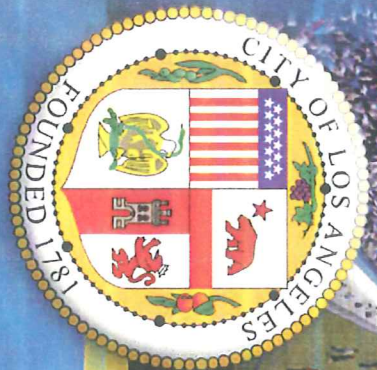


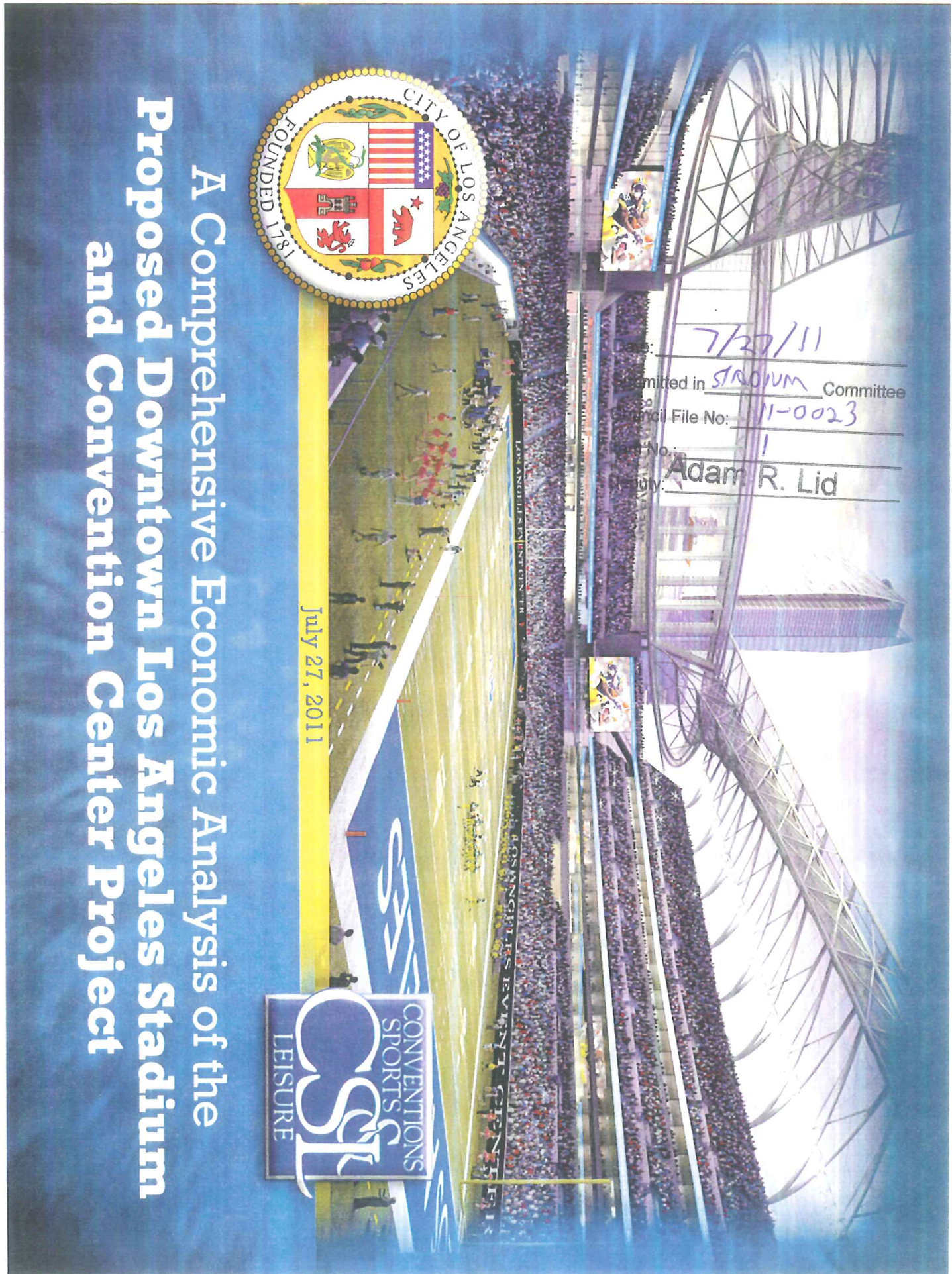
Date: 7/27/11
Submitted in STADIUM Committee
to Council File No: 11-0023
Item No: 1
By: Adam R. Lid



July 27, 2011



A Comprehensive Economic Analysis of the Proposed Downtown Los Angeles Stadium and Convention Center Project



NFL Funding Comparison



Stadium/Team	Team	Year Opened	Total Project Cost	Private Funding		Public Funding	
				Total Private	% of Total	Total Public	% of Total
Los Angeles Stadium (Proposed)	TBD	2016	\$1,200.0	\$1,200.0	100%	\$0.0	0%
San Francisco 49ers (Proposed)	San Francisco 49ers	2015	\$987.0	\$873.0	88%	\$114.0	12%
New Meadowlands Stadium	Giants/Jets	2010	\$1,600.0	\$1,600.0	100%	\$0.0	0%
New Cowboys Stadium	Dallas Cowboys	2009	\$1,194.0	\$750.0	63%	\$444.0	37%
Lucas Oil Stadium	Indianapolis Colts	2008	\$675.0	\$100.0	15%	\$575.0	85%
University of Phoenix Stadium	Arizona Cardinals	2006	\$471.4	\$150.4	32%	\$321.0	68%
Lincoln Financial Field	Philadelphia Eagles	2003	\$518.0	\$330.0	64%	\$188.0	36%
Soldier Field (renovation)	Chicago Bears	2003	\$587.0	\$200.0	34%	\$387.0	66%
Lambeau Field (renovation)	Green Bay Packers	2003	\$295.2	\$126.1	43%	\$169.1	57%
Gillette Stadium	New England Patriots	2002	\$412.0	\$340.0	83%	\$72.0	17%
Ford Field	Detroit Lions	2002	\$440.0	\$330.0	75%	\$110.0	25%
Reliant Stadium	Houston Texans	2002	\$474.0	\$185.0	39%	\$289.0	61%
Qwest Field	Seattle Seahawks	2002	\$461.3	\$161.0	35%	\$300.3	65%
Heinz Field	Pittsburgh Steelers	2001	\$280.8	\$109.2	39%	\$171.6	61%
Invesco Field at Mile High	Denver Broncos	2001	\$400.8	\$111.8	28%	\$289.0	72%
Paul Brown Stadium	Cincinnati Bengals	2000	\$449.8	\$25.0	6%	\$424.8	94%
LP Field	Tennessee Titans	1999	\$291.7	\$84.8	29%	\$206.9	71%
Cleveland Browns Stadium	Cleveland Browns	1999	\$271.0	\$71.0	26%	\$200.0	74%
M&T Bank Stadium	Baltimore Ravens	1998	\$226.0	\$22.4	10%	\$203.6	90%
Raymond James Stadium	Tampa Bay Buccaneers	1998	\$194.0	\$0.0	0%	\$194.0	100%
FedEx Field	Washington Redskins	1997	\$250.5	\$180.0	72%	\$70.5	28%
Average					38%		62%



New Meadowlands Stadium (2010) East Rutherford, NJ

Team Commitments

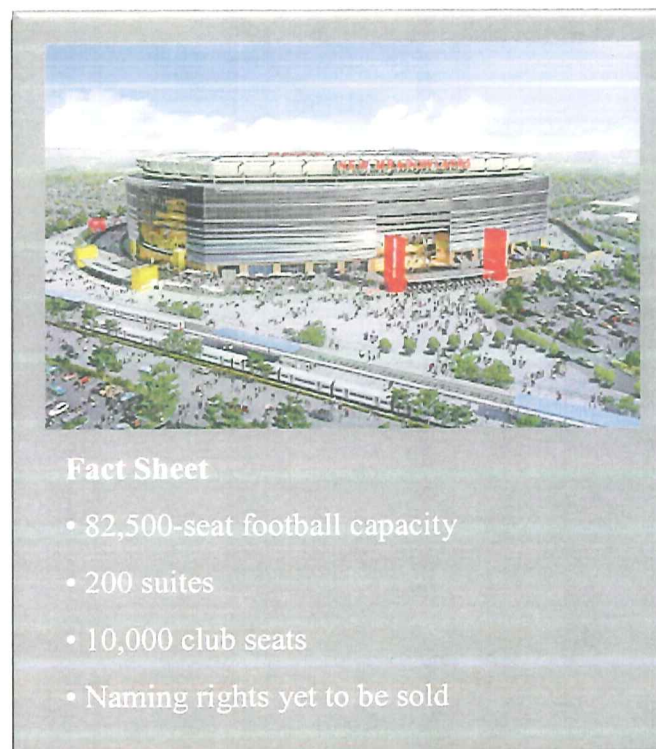
- \$1.3 billion in taxable bonds issued by New Meadowlands Stadium Corp, a 50/50 partnership between Giants & Jets
- \$300 million grant from NFL's G3 stadium funds program
- 25-year lease agreement, with team options to extend
- Teams agreed to pay \$5 million in rent annually, plus \$1.3 million per year in payments in lieu of property taxes to the town of East Rutherford

Public Commitments

- State donated land for project
- Teams granted property tax exemption for 520,000 square feet of adjacent retail development

Lease Considerations

- Owner/Operator: New Jersey Sports & Exhibition Auth.
- Teams split all revenues generated by stadium, non-football parking revenues from western half of Meadowlands Sports Complex, and naming rights to adjacent racetrack and retail complex



Financing Summary (\$ millions)

Sources of Funds

	<u>Giants</u>	<u>Jets</u>	<u>NFL</u>	<u>Total</u>
Giants Portion of Bonds	\$650.0			\$650.0
Jets Portion of Bonds		\$650.0		\$650.0
NFL G3 Grant			\$300.0	\$300.0
Total Sources	<u>\$650.0</u>	<u>\$650.0</u>	<u>\$300.0</u>	<u>\$1,600.0</u>



Stadium Sources & Uses

Estimated stadium cost	\$1,200,000,000
AEG/Team responsibility (% of total)	100%
NFL G-3 loan	(\$150,000,000)
Net PSL Sales (estimated)	(\$150,000,000)
AEG/Team contribution, net	\$900,000,000
AEG/Team Equity	\$450,000,000
Debt Service	\$450,000,000
Interest rate	7.5%
Term	30
Annual debt payment	\$38,100,000
AEG IRR	6.7%





TOTAL PROJECT REVENUES				AEG PROPOSAL - DEDICATED TO BOND REPAYMENT		
Project Year	Project Revenues	Incremental Taxes	Total Project Revenues/Taxes	Project Revenues	Incremental Taxes	Total Project Revenues/Taxes
Const. 2012	\$0	\$0	\$0	\$0	\$0	\$0
Const. 2013	0	1,267,125	1,267,125	0	1,267,125	1,267,125
Const. 2014	3,000,000	2,746,750	5,746,750	3,000,000	2,534,250	5,534,250
Const. 2015	3,090,000	3,653,521	6,743,521	3,090,000	3,441,021	6,531,021
1 2016	10,337,700	11,025,317	21,363,017	9,682,700	5,582,594	15,265,294
2 2017	10,560,031	9,606,167	20,166,198	9,891,931	4,858,866	14,750,797
3 2018	10,787,479	9,830,327	20,617,807	10,106,017	4,956,043	15,062,060
4 2019	11,020,170	10,059,932	21,080,102	10,325,079	5,055,164	15,380,243
5 2020	11,258,234	10,295,119	21,553,353	10,549,241	5,156,268	15,705,508
6 2021	11,501,802	10,536,029	22,037,832	10,778,629	5,259,393	16,038,022
7 2022	11,751,012	10,782,808	22,533,820	11,013,376	5,364,581	16,377,956
8 2023	12,006,003	11,035,604	23,041,607	11,253,613	5,471,872	16,725,486
9 2024	17,266,918	11,294,570	28,561,488	16,499,481	5,581,310	22,080,791
10 2025	17,683,904	11,559,863	29,243,768	16,901,119	5,692,936	22,594,055
11 2026	18,111,613	11,831,644	29,943,258	17,313,172	5,806,795	23,119,967
12 2027	18,550,335	12,110,079	30,660,413	17,735,925	5,922,931	23,658,855
13 2028	19,000,367	12,395,335	31,395,702	18,169,669	6,041,389	24,211,058
14 2029	19,462,017	12,687,589	32,149,606	18,614,704	6,162,217	24,776,921
15 2030	19,935,599	12,902,134	32,837,733	19,071,340	6,285,461	25,356,802
16 2031	20,421,437	13,206,376	33,627,813	19,539,893	6,411,171	25,951,064
17 2032	20,919,865	13,518,088	34,437,953	20,020,690	6,539,394	26,560,084
18 2033	21,431,225	13,837,462	35,268,687	20,514,067	6,670,182	27,184,249
19 2034	21,955,869	14,164,694	36,120,563	21,020,368	6,803,586	27,823,953
20 2035	22,494,159	14,499,985	36,994,145	21,539,948	6,939,657	28,479,605
21 2036	23,046,468	14,843,542	37,890,010	22,073,173	7,078,450	29,151,623
22 2037	23,613,179	15,195,576	38,808,755	22,620,417	7,220,019	29,840,437
23 2038	24,194,684	15,556,307	39,750,991	23,182,068	7,364,420	30,546,487
24 2039	24,791,389	15,925,956	40,717,346	23,758,520	7,511,708	31,270,229
25 2040	25,403,711	16,304,754	41,708,465	24,350,184	7,661,942	32,012,126
26 2041	26,032,076	16,692,937	42,725,012	24,957,479	7,815,181	32,772,660
27 2042	26,676,925	17,090,745	43,767,670	25,580,836	7,971,485	33,552,321
28 2043	27,338,710	17,498,429	44,837,139	26,220,700	8,130,915	34,351,614
29 2044	28,017,898	17,916,242	45,934,140	26,877,527	8,293,533	35,171,060
30 2045	28,714,967	18,344,447	47,059,413	27,551,788	8,459,403	36,011,192

30 Year Term

Nominal Total	\$590,375,746	\$410,215,455	\$1,000,591,201	\$563,803,654	\$201,311,263	\$765,114,917
NPV @ 6.0%	\$186,801,842	\$146,219,454	\$326,503,401	\$177,921,909	\$71,173,920	\$249,095,829

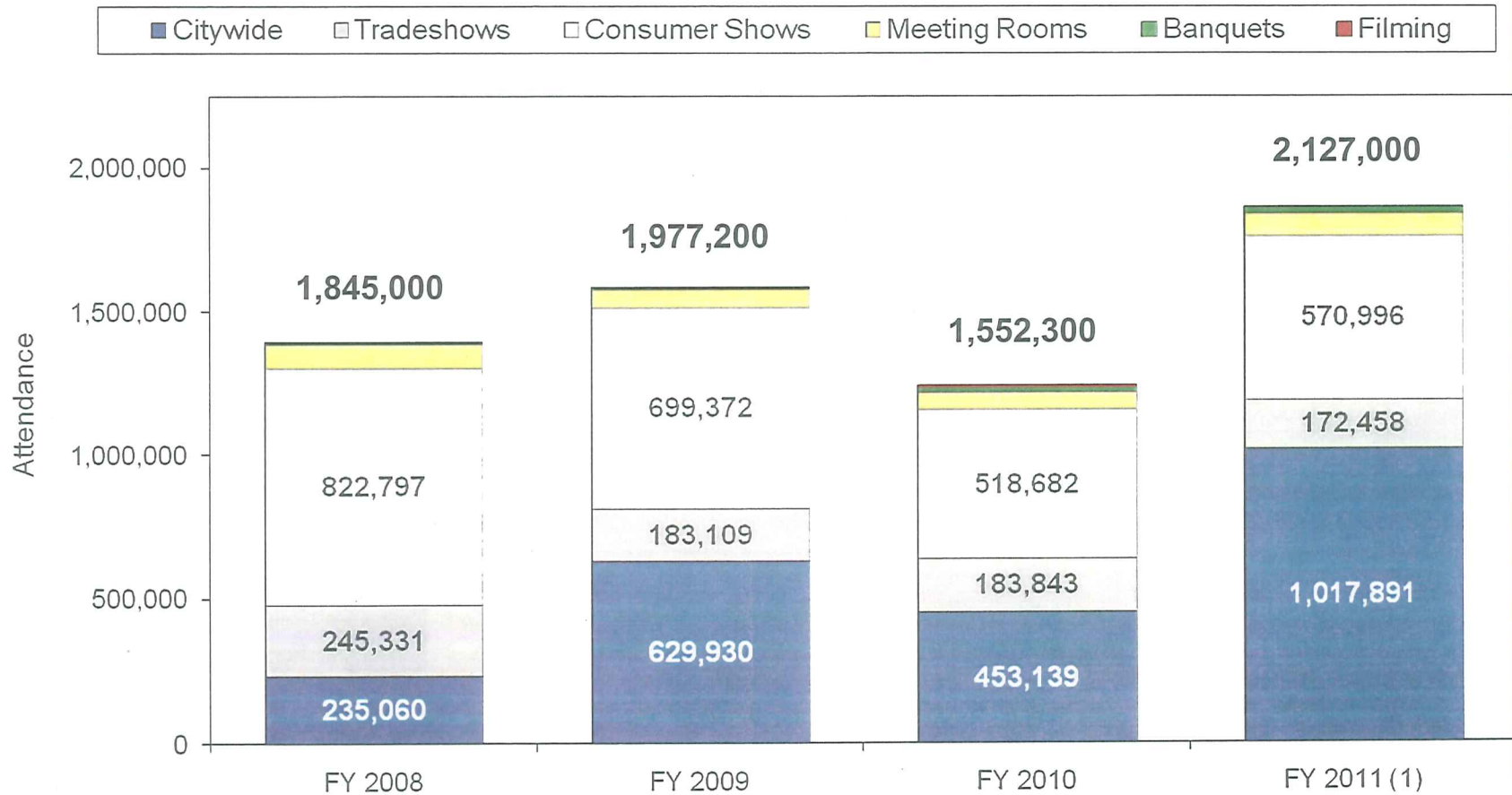
Effective Percentage of New Taxes Dedicated to Debt Service

Gross \$	49.07%
NPV	48.68%





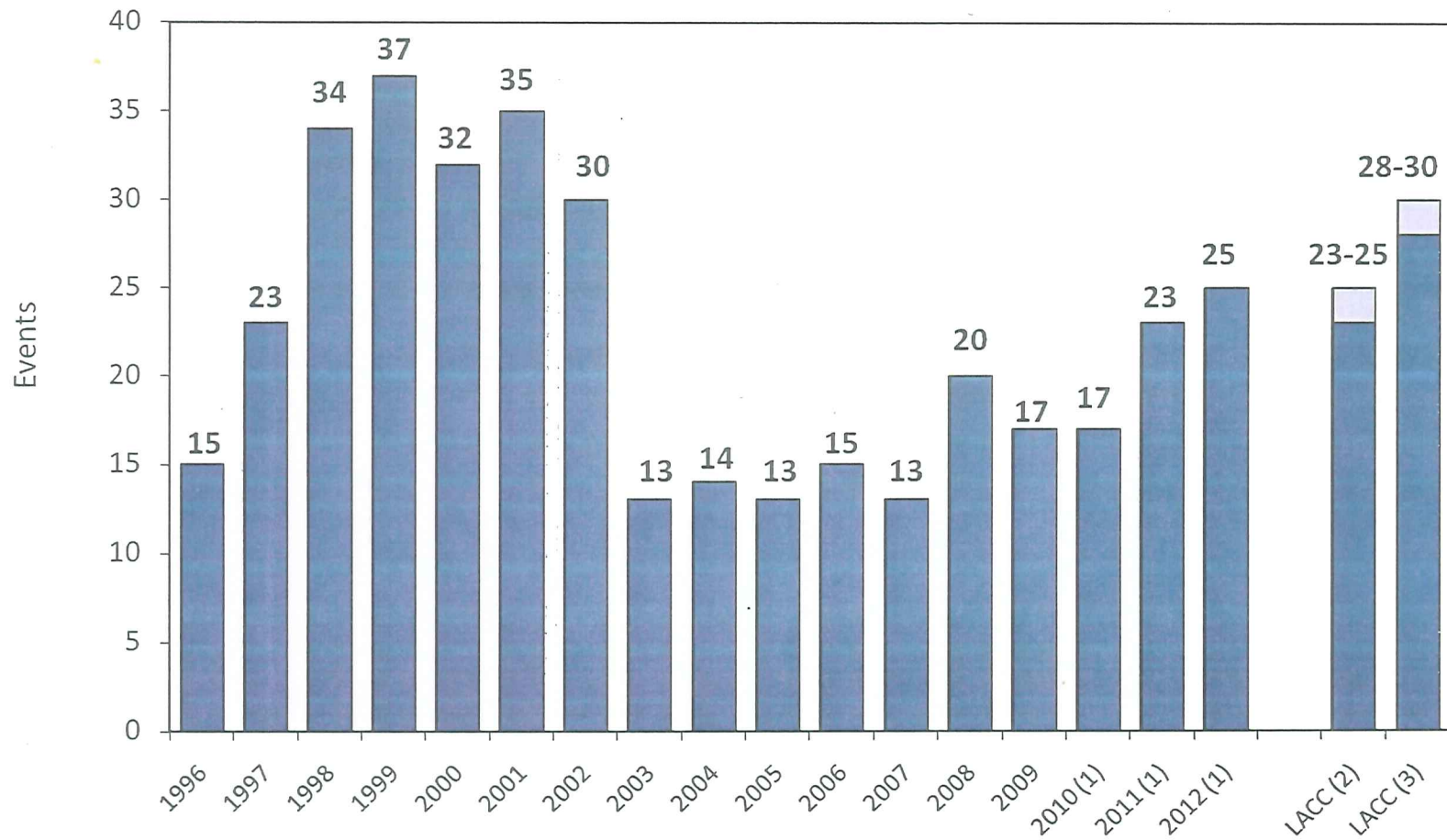
Total Attendance by Event Type (FY 2008 – FY 2011)



(1) Data projected by LACC as of 3/7/2011
Notes: Event types are based on LACC classifications.
Source: LACC, Show Management, 2011.

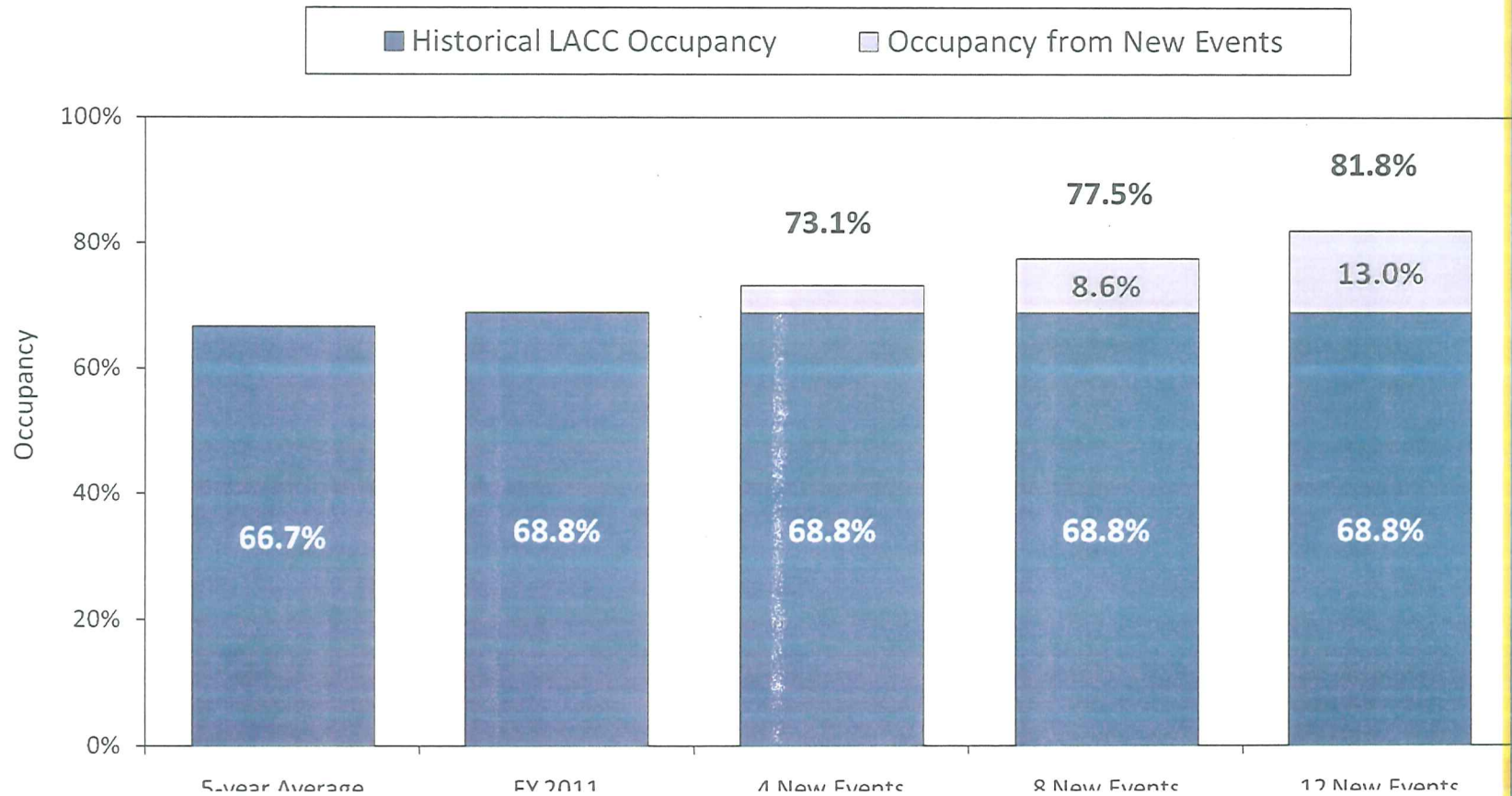


LA Inc. Citywide Conventions – Total Events (1996 –2012)





Future LACC Exhibit Space Occupancy

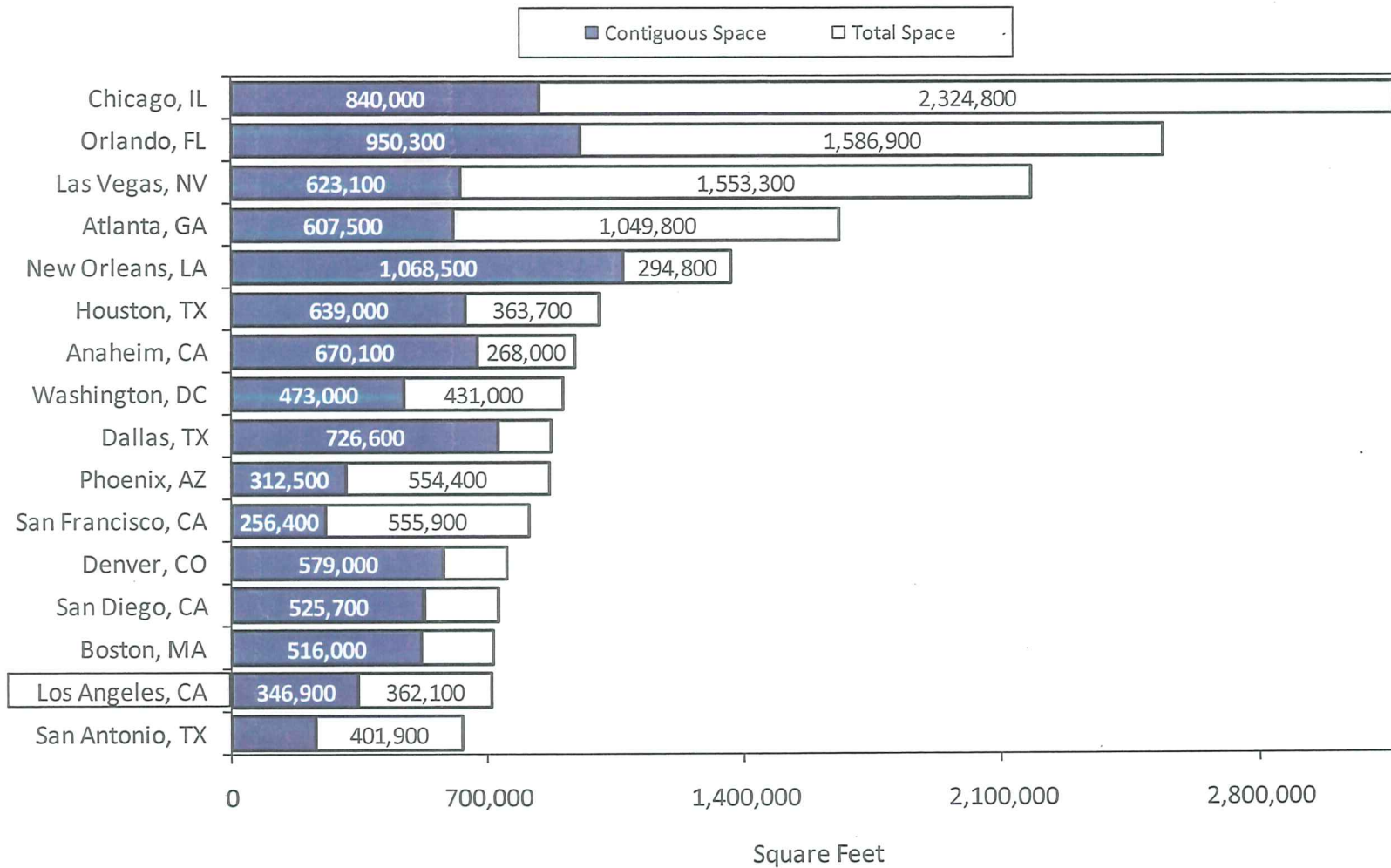


Notes: Additional events assume new citywide bookings occupying 275,000 gross square feet over eight facility utilization days.

Source: CSL International, facility management, 2011



Comparison of Total Sellable Space





Comparison of Hotel Rooms Within ½ Mile of the Convention Center

