

City Council – Action Request Form

Date: June 30, 2007

To: The City Manager

From: Derwick L. Paige, Deputy City Manager

Council Action Requested:

Approve Request for Revised Economic Development Assistance to Brookstown Development Partners, LLC and Sports Menagerie, LLC.

Summary of Information:

In January, the City Council approved a request for economic development assistance from Brookstown Development Partners, LLC (BDP) and Sports Menagerie, LLC (SM) for City financial assistance totaling up to \$29,292,252 towards the construction of a mixed-use development. Phase I of the project is a 5,500 seat baseball stadium and Phase II is envisioned to include a multiplex movie theater, office, retail and residential space. The total private investment in the project is anticipated to be at least \$189,000,000 over 15 years. While this January action only approved the City’s participation in Phase I, it noted that the City Council would consider participation in Phase II, at the appropriate time, based upon the development occurring as described.

Based on two subsequent developments that have occurred since the Council’s approval, it is necessary to revise this prior approval. First, the current request will reduce the City’s total financial assistance from \$29,292,252 to \$25,388,327. This reduction is due to the agreement by Wake Forest University (WFU) to purchase Ernie Shore Field from the City for a lump sum cash payment of \$5.5 million, rather than pursuant to 20-year financing provided by the City. As a result, the proceeds from this sale can be allocated to the project without the City having to borrow this additional \$5.5 million, which will reduce the City’s financing costs.

The second change that has occurred since the Council’s January approval relates to the County’s approval of its participation in this project. While the original concept was based upon Forsyth County approving up to \$14,038,120 in incentive payments to assist with the costs of public infrastructure improvements and/or site preparation associated with the stadium, their actual approved participation is not to exceed \$12,527,460. In light of this decreased investment, the City will not be required to pay the County for its pro-rata share of the stadium.

Committee Action:

| | | | |
|------------------|-------|----------------|-------|
| Committee | _____ | Action | _____ |
| For | _____ | Against | _____ |

Remarks

Also, because the County's participation is less than originally expected, an approximate \$1.8 million shortfall in financing for the project has arisen. The City is being asked to increase its up-front investment in the project from \$11.0 to \$12.0 million to cover a portion of this shortfall. BDP and the Millennium Fund will provide additional funds to cover the balance of the shortfall and other anticipated cost increases. Although the City's initial up-front investment would increase by \$1.0 million under this revised proposal, the City's overall financial participation in the project would be \$3.9 million less than originally approved because a considerably smaller amount would be financed by the City due to the elimination of seller financing on the WFU purchase of Ernie Shore Field.

If approved, \$12.0 million in City up-front investment would go towards Phase I public infrastructure improvements, site preparation costs and stadium construction. One million of this investment would come from the Economic Development Fund, \$5.5 million would come from the sale of Ernie Shore Field and \$5.5 million would be financed over 20 years for a total financing cost of \$10,876,075. Despite these changes, the overall concept remains the same in that the City's Phase I investment is completely covered by the revenues generated from the project. In fact, it is now projected that the City would net \$752,675 during the financing period, which is up from \$60,350.

The City's additional financial assistance of up to \$8,012,252 would be provided over a period of up to 25 years based on the annual taxes paid to the City in the previous year. This assistance would not be provided until Phase II is developed. Additionally, the annual grants would never exceed 100% of the annual property taxes paid to the City on Phase II for the previous year. With the construction of Phase II, the City also would agree to purchase up to 1,000 parking deck spaces from BDP and/or SM at a total cost not to exceed \$16,340,858. All parking deck spaces purchased by the City would have to be self-financing via new property tax revenues, ticket surcharges, parking fees, square footage surcharges or other associated fees. The City's actual participation in the parking deck(s) would be determined once Phase II is better defined.

The following table depicts the City's participation:

| Expenditure | Phase I | | Phase II | Total |
|--|--------------|--------------|-------------|--------------|
| | Actual | Amortized | Actual | |
| Upfront Investment (financed) | \$5,500,000 | \$10,876,075 | | \$10,876,075 |
| Upfront Investment (Economic Development Fund) | 1,000,000 | 1,000,000 | | 1,000,000 |
| Upfront Investment (Sale of Ernie Shore) | 5,500,000 | 5,500,000 | | 5,500,000 |
| Annual Incentive Payments | | | \$8,012,252 | 8,012,252 |
| Total | \$12,000,000 | \$17,376,075 | \$8,012,252 | \$25,388,327 |

Based on the developer's proposed build-out schedule, the estimated \$189,000,000 development would generate more than \$18.89 million in new City property tax revenues over a 25 year period. Of this amount, Phase I would generate approximately \$2.3 million. Additional new revenues would come from guaranteed surcharges on baseball stadium tickets (Attachment C). Under the new proposal, the City's Phase I net revenues increase from \$60,350 to \$752,675.

As with Phase I, Phase II expenditures would have to be covered by revenues generated by that phase. As envisioned, Phase II revenues could exceed \$8.57 million after annual incentive payments are made to BDP and/or SM. These revenues could be used to cover the City's debt service on the purchase of parking deck spaces from BDP and /or SM.

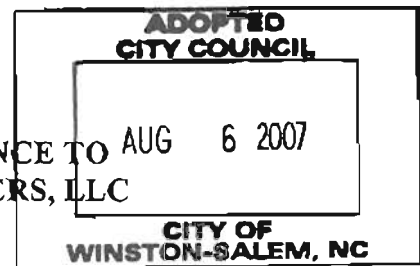
| Revenue Type | Phase I | Phase II |
|----------------------------------|---------------------|---------------------|
| Baseball Ticket Surcharge | \$10,325,000 | |
| Property Tax Revenues (Phase I) | 2,303,750 | |
| Ernie Shore Field Proceeds | 5,500,000 | |
| Property Tax Revenues (Phase II) | | \$16,587,000 |
| <i>Projected Revenues</i> | <i>\$18,128,750</i> | <i>\$16,587,000</i> |
| -City Participation | 17,376,075 | 8,012,252 |
| =Net Return on Investment | \$752,675 | \$8,574,748 |

At the end of the financing of the baseball stadium, the ownership of the stadium will be transferred to the City. The County has relinquished all claims to any ownership interest in the stadium, which will eliminate the need for the City to purchase the County's interest in order to acquire title to the entire facility. Based on the City's participation in Phase II, the City also could own up to 1,000 parking deck spaces.

The attached resolution authorizes the City's participation in this project in conformance with the project description hereto as Exhibit A. This resolution also authorizes the City Manager to enter into an agreement with BDP and/or SM, in accordance with the attached Exhibit A, upon review and approval of the City Attorney.

D-27220

**RESOLUTION AUTHORIZING ASSISTANCE TO
BROOKSTOWN DEVELOPMENT PARTNERS, LLC
AND SPORTS MENAGERIE, LLC**



WHEREAS, Brookstown Development Partners, LLC (BDP) and Sports Menagerie, LLC (SM) are considering the construction of the Brookstown Project, an estimated \$189,000,000 mixed-use development including a 5,500 seat baseball stadium, which is also envisioned to include a multiplex movie theater, office, retail and residential space in Winston-Salem; and

WHEREAS, BDP and SM have requested City financial assistance (without which the development could not proceed) to help offset the project costs including public infrastructure improvements, site preparation and stadium construction costs associated with the development; and

WHEREAS, given the public benefit created by this project, the City of Winston-Salem is interested in assisting BDP and SM with their development of the Brookstown Project; and

WHEREAS, Forsyth County, the State of North Carolina, and the United States Department of Transportation also are considering or have approved assistance for this project.

NOW, THEREFORE, BE IT RESOLVED, by the Winston-Salem City Council, after a duly advertised public hearing, that the Council, finds that the Brookstown Project will stimulate the local economy, promote business, create new full-time jobs, increase the property tax base and revenues, and increase business prospects, and therefore approves, pursuant to G.S. 158-7.1(a), up to \$25,388,327 of financial assistance to BDP and SM under the terms and conditions outlined in Exhibit A attached hereto and incorporated herein by reference to assist with construction of the Brookstown Project.

BE IT FURTHER RESOLVED, that the annual incentive payments to BDP and/or SM would begin after completion of Phase II development properties, the listing of such properties for property tax purposes, and after the payment of one full year's taxes thereon; and thereafter, the City incentive payments would be made annually on July 1, based on the properties developed and taxes paid during the previous year, in accordance with Exhibit A.

BE IT FURTHER RESOLVED that \$1,000,000 for this economic development assistance be appropriated from the Economic Development Project Fund.

BE IT FURTHER RESOLVED that the City's participation is contingent upon all other financing being in place, and that the City Manager is hereby authorized to execute an agreement with BDP and/or SM, in accordance with the attached Exhibit A, upon review and approval of the City Attorney.

BE IT FURTHER RESOLVED that at the end of the 25-year incentive payment period, the City agrees to accept the conveyance of the stadium from BDP or SM as a City-owned asset.

EXHIBIT A

Brookstown Baseball Stadium Project

Brookstown Baseball Stadium Project (hereinafter the "Project") is a public/private economic development project pursuant to N.C.G.S. §158.7.1 proposed by Brookstown Development Partners, LLC (hereinafter "BDP") and Sports Menagerie, LLC (hereinafter "SM"), to involve the City of Winston-Salem (hereinafter, the "City") and Forsyth County (hereinafter, the "County"). Phase I of the Project covers approximately 7.2 acres and is located north of Business 40, west of Peters Creek Parkway, east of Park Circle and south of First Street in downtown Winston-Salem. Phase II of the Project covers approximately 32.5 acres and surrounds the Phase I parcel, being north of Business 40, west of Broad Street, south of Brookstown Avenue/Second Street and including properties to the west of Westdale Avenue. Attachment A shows the location of properties included in Phase I and Phase II. Phase I, which involves construction of a downtown baseball stadium that will be used by SM's minor league baseball team, will be developed as outlined in this Exhibit. Phase II, which is envisioned as a mixed-use commercial development project, is anticipated to be developed in the future, but no specific development commitments have been made by BDP with respect to Phase II and the economic development assistance and other obligations of the City and County with respect to Phase II that are described in this Exhibit would be conditioned upon BDP's satisfaction of the conditions described in this Exhibit related to the Phase II proposal. Based on current values, the estimated taxable value for the entire Project (assuming completion of all Phase I and Phase II development) would be \$189,000,000 and all development, except for a small park to be owned by the City as described below, is expected to be taxable property. All parcels involved in the Project are shown on Attachment A hereto. The current tax values of the properties included in the Project are shown on Attachment A hereto.

The parcels of property necessary for the Project are in various ownership, and it would be BDP's and SM's responsibility to acquire all of said parcels. Parcels to be purchased from the City by BDP or SM would be sold at their fair market values. Only Phase I is guaranteed pursuant to this Exhibit. All Phase II development activities are within the discretion of BDP and all obligations of the City and County with respect to Phase II are conditioned upon the performance by BDP or its assigns of specific commitments, as stated herein. BDP may assign its rights and obligations in the Project to one or more third parties for execution. All proposed improvements for the entire Project are conceptually shown on Attachment B hereto.

Phase I, Immediate and Guaranteed

Phase I would be completed by SM within 28 months of the execution of the Project Agreement and consists of construction of a baseball stadium (5,500 seating capacity minimum) with a total capital investment of at least \$22.6 million. Additionally, Phase I will include the conveyance of a 0.54 acre parcel of land within the Project boundaries for a new City park. The park will be owned by the City and will not be taxable property.

To enable the development envisioned in the Project, BDP and SM request the City to amend its definition of Central Business District (CBD) to include the Phase I property and all Phase II property being east of the existing Peters Creek Parkway as designated on Attachment A. This will enable the City to contract for development in the Project pursuant to the provisions of N.C.G.S. §160A-458.3.

The City would provide up to \$12.0 million in Phase I as an upfront economic development incentive to assist in the construction of the baseball stadium, including land acquisition, infrastructure and site work. Of this amount, \$5.5 million would be financed by the City; \$5.5 million would come from the proceeds of the sale of Ernie Shore Field to Wake Forest University and \$1.0 million would come from the Economic Development Project Fund (via

previously approved COPS and 2000 G.O. Bonds). The City funds would be available after the execution of the Project Agreement and would be advanced in twelve (12) equal monthly installments over the one-year construction period commencing August 1, 2007, and following issuance of all required building permits. The City's upfront incentives may be advanced to Winston-Salem Business, Inc. ("WSBI") or another similar not-for-profit entity that is not an agency or instrumentality of the City or the County to be advanced to SM to fund Phase I development. Revenues to pay the City's debt service for the upfront incentives would come from the following sources: (a) new property taxes on the baseball stadium developed in Phase I and (b) fixed annual surcharges on baseball stadium tickets (100% guaranteed by SM for 25 years as shown on Attachment C hereto. Additionally, a letter of credit in a form satisfactory to the City of Winston-Salem shall be provided by SM as shown on Attachment D hereto). The City would not pay any additional incentives to SM based on the property taxes derived from the Phase I development. It is anticipated that the County would pay to SM (either directly or through WSBI or another non-profit) annual incentive payments commencing on July 1 first following payment of property taxes on the Phase I baseball stadium improvements and such payments would be made annually thereafter for a term of up to 25 years. The County's annual payments in each year would not exceed 55% of the incremental property taxes resulting from the Phase I development and paid during the preceding year.

SM would provide \$6.6 million for baseball stadium land acquisition, infrastructure site work and construction in Phase I, which amount could be increased to \$8.6 million as described below. It is anticipated that SM will secure its funds through a commercial bank loan from one or more banks with a 25-year loan amortization schedule following completion of construction.

The Millennium Fund has committed to provide additional grant funds towards Phase I development costs.

An additional \$4.0 million of federal or state funding for site improvements, roads and other infrastructure will be sought for Phase I. Of this amount, \$2.0 million has previously been awarded to the City by the U.S. Department of Transportation under the SAFETEA_LU program and the City will use its reasonable best efforts to obtain the additional \$2.0 million of federal or state funding. If this funding cannot be secured, SM would increase the amount of its investment to \$8.6 million. To the extent that this additional \$2.0 million is not obtained, the City would have no responsibility to provide replacement funds. Further, if enlargement or cost overruns are encountered for the baseball stadium, funding for same shall be SM's responsibility and obligation.

Commencing on the completion of the construction of the baseball stadium and following the close of the first baseball season (which is currently expected to be in 2009), and in each year thereafter for a term of 25 years, SM will pay to the City the baseball ticket surcharges in the amounts shown on Attachment C. Payments will be made on or before October 1 in each year. SM will guarantee the full amount of the payments shown on Attachment C without regard to actual ticket sales or any shortfall in the surcharges collected, and SM shall be entitled to retain all revenue from ticket sales or surcharges in excess of the fixed amount to be paid to the City as shown on Attachment C.

SM would own the land on which the baseball stadium is constructed and the associated improvements. SM would agree to play all minor league home games of its franchised club therein for the term of the City's financing of its upfront incentive payments. SM would agree that should the team be relocated before the expiration of the City's financing term without being replaced by another minor or major league baseball team, SM would be required to repay the City a portion of the \$12.0 million upfront incentive based on the amount of the debt remaining outstanding at the time of the relocation. Upon such payment, SM would be released from its

obligation to pay the baseball stadium ticket surcharges as shown on Attachment C and SM would convey the stadium improvements to the City as described below.

Phase II, Conditional and Not Guaranteed

BDP and SM would be unable to implement Phase II without the benefit of the economic development incentives set forth below. Phase II, if implemented, could support approximately 455,000 square feet of mixed-use commercial development, including commercial, office and residential properties. As currently envisioned, Phase II would involve one or more office buildings, a multi-screen movie theater complex and other development properties. Funding for all Phase II construction activities would be provided by BDP or other third parties (BDP's assigns under the Project), including commercial lending sources.

If implemented, the development activities in Phase II would support (1) annual incentive payments from the City and County as described below, and (2) the purchase of parking facilities by the City as described below.

General Development Activities

As BDP completes construction of properties in Phase II, lists such properties for taxes, and pays property taxes thereupon, it would be eligible for annual incentive payments from the City in the maximum amount of \$8,012,252 as shown on the Attachment E. Such payments may be advanced to WSBI or another similar not-for-profit entity and then advanced to SM. The first incentive payments from the City would be made on July 1 first following the payment of property taxes on Phase I development properties and would be made annually thereafter for a term to end simultaneously with the Phase II incentives as described below. The City and the County would make annual incentive payments on July 1 first following the payment of property taxes on Phase II development properties and upon an initial application by BDP and SM for such payments. Such payments would be made annually thereafter for a term of up to 25 years.

The City's annual grants would be equal to (and would not exceed) 100% of the property taxes paid to the City on the Phase II development properties during the previous year, and the City's cumulative annual grants would never exceed 100% of the cumulative property taxes created by Phase II of the Project and would be capped at the aggregate amount of \$8,012,252 over the 25-year period. Annual incentive payments from the County will not exceed 55% of the amount of the incremental increase in annual property taxes paid on the proposed project in the prior fiscal year. BDP and SM acknowledge that Phase II development must have a taxable value of at least \$55 million to cover all incentives on Attachment E assuming a \$6.6 million construction loan, and the total Phase II development must have a taxable value of at least \$65 million to cover all incentives on Attachment E assuming an \$8.6 million construction loan.

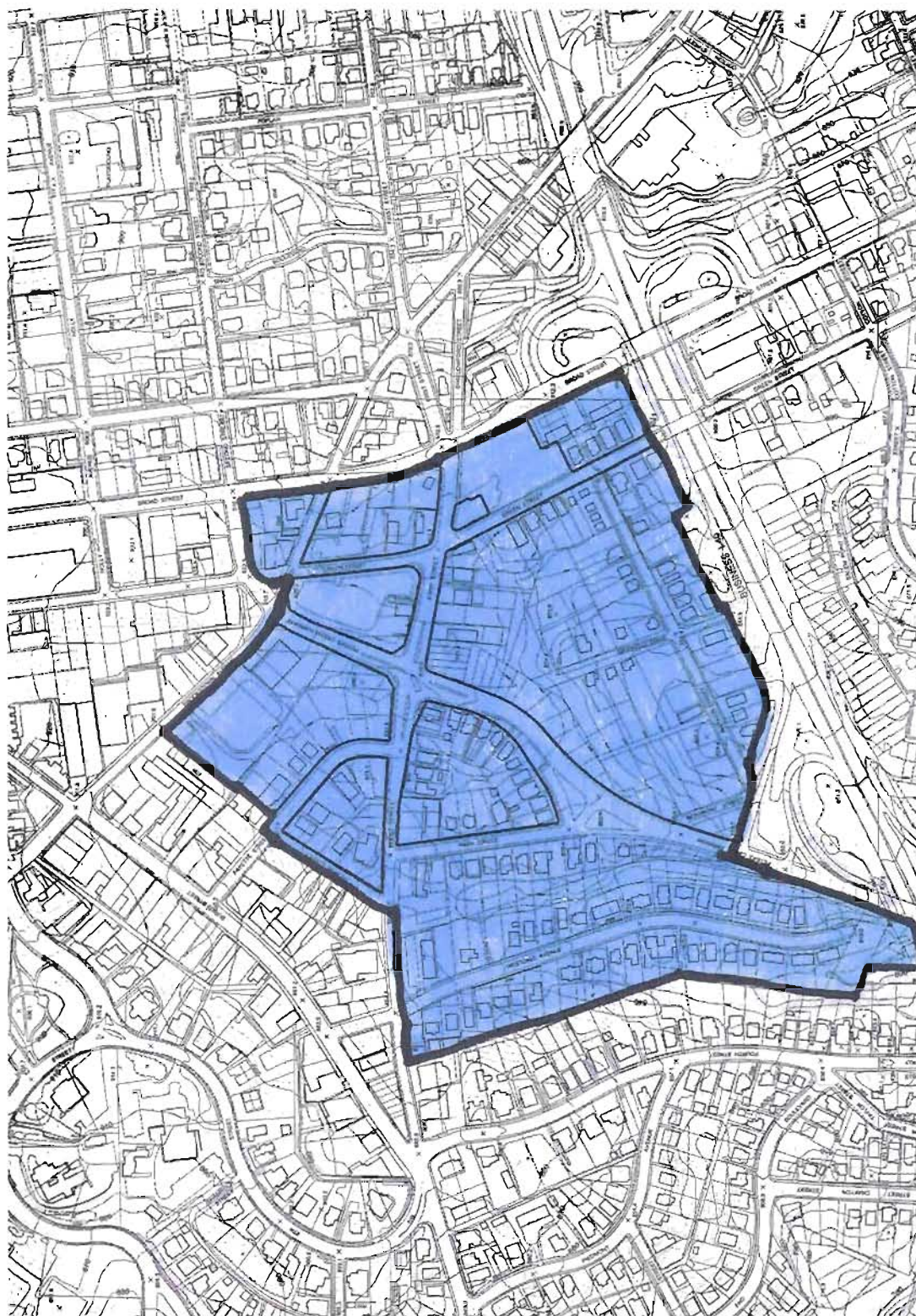
At the end of the 25-year incentive payment period, SM would convey title to the baseball stadium to the City.

Parking Facilities

In addition to providing annual incentive grants in Phase II, the City would commit to purchase up to 1,000 parking spaces in one or more parking facilities to be constructed as a part of Phase II at a cost not to exceed \$16.34 million or \$16,340 per parking space. All parking deck spaces purchased by the City must be self-funding. Self-funding may be demonstrated based on projected new property taxes from Phase II that are not otherwise allocated to Phase II incentives that are to be paid to SM and other guaranteed financial commitments made by BDP or third parties at the time that the City enters into an agreement with BDP or such third parties for the purchase of these spaces. Phase II revenues to cover the City's full debt service could take the form, among other things, of (i) parking fees or other charges; (ii) surcharges imposed on tickets sold at any movie theatre developed as a part of Phase II; (iii) surcharges or other fees imposed upon developers, owners or tenants of properties developed as a part of Phase II and based on

square footage of properties or other agreed measures; or (iv) other similar financial commitments. However, the City's specific participation would be better defined and considered by Council, at the appropriate time, based upon the Project occurring as described herein.

ATTACHMENT A



Brookstown Development District

Brookstown | Winston-Salem, North Carolina



URBAN DESIGN ASSOCIATES

24 MARCH 2006

Brookstown District Current Tax Value

Nov. 2006

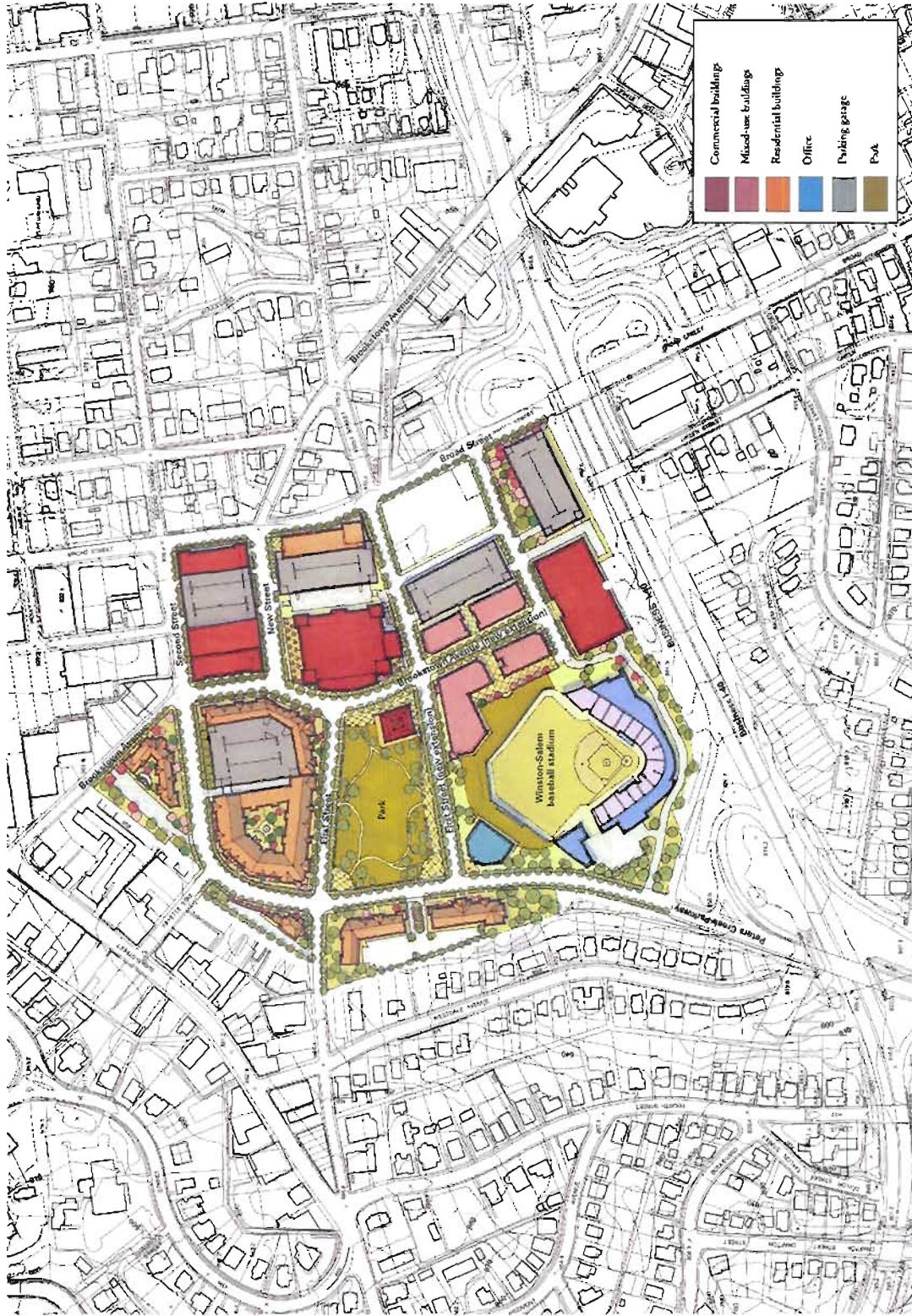
| Address | Block & Lot | Acreage | Tax Value |
|------------------|------------------------|----------------|------------------|
| 1142 First St W | 0657 069 | 0.17 | \$86,831 |
| 106 Westdale Ave | 0657 068 | 0.19 | \$66,646 |
| 110 Westdale Ave | 0657 067 | 0.19 | \$85,209 |
| 114 Westdale Ave | 0657 066 | 0.18 | \$60,256 |
| 120 Westdale Ave | 0657 065 | 0.18 | \$76,444 |
| 124 Westdale Ave | 0657 064 | 0.18 | \$53,220 |
| 130 Westdale Ave | 0657 062 | 0.18 | \$49,594 |
| 134 Westdale Ave | 0657 061 | 0.18 | \$7,322 |
| 138 Westdale Ave | 0657 059B, 060 | 0.27 | \$115,390 |
| 146 Westdale Ave | 0657 058, 059A | 0.28 | \$49,720 |
| 150 Westdale Ave | 0657 057 | 0.18 | \$32,004 |
| 152 Westdale Ave | 0657 056 | 0.18 | \$41,088 |
| 154 Westdale Ave | 0657 054,055 | 0.36 | \$74,824 |
| 200 Westdale Ave | 0660 053 | 0.16 | Work in Progress |
| 208 Westdale Ave | 0660 052 | 0.16 | \$25,664 |
| 212 Westdale Ave | 0660 051 | 0.15 | \$42,608 |
| 218 Westdale Ave | 0660 050 | 0.15 | \$42,577 |
| 220 Westdale Ave | 0660 202 | 0.22 | \$35,350 |
| 224 Westdale Ave | 0660 201 | 0.21 | \$37,380 |
| 228 Westdale Ave | 0660 046 | 0.19 | \$36,579 |
| Westdale NCHC | 0660 111 | 0.7 | \$9,884 |
| 107 Westdale Ave | 0656- 001 002 003 004A | 0.64 | Work in Progress |
| 123 Westdale Ave | 0656- 009,011 | 0.33 | \$67,271 |
| 127 Westdale Ave | 0656 011B | 0.21 | \$9,200 |
| 129 Westdale Ave | 0656 015 | 0.18 | \$55,109 |
| 131 Westdale Ave | 0656 017 | 0.18 | \$73,212 |
| 139 Westdale Ave | 0656 019 | 0.18 | \$53,832 |
| 143 Westdale Ave | 0656 021 | 0.18 | \$55,830 |
| 145 Westdale Ave | 0656 023 | 0.18 | \$58,463 |
| 151 Westdale Ave | 0656 001R, 002R | 0.37 | \$116,685 |
| 157 Westdale Ave | 0656 003R | 0.31 | \$60,640 |
| 163 Westdale Ave | 0656 004R | 0.17 | \$67,532 |
| 169 Westdale Ave | 0656 005R | 0.27 | \$49,771 |
| 201 Westdale Ave | 0659 006R | 0.16 | \$50,506 |
| 205 Westdale Ave | 0659 007R | 0.22 | \$50,506 |
| 209 Westdale Ave | 0659 008R | 0.17 | \$49,362 |
| 215 Westdale Ave | 0659 009R | 0.22 | \$49,362 |
| 221 Westdale Ave | 0659 010R | 0.14 | \$43,253 |
| 229 Westdale Ave | 0659 039 | 0.12 | \$37,717 |
| Westdale NCHC | 0659 040 | 0.16 | \$6,589 |
| Westdale NCHC | 0659 041 | 0.11 | \$4,393 |
| Westdale NCHC | 0659 042 | 0.12 | \$3,661 |

| | | | |
|----------------------|---------------------------|------|------------------|
| 1100 First Street | 0656 004B | 0.66 | \$246,780 |
| 181 Park Circle | 0656 008 | 0.22 | \$59,716 |
| 177 Park Circle | 0656 010 | 0.21 | \$79,847 |
| 173 Park Circle | 0656 012 | 0.2 | \$67,531 |
| 167 Park Circle | 0656 014 | 0.18 | Work in Progress |
| 165 Park Circle | 0656 016 | 0.18 | \$73,488 |
| 161 Park Circle | 0656 018,020 | 0.32 | \$67,032 |
| 157 Park Circle | 0656 022 | 0.14 | \$73,709 |
| 153 Park Circle | 0656 024 | 0.13 | \$47,469 |
| 142 Park Circle | 0656 026B,028B | 0.2 | \$42,381 |
| Peters Creek Pky | 0656 001J | 0.04 | \$2,563 |
| Peters Creek Pky | 0656 002J | 0.03 | \$1,602 |
| Peters Creek Pky | 0656 003J | 0.04 | \$1,602 |
| Peters Creek Pky | 0656 004J | 0.04 | \$1,602 |
| Peters Creek Pky | 0656 007J | 0.06 | \$641 |
| 1022 First St W | 0638 026B | 0.39 | \$677,349 |
| 176 Park Circle | 0638 029 | 0.14 | \$43,756 |
| 174 Park Circle | 0638 030 | 0.14 | \$61,409 |
| 168 Park Circle | 0638 032, 103, 031 | 0.27 | \$86,251 |
| 144 Park Circle | 0638 010 | 0.13 | \$48,761 |
| 140 Park Circle | 0638 104 | 0.12 | \$77,350 |
| 134 Park Circle | 0638 012 | 0.13 | \$74,389 |
| 132 Park Circle | 0638 013 | 0.13 | \$8,280 |
| 130 Park Circle | 0638 014 | 0.13 | \$69,000 |
| 122 Park Circle | 0638 015 | 0.13 | \$92,794 |
| 120 Peters Creek Pky | 0638 016 | 0.13 | \$50,744 |
| 118 Peters Creek Pky | 0638 017 | 0.11 | \$74,477 |
| 112 Peters Creek Pky | 0638 018 | 0.11 | \$73,552 |
| 110 Peters Creek Pky | 0638 019 | 0.12 | \$82,211 |
| 100 Peters Creek Pky | 0638 001B | 0.18 | \$123,455 |
| First Street | 0638 022B | 0.12 | \$32,343 |
| 1006 First Street | 0638 023B | 0.12 | \$96,499 |
| 1008 First Street | 0638 024B | 0.13 | \$87,272 |
| 1010 First Street | 0638 025B | 0.13 | \$123,416 |
| 1025 First Street | 0104 030,031,103,104,032A | 0.52 | \$348,498 |
| Fayette Street | 0104 018B | 0.12 | \$32,425 |
| 104 Fayette | 0104 019 | 0.16 | \$33,670 |
| 114 Fayette | 0104 020 | 0.16 | \$170,752 |
| 118 Fayette | 0104 021 | 0.17 | \$45,561 |
| 120 Fayette | 0104 022 | 0.18 | \$162,582 |
| 130 Fayette | 0104 101 | 0.18 | \$208,970 |
| 115 Tomas Street | 0104 032B | 0.14 | \$114,729 |
| First St | 0103 115B | 0.12 | \$14,189 |
| Green Street | 0103 121 | 1.27 | \$451,107 |
| 911 First Street | 0103 117B | 0.13 | \$103,559 |

| | | | |
|------------------|---|------|-----------|
| 141 Green Street | 0097 118B | 0.31 | \$470,144 |
| Broad Street | 0097 117C | 0.1 | \$36,486 |
| Broad Street | 0097 124A | 0.13 | \$49,212 |
| 128 Broad Street | 0097 202 | 0.19 | \$108,510 |
| City of WS | 0098 101C | 0.25 | \$84,097 |
| Broad Street | 0098 003A,101a,201,202A | 0.23 | \$75,366 |
| 109 Green | 0098 202B | 0.22 | \$185,358 |
| 817 First Street | 0098 108A | 0.12 | \$79,566 |
| 120 Broad | 0098 001 | 0.44 | \$251,631 |
| 114 Broad | 0098 003B | 0.1 | \$40,668 |
| 100 Broad | 0098 106 | 0.4 | \$122,046 |
| First Street | 0635 114 | 0.15 | \$48,421 |
| 110 Broad | 0635 115 | 1.23 | \$724,712 |
| 137 Green | 0635 203 | 0.11 | \$25,009 |
| 141 Green | 0635 204 | 0.11 | \$24,149 |
| 143 Green | 0635 106 | 0.11 | \$26,036 |
| 145 Green | 0635 107 | 0.11 | \$26,535 |
| 150 Broad | 0635 104,102,103 | 0.46 | \$274,702 |
| 140 Broad | 0635 201 | 0.37 | \$273,826 |
| 123 Fayette | 0103 010 | 0.38 | \$366,867 |
| 121 Fayette | 0103 012 | 0.21 | \$114,394 |
| 115 Fayette | 0103 013 | 0.23 | \$67,235 |
| 101 Fayette | 0103 014, 015,112,113B,201B,202 | 0.96 | \$292,741 |
| 930 Brookstown | 0103 106,107 | 1.6 | \$780,230 |
| First Street | 0637 001,002,003,004,005,006,007,008,009,010,011,01 | 0.67 | \$164,572 |
| Second St ? | 0639 002,003,004,005 | 0.5 | \$16,209 |
| Second St ? | 0639 006B | 0.08 | \$2,340 |
| Second St ? | 0639 007 | 0.06 | \$2,681 |
| Second St ? | 0639 008B,113 | 0.28 | \$7,800 |
| Beaumont | 0639 116A | 0.05 | \$4,144 |
| Beaumont | 0639 115 | 0.08 | \$3,900 |
| Watkins | 0639 114 | 0.13 | \$3,729 |
| Beaumont | 0659 109 | 0.07 | \$4,457 |
| Beaumont | 0659 108 | 0.06 | \$3,129 |
| Beaumont | 0659 111 | 0.09 | \$5,526 |
| Beaumont | 0639 112 | 0.11 | \$2,496 |
| 1047 Beaumont | 0639 023A | 0.25 | \$5,265 |
| 1043 Beaumont | 0639 023B | 0.29 | \$5,265 |
| 1039 Watkins | 0639 110 | 0.14 | \$3,949 |
| 1031 Watkins | 0639 111 | 0.14 | \$4,168 |
| Watkins | 0639 108 | 0.11 | \$4,168 |
| Watkins | 0639 109 | 0.15 | \$4,168 |
| Watkins | 0640 104B | 0.04 | \$244 |
| 1022 Watkins | 0640 105B | 0.14 | \$24,490 |
| 1018 Watkins | 0640 019 | 0.31 | \$85,713 |
| 1012 Watkins | 0640 008 | 0.17 | \$4,388 |
| Watkins | 0640 007 | 0.17 | \$4,388 |
| Watkins | 0640 006 | 0.17 | \$4,388 |

| Address | Block & Lot | Acreage | Tax Value |
|----------------|------------------------|----------------|---------------------|
| 1000 Granville | 0640 005 | 0.17 | \$45,660 |
| Granville | 0639 101 | 0.19 | \$3,120 |
| 166 Granville | 0639 104 | 0.27 | \$31,571 |
| 170 Granville | 0639 105 | 0.91 | \$29,919 |
| 1015 Watkins | 0639 118 | 0.07 | \$57,007 |
| Granville | 0639 103 | 0.34 | \$6,669 |
| 162 Granville | 0639 102 | 0.13 | \$2,072 |
| 916 First | 0637 119 | 0.34 | \$195,417 |
| First St | 0637 009P | 0.14 | \$1,097 |
| 144 Granville | 0637 013W | 0.14 | \$9,600 |
| 318 Granville | 0637 110A | 0.41 | \$5,363 |
| 163 Granville | 0637 112 | 0.27 | \$43,932 |
| 169 Granville | 0637 000C | 0.13 | \$24,427 |
| 937 Watkins St | 0637 106C | 0.13 | \$16,930 |
| Granville | 0637 113 | 0.05 | \$921 |
| 931 Watkins | 0637 106B | 0.2 | \$5,119 |
| 923 Watkins | 0637 108 | 0.17 | \$18,347 |
| 320 Granville | 0637 110B | 0.13 | \$4,160 |
| 919 Watkins | 0637 109 | 0.17 | \$19,478 |
| 912 First St | 0637 506B | 0.28 | \$26,667 |
| 908 First St | 0637 505B | 0.26 | \$176,128 |
| 904 First St | 0637 102 | 0.15 | \$68,182 |
| 900 First St | 0637 002B | 0.15 | \$123,393 |
| Green St | 0637 005S,114 | 0.66 | \$21,770 |
| 915 Watkins St | 0637 115 | 0.17 | \$38,391 |
| 913 Watkins St | 0637 116 | 0.17 | \$4,875 |
| 110 Green St | 0637 006S | 0.15 | \$15,921 |
| 112 Green St | 0637 117 | 0.19 | \$66,646 |
| 118 Green St | 0637 010P | 0.15 | \$33,958 |
| 120 Green St | 0637 011P | 0.16 | \$33,159 |
| 126 Green St | 0637 105 | 0.11 | \$20,468 |
| 130 Green St | 0637 104 | 0.12 | \$27,527 |
| 130 Green St | 0637 002W | 0.23 | \$101,956 |
| 942 Watkins St | 0636 007B | 0.27 | \$65,181 |
| 181 Granville | 0636 007A | 0.11 | \$26,648 |
| 928 Watkins St | 0636 106 | 0.33 | \$21,819 |
| 916 Watkins St | 0636 105 | 0.17 | \$4,875 |
| 914 Watkins St | 0636 102 | 0.06 | \$38,083 |
| 138 Green St | 0636 003 | 0.24 | \$47,983 |
| 142 Green St | 0636 004 | 0.29 | \$38,823 |
| 152 Green St | 0636 108 | 0.23 | \$73,568 |
| Totals | | 39.73 | \$12,943,145 |

ATTACHMENT B



Illustrative Master Plan

Brookstown | Winston-Salem, North Carolina



URBAN DESIGN ASSOCIATES

27 MARCH 2006 0 100 200 300 400 500 FEET

ATTACHMENT C
SURCHARGE SCHEDULE
(Baseball Tickets)

| <u>Year</u> | <u>Baseball ticket Surcharge</u> |
|-------------|--------------------------------------|
| 1 | |
| 2 | |
| 3 | \$350,000 |
| 4 | 350,000 |
| 5 | 350,000 |
| 6 | 350,000 |
| 7 | 350,000 |
| 8 | 350,000 |
| 9 | 350,000 |
| 10 | 437,500 |
| 11 | 437,500 |
| 12 | 437,500 |
| 13 | 437,500 |
| 14 | 437,500 |
| 15 | 437,500 |
| 16 | 437,500 |
| 17 | 437,500 |
| 18 | 437,500 |
| 19 | 437,500 |
| 20 | 437,500 |
| 21 | 437,500 |
| 22 | 437,500 |
| 23 | 437,500 |
| 24 | 437,500 |
| 25 | 437,500 |
| 26 | 437,500 |
| 27 | 437,500 |

Total \$10,325,000.00
350,000 tickets
\$1.00 years 3-9
\$1.25 years 10-27

Note: If the number of tickets exceeds projections, SM would retain any additional surcharges beyond the minimal amount shown in this table.

ATTACHMENT D

LETTER OF CREDIT REQUIREMENTS

A letter of credit in a form satisfactory to the City of Winston-Salem will be provided by Sports Menagerie as follows:

1. The letter of credit will be in place for the amount of \$350,000 for the period from the issuance of the City Debt on the stadium to the second year of the financing term in which the ticket surcharge payment is due to the City.
2. Thereafter, a letter of credit will be provided each year in an amount equal to \$350,000 minus the amount of ticket surcharge revenue collected from actual ticket sales in the previous year or \$210,000, whichever is greater.
3. The letter of credit will remain in effect until such time as at least \$50,000,000 of new tax base has been created and placed on the Forsyth County tax rolls.
4. Should said \$50,000,000 in new tax base not be created by year eleven of the financing term, the letter of credit calculation shall change to an amount equal to \$437,500 minus the amount of actual ticket surcharge revenue collected in the previous year or \$287,500, whichever is greater.

ATTACHMENT E

INCENTIVE PAYMENTS SCHEDULE

| | | Assuming \$6.6 million Construction Loan (\$55 mill. investment) | | Assuming \$8.6 million Construction Loan (\$65 mill. investment) | |
|-------|------|--|--------------------|--|--------------------|
| Year | | Annual City Assistance | City Cumulative | City Assistance | Cumulative City |
| 1 | 2009 | | | | |
| 2 | 2010 | | | | |
| 3 | 2011 | | | | |
| 4 | 2012 | | | | |
| 5 | 2013 | \$242,516 | \$242,516 | \$242,516 | \$242,516 |
| 6 | 2014 | 242,516 | 485,032 | 242,516 | 485,032 |
| 7 | 2015 | 242,516 | 727,548 | 242,516 | 727,548 |
| 8 | 2016 | 242,516 | 970,064 | 242,516 | 970,064 |
| 9 | 2017 | 485,031 | 1,455,095 | 485,031 | 1,455,095 |
| 10 | 2018 | 485,031 | 1,940,126 | 485,031 | 1,940,126 |
| 11 | 2019 | 485,031 | 2,425,157 | 485,031 | 2,425,157 |
| 12 | 2020 | 485,031 | 2,910,188 | 485,031 | 2,910,188 |
| 13 | 2021 | 241,206 | 3,151,394 | 485,031 | 3,395,219 |
| 14 | 2022 | 187,912 | 3,339,306 | 824,553 | 4,219,772 |
| 15 | 2023 | 187,912 | 3,527,218 | 824,553 | 5,044,325 |
| 16 | 2024 | 187,912 | 3,715,130 | 618,801 | 5,663,126 |
| 17 | 2025 | 187,912 | 3,909,042 | 261,014 | 5,924,140 |
| 18 | 2026 | 187,912 | 4,090,954 | 261,014 | 6,185,154 |
| 19 | 2027 | 187,912 | 4,278,866 | 261,014 | 6,446,168 |
| 20 | 2028 | 187,912 | 4,466,778 | 261,014 | 6,707,182 |
| 21 | 2029 | 187,912 | 4,654,690 | 261,014 | 6,968,196 |
| 22 | 2030 | 187,912 | 4,842,602 | 261,014 | 7,229,210 |
| 23 | 2031 | 187,912 | 5,030,514 | 261,014 | 7,490,224 |
| 24 | 2032 | 187,912 | 5,218,426 | 261,014 | 7,751,238 |
| 25 | 2033 | 187,912 | 5,406,338 | 261,014 | 8,012,252 |
| 26 | 2034 | | | | |
| 27 | 2035 | | | | |
| 28 | 2036 | | | | |
| Total | | \$5,406,338 | | \$8,012,252 | |

Note: While the above schedule is based upon a proposed 21 year payout based upon the developer's anticipated Phase II build out schedule, the developer actually has up to 25 years to recover the total grant amount shown for the respective investment levels based upon the annual incentives payment formula described in the General Development Activities section of Exhibit A.