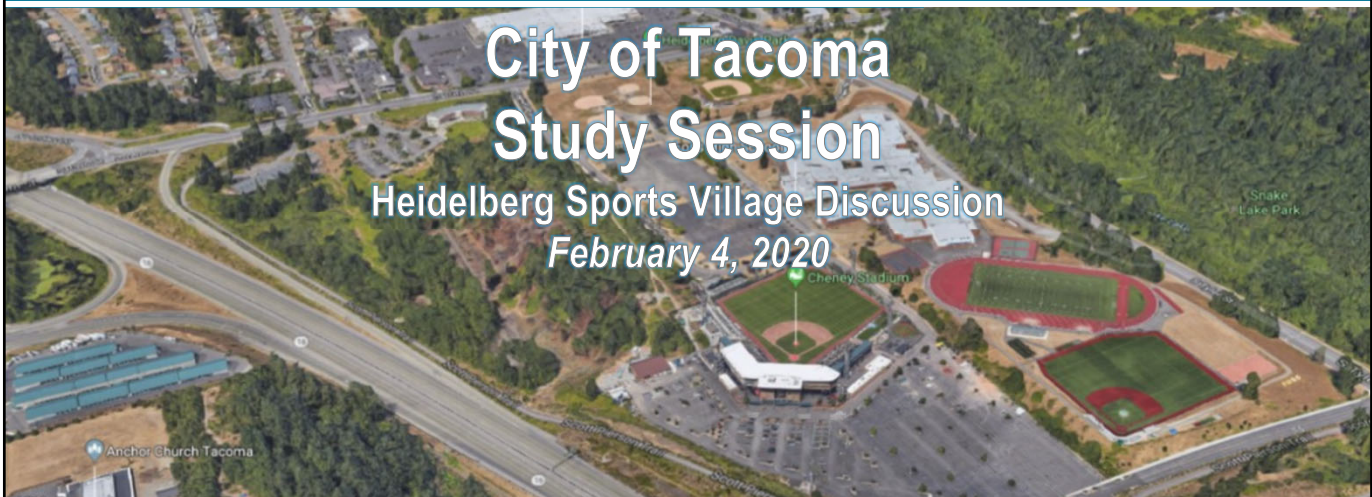


Heidelberg Sports Village



1



TODAY'S AGENDA:

- Background
- Letter of Intent
- Public Benefit
- Next Steps
- Discussion



2



BACKGROUND—Site Map

Exhibit 2



3



BACKGROUND: Scope

- LOI addresses area between Highway 16 and S. 19th Street between Foss HS and Cheney Stadium)
- Feasibility Study findings identified two phases to the project
 - Phase I: Construction of Stadium and Supporter's Green
 - Phase II: Construction of a mixed-use sports village development between Cheney and the new soccer stadium
- LOI is primarily focused on Stadium



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Soccer Stadium Site Plan



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BACKGROUND: Project Timeline

October 2018:	Feasibility Study
July 8, 2019:	Feasibility Study Results Presentation by Populous to Joint Meeting of City of Tacoma and Metro Parks Tacoma
July 2019 – November 2019	Parties negotiate proposed Letter of Intent
February 2020:	Legislative review and consideration of LOI

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LETTER OF INTENT--Soccer Stadium

INFRASTRUCTURE

\$60 Million Construction Cost

- 5000 fixed seats + flex to ~7500
- 1.5 acre Supporter's Green (Park)
- Outward facing amenities and tenants: bathrooms/parking/picnic areas/businesses open year round

OPERATIONS

TSCOT proposes to be master tenant and operator of the venue

- 50 ticketed events (Tacoma Defiance, Reign FC, Sounders)
- Suitable to host NCAA Championships, WIAA Championships
- Suitable to host other professional sports teams and sports tournaments/competitions

LETTER OF INTENT

Product of negotiations around key substantive terms to be the basis for formal future agreements.

Letter of Intent includes:

- Identification of the Project Scope and Phasing
- Describes the project property
- Stadium funding terms
- Identifies preferred delivery mechanism and operating mechanism for the Stadium construction and operation
- Identifies immediate and long term public benefits to be provided by TSCOT

LETTER OF INTENT SCOPE

The Letter of Intent presents a framework to proceed to next steps in several ways:

- Identify and secure remaining funding.
- Provide guidelines on transparent process for the assembly of necessary land parcels to allow for the stadium and potential mixed-use development.
- Allows the Parties to begin drafting of binding agreements and develop more detailed Financing and Construction plans based on LOI terms.
- Any future binding agreements are still subject to review, consideration and approval by the City Council and Park Board.

SOCGER STADIUM FUNDING PLAN

LOI FUNDING STRUCTURE

TSCOT \$18.5 M
(Plus any Stadium development costs over \$60 M)

City of Tacoma \$15 M

Metro Parks Tacoma \$7.5 M

Stadium Maintenance \$300 k per year
– To be funded through Stadium related fees (to be determined)

PROPOSED GAP FUNDING

New Market Tax Credits \$12 M

Other Public and/or Private Funding \$7 M

PUBLIC BENEFITS IDENTIFIED IN LOI

Supporters Green

- New ~1.5 acre park in Central Tacoma.
- Park constructed to complement Stadium activations on event days and community use.

Stadium Free Use

- TSCOT as master-tenant and operator will provide 100 days of rent-free use
- Operational support of the Stadium for community events, activities and programs which consultant team valued at a minimum of \$400,000 annually



PUBLIC BENEFITS--Economic Benefits Identified by Consultant

ECONOMIC AND FISCAL IMPACTS Heidelberg Sports Village 32-Year NPV* to the Local Community Dollars in Millions				
	NET NEW IMPACTS			
ECONOMIC IMPACTS	HSV Stadium	Mixed Use	Sports Complex	Net New 32-Year* NPV
Direct Spending	\$81.0M	\$283.8M	\$71.0M	\$435.8M
Indirect and Induced Spending	\$39.4M	\$131.4M	\$37.2M	\$208.0M
Total Economic Output	\$120.5M	\$415.2M	\$108.2M	\$643.8M
Jobs	63	240	61	364
Earnings	\$47.8M	\$138.1M	\$47.9M	\$233.8M
FISCAL IMPACTS				
Sales Taxes	\$3.0M	\$11.7M	\$2.4M	\$17.2M
Property Taxes	--	\$24.3M	--	\$24.3M
Admissions Taxes	\$0.5M	--	--	\$0.5M
Tourism Taxes	\$0.2M	--	\$0.1M	\$0.2M
Business & Occupation Taxes	\$0.3M	--	--	\$0.3M
Total Fiscal Benefits	\$4.0M	\$36.0M	\$2.5M	\$42.6M

Note: Economic impacts specific to the City of Tacoma. Fiscal impacts include 3.60% local sales tax rate and 15.76 per \$1,000 of assessed value property tax rate.
 Note: Net present value calculated using a 4.5% discount rate.
 * 32-year NPV includes 18 months of stadium construction and 30 years of stadium/ancillary/complex operations.

NEXT STEPS:

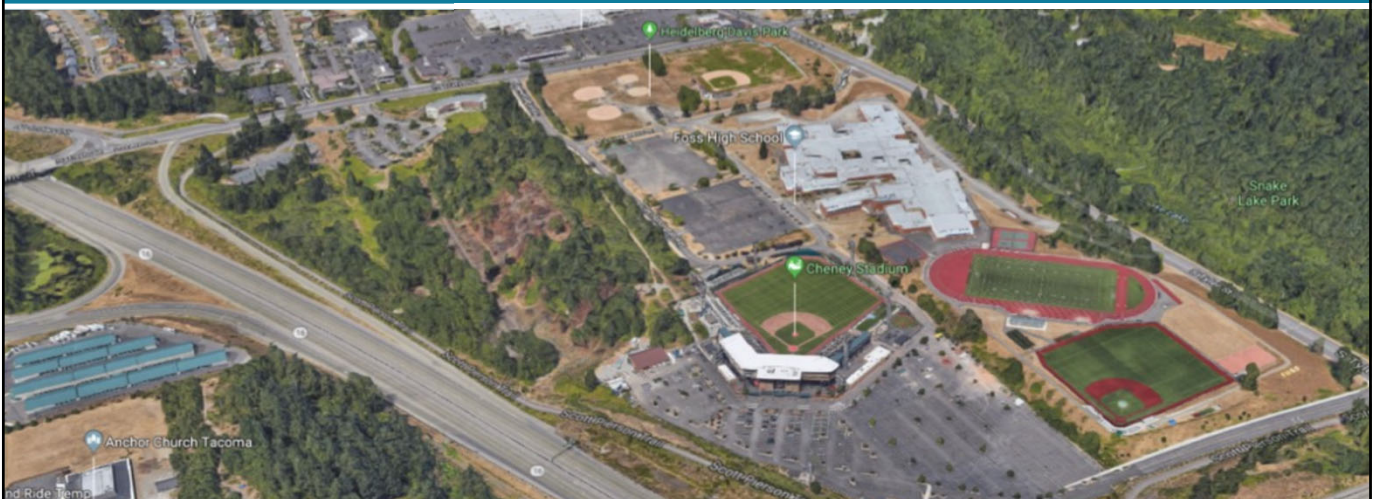
- **Discussion of LOI** —identify questions/concerns
- **Legislative Consideration** - authorize signature on non-binding LOI; tentative action: Feb. 2020.
- **Future Discussions**, if authorized:
 - Funding Strategy
 - Property Options
 - Legislative Strategy Development
 - Negotiation of Binding Agreements
 - Timeline: February – March, 2020



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Discussion



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