
Build it; things change at warp speed



Presenter Information

Robert Murphy

Robert Murphy received his undergraduate degree in communications and media arts from Buffalo State College and received his MBA from the State University of New York at Buffalo.

Robert has been in sports management since 1995. He served as Vice President of Business Operations for both the Las Vegas Thunder of the International Hockey League and the Las Vegas 51's, a Triple-A baseball team operating in the Pacific Coast League.



Robert was appointed President of the Dayton Dragons in February 1999. Under his leadership, the Dayton Dragons organization has set numerous milestones: 1) sellout of all stadium seats before the first pitch every season since inception; 2) breaking the Single-A and Midwest League attendance records on three occasions, and 3) welcoming the four millionth fan during just the Dragons seventh season.

The Dayton Dragons organization has received several awards during the first seven years of its existence.

- Named the 2000 Enterprise Spirit Award winner for professional services.
- Received the 2001 and 2002 Better Business Bureau's prestigious Customer Service Eclipse Award.
- Dragons Owners received the 2001 Ernst and Young Entrepreneur of The Year award in the Dayton region.
- Dayton Dragons front office was honored in 2001 by the Midwest League of Professional Baseball Clubs as the winner of the John H. Johnson President's Trophy. The annual award honors the individual or club that best exemplifies the standards of the complete baseball franchise.

- *Baseball America* awarded the Dayton Dragons with the Bob Freitas Award for being the top Class-A baseball franchise for the 2004 season.
- Dayton Dragons receive the 2002-2003 & 2003-2004 PRISM Award in the minor league category, a national sports industry award presented by *Street & Smith's Sports Business Journal* recognizing the franchise as the best franchise in any minor league sport.

Additional accomplishments of Robert Murphy include:

- Named the Midwest League Executive of the Year in 2000.
- Named to Dayton Business Journal's Top 40 Under 40 in Business in 2000.
- In 2005 the longstanding national sports publication *The Sporting News* named Mr. Murphy the Minor League Baseball Executive of the Year.



“We want you to be Amazingly Successful”

City of Dayton Officials

In 1998-1999, the City of Dayton was at a crossroads. Were the city leaders going to lead or just advise folks that the last one out should turn off the lights?

The city was declining. There was overwhelming public perception that downtown was dead, the hub of the region was no longer a viable city.

The prevailing opinion of the entire region was that people would not come downtown. In fact, people had not come downtown for 20 years and there was nothing that would get them to do so.

People believed that crime was everywhere and that it was an unsafe environment.

On top of that, the streets were impossible to navigate and parking was impossible.



That was the view of downtown. That view got worse when you looked to the future site of Fifth Third Field, the home of the Dayton Dragons Professional Baseball Team (*above*). Deserted lots, deserted buildings, knocked down factories, graffiti, and garbage everywhere. Nobody ventured to this part of town.

It was a classic brownfield situation.

The city made a decision to fight.

The city and the entire region agreed and believed that the first step was to have *an amenity driven project that could act as an economic stimulator*.

They believed that **minor league baseball** was the way to go.

They knew what they were willing to invest to accomplish their goal.

The stadium construction costs totaled \$16.7 million.

The stadium project with infrastructure totaled \$22.7 million.

The City of Dayton, under the leadership of then-Mayor Mike Turner, and Mandalay Sports Entertainment reached an agreement that:

- The costs to the city for this project would be capped.
- There would be no risk factor for the city on construction costs.
- Mandalay would contribute \$4 million cash to the project.
- Mandalay would capitalize the stadium to a minimum of \$1.5 million.
- Mandalay would assume all construction cost overruns.
- Mandalay would be responsible for repair and maintenance and utilities for the term of the agreement.
- Mandalay would act as construction managers.
- The city could use stadium 10 times a year for community events.
- Mandalay assumed all operational costs of the facility.



In summary, the city would make an investment with no risk of exceeding their agreed upon level of investment.

The city also decided that they needed a company that could make the commitment and had the expertise to execute a plan to bring first class, family affordable baseball entertainment to Dayton.

To serve their citizens, the City of Dayton and then-Mayor Mike Turner had an unusual goal. They wanted to have Mandalay Sports Entertainment and the Dayton Dragons Professional Baseball Team become “amazing and successful.” Only when the team was amazing and successful would it help revive the downtown, would it fully serve the needs of the city.

Mandalay was chosen and Mandalay would have substantial participation, contribution, and responsibility for the project.

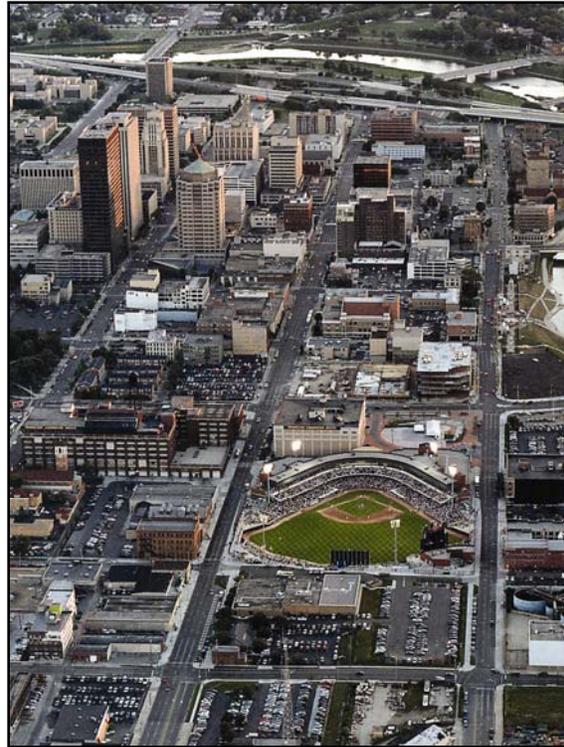


*The groundbreaking ceremony of Fifth Third Field,
home of the Dayton Dragons*

“We must recognize that the City is our partner and we must do everything in our power to make the Dayton Dragons great.”

Mandalay Ownership Group

- Mandalay secured the best management and placed them in the Dayton Community.
- Mandalay hired the very best sports marketer in North America—Jon Spoelstra—with over 30 years of sports marketing experience, to join the Mandalay team and help lead the start-up.
- Mandalay management joined the Dayton Development Coalition, Downtown Dayton Partnership, Dayton Area Chamber of Commerce, and the Better Business Bureau, and are supporters of major charities in the Dayton region.
- Mandalay spares no expense in operating the facility and executing the game day experience to ensure excellence.
- Every one of Mandalay’s business strategies focused on long-term versus short-term success.
- Mandalay continues to reinvest in the stadium making major improvements each year of operation.



Did the City achieve its outrageous goal?



Let's take a look at the results:

- Since 2001, the number of market rate housing units almost doubled, increasing the number of units from 485 to 929.
- WorkflowOne decided to locate its corporate headquarters adjacent to the baseball stadium. The company relocated more than 500 jobs to Downtown Dayton.
- The baseball stadium in Downtown Dayton was the first of three major developments that led downtown's revitalization. The new stadium was the cornerstone that gave the community the confidence and determination to move other key projects forward.
- Each year, more than 580,000 baseball fans come downtown to enjoy the Dayton Dragons, also enjoying downtown's offerings of restaurant and entertainment options. Clearly, Minor League Baseball has helped strengthened existing businesses, and several new businesses have sprung up as well.

- Minor League Baseball attracts fans from throughout the region, helping to dispel some negative perceptions of Downtown Dayton.
- The CareSource Management Group made the decision to locate downtown, recently breaking ground on a \$55 million office building.
- Tech Town, a \$25 million development, is currently under construction. This development targets technology-based businesses.
- Now, a major mixed-use development is being proposed around Fifth Third Field, capitalizing on the success of Fifth Third Field. This \$230 million development will include housing, office, and restaurants/retail opportunities.
- Clearly, Downtown Dayton is a stronger, more vibrant place, thanks to the community effort to bring minor league baseball to the core of Dayton.

How about that minor league baseball team—The Dayton Dragons—that the city inserted into its community?

- Set the all time Single A attendance record on 3 occasions.
- Have averaged 580,000+ of fans each year.
- Have seen over 4 million fans visit Fifth Third Field.
- Have sold every single seat before the season's first pitch for 8 years.
- Have a sell-out streak totaling 496 games (will grow to 566 games at the end of this year, the 8th season).
- Have been in the Top 10 of attendance in all classes of baseball (160 teams) every season.

- Have had their merchandise in the top 25 in sales in each year of existence.
- Have received numerous community awards for economic development, entrepreneurial leadership, customer service, and community involvement.
- Fifth Third Field, home of the Dayton Dragons, has been selected as one of the Top 10 ballparks in minor league baseball.



- Have received numerous baseball industry awards recognizing the performance of the franchise.
- Four Dragons executives have been selected as Top 40 Under 40 executives in the Dayton region.
- Two Dragons executives have been selected as Executive of the Year in the Midwest League.
- Fifth Third Field has been selected as having the best playing field in five of its first seven years of play.
- The Dragons TV ratings for games rival the major league Cincinnati Reds.
- The Dayton Dragons website received over 35 million visitors last year.
- The Dayton Dragons President has been selected as *The Sporting News* Executive of the Year.
- Have received sports industry awards recognizing the franchise as the best in all minor league sports.

So, did the City achieve its outrageous goal? The answer is an outrageous *yes*.

Change at warp speed

Changing a declining downtown is never quick. However, with the insertion of the Dayton Dragons and their stadium, Fifth Third Field, let's look at the changes:

(1) Employment

The Dayton Dragons is a business and an employer in the City of Dayton.

The Dayton Dragons full-time staff employs 29 people. The concessionaire, Sportservice, at Fifth Third Field includes an additional 8 full-time positions.

An additional 250 people are employed during the baseball season by The Dayton Dragons.

Sportservice hires an additional 225 people and employs dozens of volunteer groups to work in concession stands.

In addition, the entire team staff—players and coaches—are also paid employees.



All of these employees—full time, part time, for both The Dayton Dragons and Sportservice—all pay income taxes.

(2) Real impact on other businesses.

As the Dayton Dragons is a small size business, we must contract with many other businesses to achieve their organizational goals. Other companies that are benefiting economically from the Dayton Dragons organization include cleaning companies, electrical companies, transportation companies, hotels, printing companies, office supply companies, security companies, media companies including radio, television, and newspaper, food suppliers, information technology companies, telephone companies, general maintenance companies, etc.

All of these companies are vendors of the Dayton Dragons and their business with the Dayton Dragons impacts their business and allows them to continue to be companies that employ individuals in this region.



Heater, the Dragons mascot, visits the Dragons print shop to check up on the printing of the game program.

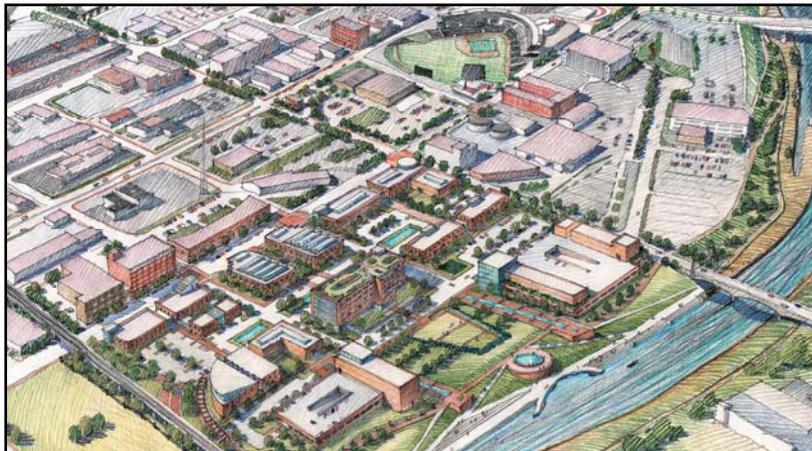
(3) Real economic development impact.

Though the Dayton Dragons was meant to be an amenity driven project, they have had the intended impact of being a stimulant for economic development in and around the stadium area.

For example, WorkflowOne is a \$1 billion company that selected a location adjacent to the stadium because of the energy surrounding baseball. This company was one that had many different options, in-state and out-of-state, to select where they were going to locate their headquarters. However, they felt that it was important to their employees to be located in this area due to not only baseball, but other subsequent amenities such as the RiverScape area and the Schuster Performing Arts Center. Also, the CareSource management group is building a new \$55 million office building near the ballpark.

Several bars and restaurants have moved to or have started around the stadium. Requarth Lumber—a company that had been in this area for nearly 100 years—completely renovated the front of their building. A market—an old fashioned farmers market—was started up in the stadium area. Other buildings have been built and/or renovated including P&R Communications and the historic McCormick Building, which now houses an architectural firm and loft housing.

In addition, the City of Dayton is moving forward on a \$25 million project adjacent to the stadium area called Tech Town. This is a 400,000 square foot project, targeting technology-based businesses.



Tech Town

(4) Paved the way for even more successful amenities.



Schuster Center

The Benjamin and Marian Schuster Performing Arts Center, which opened in 2003, is a world-class, \$130 million home to the best in local, national and international performing artists.

In addition to showcasing the latest Broadway blockbusters, the Schuster Center is home to the Dayton Opera and the Dayton Philharmonic Orchestra. Additionally, a variety of local performing arts treasures, such as the Dayton Ballet, also make use of the facilities.

RiverScape, a \$32 million project located just one block from the stadium along the Great Miami River, is a hub of activities for all ages — from concerts to laser light and music shows, to paddle boats and even outdoor ice skating in winter.

Fans often stick around after Dragons games in the summer to watch one of RiverScape’s laser light shows.



RiverScape’s laser light show

(5) Could people really live here?

The answer to that question is a resounding, “Yes.” Housing has increased in a substantial way around the stadium. Several buildings have been renovated to include apartments, condos, and loft living including the Ice Avenue Lofts, the Cooper Lofts, the Beaver Power Building condos, the Cannery, and the Firefly building. The Schuster Performing Arts Center also includes penthouse living.



In addition, there are plans to include additional building of condos next to the WorkflowOne building.



(6) Building people and changing lives.

Recognizing that true “ownership” of the team belongs to members of the community, it has been necessary for the Dayton Dragons to reach out to the community and support as many key organizations and activities as possible. Several programs have been in place to benefit organizations including allowing non-profit organizations to work in the concession stands at Fifth Third Field giving them the opportunity to earn over \$2.1 million in the first seven seasons for various charitable and youth organizations. Also, internship programs associated with both high schools and colleges in the area have been started.

Two other very important programs have also been introduced by the Dayton Dragons to the community.

The first program called “Hometown Heroes” is a program designed to thank and take care of families of deployed personnel stationed at the Wright Patterson Air Force Base. Special nights designated as Hometown Hero nights recognize deployed individuals and their families. This program also includes video board messages delivered by loved ones who have been deployed and providing families with a VIP experience when they visit Fifth Third Field.





A player and mascot visit during the Dragons MVP Program

Also, the Dragons have introduced the Dragons MVP program “A Tool for Teachers.” This program is an incentive and reward system for fourth and fifth grade classrooms, covering a three county area. It is in 38 different school districts and now in over 850 classrooms. Nearly 25,000 young people and nearly 1,000 teachers have been impacted by this educational program.

Also, the Dayton Dragons are proud to help a variety of organizations including; Dayton Rotary, Webster Station Business Association, the Humane Society of Greater Dayton, the Downtown Dayton Partnership, Dayton Area Chamber of Commerce, Better Business Bureau, Big Brothers-Big Sisters, Make a Wish Foundation, the Ronald McDonald House, Susan Komen Breast Cancer Foundation, Dayton Development Coalition, the Dayton Urban League, the United Negro College Fund, initiatives by the City of Dayton and Metro Parks, the providing of merchandise and memorabilia for use in fundraising efforts (which includes many schools and churches), donations of our time and money to many community events, United Way, healthcare organizations, visits to hospitals by players, the hosting of hundreds of underprivileged children at Fifth Third Field, and many other types of charitable efforts.

Making Fifth Third Field the centerpiece of the community

Fifth Third Field is not in the geographic center of the Dayton area. However, by adding other events along with the Dayton Dragons, it is becoming the centerpiece of the community.

Fifth Third Field is a venue that is beginning to be utilized for many other types of activities including state high school baseball tournaments, college baseball tournaments, concerts, and special celebrations such as the “Inventing Flight” event celebrating the centennial anniversary of flight.



More than 9,000 fans packed the stadium for a concert featuring Def Leppard and Bryan Adams in 2005.

How to dare to make it better

The economic development story does not end after seven years of the Dayton Dragons. In fact, Mandalay Sports Entertainment has started a real estate development company and has begun working with the City of Dayton on the development of a ballpark district adjacent to the stadium.

This proposed \$230 million dollar development, which would be the largest economic development program in the history of Downtown Dayton, is currently on the drawing board. Developed to be introduced in three stages, this ballpark district would include big box retail, a ballpark village housing component, and an entertainment district which includes retail, entertainment, and restaurants.

This development is historic and could change the face of the City of Dayton forever.



Artist rendering of the proposed development

Summary

A city with the proper tools, an engaged partner, and with the right economic deal, can create something that cannot only benefit to a community, but something that can be a force to change the community forever.

The City of Dayton and the Dayton Dragons are proud of what has been accomplished and believe that the proper foundation has been built for future growth, economic development. We have truly created a city that has the quality of life that will allow us to compete for people, companies, and economically well into the future.

