

**Attachment 5
Preliminary Estimate of Return on Investment from Stadium Project
49ers Stadium Proposal in 2007 Dollars
Santa Clara, CA**

December 14, 2007

Estimates are Based on Preliminary / Conceptual Figures Provided by the San Francisco 49ers

	Est. Timing ⁽¹⁾	City of Santa Clara		Redevelopment Agency		Note
		Present Value ⁽²⁾	Annual Revenue	Present Value ⁽²⁾	Annual Revenue	
I. Revenue / Return						
1. Property Tax / Tax Increment from Stadium ⁽³⁾						Possessory interest taxes on stadium
a. Agency Tax Increment	2012 to 2026	N/A		\$10 M	\$1.3 M	Including housing fund revenues net of pass throughs
b. City General Fund						
1. RDA Pass Through to General Fund	2012 to 2026	\$1 M	\$0.06 M	N/A		Triggered by SB 211
2. General Fund	2027 to 2041	\$1 M	\$0.26 M	N/A		After RDA stops collecting TI in 2026
2. Stadium Authority Distribution to General Fund	2012 to 2041	\$24 M	variable	N/A		Based on 49er 30-yr projection adjusted by KMA
3. General Fund Sales Tax, TOT, VLF	2012 to 2041	\$12 M	\$0.65 M	N/A		Per CS&L as adjusted by KMA
4. (Less) Municipal Service Costs		\$0 M		N/A		Reimbursed by Stadium Authority. To date only public safety costs have been quantified.
<i>Total Revenues</i> ⁽⁴⁾		\$38 M		\$10 M		
			Nominal Dollars		Nominal Dollars	
II. Investment - Feasibility Study Funding Sources	2007 to 2012	\$19 M	\$20 M	\$100 M	\$116 M	City Investment = Substation; Excludes Hotel Mello-Roos funding.
III. Return on Investment - Feasibility Study Funding Sources		\$19 M		(\$90 M)		(\$71 M) for City + RDA combined

Notes:

- (1) Assumes the stadium opens for the 2012 season and operates through 2041 (proposed 30 year term of stadium lease to 49ers).
- (2) Revenues and expenses through the 30 - year lease term are converted to present value in 2007 for comparison purposes using a discount rate of 6%. Revenues were inflated at 3% per year except property taxes and tax increment inflated at 2% per year.
- (3) The amount of Possessory Interest Tax is an outstanding issue. The TI is reduced by approximately half after pass-throughs.
- (4) Revenues and expenses from one-time or periodic events (i.e. super bowl) and/or an incremental increase in development in the vicinity of the proposed stadium are difficult to predict and have not been included in the analysis.

Sources: San Francisco 49ers, City of Santa Clara, KMA