

Proposed Baseball Stadium and Jackeys Creek Development

Initial Financial Analysis and Economic Impact Study

September 2023



bakertilly

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Purpose and Limitations

This report presents the results of research, analysis, and consultation undertaken by Baker Tilly (the “Authors”) in coordination with staff from the Town of Leland and based on information provided by the potential project partners, including the Town of Leland, REV entertainment, Jackey’s Creek Investors, LLC, and RCLCO.

This analysis relies on prospective estimates of business activity that may not be realized. The Authors made reasonable efforts to ensure that the project-specific data reflects realistic estimates of future activity.

The analysis in this report incorporates estimates, assumptions, and other information developed by the Authors from their independent research effort.

The Authors make no representation or warranty as to the accuracy or completeness of the information contained herein, and expressly disclaim any and all liability based on or relating to any information contained in, or errors or omissions from, this information or based on or relating to the use of this information.

Executive Summary

An effort to locate a minor league baseball team to the Town of Leland, North Carolina has presented itself to offer a region-changing component to a development proposed by Jackey's Creek Investors, LLC. Leland is a growing town of approximately 28,600¹ people in Brunswick County located on the picturesque North Carolina coast. A new baseball stadium is proposed to attract visitors and visitor spending from the Town of Leland, Brunswick County, and the surrounding region. The proposed stadium project is expected to increase demand for surrounding development consisting of hotels, mixed-use retail and office space, restaurant, rental and for-sale housing, and medical offices. The venture to bring a minor league baseball team to the region originated as a possible public-private partnership between the Town of Leland, REV Entertainment, and Jackey's Creek Investors, LLC. Baker Tilly was hired to conduct a project feasibility analysis and economic impact assessment of the proposed stadium and plans for surrounding development. The purpose of the analysis is to support the Town of Leland's efforts to review and further define the proposed financial components of the project and to conduct a preliminary review of potential revenues resulting from investment in the project area. The Baker Tilly team utilized client-provided project plans, studies, and construction costs as inputs for the analysis.

The proposed 6,000-person capacity stadium could accompany the mixed-use development that is being planned for construction on an approximately 1,400-acre privately-owned greenfield site. Site preparation, infrastructure, and on and off-site utilities are required to prepare the land for the stadium, entertainment-focused retail and commercial development, and residential development. The cost to construct the stadium and the associated site and utility development costs are estimated to be \$105.6 million². The stadium, along with a proposed medical campus anchor tenant, is expected to leverage over 9,950 units of rental and home ownership development, over 400,000 square feet of proposed retail, 650,000 square feet of proposed office, and just under 400 hotel rooms over 20 years³. The total expected value of construction for the baseball stadium and the Jackeys Creek Development at full build-out is estimated to be \$2.39 billion.

Through a financial analysis, Baker Tilly determined that the total estimated additional Town and County property tax revenue for the full build-out, utilizing the highest and best use modeling⁴, of the Jackeys Creek Development over an approximate 30-year project period to be over \$182 million (\$73 million of projected Town tax revenue and an estimated \$109 million of County tax revenue.) The total amount of estimated operating revenues generated by the stadium is projected to be approximately \$135 million over 10 years⁵. A general estimate of additional sales tax for the adjacent development is projected to be \$175 million over the 30-year project period by estimating the increase in annual sales tax growth based on the proposed increase in residents. Public and private sources of revenue from stadium operating fees, potential statutorily allowable revenue tools, and other public fees were reviewed as additional possible sources of revenue generated by the baseball stadium project.

¹ Number slightly rounded up from <https://census.gov>

² Cost estimates provided by Jones Petrie Rafinski (JPR)

³ Projections based on analysis by RCLCO and provided by developer.

⁴ Ibid.

⁵ 10 years was considered a reasonable projected period for stadium operations. Projections provided by REV Entertainment.

An economic impact assessment of the proposed baseball stadium and Jackeys Creek Development was conducted by Baker Tilly to quantify the impacts of the proposed development. During the construction of the baseball stadium and Jackeys Creek full build-out, a total of 29,695 temporary direct, indirect, and induced jobs are estimated to be created and over \$5.1 billion of economic output and labor income generated. As proposed, this project is expected to bring about significant positive impacts to the region and be a major economic driver for job creation and economic output.

While a debt analysis was not conducted as part of this project, the estimated addition to public revenues should be considered by the Town of Leland as a compelling case to move forward in further exploration to build the stadium in conjunction with REV entertainment and Jackeys Creek Development. Next steps to advance the project could include further exploration of financing tools and statutorily available revenue tools, evaluation of the impact on Town services, development of an innovative funding approach for the early years of the project, and further evaluation of the positive impact on quality of life in Leland and the surrounding region.

Financial Analysis and Economic Impact

Proposed Baseball Stadium and Jackeys Creek Development

Project Purpose

An effort to locate a minor league baseball team to the Town of Leland, North Carolina has presented itself to offer a region-changing component to a development proposed by Jackey's Creek Investors, LLC. Leland is a growing town of approximately 28,600⁶ people in Brunswick County located on the picturesque North Carolina coast. A new baseball stadium is proposed to attract visitors and visitor spending from the Town of Leland, Brunswick County, and the surrounding region. The proposed stadium project is expected to increase demand for surrounding development consisting of hotels, mixed-use retail and office space, restaurant, rental and for-sale housing, and medical offices. The venture to bring a minor league baseball team to the region originated as a possible public-private partnership between the Town of Leland, REV Entertainment, and Jackey's Creek Investors, LLC. Baker Tilly was hired to conduct a project feasibility analysis and economic impact assessment of the proposed stadium and plans for surrounding development. The purpose of the analysis is to support the Town of Leland's efforts to review and further define the proposed financial components of the project and to conduct a preliminary review of potential revenues resulting from investment in the project area. The Baker Tilly team utilized client-provided project plans, studies, and construction costs as inputs for the analysis.

Development Summary of Proposed Baseball Stadium

The proposed baseball stadium will include approximately 4,000 fixed stadium seats with an additional 2,000 seats within the concourse, group venues, and lawn seating for approximately 6,000 total stadium capacity. Notable features include a substantial hospitality zone, a terraced corporate event space, fun zone, and climate-controlled indoor suites. Total preliminary cost estimates for the stadium are \$59 million⁷.

The proposed stadium and associated parking are to be constructed on a 51-acre greenfield site requiring significant site preparation. There is also an estimated 12 acres of proposed wetland mitigation required based on conceptual plans. Both on and off-site utilities are required, including electric, gas, sewer, water, an off-site force main, and a lift station. The total preliminary budget for surrounding stadium infrastructure is over \$46 million⁸.

Stadium and Associated Infrastructure Cost Summary⁹

Cost estimates for the proposed stadium, plazas, and associated infrastructure to support the stadium development was provided by Jones Petrie Rafinski (JPR). A breakdown of the estimated costs for this part of the project are detailed in Figure 1, with an estimated cost of \$59 million for the stadium and plazas and over \$46 million for associated site costs, mixed-use building, and utilities. A reference document for cost estimates from JPR are included in Appendix A. Site adjustments and/or relocation of

⁶ Estimate from the <https://census.gov>

⁷ Cost estimates provided by JPR

⁸ Information on cost estimates and site preparation from JPR

⁹ All values and costs presented in this study are in current 2023 dollars. Inflationary costs are not included as they balance out with valuation adjustments during the term periods evaluated in this study.

the stadium and/or associated facilities may affect these costs and potentially reduce costs if a site with less required preparation is available.

Figure 1: Proposed Baseball Stadium and Associated Infrastructure Preliminary Estimated Construction Costs	
Stadium and Plazas	\$59,030,000
Site Preparation	\$20,430,000
North Parking Lots and Streets	\$3,700,000
Central Road E-W	\$2,600,000
West Parking Lot and Streets	\$2,940,000
South Parking Lot and Street	\$6,700,000
Mixed-use Building	\$4,000,000
Utilities	\$6,200,000
TOTAL¹²	\$105,600,000

¹ In 2023 dollars, point in time cost estimates provided by JPR in May 2023.

² Numbers rounded for estimating purposes.

Summary of Proposed Jackeys Creek Development

The developer/site owner is planning to develop an approximately 1,400-acre site, with a high level of interest in leveraging the proposed baseball stadium as a catalyst for future planned development. RCLCO, a real estate consulting company, created market-based development projections for the site “based on an analysis of demand for real estate at the subject site, as well as the amount of land able to accommodate it,” which “prioritizes commercial space, multifamily housing, and attached housing over traditional single-family detached housing, with the idea that the ‘highest and best use’ of the subject site is likely to involve greater density and mix of uses (pp 8-9).” These projections also assume the completion of two anchor developments, the proposed stadium and 245,000 square feet of proposed medical facilities. These two anchor developments would then generate opportunity for additional development of 9,950 units of rental and home ownership development, over 400,000 square feet of proposed retail, 650,000 square feet of proposed office, and just under 400 hotel rooms over 20 years. The entire recommended program and phasing plan for the proposed development, as projected by RCLCO for the developer, is included in Appendix B. Some additional details are outlined below.

Hotels. A 150-unit full-service hotel, complete with a restaurant and bar and approximately 10,000 square feet of meeting space, will support the development and provide use during non-event days. During stadium events, an upper-level party deck above the restaurant’s outdoor seating will be accessible and provide a unique viewing opportunity. Two limited-service hotels with 120 rooms each will offer additional accommodation for visitors.

Commercial. An entertainment-focused commercial and retail sector is planned to support the stadium development and planned expansion of new residential development on site. Retail space will be plentiful, with 400,000 square feet being available by 2045. Restaurants will encompass 135,000 square

feet, offering ample dining options for locals and visitors alike. Grocery and drug stores are planned for 100,000 square feet and entertainment and fitness venues will fill 55,000 square feet which will assist in creating a livable, walkable community. Rounding out retail options, service-driven offerings are planned for 80,000 square feet and hard and soft goods will fill 30,000 square feet.

Residential. Both rental and for-sale housing options will be available in the development, forming a true mixed-use community. Higher density unit-types including wrap/podium and high-rise will bring 2,250 and 500 units, respectively. Approximately 1,250 garden-style apartment units and 1,500 build-for-rent units for a total of 5,500 planned rental housing units are planned. For-sale housing options will offer a total of 4,450 units with the largest segment of these units being 2,500 single-family attached homes. Single-family detached homes will make up 1,200 units and 750 condominiums are being planned for purchase.

Office. Office space will be available in the development, rounding out service options and availability to residents, visitors, and tenants. Traditional office space of 150,000 square feet is planned to be made available. The development will also offer 500,000 square feet of medical office space.

Estimated Revenue Impacts of Proposed Jackeys Creek Development

To derive the estimated amount of additional property tax revenues associated with the Jackeys Creek Development, Baker Tilly utilized real estate data sources and input from the developer to estimate construction costs (Appendix C). Estimated construction costs (in 2023 dollars) were applied to the development demand estimates by RCLCO Real Estate Consulting, described above with reference charts in Appendix B.

Due to the high assessment value of property in Brunswick County and the relatively low tax rate of both the Town of Leland and Brunswick County, an estimated assessed value of development (proposed buildings) was determined by calculating 75% of the estimated construction costs¹⁰. Based on the estimated assessed value, the property tax rate for the Town of Leland (\$0.23 per \$100) and for Brunswick County (\$0.342 per \$100), totaling \$0.572 per \$100, was applied to the assessed value of the proposed development each year to estimate the additional property tax revenue from the Jackeys Creek Development. This analysis assumes the development will come online in 2026, as projected by the RCLCO report. For the estimated 30-year project period of Jackeys Creek build-out, additional revenues were projected and analyzed from 2026 – 2052, with estimated additional property tax revenue projected at over \$182 million (including Town and County potential revenue)¹¹, as shown in Figure 2 below¹². This future projected value is an estimate, based on information provided by the developer, RCLCO, and the Town of Leland and assumes that development would occur as projected.

¹⁰ This figure provides a rough estimate of assessed value for planning purposes, as the actual assessed value would be determined by the Brunswick County Assessor.

¹¹ Figures in 2023 dollars, assuming the tax rate is held constant.

¹² Land value was not included in this calculation and demolition of any existing structures was not taken into account.

Figure 2: Jackeys Creek Mixed-Use Development Projections
Estimated New Property Tax Analysis

Year Completed	Year Revenues Available	Surrounding Development, Estimated Assessed Value	Estimated Tax Rate, Combined Town and County	Town of Leland Portion	Brunswick County Portion	Estimated Property Tax (Combined)
2026	2027	\$ 25,293,750	\$0.572	\$58,176	\$86,505	\$144,680
2027	2028	\$ 142,033,530	\$0.572	\$326,677	\$485,755	\$812,432
2028	2029	\$ 243,186,030	\$0.572	\$559,328	\$831,696	\$1,391,024
2029	2030	\$ 344,338,530	\$0.572	\$791,979	\$1,177,638	\$1,969,616
2030	2031	\$ 466,872,060	\$0.572	\$1,073,806	\$1,596,702	\$2,670,508
2031	2032	\$ 578,693,310	\$0.572	\$1,330,995	\$1,979,131	\$3,310,126
2032	2033	\$ 699,946,185	\$0.572	\$1,609,876	\$2,393,816	\$4,003,692
2033	2034	\$ 797,168,685	\$0.572	\$1,833,488	\$2,726,317	\$4,559,805
2034	2035	\$ 921,639,060	\$0.572	\$2,119,770	\$3,152,006	\$5,271,775
2035	2036	\$ 1,031,934,435	\$0.572	\$2,373,449	\$3,529,216	\$5,902,665
2036	2037	\$ 1,111,995,060	\$0.572	\$2,557,589	\$3,803,023	\$6,360,612
2037	2038	\$ 1,216,086,060	\$0.572	\$2,796,998	\$4,159,014	\$6,956,012
2038	2039	\$ 1,329,177,060	\$0.572	\$3,057,107	\$4,545,786	\$7,602,893
2039	2040	\$ 1,431,861,810	\$0.572	\$3,293,282	\$4,896,967	\$8,190,250
2040	2041	\$ 1,469,847,435	\$0.572	\$3,380,649	\$5,026,878	\$8,407,527
2041	2042	\$ 1,531,863,435	\$0.572	\$3,523,286	\$5,238,973	\$8,762,259
2042	2043	\$ 1,605,354,435	\$0.572	\$3,692,315	\$5,490,312	\$9,182,627
2043	2044	\$ 1,632,018,810	\$0.572	\$3,753,643	\$5,581,504	\$9,335,148
2044	2045	\$ 1,667,881,785	\$0.572	\$3,836,128	\$5,704,156	\$9,540,284
2045	2046	\$ 1,715,190,285	\$0.572	\$3,944,938	\$5,865,951	\$9,810,888
2046	2047	\$ 1,715,190,285	\$0.572	\$3,944,938	\$5,865,951	\$9,810,888
2047	2048	\$ 1,715,190,285	\$0.572	\$3,944,938	\$5,865,951	\$9,810,888
2048	2049	\$ 1,715,190,285	\$0.572	\$3,944,938	\$5,865,951	\$9,810,888
2049	2050	\$ 1,715,190,285	\$0.572	\$3,944,938	\$5,865,951	\$9,810,888
2050	2051	\$ 1,715,190,285	\$0.572	\$3,944,938	\$5,865,951	\$9,810,888
2051	2052	\$ 1,715,190,285	\$0.572	\$3,944,938	\$5,865,951	\$9,810,888
2052	2053	\$ 1,715,190,285	\$0.572	\$3,944,938	\$5,865,951	\$9,810,888
Estimated Cumulative Total				\$73,528,042	\$109,333,001	\$182,861,043

Project period is assumed at an approximately 30 year period to maximize flexibility of the use of financing tools, with 2023 anticipated as Year 1. Assumes first project is completed in 2026. Values are in 2023 dollars. Value of land is not included.

Summary of Sales Tax Revenues from Jackeys Creek Development

A general estimate of additional sales tax revenue for the Jackeys Creek development was projected based on guidance from Town staff. Based on the projected development schedule provided by RCLCO, there are over 9,950 additional units projected. This analysis assumed 2.4 persons per household¹³ and therefore, the addition of approximately 23,880 residents over the project period¹⁴. At approximately

¹³ Based on US Census ACS 2021 5-year data, <https://censusreporter.org/profiles/16000US3737680-leland-nc/>

¹⁴ Project period is considered as 2026-2052 for purposes of this analysis.

\$40,000 in annual sales tax per 100 new residents, the cumulative estimated sales tax revenue would be over \$175 million in the 30-year period.

Estimated Stadium Operating Revenues

A summary of operating revenues from the stadium was derived from projections of attendance and purchases that will be made at baseball games. These operating projections were provided by REV Entertainment and used to calculate the additional project revenue figures listed below. Revenue sources include tickets, concessions, parking, merchandise, and events. Total revenues over a ten-year period¹⁵ from 2026 – 2035 were calculated to be over \$135 million. The operations projection can be found in Appendix D.

Additional project revenue opportunities the Town will consider capturing are a share of project revenues and fees associated with the stadium. While the impact may be incidental compared to the overall debt service requirement, they are worth mentioning as additional available revenues that could be leveraged to support project financing.

- **Stadium Lease.** Leases from the operator of the baseball stadium are a potential revenue source. This arrangement would need to be explored between the Town of Leland and the operator of the baseball stadium to discuss potential terms as the financial plan for the project is solidified by project partners. For planning purposes, the Town projects shared revenue of \$600,000 annually for stadium leases.
- **Parking Fees.** Depending on the ownership structure, debt obligation, and operational plan for the parking lot, all or a portion of the parking fees could be allocated to the Town of Leland. Total parking revenue for the stadium was estimated by REV Entertainment to start at \$446,250 annually in year 1 (2026) and escalate to \$784,000 annually in year 10 (2035). For planning purposes, the Town projects its share of revenue to be \$40,000 annually for parking fees.
- **Ticket Fee Surcharge.** (\$1-\$3 per ticket) A surcharge could be allocated to the Town of Leland for debt obligations or operating expenses, depending on the operating plan and partnership agreement between the Town, REV Entertainment, and/or other partners. For planning purposes, the Town projects revenue of \$60,000 annually for ticket fee surcharges.
- **Naming Rights or Sponsorships.** These could be explored by the ownership group and/or operating partnership to bring additional revenue to the debt obligation or operating expenses. For planning purposes, the Town projects revenue of \$300,000 annually for naming rights.

The Town of Leland estimates the total revenues from these opportunities to be approximately \$1 million per year for planning purposes, or approximately \$27 million over the project period (2026 – 2052).

An illustrative chart showing preliminary projected revenues during the estimated 30-year project period is summarized in Figure 3. Once the larger opportunities of the project are identified, further analysis of the additional revenues could better determine any possible financial gap on the project. In addition, any intended use of these specific additional revenues to make debt service payments on public or private financing would need further review to assist in reaching an optimal financing package.

¹⁵ 10 years was considered as a reasonable projected period for stadium operations. Projections provided by REV Entertainment.

Furthermore, the Town could consider expanding the discussion to other available revenues streams in addition to new project revenues, if desirable.

Figure 3: Stadium and Associated Infrastructure	
Preliminary Projected Revenues, Cumulative 30-Year Project Period	
Estimated Town of Leland share of property tax increment revenue from Jackey's Creek Development* ¹	\$73,528,000
Estimated sales tax from Jackey's Creek from new residential ¹	\$175,032,000
Potential Shared Operating Revenues from Baseball Stadium development, such as lease revenue, parking fees, ticket surcharge, and naming rights or sponsorships. (\$1 million per year estimated, provided by Town of Leland) ¹	\$27,000,000
Statutorily available revenue tool	TBD
TOTAL	Approximately \$275,560,000

*Does not represent the amount of net proceeds to pay for project cost if a financing instrument (bond or private debt) is used

¹ Cumulative estimate over 2026-2052 project period when revenues could be available.

Economic Impact Assessment Summary

An economic impact assessment of the proposed baseball stadium and Jackeys Creek Development was conducted by Baker Tilly to quantify the impacts of the proposed development. Capital expenditures for the project are estimated to total \$2.39 billion and are expected to be a major economic driver for job creation and economic output. During the construction of the baseball stadium and Jackeys Creek Development full build-out, a total of 29,695 temporary direct, indirect, and induced jobs are estimated to be created and over \$5.1 billion of economic output and labor income generated (see Appendix G). As proposed, this project is expected to bring significant positive impacts to the region and be a major economic driver for job creation and economic output.

Economic Impact of Operational Activity of the Stadium

Total operational activity in this report focused on the economic impact of the proposed baseball stadium complex, which includes revenue generated through ticket sales, food and beverage sales, and event space rentals. REV Entertainment projected a revenue target between \$12 million and \$15 million annually, or over \$135 million over 10 years. Based on this expected activity, the baseball stadium is estimated to create 319 direct, indirect, and induced jobs. The baseball stadium is expected to generate over \$30.5 million of annual economic output and labor income (see Appendix G). This consistent infusion of economic activity will likely stimulate various sectors, such as hospitality, retail, and services, thereby fostering economic growth, supporting local businesses, and ultimately improving the overall financial well-being of the region.

Findings

This analysis reviewed the proposed project costs and economic impacts of the baseball stadium, and identified potential revenues based on the available project inputs provided by the public and private sector parties involved in the project. The preliminary financial and economic impact analysis indicates that pursuit of the baseball stadium is worth further consideration by the Town of Leland due to the potential for new investment, new revenues, and numerous economic benefits. While a debt analysis

was not conducted as part of this project, the estimated addition to revenue through property tax, sales tax, project revenues, and other statutorily allowable revenue tools should be considered by the Town of Leland. It is recommended that the Town move forward in further exploration to develop the proposed baseball stadium and Jackeys Creek Development.

Next Steps

1. **Identify and quantify available financing tools.** As the project is proposed, a preliminary analysis of revenue generated through the 30-year term of the project could be available to fund the stadium and the associated improvements. The Town should explore available public and private financing alternatives for the project to determine how to utilize the potential project and development revenues. As additional development details become available, a more in-depth fiscal and financial analysis should be conducted.
2. **Evaluate the availability of statutorily available revenue tools.** The Town should evaluate all statutorily available revenue tools for a potential fit with the proposed baseball stadium project. The Town should learn more about the statewide use of these tools, potential process to implement the tools, and project the potential revenue available based on the estimated development and impact of the project.
3. **Evaluate impact on Town services.** A portion of the identified revenues received by the Town and County from current sources are likely to be used to provide the basic standard services for the area. These services include public safety, public education, road maintenance, social services, and other typical local government services. An updated fiscal analysis should be done to determine the impact of the new development on Town services.
4. **Develop innovative approach for the early years of the project.** As more details become available on the financing options for the project, the Town and its project partners should investigate available options for revenue sources to supplement the early years of development, when projected revenues would not yet be realized. Ideas could include public-private partnerships, interlocal governmental agreements, property tax rate adjustments, alternative financing structures, or other similar innovative approaches.
5. **Further define quality of life benefits of the project.** The Town and its partners should further define additional quality of life benefits that are expected to be realized after completion of this project. Quality of life benefits may include increased options for community amenities, desirable entertainment activities, newly available residential options, increased housing market segmentation, or other similar benefits.
6. **Engage in a public-private partnership.** The proposed baseball stadium and anticipated Jackeys Creek Development may benefit from the utilization of a public-private partnership. Project terms including facility ownership, operating entity, and financial aspects of the project requiring participation from both public and private sector partners. The Town of Leland should evaluate the information in this report and explore the next steps to engage with key partners, such as Jackey's Creek Investors, LLC, and REV Entertainment.

Appendices

1. Appendix A: Construction Costs of Stadium – JPR Document (Page 1)

High Level Budget Projection Jones Petrie Rafinski	Summary
Brunswick County Stadium - Leland, NC	
Preliminary Standards Update Budget Projection	Summary
PRELIMINARY BUDGET:	
A - Site Preparation	\$ 20,429,565
B - North Parking Lots & Streets	\$ 3,668,391
C- Central Road E-W	\$ 2,583,671
D - West Parking Lot & Street	\$ 2,944,602
E - South Parking Lot & Street	\$ 6,697,935
F - Stadium & Plazas	\$ 59,025,297
G - Mixed-Use Building	\$ 4,020,000
H - Utilities	\$ 6,194,820
TOTAL PRELIMINARY BUDGET	\$ 105,564,281
OFFSITE UTILITIES - By others	\$ 4,715,515
CLARIFICATIONS & QUALIFICATIONS	
<p>The preliminary budgetary estimate is based on a conceptual plan prepared by the office of Jones Petrie Rafinski dated April 2023</p> <p>This budget should only be used in preliminary planning efforts and should be updated as the design and engineering North Carolina and assumes the receipt of five or more competitive bids from qualified contractors.</p> <p>The estimate is predicated upon the receipt of unified bids from general contractors with appropriate levels of competition at the subcontract and materials vendor levels. Single or limited source selection of prime or major sub contractors, materials, equipment or systems packages will adversely impact the estimate. After a maximum of six months, the estimate should be updated to reflect current market conditions.</p> <p>The estimate is based on current information, and the scope should be reviewed to ensure that our interpretation of the drawings and other information is correct.</p> <p>The cost estimate should be updated as the design evolves and is completed.</p> <p>The cost estimate represents our opinion of probable construction cost for this project.</p> <p>We have exercised due professional diligence in the preparation of the estimate; and, since we have no control over final design decisions, contractor and vendor bidding strategies and market conditions, no guarantee is given or implied with the estimate.</p> <p><i>The Estimate Excludes:</i></p> <ul style="list-style-type: none"> Professional fees, testing, financing and other Owner's soft costs, Furnishings and equipment other than those shown in the body of the estimate, Hazardous material removal and abatement, Premium costs for extended shift or overtime work, Construction contingencies, Building permits, Builder's risk insurance. 	
Jones Petrie Rafinski, Inc. April 2023	Page 1 of 15

2. Appendix B: Development Projections – RCL (Pages 8 and 9)



RECOMMENDED PROGRAM & PHASING

SCENARIO: LARGE ANCHORS IN PLACE

The below phasing schedule outlines RCLCO's recommended program and phasing strategy for the subject site, assuming both the anchors (i.e., MILB and medical campus) deliver as planned. This program and phasing strategy is based on an analysis of demand for real estate at the subject site, as well as the amount of land able to accommodate it. In general, there is likely to be more demand at the subject site over the next 20 to 25 years than there is land to support it, particularly in the case of housing. As a result, the below program prioritizes commercial space, multifamily housing, and attached housing over traditional single-family detached housing, with the idea that the "highest and best use" of the subject site is likely to involve a greater density and mix of uses than those historically seen in Leland, given the unique opportunity the site presents.

For the purpose of developing the below phasing schedule, RCLCO assumed that the MILB and medical campus would deliver between now and 2030. Once these components deliver, and once parts of the town center begin to open, RCLCO expects housing prices and/or rents to increase, likely helping to support denser forms of development than those that would be feasible today. In general, RCLCO would recommend that Brunswick Forest concentrate the vast majority of its commercial and multifamily development in the town center component of the subject site, in order to maximize their collective impact on its sense of place. Down the line, there may be an opportunity to support a small retail component in a more interior portion of the site (e.g., the 80,000 square foot delivery in 2043), once the surrounding household base has grown and any nearby civic facilities have delivered. For more information on the recommended programs and phasing timelines for each community unit at the subject site, please see Exhibits I-3a through I-3e.

At full build out, RCLCO expects there is potential for 9,950 housing units, 400,000 square feet of retail, 650,000 square feet of office, and 390 hotel keys. Additional information on achievable pricing, typical absorption, cumulative site demand, and the overall level of opportunity for each use is shown on the following page.


ANNUAL DELIVERY SCHEDULE	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	TOTAL	
RENTAL HOUSING (Units)	250	350	350	350	400	400	400	150	350	350	50	300	300	300	50	300	300	50	250	250	5,500	
High-Rise Apartment						250	250															500
Wrap / Podium																						250
Garden-Style Apartment	250	250	250	250	250	250	150	150	100	100	50	50	50	50	50	50	50	50	50	50		1,250
Build-For-Rent	100	100	100	100	150	150	150	275	325	275	350	350	350	300	175	175	175	75	75	75		1,500
FOR-SALE HOUSING (Units)	200	225	225	275	275	275	125	125	125	75	75	75	75	75	75	75	75	75	75	75		4,450
Single-Family Detached	50	75	75	125	125	125	150	150	200	200	200	200	200	150	100	100	100	100	100	100		1,200
Single-Family Attached	150	150	150	150	150	150	150	150	200	200	200	200	200	150	100	100	100	100	100	100		2,500
Condominium																						750
RETAIL (SF)	200,000				10,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	80,000	11,000	11,000		400,000
Grocery & Drug	70,000				10,000																	100,000
Restaurants	50,000					5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	30,000	30,000	5,500		135,000
Entertainment & Fitness	30,000					2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000		55,000
Services	30,000					2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500		80,000
Hand & Soft Goods	20,000					1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000		30,000
OFFICE (SF)	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	75,000	75,000	75,000		650,000
Traditional																						150,000
Medical	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	75,000	75,000	75,000		500,000
HOTEL (Keys)	120				120																	390
Full-Service																						150
Limited-Service	120				120																	240
ACRES CONSUMED	7	49	45	45	62	57	58	54	59	47	41	45	46	42	14	18	19	9	6	6		730

Source: RCLCO, Jackeys Creek Market Analysis, Page 8

**SUMMARY OF OPPORTUNITIES
SCENARIO: LARGE ANCHORS IN PLACE**

	ACHIEVABLE PRICING				AVG. SIZE	TYPICAL ABSORPTION	TYPICAL SCALE	CUMULATIVE SITE DEMAND (UNITS / SF / ROOMS)				REC. PROGRAM	LEVEL OF OPPORTUNITY AT SUBJECT SITE				OVERALL OPPORTUNITY	
	2030	2035	2040	2045				BY 2030	BY 2035	BY 2040	BY 2045		LOCATION APPEAL	CONCEPT FIT	FEASIBILITY	CONST. REDUCTION		SUPPLY / DEMAND BALANCE
RENTAL HOUSING																		
High-Rise Apartment	\$2.25 / SF	\$1,800 / Month	800 SF	15 to 20 Units / Month	350 Units	1,900	3,210	4,530	6,040	500	WEAK	STRONG	WEAK	MODERATE	MODERATE / WEAK			
Wrap / Podium Apartment	\$2.03 / SF	\$1,725 / Month	850 SF	15 to 20 Units / Month	250 Units	1,290	2,160	3,030	4,020	2,250	MODERATE	STRONG	MODERATE	MODERATE	STRONG / MODERATE			
Garden-Style Apartment	\$1.79 / SF	\$1,700 / Month	950 SF	15 to 20 Units / Month	250 Units	610	1,050	1,500	2,020	1,250	STRONG	STRONG	STRONG	MODERATE	STRONG			
Build-For-Rent Single-Family	\$1.70 / SF	\$2,300 / Month	1,350 SF	5 to 8 Units / Month	100 Units	3,195	5,220	7,255	9,380	4,450	STRONG	MODERATE	STRONG	STRONG	STRONG			
FOR-SALE HOUSING																		
Single-Family Detached	\$267 / SF	\$600,000	2,250 SF	15 to 20 Units / Month	75 Units	1,860	2,905	3,880	4,815	1,200	STRONG	MODERATE	STRONG	STRONG	STRONG			
Single-Family Attached	\$283 / SF	\$425,000	1,500 SF	5 to 10 Units / Month	150 Units	1,025	1,755	2,515	3,345	2,500	STRONG	STRONG	STRONG	STRONG	STRONG			
Condominium	\$320 / SF	\$400,000	1,250 SF	4 to 8 Units / Month	75 Units	310	560	860	1,220	750	WEAK	STRONG	WEAK	STRONG	MODERATE			
RETAIL																		
Grocery & Drug	Varies by tenant	N/A	N/A	N/A	N/A	259,000	306,000	380,000	452,000	400,000	STRONG	STRONG	STRONG	STRONG	STRONG			
Restaurants	\$30 to \$32 NNN	N/A	N/A	N/A	N/A	78,000	91,000	109,000	125,000	100,000	STRONG	STRONG	STRONG	STRONG	STRONG			
Entertainment & Fitness	Varies by tenant	N/A	N/A	N/A	N/A	85,000	101,000	124,000	146,000	135,000	STRONG	STRONG	STRONG	STRONG	STRONG			
Services	\$28 to \$30 NNN	N/A	N/A	N/A	N/A	35,000	40,000	48,000	56,000	55,000	STRONG	MODERATE	STRONG	STRONG	STRONG			
Hard & Soft Goods	\$30 to \$32 NNN	N/A	N/A	N/A	N/A	39,000	48,000	66,000	84,000	80,000	STRONG	MODERATE	STRONG	STRONG	STRONG			
OFFICE																		
Traditional	\$25 to \$28 FS	N/A	N/A	N/A	75,000 SF	178,000	332,000	499,000	669,000	650,000	WEAK	STRONG	MODERATE	MODERATE	MODERATE			
Medical	\$22 to \$24 NNN	N/A	N/A	N/A	50,000 SF	178,000	332,000	499,000	669,000	500,000	STRONG	STRONG	STRONG	STRONG	STRONG			
HOTEL																		
Full-Service	\$165 ADR	N/A	N/A	N/A	200 Rooms	255	330	370	390	390	WEAK	MODERATE	MODERATE	MODERATE	MODERATE / WEAK			
Limited-Service	\$140 ADR	N/A	N/A	N/A	120 Rooms	255	330	370	390	240	STRONG	STRONG	STRONG	MODERATE	STRONG			

3. Appendix C: Construction Costs per Square Foot (Baker Tilly document)



The reported conclusions, supplemental information and all documents provided as relates to this analysis are provided solely for the benefit of Town of Leland, NC and may not be relied upon by any party other than the client and their auditors. Baker Tilly shall not be liable to any third party for its use of, reliance upon or access to any such information. This analysis is subject to the Standard Terms and Conditions and any other assumptions, conditions or other qualifications set forth in our engagement letter or herein, or that have been otherwise disclosed by Baker Tilly or any of its employees. Baker Tilly US, LLP trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. © 2023 Baker Tilly US, LLP

Town of Leland, NC

Cost Analysis as of Q3 2023

Cost Support and Assumptions related to Jackey's Creek

Preliminary Draft for Discussion Purposes Only

Confidential

Summary of Market Cost Assumptions

Subject Property: Jackie's Creek
 City, State: Leland, NC
 Property Type: Mix
 Cost Data: Provided by Marshall & Swift Valuations Services

Apartment	Cost	For-Sale Housing	Cost	Retail	Cost	Office	Cost	Hotel	Cost
High-Rise Apartments	\$122 - \$163	Single-Family Detached	\$120 - \$168	Grocery	\$106 - \$129	Traditional	\$144 - \$204	Full-Service	\$172 - \$262
All Other Apartment Types [1]	\$97 - \$142	Single-Family Attached	\$112 - \$185	Drug	\$127 - \$151	Medical	\$182 - \$240	Limited-Service	\$131 - \$192
				Restaurants	\$155 - \$199				
				Retail [2]	\$101 - \$134				
MVS Class Range C to B		MVS Class C Average to C Good				MVS Class C Average to Good			

Notes

- [1] Includes Condominiums
 - [2] Includes Services, Entertainment & Fitness and Hard & Soft Goods
- All estimates are based on costs and have been adjusted for location and time

4. Appendix D: Stadium Operational Projections (REV Entertainment)

	2026		2027		2028		2029		2030		2031		2033		2034		2035		
	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	
Leland Analysis																			
# of Games	5,000	4,750	4,500	4,250	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	
Paid Attendance	350,000	332,500	315,000	297,500	280,000	280,000	280,000	280,000	280,000	280,000	280,000	280,000	280,000	280,000	280,000	280,000	280,000	280,000	
Total Paid Attendance	85%	83%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	
Turnstile % Attendance	297,500	274,313	252,000	238,000	224,000	224,000	224,000	224,000	224,000	224,000	224,000	224,000	224,000	224,000	224,000	224,000	224,000	224,000	
ATP	20.00	21.00	21.50	21.50	21.50	22.00	22.00	22.00	22.00	22.00	22.00	22.50	22.50	22.50	23.00	23.00	23.00	23.00	
F&B Per Cap	17.00	17.00	17.50	17.50	18.00	18.00	18.00	18.00	18.00	18.00	18.50	18.50	18.50	18.50	19.00	19.00	19.50	19.50	
Parking Per Cap	1.50	1.50	2.00	2.00	2.50	2.50	2.50	2.50	2.50	3.00	3.00	3.00	3.00	3.00	3.50	3.50	3.50	3.50	
Merchandise Per Cap	5.50	4.75	4.25	4.00	4.00	4.10	4.10	4.10	4.10	4.20	4.20	4.30	4.30	4.30	4.40	4.40	4.50	4.50	
Revenue																			
Tickets	\$7,000,000	\$6,982,500	\$6,615,000	\$6,396,250	\$6,020,000	\$6,160,000	\$6,160,000	\$6,160,000	\$6,160,000	\$6,160,000	\$6,160,000	\$6,160,000	\$6,160,000	\$6,300,000	\$6,440,000	\$6,440,000	\$6,440,000	\$6,440,000	
Concession	5,057,500	4,663,313	4,410,000	4,165,000	4,032,000	4,032,000	4,032,000	4,032,000	4,032,000	4,144,000	4,144,000	4,144,000	4,144,000	4,144,000	4,256,000	4,256,000	4,368,000	4,368,000	
Parking	446,250	411,469	504,000	476,000	560,000	560,000	560,000	560,000	560,000	672,000	672,000	672,000	672,000	672,000	784,000	784,000	784,000	784,000	
Merchandise	1,636,250	1,302,984	1,071,000	952,000	896,000	918,400	918,400	918,400	918,400	940,800	940,800	940,800	940,800	963,200	985,600	985,600	1,008,000	1,008,000	
Public Events	667,500	667,500	707,500	707,500	747,500	747,500	747,500	747,500	747,500	787,500	787,500	787,500	787,500	787,500	827,500	827,500	827,500	827,500	
Private Events	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	
Total Revenue	\$15,157,500	\$14,377,766	\$13,657,500	\$13,046,750	\$12,605,500	\$12,767,900	\$12,767,900	\$12,767,900	\$12,767,900	\$13,054,300	\$13,054,300	\$13,054,300	\$13,054,300	\$13,216,700	\$13,643,100	\$13,643,100	\$13,777,500	\$13,777,500	

Source: REV Entertainment Group

Baseball Stadium Revenue Analysis

5. Appendix E: Jackeys Creek Development Construction Costs

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045 Total		
bakertilly																						
Rental Housing																						
High-Rise	33,725,000.00	52,895,000.00	52,895,000.00	52,895,000.00	62,480,000.00	58,930,000.00	58,930,000.00	58,930,000.00	48,345,000.00	49,345,000.00	5,985,000.00	39,760,000.00	39,760,000.00	39,760,000.00	9,585,000.00	39,760,000.00	39,760,000.00	32,600,000.00	32,600,000.00	32,600,000.00	\$792,950,000.00	
Apartment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$65,200,000.00	
Woop/Podium	0.00	0.00	0.00	0.00	30,175,000.00	30,175,000.00	30,175,000.00	30,175,000.00	30,175,000.00	30,175,000.00	0.00	30,175,000.00	30,175,000.00	30,175,000.00	0.00	30,175,000.00	30,175,000.00	0.00	0.00	0.00	\$271,575,000.00	
Garden-Style	33,725,000.00	33,725,000.00	33,725,000.00	33,725,000.00	33,725,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$18,825,000.00
Apartment	0.00	18,170,000.00	18,170,000.00	18,170,000.00	28,755,000.00	28,755,000.00	28,755,000.00	28,755,000.00	18,170,000.00	18,170,000.00	6,685,000.00	6,685,000.00	6,685,000.00	6,685,000.00	6,685,000.00	6,685,000.00	6,685,000.00	0.00	0.00	0.00	\$397,550,000.00	
Build-Fee-Rent	0.00	60,525,000.00	60,525,000.00	60,525,000.00	88,875,000.00	88,875,000.00	88,875,000.00	88,875,000.00	102,750,000.00	83,850,000.00	97,162,500.00	97,162,500.00	83,287,500.00	41,062,500.00	41,062,500.00	41,062,500.00	41,062,500.00	13,312,500.00	13,312,500.00	13,312,500.00	\$1,280,475,000.00	
For-Sale Housing																						
Single-Family	0.00	18,900,000.00	28,350,000.00	28,350,000.00	47,250,000.00	47,250,000.00	47,250,000.00	47,250,000.00	47,250,000.00	28,350,000.00	28,350,000.00	28,350,000.00	28,350,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$493,800,000.00	
Detached	0.00	41,625,000.00	41,625,000.00	41,625,000.00	41,625,000.00	41,625,000.00	41,625,000.00	41,625,000.00	55,500,000.00	55,500,000.00	55,500,000.00	55,500,000.00	41,625,000.00	27,750,000.00	27,750,000.00	27,750,000.00	13,312,500.00	13,312,500.00	13,312,500.00	13,312,500.00	\$668,750,000.00	
Single-Family Attached	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13,312,500.00	13,312,500.00	13,312,500.00	13,312,500.00	13,312,500.00	13,312,500.00	13,312,500.00	0.00	0.00	0.00	\$133,125,000.00	
Condominium	0.00	30,210,000.00	0.00	0.00	1,290,000.00	1,290,000.00	1,895,500.00	0.00	1,895,500.00	1,895,500.00	0.00	1,895,500.00	1,895,500.00	1,895,500.00	0.00	1,895,500.00	1,895,500.00	12,855,000.00	1,895,500.00	1,895,500.00	\$62,910,000.00	
Retail																						
Grocery & Drug	0.00	8,030,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,580,000.00	0.00	0.00	\$12,960,000.00	
Restaurants	0.00	8,950,000.00	0.00	0.00	0.00	0.00	1,094,500.00	0.00	1,094,500.00	1,094,500.00	0.00	1,094,500.00	1,094,500.00	1,094,500.00	0.00	1,094,500.00	1,094,500.00	5,970,000.00	1,094,500.00	1,094,500.00	\$28,865,000.00	
Entertainment & Services	0.00	4,530,000.00	0.00	0.00	0.00	0.00	302,000.00	0.00	302,000.00	302,000.00	0.00	302,000.00	302,000.00	302,000.00	0.00	302,000.00	755,000.00	302,000.00	302,000.00	302,000.00	\$8,305,000.00	
Hotel & Soft Goods	0.00	4,020,000.00	0.00	0.00	0.00	0.00	335,000.00	0.00	335,000.00	335,000.00	0.00	335,000.00	335,000.00	335,000.00	0.00	335,000.00	3,350,000.00	335,000.00	335,000.00	335,000.00	\$10,720,000.00	
Office	0.00	2,680,000.00	0.00	0.00	0.00	0.00	154,000.00	0.00	154,000.00	154,000.00	0.00	154,000.00	154,000.00	154,000.00	0.00	154,000.00	154,000.00	0.00	154,000.00	154,000.00	\$4,020,000.00	
Traditional	0.00	12,000,000.00	12,000,000.00	12,000,000.00	12,000,000.00	12,000,000.00	12,000,000.00	12,000,000.00	12,000,000.00	12,000,000.00	0.00	12,000,000.00	12,000,000.00	12,000,000.00	0.00	12,000,000.00	12,000,000.00	0.00	0.00	15,300,000.00	\$19,600,000.00	
Medical	0.00	12,000,000.00	12,000,000.00	12,000,000.00	12,000,000.00	12,000,000.00	12,000,000.00	12,000,000.00	12,000,000.00	12,000,000.00	0.00	12,000,000.00	12,000,000.00	12,000,000.00	0.00	12,000,000.00	12,000,000.00	0.00	0.00	15,300,000.00	\$30,000,000.00	
Hotel (Keys)																						
Full-Service Limited-Service	0.00	25,040.00	0.00	0.00	25,040.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	39,300.00	0.00	\$85,380.00	
Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$93,300.00	
Construction Cost Per Year	33,725,000.00	155,655,040.00	134,870,000.00	154,870,000.00	163,378,040.00	149,095,000.00	161,670,500.00	128,630,000.00	165,960,500.00	147,090,500.00	106,747,500.00	138,788,000.00	136,915,000.00	50,047,500.00	82,668,000.00	97,688,000.00	97,688,000.00	36,552,500.00	47,817,300.00	63,078,000.00	\$2,298,620,350.00	

6. Appendix F: Jackeys Creek Development Assessed Values

		Jackey's Creek Development Assessed Values																			2045 Total	
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044		
Rental	High-Rise	25,283,750.00	35,671,250.00	35,671,250.00	35,671,250.00	45,890,000.00	44,197,500.00	44,197,500.00	21,566,250.00	37,098,750.00	37,098,750.00	37,098,750.00	29,820,000.00	29,820,000.00	29,820,000.00	7,188,750.00	29,820,000.00	29,820,000.00	7,188,750.00	24,450,000.00	24,450,000.00	659,712,500.00
	Apartment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	948,000,000.00	
	Wing/Podium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	820,881,250.00	
	Condo-Site	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Apartment	25,283,750.00	25,283,750.00	25,283,750.00	25,283,750.00	25,283,750.00	25,283,750.00	25,283,750.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,226,468,750.00	
	Build-Fac-Rent	0.00	14,377,500.00	14,377,500.00	21,566,250.00	21,566,250.00	21,566,250.00	14,377,500.00	14,377,500.00	14,377,500.00	14,377,500.00	7,188,750.00	7,188,750.00	7,188,750.00	7,188,750.00	7,188,750.00	7,188,750.00	7,188,750.00	7,188,750.00	0.00	82,615,682,500.00	
For Sale	Housing	0.00	45,393,750.00	52,461,250.00	66,656,250.00	66,656,250.00	66,656,250.00	66,656,250.00	35,437,500.00	35,437,500.00	35,437,500.00	21,262,500.00	21,262,500.00	21,262,500.00	21,262,500.00	30,796,875.00	30,796,875.00	30,796,875.00	30,796,875.00	9,984,375.00	9,984,375.00	698,156,250.00
	Single-Family	0.00	14,175,000.00	21,262,500.00	21,262,500.00	35,437,500.00	35,437,500.00	35,437,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	534,200,000.00
	Detached	0.00	31,218,750.00	31,218,750.00	31,218,750.00	31,218,750.00	31,218,750.00	31,218,750.00	41,625,000.00	41,625,000.00	41,625,000.00	41,625,000.00	41,625,000.00	41,625,000.00	20,812,500.00	20,812,500.00	20,812,500.00	20,812,500.00	0.00	0.00	0.00	820,312,500.00
	Single-Family Attached	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	99,843,750.00	
	Condominium	0.00	2,657,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,843,750.00	
Retail	Grocery/Drug	0.00	6,772,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	84,075,000.00	
	Restaurants	0.00	7,452,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	820,875.00	
	Entertainment & Fitness	0.00	3,397,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	820,875.00	
	Services	0.00	3,015,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	820,875.00	
	Hair & Soft Goods	0.00	2,010,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	820,875.00	
Office	Traditional	0.00	9,000,000.00	9,000,000.00	9,000,000.00	9,000,000.00	9,000,000.00	9,000,000.00	9,000,000.00	9,000,000.00	9,000,000.00	9,000,000.00	9,000,000.00	9,000,000.00	9,000,000.00	9,000,000.00	9,000,000.00	9,000,000.00	9,000,000.00	9,000,000.00	9,000,000.00	1,125,950,000.00
	Medical	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	920,000,000.00	
Hotel	(Kays)	0.00	17,280.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	84,035.00	
	Full-Service Limited-Service	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	82,615.00	
	Total Assessed Value Added Per Year	25,283,750.00	116,729,250.00	101,162,500.00	122,533,500.00	111,621,250.00	121,262,875.00	97,222,500.00	124,478,375.00	110,266,375.00	80,080,625.00	113,091,000.00	102,884,750.00	82,016,000.00	73,440,000.00	28,684,375.00	35,882,875.00	35,882,875.00	47,308,500.00	47,308,500.00	81,715,949,250.00	

7. Appendix G: Economic Impact Assessment



**A Report
Of the Economic Impact of The Stadium and Jackeys Creek
Development Located in Leland, North Carolina**

Prepared by
Baker Tilly US, LLP

September 2023

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1. Executive Summary

- The Stadium is a proposed Minor League Baseball stadium that will include 6,000 total stadium capacity seating, a substantial hospitality zone, large terraced corporate event space, private indoor suite venues and a family friendly fun zone. In addition to the stadium, an approximate 1,400 acre, master planned community (“Jackeys Creek”) will be developed.
- This analysis will primarily focus on the economic impacts of the development and thereafter operation of the Stadium. Additionally, the economic impacts from the development of Jackeys Creek will also be presented in this analysis.
- Capital expenditures for the project are estimated at \$2.39 billion. A total of **29,695 total temporary direct, indirect and induced jobs** are estimated to be created from the construction of the Stadium and Jackeys Creek and over **\$5.1 billion of economic output and labor income** generated.
- Operational activities for the Stadium include revenue from the operation from ticket sales, food and beverage, parking, merchandise sales and event space rental. A total of **319 total permanent direct, indirect and induced jobs** are estimated to be created with over **\$30.5 million of annual economic output and labor income** generated.

2. The Stadium and Jackeys Creek Overview

Introduction

This report presents the results of an analysis undertaken by Baker Tilly US, LLP (the “Author”). This report estimates the impact that The Stadium and Jackeys Creek will have on the City of Leland, North Carolina and the surrounding area’s economy. Data used as input to this analysis was provided by the Developer to Baker Tilly. If any changes were to be made to the overall projections and/or assumptions to the Project’s costs, revenue or employment, the overall economic impacts listed in this analysis would present a different outcome.

Economic Impacts

The economic impacts are measured in common measures of economic activity including employment, workers’ earnings, economic output, and value added. Employment consists of a count of jobs that include both full-time and part-time workers. Workers’ earnings consist of wages and salaries, employer-provided benefits, and proprietors’ income. Economic output is gross output and is the sum of the intermediate inputs and final use. This is a duplicative total in that goods and services will be counted multiple times if they are used in the production of other goods and services. Economic output can be thought of as the value of goods and services sold in the economy or revenues for businesses in the economy. Value added is defined as the value of gross output less intermediate inputs and represents the contribution to gross area product or the size of the economy.

The economic impact of the project was measured in employment, household earnings (or compensation to workers), economic output and value added. The total economic impact of a new employer goes beyond just the workers it employs, the salaries it pays, and its sales. The project’s direct economic activity ripples through the regional economy supporting additional economic impacts in the form of indirect and induced jobs, household earnings, and economic output. The economic impacts estimated in this report are based on IMPLAN, a widely used computed-based input-output model developed by Minnesota IMPLAN Group (MIG). This project was evaluated using 2021 IMPLAN multipliers for the Leland, North Carolina regional economy.

Direct Economic Impacts

Direct spending, direct employment, and direct salaries serve as the basis for the economic impact calculations in this impact analysis.

Spin-off Economic Impacts

The total economic impact supported by the company includes the direct as well as spin-off activity. The company’s direct economic activity ripples through the economy and supports spin-off economic activity in the form of indirect and induced impacts. Indirect impacts reflect economic activity resulting from the business-to-business expenditures initiated by the company. Induced impacts refer to the consumer-to-business expenditures initiated by workers that spend a portion of their earnings on goods and services in the economy.

During Construction

The economic impact during construction consists of the temporary or one-time spending resulting from the construction expenditures for the Stadium and Jackeys Creek development. The impacts include direct, indirect and induced spending (economic output), employment, household earnings, and value added generated by the development expenditures. The estimated construction expenditures were used as the direct input to our impact model to estimate total economic impact during construction.

During Operations

The economic impact during operations consists of the on-going employment resulting from the Stadium's operations. The impacts include direct, indirect and induced revenue (economic output), employment, household earnings, and value added generated by the on-going operation of the Stadium. The Stadium's projected revenue serves as the direct input to our impact model to estimate total economic impact during operations. This analysis will not present any economic impacts from the operation of the Jackeys Creek development.

Project Location

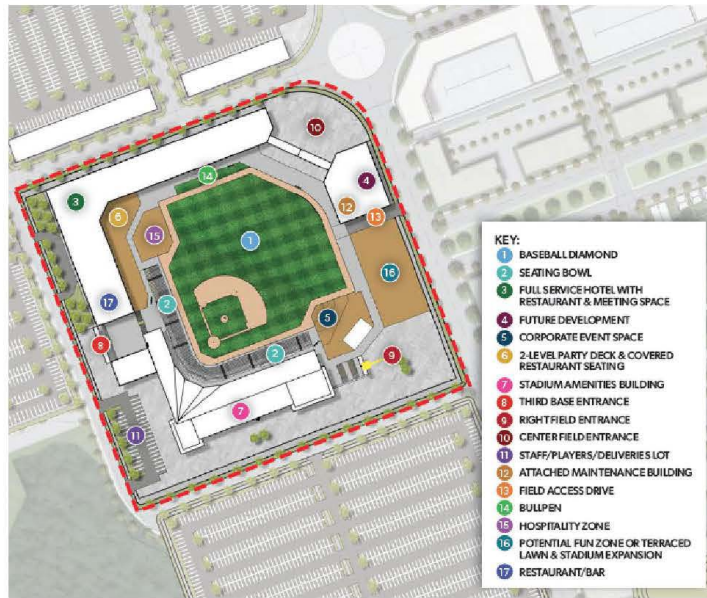
The Project is located in Leland, North Carolina. Leland is located in the southeast corner of North Carolina within Brunswick County and is approximately 10 miles west of Wilmington, North Carolina. Brunswick County is part of the Wilmington NC, Metropolitan Statistical Area (MSA)¹. The population of Leland was 28,591 as of 2022 US Census Bureau population estimates. The economic impact was measured out to the county level and represents specific impact to Brunswick County.

Description

The **Stadium** is a proposed Minor League Baseball stadium located at Brunswick Forest Parkway and Highway 17 in Leland, North Carolina. The Project will consist of the following:

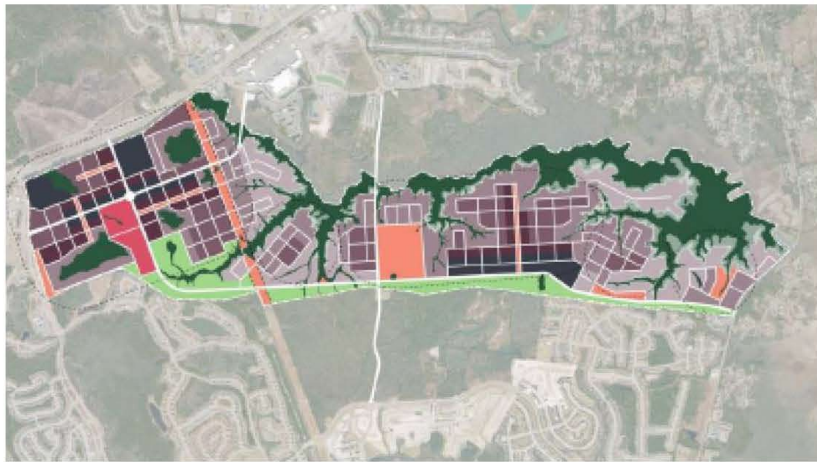
- 4,000 fixed stadium seats
- 2,000 concourse, group venue and lawn seating
- 360-degree elevated concourse for field viewing from every angle
- Hospitality zone in left field
- Large terraced corporate event space in right field
- 3-4 climate-controlled indoor suite venues
- Fun zone with inflatable slides, bounce houses and games

¹¹ Brunswick County was recently realigned into the Wilmington, NC Metropolitan Statistical Area in July 2023 by the Office of Management and Budget (OMB).



Jackeys Creek is a master-planned development that will be located along Highway 17 adjacent to the Stadium and will include the following:

- Approximately 1,400-acre master-planned community
- 5,500 rental-housing units (high-rise, wrap/podium, garden-style, build-for-rent)
- 4,500 for-sale housing units (single-family detached, single-family attached, condominium)
- 400,000 square feet of retail space (grocery, restaurants, entertainment/fitness, hard and soft goods)
- 650,000 square feet of office space (traditional/medical)
- Hotels with 390-keys total (full-service and limited-service)



Methodology

The economic impact of the project is calculated for the (1) construction activity of the Stadium and Jackeys Creek and (2) the ongoing operation of the Stadium further detailed in the report. This analysis will not present any economic impacts from the operation of the Jackeys Creek development.

The Author applied IMPLAN to estimate the total direct², indirect and induced economic impacts of the Project. This includes job creation, economic output and household earnings (or compensations to employees). The direct economic activity ripples through the local and state economies supporting additional economic impacts in the form of indirect and induced effects including jobs, output and household income.

The tables throughout the analysis show the Economic Impacts of the individual aspects of the Project. The impacts are considered "Direct, Indirect or Induced", which are defined as such:

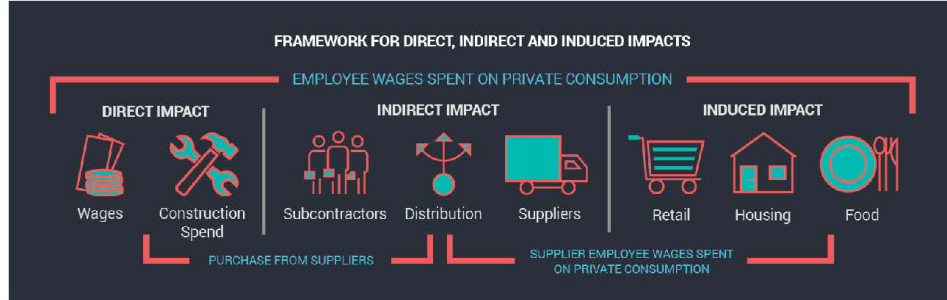
Direct effects from initial spending creates additional activity in the local economy.

Indirect effects are the results of business-to-business transactions indirectly caused by the direct effects.

² The definition of "direct jobs" through IMPLAN used in this report should not be confused with the concept of "direct job" creation measurable by Forms I-9, payroll records or other similar documentation.

When economists use the term "direct" jobs in the context of an econometric methodology such as IMPLAN, what is meant are jobs created directly by either expenditures or revenues. For example, if a building is constructed or renovated, the employees of the various unaffiliated tenants of that building would be considered "direct" jobs in the context of an econometric report. The tenants' employees are not "direct" employees of the project developer or LLC.

Induced effects are the results of increased personal income caused by the direct and indirect effects.



Employment consists of a count of jobs that include both full-time and part-time workers.

Labor Income consists of wages and salaries, employer-provided benefits, and proprietors' income.

Value Added represents the difference between the value of good and the cost of materials or supplies that are used in producing them. Value added is defined as the gross receipts of a firm minus the cost of goods and services purchases from other firms. Value added includes wages, salaries, interest, depreciation, rent, taxes and profit.

Output can be thought of as the value of goods and services sold in the economy or revenues for businesses in the economy.

3. Economic Impacts

Initial Capital Investment

The total capital investment into the Stadium and Jackeys Creek is projected to be \$2.39 billion by Year 2045. Table-1 below shows the anticipated total Use of Funds for the Project. This data was provided to the Author by the Project. Baker Tilly did not provide any independent validation to justify the Project budget or to determine if reasonable. If any changes were to be made to the assumptions shown below, the report and the conclusions about job creation and economic impact would be altered.

The Author assumed that 70% of Stadium development costs are attributable to hard construction costs, with the remaining 30% being used towards other soft costs. Construction costs for the Stadium and Jackeys Creek were then used to calculate job creation and economic impact using IMPLAN construction multipliers.

Table-1. Use of Funds

Project Description	
Stadium Construction Costs	\$73,920,000
Jackeys Creek Construction Costs	\$2,286,920,380
Stadium Soft Costs	\$31,680,000
Total	\$2,392,520,380

The construction expenditures are estimated to result in 29,695 total temporary direct, indirect and induced jobs along with a total economic output of \$3,645,691,525 and \$1,544,615,885 total household earnings as represented in Table 2 below.

Table-2. Economic Impacts of Construction of the Stadium and Jackeys Creek

Stadium Economic Impacts				
Impact	Employment	Labor Income	Value Added	Output
1 - Direct	614	\$34,046,539	\$36,345,460	\$73,920,000
2 - Indirect	76	\$3,531,313	\$6,381,873	\$14,448,844
3 - Induced	109	\$4,350,759	\$9,183,547	\$16,806,019
	800	\$41,928,610	\$51,910,880	\$105,174,863

Jackeys Creek Economic Impacts				
Impact	Employment	Labor Income	Value Added	Output
1 - Direct	21,312	\$1,193,681,587	\$1,368,770,320	\$2,372,215,000
2 - Indirect	3,666	\$153,244,435	\$278,560,064	\$566,647,777
3 - Induced	3,918	\$155,761,251	\$328,769,891	\$601,653,885
	28,896	\$1,502,687,274	\$1,976,100,276	\$3,540,516,662

Total Economic Impacts				
Impact	Employment	Labor Income	Value Added	Output
1 - Direct	21,926	\$1,227,728,126	\$1,405,115,780	\$2,446,135,000
2 - Indirect	3,742	\$156,775,748	\$284,941,937	\$581,096,621
3 - Induced	4,027	\$160,112,010	\$337,953,438	\$618,459,904
	29,695	\$1,544,615,885	\$2,028,011,156	\$3,645,691,525

Operational Activity of the Stadium

Total operational activity in this report focused on the economic impact of the Stadium complex, which includes revenue generated through ticket sales, food and beverage, parking, merchandise sales and event space rentals. Below are financial projections of expected revenues for the Stadium over the first ten years of operations. This revenue projection was provided to the Author by the Project. To calculate annual economic impacts the Authors selected Year 2035 of operations as the input to the economic analysis.

Table-3. Pro Forma of the Stadium

	2026	2027	2028	2029	2030	2031	2031	2033	2034	2035
# of Games	70	70	70	70	70	70	70	70	70	70
Paid Attendance	5,000	4,750	4,500	4,250	4,000	4,000	4,000	4,000	4,000	4,000
Total Paid Attendance	350,000	332,500	315,000	297,500	280,000	280,000	280,000	280,000	280,000	280,000
Turnstile %	85%	83%	80%	80%	80%	80%	80%	80%	80%	80%
Turnstile Attendance	297,500	274,313	252,000	238,000	224,000	224,000	224,000	224,000	224,000	224,000
ATP	\$20.00	\$21.00	\$21.00	\$21.50	\$21.50	\$22.00	\$22.00	\$22.50	\$23.00	\$23.00
F&B Per Cap	\$17.00	\$17.00	\$17.50	\$17.50	\$18.00	\$18.00	\$18.50	\$18.50	\$19.00	\$19.50
Parking Per Cap	\$1.50	\$1.50	\$2.00	\$2.00	\$2.50	\$2.50	\$3.00	\$3.00	\$3.50	\$3.50
Merchandise Per Cap	\$5.50	\$4.75	\$4.25	\$4.00	\$4.00	\$4.10	\$4.20	\$4.30	\$4.40	\$4.50
Revenue										
Tickets	\$7,000,000	\$6,982,500	\$6,615,000	\$6,396,250	\$6,020,000	\$6,160,000	\$6,160,000	\$6,300,000	\$6,440,000	\$6,440,000
Concession	\$5,057,500	\$4,663,313	\$4,410,000	\$4,165,000	\$4,032,000	\$4,032,000	\$4,144,000	\$4,144,000	\$4,256,000	\$4,368,000
Parking	\$446,250	\$411,469	\$504,000	\$476,000	\$560,000	\$560,000	\$672,000	\$672,000	\$784,000	\$784,000
Merchandise	\$1,636,250	\$1,302,984	\$1,071,000	\$952,000	\$896,000	\$918,400	\$940,800	\$963,200	\$985,600	\$1,008,000
Public Events	\$667,500	\$667,500	\$707,500	\$707,500	\$747,500	\$747,500	\$787,500	\$787,500	\$827,500	\$827,500
Private Events	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000
Total Revenue	\$15,157,500	\$14,377,766	\$13,657,500	\$13,046,750	\$12,605,500	\$12,767,900	\$13,054,300	\$13,216,700	\$13,643,100	\$13,777,500

*Financial Projections Provided by the Project Developer

The Stadium is estimated to annually create 234 direct full time jobs, with 85 additional indirect and induced jobs along with a total annual economic output of \$21,899,332 and \$8,651,343 total household earnings.

Table-4. Economic Impacts of the Stadium

Total Economic Impacts				
Impact	Employment	Labor Income	Value Added	Output
1 - Direct	234	\$5,896,243	\$6,456,362	\$13,036,977
2 - Indirect	61	\$1,811,342	\$2,326,644	\$5,211,626
3 - Induced	24	\$943,758	\$1,994,986	\$3,650,729
	319	\$8,651,343	\$10,777,992	\$21,899,332

Summary

The Stadium and Jackeys Creek project is expected to bring about significant positive economic impacts to the county. With the creation of an estimated 29,695 jobs related to the construction activities, the project will not only provide employment opportunities but also stimulate economic growth in the region. Moreover, the project is projected to generate an impressive \$3,645,691,525 in temporary economic output, further boosting the county's economy.

In addition to the temporary economic benefits related to construction, the ongoing operations of the Stadium will continue to have a positive impact on the local economy. The stadium is projected to create 319 direct, indirect and induced jobs, providing employment opportunities for residents and contributing to the county's workforce. Furthermore, the annual economic output generated by the stadium is estimated to be approximately \$21,899,332. This consistent infusion of economic activity will likely stimulate various sectors, such as hospitality, retail, and services, thereby fostering economic growth, supporting local businesses, and ultimately improving the overall financial well-being of Brunswick County.

4. About IMPLAN

IMPLAN is a regional economic analysis software application that is designed to estimate the impact or ripple effect (specifically backward linkages) of a given economic activity within a specific geographic area through the implementation of its Input-Output model. Studies, results, and reports that rely on IMPLAN data or applications are limited by the researcher's assumptions concerning the subject or event being modeled. Studies such as this one are in no way endorsed or verified by IMPLAN Group, LLC unless otherwise stated by a representative of IMPLAN.

IMPLAN provides the estimated indirect and induced Effects of the given economic activity as defined by the user's inputs. Some Direct Effects may be estimated by IMPLAN when such information is not specified by the user. While IMPLAN is an excellent tool for its designed purposes, it is the responsibility of analysts using IMPLAN to be sure inputs are defined appropriately and to be aware of the following assumptions within any I-O Model:

- Constant returns to scale
- No supply constraints
- Fixed input structure
- Industry technology assumption
- Constant byproducts coefficients
- The model is static

By design, the following key limitations apply to Input-Output Models such as IMPLAN and should be considered by analysts using the tool:

Feasibility: The assumption that there are no supply constraints and there is fixed input structure means that even if input resources required are scarce, IMPLAN will assume it will still only require the same portion of production value to acquire that input, unless otherwise specified by the user. The assumption of no supply constraints also applies to human resources, so there is assumed to be no constraint on the talent pool from which a business or organization can draw. Analysts should evaluate the logistical feasibility of a business outside of IMPLAN. Similarly, IMPLAN cannot determine whether a given business venture being analyzed will be financially successful.

Backward-linked and Static model: I-O models do not account for forward linkages, nor do I-O models account for offsetting effects such as cannibalization of other existing businesses, diverting funds used for the project from other potential or existing projects, etc. It falls upon the analyst to take such possible countervailing or offsetting effects into account or to note the omission of such possible effects from the analysis.

Like the model, prices are also static: Price changes cannot be modeled in IMPLAN directly; instead, the final demand effects of a price change must be estimated by the analyst before modeling them in IMPLAN to estimate the additional economic impacts of such changes.

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