

NEW HUNTINGTON BANK FIELD ENCLOSED STADIUM FACT SHEET

Economic Impact

A new enclosed stadium in Brook Park, anchoring a major mixed-use development with year-round events and significant job creation (5,400 FT permanent, 6,000 construction), will have economic and fiscal impacts that are a transformational opportunity for our region. This \$3 billion economic development project would sit on 176 acres that are currently vacant but with great proximity to downtown, the airport and major infrastructure.

Our experts (national real estate consulting firm RCLCO) have projected \$1.3 billion in annual economic impact.

Between the state and local levels, the project, together with Browns operations, are also projected to generate a total of \$6.3 billion in fiscal impact/tax revenues over the life of the initial 30-year lease.

At the local level, the project (and the additional proposed County taxes on visitors as well as a potential extension of sin tax) is expected to generate approximately \$3.4 billion in fiscal impact / tax revenues.

Proposed Public Funding

The proposed public funding model does not use any existing tax revenue sources or take away from current public uses, but instead leverages the fiscal impacts (new tax revenues) of the project to create both up front proceeds as well as substantial excess revenues that can be used by the public stakeholders to also ensure sustainability of the building by funding future capital repairs, and to advance other public initiatives.

In addition to incremental tax revenues that would not exist without the project, the only other potential local sources that have been discussed are new taxes that will be paid primarily by visitors to the region, in the form of an incremental 1% bed tax increase and a potential rental car surcharge in the County, neither of which would take away from existing public sources.

The funding plan leverages a \$2 billion plus private investment from the Haslam family and development partners and generates significant excess new revenues over time that could be used to support other important projects such as the lakefront redevelopment and the airport modernization -- again, without touching existing revenue that goes to critical public needs.

The public investment doesn't require any existing tax revenue and instead uses substantial new incremental tax revenue generated by the project itself. State and local governments in Maryland, Florida, Tennessee, North Carolina and New York primarily have provided direct grants to support new and renovated NFL facilities, but that has not been our approach here.

County Funding

The primary ask of the County is to leverage its strong credit and issue bonds that will be repaid by the new project-generated Brook Park revenues, along with potentially two new county taxes on visitors to the region, the 1% incremental bed tax, and a rental car surcharge.

The proceeds of these sources allow the county to issue bonds generating \$600 million in up front project funding, to go along with the \$1.2 billion+ private stadium investment (which would include and cost overruns). In our model, more than two thirds of the revenues backing the County bonds would be from new Brook Park sources, as approximately \$422 million of the \$600 million would be attributed to Brook Park admission tax, incomes tax and parking tax, all generated by the project.

The remaining ~\$178 million of the issuance would come from the new County sources that would be paid by visitors to the County (incremental bed tax and a rental car surcharge) and protect existing County revenues.

Brook Park Funding

Every dollar of taxes / fiscal impact generated by the project and Browns operations in Brook Park is new / incremental. Because of the year-round impact of the dome and the transformative development it enables, Brook Park has tremendous capacity to contribute to the project – nearly \$1.8 billion in projected fiscal impacts over the initial 30-year lease. The biggest portion of these Brook Park fiscal impacts is admissions tax, which would be enhanced by an agreement to increase Brook Park's current 3% admissions tax to 6.5%, generating substantial proceeds from Browns tickets and the other year-round activity enabled by the enclosed stadium. Substantial income tax revenue from player and staff salaries, as well as development-generated labor, along with parking tax, also contribute to the project's fiscal impacts and would be pledged towards funding for project costs.

There are numerous ways to leverage the Brook Park fiscal impacts for up-front project funding, but far and away the most efficient way is for the County to wrap these revenues with its strong credit and issue bonds that will be repaid by the Brook Park sources. In this scenario, the Brook Park fiscal impacts are projected to yield approximately \$422 million in up front proceeds. Because we understand that the County is planning to leverage its sales tax credit for other critical priorities, including funding of the new jail, we have stayed away from sales tax in our proposal, and are instead asking the County to leverage its non-tax credit to maximize the Brook Park revenue streams. The County followed a similar model in wrapping the local revenues by backing City of Cleveland tax revenues with its sales tax credit to issue bonds in the recent Cavs and Guardians renovation deals.

State Funding

This is not a typical public stadium contribution and not a typical sports facility project (it's a \$3.4B economic development project) – it is not a grant from the general fund – which is what the state has done in the past, but rather a new (and replicable) model that requires significant private investment, and only leverages the substantial new direct taxes generated within the project site to pay back the bonds. In this sense, we are not asking the State to contribute \$600 million as has been done in the past, and the \$50 million precedent for past sports facility support from the state isn't a fair comparison; rather, we are asking the State to borrow its balance sheet to maximize the impact of the taxes generated by the project and Browns operations. We've worked to identify the net new incremental state income, sales and commercial activity taxes from the project that will do more than just pay back the bonds, they will generate substantial excess for the State. Like the local funding model, the proposed state investment does not leverage any existing tax revenues, but uses only direct taxes attributed to the project.

In early February as part of his initial state budget presentation, Governor DeWine introduced a creative plan that would solve funding for all future stadium projects across the state with a sport gaming tax increase. Haslam Sports Group was not part of those discussions but appreciates the Governor's creativity and we look forward to learning more about the details of the plan while continuing to work on our proposal for state level support of this transformational project that would allow Ohio to compete with other states in the Midwest for premiere large scale sports and entertainment events year-round.

Capital Repairs

To ensure the new enclosed stadium is a long-term, sustainable community asset that lasts well beyond an initial 30-year lease, we are solving for future capital repair needs in the up front funding model. Particularly if the County participates in the project and wraps the Brook Park revenue sources, the significant excess local tax revenues generated by the project will be more than sufficient to fund debt service on the bonds, capital repairs (projected to be approximately \$400 million in future dollars over the life of the 30 year lease) and other public uses.

Fan Experience

The New Huntington Bank Field enclosed stadium will have a transparent roof made of advanced ETFE material which will give you an outdoor feel with the comfort of being indoors. It is designed to let light in like glass but is lighter and more economical. The ETFE material allows sunlight and radiant heat through the roof.

The seating bowl has seats that are the lowest and closest in the NFL. It has the smallest upper deck of any large venue in the NFL, meaning that we've taken large upper deck that currently exists on the lakefront and redistributed all those seats lower in the seating bowl, keeping people closer to that action.

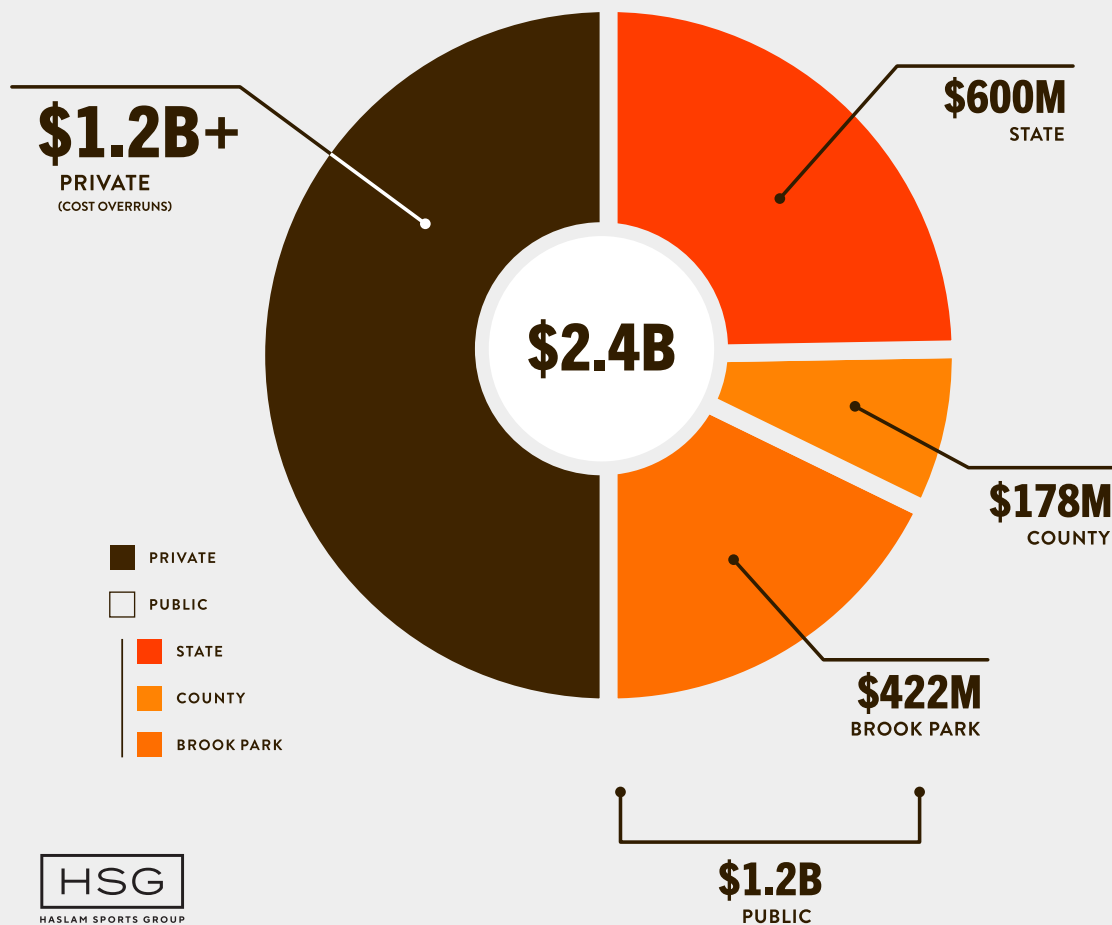
The Dawg Pound will be intimidating and reinforce the homefield advantage it always creates with a vertical wall of fans for the most passionate fans in the NFL. We have brought them as close as we can to the players and to the end zone. There is also what we call The Grand Concourse – which is taking the idea of traditional concourse and stadium, and creating a new experience for grabbing concessions and food into more of an experiential treat.

The stadium will be designed by HKS, who has worked on a number major dome stadiums in the NFL - will seat 67,500 with 2,500 SRO for Browns games, scalable up to 75,000 seats and down to 7,000 (using one endzone) to maximize the types of events it can accommodate while also offering a wide range of products and pricing options.

There will be substantial tailgating at the stadium that ample surface parking surrounding the stadium will enable and allow the many traditional tailgating experiences Browns fans expect along with new traditions.

BROOK PARK STADIUM ECONOMICS PROPOSAL

ZERO USE OF EXISTING TAX DOLLARS – CONSTRUCTION DEBT PAID BY PROJECT-GENERATED TAX REVENUE



STATE - \$600M

SOURCES:

INCOME TAX / SALES TAX / COMMERCIAL ACTIVITY TAX

PROJECT
FISCAL IMPACT
\$2.9B

**EXCESS
\$1.3B**

TO STATE AFTER DEBT SERVICE

COUNTY - \$178M

SOURCES:

1% BED TAX / RENTAL CAR FEE

BED TAX / SALES TAX / PROPERTY TAX / SIN TAX

BROOK PARK - \$422M

SOURCES:

ADMISSION TAX / INCOME TAX / PARKING TAX

PROPERTY TAX / BED TAX

COUNTY
\$1.6B
BROOK PARK
\$1.8B

PROJECT
FISCAL IMPACT
\$3.4B

**EXCESS
\$2.1B**

TO COUNTY / BROOK PARK
AFTER DEBT SERVICE

POTENTIAL USE FOR EXCESS REVENUE:

LAKEFRONT DEVELOPMENT / JAIL OR COURTHOUSE

CLEVELAND HOPKINS AIRPORT / OPERATING EXPENSES

CAPITAL REPAIRS / INFRASTRUCTURE / GENERAL FUND