



# **Market & Economic Study for a Proposed New Soccer Stadium in Prince George's County, Maryland**

**Final Report  
September 2008**



September 17, 2008

Mr. Gary McGuigan  
Project Executive  
Maryland Stadium Authority  
333 W. Camden Street, Suite 500  
Baltimore, Maryland 21201

Dear Mr. McGuigan:

Per our agreement dated March 10, 2008, Crossroads Consulting Services LLC (Crossroads Consulting) has completed its market and economic analysis related to the proposed new soccer stadium in Prince George's County. The report presented herein includes the summary of findings and principal conclusions from our research.

This analysis was prepared for the Maryland Stadium Authority and Prince George's County for their consideration of plans for a new stadium. The findings and assumptions contained in the report reflect analysis of primary and secondary sources. We have utilized sources that are deemed to be reliable but cannot guarantee their accuracy. Moreover, estimates and analysis regarding the proposed facility are based on trends and assumptions and, therefore, there will usually be differences between the projected and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no obligation, unless subsequently engaged, to update this report or revise this analysis as presented due to events or conditions occurring after the date of this report.

In accordance with the terms of our engagement letter, the accompanying report is restricted to internal use by the Maryland Stadium Authority and Prince George's County and may not be relied upon by any third party for any purpose.

This analysis was prepared under the Consulting Standards issued by the American Institute of Certified Public Accountants (AICPA) and does not constitute an examination, compilation or agreed upon procedures in accordance with the standards established by the AICPA. As such, we do not express an opinion or any other form of assurance on whether the prospective financial statements are presented in conformity with AICPA presentation guidelines or on whether the underlying assumptions provide a reasonable basis for the presentation.

You have authorized reports to be sent electronically for your convenience. However, only the final hard copy report should be viewed as our work product.

We have enjoyed working on this engagement and our relationship with the Maryland Stadium Authority and Prince George's County and look forward to the opportunity to provide continued service.

Sincerely,

*Crossroads Consulting Services LLC*



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## Introduction

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Major League Soccer (MLS) began operations in 1996 and D.C. United is a charter member. In its inaugural season the team won the MLS Cup title and went on to win again in 1997, 1999 and 2004. Early success in the national league gave the team opportunities to challenge for international championship titles. Other honors include:

- U.S. Open Cup Champions: 1996
- Supporter's Shield: 1997, 1999, 2006, 2007
- CONCACAF Champions Cup Winners: 1998
- Interamerican Cup Winners: 1999

Robert F. Kennedy Memorial Stadium (RFK Stadium) is D.C. United's home field. Built in 1961, the 56,000 seat venue has also been home field to the National Football League (NFL) Redskins, the Major League Baseball (MLB) Senators as well as the MLB Nationals during their first three seasons until the team's new baseball-specific stadium opened this spring along the Anacostia River in Southeast D.C. Nationals Park is anticipated to be a catalyst for mixed-use development in the surrounding area.

RFK Stadium has hosted many World Cup qualifiers, international friendlies, World Cup Finals matches in 1994 and Olympic matches in 1996. In addition, MLS Cups and All-Star matches have been hosted with one game recording an overflow crowd of 57,000. Over the last several years D.C. United has consistently ranked among the top teams in terms of home attendance which is representative of the team's popularity and strong fan base. The team is known for its vocal fans that make it difficult for visiting teams.

In 2007, MacFarlane-Chang DC Soccer LLC purchased the operating rights to D.C. United from Anschutz Entertainment Group (AEG). The ownership group is led by Victor MacFarlane, founder and managing principal of the real estate management company MacFarlane Partners, and Will Chang, who is the chairman of the global investment firm Westlake International Group and one of the owners of the MLB San Francisco Giants. In addition, a majority interest in D.C. United's operating rights is held by individuals who are racial/ethnic minorities.

MacFarlane's experience in urban redevelopment, the age and limited amenities of RFK Stadium and his association with the planned mixed-use development near the new Nationals Park led the new ownership group to seek potential opportunities to partner with the District to fund a new D.C. United stadium in the same vicinity.

The ownership group commissioned preliminary architectural planning by HKS, Inc. that estimated basic building program parameters for a new D.C. United stadium as well as gross square footage allocated for adjoining retail/restaurant, hotel, conference center, condominium hotel and office building space. It is our understanding that after past attempts to partner with the District were delayed, D.C. United, Prince George's County (County), and the State of



Maryland chose to explore the merits of developing a proposed new soccer stadium which is envisioned to serve as an anchor for additional ancillary development opportunities. Prince George's County's proximity and accessibility to the Washington Metropolitan area via highway and Metro transportation make it an attractive option for such a project.

In addition, Prince George's County has been very active in its development planning efforts. In October of 2002, the Maryland-National Capital Park & Planning Commission (M-NCPPC) completed the Prince George's County Approved General Plan which outlined recommendations for future development. This plan augmented and further refined the recommendations outlined in the Biennial Growth Policy Plan that was adopted by Prince George's County Council in November of 2000. The M-NCPPC is a bi-County agency created by the General Assembly of Maryland that focuses on Prince George's and Montgomery Counties. Its planning district encompasses more than 1,000 square miles.

The General Plan cites the following Prince George's County-wide goals:

- Encourage quality economic development
- Make efficient use of existing and proposed County infrastructure and investment
- Enhance quality and character of communities and neighborhoods
- Preserve rural, agricultural and scenic areas
- Protect environmentally sensitive lands

The General Plan utilizes a system of designated centers, corridors and growth tiers to guide future land use and development in the County. For each of these areas, the General Plan provides guidance for future development, environmental protection; transportation; and public facilities taking into account their needs and opportunities.

Although this study effort is non-site specific, it is assumed that, if constructed, the proposed new soccer stadium would be located on a parcel in the County near the Metro with good vehicular accessibility that is able to accommodate the anticipated ancillary development.

Based on these assumptions, of the three policy areas identified in the plan, the proposed stadium would likely be situated in the developed tier which is an 86 square mile area located along the border of the District and lies more or less within or just outside the Capital Beltway. This area has been designated as the highest priority for the expenditure of public funds.

Under authority of the County Executive, the Prince George's County Economic Development Corporation (EDC) focuses on promoting economic development, expanding business opportunities, and providing assistance to businesses interested in locating their primary office or base of operations in Prince George's County. In its effort to create opportunities for County businesses, the EDC works closely with other County agencies, the Department of Business and Economic Development (DBED), private companies, and other state and federal entities to build mutually beneficial relationships between contractors and businesses.



Significant financial investments have and are continuing to be made in the County. One of the largest developments in the County is National Harbor which encompasses approximately 300 acres of mixed use development along the Potomac River. Phase 1 of the project includes the new 2,000- room Gaylord Resort and Convention Center, which opened in April, as well as other ancillary retail, entertainment, residential and office space. Other planned development initiatives in the County include, but are not limited to, the following:

- Konterra
- MSquare
- University Town Center
- Vista Gardens Marketplace
- Greenbelt Station Towne Centre
- Fairwood
- Karington
- Steeplechase 95 Foreign Trade Zone #63
- Woodmore Towne Centre at Glenarden
- Ritchie Station Marketplace
- Bowie Corporate Center
- Westphalia

If constructed, it is anticipated that this stadium would serve as home for D.C. United; provide a first-class facility for a variety of other sports, entertainment and community events; support and grow the State's significant youth and amateur soccer participants; host tournaments and other special events that attract out-of-town participants and spectators; and generate incremental economic/fiscal impacts to the County and State.

Current preliminary plans call for the proposed new MLS stadium to include the following building components:

- Capacity of between 24,000 and 27,000 permanent seats with the ability to expand to 35,000
- 1,000 club seats and a club lounge
- 50 suites
- Grass field
- Team administration offices and a team store
- Media, athletics and officials facilities
- A restaurant/pub
- Parking facilities with at least 4,000 spaces within control of the facility operator/team
- Ancillary practice facilities and playing fields adjacent or proximate to the stadium

As mentioned previously, it is envisioned that the stadium will be one element of a larger mixed-use development initiative that may include restaurants and retail/entertainment establishments as well as office space. One potential ancillary development option that has been mentioned is a 4,000 to 6,000-seat indoor venue that would be able to host a diverse set of concerts and entertainment activity.



Given this backdrop, the Maryland Stadium Authority (MSA), in conjunction with Prince George's County, retained Crossroads Consulting to assist in assessing specific market and economic issues associated with developing and operating a new soccer stadium. Research tasks conducted for this study effort include, but are not limited to, the following:

- Conducted interviews and/or work sessions with a variety of groups including, but not limited to, representatives from the MSA, County Council and State government, D.C. United and the Chamber of Commerce
- Summarized trends in MLS
- Analyzed select demographic and economic data
- Surveyed and/or interviewed potential users of the proposed new facility
- Obtained and analyzed data from comparable MLS stadiums including, but not limited to, ownership, management, physical characteristics, event activity and financial operations
- Assisted in developing an estimate of potential utilization for the proposed new stadium
- Assisted in developing an estimate of stadium financial operations as well as economic and fiscal impacts associated with the proposed new stadium

The remainder of this report summarizes our key findings.



## **Market & Economic Study for a Proposed New Soccer Stadium in Prince George's County, Maryland**

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## Market Analysis

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In order to assist the MSA and the County in assessing the potential market demand for a proposed new soccer stadium, this section of the report summarizes the following:

- Trends in MLS
- General market characteristics including demographic/economic data, employment base, accessibility, hotel inventory, area attractions, State tourism statistics, climate and the existing competitive supply of public assembly facilities
- Input from potential users including representatives of D.C. United and MLS, scholastic and collegiate institutions, sports and athletic associations and concert promoters
- Data on comparable MLS stadiums including input from facility and team management

### Overview of MLS

Soccer has historically been a secondary sport in the U.S. in terms of televised matches, sponsorship opportunities and the development of soccer-specific facilities. The North American Soccer League (NASL), which operated in the U.S. from 1968 to 1984, was the league that introduced the U.S. to professional soccer at a broader, national level. The most popular club in the NASL was the New York Cosmos, particularly when they employed the Brazilian superstar Pele, one of the most talented players of all time. Although the timing seemed appropriate to promote soccer in the U.S., the NASL struggled in many areas but overexpansion was probably the most significant contributing factor in the league's demise for a variety of reasons including a weak business model, the dilution of talent and the overall lack of long-term commitment by team owners, particularly once the league's popularity declined.

Although defunct, the NASL influenced young children that grew up during this period and saw professional soccer being played in the U.S. for the first time. It created popularity for youth soccer and those children are now adults looking for entertainment options for themselves and their families. It also provided many lessons which MLS learned from in developing its strategy for successful long-term growth and stability. In addition, many business leaders who personally experienced youth soccer are now making business decisions to become involved with soccer at all levels of the game. MLS officials are finding that those individuals that control programming for television were raised with soccer as a part of their family culture. In the past, this was not as prevalent in the U.S.

The sport's growing popularity in the country over the last two decades is evidenced by a number of factors including, but not limited to, producing internationally ranked men's and women's national teams, hosting World Cups; establishing MLS in 1996 with 10 teams, including D.C. United; and the league's on-going success.



According to research conducted for Street & Smith's *Sports Business Journal*, MLS attracts a higher percentage of Hispanic fans than other major professional sports. In addition, that same source indicates MLS fans are among the most affluent in professional sports with a higher percentage of households having annual incomes exceeding \$100,000.

MLS is currently comprised of 14 teams in two conferences:

**Eastern Conference**

- Chicago Fire
- Columbus Crew
- D.C. United
- Kansas City Wizards
- New England Revolution
- New York Red Bulls
- Toronto FC

**Western Conference**

- Chivas USA
- Colorado Rapids
- FC Dallas
- Houston Dynamo
- Los Angeles Galaxy
- Real Salt Lake
- San Jose Earthquakes

Each team plays 30 regular season matches between March and October.

**Business Strategy**

MLS' current business strategy to increase its fan base and further strengthen its financial stability primarily focuses on improving the quality of play at all levels; expanding the number of teams; constructing soccer specific-stadiums; expanding television coverage; maintaining and enhancing strong sponsorship partners; and adding new investors.

**Improving the quality of play at all levels**

In 2008, each team is allotted eight international spots, all of which are tradable. The ability to recruit and sign top foreign players such as Marcelo Gallardo (Argentina) with D.C. United, David Beckham (England) with the Los Angeles Galaxy, Juan Pablo Angel (Colombia) of the New York Red Bulls, and Cuauhtemoc Blanco (Mexico) of the Chicago Fire who are known worldwide has positively influenced attendance at MLS matches.

The Designated Player Rule allows MLS to sign players (under the League's single entity system) whose salary will fall outside of the team salary budget and whose cost above the salary budget charge will be the financial responsibility of the club for which they play. Each team initially received one Designated Player slot, and clubs are allowed to trade Designated Player slots. However, no team can have more than two Designated Players. The Designated Player Rule is a three-year initiative that will conclude after the 2009 MLS season when its future will be reviewed.

The creation of Youth Development Academies with an affiliation with each MLS team provides a commitment to the development of young players in the U.S.

In addition, MLS officials cited that playing in the right type of facilities for professional soccer has improved the overall quality of play by allowing the teams and MLS to present the game in the appropriate atmosphere on the correct field for professional soccer making it a more enjoyable experience for the fans and players. Playing in the right type of facility also creates the opportunity to generate revenue streams needed for teams to be successful.

### Expansion

Recent expansions include Real Salt Lake and Chivas USA in 2005, Toronto FC in 2007, and San Jose Earthquakes in 2008. All of the Toronto FC games were sold out in 2007 and that trend is anticipated to continue in 2008. Additional expansion teams will begin play in Seattle in 2009 and in Philadelphia in 2010. The expansion team in Seattle has already pre-sold 12,000 season tickets.

MLS recently announced plans to increase to a total of 18 teams by 2012. Potential expansion cities include Atlanta, Miami, Montreal, New York, Portland (OR), St. Louis, and Vancouver. MLS representatives noted the following general criteria for selecting expansion markets:

- **Market attributes** - factors such as market size, television households, demographics, a strong soccer perspective and a history of supporting soccer are important.
- **Strength of ownership group** – the majority of current owners bring two important aspects to MLS 1) they are proven, successful business leaders and 2) they have experience owning other professional sports teams. As a point of reference, the ownership groups bidding on MLS expansion teams include the owner of an NFL team; the owner of a MLB team; and the owners of minor league soccer and minor league baseball teams. MLS is structured as a single, limited liability company (single entity). In this structure, team operators own a financial stake in MLS, not just in their individual team. As such, MLS officials indicated that strength of ownership is vital to the success of the league.
- **Soccer-specific stadium** – MLS will only consider expanding into markets that have a realistic plan for a new soccer-specific stadium. In addition, it is strongly preferred that the ownership group has some control of the stadium in which they play.

### Construction of soccer-specific stadiums

MLS' goal is for all of its teams to play in soccer-specific stadiums. In a recent poll of more than 800 senior executives of professional and collegiate sports conducted for *Sports Business Journal*, development of soccer-specific stadiums ranked as the most positive trend for MLS in the last five years. This year, eight of the 14 MLS teams will play in soccer-specific stadiums including the following:

- Chicago Fire – Toyota Park in Bridgeview, IL
- Chivas USA – The Home Depot Center in Carson, CA
- Colorado Rapids – Dick’s Sporting Goods Park in Commerce City, CO
- Columbus Crew – Crew Stadium in Columbus, OH
- FC Dallas – Pizza Hut Park in Frisco, TX
- Los Angeles Galaxy – The Home Depot Center in Carson, CA
- Real Salt Lake – Real Salt Lake Stadium in Sandy, UT  
(team will begin play in its new stadium later this season)
- Toronto FC – BMO Field in Toronto

The New York Red Bulls will begin play in their new stadium, Red Bull Park, in 2009. The San Jose Earthquakes recently announced plans for a new stadium which is anticipated to open in 2010 or 2011 and the Kansas City Wizards are currently working on plans for a new stadium that is tentatively scheduled to open in 2010. The expansion team in Philadelphia will play in a new 20,000 seat stadium in Chester. In addition, MLS officials indicated a desire to have a new soccer-specific stadium built to host the Houston Dynamo and it is our understanding that the team is actively pursuing a new 20,000 to 25,000 seat stadium. D.C. United’s efforts to develop a new, soccer-specific stadium are consistent with overall league objectives and other MLS team endeavors.

Relative to new stadium development, MLS cites the following factors as important:

- **Seating Capacity** - Ideal capacity is 25,000 to 30,000.
- **Stadium Operations** – MLS’ perspective is that renting is not a path of viability to long-term success for their teams. As such, its preference is that teams have an active role in ownership and/or operations of their stadiums.
- **Transportation Access** – Accessibility for fans is an important consideration. Depending on the market, greater importance may be placed on public transportation rather than on vehicular transportation.
- **Ability to Maximize Revenue Streams** - The stadium agreement must be designed to maximize revenue streams to enhance the long-term financial viability of the MLS team.
- **Ancillary Development** – MLS is sensitive to the fact that each market and specific site location are different. For instance, Pizza Hut Park in Frisco, Texas and Dick’s Sporting Goods Park in Commerce City, Colorado are both located in suburban locations and had sufficient land for multiple fields. The opportunity to have great numbers of children playing soccer in the complex that hosts MLS is viewed as an advantage to developing

on-going interest in the sport. If there is available land on the selected site, MLS supports facilities that engage the youth of the community. By contrast, Toronto has a long tradition of fans commuting downtown for sports and entertainment activities. This historical pattern along with a strong public transportation system, ample parking for fans and proximity to restaurants, retail and other related services support this stadium's downtown location.

MLS representatives believe in the role that stadiums can have in economic transformation and particularly when ancillary development makes a project more viable, it is encouraged. In Commerce City, Dick's Sporting Goods Park served as the catalyst for surrounding ancillary development. According to MLS officials, one of the driving forces for the City of Chester to become involved in the new stadium being built for the expansion team in Philadelphia is that the investment in the stadium will drive economic transformation in that area. Characteristics of MLS stadiums are discussed in more detail later in this report.

### Television coverage

In 2008, every MLS game will be televised either regionally or nationally. All MLS teams have regional television agreements. In addition, MLS announced four new national television packages with coverage beginning this season. Previously, MLS had a traditional "barter" agreement with networks. Beginning in 2008, the networks are taking economic risk to broadcast MLS matches. All matches are broadcast live and are not on tape delay. A brief description of the four packages is as follows:

- **ESPN/ABC** – includes a game-of-the-week on ESPN2, the MLS All-Star game on ESPN2, the MLS Cup on ABC Television and one D.C. United/L.A. Galaxy game on ABC Television
- **Fox Soccer Channel** – broadcasting a pre-game and post-game show in addition to a game every Saturday.
- **TeleFutura** – the sports arm of Univision will have 24 broadcasts of MLS regular season matches this year on Sundays.
- **HDNet** – broadcasting a game every Saturday evening.

In the recent poll conducted for *Sports Business Journal*, improved television coverage ranked as the third highest positive trend for MLS in the last five years.

Relative to international television coverage and as a point of reference, Soccer United Marketing, the properties arm of MLS, paid \$40 million to FIFA for the English language U.S. marketing/sales rights to the 2002 and 2006 World Cups. Univision paid \$150 million for the Spanish language U.S. marketing/sales rights. As a point of reference, the final game of the 2006 Men's World Cup had a viewership of 17 million Americans which was more than the final game of the World Series.



For the 2010 and 2014 World Cups, ESPN/ABC paid \$100 million for the English language U.S. marketing/sales rights and Univision paid \$325 million for the Spanish language U.S. marketing/sales rights, representing a substantial increase for both.

### Sponsorship partners

Sponsorship partners continue to increase in MLS. American Airlines signed a multiyear, agreement with MLS prior to this season – its first with any sports league. The following lists MLS' official sponsors/partners along with the year the partnership was formed:

- Adidas (1996)
- American Airlines (2008)
- Aquafina (1996)
- Budweiser (1996)
- Chase (2006)
- Diageo (Cuervo) (2007)
- Dick's Sporting Goods (2007)
- Gatorade (2003)
- ICI Paints (2006)
- Home Depot (2008)
- Kraft Foods (2004)
- Makita (2004)
- NAPA (2007)
- Panasonic (2003)
- Red Bull (2006)
- Sierra Mist (1996)\*
- U.S. Soccer Foundation (2000)
- Visa (2007)

Note: \*PepsiCo has been an MLS sponsor since 1996 and shifted the sponsorship to its Sierra Mist brand in 2004.

In addition, MLS is the only major professional sports league in the U.S. to allow teams to have sponsors on their jerseys. To date, nine of the 14 MLS teams, including D.C. United, have jersey sponsors. D.C. United recently teamed with Volkswagen on an advertising/sponsorship partnership that includes Volkswagen's logo on the jerseys as well as other club and in-stadium marketing components. The initial reaction to this concept has been positive and this trend is expected to continue with other MLS teams and is consistent with accepted practices within international soccer. One advantage of MLS' single-entity structure is that individual teams retain the majority of revenues generated from local ticket sales, local TV/broadcast rights and sponsorship rights, stadium revenues and team overseas tours.

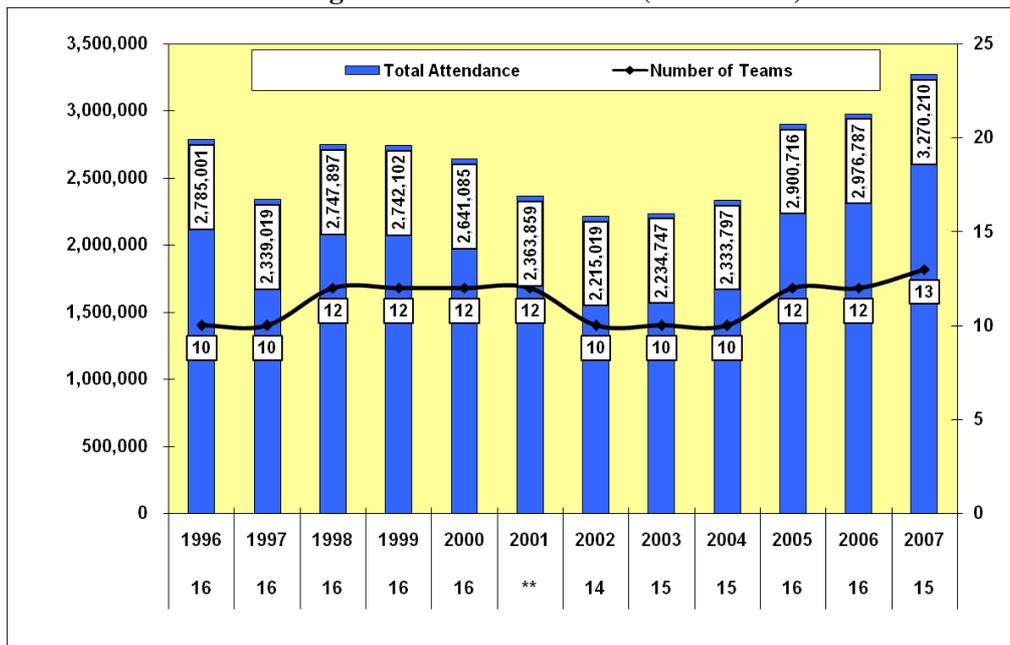
### New investors

Historically, ownership groups such as AEG and Hunt Sports Group have owned multiple MLS teams. However, the trend is for ownership groups to scale back their holdings to one team. As mentioned previously, the unique single-entity operating structure makes strength of ownership particularly important because team owners have a financial interest in MLS as well as in their individual club. As such, MLS officials indicated that new investors in existing and future expansion teams are an important element in the future success of MLS. The majority of existing owners are successful business people, many of whom own or have financial interests in other professional sports teams/ventures.

## Historical Attendance in MLS

More than 33 million fans have attended MLS regular season games since its inception in 1996. During this period, annual total attendance for MLS has ranged from 2.2 million to nearly 3.3 million in 2007. Total attendance is dependent on a variety of factors including the number of teams in the league, the number of games played each season, and notable players.

**MLS Regular Season Attendance (1996 – 2007)**



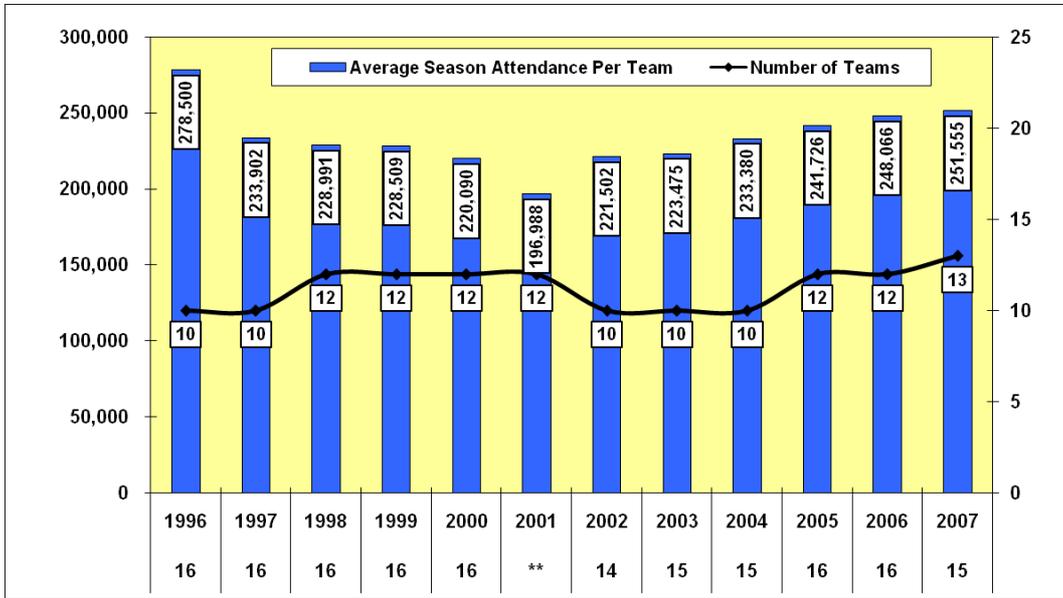
Notes: The number below the year indicates the number of home games played by MLS teams.

\*\* In 2001, MLS teams played between 12 and 14 home games.

Source: MLS.

Although the same number of MLS teams played in 2000 and 2001, each team played two to four fewer home games in 2001 which negatively impacted attendance figures. As shown in the graph that follows, average season attendance per MLS team was the highest in its inaugural year, dropped to its lowest point in 2001 and has steadily increased each of the last five seasons.

**Average Regular Season Attendance Per Team in MLS (1997 – 2007)**

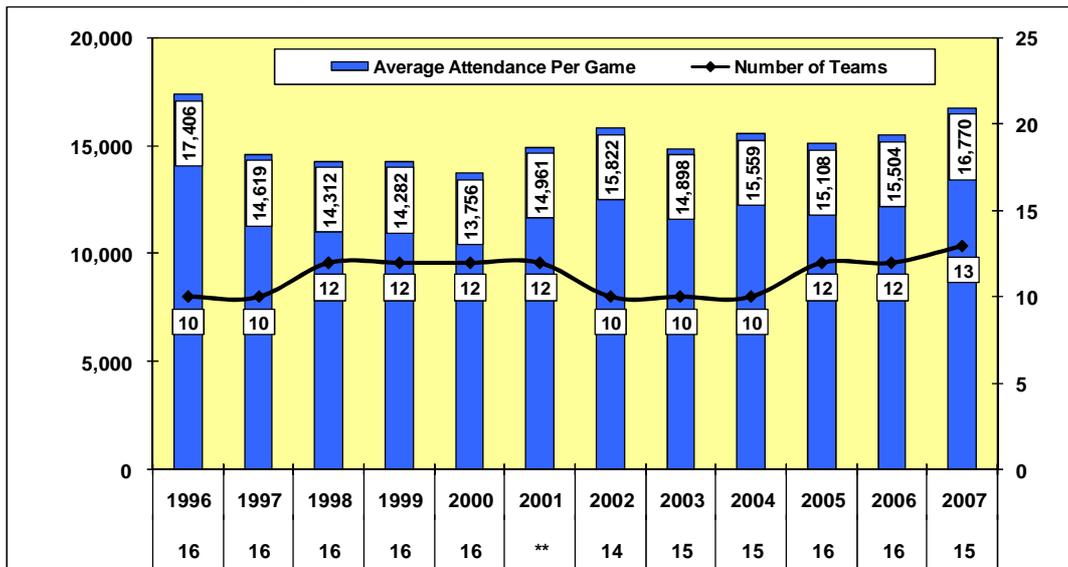


Notes: The number below the year indicates the number of home games played by MLS teams.  
 \*\* In 2001, MLS teams played between 12 and 14 home games.

Source: MLS.

In 2007, the 13 MLS teams averaged 16,770 fans per game, the highest since the league's inaugural year (17,406).

**Average Attendance Per Game in MLS (1996 – 2007)**



Notes: The number below the year indicates the number of home games played by MLS teams.  
 \*\* In 2001, MLS teams played between 12 and 14 home games.

Source: MLS.

As a point of reference, the table below compares the average attendance per team for four professional sports leagues. During the most recent season, the average attendance per MLS team was relatively close to that in the NHL and the NBA.

**Comparison of Average Attendance Per Team Among Select Professional Sports Leagues**

Professional Sports League	Average Attendance Per Team				
	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007
MLS	14,898	15,559	15,108	15,504	16,770
NHL	16,590	16,549	n/a	16,954	16,960
NBA	16,883	17,014	17,319	17,543	17,760
MLB	28,033	30,355	30,922	31,420	32,767

Notes: The NHL did not play during the 2004/2005 season due to a lockout.  
Sorted in ascending order by 2006/2007 attendance.

Sources: MLS; ESPN.

Among profiled professional sports teams in the District, D.C. United had the second highest average attendance in 2007.

**Comparison of 2007 Average Attendance for Select Professional Sports Teams Playing in Washington, D.C.**

Team	2007 Average Attendance	Number of Games
Nationals	24,217	81
D.C. United	20,967	15
Wizards	17,122	41
Capitals	13,860	41

Sources: MLS; ESPN.

**Overview of General Market Characteristics**

In addition to serving as the home field to D.C. United, potential event activity at the proposed new stadium will likely include various other levels of professional, amateur and youth soccer events/tournaments as well as other sports and entertainment events such as lacrosse, rugby, football, concerts and festivals. Depending on the scope and type of event, stadiums typically draw both area residents and out-of-town attendees.

As stated earlier, this study effort is non-site specific at this juncture. However, it is assumed that, if constructed, the proposed new soccer stadium would be located on a parcel that is large enough to accommodate the anticipated ancillary development, near the Metro and have good vehicular accessibility. The pages that follow provide an overview of general market characteristics of Prince George’s County as well as the broader Metropolitan region.



## Demographic/Economic Data

Demographic and economic indicators are pertinent to estimating demand for spectator-oriented activities for several reasons. MLS and D.C. United have conducted significant research on the demographic composition of their fan base and it is helpful to understand how the market area relates to these specific characteristics. In addition, event promoters/producers for other sports and entertainment events consider a variety of factors such as population, ethnicity, age distribution and income characteristics when selecting markets to host their events. Market dynamics will also impact the amount and type of ancillary development that may occur near the proposed new soccer stadium such as a potential live entertainment venue.

### *Population*

Population serves as a base from which events at the proposed new soccer stadium will draw attendance and other forms of support. While many local, civic based events tend to attract attendees from a relatively close proximity such as Prince George's County, larger sports and entertainment events typically draw attendance from a broader market area such as the Washington-Arlington-Alexandria, DC-VA-MD-WV Core Based Statistical Area (Washington Metro area). In addition, certain events that may be regional, national and international in scope can draw participants and spectators from an even larger market area.

The Office of Management and Budget (OMB) defines a Core Based Statistical Area (CBSA) as a geographic region that is defined by a significant population center plus its surrounding communities that exhibits a high degree of social and economic assimilation with that center. Metropolitan CBSAs have an urban core of at least 50,000 and account for 83% of the U.S. population while micropolitan CBSAs have an urban core of between 10,000 and 49,999, and account for 10% of the U.S. population.

The Washington Metro area, which is the primary market area from which the proposed new soccer stadium would likely draw a large percentage of its attendance, consists of the District of Columbia; Calvert, Charles, Frederick, Montgomery, and Prince George's counties in Maryland; Jefferson County, West Virginia; as well as Arlington, Clarke, Fairfax, Fauquier, Loudoun, Prince William, Spotsylvania, Stafford and Warren counties and Alexandria City, Fairfax City, Falls Church City, Fredericksburg City, Manassas City, Manassas Park City in Virginia.

The map below graphically depicts the Washington Metro area.



The following table shows the historical and projected trend in population for Prince George’s County, the Washington Metro area and the U.S. As shown, the population in the Washington Metro area has and is projected to continue to increase at a higher growth rate than that for both Prince George’s County and the U.S.

Trends in Population			
Data	Prince George's County	Washington Metro Area	U.S.
2013 Projection	868,064	5,736,886	319,161,431
2008 Estimate	845,602	5,384,723	304,141,549
2000 Census	801,515	4,796,183	281,421,906
Growth 2008-2013	2.66%	6.54%	4.94%
Growth 2000-2008	5.50%	12.27%	8.07%

Source: Claritas

Research conducted for *Street & Smith’s Sports Business Journal* indicates that 51.5% of MLS soccer fans are male. For 2008, the percentage population by gender is estimated to be nearly equal between males and females among all three profiled geographic regions.

2008 Estimated Population by Gender						
Category	Prince George's County		Washington Metro Area		U.S.	
	Number	%	Number	%	Number	%
Male	406,359	48.06%	2,627,727	48.80%	149,878,290	49.28%
Female	439,243	51.94%	2,756,996	51.20%	154,263,259	50.72%

Source: Claritas

### *Ethnicity*

The U.S. is also experiencing a demand for soccer through the immigration of people from countries where soccer is the dominant sport. In terms of ethnicity, research conducted for *Street & Smith's Sports Business Journal* cites that approximately 63.4% of MLS fans are Caucasian followed by Hispanic (19.2%) and African-American (11.3%). Team officials indicated that approximately 30% of D.C. United fans are Hispanic.

Estimated population data for 2008 indicates that approximately 12% of the population in both Prince George's County and the Washington Metro area is Hispanic or Latino which is a target market for soccer events. However, the distribution of population by single race classification differs significantly among the profiled geographic areas. Approximately 18% of the population in Prince George's County and 51% of the population in the Washington Metro area is White and approximately 64% and 26%, respectively, is Black/African American. These percentages suggest an ethnically diverse population base in both the County and the Washington Metro area which is generally consistent with MLS fan demographics and may also provide an opportunity to host unique concerts/festivals at the proposed new stadium. The remaining population is distributed among other classifications such as Asian, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, or multiple races.

2008 Estimated Population by Single Race Classification						
Category	Prince George's County		Washington Metro Area		U.S.	
	Number	%	Number	%	Number	%
Black/African American	537,681	63.59%	1,379,478	25.62%	36,899,249	12.13%
White	151,845	17.96%	2,748,817	51.05%	198,895,914	65.40%
Hispanic or Latino	104,408	12.35%	644,691	11.97%	46,336,030	15.24%
Asian	30,148	3.57%	451,381	8.38%	13,178,769	4.33%
Multiple Races	17,590	2.08%	131,772	2.45%	5,661,553	1.86%
American Indian and Alaska Native	1,772	0.21%	12,474	0.23%	2,273,546	0.75%
Other Race	1,669	0.20%	12,772	0.24%	483,114	0.16%
Native Hawaiian and Other Pacific Islander	489	0.06%	3,338	0.06%	413,374	0.14%
<b>Total</b>	<b>845,602</b>	<b>100.02%</b>	<b>5,384,723</b>	<b>100.00%</b>	<b>304,141,549</b>	<b>100.01%</b>

Note: Sorted in descending order by Prince George's County population.

Source: Claritas

### *Age Distribution*

Analysis by age group is helpful since certain spectator events at stadiums, such as sporting events and concerts, are targeted toward consumers who fall within specific age categories. As shown in the table that follows, although the age distribution for the estimated 2008 population figures is relatively consistent among the three profiled geographic areas, the population base in Prince George's County is slightly younger. Approximately 25% of the population in each of these areas is under the age of 18 years old and approximately 47% of the population in Prince George's County and the Washington Metro area is between the ages of 18 and 49 years old which is a target market for many sports and entertainment events. As a point of reference, team officials noted that approximately 51% of D.C. United fans are between the ages of 18 and 44 years old.



2008 Estimated Population by Age						
Age Category	Prince George's County		Washington Metro Area		U.S.	
	Number	%	Number	%	Number	%
Under 18 Years Old	215,339	25.47%	1,322,920	24.56%	74,248,133	24.54%
18 - 34 Years Old	207,127	24.49%	1,232,934	22.89%	70,640,900	23.25%
35 - 49 Years Old	195,767	23.15%	1,285,904	23.88%	65,856,670	21.91%
50+ Years Old	227,369	26.88%	1,542,965	28.65%	93,395,846	30.30%
2008 Estimated Median Age	35.0		36.6		36.7	

Source: Claritas

### Income

Income offers a broad measurement of spending potential for a specific population because it indicates the general ability of individuals or households to purchase a variety of goods and services including admission to sports, cultural, and entertainment events.

As shown in the table that follows, the 2008 median household income in Prince George's County is estimated to be approximately \$69,000 which is lower than in the Washington Metro area (\$80,800) but significantly higher than in the U.S. (\$50,200). As a point of reference, approximately 45% of the households in Prince George's County and 54% of the households in the Washington Metro area have annual household income levels of \$75,000 or more which is significantly higher than for the U.S. as a whole (26%).

2008 Estimated Households by Household Income						
Income Category	Prince George's County		Washington Metro Area		U.S.	
	Number	%	Number	%	Number	%
Less than \$15,000	19,345	6.37%	126,396	6.25%	14,643,499	14.54%
\$15,000 to \$24,999	16,722	5.51%	96,739	4.78%	12,231,297	11.73%
\$25,000 to \$34,999	23,830	7.85%	124,649	6.16%	12,631,539	11.87%
\$35,000 to \$49,999	42,702	14.06%	224,152	11.08%	17,688,590	16.14%
\$50,000 to \$74,999	64,775	21.33%	366,185	18.09%	22,418,973	19.29%
\$75,000 to \$99,999	49,710	16.37%	316,430	15.64%	13,792,569	11.02%
\$100,000 to \$149,999	57,604	18.97%	408,489	20.19%	13,228,430	9.86%
\$150,000 to \$249,999	25,230	8.31%	263,187	13.01%	5,630,193	3.93%
\$250,000 to \$499,999	3,022	1.00%	67,868	3.35%	1,665,652	1.17%
\$500,000 or more	771	0.25%	29,623	1.46%	763,459	0.47%
Income of \$50,000 or above	66.23%		71.74%		45.74%	
Income of \$75,000 or above	44.90%		53.65%		26.45%	
2008 Estimated Median Household Income	\$69,011		\$80,826		\$50,170	
2008 Estimated Average Household Income	\$81,359		\$102,823		\$67,918	
2008 Estimated Per Capita Income	\$29,518		\$38,927		\$25,933	

Source: Claritas

### Area Employment

The employment base of an area also provides a potential target market for events and financial support for the proposed new soccer stadium. Area employers may utilize the facility for various events such as meetings, product launches, banquets/receptions and other types of activity. Premium seating sales, advertising/sponsorship opportunities and ticket sales are typically dependent on the size and composition of the area employment base. The distribution and diversity of the workforce are two additional factors that can potentially influence success of public assembly facilities. Broad workforce distribution helps lessen dependency on support from any single industry segment. Industry diversification also helps a local economy withstand economic downturns due to dependency upon one industry; should an industry fail there are others upon which the local economy can rely.

According to the Prince George's County EDC, approximately 15,300 private businesses in the County employ over 230,000 workers. Nearly 475 of these companies employ greater than 100 employees. In addition, local, State and Federal government business accounts for greater than 82,000 jobs in the County. As shown in the table that follows, the area's economy is comprised of a diverse set of industries including government; trade, transportation and utilities; professional/business services; and construction. As of 2007, the unemployment rate in Prince George's County was 4.0% which was slightly higher than the State (3.8%).

**Employment by Industry – Prince George's County\***

<b>Industry</b>	<b>2006 Estimated Employment</b>
Federal Government	25,881
State Government	17,161
Local Government	39,460
Private Sector	230,441
Trade, transportation, utilities	61,636
Professional and business services	43,117
Construction	32,123
Educational and health services	26,969
Leisure and hospitality	24,857
Financial activities	13,839
Manufacturing	10,461
Other services	9,933
Information	7,247
Other	259
<b>Total</b>	<b>312,943</b>

Notes: Private sector employment reflects the total of the industries listed.

\*Employment in the above table reflects that for Prince George's County residents only.

Source: Prince George's County Economic Development Corporation.



As shown in the table below, major employers include Andrews Air Force Base, the University of Maryland and the U.S. Internal Revenue Service. New technology companies are located in several business districts throughout the County. Currently, there are nearly a dozen high-technology oriented federal labs and agencies located in the County. Nearly 900 technology companies employ 33,600 highly-trained workers. The County's commitment to encouraging business growth and investment is reflected by planned, expanded and new facilities in recent years such as the NOAA Climate Protection Center and Steeplechase 95 International Business Park.

**Largest Employers in Prince George's County\***

<b>Company Name</b>	<b>Employees</b>
Andrews Air Force Base	15,000
University of Maryland at College Park	12,454
U.S. Internal Revenue Service	5,539
Giant Food, Inc.	5,394
United Parcel Service	4,220
U.S. Census Bureau	4,158
NASA - Goddard Space Flight Center	3,083
Verizon	2,738
University of Maryland University College	2,618
Dimensions Healthcare	2,500
Safeway	2400
Shoppers Food Warehouse	1,975
Prince George's Community College	1,863
USDA - Beltsville Agriculture Research Center	1,700
Chevy Chase Bank	1,456
Target	1,400
Southern Maryland Hospital Center	1,300
District Photo	1,200
Computer Sciences Corp.	1,000
Home Depot	968
Honeywell Technology Solutions	900
SGT	900
<b>Total</b>	<b>74,766</b>

Notes: \* This table represents all employees at a company regardless of residence. As such, these numbers do not directly correspond with the previous table.  
 Source: Prince George's County Economic Development Corporation.

This local business environment is further augmented by the presence of major employers throughout other areas of the Washington Metro area including those in nearby Montgomery County and the District of Columbia. These regions represent additional potential demand for corporate support of the proposed new stadium and team via ticket sales, luxury seating leases, advertising and/or sponsorships. D.C. United's existing base of corporate support in the regional marketplace also enhances a new stadium's marketability to the business community given the team's established, recognizable name and historical success.



## Accessibility

Location and accessibility of the facility to the population base can be important factors to the overall success of stadiums and other types of public assembly facilities.

### *Metro*

Within the State of Maryland, Montgomery County represented the greatest number of D.C. United ticket buyers in 2007 followed by Prince George's County. In addition, team representatives indicated that Prince George's County is the fastest growing geographic area in terms of D.C. United ticket buyers. As such, the proposed new stadium could serve to further extend the team's reach within the greater metropolitan area.

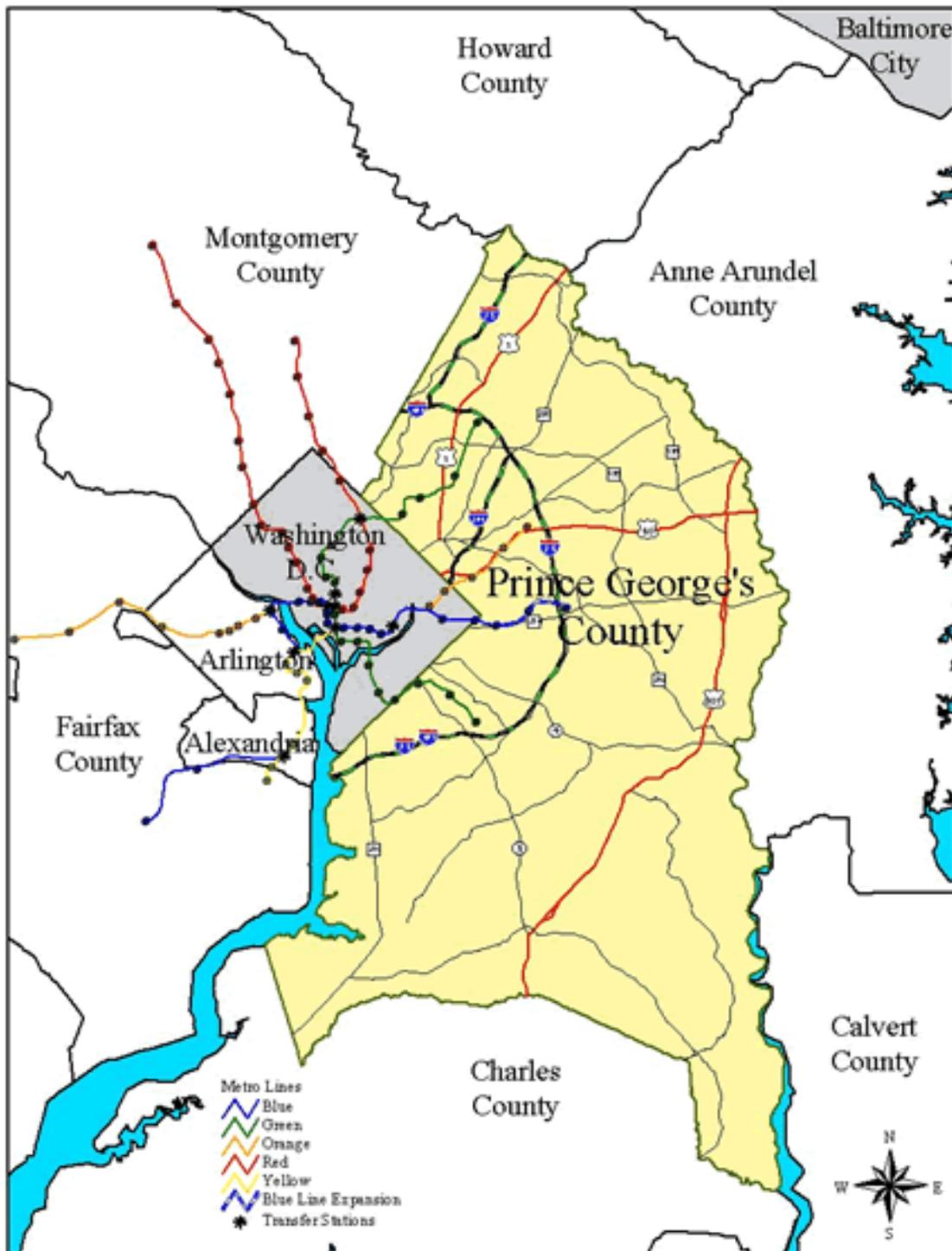
Mass transit access to the stadium is an important factor to both D.C. United and MLS because a relatively large percentage of soccer fans typically utilize Metrorail. Mass transit access to Prince George's County is provided by the Metro, a multi-line rail system which connects the Maryland Capital Region, Northern Virginia and Washington, DC. The Metro, which is operated by the Washington Metropolitan Area Transit Authority (WMATA), currently serves 86 stations throughout the area, offers accessibility to County events and attractions from the District and Northern Virginia without the hassle of parking and traffic. Metro's Blue, Orange and Green lines service Prince George's County. The pages that follow contain maps illustrating the Metro line stops and stations throughout the area.

There are also several other modes of transportation that can be accessed throughout the County including Metrobus, Amtrak and the MARC (Maryland Area Regional Commuter) Train Service which is a commuter rail system that operates three lines that include Harford County, Maryland; Baltimore City; Washington D.C.; Brunswick, Maryland; Frederick, Maryland; and Martinsburg, West Virginia.

As mentioned previously, encouraging quality economic development and making efficient use of existing and proposed County infrastructure and investment are two of the goals outlined in the General Plan and transit support is one of the County's stated priorities. More specifically, the General Plan designates centers and corridors to attract economic development; capitalize on investments in mass transit facilities; and provide opportunities for mixed-use, transit-oriented and transit supporting development which are consistent with the objectives of the proposed new soccer stadium and the long-term strategy for ancillary mixed-use development.

The maps that follow illustrate the Metro line stops and stations throughout the area as well as the MARC Train Service.

**Metro Lines**



### Metro Stations



## MARC TRAIN SERVICE



### Highway

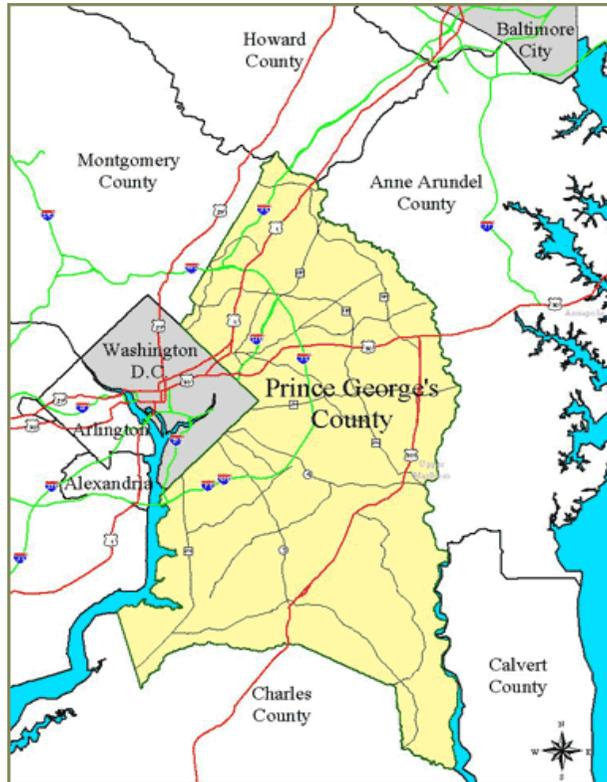
The method that event promoters/producers use to select venues to play is partially based on ease of access to a market as well as where the market fits in the context of the overall routing of the act. Consequently it is advantageous to have good highway access in order to attract certain types of events such as concerts.

Prince George's County wraps around the eastern boundary of Washington, D.C. and is accessible to the greater metropolitan area via several major roadways including:

- Interstate 95/495 (Capital Beltway)
- US Route 50 (John Hanson Highway)
- US 1 (Baltimore Avenue)
- Route 295 (Baltimore/Washington Parkway)
- US Route 301 (Crain Highway)

The maps on the next page illustrate the County's proximity and vehicular accessibility to Washington D.C. and northern Virginia. In 2007, the largest number of D.C. United ticket buyers was from Virginia, Maryland and the District of Columbia, respectively.

### Area Maps Showing Highway Accessibility



## Air

Air access can be a factor in attracting certain regional, national and international events such as sporting tournaments. Three national and international airports are within 50 miles. In addition, four regional/commuter airports are located in Prince George's County.

As shown in the following table, Baltimore-Washington International Airport and Washington Dulles increased the number of enplanements three of the last four years while Washington National Airport has grown in this category each of the last four years.

The Federal Aviation Administration (FAA) defines enplanements as domestic, territorial and international passengers who board an aircraft in scheduled and non-scheduled service of aircraft.

<b>Baltimore - Washington International Airport</b>			<b>Ronald Reagan Washington National Airport</b>		
Year	Passenger Enplanements	Percentage Change	Year	Passenger Enplanements	Percentage Change
2002	9,367,499		2002	6,172,065	
2003	9,768,040	4.3%	2003	6,813,148	10.4%
2004	10,103,563	3.4%	2004	7,661,532	12.5%
2005	9,829,432	-2.7%	2005	8,623,907	12.6%
2006	10,297,607	4.8%	2006	8,973,410	4.1%
<b>Average</b>	<b>9,873,000</b>		<b>Average</b>	<b>7,649,000</b>	
<b>5-Year Change</b>	<b>10%</b>		<b>5-Year Change</b>	<b>45%</b>	

<b>Washington Dulles Airport</b>			<b>Regional Airport</b>		<b>Location</b>
Year	Passenger Enplanements	Percentage Change			
2002	7,848,911		College Park Airport		College Park
2003	8,050,506	2.6%	Freeway Airport		Bowie
2004	10,961,614	36.2%	Maryland Airport		Indian Head
2005	13,032,502	18.9%	Potomac Airfield		Fort Washington
2006	11,045,217	-15.2%			
<b>Average</b>	<b>10,188,000</b>				
<b>5-Year Change</b>	<b>41%</b>				

Sources: Federal Aviation Administration; Prince George's County CVB.

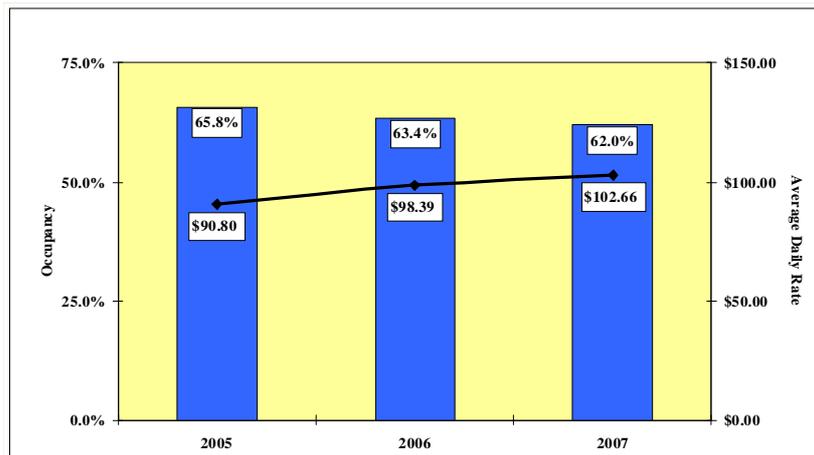
## Hotel Supply

The diversity and supply of hotel rooms proximate to the proposed new soccer stadium is an important factor in attracting events, accommodating spectators/participants and generating room nights. Given the geographic location of Prince George's County, it is likely that attendees will stay in a variety of hotel properties throughout the metropolitan area. Prince George's County offers more than 9,000 hotel rooms including the recently opened 2,000-room Gaylord National Resort and Convention Center. Adjacent Montgomery County has approximately 8,500 hotel rooms. In aggregate, these two counties and Washington D.C. proper combine to offer approximately 45,000 hotel rooms for visitors.

The new Gaylord property offers 470,000 square feet of exhibit, ballroom and meeting space. Other amenities include a spa and fitness center as well as restaurants and a lounge. Gaylord Hotels has developed similar convention facilities in the Dallas area, Nashville and Orlando with the intention of marketing to group business for multiple year contracts, routing annual events through their facilities for several consecutive years. Their centralized marketing and administrative offices, accessible locations, on-site guest rooms and upscale amenities have made them competitive in the group business industry. While their market focus is on routing multi-year national events, individual properties will seek local, State and regional business to maintain profitability. This property increased the County's hotel room supply by 28% which is likely to have an impact on future occupancy and average daily rate (ADR) in the region.

As shown in the graph below, although occupancy at hotels in Prince George's County decreased each of the last two years, ADR has increased. The availability of hotel rooms for major sports tournaments will be important for event producers as well as participants and spectators involved in the events.

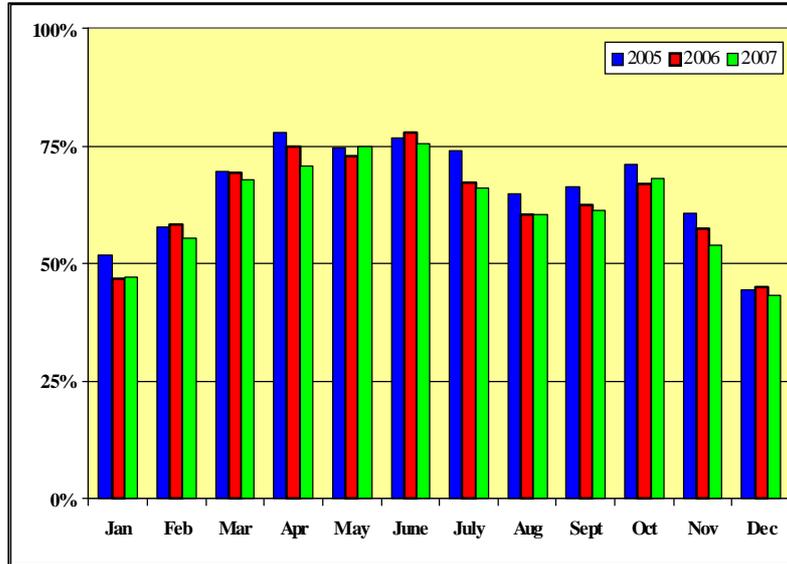
#### Summary of Occupancy and ADR at Prince George's County Hotels



Source: Prince George's County Conference and Visitors Bureau.

As illustrated in the graph that follows, Prince George's County hotels experience their peak season during the spring and early summer. However, based on historical occupancy rates, hotels in the County have available inventory throughout the year and should be able to accommodate activity generated from various youth, scholastic, collegiate, amateur, and professional sporting events/tournaments, particularly those that occur during the off-season. The addition of the Gaylord Resort and Convention Center at National Harbor as well as other planned hotels in the County will further increase supply and diversity of properties.

### Prince George's County Hotel Occupancy Rates by Month (2005-2007)



Source: Prince George's County Conference and Visitors Bureau.

#### Area Tourism

Tourism can represent a significant economic generator for an economy. Attracting spending on items such as lodging, retail, eating/drinking and entertainment/recreational establishments from visitors can supplement local resident spending at area businesses and increase tax revenues for both local and State governments generated by out-of-town visitors. Development of the proposed new soccer stadium could serve to enhance economic impact to the State by attracting new visitor streams and capturing additional spending from existing visitors.

Prince George's County offers a variety of leisure-time options for both participants and spectators. The M-NCPPC was created by the Maryland General Assembly in 1927 to develop and operate public park systems, provide land use planning for the physical development of the majority of Montgomery and Prince George's Counties, and to operate the public recreation program in Prince George's County. The M-NCPPC manages over 22,000 acres of parkland with recreational facilities, programs and over 38 miles of paved trails. Public facilities managed by the M-NCPPC include, but are not limited to, the following:

- 122 neighborhood parks
- 27 recreational buildings
- Three ice rinks
- 206 tennis courts
- Show Place Arena
- Prince George's Sports & Learning Complex
- 39 community centers
- Ten aquatic facilities
- Four golf courses
- An indoor/outdoor tennis facility
- Three performing arts/cultural centers

The M-NCPPC also oversees certain aspects of operations at Prince George's Stadium which is home to the Class AA Bowie Baysox baseball team.

The County also offers privately owned and operated attractions including Six Flags America theme park and many historical and cultural sites and museums dedicated to preserving and promoting its history. Proximity and accessibility to the nation’s capital and its variety of historical, cultural and sports/entertainment options make Prince George’s a popular destination for leisure travelers.

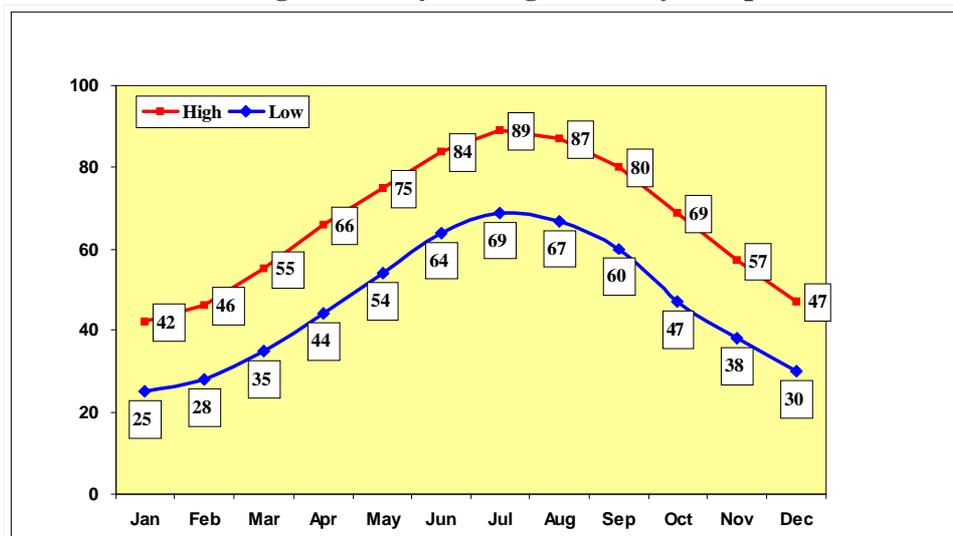
Several studies recently conducted for the State of Maryland have estimated the size and breadth of tourism within the State. The Travel Industry Association (TIA) estimated that visitors to Prince George’s County (including leisure and group business travelers) generated approximately \$941.5 million in total spending during 2006 which ranked fifth in the State.

Based on the Maryland Office of Tourism Development’s FY 2007 Annual Report, there were approximately 13.2 million overnight trips and just over 15 million day trips totaling more than 28.3 million person-trips to the State in 2006. The Capital Region, which includes Prince George’s, Frederick and Montgomery Counties, ranked third as a destination in the State attracting approximately 4.9 million person trips. The average travel party size of visitors to the State was 2.1 with length of stay averaging 1.4 nights. Approximately 71% of visitors to the State traveled for pleasure compared to 29% for business. In aggregate, visitors spent \$11.0 billion in Maryland in 2006.

Climate

Climate can play a factor in the marketability of outdoor venues. As shown in the following graph, weather in Prince George’s County is relatively moderate approximately nine months of the year which makes it attractive for certain outdoor events such as sports tournaments.

**Prince George’s County Average Monthly Temperature**



## Area Sports and Entertainment Facilities

The extent to which existing facilities adequately meet the needs of the market is an important aspect when evaluating new facilities. The outdoor facilities listed in the table that follows are within close proximity to Prince George's County and have a capacity of at least 5,000. Facility size, location, configuration, market focus and date availability are factors that impact how competitive area facilities may be to the proposed new soccer stadium.

**Area Outdoor Sports and Entertainment Facilities**

Facility	Location	Total Capacity
FedEx Field	Landover, MD	91,000
M&T Bank Stadium	Baltimore, MD	69,000
RFK Stadium	Washington, D.C.	56,000
Chevy Chase Bank Field at Byrd Stadium	College Park, MD	51,500
Oriole Park at Camden Yards	Baltimore, MD	49,000
Nationals Park	Washington, D.C.	42,000
Nissan Pavilion	Bristow, VA	25,000
Merriweather Post Pavilion	Columbia, MD	19,000
Prince George's Stadium	Bowie, MD	10,000
Regency Furniture Stadium	Waldorf, MD	8,000
Wolf Trap Filene Center	Vienna, VA	7,028
<b>Average</b>		<b>38,900</b>

Note: Sorted in descending order by total capacity, not the number of seats.

Sources: Management at individual facilities as well as other secondary research.

The following provides a brief summary of these facilities.

### FedEx Field in Landover

Home to the NFL Washington Redskins, FedEx Field is located in Prince George's County. Opened in 1997, the stadium has a total capacity of approximately 91,000 seats and offers 244 suites and 15,000 club seats. The stadium has undergone several renovation/improvement projects since its opening. The stadium has a grass field and is privately owned and operated by the team.

### M&T Bank Stadium in Baltimore

Located in downtown Baltimore adjacent to Oriole Park at Camden Yards, M&T Bank Stadium is home to the NFL Baltimore Ravens. Opened in 1998, the State of Maryland owns and operates the stadium through the MSA. M&T Bank Stadium has a seating capacity of approximately 69,000 and contains 108 suites and approximately 8,000 club seats. Approximately 4,800 on-site parking spaces are shared between the two stadiums.



### RFK Stadium in Washington, D.C.

Located in Washington, D.C. and built in 1961, RFK Stadium is the current home of D.C. United and hosted the NFL Washington Redskins prior to their move to FedEx Field. One of the oldest MLS stadiums, the facility seats 47,000 people for soccer matches and lacks many of the amenities of more modern sports facilities. The facility is owned and operated by the District of Columbia through the D.C. Sports & Entertainment Commission.

### Chevy Chase Bank Field at Byrd Stadium in College Park

Opened in 1950, Chevy Chase Bank Field at Byrd Stadium is home of the University of Maryland NCAA football team as well as men's/women's lacrosse. The facility is located on the College Park campus in Prince George's County. Since its opening the facility has undergone a number of changes including an increase in seating capacity in 1995. Following the 2007 season, an extensive expansion project began at the stadium. Phase One includes expansion of the Tyser Tower along the South concourse allowing for the addition of 64 suites. Additionally, mezzanine seating will be added for approximately 500 people as well as a University suite that can accommodate 200 people. Other slated improvements include new work areas for the media as well as for coaches and game day staff; a new merchandise store, improved seating for the physically challenged and a new state-of-the-art scoreboard.

### Oriole Park at Camden Yards in Baltimore

Built in 1992, Oriole Park at Camden Yards is home to the MLB Baltimore Orioles. Located in downtown Baltimore adjacent to M&T Bank Stadium and proximate to the Inner Harbor, the facility has a seating capacity of approximately 49,000. It offers 75 suites and 4,000 club seats. The State of Maryland owns and operates the facility through the MSA.

### Nationals Park in Washington, D.C.

Nationals Park is located in Southeast Washington, south of the Capitol, along the fast-developing Capitol Riverfront adjacent to the Navy Yard. The new park not only strives to redefine modern sports facility architecture but also has as its goal to serve as a catalyst and cornerstone of a new mixed-use Capitol Riverfront in the nation's capital. Opened in 2008 and home to the MLB Washington Nationals, Nationals Park has a total seating capacity of approximately 42,000, 2,750 club seats, 78 suites including 10 party suites as well as the 500 Lexus Presidents Club Seats and the Stars and Stripes Club, both of which offer indoor dining along with excellent views of the field. The stadium is owned by the D.C. Sports & Entertainment Commission and operated by the Nationals.

### Nissan Pavilion in Bristow, VA

Located in Bristow, Virginia, the Nissan Pavilion is approximately 35 miles west of Washington D.C. The facility offers a total capacity of 25,000, including 10,000 permanent seats, making it the largest amphitheater in the Washington Metro area. Opened in 1995, the Nissan Pavilion hosts a wide variety of concert tour events throughout the year. The outdoor live performance amphitheater is owned and operated by Live Nation, the dominant entertainment promoter in the



country. Live Nation was spun off from its parent company, Clear Channel Communications in December 2005.

#### Merriweather Post Pavilion in Columbia

Located in the Baltimore/Washington corridor off Route 29 in Columbia, Maryland, Merriweather Post Pavilion is situated within 40 preserved acres known as Symphony Woods. The natural, outdoor concert setting gives it a unique marketability. Opened in 1967, maximum capacity at the Pavilion is approximately 19,000 through a combination of fixed seats and a large lawn area. The facility is owned by General Growth Properties and managed by IMP Productions.

#### Prince George's Stadium in Bowie

Built in 1994 and home of the minor league baseball Class AA Bowie Baysox, Prince George's Stadium seats 10,000 through a combination of 8,000 box and general admission seats, club seats, nine skyboxes and a grass berm for 2,000 spectators. The facility is owned by the M-NCPPC and management is shared by the M-NCPPC and the team.

#### Regency Furniture Stadium in Waldorf

Opened earlier this year, the Regency Furniture Stadium hosts the Independent Southern Maryland Blue Crabs minor league baseball team. Built in Waldorf, the multi-purpose stadium offers 4,500 reserved seats and has a total capacity of approximately 8,000 including the outfield grass berm. The stadium has 16 skyboxes as well as various family friendly features such as a picnic area and an amusement area for children.

#### Wolf Trap Filene Center in Vienna, VA

The Wolf Trap Filene Center is located at America's National Park for the Performing Arts in Vienna, Virginia. The facility offers a total seating capacity of more than 7,000, including 3,868 in-house and 3,160 lawn seating. The Filene Center hosts approximately 90 annual performances in addition to a variety of educational programs, artist master classes, special events, and a yearly Holiday Sing-A-Long for the community. The facility originally opened in 1971 as a partnership between the Wolf Trap Foundation and the United States Department of the Interior, but was completely destroyed by a fire in 1982. A temporary venue was constructed in the National Park until the Filene Center was re-built in 1984, which is operated by the Wolf Trap Foundation.

#### Other Public Assembly Facilities

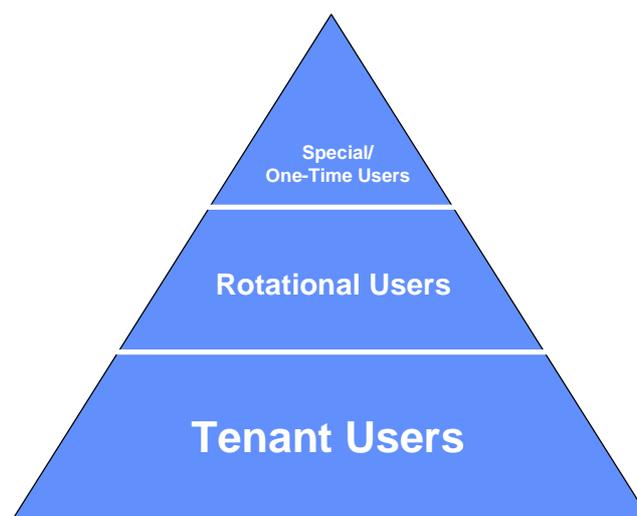
The greater Baltimore/Washington area is also home to several smaller stadiums that host collegiate and minor league sports teams as well as various indoor arenas such as Verizon Center, Comcast Center, 1<sup>st</sup> Mariner Arena and Patriot Center that host diverse sports and entertainment activity. In addition, there are several smaller theaters in the market.

Given their size, configuration and event base, it is unlikely that smaller arenas and entertainment venues in the market will pose significant competition to the proposed new soccer stadium in Prince George’s County in terms of attracting events. However, several of these facilities offer premium seating and sell sponsorship/advertising packages which will need to be considered when estimating the potential revenue streams for the proposed new soccer stadium.

As mentioned earlier in this report, one of the potential ancillary development options for the proposed soccer stadium project is a 4,000 to 6,000-seat indoor venue that would be able to host a variety of concerts and entertainment activity. When evaluating the merits of any live entertainment venue, factors such as geographic location, capacity, and market niche of these indoor facilities should be considered.

### **Input from Potential Users**

In order to assist the MSA and Prince George’s County in estimating the potential uses for the proposed new soccer stadium, it is helpful to understand the various levels of users. The diagram that follows illustrates the typical structure of users in a sports/entertainment venue. Tenant users represent a solid base for the facility that can provide steady and contractually obligated income. Tenant users are generally sports teams such as D.C. United. Rotational users are shows or events that return to the facility on a regular basis, usually during a designated time of year, and may have a long-term contract to do so. Examples of rotational users are annual sports tournaments and training camps. Special/one-time users are irregular or spot users such as certain sporting events and tournaments (e.g. MLS World Cup, NCAA), concerts, seminars, etc. Although these events can be significant revenue generators, they are not guaranteed and the number of these events will vary from year to year. Special/one-time users are important to the success of the venue, but are the least predictable and can sometimes be labor/marketing intensive.



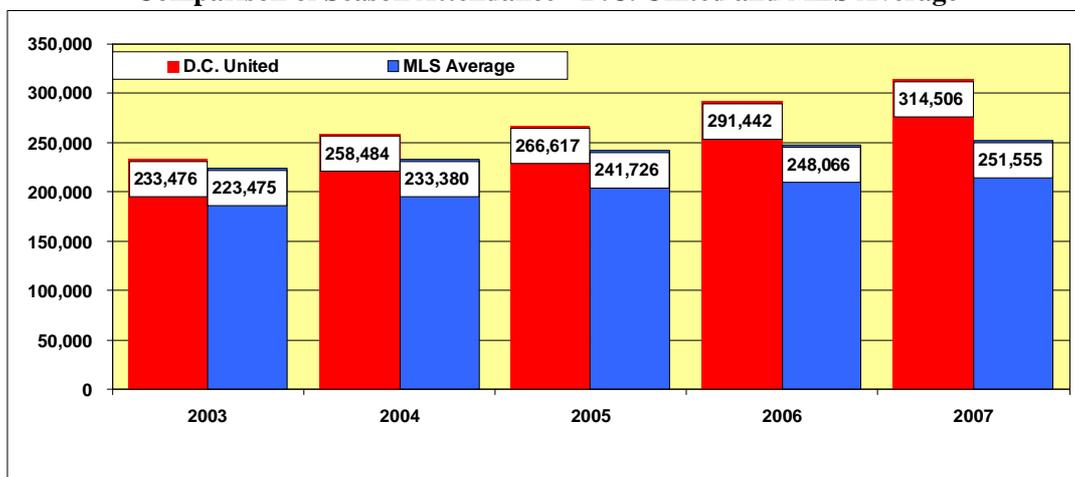
An important aspect of the market analysis is to assess the type and amount of event activity that the proposed new stadium may potentially generate. In the greater Baltimore/Washington Metro area there are a number of professional and collegiate outdoor stadiums, indoor arenas, amphitheaters and performing arts venues that host a variety of sports and entertainment events making it a competitive market. As such, interviews were conducted with potential users including representatives of D.C. United and MLS, scholastic and collegiate institutions, sports and athletic associations and concert promoters to gauge their interest in hosting events at the proposed new stadium and understand how the proposed new facility concept and Prince George’s County market meet their needs for hosting events. If it was ascertained that there was a level of interest in utilizing the proposed new stadium, an effort was made to understand what the potential attendance may be for each event type.

### D.C. United

When evaluating the market demand for stadiums, it is beneficial to maximize the number of definite dates. D.C. United would serve as the primary tenant at the proposed new stadium in Prince George’s County. Team management has focused its marketing efforts on providing fans with an “authentic soccer experience” encompassing everything from the team’s black and red colors to its name which is associated with renowned soccer clubs worldwide. The objective is to provide a consistent product that provides fans with a great soccer experience at every game irrespective of the players on the field. Under this philosophy, D.C. United has become one of the most recognizable and successful teams in U.S. soccer history winning the MLS Cup title four times and participating in other international competitions. The team is supported by some of the most loyal fans in the sport.

As shown in the graph below, total season attendance for D.C. United has increased each of the last four seasons. The team’s season attendance increased by 35% between 2003 and 2007 which was significantly higher than the MLS average (13%). Despite playing one less home game, season attendance for D.C. United increased by 8% between 2006 and 2007.

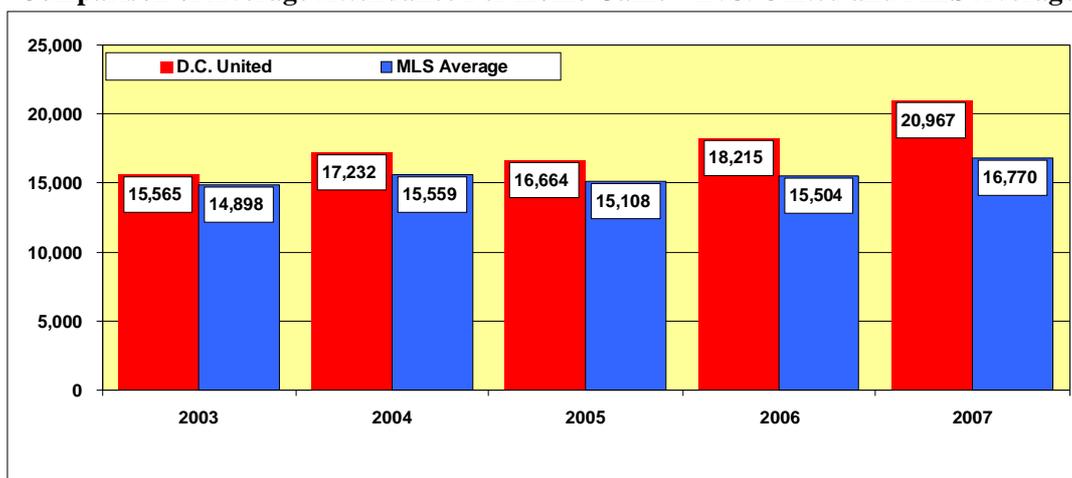
**Comparison of Season Attendance - D.C. United and MLS Average**



Source: MLS.

Average attendance at D.C. United home matches has been above that for MLS each of the last five years and increased 15% between 2006 and 2007. D.C. United has averaged more than 17,700 people per game over the last five seasons.

**Comparison of Average Attendance Per Home Game – D.C. United and MLS Average**



Source: MLS.

As shown in the table below, D.C. United has been among the MLS leaders in terms of attendance. The LA Galaxy has led in attendance the last five seasons. Playing its inaugural season in a new stadium, Toronto FC ranked third in total attendance in 2007. The Kansas City Wizards have ranked last in attendance each of the last three seasons.

**MLS Attendance by Team (2003 – 2007)**

Team	2003			2004			2005			2006			2007		
	Total	Average	Rank												
LA Galaxy	329,752	21,983	1	357,137	23,809	1	387,256	24,204	1	333,016	20,814	1	363,782	24,252	1
<b>D.C. United</b>	<b>233,476</b>	<b>15,565</b>	<b>6</b>	<b>258,484</b>	<b>17,232</b>	<b>2</b>	<b>266,617</b>	<b>16,664</b>	<b>5</b>	<b>291,442</b>	<b>18,215</b>	<b>4</b>	<b>314,506</b>	<b>20,967</b>	<b>2</b>
Toronto FC													301,947	20,130	3
NE Revolution	219,611	14,641	7	183,385	12,226	9	200,397	12,525	10	188,569	11,786	11	251,812	16,787	4
NY Red Bulls*	237,326	15,822	4	257,923	17,195	3	241,230	15,077	6	233,112	14,570	7	247,948	16,530	5
Chicago Fire	210,080	14,005	8	257,295	17,153	4	275,811	17,238	3	225,775	14,111	8	247,356	16,490	6
Real Salt Lake							288,586	18,037	2	261,855	16,366	5	239,395	15,960	7
Houston Dynamo*	156,989	10,466	9	195,015	13,001	8	208,594	13,037	8	302,957	18,935	3	238,240	15,883	8
Columbus Crew	243,756	16,250	3	253,079	16,872	5	206,654	12,916	9	212,699	13,294	9	228,451	15,230	9
FC Dallas*	118,585	7,906	10	136,319	9,088	10	179,021	11,189	11	239,714	14,982	6	227,182	15,145	10
Colorado Rapids	251,578	16,772	2	212,925	14,195	7	218,206	13,638	7	192,894	12,056	10	221,229	14,749	11
Chivas USA							273,284	17,080	4	317,432	19,840	2	214,578	14,305	12
KC Wizards	233,594	15,573	5	222,235	14,816	6	155,060	9,691	12	177,322	11,083	12	173,784	11,586	13
<b>MLS Total</b>	<b>223,475</b>	<b>14,898</b>		<b>233,380</b>	<b>15,559</b>		<b>241,726</b>	<b>15,108</b>		<b>248,066</b>	<b>15,504</b>		<b>251,555</b>	<b>16,770</b>	
<b>Total Games</b>	<b>15</b>			<b>15</b>			<b>16</b>			<b>16</b>			<b>15</b>		

Notes: Sorted in descending order by 2007 total attendance.

\*The Metrostars relocated to become the NY Red Bulls beginning in 2006; the Dallas Burn became FC Dallas in 2005; the San Jose Earthquakes relocated to become the Houston Dynamo in 2006. An expansion team, the San Jose Earthquakes, begun play in 2008 under new ownership.

Source: MLS.



## United States Soccer Federation

The USSF is the governing body of soccer in all its forms in the United States. Its mission statement is to make soccer, in all its forms, a preeminent sport in the United States and to continue the development of soccer at all recreational and competitive levels. As such, the USSF provides development of the national teams in the United States including the Men's National Team, Women's National Team, Youth National Teams, and the Development Academy.

This mission coupled with improving national trends and the success of professional soccer has led the USSF to make financial commitments towards the development of the U.S. Soccer National Training Center at the Home Depot Center in Carson, California and the soccer complex in Frisco, Texas that is the home to the MLS FC Dallas. The USSF's financial commitment to these two complexes, approximately \$6 million and \$5 million, respectively, was to help secure the broader capabilities of the facilities that will support the growth and development of soccer at all levels from professional to adult to youth.

At the most elite level, the USSF promotes and organizes events for the Men's and Women's U.S. National teams. These events are held at a variety of sites across the country. Events slated for this year include: U.S. Women vs. Australia at WadeMed Soccer Park in Cary, North Carolina and at Legion Field in Birmingham, Alabama; U.S. Women vs. Canada at RFK Stadium in Washington, D.C.; and the U.S. Men vs. Argentina at Giants Stadium in East Rutherford, New Jersey. Additionally, the USSF is responsible for the Men's and Women's U.S. Olympic and World Cup teams.

In 2007, the USSF was responsible for the marketing and promotion of the CONCACAF Gold Cup which is held every two years. CONCACAF (the Confederation of North, Central American and Caribbean Association Football) is the showpiece for regional international soccer during non-World Cup years and provides a strong training ground for Olympic and World Cup competitions. The tournament features 12 teams and has included the United States (winners in 2005), Columbia, Brazil, Mexico, Panama, and Costa Rica. Sites for the 2007 Gold Cup included many larger stadiums such as Soldier Field, Giants Stadium, Gillette Stadium, Reliant Stadium, The Home Depot Center, and the Orange Bowl. There is also a Women's CONCACAF Gold Cup.

The USSF is also responsible for the men's and women's national teams in various age categories: under-23, under-20, under-18, under-17 and under-15; the under-14 National Development Program; as well as the Development Academy program with 64 teams across the country.

These events occur throughout the year and more frequently when leading up to a World Cup or Olympic year. There are approximately 16 to 18 events annually for the Men's and Women's National Teams combined. These matches are held in stadiums ranging in capacity from 20,000 to the largest in the U.S. Women's matches typically average between 8,000 and 10,000 in attendance while men's matches average between 25,000 and 30,000 in attendance, excluding the larger matches with high profile opponents like Mexico or Argentina which may draw close



to 70,000 people. In addition, Development Academy events occur year-round. These teams tend to play in smaller venues as these are youth development teams, although some Development Academy teams will play prior to a MLS game.

When determining where to host events, representatives of the USSF focus on locations they feel provide the best home advantage for their teams to win matches. Preferred locations typically have strong soccer support and provide intensity in the stadium; a high-quality field; press accommodations for international media; sufficient on-site parking; good accessibility; appropriate infrastructure of the stadium and site; and stadium amenities that allow for premium pricing. Each event is considered individually and other determinants of site location are the opponent and history of ticket sales when playing that opponent. USSF officials indicated that Washington D.C. has been a strong market for hosting events. Given the current building program, a new 30,000-seat soccer stadium in Prince George's County would be well-positioned to host some portion of these events.

### Women's Professional Soccer

Women's Professional Soccer (WPS) is a new women's professional soccer league that will begin play in April of 2009 with seven teams in Boston, Chicago, Dallas, Los Angeles, New Jersey/New York, St. Louis, and Washington, D.C. Franchises are individually owned and operated by a group of investors in each market.

Owned and operated by Hendricks Investment Holdings LLC, the Washington Freedom was one of the original teams in the WUSA, the first professional women's soccer league in the U.S. Featuring popular U.S. National Team stars such as Mia Hamm and Abby Wambach along with other WUSA All-Stars, the Freedom won the WUSA Championship in 2003. When the WUSA suspended operations in September of 2003, the Freedom competed in various exhibition events. In 2007, the Freedom won the North American Title of the United Soccer League W-League where it will play until the WPS starts. Current plans call for the Freedom to play its WPS home games at the Maryland SoccerPlex's Championship Stadium. However, the representatives from the Freedom indicated that they would be interested in becoming a tenant at the proposed new stadium in Prince George's County.

### Major League Lacrosse

Major League Lacrosse (MLL) was founded in 2001 with six teams: Baltimore Bayhawks, Boston Cannons, Long Island Lizards, New Jersey Pride, Philadelphia Barrage, and Rochester Rattlers. The Chicago Machine, Denver Outlaws, Los Angeles Riptide and the San Francisco Dragons were added in 2006. Several teams play in smaller collegiate or municipal stadiums while teams in Chicago, Denver and Los Angeles play in the MLS stadiums. The 10-game season occurs from May through August. The Baltimore Bayhawks were MLL champions in 2002 and 2005, prior to becoming the Washington Bayhawks at the start of last season. This season, the team is scheduled to play five of its six home games at the 5,000-seat George Mason University Stadium and one game at the Naval Academy. Several MLL teams play in MLS stadiums. Given the market characteristics and the MLL's history in the Washington Metro area, an MLL team may represent a potential tenant team for the proposed new stadium in Prince George's County.



Collegiate and Scholastic Athletics

Prince George’s County is home to several colleges and universities that are significant economic generators in the community. As shown in the following table, these institutions have a combined enrollment of nearly 89,000. These students, in addition to faculty, staff and visitors represent a target market for attendees at the proposed new stadium.

**Prince George's County Higher Education Institutions**

<b>Institution</b>	<b>Enrollment</b>
<b>4-Year Institutions</b>	
University of Maryland at College Park	35,100
University of Maryland University College	32,800
Bowie State University	5,300
Capitol College	800
Washington Bible College	700
<b>2-Year Institutions</b>	
Prince George's Community College	11,800
TESST College of Technology	2,300
<b>Total</b>	<b>88,800</b>

Note: Sorted in descending order by enrollment.

Sources: Prince George's County Economic Development Corporation; individual institutions.

In addition to these locally based institutions, the State of Maryland offers a variety of colleges and universities including 11 campuses of the University System of Maryland, The Johns Hopkins University and the U.S. Naval Academy that have a combined enrollment of over 300,000. There are 15 other higher educational institutions in Maryland and D.C. that offer men’s and women’s intercollegiate athletic programs in soccer, field hockey, lacrosse and/or football. While these collegiate institutions offer their own sports facilities for home team use, their involvement in intercollegiate level play represents potential for State, regional and/or national tournament demand at the proposed new stadium. Area educational institutions may also have a variety of needs that could be accommodated by the proposed new stadium including exhibition games, summer camps or training events, graduations, rallies as well as other unique general assembly events.



*University of Maryland – College Park (UMD)*

The University of Maryland's main campus is located in Prince George's County and is home to the school's athletic programs including men's and women's soccer, football, lacrosse and field hockey. In 2000, the University retained consultants to develop an overall master plan for the campus which has been adopted and facilities development is already taking aspects of the plan into account in the siting of planned buildings and parking facilities. Full implementation may take years but enhancing green space, establishing a shuttle loop and improving pedestrian movement are more short-term goals.

Currently, the University has more than 700 student athletes competing in Division I-A sports. Athletes compete in 27 varsity sports boasting 39 team national championships. Athletics at UMD are highly visible and are competitive in the Atlantic Coast Conference (ACC) of the National Collegiate Athletic Association (NCAA). As part of the school's overall master plan, the UMD has a \$133 million campaign to raise funds for various athletic endeavors including enhancing practice and training facilities, scholarships, endowing student scholarships and coaching to ensure its status among top tier Division I-A programs.

In order to maintain championship-caliber teams in the future, the UMD recognizes the need for high quality venues for its teams. A recent naming rights agreement with Chevy Chase Bank will fund a significant portion of upgrades to Byrd Stadium including adding suites, new work areas for the media, coaches and game day staff, a new merchandise store, and a new scoreboard.

Ludwig Field, home of the men's and women's soccer teams, opened in 1995 and has hosted numerous other local soccer events. The 4,500-seat facility is fully lighted with an all-weather track and grass playing field. In 2004, a new state-of-the-art scoreboard with in-game statistics and graphics was installed. The permanent lights allow for commonly scheduled night games. The lights also allow UMD the ability to host NCAA and ACC tournaments as well as nationally televised games. Since its opening, Ludwig Field has played host to 21 NCAA Tournament games, including 11 Maryland wins in the tournament in the last three years.

UMD officials expressed their general support of the proposed new stadium and cited that the need may exist for a soccer facility in Prince George's County based on the historical popularity of the sport throughout the Mid-Atlantic region at all levels. Based on our discussions, it is likely that the UMD would be able to utilize the proposed stadium for specific games against major competitors. In addition, utilizing the proposed new stadium in conjunction with existing UMD athletic facilities would provide the opportunity to host more collegiate level tournaments. With respect to a potential site for the stadium, UMD officials indicated that proximity to its campus would provide for more complementary uses of both organizations' facilities.

UMD representatives indicated that development of the proposed new soccer stadium could also be a recruiting benefit for UMD athletics based on the school's proximity. Overall comments were supportive and input suggested that the proposed stadium concept could provide a neutral location capable of accommodating a variety of demand generators including soccer and lacrosse events/tournaments at multiple levels.



Based on discussions with UMD representatives, collegiate soccer events that could potentially be hosted at the proposed new stadium include, but are not limited to, the following:

- NCAA Division I Men's College Cup
- The ACC Men's Tournament
- The ACC Women's Tournament
- Pre-Season Women's Tournament hosted by the UMD
- NCAA Division II and Division III Soccer National Championships

These events may represent rotational or special/one-time uses at the proposed new stadium and attendance can range from 7,000 to 15,000 people.

UMD representatives thought that offering at least one practice field with 3,000 to 5,000 seats in addition to the proposed new stadium complex would add optimum flexibility for hosting NCAA Division II and III play and/or State high school championships. These games are not currently played at the UMD facility due to wear on the field.

#### *NCAA*

The NCAA hosts a variety of championships for each of its divisions in both men's and women's sports. NCAA representatives responsible for planning soccer and lacrosse championships agreed with UMD Athletics representatives that NCAA College Cups for Division I men's and women's soccer could potentially be held in the proposed new stadium. These four-day events include both semi-final and championship games at the host site. College Cups have traditionally required an 8,000-seat venue to qualify as a host; however, the NCAA is finding that they are selling out 8,000-seat stadiums for the Women's College Cup and now prefer to book venues with capacities ranging from 10,000 to 15,000. Previous Women's Championship sites include George Mason University, North Carolina State University and the University of Texas.

The NCAA's criteria in selecting a men's or women's soccer College Cup site include, but are not limited to, the following:

- Soccer-specific stadium
- Community support
- Four permanent locker rooms
- One officials locker room
- Press box that will accommodate 50 media and radio broadcasts
- Working media room that will accommodate 20-30
- Television ready
- Lighted fields
- Preference for natural grass
- Merchandise area
- On site catering

- Concession area
- Area to accommodate NCAA sponsor Fan Fest plaza (approximately 100,000 SF)
- Financial concessions (e.g. estimated revenue and host guarantee to the NCAA)
- Require one field but prefer an adjacent practice field
- Four separate hotels (e.g. two teams, one media, one officials)

Officials indicated a level of interest in the proposed stadium should it meet the above criteria and present a competitive financial bid. Experience in other mid- to northern locations has led the NCAA to place greater consideration on weather since both College Cups are played in December. Should the proposed stadium be built, it could potentially host a College Cup once every four years or less frequently given the number of new, soccer-specific stadiums now available around the country.

The NCAA Men's Lacrosse Championship currently attracts crowds of approximately 50,000 and will be playing the 2008 and 2009 National Championship at Gillette Stadium in Foxborough, Massachusetts. Given its popularity, the Men's Lacrosse Championship is moving towards use of larger capacity stadiums in markets that have strong lacrosse support. Past Championships have been played at M&T Bank Stadium in 2003, 2004 and 2007. Based on the preliminary seating capacity of the proposed new soccer stadium, it is unlikely that an NCAA Men's Lacrosse Championship would be hosted at the venue. However, the ACC Men's Lacrosse Championship has averaged approximately 6,000 fans for the title games and 5,000 people for the semi-finals. Recent tournament sites have included the University of Maryland, Duke University and the University of Virginia. Conference level lacrosse events represent potential activity for the proposed new stadium.

The NCAA Women's Lacrosse Championship is playing at Towson State's Johnny Unitas Stadium in 2008. The Women's Championship requires seating capacities ranging from 10,000 to 15,000 and, as such, the proposed new stadium may be considered for future years should agreeable financial arrangements be reached.

### *Prince George's Community College*

Prince George's Community College (PGCC), a member of the National Junior College Athletic Association (NJCAA), hosts 11 varsity sports including men's and women's soccer. Its men's soccer program is consistently ranked in the top five nationally.

There is one primary soccer field on campus that provides seating for 500 people on portable bleachers. However, because the field does not meet the governing body's regulations, PGCC cannot host collegiate soccer games. All PGCC conference games are played on the road and non-conference games are played on the undersized field on-campus. PGCC representatives indicated a desire to upgrade their soccer field to regulation size should funding become available. PGCC currently utilizes the field for practices, youth tournaments, 3-on-3 tournaments, a religious league, and a July 4<sup>th</sup> Jamaican Tournament hosting 16 teams from across the country.



Officials indicated that PGCC is interested in submitting bids to host the NJCAA Soccer Championship in the community should an adequate venue be made available. This event has previously been played at Anne Arundel Community College.

In addition, PGCC officials indicated a potential to host the Maryland vs. New Jersey Community College Soccer Shootout, an event held in November that includes both Division I and Division III men's and women's teams. Attendance at this event is approximately 5,000 and it draws fans from throughout the Maryland/New Jersey region. Recent sites for this event include Herkimer, New York and Dallas, Texas.

PGCC representatives support the development of the proposed new soccer stadium in Prince George's County and indicated such a venue would benefit soccer in the community and potentially elevate their school's position among community colleges, particularly if it is able to host intercollegiate championships.

#### *Maryland Public Secondary Schools Athletic Association*

The Maryland Public Secondary Schools Athletic Association (MPSSAA) is comprised of public high schools from each of the 24 school systems. The purpose of MPSSAA is to promote and direct public high school interscholastic activities in order to assure that those activities contribute toward the entire educational program of the State of Maryland. The MPSSAA includes 188 public high schools with over 110,000 student-athletes participating in 24 sports. 22 of the schools are located in Prince George's County.

According to MPSSAA officials, Boys Soccer Championships had historically been played at UMD Baltimore County, but due to renovations last year, the championship had to be moved to a high school location. Other State championships and their traditional sites are summarized below:

- Girls Soccer Championships - Broadneck High School
- Field Hockey Championships - UMD College Park
- Lacrosse Championships - UMD Baltimore County
- Football Championships - M&T Bank Stadium

Representatives indicated it would not be likely that the football championships would move from M&T Bank Stadium. However, they did indicate interest in hosting boys/girls soccer, field hockey and/or lacrosse championships at the proposed new stadium in Prince George's County if the complex accommodates their needs. Important criteria in determining site selection for these championships include a minimum of 2,000 seats; separate locker rooms for each team; central location within the State; and quality field conditions all of which would be met with the proposed new stadium.

The MPSSAA hosts boys' and girls' soccer tournaments for the top teams across all four high school divisions. Semi-finals and finals encompass a five-day tournament that attracts approximately 5,200 spectators and participants from across the State. Officials indicated the State lacrosse championship typically attracts a higher attendance than soccer drawing approximately 7,500 attendees over a two-day tournament. Field hockey has traditionally attracted approximately 3,700 attendees over two days for the State championship.

The MPSSAA indicated that the proposed new stadium would be a positive addition to the current facilities in Maryland and would have strong potential to host various soccer, field hockey, and lacrosse championships. It should be noted that these events would be moving from other facilities in the State and therefore would not represent incremental new business.

#### *Prince George's County Interscholastic Athletics*

Prince George's County currently has 22 high schools (of which 20 offer boys' and girls' soccer programs) as well as 30 middle schools (of which 29 offer boys' and girls' soccer programs). Officials mentioned that while soccer has not traditionally been a large spectator sport, recently there has been growth in participation since the addition of the middle school soccer programs, particularly in girls' soccer.

The County Soccer Championships have historically been held at High Point High School which offers lighted fields. However, due to inclement weather and a grass field, the County Championships were cancelled in 2007. A turf field would alleviate similar issues. County Football Championships are traditionally held at the field of the higher seeded team. Attendance generally ranges from 3,000 to 4,000 people. Officials indicated it would be ideal to host these tournaments at a neutral site such as the proposed new stadium. The County does not currently offer lacrosse but hopes to within the next five years due to its growing popularity.

According to representatives, the proposed new stadium would be a potential location for several County, regional and State events such as:

- County Soccer Championships
- State Soccer Championships
- Regional Soccer Tournaments
- County Football Playoffs
- County Football Championships

#### Sports and Athletic Associations

In addition to scholastic and collegiate institutions, representatives of competitive youth and adult amateur soccer events/tournaments were interviewed to gain an understanding of their presence in the State of Maryland/Washington Metro area as well as potential to utilize the proposed new stadium in Prince George's County.



### *U.S. Club Soccer*

U.S. Club Soccer was founded in 2000 and is committed to soccer clubs in the U.S. by fostering growth, addressing concerns, as well as sanctioning and providing programs. There are currently 175,000 registered players in the U.S. and approximately 10,000 in Maryland. U.S. Club Soccer has experienced a 20% growth annually in registered players. The focus has been on under-19 youth programs but U.S. Club Soccer recently began an adult program.

U.S. Club Soccer sanctions nine regional events that culminate in the National Finals. The tournament begins with 1,400 teams with 100 teams advancing to the National Finals. To host a regional, a minimum of ten fields would be needed while 20 are preferred. Local U.S. Club Soccer leagues would need three to four fields in one location to host a tournament.

Affordable field space is a significant and an on-going issue for U.S. Club Soccer. They like the concept of the Maryland SoccerPlex but it does not represent an affordable option for their teams which primarily represent children and their families seeking inexpensive registration. As such, officials stated tournament play at the proposed new stadium would not likely be financially feasible.

Currently, U.S. Club Soccer has a group of 75 teams in Northern Virginia that cannot find field space and have considered playing in Maryland but have found similar issues with a lack of fields. With the significant number of registered players in the Washington Metro area, U.S. Club Soccer sees more marketability in the region for three to four fields on the same site as the proposed stadium in order to meet the growing demand for league play in the Washington Metro area. Officials further commented on Prince George's County's central location as an additional benefit for amateur league play within a broader market region.

### *Maryland State Youth Soccer Association*

The Maryland State Youth Soccer Association (MSYSA) is one of the primary associations in the State of Maryland for youth soccer. There are 56,000 members in the State of Maryland of which approximately 8,000 to 10,000 are in Prince George's County. Membership is gradually increasing on an annual basis.

The MSYSA hosts many large scale events including the Maryland State Cup, the Region I Championship, and the National Championship. The Maryland State Cup has upwards of 300 teams with 5,400 participants. The State Cup has been played recently in Hagerstown, Harford County, Olney, and in Montgomery County at the Maryland SoccerPlex. The Region I Championship has been played in Maine, Virginia Beach and Rhode Island, and will be played in West Virginia in future years.



The MSYSA views a new 30,000 seat stadium in Prince George's County as being centrally located and could draw greater attendance for events from the State of Maryland. A one field event, such as an Olympic Development game, which MSYSA is involved with, may be able to be accommodated in the proposed new stadium.

However, for MSYSA, the criteria for attracting their tournaments include multiple and affordable fields in good condition. For example, the State Cup requires 15 to 20 fields. Representatives indicated that a stadium with a seating capacity closer to 6,000 people developed in conjunction with multiple fields for qualifying rounds would be better suited for MSYSA events.

#### *Maryland State Soccer Association*

The Maryland State Soccer Association (MSSA) is a volunteer organization that is the governing body of amateur adult soccer in the State of Maryland. As such, the MSSA's mission is to promote and foster soccer in the State. The MSSA, its leagues, clubs, and teams are members of the United States Adult Soccer Association and the USSF. The MSSA has five member leagues with 1,400 registered players on approximately 70 teams.

The criteria as to which fields the MSSA utilize is dictated by the ability to obtain permits for those fields. The MSSA hosts a State Cup and National Cup but representatives indicated that attendance would not warrant playing in the proposed new soccer stadium. The MSSA would be interested in playing a post-D.C. United game in the proposed new stadium.

According to the MSSA, the organization's membership does not account for all amateur adult players because individual County Parks & Recreation Departments are the primary organizer of adult leagues within Maryland. These leagues are not affiliated with MSSA. Representatives estimate Montgomery, Howard, and Anne Arundel Counties have between 1,400 and 2,800 registered players each via their local leagues. According to the MSSA, Prince George's County is not as popular for adult amateur leagues due to the lack of available field space. Conversations with Prince George's County Parks and Recreation representatives confirmed the County does not run an adult soccer league.

#### *Other Youth and Amateur Organizations*

Representative from other youth and amateur organizations such as the Amateur Athletic Union (AAU) and the American Youth Soccer Organization (AYSO) were contacted. However, representatives of these groups indicated that they do not have a large presence in Prince George's County and would therefore be unlikely to utilize the proposed new stadium. U.S. Youth Soccer also indicated a MLS stadium-only complex would not be a good fit to host one of its National Championships because of the need for multiple fields for qualifying rounds.



### Summary of Input from Sport Users

D.C. United would be the primary sports tenant at the proposed new soccer stadium. In addition to playing its MLS home matches, it is anticipated that D.C. United would aggressively promote national/international soccer matches, tournaments and specialty events such as the MLS All-Star Game, and the MLS Championship Cup and SuperLiga, a tournament featuring the best teams in Mexico and the U.S. The Washington Freedom, a WPS team scheduled to begin play in April 2009, also represents a potential sports tenant.

Multiple sports organizations/entities indicated varying levels of interest and/or compatibility in hosting events at the proposed new stadium. Potential user groups that indicated strong compatibility between their operational event criteria and the current plans for the proposed new soccer stadium include:

- *United States Soccer Federation* – particularly events involving the Men’s and Women’s U.S. National teams
- *University of Maryland – College Park* – primarily high profile regular season soccer and lacrosse games/tournaments and potentially as the host school for Atlantic Coast Conference soccer/lacrosse tournaments
- *Prince George’s Community College Athletics* - regular season soccer games/tournaments as well as NJCAA playoffs/championships
- *Maryland Public Secondary School Athletic Association* – potentially boys/girls soccer, field hockey and/or lacrosse championships
- *Prince George’s County Interscholastic Athletics* – events include county, regional and State soccer championships as well as county football playoffs/ championships

The NCAA represents a special/sporadic user that would be more irregular in nature. NCAA events that could potentially be hosted at the proposed new stadium include national men’s and women’s soccer tournaments/championships and women’s lacrosse championships.

Several other organizations representing youth and/or adult soccer events including, but not limited to, U.S. Club Soccer, Maryland State Youth Soccer Association, Maryland State Soccer Association, Amateur Athletic Association and the American Youth Soccer Organization did not indicate strong interest in utilizing the proposed new stadium either because of operational requirements (e.g., multiple fields) or because they do not currently have a large presence in the area. However, if soccer continues to grow in the State, these organizations may represent target markets for the proposed new stadium in the future.

## Concert Promoters

Interviews with two of the largest concert promoters worldwide and one regional promoter indicated interest in the proposed new soccer stadium as a concert venue. All three promote popular touring acts including rock concerts, middle-of-the-road concerts, country concerts, stand-up comedians, family shows, music festivals and one of the promoters is active in motor sports entertainment.

Promoters indicated that facilities offering a permanent stage or owning a stage are at a competitive advantage in attracting concert business. Requiring a temporary stage to be brought in can be expensive and cost-prohibitive for the promoter and the artist. Preliminary plans for the proposed new stadium in Prince George's County call for a permanent stage with a roof canopy to be located at one end. Other physical amenities recommended include: attractive landscaping; mass transit accessibility; traffic ingress/egress; unique dressing rooms; modern technology; and WIFI capabilities throughout the venue.

Two promoters expressed strong interest in promoting events at the proposed new stadium and mentioned that Prince George's County fit well within the regional routing of shows. Types of events that might play the proposed new soccer stadium include summer touring rock and pop acts, music festivals, and radio shows. With the ethnically diverse population in Prince George's County, promoters indicated opportunities for all the traditional touring shows as well as new shows with Latin and urban types of acts. The other promoter focuses exclusively on bringing events to the venue that they are responsible for booking.

Promoters cited the following as important factors in deciding where to host their events:

- Proximity to competitive venues
- Seating capacity
- Cost
- Management of venue
- Date availability
- Highway accessibility
- Metro accessibility
- Geographic location relative to routing

Concert promoters indicated that the competitiveness from established facilities in the market such as Merriweather Post Pavilion, Nissan Pavilion, Verizon Center and 1<sup>st</sup> Mariner Arena is a major factor impacting the number of concerts that could potentially be held in the proposed new stadium. While acts could potentially play both the Nissan Pavilion and the proposed new soccer stadium, they would play either Merriweather Post Pavilion or the proposed new stadium. Representatives indicated they would be cautious of transferring shows from Baltimore given its strength as a concert market. Promoters indicated that while some touring acts do not want to play in a soccer stadium due to the ambiance, other acts may want the unique ambiance of a stadium rather than an amphitheater. One promoter noted that if the stadium capacity could be reduced in some way it would allow more flexibility in booking the stadium and allow for smaller shows.

Cost to utilize the facility is also a factor in selecting a venue. Promoters commented that there is not currently any admissions and amusement tax or sales tax on tickets at facilities in Washington, D.C. or Virginia which could be a competitive disadvantage in hosting events at the proposed new stadium in Maryland where the admissions and amusement tax can be as high as 11%. Relative to operations, promoters indicated that the venue should be turn-key, multi-purpose in nature, and allow for a cost effective manner to host concerts.

Promoters were also asked to provide input regarding a 4,000 to 6,000 seat live event venue situated adjacent to the proposed stadium. All three promoters indicated strong support for this concept and indicated that the smaller venue would likely have more opportunities to host concerts than the proposed soccer stadium. According to promoters, the concert business is strong for smaller capacity venues with estimates of annual concert activity ranging from 18 to 50. Opportunities could potentially be strong given the limited competition for this venue size in the regional market. Concert promoters commented the closest comparable venue is the indoor Patriot Center in Fairfax, Virginia which is considered outdated and limited by date availability due to its hosting the George Mason University Patriots basketball team.

It has been reported that Live Nation and Montgomery County have partnered to develop an intimate 500 to 2,000-seat indoor music hall to host concerts, unique music events as well as community uses. Preliminary plans call for the venue to be developed in proximity to the American Film Institute and Silver Theater in downtown Silver Spring to create a center of music and entertainment. Reportedly, the State of Maryland and Montgomery County will each contribute \$4.0 million towards the venue's development. It is anticipated to open in 2010. While similar in nature, this venue's smaller capacity would make it less likely to compete directly with the proposed indoor venue in Prince George's County for live event performances.

In addition, one promoter commented they have actively been pursuing opportunities relative to a 4,000 to 6,000 seat indoor event venue in Prince George's County. All three promoters expressed interest in potentially partnering with the appropriate party(s) with respect to operating any live entertainment venue that may be pursued in conjunction with the proposed stadium.

It should also be noted that MSA, in conjunction with Montgomery County's Department of Economic Development and the Maryland Department of Business and Economic Development, is exploring the merits of a proposed new arena in Montgomery County. Preliminary plans call for the arena to offer 6,500 to 8,500 fixed seats with a total seating capacity of between 8,000 and 10,000. It is also anticipated that the proposed facility would offer premium seating which may include 28 suites and 1,000 club seats. If constructed and depending on the building program, this facility could also compete for commercial activity, particularly at the live entertainment venue.

## Other Uses

In addition to tenant, rotational and occasional users such as sporting and entertainment events, the proposed new stadium will be able to accommodate a variety of other activity. Potential booking opportunities that need a field sized performing surface include unique activities such as marching band and drum line events (e.g., Drum Corps International). Similar venues have hosted sporting events such as rugby and frisbee as well as ethnic and food/beverage festivals, graduations or other assemblies. Parking lots provide opportunities for events such as automobile shows, motorcycle shows and carnivals. Inside the stadium, premium spaces such as a club lounge may be utilized for corporate functions that may attract smaller 100 to 200 people. The club lounge may be an area for family reunions, which are quite popular in the area according to interviews with the Prince George's County Conference & Visitors Bureau. Fraternities, sororities and military gatherings may also find the space in the proposed new stadium to be conducive for their events. Many stadiums across the country are utilized as the start and finish point for community walk-a-thons or races while others host movie nights in their parking lots for local residents.

The proposed new stadium is anticipated to be designed to accommodate this diverse activity and operated in a first-class manner including providing staff to coordinate the logistical event details. The stadium should also be equipped to handle any specialized food and beverage/catering needs of an event, as many event producers are looking for highly specialized catering opportunities in unique environments.

While these types of events may not draw a significant portion of attendance from out-of-town, they can be profitable during vacant periods. The degree to which the proposed new stadium can penetrate these event types will likely be dependent on factors such as:

- Parking
- Accessibility
- Cost to utilize the facility
- Proactive marketing efforts
- Strong working relationship with area and State marketing agencies, such as the Prince George's County Conference & Visitors Bureau, to increase revenue and booking opportunities
- Facility owner/management experience and relationships with event promoters/producers
- Mission and operating objectives of the proposed stadium

## Comparable Facilities Analysis

A typical step in evaluating a proposed new stadium project is to analyze attributes for similar facilities. As part of our research, we analyzed data from existing and planned MLS stadiums including, but not limited to, ownership, management, physical characteristics, event activity and financial operations. It should be noted that not all facilities are directly comparable to the proposed new soccer stadium in Prince George’s County and that operating data was not available from all venues due to private management or lack of event information tracking.

The pages that follow summarize the building program elements, primary uses and general operating characteristics for these profiled MLS stadiums based on data obtained from direct interviews with management at these facilities as well as secondary sources. This information will be used in developing assumptions for the estimates of utilization and financial operations for the proposed soccer stadium in Prince George’s County, Maryland. It should be noted that this analysis focuses on newer venues that are comparable to the proposed stadium for Prince George’s County, Maryland.

### Overview of MLS Stadiums

The table below profiles the owners and operator for the stadiums that currently host MLS teams. While nine of the 13 MLS stadiums (69%) are publicly owned, only five (38%) are publicly managed. This approach is consistent with MLS’ preference for teams to have an active role in operations of their stadiums to place them in a better position to maximize revenues.

**Owner/Operator of MLS Stadiums**

<b>Team</b>	<b>Stadium</b>	<b>Stadium Owner</b>	<b>Stadium Operator</b>
Colorado Rapids	Dick’s Sporting Goods Park	City of Commerce City	Kroenke Sports Enterprises
Toronto FC	BMO Field	City of Toronto	Maple Leaf Sports & Entertainment
Chicago Fire	Toyota Park	Village of Bridgeview	Andell Holdings
FC Dallas	Pizza Hut Park	City of Frisco	Hunt Sports Group
Chivas USA	Home Depot Center	Anschutz Entertainment Group	Anschutz Entertainment Group
LA Galaxy	Home Depot Center	Anschutz Entertainment Group	Anschutz Entertainment Group
Kansas City Wizards	Community America Ballpark	T-Bones Baseball - John Ehlert	T-Bones Baseball
New England Revolution	Gillette Stadium	Robert Kraft	Robert Kraft
Columbus Crew	Crew Stadium	Hunt Sports Group	Hunt Sports Group
Real Salt Lake	Rice-Eccles Stadium	University of Utah	University of Utah
New York Red Bulls	Giants Stadium	New Jersey Sports & Exposition Authority	New Jersey Sports & Exhibition Authority
San Jose Earthquakes	Buck Shaw Stadium	University of Santa Clara	University of Santa Clara
<b><i>D.C. United</i></b>	<b><i>RFK Stadium</i></b>	<b><i>District of Columbia</i></b>	<b><i>DC Sports &amp; Entertainment Commission</i></b>
Houston Dynamo	Robertson Stadium	University of Houston	University of Houston

Notes: Sorted by year stadium was built.

LA Galaxy and Chivas USA both play at the Home Depot Center.

Sources: Input from facility management as well as other secondary research.

The following table profiles select characteristics for MLS stadiums including year built, seating capacity, number of suites and club seats as well as the number of on-site parking spaces.

### Select Characteristics for MLS Stadiums

Team	Stadium	Built	Seating			On-Site Parking
			Capacity	Suites	Club Seats	
Colorado Rapids	Dick's Sporting Goods Park	2007	18,000	21	200	4,960
Toronto FC	BMO Field	2007	20,000	30	500	6,000
Chicago Fire	Toyota Park	2006	20,000	48	1,103	8,000
FC Dallas	Pizza Hut Park	2005	20,000	24	1,600	5,000
LA Galaxy	Home Depot Center	2003	27,000	42	1,500	8,500
Chivas USA	Home Depot Center	2003				
Kansas City Wizards	Community America Ballpark	2003	6,537	16	-	1,200
New England Revolution	Gillette Stadium	2002	68,000	86	6,000	16,500
Columbus Crew	Crew Stadium	1999	22,585	26	1,191	12,000
Real Salt Lake	Rice-Eccles Stadium	1998	45,000	25	-	200
New York Red Bulls	Giants Stadium	1976	80,200	119	142	21,000
San Jose Earthquakes	Buck Shaw Stadium	1962	11,500	-	-	500
<b>D.C. United</b>	<b>RFK Stadium</b>	<b>1961</b>	<b>47,000</b>	<b>-</b>	<b>2,500</b>	<b>10,000</b>
Houston Dynamo	Robertson Stadium	1940	33,000	26	2,900	6,000
<b>Average (Excluding RFK Stadium)</b>			<b>31,000</b>	<b>39</b>	<b>1,300</b>	<b>7,500</b>
<b>Median (Excluding RFK Stadium)</b>			<b>21,300</b>	<b>26</b>	<b>800</b>	<b>6,000</b>

Notes: Sorted by year stadium was built.

LA Galaxy and Chivas USA both play at the Home Depot Center.

Sources: Input from facility management as well as other secondary research.

RFK Stadium is the second oldest stadium that hosts a MLS team, only Robertson Stadium, where the Houston Dynamo play, is older. RFK Stadium's capacity is approximately 80% larger than the average of the other MLS stadiums. The only stadiums with a larger seating capacity than RFK Stadium are Giants Stadium (80,200) and Gillette Stadium (68,000), both of which host NFL teams. RFK Stadium does not offer any suites like the majority of other MLS stadiums but does have a significant amount of on-site parking spaces.

### Profile of Newer MLS Stadiums

This section provides case studies for the following soccer-specific stadiums that were built since 1999:

- Dick's Sporting Goods Park – Commerce City, Colorado
- BMO Field – Toronto, Canada
- Toyota Park – Village of Bridgeview, Illinois
- Pizza Hut Park – Frisco, Texas
- Home Depot Center – Carson, California
- Crew Stadium – Columbus, Ohio

Although Gillette Stadium and the Community America Ballpark were both built since 1999, neither of these stadiums is profiled because they are not soccer specific. Gillette Stadium was built to host the NFL New England Patriots and Community America Ballpark was constructed for the Northern League Kansas City T-Bones baseball team.

The pages that follow discuss various attributes of newer MLS stadiums including construction and/or total project cost estimates where data was available. However, it is difficult to compare these figures among stadiums due to a variety of factors including total capacity, amount and type of premium seating, level of finishes, geographic location (e.g. urban versus suburban), land costs, and consistency among dollars shown which can be impacted by whether the facility is located in the U.S. or Canada and the year built.

*Dick's Sporting Goods Park – Commerce City, Colorado*

Opened in 2007, Dick's Sporting Goods Park (DSG Park) is home to the MLS Colorado Rapids. DSG Park is a sports complex that includes an 18,500-seat stadium as well 24 full size, lit sports fields. The land and stadium are owned by Commerce City and Kroenke Sports Enterprises has a Stadium Management Agreement to operate the entire complex and a Master Development Agreement. Kroenke Sports Enterprises, which acquired the operating rights to the Colorado Rapids from Anschutz Entertainment Group, also owns the Pepsi Center, the NHL Avalanche, the NBA Nuggets, the AFL Colorado Crush, and the NLL Colorado Mammoth, among others.

Located in a suburban location with accessibility to a major highway system, DSG Park anchors the 917-acre Prairie Gateway site that is a public-private partnership between Kroenke Sports Enterprises and Commerce City. Once completed, the site will host the new Commerce City municipal hall, retail facilities, offices for the U.S. Fish and Wildlife Service, and a new visitors' center for the Rocky Mountain Arsenal Wildlife Refuge.

Kroenke Sports Enterprises has the first right to develop ancillary businesses. It is anticipated that a hotel, big box retail, and additional restaurants will be constructed in the near future. There is currently one restaurant on-site that is open during high attendance events including Colorado Rapids matches, concerts as well as field complex events with a large draw.

The total project cost for DSG Park was \$181 million of which the stadium was \$71 million, the field complex was \$17 million, and the infrastructure costs were \$17 million which included expanding the highway access to the site from two to six lanes. The remaining \$46 million is attributed to land related cost. Approximately \$46 million was funded by a sales use tax by Commerce City, \$20 million came directly from Kroenke and \$115 million was funded through tax increment financing (TIF) which will be repaid through future sales tax. No tax revenue is dedicated to on-going operations of the facility which is the responsibility of Kroenke Sports Enterprises. In 30 years, Kroenke Sports Enterprises can purchase the physical structure of the stadium for \$1.00 from Commerce City. Dick's Sporting Goods reportedly purchased the naming rights for \$40 million for a 20-year term.

The stadium's seating capacity increases from 18,500 for soccer to 27,000 for end stage concerts. The stadium was not designed with a permanent stage which creates challenges in attracting concert activity due to expenses of erecting a stage and roof structure. Although the venue was not designed to be expandable, 200 field seats were added in 2008. The facility offers 21 luxury suites, of which one is a larger party suite for 60 people. A few suites are still available for long-term leases but are sold on an event-by-event basis. There are also 200 club seats, 90% of which



are sold out. Twenty-two (22) of the 24 lit fields are natural grass and two are synthetic turf. There are 4,960 paved parking spaces plus 200 street spaces available.

In its inaugural year, DSG Park hosted a Kenny Chesney concert and 22 soccer events which included:

- 15 home regular season MLS matches
- One pre-season intrasquad scrimmage
- Two Open Cup games
- Two International games
- One MLS All-Star game
- One Super Liga game

The field complex is hosting the two-day Mile High Festival in 2008 with 35 bands including Dave Matthews Band, Tom Petty, and John Mayer.

#### *BMO Field – Toronto, Canada*

Opened in 2007, BMO Field is the home of the Toronto FC expansion team. Located in an urban location of Toronto and surrounded by unrelated development in a congested area, BMO Field has a seating capacity of 20,000.

The Canadian Soccer Association was awarded a FIFA tournament but did not have a field to host these major international matches. Working with the Federal Government and the Province of Ontario, the Canadian Soccer Association had funding obtained to build a soccer stadium to host the FIFA tournament. As such, BMO Field is intended to be a soccer specific stadium that serves as the home field for Toronto FC, Canadian Soccer Association games, and community rentals.

Toronto FC is owned by Maple Leaf Sports & Entertainment who also owns and operates the NHL Toronto Maple Leafs, the NBA Toronto Raptors, the AHL Toronto Marlies, Leafs TV and Raptors NBA TV as well as Air Canada Centre. Maple Leaf Sports & Entertainment also manages and operates BMO Field, Ricoh Coliseum, and Oshawa's General Motors Centre.

Owned by the City of Toronto, BMO Field had a total project cost of \$63 million (in Canadian \$) and was funded by four sources: the Federal Government of Canada (\$27 million); the Province of Ontario (\$8 million); the City of Toronto (\$10 million plus land); and Maple Leaf Sports & Entertainment (\$8 million). Maple Leaf Sports & Entertainment also pre-paid \$10 million for the "titling" rights for the stadium and bought a 20-year management contract for the venue. In this agreement, the City of Toronto pays Maple Leaf Sports & Entertainment \$200,000 annually to manage the venue. If there are operating losses, Maple Leaf Sports & Entertainment absorbs the first \$250,000 and additional losses are split 50/50 with the City of Toronto. The Bank of Montreal reportedly purchased the naming rights for a 10-year term for \$27 million.

BMO Field has artificial turf for its playing surface. The team's offices are located on site and the stadium field is used as the practice field for Toronto FC. In an arrangement with the Province and the City, the field is utilized by community groups at "market rate" which is \$175/hour. The team would prefer a natural grass pitch and are currently seeking land in the vicinity to construct a natural grass practice field which Maple Leaf Sports & Entertainment would own and manage.

A temporary bubble structure is erected in the winter to allow for use of the field throughout the winter. The stadium is used approximately 14 hours per day on weekends during the winter months, and 5 hours per day during the weekday winter months. Between November 15 and April 1<sup>st</sup> there were over 90,000 participants utilizing BMO Field.

The stadium has 30 luxury suites and 500 club seats all of which are sold out. Suites range in pricing from \$25,000 to \$40,000. The stadium also has a deck area in one end zone that is able to accommodate large groups for corporate or larger type outings. There is a 500 seat club with food and beverage and bars underneath the seating that accommodates suiteholders and club members. Tickets for suites include all MLS and "friendlies" matches while tickets for FIFA, international, or Olympics matches are additional.

There are 6,000 parking spaces located at the adjacent Trade Center complex. Light rail, buses, and street cars service the stadium. Approximately 30-35% of Toronto FC fans utilize public transportation to access BMO Field.

In an arrangement with the Canadian Soccer Association, the Association is obligated to bring six national team matches to BMO Field each year which average approximately 8,000 people. In 2007, BMO Field hosted 13 sold out matches in nine days for the FIFA Under 20 Tournament. In its inaugural year, all 15 regular season MLS home matches were sold out. In 2008, BMO Field is scheduled to host both the Men's and Women's Canadian National teams, four international friendlies, and is hosting the MLS All-Star Game.

Only one concert has played BMO since its opening. The stadium was not built with a stage to host concerts. With several sports/entertainment venues in the area including an amphitheater and Air Canada Centre, along with high union stagehand labor costs and a \$1 million investment in the playing surface, BMO Field is not planning to host concerts on a regular basis. Other events held at the facility include an exhibition game by the CFL's Toronto Argonauts, rugby events, and cricket events.

Based on the attendance success of the Toronto FC in its first year, Maple Leaf Sports & Entertainment is planning to explore expansion options after the 2008 season, perhaps increasing the total capacity to 25,000 to 30,000.



### *Toyota Park – Village of Bridgeview, Illinois*

Opened in 2006, Toyota Park is home to the MLS Chicago Fire. The Village of Bridgeview provided approximately \$70 million towards the construction cost of the stadium and retains ownership of the stadium and the land. Andell Holdings, the owner of the Chicago Fire, has the management rights to the stadium. The team pays the Village \$300,000 annually for use of the stadium and shares revenues generated from tickets, concessions, parking and premium seating with the Village.

The stadium is located five miles southwest of Midway Airport and eight miles east of downtown Chicago in an area that is rapidly developing. Current projects under development include two hotels, a water park, a 14 theater cinema complex, and retail which Andell Holdings is not involved. It is anticipated that 1.5 million people per year will be attracted to the entertainment complex once completed which would make it one of Top 10 entertainment complexes in the State.

The stadium's capacity is 20,000 for soccer which increases to a maximum capacity of 30,000 for concerts. The stadium has 48 suites – 42 along the sidelines and six are located in end zone on the stage area that is utilized for concerts. Suite pricing ranges from \$25,000 to \$60,000 and are leased on 3 to 7 year terms. Suite amenities include access to the Stadium Club, VIP parking, a private entrance, full catering services, and first right to purchase their seats for concerts. Suites that are not part of a long term agreement are sold on a game-by-game basis. There are also 1,100 club seats where amenities include access to the Stadium Club, a parking pass, right to purchase their seats for concerts, and in seat dining services. Toyota Park also has a roof deck area that seats approximately 100 people. Tickets sell for \$100 each and include admittance to the game and dinner.

Toyota Park hosts diverse event activity and is scheduled to hold the following events in 2008:

- 15 home regular season MLS matches
- Six Chicago Machine Major League Lacrosse (MLL) games,
- A University of Notre Dame vs. University of Denver NCAA lacrosse game
- A local radio concert that featured Hilary Duff and Gym Class Heroes in the 2007 lineup
- Two dates of Jimmy Buffett and the Coral Reefer Band
- The 2008 Barclays Churchill Cup which is the biggest international rugby tournament in North America

### *Pizza Hut Park – Frisco, Texas*

Opened in 2005 and home of the FC Dallas, Pizza Hut Park is part of a large stadium and sports park complex. The facility is located 30 miles north of downtown Dallas on a 111-acre site. In addition to the stadium, there are 17 championship quality soccer fields. The complex hosts events 300+ days per year and over 1.4 million spectators and participants utilize the complex.



The complex was constructed through a public private partnership. The area surrounding Pizza Hut Park is envisioned to become the “urban town center” of Frisco. The stadium and park complex is part of the center along with 14 restaurants, a hotel, City Hall, the library, city services, office space, and 1,500 residential units.

The total investment for Pizza Hut Park was approximately \$100 million: \$15 million from the Frisco Independent School District; \$20 million from Collin County; \$20 million from the City of Frisco; and \$45 million from the Hunt Sports Group which owns the FC Dallas. The naming rights for the complex were reportedly sold to Pizza Hut on a 20 year term with a total investment of \$25 million. The team pays \$100,000 per year in annual rent and is responsible for all operating expenses. The team also retains all revenue including naming rights.

The stadium has a seating capacity of 20,500 for soccer and 30,000 for concerts. With standing room only and temporary bleacher seating for larger events, the capacity can reach a maximum of 23,000 for soccer events. None of the seating is covered except for the indoor portion of the luxury suites.

There are 24 luxury suites - 18 of which have an indoor reception area and outdoor seating and six which are open air. Suite pricing ranges from \$35,000 to \$40,000 which includes tickets for all ticketed events held at Pizza Hut Park. All suites are sold out.

There are 1,500 traditional club seats and 100 Club Seats inside the Verizon Wireless Club area. All of the outdoor club seats and the majority of the indoor club seats are sold. Club packages include a buffet at every FC Dallas game, in seat wait service, and first right to purchase tickets to concerts, international soccer matches, and other ticketed special events.

There are four “Party Plazas” in the corners of the stadium. They are sold on a game-by-game basis. Two of the Plazas seat 110 people and two seat 250 people. There is an average of 40 rentals per year. If they are not sold to a group, they can be opened up for individual seat sales.

Pizza Hut Park has 5,000 paved parking spaces on site as well as another 2,000 parking spots in an adjacent residential/commercial complex located across the street from the stadium. Currently there is no public transportation available but there is a 10 year plan to create a light rail system to the complex. Because there is no public transportation, the team arranges for buses from regional Hispanic neighborhoods to FC Dallas matches.

In 2007, the stadium held the following events:

- Eight high school football games
- 25 FC Dallas matches
- Eight international soccer matches
- Five concerts
- The Dallas Cup which included four stadium events
- Two community events
- 40 stadium rentals



### *The Home Depot Center – Carson, California*

Opened in 2003, the Home Depot Center is home to the Chivas USA and the Los Angeles Galaxy as well as the MLL Los Angeles Riptide. The Home Depot Center is a 125-acre development featuring stadiums and other facilities for soccer, tennis, track and field, cycling, lacrosse, rugby, volleyball, baseball, softball, and basketball. It is a designated “Official U.S. Olympic Training Site”. Developed and operated by Anschutz Entertainment Group (AEG), the \$150 million Home Depot Center represents the largest investment made in amateur athletics. In addition to owning the LA Galaxy, AEG also has business interests in the Staples Center, the NBA Los Angeles Lakers and the NHL Los Angeles Kings.

Located within the Center are the 27,000-seat soccer stadium, an 8,000-seat tennis stadium, 10,000-seat track and field facility, and a 2,450-seat indoor velodrome. Situated on the campus of California State University, Dominguez Hills, the Center is the site of the USSF’s national team training headquarters, the United States Tennis Association’s USA high performance national training center, is an official training site for USA Cycling and USA Track & Field, is home to the David Beckham Academy for youth soccer, and hosts Andre Agassi’s Safe Passage All Stars at-risk youth tennis program.

The stadium has eight natural grass training fields, two artificial surface training fields, 42 luxury suites, six event suites, and 1,500 club seats. Suites range in pricing from \$28,000 to \$70,000 and include MLS tickets and other ticketed events at the stadium. Suite holders can also obtain early access to tickets for Staples Center events. Home Depot reportedly paid \$70 million for the naming rights for a 10 year term.

The soccer stadium has hosted the 2003 MLS All-Star game, the 2003 and 2004 MLS Cup game, the 2003 FIFA Women’s World Cup championship game, and numerous international friendlies including Real Madrid, Club America, Chivas Guadalajara, and the Mexican National Team. The International Rugby Board USA Sevens Tournament was hosted at the stadium. Additionally, the stadium hosts major concert tours including the Dave Matthews Band, Carlos Santana, Kenny Chesney, and the Curiosa Festival featuring The Cure and Green Day.

### *Crew Stadium – Columbus, Ohio*

Opened in 1999 and home to the Columbus Crew, Crew Stadium was considered the first soccer specific stadium constructed for a MLS team in the U.S. The stadium is situated on State fairgrounds property that is owned by the Ohio Expositions Commission.

Hunt Sports Group, which owns the team, privately financed the stadium which has a seating capacity of 23,425 for soccer and up to 30,000 for concerts. The team owns the management rights and pays \$50,000 in land rent and \$120,000 in parking a year. The team retains 100% of parking, concessions, signage, and suites. The stadium has the ability to expand to 45,000 if warranted by demand. The team is exploring the possibility of building a suburban training facility that would be the focal point of a soccer complex once its current lease is up with the City of Obetz in 2009.



Since its opening, the stadium has undergone upgrades. Originally constructed without suites, the stadium converted its 20 open-air loges to 26 state-of-the-art suites in 2004. Pricing ranges from \$25,000 to \$30,000. Two open air “party” suites are also available and seat 30 persons each. In 2004, the Huntington Suite was constructed, has a capacity of 100, and features views of the downtown Columbus skyline. There are also nearly 1,200 club seats.

The team is exploring new and improved signage and sound systems as well as a permanent staging system that decrease production costs of concerts held at the Crew Stadium.

There are 800 VIP paved parking spaces adjacent to the stadium and 12,000 total parking space available. The stadium has a 57,000 square foot plaza that features an engraved 84 foot diameter concrete soccer ball and hosts the Kicker Stage, interactive inflatables, and food and beverage stands on event days.

In 2008, Crew Stadium will host the Dave Matthews Band and Rock on the Range which is a multi-stage music and lifestyle event over two days. It will feature Stone Temple Pilots, Kid Rock, 3 Doors Down in addition to other rock bands.

Past events held at Crew Stadium include: FIFA Women’s World Cup Soccer; Nike U.S. Open Women’s Cup; MLS Cup; MLS All-Star Game; International matches; NCAA Men’s College Cup; OHSAA State Soccer Championships; Cincinnati Bengals Pro-Football Fan Fest; The Ohio State University Spring Football Game; OHSAA State Football Playoffs; Capital Regiment Drum & Bugle Corps; MLL; Rascal Flatts; and Kenny Chesney.

#### Profile of Planned MLS Stadiums for Existing and Expansion Teams

This section profiles stadiums that are under construction or in the planning stages.

##### *Real Salt Lake Stadium – Sandy, Utah*

Real Salt Lake currently plays its home matches on the campus of the University of Utah at Rice-Eccles Stadium. Home to the University of Utah football team, Rice-Eccles Stadium has a seating capacity of 54,000 and was host of the 2002 Olympics Opening and Closing Ceremonies. The facility has also hosted Supercross motorcycle racing and concerts by U2 and the Rolling Stones.

Currently under construction in Sandy, Utah, the new Real Salt Lake Stadium is slated to open in late summer/early fall of 2008. The facility will seat 20,000 people for MLS matches and other sporting events and have the ability to expand to 25,000 for concerts and other events.

Amenities include 32 luxury suites, 1,000 club seats and a 2,000 square foot Stadium Club. The facility is intended to be part of a larger development on 23 acres that is anticipated to include a hotel, a broadcast studio, and other mixed-use projects, including residential, office space, and retail. The stadium is planning to host exhibition matches, youth and college sporting events, community festivals, concerts, and other entertainment events.



The new stadium project is a private-public partnership with a total cost of \$117.5 million. Real Salt Lake is owned by Dave Checketts, former President of the NHL New York Rangers, the NBA New York Knicks and Madison Square Garden, and Sports Capital Partners. The team is investing \$72.5 million of private funds into the overall project, which includes approximately \$7.5 million towards youth soccer fields in Salt Lake City. Public funding is derived from two public sources: the Utah Legislature and the Sandy Redevelopment Authority.

The Utah Legislature approved HB38, a bill that invests \$35 million in public funds to assist with land, infrastructure (i.e. roads, sidewalks, sewer, park areas), parking and other needs related to the project. The funds are allocated from portions of an extension of the Transient Room Tax (TRT) that were set to expire in 2011 and 2015. The TRT is a tax on visitors and tourists that stay in Salt Lake County hotel rooms. The tax is 1.25% on each guests' payment, with 15% going to the State and then transferred to the Sandy Redevelopment Agency to make bond payments on the \$35 million. The tax is dedicated to the project for 20 years.

The Sandy Redevelopment Agency contributed \$10 million by the creation of a "Community Development Area" (CDA) around the stadium project. The CDA allows Sandy to re-invest new property taxes generated in the area to help with the project. Current property taxes in the CDA continue to go to various government agencies. Any new property taxes generated in the CDA as the result of increased property values from the stadium project, above and beyond the base level, can be used to help the development. These funds will go to project related costs including land, infrastructure, and parking.

#### *Red Bull Park - Harrison, New Jersey*

The New York Red Bulls currently play their home matches in Giants Stadium. With more than 80,000 seats, Giants Stadium is part of the 750-acre Meadowlands Sports Complex located in East Rutherford, New Jersey and also includes Continental Airlines Arena and Meadowlands Racetrack. Both the NFL New York Giants and the NFL New York Jets play their home games at Giants Stadium. Red Bull New York owns the team and also has financial interests in NASCAR, Red Bulls Salzburg, and Formula One Auto Racing.

Scheduled to open in 2009, Red Bull Park will offer 26,000 seats on a 22-acre site along the Passaic River. The \$165 million stadium construction is being 100% financed by the team. The land is owned by the Town of Harrison and Red Bull New York has a 30 year ground lease. Red Bull New York will pay the Town annual rent of \$150,000. Approximately \$15 million in site preparation costs were shared between Red Bull New York and the Town.

Long term plans call for expanding the stadium to a capacity of 30,000 with a 5-10 year plan to add a third deck bringing the capacity to the mid-40,000s. The stadium will have a translucent roof that will cover all of the seats but not the field.

The facility will offer 30 luxury suites and 1,100 club seats. There are also party decks available on an event-by-event basis that each with a capacity of 30 people. There are two large club areas to service suiteholders and club seat members. Currently the team is exploring an "all-inclusive" concept for suites and club seats that would include game tickets, food, and all beverages including alcohol.



Parking will be extremely limited due to the urban location of the site. Approximately 75 spaces are being reserved for staff and 250 for sponsors and key contributors. The team is currently exploring off-site parking options for fans and the Town of Harrison is contemplating the construction of structured parking to support the stadium and surrounding development. Based on its urban location, it is anticipated that 50% of fans will utilize public transportation.

Red Bull New York is constructing a \$35 million practice field center in East Hanover, 20 miles west of Red Bull Park. Hartz Mountain owns the land and Red Bull New York has a 15 year ground lease with options for eight additional years. Red Bull New York pays \$1.2 million annually in rent. There will be six fields in total with four being artificial turf and two being grass. One of the artificial turf fields will be indoors. The four turf fields will be available to the community for rental. The Red Bulls have four development teams that will also use these fields. None of these fields have seating. The practice field center will be owned and operated by the Red Bulls.

Management indicates that Red Bull Park is initially anticipated to host 16 MLS matches, three international events, two NCAA sporting events, two high school football events, six high school soccer events, one Red Bull X Fighters freestyle motor cross event, and one concert. Rugby is another potential stadium use although facility management anticipates being cautious about the quality of the pitch due to the primary focus on soccer. The facility will not have a permanent stage. Major international events will likely continue to be played at Giants Stadium due to the larger seating capacity.

#### *Qwest Field*

Seattle was recently awarded an expansion team that will begin play in 2009. The owners of the new expansion MLS team in Seattle include Joe Roth, Adrian Hanauer, Vulcan Sports & Entertainment, and Drew Carey. Vulcan Sports & Entertainment are the owners of the NFL Seattle Seahawks and the NBA Portland Trailblazers.

Seattle has a history of professional soccer with the Seattle Sounders of the United Soccer League (USL) First Division. While the Seattle Sounders play select games at Qwest Field, the team plays the majority of its games at a 54-acre local soccer complex, Starfire, that includes two indoor fields, four artificial turf outdoor fields, four natural grass fields, and a four field softball complex. The USL First Division features an 11-team format that plays 30 regular season matches.

The expansion team will play its home matches at Qwest Field which serves as the home of the NFL Seattle Seahawks. The venue has a capacity of 67,000 seats with a roof covering 70% of the seats. For MLS soccer, the venue will be reduced to a capacity of 24,500. The field is FieldTurf, an artificial playing surface. There are 82 luxury suites, including suites that are located at field level, and 7,000 club seats.

Opened in 2002, Qwest Field and hosts a variety of events such as select Seattle Sounders games, international soccer matches including a 2008 game featuring Mexico vs. China, career fairs, area college graduation ceremonies, and motor cross events.



### *New Stadium in Chester, Pennsylvania*

Philadelphia will field a MLS expansion team beginning in 2010. A new stadium will be built along the historic Chester waterfront, at the foot of the Commodore Barry Bridge, and will have a capacity of 20,000. The stadium will be part of a larger \$500 million entertainment, retail, residential and business development complex on 60 acres

The team is owned by Keystone Sports and Entertainment, LLC with Jay Sugarman, CEO of iStar Financial as the lead investor. Ownership also includes CEO & Operating Partner, Nick Sakiewicz, Swarthmore Group Chairman James Nevel, Philadelphia attorney William Doran, and Christopher and Robert Buccini and David Pollin, founding partners of Buccini/Pollin Group, which is leading the development of the waterfront project.

The State of Pennsylvania has committed \$47 million towards the public-private Chester waterfront development project. Delaware County and the City of Chester have each dedicated \$30 million toward the development and the Delaware River Port Authority approved \$10 million toward the project.

### Tentative Plans for Other New MLS Stadiums

While details are yet to be announced, MLS officials have reported that the Kansas City Wizards will be playing in a new stadium in 2010 and the San Jose Earthquakes will be playing in a new stadium in 2010 or 2011.

### *Kansas City Wizards*

In December of 2007, the Kansas City, Missouri City Council voted unanimously to approve a development initiative that includes a new 18,500-seat stadium as part of a larger \$949 million mixed use development project. Preliminary plans call for the stadium to have 25 luxury suites, 1,200 club seats, a press box, locker rooms, training facilities, concessions, a youth club and possibly a Soccer Hall of Fame. Addition elements planned for larger development project include a 12-field soccer complex, a 250-room hotel, up to 1.1 million square feet of retail space and up to 1.7 million square feet of office space in the 467 acre site area.

In 2007, OnGoal, LLC, owners of the Kansas City Wizards, opened a \$3 million training facility in Swope Park. The training center offers more than 7,800 square feet of facility space and four soccer fields. The main structure houses the players, coaching and technical staff along with a locker room, a treatment room, a training room, and a players' lounge. There is also an 800 square foot maintenance and storage shed. The fields not only support the MLS team but also the community.

### *San Jose Earthquakes*

The San Jose Earthquakes play the majority of their home matches at Buck Shaw Stadium on the campus of Santa Clara University. This season the Earthquakes are playing three home matches at McAfee Stadium, home of the NFL Oakland Raiders and MLB Oakland A's. The three matches are against teams that draw higher attendance than can be accommodated at Buck Shaw Stadium - the Chicago Fire and two matches against the LA Galaxy.

Pending approval from the San Jose City Council, Earthquakes Soccer LLC has plans to build a new downtown privately-financed soccer-only stadium near Mineta San Jose International Airport. The stadium, targeted to open in 2010 or 2011, will feature a seating capacity of 18,000 to 20,000 as well as state-of-art technology and fan amenities. If City Council members and the Wolff investor group reach an agreement, the Earthquakes' new playing venue will mark the first outdoor stadium built in nearly 80 years in San Jose which is the third most-populated city in California.

### *Houston Dynamo*

The Houston Dynamo is also actively pursuing the development of a new soccer-specific stadium. In early 2008, City of Houston signed a letter of intent to acquire a six block area east of Minute Maid Park that could potentially be used for a new soccer stadium. The City is also in talks to acquire a large parcel of land which could be used to build youth soccer facility that may have as many as 18 fields. Because the City is investing in the land for the proposed new stadium, it is looking for the team to privately finance the stadium construction. Any land acquisition would require City Council approval and the Mayor is also approaching the school districts to be a funding partner for the youth soccer facility.

### Summary – MLS Stadiums

The following summarizes general observations related to newer existing and planned MLS stadiums:

- Newer stadiums are soccer centric in their focus - primarily looking to create a world class soccer venue in all aspects of the physical design and site layout.
  - Fan experience
  - Corporate experience
  - Playing surface and maintenance
  - Field dimensions
  - Lighting
  - Press accommodations
  - Safety and security

- Recently built stadiums are private-public partnerships that typically have some level of investment by both the team ownership group and area governmental entities. One of the primary objectives of team and governmental entities is to provide a catalyst for economic development.
- The overall stadium project typically has elements that focus on community outreach through player / team outreach and youth development programs.
- Stadium seating capacity ranges from 18,000 to 27,000.
- Premium seating opportunities in the form of suites, club seats and party decks are included in every new stadium for two primary reasons: 1) to engage the corporate client and 2) to maximize revenue streams to the team. Relative to premium seating, the number of suites ranges from 21 to 48 and the number of club seats varies from 200 to 1,600.
- Opportunities for affordable, family entertainment are designed into each stadium. Although premium seating opportunities are available, the majority of seating is designed for an affordable, family-friendly, first class entertainment experience.
- Concessions and catering are well-designed aspects of the stadium to appeal to the overall fan experience as well as maximize revenue opportunities.
- Press facilities are able to accommodate national and international media including, but not limited to:
  - Working Press Room
  - Press Box
  - Broadcast media accommodations for radio and television
  - Wireless technology throughout the venue
- Lighting is appropriate to support night games and television broadcasts.
- The newest technology in terms of video board systems, sound systems, and advertising/signage systems further enhances both the fan and corporate experience.
- Convenient transportation access to / from the stadium is carefully planned for all modes of transportation including driving, public transportation and pedestrian foot traffic.
- Careful attention is paid to ingress and egress at the stadium for both vehicular and pedestrian traffic as well as on-site parking requirements depending on the site location.
- First class locker rooms and back-of-house space for teams, team personnel, and media are provided.

## Surveys

As part of the market research, three separate surveys were conducted:

- On-site surveys of event attendees at a D.C. United game on Saturday, April 26, 2008
- Electronic surveys to members of the Prince George’s Chamber of Commerce
- Electronic surveys to existing D.C. United sponsors

In general, the primary objective of the surveys was to obtain input regarding general interest in the project, site location for the proposed stadium, potential support for the project in terms of ticket sales and advertising/sponsorship opportunities, desired amenities in the proposed stadium, and estimated spending patterns at events both inside and outside of the proposed new soccer stadium. The pages that follow summarize the results from these three survey efforts.

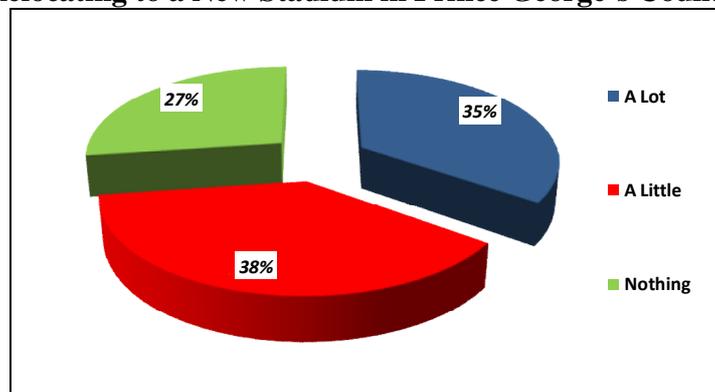
### On-Site Surveys of Event Attendees

A total of 465 on-site surveys were completed at a D.C. United home game on Saturday, April 26, 2008. In general, characteristics of survey respondents were representative of D.C. United’s fan base:

- 66% were male
- 74 % were Caucasian and 15% were Hispanic
- 79% were between the ages of 18 and 44
- 40% had household incomes levels of \$100,000 or more
- 57% reside in Virginia and 27% in Maryland
- 74% traveled to the game by car while 24% arrived by Metro
- 39% were either full- or partial-season ticket holders

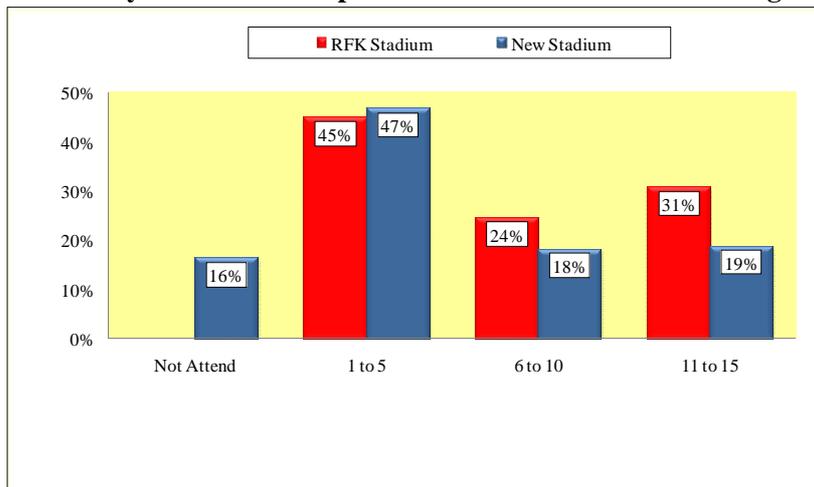
Approximately 73% of survey respondents had heard or read something about the proposed new stadium in Prince George’s County.

### **How Much Have Your Heard or Read About D.C. United Potentially Relocating to a New Stadium in Prince George’s County?**



As depicted in following graph, approximately 84% of survey respondents indicated an interest in attending D.C. United games at the proposed new stadium in Prince George’s County.

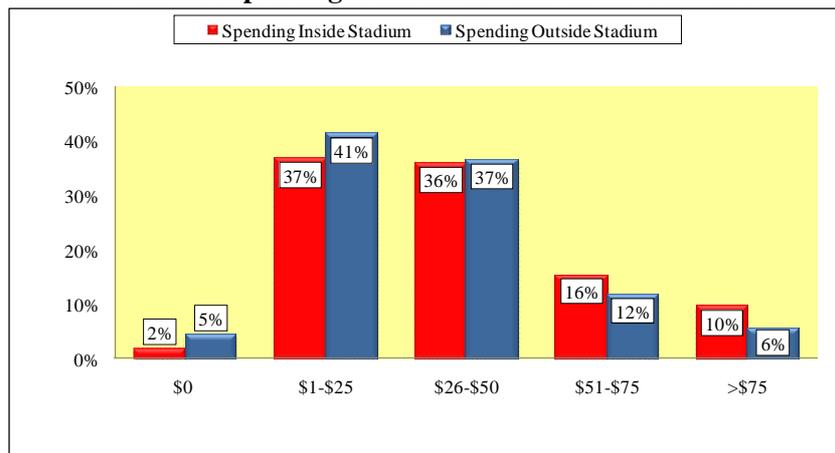
**Estimated Number of D.C. United Games You Attend Now at RFK Stadium Compared to the Number You May Attend at a Proposed New Stadium in Prince George’s County**



Approximately 39% of survey respondents were D.C. United season ticket holders, of which approximately 42% indicated that they would remain season ticket holders in a proposed new stadium in Prince George’s County.

Survey respondents indicated that they spend an average of \$28 inside the stadium and \$26 outside the stadium on game-day purchases.

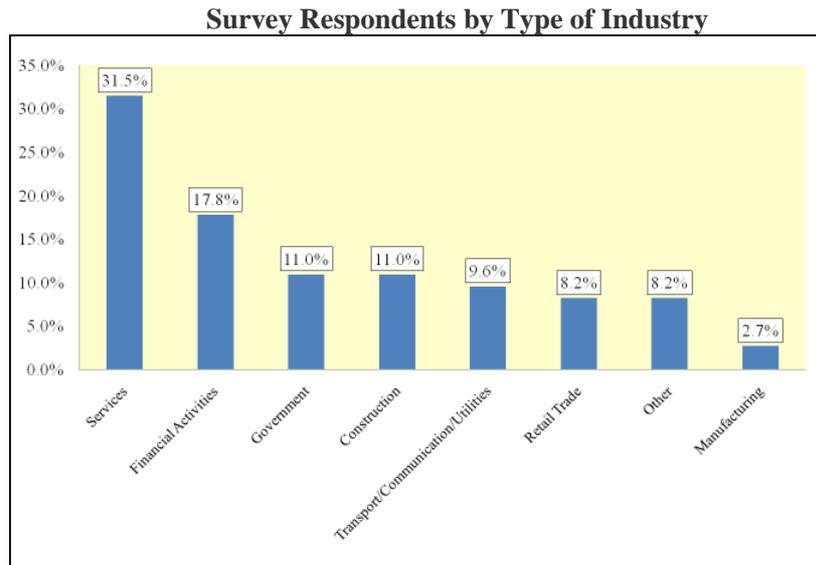
**Estimated Spending Per Person at D.C. United Games**



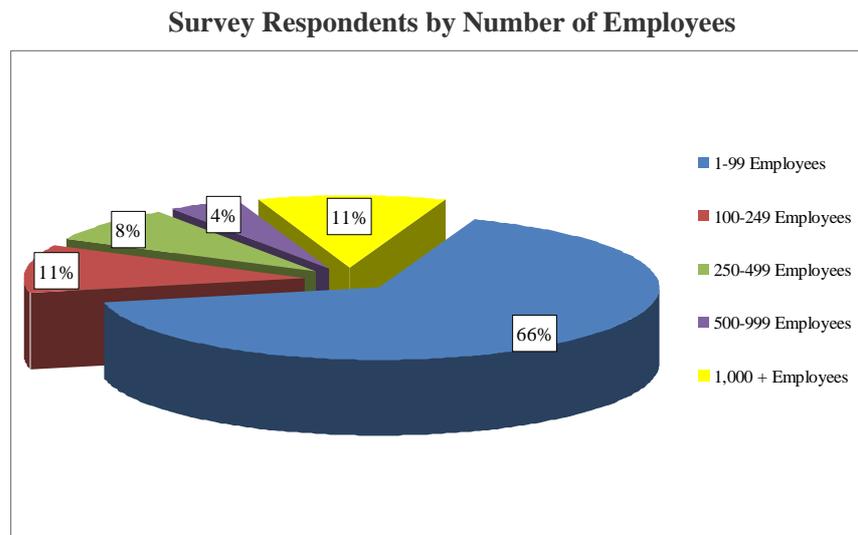
Other than D.C. United games, survey respondents indicated that they would be most interested in attending concerts, international soccer events/tournaments, festivals, and collegiate soccer, respectively.

**Electronic Surveys of the Prince George’s Chamber of Commerce Members**

As part of the research, area businesses that are members of the Prince George’s Chamber of Commerce were surveyed to obtain their input regarding the proposed stadium project. A total of 74 completed surveys were received. As shown in the following chart, the majority of survey respondents represented the services or financial activities industries.



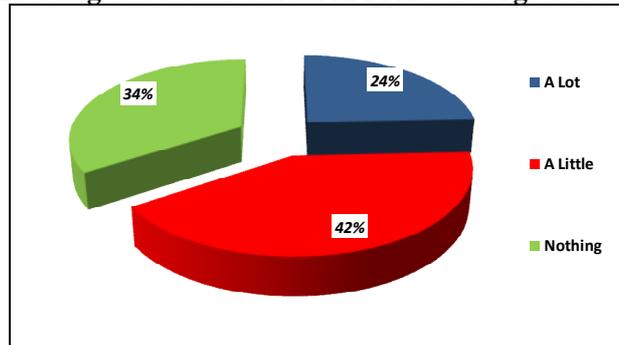
As shown in the pie graph, although most survey respondents (66%) have less than 100 employees, approximately 15% of the businesses responding to the survey employed at least 500 people.



As one would expect, approximately 84% of survey respondents represented businesses that were located in Prince George’s County.

Approximately 66% of respondents had heard or read something about the proposed new stadium in Prince George’s County.

**How Much Have Your Heard or Read About D.C. United Potentially Relocating to a New Stadium in Prince George’s County?**



Approximately 90% of survey respondents indicated some level of support for the potential construction of the new stadium in Prince George’s County. Supporters of the proposed stadium cited positive economic development, an increased number of sport/entertainment events in the County, an increase in tourism and an attraction for new businesses to the County as the main reasons for their support.

When asked about the positive attributes that Prince George’s County possesses that would make it an appealing choice for a new stadium and the relocation of a professional soccer team, survey respondents indicated the following:

- Thriving county
- Attractive landmarks
- Prime location
- Adequate space to build
- Good transportation system – centrally located to the metropolitan area
- Diverse and growing population
- Employment opportunities for small business owners

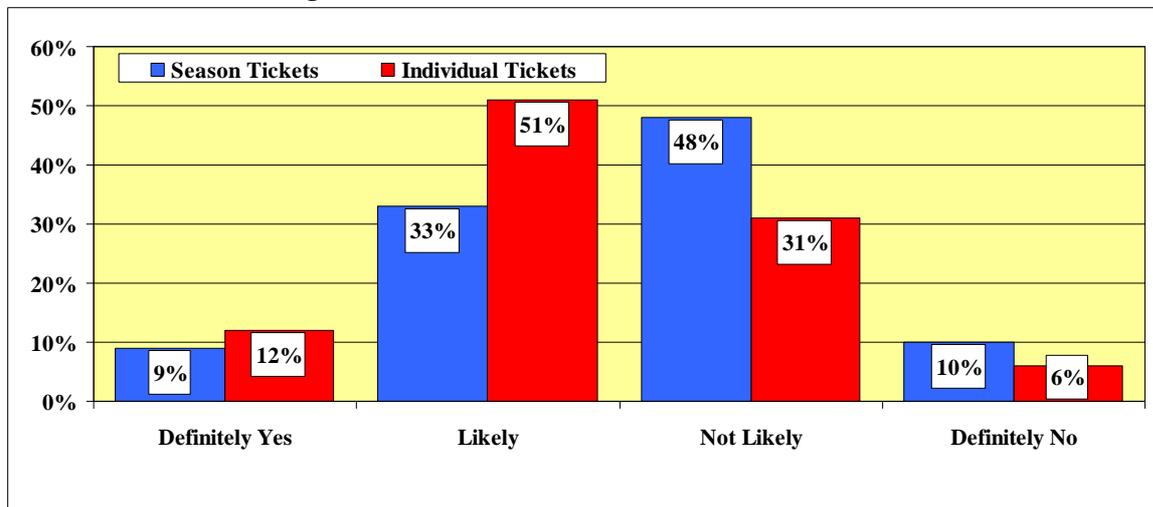
By contrast, respondents cited the following attributes as potential challenges to the proposed stadium development:

- Complex zoning process
- Existence of Fed Ex Field already in the County
- Funding
- Residents opposing the stadium
- Commute to stadium
- Increased taxation to fund the project

Only 17% of survey respondents had purchased tickets to D.C. United soccer games at RFK Stadium within the past five years. On average, these businesses purchased four tickets per game to nearly six games per season.

When asked about purchasing individual D.C. United game tickets at a new stadium in Prince George’s County outside of any advertising/sponsorship package, 63% of survey respondents answered “*Definitely Yes*” or “*Likely*” while 42% expressed an interest in purchasing season tickets. Businesses expressing an interest in purchasing individual tickets to D.C. United games indicated that, on average, their company would purchase approximately 8.5 tickets per game to 7.6 games per season.

**Interest in Purchasing Season or Individual Tickets to D.C. United Games in a New Stadium**



Survey respondents indicated that proximate parking; ticket/admission prices; overall affordability; location near a Metro stadium; and easy accessibility to/from the interstate, respectively, were important factors relative to their decision to attend events at the proposed new stadium in Prince George’s County.

Similar to the results of the on-site fan surveys conducted at a D.C. United game, Chamber of Commerce member survey respondents indicated that they would be most likely to attend festivals, concerts and international soccer events/tournaments, respectively, at the proposed new facility.

Only 5% of survey respondents indicated that they have bought an advertising/sponsorship package with D.C. United within the last five years. By contrast, 53% of survey respondents anticipated that their business would explore advertising/sponsorship opportunities with D.C. United at a new stadium in Prince George’s County. One-half (50%) of survey respondents indicated that the presence of a 4,000 to 6,000-seat live entertainment venue adjacent to the proposed stadium would favorably impact their company’s decision to potentially purchase an advertising/sponsorship package with D.C. United while 30% did not believe this facility had an impact on their buying decision. The remaining 20% were unsure if the adjacent entertainment facility would impact their decision.

When asked if they would like to see any specific features or design elements in a new stadium, survey respondents cited the following:

- Environmentally & ecologically friendly
- Dome shaped
- Stadium should be covered or have retractable roof
- Family friendly
- Job fair venue
- Reclining seats
- Multi-sports complex
- Easy accessibility
- Simple but elegant
- Opportunity for high school booster clubs to profit from vending
- Concessions owned & operated by minority businesses in Prince George's County
- Large, modern scoreboard
- Interactive section where people can gain an understanding and be exposed to the players and history of the game

The survey also asked area businesses about their support for other sports teams in the Baltimore/Washington area other than D.C. United in terms of ticket sales, luxury suites, club seats and advertising/ sponsorship opportunities.

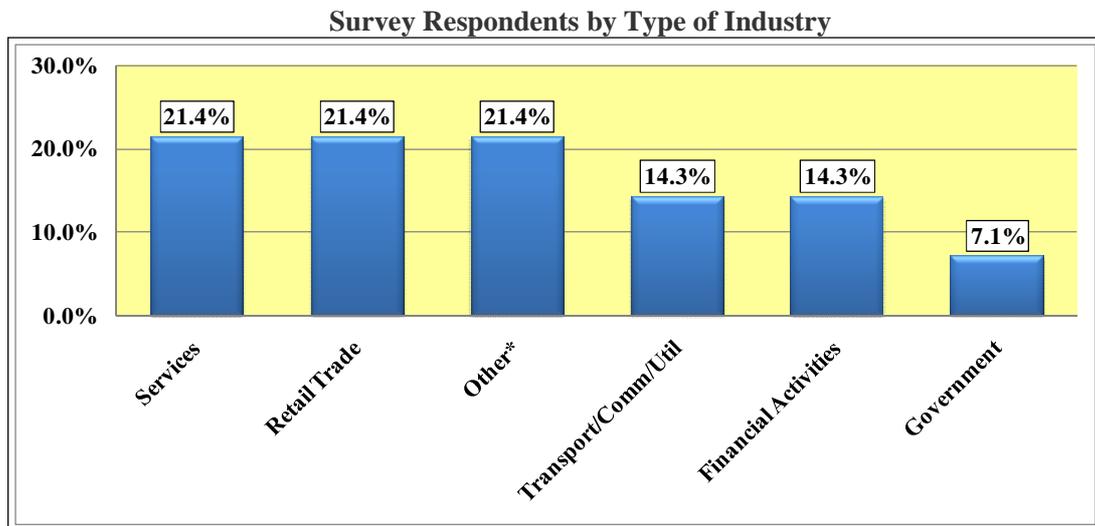
- Approximately 83% of respondents had purchased tickets to a sports team in the Baltimore/Washington Metro area within the last five years – 51% of which were individual tickets as opposed to season tickets
  - The top five teams which respondents had purchased tickets to within the last five years were Washington Wizards, Washington Redskins, Baltimore Orioles, Baltimore Ravens and Bowie Baysox, respectively
- Less than 18% of respondents had leased luxury suites at stadiums/arenas in the Baltimore/Maryland Metro area within the last five years – 12% of which currently lease a luxury suite
  - Of the respondents who had purchased luxury suites within the last five years, the top five sports teams were Baltimore Ravens, Washington Wizards, Baltimore Orioles, Washington Redskins and Bowie Baysox, respectively

- Similar to luxury suites, approximately 22% of respondents had leased club seats at stadiums/arenas in the Baltimore/Maryland Metro area within the last five years – 14% of which currently lease club seats
  - Of the respondents who had purchased club seats within the last five years, the top five sports teams were Washington Redskins, Washington Wizards, Baltimore Ravens, Washington Capitals and Baltimore Orioles, respectively
- Only 16% of respondents currently have an advertising/sponsorship package with a sports team or its home venue in the Baltimore/Washington Metro area other than D.C. United and 7% of businesses responding to the survey had purchased a package within the last five years
  - Of the respondents who had purchased advertising/sponsorship packages, the top five teams were Bowie Baysox, University of Maryland, Baltimore Ravens, Washington Nationals and Washington Wizards, respectively

Electronic Surveys to Existing D.C. United sponsors

Surveys were also distributed to 15 of D.C. United’s largest sponsors in order to gauge their input on the proposed stadium in Prince George’s County. A total of 14 completed surveys were received. Relative to most other MLS stadiums, RFK Stadium has limited inventory for sponsorship/advertising opportunities most of which D.C. United did not control until recently.

As shown in the following chart, survey respondents represented diverse industries.

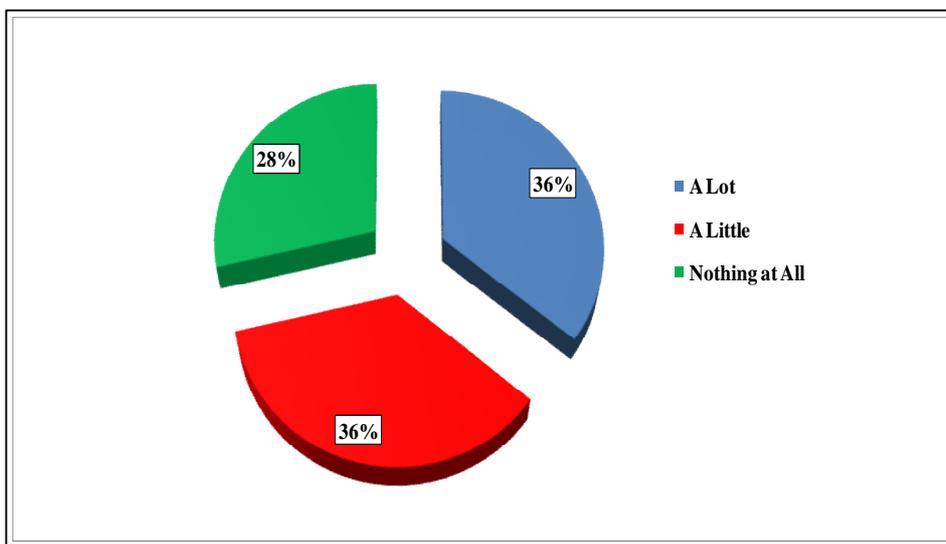


Note: \* Other indicates advertising, software, and education.

Approximately 36% of survey respondents indicated that their businesses were based in Washington, D.C. The remaining companies were based in Virginia, Maryland and/or in multiple areas. One-half (50%) of survey respondents employed less than 100 people and nearly 36% represented companies with 1,000 or more employees.

Approximately 71% of respondents had heard or read something about the proposed new stadium in Prince George’s County.

**How Much Have Your Heard or Read About D.C. United Potentially Relocating to a New Stadium in Prince George’s County?**



Approximately 43% of current D.C. United sponsors were favorable toward the potential construction of a new stadium in Prince George’s County primarily because of the positive economic development and the increased number of sports/entertainment events that would come to the County. The primary reason given by the survey respondents who did not favor a geographic shift in stadium location was uncertainty regarding sufficient demand.

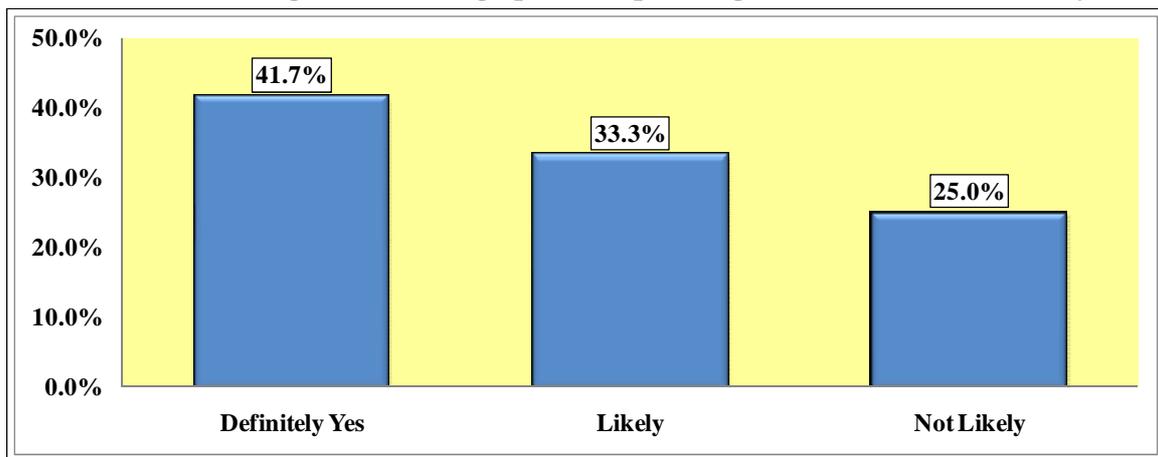
Survey respondents mentioned good geographic location and new opportunities for press coverage as positive attributes that would make Prince George’s County an appealing choice for a new stadium. Potential challenges to the proposed stadium development initiative cited by survey respondents included the following:

- Potential to lose events if team/facility moves to the County
- Perception of crime rate in the County
- Less international flavor than Washington D.C. or Virginia
- Bureaucracy of local government may create issues for the project

Irrespective of preferred stadium site location, the majority of survey respondents expressed strong interest in purchasing advertising/sponsorship packages and/or tickets at the proposed new stadium in Prince George’s County which suggests strong loyalty to D.C. United.

Three-quarters (75%) of survey respondents anticipated continuing an advertising/sponsorship package with D.C. United at a proposed new stadium in Prince George’s County.

**Interest in Continuing an Advertising/Sponsorship Package at a New Stadium in Maryland**

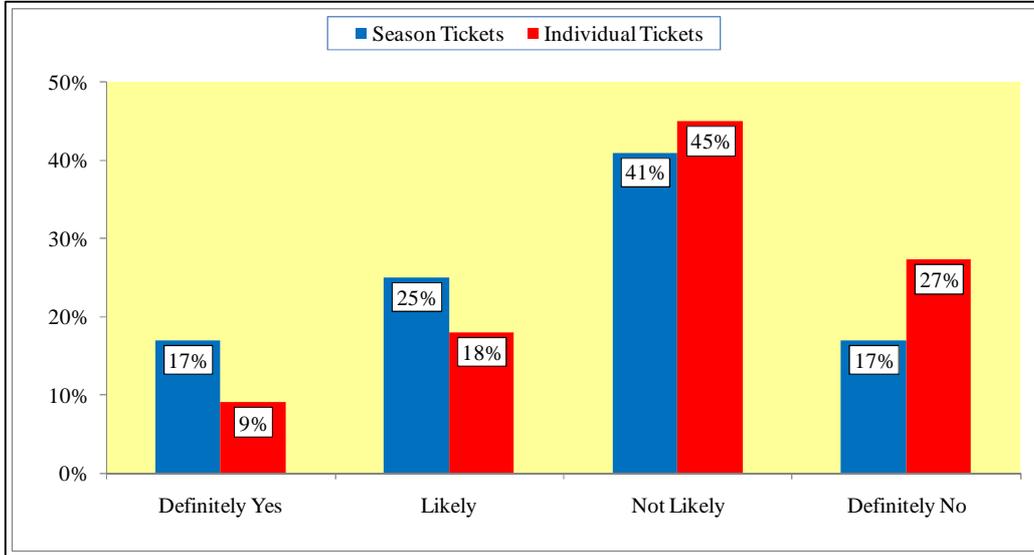


Further, one-third of survey respondents indicated interest in increasing their company’s current advertising/sponsorship package at a new stadium and 44% thought they would remain at the same level.

Approximately one-quarter (25%) of survey respondents indicated that the presence of a 4,000 to 6,000-seat live entertainment venue adjacent to the proposed stadium would favorably impact their company’s decision to potentially purchase an advertising/sponsorship package with D.C. United while 42% did not believe this facility had an impact on their buying decision. Approximately 17% indicated that they thought the presence of such a facility would negatively impact their decision while the other 17% were unsure if the adjacent entertainment facility would impact their decision.

When asked about purchasing tickets at a new stadium in Prince George’s County outside of any advertising/sponsorship package, 42% of survey respondents expressed interest in purchasing season tickets to D.C. United games while 27% expressed an interest in purchasing individual tickets. These responses differed from the Prince George’s area businesses that indicated more interest in purchasing individual tickets rather than season tickets. Survey respondents representing existing D.C. United sponsors indicated that, on average, their company would purchase approximately 7 tickets per game to 7.5 games per season which is consistent with responses from Prince George’s area businesses.

**Interest in Purchasing Additional Tickets to D.C. United Games at a New Stadium in Maryland**



Survey respondents ranked overall sponsorship package value, the event calendar at the proposed stadium and proximity to other ancillary development, respectively, as very important relative to their decision to purchase a sponsorship package at a new stadium in Prince George’s County.

Survey respondents indicated that they would be most likely to attend international soccer events/ tournaments, concerts and festivals, respectively, at the proposed new stadium. They also mentioned that they would like to have good highway access, ample parking and patron amenities such as VIP areas that could serve upscale food/beverage in a new stadium.

The survey also asked existing sponsors about their support for other sports teams in the Baltimore/Washington area other than D.C. United in terms of ticket sales, luxury suites, club seats and advertising/ sponsorship opportunities.

- Approximately 64% of respondents had purchased season tickets to a sports team in the Baltimore/Washington Metro area within the last five years
  - The top teams were Washington Nationals, Washington Wizards, and Washington Capitals, respectively
- None of the respondents had leased luxury suites at stadiums/arenas in the Baltimore/Maryland Metro area within the last five years
- Approximately 89% of respondents had not leased club seats at stadiums/arenas in the Baltimore/Maryland Metro area within the last five years
- Two thirds (67%) of survey respondents currently have an advertising/sponsorship package with a sports team or its home venue
  - Top teams were the Washington Wizards and Washington Nationals, respectively

## Summary of Market Findings

Unlike other professional sports in the U.S. such as football, baseball, basketball and hockey, soccer remains an evolving sport. Efforts by the USSF and other organizations to continue the development of soccer at all levels have been tangible in several ways including investing in facility development including the Home Depot Center; producing internationally ranked men's and women's national teams; hosting the 1994 FIFA Men's World Cup and the 1999 and 2003 FIFA Women's World Cups; as well as establishing MLS and supporting other developmental leagues at all levels.

MLS has continued to refine its business strategy in order to continue to increase its fan base and further strengthen its financial position and long-term viability. Recent trends in MLS include improving the quality of play at all levels, expanding the number of teams, developing new soccer-specific stadiums, expanding television coverage, increasing sponsorship partners, and adding new investors.

Improving the quality of play by signing top foreign players and the construction of new soccer-specific stadiums to showcase this talent have been the most positive trends in MLS in the last five years. Five new soccer-specific stadiums have been built since 2003 with two more (Real Salt Lake Stadium and Red Bull Park) nearing completion. In addition, several other teams are currently working on plans for new stadiums. As mentioned previously, MLS' ultimate objective is for all of its teams to play in soccer-specific stadiums.

Based on input from MLS officials, management at MLS teams/stadiums and other research, several factors were identified as important to the success of MLS teams and soccer-specific facilities including, but not limited to, the following:

- Demographic characteristics – MLS viewers tend to be young and affluent
- Ethnic diversity
- Loyalty of fan base
- Importance of providing an affordable, family friendly environment
- Transportation access to events via mass transit and highway
- Ability to host other sports and entertainment events including international soccer matches which further diversifies fan base and generates economic/fiscal impact for the host community and/or State
- Providing a safe and secure environment for fans
- Opportunity for ancillary development
- Ability to maximize revenue streams to the MLS team

The market research presented previously outlines various supply and demand factors that may influence the type and amount of event activity at a proposed new soccer stadium in Prince George's County including MLS trends, select demographic and economic characteristics, accessibility, hotel supply, the competitive supply of facilities, input from potential users, as well as information on comparable MLS stadiums. Given the MLS criteria for successful soccer-specific stadiums, local market characteristics and user input, the following summarizes this market research in terms of strengths, challenges, and opportunities.

### Market Related Strengths

Several market attributes are favorable in terms of potentially attracting a variety of demand generators to the proposed new soccer stadium.

- Demographic characteristics of Prince George's County and the Washington Metro area
  - The Washington Metro area's population of more than 5.4 million people, of which Prince George's County comprises approximately 845,600 people, provides a good base from which events at the proposed stadium can draw attendance.
  - The population in both the County and the Washington Metro area is expected to increase between 2008 and 2013 by approximately 2.7% and 6.5%, respectively.
  - Approximately 47% of the population in both the County and the Washington Metro area is between the ages of 18 and 49 years old which is a target market for D.C. United as well as for many concert promoters.
  - Both the County and the Washington Metro area have strong income characteristics. The median annual household income for the County (\$69,000) and the Washington Metro (\$80,800) is significantly higher than that for the U.S. Research provided by the team indicates that approximately 57% of D.C. United fans have a household income above \$75,000 which is higher than that for all MLS fans. Nearly 45% of the households in the County and 54% of the households in the Washington Metro area have income of at least \$75,000 as compared to approximately 26% of the households in the U.S.
  - MLS fans are more ethnically diverse relative to many other professional sports. Team officials indicated that approximately 30% of D.C. United fans are Hispanic. Approximately 12% of the population in Prince George's County and the Washington Metro area is Hispanic or Latino.
  - Concert promoters viewed the area demographics in terms of population, age distribution, income characteristics and ethnic diversity positively relative to attracting entertainment activity such as concerts and music festivals to the market.

- Area employment base
  - Prince George’s County has a diverse and large private employment base that can positively impact premium seating sales, advertising/sponsorship opportunities and ticket sales.
  - In addition, the County business environment is further broadened by the presence of major employers throughout other areas of the Washington Metro area, some of which are current supporters of D.C. United.
- Accessibility
  - Accessibility is important for attendees and event promoters/producers. Prince George’s County is accessible to the Washington Metro area by several highways including Interstate 95/495 (Capital Beltway) as well as by Metro, Metrobus and MARC. Although no site has been chosen for the proposed new soccer stadium, accessibility to the Washington Metro area will be important because the largest number of D.C. United ticket buyers currently reside in Virginia followed by Maryland and Washington D.C., respectively. Team officials indicated that approximately 40% of D.C. United fans utilize the Metro. In addition, MLS views transportation access as an important success factor for its teams and the stadiums where they play.
  - From a broader perspective, event promoters/producers viewed the County’s accessibility, geographic location within the State and the Mid-Atlantic region, and proximity to Washington Metro area as advantageous in attracting other sports/entertainment events such as concerts, music festivals and sporting events/tournaments.
  - Accessibility to Washington D.C., attractions such as Andrews Air Force Base, Six Flags America and various museums along with strong marketing efforts have continued to enhance Prince George’s County as a tourism market. This trend is anticipated to continue with the addition of more mixed-use development projects like National Harbor.
  - Prince George’s County is serviced by three major airports which can be beneficial in attracting national and international events.
- Hotel supply and affordability
  - Hotel supply can also be a factor in attracting national and international events. The Washington Metro area offers approximately 93,000 hotel rooms for visitors including more than 9,000 rooms in Prince George’s County and 8,500 rooms in Montgomery County.
  - Although the ADR at hotels in Prince George’s County increased each of the last two years, hotels are still affordable relative to those in Washington D.C. and other surrounding areas in Virginia and Maryland.

- Established sports presence in the region
  - Prince George's County is home to several venues that host a variety of sports/entertainment activity including, but not limited to, Fed Ex Field, Chevy Chase Bank Field at Byrd Stadium and Comcast Arena at UMD, Prince George's Stadium, Show Place Arena, as well as Bulldogs Stadium and AC Jordan Arena at Bowie State University.
  - There is an established base of youth, scholastic, and collegiate soccer programs in the State and the Mid-Atlantic region that represent potential target markets for sporting events/tournaments at the proposed new soccer stadium if the appropriate number of fields can be provided. According to the MSYSA, there are over 120 affiliated clubs and leagues in all twenty-three Maryland counties and Baltimore City, with over 60,000 registered players and 5,000 coaches. The MSSA estimates 1,400 registered men's and women's amateur players in five leagues comprised of approximately 70 teams. Representatives of the Prince George's County Public Schools noted the growing popularity of soccer at the middle and high school levels. Prince George's Community College has historically had a strong men's soccer team and the University of Maryland - College Park men's and women's soccer programs are consistently nationally ranked and have a strong fan base.
  - Another potential use for the proposed stadium is hosting lacrosse which is popular in the State of Maryland and the Mid-Atlantic region, particularly at the collegiate level. This sport has also gained national popularity in recent years.

#### Market Related Challenges

- Area employment by industry
  - Approximately 26% of employment in Prince George's County occurs in the government sector, which typically does not represent a strong target market for purchasing premium seating and advertising/sponsorship packages. As such, team/facility management at the proposed new soccer stadium will need to successfully appeal to the broader business community in order to maximize these revenue streams.
- Accessibility
  - Although several public assembly facilities such as Fed Ex Field are located in Prince George's County, many are not proximate to the Metro and therefore fans are more accustomed to driving to events rather than using mass transit. As such, it will be important to familiarize existing and potential new fans with the transportation access available to the proposed new stadium.

- Hotel occupancy rates
  - Occupancy rates at existing hotels in the County are relatively high between March and July which are typically popular months for youth and amateur sports tournaments.
- Climate
  - Potential users indicated that although Prince George's County has a relatively moderate climate from March through November, weather in the Mid-Atlantic season can be seasonally cold in late November /early December which may be a constraint for certain events. For instance, many collegiate conference and national soccer championships are held during these months and event producers may choose destinations that are further south in order to try and provide better weather conditions for spectators and participants.
- Perception of safety and security
  - Providing a safe, secure and family friendly environment is important to D.C. United and MLS as a whole. In addition, attendees and participants have become more concerned with security since the events of September 11<sup>th</sup> and want to be assured that ample security measures are being taken at public assembly facilities. Some groups we met with mentioned that there is a perception that Prince George's County may not be as safe relative to other surrounding areas. Although many safety and security issues can be addressed through facility design, overall site planning and management's operating philosophy on event days, facility management will need to proactively address this perception.
- Overall competitiveness of the market
  - Although the proposed new soccer stadium would potentially fill a niche in the market in terms of seating capacity, it would operate in a competitive market which is continually changing through renovation/expansion of existing facilities or construction of new facilities. The proposed new soccer stadium would be proximate to several existing and established facilities such as Nissan Pavilion, Merriweather Post Pavilion, Verizon Center and 1<sup>st</sup> Mariner Arena that are competing for sports/entertainment activity within the region.
  - In addition, there are plans to build a new arena in downtown Baltimore to replace the 1<sup>st</sup> Mariner Arena and tentative plans to build a new arena in Montgomery County. In addition, Montgomery County recently signed a partnership with Live Nation to construct a new smaller, live entertainment venue in Silver Spring and another promoter mentioned they are actively pursuing development of a smaller, live event venue in Prince George's County.
  - In 2004/05, a panel of leaders in the business and arts communities in Howard County was appointed to study whether the County should purchase Merriweather Post Pavilion from the Rouse Company (now General Growth Properties) which had announced that the facility was for sale if certain

conditions could be met. The County also hired a consultant to advise it on issues related to the potential purchase and renovation of the facility. The panel found that the Pavilion plays a vital role in the community and that the County should try to purchase the facility if a fair and equitable deal could be reached by both parties. To date, no long-term decisions have been made regarding this facility. If it continues to operate as an outdoor amphitheater, the Merriweather Post Pavilion along with the Nissan Pavilion would both pose competition for the proposed new soccer stadium for concert activity.

- In general, the number of touring acts can vary in any given year. In addition, concert promoters indicated that there are a relatively limited number of acts capable of selling 20,000+ seats and some acts prefer not to play soccer-specific stadiums because of the ambiance.
- If RFK Stadium remains open, it would potentially compete with the proposed new stadium in Prince George's County for larger national and international soccer events. Although the stadium lacks many patron amenities, it has a larger capacity and a successful history of hosting soccer events and other large sports/entertainment events.
- In addition to competing for event activity, other professional sports venues in the Washington/Baltimore Metro areas are also vying for corporate support from ticket sales, premium seating sales and advertising/sponsorship packages. This high level of competition could negatively impact the proposed stadium's potential to generate revenue from these opportunities. However, D.C. United is one of the most successful soccer teams in U.S. history and has an existing base of corporate support.
- Lack of multiple fields as part of the stadium complex
  - It is our understanding that current plans for the proposed new stadium do not anticipate a multi-field complex as part of the program which would be a limiting factor in attracting certain sporting events. For instance, many youth and amateur sports tournaments require a critical mass of fields, similar to what is offered at the Maryland SoccerPlex, in order to effectively host all of their qualifying matches.
  - D.C. United has indicated a strong desire to locate practice facilities and playing fields adjacent or proximate to the stadium which would better accommodate the needs of certain users such as NCAA conference and national championships which require the stadium for their competitive events but can potentially use practice facilities at off-site locations.
- Playing surface
  - Current plans call for the proposed new stadium to have a grass field which may limit the number and frequency of hosting non-D.C. United event activity due to wear and tear on the field.

- Cost to use the stadium
  - Many youth/scholastic/amateur organizations and local community groups cannot afford or are not used to paying market rent. In addition, concert promoters have numerous facilities to choose from and are looking for the best financial deal when selecting a venue to host their event. Potential users indicated that the cost to utilize the proposed new stadium would be important. Concert promoters specifically commented that the admissions and amusement tax charged in Maryland, which can be as high as 11%, could be a competitive disadvantage in attracting events since Washington D.C. and Virginia do not currently charge tax on tickets.
- Balancing diverse event activity with financial performance relative to generating economic/fiscal impacts among stakeholders
  - Some events that generate economic/fiscal impacts to the community may not result in positive financial performance for the facility, particularly given the competitiveness among sports/entertainment venues. As such it will be important to develop a mission statement that clearly outlines the goals and operating objectives of the facility (e.g., diversity of event mix, financial profitability, economic impact, etc.) and the expectations of facility management. Irrespective of the management approach utilized, a well-defined mission statement can help reduce the potential for perceived differences in the facility's role by various stakeholders.

Factors such as a good site location in terms of visibility, accessibility to the metropolitan area, parking, safety, surrounding development as well as an aggressive, experienced management team with strong industry relationships will place the proposed new soccer stadium in a better position to address and potentially offset some of these market challenges.

### Market Related Opportunities

The preliminary building program for the proposed stadium includes between 24,000 and 27,000 permanent seats with the ability to expand to 35,000. It is also anticipated that a permanent stage with a roof canopy will be located at one end of the proposed new stadium. In addition, tentative plans call for 50 suites, 1,000 club seats, a club lounge, party decks, team/stadium offices, a team store, a ticketing office, pub/restaurant as well as other patron amenities and support services. The number of on-site parking spaces will likely be dependent on the size and location of the site relative to the Metro. In addition, it would be ideal if the team's practice facilities and playing fields could be located on or proximate to the stadium site. It is assumed that the proposed soccer stadium will be state-of-the art in terms of patron and player amenities and provide a family friendly environment. These general building parameters are consistent with those at several other newer MLS stadiums.

Prince George's County's demographic characteristics, D.C. United's established fan base as well as the proposed building program present the area with the opportunity to develop a venue that could potentially better retain the entertainment spending of its residents while also attracting new business that would generate economic impact for the community. The proposed facility could serve to broaden the market reach to visitors who have not yet visited the area as well as potentially extend the length of stay for existing tourists by creating a new attraction hosting diverse event activity. Further, the proposed facility has the potential to enhance other regional initiatives/investments. The following highlight various opportunities associated with development of the proposed new stadium.

- Ability to capitalize on branding of D.C. United and increasing popularity of MLS and bring increased State, regional and national exposure to the area
  - D.C. United is a recognized and respected brand in the soccer community.
  - The proposed new stadium could serve to further extend the team's reach within the metropolitan area.
  - D.C. United has an existing base of corporate support to build on relative to ticket sales, premium seating and sponsorship/advertising opportunities.
  - MLS has become a solid professional league with growing attendance, national media coverage on four television networks and a controlled, systematic approach to expansion.
- Ability to attract incremental new events to the County and State
  - D.C. United MLS games as well as other national/international competitions and friendlies
  - Collegiate, national and international soccer competitions.
    - Men's and women's collegiate/junior college lacrosse and championship tournaments
    - County high school championships for girls and boys soccer as well as football
    - State high school championships including boys and girls soccer, field hockey, and lacrosse
  - If additional practice/playing fields can be built on or near the site, there will be an increased opportunity to host youth/amateur sporting events/tournaments at all levels. D.C. United may be interested in investing in this initiative to support its future fan base and the MLS objective of improving the quality of play at all levels.
  - Promoters indicated the County's demographics and the proposed stadium's characteristics provide opportunities to host various ethnic music festivals unique to the area.

- One potential development option includes construction of a 4,000 to 6,000-seat indoor venue adjacent to the proposed stadium that would be able to host a variety of concerts and entertainment activity. Promoters were very favorable to this proposed indoor venue concept and commented that this size/type of venue has significant opportunity to host a variety of events depending on management and financial terms. Specifically, promoters indicated the proposed size would serve a niche market within the Washington Metro area. In addition, the nature of the indoor venue would also allow the complex to attract event activity year-round to help offset the seasonality issues associated with outdoor stadiums.
- Further enhance the sports identity within the region and complement existing market strengths
  - Provide a first class sports and entertainment venue
  - Opportunity to better serve the County and State population by hosting additional professional sports as well as other entertainment events that cannot currently be accommodated
  - Contribute to the overall quality of life in the County
  - Create jobs
  - Ability to complement other existing sports facilities in the market
  - D.C. United's commitment to supporting youth soccer programs in the area surrounding its home stadium
- Ability to increase economic/fiscal impacts to the County and State and serve as a catalyst of other development
  - As mentioned previously, the stadium is envisioned to be part of a larger mixed-use development initiative that would potentially include restaurants, retail stores and office space. The amount and type of ancillary development will be dependent on several factors such as parcel size and market dynamics of the site area. This mixed use development concept is consistent with goals and expectations of MLS for new stadiums as well as broader economic goals of the County and the State in terms of providing a year-round economic generator.
  - The proposed stadium's potential to host a variety of sports and entertainment events that cannot currently be accommodated in the County represents an opportunity to draw new visitors to the community. The stadium's anticipated location proximate to other ancillary development could also serve to extend the average visitor's length of stay to the County thereby increasing incremental economic impact through visitor spending.
  - Similarly, there is an opportunity to proactively influence a major mixed-use development project that could serve as a catalyst for future initiatives in the State by generating private sector development and/or funding.

- The proposed stadium supports the County and State initiatives to encourage mass transit use if developed along an existing Metro line by drawing a critical mass of riders during off-peak times.
- This project can foster relationships with area educational institutions by providing a venue for the expansion or enrichment of existing athletic programs and/or the development of new programs.
- Ability to capitalize on existing tourism initiatives, particularly those related to sports marketing
  - This stadium project could take advantage of its proximity to Washington D.C. and potential to increase the average spending of visitors currently coming from the District by offering another entertainment venue and/or ancillary development outlets to capture visitor-related spending.



## **Market & Economic Study for a Proposed New Soccer Stadium in Prince George's County, Maryland**

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## Economic Analysis

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This section of the report estimates the economic and fiscal benefits that might accrue to Prince George's County and the State of Maryland as a result of pursuing the proposed new soccer stadium. The County and the State would benefit from having the proposed new soccer stadium in a number of ways, including such tangible and intangible benefits as:

- Enhancing the area's image as a sports and business community
- Receiving increased regional, national and international exposure through media coverage
- Providing a first-class entertainment venue for area residents
- Increasing the overall quality of life in the area
- Enhancing the area's appeal as a sports, tourist and entertainment destination
- Capitalizing on existing and planned State tourism efforts
- Providing a potential catalyst for further development initiatives including private sector investment, particularly given the D.C. United ownership's background with other large scale development projects
- Generating additional economic activity in the area
- Generating additional fiscal revenues for local and State governments
- Fostering relationships with area educational institutions and providing venues for the expansion of existing educational/sports programs and/or the development of new programs

Each of these benefits is important in assessing the impact that the proposed new stadium may have on the area. While the value of most of these benefits is difficult to measure, the estimated economic activity generated in the region can be quantified. This analysis quantifies the direct, induced and indirect benefits associated with the on-going operations of the proposed new stadium as well as the associated tax revenues. Although a limited number of events that would be held at the proposed new stadium are currently hosted at other facilities in the State, the majority of events, including all D.C. United matches, represent incremental new activity that may generate a significant number of attendees and spending.

### Methodology

An assessment of the economic benefits that could potentially accrue to the area as a result of the proposed new stadium can be approached in several ways. One approach, which is frequently used in the industry, considers the revenue side of stadium operations for documentation of the initial direct impacts to a community. In this approach, all revenues generated by stadium operations from sources such as ticket sales, food/beverage, novelties, parking, advertising/sponsorship and box suites/club seats are used as an initial measure of economic activity within the marketplace. In addition to the spending generated by stadium operations, direct spending occurs outside the facility by attendees on items such as food/beverage, retail and



transportation. Once the amount for direct spending is estimated, a multiplier is applied to generate the total (direct, induced and indirect) spending, earnings and employment associated with the project. This "multiplier" effect is estimated in this analysis using a regional economic forecasting model provided by the Minnesota IMPLAN Group, Inc.

The economic activity directly generated through the on-going operations of the stadium affects more than just the sports tenants, the stadium and immediately surrounding restaurants and businesses. As this money ripples through the economy, several other economic sectors are impacted and jobs are created. For example, when the concessionaire at the stadium purchases food for a game, everyone from the wholesaler to the farmer who produced the food is impacted. In addition, local and State government entities that tax these economic transactions are also impacted.

The specific aggregate industries used in this analysis are:

- Hotels
- Entertainment
- Eating and drinking places
- Retail trade
- Transportation
- Business services

The three categories of measurement used to assess the annual economic impact of a project are spending, earnings and employment which are defined below:

- **Total spending (output)** represents the total direct and induced/indirect spending effects generated by the project. This calculation measures the total dollar change in spending (output) that occurs in the local economy for each dollar of output delivered to final demand.
- **Personal earnings** represent the wages and salaries earned by employees of businesses associated with or impacted by the project. In other words, the multiplier measures the total dollar change in earnings of households employed by the affected industries for each additional dollar of output delivered to final demand.
- **Employment** represents the number of full and part-time jobs supported by the project. The employment multiplier measures the total change in the number of jobs supported in the local economy for each additional \$1.0 million of output delivered to final demand.

As part of this analysis, fiscal benefits or tax revenue impacts that might result from on-going operations of the stadium are also estimated. The governmental entities considered in this fiscal analysis are Prince George's County and the State of Maryland. Revenues generated from sales and use tax, admissions and amusement tax, corporate income tax, personal income tax, as well as hotel/motel tax are estimated. Unless otherwise noted, all amounts are expressed in 2008 dollars and reflect a stabilized year of operations.



### Summary of Estimated Incremental Annual Economic Benefits

The estimated economic benefits as measured by spending, earnings and jobs are summarized below. The total incremental spending (direct/induced/indirect) to the area related to operations of the proposed new soccer stadium is estimated to range from approximately \$65.4 to \$79.9 million annually.

<b>Estimated Incremental Annual Economic Benefits From Stadium Operations</b>			
<b>Category</b>	<b>Range</b>		
<b>Spending</b>			
Direct Spending	\$42,479,000	-	\$51,908,000
Induced/Indirect Spending	\$22,890,000	-	\$27,958,000
<b>Total Spending</b>	<b>\$65,369,000</b>	-	<b>\$79,866,000</b>
<b>Total Earnings</b>	\$25,245,000	-	\$30,779,000
<b>Total Employment (number of FTEs jobs)</b>	1,080	-	1,320

Notes: Amounts are presented in 2008 dollars.  
FTE denotes full-time equivalent employees.

The following section provides a more detailed description of the methodology and assumptions used in this analysis.

### Estimated Economic Impacts from On-going Operations of the Proposed New Soccer Stadium

The economic impacts from on-going operations of the proposed new stadium as well as other spending created by the project are described below.

#### General Assumptions

Based on input from the client group, several assumptions were used to develop estimates of event activity, financial operations and economic/fiscal impacts for the proposed new stadium. It should be noted that these assumptions are preliminary and will be further refined as decisions related to the building program and other operating characteristics continue to evolve.

The analysis performed was limited in nature and, as such, Crossroads Consulting does not express an opinion or any other form of assurance on the information presented in this report. As with all estimates of this type, we cannot guarantee the results nor is any warranty intended that they can be achieved. The estimates are based on the anticipated size, quality and efficiency of the proposed new stadium. Since these estimates and assumptions are based on circumstances that have not yet transpired, they are subject to variation. Further, there will usually be differences between estimated and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

General assumptions include:

- The preliminary building program outlined in the market analysis is built.
- The proposed new stadium is owned by the County or State and operated by D.C. United which is a common operating strategy among newer MLS stadiums.
- Due to the competitive environment in which the proposed stadium will operate, it is assumed that the facility management team will have established contacts and strong relationships with event promoters/producers, particularly within the concert industry.
- The proposed new stadium is aggressively marketed by established tourism agencies in the County and State in addition to the facility marketing efforts.
- Quality customer service is provided.
- The site is adequate in terms of visibility, ingress and egress, mass transit, parking, safety and other similar issues.
- Sufficient supporting infrastructure is located nearby to support stadium activities (i.e. hotel rooms, restaurants, retail, entertainment, etc.)
- No other similar competitive facility is built in the region.
- Because a site for the stadium has not been determined, a range of potential economic and fiscal benefits is presented.
- Amounts are presented in 2008 dollars and reflect a stabilized year of operations.
- Tax rates continue at their current levels.

#### Attendance Assumptions

The economic and fiscal impacts analysis is based on several factors including a hypothetical estimate of utilization that was developed from the research summarized in the market analysis including the proposed building program, historical attendance for D.C. United and other MLS teams, input from potential users, information on comparable facilities, input from the client group and other research.

The table that follows presents the estimated event activity at the proposed new soccer stadium which ranges from 54 to 63 events and 680,000 to 841,000 in total attendance.

The development of the proposed new soccer stadium will likely take two to three years to complete. In addition, event activity at new facilities typically experiences a “ramp up” period to a stabilized level of activity which occurs for several reasons. For instance, some organizations that book their event years in advance may not want to risk that a facility’s construction is delayed and not completed in time for their event. In addition, some groups may choose to let management “fine tune” its operations before hosting an event at the facility. Overall utilization at any facility is typically dependent on a number of factors and is rarely consistent. For purposes of this analysis, it is assumed that the estimated utilization represents a stabilized year of operation.

<b>Estimated Utilization - Proposed New Soccer Stadium in Prince George's County</b>			
<b>Event Type</b>	<b>Number of Events</b>		
	<b>Range</b>		
MLS (Regular Season)	15	-	15
WPS (Regular Season)	10	-	10
National/International Soccer	9	-	11
Collegiate Soccer	4	-	6
Other Sporting Events	8	-	10
Concerts/Festivals	2	-	3
Other Community Events	6	-	8
<b>Total</b>	<b>54</b>	<b>-</b>	<b>63</b>
<b>Event Type</b>	<b>Average Attendance</b>		
	<b>Range</b>		
MLS (Regular Season)	23,000	-	24,000
WPS (Regular Season)	4,500	-	5,000
National/International Soccer	18,000	-	20,000
Collegiate Soccer	7,000	-	8,000
Other Sporting Events	4,000	-	5,000
Concerts/Festivals	25,000	-	27,000
Other Community Events	3,000	-	4,000
<b>Event Type</b>	<b>Total Attendance</b>		
	<b>Range</b>		
MLS (Regular Season)	345,000	-	360,000
WPS (Regular Season)	45,000	-	50,000
National/International Soccer	162,000	-	220,000
Collegiate Soccer	28,000	-	48,000
Other Sporting Events	32,000	-	50,000
Concerts/Festivals	50,000	-	81,000
Other Community Events	18,000	-	32,000
<b>Total</b>	<b>680,000</b>	<b>-</b>	<b>841,000</b>

Notes: WPS denotes Women's Professional Soccer.

This analysis does not assume any playoff activity for the MLS or WPS teams.

The estimated utilization only includes regular season games for D.C. United and the Washington Freedom WPS team, both of which are assumed to be tenants at the proposed new soccer stadium.

National/international events include non-regular season D.C. United competitions and friendlies, international competitions and friendlies, competitions featuring the Men's and Women's National teams, the MLS All-Star Game, and the MLS Championship Cup and SuperLiga. Given D.C. United's name recognition and on-field success, it is one of the most sought after teams for participating in national/international events. In addition, the Washington Metro area is an attractive market to host this level of soccer.

Collegiate soccer events primarily include high profile regular season games for the University of Maryland-College Park as well as tournament activity at the conference (Atlantic Coast Conference), regional or national level (e.g. NCAA, NJCAA).



Other sporting events may include youth/scholastic soccer and football, collegiate lacrosse and rugby.

Concerts/festivals include traditional touring acts as well as ethnic/music/food festivals, some of which may be multi-day in nature.

Other community events include activities such as graduations, band competitions, car/motorcycle/recreational vehicle shows, family reunions and fundraising events such as a charity walk. In addition, although it is anticipated that the stadium will host a variety of other events throughout the year such as meetings, seminars, banquets, receptions, weddings and holiday parties that may utilize space within the stadium such as conference rooms and club/lounge areas, this activity is not reflected in the estimated utilization.

The estimated utilization for a stabilized year reflects various nuances among event types. For instance, MLS teams generally draw higher attendance at weekend game versus weekday games. In addition, MLS soccer matches that involve high profile players such as LA Galaxy's David Beckham draw significantly higher attendance than other regular season games. The type of national/international events held at the proposed stadium in any given year can vary based on proximity to a World Cup or Olympic year. Attendance at national/international events can vary based on the event type (e.g. women's national team matches typically average between 8,000 and 10,000 people compared to an average of 25,000 to 30,000 at men's national matches), the reputation, popularity and success of the teams playing in the matches, the number of marquee players, etc. A minimum capacity is required to host certain activity such as FIFA events which require 35,000 seats. Preliminary plans call for the proposed new stadium to be sized to accommodate diverse event activity and maximum attendance and financial performance at high profile events such as the MLS Championship Cup. As such, average attendance reflects the diversity of events that can be held at a stadium in any given year including the fact some events will likely draw at stadium capacity while others will not.

### Direct Spending

The first step in calculating economic impact is estimating the direct spending generated in the area. For purposes of this analysis, direct spending relates to gross revenues generated from stadium operations as well as attendee spending outside of the stadium. After direct spending was estimated, adjustments were made to reflect incremental new activity to the State. As such and for purposes of this analysis, all direct spending associated with D.C. United regular season matches, national/international soccer events, and concerts/festivals as well as 50% of direct spending associated with collegiate soccer events is estimated to represent incremental new spending in the State. Because the WPS Washington Freedom is currently scheduled to play at the Maryland SoccerPlex, it is not assumed to represent incremental new spending to the State. In addition, no spending associated with other sporting events or other community events is included as incremental new spending to the State.



### *Gross stadium revenues*

Based on several assumptions including the proposed building program, estimated utilization, information on comparable facilities and input from the client group, gross revenues generated from stadium activity include ticket sales/facility rental, food/beverage, novelties, box suites/club seats, parking, advertising and other miscellaneous revenue. Because MLS receives 33.3% of local ticket revenue, only 67% of D.C. United's estimated ticket sales are assumed to represent incremental new direct spending to the State. In addition, this analysis assumes that between 35 and 40 suites are sold at an average price of \$45,000 and 1,000 club seats are sold at an average price ranging from \$1,000 to \$1,200. Based on the financial estimate, incremental gross revenues related to stadium operations estimated to be spent in the area range from approximately \$26.1 million to \$31.7 million annually in a stabilized year of operations.

### *Attendee spending outside of the stadium*

This category attempts to reflect the spending patterns of attendees outside the stadium before and after the event. Based on the estimated mix of event activity, attendees are categorized as either high impact, defined as those generating hotel room nights, or low impact and are assigned different spending amounts. This per capita amount is then allocated among various categories of spending including hotel, restaurant, entertainment, retail and transportation. For purposes of this analysis, an average spending amount outside the stadium of \$78 for high impact attendees and \$27 for low impact attendees is utilized based on primary and secondary market research including surveys of D.C. United attendees and area tourism statistics. It should be noted that this spending would occur at restaurants, retail and various other business establishments around the stadium and elsewhere in the community. In order to reflect incremental benefits, attendance at WPS games, other sporting events and community events is excluded from this analysis because it is assumed that these events would occur elsewhere in Maryland without the proposed new stadium. In addition, it is assumed that 90% of this spending occurs in the area in order to reflect that some attendees may purchase items outside of the State. Based on these assumptions, incremental direct event attendee spending outside the proposed new soccer stadium assumed to be spent in the area is estimated to range from approximately \$16.4 million to \$20.2 million annually in a stabilized year of operations.

Based on this information, the direct spending in the area related to the on-going operations of the proposed new stadium and attendee spending outside of the stadium is estimated to range from approximately \$42.5 million to \$51.9 million annually. These direct spending estimates are considered direct output and, therefore, serve as the basis for the multiplier analysis.

### Multipliers

In an effort to quantify the inputs needed to produce the direct output, economists have developed multiplier models. This "multiplier" effect is estimated in this analysis using a regional economic forecasting model provided by Minnesota IMPLAN Group, Inc., a private economic modeling company. One of the major advantages of this type of model is that it is sensitive to both location and type of spending, and has the ability to provide, based on direct spending inputs, induced/indirect spending, employment and earnings information by industry category.

As a final step, each of the spending amounts described previously are assigned to a logical category to be used as inputs into the regional economic multiplier model. Relevant multipliers for each category specific to Prince George's County are presented in the following table.

Category	Prince George's County		
	Spending	Employment*	Earnings
Hotels	1.531396	16.480988	0.541407
Entertainment	1.567304	34.998086	0.615900
Eating & Drinking Places	1.484455	23.079372	0.499867
Retail Trade	1.537705	18.053279	0.615909
Transportation	1.513838	14.891916	0.584515
Business Services	1.640756	14.272255	0.880939

Note: \*Indicates the number of jobs per \$1 million in spending.

Source: IMPLAN.

### Induced/Indirect Spending

The economic activity generated by hosting the event affects the broader economy. In preparation of new spending in the economy, several other economic sectors are impacted and jobs are created. It is a common misconception to assume that the induced/indirect spending occurs subsequent to the purchase of the good as an "after effect." To further illustrate this point, consider that raw materials are purchased, labor is hired, goods are produced, transported and marketed to retailers before the attendee spending takes place. To yield direct spending, several intermediary levels of spending must occur first.

### Total Spending

Outputs from the model indicate that total (direct, induced and indirect) incremental spending from stadium operations is estimated to range from approximately \$65.4 million to \$79.9 million annually. Therefore, the approximate \$42.5 million to \$51.9 million in annual direct spending related to proposed new stadium operations is estimated to induce an additional \$22.9 million to \$28.0 million in economic activity within the area.

### Total Earnings

In addition, the direct spending in the economy as a result of on-going stadium operations is estimated to generate employment and earnings (income) impacts. Again, by applying earnings multipliers to direct spending, total earnings are estimated to range from approximately \$25.2 million to \$30.8 million annually.

### Employment

Finally, there will be additional employment opportunities generated by this project. It is estimated that the stadium would generate between 1,080 and 1,320 total full-time equivalent jobs as a result of its on-going operations. These jobs would occur in many sectors of the economy which would both directly and indirectly support the business activity in the region.



## Fiscal Impacts Analysis

The total spending generated by operations of the proposed new soccer stadium creates tax revenues for the County and the State. Although experience in other markets with newer MLS stadiums indicates that a significant portion of the direct spending would occur near the facility, spending also occurs near the stadium as well as in other areas within the region, particularly such spending as business services and the everyday expenditures of residents.

Each major tax source impacted by stadium operations was analyzed in order to estimate the taxable amount of direct indirect/induced spending to apply the respective tax rate. As appropriate, estimates were used to calculate tax benefits associated with a stabilized year of operations.

As shown in the table below, the incremental tax revenues related to on-going operations of the proposed new stadium are estimated to range from \$5.1 million to \$6.2 million annually.

<b>Estimated Incremental Annual Tax Revenues From Stadium Operations</b>			
		<b>Range</b>	
<b>Prince George's County</b>			
Admissions & Amusement Tax	\$1,681,000	-	\$2,031,000
Hotel/Motel Tax	\$109,000	-	\$147,000
Personal Income Tax	\$40,000	-	\$49,000
Total	<u>\$1,830,000</u>	-	<u>\$2,227,000</u>
<b>State of Maryland</b>			
Sales and Use Tax	\$2,422,000	-	\$2,956,000
Personal Income Tax	\$603,000	-	\$736,000
Corporate Income Tax	\$233,000	-	\$285,000
Total	<u>\$3,258,000</u>	-	<u>\$3,977,000</u>
<b>GRAND TOTAL</b>	<b>\$5,088,000</b>	<b>-</b>	<b>\$6,204,000</b>

Note: Amounts are presented in 2008 dollars.

Given the tax structure and the nature of this project, the fiscal impacts associated with on-going operations of the proposed new soccer stadium are estimated to be higher for the State of Maryland. Other taxes at the local and State level may also be impacted by stadium operations that are not included in this fiscal analysis.

The assumptions utilized in this analysis are described on the pages that follow.



## Prince George's County

*Admissions and Amusement Tax* - The admissions and amusement tax is a local tax collected by the State Comptroller's Office for local municipalities. The entire amount of the tax collected, less administrative expenses, is returned to the municipalities and counties imposing the local tax. The tax is generally levied on the admission or amusement cost for activities such as movies, amusements, athletic events, concerts, golf and the sale of refreshments at a nightclub or other similar entertainment venue. The tax on admissions differs among local municipalities in Maryland. According to the statute, if sales tax is also applicable, then a maximum combined rate of 11% can be assessed. For purposes of this analysis, an 11% tax rate is applied to estimated gross ticket sales at the proposed stadium to reflect both State sales tax (6%) and the admissions and amusement tax rate of (5%).

Historically, as the MSA has invested in capital projects, it has received a portion of the admissions tax collected within the relevant local community. For instance, the MSA receives 8 points of the admissions tax generated at both Oriole Park and M&T Bank Stadium. For purposes of this analysis, all revenue generated by the admissions and amusement tax is assumed to be retained by Prince George's County.

*Personal Income Tax* - Prince George's County imposes a personal income tax which is assessed against personal income earned in the County. The income tax is set at 3.10% of adjusted gross income and it applies to the taxable income of residents and nonresidents who derive income from a County source. For purposes of this analysis and based on information provided by the Comptroller of Maryland, an overall effective tax rate of 0.16% is calculated based on the federal adjusted gross income and the total personal income tax paid to the County for calendar year 2006. This effective tax rate is applied to total earnings estimated to be generated by the proposed stadium's operations.

*Hotel/Motel Tax* - Prince George's County imposes a tax on accommodations at a rate of 5.0%. Proceeds from this tax are collected by the County, of which a portion is distributed to the municipality where the tax was collected and to the Board of Education. For purposes of this analysis, the 5.0% hotel/motel tax is applied to direct hotel spending estimated to be generated by the proposed stadium's operations.

## State of Maryland Taxes

*Sales and Use Tax* - The State of Maryland collects a 6.0% sales and use tax from sales and leases of tangible personal property and services throughout the State. This tax source is the State's second largest source of general fund revenue. The 6.0% sales and use tax rate is applied to the estimated taxable amount of direct and induced/indirect spending generated by the proposed stadium's operations. As a point of reference and for purposes of this analysis, approximately 42% of direct gross stadium revenues, 84% of direct attendee spending outside of the stadium and 63% of induced/indirect spending are assumed to be subject to the sales and use tax. Ticket sales/facility rental revenues are excluded as they are reflected in the admissions and amusement tax.



*Personal Income Tax* - The State of Maryland imposes a personal income tax which is assessed against personal income earned in the State. The State income tax is set at 4.75% of adjusted gross income and it applies to the taxable income of residents and nonresidents who derive income from a Maryland source. Non-residents are subject to a special tax rate of 1.25%, in addition to the 4.75% for a combined rate of 6.0%.

This tax source is the State's largest single source of general fund revenue. For purposes of this analysis and based on information provided by the Comptroller of Maryland, an overall effective tax rate of 2.4% is calculated based on the federal adjusted gross income and the total personal income tax paid to the State for calendar year 2006. This effective tax rate is applied to total earnings estimated to be generated by the proposed stadium's operations.

*Corporate Income Tax* - A corporate income tax of 8.25% of corporate federal taxable income adjusted by State modifications is also levied by the State of Maryland on corporations. For purposes of this analysis and based on information provided by the Comptroller of Maryland, an effective tax rate of 0.4% is calculated based on the gross state product and the total corporate income tax paid to the State for calendar year 2005. This effective tax rate is applied to total spending estimated to be generated by the proposed stadium's operations.

### **Other Potential Economic/Fiscal Benefits**

#### MLS Playoff Matches and/or Special Events

D.C. United has made the MLS playoffs nine times since 1996 and RFK Stadium has hosted the MLS Cup three times. Although playoff matches/championship games are not shown in the utilization estimates, these events can generate significant economic impact. As a point of reference, an order-of-magnitude estimate of the potential economic/fiscal impact associated with a playoff match was developed. Based on average attendance of 26,000 people and utilizing the same methodology as previously described, one playoff match could potentially generate approximately \$1.5 million in direct spending and \$2.4 million in total spending as well as approximately \$192,000 in local and State tax revenues.

#### Proposed New Live Entertainment Venue

As mentioned previously, one of the potential ancillary development options for the proposed soccer stadium project is a 4,000 to 6,000-seat indoor venue that would be able to host a variety of concerts and entertainment activity. Based on a hypothetical event calendar of 30 events averaging 4,000 people per event for a total of 120,000 total attendance and the same methodology as previously described, this type of facility could potentially generate approximately \$10.4 million in direct spending and \$16.0 million in total spending as well as approximately \$1.2 million in local and State tax revenues on an annual basis.

### Stadium Construction

Construction costs for a facility of this scope can provide significant economic impact to the region during the construction period which may range from 18 to 24 months. Given the preliminary nature of this project, the economic and fiscal impacts associated with stadium construction are not estimated. However, once a final site is selected, the building program is finalized and construction costs are estimated, these one-time benefits can be calculated in terms of spending, earnings and employment. As a point of reference, every \$100 million in construction-related direct spending is estimated to generate approximately \$150.9 million in total spending, \$72.3 million in earnings and 1,300 total full-time equivalent employees.

### Property Taxes

Local governments could potentially benefit from increased property values and commercial development proximate to the proposed new soccer stadium which would result in additional property tax revenues.

### **Summary**

Viewing the proposed new soccer stadium as a company and the residents of the County and the State as its shareholders, the proposed facility has the ability to provide a strong return on the investment associated with on-going operations by:

- Receiving increased national and international exposure through media coverage
- Increasing and diversifying market share
  - ✓ The estimated event activity at the proposed new soccer stadium ranges from 54 to 63 events and 680,000 to 841,000 in total attendance annually in a stabilized year – the majority of which is estimated to be net new business to the State
- Attracting events that generate significant economic activity including spending, jobs and taxes in a stabilized year
  - ✓ Direct spending resulting from activities at the proposed facility is estimated to range from approximately \$42.5 million to \$51.9 million annually
  - ✓ Total spending (including indirect/induced benefits) is estimated to range from approximately \$65.4 million to \$79.9 million annually
  - ✓ Activities at the proposed facility are estimated to support approximately 1,080 to 1,320 full-time equivalent jobs annually
  - ✓ Fiscal benefits generated from sales and use, admissions and amusement, personal income, corporate income, and hotel/motel taxes are estimated to range from approximately \$1.8 million to \$2.2 million in the County and \$3.3 million to \$4.0 million in the State annually
- Contributing to the on-going revitalization efforts of the area by providing a critical mass of patrons to support area businesses as well as mass transit initiatives