



City of Santa Clara, California



Date: June 16, 2009

To: City Manager/Executive Director for City Council/Redevelopment Agency Information

From: Administrative Analyst to the City Manager

Subject: Presentation of Report on Analysis of Potential Event Synergies Between the Santa Clara Convention Center and a New San Francisco 49ers Stadium

At the June 2, 2009 City Council/Redevelopment Agency meeting, it was noted that a study had been performed by the San Francisco 49ers to evaluate potential synergies between the recently-expanded Santa Clara Convention Center and a state-of-the-art NFL stadium. Staff stated that the full report would be brought forward at the June 23, 2009 City Council/Redevelopment Agency meeting.

This evening, representatives from the 49ers and their economic consulting firm, Convention, Sports and Leisure, International (CSL), will present their report entitled: "Analysis of Potential Event Synergies Between the Santa Clara Convention Center and a New San Francisco 49ers Stadium" (attached). The report details how the event space in the stadium, considering the stadium's close proximity to the convention center, could generate additional revenue to the convention center, stadium, and nearby hotels. Also attached is the City's review and analysis of the CSL report, conducted by Keyser Marston Associates (KMA) and referenced as part of the June 2, 2009 Term Sheet presentation to the City Council/Redevelopment Agency. A representative from KMA will be present to answer any questions regarding their analysis of the synergy report.

Handwritten signature of Pam Morrison in cursive.

Pam Morrison
Administrative Analyst to the City Manager

APPROVED:

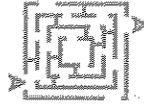
Handwritten signature of Jennifer Sparacino in cursive.

Jennifer Sparacino
City Manager/Executive Director for
Redevelopment Agency

Documents Related to this Report:

- 1) Summary of January 2009 Peer Review of CSL Synergy Report by Keyser Marston Associates dated June 17, 2009*
- 2) CSL Report: "Analysis of Potential Event Synergies Between the Santa Clara Convention Center and a New San Francisco 49ers Stadium" dated January 2009 (with June 11, 2009 cover letter from 49ers)*

\\CTCYMNGRS\AGENDA REPORTS\2009\06.23.09 Synergy study.doc



KEYSER MARSTON ASSOCIATES
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

MEMORANDUM

ADVISORS IN
REAL ESTATE
REDEVELOPMENT
AFFORDABLE HOUSING
ECONOMIC DEVELOPMENT

SAN FRANCISCO
A. JERRY KEYSER
TIMOTHY C. KELLY
KATE EARLE FUNK
DEBBIE M. KERN
ROBERT J. WETMORE
REED T. KAWAHARA

LOS ANGELES
KATHLEEN H. HEAD
JAMES A. RABE
PAUL C. ANDERSON
GREGORY D. SOO-HOO
KEVIN E. ENGSTROM
JULIE L. ROMBY
DENISE BICKERSTAFF

SAN DIEGO
GERALD M. TRIMBLE
PAUL C. MARRA

To: Ron Garratt, Assistant City Manager
City of Santa Clara

From: Keyser Marston Associates, Inc.

Date: June 17, 2009

Subject: January '09 Peer Review by Keyser Marston Associates of CS&L
Analysis of Potential Event Synergies between Santa Clara Convention
Center (SCCC) and a new San Francisco 49ers Stadium

The following memo summarizes Keyser Marston Associates' (KMA) January 2009 Peer Review of CS&L's "Analysis of Potential Event Synergies Between the Santa Clara Convention Center (SCCC) and a New San Francisco 49ers Stadium." This December 2008 Synergy study is a supplement to an earlier analysis prepared by or on behalf of the 49ers. The earlier analysis was an Economic and Fiscal Impacts evaluation of a New Stadium in Santa Clara prepared in April of 2007, and presented as a public document to the community. The Synergy analysis provides explicit recognition that the new ballroom at the SCCC will open in 2009 and will be under the sole control of the SCCC. Also, the April '07 study and the current Synergy study both assume the 49ers as the only NFL Team in the new stadium.

Conclusions of the Event Synergy Analysis

The principal conclusion of the CS&L Event Synergy Analysis is that CS&L projects the total synergy benefit to the City's General Fund to be \$333,000 per year, based on the added net revenue to the SCCC and the added hotel transient occupancy tax to the City (TOT). CS&L conclusions and basic reasoning are as follows:

1. Potential added net revenues at the Convention Center are estimated at \$157,000 per year. This revenue benefit should flow to the City's General Fund if the following assumptions hold true. The SCCC in recent years has required a subsidy from the City's General Fund (recently about \$300,000 per year). However, a study projecting the impact of the opening of a new ballroom at the

To: Ron Garratt, Assistant City Manager June 17, 2009
Subject: KMA Peer Review of CS&L Analysis of Potential Event Synergies
between SCCC and a new 49ers Stadium Page 2

SCCC projected this new facility could generate as much as \$1.1 million in incremental food and beverage profit, which – if such profit materializes – would cause the SCCC to achieve an operating profit that would either reduce the General Funds subsidy or amortize the capital cost of the new ballroom. Either way, CS&L makes the assumption that the \$157,000 of annual net revenues attributable to Event Synergy will flow to the benefit of the General Fund.

2. The Event Synergy Analysis also projects that events attributable to the Synergy between the two facilities will cause additional hotel stays and therefore an increase in hotel transient occupancy tax (TOT) of \$176,000 per year, and that such revenue increase will flow directly to the City's General Fund.
3. In addition to projected incremental TOT and added Convention Center net revenue, CS&L also projects added net revenue at the Stadium of \$490,000 per year. In accord with the 49ers proposal, 50% of such revenues would flow to the General Fund, i.e. \$245,000 per year. However, this potential financial benefit to the City has already been taken into account in existing Non-NFL event revenue projections.

Keyser Marston Associates Peer Review Conclusions

For reasons specified in our evaluation next, Keyser Marston Associates (KMA) finds the CS&L conclusions as to the Synergy financial benefits to the City's General Fund to be reasonable. Our peer review included: 1) review of the CS&L revenue projections resulting from new activity at the Convention Center and the Stadium, and resulting net increase in City TOT; 2) evaluation of the CS&L methodology and key judgments. Accordingly, the peer review addresses in order: 1) SCCC net revenue benefit, 2) Stadium net revenue from Synergy, 3) TOT net revenue Synergy benefit, as follows:

1. SCCC Net Revenue Synergy Benefit

CSL Projection

Potential added Convention Center net revenue is estimated at \$157,000 per year. The key basis for the projection of the revenue increase is the projection that 12 convention/tradeshows event days and 8 meeting/banquet event days will be added at the Convention Center as a result of Stadium synergy. Based on Convention Center history, it is then estimated that each convention/trade show event day will generate \$8,580 in net revenue while meetings/banquets generate \$6,780 per event day. Therefore, total projected incremental net event revenue can be estimated at \$157,000 annually – all net new even after taking into account the opening of the new ballroom in 2009. The

To: Ron Garratt, Assistant City Manager June 17, 2009
Subject: KMA Peer Review of CS&L Analysis of Potential Event Synergies
between SCCC and a new 49ers Stadium Page 3

\$157,000 of net new revenue should reduce dollar for dollar the current burden on the City's General Fund or add to General Fund revenues if the Convention Center produces a positive bottom line.

CS&L Methodology

The CS&L projection of Synergy net revenue benefit to the SCCC depends most importantly on their projection of Synergy induced net added activity at the SCCC. Their estimate is that an additional 12 convention/tradeshow event days and 8 meeting/banquet event days could be generated at the SCCC due to the various impacts associated with the new Stadium. CS&L says these impacts will result from the Stadium providing unique event space and supporting the development of entertainment surrounding the stadium and Convention Center.

Per the CS&L report, there are two primary approaches used to quantify their added event day estimates: Method one relies on applying survey results of existing potential users (survey methods are spelled out in the report) to estimate potential added SCCC use due to the stadium. The second approach relies on data including survey results, past CSL experience, and comparable facility operations in a more general sense to characterize event day potential.

KMA Peer Review

As can be seen from the CS&L methodology statement, there is a significant element of judgment in arriving at the conclusion as to the added event days that can be expected from synergy with the stadium. Given that approach, KMA in its peer review focused more on a bottom line test of reasonableness of the conclusions as well as the methodology. The bottom line projections are that CS&L projects 12 added convention/trade show event days whereas the recent year average has been about 170, or about a 7% increase. They also project 8 added meeting/ banquet event days whereas the recent average has been about 77, or a 10% increase. Our own judgment based on review of the data presented by CS&L is that such increases are reasonable and not overly aggressive.

2. Stadium Net Revenue

CS&L Projection

In addition to projected incremental TOT revenue and added Convention Center net revenue, CS&L also projects added Stadium net revenue of \$490,000 per year. The \$490,000 is attributable to synergy generating 80 extra meeting/banquet event days per year at the Stadium with per event attendance of 350 and estimated per attendee net

To: Ron Garratt, Assistant City Manager June 17, 2009
Subject: KMA Peer Review of CS&L Analysis of Potential Event Synergies
between SCCC and a new 49ers Stadium Page 4

revenue of \$17.50 (that assumes a Stadium F&B margin of 40% on spending of \$35 per capita).

The net revenue per attendee for the Stadium is higher than the CS&L projection of net revenue per attendee at the Convention Center. However, the food and beverage calculations for the Stadium are based on Cini-Little per-capita data, and assume that the meeting/banquet events held at the Stadium are generally more substantial in terms of food and service. This seems likely to be the case in that planners going to the effort to host an event at the Stadium will likely incorporate full food service, while many of the smaller meetings held at the Center will offer very little in the way of food service.

The resulting \$490,000, however, has already been accounted for in projections of net revenue from Non Major, Non-NFL events at the Stadium, which in total are estimated at \$1M per year – of which the City General Fund would receive 50% per the Team's proposal.

CS&L Methodology

The CS&L methodology for estimating added event days at the Stadium are based "on comparable stadium data" and "event planner research that indicates that 25% to 30% of added stadium event day activity would originate from events held at the SCCC."

KMA Peer Review

The methodology employed is largely judgmental based on experience and event planner survey research. KMA concurs that the methodology, and also the judgments used in the application of the data, are reasonable.

3. TOT Net Revenue

CS&L Projection

Incremental revenue that will – like the added revenue to the Convention Center – directly benefit the City's General Fund is the new TOT revenue, which is projected at \$176,000 per year. The key factor in the TOT estimate is the projection that synergy will generate 20 added event days at the Convention Center (12 convention/trade show and 8 meetings/banquets) and will generate 80 event days at the Stadium – all meetings/banquets. These added events will generate nearly 59,000 attendee days, of whom it is estimated that 60% of convention/ tradeshow attendees and 15% of meeting/banquet attendees will come from outside the Santa Clara market. 70% of these non locals are estimated to require an overnight hotel stay. Total number of room nights thereby generated is estimated at 13,000 per year. Based on the average daily rate data from hotels proximate to the Convention Center of \$142, \$1.85 million in incremental

To: Ron Garratt, Assistant City Manager June 17, 2009
Subject: KMA Peer Review of CS&L Analysis of Potential Event Synergies
between SCCC and a new 49ers Stadium Page 5

hotel revenue would be generated. Applying the City's present transient occupancy tax (TOT) of 9.5% to the incremental revenue supports a projection of \$176,000 per year of added TOT revenue.

CS&L Methodology

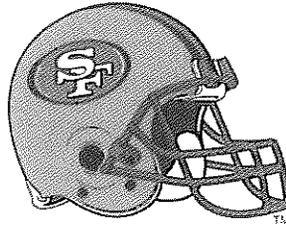
The methodology that drives the TOT net revenue projection is to estimate the percent of convention and tradeshow attendees and the percent of meeting or banquet event attendees that will come from outside the Santa Clara market, and then to estimate the percent of non-local attendees per attendee day that will require an overnight hotel stay.

KMA Peer Review

KMA finds the methodology used to be logical, and the judgments used in applying the methodology to be reasonable. Those key judgments are: 1) that 60% of convention/tradeshow attendees and 15% of meeting/banquet attendees will be non-local, and 2) that 70% of the non-local attendees will require an overnight hotel stay.

Summary of Peer Review

For the reasons specified in our evaluation, Keyser Marston Associates (KMA) finds the CS&L conclusions as to the Synergy financial benefits to the City General Fund to be reasonable.



SAN FRANCISCO 49ERS

4949 Centennial Boulevard

Santa Clara, CA 95054-1229

Telephone: 408-562-4949

Fax: 408-727-4937

www.49ers.com

June 11, 2009

Mr. Ron Garratt
Assistant City Manager
City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050

Mr. Garratt,

Earlier this year, Conventions, Sports and Leisure, International (CSL) worked closely with representatives from the Santa Clara Convention Center to evaluate potential synergies between the newly expanded Convention Center and a state-of-the-art NFL stadium. Attached please find a report with their findings.

This report details revenue that could be generated by special events held at the stadium in conjunction with events held at the Convention Center, and events that could be attracted to the Convention Center as a result of the presence of a new stadium. As part of the study, 53 past, current and potential clients of the Convention Center were interviewed to assess the impact a new stadium would have on their decision to host a conference or event in Santa Clara.

Given the stadium's close proximity to the Convention Center and multiple world-class hotels, and the stadium's unique design featuring more than 109,000-square-feet of meeting space in the premium amenity areas, several significant synergies were noted. These synergies are projected to result in:

- 12 new convention/trade show event days and 8 new meeting/banquet event days at the Convention Center, resulting in \$157,000 in new annual net revenue.
- An added demand for hotel rooms in Santa Clara totaling over 13,000 new room nights generating over \$175,000 in new annual transient occupancy tax revenue.
- 80 meeting/banquet event days at the stadium, resulting in \$490,000 in annual net revenue to the stadium. (These 80 stadium events were already included as part of the Non-Major Events subsection of the "Non-NFL Event Revenue" data in Exhibit 11 of your June 2 Agenda Report).

**SUPER BOWL
CHAMPIONS
XVI, XIX, XXIII,
XXIV, XXIX**

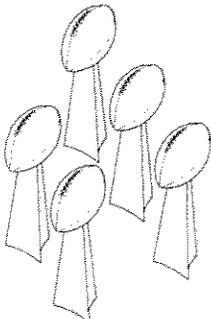
All results indicated in this report are additive to CSL's 2007 economic impact study, and are also additive to a 2003 Cini-Little study examining the impact of a new Convention Center ballroom.

I'd like to acknowledge the outstanding work of the Convention Center's staff, who helped CSL develop this report. The Convention Center's staff was incredibly thorough and accommodating in providing data, refining projections, and helping CSL identify and evaluate potential synergies.

Please do not hesitate to contact me if you have any questions about the attached report.

Best,

Steve Fine
Director of Business Communications



Analysis of Potential Event Synergies Between the Santa Clara Convention Center and a New San Francisco 49ers Stadium



Presented to the:
City of Santa Clara



January 5, 2009

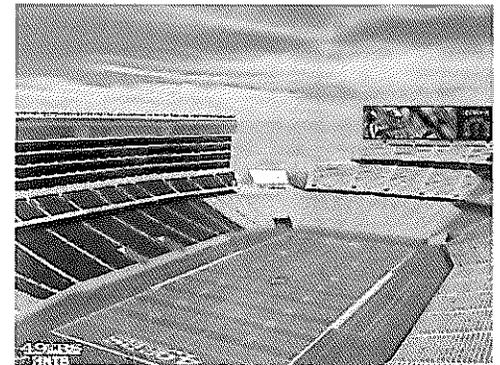
- Table of Contents -

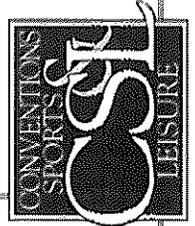
Executive Summary.....	3
Introduction.....	4
Local Market Conditions Analysis.....	7
Analysis of Competitive & Comparable Facilities & Markets.....	12
Analysis of Historical SCCC Operations.....	19
New Stadium Amenities.....	24
Market Demand Analysis.....	32
Event Levels Analysis.....	41
Appendix.....	48



Executive Summary

- This report analyzes the potential event, room night and economic impacts that could be generated due to the synergies between the Santa Clara Convention Center (SCCC) and an adjacent new Stadium for the 49ers. Two studies pertaining to the SCCC and the Stadium have previously been conducted, the first (2003) focused on the impacts of the new SCCC ballroom currently under construction, and a second (2007) focusing on the impacts of events held at the Stadium. We have conducted the study presented herein in terms of events and impacts that are *additive* to these previous two studies, with adjustments made to avoid overlap in impact estimates. Please note, the stadium revenue outlined in this report is already reflected in the April 2008 "non-major, non-NFL events" section of the stadium pro forma, and is therefore not additive to the pro forma.
- Fifty-three past, current and potential users of the SCCC were surveyed as part of this study. Thirty-two percent of those surveyed stated that they would "possibly" increase the frequency of their SCCC use due to the existence of the proposed Stadium. Similarly, 16 percent and three percent stated that they would "likely" or "definitely" increase their SCCC use due to the Stadium, respectively. Certainly not all of these planners would in reality increase SCCC usage, and applying various capture percentages to the survey results, we estimate that approximately 8 to 10 percent of planners would actually follow through on increased SCCC use.
- Event planners surveyed were also asked whether or not they would use Stadium space as a function for an event held at the SCCC. Forty percent responded "possibly" to the question, with 11 percent and 4 percent responding "likely" or "definitely", respectively. Again, applying capture percentages to the survey results provides an indication that 15 to 20 percent of planners (and/or exhibitors at their events) would actually use the Stadium for an event function.
- It is estimated that an additional 12 convention/tradeshow event days and 8 meeting/banquet event days could be generated at the SCCC due to the various impacts associated with the new 49ers stadium. These impacts include providing unique event space and supporting the development of entertainment surrounding the stadium and Center. In addition, event days held at Stadium event space are estimated at 80 on an annual basis, consisting largely of meetings and banquets.
- The attendee days and room nights associated with added SCCC events have been estimated at 30,560 and 10,090, respectively. The added stadium event days, drawing more from the local community, are estimated to generate 28,000 attendee days and 2,940 room nights.
- Incremental SCCC events are estimated to result in approximately \$157,000 in added net annual convention center revenue. Added meeting and banquet events at the stadium are estimated to generate approximately \$490,000 in annual net revenue.
- The 9.5 percent Transient Occupancy Tax (TOT) tax assessed in Santa Clara is estimated to generate nearly \$176,000 annually in added revenue from incremental SCCC events and new events held at a 49ers stadium.





Introduction

Definition of Key Terms

Convention Center Event Days – represent the total number of days each event lasts in which delegates are in attendance at the convention center.

Convention Center Attendee Days – calculated by multiplying the number of convention center event days by the attendance level for each event.

Convention Center Utilization Days – represent the total number of days each event is utilizing event space at the convention center, including the days required to set-up/tear-down the event.

Annual Exhibit Space Sold – calculated by multiplying the available square footage within a given exhibit hall by the number of utilization days for that specific hall.

Annual Sellable Exhibit Space – calculated by multiplying the available square footage within a given exhibit hall by the number of days in the year.

Convention Center Occupancy Rates – calculated by dividing the total amount of annual exhibit space sold by the total amount of annual sellable exhibit space.

Non-Local Event Attendees – event attendees that require an overnight stay. For purposes of this analysis, it is assumed that approximately 30 percent of non-local event attendees do not pay for an overnight stay because they stay with a friend or family member in the local area, utilize double occupancy in a hotel room rather than the assumed single occupancy for rooms, or do not stay the full number of event days for their respective event.



Report Contents

Local Market Conditions Analysis – presents analysis of local attributes and visitor industry infrastructure, focusing on event space, hotels, restaurants, entertainment and other such factors.

Analysis of Competitive and Comparable Facilities and Markets – provides a comparison of various physical characteristics and resources of competitive and comparable facilities and their host cities relative to the convention and visitor industry. Particular focus is given to markets that offer convention centers with nearby major league sports venues.

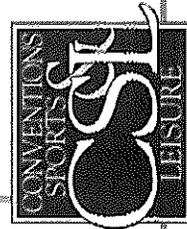
Historical Santa Clara Convention Center Analysis – provides a review of utilization levels, event mix and related operational characteristics of the SCCC. This detail is important in providing a basis from which to evaluate potential unmet demand for event space in the market.

New Stadium Amenities – provides a review of available event space at the proposed new 49ers stadium.

Market Demand Analysis – provides the results of a detailed survey analysis of meeting and event planners expressing a potential interest in hosting events in Santa Clara. This research focuses on the potential for events to utilize event space at the SCCC, a new 49ers stadium, or both facilities.

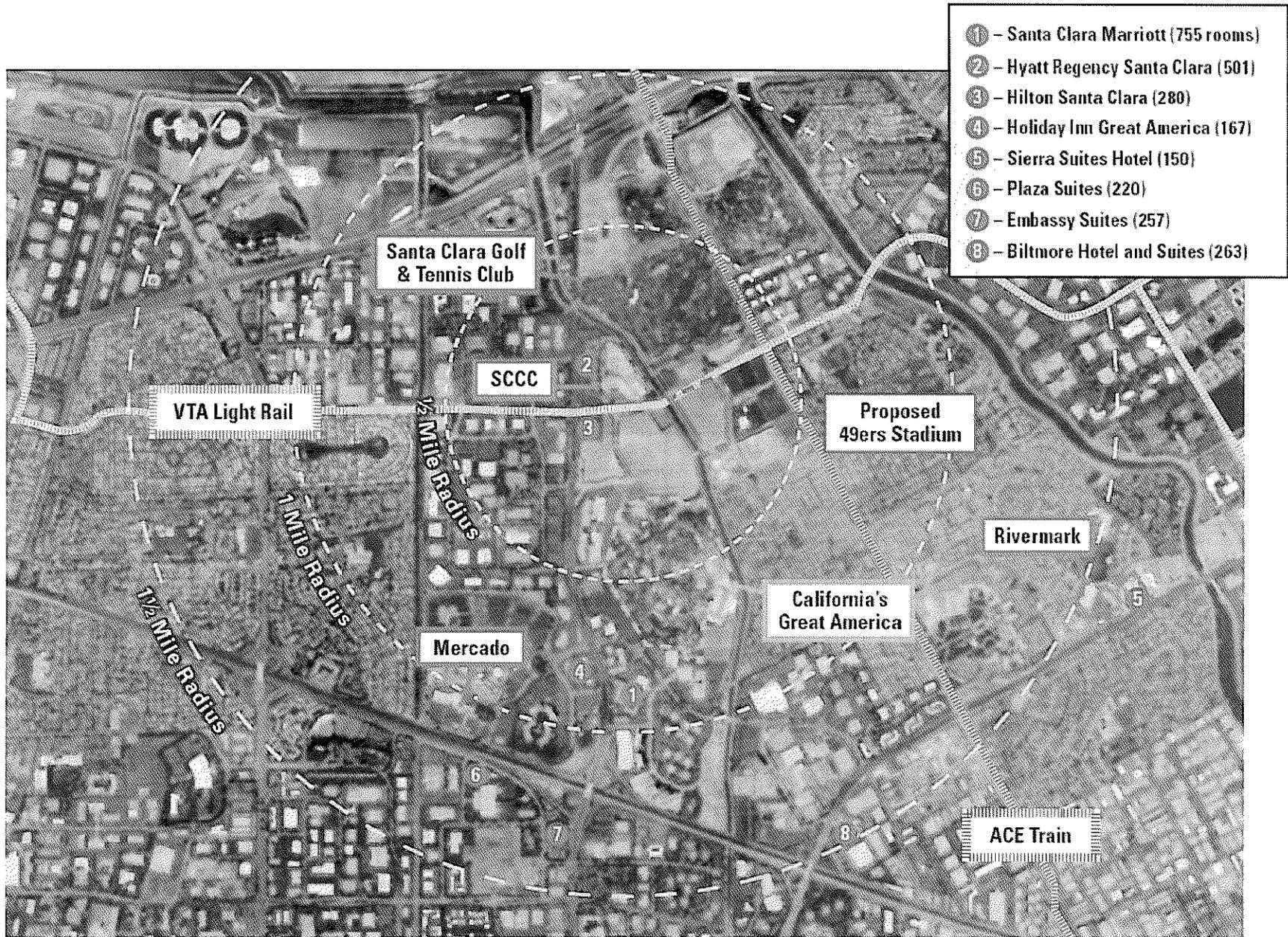
Event Levels Analysis – synthesizes the findings of the previous tasks to quantify the level and characteristics of incremental events and activities that could be attracted to and retained at the SCCC based on the presence of a new NFL stadium. The potential for banquet and reception activity at the NFL stadium is also evaluated.





Local Market Conditions

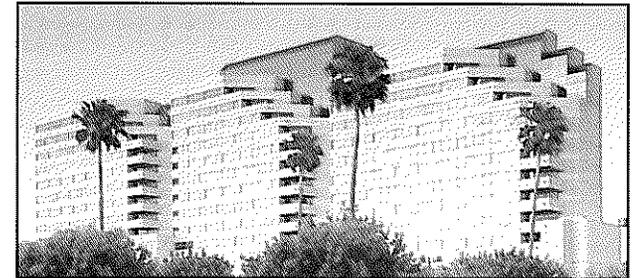
Local Market Overview Map



Local Market Overview

Current Market Conditions

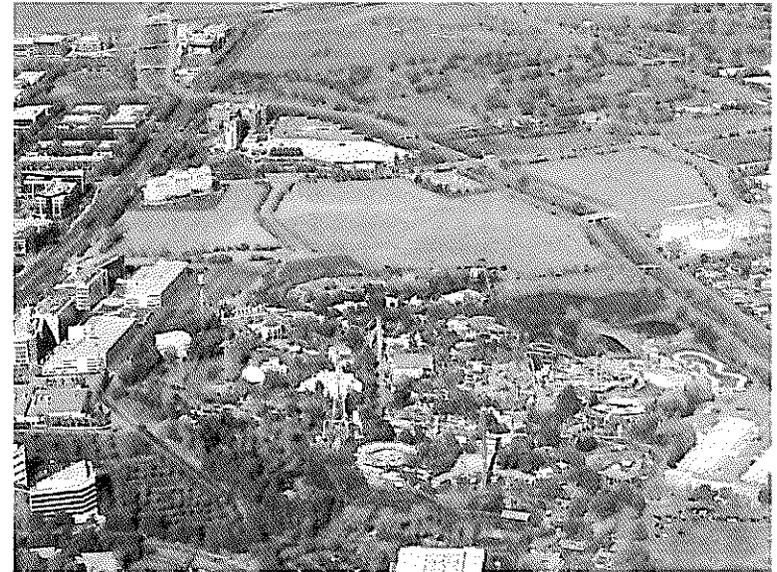
- 781 hotel rooms available within one-half mile of the SCCC, with an additional 1,812 available within one and one-half miles.
- SCCVB representatives indicated that the relative lack of hotel rooms proximate to the SCCC detracts from overall appeal to some groups with an interest in Santa Clara. Attempts to attract hotel developers to the market have been unsuccessful.
- Mercado, Rivermark and the Santa Clara Golf and Tennis Club offer retail and entertainment options.



Local Market Overview

Current Market Conditions

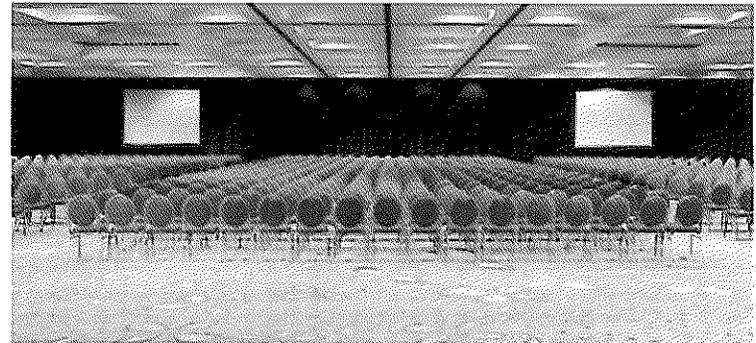
- Area surrounding the SCCC is predominantly office space and housing. Not many options for evening entertainment.
- Proximity to three major airports provides easy access for non-local attendees.
- Presence of numerous corporations offers a large base for corporate meeting, conference, convention and other events at the Center.

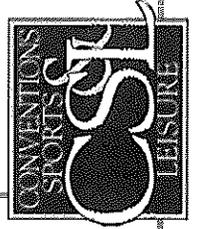


Local Market Overview

Current Market Conditions

- The current Grand Ballroom within the SCCC offers approximately 22,600 square feet of space, divisible into eight equally sized sections.
- The Hyatt Regency controls the rights to six of the eight sections of the ballroom and relinquishes this right to the SCCC very infrequently.
- A 2003 feasibility study conducted by Cini-Little International, Inc., recommended the construction of a new 24,000-square foot ballroom. The ballroom is expected to open in 2009 and will be under the sole control of the SCCC.
- The Cini-Little study estimates that approximately 200 incremental events would utilize space within the new ballroom, attracting more than 80,000 additional event attendees annually and generating as much as \$1.1 million in incremental F&B profit.



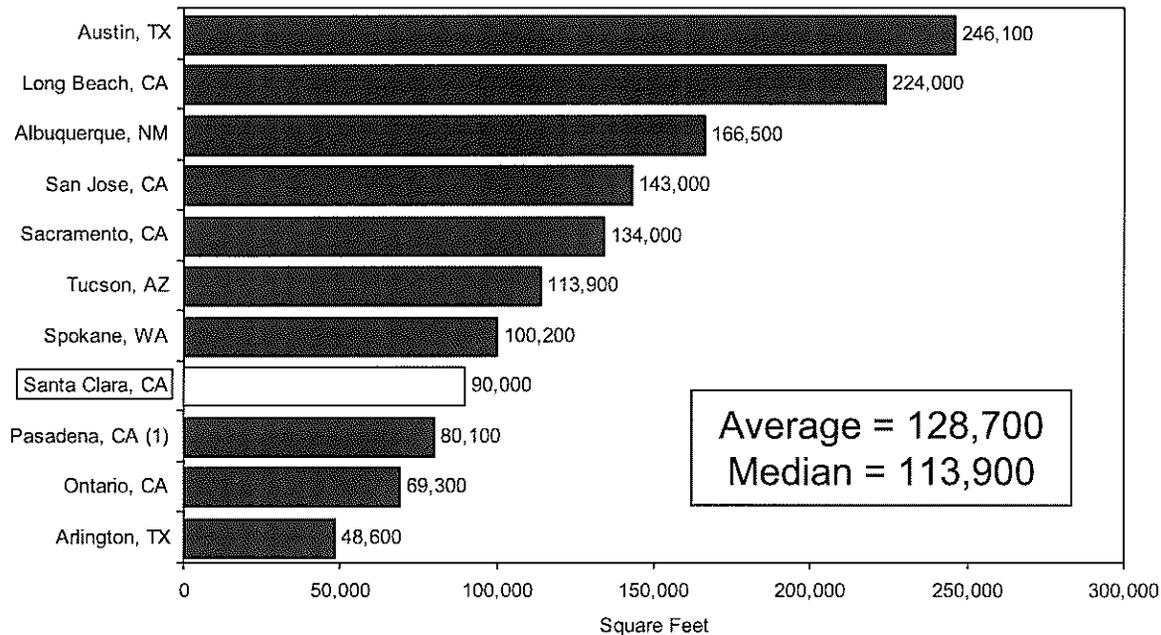


Competitive & Comparable Facilities & Markets

Competitive and Comparable Facilities and Markets

City, State	Facility
Albuquerque, NM	Albuquerque Convention Center
Arlington, TX	Arlington Convention Center
Austin, TX	Austin Convention Center
Long Beach, CA	Long Beach Convention & Entertainment Center
Ontario, CA	Ontario Convention Center
Pasadena, CA	Pasadena Conference Center
Sacramento, CA	Sacramento Convention Center
San Jose, CA	San Jose McEnery Convention Center
Spokane, WA	Spokane Convention Center
Tucson, AZ	Tucson Convention Center

Comparison of Exhibit Space – Competitive and Comparable Facilities



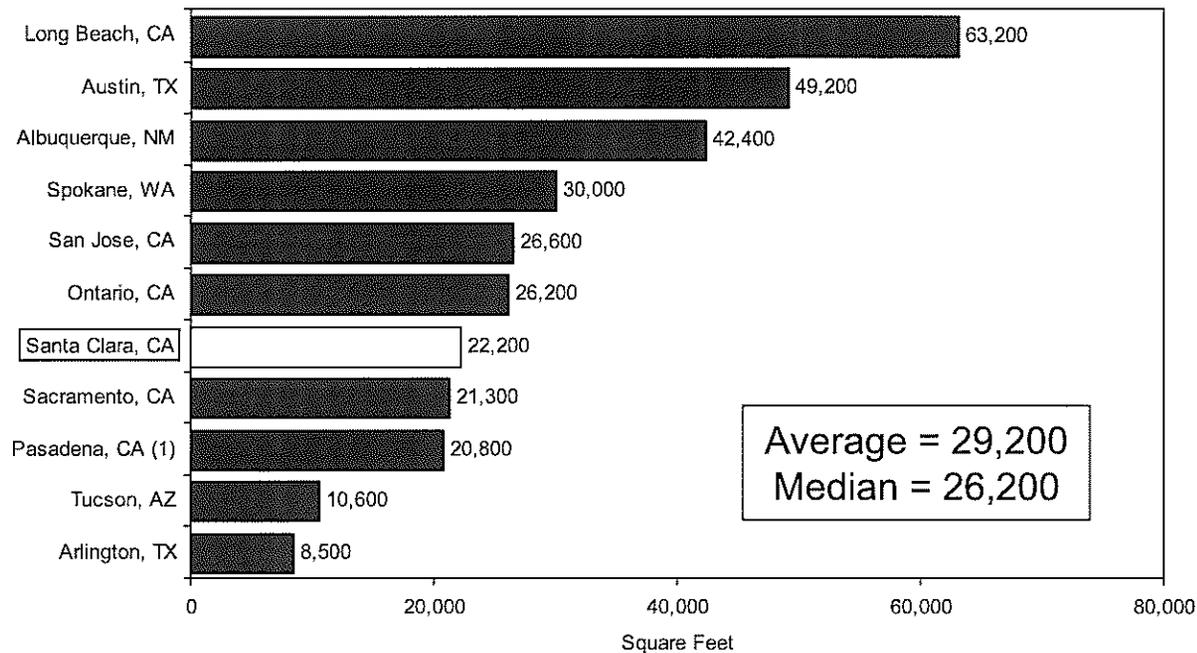
- The SCCC ranks towards the low end of the set of facilities reviewed, offering approximately 90,000 square feet of prime exhibit space.
- On average, competitive and comparable facilities reviewed offer approximately 128,700 square feet of prime exhibit space.

(1) Includes space currently under construction.

Source: facility floorplans, management, and industry publications, 2008



Comparison of Meeting Space – Competitive and Comparable Facilities

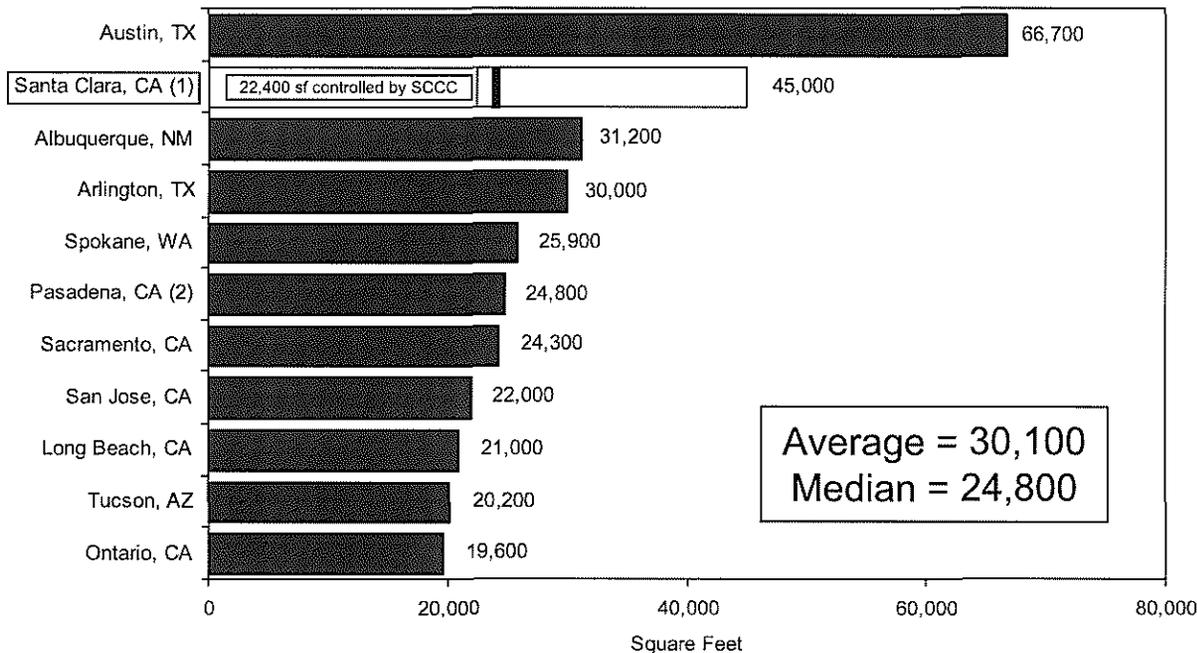


- With approximately 22,200 square feet of available meeting space, the SCCC ranks just below the mid-point of the competitive and comparable set of facilities reviewed.
- On average, competitive and comparable facilities reviewed offer approximately 29,200 square feet of meeting space.



(1) Includes space currently under construction.
Source: facility floorplans, management, and industry publications, 2008

Comparison of Ballroom Space – Competitive and Comparable Facilities



- Although the SCCC can potentially offer as much as 45,000 square feet of ballroom space, the Hyatt Regency controls three-fourths of the existing 22,600-square foot Grand Ballroom and relinquishes this control very infrequently.
- The new 22,400-square foot ballroom, which is to be controlled solely by the SCCC and is expected to be complete in 2009, will place the SCCC proximate to the median of the competitive and comparable markets reviewed.
- On average, the competitive and comparable facilities reviewed offer approximately 30,100 square feet of dedicated ballroom space.

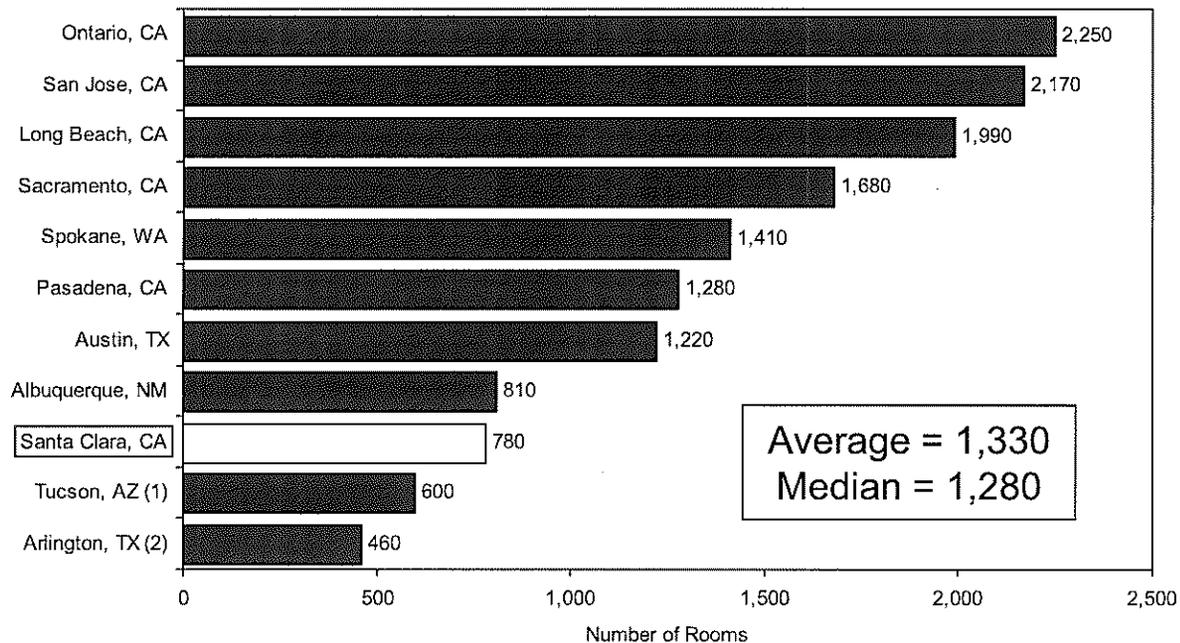


(1) SCCC currently controls only 5,000 square feet of space within its existing 23,600 square foot ballroom, with the Hyatt Regency controlling the majority of the space. The new 22,400-square foot ballroom currently under construction will be controlled solely by the SCCC.

(2) Includes space currently under construction.

Source: facility floorplans, management, and industry publications, 2008

Comparison of Hotel Rooms Within 1/2 Mile of the Convention Center – Competitive and Comparable Markets



- Santa Clara ranks near the bottom of the competitive and comparable set of markets reviewed with approximately 780 hotel rooms within one-half mile of the SCCC.
- One relative competitive advantage of the Santa Clara convention package is the 501-room Hyatt Regency, which acts as the SCCC's headquarters hotel property and is among the larger single property headquarters hotels offered among the markets reviewed.



(1) Tucson is currently planning to construct a headquarters hotel room adjacent to the Tucson Convention Center with 500 to 700 rooms.

(2) Arlington is currently studying the potential need for additional hotel rooms proximate to the Arlington Convention Center.

Source: Destination Marketing Association International CVB Organizational & Financial Profile, 2007; Convention and Visitors Bureaus, 2008.

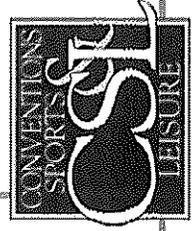
Competitive and Comparable Facilities and Markets – Summary

Competitive and Comparable Convention Centers and Markets

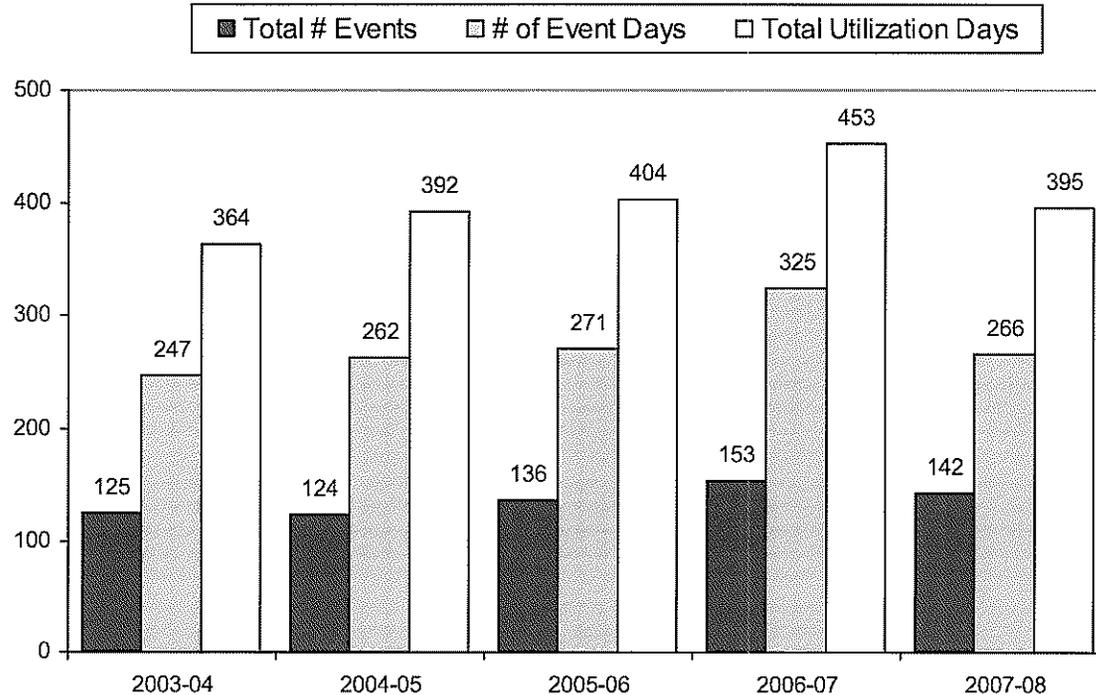
- A review of various the physical characteristics and resources of communities and their respective event facilities throughout the country that are either competitive with or comparable in some way to Santa Clara was conducted in order to gauge the ability of the Santa Clara convention product to compete under current and potential future conditions for added events.
- Compared to competitive and comparable regional and national convention facilities and markets, the Santa Clara Convention Center product ranks towards the median of the set of facilities reviewed in terms of available event space. As such, the potential exists for added event space at a potential new 49ers stadium to positively impact event capture in the Santa Clara market.
- The quantity of available hotel rooms proximate to the SCCC is somewhat lacking relative to the set of competitive and comparable markets reviewed.
- The presence of the 501-room Hyatt Regency, which acts as a headquarters hotel for the SCCC and is among the larger single property headquarters hotels within the set of markets reviewed, is one advantage the Santa Clara convention product possesses.
- The incorporation of a new NFL stadium may create added demand for sleeping rooms, which could potentially serve non-local visitors attending either 49ers games or SCCC events.



Historical Santa Clara Convention Center Operations



Summary of Exhibit Hall Activity – SCCC (July 2003 – June 2008)

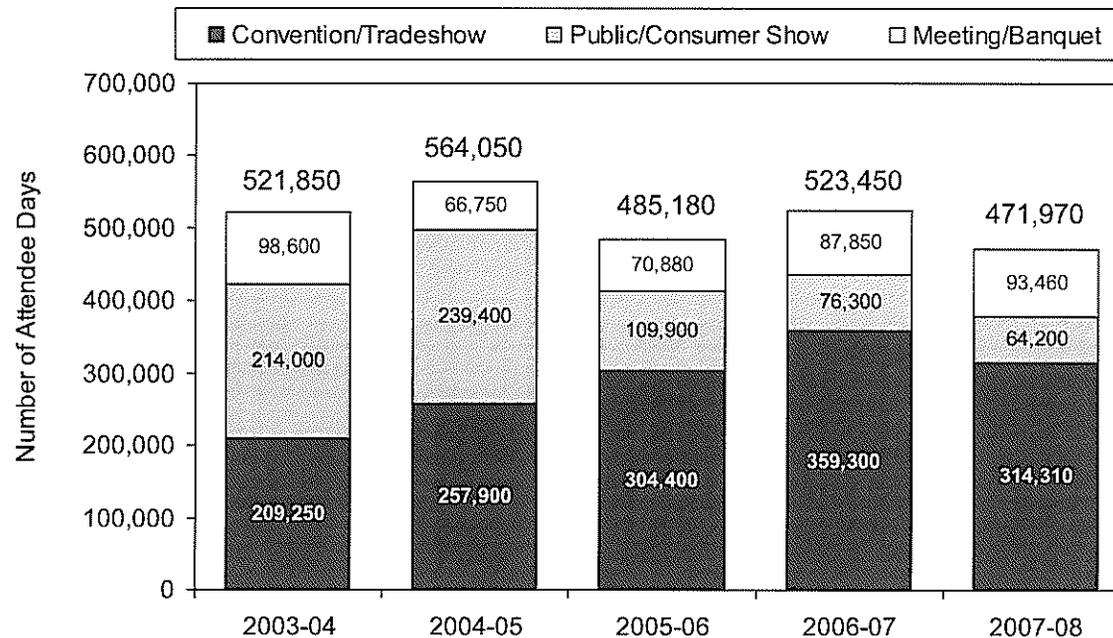


- Total number of events include only those utilizing exhibit hall space within the SCCC.
- Over the past five fiscal years, event activity within the SCCC exhibit halls has increased steadily until a slight decrease in 2007-08 event levels.
- SCCC revenue generation has also increased in each of the past five fiscal years, from approximately \$3.4 million in gross revenues in 2003-04 to nearly \$4.4. million in 2007-08.



Note: Figures include all events held at the SCCC that require exhibit space.
Source: CSL International, facility management, 2008

Total Number of Exhibit Space Attendee Days by Event Type (June 2003 – July 2008)

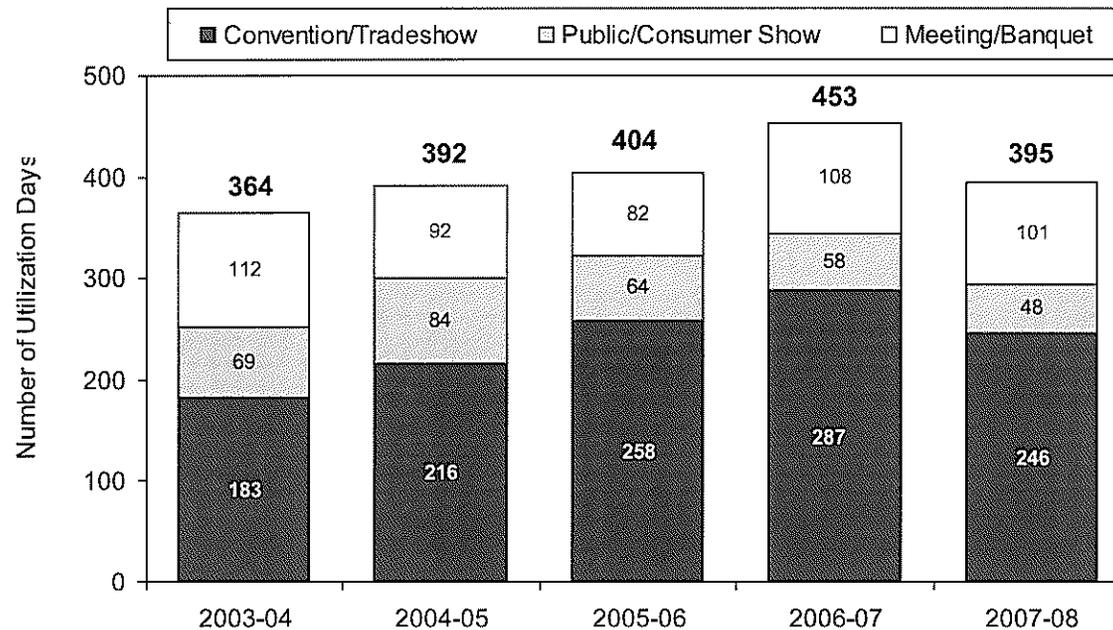


- The number of attendee days has decreased slightly over the past five fiscal years, ranging from a high of 564,050 days in 2004-05 to a low of 485,180 days in 2005-06.
- Convention and tradeshow event attendance (which generates proportionally higher economic impact) experienced an approximately 50 percent growth rate during this five-year period, while public and consumer show attendee days decreased by approximately 70 percent.
- The SCCC generated approximately 513,300 attendee days annually over the past five fiscal years.



Note: Figures include all events held at the SCCC that require exhibit space.
Source: CSL International, facility management, 2008

Total Number of Exhibit Space Utilization Days by Event Type (June 2003 – July 2008)

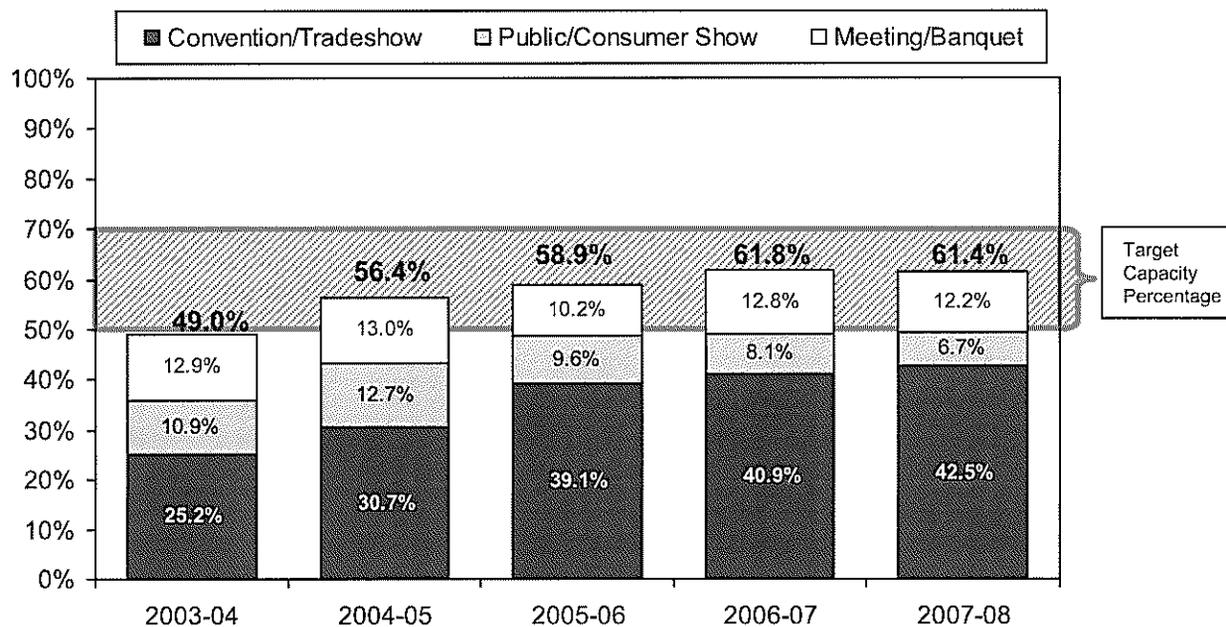


- The number of utilization days has increased annually prior to a slight decrease in 2007-08.
- Convention and tradeshow events experienced a nearly 35 percent growth rate in utilization days during this five-year period.



Note: Figures include all events held at the SCCC that require exhibit space.
Source: CSL International, facility management, 2008

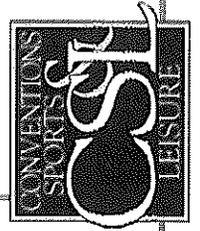
Summary of Exhibit Space Occupancy by Event Type (July 2003 – June 2008)



- Occupancy rates attributed to convention and tradeshow events (which generate the highest economic impact among the identified event types) ranged from a low of 25 percent in 2003-04 to a high of nearly 41 percent in 2006-07.
- A significant number of meeting and banquet events are expected to be held in the ballroom rather than an exhibit hall when it becomes available. Without these events, the SCCC's occupancy rates are at the low end of the Target Capacity Percentage.
- Enhancements to the areas surrounding the Center may be needed to create a more desirable convention product.



Notes: Figures include all events utilizing exhibit space. Figures are based on total square footage utilized, including move-in, event and move-out days.
 Source: CSL International, facility management, 2008



New Stadium Amenities

New NFL Stadium Event Space Amenities

- The proposed new stadium offers nearly 110,000 square feet of premium club space that would be available to the city of Santa Clara and the Santa Clara Convention Center.
- Club space would be divided into three main areas:
 1. An east field club with 26,000 square feet of meeting space.
 2. A west field club with 12,600 square feet of meeting space and an additional 9,400 square feet of meeting space in the adjacent main club entry lobby.
 3. A two-level club with 33,000 square feet at the main club level and an additional 25,000 square feet on the mezzanine club level.
- Each club area would have the look and feel of a premium hotel or convention center meeting space. Club areas could be partitioned for smaller events.
- All three club areas would be served by kitchens in the stadium that are capable of providing food and beverage service for special events. Most club areas would have nicely appointed bars and food service locations.



Competitive and Comparable Facilities and Markets – Stadium and Convention Industry Synergies (Case studies presented in Appendix)

Examples of Operational and Marketing Synergies

- Offering suites, club areas and other spaces for event planners and exhibitors. This space can be used for:
 - Meetings,
 - Banquets,
 - Client entertainment,
 - Opening and closing events,
 - Entertaining event planners that are considering the convention center.
- Use of stadium field for entertainment. This may simply be use of the playing surface, scoreboard or other areas for event attendees to use during non-game days. Team-building, incentive, training and even board-type meetings may benefit by the ability to break from the meeting and conduct a function on the field or other parts of the stadium.
- Ability of attendees to conveniently attend a major league sporting event.
- Providing stadium tours, including any pro-shop, display or other spaces.
- Providing an opportunity to attract conventions and conference events that have a sports orientation.
- Use of convention center space to host functions associated with tournaments and other such events that use the stadium.
- There may be demand for Center space from the ball club in terms of fan festivals and banquets throughout the season.



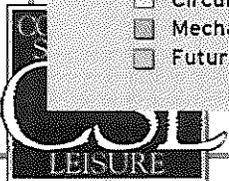
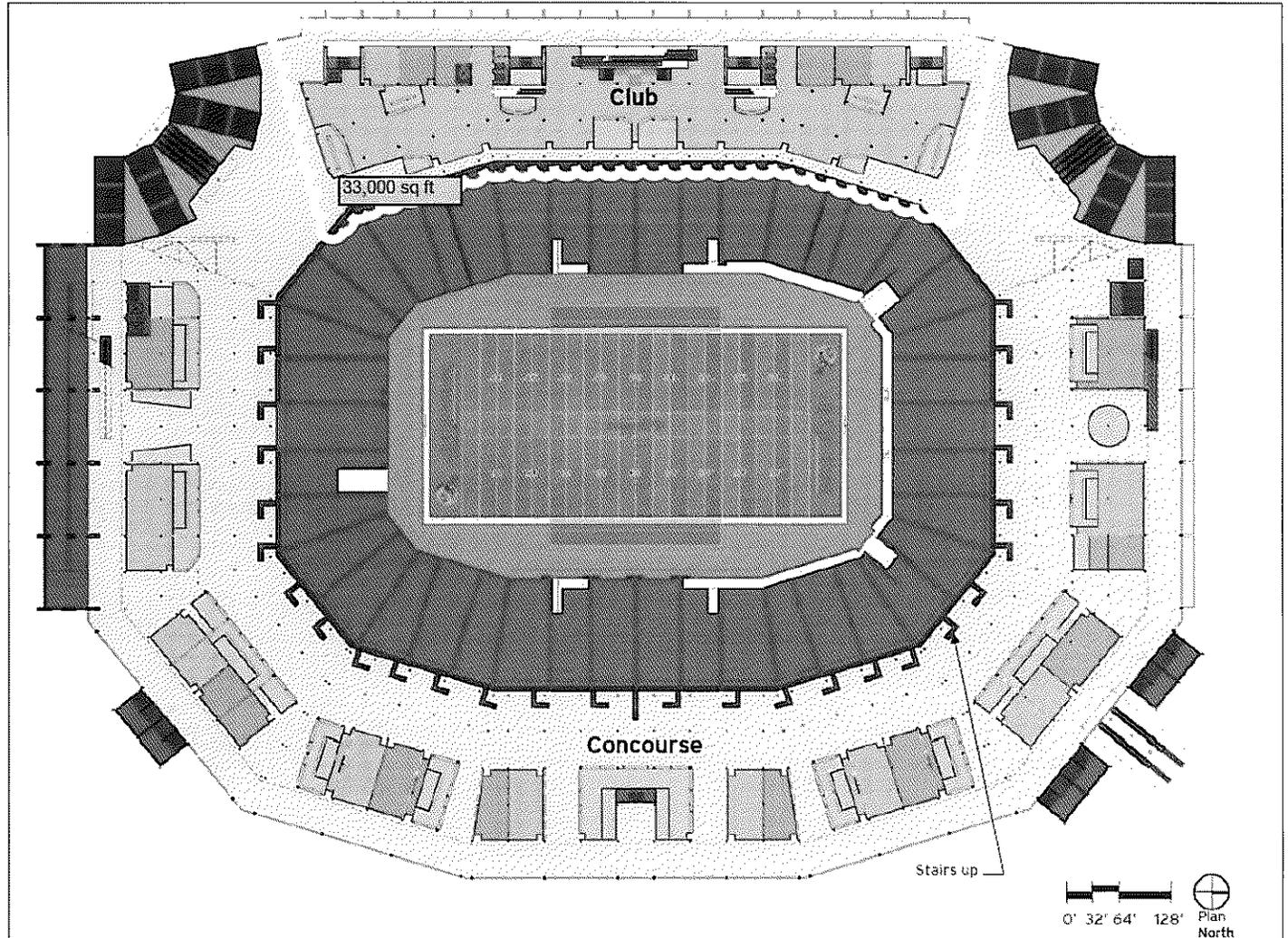
Typical NFL Stadium Event Space Examples

Main Concourse Club Plan



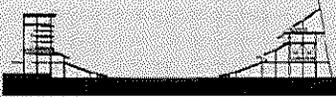
Legend

- Club Space
- Suites
- Writing Press
- Operations
- TV / Broadcast
- Restroom - Men
- Restroom - Women
- Auxiliary Lockers
- Team Lockers
- Support
- Turf Management
- Concessions
- Retail
- Vertical Circulation
- Circulation
- Mechanical
- Future Development



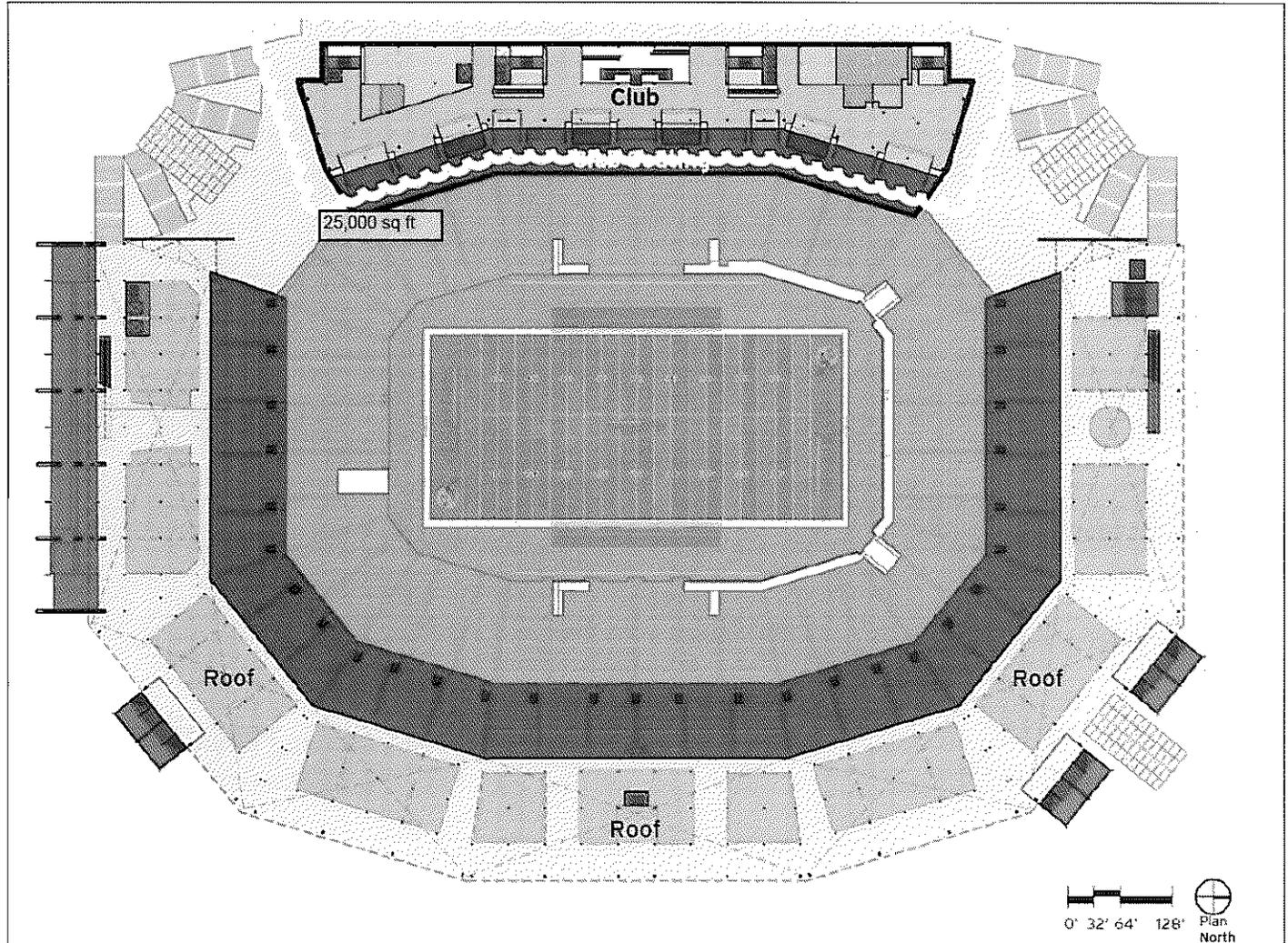
Typical NFL Stadium Event Space Examples

Club Level 2



Legend

- Club Space
- Suites
- Writing Press
- Operations
- TV / Broadcast
- Restroom - Men
- Restroom - Women
- Auxiliary Lockers
- Team Lockers
- Support
- Turf Management
- Concessions
- Retail
- Vertical Circulation
- Circulation
- Mechanical
- Future Development

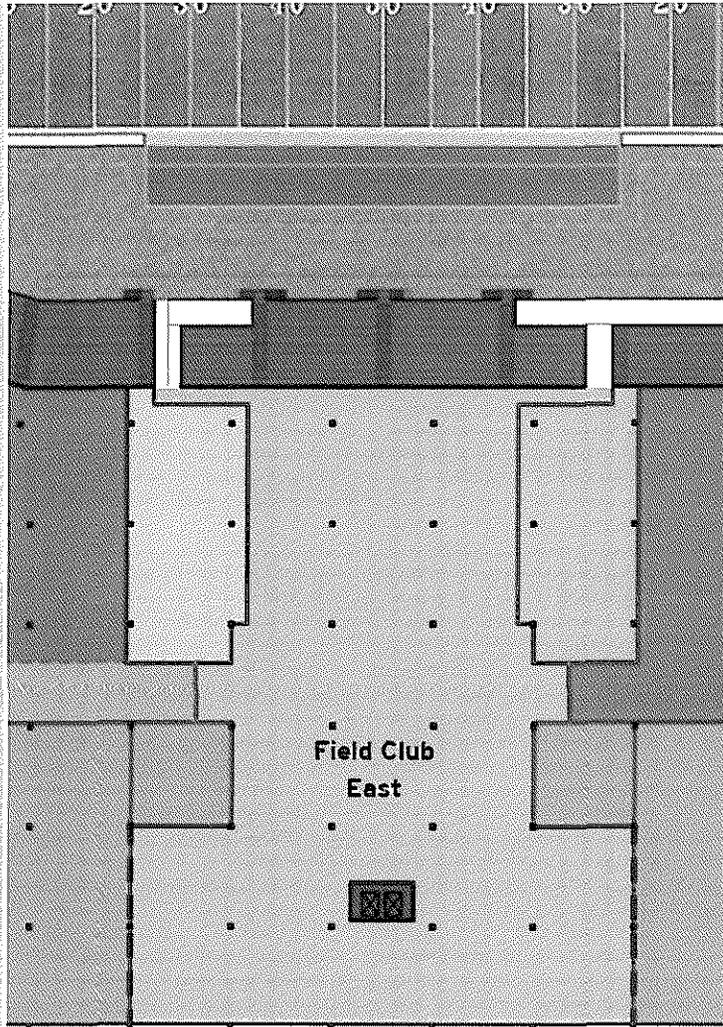


Typical NFL Stadium Event Space Examples

East Field Level Club

Legend

- Club Space
- Suites
- Writing Press
- Operations
- TV / Broadcast
- Restroom - Men
- Restroom - Women
- Auxiliary Lockers
- Team Lockers
- Support
- Turf Management
- Concessions
- Retail
- Vertical Circulation
- Circulation
- Mechanical
- Future Development



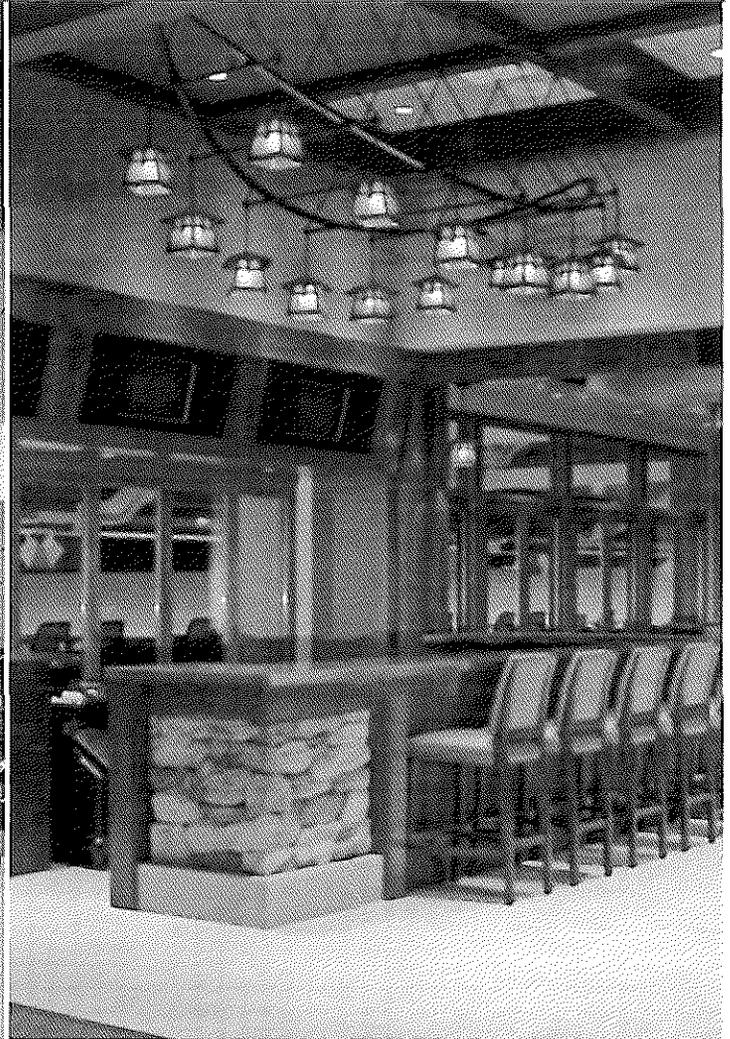
Typical NFL Stadium Event Space Examples

Club
Examples

Main Concourse
Club

Purdue University

Oregon State
University



Market Demand Analysis



Interviewed Current, Past and Potential SCCC Users

Accenture, Ltd
American Association of State Highway & Transportation Officials
American Philatelic Society
Apostolic Assembly of the Faith in Christ Jesus
Army National Guard
Association of Biomolecular Resources Facilities
Association of Non-Woven Fabrics
Autism Education Network
Bench Media
BoardSource
California Association for Health, Physical Education, Recreation & Dance
California Association for Institutional Research
California Association of College Stores
California Department of Education
California Narcotics Officers Association
California Public Employees' Retirement System
California Women, Infants and Children Association
CMP Media
Conference ConCepts, Incorporated
Department of Defense
Fresh Produce and Floral Council
Health Occupations Students of America
Hematology Oncology Pharmacy Association
IEEE/International Test Conference (ITC)
Indian Institute of Science
Information Today
Intel

International Disk Drive Equipment and Materials Association
Juniper Networks Inc. / David Green Organization
Knit & Crochet Show
Koelnmesse
Mar Thoma Church
McDonald's Corporation
Multimedia Educational Resource for Learning and Online Teaching
Network World
North American Serials Interest Group, Incorporated
nutraMetrix Advanced Nutraceuticals
Pacific International Quilt Festival
PTC/User, Incorporated
Reliv
S A T Meetings & Conventions
Society for Imaging, Science & Technology
Sports Turf Managers Association
Stitches Needlework Fair & Consumer Market
T'ai Chi Chih
Taking Control of Your Diabetes
The Darnell Group
The eLearning Guild
Third Door Media
United States Psychiatric Rehabilitation Association
Victorial Principals Association
Vital Technical Marketing
WOW Events - Equity Happens



Survey Questions – Current, Past and Potential SCCC Users

Following several introductory questions, Current, Past and Potential SCCC users were asked the following questions:

- What are your impressions of the existing SCCC product and its ability to successfully accommodate your event(s)?
 - If they have NOT been to Santa Clara for an event previously, respondents were asked to identify some of the specific reasons for not having brought an event to the SCCC in the past.
- Typical new NFL stadium amenities include club lounges, luxury suites and other meeting rooms for breakout and banquet events, an opportunity to hold on field events and event space for large general sessions, opening/closing ceremonies, concerts and other such uses. Examples of these spaces were outlined previously in the report.
 - If an NFL stadium is built adjacent to the SCCC, do you envision utilizing the stadium for a portion of your event?
 - If so, how would you envision utilizing the stadium?
 - What types of functions would you hold?
 - What portions of the stadium would you utilize?
- Does the availability of these amenities increase the potential that you would book the SCCC for future events?
- What is the average delegate and exhibitor attendance for this event(s)?
- In what month (or months) is your event generally held?
- What are your overall impressions of Santa Clara as a potential host market and location for your events? Would the incorporation of an NFL stadium affect that perception? If so, how?

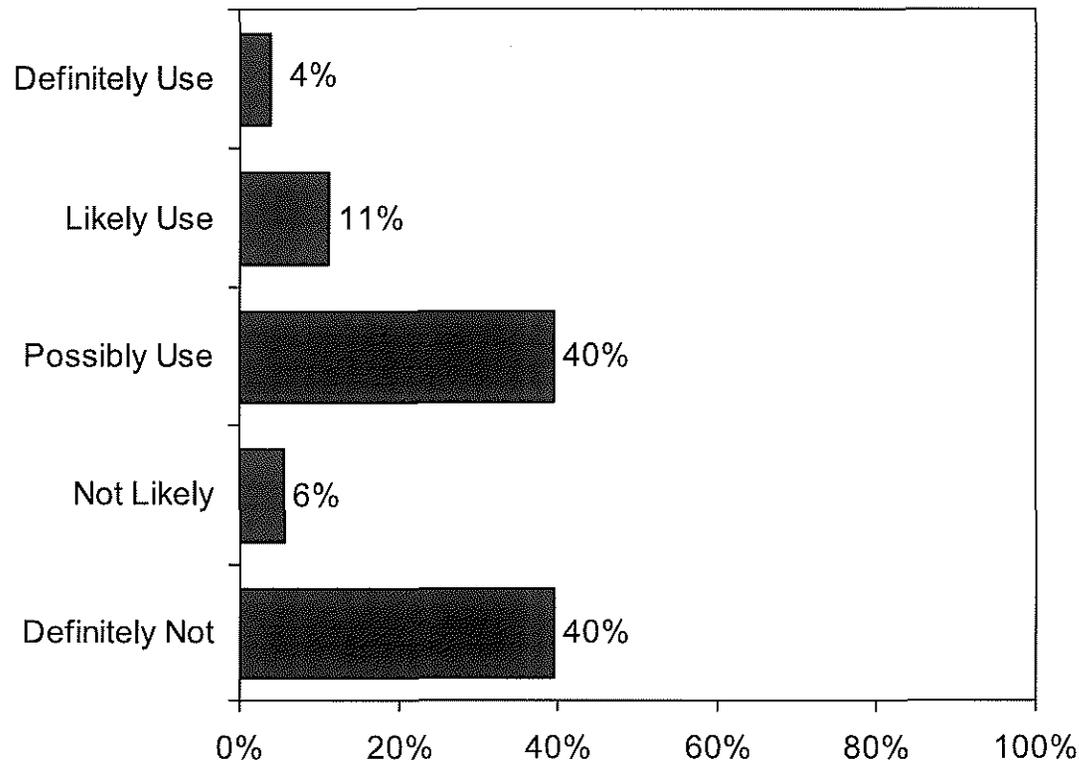


Impressions and Suggestions for Improvement – Current, Past and Potential SCCC Users

- "It's very nice, but the market has challenges with hotel package."
- "It is very convenient, but there is not much to do outside of the convention center."
- "The space is there but the hotel rooms are not."
- "There are no local food establishments within walking distance, and it gets expensive trying to feed people."
- "We have not been there in a long time. It could be a reasonable contender, but it's not a place that most clients say 'oh let's go there'. If you show people the value of the area, event planners and delegates may become more interested."
- "The exhibit hall configuration is a challenge due to its L-shape design."
- "It's okay, but we're not crazy about the way it the exhibit halls are laid out, but we liked everything else. Having stadium would really enhance the experience."
- "We like San Francisco downtown, as it has more of a draw."



Likelihood of Utilizing Event Space Within a Proposed 49ers Stadium – Current, Past and Potential Users

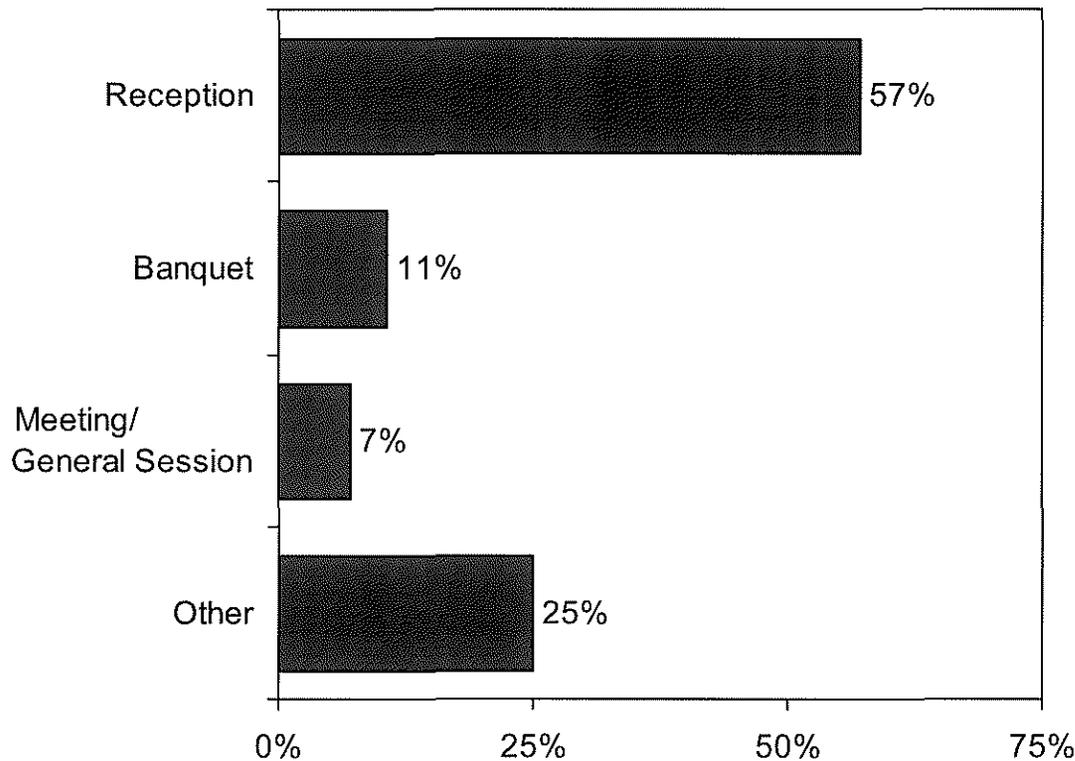


- Fifty-three past, current and potential users of the SCCC were surveyed as part of this study. Event planners were asked whether or not they would use Stadium space as a function for an event held at the SCCC.
- Forty percent responded “possibly” to the question, with 11 percent and 4 percent responding “likely” or “definitely”, respectively.
- In estimating added Stadium event days associated with events being held at the SCCC, we assume that 25 percent of respondents indicating they would “possibly use” stadium event space, 50 percent of respondents indicating they would “likely use” stadium event space and 80 percent of respondents indicating they would “definitely use” stadium event space would actually do so.
- Applying these capture percentages to the survey results provides an indication that 15 to 20 percent of planners (and/or exhibitors at their events) would actually use the Stadium for an event function.



Note: Data represented includes all organizations interviewed.
Note: Data does not add to 100 percent due to rounding.
Source: CSL Interviews, 2008

Utilization of Space at the Proposed 49ers Stadium – Current, Past and Potential Users



- Receptions tend to generate larger attendance levels in the 400 to 600 person range. Banquets are smaller events with relatively limited attendance levels.
- Approximately 57 percent of respondents indicated a potential interest in hosting a reception (such as an opening night celebration) within the event space available at a new 49ers stadium.
- Respondents generally indicated that the novelty and attractiveness of hosting a portion of their event in the stadium could potentially attract more attendees to their respective events.



Note: Data represented includes all organizations interviewed expressing a potential interest in utilizing event space at a proposed new 49ers stadium.

Source: CSL Interviews, 2008

Utilization of Space at the Proposed 49ers Stadium – Current, Past and Potential Users

Specific stadium uses included:

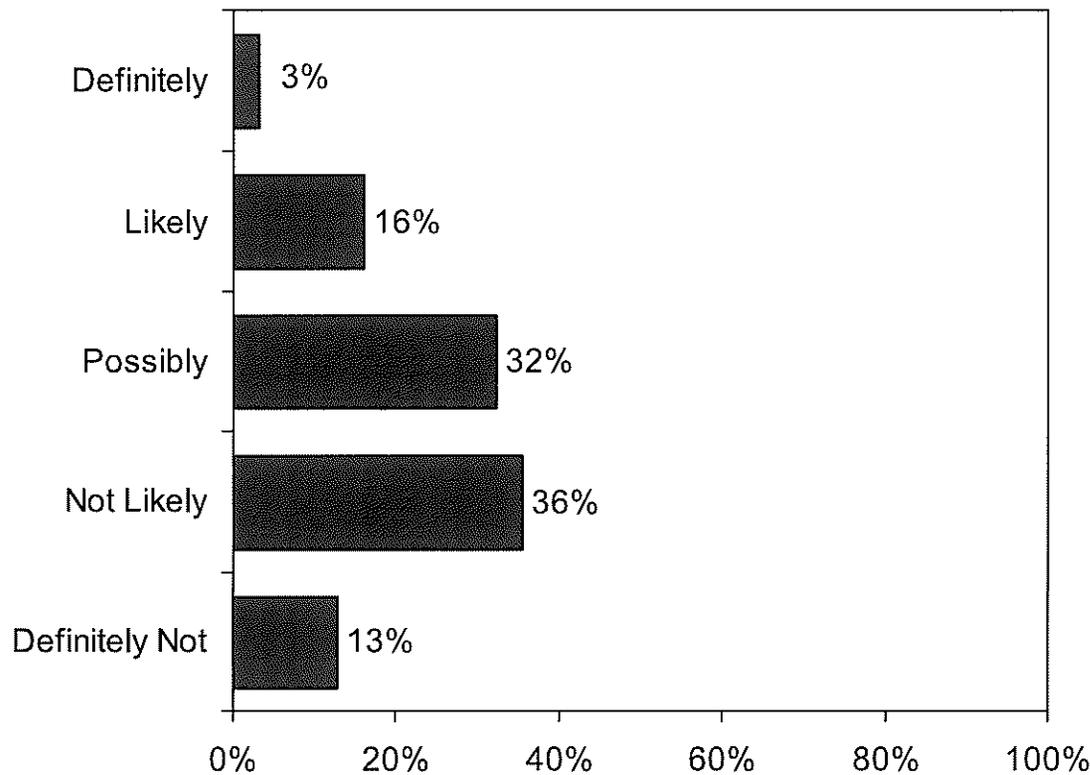
- "We would probably do a special event there such as a trivia contest."
- "We would likely host our opening reception for 600 people."
- "It would be for an exhibitor event such as a reception or party. It would be in the club lounge or a meeting room; not on the field."
- "Probably for after-hours events like a reception."
- "We would not use it for meeting space. Maybe for social functions."
- "We could use it for a team dinner or another team building event."



Note: Data represented includes all organizations interviewed expressing a potential interest in utilizing event space at a proposed new 49ers stadium.

Source: CSL Interviews, 2008

Potential to Increase Frequency of Convention Center Use with the Inclusion of the Proposed New 49ers Stadium – Current, Past and Potential Users



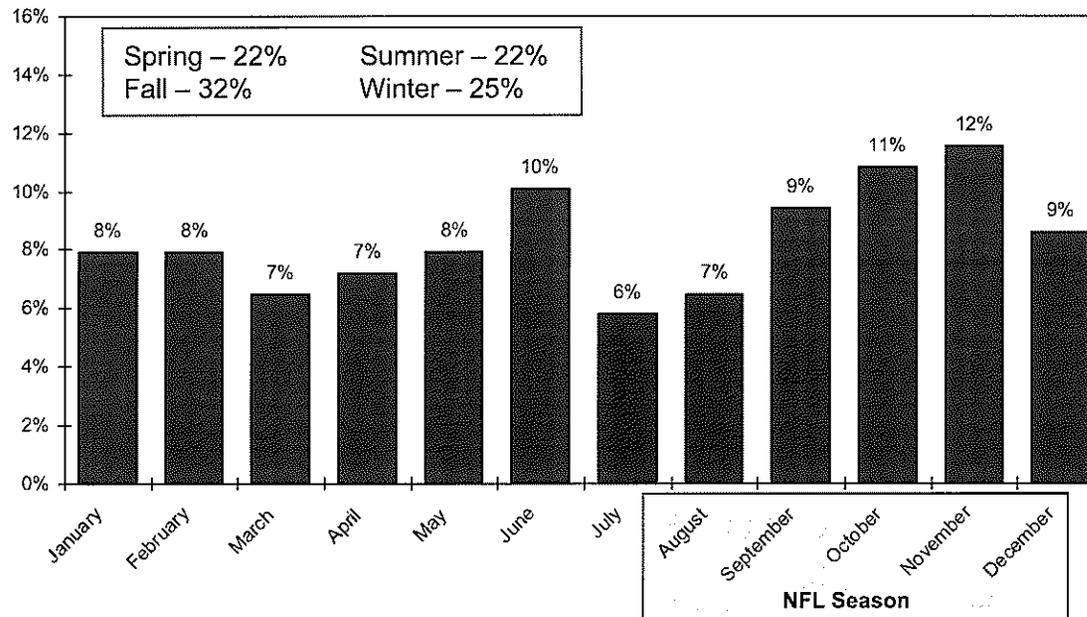
- Thirty-two percent of those surveyed stated that they would “possibly” increase the frequency of their SCCC use due to the existence of the proposed Stadium. Similarly, 19 percent and three percent stated that they would “likely” or “definitely” increase their SCCC use due to the Stadium, respectively.
- Certainly not all of these planners would in reality increase SCCC usage. To help estimate potential added SCCC events due to stadium availability, we assume that 10 percent of “possible” respondents, 25 percent of “likely” respondents and 75 percent of “definitely” respondents would actually increase their SCCC usage.
- Applying these capture percentages to the survey results, we estimate that approximately 8 to 10 percent of planners would actually follow through on increased SCCC use.
- The average current, past or potential event surveyed with an interest in the SCCC attracts approximately 2,800 delegates and 200 exhibitors.



Note: Data represented includes all organizations interviewed expressing a potential interest in utilizing event space at the SCCC and/or the proposed new 49ers stadium.

Source: CSL Interviews, 2008

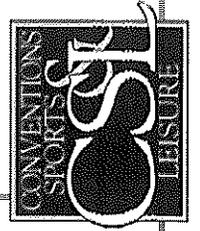
Seasonal Preference by Month – Current, Past and Potential Users



- Seasonal preference follows a pattern somewhat standard in the industry, specifically with regard to the strong demand in the fall months.
- Demand remains strong throughout the summer and winter months as well, when national event demand tends to decrease slightly throughout the rest of the country.
- Meeting and event planners cited some potential benefits and drawbacks to a potential new 49ers stadium relative to the timing of their event:
 - Hosting an event during the NFL season provides an opportunity for event attendees to see a game or participate in other 49ers related functions.
 - Events typically held over a fall weekend will experience increased traffic levels or a lack of available event space at the stadium. The lack of parking for convention center events during NFL games will make it difficult to book SCCC events on these days.
 - Most non-local conventions and tradeshow occur during weekdays and the 49ers can request road games for specific weekends that may cause issues with large, recurring events.



Note: Data represented includes all organizations interviewed expressing a potential interest in utilizing event space at the SCCC and/or the proposed new 49ers stadium.
 Note: Data does not add to 100 percent due to rounding.
 Source: CSL Interviews, 2008



Event Levels Analysis

Historical Santa Clara Convention Center Event Characteristics – Exhibit Space Event Levels Analysis

	<u>Three-Year Average</u>	<u>Five-Year Average</u>
Number of Events		
Convention/Tradeshow	64	57
Public/Consumer Show	18	19
Meeting/Banquet	62	61
Total	144	137
Event Days		
Convention/Tradeshow	179	162
Public/Consumer Show	32	36
Meeting/Banquet	77	76
Total	287	274
Total Attendee Days		
Convention/Tradeshow	326,000	289,030
Public/Consumer Show	83,470	140,760
Meeting/Banquet	84,060	83,508
Total	493,530	513,300
Per Event Attendee Days		
Convention/Tradeshow	1,820	1,790
Public/Consumer Show	2,640	3,870
Meeting/Banquet	1,090	1,100
Average	1,720	1,870

Source: CSL International, Santa Clara Convention Center, 2008

- The SCCC has averaged 137 total exhibit space events over the past five years and 144 total exhibit space events over the past three years, approximately 44 percent of which are convention or tradeshow events.
- The incorporation of the new ballroom is expected to encourage a significant number of meeting/banquet events to shift their location from exhibit halls to the ballroom, opening up additional dates for conventions, tradeshows and public/consumer show events.
- The number of annual event days accommodated in the SCCC exhibit space has also been increasing recently, as the SCCC has averaged 274 annual event days over the past five years and 287 over the past three years.
- Average annual number of attendee days has decreased slightly, as the five year average is approximately 513,300 annual attendee days (exhibit space use only) while the three year average is just 493,530 annual attendee days. However, convention and tradeshow event attendee days has increased significantly, as the five year average is 289,030 convention or tradeshow event attendee days and the three year average is 326,000 attendee days.
- Per event attendee day average has decreased as the five year average per event attendance is 6,760 and the three year average is approximately 5,550 per event. This is largely due to a decline in public and consumer show event attendee days from a five year average of 1,525 attendee days to a three year average of 1,110 attendee days.



Potential Added Santa Clara Event Activity Resulting from the Construction of a New 49ers Stadium – Event Levels Analysis

	Average Attendance Data		Origination of Attendees and Hotel Use Data		Projected Added SCCC Activity			Projected Added Stadium Activity			Total Added Event Activity		
	SCCC Events (1)	Stadium Events (2)	% Non-Local	% Non-Local with Hotel Stay	Event Days (1)	Attendee Days	Room Nights (2)	Event Days (3)	Attendee Days	Room Nights	Event Days	Attendee Days	Room Nights
Convention/Tradeshow	1,820	N/A	60%	70%	12	21,840	9,170	0	-	-	12	21,840	9,170
Meeting/Banquet	1,090	350	15%	70%	8	8,720	920	80	28,000	2,940	88	36,720	3,860
Total					20	30,560	10,090	80	28,000	2,940	100	58,560	13,030

(1) Based on historical SCCC averages.

(2) Based on SCCC data adjusted for space levels at the new stadium.

Note: Future estimates reflect a stabilized year of operations.

Note: Projected added stadium event activity is in addition to projected impacts of non-tenant event levels projected in CSL study of April 2007.

- 1) There are two primary approaches used as part of this study to calculate added event day estimates: 1) method where by survey results are applied to estimate potential added SCCC use due to the stadium, and 2) data including survey results, past CSL experience and comparable facility operations are used in a more general sense to characterize event day potential.
- 2) It is estimated that approximately 60 percent of convention and tradeshow attendees and 15 percent of meeting or banquet event attendees will come from outside the Santa Clara market. Approximately 70 percent of non-local attendees per attendee day are estimated to require an overnight hotel stay. The application of this calculation is demonstrated below for the Convention/Tradeshow category:

The 1,820 average number of attendee days per convention/tradeshow event day times 12 projected incremental convention/tradeshow event days equals 21,840 attendee days. 21,840 attendee days times 60 percent that are non-local times 70 percent of non-local attendees that use hotels equals 9,170 added room nights.
- 3) We estimate that a new 49ers stadium could attract 80 meeting/banquet event days. These event days are estimated to add approximately 28,000 new attendee days and nearly 3,400 additional room nights. These estimates are based on comparable stadium data. Event planner survey research indicates that 25 to 30 percent of added stadium event day activity would originate from events held at the SCCC.



Potential Added SCCC Net Revenue Resulting from the Construction of a New 49ers Stadium – Event Levels Analysis

	Two-Year Average Net SCCC Revenue Per Event Day	Projected Added SCCC Event Days	Projected Added SCCC Net Revenue
Convention/Tradeshow	\$8,580	12	\$102,960
Meeting/Banquet	\$6,780	8	54,240
Total		20	\$157,200

Note: Future estimates reflect a stabilized year of operations.

- Based on historical SCCC operations, it is estimated that convention and tradeshow events generate approximately \$8,580 per event day in net revenue while meetings and banquets generate approximately \$6,780 per event day.
- Total projected incremental net event revenue for SCCC events is approximately \$157,200 annually based on an estimated 12 incremental convention/tradeshow event days and 8 incremental meeting/banquet event days.



Potential Added Net Stadium Revenue Resulting from Reception, Meeting, Banquet and Other Event Activity – Event Levels Analysis

	<u>Estimated Per-Attendee Net Revenue (1)</u>	<u>Projected Per Event Attendance</u>	<u>Projected Added Stadium Event Days</u>	<u>Projected Added Stadium Net Revenue</u>
Convention/Tradeshow	N/A	N/A	N/A	\$0
Meeting/Banquet	\$17.50	350	80	490,000
Total				\$490,000

(1) Based on per capita SCCC F&B forecasts in 2003 Cini-Little study, adjusted for total potential revenue generation in a new 49ers stadium, with an estimated Stadium F&B margin of 40 percent.

Note: Future estimates reflect a stabilized year of operations.

- The 2003 Cini-Little study estimated that SCCC F&B spending approximates \$35 per capita. It is assumed that Stadium profit margins will approximate 40 percent, and that F&B represents approximately 80 percent of total per capita revenue generation for potential Stadium events. Therefore, net Stadium revenue is estimated at approximately \$17.50 per attendee.
- It is estimated that the average Stadium event will attract approximately 350 attendees based on the size of available Stadium event space and space configuration.
- Projected incremental net revenue for receptions, meetings, banquets, general sessions and other events held at the Stadium is approximately \$490,000 annually.



Potential Added TOT Tax Revenue Resulting from the Construction of a New 49ers Stadium – Event Levels Analysis

	<u>Proj. Added Room Nights</u>	<u>Total Projected Added Hotel Revenue</u>	<u>Total Proj. Incremental TOT Tax Revenue</u>
Convention/Tradeshaw	9,170	\$1,302,100	\$123,700
Meetings/Banquets	3,860	548,100	52,070
Total	13,030	\$1,850,200	\$175,770

Note: Future estimates reflect a stablized year of operations.

Note: Projected added Hotel Revenue based on Santa Clara average daily hotel rate data for hotels proximate to the SCCC of \$142.

Note: Projected incremental TOT tax revenue based on a 9.5 percent hotel/motel tax rate.

- Based on an average daily hotel rate of \$142 per room night at Santa Clara hotels, the estimated 13,030 added annual room nights generated by incremental events being hosted at the SCCC or the Stadium is estimated to generate approximately \$1.85 million in incremental hotel revenue.
- Based on a 9.5 percent transient occupancy tax rate on hotel night stays in Santa Clara, this incremental hotel revenue would generate approximately \$175,770 annually in TOT revenue.



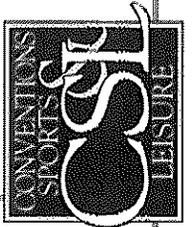
Potential Added Revenue Resulting from the Construction of a New 49ers Stadium – Event Levels Analysis

	Projected Added SCCC Net Revenue	Projected Added Stadium Net Revenue	Total Proj. Incremental TOT Tax Revenue
Convention/Tradeshow	\$102,960	\$0	\$123,700
Meeting/Banquet	54,240	490,000	52,070
Total	\$157,200	\$490,000	\$175,770

Note: Future estimates reflect a stabilized year of operations.

- **It is estimated that the construction of a new 49ers stadium would result in:**
 - **An estimated increase of \$157,200 in annual net revenue due to incremental events held at the SCCC.**
 - **Approximately \$490,000 in revenue at the stadium due to meeting/banquet events.**
 - **Approximately \$175,770 in annual TOT tax revenue collected by the City of Santa Clara as a result of the added room nights generated by events held at one or both of these venues.**





Appendix

Competitive and Comparable Facilities and Markets – Development Potential for Surrounding Convention Center/Stadium Area (Case studies presented in Appendix)

Development Potential for Surrounding Area

- The area surrounding the SCCC is predominantly office space and housing with few options for evening entertainment. Additionally, SCCVB representatives indicated that the relative lack of hotel rooms proximate to the SCCC detracts from the overall appeal to some groups with an interest in Santa Clara. Previous attempts to attract hotel or other visitor amenity developers to the market have been unsuccessful.
- Markets such as Glendale, AZ, Foxborough, MA and Arlington, TX have recently constructed or renovated an NFL stadium and are developing or in the process of creating new mixed-use developments that, according to local representatives, likely would not have been constructed without the presence of a professional sports venue.
- Past Santa Clara market studies suggest that the local population base alone is not large enough to support the development of added retail and entertainment options that could potentially impact the ability of the SCCC to attract more and larger non-local events.
- Experiences of comparable markets reviewed suggest that a new 49ers stadium could potentially supply some element of the demand necessary to encourage mixed-use development proximate to the SCCC to support the needs of the local convention and visitor industry.



Comparable Markets with Professional Sports Venue(s) Adjacent to Convention Facilities

Market	Convention Facility	Professional Sports Venue(s) (Team)	League
Baltimore, MD	Baltimore Convention Center	M&T Bank Stadium (Baltimore Ravens) Oriole Park at Camden Yards (Baltimore Orioles)	NFL MLB
Houston, TX	George R. Brown Convention Center	Minute Maid Park (Houston Astros)	MLB
Green Bay, WI	KI Convention Center	Lambeau Field (Green Bay Packers)	NFL
San Diego, CA	San Diego Convention Center	Petco Park (San Diego Padres)	MLB
Atlanta, GA	Georgia World Congress Center	Georgia Dome (Atlanta Falcons)	NFL
Indianapolis, IN	Indiana Convention Center	RCA Dome (Indianapolis Colts)	NFL

Comparable Markets with Professional Sports Venue(s) Adjacent to Convention Facilities

Baltimore, Maryland

Baltimore Convention Center, M&T Bank Stadium and Oriole Park at Camden Yards

The Baltimore Convention Center (“BCC”) offers approximately 407,200 square feet of total sellable space and is located between Oriole Park at Camden Yards (“Camden Yards”), home of MLB’s Baltimore Orioles, and Baltimore’s Inner Harbor. In 1998, M&T Bank Stadium (“Stadium”) opened as the home field of the NFL’s Baltimore Ravens just to the south of Camden Yards. Various operating and marketing synergies are summarized below:

- Many meeting and event planners like to hold supplementary events outside of the primary convention facility. Camden Yards and the Stadium provide venues in which to offer meeting and event space.
- Aside from the BCC, Baltimore does not have any other event venues that can hold more than 2,000 people. The Stadium field provides a venue for events of this size or more.
- One single catering company (ARAMARK) is responsible for catering services at all three facilities. As such, they help market the opportunity to hold events and/or parts of events in all three venues.



Comparable Markets with Professional Sports Venue(s) Adjacent to Convention Facilities

Houston, Texas

George R. Brown Convention Center and Minute Maid Park

Offering more than 1.0 million square feet of total sellable space, the George R. Brown Convention Center is the primary convention facility in Houston. It is located just a few blocks from Minute Maid Park ("Park"), home of MLB's Houston Astros. Various operating and marketing synergies are summarized below:

- It can be difficult to host large assemblies on exhibit hall floors. The outfield at the Park and the club level provides a great venue for these types of events.
- Meeting and event planners often rent out large party suites or buy large blocks of tickets to entertain their attendees at Astros games.
- Party rooms and suites offer unique meeting venues. These rooms are also utilized when meeting space at the convention center is not available.



Comparable Markets with Professional Sports Venue(s) Adjacent to Convention Facilities

Green Bay, Wisconsin

KI Convention Center and Lambeau Field

The KI Convention Center (“KI Center”) offers approximately 39,500 square feet of total sellable space and is located near Lambeau Field (“Lambeau”), home of the Green Bay Packers. Discussions with Packer Country Visitor and Convention Bureau (“PCVCB”) staff indicated that specific benefits exist that assist the PCVCB in selling the KI Center to out-of-town groups. Various operating and marketing synergies are summarized below:

- Meeting and event planners have the ability to tie in tours of Lambeau and some of its attractions to entertain their attendees. Lambeau offers the Packer Hall of Fame, a stadium retail store and private catered functions in the Club Lounge.
- Such a significant number of events include Lambeau on their itineraries that the KI Center and the PCVCB have ensured that shuttling is available to transport groups to and from the stadium.

Comparable Markets with Professional Sports Venue(s) Adjacent to Convention Facilities

San Diego, California

San Diego Convention Center and Petco Park

Based on discussions with San Diego Convention and Visitors Bureau (“SDCVB”) staff, the key elements in selling the Convention Center include the year-round favorable climate enjoyed in San Diego, a state-of-the-art convention facility, a significant base of hotel properties proximate to the SDCC and the nearby entertainment options available throughout the Gaslamp Quarter. The existence of Petco Park adjacent to the Center was not seen as critical as these other factors, however SDCVB representatives indicated that there were some specific benefits associated with the ballpark being adjacent to the SDCC, such as:

- Large national conventions have occasionally utilized Petco for large opening and/or closing events.
- SDCVB and/or SDCC representatives occasionally utilize suites at Petco to entertain meeting and event planners that could potentially bring one or more future events to the SDCC.
- A large national convention used Petco to screen a movie for all of their attendees.



Comparable Markets with Professional Sports Venue(s) Adjacent to Convention Facilities

Atlanta, Georgia

Georgia World Congress Center and Georgia Dome

Located in downtown Atlanta, the Georgia World Congress Center Authority ("Authority") includes the Georgia World Congress Center ("GWCC") with nearly 1.7 million square feet of total sellable space, the 71,250-seat Georgia Dome ("Dome") (which is located directly across the street from the GWCC), home to the NFL's Atlanta Falcons and the 21-acre Centennial Olympic Park. Although the Georgia Dome offers an enclosed environment, there are several operational and marketing synergies between the Dome and the Center that offer some insight into open air/convention center situations, as summarized below:

- The Southeastern Conference (of the National Collegiate Athletic Association) holds an annual tournament in the Dome for Men's basketball and the conference's annual championship game for football. The adjacent GWCC can house fan fairs, banquets and other related functions for these events, which would not be able to fit into a stadium.
- Currently, GWCC and Atlanta Convention and Visitors Bureau staff are beginning a marketing push attempting to promote the use of club and arena concourse areas as a venue for select exhibitors to showcase their product in an area larger and more inviting than on a typical exhibit hall floor.
- Each facility within the Authority has its own General Manager and sales staff; however, all three are governed by one Executive Director and the sales teams work together in attracting and managing events. This relationship helps to ensure that all three facilities work together in order to provide the greatest benefit to the downtown Atlanta area by ensuring that booking inefficiencies are avoided and that multiple groups have the ability to be accommodated at the same time.



Comparable Markets with Professional Sports Venue(s) Adjacent to Convention Facilities

Indianapolis, Indiana

Indiana Convention Center and Lucas Oil Stadium (previously RCA Dome)

In Fall 2008, Lucas Oil Stadium opened as the new home of the Indianapolis Colts next to their former home. Through the 2007 NFL season, the Colts played in the RCA Dome which was adjacent to the Indiana Convention Center (“ICC”). This configuration provided the ICC with the opportunity to utilize meeting and flat floor event space at the RCA Dome for large events. The new facility will remove the football stadium from the footprint of the convention facility and add a considerable amount of sellable convention space (approximately 294,400 square feet). Similar to the Georgia Dome in Atlanta, Lucas Oil Stadium and the RCA Dome are both domed facilities. However, there are certain synergies that benefit these venues that may be applicable in an open air situation. These include:

- The ICC and Indianapolis Convention and Visitors Association (“ICVA”) utilize suites for marketing of the ICC to out-of-town meeting and event planners. It provides a reason to get people into town and view the event space at the ICC.
- Staffing cleaning, security and other event personnel pull from the same pool of workers. It is not necessary to operate and train two separate sets of workers.

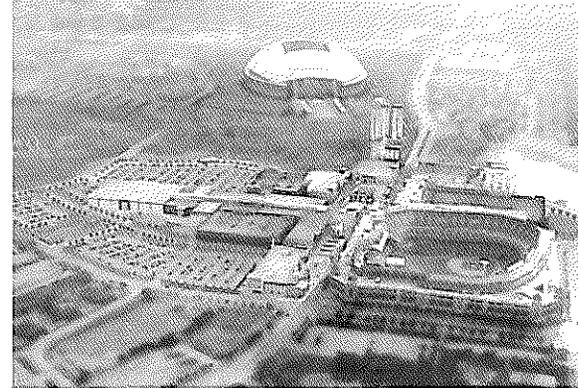


Economic Development in Comparable Markets Due to a New NFL Stadium

Arlington, Texas

New Dallas Cowboys Stadium and Surrounding Development

- Arlington Convention Center, Rangers Ballpark in Arlington, Six Flags Over Texas and new Dallas Cowboys Stadium all within walking distance.
- CVB has indicated that there is a disproportionate amount of convention center space relative to the local hotel inventory.
- New \$1.3 billion Dallas Cowboys Stadium scheduled to open Fall 2009.
- Numerous select-service hotel properties are currently in the process of being developed.
- Arlington Economic Development department representatives indicated that construction has begun to expand the Arlington Municipal Airport to account for expected increase in demand from high-end corporate travelers.
- Study currently being conducted to determine the feasibility of expanding the Sheraton Arlington Hotel; the headquarters hotel to the Arlington Convention Center.
- AED representatives expect number of events and attendees at events to increase significantly due to the presence of the new Stadium, the associated visitor amenities that are expected to be developed and the desire of people to visit this district.
- Viridian development to construct residential, office and retail space four miles north of Stadium. Project developers choose Arlington because of the City's ability to "get things done" with large developments such as theirs and the Stadium.

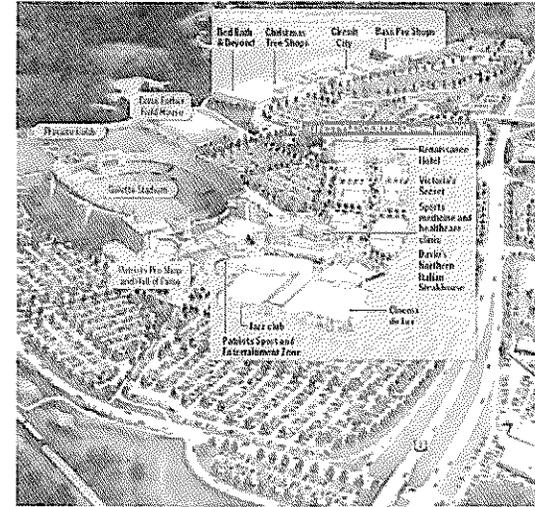


Economic Development in Comparable Markets Due to a New NFL Stadium

Foxborough, Massachusetts

Gillette Stadium and Patriot Place

- Gillette Stadium reopened in 2002 after an estimated \$325 million renovation. Construction began on the 350-acre Patriot Place development shortly thereafter.
- The first phase of Patriot Place opened November 2007, offering a 14-screen movie theater, retail stores, restaurants, a 500-seat jazz club and a 100,000-square foot medical center. An estimated 150-room Renaissance Hotel is expected to open in September 2009.
- Foxborough is largely a bedroom community and without the presence of the Stadium would be relatively non-descript. Development has been ongoing in communities around Foxborough on a much smaller scale, and without the presence of the Stadium City representatives suggest that significant demand would not exist for a mixed-use development of this size and scope.
- Being the host community of an NFL team has been a point of pride among Foxborough residents.
- Initial response from Foxborough residents suggests that people are pleased with the development. Developers continue to elicit feedback regarding future development options.



Economic Development in Comparable Markets Due to a New NFL Stadium

Glendale, Arizona

University of Phoenix Stadium and Westgate Development

- Westgate City Center is a mixed-use development offering retail, entertainment, commercial office and luxury residential space developed following the construction of the \$180 million Jobing.com Arena, which opened in late 2003.
- University of Phoenix Stadium opened in 2006. Shortly thereafter the 320-room Renaissance Glendale Hotel opened in 2007 to help accommodate Super Bowl XLII attendees and media members with approximately 46,200 square feet of meeting and event space and a 30,000-square foot Media Center.
- The Hotel/Conference Center and Stadium continue to benefit from each other with hotel representatives estimating that between four to ten annual events utilize event space at the Stadium in addition to event space used at the Hotel, while events such as an annual college football bowl game held at the stadium utilizes event space at the Hotel for banquets, rallies, meetings and other team and game related functions.
- A master plan developed prior to the start of construction calls for multiple phases of development to add nearly 1.5 million square feet of office space, five hotel properties, 800 residential units and additional retail and entertainment venues.

