US Conference of Mayors

Final Deliverable
Tampa Bay Project
December 2013
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Executive Summary
Since 2008, the Tampa Bay Rays have made the playoffs four times and ranked second to only the New York Yankees in overall win-loss record across Major League Baseball (MLB). However, within the same period, the Rays have ranked 28th in overall home attendance and last in the past two seasons. As stadium talks continue to surround the Rays, two questions emerge that Tampa Bay area cities must explore:

1) What factors are precipitating such poor home attendance?
2) How viable is an MLB team in the Tampa Bay area?

To answer these questions, SHA Consulting (NYU Tisch Center) investigated the commonly assumed causes of the Tampa Bay Rays attendance challenges and provided further analysis of these issues and recommendations for Tampa Bay area cities to consider as stadium discussions continue.

**Potential Causes for Attendance Issues**

SHA Consulting gathered research through publicly available materials as well as interviews with personnel closely associated with the Rays during the Namoli and Sternberg eras, Tampa Bay leaders in hospitality, business, and government, and NYU professors with expertise in the baseball, tourism, and hospitality industries. Based on this investigation, SHA Consulting identified eight potential causes for Tropicana Field attendance issues: 1) a transient population; 2) stadium infrastructure; 3) public transportation; 4) traffic; 5) economic reasons; 6) low population around Tropicana Field; 7) a lack of corporate support; and 8) the weather. Further research was conducted to test these common assumptions, which resulted in the discovery of a few key insights. **Transient Population:** The transient characteristic of the local population—70% of Tampa Bay area residents were born out of state—poses a barrier to local teams developing a strong, loyal fan base. **Low Population Density:** Less than 20% of the Tampa Bay area’s population lives or works within a 30-minute drive of Tropicana Field. In contrast, Seattle, which has the next lowest metropolitan ratio, has a ratio 2.5 times as high. **Stadium:** Even if not a cause in and of itself, current stadium conditions and surrounding infrastructure provide little incentive for return visits.
Executive Summary

Further Analysis of Attendance Issues

Upon further analysis of the attendance issues, two important additional factors emerged. Rays owner Stuart Sternberg and his executive team under the leadership of Matt Silverman have developed markedly better relationships and goodwill within the local community than prior owner Vince Namoli ever did. However, there is some underlying sentiment within the business community that current Rays ownership, specifically Sternberg, needs to increase personal presence within Tampa Bay. Business owners want to speak with business owners, not their representatives. The team eschews this objection, but the social and psychological impact may have quietly undermined support from local businesses. Also critical is that communities near the stadium, such as blighted areas of South St. Petersburg, may resent the team’s presence because of as-yet-unfulfilled development promises made when the stadium was first built.

Recommendations

Beyond some already publicly circulated ideas—for example, building a new stadium closer to avid Rays fans and the population center and redeveloping the Tropicana Field area as a commercial center—SHA Consulting offers three main recommendations:

1) Determine the tangible effect of Rays owner Sternberg’s presence in the local business community moving forward. Further, will his New York-based network ultimately benefit the Tampa Bay market, especially corporate sponsorship opportunities, should the team move into a new stadium?

2) Resist building on the assumption “if you build it, they will come.” Although the low population density may be a primary cause, the psychological barrier that Tampa Bay and its bridges pose to the residents in both the Hillsborough and Pinellas counties independent of travel time should be carefully studied. Specifically, what are the effects of this psychological barrier over the course of 81 home games?

3) Understand levels of discord between Tampa Bay area cities, primarily Tampa and St. Petersburg, as they relate to a favorable market for the team to leverage when they receive freedom from their current lease at Tropicana Field. The cities must begin to think about how they can work collaboratively to procure a stadium deal that benefits all of the region’s cities and the Tampa Bay area as a whole.
Project Background
Since 2008, the Tampa Bay Rays have made the playoffs four times and ranked second to only the New York Yankees in overall win-loss record across Major League Baseball (MLB). As an indicator of the team’s local popularity, in 2013 the Rays had an average local rating of 4.93, a number in the top 10 for MLB. Regardless, since 2008, the Rays have ranked 28th in overall home attendance; the past two years, they have ranked last.

This raises two questions:

1) How viable is Major League Baseball in the Tampa Bay area?
2) What factors are precipitating such poor home attendance?

## Attendance: Winning is Everything Something

This chart depicts the correlation between the Rays on-field success and their increased attendance. Since 2008, the ballclub has gone from a home attendance index of .59 to an index of .68 versus the MLB average. Likely a reflection of increased fan attention associated with winning, the ballclub has also had three fan-selected All Star Game starters, and increased road attendance index and rank to sixth in the American League. These statistics, combined with strong local TV ratings, illustrate that the ballclub has increased fan affinity slightly, though that result has translated to marginal attendance gains.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Avg</td>
<td>MLB (AL) Rank</td>
<td>Total</td>
<td>Avg</td>
<td>MLB (AL) Rank</td>
</tr>
<tr>
<td>Wins</td>
<td>550</td>
<td>91.67</td>
<td>2 (2)</td>
<td>645</td>
<td>64.50</td>
<td>30 (15)</td>
</tr>
<tr>
<td>Playoffs</td>
<td>4</td>
<td>Every 1.5 yrs</td>
<td>1T-3 (1T-1)</td>
<td>0</td>
<td>Never</td>
<td>23T-7 (12T-3)</td>
</tr>
<tr>
<td>Salary</td>
<td>$360M</td>
<td>$60M</td>
<td>27 (15)</td>
<td>$359M</td>
<td>$35.9M</td>
<td>29 (15)</td>
</tr>
<tr>
<td>All Stars</td>
<td>19</td>
<td>3.17</td>
<td>8T-1 (5)</td>
<td>11</td>
<td>1.10</td>
<td>30 (15)</td>
</tr>
<tr>
<td>Fan-selected AS Starters</td>
<td>3</td>
<td>Every 2 yrs</td>
<td>12T-9 (5T-4)</td>
<td>0</td>
<td>Never</td>
<td>29T-1 (15)</td>
</tr>
<tr>
<td>Home Att.</td>
<td>12,355,798</td>
<td>20,821</td>
<td>28 (14)</td>
<td>14,127,967</td>
<td>17,507</td>
<td>28 (15)</td>
</tr>
<tr>
<td>Home Att. Index</td>
<td>0.68</td>
<td></td>
<td>28 (14)</td>
<td>0.59</td>
<td></td>
<td>28 (15)</td>
</tr>
<tr>
<td>Road Att. Index</td>
<td>0.95</td>
<td></td>
<td>21 (6)</td>
<td>0.94¹</td>
<td></td>
<td>24 (9)</td>
</tr>
</tbody>
</table>

Home, Road Attendance Index are indexes created by SHA to show scale of the team’s performance against the rest of MLB. Index = (Team #)/MLB Average.


Sources: Baseball-Reference.com; “MLB Attendance Report (2001-2013)"
Project Objectives

- Investigate the commonly assumed causes of the Tampa Bay Rays attendance challenges.
- Examine the viability of proposed facility solutions.
- Provide recommendations to address the Tampa Bay Rays facility issues.
Note: Because of the multiple interviewees who asked for high levels of anonymity and because of the overall sensitive nature of information communicated to SHA Consulting, the team ultimately made the decision to not reveal any of their interviewees so as not to put the reputation of anyone at risk and as not to allow for deduction about interviewee sources through process of elimination. While SHA Consulting regrets not being able to use their titles, maintaining this anonymity allows for a more clear conveyance of what was communicated, without disrupting any potentially-sensitive situations or further impeding progress. People interviewed included personnel closely associated with the Rays during the Namoli and Sternberg eras, local leaders in hospitality, business, and government, and NYU professors with expertise in the sports, tourism, and hospitality industries.
Potential Causes for Attendance Issues
A Google search of articles written about the Tampa Bay Rays’ poor attendance suggest which perceived causes have received the most discussion in the media. The chart above compiled based on the top 16 relevant search results shows what local and national writers of various ilk have commonly cited as reasons for the team’s low attendance. During interviews with local stakeholders, all of these reasons were each cited at least once.
Causes for Poor Home Attendance

Transient Population

- 70% of residents in Tampa Bay were born out of state
- 71% of residents moved in after 2000

**Key Highlight** | Transient characteristic of local population poses barrier to local teams developing a strong, loyal fan base

**Residents Place of Birth**

- Born in PR, U.S. Island areas, or abroad to U.S. parent(s): 3%
- Foreign born: 7%
- State of residence: 30%
- Different state: 60%

**Time Moved in Occupied Housing**

- Moved in 2010 or later: 24%
- Moved in 2000 to 2009: 47%
- Moved in 1990 to 1999: 19%
- Moved in 1980 to 1989: 7%
- Moved in 1970 to 1979: 2%
- Moved in 1969 or earlier: 1%

**Sources:** US Bureau of Labor Statistics; Interviews
Causes for Poor Home Attendance

**Stadium Infrastructure**

- Stadium’s aesthetics widely criticized
- Unique set of ground rules due to four catwalks that hang above field of play
- Tarps to reduce seats from 42,735 to league low 34,078
- Lack of signage makes interior navigation cumbersome
- In-door environment dampens game atmosphere
  - Poor lighting, AC comfort makes fans tired
  - Poor sight lines from many seats

**Key Highlight** | Stadium inadequacies reinforce to attendees substantiation for the low attendance.

Sources: Sharockman; Sharockman and Nohlgren; Seher; Mock; “Tropicana Field.” Google Reviews; “Tropicana Field.” TripAdvisor; “Tropicana Field.” Yelp; “Tropicana Field: Baseball Field”; Interviews
Causes for Poor Home Attendance

**Public Transportation**

- Few bus routes stop at or near Tropicana Field
- Two routes from downtown Tampa to St. Petersburg
  - 100X
  - 300X
- Service stops before 6:30pm on weekdays
- Cannot get back to Tampa after a weeknight game
- Service does not operate on weekends

Key Highlight | Using public transit for a Rays game is currently untenable for most of the local population.

Sources: Pinellas Suncoast Transit Authority; Interviews
Causes for Poor Home Attendance

**Traffic**

- Tropicana Field is located directly east of I-275 in St. Petersburg
- Travel from Tampa
  - 24 miles
  - 30 minutes during non-peak hours
  - 60-90 minutes during peak hours
- Commute for night time baseball games often accompanied by seasonal storms

**Key Highlight** | Though commute time may compare to major cities, relative distance to what area residents are accustomed to traveling is high.

Sources: Google Maps; Interviews
Causes for Poor Home Attendance

**Economic Reasons: GDP**

- Tampa-St. Petersburg-Clearwater MSA’s GDP ranks 24th nationally
- Per Capita Real GDP—which has direct impact on consumer expenditure on entertainment and leisure activities—decreased sharply from 2008-2011

*Key Highlight* | The Rays became good as the economy went bad, but even with regional GDP recovery since 2011, attendance has not improved.

Sources: Bureau of Economic Analysis; Interviews
Causes for Poor Home Attendance

Economic Reasons: Unemployment

- Unemployment rate in St. Petersburg and the Tampa Bay area has been at a historical high since the end of 2008.
- Employment has made steady gains since a peak of nearly 12% unemployment in 2010.
- Employment is projected to increase by 2.3% in 2013-2014, outpacing the national average.
- The volatility of the Tampa Bay job market has been assumed to be a reason that the Rays struggled to draw even during marquee games.

Key Highlight | An improving economy has not led to a change in attendance.

Sources: US Bureau of Labor Statistics; Interviews
## Causes for Poor Home Attendance

### Low Population Near Tropicana Field

<table>
<thead>
<tr>
<th>City</th>
<th>Market Size (Total Pop.)</th>
<th>Population w/in 30-min Drive</th>
<th>HHs w/in 30-min Drive</th>
<th>Employees w/in 30-min Drive</th>
<th>% Pop w/in 30-min</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denver</td>
<td>2,422,370</td>
<td>1,902,363</td>
<td>767,354</td>
<td>1,148,878</td>
<td>79%</td>
</tr>
<tr>
<td>Milwaukee</td>
<td>1,838,060</td>
<td>1,245,266</td>
<td>507,363</td>
<td>823,158</td>
<td>68%</td>
</tr>
<tr>
<td>Cleveland</td>
<td>2,132,590</td>
<td>1,424,512</td>
<td>588,376</td>
<td>918,080</td>
<td>67%</td>
</tr>
<tr>
<td>Kansas City</td>
<td>1,994,110</td>
<td>1,303,160</td>
<td>521,183</td>
<td>806,382</td>
<td>65%</td>
</tr>
<tr>
<td>Minneapolis</td>
<td>3,244,080</td>
<td>2,063,690</td>
<td>836,555</td>
<td>1,508,170</td>
<td>64%</td>
</tr>
<tr>
<td>San Diego</td>
<td>3,033,940</td>
<td>1,921,564</td>
<td>695,075</td>
<td>988,722</td>
<td>63%</td>
</tr>
<tr>
<td>Cincinnati</td>
<td>2,102,990</td>
<td>1,233,185</td>
<td>503,681</td>
<td>822,841</td>
<td>59%</td>
</tr>
<tr>
<td>Phoenix</td>
<td>4,048,400</td>
<td>2,265,450</td>
<td>803,120</td>
<td>1,180,625</td>
<td>56%</td>
</tr>
<tr>
<td>Pittsburgh</td>
<td>2,401,310</td>
<td>1,192,470</td>
<td>510,058</td>
<td>738,409</td>
<td>50%</td>
</tr>
<tr>
<td>Seattle</td>
<td>3,289,520</td>
<td>1,563,313</td>
<td>674,595</td>
<td>1,091,342</td>
<td>48%</td>
</tr>
</tbody>
</table>

**Tampa Bay (Tropicana Field)**

<table>
<thead>
<tr>
<th>Market Size (Total Pop.)</th>
<th>Population w/in 30-min Drive</th>
<th>HHs w/in 30-min Drive</th>
<th>Employees w/in 30-min Drive</th>
<th>% Pop w/in 30-min</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,247,200</td>
<td>615,722</td>
<td>277,252</td>
<td>408,341</td>
<td>19%</td>
</tr>
</tbody>
</table>

- Less than 1/5 of the Tampa Bay area’s population is within a 30-minute drive of Tropicana Field
- Next lowest ratio is 2.5 times as great

**Key Highlight** | More than 80% of the population has a half hour or more commute to Tropicana Field

Source: The ABC Coalition
Causes for Poor Home Attendance

Corporate Support

Top 10 Companies Headquartered in Tampa Bay, by Revenue

<table>
<thead>
<tr>
<th>Company</th>
<th>Publix*</th>
<th>Data-Tech*</th>
<th>Jabil*</th>
<th>WellCare*</th>
<th>Raymond James</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry</td>
<td>Groceries</td>
<td>Technology Distribution</td>
<td>Electronics</td>
<td>Insurance</td>
<td>Finance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Company</th>
<th>Bloomin’ Brands</th>
<th>HSN</th>
<th>Tesco</th>
<th>Cott</th>
<th>Brown &amp; Brown</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry</td>
<td>Restaurants</td>
<td>E-commerce</td>
<td>Power</td>
<td>Beverages</td>
<td>Insurance</td>
</tr>
</tbody>
</table>

*Tie for 30th for metro areas with the most Fortune 500 company headquarters

*Approximately one-third of season ticket holders are corporate accounts, about half the league average

Key Highlight | It remains unclear if there is enough area corporate presence and support to sustain three professional franchises.

Sources: “2013 Fortune 500”; City-Data.com; Harrington et. al; Interviews
Causes for Poor Home Attendance

**Weather**

- St. Petersburg has a humid subtropical climate
- Humidity and wet season peaks during the baseball season
  - Although the Rays play in an indoor stadium, the wet weather may limit and discourage attendance
  - Humid temperatures may drive people towards the beach rather than to a baseball outing, even at an indoor stadium

**Key Highlight** | Rays fans have to face an unusual combination of high humidity, temperature, and potential inclement weather in commuting to Tropicana Field.

Sources: City-Data.com; Interviews
Further Analysis of Attendance Issues
Further Analysis of Attendance Issues

Summary

- Ticket Factors
- Public Transportation Demand
- Corporate Support
- Population Growth Trends
- Neighborhood Challenges
- Community Perception
- New Stadiums
- Baseball’s Impact on the Hospitality Industry
## Further Analysis of Attendance Issues

### Ticket Factors

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average MLB Home Attendance</strong></td>
<td>30,884</td>
<td>30,504</td>
</tr>
<tr>
<td><strong>Average Rays Home Attendance</strong></td>
<td>19,255 (81)</td>
<td>18,645 (81)</td>
</tr>
<tr>
<td><strong>By Visiting Team</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New York Yankees</td>
<td>26,416* (9)</td>
<td>23,465 (9)</td>
</tr>
<tr>
<td>Boston Red Sox</td>
<td>19,123 (9)</td>
<td>16,963 (9)</td>
</tr>
<tr>
<td>Baltimore Orioles</td>
<td>19,355 (10)</td>
<td>21,407* (10)</td>
</tr>
<tr>
<td>Toronto Blue Jays</td>
<td>14,913 (9)</td>
<td>15,207 (10)</td>
</tr>
<tr>
<td>Current Year Playoff Team</td>
<td>22,038* (34)</td>
<td>19,672 (18)</td>
</tr>
<tr>
<td>Current Year Playoff Team (w/o NYY)</td>
<td>20,461 (25)</td>
<td>19,672 (18)</td>
</tr>
<tr>
<td>Previous Year Playoff Team</td>
<td>24,245* (16)</td>
<td>21,653* (32)</td>
</tr>
<tr>
<td>Previous Year Playoff Team (w/o NYY)</td>
<td>21,454 (7)</td>
<td>20,944* (23)</td>
</tr>
<tr>
<td>Top 10 DMA</td>
<td>20,715* (39)</td>
<td>19,391 (37)</td>
</tr>
<tr>
<td>Top 10 DMA (w/o NYY)</td>
<td>19,005 (30)</td>
<td>18,081* (28)</td>
</tr>
</tbody>
</table>

**Key Insight**: Aside from the Yankees, no team or group of teams can be shown to bolster attendance for multiple series independent of other factors.

Games comprising each average in parentheses. 1 ATL, BOS, CWS, LAA, NYM, OAK, TEX | 2 BOS, CWS, HOU, OAK, SFG | *Indicates total includes Opening Day

### Further Analysis of Attendance Issues

**Ticket Factors: Deeper Dive**

<table>
<thead>
<tr>
<th></th>
<th>All 2012</th>
<th>All– 2012</th>
<th>NYY 2012</th>
<th>BOS 2012</th>
<th>All 2013</th>
<th>All– 2013</th>
<th>NYY 2013</th>
<th>BOS 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wknd/Hol</td>
<td>24,564 (28)</td>
<td>23,330 (22)</td>
<td>30,277 (4)</td>
<td>26,721 (2)</td>
<td>24,191 (27)</td>
<td>23,312 (23)</td>
<td>29,243 (4)</td>
<td>--</td>
</tr>
<tr>
<td>Promo</td>
<td>24,748 (18)</td>
<td>24,022 (15)</td>
<td>29,499 (2)</td>
<td>26,131 (1)</td>
<td>24,620 (26)</td>
<td>23,780 (22)</td>
<td>29,243 (4)</td>
<td>--</td>
</tr>
<tr>
<td>No Promo</td>
<td>24,235 (10)</td>
<td>21,846 (7)</td>
<td>31,056 (2)**</td>
<td>27,311 (1)</td>
<td>13,025 (1)</td>
<td>13,025 (1)</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Workday</td>
<td>16,675 (54)</td>
<td>15,526 (41)</td>
<td>23,327 (5)*</td>
<td>16,953 (7)</td>
<td>15,873 (54)</td>
<td>15,257 (40)</td>
<td>18,843 (5)</td>
<td>16,963 (9)</td>
</tr>
<tr>
<td>Promo</td>
<td>20,181 (19)</td>
<td>19,427 (15)</td>
<td>17,182 (2)</td>
<td>29,089 (1)</td>
<td>19,046 (15)</td>
<td>19,091 (9)</td>
<td>19,721 (4)</td>
<td>17,491 (2)</td>
</tr>
<tr>
<td>No Promo</td>
<td>14,722 (35)</td>
<td>13,276 (26)</td>
<td>27,424 (3)*</td>
<td>14,930 (6)</td>
<td>14,653* (39)</td>
<td>14,143*(31)</td>
<td>15,331 (1)</td>
<td>16,812 (7)</td>
</tr>
<tr>
<td>All</td>
<td>19,255 (81)</td>
<td>18,251 (63)</td>
<td>26,416 (9)</td>
<td>19,123 (9)</td>
<td>18,646 (81)</td>
<td>18,198 (63)</td>
<td>23,465 (9)</td>
<td>16,963 (9)</td>
</tr>
<tr>
<td>Promo</td>
<td>22,231 (36)</td>
<td>21,724 (30)</td>
<td>23,340 (4)</td>
<td>27,610 (2)</td>
<td>22,581 (41)</td>
<td>22,418 (31)</td>
<td>24,482 (8)</td>
<td>17,491 (2)</td>
</tr>
<tr>
<td>No Promo</td>
<td>16,875 (45)</td>
<td>15,094 (33)</td>
<td>28,877 (5) ***</td>
<td>16,699 (7)</td>
<td>14,612 (40)</td>
<td>14,108 (32)</td>
<td>15,331 (1)</td>
<td>16,812 (7)</td>
</tr>
</tbody>
</table>

When taking out the variable of promos, the Boston Red Sox outdrew other teams on workdays by 18% in 2013 and 12% in 2012.

Workdays even have a strong attendance muting effect on Red Sox and Yankee games.

"All–" means all teams less NYY, BOS. Games in each average in parentheses. *Indicates total includes Opening Day; **Indicates total includes Sat/Sun game on Opening Weekend.

Key Insight | NYY and BOS outdraw other teams but weekends and promos draw bigger than team name.

Sources: "MLB Attendance Report (2001-2013)"; Baseball-Reference.com; "2013 Tampa Bay Rays Regular Season Attendance."
Further Analysis of Attendance Issues

Public Transportation Demand

- Tampa Bay Area Regional Transportation Authority
- Howard Frankland Bridge PD&E Study and Regional Transit Corridor Evaluation
  - $390 million to replace the bridge
  - $25 million substructure to accommodate a light rail
  - $1 billion potential project cost
- Hillsborough County constituents rejected a transit tax referendum in 2010
- Pinellas County voters to vote on transit tax referendum in November 2014

**Key Insight** | TB residents have shown mediocre support for an intra-TB mass transit system, indicating such infrastructure will likely not be built in the near future.

Sources: “Howard Frankland Bridge PD&E Study”; Interviews
Further Analysis of Attendance Issues

Corporate Support

- Led by managing partner Stuart Sternberg, the perception of the current ownership group is much more positive than their predecessor.
- Mr. Sternberg does not reside in Tampa Bay and rarely attends games, usually sending top executives in his place to business meetings.
- The Rays do not view this practice as a hindrance to their relationships with the Tampa Bay business community, however company owners expect to meet with other company owners, not their lieutenants.
- Mr. Sternberg is viewed by some in the community as an absentee owner and a community outsider.

Key Insight | Stuart Sternberg may never make a commitment to fully become part of the TB community, which may hurt relationships with local businesses.

Source: Interviews
Further Analysis of Attendance Issues

Population Growth Trends

- Upward population growth trend in Hillsborough County and in Tampa
- Stagnation of population growth in Pinellas County

<table>
<thead>
<tr>
<th>Age</th>
<th>Pinellas</th>
<th>Hillsborough</th>
<th>Metro Area*</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-34</td>
<td>23%</td>
<td>30%</td>
<td>26%</td>
</tr>
<tr>
<td>35-54</td>
<td>33%</td>
<td>38%</td>
<td>35%</td>
</tr>
<tr>
<td>55 &amp; above</td>
<td>44%</td>
<td>32%</td>
<td>39%</td>
</tr>
</tbody>
</table>

*Metro Area refers to Tampa-St. Petersburg-Clearwater

Key Insight | Hillsborough provides a larger, younger population base.

Sources: United States Census Bureau; Interviews
Further Analysis of Attendance Issues

**Neighborhood Challenges**

- Majority of affluence clustered in a select few neighborhoods far away from Tropicana Field’s South St. Petersburg location

- South St. Petersburg is a blighted neighborhood that has limited expendable income
  - Rate of poverty twice as high as the rest of St. Petersburg
  - Average household income 60% less than St. Pete average

**Key Insight** | Tropicana Field provides little utility to immediate vicinity residents.

Sources: City-Data.com; Interviews
People in St. Petersburg have become more open to the Rays relocating to Tampa

- 2013 mayoral election: Rays stadium solution ranked as the fourth most important issue to St. Petersburg voters.
- Location unattractive, inconvenient even to St. Pete residents
- Emotional barrier has developed between the team and South St. Petersburg (the blighted area near the stadium)
  - Promises broken from original build: Stadium has not contributed to economic development
  - Strong need for city resources to go towards schools and economic development

Key Insight | Political atmosphere is right for brokering an exit agreement between the City and Team.

Sources: Scullin; Interviews
Further Analysis of Attendance Issues

**New Stadiums Since 2000 (Growth)**

<table>
<thead>
<tr>
<th>Yrs</th>
<th>Old</th>
<th>W*</th>
<th>Year</th>
<th>New</th>
<th>W</th>
</tr>
</thead>
<tbody>
<tr>
<td>DET</td>
<td>10</td>
<td>73</td>
<td>2000</td>
<td>27,995</td>
<td>73</td>
</tr>
<tr>
<td>HOU</td>
<td>10</td>
<td>85</td>
<td>2000</td>
<td>34,811</td>
<td>83</td>
</tr>
<tr>
<td>SFG</td>
<td>10</td>
<td>82</td>
<td>2000</td>
<td>39,093</td>
<td>86</td>
</tr>
<tr>
<td>MIL</td>
<td>10</td>
<td>77</td>
<td>2001</td>
<td>30,669</td>
<td>86</td>
</tr>
<tr>
<td>PIT</td>
<td>10</td>
<td>78</td>
<td>2001</td>
<td>22,400</td>
<td>75</td>
</tr>
<tr>
<td>PHI</td>
<td>10</td>
<td>76</td>
<td>2004</td>
<td>40,647</td>
<td>67</td>
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<tr>
<td>SDP</td>
<td>10</td>
<td>81</td>
<td>2004</td>
<td>29,966</td>
<td>76</td>
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<tr>
<td>STL</td>
<td>8</td>
<td>92</td>
<td>2006</td>
<td>41,987</td>
<td>87</td>
</tr>
<tr>
<td>AVG</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>33,205</td>
<td>80</td>
</tr>
</tbody>
</table>

The eight teams featured averaged a 40% increase in attendance from a new stadium when charting up to 10 years post-new stadium.

**Key Insight**

Increased sustained attendance accompanies new stadium builds for most teams even for those teams performing poorly in the future.

Red line intersects data points of last year in old stadium, black line points of first year in new one. Only stadiums five+ years old included.

Sources: Baseball-Reference.com; "MLB Attendance Report (2001-2013)"
Further Analysis of Attendance Issues

**New Stadiums Since 2000 (Flat or Loss)**

- The only two teams opening new stadiums since 2000 with declines in attendance when comparing five or more years (up to 10) before and after stadium opening are the two New York teams.
- Both NY teams opened stadiums the year that nearly all teams across the four major sports experienced drastic hits (down 5%+ across MLB) due to the financial crisis hit near the end of 2008, both closed iconic stadiums, and both decreased seating capacity, also eliminating affordable ticketing options that would bolster attendance.

### Key Insight

<table>
<thead>
<tr>
<th>Yrs</th>
<th>Old</th>
<th>W*</th>
<th>Year</th>
<th>New</th>
<th>W</th>
</tr>
</thead>
<tbody>
<tr>
<td>CIN</td>
<td>10</td>
<td>25,961</td>
<td>82</td>
<td>2006</td>
<td>26,178</td>
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<tr>
<td>NYM</td>
<td>5</td>
<td>41,253</td>
<td>86</td>
<td>2009</td>
<td>30,863</td>
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<tr>
<td>NYY</td>
<td>5</td>
<td>51,191</td>
<td>95</td>
<td>2009</td>
<td>44,347</td>
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<td>Avg</td>
<td>--</td>
<td>39,468</td>
<td>88</td>
<td>--</td>
<td>33,796</td>
</tr>
</tbody>
</table>

Red line intersects data points of last year in old stadium, black line points of first year in new one. Only stadiums five+ years old included.

**Sources:** Baseball-Reference.com; “MLB Attendance Report (2001-2013)”; Interviews
Further Analysis of Attendance Issues

*Baseball’s Impact on the Hospitality Industry*

- Hotels where opposing teams stay obtain the most benefits from having the stadium in close proximity.

- Baseball season coincides with a few months of low and shoulder seasons for hotels in the St. Pete area.

- Having the teams stay at the hotel draws a significant amount of business for the hotel during leaner seasons in Florida.

- Other hotels get moderate residual effect from having the stadium in close proximity primarily from out-of-town game attendees.

- Game-attendees who stay in hotels mainly come from large markets such as Boston and New York when their home teams are in town.

**Key Insight** | Hotels and their tax revenues in the immediate vicinity of a new stadium would perhaps experience even more of a boost during a seasonally slow time if attendance improves as anticipated via a new stadium solution.

*Source: Interviews*
Recommendations
Recommendations

Summary

- Stadium Location
- Alternative to Tropicana Field
- Corporate Development | Owner Presence
- Developing Retail Facilities
- Bridging the Bay, a Psychological Barrier
- Four Cities, One Direction
Recommendations

Stadium Location

✓ Location needs to be more easily accessible to fans who are willing and able to attend games

✓ Survey residents and businesses who live within a 15 minutes drive of all potential stadium sites to understand fan avidity and future commitment

✓ Strongly consider the neighborhood that is the most excited to support the Rays through corporate and financial support, as well as through attendance

✓ Research has shown that the walkability to a city center may contribute to the success of a stadium

Key Recommendation | Know where your avid fans are concentrated and leverage that location.
Recommendations

Alternative to Tropicana Field

- A non-baseball oriented development in the place of Tropicana field would be more beneficial to the South St. Petersburg area than a new facility for the Rays
- The current site of Tropicana Field is a desirable development opportunity
- The lot is 75 acres and close to the highway, providing for a better economic opportunity with a non-Rays' entity

Key Recommendation | The City can win by letting the Rays go on terms that will suit the City.
Recommendations

Corporate Development | Owner Presence

- Examine the impact of Stuart Sternberg having a lower presence in the Tampa Bay Area on procuring local sponsorships and increasing corporate ticket base.

- Consider if this perceived “weakness” will work to the benefit of the community and the Rays if the New York market sees an opportunity to advertise in the newest stadium in the league occupied by one of its most winning franchises.

Key Recommendation | Consider how the Tampa Bay area can leverage the owner’s strengths.
Recommendations
Developing Retail Facilities

✓ Currently, the surrounding area around Tropicana Field does not offer pre or post-game entertainment options to game attendees.

✓ Having a retail and restaurants around the stadium will not only provide further economic benefit to the city, but will also give game attendees an enhanced game experience.

✓ The F&B and retail facilities surrounding the stadium can also serve as an insurance policy against times when the team is not playing as well.

Key Recommendation | Plan for a surrounding build that will still stay strong in years of poor performance by the Rays. Ask what type of stadium experience TB fans want.
Historically, St. Petersburg residents will travel to Tampa for various reasons. Work aside, people from Tampa generally only travel to St. Petersburg for the beaches. Quantify how much this behavior alone currently impacts attendance and how much it would affect attendance for a new stadium in Carillon (St. Petersburg) versus West Shore (Tampa) or Downtown Tampa.

Answer if independent of commute time, the bridge poses a psychological barrier to attendance. Just because St. Petersburg residents have been accustomed to traveling into Tampa does not mean that this psychological barrier will not depress attendance by St. Petersburg residents for a stadium in Tampa over the course of 81 home games.

Based on the aforementioned inquiries, if the stadium remains where it is or a new one is built on the St. Petersburg side of the bay, answer how to and how much it will cost to transform any historical habits to increase attendance.

Key Recommendation | Do not make the assumption that if a new stadium is built locals will come. Examine the psychological barrier that the Bay and its bridges pose to residents in each of the counties. Study how this barrier will impact attendance depending on stadium location, if it can be overcome, and what it will cost to overcome.
Every stadium is a public/private partnership. However, whereas outsiders to the Tampa Bay area may perceive one region, our interactions with multiple stakeholders indicated a strong parochialism and competitiveness between the major cities and counties in the region. This competitive landscape may have already inhibited finding a stadium solution and, if continued, it will ultimately give leverage to the Rays in stadium negotiations. For the benefit of the cities we recommend the following considerations:

- Aside from attendance considerations, explore which location will most benefit the whole region holistically with regards to retail and housing development, labor force, hospitality and tourism, and overall socioeconomic lift across classes.
- Use unification to gain a city friendly stadium deal.
- Explore opportunities for involving other cities than the chosen location such as sharing funding responsibilities, engaging businesses from all counties in the building of the new stadium, distributing stadium-generated revenues throughout the region, and procuring commitments from the other major counties and cities for multi-purpose use of the stadium.

**Key Recommendation** | The benefit of all cities and the full region must be considered in any stadium deal. Procuring a city/county/region friendly deal depends on the cities putting aside differences and having a united front in negotiations with the Rays.
Team Credentials
Team Credentials

✓ Joel Albers

Joel is currently pursuing his Masters in Sports Business at New York University. In 2008, he graduated with a Bachelors degree in Business Administration from the University of Colorado at Boulder, majoring in Marketing. In addition to being a full-time student, Joel works in the consulting division of a major sports and entertainment company. Prior, he spent four years working within multiple professional baseball organizations interfacing with both fans and team management. From these experiences Joel is connected to both former and current employees of the Tampa Bay Rays organization.

✓ Nick Bundra

Currently pursuing his M.S. in Sports Business, Nick has over seven years of experience in writing books, articles, and training tools for organizations, particularly focused on professional development. His education—a BA in Telecommunications (TV/Radio) Production from Pepperdine University and an M.S. in Human Services (Counseling Studies)—has equipped him to dig past common narratives surrounding problems to find critical, alternative theories based on human behavior and media solutions.

✓ Cecilia Chen

Cecilia is a final year graduate student at NYU pursuing her Masters in Hospitality Studies with concentration in Hotel Finance. Cecilia previously worked in various organizations in the hospitality industry in fields such as operations, human resources and finance in iconic hotel companies such as Orient-express hotel, and the Plaza hotel. She also has experience working as an associate with Entertainment + Culture Advisors (ECA) and conducted research and analysis on available markets, economic feasibility, and program sizing for tourism development and entertainment and cultural attractions. Cecilia received her Bachelor of Science degree in Accounting and Finance from Miami University in Oxford Ohio and a certificate in luxury market studies from EDHEC Business School in Nice, France.
Team Credentials

✓ Yu Wen Lee

Yu-wen graduated in 2011 from Soochow University in Taipei as an English Literature major. She is now pursuing her master degree in Hotel Industry Studies at the Preston Robert Tisch Center for Hospitality, Tourism, and Sports Management, and concentrating on revenue management. She is currently interning at the Columbia Club as an accounting assistant.

✓ Joash Ng

Joash is currently pursuing his Masters in Sports Business at New York University. In 2012, he graduated with a Bachelor with honors degree in Business Administration from the National University of Singapore, majoring in Marketing. In addition, Joash also has prior experience in consulting for professional organizations. His team engaged in a consulting practicum with Bizlink, a social entrepreneurship organization seeking to provide the elderly and disabled various means to earn a living. He worked closely in streamlining its operations, expanding their product portfolio and developed a new accounting information system.

✓ Daryl Tan

Daryl graduated in 2010 from the University of Southern California with a Bachelors degree in Accounting and Finance. She then spent two years working for Deloitte and Touche as a consultant in the firm’s Enterprise Risk Services Singapore practice. The majority of the projects she worked on involved internal audit and business process reengineering with global companies and government ministries. In 2012, she decided to pursue her passion in hospitality and enrolled in the Masters Program in Hospitality at NYU. Daryl is in her final semester as a graduate student and will be working upon graduation as an asset manager for a developer in her hometown, Manila, Philippines.
References
References

References

Scullin, Jeff. “St. Pete, Clearwater voters have big decisions on Tuesday.” TBO: The Tampa Tribune. Tampa Bay Times 4 Nov 2013. Web. 7 Nov 2013


