

# Study Session – April 24, 2007





- Update on Feasibility Study
- Game Day Transportation
- Financing Proposal
  - Construction Costs and Funding Sources
  - Stadium Operating Revenues & Expenses

# Feasibility Study –First Phase Timeline (2/6/07)



February	March	April
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## Site Plan & Calendar

Develop stadium event calendar and stadium site plan	Review / revise with City staff and other stakeholders	Review / revise with Cedar Fair	Review plan with City Staff
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## Parking & Traffic

Meetings with private parties who control parking supply	Develop parking and traffic plan with SCPD
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Present stadium proposal to Council in a series of City Council Study Sessions that will be open to the public

## Economics

Develop economic impact study		Discuss draft economic inputs with City staff	Develop stadium financing concepts
Select consultants for economic matters	Quantify project revenues		
	Develop stadium operating expense & capital forecast		
Stadium construction cost estimate			

# Recap of Other Stadium Events



<u>Type</u>	<u>Estimated # of Events</u>	<u>probable day of week</u>	<u>probable time of day</u>	<u>Estimated Attendance</u>	<u>Estimated 'Parking</u>
<b>Soccer</b>	<b>2</b>	weekend	afternoon	50,000	17,000
<b>Bowl Game</b>	<b>1</b>	weekend	afternoon/evening	45,000	15,300
<b>Motor Sports</b>	<b>1</b>	weekend	afternoon/evening	42,500	14,450
<b>College Football</b>	<b>1</b>	weekend	afternoon	37,500	12,750
<b>Concerts</b>	<b>3</b>	mixed	evening	37,500	12,750
<b>Festivals</b>	<b>3</b>	weekend	afternoon/evening	17,500	5,950
<b>Other Events</b>	<b>3</b>	weekend	afternoon	55,000	18,700
<b>Estimated Significant Events</b>	<b>14</b>				

Note: excludes small stadium or parking lot events which will have little or no impact on traffic or parking

<sup>1</sup>15% Mode Split



- Public Transit - Transportation plan takes advantage of the site's excellent access to public transit.
- Game Day Automobile Access – Preliminary plan based on work by our traffic engineers and discussions with SCPD.

# Public Transit



REGIONAL RAIL SERVICE

### TRANSIT FACTS

**Ridership:**

- 4,500 Patrons on VTA Light Rail
- 5,000 Patrons on Charter Buses
- 3,000 Patrons on Caltrain
- 2,500 Patrons on SamTrans Buses
- 1,500 Patrons on VTA Buses
- 500 Patrons on ACE
- 500 Patrons on Capitol Corridor
- 500 Patrons on East Bay Public Buses

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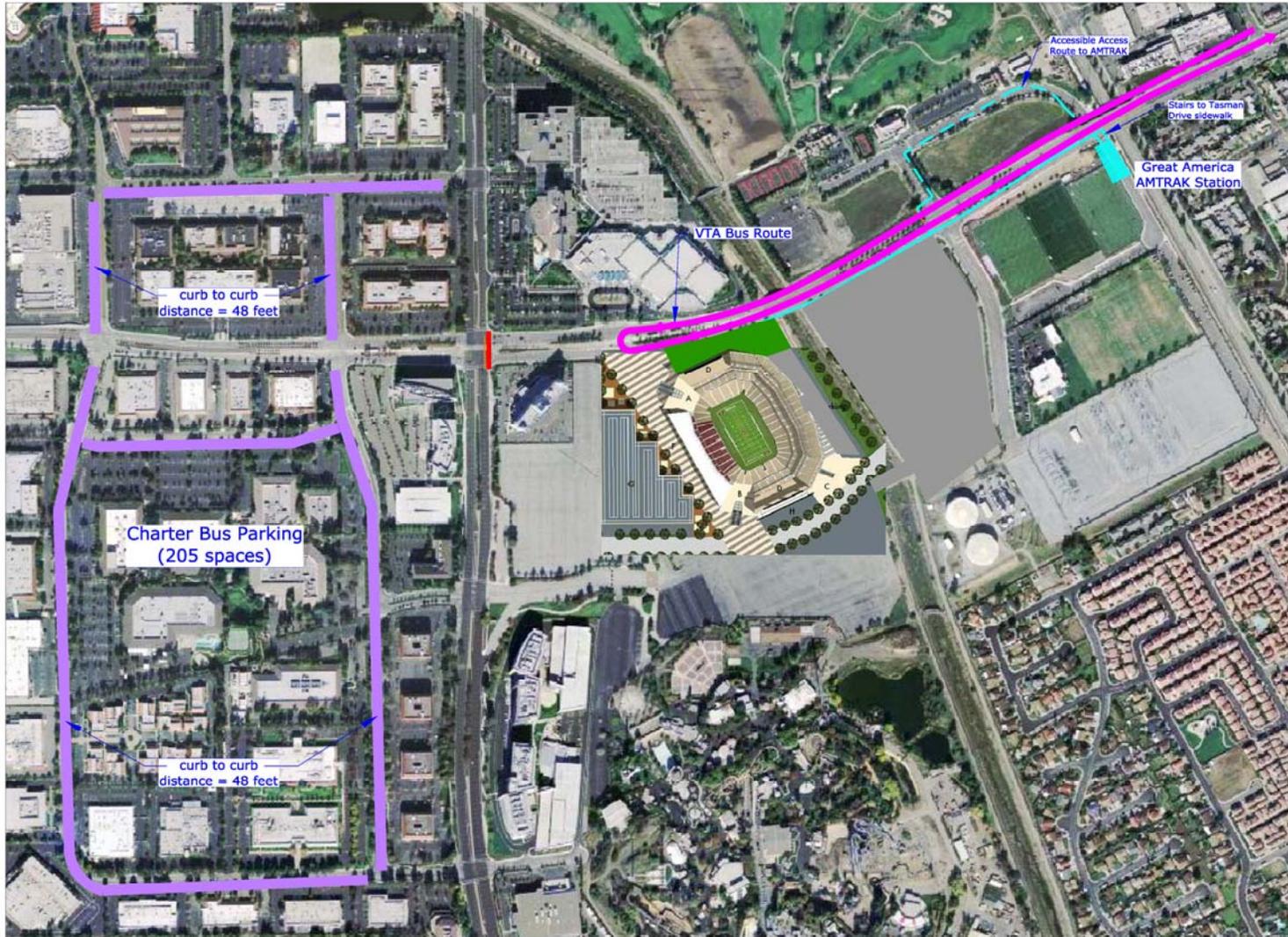
18,000 Patrons on Transit

68,500 Seat Stadium = 26% Mode Split to Transit



POTENTIAL  
TRANSIT  
OPERATIONS

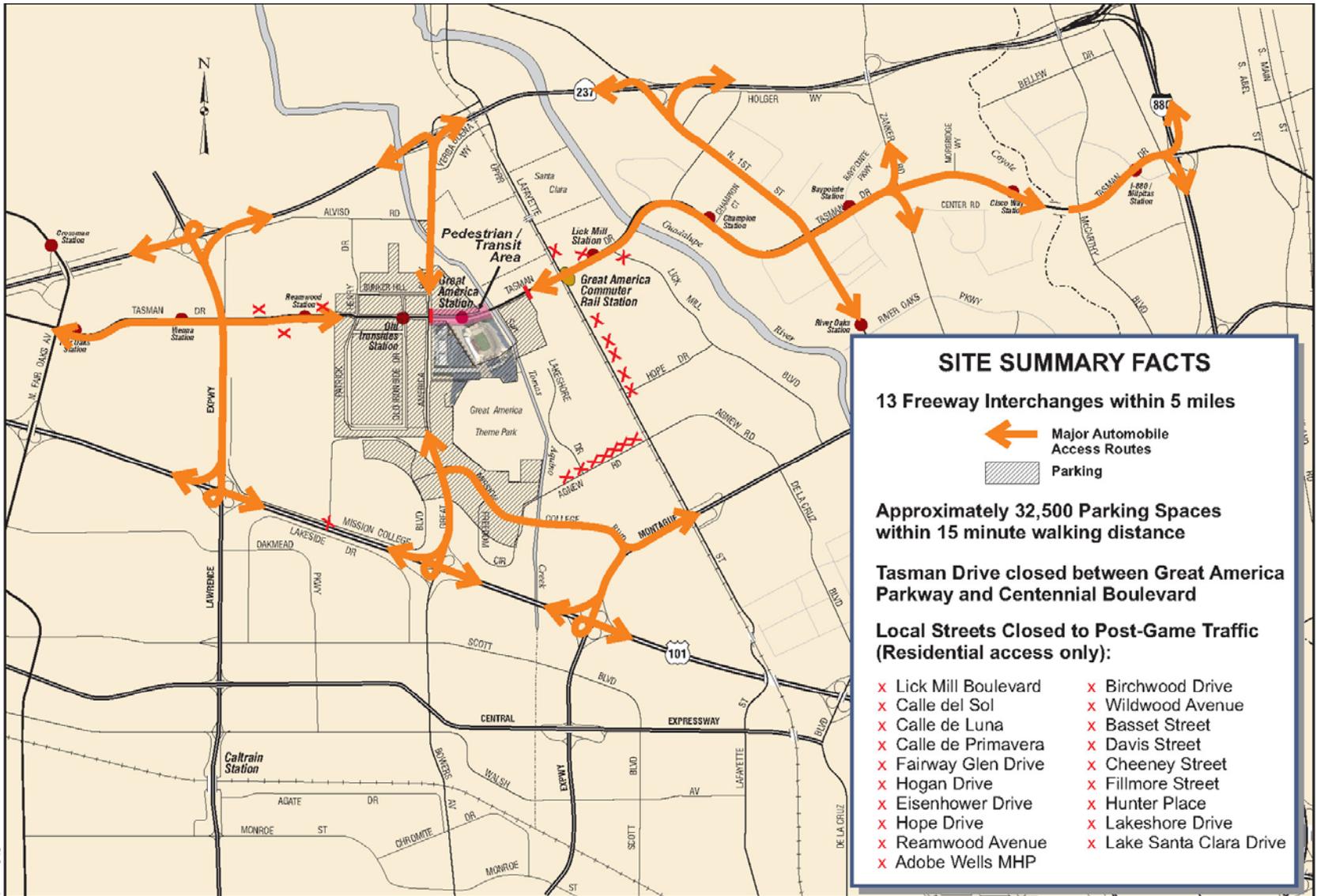
# Public Transit Access



# Residential Areas



# Automobile Access



## SITE SUMMARY FACTS

13 Freeway Interchanges within 5 miles

-  Major Automobile Access Routes
-  Parking

Approximately 32,500 Parking Spaces within 15 minute walking distance

Tasman Drive closed between Great America Parkway and Centennial Boulevard

Local Streets Closed to Post-Game Traffic (Residential access only):

- |                       |                          |
|-----------------------|--------------------------|
| x Lick Mill Boulevard | x Birchwood Drive        |
| x Calle del Sol       | x Wildwood Avenue        |
| x Calle de Luna       | x Basset Street          |
| x Calle de Primavera  | x Davis Street           |
| x Fairway Glen Drive  | x Cheeny Street          |
| x Hogan Drive         | x Fillmore Street        |
| x Eisenhower Drive    | x Hunter Place           |
| x Hope Drive          | x Lakeshore Drive        |
| x Reamwood Avenue     | x Lake Santa Clara Drive |
| x Adobe Wells MHP     |                          |



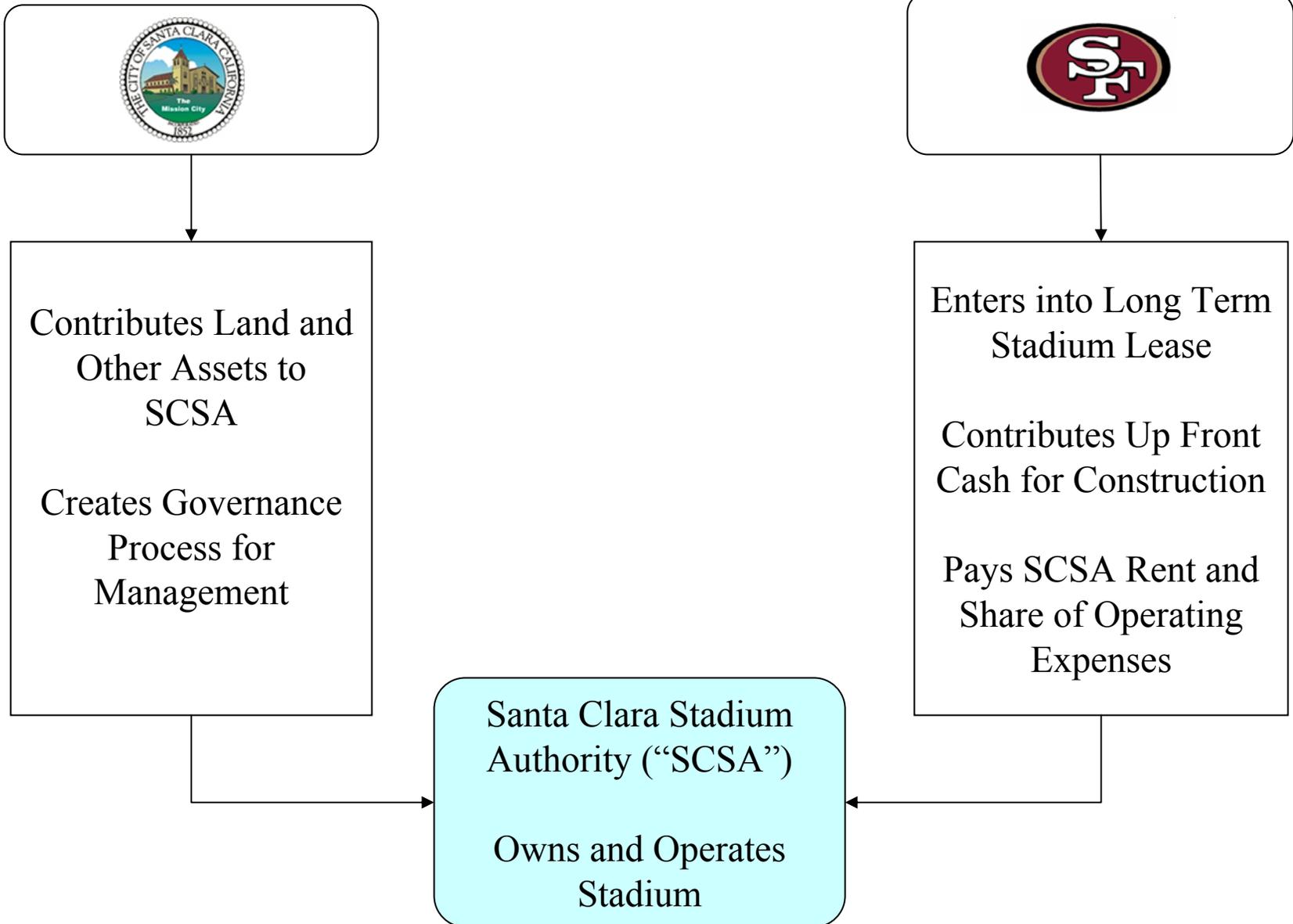
# Questions on Game Day Transportation Plan



- There are two primary components that we are going to discuss tonight.
  - Stadium Costs and Funding Sources
  - Ongoing Operating Revenues and Expenses
- Proposed Transaction Structure
  - City creates a Stadium Authority (“Santa Clara Stadium Authority”)
  - Stadium Authority owns and operates the stadium
  - 49ers lease the stadium for NFL games
  - Stadium Authority controls scheduling of other stadium events



# Formation of Santa Clara Stadium Authority



# Stadium Costs & Funding Sources



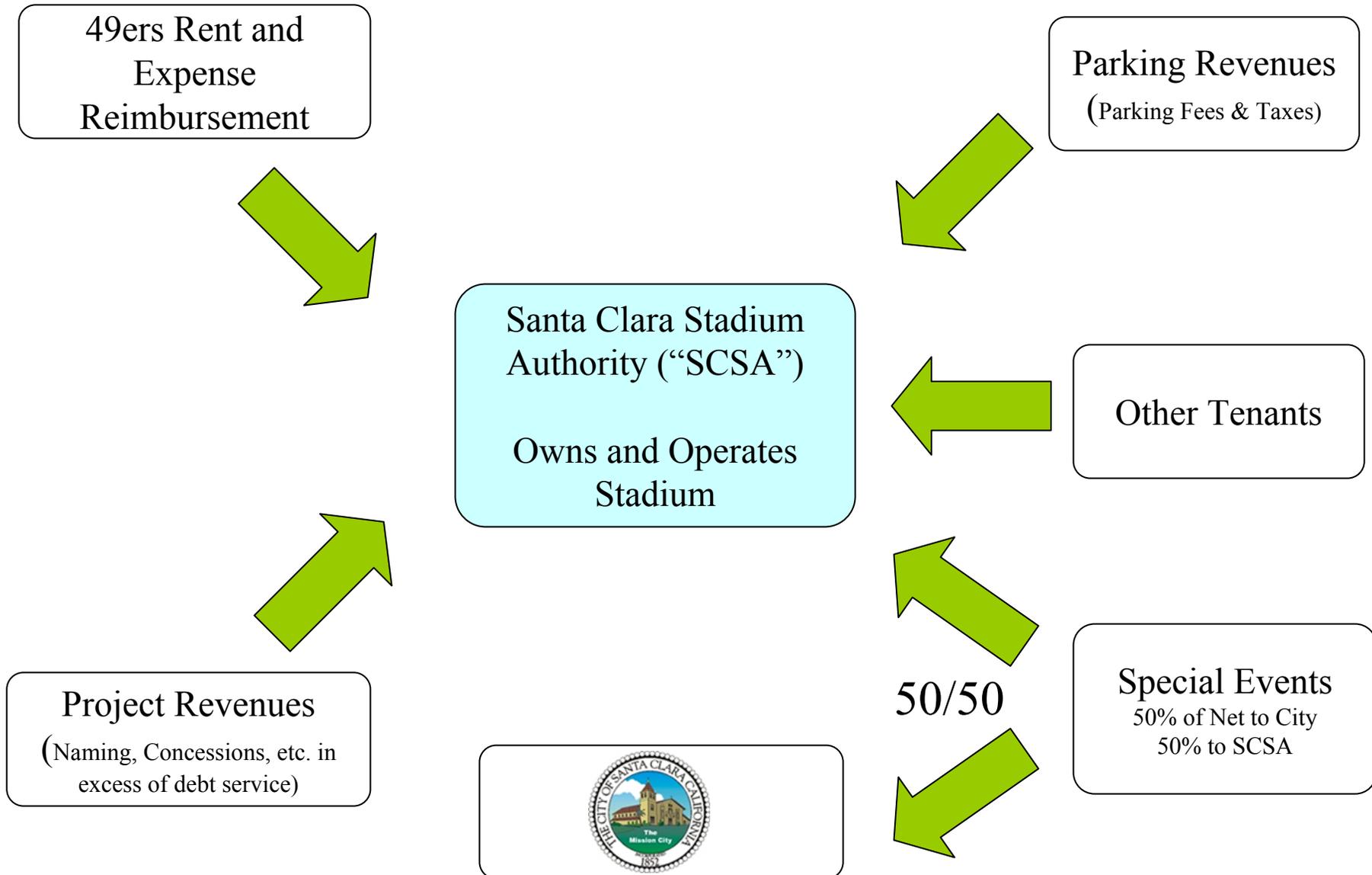
\$MM	<b>Costs</b>		
	Stadium Construction Costs	\$616,340	
	Inflation to 2010 (Start of Construction)	111,000	
	Offsites & Site Work	3,000	
	Design, Engineering, Insurance, Entitlement, Legal, Etc. (excludes financing costs)	123,428	
	<b>Total Costs</b>	<u><u>\$853,768</u></u>	
	<b>Funding Sources (Net of Financing Costs)</b>		
	Stadium Authority Project Funding	330,464	38.7%
	Naming Rights, Corporate Founding Partners, Ticket Tax Financing, Stadium Builders Licenses, Concessionaire Equity, Pouring Rights, etc.		} 81.3%
	Private Investment (Team & NFL)	363,304	
	Public Equity Investment in Stadium	160,000	18.7%
	<b>Total Funding Sources</b>	<u><u>\$853,768</u></u>	100.0%

## Notes:

- This schedule excludes the costs of relocating or reconfiguring the substation, which has not yet been quantified, and costs associated with reconfiguring parking for the theme park.
- Assumes construction of the parking garage for the Convention Center proceeds on the south side of Tasman.



# Revenue Sources for Stadium Authority



# Stadium Authority – Annual Cash Flow



	2012	2013	2014	2015	2016
<b>Revenue</b>					
Rent from 49ers	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Expense Reimbursement from 49ers	2,412,000	3,773,000	3,580,000	3,372,000	3,148,000
Concessions (49ers Games)	4,586,000	4,769,000	4,960,000	5,158,000	5,365,000
Parking Operations	987,000	1,026,000	1,068,000	1,110,000	1,155,000
Game Day Parking Tax	960,000	998,000	1,038,000	1,080,000	1,123,000
Other Revenues (Above Debt Service)	8,156,000	8,812,000	9,496,000	10,208,000	10,951,000
Income from Other Events (50% of Net)	-	-	-	-	-
<b>Total Revenues</b>	<b>22,101,000</b>	<b>24,378,000</b>	<b>25,142,000</b>	<b>25,928,000</b>	<b>26,742,000</b>
<b>Expenses</b>					
<b>Base Operating Expenses</b>					
Operations & Maintenance	5,553,000	5,719,000	5,891,000	6,068,000	6,250,000
Security (Non game day - 24/7/365)	657,000	677,000	697,000	718,000	739,000
Utilities	2,688,000	2,822,000	2,964,000	3,112,000	3,267,000
Insurance	6,192,000	6,377,000	6,569,000	6,766,000	6,969,000
Possessory Interest Taxes	2,525,000	2,576,000	2,628,000	2,681,000	2,735,000
Capital Reserves	-	1,586,000	1,634,000	1,683,000	1,733,000
<b>Subtotal - Base Operating</b>	<b>17,615,000</b>	<b>19,757,000</b>	<b>20,383,000</b>	<b>21,028,000</b>	<b>21,693,000</b>
<b>NFL Event Costs (Game Day)</b>					
Police & Fire Services	1,313,000	1,352,000	1,393,000	1,434,000	1,477,000
Security	650,000	670,000	690,000	711,000	732,000
Other Game Day Costs	1,473,000	1,519,000	1,564,000	1,611,000	1,660,000
<b>Subtotal - NFL Event Costs</b>	<b>3,436,000</b>	<b>3,541,000</b>	<b>3,647,000</b>	<b>3,756,000</b>	<b>3,869,000</b>
<b>Total Expenses</b>	<b>21,051,000</b>	<b>23,298,000</b>	<b>24,030,000</b>	<b>24,784,000</b>	<b>25,562,000</b>
<b>Gross Cash Flow for Distribution</b>	<b>1,050,000</b>	<b>1,080,000</b>	<b>1,112,000</b>	<b>1,144,000</b>	<b>1,180,000</b>



$$\begin{array}{ccc} \text{Revenue and} & & \\ \text{Expense} & - & \text{Operating} \\ \text{Reimbursements} & & \text{Expenses and} \\ & & \text{Reserves} \\ & = & \\ & & \text{Gross} \\ & & \text{Cash Flow} * \end{array}$$

## Distribution of SCSA Gross Cash Flow:

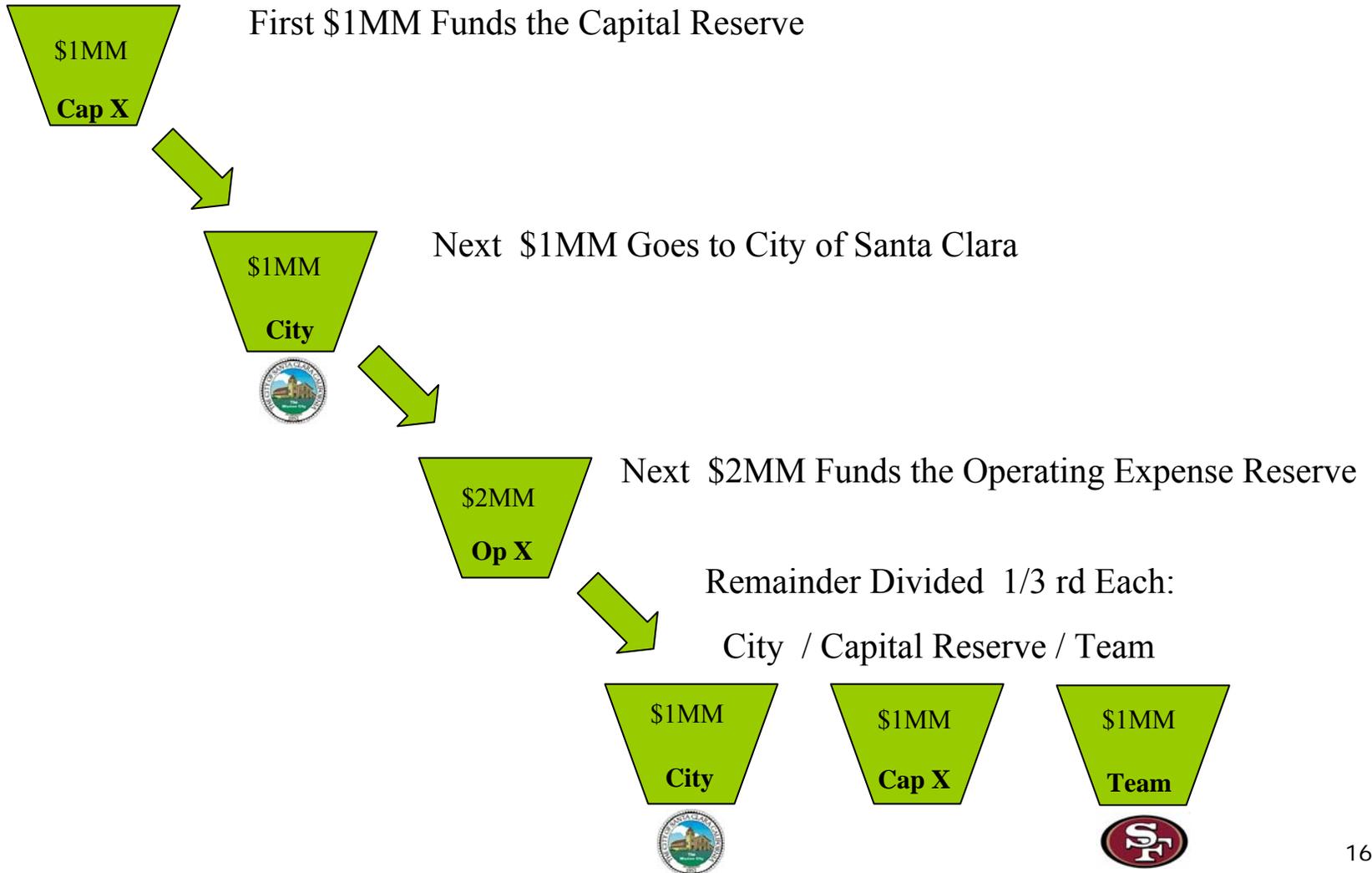
1. First \$1 million is reserved for future capital expenditures (Cap X) of the stadium
2. Second \$1 million flows to City
3. Third \$2 million is reserved is reserved for future operating expenses
4. Fourth – Excess over \$4 million flows 1/3<sup>rd</sup> each to: City / Cap X Reserve / Team.

\* Excludes revenues pledged for stadium construction, and related debt service expense that was already accounted for in the Construction Sources & Uses analysis

# Waterfall Illustration



Assume \$7MM in Gross Cash Flow for Distribution



# Cash Flow Distribution with Special Events



City of Santa Clara receives 50% of net revenue from special events, plus a priority distribution of cash flow from SCSA

	No Other Events	Special Events Net \$3MM	Special Events Net \$6MM	
<b>Stadium Authority Gross Cash Flow:</b>				
Gross Cash Flow (without events) <small>(Assumed to remain constant for illustration)</small>	1,050,000	1,050,000	1,050,000	50% of Special Events flows to SCSA
Add: 50% of Special Event Net Revenue	-	1,500,000	3,000,000	
<b>Gross Cash Flow (with events)</b>	<b>1,050,000</b>	<b>2,550,000</b>	<b>4,050,000</b>	
<b>Distribution of Gross Cash Flow (with events):</b>				
Funding to Stadium Capital Reserve	1,000,000	1,000,000	1,016,667	Waterfall: 1 - \$1MM to Cap X 2 - \$1MM to City of SC 3 - \$2MM to Op X 4 - Remainder 1/3 <sup>rd</sup> each: City / Cap X / Team
Revenue to City of Santa Clara	50,000	1,000,000	1,016,667	
Funding to Operating Expense Reserve	-	550,000	2,000,000	
Revenue to Team	-	-	16,667	
<b>Total</b>	<b>1,050,000</b>	<b>2,550,000</b>	<b>4,050,000</b>	
<b>Recap of Revenue to City of Santa Clara</b>				
Distributions from SCSA (from above)	50,000	1,000,000	1,016,667	City receives 50% of Special Events in addition to distributions from SCSA
50% of Special Event Revenue	-	1,500,000	3,000,000	
<b>Total to City</b>	<b>50,000</b>	<b>2,500,000</b>	<b>4,016,667</b>	

Special Event revenues are hypothetical, and are only used to illustrate the distribution method.

# Summary of Proposal - Economics

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- 49ers/NFL and Project Funding delivers invest nearly \$700MM for Stadium Construction (81%) and the 49ers take 100% of the risk of construction cost overruns
- 49ers commit to a long term lease with rent of \$150MM, plus expense reimbursement of more than \$100MM over 30 years
- City of Santa Clara forms Stadium Authority. Invests \$160MM for Stadium Construction, plus relocates substation
- City receives up to \$1MM a year in priority cash distributions from Stadium Authority, plus 1/3<sup>rd</sup> of cash flow above \$4MM
- City receives 50% of net revenue from stadium special events, with the remaining 50% going to the Stadium Authority
- City owns the stadium and the land