



A 501(C)(3) CORPORATION

Business Plan
For the Management of
Civic Stadium

TABLE OF CONTENTS

MISSION	3
EXECUTIVE SUMMARY	4
STRATEGIC PROCESS & TIMING	4
SITE USE PLAN	5
OPERATING STRUCTURE	8
ON-GOING OPERATIONS	8
STADIUM COMPLEX RENOVATION	9
CAPITALIZATION AND TIMING	11
APPENDICES	13

MISSION

United Stadium Group is a 501c(3) (application in process) corporation committed to enhancing the quality of life for the residents of Lane County by renovating, managing and maintaining historic Civic Stadium and thus fostering community interaction and entertainment. Working in affiliation with a multi-team soccer club as an anchor stadium tenant will assure that Civic Stadium remains an accessible venue, providing recreation and entertainment for all — a place for residents to play, learn and grow.





EXECUTIVE SUMMARY

United Stadium Group seeks to manage the renovation, operation and maintenance of Civic Stadium on behalf of the stadium's owner. Whether that owner is the City of Eugene, the 4J school district or private owners, this will benefit the community in many ways including the following:

- (i) Comprehensively redeveloping a 75-year-old historic, community landmark that is now listed on the national list of historic places and is part of Eugene's heritage.
- (ii) Providing a unique, multi-use sports and entertainment venue.
- (iii) Providing a home venue for local professional teams in the country's fastest growing professional sport, soccer.
- (iv) Maintaining the present "green space" that now exists between the heavily commercial Willamette Street corridor to the north (18th street north) and south (24th street south.)

USG intends to be involved with only that portion of the site necessary for the stadium complex and the minimum amount of parking necessary. USG is flexible in terms of its obligations, but is prepared to:

- (i) Manage the design and construction process of the stadium complex renovation.
- (ii) Manage the operation of the venue on a daily basis including marketing, solicitation and scheduling of sporting, educational and entertainment events.
- (iii) Maintain the facility and its upgrades.

Though this plan assumes a lease, USG can work with the owner in a number of ways including a land and facilities lease or a management contract. If leased, USG can pay monthly rent plus a share of revenues generated by activities in the stadium. If hired as a manager, all revenues would accrue to owner and USG would charge a monthly management fee.

If a choice is made to utilize the complex to its maximum extent, USG feels it could rent the stadium 365 days per year, mornings, afternoons and evenings. Though facilities like this exist in many other cities, like Tualatin, Medford and even Springfield, there is nothing similar in Eugene. What is most important to USG is to maintain the site's land use for benefit of the citizens of Lane County.

STRATEGIC PROCESS & TIMING

1. Incorporation

United Stadium Group was incorporated on October 1, 2012 and has applied to the IRS for 501(c)(3) status as a charitable non-profit organization.

2. Contract with Stadium Owner

An agreement will be negotiated with the stadium's owner that obligates USG to manage the process of design, finance, renovation, operation and maintenance of the stadium complex. USG is flexible in terms of the agreement's structure. It can be a lease, management contract or similar arrangement that works for both parties.

3. Stadium Renovation

To execute the site use plan, extensive renovation will be necessary. Though they are incomplete, plans and construction estimates have already been provided by a large, experienced building contractor to renovate the stadium as a sports and entertainment venue. USG will work with the owner to further develop these plans, including the selection of an architect and contractor. USG can assist in raising the necessary funds for the renovation, which can be obtained through a number of sources including:

- Strategic relationships with large organizations such as Nike or adidas
- Historic preservation and other grants and incentives
- Tax credits
- Municipal bond underwriting, if eligible
- Private or commercial loans
- Sponsorships and facilities naming rights
- In-kind donations of construction materials and labor

4. Stadium Operation

A small, efficient staff, including scheduling, maintenance, accounting and marketing personnel, will be hired to operate and maintain the stadium. Annual budgets will be prepared and shared with the stadium's owner. A program to manage asset depreciation will be developed to keep the property in top shape.

SITE USE PLAN

Once operations commence, the business will be self-supporting. Revenue will be generated through leases on the stadium facilities, fees for use and percentage of gate and concessions. Expenses will include payroll, maintenance and marketing plus normal operating costs like utilities and insurance.

10% of any budget surplus will be used to fund a renewal reserve to prevent the accumulation of deferred maintenance. And since USG is a non-profit corporation dedicated to maintaining the health of Civic Stadium for the benefit of the people of Lane County, the site's owner will not be contributing to the wealth of any local individuals by contracting with them.

- Lane United FC

The anchor tenant of Civic Stadium will be Redsidies Sports, LLC. This private company owns Lane United Football Club and a franchise to compete in the Premier Development League of the United Soccer Leagues, LLC. The PDL is a nationwide league of over 60 semi-professional soccer teams that play in eight geographic divisions and compete for a national championship. LUFC will begin play in the northwest division of the western conference of the PDL in the summer of 2014. Two "friendlies" have already been played and the response has been fervent, with over 1,000 spectators viewing the two games.

The men's PDL team will be the first of several Redsidies' teams that will play at Civic. The USL has a women's league (W-League) and a professional league (USL-PRO) that is just below Major League Soccer in quality of play and attendance. Future plans include the formation of teams in these leagues.

An enthusiastic supporters organization already exists here called the "Lane United Supporters Trust" that is dedicated to raucous promotion and support of the team.

According to a 2009 U.S. Census bureau report, soccer is the third most played team sport in the country, behind only basketball and baseball/softball. At its highest professional level (MLS,) soccer has the third highest average attendance of any sport in the U.S., according to Wikipedia. Franklin Floer wrote in 2011,



“The United States is about to take its place in the global soccer community... For several generations the United States has been the curious exception to the world’s mania for the beautiful game... we are witnessing the globalization of the United States — multinational corporations and big media are all pushing for soccer’s success here, even if it comes at the expense of our national pastimes. .. Soccer may have already passed a cultural tipping point here. U.S. players have begun to flood the ranks of European teams. The Walt Disney Company — the owner of ABC and ESPN — is deeply invested in the promotion of the game. Its television networks broadcast the World Cup in spectacular fashion and now broadcast English Premier League games weekly. And U.S. billionaires have discovered the financial opportunity represented by the game. In recent years they have gobbled up shares of clubs like Manchester United, Arsenal, and Liverpool.”

There is little doubt soccer has established itself as the country’s fastest growing sport.

As a market for professional soccer, Eugene seems well suited. In 2010, “G2 Strategic,” conducted a study of Civic Stadium’s potential. G2’s principal is Marshall Glickman, former president of the Portland Trailblazers and prime mover in Portland’s renovation of their old, downtown ballpark, Civic Stadium. As noted in G2’s analysis, “...Eugene’s demographic make-up, market size, 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.”

Market research further validates that soccer will be supported in this area. A study conducted by Vox Public Relations in 2012 included a series of three focus groups with homogenous populations and interviews with influential community leaders. Results showed that professional soccer is a good fit for our community. Area businesses would find sponsorships beneficial. Many said that repurposing the site as a sports and entertainment venue would be better for the community as a whole compared to other options like a new Y or commercial shopping center, which would primarily benefit only South Eugene.

It is important to note that Redsides must have a home stadium . Though a “bridge” facility will be sought for their league games beginning next spring, a permanent facility must be found. Though Civic Stadium is their preferred venue, Redsides must insure they have a first class facility in the long run as they prepare to move up to the USL-PRO level in the coming years. Redsides is in discussion with the City of Springfield, which has shown interest in providing a new stadium for the teams, perhaps within their downtown area. Springfield has noted the economic benefits a team and stadium would bring to the city.

- Youth Sports Providers

Eugene Metro Futbol Club (EMFC), a local, non-profit youth club, is interested in leasing the stadium complex for practice, games and tournaments. Kidsports, the area’s largest youth sports provider is also interested in using the stadium for events in soccer, football and lacrosse. Though no discussions have occurred yet between USG and AYSO, it is anticipated that this youth soccer organization would also be interested in using the field.

- Home Venue for College Soccer

The Northwest Christian University (NCU) men’s and women’s soccer teams are seeking a home field to replace their current location in Springfield. They have expressed keen interest in leasing Civic if it becomes a soccer stadium. College and professional soccer have complementary seasons, which would enable both to use the site when they need it. NCU is willing to pay a competitive annual fee to lease the field and facilities. Any revenues generated from admission and concession sales would be shared.



- Sports Tournaments and Local Recreation

The field will be marketed as a venue for Oregon's state high school soccer, football and lacrosse championships, bringing people from around the state and their tourism dollars to the area. It will also be available to youth sports organizations for championship games in regional tournaments. Adult city leagues can use the field during the evening for soccer and other field sports.

- Festivals, Community Events, Stage Shows

Civic Stadium is an ideal venue for concerts and other stage performances. For these events it could seat approximately 4,500. The stadium is also ideal to host outdoor festivals and community events that will benefit the entire county and adjacent neighborhoods. With the future of the fairgrounds in doubt, Civic Stadium could host many local weekend events. The field will have controlled entries, portable modular staging, power, locker rooms, storage and restrooms. There will be no need for set-up /take-down of temporary facilities. Creative promoting can bring in stage events like comedy shows for adults and live shows for kids. 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 extinguished. Parking accommodations will be negotiated as well.



OPERATING STRUCTURE

United Stadium Group is governed by a volunteer policy-making board of directors. Additional board members with experience and expertise in relevant disciplines will be added.

USG Board of Directors

- David Galas - President
- Ron Crasilneck - Secretary and Treasurer
- John Galas
- Dan O'Brien
- Frank Nakatsuma
- Jessica MacMurray Blaine
- Joe Hawes

Once a contract is completed, staff will be hired. An executive director experienced in venue management will be hired by the board and will manage day to day operations. He or she will phase in hiring of additional staff to conduct business.

The staff structure could look like this:



ON-GOING OPERATIONS

Revenue will be generated by leases on the stadium facilities, fees for use, and a percentage of the gate and concessions and sponsorships. Relationships with local media will be profitable. Expenses will include payroll, maintenance, marketing and normal operating expenses like utilities and insurance. 10% of any budget surplus will be used to fund a renewal reserve for future site development and maintenance.

USG will manage the daily operation and maintenance of the stadium, including event scheduling and preparation. It will attract and contract other events for the stadium including festivals, live shows, concerts, and tournaments. It will manage concessions, advertising and media contracts.

STADIUM COMPLEX RENOVATION

The stadium and field will be renovated to meet league standards and satisfy historic preservation requirements.

Construction can begin as funds become available with the highest priority on adding the new playing surface. Construction that does not interfere with events will continue after operations begin.

Project objectives will include the use of green and sustainable design, materials, operating practices and energy use.

Though subject to change, the planned elements of the renovation include:

1. Historic Grandstand

The historic grandstand will be renovated to include engineered structural improvements, new seating, and restoration of its original exterior appearance.. All plumbing facilities will be removed. The outdoor food court and concession facilities will be similar to what existed when the Emeralds played at Civic. Landscaping the surrounding area is planned.

2. Field Improvements

The current dirt and grass field will be replaced with an engineered artificial turf field meeting USL requirements in size and materials. 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, economical field lighting will be added.

3. New seating on east side of field

There will be seats constructed along the east side of the field, opposite the historic grandstand. This seating may be little more than a grass slope or temporary metal stands. It could also possibly be a full concrete or metal structure.

4. Service Building

A projected 9,500 square foot, two story service building will be erected either on the north end of the pitch, between the grandstand and the east stands or at the south end of the historic grandstand. It will house public restrooms, home and visitor locker rooms, referee locker room, a ticket office and staff offices.

5. Parking Lot

Unless a parking variance can be obtained, surface parking for over 300 cars will be provided, including lights and landscaping. The parking area will retain the current capacity (about 312 spaces) as allowed by the city land use code for renovations that do not result in a change to the existing use or seating capacity. The parking area, however, will be improved to meet current land use code design standards (eg., layout, access, and landscaping). Improvements could occur in a phased approach.

6. Land Use

The proposed land use will remain the same for the renovated stadium complex. Therefore, the existing PL Public Land zoning will be retained unless an H-Historic zone is deemed more appropriate. Any portion of the property that is used for other purposes shall ensure compatibility with the stadium use and other



adjacent uses (primarily residential, school, and park). Shared uses must conform with either the stadium zoning (PL or H) or the underlying metro plan allowed medium density housing zoning.

7. Remainder of Site

The Civic Stadium site includes 10.2 acres. The stadium complex does not require all of it. Depending on the final design of the renovated stadium complex and requisite parking configuration, there could be as many as three or four acres of land adjacent to the complex available for complementary development. Light retail, a restaurant, a tavern, indoor field house, apartment buildings are all possibilities.

The site's owner could develop this area themselves or sell it off to a developer. Though partition and rezoning would be required, the biggest obstacle to this, neighborhood objection, would be mitigated. It is safe to say the neighborhood would be in favor of limited development of this type if the site were to stay in the possession of the public.

The funds generated by such a sale could almost equal the price paid for the entire site. This is because the renovated stadium complex would add value due to the increased activity it brings to the site.



CAPITALIZATION AND TIMING

1. USG's Pre Opening Development Expenses

- Funds Needed

It is projected that less than \$100,000 will be needed during the first year to fund start-up expenses prior to any significant revenue generation for USG.

- Funding Strategy

The majority of funding for this will be charitable donations from individuals and businesses in the community.

Another source of funds will be grants. One example is The Oregon Community Foundation. This long time supporter of local business provides grants to fund start-up operations like this. Specific needs, like personnel are usually detailed in the grants.

As a 501(c)(3) non-profit corporation, funds obtained through donations will be tax deductible. Any funds generated in excess of what is needed for pre opening will be applied to the capital campaign for site renovation.

2. Capital for Stadium Complex Renovation

- Funds Needed

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 in 2010. 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 in April of 2010, 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.

Estimates were further refined by Shugrue in 2012. The estimated cost for the project as described above would total about \$7 million.

Additional designs and construction estimates would be obtained in conjunction with the site's owners and will further define the exact costs.

Construction could begin as soon as permits and funding are obtained. The renovation will be phased and operations can begin before the project is complete.

- Funding Strategy

Capital for construction will be raised from the following sources:

- Major Charitable Donations

Individuals and businesses with long standing ties to the community will be asked to help preserve our heritage by supporting efforts to save and reuse one of the area's most iconic venues.

- Government Grants

Groups like the Historical Preservation League of Oregon (HPLO) support historic preservations with grants in the \$2,500 to \$25,000 range. Many grants are matching, requiring charitable contributions. This can be helpful in soliciting individual and corporate donors.

Economic development grants, from groups like the Oregon Community Foundation and others can help fund projects that provide jobs and other benefits to the community. OCF grants can be used for a broad range of preservation activities, though some of the most common grant-funded projects include architectural and engineering studies and plans for rehabilitating historic properties and 'Brick-and-mortar' rehabilitation work on National Register buildings.

- Tax Credits

Historic and New Market tax credits are available to finance a significant portion of the project. ECONorthwest has studied USG's plan and concludes these complex instruments can be effectively used.

- Small Municipal Bonds

The Oregon State Treasury has a department called the Oregon Facilities Authority (OFA.) According to its web site,

The Oregon Facilities Authority (OFA) helps charities of all sizes secure low-cost financing to remodel, expand, construct, or purchase new facilities, through the use of tax-exempt conduit revenue bonds.

The OFA was created in 1989 and is empowered to issue bonds that assist with the financing of property and facilities for health, housing, educational and cultural uses. The Authority reviews proposed projects and makes recommendations to the State Treasurer about the issuance of bonds.

In addition to OFA's traditional bond program, the Authority offers a streamlined program for simple (and generally smaller) transactions, called the 'SNAP Bond Program'.

The amount that can be raised through the SNAP program is limited to the debt service that can be supported by operations.

- Loans from donors and commercial banks

Loans with favorable terms can be solicited from local commercial banks, many of whom work closely with local businesses. Some donors and local foundations may be willing to provide favorable loans as an alternative to outright gifts or grants.

- Business sponsorships and facilities naming rights

The renovated complex will provide a number of opportunities for name attachment. Businesses, both local and national, and individuals will be offered a chance to expose or memorialize their name in the community by purchasing naming rights. As an example, naming rights to the Timbers' Jeld-Wen



Field in Portland sold for about \$10 million. The high tech turf field, the scoreboard, and the stadium itself will be offered for naming rights. Other naming opportunities will be pursued including signage in the concession areas.

- In-kind construction materials and services

Like many projects of this kind, the companies involved in design and construction will be invited to make a charitable contribution by way of in-kind materials or services. By discounting their product or service, they can reduce USG's cash expenses compared to budget. This is as valuable as a cash donation. The original construction of Civic Stadium in the late 1930's was accomplished largely through in-kind donations by the community.

- A City Bond Election

Should the city of Eugene choose to purchase the property, it is USG's opinion that a small bond election be scheduled for 2014. This would provide funds to reimburse the city for the site purchase price plus finance the construction of the renovated stadium complex.

The amount of funds needed would be quite small compared to other bond elections and would have a relatively small effect on individual property tax rates. An enthusiastic group of volunteers would work hard to pass the measure to insure the restoration of the Civic Stadium site.

Should the measure fail, the city can follow through with the plan as laid out here, which still provides a cash flow to the city and frees it from having to maintain the facility. But if it passes, the process of repurposing the site would become easier to accomplish and, more importantly, demonstrates it is truly the will of the people of Eugene since they are willing to pay for it themselves.

APPENDICES

A. Brief professional back grounds of the board of directors and consultants

- David J. Galas, President. Works for marketing Hawes Financial Group and in general management for Redsides Sports, LLC. David studied mathematics and biology at the University of Oregon with a focus on Non-linear Dynamics. He developed computer software and hardware while working at Los Alamos National Lab, UO Neuroscience labs, and PMC-Sierra. His last management position at PMC-Sierra involved leading a team of engineers to create a new testing paradigm which was adopted company-wide after the product went to market with no functional revisions. He has been an avid soccer fan and player since living in Europe as a child.
- Ron Crasilneck, Secretary/Treasurer. Semi-retired businessman. 40 years experience with Fortune 500 companies and start-ups. Former owner and manager of National Steelcrafters of Oregon, a \$10 million manufacturing company. 25 years in non-profit board management. For full vitae, www.marmana.com
- John R. Galas, Board Member. John received his MBA in Football Industries from the University of Liverpool, where he also interned as a coach with the Liverpool F.C. Academy. A former coach with the women's soccer programs at Florida State, Oregon, and Arizona, John was also a coach with the USL-Pro Portland Timbers and former Director of Goalkeeping Coaching at the Real Salt Lake Academy. He is currently Player Performance



Analyst with the Portland Timbers and Thorns as well as Assistant Coach for the Thorns. John also serves as a Senior Consultant with FMMI and Scout7.

- Dan O'Brien, Board Member. A graduate of Santa Clara University with a Bachelor of Arts Degree in Communication & Marketing in 1990, Dan was also a member of the university's Men's Soccer Team. He currently works as the Sales Manager of KEZI-TV, the ABC affiliate in Eugene, OR (DMA Market 121). He previously owned and ran TNT Specialty Advertising, a local promotional advertising company which catered its services to local manufacturing companies including Country Coach Motorcoaches, Pepsi Bottling and International Paper.
- Frank Nakatsuma, Board Member. Frank has been a resident of Eugene, OR since moving from Los Angeles in 1989. He earned a BS in Mechanical Engineering from USC and has worked and lived in numerous Asian and Latin American countries, including Singapore and Brazil while working for General Electric. Frank's current focus is in manufacturing engineering. He owns two companies which distribute, sell and support top level software for the industry throughout all of Latin America. Fluent in English, Spanish, and Portuguese, he also consults for startup businesses providing background expertise and planning. A soccer player since a young age, he still plays on two teams in two leagues in Eugene, one of which he manages.
- Jessica MacMurray Blaine, Board Member. Director of Marketing and Communications at Marche Restaurant. An MS degree in journalism from the University of Oregon, Jessica was an editor at Black Dog & Leventhal Publishers. She was instrumental in the recent successful campaign to construct a skate park under the Washington-Jefferson bridge.
- Joseph Hawes, Board Member. President of the Hawes Financial Group, a credit and financial company based in Springfield, Oregon. With an MBA from the Lundquist College of Business Administration at the University of Oregon, Joe directs the company's executive and management teams.

B. Consultants

ECONorthwest - see www.econw.com

Appendices found in other files

C. Among the statements of support for the rehabilitation of Civic Stadium are letters from:

1. The United Soccer Leagues
2. Kidsports
3. Eugene Metro Futbol Club (EMFC)
4. Nate Jaqua, professional soccer player from Eugene
5. Joseph Womack, President, Northwest Christian University
6. Jon Jaqua, philanthropist



D. Vox Study

E. Architectural Renderings by Cameron McCarthy