

## The Case Study of the Ron Tonkin Field/ Hillsboro Hops Public-Private Partnership



The Hillsboro City Council set out to expand the Gordon Faber Recreation Complex and bring professional baseball to town as a means of enhancing residents' quality of life. In doing so, the Council had several goals, including:

1. To create a facility that could be used year-round for youth sports, adult sports, special and community events.
2. To continue to support fields for public use, particularly to support athletic programs of the Hillsboro School District, as well as regional and state university athletic programs.
3. To support local youth with the creation of new jobs.
4. To support economic development in Hillsboro and help local businesses by increasing tourism spending and related entertainment spending.
5. To build regional and national awareness of Hillsboro as a means of highlighting our exceptional community.

After a significant investment of time to gather and evaluate all available information in order to reach the best informed decision, the Hillsboro City Council authorized a public-private partnership with Short Season, LLC, owners of the soon-to-be named Hillsboro Hops. The agreement called for Short Season, LLC to relocate the team from Yakima and begin play in Hillsboro in June 2013 at the Gordon Faber Recreation Complex. In the Hops' first three years playing at Hillsboro Ballpark/Ron Tonkin Field (renamed in 2014), the team sold more than 430,000 tickets.

In addition to hosting the only professional baseball team in the Portland metro area, Ron Tonkin Field continues to play host to high school football, soccer, baseball, and charity fundraising events. As part of the City of Hillsboro's commitment to excellent customer service and transparency, City Manager Michael Brown requested that results created by the Hillsboro Hops/Ron Tonkin Field public-private partnership be documented so that Hillsboro community members could understand the project's history and the terms of the public-private partnership, and then analyze the project's outcomes.

This case study is to be one of several documentations of the public-private partnerships entered into by the City of Hillsboro.

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## The History of the Ron Tonkin Field Property

Prior to its use as a baseball field, the site of Ron Tonkin Field served as one of seven softball field at the City-owned Gordon Faber Recreation Complex, which opened in 1999 as a regional destination for sporting events, particularly at Hillsboro Stadium. Construction of Hillsboro Ballpark (renamed Ron Tonkin Field in 2014) began with a groundbreaking ceremony in September 2012. On June 17, 2013, the Hops began play on the artificial turf, welcoming fans arriving from Hillsboro and the greater Portland metro area, with ample parking and convenient access from local roads and Highway 26.

## Setting Goals for Ron Tonkin Field

- In recognition of the local and regional importance of recreation, family entertainment, and tourism for both residents and businesses, the Hillsboro City Council sought to bring professional baseball to the area at a time when the Portland metro area was the largest market in the United States without professional baseball.
- After the loss of the Portland Beavers the Salem-Keizer Volcanoes, a Single-A Short Season team, recorded a 27 percent increase in attendance.
- Representatives from the Northwest League contacted the City of Hillsboro in September 2011 about the potential of bringing Single-A baseball to Hillsboro, with informal discussions following over the next several months.
- In March 2012, the Hillsboro City Council decided to explore the possibility of bringing a Single-A Short Season baseball team to a new ballpark at Gordon Faber Recreation Complex.
- By bringing a team to Hillsboro, metro area fans wouldn't need to drive 45 minutes south to see professional baseball. At the same time, bringing professional baseball to town would bring attention to Hillsboro and all that our community has to offer.
- The initial projection was that a professional baseball team would draw between 100,000 and 180,000 fans each session.
- The Yakima Bears were looking for a new location and approached the City about moving to Hillsboro.
- In the summer of 2012, the Hillsboro City Council approved a license agreement with Short Season, LLC, owners of the new Hillsboro Hops, followed by approvals from Northwest League, President of Minor League Baseball and Office of the Commissioner of Major League Baseball.
- In addition to providing great family entertainment, the Council viewed the ballpark as a community investment opportunity with long-term economic benefits that would support athletic programs for schools and be a forum for large community events.
- After gathering input from the community and key stake holders, architects and City staff designed a multi-purpose facility with synthetic turf that could be used year-round for football, soccer, and lacrosse – in addition to baseball.

## Details of the Public-Private Partnership

- In committing to build the ballpark, the City of Hillsboro moved forward with construction at a total cost of \$15.458 million.
  - In November 2012, the City issued \$12 million in full faith and credit bonds for ballpark construction, to be repaid over 20 years, and paid \$3.2 million in cash with revenue from the sale of City-owned property (a library site).
  - The full faith and credit private activity bonds have a 2.74 percent interest rate, which was considerably

lower than historic interest rates for City borrowing.

- The lower rate is saving an estimated \$149,000 per year in annual debt service payments.
- The remainder of funds, \$309,697, for additional parking, was paid using Park System Development Charges.
- At the time, initial construction estimates pegged the price of construction at about 50 percent less than the average cost of building a new stadium because much of the needed infrastructure was already in place.
- The agreement with the Hillsboro Hops for lease of the City-financed, City-owned facility contained the following deal points:
  - The 20-agreement called for the Hops to pay an annual rent of \$150,000 in the first year, with the amount increasing by 3 percent each year.
  - All parking revenue would be retained by the City;
  - A ticket surcharge of \$1 per ticket is paid to the City;
  - The City would receive 70 percent of naming rights revenue for the facility, with the Hops retaining 30 percent in exchange for securing a sponsor.
  - The City of Hillsboro would use the facility for City events when baseball is not using the stadium.
  - If the agreement was violated, the Hops would pay the City \$150,000 in expense reimbursement.
  - The agreement also called for cost-sharing for certain capital expenditure for repairs.

## Ron Tonkin Field: The Finished Product

- The ballpark project was a design-build, a method of project delivery in which the design-build team works under a contract with the project owner to provide design and construction services for a unified flow of work from initial concept through completion. The project included team offices, a team store, an enclosed lounge, two party decks, a scoreboard, an underground batting cage, and a public art display called Barometer.
- Ron Tonkin Field shares its main entrance with the adjacent Hillsboro Stadium.
- Due to time constraints, informational meetings were held and considerable effort was given to communicating the progress of the project, including a weekly journal/blog entry on a dedicated webpage.
- Following the completion of construction in June 2013, the Hillsboro Ballpark had a crowd capacity of approximately 4,500 spectators, including 3,534 permanent seats, a standing-room-only area along the third base side, and an outfield grass berm where families can sit together.

## Team Performance

- Team performance will change from year-to-year. This information is provided here to support how the Hops' success has led to increased fan participation, sponsorship, and worldwide recognition – all of which have been benefits to the City of Hillsboro, both financially and in our branding.
- 2013: In the Hops' first season in Hillsboro, the team finished in third place in the Northwest League with a record of 34-42, and did not qualify for the playoffs.
- 2014: The Hops hit a high note by capturing the 2014 Northwest League Championship.
- The team finish finished the regular season with 48 wins – the most in all of short-season minor league baseball – then swept through the playoffs to secure the franchise's first championship since 2000.
- 2015: The Hops followed their successful championship run by winning the Northwest League's South Division in both halves of the regular season, then defeating the Salem-Keizer Volcanoes and the Tri-City Dust Devils to claim the 2015 Northwest League title.

## Measuring the Impact & Value

### Ticket Sales:

- The Hops set a new franchise record for attendance in each of the Hops' first three seasons in Hillsboro.
- In 2014, the Hops bested its ticket sales from 2013 to set a new franchise record during the regular season, then added to the success with a playoff run.
- Then, in 2015, the Hops set yet another ticket sales record with 150,296 tickets sold through the regular season and playoffs.
- Combined, the team has sold more than 430,000 tickets in its first three years of operation at Ron Tonkin Field. Since Year 1 of professional baseball in Hillsboro, ticket sales have increased 6 percent.
- The Hops tracked ticket buyers from 42 states in 2015.
- Previous studies have shown that about 32 percent of ticket buyers are from Hillsboro, while 31 percent come to the games from Portland, and 17 percent visit Ron Tonkin Field from Beaverton.
- Ticket prices have remained the same since the team's arrival in 2013: \$7 for berm seating, \$14 for regular seating, and \$16 for premium box seating.

The Hops have also provided free shuttle service for fans before and after games from the Orenco Station MAX Light Rail stop to Ron Tonkin Field, and back, at a cost of \$18,000 per season.

## Revenues & Expenses

From the beginning, Ron Tonkin Field has always been viewed as a facility that benefits the community as a whole. Like with other community assets, the ballpark was not expected to recover 100 percent of costs. With each season, the City's revenues from the Hops have increased, including revenues from team rent, ticket sales, parking revenue, naming rights revenue, and a contribution from the Hops for cleaning. Operational costs related to Ron Tonkin Field are higher than originally expected.

<b>REVENUES</b>	<b>2015 Season</b>	<b>2014 Season</b>	<b>2013 Season</b>
Attendance	143,412/(150,296)	138,732/(145,144)	135,167
Team Rent	\$159,135	\$154,500	\$150,000
Ticket Surcharge	\$141,276	\$136,344	\$126,807
Parking Revenue	\$206,643	\$192,650	\$183,496
Naming Rights Revenue	\$105,000	\$105,000	\$0
Hops' Cleaning Contribution	\$15,000	\$10,000	\$0
<b>Total Revenues:</b>	<b>\$627,054</b>	<b>\$598,494</b>	<b>\$460,303</b>

<b>EXPENSES (In Dollars)</b>	<b>2015 Season</b>	<b>2014 Season</b>	<b>2013 Season</b>
Annual Debt Service	768,000	768,000	768,000
Facilities Maintenance Staff	20,193	N/A	N/A
Parks Maintenance FT Staff	43,860	63,761	56,628
Parks Maintenance PT Staff	5,805	51,027	39,368
Parks Maintenance Overtime	14,940	12,368	11,470
Cleaning Crew Contractor	37,500	0	0
Parks and Rec PT Event Staff	4,308	4,839	13,376
Parks and Rec FT Event Staff	40,160	51,263	47,691
Parking Operation Staff	54,231	43,518	41,420
Contractual Services	8,217	2,615	5,740
Utilities	27,109	32,611	34,515
Communication Services	10,809	5,514	5,918
Materials and Supplies	30,673	35,115	32,714
<b>Total Expenses</b>	<b>\$1,065,805</b>	<b>302,631 +</b>	<b>296,340 +</b>

**SEASON FINANCIAL IMPACT TO CITY : (438,751)**

## Business Impact

The Hops are a benefit to local tourism, with attending fans able to spend money at nearby hotels, restaurants, and retail stores. The Hops generate the use of at least 700 and as many as 1,000 hotel rooms each season, including opposing team members (around 650 rooms), umpires (around 40), and visiting staff from the Arizona Diamondbacks. Businesses such as Front Row Bar & Grill and McMenamins' Cornelius Pass Roadhouse take advantage of Hops' home games to offer customer specials.

The Hillsboro Parks & Recreation Department staff plans to conduct an economic impact analysis to document how the public-private partnership has affected local businesses.

An economic impact statement prepared by the team in 2016 placed the value of local hotel and meal revenue at more than \$67,000. The team also calculated in-state supplier purchases at more than \$1,445,000.

## Employment

The Hops presence in Hillsboro has created 11 full-time, salaried jobs – 6 more than when the team moved to Hillsboro in 2012. Through the first three seasons, the Hops management estimates roughly 200 jobs have been created at Ron Tonkin Field through the team and Ovations Food Services, whose employees serve in-game meals, snacks, and beverages. The vast majority of those jobs are part-time, and the Hops say young adults of high school or college age have held between 30 and 40 jobs each season, or 120 to 160 jobs over four seasons. It's unknown how much state tax income revenue has been created by those jobs.

The economic impact statement prepared by the team in 2016 calculated the payroll for 11 full-time employees at more than \$750,000 and a part-time payroll for 200 employees at more than \$400,000. Also, the team paid more than \$30,800 in state and local taxes paid, not including employee income taxes.

## Additional Community Benefits

### Facility Programming:

- The uses for Ron Tonkin Field extend far beyond the 38 regular season home games for the Hillsboro Hops, as well as playoff games.
- The facility is used roughly 300 times throughout the year for events such as youth soccer, football, lacrosse, a high school marching band competition, and a charitable kickball tournament for Home Plate Youth.
- The stadium has also hosted the Oregon Ducks and Oregon State Beavers college baseball teams.
- Because of the popularity of the facility, the Hops paid the Parks & Recreation Department to expand the Gordon Faber Recreation Complex plaza area in 2015.

### Community Awareness:

- A feeling of pride in the hometown Hops has been evident throughout Hillsboro since the Hops' arrival in 2013. The Hops' colorful merchandise makes it easy to spot the team's fans in grocery stores, restaurants and elsewhere.
- The Hops ranked in the top 25 (out of 160 minor league baseball teams) for merchandise sold in 2014. The team reported shipping merchandise to all 50 states in its first year of operations, and continues to be near the top of the list for online sales among minor league clubs.
- In its first three years of playing baseball in Hillsboro, the Hops have earned significant media exposure in local newspapers, television, radio, and online.
- In 2015, the Hops became the first short-season team to host a national telecast on the American Sports Network.
- The team made national news when the number-one pick of the Major League Baseball draft, Dansby Swanson, made his professional debut in Hillsboro in 2015.
- ESPN on-air personality Neil Everett generated substantial attention when he threw out the first pitch at Ron Tonkin Field, which aired on ESPN's SportsCenter.
- Neil Everett Night featured a Neil Everett bobblehead giveaway, and he has mentioned the Hillsboro Hops numerous times on air.
- Barley the Hop has received significant attention in national media, including discussions among announcers during televised Major League Baseball games. The Hops were the first team in the Northwest League to stream all of its home games on [www.MILB.tv](http://www.MILB.tv), and ranked sixth out of 78 teams for average viewers.
- In 2015, a ranking of 160 minor league cities and towns by [Smartassets.com](http://Smartassets.com) named Hillsboro as the 13th best minor league city in America.

### Community Involvement:

- The team created the Hillsboro Hops Fund to provide resources that allow more children to enjoy playing baseball and softball.
- The Hops have provided more than \$205,000 in cash and in-kind charitable donations to Hillsboro agencies and organizations since 2013.
- The team is currently fundraising to build a new, artificial turf field at Evergreen Middle School in Hillsboro.
- The Hops have hosted clinics for Special Olympics participants, and the team partnered with Albertina Kerr to spend time at three Hillsboro houses, where staff and players help with yard work and gardening.
- Barley and the Hops have made more than 80 special appearances at community events, such as Celebrate

Hillsboro.

- The team partnered with the Hillsboro School District on an anti-bullying campaign and other programming, interacting with more than 9,000 students.
- Barley and the Hops have worked directly with the Hillsboro Police Department to promote pedestrian safety awareness.

## Awards

- Oregon Parks and Recreation Award: The ballpark received the 2013 Planning Award from the Oregon Recreation and Parks Association.
- American Public Works Association Award: The project was named the 2013 Project of the Year for structures valued between \$5 million and \$25 million by the American Public Works Association's Oregon Chapter.
- Barley has been voted the Best Mascot in the Northwest League for two consecutive years, 2014 & 2015, by fans on MiLB.com and Twitter.

## Conclusion & Analysis

The success of Ron Tonkin Field was intended by the Hillsboro City Council to be measured in its overall value to the community. The facility was built to be a community asset capable of playing host to events and activities year-round, and generating some revenues from the Hillsboro Hops.

Hops General Manager KL Wombacher said, *"The community has welcomed us with open arms from day one and continues to blow us away with their pride, commitment, and support. It's exciting to look back and see how we've grown in three short years, but even more exciting to focus on the future and how we keep fans engaged and the ballpark new and exciting each season."*

Hillsboro School District Superintendent Mike Scott said Ron Tonkin Field is another example of the strong partnership between the City of Hillsboro and the Hillsboro School District. Scott explained, *"Ron Tonkin field is a top-notch multipurpose facility that has been beneficial to us in that it provides a great alternative practice and game venue for our varsity baseball programs the spring, and for our sub-varsity soccer and football teams in the fall. We are also exploring using the field for other events and activities in the future."*

The Hops' success as a team provides dramatic visual evidence of the community's support for bringing professional baseball to Hillsboro, but the wins and losses can only be credited to the efforts of players and coaches on the field, the organization as a whole, and the support of fans – particularly for season ticket holders and casual fans who have a new, affordable family entertainment option to enjoy without leaving Hillsboro.

While Ron Tonkin Field created a home for professional baseball in Hillsboro, an equally significant indication of the community value of Ron Tonkin Field is the continued use of the facility as a home for youth activities, sports, and charity events.

Professional baseball would not be in Hillsboro and the community would not be enjoying the many additional benefits attached to Ron Tonkin Field without the public-private partnership that secured the Hillsboro Hops playing its home games at Ron Tonkin Field.