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ICON-Taylor Team Present Feasibility Study for new Entertainment and Sports Complex in Sacramento

New facility will bring over 4,000 jobs to the region, include significant expansion of civic amenities

Sacramento, CA -- Today Mayor Kevin Johnson and City Council received a feasibility study presentation from the ICON-Taylor group for a new entertainment and sports complex in Sacramento. Today's presentation was a comprehensive study that reviewed the design and practices of comparable cities to implement the proposal for a complex to be located in the downtown rail yards.

The ICON-Taylor presentation was lead by Tim Romani and David Taylor. Regional elected and business leaders, owners of the Sacramento Kings, NBA representatives, and fans were all in attendance in a full council chamber.

"This feasibility report is an amazing collaboration among truly the best in the business, all donating their talents to help build a world-class facility in Sacramento. When you study the details in this report, you get an excellent picture of the huge economic impact of this project. It's bigger than basketball. It's about jobs, economic development and creating a entertainment and sports complex for the entire region," said Mayor Johnson.

The presentation outlined key findings on:

- *Location feasibility:* The rail yards site offers the greatest potential to create jobs, and activate the downtown area. The rail yards location is preferred over the proposed site in Natomas.
- *Cost feasibility:* The new complex is projected to be completed by May of 2015 at an estimated cost of \$387MM. The proposed complex would include 1368 additional seats for NBA games as well as luxury and premium seats. The new facility would be able to accommodate top concerts, shows, and other events.
- *Financial Model feasibility:* The ability to fund the arena and ensure its ongoing financial viability. Included in the presentation was a list of potential public-private partnership options with the goal of securing total funding prior to the March 1, 2012 relocation deadline.

The nearly 700,000 sq. ft. complex will also feature key improvements as compared to the current location of Power Balance Pavilion in Natomas, including 44 additional luxury suites, high-resolution scoreboard and, LCD flat screen displays. It will also include additional lounges, a kid's zone, food and retail facilities, event facilities and operations support to accommodate top concerts, shows, and other events.

“All the key ingredients needed to build a new facility are here. Without question, a new sacramento arena is feasible.” said Romani.

The new complex has considerable catalytic potential for Sacramento region. According to a January 2010 *Threshold Report analysis 1*, it will generate:

- 4,100 new construction and permanent jobs across region.
- \$556MM in new spending during construction and \$25MM in new annual spending during ongoing operations.
- \$2.3MM in new revenue to local government agencies during construction and \$775K annually during ongoing operations.
- Significant expansion of arts, cultural, entertainment and civic amenities currently limited by Power Balance Pavilion.

In the next week, Mayor Johnson will form a regional coalition of elected officials and community leaders to work in collaboration with ICON-Taylor to develop a financing plan for the new complex. A technical review of the completed financing proposal is scheduled to be completed within the next 100 days.

During this time frame, the Mayor plans on working closely with the ICON-Taylor group to develop strategies to finance the arena project and will continue to seek advice and guidance regarding funding mechanisms from cities that have comparable sports and entertainment complexes.

“We’ve never been this far down the road. This report gives me great confidence that this is doable,” said Councilmember Rob Fong.

The development of a public-private partnership that will protect taxpayers was also discussed and will be an integral component of the financial plan. Taylor discussed the issue of having an anchor tenant as being a critical piece to the project.

“The Kings’ willingness to be an anchor occupant of the new ESC is a game changer for Sacramento. It allows us to bring in significantly more private sector money to help build the facility, *and* allows a national entertainment firm, as a third party operator, to attract some of the best entertainment in the county to Sacramento,” Taylor said.

Key findings of the presentation found that Sacramento market can support and sustain as new entertainment and sports complex. Preliminary data suggest a new complex will generate sufficient revenues to sustain ongoing financial viability and additional refinements to the current revenue model may occur as more specific data from the Kings organization is incorporated into the analysis.

Joe and Gavin Maloof, co-owners of the Sacramento Kings, were also on hand and expressed their optimism with today’s presentation.

“We’re optimistic because both the political and public will are here. We all realize that the time is now to get this done so the region finally has a much needed events center of which we all can be proud,” they said.

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