreational, commercial, industrial, institutional, public, or other purposes contemplated by a redevelopment plan.)

06/27/2017 Introduced, referred to Senate Finance

09/08/2017 Scheduled for hearing

09/14/2017 Committee heard

09/22/2017 Scheduled for hearing

09/26/2017 Committee heard

09/29/2017 Scheduled for hearing

10/03/2017 Committee heard

10/06/2017 Scheduled for hearing



Senate Resolution No. 989

BY Conley, Nesselbush, Crowley, Doyle

ENTITLED, JOINT RESOLUTION AUTHORIZING THE STATE TO ENTER INTO FINANCING LEASE AND PAYMENT AGREEMENTS IN CONNECTION WITH THE CONSTRUCTION OF A BALLPARK IN THE CITY OF PAWTUCKET {LC2857/1}

06/27/2017 Introduced, referred to Senate Finance

09/08/2017 Scheduled for hearing

09/14/2017 Committee heard

09/22/2017 Scheduled for hearing

09/26/2017 Committee heard

09/29/2017 Scheduled for hearing

10/03/2017 Committee heard

10/06/2017 Scheduled for hearing



Meeting Agenda 4 of 7

Chairman Conley will provide a brief overview of the Senate Finance Committee's remaining hearing process.

6:00-8:00 PM:

Invited testimony to be provided by:

- General Treasurer Seth Magaziner
- Public Resources Advisory Group (PRAG)
- CommerceRI
- Department of Environmental Management
- Sage Environmental
- Rhode Island Infrastructure Bank

8:00 – 10:00 PM:

Public comment

Note: Due to time constraints associated with the venue, this hearing is limited to four hours. Public testimony will be taken in the order that individuals sign up. Speaking time will be allocated equally and will be dependent upon the number of individuals signed up to speak. In recognition of this, the submission of written testimony is encouraged, either at the Committee's designated website (www.pawsoxhearings.com) or in person at the hearing. If submitting written testimony at the hearing, please bring 20 copies for the Committee. Sign-in for the public comment portion of the hearing will begin at 5:30 PM in the Media Presentation Theatre. Public Parking will be available at the New England Institute of Technology—East Greenwich Campus parking lots, except for posted reserved spaces.

Jamie Plume
Committee Clerk
276-5584
jplume@rilegislature.gov

POSTED: FRIDAY, OCTOBER 6, 2017, 3:44 PM



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
 RHODE ISLAND SENATE
 COMMITTEE ON FINANCE

JAMIE PLUME, Committee Clerk

SIGN-UP TO DELIVER TESTIMONY TO THE COMMITTEE

BILL INFORMATION

Bill Number: 5990 and/or 5989 Bill Sponsor: Conley

Bill Title: Pawtucket Red Sox stadium hearing series : 4 of 7

COMMITTEE MEETING INFORMATION

Date: 10/11/2017 Time of Meeting: 6 PM Meeting Location: Media Presentation Theatre @ NEIT

| NAME | ORGANIZATION REPRESENTING / RESIDENCE | SUPPORT | OPPOSE |
|--------------------------|---|-------------------------------------|-------------------------------------|
| JAN MEZARD | RT INTERSCHLASSICH | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| VED PAWARELLO | COVENTRY | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Row St. Pierret | EW | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| JOHN ROZANSKI | COVENTRY RESIDENT & EMPLOYEE | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| JOHN ARCARO | Pawtucket TAXPAYER | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Khrystyne Bento | PAWTUCKET MINORITY TAXPAYER | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| LYNN FARINELLI | PAWT | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| JOHN KELLY | MEETING STREET | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| PEPE BAZIOTIS | CRANSTON Resident | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| GENE RAYNOR | PROTECNICO / RINDGE, N.H. | <input type="checkbox"/> | <input type="checkbox"/> |
| GARY MONNIER | WARWICK | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| GARY GILSTEIN | WARWICK | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| JIM O'NEILL | South Kingstown | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| John Cardullo | Printing Association | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Richard Carriere | EG | <input checked="" type="checkbox"/> | <input type="checkbox"/> |



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
 RHODE ISLAND SENATE
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| NAME | ORGANIZATION REPRESENTING / RESIDENCE | SUPPORT | OPPOSE |
|-------------------------|---------------------------------------|-------------------------------------|-------------------------------------|
| <u>Nick Siro</u> | <u>Pawsox</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <u>James Pilkington</u> | <u>Pawsox</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <u>Tom Westgate</u> | <u>CPA</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <u>ERDIE SILVA</u> | <u>PAWSOX</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <u>Stacia Hugler</u> | <u>Pawsox</u> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <u>Tom Markey</u> | <u>North Providence</u> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <u>DAVID GAETANO</u> | <u>EAST GREENWICH</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <u>Ranball egg</u> | <u>Operation Gear Gear</u> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <u>Paul D'Amato</u> | <u>RI Distributing/Personal</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <u>Joe Jacobs</u> | <u>Pawsox</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
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MICHAEL P. DONEGAN

Orson and Brusini Ltd. located at 144 Wayland Avenue, Providence, RI 02906
Cell: (401) 641-2800 • Office: 401-231-2100
mdonegan@orsonandbrusini.com

PROFESSIONAL PROFILE

- Representation of public and private corporate clients in all areas of environmental law, including federal, state and local permitting associated with major commercial, industrial and manufacturing facilities; site remediation associated with soil, groundwater and natural resources; federal and state Brownfields site remediation and redevelopment; matters involving hazardous and solid waste management and waste disposal; matters involving water and air discharge; land-use planning and development; freshwater and coastal wetlands and matters involving regulatory compliance, enforcement and litigation.
 - Representation includes providing advice and counsel to clients on all manner of permitting and environmental compliance matters relating to real estate transactions, financing and corporate sales, mergers and acquisitions.
 - Extensive experience in the permitting, development and financing of energy projects, including those before the Rhode Island Energy Facilities Siting Board.
 - Broad representation of clients in the permitting, development and financing of alternative and Green energy projects.
-

PROFESSIONAL EXPERIENCE

- | | |
|--------------------|--|
| 01/2013 to Current | ORSON AND BRUSINI LTD. — Providence, RI Partner Chairman of the firm's Environmental Law Practice Group |
| 01/1999 to 12/2012 | DONEGAN & ASSOCIATES, LTD — Providence, RI Partner Founder full-service environmental practice firm |
| 06/1992 to 01/1999 | MCGOVERN, NOEL & BENIK — Providence, RI Partner Co-Chairman of the Environmental Law Practice Group Member of the firm's Management Committee |
| 10/1987 to 06/1992 | HINCKLEY, ALLEN & SNYDER — Providence/Boston Associate Attorney in the Environmental Practice Group |
-

EDUCATION

University of Pennsylvania Law School, J.D. (1987)
Philadelphia, PA

Dartmouth College, B.A. English (1984)
Hanover, NH

HONORS AND ASSOCIATIONS

- Consistently rated by Martindale-Hubbell as an "AV Preeminent" attorney in the field of Environmental Law for the last 25 years. Lawyers with an AV Preeminent rating from Martindale-Hubbell are those who have been recognized by their peers for excellence in both legal ability and ethical practice.
 - Member of the R.I. Bar Association Environmental Law Committee
 - Member of the R.I. Society of Environmental Professionals
 - Participant in activities of the R.I. Environmental Business Council
-

PUBLICATIONS AND LECTURES

- Senior Editor of The R.I. Environmental Law Handbook
- Frequent lecturer on environmental law topics

ACTIVITIES AND INTERESTS

- Chairman of the Planning Board for the Town of East Greenwich, RI
- Former member of the Conservation Commission for the Town of East Greenwich, RI
- Member of the Dartmouth College Alumni Club
- Former District Enrollment Director for Dartmouth College
- Member of the University of Pennsylvania Law School Alumni Club
- Coach of the East Greenwich High School Debate Team
- Coach of the East Greenwich High School Model United Nations Club
- Coach of the Archie R. Cole Middle School Mock Trial Team for six years



PAWTUCKET RED SOX BASEBALL CLUB, INC.

The Honorable William J. Conley, Jr.
Chairman
Senate Fiscal Office
State House, Room 117
Providence, Rhode Island 02903

October 6, 2017

Mr. Chairman and Honorable Members of the Senate Finance Committee:

At your request, we are providing certain materials related to the financial wellbeing of the Pawtucket Red Sox:

- 1) Written statement from independent auditors, which includes the following information:
 - a. Pawtucket Red Sox have received audited financial statements since 2015
 - b. Unqualified opinion on the 2016 audited financial statements
 - c. No "going concern" issue as of December 31, 2016
- 2) Pawtucket Red Sox reported attendance, including International League rankings and Pawtucket Red Sox sellout trends; and
- 3) Pawtucket Red Sox revenue trends.

Regarding your request of prospective revenue trends, please note that the attendance information in the Brailsford & Dunlavey economic impact study that was prepared in April of 2017 is based on assumptions made by the Pawtucket Red Sox. Those assumptions were based on historical attendance information as well as that provided by peers in the Triple-A level.

We have already asked that Minor League Baseball and the International League provide league-wide information, relating in particular to team performance in a new ballpark as well as attendance trends of other organizations with new ballparks. We will share those materials when they are compiled and supplied to us.

Sincerely,

Kimberly Mmer, Esq.
Senior Vice President/Club Counsel

Joseph Goldberg, CPA
Senior Vice President/Chief Financial Officer

McCOY STADIUM, BEN MONDOR WAY, P.O. BOX 2365, PAWTUCKET, RI 02861

TRIPLE-A AFFILIATE OF THE BOSTON RED SOX

WWW.PAWSOX.COM • INFO@PAWSOX.COM

PHONE: (401) 724-7300

FAX: (401) 724-2140





SANSIVERI, KIMBALL & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS ADVISORS

October 2, 2017

Mr. Jeffrey White, Treasurer
Mr. Joseph Goldberg, Chief Financial Officer/Senior Vice President
Pawtucket Red Sox Baseball Club, LLC
P.O. Box 2365
Pawtucket, RI 02861

Dear Mr. White:

You have asked that we provide certain information in connection with Rhode Island Senate and House hearings that are currently being held with respect to potential financing for a new stadium in Pawtucket, Rhode Island.

By way of introduction, I am a Certified Public Accountant licensed in the State of Rhode Island and the Commonwealth of Massachusetts. I have been practicing in CPA firms for almost 40 years. Over that period of time, I have been a partner with various CPA firms in Rhode Island including Suls Westgate & Parente LLP, CCR LLP, Grant Thornton LLP and now currently with Sansiveri, Kimball & Co., LLP.

The Pawtucket Red Sox Baseball Club has been a client of Sansiveri, Kimball & Co., LLP since 2014. We have been performing audits for the baseball club since the acquisition of the club by the new ownership group in February 2015. I have been the audit partner responsible for the performance of the audits since 2015. We have a team of CPAs that work on performing these audits.

Management of the baseball club has given us full access to their books and records to enable us to perform our audit procedures. Our work is primarily performed on site at the company offices located at McCoy Stadium.

Our audits involve performing procedures to obtain audit evidence supporting the amounts recorded and the disclosures made in the financial statements. Our audits also included evaluating the appropriateness of accounting policies used by the entity and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

For the most recent year 2016, we expressed an opinion that the consolidated financial statements, which were comprised of the consolidated balance sheet as of December 31, 2016, and the related consolidated statements of operations and members' equity and cash flows for the year ended

Mr. Jeffrey White, Treasurer
Mr. Joseph Goldberg, Chief Financial Officer/Senior Vice President
Pawtucket Red Sox Baseball Club, LLC
October 2, 2017
Page 2

December 31, 2016, presented fairly, in all material respects, the financial position of Pawtucket Red Sox Baseball Club, LLC and its parent entity, PBC Associates, LLC, as of December 31, 2016 and the results of their operations and their cash flows for the year ended December 31, 2016. This type of audit opinion is referred to as an unmodified opinion.

Under Generally Accepted Accounting Principles in the United States of America, financial statements are prepared on the presumption that the company to which they relate will continue in existence unless and until the company's liquidation is imminent. However, even when the going concern basis of accounting is appropriate, there may be conditions and events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern. Management has a responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related disclosures in the financial statements in the event that substantial doubt exists relating to the entity's ability to continue as a going concern. Management's evaluation is to be based on an assessment of the effect of known and reasonably knowable conditions and events at the date the financial statements are available to be issued for a period one year after that date. The 2016 financial statements of the Pawtucket Red Sox baseball club and its parent entity were available to be issued on May 12, 2017.

The auditor's objectives with respect to going concern considerations are to (a) obtain sufficient appropriate audit evidence regarding, and conclude on, the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements, (b) conclude, based on the audit evidence obtained, on whether substantial doubt about an entity's ability to continue as a going concern for a reasonable period of time, as defined in U. S. Auditing Standards, exists, (c) evaluate possible effects on the financial statements, such as the adequacy of disclosure regarding an entity's ability to continue as a going concern for a reasonable period of time, and (d) issue an auditor's report in accordance with the auditing standards generally accepted in the United States of America.

Management has determined that the use of the going concern basis of accounting for the year ended December 31, 2016 was appropriate because, in their opinion, there was no substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time. In issuing our auditors' report for the year ended December 31, 2016, as noted above, we issued an unmodified opinion on the 2016 financial results, and we concurred with management's assessment that there was no substantial doubt as to the entity's ability to continue as a going concern for a reasonable period of time and that the use of the going concern basis of accounting for the year ended December 31, 2016 was appropriate.

Sincerely,

Catherine M. Parente

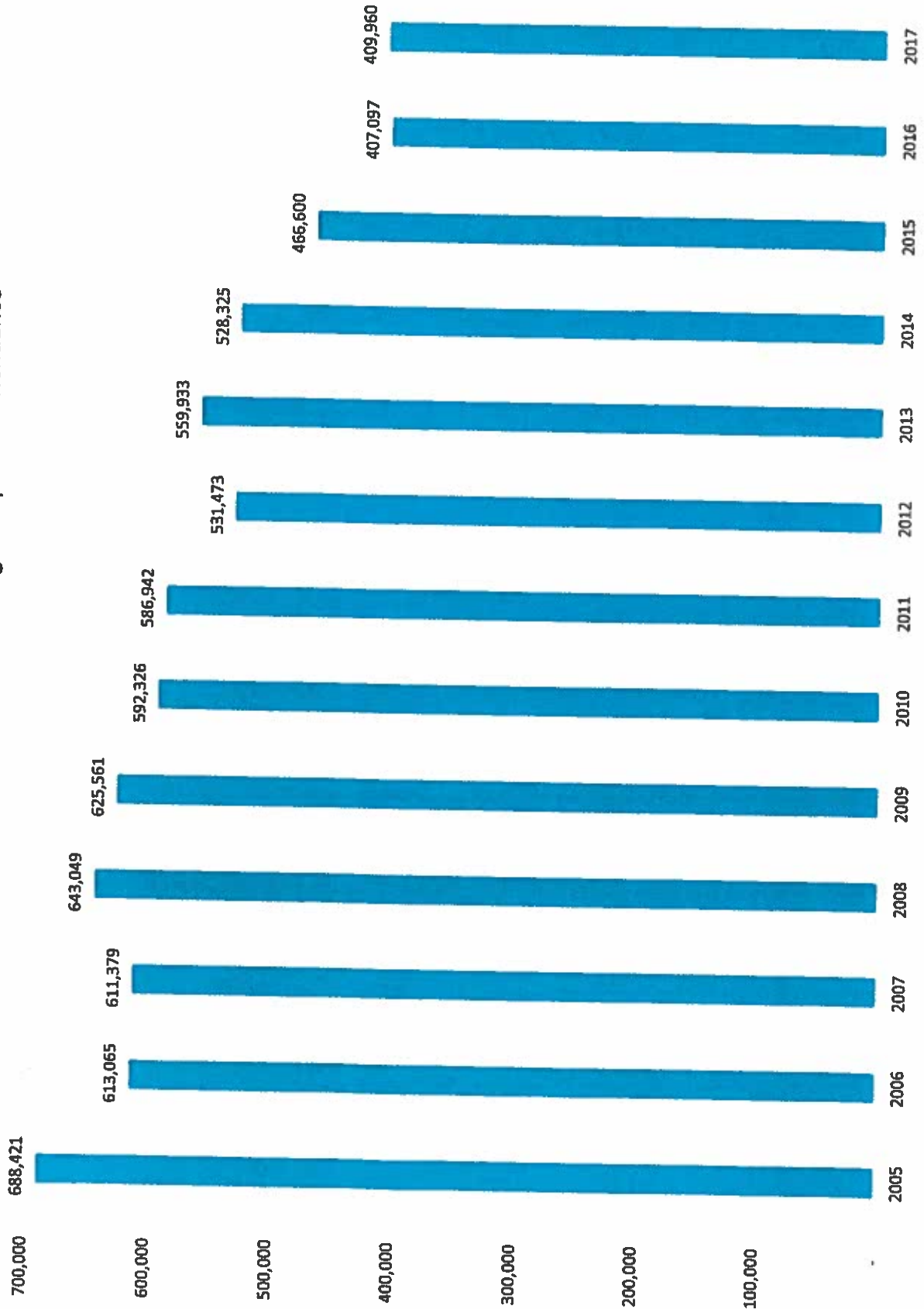
Catherine M. Parente, CPA/ABV/CFF, CVA, CFE, MAFF
Partner

**Pawtucket Red Sox Baseball
International League Reported Attendance 2005-2017**

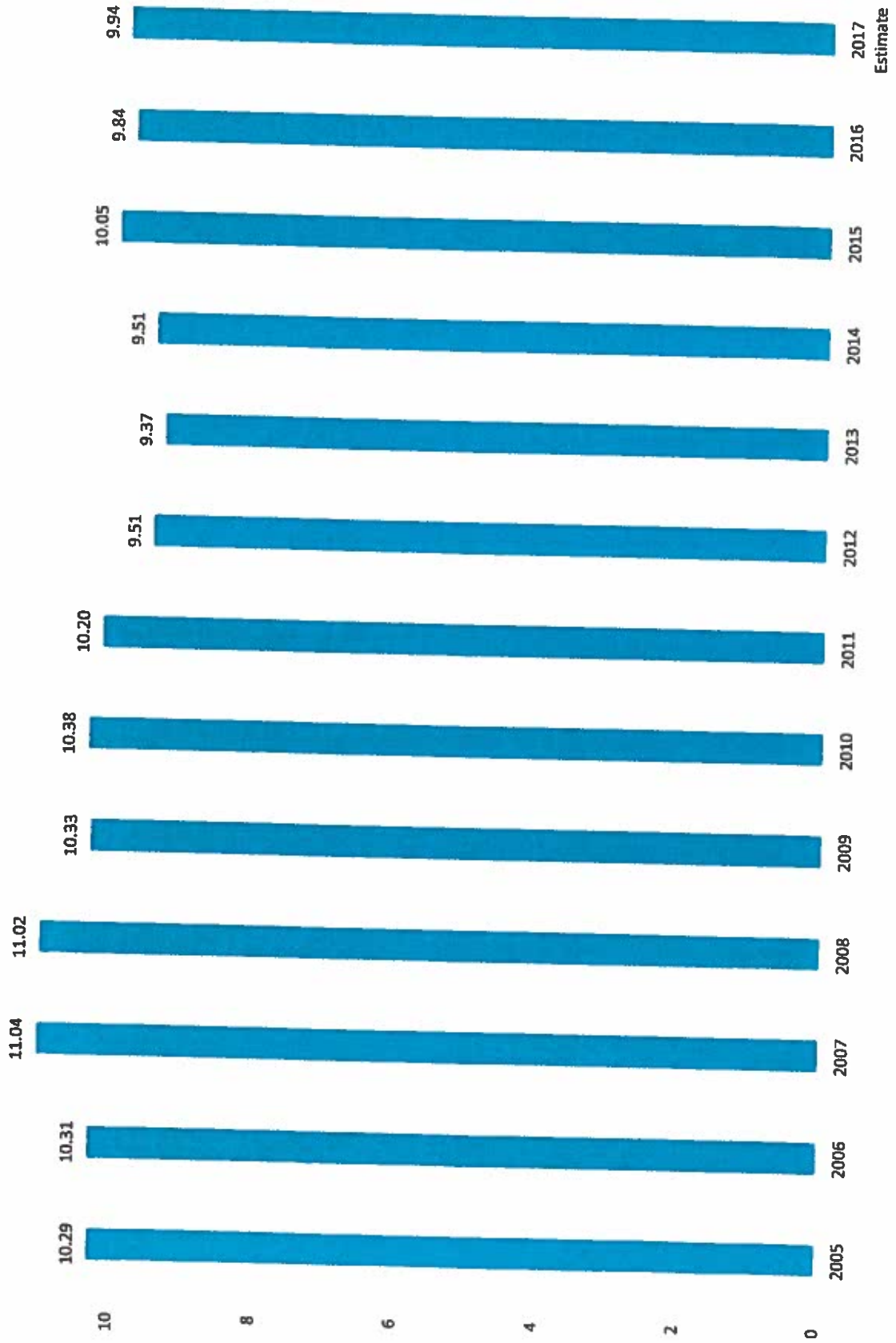
| Year | Attendance (1) | International League Ranking | Number of Sellouts |
|-------------|-----------------------|-------------------------------------|---------------------------|
| 2005 | 688,421 | 1 | 17 |
| 2006 | 613,065 | 2 | 13 |
| 2007 | 611,379 | 2 | 11 |
| 2008 | 643,049 | 1 | 15 |
| 2009 | 625,561 | 3 | 10 |
| 2010 | 592,326 | 4 | 11 |
| 2011 | 586,942 | 4 | 6 |
| 2012 | 531,473 | 6 | 4 |
| 2013 | 559,933 | 7 | 5 |
| 2014 | 528,325 | 9 | 4 |
| 2015 | 466,600 | 9 | 7 |
| 2016 | 407,097 | 11 | 5 |
| 2017 | 409,960 | 11 | 11 |

(1) Depicted in bar graph form on the following page

Pawtucket Red Sox International League Reported Attendance



Pawtucket Red Sox Revenue Trend (in Millions)



Estimate

0%=PROBABILITY THAT THE PAW SOX WILL STAY IN RHODE ISLAND LONG TERM IF A NEW STADIUM IS NOT BUILT
.....

\$23 MILLION=AMOUNT RHODE ISLAND ASKED TO FUND

\$45 MILLION=INVESTMENT FROM THE PAW SOX
.....

\$2 MILLION = CURRENT TAXES COLLECTED BY RHODE ISLAND

\$60 MILLION= TAXES OVER A 30 YEAR PERIOD
.....

State of Rhode Island Senate Finance Committee

New England Tech; October 11, 2017 THOMAS J. WESTGATE CPA/ABV, CVA, MFFA

**\$37 MILLION = MONEY LOST
TO RHODE ISLAND WITHOUT
THE PAW SOX**

(\$60,000,000 - \$23,000,000)