The Economic Importance of St. Louis Convention, Sports, and Entertainment Infrastructure and the Economic Impact of the Proposed St. Louis NFL Stadium

November 13, 2015

About This Economic Analysis

Chamber review of current published reports and analysis

Over the last year, a number of reports have been issued related to the proposed new St. Louis NFL stadium. We have analyzed the published reports and statements and commissioned our own independent analysis by PricewaterhouseCoopers LLP (PwC) to examine the incremental economic impact of the new stadium on the St. Louis, MO-IL Metropolitan Statistical Area (MSA) and the State of Missouri.

This report presents the Chamber's summary of selected findings from PwC as well as discusses findings from other sources. The other studies considered in this summary include:

- The NFL commissioned Conventions, Sports & Leisure International (CSL) to conduct a feasibility analysis for the proposed new stadium. The report draft "*New St. Louis Open Air Stadium Market Feasibility Analysis*" dated May 13, 2015 was reviewed. CSL surveyed and interviewed Rams ticket and seat holders and other area businesses and individuals. The results were used to project potential revenues for the proposed new stadium.

- The Missouri Economic Research and Information Center (MERIC) conducted two analyses. One report "*The Economic Impact of a NFL Stadium Complex*" dated August 2015, to estimate the general economic impact of the new stadium construction and expected operational impacts of an NFL franchise through the year 2051. This analysis includes state fiscal returns and does not include local fiscal benefits or costs. The other report, "*Local Cost-Benefit Analysis: Construction of a New Stadium and Retention of a National Football League Team in the St. Louis Regio*n" dated July 2015, examined the local impact of the construction of the Proposed Stadium and NFL activities. The scope, methodology, and underlying data assumptions of these reports differ from the PwC report such that the results cannot be directly compared.

It is important to note that there are key differences between the PwC and MERIC analyses:

- **Scope of analysis** - MERIC analysis appears to be limited to NFL impacts; while the PwC analysis considers impacts of broader stadium operation and other stadium events.
- **Basis of presentation** - MERIC analysis is a 32-year or 36-year presentation, depending on document, expressed in real dollars with net consideration of a $12 million annual bond payment; while the PwC analysis presents a construction period and stabilized year of operation with all figures expressed in 2015 dollars and no consideration of a $12 million annual bond payment.
- **Underlying assumptions** - other differences resulting from different base sources and/or adjustments applied thereto - ability to assess these differences is limited by the documentation included in the respective reports.

The Economic Importance of St. Louis Convention, Sports, and Entertainment Infrastructure and the Economic Impact of the Proposed St. Louis NFL Stadium

The Context for the St. Louis Region

St. Louis is at a critical moment of decision about building and reinvesting in facilities

St. Louis has world-class, major league venues: Busch Stadium and Ballpark Village, America's Center, Gateway Motorsports Park, and the Scottrade Center. These complement each other. The addition of the new riverfront stadium will significantly enhance the region's capacity as a convention, sports, and entertainment destination. We need them all. Public/private partnerships are necessary for their success. With the right investment, strategy and coordination, together with completion of the City-Arch-River Project, we will create a stunning makeover of the urban core, increase employment in our hospitality and construction industries, and boost our civic confidence and pride.

St. Louis is a major league center for sports

We're home to the Rams (NFL), Cardinals (MLB), Blues (NHL), and Gateway Motorsports Park (NHRA, NASCAR) major league sports teams and venues, along with many other popular professional teams. Greater St. Louis also has two Frontier League Baseball teams, the Gateway Grizzlies and River City Rascals.

Greater St. Louis is also home to many colleges that compete nationally, ranging from members of the National Junior College Athletic Association to the NCAA Division I. Many area teams have been conference, division, and national champions.

St. Louis area sports teams play in numerous venues, which attract millions of visitors to the area every year. Its central location and world-class venues have supported St. Louis as a popular host city to numerous NCAA college and other national championships. St. Louis is also home to many annual sporting events ranging from amateur to professional competitions.[i]

These teams and venues host millions of annual attendees from throughout the region and the U.S. Sports tourists generate significant local spending on food, hotels, and retail. This spending is a major source of support for area jobs in hospitality and other industries. They also provide a venue to showcase our region to visitors. These visits can build a positive image of our region to potential investors and immigrants.

Perhaps more importantly, these teams and events provide a focal point for regional pride and community. When the Rams won the Super Bowl in 2000 there were numerous articles extoling the importance of the widespread sense of civic pride.[ii] This community spirit was broadcast to the whole country. In fact, that same year St. Louis was named the Best Sports City in North America by The Sporting News.[iii]

Sports is a major league industry for St. Louis

Sports is a major industry. Greater St. Louis is home to many sports related businesses including major firms like Rawlings Sporting Goods as well as entrepreneurial companies like Lockerdome. Lockerdome, founded in St. Louis as a sports social networking platform, is an entrepreneurial success story. Their website is organized by interests including sports and has seen dramatic growth over the last few years to over 75 million users.

In 2015, the St. Louis Regional Chamber organized **Spirit of St. Louis Ventures** to invest in venture funds, loan funds and other enterprises. One of the inaugural investments is in **Stadia Ventures,** a sports business accelerator and academy for entrepreneurs, industry partners and investors.

Convention, sports, and entertainment industries create jobs

The St. Louis MSA Leisure and Hospitality industry had employment of 143,300 in 2014 according to the U.S. Bureau of Labor Statistics. Job creation in these sectors has been positive for the region. St. Louis MSA Leisure and Hospitality industry employment grew by 4,300 between August 2014 and August 2015.[iv]

Competition is increasing for convention, sports, and entertainment business

Competing cities from Nashville to Indianapolis to Denver are aggressively expanding and updating facilities to capture additional share of convention and tourism business.[v] St. Louis' existing venues need investment to be competitive.

The Impact of Being an NFL City and the Economics of the Proposed Stadium

Background on Methodology

As the St. Louis region and the State of Missouri consider a proposal to build a new National Football League (NFL) stadium there has been a wide range of media coverage and related information released. We have analyzed the published reports and statements by MERIC and CSL and commissioned our own independent analysis by PricewaterhouseCoopers LLP (PwC) to examine the incremental economic impact of the new stadium on the St. Louis, MO-IL Metropolitan Statistical Area (MSA) and the State of Missouri.

PwC analyzed the economic impacts of the new stadium. MERIC estimated the annual net general revenue for the State of Missouri and the estimated direct tax revenues for the City of St. Louis and other taxing jurisdictions. Both reports estimate the incremental impacts related to the proposed new stadium and retention of an NFL team.

PwC used conservative assumptions to estimate direct spending. They then employed well-established economic analysis methods to estimate the total economic impact of the Proposed Stadium. Determining direct spending is the first step in the analysis. PwC defines direct spending as the *"estimated first round of spending in the MSA and State by non-residents and non-local businesses generated by incremental activity resulting from the Proposed Stadium as well as resident and local business spending in the MSA and State which would otherwise occur elsewhere but for the construction and operation of the Proposed Stadium."*[vi]. Incremental activity is defined *as "…the difference between the potential activity level resulting from the Proposed Stadium and a baseline level of recent historical activity, less any activity which could be reasonably assumed to be lost in the near future but for the construction and operation of the Proposed Stadium (e.g., NFL St. Louis Rams)*."[vii]

"*The indirect and induced effects of the incremental direct spend generated as a result of the Proposed Stadium were also calculated to reflect the 'ripple' effect as the initial dollars are re-spent locally. … Indirect spending was also considered based on IMPLAN spending multipliers to acknowledge additional expenditures which occur in either the MSA or State economy within other industries that provide goods and services to the 'direct' industries which support events at the Proposed Stadium and related activities. Further, induced effects were computed through the IMPLAN spending multipliers to reflect household spending in either the MSA or State economy of personal income earned either directly or indirectly from the Proposed Stadium event activity*".[viii]

The St. Louis Regional Chamber's conclusions are based on our review of published reports by PwC, CSL, and MERIC.

Being an NFL City is qualitatively and economically important to St. Louis

- ### Being an NFL City is good for our brand and helps us attract and retain talent

  NFL teams not only provide a quality of life amenity for current residents, but also can help draw new residents to the Region. While the PwC report does not directly address talent attraction and retention, the strong community brand that being an NFL city develops can make a significant impact on the strength of a growing workforce. The PwC report notes that **5,000 new jobs were created in Jacksonville, Florida due to corporate relocation within a year after they hosted Super Bowl XXXIX.** [ix]

- ### NFL Teams have extensive community giving programs

  Community Giving Programs - "*Local community groups and non-profit organizations benefit from the community programs of the stadium operator and the facility's professional sports tenants along with local outreach initiatives of special events held at the venue and the individual players and executives of the professional sports tenants*." [x]

  The PwC report summarizes the **community work the Rams did during the 2014 season. This work included making 343 appearances at 100 school and non-profit organizations, reaching 11,700 kids through 2,500 hours of time with the PLAY 60 program, and raising money for a variety of charities and charity events.** [xi]

The economics of the proposal are net-positive, fiscally-sound, and doable

- ### The Proposed Stadium generates a unique, positive, substantial net economic impact

  The proposed new stadium is estimated to generate a positive incremental impact to both the St. Louis MSA and State of Missouri both through its construction and during its operation that is over and above the current Rams operations.

- ### New Stadium generates significant economic and fiscal impacts[xii]

  - Retention of current impact
    PwC estimates that "*the Proposed Stadium would generate approximately $23 million … in new incremental direct spend in the MSA…*". PwC's analysis estimates that an additional $80 million of direct spending, currently generated by the NFL St. Louis Rams in the MSA would also be retained in St. Louis. This $80 million of direct spend would be lost without the Proposed Stadium.[xiii]

"*The operating direct spend attributed to the project represents the difference between the potential activity level resulting from the Proposed Stadium and a baseline level of recent historical activity, less any activity which could be reasonably assumed to be lost in the near future but for the construction and operation of the Proposed Stadium (e.g. NFL St. Louis Rams)*".[xiv]

- Impact of operations

  The new stadium operations would produce a total economic impact that approaches $200 million annually for the St. Louis MSA.[xv]

  PwC estimates that the direct spending during annual operations at the new stadium would generate $102 million in direct output and another $97 million in indirect and induced output in the St. Louis MSA.[xvi] The total economic impact in the State of Missouri from annual operations is estimated to be $177 million ($96 million in direct output and $81 million indirect and induced output). **In the St. Louis MSA, one year of stabilized operations would generate a total of 1,600 jobs,** 910 will be direct jobs and another 690 jobs will be created by indirect and induced impacts.[xvii]

- Impact of construction

  Construction would produce a total economic impact of $895 million of output for the St. Louis MSA

  The PwC report found that the construction of the new stadium would generate $450 million in direct output and another $446 million in indirect and induced output in the St. Louis MSA during the two to three year construction period. The economic impact to the State of Missouri is estimated to be $908 million ($486 million direct output and $422 million indirect and induced output). This large scale **construction project would generate 2,950 direct jobs in St. Louis, and another 2,970 indirect and induced jobs, for a total of 5,920 jobs** during the entire construction period.[xviii]

  There is regional support for this major construction projects from area construction unions. In February 2015, unions agreed to forgo overtime pay during round-the-clock construction of a football stadium proposed on the riverfront. The labor agreement calls for three eight-hour shifts, at straight time, which officials said would reduce overtime costs on the up-to-$985 million stadium while speeding up construction, Governor Nixon announced in a press conference at the electricians training center on Hampton Avenue.[xix]

- Tax impacts

  Operation of the Proposed Stadium would generate about $19 million in direct state and local taxes in the St. Louis MSA

Annual operation would generate about $19 million in direct state and local taxes in the St. Louis MSA, another $5 million will be generated by indirect and induced effects for a total of **$24 million in state and local taxes**. The analysis presents a combined state and local tax impact. Because the majority of the economic activity will take place in St. Louis, the analysis at the state level also indicates a total state and local tax total of $24 million.[xx]

The construction phase is estimated to generate about $6 million in direct state and local taxes in the St. Louis MSA and another $21 million in taxes generated by indirect and induced spending for **a total of $27 million**. The state and local tax impact on the state is estimated to total $26 million.[xxi]

If the Proposed Stadium is not built and the Rams leave the region, the continued obligation to fund the Jones Dome will total $78 million through 2024.[xxii] However the taxes generated by the Rams will not occur, leaving a deficit to government funding.

- **New stadium produces major qualitative impacts**

The PwC report also found that stadium venues and the professional sports teams hosted can provide other qualitative impacts to the communities where they are located. By reviewing case studies and secondary data sources, PwC reviewed the potential impacts of an NFL Franchise on:

- Community Brand
- Resident Quality of Life
- Ancillary Real Estate Development
- Locally Sourced Requirements
- Community Giving Programs

Community Brand - PwC finds that **communities receive value from the name recognition and media exposure** provided by sports broadcasting and publishing. **The benefits and value of these media impressions to community brand may be substantial** when compared with media advertising rates. The report provides several examples including the 2013 MLB Playoffs earning approximately $60 million in media exposure for Anheuser-Busch and having the ballpark mentioned by name over 29,000 times across various forms of media/news[xxiii].

TV audience demographics for the NFL and MLS show that **being an NFL-community brings regional exposure and provides a way to reach out to diverse, working age, higher income individuals.**

Resident Quality of Life - The PwC report discusses the importance to resident's quality of life of being in a "major-league" city. They note the importance of major sports to retaining and attracting residents and forming a sense of community.[xxiv] Teams create value for local residents that owners cannot capture. People like professional football. Even if they cannot afford to attend games, they like having and following a home team. **The Super Bowl was the most watched television program in America.** No one is excluded from enjoying the external benefits generated by local sports teams.[xxv]

Ancillary Real Estate Development - **Major league sport facilities often act as anchors for area real estate developments.** There are many examples from other cities of mixed use development around the stadia. **The development of the Proposed Stadium could launch additional redevelopment activity along the North Riverfront in St. Louis City.** The St. Louis Development Corporation finds that "*the vast majority of the Proposed Stadium site is blighted and undeveloped with much of the area abandoned and most of the few remaining structures decaying and in need of demolition or significant rehabilitation*". "*The overall goal of the plan is to promote economic revitalization of the North Riverfront by transforming vacant property along the Mississippi River into public parks and recreation amenities and by stimulating private investment in the area. The Proposed Stadium is anticipated to occupy a portion of the North Riverfront planning area and plans for the project have now been integrated into the broader North Riverfront planning effort*."[xxvi]

Locally Sourced Requirements - Both the construction and the operation of sport stadia offer the opportunity to support local suppliers and vendors. There are many examples of such local sourcing initiatives at other major league sports facilities. These initiative often include Minority Business Enterprise and Women Business Enterprise (MBE/WBE) requirements for inclusion.[xxvii] The stadium task force has committed to the "gold standard" for MBE/WBE contracting, improving on the standard used in the recent Minnesota and Atlanta stadia.

About 40% of the Proposed Stadium would be funded publicly

The mix of private and public funding is reasonable – approximately the average for all new NFL stadia projects since 2006. The use of public funds for the project are contingent on at least $450 million in private capital contributions from the NFL and or the team and at least $150 million in seat licenses. The $600 million in private investment would be the largest private investment in a stadium project in St. Louis history. "*Public financing is also contingent on a lease agreed for at least 30 years and including a reasonable rent and CIP payment plan*".[xxviii]

The PwC report summarizes the funding for seven NFL stadia of various costs and capacities built between 2006 and 2017. The percentage public funding for these seven stadia varies significantly from no public funding for the very large market, New York Giants/Jets' stadium to 86% for the Indianapolis Colts' stadium. **The St. Louis Proposed Stadium's approximately 40% share of public funding is in-line with four of the seven NFL Stadia and below the share of public funding for the Minnesota Vikings stadium, which is closest to the Proposed Stadium in terms of capacity, total cost, and metro population.** The PwC report also summarizes the funding for eleven MLS stadia built between 2005 and 2018. The percentage public funding ranges from no public funding for the Orlando City Soccer Club and San Jose Earthquakes, to 100% for the Sporting Kansas City and the Chicago Fire.[xxix]

Stadia Developed Since 2005 and Planned
Percent of Public Financing of Total Costs[xxx]

Team	Venue	Year Built	Total Capacity	Total Cost	% Public
NFL					
Indianapolis Colts	Lucas Oil Stadium	2008	63,000	$720	86%
Arizona Cardinals	University of Phoenix Stadium	2006	63,400	$456	68%
Minnesota Vikings	U.S. Bank Stadium	2016	65,400	$1,027	48%
ST. LOUIS NFL[xxxi]	**Proposed Stadium**	**2019**	**62,500**	**$988**	**40%**
Dallas Cowboys	AT&T Stadium	2009	80,000	$1,194	37%
Atlanta Falcons	Mercedes-Benz Stadium	2017	71,000	$1,500	13%
San Francisco 49ers	Levi's Stadium	2014	68,500	$1,300	9%
New York Giants / New York Jets	MetLife Stadium	2010	82,500	$1,600	0%
MLS					
Sporting KC	Sporting Park	2011	18,467	$200	100%
Chicago Fire	Toyota Park	2006	20,000	$98	100%
FC Dallas	Toyota Stadium	2005	20,500	$90	61%
New York Red Bull	Red Bull Park	2009	30,000	$200	56%
Toronto FC	BMO Field	2007	20,000	$57	56%
D.C. United	D.C. United Stadium	2018	20,000	$287	52%
Colorado Rapids	Dick's Sporting Goods Park	2007	18,000	$131	40%
Houston Dynamo	BBVA Compass Stadium	2012	22,000	$95	37%
Real Salt Lake	RioTinto Stadium	2008	20,000	$110	32%
Orlando City SC	Orlando City Stadium	2016	25,500	$155	0%
San Jose Earthquakes	Avaya Stadium	2015	18,000	$100	0%

The CSL Stadium Market feasibility analysis that surveyed corporations and Rams ticket holders found potential funding sources receiving the highest level of support included revenues from additional stadium events, hotel and motel tax revenue, government grants, and sales tax revenue.[xxxii]

Public funding will come from the State of Missouri and St. Louis City government. On August 18th, the Missouri Development Finance Board approved $15 million in state tax credits from the Tax Credit for Contribution Program to support the construction of the

NFL stadium. It is likely that the state will provide an additional $17.5 million in 2016 and $17.5 million in 2017 for a total of $50 million from this program. These credits are contingent on the NFL and owner contributing about $450 million to the project.[xxxiii] An additional $44.5 million in State Brownfield credits is assumed during the construction phase.[xxxiv]

- **The public funding and financing comes without tax increases or cuts to other vital government services.**

  According to the MERIC reports, the public dollars for the project would not be generated but for the construction and operations of the Proposed Stadium.

  MERIC estimates that Missouri would receive cumulative net state general revenues of $233 million from the project. This net revenue is based on estimates of $627 million in revenues less $394 million in costs for the State during construction and thirty years of operations of the new stadium.[xxxv] **MERIC's analysis of the estimated direct net taxes from stadium construction and football related analysis also indicates that estimated direct revenue will cover city lease payments and provide positive revenue to St. Louis City and other taxing jurisdictions over operations through 2051.**[xxxvi]

The St. Louis market can and will commit to a successful team

The Rams have been operating successfully in St. Louis for two decades. The **CSL Report found that, *"…past support of the Rams (1995 to 2005) indicates that the St. Louis market can and will commit to a successful team playing in a venue that offers quality fan amenities."***[xxxvii] Corporate support for the team and new Proposed Stadium is supported by the announcement that National Car Rental agreed to a 20-year, $158 million naming rights deal for the new project, which is more than twice as much as the current naming rights deal.[xxxviii]

The CSL survey of ticket holders and corporations found **about 72 percent of respondents have a positive attitude toward the construction of a new open-air stadium. About 57 percent of respondents indicate they would attend more games per season at a new stadium and 85 percent indicted some level of interest in purchasing tickets for Rams games at a new open air stadium.**[xxxix] CSL conducted focus groups and found participants stressed that St. Louis is a true sports town that has a deep commitment to football.[xl]

With the right investment, strategy and coordination, the Proposed Stadium and existing convention, sports and entertainment infrastructure will complement each other to grow the market

St. Louis is at a critical decision point regarding investment in convention, sports, and entertainment infrastructure. The St. Louis MSA Leisure and Hospitality industry had employment of 143,300 in 2014 according to the U.S. Bureau of Labor Statistics. Job creation in these sectors has been positive for the region. St. Louis MSA Leisure and Hospitality industry employment grew by 4,300 between August 2014 and August 2015.[xli]

St. Louis has world-class, major league venues: Busch Stadium and Ballpark Village, America's Center, Gateway Motorsports Park, and the Scottrade Center. These complement each other. The addition of the new riverfront stadium will significantly enhance the region's capacity as a convention, sports, and entertainment destination. We need them all. Public/private partnerships are necessary for their success. With the right investment, strategy and coordination, together with completion of the City-Arch-River Project, we will create a stunning makeover of the urban core, increase employment in our hospitality and construction industries, and boost our civic confidence and pride.

- ### Almost all of the forecast attendance would be lost without the Proposed Stadium

  According to the PwC report the stadium would support a mix of new events as well as give existing events more choices for venues. ***"Approximately 86 percent of the Proposed Stadium's estimated attendance considered in this analysis is associated with event activity which has been assumed to be incremental to the market or otherwise would not materialize in the near future but for the Proposed Stadium."***[xlii]

- ### Cities from Nashville to Indianapolis to Denver are aggressively expanding and updating facilities to capture additional share of the region's convention business

  St. Louis' existing venues need investment to be competitive. America's Center, which last underwent upgrades in 2012, commissioned a study in April to compare the facility's competitiveness. Music City Center in Nashville had a $623 million investment in 2012, while the Colorado Convention Center will begin a $100 million update next year. America's Center is at a particular disadvantage in terms of ballroom size, a crucial need for conventions, offering visitors only 28,000 square feet compared to over 50,000 in competing cities. The study has not yet been made public, but media reported the initial upgrade needs could run around $100 million.[xliii]

Scottrade Center, the home of the St. Louis Blues NHL franchise, passed the 20-year mark last year. Blues owner Tom Stillman said publicly that the venue is in need of renovation in order to continue playing a key role in bringing concerts and collegiate sporting events to St. Louis. Details of what the proposed renovation might cost and entail have not yet been released.[xliv]

- **Other cities have found that having multiple event venues with different capabilities is a competitive advantage, one that St. Louis could replicate**

St. Louis public and private sector leaders need to thoughtfully consider oversight and management strategies to optimize opportunity. Management of these facilities to ensure that the region works cooperatively to attract business — whether sporting events, concerts, cultural events or other activities — will be crucial to maximizing the return to the region and to investors. Different models of management exist, and regional leaders will have to develop a collaborative St. Louis solution to oversight and management.

The table below shows that **83 percent of the 31 NFL stadia and 50 percent of the 20 MLS stadia are publicly owned. Eighty-four percent of the NFL stadia and 95 percent of the MLS stadia are managed by private organizations.** There are a number of examples of multiple sports venues in a single market under common management.

Market	Operators	Venues
Oakland	AEG	O.co Coliseum (NFL/MLB) and Oracle Arena (NBA)
New Orleans	SMG	Mercedes-Benz Superdome (NFL) and Smoothie King Center (NBA)
Philadelphia	Global Spectrum	Wells Fargo Center (NBA/NHL) and Citizens Bank Park (MLB)
Orlando	Orlando Venues	Amway Center (NBA) and Citrus Bowl
Toronto	MLSE	Air Canada Center (NBA/NHL) and BMO Field (MLS)
Los Angeles	AEG	Staples Center (NBA/NHL) and StubHub Center (MLS)
Denver	Kroenke	Pepsi Center (NBA/NHL) and Dick's Sporting Goods Park (MLS)

Conclusion

Summary of Economic Impacts of the Proposed Stadium

- Create nearly $200 million (St Louis MSA) and $177 million (Missouri) total annual economic impact.[xlv]
- Create $895 million (St Louis MSA) and $908 million (Missouri) total economic impact from construction over a 2-3 year construction period.[xlvi]
- Maintain community brand, media exposure, quality of life, and central city development.

St. Louis Regional Chamber Position

- St. Louis is at a critical moment of decision about building and reinvesting in convention, sports, and entertainment infrastructure.
- Being an NFL City is economically important to St. Louis.
- The economics of the Stadium Proposal are net-positive, fiscally-sound, and doable.
- With the right investment, strategy and coordination, the Proposed Stadium and existing convention, sports and entertainment facilities will complement each other for new business development.

Contact:

Hart Nelson, Director of Public Policy
(314) 444-1144, hnelson@stlregionalchamber.com

Sources:

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"*Local Cost-Benefit Analysis: Construction of a New Stadium and Retention of a National Football League Team in the St. Louis Region*" MERIC, July 2015.

"*New St. Louis Open---Air Stadium Market Feasibility Analysis*" Convention, Sports & Leisure (CSL), May 13, 2015, https://cdn3.vox-cdn.com/uploads/chorus_asset/file/3853102/NFL_Market_Feasibility_Analysis_-_St._Louis_07July2015.0.pdf

[i] "*Events*" St. Louis Sports Commission, http://stlsports.org/events/, Accessed 10/21/15.
[ii] "*Starting Another Super Season in Our Super City*" St. Louis Business Journal, Sep. 3, 2000, http://www.bizjournals.com/stlouis/stories/2000/09/04/editorial1.html, Accessed 10/22/15.
[iii] "*Football Focuses Spotlight on City*" St. Louis Business Journal, Aug. 27, 2000, http://www.bizjournals.com/stlouis/stories/2000/08/28/story4.html, Accessed 10/22/15.
[iv] "*Employment, Hours, and Earnings (CES)*" U.S Bureau of Labor Statistics, http://data.bls.gov/pdq/querytool.jsp?survey=sm, Accessed 11/9/15.
[v] "*CVC Wants $100 Million Expansion*" St. Louis Business Journal, Oct. 9, 2015, http://www.bizjournals.com/stlouis/print-edition/2015/10/09/cvc-wants-100-million-expansion.html, Accessed 10/14/15.
[vi] PwC Page 6.
[vii] PwC Page 7.
[viii] PwC Page 9.
[ix] PwC Page 22.
[x] PwC page 24.
[xi] PwC page 25.
[xii] PwC Estimated impacts and economic contributions measured in terms of output, employment, labor income and taxes for the construction period and one stabilized year of operations. This summary presents direct spending, total output, employment and taxes defined by PwC as follows:
"Direct Spending - Estimated first round of spending in the MSA and State by non-residents and non-local businesses generated by incremental activity resulting from the Proposed Stadium as well as resident and local business spending in the MSA and State which would otherwise occur elsewhere but for the construction and operation of the Proposed Stadium."
"Total Output - Output is an economic concept akin to sales or revenue which reflects direct spending as well as the potential indirect and induced effects of direct spending. Indirect spending is additional spending occurring within other industries that provide goods and services to the "direct" industries involved in the activity generated by the Proposed Stadium. Induced spending represents household spending of income earned either directly or indirectly from activity as a result of the Proposed Stadium."
"Employment - Potential full-time and part-time jobs resulting from the direct, indirect and induced spending generated by activity resulting from the Proposed Stadium."
"Labor income - Potential wages and salaries, benefits, and proprietors' income resulting from the direct, indirect and induced spending generated by activity resulting from the Proposed Stadium."
"Taxes - Potential local (within MSA) and State tax receipts created by the direct, indirect and induced spending generated by activity resulting from the Proposed Stadium."
PwC page 6.
[xiii] PwC page 18.
[xiv] PwC page 18.
[xv] Note that the PwC report indicates total impact of $199 million. This report rounds up to about $200 million.
[xvi] Note that the indirect impact was adjusted up from $96 million to account for rounding.
[xvii] PwC page 19.
[xviii] PwC page 17.
[xix] "*Deal for round-the-clock construction on new St. Louis football stadium could save $5 Million*" St. Louis Post Dispatch February, 20, 2015 http://www.stltoday.com/news/local/metro/deal-for-round-the-clock-construction-on-new-st-louis/article_459efd23-4bbf-5761-974e-61298f63de05.html
[xx] PwC page 19.
[xxi] PwC page 17.
[xxii] North Riverfront Redevelopment, Public Benefit State of Missouri, Slide 2.
[xxiii] PwC page 22.
[xxiv] PwC page 23.
[xxv] "*Should Cities be Ready for Some Football? Assessing the Social Benefits of Hosting an NFL Team*" Carlino and Coulson, Philadelphia Federal Reserve Bank, Business Review Q2 2004, page 11.

[xxvi] Regional Convention and Sports Complex Authority, "*New Riverfront Stadium Complex in St. Louis Missouri*", Missouri Development Finance Board Tax Credit for Contribution Program Application, July 1, 2015, page Attachment 2 2-1.
[xxvii] PwC pages 26 – 27.
[xxviii] North Riverfront Redevelopment, Public Benefit State of Missouri, Slide 4.
[xxix] PwC page 31.
[xxx] PwC page 31.
[xxxi] "*Could Obama's budget snag funding for the proposed riverfront stadium?*" St. Louis Business Journal, March 19, 2015, http://www.bizjournals.com/stlouis/morning_call/2015/03/could-obamas-budget-snag-funding-for-the-proposed.html, Accessed 11/9/15.
[xxxii] CSL report page 68.
[xxxiii] "*State approves tax credits for proposed NFL stadium*" St. Louis Business Journal, Aug. 18, 2015, http://www.bizjournals.com/stlouis/news/2015/08/18/state-approves-50-million-for-proposed-nfl-stadium.html, Accessed 8/22/15.
[xxxiv] MERIC "*The Economic Impact of a NFL Stadium Complex*" August 2015, page 2.
[xxxv] MERIC "*The Economic Impact of a NFL Stadium Complex*" August 2015, pages 1-2.
[xxxvi] MERIC "*Local Cost-Benefit Analysis: Construction of a New Stadium and Retention of a National Football League Team in the St. Louis Region*", page 5.
[xxxvii] CSL page X.
[xxxviii] *"Proposed NFL Stadium Gets a Name and Sponsor"* St. Louis Business Journal, Oct. 6, 2015, www.bizjournals.com/stlouis/news/2015/10/06/proposed-nfl-stadium-gets-a-name-and-sponsor.html, Accessed 11/11/15.
[xxxix] CSL pages 65 – 67.
[xl] CSL page 105.
[xli] "*Employment, Hours, and Earnings (CES)*" U.S Bureau of Labor Statistics, http://data.bls.gov/pdq/querytool.jsp?survey=sm, Accessed 11/9/15.
[xlii] PwC page 13.
[xliii] "*CVC Wants $100 Million Expansion"* St. Louis Business Journal, Oct. 9, 2015, http://www.bizjournals.com/stlouis/print-edition/2015/10/09/cvc-wants-100-million-expansion.html, Accessed 10/14/15.
[xliv] "*Blues in Need of Upgrades for Scottrade Center*" St. Louis Business Journal, Oct. 2, 2015, http://www.bizjournals.com/stlouis/print-edition/2015/10/02/blues-in-need-of-upgrades-for-scottrade-center.html, Accessed 10/14/15.
[xlv] PwC page 19 PwC reports total impact reported as $199 million, this reports rounds up to nearly $200 million.
[xlvi] PwC page 17.

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St. Louis Regional Chamber

Proposed North Riverfront Stadium Analysis

November 2015

Strictly Private and Confidential - For Internal Company Use Only pwc

Mr. Joe Reagan
President & CEO
St. Louis Regional Chamber
One Metropolitan Square
Suite 1300
St. Louis, Missouri 63102

November 11, 2015

Dear Mr. Reagan:

PricewaterhouseCoopers LLP ("PwC") was engaged by the St. Louis Regional Chamber ("you" or "Client") to calculate the potential economic and fiscal impacts on both the St. Louis metropolitan statistical area ("MSA") and State of Missouri ("State") economies generated by incremental activity resulting from a proposed stadium venue along the north riverfront in downtown St. Louis, Missouri ("Proposed Stadium"). The study also identified and aggregated potential intangible and qualitative impacts as a result of the Proposed Stadium and/or potential NFL and MLS tenants. Our services were performed and this deliverable (which is hereafter referred to as "Report") was developed in accordance with our engagement letter dated May 15, 2015 and are subject to the terms and conditions included therein.

This report and PwC's services are confidential and access, use and distribution are restricted. The services were performed, and this report prepared, at Client's direction and exclusively for Client's sole benefit and use. The services and report may not be relied upon by any person or entity other than Client. PwC makes no representations or warranties regarding the services or this report and expressly disclaims any contractual or other duty, responsibility or liability to any person or entity other than Client. If you are not Client, or otherwise authorized by Client and PwC, you may not access or use the services or this report.

The services were performed in accordance with Standards for Consulting Services established by the American Institute of Certified Public Accountants ("AICPA"). The procedures we performed did not constitute an examination or a review in accordance with generally accepted auditing standards or attestation standards. Accordingly, we provide no opinion, attestation or other form of assurance with respect to our work or the information upon which our work was based. We did not audit or otherwise verify the information supplied to us in connection with this engagement, from whatever source, except as may be specified in this Report.

The services and this report shall be maintained in strict confidence and may not be discussed with, distributed or otherwise disclosed to any third party, in whole or in part, without PwC's prior written consent, nor may the services or this report (or contents thereof) be associated with, referred to or quoted in any way in any offering memorandum, prospectus, registration statement, public filing, loan or other agreement.

Our work was limited to the specific procedures and analysis described herein and was based only on the information made available through June 22, 2015. Accordingly, changes in circumstances after this date could affect the findings outlined in this Report.

Some assumptions underlying study findings inevitably may not materialize and unanticipated events and circumstances may occur. Therefore, potential economic and fiscal impacts may differ from study findings and such differences may be material. Additional primary research such as surveys of event attendees regarding their geographic origin and spending patterns might yield additional insight which could further refine the analysis presented in this deliverable.

This report was not intended or written to be used, and it may not be used for the purpose of avoiding U.S. Federal, state or local tax penalties, or supporting the promotion or marketing of any transactions or matters addressed in this report. Client has no obligation of confidentiality with respect to any information related to the tax structure or tax treatment of any transaction.

Very truly yours,

PricewaterhouseCoopers LLP

Table of Contents

Section 1

Study Overview

Study Introduction

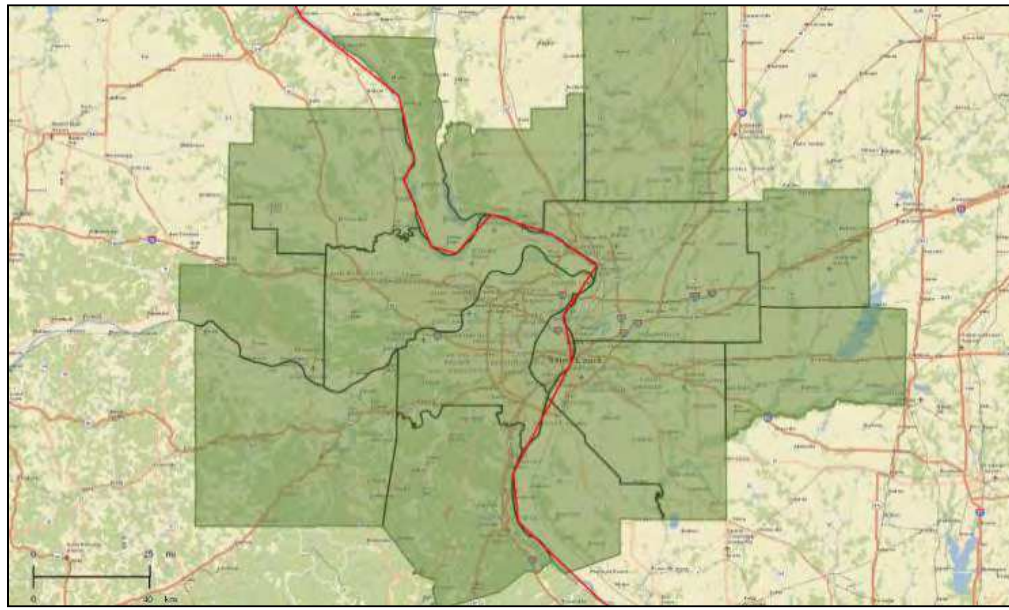
This study evaluated the potential economic and fiscal impacts on both the St. Louis MSA and State of Missouri economies generated by incremental activity resulting from the Proposed Stadium.

Economies Analyzed

The purpose of this study was to calculate the potential economic and fiscal impacts on both the St. Louis metropolitan statistical area ("MSA") and State of Missouri ("State") economies generated by incremental activity which could result from the development and operation of a proposed stadium venue along the north riverfront in downtown St. Louis, Missouri ("Proposed Stadium"). It was assumed for this study the Proposed Stadium would be designed and programmed to host a tenant National Football League ("NFL") club, a tenant Major League Soccer ("MLS") club, and an annual calendar of recurring and non-recurring special events and other stadium rentals.

For purposes of this study, the St. Louis MSA consists of 15 counties; with seven counties located in the State of Missouri and eight counties located in the State of Illinois.

St. Louis MSA



Source: ESRI

Impacts Analyzed

Estimated impacts and economic contributions have been expressed in terms of output, employment, labor income, and taxes for the construction period as well as a stabilized year of operations.

Impact Types

Direct spending	Estimated first round of spending in the MSA and State by non-residents and non-local businesses generated by incremental activity resulting from the Proposed Stadium as well as resident and local business spending in the MSA and State which would otherwise occur elsewhere but for the construction and operation of the Proposed Stadium.
Total output	Economic concept akin to sales or revenue which reflects direct spending as well as the potential indirect and induced effects of direct spending. Indirect spending is additional spending occurring within other industries that provide goods and services to the "direct" industries involved in the activity generated by the Proposed Stadium. Induced spending represents household spending of income earned either directly or indirectly from activity as a result of the Proposed Stadium.
Employment	Potential full-time and part-time jobs resulting from the direct, indirect and induced spending generated by activity resulting from the Proposed Stadium.
Labor income	Potential wages and salaries, benefits, and proprietors' income resulting from the direct, indirect and induced spending generated by activity resulting from the Proposed Stadium.
Taxes	Potential local (within MSA) and State tax receipts created by the direct, indirect and induced spending generated by activity resulting from the Proposed Stadium.

Direct Spending

The estimated direct spend resulting from the Proposed Stadium served as the basis for calculating the project's economic and fiscal impacts to the MSA and State.

Direct Spend Activities

Spending in the MSA and/or State resulting from the Proposed Stadium was considered for the following activities to the extent such expenditures occurred in the local market (MSA and/or State) and were funded by non-local sources.

- **Stadium construction** – hard costs, including labor and materials, as well as soft costs related to activities such as design, engineering, insurance, legal, and other professional services. Costs related to land acquisition and project financing were excluded.
- **Stadium operations** – event operating costs as well as expenditures related to facility operations.
- **Tenant operations** – player costs as well as expenditures related to team operations and business operations.
- **Event organizers & visiting teams** – accommodations, food service, ground transportation, professional services, and other miscellaneous expenditures.
- **Event attendees** – accommodations, food service, food stores, retail sales, entertainment, rental car, ground transportation, and other miscellaneous out-of-stadium expenditures.

Incremental Activity

The direct spend attributed to the project represents the difference between the potential activity level resulting from the Proposed Stadium and a baseline level of recent historical activity, less any activity which could be reasonably assumed to be lost in the near future but for the construction and operation of the Proposed Stadium (e.g., NFL St. Louis Rams).

Direct Spend Exclusions

Direct spend levels calculated were adjusted as necessary to limit the analysis to expenditures which occur and remain in the local market and are funded by non-local sources which can be considered incremental to the MSA and/or State.

Local Sources: Substitution Effect

Local event attendee spending has been assumed to be entirely displaced and therefore excluded in the analysis along with the portion of operating expenditures of the Proposed Stadium and its tenants otherwise funded by local sources. This concept, known as the substitution effect, assumes any spending by or as a result of local sources will still occur in the local economy in some form if not spent on activities generated by the Proposed Stadium. For example, if a local resident did not spend money to attend an NFL game, it is assumed that he or she would have spent that money on another form of purchase in the local economy. Therefore, since such spending is not considered new to the local economy or is otherwise leaked outside the local economy but for the Proposed Stadium, it has not been included in the estimates presented in this report.

Professional Sports Operating Expenditures

Adjustments to direct spending sources were also applied, as appropriate, to reflect that spending patterns of professional teams vary from those which take place in other industries as a significant portion of initial spending immediately leaves the local economy. Typically, player salaries, the largest expense of a professional sports franchise, do not fully impact the local economy as players (and their families) often do not reside in the local area year-round and are likely to put a substantial portion of their salary into savings or non-local investments. Therefore, the majority of player salaries were not included in our direct spending estimates and other areas of initial direct spending was adjusted, as necessary, to reflect the spending which typically will immediately leave the market area.

Indirect Spending & Induced Effects

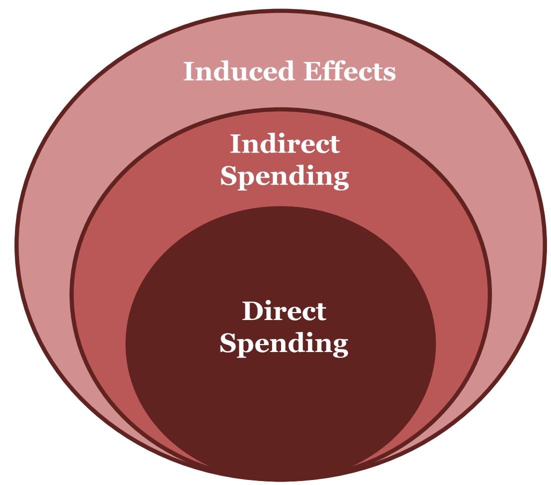
The indirect and induced effects of the incremental direct spend generated as a result of the Proposed Stadium were also calculated to reflect the "ripple" effect as the initial dollars are re-spent locally.

Indirect Spending & Induced Effects

Indirect spending was also considered based on IMPLAN spending multipliers to acknowledge additional expenditures which occur in either the MSA or State economy within other industries that provide goods and services to the "direct" industries which support events at the Proposed Stadium and related activities.

Further, induced effects were computed through the IMPLAN spending multipliers to reflect household spending in either the MSA or State economy of personal income earned either directly or indirectly from the Proposed Stadium event activity.

Sources of Impacts



Study Approach

Model inputs and underlying assumptions were informed by data provided by project stakeholders and further built out and/or refined using industry sources and our past experience.

Study Approach

Study findings were based on direct spending and impact models developed by PwC. Inputs and underlying assumptions to the direct spending model were based on historical and prospective information provided by the St. Louis Regional Chamber and other project stakeholders related to considerations such as the following:

- Proposed Stadium event activity levels and event profiles
- Proposed Stadium attendee volume, place of origin and spending profiles
- Proposed Stadium operating expenditures and tenant organization operating expenditures
- Proposed Stadium development costs
- Edward Jones Dome replacement business

Industry sources and our past experience were used to refine inputs and assumptions, as appropriate, and fill in gaps in information provided by the St. Louis Regional Chamber and other project stakeholders, as needed, to complete the direct spending model. Inputs and assumptions to the direct spending model were not based on a detailed market study by PwC nor involved primary research such as a survey of event attendees regarding geographic origin and spending patterns. Therefore, model results should be considered preliminary and subject to further diligence and refinement. As events and circumstances frequently do not occur as expected, there may be material differences between model assumptions and actual results. PwC disclaims responsibility and liability for model assumptions and any results achieved.

Impact model results were computed based on direct spending results and spending multipliers sourced from IMPLAN input-output models for the MSA and State.

Section 2

Key Inputs for Analysis

Stadium Development Costs

The current cost estimate for the development of the Proposed Stadium is $905 million. It has been assumed that 50 percent and 54 percent of the estimated project cost would be spent in the MSA and State, respectively.

($ in millions)	
Construction Materials & Other Related Costs	$441
Construction Labor	294
Design and Engineering Services	130
Legal Services	9
Insurance	31
Total	$905

1. Dollar amounts are presented in millions and 2015 dollars. Figures may not sum due to rounding.
2. Analysis does not consider costs related to land acquisition and project financing.

Source: St. Louis NFL Stadium Task Force and its advisors, PwC, Industry Resources

Annual Event Activity

The Proposed Stadium has been assumed to host an NFL club, an MLS club, and an annual calendar of recurring and non-recurring special events and other stadium rentals.

The event activity assumed for the Proposed Stadium includes a mix of new events to the market as well as existing events displaced from the Edward Jones Dome and other venues in the local area such as Busch Stadium, Scottrade Center, Chaifetz Arena, and Hollywood Casino Amphitheatre. Approximately 86 percent of the Proposed Stadium's estimated attendance considered in this analysis is associated with event activity which has been assumed to be incremental to the market or otherwise would not materialize in the near future but for the Proposed Stadium.

A detailed market study has not been performed to assess the competitive impact of the Proposed Stadium on the market's existing event venues. As such, the assumed event activity for the Proposed Stadium presented may not be reflective of its full potential to displace existing event activity from other local venues depending on factors such as its physical design, management, and market positioning. Such effects, while important to the future operation of those venues, were not considered in this analysis as any incremental impacts to the MSA and/or State resulting from a shift of this type of activity to the Proposed Stadium are likely immaterial.

Further, the potential incremental impact of repositioning the Edward Jones Dome to attract additional conventions, trade and consumer shows, or other activity to the market has also not been considered in this analysis.

Event Type	Event Days	Total Attendance	Average Attendance
NFL	10	550,000	55,000
MLS	21	525,000	25,000
Motor Sports	1.5	71,250	47,500
Concerts	1	47,500	47,500
International Soccer	1	40,000	40,000
NCAA Football	1	37,500	37,500
High School Events	11	45,000	4,091
Other Events	75	99,800	1,331
Total	**121.5**	**1,416,050**	**11,655**

1. Figures may not sum due to rounding.
2. Figures presented exclude NFL training camp attendance which has also been considered in the impact analysis.
3. Other events include catered events, ethnic festivals, and plaza events.
4. Analysis does not consider potential playoff games and special events such as NFL Super Bowl, MLS All-Star Game, and MLS Cup which could materialize as a result of the Proposed Stadium.

Source: St. Louis NFL Stadium Task Force and its advisors

Event Attendee Profiles

The geographic origin of event attendees and their estimated per cap spend outside the stadium in the MSA and/or State has been assumed to vary by event type.

	% Non-Local Attendees	
Event Type	**MSA**	**State**
NFL	20%	25%
MLS	10%	20%
Motor Sports	20%	25%
Concerts	20%	25%
International Soccer	10%	20%
NCAA Football	30%	30%
High School Events	10%	5%
Other Events	6%	18%

1. Figures presented represent assumed percentage of event attendees that do not reside in MSA and State.
2. Figures presented exclude NFL training camp attendance which has also been considered in the impact analysis.
3. Other events include catered events, ethnic festivals, and plaza events.

Source: PwC, Industry Resources

Attendee Origin	**Average Per Cap**
Outside Missouri - Inside MSA	$33
Missouri - Outside MSA	$141
Outside Missouri - Outside MSA	$357

1. Figures presented exclude in-stadium expenditures which have also been considered in the impact analysis.
2. Figures presented represent the estimated weighted average per cap across all event types.
3. Per cap spend by Missouri residents located inside the MSA has not been disclosed and is not considered in the analysis in recognition of substitution effect.
4. Non-local attendee length of stay in the local market has been assumed to vary by the attendee’s geographic origin ranging from an average of 1 day to 1.75 days.

Source: PwC, Industry Resources

Annual Operating Expenditures

The combined operations of the Proposed Stadium and its primary tenants are estimated to result in $106 million of direct spend in the local market, 64 percent and 66 percent of which is assumed to be funded by non-local sources (incremental) to the MSA and State, respectively.

The estimated operating expenditures of the Proposed Stadium and its primary tenants were adjusted to account for dollars spent outside the MSA and/or State on non-local goods and services or otherwise immediately transferred outside the local economy such as player salaries and league dues and revenue sharing.

Expenditures retained locally were then further adjusted to reflect only the portion of operations funded by non-local sources which could be considered incremental to the market and not otherwise subject to the substitution effect.

($ in millions)	**St. Louis MSA**	**State of Missouri**
Total Expenditures	$311	$311
% Spent in Local Market	34%	34%
Local Expenditures	**$106**	**$106**
% Funded by Non-Local Sources	64%	66%
Adjusted Local Expenditures	**$68**	**$70**

1. Dollar amounts are presented in millions and 2015 dollars.
2. Figures presented include operating expenditures of stadium management, stadium vendors, the NFL club, and the MLS club.
3. Figures presented exclude out-of-stadium expenditures by event organizers, visiting teams, and event attendees which have also been considered in the analysis.

Source: St. Louis NFL Stadium Task Force and its advisors, PwC, Industry Resources

Section 3

Economic & Fiscal Impacts

Construction Period Impacts

Construction of the Proposed Stadium is estimated to generate approximately $895 million and $908 million of total output in the MSA and State, respectively, over a 2- to 3-year construction period.

($ in millions)	Direct	Indirect/ Induced	Total
St. Louis MSA			
Sales (Output)	$450	$446	$895
Labor Income	$218	$153	$371
Employment	2,950	2,970	5,920
State and Local Taxes	$6	$21	$27
State of Missouri			
Sales (Output)	$486	$422	$908
Labor Income	$238	$144	$383
Employment	3,210	3,010	6,220
State and Local Taxes	$6	$20	$26

1. Dollar amounts are presented in millions and 2015 dollars. Figures may not sum due to rounding.
2. MSA and State estimates are not mutually exclusive and therefore cannot be added.
3. Figures represent impacts over the multi-year construction period and would need to be adjusted for comparison to any annualized estimates.
4. Direct expenditures on goods associated with construction have been assumed to be exempt from sales taxes.

Source: PwC

Annual Operating Direct Spend

The estimated direct spend in the local market which has been attributed to the Proposed Stadium in a stabilized year of operation is $102 million and $96 million in the MSA and State, respectively.

The operating direct spend attributed to the project represents the difference between the potential activity level resulting from the Proposed Stadium and a baseline level of recent historical activity, less any activity which could be reasonably assumed to be lost in the near future but for the construction and operation of the Proposed Stadium (e.g., NFL St. Louis Rams).

The Proposed Stadium is estimated to generate approximately $23 million and $20 million of incremental direct spend in the MSA and State, respectively. An additional $80 million and $76 million of direct spend currently generated by the NFL St. Louis Rams in the MSA and State, respectively, has been estimated would also be retained in each economy which otherwise could be assumed to be lost in the near future but for the Proposed Stadium.

($ in millions)		St. Louis MSA	State of Missouri
Adjusted Operating Expenditures	(A)	$68	$70
Other Incremental Expenditures	(B)	37	29
New Stadium	**(A + B)**	**$105**	**$99**
Market Baseline	(C)	82	79
Incremental Direct Spend	**(A + B - C)**	**$23**	**$20**
NFL Club Baseline Retained	(D)	80	76
Attributed Direct Spend	**(A + B – C + D)**	**$102**	**$96**

1. Dollar amounts are presented in millions and 2015 dollars. Figures may not sum due to rounding.
2. MSA and State estimates are not mutually exclusive and therefore cannot be added.
3. “Other Incremental Expenditures” include out-of-stadium expenditures by event organizers, visiting teams, and event attendees.
4. “Market Baseline” represents the estimated existing incremental direct spend in the MSA and/or State as a result of the NFL St. Louis Rams and Edward Jones Dome.
5. “NFL Club Baseline Retained” represents the estimated existing incremental direct spend in the MSA and/or State as a result of the NFL St. Louis Rams which has been assumed would otherwise be lost but for the development and operation of the Proposed Stadium.
6. Spending by local fans and revenue funded by local sources are assumed to be entirely displaced and were therefore excluded in the direct spend analysis and figures presented.

Source: PwC

Annual Operating Impacts

The direct spend attributed to the Proposed Stadium is estimated to generate $199 million and $177 million of total output in the MSA and State, respectively, in a stabilized year of operation.

($ in millions)	Direct	Indirect/ Induced	Total
St Louis MSA			
Sales	$102	$96	$199
Labor Income	$69	$33	$102
Employment	910	690	1,600
State and Local Taxes	$19	$5	$24
State of Missouri			
Sales	$96	$81	$177
Labor Income	$68	$28	$95
Employment	810	610	1,420
State and Local Taxes	$20	$4	$24

1. Dollar amounts are presented in millions and 2015 dollars. Figures may not sum due to rounding.
2. MSA and State estimates are not mutually exclusive and therefore cannot be added.

Source: PwC

Section 4

Intangible & Qualitative Considerations

Intangible & Qualitative Impacts

Potential non-quantifiable impacts were identified and aggregated through limited case studies of select other sports communities and new stadium projects in North America.

In addition to economic and fiscal impacts resulting from the Proposed Stadium that are quantitatively measured, there are other potential impacts that are either intangible or qualitative in nature. The following potential intangible and qualitative impacts generated by activities as a result of the Proposed Stadium and/or the potential NFL and MLS tenants were examined:

- Community Brand
- Resident Quality of Life
- Community Giving Programs
- Locally Sourced Initiatives
- Ancillary Real Estate Development

Potential impacts are illustrated on the following pages through limited case studies of select other professional sports communities and other new stadium projects in North America. Historical related impacts on the St. Louis market were also analyzed, as appropriate, based on information provided by the St. Louis Regional Chamber and other project stakeholders.

Community Brand

Stadium venues and the professional sports teams hosted can have a positive impact on a community's image and elevate the awareness of its brand outside the local area.

A community can derive value from references to its name and other brand marks during television and radio broadcasts of stadium events as well as through media coverage of activity leading up to and following major events and the recurring, year-round activity of a venue's professional sports tenant(s). Broadcast and media impressions, which total in the millions for an NFL or MLS event based on number of broadcast viewers, can enhance name recognition among the national or international audience, broaden audience exposure to the community's culture and attractions, and create a point of differentiation from other communities, including classification as a "major-league" market.

Hosting high profile special events can also generate value for a destination beyond broadcast and media impressions. Such in-demand events create opportunities for community leaders to showcase the market to visitors attending the event which can lead to future leisure travel visitation as well as future conventions/meeting activity, office openings, and/or corporate headquarters relocations.

The following examples illustrate the potential value or scale of media exposure generated by sport events. Past research available to reference focuses on team and sponsor related impacts, but also provides an indication of the potential benefit to the event's host community which receives much of the same exposure/number of impressions.

- The Green Bay Packers generated more than $14 million in weekday television and radio media exposure during the 2009 football season, which excludes weekend coverage when most games are played.
- A reported 5,000 new jobs came to Jacksonville, Florida via corporate relocations within one year after hosting Super Bowl XXXIX.
- The 2011 NHL All Star game generated 685,000 media impressions worth approximately $49 million in media exposure for the Greater Raleigh market.
- The nine games played at Busch Stadium during the 2013 MLB playoffs generated nearly $60 million in media exposure value for Anheuser-Busch, the ballpark naming rights sponsor. The ballpark name was referenced nearly 2,000 times on television, more than 26,000 times in internet articles, and more than 1,300 times in print news stories.
- A 2011 study calculated the two-year sponsorship value generated by six naming rights partners of NFL stadiums to range between $39 million and $79 million per partner in 2010 and 2011 combined.
- Levi Strauss & Co. indicated Levi's Stadium generated over 40 billion impressions prior to opening in 2014. The company's naming rights deal has been reported as $220 million over 20 years.

A demographic profile of the television audience for NFL and MLS regular season games has been provided in Appendix C.

Resident Quality of Life

Stadium events provide residents a source of entertainment and a stadium's professional sports tenants can influence a community's identity and foster a sense of pride among residents.

Major sports facilities can enhance the vibrancy of a community and its attractiveness to residents; serving as an anchor for activity within a market's urban core or other strategic sub-market. Stadium events provide a source of entertainment and contribute to a community's distinction as a "major-league" market, which can be an important factor in attracting and retaining residents. Research indicates residents value being part of a community that hosts major events and often cite such events as an attractive feature of living in a community. In addition, local professional sports teams serve as a form of social currency that can create a sense of community and build a strong affiliation around a common cause.

Studies of housing values over the past two decades have shown property values and average rents are higher in markets which host professional sports compared to other comparable markets, suggesting the presence of professional sports in a community contributes to a higher quality of life which is valued by its residents.

Community Giving Programs

Stadium operators and professional sports teams are typically active members of a local community and operate comprehensive community giving programs.

Local community groups and non-profit organizations benefit from the community programs of the stadium operator and the facility's professional sports tenants along with local outreach initiatives of special events held at the venue and the individual players and executives of the professional sports tenants. Programs and initiatives generally involve the following elements.

- Financial contributions and grants to other community programs, activities, and infrastructure projects (e.g., parks, playgrounds, youth sports fields, child care centers)
- In-kind donations of event tickets, memorabilia and venue space rentals for community use or fundraising activities
- Donated supplies of food, beverages, clothing, toys, and other household items
- Volunteer hours for community service projects and organization/event appearances
- Sanctioned community events and activities

These activities are demonstrated by reference to examples of the St. Louis Rams community involvement shown on the following page.

Rams Community Involvement

The St. Louis Rams organization has a well-established community outreach program which raises awareness and resources for issues and causes relevant to the MSA and State.

Below is a summary of local community initiatives/activities during the 2014 season which were organized/funded by the Rams organization.

- Rams players made 343 community appearances and impacted 100 local non-profits and schools
- 38 Rams players purchased 8,300 tickets for schools and non-profits
- The Rams reached 11,700 kids through the PLAY 60 efforts, including devoting more than 2,500 hours over 29 events
- Rams cheerleaders and staff contributed more than 2,400 hours of community service and impacted 18 non-profits through the team's monthly Staff Days of Service program
- The Rams provided more than 3,500 items to help recipient organizations raise thousands of dollars through raffles, auctions, and other fundraising endeavors
- The Rams built a playground for the local community during the past six seasons as part of the annual Community Improvement Project
- The Rams raised $83,500 over the course of the 2013 and 2014 seasons for the American Cancer Society
- The Rams contributed $145,000 in support for the United Way through special events, tickets, and financial assistance - Rams players contributed an additional $120,000 in direct support to United Way agencies
- Since 1996, the Rams have partnered with the Make-A-Wish Foundation of Missouri and raised more than $2 million to help grant wishes to more than 400 St. Louis area children who are battling life-threatening medical conditions
- During the holidays, the Rams opened up the Edward Jones Dome for more than 4,000 underprivileged children who enjoyed holiday gifts, entertainment, activities, and visits with Santa as well as Rams players, cheerleaders, and mascot
- Since 2012, the Rams partnered with the American Red Cross on the Holiday Mail for Heroes campaign which resulted in 75,000 personalized holiday thank you cards being sent to active and veteran military serving overseas and domestically
- The Rams continued its community outreach program launched in 2012 entitled *Rams Blitz: Youth Working Together to Break Through Boundaries* which helps promote diversity and inclusion among area youth

In addition to the initiatives/activities listed above, the Rams recently announced the organization will provide medical coverage at Public High League football games starting in Fall 2015.

Locally Sourced Initiatives

Communities have placed emphasis on sourcing locally to increase the percentage of investment retained and level of local impact generated by the development and operation of a sports facility.

Locally sourced materials and labor are used during construction and the ongoing operations of a sports facility. The appropriate percentage of a development and/or operating budget allocated to local or state sourced materials and/or workforce will vary depending on the market and relevant resources available. The following are examples of locally sourced resources from recently constructed sports venues:

- More than $680 million worth of materials, or 70 percent, used during construction of MetLife Stadium was sourced locally.
- More than 90 percent of the firms involved in the construction of Target Field were local.
- More than 51 percent of the entire workforce building the new Detroit Red Wings Arena will be Detroit residents.
- Approximately 25 percent of the entire workforce building the new Golden State Warriors Arena will be from San Francisco.
- At least 60 percent of the biddable work at the Golden 1 Center (Sacramento Kings new arena) will be awarded to local businesses.
- At least 50 percent of the workforce that constructed Marlins Park was required to be residents of Miami-Dade County and 20 percent of the workforce was required to be residents of the City of Miami.

In addition to local sourcing initiatives, there are often legislative requirements to award bids to minority and women owned businesses in the local area. Minority Business Enterprise (MBE) and Women Business Enterprise (WBE) certified businesses are often hired during the construction process and in some cases, the planning stage, of a new sports venue. Project managers are generally required to allocate a certain percentage of the total budget or of the total workforce to MBEs, WBEs, and other groups, such as veterans. The businesses usually need to be local or based within the state or a specified area in order to count towards the requirements.

MBE/WBE Requirements

Recent new sports facility projects budgeted approximately 30 to 40 percent of the deployed workforce and/or 20 to 35 percent of the total construction cost to MBE and WBE certified businesses.

Venue	Team	Year Built	MBE %	WBE %	Total %
Workforce					
U.S. Bank Stadium	Minnesota Vikings	2016	32%	6%	38%
Target Field	Minnesota Twins	2010	32%	6%	38%
MetLife Stadium	New York Jets / Giants	2010	n/a	n/a	32%
Mercedes-Benz Stadium	Atlanta Falcons	2017	n/a	n/a	31%
Busch Stadium	St. Louis Cardinals	2006	25%	5%	30%
Overall Expenditures					
CONSOL Energy Center	Pittsburgh Penguins	2010	25%	10%	35%
Target Field	Minnesota Twins	2010	n/a	n/a	32%
Proposed Stadium	**St Louis NFL / MLS**	**TBD**	**25%**	**5%**	**30%**
BBVA Compass Stadium	Houston Dynamo	2012	n/a	n/a	30%
Barclays Center	Brooklyn Nets	2012	20%	10%	30%
University of Phoenix Stadium	Arizona Cardinals	2006	25%	5%	30%
AT&T Stadium	Dallas Cowboys	2009	n/a	n/a	25%
Orlando City Stadium	Orlando City SC	2016	18%	6%	24%
Amway Center	Orlando Magic	2010	18%	6%	24%
Sporting Park	Sporting KC	2011	15%	7%	22%
U.S. Bank Stadium	Minnesota Vikings	2016	9%	11%	20%
Lucas Oil Stadium	Indianapolis Colts	2006	15%	5%	20%

1. Data presented represents actual results in the case where both actual and budgeted data was available for a completed project.
2. Excludes spending requirements for other groups such as veterans businesses.

Source: PwC, St. Louis NFL Stadium Task Force and its advisors

Ancillary Real Estate Development

Sports facilities can serve as anchors for mixed use real estate development projects and a catalyst for developing surrounding real estate with lodging, office, retail and residential uses, among others.

					Gross Square Feet (thousands)			
Sports Venue Name(s)	**Development Name**	**Location**	**First Year**	**Acreage**	**Lodging**	**Office**	**Retail**	**Residential**
UOP Stadium & Gila River Arena	Westgate District	Glendale, AZ	2006	223	315	230	651	3,600
Golden 1 Center	TBD	Sacramento, CA	2016	184	85	475	600	70
PETCO Park	Ballpark District	San Diego, CA	2004	130	660	325	285	3,900
Paul Brown Stadium & Great American Ballpark	The Banks	Cincinnati, OH	2011	89	400	1,000	400	1,800
American Airlines Center	Victory Park	Dallas, TX	2001	75	230	1,130	342	315
Nationwide Arena	Arena District	Columbus, OH	2000	75	0	1,500	300	320
SunTrust Park	The Battery	Atlanta, GA	2017	74	150	630	400	490
Scottrade Center	Union Station	St. Louis, MO	2014	45	275	0	335	0
Busch Stadium	Ballpark Village	St. Louis, MO	2014	35	0	750	660	2,160
Sprint Center	Power & Light District	Kansas City, MO	2008	35	0	1,200	475	2,160
Gillette Stadium	Patriots Place	Foxborough, MA	2007	31	250	230	810	0
AT&T Park	Mission Rock	San Francisco, CA	TBD	28	0	1,500	500	1,470
Staples Center	L.A. Live	Los Angeles, CA	2007	27	1,634	165	1,835	366

1. See Appendix D for representative images of each development.
2. Lodging, office, retail, and residential figures represent scope at project build-out and have been presented in thousands.
3. “Retail” includes entertainment venues and food & beverage establishments.

Source: PwC

Appendices

Appendix A: Model Assumptions

Direct Spending

The analysis was based on a direct spending model developed by PwC. Inputs and underlying assumptions to the direct spending model were based on historical and prospective information provided by the St. Louis Regional Chamber and other project stakeholders. Inputs were not provided by the NFL St. Louis Rams.

Industry sources and our past experience was used to refine inputs and assumptions, as appropriate, and fill in gaps in information provided, as needed, to complete the direct spending model. Inputs and assumptions to the direct spending model were not based on a detailed market study nor involved primary research.

It should be noted input from the Rams or primary research such as surveys of prospective event organizers and attendees regarding their geographic origin and spending patterns might have yielded additional insight which could have further refined the analysis presented in this deliverable. Therefore, model results should be considered preliminary and subject to further diligence and refinement. As events and circumstances frequently do not occur as expected, there may be material differences between model assumptions and actual results. PwC disclaims responsibility and liability for model assumptions and any results achieved.

Indirect Spending & Induced Effects

Indirect spending and induced effects were computed based on direct spending results and spending multipliers sourced from IMPLAN input-output models. The IMPLAN multipliers applied are market-specific and reflect the subsequent rounds of spending which can occur in a given economy until the flow of money within the studied economy ceases (or “leakage” occurs). The size of a given economy’s or area's multiplier is directly related to its geographic size and population as well as the diversity of its industrial and commercial base.

Key Sources

- City of Saint Louis
- Smith Travel Research
- St. Louis NFL Stadium Task Force and its advisors
- St. Louis Convention & Visitors Commission
- St. Louis County
- St. Louis Regional Chamber
- State of Missouri
- The Partnership for Downtown St. Louis
- U.S. Bureau of Economic Analysis
- U.S. Census Bureau
- U.S. Travel Association

Appendix B: Stadium Funding Sources

Team	Venue	Year Built	Total Capacity	Total Cost	% Public
NFL					
New York Giants / New York Jets	MetLife Stadium	2010	82,500	$1,600	0%
Atlanta Falcons	Mercedes-Benz Stadium	2017	71,000	$1,500	13%
San Francisco 49ers	Levi's Stadium	2014	68,500	$1,300	9%
Dallas Cowboys	AT&T Stadium	2009	80,000	$1,194	37%
Minnesota Vikings	U.S. Bank Stadium	2016	65,400	$1,027	48%
Indianapolis Colts	Lucas Oil Stadium	2008	63,000	$720	86%
Arizona Cardinals	University of Phoenix Stadium	2006	63,400	$456	68%
MLS					
D.C. United	D.C. United Stadium	2018	20,000	$287	52%
New York Red Bull	Red Bull Park	2009	30,000	$200	56%
Sporting KC	Sporting Park	2011	18,467	$200	100%
Orlando City SC	Orlando City Stadium	2016	25,500	$155	0%
Colorado Rapids	Dick's Sporting Goods Park	2007	18,000	$131	40%
Real Salt Lake	Rio Tinto Stadium	2008	20,000	$110	32%
San Jose Earthquakes	Avaya Stadium	2015	18,000	$100	0%
Chicago Fire	Toyota Park	2006	20,000	$98	100%
Houston Dynamo	BBVA Compass Stadium	2012	22,000	$95	37%
FC Dallas	Toyota Stadium	2005	20,500	$90	61%
Toronto FC	BMO Field	2007	20,000	$57	56%

1. Analysis limited to new build projects completed since 2005.
2. Reported development cost at time of construction ($ in millions).
3. Public cost does not include publicly financed costs funded directly by facility revenues or other private sources.

Source: PwC

Appendix C: TV Audience Demographics

	NFL	MLS
Gender		
Male	65%	68%
Female	35%	32%
Age		
2-17	9%	14%
18-34	20%	26%
35-54	34%	34%
55+	37%	27%
Race/Ethnicity		
Black	15%	8%
White	77%	65%
Hispanic	8%	34%
Income		
Less than $20K	9%	17%
$20K-$40K	17%	21%
$40K-$75K	32%	24%
$75K-$100K	17%	18%
$100K+	25%	20%

Source: The Nielsen Company (2013)

Appendix D: Ancillary Real Estate Development

UOP Stadium & Gila River Arena

Westgate District

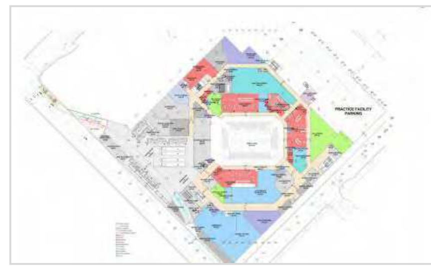
Glendale, AZ



Golden 1 Center

TBD

Sacramento, CA


PETCO Park

Ballpark District

San Diego, CA



Appendix D: Ancillary Real Estate Development

Paul Brown Stadium & Great American Ballpark

The Banks

Cincinnati, OH

American Airlines Center

Victory Park

Dallas, TX

Nationwide Arena

Arena District

Columbus, OH

Appendix D: Ancillary Real Estate Development

SunTrust Park

The Battery

Atlanta, GA

Scottrade Center

Union Station

St. Louis, MO

Busch Stadium

Ballpark Village

St. Louis, MO

Appendix D: Ancillary Real Estate Development

Sprint Center

Power & Light District

Kansas City, MO

Gillette Stadium

Patriots Place

Foxborough, MA

AT&T Park

Mission Rock

San Francisco, CA

Staples Center

L.A. Live

Los Angeles, CA

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The Economic Impact of a New NFL Stadium Complex

Summary of Research

In January 2015 the St. Louis NFL stadium task force released details for the construction of a new riverfront professional football stadium complex in downtown St. Louis. The stadium would be built north of the Arch, along the riverfront, in an older industrial area and is expected to be in operation by 2019. Total project cost is estimated at $998 million and includes a 62,500 seat stadium.

This analysis estimates the general economic impact of the new stadium construction, as well as the expected operational impacts of the franchise through the year 2051, when the last state bond payments are made. The state fiscal benefit is also calculated to consider the cost of bond payments over a 36 year period, additional tax credit costs during construction, and the expected tax revenues that would be generated to the state general fund in that time. This research summary is based on preliminary data available from the task force and other figures outlined in the **Assumptions** section. The analysis only includes the state fiscal return and does not include local fiscal benefits or costs.

The construction of a new stadium and continued operations is expected to generate **$233 million** in **net state general revenue** (see **Table 1**) over 36 years. Net general revenue deducts the annual bond payment of $12 million along with an estimated $94.5 million in anticipated brownfield and contribution credits during the construction period. Just over 2,754 jobs would be supported annually over the four year construction period to include construction, supplier, and indirect jobs created by the spending as well as ongoing NFL activities. The continued franchise operation is estimated to support an average of 635 jobs annually during the remaining years. The construction and continued operations would contribute $3.59 billion to total state personal income and $3.82 billion to gross domestic product over the 36 years. State bond payments of $432 million and $94.5 million in brownfield and contribution credits, over the 36 years, would result in an expected state fiscal benefit ratio of **1.59** ($627M cumulative state general revenue / $394M cumulative state cost in present value 2015 dollars resulting in $233M in net state revenue).

This preliminary estimate seems reasonable given other stadium research reviewed in this analysis (see **Table 2**). An average annual state revenue impact of $16.6 million during the operations phase compares to estimates between $12 and $21 million in other studies.

Economic Impact Estimate

Table 1. Economic Impact Estimate for the New NFL Stadium Complex in St. Louis

**All Figures in Millions of 2015 Constant Dollars*

Phase	Year	Annual Avg. Emp.	Annual Personal Income	Annual Gross Domestic Product	Net State General Revenue*		
					Annual Net State GR	Cumulative Net State GR	State Fiscal Benefit Ratio
Construction Phase	2016	1,632	$113.6	$182.8	$8.1	$8.1	**1.68**
	2017	2,921	$177.1	$356.1	($15.4)	($7.3)	**0.86**
	2018	4,151	$243.4	$560.2	($11.7)	($19.1)	**0.80**
	2019	2,310	$170.7	$306.4	($19.6)	($38.6)	**0.71**
Operations Phase	2020	771	$103.3	$76.7	$3.1	($35.6)	**0.76**
	2021	685	$93.9	$68.3	$3.1	($32.4)	**0.79**
	2022	629	$86.4	$63.2	$3.3	($29.2)	**0.83**
	2023	603	$81.9	$61.1	$3.6	($25.6)	**0.86**
	2024	595	$79.5	$61.0	$4.0	($21.6)	**0.88**
	2025	596	$78.2	$61.8	$4.4	($17.2)	**0.91**
	2026	602	$77.9	$63.4	$4.8	($12.4)	**0.94**
	2027	611	$78.5	$65.2	$5.3	($7.1)	**0.97**
	2028	621	$79.5	$67.4	$5.7	($1.4)	**0.99**
	2029	630	$80.7	$69.4	$6.1	$4.7	**1.02**
	2030	638	$82.1	$71.4	$6.6	$11.3	**1.05**
	2031	644	$83.3	$73.0	$7.0	$18.3	**1.07**
	2032	648	$84.4	$74.3	$7.4	$25.7	**1.10**
	2033	652	$85.7	$75.6	$7.8	$33.5	**1.12**
	2034	653	$86.9	$76.7	$8.2	$41.7	**1.15**
	2035	653	$87.9	$77.4	$8.6	$50.2	**1.18**
	2036	651	$88.8	$78.1	$8.9	$59.2	**1.20**
	2037	647	$89.4	$78.3	$9.3	$68.5	**1.23**
	2038	645	$90.5	$78.9	$9.6	$78.1	**1.25**
	2039	641	$91.4	$79.3	$10.0	$88.1	**1.28**
	2040	639	$92.3	$79.9	$10.3	$98.4	**1.30**
	2041	636	$93.2	$80.4	$10.7	$109.0	**1.33**
	2042	634	$94.2	$80.9	$11.0	$120.0	**1.36**
	2043	632	$95.2	$81.4	$11.3	$131.4	**1.38**
	2044	630	$96.1	$82.0	$11.7	$143.0	**1.41**
	2045	627	$97.0	$82.6	$12.0	$155.0	**1.43**
	2046	624	$97.6	$82.9	$12.3	$167.3	**1.46**
	2047	622	$98.8	$83.5	$12.6	$179.9	**1.49**
	2048	620	$99.9	$84.1	$12.9	$192.8	**1.51**
	2049	619	$101.3	$84.8	$13.2	$206.0	**1.54**
	2050	618	$103.0	$85.7	$13.5	$219.5	**1.57**
	2051	619	$104.6	$86.5	$13.6	$233.1	**1.59**

**Net GR deducts nominal annual bond payments of $12 million through year 2051 along with $50 million in Contribution credits and $44.5 million in Brownfield credits during the construction period.*

Other Related Research

Numerous cities and several economists have conducted studies to determine the economic impact of NFL stadiums and franchises. Most stadium analyses include the impact of construction to the economy but only a few provide detail estimates of the annual impact that a state can expect in terms of sales and income taxes. This research analyzes Green Bay and Minneapolis' economic impact studies to determine the possible state tax revenues that could be obtained by hosting an NFL franchise. A study by the Kansas City Federal Reserve Bank, which covers a broader range of impact analyses and research, was also reviewed.

The Green Bay/Brown County Professional Football Stadium District (Green Bay, WI) and the Metropolitan Sports Facilities Commission (Minneapolis, MN) released economic impact studies discussing the economic benefits of each city's respective NFL franchises, the Green Bay Packers and Minnesota Vikings. The reports discussed state sales and income tax revenues produced in relation to the franchises. The table below shows the revenue and employment impacts for Green Bay and Minneapolis, along with Federal Reserve and Missouri Department of Economic Development (DED) estimates. The Packers annual impact to the state was estimated at over $11.8 million and supported 760 jobs.[1] The Vikings report estimated over $20.7 million in state tax revenue and 3,000 jobs supported.[2]

Table 2. Annual state fiscal and job impact estimates of NFL Team operations

Annual Operational Impact	Green Bay Packers	Minnesota Vikings	Federal Reserve Estimate*	DED Estimate
Total State Tax Revenue	**$11,873,000**	**$20,778,000**	**$13,367,752**	**$16,596,221**
Number of Jobs Generated	760	3,000	500	635

** KC Federal Reserve estimates adjusted for inflation and St. Louis figures.*

Several factors determined the calculations of state tax revenue. Consumer spending at the stadium (e.g. concessions, team store apparel and parking) drives much of the sales tax revenue calculation. Sales tax figures also include out-of-stadium spending such as restaurants,

[1] "Economic Impact Study of the Green Bay Packers and the Redeveloped Lambeau Field," *AECOM Technical Services, Inc*. 22 September 2010: 18.
[2] "Economic and Jobs Impact of Metrodome Next Multipurpose Facility," *Conventions Sports & Leisure*. 23 February 2009: A-2

lodging, and transportation cost. Salaries of personnel from the NFL franchise, (e.g. players, coaches, front office staff, stadium and game day staff) figure into the state income tax revenue portion.

Economists have analyzed the impacts of NFL teams and stadiums in detailed studies over the past couple decades. The Kansas City Federal Reserve Bank released a report reviewing much of the research literature and analyzing several economic impact studies of proposed stadium plans dating back to 1994 across the four major sports leagues in the United States (MLB, NFL, NBA, and NHL).[3] The purpose of the Bank's research was to verify whether the economic benefits (e.g. economic impact and projected jobs) as predicted by local economic impact analyses were comparable to their findings.

Determining the possible tax revenues that a football team could bring to St. Louis, the Federal Reserve Bank figures were used as a framework to test the reasonableness of estimates contained in this brief. Adjusting Rappaport and Wilkerson's estimates to account for Missouri sales and income tax rates, St. Louis Rams payroll figures, and inflation, the state could receive nearly $13.4 million in revenue yearly.[4] According to the authors, the midpoint of the number of net jobs generated is 500 for an average sports franchise.[5] The DED estimates, by comparison, showed average state general revenues slightly higher at $16.6 million with 635 jobs supported annually during operations.

Rappaport and Wilkerson's study states that tax revenues, especially sales tax revenues, may be hard to measure due to several factors. Sales tax revenue can be affected by the number of visitors that attend games and how much they spend on average.[6] Additionally, the substitution effect could occur where money is spent at a football game or venues surrounding the stadium instead of other entertainment venues and events.[7] This could cause a shifting of sales tax revenues and jobs away from other entertainment venues.

[3] Joseph Rappaport and Chad Wilkerson, "What Are the Benefits of Hosting a Major League Sports Franchise*?" Federal Reserve Bank of Kansas City Economic Review*. (1st Quarter 2001): 55.
[4] Rappaport and Wilkerson, 67.
[5] Rappaport and Wilkerson, 65.
[6] Rappaport and Wilkerson, 66.
[7] Ibid, 66

Assumptions

1. The construction phase begins in 2016 and is completed by 2019. Total cost of $998 million is broken out as follows:
    a. Land cost of $60 million and relocation, remediation, and demolition of existing facilities of $70 million in 2016.
    b. Parking and infrastructure costs of $90 million spread over years 2016-2018.
    c. Stadium construction cost of $778 million spread over years 2017-2019.
2. During the construction phase it is assumed that the state sales tax intake on building materials will be minimal if a public entity tax exemption status is in effect.
3. Due to the large salaries and additional 2% entertainer and athletes' tax, income taxes are calculated separately for the football players based on an estimated 2014 total wage bill of $132 million which grows at an annual rate of 3 percent. The wage bill represents the median value of salary estimates from five commercial sites (Spottrac, OvertheCap, Forbes, CBS Sports, and ESPN). Only 25% of players are assumed to spend their income in the area, therefore spurring local business activity, as often professional players live part of the year away from the franchise city.
4. The Rams full-time operations staff is estimated at 133 based on the organization's website. A wage bill of $14.8 million is assumed based on an average management occupation salary in the St. Louis workforce area. Although several staff members and owners will make much larger salaries than the average worker, and ownership income would likely grow with a newer stadium, it is not known how much of that income would accrue to the state general revenue given the more complex nature of this tax situation (for example, income earned in out-of-state games, from advertisements, etc.). According to Forbes the team had a 2013 operating income of $16.2 million and this analysis assumes 80% would be subject to state income taxes. Wage and operating income is expected to grow at 3% per year.
5. A stadium operation collects sales taxes on an estimated $45 million in total gate receipts based on a Forbes report (http://www.forbes.com/teams/st-louis-rams/). The majority of taxes are paid by area residents (65% based on Kansas City Federal Reserve report estimates) so it is assumed that only 35% would be net new to the area as local consumers would spend income on other entertainment if no NFL team existed. The analysis assumes that 3% of the non-local sales tax revenue would accrue to state general revenue which amounts to just under $500,000 in 2015. From 2019 to 2021 attendance of 62,500 is

anticipated with the new stadium and 61,000 from year 2022 onward. An average ticket price of $98 at the new stadium starting in 2019 is assumed with an annual growth rate of 3 percent.

6. Average home game attendance in 2014 was 57,000 based on ESPN figures (http://espn.go.com/nfl/attendance). It is assumed that 35% are non-local attendees and additional per person spending of $45 outside the stadium and $25 at the game on concessions can be expected (Kansas City Federal Reserve estimates adjusted for inflation). With 10 home games this results in just under $14 million in spending by non-local attendees in areas of lodging, other food, retail and travel. In 2019 the estimated total attendees is assumed to increase to 62,500 for the first 3 years due to the draw of a new stadium then to settle back to 61,000 in years 2022-2051. Annual spending growth rate of 3% is assumed.
7. The impact analysis was developed using the REMI Policy Insight economic model (REMI) and the above assumptions about future events. Therefore the results of this brief should be considered an estimate that is subject to change, based on variations in the assumptions or economy, over the time period of study. REMI has been used by the Department of Economic Development for over fifteen years to analyze the economic and fiscal impacts to the state of new firms locating to Missouri or the contribution of existing companies in threat of departure. It is a long-term, dynamic model that considers changes in the economy over time, new fiscal costs due to migrating workers, and sales displacement when firms compete for local market share. Over one hundred and fifty organization, universities, and consulting firms use this model for impact analysis, including governmental agencies in thirty three states. The fiscal component of the model is updated annually with Missouri Office of Administration budget figures to produce better state tax estimates.

August 2015

LOCAL COST-BENEFIT ANALYSIS: CONSTRUCTION OF A NEW STADIUM COMPLEX AND RETENTION OF A NATIONAL FOOTBALL LEAGUE TEAM IN THE ST. LOUIS REGION

BACKGROUND

According to widely-publicized news reports, the current owner of the Rams ("Rams") National Football League ("NFL") team, which now plays its home games in the City of St. Louis (the "City"), intends to move the team to California. If that intention becomes reality and another NFL team does not replace the Rams, the State of Missouri (the "State"), the City and taxing jurisdictions in the St. Louis region will lose significant amounts of tax revenue. Of equal importance, loss of an NFL presence will significantly impair the St. Louis region's status as a metropolitan area attractive to businesses and residents.

In 2014 the Governor appointed a task force to work with the Regional Convention and Sports Complex Authority (the "RSA"), an entity created by Missouri law to address the region's need for convention and sports facilities, to develop a plan to address this threat to the State's and the region's economic health. NFL officials have made it clear that without a new stadium the region will not retain an NFL team. For that reason, the Governor's task force and the RSA have worked with the region's business leaders and others to develop a plan to build a new stadium that meets NFL standards.

In January 2015 the RSA released a proposal for construction of a new outdoor stadium complex, including ancillary transportation and other infrastructure, in a deteriorated and underutilized area on the St. Louis riverfront north of the Gateway Arch. The cost of the proposed project is currently estimated at $998 million and the new stadium's seating capacity is currently estimated at 62,500. If construction begins in early 2016, the new stadium will open in time for the 2019 NFL season.

The purpose of this analysis is to examine the potential local economic impact if the proposed new stadium complex is constructed and an NFL team plays its home games in the new complex. A companion analysis performed by the Missouri Economic Research and Information Center ("MERIC") analyzes State benefits anticipated to be associated with the new stadium proposal. This analysis is based on preliminary data provided by the task force and certain of its consultants as well as other available data consistent with the MERIC analysis. Unlike the MERIC analysis, this analysis estimates only direct local revenue impacts and ignores the positive impact of indirect revenue that may result from application of "multipliers"—e.g., the additional local tax revenue generated when workers and businesses spend their stadium complex and football-related revenue on other taxable goods and services. If multipliers were applied in this analysis, one-time local revenues from stadium complex construction and recurring local revenues from stadium complex and NFL operations would be greater than are estimated in this analysis.

Retention of an NFL team in the St. Louis region is necessary to preserve the region's "big league" image and the positive impact of that image on the region's ability to retain and attract businesses and employees. A new state-of-the-art stadium complex can also be expected to enhance the region's reputation. This analysis does not attempt to quantify intangible and indirect economic impact resulting from such preservation and enhancement of the region's image or associated business retention and attraction.

This analysis ignores any revenues that currently accrue to St. Louis County (the "County") from NFL team operations and that may accrue to the County as a result of the construction of the new stadium complex and the retention of an NFL team. The current NFL team practice facility is located in the County; it is therefore likely that the County receives sales tax revenues from spending by players and team staff during time spent at that facility. It is also likely that some portion of the taxable material purchases required for the new stadium complex's construction will occur in the County. And it is also likely that the County receives hotel tax revenues from visiting team players and home team players who do not reside in the St. Louis region. Like the City, the County also benefits from the enhanced regional image associated with the presence of an NFL team and will experience the same intangible negative impact as the City if the region loses professional football.

In addition to NFL games, it is also anticipated that sporting and other entertainment events new to the region will take place in the new stadium complex and that those events will also produce direct recurring revenue for the City and its taxing jurisdictions. This analysis ignores the economic impact of those new events.

Finally, it is anticipated that a new stadium complex will stimulate additional economic development in the broader North Riverfront area. This analysis does not include the economic impact of such anticipated additional development.

LOCAL IMPACT ESTIMATES: CONSTRUCTION OF A NEW STADIUM COMPLEX AND RETENTION OF A NATIONAL FOOTBALL LEAGUE TEAM

Construction of the proposed new stadium complex will not begin unless an NFL team commits to play all of its home games in the new stadium complex and the team and/or the NFL commit to a substantial financial investment in the stadium development.

This analysis assumes that arrangements for construction of a new stadium and retention of a professional football team in the St. Louis region are finalized before 2015 year-end and that either the Rams or another NFL team will play home games in the existing Edward Jones Dome (the "Jones Dome") through 2018 and will play home games in the new stadium in 2019 and thereafter.

If the new stadium complex is constructed, the City is expected to benefit significantly from "one time" earnings and payroll tax on the wages anticipated to be paid to the new stadium's construction workers from the beginning of 2016 through the first half of 2019. This analysis also anticipates that the City will receive a minimal amount of sales tax revenues from stadium-related construction materials and equipment purchased without use of the RSA's tax exemption certificate.

In the second half of 2019 and thereafter, the presence of a new, state-of-the-art stadium complex is expected to produce growth in recurring NFL-related direct City revenues in excess of what could be expected merely from the effects of across-the-board inflation on the status quo. When the new stadium complex opens in 2019, it is anticipated that football fans as well as others in the region will want to experience the new complex and that professional football's renewed commitment to the region will engender more regional loyalty to the sport. As a result, it is also anticipated that NFL ticket pricing, the number of NFL tickets purchased, and actual attendance at NFL games will increase. The MERIC analysis assumes that NFL games at the new 62,500-seat facility will be sold out for the first three years after the new stadium opens. It is further assumed that the average St. Louis NFL ticket price in 2019 will be the national average 2019 NFL ticket price. Because it is also assumed that the number of people who actually attend NFL games in the new stadium will be a higher percentage of the number of tickets purchased than is currently the case at the Jones Dome, percentage increases in football-related food, beverages and merchandise sales will outpace the percentage increase in number of tickets purchased. Anticipated increases in football-related sales are expected to increase direct revenues from certain taxes imposed by the City on various types of sales. Other modest direct revenues associated with football operations in the new stadium are expected to be derived from the City's parking tax and from earnings and payroll tax applied to NFL player and staff earnings at the stadium complex and the earnings of game day and other staff employed by the RSA and its subcontractors at the stadium complex. It is anticipated that the RSA will employ 2,600 part-time people at the stadium complex on each NFL game day and 50 new full-time staff to manage the stadium complex.

Other governmental entities that impose taxes in the City are also expected to benefit from recurring revenues if NFL football remains in St. Louis. One example is the St. Louis Board of Education, the City's public school district that operates only in the City and imposes a tax on sales in the City. In addition, the Regional Convention and Visitors Commission ("CVC") and the Regional Arts Commission ("RAC") are expected to receive minimal direct recurring revenue from a statutorily dedicated hotel tax applied to NFL-related hotel room sales.

MERIC assumes that 65% of the local disposable income projected to be spent on professional football-related purchases would be spent on other taxable purchases in Missouri if not spent on NFL-related purchases in St. Louis. MERIC therefore discounts its sales tax estimates accordingly. The MERIC 65% discount has not been applied to City or Board of Education direct revenue estimates because the City and the Board of Education receive no revenue from taxable spending in other parts of the region and it is unlikely that regional consumers will substitute other spending in the City for football-related spending in the City: most people who attend football games in the City do not live in the City and the City offers few attractive opportunities for substitute retail spending other than baseball and hockey. Baseball and hockey seasons do not overlap professional football seasons to any significant degree. The MERIC discount has not been applied to the CVC and RAC revenue estimates because those projections are based only on estimated hotel room sales to football fans from outside the region and such sales would not occur if professional football leaves the region.

The Metropolitan Parks and Recreation District ("Great Rivers Greenway," or "GRG") imposes two sales taxes in the City. Because St. Louis County imposes both GRG sales taxes and St. Charles County imposes one GRG tax and because it is likely that substitute local spending would occur in one of those counties, MERIC's 65% discount has been applied to the GRG revenue estimates.

The task force proposal currently anticipates that the new stadium project will be financed with a variety of public and private funding sources, including new bonds issued by the RSA and a total of $450 million in contributions from the NFL and/or an NFL football team.

Although the City has taken no action with respect to any aspect of the proposed new stadium complex development, the task force proposal currently anticipates that the State and the City will lease the new stadium complex from the RSA, that the new lease will replace the State's and City's current debt service commitments for the Jones Dome, and that the RSA will use the lease payments made by the State and the City to pay debt service on the new RSA bonds. The current task force proposal and this analysis assume that the City will make lease payments of $5 million each year through 2023, $5.5 million in 2024, and $6 million annually through 2051. The City will ultimately decide whether to enter into the proposed new lease and whether to provide other incentives that may be requested for the development which this analysis does not take into account. The RSA has not discussed the contents of this MDFB application with the City.

The table on the following page summarizes direct revenues estimated to accrue to the City and other jurisdictions that impose taxes in the City as a result of new stadium complex construction and professional football retention, taking into account the amounts of City lease payments anticipated by the task force proposal.

This analysis involves certain assumptions and judgments relating to future events and economic and other conditions over a 35-year time period. Therefore, this analysis should not be viewed as a prediction or assurance that the revenues estimated herein will be realized. Actual revenues over the 35-year period will vary from the estimates in this analysis.

See the "General Notes" following the table for additional information related to this analysis.

SUMMARY:
ESTIMATED DIRECT NET TAXING JURISDICTION REVENUE FROM STADIUM COMPLEX CONSTRUCTION AND FOOTBALL-RELATED ACTIVITIES

	CITY OF ST. LOUIS			OTHER TAXING JURISDICTIONS				
Year	TOTAL ESTIMATED DIRECT CITY REVENUE	LESS: Anticipated City Lease Payment	ESTIMATED NET DIRECT CITY REVENUE	BOARD OF EDUCATION ESTIMATED REVENUE	GREAT RIVERS GREENWAY ESTIMATED REVENUE	CONVENTION & VISITORS COMMISSION	REGIONAL ARTS COMMISSION	TOTAL ESTIMATED NET DIRECT REVENUE
2015*	4,212,535	(6,000,000)	**(1,787,465)**	**354,284**	**30,311**	**8,250**	**3,000**	**(1,391,620)**
2016	5,129,833	(5,000,000)	**129,833**	**362,388**	**31,004**	**8,498**	**3,090**	**534,813**
2017	5,226,090	(5,000,000)	**226,090**	**370,685**	**31,714**	**8,752**	**3,183**	**640,424**
2018	5,324,576	(5,000,000)	**324,576**	**379,179**	**32,441**	**9,015**	**3,278**	**748,489**
2019	6,143,257	(5,000,000)	**1,143,257**	**489,088**	**41,844**	**9,285**	**3,377**	**1,686,852**
2020	5,903,121	(5,000,000)	**903,121**	**503,761**	**43,100**	**9,564**	**3,478**	**1,463,023**
2021	6,079,727	(5,000,000)	**1,079,727**	**518,874**	**44,393**	**9,851**	**3,582**	**1,656,427**
2022	6,090,641	(5,000,000)	**1,090,641**	**516,981**	**44,231**	**10,146**	**3,690**	**1,665,688**
2023	6,272,890	(5,000,000)	**1,272,890**	**532,490**	**45,557**	**10,451**	**3,800**	**1,865,189**
2024	6,460,598	(5,500,000)	**960,598**	**548,465**	**46,924**	**10,764**	**3,914**	**1,570,666**
2025	6,653,927	(6,000,000)	**653,927**	**564,919**	**48,332**	**11,087**	**4,032**	**1,282,297**
2026	6,853,046	(6,000,000)	**853,046**	**581,866**	**49,782**	**11,420**	**4,153**	**1,500,267**
2027	7,058,129	(6,000,000)	**1,058,129**	**599,322**	**51,275**	**11,763**	**4,277**	**1,724,767**
2028	7,269,354	(6,000,000)	**1,269,354**	**617,302**	**52,814**	**12,115**	**4,406**	**1,955,991**
2029	7,486,906	(6,000,000)	**1,486,906**	**635,821**	**54,398**	**12,479**	**4,538**	**2,194,141**
2030	7,710,973	(6,000,000)	**1,710,973**	**654,896**	**56,030**	**12,853**	**4,674**	**2,439,426**
2031	7,941,752	(6,000,000)	**1,941,752**	**674,543**	**57,711**	**13,239**	**4,814**	**2,692,058**
2032	8,179,443	(6,000,000)	**2,179,443**	**694,779**	**59,442**	**13,636**	**4,959**	**2,952,259**
2033	8,424,253	(6,000,000)	**2,424,253**	**715,622**	**61,225**	**14,045**	**5,107**	**3,220,254**
2034	8,676,397	(6,000,000)	**2,676,397**	**737,091**	**63,062**	**14,466**	**5,261**	**3,496,277**
2035	8,936,093	(6,000,000)	**2,936,093**	**759,204**	**64,954**	**14,900**	**5,418**	**3,780,570**
2036	9,203,568	(6,000,000)	**3,203,568**	**781,980**	**66,903**	**15,347**	**5,581**	**4,073,379**
2037	9,479,055	(6,000,000)	**3,479,055**	**805,439**	**68,910**	**15,808**	**5,748**	**4,374,960**
2038	9,762,794	(6,000,000)	**3,762,794**	**829,602**	**70,977**	**16,282**	**5,921**	**4,685,577**
2039	10,055,033	(6,000,000)	**4,055,033**	**854,491**	**73,106**	**16,771**	**6,098**	**5,005,499**
2040	10,356,026	(6,000,000)	**4,356,026**	**880,125**	**75,300**	**17,274**	**6,281**	**5,335,006**
2041	10,666,036	(6,000,000)	**4,666,036**	**906,529**	**77,559**	**17,792**	**6,470**	**5,674,385**
2042	10,985,333	(6,000,000)	**4,985,333**	**933,725**	**79,885**	**18,326**	**6,664**	**6,023,933**
2043	11,314,195	(6,000,000)	**5,314,195**	**961,737**	**82,282**	**18,875**	**6,864**	**6,383,952**
2044	11,652,908	(6,000,000)	**5,652,908**	**990,589**	**84,750**	**19,442**	**7,070**	**6,754,759**
2045	12,001,769	(6,000,000)	**6,001,769**	**1,020,306**	**87,293**	**20,025**	**7,282**	**7,136,675**
2046	12,361,081	(6,000,000)	**6,361,081**	**1,050,916**	**89,912**	**20,626**	**7,500**	**7,530,035**
2047	12,731,158	(6,000,000)	**6,731,158**	**1,082,443**	**92,609**	**21,244**	**7,725**	**7,935,180**
2048	13,112,322	(6,000,000)	**7,112,322**	**1,114,916**	**95,387**	**21,882**	**7,957**	**8,352,465**
2049	13,504,906	(6,000,000)	**7,504,906**	**1,148,364**	**98,249**	**22,538**	**8,196**	**8,782,252**
2050	13,909,251	(6,000,000)	**7,909,251**	**1,182,815**	**101,196**	**23,214**	**8,442**	**9,224,918**
2051	14,325,710	(6,000,000)	**8,325,710**	**1,218,299**	**104,232**	**23,911**	**8,695**	**9,680,847**
TOTAL--35 YEARS:			**115,742,153**	**27,219,553**	**2,328,784**	**537,687**	**195,523**	**146,023,699**
AVERAGE PER YEAR:			**3,306,919**	**777,702**	**66,537**	**15,362**	**5,586**	**4,172,106**

*2015 is the "base year", representing current NFL Jones Dome operations prior to commencement of new stadium complex project.

GENERAL NOTES

This analysis:

- Estimates only direct revenues anticipated from NFL games and directly related activities.

- Ignores the positive economic impact of other sports/entertainment events that are expected to take place in the new stadium complex.

- Estimates only direct revenues from local taxes imposed in the City of St. Louis and ignores any direct revenues that may accrue to St. Louis County as a result of the construction of the new stadium complex and the retention of an NFL team. The current NFL team practice facility is located in St. Louis County; it is therefore likely that St. Louis County receives and may continue to receive sales tax revenues from spending by players and team staff during their time at the practice facility. It is also likely that some portion of the taxable material purchases required for the new stadium complex's construction will occur in St. Louis County. And it is also likely that St. Louis County receives hotel tax revenues from visiting team players and home team players who do not reside in the St. Louis region.

- Ignores the positive impact of new events that may take place in the Jones Dome because use of that facility will no longer be constrained by an NFL lease.

- Ignores the impact of collection and/or administrative fees that may be deducted from revenues by City and State collection entities.

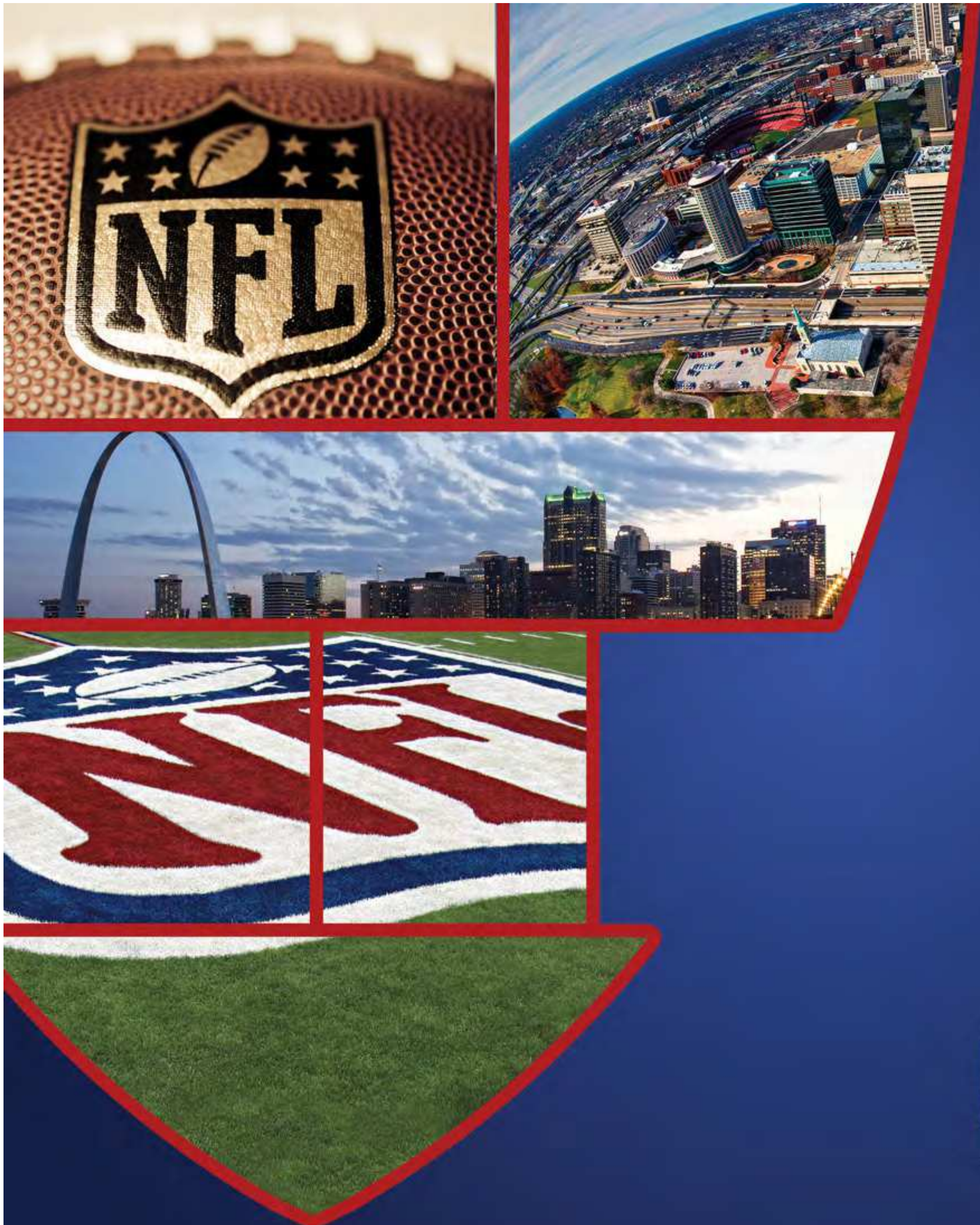
- Assumes that new 35-year bonds are issued in early 2016 to finance a portion of the new stadium's construction cost, that the City and State lease the facility from the RSA, and that the City's payments pursuant to the lease are $5 million annually through 2023, $5.5 million in 2024, and $6 million annually through 2051.

- Ignores the impact of any additional incentives that may be provided by the City.

- Assumes that construction of the new stadium complex begins in early 2016 and is completed in August 2019, and that the complex opens for the 2019 NFL season in August 2019.

- Assumes that an NFL team will play all of its home games (2 pre-season and 8 regular season games) in the Jones Dome until the new stadium is complete and in the new stadium thereafter.

- Ignores the impact of any corporate earnings tax payable during construction or operations because it is impossible to quantify profits that may be earned on the construction project or estimate the degree to which any such profits will be deemed to have been earned in the City.



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New St. Louis Open-Air Stadium Market Feasibility Analysis

May 13, 2015

CONVENTIONS SPORTS & LEISURE CSL

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Executive Summary

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Conventions, Sports & Leisure International ("CSL") was engaged by the National Football League ("NFL") to conduct a feasibility analysis to determine demand for a new open-air stadium in the St. Louis area. As part of this effort, CSL implemented a comprehensive email survey that was completed by approximately 8,100 St. Louis Rams premium seat holders, season ticket holders, occasional game ticket buyers, and other members of the St. Louis Rams database. In addition, 300 telephone interviews were conducted with corporations within the St. Louis metropolitan area with at least $5.0 million in annual sales and 25 employees.

This executive summary presents the key findings and conclusions related to interest in and potential demand for seating at a new open-air stadium in downtown St. Louis based on the results of both the email and corporate telephone surveys.

Survey Respondent Profile:

- Overall, approximately 81 percent of email survey respondents categorized themselves as "Avid Fans" of the St. Louis Rams, approximately 18 percent are "Casual Fans", and one percent are not fans. In contrast, only 38 percent of telephone survey respondents considered themselves "Avid Fans", approximately 54 percent are "Casual Fans" and eight percent are not fans.

- Approximately 89 percent of email and 80 percent of telephone survey respondents have attended a St. Louis Rams home game in the past three (3) years. Email survey respondents attend an average of 4.8 home games per season and telephone survey respondents attend an average of 3.1 games per season.

- Email and telephone survey respondents that have attended a Rams home game in the past three (3) years were asked to rate their level of satisfaction with a variety of elements of the Edward Jones Dome on a scale of 1 to 7, with "1" being "Very Dissatisfied" and "7" being "Very Satisfied. On the following page is a summary of their responses.

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- Elements of the Edward Jones Dome email survey respondents are **most satisfied** with include seat location/sightline to field (5.1), stadium location/setting (5.0), the number of restrooms (4.8), the number of concession stands (4.8), and quality of restrooms (4.6).

- Elements of the Edward Jones Dome telephone survey respondents are **most satisfied** with include premium seat offerings (5.9), seat location/sightline to field (5.3), the number of concession stands (5.2) and tailgating experience (5.1).

- Elements of the Edward Jones Dome email survey respondents are **least satisfied** with include concession prices (3.9), vehicle traffic flow (4.1), parking access/convenience (4.1), interior stadium appearance (4.1) and stadium entrance/exiting (4.3).

- Elements of the Edward Jones Dome telephone survey respondents are **least satisfied** with include technology (3.2), stadium restaurant prices (3.5), concession prices (3.5), tailgating experience (3.7), and parking access/convenience (3.7).

- Survey participants were asked to characterize their current ticket purchase with the St. Louis Rams. Email survey results indicated that 43 percent were occasional game buyers, 38 percent were season ticket holders, 13 percent were non-buyers, and five percent were premium seat holders. Telephone survey results indicated that 38 percent were occasional game buyers, 34 percent were non-buyers, 21 percent were season ticket holders and six percent were premium seat holders.

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- Overall, email respondents purchase an average of three (3) tickets per game while telephone survey respondents purchase four (4) tickets per game. Premium seat buyers purchase the largest number of tickets among all survey groups (3.9 tickets for email respondents and 5.2 tickets for telephone survey respondents).

- In both surveys, common reasons cited by occasional game buyers for not purchasing season tickets include can't commit to every game, cost of tickets, poor team performance, family/work commitments, and can't justify the cost in terms of the number of games they would attend.

- Approximately 22 percent (email) and 20 percent (telephone) of occasional ticket buyers and non-buyers have purchased season tickets in the past. The most common reasons for discontinuing the purchase of season tickets include poor team performance, not being able to commit to every game, family/work commitments, cost of season tickets, and poor game day experience.

- Approximately 77 percent (email) and 63 percent (telephone) of lapsed season ticket holders would consider purchasing season tickets in a new stadium. The most common reasons for considering purchasing season tickets again would be an improvement in team performance and long-term commitment by the Rams to remain in St. Louis.

- Approximately 84 percent (email) and 88 percent (telephone) of season ticket holders indicated that they have purchased a PSL along with their season tickets. The most common reasons for not purchasing a PSL include the ability to obtain good seats without purchasing the PSL, the cost of the PSL, and the benefits of a PSL do not justify the cost.

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- When asked to rate the value they receive for their season ticket purchase approximately 17 percent of email survey respondents indicated they receive an “Excellent Value”, 43 percent receive a “Good Value”, 31 percent receive a “Fair Value”, and nine percent receive a “Poor Value”. Telephone responses were similar with approximately 10 percent indicating they receive an “Excellent Value”, 47 percent receive a “Good Value”, 30 percent receive a “Fair Value,” and 13 percent receive a “Poor Value”.

- Approximately 74 percent of existing season ticket holders from the email survey and 80 percent of telephone survey respondents plan to renew next season. Common reasons for not intending to renew include uncertainty about the team’s future in St. Louis, a lack of communication from the team, quality of opponents, and team performance.

- Among current premium seat buyers, approximately 86 percent purchase club level seats, five percent purchase an executive suite, five percent purchase Sub Zero Club seats, three percent purchase terrace seats in the Clarkson Jewelers Club, and two percent purchase a loge box in the Clarkson Jewelers Club. All corporate telephone survey participants purchase club level seats.

- Amenities valued most by existing premium seat holders include the right to purchase playoff and other event tickets, wider, padded seating, access to private restrooms and upscale food and beverages.

- In the email survey, when asked to rate the value they receive for their premium seat purchase approximately 13 percent indicated they receive an “Excellent Value”, 46 percent receive a “Good Value”, 34 percent receive a “Fair Value”, and seven percent receive a “Poor Value”. In the telephone survey, 15 percent of respondents receive in “Excellent Value”, 50 percent receive a “Good Value”, 25 percent receive a “Fair Value”, and 10 percent receive a “Poor Value”

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- Approximately 65 percent of all premium seat holders from the email survey and 85 percent from the telephone survey are planning to renew next season.

Other Area Team Ticket Purchase:

- Approximately 80 percent of email and 75 percent of telephone survey participants purchase occasional game tickets to other areas sports teams. The most common occasional game ticket purchases are for the St. Louis Cardinals (96 percent), St. Louis Blues (69 percent), and University of Missouri football (35 percent).

- Approximately 16 percent of email survey respondents purchase season tickets to other areas sports teams. The most common season ticket purchases are for the St. Louis Cardinals (62 percent), St. Louis Blues (32 percent), and University of Missouri football (18 percent). Approximately 35 percent of telephone survey participants purchase season tickets to other St. Louis sports teams. The most common season ticket purchases are for the St. Louis Cardinals (87 percent) and St. Louis Blues (23 percent).

    - Among email survey respondents that purchase season tickets to both the Rams and Cardinals, approximately 73 percent indicated they receive a better value with the Cardinals. Common reasons for rating the Cardinals value higher included team performance (96 percent), better game day atmosphere (68 percent), and higher quality food and beverages (37 percent).

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- Approximately 85 percent of telephone survey respondents that purchase season tickets to both the Rams and Cardinals indicated they receive a better value with the Cardinals. Common reasons for rating the Cardinals higher included team performance (52 percent) and better game day atmosphere (13 percent).

- Among email survey respondents that purchase season tickets to both the Rams and Blues, approximately 63 percent indicated they receive a better value with the Blues. Common reasons for rating the Blues value higher included team performance (92 percent), better game day atmosphere (71 percent), and cost of tickets (40 percent).

- Approximately 56 percent of telephone survey respondents that purchase season tickets to both the Rams and Blues indicated they receive a better value with the Blues. Common reason for rating the Blues higher included better game day atmosphere (40 percent), team performance (20 percent), and ease of parking (20 percent).

- Approximately three percent of email survey respondents purchase club seats to other area sports teams. The most common club seat purchases are for the St. Louis Cardinals (74 percent), St. Louis Blues (36 percent), and University of Missouri football (nine percent). Approximately 14 percent of telephone survey respondents purchase club seats to other area sports teams. Common club seat purchases are for the Cardinals (74 percent) and Blues (24 percent).

  - Among email survey respondents that purchase club seats to both the Rams and Cardinals, approximately 74 percent indicated they receive a better value with the Cardinals. Common reasons for rating the Cardinals value higher included team performance (91 percent), better game day atmosphere (75 percent), and better overall premium experience (59 percent). All telephone survey respondents considered their Cardinals club seats to be of higher value.

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- Among email survey respondents that purchase club seats to both the Rams and Blues, approximately 70 percent indicated they receive a better value with the Blues. Common reasons for rating the Blues value higher included team performance (81 percent), better game day atmosphere (71 percent), and higher level of amenities (71 percent).

- Approximately 50 percent of telephone survey respondents indicated they receive better value with the Blues. Common reasons for rating the Blues higher include team performance (50 percent) and cost of tickets (50 percent).

- Approximately one percent of email survey respondents purchase a luxury suite to other areas sports teams. No telephone survey participants purchase a luxury suite to another area sports team. The most common luxury suite purchases are for the St. Louis Cardinals (72 percent), St. Louis Blues (48 percent), and University of Missouri football (11 percent).

  - Among respondents that purchase luxury suites to both the Rams and Cardinals, approximately 74 percent indicated they receive a better value with the Cardinals. Common reasons for rating the Cardinals value higher included team performance (50 percent) and suite cost (50 percent).

  - Among respondents that purchase luxury suites to both the Rams and Blues, all indicated they receive a better value with the Blues. Common reasons for rating the Blues value higher included overall premium experience (67 percent) and team performance (33 percent).

- Overall, respondents rated the St. Louis Cardinals as the most important professional team in St. Louis, followed by the St. Louis Rams and the St. Louis Blues.

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New Open-Air Stadium in St. Louis:

- When asked to indicate their attitude towards a new open-air stadium in the St. Louis area, approximately 78 percent of email survey respondents have a positive attitude towards a new stadium, 17 percent have a negative attitude, and six percent are indifferent. Approximately 72 percent of telephone survey respondents have a positive attitude towards a new stadium, eight percent have a negative attitude, and 21 percent are indifferent.

- Approximately 55 percent of email survey respondents and 57 percent of telephone survey respondents indicated they would attend more games in a new open-air stadium in St. Louis. Approximately 29 percent of email survey respondents would attend the same number of games, nine percent would attend fewer games, and seven percent would not attend any games. Approximately 36 percent of telephone survey respondents would attend the same number of games, three percent would attend fewer games, and four percent would not attend any games.

- In general, respondents indicated strong support for a variety of potential stadium funding sources. Funding sources receiving the highest levels of support included revenues from other stadium events (93 percent), hotel/motel tax revenue (84 percent), and a government grant (79 percent). Approximately 73 percent of email survey respondents and 67 percent of telephone survey respondents indicated some level of support for Personal Seat Licenses.

- Approximately 89 percent of email survey respondents and 85 percent of telephone survey respondents indicated some level of interest in purchasing tickets in a new open-air stadium in St. Louis.

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New Open-Air Stadium Preferred Seat Locations:

- Email survey respondents indicating an interest in purchasing tickets in a new open-air stadium in the St. Louis area were asked to specify which three (3) potential general and premium seating locations they would most prefer. General and premium seat locations most preferred by survey respondents included upper level sideline season tickets (62 percent), mezzanine level sideline club seats (48 percent), lower level corner season tickets (46 percent), and lower level sideline club seats (40 percent).

- General and premium seat locations most preferred by telephone survey respondents included lower level sideline club seats (65 percent), upper level sideline season tickets (55 percent), lower level end zone season tickets (47 percent), and lower level corner season tickets (46 percent).

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Market Conclusions

1. The St. Louis Rams were not rated as the most important team in its market. Respondents rated the Cardinals as the most important, with the Rams the second-most important.

2. The St. Louis Rams rank 29th in the NFL in terms of percent of total seating capacity sold seasonally and 30th in total annual ticket revenue.

3. Current support of the Cardinals and past support of the Rams (1995 to 2005) indicates that the St. Louis market can and will commit to a successful team playing in a venue that offers quality fan amenities.

4. Fans that previously purchased a PSL felt that they received proper value for their purchase and indicated that the purchase of another PSL in a new stadium is "the cost of doing business."

5. Survey respondents selected lower level club seats, mezzanine level club seats, upper level sideline season tickets, and lower level corner season tickets as the top four most preferred seat locations in a new open-air stadium.

6. When pricing was introduced, approximately 72 percent of current premium buyers, 71 percent of season ticket holders and 37 percent of occasional buyers would follow through with their purchase intent.

7. Focus group participants indicated that while keeping the Rams in St. Louis was preferred, remaining a NFL city was of the utmost importance. The vast majority of participants would support a new NFL team if it came to the market.

8. Potential plans for a new riverfront stadium in downtown St. Louis have been discussed publicly.

Executive Summary

Projected Season Ticket and PSL Revenue

Based on the market-specific information collected throughout the research process, as well as the real-world, NFL-specific experience of Legends Global Sales, estimates were made regarding the potential to generate revenue from the sale of PSLs, season tickets, and premium seating in a new stadium. The following presents a summary of the considerations utilized to develop revenue estimates in the St. Louis market.

Although the email and telephone surveys indicated demand for $189 million in PSL revenue, it is not anticipated that there is the potential to generate significantly more revenue in the marketplace beyond the survey results. Several factors contributed to this determination, including, but not limited to:

1. Although the market generated enough PSL revenue to bring the franchise to St. Louis, that level of support was not sustained once the team's on-field success waned.

2. The Rams rank in the bottom third of the NFL in terms of average season ticket price (22nd) and average club seat price (28th), and have the fourth-lowest average attendance in the NFL over the past five (5) years.

3. Respondents exhibited low levels of intent to follow through with their purchase after the introduction of pricing.

4. The Rams share a market with the Cardinals, which are one of the most successful teams in MLB, play in a new ballpark, and are viewed by respondents as the most important sports team in St. Louis.

5. The market lacks a robust regional area from which to draw individuals and corporations that are not already attending games and purchasing tickets.

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St. Louis Rams Projected Season Ticket & PSL Revenue

	Total Inventory	Seats For Sale	PSL Price	Ticket Price
Club Seats				
Home VVIP (45-50)	250	238	$40,000	$325
Vis VVIP (45-50)	250	238	$30,000	$325
Home Club 1 (40-45)	1,000	950	$20,000	$275
Vis Club 1 (40-45)	1,000	950	$17,500	$275
Home Club 2 (15-30)	1,000	950	$12,500	$250
Vis Club 2 (15-30)	1,000	950	$10,000	$250
Mezz Club	3,000	2,850	$7,500	$225
Total	**7,500**	**7,125**	$95,000,000	$1,793,125
Lower Level				
LL GL-15	8,000	7,400	$4,000	$125
LL Corner	7,000	6,475	$3,000	$100
LL EZ	8,000	7,400	$2,000	$90
Total	**23,000**	**21,275**	$63,825,000	$2,238,500
Mezzanine Level				
Mezz Sideline	3,000	2,775	$3,000	$125
Mezz Corner-EZ	3,000	2,775	$2,000	$85
Mezz Corner/EZ	3,000	2,775	$2,000	$75
Total	**9,000**	**8,325**	$19,425,000	$790,875
Upper Level				
Upper Sideline	7,000	6,475	$1,750	$80
Upper Corner	8,000	7,400	$1,250	$60
Upper Corner	4,000	3,700	$1,000	$60
Upper EZ	2,500	2,313	$500	$50
Upper EZ	1,500	1,388	$500	$50
Total	**23,000**	**21,275**	$26,131,250	$1,369,000
Total	**62,500**	**58,000**	**$204,381,000**	**$6,192,000**

Executive Summary

St. Louis New Stadium Suite Revenue Projections			
Suite Type	Inventory	Average Annual Price	Total Annual Revenue
Owners	8	$300,000	$2,400,000
Lower Level	6	$225,000	$1,350,000
Field Level	8	$150,000	$1,200,000
Mezzanine Level	50	$135,000	$6,750,000
Upper Level	40	$123,000	$4,920,000
Total	**112**	**$148,000**	**$16,620,000**