

An aerial photograph of a large, modern stadium at night. The stadium has a prominent curved roof and is illuminated with bright lights. The surrounding area is filled with trees and some smaller buildings. The text "I. EXECUTIVE SUMMARY" is overlaid in the center of the image.

I. EXECUTIVE SUMMARY

I. EXECUTIVE SUMMARY

- Barrett Sports Group, LLC (BSG) is Pleased to Present our Preliminary Findings to the Georgia World Congress Center Authority (Authority)
- Atlanta Falcons (Falcons) Management and the Authority have Expressed an Interest in Replacing the Georgia Dome with a New Retractable Roof Stadium on the GWCC Campus (Among Other Options Considered)
- Authority Engaged BSG to Prepare an Evaluation of NFL Stadium Deal Structures and Leases – Key Assumptions:
 - ✓ New Retractable Roof Stadium
 - ✓ Proposed Term Sheet (Summary Included Herein)
 - ✓ Proposed Stadium Financing (Public/Private Contribution)
 - ✓ Georgia Dome is Demolished (Or Otherwise Does Not Compete with New Stadium)
- The Goal of the Analysis is to Provide the Authority with a Comprehensive Deal Structure/Lease Evaluation of Market Rate NFL Stadium Deals as Part of Its Due Diligence Process with the Falcons
- Consideration Given to Market Characteristics/Deal Structure/Private Investment/Other Lease Components

I. EXECUTIVE SUMMARY

- Below is a Summary of Major Tasks Completed as Part of this Analysis
 - ✓ Reviewed Proposed Term Sheet
 - ✓ Reviewed Preliminary Retractable Roof Stadium Cost Estimates
 - ✓ Reviewed Hotel/Motel Tax Bond Sizing Estimates
 - ✓ Prepared Limited NFL Market Demographic Overview
 - ✓ Reviewed Georgia Dome Operating and Financial Characteristics
 - ✓ Reviewed Atlanta Falcons Operating and Financial Characteristics (As Available)
 - ✓ Reviewed Available NFL Team and Stadium Operating Characteristics
 - ✓ Evaluated NFL Stadium Deal Structures and Leases – Prepared Case Studies
 - ✓ Estimated Potential Stadium Occupancy Costs for Each NFL Case Study
 - ✓ Estimated Revenue Generating Potential for Each NFL Case Study through an Equivalent Performance Analysis
 - ✓ Compared the Stadium Occupancy Costs as a Percentage of:
 - Potential Team Revenues
 - Potential Stadium Revenues
 - Potential Gross Gate Receipts

I. EXECUTIVE SUMMARY

Proposed Stadium – Financial Analysis

- BSG has Assumed the Following Stadium Characteristics Based on the Georgia Dome Master Plan Phase IV Report (Subject to Revision)
 - ✓ New Retractable Roof Stadium
 - ✓ 66,000 to 72,000 Seating Capacity (80,000 for Special Events)
 - ✓ 100 Luxury Suites (Included in Seating Capacity)
 - ✓ 5,500 Club Seats (Included in Seating Capacity)

I. EXECUTIVE SUMMARY

Lease Analysis – Summary

- The Following Analysis is Intended to Summarize and Compare NFL Stadium Deals, Sources/Uses of Funds, and Specific Lease Terms
- The Information Contained Herein has been Obtained from Sources Believed to be Reliable. However, in Some Instances It is Difficult to Obtain Complete Information, Particularly as it Relates to Sources and Uses of Funds. In Addition, Figures Change Over Time and are Subject to Interpretation.
- Most Information has been Gathered from the Following Sources: Stadiums; Municipalities; Teams; Public Records; Industry Publications; and, Our Internal Database. Figures have Not been Audited or Further Verified.
- As a Result of the Requested Timing and Preliminary Nature of this Assignment, Key Assumptions have been Developed Based on Information Contained in Our Existing Database or Publicly Available Information. Assumptions Could be Adjusted, as Appropriate, Following Additional Research/Confirmation.

I. EXECUTIVE SUMMARY

Lease Analysis – Summary

- It is Important to Note that Some of the Projects May Include Sources and/or Uses of Funds that are Not Specifically Related to the Stadium Project. Examples Include: Land Acquisition; Infrastructure; Etc.

- Each Case Study Includes Lease Summaries. The Information is Presented for Illustrative Purposes Only. The Lease Documents Contain Additional Detail Not Summarized in this Report.

- Development Costs have Not been Adjusted to Current Dollars

I. EXECUTIVE SUMMARY

Lease Analysis – Summary

- BSG has Developed a Methodology to Evaluate and Compare NFL Stadium Leases
- Analysis Isolates Lease Terms to Allow for Accurate and Meaningful Comparisons
- We have Attempted to Identify All of the Lease Components (e.g. Rent, Revenue Sharing) and Account for Other Significant Costs of Occupancy (e.g. Direct and Indirect Equity Contributions – or Prepaid Rent)
- Analysis is Intended to Estimate the Stadium Occupancy Costs for Each Team
- Stadium Occupancy Costs are Compared to Other Teams
- Stadium Occupancy Costs are Divided by the Estimated Team Revenues, Stadium Revenues, and Gross Gate Receipts (Additional Approaches may be Utilized for Further Comparison)
- Comparison Allows Better Understanding of the Impact of the Deal Structure/Lease Terms on Team
- Due to Confidentiality Issues, Summary Level Information Only is Provided

I. EXECUTIVE SUMMARY

Lease Analysis – Market Considerations

- Market Area Size and Characteristics will have an Important Impact on the Ability of the Team to Generate Revenue and Must be Considered when Evaluating Deal Structure/Lease Terms
- Market Rate Deal Should Reflect and Consider the Anticipated Operating Characteristics and Revenue Potential for the Market Area and the Specific Team
- Anticipated Performance of the Team in the Market Area Over the Lease Term Needs to be Taken into Account
- When the Performance of a Team is Expected to Deviate from the Average Performance of the League Over the Long-Term, Deal Structure/Lease Should Account for the Expected Deviation

I. EXECUTIVE SUMMARY

Market Demographics – Based on CBSA Designation

- Atlanta is Above the Average of NFL Markets in Terms of Population and Households
- Atlanta is Comparable to the NFL Market Average in All Income Measurements
- Atlanta is Above the Average of NFL Markets in Terms of Media Measurements
- Atlanta Ranks in the Top 10 NFL Markets in Terms of Corporate Base Measurements

NFL Summary - CBSA Designation Overview			
Statistical Measure	Atlanta	Rank 32	NFL Average - (1)
2012 Population (000s)	5,425.2	9	4,463.3
2017 Population (000s)	5,855.3	8	4,611.8
Est. % Growth 2012-17	7.93%	5	3.7%
2012 Households (000s)	1,993.3	9	1,681.5
2017 Households (000s)	2,147.2	9	1,741.4
Est. % Growth 2012-17	7.72%	5	3.9%
Average Household Income	\$75,055	14	\$74,457
Median Household Income	\$57,822	14	\$56,353
Per Capita Income	\$27,858	14	\$28,999
High Income Households (000s)	428.6	11	413.3
Average Age	34.8	3	37.5
Median Age	34.4	4	37.0
Unemployment Rate	10.43%	30	8.58%
TV Homes (000s)	2,292.6	10	1,984.2
Radio Population (000s)	4,322.1	10	3,752.8
Companies w/ \$50+mm Sales	800	9	694
Companies w/ 500+ Employees	332	9	311

Source: Claritas 2012, Nielsen 2012, Arbitron Spring 2012 and Hoovers 2012.

(1) - Average excludes Atlanta-Sandy Springs et al, GA.

I. EXECUTIVE SUMMARY

Market Analysis – Adjusted Demographics

BSG Also Evaluated the Adjusted Market Demographics of the Atlanta Market as Compared to Other NFL Markets – Demographics Adjusted to Account for the Number of Major Professional Sports Teams in the Market

➤ Atlanta is Above the NFL Market Average in Each of the Following Categories:

- ✓ Adjusted Population and Households
- ✓ Adjusted High Income Households
- ✓ Adjusted Media Measurements
- ✓ Adjusted Corporate Base Measurements

NFL Summary - Adjusted CBSA Designation Overview			
Statistical Measure	Atlanta	Rank 32	NFL Average - (1)
Number of Major League Teams	3.0	NA	3.4
2012 Population (000s)	1,808.4	5	1,171.0
2017 Population (000s)	1,951.8	4	1,216.3
2012 Households (000s)	664.4	6	445.4
2017 Households (000s)	715.7	6	463.1
High Income Households (000s)	142.9	7	101.8
TV Homes (000s)	764.2	4	548.2
Radio Population (000s)	1,440.7	6	986.1
Companies w/ \$50+mm Sales	267	5	173
Companies w/ 500+ Employees	111	8	81

Source: Claritas 2012, Nielsen 2012, Arbitron Spring 2012 and Hoovers 2012.

(1) - Average excludes Atlanta-Sandy Springs et al, GA.

Market Analysis – Key Observation

Notwithstanding the Base/Adjusted Demographics for Atlanta, Some Aspects of the Market Often Do Not Perform Well Relative to Other Markets of Comparable Size in Terms of Support for its Professional Sports Teams

I. EXECUTIVE SUMMARY

Assumed Sources and Uses of Funds

- Due to the Preliminary Nature of this Analysis, A Number of Assumptions were Made Related to the Sources and Uses of Funds
- For Analytical Purposes, We have Assumed the New Stadium would be Constructed at the South Site (Assumptions Provided by Populous)
- For Analytical Purposes, We have Assumed a Tax-Exempt Bond Issue Secured by the Hotel/Motel Taxes (Assumptions Provided by Citi)

	SOUTH SITE TAX-EXEMPT
SOURCES OF FUNDS	
Public Sources	
Net Bond Proceeds - Hotel/Motel Tax (Existing) - (1)	\$277,307,865
State of Georgia (Land)	\$24,200,000
Sales Tax Rebate (Construction)	\$30,000,000
Other Public Resources	To be Determined
Public Sources - Total	\$331,507,865
Private Sources	
NFL G-4 Program	
NFL Advance	\$100,000,000
NFL Grant	\$50,000,000
NFL Loan	\$50,000,000
Atlanta Falcons (Equity/Debt/PSLs/Other)	\$500,492,135
Private Sources - Total	\$700,492,135
SOURCES OF FUNDS - TOTAL	\$1,032,000,000
USES OF FUNDS	
Stadium Construction Costs - Total	\$899,400,000
Site Budget - Total	\$108,400,000
Land - Total	\$24,200,000
Planning Related Costs - Total	To be Determined
USES OF FUNDS - TOTAL	\$1,032,000,000
NET SURPLUS/DEFICIT	\$0

(1) Per Citi Presentation June 11, 2012. Shown net of Series 2011 retirement, DSRF deposit, underwriter's discount, and cost of issuance.

I. EXECUTIVE SUMMARY

Comparable Leases

- BSG Evaluated 30 NFL Deal Structures/Leases in Our Stadium Occupancy Cost Analysis – Stadiums Currently Operating, Under Construction, or in Planning Stages
 - ✓ Minnesota Vikings
 - ✓ San Francisco 49ers
 - ✓ New Orleans Saints
 - ✓ Kansas City Chiefs
 - ✓ New York Jets
 - ✓ New York Giants
 - ✓ Dallas Cowboys
 - ✓ Miami Dolphins
 - ✓ Indianapolis Colts
 - ✓ Arizona Cardinals
 - ✓ Philadelphia Eagles
 - ✓ Green Bay Packers
 - ✓ Chicago Bears
 - ✓ Detroit Lions
 - ✓ Houston Texans
 - ✓ New England Patriots
 - ✓ Seattle Seahawks
 - ✓ Denver Broncos
 - ✓ Pittsburgh Steelers
 - ✓ Cincinnati Bengals
 - ✓ Cleveland Browns
 - ✓ Tennessee Titans
 - ✓ Baltimore Ravens
 - ✓ Tampa Bay Buccaneers
 - ✓ San Diego Chargers
 - ✓ Washington Redskins
 - ✓ Carolina Panthers
 - ✓ Oakland Raiders
 - ✓ Jacksonville Jaguars
 - ✓ St. Louis Rams

I. EXECUTIVE SUMMARY

Comparable Leases

- Consideration Has Been Given to the Fact that a Number of Selected Stadium Deal Structures/Leases May Not Be Comparable to this Situation for Various Reasons – For Example:
 - ✓ New Orleans Saints – Lease Extension Included Significant Real Estate Element (Major Stadium Renovation Completed)
 - ✓ St. Louis Rams – Age/Condition of Stadium (Parties Negotiating Potential Major Renovation and Lease Extension)
 - ✓ San Diego Chargers – Age/Condition of Stadium (Team Currently Seeking Long Term Stadium Solution)
 - ✓ Oakland Raiders – Age/Condition of Stadium (Team Currently Seeking Long Term Stadium Solution)
 - ✓ Jacksonville Jaguars – Age/Condition of Stadium
 - ✓ Buffalo Bills – Lease Expires in 2013 (Team Currently Seeking Long Term Stadium Solution)

I. EXECUTIVE SUMMARY

Falcons Estimated Stadium Occupancy Costs

- Based on the Equivalent Performance Analysis, the Falcons Estimated Occupancy Costs are Illustrated Herein
- It is Important to Note that the Upfront Payment/Financing is Annualized Over the 30-Year Lease Agreement
- For Stadium Occupancy Costs Analysis Purposes, Falcons Total Upfront Payment/Financing is Approximately \$650.5 Million and is Net of the Estimated NFL Grant (\$50.0 Million)

Estimated Occupancy Costs	Atlanta Falcons
Base Rent	To be Determined
Taxes/Surcharges	\$4,574,074
Revenue Sharing	To be Determined
Game Day Operating Expenses	\$1,500,000
Annual Operating Expenses	\$14,000,000
Capital Repairs/Improvements	To be Determined
Upfront Payments/Financing (Annualized)	\$47,257,546
Total	\$67,331,620

I. EXECUTIVE SUMMARY

Equivalent Performance Analysis – Summary Matrix

➤ Below is a Summary of the Falcons Rankings Based on the Various Comparable Sets Evaluated

Comparative Summary - Stadium Occupancy Costs <i>(\$ in Millions)</i>	All Comparables	Comparables Since 2005	Comparables Since Since 2009 (Excluding Renovations)
Number of Stadium Deals Evaluated (Excluding Falcons)	25	9	5
Average Occupancy Costs - (1)	\$38.0	\$55.0	\$78.9
Falcons Occupancy Costs	\$67.3	\$67.3	\$67.3
Falcons Rank	5 of 26	5 of 10	5 of 6
Average Occupancy Cost as a % of Team Revenue Potential - (1)	13.2%	18.8%	26.7%
Falcons Occupancy Costs as % of Team Revenue Potential	24.8%	24.8%	24.8%
Falcons Rank	5 of 26	5 of 10	5 of 6
Average Occupancy Cost as a % of Stadium Revenue Potential - (1)	28.7%	39.8%	56.0%
Falcons Occupancy Costs as % of Stadium Revenue Potential	58.8%	58.8%	58.8%
Falcons Rank	4 of 26	4 of 10	4 of 6
Average Occupancy Cost as a % of Gross Gate Receipts - (1)	61.7%	89.2%	127.7%
Falcons Occupancy Costs as % of Gross Gate Receipts	109.0%	109.0%	109.0%
Falcons Rank	5 of 26	5 of 10	5 of 6

(1) Excluding Falcons.

I. EXECUTIVE SUMMARY

Equivalent Performance Analysis – Summary Matrix

- Falcons Stadium Occupancy Costs are Substantially Above Average Based on “All Comparables” and “Comparables Since 2005”, but are Below Average Based on “Comparables Since 2009”

Comparative Summary - Stadium Occupancy Costs (\$ in Millions)	All Comparables	Comparables Since 2005	Comparables Since 2009 (Excluding Renovations)
	Number of Stadium Deals Evaluated (Excluding Falcons)	25	9
Occupancy Costs			
Average - (1)	\$38.0	\$55.0	\$78.9
Falcons	\$67.3	\$67.3	\$67.3
Variance	(\$29.4)	(\$12.4)	\$11.5
Team Revenue Potential			
Falcons Team Revenue Potential	\$272.0	\$272.0	\$272.0
Average Occupancy Cost as a % of Team Revenue Potential - (1)	13.2%	18.8%	26.7%
Implied Occupancy Cost	\$35.9	\$51.1	\$72.7
Falcons Occupancy Cost	\$67.3	\$67.3	\$67.3
Variance	(\$31.4)	(\$16.3)	\$5.4
Stadium Revenue Potential			
Falcons Stadium Revenue Potential	\$114.5	\$114.5	\$114.5
Average Occupancy Cost as a % of Stadium Revenue Potential - (1)	28.7%	39.8%	56.0%
Implied Occupancy Cost	\$32.9	\$45.6	\$64.2
Falcons Occupancy Cost	\$67.3	\$67.3	\$67.3
Variance	(\$34.5)	(\$21.7)	(\$3.2)
Gross Gate Receipts			
Falcons Gross Gate Receipts	\$61.8	\$61.8	\$61.8
Average Occupancy Cost as a % of Gross Gate Receipts - (1)	61.7%	89.2%	127.7%
Implied Occupancy Cost	\$38.1	\$55.1	\$78.9
Falcons Occupancy Cost	\$67.3	\$67.3	\$67.3
Variance	(\$29.2)	(\$12.3)	\$11.5

(1) Excluding Falcons.

I. EXECUTIVE SUMMARY

Equivalent Performance Analysis (Sensitivity #1)

- Assumes \$5.0 Million Annual Rent
 - ✓ \$4.5 Million Base Rent (Escalating at 3.0% Annually)
 - ✓ \$0.5 Million Naming Rights Revenue Share
- Assumes \$2.0 Million Annual Capital Repairs/Improvements Payment
 - ✓ Does Not Account for Potential Hotel/Motel Tax Capital Improvements Investment

I. EXECUTIVE SUMMARY

Falcons Estimated Stadium Occupancy Costs (Sensitivity #1)

- Based on the Equivalent Performance Analysis, the Falcons Estimated Occupancy Costs are Illustrated Herein
- It is Important to Note that the Upfront Payment/Financing is Annualized Over the 30-Year Lease Agreement
- For Stadium Occupancy Costs Analysis Purposes, Falcons Total Upfront Payment/Financing is Approximately \$650.5 Million and is Net of the Estimated NFL Grant (\$50.0 Million)

Sensitivity #1 Estimated Occupancy Costs	Atlanta Falcons
Base Rent - (1)	\$7,136,312
Taxes/Surcharges	\$4,574,074
Revenue Sharing	\$500,000
Game Day Operating Expenses	\$1,500,000
Annual Operating Expenses	\$14,000,000
Capital Repairs/Improvements - (2)	\$2,000,000
Upfront Payments/Financing (Annualized)	\$47,257,546
Total	\$76,967,932

(1) Average annual amount based on \$4.5 million in year 1, escalating at 3.0% annually over 30 years.

(2) Does not account for potential hotel/motel tax capital improvements investment.

I. EXECUTIVE SUMMARY

Equivalent Performance Analysis – Summary Matrix (Sensitivity #1)

- Falcons Stadium Occupancy Costs are Substantially Above Average Based on “All Comparables” and “Comparables Since 2005”, but are Closer to Average Based on “Comparables Since 2009”

Comparative Summary - Stadium Occupancy Costs <i>(\$ in Millions)</i>	All Comparables	Comparables Since 2005	Comparables Since 2009 (Excluding Renovations)
Number of Stadium Deals Evaluated (Excluding Falcons)	25	9	5
Occupancy Costs			
Average - (1)	\$38.0	\$55.0	\$78.9
Falcons	\$77.0	\$77.0	\$77.0
Variance	(\$39.0)	(\$22.0)	\$1.9
Team Revenue Potential			
Falcons Team Revenue Potential	\$272.0	\$272.0	\$272.0
Average Occupancy Cost as a % of Team Revenue Potential - (1)	13.2%	18.8%	26.7%
Implied Occupancy Cost	\$35.9	\$51.1	\$72.7
Falcons Occupancy Cost	\$77.0	\$77.0	\$77.0
Variance	(\$41.0)	(\$25.9)	(\$4.2)
Stadium Revenue Potential			
Falcons Stadium Revenue Potential	\$114.5	\$114.5	\$114.5
Average Occupancy Cost as a % of Stadium Revenue Potential - (1)	28.7%	39.8%	56.0%
Implied Occupancy Cost	\$32.9	\$45.6	\$64.2
Falcons Occupancy Cost	\$77.0	\$77.0	\$77.0
Variance	(\$44.1)	(\$31.4)	(\$12.8)
Gross Gate Receipts			
Falcons Gross Gate Receipts	\$61.8	\$61.8	\$61.8
Average Occupancy Cost as a % of Gross Gate Receipts - (1)	61.7%	89.2%	127.7%
Implied Occupancy Cost	\$38.1	\$55.1	\$78.9
Falcons Occupancy Cost	\$77.0	\$77.0	\$77.0
Variance	(\$38.9)	(\$21.9)	\$1.9

(1) Excluding Falcons.

I. EXECUTIVE SUMMARY

Equivalent Performance Analysis (Sensitivity #2)

- Assumes \$2.5 Million Annual Rent
 - ✓ \$2.0 Million Base Rent (Escalating at 3.0% Annually)
 - ✓ \$0.5 Million Naming Rights Revenue Share
- Assumes \$2.0 Million Annual Capital Repairs/Improvements Payment
 - ✓ Does Not Account for Potential Hotel/Motel Tax Capital Improvements Investment

I. EXECUTIVE SUMMARY

Falcons Estimated Stadium Occupancy Costs (Sensitivity #2)

- Based on the Equivalent Performance Analysis, the Falcons Estimated Occupancy Costs are Illustrated Herein
- It is Important to Note that the Upfront Payment/Financing is Annualized Over the 30-Year Lease Agreement
- For Stadium Occupancy Costs Analysis Purposes, Falcons Total Upfront Payment/Financing is Approximately \$650.5 Million and is Net of the Estimated NFL Grant (\$50.0 Million)

Sensitivity #2	
Estimated Occupancy Costs	Atlanta Falcons
Base Rent - (1)	\$3,171,694
Taxes/Surcharges	\$4,574,074
Revenue Sharing	\$500,000
Game Day Operating Expenses	\$1,500,000
Annual Operating Expenses	\$14,000,000
Capital Repairs/Improvements - (2)	\$2,000,000
Upfront Payments/Financing (Annualized)	\$47,257,546
Total	\$73,003,314

(1) Average annual amount based on \$2.0 million in year 1, escalating at 3.0% annually over 30 years.

(2) Does not account for potential hotel/motel tax capital improvements investment.

I. EXECUTIVE SUMMARY

Equivalent Performance Analysis – Summary Matrix (Sensitivity #2)

- Falcons Stadium Occupancy Costs are Substantially Above Average Based on “All Comparables” and “Comparables Since 2005”, but are Below Average Based on “Comparables Since 2009”

Comparative Summary - Stadium Occupancy Costs (\$ in Millions)	All Comparables	Comparables Since 2005	Comparables Since 2009 (Excluding Renovations)
Number of Stadium Deals Evaluated (Excluding Falcons)	25	9	5
Occupancy Costs			
Average - (1)	\$38.0	\$55.0	\$78.9
Falcons	\$73.0	\$73.0	\$73.0
Variance	(\$35.0)	(\$18.0)	\$5.9
Team Revenue Potential			
Falcons Team Revenue Potential	\$272.0	\$272.0	\$272.0
Average Occupancy Cost as a % of Team Revenue Potential - (1)	13.2%	18.8%	26.7%
Implied Occupancy Cost	\$35.9	\$51.1	\$72.7
Falcons Occupancy Cost	\$73.0	\$73.0	\$73.0
Variance	(\$37.1)	(\$21.9)	(\$0.3)
Stadium Revenue Potential			
Falcons Stadium Revenue Potential	\$114.5	\$114.5	\$114.5
Average Occupancy Cost as a % of Stadium Revenue Potential - (1)	28.7%	39.8%	56.0%
Implied Occupancy Cost	\$32.9	\$45.6	\$64.2
Falcons Occupancy Cost	\$73.0	\$73.0	\$73.0
Variance	(\$40.1)	(\$27.4)	(\$8.8)
Gross Gate Receipts			
Falcons Gross Gate Receipts	\$61.8	\$61.8	\$61.8
Average Occupancy Cost as a % of Gross Gate Receipts - (1)	61.7%	89.2%	127.7%
Implied Occupancy Cost	\$38.1	\$55.1	\$78.9
Falcons Occupancy Cost	\$73.0	\$73.0	\$73.0
Variance	(\$34.9)	(\$17.9)	\$5.9

(1) Excluding Falcons.