

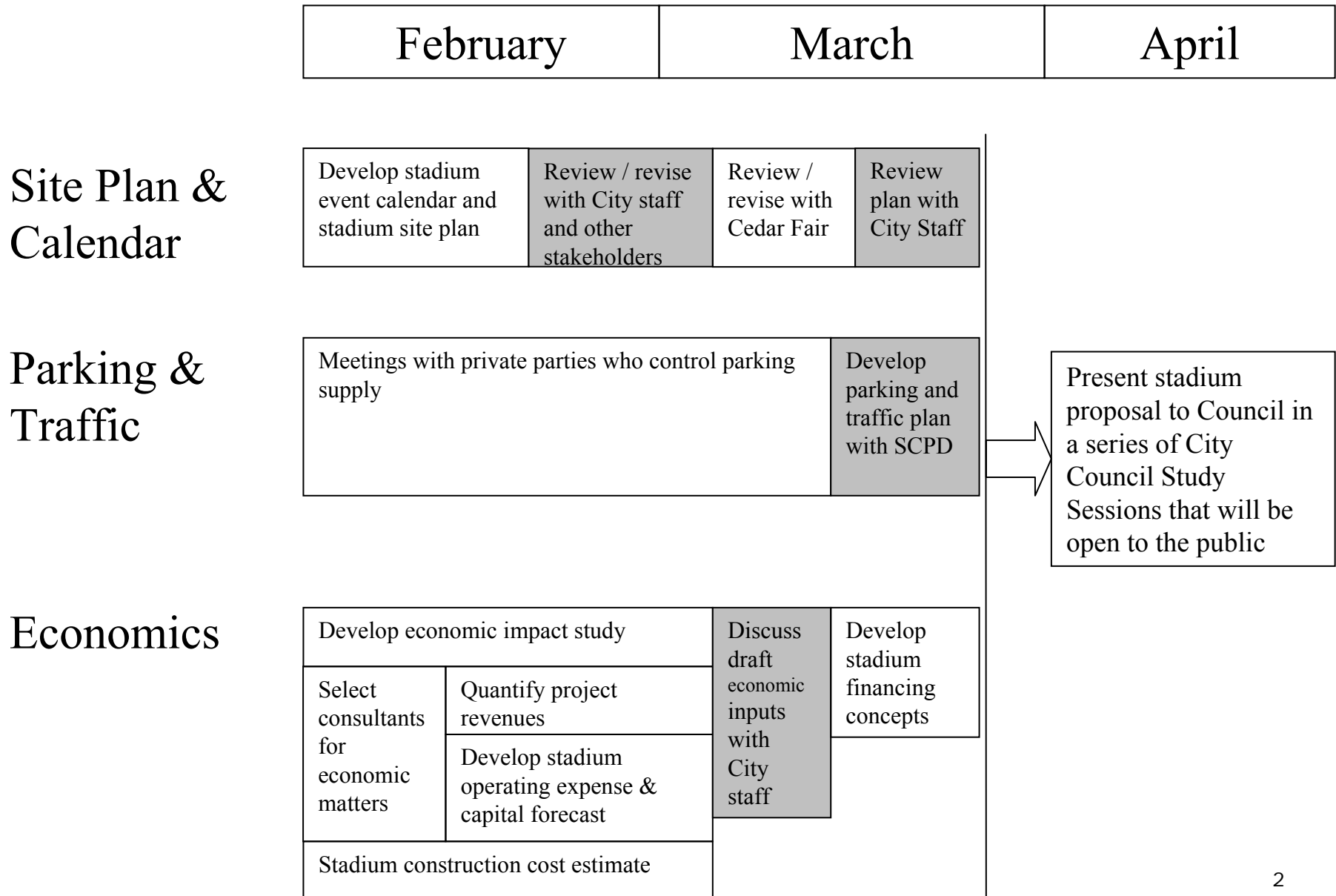
Study Session – April 24, 2007





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

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



Recap of Other Stadium Events



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

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

¹15% Mode Split



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

Public Transit



REGIONAL RAIL SERVICE

POTENTIAL
TRANSIT
OPERATIONS

TRANSIT FACTS

Ridership:

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

18,000 Patrons on Transit

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



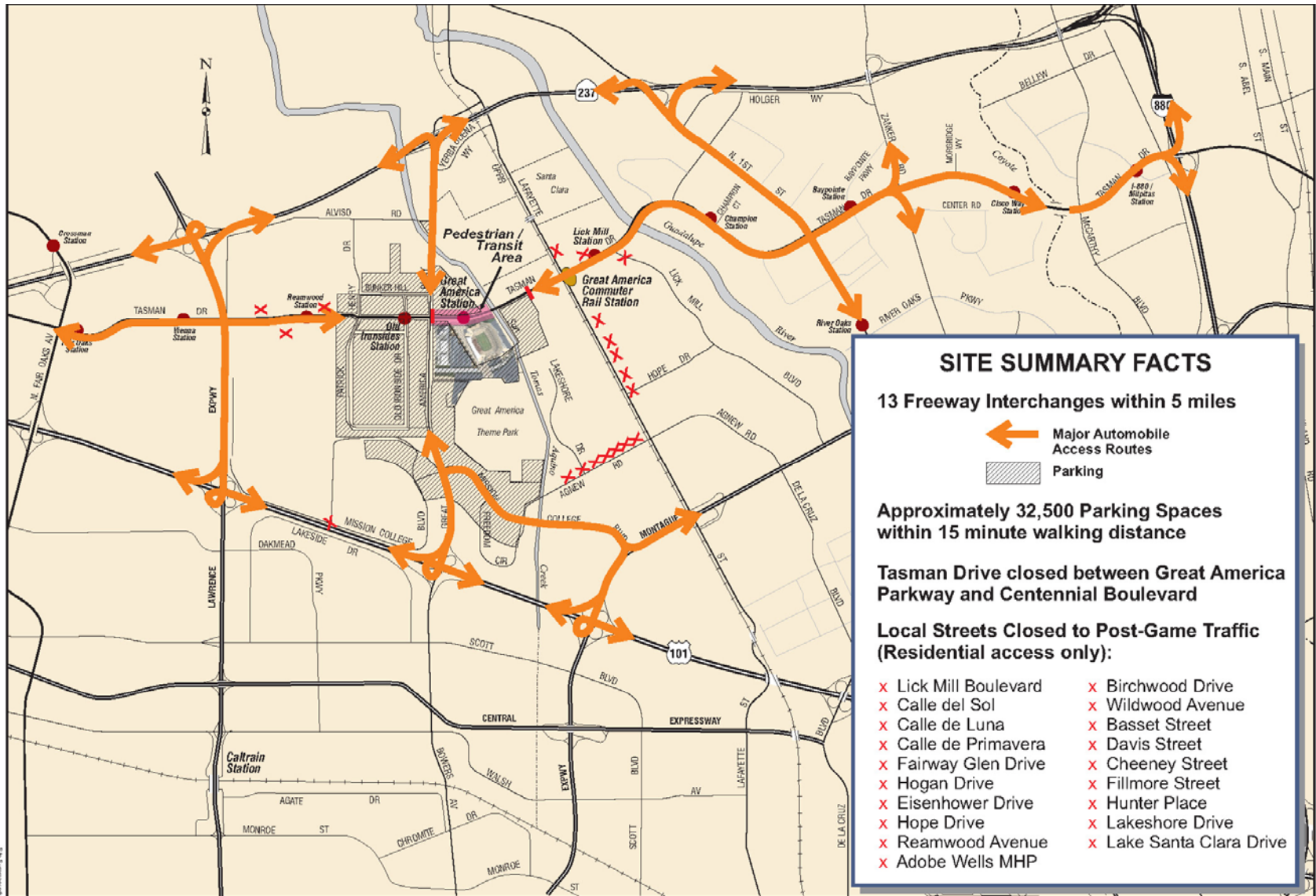
Public Transit Access



Residential Areas



Automobile Access





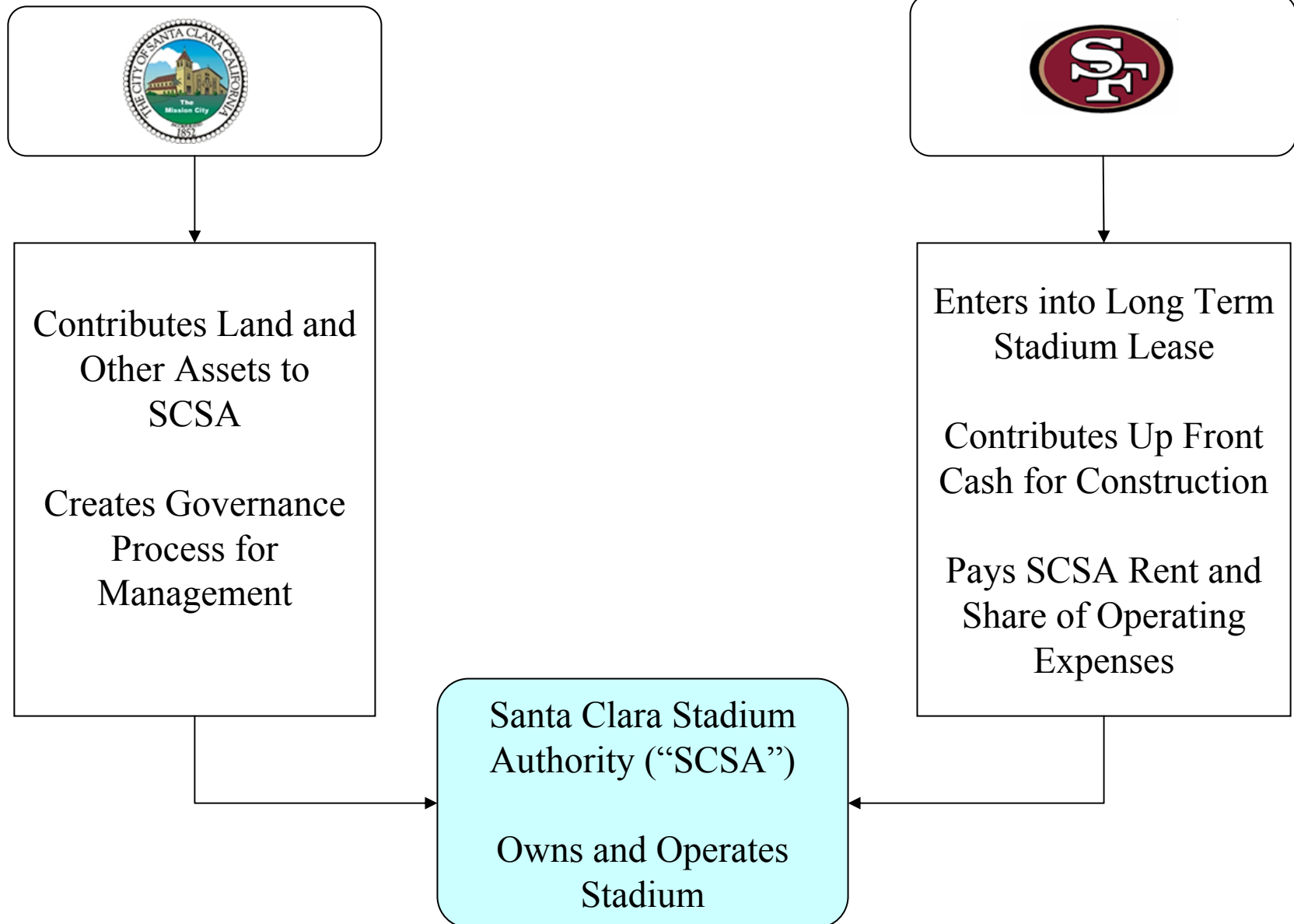
Questions on Game Day Transportation Plan



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



Formation of Santa Clara Stadium Authority



Stadium Costs & Funding Sources



\$MM

Costs

Stadium Construction Costs	\$616,340
Inflation to 2010 (Start of Construction)	111,000
Offsites & Site Work	3,000
Design, Engineering, Insurance, Entitlement, Legal, Etc. (excludes financing costs)	123,428
Total Costs	<u><u>\$853,768</u></u>

Funding Sources (Net of Financing Costs)

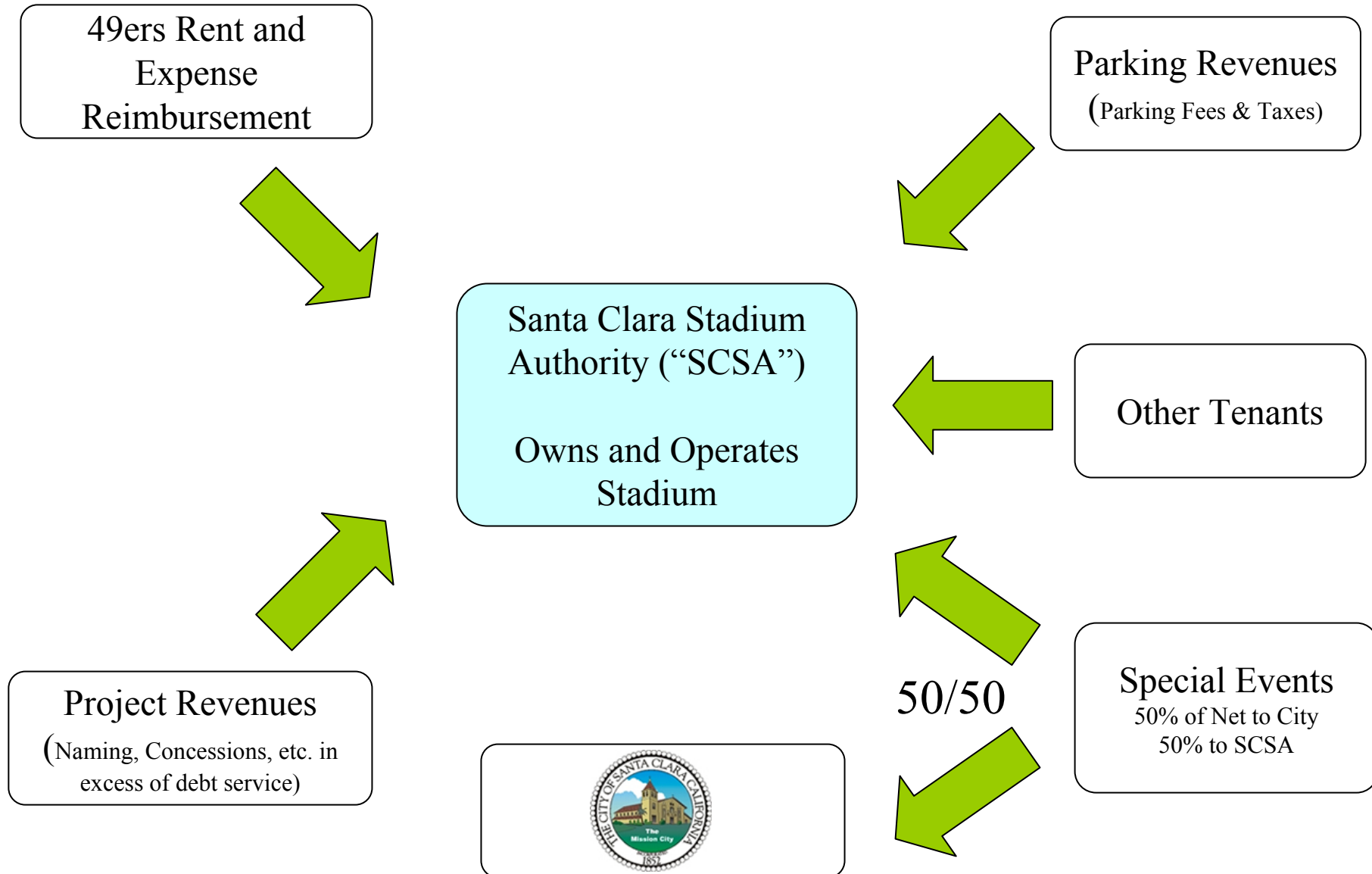
Stadium Authority Project Funding	330,464	38.7%	} 81.3%
Naming Rights, Corporate Founding Partners, Ticket Tax Financing, Stadium Builders Licenses, Concessionaire Equity, Pouring Rights, etc.			
Private Investment (Team & NFL)	363,304	42.6%	
Public Equity Investment in Stadium	160,000	18.7%	
Total Funding Sources	<u><u>\$853,768</u></u>	100.0%	

Notes:

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



Revenue Sources for Stadium Authority



Stadium Authority – Annual Cash Flow



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



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

Distribution of SCSA Gross Cash Flow:

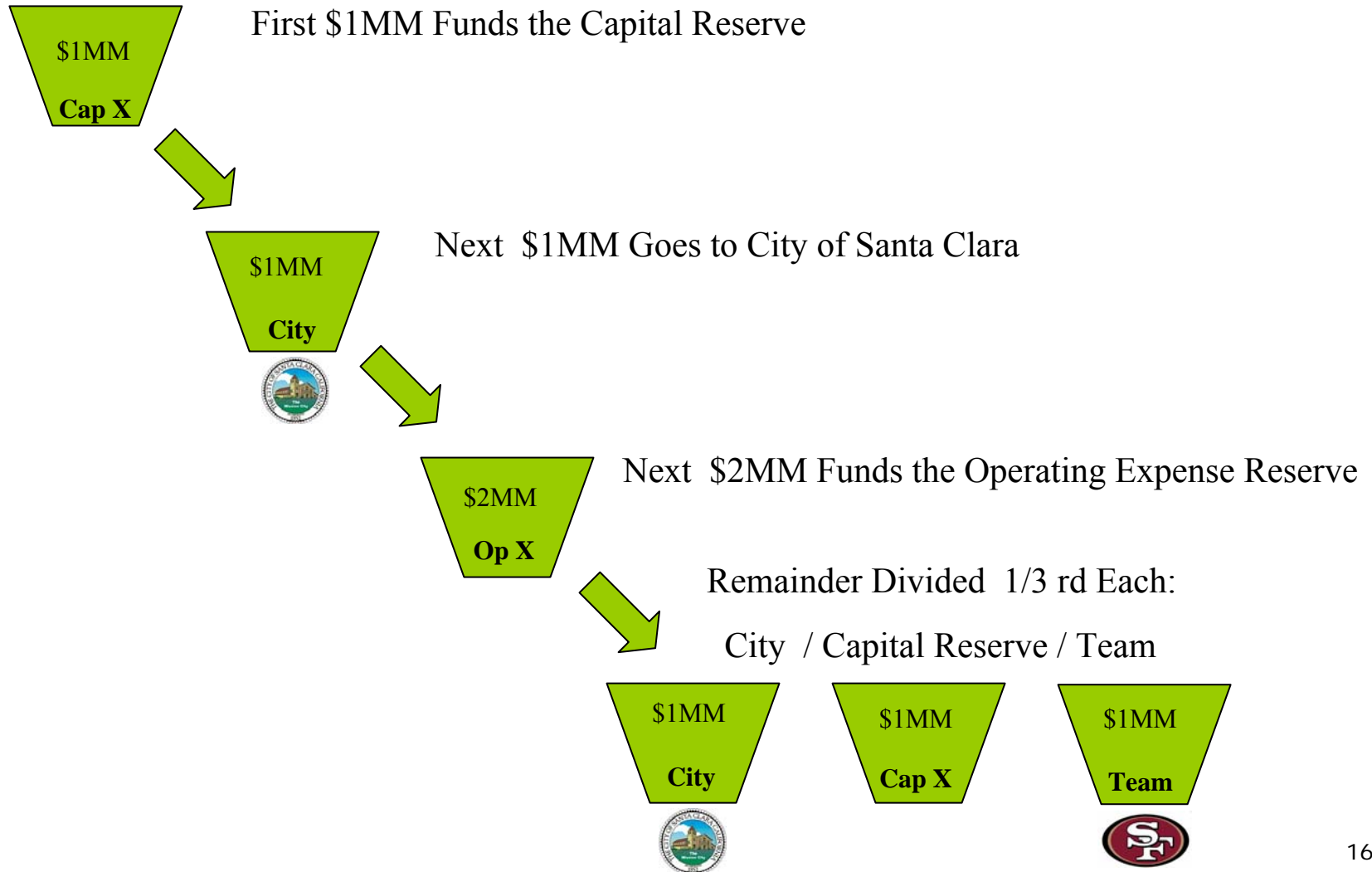
1. First \$1 million is reserved for future capital expenditures (Cap X) of the stadium
2. Second \$1 million flows to City
3. Third \$2 million is reserved is reserved for future operating expenses
4. Fourth – Excess over \$4 million flows 1/3rd each to: City / Cap X Reserve / Team.

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

Waterfall Illustration



Assume \$7MM in Gross Cash Flow for Distribution



Cash Flow Distribution with Special Events



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

Stadium Authority Gross Cash Flow:

	No Other Events	Special Events Net \$3MM	Special Events Net \$6MM
Gross Cash Flow (without events) (Assumed to remain constant for illustration)	1,050,000	1,050,000	1,050,000
Add: 50% of Special Event Net Revenue	-	1,500,000	3,000,000
Gross Cash Flow (with events)	1,050,000	2,550,000	4,050,000

50% of Special Events flows to SCSA

Distribution of Gross Cash Flow (with events):

Funding to Stadium Capital Reserve	1,000,000	1,000,000	1,016,667
Revenue to City of Santa Clara	50,000	1,000,000	1,016,667
Funding to Operating Expense Reserve	-	550,000	2,000,000
Revenue to Team	-	-	16,667
Total	1,050,000	2,550,000	4,050,000

Waterfall:
 1 - \$1MM to Cap X
 2 - \$1MM to City of SC
 3 - \$2MM to Op X
 4 - Remainder 1/3rd each:
 City / Cap X / Team

Recap of Revenue to City of Santa Clara

Distributions from SCSA (from above)	50,000	1,000,000	1,016,667
50% of Special Event Revenue	-	1,500,000	3,000,000
Total to City	50,000	2,500,000	4,016,667

City receives 50% of Special Events in addition to distributions from SCSA

Summary of Proposal - Economics



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