



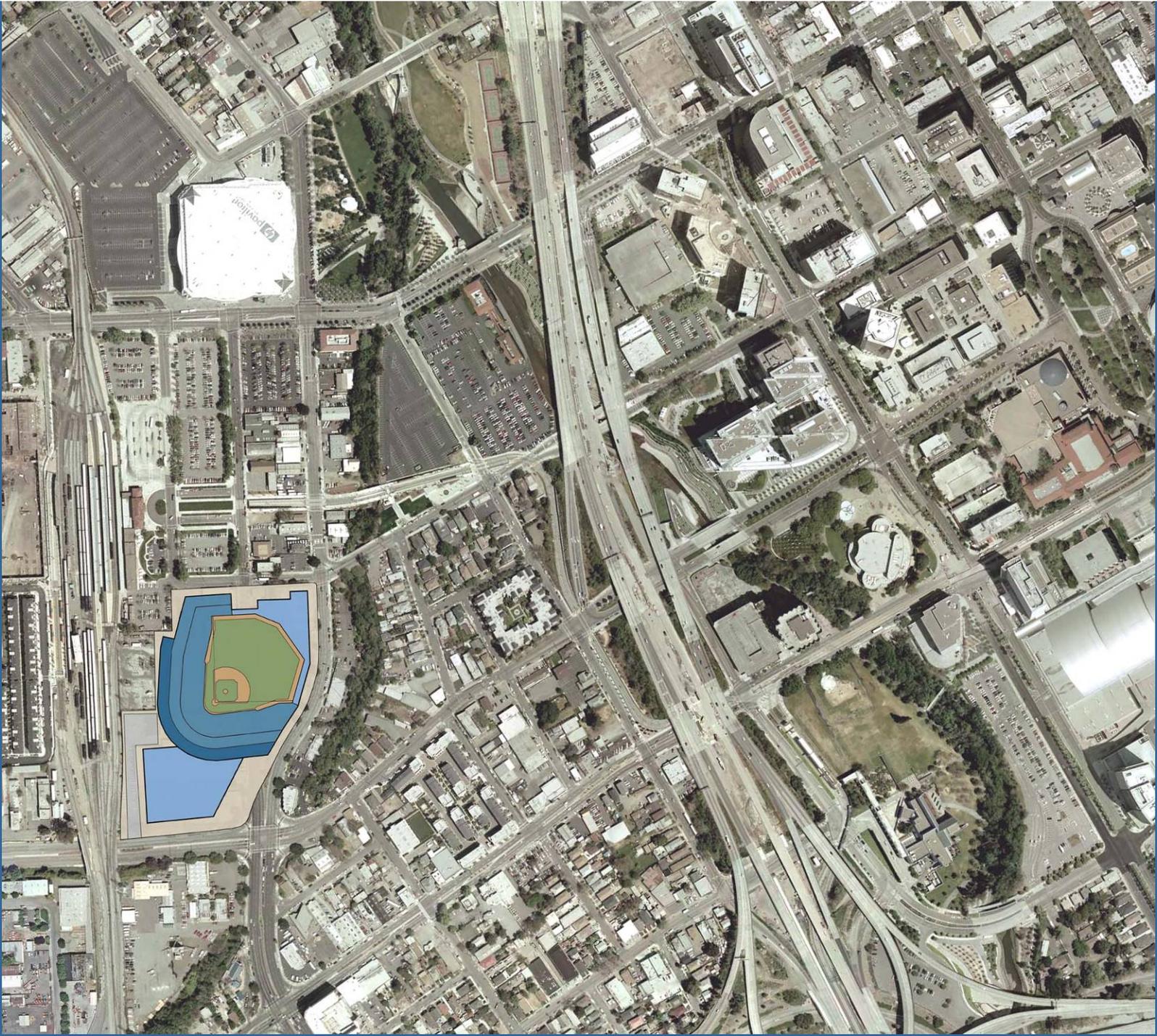
*Economic Impact Analysis:*

# **Proposed Major League Ballpark**

September 15, 2009

# Economic Impact Analysis

- Purpose – to analyze potential economic and fiscal impacts associated with a new ballpark
- Economic Impact – measures direct spending, total output, personal earnings, and employment
- Fiscal Impact – measures change in tax revenues and City costs.



# Key Assumptions: Negotiating Principles

The Negotiating Principles were incorporated as key assumptions in the analysis.

- The stadium development must generate a significant economic benefit to San Jose and have a positive impact on the City of San Jose's General Fund.
- The MLB team, at no cost to the City of San Jose, will be responsible for financing and building the stadium structure and improvements on the approximate 14-acre designated stadium site.

# Key Assumptions: Negotiating Principles (con't)

- The MLB team will be responsible for financing all stadium operating costs related to its activities within the stadium site and surrounding areas.
- The name of the MLB team must include San Jose.
- If the City or Redevelopment Agency recommend a contribution in the form of land or a financial contribution for any other ballpark specific items, a vote by the citizens of San Jose will be required on the stadium project.

# Other Key Assumptions

- \$489 million, 32,000 seat ballpark with 81 home MLB games and 3 non MLB events
- Economic and fiscal impact only count net new spending in San Jose.
  - e.g. Only counts spending of fans who are BOTH from out of town AND whose primary purpose in visiting is attending the ballgame or event.
- Jobs figures count only those jobs estimated to be net new jobs for San Jose residents.

**Daily Out-of-Facility Per Capita Spending Comparison  
Previous San Jose Sporting Event Studies vs. CSL Studies**

<b>Source</b>	<b>Study Study Year</b>	<b>Daily Per Capita Spending</b>	<b>Daily Per Capita Spending Inflated to 2009 <sup>(1)</sup></b>
San Jose Sharks Study	2008	\$63	\$65
San Jose MLS Study	2007	\$77	\$82
San Jose CAHA Study	2007	\$123	\$130
San Jose NCAA Study	2007	\$142	\$151
CSL Intercept Studies <sup>(2)</sup>	2009	\$47 <sup>(3)</sup>	\$47 <sup>(3)</sup>

*Notes:*

*(1) Inflated at 3% annually.*

*(2) Based on the results of the intercept studies conducted at other MLB ballparks.*

*(3) Represents out-of-facility spending for non-local visitors only. Does not include out-of-facility spending from local residents.*

# Economic Impact of Operating Ballpark

- Economic output - \$130 million annually
- 980 new jobs for San Jose with \$62 million in annual earnings (full, part-time, and seasonal)

# Economic Impact of Ballpark Construction

- Total annual economic output during three years of construction - \$145 million
- 350 new construction jobs annually for three years with more than \$65 million in new earnings

# Fiscal Impact to the City of San Jose

Net new General Fund Revenue	\$1,450,400
Revenue for CSJ GO Bonds	\$ 109,000
Redevelopment Agency	\$ 912,000
<u>Housing Department</u>	<u>\$ 706,000</u>
 Annual Total	 \$3,177,400

- In addition, more than \$2.3 million annually for other local government entities

# Office Alternative Analysis

- Assumes construction of 1,000,000 square foot office/retail space beginning in 2018 and completed in 2038
- More than 1.5 million of existing vacant and currently permitted downtown office space would need to be absorbed prior to construction
- Assumes that construction of High Speed Rail and BART are complete by 2018

# Major League Ballpark Summary

- 30 Major League Baseball Teams
- Since 1992
  - 19 Teams have built new ballparks
  - 7 Teams have renovated existing ballparks
  - 2 teams have ballparks under construction
- Leaving only 2 teams with out new ballparks
  - Chicago Cubs –Wrigley Field
  - Oakland Athletics – Coliseum

# Conclusion

An agreement consistent with the Negotiating Principles on the construction and operation of a Major League Baseball ballpark will:

- Generate significant economic benefit to the City of San Jose, and
- Have a positive impact on the City's General Fund.



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