

# EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



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## Work Session: Civic Stadium

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Meeting Date: May 9, 2011  
Department: Central Services  
*www.eugene-or.gov*

Agenda Item Number: A  
Staff Contact: Sarah Medary  
Contact Telephone Number: 541-682-6877  
  
Staff Contact: Glenn Klein  
Contact Telephone Number: 541-682-8447

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### ISSUE STATEMENT

The council agreed to have a conversation about Civic Stadium. This work session is a follow-up to the council's initial work session on April 13 so that the council can decide whether it wants to join with Save Civic Stadium (SCS) in its proposal to 4J, and, if so, what City financial resources the council will commit that SCS can use to bolster its proposal.

### BACKGROUND

On March 16, 2011, the council adopted a motion to explore providing input to the Eugene 4J School District on disposition of the Civic Stadium property. On April 8, an ad hoc committee of elected officials and representatives of the three groups that had submitted proposals to 4J met. On April 13, the council held a work session at which Councilors Alan Zelenka and George Brown presented more detailed information about the proposal from the Save Civic Stadium group. In a nutshell, SCS's current proposal for acquisition (i.e., the financial component from 4J's perspective) is to lease the site from 4J for \$70,000 per year, plus 15 percent of net excess revenue. At the conclusion of the April 13 work session, the council agreed to invite public comment and to schedule another work session. On April 25, the council held a public hearing, during which more than 30 people spoke.

As part of its prior discussions this year on Civic Stadium, the council agreed that it would not ask 4J to change its process, criteria or timeline for selling or leasing Civic Stadium. 4J has indicated that all three proposers will make their final presentation to the 4J Board on May 16, and that the board would consider any changes to a proposal offered at the May 16 meeting. Whatever proposal is presented at the 4J Board's May 16 meeting will be considered by 4J as the final (and best) offer from that proposer. If SCS is to bolster its proposal with financial resources from the City, SCS will need to know that on May 9 so that SCS can update its proposal and be ready to present that to 4J on May 16.

City staff undertook an initial review of SCS' proposal, including its pro forma. There has not been time to contract with experts who could perform a feasibility study or marketing analysis, or independently evaluate the assumptions related to expenses or revenues. Staff's review has identified some factors for council's consideration, as well as some questions that the council should discuss if it decides that it might want to partner with SCS in its proposal to 4J.

- The pro forma assumes that SCS will lease the site from 4J for the first two years for \$70,000 per year. After two years, the pro forma assumes the net cost of the lease will be \$30,000 (\$70,000 payment to 4J, less \$40,000 rent from another entity subleasing the northern portion of the site). Those expenses, plus the other expenses and revenues, SCS believes, will produce net operating income of \$527,000 (first year of full operation). The pro forma does not include any funds to pay the \$22 million that SCS estimates it will cost to construct the improvements at Civic Stadium, or for debt service on that amount. The proposal assumes that the development costs will be paid for by donations, grants, possibly loans, or maybe a City-issued GO bond. For a point of reference, a \$10 million bond or loan at five percent interest, repaid over 20 years, would cost approximately \$800,000 per year.
- The estimated \$22 million development cost excludes any funds to address parking or traffic issues.
- The pro forma estimates that the expenses during the first two years – before there are any revenues from a soccer team or other use of the site – total approximately \$1.2 million. The pro forma assumes that those costs will be paid for by donations and possibly grant funds.
- The pro forma assumes that \$325,000 will be raised each year through the sale of approximately 215 Club Memberships at \$1,500 each.
- The pro forma makes assumptions about the number of concerts and other non-soccer related events that would bring in revenue. Absent a feasibility and marketing study, staff cannot evaluate whether those assumptions are reasonable. Absent such a study, it also is difficult to evaluate the extent to which SCS’ proposal would compete with City-owned venues, such as Cuthbert or the Hult Center, and what effect that might have on the City’s budget.

During this work session, the council should answer the following questions:

- Should the City join with SCS and commit financial resources to make the SCS proposal more competitive?
- If so:
  - What is the dollar limit on what the council will commit?
  - Where will those funds come from? During the last Budget Committee meeting, the City Manager and finance staff explained about the current and on-going projected gap in the general fund. Any funds for Civic will need to come from an as-yet-unidentified, new revenue source, or the council will need to identify services that are currently provided that would be reduced or eliminated.

## **RELATED CITY POLICIES**

- Growth Management Policies
- Effective Accountable Municipal Government: A government that works openly, collaboratively and fairly with the community to achieve measurable and positive outcomes and provide effective, efficient services

## **COUNCIL OPTIONS**

The April 13 PowerPoint on Civic Stadium suggested a possible revised 4J proposal as follows:

- City joins with Save Civic Stadium
- Two-year lease with automatic long-term extension if development milestones are met

- City acts as a financial back-stop/guarantor
- Competitive lease payment
- Plan B: Possible purchase using park bonds money

#### **CITY MANAGER'S RECOMMENDATION**

None.

#### **SUGGESTED MOTION**

None.

#### **ATTACHMENTS**

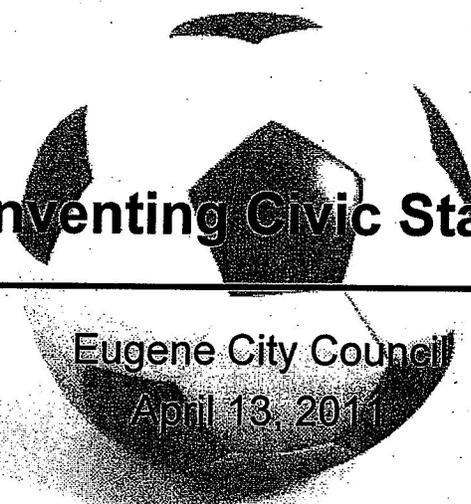
Copy of materials from April 13<sup>th</sup> work session, including:

- A. PowerPoint Presentation
- B. SCS Draft Business Plan
- C. SCS Draft Funding Plan

#### **FOR MORE INFORMATION**

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## Reinventing Civic Stadium

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Eugene City Council

April 13, 2011

### The Council Acted in 1938! Now Its Our Turn!

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- ❖ Jan. 1938 City Council refers levy to ballot to raise \$6,000 to buy Civic Stadium property. It passed by a 2-1 margin
- ❖ Same ballot voters approved another levy to purchase Spencer Butte park land
- ❖ Eugene citizens donated \$5,000 to build Civic Stadium
- ❖ This was done at the height of the Great Depression with 25% unemployment

## Reinventing Civic Stadium

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- ❖ Community and Family Sports Complex
- ❖ Community Gathering Place
- ❖ Professional Soccer Team with New Field
- ❖ Indoor Field House
- ❖ YMCA & KidSports Participation
- ❖ Restaurant/Stadium Club
- ❖ Festivals/Concerts

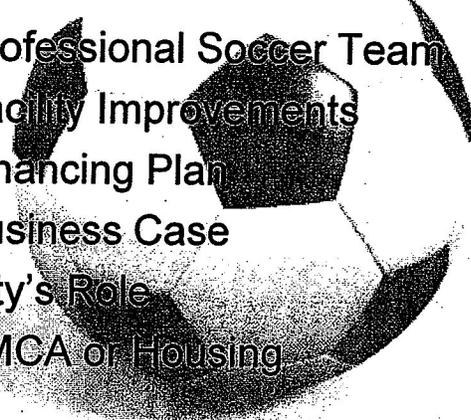
## Reinventing Civic Stadium

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- ❖ Preserve Our History and the Stadium
- ❖ Create Economic Development and Jobs!
- ❖ Tourism and Tourism Dollars!
- ❖ Do it with a Solid Business Plan!

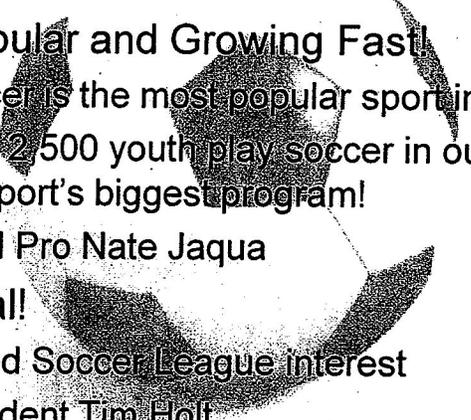
## Business Plan Elements

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- ❖ Professional Soccer Team
  - ❖ Facility Improvements
  - ❖ Financing Plan
  - ❖ Business Case
  - ❖ City's Role
  - ❖ YMCA or Housing

## Professional Soccer Team

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- ❖ Its Popular and Growing Fast!
    - Soccer is the most popular sport in the world!
    - Over 2,500 youth play soccer in our area – KidSport's biggest program!
    - Local Pro Nate Jaqua
  - ❖ Its Real!
    - United Soccer League interest
    - President Tim Holt
    - Invitation from the Portland Timbers

## Phased-In Facility Improvements

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1. Historic Grandstand \$2.3M
2. East Grandstand \$5M
3. Field & Scoreboard \$1.8M
4. Field House \$3.2M
5. Restaurant/Stadium Club \$1.2M
6. Ops Building \$1.9M
7. Park & Entry Plaza \$1.1M
8. Contingency \$4M

**Total Cost ~\$20M**

9. YMCA building \$16M-\$20M

## Financing Plan

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- ❖ Acquire it first! Develop it second!
- ❖ Catch-22
- ❖ Plan A – Lease with option to buy
- ❖ Plan B – Purchase (optional)
  
- ❖ Non-profit owns and manages the team
- ❖ Facility management TBN

## Financing Plan

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### Sources of Money:

- ❖ Soccer & Event Revenue
- ❖ Loans
- ❖ Community Fund Raising
- ❖ Lease Payments
- ❖ User Fees
- ❖ Foundation Grants
- ❖ City

## Business Case

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- ❖ Revenue – Expenses = Net Income
- ❖ Use conservative assumptions
- ❖ Lynch pin is professional soccer which provides 80% of the revenue
- ❖ The result is positive cash flow!
- ❖ This plan works!

## Business Case

Revenue	Year 1	Year 2	Year 3	Year 4	Year 5
Soccer Events	\$848	\$873	\$900	\$927	\$954
Soccer Concessions	\$555	\$572	\$589	\$607	\$625
Soccer Merchandise	\$30	\$30	\$31	\$32	\$33
Soccer Memberships/Contracts	\$575	\$693	\$716	\$738	\$760
Other Events	\$143	\$147	\$150	\$155	\$161
Other Concessions	\$197	\$202	\$208	\$214	\$221
Other Merchandise	\$24	\$24	\$25	\$25	\$26
Facility Charge	\$72	\$74	\$76	\$79	\$81
Lease Payments	\$130	\$130	\$130	\$130	\$130
<b>TOTAL</b>	<b>\$2,475</b>	<b>\$2,721</b>	<b>\$2,822</b>	<b>\$2,902</b>	<b>\$2,911</b>
Expenses	Year 1	Year 2	Year 3	Year 4	Year 5
Operations	\$1,095	\$1,127	\$1,161	\$1,196	\$1,232
Front Office	\$498	\$512	\$528	\$544	\$560
Sales & Marketing	\$270	\$278	\$286	\$295	\$304
Contingency	\$50	\$52	\$53	\$55	\$56
Reserves	\$59	\$60	\$62	\$63	\$65
<b>TOTAL</b>	<b>\$2,072</b>	<b>\$2,129</b>	<b>\$2,186</b>	<b>\$2,253</b>	<b>\$2,277</b>
<b>Net Income</b>	<b>\$701</b>	<b>\$748</b>	<b>\$735</b>	<b>\$754</b>	<b>\$774</b>

## City's Role

- ❖ Leasor or Owner
- ❖ Financial Back-Stop/Guarantor
- ❖ Lease to Non-Profit "Civic Stadium Works"
- ❖ Development Facilitator
- ❖ Facility Management
- ❖ Event Programmer

## The Y or Housing

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### Northern Parcel Development Options:

1. First Right of Refusal to the YMCA
  2. Second Right for Housing Developer
- ❖ YMCA still needs development capital and to solve the parking problem
  - ❖ YMCA likely not to have space for tennis courts

## Revised 4J Proposal

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- ❖ Join with Save Civic Stadium
- ❖ 2 Year Lease with Automatic Long-Term Extension if We Meet Development Milestones
- ❖ City as Financial Back-Stop/Guarantor
- ❖ Competitive Lease Payment
- ❖ Plan B: Purchase Using Park Bonds Money?

## Next Steps

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- ❖ Continue to Develop Details
- ❖ Add Civic Stadium to the April 25<sup>th</sup> City Council Public Hearing
- ❖ Second Council Work Session to Discuss the Details in late April early May
- ❖ Presentation to 4J on May 16<sup>th</sup>

**Draft BUSINESS PLAN Draft**

**Reinventing Civic Stadium**

**I. Introduction and Background**

Save Civic Stadium (SCS) is a Eugene non-profit dedicated to organizing and leading a community effort to preserve and rehabilitate Eugene's venerable, historic Civic Stadium.

In light of its place on the National Register of Historic Places and its decades of serving as a popular community venue, Civic Stadium is held in high esteem by the entire Eugene community and especially the adjacent Friendly area neighborhood.

The stadium and the surrounding 10.2 acre property is being disposed of by its current owner, the 4J School District. 4J has issued an RFP calling for proposals, due February 1, 2011, for acquiring the property.

Our mission is to submit a winning proposal that will not only preserve the stadium but also transform the structure into a vibrant community resource and public space that is active year-round— with professional sports, youth sports and recreation, family entertainment, and more.

SCS has responded to the RFP with a proposal based on a dynamic, professionally developed plan focused on the rehabilitation of the historic stadium and its conversion into a multipurpose venue anchored by a professional soccer team. SCS has conducted a thorough analysis of possible uses and has devised a staged plan for funding and development, including a 5-year operating profit-and-loss forecast.

Much of this plan is based on an extensive detailed report commissioned by SCS in early 2010. "G2 Strategic," a consulting firm operated by Marshall Glickman, a respected and experienced expert in stadium rehabilitation and sports franchising, provided a plan in May of 2010 which included an architectural overview and drawings by Gensler Architects and detailed construction estimates by Turner Construction.

**II. Summary of Project**

**A. Redevelopment of Site**

These are the chronological steps to be achieved by SCS:

1. Respond to the 4J RFP and acquire rights to the stadium by leasing (with purchase option) the 10.2 acre parcels on which the stadium is sited.
2. Hire a limited staff with expertise to accomplish the tasks necessary.
3. Seek options to develop approximately half the site that will not be used in the stadium redevelopment, including, but not limited to student housing and a new YMCA facility.
4. Acquire a USL soccer franchise and build a team.
5. Build and make available an indoor field house for the use of local youth athletes.
6. Remodel and expand the stadium's field and seating to become a facility that meets league standards.
7. Build a restaurant and other concessions to support stadium fans and field house users.

**B. Capitalization of Project**

As a 501(c)(3) non-profit corporation, SCS will initially acquire funds largely through tax deductible charitable contributions and capacity building grants.

Capital projects will be funded from the following sources:

1. Charitable donations, both individual and business
2. Options on, leases or purchase of acreage on site adjacent to the stadium complex (approx 5 acres) for complementary development
3. Government funding (economic development grants, youth/health activities, historic preservation)
4. Federal Appropriations (Congress regularly awards noncompetitive grants or specific line items in agency budgets to support projects)
5. State and Local Government Funds
6. Entrepreneurial Joint Ventures
7. Program-Related Investments (PRIs)
8. Loans from donors
9. Business sponsorships
10. Facilities Naming Rights
11. Membership fees
12. In-kind construction materials and services
13. Bonds (OFA, general obligation)
14. Secured Loans

Once operations commence, in roughly two years, the business will be self supporting (see pro-forma's in appendix.)

**III. Sale of Site by 4J**

On October 1, 2010 the Eugene school district (4J) officially announced its intention to sell three lots totaling 10.2 acres where Civic Stadium is located. The RFP was introduced as follows:

"The Civic Stadium Properties located near East 20<sup>th</sup> Avenue and Oak Street in Eugene were acquired between 1938 and 1941 by the School District (SD 4J). The property is not needed for educational purposes and has been designated as surplus property since 2002. The school board of directors (Board) has approved the superintendent's recommendation 'to dispose of the Civic Stadium property and marketing the property for sale, long term lease or trade using a Request for Proposal (RFP) process.'

The intent of the RFP process is to allow for the broadest range of proposed uses, including potential preservation of the stadium grandstand, and allow the Board to consider more than the financial bottom line when deciding whether to accept a proposal."

In evaluating proposals, the district will use a scoring system:

- |   |        |
|---|--------|
| 1. Revenue to 4J                                  | 50 pts |
| 2. Additional, non-financial benefits to district | 20 pts |
| 3. Community benefit                              | 20 pts |
| 4. Preservation of grandstand                     | 10 pts |

**IV. Site Use Plan**

**A. The Stadium Complex**

1. Professional Soccer (see section V.A.2. below)

2. **Concerts, Festivals, Community Events, Stage Shows, High School Sports, Recreation**  
Civic is an ideal venue for concerts and other stage performances. It can seat approximately 4,500 (2,500 in the grandstand, 2,000 on the field.) G2 found that in 2010, over 90 live concerts routed in the Northwest. Less than 13 came to Eugene. There is ample opportunity to host these events.

The stadium is also ideal to host outdoor festivals and community events that will benefit the entire community and adjacent neighborhoods. The field will have controlled entries, portable modular staging, power, locker rooms, kitchen, storage and restrooms. There will be no need for set-up /take-down temporary facilities.

Creative promoting can bring in stage events like comedy shows for adults and live shows for kids.

High school sporting events and state tournaments can be proudly brought to Eugene in this venue.

The stadium can also be used for community recreation, like city adult sports leagues.

Neighborhood impact will be considered and there will be a binding "Good Neighbor Agreement," with provisions for limiting the number of concerts annually, an agreeable time that events must end and lights be extinguished, and parking accommodations.

3. **Indoor facility for school district student and area youth and adult sports and recreation** (see section V.C.4.)
4. **Food Service/Restaurant** (see section V.C.5.)

#### B. **Remainder of Site**

This will be developed by an outside business, with a partnership agreement with SCS.

1. **Student Housing**
2. **YMCA campus**
3. **Other alternative Uses**

#### C. **Operating Structure**

1. **Organization**

SCS is governed by a volunteer policy making board of directors. Current board members are listed below and their backgrounds shown in the appendix. Additional board members with experience and expertise in relevant disciplines will be added.

Ron Crasilneck (president), Dennis Hebert (Chair), Jonathan Brandt (vice-president), Tom Halferty (treasurer), Jim Watson (secretary), Patricia Skipper, Trey Imfeld, Joyce Berman, Lisa Raleigh, Christine Thompson, Val Hoyle, Alan Beck, Nancy Clausen, Greg Foote.

An executive director (ED) hired by the board will manage day to day operations. He or she will hire a staff to conduct business. First hired will be an executive assistant, followed by a project director with training and experience in fundraising. These are expected to comprise the paid staff for year one. A marketing director will be hired next followed by financial staff in year two. The coaches and support staff for the soccer team will come next.

## V. **Phasing Schedule and Project Description**

### A. **Acquire Site**

1. **Lease/Purchase Option**

SCS has submitted a lease/purchase proposal in response to 4J's RFP. It will include a 20 to 25 year lease on the entire site, with an option to extend and/or purchase. The purchase option could be exercised at any time.

SCS would pay 4j \$70,000 in annual rent (this is what the last stadium tenant, the Eugene Emeralds baseball club, was paying) until the purchase option is exercised. There would also be an "additional rent" provision, based on the surplus revenue generated by stadium

operations, as long as the lease is in force. Forecasts call for this to exceed \$100,000 annually.

The purchase price would be based on a three party appraisal to be conducted six months ahead of a planned exercise of the purchase option.

From 4j's standpoint, this offer is beneficial since it provides an income stream to the district while maintaining property ownership. The value of the land in today's economy is predictably low compared to what it should be worth in the future, so putting off sale of the asset, as well as any maintenance costs, while realizing a regular income stream with great upside potential is an attractive option. In addition, if the purchase option is not exercised, the property improvements would revert to the district, helping to improve its value.

This proposal provides additional school district benefits and additional community benefits as well, both 20 point criteria in the RFP. Benefits to the district include availability of the high quality turf field and the indoor field house by 4j district student athletes as well as by local youth sports organizations. Local sports providers like Kidsports and Eugene Metro's are very excited about a facility like this.

Community benefits include:

- a) economic development, with perhaps \$20 million in capital projects,
- b) job creation, with 75 or more full and part time new jobs ,
- c) an exciting new professional sports team for the city to embrace,
- d) a nodal center for entertainment.

In addition, this is the only proposal that will save the stadium, which is a 10 point RFP criteria.

## 2. Obtain franchise and form a new, professional USL soccer team

Discussions are on-going with the United Soccer Leagues, LLC (USL) regarding the purchase of a franchise for this area. The USL-PRO is composed of 16 professional soccer teams, primarily located in the eastern United States and Puerto Rico, playing a 24 game schedule. The USL-PRO division is sanctioned by the USSF and is considered the top league below Major League Soccer (MLS).

Up until three years ago, the USL had three northwest teams, in Vancouver (British Columbia), Seattle and Portland. Two years ago, the Seattle Sounders moved up to the MLS, and immediately drew the highest attendance in the league. In 2011, both Vancouver and the Portland Timbers join Seattle in the MLS. Portland's venue, PGE Park, is being renovated as a soccer stadium and season ticket sales are high. The USL is understandably very interested in having a Eugene team as part of its ongoing effort to build its national and northwest presence. A letter of interest from Tim Holt, President of the USL, is enclosed in the appendix.

The cost of a franchise is relatively small (\$150,000) by professional sports team standards, especially considering the high level of play. It takes only 30 to 40 days to complete the franchise process. A model business plan for operation of the team is provided by the league, including average pay for players and coaches, how to find and sign players, and marketing and promoting the team locally. After extensive analysis of the existing options for league affiliation, Glickman concludes the USL is the best to join.

As a market for professional soccer, Eugene seems well suited. As noted in G2's analysis, "...Eugene's demographic make-up, market size (277,600 in the Eugene/Springfield market area), lack of professional sports competition (only Eugene Emeralds single-A baseball team), presence of a major university and strong undercurrent of soccer support (Eugene Metros

Football Club, AYSO, Kidsports, etc) collectively, will be enough to nurture and sustain an enthusiastic and robust fan base.”

And since Eugene is geographically close to Portland, an attempt will be made to affiliate in some form with the successful Portland Timbers organization, now in the MLS. There are several opportunities to explore including player development, marketing, booking, branding, trademarks and exhibition games. G2 has discussed this with the Timbers and he claims there is serious interest.

Recognizing the importance of creating operating cash flow as soon as possible, the new team will prepare for league play as soon as possible, perhaps even before stadium improvements are complete. Contract use of other area venues, such as the University of Oregon’s women’s soccer field or local high schools would be sought.

Future considerations include opportunities to bring in other professional teams. USL offers franchises in women’s professional soccer (which would be a natural offshoot of the U of O women’s soccer program), indoor soccer (which could be played in the field house) and professional lacrosse.

#### B. Develop remainder of Site

The stadium complex will occupy only 50 to 60% of the 10.2 acre site. SCS’s goal is make the remainder available to developers who would like to design and build projects that would create a node for the area; one that would draw people to the site and make it a fun and vibrant place.

During the capitalization phase, SCS will actively seek developers and solicit the purchase of an option to develop the specified acreage. Planned usage will be a key criterion for acceptance of any offers. The surrounding neighborhood will be involved in approving the type of development. Developers of student housing have expressed interest and the Y obviously would like to be on the site.

The structure of this partnership is not clear at present but could include a ground lease or subdivision and sale of the property. Zoning will be an issue, as the present classifications may not be suitable.

#### C. Reconstruct Stadium Complex

Financing considerations dictate project segments will be undertaken separately but concurrently. Project objectives will include the use of green and sustainable design, materials, operating practices and energy use.

##### 1. New East Grandstand

Along the east sideline of the soccer pitch, this will provide approximately 2,000 seats. It will also contain concessions, restrooms, locker rooms, broadcast booths, camera platforms, hospitality seating, press box, and a public concourse.

##### 2. Field Improvements

The grass field will be replaced with artificial Field Turf meeting USL requirements in size. New, improved drainage will be engineered. An electronic scoreboard will be installed, the design of which will allow for the later addition of an HD video board. New field lighting will also be added.

##### 3. Grandstand

The historic grandstand will be refurbished to include engineered structural improvements, new seating, and restoration of its original exterior appearance. Landscaping the surrounding area is planned along with construction of new restroom facilities.

##### 4. Field House

A clear-span multi-purpose indoor sports and recreation facility, this 22,000 square foot structure will be an asset that can be used by the entire community. At present, Eugene has no such facility.

It will serve as a training venue for the professional soccer team. It will be available (at cost) for Kidsports, area high schools including nearby South Eugene, city adult indoor leagues (volleyball, soccer, etc), and local sports organizations, including soccer (AYSO, EMFC), football, volleyball, lacrosse and baseball. LCC teams could also use it. Though not a major revenue producer (since it will be rented "at cost") it will bring many people to the site.

5. Restaurant

At the north end of the soccer pitch, there will be a 5,000 sq. ft., 2-level restaurant/club with a stair-stepped outdoor dining terrace overlooking the north goal. It would include a small conference/private dining room. The lower level would have restrooms and a team retail store. The restaurant would be well suited to be a brew pub and will be important to support the sale of premium seating that would be part of club membership packages. The restaurant and its lounge could also serve the indoor field house clientele as a place for people to wait while their children train, or for recreation after adult league games.

6. New services building

This 12,000 square foot two story structure will include the box office, kitchen/commissary, cart/kiosk storage and team/venue offices.

D. Other Issues

The city of Eugene will have to be a partner in this project. Serious, unresolved issues including zoning, traffic flow, parking, signage, etc. will have to be addressed. Discussions with the mayor, city manager and city council have begun regarding a relationship with SCS if the site is acquired. We believe that a workable relationship will be formed, due to the value it brings in terms of economic development, job creation and youth fitness.

## VI. Funding Plan

A. Site Acquisition

1. Amount Needed

To fund this project, it is estimated that approximately \$1.2 million is needed over a two year period. The largest portion will be personnel costs. In addition, there will be design and development expenses plus soccer franchise costs. (see appendix, section VII C 1)

2. Funding Strategy

To raise funds for the two year development effort, SCS will solicit charitable donations from individuals and businesses in the community. These donations will include incentives in the form of future benefits, such as ticket privileges or club memberships. In an initial, low key effort, over \$70,000 in pledges have been received by SCS specifically in support of this project. This is enough to cover the lease and maintenance costs for the first year. Budgeted personnel and other expenses can be managed based on the timing of raised funds.

B. Redevelopment of Stadium

1. Amount Needed (see appendix section VII C 2)

Estimated costs to redevelop the stadium complex are based on limited architectural plans developed by Gensler Sports and Entertainment Group and bid by Turner Construction. Gensler's president is Ron Turner, who has led design teams over three decades, including 13 NBA/NHL facilities and the 1970 renovation of Yankee Stadium. In a letter to Glickman last April, after touring the site, Mr. Turner wrote, "Overall, we think rehabilitation of the grandstand, together with additional new buildings that can activate the site year-round, is a very special redevelopment opportunity that can be a model of sustainability, historic preservation and economic success."

Turner Construction is well known in their field. They were general contractor and construction manager of Portland's Rose Garden and PGE Park renovation. Terry Shugrue, a Eugene resident, is a Turner project executive and helped formulate this estimate. KPFF

Consulting Engineers of Seattle also examined the old grandstand and made recommendations regarding renovation.

The budgeted cost at present for the seven part project is about \$22 million. Additional design and construction estimates are planned and will further define the exact costs.

## 2. Funding Strategy

Fundraising for this portion of the project will begin immediately. The majority of capital will be sought from grants and loans. Grants for historic preservation, and economic development, both state and federal are available. State bonding authority makes low interest loans available to non-profits. The project's pro-forma profit/loss budget leaves ample funds for debt service, though collateral will be an issue. Public financing in the form of a general obligation bond will be considered as a last resort.

## VII. Appendices

- A. Brief professional back ground of the "Save Civic Stadium" board of directors
  1. Ron Crasilneck, President. Semi-retired businessman. Former owner of a \$10 million manufacturing company. 25 years in non-profit board management. For vitae, [www.marmana.com](http://www.marmana.com)
  2. Jonathan Brandt, Vice President. Owner of Journey Tree Financial Planning and Investments. 18 years in financial planning and investment management. Past board director and president of several community organizations. Experienced in fundraising and capital campaigns.
  3. Val Hoyle. State legislator, Associate Director for Health, United Way of Lane County
  4. Greg Foote. Retired circuit court judge, field announcer for South Eugene High School sports, playwright, actor, retired high school soccer coach.
  5. Tom Halferty, Treasurer. Co-founder of Save Civic Stadium, environmental consultant, 40 year volunteer in youth programs and neighborhood organizations.
  6. Jim Watson, Secretary. 4j educator, trainer, district coordinator, volunteer
  7. Dennis Hebert, Board Chair, co-founder of Save Civic Stadium, local activist, heartfelt supporter of Eugene's historic heritage.
  8. Joyce Berman. Works for the State of Oregon's Student Assistance Commission. Formerly board chair, executive director and marketing director of the Science Factory Children's Museum and Planetarium. Previous work includes leadership in the successful Yes for Schools Campaign, producing \$70 million for Eugene Schools; the successful Eugene Public Library Campaign; the Lane County Children and Youth Summit; and the launch of Eugene's Readin' in the Rain citywide book reading initiative.
  9. Alan Beck. 30 years in TV news management, in New York City, Minneapolis and at KEZI in Eugene. Winner of 9 regional Emmy awards, formerly on board of governors for the National Academy of Television Arts and Sciences, past board president of Wildish Theater in Springfield and Associated Press of Oregon. Freelance theater critic for Register Guard and director of local theater productions.
  10. Lisa Raleigh. Director of Development Communications for the College of Arts & Sciences at the University of Oregon. 25years in communications, as a journalist in Silicon Valley, a section editor for the San Jose Mercury News, a magazine editor for Apple Computer Inc., a grants strategist for Planned Parenthood and a freelance publication and editorial consultant.
  11. Christine Thompson. Campus planner with the University of Oregon Campus Planning and Real Estate office. Responsible for staffing the Campus Planning Committee, maintaining and developing campus planning and design policies that apply to all campus buildings and landscapes and managing campus historic preservation planning issues. Ten years of work on many projects ranging from large-scale development to detailed design standards. Eugene Historic Review Board member for eight years.
  12. Patricia Skipper. Fundraising consultant. Formerly marketing director at Tamarack Wellness Center, Past President of City Club of Eugene, development associate at HIV Alliance,

development director of Willamette Family, fund development director of Wilani Council, director of Bach Festival annual fund, assistant director of R&D at University of Oregon school of architecture and allied arts.

13. **Trey Imfeld.** Eugene resident since 1988. Educator in the Philippines and now librarian at South Albany High School. Currently Vice-President and Board member of the Eugene Gleemen.

14. **Nancy Classen.** Eugene native, retired elementary school educator, board member Friendly Area Neighbors.

**B. Letters of Support**

1. The United Soccer Leagues
2. Eugene Chamber of Commerce
3. Kidsports
4. Eugene Metro Soccer Club (EMSC)
5. Nate Jaqua, professional soccer player from Eugene

**C. Financial Detail (see spreadsheet)**

1. Pre-opening costs
2. Stadium Complex Construction Estimates
3. Operating Pro-forma

**D. SCS Pledge Form**

## Funding Plan - Reinventing Civic Stadium

### C. 1. Pre Opening Costs

Funds Needed	year 1	year 2	two year total
Lease	\$70,000	\$70,000	
Site Maintenance	\$15,000	\$15,000	
Legal	\$25,000	\$25,000	
Research	\$5,000	\$5,000	
USL franchise fee's		\$235,000	
Marketing	\$33,000	\$33,000	
Personnel	\$130,625	\$337,500	
General/Adm	\$45,000	\$50,000	
Site plan design	\$50,000	\$50,000	
<b>Total</b>	<b>\$373,625</b>	<b>\$820,500</b>	<b>\$1,194,125</b>

#### Detail

Legal	year 1	year 2
	Ground Lease Option Agreements	Sponsorship Agreement (template)
	Ground Lease Definitive Agreements	Membership Agreement (template)
	Tenant Lease Option	Naming Rights Agreement (custom)
	RFP Offer Review	Architectural Services Agree (pre-dev)
	City of Eugene Dev/Op Agreements	Booking Agreement (template)
	Land Use, Entitlement, Zoning	Utilization Agreements (template)
	Property Acquisition Agreement (4)	Construction Management Agreement
	USL Franchise review	Project Management Agreement
	Partner Option Agreement	Legal Reimbursable Expenses
		Trademark & Service Registration

Maintenance e.g. - there could be some minor revenue off sets with rental to American Legion Baseball

Personnel	year 1 & 2	monthly salary	ave. months of work over 2 years
	Executive Director	\$5K	22
	Executive Assistant	\$2.5K	21
	Project Director	\$4K	20
	Marketing Director/staff	\$5K	12
	Accounting Staff	\$5K	12
	Soccer Team Mgt	\$6K	6
	Fringe 25.0%		
General/Adm	Travel \$750/mo		Entertainment \$150/mo
	Accounting/Bookkeeping Fees \$500/mo		Insurance \$50/mo
	Bank Fees \$100/mo		Phones \$150/mo
	Recruiting and Training \$150/mo		Office Equipment \$500/mo
	Supplies & materials \$200/mo		Office rent \$ 750/mo
	Misc. \$ 200/mo		
Site Plan Design	Master Plan		Travel & Expenses
	Comprehensive Building Program		Transportation Study
	Conceptual Venue Design		Structural/MEP Engineering
	Renderings		Cost/Schedule Estimates
Marketing	Naming Rights Presentation		4J RFP response
	Sponsorship Presentation		Website development
	Membership Sales Presentation		Website hosting and related
	Printing		Website content mgmt
	Fundraising Materials		
USL franchise	Performance bond	\$50,000	
	franchise fee	\$150,000	
	annual operating fee	\$35,000	

## C. 2. Stadium Complex Construction Estimates

These itemized projects are listed in the order they must be funded.

<u>Funds Needed</u>	<u>sq. ft. (in 000's)</u>	<u>cost</u>	<u>\$/sq ft</u>
East Grandstand	46	\$4,918,000	\$106.91
Field/scoreboard	105	\$1,800,000	\$17.14
Historic Grandstand	20	\$2,299,875	\$114.99
Fieldhouse	22	\$3,222,275	\$146.47
Restaurant	5	\$1,191,300	\$238.26
Services Building	12	\$1,906,707	\$158.89
Entry plaza/park	75	\$1,156,500	\$15.42
soft costs 25%		\$4,123,664	
<b>Total</b>		<b>\$20,618,321</b>	

costs from Turner Construction, April, 2010, based on drawings by Gensler Architects  
**Additional bids will be sought.**

### C. 3. Operating Pro-Forma

Operations are expected to begin in the third year. Hence Operating Year 1 is projected to be year 3.

#### SUMMARY (in thousands)

	OpYear 1	OpYear 2	OpYear 3	OpYear 4	OpYear 5
<b>Revenue</b>					
Event Revenue (1)	\$991	\$1,020	\$1,051	\$1,082	\$1,115
Food and Beverage (2)	\$752	\$774	\$797	\$821	\$846
Merchandise (3)	\$53	\$54	\$56	\$57	\$59
Contractual (4)	\$675	\$695	\$716	\$738	\$760
Facility Charge (5)	\$72	\$74	\$76	\$79	\$81
Restaurant Rental \$1.50/sqft/mo	\$90	\$90	\$90	\$90	\$90
<b>TOTAL</b>	<b>\$2,632</b>	<b>\$2,708</b>	<b>\$2,786</b>	<b>\$2,867</b>	<b>\$2,951</b>

**note:** additional potential but non-budgeted revenue includes team sponsored tryouts, camps and clinics

**Expenses** **note:** no debt service included, though anticipated.

G&A front office (6)	\$498	\$512	\$528	\$544	\$560
Sales/Mktg (7)	\$270	\$278	\$286	\$295	\$304
Venue Operations (8)	\$1,095	\$1,127	\$1,161	\$1,196	\$1,232
Contingency (9)	\$50	\$52	\$53	\$55	\$56
Net Site Lease (10)	\$30	\$31	\$32	\$33	\$34
Additional Rent (11)	\$103	\$107	\$110	\$113	\$116
<b>TOTAL</b>	<b>\$2,046</b>	<b>\$2,107</b>	<b>\$2,170</b>	<b>\$2,235</b>	<b>\$2,302</b>
10% renewal reserve	\$59	\$60	\$62	\$63	\$65
<b>Net Operating Income</b>	<b>\$527</b>	<b>\$541</b>	<b>\$555</b>	<b>\$569</b>	<b>\$583</b>

#### FOOTNOTES:

	OpYear 1	OpYear 2	OpYear 3	OpYear 4	OpYear 5
<b>(1) Event Revenue</b>					
Soccer (a)	\$848,000	\$873,440	\$899,643	\$926,632	\$954,431
Concerts (b)	\$60,000	\$61,800	\$63,654	\$65,564	\$67,531
Festivals/Comm Events & Family/Stage Shows	\$62,500	\$64,375	\$66,306	\$68,295	\$70,344
High School Events (c)	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255
Community Recreation (d)	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255
<b>TOTAL</b>	<b>\$990,500</b>	<b>\$1,020,215</b>	<b>\$1,050,821</b>	<b>\$1,082,346</b>	<b>\$1,114,816</b>
<b>(2) Food/Beverage</b>					
Soccer (e)	\$555,250	\$571,908	\$589,065	\$606,737	\$624,939
Concerts	\$78,750	\$81,113	\$83,546	\$86,052	\$88,634
Festivals/Comm Events & Family/Stage Shows	\$56,250	\$57,938	\$59,676	\$61,466	\$63,310
High School Events	\$61,250	\$63,088	\$64,980	\$66,930	\$68,937
<b>TOTAL</b>	<b>\$751,500</b>	<b>\$774,045</b>	<b>\$797,266</b>	<b>\$821,184</b>	<b>\$845,820</b>
<b>(3) Merchandise</b>					
Soccer (f)	\$29,475	\$30,359	\$31,270	\$32,208	\$33,174
Concerts/shows	\$15,188	\$15,643	\$16,112	\$16,596	\$17,094
High School events	\$7,875	\$8,111	\$8,355	\$8,605	\$8,863
<b>TOTAL</b>	<b>\$52,538</b>	<b>\$54,114</b>	<b>\$55,737</b>	<b>\$57,409</b>	<b>\$59,131</b>
<b>(4) Contractual</b>					
Club Memberships (g)	\$325,000	\$334,750	\$344,793	\$355,136	\$365,790
Venue Naming Rights	\$150,000	\$154,500	\$159,135	\$163,909	\$168,826
Club Naming Rights	\$50,000	\$51,500	\$53,045	\$54,636	\$56,275
Sponsorships	\$50,000	\$51,500	\$53,045	\$54,636	\$56,275
Pourage	\$50,000	\$51,500	\$53,045	\$54,636	\$56,275
Family Deck	\$50,000	\$51,500	\$53,045	\$54,636	\$56,275
<b>TOTAL</b>	<b>\$675,000</b>	<b>\$695,250</b>	<b>\$716,108</b>	<b>\$737,591</b>	<b>\$759,718</b>
<b>(5) \$1 per ticket</b>	<b>\$72,000</b>				

<b>(6) G&amp;A Front Office (estimates)</b>	
Personnel (plus 25% fringe) (annual)	\$307,500
Travel/Entertainment	\$25,000
Insurance	\$65,000
bank fees	\$20,000
IT consulting	\$7,500
Dues/Subscr/Postage	\$7,500
Printing	\$10,000
Acctg/Legal	\$30,000
purchased services	\$25,000
<b>(7) Sales/Marketing</b>	
Personnel (plus 25% fringe) (annual)	\$240,000
Sales Promotion	\$100,000
Advertising	\$60,000
Signage	\$25,000
Travel & client service	\$30,000
<b>(8) Venue Operations</b>	
Soccer Team (from USL franchise services)	
Player salaries	\$150,000
Coaches/staff salaries	\$86,400
event staff	\$62,500
Fringe (25%)	\$74,725
Travel	\$80,000
hotel/per dlem	\$30,000
fees (USL,USSF)	\$45,000
game ops/entertainmnt	\$10,000
broadcast fees	\$10,000
referees	\$16,000
Venue Operations	
F.T. personnel+25% fringe	\$420,000
Utilities	\$35,000
Other costs	\$75,000

**(9) Contingency**

For misc. and unexpected expenses

**(10) Net Site Lease**

\$70,000 per year less \$40,000 anticipated sublease on additional site development

**(11) Additional Rent based on Surplus**

When operations result in excess revenue, 15% will be given to property owner, 4)

**(a) Soccer Revenue Worksheet**

		Ave Ticket Price	Ave paid Attendance		Revenue
Reg. Season - 12 games, 6,500 capacity					
# premium games	3	\$18	4,000	12,000	\$210,000
# weekend prime	5	\$12	3,500	17,500	\$210,000
# weekday prime	4	\$7	2,500	10,000	\$70,000
<b>TOTAL</b>					<b>\$490,000</b>
Exhibitions & Friendly's - 8 games					
# premiums	4	\$18	4,000	16,000	\$288,000
# others	4	\$7	2,500	10,000	\$70,000
	20			65,500	\$358,000
		<b>Avg =</b>	<b>3,275</b>	<b>50%</b>	

**NOTES:**

President/exec dir	\$72,000		
Project Director	\$48,000		
Controller & staff	\$90,000		
Adm asst	\$36,000		
workman's comp, gen. lab, property, auto bank card commissions and other fees work with IT mgr to assure smooth operations			
tickets, programs, etc allowance PR, advertising, consultants			
Mktg Director	\$60,000		
Customer Service (2)	\$60,000		
AcctExec-ticket sales	\$36,000		
AcctExec-sponsorSales	\$36,000		
On-site promo's, e-marketing, brand development radio, print, TV			
allowance for sponsorship sales and client retention			
head coach	\$48,000		
asst. coach	\$19,200		
trainer	\$19,200		
	staff hrs/match ave hrly matches		
part-time	40 5 \$13 25		
Venue GM	\$60,000	Fieldhouse Mgr	\$36,000
GameOpsMgr	\$36,000	Maint. Staff (3)	\$90,000
Food/Bev Mgr	\$42,000	support staff (3)	\$72,000
garbage pickup, uniforms, repairs, materials			

(b) Concert/festival/stage show/community event Revenue Worksheet

	event days	ave pd attendance	ticket price	Revenue	net revenue
Concerts					
small	4	1,500	\$20	\$120,000	\$12,000
large	4	3,000	\$40	\$480,000	\$48,000

Festivals/Comm.Events/Stage Shows (Promoter Rents Venue)

Event Days	Rent per Day	Revenue
25	\$2,500	\$62,500

(c) High School Events (soccer, football)

Playoffs	10	\$1,000	\$10,000
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(d) community recreation (kidsports, EMFC, etc)

facilities charge for use of field and field house on a per student season basis, like paid to school district \$1 per student, over three seasons

(e) Food and Beverage Worksheet

Food and Beverage service rights retained for all events except festivals/community events, where venue shares in margin. Industry average used for per person revenue.

	rate per person	margin	number of event days	wtd ave attend'nc	Revenue
soccer events	\$10	50%	20	3,275	\$327,500
concerts	\$7	50%	10	2,250	\$78,750
stage shows	\$10	50%	5	2,250	\$56,250
high school events	\$7	50%	10	1,750	\$61,250
fest/comEvents	\$7	50%	20	2,250	\$31,500 (10% of gross)
TOTAL					\$555,250

(f) Merchandise Worksheet

rate per person assumes 9% of attendee's spend \$10

Soccer events	\$0.90	50%	20	3,275	\$29,475
concerts	\$0.90	50%	10	2,250	\$10,125
stage shows	\$0.90	50%	5	2,250	\$5,063
high school events	\$0.90	50%	10	1,750	\$7,875
TOTAL					\$52,538

(g) Club Memberships

125 pairs of memberships at \$1,500 each per year. Membership benefits include exclusive restaurant access, parking, special events, and more. It does not include tickets.

Draft current as of 1/28/11