

# GEORGIA WORLD CONGRESS CENTER AUTHORITY

## POTENTIAL STADIUM FUNDING SOURCES

*PRELIMINARY DRAFT – SUBJECT TO REVISION*

PRESENTED BY:



September 23, 2010

CONFIDENTIAL





# **I. EXECUTIVE SUMMARY**

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## **Introduction**

- Barrett Sports Group, LLC (BSG) is Pleased to Present our Preliminary Findings to the Georgia World Congress Center Authority (Authority)
- Atlanta Falcons (Falcons) have Expressed an Interest in Renovating or Replacing the Georgia Dome
- The Authority is Interested in Better Understanding the Bonding Capacity for Selected Funding Sources as Part of its Due Diligence Process
- Information Contained Herein has been Obtained from Sources Believed to be Reliable. Figures have not been Audited or Further Verified. Figures Provided are Subject to Accounting/Reporting Policies and Interpretation.
- Due to Confidentiality Concerns/Restrictions, Interviews Have Not Been Completed with Finance Directors or Other Senior Finance Officials – Additional Verification Required
- Due to Confidentiality Concerns/Restrictions, Analysis Does Not Address Legislative or Other Requirements Associated with Increasing or Introducing Potential Taxes Described Herein

# **I. EXECUTIVE SUMMARY**

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## **Introduction**

- It is Important to Note that Sales Tax Increases are Levied in 1.00% Increments and are Subject to State Law Limits
  - ✓ 4.00% Maximum State Tax
  - ✓ 2.00% Maximum Local Tax
  - ✓ Other Exemptions (e.g. Education, Public Transportation, etc.)



# **I. EXECUTIVE SUMMARY**

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## **Financing Alternatives – Overview**

- Market Conditions and Political Environment Play Critical Role in Developing Financing Structure
- Increasingly Difficult to Fund Construction of Sports Facilities – Public Resistance/High Costs
- Combination of Both Public and Private Participation is Cornerstone of Current Financing Structures
- Planning and Construction of Public Facilities Can Take Many Years Due to Typical Construction Risks, Voter Approval, Political Debate, etc.
- Private Sector Participation Typically Comes in the Form of Equity and Debt Secured by Facility Operations and/or Corporate Guarantees
- Private Sector Participation through Non-Traditional Sources (e.g. PSLs, Premium Seating, Naming Rights, Vendor Rights) is a Critical Component of Financing Plans

# **I. EXECUTIVE SUMMARY**

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## **Financing Alternatives – Overview**

- Municipalities may Generate Wide Assortment of Revenues that Could Potentially be Used to Fund Development of Sports Facilities
- Feasibility of Introducing, Increasing, or Redirecting Revenue from Taxes and Fees Depends on Unique Political/Tax Environment
- Typically, Revenue Streams Shown to Benefit from Facility's Development and Operation will be More Successful in Gaining Public Support
- Taxes and Fees Levied on Selected Group May Receive Less Resistance (e.g. Hotel Tax, Car Rental Tax)



# **I. EXECUTIVE SUMMARY**

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## **Financing Alternatives – Overview**

- State and Local Governments may Generate a Wide Assortment of Revenue that can Potentially be Used to Fund the Development of Stadiums/Arenas
  - ✓ General Sales and Use Taxes
  - ✓ Hotel/Motel Taxes
  - ✓ Car Rental Taxes
  - ✓ Restaurant Sales Taxes
  - ✓ Excise/Sin Taxes (Liquor, Tobacco)
  - ✓ Utility Taxes
  - ✓ Tourist Development Taxes
  - ✓ Real Estate/Possessory Interest Taxes
  - ✓ Admission Taxes
  - ✓ Ticket Surcharges
  - ✓ Parking Taxes
  - ✓ Parking Surcharges
  - ✓ Lottery and Gaming Revenues
  - ✓ Player Income Taxes
  - ✓ Non-Tax Fees (Liquor Sale Permits, etc.)
  - ✓ General Appropriations
  - ✓ Land Leases
  - ✓ Other Public Funds

# I. EXECUTIVE SUMMARY

## Potential Funding Sources – Key Assumptions

### ➤ Bond Financing

- ✓ Tax-Exempt/Taxable Status (Tax-Exempt Rates Utilized for Public Funding Sources/Taxable Rates Utilized for Private Funding Sources – Potential to Increase Tax-Exempt Financing)

- ✓ Must Consider Credit Enhancement and Impact on Bonding Capacity and Rating

	SCENARIO A	SCENARIO B	SCENARIO C
Tax Revenue Growth Rate	2.00%	2.00%	2.00%
Debt Service Coverage			
Public Funding Sources	1.25	1.25	1.25
Stadium Funding Sources	1.50	1.50	1.50
Tax Exempt Interest Rate			
Public Funding Sources	6.00%	5.50%	5.00%
Taxable Interest Rate			
Stadium Funding Sources	7.50%	7.00%	6.50%
Costs of Issuance	1.50%	1.50%	1.50%
Bond Insurance	0.00%	0.00%	0.00%
Debt Service Reserve Fund	Yes	Yes	Yes
Debt Service Reserve Fund Interest Earnings	3.00%	3.00%	3.00%
Surety	NA	NA	NA
Construction Period Interest Earnings	NA	NA	NA
Capitalized Interest (Years)	0	0	0
Final Maturity (Years)	30	30	30

# I. EXECUTIVE SUMMARY

## Potential Funding Sources – Summary

- Included Herein is a Summary of Potential Public Funding Sources
- Information Contained Herein has been Obtained from Sources Believed to be Reliable. Figures have not been Audited or Further Verified. Figures Provided are Subject to Accounting/Reporting Policies and Interpretation.
- Due to Confidentiality Concerns / Restrictions, Interviews have Not been Completed with Finance Directors or Other Senior Finance Officials for Individual Communities – Additional Verification Required
- Credit Markets Uncertain at this Time – Growth Assumptions

	Funding Source/ Bonding Capacity - (1)
Hotel/Motel Tax - (2)	
Rate Increase	Existing
Net Bond Proceeds	\$225,200,000
Hotel/Motel Tax	
Rate Increase	1.00%
Net Bond Proceeds	\$81,800,000
Car Rental Tax - (3)	
Rate Increase	\$2.00
Net Bond Proceeds	\$145,600,000
Restaurant Tax (City of Atlanta)	
Rate Increase	0.50%
Net Bond Proceeds	\$75,500,000
Restaurant Tax (Fulton County)	
Rate Increase	0.50%
Net Bond Proceeds	\$133,300,000
Sales Tax (City of Atlanta) - (4)	
Rate Increase	0.10%
Net Bond Proceeds	\$157,800,000
Admissions Tax (All Events)	
Rate Increase	10.00%
Net Bond Proceeds	\$71,500,000

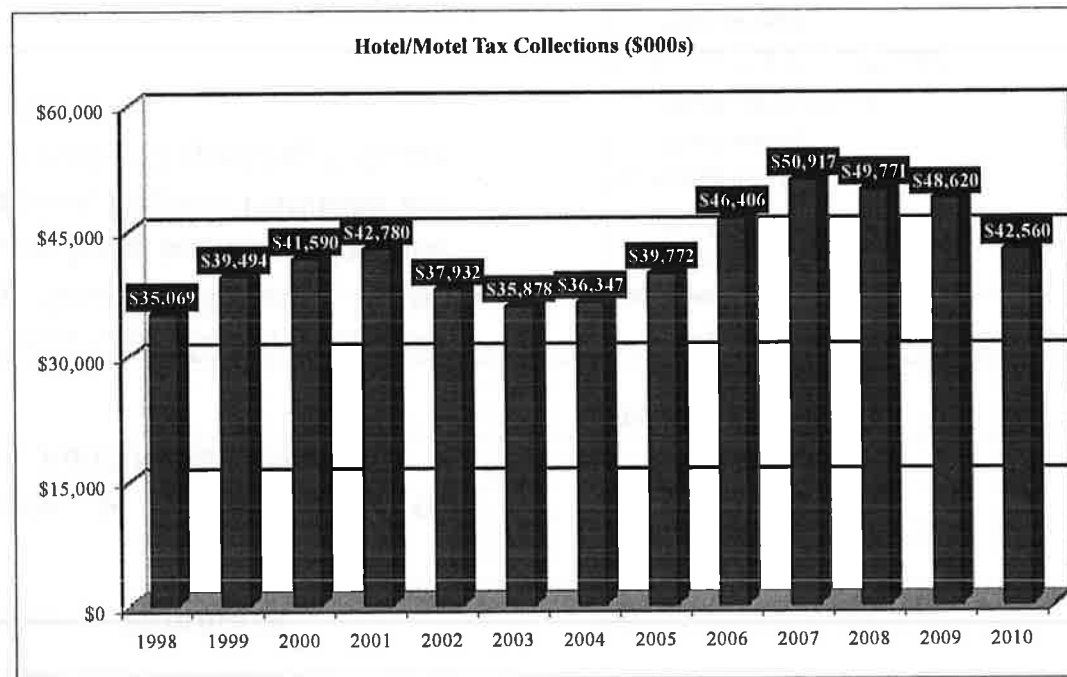
- (1) Bond proceeds reflect mid-case (Scenario B) for each tax source.  
 (2) Reflects 2.75% currently received by GWCC.  
 (3) Reflects sales at Hartsfield-Jackson Atlanta International Airport.  
 (4) Sales tax increases must be levied in 1.00% increments - subject to State law limits.

# I. EXECUTIVE SUMMARY

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## Potential Funding Sources – Existing Hotel/Motel Tax

- Net Bond Proceeds Generated by the Existing Hotel/Motel Tax Revenue in Atlanta/Fulton County
- It is Important to Note that Hotel/Motel Tax Revenue has Decreased Significantly Since 2007 – Approximately 16%



# **I. EXECUTIVE SUMMARY**

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## **Potential Funding Sources – Existing Hotel/Motel Tax**

### **Hotel/Motel Tax – City of Atlanta/Fulton County**

<b>City of Atlanta/Fulton County Hotel Tax</b>		
<b>Current Rate</b>		<b>15.00%</b>
Sales Tax	8.00%	
Hotel/Motel Tax	7.00%	
Georgia Dome Allocation (Approx. 39.3% of 7.0%)	2.75%	
<b>City of Atlanta/Fulton County (FY 2010)</b>		
Sales Subject to Hotel/Motel Tax	\$607,100,000	
Hotel/Motel Tax Collections (Georgia Dome)	\$16,700,000	
<b>Potential Tax Revenue Per Increase</b>		
Increase @: 0.50%	\$3,040,000	
Increase @: 1.00%	\$6,070,000	
<b>Potential Bond Proceeds Per Increase - (1)</b>		
Existing Collections (Georgia Dome)	\$225,200,000	
Increase @: 0.50%	\$41,000,000	
Increase @: 1.00%	\$81,800,000	

(1) Assumes 2.0% escalation in tax revenue.

# I. EXECUTIVE SUMMARY

## Potential Funding Sources – Existing Hotel/Motel Tax

➤ BSG Evaluated Hotel/Motel Tax Scenarios – 1.25x Coverage (See Appendix A for 2019 Scenarios)

	Interest Rate at 6.0%			Interest Rate at 5.5%			Interest Rate at 5.0%		
	Scenario 1A	Scenario 1B	Scenario 1C	Scenario 1A	Scenario 1B	Scenario 1C	Scenario 1A	Scenario 1B	Scenario 1C
Tax Revenue 2010	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000
Growth To 2020	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tax Revenue 2020	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000
Growth After 2020	0.00%	2.00%	4.00%	0.00%	2.00%	4.00%	0.00%	2.00%	4.00%
Debt Service Coverage	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Interest Rate	6.00%	6.00%	6.00%	5.50%	5.50%	5.50%	5.00%	5.00%	5.00%
Gross Bond Proceeds	\$188,400,000	\$238,500,000	\$306,800,000	\$198,900,000	\$253,800,000	\$329,400,000	\$210,400,000	\$270,200,000	\$354,600,000
Net Bond Proceeds	\$171,900,000	\$211,100,000	\$271,500,000	\$182,200,000	\$225,200,000	\$291,600,000	\$193,500,000	\$241,300,000	\$313,800,000
	Scenario 2A	Scenario 2B	Scenario 2C	Scenario 2A	Scenario 2B	Scenario 2C	Scenario 2A	Scenario 2B	Scenario 2C
Tax Revenue 2010	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000
Growth To 2020	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Tax Revenue 2020	\$20,357,207	\$20,357,207	\$20,357,207	\$20,357,207	\$20,357,207	\$20,357,207	\$20,357,207	\$20,357,207	\$20,357,207
Growth After 2020	0.00%	2.00%	4.00%	0.00%	2.00%	4.00%	0.00%	2.00%	4.00%
Debt Service Coverage	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Interest Rate	6.00%	6.00%	6.00%	5.50%	5.50%	5.50%	5.00%	5.00%	5.00%
Gross Bond Proceeds	\$230,100,000	\$291,300,000	\$374,800,000	\$243,000,000	\$310,100,000	\$402,400,000	\$257,000,000	\$330,100,000	\$433,200,000
Net Bond Proceeds	\$209,900,000	\$257,800,000	\$331,700,000	\$222,700,000	\$275,100,000	\$356,200,000	\$236,400,000	\$294,800,000	\$383,400,000
	Scenario 3A	Scenario 3B	Scenario 3C	Scenario 3A	Scenario 3B	Scenario 3C	Scenario 3A	Scenario 3B	Scenario 3C
Tax Revenue 2010	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000
Growth To 2020	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Tax Revenue 2020	\$24,720,080	\$24,720,080	\$24,720,080	\$24,720,080	\$24,720,080	\$24,720,080	\$24,720,080	\$24,720,080	\$24,720,080
Growth After 2020	0.00%	2.00%	4.00%	0.00%	2.00%	4.00%	0.00%	2.00%	4.00%
Debt Service Coverage	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Interest Rate	6.00%	6.00%	6.00%	5.50%	5.50%	5.50%	5.00%	5.00%	5.00%
Gross Bond Proceeds	\$278,700,000	\$352,700,000	\$453,700,000	\$294,200,000	\$375,400,000	\$487,200,000	\$311,200,000	\$399,700,000	\$524,600,000
Net Bond Proceeds	\$254,300,000	\$312,100,000	\$401,500,000	\$269,600,000	\$333,100,000	\$431,200,000	\$286,300,000	\$357,000,000	\$464,200,000

# I. EXECUTIVE SUMMARY

## Potential Funding Sources – Existing Hotel/Motel Tax

➤ BSG Evaluated Hotel/Motel Tax Scenarios – 1.50x Coverage (See Appendix A for 2019 Scenarios)

	Interest Rate at 6.0%			Interest Rate at 5.5%			Interest Rate at 5.0%		
	Scenario 1A	Scenario 1B	Scenario 1C	Scenario 1A	Scenario 1B	Scenario 1C	Scenario 1A	Scenario 1B	Scenario 1C
Tax Revenue 2010	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000
Growth To 2020	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tax Revenue 2020	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000
Growth After 2020	0.00%	2.00%	4.00%	0.00%	2.00%	4.00%	0.00%	2.00%	4.00%
Debt Service Coverage	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Interest Rate	6.00%	6.00%	6.00%	5.50%	5.50%	5.50%	5.00%	5.00%	5.00%
Gross Bond Proceeds	\$156,400,000	\$197,300,000	\$253,300,000	\$165,100,000	\$209,900,000	\$271,900,000	\$174,600,000	\$223,500,000	\$292,400,000
Net Bond Proceeds	\$142,700,000	\$174,600,000	\$224,200,000	\$151,200,000	\$186,300,000	\$240,600,000	\$160,600,000	\$199,600,000	\$258,800,000
	Scenario 2A	Scenario 2B	Scenario 2C	Scenario 2A	Scenario 2B	Scenario 2C	Scenario 2A	Scenario 2B	Scenario 2C
	Scenario 2A	Scenario 2B	Scenario 2C	Scenario 2A	Scenario 2B	Scenario 2C	Scenario 2A	Scenario 2B	Scenario 2C
Tax Revenue 2010	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000
Growth To 2020	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Tax Revenue 2020	\$20,357,207	\$20,357,207	\$20,357,207	\$20,357,207	\$20,357,207	\$20,357,207	\$20,357,207	\$20,357,207	\$20,357,207
Growth After 2020	0.00%	2.00%	4.00%	0.00%	2.00%	4.00%	0.00%	2.00%	4.00%
Debt Service Coverage	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Interest Rate	6.00%	6.00%	6.00%	5.50%	5.50%	5.50%	5.00%	5.00%	5.00%
Gross Bond Proceeds	\$191,000,000	\$241,000,000	\$309,500,000	\$201,700,000	\$256,400,000	\$332,100,000	\$213,300,000	\$273,000,000	\$357,200,000
Net Bond Proceeds	\$174,200,000	\$213,300,000	\$274,000,000	\$184,800,000	\$227,600,000	\$293,900,000	\$196,200,000	\$243,900,000	\$316,100,000
	Scenario 3A	Scenario 3B	Scenario 3C	Scenario 3A	Scenario 3B	Scenario 3C	Scenario 3A	Scenario 3B	Scenario 3C
	Scenario 3A	Scenario 3B	Scenario 3C	Scenario 3A	Scenario 3B	Scenario 3C	Scenario 3A	Scenario 3B	Scenario 3C
Tax Revenue 2010	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000
Growth To 2020	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Tax Revenue 2020	\$24,720,080	\$24,720,080	\$24,720,080	\$24,720,080	\$24,720,080	\$24,720,080	\$24,720,080	\$24,720,080	\$24,720,080
Growth After 2020	0.00%	2.00%	4.00%	0.00%	2.00%	4.00%	0.00%	2.00%	4.00%
Debt Service Coverage	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Interest Rate	6.00%	6.00%	6.00%	5.50%	5.50%	5.50%	5.00%	5.00%	5.00%
Gross Bond Proceeds	\$231,300,000	\$291,800,000	\$374,700,000	\$244,200,000	\$310,500,000	\$402,100,000	\$258,300,000	\$330,600,000	\$432,600,000
Net Bond Proceeds	\$211,000,000	\$258,200,000	\$331,600,000	\$223,700,000	\$275,500,000	\$355,900,000	\$237,600,000	\$295,300,000	\$382,800,000



## **II. POTENTIAL FUNDING SOURCES**



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### **General Trends in Stadium/Arena Facility Finance and Construction**

- Market Conditions and Political Environment Play Critical Role in Developing Financing Structure
- Increasingly Difficult to Fund Construction of Sports Facilities – Public Resistance/High Costs
- Combination of Both Public and Private Participation is Cornerstone of Current Financing Structures
- Planning and Construction of Public Facilities can Take Many Years due to Typical Construction Risks, Voter Approval, Political Debate, etc.
- Public Sector Participation can come in Numerous Forms:
  - ✓ Equity Investment
  - ✓ New or Increased Taxes
  - ✓ Tax Rebates (Property, Payroll, Etc.)
  - ✓ Conduit Financing
  - ✓ Credit Enhancement/Guarantees

## **II. POTENTIAL FUNDING SOURCES**

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### **General Trends in Stadium/Arena Facility Finance and Construction**

- Private Sector Participation Typically Comes in the Form of Equity and Debt Secured by Facility Operations and/or Corporate Guarantees
- Private Sector Participation through Non-Traditional Sources (e.g. PSLs, Premium Seating, Naming Rights, Vendor Rights) is a Critical Component of Financing Plans
- In Some Instances, Private Sector Grants and Donations have been Utilized to Fund Facilities
- Franchises and Private Management Firms have Increasingly Taken Over Management and Operations of Sports Facilities

## **II. POTENTIAL FUNDING SOURCES**

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### **Public Sector Participation**

- Municipalities may Generate Wide Assortment of Revenues that could Potentially be Used to Fund Development of Sports Facilities
- Feasibility of Introducing, Increasing, or Redirecting Revenue from Taxes and Fees Depends on Unique Political/Tax Environment
- Typically, Revenue Streams Shown to Benefit from Facility's Development and Operation will be More Successful in Gaining Public Support
- Taxes and Fees Levied on Selected Group may Receive Less Resistance (e.g. Hotel Tax, Car Rental Tax)

## **II. POTENTIAL FUNDING SOURCES**

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### **Public Sector Funding Sources**

- State and Local Governments may Generate a Wide Assortment of Revenue that can Potentially be Used to Fund the Development of Stadiums/Arenas
  - ✓ General Sales and Use Taxes
  - ✓ Hotel/Motel Taxes
  - ✓ Car Rental Taxes
  - ✓ Restaurant Sales Taxes
  - ✓ Excise/Sin Taxes (Liquor, Tobacco)
  - ✓ Utility Taxes
  - ✓ Tourist Development Taxes
  - ✓ Real Estate/Possessory Interest Taxes
  - ✓ Admission Taxes
  - ✓ Ticket Surcharges
  - ✓ Parking Taxes
  - ✓ Parking Surcharges
  - ✓ Lottery and Gaming Revenues
  - ✓ Player Income Taxes
  - ✓ Non-Tax Fees (Liquor Sale Permits, etc.)
  - ✓ General Appropriations
  - ✓ Land Leases
  - ✓ Other Public Funds

## **II. POTENTIAL FUNDING SOURCES**

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### **Public Funding Sources – Examples**

➤ Where Have Sales Tax Revenues Been Used to Fund NFL Stadiums?

- ✓ Arlington, TX
- ✓ Kansas City, MO
- ✓ Glendale, AZ
- ✓ Cincinnati, OH
- ✓ Denver, CO
- ✓ Green Bay, WI
- ✓ Jacksonville, FL
- ✓ Pittsburgh, PA
- ✓ Seattle, WA
- ✓ Tampa Bay, FL
- ✓ Numerous Others – MLB Stadiums/NBA Arenas/NHL Arenas

## **II. POTENTIAL FUNDING SOURCES**

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### **Public Funding Sources – Examples**

➤ Where Have **Hotel Tax** Revenues Been Used to Fund NFL Stadiums?

- ✓ Arlington, TX
- ✓ Indianapolis, IN
- ✓ Glendale, AZ
- ✓ Atlanta, GA
- ✓ Chicago, IL
- ✓ Detroit, MI
- ✓ Houston, TX
- ✓ Jacksonville, FL
- ✓ Pittsburgh, PA
- ✓ Santa Clara, CA
- ✓ Seattle, WA
- ✓ St. Louis, MO
- ✓ Numerous Others – MLB Stadiums/NBA Arenas/NHL Arenas

## **II. POTENTIAL FUNDING SOURCES**

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### **Public Funding Sources – Examples**

- Where Have **Car Rental Tax** Revenues Been Used to Fund NFL Stadiums?
  - ✓ Arlington, TX
  - ✓ Indianapolis, IN
  - ✓ Glendale, AZ
  - ✓ Cleveland, OH
  - ✓ Detroit, MI
  - ✓ Houston, TX
  - ✓ Philadelphia, PA
  - ✓ Seattle, WA
  - ✓ Numerous Others – MLB Stadiums/NBA Arenas/NHL Arenas

## **II. POTENTIAL FUNDING SOURCES**

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### **Public Funding Sources – Examples**

➤ Where Have **Restaurant Tax** Revenues Been Used to Fund NFL Stadiums?

- ✓ Indianapolis, IN
- ✓ Numerous Others – MLB Stadiums/NBA Arenas/NHL Arenas

➤ Where Have **Alcohol Tax** Revenues Been Used to Fund NFL Stadiums?

- ✓ Cleveland, OH

➤ Where Have **Cigarette Tax** Revenues Been Used to Fund NFL Stadiums?

- ✓ Cleveland, OH



## II. POTENTIAL FUNDING SOURCES

### Summary – Public Funding Examples

League	Team	Sales Tax	Hotel Tax	Tourist Development Tax	Rental Car Tax	Food & Beverage Tax	Entertainment Tax	Sin Tax	Parking Tax	Property Tax	Admission Tax	Lottery Revenues	Sewer & Water Revenues	Gas Tax	Tax Credit/Rebate	General Fund/Equity	Other
NFL	Arizona Cardinals	X	X		X						X				X		
NFL	Atlanta Falcons		X														
NFL	Baltimore Ravens											X					
NFL	Buffalo Bills															X	
NFL	Carolina Panthers															X	
NFL	Chicago Bears		X												X	X	
NFL	Cincinnati Bengals	X														X	
NFL	Cleveland Browns				X			X	X		X						
NFL	Dallas Cowboys	X	X		X						X						
NFL	Denver Broncos	X															
NFL	Detroit Lions		X		X											X	
NFL	Green Bay Packers	X														X	
NFL	Houston Texans		X		X				X								
NFL	Indianapolis Colts		X		X	X					X						
NFL	Jacksonville Jaguars	X	X												X		
NFL	Kansas City Chiefs	X													X		
NFL	Miami Dolphins														X		
NFL	New England Patriots															X	
NFL	New Orleans Saints															X	X
NFL	New York Giants/Jets																X
NFL	Oakland Raiders															X	
NFL	Philadelphia Eagles				X											X	
NFL	Pittsburgh Steelers	X	X													X	
NFL	San Diego Chargers								X		X					X	
NFL	San Francisco 49ers		X								X						X
NFL	Seattle Seahawks	X	X		X				X		X	X					
NFL	St. Louis Rams		X													X	
NFL	Tampa Bay Buccaneers	X		X											X		
NFL	Tennessee Titans												X			X	
NFL	Washington Redskins															X	

## II. POTENTIAL FUNDING SOURCES

### Summary – Public Funding Examples

League	Team	Sales Tax	Hotel Tax	Tourist Development Tax	Rental Car Tax	Food & Beverage Tax	Entertainment Tax	Sin Tax	Parking Tax	Property Tax	Admission Tax	Lottery Revenues	Sewer & Water Revenues	Gas Tax	Tax Credit/Rebate	General Fund/Equity	Other
MLB	Anaheim Angels		X													X	
MLB	Arizona Diamondbacks	X															
MLB	Atlanta Braves																X
MLB	Baltimore Orioles											X				X	
MLB	Chicago White Sox		X												X	X	X
MLB	Cincinnati Reds	X														X	
MLB	Cleveland Indians							X									
MLB	Colorado Rockies	X															
MLB	Detroit Tigers		X		X											X	
MLB	Florida Marlins		X														
MLB	Houston Astros		X		X												
MLB	Kansas City Royals	X													X		
MLB	Milwaukee Brewers	X														X	
MLB	Minnesota Twins	X															
MLB	New York Mets															X	
MLB	New York Yankees															X	
MLB	Philadelphia Phillies				X											X	
MLB	Pittsburgh Pirates	X	X													X	
MLB	San Diego Padres		X														
MLB	San Francisco Giants									X							
MLB	Seattle Mariners	X			X	X					X	X					X
MLB	St. Louis Cardinals		X												X		
MLB	Tampa Bay Devil Rays			X											X		
MLB	Texas Rangers	X									X						
MLB	Washington Nationals																X

## II. POTENTIAL FUNDING SOURCES

### Summary – Public Funding Examples

League	Team	Sales Tax	Hotel Tax	Tourist Development Tax	Rental Car Tax	Food & Beverage Tax	Entertainment Tax	Sin Tax	Parking Tax	Property Tax	Admission Tax	Lottery Revenues	Sewer & Water Revenues	Gas Tax	Tax Credit/Rebate	General Fund/Equity	Other
NBA	Atlanta Hawks				X												
NBA	Charlotte Bobcats		X		X												
NBA	Cleveland Cavaliers							X									
NBA	Dallas Mavericks		X		X												
NBA	Houston Rockets		X		X												
NBA	Indiana Pacers	X	X		X	X		X			X						
NBA	Memphis Grizzlies		X		X										X	X	
NBA	Miami Heat		X														
NBA	Minnesota Timberwolves						X		X	X							
NBA	Orlando Magic		X		X									X			
NBA	Phoenix Suns	X															
NBA	San Antonio Spurs		X		X												
NHL	Atlanta Thrashers				X												
NHL	Buffalo Sabres															X	
NHL	Carolina Hurricanes		X														
NHL	Dallas Stars		X		X												
NHL	Florida Panthers	X	X														
NHL	Minnesota Wild	X															
NHL	Nashville Predators															X	
NHL	New Jersey Devils																X
NHL	Phoenix Coyotes	X								X						X	
NHL	San Jose Sharks															X	
NHL	Tampa Bay Lightning	X	X		X	X			X		X					X	

## **II. POTENTIAL FUNDING SOURCES**

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### **Private Sector Participation**

- Private Sector Participation is an Essential Component of Sports Facility Financial Structures
- Contractually Obligated Income (COI) is an Important Private Sector Funding Source
- Following Sources Provide a Brief Summary of the More Commonly Used Private Sources of Funds (in Addition to Equity)
  - ✓ Premium Seating (Luxury Suites and Club Seats)
    - Potential Source of Security and Capital
    - Potential Source for Construction and/or Operations
  - ✓ Advertising
    - Reflect Short-Term to Medium-Term Contractual Obligations
    - Potential Source of Revenue for Construction and/or Operations
  - ✓ Naming Rights
    - Convey Rights to Name of Facility and Provide Exposure Opportunity (Local, National, International)
    - Potential Source of Revenue Available for Construction and/or Operations

## **II. POTENTIAL FUNDING SOURCES**

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### **Private Sector Participation**

- ✓ Concessions/Novelties
  - Rights to Concessions/Provided Equipment Potential Source of Up-Front Capital for Development
  - Must Consider Impact on Revenue Sharing Percentages
  - Potential Source of Revenue for Construction and/or Operations
- ✓ Pouring Rights
  - Purchase Rights to be Exclusive Beverage Supplier – Typically Part of Larger Sponsorship Agreement
  - Potential Source of Revenue for Construction and/or Operations
- ✓ Personal Seat Licenses (PSLs) / Seat Option Bonds (SOBs)
  - PSLs Typically are Equity Payments
  - SOBs Typically Interest-Free Loans
  - Give Patrons Right to Purchase Tickets for Selected Seats for Defined Period of Time
  - Potential Source of Revenue Available for Construction
  - Must Consider Tax Implications (Public Sector or Non-Profit Agent)

## **II. POTENTIAL FUNDING SOURCES**

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### **Financing Instruments – General**

- General Obligation Bonds
  - ✓ Backed by Pledge of “Full Faith and Credit” of the Public Agency (City, County, State)
  - ✓ Credit Structure Typically Requires Legislative Action or Voter Approval
  - ✓ Typically Represents Lowest Cost of Capital
  
- Revenue-Backed Obligation
  - ✓ Secured by Defined Revenues Source(s) – e.g. Sales Tax, Hotel Tax, etc.
  - ✓ More Complex and Less Secure Obligation than General Obligation
  
- Lease Revenue Financing Arrangements
  - ✓ Lease-Backed Financing
    - Municipality Leases Facility to an “Authority” and Leases Facility Back from Authority Under Sublease
    - Sublease Typically Requires Annual Rent Payment Sufficient to Cover Debt Service on Authority Bonds
  - ✓ Certificate of Participation (COP)
  
- Tax Allocation/Tax Increment Financing (TIF) and Other Redevelopment Bonds
  - ✓ Bonds Payable from Revenue Sources Available to Agency – e.g. Portion of Incremental Ad Valorem Property Taxes on Property in Redevelopment Area

## **II. POTENTIAL FUNDING SOURCES**

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### **Financing Instruments – General**

- Infrastructure Financing District (IFD)
  - ✓ IFD Utilizes Property Tax as Funding Source based on Variation of TIF
  - ✓ IFD must be for Public Capital Improvements of a Community-Wide Significance
- Community Facilities District (Mello-Roos Bonds)
  - ✓ Provides Mechanism by which Municipalities can Issue Bonds Secured by Levy of Special Taxes
  - ✓ Contingent Upon Voter Approval of District Voters or Landowners
- Conduit Revenue Bonds
  - ✓ Tax-Exempt or Taxable Financing Issued by Governmental Agency
  - ✓ Typically Loan Repayments Assigned Directly to Bond Trustee to be Distributed to Bondholders
  - ✓ Bond Proceeds Typically Loaned to Non-Governmental Borrower – e.g. Individuals, Corporations (Profit/Non-Profit), Partnerships, etc.
- Assessment Bonds
  - ✓ Issued Upon Security of Assessments
  - ✓ Used to Finance Public Improvements Provided Local Agency can Legitimize Findings the Improvements Impart a Special Benefit to Assess Parcels of Land

## **II. POTENTIAL FUNDING SOURCES**

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### **Credit Structure/Debt Security – Major Issues**

- Potential Credit Structures Range from Most Secure (General Obligations) to Least Secure (Project Finance)
- Security of Debt will have Significant Impact on Interest Rates
- General Fund Obligation Indicates a Commitment to Appropriate Funds, as Necessary
- Debt Coverage Requirements for Sports Facilities Financed on a Stand-Alone Basis have Historically Ranged from 1.5X to 2.0X
  - ✓ Debt Coverage Requirements Reduced if Public Sector Provides Credit Enhancement or Specific Tax Revenues are Pledged as Additional Support
  - ✓ Political Environment will Often Impact Coverage Required
  - ✓ Current Economy and Sports Finance Market May Require Higher Coverage Ratios (Stand-Alone Scenario)
- Private Guarantees may be Used to Enhance Credit Rating
  - ✓ Major Tenants, Facility Managers, Other Private Entities
  - ✓ Revenue from Facility Operations or General Revenues



## **II. POTENTIAL FUNDING SOURCES**

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### **Credit Structure/Debt Security – Risk Management**

➤ Limit the Potential Impact and Cost of Issuing Debt

- ✓ Credit Enhancement
- ✓ Interest Rate Swap
- ✓ Debt Service Reserve Fund
- ✓ Operating Reserve Fund
- ✓ Capital Replacement Reserve Fund

## **II. POTENTIAL FUNDING SOURCES**

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### **Taxable Versus Tax-Exempt Debt**

- Critical Factor Driving Financing Sports Facilities is Tax Status of Financing Arrangements
- Difficult to Utilize Tax-Exempt Debt Given Current Tax Regulations
- 1986 Tax Act Restricted General Availability of Tax-Exempt Financing Since Facilities are Viewed as Private Purpose Facilities
- To Issue Tax-Exempt Debt, Facility Must Pass Private Activity Test (PAT) and other Guidelines
  - ✓ In General, PAT States Bond is Not Tax-Exempt if:
    - 1) Over 10% of Facility's Use is Controlled by Private Business; and
    - 2) More than 10% of Revenues Used for Debt Service are Derived from Private Business
- Several Efforts to Prohibit Use of Tax-Exempt Debt
  - ✓ "Stop Tax-Exempt Arena Debt Issuance Act" – Former Senator Daniel Patrick Moynihan

## **II. POTENTIAL FUNDING SOURCES**

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### **Financing Sources**

- Illustrated Herein is a Summary of Potential Public Revenue Streams
  - ✓ Hotel/Motel Tax
  - ✓ Car Rental Tax
  - ✓ Restaurant Tax
  - ✓ Sales Tax
- Additional Sources were Considered But Not Included (e.g. Property Tax)
- It is Important to Note that Selected Revenue Sources Discussed Herein Will Likely Require Legislative Approval and May Require Some Form of Additional Credit Enhancement
- Information Contained Herein has been Obtained from Sources Believed to be Reliable. Figures have not been Audited or Further Verified. Figures Provided are Subject to Accounting/Reporting Policies and Interpretation.
- Due to Confidentiality Concerns/Restrictions, Interviews Have Not Been Completed with Finance Directors or Other Senior Finance Officials for Individual Communities – Additional Verification Required

## II. POTENTIAL FUNDING SOURCES

### Financing Sources

#### ➤ Key Assumptions

	SCENARIO A	SCENARIO B	SCENARIO C
Tax Revenue Growth Rate	2.00%	2.00%	2.00%
Debt Service Coverage			
Public Funding Sources	1.25	1.25	1.25
Stadium Funding Sources	1.50	1.50	1.50
Tax Exempt Interest Rate			
Public Funding Sources	6.00%	5.50%	5.00%
Taxable Interest Rate			
Stadium Funding Sources	7.50%	7.00%	6.50%
Costs of Issuance	1.50%	1.50%	1.50%
Bond Insurance	0.00%	0.00%	0.00%
Debt Service Reserve Fund	Yes	Yes	Yes
Debt Service Reserve Fund Interest Earnings	3.00%	3.00%	3.00%
Surety	NA	NA	NA
Construction Period Interest Earnings	NA	NA	NA
Capitalized Interest (Years)	0	0	0
Final Maturity (Years)	30	30	30

## II. POTENTIAL FUNDING SOURCES

### City of Atlanta (Excludes Overlapping Debt)

### City General Obligation Credit Ratings

S&P Rating: A  
Moody's Rating: A1  
Fitch Rating: Not Available

#### Demographic Overview

June 30, 2009 Population (1)	477.3
2010 Population (000s)	541.7
2015 Population (000s)	602.2
Est. % Growth 2010-2015	11.18%
2010 Households (000s)	217.7
2015 Households (000s)	240.9
Est. % Growth 2010-2015	10.70%
Average Household Income	79,465
Median Household Income	46,961
Per Capita Income	32,441
HHs w/ Income \$100,000+ (000s)	50.6
Average Age	36.3
Median Age	35.9
Unemployment Rate	7.71%
Companies w/ 500+ Employees	146
Companies w/ \$50+ Million Sales	202

(1) - Provided by City

Source: Claritas 2010, Unless Otherwise Noted.

#### Financial Overview

County Financial Information as of June 30, 2009  
(\$000s except Per Capita figures)

June 30, 2009 Population	477.3
Personal Income (1)	\$19,667,609
Personal Income per Capita	\$37,744
Gross General Obligation Debt	\$277,190
Less: Debt Service Fund Balance	NA
Net General Obligation Debt	\$277,190
Other Primary Government Debt	\$6,616,307
Total Primary Government Debt	\$6,893,497
Net General Obligation Debt Per Capita	\$580.75
Total Primary Government Debt Per Capita	\$14,442.69
Total Debt as Percentage of Personal Income	35.05%
Debt Limit	\$2,730,015
Applicable Debt	\$795,340
Legal Debt Margin	\$1,934,675
Applicable Debt to Legal Debt Limit	29.13%

(1) - Implied from Total Debt as Percentage of Personal Income

Source: County Comprehensive Annual Financial Report 2009.

## II. POTENTIAL FUNDING SOURCES

### Fulton County (Excludes Overlapping Debt)

**County General Obligation Credit Ratings**  
 S&P Rating: AA  
 Moody's Rating: Aa3  
 Fitch Rating: AA

### Demographic Overview

Dec. 31, 2008 Population (1)	1,014.9
2010 Population (000s)	1,051.2
2015 Population (000s)	1,162.2
Est. % Growth 2010-2015	10.56%
2010 Households (000s)	402.8
2015 Households (000s)	441.0
Est. % Growth 2010-2015	9.48%
Average Household Income	94,707
Median Household Income	61,746
Per Capita Income	36,625
HHs w/ Income \$100,000+ (000s)	121.9
Average Age	36.0
Median Age	36.4
Unemployment Rate	4.92%
Companies w/ 500+ Employees	145
Companies w/ \$50+ Million Sales	205

(1) - Provided by County

Source: Claritas 2010, Unless Otherwise Noted.

### Financial Overview

County Financial Information as of Dec. 31, 2008  
 (\$000s except Per Capita figures)

Dec. 31, 2008 Population	1,014.9
Personal Income	\$51,146,432
Personal Income per Capita	\$50,394
Gross General Obligation Debt	\$1,760
Less: Debt Service Fund Balance	\$3,429
Net General Obligation Debt	-
Other Primary Government Debt	\$795,768
Total Primary Government Debt	\$797,528
Net General Obligation Debt Per Capita	\$0.00
Total Primary Government Debt Per Capita	\$785.79
Total Debt as Percentage of Personal Income	1.56%
Assessed Value	\$59,883,873
Debt Limit @10%	\$5,988,387
Applicable Debt	\$0
Legal Debt Margin	\$5,988,387
Applicable Debt to Legal Debt Limit	0.00%

Source: County Comprehensive Annual Financial Report 2008.

## II. POTENTIAL FUNDING SOURCES

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### Potential Funding Sources

#### Hotel/Motel Tax – City of Atlanta/Fulton County

<b>City of Atlanta/Fulton County</b>		
<b>Hotel Tax</b>		
<b>Current Rate</b>		15.00%
Sales Tax	8.00%	
Hotel/Motel Tax	7.00%	
Georgia Dome Allocation (Approx. 39.3% of 7.0%)	2.75%	
<b>City of Atlanta/Fulton County (FY 2010)</b>		
Sales Subject to Hotel/Motel Tax	\$607,100,000	
Hotel/Motel Tax Collections (Georgia Dome)	\$16,700,000	
<b>Potential Tax Revenue Per Increase</b>		
Increase @: 0.50%	\$3,040,000	
Increase @: 1.00%	\$6,070,000	
<b>Potential Bond Proceeds Per Increase - (1)</b>		
Existing Collections (Georgia Dome)	\$225,200,000	
Increase @: 0.50%	\$41,000,000	
Increase @: 1.00%	\$81,800,000	

(1) Assumes 2.0% escalation in tax revenue.

## II. POTENTIAL FUNDING SOURCES

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### Potential Funding Sources

#### Hotel/Motel Tax – City of Atlanta/Fulton County

➤ Hotel/Motel Tax Existing Collections

Net Bond Proceeds			
	Scenario A	Scenario B	Scenario C
<b>Total Par Amount - (1)</b>	\$238,500,000	\$253,800,000	\$270,200,000
Less: Debt Service Reserve Fund	\$23,800,000	\$24,800,000	\$24,800,000
Less: Cost of Issuance	\$3,600,000	\$3,800,000	\$4,100,000
Less: Bond Insurance	\$0	\$0	\$0
Less: Capitalized Interest Fund	\$0	\$0	\$0
<b>Net Proceeds Available for Construction</b>	<b>\$211,100,000</b>	<b>\$225,200,000</b>	<b>\$241,300,000</b>

(1) Credit enhancement required.



## II. POTENTIAL FUNDING SOURCES

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### Potential Funding Sources

#### Hotel/Motel Tax – City of Atlanta/Fulton County

- Hotel/Motel Tax Increase @ 1.00%

Net Bond Proceeds			
	Scenario A	Scenario B	Scenario C
<b>Total Par Amount - (1)</b>	\$43,400,000	\$46,200,000	\$49,200,000
Less: Debt Service Reserve Fund	\$4,300,000	\$4,500,000	\$4,500,000
Less: Cost of Issuance	\$700,000	\$700,000	\$700,000
Less: Bond Insurance	\$0	\$0	\$0
Less: Capitalized Interest Fund	\$0	\$0	\$0
<b>Net Proceeds Available for Construction</b>	<b>\$38,400,000</b>	<b>\$41,000,000</b>	<b>\$44,000,000</b>

(1) Credit enhancement required.

## II. POTENTIAL FUNDING SOURCES

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### Potential Funding Sources

#### Hotel/Motel Tax – City of Atlanta/Fulton County

- Hotel/Motel Tax Collections has Decreased  
Approximately 16% Since 2007

Fiscal Year	Hotel/Motel Tax Collections
1998	\$35,068,629
1999	\$39,494,242
2000	\$41,590,190
2001	\$42,780,339
2002	\$37,932,024
2003	\$35,877,710
2004	\$36,347,243
2005	\$39,772,133
2006	\$46,406,418
2007	\$50,917,279
2008	\$49,770,888
2009	\$48,620,207
2010 (E)	\$42,560,363
CAGR	1.63%

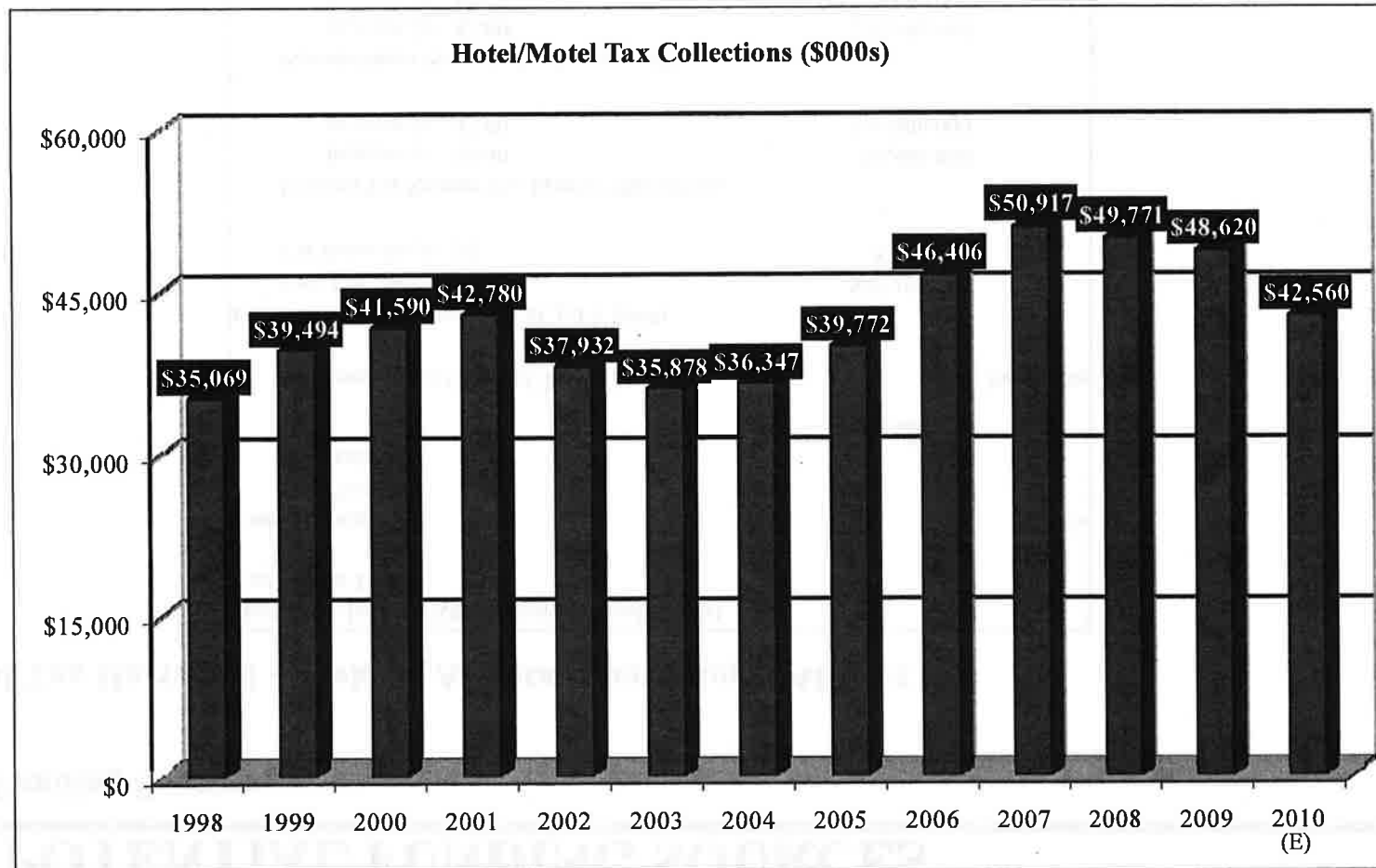
Note: 2010 is estimated based on Georgia Dome Financials. 2010 Bond Disclosure Statement not available at this time.

Source: GWCCA Bond Disclosure Statements.

## II. POTENTIAL FUNDING SOURCES

### Potential Funding Sources

#### Hotel/Motel Tax – City of Atlanta/Fulton County



## II. POTENTIAL FUNDING SOURCES

### Potential Funding Sources

#### Car Rental Tax Hartsfield – Jackson Atlanta International Airport

Hartsfield-Jackson Atlanta International Airport		
Car Rental Tax		
Current Rate		10.00%
Sales Tax	7.00%	
Car Rental Tax	3.00%	
Other	To be Confirmed	
Customer Facility Charge (CFC) - (1)	\$4.50	Rental/Day
Customer Facility Charge (CFC) (FY 2009)		
CFC Car Rental Revenues	\$23,100,000	
Car Rental Days - (2)	5,400,000	
Potential Tax Revenue Per Increase (Rental/Day)		
Increase @: \$1.00	\$5,400,000	
Increase @: \$2.00	\$10,800,000	
Potential Bond Proceeds Per Increase - (3)		
Increase @: \$1.00	\$72,900,000	
Increase @: \$2.00	\$145,600,000	

(1) Rate increased from \$4.00 per rental/day in January 2009. Recent reports indicate efforts to increase CFC to \$5.00 per rental/day.

(2) Reports estimate car rental days at approximately 5.4 million. Consistent with assuming 50/50 split per CFC charge.

(3) Assumes 2.0% escalation in tax revenue.

## II. POTENTIAL FUNDING SOURCES

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### Potential Funding Sources

#### Car Rental Tax Hartsfield – Jackson Atlanta International Airport

- Car Rental Tax Increase @ \$2.00/Rental/Day

Net Bond Proceeds			
	Scenario A	Scenario B	Scenario C
<b>Total Par Amount - (1)</b>	\$154,200,000	\$164,100,000	\$174,700,000
Less: Debt Service Reserve Fund	\$15,400,000	\$16,000,000	\$16,000,000
Less: Cost of Issuance	\$2,300,000	\$2,500,000	\$2,600,000
Less: Bond Insurance	\$0	\$0	\$0
Less: Capitalized Interest Fund	\$0	\$0	\$0
<b>Net Proceeds Available for Construction</b>	<b>\$136,500,000</b>	<b>\$145,600,000</b>	<b>\$156,100,000</b>

(1) Credit enhancement required.

## II. POTENTIAL FUNDING SOURCES

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### Potential Funding Sources

#### Restaurant Tax – City of Atlanta

<b>City of Atlanta Restaurant Tax</b>		
<b>Current Rate</b>		8.00%
Sales Tax	8.00%	
<b>City of Atlanta</b>		
Estimated Restaurant Sales (2007 Economic Census)	\$1,786,254,000	
Estimated Restaurant Sales (2009 Claritas)	\$1,493,000,000	
Potential Tax Revenue Per Increase - (1)		
Increase @: 0.25%	\$2,800,000	
Increase @: 0.50%	\$5,600,000	
Potential Bond Proceeds Per Increase - (2)		
Increase @: 0.25%	\$37,800,000	
Increase @: 0.50%	\$75,500,000	

(1) Based on Claritas estimate and 75% capture.

(2) Assumes 2.0% escalation in tax revenue.

## II. POTENTIAL FUNDING SOURCES

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### Potential Funding Sources

#### Restaurant Tax – City of Atlanta

- Restaurant Tax Increase @ 0.50%

Net Bond Proceeds			
	Scenario A	Scenario B	Scenario C
<b>Total Par Amount - (1)</b>	\$80,000,000	\$85,100,000	\$90,600,000
Less: Debt Service Reserve Fund	\$8,000,000	\$8,300,000	\$8,300,000
Less: Cost of Issuance	\$1,200,000	\$1,300,000	\$1,400,000
Less: Bond Insurance	\$0	\$0	\$0
Less: Capitalized Interest Fund	\$0	\$0	\$0
<b>Net Proceeds Available for Construction</b>	<b>\$70,800,000</b>	<b>\$75,500,000</b>	<b>\$80,900,000</b>

(1) Credit enhancement required.

## II. POTENTIAL FUNDING SOURCES

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### Potential Funding Sources

#### Restaurant Tax – Fulton County

<b>Fulton County Restaurant Tax</b>		
<b>Current Rate</b>		7.00%
Sales Tax	7.00%	
<b>Fulton County</b>		
Estimated Restaurant Sales (2007 Economic Census)	\$2,793,832,000	
Estimated Restaurant Sales (2009 Claritas)	\$2,638,300,000	
Potential Tax Revenue Per Increase - (1)		
Increase @: 0.25%	\$4,950,000	
Increase @: 0.50%	\$9,890,000	
Potential Bond Proceeds Per Increase - (2)		
Increase @: 0.25%	\$66,800,000	
Increase @: 0.50%	\$133,300,000	

(1) Based on Claritas estimate and 75% capture.

(2) Assumes 2.0% escalation in tax revenue.



## II. **POTENTIAL FUNDING SOURCES**

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### **Potential Funding Sources**

#### **Restaurant Tax – Fulton County**

- Restaurant Tax Increase @ 0.50%

<b>Net Bond Proceeds</b>			
	<b>Scenario A</b>	<b>Scenario B</b>	<b>Scenario C</b>
<b>Total Par Amount - (1)</b>	\$141,200,000	\$150,300,000	\$160,000,000
Less: Debt Service Reserve Fund	\$14,100,000	\$14,700,000	\$14,700,000
Less: Cost of Issuance	\$2,100,000	\$2,300,000	\$2,400,000
Less: Bond Insurance	\$0	\$0	\$0
Less: Capitalized Interest Fund	\$0	\$0	\$0
<b>Net Proceeds Available for Construction</b>	<b>\$125,000,000</b>	<b>\$133,300,000</b>	<b>\$142,900,000</b>

(1) Credit enhancement required.

## II. POTENTIAL FUNDING SOURCES

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### Potential Funding Sources

#### Sales Tax – City of Atlanta

(Sales Tax Increases Must be Levied in 1.0% Increments - Subject to State Law Limits)

<b>City of Atlanta Sales Tax</b>		
<b>Current Rate</b>		8.00%
State of Georgia		4.00%
Fulton County - (1)		3.00%
City of Atlanta - Municipal Option Sales Tax		1.00%
<b>City of Atlanta (FY 2009) - (2)</b>		
Sales Subject to Sales Tax - City	\$11,713,000,000	
Sales Tax Collections	\$117,130,000	
<b>Potential Tax Revenue Per Increase</b>		
Increase @: 0.10%	\$11,710,000	
Increase @: 0.25%	\$29,280,000	
<b>Potential Bond Proceeds Per Increase - (3)</b>		
Increase @: 0.10%	\$157,800,000	
Increase @: 0.25%	\$394,800,000	

(1) City of Atlanta receives a share of 1.0% Local Option Sales Tax (approximately 43%).

(2) Based on Municipal Option Sales Tax (MOST).

(3) Assumes 2.0% escalation in tax revenue.

## II. POTENTIAL FUNDING SOURCES

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### Potential Funding Sources

#### Sales Tax – City of Atlanta

(Sales Tax Increases Must be Levied in 1.0% Increments - Subject to State Law Limits)

- Sales Tax Increase @ 0.10%

Net Bond Proceeds			
	Scenario A	Scenario B	Scenario C
<b>Total Par Amount - (1)</b>	\$167,200,000	\$177,900,000	\$189,400,000
Less: Debt Service Reserve Fund	\$16,700,000	\$17,400,000	\$17,400,000
Less: Cost of Issuance	\$2,500,000	\$2,700,000	\$2,800,000
Less: Bond Insurance	\$0	\$0	\$0
Less: Capitalized Interest Fund	\$0	\$0	\$0
<b>Net Proceeds Available for Construction</b>	<b>\$148,000,000</b>	<b>\$157,800,000</b>	<b>\$169,200,000</b>

(1) Credit enhancement required.

## **II. POTENTIAL FUNDING SOURCES**

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### **Potential Funding Sources**

#### **Sales Tax – Fulton County**

(Sales Tax Increases Must be Levied in 1.0% Increments - Subject to State Law Limits)

**(ADDITIONAL RESEARCH REQUIRED)**

## **II. POTENTIAL FUNDING SOURCES**

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### **Potential Funding Sources**

#### **Admissions Tax/Surcharge**

- Admissions Tax/Surcharge is a Levy Imposed on Sale of Admission Ticket to an Event
- Imposed as a Surcharge or Subject to Sales Tax Rates
- Could be Applied City-Wide, County-Wide or to Renovated Stadium or Other Designation
- Admissions Tax/Surcharge Could Impact Ability of Facility to Attract Events
- Potential Admissions Tax/Surcharge Could be Imposed on Other Revenue Sources (Concessions, Novelties, etc.)

## II. POTENTIAL FUNDING SOURCES

### Potential Funding Sources

#### Admissions Tax/Surcharge

Georgia Dome Admission Tax					
	Events	Paid Attendance		Average Ticket Price	Gross Ticket Revenue
		Average	Total		
NFL (Regular Season and Pre-Season)	10	65,000	650,000	\$75.00	\$48,750,000
NCAA Football (League Championships/Bowl Game)	3	65,000	195,000	\$65.00	\$12,675,000
High School Football	2	30,000	60,000	\$25.00	\$1,500,000
NCAA Basketball (League/Tournament Games)	1	40,000	40,000	\$65.00	\$2,600,000
Thrill/Dirt Shows	2	60,000	120,000	\$40.00	\$4,800,000
Concerts	2	45,000	90,000	\$75.00	\$6,750,000
Miscellaneous Events	20	5,000	100,000	\$0.00	\$0
Total	40		1,255,000		\$77,075,000

Admission Tax		
NFL	10%	\$4,875,000
Other Events	10%	\$2,832,500
<b>Total</b>	10%	<b>\$7,707,500</b>

## II. POTENTIAL FUNDING SOURCES

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### Potential Funding Sources

#### Admissions Tax/Surcharge

- ✓ Admission Tax @ 10.0% – NFL Events Only

Net Bond Proceeds			
	Scenario A	Scenario B	Scenario C
<b>Total Par Amount - (1)</b>	\$48,300,000	\$51,100,000	\$54,200,000
Less: Debt Service Reserve Fund	\$4,800,000	\$5,100,000	\$5,400,000
Less: Cost of Issuance	\$700,000	\$800,000	\$800,000
Less: Bond Insurance	\$0	\$0	\$0
Less: Capitalized Interest Fund	\$0	\$0	\$0
<b>Net Proceeds Available for Construction</b>	<b>\$42,800,000</b>	<b>\$45,200,000</b>	<b>\$48,000,000</b>

(1) Credit enhancement required.

## II. POTENTIAL FUNDING SOURCES

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### Potential Funding Sources

#### Admissions Tax/Surcharge

- ✓ Admission Tax @ 10.0% – All Events

Net Bond Proceeds			
	Scenario A	Scenario B	Scenario C
<b>Total Par Amount - (1)</b>	\$76,300,000	\$80,800,000	\$85,700,000
Less: Debt Service Reserve Fund	\$7,600,000	\$8,100,000	\$8,600,000
Less: Cost of Issuance	\$1,100,000	\$1,200,000	\$1,300,000
Less: Bond Insurance	\$0	\$0	\$0
Less: Capitalized Interest Fund	\$0	\$0	\$0
<b>Net Proceeds Available for Construction</b>	<b>\$67,600,000</b>	<b>\$71,500,000</b>	<b>\$75,800,000</b>

(1) Credit enhancement required.



## **II. POTENTIAL FUNDING SOURCES**

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### **Potential Funding Sources**

#### **Other**

- Admissions Tax (Citywide/Countywide)
- Alcohol Tax/Beer Tax (“By the Drink Tax”)
  - ✓ 3.0% Tax on Distilled Spirits Only (Excludes Beer and Wine)
  - ✓ Tax Imposed in Cobb County; DeKalb County; Gwinnett County; City of Atlanta
  - ✓ Current City of Atlanta 5 Year Plan Revenue Initiatives Include Additional “By the Drink” Taxation (2.0% Increase)
- Other
  - ✓ Cigarette Tax
  - ✓ Resident Payroll Tax
  - ✓ Player/Entertainer Tax
  - ✓ Soft Drink Tax
  - ✓ Sports Lottery



## **Appendix A**

### **Hotel/Motel Tax Scenarios**

# Appendix A – Hotel/Motel Tax Scenarios

## Potential Funding Sources

### ➤ BSG Evaluated Hotel/Motel Tax Scenarios – 1.25x Coverage (2019 Scenarios)

	Interest Rate at 6.0%			Interest Rate at 5.5%			Interest Rate at 5.0%		
	Scenario 1A	Scenario 1B	Scenario 1C	Scenario 1A	Scenario 1B	Scenario 1C	Scenario 1A	Scenario 1B	Scenario 1C
Tax Revenue 2010	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000
Growth To 2019	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tax Revenue 2019	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000
Growth After 2019	0.00%	2.00%	4.00%	0.00%	2.00%	4.00%	0.00%	2.00%	4.00%
Debt Service Coverage	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Interest Rate	6.00%	6.00%	6.00%	5.50%	5.50%	5.50%	5.00%	5.00%	5.00%
Gross Bond Proceeds	\$188,400,000	\$238,500,000	\$306,800,000	\$198,900,000	\$253,800,000	\$329,400,000	\$210,400,000	\$270,200,000	\$354,600,000
Net Bond Proceeds	\$171,900,000	\$211,100,000	\$271,500,000	\$182,200,000	\$225,200,000	\$291,600,000	\$193,500,000	\$241,300,000	\$313,800,000
	Scenario 2A	Scenario 2B	Scenario 2C	Scenario 2A	Scenario 2B	Scenario 2C	Scenario 2A	Scenario 2B	Scenario 2C
	Scenario 2A	Scenario 2B	Scenario 2C	Scenario 2A	Scenario 2B	Scenario 2C	Scenario 2A	Scenario 2B	Scenario 2C
Tax Revenue 2010	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000
Growth To 2019	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Tax Revenue 2019	\$19,958,046	\$19,958,046	\$19,958,046	\$19,958,046	\$19,958,046	\$19,958,046	\$19,958,046	\$19,958,046	\$19,958,046
Growth After 2019	0.00%	2.00%	4.00%	0.00%	2.00%	4.00%	0.00%	2.00%	4.00%
Debt Service Coverage	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Interest Rate	6.00%	6.00%	6.00%	5.50%	5.50%	5.50%	5.00%	5.00%	5.00%
Gross Bond Proceeds	\$225,600,000	\$285,600,000	\$367,400,000	\$238,200,000	\$303,900,000	\$394,600,000	\$252,000,000	\$323,600,000	\$424,700,000
Net Bond Proceeds	\$205,800,000	\$252,700,000	\$325,200,000	\$218,200,000	\$269,600,000	\$349,200,000	\$231,800,000	\$289,000,000	\$375,800,000
	Scenario 3A	Scenario 3B	Scenario 3C	Scenario 3A	Scenario 3B	Scenario 3C	Scenario 3A	Scenario 3B	Scenario 3C
	Scenario 3A	Scenario 3B	Scenario 3C	Scenario 3A	Scenario 3B	Scenario 3C	Scenario 3A	Scenario 3B	Scenario 3C
Tax Revenue 2010	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000
Growth To 2019	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Tax Revenue 2019	\$23,769,307	\$23,769,307	\$23,769,307	\$23,769,307	\$23,769,307	\$23,769,307	\$23,769,307	\$23,769,307	\$23,769,307
Growth After 2019	0.00%	2.00%	4.00%	0.00%	2.00%	4.00%	0.00%	2.00%	4.00%
Debt Service Coverage	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Interest Rate	6.00%	6.00%	6.00%	5.50%	5.50%	5.50%	5.00%	5.00%	5.00%
Gross Bond Proceeds	\$268,500,000	\$339,800,000	\$437,200,000	\$283,500,000	\$361,700,000	\$469,600,000	\$299,900,000	\$385,100,000	\$505,400,000
Net Bond Proceeds	\$245,000,000	\$300,700,000	\$386,900,000	\$259,700,000	\$321,000,000	\$415,600,000	\$275,900,000	\$344,000,000	\$447,300,000

# Appendix A – Hotel/Motel Tax Scenarios

## Potential Funding Sources

### ➤ BSG Evaluated Hotel/Motel Tax Scenarios – 1.50x Coverage (2019 Scenarios)

	Interest Rate at 6.0%			Interest Rate at 5.5%			Interest Rate at 5.0%		
	Scenario 1A	Scenario 1B	Scenario 1C	Scenario 1A	Scenario 1B	Scenario 1C	Scenario 1A	Scenario 1B	Scenario 1C
Tax Revenue 2010	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000
Growth To 2019	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tax Revenue 2019	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000
Growth After 2019	0.00%	2.00%	4.00%	0.00%	2.00%	4.00%	0.00%	2.00%	4.00%
Debt Service Coverage	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Interest Rate	6.00%	6.00%	6.00%	5.50%	5.50%	5.50%	5.00%	5.00%	5.00%
Gross Bond Proceeds	\$156,400,000	\$197,300,000	\$253,300,000	\$165,100,000	\$209,900,000	\$271,900,000	\$174,600,000	\$223,500,000	\$292,400,000
Net Bond Proceeds	\$142,700,000	\$174,600,000	\$224,200,000	\$151,200,000	\$186,300,000	\$240,600,000	\$160,600,000	\$199,600,000	\$258,800,000
	Scenario 2A	Scenario 2B	Scenario 2C	Scenario 2A	Scenario 2B	Scenario 2C	Scenario 2A	Scenario 2B	Scenario 2C
Tax Revenue 2010	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000
Growth To 2019	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Tax Revenue 2019	\$19,958,046	\$19,958,046	\$19,958,046	\$19,958,046	\$19,958,046	\$19,958,046	\$19,958,046	\$19,958,046	\$19,958,046
Growth After 2019	0.00%	2.00%	4.00%	0.00%	2.00%	4.00%	0.00%	2.00%	4.00%
Debt Service Coverage	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Interest Rate	6.00%	6.00%	6.00%	5.50%	5.50%	5.50%	5.00%	5.00%	5.00%
Gross Bond Proceeds	\$187,300,000	\$236,300,000	\$303,400,000	\$197,800,000	\$251,400,000	\$325,600,000	\$209,200,000	\$267,700,000	\$350,200,000
Net Bond Proceeds	\$170,900,000	\$209,200,000	\$268,500,000	\$181,200,000	\$223,100,000	\$288,100,000	\$192,500,000	\$239,200,000	\$309,900,000
	Scenario 3A	Scenario 3B	Scenario 3C	Scenario 3A	Scenario 3B	Scenario 3C	Scenario 3A	Scenario 3B	Scenario 3C
Tax Revenue 2010	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000	\$16,700,000
Growth To 2019	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Tax Revenue 2019	\$23,769,307	\$23,769,307	\$23,769,307	\$23,769,307	\$23,769,307	\$23,769,307	\$23,769,307	\$23,769,307	\$23,769,307
Growth After 2019	0.00%	2.00%	4.00%	0.00%	2.00%	4.00%	0.00%	2.00%	4.00%
Debt Service Coverage	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Interest Rate	6.00%	6.00%	6.00%	5.50%	5.50%	5.50%	5.00%	5.00%	5.00%
Gross Bond Proceeds	\$222,900,000	\$281,200,000	\$361,100,000	\$235,300,000	\$299,200,000	\$387,400,000	\$248,900,000	\$318,500,000	\$416,800,000
Net Bond Proceeds	\$203,400,000	\$248,900,000	\$319,600,000	\$215,600,000	\$265,500,000	\$342,900,000	\$229,000,000	\$284,500,000	\$368,800,000



## **Appendix B**

## **PSL Overview**

## **Appendix B – PSL Overview**

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### **Personal Seat Licenses**

- Personal Seat License (PSL) Revenues Represent a Source of Revenue which can be Used to Privately Finance Professional Sports Facilities and Minimize the Reliance of Public Revenue Sources
- PSLs Give Patrons the Right to Purchase Season Tickets for Selected Seats for a Defined Period of Time
- PSL Typically Consists of a One-Time Fee that Gives the Purchaser “Ownership” of a Given Seat
- PSL Revenues can be Used for Construction or as a Direct Revenue Source, Depending on the Deal/Lease Structure
- Demand for PSLs is a Function of a Variety of Factors – Program can be Controversial in Some Markets

## **Appendix B – PSL Overview**

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### **Personal Seat Licenses**

- Below is a List of the Communities and NFL Franchises which have Recently Sold, are in the Process of Selling PSLs:

- ✓ San Francisco 49ers – New Santa Clara Stadium (Proposed)
- ✓ New York Giants – New Meadowlands Stadium
- ✓ New York Jets – New Meadowlands Stadium
- ✓ Dallas Cowboys – New Cowboys Stadium
- ✓ Charlotte – Carolina Panthers (Expansion Franchise)
- ✓ St. Louis – St. Louis Rams (Relocation Franchise)
- ✓ Oakland – Oakland Raiders (Relocation Franchise)
- ✓ Cleveland – Cleveland Browns (Expansion Franchise)
- ✓ Baltimore – Baltimore Ravens (Relocation Franchise)
- ✓ Nashville – Tennessee Titans (Relocation Franchise)
- ✓ Pittsburgh – Pittsburgh Steelers
- ✓ Green Bay – Green Bay Packers
- ✓ Houston – Houston Texans (Expansion Franchise)
- ✓ Chicago – Chicago Bears
- ✓ Seattle – Seattle Seahawks
- ✓ Cincinnati – Cincinnati Bengals

## Appendix B – PSL Overview

### Personal Seat Licenses

<u>Team</u>	<u>Year</u>	<u>PSL Seats</u>	<u>Low Price</u>	<u>High Price</u>	<u>Gross Revenues</u>	<u>Use of Proceeds</u>	<u>Comments</u>
New York Giants	2008	82,500	\$1,000	\$20,000	\$371,000,000	Construction	Estimated gross revenue.
New York Jets	2008	55,500	\$2,500	\$25,000	\$292,750,000	Construction	Reflects estimated gross revenue after recent price reductions. Original estimated gross revenue was \$340 million. Coaches Club
Dallas Cowboys	2008	55,000	\$2,000	\$150,000	\$500,000,000	Construction	Reflects combination of upfront proceeds and financed proceeds.
Baltimore Ravens	1996	63,008	\$250	\$3,000	\$69,804,500	Relocation/Franchise	Franchise relocated from Cleveland, Ohio. Total seats reportedly near 63,500.
Carolina Panthers	1993	61,472	\$600	\$5,400	\$158,522,700	Construction	Net revenues collected after tax in excess of \$100 million.
Chicago Bears	2002	31,500	\$1,587	\$1,587	\$50,000,000	Renovation	Projected revenue figure reportedly may reach \$60 million.
Cincinnati Bengals	1996	50,000	\$150	\$1,500	\$25,000,000	Construction	To be confirmed. Tax challenge.
Cleveland Browns	1996	49,799	\$250	\$1,500	\$37,896,500	Construction	Expansion franchise. Totals reportedly reached 55,000 seats and \$39.0 million.
Green Bay Packers	2001	53,000	\$600	\$1,400	\$106,000,000	Renovation	Number of available seats higher than reported figure as a result of partial plans. Figures reflect projected total.
Houston Texans	2000	44,906	\$600	\$3,900	Confidential	Construction	Expansion franchise.
Oakland Raiders	1995	54,844	\$250	\$16,000	\$100,321,600	Renovation	Reflects original projections - revenues to date significantly lower. Franchise relocated from Los Angeles, California. Ten-year term.
Pittsburgh Steelers	1998	43,650	\$250	\$2,700	\$42,000,000	Construction	Sold on a limited basis. Total revenue reportedly exceeded original estimate.
Seattle Seahawks	2001	8,300	\$2,000	\$3,000	\$16,000,000	Construction	Sold on a limited basis. Total revenue reportedly exceeded original estimate.
St. Louis Rams	1994	49,000	\$250	\$4,500	\$74,750,000	Relocation/Practice Facility/Franchise	Franchise relocated from Anaheim, California. Totals reportedly reached 53,500 seats and \$79.5 million.
Tennessee Titans	1996	56,463	\$250	\$4,500	\$85,421,500	Construction	Franchise relocated from Houston, Texas. Totals reportedly reached 57,786 seats and \$91.0 million.

Sources: Muhleman Marketing Inc., National Football League, and industry research.



## Appendix B – PSL Overview

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### New York Giants– East Rutherford, New York

- New York Giants are Offering Every Seat in the New Stadium as a PSL
- Recent Reports Indicate the Giants have 1,500 Seats Remaining in the Stadium
- PSL Revenue was Anticipated to Reach Approximately \$371 Million (Gross) – Current Estimate/Actuals to be Confirmed

- PSL Pricing is Illustrated:

	PSL	Ticket Price
<b>Field Level</b>		
Coaches Club	\$20,000	\$700
Field 1	\$20,000	\$160
Field 2	\$10,000	\$140
Field 3	\$5,000	\$120
<b>Mezzanine Level</b>		
Club A	\$12,500	\$500
Club B	\$7,500	\$400
Mezzanine	\$4,000	\$120
<b>Terrace Level</b>		
Loge	\$5,000	\$105
Terrace 1	\$1,000	\$95
Terrace 2	\$1,000	\$85



Source: New York Giants

## Appendix B – PSL Overview

### New York Jets – East Rutherford, New York

- New York Jets are Offering PSLs in the New Stadium – Excluding the Upper Deck (27,000 Seats)
- PSL Revenue was Originally Anticipated to Reach Approximately \$340 Million (Gross) – Recent Reports Indicate Revenues May be Closer to \$293 Million
- Jets Recently Reduced Pricing on 18,000 PSLs
- 2,028 PSLs Offered via Auction Process
  - ✓ Sales Reportedly Included PSLs Sold as High as \$65,100 and as Low as \$11,000. First Day Average Reportedly \$28,000 while Second Day Averaged \$19,500. One Set Reportedly Sold for \$400,000.

	PSL	Ticket Price
<b>PSL Club Seats</b>		
Coaches Club	Auction	\$700
Coaches Club	\$30,000	\$700
Coaches Club	\$25,000	\$700
Coaches Club	\$20,000	\$700
Great Hall Club	\$25,000	\$395
Touchdown/Gridiron Club Prime	\$25,000	\$395
Touchdown/Gridiron Club Sideline	\$15,000	\$295
Touchdown/Gridiron Club Goal Line	\$7,500	\$245
Touchdown/Gridiron Club Corner	\$5,000	\$195
<b>PSL Seats</b>		
Lower Prime	\$20,000	\$150
Lower Sideline Select	\$15,000	\$140
Lower Sideline	\$10,000 (\$15,000)	\$140
Lower Goal Line	\$7,500	\$125
Lower Touchdown Corner	\$6,000	\$125
Lower Endzone Corner	\$5,000	\$120
Lower Endzone	\$2,500 (\$5,000)	\$120
Mezzanine A	\$4,000	\$120
Mezzanine B	\$2,500 (\$4,000)	\$120
<b>Non-PSL Seats</b>		
Upper Prime	\$0	\$125
Upper Sideline	\$0	\$100
Upper Endzone	\$0	\$95

Source: New York Jets.



## Appendix B – PSL Overview

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### Dallas Cowboys – Arlington, Texas

- Dallas Cowboys Offered Nearly Every Seat in the New Stadium as a PSL
- PSL Revenue Anticipated to Reach Approximately \$500 Million (Gross)
- PSL Pricing is Illustrated Below

	PSL	Ticket Price
<b>Founders Level</b>	\$150,000	\$3,400
<b>Club Level</b>		
Club Level A	\$50,000	\$3,400
Club Level B	\$35,000	\$3,400
Club Level C	\$16,000	\$3,400
<b>Loge Level</b>	\$12,000	\$1,250
<b>Reserved Seating</b>		
Reserved Seating A	\$5,000	\$1,250
Reserved Seating B	\$5,000	\$990
Reserved Seating C	\$5,000	\$990
Reserved Seating D	\$4,000	\$890
Reserved Seating E	\$4,000	\$890
Reserved Seating F	\$2,000	\$790
Reserved Seating G	\$0	\$590



Source: Dallas Cowboys.

## Appendix B – PSL Overview

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### Carolina Panthers - Charlotte, North Carolina

- Sale of Luxury Suites, Club Seats and PSLs Began in July, 1993
- NFL Officially Awarded Charlotte an Expansion Franchise in October, 1993
- Tax Implications in Charlotte were Significant (Net Revenues Collected were in Excess of \$100 Million)
- Below is a Summary of the PSL Program in Charlotte (through the 2001 Season)

Price	Number of Available Seats	Number of Applications	Gross Revenues
\$5,400	3,816	N/A	\$20,606,400
\$3,900	4,182	N/A	\$16,309,800
\$2,400	14,626	N/A	\$35,102,400
\$3,600	6,273	N/A	\$22,582,800
\$2,700	15,019	N/A	\$40,551,300
\$1,200	5,094	N/A	\$6,112,800
\$600	4,350	N/A	\$2,610,000
\$2,975	1,756	N/A	\$5,224,100
\$1,975	3,226	N/A	\$6,371,350
\$975	<u>3,130</u>	N/A	<u>\$3,051,750</u>
Totals	61,472		\$158,522,700

Sources: Muhleman Marketing Inc. and internal database.



## Appendix B – PSL Overview

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### St. Louis Rams - St. Louis, Missouri

- Los Angeles Rams Relocated to St. Louis in 1995 from Anaheim, California
- PSLs were Sold to Generate Revenues to Pay Relocation Fees, a Portion of the Construction Costs for a New Practice Facility and Other Franchise Expenses
- Below is a Summary of the Original PSL Program in St. Louis (Totals Reportedly Reached 53,500 Seats and \$79.5 Million)

Price	Number of Available Seats	Number of Applications	Final Revenues
\$4,500	3,500	4,800	\$15,750,000
\$4,500	2,300	750	\$10,350,000
\$3,000	2,600	1,800	\$7,800,000
\$3,000	2,200	400	\$6,600,000
\$1,000	13,600	3,500	\$13,600,000
\$2,500	3,900	9,000	\$9,750,000
\$1,000	2,700	9,000	\$2,700,000
\$1,000	3,200	11,500	\$3,200,000
\$500	5,000	19,000	\$2,500,000
\$250	10,000	11,000	\$2,500,000
Totals	49,000	70,750	\$74,750,000

Sources: Muhleman Marketing Inc. and internal database.



## Appendix B – PSL Overview

### Oakland Raiders - Oakland, California

- The Oakland Raiders Moved Back to Oakland in 1995
- The Raiders Relocated from Los Angeles, California
- PSLs were Sold to Generate Revenues to Contribute to the Remodeling of Oakland-Alameda County Coliseum
- PSL Revenues to Date are Significantly Below Original Estimates
- Below is a Summary of the Original PSL Revenue Estimates in Oakland

Initial Price - (1)	Number of Available Seats	Number of Applications	Gross <i>Potential</i> Revenues - (1)
\$4,000	4,900	N/A	\$19,600,000
\$3,000	6,855	N/A	\$20,565,000
\$2,500	3,800	N/A	\$9,500,000
\$2,000	2,350	N/A	\$4,700,000
\$500	7,000	N/A	\$3,500,000
\$2,000	3,300	N/A	\$6,600,000
\$2,500	568	N/A	\$1,420,000
\$1,500	965	N/A	\$1,447,500
\$750	5,700	N/A	\$4,275,000
\$500	6,000	N/A	\$3,000,000
\$250	3,350	N/A	\$837,500

(1) - Prices have changed since initial release.

(2) - Actual sales not available.

(continued)

Initial Price - (1)	Number of Available Seats	Number of Applications	Gross <i>Potential</i> Revenues - (2)
\$16,000	295	N/A	\$4,720,000
\$10,000	1,152	N/A	\$11,520,000
\$1,300	1,356	N/A	\$1,762,800
\$1,200	1,200	N/A	\$1,440,000
\$1,100	1,000	N/A	\$1,100,000
\$1,000	1,371	N/A	\$1,371,000
\$900	1,318	N/A	\$1,186,200
\$800	1,218	N/A	\$974,400
\$700	1,146	N/A	\$802,200
<b>Totals</b>	<b>54,844</b>		<b>\$100,321,600</b>

Sources: Muhleman Marketing Inc. and internal database.



## Appendix B – PSL Overview

### Cleveland Browns - Cleveland, Ohio

- The Original Cleveland Browns Relocated to Baltimore, Maryland in 1996
- In June, 1996, the City of Cleveland and the NFL Announced that Either an Expansion Franchise or a Relocated Club would Begin Play in Cleveland in 1999
- All of the PSL Revenues went Toward the Construction of the New Stadium
- PSL Discounts were Granted to 1995 Season Ticket Holders Based on Length of Season Ticket Holdings – PSLs were then Offered to Non-Season Ticket Holders
- Below is a Summary of the Original PSL Program in Cleveland (Totals Reportedly Reached 55,000 Seats and \$39.0 Million)

Price	Number of Available Seats	Number of Applications	Gross <i>Potential</i> Revenues (1)
\$1,500	3,740	N/A	\$5,610,000
\$1,000	16,614	N/A	\$16,614,000
\$750	8,890	N/A	\$6,667,500
\$500	15,465	N/A	\$7,732,500
\$250	<u>5,090</u>	N/A	<u>\$1,272,500</u>
Totals	49,799		\$37,896,500

ESTABLISHED  
**BROWNS**

(1) - Net potential revenues are less as a result of discounts offered to prior season ticket holders.

Sources: Muhleman Marketing Inc. and internal data base.

## Appendix B – PSL Overview

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### Baltimore Ravens - Baltimore, Maryland

- The City of Baltimore was the Original Home of the Baltimore Colts – Colts Relocated to Indianapolis, Indiana in 1984
- The Cleveland Browns Relocated to Baltimore in 1996 from Cleveland, Ohio
- PSLs were Sold to Generate Revenues to Pay Relocation Fees and Legal Expenses Resulting from the Team's Move – Balance of Revenues Over Expenses Retained by the Team
- Below is a Summary of the Gross Potential PSL Revenues in Baltimore (Total Seats Reportedly Reached Nearly 63,500)

Price	Number of Available Seats	Number of Applications	Gross <i>Potential</i> Revenues
\$3,000	5,633	N/A	\$16,899,000
\$2,000	2,594	N/A	\$5,188,000
\$1,500	8,720	N/A	\$13,080,000
\$1,000	12,997	N/A	\$12,997,000
\$750	22,426	N/A	\$16,819,500
\$500	8,646	N/A	\$4,323,000
\$250	1,992	N/A	\$498,000
Totals	63,008		\$69,804,500

Sources: Muhleman Marketing Inc. and internal database.





## Appendix B – PSL Overview

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### Tennessee Titans - Nashville, Tennessee

- Titans Relocated to Tennessee in 1997 from Houston, Texas
- Titans Played their Games in Memphis in 1997
- PSLs were Sold to Generate Revenues to Pay for a Portion of the Stadium in Nashville
- Below is a Summary of the Original PSL Program in Nashville (Totals Reportedly Reached Nearly 58,000 Seats and \$91.0 Million)

Price	Number of Available Seats	Number of Applications	Gross <i>Potential</i> Revenues
\$4,500	4,580	N/A	\$20,610,000
\$3,000	5,870	N/A	\$17,610,000
\$1,500	20,940	N/A	\$31,410,000
\$1,000	2,884	N/A	\$2,884,000
\$750	11,924	N/A	\$8,943,000
\$500	5,593	N/A	\$2,796,500
\$250	4,672	N/A	\$1,168,000
Totals	56,463		\$85,421,500

Sources: Muhleman Marketing Inc. and internal database.



## Appendix B – PSL Overview

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### Green Bay Packers – Green Bay, WI

- Lambeau Field Redevelopment was Funded in Part by the Sale of PSLs
- One-Time Fee Generated Approximately \$106 Million in Revenues
- Approximately 98% of Season Ticket Holders Participated in the Lambeau Field Redevelopment User Fee Program



Note: Additional detail not available at this time.





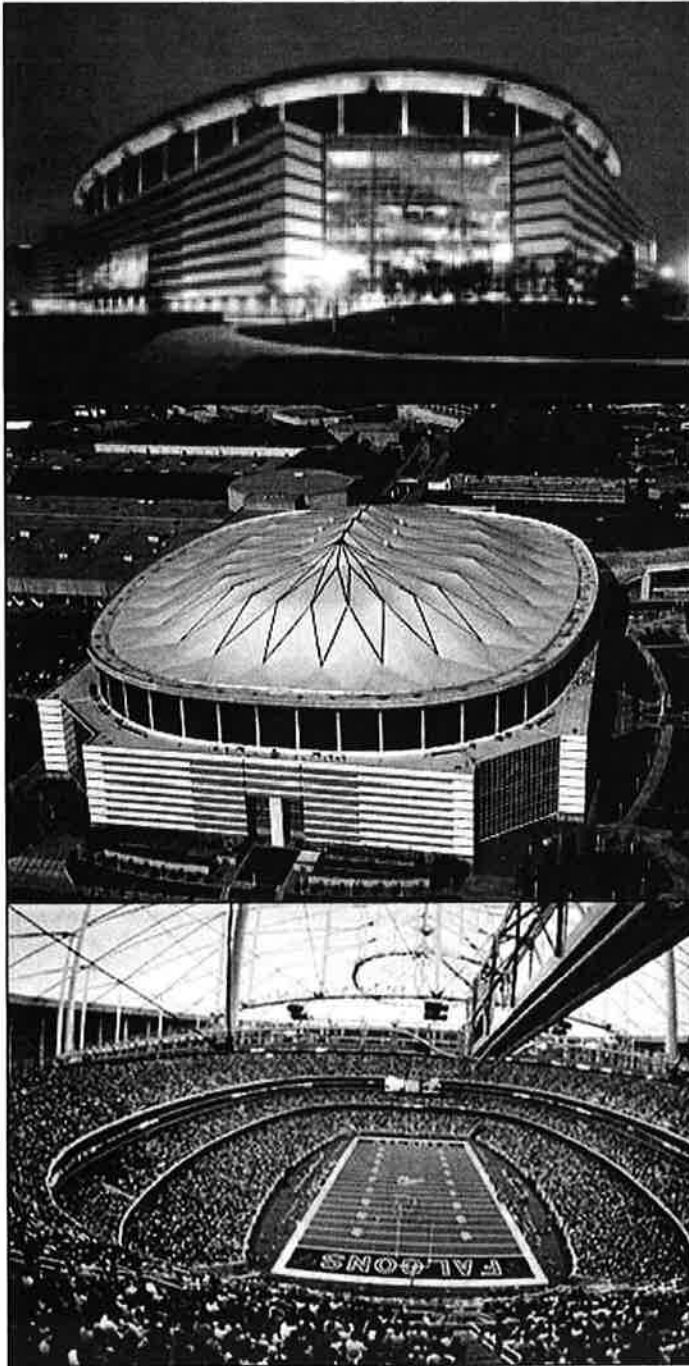
## **Limiting Conditions and Assumptions**

# Limiting Conditions and Assumptions

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

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



# GEORGIA WORLD CONGRESS CENTER AUTHORITY

## POTENTIAL STADIUM FUNDING SOURCES

*PRELIMINARY DRAFT – SUBJECT TO REVISION*

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BARRETT STOUT GROUP, LLC

September 23, 2010

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