



UNDERSTANDING OF THE ASSIGNMENT

The City of Biloxi is seeking a stadium consultant to serve as an advisor to the City on a proposed baseball stadium development within the City and a minor league baseball team. The City is in the midst of determining if it should build a new minor league baseball stadium for the proposed team and seeks guidance as it relates to the likelihood the proposed stadium would spur economic development as well as quantifying the projected economic and fiscal impacts a new stadium would generate for the City.

SCOPE

For this analysis, the following work will be performed.

TASK 1 - BACKGROUND & ORIENTATION

Johnson Consulting will meet with the City and its various stakeholders to accomplish the following:

- Gather and analyze background information related to the project, including any prior research or analyses that may have been conducted by, or for, the Client.
- Listen to the Client's current perspective of the proposed development.
- Identify appropriate contacts and resources necessary to ensure complete review and assessment of issues and specific data.

TASK 2 - REDEVELOPMENT OPPORTUNITIES ANALYSIS

The analysis will address the impact of the stadium on the potential of transit/mixed-use and sports complex development opportunities, including identification of target redevelopment sites and potential uses based on the case studies profiled and our assessment of market potential. Our case study analysis will analyze stadiums and districts in other markets. We will draw insights from these projects and relate it to the site and market potential in Biloxi.

TASK 3 – ECONOMIC AND FISCAL IMPACTS

Based on the stadium's projected demand schedule and assumptions regarding origin of attendees, as well as the local tax structure, Johnson Consulting will project the economic and fiscal impacts that will accrue to the market as a result of the stadium's operations. The analysis will consider direct spending impacts, and indirect and induced impacts, fiscal impacts, and local employment and income impacts based on standard multipliers of direct impacts.

Our Consulting Team will evaluate the business case for the project's development by preparing an economic and fiscal impact analysis, including the benefits from facility development during construction and from annual operations of the new facilities.

The presentation of our economic and fiscal impact analysis will include the following:

- **Baseline Assumptions** - Our model will develop variables for visitor spending, promoter spending, attendee origin, and other information. From our discussions with event managers and collection of secondary data, Johnson Consulting will have the necessary information on event attributes and attendee origin, attendee length of stay, percent of attendees who will likely stay overnight, and other significant variables.
- **Direct Spending Estimates** - The analysis will estimate the direct spending of attendees and promoters for use in the projections.
- **Indirect and Induced Spending and Employment Estimates** - To estimate indirect spending, employment, and earnings generated by the direct spending outlined above, Johnson Consulting will utilize multipliers from the RIMS II economic impact model. The RIMS II model is a nationally recognized and generally accepted input-output model.
- **Fiscal Impact Analysis** - The fiscal impact analysis will estimate annual tax dollars returned to the state and local governments as a result of increased business activity and personal income associated with the construction and operation of the stadium complex.

The economic impact analysis will also include refined projection of the incremental number of annual room nights generated by the complex/attraction's demand, based on event and attendee characteristics and the projected demand schedules.

TASK 4 – WORKSHOP AND PREPARATION OF FINAL REPORT

At the completion of our analyses, we will develop a comprehensive report describing our findings and recommendations. All conclusions and assumptions will be clearly stated. This information will be used to facilitate a workshop in the City of Biloxi with client representatives. Johnson Consulting will be in the market place Thursday and Friday August 15-16th to finalize report findings and address any questions or concern from the City. The topics to be covered will include:

- Review of Johnson Consulting's report,
- Implications of the findings and recommendations,
- Other topics, as appropriate.



REPORTS AND MEETINGS

We are noted for the clarity, simple sophistication, and quality of our reports. The following are deliverable products that we will provide to Client representatives:

- We have budgeted for two trips on August 16th and August 20th for a final workshop to present the findings and recommendations of the feasibility study. If more trips are required we will submit a work plan and budget for client approval.

Johnson Consulting will meet and exceed all of the Client's requirements and expectations relating to this study. We will achieve this by working closely with Client representatives, in person and through regular conference calls, to ensure the timely delivery of a study that accurately meets the needs and requirements of the Client, and addresses all relevant questions and concerns that arise during the study period.

SCHEDULE AND FEES

We understand the essence of time and commit to completing our report by the August 16th, 2013 deadline.

~~We estimate fees to be \$25,000 lump sum.~~ Our costs and fees will be \$25,000 lump sum.

CONTRACTUAL CONDITIONS

Subject to the actual terms and conditions of any subsequent agreement with you, the following conditions are standard policy for Johnson Consulting and are customary for engagements of this type. Should you have any questions concerning any of these conditions, please feel free to contact us.

The findings and recommendations of our research will reflect analyses of primary and secondary sources of information. Estimates and analyses presented in our report will be based on economic trends, market assumptions, and financial data that are subject to variation. Johnson Consulting will use sources that it deems reliable, but will not guarantee their accuracy. Recommendations will be made from information provided by the analyses, internal databases, and from information provided by management.

It is understood in accepting this proposal that neither fees nor payment thereof is contingent upon the findings of the study. Upon receipt of invoices, payment is to be made within 30 days of receipt unless prior arrangements have been made with management. Additionally, all outstanding invoices must be current prior to the release of any draft and final reports.

Johnson Consulting will have no responsibility to update its report for events and circumstances occurring after the date of its report. If you decide not to proceed with the project, or if it appears that the study will result in a finding that the project cannot achieve its required results, Johnson Consulting would, at your request, terminate its work and would only bill you for fees and expenses incurred to that point in time.



If you require us to attend meetings and make presentations beyond the scope of services, Johnson Consulting will charge separately for its actual hours of professional time incurred in preparing for and attending the meetings. Professional time will be billed at Johnson Consulting's standard hourly rates plus travel and incidental expenses. Billing rates are subject to a minimum five percent increase as of January 1, 2014.

Invoices outstanding after thirty days of receipt shall accrue at the interest rate of one percent per month until paid. If we need to bring action to enforce the terms contained in this letter, you will be responsible to pay our reasonable attorney's fees, costs and expenses.

We commit to delivering the highest quality product within the timeframe we have proposed. If you have any questions, please feel free to call me at 312-447-2001.

Thank you for your interest in our firm. We look forward to the opportunity to serve you.

AUTHORIZATION TO PROCEED

Signature: _____

Name: _____

Title: _____

Date: _____

A. J. Holloway
A. J. Holloway

Mayor, City of Biloxi

August 12, 2013

ACCEPTED:

Johnson Consulting

By: _____

If you wish to wire payments, our wire information is provided below.

Bank: JP Morgan Chase

ABA #: 071000013

Acct. #: 84071436