



QWEST FIELD AND EVENT CENTER



WASHINGTON STATE
PUBLIC STADIUM AUTHORITY



Presentation to Joint Task Force,
King County Local Financing
Options

October 1, 2008



Aerial view of Qwest Field looking North

Public Stadium Authority



Created by voters to oversee facility design, development and operations

- Public partner in an innovative public-private partnership with First & Goal Inc. approved to develop a stadium and event center
- Charged with implementing the Stadium Act passed by the Legislature and approved by the voters in 1997, and representing the interests of the public as the facility owner
- Governed by a seven member Board of Directors appointed by the Governor

First & Goal Inc.



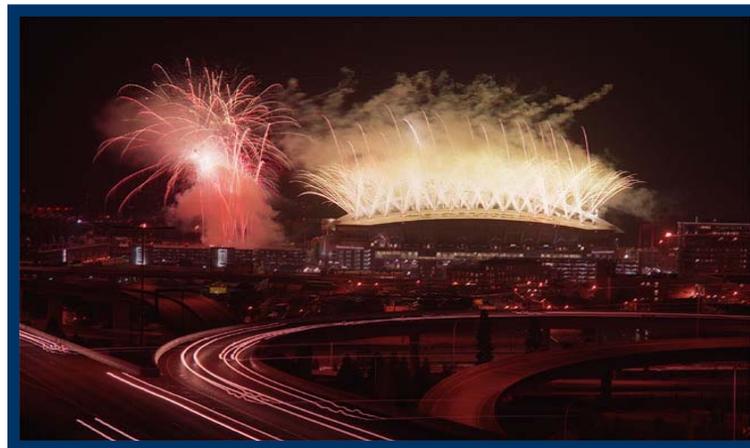
Project developer and master tenant of Qwest Field and Event Center

- Responsible for operating and maintaining the facility pursuant to a 30-year Master Lease Agreement with the Public Stadium Authority
- Affiliate of the Seattle Seahawks

Project Milestones



- Jun. 1997 – Statewide Referendum 48 passed
- Sep. 1998 – Event Center groundbreaking
- Oct. 1999 – Event Center opened
- Nov. 1999 – Stadium construction began
- Mar. 2000 – Kingdome imploded
- July 2002 – Stadium opened



Qwest Field and Event Center



- Hosts over 400 event days attracting 1.5 million customers annually
- Home of the Seattle Seahawks and future home of the Seattle Sounders FC
- Hosts consumer and trade shows, concerts, corporate meetings, graduations, other events



Public Benefits-Construction



- \$81 million in contracts with M/WBEs
- 19% apprentice and 25.4% women and minorities workforce participation rates
- \$10 million mitigation fund
- \$1.75 million public art program
- \$10 million youth athletic fields



Public Benefits-Today



- Over \$1.2 million to state's common school fund from 20% Event Center profit sharing
- Affordable priced seats and public lottery suite programs
- Neighborhood mitigation: Transportation Management Plan, post-event clean-up, stadium concessions opportunities, quarterly meetings with neighborhoods
- Naming rights proceeds dedicated to major maintenance and modernization of facilities

Project Financing



Construction Costs – \$430 million

- Event Center – \$44 million
- Parking Garage – \$26 million
- Football/Soccer Stadium – \$360 million

Public/Private Funding – \$430 million

- Public contribution capped at \$300 million

**Completed on budget and ahead of
schedule**

Project Financing



- Project financing plan was carefully developed by the State Treasurer's Office and OFM to allow issuance of tax-exempt bonds
- Stadium debt service from: sales tax credit-King County, state lottery, 2% hotel/motel tax, admissions and parking taxes
- Current admissions and parking taxes are levied below the 10% authorized by statute to preserve the tax exempt status

Project Financing



- Admissions and parking taxes were earmarked by the Legislature and approved by voters as dedicated funding sources to maintain and renew the stadium and event center after the stadium bonds are retired in 2021
- Tax rate automatically increases to 10% after bonds are paid off

Current Capital Program



- Investments are made annually to keep the facilities vibrant to attract new events including Major League Soccer, and concerts and corporate meetings through the development of the 5,000 seat WAMU Theater in the Event Center



Long Range Capital Needs



Estimate of Major Maintenance and Modernization Costs through 2029 (7 year increments)

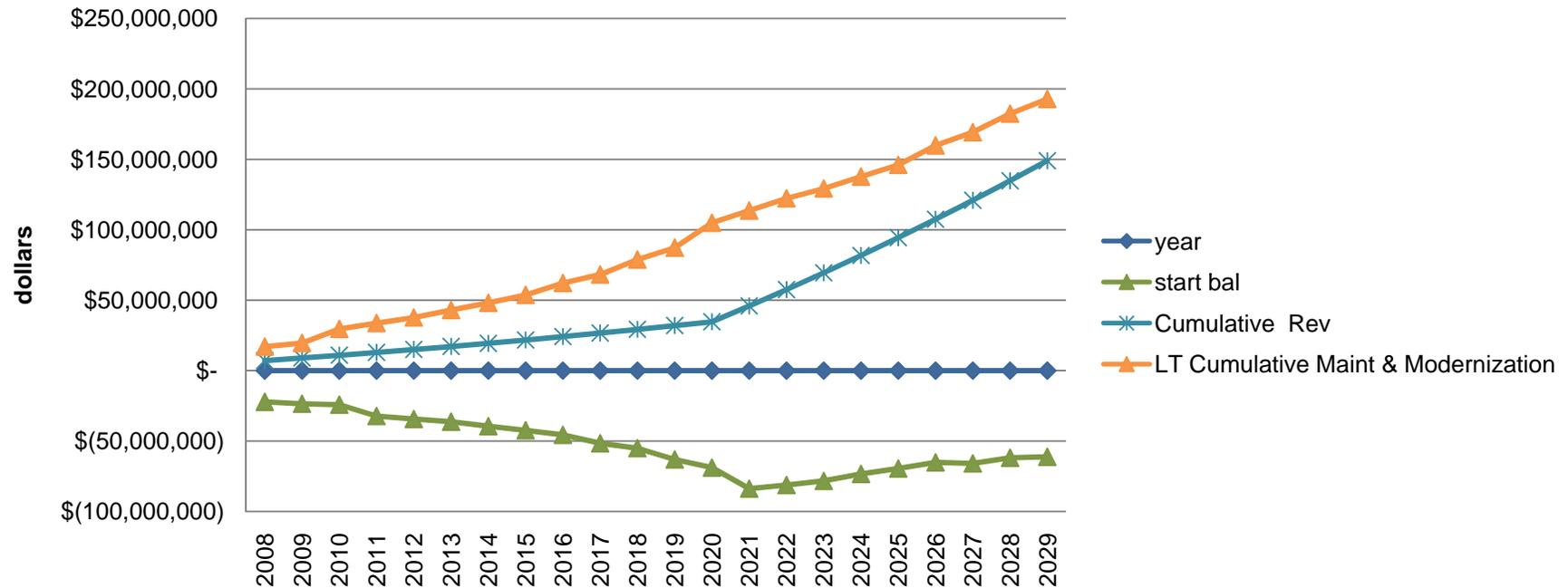
years	Pre 2008 amts	2008-2014	2015-2021	2022-2029
Estimated Cost/Cycle		34,321,011	65,519,952	79,179,497
Cumulative Costs	27,367,702	61,688,713	127,208,665	206,388,163

- Over \$27 million has been spent on major maintenance and capital improvements since opening in 2002
- Cost estimates expected to increase as facility ages
- Cumulative major maintenance and modernization costs projected at \$206 million through 2029
- Current capital funding sources are Naming Rights proceeds and private contributions

Long Range Capital Needs



Long Range Maintenance and Capital Revenue Projections

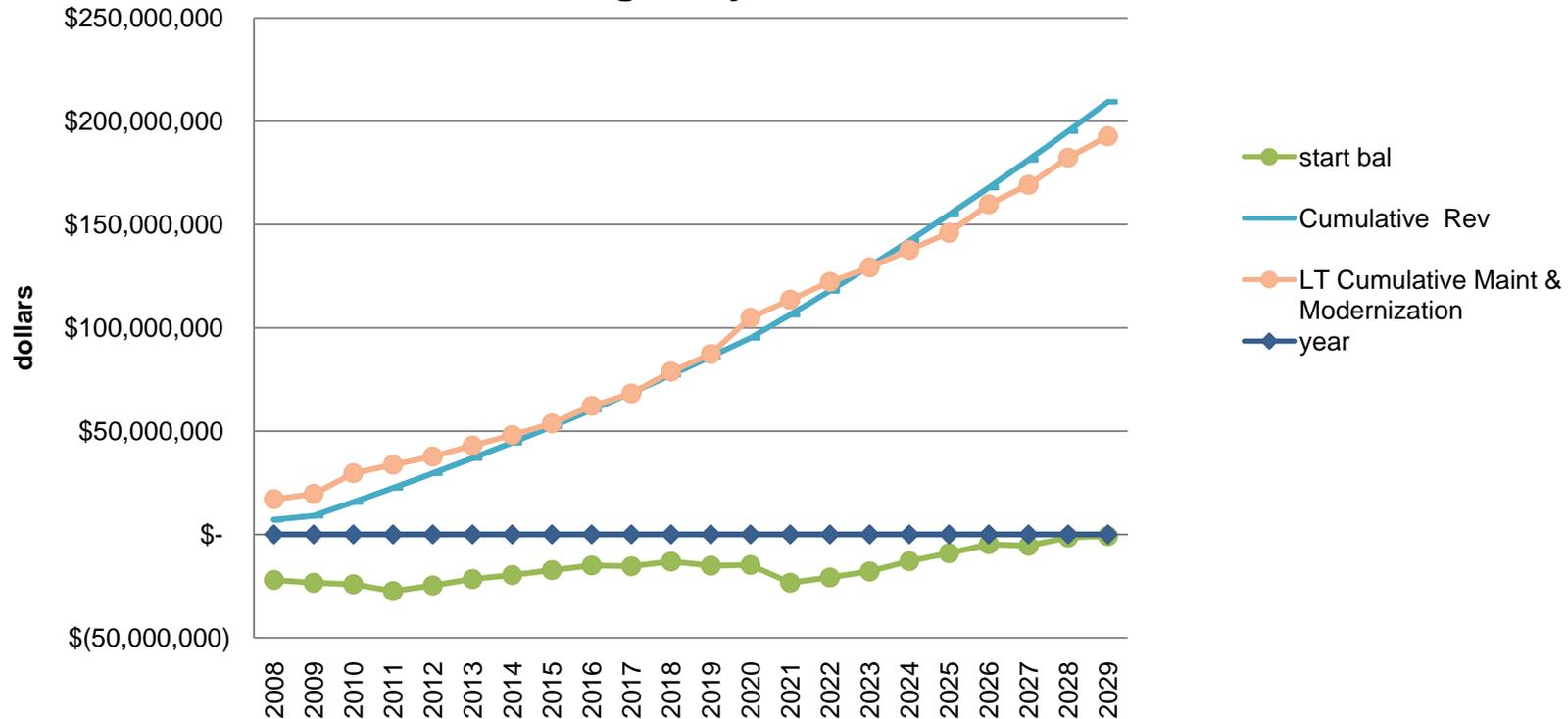


- Assumes full tax collection after bonds and 2nd Naming Rights agreement; cumulative revenue projection comes close to cumulative expense projection (blue and orange lines)
- Private partner out-of-pocket spending (green line)

Revised Projection



Revised Assuming Early Admissions Tax Increase



- Assumes admission tax increases to 10% starting 2010
- Early collection over 11 year period before scheduled increase estimated at \$60 million (gross amount)

Summary



- Maintaining and renewing Qwest Field and Event Center to keep it in first class condition is a priority for the PSA and First & Goal
- Reinvesting facility user fees (admissions and parking taxes) as contemplated in the Stadium Act is an appropriate mechanism to fund building maintenance
- Properly maintaining/renewing Qwest Field and Event Center will require significant capital investments due to the size of the facilities and complexity of its systems
- Projected maintenance and modernization costs exceed the projected revenues – even when admissions and parking taxes are levied at their maximum rate of 10% beginning in 2021

Qwest Field and Event Center

