

CORRESPONDENCE



BARRETT SPORTS GROUP, LLC

November 5, 2012

City Council
City of Pasadena
Pasadena City Hall
100 N. Garfield Avenue
Pasadena, CA 91109

Re: Interim NFL Lease Analysis

Dear Members of the Pasadena City Council:

Barrett Sports Group, LLC ("BSG") is pleased to present our findings to the City of Pasadena ("City"). It is our understanding that the City is currently considering a proposed amendment to the Arroyo Seco Lands Ordinance, which would allow an NFL team to use the Rose Bowl Stadium on an interim basis. Per City staff's request, we have estimated the potential revenue that could be generated by the NFL's temporary use of the Rose Bowl Stadium to the Rose Bowl Operating Company ("RBOC"). The full analysis is enclosed with this letter as Attachment A.

In preparing this analysis, we considered and/or reviewed several interim NFL stadium situations, including the following:

- Minnesota Vikings – TCF Bank Stadium (University of Minnesota) (*Agreement Not Finalized*)
- New Orleans Saints – Tiger Stadium (Louisiana State University)
- New Orleans Saints – Alamodome (San Antonio)
- San Diego Chargers – Sun Devil Stadium (Arizona State University)
- Chicago Bears – Memorial Stadium (University of Illinois, Urbana-Champaign)
- Seattle Seahawks – Husky Stadium (University of Washington)
- Tennessee Titans – Vanderbilt Stadium (Vanderbilt University)
- Tennessee Titans – Memphis Liberty Bowl (*Lease Not Available*)
- Carolina Panthers – Clemson Memorial Stadium (Clemson University)

We have considered key financial and operating terms for the interim NFL stadium leases (as available) including, but not limited to:

- Rental Payments

- Taxes/Surcharges
- Revenue Sharing
- Expense Responsibility
- Upfront Investment

We have considered the historical precedent established by these comparable situations as one way to estimate the potential revenue that the RBOC may realize from the temporary use of the Rose Bowl Stadium by an NFL team. Each of the previous interim NFL lease situations was unique and must be considered in the appropriate context.

The NFL interim lease/deal structure, and resulting RBOC revenue generating potential, will depend on numerous factors, including competition and interest from other regional stadium alternatives, the specific NFL team, and the NFL permanent stadium location/developer, among others. Although it is difficult to estimate with certainty the revenue-generating potential of a proposed deal given the numerous unknowns at this time, we believe RBOC could reasonably expect to generate approximately five million dollars per year from the NFL's interim use of the Rose Bowl Stadium and depending on the various circumstances and the alternative regional stadium options at the time of negotiations, it is possible that the RBOC could generate as much as ten million dollars per year under the right conditions. In addition, the RBOC could expect that an NFL team would be responsible for game day and related expenses. Please see Attachment A for a discussion of key considerations regarding the potential revenue that may be realized by the RBOC.

At the request of City staff, we also evaluated the potential feasibility of Alternative #2 – the Reduced Attendance Alternative – set forth in the draft Environmental Impact Report (“EIR”) that examined the temporary use of the Rose Bowl Stadium by an NFL team. Alternative #2 limits the attendance at the Rose Bowl Stadium to 50,000 for NFL events. In our opinion, it is highly unlikely that an NFL team would agree to lease the Rose Bowl if attendance were limited to 50,000 per game. Since the 2009 season, the NFL average per game announced attendance has been approximately 67,300. The Rose Bowl Stadium's capacity is currently approximately 92,500, and will be reduced to approximately 88,000 after the current renovation is complete. A stadium with an artificial maximum attendance of only 50,000 would have a significant negative impact on the ability of an NFL team to generate stadium-related revenues. In addition, limiting attendance to 50,000 in a stadium with a capacity of approximately 88,000 would negatively impact the fan experience. The league would likely also have concerns about a limit on attendance in terms of its national television arrangements and the potential impacts resulting from televising a game in a stadium that is only partially filled or, alternatively, not televising a game in the nation's second largest television market as a result of the league's television blackout policy. As a result, we believe a 50,000 limitation on attendance at the Rose Bowl Stadium would render the Rose Bowl option infeasible, particularly given the seating capacities at other regional stadiums.

Members of the Pasadena City Council
November 5, 2012
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Thank you for the opportunity to assist you in this project. For your reference, we have attached our resumes to this letter, as well as the more detailed analysis mentioned above. If you have any questions regarding our analysis, please feel free to contact me.

Sincerely,

Barrett Sports Group, LLC

BY: *Daniel S. Barrett*
Daniel S. Barrett

TITLE: Principal

Enclosures

ATTACHMENT A

**CITY OF PASADENA
INTERIM NFL LEASE ANALYSIS**



**PREPARED BY:
BARRETT SPORTS GROUP, LLC
November 5, 2012**

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BARRETT SPORTS GROUP, LLC



I. INTRODUCTION



I. INTRODUCTION

Overview

- Barrett Sports Group, LLC (BSG) is Pleased to Present our Preliminary Findings to the City of Pasadena (City)
- The City and Rose Bowl Operating Company (RBOC) are Currently Evaluating the Potential of Hosting a National Football League (NFL) Team on an Interim Basis at the Rose Bowl Stadium
- As Part of the Evaluation, the City is Conducting an Environmental Impact Report (EIR) Related to the Temporary Use of the Rose Bowl Stadium by an NFL Team
- The Objective of this Analysis is to Evaluate the Potential Net Income to the RBOC to be Generated by an Interim NFL Tenant at the Rose Bowl Stadium and to Identify/Evaluate Capacity Requirements of the NFL and Other Parties
- Consideration Must be Given to Existing Rose Bowl Contractual Obligations (e.g., UCLA, IMG)

I. INTRODUCTION

Overview (Continued)

- The City has Identified the Following Objectives for the Use of the Rose Bowl Stadium by an NFL Team on an Interim Basis
 - ✓ Generate New Revenue Streams to Assist in Closing the Funding Gap of the Rose Bowl Stadium Renovation Project
 - ✓ Promote Economic Development
 - ✓ Minimize Environmental Impacts through the Use of Existing Infrastructure and Parking Facilities
 - ✓ Develop Parking/Traffic Plan to Effectively Manage Parking/Traffic Issues

- The Interim NFL Scenario Does Not Include Renovations (Beyond the Current Renovation Project) to the Rose Bowl Stadium

I. INTRODUCTION

Overview (Continued)

- The Number of Events at the Rose Bowl Stadium is Limited by the Arroyo Seco Public Lands Ordinance of the City of Pasadena Municipal Code (Ordinance)
 - ✓ Maximum of 12 Displacement Events (Attendance Over 20,000) Annually
 - ✓ Events to Primarily Occur on Weekends (Except for Concerts, Bowl Championship Games (BCS), Soccer Events, Etc.)
- The Interim NFL Scenario Proposes an Amendment to the Ordinance
 - ✓ Additional 13 Displacement Events
 - ✓ Maximum of Two NFL Events on Weeknights
 - ✓ Attendance for NFL Games Maximum of 75,000 per Game
 - ✓ NFL Interim Period Maximum of Five Years
 - ✓ Number of Minor Events Would Not Change

I. INTRODUCTION

Overview (Continued)

- City has Proposed the Following Alternatives to the Proposed Project
 - ✓ Alternative #1 – No Project Alternative
 - Status Quo
 - ✓ Alternative #2 – Reduced Attendance Alternative
 - Reduce Maximum NFL Event Attendance to 50,000
 - ✓ Alternative #3 – Reduced Non-NFL Displacement Alternative
 - No NFL Tenant
 - Additional Nine Displacement Events (Reduced from Project Proposal of 13)
 - Events Restricted to Non-NFL Events Including Sporting Events, Concerts, Etc.
 - Attendance for Events Maximum of 75,000 per Game
 - Five Year Period

I. INTRODUCTION

Tasks Completed

- Identified and Reviewed Interim NFL Leases (As Available)
 - ✓ Minnesota Vikings – TCF Bank Stadium (University of Minnesota) (*Agreement Not Finalized*)
 - ✓ New Orleans Saints – Tiger Stadium (Louisiana State University)
 - ✓ New Orleans Saints – Alamodome (San Antonio)
 - ✓ San Diego Chargers – Sun Devil Stadium (Arizona State University)
 - ✓ Chicago Bears – Memorial Stadium (University of Illinois, Urbana-Champaign)
 - ✓ Seattle Seahawks – Husky Stadium (University of Washington)
 - ✓ Tennessee Titans – Vanderbilt Stadium (Vanderbilt University)
 - ✓ Tennessee Titans – Memphis Liberty Bowl (*Lease Not Available*)
 - ✓ Carolina Panthers – Clemson Memorial Stadium (Clemson University)

- Consideration has been Given to Other Interim Stadium Situations – Collegiate Examples
 - ✓ University of Washington – CenturyLink Field
 - ✓ University of California, Berkeley – AT&T Park
 - ✓ Southern Methodist University (SMU) – Cotton Bowl

I. INTRODUCTION

Tasks Completed (Continued)

- Evaluated Interim NFL Leases
 - ✓ Rental Payments
 - Base Rent/Additional Rent/Percentage Rent
 - ✓ Taxes/Surcharges
 - Ticket Sales Tax/Ticket Surcharge/Admissions Tax/Parking Surcharge
 - ✓ Revenue Sharing
 - Luxury Suites/Club Level Seats/Loge Boxes/Private Club
 - Concessions
 - Novelties
 - Advertising/Sponsorships/Naming Rights
 - Parking
 - Other
 - ✓ Expense Responsibility
 - Game Day Operating Expenses
 - Stadium Annual Operating Expenses
 - Stadium Maintenance/Capital Expenses
 - Other

I. INTRODUCTION

Tasks Completed (Continued)

- Evaluated Potential Net Income to RBOC to be Generated by Interim NFL Tenant Under Various Scenarios
- Considered Stadium Capacity/Attendance Restrictions



II. INTERIM NFL LEASE CASE STUDIES



II. INTERIM NFL LEASE CASE STUDIES

Overview

- The Following Analysis is Intended to Summarize and Compare Interim NFL Leases
- The Information Contained Herein has been Obtained from Sources Believed to be Reliable. However, in Some Instances It is Difficult to Obtain Complete Information. In Addition, Figures Change Over Time and are Subject to Interpretation.
- Most Information has been Gathered from the Following Sources: Stadiums; Municipalities; Universities; Teams; Public Records; Industry Publications; and, Our Internal Database. Figures have Not been Audited or Further Verified.
- As a Result of the Hypothetical Nature of the Situation (e.g. No NFL Team has been Identified), Key Assumptions have been Developed Based on Information Contained in Our Existing Proprietary Database or Publicly Available Information. Assumptions Could be Adjusted, as Appropriate, Following Additional Research/Confirmation.
- Each Case Study Includes Lease Summaries. The Information is Presented for Illustrative Purposes Only. The Lease Documents Contain Additional Detail Not Summarized in this Report.
- The Case Studies Provide Information Related to Interim Use of Stadium Facilities

II. INTERIM NFL LEASE CASE STUDIES

Overview (Continued)

- Numerous Factors Impact the Potential Success of an NFL Team – Local Revenues Key
 - Interim Lease Terms Should Reflect the Specific Market Conditions and Other Factors that May Impact the Team
 - ✓ Market Demographic Statistics
 - Population/Households/Income/Etc.
 - ✓ Premium Seating Demand
 - Number of Luxury Suites/Loge Boxes/Club Seats in Marketplace (From All Sports Venues)
 - Companies with 500+ Employees
 - Companies with Sales Over \$10 Million
 - ✓ Entertainment Alternatives
 - ✓ Competitive Sports Venues/Alternatives
 - ✓ Competitive Sports Teams
 - ✓ Television/Radio Markets
 - ✓ Operating Performance
-

II. INTERIM NFL LEASE CASE STUDIES

Overview (Continued)

- Market Area Size and Characteristics will have an Important Impact on the Ability of the Team to Generate Revenue and this Must be Considered when Evaluating Interim Lease Terms
- Market Rate Deal Should Reflect and Consider the Anticipated Operating Characteristics and Revenue Potential for the Market Area and the Specific Team
- Anticipated Performance of the Team in the Market Area Over the Interim Lease Term Needs to be Taken into Account

II. INTERIM NFL LEASE CASE STUDIES

Overview (Continued)

- Each Interim NFL Lease Situation is Unique and Must be Considered in the Appropriate Context
- Most Comparable Situations Resulted from the Construction/Renovation of a New Stadium
 - ✓ Existing Teams: Minnesota Vikings, Seattle Seahawks, Chicago Bears
 - ✓ Relocation Teams: Tennessee Titans
 - ✓ Expansion Teams: Carolina Panthers
- Other “Comparable” Situations Resulted from Forces of Nature/Natural Disasters
 - ✓ San Diego Wildfires: San Diego Chargers
 - ✓ Hurricanes Katrina and Rita: New Orleans Saints

II. INTERIM NFL LEASE CASE STUDIES

Interim NFL Stadium Characteristics

➤ Interim NFL Football Stadium Characteristics Provided for Illustrative Purposes

NFL Team	Interim Stadium - (1)	Year(s)	Capacity	Luxury Suites	Loge Boxes	Club Seats
Minnesota Vikings	TCF Bank Stadium - (2)	2013+	50,805	42	54	1,502
New Orleans Saints	Tiger Stadium	2005	91,600	70	0	0
New Orleans Saints	Alamodome	2005	65,000	38	0	0
San Diego Chargers	Sun Devil Stadium	2003	71,827	44	0	0
Chicago Bears	Memorial Stadium	2002	70,904	0	0	0
Seattle Seahawks	Husky Stadium	2001/2000	72,500	0	0	0
Tennessee Titans	Vanderbilt Stadium	1998	41,000	14	0	0
Tennessee Titans	Liberty Bowl Stadium	1997	62,000	NA	0	0
Carolina Panthers	Memorial Stadium	1995	77,381	100	0	0
Interim Team	Rose Bowl Stadium - (3)	TBD	88,000	54	48	1,180

(1) Stadium characteristics reflect capacity and premium seating at the time of interim lease agreement and do not reflect subsequent renovations (as applicable).

(2) TCF Bank Stadium and Vikings to add additional bleacher seating.

(3) Proposed interim NFL project would limit attendance to 75,000 per event.

II. INTERIM NFL LEASE CASE STUDIES

Comparable #1

Minnesota Vikings – TCF Bank Stadium (University of Minnesota)

The Minnesota Vikings (Vikings) reached an agreement to develop a new stadium in Minneapolis, Minnesota. The parties are considering a domed vs. retractable roof. The new stadium is expected to be completed for the 2016 season. During the construction, the Vikings are expected to play their home games at the University of Minnesota’s TCF Bank Stadium. The Letter of Intent indicates that the Vikings will pay a fixed rental fee of \$250,000 per game plus a share of concessions, sponsorship, and advertising, etc., as well as game day operating costs – terms have not been finalized. It is important to note that the Vikings are also expected to invest approximately \$8.7 million for stadium improvements including the installation of heating coils, video platforms, concessions equipment, piping, and additional seating, among others.

Stadium:	TCF Bank Stadium
Year Open/Renovated:	2009
Stadium Owner:	University of Minnesota
Stadium Operator:	University of Minnesota
Lease Term:	4 Years Maximum
Total Seating Capacity:	50,805 (Plus Additional Seating)
Luxury Suites:	42
Loge Boxes:	54
Club Seats:	1,502
Controlled Parking:	Not Available



Sources: University of Minnesota, internal database, and industry research.

II. INTERIM NFL LEASE CASE STUDIES

Comparable #1

Minnesota Vikings – TCF Bank Stadium (University of Minnesota)

➤ Preliminary Interim NFL Lease Terms are Illustrated Below (Subject to Change)

	<u>Stadium Share</u>	<u>Amount Paid by Team</u>
Stadium Rent		
Minimum Rent		Not Applicable
Base Rent		\$250,000/Game
Percentage Rent		Not Applicable
Taxes/Surcharges		
Ticket Sales Tax		7.75%
Ticket Surcharge		Not Applicable
Admissions Tax		Not Applicable
Parking Tax/Surcharge		Not Applicable
Revenue Sharing	<u>Stadium Share</u>	<u>Team Share</u>
Concessions	1% - (1)	99% - (1)
Novelties	0%	100%
Advertising – Game Day	(2)	(2)
Advertising – Permanent	(2)	(2)
Television	0%	100%
Naming Rights	(2)	(2)
Parking	100% - (3)	0% - (3)
Luxury Suites – Tickets	0%	100%
Luxury Suites – Premium	(4)	(4)
Club Seats – Tickets	0%	100%
Club Seats – Premium	(4)	(4)
Stadium Expenses		
Game Day Operating Expenses	0%	100% - (5)
Annual Operating Expenses	100%	0%
Capital Repairs/Improvements	100%	0% - (6)



Sources: University of Minnesota, internal database, and industry research.

II. INTERIM NFL LEASE CASE STUDIES

Comparable #1

Minnesota Vikings – TCF Bank Stadium (University of Minnesota)

- 1) Vikings are entitled to receive 100% of revenue generated at home games under the current concessionaire agreement (less 1% charge for utility reimbursement that will be distributed to University). However, if Vikings negotiate new agreement with concessionaire, the incremental revenue share shall be split 50/50 with the University.
- 2) If Vikings agree to new sponsorship agreements, except those currently under contract with University and Vikings, Vikings retain 100% of proceeds. If agreements with current University sponsors are amended and generate new revenue, those amounts are split 50/50. In no event, shall the University's share of new advertising revenue exceed \$50,000 per game (\$500,000 over 10 game season).
- 3) Vikings will be subject to a parking fee (amount to be determined).
- 4) Current premium seat holders have right of first refusal for Vikings games. Vikings have opportunity to sell premium seating not under contract as of August 1 of each season.
- 5) Estimated game day and other expenses at approximately \$465,000 per game (includes bleacher rental, concessions expenses, winterizing/snow removal, etc.)
- 6) Vikings are to reimburse University for facility improvement expenses of approximately \$8.7 million. This expense, as well as other expenses associated with the Vikings' use of TCF Bank Stadium, are included in the total project costs related to the new stadium to be developed for the Vikings.

II. INTERIM NFL LEASE CASE STUDIES

Comparable #2

New Orleans Saints – Tiger Stadium (Louisiana State University)

Due to the damage caused by Hurricanes Katrina and Rita to the Louisiana Superdome (now known as the Mercedes-Benz Superdome), the New Orleans Saints (Saints) were forced to relocate four games of the 2005 season to Tiger Stadium at Louisiana State University (LSU). The Saints also played three home games at the Alamodome in San Antonio, Texas and one game at Giants Stadium in East Rutherford, New Jersey (stadium has since been demolished and replaced). It is interesting to note that LSU provided the Saints with access to their football season ticket holder database. The lease summary has been provided for illustrative purposes, but has not been relied upon in this analysis due to the circumstances surrounding the short term agreement.

Stadium:	Tiger Stadium
Year Open/Renovated:	2005/2000
Stadium Owner:	Louisiana State University
Stadium Operator:	Louisiana State University
Lease Term:	4 Games (2005 Season)
Total Seating Capacity:	91,600
Luxury Suites:	70
Club Seats:	3,300 (Under Construction – Not Available for Saints Use)
Controlled Parking:	Not Available



Sources: Louisiana State University, internal database, and industry research.

II. INTERIM NFL LEASE CASE STUDIES

Comparable #2

New Orleans Saints – Tiger Stadium (Louisiana State University)

➤ Interim NFL Lease Terms are Illustrated Below

	<u>Stadium Share</u>	<u>Amount Paid by Team</u>
Stadium Rent		
Minimum Rent		Not Applicable
Base Rent		\$250,000/Game
Percentage Rent		Not Applicable
Taxes/Surcharges		
Ticket Sales Tax		Not Applicable
Ticket Surcharge		Not Applicable
Admissions Tax		Not Applicable
Parking Tax/Surcharge		Not Applicable
Revenue Sharing	<u>Stadium Share</u>	<u>Team Share</u>
Concessions	50% - (1)	50% - (1)
Novelties	0%	100%
Advertising – Game Day	0%	100%
Advertising – Permanent	100%	0%
Television	\$0	100%
Naming Rights	Not Applicable	Not Applicable
Parking (Net)	50%	50%
Luxury Suites – Tickets	(2)	100% - (2)
Luxury Suites – Premium	(2)	100% - (2)
Club Seats – Tickets	Not Applicable	Not Applicable
Club Seats – Premium	Not Applicable	Not Applicable
Stadium Expenses		
Game Day Operating Expenses	0%	105% - (3)
Annual Operating Expenses	100%	0%
Capital Repairs/Improvements	100% - (4)	0% - (4)



Sources: Louisiana State University, internal database, and industry research.

II. INTERIM NFL LEASE CASE STUDIES

Comparable #2

New Orleans Saints – Tiger Stadium (Louisiana State University)

- 1) The Saints and LSU split 34% of the net concessions.
- 2) The Saints paid a per game maintenance/operations fee for the right to remarket the luxury suites.
- 3) The Saints were required to pay 105% of the game day expenses and any other extraordinary costs incurred by LSU.
- 4) Lease required the Saints to pay for an evaluation of the field turf at the conclusion of the 2005 season. If necessary, Saints were required to pay for re-sodding of the field.



II. INTERIM NFL LEASE CASE STUDIES

Comparable #3 New Orleans Saints – Alamodome

As described earlier, due to the damage caused by Hurricanes Katrina and Rita to the Louisiana Superdome (now known as the Mercedes-Benz Superdome), the Saints were forced to relocate three games of the 2005 season to the Alamodome in San Antonio. In addition, four games were relocated to Tiger Stadium at LSU and one game at Giants Stadium in East Rutherford, New Jersey (stadium has since been demolished and replaced). The Alamodome was previously the home of the National Basketball Association (NBA) San Antonio Spurs. The lease summary has been provided for illustrative purposes, but has not been relied upon in this analysis due to the circumstances surrounding the short term agreement.

Stadium:	Alamodome
Year Open/Renovated:	1993
Stadium Owner:	City of San Antonio
Stadium Operator:	City of San Antonio
Lease Term:	3 Games (2005 Season)
Total Seating Capacity:	65,000
Luxury Suites:	38
Club Seats:	0 (6,000 – Not Considered Traditional “Club Seats”)
Controlled Parking:	2,836



Sources: Alamodome, internal database, and industry research.

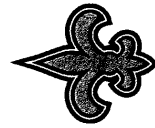
II. INTERIM NFL LEASE CASE STUDIES

Comparable #3

New Orleans Saints – Alamodome

➤ Interim NFL Lease Terms are Illustrated Below

	<u>Stadium Share</u>	<u>Amount Paid by Team</u>
Stadium Rent		
Minimum Rent		Not Applicable
Base Rent		\$550,000
Percentage Rent		Not Applicable
Taxes/Surcharges		
Ticket Sales Tax		8.125%
Ticket Surcharge		\$0.50 (Facility Fee)
Admissions Tax		\$0.50 (Renewal/Improvement Fee)
Parking Tax/Surcharge		Not Applicable
Revenue Sharing	<u>Stadium Share</u>	<u>Team Share</u>
Concessions	0%	100%
Novelties	0%	100%
Advertising – Game Day	0%	100%
Advertising – Permanent	(1)	(1)
Television	0%	100%
Naming Rights	Not Applicable	Not Applicable
Parking (Net)	0% - (2)	100% - (2)
Luxury Suites – Tickets	0%	100%
Luxury Suites – Premium	0%	100%
Club Seats – Tickets	Not Applicable	Not Applicable
Club Seats – Premium	Not Applicable	Not Applicable
Stadium Expenses		
Game Day Operating Expenses	(3)	(3)
Annual Operating Expenses	100%	0%
Capital Repairs/Improvements	100%	0%
Other	(4)	(4)



Sources: Alamodome, internal database, and industry research.

II. INTERIM NFL LEASE CASE STUDIES

Comparable #3 New Orleans Saints – Alamodome

- 1) Saints paid \$15,000 for first four pairs of advertising panels. Any additional panels required the Saints to pay \$3,750 for each pair.
- 2) If there is a scheduling conflict with a previously scheduled event, the Saints were required to pay \$10 per parking space.
- 3) Most game day operating expenses were included in the rental fee. If Saints and/or NFL required additional staffing or other expenses, incremental game day expenses were the Saints responsibility.
- 4) Saints were required to pay an amount equal to any lost revenue from rescheduled or relocated events previously scheduled at the Alamodome (if any).



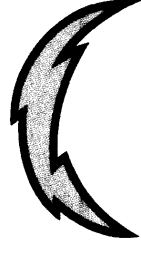
II. INTERIM NFL LEASE CASE STUDIES

Comparable #4

San Diego Chargers – Sun Devil Stadium (Arizona State University)

The NFL Monday Night Football Game between the Chargers and the Miami Dolphins scheduled on October 27, 2003 was forced to relocate from Qualcomm Stadium to Sun Devil Stadium as a result of wildfires in the San Diego area. Sun Devil Stadium was one of three candidates to host the game (NFL stadiums in Oakland and San Francisco were also considered). Arizona State University (ASU) agreed to host the game with one day notice. The Arizona Cardinals (Cardinals) had hosted a game on Sunday, necessitating a quick stadium clean-up and preparation. Admission was free for the relocated game. The lease summary has been provided for illustrative purposes, but has not been relied upon in this analysis due to the circumstances surrounding the short term agreement.

Stadium:	Sun Devil Stadium
Year Open/Renovated:	1952/1988
Stadium Owner:	Arizona State University
Stadium Operator:	Arizona State University
Lease Term:	1 Game (2003 Season)
Total Seating Capacity:	71,827
Luxury Suites:	44
Club Seats:	0
Controlled Parking:	19,784



Sources: Arizona State University, internal database, and industry research.

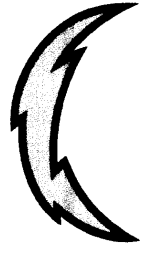
II. INTERIM NFL LEASE CASE STUDIES

Comparable #4

San Diego Chargers – Sun Devil Stadium (Arizona State University)

➤ Interim NFL Lease Terms are Illustrated Below

	<u>Stadium Share</u>	<u>Amount Paid by Team</u>
Stadium Rent		
Minimum Rent		Not Applicable
Base Rent		\$30,000 – (1)
Percentage Rent		Not Applicable
Taxes/Surcharges		
Ticket Sales Tax		Not Applicable
Ticket Surcharge		Not Applicable
Admissions Tax		Not Applicable
Parking Tax/Surcharge		Not Applicable
Revenue Sharing	<u>Stadium Share</u>	<u>Team Share</u>
Concessions	(2)	(2)
Novelties	Not Applicable	Not Applicable
Advertising – Game Day	Not Applicable	Not Applicable
Advertising – Permanent	100%	0%
Television	0%	100%
Naming Rights	Not Applicable	Not Applicable
Parking (Net)	100%	0%
Luxury Suites – Tickets	Not Applicable	Not Applicable
Luxury Suites – Premium	Not Applicable	Not Applicable
Club Seats – Tickets	Not Applicable	Not Applicable
Club Seats – Premium	Not Applicable	Not Applicable
Stadium Expenses		
Game Day Operating Expenses	(2)	(2)
Annual Operating Expenses	100%	0%
Capital Repairs/Improvements	100%	0%



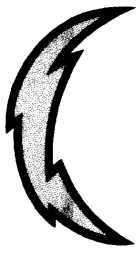
Sources: Arizona State University, internal database, and industry research.

II. INTERIM NFL LEASE CASE STUDIES

Comparable #4

San Diego Chargers – Sun Devil Stadium (Arizona State University)

- 1) ASU agreed to waive its usual \$30,000 stadium rental fee.
- 2) ASU collected a percentage of concession sales in order to pay for operational costs and prepare the field for the game scheduled for the following weekend. ASU estimated concessions revenue approximated \$500,000 - \$600,000, of which they kept \$300,000 to break even.



II. INTERIM NFL LEASE CASE STUDIES

Comparable #5

Chicago Bears – Memorial Stadium (University of Illinois)

Following a major renovation, the Chicago Bears (Bears) home field, Soldier Field, opened in 2003. During the renovation, the Bears played their home games at Memorial Stadium at the University of Illinois, Urbana-Champaign (University of Illinois). At the time, Memorial Stadium had a seating capacity of 70,904. Although there were eight “Owner’s Boxes”, there were no traditional luxury suites or club seats at the stadium. In 2008, the University of Illinois renovated Memorial Stadium to include state-of-the-art luxury suites, outdoor club seats, and indoor club seats. The stadium characteristics summarized below represent pre-renovation conditions.

Stadium:	Memorial Stadium (Pre-Renovation)
Year Open/Renovated:	1923
Stadium Owner:	University of Illinois
Stadium Operator:	University of Illinois
Lease Term:	1 Year (2002 Season)
Total Seating Capacity:	70,904
Luxury Suites:	None
Club Seats:	None
Controlled Parking:	14,500



Sources: University of Illinois, internal database, and industry research.

II. INTERIM NFL LEASE CASE STUDIES

Comparable #5

Chicago Bears – Memorial Stadium (University of Illinois)

➤ Interim NFL Lease Terms are Illustrated Below

	<u>Stadium Share</u>	<u>Amount Paid by Team</u>
Stadium Rent		
Minimum Rent		Not Applicable
Base Rent		Not Applicable
Percentage Rent		10%
Taxes/Surcharges		
Ticket Sales Tax		Not Applicable
Ticket Surcharge		Not Applicable
Admissions Tax		Not Applicable
Parking Tax/Surcharge		Not Applicable
Revenue Sharing	<u>Stadium Share</u>	<u>Team Share</u>
Concessions	50%	50%
Novelties	0%	100%
Advertising – Game Day	0%	100%
Advertising – Permanent	100%	0%
Television	0%	100%
Naming Rights	Not Applicable	Not Applicable
Parking	50%	50%
Luxury Suites – Tickets	Not Applicable	Not Applicable
Luxury Suites – Premium	Not Applicable	Not Applicable
Club Seats – Tickets	Not Applicable	Not Applicable
Club Seats – Premium	Not Applicable	Not Applicable
Stadium Expenses		
Game Day Operating Expenses	0%	100%
Annual Operating Expenses	100%	0%
Capital Repairs/Improvements	100%	0% - (1)



Sources: University of Illinois, internal database, and industry research.

II. INTERIM NFL LEASE CASE STUDIES

Comparable #5

Chicago Bears – Memorial Stadium (University of Illinois)

- 1) Bears were responsible for any labor, utility, and equipment costs related to any required press box improvements (if any) such as, HVAC improvements, tenting, equipment, electrical power, cabling, telephone, etc.

Sources: University of Illinois, internal database, and industry research.



II. INTERIM NFL LEASE CASE STUDIES

Comparable #6

Seattle Seahawks – Husky Stadium (University of Washington)

The Seattle Seahawks (Seahawks) played home games at the University of Washington’s Husky Stadium on two separate occasions. In 1994, the Seahawks were forced to vacate the Kingdom in order for ceiling tiles to be replaced at the Kingdom. The Seahawks also played home games at Husky Stadium during the 2000 and 2001 seasons, while their new home, CenturyLink Field (formerly known as Qwest Field), was under construction. CenturyLink Field was completed before the 2002 season. It is interesting to note that the University of Washington is currently playing its home games at CenturyLink Field during the renovation of Husky Stadium. The stadium characteristics summarized below represent pre-renovation conditions.

Stadium:	Husky Stadium (Pre-Renovation)
Year Open/Renovated:	1920
Stadium Owner:	University of Washington
Stadium Operator:	University of Washington
Lease Term:	2 Years (2000 and 2001 Seasons)
Total Seating Capacity:	72,500
Luxury Suites:	None
Club Seats:	None
Controlled Parking:	To be Confirmed



Sources: University of Washington, Seattle Seahawks, internal database, and industry research.

II. INTERIM NFL LEASE CASE STUDIES

Comparable #6

Seattle Seahawks – Husky Stadium (University of Washington)

➤ Interim NFL Lease Terms are Illustrated Below

	<u>Amount Paid by Team</u>		<u>Team Share</u>
Stadium Rent			
Minimum Rent	\$3,050,000/Season – (1)		100%
Base Rent	\$305,000/Game – (2)		100%
Percentage Rent	Not Applicable		100% – (3)
Taxes/Surcharges			0%
Ticket Sales Tax	1.92%		100%
Ticket Surcharge	Not Applicable		100%
Admissions Tax	5.00%		Not Applicable
Parking Tax/Surcharge	Not Applicable		Not Applicable
Revenue Sharing		<u>Stadium Share</u>	
Concessions		0%	
Novelties		0%	
Advertising – Game Day		0%	
Advertising – Permanent		100%	
Television		0%	
Naming Rights		Not Applicable	
Parking		0%	
Luxury Suites – Tickets		Not Applicable	
Luxury Suites – Premium		Not Applicable	
Club Seats – Tickets		Not Applicable	
Club Seats – Premium		Not Applicable	
Stadium Expenses			
Game Day Operating Expenses	\$96,000/Game – (5)	\$0 – (5)	
Annual Operating Expenses	0%	100%	
Capital Repairs/Improvements	0% – (6)	100%	



Sources: University of Washington, Seattle Seahawks, internal database, and industry research.

II. INTERIM NFL LEASE CASE STUDIES

Comparable #6

Seattle Seahawks – Husky Stadium (University of Washington)

- 1) Minimum payment of \$6.1 million for two year period.
- 2) Of this amount, \$205,000 represented the rental fee for athletic facilities and \$100,000 represented the fee for other University facilities (e.g., parking).
- 3) Seahawks agreed not to cover existing corporate signage in Husky Stadium.
- 4) Seahawks parking areas were defined to a limited number of parking spaces.
- 5) Game day operating expenses were provided by the University to the Seahawks for a flat fee of \$96,000 per game.
- 6) Seahawks reportedly gifted lights and upgrades to locker rooms and certain concessions areas. In addition, the Seahawks reportedly installed a new turf field. Total improvements were estimated at approximately \$1.0 million.



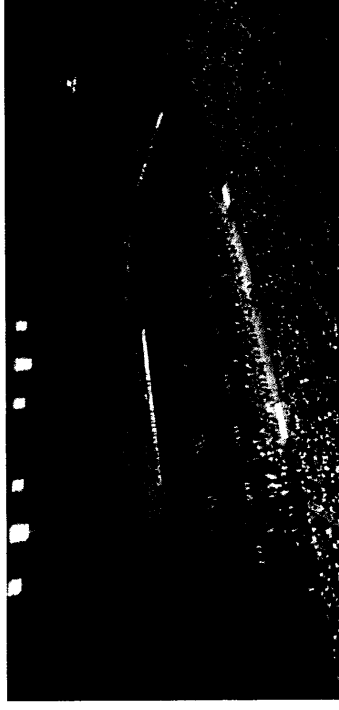
II. INTERIM NFL LEASE CASE STUDIES

Comparable #7

Tennessee Titans – Vanderbilt Stadium (Vanderbilt University)

The Tennessee Titans (Titans) relocated from Houston, Texas to Memphis, Tennessee in 1997. The Titans played the 1997 season at the Liberty Bowl in Memphis and played at Vanderbilt Stadium in Nashville in 1998 while their new stadium (now known as LP Field) was under construction. The Titans originally believed Vanderbilt Stadium was too small with 41,000 seats, but after poor support in Memphis during the 1997 season and a lack of another viable alternative, the team decided to move to Nashville and play at Vanderbilt. The Titans were required to pay the City of Memphis a settlement amount to be released from their agreement at the Liberty Bowl. Terms of the Liberty Bowl lease agreement were not available.

Stadium:	Vanderbilt Stadium
Year Open/Renovated:	1981
Stadium Owner:	Vanderbilt University
Stadium Operator:	Vanderbilt University
Lease Term:	1 Year (1998)
Total Seating Capacity:	41,000
Luxury Suites:	14
Club Seats:	None
Controlled Parking:	4,200



Sources: Vanderbilt University, internal database, and industry research.

II. INTERIM NFL LEASE CASE STUDIES

Comparable #7

Tennessee Titans – Vanderbilt Stadium (Vanderbilt University)

➤ Interim NFL Lease Terms are Illustrated Below

	<u>Stadium Share</u>	<u>Amount Paid by Team</u>
Stadium Rent		
Minimum Rent		Not Applicable
Base Rent		Not Applicable
Percentage Rent		10.00%
Taxes/Surcharges		
Ticket Sales Tax		9.25%
Ticket Surcharge		Not Applicable
Admissions Tax		Not Applicable
Parking Tax/Surcharge		Not Applicable
Revenue Sharing	<u>Stadium Share</u>	<u>Team Share</u>
Concessions	100%	0%
Novelties	0%	100%
Advertising – Game Day	0%	100%
Advertising – Permanent	100%	0%
Television	0%	100%
Naming Rights	Not Applicable	Not Applicable
Parking	100% - (1)	(1)
Luxury Suites – Tickets	0%	100%
Luxury Suites – Premium	0%	100%
Club Seats – Tickets	Not Applicable	Not Applicable
Club Seats – Premium	Not Applicable	Not Applicable
Stadium Expenses		
Game Day Operating Expenses	0%	100%
Annual Operating Expenses	100%	0%
Capital Repairs/Improvements	100%	0%



Sources: Vanderbilt University, internal database, and industry research.

II. INTERIM NFL LEASE CASE STUDIES

Comparable #7

Tennessee Titans – Vanderbilt Stadium (Vanderbilt University)

- 1) Titans were required to pay a per parking permit or pass fee (less tax).

Note: Additional details could not be provided due to confidentiality issues.



II. INTERIM NFL LEASE CASE STUDIES

Comparable #8

Carolina Panthers – Clemson Memorial Stadium (Clemson University)

The Carolina Panthers (Panthers) played their home games during the 1995 season at Clemson Memorial Stadium. Located on the campus of Clemson University (Clemson), the facility was originally the second choice of the Panthers for their interim facility. Williams-Brice Stadium at the University of Southern Carolina, Columbia was the team's first choice, but the parties were not able to reach an agreement. The Panthers had ties to Clemson and ultimately reached an agreement for the use of their stadium. The former President of the Panthers, Mark Richardson, is a Clemson alumni and played on the Clemson 1981 NCAA championship football team. The University reportedly paid the City of Clemson (City) an additional \$100,000 to offset additional expenses associated with the incremental number of people coming to the City (police, traffic, etc.).

Stadium:	Clemson Memorial Stadium (Pre-Renovation)
Year Open/Renovated:	1942/2011
Stadium Owner:	Clemson University
Stadium Operator:	Clemson University
Lease Term:	1 Year (1995 NFL Season)
Total Seating Capacity:	77,381
Luxury Suites:	100
Club Seats:	None
Controlled Parking:	18,000



Sources: Clemson University, internal database, and industry research.

II. INTERIM NFL LEASE CASE STUDIES

Comparable #8

Carolina Panthers – Clemson Memorial Stadium (Clemson University)

➤ Interim NFL Lease Terms are Illustrated Below

	<u>Stadium Share</u>	<u>Amount Paid by Team</u>
Stadium Rent		
Minimum Rent		Not Applicable
Base Rent		Not Applicable
Percentage Rent		7.00%
Taxes/Surcharges		
Ticket Sales Tax		5.00% (To be Confirmed)
Ticket Surcharge		\$1.00 – (1)
Admissions Tax		Not Applicable
Parking Tax/Surcharge		Not Applicable
Revenue Sharing	<u>Stadium Share</u>	<u>Team Share</u>
Concessions	0%	100%
Novelties	0%	100%
Advertising – Game Day	0%	100%
Advertising – Permanent	100%	0%
Television	0%	100%
Naming Rights	Not Applicable	Not Applicable
Parking	0%	100%
Luxury Suites – Tickets	0%	100%
Luxury Suites – Premium	10% - (2)	90% - (2)
Club Seats – Tickets	Not Applicable	Not Applicable
Club Seats – Premium	Not Applicable	Not Applicable
Stadium Expenses		
Game Day Operating Expenses	0% - (3)	100% - (3)
Annual Operating Expenses	100% - (3)	0% - (3)
Capital Repairs/Improvements	100%	0%
Other – Charitable Contribution	Not Applicable	\$100,000 – (4)



II. INTERIM NFL LEASE CASE STUDIES

Comparable #8

Carolina Panthers – Clemson Memorial Stadium (Clemson University)

- 1) \$1.00 per ticket bond fee.
- 2) Clemson retained exclusive use of the President's Suite and Athletic Director's Suite at no cost.
- 3) Clemson was responsible for providing utilities appropriate for normal operations at the stadium. Clemson was responsible for routine maintenance of the stadium (annual operating expenses). The Panthers were required to pay all game day expenses.
- 4) Panthers reportedly made a \$100,000 gift to the Clemson's academic endowment fund.

Sources: Clemson University, internal database, and industry research.





III. PRELIMINARY FINDINGS/OBSERVATIONS

