

“If You Build It, Will They Come?”

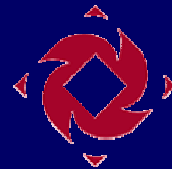
January 24, 2002

“Avoiding Obsolescence”

Presented by

Christopher S. Dunlavey, AIA

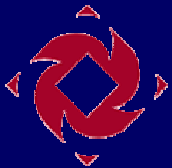
President



BRAILSFORD & DUNLAVEY

The Essence of Viability

- “If You Build It, Will They Come?”
 - The Anchor Tenant – the Team
 - The Other Events
 - The Fans
- If They Come, Will They Stay?
- Planning the facility for the current trend
- Matching the right tenant to the market



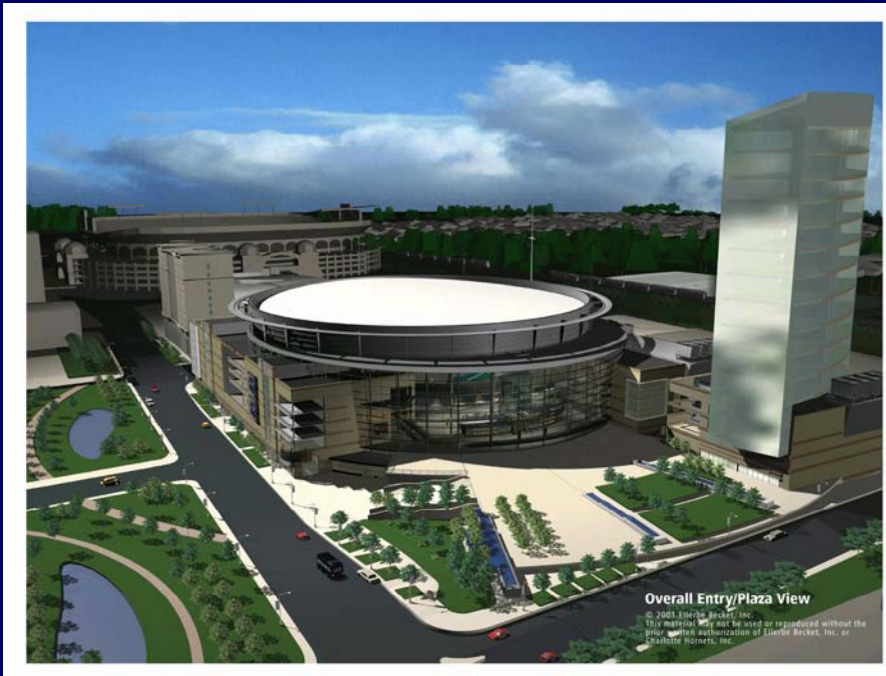
An Object Lesson

The Charlotte Hornets

- 1987 NBA Expansion
- “Darling of the NBA” in early years
- Put Charlotte “on the map”



An Object Lesson



- By 1995, asking for a new building
- Precipitous attendance drop
- Acrimonious stadium battle
- By 2001, looking for another city



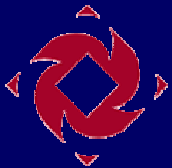
What went wrong?

- Owners personalities / scandal issues
- Charlotte Coliseum built “too early”
 - Cavernous 23,000-seat capacity
 - Complete lack of premium seating
- Finally: The NFL came to town

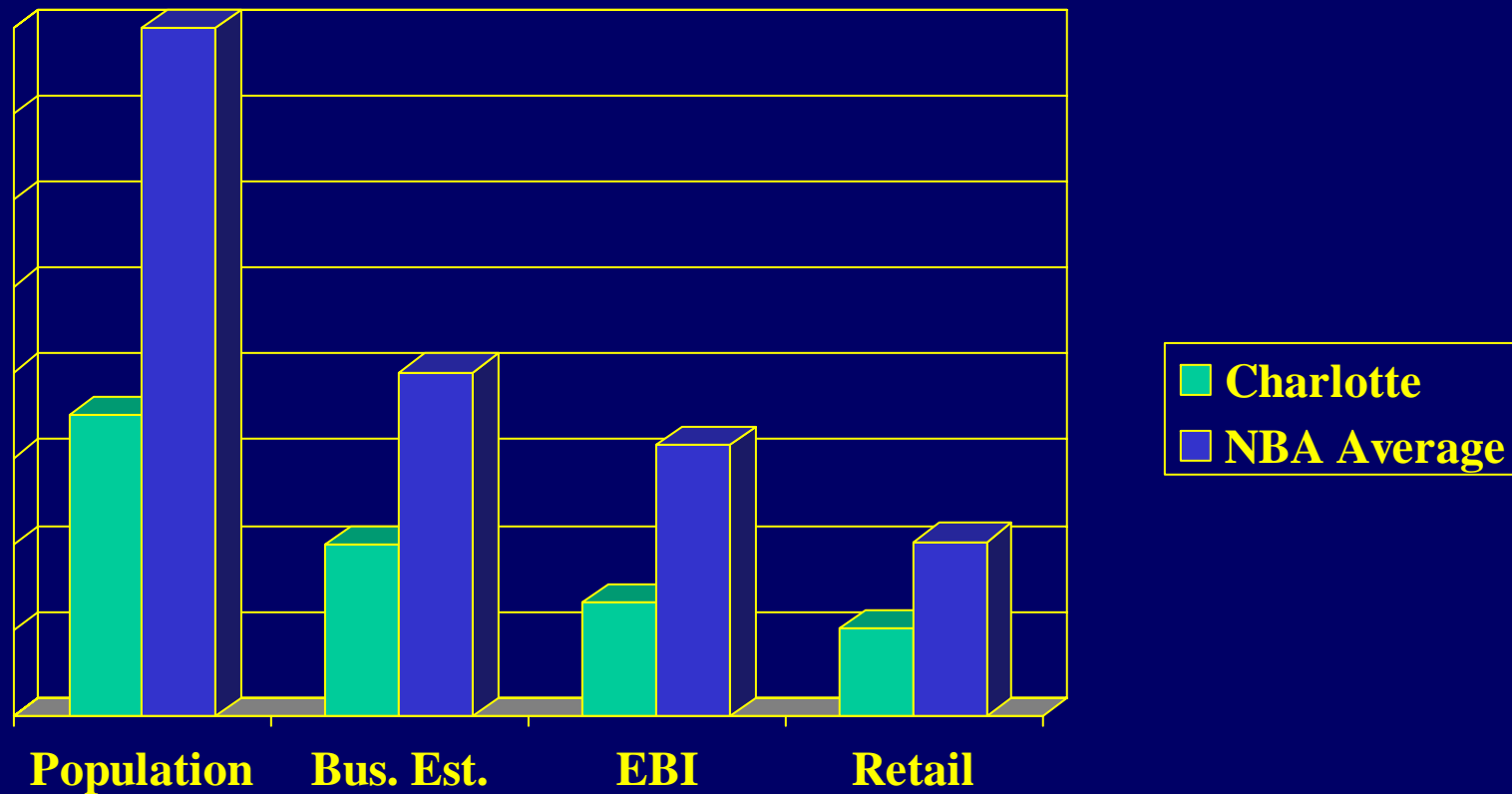


Charlotte vs. NBA

	<u>Charlotte</u>	<u>NBA Average</u>
Population	1.4 million	3.2 million
Total Business Establishments	40 thousand	80 thousand
Effective Buying Income (“EBI”)	\$26.4 billion	\$63.1 billion
Total Retail Sales	\$20.5 billion	\$40.7 billion



Charlotte Demographics

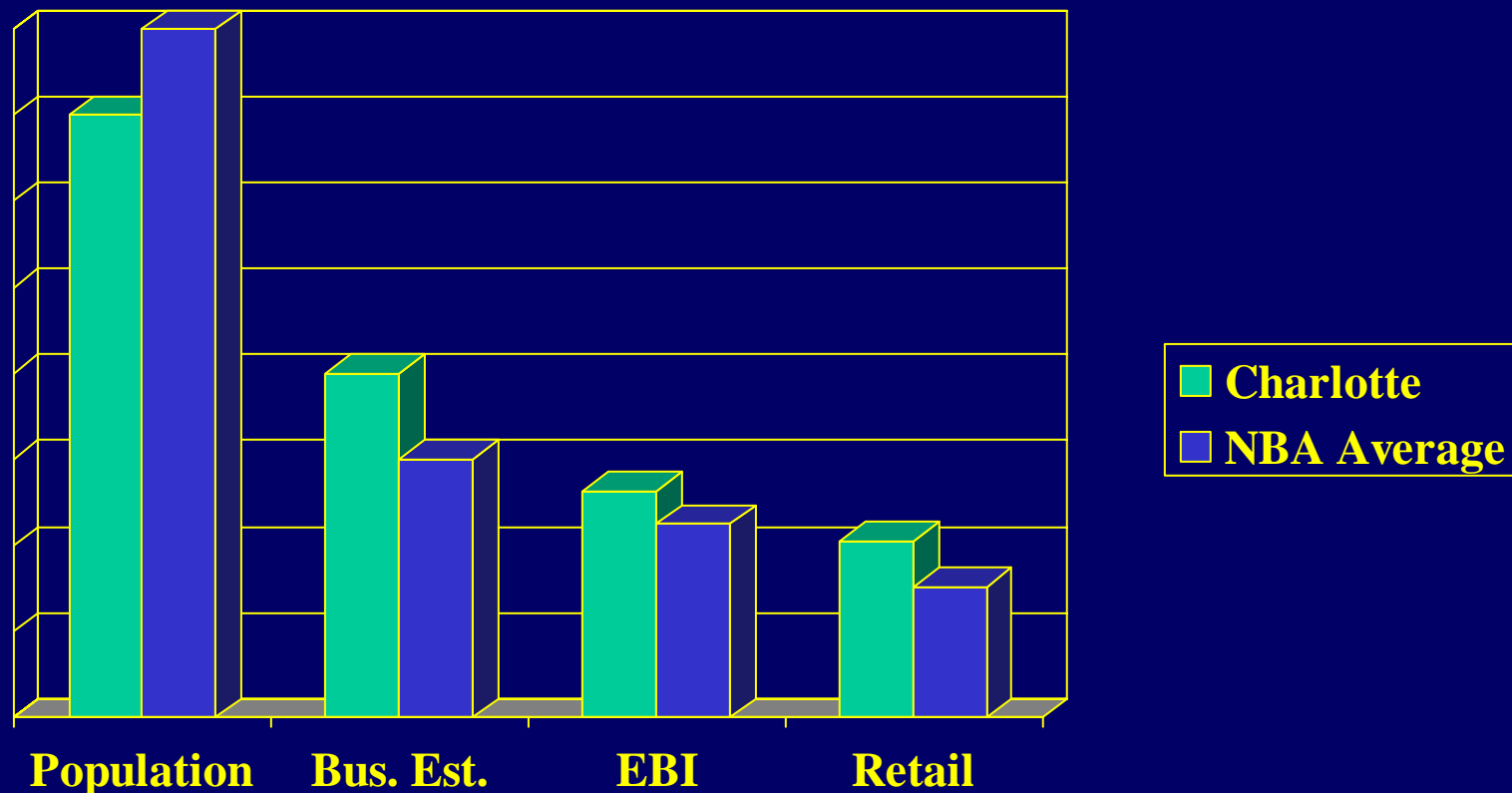


Charlotte vs. NBA Adjusted

	<u>Charlotte</u>	<u>NBA Average</u>
Population	1.4 million	1.6 million
Total Business Establishments	40 thousand	30 thousand
Effective Buying Income (“EBI”)	\$26.4 billion	\$22.5 billion
Total Retail Sales	\$20.5 billion	\$15.2 billion

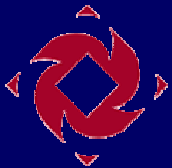


Charlotte vs. NBA Adjusted

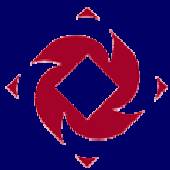
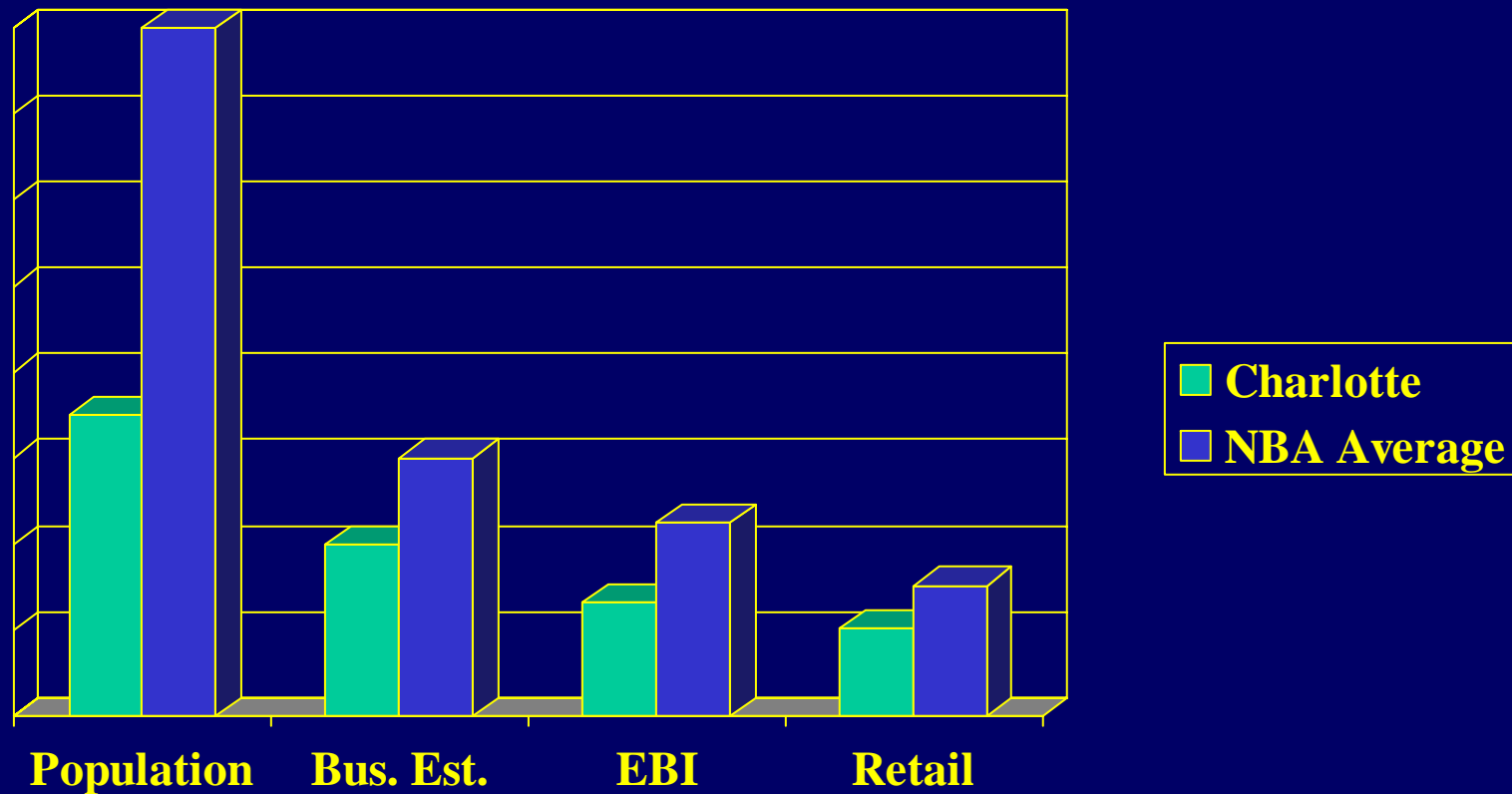


Charlotte Adjusted vs. NBA Adjusted

	<u>Charlotte</u>	<u>NBA Average</u>
Population	700 thousand	1.6 million
Total Business Establishments	20 thousand	30 thousand
Effective Buying Income (“EBI”)	\$13.2 billion	\$22.5 billion
Total Retail Sales	\$10.25 billion	\$15.2 billion

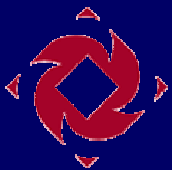


Charlotte Adjusted vs. NBA Adjusted

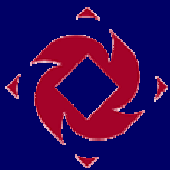
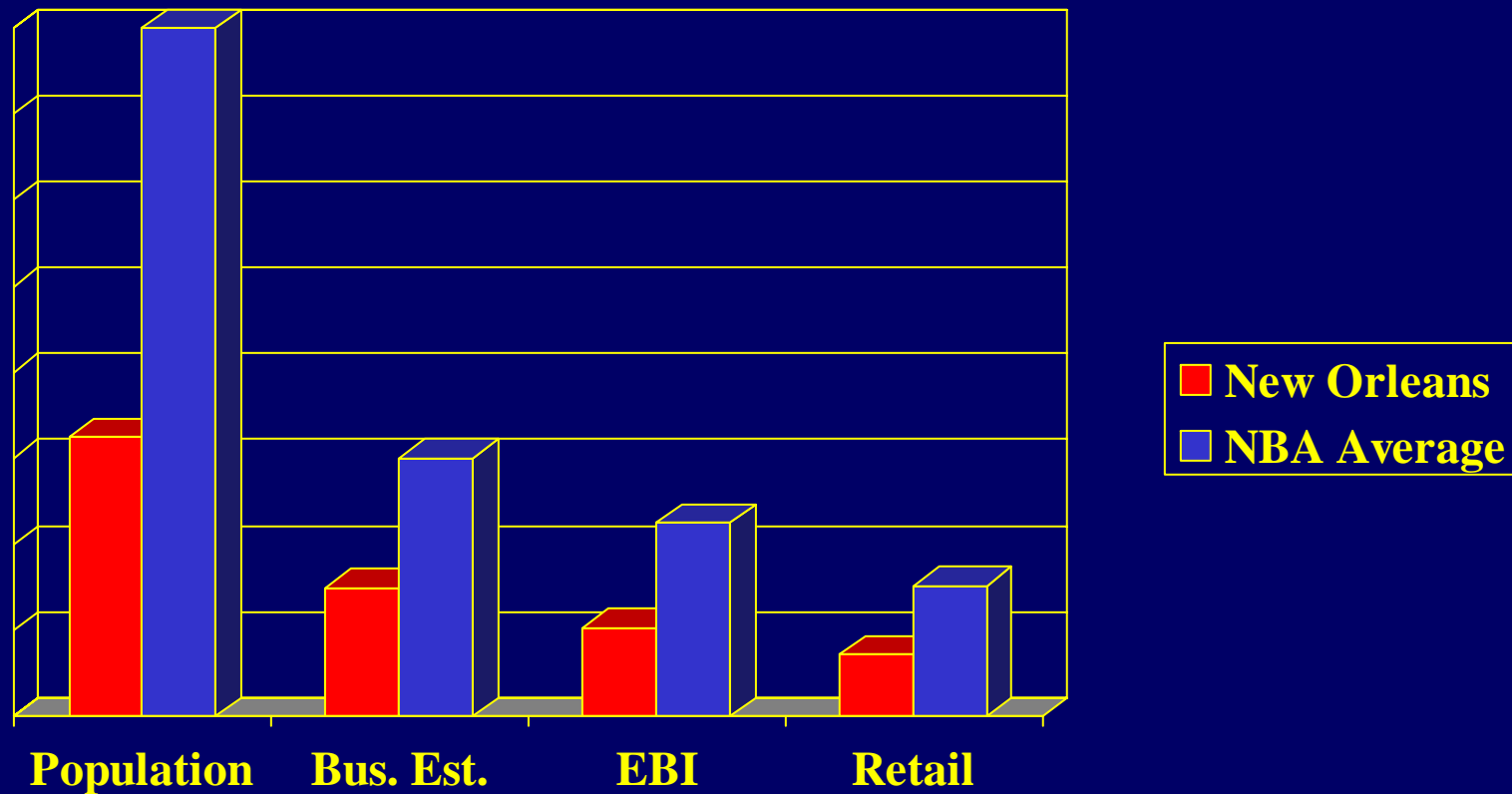


New Orleans Adj. vs. NBA Adjusted

	<u>New Orleans</u>	<u>NBA Average</u>
Population	650 thousand	1.6 million
Total Business Establishments	15 thousand	30 thousand
Effective Buying Income (“EBI”)	\$10.4 billion	\$22.5 billion
Total Retail Sales	\$7.25 billion	\$15.2 billion

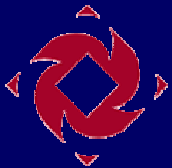


New Orleans Adj. vs. NBA Adjusted

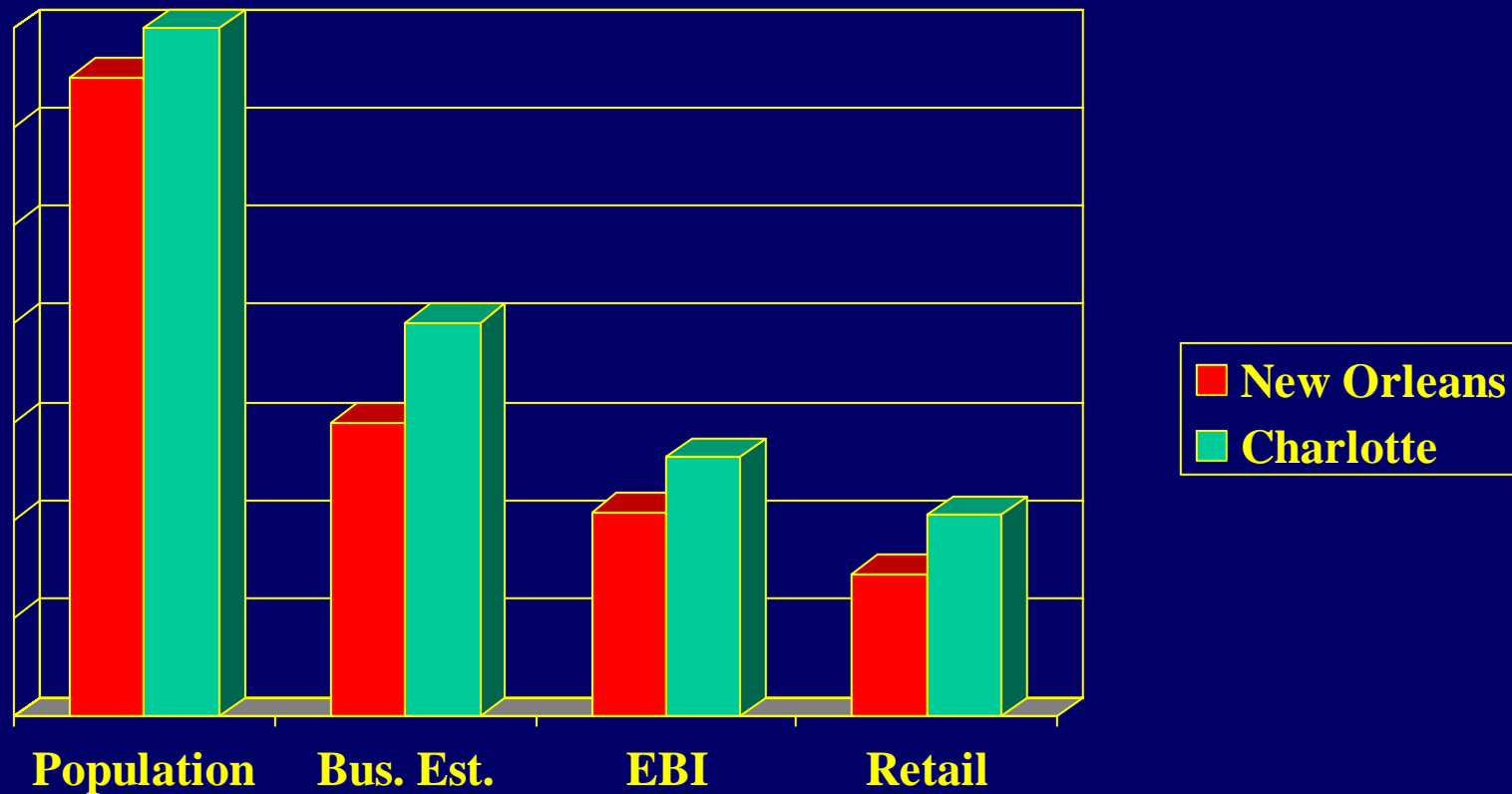


New Orleans Adj. vs. Charlotte Adj.

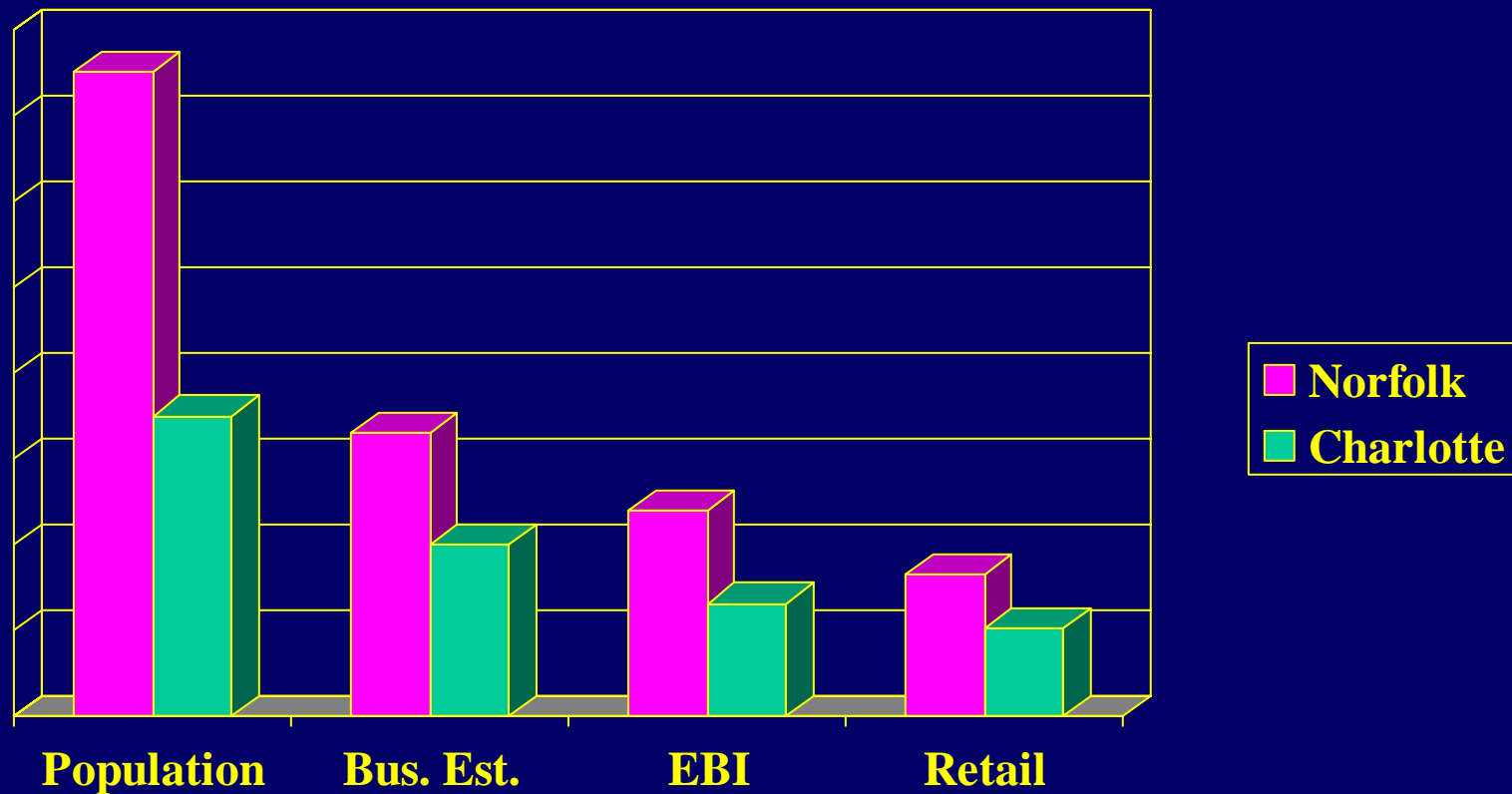
	<u>New Orleans</u>	<u>Charlotte</u>
Population	650 thousand	700 thousand
Total Business Establishments	15 thousand	20 thousand
Effective Buying Income (“EBI”)	\$10.4 billion	\$13.2 billion
Total Retail Sales	\$7.25 billion	\$10.25 billion



New Orleans Adj. vs. Charlotte Adj.



Norfolk vs. Charlotte Adj.



Undertapped Market Potential

<u>Market</u>	<u>“DSD” Index</u>
1. Los Angeles	.110
2. D.C. / Northern VA	.103
2. Hampton Roads VA	.095
3. Hartford	.082
4. Oklahoma City	.058
5. Orlando	.047
6. Sacramento	.046
7. San Antonio	.040
8. St. Louis	.039
9. Portland OR	.039



Undertapped Sports Markets

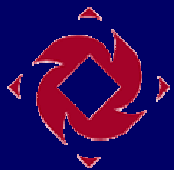
Mid-Size and Smaller Markets:

- “Shadow” Markets
 - Dayton OH, Eastlake OH
 - Everett WA, Bridgeport CT
- Independent Leagues
 - Atlantic League
 - Northern League

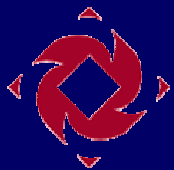










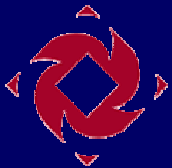






2001 Average Attendance

	International League (AAA)	5,579
	Eastern League (AA)	3,895
	<i>Atlantic League</i>	3,573
	Southern League (AA)	3,325
	Midwest League (A)	2,935
	Carolina League (A)	2,664

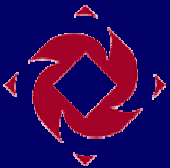


Validity of Analysis

		Bridgeport, Connecticut	Somerset County, New Jersey	Suffolk County, New York
<i>Market</i>				
<i>Franchise</i>		Bridgeport Bluefish	Somerset Patriots	Long Island Ducks
<i>Ballpark</i>		Harbor Yard	Commerce Bank Ballpark	EAB Park
<i>Year Opened</i>		1998	1999	2000
<i>B&D Attendance Projections</i>				
(average per game)	Low	3,000	4,000	5,000
	Med	3,600	5,000	5,500
	High	4,200	6,000	6,000
<i>Actual Per-game Average Attendance</i>				
	Year One	3,889	5,235	6,146
	Year Two	4,571	5,294	6,155
	Year Three	4,304	5,176	n/a
	Year Four	3,604	n/a	n/a
	Average to Date	4,092	5,235	6,151
<i>Variance from B&D Median Projection</i>		+492	+235	+651

Lessons

- Find the right team for the market
- Don't build too early in the cycle
- Don't overlook new possibilities:
 - Previously “restricted” territories
 - Newly viable leagues
- Trust your feasibility consultant!



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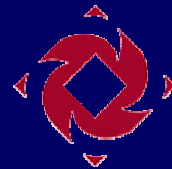
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