Sacramento Entertainment and Sports Center

Northern California Institute of Transportation Engineers
ESC Ownership

- City owns
- Leased to ArenaCo
- Operated by ArenaCo
- Use agreement with Kings
ESC Lease

• Lease terms:
  – 35-year lease ($580M non-relocation agreement)
  – Two five-year extensions
  – $6.5M minimum rent
  – Rent escalator greater of 3% or CPI - 5% cap
  – Minimum of $18M at year 35
  – $390M minimum total payments over term
Development Budget

• $477 million

• Kings to cover cost overruns

• Includes:
  – Grand civic plaza
  – Arena
  – Practice facility and administrative offices
# Development Financing Sources

<table>
<thead>
<tr>
<th>Cash Sources for Development</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Cash Contribution</td>
<td></td>
</tr>
<tr>
<td>Public Finance</td>
<td>212,500,000</td>
</tr>
<tr>
<td>Parking Infrastructure Fund</td>
<td>5,630,010</td>
</tr>
<tr>
<td>MOPA Funds</td>
<td>5,000,000</td>
</tr>
<tr>
<td><strong>City Subtotal:</strong></td>
<td><strong>223,130,100</strong></td>
</tr>
<tr>
<td>SBH Cash Contribution</td>
<td></td>
</tr>
<tr>
<td>Debt and Equity</td>
<td>253,869,900</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$477,000,000</strong></td>
</tr>
</tbody>
</table>
City In-Kind

- Transfer of 8 City-owned properties valued at $32M
- Ground leases at City sites for up to 6 digital billboards
- SBH management and operation of Downtown Plaza garages
- 1,050 parking spaces in City garage under ESC

Other benefits:
- Development entitlements for up to 1.5 million sq. ft.
- Entitlements and ordinance change for digital billboards
- Entertainment sign district
SBH Contributions

• Annual lease payment with annual escalator
• State-of-the-art LEED Gold multi-purpose arena to City
• Grand public plaza
• ESC predevelopment expenses and cost overruns
• ESC and plaza maintenance, operating and capital repair risk
• Downtown Plaza parking maintenance, operations and repairs
• Reimbursement for event municipal expenses
• ESC public sector suite and tickets
• City use of ESC for 9 major/24 minor events per year
• 35-year non-relocation agreement
• Future reuse of entire Natomas site and other sites
Schedule

• May 20, 2014 – Council action
• Late June 2014 – Demo prep. work begins
• Late July 2014 – Simultaneous close of financing
• Late July 2014 – Demolition
• Nov. 2014 – GMP contract
• Nov. 2014 – Kings financing and construction
• Early 2015 – City’s financing
• Sept. 2016 – Construction complete
• Oct. 2016 – Grand opening