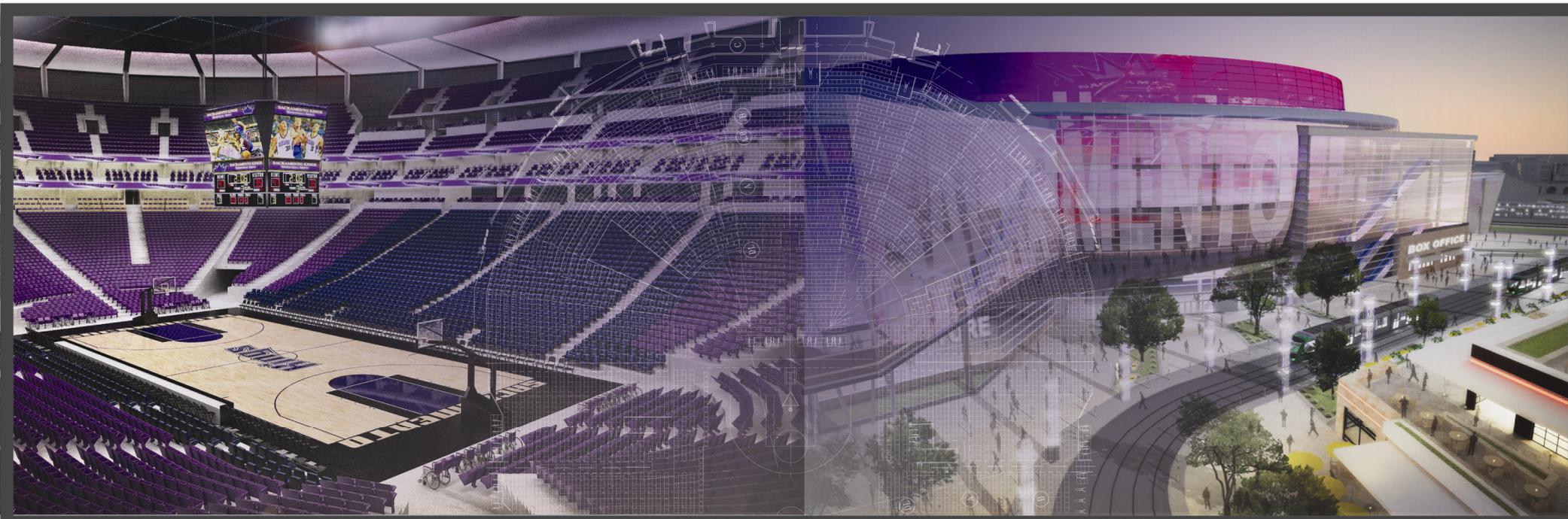


SACRAMENTO ENTERTAINMENT AND SPORTS COMPLEX



FEASIBILITY REPORT PRESENTED TO SACRAMENTO CITY COUNCIL

MAY 26, 2011

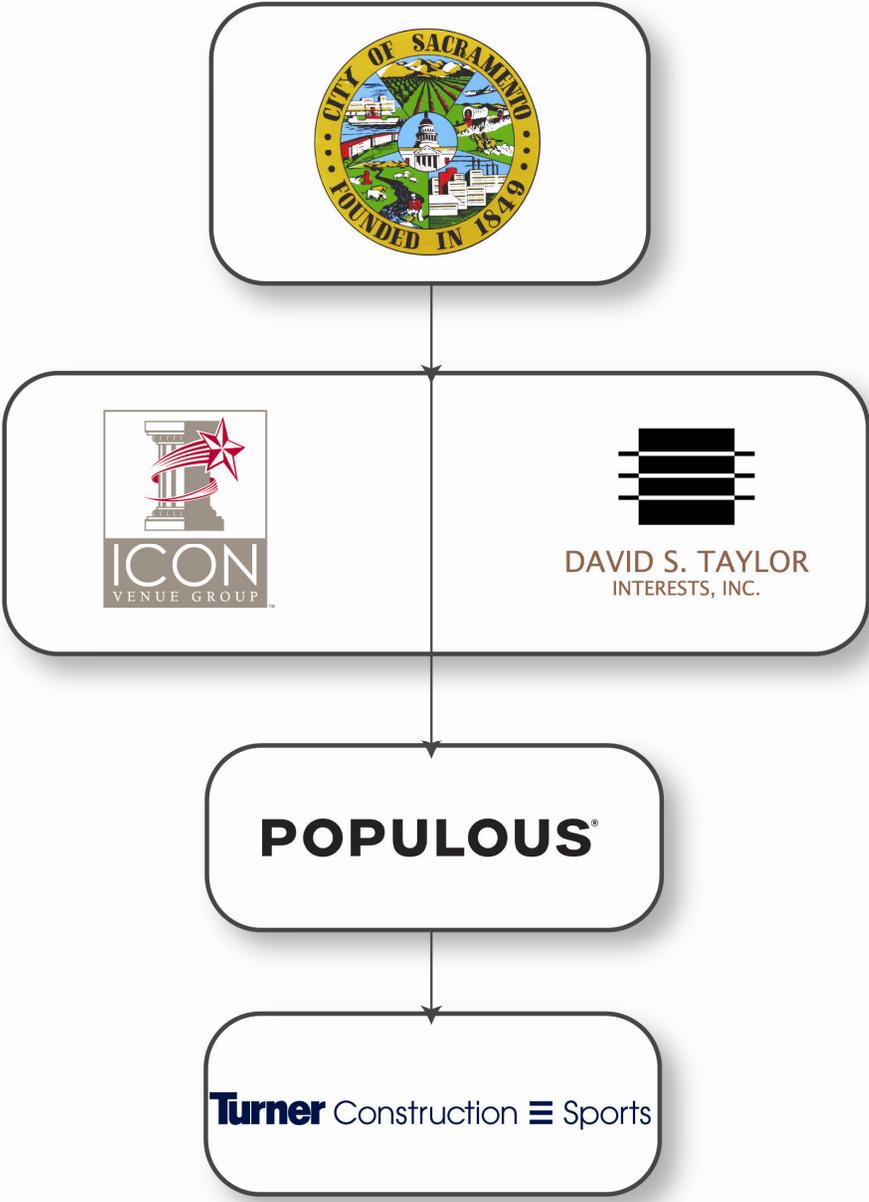


DAVID S. TAYLOR
INTERESTS, INC.

POPULOUS

Turner Construction  **Sports**

The ICON-Taylor Team



Fundamental Feasibility Components

1. Potential Site(s) and Related Evaluation
2. Arena Program and Design
3. Construction Cost and Overall Project Budget
4. Project Development Schedule
5. Sources for Project Funding / Financing
6. Financial Viability of Ongoing Arena Operations

Comparable NBA Markets

- Program developed using data from comparable NBA markets
 - Cleveland, Denver, Orlando, Portland, San Antonio
- Comparison Criteria:
 - Population
 - Number of Households
 - Household Income over \$200,000
 - Corporate Base per Team
 - Sports Spending

Arena Program - Comparison

Building Program Description	Power Balance Pavilion	New Sacramento Entertainment and Sports Complex	Amway Center
Building Opening Date	1988	TBD	2010
Gross Building Sq.Ft	442,000	675,000	875,000
NBA Basketball Capacity	17,317	18,594	18,846
Luxury Mini Suites	None	20	28
Luxury Standard Suites	30	50	32
Luxury Party Suites	None	4	10
Premium Loge Seats	None	240	328
Premium Ledge Seats	None	80	56
Club Seats	412	1,430	1,400
Courtside Club Seats	300	330	436
Courtside Club Lounge	None	1	1
Courtside Stakeholder's Lounge	None	1	1
Main Concourse Club Lounge	None	1	1
Featured Specialty Bars	None	TBD	6
Restaurant/Bar	1	1	2
Concourses/Corridors	2	4	5
Lobbies	4	6	-
Elevators	6	9	17
Escalators	None	6	6
Team/Merchandise/Novelty Stores or Stands	5	7	9
Kids Zones	None	1	1
Number of Hospitality Areas (Rentable)	None	TBD	17
Sponsor Areas	None	4	4
Type of Center Hung Scoreboard	Low-Resolution LCD	High-Resolution HD LED	High-Resolution HD LED
LED Ribbon Boards (Linear Ft)	None	1,100	2,000
LCD Flat Screen Displays in Building	-	750+	1,100
IPTV System Throughout Public Concourse	None	Yes	Yes
LEED Certification	None	Yes	Yes
Interior Spaces for Broadcast Truck Parking	1	5	Yes
Loading Docks	2	6	6
Amount of Rigging Capacity (End Stage)	-	200,000	395,000
Amount of Rigging Capacity (Center Stage)	-	150,000	See Above

Arena Program Confirmation

- Certain elements of the Arena Program may require modification following discussions with Kings and other key stakeholders
 - Overall size of arena
 - Premium seating and amenities
 - On-site practice facilities

Recommended Program - Summary

Space Type	Total SF
CLASSIFICATION 1: SPECTATOR & ARENA BOWL FACILITIES	
SUB-TOTAL (GROSS SQUARE FEET)	150,180
CLASSIFICATION 2: PREMIUM FACILITIES	
SUB-TOTAL (GROSS SQUARE FEET)	59,808
CLASSIFICATION 3: CIRCULATION	
SUB-TOTAL (GROSS SQUARE FEET)	193,826
CLASSIFICATION 4: FOOD, RETAIL & SPECTATOR SUPPORT FACILITIES	
SUB-TOTAL (GROSS SQUARE FEET)	107,297
CLASSIFICATION 5: TEAM FACILITIES	
SUB-TOTAL (GROSS SQUARE FEET)	36,337
CLASSIFICATION 6: ADMINISTRATION	
SUB-TOTAL (GROSS SQUARE FEET)	26,207
CLASSIFICATION 7: MEDIA FACILITIES	
SUB-TOTAL (GROSS SQUARE FEET)	14,385
CLASSIFICATION 8: EVENT FACILITIES & OPERATIONS SUPPORT	
SUB-TOTAL (GROSS SQUARE FEET)	90,657
CLASSIFICATION 9: PARKING	
SUB-TOTAL (GROSS SQUARE FEET)	
ESTIMATE OF GROSS BUILDING SQUARE FOOTAGE (G.S.F.)	
	678,697

1. Spectator and Arena Bowl Facilities

Space Type	Room Description	Recommended			
		Units	SF	Program Guide Initial Total SF	Actual Scheme Total SF
CLASSIFICATION 1: SPECTATOR & ARENA BOWL FACILITIES					
Seating Between Aisles	a. Lower Bowl	18-20	N/A		
	b. Upper Bowl	18-20	N/A		
Min. Sightline Clearance	a. Lower/Upper Bowl	2.25"	N/A		
Max. Seating Tier Slope	a. Lower/Upper Bowl	36 Degrees	N/A		
Tread Depth	a. Lower/Upper Bowl	34"-35"	N/A		
Min/Max Riser Heights	a. Lower/Upper Bowl	5"-24"	N/A		
Exhibition Floor Area	a. Open Floor Space	26,000-30,000	N/A	28,000	21,992
*** A minimum of 18,500 seats will be provided in a basketball configuration ***					
General Seating: Basketball	a. Lower bowl (Non-Premium)	8,450	5.75	48,588	128,188
	a.1 Disabled seating				
	b. Upper bowl (Non-Premium)	7,170	5.50	39,435	
	b.1 Disabled seating				
Suites (Seating Bay Only)	a. Mini-Luxury Suites (# Seats). 25 @ 8 seats	200	9.0	1,800	
	b. Standard Luxury Suite (# Seats). 50 @ 16-18 seats	800	9.0	7,200	
	c. Event Level Party Suite (# Seats). 4 @ 24 suites	Incl.	Incl.	Incl.	
Premium Seating (Seating bowl sq.ft. only)	a. Loge Boxes. 25 @ 4 seats & 25 @ 6 seats	250	12	3,000	
	b. Upper Concourse Ledge Seats	80	9	720	
	c. Club seats	1,200	6.5	7,800	
	c.1 Disabled seating				
	d. Courtside Club seats	350	Incl.	Incl.	
	d.1 Disabled seating				
Adt'l Circulation Multiplier (10%)				N/A	
SUB-TOTAL (GROSS SQUARE FEET)				136,543	150,180

2. Premium Facilities

Space Type	Room Description	Recommended			
		Units	SF	Program Guide Initial Total SF	Actual Scheme Total SF
CLASSIFICATION 2: PREMIUM FACILITIES					
Suites (Interior sq.ft. Only)	a. Mini-Luxury Suites	25	250	6,250	8,691
	b. Standard Luxury Suite	50	325	16,250	18,744
	c. Event Level Party Suite	4	1,200	4,800	3,562
Premium Seating Amenities	a. Courtside Club Lounge	350	25	8,750	7,430
	b. Courtside Stakeholders Lounge	100	30	3,000	
	c. Main Concourse Club Lounge	1,000	20	20,000	11,130
Restaurants	a. Restaurants/Bar(s)	1	8,500	8,500	10,251
<i>Adt'l Circulation Multiplier (10%)</i>				6,755	
SUB-TOTAL (GROSS SQUARE FEET)				74,305	59,808

3. Circulation

Space Type	Room Description	Recommended			
		Units	SF	Program Guide Initial Total SF	Actual Scheme Total SF
CLASSIFICATION 3: CIRCULATION					
Concourses	a. Main Concourse	1	40,000	40,000	63,126
	b. Upper Concourse	1	35,000	35,000	44,869
Corridors	a. Service Corridor on Event Floor Level	1	15,000	15,000	9,698
	b. Suite Corridors/Premium Lounge	1	12,000	12,000	31,308
Lobbies	a. NW Lobby	1	6,500	6,500	14,267
	b. NE Lobby	1	7,500	7,500	
	c. SW Lobby	1	5,500	5,500	
	d. Ticket Lobby	1	1,500	1,500	
	e. Team Entrance	1	500	500	
	f. VIP/Private Entrance	1	500	500	2,231
	g. Operations/Staff Entrance	1	250	250	
Vertical Circulation	a. Seven 2,500 lb passenger elevators	7	80	560	
	b. 3,500 lb passenger elevators	N/A	N/A	0	
	c. 5,000 lb passenger elevators	N/A	N/A	0	5,499
	d. One 6,500+ lb freight elevators	1	145	145	
	e. One 10,000 lb freight elevators	1	250	250	
	f. 4 Stairwells	4	TBD	0	20,509
	g. 6 Escalators	6	TBD	0	2,319
<i>Adt'l Circulation Multiplier (10%)</i>				N/A	
SUB-TOTAL (GROSS SQUARE FEET)				125,205	193,826

4. Food, Retail and Spectator Support Facilities

Space Type	Room Description	Recommended			
		Units	SF	Program Guide Initial Total SF	Actual Scheme Total SF
CLASSIFICATION 4: FOOD, RETAIL & SPECTATOR SUPPORT FACILITIES					
Public/Premium Toilet Rooms	a. Men's Water Closets	41	50	2,056	20,000
	b. Men's Urinals	116	50	5,781	
	c. Women's Water Closets	154	50	7,708	
	d. Men's & Women's Lavatories	123	50	6,167	
	e. Family Toilet Rooms	8	80	640	
	f. Event Level Toilet Rooms	25	50	1,250	
Guest Service Facilities	a. First Aid Room(s)	2	400	800	1,496
	b. Information/Lost and Found/Guest Service Desks/Room	1	150	150	
Concessions	a. Concession stands	148	100	14,800	17,481
	b. Portable Vending Stations/Stand	Incl.	Incl.	Incl.	
Food Service/Kitchens/Prep Areas	a. Main Kitchen/Commissary	1	15,000	15,000	16,883
	b. Suite Kitchens	2	1,000	2,000	4,868
	c. Loge Kitchen	1	700	700	
	d. Small ware + Serving/Warming Pantries	8	500	4,000	
	e. Beer Pump Rooms	8	250	2,000	
	f. Staff Facilities/ Offices	1	5,000	5,000	5,076
Retail Sales	a. Team Store + Storage	1	4,000	4,000	7,206
	b. Novelty/Merch Carts & Sales Booths	2	750	1,500	4,998
Kids Zone	a. Kids Zone	1	4,000	4,000	4,218
Sponsor Areas	a. Sponsor Areas	4	5,000	20,000	25,071
<i>Adt'l Circulation Multiplier (10%)</i>				9,755	
SUB-TOTAL (GROSS SQUARE FEET)				107,307	107,297

5. Team Facilities and 6. Administration

Space Type	Room Description	Recommended			
		Units	SF	Program Guide Initial Total SF	Actual Scheme Total SF
CLASSIFICATION 5: TEAM FACILITIES					
Home Locker (NBA)	a. NBA Home Team Locker	1	7,500	7,500	23,585
	b. NBA Home Team Operations Offices	1	4,000	4,000	
	c. NBA Training/Treatment Room	1	2,000	2,000	
	d. NBA Weight Room	1	1,500	1,500	
	e. Laundry	1	1,000	1,000	
Visitor Lockers	a. Basketball (NBA)	1	5,000	5,000	12,752
	b. Auxiliary Lockers	4	2,500	10,000	
Other	a. Officials' Lockers	2	900	1,800	
	b. Private Family Lounge	1	1,200	1,200	
	c. X-ray/Exam/Doctor	1	500	500	
<i>Adt'l Circulation Multiplier (10%)</i>				3,450	
SUB-TOTAL (GROSS SQUARE FEET)				37,950	36,337

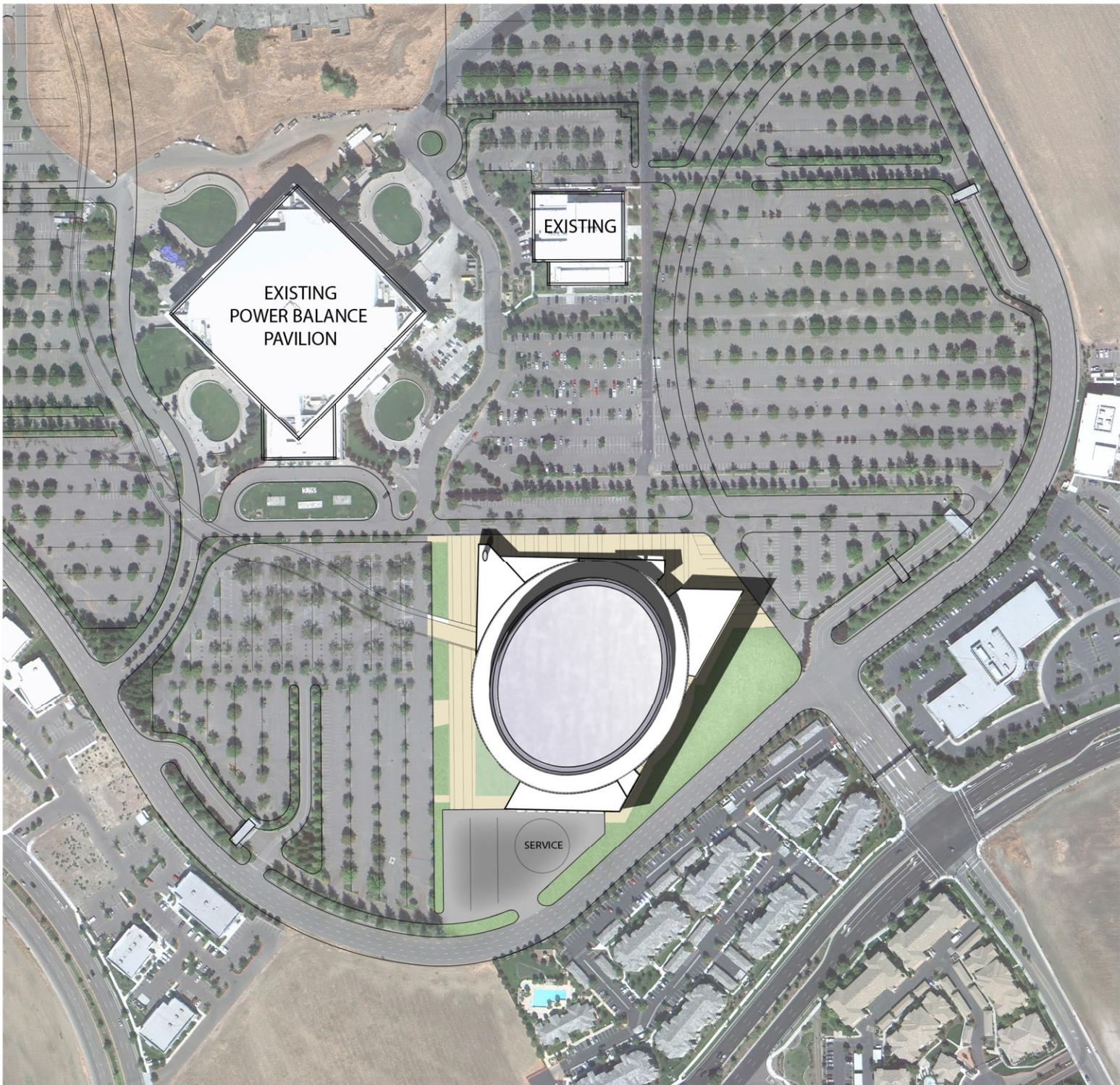
CLASSIFICATION 6: ADMINISTRATION					
Offices	a. Arena Management Office	1	5,000	5,000	5,916
	b. Team Admin Offices	1	17,000	17,000	16,027
	c. Box Office (includes 12 ticket windows)	1	3,000	3,000	4,264
<i>Adt'l Circulation Multiplier (10%)</i>				2,500	
SUB-TOTAL (GROSS SQUARE FEET)				27,500	26,207

7. Media Facilities

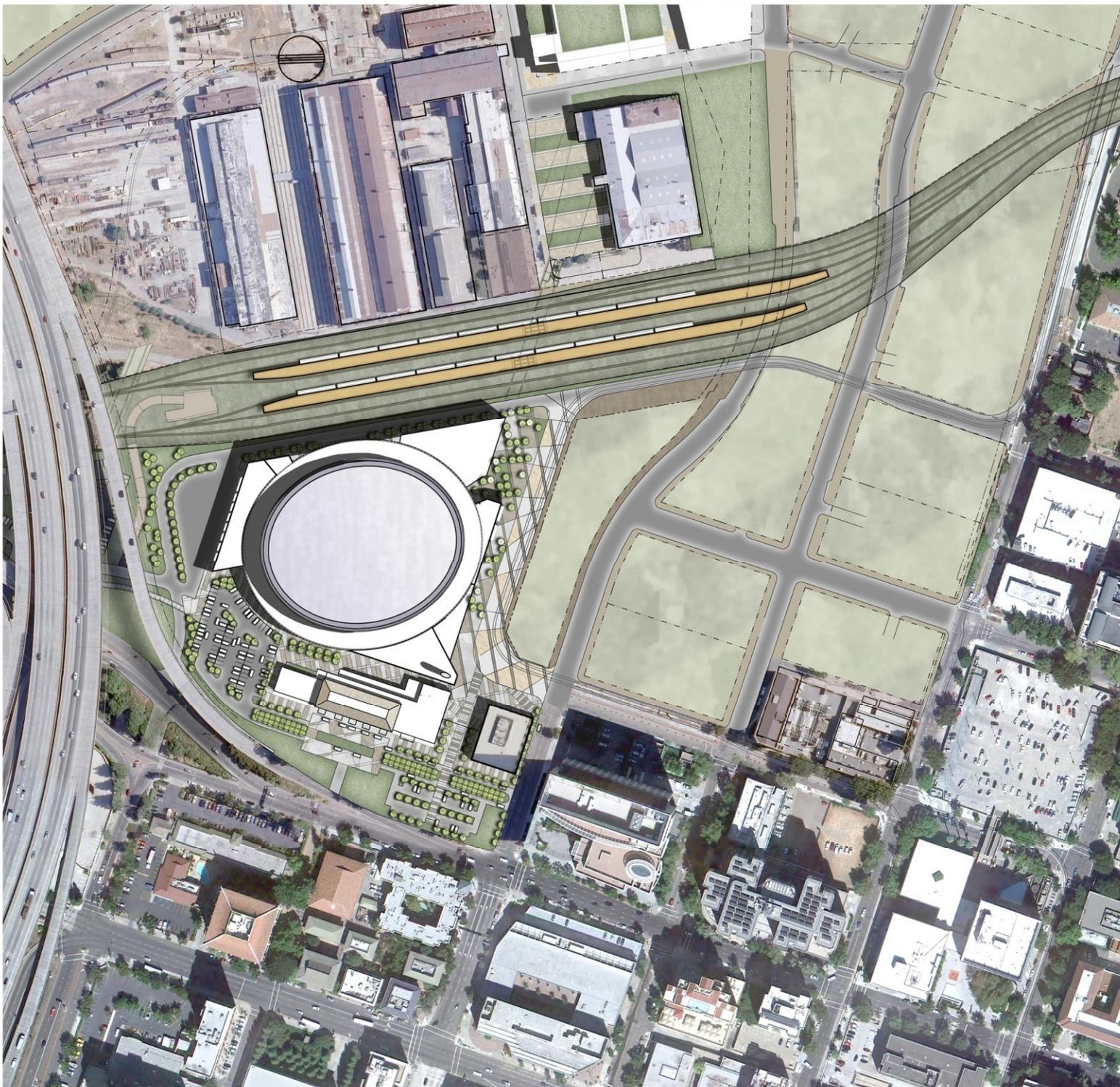
Space Type	Room Description	Recommended			
		Units	SF	Program Guide Initial Total SF	Actual Scheme Total SF
CLASSIFICATION 7: MEDIA FACILITIES					
Press Facilities	a. Press Level Box	125	40	5,000	4,385
	b. Press Work Room	1	1,500	1,500	
	c. Press Level Support Rooms	1	1,500	1,500	
	d. Event Level Multi-Purpose Press Conf Room	1	1,500	1,500	
	e. Event Level Interview Facilities	2	300	600	
	f. Misc Camera Locations	25	30	750	
	g. Bowl View Broadcast Platform	1	500	500	
Control Rooms/Booths	a. Control Rooms	5	300	1,500	
	b. Specialty Booths	15	150	2,250	
	c. Production Facilities Storage	1	5,000	5,000	
Broadcast Trucks	a. TV Truck Parking (interior)	1	10,000	10,000	10,000
<i>Adt'l Circulation Multiplier (10%)</i>				3,010	
SUB-TOTAL (GROSS SQUARE FEET)				33,110	14,385

8. Event Facilities and Operations Support

Space Type	Room Description	Recommended			
		Units	SF	Program Guide Initial Total SF	Actual Scheme Total SF
CLASSIFICATION 8: EVENT FACILITIES & OPERATIONS SUPPORT					
Event Floor	a. Hockey Rink	1	17,000	17,000	16,674
	b. Check-in table, benches & other Off-floor Areas	1	500	500	
	c. Basketball Court	0	0	0	
Event Support	a. Performer Dressing	4	500	2,000	4,085
	b. Green Room	1	1,000	1,000	
	c. Event Personnel/Crew Facilities	1	2,500	2,500	
	d. Production Offices	1	1,000	1,000	
Building Staff Facilities	a. Building Staff Offices and Lockers	1	2,000	2,000	
Storage	a. Event Storage and General Building Storage	2	7,500	15,000	18,125
	b. Janitorial Supply/Storage	1	1,000	1,000	
Loading Dock	a. Dock/ Staging/ Marshalling/ Trash	1	15,000	15,000	20,723
Maintenance	a. Maintenance Shops	2	2,000	4,000	3,125
	b. Janitorial/Cleaning (storage, trash rooms, other)	6	250	1,500	
Security	a. Security Offices	1	1,000	1,000	1,324
	b. Command Center	2	500	1,000	
Ice Support	a. Zamboni Parking/ Ice Support	1	3,000	3,000	
M/E/P	a. Mechanical/ Electrical/ Plumbing Space	1	45,000	45,000	26,020
<i>Adt'l Circulation Multiplier (10%)</i>				11,250	
SUB-TOTAL (GROSS SQUARE FEET)				123,750	90,657



Natomas ESC Site Plan



Downtown Railyards ESC Site Plan

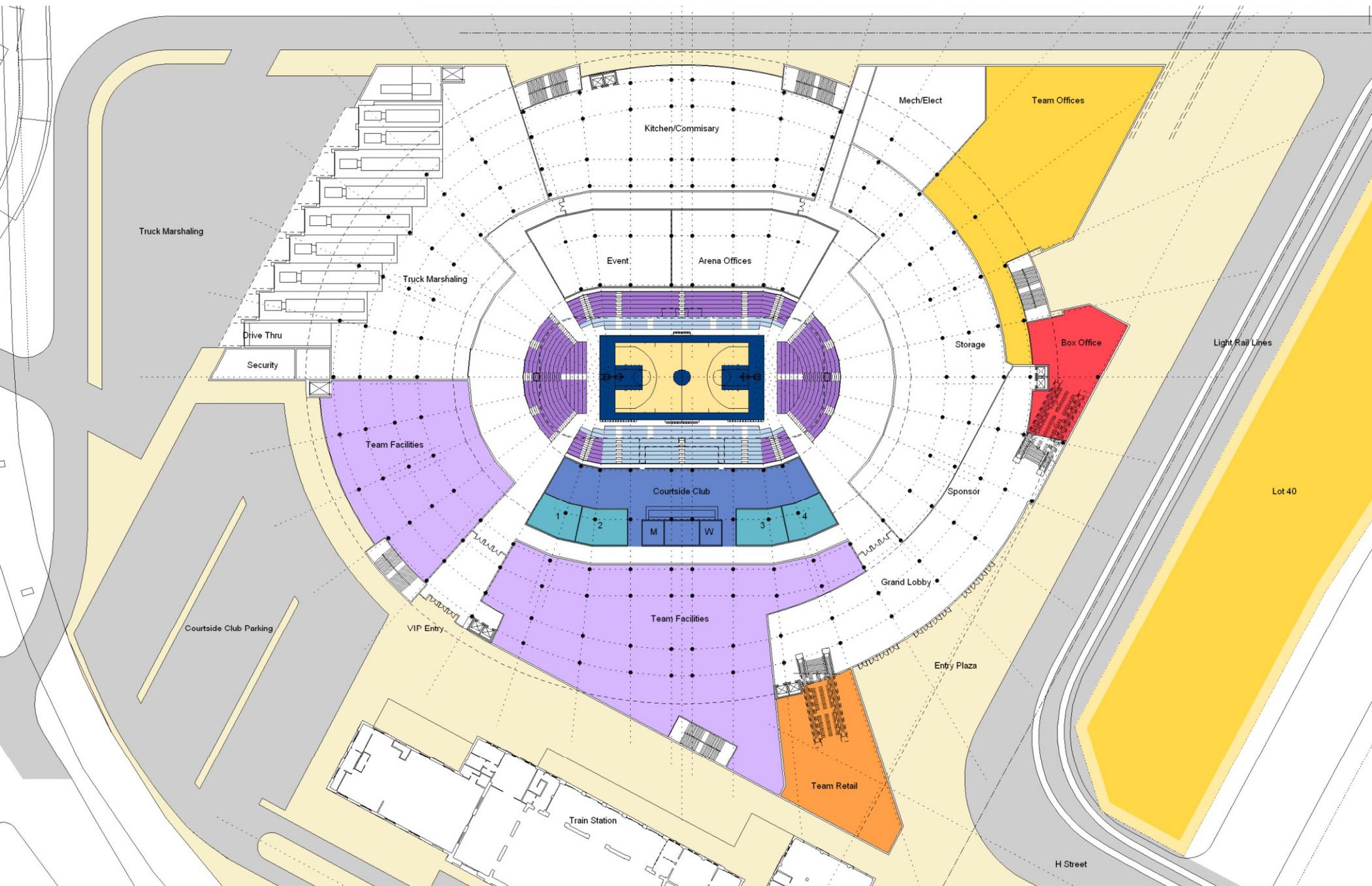
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Current NBA Team Locations

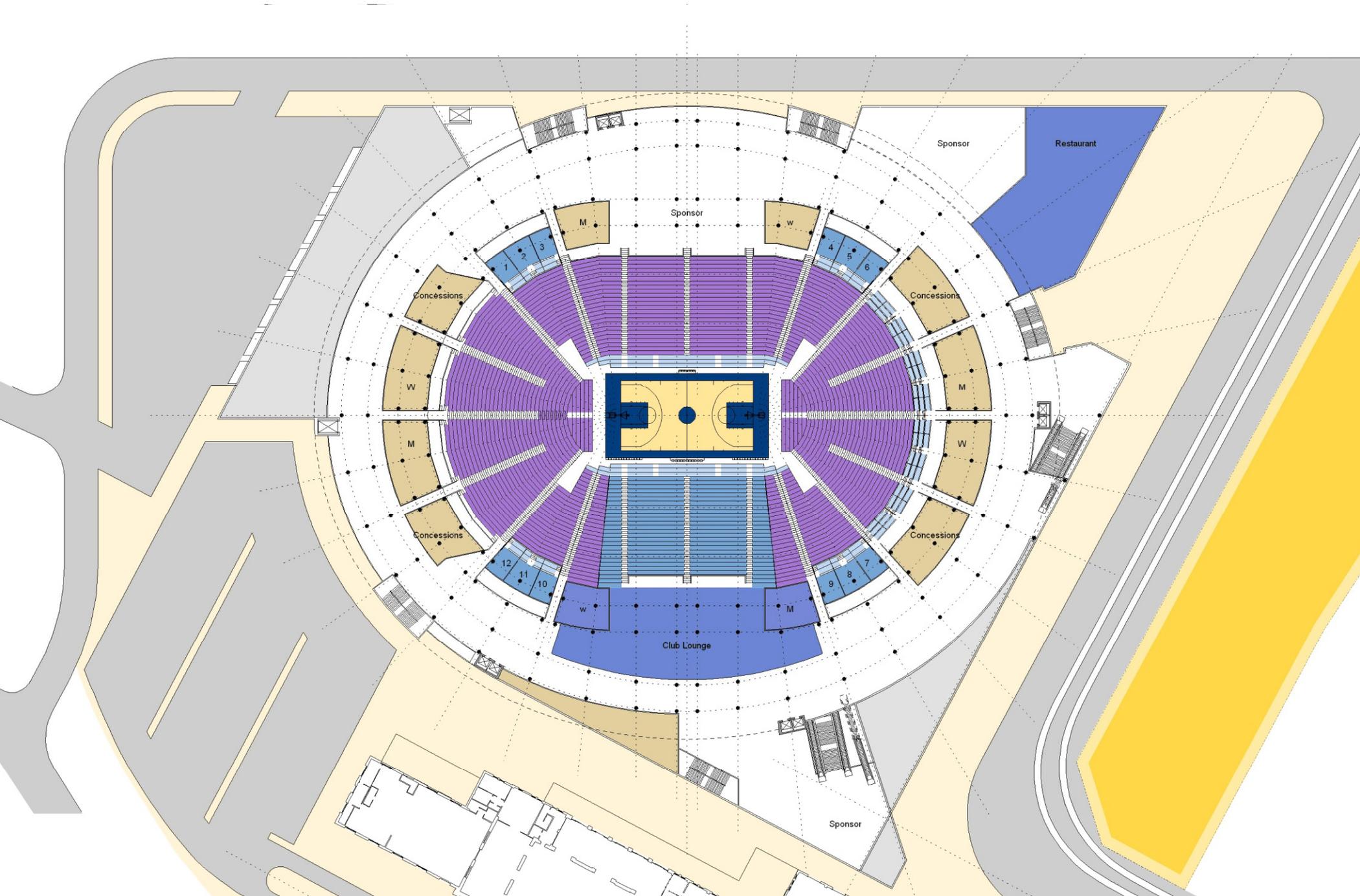
Team	Arena	Location
Atlanta Hawks	Phillips Arena	Downtown
Boston Celtics	TD Banknorth Garden	Downtown
Charlotte Bobcats	Time Warner Cable Arena	Downtown
Chicago Bulls	United Center	Downtown
Cleveland Cavaliers	Quicken Loans Arena	Downtown
Dallas Mavericks	American Airlines Center	Downtown
Denver Nuggets	Pepsi Center	Downtown
Detroit Pistons	Palace at Auburn Hills	Auburn Hills
Golden State warriors	Oracle Arena	Sports Complex
Houston Rockets	Toyota Center	Downtown
Indiana Pacers	Conseco Fieldhouse	Downtown
Los Angeles Clippers	Staples Center	Downtown
Los Angeles Lakers	Staples Center	Downtown
Memphis Grizzlies	FedEx Forum	Downtown
Miami Heat	American Airlines Arena	Downtown
Milwaukee Bucks	Bradley Center	Downtown
Minnesota Timberwolves	Target Center	Downtown
New Jersey Nets	Prudential Center	Downtown
New Orleans Hornets	New Orleans Arena	Downtown
New York Knicks	Madison Square Garden	Downtown
Oklahoma City Thunder	Ford Center	Downtown
Orlando Magic	Amway Arena	Downtown
Philadelphia 76ers	Wells Fargo Center	Downtown
Phoenix Suns	US Airways Center	Downtown
Portland Trailblazers	Rose Garden	Downtown
Sacramento Kings	Power Balance Pavilion	Natomas
San Antonio Spurs	AT&T Center	Downtown
Toronto Raptors	Air Canada Center	Downtown
Utah Jazz	Energy Solutions Arena	Downtown
Washington Wizards	Verizon Center	Downtown



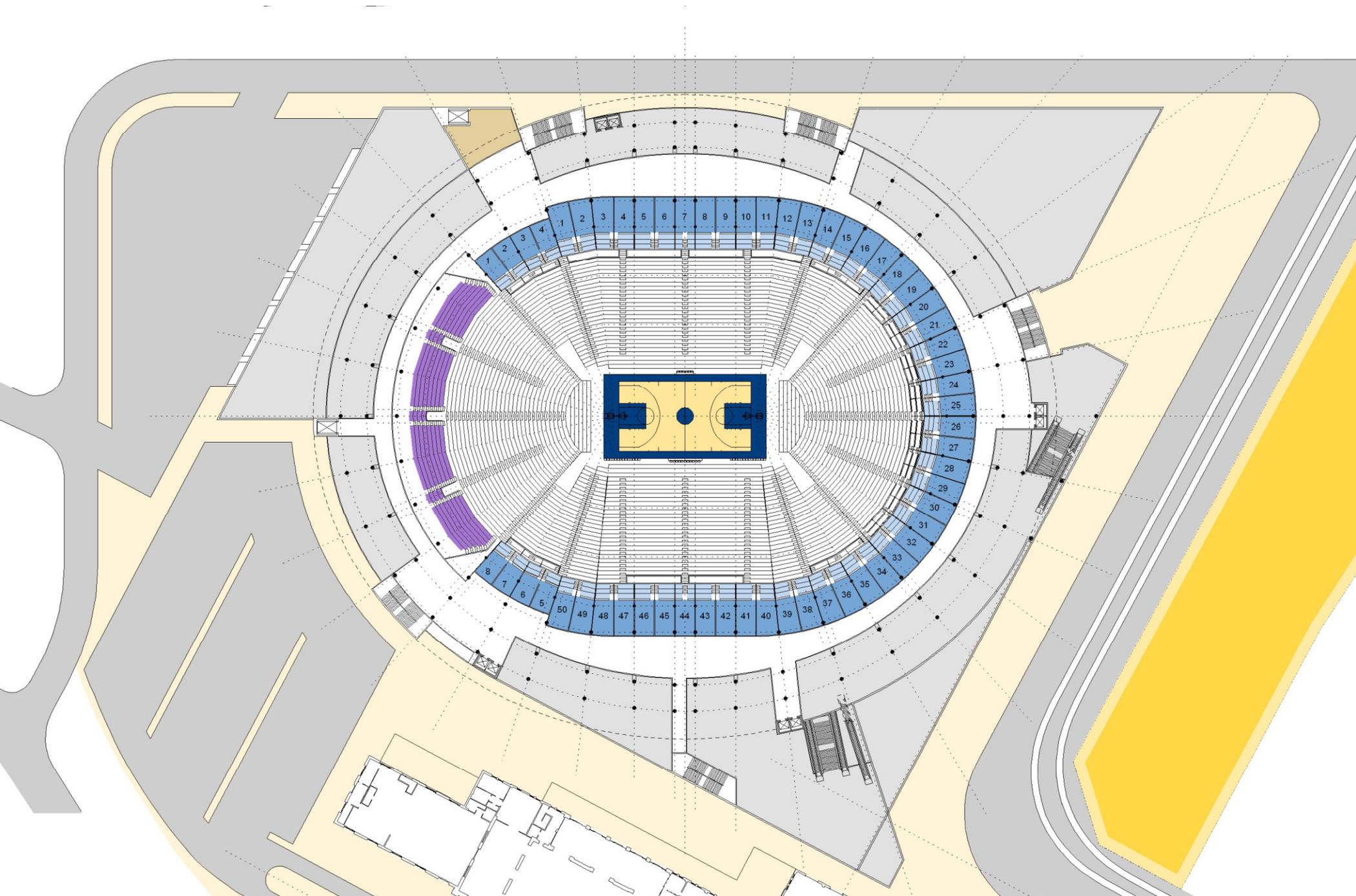
Event Level



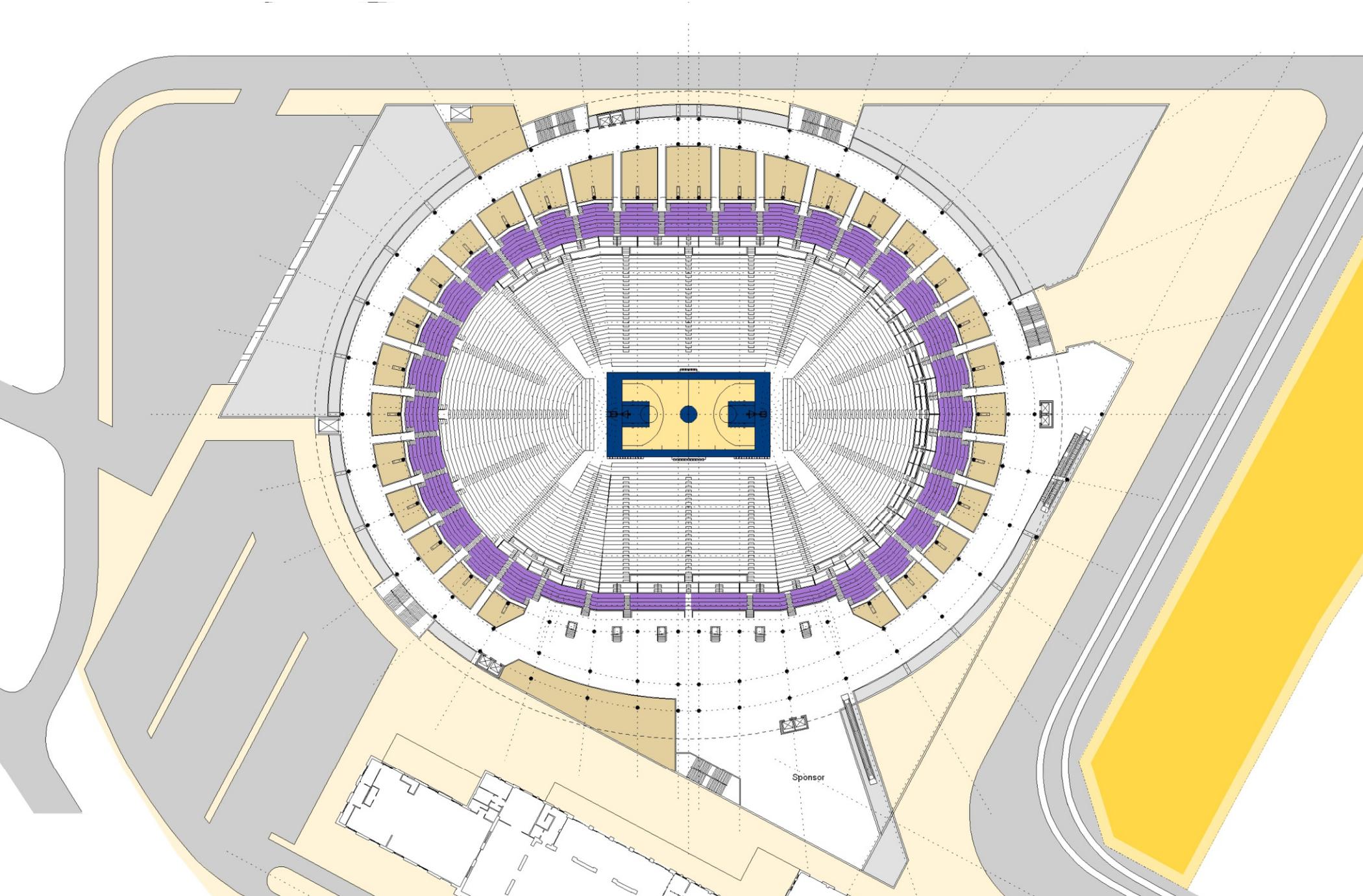
Main Concourse



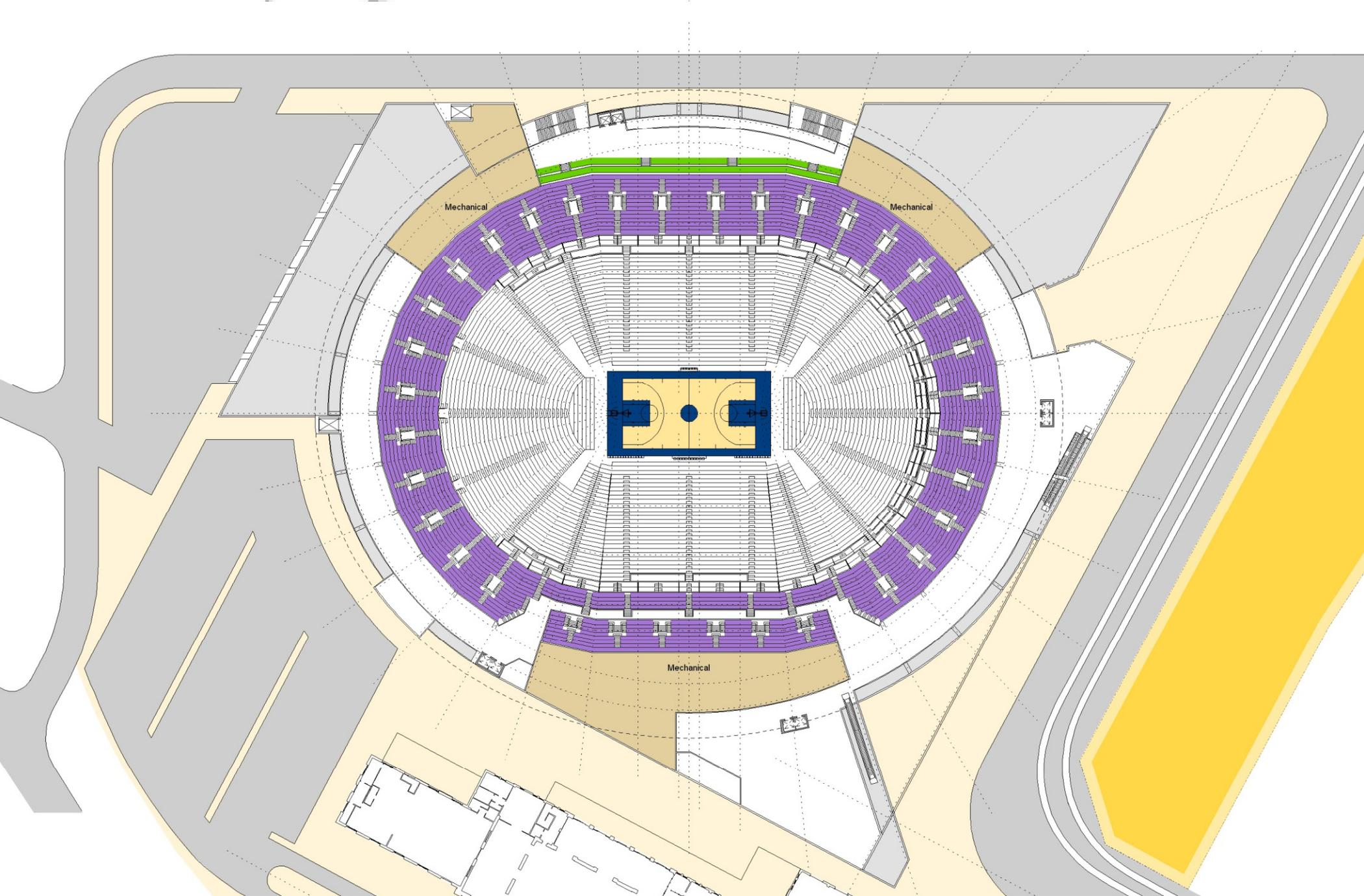
Suite Concourse



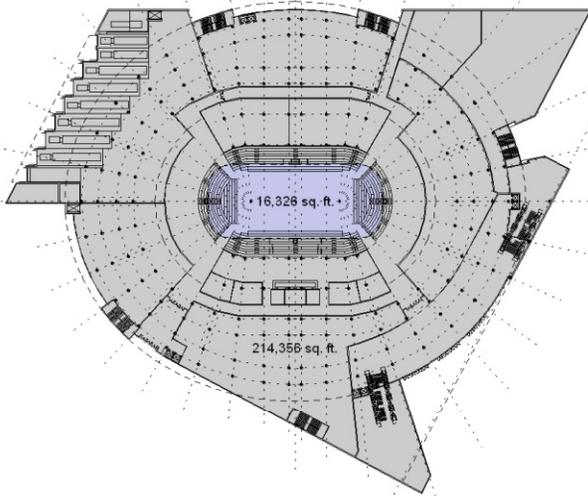
Upper Concourse



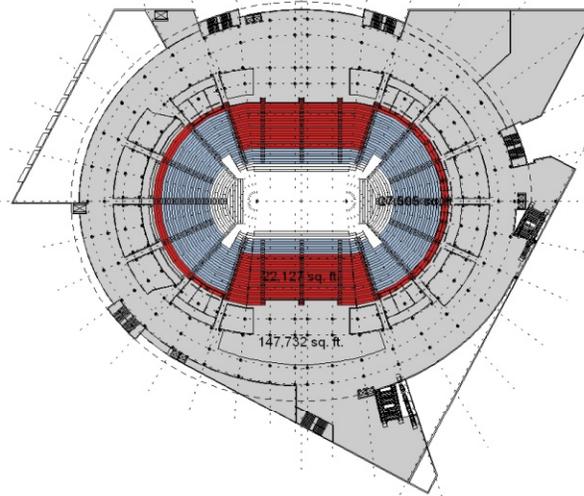
Upper Seating / Press



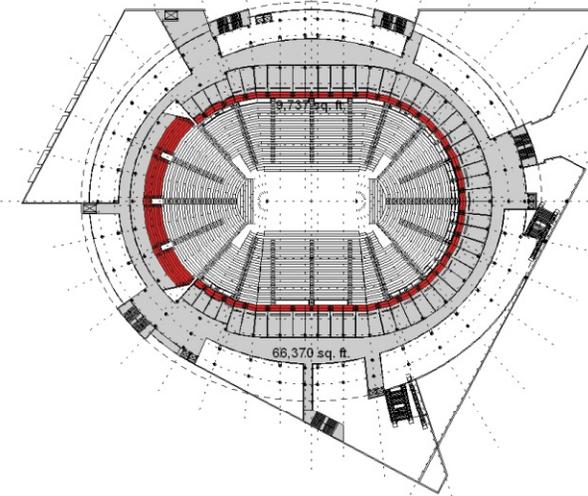
Square Footage Summary



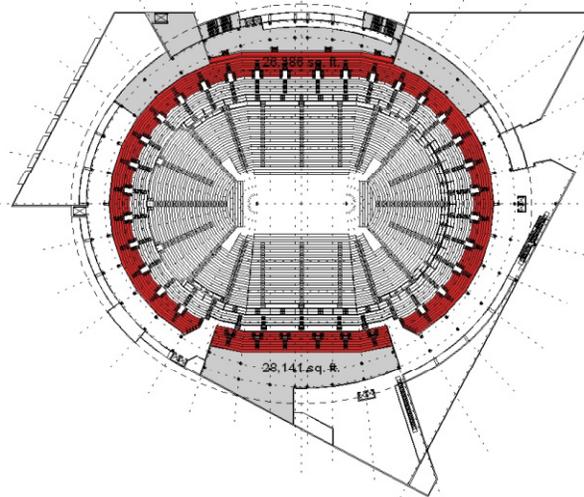
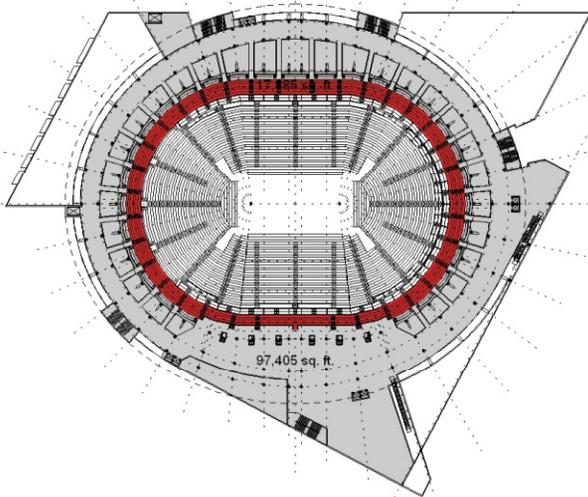
Event Level
230,682 sq. ft.



Main Concourse
197,364 sq. ft.



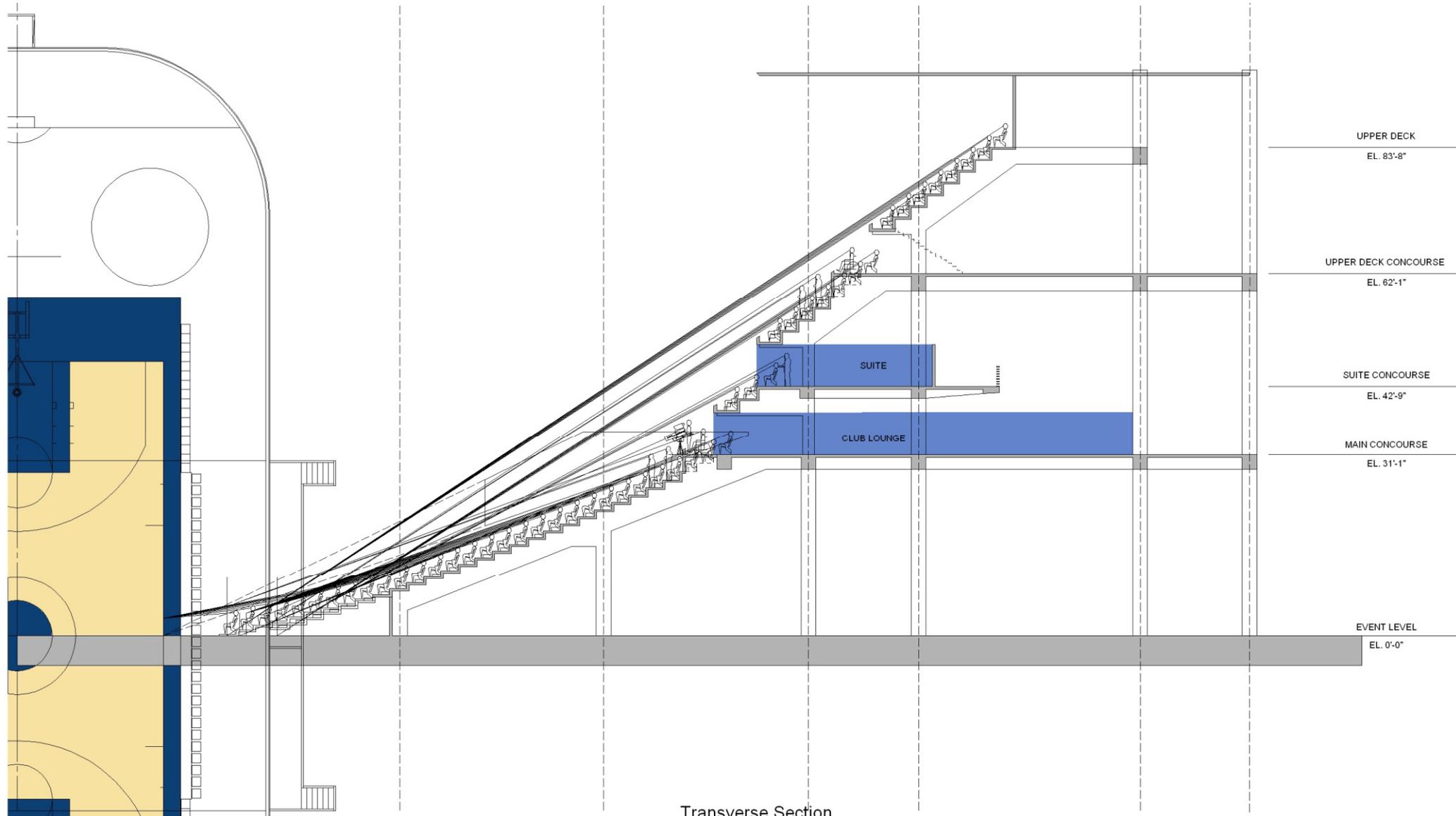
Suite 1 Concourse



AREA SUMMARY

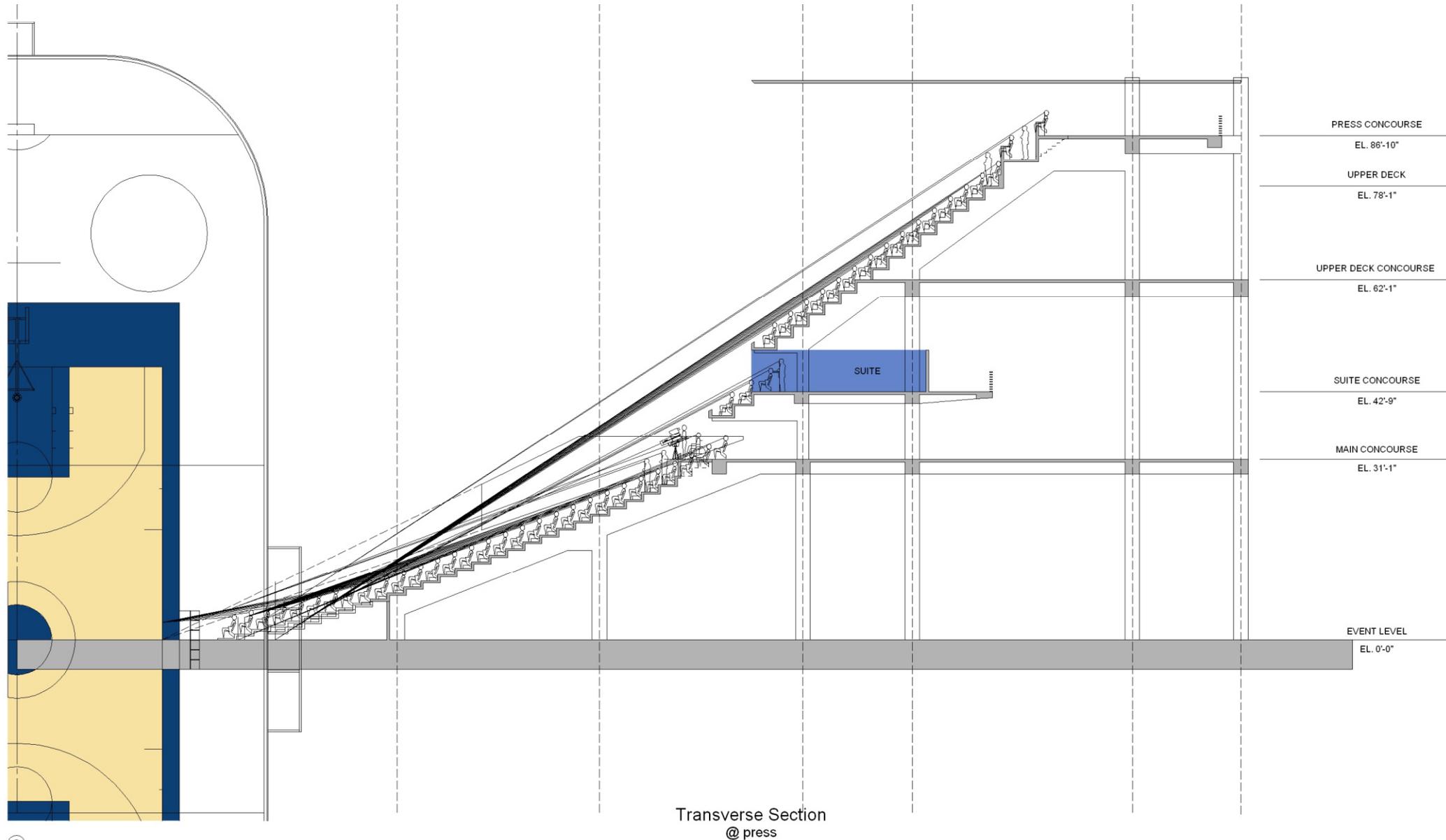
1	EVENT LEVEL		
	Level 100		
	ICE SHEET	16,326	
	FLOOR AREA	214,356	
	sub total		230,682
2	MAIN CONCOURSE		
	Level 200		
	PRECAST TREADS	22,127	
	RETRACTABLE TREADS	27,505	
	FLOOR AREA	147,732	
	sub total		197,364
3	SUITE 1 CONCOURSE		
	Level 300		
	SEATING TREADS	9,737	
	FLOOR AREA	66,370	
	sub total		76,107
4	UPPER DECK CONCOURSE		
	Level 400		
	SEATING TREADS	17,885	
	FLOOR AREA	97,520	
	sub total		115,405
5	UPPER DECK / PRESS CONCOURSE		
	Level 500		
	SEATING TREADS	26,386	
	FLOOR AREA	28,141	
	sub total		54,527
	grand total		674,085

Center Court Sight Line - Club

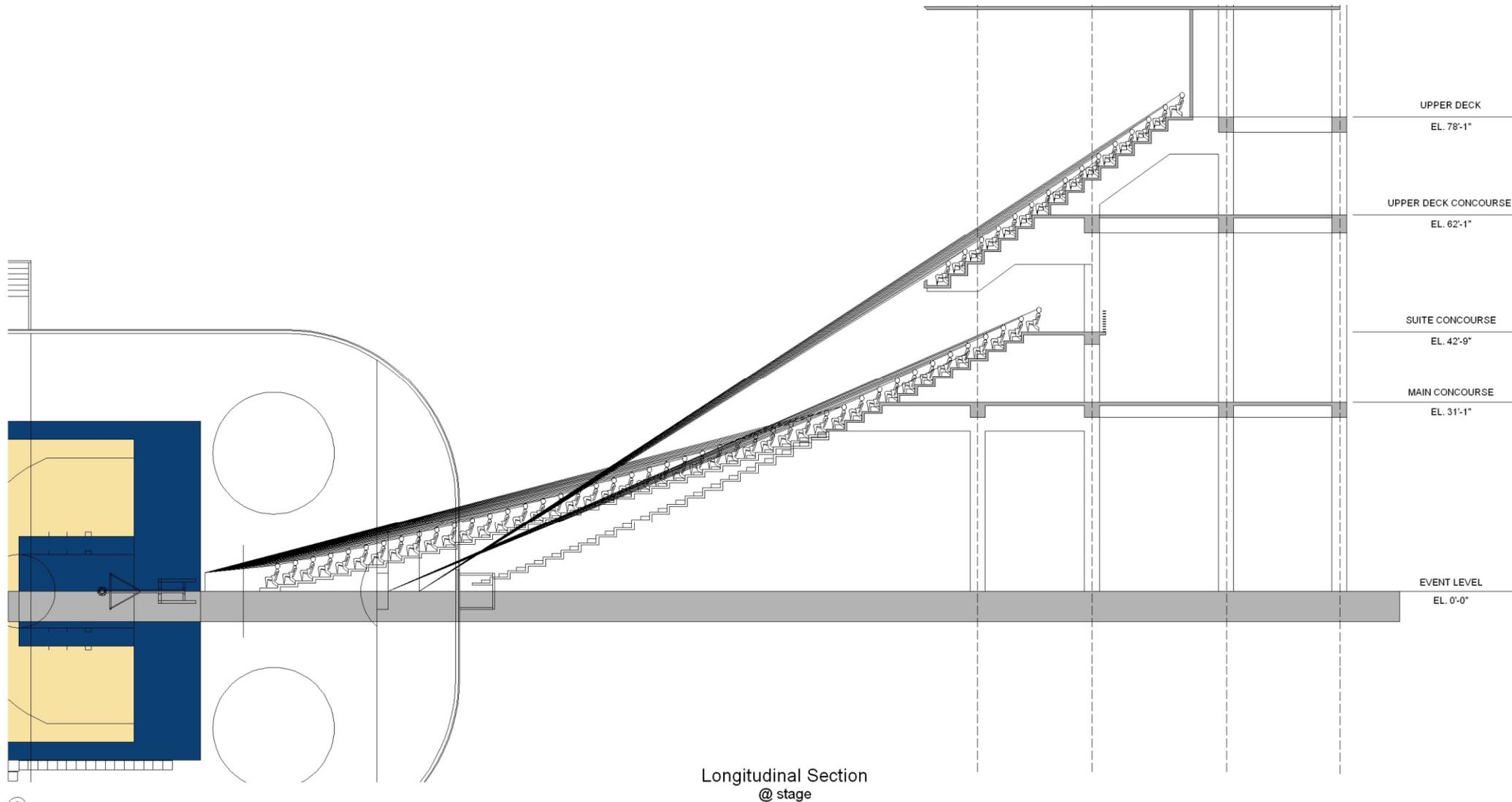


Transverse Section
@ club

Center Court Sight Line - Press

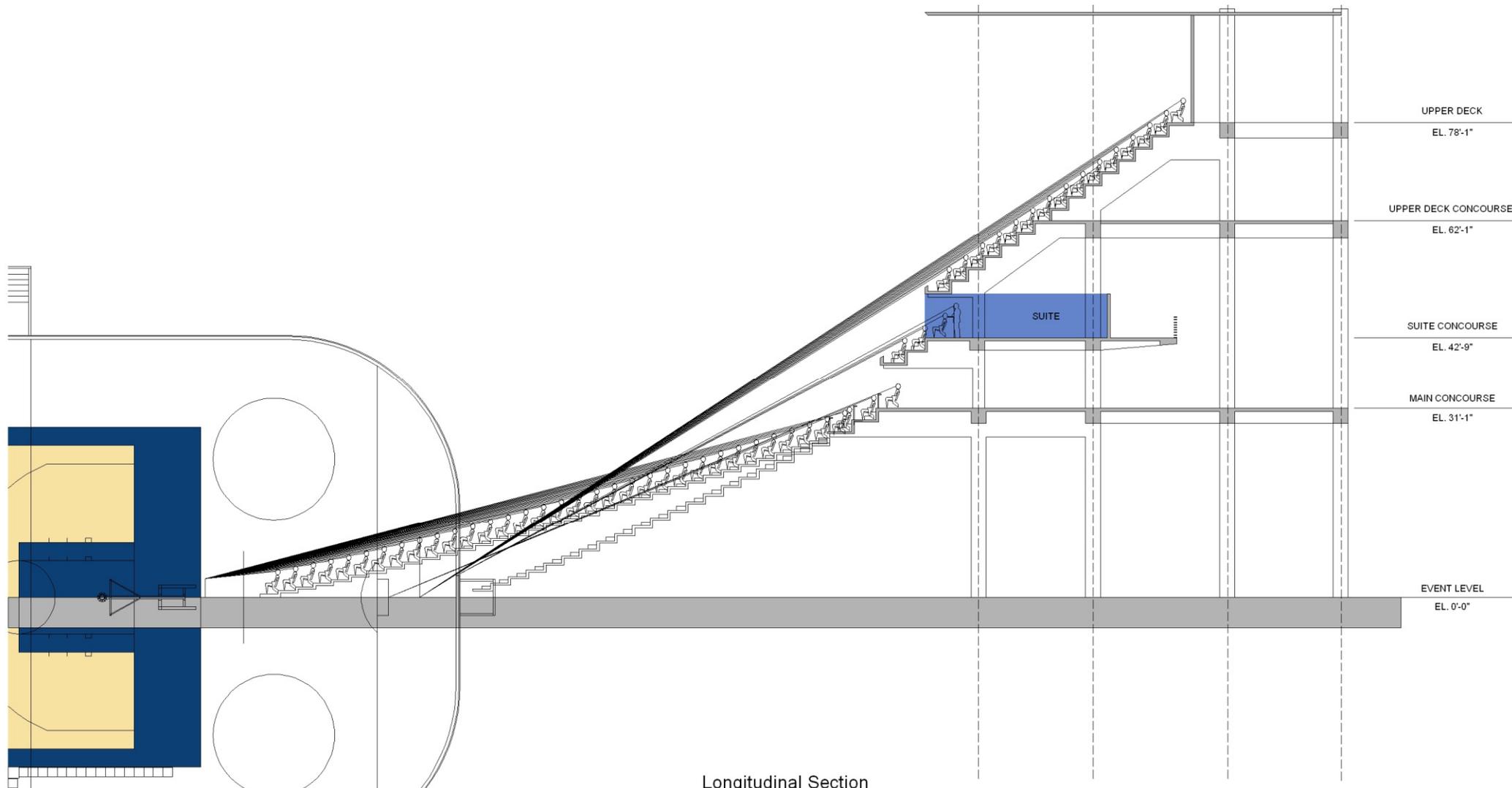


End Court Sight Line - Stage

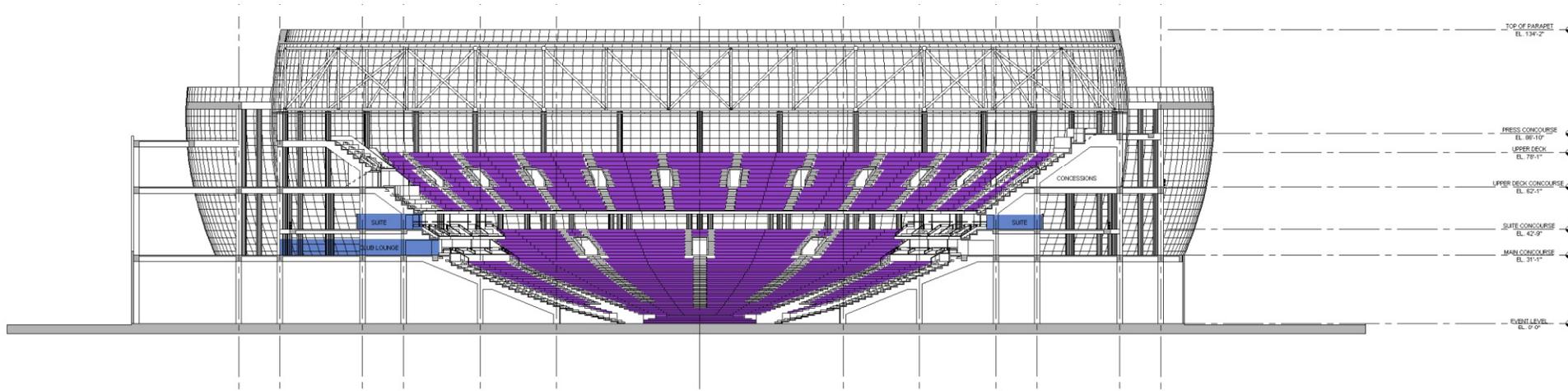


Longitudinal Section
@ stage

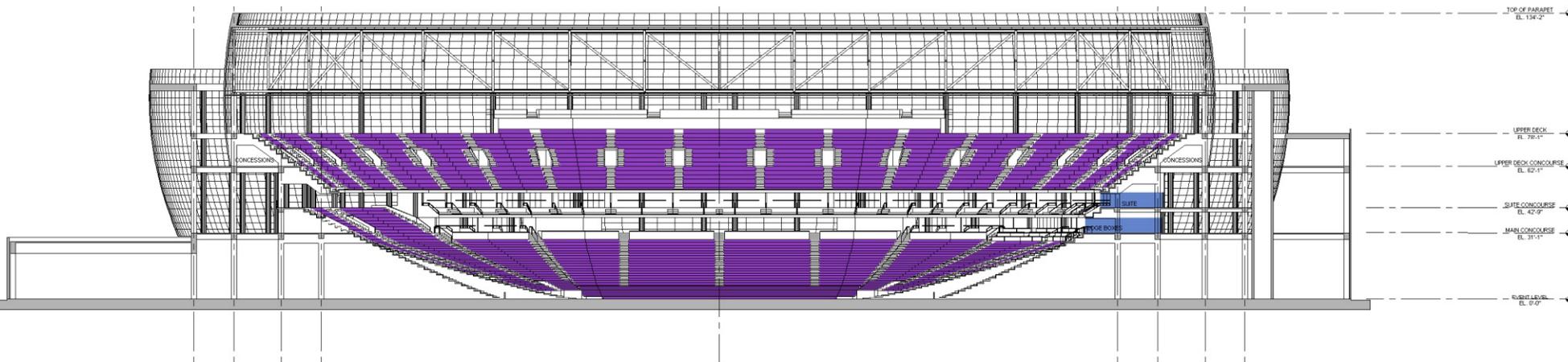
End Court Sight Line - Opposite Stage



Full Arena Cross Sections

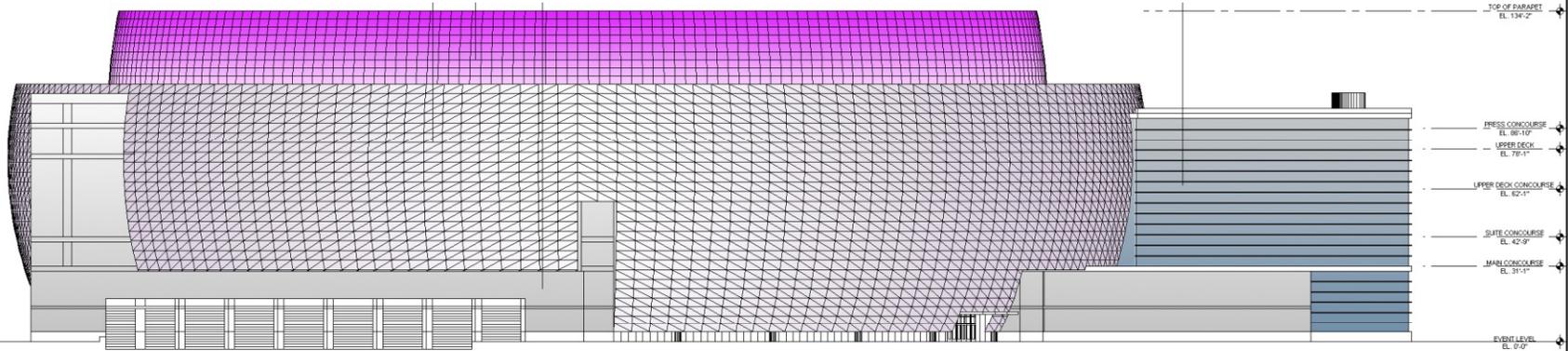


Transverse Section

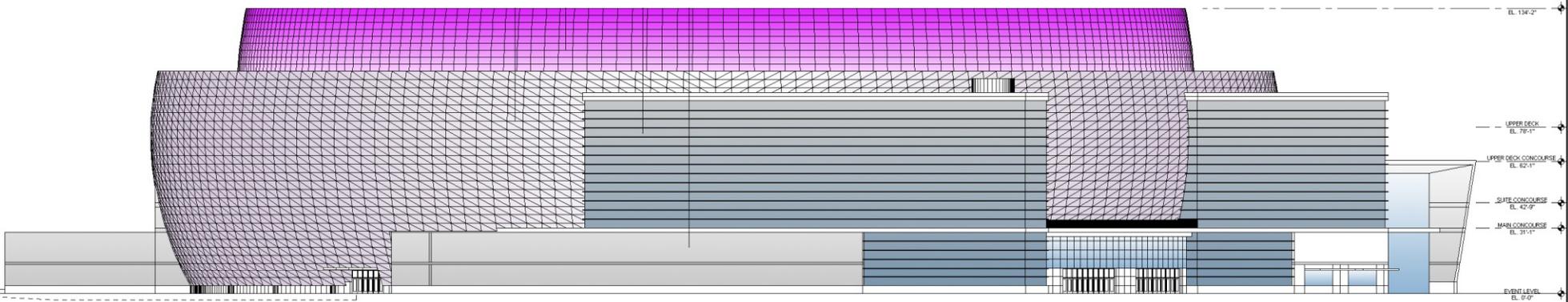


Longitudinal Section

Elevations – West and South

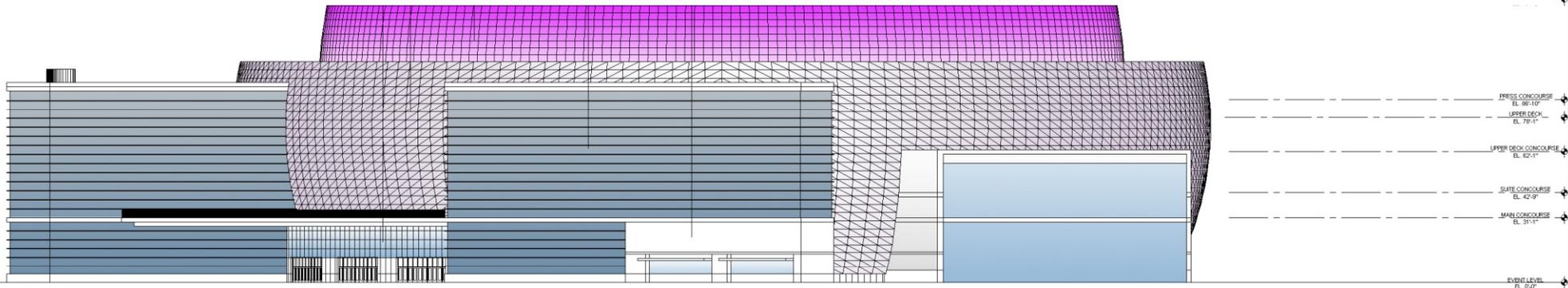


West Elevation

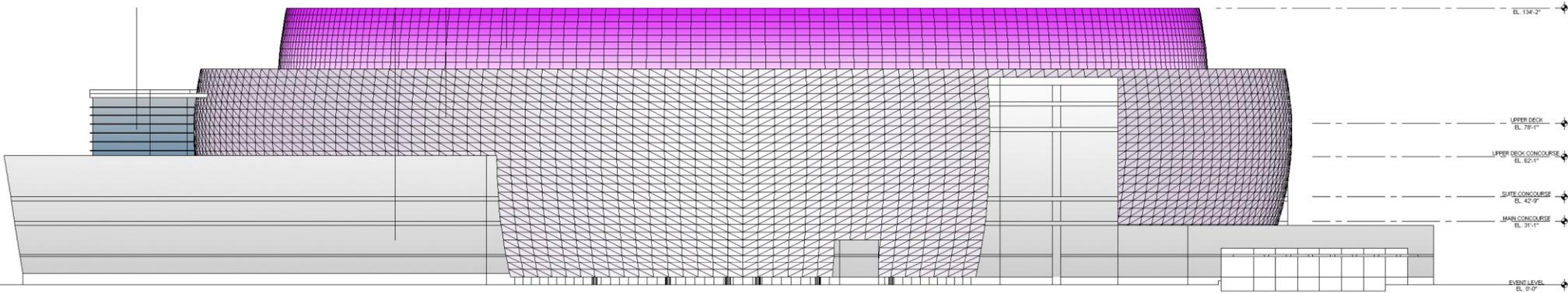


South Elevation

Elevations – East and North



East Elevation



North Elevation



SACRAMENTO KINGS
Basketball Arena





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Arena Estimate – Executive Summary

Executive Summary Analysis

		Railyards Site			Natomas Site		
		Cost	\$/SF	\$/seat	Cost	\$/SF	\$/seat
1	Arena Construction Costs	\$241,262,000	\$358	\$12,975	\$241,262,000	\$358	\$12,975
2							
3	Sitework Construction Costs	\$17,800,000			\$14,430,000		
4							
5							
6		<u>\$259,062,000</u>	<u>\$384</u>	<u>\$13,933</u>	<u>\$255,692,000</u>	<u>\$379</u>	<u>\$13,751</u>
7							
8	difference in cost				(\$3,370,000)		
9							
10	Building Gross Square Foot Area	674,411	SF				
11	Total Seats	18,594	Seats				
12							

Turner Construction  Sports

Updated 5-23-11



Arena Estimate – Detail Summary

	System	Cost	\$\$/SF	% of dir. Work
1	General Requirements	\$4,912,993	\$7.28	2.4%
2	Demolition and Site Clearing	\$187,000	\$0.28	0.1%
3	Site Utilities	\$1,495,200	\$2.22	0.7%
4	Excavation & Foundation	\$6,831,100	\$10.13	3.4%
5	Structural Frame	\$36,066,900	\$53.48	17.9%
6	Roofing & Waterproofing	\$2,336,000	\$3.46	1.2%
7	Exterior Wall	\$28,953,000	\$42.93	14.4%
8	Interior Finishes	\$38,247,300	\$56.71	19.0%
9	FF&E (By Owner)	\$0	\$0.00	0.0%
10	Scoreboard (excludes Video Production Eqpt)- B'	\$0	\$0.00	0.0%
11	Ice Floor	\$2,450,000	\$3.63	1.2%
12	Equipment and Specialties	\$2,074,500	\$3.08	1.0%
13	Food Service Equipment	\$8,298,200	\$12.30	4.1%
14	Seating	\$7,936,500	\$11.77	3.9%
15	Vertical Transportation	\$3,650,000	\$5.41	1.8%
16	Plumbing	\$9,160,000	\$13.58	4.5%
17	Fire Protection	\$1,755,000	\$2.60	0.9%
18	HVAC	\$19,753,000	\$29.29	9.8%
19	Electrical	\$25,064,000	\$37.16	12.4%
20	Audio Visual	\$2,262,000	\$3.35	1.1%
21	Site Work - In Site Analysis	\$0	\$0.00	0.0%
22	Direct Work Subtotal	\$201,433,000	\$298.68	100.0%
23				
24				
25	Fee's & GC's	\$17,524,681		
26	Insurance & Bonds	\$4,993,882		
27	Contingency & Escalation	\$17,310,000		
28	Indirect Costs	\$39,829,000		
29				
30	Total Construction Cost	\$241,262,000	\$357.74 \$ per SF	
31			\$12,975 \$ per Seat	
32	Building Gross Square Foot Area	674,411 SF		
33	Total Seats	18,594 Seats		

Turner Construction  Sports



Site Analysis

Sacramento Arena Site Analysis		
COST	Railyard Site	Natomas Site
A Site size (acres)	10.83	126.26
B Arena size (acres)	5.23	4.73
C1 Developed site area outside of arena (acres)	3.19	3.42
C2 Remaining Site incl's Surface/Garage Parking (acres)	2.42	118
D1 Required/Added Parking - Surface	\$600,000	\$2,440,000
D2 Refurbish existing unused parking	\$0	\$1,140,000
E Required Parking - Structured (On-Site)	\$0	\$0
F Required Parking - Structured (Off-Site)	\$0	\$0
G Traffic Protection/Maintenance of Traffic	\$0	\$0
H Demolition of Existing Structures- Exist. Arena	\$0	\$1,050,000
I Site Clearing	\$162,000	\$150,000
J Mass Excavation	\$205,000	\$190,000
K Removal of Underground Obstructions	\$97,000	\$0
L Hazardous Material Removal	\$76,000	\$0
M Contaminated Soil/Water Removal/Remediation	\$119,000	\$0
N Dewatering	\$216,000	\$190,000
O Spoil Removal	\$216,000	\$190,000
P1 Site Finishes - Hardscape	\$2,085,000	\$1,410,000
P2 Site Finishes - Hardscape @ Old Arena location	\$0	\$600,000
Q Site Finishes - Softscape	\$1,390,000	\$940,000
R Utility Removal / Relocation	\$810,000	\$60,000
S Utility Upgrades/Expansion	\$2,823,000	\$150,000
T Deep Foundations	\$4,290,000	\$2,860,000
U pile length	90	60
V Transportation Improvements- Off-Site Roads	\$2,520,000	\$1,250,000
W Service Level - Above Grade	\$0	\$0
X Infrastructure Improvements Bridges, etc.	\$0	\$0
Y Business/Facility Relocation	\$0	NIC
Z Off-Site Utility Improvements	\$0	N/A
AA Indirects for Sitework	\$1,716,990	\$1,388,200
AB Arena Construction Costs- SEPARATE ESTIMATE	\$0	\$0
AC Subtotal	\$17,326,000	\$14,008,000
AD Soft Costs	\$0	\$0
AE Escalation	\$520,000	\$420,000
TOTAL	\$17,800,000	\$14,430,000

Project Budget

Acct #	Description	Arena Budget
100.	START-UP EXPENSES	\$ 2,500,000
200.	SALES & MARKETING	\$ 850,000
300.	LAND ACQUISITION & SITE DEVELOPMENT	\$ 18,150,000
400.	DESIGN/PROFESSIONAL SERVICES	\$ 17,825,959
500.	LEGAL & GOVERNMENTAL SERVICES	\$ 1,100,000
600.	PROJECT ADMINISTRATION	\$ 14,094,973
700.	CONSTRUCTION	\$ 257,836,846
750.	SYSTEMS & EQUIPMENT	\$ 30,200,000
800.	PERMITS, TESTING, FEES, TAXES & SPECIAL ASSESSMENTS	\$ 16,135,980
900.	INSURANCE, FINANCING & TRANSACTION COSTS	\$ 9,500,000
	Owner Contingency (Recommend 5%)	\$ 18,409,688
TOTAL PROJECT BUDGET		\$ 386,603,445

ESC Project Development Structure

- **Four key questions in ESC development structure**

- Who is Owner?
- Who is Anchor Occupant?
- Who is Operator?
- Who is Developer?

	1	2	3
OWNER	PUBLIC ENTITY	PUBLIC ENTITY	PUBLIC ENTITY
ANCHOR OCCUPANT			
OPERATOR	PUBLIC ENTITY	THIRD PARTY OPERATOR	THIRD PARTY OPERATOR
DEVELOPER	PUBLIC ENTITY	PUBLIC ENTITY	THIRD PARTY DEVELOPER
ARENA EXAMPLES		Quicken Loans Arena Amway Center Rose Garden AT&T Center	Sprint Center

- **First two questions have clear answers**

- Owner will be Public Entity
- Anchor Occupant will be Sacramento Kings

- **Second two questions require further discussion**

- Will Kings/City/Third Party be Operator and/or Developer?
- If not, City or Third Party Operator could play role(s)

- **Inclusion of third parties entities could broaden set of potential private funding options**

Feasibility Report Conclusions and Key Messages

- 1. City-owned land at both Railyards and Natomas can accommodate new ESC**
 - ESC size and orientation would fit physically at either site
 - Existing parking inventory sufficient to service either site
 - Current Natomas site is one of only three non-downtown NBA arenas
 - Railyards site would energize downtown and provide connectivity to regional transit

- 2. Created NBA-level arena program and world-class design scheme for a new Sacramento ESC**
 - Evaluated existing arenas from 5 comparable NBA markets to establish program needs
 - Core NBA arena elements designed into 675,000 gsf
 - Need to complete a Program reconciliation with the Kings, which could alter size of the arena for certain elements

Feasibility Report Conclusions and Key Messages

3. New Sacramento ESC could be constructed for \$241M with overall project budget of \$387M

- Turner conducted a comprehensive cost analysis based on Populous scheme
- ICON identified and quantified all soft costs and created overall project budget of \$387M

4. New Sacramento ESC project could be completed by early 2015

- EIR effort must begin summer 2011 and finish summer 2012
- ESC design must start September 2011 and finish October 2012
- ESC construction must start January 2013 to finish March 2015
- Possible to complete the Sacramento ESC for 2014 season, but project funding must be available to support accelerated activities and timeline

Feasibility Report Conclusions and Key Messages

5. Preliminary analysis suggests new Sacramento ESC is fundable and financeable

- Neither 100% Privately funded nor 100% Publicly funded ESC are feasible
- Public-Private Partnership needed with both sectors offering significant contributions
- Private sources could include community interests beyond the team that would benefit from location of ESC at the Railyards. An outside developer/operator could also be a meaningful additional source of private funds.
- Broad range of public funding sources available for city and region to evaluate during upcoming discussions and negotiations
- The ICON-Taylor team has identified a preliminary set of potential funding sources to inform ongoing discussion and analysis by public and private partners

Feasibility Report Conclusions and Key Messages

- 6. Preliminary analysis suggests new Sacramento ESC would generate sufficient economics to sustain ongoing annual financial viability with Kings as anchor occupant**
- New ESC would generate positive cash flow
 - No public subsidy expected to support ongoing operations
 - Preliminary estimates will be most accurate once public and private partners reconcile financial data and conduct proper analysis to confirm underlying economic performance forecasts

Future Considerations

1. Intermodal facility location
2. Traffic and utility-related infrastructure costs
3. Program and design refinements based on team needs
 - premium seating
 - practice court
 - premium parking
4. Other
 - Current Power Balance Pavilion debt
 - Adjacent land (e.g. Parcel 40, Courthouse parking)
 - Financing costs

Path Forward

May 2011

- Complete feasibility study

June 2011 – August 2011 (*100 Day Plan*)

- City staff technical review
- Regional coalition
- Revenue model and funding options

September 2011 – onward

- Finalize Arena Funding Plan
- Begin Design and EIR processes
- Secure funding sources **prior to** March 1, 2012 relocation deadline
- Begin construction to meet May 2015 completion date