



## LETTER FROM THE MAYOR

Good Morning,

I want to first thank each and every one of you for taking the time to send me an email concerning minor league baseball, the multi-purpose facility, and Town Madison. There is no question this decision is a huge one for Mayor and Council and thus, you taking the time to communicate is greatly appreciated.

I have three goals in writing this email. First, to acknowledge that I received your email. Secondly, after reading each email there seem to be 4-5 basic themes that to come to the surface and I am able to provide information and answers for each theme. Lastly, I want to communicate what you can expect going forward.

With goal one accomplished let's move on to number two. Based on your emails here are the top five areas that seemed of most concern;

- **Schools and Roads are needs 1 & 2, please spend the \$46 million on them instead!**
- **Baseball failed in Huntsville, why would we think it will now work here?**
- **Your platform wasn't bringing baseball to Madison....so why prioritize \$\$\$ for this activity?**
- **We are OK with the venue....please just not in our backyard!**
- **Big decision – why can't WE vote**

**Schools and Roads are needs 1 & 2, please spend the \$46 million on them instead!**

I can assure you if we had \$46 million sitting in the bank right now Mayor-Council would prioritize spending it on schools and roads. The simple fact is we don't. If we decide to move forward with this multi-use venue project we will go to the bond market and borrow \$46 million. To do so we must show a funding source to pay it back. The baseball team's lease agreement, our recent lodging tax increase, and developer funds give us three funding sources that provide the payback.

We are blessed with an incredible school system that has acted as our economic driver for years. We have managed its growth as best we can with the limited funds we have. Coming into office we said we would help finalize the Limestone County Tax mediation (it was finalized in 2017) and put together a Madison Schools Growth Impact Committee to help us look forward 10-20 years. The committee was formed in the Spring and they will soon bring back our community options to support our school infrastructure requirements in addition to guiding Mayor-Council on growth options in Limestone County. Working together with our Superintendent and Madison School board our city council and mayor will lead our community through the priority of building schools and managing our continued growth.

As for roads, we will have \$15-18 million available this year to put towards our primary needs. Priorities will be established using our recently completed Transportation study. Our current city budget has a % of sales tax earmarked for city infrastructure, which is our funding source. So, the good news is in addition to this year's borrow we will be able to continue to make this type of impact each 3-4 years. We currently are scheduled to have a mid-February work session focused on prioritizing the road and infrastructure \$\$\$.

### **Baseball failed in Huntsville, why would we think it will now work here?**

A great question and one that we investigated from multiple angles. We talked with Huntsville Mayor Tommy Battle, baseball officials, owners and operators of other AA baseball clubs in the southeast and Midwest and multiple members of our community. Some of the factors that we garnered from our discussions are as follows:

- The Huntsville Stars were very successful for the first 15 years. Huntsville lured the Nashville AA franchise in 1984 by offering to build a 10,500 stadium, which was named after then Mayor Joe Davis.
- The common denominator during the first 15 years was local ownership. Only after the team was sold to a New York businessman did we start to see diminishing returns.
- By the time the Stars left in 2014 they only had four full time employees on the books.
- In conjunction with the 2001 sale the ballpark started to show wear and tear. Huntsville had put in no capital improvements and thus, the "old school" ballpark had no new amenities in addition to needs for "problem areas" to be improved.

- Location was consistently cited as a concern. As the Tennessee Valley grew west the ballparks location on the South Parkway was considered out of the way and hard to get to.
- Joe Davis stadium was constructed “old school” with concrete and stadium seating only. New ballparks have a completely different flavor and feel.
- Joe Davis was designed for baseball only. It did not have the ability to host non-baseball events.

So, if it didn't work in Huntsville why would it now work in Madison? Some of the factors we believe are;

- The B&D feasibility study recently commissioned by council predicts a 98% capture rate, with first year attendance at 388,000 and a final leveling out in year six around 337,000 for 70 games.
- We will have local ownership. The owner plans on moving here, most likely in either Edgewater or Mountain Brook.
- Ballcorps will employ a full time staff of 20-25 to manage their operations.
- The new multi-use facility will be built for families and groups. High-top tables, picnic areas, berm seating, a kid's playground, company event night areas, and premium seating are just some of the types of seating that will be available throughout the year in addition to your normal baseball chair backs.
- Our club room is designed to have a professional, sit down meal for up to 400 guests. High School band, football, basketball, and awards banquets can now be held in Madison with revenues going to Madison. Dances, weddings, cub scout and girl scout functions are among some of the many others that can be expected for non-baseball event.
- The location off 565, when the interchange is completed, puts this facility in the reach of 98% of the local capture areas 30 minute drive.
- Learning from the past we will have a Capital Maintenance Fund that is added to each year. Thus, as the facility ages and repairs and improvements are needed we will be able to upgrade and update.
- Non-baseball events such as high school baseball and soccer are expected be scheduled often during non-minor league baseball days throughout the year.

Using all of this data, we have had months of meetings with Ballcorps to come up with the right formula for them to make money and us to make our bond payment. When our team gets in tomorrow we will be running new numbers based on some of the negotiations that took place Friday and through the weekend. I will continue to share information as negotiations come closer to finished.

## **Your platform wasn't bringing baseball to Madison....so why prioritize \$\$\$ for this activity?**

I can tell you that I never once during the campaign mentioned baseball. With that said the third bullet on my platform was economic development, and that is where baseball fits in.

We learned from the Shoppes of Madison Target deal the criticality of a destination spot. Had we not secured Target almost none of the rest of the stores would have built. Thus, we have always known we needed at least one destination spot for Town Madison. AA baseball offers a revenue source that tied together with our multi-use requirement, helps us secure the needed destination spot – a unique offering in the region that is complementary to retail.

Town Madison has been spotlighted for years as the best regional location for retail development. In 2014 Mayor/Council invested in infrastructure for \$22 million to help jump start economic development. Multiple reasons why it hasn't taken off can be argued but what can't be argued is we still have not seen development occur. Ego is not driving us to make this decision....our commitment to building our tax base through sales tax is.

Will it break the city? We won't do it if we think that is the case. Under our current agreements, the developer will pay for the interchange and Town Madison infrastructure himself upfront in exchange for getting paid back (with interest) from the sales and property taxes that arise from new Town Madison building. The risk is on him. The multi-use facility (or destination spot) would have a minimum of 2/3rd's of the bond payment revenue coming from the lease agreement and the lodging tax increase alone. While \$86 million number is high in anyone's book our team has worked diligently to minimize risk to the city, and Council will evaluate all aspects prior to making a final decision. Lastly, we will also look for the additional economic development that comes from this investment. Once Target built we saw two other shopping areas develop along Highway 72 in addition to a complete revitalization of the old Bruno's shopping center at Wall Triana and 72.

We believe that Madison Blvd. will see a major transformation once Town Madison starts which will only enhance sales tax revenues.

## **We are OK with the venue....please just not in our backyard!**

Wherever we locate the facility we must be a good neighbor. This is true if we build a greenway, library, high school, and yes, a multi-use venue. We have all known for years that Town Madison was going to develop and there is no question it would have an impact on the close by neighborhoods. Growth is never easy. Our internal team has consistently stayed focused on every aspect of neighborhood buffering and we will be committed to asking for more than "buffering minimums" in all aspects of this process.

## **Big decision – why can't WE vote**

We all know the short answer....because you elected this mayor/council to make these types of decisions.

I have every belief that when it comes to solving our school problem our community will get an opportunity to vote in 2019 on a property tax increase. The \$\$\$ requirements for the needed school buildings are far higher than we will be able to find and thus, the community will be brought a plan that solves the problem but requires a tax on property. We will do everything possible to get the facts and information out long before the time comes to vote. This decision however is an economic development one and ours to make. We will stay focused on the positive/negative impact on the city's finances along with the risk/reward to Town Madison. Lastly, what to expect from here. Monday night B&D will give a presentation on their feasibility study and I will give an update on where we stand with the lease agreement, venue design, and developer agreement. I will also outline how we plan on communicating/updating our community as we progress forward.

I am very sorry for the length of this, but I wanted to share as much information as I could. Again, thank you for sharing your thoughts with me and thank you for taking the time to read this.

Sincerely,

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