

GEORGIA WORLD CONGRESS CENTER AUTHORITY

SELECTED CASE STUDIES

PRELIMINARY DRAFT – SUBJECT TO REVISION

PRESENTED BY:



September 23, 2010

CONFIDENTIAL





I. EXECUTIVE SUMMARY

I. EXECUTIVE SUMMARY

Background

- Barrett Sports Group, LLC (BSG) is Pleased to Present our Preliminary Findings to the Georgia World Congress Center Authority (Authority)
- The Authority is Interested in Better Understanding the Experiences of Selected NFL Stadium Projects as Part of its Due Diligence Process in Working with the Atlanta Falcons (Falcons)
- The Authority Retained BSG to Prepare Case Studies for the Following NFL Stadium Projects
 - ✓ San Francisco 49ers – New Santa Clara Stadium (Proposed)
 - ✓ New York Jets – New Meadowlands Stadium
 - ✓ Dallas Cowboys – New Cowboys Stadium
 - ✓ Indianapolis Colts – Lucas Oil Stadium
 - ✓ Detroit Lions – Ford Field
 - ✓ Washington Redskins – FedEx Field
- Additional Case Studies and Detail for Recent NFL Stadium Projects was Provided in Our NFL Stadium Lease Analysis Report Prepared in 2007
- BSG Analyses are Intended to Provide Independent and Objective Reviews of NFL Stadium Projects to Support Staff in their Ongoing Discussions with the Falcons

I. EXECUTIVE SUMMARY

NFL Stadium Developments – Overview

- 28 Out of 31 Stadiums in the NFL have been Recently Constructed (or Renovated), are Currently Under Construction, or in the Final Planning Stage
- The Following Teams are Currently Seeking Long Term Stadium Solutions
 - ✓ Atlanta Falcons
 - ✓ Minnesota Vikings
 - ✓ San Diego Chargers (1997 Renovation)
 - ✓ Oakland Raiders (1996 Renovation)
- Numerous Factors Impact the Potential Success of an NFL Franchise
- Deal Structure and Resulting Lease Terms Should Reflect the Specific Market Conditions and Other Factors that May Impact the Franchise

I. EXECUTIVE SUMMARY

NFL Stadium Developments – Selected Case Studies (Lessons Learned)

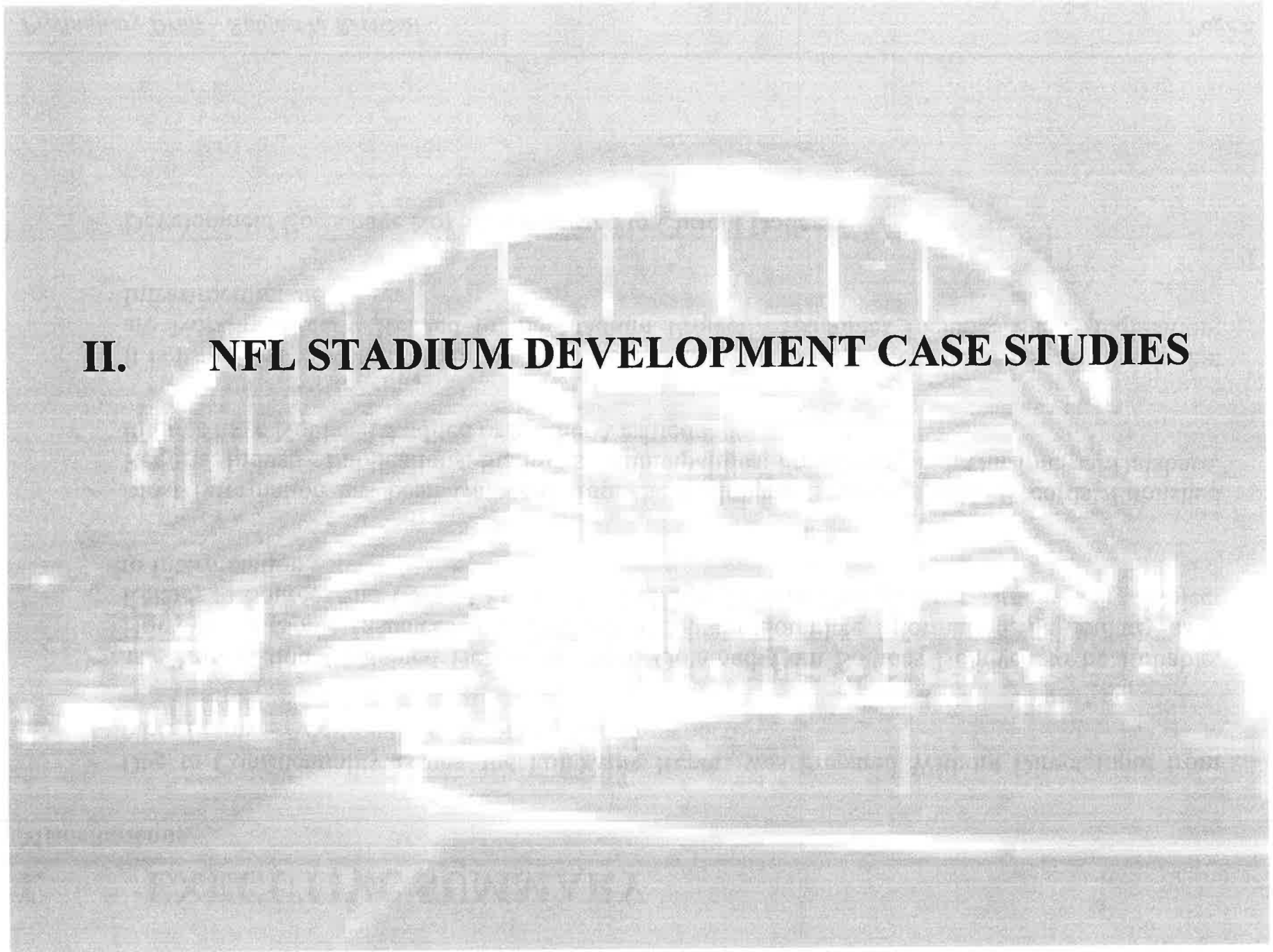
- Stadium Development Projects May Take Different Iterations/Forms and Many Years Before a Successful Project is Ultimately Developed
- Given the Economic Structure of the NFL, Smaller Communities are Able to Attract NFL Teams from a Significantly Larger Communities – Aggressive Approach by Political (and Business) Leaders in Smaller Communities is Key
- Site Selection is Often a Significant Issue and Point of Contention in Negotiations
- NFL Owners Often Attempt to Generate a Bidding War Among Local Communities
- Stadium Condition and/or Unfavorable Lease Terms Cause Teams to Pursue New Stadium Development
- Maintaining an Outdated Facility Can Become a Financial Burden
- Repeated Starts/Stops to Negotiations Impact Cooperation Between Public Sector and Team – Lack of Progress Can become a Major Issue
- Current Host Community May Not Receive the Opportunity or Second Chance to Re-Engage Existing NFL Team

I. EXECUTIVE SUMMARY

Miscellaneous

- Due to Confidentiality Issues, the Following Report was Prepared Without Direct Input from NFL Teams – Additional Confirmation Recommended
- 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: Public Records; Published Reports; Industry Publications; Stadiums; Municipalities; Franchises; and, Our Internal Database. Figures have Not been Audited or Further Verified.
- 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.
- Development Costs have Not been Adjusted to Current Dollars.

II. NFL STADIUM DEVELOPMENT CASE STUDIES



II. NFL STADIUM DEVELOPMENT CASE STUDIES

Recent NFL Stadium Developments – Overview

- 28 Out of 31 Stadiums in the NFL have been Recently Constructed (or Renovated), are Currently Under Construction, or in the Final Planning Stage

New 49ers Stadium – San Francisco 49ers (P)

Arrowhead Stadium – Kansas City Chiefs

Meadowlands Stadium – New York Giants/Jets

Sun Life Stadium – Miami Dolphins

New Cowboys Stadium – Dallas Cowboys

Lucas Oil Stadium – Indianapolis Colts

Louisiana Superdome – New Orleans Saints

University of Phoenix Stadium – Arizona Cardinals

Lincoln Financial Field – Philadelphia Eagles

Soldier Field – Chicago Bears

Lambeau Field – Green Bay Packers

Ford Field – Detroit Lions

Reliant Stadium – Houston Texans

Gillette Stadium – New England Patriots

Qwest Field – Seattle Seahawks

Invesco Field at Mile High – Denver Broncos

Heinz Field – Pittsburgh Steelers

Paul Brown Stadium – Cincinnati Bengals

Cleveland Browns Stadium – Cleveland Browns

LP Field – Tennessee Titans

M&T Bank Stadium – Baltimore Ravens

Raymond James Stadium – Tampa Bay Buccaneers

Qualcomm Stadium – San Diego Chargers

FedEx Field – Washington Redskins

Bank of America Stadium – Carolina Panthers

McAfee Coliseum – Oakland Raiders

EverBank Field – Jacksonville Jaguars

Edward Jones Dome – St. Louis Rams

Note: Oakland and San Diego Renovations Do Not Represent Long Term Stadium Solutions

II. NFL STADIUM DEVELOPMENT CASE STUDIES

Recent NFL Stadium Developments – Overview

- Numerous Factors Impact the Potential Success of an NFL Franchise
- Overall Deal Structure and Lease Terms Must Be Considered – Public/Private Summary Charts Reflect Only One Aspect of the Overall Transaction
- Deal Structure and Resulting Lease Terms Should Reflect the Specific Market Conditions and Other Factors that May Impact the Franchise
 - ✓ Market Demographic Statistics (Population/Households/Income/Etc.)
 - ✓ Premium Seating Demand
 - Number of Luxury Suites/Club Seats in Marketplace (From All Sports Venues)
 - Companies with 500+ Employees
 - Companies with Sales Over \$50 Million
 - ✓ Entertainment Alternatives
 - ✓ Competitive Sports Franchises
 - ✓ Television/Radio Markets
 - ✓ Operating Performance (Historical and Projected)

II. NFL STADIUM DEVELOPMENT CASE STUDIES

Recent NFL Stadium Developments – Public and Private Contributions

Stadium	Team	Location	Year	Total Cost	Public		Private	
New Santa Clara Stadium	San Francisco 49ers	Santa Clara, CA	2014	\$937,000,000	\$114,000,000	12.2%	\$823,000,000	87.8%
Arrowhead Stadium	Kansas City Chiefs	Kansas City, MO	2010	\$400,000,000	\$275,000,000	68.8%	\$125,000,000	31.3%
Meadowlands Stadium - (1)	New York Giants/Jets	East Rutherford, NJ	2010	\$1,730,000,000	\$0	0.0%	\$1,730,000,000	100.0%
Sun Life Stadium	Miami Dolphins	Miami, FL	2009	\$250,000,000	\$0	0.0%	\$250,000,000	100.0%
New Cowboys Stadium	Dallas Cowboys	Arlington, TX	2009	\$1,150,000,000	\$350,000,000	30.4%	\$800,000,000	69.6%
Lucas Oil Stadium - (2)	Indianapolis Colts	Indianapolis, IN	2008	\$719,600,000	\$619,600,000	86.1%	\$100,000,000	13.9%
University of Phoenix Stadium	Arizona Cardinals	Glendale, AZ	2006	\$455,000,000	\$308,000,000	67.7%	\$147,000,000	32.3%
Soldier Field	Chicago Bears	Chicago, IL	2003	\$625,483,499	\$425,483,499	68.0%	\$200,000,000	32.0%
Lincoln Financial Field - (3)	Philadelphia Eagles	Philadelphia, PA	2003	\$510,000,000	\$180,000,000	35.3%	\$330,000,000	64.7%
Lambeau Field	Green Bay Packers	Green Bay, WI	2003	\$309,865,000	\$183,965,000	59.4%	\$125,900,000	40.6%
Ford Field	Detroit Lions	Detroit, MI	2002	\$500,000,000	\$125,000,000	25.0%	\$375,000,000	75.0%
Reliant Stadium	Houston Texans	Houston, TX	2002	\$449,000,000	\$327,000,000	72.8%	\$122,000,000	27.2%
Gillette Stadium	New England Patriots	Foxborough, MA	2002	\$412,100,000	\$76,100,000	18.5%	\$336,000,000	81.5%
Qwest Field - (4)	Seattle Seahawks	Seattle, WA	2002	\$430,000,000	\$300,000,000	69.8%	\$130,000,000	30.2%
Invesco Field at Mile High	Denver Broncos	Denver, CO	2001	\$438,000,000	\$260,000,000	59.4%	\$178,000,000	40.6%
Heinz Field - (3)	Pittsburgh Steelers	Pittsburgh, PA	2001	\$263,651,796	\$154,645,728	58.7%	\$109,006,068	41.3%
Paul Brown Stadium	Cincinnati Bengals	Cincinnati, OH	2000	\$457,600,000	\$433,121,967	94.7%	\$24,478,033	5.3%
Cleveland Browns Stadium	Cleveland Browns	Cleveland, OH	1999	\$330,000,000	\$247,874,630	75.1%	\$82,125,370	24.9%
LP Field	Tennessee Titans	Nashville, TN	1999	\$291,390,646	\$220,390,646	75.6%	\$71,000,000	24.4%
M&T Bank Stadium - (5)	Baltimore Ravens	Baltimore, MD	1998	\$224,000,000	\$200,000,000	89.3%	\$24,000,000	10.7%
Raymond James Stadium	Tampa Bay Buccaneers	Tampa Bay, FL	1998	\$198,704,782	\$198,704,782	100.0%	\$0	0.0%
FedEx Field	Washington Redskins	Landover, MD	1997	\$282,500,000	\$70,500,000	25.0%	\$212,000,000	75.0%
Bank of America Stadium	Carolina Panthers	Charlotte, NC	1996	\$258,200,000	\$64,200,000	24.9%	\$194,000,000	75.1%
Edward Jones Dome - (6)	St. Louis Cardinals	St. Louis, MO	1995	\$302,763,390	\$285,563,390	94.3%	\$17,200,000	5.7%
Average (Not Weighted)				\$496,869,130	\$225,797,902	54.6%	\$271,071,228	45.4%
Average Since 2000 (Not Weighted)				\$590,429,429	\$243,053,894	48.6%	\$347,375,535	51.4%
Louisiana Superdome - (7)	New Orleans Saints	New Orleans, LA	2006	\$185,254,695	\$170,254,695	91.9%	\$15,000,000	8.1%
Qualcomm Stadium	San Diego Chargers	San Diego, CA	1997	\$92,196,278	\$68,196,278	74.0%	\$24,000,000	26.0%
McAfee Coliseum	Oakland Raiders	Oakland, CA	1996	\$230,629,171	\$230,629,171	100.0%	\$0	0.0%
EverBank Field - (8)	Jacksonville Jaguars	Jacksonville, FL	1995	\$141,000,000	\$121,000,000	85.8%	\$20,000,000	14.2%

Note: Figures presented in actual dollars. Figures have not been adjusted to reflect current dollars.

Footnotes on following page.

II. NFL STADIUM DEVELOPMENT CASE STUDIES

Recent NFL Stadium Developments – Public and Private Contributions

- (1) Excluding general infrastructure at complex – \$250.0 million funded by New Jersey Sports and Exposition Authority.
- (2) Colts investment offset by lease buyout - \$48.0 million.
- (3) Reflects reported allocation for multiple stadium projects (NFL/MLB) in Philadelphia and Pittsburgh.
- (4) Includes development of Exhibition Center. Excludes sales tax estimated at \$37,000,000 (sales tax rebated to the project). Figures as of August 2002, final costs have reportedly exceeded the figures above with the franchise covering the increases.
- (5) PSL revenues reportedly totaled \$69,804,500 and were used to fund the following: NFL relocation fee; NFL PSL visitors' share (if any); training facility; moving expenses; City of Cleveland settlement; and City of Berea settlement. Total relocation expenses reportedly exceeded PSL revenues - shortfall was funded by the Ravens.
- (6) A portion of the project was reportedly funded out of PSL revenues not used for relocation expenses (approximately \$13,000,000).
- (7) Figures do not include renovation project as part of recent lease extension.
- (8) Some reports indicate the initial renovation cost was approximately \$161,000,000.

II. NFL STADIUM DEVELOPMENT CASE STUDIES

Recent NFL Stadium Developments – Selected Case Studies

- Selected Stadium Development Projects have been Evaluated to Assist the Authority in Understanding Recent Lessons Learned
- The Authority and BSG Identified the Following Case Studies for Further Evaluation
 - ✓ San Francisco 49ers – New Santa Clara Stadium (Proposed)
 - ✓ New York Jets – New Meadowlands Stadium
 - ✓ Dallas Cowboys – New Cowboys Stadium
 - ✓ Indianapolis Colts – Lucas Oil Stadium
 - ✓ Detroit Lions – Ford Field
 - ✓ Washington Redskins – FedEx Field

II. NFL STADIUM DEVELOPMENT CASE STUDIES

San Francisco 49ers – New 49ers Stadium (Proposed)

In June 2010, Santa Clara voters approved the ballot measure in connection with the development of a new football stadium for the San Francisco 49ers in Santa Clara, California. The approval is expected to result in the relocation of the 49ers from the City of San Francisco to the City of Santa Clara. The proposed stadium is expected to cost approximately \$937.0 million and will be located near California's Great America theme park. The proposed stadium is expected to be an open-air stadium and have approximately 68,000 seats. Approximately 2/3 of the seating will be located in the lower bowl. Premium seating, such as luxury suites and club seats, are expected to be located on the west-side of the stadium.

Stadium:	New 49ers Stadium
Year Open/Renovated:	2014
Stadium Owner:	Santa Clara Stadium Authority
Lease Term:	30 Years
Total Cost:	See Sources/Uses Schedule
Public Investment:	See Sources/Uses Schedule
Private Investment:	See Sources/Uses Schedule
Cost Overrun Responsibility:	San Francisco 49ers
New Construction/Renovation:	New Construction

Contractor:	To be Determined
Architect:	HNTB Architecture
Management:	Santa Clara Stadium Authority
Concessionaire:	To be Determined
Total Seating Capacity:	68,000
Luxury Suites:	To be Determined
Club Seats:	To be Determined
Controlled Parking:	To be Determined
Personal Seat Licenses:	Yes (Stadium Builders Licenses)



II. NFL STADIUM DEVELOPMENT CASE STUDIES

San Francisco 49ers – New 49ers Stadium (Proposed)

Sources of Funds	
Stadium Authority	\$330,000,000
San Francisco 49ers/NFL	\$493,000,000
Financing District	\$35,000,000
Redevelopment Agency	<u>\$42,000,000</u>
Total	\$900,000,000
Add: Redevelopment Agency	\$17,000,000
Add: Electric Utility	<u>\$20,000,000</u>
Total - Adjusted	\$937,000,000
Uses of Funds	
Stadium (No Breakout Available)	\$900,000,000
Parking Garage	\$17,000,000
Electric Substation Relocation	<u>\$20,000,000</u>
Total	\$937,000,000

Public Funding Sources

- ✓ Selected Stadium Revenue Streams to be Raised by the Santa Clara Stadium Authority – 49ers as Agent
- ✓ Limited Hotel Tax (Eight Nearest Hotels) will be Included in Community Facilities District and will be Subject to Additional 2.0% Transient Occupancy Tax (TOT)
- ✓ Electric Utility Funds would be Applied to Pay for Electric Substation Relocation



II. NFL STADIUM DEVELOPMENT CASE STUDIES

San Francisco 49ers – New 49ers Stadium (Proposed)

Summary Timeline

- In 1997, Two San Francisco Ballot Measures Approved \$100 Million of Public Funding for a New 49ers Stadium
 - ✓ Proposition D Authorized \$100 Million in Revenue Bonds to Support the Project and Proposition F Authorized Rezoning of 77 Acres for the New Stadium and Mall
- 1997 Stadium Effort, Led by the 49ers and Developer Mills Corporation, Stalled as a Result of Legal Issues Surrounding the Owner and Higher than Expected Project Costs
 - ✓ In 2000, 49ers Owner, Edward DeBartolo, Jr., Relinquished Control of the Club to his Sister, Marie Denise DeBartolo York and Her Husband John York
- In September 2005, San Francisco Mayor Gavin Newsom Announced the City's Bid for the 2016 Summer Olympics
 - ✓ In July 2006, San Francisco is Recognized as One of Three United States Finalists
 - ✓ In September 2006, San Francisco 2016 Provided the United States Olympic Committee (USOC) with a Revised Bid Centered Around a New 49ers Stadium at Candlestick Park / Hunters Point

II. NFL STADIUM DEVELOPMENT CASE STUDIES

San Francisco 49ers – New 49ers Stadium (Proposed)

Summary Timeline (Continued)

- During Conversations with City Representatives, 49ers Express Concern Regarding Stadium Site – Environmental/Infrastructure/Ingress-Egress Issues
- 49ers Frustrated with Lack of Progress in Discussions and Ongoing Concerns About Potential Timing Delays Associated with Hunters Point Site
- In November 2006, the 49ers Expressed Interest in Building a New Stadium in the City of Santa Clara on the Parking Lot of the Great America Theme Park
- 49ers' Decision to Pursue a New Stadium in Santa Clara (Instead of Hunters Point) Negatively Impacted the San Francisco 2016 Olympic Bid
 - ✓ City Sited 49ers' Decision as Reason for Dropping Olympic Bid – 49ers' Decision and Subsequent Announcement by the City Further Strained Relationship
 - ✓ Subsequently, Team Owner John York Sited Hunters Point's Lack of Proximity to Roads/ Freeways and Uncertainty Over the Navy's Ongoing Site Cleanup as Primary Concerns
- In January 2008, After Conducting a Lengthy Feasibility Study, the City of Santa Clara Enters into Formal Negotiations with the 49ers

II. NFL STADIUM DEVELOPMENT CASE STUDIES

San Francisco 49ers – New 49ers Stadium (Proposed)

Summary Timeline (Continued)

- In June 2009, the City of Santa Clara Released Term Sheet with the 49ers Outlining Key Transaction Parameters
- In December 2009, the Santa Clara City Council Certified the Project's EIR and Decided to Place the Initiative on the June 8, 2010 Ballot (Initiative Became Known as Measure J)
 - ✓ In June 2010, Measure J Passed (Nearly 60%/40%)
 - ✓ 49ers (Proponents) Reportedly Spent Nearly \$5.0 Million on Stadium Campaign Efforts

II. NFL STADIUM DEVELOPMENT CASE STUDIES

San Francisco 49ers – New 49ers Stadium (Proposed)

Outcome

- Subject to Finalizing Funding Plan, the 49ers will Relocate from San Francisco to Santa Clara in 2014 (49ers Lease at Candlestick Park Expires in 2014)
 - ✓ Funding Plan Relies Heavily on PSLs, Naming Rights, and Premium Seating – Recent New Stadium Projects Have Struggled in the Current Economic Environment (Funding Sources to be Raised by the Santa Clara Stadium Authority – 49ers as Agent)
 - ✓ NFL's Funding Uncertain (G3 Program Expired)
 - ✓ Oakland Raiders May Share the Facility

- City of San Francisco Officials Continue to Move Forward with Hunters Point Redevelopment
 - ✓ New Stadium Could be the Centerpiece of a Proposed \$1 Billion Redevelopment Project
 - EIR and Zoning Have Been Approved by San Francisco's Board of Supervisors
 - ✓ Developer Lennar Corp. Would Contribute \$100 Million to Stadium Project
 - ✓ City Offering Stadium Land Lease at \$1.00 Per Year
 - ✓ If the 49ers Relocate, Candlestick Park Would be Torn Down as Part of Site Redevelopment

II. NFL STADIUM DEVELOPMENT CASE STUDIES

San Francisco 49ers – New 49ers Stadium (Proposed)

Outcome

- If Santa Clara Financing Falls Through, the 49ers Announced they Would Consider a New Stadium in Oakland as Plan B
 - ✓ Current 49ers President Jed York Recently Sited Oakland's Superior Infrastructure (Freeway and BART Access) as a Valuable City Resource (49ers to Share Facility with Raiders)

II. NFL STADIUM DEVELOPMENT CASE STUDIES

San Francisco 49ers – New 49ers Stadium (Proposed)

Lessons Learned

- Smaller Community (Santa Clara) was Able to Attract an NFL Team from a Significantly Larger Community (San Francisco)
- Numerous Stalled Stadium Development Plans May have Hindered City of San Francisco's Ability to Keep the 49ers – Lack of Progress a Key Issue
- City of San Francisco and Team were Not in Agreement on Hunters Point Site for a New Stadium
- Strained Relationship Between Political Leaders in San Francisco (Mayor) and 49ers Ownership Contributed to Failed Efforts
- City of Santa Clara Political Leaders were Aggressive in Pursuing 49ers
- City of Santa Clara Worked Cooperatively with 49ers in Dealing with Site/Financing/Other Issues (Cedar Fair)

II. NFL STADIUM DEVELOPMENT CASE STUDIES

New York Jets (New York Giants) – New Meadowlands Stadium

The new shared stadium for the New York Giants (Giants) and New York Jets (Jets) recently opened in New Jersey. The stadium includes approximately 82,500 seats, 217 luxury suites, and 9,300 club seats. Costs for the project have reportedly been estimated at \$1.7 billion (not including general infrastructure at complex). The ground lease is for 40 years. However, each team has the option to terminate the lease after 15 years and then every five years thereafter. If one team elects to terminate their lease, the other is obligated to continue to play their home games at the facility until the lease has ended. In addition, if either team terminates its lease, the exiting team is required to pay the remaining team an amount equal to unamortized project costs that were included as a result of additional costs incurred from the agreement of two teams playing in the facility. The remaining team also has the option to exercise a call option for an amount equal to unreturned equity contribution plus an amount equal to the outstanding debt of the project (to be confirmed).

Stadium:	Meadowlands Stadium
Year Open/Renovated:	2010
Stadium Owner:	NY Giants/NY Jets
Lease Term:	40 Years
Total Cost:	See Sources/Uses Schedule
Public Investment:	See Sources/Uses Schedule
Private Investment:	See Sources/Uses Schedule
Cost Overrun Responsibility:	NY Giants/NY Jets
New Construction/Renovation:	New Construction

Contractor:	Skanska
Architect:	360 Architecture and Ewing Cole
Management:	NY Giants/NY Jets
Concessionaire:	Not Available
Total Seating Capacity:	82,500
Luxury Suites:	217
Club Seats:	9,300
Controlled Parking:	27,500
Personal Seat Licenses:	Yes



II. NFL STADIUM DEVELOPMENT CASE STUDIES

New York Jets (New York Giants) – New Meadowlands Stadium

Sources of Funds

New York Giants		\$715,000,000
Bond Issue (Goldman Sachs)	\$650,000,000	
Additional Contingency	\$65,000,000	
New York Jets		\$715,000,000
Bond Issue (Citigroup)	\$650,000,000	
Additional Contingency	\$65,000,000	
NFL G-3 Loan		<u>\$300,000,000</u>

Total

\$1,730,000,000

Uses of Funds

Stadium	\$1,450,000,000
Financing Costs/Miscellaneous	\$150,000,000
Other/Contingency	<u>\$130,000,000</u>

Total – Current

\$1,730,000,000

Note: Excluding general infrastructure at complex – \$250.0 million funded by New Jersey Sports and Exposition Authority.



II. NFL STADIUM DEVELOPMENT CASE STUDIES

New York Jets – New Meadowlands Stadium

Summary Timeline

- In March 2004, Jets Formally Unveiled Plans to Construct a \$1.4 Billion Retractable Roof Stadium on Manhattan's West Side – Stadium Project Part of a \$2.8 Billion Expansion of Javits Convention Center and Integral Part of New York's 2012 Olympic Bid
 - ✓ Jets Planned to Contribute \$800 Million to the Project with the City and State Each Contributing \$300 million
 - ✓ Plan Was Supported by Mayor Bloomberg and Governor Pataki
 - ✓ Proposed Railyard Site was Controlled by the State of New York (Metropolitan Transit Authority – "MTA")
- Cablevision and its Subsidiary, MSG, Voiced Significant Opposition to the Plan
 - ✓ Cablevision/MSG Funded Lobbying Efforts and Rallied Local Opposition Groups
- In March 2005, the MTA Voted 14-0 to Sell the West Side Railyards Site to the Jets for Approximately \$210 Million (Adjusted for Contingencies and Long Term Payouts)
 - ✓ Jets Bid was Selected Over a Competing \$400 Million Offer from Cablevision
 - ✓ MSG Subsequently Filed Suit Against the MTA, the City of New York and the Jets

II. NFL STADIUM DEVELOPMENT CASE STUDIES

New York Jets – New Meadowlands Stadium

Summary Timeline (Continued)

- West Side Stadium Proposal Ultimately Required a Unanimous Vote from the State's Public Authorities Control Board
 - ✓ Needed to Authorize the Transfer of the MTA Land and \$300 Million of State Financing
 - ✓ Control Board was Comprised of Three Members: Governor George Pataki and Representatives of State Assembly Speaker Sheldon Silver and State Senate Majority Leader Joseph Bruno

- During a June 2005 Vote, Representatives of Silver and Bruno Abstain, Preventing the Necessary Three Vote Majority, Effectively Ending the Jets Bid to Develop a West Side Stadium
 - ✓ Silver Voiced Concerns that the Proposed West Side Stadium Development Would "Undermine the Development of Lower Manhattan" following 9-11

II. NFL STADIUM DEVELOPMENT CASE STUDIES

New York Jets – New Meadowlands Stadium

Outcome

- In August 2005, the Jets Formally Withdrew its MTA Land Bid
- In September 2005, the Jets and Giants Executed an Agreement to Jointly Design, Develop and Operate a Stadium in New Jersey
 - ✓ New Stadium is Located Adjacent to the Previous Meadowlands Venue
- Stadium Groundbreaking Occurred in September 2007 and the Stadium Opened in 2010
- Demolition of Giants Stadium was Completed in Summer 2010
 - ✓ Land to Be Used for New Meadowlands Parking

II. NFL STADIUM DEVELOPMENT CASE STUDIES

New York Jets – New Meadowlands Stadium

Lessons Learned

- Smaller Community was Able to Retain NFL Team Against a Significantly Larger Community
- Cablevision/MSG Strongly Opposed Jets Stadium Development Proposal
 - ✓ Did Not Want Competition from Other Franchises/Facilities
- Jets Failed to Generate Full Political Support – Community and Cablevision/MSG Opposition Likely had Impact
- Jets Reacted Quickly to Failed Project and Secured Long-Term Stadium Solution and Partnered with Giants

II. NFL STADIUM DEVELOPMENT CASE STUDIES

Dallas Cowboys – New Cowboys Stadium

In November 2004, voters of the City of Arlington (City) authorized the planning, acquisition, construction and financing for the Dallas Cowboys Complex Development Project. The new stadium for the Dallas Cowboys (Cowboys) is a state-of-the-art retractable roof football stadium. The stadium opened in June 2009. Total project costs were approximately \$1.15 billion. The stadium includes approximately 74,000 seats (with capability to expand to over 100,000), 380 luxury suites, and 14,800 club seats. The Cowboys also have a purchase option on the facility after the initial lease term and after each extension term. The option price is \$100.0 million and the team gets a credit for paid rent, operating costs, and cost overruns. The former home of the Cowboys, Texas Stadium, was demolished.

Stadium:	New Cowboys Stadium
Year Open/Renovated:	2009
Stadium Owner:	City of Arlington
Lease Term:	30 Years
Total Cost:	See Sources/Uses Schedule
Public Investment:	See Sources/Uses Schedule
Private Investment:	See Sources/Uses Schedule
Cost Overrun Responsibility:	Dallas Cowboys
New Construction/Renovation:	New

Contractor:	Manhattan Construction
Architect:	HKS Architecture
Management:	Cowboys
Concessionaire:	Legends Hospitality Management
Total Seating Capacity:	74,000
Luxury Suites:	380
Club Seats:	14,800
Controlled Parking:	27,000
Personal Seat Licenses:	Yes



II. NFL STADIUM DEVELOPMENT CASE STUDIES

Dallas Cowboys – New Cowboys Stadium

Sources of Funds		
City of Arlington – (1)		\$325,000,000
Tarrant County		\$25,000,000
Dallas Cowboys		\$800,000,000
Complex Admissions and Parking Taxes Revenue Bonds – (2)	\$147,865,000	
G-3 Loan	\$76,500,000	
Other	\$575,635,000	
Total		<u>\$1,150,000,000</u>
Uses of Funds		
Stadium (No Breakout Available)		\$1,025,000,000
Land (Estimated)		\$100,000,000
Infrastructure (Estimated)		<u>\$25,000,000</u>
Total		<u>\$1,150,000,000</u>

(1) – Funds include \$297,990,000 via Dallas Cowboys Complex Special Obligation Bonds and other sources.

(2) – City of Arlington served as a conduit issuer.

II. NFL STADIUM DEVELOPMENT CASE STUDIES

Dallas Cowboys – New Cowboys Stadium

Public Funding Sources

- Stadium Complex Special Obligations – \$297,990,000
 - ✓ The debt incurred by the City of Arlington shall be repaid from the following sources:
 - 0.5% Sales Tax Increase
 - 5.0% Rental Car Tax Increase
 - 2.0% Hotel Tax Increase
 - Cowboys Rent Payments

- Stadium Complex Admissions and Parking Taxes Revenue Bonds – \$147,865,000
 - ✓ City of Arlington served as a Conduit Issuer
 - ✓ The debt incurred shall be repaid from the following sources:
 - 10.0% Ticket Tax
 - \$3.00 per Vehicle Stadium Parking Tax

- Tarrant County's portion was primarily made in cash contributions, with a small portion by in-kind contributions (i.e., employees provided for demolition/site-clearance/etc.).

II. NFL STADIUM DEVELOPMENT CASE STUDIES

Dallas Cowboys – New Cowboys Stadium

Summary Timeline

- Prior to 2000, the Cowboys Considered a Major Renovation to Texas Stadium in Irving, TX, and Also Looked at Several Alternative Sites to Locate a New Stadium
 - ✓ Reports Indicate the Existing Site was Not Sufficient to Meet the Cowboys' Goals

- In April 2004, the Cowboys Announced the Club's Intent to Construct a New Domed Stadium in Fair Park (City/County of Dallas), the Cowboys Home Prior to Moving to Texas Stadium in 1971
 - ✓ Proposed Project Cost was Initially Estimated at \$650 Million and Included \$425 Million in Public Funds
 - Cowboys Asked the County to Commit to the Plan by June 30, 2004 to Enable a Public Vote in November 2004
 - Negotiations Failed Reportedly Due to the Proposed Public Funding Requirements and Political Issues (Impact on Voter Turnout) Surrounding the November 2004 Election

II. NFL STADIUM DEVELOPMENT CASE STUDIES

Dallas Cowboys – New Cowboys Stadium

Summary Timeline

- In July 2004, Arlington Mayor Authorized City Leaders to Begin Negotiations with the Cowboys to Locate the New Stadium in the City of Arlington
 - ✓ Proposed Cost of the Project was Initially Estimated at \$650 Million
 - ✓ Arlington Agreed to Contribute \$325 Million – City Wanted Fixed Contribution
- In August 2004, the Arlington City Council Agreed to Put the Proposed Tax Increase Before Voters – Approved November 2004
- In May 2005, the Cowboys and the Arlington City Council Selected the Randol Mill Road Site for Stadium Development
- City of Arlington Announced its Intent to Utilize Eminent Domain to Clear the Land of Residential and Commercial Property
 - ✓ In June 2005, the U.S. Supreme Court Released a Decision (Kelo vs. City of New London) Giving Cities Significant Latitude to Condemn Property for Economic Development
 - ✓ While Texas Passed a Fairly Restrictive Eminent Domain Law Later in 2005, the Legislation Carved Out an Exception for the New Cowboys Stadium

II. NFL STADIUM DEVELOPMENT CASE STUDIES

Dallas Cowboys – New Cowboys Stadium

Outcome

- In April 2006, the Cowboys Broke Ground on New Cowboys Stadium in Arlington
- In May 2009, Cowboys Stadium Opened – Stadium was Recognized as Sports Business Journal's 2010 "Sport Facility of the Year"
- On April 11, 2010, Texas Stadium was Demolished
 - ✓ Future Development Plans for the 80 Acre Site Remain Unclear
- In July 2010, Arlington Announced that Tax Revenues from Cowboys Stadium's First Year in Operation Significantly Exceeded Estimates – Approximately 32% above Debt Service Payments

II. NFL STADIUM DEVELOPMENT CASE STUDIES

Dallas Cowboys – New Cowboys Stadium

Lessons Learned

- Smaller Community was Able to Attract NFL Team Against a Significantly Larger Community
- City of Irving Did Not Provide the Cowboys a Suitable Site for a New Stadium Development
- City/County of Dallas and Cowboys Could Not Agree on Deal Points Due to Proposed Public Funding and Other Political Issues – Lack of Progress Became a Problem
- City of Arlington Aggressively Began Courting and Negotiating with Cowboys
- City/County of Dallas Officials Did Not Receive Another Opportunity to Attract the Cowboys Long Term
- City of Arlington Recognized the Opportunity to Attract the Cowboys and Acted Aggressively to Secure Commitment

II. NFL STADIUM DEVELOPMENT CASE STUDIES

Indianapolis Colts – Lucas Oil Stadium

The Indianapolis Colts (Colts) began play in their new stadium in 2008. The new stadium has approximately 63,000 seats (with expansion up to 70,000), including 145 luxury suites and 7,100 club seats. The stadium also features a retractable roof. The cost of the stadium was originally estimated at \$675.0 million, but with cost overruns the stadium reportedly cost an estimated \$719.6 million (to be confirmed). The term of the agreement keeps the Colts in the stadium until March 2038. However, if the Colts are not in the top five NFL Teams in gross revenues for the 2030 season, they have the right to terminate the agreement effective after the 2034 season (to be confirmed).

Stadium:	Lucas Oil Stadium
Year Open/Renovated:	2008
Stadium Owner:	Capital Improvements Board
Lease Term:	30 Years
Total Cost:	See Sources/Uses Schedule
Public Investment:	See Sources/Uses Schedule
Private Investment:	See Sources/Uses Schedule
Cost Overrun Responsibility:	To Be Confirmed
New Construction/Renovation:	New

Contractor:	Hunt Construction Group
Architect:	HKS Architecture
Management:	Capital Improvements Board
Concessionaire:	Centerplate
Total Seating Capacity:	63,000
Luxury Suites:	140 – 150
Club Seats:	7,100
Controlled Parking:	3,000
Personal Seat Licenses:	No



II. NFL STADIUM DEVELOPMENT CASE STUDIES

Indianapolis Colts – Lucas Oil Stadium

Sources of Funds

State of Indiana/City of Indianapolis		\$575,000,000
Indianapolis Colts – (1)		\$100,000,000
G-3 Loan	\$34,000,000	
Other	\$66,000,000	
Total – Original		<u>\$675,000,000</u>
Add: State of Indiana/City of Indianapolis (Estimated)		<u>\$44,600,000</u>
Total – Adjusted		<u>\$719,600,000</u>

Uses of Funds

Stadium Construction		\$500,000,000
Soft Costs		\$125,000,000
Contingencies		<u>\$50,000,000</u>
Total – Original		<u>\$675,000,000</u>
Add: Additional Costs (Estimated)		<u>\$44,600,000</u>
Total – Adjusted		<u>\$719,600,000</u>

(1) – Colts investment offset by lease buyout – \$48.0 million.



II. NFL STADIUM DEVELOPMENT CASE STUDIES

Indianapolis Colts – Lucas Oil Stadium

Public Funding Sources

- The debt incurred shall be repaid from the following sources:
 - ✓ 3.0% Marion County Hotel Tax Increase
 - ✓ 2.0% Marion County Car Rental Tax Increase
 - ✓ 1.0% Marion County Food and Beverage Tax Increase
 - ❖ 0.5% Neighboring Counties Food and Beverage Tax
 - ✓ 1.0% Admissions Tax Increase



II. NFL STADIUM DEVELOPMENT CASE STUDIES

Indianapolis Colts – Lucas Oil Stadium

Summary Timeline

- In December 2004, After Engaging in Three Years of Negotiations, the Colts and City Officials Announced a Deal to Keep the Colts in Indianapolis
 - ✓ Deal Called for the Construction of a New Downtown Stadium (Initial Estimate of \$600 Million)
 - Colts Could Have Left Indianapolis as Early as 2007 (Subject to a Buyout)
 - RCA Dome had the NFL's Lowest Seating Capacity
 - ✓ Deal also Provided for a \$300 Million Expansion of the Indiana Convention Center
- Three Proposed Bills Failed to Gain Legislative Approval Before a Fourth Bill Ultimately Passed
 - ✓ Failed Bills Called for Expansion of Gambling Throughout the State (Slot Machines)
- Approved Bill Featured a New/Incremental Restaurant Tax for the Indianapolis Metropolitan Area
 - ✓ Also Included Tax Increases for Hotels, Rental Cars and Stadium Admissions
 - ✓ Revenue Sources from the Bill were Projected at Nearly \$54 Million, Annually
 - \$3.00 Per Ticket Tax was Authorized but Ultimately Not Implemented
 - Gambling Provisions were Removed

II. NFL STADIUM DEVELOPMENT CASE STUDIES

Indianapolis Colts – Lucas Oil Stadium

Summary Timeline

- Before the Bill (HB1120) was Signed, Indiana Governor Mitch Daniels Insisted that a New State Board be Created to Oversee the Stadium's Construction
 - ✓ Indianapolis Mayor Bart Peterson Resisted but Ultimately Relented
 - ✓ Indiana Stadium & Convention Building Authority (ISCBA) was Subsequently Formed
 - Indianapolis Capital Improvement Board (CIB) Maintained Operational Control of Stadium
 - ✓ Bill HB1120 was Signed on May 11, 2005
- In August 2005, Site Work Began Prior to the Execution of a Lease Between the Colts and the City
 - ✓ Colts Objected to the Ticket Tax, Prolonging Negotiations
 - ✓ CIB Paid \$10 Million for Soft Costs and Preliminary Site Work
 - ISCBA was to Pay for the Project Once the Lease was Executed
- On August 30, 2005, the Colts and City Officials Reached Agreement on a 30 Year Lease
 - ✓ Authorized Ticket Tax Was Not Part of the Agreement
 - ✓ Colts Relinquished Minimum Stadium Revenue Guarantee (Part of RCA Dome Lease)

II. NFL STADIUM DEVELOPMENT CASE STUDIES

Indianapolis Colts – Lucas Oil Stadium

Outcome

- In September 2005, the Indiana Stadium & Convention Building Authority Approved the Stadium Development Agreement (Design and Construction Plans)
 - ✓ Official Groundbreaking Occurred Less than Two Weeks After Approval

- In March 2006, Stadium Naming Rights Awarded to Lucas Oil
 - ✓ \$122 Million / 20 Year Agreement

- In August 2008, Lucas Oil Stadium Opened – Stadium Recognized as the Sports Business Journal's 2009 "Sports Facility of the Year"

- In December 2008, the RCA Dome was Demolished to Facilitate Expansion of the Indiana Convention Center
 - ✓ Project Scheduled for Completion in December 2010

II. NFL STADIUM DEVELOPMENT CASE STUDIES

Indianapolis Colts – Lucas Oil Stadium

Subsequent Indianapolis Capital Improvement Board Issues

- In September 2008, the CIB Announced that Annual Operating Costs at Lucas Oil Stadium were \$10 Million More than Expected
- Subsequently, the CIB Acknowledged that the Operating Deficit at Lucas Oil Stadium was Projected at \$20 Million for 2009
 - ✓ Lucas Oil Stadium Revenue: \$7.7 Million
 - ✓ Lucas Oil Stadium Expense: \$27.2 Million
 - Suggested an Additional \$10 Million Shortfall (Given the Prior Statement on Expenses)
- In January 2009, the CIB Announced Budget Gap Could Expand to \$43 Million
 - ✓ CIB Projected a \$15 Million Expense Increase Related to the Indiana Pacers
 - ✓ Pacers Claimed It Could Not Afford to Make Operating Payments for Conseco Fieldhouse
 - Pacers had Ability to Opt-Out of Lease After Year 10
- Ultimately, CIB's Projected Budget Deficit Reached \$47 Million

II. NFL STADIUM DEVELOPMENT CASE STUDIES

Indianapolis Colts – Lucas Oil Stadium

Subsequent Indianapolis Capital Improvement Board Issues

- **Contributing Factors**
 - ✓ Lower than Anticipated Tax Revenue Sources
 - ✓ Higher than Anticipated Operating Expenses
 - ✓ Authorized Ticket Tax Removed without Replacement
 - ✓ Others (To Be Determined)

- **During 2009, the State of Indiana, the City of Indianapolis and the CIB Took the Following Steps to Improve the CIB's Financial Situation**
 - ✓ In September 2009, the CIB Avoided \$25.4 Million in Debt Service Reserve Payments
 - ✓ CIB Made \$26 Million in Budget Cuts
 - ✓ CIB Given Access to State Loans (\$9 Million per Year in 2009, 2010, and 2011)
 - ✓ Indiana General Assembly Approved a 1% Hotel Tax Increase in Marion County
 - ✓ Professional Sports Development Area Expanded to Increase Related Sales Tax Proceeds

II. NFL STADIUM DEVELOPMENT CASE STUDIES

Indianapolis Colts – Lucas Oil Stadium

Subsequent Indianapolis Capital Improvement Board Remedies

- In October 2009, the City Released an RFP for Management and Operation of the City's Sports and Convention Facilities
 - ✓ Process Put on Hold in June 2010 (12 Firms Responded to the RFP)
- In November 2009, CIB Leadership Overhauled
- In July 2010, CIB Agreed to Assist the Pacers with Conseco Fieldhouse Operating Costs (\$33.5 Million over 3 Years – Pacers to Remain in Indianapolis Through at Least 2012 – 2013)

II. NFL STADIUM DEVELOPMENT CASE STUDIES

Indianapolis Colts – Lucas Oil Stadium

Lessons Learned

- Adoption or Expansion of Gambling to Finance Stadium Projects Could Not Get Approved in Indiana
- Although Teams have Significant Negotiating Leverage, Ultimate Financing Plan Must Make Economic Sense – Lucas Oil Stadium Appeared to Open at a Meaningful Deficit
- Limited Upfront Investment and Lease Payments by the Team Impacts Overall Feasibility of Stadium Financing Plan and Operations
- Final Agreement Should be Formally Approved and Executed Prior to Moving Forward with Project
- Termination Rights Provide Significant Leverage for Franchises

II. NFL STADIUM DEVELOPMENT CASE STUDIES

Detroit Lions – Ford Field

The Detroit Lions (Lions) began playing their home games at Ford Field in 2002. Ford Field replaced the Pontiac Silverdome as the Lions home field. The state-of-the-art stadium is owned by the Detroit/Wayne County Stadium Authority, and features 64,355 permanent seats, 132 luxury suites, and 8,641 club seats. The domed stadium has an artificial turf playing field. The initial term of the lease is 35 years, with six additional ten year extensions at the Lions' option.

Stadium:	Ford Field
Year Open/Renovated:	2002
Stadium Owner:	Detroit/Wayne County Stadium Authority
Lease Term:	35 Years
Total Cost:	See Sources/Uses Schedule
Public Investment:	See Sources/Uses Schedule
Private Investment:	See Sources/Uses Schedule
Cost Overrun Responsibility:	Detroit Lions
New Construction/Renovation:	New

Contractor:	Hunt Construction Group; Jenkins Construction; and White Olsen, LLC
Architect:	Smith Group; Rossetti Associates Architects; Hamilton Anderson Associates, Inc.; Kaplan, McLaughlin, Diaz Architects.
Management:	Detroit Lions
Concessionaire:	Levy Restaurants
Total Seating Capacity:	64,355
Luxury Suites:	132
Club Seats:	8,641
Controlled Parking:	5,500
Personal Seat Licenses:	No



II. NFL STADIUM DEVELOPMENT CASE STUDIES

Detroit Lions – Ford Field

Sources of Funds (Estimated)		
Detroit Lions		\$375,000,000
G-3 Loan	\$102,000,000	
Corporate Partners/Sponsors	\$50,000,000	
Other	\$223,000,000	
City of Detroit Downtown Development Authority		\$70,000,000
City of Detroit		\$15,000,000
Detroit Wayne County Stadium Authority		\$20,000,000
Wayne County		<u>\$20,000,000</u>
Total Sources of Funds		\$500,000,000
Uses of Funds (Estimated)		
Stadium		\$312,000,000
Land Acquisition		\$43,000,000
Parking		\$39,000,000
Other		<u>\$106,000,000</u>
Total Uses of Funds		\$500,000,000

Note: Limited information available. Detroit Lions published reports indicate a total project cost of approximately \$500.0 million. NFL sources indicate a total cost of approximately \$470.0+ million. Project includes the development of the warehouse project – 335,000+ square feet of mixed use retail.



II. NFL STADIUM DEVELOPMENT CASE STUDIES

Detroit Lions – Ford Field

Summary Timeline

- In 1996, the Detroit Lions Announced Intent to Leave the Silverdome, Located in Pontiac, Michigan, for a Planned Domed Stadium in Downtown Detroit
 - ✓ Announcement Followed Three Years of Negotiations to Extend the Lions’ Silverdome Lease
 - Silverdome Was Built in 1975 for \$55 Million to Accommodate an NFL Franchise
- At the Time, According to Lions’ Vice President Bill Keenist, the Lions’ had an Unfavorable Silverdome Lease, “Receive[ing] Zero for Parking, Concession, Signage and Suites”
- Less than 3 Months After the Lions’ Initial Announcement, Wayne County Voters Approved a Referendum to Construct the Lions New Domed Stadium
 - ✓ Lions Capitalized on Favorable Local Conditions Including Support from Mayor Dennis Archer and Momentum Generated from a Planned Stadium Project for the Detroit Tigers (Comerica Park)
 - Comerica Park Groundbreaking Occurred in October 1997
 - Comerica Park Opened in April 2000

II. NFL STADIUM DEVELOPMENT CASE STUDIES

Detroit Lions – Ford Field

Summary Timeline (Continued)

- In December 2000, the City of Pontiac Filed Suit Against the Lions to Prevent the Franchise from Breaking its Silverdome Lease
 - ✓ City Claimed that the Lease Term Ended in January 2006/Lions Claimed that the Lease Ended One Year Earlier

- In November 2001, the City of Pontiac and Lions Reached a Settlement Agreement Allowing the Lions to Vacate the Silverdome in March 2002
 - ✓ Lions Agreed to Pay \$26 Million Plus an Additional \$1 Million in Ticket Servicing Fees
 - ✓ City was Required to Make the Silverdome's Remaining Debt Service Payments (Approximately \$14 Million)
 - ✓ Lions Insisted on a Release for the NFL which had Awarded the 2006 Super Bowl to Ford Field

II. NFL STADIUM DEVELOPMENT CASE STUDIES

Detroit Lions – Ford Field

Outcome

- Ford Field Opened in Downtown Detroit in 2002
- One Year After the Lions Left, there were at Least Three Silverdome Redevelopment Proposals
 - ✓ Danou Enterprises – Reported \$15 Million Offer to Construct “Silverdome World”
 - ✓ Etkin Equities – Reported \$11 Million Offer to Construct a Silverdome Business Campus
 - ✓ Schostak Brothers – Reported \$19 Million Offer to Build “International Automation Center”
- Etkin and Schostak Bids Withdrawn in 2005
 - ✓ City Failed to Make a Decision and Developers Moved on to Other Projects
 - ✓ Buyers Wanted Redevelopment Tax Incentives but City Would Not Agree
- In 2008, Silver Stallion Development Corp. Made Two Bids of Over \$17 Million to Construct a Horse Racing Venue – Deal Fell Through in a Dispute Over Environmental Cleanup Costs

II. NFL STADIUM DEVELOPMENT CASE STUDIES

Detroit Lions – Ford Field

Outcome (Continued)

- In October 2009, the City Held an Auction for the Silverdome
 - ✓ City Faced a Large Budget Deficit and was Operating the Venue at an Annual Cost of \$1.5 to \$2.0 Million
 - Auction Conducted by Williams & Williams Marketing Services
 - \$250,000 Deposit Required (to be Reimbursed Once the Process Completed)
 - Bidding Closed on November 12, 2009
- On November 16, 2009, the Silverdome Sold at Auction for \$583,000 to Real Estate Developer Andreas Apostolopoulos / Triple Properties Inc.
 - ✓ Represented Approximately 1% of Original Construction Cost
 - ✓ Bids of Greater Value Rejected for Failing to Make the Required Deposit
 - ✓ Silver Stallion Filed an Injunction to Prevent the Sale (Citing an Existing Purchase Agreement) but a Judge Allowed the Transaction to Close

II. NFL STADIUM DEVELOPMENT CASE STUDIES

Detroit Lions – Ford Field

Outcome (Continued)

- Facility Presently Hosting Monster Truck Rallies and International Soccer Matches
 - ✓ Considering a Major Renovation to Attract a MLS Franchise (Conversion of Portion of Facility to Potential Outdoor Facility)

II. NFL STADIUM DEVELOPMENT CASE STUDIES

Detroit Lions – Ford Field

Lessons Learned

- Stadium Condition and Unfavorable Lease Terms Cause Teams to Pursue New Stadium Development Options
- Maintaining an Outdated Facility that Generates Minimal Revenues Can Become a Financial Burden on a Municipality
- Second Dome Facility in Market Area May Continue to Operate – Significantly Reduced Event Schedule (Silverdome Outdated Venue – Lack of Modern Amenities) – Location Key Issue
- Team Can Attempt to Terminate Lease Early – Political Pressure Must be Considered

II. NFL STADIUM DEVELOPMENT CASE STUDIES

Washington Redskins – FedEx Field

The Washington Redskins (Redskins) play their home games at FedEx Field, which opened in 1997. Development costs of FedEx Field reached approximately \$282.5 million, with the Redskins investing approximately \$212.0 million and the State of Maryland (in cooperation with Prince George’s County) paying for infrastructure improvements. The stadium is owned by the Washington Redskins (Daniel Snyder), and features approximately 85,407 permanent seats, 280 luxury suites, and 15,735 club seats. FedEx Field is an open air facility and has a natural grass playing field.

Stadium:	FedEx Field
Year Open/Renovated:	1997
Stadium Owner:	Washington Redskins
Lease Term:	NA
Total Cost – (1):	See Sources/Uses Schedule
Public Investment:	See Sources/Uses Schedule
Private Investment:	See Sources/Uses Schedule
Cost Overrun Responsibility:	Team
New Construction/Renovation:	New

Contractor:	The Clark Construction Group
Architect:	HOK Sport, Venue, and Event Architecture
Management:	Washington Redskins
Concessionaire:	Volume Services America
Total Seating Capacity:	85,407
Luxury Suites:	280
Club Seats – (2):	15,735
Controlled Parking:	22,000
Personal Seat Licenses:	No

- (1) Initial cost of approximately \$250.5 million. Franchise subsequently made additional improvements totaling approximately \$32.0 million.
- (2) Club seat inventory does not include 1,100 “dream” seats.



II. NFL STADIUM DEVELOPMENT CASE STUDIES

Washington Redskins – FedEx Field

Sources of Funds	
Washington Redskins	\$212,000,000
State of Maryland – (1)	<u>\$70,500,000</u>
Total Sources of Funds	\$282,500,000
 Uses of Funds	
Stadium	\$212,000,000
Infrastructure	<u>\$70,500,000</u>
Total Uses of Funds	\$282,500,000

(1) In cooperation with Prince George's County.

Public Funding Sources

- The State of Maryland's investment was reportedly made in the form of a grant.



II. NFL STADIUM DEVELOPMENT CASE STUDIES

Washington Redskins – FedEx Field

Summary Timeline

- In August 1987, Redskins Owner Jack Kent Cooke Expressed Dissatisfaction with RFK Stadium and Desire for the Redskins to Play in a Larger, Domed Facility in the DC Metropolitan Area
 - ✓ Initial Negotiations with Fairfax County, Loudon County and Washington DC Officials
- From 1988 to Early 1992, Jack Kent Cooke Negotiated with DC Officials for a New Stadium
 - ✓ DC Mayor Marion Berry, his Successor, Mayor Sharon Pratt Kelly and Jack Kent Cooke Claimed to be “Near Agreement” or to have “Reached Agreement” on a New DC Stadium on Several Occasions
 - ✓ In April 1992, Jack Kent Cooke Stated the Redskins Could Not Meet an Imposed Deadline to Conclude Negotiations –Virginia Officials Immediately Began Negotiations with Redskins
- In July 1992, Virginia Governor Douglas Wilder and Jack Kent Cooke Signed an Agreement to Negotiate the Construction of a New Stadium in Alexandria, Virginia – Negotiations Fail and Redskins Began Another Round of Negotiations with DC Officials

II. NFL STADIUM DEVELOPMENT CASE STUDIES

Washington Redskins – FedEx Field

Summary Timeline (Continued)

- In October 1993, an EIR Revealed the Presence of Lead in the Soil Surrounding the RFK Site
- In December 1993, Jack Kent Cooke Purchased Land Near Laurel Race Course in Maryland
- In April 1994, the Redskins Began the Zoning Process for a \$160 Million, 78,600 Seat Stadium
 - ✓ In October 1994, a Laurel Zoning Exemption was Denied, Blocking the Redskins Pursuit of a Laurel Stadium
- In April 1995, Jack Kent Cooke Announced Interest in Building a New Stadium in Prince George's County, Maryland on a Tract of Land Known as Wilson Farm, Located Inside the Capital Beltway
 - ✓ County Purchased Land with Intent to Sell to the Redskins (Later Sold to the Redskins)
- In December 1995, the Redskins, Prince George's County and Maryland Governor Parris N. Glendening Reached Agreement on the Amount of Public Financing for the Project
 - ✓ County Fast Tracked Zoning and Environmental Procedures

II. NFL STADIUM DEVELOPMENT CASE STUDIES

Washington Redskins – FedEx Field

Outcome

- Redskins Began Play at FedEx Field in 1997
- RFK Stadium Remains in Use
 - ✓ MLS DC United Continues to Use the Facility but the Team is Looking to Construct a New, Soccer-Specific Venue
 - ✓ Washington Nationals (Formerly the Montreal Expos) Played Home Games at the Facility from 2005 – 2007 before Moving to Newly Constructed Nationals Park (Located in Southeast Washington, DC) in 2008
- Reports Over the Years have Indicated that Redskins Owner Daniel Snyder was Being Courted by DC Officials to Relocate the Team Back to a New Domed Stadium at the RFK Stadium Site

II. NFL STADIUM DEVELOPMENT CASE STUDIES

Washington Redskins – FedEx Field

Lessons Learned

- Smaller Community was Able to Attract NFL Team Against a Significantly Larger Community
- Stadium Development Projects May Take Different Iterations/Forms and Years Before a Successful Project Begins
- Owners' Persistency to Construct a New Stadium Should Not be Underestimated
 - ✓ While Owners Do Not Always Get First Site Preference, Over Time, They Are Typically Able to Find a Willing Partner
- NFL Owners May Attempt to Generate a Bidding War Among Local Communities

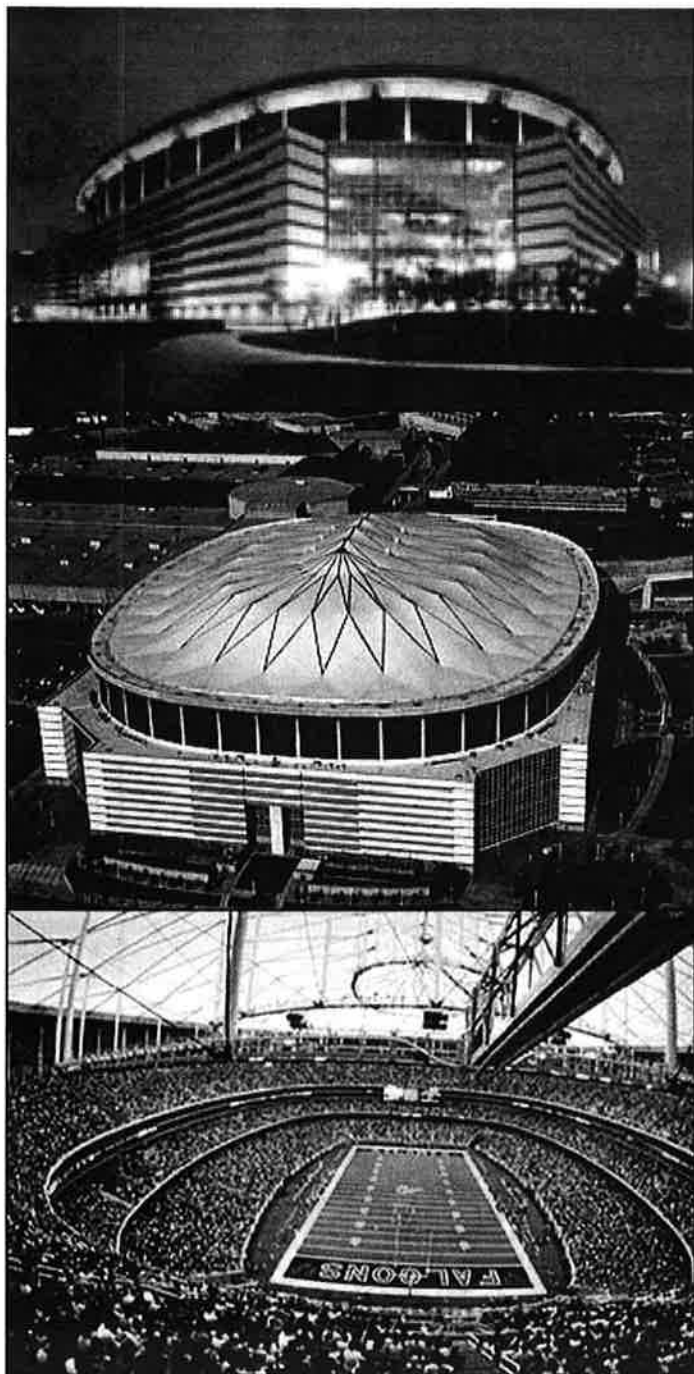


Limiting Conditions and Assumptions

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GEORGIA WORLD CONGRESS CENTER AUTHORITY

SELECTED CASE STUDIES

PRELIMINARY DRAFT – SUBJECT TO REVISION

PRESENTED BY:



BARRETT SPORTS CONSULTING

September 23, 2010

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