



**WASHINGTON STATE  
MAJOR LEAGUE BASEBALL STADIUM  
PUBLIC FACILITIES DISTRICT**

**BOARD MEETING**

**SPECIAL MEETING NOTICE**

**Wednesday, June 26, 2019 – 2:30 p.m.  
T-MOBILE PARK  
PFD Conference Room  
110 Edgar Martinez Drive South  
Seattle, WA 98134**

**A G E N D A**

- A. Call to Order** (Acting Chair Sperling)
- B. Items from the Audience / Public Comment** (3 minutes each)
- C. Board Briefings and Potential Actions:**
  - 1. 2020 CapEx Plan Review (Board discussion)
  - 2. 2020 CapEx Plan Preliminary Approval (Draft letter)
  - 3. Items Deferred until full Board Complement:
    - a) Board Retreat Follow-up
    - b) Executive Director Search / Qualifications / Job Description
    - c) Board Governance / Officers / Structure
    - d) Ballpark Neighborhood Improvement Fund discussion

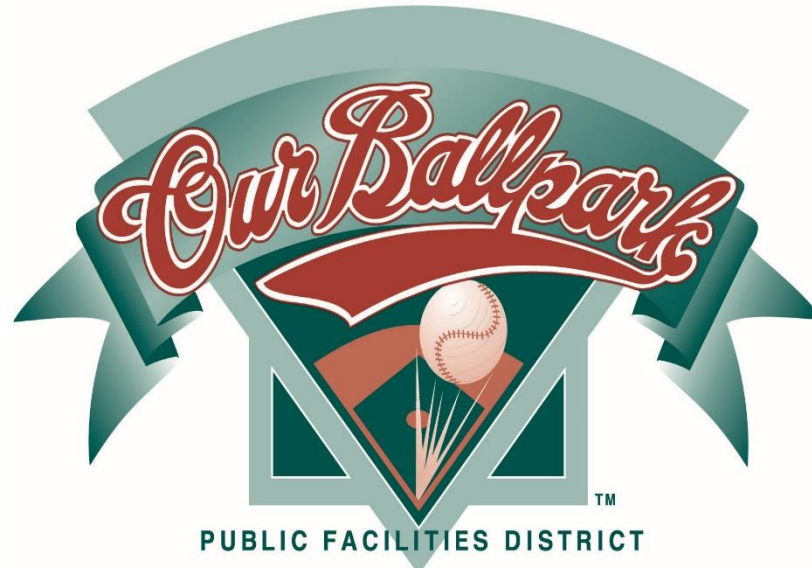
**D. Board Chair Report** (Acting Chair Sperling)

1. July 2<sup>nd</sup> Ballpark 20<sup>th</sup> Anniversary Celebration
2. Other Updates

**E. Executive Session** (if needed):

The Board will meet in Executive Session to “review contract performance of publicly bid contracts” RCW 42.30.110 (1)(d); to “review performance of a public employee” RCW 42.30.110 (1)(g), and/or to discuss with legal counsel real estate lease matters and potential litigation involving identified legal risks from a proposed action or current practice, where public discussion of the legal risks is likely to result in adverse legal or financial consequences to the district RCW 42.30.110 (1)(i). The duration of the session will be announced at the meeting.

**F. Adjournment.**



**WASHINGTON STATE MAJOR LEAGUE BASEBALL STADIUM  
PUBLIC FACILITIES DISTRICT**

**2020 AND 10-YEAR CAPITAL PLAN REVIEW**

**SUMMARY OF FINDINGS**

**JUNE 24, 2019**

**CAAICON**  
STRATEGIC ADVISORY

# I. 2020 AND 10-YEAR CAPITAL PLAN REVIEW

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## Summary of Tasks Completed

1. Reviewed capital expenditure section of lease between the Mariners and PFD
2. Reviewed the Long-Term Capital Needs Assessment (LTCNA) report
3. Analyzed the type, timing, and extent of LTCNA improvements made at T-Mobile Park between 2017 to 2019 (years 1-3 of plan)
4. Analyzed the Mariners proposed 2020 and 10-year provisional capital expenditure plans
5. Conducted a meeting and site tour with the PFD and Mariners to review the details of each plan
6. Developed a preliminary comparison of the Mariners plan (and projects completed to date) relative to the LTCNA
7. Considered the Applicable Standard as outlined in the lease
8. Identified potential modifications to the reimbursement process between the Mariners and PFD as currently required in the lease
9. Identified key issues requiring follow-up with the Mariners

# I. 2020 AND 10-YEAR CAPITAL PLAN REVIEW

## Summary of Findings

1. Between 2017 and 2019, the LTCNA called for \$44.3 million in necessary investment and only \$10.1 million in LTCNA projects were completed (an additional \$7.6 million in non-LTCNA projects were also completed) – 34 LTCNA projects \$50,000 and over were deferred during this time
  - A. Twenty-six of the 34 projects deferred between 2017 and 2019 have an implementation date in the 10-year plan – remaining projects require follow-up (2), monitoring (1), or are ongoing and require verification (5)
2. The Mariners have proposed \$25.9 million in necessary investment in 2020, which is above the 2020 LTCNA amount of \$21.4 million
  - A. There are 19 deferred projects \$50,000 and over in the 2020 plan, 11 of which have an implementation date in the 10-year plan – remaining projects require follow-up (1), monitoring (6), or are ongoing and require verification (1)
3. Over the first 11 years of the lease (2019 to 2029), the Mariners have proposed \$184.3 million in necessary investment in comparison to \$212.7 million outlined in the LTCNA (deficit of approximately \$28.5 million)
4. The Mariners have provided a letter to the PFD dated 6/XX/19 with an initial explanation for the deficit over the first 11 years of the lease – CAA ICON is evaluating the rationale provided by the Mariners and will follow-up, as appropriate
5. The Mariners 10-year plan has \$106.2 million in upgrade investment between 2020 and 2029; this figure would result in an investment surplus of \$27 million over the first 11 years of the lease for upgrade improvements using the methodology referenced herein (Page 19)

# I. 2020 AND 10-YEAR CAPITAL PLAN REVIEW

## Key Lease Terms – Capital Expenditures

- Key lease terms related to capital expenditures are summarized below:
  - Mariners are solely and exclusively responsible for the performance of, and expenses associated with, all capital maintenance, including necessary and upgrade improvements (must comply with the Applicable Standard) – regardless of reserve funds available
  - Mariners are required to submit provisional annual and 10-year capital expenditure work plans by May 1 of each lease year that are subject to provisional PFD approval (within 60 days), provided the submittal is in conformance with the Applicable Standard. Final plans must be submitted by September 1 of each lease year and are subject to final review and approval by the PFD within 60 days of submittal.
  - PFD to review and approve plans, ensuring the Ballpark is maintained and enhanced to meet the Applicable Standard
  - Capital expenditure funding sources:
    - Mariners contribute \$3.25 million per year, which is adjusted annually according to the CPI
    - PFD contributes the following sources:
      - \$250,000 from base rent
      - 100% of admissions and parking tax collected by Mariners
      - Revenue sharing on tickets (1.5% / 2.0%)
  - County Tax Revenues Fund (beginning 2021) – eligible capital expenditures may be reimbursed
    - Eligible projects include infrastructure such as building systems, including plumbing, electrical, HVAC, and structural elements, and the retractable roof (upgrades with revenue generating potential are not eligible)

# I. 2020 AND 10-YEAR CAPITAL PLAN REVIEW

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## 2020 and 10-Year Capital Plan Review – Approach

- 2020 and 10-year plans are provisional and in-progress; all analyses and observations presented herein are subject to revision
- Mariners provisional submittal includes a one year plan (2020) and 10-year plan as required by the lease
  - CAA ICON acknowledges that the one year and 10-year plans need not strictly adhere to the LTCNA for a variety of reasons, though an explanation should be provided by the Mariners for material deviations
- One year plan was compared to the LTCNA based on overall investment and on a project-by-project basis to identify “deferred” projects (over \$50,000) that may impact the 10-year plan
  - A summary of deferred projects has been compiled and implementation dates for each are outlined in the 10-year plan – if an implementation date is not planned, follow-up with the Mariners is recommended
- The 10-year plan is compared to the LTCNA on an aggregate basis (given detail provided) and follow-up is required with the Mariners in situations where there are material discrepancies in:
  - Overall investment
  - Timing of investment
  - Allocation of investment

# I. 2020 AND 10-YEAR CAPITAL PLAN REVIEW

## 2017 to 2019 Analysis – LTCNA and Actual Investment Comparison

- The LTCNA called for approximately \$44.3 million in necessary improvements from 2017 to 2019 (years 1 through 3 of the plan), including 15% contingency
- Approximately \$17.7 million will be invested by the end of 2019
- \$17.7 million comprised of:
  - \$10.1 million in investments outlined in LTCNA
  - \$7.6 million in other investments
- The cumulative difference for investments outlined in LTCNA is \$34.2 million, including contingency
- Given the limited amount of time between the lease signing and the start of 2019 season, numerous projects in the plan were deferred
  - Twenty-six (26) of 34 projects over \$50,000 have been scheduled – remaining eight projects require follow-up (2), monitoring (1), or are ongoing and require verification (5)

Sub-Category	LTCNA Amount (2017 to 2019)	LTCNA Amount Invested (2017 to 2019)	Difference	Other Amount Invested (2017 to 2019)
Video Displays / Production	\$9,848,202	\$0	(\$9,848,202)	\$85,000
Tech Infrastructure	\$8,713,361	\$0	(\$8,713,361)	\$502,000
Sound Reinforcement	\$3,327,354	\$250,000	(\$3,077,354)	\$28,000
Food Service	\$2,983,820	\$1,059,780	(\$1,924,040)	\$99,600
Painting	\$1,639,568	\$400,000	(\$1,239,568)	\$0
Baseball Operations	\$1,125,509	\$0	(\$1,125,509)	\$85,350
Electrical	\$1,105,779	\$0	(\$1,105,779)	\$280,000
Mechanical	\$680,808	\$0	(\$680,808)	\$92,000
Signage and Graphics	\$1,167,176	\$750,000	(\$417,176)	\$240,000
Security	\$530,450	\$125,000	(\$405,450)	\$653,000
POS Systems	\$286,008	\$0	(\$286,008)	\$20,000
Furniture, Fixtures, & Equipment	\$310,273	\$100,000	(\$210,273)	\$140,190
Team Facilities	\$193,686	\$0	(\$193,686)	\$192,035
Plumbing	\$96,334	\$0	(\$96,334)	\$51,000
Garage	\$92,588	\$0	(\$92,588)	\$0
Architectural Exterior	\$183,593	\$93,000	(\$90,593)	\$173,000
Code and Regulatory	\$81,979	\$0	(\$81,979)	\$2,884,680
Structural	\$63,654	\$0	(\$63,654)	\$0
Premium Spaces	\$450,204	\$408,100	(\$42,104)	\$10,500
Vertical Transportation	\$16,397	\$0	(\$16,397)	\$111,500
Miscellaneous	\$0	\$0	\$0	\$0
Operational Equipment	\$54,661	\$63,300	\$8,639	\$93,300
Building Envelope	\$49,834	\$108,000	\$58,166	\$238,400
Architectural Interior	\$313,503	\$476,000	\$162,497	\$996,800
Retractable Roof	\$5,129,967	\$5,324,000	\$194,033	\$114,000
Seating Bowl	\$57,385	\$305,000	\$247,615	\$0
Playing Field	\$0	\$652,000	\$652,000	\$484,500
<b>Total</b>	<b>\$44,277,407</b>	<b>\$10,114,180</b>	<b>(\$34,163,227)</b>	<b>\$7,574,855</b>

Note: LTCNA Amount Invested (2017 to 2019) includes investments made ahead of originally scheduled year in the LTCNA.

# I. 2020 AND 10-YEAR CAPITAL PLAN REVIEW

## 2017 to 2019 Analysis – LTCNA Projects of \$50,000 and Over Not Completed

- Necessary improvements of \$50,000 and over in the LTCNA deferred from their originally scheduled year are summarized
- The summary is utilized for analyzing when/if deferred investments are addressed in the 10-year plan
- The Mariners have completed or plan to complete nearly all deferred investments

Project Name	Year	First Planned Year of Implementation	Major Category	Sub-Category	LTCNA Investment Amount
1 Replace Production System	2019	2022	Technology	Video Displays / Production	\$6,500,000
2 Replace Distributed Television System	2019	2022	Technology Infrastructure	Infrastructure	\$2,500,000
3 Replace Broadcast Cable System	2019	2022	Technology Infrastructure	Infrastructure	\$2,500,000
4 Food And Beverage Equipment Replacement - (1)	2019	Follow-up	Spectator Requirements	Food Service	\$1,849,984
5 Replace Facility Sound Reinforcement Equipment (Yea	2019	2020	Technology	Facility Sound Reinforcement	\$1,500,000
6 Replace Facility Sound Reinforcement Equipment (Yea	2018	2020	Technology	Facility Sound Reinforcement	\$1,500,000
7 Replace Out-Of-Town Score Display	2019	2021	Technology	Video Displays / Production	\$1,500,000
8 Phased Replacement Of Bogie Wheels (Year 2)	2018	2020	Retractable Roof	Retractable Roof	\$1,500,000
9 Broadcast Cable Infrastructure Incremental Upgrade	2018	2022	Technology Infrastructure	Infrastructure	\$1,500,000
10 Phased Replacement of Bogie Wheels (Year 1)	2017	2019	Retractable Roof	Retractable Roof	\$1,500,000
11 Digital Security Access	2017	2021	Technology	Security	\$1,200,000
12 Replace Coaching Analysis System	2019	2021	Technology	Baseball Operations	\$1,000,000
13 Select New Lighting Control Systems	2018	2020	Major Building Systems	Electrical	\$850,000
14 Replace Televisions (Year 1)	2019	2022	Technology	Video Displays / Production	\$645,000
15 Ongoing Painting Program (Year 2)	2018	2020	Architectural	Painting	\$500,000
16 Ongoing Painting Program (Year 1)	2017	2019	Architectural	Painting	\$500,000
17 Air Conditioning For Suites / HHC Kitchen	2018	2024	Major Building Systems	Mechanical	\$430,000
18 Replace Facility Data Cable (Year 3)	2019	2022	Technology Infrastructure	Infrastructure	\$400,000
19 Replace Mobile Radio Equipment	2017	2018	Technology	Facility Sound Reinforcement	\$350,000
20 Replace Facility Data Cable (Year 2)	2018	2022	Technology Infrastructure	Infrastructure	\$250,000
21 Replace Facility Data Cable (Year 1)	2017	2022	Technology Infrastructure	Infrastructure	\$250,000
22 Repair Crushed Pathway	2017	2020	Technology Infrastructure	Infrastructure	\$200,000
23 POS Chip Replacement	2017	2020	Technology	Video Displays / Production	\$163,500
24 Wayfinding Signage And Graphics (Year 2)	2018	2019	Architectural	Signage and Graphics	\$150,000
25 Wayfinding Signage and Graphics (Year 1)	2017	2019	Architectural	Signage and Graphics	\$150,000
26 Food And Beverage Equipment Replacement - (1)	2018	Follow-up	Spectator Requirements	Food Service	\$143,701
27 Add Redundant Telecom Pathway	2017	2020	Technology Infrastructure	Infrastructure	\$120,000
28 Replace Ticketing Hardware/Software System	2019	Monitor - (2)	Technology	Point of Sale Systems	\$100,000
29 Repair Precast Stadia Slabs	2017	Ongoing - (3)	Architectural	Structural	\$60,000
30 Kitchen Ceiling Tile Replacement (Year 2)	2019	Ongoing - (3)	Architectural	Interiors	\$50,000
31 Kitchen Ceiling Tile Replacement (Year 1)	2018	Ongoing - (3)	Architectural	Interiors	\$50,000
32 Modernize Home Dugout	2018	Ongoing - (3)	Architectural	Team Facilities	\$50,000
33 Modernize Visitors Dugout	2019	Ongoing - (3)	Architectural	Team Facilities	\$50,000
34 Incremental Facility Data Cable Upgrade	2017	2020	Technology Infrastructure	Infrastructure	\$50,000

Notes: Analysis examines deferrals from originally scheduled years. Some projects (e.g. Phased Replacement of Bogie Wheels (Year 1)) may have been implemented in subsequent years from original year of programming. LTCNA Investment Amount does not include contingency or inflation.

(1) - Reflects all food service equipment investments. Follow-up required to determine reason for variance.

(2) - Implementation date has yet to be identified due to Ticketmaster software changes.

(3) - The Mariners have indicated that ongoing replacement and/or modernization has been taking place. Verification that projects have been completed is required.

# I. 2020 AND 10-YEAR CAPITAL PLAN REVIEW

## 2020 Plan – Summary and Composition

- The 2020 plan includes \$21.9 million in investment prior to inflation and contingency
  - Investment increases to \$25.9 million with inflation (\$700,000) and contingency (\$3.4 million) applied
- Five sub-categories have over \$1 million in proposed investment
  - Facility Sound Reinforcement: Dedicated to replacement of original sound reinforcement equipment
  - Code and Regulatory: Primarily dedicated to a bollard project (mandated by MLB and Homeland Security)
  - Retractable Roof: Primarily dedicated to bogie wheel replacement
  - POS Systems: Dedicated to replacement of point of sale systems and new digital menu boards
  - Electrical: Primarily dedicated to lighting control replacement

2020 Capital Project List by Sub-Category		
Sub-Category	Amount (Prior to Inflation and Contingency)	Percentage
Facility Sound Reinforcement	\$7,000,000	32%
Code and Regulatory	\$6,588,803	30%
Roof	\$2,190,000	10%
POS Systems	\$1,975,000	9%
Electrical	\$1,609,320	7%
Painting	\$545,000	2%
Infrastructure	\$515,000	2%
Security	\$450,000	2%
Food Service	\$365,000	2%
Structural	\$181,000	1%
Building Envelope	\$143,700	1%
Plumbing	\$63,550	0%
Furniture, Fixtures & Equipment	\$56,000	0%
Mechanical	\$45,700	0%
Garage	\$40,000	0%
Exterior	\$35,250	0%
Premium Spaces	\$30,000	0%
Operational Equipment	\$28,000	0%
Seating Bowl	\$20,600	0%
Vertical Transportation	\$5,750	0%
Interior	\$5,000	0%
Team Facilities	\$5,000	0%
<b>Total</b>	<b>\$21,897,673</b>	<b>100%</b>

# I. 2020 AND 10-YEAR CAPITAL PLAN REVIEW

## 2020 Plan – LTCNA and Proposed Investment Comparison

- LTCNA called for approximately \$21.4 million in necessary improvements in 2020, including 15% contingency
- 2020 plan calls for \$25.9 million in total investment, including a \$5.8 million bollard project (subject to permitting approvals)
- \$25.9 million comprised of:
  - \$17.9 million in investments outlined in LTCNA
  - \$8.0 million in other investments (including bollards)
- Nineteen (19) projects \$50,000 and over have been deferred and 11 have been scheduled – remaining projects require follow-up (1), monitoring (6), or are ongoing and require verification (1)
  - The Mariners have indicated that investments to suites, the Terrace Club, and Diamond Club (all premium spaces) are planned to be completed in tandem with potential upgrade improvements—schedule of upgrade improvements has not been provided

Sub-Category	LTCNA 2020 Amount	LTCNA Amount Invested	Difference	Other Amount Invested
Video Displays / Production	\$4,926,915	\$0	(\$4,926,915)	\$0
Playing Field	\$3,245,967	\$0	(\$3,245,967)	\$0
Premium Spaces	\$2,782,258	\$30,900	(\$2,751,358)	\$0
Food Service	\$2,007,477	\$375,950	(\$1,631,527)	\$0
Signage and Graphics	\$869,456	\$0	(\$869,456)	\$0
Building Envelope	\$457,913	\$148,011	(\$309,902)	\$0
Mechanical	\$343,145	\$47,071	(\$296,074)	\$0
Architectural Interior	\$211,568	\$5,150	(\$206,418)	\$0
Operational Equipment	\$168,095	\$0	(\$168,095)	\$28,840
Garage	\$98,538	\$41,200	(\$57,338)	\$0
Architectural Exterior	\$92,742	\$36,308	(\$56,435)	\$0
Structural	\$237,651	\$186,430	(\$51,221)	\$0
Painting	\$579,637	\$561,350	(\$18,287)	\$0
Team Facilities	\$17,389	\$0	(\$17,389)	\$5,150
Plumbing	\$75,932	\$65,457	(\$10,476)	\$0
Furniture, Fixtures, & Equipment	\$57,964	\$57,680	(\$284)	\$0
Code and Regulatory	\$28,982	\$28,840	(\$142)	\$6,757,627
Vertical Transportation	\$5,796	\$5,923	\$127	\$0
Baseball Operations	\$0	\$0	\$0	\$0
Seating Bowl	\$20,287	\$21,218	\$931	\$0
Technology Infrastructure	\$486,895	\$530,450	\$43,555	\$0
Security	\$0	\$463,500	\$463,500	\$0
Retractable Roof	\$1,738,911	\$2,255,700	\$516,789	\$0
Electrical	\$177,369	\$1,453,124	\$1,275,755	\$204,476
POS Systems	\$0	\$2,034,250	\$2,034,250	\$0
Sound Reinforcement	\$0	\$7,210,000	\$7,210,000	\$0
<b>Contingency</b>	<b>\$2,794,633</b>	<b>\$2,333,777</b>		<b>\$1,049,414</b>
<b>Total</b>	<b>\$21,425,520</b>	<b>\$17,892,287</b>	<b>(\$3,533,233)</b>	<b>\$8,045,507</b>

Note: Several improvements for 2020 were completed between 2017 and 2019. Projects include wall pads (\$52,000), field replacement (\$600,000), and expansion joints (\$108,000).

# I. 2020 AND 10-YEAR CAPITAL PLAN REVIEW

## 2020 Plan – Necessary Improvements of \$100,000 and Over

- Necessary improvements of \$100,000 and over included in the 2020 plan are summarized
  - Four of the 19 improvements are not in LTCNA
- CAA ICON conducted a site tour and requested explanation/justification for these improvements (photo documentation is provided on the following pages), among others

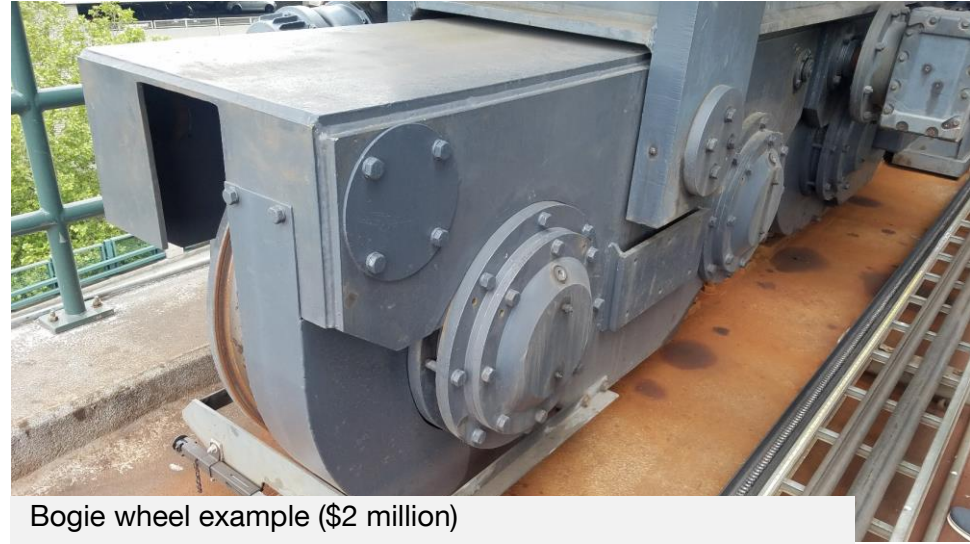
2020 Capital Project List - Necessary Improvements of \$100,000 and Over Prior to Contingency				
Project Name	Major Category	Sub-Category	Amount	LTCNA Project
1 Replace facility sound reinforcement system	Technology	Facility Sound Reinforcement	\$7,000,000	Yes
2 Perimeter security hardening / bollard project	Architectural	Code and Regulatory	\$5,800,000	No
3 Phased replacement of bogie wheels for retractable roof	Retractable Roof	Retractable Roof	\$2,000,000	Yes
4 Replace point of sale (POS) system hardware and software	Technology	POS Systems	\$1,600,000	Yes
5 Replace lighting control system	Major Building Systems	Electrical	\$1,100,000	Yes
6 Repaint exposed steel (non-retractable roof)	Architectural	Painting	\$545,000	Yes
7 Add walkways for roof access	Architectural	Code and Regulatory	\$454,078	No
8 Replace menu boards with digital menu boards at concessions	Technology	POS Systems	\$375,000	Yes
9 General renewal and replacements (allowance)	Spectator Requirements	Food Service	\$365,000	Yes
10 Add fall projection for roof access	Architectural	Code and Regulatory	\$306,725	No
11 Re-key facility doors	Technology	Security	\$300,000	Yes
12 Field Level electrical power	Major Building Systems	Electrical	\$198,520	No
13 Replace security cameras and system	Technology	Security	\$150,000	Yes
14 Replace facility data cable	Technology Infrastructure	Infrastructure	\$150,000	Yes
15 Replace existing facility data equipment (incremental)	Technology Infrastructure	Infrastructure	\$150,000	Yes
16 General renewal and replacements (allowance)	Retractable Roof	Retractable Roof	\$145,000	Yes
17 Remediate cracked concrete slabs around columns	Architectural	Structural	\$125,000	Yes
18 Replace crushed broadcast cabling conduit	Technology Infrastructure	Infrastructure	\$125,000	Yes
19 Remediate leaks at Diamond Club from seating bowl	Architectural	Building Envelope	\$115,000	Yes

# I. 2020 AND 10-YEAR CAPITAL PLAN REVIEW

## 2020 Plan – Significant Investments



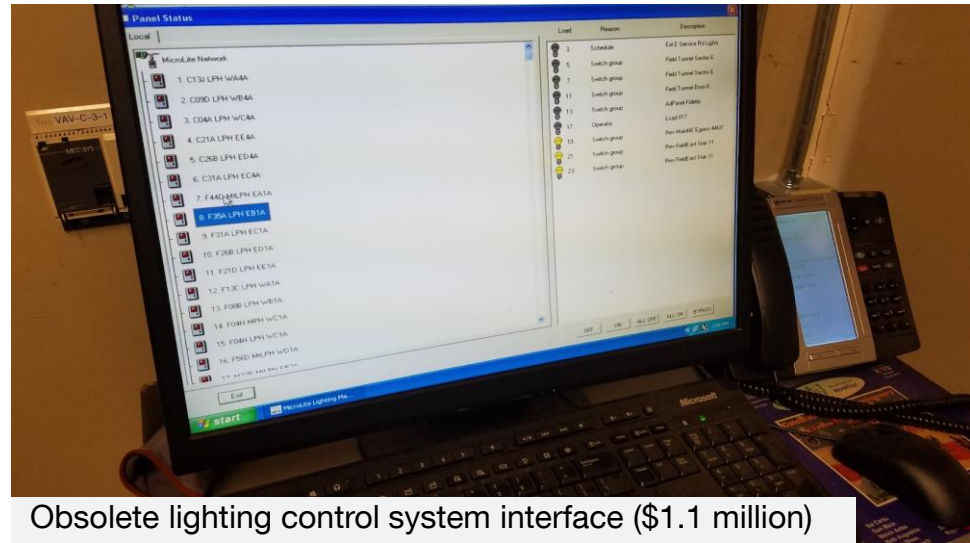
Dated sound reinforcement equipment (\$7 million)



Bogie wheel example (\$2 million)



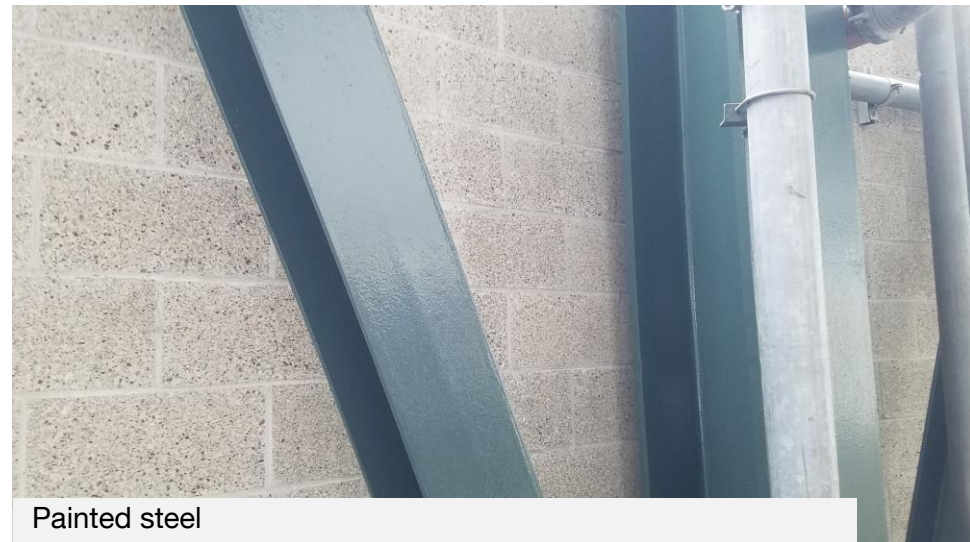
Obsolete point of sale systems (\$1.6 million)



Obsolete lighting control system interface (\$1.1 million)

# I. 2020 AND 10-YEAR CAPITAL PLAN REVIEW

## 2020 Plan – Significant Investments



# I. 2020 AND 10-YEAR CAPITAL PLAN REVIEW

## 2020 Plan – Significant Investments



NEW: Roof access project (\$761,000)



NEW: Field level electrical power (\$199,000)

# I. 2020 AND 10-YEAR CAPITAL PLAN REVIEW

## 2020 Plan – LTCNA Projects Not Completed of \$50,000 and Over

- Investments programmed in LTCNA for 2020, but not included in Mariners 2020 plan are summarized

Project Name	First Planned Year of Implementation	Major Category	Sub-Category	LTCNA Amount
1 Replace Fascia Displays	2022	Technology	Video Displays / Production	\$3,500,000
2 Food And Beverage Equipment Replacement - (1)	Follow-up	Spectator Requirements	Food Service	\$1,575,135
3 Remove, Replace, and Rezone Playing Heating System	2023	Major Building Systems	Playing Field	\$1,000,000
4 Modernize Suite Finishes	Monitor - (2)	Spectator Requirements	Premium Areas	\$750,000
5 Modernize Suite FF&E	Monitor - (2)	Spectator Requirements	Premium Areas	\$750,000
6 Replace Televisions	2022	Technology	Video Displays / Production	\$500,000
7 Replace Facility Data Cable (Year 4)	2022	Technology Infrastructure	Infrastructure	\$400,000
8 Refurbish Existing Sub-Air System	2023	Major Building Systems	Playing Field	\$300,000
9 Modernize Diamond Club Finishes	Monitor - (2)	Spectator Requirements	Premium Areas	\$250,000
10 Modernize Diamond Club FF&E	Monitor - (2)	Spectator Requirements	Premium Areas	\$250,000
11 Remove and Replace Existing Irrigation System	2023	Major Building Systems	Playing Field	\$250,000
12 Replace Distributed Heat Pumps	2023	Major Building Systems	Mechanical	\$225,000
13 Modernize Terrace Club Finishes	Monitor - (2)	Spectator Requirements	Premium Areas	\$200,000
14 Modernize Terrace Club FF&E	Monitor - (2)	Spectator Requirements	Premium Areas	\$200,000
15 Repairs & Caulk Deck Edge Corrosion	2023	Architectural	Structural	\$100,000
16 Kitchen Ceiling Tile Replacement (Year 3)	Ongoing - (3)	Architectural	Interiors	\$50,000
17 Restripe Parking Garage	2023	Garage	Garage	\$50,000
18 Refurbish Playing Field Drainage System	2023	Major Building Systems	Playing Field	\$50,000
19 Replace or Refurbish Perimeter Drainage	2023	Major Building Systems	Playing Field	\$50,000

(1) - Reflects all food service equipment investments.

(2) - The Mariners have indicated these projects are deferred due to potential reconfigurations as part of upgrade improvements.

(3) - The Mariners have indicated that ongoing replacement has been taking place. Verification that projects have been completed is required.

# I. 2020 AND 10-YEAR CAPITAL PLAN REVIEW

## 10-Year Plan – Summary

- The 10-year plan includes \$177.4 million in necessary improvements, inclusive of 15% contingency and 3% inflation (CAA ICON corrected a calculation error related to escalation in the Club’s submitted plan) – figures include non-LTCNA projects

Mariners 10-Year Necessary Improvement Capital Expenditure Plan											10-Year Plan
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
Number of Improvements	50	48	46	64	51	54	50	43	39	52	497
Architectural	\$8,987,693	\$1,375,915	\$1,595,384	\$6,296,790	\$7,366,494	\$8,444,340	\$7,831,071	\$7,743,981	\$2,641,311	\$3,721,651	\$56,004,630
Interior	\$5,923	\$270,319	\$135,173	\$210,934	\$1,475,681	\$1,495,921	\$833,904	\$941,958	\$1,244,806	\$1,343,970	\$7,958,587
Exterior	\$41,754	\$21,351	\$21,991	\$90,927	\$23,330	\$24,030	\$99,358	\$25,494	\$26,259	\$108,572	\$483,065
Painting	\$645,553	\$664,919	\$684,867	\$4,976,719	\$5,202,011	\$5,279,801	\$5,438,195	\$5,601,341	\$817,767	\$842,300	\$30,153,470
Building Envelope	\$170,213	\$21,595	\$35,814	\$408,363	\$37,995	\$433,232	\$40,309	\$426,401	\$8,553	\$452,369	\$2,034,843
Signage and Graphics	\$0	\$0	\$420,973	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$420,973
Structural	\$214,395	\$152,504	\$0	\$257,573	\$190,643	\$368,007	\$458,251	\$208,320	\$214,570	\$307,555	\$2,371,818
Team Facilities	\$5,923	\$142,744	\$111,841	\$29,123	\$6,666	\$440,098	\$754,558	\$317,579	\$161,303	\$227,962	\$2,197,795
Operational Equipment	\$33,166	\$0	\$35,186	\$214,429	\$318,183	\$287,906	\$87,690	\$49,531	\$42,014	\$131,368	\$1,199,472
Furnitures, Fixtures, & Equipment	\$66,332	\$68,322	\$114,354	\$72,483	\$74,657	\$76,897	\$79,204	\$132,567	\$84,027	\$264,281	\$1,033,125
Code and Regulatory	\$7,804,437	\$34,161	\$35,186	\$36,241	\$37,329	\$38,448	\$39,602	\$40,790	\$42,014	\$43,274	\$8,151,482
Retractable Roof	\$2,594,055	\$2,616,975	\$2,695,484	\$2,776,349	\$193,309	\$3,700,667	\$205,081	\$211,234	\$217,571	\$13,515,431	\$28,726,156
Garage	\$47,380	\$34,161	\$35,186	\$124,256	\$37,329	\$38,448	\$56,574	\$122,370	\$42,014	\$61,820	\$599,538
Spectator Requirements	\$492,278	\$507,047	\$1,100,311	\$3,359,576	\$8,513,060	\$2,115,491	\$5,396,613	\$1,523,215	\$623,603	\$642,311	\$24,273,504
Food Service	\$432,343	\$445,313	\$458,672	\$472,432	\$486,605	\$501,203	\$516,240	\$531,727	\$547,679	\$564,109	\$4,956,322
Seating Bowl	\$24,401	\$25,133	\$25,887	\$26,663	\$5,693,415	\$1,573,092	\$4,837,943	\$947,785	\$30,910	\$31,837	\$13,217,066
Premium Spaces	\$35,535	\$36,601	\$615,752	\$2,860,481	\$2,333,039	\$41,195	\$42,431	\$43,704	\$45,015	\$46,365	\$6,100,116
Building Systems	\$2,042,457	\$1,278,109	\$312,400	\$3,109,511	\$631,387	\$697,016	\$669,839	\$739,464	\$710,632	\$2,621,175	\$12,811,988
Mechanical	\$54,132	\$749,956	\$57,428	\$394,384	\$360,888	\$418,402	\$382,866	\$443,883	\$406,182	\$695,013	\$3,963,133
Electrical	\$1,906,240	\$162,997	\$167,887	\$172,923	\$178,111	\$183,454	\$188,958	\$194,627	\$200,465	\$383,903	\$3,739,564
Plumbing	\$75,275	\$77,533	\$79,859	\$82,255	\$84,723	\$87,264	\$89,882	\$92,579	\$95,356	\$644,707	\$1,409,433
Playing Field	\$0	\$280,608	\$0	\$2,452,506	\$0	\$0	\$0	\$0	\$0	\$0	\$2,733,114
Vertical Transportation	\$6,811	\$7,015	\$7,226	\$7,442	\$7,666	\$7,896	\$8,133	\$8,377	\$8,628	\$897,551	\$966,744
Technology	\$11,163,913	\$5,520,658	\$8,984,948	\$8,607,329	\$7,532,383	\$0	\$1,414,355	\$0	\$2,400,783	\$0	\$45,624,368
Facility Sound Reinforcement	\$8,291,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,291,500
Video Displays / Production	\$0	\$1,830,053	\$8,796,452	\$8,413,178	\$7,332,409	\$0	\$0	\$0	\$0	\$0	\$26,372,092
Security	\$533,025	\$1,647,047	\$188,495	\$194,150	\$199,975	\$0	\$0	\$0	\$0	\$0	\$2,762,693
POS Systems	\$2,339,388	\$457,513	\$0	\$0	\$0	\$0	\$0	\$0	\$2,400,783	\$0	\$5,197,683
Baseball Operations	\$0	\$1,586,046	\$0	\$0	\$0	\$0	\$1,414,355	\$0	\$0	\$0	\$3,000,400
Technology Infrastructure	\$610,018	\$1,525,044	\$4,900,881	\$0	\$199,975	\$1,716,450	\$212,153	\$0	\$225,073	\$0	\$9,389,593
<b>Value with Contingency and Inflation</b>	<b>\$25,937,794</b>	<b>\$12,857,909</b>	<b>\$19,624,592</b>	<b>\$24,273,811</b>	<b>\$24,473,936</b>	<b>\$16,712,412</b>	<b>\$15,785,686</b>	<b>\$10,340,264</b>	<b>\$6,860,987</b>	<b>\$20,562,388</b>	<b>\$177,429,778</b>

# I. 2020 AND 10-YEAR CAPITAL PLAN REVIEW

## 10-Year Plan – Overall Investment

- The table examines actual / proposed necessary investment in relation to the LTCNA from 2019 to 2029 (lease years 1 – 11)
  - Includes all investments (some are not in the LTCNA)
- In the 10-year plan (between 2020 and 2029), the necessary improvement investment deficit is approximately \$5.7 million
  - Actual/Proposed: \$177.4 million
  - LTCNA: \$183.1 million
- When 2019 is included (year 3 of LTCNA and year 1 of the lease), the deficit increases to \$28.5 million
  - Actual/Proposed: \$184.3 million
  - LTCNA: \$212.7 million
- When 2017 and 2018 are included (years 1 and 2 of LTCNA), the deficit increases to \$32.2 million over a 13-year period
  - Actual/Proposed: \$195.1 million
  - LTCNA: \$227.4 million
- Follow-up is required on overall investment

Necessary Improvement Capital Expenditure Comparison to LTCNA (2019 to 2029)			
	11-Year Actual / Proposed	11-Year LTCNA Amount	Surplus / (Deficit) Total
Architectural	\$59,874,715	\$53,033,307	\$6,841,408
Interior	\$8,843,587	\$8,128,072	\$715,515
Exterior	\$483,065	\$1,009,013	(\$525,948)
Painting	\$30,553,470	\$31,567,020	(\$1,013,551)
Building Envelope	\$2,142,843	\$2,262,477	(\$119,633)
Signage and Graphics	\$1,320,973	\$2,448,186	(\$1,127,213)
Structural	\$2,371,818	\$2,583,348	(\$211,531)
Team Facilities	\$2,264,830	\$2,168,142	\$96,689
Operational Equipment	\$1,211,472	\$1,184,320	\$27,151
Furniture, Fixtures, and Equipment	\$1,173,675	\$1,268,289	(\$94,615)
Code and Regulatory	\$9,508,982	\$414,439	\$9,094,543
Retractable Roof	\$30,415,156	\$22,621,563	\$7,793,593
Garage	\$599,538	\$701,776	(\$102,238)
Spectator Requirements	\$24,957,284	\$42,749,067	(\$17,791,783)
Food Service	\$5,324,602	\$16,752,260	(\$11,427,658)
Seating Bowl	\$13,522,066	\$11,980,781	\$1,541,285
Premium Spaces	\$6,110,616	\$14,016,026	(\$7,905,410)
Building Systems	\$12,902,988	\$18,201,055	(\$5,298,066)
Mechanical	\$3,963,133	\$5,904,450	(\$1,941,317)
Electrical	\$3,809,564	\$2,622,829	\$1,186,735
Plumbing	\$1,430,433	\$1,718,599	(\$288,166)
Playing Field	\$2,733,114	\$3,732,863	(\$999,748)
Vertical Transportation	\$966,744	\$4,222,313	(\$3,255,569)
Technology	\$45,969,718	\$55,766,185	(\$9,796,467)
Facility Sound Reinforcement	\$8,291,500	\$1,941,503	\$6,349,997
Video Displays / Production	\$26,372,092	\$41,182,491	(\$14,810,399)
Security	\$3,002,693	\$3,349,774	(\$347,081)
POS Systems	\$5,217,683	\$4,307,968	\$909,715
Baseball Operations	\$3,085,750	\$4,984,449	(\$1,898,699)
Technology Infrastructure	\$9,568,593	\$19,665,988	(\$10,097,394)
<b>Actual/Proposed Investment</b>	<b>\$184,287,993</b>		
<b>LTCNA Investment</b>		<b>\$212,738,941</b>	
<b>Surplus/(Deficit)</b>			<b>(\$28,450,947)</b>

# I. 2020 AND 10-YEAR CAPITAL PLAN REVIEW

## 10-Year Plan – Investment Allocation

- The table examines capital expenditure difference in relation to the LTCNA by sub-categories from 2019 to 2029
- Deficits are heavily concentrated in four sub-categories
  - Video Displays / Production
  - Food Service
  - Technology Infrastructure
  - Premium Spaces (may be affected by upgrades)
- Surplus is heavily concentrated in the following categories:
  - Code and Regulatory: Largely due to bollard, ADA, and roof access projects
  - Retractable Roof: Sequencing and investment amounts for projects requires clarification
  - Sound Reinforcement: Equipment is significantly more expensive than estimated in the LTCNA (\$7 million compared to \$3 million)
- Follow-up is required on investment allocation

Necessary Improvement Surplus / (Deficit) By Sub-Category (2019 to 2029)	
Sub-Category	\$ Difference
Video Displays / Production	(\$14,810,399)
Food Service	(\$11,427,658)
Technology Infrastructure	(\$10,097,394)
Premium Spaces	(\$7,905,410)
Vertical Transportation	(\$3,255,569)
Mechanical	(\$1,941,317)
Baseball Operations	(\$1,898,699)
Signage and Graphics	(\$1,127,213)
Painting	(\$1,013,551)
Playing Field	(\$999,748)
Exterior	(\$525,948)
Security	(\$347,081)
Plumbing	(\$288,166)
Structural	(\$211,531)
Building Envelope	(\$119,633)
Garage	(\$102,238)
FF&E	(\$94,615)
Operational Equipment	\$27,151
Team Facilities	\$96,689
Interior	\$715,515
POS Systems	\$909,715
Electrical	\$1,186,735
Seating Bowl	\$1,541,285
Facility Sound Reinforcement	\$6,349,997
Retractable Roof	\$7,793,593
Code and Regulatory	\$9,094,543
<b>Total Surplus / (Deficit)</b>	<b>(\$28,450,947)</b>

# I. 2020 AND 10-YEAR CAPITAL PLAN REVIEW

## 10-Year Plan – Investment Timing

- A comparison of actual / proposed investment by major category in relation to the LTCNA is presented from 2019 to 2029
  - Includes all investments (some are not in the LTCNA)
- Five of the 11 lease years have investment levels that exceed amounts outlined in the LTCNA
  - All five years are in the first seven years of the lease, whereas each of the final four years have amounts no less than \$4 million below the corresponding amount in the LTCNA
- Several projects in the initial years of the LTCNA were deferred and have lifecycles extending beyond the 10-year plan

Necessary Improvement Capital Expenditure Comparison (2019 to 2029)												
Calendar Year Lease Year	2019 1	2020 2	2021 3	2022 4	2023 5	2024 6	2025 7	2026 8	2027 9	2028 10	2029 11	Surplus / (Deficit) Total
Architectural	\$1,378,490	\$5,858,088	(\$1,445,929)	(\$1,912,217)	(\$3,755,030)	\$4,628,101	(\$1,732,802)	\$4,058,342	(\$2,282,326)	\$690,731	\$1,355,960	\$6,841,408
Retractable Roof	(\$446,653)	\$594,307	\$2,411,001	(\$486,814)	\$2,557,831	\$193,309	\$3,468,841	(\$12,211,496)	(\$1,715,325)	\$217,571	\$13,211,022	\$7,793,593
Garage	(\$32,358)	(\$65,939)	(\$168)	(\$173)	\$73,269	(\$75,208)	(\$189)	\$859	\$81,379	(\$84,647)	\$938	(\$102,238)
Spectator Requirements	(\$2,407,607)	(\$5,039,247)	(\$9,892,523)	(\$1,893,258)	(\$1,741,734)	\$7,366,806	\$1,696,579	\$5,023,374	(\$107,304)	(\$4,705,653)	(\$6,091,216)	(\$17,791,783)
Building Systems	(\$108,328)	(\$2,382,985)	\$757,681	(\$259,707)	\$2,502,760	(\$504,483)	(\$275,106)	(\$4,452,796)	(\$1,398,607)	(\$1,116,665)	\$1,940,169	(\$5,298,066)
Technology	(\$14,345,354)	\$5,497,960	\$3,735,550	\$1,205,996	\$8,607,329	\$2,655,794	\$0	(\$655,075)	(\$1,803,588)	\$1,134,172	(\$15,829,251)	(\$9,796,467)
Technology Infrastructure	(\$6,836,296)	\$50,088	\$1,168,022	\$4,900,881	\$0	(\$1,300,514)	\$1,716,450	\$204,194	(\$409,906)	(\$197,130)	(\$9,393,182)	(\$10,097,394)
<b>Actual / Proposed Investment</b>	<b>\$6,858,215</b>	<b>\$25,937,794</b>	<b>\$12,857,909</b>	<b>\$19,624,592</b>	<b>\$24,273,811</b>	<b>\$24,473,936</b>	<b>\$16,712,412</b>	<b>\$15,785,686</b>	<b>\$10,340,264</b>	<b>\$6,860,987</b>	<b>\$20,562,388</b>	<b>\$184,287,993</b>
<b>LTCNA Investment</b>	<b>\$29,656,322</b>	<b>\$21,425,520</b>	<b>\$16,124,274</b>	<b>\$18,069,885</b>	<b>\$16,029,388</b>	<b>\$11,510,132</b>	<b>\$11,838,640</b>	<b>\$23,818,285</b>	<b>\$17,975,940</b>	<b>\$10,922,607</b>	<b>\$35,367,947</b>	<b>\$212,738,941</b>
<b>Surplus / (Deficit)</b>	<b>(\$22,798,107)</b>	<b>\$4,512,273</b>	<b>(\$3,266,365)</b>	<b>\$1,554,707</b>	<b>\$8,244,423</b>	<b>\$12,963,804</b>	<b>\$4,873,772</b>	<b>(\$8,032,599)</b>	<b>(\$7,635,676)</b>	<b>(\$4,061,621)</b>	<b>(\$14,805,560)</b>	<b>(\$28,450,947)</b>

# I. 2020 AND 10-YEAR CAPITAL PLAN REVIEW

## 10-Year Plan – Upgrade Improvements

- The Mariners have proposed \$106.2 million in upgrade improvements from 2020 to 2029 (no upgrades were made in 2019), including \$9.2 million in 2020
  - CAA ICON has annualized the remaining \$97 million over 9 years for illustrative purposes, \$10.8 million per year
- A schedule of upgrade improvements has not been provided, only a total investment level (**requires follow-up**)
- Mariners utilized a figure of \$180 million in planned upgrades over the 25-year lease term during negotiations
  - CAA ICON annualized this investment at \$7.2 million per year for comparative purposes
- 10-year plan results in a \$27 million surplus in upgrade improvements over the first 11 lease years as originally contemplated

Upgrade Improvement Capital Expenditure Comparison (2019 to 2029)												
Calendar Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
Lease Year	1	2	3	4	5	6	7	8	9	10	11	
<b>10-Year Plan</b>												
Number of Improvements	0	5	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Present Day Value (2019 Dollars)	\$0	\$9,243,750	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	\$89,000,000
Value with Inflation @ 3% Annually - (1)	NA	\$9,243,750	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$93,581,450
Value with Contingency @ 15% - (2)	NA	\$9,243,750	\$10,776,484	\$10,776,484	\$10,776,484	\$10,776,484	\$10,776,484	\$10,776,484	\$10,776,484	\$10,776,484	\$10,776,484	\$106,232,110
<b>Total Amount</b>	<b>\$0</b>	<b>\$9,243,750</b>	<b>\$10,776,484</b>	<b>\$10,776,484</b>	<b>\$10,776,484</b>	<b>\$10,776,484</b>	<b>\$10,776,484</b>	<b>\$10,776,484</b>	<b>\$10,776,484</b>	<b>\$10,776,484</b>	<b>\$10,776,484</b>	<b>\$106,232,110</b>
<b>Mariners \$180 Million Commitment</b>												
Number of Improvements	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$0
Present Day Value (2019 Dollars)	\$7,200,000	\$7,200,000	\$7,200,000	\$7,200,000	\$7,200,000	\$7,200,000	\$7,200,000	\$7,200,000	\$7,200,000	\$7,200,000	\$7,200,000	\$79,200,000
Value with Inflation @ 3% Annually	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$0
Value with Contingency @ 15%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$0
<b>Total Amount</b>	<b>\$7,200,000</b>	<b>\$7,200,000</b>	<b>\$7,200,000</b>	<b>\$7,200,000</b>	<b>\$7,200,000</b>	<b>\$7,200,000</b>	<b>\$7,200,000</b>	<b>\$7,200,000</b>	<b>\$7,200,000</b>	<b>\$7,200,000</b>	<b>\$7,200,000</b>	<b>\$79,200,000</b>
<b>Surplus / Deficit</b>												<b>\$27,032,110</b>

(1) - Upgrade improvement projects are "design-to budgets" inclusive of inflation and contingency; future projects include 3% inflation and 15% contingency.

(2) - \$106.2 million less \$9.2 million has been annualized (\$10.8 million) by CAA ICON over nine years from 2020 to 2029 for illustrative purposes.

# I. 2020 AND 10-YEAR CAPITAL PLAN REVIEW

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## 10-Year Plan – Upgrade Improvements (Cont.)

- The five 2020 upgrade improvement projects total \$9.2 million in investment
  - Terrace Club Seating Modifications (\$1.4 million)
  - Lookout Landing (\$2.3 million)
  - Rotunda Roof Deck (\$2.5 million)
  - Edgars Corner Patio & Gate Expansion (\$1.5 million)
  - Edgars Corner Patio (\$1.6 million)

# I. 2020 AND 10-YEAR CAPITAL PLAN REVIEW

## 10-Year Plan – Reserve Fund Estimates vs. Capital Expenditures

- From 2019 to 2029, it is estimated that there will be approximately \$161 million in capital reserve funds (including County tax revenues) and \$291 million in total proposed capital expenditures (including upgrades)

Year	Annual CapEx Revenues	Operating Fund Balance Share to CapEx Fund	Excess Fund Balance Share to CapEx Fund	Carry Forward (Catch Up) 2017-18	Proposed Investment	Proposed Upgrades	Proposed Annual CapEx Expenses	Annual CapEx Revenues Less Expenses	CapEx Fund Balance for Proposal
		\$540,207 100.00%	\$14,230,325 100.00%						
2019	\$9,900,000	\$540,207	\$14,230,325	(\$3,790,258)	\$6,858,215	\$0	\$6,858,215	\$3,041,785	\$14,022,059
2020	\$10,147,500				\$25,937,794	\$9,243,750	\$35,181,544	(\$25,034,044)	(\$11,011,985)
2021	\$13,762,553				\$12,857,909	\$10,776,484	\$23,634,393	(\$9,871,839)	(\$20,883,824)
2022	\$14,197,041				\$19,624,592	\$10,776,484	\$30,401,076	(\$16,204,036)	(\$37,087,860)
2023	\$14,638,631				\$24,273,811	\$10,776,484	\$35,050,295	(\$20,411,664)	(\$57,499,525)
2024	\$15,110,286				\$24,473,936	\$10,776,484	\$35,250,420	(\$20,140,134)	(\$77,639,658)
2025	\$15,569,996				\$16,712,412	\$10,776,484	\$27,488,896	(\$11,918,900)	(\$89,558,559)
2026	\$16,057,181				\$15,785,686	\$10,776,484	\$26,562,170	(\$10,504,989)	(\$100,063,548)
2027	\$16,590,697				\$10,340,264	\$10,776,484	\$21,116,748	(\$4,526,051)	(\$104,589,599)
2028	\$17,167,050				\$6,860,987	\$10,776,484	\$17,637,471	(\$470,421)	(\$105,060,020)
2029	\$17,718,933				\$20,562,388	\$10,776,484	\$31,338,872	(\$13,619,939)	(\$118,679,959)
Average	\$14,623,624				\$16,753,454	\$9,657,464	\$26,410,918	(\$11,787,294)	
Total	\$160,859,867				\$184,287,993	\$106,232,106	\$290,520,099	(\$129,660,232)	
CAGR - (1)	6.0%				11.6%	NA	16.4%		

Note: Operating and excess fund balances are current as of May 2019 and require updating.

(1) - CAGR stands for compound annual growth rate. Provides a measure of an annual growth rate over a specified duration.

# I. 2020 AND 10-YEAR CAPITAL PLAN REVIEW

## Maintenance and Operations Budget – Summary

- The Mariners maintenance and operations budget from 2014 to 2019 is summarized, for illustrative purposes
- The maintenance and operations budget has escalated from \$5.9 million in 2014 to \$9.0 million in 2019
  - The Mariners began allocating a portion of front-office wages to maintenance and operations in 2019
- When utilizing accounting principles consistent with prior years, the 2019 budget is \$7.3 million

Maintenance and Operations Budget (2014 to 2019)							
Year	Engineering and Maintenance	Housekeeping	Groundskeeping	Construction and Planning	General Labor	Total	
2014	\$3,067,796	\$2,526,751	\$286,400	NA	NA	<b>\$5,880,947</b>	
2015	\$3,236,113	\$2,880,543	\$298,133	NA	NA	<b>\$6,414,789</b>	
2016	\$3,020,184	\$3,080,377	\$327,276	NA	NA	<b>\$6,427,837</b>	
2017	\$2,969,949	\$3,449,973	\$379,142	NA	NA	<b>\$6,799,064</b>	
2018	\$2,996,457	\$3,708,627	\$416,388	NA	NA	<b>\$7,121,472</b>	
2019 - Adjusted	\$2,581,946	\$3,849,416	\$361,357	\$502,650	NA	<b>\$7,295,369</b>	
2019	\$2,581,946	\$3,849,416	\$361,357	\$502,650	\$1,717,890	<b>\$9,013,259</b>	

Source: Mariners.

# I. 2020 AND 10-YEAR CAPITAL PLAN REVIEW

## Applicable Standard

- Current Applicable Standard reference ballparks are presented
- Reference ballparks are determined every five years, beginning with the sixth lease year
- The Club shall first propose a cohort of reference MLB ballparks for the PFD’s review and approval. If the Club and the PFD cannot agree on reference ballparks, parties shall refer the dispute to an Independent Advisor
- Carve outs for site and physical constraints
- The parties agreed that the ballpark met the Applicable Standard at the time the lease was executed (2019)

Current Applicable Standard Reference Ballparks		
	MLB Ballpark	Team
1	Petco Park	San Diego Padres
2	Coors Field	Colorado Rockies
3	Marlins Park	Miami Marlins
4	SunTrust Park	Atlanta Braves
5	Target Field	Minnesota Twins
6	Busch Stadium	St. Louis Cardinals
7	Yankee Stadium	New York Yankees
8	Citi Field	New York Mets
9	Nationals Park	Washington Nationals
10	Miller Park	Milwaukee Brewers

# I. 2020 AND 10-YEAR CAPITAL PLAN REVIEW

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## Capital Expenditure Reimbursement Process Improvement

- The PFD and Mariners have agreed to streamline the process by which capital expenditures are submitted, reviewed, and approved to improve transparency and efficiency
- Currently, the PFD is provided with an invoice and supporting receipts for projects eligible for reimbursement
- In the future, the Mariners will provide the PFD with a cover sheet detailing:
  - A listing of all projects and the appropriate reference to the LTCNA (if applicable)
    - For new projects over \$50,000, a written description and photo documentation will be provided
  - Reimbursement amounts for the current invoice and entire year
- A formalized process will be identified in collaboration with the Mariners

# LIMITING CONDITIONS AND ASSUMPTIONS

This analysis is subject to our contractual terms, as well as the following limiting conditions and assumptions:

- The analysis has been prepared for internal decision making purposes of the Client only and shall not be used for any other purposes without the prior written permission of CAA ICON.
- The analysis includes findings and recommendations; however, all decisions in connection with the implementation of such findings and recommendations shall be Client's responsibility.
- Ownership and management of the stadium are assumed to be in competent and responsible hands. Ownership and management can materially impact the findings of this analysis.
- Any estimates of historical or future prices, revenues, rents, expenses, occupancy, net operating income, mortgage debt service, capital outlays, cash flows, inflation, capitalization rates, yield rates or interest rates are intended solely for analytical purposes and are not to be construed as predictions of the analysts. They represent only the judgment of the authors based on information provided by operators and owners active in the market place, and their accuracy is in no way guaranteed.
- Our work has been based in part on review and analysis of information provided by unrelated sources which are believed accurate, but cannot be assured to be accurate. No audit or other verification has been completed.
- Current and anticipated market conditions are influenced by a large number of external factors. We have not knowingly withheld any pertinent facts, but we do not guarantee that we have knowledge of all factors which might influence the operating potential of the facility. Due to rapid changes in the external factors, the actual results may vary significantly from estimates presented in this report.
- The analysts reserve the right to make such adjustments to the analyses, opinions, and conclusions set forth in this report as may be required by consideration of additional data or more reliable data which may become available.
- The analysis is intended to be read and used as a whole and not in parts. Separation of any section or page from the main body of the report is expressly forbidden and invalidates the analysis.
- Possession of the analysis does not carry with it the right of publication. It shall be used for its intended purpose only and by the parties to whom it is addressed. Other parties should not rely on the findings of this report for any purpose and should perform their own due diligence.
- Our performance of the tasks completed does not constitute an opinion of value or appraisal, or a projection of financial performance or audit of the facility in accordance with generally accepted audit standards. Estimates of value (ranges) have been prepared to illustrate current and possible future market conditions.
- The analysis shall not be used in any matters pertaining to any financing, or real estate or other securities offering, registration, or exemption with any state or with the federal Securities and Exchange Commission.
- No liability is assumed for matters which are legal or environmental in nature.



FRED RIVERA  
EXECUTIVE VICE PRESIDENT & GENERAL COUNSEL  
LEGAL & GOVERNMENTAL AFFAIRS  
(206) 346-4154

June 24, 2019

*Via E-mail*

Board of Directors  
Washington State Major League  
Baseball Stadium Public Facilities District  
110 Edgar Martinez Drive South  
Seattle, WA 98134

Dear Members of the Board:

This letter supplements the Seattle Mariners' 2019 Ballpark Management Plan submitted to the PFD on May 1, 2019. As required by the Ballpark Lease and Operations Agreement, the Plan includes the Club's 2020 and 10-Year Capital Expenditure Plans ("CapEx Plans") for the PFD's preliminary approval under Article 6 of the Lease.

The PFD's consultant, CAAICON, has diligently reviewed the CapEx Plans. The Club has had several meetings and conference calls with the consultant about the plans. We appreciate the consultant's thoroughness and professionalism during its analysis.

During the PFD's June 10, 2019 board meeting, CAAICON presented a "2020 and 10-Year Capital Plan Progress Report" ("Progress Report"). The Progress Report analyzed the Club's CapEx Plans by comparing actual and proposed capital expenditures between 2017 and 2029 against the 2015 Long Term Capital Needs Assessment ("LTCNA") jointly commissioned by the Club and PFD. The Progress Report (p. 16) noted that the Club's actual and proposed capital expenses between 2017 and 2029 is \$32.2 million less than the estimated expenses in the LTCNA. The consultant suggested follow up on this 14% difference during the 13-year period it analyzed.

Starting with the premise that the Club and PFD agreed in the Lease that the Ballpark met the Applicable Standard as of January 1, 2019, there are at least two reasons for the identified difference in actual and estimated capital expenses through 2029.

First, the LTCNA vs. actual/proposed capital expense delta is caused by appropriately deferred capital work between 2017-2020, which, because of life-cycle estimates, delayed the next phasing of the deferred capital beyond 2029. In other words, for certain



capital items, the initial deferral caused the subsequent cycle of repair/replacement to fall outside of the Club's 10-Year CapEx Plan. This minor phasing alteration creates a false impression that all of the work in the LTCNA will not get done.

Two of the most significant examples of this are items in the Video Displays/Production and Technology Infrastructure sub-categories, which the Progress Report identifies as having a \$25M delta between the LTCNA and the Club's Capital Plan through 2029. (Progress Report, p. 17).

Under Video Displays/Production category, the LTCNA identifies replacement of the production system (\$6.5M) and out-of-town score display (\$1.5M) in 2019 **and** 2029, for a total of \$16M during this 10-year period. The Club's CapEx Plan amends the first replacement to Opening Day 2021 (out-of-town score display) and Opening Day 2022 (production system). Using the LTCNA's 10-year life cycle estimate, the next scheduled replacement will occur in 2031 and 2032—outside of the Club's 10-Year CapEx Plan. This sequencing change accounts for \$8M of the delta.

A second significant example is Technology Infrastructure/Infrastructure. The LTCNA identifies three major items in this category/sub-category scheduled for replacement in 2018-2019 totaling \$6.5M: distributed television system (\$2.5M); broadcast cable (\$2.5M); and broadcast cable infrastructure incremental upgrade (\$1.5M). The LTCNA applies a 10-year lifecycle to these items, thus capturing a second \$6.5M replacement value in 2028 and 2029. The Club's 10-Year CapEx Plan amends the first replacement to Opening Day 2022. Using the LTCNA's 10-year life cycle, the next scheduled replacement for these items would be in 2032—outside of the 10-Year CapEx Plan. This sequencing change accounts for \$6.5M of the delta.

Second, the Club's 10-Year CapEx Plan understates the Club's total proposed capital expenditures because it does not detail capital "Upgrade Improvements." Over the next 10 years, the Club expects that certain Upgrade Improvements will include work identified as necessary capital improvements in the LTCNA. For example, as noted in the Progress Report (p. 14, note 3), the Club is planning significant improvements to the Terrace Club during 2020, which will include FF&E and finishes. This work is included as a capital Upgrade Improvement, but it will also address LTCNA items. Another significant example is Food Services, which accounts for \$11 million of the delta between the LTCNA and the Club's actual/proposed capital expenses. The Club is evaluating a number of Upgrade Improvements that will necessarily include major upgrades to food service elements, including those identified in the LTCNA. We expect that a considerable amount of the LTCNA's Food Service estimated costs will be captured in the upgrades.

WA State MLB Stadium  
Public Facilities District  
June 24, 2019  
Page 3

We hope that this supplemental information assists the PFD's review of the Club's capital plans. Please let me know if you have questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Fred Rivera". The signature is fluid and cursive, with the first name "Fred" being more prominent than the last name "Rivera".

Fred Rivera

cc: Tom Backer  
Kevin Callan  
Dan Barrett  
Bryan Slater  
Trevor Gooby

**T-Mobile Park - Seattle Mariners**  
**CapEx Plan - Year 2020 (06.06.19)**

ID No.	Category	Sub-Category	LTCNA Reference	Improvement Description:	LTCNA Year Planned	Implementation Remarks:	County Tax Revenue Fund Eligible	Life Cycle (every "X" years)	Phasing (over "X" years)	Initial Year	Estimated Costs <sup>1</sup> 2020
<b>Necessary Improvements</b>											
13	Architectural	Interior	New	General renewal and replacements (allowance)	New	The LTCNA included renewal and replacement allowances for most categories, but not this one. This item was added to be consistent across categories.	TBD	10	10	2020	\$5,000
23	Architectural	Exterior	AE 1	Remediate concrete sidewalk settlement and cracks at Perimeter	2020	n/a	Yes	3	1	2020	\$12,000
24	Architectural	Exterior	AE 2	Replace gate hardware at Entrances	2020	n/a	Yes	3	1	2020	\$5,750
25	Architectural	Exterior	AE 3	Refurbish masonry and concrete at Exterior Walls	2020	n/a	Yes	10	10	2020	\$17,500
28	Architectural	Painting	PA 1	Repaint exposed steel (non-retractable roof)	2020	n/a	Yes	10	10	2020	\$545,000
34	Architectural	Building Envelope	BE 4	Remediate leaks at Diamond Club from Seating Bowl	2017	Initial remediation measures were performed to address the problem in short-term, but additional measures are required to provide a long-term solution.	Yes	20	1	2020	\$115,000
35	Architectural	Building Envelope	BE 5	Replace cracked concrete slabs (allowance)	2020	n/a	Yes	20	20	2020	\$5,700
36	Architectural	Building Envelope	BE 6	Remediate leak above former Blazing Bagels	2017	Initial remediation measures were performed to address the problem in short-term, but additional measures are required to provide a long-term solution.	Yes	10	1	2020	\$23,000
41	Architectural	Structural	S 3	Remediate cracked concrete slabs around columns	2017	This item was deferred based upon overall prioritization of improvements.	Yes	5	2	2020	\$125,000
42	Architectural	Structural	S 4	Remediate spalling and cracked precast Seating Bowl components	2020	n/a	Yes	3	1	2020	\$56,000
44	Technology	POS Systems	FS / ME 8	Replace menu boards with digital menu boards at Concessions	2019	The LTCNA included replacement of static menu boards. Digital menu boards are the new industry standard. Implementation was deferred to align with replacement of POS system.	No	20	2	2020	\$375,000
272	Architectural	Team Facilities	New	General renewal and replacements (allowance)	New	The LTCNA included renewal and replacement allowances for most categories, but not this one. This item was added to be consistent across categories.	TBD	10	10	2020	\$5,000
57	Architectural	Operational Equipment	New	General renewal and replacements (allowance)	New	The LTCNA included renewal and replacement allowances for most categories, but not this one. This item was added to be consistent across categories.	TBD	2	1	2020	\$28,000
68	Architectural	Furniture, Fixtures & Equipment	FFE 4	General renewal and replacements (allowance)	2020	n/a	No	10	10	2020	\$56,000
69	Architectural	Code and Regulatory	CR 1	General renewal and replacements (allowance)	2020	n/a	TBD	10	10	2020	\$28,000
172	Architectural	Code and Regulatory	New	Perimeter security hardening / bollard project	New	This item was added to respond to MLB and Department of Homeland Security "Safety Act" requirements.	No	25	1	2020	\$5,800,000
70	Retractable Roof	Roof	RR 1	Phased replacement of bogie wheels for Retractable Roof	2020	n/a	Yes	25	4	2020	\$2,000,000
71	Retractable Roof	Roof	RR 2	Replace remaining rail clips for Retractable Roof	2017	Approximately 80% of rail clips have been replaced, this item completes the remaining clips.	Yes	20	1	2020	\$45,000
76	Retractable Roof	Roof	RR 7	General renewal and replacements (allowance)	2020	n/a	Yes	10	10	2020	\$145,000
79	Garage	Precast	G 4	Remediate deteriorated grout pockets in precast at Garage	2020	n/a	Yes	3	1	2020	\$12,000
80	Garage	Precast	G 3	General renewal and replacements (allowance)	2020	n/a	TBD	10	10	2020	\$28,000
81	Spectator Amenities	Food Service	New	General renewal and replacements (allowance)	New	The LTCNA included renewal and replacement allowances for most categories, but not this one. This item was added to be consistent across categories.	TBD	10	10	2020	\$365,000
92	Spectator Amenities	Seating Bowl	SB 4	Replace caulking in Seating Bowl (allowance)	2020	n/a	Yes	10	10	2020	\$12,000
93	Spectator Amenities	Seating Bowl	SB 5	Remediate cracked and spalled concrete in Seating Bowl (allowance)	2020	n/a	Yes	10	10	2020	\$8,600
105	Building Systems	Mechanical	M 6	Replace or refurbish HVAC - hydronic water piping (allowance)	2020	[Void] This item rolled up into Item #105.	x				
105	Building Systems	Mechanical	New	General renewal and replacements (allowance)	New	The LTCNA included multiple Mechanical allowances. This item was added to aggregate those allowances.	Yes	10	10	2020	\$45,700
107	Building Systems	Mechanical	M 6	Replace or refurbish louvers and fan systems (allowance)	2020	[Void] This item rolled up into Item #105.	x				
110	Building Systems	Mechanical	M 6	Replace or refurbish AHUs and terminal units (allowance)	2020	[Void] This item rolled up into Item #105.	x				
111	Building Systems	Mechanical	M 6	Replace or refurbish packaged units (allowance)	2020	[Void] This item rolled up into Item #105.	x				
113	Building Systems	Electrical	E 1	Modernize Concourse and Garage lighting fixtures to LED	2025	This item was accelerated from 2025 to 2020, b/c light fixtures in the parking garage are failing, which could create an unsafe condition.	Yes	20	20	2020	\$43,000
114	Building Systems	Electrical	E 2	Replace lighting control system	2018	Replacement of lighting control system was deferred, b/c existing system was still adequately functioning.	Yes	20	1	2020	\$1,100,000
115	Building Systems	Electrical	E -	Replace electrical power for 4K broadcast	2017	This item was deferred to align with readiness for actual 4K broadcasting, which is currently anticipated for the 2020 or 2021 season.	Yes	20	1	2020	\$86,000
116	Building Systems	Electrical	New	General renewal and replacements (allowance)	New	The LTCNA included multiple Electrical allowances. This item was added to aggregate those allowances.	Yes	10	10	2020	\$90,600
117	Building Systems	Electrical	E 7	Replace or refurbish main service switchboards (allowance)	2020	[Void] This item rolled up into Item #116.	x				
118	Building Systems	Electrical	E 7	Replace or refurbish distribution switchboards (allowance)	2020	[Void] This item rolled up into Item #116.	x				
119	Building Systems	Electrical	E 7	Replace or refurbish panelboards (allowance)	2020	[Void] This item rolled up into Item #116.	x				
120	Building Systems	Electrical	E 7	Replace or refurbish dry-type transformers (allowance)	2020	[Void] This item rolled up into Item #116.	x				
122	Building Systems	Electrical	E 7	Replace or refurbish raceway & wire (allowance)	2020	[Void] This item rolled up into Item #116.	x				
124	Building Systems	Electrical	E 7	Replace or refurbish fire alarm system - devices (allowance)	2020	[Void] This item rolled up into Item #116.	x				
125	Building Systems	Plumbing	P 1	Replace or refurbish grease traps and piping (allowance)	2020	[Void] This item rolled up into Item #128.	x				
128	Building Systems	Plumbing	New	General renewal and replacements (allowance)	New	The LTCNA included multiple Plumbing allowances. This item was added to aggregate those allowances.	Yes	10	10	2020	\$63,550
130	Building Systems	Plumbing	P 4	Replace or refurbish water piping (allowance)	2020	[Void] This item rolled up into Item #128.	x				
133	Building Systems	Plumbing	P 4	Replace or refurbish drainage lift stations (allowance)	2020	[Void] This item rolled up into Item #128.	x				
134	Building Systems	Plumbing	P 4	Replace or refurbish valves (allowance)	2020	[Void] This item rolled up into Item #128.	x				
135	Building Systems	Plumbing	P 4	Replace or refurbish plumbing fixtures (allowance)	2020	[Void] This item rolled up into Item #128.	x				
136	Building Systems	Plumbing	P 4	Replace or refurbish fire protection equipment (allowance)	2020	[Void] This item rolled up into Item #128.	x				
148	Building Systems	Vertical Transportation	V -	General renewal and replacement (allowance)	2020	n/a	Yes	10	10	2020	\$5,750
149	Technology	Facility Sound Reinforcement	T 1	Replace facility sound reinforcement system	2019	Design work for replacement of the sound reinforcement system was performed in 2019. However, implementation was deferred due to significant cost and ongoing Lease renewal discussions.	Yes	15	1	2020	\$7,000,000
154	Technology	Security	T 4	Replace security cameras and system	2017	Incremental replacement of cameras has been performed, this item completes replacement.	Yes	10	5	2020	\$150,000
156	Technology	Security	T	Re-key facility doors	2024	This item was accelerated from 2024 to 2020 to respond to MLB and Department of Homeland Security "Safety Act" requirements.	Yes	10	1	2020	\$300,000
157	Technology	POS Systems	T 7	Replace point of sale (POS) system hardware and software	2021	This item was accelerated from 2021 due to reliability concerns with existing system.	No	8	1	2020	\$1,600,000
160	Technology Infrastructure	Uninterruptible Power	IN 1	Replace uninterruptible power supply (UPS) system	2017	Replacement of UPS system was deferred, b/c existing system was still adequately functioning.	Yes	15	1	2020	\$90,000
166	Technology Infrastructure	Cabling and Pathways	IN 6	Replace crushed broadcast cabling conduit	2017	This item was deferred from 2019 to 2020 to align with readiness from 4K broadcasting.	Yes	15	1	2020	\$125,000
167	Technology Infrastructure	Cabling and Pathways	IN 7	Replace facility data cable	2017	Replacement of facility data cabling was deferred, b/c existing system was still adequately functioning.	Yes	2	1	2020	\$150,000
168	Technology Infrastructure	Cabling and Pathways	IN 9	Replace existing facility data equipment (incremental)	2017	Upgrade of facility data equipment was deferred, b/c existing system was still adequately functioning.	Yes	10	1	2020	\$150,000

# T-Mobile Park - Seattle Mariners

CapEx Plan - Year 2020 (06.06.19)

ID No.	Category	Sub-Category	LTCNA Reference	Improvement Description:	LTCNA Year Planned	Implementation Remarks:	County Tax Revenue Fund Eligible	Life Cycle (every "X" years)	Phasing (over "X" years)	Initial Year	Estimated Costs <sup>1</sup> 2020
<b>Necessary Improvements</b>											
174	Spectator Amenities	Premium Spaces	PR 3	Suite hardwood floor replacement	2020	n/a	TBD	10	10	2020	\$30,000
279	Building Systems	Electrical	New	Replace electrical slip rings	New	This item was added to replace existing electrical slip ring that was failing.	Yes	25	1	2020	\$91,200
278	Architectural	Code and Regulatory	New	Add fall projection for Roof Access	New	This item was added to address safety concerns with accessing the roof.	Yes	25	1	2020	\$306,725
280	Architectural	Code and Regulatory	New	Add walkways for Roof Access	New	This item was added to address safety concerns with accessing the roof.	Yes	25	1	2020	\$454,078
281	Building Systems	Electrical	New	Field Level electrical power	New	This item was added to provide additional power at the Field Level.	Yes	25	1	2020	\$198,520

**Notes:**

1 - Perimeter bollards project is pending City Approval (\$5.8MM + 3% inflation + 15% contingency = \$6.87MM)

County Tax Revenue Fund Eligible Improvements	
Cost of Improvements	\$13,577,670
Inflation @3%	\$407,330
Contingency @ 15%	\$2,097,750
<b>Subtotal - Cost of Improvements</b>	<b>\$16,082,750</b>

Non-County Tax Revenue Fund Eligible Improvements	
Cost of Improvements	\$8,320,000
Inflation @3%	\$249,600
Contingency @ 15%	\$1,285,440
<b>Subtotal - Cost of Improvements</b>	<b>\$9,855,040</b>

Total Necessary Improvements	
Number of Improvements	44
Subtotal - without Perimeter Bollards <sup>1</sup>	\$16,097,670
Inflation @ 3%	\$482,930
Contingency @ 15%	\$2,487,090
<b>Total - without Perimeter Bollards</b>	<b>\$19,067,690</b>

<b>Total - with Perimeter Bollards<sup>1</sup></b>	<b>\$25,937,800</b>
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<b>Upgrade Improvements</b>											
1	Architectural	Seating Bowl	New	Terrace Club Seating Modifications			No	25	1	2020	\$1,431,000
2	Spectator Amenities	Exterior	New	Lookout Landing			No	25	1	2020	\$2,257,500
3	Spectator Amenities	Exterior	New	Rotunda Roof Deck			No	25	1	2020	\$2,475,000
4	Spectator Amenities	Exterior	New	Edgars Corner Patio & Gate Expansion			No	25	1	2020	\$1,500,000
5	Spectator Amenities	Exterior	New	Edgars Corner Patio			No	25	1	2020	\$1,580,250

**Notes:**

2 - 2020 Upgrade Improvement projects presented as "design-to budgets" inclusive of inflation and contingency.

Total Upgrade Improvements	
Number of Improvements	5
Subtotal	\$9,243,750
Inflation <sup>2</sup>	n/a
Contingency <sup>2</sup>	n/a
<b>Total</b>	<b>\$9,243,750</b>

<b>Grand Total - without Perimeter Bollards</b>	<b>\$28,311,440</b>
<b>Grand Total - with Perimeter Bollards</b>	<b>\$35,181,550</b>

# T-Mobile Park - Seattle Mariners

## CapEx Plan - 10 Year Plan (06.06.19)

ID Code	Category	Forecast Year										Totals 10-Year Plan (2020-2029)
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	
<b>Necessary Improvements</b>												
1	<b>Architectural</b>	\$7,587,753	\$1,127,767	\$1,269,567	\$4,864,883	\$5,525,567	\$6,149,567	\$5,536,850	\$5,315,800	\$1,760,300	\$2,408,050	\$41,546,100
	Interior	\$5,000	\$221,567	\$107,567	\$162,967	\$1,106,900	\$1,089,400	\$589,600	\$646,600	\$829,600	\$869,600	\$5,628,800
	Exterior	\$35,250	\$17,500	\$17,500	\$70,250	\$17,500	\$17,500	\$70,250	\$17,500	\$17,500	\$70,250	\$351,000
	Painting	\$545,000	\$545,000	\$545,000	\$3,845,000	\$3,902,000	\$3,845,000	\$3,845,000	\$3,845,000	\$545,000	\$545,000	\$22,007,000
	Building Envelope	\$143,700	\$17,700	\$28,500	\$315,500	\$28,500	\$315,500	\$28,500	\$292,700	\$5,700	\$292,700	\$1,469,000
	Signage and Graphics	\$0	\$0	\$335,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$335,000
	Structural	\$181,000	\$125,000	\$0	\$199,000	\$143,000	\$268,000	\$324,000	\$143,000	\$143,000	\$199,000	\$1,725,000
	Team Facilities	\$5,000	\$117,000	\$89,000	\$22,500	\$5,000	\$320,500	\$533,500	\$218,000	\$107,500	\$147,500	\$1,565,500
	Operational Equipment	\$28,000	\$0	\$28,000	\$165,667	\$238,667	\$209,667	\$62,000	\$34,000	\$28,000	\$85,000	\$879,000
	Furniture, Fixtures & Equipment	\$56,000	\$56,000	\$91,000	\$56,000	\$56,000	\$56,000	\$56,000	\$91,000	\$56,000	\$171,000	\$745,000
	Code and Regulatory	\$6,588,803	\$28,000	\$28,000	\$28,000	\$28,000	\$28,000	\$28,000	\$28,000	\$28,000	\$28,000	\$6,840,800
2	<b>Retractable Roof</b>	\$2,190,000	\$2,145,000	\$2,145,000	\$2,145,000	\$145,000	\$2,695,000	\$145,000	\$145,000	\$145,000	\$8,745,000	\$20,645,000
3	<b>Garage</b>	\$40,000	\$28,000	\$28,000	\$96,000	\$28,000	\$28,000	\$40,000	\$84,000	\$28,000	\$40,000	\$440,000
	Precast	\$40,000	\$28,000	\$28,000	\$96,000	\$28,000	\$28,000	\$40,000	\$84,000	\$28,000	\$40,000	\$440,000
4	<b>Spectator Amenities</b>	\$415,600	\$415,600	\$875,600	\$2,595,600	\$6,385,600	\$1,540,600	\$3,815,600	\$1,045,600	\$415,600	\$415,600	\$17,921,000
	Food Service	\$365,000	\$365,000	\$365,000	\$365,000	\$365,000	\$365,000	\$365,000	\$365,000	\$365,000	\$365,000	\$3,650,000
	Seating Bowl	\$20,600	\$20,600	\$20,600	\$20,600	\$4,270,600	\$1,145,600	\$3,420,600	\$650,600	\$20,600	\$20,600	\$9,611,000
	Premium Spaces	\$30,000	\$30,000	\$490,000	\$2,210,000	\$1,750,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$4,660,000
5	<b>Building Systems</b>	\$1,724,320	\$1,047,600	\$248,600	\$2,402,400	\$473,600	\$507,600	\$473,600	\$507,600	\$473,600	\$1,696,000	\$9,554,920
	Mechanical	\$45,700	\$614,700	\$45,700	\$304,700	\$270,700	\$304,700	\$270,700	\$304,700	\$270,700	\$449,700	\$2,882,000
	Electrical	\$1,609,320	\$133,600	\$133,600	\$133,600	\$133,600	\$133,600	\$133,600	\$133,600	\$133,600	\$248,400	\$2,926,520
	Plumbing	\$63,550	\$63,550	\$63,550	\$63,550	\$63,550	\$63,550	\$63,550	\$63,550	\$63,550	\$417,150	\$989,100
	Playing Field	\$0	\$230,000	\$0	\$1,894,800	\$0	\$0	\$0	\$0	\$0	\$0	\$2,124,800
	Vertical Transportation	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$580,750	\$632,500
6	<b>Technology</b>	\$9,425,000	\$4,525,000	\$7,150,000	\$6,650,000	\$5,650,000	\$0	\$1,000,000	\$0	\$1,600,000	\$0	\$36,000,000
	Facility Sound Reinforcement	\$7,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,000,000
	Video Displays / Production	\$0	\$1,500,000	\$7,000,000	\$6,500,000	\$5,500,000	\$0	\$0	\$0	\$0	\$0	\$20,500,000
	Security	\$450,000	\$1,350,000	\$150,000	\$150,000	\$150,000	\$0	\$0	\$0	\$0	\$0	\$2,250,000
	POS Systems	\$1,975,000	\$375,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,600,000	\$0	\$3,950,000
	Baseball Operations	\$0	\$1,300,000	\$0	\$0	\$0	\$0	\$1,000,000	\$0	\$0	\$0	\$2,300,000
7	<b>Technology Infrastructure</b>	\$515,000	\$1,250,000	\$3,900,000	\$0	\$150,000	\$1,250,000	\$150,000	\$0	\$150,000	\$0	\$7,365,000
	Uninterruptible Power	\$90,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$90,000
	Cabling and Pathways	\$425,000	\$1,250,000	\$3,900,000	\$0	\$150,000	\$1,250,000	\$150,000	\$0	\$150,000	\$0	\$7,275,000
	<b>Number of Improvements</b>	<b>44</b>	<b>42</b>	<b>40</b>	<b>58</b>	<b>45</b>	<b>48</b>	<b>44</b>	<b>37</b>	<b>33</b>	<b>46</b>	<b>437</b>
	<b>Present Day Value (2019 Dollars)</b>	<b>\$21,897,670</b>	<b>\$10,538,970</b>	<b>\$15,616,770</b>	<b>\$18,753,880</b>	<b>\$18,357,770</b>	<b>\$12,170,770</b>	<b>\$11,161,050</b>	<b>\$7,098,000</b>	<b>\$4,572,500</b>	<b>\$13,304,650</b>	<b>\$133,472,030</b>
	<b>Value with Inflation @ 3% Compounded Annually</b>	<b>\$22,554,600</b>	<b>\$10,855,140</b>	<b>\$16,567,830</b>	<b>\$20,492,870</b>	<b>\$20,661,830</b>	<b>\$14,109,260</b>	<b>\$13,326,880</b>	<b>\$8,729,650</b>	<b>\$5,792,310</b>	<b>\$17,359,550</b>	<b>\$150,449,920</b>
	<b>Value with Contingency @ 15%</b>	<b>\$25,937,790</b>	<b>\$12,483,410</b>	<b>\$19,053,000</b>	<b>\$23,566,800</b>	<b>\$23,761,110</b>	<b>\$16,225,650</b>	<b>\$15,325,910</b>	<b>\$10,039,100</b>	<b>\$6,661,160</b>	<b>\$19,963,490</b>	<b>\$173,017,420</b>
<b>Upgrade Improvements</b>												
	<b>Number of Improvements</b>	<b>5</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>
	<b>Present Day Value (2019 Dollars)</b>	<b>\$9,243,750</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>\$89,000,000</b>
	<b>Value with Inflation @ 3% Compounded Annually<sup>1</sup></b>	<b>\$9,243,750</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>\$93,581,450</b>
	<b>Value with Contingency @ 15%<sup>1</sup></b>	<b>\$9,243,750</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>\$106,232,110</b>
<b>Grand Total - All Improvements</b>		<b>\$35,181,540</b>	<b>\$12,483,410</b>	<b>\$19,053,000</b>	<b>\$23,566,800</b>	<b>\$23,761,110</b>	<b>\$16,225,650</b>	<b>\$15,325,910</b>	<b>\$10,039,100</b>	<b>\$6,661,160</b>	<b>\$19,963,490</b>	<b>\$279,249,530</b>

**Notes:**

1 - 2020 Upgrade Improvement projects presented as "design-to budgets" inclusive of inflation and contingency; future projects include 3% inflation and 15% contingency.



**WASHINGTON STATE  
MAJOR LEAGUE BASEBALL STADIUM  
PUBLIC FACILITIES DISTRICT**

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June 24, 2019

Fred Rivera  
Executive Vice-President & General Counsel  
Legal & Governmental Affairs  
Seattle Mariners  
T-Mobile Park, 1250 First Avenue South  
Seattle, WA 98134

Via email: [frivera@mariners.com](mailto:frivera@mariners.com)

Re: Public Facilities District Review of the Club's Initial 2020 CapEx Work Plan

Dear Fred:

The Washington State Major League Baseball Stadium Public Facilities District (PFD) appreciates the submission by The Baseball Club of Seattle, LLLP (the Club) of its initial 2020 CapEx Work Plan. This letter and the attached documents constitute the PFD's review and provisional approval of the submitted plan, subject to the comments and qualifications set out below.

The 2018 Amended and Restated Lease Agreement (the Lease) between the PFD and the Club provides that the Club is responsible for submitting various plans to the PFD for its review (Lease, Article 6). The principal submittals are to be made the Club by September 1 of each Lease year. However, to permit the Club to advance plans for long-lead-time capital projects work (CapEx Work), the Lease provides for the Club to submit a provisional or Initial CapEx Work Plan by May 1 of each lease year (Lease, § 6.1.2.3).

Pursuant to the Lease, the Initial CapEx Work Plan must contain the following elements:

- b. An annual plan and budget for CapEx Work to be performed in the subsequent Lease Year and a rolling ten-year plan and budget for all CapEx Work to be performed within such ten-year period, including:
  - (i) identification and segregation of County Eligible CapEx Work;
  - (ii) Necessary Improvements to the extent applicable, and such similarly necessary improvements identified in any future Facility Assessment;

**BOARD OF DIRECTORS**

Dale R. Sperling, Acting Chair  
Tim Burgess  
Stacy Graven  
Craig Kinzer  
Paul Mar  
Charley Royer

(iii) the Club's anticipated Upgrade Improvements.

Lease § 6.1.2.2.b.

Consistent with these requirements, the Club timely submitted its annual plan and budget for CapEx Work to be performed in 2020, along with a rolling ten-year plan and budget for the years 2020 to 2029. Each plan identified and segregated CapEx Work that is potentially eligible for reimbursement from County funds, and each identified necessary and anticipated upgrade Improvements.

The Club provided PFD Board members the opportunity to meet with you and other Seattle Mariners staff to review in more detail the projects identified in these plans, including the Club's longer-term vision for ballpark improvements. Those meetings were well received by Board members, who appreciated the chance to raise questions and discuss issues that they thought should be addressed.

At the same time, the PFD commissioned CAA ICON—an international sports advisory firm—to review and comment on the Club's 2020 and 10-year rolling CapEx plans in relation to the terms and requirements of the Lease. You and Seattle Mariners staff worked cooperatively with CAA ICON to respond to their inquiries and to clarify information in the work plans as the review progressed.

Following the Club's meetings with Board members and your work and meetings with CAA ICON, the Club revised its provisional CapEx Work plan submittals to address questions or issues that had been raised. Copies of these revised plans and budgets are included as Attachments A and B to this letter. CAA ICON reviewed these revised plans and submitted its progress report and findings, which is included as Attachment C to this letter.

Key observations from the Board and from CAA ICON are as follows:

**2020 CapEx Work Plan:**

- The time gap between the completion of the Long-Term Capital Needs Assessment (LTCNA) in 2016 and the signing of the new Lease in 2018 created a backlog in capital projects to be completed (Years 1-3 of the LTCNA, or 2017-2019).
- The cumulative difference between the assumed LTCNA investment for this period and actual investment in projects programmed in the LTCNA resulted in an investment deficit of \$34.2M.
- The majority of the capital projects deferred during this period have been rescheduled into the early years of the 10-year Rolling CapEx Work plan. There were 34 deferred investments \$50K and over and 26 have planned implementation dates in the Club's 10-year CapEx plan. There are eight projects without planned implementation dates, five of which are ongoing projects (which should be monitored for completion), two require follow-up with the Club, and one will be monitored on an ongoing basis.
- The Club's 2020 CapEx Work Plan calls for \$25.9M in total investment (including contingency), \$17.9M of which was outlined in the LTCNA vs. a suggested total of \$21.4M of LTCNA projects.
- Eleven (11) of the 19 deferred 2020 LTCNA projects over \$50K are rescheduled for future years. For the remaining eight projects, six require monitoring, one requires follow-up with the Club, and one will be monitored on an ongoing basis.

**2020-2029 Rolling 10-Year CapEx Work Plan:**

- The 10-year plan includes \$177.4M in necessary improvements (including inflation and contingency), which is \$5.7M less than included in the LTCNA for the same period (2020-2029)

- When 2019 LTCNA projects are included, the deficit increases to \$28.5M
- When 2017 and 2018 LTCNA projects are included, the deficit increases to \$32.2M
- The Club has submitted an explanation for the investment deficit in the 10-Year CapEx Work Plan in its letter to the PFD dated June 24, 2019. (Attachment D to this letter.) Additional follow-up with the Club may be required pending further analysis.
- Follow-up is required with the Club prior to its September submittal to understand how and when these deficits will be resolved.

#### **Rolling 10-Year Upgrade Improvements:**

- The Club has proposed \$106.2M in upgrade improvements over the next 10 years, including \$9.2M in 2020. This reflects an annualized rate of \$10.8M/year over the remaining years.
- The total upgrade improvements considered during the Lease renewal process was \$180M over 25 years, or an annual rate of \$7.2M/year.
- The Club's proposed spend on annual upgrade improvements over the first 11 years of the lease currently exceeds the amount anticipated, for a difference of \$27M.

#### **General**

- The five upgrade improvements proposed by the Club for 2020, reflecting \$9.2M in investment, appear consistent with the Applicable Standard and are conditionally approved.
- The Club's proposed 2020 investment of \$25.9M for necessary improvements and \$9.2M for upgrade improvements represents a substantial capital investment in the ballpark.
- The Club's operations and maintenance budget for 2020 (as adjusted) appears consistent with past budgets and does not appear to reflect a shifting of expenses from maintenance to capital.
- The PFD would like to continue to work with the Club on the following process improvements:
  - Clarification of the plan year for 'off-season' improvements (suggest Oct. 1 to Sept. 30)
  - Modifications to the reimbursement process to simplify tracking of approved projects and to clarify payments made vs. budget remaining

As you know, under the Lease the PFD's approval rights for CapEx Work are generally limited to ascertaining whether that work, including necessary and upgrade improvements, is consistent with and conforms to the Applicable Standard. (Lease 6.3.2). Slightly more than six months ago when the current Lease was signed, the PFD agreed with the Club on the set of ten reference ballparks forming the basis for the Applicable Standard. We also agreed that the Club was meeting that standard as of the commencement of the term of the Lease. Little has changed since then, other than Club conducting its routine operations and maintenance and implementing its 2019 capital improvement projects during the off-season.

While the PFD has not specifically examined the question, and while we reserve the right to do so, we concur that the Club continues to operate, maintain, repair, re-equip and improve the Ballpark and

each and all of the major systems and components thereof, in a first class manner, and in good order and safe condition, consistent with the Applicable Standard. We also believe that the Initial 2020 CapEx Work Plan and the 2020 to 2029 Rolling CapEx Work Plan appear consistent with the Applicable Standard, and they are hereby provisionally approved.

Particularly at this stage in the implementation of the Lease, it seems reasonable to assume that performance consistent with the LTCNA and regular upgrades also will represent consistency with the Applicable Standard. But the LTCNA, as the Lease itself recognizes, is a snapshot in time. The Applicable Standard is fluid and evolutionary. The PFD is mindful of the paramount standard and will be devoting considerable time and energy in working with Club to achieve a mutual understanding of how we together ensure that future Ballpark investment continues to meet it.

With respect to eligibility of any particular proposed improvement for reimbursement from King County lodging tax proceeds, the PFD appreciates the Club's thoughts in that regard. However, the PFD will be evaluating how it will make its determination of eligibility and the process for doing so such that we can comply with the reporting requirements established in the Funding Agreement between the PFD and King County.

Finally, we note that the Club's September plans will need to include information about all of the public benefits requirements in the Lease. The Club's obligations under Sections 15.3 (Non-Discrimination) and 15.6 (Workforce Opportunity) are of particular relevance to the CapEx Work, and the PFD will need to see evidence of compliance with these requirements before providing final approval for reimbursement from either PFD or County funds.

The PFD's provisional approval of the Club's Initial 2020 CapEx Work Plan and 10-year Rolling CapEx Plan is subject in all respects to the PFD's final review and approval of such CapEx Work upon the Club's formal submission of the Ballpark Management Plan in September of this year.

We appreciate the Club's submittal and our opportunity to review and provide provisional approval. If you have questions, please contact our Executive Director, Kevin Callan at (206) 200-3378, our Legal Counsel, Tom Backer, at (206) 499-9987, or our consultant Dan Barrett of CAA ICON at (310) 802-8775.

Sincerely,

**DRAFT**

Dale Sperling  
Acting Board Chair

Attachments:

- A. 2020 CapEx Work Plan and Budget
- B. 2020-2029 10-Year Rolling CapEx Work Plan and Budget
- C. CAA ICON 2020 and 10-Year Rolling Capital Plan Review / Summary of Findings (June 24, 2019)
- D. Letter from Fred Rivera to PFD Board Members (June 24, 2019)

DRAFT